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SENATE—*Tuesday, June 27, 1978*

(Legislative day of Wednesday, May 17, 1978)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by Hon. ROBERT MORGAN, a Senator from the State of North Carolina.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, at the beginning of a new day our souls rejoice in Thy mysterious greatness. We thank Thee for the world about us, for the sacrament of nature, for the world within us deeper than we can fathom, and for the daily call to duty.

Let all voices be stilled that Thy voice may be heard. Help us to perceive Thy commands and to obey them. Make us sensitive in knowing Thy will and strong in doing it.

Our highest thoughts of Thee are but distant shadowings of Thy transcendent glory. If Thou art in nature, still Thou art more than nature. If Thou art in our hearts, still Thou art greater than our hearts. Help us to live and move and have our being in Thee.

Hallowed be Thy name forever and ever. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 27, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable ROBERT MORGAN, a Senator from the State of North Carolina, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. MORGAN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I have no request for my time, and I yield it back.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

DAVID GARTNER

Mr. BAKER. Mr. President, exactly 1 week ago I wrote to President Carter urging that he call for the resignation of Mr. David Gartner as a member of the Commodity Futures Trading Commission. Although I did not question Mr. Gartner's competence or ability to hold a variety of other Government positions, his appointment to the CFTC posed a serious, and in my view insurmountable, conflict of interest.

It was for that reason that I was pleased to see the President call for his resignation in his news conference yesterday. Despite reports that Mr. Gartner refuses to resign, I sincerely hope that he will heed the advice of the President and others. I suspect that any effort to tenaciously cling to his job at the Commission in light of requests from the House, Senate, and now the White House for his resignation will damage, if not destroy, any chance that he might have of nomination or confirmation for Government jobs.

The conflict of interest which arises from his present position is obvious. His children received gifts of stock worth $72,000 from Mr. Dwayne Andreas, who is chairman of the board of Archer-Daniels-Midland Corp. The ADM Corp. is one of the largest grain dealers in the country. Therefore, virtually every action taken by the CFTC which affects the commodities industry, directly affects ADM. Moreover, a pledge to disqualify himself from CFTC decisions affecting ADM is either meaningless or would require Mr. Gartner to disqualify himself from an extraordinary portion of the Commission's business.

For these reasons, I urge Mr. Gartner to resign rather than force the Congress to take action.

Mr. President, I yield the remainder of my time under the standing order to the distinguished assistant minority leader.

SPECIAL ORDER

The ACTING PRESIDENT pro tempore. Under the previous order, the distinguished Senator from Alaska (Mr. STEVENS) is recognized.

Mr. STEVENS. I thank the Chair and I thank the distinguished minority leader.

Mr. President, I ask unanimous consent that Michelle Larson be granted the privilege of the floor during these remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ALASKANS AND THE ENVIRONMENT

Mr. STEVENS. Mr. President, this is another statement I would like to make about the so-called d–2 lands issue affecting my State. I would like to title this one Alaskans and the environment.

Too often the d–2 issue is described by many people as being an effort to save Alaska from Alaskans, and this needles us a great deal. Alaskans are environmentalists. I think we could say we are environmentalists to the core. We really do not need prodding from those in the lower 48 to protect our wilderness.

On its own initiative, Alaska has created more wildlife refuges and parks from State lands, to protect not only the key wildlife habitat areas but also areas of high scenic values that are located on State lands, than any other State of the Union. We have the finest park system in the Nation under State management today.

Of the first 35 million acres that the State of Alaska received as a State under its entitlement, 10 percent of that land has gone into protective status, and we are very proud of that fact. Only last week the Alaska State Legislature approved the Wood River-Tickchick State Park. This is a 1.4 million acre State park, one that I might say the Federal

agencies coveted for many years, but we think we can manage it better. We selected it and the legislature has now established it as a State park.

It will be a tremendous recreation area for the Nation. It will be managed for all Americans. Located within that State park will be some of the finest sports fishing in the world. The State of Alaska selected that park, because it wanted to have the finest State park system in the Nation. It think the action of the State legislature demonstrates our total commitment to the park system.

Alaska has placed nearly 2 million acres in our State park and recreation areas to date. There are 3 million acres of State lands, both uplands and wetlands, which have been placed in a wildlife habitat management system.

We believe that the total commitment of Alaskans ought to be recognized by the rest of the Nation. We have the areas that are in Federal management that were set aside back in 1961 at the request of Alaskans. These include the great arctic wildlife range of 9 million acres set aside to protect the flora and fauna of Alaska in the Northeast corner of our State. As I pointed out to the Senate before, that area was established at the request of the Fairbanks Women's Garden Club.

We also have other great refuges: Cape Newenham, the Clarence Rhode Wildlife Range, the Izembek-Kuskokwim Wildlife Range. Again, these were created at the urging of Alaskans. I have mentioned to the Senate before that Clarence Rhode, who was a great Alaskan, lost his life flying into the area to make certain that the protection that was offered by these wildlife refuges for migratory waterfowl was sufficient.

Mr. President, Alaska has 72 percent of the Nation's wildlife refuges today. Before 1 additional acre is added by the d-2 legislation, 72 percent of all the wildlife refuge acreage in the Nation is in my one State.

I was told recently that we could say that 10 percent of the wildlife refuge protection areas of the world are in Alaska, and yet we face daily demands for additional designation of lands for park and wildlife refuge status.

Twenty-six percent of all the Nation's national park acreage is in Alaska today, as well as 11 percent of the forests, including the two largest national forests in the United States, the Chugach and the Tongass National Forests.

We have taken firm action as a State to back up our commitment to scenic and wildlife protection. Our State has a budget of $35.5 million for Alaska fisheries enhancement and protection.

I want to point out that that is the State budget, State funds. The Federal Government, which has under its management control 72 percent of all the wildlife refuge acreage in the country in Alaska, has budgeted, only $16 million for 1977. In other words, the financial commitment of the United States to the protection and enhancement of the wildlife in Alaska just is not there when it comes to spending money.

They are willing to draw lines on a map and say that that is wildlife protection, but when it comes down to putting up the dollars, the hard dollars, for protection and enhancement, the Federal Government has not done it. Alaska has.

Its commitment to funding is there. This year again, in 1978, of $248 million for the Federal Fish and Wildlife Service, only 7 percent of it was committed to Alaska, although the Alaska refuge comprised 72 percent of the lands that the Fish and Wildlife Service had under its protection.

For next year, it is even worse. For 1978, the budget provides $16 million out of $292 million for Federal Fish and Wildlife Service protection for the lands under their jurisdiction. The $16 million is constant. Even though their budget is going up, their commitment to Alaska is not there. I do not see how we can continue a concept whereby the Federal Government is going to maintain control over these lands if the Federal agencies are unwilling to ask for the money which is necessary to provide the management protection for the fish and wildlife. I say to the Senate that Alaska can do a better job in managing the fish and game of Alaska, and our commitment is there in terms of dollars. We have demonstrated that in the past.

We have demonstrated our commitment in terms of the offshore areas when the State stepped in and bought back the Kachemak Bay leases. They had been leased to the oil and gas industry and it was determined that those leases, if they were developed, might jeopardize our fisheries resources. The State put up the money and bought the leases back. I think that is unprecedented in the history of the oil and gas movement in the United States.

We have paid half the cost of maintaining the State and Federal Land Use Planning Commission to plan for the use of Federal lands in Alaska. No other State has done that. As a matter of fact, no other State has even been willing to participate in a joint planning effort with the U.S. Government, but Alaska has.

We have demonstrated our commitment, I believe, to the concepts of wildlife protection. We now have a State law that prohibits a person from hunting and flying on the same day. I bet most Americans do not know that. Yet 70 percent of all of the localities in my State can be reached only by air. It means that we will not allow people to fly and spot wildlife, then land and go out and get that wildlife. We have given wildlife the edge in terms of our hunting effort in Alaska.

We have also dedicated 5 percent of all our oil and gas revenues to planning for renewable resource protection and development. That, I think again, no other State has done.

Alaskans live with and love our environment as no other Americans do. I think those in the lower 48 should remember why Alaska citizens came to Alaska and why our Native people and those who were born there remain there. We remain there, because we are free. We live at peace with the nature of our State and we are pleased to be the hosts of our visitors from the south 48, to be good neighbors. But the Alaska wilderness affords the last place where a person can experience the most fundamental right, the right to be left alone, to escape civilization, and to be free. I say to the Senate that those who would lock up Alaska would lock up the human spirit that exists there.

We face a tough issue in this d-2 legislation coming before the Senate this year. It is my hope that every Member of the Senate will read John McPhee's novel, entitled "Coming Into the Country." Mr. President, let me close with a quote from that book:

McPhee's novel can really not be said to be a pro-Alaskan-point-of-view novel; it is not anti-Alaskan, either. We are proud that John McPhee came to Alaska, stayed there a couple of winters, and fell in love with it. We respect that love affair. He said in one place in his book:

> It is one of the ironies of Alaska that in the midst of this tremendous wilderness, people consider themselves fortunate to have (anywhere at all) a fifty-by-hundred foot lot they can call their own . . . what the law now calls for is the removal of the last place in the United States where the pioneer impulse can leap from confinement. It is in the character of the impulse (to) leap anyway. (The) momentum is too great to be interrupted by an act of Congress.

We, in the Senate, can work together to protect this last bastion of freedom from an ill-considered act of Congress. We can devise a bill that will assure protection of Alaska's wildlife so that its wilderness can continue to provide habitat for all species, including the human spirit.

CAN OIL BE GUARDED?

Mr. STEVENS. Mr. President, as the Members of the Senate know, the trans-Alaska pipeline system is now transporting over a million barrels of oil a day to markets in the lower 48. The pipeline has become a vital energy artery, and interruption of this supply would cause major disruption in our domestic energy picture.

Over the past year a series of incidents have occurred which have concerned me and indicated the vulnerability of our oil and gas transportation systems. At least two efforts have been made, one successful, to damage the Alaska pipeline. A recent article in Newsweek indicated the possibility of terrorist attacks on our oil and gas resources is not limited to Alaska and, indeed, not limited to the United States. I ask unanimous consent that the article be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. STEVENS. Because of my concern over the threat to our pipelines, I introduced a bill last year which would make it a Federal crime to damage an interstate pipeline. The Senate recognized the threat and passed the bill, sending it to the House. I think the danger is real, and I hope the House will act promptly to pass this legislation, which would reduce the danger of harm to our essential petroleum lifelines.

EXHIBIT 1

CAN OIL BE GUARDED?

Any day now, at a British military base in Scotland, the signal will be given for the start of a top-secret commando exercise. Within seconds, scores of Royal Marines, navy divers and army bomb-disposal specialists will leap into helicopters and patrol boats, and hurtle eastward across the stormy North Sea. Their mission: to stop a terrorist raid on an offshore oil rig. This time, the "terrorists" who attack the platform will merely be fellow British troops, their strike a carefully staged facsimile. But the war game is in deadly earnest.

In recent years, saboteurs have blown up oil and gas lines in Indonesia, Venezuela and several Middle Eastern countries; even the Alaska pipeline was disrupted last summer by a series of minor explosions, and again last fall when someone deliberately opened a critical valve, allowing thousands of gallons of oil to drain away. Like Britain, many countries are determined to do everything possible to prevent such raids. Norway has invested millions of dollars in the latest early-warning equipment, and last month, eight Mideast governments announced plans for an "Oil Interpol" to fight assaults at their fields.

Little Action: Such efforts are probably just deterrents: the only effective way to repel determined terrorists may be to station armed troops on every rig and along every couple of miles of pipeline. But by comparison with other countries, the U.S. has all but ignored the threat of sabotage. Despite numerous warnings that it can happen here, neither the oil companies nor the Federal government have taken much preventive action.

The result is that American energy supplies are wide open to terrorist attack—so much so that many people are afraid even to talk about it. They say it's like advertising that you're leaving your house for a month. But others think the problem can be solved only by bringing it out in the open. Says Maynard M. Stephens, a Tulane professor who prepared three disturbing studies of the subject for the Federal government: "The system is vulnerable all along the line. I could take a handful of Boy Scouts and, in an hour, deal a damaging blow."

According to Stephens and other experts, the most vulnerable points in the energy system are the offshore oil and gas fields in California and the Gulf of Mexico. Gould, Inc., a major defense contractor, has identified five threats to such platforms: aircraft, small surface boats, submarines, swimmers and internal saboteurs. Each method of attacks has its drawbacks; helicopters or planes, for example, would be picked up by radar. But Capt. Robert Denton, head of naval intelligence in Panama City, Fla., warns that the threats are real. "Offshore energy assets are essentially unprotected, and are vulnerable to overt, clandestine or covert attack," he wrote recently for the Naval Engineers Journal.

While an attack on an offshore rig could be costly, a land strike might prove disastrous. One huge pipeline in Louisiana carries more than 2.5 million barrels of petroleum a day. Any terrorists looking for the artery would have little trobule since, by law, every spot where it crosses a river or road must be marked. An explosion anywhere along its length could knock out much of the Northeast's petroleum supplies for up to six months. Refineries, says Stephens, are equally vulnerable: "I start to sweat thinking about all the possibilities."

Alarm Systems: So do officials of the big U.S. oil companies, who are understandably reluctant to discuss the problem. Most have decided that the logistics and costs of protecting every installation and supply line are simply too formidable. "We could spend millions and millions of dollars a year on security systems," says an official of one company, "and our defense against a small band of terrorists would still be marginal at best." One major company is investigating underwater-detection devices for offshore rigs that would pick up the intrusion of alien boats. But spokesmen point out that such detectors—costing about $500,000 per platform—would leave the tops of the rigs unprotected. In any case, a defense force would have to be within striking distance to respond to the alarm.

The government, too, has begun to take some tentative steps toward dealing with the problem. Several agencies have been studying it and, next fall, the General Accounting Office plans to issue a report on pipeline security. Meanwhile, the FBI has asked its field offices to work out plans for hunting down terrorists, and members of its Special Weapons and Tactics (SWAT) team in New Orleans practice at a nearby naval air station, rappelling out of helicopters from 90 feet aloft and blazing away with automatic weapons. But by comparison with the semiannual British war games, involving hundreds of troops and the nation's intelligence network, it's a token exercise.

Call the Cavalry: There's a special rub for the U.S., of course—the sheer size of the country and its widely dispersed resources. But security specialists point out that some added deterrents seem reasonable. For example, right now not one Navy ship is patrolling the Gulf of Mexico. "If this were Greece, and someone threatened the statues, every Greek would want to know why the army was not protecting the national treasure," says one security consultant. "Well, oil and gas are our national treasure, and something must be done to safeguard them." The question, he warns, is whether it will take a terrorist attack to force enough public calls for the cavalry.

Mr. STEVENS. I thank the Chair, and I yield the floor.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond the hour of 10 o'clock, with statements therein limited to 3 minutes.

THE ESKIMO AND THE WHALE

Mr. STEVENS. Mr. President, I have spoken to the Senate quite often about the problem of the International Whaling Commission's rule on subsistence whaling by Alaska Eskimos. I am pleased to report to the Senate that, although the quota was extremely low this year—12 whales, which is less than one-third of the minimal take in the past years—our Alaska Whaling Commission did work with about 4,000 Eskimo hunters and only 10 whales were taken during the spring hunt. This was despite the fact that a record number of whales were sighted in the Arctic Ocean and it took tremendous restraint on the part of the Eskimo people to refrain from hunting this year. We urged them to do so.

As I said, I am extremely proud about our Eskimo citizens and they did not take the full quota that they were allotted, because they wanted to demonstrate to the Nation and to the world the count of the bowhead whales that had been estimated by the International Whaling Commission was wrong.

The facts are now in. The count was demonstrated that 2,264 whales, as a minimum, passed the Arctic Ocean ice stations. That is more than twice the maximum amount that had been estimated by the Whaling Commission.

The Whaling Commission is now meeting in London. We have urged that that quota that was established without regard to the factual status of the bowhead whale be lifted, that the Alaska Whaling Commission be given a special status with regard to establishing a system of limitation on the taking of bowhead whales, one that would be voluntarily imposed and voluntarily monitored by the people who have more at stake in terms of continued existence of the bowhead whale than any other Americans.

Mr. President, I ask unanimous consent that the article from the Anchorage Times entitled "Survey Indicates Bowheads Thriving, Not Near Extinction" be printed in the RECORD at this point.

was ordered to be printed in the RECORD,

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Anchorage Times, June 15, 1978]

SURVEY INDICATES BOWHEADS THRIVING; NOT NEAR EXTINCTION

(By Robert Weller)

A just-completed count of bowhead whales found twice as many as the International Whaling Commission believed existed when it set the first quota on whale hunting by Eskimos.

Alaska Gov. Jay Hammond said Thursday the new count by federal biologists shows Eskimos were right when they contended the IWC was underestimating the bowhead population.

Richard Frank, U.S. representative to the international commission, said the census of migrating whales shows the bowhead "is in better shape than the IWC thought. And it's in sufficiently good shape to allow a substantially higher quota."

The commission, fearing the massive bowhead was nearing extinction, last year had ordered a halt to all subsistence hunting of bowheads beginning this spring. It later allowed a quota of 12 whales—roughly a third of the kill in recent years. Commercial hunting was outlawed more than 40 years ago.

But Eskimos have been hunting whales for several thousand years and when the ban

was announced, whalers vowed to continue hunting. Few believed they were bluffing; a government effort in 1950 to stop illegal duck hunting had ended when Eskimos violated it en masse. Eskimos contended they had to keep hunting because whales were an irreplaceable part of their diet, and whale hunts were essential to their culture.

When the IWC allowed the quota of 12 whales for Alaska's nine whaling villages, with a total population of about 4,000, the Eskimo hunters and their newly created Eskimo whaling commission cooperated with the international group. And only 10 whales were taken during the spring hunt.

Frank, director of the National Oceanic and Atmospheric Administration, praised the Alaska Eskimo Whaling Commission for persuading hunters to comply with the quota. He said his agency expected to decide by next week what stance to take at the next meeting of the IWC, set for June 26 in London.

Eskimo leader Eben Hopson said his people hope the U.S. government will "try to do away with the quota altogether" or remove subsistence whaling from the jurisdiction of the IWC. He said at the very least, the IWC should increase the quota in time for the fall hunt.

Hopson, mayor of the North Slope Borough, said Eskimos would be happy if the international commission left the regulation of bowhead whaling to the Eskimo Commission.

Frank did not seem inclined to support an end to all regulation. He said the bowhead population remains "modest enough that we still need some form of regulation and observation." But he added, "The Eskimo whaling commission has shown that it can self-regulate effectively."

Last year the IWC said the bowhead population probably ranged from 800 to 1,200 with 1,000 the most likely figure.

Bill Marquette, in charge of the whale-counting camps in Barrow, said statistical analysis indicated 2,264 whales had passed the counting stations on the Arctic ocean ice. A little more than 1,700 whales were actually seen.

The count has ended, although an occasional whale still passes by. "Ice conditions are too bad to continue counting," Marquette said. With the warmer weather of the approaching Arctic summer, the ice is breaking up.

Marquette added, "We feel we counted a very high percentage." Aerial surveys were used to make sure whales weren't migrating out of sight of the observers.

Hopson said the count "is probably pretty fair," but doesn't take into account whales who turn toward Russia once they pass through the Bering Strait. Frank conceded biologists need further research on that factor. A new counting effort will be made next spring.

Hopson says that by the scientists' own standards, the quota should be increased in time for the fall hunt—otherwise only two more whales may be taken. He said scientists believe the bowhead population increases at about four percent a year, and it is safe to take up to half of that population increase.

That would mean, based on actual sightings alone, an additional 25 whales could be taken this year, Hopson said. He also said the Eskimo commission is keeping a tight enough rein on hunters to make further quotas unnecessary.

One of the reasons the international commission became concerned about the bowhead was that more Eskimos, some of them inexperienced, were hunting in recent years. That resulted in a sharp increase in the number of whales taken, and in the number of whales struck but lost.

The commission restricted the use of "shoulder guns" to whales that already been struck with a harpoon. The "shoulder guns" were used by some hunters in an effort to kill a whale from a long distance, but the devices are only effective at close range. That means hunters must use the "darting gun," a harpoon with an explosive charge on it. The heavy harpoon is thrown by hand, requiring the whalers to bring their walrus-skin boats virtually on top of the whales.

But for the time being, some of the villages are having to get by without their usual share of whale meat. Bowheads, which range up to 50 feet long, supply a ton of high-protein meat per foot. A study by a University of Alaska sociologist predicted the full impact of the quota won't be felt for some time, but that it will leave some families hungry.

And Hopson says some of the joy has gone out of village whaling festivals—the highlight of the end of the long Arctic winter. "It's like a hunter who has been taking eight or nine ducks. Then a game warden comes up and tells him he can take only one duck as he watches the other ducks go by. It's hard to celebrate the taking of one duck."

RECESS UNTIL 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess until the hour of 10 o'clock a.m. today.

The motion was agreed to, and at 9:51 a.m. the Senate recessed until 10 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mrs. HUMPHREY).

EXECUTIVE SESSION

TAX CONVENTION WITH THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND—EXECUTIVE K, 94TH CONGRESS, 2D SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now go into executive session to vote, upon reconsideration, on the resolution of ratification of Executive K, 94th Congress, 2d session, as amended by the Church reservation.

The treaty will be stated by title.

The second assistant legislative clerk read as follows:

Executive K, 94th Congress, 2d Session, Tax Convention with the United Kingdom of Great Britain and Northern Ireland, with two protocols.

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Indiana (Mr. BAYH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. MCGOVERN) is absent on official business.

I further announce that, if present and voting, the Senator from Minnesota (Mr. ANDERSON) and the Senator from Louisiana (Mr. LONG) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Massachusetts (Mr. BROOKE), the Senator from Maryland (Mr. MATHIAS), and the Senator from Illinois (Mr. PERCY) are necessarily absent.

I also announce that the Senator from California (Mr. HAYAKAWA) is absent to attend the funeral of a Member of the House of Representatives.

I further announce that, if present and voting, the Senator from Illinois (Mr. PERCY) would vote "yea."

The yeas and nays resulted—yeas 82, nays 5, as follows:

[Rollcall Vote No. 178 Ex.]

YEAS—82

Allen	Hansen	Nelson
Baker	Hart	Nunn
Bartlett	Haskell	Packwood
Bellmon	Hatch	Pearson
Bentsen	Hatfield, Mark O.	Pell
Biden	Hatfield, Paul G.	Proxmire
Bumpers	Hathaway	Randolph
Burdick	Heinz	Ribicoff
Byrd, Harry F., Jr.	Helms	Riegle
Byrd, Robert C.	Hodges	Roth
Cannon	Hollings	Sarbanes
Case	Huddleston	Sasser
Chafee	Humphrey	Schmitt
Chiles	Jackson	Schweiker
Church	Javits	Sparkman
Clark	Johnston	Stafford
Cranston	Kennedy	Stevens
Culver	Laxalt	Stevenson
Danforth	Leahy	Stone
DeConcini	Lugar	Talmadge
Dole	Magnuson	Thurmond
Domenici	Matsunaga	Tower
Durkin	McIntyre	Wallop
Eagleton	Melcher	Weicker
Ford	Metzenbaum	Williams
Garn	Moynihan	Young
Glenn	Muskie	Zorinsky
Griffin		

NAYS—5

Curtis	McClure	Scott
Goldwater	Morgan	

NOT VOTING—13

Abourezk	Gravel	McGovern
Anderson	Hayakawa	Percy
Bayh	Inouye	Stennis
Brooke	Long	
Eastland	Mathias	

The PRESIDING OFFICER. On this vote the yeas are 82, the nays are 5. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification and the Church reservation thereto, upon reconsideration, are agreed to.

Mr. ROBERT C. BYRD. Madam President, I move to reconsider the vote by which the resolution of ratification and the Church reservation thereto were agreed to.

Mr. SPARKMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Madam President, I ask unanimous consent that Mr. JAVITS may have 5 minutes, before going back to legislative session, to address some comments to the treaty.

Is there anyone else who wishes to speak with reference to the treaty?

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New York.

Mr. JAVITS. Madam President, I hope the Senate realizes that what we have done is very serious. We have for all practical purposes eliminated a very important provision of this treaty for which the United Kingdom believed it had entered into the treaty. For all intents and purposes it was for the British the critical balance contained in the treaty.

The United Kingdom considers the unitary tax system—Madam President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. JAVITS. Madam President, the United Kingdom considered article 9(4) the quid pro quo for a very large retroactive refund of about $375 million and an annual prospective refund of about $85 million to American investors. These sums, which would return to the United States are very meaningful to the U.S. Treasury. I regret, Madam President, that the British considered that the quid pro quo for providing relief to U.S. investors was this provision which would have limited application of the system of unitary taxation by a few States which the British regarded as very onerous and invidious to them.

The Senate decided that that reservation was inappropriate and defeated it. But the opponents, those who proposed the reservation, succeeded——

The PRESIDING OFFICER. Will the Senate please be in order.

Mr. JAVITS. I thank the Chair.

Those who proposed the reservation succeeded in getting enough votes, since they only needed one-third of the votes to defeat the treaty, notwithstanding that the treaty itself had a very heavy majority of the Senators voting.

Now, you really have to understand the processes of the Senate and the Constitution—and I may say that the British do—to come to understand that result. So, notwithstanding the fact that a decisive majority of the Senate is for this treaty in all its elements, it was nonetheless defeated.

It is my information that this treaty will be resubmitted to the British Parliament. What the British Parliament will do with it I do not know. But I rise this morning because our voices will be heard in the United Kingdom, and my own opinion is, and the opinion of the great majority of the Senate was, that it is an entirely fair deal that the few States which were using the unitary taxation system would be losing very little, and that the overall national interest of the United States dictated ratification. That is the way the majority of the Senate felt and, indeed, the State of California, the largest State that would be a beneficiary of continued global application the unitary tax system, through its two Senators who voted for ratification, and its Governor who advised us that he thought on balance it was in the high economic interest of his State, supported ratification of the treaty without a reservation.

Therefore, I hope, Madam President, that the Members of Parliament will see the situation as we see it, and that they will accept the treaty, on the ground that a majority, a heavy majority, of the Senate feels as they do. I also hope that the British will negotiate another treaty or a protocol with the United States to deal with such elements of their tax situation as they consider to be fair.

Obviously, a new protocol cannot be as complete as was contained in this treaty. Nonetheless, I hope very much that just like we kept the matter open, and as I, the strongest advocate of the treaty in the Senate voted for its ratification even though this provision of the treaty removed by the reservation, that the British will ratify the treaty too. I hope that we will be able to deal with the tax situation by agreement, and that this reservation will be considered one of those incidents of our constitutional system which must be accepted, just like we accept such incidents in the British constitutional system. It is my deepest hope that the overall friendship and longstanding relationship between ourselves and the United Kingdom will dictate that this treaty should be accepted on both sides, notwithstanding my disappointment and that of the British Government with this result in the Senate.

I yield to my colleague from California.

Mr. CRANSTON. I thank the Senator for yielding. I would like to associate myself with the viewpoint expressed by the distinguished Senator from New York.

We certainly can and must explore what can now be done in the Senate by the normal process of dealing with tax laws, with a majority in favor of a change in this matter to accomplish what is needed to meet our goals and to meet the goals of the people of England.

I would also just like to add that we have been exploring, since the original defeat late last week, with officials in California, the possibility of taking action in California in the State legislature to remedy the problem, and there is a strong possibility that that can be accomplished, and I urge the British to take that into account, too.

Mr. JAVITS. I thank my colleague. He adds a very strong dimension to what I have said. We will try in our own Federal tax law and in that of States like California to deal with this problem in a way which will at least try to cover some of the concerns raised in the deliberation on this treaty.

I thank my colleague. I yield to the Senator from Ohio.

Mr. GLENN. Madam President, I thank the Senator from New York.

I, too, would like to associate myself with his remarks. We went into this issue in considerable depth in the Committee on Foreign Relations, and I, too, hope the British Parliament sees fit to go ahead and approve this treaty with the idea that we continue negotiating on this rather vexing problem.

I have felt very strongly that the unitary tax injects States really into an international commerce situation which was never intended. But, as I understand it, this has been tested in the courts and found to be constitutional. I would hope the British would take the view that some of us here are taking and that is that the treaty is worth approving as is, and will continue negotiating on this other problem which I feel, and I am sure the Senator from New York feels, from our previous conversation, is particularly unfair.

I thank the Senator.

Mr. JAVITS. I thank my colleague very much. He was very helpful.

I yield to my colleague who managed the bill, the Senator from Rhode Island (Mr. PELL).

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. JAVITS. Madam President, I ask unanimous consent for 2 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. Madam President, I would like to second the views advanced by the Senator from New York. This was a good treaty. It was approved by the majority of the Senate. It is still a better treaty than none the way we passed it, and I would hope the British Parliament would see fit to ratify it.

I recognize that what we have done with our reservation is to remove some of the attractiveness of this treaty from the United Kingdom's viewpoint. So our negotiators, when they get back together, are going to have to figure out a little bit whether the pot will have to be sweetened and what will be necessary to sweeten the pot.

But I would think this treaty should move along, and I would hope that the Members of Parliament, when they do consider it, will bear in mind the remarks on the Senate floor, and will bear in mind the fact that the majority of our colleagues supported it, will bear in mind that it is to the mutual advantage of both our nations to move down this road and ratify the treaty along these lines.

Mr. SPARKMAN. Madam President, I am glad we have had this very successful vote in behalf of this treaty. While I opposed the Church reservation, I did state at the time that we could live under it, and that the treaty was of such importance, this treaty between the two countries, that by all means I felt that we should accept the reservation and

ratify this treaty. I am gratified that the vote was so successful.

Mr. JAVITS. Madam President, I ask unanimous consent that a statement by Senator PERCY be placed in the RECORD in connection with the treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR PERCY

I deeply regret the action taken last week by the Senate on the United States-United Kingdom Tax Treaty. Although the reservation which effectively cancels article 9(4) of the treaty was defeated, there were not the required votes of ⅔ of the Senators present and voting to approve ratification of the treaty.

As I stated during last week's debate, I believed that the treaty was beneficial to the United States, that it encouraged the free flow of trade and investment, and that it was an important contribution to our Government's policy of promoting international economic cooperation.

I felt it was more than adequately demonstrated during the debate that article 9(4) of the treaty did not represent a blanket prohibition on a State's use of the unitary apportionment method of taxation, but only restricted its use when applied to the operations of a United Kingdom corporation not doing business in a State. It seemed to me this use of the unitary method was unreasonable and unfair. Furthermore, it has been a disincentive for investment in the United States, as the Senators and Governor from California can attest. Finally, I believe it was clearly shown that article 9(4) would not in any way have created a tax preference for foreign ownership of U.S. farmland.

However, the Senate has worked its will, and it is now incumbent upon us to approve the treaty as amended by the reservation to article 9(4), in the hope that at least some of the treaty can be salvaged. We cannot predict what conditions the United Kingdom will now seek to compensate for the loss of the benefits under article 9(4). But at least we will not be giving what could have been interpreted by our friends and allies in the United Kingdom as a slap in the face if we had just let the treaty die. At least this will provide an opportunity for further discussions by both governments. This is my view, and I know it is shared by many interested parties in Illinois. Therefore, I urge support for the amended treaty.

● Mr. MORGAN. Mr. President, this morning, I voted against the proposed United States-United Kingdom Tax Treaty which included the Church reservation. My reasons for doing so were a concern over method, the lack of equitability, the potential for increased costs to the American taxpayer, a further delay in obtaining tax advantages, and the possibly negative impact on current tax negotiations with France, Germany, and Canada.

Last Friday, we rejected the Church reservation by a comfortable majority only to find it reappear in today's version of the vote. Thus we combined two issues, one which requires only a majority vote, namely the Church reservation, and ratification of the treaty and its two protocols which require a two-thirds vote. I would have very much preferred to follow the original suggestion of the Senator from West Virginia, made last Friday, to have two votes back to back, thereby keeping votes and issues apart. I am convinced that in this case we would have had a treaty today including article 9(4).

As you will recall, Mr. President, article 9(4) places some restrictions on the application of the unitary tax method to British corporations operating in this country. It would have constituted only a minor concession as attested to by the Governor of my State, and the Governors of many other States. In return, the British Government would have been prepared to grant the United States a tax refund of approximately $375 million and a future annual tax saving of $85 million.

It was a concession for a concession. With the deletion of article 9(4), we are jeopardizing this additional income to the possible disadvantage of the American taxpayer.

With the Church reservation now included in the treaty, a treaty which had already been passed by the British Parliament, the document will now have to be renegotiated. This will not only mean a costly delay, but in the process, we may very well lose some of the tax benefits that had been stipulated earlier. There is also every reason to believe that our tax treaties with other West European countries and Canada may be affected if we are not willing to offer a quid pro quo.

By voting for the Church reservation together with the treaty, my colleagues have placed themselves at the mercy of the British Parliament not to reconsider their own tax concessions to us. We are thus relying on their good will which we were not willing to show ourselves. This issue is far from closed and I have no doubt that this body will again be asked to deliberate a new tax treaty with the United Kingdom, one which will unfortunately be less favorable than the version which was before us earlier.●

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will now return to legislative session.

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS, 1979

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session and proceed to the consideration of H.R. 12930, which the clerk will state by title.

The legislative clerk read as follows:

Calendar 873, H.R. 12930, making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1979, and for other purposes.

The PRESIDING OFFICER. Time for debate on this bill is limited to 2 hours, to be equally divided and controlled by the Senator from Florida (Mr. CHILES) and the Senator from Connecticut (Mr. WEICKER), with 1 hour on any amendment in the first degree, with 30 minutes on any amendment in the second degree, with 20 minutes on any debatable motion, appeal, or point of order; and with 5 minutes on the bill to the Senator from Virginia (Mr. HARRY F. BYRD, JR.) prior to the vote on final passage.

Who yields time?

The Senate proceeded to consider the bill which had been reported from the Committee on Appropriations with amendments.

PRIVILEGE OF THE FLOOR

The following Senators requested and, by unanimous consent, the privilege of the floor was granted in behalf of the following staff members: Mr. GLENN: Tom Dougherty; Mr. ROTH: Joan McEmtie and Chris Warner; Mr. MCCLURE: Jim Streeter; Mr. DOLE: Richard Friedman, Jack Nutter, and Bob Downey; Mr. ABOUREZK: Jay Urwitz and Ken Feinberg; Mr. JAVITS: Michael Shor; Mr. SCHMITT: John Ryan; Mr. PACKWOOD: Anne Reiffenberg; and Mr. THURMOND: Hargrave McElroy and Sally Rogers.

Mr. CHILES. Madam President, I yield myself such time as I may require for the introductory statement on the bill.

First, Madam President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill as thus amended be regarded for the purpose of amendment as original text, provided that no point of order shall be considered to have been waived by reason of agreement to this order.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments agreed to en bloc are as follows:

On page 2, line 11, strike $31,125,000" and insert "$31,400,000";

On page 3, line 6, strike "$174,000,000" and insert "$717,000,000";

On page 3, line 15, strike "$131,322,000";

On page 4, line 10, strike "$431,000,000" and insert "$426,100,000";

On page 5, line 17, strike "$694,000,000" and insert "$694,500,000";

On page 6, line 10, strike "$459,000,000" and insert "$458,400,000";

On page 7, line 6, strike "$135,000,000" and insert "$134,600,000";

On page 8, line 10, strike "$1,829,944,000" and insert "$1,785,176,000";

On page 9, line 15, strike "$16,907,000" and insert "$16,711,000";

On page 11, line 21, strike "$2,000,000" and insert "$2,650,000";

On page 12, line 12, strike "$28,000,000" and insert "$28,200,000";

On page 12, line 17, strike "$2,500,000" and insert "$4,040,000";

On page 16, line 21, strike "$8,000,000" and insert "$8,224,000";

On page 17, line 15, strike "The revenues and collections deposited into a fund" and insert "For additional expenses to carry out the purposes of the fund established";

On page 17, line 18, after "(40 U.S.C. 490 (f))' insert a comma and "$21,150,000 to be deposited into said fund";

On page 18, line 17, strike "$1,400,764,000" and insert "$1,460,962,000";

On page 18, line 18, strike "$53,780,000" and insert "$113,978,000";

On page 19, line 11, strike "(site, relocation, design, review, and planning) $15,000,000" and insert "$75,198,000";

On page 21, line 8, strike "$1,400,874,000" and insert "$1,460,962,000";

On page 22, line 2, strike "$165,000,000" and insert "$165,700,000";

On page 23, line 12, strike "$73,000,000" and insert "$74,000,000";

On page 24, line 24, strike "$213,345,000, of which $174,100,000 is for procurement, rotation, and transportation of strategic and critical materials, to remain available until September 30, 1980" and insert "$39,245,000";

On page 25, line 8, strike "$13,800,000" and insert "$14,300,000";

On page 25, line 9, strike "$2,500" and insert "$3,000";

On page 25, line 15, strike "$2,300,000" and insert "$2,600,000";

On page 26, line 6, strike "$87,000,000" and insert "$91,000,000";

On page 27, beginning with line 15, strike through and including line 21;

On page 32, beginning with line 9, strike through and including line 13;

On page 33, line 16, strike "Vietnamese, Cambodian and Laotian" and insert "Vietnamese".

On page 39, beginning with line 14, insert the following:

SEC. 613. (a) No part of the funds appropriated for the fiscal year ending September 30, 1979, by this Act or any other Act may be used to pay the salary or pay of any individual in any office or position in the legislative, executive, or judicial branch, or in the government of the District of Columbia, at a rate which exceeds the rate (or maximum rate, if higher) of salary or basic pay payable for such office or position for September 30, 1978, if the rate of salary or basic pay for such office or position is—

(1) fixed at a rate which is equal to or greater than the rate of basic pay for level V of the Executive Schedule under section 5316 of title 5, United States Code, or

(2) limited to a maximum rate which is equal to or greater than the rate of basic pay for such level V (or to a percentage of such a maximum rate) by reason of section 5338 of title 5, United States Code, or any other provision of law or congressional resolution.

(b) For purposes of subsection (a), the rate or maximum rate (as the case may be) of salary or basic pay payable for September 30, 1978, for any office or position which was not in existence on such date shall be deemed to be the rate or maximum rate (as the case may be) of salary or basic pay payable to individuals in comparable offices or positions for such date, as determined under regulations prescribed—

(1) by the President, in the case of any office or position within the executive branch or in the government of the District of Columbia;

(2) jointly by the Speaker of the House and the President pro tempore of the Senate, in the case of any office or position within the legislative branch; or

(3) by the Chief Justice of the United States, in the case of any office or position within the judicial branch.

(c) For purposes of administering any provision of law, rule, or regulation which provides retirement, life insurance, or other employee benefit, which requires any deduction or contribution, or which imposes any requirement or limitation, on the basis of a rate of salary or basic pay, the rate of salary or basic pay payable after the application of this section shall be treated as the rate of salary or basic pay.

SEC. 614. No part of any of the funds appropriated for the fiscal year ending September 30, 1979, by this Act or any other Act may be used to pay for any increase in the salary or pay of any individual in any office or position to the extent that such increase is attributable to that portion of any adjustments which are to take effect during such fiscal year under—

(1) section 5305 of title 5, United States Code;

(2) any other provision of law if such adjustment is determined by reference to such section 5305; or

(3) section 5343 of title 5, United States Code (but only with respect to prevailing rate employees described in section 5342(a)(2)(A) of such title),

which represents an increase in excess of 5.5 percent of the rate of salary or basic pay payable for such office or position on September 30, 1978.

Mr. CHILES. Madam President, on behalf of the Committee on Appropriations I am pleased to present the Treasury, Postal Service and general Government appropriations bill for fiscal year 1979 (H.R. 12930).

The President's budget, as amended, requested $9,203,261,000 for programs and activities under this appropriations bill. The recommendation of the committee is $8,984,503,000. This is an increase of $1,506,195,000 above the fiscal year 1978 appropriations to date. However, fiscal year 1978 supplemental requests in the amount of $789,112,000 are pending before the committee. This includes $156,971,000 to support the October 1, 1977 civilian pay increase and $632,141,000 in support of various program increases.

The bill passed the House of Representatives on June 7, 1978 in the amount of $8,634,300,000. The committee recommendation is a reduction of $218,758,000 below the President's budget estimate and an increase of $350,203,000 above the House allowance. This is primarily the result of a budget amendment in the amount of $543 million to settle numerous claims for social services rendered by States that was received subsequent to House consideration.

The appropriations recommended in this bill are within the allocation contained in the first concurrent resolution for the agencies and functions under the jurisdiction of the Treasury, Postal Service and General Government Subcommittee. I will briefly highlight the major items in the bill.

TITLE I—TREASURY DEPARTMENT

The committee recommendation for the Treasury Department is $3,731,200,000. This is an increase of $888,486,000 above the fiscal year 1978 appropriations, a reduction of $12,047,000 below the budget estimate and an increase of $541,753,000 above the House allowance.

The committee recommends increases above the House allowance of $275,000 for the Office of the Secretary, $3,878,000 for the Bureau of Alcohol, Tobacco and Firearms and $543 million for the Bureau of Government Financial Operations. The budget amendment for the latter amount was requested by the President subsequent to House consideration and will provide for reimbursement to various States for expenditures for social services provided by these States prior to October 1, 1975 under titles 1, 4A, 6, 10, 14 and 15 of the Social Security Act. This will settle a longstanding dispute between these States and the Department of Health, Education, and Welfare.

The increase of $3,878,000 above the House allowance will provide $135,200,000 for the operations of the Bureau of Alcohol, Tobacco and Firearms. The House reduced the budget estimate by $4,200,000 to reflect the estimated cost of implementing new gun control regulations in fiscal year 1979 and included restrictive language to preclude use of any funds contained in the appropriation to implement the proposed regulations. The committee recommends continuation of the restrictive language but has restored $3,878,000 for operations of the Bureau. The committee has thoroughly evaluated the estimates for this Bureau and can find no indication that funding was included to implement the proposed regulations. This has been varified by Treasury Secretary Blumenthal. The committee believes failure to restore the $3,878,000 would impact severely on the important regulatory and law enforcement responsibilities of the Bureau.

The committee recommends a reduction of $4.9 million below the House allowance for the U.S. Customs Service, and a reduction of $400,000 for the U.S. Secret Service. The Customs Service reduction is primarily associated with denial of funding for an additional high-performance aircraft for use in the customs air interdiction program. The committee recommendation of $426,100,000 for the Customs Service includes procurement of two additional turbo-prop aircraft and $13.5 million for support of the air interdiction program. Presidential reorganization efforts are continuing in the areas of both border management and law enforcement. These efforts may substantially impact future requirements for the customs air interdiction program.

For the Internal Revenue Service the committee recommendation of $2,045,900,000 is a reduction of $100,000 below the House allowance. The committee recommendation includes an additional $500,000 for support for the volunteer income tax assistance program (VITA) to assist blind, elderly, and Spanish-speaking taxpayers.

TITLE II—U.S. POSTAL SERVICE

For the U.S. Postal Service the committee recommends an appropriation of $1,785,176,000. This is a reduction of $44,818,000 below the budget estimate and the House bill. This is based on reduced revenue foregone requirements after the recent rate case was decided by the Postal Rate Commission in favor of a 15-cent first class postage rather than 16 cents as recommended by the U.S. Postal Service.

TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT

The committee recommends $71,309,000 for appropriations funded under the Executive Office of the President. This is a reduction of $381,000 below the budget estimate and an increase of $2,194,000 above the House allowance.

The committee recommends increases of $650,000 above the House allowance for the domestic policy staff, $1,540,000 for the Office of Federal Procurement Policy, and $200,000 for the Office of Management and Budget. The domestic policy staff absorbed personnel and responsibilities from the Office of Drug Abuse Policy and the Office of Telecommunications Policy after these activities were abolished by Reorganization Plan No. 1 of 1977. The increased funding for the Office of Federal Procurement Policy will provide resources for the Federal Acquisition Institute. The increase for the Office of Management and Budget will

support the operation of the Federal assistance program retrieval system which was transferred from the Department of Agriculture. The budget amendment for this item was received following House consideration. The committee recommends a reduction of $196,000 from the White House office appropriation due to lower space rental charges than planned in the budget estimate.

TITLE IV—INDEPENDENT AGENCIES

For title IV, independent agencies, the committee recommends $3,396,818,000. This is a reduction of $161,512,000 below the budget estimate and $148,926,000 below the House allowance.

For the Civil Service Commission the committee recommends concurrence with the House allowance of $2,853,605,000. Of this amount, over $2.7 billion is for mandated payments to the Civil Service Retirement and Disability Fund and the Government payment for annuitants health benefits. It also includes $20 million for grants under the Intergovernmental Personnel Act, the remainder of the funding recommended for the Civil Service Commission includes $120,500,000 in direct appropriation and $32,275,000 transferred from trust funds for operating expenses and $1,787,000 for the Federal Labor Relations Council.

For the General Services Administration, the committee recommends $426,380,000. This is a reduction of $161,197,000 below the budget estimate and $146,450,000 below the House allowance. This is primarily the result of reducing the estimate for the Federal Preparedness Agency by 174,100,000 which was planned for acquisitions to initiate an extension of the strategic and critical materials stockpile. The new guidance is to have available in the stockpile sufficient material to support the military and industrial needs of the country for the first 3 years of a major two front conventional conflict. This is the start of a program to acquire over $6 billion in materials over a 10- to 15-year period. H.R. 4895, as passed the House and reported by the Senate Armed Services Committee, would require authorization for acquisitions as well as disposals. The committee recommends denial of the funds for acquisitions pending completion of the authorization process.

The committee recommends $74 million for operating expenses of the National Archives and Records Service. This is an increase of $1 million above the House allowance to initiate the processing of the Nixon Presidential materials in accordance with the Presidential Recordings and Materials Preservation Act of 1974 (Public Law 93–526). A budget amendment of $2,215,000 for this purpose was received following House consideration.

A total of $4.8 million above the House allowance is recommended for general activities of the General Services Administration to provide for additional audit capability and complete conversion of GSA's accounting capability to the National Electronic and Reporting System (NEAR). An additional $700,000 is recommended for the Federal Supply Service for new data entry terminals to replace the existing regionally autonomous computers.

The recommended limitation on availability of revenue for the Federal Building Fund is $1,460,962,000. This is an increase of $60,198,000 above the House bill and includes a direct appropriation of $21.150,000 for construction of a Federal office building in Savannah, Ga. The bill also provides for construction of a post office and courthouse extension in Little Rock, Ark., and a Federal office building in Boston, Mass.

The committee recommendation includes $8,224,000 for the Federal Election Commission. This is an increase of $224,000 above the House allowance and will provide resources for the commission to perform its responsibilities under the Federal Election Campaign Act of 1971.

Under "General Provisions for All Government Departments, Agencies and Corporations," the committee has included sections 613 and 614 which affect the pay of Federal employees. Section 613 provides for a pay freeze during fiscal year 1969 for those persons earning equal or greater than $47,500 per year. Section 614 provides a 5.5 percent ceiling on pay increases for wage board employees during fiscal year 1979. This is the level previously announced by the President for General Schedule employees.

CONCLUSION

Mr. President, before concluding my remarks I wish to express my sincere appreciation to the distinguished Senator from Connecticut and ranking minority member of the subcommittee, Senator LOWELL WEICKER. Senator WEICKER participated actively in the hearings and markup of the bill. He has contributed in large measure to the committee's recommendations before the Senate.

The committee held over 5 weeks of extensive hearings with officials of the executive branch and nongovernmental witnesses to assist in our review of the budget estimates. I believe the committee recommendation of $8,984,503,000 will provide adequate resources for the agencies involved.

Mr. President, I ask unanimous consent to have printed in the RECORD a table comparing appropriations recommended in the bill with those for fiscal year 1978 and with the fiscal year 1979 budget estimates and the House allowance.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

COMPARATIVE STATEMENT OF BUDGET AUTHORITY, FISCAL YEAR 1979

[Fiscal years]

	New budget authority enacted, 1978	1978 pending supplementals	New budget authority			Senate bill compared with—		
			1979 estimates	House, 1979	Senate, 1979	1978 enacted	1979 estimate	House bill
TITLE I—DEPARTMENT OF THE TREASURY								
Exchange Stabilization Fund			[1] (21, 960, 000)	(1)	(1)	(1)	(1)	(1)
Office of the Secretary	29, 400, 000	914, 000	32, 381, 000	31, 125, 000	31, 400, 000	+2, 000, 000	−981, 000	+275, 000
Federal Law Enforcement Training Center	12, 000, 000	1, 968, 000	15, 423, 000	15, 000, 000	15, 000, 000	+3, 000, 000	−423, 000	
Bureau of Government Financial Operations	147, 000, 000	14, 076, 000	717, 687, 000	174, 000, 000	717, 000, 000	+570, 000, 000	−687, 000	+543, 000, 000
Bureau of Alcohol, Tobacco, and Firearms	122, 600, 000	6, 032, 000	135, 522, 000	131, 322, 000	135, 200, 000	+12, 600, 000	−322, 000	+3, 873, 000
United States Customs Service	384, 700, 000	20, 774, 000	431, 350, 000	431, 000, 000	426, 100, 000	+41, 400, 000	−5, 250, 000	−4, 900, 000
Bureau of Engraving and Printing	5, 000, 000					+5, 000, 000		
Bureau of the Mint	41, 000, 000		44, 274, 000	43, 000, 000	43, 000, 000	+2, 000, 000	−1, 274, 000	
Bureau of the Public Debt	118, 214, 000	2, 117, 000	183, 411, 000	183, 000, 000	183, 000, 000	+64, 786, 000	−411, 000	
Payments to Government of Guam		3, 000, 000						
Internal Revenue Service								
Salaries and expenses	123, 018, 000	6, 982, 000	135, 670, 000	135, 000, 000	135, 000, 000	+11, 982, 000	−670, 000	
Taxpayer service and returns processing	625, 526, 000	36, 680, 000	694, 445, 000	694, 000, 000	694, 500, 000	+68, 974, 000	+55, 000	+500, 000
Examinations and appeals	690, 520, 000	40, 601, 000	758, 185, 000	758, 000, 000	758, 000, 000	+67, 480, 000	−185, 000	
Investigations and collections	420, 736, 000	24, 181, 000	459, 000, 000	459, 000, 000	458, 400, 000	+37, 664, 000	−600, 000	−600, 000
Total, Internal Revenue Service	1, 859, 800, 000	108, 444, 000	2, 047, 300, 000	2, 046, 000, 000	2, 045, 900, 000	+186, 100, 000	−1, 400, 000	−100, 000
U.S. Secret Service	123, 000, 000	11, 290, 000	135, 899, 000	135, 000, 000	134, 600, 000	+11, 600, 000	−1, 299, 000	−400, 000
Total, title I, new budget (obligational) authority, Department of the Treasury	2, 842, 714, 000	168, 615, 000	3, 743, 247, 000	3, 189, 447, 000	3, 731, 200, 000	+888, 486, 000	−12, 047, 000	+541, 753, 000
TITLE II—U.S. POSTAL SERVICE								
Payment to the Postal Service Fund	1, 695, 540, 000	91, 959, 000	1, 829, 994, 000	1, 829, 994, 000	1, 785, 176, 000	+89, 636, 000	−44, 818, 000	−44, 818, 000

COMPARATIVE STATEMENT OF BUDGET AUTHORITY, FISCAL YEAR 1979—Continued

[Fiscal years]

	New budget authority enacted, 1978	1978 pending supplementals	New budget authority			Senate bill compared with—		
			1979 estimates	House, 1979	Senate, 1979	1978 enacted	1979 estimate	House bill
TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT								
Compensation of the President	250,000		250,000	250,000	250,000			
Office of Administration		174,000	7,279,000	7,279,000	7,279,000	+7,279,000		
The White House Office	17,580,000		16,907,000	16,907,000	16,711,000	−869,000	−196,000	−196,000
Executive residence	2,157,000	79,000	2,575,000	2,575,000	2,575,000	+418,000		
Official residence of the Vice President	121,000		129,000	129,000	129,000	+8,000		
Special assistance to the President	1,327,000		1,280,000	1,280,000	1,280,000	−47,000		
Council of Economic Advisers	1,995,000	23,000	2,042,000	2,042,000	2,042,000	+47,000		
Council on Wage and Price Stability	2,100,000		1,753,000	1,753,000	1,753,000	−374,000		
Domestic policy staff	1,850,000		2,650,000	2,000,000	2,650,000	+800,000		+650,000
National Security Council	3,000,000	315,000	3,432,000	3,400,000	3,400,000	+400,000	−32,000	
Office of Drug Abuse Policy	1,200,000					−1,200,000		
Office of Management and Budget	28,830,000	2,369,000	28,353,000	28,000,000	28,200,000	−630,000	−153,000	+200,000
Office of Federal Procurement Policy	1,840,000	50,000	4,040,000	2,500,000	4,040,000	+2,200,000		+1,540,000
Office of Telecommunications Policy	8,447,000					−8,447,000		
Unanticipated needs	1,000,000		1,000,000	1,000,000	1,000,000			
Total, title III, new budget (obligational) authority, Executive Office of the President and funds appropriated to the President	71,697,000	3,010,000	71,690,000	69,115,000	71,309,000	−388,000	−381,000	+2,194,000
TITLE IV—INDEPENDENT AGENCIES								
Administrative Conference of the United States	914,000	21,000	1,062,000	1,062,000	1,062,000	+148,000		
Advisory Commission on Intergovernmental Relations	1,600,000	54,000	1,659,000	1,659,000	1,659,000	+59,000		
Advisory Committee on Federal Pay	220,000		232,000	232,000	232,000	+12,000		
Civil Service Commission								
Salaries and expenses:								
Appropriation	110,930,000	6,227,000	120,815,000	120,500,000	120,500,000	+9,570,000	−315,000	
By transfer	(30,065,000)	(1,290,000)	(32,275,000)	(32,275,000)	(32,275,000)	(+2,210,000)		
Government payment for annuitants, employees health benefits	506,467,000		606,035,000	606,035,000	606,035,000	+99,568,000		
Payment to civil service retirement and disability fund	1,737,070,000	428,758,000	2,105,283,000	2,105,283,000	2,105,283,000	+368,213,000		
Federal Labor Relations Council	1,787,000		1,787,000	1,787,000	1,787,000			
Intergovernmental personnel assistance	20,000,000		20,000,000	20,000,000	20,000,000			
Total, Civil Service Commission	2,376,254,000	434,985,000	2,853,920,000	2,853,605,000	2,853,605,000	+477,351,000	−315,000	
Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped	344,000	17,000	441,000	441,000	441,000	+97,000		
Federal Election Commission	7,300,000	310,000	8,224,000	8,000,000	8,224,000	+924,000		+224,000
General Services Administration								
Disposal of surplus real and related property, operating expenses	7,935,000		7,549,000	7,549,000	7,549,000	−386,000		
Federal buildings fund:								
Construction of buildings					21,150,000	+21,150,000	+21,150,000	+21,150-000
Limitation on availability of revenue:								
Construction of buildings	(69,392,000)		(17,630,000)	(53,780,000)	(92,828,000)	(+23,436,000)	(+75,198,000)	(+39,048,000)
Alterations and major repairs	(200,000,000)		(200,000,000)	(200,000,000)	(200,000,000)			
Purchase contract payments	(98,000,000)		(100,473,000)	(100,473,000)	(100,473,000)	(+2,473,000)		
Rental of space	(487,000,000)		(506,137,000)	(506,137,000)	(506,137,000)	(+19,137,000)		
Real property operations	(462,310,000)	(9,494,000)	(472,874,000)	(472,874,000)	(472,874,000)	(+10,564,000)		
Program direction and centralized service	(65,000,000)	(3,343,000)	(69,847,000)	(67,500,000)	(67,500,000)	(+2,500,000)	(−2,347,000)	
Totals Federal buildings fund:								
New obligational authority					21,150,000	+21,150,000	+21,150,000	+21,150,000
Limitations	(1,381,702,000)	(12,837,000)	(1,366,961,000)	(1,400,764,000)	(1,439,812,000)	(+58,110,000)	(+72,851,000)	(+39,048,000)
Federal Supply Service	160,000,000	7,080,000	167,468,000	165,000,000	165,700,000	+5,700,000	−1,768,000	+700,000
National Archives and Records Service								
Operating expenses	67,134,000	3,759,000	75,308,000	73,000,000	74,000,000	+6,866,000	−1,308,000	+1,000,000
Records declassification	1,470,000	95,000	1,565,000	1,565,000	1,565,000	+95,000		
Total, National Archives and Records Service	68,604,000	3,854,000	76,873,000	74,565,000	75,565,000	+6,961,000	−1,308,000	+1,000,000
Automated Data and Telecommunications Service, operating expenses	8,024,000	466,000	8,673,000	8,500,000	8,500,000	+476,000	−173,000	
Preparedness activities								
Federal Preparedness Agency, salaries and expenses	38,800,000	71,902,000	213,345,000	213,345,000	39,245,000	+445,000	−174,100,000	−174,100,000
Expenses, Defense Production Act	1,300,000		4,374,000			−1,300,000	−4,374,000	
General activities								
General management and agency operations, salaries and expenses	12,860,000	739,000	14,476,000	13,800,000	14,300,000	+1,440,000	−176,000	+500,000
Indian trust accounting	2,818,000	137,000	2,658,000	2,300,000	2,600,000	−218,000	−58,000	+300,000
Allowances and office staff for former Presidents	671,000		771,000	771,000	771,000	+100,000		
Administrative and staff support services	79,425,000	4,257,000	91,390,000	87,000,000	91,000,000	+11,575,000	−390,000	+4,000,000
Total, general activities	95,774,000	5,133,000	109,295,000	103,871,000	108,671,000	+12,897,000	−624,000	+4,800,000
Total, General Services Administration	380,437,000	88,435,000	587,577,000	572,830,000	426,380,000	+45,943,000	−161,197,000	−146,450,000
National Commission on Electronic Fund Transfers	200,000					−200,000		
National Center for Productivity and Quality of Working Life	2,900,000			2,700,000		−2,900,000		−2,700,000

COMPARATIVE STATEMENT OF BUDGET AUTHORITY, FISCAL YEAR 1979—Continued

[Fiscal years]

	New budget authority enacted, 1978	1978 pending supplementals	New budget authority			Senate bill compared with—		
			1979 estimates	House, 1979	Senate, 1979	1978 enacted	1979 estimate	House bill
President's Commission on Retirement Policy			[1](995,000)	(1)	(1)	(1)	(1)	(1)
U.S. Tax Court: Salaries and Expenses	8,188,000	106,000	8,715,000	8,715,000	8,715,000	+527,000		
Department of Defense								
Defense Civil Preparedness Agency:								
Operation and maintenance	69,300,000	1,300,000	77,000,000	77,000,000	77,000,000	+7,700,000		
Research, shelter survey and marking	20,700,000	300,000	19,500,000	19,500,000	19,500,000	−1,200,000		
Total, Defense Civil Preparedness Agency	90,000,000	1,600,000	96,500,000	96,500,000	96,500,000	+6,500,000		
Total, title IV, new budget (obligational) authority, independent agencies	2,868,357,000	525,528,000	3,558,330,000	3,545,744,000	3,396,818,000	+528,461,000	−161,512,000	−148,926,000
Grand total, titles I, II, III, and IV:								
New budget (obligational) authority	7,478,308,000	789,112,000	9,203,261,000	8,634,300,000	8,984,503,000	+1,506,195,000	−218,758,000	+350,203,000
By transfer	(30,065,000)	(1,290,000)	(32,275,000)	(32,275,000)	(32,275,000)	(+2,210,000)		
Limitation	(1,381,702,000)	(12,837,000)	(1,366,961,000)	(1,400,764,000)	(1,439,812,000)	(+58,110,000)	(+72,851,000)	(+39,048,000)
RECAPITULATION								
Title I, Treasury Department	2,842,714,000	168,615,000	3,743,247,000	3,189,447,000	3,731,200,000	+888,486,000	−12,047,000	+541,753,000
Title II, Postal Service	1,695,540,000	91,959,000	1,829,994,000	1,829,994,000	1,785,176,000	+89,636,000	−444,818,000	−44,818,000
Title III, Executive Office of the President	71,697,000	3,010,000	71,690,000	69,115,000	71,309,000	−388,000	−381,000	+2,194,000
Title IV, Independent Agencies	2,868,357,000	525,528,000	3,558,330,000	3,545,744,000	3,396,818,000	+528,461,000	−161,512,000	−148,926,000
Grand total, titles I, II, III, and IV	7,478,308,000	789,112,000	9,203,261,000	8,634,300,000	8,984,503,000	+1,506,195,000	−218,758,000	+350,203,000

[1] Contained in S. Doc. 95-106 and not considered by Senate or House.

Mr. CHILES. Mr. President, this completes my initial remarks on the bill. I yield the floor to the distinguished Senator from Connecticut and ranking minority member of the Treasury, Postal Service, and General Government Subcommittee, Senator WEICKER.

Mr. WEICKER. Mr. President, I ask unanimous consent that Jamie Cowen, of Senator STEVENS' staff; Peter Goldfarb, of my staff; and Mr. Bruce Thompson, of Senator ROTH's staff, be granted the privilege of the floor during the consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, as ranking minority member of the subcommittee which considered H.R. 12930, a bill making appropriations for the Department of the Treasury, the Postal Service, and other agencies, I want to associate myself with the remarks of the chairman of the subcommittee, the distinguished senior senator from Florida (Mr. CHILES) and to commend him for his leadership and fairness in handling this bill.

The subcommittee held thorough and extensive hearings with officers and officials of the executive branch to assist in our review of the administration's budget estimates. In my opinion, the committee's recommendation of $8,984,503,000 will provide adequate but not lavish resources for the agencies under the committee's jurisdiction.

The recommendation of the committee as contained in the bill is an increase of $1,506,195,000 above the appropriation for the current fiscal year, but a reduction of $218,758,000 below the administration's estimate for 1979. In reaching these recommendations, we have wisely avoided the "meat ax" approach and instead have tried to eliminate unnecessary spending without sacrificing vital programs and services.

As noted in the committee report, the Treasury, Post Office Subcommittee has jurisdiction over certain items under permanent authority and not reflected in the bill before us. One of these items, interest on the national debt, is estimated at $55.4 billion for fiscal year 1979. Frankly, I am concerned not only about the sheer size of the debt and its rapid growth in recent years, but also by the extent to which foreign countries, and particularly the OPEC nations led by Saudi Arabia, have been acquiring this debt. I think it represents another measure of our increasing vulnerability to the oil producing nations, a vulnerability that is now being felt in terms of our foreign policy decisions, as demonstrated several weeks ago by the Saudi planes deal.

This is not the time to discuss the real problem—our failure to adopt a tough energy policy—though I understand an amendment will be offered to give us an opportunity to do that—but I think it is important for us to be alert to the different aspects of that problem—in this case the increasing foreign participation in our national debt. It brings home the message that we are not just threatened by stoppage of the oil flow but also by the power of petrodollars rolling around our entire financial system and if that plug should be pulled, we could all be sucked into a major economic recession.

In regard to the budget for the Bureau of Alcohol, Tobacco and Firearms, I would like to express my support for the chairman in restoring the $4.2 million cut by the House but preserving the restrictive language prohibiting funds to implement the proposed regulations in question. We want to make it perfectly clear that the Congress does not approve of the proposed regulations and I think that has been done adequately.

It has been done in terms of letters received by the subcommittee from the Bureau. It has also been done in terms of the language that sits in the report.

Cutting $4.2 million to "send a message" seems unnecessarily punitive and would erode some of the programs that Congress clearly does want the agency to pursue—programs such as explosives tagging, operation CUE, and so forth. We have received assurances from the Deputy Secretary of the Treasury that if a decision is made to implement the regulations, Treasury will seek a supplemental appropriation for 1979 or include a request for such funds in 1980, and that the Treasury will not implement the proposals without receiving from Congress the funds to do so. This, together with the restrictive language in the bill, seems to me to end the issue.

Now, if there are those of my colleagues who would care to toady to certain of the lobbies around here, that is one thing. If, on the other hand, we care to engage in a careful, well-thought-out appropriations process, then I think that has been done, even to the point where clearly the intent of the Congress has been nailed down without any loopholes or without ony possibilities of what it was that was proposed to be done will be done behind our backs.

In closing, Mr. President, I once again want to extend my thanks and appreciation to the chairman of the subcommittee, the Honorable LAWTON CHILES. He has handled the development of this legislation in a most firm, fair, and equitable manner.

Mr. MAGNUSON. Madam President, will the Senator yield?

Mr. WEICKER. I yield to the distinguished Senator from Washington.

Mr. MAGNUSON. The Senator from Connecticut has mentioned a matter that disturbs most of us, both Republicans and Democrats, all the time, the national debt. I have tried to find out and I do not know whether the subcommittee did—I think I asked the Senator from Florida about this once—how much of the debt was accumulated during the

war years? Does the Senator have that figure?

Mr. WEICKER. I do not have that exact figure for the chairman.

Mr. MAGNUSON. I suggest that sometime we point out, at least make it clear, that, although the debt is large, it is not solely due to the expenditures of the Appropriations Committees and others, that part of it is the war debt—a great part of it.

One time, I said, yes, we do have this debt that disturbs all of us, but no one ever lists our assets here. I have tried for years to find out just exactly what the assets are. A household can have a debt, or a business, or anyone else. The debt is usually equated to what the assets are—are the assets big enough to handle the debt, or are they not?—although it is better not to have any debt.

One time some years ago, and I think this ought to be for the RECORD, they did make a survey down at Treasury for me, to try to give some estimate as to our assets. They came up with a very large amount, but the figures they had used were how much we had paid for a piece of property at the time we acquired it. I always remember a startling figure in that, that the White House was listed as an asset for $27,500. That is what we paid for it when we acquired it.

It is hard. It is intangible. We talk about the land we own, the timber we own, all these things. But I do think that, to put these things into a little perspective, we ought to realize that this is a big, rich country, with plenty of assets. I think sometime we ought to point out—maybe we can do this when we get the supplemental. Perhaps we should ask how much of this is a war debt. That puts it a little in perspective.

We have tried to be as frugal as possible in Appropriations so the Treasury would not have to go out and borrow and accumulate more debt. That, by the way, is the most inflationary part of a deficit, going out and borrowing and taking away from the amount of capital that is in the private sector so that this private sector cannot go ahead and expand and bring more money into the Treasury.

I think we ought to find that out. I thought it was well to mention that at this time, because the debt is something that bothers us all, I do not care what party we belong to or anything else. It sure bothers us down at the Appropriations Committee.

Mr. WEICKER. I appreciate the comments of the distinguished chairman. I just want to point out and repeat that the aspect of the problem that bothers me the greatest is the fact that, out of some—I believe the national debt is somewhere around $800 billion—of that, over $100 billion is foreign-owned, most of it, or a good portion of it, by the OPEC nations, and that is on the rise.

Mr. MAGNUSON. I think the Senator made a good point.

Mr. WEICKER. The Senator knows as well as I do that if these people suddenly call in their chips, we are all going to be scurrying around in a hell of an economic condition.

There is no question in my mind that the decision that was made on the Senate floor about a month ago was very clearly affected by, No. 1, our dependence on Arab oil; and, No. 2, the fear of what would happen if they withdrew their investment in this country. That is a bad situation for a country that prides itself on its independence and its ability merely to go ahead and act on what the facts are.

I realize quite frankly, as the chairman knows, that I lean toward what is sometimes termed a non-Republican point of view in the sense of, no, we are not in a profit-making business; yes, we are obviously going to run some sort of deficits. I think the deficits we are presently running are extraordinary, far too great. I think $55 billion going for interest is far too great.

The point I was trying to make here is the portion of our debt that is owned by foreign interests. I think it is far too high and it very clearly dramatizes the hole which we have dug for ourselves.

Mr. MAGNUSON. Another thing, it must be remembered that even in the budget figure or in the debt, loans that we make, good loans, amount to several billion dollars. The Treasury may have to borrow money to make that loan, but that money is going to come back with interest. I am trying to put this mainly into perspective and I do not want the implication left that I think debt is a good thing. I think it is too high and we ought to do everything we can to bring it down. I think the factor that the Senator from Connecticut brought up is a very important one.

Mr. WEICKER. I thank the Senator.

Mr. MAGNUSON. May I ask the Senator from Florida a question?

Mr. CHILES. Yes, sir.

Mr. MAGNUSON. Part of the raise in this bill of some $543 million dollars is directed toward the Bureau of Government Financial Operations. I read the committee report and I remember we discussed it in the full Committee. I wish the Senator from Florida would tell us about this large amount. I think it is the largest in the bill.

Mr. CHILES. Yes, sir.

Mr. MAGNUSON. Just what it is for and whether it is almost mandatory or not—I read from the report the implication that it is almost mandatory that we do that.

Mr. CHILES. That is correct, Mr. Chairman. This is a settlement, basically, of claims that have been pending for a long time between the States and the Federal Government. It is a one-shot provision. This will not repeat itself. Those claims have occurred over a period of time. They were in litigation.

This is a settlement, basically, of a very legal right to terminate all of the cases that were being brought under these claims. So it is for obligations that occurred to the States over a period of years. This makes final the settlement of that dispute, which has occurred over a long period of time.

As I say, it is a one-shot proposition, and that is one of the major reasons for an increase in our bill.

Mr. MAGNUSON. I think it is the largest increase in the bill, dollarwise.

Mr. CHILES. That is right. It was increased by $543 million to reimburse 31 States for expenditures for social services provided by the States prior to October 1 of 1975 under titles I, IVA, VI, XIV, and XV of the Social Security Act. This does settle this longstanding dispute between the States and the Department of Health, Education, and Welfare.

The President signed the authorization of those funds and we got that recommendation after the House had considered the bill.

I yield the floor, Madam President.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

UP AMENDMENT NO. 1352

(Purpose: to limit the availability of Treasury appropriations for oil import adjustment programs)

Mr. DOLE. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE), for himself and Mr. HATHAWAY, Mr. DURKIN, Mr. BROOKE, Mr. GARN, Mr. MCCLURE, Mr. SCHMITT, Mr. HATCH, Mr. BARTLETT, Mr. ROTH, and Mr. STEVENS, proposes an unprinted amendment numbered 1352:

On page 7, between lines 21 and 22, insert the following:

Appropriations in this Act shall not be available to carry out a program under which the President adjusts imports of petroleum or petroleum products after June 30, 1978, under section 232 (a) of the Trade Expansion Act of 1962 (19 U.S.C. 1862 (a)) other than to the extent such program is in effect on such date.

(Mr. HATHAWAY assumed the chair.)

Mr. DOLE. Mr. President, cosponsors of this amendment are the distinguished Senator from New Hampshire (Mr. DURKIN), the distingnished Senator from Maine now presiding (Mr. HATHAWAY), the distinguished Senator from Utah (Mr. GARN), the distinguished Senator from Oklahoma (Mr. BARTLETT), the distinguished Senator from Utah (Mr. HATCH), the distinguished Senator from Idaho (Mr. MCCLURE), the distinguished Senator from New Mexico (Mr. SCHMITT), the distinguished Senator from Massachusetts (Mr. BROOKE), the distinguished Senator from Delaware (Mr. ROTH), and the distinguished Senator from Alaska (Mr. STEVENS).

OIL IMPORT FEES

The amendment is an effort to effectively prevent the President from imposing additional oil import fees as a method to induce energy conservation.

Let me say to the managers of the bill that the Senator from Kansas is using this approach because of two very basic reasons. The Senate approved legislation like this last year and it has been in conference since December. We have not met since last December in that conference.

The Senator from Kansas offered a resolution in the Finance Committee several weeks ago, passed by a vote of 11 to 6, but there is a hold on that by the distinguished chairman (Mr. LONG), who is not in town.

So it seems to the Senator from Kansas that the only way to send a message to the President of the United States, who will be going to Germany next month and who has been at least reported to have indicated that if we cannot have the equalization tax, he may announce the imposition of an import fee of $5 or $6 a barrel, or more, there is no limit.

That is why the amendment is offered on an appropriation bill. I understand the fact that that is not the best way to legislate. I understand the objections that can be made that we are legislating on an appropriation bill.

ENERGY TAX

Mr. President, the energy tax bill adopted last October contained an amendment introduced by the Senator from Kansas which would prevent the President from imposing ineffective oil import fees on imported petroleum and petroleum products. Since the energy tax conference has not met since December 7 of last year that amendment is unlikely to be enacted.

SENATE CONCURRENT RESOLUTION 73

Because of the continuing threat by the administration to impose oil import fees as a method of energy conservation I introduced Senate Concurrent Resolution 73 on April 4. That resolution cosponsored by 30 other Senators expresses the sense of the Congress that the President should not impose an oil import fee on imported oil as a way to reduce imports. The Senate Finance Committee reported my resolution on May 9 by a vote of 11 to 6, as I indicated, and there is a hold on that resolution, of course, we cannot take action on that.

COET IS DEAD

Mr. President, the centerpiece of the administration's energy program—the crude oil equalization tax—is unlikely to be enacted by Congress. Because the administration believes they must salvage their shattered program they are threatening the Congress and the American public with a $5 per barrel fee on imported oil, or $6, it has been reported both ways. It could be even higher. It now seems likely that the President might actually impose such an import fee.

As a Senator who has had an interest in this matter for many months, I do not believe that the import fee should not be imposed. When this concept was mentioned—Secretary Schlesinger last fall—I think on "Meet the Press" or some other talk show—many of us thought it was just a get-tough tactic, or strategy by the administration to, in fact, persuade us, or urge us, or coerce us, or whatever, to pass the so-called equalization tax. It was, nevertheless, not effective and Congress did not act.

Mr. President, section 232 of the Trade Expansion Act of 1962 delegates to the President discretionary authority to adjust imports to the extent necessary so that they will not threaten to impair the national security. Adjustments to limit imports include quantitative restrictions or monetary assessments. However, the Senator from Kansas believes that the Congress bears the ultimate responsibility for the regulation of foreign imports.

$5 IMPORT FEE

Mr. President, the imposition of a $5 or $6, import fee on crude oil would be nothing short of disastrous. The real question is how effective would the higher price be in decreasing our total imports of petroleum? The analysis shows two things. First, the decrease in imports will be insignificant. Second, the cost to the American consumers will be astronomical.

NO ENERGY SAVED

Using the numbers that are found in the Department of Energy's own models, we have calculated that a proposed fee will decrease imports by only 0.2 to 0.3 million barrels a day out of a total import of 7 million plus barrels a day.

In order to achieve that reduction in imports, the American consumer will pay approximately $35 million every day. That is nearly $12 billion a year in new Federal revenues.

$100 PER BARREL

Mr. President, the administration has stated that conservation is the cornerstone of their energy policy because it costs less to save a barrel of oil than to buy one. Using the numbers derived it is easy to determine that the oil import scheme costs between $100 to $150 per barrel to decrease imports. As incredible as it seems the oil import fee is even worse than the crude oil equalization tax. Most of my colleagues need not be reminded that it only costs $14 to buy a barrel of oil.

SIGNAL TO OPEC

In recent weeks the countries of the OPEC cartel have been meeting in Geneva. Due to the work of Saudi Arabians, the OPEC cartel has agreed not to raise the price of imported oil for the remainder of this year. Their decision was largely based on the fact that many of the Western economies could not absorb additional increases in price.

Mr. President, if the administration imposes a $5 import fee on oil it will be a clear signal to the OPEC cartel that the American economy is willing and able to bear additional costs for imported oil. Try to put yourself in the position of an oil minister who sees the United States paying $5 a barrel more than he is getting for his own oil. Logically, the OPEC countries will ask, why should the U.S. Treasury be getting an extra $12 billion a year when the $5 of money could go to his own treasury? Do we really want to show OPEC that the American system is capable of getting along with a price hike of $5 or more a barrel?

REGIONAL IMPACT

Mr. President, finally, an oil import fee would have severe regional repercussions in many selected areas of the country. In these areas, principally the northeastern United States, there is no alternative energy resource. If the administration promises they will iron out these impacts, they are only destroying what they propose to be the effect of the oil import fee. Indirect subsidy by regional impact is counterproductive to the intent of inducing energy conservation by a raise in price.

One of the principal reasons for the enactment of an oil import fee is to eliminate the complicated entitlements program. Indeed, the administration argued before the Senate Finance Committee that one of the principal benefits of the crude oil equalization tax was the elimination of the entitlements program. However, an oil import fee will cause the entitlements program to be further complicated and will have as yet an unknown impact on the American domestic refining industry.

Mr. President, my amendment is simple. It provides that no funds shall be used for the enforcement of an oil import fee should it be imposed. The oil import fee is a bad idea whose time has not yet come. The facts indicate that without a doubt an oil import fee has no place in a rational and economically sound energy policy.

Mr. President, the distinguished Senator from New Hampshire, I think, wanted to speak on the amendment.

I have no further request for time and I reserve the remainder of my time.

Mr. CHILES addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. CHILES. I yield myself 2 minutes.

Mr. President, I have mixed feelings about this amendment. I am a cosponsor of the resolution referred to by the distinguished Senator from Kansas, expressing the sense of the Senate that there should not be an increase in the oil import tax.

My State is very dependent upon oil imports, almost all our oil coming from foreign sources. It appears to me to be patently unfair with respect to States such as Florida, which is already experiencing tremendously high increases in energy cost. When the OPEC prices went up, Florida's oil purchasing price went up. Therefore, all the power we generate, as well as the other uses, skyrocketed, so that we have some of the highest rates in the Nation.

At the same time, I am very sympathetic with what the President is trying to do, and that is to get Congress to act on his energy legislation. I also happen to be sympathetic to an increase in the wellhead price of old oil, to get it up to the price of new oil. I think it is fictitious and ridiculous to continue the price on old oil. I would not do it the way the President is trying to do it, to take all that money and rebate it.

However, I have some problems with attaching this proposal on this bill. I believe the energy authorization legislation that is coming down the pike would be a better place to put this proposal. I am sure there are many other Members of the Senate who have expressed opposition to this.

At this time, I yield the floor.

Mr. WEICKER addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. WEICKER. I yield myself 5 minutes.

The PRESIDING OFFICER. From time on the bill?

Mr. WEICKER. On the amendment.

There is 1 hour on the amendment, I believe, equally divided. Is that correct?

The PRESIDING OFFICER. The time is divided between the opponent and the manager of the bill.

Mr. CHILES. I yield to the Senator.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. WEICKER. I yield 2 minutes to the distinguished Senator from Washington.

Mr. MAGNUSON. Mr. President, I believe that when we made the time agreement, there was no realization that an amendment of this magnitude would be presented on the bill. Otherwise, I am sure I would have objected to it, insofar as this amendment is concerned. I think it requires a great deal more discussion.

I have called my colleague, who is chairman of the Energy Committee, who wants to talk about it.

I have mixed feelings about this matter, too, as does the Senator from Florida. The full committee, of course, did not approve this amendment, and I do not recall that it really was discussed there at any time.

Therefore, I would ask for a rollcall vote on the amendment, in any event, but I hope I can obtain unanimous consent to wait until the chairman of the Energy Committee arrives in the Chamber, so that he may address himself to this matter.

If the time is running out, I ask unanimous consent that we extend the time so that we can have some discussion on this amendment. It may be that the Senator from Kansas will agree, in view of this situation, to set this matter aside temporarily and to proceed with the other amendments, until the Members who wish to speak on this matter can arrive here.

Mr. WEICKER. I wonder whether the distinguished Senator from Washington would withhold his unanimous-consent request. I do not foresee anything in the way of time difficulties here, once the Senator from Washington arrives on the floor. I have a few comments to make, and if we need extra time, we will ask for it.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. WEICKER. I yield 1 minute to the distinguished Senator.

Mr. DOLE. The Senator from Kansas is perfectly agreeable to anything. I have brought it up in order to keep moving, because the Senator from Delaware was not quite ready. If it is necessary to set the amendment aside for 30 minutes, I will not have any objection to that.

Mr. CHILES. Mr. President, I ask unanimous consent that we set the amendment aside for 30 minutes, or until completion.

Mr. DOLE. Is someone else ready with an amendment?

Mr. CHILES. We can set it aside until completion of the Roth amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Senator from Delaware is recognized.

Mr. ROTH. Mr. President, I yield to the Senator from Oregon.

The PRESIDING OFFICER. The Chair states to the Senator from Delaware that the agreement was that the pending amendment would be set aside so that the Senator from Delaware could bring up his amendment.

Mr. ROTH. I am not quite prepared to call up my amendment.

I understand that the Senator from Oregon wants to speak for 5 minutes.

The PRESIDING OFFICER. Someone will have to yield time to the Senator from Oregon.

Mr. PACKWOOD. Mr. President, will the Senator from Connecticut yield me 5 minutes on the bill?

Mr. WEICKER. I yield the distinguished Senator from Oregon 5 minutes.

Mr. PACKWOOD. Mr. President, there soon will be presented two amendments on this bill restricting the appropriation of money for the Bureau of Alcohol, Tobacco and Firearms, in an effort to prohibit the agency from putting into effect or further attempting to issue regulations relating to gun registration.

I realize that the Treasury Department and the Bureau of Alcohol, Tobacco and Firearms have said they have no intention now of attempting to put into effect the regulations they have put forth. Those of us who have been in the Senate long enough have seen, time and time again, bureaucratic agencies which have said they had no intention of putting forth regulations but which, at a later time, perhaps led by different men or women, have changed their minds, in an effort to put forth those regulations.

There is no question that the Bureau of Alcohol, Tobacco and Firearms is rife with people who want not just gun registration but gun confiscation. They are convinced that it is not the right of Americans to possess weapons. They know that that position has no support of any consequence in this country. But they are trying to get their nose in the tent any conceivable way they can, by issuing back-door regulations that will be the start of gun registration and what they hope eventually will be gun confiscation.

There is no question, Mr. President, that the Department has the power, under existing law, to issue those regulations. They have said so time and again, although recently they have crawfished on that a bit, in the hope of squelching the effort in the House, where they failed, and now in the Senate, to put restrictive language in this bill prohibiting the bureau's power to issue those regulations.

We should not be misled by the present statements of the Treasury Department or the letter from Treasury Secretary Blumenthal. There is no question that the Bureau of Alcohol, Tobacco and Firearms has the power to issue the regulations they would like to issue. They are hoping that there will be a time when Congress is out of session or when public opinion is sufficiently tranquilized so that they will be able to issue their regulations.

They know the time is not now. But unless Congress now, by mandatory legislation, prohibits this bureau from the power to issue those regulations and reduces the appropriations, and directs that the appropriations are not to be used for the enforcement of such regulations, I tell the Senate that at some time in the not too distant future, the bureau will try to do so, no matter what they have said to the Appropriations Committee, no matter what they have said in letters, no matter what they have said to the House of Representatives or to Senators individually.

Mr. CHILES. Mr. President, will the Senator yield?

Mr. PACKWOOD. I will yield in a moment.

Therefore, when these amendments—or if they are combined into one amendment—are proposed, it is my intention to support them; and I hope the majority of the Senate will take the same wise action that the House of Representatives already has taken.

I yield to the Senator from Florida.

Mr. CHILES. Mr. President, I was trying to follow the line of reasoning of the distinguished Senator from Oregon, that at some time, as soon as we turn our backs, the agency is going to issue these regulations. I wonder whether the Senator has any improvement on the restrictive language we put in the bill, saying that no funds under this act shall be used to enforce these regulations, expressing ourselves as strongly as I think we can. If the Senator from Oregon has any more restrictive language, I would like to hear it.

However, taking his argument that that is going to happen, I wonder whether he can tell me how taking out $3.8 million will prohibit them, in the black of night, from doing the same thing.

And the Senator from Florida also wants to prohibit them from doing that but has a little bit of concern about pulling agents out of Florida, Oregon, and other States, who are now carrying out their law enforcement duties. Being a law and order man as the distinguished Senator from Oregon, I do not want to see these agents pulled out. But even saying that we do what the Senator from Oregon wants to do and pull the money out and, therefore, pull out these law and order agents, how does that keep them, under his argument, from imposing this gun control when we turn our back, and does he have a better way of doing it?

I just fail to see how taking the money adds anything to the argument that he has made that as soon as we turn our back they are going to issue these regulations.

Mr. PACKWOOD. First, I might say that nothing impresses a bureaucrat more than having his funds cut. He seems to get that message more loudly and strongly than directions or resolutions from Congress. I think the House of Representatives took the correct action on this bill. If in the face of cutting their budget by $3.8 million they want to come back and attempt to reprogram other funds in an attempt to violate the intention of Congress, in the face of a specific reduction in their appropriation and specific debate as to what that reduction was to be meant for, I cannot stop them

from doing that. But I would not want to come back to this Congress or to the Appropriations Committee having done that in the face of these directions.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. WEICKER. Mr. President, I yield myself 5 minutes on the bill.

The PRESIDING OFFICER. The Senator is recognized.

Mr. WEICKER. The only message that is being sent to the bureaucracy by whatever amendment is going to be proposed here in a few minutes has nothing to do with the regulations on firearms. The only message that is being sent is that we are going to go ahead and cut the law enforcement of the Bureau of Alcohol, Tobacco and Firearms. Why just not propose that the appropriation be cut $3.6 million—that is very simple—without any other language, because that is what the Senator is doing as it relates to the Bureau of Alcohol, Tobacco and Firearms?

This is now, considering the language that has already been obtained by the committee, merely either a reason to go ahead and cut the general appropriation or it is to make certain of our colleagues heroes in the eyes of certain lobbyists. It has nothing to do with the threat that was put out there by various bureaucrats in the Bureau of Alcohol, Tobacco and Firearms.

Let me read very specifically, first of all, as to what it is that would be cut:

> The budget cut would affect all activities of the Bureau, including its ability to assist State and local criminal investigations, its enforcement of Federal revenue laws, and its important regulatory responsibilities in the liquor area. In addition, BATF will be forced to eliminate almost two-thirds of its technical training, which includes training of State and local police in bombing and firearms investigative techniques, and would have to reduce important aspects of its anti-terrorism activities. Major illegal firearms investigations would also be adversely affected.

What was proposed by the Bureau, has nothing to do with the regulations whatsoever. Aside from the report language, and I do not see how you can be more specific than that, we will not implement these proposals without receiving from Congress the funds to do so. I do not know how you can be more specific.

So I appreciate the business of sending a message via the appropriation's process. Indeed, I am trying to do the same thing with some of the agencies right now. If I received the type of assurances from the various agencies that I am riding herd on that we received from the Bureau of Alcohol, Tobacco and Firearms, believe me, I would be totally satisfied.

This is very clear cut in what it is that they are promising not to do. So, please understand that when this amendment comes up, if it does, the funds that are being cut are going to have absolutely nothing to do with the regulations. It sticks in my craw, as much as any other Senator's in the Chamber. It is merely going to come out of the general law enforcement effort of BATF, period.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. WEICKER. I yield.

Mr. McCLURE. I thank the Senator for yielding, because I will be offering the amendment later to cut the funds as the Senator knows and the Senator from Oregon has made reference. I simply indicate to my friend from Connecticut that I, too, have had the entreaty from the Department of the Treasury. At the appropriate time when I offer the amendment, I will specifically respond to the arguments which they have made which my friend from Connecticut is repeating now.

But the fact of the matter is that it is not a law enforcement issue. It is not a law and order issue.

It is the question whether BATF is going to be able to get into gun control by the back door in the face of the expressed opposition of Congress. They have indicated that they intend to do so. They have tried to do so. We have rebuffed them on this occasion again in the House of Representatives and hope to do so again in the Senate.

I appreciate the language that the Appropriations Committee has inserted, but I think we need to indicate to them very specifically and very emphatically that they cannot get away with rebuffing the intention of Congress repeatedly.

Mr. STONE. Mr. President, will the Senator yield?

Mr. WEICKER. How much time do I have remaining?

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. WEICKER. I yield myself 4 additional minutes.

Again, if this is what the Senator wants to do, might I suggest that we improve the language that will prohibit them from issuing such regulations rather than to go ahead and diminish the enforcement effort of this particular bureau which enforcement effort spans a wide variety of activities all of which every Senator in the Chamber is interested.

No, I am sorry. I can understand very well what it is that is the desire of the Senator from Idaho because it is my desire also. But I have to give full credit to the distinguished chairman who well in advance of the hearings received the written communication of the bureau which clearly sets forth that such regulations will not be issued.

Now if the Senator wants to go ahead and punish everyone for the fact that a few men had some bad thoughts, why I just think that is a preposterous type of legislating, and I say it dotes to a lobby that quite frankly is giving me their 100 percent approval rating. But this carries it to the point of ridiculousness and very frankly is going to come to a head and bring to pass that type of registration, that neither the Senator nor I want, faster than anything else.

Mr. STONE. Mr. President, will the Senator from Connecticut yield for 1 minute for a question?

Mr. WEICKER. I yield to the distinguished Senator from Florida.

Mr. STONE. Mr. President, the Senator from Florida received a reassurance from the Secretary of the Treasury, Mr. Blumenthal, dated June 22, in effect committing either to seek a supplemental appropriation for fiscal 1979 or include request for such funds in the 1980 submission in the event that they wished to implement these new gun control regulations.

Mr. President, I ask unanimous consent that that letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE TREASURY,
Washington, June 22, 1978.

Hon. RICHARD B. STONE,
U.S. Senate, Washington, D.C.

DEAR SENATOR STONE: I am writing to urge your support of the Appropriations Committee approval of the budget of the Bureau of Alcohol, Tobacco and Firearms (BATF) which restores $3.8 million of the $4.2 million cut by the House.

A $4.2 million cut will cause a serious curtailment of BATF's regulatory and enforcement responsibilities. The cut will entail a reduction of 135 positions, which translates into over 200 permanent positions. It is likely that this will necessitate a reduction-in-force of BATF employees.

The budget cut would affect all activities of the Bureau, including its ability to assist State and local criminal investigations, its enforcement of Federal revenue laws, and its important regulatory responsibilities in the liquor area. In addition, BATF will be forced to eliminate almost two-thirds of its technical training, which includes training of State and local police in bombing and firearms investigative techniques, and would have to reduce important aspects of its anti-terrorism activities. Major illegal firearms investigations would also be adversely affected.

There has been a great deal of controversy surrounding firearms regulations proposed by BATF in March of 1978. Some have erroneously claimed that the Department intends to use FY 1979 monies to implement these regulations. This is not true. While I believe the proposed regulations would enhance the Federal and local ability to fight violent crime, it is important to realize that the FY 1979 budget does not contain funds to implement them. As I previously wrote to the Appropriations Committee, a decision to implement these regulations will require the Department either to seek a supplemental appropriation for FY 1979 or include a request for such funds in our 1980 submission. Furthermore, you should note that the Committee bill already contains language which would require a new appropriation in order to implement the regulations. Thus, there is clearly no relation between the controversy over the regulations and the money at issue.

In the event of a floor amendment to reduce BATF's budget, I hope you will actively support the bill as reported by the Appropriations Committee.

Sincerely,

W. MICHAEL BLUMENTHAL.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. WEICKER. I yield myself 1 additional minute and I yield to the distinguished Senator.

Mr. STONE. I thank the Senator.

The junior Senator from Florida is persuaded that all these reassurances about not implementing these regulations without funding separately from Congress are probably correct.

But the Senator from Florida has been voting recently in trying to make the hard votes of 2-percent cuts in spending

everywhere that that opportunity avails itself. How would the Senator from Connecticut respond simply to the budgetary constraint arguments, which are persuasive to the junior Senator from Florida, that there is always 1 or 2 percent of waste and fat in all of these programs and the minute anyone tries to cut even one-half percent or 1 percent off of any of their budgets they start screaming that that is going to cost the most vital services of all in their whole program? How are we ever going to get down toward a balanced budget if we buy that argument every time a 1 or 2 or half percent or one-half percent cut is proposed?

How can you cut across the board if you are not willing to cut some of these good departments individually?

Mr. WEICKER. I yield myself 1 minute to respond to the Senator from Florida.

The response to your question is best found in the work of any of the subcommittees of the Appropriations Committee where the work is done, the cuts are made, and as soon as word of the cuts being made gets out to our colleagues they all start drifting in one at a time asking that this cut or the other cut be restored.

I am just not for any sort of mechanism which is a substitute for human judgment in the appropriations process, be it a proposition 13 or a 2- or 3- or 5-percent cut across the board. I feel that is what we are here for. If we do the wrong job either in the sense of the moneys we expend or the revenues we raise we ought to be kicked out of office.

There is a mechanism placed in a democracy against excessive spending or money raising. It is called defeating your representative. But to substitute an across-the-board cut for a constitutional judgment is in my view wrong.

Mr. STONE. That is an appropriate and valid response for legislators who do work. I recall quite well when I was in the administrative branch at the State level that I and my colleagues in all of our departments always built in a little bit of a factor so that if it were trimmed down it would still be the bare bones to get our programs across.

Unless some of us are willing to go 1 or 2 percent on each of the more sensitive budgets—for example, I would ask the Senator from Connecticut, is not every budget a very sensitive budget to the majority that puts that program into being? The defense budget, the mental health budget?

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. STONE. Are not those tough budgets to cut even by a shard when you get to the floor?

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Who yields time?

UP AMENDMENT NO. 1353

(Purpose: To reduce the appropriations contained in Titles I, III, and IV by two (2) per centum)

Mr. ROTH. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Delaware (Mr. ROTH) proposes an unprinted amendment numbered 1353.

Mr. ROTH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 41, after the period on line 20 insert the following new paragraph:

"SEC. 615. Notwithstanding the preceding provisions of this Act, the total amount of the appropriations in each title of this Act, except that contained in title II, is reduced by two (2) per centum."

Mr. ROTH. Mr. President, this amendment has been cosponsored by Senator CHAFEE, Senator LUGAR, Senator STONE, Senator DOLE, Senator BIDEN, Senator THURMOND, Senator MCCLURE, and Senator RANDOLPH.

Mr. President, my amendment provides a 2-percent efficiency cut on all appropriations in this legislation except for the U.S. Postal Service because the growth in that particular title has been less than the rate of inflation.

Assuming a 7-percent inflation rate, with my 2-percent reduction, we still have a 29.3-percent increase in title I, an 18.6 percent increase in title III, and a 12.9-percent increase in title in IV, for a total increase of 18.1 percent.

Mr. President, it is evident that the American economy is in serious trouble, far greater trouble than this administration is either aware of or willing to admit. Only 3 short years since this country suffered the severe effects of a destructive recession, signs are beginning to appear that rising, unrestrained inflation is about to push us right back into the arms of recession again.

Recognizing that limiting Government spending is not an easily managed task, I am nonetheless confident that definite attempts at controlling inflation must be made.

By proposing and accepting one inflationary program after another, this administration is giving up the opportunity to put the country back on the road to real noninflationary growth.

Looking for a "quick-fix" to solve our economic problems, the administration has proposed programs which advocate artificial growth—cosmetic fixes that stimulate the economy with huge injections of Government spending. Perhaps the greatest tragedy of all is the inability to make tough choices—to set priorities—and to follow through.

This expansion of Government growth and spending has too often been ignored or even contributed to by Members of Congress. The time has now come, however, for Congress to awaken to this danger and attempt to control it, for the implications of inaction are too horrendous to contemplate. It is time to do more with less.

Once again, the Appropriations Committee has attempted to resolve one of the most difficult problems the Senate must face each year. That problem is to sift through the requests of all of the substantive committees and the administration and to recommend to the Senate appropriations for fiscal year 1979. It is not an easy task, but is one that is absolutely necessary. I acknowledge their effort and applaud it.

However, I am convinced that we must do more. As a first step toward again achieving some control over Government expansion I am suggesting that Government growth be held down by reducing overall spending. I am proposing that in order to achieve this limitation the Senate adopt my amendment which would reduce the committee's appropriation request by 2 percent in all of the titles of the legislation before us except that which relates to the Postal Service as contained in title II.

The legislation which I am proposing today strikes at the very heart of that which the American taxpayer detests the most—waste and mismanagement.

I firmly believe that not even the best run Federal agency would contend there is not at least that amount of waste within its programs that a serious, effective management system could find and correct without destroying worthwhile programs. In addition, by such legislation, those affected agencies would be put on notice to track the effectiveness of all their programs and set priorities as to the most valuable.

Again, Mr. President, I wish to emphasize I am not advocating irresponsible or precipitous elimination of all or any programs contained in this legislation. I am actually urging a more reasonable level of funding—that which is more consistent with the President's stated goals and certainly more in keeping with those which citizens have been demanding all over the country.

I acknowledge that this perhaps is not the most popular method of reducing spending, since programs—good or bad—may be affected. Yet the time has come when I believe such strong measures should be employed as a means to show both the administration, and the American taxpayer that we are truly serious about reducing spending.

In addition I would suggest that there are many areas in the present legislation in which increases are highly questionable. For example, title I contains an increase of $64 million over the 1978 appropriation of $118 million for the Bureau of the Public Debt.

This is more than a 54-percent increase. Mr. President, why such a startling jump in costs? Secretary Blumenthal is supposed to be one of the top administration fighters against inflation. He exhorts unions to hold down their demand for wage increases to 6 to 7 percent a year. He exhorts business to hold down prices to an even lower level. Yet what example does the Secretary of Treasury set in running his department? The budget for managing the public debt is increased by over 54 percent in 1 year. Additionally, the total budget for the Treasury Department is more than 31 percent over that which was appropriated for 1978. It strikes me as strange that the leading administration inflation fighter is asking for an increase in

1 year which is more than the coal miners received over the 3-year period of their new contract.

Regarding title II, I do not propose any reductions, as the increase over the 1978 level of appropriations for the Postal Service is 5.2 percent, which is less than the inflation rate over the past year.

At first glance, it appears that the appropriation for title III represents a reduction over the 1978 fiscal year appropriation for the Executive Office of the President. With skillful sleight of hand the administration has made two offices, their personnel and functions, disappear into the bureaucracy with barely a trace. After all the promises by the administration of "openness" it disturbs me that it is so difficult to determine specifically what happened to the personnel in the Office of Telecommunications Policy and Office of Drug Abuse Policy.

I have to question what was achieved by this puzzling "shell game." Apparently, by transferring these two offices, the administration "saved" enough to create a new office—the Office of Administration—and to give increases to certain other offices without embarrassing itself with a huge increase over last year's costs.

In addition, the White House staff has been harshly criticized in recent years for its growth and concentration of power. This bill will only exacerbate these problems. It disturbs me that Congress has chosen to appropriate funds for the Executive Office once again, before budget authority exists.

Mr. President, title IV which provides for appropriations for independent agencies, contains total appropriations in excess of a half billion dollars over the 1978 levels. This new $528 million represents an 18 percent increase over last year's funding level. The lion's share of this increase, over $467 million, is a result of mandatory increases required by Federal payments to Federal annuitants, employee health benefits, and Civil Service retirement and disability funds.

These payments are mandatory and there is little that can be done about them. The important lesson here, however, is what this payment represents, and what it could mean in the future. The more Federal programs we have, the more Federal employees we will need to administer them. The payment alone for Federal employee retirement and health benefits has increased by more than 20 percent in 1 year. I cannot believe that it will ever decrease until we stop the growth of the number of Government employees. A good first step would be to reduce the total dollars available for some of these programs and their administration, and my amendments would serve that end.

I especially question, however, the recommended appropriation level for the General Services Administration which is an increase of almost $46 million above the 1978 level. The substantial evidence of waste, inefficiency and fraud within this agency recently uncovered certainly makes it imperative that we do not "reward" such examples of mismanagement until these abuses are corrected.

Mr. President, the time has come for action which will indicate to the American taxpayer we are listening to his mandate and making a real attempt to eliminate wasteful spending.

Mr. CHAFEE. Mr. President, will the Senator yield me 5 minutes?

Mr. ROTH. I am happy to yield 5 minutes to the Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I joined in cosponsoring the amendment of the Senator from Delaware.

On looking over this budget, Senators will note that the total increase over last year is $1.5 billion. Now, that is a pretty good sum of money, even for this institution.

Of course, some of that can be accounted for. A half billion dollars of it can be acccunted for by the total of financial operations to make up the payments to the 31 States the Senator from Florida was discussing earlier. Also, we have a 7-percent inflation factor that we can take into account, so that is another $524 million.

But even after allowing for those two amounts—and, mind you, allowing for a 7-percent inflation factor seems to me to be fairly generous—even after doing that, we still have a whopping half-billion dollar increase over last year.

Mr. CHILES. Mr. President, will the Senator yield at that point?

Mr. CHAFEE. I certainly will.

Mr. CHILES. I wonder, while you are doing that arithmetic, if you will take into consideration the $789 million which is in the 1978 supplemental requests which are now pending, shortly to be brought to the floor, for 1978, which includes the mandatory pay increases which have already gone into effect for 1978. Would you take that figure off, and then tell me what kind of figures you get?

Mr. CHAFEE. Well, are you promising there will be no supplemental next year?

Mr. CHILES. No, but I thought the Senator from Rhode Island was talking about the increase over 1978, and I thought that was part of what his figures were coming forth with. I thought he was giving credit for the one-shot allowance for the claims of States, but I thought he would also have to take into account the 1978 figures for the mandatory pay increase, because the authority there certainly far exceeds the 1978 figure.

Mr. CHAFEE. All right. The supplemental, you say, will come in for about $780 million?

Mr. CHILES. $789 million.

Mr. CHAFEE. All right. Round it off at eight. As I say, I have allowed in here for an inflation factor of over $500 million. You cannot have it twice. In other words, you have to cut down the $800 million by the over $500 million we have allowed for inflation. Even if you do that, you still come out with a substantial increase over the current year.

Mr. CHILES. I did not exactly follow that arithmetic. You allowed $500 million, when in fact the supplementals were $789 million. That is a claim you have to pay. You are saying you are only going to allow $500 million for the $789 million inflation which is contained in the pending supplemental requests?

Mr. CHAFEE. No, I am prepared to increase that amount from $500 million to $800 million. But even if you do that, and it seems to me that would be more than fair, you still have come up with a budget substantially over this current year, by more than $200 million, and that is giving you everything you want.

I just think that, for example, when we look at a Federal Law Enforcement Training Center that goes up 25 percent over last year, or when we look at the Bureau of Alcohol, Tobacco, and Firearms, with a 10-percent increase over the prior year, the Customs Service, an 11-percent increase, the Bureau of Public Debt—now, I appreciate they are not paying the debt; this is the group that services the debt, in other words, gets the savings bonds out, reimburses the Federal Reserve for certain services—but that is going up, with a 55-percent increase, Internal Revenue Service, a jump of 10 percent—in other words, I appreciate that we want these services.

Mr. CHILES. Will the Senator yield further?

Mr. CHAFFEE. Yes, I will.

Mr. CHILES. I am still trying to understand the Senator's arithmetic. The way I thought I heard you last time, you said even giving credit for all these items, we still have a budget $200 million above last year.

Mr. CHAFEE. Yes; that is giving you everything you want.

Mr. CHILES. That is pretty good. What is $200 million over last year?

Mr. CHAFEE. Let me finish here, if I may, and then we will turn it back to the sponsor of the amendment.

Mr. CHILES. Yes.

Mr. CHAFEE. It just seems to me, Mr. President, that we are in a situation where no one wants to wield a meat ax on any of the operations of the Government, but we have come forward with a budget that it is hard to follow from day to day, but certainly no one would quarrel that the total budget is $50 billion in deficit. I do not think any economist in the Nation would claim that inflation is not directly related to deficits in the Federal budget.

I do not envy the members of the Appropriations Committee. I think they have a very difficult and, indeed, thankless job.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. CHAFEE. May I have 2 more minutes?

Mr. ROTH. I yield the Senator 2 more minutes.

Mr. CHAFEE. They have to listen to very emotional requests, just as any executive does, for more money for this and more money for that. I expect every Member of the Senate has been before that committee asking for more. I have been present asking for more, for certain programs I am interested in, as every other Senator has.

So it is a very difficult task. But somehow we have to get control of this thing. I do not think we can balance our budget

by 1981, as the President originally suggested and as he later backed off from. But I would certainly like to see little steps made all along the line to cut back on our spending. So on that basis, I would support the amendment of the Senator from Delaware.

Mr. CHILES. I never did quite understand, from your mathematics of $200 million, where you were going to cut $1.4 billion.

Mr. CHAFEE. I do not believe the total is $1.4 billion. The sponsor of the amendment says taking 2 percent from titles I, III, and IV equals $143 million; call it $144 million.

Mr. CHILES. The amendment states:

Notwithstanding the preceding provisions of this Act, the total amount of the appropriations in each Title of this Act, except that contained in Title II, is reduced by two per centum.

That is what the amendment says. I assume that we can add up the amount of the remaining titles and strike 2 percent from them. I do not know how else to read the amendment.

Mr. CHAFEE. I will turn this back to the sponsor, since he is the one who came up with the figures.

Mr. ROTH. Let me point out to the distinguished Senator from Florida that the total budget recommended by the subcommittee is $9 billion. If we took 10 percent of the $9 billion that is $900 million. We only recommend a 2-percent cut. So, as I indicated, the figure is roughly $144 million that we are proposing to cut, and not of the size suggested by the Senator from Florida.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. Mr. President, I yield myself such time as I might need.

The Senator from Florida.

Mr. President, the committee recommendation is $1.5 billion above the appropriations to date for fiscal year 1978. If we subtract from that the pending supplemental request of $789,112,000 which includes the request pending for the mandatory salary increases, and also subtract the $543 million for the claims of social services rendered by the States, that brings our increase over fiscal year 1978 to $174 million. That is approximately a 2-percent increase, and much less than the rate of inflation being experienced throughout the country. The subcomittee felt, by being able to reduce the original budget request and to hold the spending in line to where we would only be at approximately a 2-percent increase, that we had done a pretty good job.

I know my distinguished colleague has mentioned a $64 million increase in the Bureau of Public Debt of the Treasury, and has said that that is a large sum of money. I would just point out to him that a large portion of this increase is as a result of legislation passed by the Congress which requires that we receive interest on our tax and loan accounts. This will be the first time that the Federal Government will be receiving interest on tax and loan accounts. The law also requires that we pay fees for the bank services. That is an original first for us also because we have not paid fees in the past. Banks have had the use of that money. Congress felt, in its wisdom, that we were losing funds, that we would do better if we charged interest on our deposits that were out there, and that we, in turn, pay the banks the routine fees for the handling of that money. This item is to set up the payment of those fees to the banks. But we are going to get a return and that return will go into the General Treasury. It will be much more than that $64 million. We figure we are going to receive a net plus of over $100 million.

I would also point out that the 2-percent cut across the board is going to amount to $54 million, the way I figure it, for mandatory Government payments. It is going to amount to $54 million for the Government payment for annuitants for health benefits and payments to civil service retirement and disability funds; $54 million is a considerable sum of money. I do not know where we are going to pick up that kind of money other than making some kind of cut in the retirement checks themselves, which are mandated payments by the Congress.

Mr. President, it just seems to me that if there are specific items in this bill that any Senator feels are too high, I would like to see those items approached and debated on the merits of those particular items. But an across-the-board cut, when the committee is presenting a bill which has less than 2-percent growth, we think is the wrong way to go about it. It also says to the Appropriations Committees, "It does not make any difference what kind of job you do. We are going to make a 2-percent cut or a 5-percent cut or a 10-percent cut, regardless of what you do." So you do not particularly get rewarded for having a subcommittee that tries to hold down the spending, which comes in with less than the President's request, which comes in with a lower growth than we find in inflation. Some Senators still want to go out and make a cut of some 2 percent on that.

I yield the floor, Mr. President.

Mr. ROTH. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 13 minutes remaining.

Mr. ROTH. Mr. President, I yield myself 3 minutes.

Mr. President, I have no desire to extend this debate, but I wish to point out what I and the cosponsors of this amendment are trying to do, and that is to put the executive branch, the bureaucracy, on notice that a better job has to be done in the operation of their agencies and departments. I believe every person in this country feels that there is a 2-percent waste factor in the Federal Government's budget; and that if a really determined effort were made the productivity of these agencies could be increased; in other words, producing more at less cost.

I regret that every time an effort is made to cut or to impose some efficiency restraints on the Government, we always meet this kind of a problem.

I also point out that the Paperwork Commission, for example, recently announced that it is costing the Government something like $40 billion. I believe that we can make substantial improvement in that area.

For example, the report of the subcommittees pointed out the lack of controls and restraints in the area of travel. It seems to me that probably there would be many times when a telephone call could be substituted for a trip. The sort of efficiency measures that we are proposing call for better management. It cannot be legislated in any way except in the manner we are seeking here.

Mr. President, we all know there are many supplementals; and there will be more supplementals this year as far as these appropriations are concerned. So if there are any hardships or any situations that cause great problems, they can always be dealt with at that time.

I think what is important and what the taxpayers of America want us to do is to put the managers of the Federal executive branch on notice that they have to do a better job, that they have to produce more at less cost. That was the message in California and that is the message I am getting back in Delaware.

The PRESIDING OFFICER (Mr. STONE). Who yields time?

Mr. CHILES. Mr. President, I just want to point out that I think the subcommittee attempted to send a message, as Senator ROTH has pointed out, and we cut $218 million from the President's request, which is exactly what we are talking about doing now in an amendment out on the floor. The subcommittee has already made that kind of cut and we think that that is the responsible way to try to cut reduce requests, rather than across the board.

We are ready to vote. I yield back the time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. ROTH. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Delaware. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. ANDERSON), the Senator from Indiana (Mr. BAYH), the Senator from Arizona (Mr. DECONCINI), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. MCGOVERN) is absent on official business.

I further announce that, if present and voting, the Senator from Arizona (Mr. DECONCINI) would vote "yea."

Mr. STEVENS. I announce that the Senator from Massachusetts (Mr. BROOKE) is necessarily absent.

I also announce that the Senator from California (Mr. HAYAKAWA) is absent to attend the funeral of a Member of the House of Representatives.

The result was announced—yeas 55, nays 34, as follows:

[Rollcall Vote No. 179 Leg.]

YEAS—55

Allen	Goldwater	Nunn
Baker	Griffin	Packwood
Bartlett	Hansen	Pell
Bentsen	Hart	Percy
Biden	Hatch	Proxmire
Bumpers	Hatfield,	Randolph
Burdick	Mark O.	Roth
Byrd,	Hatfield,	Sasser
Harry F., Jr.	Paul G.	Schmitt
Cannon	Heinz	Schweiker
Chafee	Helms	Scott
Church	Huddleston	Stafford
Curtis	Johnston	Stevens
Danforth	Laxalt	Stone
Dole	Leahy	Thurmond
Domenici	Lugar	Tower
Durkin	McClure	Wallop
Eagleton	Melcher	Zorinsky
Ford	Metzenbaum	
Garn	Morgan	

NAYS—34

Abourezk	Hollings	Pearson
Bellmon	Humphrey	Ribicoff
Byrd, Robert C.	Jackson	Riegle
Case	Javits	Sarbanes
Chiles	Kennedy	Sparkman
Clark	Magnuson	Stevenson
Cranston	Mathias	Talmadge
Culver	Matsunaga	Weicker
Glenn	McIntyre	Williams
Haskell	Moynihan	Young
Hathaway	Muskie	
Hodges	Nelson	

NOT VOTING—11

Anderson	Eastland	Long
Bayh	Gravel	McGovern
Brooke	Hayakawa	Stennis
DeConcini	Inouye	

So the amendment (UP No. 1353) was agreed to.

Mr. ROTH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Kansas.

The following Senators requested and, by unanimous consent, the privilege of the floor was granted in behalf of the following staff members: Mr. TALMADGE: Bob Cassidy and Bruce Feingerts; Mr. HARRY F. BYRD, Jr.: Roger Sindilar; Mr. DOLE: Bob Paquin and Sue Brannigan; Mr. CHILES: George Patton.

Mr. DOLE. Mr. President, I ask unanimous consent that the names of the distinguished Senator from South Carolina (Mr. THURMOND) and the distinguished Senator from Delaware (Mr. BIDEN) be added as cosponsors of the amendment now pending.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1352

Mr. DOLE. Mr. President, this amendment was set aside with the understanding that perhaps the distinguished Senator from Washington (Mr. JACKSON) wanted to address the amendment.

I also have discussed the amendment with the distinguished Senator from Georgia (Mr. TALMADGE), who may want to speak to the amendment.

I can repeat, for the benefit of those who have just arrived, the statement I made this morning.

What we are trying to prevent is the imposition of an import fee of $5 to $6 a barrel on oil, which would raise it to $19 or $20 a barrel.

This might raise $12 billion to $15 billion, depending on the point of reference; but I am referring to a study prepared for the distinguished Senator from Ohio (Mr. METZENBAUM), in which it is indicated that the revenue would be about $15.3 billion. This study was prepared for Senator Metzenbaum by the Library of Congress.

According to the estimates we have, it probably would reduce imports by as little as 200,000 to 300,000 barrels a day, and we are talking about the importation of 7 million barrels a day.

I can understand the desire of the President to raise some revenue. But it seems to me that the administration has threatened time after time to impose an import fee. The Senate has acted on one occasion with a clear vote, and that matter is now in conference, where we are not going to meet again until July 13.

As I understand, the President is going to Germany in mid-July, and there is some indication that he then may announce his intention to impose an import fee of $5 or $6 a barrel. It seems to me that it is important that we, in effect, send the President and the administration a message.

It does not do anything to improve our production. It does very little to decrease imports. It probably invites the OPEC countries to raise prices $4 or $5 a barrel. It does raise some revenue.

It will not force Congress to adopt the coequalization tax. I think most people understand that tax is dead. The American people have spoken rather clearly in the past few weeks, and I think they have had enough of high taxes. They do not want more taxes, whether they be oil taxes, property taxes, sales taxes, or income taxes. They have had enough taxes. It does not seem to me that this addresses the problem.

I do not know of any other way. We have tried to suggest that perhaps this is the wrong road to travel, but time after time the administration has indicated that is not how they see it. With all due respect to the President, he has a number of problems, and certainly revenue is one and the energy bill is another. But I think this would signal to the President that Congress is not willing to accept the imposition of that fee.

Mr. President, I yield the distinguished Senator from Delaware 5 minutes.

Mr. ROTH. Mr. President, I support strongly the proposal of the distinguished Senator from Kansas to bar the use of funds in this bill for imposing oil import fees.

As is well known, in recent weeks the administration has threatened time and again to impose an oil import fee if Congress does not approve the so-called President's crude oil equalization tax.

Mr. President, I oppose both these measures. I opposed the crude oil equalization tax in the Finance Committee, where I made the motion to kill it. I oppose this oil import fee, since both these measures would siphon billions of dollars out of our economy, without producing even one new barrel of energy.

The President's crude oil tax is not an energy measure. It is a massive tax increase on the American people. I think that what is planned is nothing more than an income transfer program.

The President claims that the tax is needed as a conservation measure, and I think conservation is important. The difficulty with this program is that it does nothing about the other side of the coin. It does not help produce more energy. A crude oil tax will drain billions of dollars out of the economy at the very time many economists are saying, both publicly and privately, that our economy will be in difficulty come this fall.

Under the bill passed by the House of Representatives the crude oil tax would increase taxes on the working people of America by $39 billion by 1982. I say to my friends and colleagues in the Chamber that this $39 billion increase, combined with the massive new social security taxes, combined with the effect that inflation has on the taxes of the average worker, will have a devastating impact on our economy.

By raising the price of imported oil, the oil import fee will unleash new inflationary pressures, slow economic growth, and tragically result in increased unemployment.

Furthermore, the oil import fee would signal the OPEC oil cartel to increase foreign oil prices. If we are willing to increase them here, why should they not do the same?

Finally, Mr. President, the oil import fee would have a devastating impact on the Northeast Central region of the country, including my own State of Delaware.

Mr. President, I am glad to support the Senator from Kansas and urge my colleagues to do the same, because not only would this measure have no positive aid in the energy area, but it is the wrong signal, the wrong movement with respect to the growth of the economy.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. ROTH. I yield.

Mr. TALMADGE. Mr. President, will the Senator from Florida yield 5 minutes?

Mr. CHILES. I yield 5 minutes.

Mr. ROTH. I have not yielded the floor yet, Mr. President. Do I have any time remaining?

The PRESIDING OFFICER. The Senator from Kansas controls the time which he yielded to the Senator from Delaware. He yielded 5 minutes.

Mr. ROTH. Have I used the 5 minutes?

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. ROTH. I yield to the Senator from Virginia.

Mr. SCOTT. Mr. President, I appreciate the distinguished Senator yielding.

I rise in support of the statements made and wish to associate myself with the statements made by my two distin-

guished colleagues from Kansas and Delaware.

It seems to me that the emphasis is being placed at the wrong place. We need more energy. We do not need higher taxes or higher prices, and this seems to be just the reverse of the needs of the Nation. An industrial nation in order to expand needs more energy. The people of this country do not want higher taxes in any form. They do not want to pay higher prices for oil. So we would raise the prices and yet we would not get more energy. It seems to me the emphasis is on the wrong place.

I associate myself with the remarks made by my colleague.

The PRESIDING OFFICER. Who yields time?

Mr. TALMADGE. Mr. President, will the Senator from Florida yield me 5 minutes?

Mr. CHILES. Mr. President, how much time remains to the Senator from Florida?

The PRESIDING OFFICER. The Senator from Florida has 23 minutes remaining.

Mr. CHILES. I yield 5 minutes to the Senator from Georgia.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. TALMADGE. Mr. President, this matter comes clearly within the jurisdiction of the Finance Committee. The chairman of the Finance Committee at the present time is, unfortunately, out of town.

In the bill that the Senate developed on taxes for petroleum, we went the opposite direction than the House of Representatives, and we put emphasis on providing tax credits to provide new and alternative sources of energy in this country.

Also, in this bill is a Dole amendment which would prohibit the President from levying an import duty. The Finance Committee is going back into conference with the House of Representatives on this bill on July 13. So this matter is already before the conferees of both the House of Representatives and the Senate.

Further, Mr. President, the distinguished Senator from Kansas has a sense-of-the-Senate resolution pending on the Senate Calendar urging the President not to levy import duties. So if he wants to send a message, he has that message on the Senate Calendar at the present time.

The matter is already in conference between the House of Representatives and the Senate, because it is in the Senate bill and is not in the House bill.

I do not think we should deliberately tie the hands of the President. I think we can work this matter out legislatively.

As I recall correctly, I voted for the Dole resolution, but I do not think we should slap the President down and give him no alternative guide, when we already have this matter in conference between the House of Representatives and the Senate and when, further, Senator DOLE has a sense of the Senate resolution pending on the Senate calendar that can be passed by the Senate and can send the President a further message.

So at the proper time, Mr. President, I shall move to table the Dole amendment.

Mr. MATSUNAGA. Mr. President, will the Senator yield?

Mr. TALMADGE. I yield.

Mr. MATSUNAGA. Mr. President, I join the Senator from Georgia (Mr. TALMADGE) in opposing the Dole amendment, and I do this as a cosponsor of the Dole resolution expressing the sense of the Senate opposing the oil import fees.

I do not think that this is the proper vehicle in which to express the sense of the Senate in its opposition to import fees and, as was stated by the Senator from Georgia, the conferees of the Finance Committee will be meeting on July 13 to consider this very issue.

To adopt the Dole amendment would be tantamount to abrogating the committee system. In our legislative system, we have a proven committee system in operation. The Senate Finance Committee has scheduled a meeting to consider this matter. For the entire Senate to consider the Dole proposal would mean a bypassing of that committee, in complete disregard of the work it has done on the question to date. It certainly is not the right way to do what otherwise may be supportable.

Hawaii would be hard hit by a $5 a barrel import fee. Hawaii imports all of its petroleum. Hawaii has no feasible alternative, and a $5 per barrel import fee would, in fact, bring about disastrous consequences on Hawaii's economy. However, I would like to see the administration develop a concrete proposal before I vote to tie down the President's hand. I would like to explore and work with the administration in forging a fair solution, rather than close my mind to any proposal it may offer.

Moreover, world leaders have categorically stated that international economic trade balance rests on the U.S. energy policy. To remove arbitrarily the President's authority to impose an oil import fee is an embarassing statement to the world that the Congress is not willing to curb American oil import or consumption or support the President in his effort to achieve energy conservation.

I believe the energy problem can be solved equitably. The administration and Congress need time to understand, explore, devise, and modify solutions. The problem does not vanish by abjuring the power of the President or depriving him of the opportunity to propose solutions.

For these reasons I must, reluctantly as it may be, vote against the Dole amendment and urge my colleagues to do likewise.

For these reasons, Mr. President, I urge my colleagues to vote against the Dole amendment.

Mr. ABOUREZK. Mr. President, will the Senator yield?

Mr. JACKSON. Mr. President, will the Senator from Florida yield?

Mr. CHILES. I yield 5 minutes to the distinguished Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington.

Mr. JACKSON. Mr. President, in the strongest terms possible, I urge my colleagues to reject what I think is, indeed, an ill-timed amendment. At this moment, it can serve no useful energy or economic objective, and may I say its passage will only further tie the hands of the President of the United States as he is about to face world leaders who are already concerned about this Nation's resolve in meeting the challenge of growing imports and balance-of-payments deficits.

By now we all know that energy is not an easy subject. Too much time has already been wasted in trying to assess the blame for the long delayed enactment of a national energy plan. Whatever the reasons, it is a fact that this Nation has not yet acted to face up to its problems of oil imports and growing balance-of-payments deficits that threaten the dollar and our national security.

No one, least of all me, wants higher energy prices. But the need for finding a way to stop the subsidization of imports is real.

I, for one, have been skeptical about the chances for passing a crude oil equalization tax this year. But that verdict is not yet in. In the coming weeks the tax conference will be meeting to resolve the fate of the energy tax bill, including the crude oil equalization tax. The references to import fees have only been in the context of a failure of the tax bill. To severely limit the President's options before the tax bill is complete, and on the eve of his departure to the economic summit, would unnecessarily damage the prospects for success at the summit and underscore our energy paralysis for the rest of the world.

As the summit approaches, hopefully the Senate will be able to enact major portions of the national energy plan already agreed to by the conferees. At the same time, the tax conference will actively be wrestling with the problems of growing oil imports.

Before that work is complete, and just before the President departs for a critical meeting with foreign leaders, it would be a great disservice to the Nation, and a premature action at best, to remove Presidential authorities that may in fact never be used, but whose existence improves our international bargaining position. I think it is important that the Senate reject this ill-timed and damaging amendment.

Mr. President, we cannot go back home and say that we are going to do something about energy if we are unwilling to face up to the challenge of more and more imports. When you turn on the radio in the morning or the television tube, what is the story? The dollar is down again, Mr. President. The dollar is down again. And Congress has to face up to this problem.

Mr. President, this law has been on the books a long, long time. President Ford exercised authority under it. It is not a partisan issue. It is an issue that goes to the responsibility of Congress.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. JACKSON. I will yield when I finish my statement.

It goes to the responsibility of Congress in dealing with this critical problem of imports.

Now, I know that the wellhead tax is in trouble. I know there are serious problems in that regard. But I want to point out that Congress has the responsibility of making a decision, and we have not made a decision. If the only decision that we are going to make before the President ends up in Bonn on July 16 to meet with the leaders on the subject of economy of Western Europe and Japan is that we are taking away this authority, we are taking away authority to deal with imports so that we can strengthen the dollar, that is irresponsible.

I would point out, Mr. President, that Congress has ample authority if fees are imposed to veto the action of the President.

I would not support import fees, at all times, but the psychology and timing are wrong, Mr. President, when we are not acting positively to do anything about imports to act negatively on the subject of the President's authority to control imports. That is my appeal.

I am not happy with the COET proposal. I am not happy with import fees. I think it may be an unfair way of dealing with the problem. But the question before the Senate is do we want to send a signal to our friends abroad that we are not going to do anything, that we are not going to resolve this problem; that we cannot reach an agreement?

Mr. President, I do not think that is fair to any President, be he a Republican or a Democrat, and I appeal to my colleagues not to adopt this amendment at a time when this can only cause more problems rather than helping to resolve what I think is a critical problem.

There is no easy solution, Mr. President, to this problem of imports. But we cannot walk away and say we are going to take what authority remains on the books away from an American President.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. CHILES. I yield 2 minutes to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. ABOUREZK. Mr. President, I just want to say that I started out, when this amendment was offered, thinking I would vote for the amendment by Senator DOLE from Kansas. But I now am not so sure. I see people rising on the other side talking about being opposed to increasing taxes on oil and other forms of energy and increasing prices, and those people who are speaking that way every time I have seen them vote have voted in favor of raising prices and taxes and whatever else they can raise to increase the price of oil to the American public.

While I am probably as much opposed to oil import fees as Senator DOLE is and, perhaps, even more, I am not sure that this is an amendment to try to stop import fees as it is to the Republicans taking a poke at the Democrats.

I would just like to ask the Senator from Kansas, the Senator understands that they can find money somewhere else to impose import fees other than this bill if you do oppose this amendment, but is the Senator serious? If he is serious, let us try to repeal the authority the Congress gave the President to impose import fees.

Mr. DOLE. Mr. President, if I may respond to that, we are making an effort, it is in the bill which is in conference. We have not met since last December. We are going to meet on July 13. The President is going to be in Germany on July 15. I only want to say in reference to partisanship, I noticed Senator JACKSON voted to strip President Ford of that authority in 1975, as did the Senator from Florida, so it is not partisan.

Mr. ABOUREZK. I voted that way myself.

Mr. JACKSON. Mr. President, will the Senator yield at that point?

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Who yields time?

Mr. CHILES. I yield 2 minutes to the distinguished Senator from New York.

Mr. MOYNIHAN. Mr. President, I rise to particularly associate myself with the Senator from Washington. With the President of the United States about to go to an economic summit at which our allies and trading partners are going to be particularly difficult on the question as to has the United States been willing to discipline itself about energy, and at a time when the failure to do so must reside here in the U.S. Congress, the President proposed a program to us 16 months ago and we have not acted on it, and for us to give him instructions as if he were an envoy, to tie his hands as if we did not want him to speak for us, is a great disservice to the Presidency and to the cause of energy conservation.

Mr. President, I have just spoken with Secretary Schlesinger who described to me the plans that they envision. He has stated, and this seems to me to be especially important for those of us on the east coast, and I quote him:

> We have every intention to use the entitlement system to see that no section suffers disproportionately.

My State of New York imports more than a third of the home heating oil imported in the country in a given year. We import 30 percent of the national imports of residual oil, but I have spoken to Secretary Schlesinger and he has made clear that our particular vulnerability will not be exploited by the administration.

I will vote to table this measure, Mr. President. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Several Senators addressed the Chair.

Mr. DOLE. Mr. President, how much time does the Senator from Kansas have remaining?

The PRESIDING OFFICER. Twelve minutes.

Mr. CHILES. How much time do we have?

The PRESIDING OFFICER. Nine minutes.

Mr. DOLE. I yield 4 minutes to Senator DURKIN. I have had several requests for time.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. DURKIN. I thank the Senator, and I commend him for his continued efforts along this line.

I share his concern that the bill we passed restricting the President's authority is still languishing in committee.

I hate to disagree with my distinguished chairman, Senator JACKSON, but let us talk about going home. If this oil import fee is imposed, I suspect that the Senator from New York cannot go home; I suspect that the Senator from Florida cannot go home. I know the Senator from New Hampshire cannot go home.

What are we being asked to do? We are going to send a message to Bonn so that we can have another TV Rafshoon extravaganza, so that the President can be on the networks every night smiling away to all the European leaders.

Instead of to Bonn, we ought to send a message to 1600 Pennsylvania Avenue that we are fed up with the national energy policy; we are fed up with the schizophrenic energy policy the President sent up here.

An oil import fee would have the effect of declaring economic war on New Hampshire, New England, and the Northeast down to Florida. That is the message we ought to send. We do not need another TV production in Bonn, where the administration is trying to sacrifice the people of New Hampshire and the people of New England. We have been victimized for 15 years by the Federal energy policy, and now we are being asked to get it again just so that there can be a message at a summit conference in Bonn.

I suspect the President would be better served by listening to people in this country. The last poll to come out in New Hampshire last week shows the President with a favorability rating down to 24 percent. If this oil import fee is adopted or the President is foolish enough to implement it, that percentage is going to go lower.

The entitlement program that my friend from New York mentioned, sounds good, but you will lose a lot of money in poker before you finally learn that you do not bet on the next card. You bet on the cards you have. We have been promised that entitlement program for over a year, but when the administration wants to export Alaskan and Californian oil to Japan it is done without any trouble and there is no problem.

They are dangling a carrot in front of us. How long are we going to fall for that stall? When they talk about having an entitlement program for the east coast, that is just a proposal. They have to have studies on that, and hearings, and I will be gray-haired or bald, I expect, before it is ever implemented. We have been promised it for years. Every time we see the good Dr. Schlesinger, and he is not smoking his pipe or looking at strange birds, he tells us about the energy entitlement program.

Mr. President, this is the time to limit the President. He wants an energy program more than Torrijos wanted a treaty. He does not care what that energy program says as long as it is captioned "Energy Program." But he asks me to sacrifice my people, the people of New England, the people of New York, and all down the east coast, so that he

can have a campaign headline that says, "Energy Plan Finally Passes."

The only way we can be sure the President does not jump into this ill-conceived approach is to restrict his authority. We thought we had done that in the tax bill, but apparently this is the only avenue we have.

Mr. President, I again commend the Senator from Kansas and urge the support of his amendment.

Mr. DOLE. Mr. President, I yield 3 minutes to the Senator from Oklahoma.

Mr. BARTLETT. Mr. President, I think the Senators from the East who are very willing to support the amendment of the Senator from Kansas (Mr. DOLE) are being very inconsistent with past positions they have taken. They recently succeeded for a while, perhaps permanently, in having a change made in the entitlement program so that the people in the western part of the country would be picking up, in part at least, the increases in the cost of imported oils and fuel oil in the East.

Let me point out what this bill does. The conservative estimate of Chase Econometrics is that there would be an inflationary increase of 1.5 percentage points, and the Congressional Research Service says the impact could be as high as 4 percent. So we are talking about significant inflation.

The Senator from Washington (Mr. JACKSON) says this is ill-timed. I am not so sure, after watching the votes in this body and seeing the number of successful votes on cutting spending, or on thinking of the re.ent action in the west coast with respect to proposition 13.

What we are talking about here is a substantial increase in costs, with no increase in domestic energy supplies.

Why do we import so much oil? Very simply because we do not have it, and want it and need it.

We have an opportunity, fortunately, of getting it. But what is that going to do for our domestic supplies as far as increasing them? Absolutely nothing. We are just going on with the old business of treating symptoms rather than causes of the problem. I think we must wake up to the fact that we must address the problem itself, that we have the supplies of energy, we are not developing them, and we must develop them if we are going to work our way out of the problems we now have.

There will be one other problem with this, and that is that an import fee on crude oil will cripple the already ailing domestic refining industry in this country, because it would require an offsetting fee on imported refined products. If it does not have that, the net effect will be an export of jobs and an export of capital from this country. But if we had the offsetting fee on refined products, that would mean that the impact on the east coast would be just that much greater.

So I think the east coast, which imports large amounts of oil from the Mideast, is going to see a tremendous increase in inflation, as well as the rest of the country.

The PRESIDING OFFICER. The Sentor's time is expired.

Mr. DOLE. I yield 2 minutes to the distinguished Senator from New Mexico, then 2 minutes to the Senator from Wyoming. I will then have 1 minute remaining, whi:h I reserve.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. SCHMITT. Mr. President, I support the amendment of the distinguished Senator from Kansas. I would just add to the remarks of the Senator from Oklahoma that it is clear that this kind of an action by the President, under any circumstances, would mean open season. We certainly should not allow the President to go to Bonn with a bent arrow in his quiver. He needs straight arrows. It is up to the Senate to finally recognize what some of those arrows are.

One arrow is increased domestic production. As the Senator from Oklahoma has pointed out, special import fees will do nothing to assist domestic production. There is a tremendous amount of oil and gas yet to be produced in this country. If we are willing to go after that, we can reduce our imports in that way.

The only way an import cartel such as OPEC is going to be broken is by outproducing it. This country does have the capability in oil, gas, and all other energy sources to outproduce that cartel. I hope that in the energy conference, as well as in the next Congress, we will do something about encouraging production. Our energy problems will never go away until we can produce energy adequate to meet our domestic needs, and once again become an exporting nation.

Again I thank the Senator for his courtesy.

Mr. HANSEN. Mr. President, the Senator from Washington asks, how do we face up to the challenge of more imports? I will tell you how not to face up to it. That is by holding the domestic price at Salt Creek, Wyo., down to $4.24 a barrel, which it was last year, letting it go up to $5.24 a barrel now, and walking away and leaving a lot of oil in that field because it is uneconomical to produce it.

In the United States today, we have 200 billion barrels of oil in the ground. If you want to do something about foreign imports, let the price rise domestically, so that it will be produced. If you want to leave it there and subsidize every foreign country that produces oil, put on a tax, as the President proposes to do, and keep the price of domestic oil so low that we cannot afford to produce it.

That is what is wrong with the President's program. We are shutting down between 25 and 50 wells per year every year in one field in Wyoming.

I say the only way to address the problem of foreign imports is to produce more oil domestically. Anybody who has examined the problem will agree that has to be the answer.

The allegation has been made that we have been escalating our consumption of energy in this country tremendously. Mr. President, that is not true. The reason we are importing more oil today is because we have let our domestic production decline. I say it makes no sense at all, and will not help the President's energy policy, to go to Bonn and say, "We are going to do something about energy production in this country by putting a $5 tax on imports."

That is nonsense. The reason simply is that the OPEC countries will say that if we can afford a $5 tax on imports, on top of the price we pay them, why do we not raise our domestic price?

I say the President will do well if he goes over there and in all honesty tells the ministers from the foreign countries what will work. This proposal will not work.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. Mr. President, if no one else desires any time, I am willing to yield back the remainder of our time.

The PRESIDING OFFICER. The Senator from Kansas has 1 minute remaining.

Mr. DOLE. May I use my 1 minute now?

Mr. CHILES. Yes; go ahead.

Mr. DOLE. Mr. President, the principal cosponsors are Senators BIDEN, HATHAWAY, and DURKIN; so this is not a partisan effort.

The Senator from Wyoming just made the point that if we are going to invite higher prices from the OPEC countries, let us raise the $5 a barrel domestic price. We are not trying to embarrass the President; we are trying to help him. I do not think we are denigrating his visit to Bonn. That is not our purpose. The purpose is to point out that we are serious about this matter.

Mr. President, I hope the amendment will not be tabled.

Mr. CHILES. Mr. President, I yield 4 minutes to the distinguished Senator from Connecticut (Mr. WEICKER).

Mr. WEICKER. Mr. President, the dilemma the country finds itself in is the result of various and sundry entities failing to act in this crisis.

If, indeed, the President's performance is woeful, and I think it is in the sense of what it is he has proposed, whether in the form of an import fee or in the form of an oil equalization tax, then it also has to be said that the performance of the Congress in failing to pass any energy legislation is woeful.

So here we are caught on the horns of a dilemma wherein the President is attempting to point up the urgency of the task that sits before the Congress, but is doing it in a form that clearly is not acceptable to a large majority of the membership and clearly flies in the face of good energy policy or good economic theory.

It has been close to 5 years now since the oil embargo. Basically, there has been Democratic opposition to deregulate, and there has been Republican opposition to mandatory conservation. The net result is that our oil import bill continues to soar, up some 1,000 percent.

I will vote for the amendment because import fees are an improper way to achieve an end, but I will not allow my colleagues to get off the hook. I am saying the same thing today I have been saying for a long time. I remember

when Mike Mansfield was at his desk and I was at my desk, and we were trying to get mandatory conservation, some form of rationing, and it was thrown over. We refuse to do what has to be done, which is to use less and produce more. That is the plain and simple fact of life. Instead, any plan that comes up, in effect, accepts the cartel price of oil set by OPEC and makes it our price. I want a free market, and I recognize there is going to be a cost involved in achieving that. But it is only an immediate cost. Eventually at least there is the prospect the price can go down in a free market.

I also understand that there is no way volunteerism has worked. Our consumption has soared. Yes, there has to be some change in lifestyle that falls across the shoulders of all Americans, not just our elderly and our poor, who are the ones who have literally been rationed by price for 5 years.

I think it is a disgrace that the President of the United States has to go to Europe representing the interests of a country that shows no self-discipline whatsoever in a partisan, philosophical or regional sense.

It is a threat to all of us. It is a threat to a nation. It is not a threat to a region, a political party or a philosophy. And we have not met that threat particularly well.

So I use the occasion of these few moments allotted me merely to speak concerning the message, if the amendment of the Senator from Kansas passes, that we are sending to the President. Believe me, we deserve an equally tough message here in the Senate and in the Congress of the United States for our failure to act.

Mr. DOLE. Will the Senator yield or does he have time?

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Georgia.

Mr. CHILES. I yield such time as the Senator from Georgia may wish to use.

Mr. TALMADGE. I thank the Senator from Florida.

Mr. President, it seems to me it is a very serious breach of faith of the committee system and of cohesiveness of legislation to offer a tariff amendment to an appropriation bill, this without even having the views of the distinguished chairman of the Senate Finance Committee, who is out of town today.

We have a comprehensive national energy plan in conference. We have just begun to make real progress in conference. Four of these bills have been agreed to in very controversial areas, such as the natural gas pricing. We should not proceed in this wholly inappropriate, piecemeal approach to national energy policy. This specific issue is in conference and we should not act in this manner or in this way which would deemphasize the vital interests of the country, which must have a comprehensive energy plan.

To repeat, Mr. President, the Dole amendment is already in the package that we go to conference with on July 13. There is also a sense of the Senate Dole amendment on the Senate Calendar urging the President not to put on the import duty. So there are two messages that the Senator from Kansas has already sent. We have not completed action on this bill. I think it would be a tragic mistake to try to tie the President's hands on an appropriation bill when we are making progress in conference.

If the distinguished Senator from Florida is ready to yield back the remainder of his time——

Mr. DURKIN. Will the Senator from Georgia yield for 1 minute?

Mr. TALMADGE. How much time remains?

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. TALMADGE. I yield to the Senator from New Hampshire.

Mr. DURKIN. I agree with my friend and colleague from Georgia that we have sent two messages to the White House, but they have only gotten as far as the Rose Garden, or to the outer perimeter. I believe we have to send a message which will go all the way to the Oval Office.

Just the other day I watched "Face the Nation," and Dr. Schlesinger clearly indicated he did not get the message. He said, yes, he thought the oil import fee was a very viable alternative and he recommended it.

I think we have to send another message to counter the one that Dr. Schlesinger put out on "Face the Nation" on Sunday.

Mr. BROOKE. Mr. President, I am delighted to be a cosponsor of this amendment by Senator DOLE that would impede the arbitrary imposition of an oil import fee. I believe it is essential that the President receive a clear message that he is not yet in a position to commit our Nation to an import restriction program at the economic summit meetings.

We are today in the impossible position of being told by our President to accept a crude oil equalization tax whose resources would be parcelled out to the energy industries or to face an undermined, ill-conceived tax on consumers in nonproducing regions of the country. There is no reason to opt between two unjust and ineffective programs and it is high time the Congress made this clear.

If we are going to gradually raise the price of domestic oil to encourage conservation and thus reduce imports, such a program must meet strict tests. First, we should determine that demand is sufficiently sensitive to price in the case of oil users so that price increases will cause demand to drop off. Price increases must be permitted only to the extent such elasticities clearly exist. And there is no reason to permit the windfall of increases to producers of currently flowing oil who obviously need no further productive incentive. Indeed, in our delicate economic predicament we must be especially careful to avoid new inflationary shocks to our economy. I believe any scheme that does not put tax revenues directly back into the economy will have a serious and regressive economic impact.

Finally, the burden of any import restriction program must be shared rationally. No import tax paid solely by users of imports is fair or even legal. Yet no reasonable plan for sharing the burdens of the threatened fears has been put forward. Indeed, little if any discussion of these matters has taken place between the legislative and executive branches.

Therefore, I am mystified as to the administration's tax intentions. Not only are the attempts at strong-arming the Congress out of place, but the general purpose must even be questioned. Surely, an administration devoted to minimizing oil imports would not have sent California's surplus crude oil to Japan when the Members of Congress from both California and the Northeast had joined in a plan to use California resources for Northeast consumers. Before we permit any executive action which would threaten the pocketbooks of our consumers, we must insure that the interests of the American people are being placed above concern for symbolic international systems of doubtful economic purpose or usefulness. And we have no such assurances today.

Mr. President, I submit every Senator should endorse this amendment to put a stop to energy policy by fiat. We are coming to the end of a long, arduous round of national energy policy decisions. This is no time to abdicate responsibility to Presidential regulation instead of legislative determination. We owe it to the American people to hammer out a fair compromise we can all stand behind as a responsible, if imperfect, package. A vote for this amendment is a commitment to full congressional participation in creating an effective and equitable energy package.

Mr. TALMADGE. Mr. President, in behalf of the Senator from Florida, I yield back the remainder of his time and ask for the yeas and nays on a motion to table.

The PRESIDING OFFICER. Does the Senator make the motion?

Mr. TALMADGE. I make the motion to table the Dole amendment and ask for the yeas and nays.

Mr. DOLE. Will the chairman withhold for a moment?

Mr. TALMADGE. Mr. President, I withhold the motion.

Mr. DOLE. May I remind the Senator that the Republican Policy Committee meeting is in progress? Can we have that vote at 1:45? I have no objection, but some Members are in that meeting.

Mr. WEICKER. Will the Senator from Kansas agree to the vote at 1:30?

Mr. DOLE. Yes.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the vote on the motion to table the Dole amendment occur at 1:30 p.m.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Does the Senator make the motion?

Mr. TALMADGE. I make the motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill is open to further amendment. The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, earlier this month the voters in California overwhelmingly approved proposition 13.

The PRESIDING OFFICER. Who yields time? The Senator will suspend momentarily.

Mr. CHILES. Mr. President, I believe, under the unanimous-consent agreement, the distinguished Senator from Virginia has 5 minutes, or some period of time, for a statement.

The PRESIDING OFFICER. The Senator is correct.

Is the Senator using his 5 minutes?

Mr. HARRY F. BYRD, JR. I will yield myself so much of the 5 minutes as I require.

The PRESIDING OFFICER. The Senator is recognized.

(By unanimous consent, Mr. HARRY F. BYRD's remarks delivered at this point are printed later in today's RECORD.)

UP AMENDMENT NO. 1354

Mr. CHILES. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Florida (Mr. CHILES) proposes unprinted amendment numbered 1354.

On page 25, line 8, in lieu of the sums stricken and inserted, insert the following: $14,800,000:

Mr. CHILES. Mr. President, this is a very simple amendment. It proposed to add an additional 25 auditors for the General Management and Agency Operations appropriation of the General Services Administration. The cost of those additional auditors during fiscal year 1979 is $500,000.

It is only within the past few days that I have become completely aware of the magnitude of the current fraud investigation at the General Services Administration. This past Friday, the Government Affairs Subcommittee on Federal Spending Practices completed a two day hearing into the scope of the improprieties at GSA. I was advised that by GSA's own estimate, over $66 million annually of taxpayers money was wasted due to corruption or fraudulent or illegal activities.

Mr. President, I find this shocking and I believe one of the causes for this is the lack of sufficient auditing. I say, Mr. President, "one of the causes," because it is not the entire cause. In many instances, audits that had been completed by their own auditors were not followed up.

There are some 40,000 employees in the GSA and there are presently only 90 auditors. Of the self-service stores, which are doing millions and millons of dollars of business annually, in which there was very poor accounting, 54 of those stores had not been audited in the last 3 years, some up to 5 years.

GSA currently has 90 auditors available for the entire spectrum of their operations. This is an agency of almost 36,000 employees which has responsibility for multibillion dollar procurement programs and it has only 90 auditors. They had proposed and requested an additional 25 auditors, which we put in the budget, but we found out at the hearing that their initial request had been for 25 additional and OMB had cut back on that request.

They also told us at that hearing that they could easily put on 50 new auditors within the present management practices. Mr. President, I have discussed this with the ranking minority member of the committee. I move this amendment to the bill for an additional 25 auditors.

I yield back any time I may have.

The PRESIDING OFFICER. All time being yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CHILES. Mr. President, I suggest the absence of a quorum.

Mr. SCHMITT. Mr. President, will the Senator withhold that?

Mr. CHILES. I withhold that, Mr. President.

I yield 5 minutes of the time allocated under the bill to enter into a colloquy with the distinguished Senator from New Mexico.

Mr. SCHMITT. I appreciate the courtesy of the Senator from Florida. My concern is directed at the title of this bill dealing with the Customs Service. That concern was expressed to the distinguished Senator from Florida via a letter of March 15, 1978. It has to do with a situation that we are faced with in New Mexico and along our southern border, across which there is an increasing flow of illegal drug traffic. One might say the first line of defense against that traffic, which is such a dangerous enemy of our youth, is the Customs Service. At the present time, that service in that area clearly has inadequate air interdiction capability.

Traveling throughout the State of New Mexico in the past few years since entering the political scene, I have found that this problem is getting increasingly serious and that we certainly have not given full weight to the capability of enforcement of our drug laws to prevent, to some degree, the flow of drugs into this country. Mr. President, there are 29 known drug air operations in New Mexico alone. I know the Senator from Florida is aware of probably many more than that, even in his own home State. It is conservatively estimated that no fewer than 1,000 planes are involved in drug smuggling across our border with Mexico, with each aircraft carrying an average of 1,000 pounds of marijuana per trip and, of course, a very difficultly estimated amount of heroin.

It is further estimated that only 10 percent of the actual drug traffic is under surveillance and of that, Customs officials feel their apprehension rate is about 1 to 10 percent. With the appropriate equipment, it is very likely that 40 to 50 percent of the illegal traffic could be interdicted. I believe, and I think my colleagues would believe, that this would be of inestimable value to the youth of our country and to the country as a whole, if it were possible to cut that drug traffic in half.

At the present time, most of the amateurs are avoiding this kind of illegal operation, but the professionals are extremely proficient and extremely active.

It is my understanding from the report of the committee that they will be asking for a study and a report from the administration having to do with air interdiction. I would prefer to see the budget of the Customs Service increased to take into account the very clear needs of equipment and manpower to adequately enforce our drug laws across our New Mexico border and other borders in this country but I understand from the distinguished chairman of that committee that the committee would prefer to wait for the study by the administration and the Customs Service before acting.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. CHILES. I yield an additional 5 minutes to the distinguished Senator from New Mexico.

Mr. SCHMITT. I appreciate that. But if the Senator will correct me if I am wrong, is that the desire of the committee?

Mr. CHILES. The distinguished Senator from New Mexico is correct. We have had the concern of the Senator from New Mexico expressed about this at the time we were going into hearings. He is certainly correct that the Senator from Florida shares the concern about the illicit traffic that is coming in and bringing drugs in, not only to his State, but to mine and all across the southern border of the United States.

We have added funds. The cost of the Customs air interdiction was estimated at $17,561,000 for fiscal year 1979. That includes the proposed procurement of two turboprop aircraft. Customs currently has a fleet of 61 aircraft, which are located at 6 air support branches across the southern border of the United States.

I might point out to the Senator, we had about $11.7 million last year. So we are not sitting still. We are raising this about a third.

We have also said in our report:

With the President's review of Border Management still underway, the Committee believes procurement of an additional high-performance aircraft would be premature. The need and technical capability required in additional high-performance aircraft should be reexamined by the Customs Service and the Treasury Department.

I understand the Senator's concern with additional technical capability, that we should have the border management recommendations before we go in and start that particular procurement. But I will assure the Senator that as soon as we have these recommendations we would certainly be amenable to seeing this item increased and trying to see that Customs obtains the proper kind of equipment and has the proper personnel to try to do a job that would be adequate in coverage to stop this illicit air traffic.

Mr. SCHMITT. I appreciate the Senator's statement. I know he will do everything he can to see that the administration's report is adequate and timely. Timely means as soon as possible in order to understand the scope of the need.

I believe he is aware in his own State, as well as in New Mexico, we can already see that the forces are inadequate. The

equipment is inadequate. The radar is inadequate. The airplanes, in many cases, cannot even keep up with the type of aircraft being used by the smugglers.

I would hope then that he would insist that the report include the quantitative itemization of not only aircraft, but of radar, of maintenance equipment, and other types of facilities and personnel needs and costs that may be required in order to reach, essentially, the maximum feasible capability of the Customs Service.

I realize that we will not be able to interdict all traffic across the southern borders, but if we could reach what estimate would be the potential of 40 or 50 percent, we would have taken a great step to alleviate this very serious problem.

It is not just a problem for our States along the Mexician border. Most of those drugs are reaching our States, but not even staying in. They come across our border, are transferred, and end up in primarily major urban centers of this country.

Mr. CHILES. I concur. I will just point out to the distinguished Senator that part of what we are talking about in the plan is using not only customs material, but using FAA capability, and also using military capability where that is feasible and where that is possible.

That is part of what I think is a coordinated plan. This would probably give much better coverage for the interdiction we are thinking about here without trying to make customs a separate sort of radar facility in addition to those facilities we now enjoy with FAA and the military. Part of it is really the necessity of coordinating.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CHILES. Also getting some kind of sharing in the additional facilities we now have. We will certainly work with the Senator in this whole area.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. SCHMITT. Will the Senator yield 2 more minutes?

Mr. CHILES. I am running into my time on the bill. I will yield 1 minute more.

Mr. SCHMITT. I would just say, that I compliment the FAA and the Customs Service, and to some degree now the military, on their cooperative efforts. They are given the equipment available. I have visited their facilities in New Mexico. I am impressed with what they have done with what they have. We do have some additional cooperation from the Air Force now in that area. We hope the T-39's will be made available on loan so that capability will be even greater.

I thank the Senator for his concern and will work with him on this project.

Mr. CHILES. I thank the Senator from New Mexico.

We know Customs does have problems in that most of their fleet is aging and very hard to keep in the air. They are going to be required to have additional sums of procurement money in the future to update this fleet.

Mr. SCHMITT. It is very frustrating to identify smuggling aircraft when they cannot catch them in order to do something about them.

Again, I thank the distinguished Senator.

Would the Senator yield for a very brief colloquy on another issue? Just 2 minutes would be sufficient. It deals with civil defense.

Mr. CHILES. I yield.

CIVIL DEFENSE

Mr. SCHMITT. Mr. President, I have become greatly concerned with the status of civil defense in this country. As I pointed out in my statement in yesterday's RECORD, the Soviet Union has spent more money by far and focused greater attention on civil defense than we have. This issue is not academic; it involves the lives of millions of Americans in the event of a confrontation between the United States and the Soviet Union. The status of our civil defense also has a major impact on our defense posture, vis-a-vis our potential adversaries.

I was pleased to learn that the White House has proposed a reorganization involving our civil defense program. While I feel that civil defense deserves greater attention and financial resources, I shall not offer an amendment to increase the appropriations for civil defense at this time, pending the reorganization of the program.

Mr. President, I do hope, however, that the Senate will consider supplemental appropriations for civil defense after the reorganization is completed and we understand exactly what the administration is going to propose to do. The funding level contained in this bill is simply inadequate for the important function that civil defense performs.

I realize that the whole area of planning is now in a state of flux. I would ask the Senator from Florida only that he confirm my impression that he agrees that this situation is important to the country and that it will require reevaluation as soon as possible after the administrations' efforts are completed.

Mr. CHILES. I would say that is correct.

The President, on June 18, I believe, I am looking at the CONGRESSIONAL RECORD of June 19, submitted reorganization plan No. 3.

The plan improves the Federal emergency management and assistance by consolidating emergency preparedness, it cuts certain administrative costs and would merge five agencies from the Departments of Defense, Commerce, HUD and GSA under one new agency, the Federal Emergency Management Agency. That plan was received by us on June 19.

So I think the subcommittee tried to act prudently in saying that we were not going to increase any funds in this area until we knew exactly what was going to be the result of the reorganization plan.

That plan now resides in Congress and Congress will be working its will on that plan. At the conclusion of that, depending on where this agency ends up and what happens with that, then I think we would again be looking at what the future will be.

I am not sure it will end up in the subcommittee of the Senator from Florida until we see what happens with that particular plan.

Mr. SCHMITT. I know the Senator from Florida will keep a close eye on this situation, as I hope the rest of our colleagues will. It does represent a major factor in our national security posture. I thank the Senator.

MOTION TO TABLE UP AMENDMENT NO. 1352

The PRESIDING OFFICER. The hour of 1:30 having arrived, the Senate will proceed to vote on the motion to table the amendment of the Senator from Kansas. On this question the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ZORINSKY (after having voted in the negative). Mr. President, on this vote I have a pair with the Senator from Louisiana (Mr. LONG). If he were present and voting, he would vote "yea." I have voted "nay," and therefore I withdraw my vote.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. ANDERSON), the Senator from Indiana (Mr. BAYH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. MCGOVERN) is absent on official business.

I further announce that, if present and voting, the Senator from Alaska (Mr. GRAVEL) would vote "yea."

Mr. STEVENS. I announce that the Senator from Massachusetts (Mr. BROOKE), and the Senator from Nevada (Mr. LAXALT) are necessarily absent.

I also announce that the Senator from California (Mr. HAYAKAWA) is absent to attend the funeral of a Member of the House of Representatives.

The result was announced—yeas 39, nays 49, as follows:

[Rollcall Vote No. 180 Leg.]

YEAS—39

Bellmon	Hatfield, Paul G.	Moynihan
Bentsen	Hodges	Muskie
Bumpers	Hollings	Nelson
Byrd, Robert C.	Huddleston	Nunn
Cannon	Humphrey	Percy
Case	Jackson	Proxmire
Church	Javits	Sarbanes
Clark	Johnston	Sasser
Cranston	Kennedy	Sparkman
Culver	Magnuson	Stevenson
Eagleton	Mathias	Talmadge
Glenn	Matsunaga	Williams
Hart	Morgan	
Haskell		

NAYS—49

Abourezk	Garn	Pearson
Allen	Goldwater	Pell
Baker	Griffin	Randolph
Bartlett	Hansen	Ribicoff
Biden	Hatch	Riegle
Burdick	Hatfield, Mark O.	Roth
Byrd, Harry F., Jr.	Hathaway	Schmitt
Chafee	Heinz	Schweiker
Chiles	Helms	Scott
Curtis	Leahy	Stafford
Danforth	Lugar	Stevens
DeConcini	McClure	Stone
Dole	McIntyre	Thurmond
Domenici	Melcher	Tower
Durkin	Metzenbaum	Wallop
Ford	Packwood	Weicker
		Young

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Zorinsky, against.

NOT VOTING—11

Anderson	Gravel	Long
Bayh	Hayakawa	McGovern
Brooke	Inouye	Stennis
Eastland	Laxalt	

So the motion to table Mr. DOLE's amendment (No. 1352) was rejected.

The PRESIDING OFFICER. The question now occurs on agreeing to the amendment of the Senator from Kansas.

The amendment was agreed.

Mr. HATHAWAY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BARTLETT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Arizona.

UP AMENDMENT NO. 1355

Mr. DECONCINI. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Arizona (Mr. DECONCINI), for himself and Mr. SASSER, proposes an unprinted amendment numbered 1355.

On page 41, line 21, insert the following:

SEC. 615. None of the funds appropriated by this Act or any other Act shall be used to purchase goods and services the prices of which have risen in excess of the guidelines established by the Office of Federal Procurement Policy pursuant to the President's memorandum to the heads of executive departments and agencies dated May 18, 1978

Mr. DECONCINI. Mr. President on behalf of Senator SASSER, and myself the amendment before the desk is in the nature of a commitment by this Chamber to support fully the President's anti-inflation Federal procurement policy.

Mr. GARN. Mr. President, may we have order?

The PRESIDING OFFICER. The point is well taken. The Senate is in order.

The Senator will suspend until the Senate is in order.

The Senator from Arizona.

Mr. DECONCINI. On May 18, President Carter circulated a memorandum to all executive departments laying down certain guidelines with respect to Federal procurement. Essentially, the President sought to utilize the vast purchasing power of the Government to assist in stabilizing prices.

In that memorandum, the President states:

I hereby direct all agencies to avoid or delay the purchase of those goods or services whose prices are rising rapidly. The only exceptions will be where such action (1) would seriously jeopardize our National defense, or (2) would cause serious and counterproductive unemployment problems; and suitable alternatives or substitutes are not available. In addition, I am directing that price escalation clauses of all new or renegotiated Federal contracts reflect the principle of deceleration. This would slow the built-in spiral of inflation in several billion dollars worth of purchases.

It has come to our attention that the Office of Federal Procurement is already encountering serious resistance to the President's new policy. The amendment we offer today will, we hope, buttress the President's position and policy by giving it the clear force of law. I hope that the distinguished floor manager of the bill will find the purposes of this amendment compatible with the intent of the Appropriations Committee and will, therefore, be able to accept the measure.

Mr. President, I ask unanimous consent to have both the President's memorandum of May 18 and a "point paper" on the administration of the program printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

Inflation is a corrosive nation-wide problem, and yet the Federal Government's direct control over wages and prices is limited. If we are to expect labor and industry to join in voluntary restraints, then we must lead the way where we can.

I have already ordered pay raises reduced for Federal employees. To complement and balance this constraint on labor in the public sector, I am now ordering additional anti-inflation actions through the Federal Government's $81 billion annual purchases of goods and services.

Like any consumer, the Government must react to high costs and the inflationary spiral. If goods or services are priced too high, the Government must decide whether it can do without certain things, or whether it can delay purchases. Therefore, I hereby direct all Agencies to avoid or delay the purchase of those goods or services whose prices are rising rapidly. The only exceptions will be where such action (1) would seriously jeopardize our National defense, or (2) would cause serious and counterproductive unemployment problems; and suitable alternatives or substitutes are not available.

In addition, I am directing that price escalation clauses of all new or renegotiated Federal contracts reflect the principle of deceleration. This will slow the built-in spiral of inflation in several billion dollars worth of purchases.

These new procurement procedures, and others to come will be carried out by OMB's Office of Federal Procurement Policy in cooperation with the Agencies.

JIMMY CARTER.

POINT PAPER: ADMINISTRATION OF PRESIDENT'S ANTI-INFLATION PURCHASING PROGRAM

Objective: Reduce or delay purchases of (or find substitutes for) goods or services whose prices are rising rapidly. The intention is to, first, symbolically show the lead in anti-inflation purchasing behavior, and, second, where the Federal market share is significant, to have some impact on inflation rates for selected goods and services.

THE ACQUISITION SITUATION

This is a government-wide program, but in no case can we rely on arbitrary government-wide standards. Maximum attention has to be paid to the individual mission requirements, supplier base, and peculiar distribution problems of each individual agency.

For a given class of commodities or services, only one or several agencies may be involved. We will be selective in deciding which agency or agencies shall respond in any given area, if at all.

Administration of the effort will require in-depth familiarity with the market conditions for each agency. Up-to-date information on suppliers, stocks and most recent transactions will have to be brought to bear on a real time basis.

All possible options will be considered in suggesting how to respond to a serious inflation problems: avoiding purchases altogether, modest or extended delays, or identifying substitute products or services which are less subject to inflation pressures.

ADMINISTRATIVE CONSIDERATIONS

This government-wide effort will have to be centrally coordinated through the OFPP, pursuant to Public Law 93-400 and the President's instructions.

An interagency "anti-inflation council" will be identified and convened at regular intervals to review inflation information and to discuss what actions if any can be taken to adjust Federal acquisitions.

OFPP will be responsible for interfacing with COWPS and CEA to receive their indicators on inflationary goods and services. No commitments to avoid, delay, or otherwise adjust purchases will be made without consultation with the interagency panel and a thorough understanding of what actions can be taken, potential impact on mission requirements, supplier base and other considerations peculiar to the affected agencies.

Decisions once made will be executed promptly. Special communications channels may have to be established in some of the larger agencies so that instructions to buying offices can be received and executed without delay.

FOOD PROCUREMENT

[In millions of dollars]

	Amount
USDA, domestic programs, fiscal year 1975:	
Meat	142.1
Poultry	53.4
Vegetables	18.1
Fruit	28.1
Dairy	165.1
Grains	12.4
Peanuts and vegetable oil	13.1
Total	432.3

Public Law 480, Food for Peace, fiscal year 1977:	Title I	Title II	
Beans	0.8	0	.8
Wheat and wheat products	397.4	138.6	536.0
Feed grains and products	45.7	81.0	126.7
Defatted soy flour	0	2.9	2.9
Rice	168.4	9.1	177.5
Vegetable oil products	76.1	38.1	114.2
Nonfat dried milk	0	87.8	87.8
Peas	0	3.5	3.5
Tobacco	55.7	0	55.7
Cotton	18.0	0	18.0
Total	762.1	361.0	1,123.1
Total agriculture			1,555.4

DOD, fiscal year 1977:	
Meat	297.3
Poultry	21.3
Water Food	28.8
Dairy	192.6
Fresh fruit	42.0
Frozen fruit	1.1
Fresh vegetable	65.8
Frozen vegetable	21.2
Frozen juices	4.2
Other perishables	45.2
Nonperishable subsistence	158.2
Brand names NPS	303.2
Total	1,183.9
From indefinite contracts:	
Dairy	233.0
Meat	340.0
Total	573.0
Total DOD	1,756.9
VA, fiscal year 1977: 89 Subsistence	72.4
Total USDA, DOD, and VA	3,384.7

BUILDING MATERIALS

[In millions of dollars]

	Agency (fiscal years)					
	DOD, 1976	NASA, 1977	GSA, 1977	TVA, 1977	VA, 1977	Total
45—Plumbing, etc	14.4	0.1	6.0	1.9	1.4	23.8
47—Pipe, tubing, etc	35.7	2.0	4.4	210.4	1.2	253.7
53—Hardware	58.2	(1)	11.2	10.0	3.1	82.5
54—Prefab structures	45.0	.2	4.8	17.4	.6	68.0
55—Lumber	21.4	(1)	9.2	5.5	.7	36.8
56—Construction and building materials	16.3	.8	18.0	47.7	1.8	84.6
Total	191.0	3.1	53.6	292.9	8.8	549.4
48—Valves[2]				47.1		47.1
Total	191.0	3.1	53.6	340.0	8.8	596.5

[1] Less than 0.1.

[2] Has significance for TVA.

Mr. DECONCINI. Mr. President, it is imperative that the inflationary momentum built into our economic system be brought promptly under control. Continued price instability poses perhaps the most serious threat at present to the economic development and material well-being of our people. Its effects are pervasive and pernicious, creating distortions in capital markets, dampening consumer and business confidence, undermining the international standing of the dollar, and sharpening the division among economic groups scrambling to "get theirs first."

The general price level has almost doubled since 1970 which is another way of saying that the value of the dollar has been cut initially in half. The family of four making $13,000 in 1970 needs at least $22,500 today to maintain its living standard. And the most recent data suggest that, despite a slight lull at the end of last year, inflationary pressures are again taking hold. The so-called underlying rate has now been adjusted upward from 6 percent to in excess of 7 percent. Even more menacing is the news that increases in the cost of basic necessities such as food and housing have again moved into the double digit range.

Our responsibilities as public servants, Mr. President, are clear. We must take whatever measures lie within our power to contain those forces that push costs and prices to even higher levels. The public sector must take the lead in making those adjustments that will be required if economic stability is to be restored. This is particularly true for those of us who serve on the Appropriations Committee. We must do our utmost to eliminate unnecessary Government spending and promote efficiency and economy in the operation of public programs. At the same time, we should support the efforts of the President to manage the public sector more effectively.

There are some encouraging signs of this kind of congressional-executive collaboration on the problem of price deceleration of late. The President has proposed that salary increases for General Service employees be kept at 5.5 percent, on the average. The Senate Appropriations Committee has responded, at the urging of Senators EAGLETON and BELLMON, with a 5.5-percent cap on the wage increases allowable to Wage Board employees and a freeze on any further raises for public officials earning $47,500 or more.

These are both salutary initiatives, in my judgment, if only for their symbolic value. In each case, though, the focus is on containing the costs of Federal compensation. Both put the onus for price deceleration directly on the backs of public employees. I believe, Mr. President, that most public servants recognize the special obligation that comes with their position and are willing to take the lead in helping to control inflation. But it is unfair to expect them to make all the sacrifice. There are other avenues that should be explored, other ways the public sector can contribute to a reduction in inflationary momentum.

It is frequently overlooked that the Government has a major and direct impact on price behavior in its role as a purchaser of goods and services. The Federal Government annually spends in excess of $80 billion processing the commodities and services it needs to carry out its functions. Buying power of this magnitude offers an unparalleled but underexploited opportunity to promote both greater economy in public expenditure and greater price restraint in the private sector, most notably among Government contractors and suppliers. Moreover, Mr. President, I think experience suggests that the chances of achieving sizeable gains in this regard are quite good. Anyone familiar with the dynamics of large organizations—either in the public or private sector—will immediately recognize how easy it is for social and psychological tendencies to undermine competitiveness in the procurement process. Habit and routine all too readily overcome the search for better, less costly products, and services. Almost inevitably over time, mutualistic relations will take shape between the parties to the transactions, despite formal organizational rules and prescriptions. As this happens, the Government purchasing agent comes to accord a subtle but significant preference for those firms and individuals with whom he has dealt in the past. Gradually, the incentive to seek out more efficient suppliers and less costly products diminishes as the convenience of a stable and predictable social bond assumes growing importance. Both parties may lean to avoid the friction that in genuinely competitive process would engender in favor of a system of de facto price discrimination.

In any case, Mr. President, I am glad to note that the administration is cognizant to the problem and intends to try to come to grips with it. To that end, the President has issued a memorandum to the heads of all executive departments and agencies establishing the institutional machinery for carrying the fight against inflation to Government procurement. The President's directive creates an interagency government inflation council comprising agencies with a major procurement impact such as DOD, USDA, HEW, DOE, and so forth. The prime responsibility for implementing the deceleration program will lie with the Office of Federal Procurement Policy in OMB.

Already the President's scheme is meeting with substantial resistance from the bureaucracy. It is obvious that the agencies would prefer to be left alone; they do not wish to alter the pattern of purchasing to which they have become accustomed. If the President's anti-inflation initiatives are not to be overwhelmed by bureaucratic inertia, it is imperative that the Congress show its support. I know of no better way to do so and to send an unambiguous message to those agencies who are dragging their feet than to approve the amendment Senator SASSER and I are offering.

In the simplest terms, it puts the congressional intent and support behind the President's anti-inflation procurement policy. By prohibiting expenditures that are inconsistent with the guidelines laid down by the Office of Federal Procurement Policy, we will serve notice of our unequivocal commitment to doing all we reasonably can to encourage a return to real economic growth and stability.

Mr. President, I urge adoption of the amendment proposed by Senator SASSER and myself.

I ask unanimous consent that Mr. Romano Romani and Leonard Ritt of my staff be permitted on the floor during the debate on this appropriation bill.

The PRESIDING OFFICER. Is there objection to the request? The Chair hears none and it is so ordered.

The Senator from Tennessee.

Mr. BUMPERS. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. SASSER. I yield.

Mr. BUMPERS. I ask unanimous consent that Len Parkinson of my staff be permitted access to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time to the Senator from Tennessee? Does the Senator from Arizona yield time?

Mr. DECONCINI. I yield to the Senator from Tennessee the necessary time that he desires.

Mr. SASSER. I thank the distin-

guished Senator from Arizona for yielding.

Mr. SASSER. Mr. President, I am pleased to join the distinguished Senator from Arizona (Mr. DECONCINI) in sponsoring this anti-inflation amendment to this appropriations bill.

Inflation is the leading economic problem confronting this Nation and the world today. It is my feeling that if inflation is going to be halted, we in the Federal Government must begin to take action to bring this situation under control.

I believe we in the Congress have a special responsibility for providing the leadership in the war against inflation. Certainly it is my feeling that the Committee on Appropriations has a history of acting responsibly—balancing the needs of the country with fiscal realities. Last year for instance, the Senate Appropriations Committee cut the President's budget request by more than $6 billion. Again this year, the Appropriations Committee is making hard decisions aimed at cutting the Federal budget.

We in the Congress are attempting to balance the often conflicting interests of the necessity to spend for essential programs, and the necessity to economize where possible. However, I believe that many people throughout the country do not believe we are doing enough.

Indeed while we are making cuts and reductions where we feel it can be done prudently, the Federal budget continues to grow by billions of dollars each year. I can see why it is difficult for citizens to understand that we in the Federal sector of the economy are trying to hold down public spending. Throughout this Nation there is a growing feeling that the Federal budget plays a significant role in fueling the fires of inflation.

How do we in the Congress respond to this sense of frustration and concern on the part of the Nation's citizens?

I do not believe that the American people want us to make those meat-ax cuts which would endanger the very defense of our country.

I do not believe that the American people want us to make wholesale cuts that would reduce the quality of life for many people who are poor, disabled or young.

I do not believe that the American people want us to cut back vital services.

But the American people do want us to cut out waste and inefficiency.

The American people want us to bite the bullet and make hard decisions.

The American people are challenging us to cut the unnecessary programs and effect needed economies.

The amendment introduced today by Senator DECONCINI and myself responds to the frustrations of the American people. Our amendment attempts to demonstrate to the Nation and the world that the Federal Government is serious in battling the war against inflation.

We will be the first to admit that this amendment is symbolic. It is symbolic, certainly, but it is more than that. Our amendment attempts to encourage reductions in the increase of the Federal dollars spent for procurement of goods and services.

It is estimated that we are spending some $81 billion dollars in the procurement activities spread throughout every agency and department of the Government. And each year inflation eats into our procurement dollar. We are buying more at increasingly higher prices.

The DeConcini-Sasser amendment does not address the merits of specific procurement requests of the Federal Government. The budget requests for procurement activities are being reviewed by the appropriate legislative committees and appropriations subcommittees.

Our amendment simply tries to establish a reasonable approach to purchasing decisions. The amendment establishes into law the intent of President Carter's memorandum for the heads of executive departments and agencies, dated May 18, 1978.

President Carter on May 18 directed that all agencies delay or avoid purchases of goods and services which have excessive price increases.

I want to commend President Carter for taking this action. I believe that before our national leadership can ask the private sector to hold down price increases—and before we can ask working persons to accept smaller wage increases—we must demonstrate on the Federal level that we are willing to tighten our belts and reduce our budgets.

Earlier in the year, the President reduced pay raises for Federal employees. But I do not believe public employees should bear the burden alone. President Carter's memorandum of May 18 dealing with Federal procurement is a logical next step.

Our amendment puts teeth into the President's memorandum. Our amendment requires that Federal agencies consider the cost increases of goods and services before committing to make a purchase.

The amendment sets as a standard that we should not be purchasing any goods and services where prices have been rising rapidly.

As a matter of policy I believe the Federal Government, if indeed we are serious in our effort to restrain inflation, should make every effort not to purchase anything which has a cost that is rising more rapidly than inflation. To purchase items which are rising faster than inflation would only add to the inflationary pressures.

Our amendment, however, does not establish an inflexible mandate. Nor does our amendment create an unusual burden of increased paperwork. Our amendment allows, as did the President's memorandum, each agency to work out its own peculiar distribution problem.

Our amendment recognizes that inflation varies from product to product—therefore an inflexible figure would create an unusual burden and would be unworkable.

Our amendment recognizes that the needs of each agency vary according to individual mission requirements. In no way could our amendment be construed as halting ongoing projects or programs of the Federal Government.

Our amendment is designed to encourage the private sector of our economy to voluntarily restrain inflationary actions. The amendment recognizes that the best way to accomplish this voluntary restraint is for the Federal Government to take the lead.

The administration has announced that it intends to accomplish its goals in combatting inflation without impairing or interrupting the performance of essential Government services or programs, and we feel that this is wise and prudent policy.

The amendment we are offering today will encourage the Federal agencies to think twice about the impact of their procurement upon the inflationary psychology in our economy.

The President has assigned primary responsibility for carrying out this new procurement policy to the Office of Federal Procurement Policy. An "anti-inflation council" has been created which will determine what actions should be taken and what procedures will be followed in order to achieve the objectives of the President—and with the approval of this amendment, the objectives of the Congress.

Mr. President, I believe that this amendment is very timely. I believe that the purpose of this amendment is supported by most Americans. I urge that the amendment be adopted.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. Mr. President, we have had an opportunity to look over this amendment proposed by the distinguished Senators from Arizona and Tennessee. I am convinced that it has considerable merit.

The administration is waging a strong fight against inflation, and I cannot conceive of a better way to assist in these efforts than to try to attack the prices that are paid for goods and services by the Federal Government.

My particular stand against wage and price controls is well known. However, this amendment merely restricts the prices the Federal Government would pay for its procurement of goods and services to the guidelines of the Office of Federal Procurement Policy. So I would tend to favor the amendment.

Mr. GOLDWATER. Mr. President, will the Senator yield for a question?

Mr. CHILES. I yield.

Mr. GOLDWATER. I have not had a chance to hear the wording of the amendment. Would this amendment apply to the purchase of military equipment?

Mr. CHILES. I yield to the Senator from Arizona.

Mr. DECONCINI. The amendment would apply to military purchases, providing they would not jeopardize national defense.

Mr. GOLDWATER. As I understand it, this applies to goods and services but not directly to procurement for military purposes. The reason I ask that question is we have not enacted our authorization bill yet nor have we received an appropriation bill, and we all know that there are pieces of military equipment, small pieces, that were authorized last year as well as this year, and I do not know

whether the office the Senator is referring to has any jurisdiction over these items.

Mr. DECONCINI. My understanding of the President's implementation is that it would apply only to the procurement of goods and services, not a new weapons system that is now authorized or may be authorized.

Mr. GOLDWATER. I thank the Senator.

Mr. CHILES. Mr. President, I move the amendment be adopted.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). Is all time yielded back?

Mr. CHILES. I yield back the remainder of our time.

The PRESIDING OFFICER. Does the Senator from Arizona yield back his time?

Mr. DECONCINI. I yield back all my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arizona.

(Putting the question.)

The PRESIDING OFFICER. The Chair is in doubt.

(Putting the question again.)

The amendment was agreed to.

AMENDMENT NO. 3080

Mr. STEVENS. Mr. President, I call up my amendment No. 3080.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes an amendment numbered 3080:

On page 41, strike out lines 5 through 20.

Mr. STEVENS. Mr. President, what is the time limit on this amendment? Thirty minutes?

The PRESIDING OFFICER. The time limitation is 1 hour, equally divided.

Mr. STEVENS. Very well. I will say to my good friend from Missouri, this amendment deals with the 5.5 percent pay cap. Mr. President, this is an amendment to delete an amendment offered by my good friend the Senator from Missouri (Mr. EAGLETON), approved by the Appropriations Committee as it reported the bill. It is an attempt to put an inflation limit on the expenditures for Federal employment by placing a 5.5 percent pay cap on all Federal workers. This amendment would delete that 5.5 percent pay cap.

I know that in the aftermath of proposition 13 and a few other things, people might think this is a good amendment to keep in the bill. But I think it is a very inequitable one, and I want to point out why.

The pay comparability system and the prevailing rate system, the pay systems applicable to Federal white collar and blue collar employees, respectively, were designed to equitably accommodate the pay needs of Federal employees. The principles of the two systems can be summed up in four points: First, there will be equal pay for equal work. Second, there will be differences in pay where there are differences in responsibilities, duties, and qualifications. Third, the rates will remain comparable with private industry pay rates for comparable work. Fourth, the pay levels will be maintained so as to attract and retain qualified employees. The pay cap adversely affects all four principles, in my opinion.

However, before I address the merits of these wage controls, I must point out some technical but substantive problems with the 5.5-percent pay cap proposed by section 614 of the bill. The amendment of the Senator from Missouri included Federal blue-collar workers under the pay cap. I can understand although not agree with the rationale behind the inclusion of blue-collar workers, after all, why should the white-collar workers continue to bear the brunt of these pay caps when blue-collar workers continually receive substantial increases every year. So, in order to remedy this seemingly glaring inequity, blue-collar workers were also included by the committee.

Ignoring the merits of such an argument, the agreed solution disregards some major differences between the pay procedures of blue-collar and white-collar workers. Under the white collar scheme, a pay council recommends to the President how much Federal pay rates should be increased to keep in step with private industry wages. He either submits a report of that recommendation or an alternative plan due to a national emergency or adverse economic conditions to the Congress. The Congress has 30 days to disapprove or else the plan goes into effect. If the plan is not disapproved, all the white-collar workers receive an increase simultaneously.

The blue-collar scheme is entirely different and has operated in this different fashion for over 100 years. According to law, the Civil Service Commission divides the country into local wage areas. It then designates an agency in each wage area to conduct a wage survey of private sector wages in its area. The survey compares the prevailing rates and establishes wage schedules and rates for the different categories of Federal employees in its area. Finally, all other Federal agencies within the area follow the newly devised wage schedule and apply it to its employees. The primary difference between this method and the white-collar method is that employees within different localities receive these new rates at different times of the year, in contrast to the one-time recommendation for white-collar workers. The white-collar workers will receive their increase all at one time. In fact, within a number of States, for blue-collar workers there are numerous rates that go into effect at different times of the year. So, for instance, in South Carolina, the Charleston locality rate is fixed in October, whereas the Columbia locality rate is fixed in July.

If the pay cap as drafted by the Senator from Missouri were adopted, employees' pay in one locality within a State may be substantially higher than the employees' pay in a different locality within the same State for the year. For example, according to the 1977 wage survey compilation, in Sacramento, Calif., the last wage survey was in April 1977 and the workers received an average increase of 8.36 percent. Assuming they received a similar increase this year, they will continue to receive the 8.36 percent increase until April 1979. In April 1979, the 5.5 percent pay cap will be applied and will continue until October 1, 1979, when the limiting provision expires. I point out that this is apparently limited by the length of time covered by this appropriation bill. Thus, they will receive a capped increase for 6 months. However, in Los Angeles, wage surveys are done in December. Their last wage increase was 8.68 percent. This December their increase will be limited to 5.5 percent and will also last until October 1, 1979. However, their increase is capped for 10 months, December through October, rather than the Sacramento cap applicable for only 6 months, April through October. Hence, Los Angeles blue-collar workers are penalized simply because they live in a different locality.

Now, the provision could be altered so that all Federal employees are capped for an entire year. For example, employees in a locality whose wage schedule is changed in November will be covered by the cap from November 1978, to November 1979. Though this appears to treat all employees equitably, it is simply a deception. For instance, employees in a locality whose wage survey is in September will receive their full increase from September 1978, through September 1979, since the pay cap does not apply until adjustments beginning in October 1978. However, their pay will be capped beginning in September 1979, to September 1980, more than 2 years from now.

Mr. President, I hope the Senate will understand that. Any wage increase that goes into effect before the effective date of this act, which is October 1, will be paid, whereas those that would go into effect October 1 or thereafter will not be paid, even though the pay of blue collar workers in the same State but in other localities will already have been adjusted.

Noting recent economic history, I do not believe any of us here are farsighted enough to predict that capped wages will be beneficial to the country 2 years from now, in terms of this type of application. Besides, once the cap is lifted, the surveys for the following year will show the disparity created by the pay cap and entitle the employees to a much higher pay adjustment than normal.

Let me talk a little bit about flexibility. The impact of this proposal in terms of the system that applies to the scheduled employees, those who are normally referred to as white collar employees, is the thing that bothers me most. I would call attention to the next amendment, which I hope the Senate will accept if this amendment carries. If the Senator from Missouri prevails in this, I will not offer it. But the other amendment he put on in committee was a limitation on top salaries of $47,500, as a maximum amount; no one over that amount would get any increase under this bill.

What happens is this: The President makes a recommendation to Congress, and Congress has 60 days to approve or disapprove. We are supposed to wait for the Pay Council to make its recommendation to Congress. Rather than wait, however, the Senator from Missouri wants to say that no one in Government can get more than 5.5 percent. In addi-

tion, we just passed special laws dealing with veterinarians and doctors, offering incentive increases to try to attract those people to Government. This provision would block those increases entirely. Even though we have authorized it, no one could get more than a 5.5-percent increase this year.

Second, in terms of flexibility, the President's flexibility is this: He can propose an average of 5.5 percent, and live within the statements he has already made. He can say no one over $47,500 gets any increase, and he could take the amount for those who would have received over $47,500, and apply it to those making lesser amounts. However, under the Eagleton proposal, the President can only approve a plan which permits a 5.5-percent increase for every individual. That is the maximum for all in that one fiscal year, fiscal year 1979.

With regard to the blue-collar workers, just think of this. We have up to 35 percent pay increases already in effect for the non-Federal workers in the comparable areas. What we are talking about is adjusting the pay of those Federal workers in the blue-collar areas to wage rates that went into effect up to 18 months ago. We lag about 18 months in terms of the total cycle of adjusting blue-collar wages to the private sector.

The Senator from Missouri says:

> Well, that is fine if your wage rate survey took place in time so you get your wage increase before October 1. After the passage of this bill, you can even increase it 5.5 percent. But if you have not had your wage increase, then you are limited to 5.5 percent.

I think that system is totally inequitable. With regard to the classified service, the inequitable part of it—and I assume the President probably would prevail in terms of his statement about limiting wage increases to 5.5 though I may oppose it later, depending on how it comes up—the problem is he has no flexibility. He has none at all under the Senator's approach. The Senator is legislating in an appropriation bill, in my opinion. I would say when we finish here I intend to raise the point of order whether this amendment is in order in an appropriation bill because it is legislation. It applies not only to this bill but to employees in other bills. It has an impact on the Defense Department employees; it affects the total operation of the Pay Council.

It says that no matter how you comply with existing law no one under this bill is going to be paid more than a 5.5 percent increase. In my opinion, that is legislation on an appropriation bill. I will leave it to the Chair to rule on that later after the Senator from Missouri, in fairness, has explained his position.

I urge my friend to let the President's council make its recommendation and let the President devise a way to see if he can limit the expenditure of Federal moneys for Federal employees' wages consistent with the need to meet the requirements of the Federal Government. The net effect of this, if this pay cap is carried, will be a rapid exodus from Federal employment by those who are most hit by inflation. In my opinion, at least, those in the higher pay scales can probably react to inflation a lot easier than those in the lower pay scales. In the blue collar area in particular we have had up to 30-percent wage increase in comparable jobs. If we say to those people they are limited to 5.5 percent, I can tell you what they are going to do. They are going to leave and get a job in the private sector and we are going to end up with less experienced people and no ability to maintain the annual comparability increases.

Again, the implication here, Mr. President, is the Federal Government is leading private industry in terms of pay raises. That simply is not true. The Federal sector has never led the private industry sector of this country in terms of pay increases. They are 18 months ahead of us now in terms of comparability.

I think all Government employees would agree that they are more than willing to take whatever steps are necessary in order to control inflation. They are hardest hit by inflation. They get their pay increases up to 18 months late, so by definition inflation eats into their pocketbooks more than anybody in the private sector.

The difficulty with this is that there is no way that the Federal employee alone can carry the battle against inflation. That battle has to be a national battle. Just going through the act of putting a 5.5-percent cap on these salaries in my opinion is making a scapegoat of the Federal employee to try and solve a situation that has arisen out of poor economic policy.

If we are going to have wage controls, and I say this advisedly, then they have to be placed on everybody. This is legislating wage controls on the Federal sector only, meaning that the Federal employees are at a disadvantage, a total disadvantage, in terms of the economic picture.

I do think that the Senator ought to let the President make his recommendation to Congress. Let us face the question of what should be equitable after the pay council has completed its review and after the President has made his report to Congress.

If the amendment of the Senator from Missouri remains in this bill, in my opinion, the whole impact of what the pay council is doing and their attempt to work out comparability will be totally lost.

Mr. President, I reserve the remainder of my time.

Mr. EAGLETON. Mr. President, I believe I have an understanding with the Senator from Florida that the time in rebuttal to the Stevens amendment has been allocated to me. I yield myself such time as I may use.

Mr. President, I ask unanimous consent that two of my staff members. Emily Eiselman and Mark Abels, have the privilege of the floor during the debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EAGLETON. May I ask a question of my colleague from Alaska on a procedural matter? I understand from what he has stated that it is his intention to raise a point of order on this committee amendment. May I suggest to my colleague that, if he does, I will raise the question of germaneness and ask for a rollcall vote on that question. Thus, would it be all right with the Senator if we complete our debate on the matter, raise the question of germaneness, and, if I prevail on that, we then could immediately go on to a vote on the merits? If I lose on the question of germaneness, it is history. What I am saying is, in the interest of time, could we complete our debate on the merits of the thing and have two votes back to back. Is that all right with the Senator from Alaska? If he does not care to do it that way, that is all right.

Mr. STEVENS. I am not certain that procedure applies to the legislative process, in terms of appropriating on an appropriation bill.

Mr. EAGLETON. I am just saying if the Senator raises his point of order, then I will raise a question of germaneness and ask for a vote on that.

Mr. STEVENS. As I understand it, in order for that to apply to this kind of bill, the committee would have to file a waiver or attempt to secure a waiver of a point of order.

Mr. EAGLETON. The Senator does not understand the point I am making so I will go on.

Mr. STEVENS. Let us settle it right now because we may get by with one vote. I want to find out.

Mr. President. If I raise the point of order and the Senator from Missouri raises the question of germaneness, does that automatically bring about a vote where a majority determines the outcome of the question whether it is properly before the Senate? I understand that with appropriations bills that was only proper when the committee itself had filed an intent to seek a waiver of the rules applying to the appropriation bills, and if they fail to file that it would take two-thirds to overcome it.

The PRESIDING OFFICER. The Chair will say to the Senator from Alaska that the rules of procedure on page 116 says:

> Under Rule XVI, Paragraph 4, if the Senate votes that a provision is relevant or germane even though it be legislative, the point of order fails.

Mr. STEVENS. Very well. Well, let us just avoid two votes. I will say to the Senator that we will vote up or down on the amendment. I was misinformed about the procedure.

Mr. EAGLETON. Is it the Senator's intention to vote up or down on the amendment?

Mr. STEVENS. Yes. It was my understanding that on an appropriations vote it would take two-thirds to accomplish the same thing.

Mr. EAGLETON. I thank the Senator. I will offer, first, two or three general comments on this amendment and, then, some specific responses to some points that Senator STEVENS made reference to in his speech.

Mr. President, 4 months ago, President Carter issued his call for voluntary action to fight inflation. He called upon all sectors of the economy to hold wage and price increases below the average levels of the past 2 years. He hoped that voluntary self-sacrifice could take the

place of arbitrary Government action against inflation.

As we all know by now, the response to the President's call has been positively underwhelming. While everyone seems to agree on the need for moderation of wage and price demands, no one —not business, not labor, not the professions—is willing to take the first, self-sacrificing step.

In light of this lackadaisical response, President Carter has decided it is up to the Federal Government to lead the way. In a speech to the American Society of Newspaper Editors on April 11, the President noted that, last year, Federal white-collar salaries rose by more than 7 percent.

He said:

I intend to propose a limit of about 5.5 percent this year, thereby setting an example for labor and industry to moderate wage and price increases.

I applauded the President's plan then and I applaud it now. It is an important move symbolically, and, with potential savings of a half-billion dollars, an important move fiscally.

Unfortunately, the President's plan overlooks another major cost-cutting opportunity in the same area, at the same time, fosters unjustly preferential treatment for one group of Federal employees. The group to which I refer is Federal blue-collar personnel, whose wages are not subject to Presidential determination and are expected to rise by about 9 percent in fiscal 1979.

This is particularly ironic in that, during the past 7 years, white collar and military workers have received average annual pay hikes of 5.4 percent, a figure already below the proposed cap. Blue-collar workers, on the other hand, have averaged increases of 8.2 percent each year, since their wages are set by an entirely different system.

Limiting blue-collar raises to 5.5 percent would save another $250 million in fiscal year 1979. More importantly, it would spread the burden of fighting inflation fairly among all Government workers. I see little justice in asking white-collar personnel to accept smaller increases, while their blue-collar colleagues continue to receive more generous pay hikes at the old rates.

Although we have neither time nor need to discuss the point now, there has been widespread agreement—among two Presidents, the Civil Service Commission, the General Accounting Office, and a special Presidential panel, chaired by former Vice President Rockefeller—that the existing wage-setting process for blue-collar Government employees leads to excessive raises, exacerbates inflationary pressures, and is in desperate need of reform.

Mr. President, let me say at this time that, at the conclusion of my remarks, I shall ask unanimous consent that four editorials from the New York Times and the Wall Street Journal be printed in the RECORD. These discuss the inequities of the present system in great detail.

However, reform is not the issue here. Fighting inflation—and fighting it fairly—is. If Federal workers are going to lead the way in breaking the wage-price spiral through restraint, it is only right that all share the burden. For that reason, the Appropriations Committee has brought to the floor a bill extending the 5.5-percent cap to raises for blue-collar workers as well as white-collar and military personnel.

Mr. DURKIN. Will my friend yield for a question.

Mr. EAGLETON. Yes, I yield for a question.

Mr. DURKIN. I think we all agree that inflation is a problem and we have to do more than talk about inflation if we are going to make any inroads on it. But why do we seem to pick on the blue-collar worker? Why does the fight against inflation that we are all concerned with start with the blue-collar worker?

We have workers at the Portsmouth Naval shipyard. They are exposed to radiation hazards. The Boston Globe has done a study that shows that the cancer death rate among some of those workers is 38.4 percent—far, far beyond the national average. Many of these people are exposed to tough working conditions. For many of these people, pay day is exchange day now.

We hear that the President wants to fight inflation on the one hand; then the Secretary of Energy is talking about an oil import fee. With the energy costs, with the cost of doing business in New England, then to come and start to fight inflation, I wonder if we are not picking the wrong target, the most vulnerable target.

Mr. EAGLETON. Mr. President, I shall respond to the question of the Senator from New Hampshire. If he has additional questions, I shall ask that he ask them using the time of the Senator from Alaska, since he and the Senator from Alaska seem to be of the same opinion.

We are not picking on the blue-collar workers. We are not saying that the fight to be waged only with respect to them. What we are saying is that Government must set an example. Government must do it. Mr. President, because organized labor has declined to go first; American business has declined to go first insofar as prices are concerned; American professions, particularly the medical profession, have declined to go first. Obviously, it is up to the Government to go first, to set the precedent.

The effect of my amendment is to set an equal policy across the board: A 5.5-percent pay cap for white collar, military, blue collar—all workers across the board; not just one segment of the Federal working force.

The anomalous situation would occur if the Stevens amendment prevails. If that happened, the only Federal workers of substantial number who would be singled out for special treatment would be the Federal blue-collar workers. We know white-collar workers are going to have a 5.5-percent cap, military personnel are going to have a 5.5-percent cap. Under the committee bill, so would blue-collar workers. But adopting the Stevens amendment would make the blue-collar worker unique, and exempt from the provisions that are going to be applied to the rest of the Federal work force.

Mr. STEVENS. On my time, will the Senator yield?

Mr. EAGLETON. Let me complete my remarks, and then I shall be delighted to debate either the Senator from New Hampshire, or the Senator from Alaska, or both.

Mr. STEVENS. On my own time, will the Senator answer a question?

Mr. EAGLETON. Surely.

Mr. STEVENS. He stated something I do not think is a fact.

The Senator is saying that without my amendment there is going to be a 5.5 pay cap on white collar and 5.5 on defense. The report of the pay council is not in. The President has not sent any recommendation that I know of. How does the Senator reach the conclusion that that is going to be the case?

Mr. EAGLETON. I have just quoted the President's remarks. I have the full speech, though I shall not put it all in the RECORD. I quoted earlier the President's declaration, in his speech before the American Society of Newspaper Editors on April 11. Let me read verbatim these two paragraphs. They are short:

Last year, Federal white collar salaries rose by more than 7 percent. I intend to propose a limit of about 5.5 percent this year, thereby setting an example for labor and industry to moderate price and wage increases. This year, I shall also freeze the pay of all executive appointees in the Federal Government and members of my own senior staff . . .

It is inevitable that the President is going to send up about a 5.5-percent pay cap. That is not secret, and there is no mystery to it. It is virtually inevitable.

Mr. STEVENS. I shall respond later, but I hope the Senator realizes the President is talking about a 5.5 average. The Senator's pay cap is 5.5 individually.

Mr. EAGLETON. I can find nothing in the President's remarks that discusses an average. I shall get to that question of differential raises. The Senator from Alaska raised it in his initial remarks.

I do ask unanimous consent at this time, Mr. President, that four editorials, two each from the New York Times and the Wall Street Journal, be printed in the RECORD at this point.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Apr. 20, 1978]

THE FEDERAL PAY RATCHET

President Carter's recent announcement of a cap on wages for federal white-collar employes may not be the greatest inflation-fighting weapon that was ever invented. But since the President has decided to go down that road, there's another little matter we'd like to bring to his attention. Pentagon managers are trying to get some legislative changes that could well save almost $2 billion in labor costs over the next five years, and they could use some extra help.

Their problem is this. Under the Federal Wage System estabished by law, the Defense Department's blue-collar civil service workers—some 350,000 of them, making up 80% of the federal blue-collar work force—get pay that's comparable to prevailing rates for similar work done within their local wage area. That would be just peachy, if the wages all really did work out to be comparable. But, predictably, that's not what happens.

Each federal pay grade, you see, is divided into five separate salary steps. Under the law, the prevailing wage among private businesses in the area has been made equal to Step 2 out of the five. But federal employes get

promoted almost automatically and quite rapidly up the ladder. At any given time, your average employe stands almost at Step 4, and so gets significantly more than the prevailing wage in private industry. The government in the end finds its total pay bill hiked some 7.6% above local private wages. This costs a bit of money, of course; but it also has the unsurprising effect of exercising further upward pressure on the private sector and feeding a very efficient little wage spiral.

The Department and the Civil Service Commission would like to redress the balance. The Commission has submitted a bill that would make federal pay rate structures comparable to nationwide industry practice and set federal average rates equal to average rates on the outside. Right now the bill seems destined to languish in the inhospitable environment of Rep. Gladys Spellman's subcommittee of the House Post Office and Civil Service Committee. But there's considerable sentiment in the House as a whole for some such measure: Last time around, an appropriations rider to put a cap on blue-collar wage increases failed on the floor by only four votes.

The idea of capping these wages to get them more comparable to the average may well come up again in the House next month. But the bill to reform this federal rate structure permanently would be even better. The administration supports this bill; it would be nice to see that support translated into congressional action.

[From the New York Times, May 15, 1978]

THE FEDERAL BLUE-COLLAR BONANZA

President Carter's resolve to start the anti-inflation fight within Government is bad news for most Federal employees, who will receive smaller raises next year. But for the 450,000 Federal workers whose collars are blue, tough talk from the White House will have no effect. Unless Congress amends the law, they will continue to receive up to 12 percent more than private workers doing the same job, and Federal blue collar wage policies will continue to feed inflation.

The Federal wage system is meant to guarantee hourly workers the prevailing rate of pay. The Government monitors private wages in regional labor markets, then pegs its own between 96 and 112 percent of the going rate, with seniority determining where in the range each worker belongs.

Federal workers, however, typically end up with a better deal than their private counterparts. Unlike many non-governmental blue-collar workers, Federal employees are widely guaranteed year-round jobs and thus, on average, take home higher annual pay. Moreover, they usually command better retirement plans and benefits. Most important, the great majority qualify by seniority for the very top of their range so that the average worker nets 7.6 percent more than the officially determined parity wage.

That 7.6 percent bonus alone costs taxpayers about $450 million a year and pushes up private wages in regions where the Federal Government is a major employer. Private firms must bid for labor against a competitor with a bottomless pocket. And where union influence is strong, the example of highly paid Federal workers is sure to toughen labor's bargaining stance.

Neither Congress nor the White House is likely to challenge the concept of wage comparability. But President Carter, following President Ford's example, supports legislation to eliminate the time-in-service differential that creates the 7.6 percent bonanza. That initiative got nowhere last year, thanks in large measure to the House Post Office and Civil Service Subcommittee on Compensation. The subcommittee majority is not inclined to pass any measures that would effectively trim Federal wages.

This year, however, there is a chance for reform—if the President makes the case effectively to the Congressional leadership. Even if the compensation subcommittee balks at proposed changes, the House or Senate Appropriations Committee could cut blue-collar pay by simply refusing to authorize more than 100 percent of the officially comparable wage.

Stopping the gravy train for a few hundred thousand down, public employees should bear some of the burden. Federal workers won't defeat inflation. But in a year when private wage restraint is critical to keep inflation down, public employees should bear some of the burden.

[From the New York Times, June 27, 1978]

BUTTONING UP FEDERAL BLUE COLLARS

The most visible symbol of President Carter's commitment to fight inflation within Government is his decision to hold Federal pay increases to 5½ percent next year. Unless Congress matches the President's initiative with legislation, however, the Government's 400,000 blue-collar employees are likely to take home a 9 percent raise.

The White House has the power to set the salaries of Federal white-collar and military employees, subject to Congressional consent. But wage rates for blue-collar workers are determined independently, by a complex formula loosely linked to non-Government wages in local job markets. Thanks to this formula, Federal employees do exceedingly well, averaging 8 percent more than their counterparts in the private sector. Over the past seven years their wages have increased by 74 percent; those of Federal white-collar workers have risen by only 44 percent.

The White House has been trying for three years to reform the Federal wage system. A saving of about $400 million a year would be reason enough to press for legislation. But now the cap on white-collar and military pay makes reform all the more urgent. If Congress fails to act, the wage formula will continue grinding out excessive raises for blue-collar workers. That will make it more difficult for the President to ask sacrifices of other Federal employees and will put additional pressure on private employees to seek inflationary wage settlements of their own.

The simplest way for Congress to contain the Federal wage spiral is to cap wages by limiting appropriations. Senator Eagleton has managed to attach such a limit to a pending appropriations bill; it would cap *all* Federal pay hikes at 5½ percent and so save about $250 million on blue-collar wages. The Eagleton amendment faces stiff opposition, led by Senator Ted Stevens of Alaska, who represents the organized workers.

Reform of the Federal wage system formula is the only long-term solution in this area. But the country can't afford to wait. The need for quick action and simple justice for Federal white-collar employees makes an appropriations cap essential.

[From the Wall Street Journal, June 27, 1978]

HALF A LOAF

The Senate is set to vote now on a measure that would cap pay increases for the federal government's 450,000 blue-collar workers. The measure is by no means the most far-reaching change that's been proposed lately for the federal wage system under which these workers operate. But now that the Jarvis amendment has sent a rather unmistakable message to Washington, maybe the idea of a cap will attract some new senatorial support.

Up until now, the federal blue-collar workers have had things pretty good. For one thing, they've been getting paid more than their private-sector counterparts. In theory, federal pay is set equal to prevailing wages for similar work in the local area. But each federal pay grade is divided into five wage steps. Under law, a worker in Step 2 gets the prevailing wage. But in the federal government, promotions come quickly and nearly automatically; so at any given time the average employe has reached almost to Step 4. This means the average federal blue-collar employe is being paid more than the average private sector prevailing wage—which costs the government a nice little pile of money.

Moreover, the blue-collar workers have been immune to the kind of belt-tightening that's hit other federal workers over the past few years. Their wages have been increasing faster than those of their white-collar counterparts, and President Carter's current proposal to limit white-collar pay increases to 5.5 percent next year leaves the blue collars free.

The Civil Service Commission has submitted a bill that would reform the system by seeing to it that federal and private blue-collar wages remain truly equal; this proposal has, not surprisingly, gotten nowhere. But at least something has happened on the wage front this year: Sen. Thomas Eagleton has gotten an amendment through the Senate Appropriations Committee that would extend the 5.5 percent cap to the federal blue-collar work force, as well as white-collar types.

The Carter administration hasn't given official support to the measure: They seem to figure that they're in enough trouble with the unions over their civil service reform proposals. But it would be nice to see the Eagleton amendment pass. It may not be a spectacular inflation-fighting weapon, but it would do a little something to keep the federal deficit down and distribute the burden of government restraint equitably. The Senate is full of people these days who are swearing new-found allegiance to the idea of fiscal probity in Washington; maybe now they'll start putting their votes where their mouths are.

Mr. EAGLETON. Now, Mr. President, let me take up the three major points that Senator STEVENS mentioned in his opening remarks, as well as one that he just raised again.

First of all, he said there are differences between areas in the country and that some blue-collar workers in recent months got a pay increase, whereas others will not be scheduled until a month or two from now and, indeed, some may not be until after October 1.

The Senator is correct. There is not 1 day in the year when all blue-collar raises immediately take effect. I am told that there are over 130 areas in the Nation. Some areas may be dealt with in February, some in March, some in April, and so forth. Whatever date we pick is going to catch some and not catch others.

What will occur, though, if the committee amendment remains in the bill, as I hope it will, is that, from October 1 of this year through September 30 of 1979, there will no blue-collar pay wage increases in excess of 5.5 percent. If a worker got a pay increase, say, in May, just a month or two ago, he will not get another pay increase beyond 5.5 percent in May of 1979.

We have to begin sometime, and the sometime under an appropriation bill is October 1.

The Senator points out that there is no flexibility in this 5.5-percent cap. This is an outside cap that applies across the board. The President could propose raises of less than 5.5 percent.

I point out that, in 1976, when differential pay raises last were granted and averaged 4.8 percent, just the reverse of what the Senator points out occurred.

The people at the lower end of the scale, the GS–1's, the GS–3's, GS–5's, and GS–7's, all those lower paid people, got the lowest pay raise.

Here is what is was in 1976 for a GS–1. He got 4.5 percent. A GS–3 got 4.3 percent. A GS–5 got 4.24 percent.

But a GS–13 got 6.12 percent and a GS–15 got 7.9 percent.

So, rather than shedding crocodile tears for those at the lower end of the pay spectrum, because they are somehow going to feel the brunt of any lack of flexibility, I think the greater protection we can give them is to put on the 5.5-percent cap to prevent what happened the last time "flexibility" was injected into this matter.

Finally, and most bemusing of all, is the Stevens "rapid exodus" theory. He maintains that, if this cap goes into place, there will be a wholesale abandonment of their 500,000 jobs by Federal blue-collar workers, immediately marching off into the private sector.

That will never occur, Mr. President. That is only a pipedream in the mind of the Senator from Alaska.

These are the most coveted jobs a blue-collar worker can have in the entire world, and they will remain the most coveted jobs in the entire world, even with the 5.5-percent cap.

Why? Because these people are paid at the prevailing wage, but an aberration in the process gets them higher up on the pay scale more quickly than in the private sector, and they work 52 weeks a year.

They are paid the highest wages in the area and paid them on a 52-week-a-year basis. Contrast that with many blue-collar people in the construction field, for example, Mr. President, who may work 30, 35, 40 weeks, but are down a fourth or a third of the year, receiving no pay at all.

Believe me, there will be no exodus of these people. There are plenty of willing replacements whenever one of these guys leaves the payroll. There are many who say they want that plum. Even with the 5.5-percent cap, that will be true.

In fact, Mr. President, there are cases—actual cases, not theoretical—where white-collar employees have sought transfer from the white-collar force into the blue-collar force, because of the very attractive pay for blue-collar employees which results from their excessive raises.

Let me give a couple of examples of actual job descriptions in the San Francisco area, which I got from the Defense Department, that illustrate the situation better than I could with a long speech. These are both out of the San Francisco area, one of these 130-odd wage areas.

A helper, with or without a high school diploma, in the San Francisco area, because of the ratcheting effect of this blue-collar pay business starts at a higher hourly wage than a graduate beginning engineer, even if the engineer was in the upper one-third of his class or a member of an honor society.

Think of it, a blue-collar helper, with or without a high school diploma, starts at a higher hourly scale than a graduate engineer.

Another example from San Francisco: A beginning janitor—get this, Mr. President—makes a higher hourly wage than a beginning accountant with a bachelor's degree.

Now, these are but two of several actual cases. These are not isolated incidents, involving just one helper and one beginning engineer. This is the way the pay categories are structured in the San Francisco area, and this could be the case across the entire system.

So, Mr. President, I do not think that we should make blue collar workers sort of the anointed, preferred class insofar as Federal governmental service is concerned.

I think whatever policy we enunciate ought to be equitable and uniform across the board. That is why, if my amendment stays in the bill and if we defeat the Stevens amendment, there will be a uniform 5.5-percent pay cap, white collar, blue collar, or no collar.

I reserve the remainder of my time.

Mr. PERCY. Will the Senator yield?

Mr. EAGLETON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Missouri has 11 minutes.

Mr. PERCY. Five minutes?

Mr. EAGLETON. I yield 5 minutes to the Senator.

Mr. PERCY. I will let the author of the amendment speak first, if Senator STEVENS would like to precede me, but I would like to follow him.

Mr. EAGLETON. I yield 5 minutes to the Senator from Illinois. Apparently, he can speak now and the Senator will respond.

Mr. PERCY. I thank the distinguished Senator.

Mr. President, last evening I was in Moline, Ill., to attend the opening ceremonies today of the magnificent new west office building of John Deere & Co.'s administrative center with chairman and chief executive officer William Hewitt and a group of distinguished business and banking leaders from Illinois and across the country. I had looked forward to the ceremonies this morning, marking the opening of the most striking industrial, architectural, and landscaping achievement I have ever seen. Last night upon arrival, however, I was advised that the Stevens amendment would be offered on the Senate floor today.

So I cut short the visit and could not stay for the opening ceremonies.

I considered this amendment such an important symbol of whether or not the country intends to do something about inflation and whether we in the Congress intend to act within our authority to set an example that I, with great regret, flew out early this morning to return to Washington for this debate.

Mr. President, I rise to oppose the amendment offered by the distinguished senior Senator from Alaska (Mr. STEVENS).

Of all the problems besetting the American economy this year, inflation is certainly the most immediate and the most dangerous. Recent months have seen the Consumer Price Index hit double digit proportions. At the same time, we have seen American taxpayers raising their voices in anger that while prices continue to rise, taxes, including Federal taxes, are taking an ever-increasing bite out of their paychecks. Clearly, the two phenomena are not unrelated, and we as elected representatives would be remiss if we did not acknowledge that this is a time for strong action.

To combat the wage-price spiral without imposing mandatory Government controls, the first step must be to see that wage increases in Government are reasonable and within acceptable limits. It would ring hollow for us in Government to urge restraint upon others unless we are prepared to put our own house in order first.

For this reason, I applauded President Carter's decision to put a 5.5 percent cap on pay raises for white-collar Federal employees, a step which would save the taxpayers an estimated $500 million.

I realize that the 103,000 Federal employees in the State of Illinois may well disagree with this position.

But, certainly, I feel that what is good for the goose is good for the gander. I publicly and privately have advocated to business leaders, to labor leaders and to Members of Congress that we put a freeze this year on wages above a certain level, and that we severely limit pay increases in other levels because the threat of inflation is so pronounced today.

It is the working people of this country who are paying the price of inflation. We are running to stand still, or, as many workers would say today, running to slide gradually, steadily behind, because wage increases are not galloping ahead as fast as price increases today.

We have to stop this trend some place. This is the time to do it. I think the mood of the country is to act strongly even if it requires some short range sacrifice on the part of many of us.

Currently, the Senate Governmental Affairs Committee is considering civil service reform legislation that would, among other things, establish a merit pay system for top Government officials, another hedge against high automatic salary increases.

I believe it is only fair, if we are going to ask white collar Federal employees to forgo full comparability raises for the sake of our anti-inflation program, that we spread the burden equally to blue collar workers as well. This extension of the pay cap would save the taxpayers an estimated $250 million, while adding credibility to our claims that we are indeed serious about fighting inflation, that we are willing to take the heat and make the decisions that need to be made. Failure to make this extension would be another signal to the private sector that we are running business as usual, and that Government anti-inflation rhetoric is simply that, rhetoric.

For this reason, I oppose the Stevens amendment.

Mr. President, I ask unanimous consent to have printed in the RECORD extracts from two editorials that have been inserted in the RECORD by Senator EAGLETON, to emphasize the working of the Federal blue collar pay system and

why, at this time, Federal blue collar workers are standing in good stead against white collar workers in Government and against their counterparts in the private sector. In fact, statistics show that they are running well ahead. I think this editorial comment is pertinent to our discussion.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 27, 1978]

The most visible symbol of President Carter's commitment to fight inflation within Government is his decision to hold Federal pay increases to 5½ percent next year. Unless Congress matches the President's initiative with legislation, however, the Government's 400,000 blue-collar employees are likely to take home a 9 percent raise.

The White House has the power to set the salaries of Federal white-collar and military employees, subject to Congressional consent. But wage rates for blue-collar workers are determined independently, by a complex formula loosely linked to non-Government wages in local job markets. Thanks to this formula, Federal employees do exceedingly well, averaging 8 percent more than their counterparts in the private sector. Over the past seven years their wages have increased by 74 percent; those of Federal white-collar workers have risen by only 44 percent.

[From the Wall Street Journal, June 27, 1978]

Up until now, the federal blue-collar workers have had things pretty good. For one thing, they've been getting paid more than their private-sector counterparts. In theory, federal pay is set equal to prevailing wages for similar work in the local area. But each federal pay grade is divided into five wage steps. Under law, a worker in Step 2 gets the prevailing wage. But in the federal government, promotions come quickly and nearly automatically; so at any given time the average employe has reached almost to Step 4. This means the average federal blue-collar employe is being paid more than the average private sector prevailing wage—which costs the government a nice little pile of money.

Mr. PERCY. Mr. President, this amendment is an important symbol in the "Taxpayer's Agenda" for 1978 and in the fight to bring down the rate of inflation, a process that will help increase future real income for both blue-collar and white-collar workers in America.

Mr. STEVENS. Mr. President, in order to deal with the issues involved in order, let me first deal with the claim of the Senator from Missouri based upon the editorials from the New York Times and the Wall Street Journal.

It is unfortunate that no one really reads the law as to how the prevailing wage rate is determined. Let me tell my good friend that it is determined by surveying wages paid by private employers in the wage area for similar work, performed by regular, full-time employees. Do not tell us that this is a survey of people working for 20 or 30 weeks and someone working for the Government is working 52 weeks. That is not true. They are full-time workers. I hope the New York Times and the Wall Street Journal will take heed.

Second, in terms of the inflation concept, I say this: We have tried our best to keep the total of the concepts of the labor bargaining system out of the Federal Government. Federal employees cannot strike. Federal employees do not even have arbitration in dealing with their salaries.

If you start doing this, you will see more than controller slowdowns. You are saying that these people cannot catch up with salary over the past 18 months.

The Senator from Missouri and the Senator from Illinois make it sound as though these are new wage rates and that the Federal Government is getting ahead of the private sector. They are 18 months behind.

If there is any copout in this concept of wages, it is the concept the Senator from Illinois mentions of merit pay raises for the high employment people. We are going to give pay raises to the people in the high sector so that they will stay in the Government. What happens to the guy who spends his whole career working for the Federal Government at the low level? When you go to your office, you are talking about the elevator operator. When you go into a Federal installation, such as a Defense Department installation, air base, or Navy base, the guy who is cleaning the snow off the street is a blue-collar worker. Put it in terms of him. He did not get his pay increased for the last 18 months. He is 18 months behind.

If you think the wage survey people work any better than anybody else, ahead of time, and have a crystal ball and know what the Teamsters are going to get next year, you are wrong. We are talking about what happened a year and a half ago or a year ago.

Let me tell the Senator about this in terms of this increase. I hope my good friend understands that I am not raising any personal question. It happens that the Missouri people got their increase already. The increase of the Missouri people went into effect in January. What about Omaha? It goes into effect there in December. In Nevada, it goes into effect in November. In Ashville, N.C., it goes into effect in October. The others already have their increases; and the Senator is saying that those increases that would go into effect after October 1 are not to be paid.

It is already factored in for the blue-collar workers in one-third of these areas. Most of them come in the latter part of the year. The great Los Angeles sector has 15,000 plus blue-collar workers. Their increase goes into effect in November. They are not to get any increase. In Arizona, it goes into effect in May. In Fresno, Calif., it goes into effect in April. Is that not strange?

A Corps of Engineers employee coming out of northern California, working on a dam site, is going to get paid more than one coming out of Los Angeles, working on the same dam site.

I do not understand how you can deny your President the flexibility he says he wants. He says he wants to limit Federal overall pay increases to 5.5 percent.

This says that it takes an extra 10 percent to get a veterinarian into the Government or to keep him in Government. Senators should keep in mind that we just passed the law saying that you can offer increases in particular categories, such as medicine, in areas where there is an employee shortage. You can meet the prevailing wages with a pay raise that is entirely unrelated to the pay council.

Under the amendment of the Senator from Missouri, we cannot offer those veterinarians any money to stay in Government. We cannot offer the doctors any money to stay in Government. It is 5.5 percent, and anybody making more than $47,500 does not get any.

The position of Director of NIH stayed vacant for more than 3 years because we could not get someone to take the job at the pay scale. We had to pass special acts to get special people. Now the Senator says that 5.5 percent is the limit. But he is denying the President the discretion to live up to the law and to give us a recommendation, after the pay council surveys the country as a whole and he comes in with his recommendation. He can send us a different recommendation, and he can come up with one that is balanced to meet the needs.

In response to a point made earlier by the Senator from Missouri; we changed the wage schedules for 1976. Some of those were not equitable when the pay raise came about, and the total pay raise was averaged out at that time in inverse proportion, because the wage rates had been changed in the prior 4-year period for others in the lower rates. It is necessary to know a little of the history of this matter.

In terms of dealing with Federal employees, the Senator is saying in this amendment, first, "Don't give the President any flexibility in dealing with their needs."

Second, the Senator is saying that if the battle against inflation is going to be carried, the Federal employees are going to be in the first ranks of that battle. I think that is fine. They would be glad, if they were sure anyone was behind them.

The Teamster demand is 33 percent. We have just had negotiated settlements in the coal fields. The Senator knows what they were. Where does that come out with the employee working in the Federal building who is trying to catch up with the purchasing power in the same area?

We passed the Federal Pay Comparability Act to get comparability studies for the same type of employment and the same terms of employment, in terms of full time, salaried, or wage employees.

I say that the Eagleton amendment in this appropriation bill is usurping the executive function and duty under the pay acts Congress has passed. It is an attempt to take away from the President and deny him the exercise of the prerogatives he has under existing law. It really is seizing from the President the power to make policy with regard to inflation.

If the Senator from Illinois wants the President to take the lead in fighting inflation, this is no way to do it. Once he signs this, he does not have any leeway. This says, "Don't pay anybody more than 5.5 percent of what he got last year." Where is there any policy in that? Certainly, there is some kind of equity

in dealing with inflationary problems. This is inequitable.

Why do you not repeal the Pay Act? Why should we pay the people in the Pay Council to go there day in and day out? They have a staff, and you probably could save millions of dollars by repealing that act and firing them.

You are not going to save that kind of money by this action, and it is not going to be effective in terms of fighting inflation, to tell people who are entitled to pay increases that because of past wage increases in comparable employment in the private sector, they cannot have theirs.

In the first place, the blue-collar people do not belong here, and the Senator knows it, but they are his targets.

I remind the Senate that we had this fight last year. The Eagleton amendment would have put a limit on the blue-collar pay raise, and I successfully brought an amendment to the floor to defeat that amendment. This year, instead of going after the blue-collar people directly, he has said: "I'll take the President's word about the 5.5 percent on the white-collar people and I'll make it a white-collar amendment, 5.5 percent; and then, out of equity, say that the blue-collar people have to be covered by the same thing."

The Senate last year went on record saying that the blue-collar people should be paid under the blue-collar wage laws. The President's recommendation will not deal with the blue-collar people, and the Senator from Missouri knows that.

So, being the clever lawyer that he is, he has an amendment here that covers the white-collar people and usurps the President's role and says, "Now, in fairness, apply that same thing to the blue-collar people," over which the President had no authority at all.

The Senate, when it faced the question of blue-collar people, squarely denied the Senator's attempt last year to impose this arbitrary limit on the law that has been in effect for 100 years in dealing with equity as far as blue-collar employees are concerned.

I urge the Senate to once again deny this attempt to limit the blue-collar employee from the wage rate increases that he is entitled to under existing law to catch up with wage rates that have been raised in the past, and I tell the Senator that if we do, not one of them will be getting a wage increase that is comparable to those that have been given to other employees in the last year, such as the coal employees, that will not be caught up with for another 6 to 8 months. We are talking about now in 1978 the wage rates that went into effect up to December 1976. That is the comparability we are dealing with, and we are telling that guy who drives the snow removal equipment or runs the elevator in the Federal building: "You can't have the wage rate increases that went into effect up to December 1976."

That is totally inequitable. Besides that, this is doing indirectly what the Senator failed to do directly last year.

I do not think it is part of the fight against inflation at all. It is a misdirected attack on the blue-collar labor provisions that should be dealt with directly.

If the Senator wants to change the way blue collar employees are paid in this country, why does he not change the basic law? This law gives all the thousands of people whom we have throughout the country who conduct these wage surveys in 100-some-odd areas, as the Senator points out, the authority to take surveys, all of them still are going to be taking the surveys and making the recommendations, but the Eagleton amendment says the President and the executive branch, "No matter what they report, it cannot be more than 5.5 percent."

Why do we not fire them all? Why should they continue to make surveys that are not going to be followed? Why should the Pay Council continue to function if their recommendations are not going to be followed?

This is, I think, using an appropriation bill to set total Federal wage policy, and it does not belong in this bill at all.

I might state to the Senate I am going to find a way around that rule. I do not think we should be able to waive a two-thirds requirement of our rules by the simple matter of saying it is germane. This is about as germane to this bill as it would be if the Senator offered the Alaskan land bill as an amendment. In my opinion, it has nothing to do with the wage policy of the United States and should not be determined as a rider to a Treasury Department appropriations bill.

That is what the Senator is doing. This affects every employee of the Federal Government, white collar and blue collar. It usurps the President's prerogatives. It denies him the right to even send up an alternative plan to that devised by the Pay Council, and it really is bad legislation.

I am sorry to have disagreed so much with my good friend from Illinois.

If he thinks this is the way to fight inflation, then God save the country because we should be talking to people who have already been granted 35 to 40 percent wage increases since 1976 that the Federal employees will never get if this section becomes law.

Mr. PERCY. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. STEVENS. I yield.

Mr. PERCY. Mr. President, I ask unanimous consent that Ken Ackerman, of the Governmental Affairs Committee, be accorded the privilege of the floor during rollcall votes on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. EAGLETON. Mr. President, I will respond briefly to my colleague. I enjoy debate with him. We both proceed on the presumption that whoever speaks the loudest will win. I sometimes find in sad dismay that I win on decibels but lose the vote. I hope not to do that today.

Mr. President, let me protest the Senator from Alaska's referring to me as a clever lawyer. I never referred to the Senator from Alaska as being clever. I do refer to him from time to time as being distinguished, sort of tongue in cheek.

And, if he is going to give me a lesson on the statutory history of the Federal blue collar worker as "Professor STEVENS" of Alaska, I do not want to be the recipient of that lecture as "Loophole EAGLETON."

The Senator from Alaska has shifted ground three times. In his earlier remarks, he was shedding crocodile tears for those at the lower end of the pay scale. When I pointed out to him that a janitor makes more than an accountant with a bachelor's degree and that a laborer-helper makes more than a graduate engineer, he shifted gears. Then he shifted gears to the higher wage levels, those fellows making $47,500. Those people are covered under the Bellmon amendment, section 614 of this bill. But I am for that one, also. He said, "Is it not terrible all the fellows who are going to be frozen at salaries of around $50,000 a year? The U.S. Supreme Court may not get a pay raise next year."

I say three cheers. I do not think he can shed too many tears either for the janitor who is making more than the engineer or for Warren Burger. I do not think either of them merit exemption.

Now, he points out that the Missouri blue collar workers got their pay raises in January. I will be honest with the Senator. In all candor, I did not know that.

I would tell the Senate this; If my amendment passes, they are not going to get a pay raise of 9 percent next January. I have already been contacted by them. I told them it is going to be 5.5 percent if my amendment prevails.

Whatever time we pick would, in a sense, be a bit arbitrary. I wish I could make this retroactive to January 1 of this calendar year, but I cannot. We are dealing with an appropriation bill, which takes effect on October 1. So I am stuck with that as a vehicle.

Mr. President, in conclusion, what all of this boils down to, as the Senator from Illinois (Mr. PERCY) has so finely pointed out, is that this vote will lay on the line whether Congress and the Government are sincere about doing something about inflation. Are we willing to put some kind of a lid on the inflation that has plagued our economy for many years and has been especially alarming in the past 3 or 4 months, as some of the figures that have been released would show.

We can be just like Mr. Meany, of the AFL–CIO, and say, "Well, we can't really do much about it. I am for any kind of restraints but not on the brethern in my union." And we can be just like the people of big business who say, "We can't put any kind of constraint on prices because we have all those high wage demands."

We can pretend that, "Well, nothing can be done about it," and let inflation go on its merry way.

Someone, Mr. President, some entity within the economy has to take the first step. I happen to believe if Congress says loudly and clearly that it is going to put a pay cap on all Federal workers, a cap which eliminates raises for those

above $47,500, and a 5.5 percent cap on white collar, military, and blue collar workers, that we are going to be adhering to the President's announced policy of a 5.5 percent cap. I think such a message could have a beneficial ripple effect throughout the economy.

I think it strengthens President Carter's hands when he is talking to people from labor or management and saying, "All right, we have started the process, we have bitten the bullet, and we expect some kind of reciprocity from the private sector." Without that, without giving that tool to the President, the next time he talks to any of these leaders, be they labor or management, they very well may say, "Congress had a chance to put a cap on pay increases, and, when the opportunity was presented to them, they defaulted. So if the Government is not going to exercise any responsibility in this area, Mr. President, why should we exercise any responsibility or accountability in the private sector?"

Contrary to what the Senator from Alaska states, this pay cap strengthens President Carter's hands. I think he will be delighted if this pay cap amendment stays in the bill. I know the Department of Defense will be, because they have been in touch with me about the amendment.

I also want to correct one thing. I might say the New York Times editorials and the Wall Street Journal editorials are positively correct.

I dissent once again from Senator Stevens and I cite as unbiased expert opinion, the studies made by the Civil Service Commission, all of which point out that Federal blue collar workers are paid more than their counterparts in private industry, and it is absolutely true when I say they work on a 52-week-a-year basis.

The record clearly shows that many blue-collar workers in the private sector, especially those in the construction crafts, do not work anywhere close to a 52-week pay year.

Mr. President, I am prepared to yield back the remainder of my time.

Mr. STEVENS. Mr. President, I have 1 minute more, and I think I will use it.

Again I say to my good friend they may make more but their wages, their blue-collar salaries and wages, are based upon an average of private industry and are 18 months less. If they make more it is because of seniority, and that is not covered by the survey. If we wanted to survey those people who had 20 years experience in private industry and compare those who have 20 years of experience in Government, I think you will find that that is not a correct statement.

The difficulty is the New York Times compares the average from the wage survey with the actual salary of the person who has the seniority.

Mr. President, I ask unanimous consent to include in the RECORD the latest increase information for appropriated fund wage areas and a table——

The PRESIDING OFFICER (Mr. FORD). The time of the Senator from Alaska has expired.

Mr. STEVENS. Mr. President, I ask unanimous consent to continue with my request at least. I am asking unanimous consent to put in the RECORD these two tables at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

LATEST INCREASE INFORMATION FOR APPROPRIATED FUND WAGE AREAS

	Cents per hour	Percent	Effective date	Employees
Alabama:				
Anniston-Gadsden	0.4726	8.54	June 26, 1977	4,129
Birmingham	.5713	9.67	June 19, 1977	760
Dothan	.6773	13.72	Oct. 2, 1977	776
Huntsville	.5453	10.41	June 12, 1977	1,011
Alaska	.8806	7.95	Sept. 11, 1977	3,580
Arizona:				
Northeastern Arizona	.5720	9.13	May 22, 1977	2,175
Phoenix	.5033	8.05	do	1,732
Tucson	.5706	8.72	May 29, 1977	2,374
Arkansas: Little Rock	.4506	7.52	Oct. 9, 1977	2,373
California:				
Fresno	.5793	9.78	Apr. 10, 1977	1,485
Los Angeles	.5966	8.68	Nov. 20, 1977	15,442
Sacramento	.5640	8.36	Apr. 17, 1977	9,577
Salinas-Monterey	.6760	11.00	Apr. 24, 1977	1,370
San Bernadino-Riverside-Ontario	.5566	8.52	Nov. 20, 1977	1,678
San Diego	.4553	7.09	Dec. 4, 1977	10,979
San Francisco	.6920	9.22	Nov. 20, 1977	19,295
Santa Barbara	.4926	7.89	Nov. 6, 1977	839
Stockton	.5386	8.70	Apr. 10, 1977	2,548
Colorado:				
Denver	.5106	8.11	Mar. 27, 1977	3,040
Southern and western Colorado	.4360	7.35	do	4,560
Connecticut:				
New Haven-Hartford	.3180	5.63	July 3, 1977	785
New London	.3620	6.41	Dec. 4, 1977	759
Delaware: Wilmington	.6840	10.42	Jan. 8, 1978	7,648
District of Columbia: Washington, D.C.	.5546	8.52	Oct. 23, 1977	21,173
Florida:				
Cocoa Beach-Melbourne	.4152	6.26	Jan. 29, 1977	648
Jacksonville	.6446	10.64	Mar. 27, 1977	4,331
Miami	.7013	11.61	do	1,631
Orlando	.4620	8.58	Nov. 2, 1977	590
Panama City	.5766	9.29	do	680
Pensacola	.6007	9.30	Nov. 6, 1977	5,109
Tampa-St. Petersburg	.4233	7.56	Sept. 11, 1977	1,109
Georgia:				
Albany	.5766	9.86	Oct. 9, 1977	1,267
Atlanta	.5886	9.09	July 31, 1977	1,778
Augusta	.3186	5.48	Aug. 28, 1977	1.61
Columbus	.2640	4.78	Oct. 9, 1977	3,74
Macon	.6053	9.57	Aug. 7, 1977	7,821
Savannah:				
Interim	.1980	3.43	July 31, 1977	1,187
Final	.2066	3.47	Sept. 25, 1977	
Hawaii	.6893	9.32	Aug. 14, 1977	9,721
Idaho: Boise: Interim	.0813	1.26	Sept. 11, 1977	805
Illinois:				
Champaign-Urbana	.5080	7.33	Dec. 24, 1977	1,230
Chicago	.5366	8.39	Dec. 19, 1977	4,413
Indiana:				
Bloomington-Bedford-Washington	.4646	7.23	Dec. 18, 1977	1,917
Fort Wayne-Marion	.6466	9.81	Jan. 29, 1978	1,008
Indianapolis	.5680	8.27	Dec. 18, 1977	2,242
Iowa:				
Cedar Rapids-Iowa City	.6386	9.66	Nov. 6, 1978	251
Davenport-Rock Island-Moline	.5093	7.87	Dec. 19, 1977	2,406
Des Moines	.7173	11.03	Dec. 4, 1977	944
Dubuque	.4353	5.96	Dec. 25, 1977	166
Kansas:				
Topeka	.4613	7.35	Jan. 8, 1978	1,577
Wichita	.4166	7.34	do	614
Kentucky:				
Lexington	.5673	10.13	Apr. 17, 1977	2,706
Louisville	.4840	7.91	Apr. 24, 1977	4,560
Louisiana:				
Lake Charles-Alexandria	.5820	8.80	July 3, 1977	1,556
New Orleans	.4593	8.15	May 8, 1977	1,528
Shreveport	.4133	7.47	July 17, 1977	685
Maine:				
Augusta	.4126	7.73	Aug. 14, 1977	329
Central and northern Maine	.4653	8.15	Sept. 4, 1977	758
Portland	.4593	8.96	July 3, 1977	293
Maryland:				
Baltimore	.5626	8.88	Dec. 4, 1977	7,285
Hagerstown-Martinsburg-Chambersburg	.4080	6.98	Mar. 20, 1977	4,029
Massachusetts:				
Boston	.5066	8.17	Nov. 20, 1977	4,386
Central and Western Massachusetts	.5133	9.56	Aug. 28, 1977	1,261
Michigan:				
Detroit	.6246	8.97	Mar. 27, 1977	2,507
Northwestern Michigan	.6166	9.25	Dec. 18, 1977	883
Oscoda-Alpena	.5686	8.96	Oct. 16, 1977	323
Southwestern Michigan	.4706	7.65	Apr. 24, 1977	632
Minnesota:				
Duluth	.5566	8.39	Aug. 14, 1977	604
Minneapolis-St. Paul	.4653	7.01	May 22, 1977	1,446
Mississippi:				
Biloxi	.7733	14.25	Jan. 29, 1978	2,071
Columbus-Aberdeen	.4020	8.56	Apr. 24, 1977	863
Jackson	.4726	8.55	do	732
Meridian	.5380	9.15	do	800
Missouri:				
Kansas City	.6566	8.95	Jan. 1, 1978	2,686
St. Louis	.5666	8.27	do	3,029
Southern Missouri	.5000	8.26	do	1,564
Montana: Great Falls	.5226	7.99	Sept. 11, 1977	1,531
Nebraska: Omaha	.3913	6.73	Dec. 18, 1977	1,666
Nevada:				
Las Vegas	.6966	9.64	Nov. 6, 1977	661
Reno	.5526	9.07	May 8, 1977	1,387
New Hampshire: Portsmouth	.4040	6.69	Nov. 25, 1977	4,507
New Mexico: Albuquerque	.4706	8.05	July 3, 1977	1,814
New York:				
Albany-Schenectady-Troy	.4740	7.80	May 22, 1977	2,052
Buffalo	.4893	7.86	Mar. 13, 1977	824
Newburgh	.4966	8.44	May 22, 1977	1,976
New York	.5393	8.50	Mar. 27, 1977	10,029
Northern New York	.4526	7.73	May 22, 1977	920
Rochester	.4980	7.96	Apr. 10, 1977	1,158
Syracuse-Utica-Rome	.5286	8.66	May 22, 1977	1,440
North Carolina:				
Asheville	.5066	9.81	Oct. 23, 1977	462
Central North Carolina	.4593	8.86	July 10, 1977	2,698
Charlotte	.1346	2.37	Dec. 18, 1977	475
Southeastern North Carolina	.5586	9.47	Mar. 27, 1977	4,545
North Dakota	.4913	8.44	May 8, 1977	1,441
Ohio:				
Cincinnati	.4106	6.82	Mar. 27, 1977	562
Cleveland	.6960	10.65	July 3, 1977	2,099
Columbus	.5213	8.82	Mar. 27, 1977	3,903
Dayton	.5326	8.48	Mar. 20, 1977	3,924
Oklahoma:				
Oklahoma City	.4813	7.49	Oct. 16, 1977	9,948
Tulsa	.5440	8.64	Oct. 9, 1977	1,430
Oregon:				
Portland	.6306	9.02	Oct. 23, 1977	1,469
Southwestern Oregon	.7080	10.70	Aug. 28, 1977	988

LATEST INCREASE INFORMATION FOR APPROPRIATED FUND WAGE AREAS

	Cents per hour	Percent	Effective date	Employees
Pennsylvania:				
Harrisburg	.4926	8.41	Mar. 20, 1977	4,933
Philadelphia	.5000	7.75	Dec. 18, 1977	12,391
Pittsburgh	.6260	9.58	Nov. 21, 1977	2,058
Scranton-Wilkes Barre	.5273	9.50	Nov. 6, 1977	2,175
Puerto Rico	.3900	9.78	Sept. 25, 1977	1,410
Rhode Island: Narragansett Bay	.3726	7.25	Mar. 27, 1977	1,309
South Carolina:				
Charleston:				
Interim	.2526	4.26	Sept. 25, 1977	7,434
Final	.3206	4.99	Oct. 23, 1977	
Columbia	.5040	9.51	July 17, 1977	1,947
South Dakota: Eastern South Dakota	.5206	8.23	Jan. 1, 1978	649
Tennessee:				
Eastern Tennessee	.2760	5.29	June 5, 1977	550
Memphis	.6653	11.68	Apr. 24, 1977	2,722
Nashville	.4540	8.31	do	2,682
Texas:				
Austin	.6233	9.61	Aug. 14, 1977	507
Corpus Christi	.6246	9.79	Aug. 21, 1977	3,668
Dallas-Fort Worth	.4940	8.07	Jan. 1, 1978	1,912
El Paso	.4020	6.96	July 3, 1977	2,979
Houston-Galveston-Texas City	.5926	9.68	July 17, 1977	1,534
San Antonio	.2480	4.35	Aug. 14, 1977	12,944
Texas Continued:				
Texarkana	.1733	3.13	July 3, 1977	4,173
Waco	.4300	7.93	July 31, 1977	2,449
Western Texas	.3686	6.40	do	1,197
Wichita Falls, Tex.-Southwestern Oklahoma	.4320	8.05	Oct. 30, 1977	2,295
Utah	.6706	11.07	Sept. 11, 1977	12,049
Virginia				
Norfolk-Portsmouth-Newport News-Hampton	.4580	8.38	July 17, 1977	20,298
Richmond	.5273	8.52	Jan. 15, 1978	2,840
Roanoke	.3660	6.28	do	487
Washington				
Seattle-Everett-Tacoma	.6280	8.83	Nov. 6, 1977	12,594
Southeastern Washington-eastern Oregon	.4926	7.70	Sept. 4, 1977	443
Spokane	.6740	10.09	Sept. 11, 1977	1,056
West Virginia	.5533	9.42	May 8, 1977	958
Wisconsin				
Madison	.1133	1.76	Oct. 9, 1977	348
Milwaukee	.6966	10.34	Jan. 29, 1978	995
Southwestern Wisconsin	.3200	5.15	Aug. 14, 1977	896
Wyoming	.4820	7.70	Mar. 27, 1977	1,703

TABLE OF INDIVIDUALS WHO EARN MAXIMUM SALARY PERMITTED BY PAY CEILING

	Current number	Percent of employees within grade earning maximum	October 1978	Percent of employees within grade earning maximum
GS-15	0	0	2,790	11
GS-16	1,925	56	3,005	88
GS-17	1,008	100	1,008	100
GS-18	350	100	350	100
Subtotal (GS)	3,283		7,153	
Foreign Service (8 grades):				
Grade II		50		60
Grade I		100		100
Subtotal (FS)	1,006		1,108	
Veterans' Administration (7 steps):				
Chiefs		0		48
Executives		77		99
Directors		100		100
Subtotal (Veterans' Administration)	1,040		2,139	
Other	2,438		5,741	
Total of those receiving same salary	7,767		16,141	

Mr. CURTIS. Mr. President, I ask unanimous consent that notwithstanding the rule that we are limited to one aide on the floor at one time, that Margo Carlisle and Stewart Baer of my staff have the privileges of the floor during the balance of the session.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

All time having expired, the question now is on agreeing to the amendment of the Senator from Alaska.

Mr. EAGLETON. Mr. President, I ask for the yeas and nays on the Stevens amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays having been ordered, the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. ANDERSON), thee Senator from Indiana (Mr. BAYH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. MCGOVERN) is absent on official business.

Mr. STEVENS. I announce that the Senator from Massachusetts (Mr. BROOKE) is necessarily absent.

I also announce that the Senator from California (Mr. HAYAKAWA) is absent to attend the funeral of a Member of the House of Representatives.

The result was announced—yeas 21, nays 69, as follows:

[Rollcall Vote No. 181 Leg.]

YEAS—21

Allen	Hatch	Matsunaga
Baker	Hathaway	Nelson
Case	Heinz	Sarbanes
Culver	Javits	Sasser
Dole	Kennedy	Schmitt
Domenici	Magnuson	Scott
Durkin	Mathias	Stevens

NAYS—69

Abourezk	Griffin	Muskie
Bartlett	Hansen	Nunn
Bellmon	Hart	Packwood
Bentsen	Haskell	Pearson
Biden	Hatfield, Mark O.	Pell
Bumpers	Hatfield, Paul G.	Percy
Burdick	Helms	Proxmire
Byrd, Harry F., Jr.	Hodges	Randolph
Byrd, Robert C.	Hollings	Ribicoff
Cannon	Huddleston	Riegle
Chafee	Humphrey	Roth
Chiles	Jackson	Schweiker
Church	Johnston	Sparkman
Clark	Laxalt	Stafford
Cranston	Leahy	Stevenson
Curtis	Lugar	Stone
Danforth	McClure	Talmadge
DeConcini	McIntyre	Thurmond
Eagleton	Melcher	Tower
Ford	Metzenbaum	Wallop
Garn	Morgan	Weicker
Glenn	Moynihan	Williams
Goldwater	Nelson	Young
		Zorinsky

NOT VOTING—10

Anderson	Gravel	McGovern
Bayh	Hayakawa	Stennis
Brooke	Inouye	
Eastland	Long	

So the amendment (No. 3080) was rejected.

Mr. CHILES. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. RIBICOFF. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1356

Mr. McCLURE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Idaho (Mr. MCCLURE), for himself, Mr. STEVENS, Mrs. ALLEN, Mr. DOMENICI, Mr. EAGLETON, Mr. HELMS, Mr. LAXALT, Mr. RANDOLPH, Mr. THURMOND, Mr. DURKIN, Mr. DOLE, and Mr. HANSEN, proposes an unprinted amendment numbered 1356.

Mr. McCLURE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, line 15, delete the figure $"135,-200,000", and insert in lieu thereof the following: "$131,322,000".

Mr. McCLURE. Mr. President, efforts by the Bureau of Alcohol, Tobacco, and Firearms to promote their proposed gun control regulations have been marked from the beginning by misleading, deceptive, and contradictory claims about the regulations and the funds necessary to carry them out. The Treasury introduced its firearms regulations only 13 days after presenting its budget request.

There was no mention of these regulations or their costs. Contrary to Treasury's present statements, the initial funding for the regulations was to have come from the present appropriations. I want to stress that point. The initial funding for the regulations was to have come from the present appropriation.

When the regulations were first announced, Assistant Secretary Richard Davis stated categorically that the $4.2 million needed to begin to implement the regulations would be reprogramed from existing funds. This statement was made both to a briefing for the House Judiciary Committee staff and in a public briefing on March 16.

Mr. Davis' next set of remarks on the issue came before the House Treasury Appropriations Subcommittee on April 24, when he was called before the subcommittee to explain why he did not mention these regulations when he testified on the BATF budget only 18 days before the regulations were issued. He then testified that Treasury now did not know whether it would reprogram funds for the regulations or seek a supplemental appropriation. It was this refusal to make a commitment that led the subcommittee to cut the $4.2 million from the agency's requested budget increase the next day.

The third set of remarks on the money were made May 4, before the House Judiciary Committee's Subcommittee on Crime, where Mr. Davis stated, for the first time, that no funds for the regulations were in the current budget. When questioned about his earlier statement on reprograming, he stated that he could not clearly recall what he said, but that they now were sure they would need additional funds.

This was restated by Deputy Secretary Carswell on May 23, when he wrote a letter to Senator CHILES, chairman of the Senate Treasury Appropriations Subcommittee, committing the Treasury to not implementing the regulations without receiving additional funding for the regulations. The previous day—and I want to emphasize this—the full House Appropriations Committee had voted 28 to 3 against a motion to delete language prohibiting the implementation of the regulations.

After that vote, for the first time, Treasury began to talk of losing agents as a result of the fund cut.

It seems reasonably clear that Treasury has revised its position on the $4.2 million each time it faced pressure on the subject. It is now "poor-mouthing" on the subject, when in fact it will still receive $2.6 million more than last year, under the House bill. BATF seems to be adopting the tactics of some officials in California relative to proposition 13, in publicly threatening to cut the most needed programs when faced with a reduction in funds rather than deferring purchases of new automobiles and similar measures. Only their requested increase was cut, not their operating budget.

Furthermore, since their budget request was for 100 fewer positions, the entire increase requested is for administrative overhead; $2.6 million should be more than enough for that, particularly inasmuch as most agencies "pad" their budget requests in anticipation of cuts by the Congress. Since the agency has the regulations under development long before the budget request was sent to Congress, there is reasonable grounds to believe that the $4.2 million was, in fact, put into the request so that funds would be readily available to begin implementation of the regulations.

In an internal BATF document obtained by my office in early April, their timetable for enforcing these regulations was spelled out in detail. They had planned to publish the final regulations, purchase equipment and begin recruiting personnel on August 31 of this year. In September the reporting forms were to be distributed. By January of 1979, they expected their communications center to be fully staffed and operational. Obviously, they had planned to start spending immediately in fiscal year 1978 and to be going at full speed early in fiscal year 1979. Their plan to implement the regulations was highly developed and detailed at least by early April of this year, and I find their "death bed conversion" on the question of coming back to Congress for funds to be of no credibility whatsoever.

Mr. President, I reserve the remainder of my time.

Mr. HELMS. Will the Senator yield?

Mr. McCLURE. I yield to the Senator from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, I want to associate myself with the distinguished Senator from Idaho. I am delighted to cosponsor, with him, this amendment. I urge its adoption by the Senate.

Since firearms control first became an issue, Congress has specifically, repeatedly, and emphatically rejected the idea of national gun registration. Yet in spite of this clear legislative intent, we are all now aware of this back door scheme to impose Federal gun registration on the American people by bureaucratic edict.

I have received literally thousands of letters from North Carolinians—all of whom are outraged by this assault on their second amendment constitutional rights.

The McClure-Helms amendment is necessary because it is abundantly clear that this administration is simply not going to respect the will of Congress and the American people on this vital issue. They have abused their authority and they have lost our trust.

This Congress has always protected the constitutional right that permits our citizens to enjoy the private ownership of their firearms. So I call upon my colleagues in the Senate to defend once again our second amendment constitutional privilege that is under assault from administrative officials.

The House of Representatives has already cut $4.2 million from the BATF budget for fiscal year 1979. The Senate must make the same reduction if we are going to insure that the bureaucrats at BATF will not try to implement their backdoor registration scheme.

When the proposed regulations were first announced, Assistant Treasury Secretary Richard Davis stated categorically that the $4.2 million needed to begin to implement the regulations would be reprogramed from existing funds. In other words, BATF presumably had that amount lying around unused which they would tap to set up the registration scheme. Now that the full House of Representatives and the Senate Appropriations Committee have prohibited implementation of the ill-conceived regulations, it is only reasonable to cut the $4.2 million figure which BATF—by its own admission—was going to spend on this scheme.

We should not be at all surprised that BATF—contradicting its earlier statement—now claims it has other uses for the $4.2 million. The bureaucrats have been playing that sort of game for years. But this time, the administration has been caught in its own trap and hoisted on its own petard, and we owe it to the hard-pressed taxpayers of this country to save them this $4.2 million that BATF would rather play with.

Mr. President, I have always contended that gun control would work to the disadvantage of law-abiding citizens and would do nothing to assist the fight against crime in this country. Consistent with this belief, the institute for legislative action of the National Rifle Association of America has convincingly summarized how the proposed BATF regulations will have no real impact on the criminal element within our society. I want to share this with my colleagues and ask unanimous consent that it be printed in the RECORD at this conclusion of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the National Rifle Association of America]

BATF REGULATIONS WILL NOT AFFECT CRIMINALS

Despite the claims of the Bureau of Alcohol, Tobacco and Firearms, nothing in their proposed firearms regulations would have any impact upon criminals. All of the proposals deal only with regulating lawful traffic in firearms, and few, if any, criminals obtain firearms in this manner.

The changes in serial numbers would be of no benefit, since the agency has repeatedly testified that it is able to trace firearms under the existing system of serial numbers unique to each manufacturer, with the name of the manufacturer also on the firearm. BATF has a success rate of 90 percent in tracing firearms manufactured since 1968, when detailed records began to be kept. Most firearms traces are to gather more information about suspects already in custody, or for statistical purposes, rather than to secure the name of a suspect. Few criminals use firearms traceable to themselves. In fact, since the serial numbers being proposed are incompatible with the FBI's National Criminal Information Center computer, which most local police use, and since the serial numbers would have to be very small and thus easily obliterated on many firearms, the proposed "unique" serial numbers would actually hinder law enforcement.

The reporting of thefts would be of no benefit, since BATF has no authority to act on the theft if it is from a licensee's premises rather than in interstate commerce.

Theft of a firearm is a local offense, not a federal one. Reporting thefts to BATF may in fact disrupt law enforcement, as the firearms licensee may feel that he has no further reporting obligations once BATF is notified. Since, as noted above, BATF's serial numbers will not fit into the FBI computers, there would be no way to circulate information about the stolen firearm once BATF received it. If the licensee only reports the theft to BATF, the local authorities who have jurisdiction over the crime will learn about it belatedly, if at all.

Reporting of firearms transactions would be of no benefit, since criminals do not purchase firearms from licensed dealers, or use false identification if they do. Since most names and addresses of purchasers would not be reported, it is not at all clear what BATF plans to do with the 25 to 30 million reports it will receive yearly, other than spend a great deal of the taxpayers' money to put it on a computer. There will be no criminals' names reported, no way of determining if a firearm was sold to a criminal, and absolutely no impact upon the criminals from the reports.

The reporting of firearms transactions, including the names and addresses of citizens in some instances, would, however, go a long way towards creating a national firearms registration system. Because Congress has repeatedly defeated attempts to establish such a system, it is clear that only Congress, and not the unelected bureaucracy, should initiate programs that would begin to create a registration system. Many Members of Congress who favor various types of gun control voted against the BATF regulations for exactly that reason.

If BATF believes it has changes in the administration of the gun control laws, or in the laws themselves, that would assist in fighting crime, they should bring them to the Congress in the normal manner and let them be considered through the legislative process. Attempts to avoid legislative consideration can only arouse suspicions that the agency is seeking gun control, not crime control.

Mr. HELMS. I thank the Chair and I thank the distinguished Senator from Idaho.

Mr. STEVENS. Will the Senator yield to me 1 minute?

Mr. McCLURE. I yield to the Senator from Alaska.

Mr. STEVENS. Mr. President, yesterday I put a timetable of the events surrounding BATF's $4.2 million in the RECORD. I should like briefly to highlight those events before going on to my comments on this amendment.

TIMETABLE: $4.2 MILLION CUT

On March 7, Senate subcommittee hearings on BATF's budget request for fiscal year 1979.

The request for budget increase was $6,890,000; 4,069 positions were requested (72-position decrease from 1978).

Although the regulations would require a significant percentage of the Bureau's resources, the committee was given no indication that they were even under consideration.

On March 16, Assistant Secretary Richard Davis stated categorically that the $4.2 million needed to begin to implement these programs would be reprogramed from existing funds. This statement was made to a briefing for the House Judiciary Committee staff and at a public briefing.

On April 24, Mr. Davis was called before House Treasury Appropriations Subcommittee to explain why these regulations were not mentioned when he testified on the BATF budget only 18 days before the regulations were issued. At that time, he stated that Treasury now did not know whether it would reprogram funds for the regulations or seeks a supplemental appropriation.

On April 25, House subcommittee cut $4.2 million from the agency's requested budget increase.

On May 4, Mr. Davis stated, for the first time, that no funds for the regulations were in the current budget. In answer to his question about his earlier statement on reprograming, he stated that he could not clearly recall what he said, but that they would need additional funds.

On May 23, this statement was repeated by Deputy Secretary Carswell in a letter to Senator CHILES.

On June 12, a letter to me from Secretary Blumenthal stated that claims that the Department intends to use fiscal year 1979 funds to implement the regulations are not true and that the fiscal year 1979 budget does not contain funds to implement the proposed firearms regulations.

But, I have copies of BATF's firearms regulation program resource requirements and regulations, which include a timetable for the implementation of the regulations. This memo was available by January 27 of this year. Among other things, it proposes that on October 31, 1978, the BATF "establish uniform procedures to assimilate reported information and enter information received into TECS (Treasury enforcement computer system), and NCIC, (National Crime Information Center)." It proposes also that on December 15, 1978, BATF will have "data processing equipment needs established and available; data input contract awarded."

The House committee, in adding language to BATF appropriations which prohibited the use of any funds appropriated to the Bureau for issuing or carrying out the proposed regulations and in reducing the budget increase by $4.2 million stated in the report:

The committee is extremely concerned about this proposed regulation. The committee notes that at the appropriation hearings on the Bureau's 1979 budget request, held on March 3, 1978, the Bureau did not notify the committee of its intention to issue this regulation; nor did it inform the committee that it was even considering it. The committee also notes, by way of background, that it has been concerned about the Bureau's tendency to cover what the Bureau perceives to be "gaps" in law by issuing regulations. In House report 94–1229, dated June 8, 1976, this committee warned the Bureau about this tendency to legislate by regulation and cautioned it about its role in our system of government particularly in sensitive and controversial areas such as gun control.

It was only after the vote in full House Appropriations Committee regarding this language that the BATF began talking about losing agents as a result of the cut. Under the House appropriations bill, the BATF will receive $2.6 million more than last year and have asked for 72 fewer positions. It is only their requested increase that is being cut, not their operating budget. Clearly, since they are requesting fewer positions, the budget increase is for administrative overhead. Since the agency had the regulations under development before the budget request was sent to Congress, there is every reason to believe that the $4.2 million was put into the request so that funds would be readily available to begin implementation of the regulations, particularly in light of the original statements that the funds would be reprogramed and that no additional funds were needed.

The Bureau of Alcohol, Tobacco and Firearms has revised its position on the money each time it has faced pressure on the subject. They told the House one thing and now they have told the Senate another because they are faced with an overwhelming House vote against them.

Mr. President, I do not believe this amendment is punitive. I simply do not believe that we should appropriate funds to the Bureau which are over and above their legitimate needs. Since the BATF clearly cannot use these funds to implement the regulations and since it is clear to me that the funds were incorporated in the budget request, I believe that this is a legitimate cut. We hear a lot of talk about the necessity of cutting back the Federal budget, of tightening our belts; well, this is our chance to make a legitimate cut in the budget and I urge support of this amendment.

Mr. McCLURE. I yield to my colleague from Idaho.

Mr. CHURCH. Mr. President, I commend my colleague (Mr. McCLURE) for offering this amendment.

Earlier this year, the Department of the Treasury proposed a number of new Federal gun controls through its Bureau of Alcohol, Tobacco, and Firearms (BATF). These proposals are clearly beyond the Department's legislative authority. I have strongly opposed these proposals, just as I have always opposed all forms of Federal gun controls, so I am very pleased that the Senate Committee on Appropriations has included an amendment in the Treasury Department appropriations bill which I had suggested to bar the use of any funds to implement these measures.

At the same time, President Carter has sent Congress a message expressing his opposition to legislative vetoes, which permit Congress to exercise its judgment over regulatory actions. This message, if not resisted, could jeopardize the rightful role of Congress in the field of foreign policy, but it is also dubious in terms of the regulatory process. After all, it is exactly this kind of regulatory recklessness on the part of the Department respecting back-door Federal gun controls that Congress has sought to stop through the legislative veto process.

These proposals have caused a storm of public protest. Congress has joined in the fight against them, and the House of Representatives has voted overwhelmingly, 314 to 80, to bar their implementation. I trust that the Senate will also sustain this opposition, but what has been the executive branch's reaction to this outcry? The Treasury has provided more time for public comment, and has stated that it will not implement these proposals unless Congress specifici-

cally appropriates funds for that purpose.

That reaction, Mr. President, is not very reassuring, especially since the Treasury has flatly refused to withdraw its proposals. The Treasury appropriations amendment will not be effective until the 1979 fiscal year, which does not begin until October 1. If the Treasury persists in its disregard of the intent of Congress, it could still adopt final regulations before that time.

All too often in recent years, Congress has watched in dismay as Federal regulators have run amok, and the legislative veto has become a necessary recourse. The best solution, of course, would be for Federal regulators to act within the intent of the law in the first place. But, in some cases, it may be necessary for Congress to invoke reprisals by reducing appropriations for programs whose regulations are running wild.

With the history of these Federal gun control proposals, drawing up the purse-strings seems to be the only way to drive the message home. The Treasury has estimated that $4.2 million would be necessary to implement its proposals but claims that it will not use funds it presently has, or may receive for other purposes, to carry them out. In the same breath, however, Treasury refuses to withdraw the regulations and pushes for their final adoption. To insist on our intent, the House of Representatives has reduced the Department's appropriations by this same $4.2 million. The Senate Appropriations Committee has chosen to restore these funds, but I hope that the Senate will drive the message home by eliminating them.

For these reasons, I shall vote for the pending amendment, sponsored by my colleague, Senator McCLURE.

Mr. WEICKER. Mr. President, who controls the time on this?

The PRESIDING OFFICER. The Senator from Florida and the Senator from Idaho.

Mr. CHILES. I yield such time as the Senator wishes.

Mr. WEICKER. I thank the Senator.

Mr. President, I rise to oppose the amendment. I do so as one who, for 10 years, has opposed any amendment, any suggestion, any legislation that would bring about a firearm registration scheme. Likewise, I have opposed any suggestions as to the total ban of handguns.

Indeed, in a philosophical sense, relative to the issue of gun control, I would say the Senator from Idaho and myself would have been, and probably are, 100 percent up to this point, on the same side. On the other hand, what is being done here is an exercise in demagoguery, or an exercise in bending to lobby pressure that I do not think gives much distinction to those who engage in it. It is what I would probably refer to as the "bad thoughts" amendment—in other words, that someone in the Bureau of Alcohol, Tobacco, and Firearms has presented ideas that are opposed here on this floor, and when those ideas were withdrawn, it is still felt necessary to punish the individual or the agency that put forward the idea in the first place.

Clearly, there was an initial attempt to bring about regulation devising a scheme of comprehensive registration over at the Bureau of Alcohol, Tobacco, and Firearms. Just as clearly, that attempt ended on the rocks, both in the sense of the withdrawal of that scheme by the Bureau and of the efforts of the chairman of the subcommittee in getting specific responses from the Bureau which stated that the legislation, or, rather, the rulemaking would not continue; and that indeed, if it were to continue and be implemented, the Bureau would come back to Congress for approval.

The language is very, very explicit in the report on the desk of each one of the Members. It gives the history of what was proposed, then goes on to state:

> The House reduced the budget estimate by $4.2 million which was estimated to be the initial cost of implementing the proposed regulations. The Deputy Secretary of the Treasury has informed the Committee that no funds are contained in the fiscal year 1979 budget for the purpose of implementing the proposed regulations and "* * * we will not implement these proposals without receiving from Congress the funds to do so." On this basis, the Committee recommends restoration of the $4.2 million House reduction but continues the restrictive language that prohibits use of any funds to implement the proposed regulations.

I do not know how you get more specific than that. I do not think it is up to us to go ahead and punish those—wherever they are, be they in the bureaucracy or the citizenry or anyplace else—whose ideas differ from ours. I oppose these ideas of the Bureau of Alcohol, Tobacco and Firearms, but I will admit they fairly represent a sentiment in this country for some sort of registration system. It is a perfectly valid sentiment. It is one I oppose, but it is valid. And even if it were invalid, you do not go around punishing people for their ideas.

That is all this amendment is, a punishment. It is a punishment for ideas which the Senator from Idaho and a good many others oppose.

It will certainly make everybody in the "gun lobby" feel great because we are on their side. But a few more inane exercises with no basis such as this and, believe me, those of us who have been against the registration system are going to find ourselves on the short end of a vote. Up to this point, I think that logic has been in our favor.

As I have stated many times, what good does it do me, if I am lying dead on the floor, having been shot with a registered gun? No good at all. That is not the problem. The problem is keeping that gun out of the wrong hands in the first instance.

Do I think, then, the solution is a ban on all handguns? Certainly not. We go right against all the existing constitutional principles in gearing our legislation, if you will, to the exceptions.

But, after the battle has been won and won by the efforts of the distinguished chairman of the committee and Members of the House, we do not go out and punish somebody for bad ideas; the money is not coming out of the scheme that was proposed; it is coming out of other activities.

We cannot change people's ideas. I am sure they will have another run at us in this area. It is up to us to be on our toes, if you will, and block them.

I realize the appeal of the amendment to the Senator from Idaho, but it accomplishes nothing.

Most of your know that it was only a few weeks ago that I was—still am—in conflict with the Federal Trade Commission on the issue of their rulemaking vis-a-vis children's advertising. I made the statement that I thought they were on very dangerous first amendment grounds. If I could have gotten a retraction from the FTC such as that we have obtained from the Bureau of Alcohol, Tobacco, and Firearms, believe me, I would have won the battle and that would have been the end of it. The reason I have to use the appropriations process is that they have written no such statement saying that "We are going to discontinue the investigation" or "We will not move forward until we have consulted Congress." They have not written that. The Bureau of Alcohol, Tobacco, and Firearms has. It would be like the FTC saying, "All right, Senator, we agree on a dangerous constitutional ground," and then not pursuing this, and then my saying, "We will still cut your budget." It is punishment for bad thoughts.

I realize the bureaucracy is not easy to handle, but the appropriations process is where we can confront them every year. Indeed, if they do not go ahead and respond to the admonitions, they will be around next year, and they might find themselves with no money at all if they try to go ahead and renege on the promises and representations they made to Congress.

So there is no argument. I am almost fairly certain I speak for the distinguished Senator from Florida that ideologically on this particular issue we are in the same camp, that this is not the way to go ahead and achieve an end which has already been achieved.

Rather, I think it makes us, those who have been in the same camp, look pretty bad in the sense that we are going to go ahead and use the budgetary process to tell people downtown we will not let them think, and if we disagree, we will let them have it financially.

They ought to be here to see if the Senator from Idaho and the Senator from Connecticut have their way on the issues. That is a good thing.

I would hope this amendment would be defeated, and for the reasons I have stated.

I do not know how anything can be more explicit as to bringing an end to the scheme than that existing in the report language, in the bill, and as a result of the letter from Secretary of the Treasury.

What I do not need on my legislative record is another lobbyist victory for the NRA. I have done very well on their behalf without them for 10 years.

All this does is either reelect some Senators and make them feel they are earning their money.

For all those reasons, the amendment is horrible. I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. I yield myself such time as I may consume.

Mr. President, the argument that the Senator from Connecticut has suggested against this amendment is intriguing, but is an invalid one.

Mr. President, before proceeding further, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. McCLURE. I thank the Chair.

Mr. President, it seems almost beyond comprehension that coincidence could dictate that the representatives of the Treasury Department have not been in contact with the opponents of this measure.

First of all, because the hall is full of them. Certainly, I was almost moved to delete a large amount of money from this appropriations measure because, if they have so much time to send so many lobbyists up here, they are overfunded already. I suspect 20 agents are out there in the hall and they have been working all day, pulling Members off the floor and into the Vice President's office to tell them why this is a bad thing to be done.

They spend more money publicly lobbying on the issue than we seek to delete.

But it is also curious to me that the opponent of the amendment uses almost exactly the same language and precisely the same argument that was used in the other body. It seems curious uniformity that strikes beyond any possibility of coincidence.

I would just remind the Senator, since he said this is punitive, and I suspect those are words being used by the Treasury Department agents up here lobbying for this amount of money, I will quote from the CONGRESSIONAL RECORD of June 7, 1978, in which Congressman STEED, the chairman of the subcommittee of the Appropriations Committee in the other body, had this to say, and I quote from page H5092 of the CONGRESSIONAL RECORD:

> Anybody who says this cut was made for punitive purposes is wrong. I have never brought a truer or more honest bill to this floor than I do today. This cut was made because it was deserved. This agency will have $2 million more under this budget than they have this year, even with this cut.

I could make some other quotes about it. I could quote from the testimony that was given. I could quote from the comments made in the other body by people on both sides of the issue. I am not sure that is really necessary.

Mr. WEICKER. Will the Senator yield for a question?

Mr. McCLURE. In a moment—yes, I will yield at this time.

Mr. WEICKER. I would like the Senator to tell me what he is going to add by virtue of his amendment to the following language of the bill:

> *Provided*, That no funds appropriated herein shall be available for administrative expenses in connection with consolidating or centralizing within the Department of the Treasury the records of receipt and disposition of firearms maintained by Federal firearms licensees or for issuing or carrying out any provisions of the proposed rules of the Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, on Firearms Regulations, as published in the Federal Register, volume 43, number 55, of March 21, 1978.

What does the Senator's amendment add to the provisions of this bill relative to those regulations not being implemented?

Mr. McCLURE. Let me say to my friend from Connecticut that I should have, at the outset, commended the committee for putting that language in. It is good language. I approve it. I commend what the House did, with one exception.

That is, that the other body had also subtracted the money which they were going to use to implement these regulations.

Now, the Senator quoted from a letter by the Secretary of the Treasury that they were going to have to ask for a supplemental appropriation.

The fact of the matter is that until the matter had been voted on in the House Appropriations Committee and until we had a resolution of disapproval in this body pending, with 47 cosponsors, they were still saying they intended to reprogram the money.

All this does is take them at their word and say that, all right, if they were going to spend $4.2 million to implement something we are now saying they are not going to implement, they do not need it.

As a matter of fact, I compromised with the committee on this matter because the committee had already moved to subtract some travel funds from it and, if deducted from the $4.2 million, the amount of money which the committee had already deducted was for travel funds.

All I am doing is trying to be as honest as I can with the taxpayers of this country and with this body by saying, "If you are not going to spend the money to implement these regulations, which we say you are not going to, then you do not need it for that purpose."

Mr. WEICKER. So, the cut proposed by the Senator from Idaho has absolutely nothing to do with the issue of regulations?

Mr. McCLURE. Of course it has. Exactly as I was saying just a moment ago.

They said they would spend this money for the implementation of the regulations. Now they say that we have said they will not do it for the regulation implementation. Therefore, in my judgment, they should not have the money.

Mr. WEICKER. Would the Senator produce the record where statements were made he is now attributing to them?

Mr. McCLURE. Let me put it this way, they made it in two or three different places, in private briefings and in public briefings to staff and the House. They made it in statements carried in the press, quite unlike the letter which the Secretary has sent us after the fact to plead for money, where they still hope to implement these regulations, and still said, "We do not need additional money."

Mr. WEICKER. I will be glad not to utilize the letter of the Secretary of the Treasury, take that off, if the Senator will go ahead and produce that portion of the record which states that the money in the amount he specified is being used as he specified.

Mr. McCLURE. Mr. Davis said this:

> It is our hope in terms of the . . . whatever cost to ATF and our plan to try and do that out of existing ATF resources which are readily available in the FY 1987 budget and presumably be available in the '79 budget, and we do not intend, if at all possible to seek additional funding to implement them. We think there are places where we can come up with the full-time personnel.

That is quoting Mr. Davis at a briefing before the staff of the House committee in the other body.

Mr. WEICKER. Well, I would suggest, possibly, to the Senator from Idaho, that an Appropriations Committee can only operate on the basis of information it elicits and information which is given it.

A staff briefing in the House of Representatives is hardly the basis for action on this floor.

I realize the distinguished Senator from Idaho comes from the other body and, therefore, has fond memories of what goes on over there. Nevertheless, it is a slightly different set of circumstances here. I have asked for proof of what the Senator from Idaho is stating before this body, and in effect he tells me he has no proof.

Mr. McCLURE. That is not what the Senator from Idaho said. The Senator from Connecticut can keep on repeating it, but that does not change the fact that Mr. Davis made this statement.

Mr. WEICKER. Where is the record?

Mr. McCLURE. I just recited it to the Senator. If he cannot hear, I cannot convince him. If he will not listen, he will not listen.

Mr. WEICKER. That is hardly a record of a legislative process.

Mr. McCLURE. I do not think that the Senator from Connecticut has ever confined himself solely to evidence presented before committees in making up his mind what to do.

We can produce a tape recording, if he wants a tape recording. Would he believe it in living color?

Mr. WEICKER. Yes. Since the Senator from Idaho has gone ahead and made the offer, I would like him to present to the Senate the record statements of the Bureau.

Mr. McCLURE. I will be happy to bring the tape recording to his office and make arrangements for him to hear it.

Mr. WEICKER. I am asking the Senator to substantiate what he has said on this floor.

Mr. McCLURE. Does the Senator deny that the briefing took place and that Mr. DAVIS made the statement to which I have alluded?

Mr. WEICKER. I am asking the Senator to produce a record.

Mr. McCLURE. I am telling the Senator what occurred. That was not a formal hearing before the Senate Appropriations Committee, but not all truth reposes in the Senate Appropriations Committee.

Mr. WEICKER. Is it a record of the House Appropriations Committee?

Mr. McCLURE. It is before a briefing over there. I have told the Senator; I have repeated it. I cannot add anything further than that. It is also in the press reports quoting the same gentleman.

Mr. WEICKER. Is the Senator also willing to make the statement on this floor that this measure of his is in no way punitive insofar as the Bureau of Alcohol, Tobacco, and Firearms is concerned?

Mr. McCLURE. Mr. President, I assume that this colloquy is being allocated between the parties as to time.

The PRESIDING OFFICER. The Chair must rule that it is on the time of the Senator from Idaho.

Mr. McCLURE. How much time remains to the Senator from Idaho?

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. WEICKER. Mr. President, I ask unanimous consent tnat the time that has been consumed in the dialog between the Senator from Idaho and myself——

Mr. CHILES. Mr. President, may I find out how much time we have remaining? The Senator from Florida has yielded to the distinguished Senator from Connecticut such time as he might use in his opening statement. I was not yielding for a colloquy.

The PRESIDING OFFICER. The Senator from Florida has 21 minutes remaining.

Mr. McCLURE. Mr. President, how much time has been consumed in the colloquy between the Senator from Idaho and the Senator from Connecticut?

The PRESIDING OFFICER. Eleven minutes.

Mr. McCLURE. Mr. President, I ask unanimous consent that 5 minutes of that time be chargerd to the opponents of the amendment and 6 minutes be charged to the Senator from Idaho.

The PRESIDING OFFICER. Is there objection?

Mr. WEICKER. Mr. President, reserving the right to object, will the Senator answer the question we left off with?

Mr. McCLURE. On the time of the Senator from Conecticut or mine?

Mr. WEICKER. On my time.

The PRESIDING OFFICER. The Senator from Connecticut does not have any time, except on the bill.

Mr. WEICKER. I yield myself 1 minute on the bill, and I yield now to the Senator from Idaho.

Mr. McCLURE. Will the Senator repeat the question?

Mr. WEICKER. The question was as to whether or not in any way the measure proposed by the Senator from Idaho is intended to be punitive in nature insofar as the Bureau of Alcohol, Tobacco, and Firearms is concerned.

Mr. McCLURE. I thank the Senator for repeating the question. I should have remembered.

Mr. President, I think there is no question that those of us who are opposed to gun control and gun registration feel a sense of frustration when the bureaucracy not only does not follow what we have said but also continues to try to do what Congress has specifically said they shall not do.

I certainly do not think that removing the money from an appropriation bill, which would simply do what we say they cannot do, is in any way punitive. It simply takes them at their word.

The PRESIDING OFFICER. The 1 minute has expired.

Who yields time?

Mr. CHILES. I yield myself 4 minutes.

Mr. President, I think we should look at the language that we put in the bill, and this is similar to the language in the House bill:

> No funds appropriated herein shall be available for administrative expenses in connection with consolidating or centralizing within the Department of the Treasury the records of receipt and disposition of firearms maintained by Federal firearms licensees or for issuing or carrying out any provisions of the proposed rules of the Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, on Firearms Regulations, as published in the Federal Register, volume 43, number 55, of March 21, 1978.

I have yet to hear anyone say how we can improve on that, with respect to saying, 'You can't do this: We're not going to allow you to do it." That is about the strongest legislative prohibition I know of.

What disturbs me is this: If you want to characterize this as being an amendment that says we can save some additional money out of this budget, I think you can make that characterization. I will not argue with that. Then I think it gets down to a debate of whether the Bureau of Alcohol, Tobacco and Firearms needs these funds, whether they are carrying out a proper mission, whether they are doing a proper law enforcement job, and whether there is some fat in their budget.

We already have cut 2 percent, and the committee cut $322,000, in our search to determine whether they need funds. We cut an additional 2 percent of that, and this would be more than a 6-percent cut. If you feel that you want to cut a law enforcement agency by that amount, I think that that is a proper thing to do.

It concerns me, however, that if you characterize this amendment as a pure gun control amendment and if you vote for it, you are against registration; that if you vote the other way, you vote against it, then you are for gun registration. I believe that is an unfair characterization of the amendment; because I think many of us here are trying to put this language in, in an effort to see that there is not a backdoor usurpation of what should be congressional authority taking place by the executive branch or by the bureaucracy; that if there is to be this kind of regulation, they should come before Congress and they should have the consent of Congress. I believe it is an unfair characterization to pose it on that basis.

The distinguished Senator from Idaho has talked about the lobbying that is going on. There is lobbying on both sides of this bill.

I have heard many Senators walk in here and say, "Look, I kind of think you are right, but I can't vote against the gun lobby on this thing. I don't want to be characterized as being for gun registration."

That is the kind of lobbying I see and am concerned about, and that is unfair.

If you talk about the bureaucracy and about that lobbying, I think it is an unfair characterization to say that we are now talking about whether you are for or against gun registration in how you vote on this amendment. You can determine whether you think the fund should be there, whether you can save the money or not, but I think that to put any other characterization on it than that would be unfair.

Mr. President, there have been all kinds of conversations about what took place in the House, what took place here and there. I really do not know what took place over there. I have no way of knowing.

We have a letter from the Secretary of the Treasury in which he emphatically says:

> I will not implement any regulations without coming back to the Appropriations Committees and seeking a supplemental appropriation or expressly putting this in my budget. I will not spend any money in my budget.

I can say to the Senate—and I know I speak for the distinguished Senator from Connecticut, the ranking minority member of the subcommittee—that if the Secretary violated his word to us, which he has given in the letter, I think we would look at his budget. We would probably look at the Office of the Secretary of the Treasury, because that would be a direct violation of his word.

I heard a speech this morning that they will impose these regulations as soon as Congress leaves town. For the remainder of this year and until Congress organizes itself, the Senator from Florida will be the chairman of the subcommittee, and the distinguished Senator from Connecticut will be the ranking minority member of the subcommittee. I do not think the Secretary of the Treasury is going to implement these regulations or any kind of regulations, in the face of the prohibition we put in this bill and in the face of the promise we have elicited from him, that he will not impose those regulations.

Mr. McCLURE. Mr. President, will the Senator yield for a question?

Mr. CHILES. I yield.

Mr. McCLURE. I thank the Senator for yielding.

Is the Senator from Florida suggesting that he and the Senator from Connecticut would in that event be willing?

Mr. CHILES. The Senator from Florida is suggesting that we are going to uphold the integrity of the Appropriations Committee of the Senate and the Subcommittee on Treasury, Postal Service, and General Government that deals with this and we are going to take any steps necessary to uphold the dignity and the honor of the Senate and of the Appropriations Committee.

Mr. DeCONCINI. Mr. President, will the Senator yield?

Mr. CHILES. I yield 5 minutes to the distinguished Senator from Arizona.

Mr. DeCONCINI. Mr. President, this goes far beyond the problem of the gun lobby or pro and antigun control.

My record is clear and has been for a

long time, and I will remain against any effort to register firearms on the Federal level or any level whatsoever.

The amendment offered by the Senator from Florida, which was attached to this bill, is very explicit. Let me tell Senators what this will do.

What it will do to my State, to the four-quad State effort of New Mexico, Utah, Colorado, and Arizona is it will relieve at least two agents from the BATF that will be assigned there. The ORCIC, the Regional Organized Crime Intelligence Center, that covers the southern part of this State, has agents assigned to it from the BATF to work along with the narcotics trade on trafficking in guns and drugs, and CNFN, the California Narcotics Information Network, will lose its effort with BATF.

This is not to stop gun registration. This will directly affect the enforcementability of BATF in gunrunning for the trade of heroin and cocaine as well as marihuana.

We have agreements with the Republic of Mexico for an eradication program, and it is based on the understanding that we will put forth a strong effort to stop the gun flow of illegal guns into Mexico. The BATF increase in Arizona alone over the last 3 years has been from 4 to 17 agents. I do not want to see those agents cut for any reason and do not want BATF to have some reasons that they can point a finger at and say that because there is a cut of $3.5 million we are, therefore, going to have to reduce this effort.

This is the first time there has been a coordinated effort in the four States of Colorado, Utah, New Mexico, and Arizona with Customs, BATF, FBI, and DEA along with the State efforts of those four States.

It would be a tragic mistake here to cut this money when we have already prohibited specifically, not in the report language, but in the bill any use of any funds in their legislation for any type of registration.

I hope that the Senate will not do this to at least the western part of the United States, and I think if the heroin does come in through trade of guns and other weapons it will be disbursed throughout the whole United States. At least, that is what has happened in the past.

This could involve the reduction of 300 law enforcement agents, not people who are going to computerize weapon systems, but law enforcement agents who are trained to work with local as well as other Federal agents in the smuggling of guns.

Senator NUNN has held substantial hearings on just how big that problem is. It is a multimillion dollar effort in this country now.

Technical assistance that BATF gives is directly related to the efficiency of law enforcement in the State of Arizona.

I have been there. I have worked with those agents and they are good qualified people who are attempting to stop the flow of guns into Mexico for exchange of drugs.

And any effort of cutting this budget further should be specifically on the basis of economics, not punitive, not on the basis that this agency is going to go ahead and register guns anyway.

If they do, yes, I am going to penalize them if I get a chance to. I can assure you that because I oppose gun control.

But what we should do is encourage consistently the BATF to be involved in local law enforcement, and they are doing just that, and this cut would hurt that effort substantially.

Mr. President, I yield back the remainder of my time and thank the Senator from Florida.

The PRESIDING OFFICER. Who yields time?

Mr. McCLURE. Mr. President, I yield to the Senator from Pennsylvania 1 minute.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SCHWEIKER. Mr. President, I rise in support of the McClure amendment.

As we all know, the House voted overwhelmingly to prohibit BATF from implementing the proposed firearms regulations. The bill before us contains that same prohibition and the Senator from Florida, the chairman of the subcommittee, Mr. CHILES, deserves our thanks for that action. Frankly, many of us thought the adoption of that language, coupled with the House action, would be sufficient to put the proposed regulations to a well-deserved rest. Unfortunately, that does not appear to be the case.

Assistant Secretary of the Treasury Richard Davis was on television the day after the House vote, and only an hour or so after the Treasury Subcommittee of this body acted, speaking of bringing the regulations up again next year and doing a better job of "educating" the Congress as to what they were trying to do. In other words, BATF is as determined to get gun registration as ever. And I say that is a decision for Congress to make, not unelected officials in a regulatory agency.

We seem to be in a situation where any action by this body to rescue BATF from the situation it has gotten into will be perceived by the agency, and its friends, as an indication of support for the regulations the agency has proposed. This should not be the case; we should be voting on simply whether to cut the agency's budget by 3 percent. However, the other issue has intruded into this, and we have to take this into account.

I believe the reductions being proposed are capable of standing on their own. Eliminating $4.2 million from a $135-million budget request can hardly cripple any agency.

But we come then to the heart of the matter—the proposed firearms regulations. These regulations, contrary to what their proponents claim, do open the way for firearms registration. They do require names and addresses of purchasers and owners of firearms to be reported to Washington. They may well cost a great deal more than the $4.2 million figure provided as the initial cost.

More importantly, they will not affect criminals. Criminals do not use traceable firearms; they do not purchase firearms under their own names, if they purchase them at all. The other provisions of the regulations can hardly be offered as anticrime measures without the screen of theft tracing before them, and since criminals do not use traceable weapons we have nothing left but an excuse for an agency to pad its budget and expand its authority. The proposed firearms regulations are nothing more than that.

Mr. President, I think every Member of this body senses a mood in this country that it is time we started pulling in the reins of bureaucracy. I share that mood. Along with it, I sense a feeling among the voters today that says it is also time for Congress to start reasserting its authority over policymaking. I have tried to advocate this before, Mr. President. For example, not long ago I introduced an amendment to the Department of Energy bill that would have given Congress authority to review and, if necessary, reject regulatory actions proposed by Federal agencies. My point is that here, with this BATF amendment, we face a very important symbolic choice. It is a choice between whether or not Congress is going to say "enough" when a regulatory agency exceeds its authority and makes a policy decision that properly should lie with the elected Members of Congress. That is what this amendment is all about.

Mr. President, I commend my distinguished friend, the Senator from Idaho, for offering this amendment, and I strongly urge my colleagues to support it. First, we are talking about saving taxpayers' dollars at a time when voters demand economy. Second, we are talking about reasserting the policymaking role of Congress. And third, and most importantly, we are saying, through this amendment, that Congress is at last listening to the voters and pulling in the reins when the bureaucracy exceeds its authority.

Mr. McCLURE. Mr. President, I yield to the Senator from Tennessee 1 minute.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. BAKER. Mr. President, I rise in support of the amendment offered by the distinguished Senator from Idaho (Mr. McCLURE) to delete $3.8 million from the pending appropriations bill. I do so for several reasons.

Even though there is restrictive language in both the House-passed bill and this measure which would indicate the clear opposition of the Congress to the gun regulations promulgated by the Bureau of Alcohol, Tobacco, and Firearms, it is still necessary to reaffirm that position by the proposed deletion of funds.

The gun registration regulations which would create a central Federal computer record of commercial transactions involving all firearms is contrary to the intent of the Gun Control Act of 1968.

Originally, Assistant Secretary of the Treasury Richard Davis stated that the $4.2 million needed to begin the implementation of these regulations would be reprogramed from existing funds. Indeed, that statement was made publicly before the House Judiciary Committee on March 16. However, on April 24 in testimony before the House Treasury Appropriations Subcommittee, Mr. Davis

said that he was not certain whether the Treasury Department would reprogram the funds for the regulations or seek a supplemental appropriation. It was for that reason that the subcommittee voted to cut $4.2 million from the BATF's requested budget increase.

On May 4 Mr. Davis testified before the House Judiciary Subcommittee on Crime that no funds for the regulations were in the current budget. It was at that point that Mr. Davis' recollection of his previous statements became clouded.

On May 23 Deputy Secretary of the Treasury Carswell wrote the chairman of the Appropriations Subcommittee on the Treasury stating that the regulations would not be implemented without receiving additional funding. Now, the Treasury Department has decided that the $4.2 million in controversy and which was eliminated from their budget by the House of Representatives would result in the loss of some 200 permanent personnel positions.

In short, Mr. President, it is difficult to find a consistent and sound justification for the funds deleted in the House by a vote of 314 to 80. The Treasury Department's explanations have been inconsistent and seemingly misleading, and I believe that the most appropriate response for the Senate to this conduct is to concur in the actions of the House. Therefore, I shall support the amendment of the Senator from Idaho. I shall do so because I believe the funds are unnecessary and because I wish to reaffirm my opposition to the proposed BATF gun registration regulations.

I thank the Senator for yielding.

Mr. McCLURE. Mr. President, how much time remains?

The PRESIDING OFFICER. The time of the Senator from Idaho has expired. The Senator from Florida has 7 minutes remaining.

Mr. McCLURE. Mr. President, I do not want to quarrel with the timekeeper, but I had 7 minutes and I yielded 2.

The PRESIDING OFFICER. The Senator's mathematics are correct. The Senator has 5 minutes remaining.

Mr. McCLURE. I thank the Chair.

Mr. President, I inquire of the Senator from Florida: Does he have any speakers on his side?

Mr. CHILES. I was ready to yield back the remainder of my time.

Mr. McCLURE. Mr. President, allow me to take just a couple minutes and then I shall reserve the remainder of my time or perhaps yield back the remainder.

The Senator from Connecticut had asked earlier if there were any hearing records of these remarks, to which I made reference earlier that Mr. Davis had made to the House briefing. Let me state that in the House Subcommittee on Crime before Congressman CONYERS, Congressman ERTEL asked Mr. Davis about the statements that he had reportedly made to the staff briefing and Mr. Davis at that time on the record said, "What I said at that time was it was it was our hope we could redirect," and that is the House subcommittee record page 117 of the House record. So, he made reference to his earlier statewas it our hope we could redirect," ment, and there is some other allusion to that earlier statement. So I do not think there is any question that he made the statement and that he knew that he made the statement and that he was admitting that he made the statement.

Mr. WEICKER. I must confess that though I am all for brevity in these matters, I cannot understand how this little phrase "I hope we could redirect"—proves anything. I do not understand what the Senator meant.

Mr. McCLURE. I am saying Congressman ERTEL referred back to the prior staff briefing and said "Yes, I made that statement."

Mr. CHILES. It is a little different to me to say, "Yes, I made that statement," exactly on the basis on which you said it, and in that context.

Mr. McCLURE. I have the whole record if the Senator wishes to read it all. I do not have the time to read it all now.

Mr. CHILES. I felt the Senator cut off just a little short.

Mr. McCLURE. All right, if the Senator wishes to say so.

Now, my good friend had suggested that this is not a gun control issue, it a money issue. I will say to my friend from Arizona this is not money that is going to be taken away from any existing activity of the Bureau. They have said they had enough money without this money. They said they had enough to do all they were going to do without this money.

Mr. DECONCINI. Mr. President, will the Senator yield?

Mr. McCLURE. I cannot yield just now, but I would be happy to yield a little later if I have time remaining.

They have said, as the Senator from Pennsylvania so eloquently expressed it, that they intend to have gun registration, they intend to have these regulations.

They have said in a letter they will not do it without coming back before the Congress. This limitation that is written in relates to the appropriations in this bill. It does not relate to any other activity or any other money they might be able to reprogram from other funds or they might have carried over from fiscal 1978 or they might be able to do in 1978.

They promised they would not do it. How good is their promise in face of the fact that they say they want to do it, in face of the fact they have said in the past they wanted to do it?

I quote from page 9 of the House committee report at the bottom of the page:

> In House Report 94–1229 dated June 8, 1976, this committee warned the Bureau about this tendency to legislate by regulation and cautioned it about its role in our system of government, particularly in a sensitive and controversial area such as gun control.

Make no mistake about it, Mr. President, no matter how we try to characterize it in any other sense, this is a gun control issue springing from the desire of the BATF to get involved in gun control by way of regulation when Congress has refused to give them that authority.

Mr. President, I reserve the remainder of my time, and I am prepared to yield back the remainder of my time.

Mr. DECONCINI. Mr. President, will the Senator yield 1 minute? Anyone who thinks you can cut the budget of ATF, which has the primary object of stemming the flow of illegal guns, and cutting their budget by $3 million-plus, and saying that it is not going to affect the effectiveness of that agency does not understand what law enforcement is all about.

If ATF wants to proceed contrary to the law, so be it. We have had other agencies in our Federal Government that have done that, and they have been brought to task in oversight hearings. They have had to be brought into court and prosecuted. ATF, if that happens, it will apply to them, and this Senator from Arizona will be out with the first flag and the first complaint.

That is not the issue. Do we want to cut an effective law enforcement agency when there is a restriction already here? The Senator from Idaho, if he really wants to do something to prevent gun control, let him put in a criminal prohibition that anyone who offers a regulation under ATF to regulate or to register firearms that it be a felony, and I would support it. But this prohibits the use of the funds, all of them, $135 million, for any registration program.

If you cut the money here you are going to take away funds from ATF agents out in the field who are stopping the flow of guns into Mexico and other countries and drugs into this country. If you vote for this you are reducing the effectiveness of the ATF effort to stem the drugs from Mexico and other Latin American countries.

Mr. McCLURE. Mr. President, first of all, my friend from Arizona may be—and I have no doubt he is—sincere in what he says. But he is simply mistaken. Every agency from which you threaten to cut any kind of money immediately comes back and says, "But you are going to destroy my ability to do that thing which you want me to do." It is a familiar argument.

Again I will quote from Congressman STEED, who said:

> Anybody who says this cut was made for punitive purposes is wrong. I have never brought a truer or more honest bill to this floor than I do today. This cut has been made because it was deserved. This agency will have $2 million more under this budget than they have this year even with this cut.

Mr. President, I conclude only with a conversation that occurred in my office when Treasury Department lobbyists were in saying, "Can't we cut a deal?" I said, "Yes, maybe we will cut a deal. I will agree to leave the money in if you will agree in writing that you will not propose any regulations that are not first subject to the control of the Congress, the approval of the Congress."

They said, "No deal. Take our money."

Mr. CHILES. Mr. President, I have certain letters I would like to place in the RECORD. I ask unanimous consent to place in the RECORD a letter from the Secretary of the Treasury, a letter from the Deputy Secretary of the Treasury,

and also a letter of the events from Richard J. Davis, Assistant Secretary for Enforcement and Operations, of the Treasury.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE TREASURY,
Washington, D.C., June 12, 1978.

Hon. LAWTON CHILES,
Chairman, Subcommittee on Treasury, Postal Service, General Government, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing to urge you to concur with the decision of the Treasury Subcommittee on Appropriations which decided to approve the budget of the Bureau of Alcohol, Tobacco and Firearms (BATF) substantially at the level requested by the President and to restore $3.8 million of the $4.2 million cut by the House.

As you are probably aware, there has been a good deal of controversy surrounding firearms regulations proposed by BATF in March of 1978. Some have claimed that the Department intends to use FY 1979 to implement these regulations. This is not the case. While we believe that these regulations would meaningfully enhance our ability to meet the problem of violent crime, the FY 1979 budget does not contain funds to implement the proposed firearms regulations. As Deputy Secretary Carswell wrote to you, a decision to implement any of these regulations will require the Department either to seek a supplemental appropriation for FY 1979 or include a request for such funds in our 1980 submission.

Furthermore, a $4.2 million cut will cause a serious curtailment of BATF's activities, both regulatory and enforcement, in all three of its functional areas—alcohol, tobacco, and firearms. For example, a $4.2 million cut would, among other things, entail a reduction of over 135 positions which in turn will affect all activities of the Bureau including its ability to assist state and local investigation and enforce federal revenue laws.

Again, I urge you to back the recommendation of your Subcommittee. If I can be of any further assistance, please do not hesitate to call me.

Sincerely,

W. MICHAEL BLUMENTHAL.

THE DEPUTY SECRETARY OF THE TREASURY,
Washington, D.C., May 23, 1978.

Hon. LAWTON CHILES,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: As you know, the Treasury Department has published for comment certain proposed firearms regulations. The principal provisions of these proposals are requirements:

(1) That licensed manufacturers, importers, wholesalers and dealers submit quarterly reports of firearms dispositions, which would not include the names or addresses of any private citizen purchasers of firearms;

(2) That each firearm manufactured or imported into the United States contain a unique serial number;

(3) That licensees—not private citizens—promptly report to ATF all thefts and losses of firearms by manufacturers, wholesalers, and dealers.

The comment period is now scheduled to close on June 30, 1978, and considerable time will be required to analyze all the materials submitted before any decision can be made on these matters.

The proposed Fiscal Year 1979 budget contains no funds to implement these proposals. Therefore, if a decision is made to implement any of them, it would be necessary to seek either a supplemental appropriation for 1979 or include a request for such funds in our 1980 submission. In either evnt, we will not implement those proposals without receiving from Congress the funds to do so.

If you have any other questions, please feel free to contact me.

Very truly yours,

ROBERT CARSWELL.

DEPARTMENT OF THE TREASURY,
Washington, D.C., June 23, 1978.

Hon. LAWTON CHILES,
Chairman, Subcommitte on Treasury, Postal Service, General Government, United States Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I understand that you have been told that I made certain statements at various briefings on March 16 concerning possible funding for proposed firearms regulations. While I have been advised that a member of Congressman Ashbrook's staff recorded a briefing we gave for public interest groups, we have no transcript of these briefings. In order to avoid any confusion, however, I would like to review for you the Treasury Department's position concerning the matter:

(1) There is no money in our 1979 appropriation request to implement the firearms regulations;

(2) If fully implemented, we believe—and stated at various times—that over an extended time a program based on these regulations would enable us to produce efficiencies that would enable us to reduce other programs now in place;

(3) It was always clear, as reflected in my statement before the House Appropriations Committee, that any implementation of these regulations could not take place until late in fiscal year 1979 at the earliest;

(4) While early in the process we considered the possibility of seeking permission from our Appropriations Committees to reprogram funds to implement regulations for the last portion of fiscal 1979, this would have been for far less than $4.2 million. In any event, we quickly determined that because of the tightness of the budget that would not be possible. The fact that we would not reprogram funds was stated in my May 4 testimony before the House Judiciary Subcommittee, and, of course, is clearly discounted by the Deputy Secretary in his letter of May 23, 1978, to you.

(5) As reflected in my May 4 testimony before the House Judiciary Subcommittee, a letter of Deputy Secretary Carswell to you and a letter of Secretary Blumenthal to you and other members of the Senate, there is no money in the 1979 budget for these regulations and a decision to implement these regulations would require us to seek a separate appropriation from the Congress before implementing them;

(6) The $4.2 million involved in this matter is not related to the proposed regulations, but is necessary to implement other existing programs.

If I can be of further assistance, please feel free to contact me.

Sincerely,

RICHARD J. DAVIS,
Assistant Secretary,
(Enforcement and Operations).

Mr. CHILES. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Sentor has 4 minutes remaining.

Mr. CHILES. I yield 2 minutes to the distinguished Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I think the members of the Appropriations Committee have made a very forceful, reasonable and rational argument about this amendment.

I rise because I happen to be one of the few, perhaps, in this body who thinks that those regulations that were being considered should have followed the process to let the American people speak on this issue in terms of the very reasonable approach that was taken by the ATF in terms of regulations.

It has an important crime enforcement element in it that was included in those regulations, and effectively the power of the gun lobby forecloses the opportunity for law enforcement people, State attorneys general, international police to speak on this issue. They snuffed it out. They are not happy enough having killed it in the Appropriations Committee, but they are coming out here in a vindictive way to teach them a lesson, to say, "Take your hands off the gun lobby," when 75 percent of the American people believe that a reasonable, rational, sensible kind of recommendation can have an important impact in reducing crime, the fact that we have 10 times the killing in this country of any industrial nation in the world.

The gun lobbly wants blood, and they are asking for it again on the floor of the U.S. Senate and, hopefully, at least after we have all taken the oath of office that we are really not for gun control, maybe we can defeat it on the basis of appropriation.

Make no mistake about it, I have seen it time and time again by the Senator from Idaho and others that we refuse to let the Consumer Products Safety Commission examine defective ammunition. We give them power to eliminate furniture sprays because they may be inhaled and be dangerous to ourselves. But to take away ammunition from children, we refuse to give them power on that because of the gun lobby.

This Senate ought to be—I am glad we are—having at least a chance to vote on this.

I was reluctant to participate because the members of the Appropriations Committee were doing so well on it, but I do think it is really outrageous, quite frankly, that we have refused to even permit the regulatory process to deal with what is fundamentally a criminal justice issue.

I thank the Senator.

Mr. JAVITS. Mr. President, will the Senator yield 1 minute to me?

Mr. CHILES. I yield 1 minute.

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. Mr. President, I would like to associate myself with the substance of Senator KENNEDY's remarks. I am very deeply impressed with the fact that the failure to adequately control guns, especially handguns, is one of the curses of our country. We complain about crime, but we really are not doing the key gutsy thing we can do, which is we can do something about it.

In a matter of this kind, which tries to, in my judgment, curb the very agency which ultimately we may look to for such protections, that the advocacy of those who are against gun control, it seems to me, is such that the Senate ought to record itself decisively as not crippling this agency, and I hope it will not. I shall vote "no" on the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. I yield back the time.

Mr. McCLURE. I yield back the remainder of my time.

● Mr. DOLE. Mr. President, I rise in support of the pending amendment which would reduce funding for the Bureau of Alcohol, Tobacco, and Firearms by $3.8 million.

Mr. President, ever since firearm control first became an issue before Congress and throughout the legislative history of the Gun Control Act of 1968, Congress has specifically and repeatedly rejected national gun registration. However, on March 21, 1978, the BATF attempted to do by regulation what Congress has not done by legislation. Mr. President, I object to both the intent and manner by which the BATF promulgated its regulations in the March 21 Federal Register and believe that the BATF exceeded its rulemaking authority which was granted by Congress to the Department of the Treasury under a statutory provision of the Gun Control Act of 1968. By requiring that a unique serial number appear on each firearm, that all thefts from firearm dealers be reported, and that license manufacturers, distributors, and dealers quarterly report to the BATF on firearms transactions, the BATF is attempting to regulate what Congress has, time and time again, refused to legislate.

The Senator from Kansas must emphasize—that it was never the intent of Congress to approve what BATF has proposed and I do not believe that this Congress should condone—let alone approve—the expenditure of millions of dollars for a regulatory power display which is objectionable to a majority of this Congress and a great majority of the American people.

$3.8 MILLION CUT

Mr. President, as we all know the House reduced the budget estimate by $3.8 million which was estimated to be the initial cost of implementing the controversial proposed regulations. There are some that believe this cut would be punitive. The Senator from Kansas does not believe that this was done because they wanted to punish the BATF but because they simply did not warrant the increase. Chairman STEED of the House Treasury Appropriations Subcommittee stated very clearly, during floor debate, that this agency will have $2 million more in fiscal year 1979, even with the cut. He also stated they would have the manpower to do the things they intended to do when they submitted their initial budget request.

While the Senate Appropriations Committee has recommended restoration of the $3.8 million along with the restrictive language that prohibits the use of any funds to implement the proposed regulations, it is still unclear to the Senator from Kansas why this additional funding is needed.

GUN CONTROL VS. CRIME CONTROL

Mr. President, the Senator from Kansas does not challenge the good intentions of those who want to lower the rate of crime and violence in this country. I share that desire, and seriously wish that we could eliminate all forms of inhumanity toward one another. But the argument that gun control is equal to crime control is without merit. Mr. President, the Senator from Kansas, as with most experts in this area, believes that the strongest and surest deterrent to crime is sure and swift justice for criminal offenders. We ought to have mandatory prison sentences for crimes committed with firearms, and I have consistently supported legislation to bring this about.

FOCUS SHOULD BE ON CRIMINALS

The fundamental error of the BATF regulations is their failure to focus on the criminal, rather than the instrument used. The Senator from Kansas has supported many measures to punish those who engage in violent or gun-related crimes more severely. For example, one of my amendments to the Criminal Code Reform Act tightened bail requirements for those charged with violent crimes. Another of my amendments would impose higher sentences on repeat offenders and those charged with gun-related crimes. This type of constructive legislating would be more appropriate for dealing with criminal activities than these proposed regulations.

It is my hope, Mr. President, that this body of Congress will adopt the pending amendment. The adoption of this amendment will send a clear message to the Bureau of Alcohol, Tobacco, and Firearms, that the Congress rejects their attempt at this kind of gun control and also rejects their attempt at an end run around the Congress.

Mr. President, I urge the adoption of this amendment.●

Mr. MUSKIE. Mr. President, the proposal by the Bureau of Alcohol, Tobacco, and Firearms to implement new regulations relating to firearms have provoked considerable controversy among citizens concerned with potential infringement on their right to own and use firearms. I appreciate the interest in this area by sportsmen in Maine and around the country and support the action by the Appropriations Committee including language in this bill explicitly prohibiting the use of any funds in this bill to implement the regulations. It is clear that under the language in the bill no action could be taken to implement the proposed regulations unless the administration requested additional funds for that purpose in a supplemental appropriations request or in a budget submission for 1980 or subsequent years.

I understand the Deputy Secretary of the Treasury affirmed before the Senate Appropriations Committee that no funds in this bill would be used to implement the proposed regulations. Secretary Blumenthal reaffirmed that position in a June 22 letter to me which I will include in the RECORD at the conclusion of my remarks.

Under these circumstances the proposal to cut $4.2 million from the funding for Bureau of Alcohol, Tobacco, and Firearms is at best premature and could be damagingly punitive. The Bureau of Alcohol, Tobacco, and Firearms provides extensive support to State and local police departments in training for bombing and firearms investigative techniques and bears major responsibility for anti-terrorist investigations.

The ability of the Bureau to undertake these activities and to continue its regulatory responsibilities in the liquor area could be adversely affected by this arbitrary act. Under these circumstances—without information from the committee as to the impact of this act—I must support the motion to table the amendment.

Mr. HATHAWAY. Mr. President, I share the views of my colleague from Maine on this matter and wish to associate myself with his remarks.

(The letter referred to by Mr. MUSKIE follows:)

THE SECRETARY OF THE TREASURY,
Washington, D.C., June 22, 1978.

HON. EDMUND S. MUSKIE,
U.S. Senate,
Washington, D.C.

DEAR ED:

I am writing to urge your support of the Appropriations Committee approval of the budget of the Bureau of Alcohol, Tobacco and Firearms (BATF) which restores $3.8 million of the $4.2 million cut by the House.

A $4.2 million cut will cause a serious curtailment of BATF's regulatory and enforcement responsibilities. The cut will entail a reduction of 135 positions, which translates into over 200 permanent positions. It is likely that this will necessitate a reduction-in-force of BATF employees.

The budget cut would affect all activities of the Bureau, including its ability to assist State and local criminal investigations, its enforcement of Federal revenue laws, and the important regulatory responsibilities in the liquor area. In addition, BATF will be forced to eliminate almost two-thirds of its technical training, which includes training of State and local police in bombing and firearms investigative techniques, and would have to reduce important aspects of its anti-terrorism activities. Major illegal firearms investigations would also be adversely affected.

There has been a great deal of controversy surrounding firearms regulations proposed by BATF in March of 1978. Some have erroneously claimed that the Department intends to use FY 1979 monies to implement these regulations. This is not true. While I believe the proposed regulations would enhance the Federal and local ability to fight violent crime, it is important to realize that the FY 1979 budget does not contain funds to implement them. As I previously wrote to the Appropriations Committee, a decision to implement these regulations will require the Department either to seek a supplemental appropriation for FY 1979 or include a request for such funds in our 1980 submission. Furthermore, you should note that the Committee bill already contains language which would require a new appropriation in order to implement the regulations. Thus, there is clearly no relation between the controversy over the regulations and the money at issue.

In the event of a floor amendment to reduce BATF's budget, I hope you will actively support the bill as reported by the Appropriations Committee.

Sincerely,
W. MICHAEL BLUMENTHAL.

UP AMENDMENT NO. 1357

Mr. ABOUREZK. Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from South Dakota (Mr. ABOUREZK) proposes an unprinted amendment numbered 1357:

At the end of the McClure amendment (UP-1356), insert the following:

"and further provided that, notwithstanding any other provision of this act, no funds appropriated herein shall be available for the payment of any pension, allowance or office staff for any former President of the United States who has received a presidential pardon for crimes committed."

The PRESIDING OFFICER. Who yields time?

Mr. ABOUREZK. Mr. President, we have a half hour each on this amendment; is that correct?

The PRESIDING OFFICER. On amendments in the second degree there is 15 minutes to the side.

Mr. ABOUREZK. I will just make a brief statement. I did not want our colleague from Idaho to reach the height of irrelevance with his amendment to this appropriation bill, so, I thought I would try to add something to his amendment as an amendment.

I would urge the adoption of this amendment by my colleagues in the Senate. This is a general amendment; it does not name anyone, but let me cite just one former President as an example.

One former President who received a pardon for crimes committed while in high public office refused, after being granted a pardon, to testify in the criminal trials of other individuals who worked closely with him in his administration. He claimed he had all sorts of privileges, including medical and executive.

He then proceeded to write a book for which he received well over $1 million in royalties, or in payments of some kind. He did a series of television shows with David Frost, for which he received well over $600,000.

In effect, this particular President, the example of whom I am speaking, was unable to come back and testify in a trial and do something toward contributing to justice in the matter of the Watergate scandal, and yet was able to profit personally as a result of it.

I see no reason for the American taxpayer to continue to support that kind of obstinacy. I think it is ridiculous for the taxpayers of this country, especially with the budget-cutting mood that everyone seems to be in, to support a pension, office staff, and all of the support facilities that the Government and the taxpayers provide for that one particular ex-President. There may be other ex-Presidents to whom this applies, but I cite just this one example.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. Mr. President, I would just say that at the proper time, when the Senator has used up his time, I would move to table the Abourezk amendment.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. CHILES. I yield.

Mr. GOLDWATER. I am not standing out here to defend the particular President to whom the Senator from South Dakota was referring I think I know whom he means. But was he convicted of any crime? I do not think he was, so I think we could strike that consideration.

Again, I am not defending him, but he was not convicted of anything, and we can have our own opinions.

The PRESIDING OFFICER. Who yields time?

Mr. DECONCINI. Mr. President, I rise in opposition to the amendment.

The PRESIDING OFFICER. Who yields time? Who has control of the time in opposition?

Mr. WEICKER. Mr. President, in behalf of the opposition, I yield 2 minutes to the Senator from Arizona.

The PRESIDING OFFICER. On the bill?

Mr. WEICKER. I yield 2 minutes on the bill.

Mr. DECONCINI. Mr. President, I rise in opposition to the amendment of the Senator from South Dakota, because it is just as foolish as the amendment of the Senator from Idaho. It has no bearing on what is really important here, and that is the effectiveness of the Alcohol, Tobacco and Firearms law enforcement agency. That is what we are debating: Whether or not we are going to continue to have that law enforcement agency available to stop the flow of illegal guns into Mexico and other foreign countries, and, in turn, to stop or curtail the flow of drugs into the United States.

As much as I join my colleague from Arizona in not defending the particular person toward whom this amendment may be directed, I think it points out one thing very important, which is, will we have good law enforcement? Do we want to do something effective toward curtailing the drug flow into this country?

As a former prosecutor, I know very well that the Alcohol, Tobacco, and Firearms unit is a good agency in that area. I also know very well that they have, in my own State, harassed a number of gun dealers. That is what we want to try to get at, that harassment by the undercover agents that they have sent into Phoenix and other cities in Arizona.

That is not going to be cured by taking away money for law enforcement with which this agency is charged.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. ABOUREZK. Mr. President, I yield myself 2 minutes.

I might say my amendment may not have anything at all to do with the effectiveness of law enforcement, so far as BATF is concerned, but it would make a lot of us feel better if it passed.

I reserve the remainder of my time.

Mr. WEICKER. Mr. President, if there is no further comment, I desire to express my opposition and also to speak in support of the motion to table. Is it the intention of the Senator from Florida to make that motion?

Mr. CHILES. I cannot make such a motion as long as there is time available. I am ready to yield back the remaining time on this side.

Mr. ABOUREZK. Mr. President, since I could not engender any debate on the other amendment, I would like to talk a little bit about the McClure amendment.

I would like to ask the chairman of the subcommittee (Mr. CHILES) if there is language in the bill—I understand there is—that would prevent the Bureau of Alcohol, Tobacco, and Firearms Control from implementing the regulations they are entrusted with enforcing. Is that correct?

Mr. CHILES. That is correct.

Mr. ABOUREZK. Then, if I might ask the Senator from Idaho, why does he want to try to cut the money out of the budget?

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. ABOUREZK. Yes.

Mr. McCLURE. First of all, the language in the bill deals with money appropriated in the bill, but only with that. It does not prevent going beyond moneys appropriated in this bill.

Mr. ABOUREZK. The language does not prevent money from being used for implementation of the regulations; is that right?

Mr. McCLURE. The language can only affect that money which is appropriated within this bill, and therefore does not affect their ability to implement the regulations from moneys which may not be appropriated within this bill.

Mr. ABOUREZK. Might I ask the chairman of the subcommittee to respond to that?

Mr. McCLURE. I wanted to answer the question the Senator from South Dakota had asked me about why I wanted to cut the money.

I can answer that, again, very simply, by saying that they said before the House Appropriations Committee had voted to delete the money that they intended to reprogram the money, and therefore it was not going to be used for other purposes, but for this purpose.

If, as a matter of fact, they cannot do that, they should not be spending that money which was earmarked or would be reprogramed for this purpose.

Mr. ABOUREZK. May I now ask Senator CHILES about that?

Mr. CHILES. Mr. President, this language in the statute refers to any money appropriated under this bill. If they were attempting to use any other funds, they would have to be trying to reprogram, and they could not reprogram without coming to the Appropriations Committees of the House or the Senate, or our appropriation subcommittees, to seek that permission. I doubt if they will get that permission from the House, and I doubt if they would get it from the Senate subcommittee.

In addition, we do have a letter from the Secretary of the Treasury in which he says he will not try to implement any regulations without expressly coming to Congress with a supplemental request for funds for implementing the regulations, or putting that in a regular budget. So he has expressly committed himself and put himself on record that on any regulations they attempt to promulgate, they will not seek to implement those without expressly coming to seek the funds.

So the controls are these: First, we have written as strong a prohibition as one could possibly write into this bill that none of these funds can be used. No one can challenge that.

Second, if they seek to reprogram any funds, they have to come to us for permission.

Third, the Secretary of the Treasury has committed himself that if they come up with any regulations, they will not attempt to implement them without coming before the subcommittees with a supplemental request, or putting that in their annual budget.

Mr. ABOUREZK. Did I understand the Senator from Idaho correctly? Senator McCLURE, you say even with this restrictive language, the Bureau could reprogram other moneys?

Mr. McCLURE. Will the Senator yield?

Mr. ABOUREZK. Yes.

Mr. McCLURE. Without using money appropriated under this bill, they can take whatever action they desire to do under the authority that they have.

Mr. ABOUREZK. Then the question arises, even if we succeed in taking out the $3.8 million that the Senator is trying to do, they can still reprogram money that does not come under this bill, is that correct?

Mr. McCLURE. Will the Senator yield?

Mr. ABOUREZK. Yes.

Mr. McCLURE. I assume that if there is other money available and they have the authority to reprogram it, they could do so.

Mr. ABOUREZK. What the Senator is doing is taking $3.8 million out of this bill without respect to whether or not it deals with the regulations. That is exactly what it amounts to.

Mr. McCLURE. Will the Senator yield?

Mr. ABOUREZK. I will be happy to yield.

Mr. McCLURE. Well, I think the Senator can look at it in that light, if, as a matter of fact, he does not care what they do. If, on the other hand, they can get away with their attempts time after time to do this sort of thing and never receive a reduction of their ability to do it, why not continue to try it? It seems to me we ought to at least remove that amount of money which they have identified with the effort.

Mr. ABOUREZK. I, too, received a communication from the Secretary of the Treasury. The Secretary's letter states the budget cut would cause a serious curtailment of the regulatory enforcement responsibilities of the agency.

It will entail the reduction of 135 positions, which translates into over 200 permanent positions. This will necessitate a reduction in force of employees at the Bureau. It would affect all activities of the Bureau, including its ability to assist State and local criminal investigations, its enforcement of Federal revenue laws, and its important regulatory responsibilities in the liquor area. In addition, the Bureau will be forced to eliminate almost two-thirds of its technical training, which includes training of State and local police in bombing and firearms investigative techniques, and would have to reduce important aspects of its antiterrorism activities. Major and illegal firearms investigations would also be adversely affected by the budget cut.

In his letter, the Secretary of the Treasury gave me the same assurances he gave the Senator from Florida. He has no intentions of implementing any regulations without first coming to Congress for supplemental funds to implement the regulation.

It seems to me that what the Senator from Idaho is trying to do is simply punish people in the Bureau of Alcohol, Tobacco, and Firearms, who he thinks disagree with him. That is fine, I guess, if he wants to do that, but I do not think it ought to be done under the cloak of gun control.

We all know all about the gun lobby in the Senate and the House of Representatives. We know what they are all about and what they are up to. They have a legitimate gripe on certain occasions and I have voted the same way the gun lobby has wanted the Congress to vote on some issues. But, I do not think they ought to take an issue which is totally irrelevant and start throwing their weight around, making sure that people in Treasury have to act, so to speak, at their behest.

I think it is very wrong for the Senate to take part in this kind of thing. I would hope that my amendment is agreed to and that the amendment of the Senator is rejected.

Mr. McCLURE. Will the Senator yield?

Mr. ABOUREZK. I am happy to yield.

Mr. McCLURE. I do not have very much time remaining, but I, too, received a communication from the Secretary of the Treasury, identical to the one read by the Senator from South Dakota. I refer the Senator to page 18987 and the next 2 pages of the RECORD of yesterday in which I went through that letter paragraph by paragraph, point by point, and pointed out why the Secretary of the Treasury was wrong and why the conclusions he reached were ill founded.

Let me repeat one of those points because I do not have time to do more. He mentions antiterrorist activities. The fact of the matter is the ATF has nothing to do with terrorist activities. If the Senator will look at the insert yesterday, look at where the authority is vested and where the enforcement responsibility lies. The Senator will find that the ATF does not do that sort of work. As a result, that portion of the Secretary's letter is simply sheer puffery designed to enhance his budget and get more money.

Mr. ABOUREZK. I would take issue with that for the reason that the Bureau has jurisdiction over explosives. Is that not correct?

Mr. McCLURE. As a matter of fact, as far as terrorist activities are concerned, whether explosives or not, ATF personnel are directed by letter or directive from the headquarters not to touch a bomb. They are completely out of that.

Mr. ABOUREZK. The FBI has the bomb squad. That much we know. The Bureau of Alcohol, Tobacco, and Firearms has jurisdiction over explosives. Ninety-nine percent of the terrorist activities in this country deal with explosives or are a result of terrorist bombings. There are virtually no other terrorist crimes in the United States other than bombings. If the Senator says they do not have anything to do with that, that is not quite accurate. They do. They do have jurisdiction over the distribution of explosives and the materials which go into explosives.

Mr. McCLURE. Will the Senator yield?

Mr ABOUREZK. Yes.

Mr. McCLURE. When it comes to terrorist activities, that responsibility is with the FBI. I am sure the Senator knows that.

Mr. ABOUREZK. With the activities themselves, that is correct.

Mr. CHILES. I just rise to say I think the Senator is making a pretty sharp distinction if he says the Alcohol, Tobacco, and Firearms people have nothing to do with terrorism. They are really trying to control the illicit flow of explosives and automatic weapons. What is the trademark of terrorists? What do they use? They use automatic weapons.

In just looking at this document:

The police arrested two more suspects in Alaskan pipeline blast. State troopers and agents of the ATF charged two people with malicious destruction of property.

That is with an explosion on the trans-Alaskan pipeline. I call that terrorism. Maybe there is another kind of name for that, when people are trying to blow up the pipeline. The Alcohol, Tobacco, and Firearms people were responsible for the arrest of two of those people. If that has nothing to do with terrorism, I do not know what it has to do with.

I see another item dealing with a railroad bombing.

This investigation involved four defendants dealing in firearms without a license and conspiracy to illegally ship firearms to Rhodesia.

What is happening in Rhodesia? We just had a massacre of 12 white missionaries killed by terrorists. They are getting arms from somewhere. If the Alcohol, Tobacco, and Firearms people are not having something to do with controlling those arms, if they are not having something to do with control of terrorists, I do not know what they have to do with.

Mr. McCLURE. Will the Senator yield?

Mr. CHILES. I yield.

Mr. McCLURE. Evidently the Senator is unaware of the memorandum of understanding executed some years ago by the Treasury and Justice Department in which the primary investigative responsibility for handling terrorism was vested in the FBI.

Mr. CHILES. I think the Senator is using semantics as a distinction when he talks about the primary investigation. I do not care where the primary investigation rests, but if the alcohol and tobacco people are stopping automatic weapons and firearms from going into Rhodesia, I say they are having something to do with the control of terrorists. If they are arresting two people who blow up the trans-Alaskan pipeline, I say they are having something to do with terrorism.

Mr. ABOUREZK. Will the Senator yield?

Mr. CHILES. Let me yield further to the Senator from Idaho.

Mr. McCLURE. I thank the Senator. What the Senator is saying is correct with respect to the flow of materials and weapons, of course. But the investigation of terrorist groups is the responsibility of the FBI and clearly so by the memorandum of understanding between the two departments.

Mr. CHILES. How this debate came up to start with was when the Senator from Idaho said that the Senator from Arizona was wrong in saying that if we cut the alcohol and tobacco tax people in any way, it had nothing to do with cutting terrorism. The Senator from Arizona is correct.

Mr. McCLURE. The Senator is not correct. I was not responding to the Senator from Arizona. I was responding to the letter of the Secretary of the Treasury.

Mr. CHILES. Regardless of how the Senator is responding, I think it is a little far-fetched to say that they have nothing to do with, and their mission in no way restricts, the control of terrorists.

Mr. ABOUREZK. I will say primarily that the FBI has jurisdiction over the bombings after they are exploded and the Bureau of Alcohol, Tobacco, and Firearms has jurisdiction before they are exploded.

Mr. WEICKER. Mr. President, I yield myself 5 minutes on the bill in opposition to the amendment of the distinguished Senator from South Dakota. I believe the best way to categorize it is as the "You Know Who" amendment.

I remember that, 5 years ago, there was a great emphasis on maintaining ourselves as a Government of laws, and it was to that, I think, that the Senator referred in expressing his own feelings on the matter. I think many of us felt very deeply about that aspect of the constitutional crisis, not caring very much about the individuals involved as much as we cared about the constitutional principles that were involved. The only difficulty I find nowadays, and I use the occasion of his amendment to make mention of this fact, is that all too many people in this country felt that either we had cleansed ourselves in the sense of what it is we were doing wrong or the direction in which we were going when "You Know Who" left office, or they felt that the future was secure when "You Know Who" left office.

The fact remains, as we stand here debating this amendment today, that we have former members of the Federal Bureau of Investigation saying that the law applies to everyone save themselves. We have Members of Congress of the United States, of the Senate and of the House, who, over the past several years, according to various investigations, have gone forth saying that the law applied to everyone save themselves.

We have an Attorney General who recently has stated on several occasions that the law applies to everyone but himself.

We have the Government of the United States, in the coal strike, invoking the Taft-Hartley law, refusing to enforce it so that the courts throw the Government out of court.

We have the press now saying, as far as their reaction to this latest Supreme Court decision, that the law applies to everyone save themselves. They invoke the protection of the Constitution of the United States, but do not want to follow the Constitution of the United States, more specifically, the fourth amendment, which was specifically written for the press.

So as we sit here and joke about one individual who said as long as the President did it, it could not be illegal, I suggest we look at exactly what has happened over the last 5 years as we moved from a government of laws to a government of men, where everybody, in his own self-interest, says the law applies to everyone else save himself.

I feel no joy in differing with my distinguished colleague from South Dakota, but I could not let this moment go by without pointing out that we no longer can use one man in history as an excuse for this march toward a government of men, toward everyone writing his own constitution when it suits his purposes. Yet that is exactly what every element of our society is in the process of doing. So if no salaries or emoluments should be paid to that individual, I think it might be wise also to modify the amendment to include many other institutions and many other individuals until we once again come to a realization of what it is that is of value in this country. It does not deal so much with personalities as it deals with some pretty great principles.

The PRESIDING OFFICER. Who yields time?

Mr. ABOUREZK. Mr. President, just by way of response to that, I watched with great admiration the performance of the Senator from Connecticut during his tenure on the Watergate Committee. I think that, in a lot of cases, he is absolutely right. It did not sound to me as though he were speaking in opposition to my amendment, when he just made his 5-minute speech. It seems to me like he was endorsing it, even though he says he is going to vote to table it.

Even though I did not want to open up this 5-year-old wound myself, I would have to say that there is no one instance that has caused 200 million American people to believe that there is a double standard of justice in the United States more than the granting of a pardon to a former President of the United States, Richard Nixon, at a time when his wrongs, his crimes, the accusations as to what he had done, had been blasted day after day, in television news and newspapers, for everyone to see. Then, suddenly, everyone learned that if you hold a high enough office and if the crime that you commit is big enough, you are given a pardon and you are let off scot-free.

I think we can go back to proposition 13 in California. Anytime the public has a chance to strike back, I think we shall find that they will do that as they did in California, in the June 6 proposition 13 vote.

I think we will soon find that there is a lot of resentment throughout the country—not only about the pardon given to Richard Nixon in 1974, but also about the money that the taxpayer is providing him by way of a pension, by way of a luxury standard of living, even after he was hounded from office in disgrace.

I do not expect this amendment to pass. In fact, I was hoping it would pass and then the whole thing go down the tube, along with Senator McClure's great amendment. But I do not get much cooperation from the Appropriations Committee on that.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. ABOUREZK. I yield back my time.

Mr. CHILES. Mr. President, I move to table the amendment.

Mr. ABOUREZK. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Clerk will call the roll.

Mr. ABOUREZK. Is this on the tabling motion?

The PRESIDING OFFICER. The vote is on the motion to table.

The question is on agreeing to the motion to lay the amendment on the table. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. ANDERSON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. McGOVERN) is absent on official business.

Mr. STEVENS. I announce that the Senator from Massachusetts (Mr. BROOKE) is necessarily absent.

I also announce that the Senator from California (Mr. HAYAKAWA) is absent to attend the funeral of a Member of the House of Representatives.

The result was announced—yeas 89, nays 2, as follows:

[Rollcall Vote No. 182 Leg.]

YEAS—89

Allen	Domenici	Johnston
Baker	Durkin	Kennedy
Bartlett	Eagleton	Laxalt
Bayh	Ford	Leahy
Bellmon	Garn	Lugar
Bentsen	Glenn	Magnuson
Biden	Goldwater	Mathias
Bumpers	Griffin	Matsunaga
Burdick	Hansen	McClure
Byrd, Harry F., Jr.	Hart	McIntyre
Byrd, Robert C.	Haskell	Melcher
Cannon	Hatch	Metzenbaum
Case	Hatfield, Mark O.	Morgan
Chafee	Hatfield, Paul G.	Moynihan
Chiles	Hathaway	Muskie
Church	Heinz	Nelson
Clark	Helms	Nunn
Cranston	Hollings	Packwood
Culver	Huddleston	Pearson
Curtis	Humphrey	Pell
Danforth	Jackson	Percy
DeConcini	Javits	Proxmire
Dole		Randolph
		Ribicoff

Riegle	Sparkman	Tower
Roth	Stafford	Wallop
Sarbanes	Stevens	Weicker
Sasser	Stevenson	Williams
Schmitt	Stone	Young
Schweiker	Talmadge	Zorinsky
Scott	Thurmond	

NAYS—2

Abourezk	Hodges

NOT VOTING—9

Anderson	Gravel	Long
Brooke	Hayakawa	McGovern
Eastland	Inouye	Stennis

So the motion to lay on the table UP amendment No. 1357 was agreed to.

The PRESIDING OFFICER. (Mr. STEVENSON). The question recurs on the amendment of the Senator from Idaho. All those in favor——

Mr. ABOUREZK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CHILES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHILES. Mr. President, I move to table the McClure amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from Idaho. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. ANDERSON), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), and the Senator from Louisiana (Mr. LONG), are necessarily absent.

I further announce that the Senator from South Dakota (Mr. MCGOVERN), is absent on official business.

Mr. STEVENS. I announce that the Senator from Massachusetts (Mr. BROOKE), and the Senator from Illinois (Mr. PERCY), are necessarily absent.

I also announce that the Senator from California (Mr. HAYAKAWA), is absent to attend the funeral of a Member of the House of Representatives.

The result was announced—yeas 31, nays 61, as follows:

[Rollcall Vote No. 183 Leg.]

YEAS—31

Abourezk	Hathaway	Pell
Bayh	Humphrey	Ribicoff
Bumpers	Javits	Riegle
Cannon	Kennedy	Sarbanes
Case	Mathias	Stevenson
Chafee	Matsunaga	Stone
Chiles	Metzenbaum	Talmadge
Cranston	Moynihan	Weicker
Culver	Muskie	Williams
DeConcini	Nelson	
Glenn	Pearson	

NAYS—61

Allen	Burdick	Curtis
Baker	Byrd, Harry F., Jr.	Danforth
Bartlett	Byrd, Robert C.	Dole
Bellmon	Church	Domenici
Bentsen	Clark	Durkin
Biden	Eastland	Eagleton
Ford	Hollings	Roth
Garn	Huddleston	Sasser
Goldwater	Jackson	Schmitt
Griffin	Johnston	Schweiker
Hansen	Laxalt	Scott
Hart	Leahy	Sparkman
Haskell	Lugar	Stafford
Hatch	Magnuson	Stennis
Hatfield, Mark O.	McClure	Stevens
Hatfield, Paul G.	McIntyre	Thurmond
Heinz	Melcher	Tower
Helms	Morgan	Wallop
Hodges	Nunn	Young
	Packwood	Zorinsky
	Proxmire	
	Randolph	

NOT VOTING—8

Anderson	Hayakawa	McGovern
Brooke	Inouye	Percy
Gravel	Long	

So the motion to lay on the table was rejected.

Mr. McCLURE. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. HELMS. I move to lay that motion on the table.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCLURE. Mr. President, the yeas and nays have been ordered on the McClure amendment. In view of the vote on the motion to table I ask unanimous consent that the yeas and nays be vitiated and there be a voice vote.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The question is on agreeing to the amendment of the Senator from Idaho.

The amendment was agreed to.

Mr. McCLURE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. I move to lay that motion on the table.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR 10-MINUTE ROLLCALL ON ALL VOTES HEREAFTER TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all remaining rollcall votes today be limited to 10-minute rollcalls, and that the warning bells be sounded after the first 2½ minutes

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1358

Mr. DOLE. Mr. President, I send an amendment on behalf of myself and the distinguished Senator from Delaware (Mr. ROTH) to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE), on behalf of himself and Mr. ROTH, proposes an unprinted amendment numbered 1358.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 41, line 21, insert the following:

SEC. 615. None of the funds available under this Act shall be used by the Treasury Department to issue or administer regulations providing for the inclusion of any fringe benefit not included as of July 1, 1978, in gross income by reason of section 61 of the Internal Revenue Code of 1954.

Mr. CHILES. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. DOLE. Let me announce that there will not be any rollcall vote. It will just take 2 minutes to explain what the amendment does. It concerns the taxation of fringe benefits, which may become a very important issue. We have been grappling with this issue in the Committee on Finance. The House side added certain language to the appropriations bill that would have prohibited the Treasury Department from issuing regulations concerning fringe benefits.

It seems to me that we have worked out, perhaps, some procedure whereby a bill can be coming over from the House side, held at the desk, and acted upon.

TAXATION OF FRINGE BENEFITS

Mr. President, the taxation of "fringe benefits" has become a very important issue. Although the use of fringe benefits has increased in recent years, few comprehensive or generally applicable income tax rules have been developed. As a result, there is a lack of uniform treatment of taxpayers who receive different types of benefits even though the benefits may have approximately the same economic value.

NEW REGULATIONS

Mr. President, the Internal Revenue Service has been preparing to issue new regulations that could affect the tax liability of every American. I believe this unilateral action on the part of the IRS should be stopped till Congress can appropriately review this issue.

The legislation sent to the desk today would effectively prohibit the issuance of Treasury regulations on the taxation of fringe benefits. Although I recognize that the Internal Revenue Service is examining the treatment of fringe benefits in accordance with its obligations to enforce tax laws, the Senator from Kansas believes that it is primarily the responsibility of Congress to legislate uniform and equitable laws.

The Tax Treatment Act of 1978, H.R. 9251, passed by the House on October 25, 1977, and the Senate on May 11, 1978, provided that no regulations are to be issued in final form providing for the inclusion of any fringe benefit in gross income by reason of section 61 of the code. I supported H.R. 9251 in the Senate Finance Committee and when it passed the Senate floor. I believe that since its provisions expire on June 30, 1978, it is in the American taxpayer's best interest to provide a further extension.

DOLE PROPOSAL

Mr. President, on May 25, I introduced S. 3147, which would prohibit the issuance of regulations until July 1, 1979. My legislation has been cosponsored by 11 other Senators. The Finance Committee last week agreed to the concept of my bill.

MAJOR ISSUE

Mr. President, the appropriate income tax treatment of various fringe benefits has led to a number of problems aside from the issue of whether a benefit constitutes taxable compensation. Although there are differences between taxable compensation and wages for payroll tax purposes, the terms are often used interchangeably. Employers are often faced with the question of whether employment taxes should be withheld from employees wages on account of noncash benefits provided to employees. In addition, both taxpayers and the Government are faced with difficult problems in valuing benefits provided in kind.

Mr. President, the House Ways and Means Committee has recognized the problems with the taxation of fringe benefits by providing in H.R. 12841 the further extension of a moratorium on the issuance of regulations. I support that initiative. I am hopeful that the House could quickly deal with that bill and that it could be immediately considered by the Senate.

Mr. President, the taxation of fringe benefits is a major issue. I would hope that we could all work together to resolve this issue rather than adopt a sometimes punitive attitude toward the American working men and women. The House Appropriations Committee approved by voice vote an amendment similar to the one introduced today to the Treasury appropriations bill that would bar the Treasury Department from using the money to issue regulations providing for the taxation of fringe benefits. Unfortunately, the Senate Appropriations Committee chose not to adopt this approach.

Mr. President, as I have stated, this is a very major issue. It has been addressed by the distinguished Senator from Delaware, the distinguished Senator from New York (Mr. MOYNIHAN), and other Senators.

Mr. MOYNIHAN. Mr. President, will the Senator yield to me?

Mr. DOLE. I am happy to yield to the Senator from New York.

Mr. MOYNIHAN. Mr. President, the Finance Committee has acted on this measure. Our proposal would be that the Internal Revenue Service not issue any regulation involving this matter until December 31, 1979, pending a congressional study of the issue. It is a large, complex, and important issue, and it would give Congress the opportunity to work its will in a matter which has raised a number of problems.

I support the amendment of the Senator from Kansas and our distinguished colleague from Delaware (Mr. ROTH).

Mr. DOLE. Mr. President, I yield to the Senator from Delaware.

Mr. ROTH. Mr. President, I join our colleagues Senator DOLE and Senator MOYNIHAN in expressing my concern about the Internal Revenue Service's intention to write new regulations on the taxation of fringe benefits. Last year, Treasury officials gave me their firm commitment that no regulations dealing with the taxation of fringe benefits would be issued prior to July 1, 1978. As the Senator from Kansas and the Senator from New York has pointed out, the Finance Committee has taken action to head this off.

It seems to me that this is a matter of grave concern, because it is another example of the Internal Revenue Service trying to impose taxes without going through our constitutional process of having taxes initiated by Congress. Therefore, I am happy to join the two Senators in sponsoring this measure to head off this action by the Internal Revenue Service.

Mr. DOLE. Mr. President, the purpose of offering the amendment was to make the RECORD. I ask unanimous consent that the amendment be printed in the RECORD and, based on the assurances of the distinguished Senator from New York and the distinguished Senator from Delaware, I withdraw the amendment.

(The amendment is printed where called up.)

The PRESIDING OFFICER. The amendment is withdrawn.

● Mr. MUSKIE. Mr. President, the Senate has before it H.R. 12930, the Treasury, Postal Service, and general Government appropriation bill for fiscal year 1979. This bill provides funds for the Treasury Department, the Federal payment to the Postal Service, the Executive Office of the President, and several independent agencies, including the Civil Service Commission and the General Services Administration.

The bill provides $9 billion in new budget authority. Outlays associated with the bill total $9 billion for fiscal year 1979, including $0.4 billion in outlays from budget authority provided in prior years.

Under section 302(b) of the Budget Act, the Appropriations Committee divides among its subcommittees, the total budget authority and outlays allocated to the committee under the first budget resolution. The Appropriations Committee has allocated $9.9 billion in budget authority and $9.7 billion in outlays to the Subcommittee on Treasury, Postal Service, and General Government.

The funds provided by H.R. 12930 as reported are $0.9 billion in budget authority and $0.7 billion in outlays below the subcommittee's section 302(b) allocation. Foreseeable additional requirements indicate that programs within the subcommittee's jurisdiction will require supplemental funding of about $0.9 billion in budget authority and $0.7 billion in outlays for items not included in H.R. 12930 as reported. The major items are $0.6 billion in budget authority and $0.4 billion in outlays for strategic stockpile acquisitions, and an additional payment of $0.3 billion to the civil service retirement and disability fund due to the anticipated October 1978 Federal pay raise.

Funds for stockpile acquisitions were requested by the administration and included in the House bill, but were not included by the Senate subcommittee, pending Senate action on H.R. 4895, which would require specific legislative authorization of such acquisitions. The amount of the additional payment to the civil service retirement and disability fund will not be known until the amount of the October pay raise has been determined, and likely will be accommodated in a spring 1979 supplemental, along with additional appropriations to cover the pay raise itself. This additional payment was not included in the President's budget request, nor in the House bill. After accommodating these additional requirements, the subcommittee would be at its section 302(b) allocation. I include a table showing this information in the RECORD at this point:

H.R. 12930, TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATION BILL, 1979

Comparison to Subcommittee's Section 382(b) allocation

[In billions of dollars]

	Budget authority	Outlays
Subcommittee's section 302(b) allocation	9.9	9.7
H.R. 12930, as reported	9.0	9.0
Remaining allocation	0.9	0.7
Possible later requirements:		
Strategic stockpile acquisitions	0.6	0.4
Payment to Civil Service retirement and disability fund	0.3	0.3
Supplemental for Internal Revenue Service	(1)	(1)
Total possible later requirements	0.9	0.7
Possible amount over or under subcommittee allocation	---	---

[1] Less than $50 million.

H.R. 12930, as reported, is basically consistent with the functional and aggregate targets in the first budget resolution. Since not all appropriations have been reported, it is too early to say whether other appropriations or supplemental requirements will breach the functional targets. It now appears that there is pressure to exceed the targets for function 750, Administration of Justice, and that later appropriations for this function must be reviewed carefully.

I support H.R. 12930, as reported, and commend the distinguished chairman of the Subcommittee on Treasury, Postal Service and General Government, Senator CHILES, for his dedicated efforts in support of the budget process, both as an Appropriations Subcommittee chairman and as a member of the Budget Committee.

In conclusion, let me state that the first budget resolution represents the collective judgment of the House and Senate as to fiscal policy and priority allocations within the budget. That resolution allows for a 1979 budget deficit of $50.9 billion. At a time when high inflation is a matter of grave national concern, we simply cannot afford to push that deficit any higher. I trust that in dealing with regular and supplemental appropriation bills for fiscal year 1979, and with other spending and tax legislation, we can maintain the discipline of the budget process and keep the deficit at or below the budget resolution target.●

SUPPORT FOR INCREASED FUNDING FOR VOLUNTEER INCOME TAX ASSISTANCE PROGRAM

● Mr. CHURCH. Mr. President, I am especially pleased that the committee bill includes an amendment sponsored by Senator CHILES and me to provide an additional $500,000 for the volunteer income tax assistance program.

Before discussing this measure further, I wish to pay special tribute to Senator CHILES who, as chairman of the Treasury, Postal Service, and General Government Subcommittee, guided this amendment through the subcommittee and the full committee.

I strongly believe that every effort must be made to economize in Government. But, there are some programs which clearly deserve additional funding, because they provide services in great need efficiently and at a low cost. This is clearly the case of the VITA program. It informs the American public about their tax obligations. In addition, VITA provides tax assistance without a charge to persons who may otherwise have difficulty in obtaining professional tax counseling.

INCREASED TAX COUNSELING ASSISTANCE

Our amendment, it seems to me, offers two major advantages. First, it would make tax counseling assistance more readily available for persons who may be struggling with Form 1040 and accompanying schedules. The need to expand the VITA program is urgent, especially for older Americans.

The Treasury Department estimates that this measure will enable VITA counselors to prepare 265,000 tax returns during fiscal year 1979, including 106,000 for older Americans. Moreover, the number of volunteers trained will be raised from 30,000 to 33,000. And the number of elderly volunteers will be increased from 12,000 to 13,000.

The Internal Revenue Service has repeatedly emphasized over the years that it wants no taxpayer to pay more taxes than are legally due.

Every taxpayer should be entitled to all legitimate deductions, credits, and exemptions.

Yet, many Americans overpay their taxes each year. Some are overwhelmed by the complexity of the tax form. Others are totally unaware of the important tax relief measures which can save them precious dollars.

This is particularly true for elderly persons. Preparation of a tax return can be even more complicated for older Americans, because they may be confronted with an entirely new set of rules upon reaching the age of 65.

They may need, for example, to compute the exclusion on the gain of a sale of a personal residence or the taxable portion of an annuity.

These provisions can be complicated, even for persons well versed in the tax law. Volunteer tax consultants, though, can assist elderly taxpayers with these measures and others to insure that they claim every legitimate tax relief provision applicable for them.

IMPROVING AND STRENGTHENING VITA

Second, our amendment would enable the IRS to improve and strengthen the quality review and program management of VITA.

IRS, for example, would be able to visit VITA programs and conduct on-site quality review. IRS personnel could determine strengths and weaknesses of existing services and offer suggestions to improve tax counseling assistance to assure accurate and complete work for taxpayers.

Training could also be updated and expanded to assure that tax counselors are completely current in their understanding of the tax law. This is essential because the Internal Revenue Code is reviewed repeatedly by congressional committees and frequently changed.

TAX AID FOR THE ELDERLY

I am also pleased that this amendment is enthusiastically endorsed by the National Retired Teachers Association-American Association of Retired Persons. NRTA-AARP administer tax aid for the elderly, which is the largest private, nonprofit project receiving training assistance from the IRS. Tax aid for the elderly has been extraordinarily effective, and our amendment would help to expand its activities as well as other VITA programs.

For these reasons, I reaffirm my support for the increased funding for VITA and urge the House conferees to accept this provision.●

Mr. ROBERT C. BYRD. Mr. President, on June 7, the House of Representatives passed and sent to the Senate H.R. 12930, the bill making appropriations for the Treasury, Postal Service, and other Government agencies for the fiscal year 1979. On June 19—less than 2 weeks later—the Senate version of this bill was reported.

Senator CHILES, the chairman of the Treasury, Postal Service and General Government Subcommittee of the Appropriations Committee and Senator WEICKER, the ranking minority member of that subcommittee, are to be congratulated for such expeditious action. Senator WEICKER, a new member of the Appropriations Committee, and Senator CHILES, who recently assumed the chairmanship of the subcommittee, have exerted great effect to report a timely bill. Their efforts have resulted in dividends to all members of the committee and the Senate in the form of a bill which represents extensive study and analysis.

The bill as a whole reflects a sense of fiscal restraint which is responsive to current needs. Reductions and increases are selective, careful. No evidence of a rubber stamp—either of administration budget requests, or of the House bill—is to be found in the Senate version of H.R. 12930. Instead, as reflected in the committee's report, we see a careful review and analysis of each item in terms of policy and costs. In various areas, the committee has suggested or mandated an emphasis on management controls and improved planning in order to reduce the costs of Government services, or to improve efficiency. Marginal or unnecessary expenditures are reduced or eliminated; modest increases are recommended only when justified.

The funding levels in this bill and the policy choices underlying those figures also represent dividends to many Americans. More than 15 Government agencies, in addition to the Treasury Department and Postal Service, are funded in this bill. The activities of one or another of these agencies and departments reach and benefit virtually every American.

The Postal Service, as we all know, touches upon the daily life of nearly every American. Here, the committee has correctly recommended a reduced allowance because of the recent postal rate increase.

Of equal, or greater visibility to all taxpayers is the operation of the Internal Revenue Service. Here, the committee has reviewed and taken note of the excellent work being performed under the volunteer income tax assistance program (VITA). This program is a taxpayer education effort to inform and educate the American public about the Federal income tax system. It provides free tax assistance to lower income taxpayers, with emphasis on the blind, elderly, and Spanish-speaking. This type of effort is one which I support, and I commend the committee for recommending an increase in funding in order to promote it. Such efforts are a meaningful and important response to the sense of public alienation from a Government which many fear is simply becoming too large and too "distant" to be understood.

Other areas of this bill impact on the American public in many important ways. Senator CHILES, as a member of both the Budget and Appropriations Committees, has subjected each budget item to objective and careful scrutiny, cutting waste wherever possible. In this effort, he has been supported by the subcommittee and committee; the result is a bill which is $200 million below the budget request. In addition, as a member of the Governmental Affairs Committee, Senator CHILES has devoted considerable attention to the problem of Government fraud and misuse of funds.

Efforts such as these will, I hope, reassure the public that Congress is, indeed, the watchdog of its tax dollars.

At the same time, the concerns of Senator WEICKER are responsive to other important public needs. For example, he has long focused on the right to privacy of American citizens, and specifically in the area of the protection of privacy of tax returns. He has come to be regarded as a vigilant watchdog of citizens' privacy rights, and as a well-informed and rigorous overseer of the content and enforcement of IRS regulations.

Many of the members of the Treasury and Postal Service Appropriations Subcommittee and of the full Appropriations Committee have made important contributions to this bill. It is an excellent bill in many ways—its commitment to fiscal restraint, its emphasis on enforcement activities, and on cost-saving. I congratulate the committee, and in particular the subcommittee members.

SEVERAL SENATORS. Third reading. Third reading.

The PRESIDING OFFICER. The bill is open to further amendment. If there be

no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 12930) was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CHILES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHILES. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make necessary technical and clerical corrections in the engrossment of the Senate amendments to H.R. 12930.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHILES. I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. CHILES, Mr. BUMPERS, Mr. SASSER, Mr. DECONCINI, Mr. EAGLETON, Mr. WEICKER, and Mr. YOUNG conferees on the part of the Senate.

COMMITTEE MEETINGS

Mr. CHILES. Mr. President, I ask unanimous consent that the Committee on Commerce, Science and Transportation be authorized to meet during the session of the Senate today to markup routine Coast Guard nominations; specific nominations for the Federal Trade Commission, the Assistant Secretary of Commerce, and NOAA; and to consider S. 2236 (antiterrorism bill), H.R. 3489 (A Merchant Marine bill), S. 1691 (refers to Antarctic Treaty), H.R. 5646 (ConRail medical and life insurance payments), and an original bill on INMARSAT.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHILES. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate today to consider S. 1493, the Inland Energy Assistance Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. ROBERT C. BYRD. Mr. President, for the information of the Senate, it is hoped that the Senate can complete action on the bill which is now coming up under the previous order, the oil shale bill, tonight. It is hoped, if that can be accomplished, that the Senate might be able to complete its work by the close of business Thursday rather than on Friday of this week. So I ask that I may have the forbearance and patience of all Senators, so that we may proceed to complete action on the oil shale bill tonight, and that will be a good step in that direction.

Mr. HATHAWAY. Mr. President, will the Senator yield for a motion?

Mr. ROBERT C. BYRD. May we have the order read?

FEDERAL OIL SHALE COMMERCIALIZATION TEST ACT

The PRESIDING OFFICER (Mr. STEVENSON). Under the previous order, the Senate will now proceed to the consideration of S. 419, which the clerk will state.

The assistant legislative clerk read as follows:

Calendar No. 733, a bill (S. 419) to test the commercial, environmental, and social viability of various oil shale technologies, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Energy and Natural Resources with an amendment to strike out all after the enacting clause and insert the following:

That this Act may be cited as the "Federal Oil Shale Commercialization Test Act".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds and declares that—

(1) the Nation continues to face a severe energy supply problem;

(2) oil shale is a major national resource with the potential of alleviating a significant portion of this supply problem;

(3) efforts to demonstrate the commercial viability of oil shale have not been effective; and

(4) a program which will ascertain the commercial potential of oil shale and the consequences of its development is needed.

(b) It is the purpose of this Act to—

(1) establish a Federal program to determine the commercial viability of three oil shale retorting technologies;

(2) determine whether oil shale can contribute to the Nation's energy supply mix in the near future;

(3) evaluate the social and environmental consequences of oil shale commercialization;

(4) establish criteria by which to measure the commercial viability and the social and environmental consequences of oil shale development;

(5) assure that the technologies developed through this program will be generally available; and

(6) assure that, to the maximum extent possible, the program will be carried out with public participation and public access to information.

OIL SHALE COMMERCIALIZATION TEST PROGRAM

SEC. 3. (a) The Secretary of Energy (hereinafter referred to in this Act as the "Secretary") shall in accordance with this Act and with such rules and regulations as he shall promulgate hereunder—

(1) establish a Federal program to determine the commercial viability of three oil shale retorting technologies;

(2) invite submission of proposals from interested persons for the design, construction, and initial operation of Federal oil shale commercial demonstration projects (hereinafter referred to in this Act as "projects");

(3) select from the proposals submitted the three most attractive projects, based on the criteria of subsection (b) of this section, each employing a different oil shale retorting technology: Provided, That the Secretary may select fewer projects if, in his judgment, there are not three projects with different technologies which are technically feasible;

(4) enter into contracts with the persons submitting the selected proposals for the design, construction, and initial operation of the federally owned oil shale commercial demonstration projects: Provided, That the Secretary may choose not to enter into any contracts if, in his judgment, the terms and conditions of the contracts with persons submitting the selected proposals will not achieve the purposes of this section as set forth in subsection (d).

(b) The Secretary shall in making his selection of the projects, consider—

(1) the commercial promise of the technology proposed to be used in the project;

(2) the social and economic impact of the proposed project on the local communities which would be most directly affected;

(3) the environmental impact of the project, including, but not limited to, water consumption, water pollution, and air pollution;

(4) the thermodynamic balance of the technology to be used in the project;

(5) whether the technology to be used in the project has been successfully operated on a continuous basis on a small but significant scale; and

(6) the health and safety aspects of the technology.

(c) No project shall be larger than a modular size, capable of producing between two thousand and ten thousand barrels per day.

(d) The purpose of the program authorized by this Act shall be to test three oil shale retorting technologies so as to determine—

(1) their commercial viability;

(2) their environmental impact, including, but not limited to, water consumption, water pollution, and air pollution;

(3) their health and safety aspects, including, but not limited to, any carcinogenic effect;

(4) their effect on regional and local agricultural production;

(5) their social and economic impacts; and

(6) their thermodynamic balances.

LOCATION OF THE PROJECTS

SEC. 4. (a) All of the projects authorized by this Act shall be located at a single site: *Provided*, That should the Secretary determine that location of all of the projects at a single site is not feasible, he may choose multiple sites. The projects shall be located on either (i) lands of the Naval Oil Shale Reserve or (ii) unleased public lands on which the mineral rights, in the opinion of the Secretary of the Interior, are unencumbered by prior claims: *Provided*, That in considering the location of the projects, the Secretary shall give priority to the lands of the Naval Oil Shale Reserves: *Provided further*, That the Secretary shall not select a tract of public lands unless he determines that by locating the projects on public lands he will obtain information on commercial viability not attainable on the lands of the Naval Oil Shale Reserves. In determining the location of the projects, the Secretary shall give particular consideration to the availability of water, land for waste disposal, environmental baseline and resource information, and the proximity to transportation, power, and other local services.

(b) Prior to the selection of any public lands to carry out the purposes of this Act, the Secretary shall consult with the Secretary of the Interior and obtain his written consent for the use of the selected public lands for the projects authorized by this Act.

(c) Prior to giving the written consent required by subsection (b) of this section, the Secretary of the Interior shall withdraw the selected lands for a period of time sufficient

to carry out the purposes of this Act. Upon the publication of the Secretary's evaluation required by section 6 of this Act, such withdrawal shall terminate.

(d) For the purposes of this section, the term "withdraw" or "withdrawn" mean withholding an area of Federal land from settlement, sale, location, or entry, under some or all of the general laws, for the purpose of limiting activities under those laws in order to maintain other public values in the area or reserving the area for a particular public purpose or program; or transferring jurisdiction over an area of Federal land, other than "property" governed by the Federal Property and Administrative Services Act, as amended (40 U.S.C. 472) from one department, bureau, or agency to another department, bureau, or agency.

COORDINATION WITH LOCAL GOVERNMENTS

SEC. 5. (a) Prior to the selection of any project, the Secretary shall consult with the Governor of the State and officials of each political subdivision affected. The Secretary shall consult with these officials throughout the program both directly and through the advisory panel created by section 9 of this Act.

(b) Prior to the selection of any project, the Secretary, taking into consideration all reasonably available forms of assistance under this Act and other Federal and State statutes, shall determine that the impacts resulting from the proposed projects have been fully evaluated by the Secretary and the Governor of the affected State, and that effective steps have been taken or will be taken in a timely manner under section 11 of this Act, other provisions of law, or by other means to finance community planning and development costs resulting from such projects.

CRITERIA FOR EVALUATION OF THE PROJECTS

SEC. 6. (a) The Secretary shall evaluate the commercial viability and the social and environmental impacts of the technologies tested by the projects authorized by this Act. This evaluation, which shall be published within one year of the completion of the program established by this Act, shall be based on the following criteria—

(1) whether the products can be sold at a price which is competitive with imported crude oil;

(2) whether the technologies can be operated on a commercial scale in compliance with the Federal Water Pollution Control Act, as amended (33 U.S.C. 115–1175) and the Clean Air Act, as amended (42 U.S.C. 1857 and following);

(3) the economic, social, and environmental consequences of energy alternatives to oil shale production;

(4) the effect on regional and local water supplies of the projects and the commercial operation of the technologies tested by the projects;

(5) the effect on regional and local agricultural production of the projects and of commercial operation of the technologies tested by the projects;

(6) the health effects on workers and other persons of the projects and of commercial operation of the technologies tested by the projects, including, but not limited to, any carcinogenic effects;

(7) the thermodynamic balance of each technology; and

(8) the impacts on local communities which would be most directly affected by an oil shale industry.

(b) The published evaluation required by this section shall also include a recommendation from the Secretary regarding the disposition of the test facilities at the termination of the program.

PUBLIC PARTICIPATION

SEC. 7. Prior to completion of his evaluation of the commercial viability and the social and environmental impacts of the technologies tested by the projects, the Secretary shall provide opportunity for at least one public hearing in the area which would be most directly impacted by commercial development of oil shale.

PATENTS

SEC. 8. (a) The title to any invention made or conceived by a participant in performing work for the program authorized by this Act shall vest in the United States, and if patents on such inventions are issued they shall be issued to the United States: *Provided*, That the Secretary may not exercise the discretion to waive all or part of the rights of the United States under section 9(c) of the Federal Non-nuclear Energy Research and Development Act of 1974 (42 U.S.C. 5908(c)).

(b) The Secreeary may grant licenses in any invention to which title is vested in the United States as a consequence of the program authorized by this Act: *Provided*, That he may not exercise the discretion to grant exclusive or partially exclusive licenses under section 9(g)(2) of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5908(g)(2)).

(c) When a person participating in the program established by this Act holds background patents, trade secrets, or proprietary informaton necessary to the commercial operation of any technology used in the projects authorized by this Act, he will be required to grant licenses in said invention, trade secret, or proprietary information to responsible parties on terms that are reasonable under the circumstances. Nothing in this Act shall be construed to affect the ownership of background patents, trade secrets, or proprietary information which a person brings to a project authorized by this Act.

SOCIAL AND ENVIRONMENTAL IMPACT ADVISORY PANEL

SEC. 9. (a) There is hereby established a panel to advise the Secretary on matters relating to the program authorized by this Act, including, but not limited to, impacts on local governments, the State, the environmental and health and safety effects of the test facilities, and the means, measures, and planning for preventing or mitigating such impacts.

(b) The panel shall consist of ten members, including—

(1) a representative of the Council on Environmental Quality appointed by the Chairman thereof;

(2) a representative of the Department of the Interior appointed by the Secretary of the Interior;

(3) a representative of the Environmental Protection Agency appointed by the Administrator thereof;

(4) a representative of the State appointed by the Governor thereof;

(5) three elected representatives of local government appointed by the Regional Council of Governments of the area most directly affected by the projects; and

(6) three representatives of citizen environmental groups appointed by the Chairman of the Council on Environmental Quality.

(c) Members of the panel who are employees of the Federal Government, a State, or local government shall serve without additional compensation as such. All other members shall receive $100 per diem when actually engaged in the performance of the duties of the panel.

(d) The Secretary shall reimburse all panel members for necessary travel and subsistence expenses incurred by them in the performance of the duties of the panel.

(e) The panel is authorized to employ two professional and one nonprofessional staff members for the purpose of facilitating its work. The staff members shall be hired in accordance with the will of the majority of the panel members.

(f) The panel shall terminate no later than six months after the publication of the Secretary's evaluation required by section 6 of this Act.

SALE OF PRODUCTS

SEC. 10. (a) In administering the projects authorized by this Act, the Secretary shall use, store, or sell the shale oil produced.

(b) Notwithstanding any other provision of law, any commercially valuable product produced by projects located on public lands shall be disposed of during the continuation of the program at public sale to the highest qualified bidder.

(c) Any commercially valuable product produced by projects located on the Naval Oil Shale Reserves shall be disposed of during the continuation of this program in accordance with title 10, United States Code, section 7430.

(d) All revenues received by the Secretary from the sale of any commercially valuable product shall be paid into the Treasury of the United States.

IMPACT ASSISTANCE

SEC. 11. (a) In accordance with such rules and regulations as the Secretary, in consultation with the Secretary of the Treasury, shall prescribe, and subject to such terms and conditions as he deems appropriate, the Secretary is authorized, for the purpose of financing essential community development and planning which directly result from, or are necessitated by, this Act to guarantee and make commitments to guarantee the payment of interest on, and the principal balance of, obligations for such financing issued by the State or local governments.

(b) Prior to issuing any guarantee under this section, the Secretary shall obtain the concurrence of the Secretary of the Treasury with respect to the timing, interest rate, and substantial terms and conditions of such guarantee. The Secretary of the Treasury shall insure to the maximum extent feasible that the timing, interest rate, and substantial terms and conditions of such guarantee will have the minimum possible impact on the capital markets of the United States, taking into account other Federal direct and indirect securities activities.

(c) The amount of obligations authorized for any guarantee and commitment to guarantee under subsection (a) of this section is $20,000,000 per year for fiscal years 1979 and 1980. This money shall remain available until utilized: *Provided*, That such obligations guaranteed or committed to be guaranteed which may be outstanding at any time in any fiscal year shall not exceed the aggregate of the total amount authorized pursuant to this section for that fiscal year and all preceding fiscal years.

(d) If, after consultation with the State or local governments, the Secretary finds that the financial assistance program of subsection (a) of this section will not result in sufficient funds to carry out the purpose of this section, the Secretary may make direct loans to the State or local governments for such purposes: *Provided*, That such loans shall be made on such reasonable terms and conditions as the Secretary shall prescribe: *Provided further*, That the Secretary may waive repayment of all or part of a loan made under this subsection, including interest, if the State or local governemnt involved demonstrates to the satisfaction of the Secretary that, due to a change in circumstances, there will be net adverse impacts resulting from the projects authorized by this Act that would probably cause such State or local government to default on the loan.

(e) The Secretary is further authorized to make grants to the State or local governments for studying, and planning for the mitigation of the potential economic, environmental, and social consequences of the pro'ects authorized by this Act and for establishing related management expertise.

(f) At any time the Secretary may, with the concurrence of the Secretary of the Treasury, redeem, in whole or in part, out of the fund established by section 12 of this Act, the debt obligations guaranteed under this section.

(g) When one or more local governments would be eligible for assistance under this section, but for the fact that construction and operation of the projects occurs outside its jurisdiction, the Secretary is authorized to provide, to the greatest extent possible, arrangements for equitable sharing of such assistance.

(h) (1) Such amounts as may be necessary for direct loans and grants pursuant to this section shall be available as provided in annual authorization Acts and shall be requested in fiscal year 1979, and in subsequent fiscal years.

(2) There is hereby authorized to be appropriated, for fiscal year 1979, $200,000 for grants to be used to carry out the purposes of this section.

THE FUND

SEC. 12. (a) There is hereby created within the Treasury of the United States a special fund designated as the "Oil Shale Commercialization Test Special Fund" (hereinafter in this section referred to as the "fund") which shall be available to the Secretary wi hout fiscal year limitation as a fund for the purpose of carrying out the program authorized by section 11 of this Act.

(b) There is hereby authorized to be appropriated to the fund for administrative expenses for fiscal year 1979, $200,000 and from time to time such other amounts as may be necessary to carry out the purposes of the fund including, but not limited to, the payment of interest and principal and the payment of interest differentials and redemption of debt.

(c) All payments on obligations, appropriate expenses (including reimbursements to other government accounts), and repayments pursuant to operations of the Secretary under this section shall be paid from the fund subject to appropriations. If at any time the Secretary determines that moneys in the fund exceed the present and reasonably foreseeable future requirements of the fund, such excess shall be transferred to the general fund of the Treasury.

(d) If at any time the moneys available in the fund are insufficient to enable the Secretary to discharge his responsibilities authorized by section 11 of this Act, the Secretary shall issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Secretary of the Treasury. Redemption of such notes or obligations shall be made by the Secretary from appropriations or other moneys available under subsection (b) of this section for loan guarantees authorized by section 11 of this Act. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, which shall be not less than a rate determined by taking into consideration the average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury shall purchase any notes or other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act; and the purposes for which securities may be issued under that Act are extended to include any purchase of such notes or obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

(e) The provisions of this section do not apply to direct loans or planning grants made under section 11 of this Act.

STATE LAW

SEC. 13. Nothing in this Act shall be construed as affecting the obligations of any person receiving a contract pursuant to this Act to comply with Federal and State environmental, land use, water and health and safety laws and regulations or to obtain applicable Federal and State permits, licenses, and certificates.

REPORTS

SEC. 14. (a) The Secretary shall submit a report to the Congress within one hundred and eighty days after the enactment of this Act setting forth a comprehensive plan for the acquisition of information and the evaluation of the environmental, economic, social, and technological impacts of the program authorized by this Act. In preparing such a comprehensive plan, the Secretary shall consult with the heads of the Environmental Protection Agency, the Department of Housing and Urban Development, the Department of the Interior, the Department of Labor, the Department of Agriculture, and the Department of the Treasury. The plan shall include, but not be limited to, the following:

(1) information about the projects which might be funded by the program established by this Act;

(2) any significant economic, social, and environmental impacts which may result from any activity included in the program;

(3) the extent to which it is feasible to commercialize the technologies used in the projects authorized by this Act;

(4) proposed regulations required to carry out the purposes of this Act;

(5) a list of Federal agencies, governmental entities, and other persons who will be consulted or used to implement the program established by this Act;

(6) the methods and procedures by which the information gathered under the program established by this Act will be analyzed and disseminated;

(7) a plan for the study and monitoring of the health effects of such facilities on workers and other persons, including, but not limited to, any carcinogenic effect;

(8) the methods and procedures to insure that the projects will be no larger than necessary to demonstrate the commercial viability of the technologies; and

(9) an evaluation of the various means of using any commercially valuable product produced during the program.

(b) The Secretary shall annually submit a detailed report to the Congress concerning the actions taken or not taken by the Secretary under this Act during the preceding fiscal year including, but not limited to—

(1) a discussion of the status of each project financed under this Act, including progress made in the development of such projects and the expected or actual production from each project, including byproduct production therefrom, and the distributions of such products and byproducts;

(2) a detailed statement of the costs of the program established by this Act;

(3) data concerning the environmental, social, and economic impacts of each such project and the actions taken or planned to prevent or mitigate such impacts;

(4) the administrative and other costs incurred by the Secretary and other Federal agencies in carrying out this program; and

(5) such other data as may be helpful in keeping the Congress and the public fully and currently informed about the program authorized by this Act.

(c) The reports required by subsection (b) of this section shall be a part of the annual reports required by section 657 of the Department of Energy Organizatio· Act, except that the matters required to be reported by this section shall be clearly set out and identified in such annual reports.

(d) The reports required by subsections (a) and (b) of this section shall be transmitted to the Speaker of the House of Representatives and the House Committee on Science and Technology and to the President of the Senate and the Committee on Energy and Natural Resources of the Senate.

TAX-EXEMPT BONDS

SEC. 15. With respect to any obligation which is issued after the enactment of this Act by, or on behalf of, any State, or local government and which is guaranteed under this Act, the interest paid on such obligation and received by the purchaser thereof (or the purchaser's successor in interest) shall be included in gross income for the purposes of chapter 1 of the Internal Revenue Code of 1954, as amended: *Provided*, That the Secretary shall pay to such issuer out of the fund established by this Act such portion of the interest on such obligations, as determined by the Secretary of the Treasury to be appropriate after taking into account current market yields (1) on obligations of said issuer, if any, or (2) on other obligations with similar terms and conditions, the interest on which is not so included in gross income for purposes of chapter 1 of said Code, and in accordance with such terms and conditions as the Secretary of the Treasury shall require.

PUBLIC DISCLOSURE

SEC. 16. Information collected by the Secretary as a result of the activities authorized by this Act shall be cataloged and, upon request, any such information shall be promptly made available to the public in a form and manner easily adaptable for public use, except that this subsection shall not require disclosure of matters exempted from mandatory disclosure by section 552(b) of title 5, United States Code. The provisions of section 11(d) of the Energy Supply and Environmental Coordination Act of 1974, and section 17 of the Federal Nonnuclear Energy Research and Development Act of 1974, as amended, also shall continue to apply to any information obtained by the Secretary which is subject to such provisions.

FINANCIAL RECORDS

SEC. 17. Recipients of contracts under this Act shall keep such records and other pertinent documents as the Secretary shall prescribe by regulation, including, but not limited to, records which fully disclose the disposition of the proceeds of such assistance, the cost of any project and such other records as the Secretary may require to facilitate an effective audit. The Secretary and the Comptroller General of the United States or their duly authorized representatives shall have access, for the purpose of audit, to such records and other directly pertinent documents.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 18. There is authorized to be appropriated $1,000,000 for fiscal year 1979 to carry out the provisions of this Act, other than sections 11 and 12 hereof.

DEFINITIONS

SEC. 19. For the purposes of this Act the term "person" means an individual, partnership, association, society, joint stock company, firm, company, corporation or other business organization.

SEVERABILITY

SEC. 20. If any provision of this Act or the applicability thereof to any persons or circumstances is held invalid the remainder of the Act and the application of such provision to other persons or circumstances shall not be affected thereby.

The PRESIDING OFFICER. The time for debate on this bill is limited to 2 hours, to be equally divided between and controlled by the Senator from Colorado (Mr. HASKELL) and the Senator from

Wyoming (Mr. HANSEN), with 1 hour on any amendment in the first degree except one to be offered by the Senator from Wyoming (Mr. HANSEN), on which there shall be 4 hours, and with 30 minutes on any amendment in the second degree, and 10 minutes on any debatable motion, appeal, or point of order.

Who yields time?

Mr. HASKELL. Mr. President, I ask unanimous consent that Marty Zeller and Rob Liberatore of my staff and Grenville Garside, Michael Harvey, Thomas Laughlin, George Dowd, and Barbara Haugh, of the staff of the Energy and Natural Resources Committee, be accorded the privilege of the floor during the consideration of and the voting thereon of the pending legislation, S. 419.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HANSEN. Mr. President, I ask unanimous consent that Charles Trabandt of the Energy and Natural Resources Committee Staff and Nolan McKean of my staff have the privileges of the floor during any debate and rollcalls on the shale oil bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATHAWAY. Mr. President, will the Senator yield to me for a motion?

Mr. HASKELL. I yield to the Senator from Maine.

NATIONAL INSTITUTES OF HEALTH CARE RESEARCH ACT OF 1978

Mr. HATHAWAY. Mr. President, I move to reconsider the vote by which S. 2466 failed of passage.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. HATHAWAY. The Senator from Colorado has the floor.

Mr. DOLE. For a parliamentary inquiry?

Mr. HASKELL. I yield for a parliamentary inquiry.

Mr. DOLE. On the motion just made by the distinguished Senator from Maine, is my understanding correct that this goes on the calendar, to be called up at some later time, and the effect is to keep the bill alive, and perhaps we can work out some accommodation with the distinguished Senator from Massachusetts? Will that be the purpose?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. And any time it is brought up, it would be subject to a vote on reconsideration, or a tabling motion?

The PRESIDING OFFICER. The first motion would be a motion to proceed to the motion to reconsider. If that is agreed to, then the motion to reconsider would be before the Senate.

Mr. DOLE. I thank the Senator.

FEDERAL OIL SHALE COMMERCIALIZATION TEST ACT

The Senate continued with the consideration of S. 419.

Mr. GLENN. Mr. President, I ask unanimous consent that Tom Dougherty of my staff be granted the privilege of the floor during the debate and voting on the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. Mr. President, this bill was first introduced by me in January a year ago. We had extended hearings, both in the field and in Washington.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. HASKELL. We had hearings both in Washington and in the field, and as a result of those hearings the bill was substantially rewritten.

As rewritten, the bill is cosponsored by the distinguished Senator from Oklahoma (Mr. BELLMON).

Mr. President, in the area of Colorado, Wyoming, and Utah, there is oil in the shale estimated at twice the reserves of the entire Mideast. This is taking into consideration only the high grade and the midgrade shale. For two generations, there has been talk of the development of this oil. There have been starts and backups, and starts again, and the substance has become extremely important in view of the present price of oil from the Mideast and the dollar outflow resulting from purchases of oil in the Mideast.

Mr. President, what this bill does is authorize the Secretary of the Department of Energy to enter into three demonstration tests of three separate processes to process the oil from shale, the processes to be selected by the Secretary of Energy.

The purpose of having demonstration level tests is to try to ascertain the actual economics of the processing of shale, and also to ascertain the environmental effects and water consumption. Up to now we have had only pilot tests. The most promising in situ test has apparently been delayed for an additional 3 years.

It is my position and that of the Committee on Energy—which reported the bill out favorably on a 12 to 5 vote—that it is in the national interest of our country that we ascertain whether or not we have a valuable resource. Therefore, Mr. President, I would like very briefly to discuss certain objections that the minority raised in their report to the bill. Actually, I believe that they are based on factual inaccuracies.

The first objection is that the bill statutorily mandates immediate contracts for commercial facilities, and that one of the facilities be an in situ technology. This is not accurate. The bill states that if the Secretary determines that none of the proposals submitted are technically feasible, he is not to pursue the program. Second, if he holds that contracts with individual participants will not carry out the purpose of the act, he has the option of not pursuing the contract.

Finally, there is no mandate in the bill for in situ technology, although there was originally. In other words, the Secretary could pick three surface retorts or three in situs, or a combination of the two.

The next point that the minority makes is they say the so-called GOCO concept will be the most expensive method of testing shale technologies. They use a figure of $600 million to $1 billion. It is hard to refute their figures because there is no support in the minority views for the figure. Since there is no apparent basis, I would merely point out that the Congressional Budget Office, which is our agency charged with the task of determining costs, estimates that the outlays are between $366 million and $511 million, but that the net cost would vary between $111 million and net receipts or profit of $33 million.

A comparison of the cost of doing what we are attempting to do, that is, find out the commercial viability of shale through S. 419 as opposed to other methods shows that S. 419 is the cheapest way of proceeding.

Mr. President, I ask unanimous consent that the letter from the Congressional Budget Office be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HASKELL. The next argument of the minority says that since the program proposed in the bill does not involve cost sharing, that a private participant will have, "no incentive to prove the commercial, viable economics, but rather provides every incentive for the contractor to have increased costs with resulting unrealistic economics."

Mr. President, the private parties will be under contract with the Government. They will be testing, in effect, their process. I would submit, Mr. President, that the people who have been expending money in piloting and testing shale are not known for cutting off their noses to spite their faces. Of course, to pad the cost would merely prove the economic nonviability of their own process. So I really do not think that particular view is very well taken.

The minority view also argues that due to the existence in the Department of Energy of R. & D. efforts in the in situ and modified in situ it is not needed.

I am familiar with the Department's research program, as I was when I introduced the bill, and of the five projects which the minority report mentions, four are at the pilot stage. It is vitally important to distinguish between pilot and demonstration. Often what works well in a pilot plant does not work well when it is scaled up.

The fifth project, that of Occidental Petroleum, is located on an extremely wet area of shale lands, whereas the naval oil shale reserve lands on which the test in all likelihood will take place are dry in nature and are similar to the majority of the shale lands located in the three-State region. Also, I now understand that Occidental has now requested a 3-year delay in its development program on tract C-b in Colorado.

The next inaccuracy of the report, as I see it, is that the administration opposes the bill.

Secretary Schlesinger informs me that the Department was neutral on the bill. I know at one time they did oppose it, but just before the markup session he informed me that they were taking a neutral position.

The minority views cite the existence of a number of programs enacted by the Congress in the last few years which would permit other subsidies for shale.

These laws do exist. However, there is no indication that the administration intends to exercise its option to fund any of these programs for shale. For coal gasification, yes, for coal liquefaction, yes, but not for shale.

Then the minority views also state that the naval oil shale reserves are statutorily reserved for production only in the event of a "national emergency."

This is not accurate. The statute states that the reserves shall be "used and operated for first, the production, conservation, maintenance, and testing of those reserves, or for national defense purposes."

And the Congress clearly intended that oil shale lands owned by the Navy could be produced for test purposes.

The minority views also suggest that the initiation of a predevelopment plan for the naval reserves is duplicative of the program authorized in S. 419.

This is, again, inaccurate. The predevelopment plan, so-called, is intended to collect information on the nature of the reserves as a whole, and also to get background environmental data. There are over 140,000 acres of such land. Contrast this with what we are talking about in this bill, which would be located on a small portion of this land and would not be survey in nature but would be actually building demonstration plants against which economics and environmental effect could be measured.

Finally, the minority says that the bill is aimed at establishing a Federal oil shale corporation.

Nothing could be further from the fact. The bill states that upon completion of the test any patents developed in the course of testing are open for licensing by the Government to all comers. In other words, anybody interested in getting into the shale business will be able to get a license upon the patents developed and also will be able to get a license on reasonable terms from the operator of the plan.

Mr. President, I suggest to the Senate that we must, as a matter of national need, find out whether we have a national asset in shale. I believe we have.

I would also point out, Mr. President, that all the efforts over the past years basically have come to naught. There is not yet a demonstration plant in existence.

Finally, Mr. President, I would point out by showing vigorous attempts to ascertain whether or not these reserves do exist, twice the reserves of the Mideast, we will be sending a clear message to the Arab nations that America intends to move toward energy self-sufficiency.

Mr. President, I now reserve the remainder of my time.

EXHIBIT 1

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C., June 19, 1978.

Hon. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congresisonal Budget Office has prepared the attached revised cost estimate for S. 419, the Federal Oil Shale Commercialization Test Act.

Should the Committee so desire, we would be pleased to provide further details on the attached cost estimate.

Sincerely,

ALICE M. RIVLIN,
Director.

CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

JUNE 19, 1978.

1. Bill number: S. 419.

2. Bill title: Federal Oil Shale Commercialization Test Act.

3. Bill status:

As ordered reported on April 26, 1978 by the Senate Committee on Energy and Natural Resources.

4. Bill purpose:

This bill would establish a federal program at the Department of Energy to determine the commercial viability of three oil shale retorting technologies. Section 18 would authorize $1 million for fiscal year 1979 for the first year start-up expenses, salaries and expenses for an advisory panel, and administrative costs for the necessary environmental impact statements. Section 11 would provide authority for impact aid loans and loan guarantees to state and local governments and authorize the appropriation of $200 thousand in fiscal year 1979 for planning grants. Direct loans and grants under this section would be available as provided in annual authorization acts. Section 12 would establish within the Department of Treasury an Oil Shale Commercialization Test Special Fund for carrying out the program under Section 11. It would authorize the appropriation of $200 thousand for fiscal year 1979 for initial administrative costs, and such other amounts as may be necessary from time to time to carry out the purposes of the fund.

5. Cost estimate:

The budget impact of funding levels specifically authorized in the bill is summarized in the following table:

(By fiscal years, in millions of dollars)

	1979	1980	1981	1982	1983
Authorization level	1.4	----	----	----	----
Estimated costs	1.1	0.3	----	----	----

The costs of this bill fall within budget function 270.

Although this bill would specifically authorize only $1.4 million in 1979, it directs the Secretary of Energy to undertake up to three projects for testing the commercial viability of oil shale technologies. These projects, if funded, would result in substantial additional costs, as well as potential revenues. The net budget impact of this program over nine fiscal years is estimated to range from a net outlay of $111 million to a net receipt of $33 million. The outlays would be concentrated in the early years of the program (a total of between $254 million and $370 million in fiscal years 1979 through 1983), with revenues generated beginning in fiscal year 1984.

In addition, the bill authorizes loan guarantees of up to $20 million per year in fiscal years 1979 and 1980, which would result in a contingent liability of the federal government of up to $40 million.

6. Basis of estimate:

Section 3—Test program.

The three test projects mandated by this section would, if funded, result in substantial additional costs. It is estimated by the Office of Technology Assessment that two above-ground retorts and one in-site or modified in-site cluster of retorts would require a total capital expenditure of from $275 million to $400 million over a five-year period. CBO estimates that these expenditures would begin in fiscal year 1980. The operating costs associated with these projects are estimated to range from $30 million to $40 million annually. However, it is expected that oil produced by the projects during the course of the program would be used by the federal government or sold at public sales. Assuming a three-year test period after completion of construction and a total production of 14.7 million barrels during that period, receipts would total approximately $400 million and the net budget impact of the program over nine fiscal years could range from a net outlay of $111 million to a net receipt of $33 million. The projected budget impact of the test program is summarized in the following table:

(By fiscal years, in millions of dollars)

	1979	1980	1981	1982	1983	1984–87
Estimated costs	1	49 to 71	85 to 124	67 to 98	52 to 76	—259 to —287

It is expected that specific sums for the construction of the three oil shale test plants will be authorized in future Department of Energy authorization acts.

Section 11—Impact assistance.

This section would authorize $200 thousand for fiscal year 1979 for planning grants to state and local governments. The entire amount is estimated to be spent in the first year. This section would also authorize impact aid loan guarantees of up to $40 million ($20 million per year for fiscal year 1979 and 1980), which would create a contingent liability of the federal government. The Secretary of Energy could, at his discretion and with the concurrence of the Secretary of the Treasury, redeem at any time the debt obligations guaranteed pursuant to this bill, and may borrow from the Treasury for this purpose if there are insufficient sums in the Oil Shale Commercialization Test Special Fund. Paragraphs (d) and (e) of Section 11 would provide authority to the Secretary of Energy to provide loans and direct grants to state and local governments should the financial assistance of loan guarantees prove insufficient to carry out the purpose of this section. Funds for direct loans and grants shall be available pursuant to annual authorization acts, and are not authorized in this bill.

Section 12—The fund.

This section would establish within the Department of the Treasury a special fund designated as the "Oil Shale Commercialization Test Special Fund" and authorize the appropriation of $200 thousand for administrative expenses for fiscal year 1979. The entire amount is estimated to spend in the first year. For the purpose of this estimate, it was assumed that fees from the loan guarantees authorized under Section 11 would provide sufficient funds to cover future administrative costs, so that the oil shale fund would have a net cost of zero beyond fiscal year 1979, in the absence of defaults. Defaults on the guaranteed loans are possible, but are not likely to occur within the time frame of this estimate.

Section 18—Administrative costs.

This section would authorize the appropriation of $1 million for fiscal year 1979 to carry out the provisions of this act. It is estimated that $0.7 million would be spent in the first year, and $0.3 million would be spent in the second year. These costs are comprised of $100 thousand for salaries

and expenses for the advisory panel, $800 thousand for preparing the necessary environmental impact statements, and $100 thousand for other administrative expenses, including costs for procurement preparation and evaluation required under Section 3 and the report required under Section 14.

7. Estimate comparison: None.

8. Previous CBO estimate:

On May 4, 1978, CBO prepared a cost estimate for this bill for the Senate Committee on Energy and Natural Resources. That version authorized $4 million in Section 18, instead of $1 million as in this version. On May 8, 1978, CBO prepared a cost estimate of this bill, which did not fully reflect the long-term costs of the test program mandated by the bill. This version provides the additional information on the projected costs of the test program.

9. Estimate prepared by: Leslie Wilson (225-7760).

10. Estimate approved by: James Blum.

JAMES L. BLUM,
Assistant Director for Budget Analysis.

(Subsequently, on July 20, 1978, Mr. HASKELL submitted the following statement for the RECORD:)

● Mr. HASKELL. Mr. President, on page 19128 of the CONGRESSIONAL RECORD covering floor consideration of the bill S. 419, my statement is recorded as follows:

"Also. I now understand that Occidental has now requested a 3-year delay in its development program on tract C-b in Colorado."

It is possible that this sentence could be misinterpreted. Occidental and Ashland did inform the area oil shale supervisor in March of this year that the prospective date for full production would be delayed for a period of up to 3 years However, according to Occidental and Ashland, the schedule revision reflects initial permit acquisition problems, adjustment of the shaft-sinking performance estimate and contingency allowances.

My statement should not be interpreted as indicating that Occidental and Ashland have asked for a suspension of activity. They have not. According to Occidental and Ashland, they are diligently engaged in sinking shafts for mining and underground operations and fully intend to develop the project without any delay. It was my intent to convey the need for S. 419 by pointing out the difficulties being experienced by others which have led to delays in commercialization.●

Mr. BELLMON. Will the Senator yield?

Mr. HANSEN. I yield to the Senator from Oklahoma.

Mr. BELLMON. I wish to make a statement in support of the bill. I do not know whether the Senator wishes to yield for that purpose.

Mr. HASKELL. I will yield for that purpose.

Mr. BELLMON. Is the Senator from Wyoming going to proceed now?

Mr. HANSEN. I will be happy to yield to the Senator.

Mr. BELLMON. I thank my friend for allowing me to proceed.

Mr. President, soon after taking office, President Carter gave what has become known as his "Chicken Little" speech. He told the American people that the "sky is falling"; he told us that we were rapidly running out of oil and gas.

We know why Chicken Little thought the sky was falling—an acorn fell on his head. I have never been able to figure out why President Carter thinks and acts as if we were running out of oil and gas. We are not about to run out of oil and gas any time soon.

What we are running out of is cheap oil and gas. As a result of policies pursued by previous administrations, and enthusiastically followed in the Carter administration, domestically produced oil and gas has not been allowed to be sold at true replacement cost. It is generally believed, even today, that the price set by the OPEC nations is an arbitrary price, unrelated to true replacement cost. But, that price is not arbitrary. If it were arbitrary, it would not, it could not have stuck this long. That price was carefully calculated. That price was calculated to be what it would cost non-OPEC countries to replace the oil the OPEC countries want to export with other types of fuel.

If we discount the possibility of our finding some fabulous reservoir of oil and gas in our country or off our shores, that is the price we will have to pay for our imports of foreign oil. If we were able to produce all our energy at less than the OPEC price, then that price would not stick. The OPEC price would have to come down.

It is, therefore, extremely important that we experimentally determine what our true replacement cost for oil and gas is. To me, that means, first of all, price decontrol. It is madness to continue price controls on domestic energy sources, and we should get away from that policy as quickly as we can.

It also means commercialization of those technologies most likely to produce large quantities of domestic energy at the lowest possible costs.

There is little doubt about what those technologies are. There is a vast amount of gas locked up in "tight" formations in this country. There is a vast amount of oil locked up in oil shales in this country. We must do what we can to unlock it.

This administration proposes to spend more than $10 billion next year on the energy problem. And yet, many times more money will be spent controlling the price of domestic oil and gas than will be spent on enhanced gas recovery. And hundreds of times more money will be spent on magnetic fusion—which may never even work, much less be economic, at least in the foreseeable future—than will be spent on enhanced oil recovery.

Mr. RANDOLPH. Will my able colleague yield?

Mr. BELLMON. I am glad to yield to the Senator from West Virginia.

Mr. RANDOLPH. I appreciate the knowledgeable Senator yielding during his remarks. He has spoken of the costs of certain types of development in energy productivity. The record should indicate at this point a fact that I doubt very few Americans know. American taxpayers have paid approximately $12.5 billion to store petroleum—just to store petroleum products. Most of those products come from overseas.

We act after the fact so often with $12.5 billion already spent, only to store petroleum products in this country.

I shall not go into it further at this time, this vital message on using shale for the processing of oil.

Mr. BELLMON. Mr. President, let me respond that soon after the Senator from Oklahoma came to the Senate, one of the actions recommended to the Senate, and this was long before the embargo of 1972, was the action recommended by the distinguished Senator from West Virginia (Mr. RANDOLPH) that we adopt a national energy policy—Senate Resolution 472, if I recall.

Mr. RANDOLPH. That is correct, and I thank my colleague for his reference to our work. Our legislation as early as 1959 would have done the job—a massive challenge—at that time. Again in 1961 I pressed for such action.

Mr. BELLMON. If we had done it then we would have been well along the way toward producing from our own abundant reserves all the energy the country needs.

Mr. RANDOLPH. Yes, that statement is true. I thank those Members, who this evening, are actively debating this subject matter.

Senators are intensely interested. We are addressing the subject through the leadership of Senator HASKELL and Senator HANSEN and other Members.

We only need to look back to know of the recurring story of how often we have failed in this body, in the Government, and, frankly, in our American society, to do what needs to be done on energy problems. We must develop fuel in America. We have the initiative. We have the know-how. But along the line, we falter and fail to follow through.

Mr. HASKELL. Will the Senator yield for just a moment?

Mr. BELLMON. I am happy to yield.

Mr. HASKELL. I think the RECORD should show that the distinguished Senator from West Virginia, as Representative RANDOLPH, together with Senator O'Mahoney, basically started this whole thing out with the Synthetic Fuels Act of 1944. So we have been at it for some time.

I am delighted that Senator RANDOLPH is present on the floor today. He could properly be called the father of synthetic fuels. The act to which I make reference, established a Bureau of Mines program aimed at obtaining data on the cost of construction of a synthetic liquid fuel industry. Under this program, the Bureau of Mines spent $18 million for the construction of oil shale pilot plants on the Naval Oil Shale Reserves at Anvil Points, Colo., near the town of Rifle. This facility was shut down in 1955, largely in response to a recommendation by National Petroleum Council.

The results of these tests were very encouraging. On January 14, 1953, Under Secretary of the Interior Vernon D. Northrop was able to write Senator JOHN SPARKMAN,

It now appears that costs have been reduced to a point approaching a level with petroleum products.

Mr. BELLMON. I thank my friend from Colorado.

Mr. President, I am not sure how

many Members of the Senate remember the Paraho project.

It is a pilot plant near Rifle, Colo., built and operated to demonstrate the feasibility of the surface retorting of oil shale. Last summer, I had the opportunity to visit the plant, and spent a fascinating afternoon watching how that was done. I was very impressed and excited by what I saw there. When I came back, Members may recall, I wrote all my Senate colleagues. I asked them to be aware of the tremendous opportunity of shale oil development. I asked them to support my efforts to include funding for a full size demonstration oil shale surface retort module in the next appropriations bill. I even wrote Secretary Designate Schlesinger and urged him to include in his first budget a request for such a module. He replied that he would.

The technology is relatively simple. You do not have to figure out the secret of how the Sun really works. You do not have to construct a thousand megawatt solar cell pies in the sky. All you have to do is break up the shale, heat it, and out comes the oil. It is as simple as that.

All you have to do is look at the shale, see it, it is there, plainly exposed for anybody who wants to look.

We have known about the resource and about the basic technology since the Civil War. The Bureau of Mines has been doing research on commercial extraction of oil from shale since World War I. Pilot plants were built by the Government during World War II. The Navy has a surface retort shale oil pilot plant operating right now. There is good reason to believe that oil could be produced in commercial quantities from the process at, or less than, the OPEC posted price.

There are estimated to be 2 or 3 trillion barrels of oil in our shale deposits. Of that amount, 600 billion barrels can be recovered from the high-grade shale, which yields about one-half barrel per ton of rock. At current U.S. consumption, that amounts to a 100-year supply.

So here we have, Mr. President, a 100 years' supply of oil available from the high grade shales and at least 300 years' supply of oil available from the shale, if you count the total amount that we know is present in these deposits.

Yet, when Secretary Schlesinger came before the Senate Appropriations Committee to defend President Carter's energy budget, he requested not one penny for a full-scale demonstration surface retort shale oil plant. He did not even request money to keep the Paraho project operating.

Some money was requested for in situ processing of oil shale. The reason he gave for not building a full-scale demonstration plant was that the process was already developed. No Government action was deemed to be necessary. Industry, he thought, could be expected to build the plant without Government assistance.

In a later appearance before the Appropriations Committee, Assistant Secretary McIsaacs allowed as how the administration might propose to extend entitlements credits to the oil produced from such a plant. A possibility of a tax credit was mentioned as well. That should do it, he said. These financed incentives for industry would be enough.

Mr. President, I certainly believe that if we are ever to solve the energy problem, it will depend more upon actions within the marketplace than it will upon the actions of the Government. But we do not have today, a free market. It could hardly be less free. No one can expect an American company to act as if it were.

I think that is the key point, Mr. President.

There is not a free market. We cannot expect the American investors to act as if the market were free.

If I were an American company, I would be like Mark Twain's cat. The cat, having sat upon a hot stove, could not thereafter be persuaded to sit on any stove, hot or cold.

In 1974, nine large oil companies leased Government rich oil shale lands. They bid almost half a billion dollars in bonus payments for those leases. Two years later, all had applied for suspension of their lease agreements. A necessary condition for these companies going ahead with the development of those leases was seen by them to be the development of a joint industry/Government program to test the commercial feasibility of oil shale technology.

Mr. President, we can see, it is not just the oil industry that needs the demonstration. Government needs to be shown too. President Carter; the regulators; the research money dispensers; the environmentalists.

Ordinarily, it would be enough for Government to get out of the way. Then private industry could do the job. But since NEPA, any project that involves Federal action, such as leasing of Federal oil shale lands, requires positive action by the Federal Government. The Federal Government has to justify the leasing and development. I am very much afraid that significant development of our Nation's oil shale cannot occur unless the Federal Government takes an active and positive role.

The PRESIDING OFFICER (Mr. LEAHY). The Senator's time has expired.

Mr. HASKELL. I yield the Senator such additional time as he wants.

Mr. BELLMON. I thank my friend from Colorado.

Senator HASKELL has introduced a bill, S. 419, entitled "Federal Oil Shale Commercialization Test Act," which would direct the Secretary of Energy to establish what is known as a "GOCO"—a Government-owned, contractor operated commercial test facility. So far as I am concerned, the principal reason for mandating a GOCO, rather than relying completely on financial incentives to private industry, is that the GOCO can proceed in spite of constraints other than economic uncertainty. It is true, as detractors claim, that a GOCO will not be the best test of the economic feasibility of oil shale development. But it will be infinitely better than no test at all.

Mr. President, that is what we have right now.

Mr. President, I might say that ever since I have been in the Senate I have been hearing about how the private sector was just about ready to start an oil shale development, that next week or next month this would be in position. Here we are, almost 10 years later, and nothing has been done.

That is the reason I am listed as a cosponsor of S. 419. I want to see a commercial scale surface retort shale oil plant operating, and operating soon. If the environmental constraints can be met, and if the GOCO plant, or any other oil shale plant can produce oil economically, then I want to see a full-blown industry on line in the shortest possible time.

I would like to return to the subject of OPEC oil prices. I saw an article the other day wherein James E. Akins, former Ambassador to Saudi Arabia, said that unexpected supplies of oil from the North Sea and from Alaska had created an oversupply situation. So the OPEC nations have not been able to keep their posted price up. The OPEC price has effectively come down over 14 percent since 1974 because of inflation and the OPEC nations have not had a market they could put the price back up in. But Akins went on to say that OPEC is predicting oil prices of about $25 a barrel by 1985. They expect a shortage.

If this Nation can move forward, producing our energy resources as the free market allows the price necessary for their development, I can assure you that OPEC will not be getting $25 a barrel for their oil by 1985. There is a good possibility that they will try to get whatever it costs us to produce our shale oil. That is the way markets work.

Mr. President, I urge my colleagues who oppose Government intervention in a positive and supportive way, the GOCO way, to read the past history of efforts to get oil shale development going in this country. I invite them to read the testimony presented to committees of the Senate. Read as witness after witness testifies that as soon as the price of oil gets to 50 cents, or $1, or $10 a barrel, then we will have a full-blown oil shale industry. It is, evidently, not just a economic constraint. It follows that the problem cannot be solved solely by economic incentives.

That leads me to the point, we have got to give GOCO a try.

Therefore, Mr. President, I had joined as a cosponsor on S. 419 and urge the passage of this bill as forcefully as I can.

I thank my friend for yielding.

Mr. President, I wonder if the Senator from Colorado would yield for me to ask him a few questions about this bill.

Mr. HASKELL. I am very pleased to.

Mr. BELLMON. First of all, does the Senator believe that it is in the national interest for the commercial feasibility of oil shale development to be tested at this time?

Mr. HASKELL. I certainly do and, of course, that is the reason for introducing the bill.

Mr. BELLMON. Is the bill, S. 419, designed and so structured as to expedite the determination of commercial feasibility?

Mr. HASKELL. The answer to that, I say to the Senator, is "yes."

As a matter of fact, the suggested place of doing it, and the particular site, not only would the GOCO concept facilitate it, but the suggested location where we have support facilities would make it far easier to get going quickly.

Mr. BELLMON. Does the Senator know if the Federal Government is directed to take an active, positive, role in the determination of commercial feasibility?

Mr. HASKELL. The answer to that is that the bill so directs them. Absent the bill, I see no clear direction.

Mr. BELLMON. And the Federal Government, as far as the Senator knows, is not doing anything in this way at the present time?

Mr. HASKELL. As far as I know, the Federal Government is doing nothing in the demonstration phase, only in the pilot phase.

Mr. BELLMON. Does S. 419 provide for the active, positive participation of State and local governments, as well?

Mr. HASKELL. Indeed, it does. There is a section in the bill that requires the active participation of the State and local government. There is an advisory panel set up composed of Federal, State, and local government, and other citizens, to report, and there is a section in the bill that provides that all things such as conforming with State law on water planning, and the like, must take place.

Mr. BELLMON. As far as the Senator knows, does the Federal Government oppose the enactment of S. 419?

Mr. HASKELL. The last statement which I have from the Secretary of Energy is that the Department is neutral on it. That is not opposed. It is not exactly enthusiastic support. It is exactly that, neutrality.

Mr. BELLMON. I am sure the Senator heard, as I have, from Secretary Schlesinger, of this enthusiastic support of the idea of getting oil shale into production. He may not like this vehicle, but he obviously want to produce oil from the shale.

Mr. HASKELL. The Secretary clearly stated that on many occasions, and I believe seriously wants to, but, as the Senator stated in his prepared remarks, nothing has come out of the Department.

Mr. BELLMON. That is right.

Does the Senator happen to know how the likely industry participants feel about S. 419?

Mr. HASKELL. Yes, I do. Several industry groups have indicated support for S. 419. The Standard Oil Co. of California has expressed strong support for the bill. The Paraho Development Corp., a consortium of several major oil companies endorses the legislation. The Gulf Oil Co. and the Standard Oil Co. of Indiana indicated general support for the bill at the subcommittee's most recent hearing in Golden, Colo., in February. I think that it is probably fair to say that the majority of all companies having an interest in oil shale development have expressed the belief in the need for some sort of Government program to permit the commercial testing of oil shale technologies.

Mr. BELLMON. So that the Secretary of Energy is neutral. The companies are positive.

This would seem to give a pretty strong go-ahead signal.

Mr. HASKELL. I share the Senator's views. I share the sense of urgency that the Senator has that here is something that is possibly of immense value and we must not wait to make a determination.

Mr. BELLMON. Is it the Senator's intion that the passage of S. 419 would foreclose other attempts, using perhaps different methods, to test the comer.ial feasibility of oil shale development?

Mr. HASKELL. No. I would say, certainly, it is not my intention. As a matter of fact, it was either last year or the year before that I felt that a loan guarantee program, provided there was enough equity so that the company had a real stake, was a very feasible way, and I so voted.

Mr. BELLMON. Is the Senator aware of any outright opposition on the part of Secretary Schlesinger to oppose other attempts, using different methods, to test the comercial feasibility of oil shale development?

Mr. HASKELL. I am not aware of any such views, of the Secretary opposing other attempts, no.

Mr. BELLMON. In the Senator's opinion, would the enactment of this bill prevent other attempts, using different methods, to test the commercial feasibility of oil shale development? Would this bill prevent that from happening?

Mr. HASKELL. It certainly would not.

Mr. BELLMON. If S. 419 becomes law, when in the Senator's judgment might we expect a plant to be on line?

Mr. HASKELL. Our best estimate is that an environmental impact statement would require approximately 18 months, and construction of the necessary plants would probably take from 3 to 4 years. Therefore, the plant should be in operation somewhere between 4½ and 5½ years.

Mr. BELLMON. That seems like a long time. Is there anything we could do to speed it up, or is that as fast as we could move?

Mr. HASKELL. Perhaps we can. I think the estimated time period from the environmental impact statement is realistic, and I believe that is shorter than most, due to the fact that the likely site is near the Paraho site, where we have all this background data, where work has been going on for a generation. When it comes to construction—I have had to depend upon somebody else's estimate—I think the plant could be constructed short of 3 to 4 years, but that is the information I was given.

Mr. BELLMON. The bill, as I understand it, provides for up to three plants. I would say it is absolutely essential that Secretary Schlesinger not be allowed to preclude building one surface retort plant. As the bill is now written, is that possible?

Mr. HASKELL. As the bill is now written, the Secretary could preclude building one surface retort plant, because the bill as now written states that he must pick three processes. The bill as previously written said that he must at least take one in situ, which inferred that there would be two surface retorts.

It would be the view of this Senator that the Secretary really would not be following the intent of Congress if he did not have at least one surface retort plant.

Mr. BELLMON. But it is possible, as the bill is now written, that there might not be a surface retort plant.

Mr. HASKELL. It is entirely possible, against the clear congressional intent. If the Senator would propose an amendment providing for at least one surface retort, I would be pleased to accept it.

Also, I think there should be at least one in situ, which then would leave the Secretary free to have perhaps two surface retorts.

Mr. BELLMON. It is my intention, at the proper time, to offer an amendment that will require that at least one plant be an above ground retort technology.

Mr. HASKELL. I would be pleased to accept that, at the proper time.

Mr. BELLMON. I understand that some companies which could be considered likely participants in the GOCO plants have expressed some reservations about the treatment of the patents under the bill as written.

I share some of these reservations and hope to offer an amendment to clear up this possible problem. I would like to add a section specifying that participants in the GOCO plants would have a nonexclusive, paid-up license to any invention they develop. I wonder whether the Senator would find an amendment of this type appropriate, at the proper time.

Mr. HASKELL. Yes. I have examined the proposed amendment which the Senator from Oklahoma has drafted to allow for exactly what he says. It seems to me it is reasonable to allow the participating companies to have the right to free use of any patents developed during the course of the test program—not the exclusive use, as the Senator understands, but the free use.

Mr. BELLMON. Mr. President, I have no further questions.

Mr. HASKELL. I reserve the remainder of my time.

Mr. BELLMON. Mr. President, I ask unanimous consent to have printed in the RECORD a "Dear Colleague" letter which I sent to Members of the Senate on October 14, 1977.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OCTOBER 14, 1977.

DEAR COLLEAGUE: This is not a "pet rock" but it does have special qualities. This is a piece of oil shale. Pick it up and you hold in your hand one answer to America's energy problem.

The small sample of crude shale oil enclosed is approximately the amount of oil that can be extracted from this size chunk of oil shale. Imagine a piece of oil shale as large as your desk. It would yield around 50 gallons of crude shale oil.

During August, I had the opportunity to visit the Paraho oil shale plant which the Navy is currently supporting near Rifle, Colorado. My brief experience there convinced me that one of the best available solutions to the nation's growing energy crisis is to place full support behind producing oil from shale. We will still need to make a full effort to develop conventional energy sources but oil from shale could supplement other energy supplies in increasing amounts.

It is my hope to include funding for a full size demonstration shale oil retort module in an early appropriations bill. By building the demonstration module immediately, we should be able to get oil shale into commercial production at the earliest possible date.

Two to three trillion barrels of oil are available from U.S. oil shale deposits, as you will note from the enclosed fact sheet. I am convinced that the time has come when Congress must take immediate steps to see that this resource is developed. I hope you will join me in this endeavor.

Sincerely,

HENRY BELLMON.

Mr. HANSEN. Mr. President, I am participating in this debate today on S. 419, the Federal Oil Shale Commercialization Test Act, as an enthusiastic supporter of the rational development of our domestic oil shale resources. In fact, my first speech on this floor, on February 2, 1967, was entitled "On the Threshold of the Future: America's New Oil Shale Development Program."

I am now, and I have been for many years, keenly interested in Federal policies which will support the rational development of all of our Nation's domestic energy resources by our private industry within our free enterprise system. For that reason, I have always supported the participation of the Federal Government in energy research and development where there can be no reasonable expectation of purely private research and development because of the high risk and the uncertain, long-range return on investment.

At the same time, I have opposed the full, direct substitution of the Federal Government in energy resource development when there is or could be a reasonable incentive for private industry, completely on its own investment or in a cost-sharing venture or other risk-sharing venture with the Federal Government. The oft-repeated advantages for the full participation of private industry in energy resource development, rather than direct Federal development, need not be repeated here. It is in that context that I frame my basic opposition to S. 419, which fundamentally violates those principles.

I also join this debate as a strong advocate of fiscal responsibility in Government and of a limitation on big government, as well as big spending. It should be clear to all of those in this body who consider themselves in close touch with our constituents that the mood of the country strongly favors a limitation on big government and a limitation on Federal spending. This mood is particularly clear where Federal programs and spending are an unjustified and unnecessary invasion of the private sector.

Unfortunately, Mr. President, the bill before us directly violates these basic principles of fiscal responsibility and limited Federal Government, as well as the accepted principles of energy resource development. My initial remarks will describe in some detail the factors in this bill which have led me to those conclusions, and then I will address some questions to my distinguished colleague and friend from Colorado. Later, I will offer an amendment which I believe will correct many of the basic problems in the bill. Let me turn now to the bill, S. 419.

It is important to understand at the outset that S. 419 statutorily mandates immediate and direct Federal contracts with full Federal funding for three Government-owned, contractor-operated oil shale test and demonstration projects at a single site on the naval oil shale reserves. The projects under the statute shall include one in situ technology and two other technologies, and the Secretary of Energy shall apply a specific, unique patent provision for the projects. The direct Federal funding for these projects will probably total between $600 million and over $1 billion in as-spent dollars. My specific objections and conclusions are stated in the following paragraphs:

First. Once the Secretary of Energy, pursuant to the mandate in S. 419, has contracted for these projects, there undoubtedly will be very strong, if not irresistible pressure, from the various interest groups and congressional delegations to appropriate the funding for these projects. The eventual Federal outlays, therefore, will likely fall in the $600 million to over $1 billion range, even though the immediate authority and appropriations for the full implementation of the act are not included in S. 419, as reported. From a budget standpoint, and also from the standpoint of the best potential use of Federal dollars for energy development in the United States, we are convinced that such Federal outlays are wholly unnecessary and wholly unjustified.

Second. The fundamental concept for these demonstrations in the bill, that is, statutorily mandated, fully Federal funded, Government-owned, contractor-operated (GOCO) is the worst possible Federal approach to testing and demonstrating the commercial viability of oil shale technologies.

Third. This so-called GOCO concept will require probably the largest, direct investment of Federal funds of all the available alternatives for providing incentives for such testing and demonstrations. At the same time, the estimated return on those Federal dollars will be the lowest of the available alternatives in the sense of the objectives of this act.

Fourth. The combination of Government ownership and contractor operation of these facilities probably can only be counterproductive as a test or demonstration of commercial viability, by providing unrealistic economics which will ultimately impede oil shale commercialization.

Fifth. The combination of direct, full Federal funding with Government ownership and management of a contractor, without cost sharing and without a direct commercial relationship, provides no incentive to prove commercially viable economics, but rather provides every incentive for the contractor to have increased costs (and contractor fees) with resulting unrealistic economics in the tests and demonstrations.

Sixth. It is most likely that the eventual $600 million to over $1 billion in Federal outlays under this GOCO approach will result in construction and operation of three projects which may serve as "tombstones" for oil shale commercial viability in the United States, rather than as an objective test or demonstration of commercial viability, or as an effective incentive for the acceleration and eventual commercialization of oil shale development in the United States.

Seventh. The existing Department of Energy research, development, and demonstration program already includes a series of five, cost-shared test and demonstration projects in the promising, in situ technologies. The Energy Committee has already authorized a total of $30 million for fiscal year 1979 in this program. The program includes a projected $60 million cost-shared test and demonstration program over several years with Occidental Petroleum, in what is considered by many to be the most advanced and currently promising in situ technology. If we wish to increase the pace of the in situ work already underway in an effective, commercially related and cost-shared activity, we only need add funds to this ongoing program. Consequently, there is absolutely no need for S. 419 to support another, potentially counterproductive, GOCO project in the in situ technology.

Eighth. The administration, according to Deputy Secretary of Energy John F. O'Leary, strongly opposes the GOCO approach generally and S. 419 specifically, because such GOCOs have proved to be "white elephants" historically, which are constructed and operated by contractors who are indifferent to technical and economic success, and which historically have involved significant overruns in cost. This exceedingly strong condemnation of the S. 419 concept by Deputy Secretary O'Leary is indicative of the totally unnecessary and unjustified Federal risks associated with the program under this bill.

I know that there has been some confusion about the administration position on this bill. In fact, there should be none. The administration position is contained exactly in the following letter of March 30, 1978, to Chairman JACKSON, which I ask unanimous consent that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., March 30, 1978.

Hon. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request of March 20, 1978, for the views of this Office on S. 419, a bill "To test the commercial, environmental, and social viability of various oil shale technologies, and for other purposes."

In testimony before your Committee last year, a representative of the Energy Research and Deveopment Administration (ERDA) explained the ERDA rationale for not supporting S. 419. The Department of the In-

terior, in an April 28, 1977 report to your Committee, also recommended that S. 419 not be enacted. We concur with the views expressed by ERDA and the Department of the Interior and, accordingly recommend against enactment of S. 419.

Sincerely,

JAMES M. FREY,
Assistant Director for Legislative Reference.

Mr. HANSEN. Mr. President, yesterday, we contacted the White House, the Office of Management and Budget and Deputy Secretary O'Leary's office. They all confirmed that the March 30, 1978 letter still represents the administration's formal position. They also confirmed again that the administration's preferred approach to oil shale development is contained in the administration's May 15, 1978 Energy Supply Initiatives, which I shall discuss next.

Ninth. The administration strongly prefers a more effective commercial demonstration incentive, such as a limited form of the so-called Talmadge Amendment to the Energy Tax bill, with perhaps a $3 per barrel tax credit for limited amounts of production for a few modular demonstration plants (not commercial-size plants) and the limited use of entitlement credits. One company already (Union Oil in April, 1978) has submitted to the Department of Energy a statement of intention to commit $100 million for a 10,000 ton per day experimental oil shale facility, if such tax credit and entitlements treatment were made available for the project. That form of test would be undoubtedly a far more effective and economically realistic test of the commercial viability of that oil shale technology, and those of other corporations which would be forthcoming under such an incentive. Such a tax incentive, as mentioned, is currently included in the Energy Tax Conference.

Let me briefly quote from the Department of Energy formal document of May 15, 1978 on the Energy Supply Initiatives, as it discusses oil shale development, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

SHALE OIL PRODUCTION

BACKGROUND

In Colorado and Utah, there are major deposits of high quality oil shale. Although "nearly ready" for many years, Western oil shale is not being produced commercially because of unfavorable economics and environmental uncertainties. Currently, the most probable range of raw shale oil production costs is from $15 to $25 per barrel depending on the technology, financing terms and environmental controls.

Shale oil capital requirements are high: approximately $1.0 to $1.25 billion for a 50 thousand barrel per day plant. Commercial production of shale oil also faces other constraints from stringent air quality requirements, water effluent limits, and limited water availability in the Colorado/Utah area. Stringent environmental controls could add substantially to the costs of production.

PROPOSAL

To accelerate shale oil development, two initiatives are proposed:

The Administration will work with the energy conferees to modify the shale oil tax credit currently pending in the NEA tax conference. The Administration proposes to limit the credit to the first 10 thousand barrels per day of production from commercial plants placed in service by 1987. The credit will then continue throughout the life of qualifying plants or 20 years, whichever is shorter. The Administration will also discuss with the conferees a provision to phase out the credit when world oil prices exceed the cost of shale oil to U.S. refiners.

DOE will issue regulations to provide shale oil (and other synthetic liquids) with the same entitlements treatment as imported crude oil.

DISCUSSION

Both initiatives will facilitate commercial production by placing shale oil in a competitive price range with fuel oil, partcularly in mixtures with conventional residual fuel oil. Together, the limited tax credit and the new entitlements treatment will reduce the effective costs of oil-shale production by $7 to $8 per barrel for initial plant production. As a result, firms which are actively developing technologies will have powerful incentives to proceed with the initial modules (10 thousand barrels per day) of commercial-scale plants. These smaller plants will result in substantially higher production costs than later commercial-scale plants. Five producer groups currently seem capable of initial plant construction (three using surface-retorting and two using in situ methods). If all five groups respond to the tax credit, shale oil production would be 50 thousand barrels per day or more by 1987. The total capacity of the five full-scale plants would be on the order of 250 thousand barrels per day.

Although these initiatives will reduce the expected prices for oil shale produced from these demonstration plants to levels approximating the cost of imported oil, the production economics of shale oil and the ultimate potential for domestic production are difficult to predict. Variations in the quality of the shale, performance of the extraction technology, financing terms, and environmental controls can alter the required price of individual projects by several dollars per barrel. Shale oil, however, will become more competitive in commercial-scale plants.

The cost of the tax credit in reduced revenues to the Treasury would be approximately $1 billion through 2000. If the world price were to exceed the cost of shale oil, the proposal to phase out the tax credit under that condition would reduce the ultimate Treasury loss.

The limited credit will encourage controlled development of shale oil production. DOE environmental research and assessment activities (pollution characterization, monitoring and identification of health effects) will expand to keep pace with increased oil shale development. These efforts will attempt to mitigate any adverse environmental impacts at the one-module plant scale before full-scale plants are built.

Mr. HANSEN. Mr. President, it is important to note that the administration has already acted on the entitlements incentive. On May 12, 1978, the Department of Energy amended the entitlements regulations, effective July 1, 1978, to "eliminate the current competitive disadvantage such petroleum substitutes have relative to crude oil, which currently is subsidized by about $2 per barrel through the entitlements program." This important step will provide this entitlements treatment both to shale oil for refining and to direct use of shale oil. Consequently, it will serve as an important and reasonable incentive for test and demonstration development.

Also, I sincerely hope that the Talmadge amendment in the energy tax conference will be enacted eventually in this Congress. There is strong support in the Senate for the Talmadge amendment, and the addition of administration support should strengthen the Senate position. I personally support strongly this approach to incentives for private development of the oil shale resource.

The combination of the tax incentive and the entitlements should give industry the direct incentive to proceed with an orderly test, demonstration and scale-up process leading to commercial development. As I mentioned earlier, Union Oil has proposed a $100 million facility to the Department of Energy, if the full Talmadge or more limited administration tax incentive and entitlements are available. It is particularly noteworthy that the $100 million facility would approximate the same size and type of facility which S. 419 seeks to build as a GOCO. Therein lies the real difference in my position and that in S. 419.

Tenth. The Congress only 4 months ago passed the Department of Energy authorization for fiscal year 1978, Public Law 95–238, which placed in permanent law new authority for incentives for synthetic fuel development, specifically including oil shale commercial testing and demonstration. The act includes direct authority for cost-shared oil shale demonstrations of the exact, modular size included in S. 419, with a maximum Federal cost share of 75 per cent. Any such cost-shared, modular demonstration which is successfully tested under that authority also can then qualify immediately for a Federal loan guarantee for the financing of 75 percent of the total cost of a full-scale, commercial oil shale facility, estimated to be well in excess of $1 billion in cost. Thus, an initial 25 percent investment in the cost-sharing of the modular demonstration, perhaps $15 to $25 million, can be financially leveraged because of the statutory scheme (that is a successful module statutorily establishes eligibility for the loan guarantee), to obtain Federally-guaranteed financing for over one billion dollars in a commercial facility. That unique and unparalleled incentive for oil shale commercial tests and demonstrations was fashioned with the close coordination of the Colorado delegation and the Colorado State officials. That authority, recently enacted, is far preferable to the S. 419 approach.

Not only is this authority now on the statute books, but it now appears that this Congress will appropriate funds for the special cost-shared oil shale demontrations. The other body passed the Interior Appropriations bill for fiscal year 1979, H.R. 12932, on June 21, 1978, with $20 million for those demonstrations.

The House Appropriations Committee's discussion of this $20 million funding, at page 76 in the Committee Report (No. 95–1251) highlights its support for the cost-shared approach, and I ask

unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

"The Committee is recommending a $20,000,000 increase for oil shale to support the initial phases of cost shared project to build a demonstration module for an above-ground oil shale retort. The Committee is convinced that the country has waited far too long to demonstrate whether or not surface processing of oil shale will be a viable technology. The Committee notes that although the Department of Energy requested such funds of the OMB, they did not testify for inclusion of funds for a demonstration module. Instead, the Department supported a $3 tax credit per barrel of oil produced, even though the Secretary testified that the direct appropriation would be more effective. Although the Committee has no objection to properly conditioned tax credits, such credits are not currently authorized. Therefore, the Committee believes that the quickest way to prove the commercial feasibility of surface oil shale retorting is to construct at least one retort on a cost-shared basis with industry. The construction is authorized by P.L. 95-238, which amends the Federal Nonnuclear Energy Research and Development Act of 1974 to allow these types of demonstrations. The Committee directs that the $20,000,000 be used for whatever costs are necessary to issue requests for proposals or other documents required to solicit industrial interest and for any design studies necessary to choose an industrial partner or partners for construction of a module as rapidly as possible."

Mr. HANSEN. Mr. President—

Eleventh. Congress previously in the Federal Non-Nuclear Research and Development Act, Public Law 93-577, granted authority to give selective price supports, price guarantees and purchase guarantees for these same type, commercial test and demonstration projects. A similar type guaranteed price and guaranteed purchase arrangement has already been used by the Department of Defense and the Department of Energy for supporting tests of a surface oil shale technology on the Naval Oil Shale Reserves. Again, that authority is preferable to the S. 419 approach.

Twelfth. The Department of Interior has had in place for several years the Federal oil shale leasing program, which has a similar objective of providing an incentive for responsible test, demonstration, and development of the oil shale resource on Federal lands. The oil shale leasing program has been relatively inactive because of the continuing uncertainty in shale oil economics in recent years. Major oil companies did commit hundreds of millions of dollars for the leases several years ago under that program. As the shale oil economics improve and uncertainties decrease, with increasing domestic and world oil prices and more refined and tested technologies, the activities under this leasing program can be expected to increase. In fact, some of the existing cost-shared effort in in-situ technologies under the Department of Energy's research, development, and demonstration program and the pending proposal under a tax credit/entitlement incentive would occur on the Federal lands under this program. Again, this approach for commercial viability testing and demonstration is preferable to the S. 419 approach.

Thirteenth. Mandating the location of these demonstrations at one site on the Naval Oil Shale Reserves is unjustifiably restrictive and specific. The Secretary of Energy, with the Secretary of Interior, should have the discretion to locate any federally supported projects on the best possible sites for the best type of resource for the technology, required waste disposal, required water, minimal environmental impact and local community impact, and so forth.

Fourteenth. The Naval Oil Shale Reserves are statutorily reserved for production only in the event of a "national emergency". Diverting them for this commercial test and demonstration program undercuts that basic reserve concept. Additionally, the Energy and Natural Resources Committee separately has authorized a full-scale predevelopment plan for the Naval Oil Shale Reserves, with funding in fiscal year 1979 of $20 million. The authorization has been made contingent upon the disposition of S. 419, so that the funding will not be available if S. 419 is enacted. If S. 419 is not enacted, however, we can proceed with the far-preferable, measured and reasoned predevelopment plan for these Naval Oil Shale Reserves. The plan was prepared by the Navy, in coordination with the Department of Defense and the Department of Energy, and has full administration support. This is the same predevelopment approach which has been used for the ongoing work at the National Petroleum Reserve in Alaska, and it preserves carefully the reserve concept with production only for a national emergency. The results of this predevelopment plan would be the basic data necessary for decisions regarding choices of technology and location of production facilities in the event that a national decision is made to produce these oil shale reserves.

Fifteenth. The potential oil shale industry, based on a poll we conducted at the time of mark-up, strongly supports some form of Federal incentive for the initial test modules, such as those S. 419 would directly fund as GOCOs, but does not strongly support the S. 419 GOCO approach. Several of the corporations, in fact, strongly oppose the S. 419 approach, whereas a few are supportive. The strongest support for S. 419 appears to come from the group which most likely would be in a preferred position to win a contract for a GOCO project on the naval oil shale reserves because of existing activities. Generally, however, it is fair to say that a majority of the industry would prefer some other form of less direct Federal incentive for acceleration of oil shale development in the United States.

Sixteenth. I am greatly troubled by the obviously unnecessary and unjustified, but mandatory under this bill, intrusion of the Federal Government in direct operations under a GOCO concept in oil shale commercialization. While I support some form of Federal, indirect incentive for industry tests and demonstrations to accelerate the development of a domestic commercial capability to use this nearly limitless national energy resource, and to do so in an absolutely, environmentally responsible way, we see absolutely no justification for this direct, Federal funding and management of GOCO facilities for oil shale testing and demonstration. The industry should be allowed to develop a commercial capability, with appropriate incentives, and the Government should stay out of the oil shale business and any direct management of it. We do not need a FOSCO—Federal Oil Shale Corporation in the United States. Private industry can do the job in oil shale, as in oil and natural gas.

Seventeenth. I also strongly object to the unique, specific patent provision which S. 419 mandates in section 8 of the bill. In effect, section 8 of the bill mandates that the Secretary of Energy will use his authority under section 9 of the Federal Non-Nuclear Energy Research and Development Act in a very limited and narrow way, without the discretion which normally has been afforded the Secretary under that statute. The importance of the Secretary's discretion under section 9 of the Federal Non-Nuclear Energy Research and Development Act is well demonstrated by the use of that authority in the existing, in-situ oil shale research, development and demonstration program in the Department of Energy. As discussed above, each of the project contracts under that program involved cost sharing. Our review of the patent provisions associated with those contracts indicates that the Administrator of the Energy Research and Development Administration, predecessor to the Department of Energy, negotiated varying patent provisions as a function of the specific, existing background and patent rights of the contractor in the technology at the time of contract, and also as a function of the amount of cost sharing involved in the project contract. The rights of the United States under each of the contracts also reflect these considerations.

As many Members of the Senate will recall, the patent provisions included in section 9 of the Federal Non-Nuclear Energy Research and Development Act reflect some of the most closely negotiated such provisions in any statute. The importance of the patent provisions in the future activities of the Department of Energy as it increases the emphasis on the various non-nuclear energy alternative technologies over time will be increasingly important. Consequently, the Congress should be particularly reluctant to enter into any pattern of statutory variations from that policy. We have had a series of reviews of that policy as implemented under the Energy Research and Development Administration, and can continue to do so through oversight or otherwise in the Department of Energy, to determine how well the patent policy is working. If we finally determine that there is a need to correct any misuse of the discretion provided to the Secretary in that statute, we should do so only by amendment to the underlying statute. It is noteworthy that Congress avoided any amendment or limited application of the section 9 patent policy in

Public Law 93-577 in considering over the past several years the synthetic fuels legislation recently enacted. That same strength of resolve should be reflected by the Congress in dealing with any such limited technology program as that included in S. 419. Enactment of S. 419 with this unique, specific patent policy would be an extremely unfortunate precedent for this Congress to set at this time.

I also am seriously concerned that the patent provision in section 8 of S. 419 will further support the potential transition of the S. 419 program into a full-blown FOSCO (Federal Oil Shale Corporation).

Section 8, not withstanding the normal procedures of Public Law 93-577, section 9, mandates that all patents must vest in the Federal Government, and all background patents, trade secrets, and proprietary information necessary for commercial operations must be made available. In effect, the Federal Government, and a potential, eventual FOSCO, with its contractors would have a technology lock on these technologies. Also, the same technologies could be mandated on Federal lands, furthering FOSCO control of U.S. oil shale development. I do not conclude that a FOSCO is necessarily the intended, ultimate recipient of those technology rights. But, Congress should avoid creating such a potential result, intended or otherwise.

Eighteenth, I also strongly believe that S. 419 generally sets an unfortunate precedent for directly or indirectly supported Federal energy development projects in the future by (a) mandating the specific project type(s), (b) mandating the specific technology types, (c) mandating the specific location, (d) mandating the exact patent policy to apply to the project, and (e) virtually denying the Secretary the authority to use the Federal lands which otherwise would be available under existing statutory authority. If Congress were to enact S. 419 in the reported form, with all of these various specific mandates, there could be little reason to deny the next similar and limited technology or project bill, which would include similar mandates satisfying the views of one or another group. S. 419 is particularly offensive because of all of the existing and potentially available alternatives which are preferable, as discussed above, in providing the intended incentive for this particular energy resource development. Since many other energy technologies have not been the beneficiary of such treatment to date, Congress would probably receive stronger and more persuasive arguments in the future for this same type of special legislation for such projects. The precedent, therefore, which S. 419 would set in this Congress would be very unfortunate.

Mr. President, all of these points should make it abundantly clear that S. 419 in its current form should be unacceptable to the Senate. The Senate should not support legislation that places the Federal Government wrongly in the energy resource development business, and in such a broadly offensive way. At the appropriate time in the debate, I will offer an amendment which will correct the basic thrust of the bill to place it in line with our many previous actions in energy research and development. If that amendment should fail, my discussion here should fully document why the Senate should defeat S. 419.

(The following occurred earlier:)

Mr. HANSEN. Mr. President, I ask unanimous consent that Senator McCLURE may be recognized to call up an amendment that he and I are offering jointly and that the action by Senator McCLURE might appear after my opening statement and some other insertions that I will be placing in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1359

Mr. McCLURE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Idaho (Mr. McCLURE), for himself, Mr. HANSEN, and Mr. MARK O. HATFIELD, proposes an unprinted amendment numbered 1359.

Mr. McCLURE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 37, line 15, insert the following:

Insert after "Sec. 13." the letter "(a)" and insert following line 20 at the end of the section the following:

"(b) Nothing in this Act shall be construed as superseding, modifying, or otherwise affecting, in any way or to any extent or in any manner, directly or indirectly, any State law or regulations, or any rule of law, governing or otherwise involving the appropriation, use, diversion, allocation, or other State administration and control of water and water rights."

Mr. McCLURE. Mr. President, I have given a copy of this amendment to the floor manager of the bill and the minority member, Mr. HANSEN. It simply states that the water impact of any such project will be governed by State law and regulation. It is my understanding that both the majority and the minority have agreed to accept the amendment. If I am correct in that, I will not take further time.

Mr. HASKELL. Mr. President, the Senator is correct.

Speaking for myself, I have a copy, and I would actually join the Senator in proposing it.

What will be section (a) of section 13 states that water laws of States are applicable, but I think the Senator is very wise to spell it out in detail.

Mr. McCLURE. I thank the Senator.

I looked at section 13, and it makes no specific reference to water law. I thought we should do at least as much as we did in the 1902 Reclamation Act and therefore suggested that.

I thank the Senator from Colorado, and I yield to the Senator from Wyoming.

Mr. HANSEN. Mr. President, I join the Senator from Colorado in finding the amendment acceptable. If there be no further discussion, I would be prepared to yield back the remainder of my time on the amendment.

Mr. HASKELL. I yield back the remainder of my time.

Mr. McCLURE. I yield back whatever time I have, and I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HANSEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCLURE. I thank my colleagues for their courtesy and consideration as well as their helpfulness in adopting the amendment.

(Conclusion of earlier proceedings.)

UP AMENDMENT NO. 1360

(Purpose: To change the required approach in section 3 for conduct of the test program)

Mr. HANSEN. Mr. President, I call up my amendment to S. 419 and ask that it be stated.

I might note, parenthetically, that the amendment is the same amendment that is contained in my "Dear Colleague" letter that has been circulated.

The PRESIDING OFFICER (Mr. FORD). The amendment wil be stated.

The legislative clerk proceeded to read the amendment.

Mr. HANSEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Page 22, line 21 through page 23, line 21, strike subsection 3(a) and insert in lieu thereof new subsection 3(a), as follows:

"SEC. 3. (a) The Secretary of Energy (hereinafter referred to in this Act as the 'Secretary') shall, in accordance with this Act and with such rules and regulations as he shall promulgate hereunder, establish a Federal program to determine the commercial viability of one or more surface oil shale retorting technologies, by testing such technologies in modular-size projects and by use of any one of the following with regard to each technology:

"(1) the authorities in section 19(b)(5) of the Federal Non-nuclear Energy Research and Development Act (42 U.S.C. 5907), as amended by section 207, Public Law 95-238 (February 25, 1978), for cost-shared, modular-size demonstration projects,

"(2) entitlements treatment for shale oil set forth in part 211 of chapter II, title 10 of the Code of Federal Regulations, as amended May 12, 1978, and effective July 1, 1978, and any incentive tax treatment for oil shale development enacted in H.R. 5263, 95th Congress, or

"(3) the existing Prototype Oil Shale Leasing program, in coordination with the Secretary of the Interior.

Provided, That nothing in this Act shall be deemed to modify the authorities of the Secretary to continue to completion the existing cost-shared test and demonstration projects in in situ and modified in situ oil shale

technology under the Department of Energy research and development program."

Page 24, line 17, strike "three" and insert in lieu thereof, "one or more surface".

Page 29, line 5 through page 30, line 7, strike section 8.

The PRESIDING OFFICER. The Chair asks the Senator is this the amendment upon which he has a 4-hour time agreement?

Mr. HANSEN. It is indeed.

The PRESIDING OFFICER. I thank the distinguished Senator.

Mr. HANSEN. Mr. President, I ask unanimous consent that the following staff members of the Energy and Natural Resources Committee be accorded the privilege of the floor during the consideration of and voting on S. 419: Fred Craft, Peggy Kimbrough, Carol Sacchi, and Rose Fillingane.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HANSEN. Mr. President, this amendment would continue to direct the commercial viability of surface oil shale technologies. The amendment, however, would strike the mandated GOCO approach, with full Federal funding and control in the reported bill, and substitute three alternate approaches in subparagraphs (1), (2), and (3). Subparagraph (1) is the approach with cost-shared demonstration projects enacted in February as an amendment to the Federal Non-nuclear Research and Development Act, for which the House has voted $20 million in appropriations in fiscal year 1979. Subparagraph (2) is the administration-proposed approach contained in the May 15, 1978, energy supply initiatives, for which entitlements treatment already has been made effective and tax treatment is pending in the energy tax conference. Subparagraph (3) is the approach with the existing prototype oil shale leasing program, which would be used in coordination with the Secretary of the Interior.

The Secretary of Energy would have the authority to choose any one alternative for each project. In situ and modified in situ oil shale projects would continue under the existing Department of Energy research and development program—which does not include surface retort projects. Amendments to pages 24 and 29 of the bill are technical and conforming, reflecting the change in approach. All other provisions for the test program would remain the same.

Mr. President, I already have discussed at length my objections to the use of the GOCO concept in S. 419. Briefly, my objections are the following:

The concept is the worst possible approach to testing oil shale commercial viability.

The concept will involve significantly greater Federal costs than any alternative.

Consequently, the test projects will have the highest cost, at the lowest benefit, and will result in counterproductive, assuredly uneconomic tests of commercial viability, with the projects serving as "tombstones" for oil shale development.

The administration opposes the bill and has labeled the GOCO test projects as "white elephants," while proposing in the May 15, 1978, energy supply initiatives an alternative of entitlements treatment for shale oil and a limited tax incentive for oil shale test projects. The entitlements regulations already have been changed accordingly, effective July 1, and the tax incentive is in the energy tax conference on H.R. 5263.

Existing authorities in the Federal Non-nuclear Energy Research and Development Act, added this February by Public Law 95-238, already authorize Federal cost sharing with industry for these very same projects, with a maximum 75 percent Federal share and with later Federal loan guarantees for scaling up to commercial demonstrations, if the tests are economically, environmentally, and technically successful. The House of Representatives on June 21, 1978, passed H.R. 12932, the fiscal year 1979 Interior appropriations bill, with an initial $20 million to fund these cost-shared oil shale projects.

There also is existing authority for other incentives for such projects, such as price supports and guaranteed purchases in the Non-nuclear Research and Development Act and deferred payments under the Federal prototype oil shale leasing program.

The existing Department of Energy R. & D. program already includes a series of five, cost-shared test and demonstration projects in in situ technologies, with $30 million authorized by committees for fiscal year 1979 and a total projected Federal share of $60 million for the most advanced project.

We do not need a FOSCO—Federal Oil Shale Corporation—in the United States, since private industry is prepared now to develop oil shale—one corporation already is committed to a $100 million test project, if the administration proposed entitlements and tax treatment is available.

There is virtually no support from any sector for the bill, except from the one corporation which likely would receive a contract under the reported bill—because of its existing relationship with the Department of Energy at the site mandated in the bill.

Let me make it absolutely clear that the thrust of my amendment would be to continue the requirement for a mandated Federal test program to determine the commercial viability of oil shale. As a supporter of oil shale development, I am as anxious as my colleague and friend from Colorado and the industry to get on with the demonstration of commerical viability. I, however, would be reluctant on my own account to require the Secretary to establish a test program now, with all the restrictive provisions in S. 419. But, the Energy Committee has reported the bill and there appears to be support for the general thrust of it in the Senate.

Consequently, I propose to preserve the test program requirement as contained in the reported bill. I would hope that the requirement, if enacted into law, would serve to accelerate the further development of our oil shale resources and would not serve as a further impediment to that development. It is in that spirit that I have chosen to continue the requirement, but to modify the approach to be used by the Secretary in satisfying the requirement.

My amendment would strike the GOCO concept from the bill and substitute the series of alternate approaches in subparagraphs (1), (2), and (3). The Secretary would be required to establish a test program, but would be given the authority to use one of the alternate approaches for the one or more technology demonstration projects. All three of these alternate approaches are clearly preferable to the GOCO concept, because all three place the Federal Government and the industry in their respective appropriate roles for accelerating the testing, demonstration and commercial development of oil shale.

Let me briefly review the three options available to the Secretary. Subparagraph (1) would authorize the Secretary to use the authorities in section 19(b)(5) of the Federal Nonnuclear Energy Research and Development Act, as amended by section 207 of Public Law 95-238, for cost-shared, modular-size demonstration projects.

The Congress only 4 months ago passed the Department of Energy authorization for fiscal year 1978, Public Law 95-238, which placed in permanent law new authority for incentives for synthetic fuel development, specifically including oil shale commercial testing and demonstration. The act includes direct authority for cost-shared oil shale demonstrations of the exact, modular size, included in S. 419, with a maximum Federal cost share of 75 percent. Any such cost-shared, modular demonstration which is successfully tested under that authority also can then qualify immediately for a Federal loan guarantee for the financing of 75 percent of the total cost of a full-scale, commercial oil shale facility, estimated to be well in excess of $1 billion in cost.

Thus, an initial 25 percent investment in the cost-sharing of the modular demonstration, perhaps $15 to $25 million, can be financially leveraged because of the statutory scheme—that is, a successful module statutorily establishes eligibility for the loan guarantee—to obtain federally guaranteed financing for over $1 billion in a commercial facility. That unique and unparalleled incentive for oil shale commercial tests and demonstrations was fashioned with the close coordination of the Colorado delegation and the Colorado State officials. That authority, recently enacted, is far preferable to the S. 419 approach.

Not only is this authority now on the statute books, but it now appears that this Congress will appropriate funds for the specific cost-shared oil shale demonstrations. The other body passed the Interior appropriations bill for fiscal year 1979, H.R. 12932, on June 21, 1978, with $20 million for those demonstrations.

The House Appropriations Committee's discussion of this $20 million funding, at page 76 in the committee report (No. 95-

1251) highlights its support for the cost-shared approach, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

The Committee is recommending a $20-000,000 increase for oil shale to support the initial phases of a cost shared project to build a demonstration module for an above-ground oil shale retort. The Committee is convinced that the country has waited far too long to demonstrate whether or not surface processing of oil shale will be a viable technology. The Committee notes that although the Department of Energy requested such funds of the OMB, they did not testify for the inclusion of funds for a demonstration module. Instead, the Department supported a $3 tax credit per barrel of oil produced, even though the Secretary testified that the direct appropriation would be more effective. Although the Committee has no objection to properly conditioned tax credits, such credits are not currently authorized. Therefore, the Committee believes that the quickest way to prove the commercial feasibility of surface oil shale retorting is to construct at least one retort on a cost-shared basis with industry. The construction is authorized by P.L. 95-238, which amends the Federal Nonnuclear Energy Research and Development Act of 1974 to allow these types of demonstrations. The Committee directs that the $20,000,000 be used for whatever costs are necessary to issue requests for proposals or other documents required to solicit industrial interest and for any design studies necessary to choose an industrial partner or partners for construction of a module as rapidly as possible.

Mr. HANSEN. Mr. President, subparagraph (2) would authorize the Secretary to use the approach proposed by the administration in the May 15, 1978, energy supply initiatives as an incentive for these same demonstrations. This same proposal was adopted by the administration as the clear preference to the GOCO approach in S. 419, as reported.

The administration strongly prefers a more effective commercial demonstration incentive, such as a limited form of the so-called Talmadge amendment to the energy tax bill, with perhaps a $3-per-barrel tax credit for limited amounts of production for a few modular demonstration plants—not commercial-size plants—and the limited use of entitlement credits. One company already—Union Oil in April 1978—has submitted to the Department of Energy a statement of intention to commit $100 million for a 10,000-ton-per-day experimental oil shale facility, if such tax credit and entitlements treatment were made available for the project. That form of test would be undoubtedly a far more effective and economically realistic test of the commercial viability of that oil shale technology, and those of other corporations which would be forthcoming under such an incentive. Such a tax incentive, as mentioned, is currently included in the Energy Tax Conference.

Let me briefly quote from the Department of Energy formal document of May 15, 1978, on the energy supply initiatives, as it discusses oil shale development, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SHALE OIL PRODUCTION

BACKGROUND

In Colorado and Utah, there are major deposits of high quality oil shale. Although "nearly ready" for many years, Western oil shale is not being produced commercially because of unfavorable economics and environmental uncertainties. Currently, the most probable range of raw shale oil production costs is from $15 to $25 per barrel depending on the technology, financing terms and environmental controls.

Shale oil capital requirements are high: Approximately $1.0 to $1.25 billion for a 50 thousand barrel per day plant. Commercial production of shale oil also faces other constraints from stringent air quality requirements, water effluent limits, and limited water availability in the Colorado/Utah area. Stringent environmental controls could add substantially to the costs of production.

PROPOSAL

To accelerate shale oil development, two initiatives are proposed:

The Administration will work with the energy conferees to modify the shale oil tax credit currently pending in the NEA tax conference. The Administration proposes to limit the credit to the first 10 thousand barrels per day of production from commercial plants placed in service by 1987. The credit will then continue throughout the life of qualifying plants or 20 years, whichever is shorter. The Administration will also discuss with the conferees a provision to phase out the credit when world oil prices exceed the cost of shale oil to U S. refiners.

DOE will issue regulations to provide shale oil (and other synthetic liquids) with the same entitlements treatment as imported crude oil.

DISCUSSION

Both initiatives will facilitate commercial production by placing shale oil in a competitive price range with fuel oil, particularly in mixtures with conventional residual fuel oil. Together, the limited tax credit and the new entitlements treatment will reduce the effective costs of oil-shale production by $7 to $8 per barrel for initial plant production. As a result, firms which are actively developing technologies will have powerful incentives to proceed with the initial modules (10 thousand barrels per day) of commercial-scale plants. These smaller plants will result in substantially higher production costs than later commercial-scale plants. Five producer groups currently seem capable of initial plant construction (three using surface-retorting and two using in situ methods). If all five groups respond to the tax credit, shale oil production would be 50 thousand barrels per day or more by 1987. The total capacity of the five full-scale plants would be on the order of 250 thousand barrels per day.

Although these initiatives will reduce the expected prices for shale oil produced from these demonstration plants to levels approximating the cost of imported oil, the production economics of shale oil and the ultimate potential for domestic production are difficult to predict. Variations in the quality of the shale, performance of the extraction technology, financing terms, and environmental controls can alter the required price of individual projects by several dollars per barrel. Shale oil, however, will become more competitive in commercial-scale plants.

The cost of the tax credit in reduced revenues to the Treasury would be approximately $1 billion through 2000. If the world price were to exceed the cost of shale oil, the proposal to phase out the tax credit under that condition would reduce the ultimate Treasury loss.

The limited credit will encourage controlled development of shale oil production. DOE environmental research and assessment activities (pollution characterization, monitoring and identification of health effects) will expand to keep pace with increased oil shale development. These efforts will attempt to mitigate any adverse environmental impacts at the one-module plant scale before full-scale plants are built.

Mr. HANSEN. Mr. President, it is important to note that the administration has already acted on the entitlements incentive. On May 12, 1978, the Department of Energy amended the entitlements regulations, effective July 1, 1978, to "eliminate the current competitive disadvantage such petroleum substitutes have relative to crude oil, which currently is subsidized by about $2 per barrel through the entitlements program." This important step will provide this entitlements treatment both to shale oil for refining and to direct use of shale oil. Consequently, it will serve as an important and reasonable incentive for test and demonstration development.

Also, I sincerely hope that the Talmadge amendment in the energy tax conference will be enacted eventually in this Congress. There is strong support in the Senate for the Talmadge amendment, and the addition of administration support should strengthen the Senate position. I personally support strongly this approach to incentives for private development of the oil resource.

The combination of the tax incentive and the entitlements should give industry the direct incentive to proceed with an orderly test, demonstration and scale-up process leading to commercial development. As I mentioned earlier, Union Oil has proposed a $100 million facility to the Department of Energy, if the full Talmadge or more limited administration tax incentive and entitlements are available.

It is particularly noteworthy that the $100 million facility would approximate the same size and type of facility which S. 419 seeks to build as a GOCO. And, therein lies the real difference in my position and that in S. 419.

Finally, the third alternative in subparagraph (3) is the use of the Federal prototype oil shale leasing program, in coordination with the Secretary of the Interior.

The Department of the Interior has had in place for several years the Federal oil shale leasing program, which has a similar objective of providing an incentive for responsible test, demonstration and development of the oil shale resource on Federal lands. The oil shale leasing program has been relatively inactive because of the continuing uncertainty in shale oil economics in recent years. Major oil companies did commit hundreds of millions of dollars for the leases several years ago under that program. As the shale oil economics improve and uncertainties decrease, with increasing domestic and world oil prices and more refined and tested technologies, the activities under this leasing program can be expected to increase. In fact, some of the existing cost-shared

effort in in-situ technologies under the Department of Energy's research, development, and demonstration program and the pending proposal under a tax credit/entitlement incentive would occur on the Federal lands under this program. Again, this approach for commercial viability testing and demonstration is preferable to the S. 419 approach.

The amendment would remove in-situ and modified in-situ projects from the test program, since there already is an ongoing program for those technologies in the Department of Energy, pursuant to the proviso at the end of the amendment, those ongoing projects would continue under existing authorities, without any new or modified requirements or restrictions under this act. Thus, the existing program would be preserved and could proceed on current schedules.

The existing Department of Energy research, development, and demonstration program already includes a series of five, cost-shared test and demonstration projects in the promising, in situ technologies. The Energy Committee has already authorized a total of $30 million for fiscal year 1979 in this program. The program includes a projected, $60 million cost-shared test and demonstration program over several years with Occidental Petroleum, in what is considered by many to be the most advanced and currently promising in situ technology. If we wish to increase the pace of the in situ work already underway in an effective, commercially related and cost-shared activity, we only need add funds to this ongoing program. Consequently, there is absolutely no need for S. 419 to support another, potentially counterproductive, GOCO project in the in situ technology.

Mr. President, the amendment would make a conforming change to subsection 3(d) to reflect the change in subsection 3(a) to testing "one or more surface technologies," rather than three mandated tests including in situ technology. The amendment also would strike the unique patent provision contained in section 8. Since the bill would no longer include the Federal GOCO concept, but rather would use incentives for industry, the standard patent provision of the Federal Nonnuclear Energy Research and Development Act should apply. Silence on patents in the bill will achieve that result.

Mr. President, there have been inquiries regarding the potential costs to the Federal Government of the bill, as reported, and my amendment. First, the bill as reported mandates that the Federal Government design, construct, and operate three of these projects with full Federal funding. I assume that each of these projects undoubtedly will require direct Federal outlays of at least $600 million to $750 million, based on the Energy Department. Federal GOCO projects of this type historically have cost upward of double the total estimated cost (TEC). Additionally, as I discussed earlier, there is no incentive for the contractor to keep costs down and every incentive for increased costs. The immediate end product of the contractor is that Federal project.

There are figures indicating that the sale of the product from these projects eventually could possibly offset the costs of the full Federal share. These analyses assume the low total project costs, perhaps low by a factor of two. They also assume that the project will be successful and there will be a saleable quantity of shale oil product at the rated capacity of the project. We simply do not have any basis for confidence in those results. While the high costs are extremely predictable, these offsetting revenues are very speculative. The payback concept embodied in the analyses, therefore, is highly suspect.

Also, we must be concerned with the benefit we are buying with these costs. As I have discussed before, I view the GOCO projects as completely counterproductive in proving commercial viability, to the extent they may even constitute tombstones for the oil shale development. Consequently, it is clear to me that the cost benefit of the GOCO approach is really unacceptable: high costs for virtually no benefit.

My amendment would involve an alternative with the use of the existing law for cost-shared demonstrations. The maximum Federal share of the cost sharing under that law is 75 percent, but the Department of Energy—and its predecessor, ERDA—historically have sought 50–50 cost sharing. Also, the total costs of any project will undoubtedly be markedly lower because the joint venture, industry partner is participating, with his capital at risk, with an immediate goal of low costs and an end goal of commercializing that technology. The combination of the two factors should reduce the total Federal contribution at least by one-half under this approach.

My amendment also would involve the use of entitlements and tax incentives for the limited purpose of one or a few projects. The administration has estimated that the tax credit would result in reduced tax revenues of $40 million in fiscal year 1978 dollars for each 10,000-barrel-per-day project. The entitlements treatment would add approximately another $20 million in "costs" over 3 years of operations. Costs in this case, of course, are in the form of costs only upon successful operation of the project and production of the full capacity. This approach is the exact reverse of the GOCO in terms of the risk of Federal losses.

Finally, the Federal prototype oil shale leasing program included in the third alternative approach involves the use of Federal lease payments and royalties. It is not completely predictable as to the exact arrangements under the program which the Secretary of Energy and the Secretary of the Interior would ultimately choose for the use of lease payment and royalty incentives. This program already is in place, and had just this type of project as an objective. I would anticipate that the two Secretaries under this new mandate to proceed with a test program would be able to develop a suitable package of payment and royalties to spur the intending testing at minimum cost lease payments to the Government.

Again, I must emphasize the cost-benefit aspect in our consideration of my amendment. Each of the alternate approaches in my amendment would minimize Federal costs at the outset, or defer them until a project is operating successfully and marketing products. But, much beyond that, these Federal costs would be supporting a benefit—a real test of commercial viability and a real industry based demonstration of the potential for commercial development. In each case, substantial industry money would be at risk in proving the economic, environmental, and technical viability of oil shale for commercial development. The cost benefit under my amendment would be maximized—minimum cost for maximum benefit. Mr. President, I urge support for this amendment.

Mr. PERCY. Mr. President, will the Senator yield for a few questions?

Mr. HANSEN. I am happy to yield for a few questions.

Mr. PERCY. I shall be happy to wait until he has completed his comments, however, if it is more convenient.

Mr. HANSEN. May I say to my friend from Illinois that I next propose to discuss some points, that my good friend from Colorado had brought up, by way of attempting to refute points he had made. I was going to go into that, but if the Senator prefers, I am happy to yield to him at this time.

Mr. PERCY. The Senator from Illinois prefers to hear those arguments. Those questions might be answered by them.

Mr. HANSEN. All right.

Mr. PERCY. If not, I will pose a few questions at the end of those comments.

(Mr. LEAHY assumed the chair.)

Mr. HANSEN. Mr. President, the Senator from Colorado, my good friend, has brought up the subject of costs, and a number of other points in his remarks here and in his dear colleague circulated this afternoon. Let me address them in the order which my colleague from Colorado raised them in his letter.

First. Costs. The analyses in the committee report assume that the GOCO projects will be built at the currently estimated costs, when historically such projects experience large overruns often exceeding twice the original cost. The analyses also assume that the projects will be successfully constructed and operated without any environmental restrictions or other limitations, and that revenues from those operations will accrue for a sufficiently long period to offset or exceed the front-end costs of the projects. These assumptions are exceedingly optimistic and probably would not be applicable directly to those projects. The $600 million figure for the cost of the projects is based on estimates by the Department of Energy in materials prepared for the energy supply initiatives submission to OMB. In fact, in light of the aforementioned historical pattern for GOCO projects, it probably is too conservative.

Second. GOCO approach makes the most sense. As my floor statement makes clear, the GOCO approach would be

completely counterproductive as a test of the commercial viability of oil shale development, in addition to being a waste of Federal funding.

Third. Costs, again. The CBO assumptions were discussed above in Item No. 1. While S. 419 provides some certainty that oil shale projects will be undertaken, any such projects will be of little or no value for commercialization of oil shale. Also, it should be noted that by the terms of section 3(c) these projects are limited strictly to a size of 2,000 to 10,000 barrels per day and, therefore, are modular projects, not the 50,000-barrel-per-day commercial demonstration. In fact, it is our understanding that the intent of Senator HASKELL was to avoid any commercial size activity before the end of this test.

Administration position. The administration position is contained in the letter of March 30, 1978, to Chairman JACKSON from James M. Frey, Assistant Director for Legislative Reference, OMB. The letter states:

In testimony before your Committee last year, a representative of the Energy Research and Development Administration (ERDA) explained the ERDA rationale for not supporting S. 419. The Department of Interior, in an April 28, 1977 report to your Committee, also recommended that S. 419 not be enacted. We concur with the views expressed by ERDA and the Department of the Interior and, accordingly, recommend against enactment of S. 419.

Let me now quote from the testimony of ERDA referred to in the OMB letter:

COMMENTS WITH RESPECT TO SENATE BILL 419

I would like now to present several comments on Senate bill 419. One of the purposes described in section 102 of this bill is "to establish a Federal program to determine the commercial viability of two oil shale retorting technologies." The criteria for evaluation of this program are described in section 207(a)(1) of the bill. The proposed mechanism to be used in the demonstration of such oil shale technologies is a Government-owned contractor operated (GOCO facility.

The level of Federal Government involvement would be total under a GOCO arrangement. Such an arrangement would require direct and immediate expenditures of several hundred million dollars of Government funds. For instance, the total investment cost to the Federal Government for the synthetic rubber program (a GOCO arrangement) from 1941 to 1955 was approximately $700 million.

Due solely to inflationary factors (Turner Construction Co. Index) it is estimated that a similar program in 1977 might cost in excess of $4 billion. However, neither the $700 million nor the $4 billion figure reflects the costs of complying with present environmental regulations. Although the costs form constructing these proposed GOCO plants may be recovered at a latter date upon sale of such plants, funding them will require substantial public financing. Such financing will place all the risk on the public.

ERDA believes that a GOCO arrangement will not generate information indicating the commercial viability (or lack thereof) of oil shale operations. The cost information gathered by a GOCO operation would not be directly transferrable to a commercial operation because it would not be generated in a commercial environment. In addition, a GOCO arrangement will not provide information regarding conventional private sector financing of the facility, nor the competitive influences on marketing the output of such facility. Further, a GOCO operation, because it lacks the profit motive, may lead to inefficiency and thus to increased costs. It should be further noted that the Congressional Research Service of the Library of Congress in its report, entitled "The Synfuels Interagency, Task Force Report A Review and Analysis," cited five disadvantages of GOCO arrangements. These are as follows:

"The need to which it (the program) responds must appear urgent and immediate.

"Production . . . is best enhanced when Government management is limited to supplying money . . . 'and industry' . . . disposes of the money in a productive and efficient manner . . .

"Since industry obtains no profits from such a partnership (GOCO), there is no impetus to cut costs. These simply get passed on to the consumer.

"These costs may also be built in because inefficient technologies are chosen (by the Government) under the stress of an urgent situation.

"Government ownership of an industry must appear more as a threat to private firms than as assistance."

ERDA believes the Government should continue its efforts to resolve uncertainties which constrain oil shale development. Although Federal Government ownership of a facility would produce fuel, it is not clear that such ownership would facilitate private sector commercial application of the technology.

Dan Tate, of the White House, and an assistant to Mr. Frey in OMB, confirmed yesterday that the official administration position is as stated in the March 30, 1978, letter to Senator JACKSON. With regard to "white elephants," Deputy Secretary of Energy O'Leary in a meeting with Senators HANSEN, BARTLETT, and the staff indicated that GOCO's proved to be white elephants, as further discussed in the minority views of Senators HANSEN and BARTLETT, page 33, item 8 in the committee report. Further, the administration adopted the energy supply initiatives with entitlements treatment and a limited Talmadge tax amendment, rather than a GOCO approach in the phase II exercise preceding the May 15, 1978, announcement of the energy supply initiatives before this committee.

Fifth, sixth, and seventh. The Federal incentives to private industry in the Federal Nonnuclear Energy Research and Development Act, the Federal Prototype Oil Shale Leasing Act, and the pending energy supply initiatives are of very recent origin. It is premature to dismiss any or all of them at this point in terms of their ultimate effectiveness. The Nonnuclear Act amendments were just enacted in February and the House only last week passed funding for those cost-shared projects. The entitlements treatment under the supply initiatives will not be effective until July 1 and the Talmadge amendment is still in the tax conference. Also, the existing Department of Energy research program is intended to reach the same modular size projects for in-situ oil shale development as S. 419. In fact, the cost-shared $60 million project with Occidental Petroleum is intended to lead directly to demonstration of technology at a modular size which could be commercialized.

Eighth and Ninth. The staff polled the oil shale industry just prior to markup in May and found very limited support for S. 419 as discussed on page 35, item 15 of the minority views in the committee report. Also, we have been advised of very strong opposition to S. 419 by a majority of those active in the industry. It also is noteworthy that environmentalists strongly oppose S. 419, according to the environmental study conference weekly bulletin of this week.

Mr. President, I reserve the remainder of my time.

Several Senators addressed the Chair.

Mr. HANSEN. I would be happy to yield to the Senator from Oklahoma.

Mr. BARTLETT. Mr. President, will the Senator tell the Senator from Oklahoma is one of the basic issues involved here that the Senator's amendment raises the question of whether the evaluation of oil shale would take place by a Government-operated contracted venture which would be a cost-plus venture or private enterprise which would be supported by the Government? Is that not a basic issue that is created by the Senator's amendment?

Mr. HANSEN. That indeed is a basic issue.

Mr. BARTLETT. So, in the Senator's amendment there would be the profit incentive. It would not be a cost-plus fee contract. There would be private money involved and private know-how and, presumably, would the Senator say there would be a better opportunity to evaluate the economic results of the testing that would take place and the production that would take place with his amendment or with the bill as written?

Mr. HANSEN. The Senator has asked a rather lengthy question, which he posed to me. I would say I agree with the thrust of his question and I think the answer is that I do specifically agree that this amendment offers the advantages that are implicit in his question.

Mr. BARTLETT. It offers the advantage, first, of several different ways that the Secretary could select to have oil shale production take place?

Mr. HANSEN. It does indeed, and it gives the advantage of the built-in economics and incentives to come up with a possible, workable solution rather than simply complying with the Government contract.

Mr. BARTLETT. If a person thought that better results should take place from Government-owned, contractor-operated oil and gas production, then I would assume that he should not support the Senator's amendment, but would support the approach in the bill. But, if he happened to believe in private enterprise as being in a better position to produce our natural resources, then he would be more inclined toward the Senator's amendment. Is that correct?

Mr. HANSEN. I think that is a reasonable assumption, and would result in a consistent position.

Mr. BARTLETT. I thank the Senator.

Mr. HANSEN. I thank my friend from Oklahoma. I yield to my friend from New Mexico.

Mr. SCHMITT. Mr. President, I think the remarks of the Senator from Wyoming on the points of this bill that are poorly conceived are very well taken. His amendment is also well taken.

I would, however, like to emphasize, with respect to the bill, two points, one having to do with whether the bill is even needed, or any action in this area is needed at all—the Senator from Wyoming has spoken to that also—and, second, whether specialized changes of patent policy that are inherent in the bill are warranted, and whether they will in fact cause very serious damage.

As to the matter of the need for oil shale legislation of this kind at this time, I think it is clear that one of the few areas where the administration de facto energy policy, which is no policy at all for the most part, may be approximately at the right level of effort is in oil shale research.

Oil shale is an extremely widespread, extremely valuable resource, for the future. The economics of oil shale development, though, are a long way away, and I think the effort to examine on a pilot plant scale the future feasibility of oil shale as a source of energy is at about the right level. It certainly is at the right level in the absence of any broad scale energy policy that looks at all the energy targets we have to shoot at, and the time frame in which they may be viable or need to be viable.

Without such a policy, to proceed on a major new venture in oil shale, I think, would be unfortunate. It is a resource which can best be left in the ground for a future development, while we consider the best means of producing that resource and protecting the environment. Oil shale does have some very broad environmental implications in its use, and it will take a great deal of research and understanding before we are ready to enter on a project of anything like the magnitude proposed in this bill.

If we were to agree—and I do not agree—that some kind of large scale demonstration is warranted, I think the Senator from Wyoming is absolutely correct in saying this is entirely the wrong approach. GOCO plants are notorious for not solving anything at all with respect to economics.

It is particularly unfortunate that the bill would include section 8, which has an extraordinarily poor approach to patent policy. I, in the Commerce Committee and elsewhere, and in my previous activities in the administration, have been extremely critical of the hodgepodge of patent policy that exists within this Government today. I think one thing the Senate and Congress in general must begin to work on is a clarification of patent law.

But to take for a specific kind of project a patent policy that is entirely wrong in its basic characteristics is even more indefensible than the present patent policy or hodgepodge of patent policies that exist in our Government today. To provide that the title to any invention made or conceived by any participant in performing work under the bill vests in the United States is exactly the way to discourage anyone with any basic expertise and experience in this field of research and development from participating at all. It also implies, the fact is that it requires, that any participant in the program must lease the background rights and other information which are necessary for commercial development.

The background right is exactly why the Department of the Interior in the past, and to some degree at present, has been unable to get competent, largely experienced technology-based companies to enter into these kinds of projects, and I believe that, if anything, is a good reason for their reluctance.

Mr. HANSEN. My amendment does strike the patent provision in section 8 of the bill.

Mr. SCHMITT. I realize that, and the Senator is to be commended for recognizing its deficiency. I hope the Congress, in the near future, will be able to deal with the general issue of patent policy. We should not deal with it on an ad hoc basis in this bill.

So, while I support the Senator's amendment, I cannot support the bill in general at this time, not only because I think it is premature, but because at the present time the costs are out of sight.

I thank the Senator for yielding.

Mr. HANSEN. I thank my friend from New Mexico. I yield to the Senator from Illinois.

Mr. PERCY. Mr. President, I thank the distinguished Senator. I have just a few questions.

First of all, I cannot resist the temptation to ask our distinguished colleague the following: if shale is to be truly as successful as other forms of energy, such as secondary recovery and tertiary recovery of oil, if we are really to recover what is in the ground, which does require extraordinary additional cost in many cases, is it not true that we really have to look toward market pricing of oil?

Mr. HANSEN. I agree completely with my friend from Illinois.

Mr. PERCY. I certainly believe that. I think we have to bear that constantly in mind. If we want to develop exotic sources such as solar energy and wind, market pricing of oil and gas is fundamental. As long as we continue to underprice gas, for instance, we make more difficult the recovery of additional sources of energy that are available to us.

Second, is it not true that the administration position on this bill is that Government-owned, contractor-operated demonstration plants generally and historically have been run by operators who are indifferent to cost overruns, and who do not have the incentive for success that private enterprise has?

Mr. HANSEN. I think the facts will bear out the validity and accuracy of the Senator's statement.

Mr. PERCY. Third, I would like to ask again what the cost might be. We are very conscious of budgetary control today. It seems to me we ought to be, since the message came to every legislator in the country from California in such unmistakable terms.

As I understand it, this bill would have a major budget impact of from $600 million to $1 billion over the next few years. Are those figures correct?

Mr. HANSEN. That is an estimate we have made based on the best information we have.

Mr. PERCY. As Everett Dirksen has said, and I have quoted him before, $1 billion here and $1 billion there, and pretty soon you have real money.

This is why we have mounting deficits. I see the ranking minority member of the Senate Budget Committee, a committee we created several years ago. I cannot resist the temptation to yield to him and ask if he would not feel that that $600 million to $1 billion added cost is certainly something we can do without at this time of budget restraint.

Mr. BELLMON. The Senator is kind to yield. On this particular question there is another consideration which needs to be thought about. That is that this year the bill for imported crude oil for this country is $45 billion. That is how much we are spending for oil we are bringing from abroad.

We have in the oil share deposits known reserves of 2 to 3 trillion barrels of crude oil or kerogen, as it is called, which at the present time is not being developed, because the industry is hesitant to move into this kind of investment. They do not know what may happen if the Arabs choose to lower the price of imported oil.

I am supporting this bill, S. 419, not because I like the prospect of spending $600 million, but because it seems to me that that is the necessary investment, to encourage the industry to start producing oil from shale. It is an investment which up to now they have not been willing to make and apparently not going to make until the technology is proved.

Mr. SCHMITT. Will the Senator yield for a comment at this time?

Mr. PERCY. I just have one further quick point and then I will be finished.

My feeling is the same as that of Senator HANSEN. The private sector should take the initiative and the risk in oil shale development. The Federal role should be a limited role with price supports or guarantees under existing authority, or with the tax credit, which is provided in the national energy plan. That is the role of the Government that I would support.

Let industry take the risk. They will be willing to take much bigger risks if they feel we will let the market set the price rather than trying to regulate it here on the floor of the Senate or in State legislatures. I have confidence in our free enterprise system.

For those reasons, I support the amendment of my distinguished colleague.

Mr. HANSEN. I thank my friend from Illinois very sincerely for his perceptiveness and the great good sense that he makes.

Mr. President, I ask unanimous consent that my amendment be cospon-

sored by Senators BARTLETT, PERCY, and SCHMITT.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHMITT. If the Senator will yield a bit further, I want to comment on the remarks of the distinguished Senator from Oklahoma. Had he been talking about many other alternative energy technologies, I think I would tend to agree with him.

The problem here is that even though there are trillions of barrels of oil equivalent locked up in the oil shale resources of this country, there are certainly hundreds of billions of barrels of producible oil at a lower price locked up in the sedimentary rocks of this country that we are not going after, because of Federal policy. If that Federal policy, which would cost us practically nothing to change, were changed, those hundreds of billions of barrels of oil would begin to flow very easily and naturally with an existing technology; namely, that of drilling holes and pumping oil out of standstones and other types of formations.

That is what makes it very difficult philosophically to support this bill, because there are energy resources waiting to be produced, both oil and gas, which have an existing technology, that do not require this vast investment, and do not require a dependency on the price of world oil hanging up at $17 to $20 per barrel.

That is the concern, I think, of most of the people in the production industry. It is not just that OPEC may artificially lower their price, but that maybe we will finally get smart in this Government of ours and allow domestic oil and gas resources to be produced at a reasonable price, which we can do.

The Senator from Wyoming is correct in the thrust of his amendment and in his opposition to the bill.

I do sympathize with the desires of the Senator from Oklahoma, but I am saying that oil shale is the wrong place to focus those desires. There are much more reasonable, much more economical, and much more consumer-oriented areas in which we can focus, particularly in the short term oil and gas production for which there are tremendous reserves yet untapped. In the intermediate term coal is obviously more economically viable at the present time than is oil shale, as is uranium, as is geothermal. Certainly, there are more dispersed solar energy resources, including the biomass types of resources which could be developed at a cost much less than, and at a price much lower than, what we are talking about here for oil shale.

In the long term, maybe oil shale is one of our objects. Certainly for a portable fuel it may well become one of our objects as we learn more about it. But the time for oil shale has not yet arrived except in a research capacity. I think that is moving along pretty well at the present time, unlike several other areas where research should be accelerated.

I would finally remind my colleagues of some very simple numbers with respect to the existing resource base of oil and gas; namely, that to date there has been discovered and largely produced 300 billion barrels of oil in the contiguous United States. That has been produced from less than half of the potentially productive rocks from which oil can be produced. One can easily extrapolate and say there are probably 300 billion barrels of producible oil available. If one also takes into account that primary production only produces on the average about one-third of the oil from these particular kinds of rocks, then we can look at another 300 billion barrels or so through secondary and tertiary production.

There are similar numbers available for gas production in this country. The numbers are like 700 trillion cubic feet of gas yet to be produced by ordinary techniques. If one looks at the availability of geopressured reservoirs of gas, the technology is much closer to being economical, I believe, than oil shale technology. We are looking at thousands of trillions of cubic feet of natural gas yet to be produced. Minimum estimates of most experts are like 20,000 trillion cubic feet of gas, and we use 20 trillion cubic feet a year at the present rate of consumption.

I urge my colleagues to keep in mind the tremendous energy resource base which exists in this country. If we just use our heads we can make that energy resource base available at very little cost, if no cost, to the consumer. Unfortunately, the issue has been diverted in many ways, and this issue continues to divert the issue toward a technology that just is not something we should be emphasizing at this rate at this time.

Mr. BARTLETT. Will the Senator from New Mexico yield?

Mr. SCHMITT. I would be happy to yield but the Senator from Wyoming holds the floor.

Mr. HANSEN. I yield to my friend from Oklahoma.

Mr. BARTLETT. I commend the Senator from New Mexico. I think the point he is making is that the vast amount of reserves that are available in oil and gas at the present time can be obtained not by subsidies but just by removing the price restrictions that are now placed on the crude oil and gas which comes from known reservoirs.

I wanted to ask this question of the Senator: If those price restrictions were removed, would this not then be a very strong incentive toward development of oil shale, even though it would be less than it is now. It would be much closer to economic reality than it is today.

Mr. SCHMITT. The Senator is largely correct, that the natural market forces resulting in price rises would, if they continue to rise, make oil shale more and more commercially attractive and almost certainly commercial interests would be moving into this field.

Because of the magnitude of the resource base that at least I believe and many of my geological colleagues believe exists, both oil and gas, the incentives, if they were there, would almost certainly start to produce an oversupply and the consumer price, as well as the price at the wellhead, would begin to decrease, at least for some period of time into the future if we made available a free market system for the production and sale of oil and gas.

That is why deregulation, as the Senator has mentioned, is really a consumer policy. It is the only way, through increased supply, that we are going to drive the price down. Regulation, if we continue, is not going to drive the price down.

I realize that this is not, maybe, the place to debate regulation and deregulation; nevertheless, it is important for everybody to realize that if we want a decrease in price, it is going to be through increase in supply. This particular measure that is before us is just a type of oil shale technology whose time has not yet come.

Mr. BELLMON. Will the Senator yield for a unanimous-consent request?

Mr. HANSEN. Yes.

Mr. BELLMON. Mr. President, I ask unanimous consent that Gordon Prather of my staff be granted the privilege of the floor during consideration and vote on this measure.

The PRESIDING OFFICER (Mr. NUNN). Without objection, it is so ordered.

Mr. FORD. I ask unanimous consent that Capt. Kevin Gottlieb and Jim Fleming of my staff be granted the privilege of the floor during vote and consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is all time yielded back?

Mr. HASKELL. No, Mr. President, the Senator from Washington wants some time.

Mr. JACKSON. Mr. President, I compliment the distinguished senior Senator from Colorado and his able colleague from Oklahoma (Mr. BELLMON) for their sponsorship of this legislation.

Mr. President I urge the Senate to adopt "The Federal Oil Shale Commercialization Test Act."

We have been trying in Congress for almost 5 years to launch a synthetic fuels industry in this country. Time is running out.

Enactment of the President's energy program will still leave us heavily and dangerously dependent on foreign oil. The consensus of experts is that imports will be in the range of 10 to 12 million barrels a day by the mid-1980's. We have no assurance that oil imports on this scale will be available to us. We have no right to assume that we can continue to use the lion's share of world oil.

I submit, Mr. President, that we cannot continue to ignore the potential of a 2-trillion-barrel oil shale resource. Senator HASKELL'S and Senator BELLMON'S bill would give us a chance to test that potential by the construction of three demonstration projects financed by the Federal Government, operated by private industry.

The industry leaders I talk with believe the Federal Government must finance the first oil shale plants. In this connection, I ask unanimous consent to have printed in the RECORD the text of an in-

terview with Eneas D. Kane, vice president for technology of Standard Oil of California, which appeared in Forbes Magazine last November. Mr. Kane described oil shale as the most promising of the near-term alternatives to oil and gas. Although he recognized that the economics of shale do not justify private investment at this time, he contends that Government financing can be justified because of our dependence on imports and the vulnerability created by that dependence.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOLVING THE ENERGY CRISIS: WE'RE NOT EVEN TAKING THE FIRST STEP

(An Interview With Eneas D. Kane)

If not oil, what?

While businessmen and politicians wrangle over price controls, incentives and disincentives, nobody seems to be facing the two really staggering problems: How can the world continue to afford the huge sums the Organization of Petroleum Exporting Countries is extorting from the consumer countries; and what does the human race do when even OPEC's oil is exhausted?

Many people seem to assume that synthetic oil and gas will save us—both from OPEC and from shortage—since nuclear energy is in trouble and solar energy barely started.

But don't count those synthetic chickens before they are hatched, warns Eneas D. Kane, a brilliant chemical engineer who is Standard Oil Co. of California's vice president, technology. In this interview with Executive Editor James Cook, Kane contends that developing these synthetic fuels is going to require a kind of effort that the country has not yet made and so far shows few signs of making.

People keep saying that if technology can put a man on the moon, it can solve the energy problem. Is there any truth to that assertion?

KANE. Well, technology's an essential ingredient in solving the energy problem, but technology alone isn't sufficient. A lot of politically related and economic problems also have to be solved. One reason we were able to put a man on the moon was the development of the required technology. But the other reason was that we had a national commitment to do it. In energy, we don't have that. We lack a national consensus about what the nature of the energy problem is, much less what needs to be done to solve it.

What do you think needs to be done?

KANE. Nobody knows how much oil and gas remains to be found in the U.S., so that should be the first focus of our technology because it represents the nearest-term possibility. If the Congress will make up its mind, we will know what the price of oil and gas is to be, and we can begin assessing the economics of the situation.

When you recognize that oil and gas amount to 75% of our energy supply, it behooves us to do everything we can to increase the supply from our indigenous oil and gas reserves.

But at some point in time, world oil production is going to peak and start down, so we're putting more and more effort into alternate energy areas. Not solar power, which I think is quite long term. What I'm thinking of is tar sands, oil shale and coal. In the space of 20 years it is quite possible for us to turn our economy to using more and more energy from these sources so as to cushion the effect of what's going to happen when world oil declines.

The only trouble is that so far most of these alternative supplies don't seem very feasible.

KANE. It isn't a question of feasibility. The feasibility of making petroleum-like products from coal is already established. The Germans did it in World War II, the South Africans have been making gasoline and other products from coal. The question is: How do you get the capital to commit to these very expensive plants and get people to do the development work that's necessary? If they didn't do anything else, such plants would reduce the amount of imported oil that we use. But we need to get moving because there are long lead times involved.

We don't have the technology in hand—in the sense that we have refining technology in hand—so that we know quite precisely what it will cost to build oil shale plants or even tar sands plants. I think we ought to be pushing that program very, very hard. If nothing else, it creates jobs in the U.S. rather than exporting dollars to OPEC.

But there are political and economic problems, particularly political if you group the environmental laws and the application of environmental laws in the political area.

Right now, if any company said we'll go into Colorado and build a commercial oil shale plant on property that we already have the mineral rights to, we couldn't do it. We couldn't get the permits to do it, and in the current climate you'd be in for delays of at least five years before you'd know whether you could go ahead or not.

The way things stand now, would you say shale oil was the most promising of the alternatives to oil and gas?

KANE. Near term. Coal is a definite medium-term possibility, and one thing that makes it attractive is our enormous reserves of coal.

Not for direct consumption, but for liquefaction or gasification.

KANE. Right. What we need to do is to produce from coal what you might call synthetic crude, a substance that, like crude oil, can be converted into products that we need for industry, commerce, people. Hopefully, we can convert it in refining equipment not too different from what we currently have in place.

Are any of these processes economic? Everybody keeps saying you have to have a higher price for oil to make these alternative fuels economic. But the more the price of oil goes up, the more the cost of producing these alternative fuels seems to go up, and go up even faster than the price of oil.

KANE. We're trying almost continuously to evaluate what it would take to have economically viable shale or coal liquefaction plants. The price of imported oil under current conditions is not enough to justify billion-dollar-type investments to extract oil from these sources. You need something else—the need for a national commitment. I grew up in the Thirties and World War II, and I lived through the man-on-the-moon era, and I know what we can do if we set our minds to it. But we need that sort of general consensus of commitment we had then.

You're suggesting that we have to develop the same indifference to economic yardsticks that we developed for the space program.

KANE. I'm suggesting that if we accept the national goal of increasing our indigenous production from alternate energy sources as well as from oil and gas, and if we tell ourselves and the world we feel vulnerable, and we don't want to feel vulnerable, we have the basic resources to get the job done. So watch out, OPEC, here we go. I think it would have a very salutary effect if we had a couple hundred thousand barrels a day of production from shale, maybe had some significant demonstration plants in coal. To forward that kind of national goal is a different thing from saying you're going to build these plants because they're economic. And because it is a different thing, the government would have to subsidize that kind of operation. But politically we're not going to move to even talking about that kind of thing at the present time. And what's happening? We're using more and more imported oil, and we're having to pay more and more for it.

In this respect, the South African example you mentioned earlier is interesting—about the need for a national commitment. South Africa sank money into this uneconomic process because they felt that whatever it cost they could not depend on the outside world for oil.

KANE. Exactly. The considerations are political. The point is, if we're going to do it here, we'll probably have to do the same thing.

It's a little contradictory, though. You're saying you really want the government out of your business and a free market situation to take over and generate the funds you need. And then you say the free market isn't going to bring on coal or shale, in the short run at least, without government subsidies.

KANE. Nonetheless, I'm afraid that's right.

You haven't mentioned nuclear power. Doesn't that have a future?

KANE. After 25 years we ought to be generating more electricity from nuclear power than we are, but everybody's familiar with the roadblocks. I heard a speech a while back in which one environmentalist said that until the government had developed a fail-safe way of handling radioactive waste over geologic time, there ought to be a hold on any further nuclear power development. That's a rather extreme expression of a philosophy that nuclear power has been up against, and it's the reason we don't have more nuclear plants in place.

So whatever else, you're saying that in solving our energy problems there are no miracles in sight.

KANE. That's right. There simply are not any miracles in sight anywhere. Oil and gas are 75 percent of our energy usage, coal is 17 percent to 20 percent, and you just can't turn that around overnight.

Mr. JACKSON. Mr. President, no one knows the dismal history of efforts to develop our oil shale resource better than the senior Senator from Colorado. He has worked to test the potential of shale for 5 years.

He was among the first to recognize and seek to remedy the social and economic problems associated with oil shale development. His field hearings in 1974 led to the introduction and eventual passage of legislation to amend the Mineral Leasing Act to permit the States greater flexibility in the use of oil shale revenues and to increase the amounts available to the States under that act.

He supported the initiation of the Interior Department's prototype oil shale leasing program in the hope that this would finally lead to the commercial testing of oil shale technologies.

In 1975, he offered an amendment to the fiscal year 1976 ERDA budget which would have made Federal land available for the testing of in situ oil shale technology.

He supported the synfuels loan guarantee provisions of the fiscal year 1976 and 1977 ERDA authorization legislation

in the hopes that this would stimulate commercial testing of oil shale technologies. The legislation was twice defeated in the House.

S. 419, before us today, seeks to accomplish directly what these other programs sought to achieve indirectly through various incentives. I agree with Senator HASKELL that the time has come for a direct approach to move our oil shale program off dead center. He has developed an approach which combines the talents and resources of Government and industry in a responsible and reasonable way. The demonstration projects authorized by S. 419 will move oil shale development closer to reality. Favorable Senate action today will serve notice that we are serious about synthetic fuels development in this country.

Mr. President, let me just say that the American people have been hearing over and over again about alternative sources of energy. They have been hearing all over again that we are going to have an energy program. If there is one area in which there is a great opportunity for an alternative source of energy, it is in the field of oil shale. The key problem here is a matter of economics and technology. The truth is that the private sector cannot undertake this kind of risk. The one company that took a good hard look at it withdrew. That was the Atlantic-Richfield Co. They had originally considered investing $500 million. But the truth is, Mr. President, we are talking about big numbers in the initial investment stage. We are talking eventually of plants that will run $1 billion and $2 billion.

If we are really going to do something more than talk, then I submit that the Haskell-Bellmon approach here is a sensible approach, because, at long last, we are going to get started on a program that will demonstrate whether or not we can, economically and environmentally, develop oil shale.

The potential here, Mr. President, is as much as 2 trillion barrels, and keep in mind that the total oil reserves of the non-Communist world aggregate about 600 billion barrels. I submit that if Congress really means something in terms of acting at this session on a critical area of energy, all of our colleagues will support the Haskell-Bellmon bill that is before this body. So, Mr. President, I hope that the amendment will be rejected and the bill approved.

I feel very deeply that the time has come to act and not to procrastinate in this whole area of oil shale. By voting for the bill and against the amendment, we shall be making that move.

Mr. HANSEN. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HANSEN. I am ready to yield back my time.

Mr. HASKELL. I yield back my time.

Mr. ROBERT C. BYRD. Mr. President, this is the last rollcall vote tonight and there will be early votes tomorrow.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to UP amendment No. 1360 of the Senator from Wyoming. The yeas and nays have been ordered. It will be a 10-minute rollcall.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from Minnesota (Mrs. HUMPHREY), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), and the Senator from Alabama (Mr. SPARKMAN), are necessarily absent.

I further announce that the Senator from South Dakota (Mr. MCGOVERN) is absent on official business.

I further announce that, if present and voting, the Senator from Minnesota (Mrs. HUMPHREY) would vote "yea."

Mr. STEVENS. I announce that the Senator from Nebraska (Mr. CURTIS), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), the Senator from Pennsylvania (Mr. HEINZ), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I also announce that the Senator from California (Mr. HAYAKAWA) is absent to attend the funeral of a Member of the House of Representatives.

The result was announced—yeas 34, nays 51, as follows:

[Rollcall Vote No. 184 Leg.]

YEAS—34

Allen	Griffin	Schmitt
Baker	Hansen	Schweiker
Bartlett	Hatch	Scott
Bentsen	Helms	Stafford
Biden	Hodges	Stennis
Brooke	Laxalt	Stevens
Byrd, Harry F., Jr.	Lugar	Talmadge
	McClure	Thurmond
Cannon	Nunn	Tower
Chafee	Packwood	Wallop
Dole	Percy	Zorinsky
Garn	Roth	

NAYS—51

Bayh	Hart	Morgan
Bellmon	Haskell	Moynihan
Bumpers	Hatfield, Paul G.	Muskie
Burdick		Nelson
Byrd, Robert C.	Hathaway	Pearson
Case	Hollings	Pell
Chiles	Huddleston	Proxmire
Church	Jackson	Randolph
Clark	Javits	Ribicoff
Cranston	Johnston	Riegle
Culver	Kennedy	Sarbanes
Danforth	Leahy	Sasser
DeConcini	Magnuson	Stevenson
Domenici	Mathias	Stone
Durkin	Matsunaga	Williams
Eagleton	McIntyre	Young
Ford	Melcher	
Glenn	Metzenbaum	

NOT VOTING—15

Abourezk	Hatfield, Mark O.	Long
Anderson		McGovern
Curtis	Hayakawa	Sparkman
Eastland	Heinz	Weicker
Goldwater	Humphrey	
Gravel	Inouye	

So UP amendment No. 1360 was rejected.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DURKIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HASKELL. Mr. President, I yield to the Senator from Indiana.

Mr. BAYH. Mr. President, I ask unanimous consent that Eve Lubalin, of my staff, have the privilege of the floor during the debate and votes on the matter before the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senate will be in order.

Mr. HASKELL. Mr. President, I ask unanimous consent that the name of the distinguished Senator from North Dakot (Mr. YOUNG) be added as a cosponsor of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. I yield to the Senator from Oklahoma.

UP AMENDMENT NO. 1361

Mr. BELLMON. Mr. President, I have two amendments at the desk, and I ask unanimous consent that they be reported and considered en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oklahoma (Mr. BELLMON) proposes unprinted amendments numbered 1361 en bloc.

Mr. BELLMON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

On page 23, line 13, change the semicolon to a colon and add the following:

"*Provided further*, That is the Secretary selects three projects at least one of these projects must employ an above ground retorting technology; and another project must employ an in-site process."

On Page 30, after Line 7, add a new subsection (d) to read as follows:

"(d) A person participating in the program authorized by this Act shall have a nonexclusive paid-up license to any invention made or conceived during the course of the program authorized by this Act."

Mr. BELLMON. Mr. President, these amendments are very simple. I believe they are acceptable to both the sponsor of the bill——

Mr. HANSEN. Mr. President, if the Senator will yield, they are acceptable to the minority side.

Mr. HASKELL. They are acceptable to the majority side.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. HANSEN. Yes.

Mr. BELLMON. Yes.

Mr. HASKELL. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendments en bloc.

The amendments were agreed to en bloc.

UP AMENDMENT NO. 1362

Mr. HASKELL. Mr. President, I send an unprinted amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. HASKELL) proposes an unprinted amendment numbered 1362.

Mr. HASKELL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Page 23, line 21—Strike the period and insert: *Provided further*, That any such contracts shall be expressly contingent upon the availability of such funds as are authorized and appropriated in future Acts.

Mr. HASKELL. Mr. President, this is a technical amendment requested by the Budget Committee, which I understand the Senator from Wyoming concurs in.

Mr. HANSEN. Yes, I do concur with the Senator from Colorado.

Mr. HASKELL. I yield back the remainder of my time

Mr. HANSEN. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HASKELL. Mr. President, I yield to the Senator from Maine.

MOTIONS REGARDING S. 2466

Mr. HATHAWAY. Mr. President, I enter a motion to reconsider third reading of S. 2466, and I enter a motion to reconsider third reading of S. 2466, and I enter a motion to reconsider the vote by which the committee substitute amendment, as amended, to S. 2466 was agreed to. This has been cleared with Senator DOLE.

Mr. FORD. Mr. President, a parliamentary inquiry. What is happening down front? May we have an explanation?

The PRESIDING OFFICER. Who yields time for the parliamentary inquiry?

Mr. FORD. Is this the bill that was defeated the other day by a large vote, and now we are going back to reconsider that vote? There was an 18-vote difference. Is that what is happening down front?

Mr. HATHAWAY. Yes.

Mr. FORD. I object, Mr. President, to interjecting this unanimous-consent request into the proceeding at this time.

Mr. HATHAWAY. This is not a unanimous-consent request.

The PRESIDING OFFICER. The Senator has a right to enter the motions.

FEDERAL OIL SHALE COMMERCIALIZATION TEST ACT

The Senate continued with the consideration of S. 419.

Mr. RANDOLPH. Mr. President, the urgency of our efforts to provide the means to make America self-sufficient for most if not all of its future energy needs is unquestioned. There are, as always, disagreements on the right approach to be made, as demonstrated tonight in our debate on S. 419, the Federal Oil Shale Commercialization Test Act.

This bill proposes a different approach to testing the commercial viability of oil shale. It directs the Energy Secretary to contract with private companies to construct as many as three Government-owned, contractor-owned, contractor-operated oil shale demonstration plants. Each plant would be designed to test a different method of releasing oil from shale.

This approach provides a means to further test technologies while giving the Federal Government control over both the economic and environmental testing of oil shale and guarantees the Government a return on its investment through the sale of any oil produced by the demonstration plants.

We seek to authorize $1.4 million in fiscal 1979, for planning and start-up costs. The final cost of the program is not known, but capital expenditures of up to $400 million are expected, and operating costs are projected at between $30 million and $40 million annually.

Sale of the oil produced, however, could place the net outlay anywhere from $111 million to a possible net gain for the Government of $33 million in the year 1985.

Admittedly, there are major environmental, technical and economic difficulties inherent in the large-scale development of oil shale technology.

During World War II, first generation coal gasification technologies were commercially developed in Germany by Lurgi and by Koppers-Totzek. The technologies also were demonstrated in the United States under the Synthetic Liquid Fuels Act which I sponsored with former Senator Joseph O'Mahoney, in 1944.

But in the judgment of experts at that time, the demonstrated technology for producing synthetic gas from coal was deemed uneconomic. Recent data, however, demonstrate that synthetic natural gas for cooking, clothes drying, space and hot water heating is significantly cheaper than is electricity. The production, transportation and distribution of natural gas also is more efficient—67 percent for synthetic natural gas compared to 37 percent for electricity.

As a result of transitory economic evaluations, we failed to make a firm commitment to the development of coal gasification and liquefaction. Now we deliberate over another scientific testing of another method of releasing the vast resources locked in extensive shale beds.

Mr. President, oil shale has the potential of becoming an important energy resource. It is possible that 2 to 3 trillion barrels of oil are available from U.S. shale deposits. Under current economic and policy conditions, production could reach 20,000 to 57,000 barrels per day by 1985.

The issue we face is not "Will it work?" When we are charged with a decision on the course of America's future standard of living and economic survival, the question should be, "Do we have the will to make it work?"

I support this legislation and I hope it will be passed by a substantial majority of Members.

Mr. FORD. Mr. President, I rise to speak on this bill with a profound sense of concern for our Nation's future. Our Nation appears to be in more danger of disintegration from energy problems than from any problems this Nation has faced in its history. If one examines the current state of energy technology development in this country, one finds a high level of discussion but a very low level of accomplishment. This Nation cannot afford to continue its emphasis on simply identifying potential sources of energy. It is now time to develop those potential sources. Senate bill 419, the Federal Oil Shale Commercialization Test Act, is one method for moving in the direction of specific energy development. The purpose of this bill is to test the commercial, environmental, and social viability of various oil shale technologies, and to impartially evaluate the test results. The information we have at this point, provided by respected organizations such as the Institute of Gas Technology, suggests that the potential for developing oil shale is enormous. However, the past history of going beyond this assessment stage is most discouraging.

Senate bill 419 provides for private and public sector cooperation to obtain results as fast as possible. The results in this instance would be data on the commercial, environmental, and social feasibility of oil shale development. Based upon this data, the Secretary of the Department of Energy would render a determination as to the validity of pursuing an oil shale concentration for the United States.

Some people may be unaware of the potential for oil shale in the United States. I believe it is important to indicate that significant deposits of oil shale are located in Colorado, Utah, Wyoming, California, Montana, Alaska, Ohio, Kentucky, Tennessee, Indiana, Michigan, and Alabama. In the Appalachian, Illinois, and Michigan basin areas alone, the potential resources recoverable by above ground hydroretorting are estimated at 423 billion barrels of oil. Clearly, when one adds to this figure the substantial resources present in other regions of the country, the potential for oil shale becomes evident.

Some will be inclined to oppose this bill for environmental or political reasons. It is clear that some of the western oil shale areas are fragile ecosystems, and that the environment in these areas must be protected. However, it is equally clear that the other regions of the country where oil shale deposits are known are believed to be considerably less sensitive to environmental damage. For example, eastern shale rock usually contains less than 1 percent mineral carbonates, compared with more than 15 percent for western shales. This indicates that water pollution from the

leaching of soluble sodium, calcium, and magnesium salts, a potential consideration with western shale, would be much less severe with eastern shales. With proper allowances for land reclamation, oil shale may be consistent with environmental needs.

Some people will also criticize this bill on the basis that it permits too large a role for the Federal Government in energy development. I reject this view, strongly. In my judgment, there is a proper combination of public and private cooperation involved in this project. The Federal Government would supply the funding, and a private corporation would contract to perform the construction and operation of the test facilities. Moreover, if there is anything the Government ought to be involved in, it is the development of energy tchnologies that can be realized in the near and medium term. Unfortunately, there has been too much discussion of late about long-term energy solutions, and too little consideration about how we are going to meet the needs of our country in the 1980's and 1990's. Now is the time to move forcefully and directly to obtain impartial evaluations of oil shale technologies. Under this particular bill, the possibility of sensible control over future development, is great. The potential for public participation and prudent costs, is great. The potential for a reasonable compromise between environmental impacts and energy needs is great. But the time to act is now. Indeed, time is becoming our most precious resource. As a member of the Senate's Energy and Natural Resource Committee, I have listened to the debates, the unending debates, over energy technology development. And if there is anything which truly scares me, it is that we will squander away in debate precious time that could be used for the development and commercialization of these energy technologies.

Some critics would suggest that this is not the time for the Federal Government to get involved because the private sector already has plans for commercializing oil shale. While one corporation has committed $100 million to a test project, that same corporation now admits that their capital costs have doubled and, as a result, they are now asking for a 3-year delay in their progress on the project. Such a delay is not tolerable for a nation in need of new energy sources.

Some critics would suggest that Senate bill 419 is without support from any sector. That is simply not the case. Supporting the bill already are several oil companies, the AFL–CIO, the Denver Chamber of Commerce, the local communities and State officials, and distinguished academics in the field of oil shale technology.

Some critics would suggest that the bill is unnecessary because in situ technology projects are already authorized by the 1979 Department of Energy research and development authorization. However, as the bill is now constructed, none of the projects is mandated as an in situ project. Therefore, there is a real possibility that the DOE in situ funds would not apply.

The Department of Energy has admitted that its previously anticipated energy savings were optimistic. In fact, the Department has reduced the expected energy savings by nearly 2.5 million barrels of oil per day in 1985. The importance of the 2.5 million barrel per day reduction should not be lost. That figure means that American consumers will pay foreign nations $36 million more, each day, and $13 billion more, each year, for imported energy. If one applies a conservative 5-percent inflation increment to this figure, the actual excess amount consumers would pay out annually in 1985, would be nearly $18.5 billion. And that figure would only cover one-fifth of the total amount of foreign oil which we will be importing by 1985. It is senseless to continue sending increasing amounts of money out of the United States for foreign energ resources. Senate bill 419 provides the potential for retaining some of that money at home.

There are no miracles in a successful energy business. There is only the patient plodding of a well-planned program. We need such a program in this Nation. We need it now. One part of that program must be oil shale development. One part of that program must begin today with the passage of Senate bill 419. I commend this bill to my colleagues and ask them to join me by supporting it with their vote.

Thank you, Mr. President.

OIL SHALE DEVELOPMENT

● Mr. DOLE. Mr. President, the Senator from Kansas recognizes the need to aggressively develop all realistic domestic energy resources. We must reverse our dangerously increasing dependence on foreign oil. Last year, oil imports amounted to almost half of our total crude oil supply. This high level of imports deflates our dollar, invites inflation, and jeopardizes jobs. If the United States is to meet the challenge of the OPEC cartel and insure energy supplies at an affordable cost, we must not only accelerate the development of our traditional energy resources, but also develop new recovery techniques for alternative forms of energy.

ENERGY DEPENDENCE

Mr. President, the development of oil shale is one of the most attractive possibilities for alleviating part of the energy problem in our country. Oil shale reserves are huge. The first generation reserves, those that are the very best, are about 130 billion barrels, enough to meet U.S. requirements for the next 10 years. The reserve represents three to four times the reserves of our conventional oil. When the lower quality reserves of oil shale are considered there are nearly a trillion barrels.

Energy prospects for the late 1980's and beyond not only raise the question of American's continued ability to pay for imports, but also draw into question the actual availability of crude oil to be purcased. As our dependence on imported oil continues to dramatically increase, the requirement to develop our massive oil shale potential becomes more urgent.

OIL SHALE

Mr. President, the refining of oil shale is not a new idea. American industry has spent several hundred million dollars over the past two decades in pilot projects. These tests have demonstrated that both above ground and in situ recovery of oil from shale is feasible. Oil shale technology has been proven and it is now time for a commercial-sized project. To date, however, no private concern has stepped forward with plans for a commercial-sized project.

Commercial plants will involve scaling up, by a factor of 10, the size of the pilot projects. Though this will entail an enormous front-end investment, several companies have indicated a willingness to go forward with a commercial venture. Potential developers, however, face several risks: uncertainties in economics, the national energy policy, and environmental issues. Moreover, the problem of estimating future oil prices makes planning almost impossible. The assessment of shale project economics is shaped by the projected level of oil prices. However, the atmosphere of orchestrated uncertainty generated by OPEC and the administration combine to make price projection nearly impossible.

GOVERNMENTAL ROLE

Mr. President, the unusual risks involved in oil shale refining have convinced me of the need for a Government incentive to get the oil shale industry off the ground. This is the intention of S. 419, the bill now under consideration. The Federal Oil Shale Commercialization Test Act, would establish Government-owned, contractor-operated (GOCO) projects to test the feasibility, on a commercial scale, of three oil shale technologies.

WRONG APPROACH

Unfortunately, the Senator from Kansas has serious reservations about the approach of S. 419. There is already, in place, Federal machinery for the development of oil shale. The Department of Energy has authorization for cost shared oil shale demonstrations of the same size found in S. 419. While recent economic turmoil has kept the shale development relatively inactive, major oil companies did commit hundreds of millions of dollars for leases several years ago.

Mr. President, the single, most serious problem with S. 419 is the GOCO. GOCO, a Government-owned, contractor operated project is the vehicle for the testing and demonstrating of commercial technology which this bill hopes to achieve. However, the Senator from Kansas believes this approach to be ill-conceived and misguided. The combination of Federal funding with contractor management, without cost sharing and without any commercial relationship, provides every incentive for cost overruns rather than effective incentives for the acceleration of oil shale development in the United States. Indeed, Mr. President, John O'Leary, the Deputy Secretary of

Energy, has described GOCO's as "white elephants."

The GOCO concept will probably require the largest direct investment of Federal funds of all the available alternatives for providing incentives for testing and demonstrations. The eventual Federal outlay could exceed $1 billion, with no guarantee of a return on that investment. GOCO is clearly an unworkable idea. The Senator from Kansas believes that industry should be allowed to develop a commercial oil shale capability, with the appropriate incentives, without Government interference.

Mr. President, this is not to say that there should not be incentives for oil shale development. Last November, the Senate passed the energy tax bill, which included a $3/barrel tax credit for the production of oil shale. This approach is superior to that contained in S. 419 in several ways. A credit is equitable and easily administered. Unlike a GOCO, it would not require the Government to risk a penny. The credit would only be given for barrels of oil produced, rather than the unparalleled investment mandated by S. 419. Lastly, a credit would not interrupt the normal, healthy interaction of supply and demand in the marketplace.●

● Mr. MUSKIE, Mr. President, the bill we are debating today concerns an energy resource whose development most people consider vital to the successful long term resolution of our energy problem. I am speaking of oil shale, which is a resource we have in abundance.

So far we have not realized the potential of our shale reserves. The Federal Government has ongoing a modest and useful development program, but the current activity does not reflect a sense of urgency and is proceeding as if we had all the time in the world to develop new supplies of liquid fuels.

What S. 419 does is to accelerate the pace. Given the obvious need to find out exactly what the economic and environmental consequences are of producing oil from shale in large quantities, passage of S. 419 is important.

I find it particularly important that the bill recognizes the need to determine and evaluate the impact of oil shale development upon the environment before proceeding to commercial production.

The impact advisory panel established in section 9 of the bill, the report on how first to proceed with the program required in section 14, and the required evaluation of the program upon its completion provide strong environmental safeguards.

Senator HASKELL is to be commended for his efforts in bringing this bill to the Senate and for seeking to insure that the environment is protected in the development of oil shale.

The cost of the bill is significant. To construct the three oil shale demonstration plants authorized by S. 419 would require approximately $275 to $400 million over a period of years, according to CBO. Additional costs would be incurred by operating and maintaining the facilities, although in later years total costs would be offset at least in part by the sale of the oil produced.

So what we are authorizing in this bill is a costly enterprise. S. 419 involves far more than the $1.4 million specifically authorized for fiscal year 1979 in section 18 of the bill, as both the CBO cost estimate and the report accompanying S. 419 point out.

Mr. President, late last year the Senate passed a measure that, like S. 419, dealt with the development of oil shale.

The Senate-passed version of the energy tax bill, now in conference, contains a provision, authored by the distinguished senior Senator from Georgia, allowing the producer a $3 credit against his tax liability for each barrel of shale oil produced.

The approach taken by that provision is very different from the one taken in the bill before us today. S. 419 emphasizes the Federal role and contemplates direct Federal spending. The Talmadge provision emphasizes the private sector and involves a tax expenditure. S. 419 calls for a demonstration program, limited in time, that will enable us to evaluate different oil shale technologies and their associated impacts before proceeding to commercial development. The Talmadge provision is designed to yield commercial production right away. S. 419 envisions the construction of three oil shale plants. The Talmadge provision is likely to lead to five.

I happen to favor the approach taken in S. 419, but I am concerned that we are acting today as if the Talmadge provision is not pending in conference. To me, Senate passage of S. 419 implies a change in heart in how we believe the development of our oil shale resources should proceed. At the very least, passage of S. 419 would compel a reexamination of the tax credit proposal for oil produced from shale pending in conference. In my judgment, we cannot afford both programs.

Mr. President, let me now comment on a subject that I have addressed often as chairman of the Senate's Budget Committee. The subject is the pressure upon government to spend. This pressure is enormous. Since I became chairman of the Budget Committee I have been forcefully reminded of how extensive and continuous this pressure is. Each area of public policy, be it health, or agriculture or transportation, needs more money to reach its goals, goals, which most of us accept as valid.

Certainly this is true with energy, where additional funds could be used on a wide variety of programs, from weatherization to laser fusion.

So it is noteworthy when this pressure to spend is resisted. It is hard to say no, particularly when the program is deserving and the amount requested is reasonable. But when we reach our spending limit, we must say no, or the budget will be out of control.

I know this to be so, and so do the people of Maine who, like most Americans, suffer greatly from inflation and expect their elected leaders to do something about it.

Recently, President Carter said no to a request for more spending, a decision for which he deserves commendation. The Energy Department had sought his approval for a budget amendment in fiscal year 1979 of nearly $400 million for new energy supply initiatives. Many of these initiatives were attractive and the amount, while large, was not unreasonable. But the President said no. He realized that the deficit could not be held down by his giving in to the pressure to spend.

I for one applaud his decision and his courage in making it.

We in the Congress must show a similar courage.

Last month, in adopting the budget resolution, we set for ourselves spending limits for fiscal year 1979. These limits include a target for energy spending, of $10.4 billion. This is an ample amount, clearly sufficient to fund the energy programs we must have. It is an amount $900 million above the President's request. The congressional budget can accommodate the oil shale proposal before us, and it is my expectation that it can accommodate funding the major Department of Energy authorization which will be before us soon.

For any funding above this target, we in Congress must be willing to say no. I venture a guess that new, seemingly worthwhile energy-related endeavors will appear as time goes on. When it comes to funding these endeavors, we must hold to the targets we have set for ourselves. We must be willing to say no. We simply cannot afford spending that will breach the targets.●

Mr. ROBERT C. BYRD. S. 419, the Federal Oil Shale Commercialization Test Act, is one of the most significant energy bills the Senate has considered. Indeed, it will be one of the main determinants of our energy supply outlook. I commend Senator FLOYD HASKELL, the senior Senator from the State of Colorado, for the extensive work he has done to perfect this legislation.

Debate about commercial oil shale development—its probable contributions and consequences—has raged for years, while the commercial feasibility of such development has remained untested. This is what S. 419 provides for: testing the likely results of oil shale development—both economically and environmentally.

In order to come to grips with our longrun energy needs, the testing of alternative energy sources is essential. For example, S. 419 will make it possible for us to learn whether or not oil shale can be an economically and environmentally acceptable source of liquid fuel, which is our most vulnerable energy deficiency. The sooner we do this the better.

Few could dispute that this objective is laudatory, but how much will it cost? Congressional Budget Office calculations show that the benefits of S. 419 as reported will outweigh the costs. Indeed, the CBO estimates that at the conclusion of the tests, the Federal Treasury could earn more than it expended.

S. 419 is also significant in terms of its emphasis on careful planning, without which the benefits of economic growth can be overshadowed by excessive costs. Before development and production can proceed, environmental impacts must be ascertained. In addition, if this is determined that oil shale commercializaton can be pursued successfully, the communities involved must be able to plan for the rapid economic growth that this development will generate.

Senator HASKELL is known widely for his efforts to provide the public with relevant, reliable, and timely energy information. He sponsored the legislation which created the Energy Information Administration, an autonomous arm of the Department of Energy, designed to compile a reliable energy data base and to disseminate energy information to the public, Federal officials, and congressional decisionmakers.

Senator HASKELL consistently provides the Senate with guidance in the area of development and diversification of our domestic energy supplies. As chairman of the Subcommittee on Energy Production and Supply of the Committee on Energy and Natural Resources, he was floor manager for the coal conversion and utilization title of the President's omnibus energy legislation and chief spokesperson for the Senate version of this bill in the House-Senate Conference Committee. This is but one instance where his thorough knowledge of complex energy issues was clearly demonstrated.

His interest in alternative supplies is not limited to coal and oil shale. Senator HASKELL is one of the Senate's earliest and most active proponents of solar energy programs. He sponsored the first direct solar loan program which the Senate passed and to which the House has agreed.

S. 419 is by no means the first bill he has authored which emphasizes the environmental and economic impacts of developing alternative energy sources. Senator HASKELL was one of the first Senators to bring to our attention the adverse effect of explosive energy development on small rural communities.

As past chairman of the old Environment and Public Lands Subcommittee, Senator HASKELL initiated legislation which was enacted to increase the share of revenue State and local governments receive from energy and mineral development occurring with their jurisdictions.

The balance between environmental protection and energy development which is prominent in the bill before us today can be traced to his extensive work as chairman of the old Public Lands Subcommittee. He authored legislation to enlarge our wilderness system, restructure the Bureau of Land Management, upgrade our grazing lands, and provide public access to information upon which Federal land management agencies make their decisions.

Much of this work does not appear in headlines; much of it goes unnoticed. I have called special attention to Senator HASKELL and his involvement in developing energy supplies because it is an area of such vital importanec and because his work has been exemplary. The legislative process is often arduous; Senator HASKELL is one among us who has not only shouldered his burden but has done so gladly.

This is particularly commendable in an area such as energy where the issues are so complicated and the steps that must be taken to enact legislation into law are so difficult. The Senate, indeed, the American people, benefit from the careful, balanced leadership provided by Senator HASKELL. The bill before us today reflects the thoroughness, the thoughtfulness, and the timeliness which characterize FLOYD HASKELL's legislative career.

Mr. HASKELL. Mr. President, I ask for a third reading of the bill, and I ask for the yeas and nays on passage, with a 10-minute rollcall vote.

The PRESIDING OFFICER. The question is on agreeing to the committee substitute, as amended.

The committee substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. HASKELL. Mr. President, I ask for the yeas and nays on passage, and I ask unanimous consent that it be a 10-minute rollcall vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there a sufficient second? There is a sufficient second. The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LEAHY (When his name was called). Mr. President, on this vote I have a pair with the Senator from Minnesota (Mrs. HUMPHREY). If she were present and voting, she would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from Minnesota (Mrs. HUMPHREY), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. MCGOVERN) is absent on official business.

Mr. STEVENS. I announce that the Senator from Nebraska (Mr. CURTIS), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), the Senator from Pennsylvania (Mr. HEINZ), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I also announce that the Senator from California (Mr. HAYAKAWA) is absent to attend the funeral of a Member of the House of Representatives.

The result was announced—yeas 61, nays 23, as follows:

[Rollcall Vote No. 185 Leg.]

YEAS—61

Allen	Glenn	Moynihan
Baker	Griffin	Muskie
Bayh	Hart	Nelson
Bellmon	Haskell	Nunn
Bumpers	Hatfield, Paul G.	Packwood
Burdick	Hathaway	Pell
Byrd, Robert C.	Hodges	Randolph
Cannon	Hollings	Ribicoff
Case	Huddleston	Riegle
Chafee	Jackson	Sarbanes
Chiles	Javits	Sasser
Church	Johnston	Stafford
Clark	Kennedy	Stennis
Cranston	Magnuson	Stevens
Culver	Mathias	Stevenson
Danforth	Matsunaga	Stone
DeConcini	McIntyre	Talmadge
Domenici	Melcher	Williams
Durkin	Metzenbaum	Young
Eagleton	Morgan	Zorinsky
Ford		

NAYS—23

Bartlett	Hansen	Proxmire
Bentsen	Hatch	Roth
Biden	Helms	Schmitt
Brooke	Laxalt	Schweiker
Byrd, Harry F., Jr.	Lugar	Scott
Dole	McClure	Thurmond
Garn	Pearson	Tower
	Percy	Wallop

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Leahy, against.

NOT VOTING—15

Abourezk	Hatfield, Mark O.	Long
Anderson	Hayakawa	McGovern
Curtis	Heinz	Sparkman
Eastland	Humphrey	Weicker
Goldwater	Inouye	
Gravel		

So the bill (S. 419), as amended, was passed, as follows:

S. 419

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Oil Shale Commericalization Test Act".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds and declares that—

(1) the Nation continues to face a severe energy supply problem;

(2) oil shale is a major national resource with the potential of alleviating a significant portion of this supply problem;

(3) efforts to demonstrate the commercial viability of oil shale have not been effective; and

(4) a program which will ascertain the commercial potential of oil shale and the consequences of its development is needed.

(b) It is the purpose of this Act to—

(1) establish a Federal program to determine the commercial viability of three oil shale retorting technologies;

(2) determine whether oil shale can contribute to the Nation's energy supply mix in the near future;

(3) evaluate the social and environmental consequences of oil shale commercialization;

(4) establish criteria by which to measure the commercial viability and the social and environmental consequences of oil shale development;

(5) assure that the technologies developed through this program will be generally available; and

(6) assure that, to the maximum extent possible, the program will be carried out with public participation and public access to information.

OIL SHALE COMMERCIALIZATION TEST PROGRAM

SEC. 3. (a) The Secretary of Energy (hereinafter referred to in this Act as the "Secretary") shall in accordance with this Act and with such rules and regulations as he shall promulgate hereunder—

(1) establish a Federal program to determine the commercial viability of three oil shale retorting technologies;

(2) invite submission of proposals from interested persons for the design, construction, and initial operation of Federal oil shale commercial demonstration projects (hereinafter referred to in this Act as "projects");

(3) select from the proposals submitted the three most attractive projects, based on the criteria of subsection (b) of this section, each employing a different oil shale retorting technology: *Provided*, That the Secretary may select fewer projects if, in his judgment, there are not three projects with different technologies which are technically feasible: *Provided further*, That if the Secretary selects three projects at least one of these projects must employ an above ground retorting technology; and another project must employ an in situ process;

(4) enter into contracts with the persons submitting the selected proposals for the design, construction, and initial operation of the federally owned oil shale commercial demonstration projects: *Provided*, That the Secretary may choose not to enter into any contracts if, in his judgment, the terms and conditions of the contracts with persons submitting the selected proposals will not achieve the purposes of this section as set forth in subsection (d): *Provided further*, That any such contracts shall be expressly contingent upon the availability of such funds as are authorized and appropriated in future Acts.

(b) The Secretary shall, in making his selection of the projects, consider—

(1) the commercial promise of the technology proposed to be used in the project;

(2) the social and economic impact of the proposed project on the local communities which would be most directly affected;

(3) the environmental impact of the project, including, but not limited to, water consumption, water pollution, and air pollution;

(4) the thermodynamic balance of the technology to be used in the project;

(5) whether the technology to be used in the project has been successfully operated on a continuous basis on a small but significant scale; and

(6) the health and safety aspects of the technology.

(c) No project shall be larger than a modular size, capable of producing between two thousand and ten thousand barrels per day.

(d) The purpose of the program authorized by this Act shall be to test three oil shale retorting technologies so as to determine—

(1) their commerical viability;

(2) their environmental impact, including, but not limited to, water consumption, water pollution, and air pollution;

(3) their health and safety aspects, including, but not limited to, any carcinogenic effect;

(4) their effect on regional and local agricultural production;

(5) their social and economic impacts; and

(6) their thermodynamic balances.

LOCATION OF THE PROJECTS

SEC. 4. (a) All of the projects authorized by this Act shall be located at a single site: *Provided*, That should the secretary determine that location of all of the projects at a single site is not feasible, he may choose multiple sites. The projects shall be located on either (i) lands of the Naval Oil Shale Reserve or (ii) unleased public lands on which the mineral rights, in the opinion of the Secretary of the Interior, are unencumbered by prior claims: *Provided*, That in considering the location of the projects, the Secretary shall give priority to the lands of the Naval Oil Shale Reserves: *Provided further*, That the Secretary shall not select a tract of public lands unless he determines that by locating the projects on public lands he will obtain information on commercial viability not attainable on the lands of the Naval Oil Shale Reserves. In determining the location of the projects, the Secretary shall give particular consideration to the availability of water, land for waste disposal, environmental baseline and resource information, and the proximity to transportation, power, and other local services.

(b) Prior to the selection of any public lands to carry out the purposes of this Act, the Secretary shall consult with the Secretary of the Interior and obtain his written consent for the use of the selected public lands for the projects authorized by this Act.

(c) Prior to giving the written consent required by subsection (b) of this section, the Secretary of the Interior shall withdraw the selected lands for a period of time sufficient to carry out the purposes of this Act. Upon the publication of the Secretary's evaluation required by section 6 of this Act, such withdrawal shall terminate.

(d) For the purposes of this section, the term "withdraw" or "withdrawn" mean withholding an area of Federal land from settlement, sale, location, or entry, under some or all of the general laws, for the purpose of limiting activities under those laws in order to maintain other public values in the area or reserving the area for a particular public purpose or program; or transferring jurisdiction over an area of Federal land, other than "property" governed by the Federal Property and Administrative Services Act, as amended (40 U.S.C. 472) from one department, bureau, or agency to another department, bureau, or agency.

COORDINATION WITH LOCAL GOVERNMENTS

SEC. 5. (a) Prior to the selection of any project, the Secretary shall consult with the Governor of the State and officials of each political subdivision affected. The Secretary shall consult with these officials throughout the program both directly and through the advisory panel created by section 9 of this Act.

(b) Prior to the selection of any project, the Secretary, taking into consideration all reasonably available forms of assistance under this Act and other Federal and State stautes, shall determine that the impacts resulting from the proposed projects have been fully evaluated by the Secretary and the Governor of the affected State, and that effective steps have been taken or will be taken in a timely manner under section 11 of this Act, other provisions of law, or by other means to finance community planning and development costs resulting from such projects.

CRITERIA FOR EVALUATION OF THE PROJECTS

SEC. 6. (a) The Secretary shall evaluate the commercial viability and the social and environmental impacts of the technologies tested by the projects authorized by this Act. This evaluation, which shall be published within one year of the completion of the program established by this Act, shall be based on the following criteria—

(1) whether the products can be sold at a price which is competitive with imported crude oil;

(2) whether the technologies can be operated on a commercial scale in compliance with the Federal Water Pollution Control Act, as amended (33 U.S.C. 1151–1175) and the Clean Air Act, as amended (42 U.S.C. 1857 and following);

(3) the economic, social, and environmental consequences of energy alternatives to oil shale production;

(4) the effect on regional and local water supplies of the projects and the commercial operation of the technologies tested by the projects;

(5) the effect on regional and local agricultural production of the projects and of commercial operation of the technologies tested by the projects;

(6) the health effects on workers and other persons of the projects and of commercial operation of the technologies tested by the projects, including, but not limited to, any carcinogenic effects;

(7) the thermodynamic balance of each technology; and

(8) the impacts on local communities which would be most directly affected by an oil shale industry.

(b) The published evaluation required by this section shall also include a recommendation from the Secretary regarding the disposition of the test facilities at the termination of the program.

PUBLIC PARTICIPATION

SEC. 7. Prior to completion of his evaluation of the commercial viability and the social and environmental impacts of the technologies tested by the projects, the Secretary shall provide opportunity for at least one public hearing in the area which would be most directly impacted by commercial development of oil shale.

PATENTS

SEC. 8. (a) The title to any invention made or conceived by a participant in performing work for the program authorized by this Act shall vest in the United States, and if patents on such inventions are issued they shall be issued to the United States: *Provided*, That the Secretary may not exercise the discretion to waive all or part of the rights of the United States under section 9 (c) of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5908(c)).

(b) The Secretary may grant licenses in any invention to which title is vested in the United States as a consequence of the program authorized by this Act: *Provided*, That he may not exercise the discretion to grant exclusive or partially exclusive licenses under section 9(g)(2) of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5908(g)(2)).

(c) When a person participating in the program established by this Act holds background patents, trade secrets, or proprietary information necessary to the commercial operation of any technology used in the projects authorized by this Act, he will be required to grant licenses in said invention, trade secret, or proprietary information to responsible parties on terms that are reasonable under the circumstances. Nothing in this Act shall be construed to affect the ownership of background patents, trade secrets, or proprietary information which a person brings to a project authorized by this Act.

(d) A person participating in the program authorized by this Act shall have a nonexclusive paid-up license to any invention made or conceived during the course of the program authorized by this Act.

SOCIAL AND ENVIRONMENTAL IMPACT ADVISORY PANEL

SEC. 9. (a) There is hereby established a panel to advise the Secretary on matters relating to the program authorized by this Act,

including, but not limited to, impacts on local governments, the State, the environmental and health and safety effects of the test facilities, and the means, measures, and planning for preventing or mitigating such impacts.

(b) The panel shall consist of ten members, including—

(1) a representative of the Council on Environmental Quality appointed by the Chairman thereof;

(2) a representative of the Department of the Interior appointed by the Secretary of the Interior;

(3) a representative of the Environmental Protection Agency appointed by the Administrator thereof;

(4) a representative of the State appointed by the Governor thereof;

(5) three elected representatives of local government appointed by the Regional Council of Governments of the area most directly affected by the projects; and

(6) three representatives of citizen environmental groups appointed by the Chairman of the Council on Environmental Quality.

(c) Members of the panel who are employees of the Federal Government, a State, or local government shall serve without additional compensation as such. All other members shall receive $100 per diem when actually engaged in the performance of the duties of the panel.

(d) The Secretary shall reimburse all panel members for necessary travel and subsistence expenses incurred by them in the performance of the duties of the panel.

(e) The panel is authorized to employ two professional and one nonprofessional staff members for the purpose of facilitating its work. The staff members shall be hired in accordance with the will of the majority of the panel members.

(f) The panel shall terminate no later than six months after the publication of the Secretary's evaluation required by section 6 of this Act.

SALE OF PRODUCTS

SEC. 10. (a) In administering the projects authorized by this Act, the Secretary shall use, store, or sell the shale oil produced.

(b) Notwithstanding any other provision of law, any commercially valuable product produced by projects located on public lands shall be disposed of during the continuation of the program at public sale to the highest qualified bidder.

(c) Any commercially valuable product produced by projects located on the Naval Oil Shale Reserves shall be disposed of during the continuation of this program in accordance with title 10, United States Code, section 7430.

(d) All revenues by the Secretary from the sale of any commercially valuable product shall be paid into the Treasury of the United States.

IMPACT ASSISTANCE

SEC. 11. (a) In accordance with such rules and regulations as the Secretary, in consultation with the Secretary of the Treasury, shall prescribe, and subject to such terms and conditions as he deems appropriate, the Secretary is authorized, for the purpose of financing essential community development and planning which directly result from, or are necessitated by, this Act to guarantee and make commitments to guarantee the payment of interest on, and the principal balance of, obligations for such financing issued by the State or local governments.

(b) Prior to issuing any guarantee under this section, the Secretary shall obtain the concurrence of the Secretary of the Treasury with respect to the timing, interest rate, and substantial terms and conditions of such guarantee. The Secretary of the Treasury shall insure to the maximum extent feasible that the timing, interest rate, and substantial terms and conditions of such guarantee will have the minimum possible impact on the capital markets of the United States, taking into account other Federal direct and indirect securities activities.

(c) The amount of obligations authorized for any guarantee and commitment to guarantee under subsection (a) of this section is $20,000,000 per year for fiscal years 1979 and 1980. This money shall remain available until utilized: *Provided*, That such obligations guaranteed or committed to be guaranteed which may be outstanding at any time in any fiscal year shall not exceed the aggregate of the total amount authorized pursuant to this section for that fiscal year and all preceding fiscal years.

(d) If, after consultation with the State or local governments, the Secretary finds that the financial assistance program of subsection (a) of this section will not result in sufficient funds to carry out the purpose of this section, the Secretary may make direct loans to the State or local governments for such purposes: *Provided*, That such loans shall be made on such reasonable terms and conditions as the Secretary shall prescribe: *Provided further*, That the Secretary may waive repayment of all or part of a loan made under this subsection, including interest, if the State or local government involved demonstrates to the satisfaction of the Secretary that, due to a change in circumstances, there will be net adverse impacts resulting from the projects authorized by this Act that would probably cause such State or local government to default on the loan.

(e) The Secretary is further authorized to make grants to the State or local governments for studying, and planning for the mitigation of the potential economic, environmental, and social consequences of the projects authorized by this Act and for establishing related management expertise.

(f) At any time the Secretary may, with the concurrence of the Secretary of the Treasury, redeem, in whole or in part, out of the fund established by section 12 of this Act, the debt obligations guaranteed under this section.

(g) When one or more local governments would be eligible for assistance under this section, but for the fact that construction and operation of the projects occurs outside its jurisdiction, the Secretary is authorized to provide, to the greatest extent possible, arrangements for equitable sharing of such assistance.

(h)(1) Such amounts as may be necessary for direct loans and grants pursuant to this section shall be available as provided in annual authorization Acts and shall be requested in fiscal year 1979, and in subsequent fiscal years.

(2) There is hereby authorized to be appropriated, for fiscal year 1979, $200,000 for grants to be used to carry out the purposes of this section.

THE FUND

SEC. 12. (a) There is hereby created within the Treasury of the United States a special fund designated as the "Oil Shale Commercialization Test Special Fund" (hereinafter in this section referred to as the "fund") which shall be available to the Secretary without fiscal year limitation as a fund for the purpose of carrying out the program authorized by section 11 of this Act.

(b) There is hereby authorized to be appropriated to the fund for administrative expenses for fiscal year 1979, $200,000 and from time to time such other amounts as may be necessary to carry out the purposes of the fund including, but not limited to, the payment of interest and principal and the payment of interest differentials and redemption of debt.

(c) All payments on obligations, appropriate expenses (including reimbursements to other government accounts), and repayments pursuant to operations of the Secretary under this section shall be paid from the fund subject to appropriations. If at any time the Secretary determines that moneys in the fund exceed the present and reasonably foreseeable future requirements of the fund, such excess shall be transferred to the general fund of the Treasury.

(d) If at any time the moneys available in the fund are insufficient to enable the Secretary to discharge his responsibilities authorized by section 11 of this Act, the Secretary shall issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Secretary of the Treasury. Redemption of such notes or obligations shall be made by the Secretary from appropriations or other moneys available under subsection (b) of this section for loan guarantees authorized by section 11 of this Act. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, which shall be not less than a rate determined by taking into consideration the average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury shall purchase any notes or other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act; and the purposes for which securities may be issued under that Act are extended to include any purchase of such notes or obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

(e) The provisions of this section do not apply to direct loans or planning grants made during section 11 of this Act.

STATE LAW

SEC. 13. (a) Nothing in this Act shall be construed as affecting the obligations of any person receiving a contract pursuant to this Act to comply with Federal and State environmental, land use, water and health and safety laws and regulations or to obtain applicable Federal and State permits, licenses, and certificates.

(b) Nothing in this Act shall be construed as superseding, modifying, or otherwise affecting, in any way or to any exent or in any manner, directly or indirectly, any State law or regulations, or any rule of law, governing or otherwise involving the appropriation use, diversion, allocation, or other State administration and control of water and water rights.

REPORTS

SEC. 14. (a) The Secretary shall submit a report to the Congress within one hundred and eighty days after the enactment of this Act setting forth a comprehensive plan for the acquisition of information and the evaluation of the environmental, economic, social, and technological impacts of the program authorized by this Act. In preparing such a comprehensive plan, the Secretary shall consult with the heads of the Environmental Protection Agency, the Department of Housing and Urban Development, the Department of the Interior, the Depart-

ment of Labor, the Department of Agriculture, and the Department of the Treasury. The plan shall include, but not be limited to, the following:

(1) information about the projects which might be funded by the program established by this Act;

(2) any significant economic, social, and environmental impacts which may result from any activity included in the program;

(3) the extent to which it is feasible to commercialize the technologies used in the projects authorized by this Act;

(4) proposed regulations required to carry out the purposes of this Act;

(5) a list of Federal agencies, governmental entities, and other persons who will be consulted or used to implement the program established by this Act;

(6) the methods and procedures by which the information gathered under the program established by this Act will be analyzed and disseminated;

(7) a plan for the study and monitoring of the health effects of such facilities on workers and other persons, including, but not limited to, any carcinogenic effect;

(8) the methods and procedures to insure that the projects will be no larger than necessary to demonstrate the commercial viability of the technologies; and

(9) an evaluation of the various means of using any commercially valuable product produced during the program.

(b) The Secretary shall annually submit a detailed report to the Congress concerning the actions taken or not taken by the Secretary under this Act during the preceding fiscal year including, but not limited to—

(1) a discussion of the status of each project financed under this Act, including progress made in the development of such projects and the expected or actual production from each project, including byproduct production therefrom, and the distributions of such products and byproducts;

(2) a detailed statement of the costs of the program established by this Act;

(3) data concerning the environmental, social, and economic impacts of each such project and the actions taken or planned to prevent or mitigate such impacts;

(4) the administrative and other costs incurred by the Secretary and other Federal agencies in carrying out this program; and

(5) such other data as may be helpful in keeping the Congress and the public fully and currently informed about the program authorized by this Act.

(c) The reports required by subsection (b) of this section shall be a part of the annual reports required by 657 of the Department of Energy Organization Act, except that the matters required to be reported by this section shall be clearly set out and identified in such annual reports.

(d) The reports required by subsections (a) and (b) of this section shall be transmitted to the Speaker of the House of Representatives and the House Committee on Science and Technology and to the President of the Senate and the Committee on Energy and Natural Resources of the Senate.

TAX-EXEMPT BONDS

SEC. 15. With respect to any obligation which is issued after the enactment of this Act by, or on behalf of, any State, or local government and which is guaranteed under this Act, the interest paid on such obligation and received by the purchaser thereof (or the purchaser's successor in interest) shall be included in gross income for the purposes of chapter 1 of the Internal Revenue Code of 1954, as amended: *Provided*, That the Secretary shall pay to such issuer out of the fund established by this Act such portion of the interest on such obligations, as determined by the Secretary of the Treasury to be appropriate after taking into account current market yields (1) on obligations of said issuer, if any, or (2) on other obligations with similar terms and conditions, the interest on which is not so included in gross income for purposes of chapter 1 of said Code, and in accordance with such terms and conditions as the Secretary of the Treasury shall require.

PUBLIC DISCLOSURE

SEC. 16. Information collected by the Secretary as a result of the activities authorized by this Act shall be cataloged and, upon request, any such information shall be promptly made available to the public in a form and manner easily adaptable for public use, except that this subsection shall not require disclosure of matters exempted from mandatory disclosure by section 552(b) of title 5, United States Code. The provisions of section 11(d) of the Energy Supply and Environmental Coordination Act of 1974, and section 17 of the Federal Nonnuclear Energy Research and Development Act of 1974, as amended, also shall continue to apply to any information obtained by the Secretary which is subject to such provisions.

FINANCIAL RECORDS

SEC. 17. Recipients of contracts under this Act shall keep such records and other pertinent documents as the Secretary shall prescribe by regulation, including, but not limited to, records which fully disclose the disposition of the proceeds of such assistance, the cost of any project and such other records as the Secretary may require to facilitate an effective audit. The Secretary and the Comptroller General of the United States or their duly authorized representatives shall have access, for the purpose of audit, to such records and other directly pertinent documents.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 18. There is authorized to be appropriated $1,000,000 for fiscal year 1979 to carry out the provisions of this Act, other than sections 11 and 12 hereof.

DEFINITIONS

SEC. 19. For the purposes of this Act the term "person" means an individual, partnership, association, society, joint stock company, firm, company, corporation or other business organization.

SEVERABILITY

SEC. 20. If any provision of this Act or the applicability thereof to any person or circumstances is held invalid the remainder of the Act and the application of such provision to other persons or circumstances shall not be affected thereby.

Mr. HASKELL. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business with Senators allowed to speak up to 5 minutes in that period.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE OFFICE OF ALIEN PROPERTY—MESSAGE FROM THE PRESIDENT—PM 188

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on the Judiciary:

To the Congress of the United States:

I herewith transmit the annual report of the Office of Alien Property, Department of Justice, for the fiscal year ended June 30, 1976, a time prior to my Administration, in accordance with Section 6 of the Trading with the Enemy Act.

JIMMY CARTER.

THE WHITE HOUSE, *June 27, 1978.*

MESSAGES FROM THE HOUSE

At 2:13 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 10341. An act to amend title 10, United States Code, to authorize reserve enlisted members of the Army and the Air Force to retire with 20 years of service; and

H.R. 10342. An act to revise the rule for recalculation of military retired or retainer pay to reflect later active duty with respect to later active duty performed between October 1, 1963, and October 1, 1973.

HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 10341. An act to amend title 10, United States Code, to authorize reserve enlisted members of the Army and the Air Force to retire with 20 years of service; to the Committee on Armed Services; and

H.R. 10342. An act to revise the rule for recalculation of military retired or retainer pay to reflect later active duty with respect to later active duty performed between October 1, 1963, and October 1, 1973; to the Committee on Armed Services.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-3850. A communication from the Acting Comptroller General of the United States, reporting, pursuant to law, on the Presi-

dent's ninth special message for fiscal year 1978 that was transmitted to the Congress pursuant to the Impoundment Control Act of 1974; to the Committee on the Budget, the Committee on Appropriations, the Committee on Foreign Relations, the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Finance, jointly, pursuant to order of January 30, 1975.

EC–3851. A communication from the Acting Assistant Secretary of Defense (Comptroller), reporting, pursuant to law, that no use was made of funds appropriated in the Department of Defense Appropriation Act, 1978 (P.L. 95–111) and Section 109 of the Military Construction Appropriation Act, 1978 (P.L. 95–101) during the period October 1, 1977 through March 31, 1978, to make payments under contracts for any program, project, or activity in a foreign country except where, after consultation with a designee of the Secretary of the Treasury, it was determined that the use, by purchase from the Treasury, of currencies of such country acquired pursuant to law was not feasible for the reason that the Treasury Department was not holding excess foreign currencies in the country involved; to the Committee on Appropriations.

EC–3852. A communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, the required information concerning the Department of the Army's proposed Letter of Offer to Ecuador for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–3853. A communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, the required information concerning the Department of the Navy's proposed Letter of Offer to the Republic of China for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–3854. A communication from the Secretary of the Navy, transmitting a draft of proposed legislation to amend titles 10 and 37, United States Code, to provide for the temporary promotion of warrant officers of the Navy and Marine Corps, ensigns of the Navy, and second lieutenants of the Marine Corps under appointments which may be made by the President alone, and for other purposes; to the Committee on Armed Services.

EC–3855. A communication from the Chairman, United States International Trade Commission, transmitting, pursuant to law, a study on technology transfer, entitled "Technology Transfer: A Review of the Economic Issues" prepared by the Departments of Commerce and Labor and the International Trade Commission; to the Committee on Banking, Housing, and Urban Affairs.

EC–3856. A communication from the Chairman, Securities and Exchange Commission, transmitting, pursuant to law, the Seventh Annual Report of the Securities Investor Protection Corporation (SIPC) covering the year 1977; to the Committee on Banking, Housing, and Urban Affairs.

EC–3857. A communication from the Secretary of Commerce, transmitting, pursuant to law, the 1977 Annual Report of the National Sea Grant Program; to the Committee on Commerce, Science, and Transportation.

EC–3858. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the report of the Department of Health, Education, and Welfare regarding the administration of the Fair Packaging and Labeling Act by the Department during fiscal year 1977; to the Committee on Commerce, Science, and Transportation.

EC–3859. A communication from the Vice President, Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report on total itemized revenues and expenses, revenues and expenses of each train operated, and revenues and total expenses attributable to each railroad over which service is provided, for the month of February 1978; to the Committee on Commerce, Science, and Transportation.

EC–3860. A communication from the Vice President, Government Affairs, National Railroad Passengers Corporation, transmitting, pursuant to law, reports on the average number of passengers per day on board each train operated and the on-time performance at the final destination of each train operated, by route and by railroad, for the months of January, February, March, and April, 1978; to the Committee on Commerce, Science, and Transportation.

EC–3861. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report on the current and prospective uses of the lands near and adjacent to Lake Quinault in Olympic National Park, Washington; to the Committee on Energy and Natural Resources.

EC–3862. A communication from the Chairman of the Board, Pennsylvania Avenue Development Corporation, transmitting, pursuant to law, its 1977 annual report; to the Committee on Energy and Natural Resources.

EC–3863. A communication from the Federal and State Cochairmen, New England Regional Commission, transmitting, pursuant to law, its 1977 annual report; to the Committee on Environment and Public Works.

EC–3864. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Independent Review and Evaluation System of the Inter-American Development Bank Needs Support," June 22, 1978; to the Committee on Foreign Relations.

EC–3865. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties hereafter entered into by the United States, within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC–3866. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the major issues involving the F–13 aircraft; to the Committee on Governmental Affairs.

EC–3867. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "ICC's Expansion of Unregulated Motor Carrier Commercial Zones Has Had Little or No Effect on Carriers and Shippers," June 26, 1978; to the Committee on Governmental Affairs.

EC–3868. A communication from the Comptroller General of the United States, transmitting, pursuant to law, the annual report on the activities of the United States General Accounting Office during the fiscal year ended September 30, 1977; to the Committee on Governmental Affairs.

EC–3869. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Increased Competition Can Reduce Elevator Maintenance and Cleaning Service Contract Costs," June 14, 1978; to the Committee on Governmental Affairs.

EC–3870. A communication from the Secretary of Health, Education, and Welfare, transmitting, for the information of the Senate, a plan of administrative and legislative action for implementing the recommendations of the White House Conference on Handicapped Individuals; to the Committee on Human Resources.

EC–3871. A communication from the Deputy Solicitor, Department of the Interior, transmitting, for the information of the Senate, a supplement to the annual report of the Department on Freedom of Information Act activities; to the Committee on the Judiciary.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM–708. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Finance:

"HOUSE CONCURRENT RESOLUTION NO. 83

"Whereas, the senior citizens of this nation have expended their youth and the fullness of their lives in structuring, continuing, and improving, to the best of their abilities, the nation's economic, social, and moral well-being; and

"Whereas, the thanks and appreciation that many of senior citizens receive, when the eventide of their life is reached and they are no longer fully able to care for themselves, is life in a nursing home; and

"Whereas, despite the best intentions and efforts of those who care for these senior citizens in nursing homes, the very fact of being grouped together with others of like age and incapacities in the confines of the institutionalized life of a nursing home necessarily gives rise to a feeling on the part of the senior citizens of being abandoned and set aside from the mainstream of life; and

"Whereas, the keeping and maintaining of a senior citizen within a family home, where there is contact with persons engaged in the daily work and life of a family and the community not only is recognized as more conducive to the well-being, health, happiness, and even the continued productivity of the senior citizen than the stultifying, limited life usually associated with and in fact an integral ingredient of a nursing home, but it also may lead to the enrichment of the lives of others who have the advantage of the experience, wisdom, and recollections of the senior citizen; and

"Whereas, a tax saving incentive can be expected to encourage persons to keep and care for senior citizens within their homes and a federal income tax saving incentive for citizens and taxpayers of Louisiana and likely of many other states would be a double incentive, inasmuch as the individual income tax payable to the state of Louisiana and at least some other states by individuals is directly determined from the amount of the taxpayer's federal income tax.

"Therefore, be it resolved by the House of Representatives of the Louisiana Legislature, the Senate thereof concurring, that the Legislature of Louisiana does hereby memorialize, urge, and request the Congress of the United States to enact legislation which will grant a deduction up to five thousand dollars from gross income for the determination of federal taxable income, for any taxpayer who keeps and maintains in his home, without remuneration from any source, a senior citizen, being a person sixty-five years of age or older, whether or not related to the taxpayer, who is eligible for nursing home care under the eligibility requirements of the applicable state and federal regulations.

"Be it further resolved that this legislation provide that the senior citizen being so cared for in the home would not lose Medicare and/or Medicaid eligibility.

"Be it further resolved that the clerk of the House of Representatives, upon adoption of this Resolution, shall without delay send an

authenticated copy thereof to each member of the Louisiana congressional delegation and to the presiding officers of the respective houses of the Congress."

POM-709. A resolution adopted by Pacifica Democrats, Pacifica, California, relating to human rights; to the Committee on Foreign Relations.

POM-710. A resolution adopted by the legislature of the State of New York; to the Committee on Appropriations:

"LEGISLATIVE RESOLUTION, SENATE No. 407

"Whereas, It has been the outstanding acts of heroism, the bravery and the sacrifices of those steadfast and loyal individuals who have faithfully served in the Armed Services of the United States of America that have ensured all Americans the continuance of their constitutional freedoms; and

"Whereas, It is the sense of this Legislative Body that provisions be made and maintained without abatement for the furnishing of medical and hospital services to these patriotic veterans as this is a manifestation of our patriotism and gratitude in the most fundamental and pure sense; and

"Whereas, As a cost-conscious Congress attempts to prune the Executive Budget, it appears that that which in a time of war is an imperative now assumes a low priority and that a cut in the funds allocated for the Veterans Administration's Hospital program in the State of New York may be contemplated; and

"Whereas, It is the intent of this Legislative Body to request that the rights of those who have so loyally served in the Armed Forces of this Nation be maintained; now, therefore, be it

"Resolved, That this Legislative Body memorializes the Congress of the United States to maintain those funds allocated in the Executive Budget for the Veterans Administration's Hospital Program in the State of New York; and be it further

"Resolved, That copies of this resolution, suitably engrossed, be transmitted to the President Pro Tempore of the Senate of the United States, to the Speaker of the House of Representatives of the United States, to the Minority Leader of the Senate and to the Majority and Minority Leaders of the House of Representatives, to the Chairman of the Committee on Veterans Affairs of the House of Representatives and to each member of the Congress of the United States from the State of New York."

POM-711. A concurrent resolution adopted by the Legislature of the State of Hawaii; to the Committee on Finance:

"H.C.R. No. 76

"Whereas, until 1972, the investment income of state and local public pension plans were implicitly exempt from federal taxation and former public employees receiving public pension benefits were allowed preferential tax treatment whether the plans were qualified or not; and

"Whereas, although there are no explicit statutes providing the exemption or nonqualified preferential tax treatment, Congress was aware of and the U.S. Internal Revenue Service (IRS) practiced this implicit exemption and authority; and

"Whereas, since 1972, however, the IRS has changed its policy and chose to ignore the implicit exemption and authority; thus, some public pension plans have become subject to the qualification requirements and taxation of investment income; and

"Whereas, furthermore, in 1977, the IRS stated its intention of requiring public pension plans, whether qualified or not, to file annual returns containing certain financial information; and

"Whereas, these policies are unacceptable to state and local governments; and

"Whereas, besides the financial impact on the public pension plans and former public employees, the National Conference of State Legislatures, in a policy paper representing the consensus of state and local governments, states that the policies are contrary to Congressional intent and the doctrine of sovereignty of states; and

"Whereas the policy paper states that Congress has had ample opportunity to make explicit statutory amendments subjecting public pension plans to federal requirements; and that the lack of such statutes indicate Congress's approval of the implicit exemption; and

"Whereas, the policy paper further states that even if Congress had specifically subjected public pension plans to federal requirements, it is questionable, under the doctrine of state sovereignty, whether the federal government has the constitutional right or power to regulate intrastate public employee benefits or to tax state and local governments; and

"Whereas, the 95th Congress is currently considering two bills, H.R. 9118 and S. 1587, which would specifically exempt public pension plans from federal taxation and reporting requirements; now, therefore,

"Be it resolved by the House of Representatives of the Ninth Legislature of the State of Hawaii, Regular Session of 1978, the Senate concurring, that Congress and the President are requested to enact either H.R. 9118 or S. 1587 into law; and

"Be it further resolved that certified copies of this Concurrent Resolution be transmitted to the Honorable Jimmy Carter, President of the United States, Senator James O. Eastland, President Pro Tempore of the U.S. Senate, Senator Robert Byrd, Majority Leader of the U.S. Senate, Senator Howard Baker, Minority Floor Leader of the U.S. Senate, Representative Thomas P. O'Neill, Speaker of the U.S. House of Representatives, Representative James C. Wright, Majority Leader of the U.S. House of Representatives, Representative John J. Rhodes, Minority Leader of the U.S. House of Representatives, and to each member of Hawaii's congressional delegation."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CULVER, from the Committee on the Judiciary, with amendments:

S. 2399. A bill to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 and other laws to meet obligations under the Convention on Psychotropic Substances relating to regulatory controls on the manufacture, distribution, importation, and exportation of psychotropic substances, and for other purposes (Rept. No. 95-959).

By Mr. ROBERT C. BYRD (for Mr. MUSKIE), from the Committee on the Budget, without amendment:

S. Res. 492. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 12426, the New York City Loan Guarantee Act of 1978 (Rept. No. 95-960).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation:

Henry Geller, of Virginia, to be Assistant Secretary of Commerce for Communications and Information.

Robert Pitofsky, of Maryland, to be a Federal Trade Commissioner.

George S. Benton, of Maryland, to be Associate Administrator of the National Oceanic and Atmospheric Administration.

Aubrey H. Jones, to be a permanent commissioned officer in the Coast Guard Reserve in the grade of Rear Admiral.

Danny Ellis, to be a permanent commissioned officer in the Regular Coast Guard in the grade of Lieutenant (jg).

The following officers of the U.S. Coast Guard for promotion to the grade of rear admiral:

Bernie E. Thompson,
Clifford F. DeWolf;
Harold W. Parker, Jr.;
Henry H. Bell;
Alfred P. Manning, Jr.;
Richard J. Knapp;
William H. Stewart;
Paul A. Yost, Jr.; and
Louis L. Zumstein.

(The above nominations from the Committee on Commerce, Science, and Transportation were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. CANNON. Mr. President, I also report favorably sundry nominations in the National Oceanic and Atmospheric Administration which have previously appeared in the CONGRESSIONAL RECORD and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of April 24, 1978, at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. TALMADGE:

S. 3246. A bill to amend the Tariff Act of 1930 to provide that, for purposes of determining the duty payable with respect to imported merchandise, the value of imported merchandise includes any export quota premium; to the Committee on Finance.

By Mr. RIEGLE:

S. 3247. A bill to amend title 18 of the United States Code to make lawful certain activities concerning certain foreign and domestic legal lotteries; to the Committee on the Judiciary.

By Mr. MORGAN (for himself, Mr. MCGOVERN, Mr. DOLE, Mr. HELMS, Mr. HOLLINGS, Mr. HART, Mr. RIEGLE, Mr. HASKELL, Mr. ANDERSON, Mr. THURMOND, and Mr. PEARSON):

S. 3248. A bill to provide for the establishment of a National Agricultural Cost of Production Board; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. GRIFFIN:

S. 3249. A bill for the relief of Svetlana Herman and Janna Herman; to the Committee on the Judiciary.

By Mr. MELCHER:

S. 3250. A bill to amend the Internal Revenue Code of 1954 to make the investment tax credit applicable to certain agricultural buildings and their structural components; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TALMADGE:

S. 3246. A bill to amend the Tariff Act of 1930 to provide that, for purposes of determining the duty payable with respect to imported merchandise, the value of imported merchandise, the value of imported merchandise includes any export quota premium; to the Committee on Finance.

DETERMINATION OF DUTY ON IMPORTED MERCHANDISE

● Mr. TALMADGE. Mr. President, customs duties on most articles imported into the United States are assessed on the basis of a percentage of the value of the imported article. This is true with respect to textile imports. Therefore, it is axiomatic that the proper valuation of the imported product is necessary in order to insure that the proper duty is collected on the product. A situation exists with respect to some textile imports which leads me to believe that the proper duty is not being collected on such imports, and I am today introducing a bill to correct this problem.

The problem, in essence, is the following. Bilateral agreements have been negotiated between the United States and many of the foreign countries which supply textile imports to the United States establishing quotas on imports into the United States. In most such countries, an exporter may not export to the United States a textile product unless he has secured an export quota right to do so from his own government. Those export rights are valuable, and in some countries, once an export right has been secured by a particular exporter, he may sell this export right to another exporter in his own country who needs one in order to export some textiles. Under present customs practice based upon a Customs Court decision as expanded upon by a ruling of the Customs Service. amounts paid by a foreign exporter to purchase a quota permitting him to export textile products to the United States are not included within the dutiable value of the textile products for U.S. Customs purposes. The basis of this decision and regulation is found in the definition of export value in section 402 (b) of the Tariff Act of 1930. An export quota premium is not considered part of the freely offered price of the merchandise and is not covered by the other categories of costs and expenses specified in section 402(b).

Mr. President, when a U.S. importer of textile products pays for such imports, he pays for the cost of any export quota right secured by the foreign exporter in the total amount he pays to the exporter. The cost of the export quota right is an integral part of the value of the goods. Indeed, without the export-quota right, the goods would not have entered commerce. It seems arbitrary and not in keeping with commercial practice not to include the value of such quota right in the dutiable value of the merchandise for U.S. Customs purposes. The bill which I am introducing today would eliminate this arbitrary feature.

The bill simply provides that for the purposes of assessing customs duties, amounts paid by foreign exporters to purchase a quota permitting them to export products to the United States will be included within the dutiable value of the products for U.S. Customs purposes. This amendment will result in the dutiable value of textile products accurately reflecting the real world of trade in textile products. It should be noted that the amendment would not be inconsistent with present U.S. objectives at the multilateral trade negotiations regarding a customs valuation code, as such objectives have been described to me. In the draft code now being discussed, quota premiums would, in fact, be included within the basic definition of value to be used for customs purposes. This basic definition of value is the actual price paid or payable in the particular import transaction in question.●

By Mr. RIEGLE:

S. 3247. A bill to amend title 18 of the United States Code to make lawful certain activities concerning certain foreign and domestic legal lotteries; to the Committee on the Judiciary.

● Mr. RIEGLE. Mr. President, this legislation which I am introducing today has a very simple intent: It would permit American manufacturers of lottery tickets and related materials to export their products for use in lotteries conducted by foreign governments or within foreign countries. This bill is a companion to one introduced in the House by my Michigan colleague, Representative SAWYER.

A provision similar to the one I am introducing is contained in the Criminal Code reform bill, S. 1437, in the version in which it passed the Senate. However, because of the uncertain State of that legislation at the present time, and the simple and, I hope, uncontroversial nature of this bill, I would hope that it could be considered more expeditiously on its own merits.

Title 18 of the United States Code, prior to its revision in 1975, prohibited transportation of lottery equipment in interstate or foreign commerce. In 1975, the prohibition on interstate commerce was lifted, as lotteries began to proliferate and more States began to use them as part of their revenue raising activities.

This bill would remove the final inequity in this portion of the law; namely, the prohibition on export of lottery materials. Lotteries are becoming more and more prevalent around the world, as well as in this country; yet American businesses which manufacture some of the most technologically sophisticated lottery equipment in the world, are prevented from selling it abroad, and hence from satisfying a potentially vast foreign market.

I can see no logical reason to maintain this restriction on sales of lottery equipment. Moreover, in view of the current U.S. trade situation, it would seem to be incumbent upon the Congress to do everything possible to aid American businesses in developing or expanding their export activities. Current law leaves them with only one option, that of building manufacturing operations overseas, which creates no jobs for American workers and funnels little if any money into the domestic economy.

I hope the Congress will act to remove this small inequity in our Nation's criminal law, and I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3247

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1307(b) of title 18 of the United States Code is amended—

(1) by inserting "or within a foreign place" after "within a State"; and

(2) by striking out "conducted by that State acting under authority of State law." and inserting in lieu thereof "authorized by law in such State or foreign place.".

SEC. 2. Section 1953(b)(4) of title 18 of the United States Code is amended by striking out "in a lottery conducted by that State acting under authority of State law." and inserting in lieu thereof "or within a foreign place in a lottery authorized by law in such State or foreign place.".●

By Mr. MORGAN (for himself, Mr. MCGOVERN, Mr. DOLE, Mr. HELMS, Mr. HOLLINGS, Mr. HART, Mr. RIEGLE, Mr. HASKELL, Mr. ANDERSON, Mr. THURMOND, and Mr. PEARSON):

S. 3248. A bill to provide for the establishment of a National Agricultural Cost of Production Board; to the Committee on Agriculture, Nutrition, and Forestry.

NATIONAL AGRICULTURAL COST OF PRODUCTION BOARD

● Mr. MORGAN. Mr. President, today I am introducing legislation that will establish a National Agricultural Cost of Production Board.

Such a Board, in my opinion, is long overdue and the creation of this body will remedy a fundamental defect caused by the Food and Agriculture Act of 1977 (Public Law 95–113).

Most importantly, the Board envisioned by this legislation will help restore the faith of America's farmers in the U.S. Department of Agriculture.

The need for this legislation stems from the decision Congress wisely made last year to link target prices to the cost of producing our food and fiber commodities. Unfortunately, the Congress did not act at that time to assure that our farmers would have adequate input in establishing the cost of production as it relates to these payment rates.

Currently, cost of production formulas are devised by USDA economists with little or no input from American agriculture. The recent farm strike demonstrated the understandable resentment that our farmers experience under the

current rules and procedures followed by the Federal Government.

Simply put, farmers are obligated to take what they can get, either from the marketplace—when prices are reasonable—or from the Government—when prices are depressed. As we know from the farm strike, farmers have become less inclined to tolerate this feeling of helplessness.

Farmers, I believe, have less to say about the prices they receive than any other segment of our economy. Labor unions negotiate contracts, retailers and manufacturers simply stock inventory when prices are low, but farmers are forced to sell when the commodity is ready for market.

The cost-of-production formulas and figures utilized by the USDA are being criticized on several grounds. One important criticism concerns the very content of the formulas as well as the proper valuing for each item used. A second criticism stems from the timeliness of the information used. In the inflationary days that we are experiencing—inflation which has severely crippled American farmers—such information can affect price supports in a very significant manner.

These are only two of the many criticisms that farmers have shared with me. I have studied their figures and complaints with great care and the solution we offer today, I believe, will help correct this situation.

The legislation would create a 15-person Board, including farmers, a single consumer, and a person who is knowledgeable concerning the cost of producing agricultural commodities.

The 13 farmers will be individuals who are engaged full time in the production of one or more food and fiber commodities such as corn, soybeans, wheat, tobacco, sugarcane and beets, or cotton. My intention here is to make this Board of farmers rather than individuals who represent farmers. By assuring that these individuals will be full-time producers, Congress can provide the commonsense and practical experience that is so desirable.

This statement should not be taken as a criticism of the farm organizations that have served the American farmer so well. In fact, I anticipate that these very vital participants in farm policy will have the opportunity to contribute to the selection process used in naming the Board.

There has been criticism of this legislation in its early stages because of the mandated inclusion of one consumer on the Board. There is, in my view, a compelling reason for the inclusion of such an individual. It has become clear that the success of farm-State legislators in convincing their urban counterparts to support farm programs will depend largely on our ability to convince these individuals that these programs warrant support. Hence, I believe that it is desirable to provide consumers exposure to the high cost of producing food and fiber.

The final person on the Board would be neither an active farmer nor a member of the USDA. This individual would come from another part of the food chain or, perhaps, be on the staff of a Land Grant University.

One of the important aspects of this bill is that it offers a real opportunity for farm input. This Board will not be a spokesman for the Secretary. This is because of two unique features embodied in this legislation. The first concerns the fact that the Chairman and Vice Chairman will serve with the advice and consent of the Senate. The second concerns an annual reporting requirement, a feature that warrants more indepth review.

This bill mandates that the Board make recommendations to the Secretary concerning cost of production formulas and figures. The Secretary, in turn, is required to act on these recommendations, reporting back to the Board in writing. This feature provides the opportunity for dialog and feedback to the Board from the Secretary. Finally, the Board is required to report fully on its activities—including the response by the Secretary to each recommendation—to the Senate Committee on Agriculture, Nutrition, and Forestry and to the House Committee on Agriculture.

This Board cannot be viewed as the end-all solution to our farm problems, which continue to be very real and far-reaching. This proposal should be viewed as a complementary action to the Food and Agriculture Act that was passed and signed into law last year. In fact, I have decided to make this Board run concurrently with that basic farm authority, which assures that the Board can be terminated if that is the wish of the Congress.

I have discussed this legislation thoroughly with the distinguished commissioner of agriculture in the State of North Carolina, Jim Graham. Last week this bill was presented by Commissioner Graham as a resolution to the Southern Association of State Departments of Agricultures when this organization met in Annapolis. This group, composed of the head State agricultural officials from Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, Oklahoma, Puerto Rico, South Carolina, Tennessee, Texas, Virginia, the Virgin Islands, as well as my native North Carolina, voted unanimously to support this legislation.

Also, this bill has the support of the National Grange, the National Farmers Union, and the National Farmers Organization. At this time, this bill is under review by the American Farm Bureau Federation.

Today, I am offering this bill with Senators McGOVERN, HOLLINGS, DOLE, HELMS, RIEGLE, HART, ANDERSON, THURMOND, HASKELL, PEARSON, and ZORINSKY, Members of this body who represent varying philosophical views and diverse types of agriculture.

Mr. President, I ask speedy consideration of this legislation by our Committee on Agriculture, Nutrition, and Forestry. A companion bill has been offered by Representative DAN GLICKMAN of Kansas in the House of Representatives. It is our hope that we can work together to achieve passage of this bill before the end of this Congress.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3248

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby established an advisory board to be known as the National Agricultural Cost of Production Board (hereinafter referred to as the "Board").

SEC. 2. (a) The Board shall be composed of fifteen members appointed by the Secretary of Agriculture (hereinafter referred to as the "Secretary").

(b)(1) The terms of the members first taking office shall expire (as designated by the Secretary at the time of appointment) as follows: six at the end of one year, three at the end of two years, three at the end of three years, and three at the end of four years. Thereafter the terms of all members shall be four years, except that (A) three of the appointments made for one year shall continue to be made for one year terms, and (B) the term of any person appointed to fill a vacancy on the Board shall be appointed only for the unexpired term of such person's predecessor.

(2) The Secretary shall appoint persons to the Board who are producers of one or more of the various major agricultural commodities produced in the United States. The Secretary shall also appoint one person to the Board who, by virtue of education, experience, and training, has extensive knowledge of matters relating to the cost of producing agricultural commodities. The Secretary shall also appoint one person to represent the interests of consumers.

(3) No person may serve as a member of the Board for more than four years.

(4) The Secretary shall designate, by and with the advice and consent of the Senate, one member of the Board to serve as chairman and one member to serve as vice chairman and they shall serve in such positions at the pleasure of the Secretary.

SEC. 3. (a) It shall be the function of the Board to—

(1) review the adequacy and accuracy of the cost-of-production formulas, including the information relied upon in arriving at such formulas, developed and utilized by the Department of Agriculture for the purpose of determining the cost-of-production of various agricultural commodities;

(2) advise the Secretary whether the cost-of-production formulas used by the Department of Agriculture in connection with the administration of its price support programs is fair and accurate and recommend to the Secretary how such formulas might be improved including, when necessary, the submission of findings on the actual cost of production; and

(3) advise the Secretary on such other matters relating to the cost-of-production of agriculture commodities and price support operations as the Secretary may request.

(b) The Secretary shall report to the Board on the disposition of its recommendations, including reasons for not accepting the recommendation or recommendations of the Board.

(c) The Board shall submit annually to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives a written report discussing the activities of the Board during the preceding year including any findings or recommendations made to the Secretary with respect to cost-of-production figures for any commodity. The

Board shall include in each such report a list of the recommendations made to the Secretary and the disposal thereof.

(d) The Board shall meet at least twice annually or more often, if such meetings are necessary to meet the purposes of this Act.

SEC. 4. The Secretary shall provide the Board with such office space, equipment, and staff as may be necessary for the Board to perform its functions under this Act.

SEC. 5. No member of the Board shall receive any compensation for such member's services as a Board member but may be paid travel expenses, including per diem in lieu of subsistence, as provided in regulations issued under section 7 of the Federal Advisory Committee Act.

SEC. 6. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

SEC. 7. The authority provided under this Act shall be applicable for the 1978–81 crop years.●

● Mr. HOLLINGS. Mr. President, I am pleased to rise in support of the National Agricultural Cost of Production Board measure offered by my distinguished colleague from North Carolina, Senator MORGAN. He has very ably described the need for and operation of the Board. I need not restate his well taken comments and would suffice it to say that this measure is designed to remedy the problem of inadequate input by farmers in the cost of production formulas that are such a vital part of our farm support program.

Earlier this year farmers visited many of us and discussed their problems. I had a large contingent up from South Carolina. In talking with farmers from my State, I was constantly impressed with the lack of faith they had—as a collective group, not just individually—in the policies of the U.S. Department of Agriculture. For the most part they felt they had no input in the many decisions the Department made that affected their well-being. In short, and as expressed by the Senator from North Carolina, farmers genuinely feel they have little or no control over their destiny.

Farmers in South Carolina and elsewhere are plagued by prices that simply do not meet their cost of production. Little by little they are being forced to lose everything they have worked for. Now Mr. President, I do not feel this bill can alone cure this continuing problem that besets our farm community; however, I do feel it is a significant first step and a much welcomed complement to the Food and Agriculture Act which Congress passed last year. This bill creates a common sense mechanism whereby farmers—farmers who are producers—can have input in the crucial U.S. Department of Agriculture decisions that are so vital to the well-being of our farm community.

The list of cosponsors to this legislation is indicative of the broad support it enjoys, Mr. President, and it is my hope that our Senate Committee on Agriculture, Nutrition, and Forestry will give this legislation its most expeditious consideration.●

Mr. THURMOND. Mr. President, I am pleased to join the able and distinguished Senators from North Carolina, Mr. MORGAN and Mr. HELMS, as a cosponsor of the National Agricultural Cost of Production Board Act.

During the early part of this year, our Nation's farmers came to Washington pleading for help from Congress. Hundreds of farmers from my home State of South Carolina visited my office at their own expense. Underlying in each farmer's plea was two things. One, a plea for stability in our Government's agricultural policy. Farmers are tired of boom-bust policies of recent years. Two, a plea for input by farmers at the grassroots level in the decisions by the U.S. Department of Agriculture that affect their future and many times determine their destiny.

Mr. President, the National Agricultural Cost of Production Board Act is a step toward fulfilling this second plea.

The Food and Agricultural Act of 1977 incorporates a cost-of-production formula for determining target prices and loan levels. The function of the Cost of Production Board will be to review the adequacy and accuracy of these cost-of-production formulas. The Board will recommend to the Secretary how such formulas might be improved and advise the Secretary on any other matters relating to the cost of production of agricultural commodities.

The National Agricultural Cost of Production Board Act introduced today is not by any means the full answer to giving farmers a voice in establishing national agricultural policy, but it is an initial step. Therefore, I urge my colleagues to join me in cosponsoring this legislation.

By Mr. MELCHER:

S. 3250. A bill to amend the Internal Revenue Code of 1954 to make the investment tax credit applicable to certain agricultural buildings and their structural components; to the Committee on Finance.

INVESTMENT TAX CREDIT ON FARM BUILDINGS

● Mr. MELCHER. Mr. President, I have just introduced a bill, S. 3250, to make all structures used exclusively in agricultural production eligible for investment tax credit.

A problem has arisen because the Internal Revenue Service has ruled that grain bins, which can only be used to store grain, are eligible for the credit, but that flat grain storage buildings with double doors into which a farmer might drive and store a tractor, are multiple purpose or general use buildings and therefore ineligible for tax credit.

Under this ruling, a modern dairy barn in which there is a modern milking parlor and milk storage tanks, could be ruled ineligible if the dairymen included space for grinding dairy feed and for storage of hay in a mow overhead, although it is all a part of the dairy operation.

It is my understanding that the language in the investment tax bill excluding general use structures from tax credit was devised to make real estate improvements or apartment buildings, as contrasted with a job-creating installation, ineligible for the tax credit. In the case of agriculture, the language is having results not contemplated nor intended by the Congress.

In the case of grain storage, big double doors appear to have become the test of whether a building is eligible or not. A quonset hut with a small door would be eligible, but if the producer put in double doors so that he could back a truck into it to unload or load the grain stored therein, then he would lose his tax credit because he might also use some of the empty flat storage space in the winter to store equipment.

A good many farmers, at the urging of the Department of Agriculture, last year and this year built grain storage to hold the 700 million bushel grain reserve proposed by the Department of Agriculture and approved by the Congress. They believed that they would get an investment tax credit. But those who built flat storage instead of erecting bins are now being told by the IRS that their structures are not eligible.

My bill would correct this unintended result by making the investment in structures "used exclusively in connection with agricultural production, storage and marketing" eligible, even though they might be susceptible to use for more than one of the producer's requirements in the production, storage and marketing operation.●

ADDITIONAL COSPONSORS

S. 364

At the request of Mr. HART, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 364, a bill to provide for judicial review of the administrative determinations of the Veterans' Administration, and for other purposes.

S. 2090

At the request of Mr. NELSON, the Senator from Florida (Mr. STONE) was added as a cosponsor of S. 2090, a bill to extend certain programs authorized under the Economic Opportunity Act of 1964.

S. 2600

At the request of Mr. RANDOLPH, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 2600, the Rehabilitation, Comprehensive Services and Developmental Disabilities Act of 1978.

S. 3051

At the request of Mr. EAGLETON, the Senator from Missouri (Mr. DANFORTH) was added as a cosponsor of S. 3051, a bill for the relief of Tsutomu Tanaka.

S. 3065

At the request of Mr. HANSEN, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 3065, a bill to amend the Internal Revenue Code of 1954 to provide pre-1969 tax treatment for capital gains.

S. 3067

At the request of Mr. BAYH, the Senator from Maryland (Mr. MATHIAS), the

Senator from Vermont (Mr. LEAHY), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Ohio (Mr. GLENN), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Minnesota (Mrs. HUMPHREY), the Senator from Hawaii (Mr. INOUYE), the Senator from South Dakota (Mr. ABOUREZK), the Senator from Ohio (Mr. METZENBAUM), the Senator from Minnesota (Mr. ANDERSON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Iowa (Mr. CULVER), the Senator from Montana (Mr. PAUL G. HATFIELD), the Senator from Arizona (Mr. DECONCINI), and the Senator from Massachusetts (Mr. BROOKE) were added as cosponsors of S. 3067, the Civil Rights Commission Act of 1978.

S. 3111

At the request of Mr. MOYNIHAN, the Senator from Michigan (Mr. RIEGLE) and the Senator from Minnesota (Mr. ANDERSON) were added as cosponsors of S. 3111, a bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions.

S. 3127

At the request of Mr. DANFORTH, the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 3127, the International Unfair Trade Laws Procedural Reform Act of 1978.

S. 3187

At the request of Mr. BIDEN, the Senator from Vermont (Mr. LEAHY), the Senator from Montana (Mr. PAUL G. HATFIELD), and the Senator from Florida (Mr. CHILES) were added as cosponsors of S. 3187, a bill to amend title 38 of the United States Code to provide that the survivors of a veteran who was rated totally and permanently service-connected disabled for a period of at least 10 years would be entitled to dependency and indemnity compensation as though the veteran had died from a service-connected disability.

S. 3205

At the request of Mr. CRANSTON, the Senator from Minnesota (Mrs. HUMPHREY) was added as a cosponsor of S. 3205, to amend the Indochina Migration and Refugee Assistance Act of 1975, and for other purposes.

S. 3230

At the request of Mrs. HUMPHREY, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 3230, the Spousal Retirement and Survivors' Benefits Rights Act.

SENATE RESOLUTION 465

At the request of Mr. PAUL G. HATFIELD, the Senator from North Dakota (Mr. BURDICK), the Senator from New York (Mr. JAVITS), the Senator from Kansas (Mr. CURTIS), the Senator from Wyoming (Mr. WALLOP), the Senator from Tennessee (Mr. BAKER), the Senator from Oregon (Mr. MARK O. HATFIELD), the Senator from New Hampshire (Mr. DURKIN), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Tennessee (Mr. SASSER), the Senator from New Jersey (Mr. CASE), the Senator from Colorado (Mr. HART), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Louisiana (Mr. JOHNSTON), the Senator from South Dakota (Mr. ABOUREZK), the Senator from Georgia (Mr. NUNN), the Senator from Arkansas (Mr. HODGES), and the Senator from Nevada (Mr. CANNON) were added as cosponsors of Senate Resolution 465, directing that the State Department negotiate an air pollution treaty with Canada.

AMENDMENT NO. 2449

At the request of Mr. KENNEDY, the Senator from Alabama (Mrs. ALLEN) was added as a cosponsor of amendment No. 2449 intended to be proposed to S. 2850, a bill to establish the National Home-Delivered Meals Act of 1978.

AMENDMENTS SUBMITTED FOR PRINTING

STRATEGIC AND CRITICAL MATERIALS TRANSACTION ACT OF 1978—S. 2635

AMENDMENTS NOS. 3081 AND 3082

(Ordered to be printed and to lie on the table.)

Mr. HELMS submitted two amendments intended to a be proposed by him to S. 2635, a bill to authorize the disposal of 11 materials from the national and supplemental stockpiles.

NEW YORK CITY LOAN GUARANTEE ACT—H.R. 12426

AMENDMENTS NOS. 3083 THROUGH 3085

(Ordered to be printed and to lie on the table.)

Mr. TOWER submitted three amendments intended to be proposed by him to H.R. 12426, an act to authorize the Secretary of the Treasury to provide financial assistance for the city of New York.

● Mr. TOWER. Mr. President, I am offering three amendments to H.R. 12426, the New York City Loan Guarantee Act of 1978, in an effort to improve the bill to some extent. I remain convinced that no Federal financial assistance for New York City is appropriate or necessary. However, I believe that these two amendments would improve the bill reported by the Banking Committee.

The first amendment would reduce the amount of guarantees which the Secretary would be authorized to issue from $1.5 to $1 billion. The $1.5 billion now contained in the bill is more than New York City needs or plans to utilize, according to testimony presented at the hearings on the bill; $500 million of the authority in the bill is supposed to be available on a "standby" basis to be used only if the public credit markets do not become accessible to New York City.

I do not believe that such extra authority is appropriate. If this bill is enacted, it should be as restrictive as possible, so as to encourage New York City to do whatever is necessary to merit the acceptance of the public credit markets. If "standby" authority is available there should be little doubt that it will be used.

The second amendment would raise the percentage of Federal guarantees which must be "coinsured" by New York State from 5 to 10 percent. Since New York State is responsible for the fiscal well-being of New York City, it is entirely appropriate that the State should be called upon to assume a substantial portion of the risk which the guarantees would entail. If the State is unwilling to do so, then it is apparent that State officials recognize the magnitude of the risk which the Federal Government is being asked to assume by enactment of this legislation, and it would be entirely appropriate for the guarantee authority to lapse.

The third amendment would amend the bill to provide that the guarantees are to terminate in the event that the holders of any guaranteed indebtedness fail to comply with any term or condition of the financing commitments upon which New York City's financial plan is based. Since the commitments are so fundamental to the city's plans to reenter the public credit markets, it is appropriate that, in order to continue to benefit from the guarantees, the pension funds must abide by their commitments.

Mr. President, I ask unanimous consent that the texts of the three amendments be printed in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 3083

On page 11, line 21, strike "$1,500,000,000" and insert "$1,000,000,000".

On page 11, line 23, strike "$500,000,000" and insert "$300,000,000".

On page 12, line 1, strike "$500,000,000" and insert "$300,000,000".

On page 12, line 7, strike "$250,000,000" and insert "$200,000,000".

On page 12, line 14, strike "$250,000,000" and insert "$200,000,000".

On page 12, line 25, strike "$1,000,000,000" and insert "$600,000,000".

AMENDMENT NO. 3084

On page 13, line 7, insert the following: "(1)" Following "shall terminate."

On page 13, line 10, before the period insert a semicolon and the following: "or (2) whenever the holder of any guaranteed indebtedness fails to comply with any term or condition of any commitment relating to the long-term or seasonal borrowing needs of the city".

AMENDMENT NO. 3085

On page 17, line 13, strike out "5" and insert "10".

On page 17, line 20, strike out "5" and insert "10".●

NATIONAL CONSUMER COOPERATIVE BANK ACT—H.R. 2777

AMENDMENT NO. 3086

(Ordered to be printed and to lie on the table.)

Mr. TOWER (for himself, Mr. PROXMIRE, Mr. GARN, and Mr. LUGAR) submitted an amendment intended to be proposed by them, jointly, to H.R. 2777, an act to provide for consumers a further means of minimizing the impact of inflation and economic depression by narrowing the price spread between costs

to the producer and the consumer of needed goods, services, facilities, and commodities through the development and funding of specified credit sources for, and technical assistance to, self-help, not-for-profit cooperatives, and for other purposes.

● Mr. TOWER. Mr. President, I am submitting today, on behalf of Senators PROXMIRE, GARN, LUGAR, and myself, an amendment to H.R. 2777, the National Consumer Cooperative Bank Act. That act would create a National Bank for Consumer Cooperatives, which could make up to $1.9 billion in subsidized loans and grants to consumer cooperatives, using nearly $400 million in initial seed capital from the U.S. Treasury.

I do not believe that the need for this new Federal agency has been clearly established, and I am particularly concerned over the competitive threat which subsidized loans and grants to tax-exempt cooperatives would pose to hundreds of thousands of small, taxpaying businesses throughout the country. In my opinion, the Federal Government should not commit nearly $400 million in hard-earned taxpayers' dollars to establish a specialized lending facility for consumer cooperatives until it has had some firsthand practical experience in lending to consumer cooperatives. Moreover, a National Bank for Consumer Cooperatives should not be established until it has been clearly determined whether financial or technical assistance would be more valuable to consumer cooperatives and a determination has been made regarding the effect which loans from this Bank would have on small, taxpaying businesses.

For those reasons, I am offering an amendment, in the nature of a substitute, which would authorize a 2-year pilot lending and technical assistance program for consumer cooperatives and a study of the needs of consumer cooperatives by an interagency task force. In my opinion, this would be a responsible approach to assisting consumer cooperatives that avoids the establishment of another Government agency at this time and the obligation of $400 million in taxpayers dollars to an agency whose need has not yet been clearly demonstrated.

The supporters of the National Consumer Cooperative Bank Act have argued that a specialized lending facility for consumer cooperatives is needed, because consumer cooperatives are unable to obtain financing from private lenders. However, the record is far from clear on this issue. There is evidence that a great many consumer cooperatives have been successful in obtaining credit from private sources. There is also evidence that many banks are willing to lend to consumer cooperatives. There is every reason to believe that a great many more cooperatives would be able to obtain the private financing they need if they were able to obtain some form of technical assistance.

The major problem facing many consumer cooperatives is an inadequate level of management expertise to warrant an extension of credit from private lenders. In a great many cases, consumer cooperatives suffer from a lack of sound business management and effective business planning. In addition, their books and records are not maintained in a form which would lend itself to accepted techniques of credit analysis. This problem could be solved if consumer cooperatives were provided with technical assistance. This assistance could be provided without establishing a multibillion-dollar lending facility for consumer cooperatives.

The amendment that I am introducing today would address this problem by authorizing a 2-year pilot lending and technical assistance program for consumer cooperatives. Under this amendment, the Federal Government would provide loans and technical assistance to consumer cooperatives on a test basis to determine the most appropriate form of assistance to consumer cooperatives and whether or not a National Bank for Consumer Cooperatives is actually needed.

This pilot lending and technical assistance program would be helpful in determining the following: First, the demand for financial and technical assistance by consumer cooperatives; second, the type of financial or technical assistance that would be most helpful to consumer cooperatives; third, whether or not technical assistance would allow consumer cooperatives to obtain credit from private lenders; and fourth, the ability of consumer cooperatives to handle financial and technical assistance they receive from the Federal Government. This pilot lending and technical assistance program would be useful if such a lending facility is created at a later date. Finally, it would provide the Federal Government with a means of determining the effect which loans to consumer cooperatives would have in creating an unfair competitive advantage over small businesses, particularly small retailers.

Under this amendment, loans would be made only to consumer cooperatives which: First cannot obtain credit elsewhere; second, have a sound organizational and financial structure; third, have income in excess of expenditures and assets in excess of obligations; and fourth have a reasonable expectation of a continuing demand for their products and services. No loans could be made to cooperatives receiving financial assistance from other Federal agencies, nor to credit unions or mutual thrift institutions. These loans would be made at a rate of interest no less than that prevailing in the cooperative's market area from other sources of credit for similar purposes and maturities. Any loans outstanding at the end of the pilot program would be transferred to the Federal Financing Bank or to the Consumer Cooperative Bank, if it is established.

The amendment would also create a temporary Interagency Task Force on Consumer Cooperatives to study consumer cooperatives and the relationship between cooperatives and various Federal programs. This task force would be comprised of officials from various Federal agencies.

The task force would address the following issues: First, the demand for financial assistance by cooperatives and the specific needs of cooperatives on an industry-by-industry basis; second, the relationship between cooperatives and the Federal Government; and third, the ability of cooperatives to obtain private financing. The task force would make recommendations regarding the establishment of a Consumer Cooperative Bank. It would submit to the President and the Congress the findings of its study, along with its recommendations, 2 years after the date of enactment.

The amendment would authorize $20 million for both the pilot lending and technical assistance program and the administrative costs involved in the study by the Interagency Task Force.

I believe this is a reasonable and responsible approach to determining the needs of consumer cooperatives without, at the same time, obligating the American taxpayer to pay millions of dollars in establishing a specialized lending facility for consumer cooperatives that may not be needed.

I ask unanimous consent that my amendment, along with a summary of it, be printed in the RECORD.

There being no objection, the amendment and summary were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 3086

Strike out all after the enacting clause and insert in lieu thereof the following:

That Congress finds that user-owned cooperatives can contribute to an improved standard of living for their members and patrons. Congress also finds that consumer and other types of self-help cooperatives may have been hampered in their formation and growth by lack of access to adequate cooperative credit facilities and lack of technical assistance. Therefore, Congress finds the need for the establishment of an Interagency Task Force on Cooperatives and of a pilot loan and technical assistance program for the purpose of determining the need for assistance for consumer cooperatives, and if such need is demonstrated, the most effective and appropriate means for structuring such assistance.

SEC. 2. (a) The President is hereby authorized to create a temporary Interagency Task Force on Cooperatives, composed of officials of executive branch agencies.

(b) The Task Force is directed to carry out a comprehensive study of the relationship of cooperatives to the economy and to ongoing Federal programs. Two years after the effective date of this Act, the Task Force shall submit to the President, for subsequent transmittal to Congress, a report of its findings and recommendations including a discussion of the following issues:

(1) The report shall address the aggregate demand for financial assistance of cooperatives and the specific needs of cooperatives on an industry-by-industry basis;

(2) The report shall address the relationship between cooperatives and the Federal Government, including, among other things, how cooperatives are affected by Federal agencies administering tax and antitrust programs, and citing specific financing needs of cooperatives that Government programs are directed to;

(3) The report shall address how needs of cooperatives are currently being met by con-

ventional private credit sources and such factors as exist that may make it difficult for cooperatives to obtain conventional credit;

(4) The report shall address the effect which loans from a consumer cooperative bank would have on competition between consumer cooperatives and small, tax-paying, business firms; and

(5) The report shall make specific recommendations on what additional Federal programs are necessary or appropriate to meet the needs of cooperatives, including the need for feasibility and cost effectiveness of a consumer cooperative bank established as a permanent Government corporation. With respect to its recommendations concerning such bank, the report shall address experience under the program authorized by section 3 of this Act.

(c) The Task Force is further directed to render any necessary technical assistance to the head of the agency which administers the program authorized by section 3.

(d) The Task Force will expire after submission of its report to the President.

SEC. 3. (a) There is hereby authorized to be conducted a pilot loan and technical assistance program for cooperatives in order to demonstrate the demand for and cost effectiveness of the concept of a consumer cooperative bank or other permanent Federal program in aid of cooperatives. The pilot loan and technical assistance program shall terminate two years after the effective date of this Act.

(b) The President shall determine the appropriate agency to administer the pilot loan and technical assistance program.

(c)(1) The head of the agency administering the pilot loan and technical assistance program is authorized to make loans and provide technical assistance to eligible cooperatives, defined as follows:

(A) An organization chartered or operated on a cooperative, not-for-profit basis for producing or furnishing goods, services, facilities, primarily for the benefit to its members or voting stockholders who are ultimate consumers or a legally chartered entity entirely owned and controlled by such organization or organizations, if it—

(i) makes such goods, services, or facilities directly or indirectly available to its members or voting stockholders on a not-for-profit basis;

(ii) does not pay dividends on voting stock or membership capital in excess of such percentage per annum as may be approved by the head of the agency;

(iii) provides that its net savings shall be allocated or distributed to member patrons, or to all patrons, in proportion to their patronage; or shall be retained for the actual or potential expansion of its services or the reduction of its charges to the patrons, or for such other purposes as may be authorized by its membership not inconsistent with its not-for-profit character;

(iv) makes membership available on a voluntary basis, without any social, political, racial, or religious discrimination and without any discrimination on the basis of age, sex, or marital status, to all persons who can make use of its services and are willing to accept the responsibilities of membership, subject only to limitations under applicable Federal or State laws or regulations; and

(v) restrict its voting control to members or voting stockholders on a one-vote-per-person basis in the case of primary organizations or with other protections to insure economic democracy in the case of organizations owned by groups of cooperatives.

No such organization shall be ineligible because it also produces, markets, or furnishes goods, services, or facilities for its members as primary producers; or

(B) Any other institution chartered or operated in such a way as to enhance competitive market forces or to reduce the price spread between producers and the ultimate consumers of products or services, if—

(i) its net savings accrue to the benefit of either the ultimate consumers or of the primary producers of goods, facilities, and services, rather than to those whose primary interest is in making a profit from the marketing, processing, handling, or transportation of goods or in making a profit from providing services to ultimate consumer or primary producers; and

(ii) restrict its voting control to members or voting stockholders on a one vote per person basis in the case of primary organizations or with other protections to insure economic democracy in the case of organizations owned directly or indirectly by groups of self-help organizations.

(2) However, no cooperative shall be eligible under subsection (c)(1) of this section if it has been determined to be eligible for financial assistance from the Rural Electrification Administration, the National Rural Utilities Cooperative Finance Corporation, Rural Telephone Bank, the Banks for Cooperatives or other institutions of the Farm Credit System, or if it is a credit union, mutual savings bank, or mutual savings and loan association.

(d) Loans made under this Act shall be on such terms and conditions as the agency head shall prescribe, except that—

(1) No loans shall be made unless the agency head is satisfied that credit is not otherwise available on reasonable terms and conditions or to any applicant that the agency head determines does not have a sound organizational and financial structure, income in excess of operating costs and assets in excess of obligations and a reasonable expectation of a continuing demand for its goods, commodities, or services, or the use of its facilities, so that the loan will be fully repayable in accordance with its terms and conditions.

(2) Loans made shall bear interest at a rate not less than the rates generally prevailing in the area from other sources for loans for similar purposes and maturities.

(3) All payments of principal and interest with respect to the loans shall be deposited to miscellaneous receipts.

(4) Any such loans outstanding at the termination of the pilot program shall be transferred to the FFB to be held until maturity or until such time as a consumer cooperative bank is established when they can be sold to such bank at rates set by the Secretary of the Treasury, based on securities of comparable maturity.

SEC. 4. There are authorized to be appropriated to the agency administering the pilot lending and technical assistance program $20,000,000 for fiscal year 1979, to remain available until the pilot loan and technical assistance program is terminated. Such appropriations are authorized to be used for making loans and providing technical assistance pursuant to section 3, including all attendant administrative expenses and for the costs, exclusive of salaries, of the study on cooperatives authorized by section 2.

Amend the title so as to read: "An Act to authorize a program for the study of the needs of consumer cooperatives and to create a pilot lending and technical assistance program for consumer cooperatives, and for other purposes.".

SUMMARY OF SUBSTITUTE AMENDMENT TO H.R. 2777

The amendment authorizes a two-year study of the financial needs of cooperatives and the relationship between cooperatives and various federal programs. It also authorizes a pilot lending and technical assistance program for consumer cooperatives.

Section 2 of the amendment would create a temporary Interagency Task Force on Cooperatives composed of officials of federal agencies. The Task Force would study the relationship between cooperatives and existing federal programs. This study would address the following issues: (1) the demand for financial assistance by cooperatives and the specific needs of cooperatives on an industry-by-industry basis; (2) the relationship between cooperatives and the Federal government; and (3) the ability of cooperatives to obtain private financing. The Task Force would make recommendations regarding the establishment of a consumer cooperative bank based on its findings. It would submit to the President and the Congress the findings of it study, along with its recommendations, two years after the date of enactment.

Section 3 of the amendment would authorize a pilot lending and technical assistance program for consumer cooperatives. The purpose of this program would be to determine the need and effectiveness of a consumer cooperative bank. The President would select a federal agency to administer the program. Ths agency would make loans and provide technical assistance to eligible cooperatives.

Loans could not be made available to cooperatives receiving financial assistance from other federal agencies, nor to credit unions or mutual thrift institutions. Loans would go only to a cooperative which: (1) cannot obtain credit elsewhere; (2) has a sound organizational and financial structure; (3) has income in excess of expenditures and assets in excess of obligations; and (4) has a reasonable expectation of a continuing demand for its products or services. These loans would be made at a rate of interest no less than that prevailing in the cooperative's market area from other sources of credit for similar purposes and maturities. Any loans outstanding at the end of the pilot program would be transferred to the federal financing bank or to the Consumer Cooperative Bank if established.

The amendment authorizes $20 million for both the pilot lending and technical assistance program and the administrative costs associated with the study to be conducted by the Interagency Task Force.●

NATIONAL SCIENCE FOUNDATION AUTHORIZATIONS—S. 2549

AMENDMENT NO. 3087

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY (for himself, Mr. RANDOLPH, Mr. WILLIAMS, Mr. HATHAWAY, Mr. PELL, Mr. RIEGLE, Mr. SCHWEIKER, Mr. CHAFEE, and Mr. HAYAKAWA) submitted an amendment intended to be proposed by them, jointly, to S. 2549, a bill to authorize appropriations for the activities of the National Science Foundation, and for other purposes.

ADDITIONAL STATEMENTS

AIR CONTROLLER SLOWDOWN

● Mr. DOLE. Mr. President, I would draw the attention of my colleagues to a recent editorial written by Lt. Gen. E. R. Quesada on the air controller slowdowns which have occurred throughout the country at major airports. The editorial appeared in the Washington Star of June 26.

I know that this is a subject which will interest my colleagues, especially since a

number of us spoke on this matter during consideration of the transportation appropriations bill. Lt. Gen. Quesada is retired from the Air Force and was the first Administrator of the Federal Aviation Agency.

Mr. President, I ask that the editorial be printed in the RECORD.

The editorial follows:

THE AIR CONTROLLERS' SLOWDOWN

(By E. R. Quesada)

I am appalled by the sorry spectacle of a few government employees willfully imposing on the public at large and our airlines in particular a burden that totals millions of dollars to the airlines and unmeasured inconvenience and hardship to the public.

Those who travel by air or read our daily press observe the tyranny of power that a few civil service employees are wielding when pursuing their public duties at public expense. Air traffic controllers, who claim to be professional, are far from abused or underprivileged. Their wage scale is among the highest paid to federal employees. The taxpayer even provides them early retirement after 20 years of service plus second-career training if needed.

What motivates air traffic controllers when they indulge in their contrived slowdown?

According to their union leader, who of course disclaims responsibility, certain controllers are displaying a childish pique because they do not like the way international airlines are responding to their "request" for for unconditional and free transportation to Europe and the Orient.

Article 16 of the labor-management contract between the controllers' union (PATCO) and the FAA authorizes over 16,000 controllers to "request" one free overseas trip per year on a U.S. airline of their choice.

Our airlines are not a party to that contract. They are victims of it; and as one should expect, international air carriers are besieged. A controller from Aspen, Colo., wants to go to Hong Kong—another from Alton, Ill., wants to visit Tokyo—another from Klamath Falls, Ore., wants to see Paris—one at Asheville, N.C., wants London—and so it goes.

What the controllers contemptuously ignore, and the public does not know, is that air traffic controllers are prohibited from riding free on airlines that are regulated by the agency for which they work. The controllers are clearly restrained by the provision of a federal statute, specifically the U.S. code (18 U.S.C. Section 209). The code's implementing Executive Order (No. 11222) is unusually specific. It says: "No federal employee shall solicit or accept any gift, favor, entertainment, loan or any other thing of monetary value from any person, corporation or group which may be substantially affected by the performance or nonperformance of his official duty."

Who would say that a trip to Paris, London, Hong Kong or Tokyo has no monetary value? Who can truthfully say that the airlines are not substantially affected by the performance or non-performance of the official duties of our air traffic controllers—the same air traffic controllers who "request" unconditional and free transportation to foreign lands: By invoking their illegal slowdown, controllers provide the answer to that question in a most convincing manner.

Making matters worse, as a result of the massive slowdown in 1970 PATCO, its officers and members are under a permanent federal court injunction not to engage in strikes, slowdowns or work stoppages. PATCO lost its status with the Labor Department and was not reinstated as bargaining unit for the controllers until its president provided the secretary of labor with written assurance that PATCO would not call or engage in a strike, work stoppage or slowdown and would take affirmative action to prevent them should they reoccur.

With a federal statute and a permanent court injunction staring at all of us, why is this outrageous and unlawful abuse condoned? The obvious answer is that our bureaucracy does not and cannot police itself. Those upon whom we depend to enforce the orders of our courts and the laws of our land are a part and parcel of that same bureaucracy and they display no tendency to rock their cozy boat.

Intimidation, extortion and blackmail, which the prohibiting federal statute and implementing executive order are designed to prevent, are tools of the Mafia. When those tools are blatantly used by a few selfish bureaucrats seeking a selfish purpose at public expense and with apparent immunity, public indignation is the taxpayer's last resort. It is my great hope that the public is aroused, as I am.●

H.R. 8149 CONFERENCE COMMITTEE (CUSTOMS PROCEDURAL REFORM ACT)

● Mr. MORGAN. Mr. President, shortly, the House-Senate conferees meet to resolve the differences between the Senate and House versions of H.R. 8149, the Customs Procedural Reform Act.

One of the main points of difference seems to be the Curtis-Morgan amendment adopted by the Senate on June 7.

Our amendment provides, simply, that the increased burden of proof and weaker penalty provisions of the bill shall not be applied retroactively to prior intentional false customs declarations and filings currently under investigation by the Customs Service.

Our nonretroactivity amendment does not apply to the provisions of the bill relating to technical, innocent, negligent or gross negligent violations, nor does it affect the right to de novo court review, even with respect to prior intentional violations.

Since the introduction of our amendment, Mr. President, an intense lobbying campaign has been conducted by representatives of the Japanese television industry and others, contending that the amendment is unfair and unnecessary and that it really is designed to inflict unduly harsh penalties on Japanese manufacturing concerns and U.S. importers who are guilty only of technical violations of the statute.

Mr. President, I do not wish my colleagues to have to choose between my word and that of the senior Senator from Nebraska (Mr. CURTIS) on the one hand, and high powered lobbyists for the Japanese, on the other. I have every confidence that a review by my colleagues of the same evidence I reviewed will result in my colleagues concluding that over the past 10 years 17 of 28 U.S. manufacturers of television sets were put out of business by a Japanese cartel engaged in systematic civil and criminal violations of our customs statutes.

For this reason, Mr. President, I ask unanimous consent that a report summarizing documents on file with U.S. district court in Philadelphia be printed in full at the conclusions of my remarks in order that we can each reach our own conclusions as to whether the decimation of the domestic television industry is the result of innocent violations or willful and knowing false filings to conceal dumping by the Japanese.

The reason for the systematic false filings, Mr. President, was an effort by the Japanese to cover up their dumping activities by intentionally filing customs declarations setting forth prices that were higher than the actual prices at which sets were being sold to U.S. importers. Because of these false statements, for 6 years the Customs Bureau was unable to assess dumping penalties. Just recently, dumping duties of $46 million have been assessed for the 1972–73 period, and the Department of Treasury has announced its intention to assess another $350 million for the period 1973–77.

Mr. President, I call my colleagues' attention to the fact that the only reason the Customs Service has not already filed its civil penalty case under existing law is because the violations were so heinous that they have been referred to a Federal grand jury for criminal prosecution. As a matter of policy, the civil penalty case will be filed contemporaneously with the grand jury indictments—and that will be after enactment of H.R. 8149. Mr. President, I ask that a letter from Deputy Attorney General Benjamin Civiletti and an article from Sunday's Washington Post acknowledging that this matter is under active investigation by the Criminal Division of the Department of Justice be printed at the conclusion of my remarks.

Mr. President, these and other illegal activities have decimated the color television industry over the past 10 years at a cost, by some estimates, of more than 70,000 jobs. The last remaining totally domestic manufacturer of color televisions—Zenith Radio Corp.—recently announced the discharge of 5,600 workers and its intention to assemble certain components in Mexico and Taiwan because of the inability to compete with these illegal activities of the Japanese.

I have no objection to the reduced penalties and higher burden of proof respecting inadvertent, negligent and gross negligent violations contained in H.R. 8149.

I strenuously object, however, to the application of the bill's more stringent proof and lower penalty provisions on a retroactive basis to prior intentional violations, such as decimated the domestic television industry, that are currently under investigation.

Past intentional violations of that nature should be judged and penalized in accordance with the law of the land when the violations took place. And that is all that the Curtis-Morgan amendment does.

I would further add that the Washington Post article of June 25, which is printed in full at the conclusion of my remarks, states that the retroactive immunity provision was drafted by lawyers representing the Japanese companies and the U.S. importers involved in the false filing scheme. Moreover, the law firm re-

sponsible for drafting the immunity provision was the same firm that recommended the scheme in the first instance to conceal the dumping.

Mr. President, the issue before the conference committee is not one of free trade versus protectionism. It is not whether the Customs Service has abused its authority with respect to technical violations. It is one of law enforcement, and whether we are going to retroactively make it more difficult to exact penalties for intentional criminal activities engaged in by foreign manufacturers and domestic importers that has destroyed an entire industry.

To assist my colleagues in reviewing the evidence the following is a summary of that evidence:

SUMMARY OF EVIDENCE

The massive and prolonged dumping of television receivers from Japan into the United States has not resulted from innocent misunderstanding concerning the application or interpretation of United States laws. The use of such fraudulent devices as double pricing procedures and secret rebates rather show that the dumping activities have been part of an elaborate and deliberately concerted scheme involving Japanese manufacturers, their United States sales subsidiaries and their export customers in the United States.

General counsel Robert H. Mundheim of the Treasury Department called attention to these practices in his prepared statement before the Subcommittee on Trade of the House Committee on Ways and Means released on November 8, 1977:

"I know that this Committee has a particular interest in the delay which has been experienced in appraising and liquidating Japanese television sets subject to a 1971 dumping finding. Although I think it is not appropriate to discuss the particulars of a case which we have under active consideration, I believe I could make a comment which may be helpful and proper.

It is not possible for me satisfactorily to justify to you the more than five-year backlog of entries in this case. There are, however, two special problems which have contributed significantly to the unusual delay.

First, we faced an unprecedented number of complex requests for adjustments in circumstances of sale, i.e., differences in the marketing experience in the two countries, and for adjustments occasioned by physical differences between the television sets sold in the U.S. and Japan. A great deal of time has been consumed in trying to determine the appropriateness of many of these adjustments, particularly in gathering, verifying, and analyzing the vast amount of data submitted.

Second, early this year information came to light concerning possible fraudulent evasion of the dumping finding by use of a 'double pricing' system on imports—i.e., the use of illegal rebates. This investigation is a continuing one and has further inhibited our ability to proceed with dumping appraisements.

We fully appreciate and share your concern over this delay. Treasury is actively considering an approach to this problem which I hope will permit us to bring liquidations much more up-to-date.

Subsequently during hearings on the adequacy and the administration of the Antidumping Act of 1921 held on November 8, 1977 before the Subcommittee on Trade, General Counsel Mundheim testified:

Mr. VANIK. If these duties had been properly collected and liquidated, some of the industry that's in America might still be in place.

Mr. MUNDHEIM. Well, I can't disagree with you. As I indicated to you in my prepared statement, there is no satisfactory way to explain that situation.

Just one comment, Mr. Chairman. One of the problems in any system is, if somebody fraudulently tells—gives you fraudulent information.

Mr. VANIK. There is no fraud in this. I don't know there's any fraud.

Mr. MUNDHEIM. That's one of the problems here, I think. That's the so-called double-pricing system, which may well involve the use of illegal rebates, and that, in that sense, lowers what seems to be the applicable duty.

Now, that, of course, undermines any kind of bonding system. On the other hand, if you discover there is fraud and you can prove it, there are very substantial penalties which are far in excess of the duties.

I don't want you to read me as saying things are perfect, but I——

Mr. VANIK. That doesn't exempt you from collecting the normal duties.

What you are doing in your fraud search is fine, but that doesn't give you any justification for relaxation. You are not collecting the normal duties that should be imposed by the tariff laws and by the antidumping laws.

Mr. MUNDHEIM. I don't want to disagree with you. As I said, I hope we are going to come up with an approach that will make you a little happier with us.

Mr. VANIK. I know you are suffering a loss in your industry, Mr. Rostenkowski. Is there any hope they would change their minds?

Mr. ROSTENKOWSKI. I was told 6 years ago, that given entry to the markets in Japan, there wouldn't have been any reason in the world for our domestic manufacturers to look elsewhere to put up factories. But I am afraid that these pleas fell on deaf ears.

I would ask another question. Have you any reason to believe that Japanese TV manufacturers, or importers of their TV receivers submitted incorrect or false prices to the U.S. customs service upon the entry of the merchandise or in the TV dumping case?

I am asking Mr. Chasen that question.

Mr. CHASEN. Sir, that is part of an ongoing investigation, and I would rather decline to comment at this time.

Further documents and depositions from the public record in the Japanese Electronic Products Antitrust Litigation MDL 189 pending at the United States District Court for the Eastern District of Pennsylvania evidenced the widespread use of double pricing and illegal rebates among Japanese manufacturers and their sales subsidiaries and buyers. Examples from such documents are set forth below.

FALSE CUSTOMS ENTRY DOCUMENTS

Fictitious check or MITI prices were regularly reported in official Customs entry documents to hide the true dumping margins on television receiver transactions. In this connection see Tabs 16–39 of Boedeker deposition exhibits. These consist of a series of Magnavox purchase orders to NEC that can be used to compare actual TV purchase order prices with the MITI or check prices reported by NEC in Customs Form 5515 and the accompanying vendor invoices. Thus, Magnavox PO GG 25853 covers an order of 15,000 model 10T115 walnut-brown black and white TV receivers at $46.50 fob Japan (Tab 16). Special Customs invoice Form 5515 and attached sheet executed by NEC specifically refers to this PO GG25853 but reports that MITI or check price of $51 as the fob Japan price for the product (Tab 17). Customs invoice Form 5515 warns that "False statements or willful omissions in any invoice . . . will subject the goods to seizure and forfeiture." Question 6 of Customs Invoice Form 5515 asks whether there are "any rebates, drawbacks, bounties, or other grants allowed upon the exportation of these goods." The response is "No" or the question is unanswered. Question 9 of Customs invoice Form 5515 further warns that prices reported will be used as "an indication of possible sales at less than fair value within the meaning of the United States anti-dumping statutes."

For further examples of fraudulent entries of TV receivers at fictitious check prices substantially above actual negotiated prices see Magnavox PO GG25852 for 5,000 units of model 1T5005 beige/brown 16" black and white TV receivers at $45.20 fob Japan (Tab 26) and the related Customs Form 5515 and accompanying vendor invoice prepared by NEC reporting the price on PO GG25852 at $51 fob Japan (Tab 27).

Regarding Sanyo Electric compare, for example Magnavox PO GG16909 for 10,000 units of model 10T109 black and white TV receivers for 39.50 fob Japan (Tab 76) with Sanyo Customs invoice Form 5515 and accompanying vendor invoice specifically referring to PO GG16909 reporting the check price of 41 fob Japan (Tab 77). Also compare Magnavox PO GG16179 for 6,000 units model 1T5004 brown/beige 9" black and white TV for $37.70 fob Japan (Tab 78) with Sanyo Customs invoice 5515 and accompanying vendor's invoice specifically referring to PO GG16179 reporting a price of $40 fob Japan (Tab 79).

DEPOSITION OF SAMUEL J. ROZEL, MAGNAVOX GENERAL COUNSEL AND SECRETARY

Item 2, p. 253:

A. "The question was raised as to the legality of accepting or first of all buying below the MITI price. We ascertained that product was the import. On the import document the value assigned to it was MITI price or certainly not below the MITI price. From the standpoint of the U.S. Government the Customs were collecting a duty on at least the purchase price if not a higher price.

Q. You mean the MITI price was used irrespective of the negotiated price?

A. No, Sir. If the MITI price was below the actual price the actual purchase price was used.

Q. In other instances where it was not—

A. Where the MITI price was—where the purchase price was below the MITI price the higher of the two would be used, in all instances.

Q. On the entry document?

A. Yes, sir . . ."

Item 2, p. 331:

A. "I testified yesterday for six hours exactly how we attempted to take the negotiated price, and where the item was below MITI price this was taken into consideration on other items.

Q You got the allowances on other non-MITI priced products?

A. Yes, sir. We got consideration for it.

Q. Excess inspections debit memos tooling, or anything like that, you have no knowledge of; is that your testimony?

A. We just went through the tooling thing. In certain circumstances, it is my understanding that instead of billing us for tooling, which would normally be an additional charge, it was provided at no costs in consideration of the spread between the MITI price and the actual negotiated price on other items."

GENERAL FRAUD

Item 3, Tab 50—April 10, 1970 (Rozel):

"I am informed that Mr. Tanaka has recently returned from talks with the Japanese manufacturers, the import of which was to obtain information on which to base the foreign market value . . . We are informed that these documents will show that the articles were in fact purchased

at less than the MITI price . . . The price differential between our negotiated price (actual price) and the MITI price runs $4 to $5 per article on 50,000 pieces; this is obviously a substantial amount . . . aside from the liability for Anti-Dumping duty, I am told that, were we forced to import at the MITI price, the resultant increase in cost would destroy or greatly decrease the profitability margin."

Item 3, Tab 51—April 16, 1970 (Rozel):

"The Japanese manufacturers have met without the presence of their Government to determine the long-range effect of the subject investigation by U.S. Customs. They are instituting a delaying action . . . the basis for the delay is the necessity for obtaining documents from Japan. We shall be notified prior to submission of documents by NENY (Nippon Electric New York). Tanaka seems to feel that, if the price differential is greater than $3.00, there is a possibility of an unfavorable finding . . . our differential appears to be in the first category."

Item 6, Tab 113, p. 3 (Deposition of Mr. Haberstitch, Motorolo's manager of international source development):

"Major 6 Cos. conference, consists of pres. and/or vp's only, requesting $145.00 NN107 [Sharp] insist $140.00. NN50 [Hitachi] now agree $140.00.—only NN107 NN50 (soon) making 14" Saeki [managing director, later president of Sharp] optimistic $140.00 but could be $145. Opinion all P.O. & invoice must be check price. $ to MSCL & build up. Saeki feels extra paper work dangerous. Shige [Nakano] chkg our attorney Nishimura. If accept $, no written evidence. Could be sales commission. Engrg [engineering] assistance maybe ok. W/adv. Cannot send back to Chgo."

Item 5, Tab 9—July 30, 1968:

"You are not to show the fob Japan price on the suppliers' original or acknowledgment copy on any purchase orders . . . In the future, we will show only the pricing fob San Francisco."

Item 5, Tab 12—August 3, 1970:

"Fob Japan pricing . . . is inadvisable due to current government investigations relating to anti-dumping."

Item 5, Tab 13—March 9, 1971:

"I would suggest that the following procedure be followed inasmuch as the present television dumping situation is still not clarified . . . NEC [Nippon Electric Co., Ltd.] and Sanyo are requesting that we do business on all products through their branches, or U.S. subs, until the situation on television is clarified. With respect to MECA [Matsushita Electric Corp. of America], we do not anticipate any further television purchases from them; therefore with respect to tape recorders it is the belief of this department that we can initiate business on an fob Japan basis eliminating MECA New York . . . It is possible that the Treasury Department's investigation of the individual companies may be a lengthy one . . . We will keep you apprised and at the appropriate time when we feel that our position is not jeopardized, we will gladly change the procedure to an fob Japan basis."

Item 3, Tab 48—November 10, 1970 (Rozel):

3. "Mr. Glover believes that even though our invoices when broken down show a price at less than MITI . . . this does not concern us. We are 3rd party to this transaction and have no liability.

4. Mr. Glover states that no rebates should be used. He also believes that it is inadvisable for Magnavox to purchase and be invoiced at the MITI purchase and have established in Japan, either a joint yen account or a credit to be used for tooling, etc. This is contrary to the general fraud and conspiracy statutes."

Item 3, Tab 49—November 5, 1970 (Rozel):

"If we issue PO [purchase order] at MITI and accept rebate in any form (cash, yen, Swiss account, tooling, expenses, tooling allowance, etc.) then—these amounts of adjustment in price & dumping penalty raised accordingly, and our participation is criminal offense."

Item 3, Tab 66—August 20, 1970 (Rozel):

"They [Japanese TV manufacturers] maintain they are selling their Japanese brand goods at prices that are not lower than the American manufacturers' imported brands. It seems to me that an awful lot of misrepresentation is being bantered around here, George . . . the situation is beginning to smell."

Item 3, Tab 73, P. 2—December 2, 1965 (Rozel):

"For your information, Nippon Electric New York, Inc. was investigated by Internal Revenue authorities . . . The matter which the Internal Revenue people pointed out was that NENY's handling charge [on Magnavox business] which is in most cases less than 1%. They think this figure is an unreasonably low rate; no company can keep in business at this rate."

FALSE EXCESS WARRANTY OR INSPECTION COSTS

Regarding Matsushita's "excess warranty costs or inspection" on TV sales to Magnavox, see Tabs 88–96 of Item 5. A memorandum dated May 22, 1969 reports "this will confirm our discussion in the writer's office on May 21st, at which time we discussed pricing adjustments on our model 1T5261 which is currently purchased from Matsushita Electric. We indicated that the supplier had agreed to furnish us with a $3.30 per unit cost adjustment on this model. . . . We are requesting that you set up a series of three (3) Debit Memos, dates October 1, 1969, December 1, 1969 and March 1, 1969. Each of these Debit Memos should be in the amounts of $22,000 and should be marked to clearly indicate that the supplier is being billed for either excessive warranty costs or inspection within our plant on defective products received from Matsushita during 1969. We are requesting that no reference is made to a specific model on these Debit Memos." (Tab 95, p. 3)

Compare the foregoing memorandum on excessive inspection with the following request for a letter of opinion under date of April 16, 1970. "A procedure has been proposed for use in the importation of small finished products from overseas suppliers, and we request your professional opinion on the legality of such procedure. The merchandise is purchased from a trading company which is the wholly owned subsidiary of the parent Japanese manufacturer. The invoice price upon which duty paid is the MITI price. To achieve the negotiated price, credit memoranda are issued to the manufacturer, based upon 'excess inspection.' Your opinion is requested on the following questions relating to the procedure: 1. Whether or not the procedure violates any federal statute imposing civil or criminal liability. . . . It is our understanding that the 'excess inspections' do not occur, and we are wondering if the situation is affected by the existence or nonexistence of the inspection." (Tab 92)

FILE PURGE

Item 5, Tab 14—October 22, 1970:

"A letter from Mr. Tanaka, E.I.A. Japan, indicated that Zenith was placing pressure on the U.S. Treasury Department to investigate the pricing policies of Magnavox, Wards, Sears, Western Auto, and Penny being used with Japanese exporters. Zenith indicated that they could not fairly sell their own black and white television sets to Sears, Wards, etc. even at their own costs. Zenith said they were shown individual set prices from Japan which were lower than what was being publicized. The insinuation was that private label importers were engaged in double pricing. Zenith has not produced any substantiating data to back up the charges. . . . The feeling of the lawyers representing Japan was that E.I.A. Japan should take a strong position to seek a truce because if the charges were factual it could be most damaging. Whether our files of correspondence and old purchase orders should be purged will have to be discussed with our legal people."

DOUBLE INVOICING

Item 5, Tab 15, p. 721—October 27, 1970:

"P.O. [purchase order] in question—should be changed to check price? NENY [Nippon Electric New York] is importing at check price—paying duty on check price—however selling to MX [Magnavox] at less price—dumping aspect advice: NEC."

Item 5, Tab 15, p. 72L—October 27, 1970:

"Important—once invoice liquidated can Customs reopen invoice for other matters such as Double Invoice etc.—Matsushita indicated to JEIA [Japan Electronic Industries Association] that their selling price is 'P.O.' [purchase price]. . . ."

Item 5, Tab 15, p. 72Q—October 27, 1970:

"Dumping not too serious. Double invoice trouble!"

JAPANESE YEN ACCOUNT

Item 3, Tab 53—August 6, 1969:

"The MITI price is largely a fiction. . . . If the actual sales price was less than this level, then the difference could be credited to the buyer in a Japanese bank in yen. . . ."

CASH PAYMENTS

Item 3, Tab 60—December 27, 1971:

"The Facts. The facts as I understand them are as follows:

"Magnavox presently purchases a quantity of TV sets manufactured in Japan. Ordinarily a Magnavox representative makes an informal agreement with a Japanese trading company, New Nippon Electric Company, Ltd. ('Nippon'), as to the price and terms of anticipated purchases. Subsequently, Magnavox issues a purchase order to Nippon Electric Company of America, Inc. ('NEC') a U.S. subsidiary of Nippon's Japanese parent company. NEC in turn orders the TV sets from Nippon. When the sets arrive in the United States, NEC prepares and files the customs entry documents, appears as the importer of record thereon, and pays the duties owed. Magnavox has no control over the import procedures and copies of the entry documents are *not* sent to Magnavox. NEC takes title to the TV sets and thereafter resells them to Magnavox in accordance with the original purchase order. NEC, therefore, is not Magnavox's agent.

"It is now proposed that the purchase price paid by Magnavox be the minimum price set by the Japanese Ministry of Trade and Industry ('MITI'), plus adjustments for ocean freight, U.S. customs duties, and similar related costs. The resale price from NEC to Magnavox also includes an amount representing a profit for NEC. Under the proposed arrangement Nippon would make a cash payment directly to Magnavox at some time after the import transaction to which the payment might be considered to relate.

"Conclusion. In view of the foregoing, I believe that there is no reason in law why Magnavox should not accept the cash payments described. It is conceivable that, if NEC is found to be in violation of section 1592, the imported goods, even in the hands of Magnavox, would be subject to forfeiture, but it seems to me that Magnavox can protect itself against loss in such a situation, as, for example, by an appropriate compensation agreement with NEC.

"With respect to any publicity adverse to Magnavox which might occur if NEC is found in violation of section 1592, it might be worthwhile to consider ways of minimizing any exposure by altering any apparent relationship between the cash payments made by Nippon and particular import transactions. This might be done, for example, by having the payments made in

advance of any purchase order issued to NEC."

MOTOROLA

Another series of depositions and documents involving purchases by Motorola, Inc., establishes the identical course of secret rebates and false filings to conceal the true dumping margins.

Because Japanese exporters reported only check prices on official export declarations, Motorola and Sharp (a Japanese television manufacturer) proceeded to consider various methods for secretly rebating the differences (between $5.00 and $8.00) between the actual prices and the officially reported check prices (MOT 2416; Haberstich Dep. 359). In this connection Haberstich asked Mr. Nakano, "Could NN107 approach other 5 companies requesting our program be exempt from check price . . ." (MOT 2301, p. 2; Haberstich Dep. 341). Other methods inquired into by Motorola included buying through Sharp's sales subsidiary in the United States, buying through Mitsui, a Japanese trading corporation, and making it appear that Motorola's Japanese subsidiary, MSCL, was the real seller of the merchandise to Motorola.

In January 1968 Mr. Nakano replied to these inquiries (MOT 2416, p. 1; Haberstich Dep. 358):

"1. Exemption due prior nego[tiation]—impossible.

2. Buy from US Sharp—US Sharp Inc will have tax problem due to that their selling pr[ice] to Motorola will be lower than their buying pr[ice] from Sharp Japan.

3. Mitsui [Trading Co.] will please to handle but Sharp do not permit to use third party to avoid to leak price and other inf.

4. Motorola Inc. buy per original plan and MSCL charge to Hayakawa [Sharp] as inspection service fee—need legal consultant here."

Still another solution explored by Motorola and Sharp was whether Motorola, through the guise of an "engineering charge," could secretly recover the difference between the actual price and the $145 check price (Haberstich Dep. 442). To this suggestion Mr. Nakano replied, "Engrg fee N.G. M.I. [Motorola] buyer always gives info to seller & not logical. If it would work everyone would do." (MOT 2301; Haberstich Dep. 343) The secrecy with which these various methods were explored between the parties was evident from Mr. Haberstich's handwritten note dated April 24, 1968 to Mr. Nakano, complaining (MOT 2439; Haberstich Dep. 402):

"On todays regular TWX (801) Morise [MSCL's financial officer] asked for a price revision on the 14" color TV and mentioned a price difference procedure. I'm sure Morise didn't understand the confidential nature of this subject. Would you please tell him not to communicate on this subject, particularly on the regular TWX . . .?"

After several months of these negotiations the solution settled upon was to route the paperwork through MSCL. With the original contract recognized by the parties to be in full force and effect, Motorola and Sharp worked out a paperwork procedure whereby Motorola would place orders on its MSCL subsidiary at the check price and the subsidiary in turn would place purchase orders on Sharp but would receive from Sharp a "sales commission" and "inspection fee" which would serve to reduce the difference between the check price and the actual contract price. Haberstich testified (Haberstich Dep. 439, 445–7):

"A: Well, one of the possibilities, as I think I brought out earlier, was if we would buy TV sets from our subsidiary in Japan who, in turn, would purchase them in Japan from Hayakawa, that there may be some benefit there.

Q: By some benefit, what do you mean by that?

A: Possibility of recovering some of the difference between the check price and our originally negotiated price.

Q: Well; was that done . . . ?"

A: Yes, that was done.

Q: Now, Stancik states here, 'Re: Check price matter. Seriously considering recommendation to revise MSCL charter to allow buy and sell. . . .' Now was that one of the solutions that you found to this check price problem . . .?

A: . . . It would help us recover some of the difference between the check price and the originally negotiated price if we bought from MSCL and MSCL, in turn, bought from Hayakawa in Japan.

Q: Now was the MSCL charter changed to allow it to buy and sell in accordance with this recommendation?

A: I believe it was.

The procedure described in Haberstich's instructions was thereafter followed until Motorola concluded its color television purchasing activities with the final delivery of sets in early 1970. During this period the check price on 14" color television receivers increased from $145 to $148 effective on all shipments from Japan after December 31, 1968 (MOT 2285; Haberstich Dep. 484). Subsequent to that date Motorola negotiated its second purchase of the 18,000 1969 models at a price of $139.00 for the leader and $140.53 for the deluxe (MOT 2274; Haberstich Dep. 552). These models were all shipped while the $148.00 check price was in effect.

The need for the MSCL trading company facade for passing back the difference money ceased with the conclusion of Motorola's television purchasing activities in 1970. As explained by Motorola's financial officer, Mr. Lee Gualano, in a February 21, 1970 memorandum to Motorola's personnel (MOT 2122; Haberstich Dep. 606):

"As you will recall, over a year ago we changed the charter of MSCL from that of a service company to a trading company in order to attain certain short term cost advantages for the corporation. Those costs, in principle, have now been recovered, and we find that we are incurring additional costs that can be eliminated by redefining the structure of MSCL, allowing it to operate as either a service company, or a trading company. It is our intent that, from this point forward, MSCL will operate as a service company in the majority of its business; that is, providing components and finished goods to Motorola and its subsidiaries. . . ."

While acting as a "trading company" in connection with Motorola's purchase of color TV receivers from Sharp, MSCL regularly recieved "sales commissions" and "inspection fees" of approximately 4 percent that were made retroactive in order to recover difference money on already completed shipments. The arrangement was reported by Mr. Itoh of MSCL to Haberstich on August 27, 1969 (MOT 2266; Haberstich Dep. 541):

"1. For explanation, we are closing the memorandum of MSCL inspection fee, 1.087%, commission, 2.913%, totalling 4% . . .

2. Commission and Inspection Fee are as under:

A. Commission—¥1552 ($4.312) per set.

B. Inspection Fee—¥579 ($1.609) per set.

3. Terms of payment.

A. The payment of commission and inspection fee will be made on the 15th day of each month, the account of which shall be closed by Hayakawa at the end of each previous month . . .

C. The details of settelments [sic] retroactive February 1969 will be reported by Z. Morise."*

During the time Motorola was importing Sharp's TV sets into the United States, MSCL, reporting itself as shipper, regularly filed Special Customs Invoice Forms 5515 with the Bureau of Customs, describing Hayakawa as the seller and Motorola as the buyer and listing the invoice unit price or value of the Sharp color television receivers at the manufacturer's fixed $148.00 check price (MOT 521; Haberstich Dep. 719). No disclosure was made regarding the actual lower contract prices governing the transactions. Nor was any disclosure made in the Form 5515 that MSCL was receiving a "sales commission" and "inspection fee" of 4%. Instead a flat negative response was regularly given to question 6 in Section V of Form 5515, "Are any rebates, drawbacks, bounties, or other grants allowed upon the exportation of the goods?"

However, because Motorola's practice of inserting the $148 check price in U.S. Customs Form 5515 resulted in a computation of duty based on an amount greater than the actual price, Mr. Haberstich, on behalf of Motorola, sent a separate form letter to the local collector of customs, stating (MOT 2451; Haberstich Dep 569):

"The above shipment of color television sets from Japan was imported at the MITI check price of $148.00 each FOB Japan. This is the price at which we purchase the TV sets from Motorola Service Co., Ltd. (MSCL), Tokyo, Japan. However, MSCL purchases from Hayakawa Electric Co. of Japan at a lower price. The details of this transaction are as follows:

Model: 1D69271A04 CP401FW.

MITI Check Price: $148.00.

MSCL Pur. Price: $144.00.

Because the MITI check price is not the actual selling price, we respectfully request that these sets be appraised at $144.00 and a notice of appraisment be issued."

Prepared in an effort to effect a reduction of duty, the form letter advised Customs that Motorola purchased its TV sets from MSCL whereas the Forms 5515 reported the seller as Sharp and the buyer as Motorola. In neither instance was Customs advised of the actual purchase contracts between Motorola and Sharp that were never rescinded by the parties. When closely questioned on this subject Mr. Haberstich, in charge of customs matters for Motorola, testified as follows (Haberstich Dep. 575–576):

"Q: . . . I want to know whether or not you informed Customs, and I will have the question read to you once more. Listen to it very carefully and give us the best answer you can to the question . . ." (The court reporter then read back the record as follows:

"Q. Did you ever inform Customs of the originally negotiated or contract price that you testified about earlier?")

The Witness:

A: "I don't believe that I did."

Indeed, uncontroverted documentary evidence established that as late as 1973 and 1974 Motorola and Sharp were still planning methods of paying off the balance of the difference money due under their contracts, i.e., the difference between the check and actual prices less amounts received through the sales commission and inspection fee device. (A sum estimated by Motorola at appromiately $200,000 (MOT 134; Haberstich Dep. 604) and by Sharp at approximately $150,000 (MOT 02700; Haberstich Dep. 695)). In this connection Mr. Yoshida of MSCL, in a July 23, 1973 handwritten memo to Motorola entitled "Sharp Money" wrote (MOT 02700; Haberstich Dep. 695):

". . . As you are aware, by the end of last month we have tried to find out each other some item of products to buy from Sharp and sounded possibilities to settle the problem by means of 'under-invoice.' Unfortunately, however, we failed to find out products to buy from Sharp, in which we expected some semi-conductor products by MSJL [Motorola Semiconductors Japan, Ltd.]

At the beginning of this month I called

*With respect to the retroactivity of the arrangement, Haberstich was questioned (Haberstich Dep. 602):

"Q: You made it retroactive and you had to correct the paperwork, isn't that right?

A: Yes, or supplement the paperwork."

Sharp people to my office and offered following new methods after consulting with lawyer Nishimura on legal points.

1. Payment of market research fee—

(a) Sharp will pay us market research fee in USA which will be useful for their sales of their products. Motorola will furnish necessary information to Sharp mailing U.S. market information report, brochure pamphlet etc. periodically.

(b) Agreement will be made by Nishimura when we agree each other to this plan.

(c) By this method—intelligence service agreement we will be able to collect U.S. $50,000—from Sharp per year.

(d) As for remittance approval (from Japan to USA) exchange control regulation permit to be checked only exchange bank and in view of recent U.S. $ position of Japanese government this kinds of remittance is relatively easy to get approval.

I wish your confirmation for the above idea if it will be acceptable or not."

In response to Mr. Yoshida's suggestion Motorola wrote (MOT 02700; Haberstich Dep. 695):

"Many thanks for your July 23 letter regarding 'Sharp money.'

"Paul Stancik and I have reviewed your proposal and in general think it looks like a good plan.

"We therefore suggest you proceed with asking Nishimura (Motorola's Japanese attorney) to make up a proposed agreement covering this plan."

Such an agreement entitled a "Service agreement concerning supply of market information on certain consumer electronics products in the U.S." was prepared but was rejected by Sharp as too risky. After a meeting on the subject Mr. Yoshida reported (MOT 02700; Haberstich Dep. 695):

". . . On March 29, 1974, I received draft of agreement with Sharp from Nishimura office (please see attached copy), and went to see Saeki on April 1st at his office to talk and expedite the subject. In the meeting Saeki, Fukao (Senior M. Director), Katsura (Director) and Makawa attended. Saeki told me he thinks it is very dangerous to make any kind of fictional agreement and to apply government approval for remittance to the States.

"He want to settle this subject by means of actual business base, through which available to adjust sales price.

"He recommended NYCON MODEM which has been developed with Magnavox and 3M and want to sell American OEM.

". . . Sharp (Saeki) is very concerns about disclosure or leakage to the third person and asked me to convey his thought to your management . . .

"He said he is willing to visit any time Mr. Galvin (Motorola Board Chairman); Mr. Weisz (Motorola President) if it were necessary and asks to keep this top-secret. Such being the case please study the possibility to do MODEM business and please give me instructions and comment on this matter."

Paul Haberstich, Manager, International Source Development at Motorola, described the cover-up procedure as follows in a confidential TWX to Motorola Service Co., Ltd. of Tokyo dated February 9, 1972:

"Procedure is to buy Hitachi products from Nissei Sangyo in U.S.A., FOB Motorola. All negotiations are handled by MSCL (Motorola Service Co., Ltd.) and Hitachi in Japan but shipping business is to be done by Nissei as before. We get FOB quote from MSCL, then Nissei gives us FOB Motorola price."

This wholly-owned Motorola Japanese subsidiary is appropriately described in a high-level internal Motorola memorandum (Exhibit A1) as a "corporate umbrella company" and, in another memorandum (Exhibit B) the point is made:

". . . you may have noticed Ishi negotiated the price to $27.872 [on Toshiba color tubes]. It was $32.09 originally quoted in June. I am mentioning this point specifically, Tony, because generally M.S.C.L. is in the best position the [sic] handle the price negotiations direct with the vendor's decision making people. There are some instances where M.S.C.L. is able to negotiate what is called a 'political price'."

Haberstich described "political" prices as price concessions made after the negotiated price (Haberstich Dep. 299-301).

On October 9, 1969 (Exhibit F), Nakano advised Motorola U.S. headquarters on how the parties had agreed to conceal the pricing of tuners by using a "packaged deal" while the dumping case was active:

1. UHF and VHF must be packaged deal.

2. This price is effective from Oct. 1 and to 1970 requirement only.

3. Whenever Anti-dumping trouble settled, new pr will be reviewed and revised in mutual agreement.

4. If new pr would bring too much profit to NN02 in UHF they w/return profit to us in same way.

"Very difficult to understand the situation however, conclusion is that NN02 have to do according to lawyers suggestion until political situation settled.

"Kataoka w/explain detailed reason in his visit.

"Following message required by Bill Tanaka to Lew Spencer on subject.

"Unless requested price increase made effective immediately withholding of appraisement and ultimate referral to Tariff Commission would become unvoidable stop please contact me next week in Washington. William Tanaka

"Shige"

In a TWX (Exhibit G) from Japan, Motorola is kept advised on how to avoid paper work that would "create suspicion at U.S. Customs and make possible confusion." Nakano reported:

"Re Tuner Anti-dumping Appraisal,

"Alps obtained information from Bill Tanaka that revised price re 161-52, quot. 239 should be OK but to verify price adjustment Tanaka requested Alps to submit actual invoice to MSCL. But above brought one price problem on 77-10249A03 PO 8421-32 due pr. on this P.O. not revised for understanding Alps using supplied transistors and limited qty.

"Now that Alps must submit actual invoice, there is discrepancy between quotation and invoice which would certainly create suspicion at U.S. Customs and make possible confusion. For this reason, Alps requesting price revision at once including shpmt already made in Nov. and if possible hold custom clearance on following shpmts until after revised shpg invoice w/price Dlr (illegible because of "Confidential Per Court Order" stamp) Rcvd. Pls adv comment in return TWX.

"Considering delicate situation re appraisal, seems no other choice but accepting Alps propcsal, our step on cost of transistors used on PO3421 w/be charged to Alps separately."

A confidential memorandum concerning a visit by Motorola executives to Japan in 1972 wherein a Japanese executive of a Motorola Japanese subsidiary records (Exhibit O):

"During a recent visit of P. Stancik and H. Skelly, we have had two meetings with DOK [a leading Japanese electronic component manufacturer] to exchange good relationships, especially to express Motorola's sincere gratitude for the excellent support that DOK has shown during 1971.

"The things discussed were more like general including subjects attached.

"However the high-light was in Item (number illegible) regarding price negotiation on A10 and All color yoke which was brought up by P. Stancik to off-set the variation resulted from yen re-valuation.

"The approach was to ask D.O.K. to reduce $.15 each on above two parts with large usage in which we obtained a rather favorable reaction from D.O.K. with the acceptance of reduction by $.147 (Y45) starting April 1, 1973 on D.O.K.'s delivery basis. However, because of antidumping investigation being processed, a selling price will not be changed until around the end June when D.O.K. expects a final judgment by the U.S. Treasury with a favorable result.

"By that time Motorola is to continue to buy at current prices but D.O.K. will reimburse the over-paid portion at the time of an official change.

"A method how to handle over paid portion is being studied.

"The result of the negotiation would amount to $85,000 reduction over and above $238,000 we have already negotiated last October. . . ."

Finally, Baker & McKenzie, counsel for Mitsubishi and one of the principal lobbyists against the Curtis-Morgan amendment, turns out to have been one of the architects of the dumping coverup. (Exhibit Q):

"As you requested, I have made a preliminary examination of the Japanese export rebate problem we discussed. It seems clear to me that a system probably can be set up, whereby Magnavox can accept any rebates under the MITI price offered by Japanese exporters without fear that it will be violating a United States law. Indeed, such arrangements appear to be quite common.

"As I understand the facts, the Magnavox office in Japan negotiates contracts with Japanese manufacturers for the purchase of T.V sets. The Japanese producers then send the sets to an importer in the United States which passes them on to Magnavox. The sets are all sold at the MITI minimum export price. This price is used on the U.S. customs entry documents and duties are assessed on the basis of this price. The Japanese producer has offered to give Magnavox a rebate, but so far Magnavox has declined to accept it for fear that such devious payments would involve it in a conspiracy to violate United States law.

"United States law (19 USC § 1592, a copy of which is enclosed) does provide that if an importer makes false statements on any entry documents, the goods involved (or their value) will be forfeited, whether or not the United States has been deprived of any duties as a result. Accordingly, it would be a technical violation of this law for an importer to list on the entry documents a higher price than he actually paid, although it is doubtful that such a violation would be prosecuted.

"The limited research I have done on this problem indicates that violations of this statute are avoided by the following procedure. Purchase agreements are negotiated with the Japanese exporter at less than the MITI check price. A dollar letter of credit is opened in favor of the exporter at the MITI price. The exporter then submits to MITI the letter of credit and an invoice at the MITI price and the transaction is approved. The exporter ships the goods and rebates in yen to the buyer the difference between the MITI price and the contract price. It has been argued that this procedure does not violate Japanese exchange control laws because Japan does receive the required number of dollars for the goods. Whether or not that is true, however, it seems clear that the practice is well known and prosecutions are exceedingly rare.

"When the goods arrive in the United States, the importer enters them at the contract price (and explains the transaction to U.S. Customs). Since this is the actual price the importer paid, no false declaration is made, and no liability is incurred under 19 USC § 1592.

"One further thought on this may be of interest. Apparently, the rebate payments are usually made in yen which can only be used within Japan. United States companies appear to use these funds to cover the costs of

their Japanese offices and traveling expenses. Where the rebates exceed such requirements, it has been possible in at least one case to arrange for the Japanese exporter to pay them in dollars for 'consulting services' to a subsidiary of the United States buyer.

"In conclusion, it appears on the surface that Magnavox can accept the rebate payments and enter the goods at the contract price without violating United States law. There appears to be some question whether it is a violation of Japanese law for the exporter to make such payments, but the practice has been going on for a long time, and the Japanese Government has made little attempt to stop it. In any event, this appears to be a problem between the Japanese exporter and his government, which does not directly concern the United States buyer."

THE DEPUTY ATTORNEY GENERAL,
Washington, D.C., May 5, 1978.

Hon. STROM THURMOND,
U.S. Senate,
Washington, D.C.

DEAR SENATOR THURMOND: During recent Senate Judiciary Committee hearings, you asked the Attorney General a series of questions regarding the status of investigations into possible federal antitrust and criminal law violations in connection with the importation of Japanese color television sets into the United States. One of your questions specifically related to possible false Customs declarations apparently intended to avoid "dumping" duties which would have been assessed by the Treasury Department had the true value of the television sets been known at the time they were brought into the United States.

The referral from the Customs Service to the Department of Justice was dated March 31, 1978, and my office was informed by a brief notice of referral on April 7. The matter has been assigned for review to the Government Regulations and Labor Section of the Criminal Division. Although at this time the Department must refrain from commenting on the facts of this situation to avoid prejudicing the investigation and any potential case, we can assure the Committee that if, after review, the referral indicates a basis for a federal grand jury investigation, a grand jury will be impaneled and the matter will be pursued. This recent Customs referral is a separate matter from the antitrust investigation which has been discussed on various occasions by Attorney General Bell and Assistant Attorney General Shenefield in appearances before the Senate Judiciary Committee.

Very truly yours,

BENJAMIN R. CIVILETTI,
Acting Deputy Attorney General.

[From the Washington Post, June 25, 1978]

U.S. TV MAKERS SEE THREAT IN CUSTOMS "REFORM"

(By Dan Morgan)

When the House last October passed H.R. 8149—"the customs procedural reform bill" —most members thought they were voting for a fairly innocuous measure that would please most Americans.

The bill increased the value of goods travelers could bring home duty free, and reduced some of the Customs Bureau's authority to levy stiff penalties against people who made honest errors in reporting the value of the goods.

Now, however, representatives of the Zenith Corp. say something much less innocuous was buried in the technical language of H.R. 8149. They say that if House and Senate conferees next week approve the House version, it could have the effect of granting retroactive immunity to Japanese television manufacturers and U.S. importers now under civil and criminal investigation for falsifying customs documents.

The investigation has centered around alleged illegal rebates, kickbacks and other payments by the Japanese manufacturers to the importers as a way of evading federal "anti-dumping" laws.

Federal agents want to learn whether such rebate schemes meant that the importers, in effect, purchased the TV sets for less than the price reported on customs forms.

The flood of Japanese TV sets into this country has been a major issue between the United States and Japan. According to one estimate, 70,000 jobs have been lost in the U.S. electronics industry as a result of the imports. Zenith plans to lay off 5,600 of its 21,000 TV workers in this country in the near future.

Deputy Attorney General Benjamin R. Civiletti has announced that the Criminal Division of the Justice Department is looking into the charges, and grand juries reportedly have begun examining evidence. Justice Department officials last week described this investigation as "active."

The history of H.R. 8149 provides an example of the role of corporate interests in the making of seemingly technical and noncontroversial legislation. On the face of it, the House and Senate versions of the bill contain only minor differences. Yet these differences, which emerged as the result of the backstage work in congressional offices by huge, opposing corporate interests, involve potentially tens of millions of dollars.

The bill was introduced in the House Ways and Means Committee by Rep. James R. Jones (D–Okla.). Jones last week defended the measure as one that does away with an existing law that was frequently abused by "trigger-happy government prosecutors and bureaucrats."

"There wasn't a single company or labor union that opposed this," said Jones.

Zenith representatives charged, however, that the House version was skillfully tailored to the narrow interests of the Japanese manufacturers and their customers, under the guise of customs law reform.

Washington attorney Bernard Nash, representing Zenith, said the House bill could undo years of investigative work. He said it would be difficult for the government to prove fraud. Under the alleged rebate scheme, he noted, the federal government collected more in customs duties than it would have if accurate values and prices of the goods had been reported.

Under the present law, Nash said, it is necessary only for customs authorities to determine that a false statement has been made for them to assess penalties up to the full value of the imported goods. This could be done merely by ascertaining that the cost of the goods was different from that reported on the customs declaration.

In its House version, the proposed law prescribes penalties for fraud, gross negligence and negligence, but not merely for intentional misreporting. Senate aides said last week that it might be difficult for the government to prove fraud. This is because in the alleged rebating scheme, rather than suffering a loss, the U.S. government may have collected more customs duties than warranted by the real costs of the sets. Thus it could be difficult to show that the government was defrauded.

Also, the new law would require more stringent standards of proof of wrongdoing.

Taken together, Nash said, these changes could reduce penalties or even immunize any wrongdoers from prosecution.

William D. Outman, an attorney for the Chicago-based international law firm of Baker & McKenzie, said an ad hoc committee consisting of some 14 private business and trade groups had participated in the drafting of the House legislation. Among those represented were television importers, he said.

Outman said that he participated in the drafting process without fee because of his conviction that the present customs law is a "vindictive, barbarous statute."

Baker & McKenzie is counsel for Mitsubishi Electric Corp., one of the largest Japanese manufacturers of television sets. The firm has defended Mitsubishi in a Treasury antidumping case, and it represents the Japanese firm in a private antitrust case brought in Philadelphia by Zenith.

Once the liberal reform bill favored by television importers passed the House, Zenith went into action in the Senate.

"We spent three full weeks up there trying to show the implications of the House bill for the Japanese television manufacturers," said Nash. "Zenith won't get a penny out of this. It involves an issue of fairness."

As a result of Zenith's work, the Senate on June 7 passed a measure with an amendment cosponsored by Sens. Carl T. Curtis (R-Neb.) and Robert B. Morgan (D-N.C.). Their version leaves the House changes—except that the Senate would apply the present law to cases involving ongoing investigations and intentional violations. Outman called on Senate offices last week to express concern over the Senate version.

Which version gets approved will be decided this week, when conferees of the Senate Finance Committee and House Ways and Means Committee are to finalize the bill.

The legislative controversy is only one limited skirmish in a long and bruising war between the Japanese and American television industries.

In 1971, the Japanese industry was found guilty of dumping by U.S. authorities, but penalties have not been assessed. Zenith lost a round last week when the Supreme Court ruled that Japan's practice of levying a "commodity tax" on its domestically sold television sets but not on imported sets, does not constitute an unfair trade practice. That decision headed off possible U.S. government retaliation.

But the federal investigations into the alleged rebating schemes could produce the most dramatic developments yet in the longstanding warfare—depending on the outcome of the House-Senate conference.

If the present law applies, customs authorities could fine the Japanese exporters the full value of each set imported under the rebating schemes.

Some clues as to the nature of the complaints have emerged in the private antitrust suit filed by Zenith in Philadelphia. Named as defendants are Mitsubishi, Matsushita, Toshiba, Hitachi, Sanyo, Sharp, Motorola, Quasar and Sears, Roebuck. Zenith's case against Sony has been settled.

The benchmark for Japanese television prices are the so-called "check prices" posted by the Ministry for International Trade and Industry (MITI). Manufacturers who report these check prices to MITI are forbidden by Japanese statute to sell the sets abroad for less. The U.S. government would also charge dumping penalties on such sales.

Therefore, importers pay the manufacturers the MITI "check price." But complaints allege that the manufacturers have rebated them later in various ways. The rebates could take the form of bills for "service" to television sets delivered in faulty condition. Tracing the transactions has been difficult because some of the U.S. importers established subsidiaries in Japan to handle the transactions with the manufacturers.●

GOVERNMENT REGULATION

● Mr. LAXALT. Mr. President, the battle against the high cost of Government regulation is growing in intensity. Protecting the consumer, the worker, and the environment are important social policy goals. But so, too, are employment, production and economic growth.

Where do we strike the balance? American Mining Congress President Al Overton, with his typical knack for going straight to the heart of the issue, argues that the pendulum has swung too far in the direction of excessive regulation, that in a time when we are all working to fight inflation, we simply cannot afford the $96 billion levy which excessive Government regulation imposes on our Nation's businesses, and thus, by extension, on all of us as consumers.

Mr. President, I think this is a terribly important question which should be brought to the attention of my colleagues. Consequently, I ask that Al Overton's editorial in the Mining Congress Journal entitled "Regulation and Inflation Hitting Where it Hurts" be printed in the RECORD.

The editorial follows:

REGULATION AND INFLATION: HITTING WHERE IT HURTS

There is a long overdue but growing recognition that excessive government regulation of industry costs money. As people begin to realize the true size of the bill—and who ends up paying for it—they may demand some reasonable reforms.

It should be said at the outset that not all regulation is bad, and the cause of reasonableness will not be served by a neanderthal clamoring for laissez faire economics. Clearly the government has a proper role in protecting consumers in the marketplace, employees in the workplace and society at large in the environment. The question at hand is: How much regulation is enough and how much is too much?

When Bethlehem Steel reports that it must now comply with 5600 regulations from 27 federal agencies, one suspects that Washington has overreached in its regulatory zeal. The suspicion turns to confirmation when one looks at the mining industry, where standards have been mandated that go beyond all human or environmental need, where edicts are laid down that defy all technological ability to comply, and where costs are imposed that can only add to the competitive edge of foreign producers.

Until recently, the protests of industry fell on the generally deaf ears of the public. Regulation was widely regarded as a public benefit, for which private business picked up the tab. Now the perception is beginning to change. Rumblings of protest are being heard in the Congress. The administration is waking up to the fact that compelling industry to make nonproductive expenditures somehow fuels the fires of inflation.

In fiscal 1979, the budgets of 41 federal agencies engaged in regulation will total nearly $5 billion, more than twice the figure for 1974. While this is enough to chill many a taxpayer, it is only the tip of the proverbial iceberg. A report from the Center for the Study of American Business at Washington University, St. Louis, concludes that industry has to spend 20 times as much as the direct federal outlay to meet regulatory requirements.

If this is correct, the whole cost of government regulation will come to an astounding $96 billion in the next fiscal year.

Who picks up the tab? Professional environmentalists would have people believe that their edicts confer public benefits at private expense, but this is clearly impossible. There is simply no way that business can absorb expenditures of such magnitude, so they are paid for by the consumer in the form of higher prices, just as every other cost of production is ultimately reflected in the price.

Now that some spokesmen for the Administration and some Members of Congress have started to articulate this economic fact of life, there has been a cry of outrage from environmentalists who accuse them of "backsliding." This is a strange term to apply to the process of dealing honestly with the American people and letting them know who pays for what.

Excessive regulation carries costs in addition to those of inflation. The mandated costs of compliance have become a voracious consumer of capital that might otherwise go into new plant and equipment, which not only would create new jobs and keep America competitive with foreign producers but would enhance productivity.

Throughout history, from the invention of the wooden plowshare to the splitting of the atom, improved productivity has been the only way mankind has ever been able to increase units of output over units of input. Material progress without improved productivity is an illusion, a mere facade that is only temporarily buttressed by inflation and bound to crumble.

It has been most instructive for me to review the findings of Edward F. Denison, a senior fellow in the Economics Studies program of the Brookings Institution. In the jargon of economists, he concludes that from 1967 to 1975, regulations for pollution abatement and employee health & safety cut 1.4 percent from output per unit of input (productivity) in the nonresidential business sector. Since then, of course, there has been much additional regulation.

The figure of 1.4 percent may not sound like much, but the cumulative impact is significant and the damaging trend has been accelerating. To cast the picture in proper perspective, one only has to realize that in the years of 1948 to 1969, when the United States enjoyed tremendous real growth in its economy, annual productivity increased by only slightly over 2 percent.

I should emphasize that the Brookings study is of the U.S. economy as a whole, but we know that environmental and health/safety regulations fall with extra weight on the mining industry. So, without question, the economic consequences have been more severe for mining. They are certainly felt by the entire industry. But, because minerals are fundamental to everyday life, the inflationary impact is also felt by every man, woman and child in the country.

As the costs of excessive regulation become more widely understood and as awareness grows of who has to pay for them, the people of America might start to demand a better balance between expenditures and benefits. A prime task for the mining community is to hasten the day of this public perception.●

J. ALLEN OVERTON, Jr.,
President, American Mining Congress.

A NATIONAL MUSEUM FOR THE BUILDING ARTS

● Mr. MOYNIHAN. Mr. President, yesterday I had the pleasure to introduce in the Committee on Environment and Public Works a joint resolution stating the sense of the Congress that the old Pension Building at Judiciary Square be considered as the site of a National Museum of the Building Arts. The resolution passed with the full support of the committee.

Those of my colleagues who have seen the Pension Building will no doubt agree that it is a splendid example of Victorian architecture and is altogether deserving of preservation. I venture further that they will agree that a suitable public use of the building would be housing a national museum—the only one of its size and scope in the country—dedicated to the building arts: Architecture, engineering, construction, urban planning and design, and historic preservation. The building arts in America have a more illustrious history than some of us might imagine when we peer at some structures, old and new, which dot the landscape. There is a need, I think, to make available to the American public the ingenious theoretical and practical designs of the great American builders. I can think of no better site for this purpose than the magnificent Pension Building here in the Nation's Capital.

I want especially to note that this fine project is deeply indebted to the distinguished senior Senator from Maryland, who introduced a bill, S. 2851, to this effect earlier this spring. I was happy to join the distinguished chairman and ranking minority member of the Environment and Public Works Committee in cosponsoring S. 2851. The bill has also received the early and enthusiastic support of the Senators from Rhode Island, the senior Senator from California, the junior Senator from North Carolina, the junior Senator from Idaho, the junior Senator from Pennsylvania, the senior Senator from New Jersey, and the junior Senator from Vermont.

The resolution approved yesterday proposes only to authorize a study of the feasibility of the project. Detailed recommendations will be considered in the fall and full funding, if it is warranted, will be proposed then. I have every hope and expectation that all will go well and the Nation shall soon benefit from a National Museum of the Building Arts in the old Pension Building.

I ask that the text of the resolution be printed in the RECORD with the thought that our colleagues will find it of interest.

The resolution follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds and declares that the Federal Building in the District of Columbia, operated and managed by the General Services Administration and known as the Pension Building, is unique, historic, constitutes an architectural treasure belonging to the people of the United States, and must be restored and properly utilized.

(b) The Congress further declares that the Pension Building would most appropriately be dedicated to the public use as the Nation's Museum of the Building Arts, benefiting this and future generations.

SEC. 102. The Administrator of General Services is authorized and directed to prepare an existing conditions study of the Pension Building, located in the block bounded by Fourth Street, Fifth Street, "F" Street, and "G" Street, Northwest, in the District of Columbia. After consultation with the Secretary of the Smithsonian Institution and the Chairman of the National Endowment for the Arts, he shall prepare drawings, together with preliminary cost estimates, for the restoration and renovation of the Pension Building, in its entirety, to house the Museum of the Building Arts. Such drawings shall be consistent with and provide space for the functions and facilities proposed in the report of the Committee for a National Museum of Building Arts, Incorporated, dated January 1978 and on file at the National Endowment for the Arts, including alternative treatment of the facilities listed in subsection 104(d) which may require structural modifications of the Pension Building. Such drawings and estimates, together with the existing conditions study, shall be submitted to the Committee on Environment and Public Works of the Senate, and to the Committee on Public Works and Transportation of the House of Representatives, not later than October 1, 1978.

SEC. 103. The Chairman of the National Endowment for the Arts is requested to report to the Committee on Environment and Public Works of the Senate, and to the Committee on Public Works and Transportation of the House of Representatives, not later than October 1, 1978, his initial observations and opinions with respect to—

(a) the prospects for private funding of Museum operations, including an appraisal listing the potential sources of financial support, together with a preliminary estimate of the amount of such support which might reasonably be anticipated.

(b) such other factors as, in his opinion, may contribute to the feasibility of the proposed Museum.

SEC. 104. The Secretary of the Smithsonian Institution is requested to report to the Committee on Environment and Public Works of the Senate and to the Committee on Public Works and Transportation of the House of Representatives, not later than October 1, 1978, his initial comments and opinions concerning—

(a) the potential for visitation at the proposed Museum, compared to visitation at Smithsonian museums in recent years;

(b) the potential for interaction between the proposed Museum and existing collections and programs of the Smithsonian;

(c) the proportion of total space (based on the Secretary's experience with such Smithsonian Museums as Air and Space, Arts and Industries, and History and Technology) required for (i) inactive storage, (ii) the study of collections housed in the Museum; (iii) staff offices; and (iv) public/exhibition use.

(d) the value and approximate costs of providing facilities to accommodate (i) food service; (ii) a museum shop; (iii) a computer service or center; and (iv) an auditorium, together with recommendations for optimum size and desirable features of such facilities.

SEC. 105. As used in this Joint Resolution, the term—

(a) "Building arts" encompasses all practical and scholarly aspects of architecture and landscape architecture; engineering; building and construction; urban planning, design, physical development and renewal; and historic preservation;

(b) "Museum" means the Museum of the Building Arts, as generally proposed by the Committee for a National Museum of the Building Arts;

(c) "Administrator" means the Administrator of General Services;

(d) "Chairman" means the Chairman of the National Endowment for the Arts; and

(e) "Secretary" means the Secretary of the Smithsonian Institution.

SEC. 106. The Administrator shall insure that any occupants of the Pension Building shall be temporary pending establishment and occupancy of the building by the National Museum of Building Arts, and that such occupants shall in no way conflict with, interfere with, or cause to delay efforts toward the restoration and renovation of the building to house the Museum.

SEC. 107. (a) For the purposes of section 102 of this Joint Resolution, the Administrator is authorized and directed to expend not to exceed $60,000 from funds available to him for the alteration and repair of buildings.

(b) For the purposes of section 103 of this Joint Resolution, the Chairman shall expend not more than $10,000 from funds available to him.

(c) For the purposes of section 104 of this Joint Resolution, the Secretary shall expend not more than $10,000 from funds available to him.●

SPORTSMEN AID CONSERVATION

● Mrs. HUMPHREY. Mr. President, I recently read an article which appeared in the Minnesota Out-of-Doors magazine. The article pointed out the important job sportsmen have done to conserve and preserve our Nation's wilderness and wildlife.

Mr. President, I attach the article for the RECORD:

OBSERVATIONS ON THE SHOOTING SPORTS

(By Gene Hill)

In the last year or so I have been requested to help save the Hudson, to help save the Yellowstone, to help save the tuna, the striped bass, the Atlantic salmon, Silver Creek, the Pine Barrens, ducks in general, whales, wild horses, burros, and enough other creatures and places to make me more sympathetic than ever with the Lord resting on the seventh day.

I contribute time and money to DU, TU, FFF, the Gamecoin, African Safari Clubs, the NSSA, ATA, NSSF . . . and oh yes, the NRA.

Not to mention license fees, big-game permits, and special duck, woodcock, pheasant, and trout stamps. I clean up beer cans on streams, I build wood duck nests, I teach kids gun safety and how to fish. I release almost all the fish I catch and try not to shoot my limit on waterfowl (which is easy). I plant bird cover, dig ponds, and create sanctuaries. I hunt with a trained dog to help save game. I douse my campfire and pack everything out that I packed in.

And every so often I most humbly, in my small way, emulate the Lord by looking at what I've helped do, and say to myself, "That is good" I am delighted to have seen the antelope increase to vast numbers, to know that there are now more whitetail deer than when Columbus discovered the continent. I am pleased that the salmon fishing is getting better, that I can see Canada geese by the thousands where not too long ago there were few. It's been hard and costly work—but I can't imagine anything more worthwhile. I am anxious to do more and I will.

I am simply a man who likes to hunt and fish when I have a little free time I am a typical, average American sportsman I consider myself one of America's great natural resources; I have helped save, clean, reclaim, guard, and propagate as many things that I believe to be precious as I could. And my children believe as I believe; they understand what I have given them and they will work to do even more.

There seems to be only one little thing that not too many people are willing to help save: Me.

Every year there's more and more pressure to prevent me from gunning. The town close to where I live forbids the discharge of a firearm . . . even at a backyard clay target. National television shows portray me with bias and prejudice. Every major newspaper carries advertisements from various groups saying that I not only shouldn't hunt, I shouldn't even be allowed to own a gun.

These are the same gentle people who put bumper stickers on their cars asking me, "Have You Thanked a Green Plant Today?" Well, no I haven't. As a sportsman I've been too busy sowing wild celery, willows, multiflora, and rice, and asking farmers to leave a few rows for the bobwhite and pheasants.

It seems that more and more people today find it hard to be for the environment and all that it stands for without being against those of us who like to hunt and fish.

We sportsmen have done a magnificent job of educating each other. We work together and talk our problems out. We write articles about the fine job we've done in bringing back the wild turkey. We show films about the reclamation of wetlands. We count ducks and regulate ourselves on seasons and bag limits. Our good works are legion—but in a way we've kept them all to ourselves. I think we should do something a little different; we're not asking for love necessarily, but for understanding.

I know there has been some effort in this direction, but we need more and we need it soon. I'm not quite willing to put a sign on my van saying "Last year I spent X dollars to support our wildlife," the way the big truckers advertise that "This vehicle pays X dollars a year in taxes." But I want to find a way to constantly remind the antihunters, bird watchers, and "I Brake for Animals" crowd that I'm one of the sportsmen who are basically the source of the abundance of birds and animals. And I didn't do it just by sending a dollar or two for a bumper sticker.

Maybe our fishing and hunting clubs ought to take ads in the local papers saying that "The pheasants and quail you enjoy seeing and hearing were made possible by the following local sportsmen," and run a list of names. Maybe someone will ask one of you about this program and you can tell them some of the facts about wildlife and its management. Not emotions—but biology; about feed, cover, propagation, and harvest.

There are many millions of well-meaning, but ingenuous and unknowledgeable people who are violently against your enjoyment of hunting and fishing. They will agree, if forced, that a certain amount of culling and harvesting must take place—but they want the professional game manager to do it, not you in your blaze-orange vest. A great many of these wildlife professionals believe that underneath this sentiment is a prejudice against the sportsman—rather than a great sympathy for our wildlife.

It's frightening when we admit that this emotion might be so irrational as to be impervious to education or logic. Part is a growing fear of guns, part is an overreaction to what seems to be an increasing climate of violence. Part is a collection of emotional half-truths about what constitutes conservation.

The fact that much of what is feared is neither true nor real isn't going to make the struggle any easier. The sportsman—meaning you and me—must adopt a personal code of ethics, every one of us, that

is as close to being above reproach as we can make it. We must come to our own defense "with clean hands."

I'm a great believer in the lessons of history. I have great faith in our ability to deal with the great numbers of undecided, the "I don't cares," and to change the attitudes of the violently opposed just as we have reversed the destinies of so many of our precious wildlife resources.

And it has to work, for we are the last and the most important resource of all—the totally concerned, the totally committed. The sportsmen.●

PROPOSED ARMS SALES

● Mr. SPARKMAN. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I attach for the RECORD the five notifications I have just received:

WASHINGTON, D.C., *June 26, 1978.*

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 78-57, concerning the Department of the Army's proposed Letter of Offer to Ecuador for major defense equipment, as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $174.4 million and support costs of $45.3 million for a total estimated cost of $219.7 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director, Defense Security Assistance Agency.

[Transmittal No. 78-57]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Ecuador.

(ii) Total Estimated Value:

	Million
Major Defense Equipment*	$174.4
Other	45.3
Total	219.7

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered:

Three (3) battalion Chaparral missile systems, forty four (44).

20mm Vulcan self-propelled guns (M163A), twenty eight (28).

20mm Vulcan towed guns (M167A1) and ancillary equipment.

(iv) Military Department: Army.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: June 26, 1978.

WASHINGTON, D.C., *June 26, 1978.*

In reply refer to: I-1284/78ct.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 78-58, concerning the Department of the Navy's proposed Letter of Offer to the Republic of China for major defense equipment, as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $22.8 million and support costs of $4.4 million for a total estimated cost of $27.2 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director, Defense Security Assistance Agency.

[Transmittal No. 78-58]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Republic of China.

(ii) Total Estimated Value:

	Million
Major Defense Equipment*	$22.8
Other	4.4
Total	27.2

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: One hundred fifty (150) MK-46 mod 2 torpedoes and associated equipment.

(iv) Military Department: Navy.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: June 26, 1978.

WASHINGTON, D.C., *June 26, 1978.*

In reply refer to: I-1023/78ct.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 78-59, concerning the Department of the Army's proposed Letter of Offer to Tunisia for major defense equipment, as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $19.3 million and support costs of $4 million for a total estimated cost of $23.3 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director, Defense Security Assistance Agency.

[Transmittal No. 78-59]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) *Prospective Purchaser:* Tunisia.

(ii) *Total Estimated Value:*

	Million
Major Defense Equipment*	$19.3
Other	4.0
Total	23.3

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) *Description of Articles or Services Offered:* Sixty (60) M113A1 armored personnel carriers with TOW launcher, six (6) M577 command post vehicles, 1,200 TOW missiles, 120 TOW practice missiles and related ancillary equipment.

(iv) *Military Department:* Army.

(v) *Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid:* None.

(vi) *Date Report Delivered to Congress:* June 26, 1978.

WASHINGTON, D.C., *June 26, 1978.*

In reply refer to: I-1241/78ct.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 78-60, concerning the Department of the Army's proposed Letter of Offer to Spain for major defense equipment, as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $10.6 million and support costs of $.8 million for a total estimated cost of $11.4 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director, Defense Security Assistance Agency.

[Transmittal No. 78-60]

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective Purchaser: Spain.

(ii) Total Estimated value:

	Million
Major Defense Equipment*	$10.6
Other	.8
Total	11.4

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Eighteen (18) 155mm howitzers.

(iv) Military Department: Army.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: June 26, 1978.

WASHINGTON, D.C., *June 26, 1978.*

In reply refer to: I-3439/78.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, transmittal No. 78-61, concerning the Department of the Navy's proposed Letter of Offer to Iran for other than major defense equipment, as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $67.9 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, U.S.A., Director, Defense Security Assistance Agency.

[Transmittal No. 78-61]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Iran.

(ii) Total Estimated Value:

	Million
Major Defense Equipment*	0.0
Other	$67.9
Total	67.9

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered:

Support services for the Iranian F-14/PHOENIX weapon system program including: contractor technical services, limited personnel support services, Navy liaison office, combat crew training squadron, and Navy aviation engineer services unit.

(iv) Military Department: Navy.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: June 26, 1978.●

BARNWELL NUCLEAR FUEL PLANT

● Mr. THURMOND. Mr. President, I read with great interest recent testimony by my distinguished colleague from New Mexico, Senator HARRISON SCHMITT, before the Subcommittee on Nuclear Regulation of the Senate Committee on Environment and Public Works on June 20, 1978. The subject of those hearings was nuclear waste management, and Senator SCHMITT's remarks emphasize some points I have been making for the last year.

Mr. President, the Carter administration's indefinite deferral of commercial reprocessing has complicated our efforts to effectively manage radioactive wastes. Senator SCHMITT's statement draws attention to this fact in several places. Because he is highly qualified to speak on the subject of nuclear waste management, I urge my colleagues to read the following statement by Senator SCHMITT, which I submit for the CONGRESSIONAL RECORD:

STATEMENT BY SENATOR HARRISON SCHMITT

Mr. Chairman: Our most critical national security issue is that of our increasing dependence on imported oil and natural gas. Unless this nation successfully tackles the problems of nuclear waste management, we may never recover from the depths of our current crisis of dependence on these uncertain foreign energy supplies. It is not an issue that cannot be dismissed with the rhetoric of "energy alternatives". It is an important issue for today's generation. It is an absolutely critical issue for future generations. I appreciate this opportunity to present a few remarks concerning nuclear waste management.

Safe use or disposal of the wastes which are produced as a by-product of electrical power generation and of our national defense program is of paramount concern to the nation. Nuclear power produced 12% of our electricity last year and it is clear that we will need to expand this capacity if we are to meet the increasing energy requirements of an expanding economy. Many are convinced that the future of nuclear power in the United States will be in jeopardy unless there is a prompt demonstration that radioactive wastes can be used beneficially or permanently isolated from the human environment.

The technology of radioactive waste management did not receive the attention it deserved during the first 30 years of the nuclear age. It has now become a top priority because it is turning into the Achilles heel of the nuclear power industry and potentially of a successful energy policy for the nation and the world.

Not only is nuclear waste management an issue of pressing importance for our nation's energy needs, it is an issue of deepening concern for the residents of the State of New Mexico. The Department of Energy is currently planning a defense waste disposal site near Carlsbad, New Mexico, and it has been recently revealed that they are now considering a demonstration of permanent disposal of commercial spent fuel at the same site. Many people in my State have been disappointed by an apparent lack of candor on the part of the Department of Energy and by the narrow approach which the Administration is taking toward the waste management issue.

Many thoughtful people have expressed concern that alternative approaches to waste disposal will be neglected in order to arrive at a quick demonstration of salt formation disposal such as that being examined in New Mexico. As a result of this concern, I chaired a hearing on Nuclear Waste Disposal Alternatives in Albuquerque, New Mexico, on March 31 of this year. Eleven witnesses presented technical and scientific testimony on the Administration's plan for deep geologic disposal of waste in salt formations and possible alternatives to this plan. Several important conclusions can be drawn from this hearing.

Deep geologic disposal in salt was first recommended by the National Academy of Sciences more than 20 years ago. Whole new technologies have evolved since this initial recommendation. Disposal in geologic media other than salt and entirely new approaches to disposal such as deep seabed disposal and transporting wastes into space are much closer to feasibility now than they were in 1957. It is clear to me that we should not repeat past errors by short-changing these and other alternative approaches to waste disposal or utilization.

During the Albuquerque hearings, Dr. George DeBuchananne, of the U.S. Geological Survey, outlined a number of questions concerning salt as a medium for waste disposal. While it is highly probable that the questions concerning salt can be favorably resolved, the existence of technical uncertainties concerning the main thrust of the disposal program underlines the necessity to seriously pursue alternatives.

Another conclusion that can be drawn from the Albuquerque hearing is that a policy of indefinite deferral of the reprocessing of spent fuel has precluded a number of waste disposal and utilization options. Technical refinements that promise to enhance the safety of waste management, such as the partitioning of wastes into high-level and long-lived waste components and useful isotopes and the possibility of transmuting long-lived radioactive wastes into stable or short-lived isotopes, are now ruled out by the decision to forego reprocessing. The policy of throwing away spent fuel prevents the recycling of valuable reactor products, such as residual uranium and new plutonium that could be used as nuclear fuel. Other beneficial isotopes could also be extracted.

Other conclusions drawn from the testimony of the March 31, 1978 hearing of the Science, Technology, and Space Subcommittee in Albuquerque, New Mexico, are:

1. Deep geologic disposal is still considered by most experts as the most promising alternative for nuclear waste disposal.

2. Current spending levels reflect a strong preference in the Department of Energy for disposal in salt deposits. The U.S.G.S. has raised a number of potential problem areas which need to be studied further before a final decision is made for permanent disposal of waste in salt. It is not clear from the testimony that adequate attention is being paid to other media for geologic disposal.

3. Alternatives, such as the space disposal and deep seabed disposal options, offer some advantages over deep geologic disposal. However, there are a sufficient number of unknowns associated with these alternatives, that they do not represent viable near-term options.

4. The Administration policy of "indefinite deferral" of the reprocessing of spent fuel precludes options such as beneficial utilization of reactor products, space disposal, partitioning and transmutation. The decision to forego reprocessing has complicated the waste disposal problem, but the testimony of DOE witnesses did not clarify the degree of complication of a delay in the development of future plans to develop reprocessing technology.

5. The beneficial utilization of certain nuclear waste components is an intriguing idea that could be developed if our reprocessing policy changes. Insufficient attention is now being paid to the development of this option for nuclear waste management. In view of the great potential for future use of nuclear wastes as beneficial resources, more emphasis should be placed on temporary, easily retrievable storage rather than permanent disposal.

Finally, the Albuquerque hearings, as well as my other contacts with constituents, have revealed an underlying concern that nuclear wastes are going to be forced on them by the Federal government without providing adequate opportunity for local participation in the decision making process. My professional background in engineering and science and my study of the problem have convinced me that nuclear wastes can be safely used and/or disposed. Nevertheless, the public must be convinced that this is so. Public confidence can only be gained through an open and frank discussion of waste disposal alternatives. If, at the end of such a public discussion, the residents of a State are not convinced that wastes can be safely disposed, then we should recognize the fact that they have the right to irrevocably reject a proposal to dispose of wastes within their State boundaries.

Mr. Chairman, I have a written summary of the Albuquerque field hearings which I request become part of the hearing record.●

THE FREE PRESS—AN ENDANGERED SPECIES

● Mr. CLARK. Mr. President, nothing is more central to our concept of political democracy than a free press. For that reason we cannot help but be concerned about the concerted attack on this principle in recent years.

Traditionally, the Soviet Union has campaigned in the United Nations and elsewhere for the right of all nations to control information coming into and out of their countries. For a long time they did not make much progress in achieving what in effect is internationally condoned censorship.

However, there is growing support among the less developed countries for major changes in the structure of the world's information flow. In particular, several African States have taken the lead in restricting the activities of foreign correspondents within their borders. David Ottaway, the distinguished correspondent for the Washington Post writes that reporters are often "veritable captives of local governments, publish-

ing their official communiques and views on world events with little criticism and deliberately steering away from controversial issues." Correspondents who stray from the line risk being expelled, as several have been in recent years from various African countries, including Zaire, Ethiopia, and Nigeria.

Last year, in hearings before the Senate International Operations Subcommittee, Andrew Heiskell, chairman of Time, Inc., testified that the situation is equally threatening in Latin America. Heiskell said that only three or four countries in Latin America have a free press or free access to news. In the other countries, distributors may be jailed, correspondents are refused visas, local "stringers" are harassed. Otis Chandler, publisher of the Los Angeles Times, testified that in terms of impediments, intimidation, and the exclusion of Western correspondents, some nations around the world "have gone even further than the Soviet Union did under Joseph Stalin."

As deplorable as this is, I think we have to recognize that the countries of the less developed world do have some legitimate complaints. The world's media does appear to many of them to be dominated by a tight complex of major wire services. Correspondents reporting from that part of the world are not always sensitive to local problems, cultural heritage, and the news needs of developing nations.

The main forum for this dispute has been the United Nations Education, Scientific and Cultural Council (UNESCO), which has debated a declaration on press policy for 6 years. In various forms, this declaration has at times been virtually a mandate for full press censorship and total control of information moving into and out of a country. Many nations have viewed this declaration as a justification for moving toward a single, Third World news agency, to the exclusion of the existing wire services.

Mr. President, I think it is important that we pay the closest attention to this debate. It is imperative that we recognize the complaints of these nations, and take what steps are necessary and possible to ease them. At the same time, it is vital that we continue to insist on the primacy of the free exchange of information, which is so central to their understanding of us, and the basis of our understanding of them.

Further debate of the UNESCO resolution is now scheduled for a meeting of the General Conference in Paris in October of this year. In anticipation of this, Leonard H. Marks, former director of the United States Information Agency, and Secretary-Treasurer of the World Press Freedom Committee, prepared an address to the World Press Institute at Macalaster College, in St. Paul, Minn. I submit the address for the RECORD:

THE FREE PRESS—AN ENDANGERED SPECIES

(By Leonard H. Marks)

There is an old and often told Texas story which sets the stage for my remarks today. In a small community, the City Council was confronted with a serious problem—a single track railroad grade crossing running through the heart of the business section had caused traffic pileups and several tragic accidents. The Council decided to hire a professional city manager to help solve this problem as well as manage the city's daily affairs. One candidate for the job was asked what he would do if he saw two trains approaching from opposite directions on this single track. He pondered for a moment and replied, "I would call my brother." "Why?" he was asked. "Well," he replied thoughtfully, "he hasn't ever seen a train wreck." This is a classic example of what we call "gallows humor."

Today we are witnessing developments which are comparable as the Third World (the non-aligned nations of Africa, Asia, and Latin America) and the Western world (the United States, Europe, Japan and those few countries outside of this sphere who believe in a free press) are about to clash in a devastating and lethal collision.

The basis for the conflict can be reduced to a few simple concepts—the free world permits the journalist the greatest of independence and the freedom which is engraved in the First Amendment of the U.S. constitution. A reporter is free to report what he sees as he sees it; an editor is free to criticize the leaders of the government and the institutions of the community he serves, subject only to the laws of civil and criminal libel. In brief, the free world journalist is protected by the government as a *critic of society*.

By comparison, some Third World countries, candidly admit that they cannot afford the luxury of a free world press. Their developing society and institutions are too fragile to stand the criticism of Western style journalists and the second guessing of commentators and columnists which is a fixture on the American scene. Instead they regard the journalist as a servant of society with a responsibility to carry out the programs of the government and to promote its objectives. For this role there is a new phrase—developmental journalism.

This Third World philosophy is similar to that of the Soviet Union and the Eastern European countries whose press has long been a part of the government apparatus. Although the United States has influential and authoritative press editors and columnists, and radio and television commentators, none are governmental spokesmen. Their influence comes from their powers of journalistic perception and the persuasiveness of their editorials. Their reports may have an influence on governmental actions, or may be ignored. But, in the totalitarian society the journalist proclaims government policy and appropriate governmental action soon follows.

If the contrast in the role of the journalist were confined to domestic reporting, I am confident that the respective societies could adjust and live in relative harmony. However, the non-aligned countries have found that our style of journalist freedom is incompatible with their aspirations. More to the point, they say their image has been tarnished as a result of Western criticism.

Actually, they have some understandable complaints which have been advanced very forcefully in world forums during the past several years. Let me illustrate by quoting a spokesman who recently told me:

"The Western press is only interested in Bad News not Good News. They report casualties, calamities, calumnies—anything that degrades our society and shows our inefficiency. They ignore our constructive achievements. If we fail in a project, it is a headline; if we succeed, it is ignored. When we have a famine, or an outbreak of cholera, it is carried on the front page. When we dedicate a new housing development, or lower the infant mortality rate, or increase our literacy—that is not reported."

In response Western spokesmen point out that they do report constructive achievements; that "news" historically is a reflection of society; that the press does not create the Bad News—it reports it.

Third World critics continue—

"The world learns about what is going on in our countries through the eyes of Western news agencies, not *our* agencies. Reuters, a British organization, AP and UP, American-owned and operated, and Agence France Press, of France, are the conduits through which the world learns of the Third World. Reports are made by correspondents who come without a knowledge of our culture or language. Frequently the correspondents come to the capital for a few days, talk to a few of their own countrymen, and report their views and not the facts."

In describing the situation, the critics of Western journalism characterize Bad News reports as inaccurate, incomplete and prejudicial . . . not only to the Third World, but to the United States and Western Europe because the readers do not understand the "true conditions." They conclude:

"And so, the world views us as a backward nation and a primitive society."

These views have gained widespread popular support throughout Africa, Asia and in some Latin American countries. To correct this situation, the non-aligned have resolved to create their own news agencies which will serve their own media and also the rest of the world.

At this point, let me underscore my support for the effort of any country to "tell its story." The world benefits when there is a multiplicity of news sources and differing views. It is the choice of viewpoints which is a most valuable right of a free society. But, regrettably, some Third World countries are not content with creating a news agency as a supplemental source of information. Instead, they have decided that it will be the exclusive source of news, inside the country, and throughout the world. In that way, there will be no bad news. The world will only be told what the governmental spokesmen want to reveal—sometimes true, sometimes fiction.

This type of news control—developmental journalism—is "The New information order," which will help carry out the "new economic order." Here a journalist is an instrument of governments, and not a critic of society.

Recently, the Government of Tanzania put this concept into practice by adopting a new law which provides as follows:

The newly created Tanzania News Agency shall have a monopoly on all incoming and outgoing news. No one other than itself or those authorized by it shall—

"(a) collect or cause to be collected in Tanzania any news or news material, for the purpose of dissemination; or

"(b) distribute or cause to be distributed, whether within or outside Tanzania, any news or news material intended for dissemination, collected within Tanzania; or

"(c) distribute or cause to be distributed within Tanzania any news or news material intended for dissemination, collected outside Tanzania."

Last month in an international conference in Cairo, the editor of the newly created news agency in Nigeria announced that the law would "probably preclude foreign media from sending reporters into Nigeria." It is enough to chill your blood even on a warm day.

As a result of this type of legislation, foreign correspondents become couriers, not reporters. They are permitted to transmit the government handout, or approved copy; they are able to ship by mail or satellite the can of film or tape recording which a governmental crew prepared to show "the true conditions of our society." You can be assured that this type of reporting will feature the good news and no bad news.

I would like to remind students of history that it is inherent in any society that there be some bad news. No society had achieved perfection, nor has the human personality changed so that only saints occupy public roles. When you find a society whose press is filled only with good news, you can be assured that its jails usually contain some good men.

In support of this observation, let me refer to the recent experience of the press in India. When the British departed, they left a tradition of a free press. There were Indian news agencies and strong-minded editors expressing divergent points of view. There was no fear of criticizing official acts and of reporting the facts, good or bad. This tradition continued until December, 1975 when Prime Minister Indira Gandhi decided that India could no longer afford such a luxury and imposed censorship. Let me read several articles of the Code of Censorship to illustrate the dramatic change.

It is illegal to print or broadcast anything which is likely to—

Bring into hatred or contempt, or excite disaffection towards, the government established by law in India or in any State thereof and thereby cause or tend to cause public disorder.

Promote disharmony or feelings of enmity, hatred or ill-will between different religious, racial, language or regional groups or castes or communities.

Cause fear or alarm to the public or to any section of the public whereby any person may be induced to commit an offense against the State or against the public tranquility.

Some papers acquiesced; others defied the government and continued to report events as they saw them until their writers were put in jail. I am also informed that those who did not comply found that their quota of government advertising was withdrawn, that newsprint allocations were curtailed, and that the heavy hand of regulation made it almost impossible to continue in business. Yes, the headlines reflected good news, and the jail contained good men.

Let me emphasize that I believe that a responsible journalist should report good news and constructive achievements. Balanced reporting requires that recognition be given to those leaders in private or public life who contribute to a better world and good media do exactly that. Studies made of leading American papers have demonstrated that the Third World criticism is not always justified, but the sensitive critics see only the stories that reflect adversely and take for granted those that are favorable.

The experience in India is an awesome one. It proves that a strong tradition of a free press is not a guarantee of continued tolerance of that practice—the heavy hand of censorship can suddenly strike. But, the Indian experience is also heartening because within a year from the time that censorship was imposed, Mrs. Gandhi's government was overthrown, the jailed journalists were released and a free press restored.

The Third World criticism of the American free press also includes an attack on the qualifications of the journalist. Let me paraphrase a typical comment:

"In your country, barbers, plumbers, electricians, lawyers, doctors—all have to take examinations to prove their competence. But, you have no law which requires a journalist to pass a competence test. In fact some of your reporters do not have an elementary understanding of the subjects about which they write.

"And your laws of libel make the reporter a sacred cow, protected from liability even when he is wrong. Your courts require proof of malice before damages can be recovered by a public official. . . . There is no way that a foreign government can ever recover from the falsehoods reported about it or its leaders."

Admittedly, these are serious questions and serious accusations. Responsible media choose competent journalists and carefully check their stories. We cherish the right of the public to receive the diverse opinions of a free press, and are willing to accept the risk that an irresponsible journalist will on occasion cause damage to innocent persons or institutions; but our experience has demonstrated that the abuse occurs infrequently and that alternatives of a controlled press or a code of censorship are not acceptable.

In this respect, let me stress that we subscribe to the principles of the Universal Declaration of Human Rights which was adopted by the United Nations in 1948. Article 19 of that document provides:

Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers.

This Declaration was subscribed to by the Soviet Union, the Eastern European countries and others who today honor it only in the breach. Its principles are just as valid today as they were 30 years ago; in my opinion, observance by all nations might remove some of the misconceptions that nations have of each other, and lead to a better understanding on critical issues.

The trend that I have described for greater control of news reporting within non-aligned countries has surfaced in international forums. In 1972, the Soviet Union, with the support of the Third World, proposed to UNESCO a declaration of principles governing the use of the mass media. For several years, committees of experts labored over a draft, which finally surfaced in October 1976 at the UNESCO General Conference at Nairobi, Kenya. This draft became a cause celebre and a subject which provoked an acrimonious debate. This proposal brought about the confrontation between the East and West—those who believe in a free press against those who subscribe to the controls that I have described.

The title describes its bias. "Draft Declaration on Fundamental Principles Governing the Use of the Mass Media in Strengthening Peace and International Understanding and in Combating War Propaganda, Racism and Apartheid." The free press objects to being "used" for any porpose. It asserts its right to report events as they occur; it denies the right of government to "use" its columns as a vehicle. Reports and editorial comment are carried on significant local, regional, national and international happenings, but an editor—not a government officer—chooses a topic and the manner that it is reported.

Article 12 was also the focus of bitter debate and the core of the confrontation. It provides: "States are responsible for the activities in the international sphere of all mass media under their jurisdiction." The Western press objects to STATES having the responsibility for the news media. The control by government is an alien philosophy in our society, and any suggestion of such power by governments touches a very raw nerve.

After prolonged debate in Nairobi, the subject was postponed for two years. It will again surface at the UNESCO meeting scheduled for Paris, France, in October, 1978.

What will happen then? Will the two trains approaching in opposite directions on the same track collide? Or will a prudent engineer prevent the crash?

There are no ready answers to these vital questions, but I do have some informed judgments:

(1) We all recognize that our globe has shrunk and that events occurring in remote areas affect all of us. The price of oil set by the OPEC nations can topple governments, and shift the balance of economic power. A border clash between Israel and the Arab states results in emergency meetings of Parliaments throughout the world; and the struggle for freedom by a minority in Africa affects all free people. As a result, peace is a fragile commodity, and wars do occur when men cease to reason and resort to the primitive instinct of violence.

(2) It has been my experience that differences of opinion frequently result because there is no common perception of the facts of the dispute. Erroneous reporting by governmental representatives or the press can stir passions and arouse national pride. Even a trained observer has difficulty identifying facts on an objective basis; and biased reports can lead to irreparable damage.

(3) Since public opinion plays an increasingly vital role in world affairs, it is critical that people everywhere know what is happening and how it affects their vital interests. Government handouts seldom provide the measure of objectivity that is required for such significant decisions, and in our society we seek divergent views of the facts so that the people can arrive at their own conclusions. Only a free press can play this role. If the Third World and the Communist nations persist in controlling our access to the news, I see no hope for a better understanding between nations, and I fear for more frequent collisions of views. From my experience in recent international forums, I am pessimistic. There is a long list of countries who shackle the press and deny access by Western newspapers, radio and television stations, and the international news agencies. I call it a dishonor roll. I regret that more names are being added and only India has been removed. If this trend continues, a free press will indeed by an endangered species—a breed that is disappearing along with the whooping crane and the whale. Its only home will be the few nations of North America, Western Europe and islands in Latin America, Asia and Africa—serving a minority of the world's population.

(4) At the same time, let me emphasize my concern for the anxieties of the small, newly created nations just entering the arena of world affairs and timidly taking their seats at the table of world government. They yearn for recognition of their significant achievements, and they deserve more than a one paragraph filler in the world press, and a ten-second announcement in the evening news broadcasts. They are entitled to the privilege of operating a national news agency to tell their own story. But, they must not deny the right of other news sources to report their own versions of events occurring in the developing world. If they are to sit at the table of the world nations, these nations must accept the wisdom of Article 19 of the UN Declaration of Human Rights and allow their citizens and others throughout the world to receive and impart information regardless of national boundaries.

(5) Finally, I believe that the more developed nations must attempt to acquaint the developing world with our system of a free press so that they will be able to work together, even when we disagree on fundamentals. To that end the media in the United States have cooperated through many organizations in the international sphere, one of which is the World Press Freedom Committee of which I am Secretary and Treasurer. This organization consists of 31 associations who are dedicated to:

A media free of government interference.
A full and free flow of international news.
A responsible and objective media.
Providing technical assistance to those media needing it.

We have raised $500,000 primarily from U.S. media to carry out these purposes. We

will be represented at UNESCO meetings to defend our concept of the free press, and we will use our resources to extend a helping hand where it is requested. During the past year of our existence we have made grants for the following:

Equipment for a laboratory newspaper and for scholarships to the University of Nairobi School of Journalism.

A training school for print and broadcast reporters in Trinidad.

An African seminar on economic and financial reporting with the International Press Institute.

A journalistic exchange program with Partners of the Americas.

A media conference at the University of Cairo.

Five seminars to be conducted in Latin America and the Caribbean during 1978 by the Inter American Press Association.

A feasibility study for a Latin American Communications Center for print and broadcast students.

Transportation for a group of Portuguese journalists who will spend a month at U.S. newspapers.

A seminar for newsmen from 18 African countries at the University of Nairobi School of Journalism.

At the UNESCO meeting at Nairobi in 1976, the American representative of the media promised this program of non-governmental assistance, and we have kept our promise. Other projects are under consideration and we invite those who have worthy programs to seek our participation. Our journalists will meet those of the Communist world and the Third World to exchange views. From these seminars we hope will come the better understanding that we all desire. And, I am confident that men of good will, regardless of the color of their skin, the language that they speak, the clothes that they wear, can reach conclusions which will resolve problems by words and not by armaments.

You who have attended the World Press Institute have had a chance to observe our system at close range. You have been given a chance to form your own conclusions as to how our media function. You have had a first hand acquaintance with our journalists and you have had a front row seat at significant events. I hope that this experience has been valuable to you as you return to your homes to resume your journalistic careers. Whether you agree with us or not, I hope that you understand our dedication to the principles of free speech, and the public's right to know. I hope that you believe in the principles of Article 19 of the U.N. Declaration of Human Rights and will speak out in your own way to defend the right of people everywhere to "seek, receive and impart information and ideas through any media and regardless of frontiers."●

CONFERENCE REPORT ON S. 2401—THE EMERGENCY INTERIM CONSUMER PRODUCT SAFETY RULE OF 1978

● Mr. FORD. Mr. President, I am pleased to inform you that the conference on the Emergency Interim Consumer Product Safety Rule of 1978 has been completed and that we have been able to work out all of the major differences.

Mr. President, the bill directs the Consumer Product Safety Commission to adopt in 60 days an interim mandatory consumer product safety standard for the flammability and corrosiveness of cellulose insulation. The bill specifies that cellulose insulation should be manufactured in compliance with the 0–25 flame spread rating as set forth in the General Services Administration's standard, HHI–515C.

Mr. President, the passage of this bill will be an important step in the direction of meeting our national energy goal of insulating 90 percent of American homes by 1985. We have encouraged consumers to bear the cost of insulating their homes through a tax credit. Now consumers will be able to purchase cellulose insulation during the heavy demand season in the fall months with indications that a minimum level of compliance of the Federal standard has been met.

Mr. President, this bill will become an important piece of law to protect consumers against untreated or improperly prepared cellulose causing home fires, and I am therefore submitting to the Senate the report and hope we will be able to act quickly.●

SOVIET DISREGARD FOR HELSINKI PLEDGES

● Mr. CLARK. Mr. President, news from Moscow reaching the West reports that two courageous Soviet Jews—Vladimir Slepak and Ida Nudel—have been convicted in separate trials on charges of "malicious hooliganism." Slepak has received a term of 5 years of internal exile while Nudel was sentenced to 4 years of the same. It is both ironic and tragic that "exile" is their punishment since the opportunity to leave the U.S.S.R. is precisely what both Nudel and Slepak have been seeking for years. The attainment of that dream will now be put off even longer while they are forced to serve out their sentences, most likely in some remote part of Siberia.

Slepak, a member of the Moscow Helsinki Watch Group, first applied to emigrate to join relatives in Israel over 8 years ago. While his elder son, Aleksandr, was finally granted an exit visa last year, Slepak, his wife Maria, and their younger son, Leonid, have been refused repeatedly. This family's ordeal is hardly over: Maria Slepak also faces charges of "malicious hooliganism" and Leonid is threatened with prosecution on charges of draft evasion.

Similarly, Ida Nudel, although she has no other relatives living in the Soviet Union, has been denied permission to emigrate to Israel, where her husband and sister live, for over 7 years. Known as the "Little Angel," she has taken it upon herself to watch over the Jewish prisoners of conscience by writing and sending packages to them, visiting them, and interceding with prison and camp authorities in their behalf. Now, tragically, Ida Nudel joins the ranks of those she sought so valiantly to help.

Once again, the Soviet Government has manifested its blatant disregard for the commitments it made at Helsinki in the Final Act. The signatory states—including the U.S.S.R.—pledged in that document to facilitate the reunification of families, to respect basic human rights, and to confirm the right of their citizens to "know and act" upon their rights.

The "crime" of Slepak and Nudel was to try to act upon their rights. They were bold enough to stage brief demonstrations demanding the right to emigrate. In the eyes of the Soviet authorities, this constitutes "malicious hooliganism." But the malice is neither Ida Nudel's nor Vladimir Slepak's. It is the Soviet Government's.●

WCSC–AM

● Mr. HOLLINGS. Mr. President, back in May 1930, when radio station WCSC–AM went on the air in Charleston, S.C., no one could have guessed that a tremendously successful broadcast industry was underway in our historic port city.

But that is exactly what that one radio station has become in the intervening years. WCSC–AM has grown into WCSC, Inc., which includes, in addition to the AM station, WCSC television, WXTC–FM radio, MIA Background Music and the WCSC Broadcast Museum.

On June 19 of this year, WCSC television celebrated the silver anniversary of its official signing on the air. The oldest VHF television station in South Carolina commemorated its 25th year of entertainment and service with a weeklong revival of some of the most popular shows in the history of the medium.

From the start, WCSC television has been a broadcast leader in the South Carolina low country. Its chairman of the board, John Rivers, and its president, John Rivers Jr., have assembled over the years one of the most capable production staffs anywhere in the Nation. They have brought in the most modern technical equipment. They have been innovative in behalf of their approximately 1,250,000 viewers, having utilized the "live" remote telecasting capability for their news staff some years ago.

In the years since World War II, Charleston has grown into a major seaport and industrial area with a sophisticated population of nearly 400,000 citizens. WCSC has played an important role through the years in defining the future for our beautiful city and in informing its people of the issues of the day so that they can make the intelligent decisions necessary for its continued vitality.

I congratulate both John Rivers Sr., and John Rivers Jr., for their dedication and commitment to our community and for their excellent job in broadcasting, and I extend best wishes to their fine staff, on the occasion of this silver anniversary, for continued success in the future.●

REMARKS ON THE DEATH OF SENATOR JOSEPH M. MONTOYA

● Mr. MUSKIE. Mr. President, the Nation lost another important national leader with the passing of Senator Joseph M. Montoya earlier this month. I served for many years with Joe Montoya as a member of the Senate Committee on Environment and Public Works. His contributions were many, and his voice will be missed.

He can best be remembered for his concern for the common man in his home State of New Mexico. His concern for the economic development needs of those constituents led him to help fashion national programs to stimulate eco-

nomic development activities throughout the Nation. He chaired the Economic Development Subcommittee during years when legislation was fashioned to bring public works projects to all corners of America, but particularly to those areas that seem to have been bypassed by the major growth patterns of the last three or four decades. Schools, industrial parks, water, and sewerlines, Federal building, and Indian cultural centers sprang up in areas where new growth had not been visible for years, giving new hope to the citizens of the community.

"Little Joe" gained his interest in politics during the time in which Franklin D. Roosevelt was President, and he developed the same concern for those who are economically downtrodden, racially oppressed, and generally unable to break through many of the barriers society erected. His law practice began in New Mexico serving those that had previously found legal services too expensive and too complicated to obtain.

Joe Montoya made those services available and understandable. He never forgot his origins and often referred to himself as the "barefoot boy from Pena Blanca, "the small town in New Mexico where he was reared.

Joe Montoya was proud of the work he did to raise the position and the opportunities of the people whose cultural heritage he shared. He was proud of the bilingual education program he helped establish, and Spanish-surnamed Americans, along with many other bilingual Americans, have gained an important opportunity because of his work in that area.

Joe Montoya served for years on the Air and Water Pollution Subcommittee of the Senate Public Works Committee. His State of New Mexico has usually been in the forefront of environmental matters, urging strong provisions in Federal statutes. His votes were an important development of the Clean Air Act and the Federal Water Pollution Control Act.

He recognized early the mistakes we made in Indochina and worked resolutely to turn our efforts in that area away from war and toward constructive policies. He served diligently as a member of the Senate Watergate Committee, and the action of that committee eventually led to a cleansing of American politics that is still being felt today.

Joe Montoya will be remembered for his many contributions. He will be missed by his State and the Nation.●

A PLANNED RECESSION

● Mr. TOWER. Mr. President, there has been a great deal of discussion about the possibility of another recession in the near future. This is very disturbing to me because I believe that the current economic expansion can be sustained by pursuing economic policies that will reduce inflation and foster economic growth. It is particularly disturbing, however, to read that certain officials of the executive branch feel that a recession can be planned for political purposes. A statement to this effect was quoted by Richard J. Levine in an article which appeared in the June 26 issue of the Wall Street Journal. In that article, Mr. Levine quotes a high-level career official at an economic agency as saying that the President's advisers "have got to decide, if we're going to have a recession, when we want to have it." Mr. Levine goes on to quote this official as saying that "(t)he best time would be late this year or early 1979. Carter has to be presiding over a recovery in 1980 or he's dead politically." In other words, this official apparently believes an economic recession must be planned to achieve a political end.

I hope that the administration will not succumb to this kind of defeatist and opportunistic thinking. The American people should be able to look forward to sustained economic growth over the period ahead with confidence. They certainly should not be subjected to economic policies that jeopardize their economic well-being for the sake of political gain.

I ask that the article by Mr. Levine be printed in the RECORD.

The article follows:

REVIEW OF CURRENT TRENDS IN BUSINESS AND FINANCE

WASHINGTON.—Slowly but persistently, the possibility of recession is pressing in on policy makers in this capital.

It was G. William Miller, the new chairman of the Federal Reserve Board, and Barry Bosworth, the blunt-spoken director of the Council on Wage and Price Stability, who first had the courage to raise publicly this most distasteful of economic issues. Both have been warning for several months that unless inflation is checked, the Fed could be forced to tighten monetary policy so severely that a recession would result.

Just the other day, Mr. Bosworth told Congress that continuing inflation "sooner or later will end the economic expansion." He added: "In my mind, there is no doubt that if we continue the way we are going a recession is inevitable. Neither the American people nor the Federal Reserve Board is going to allow us to continue financing the present economic expansion with prices and wages moving inexorably upward."

Even White House economist Charles Schultze, a cautious man, has started discussing recession prospects in public—albeit reluctantly. "Unless we control the rate of inflation," he said at a recent press conference, "I think then one must take very seriously the possibility of rising interest rates and reduced confidence to the point where at least a growth recession (sluggish economic growth) becomes possible, if not something even more than that."

President Carter's economic advisers elaborate in private. "It's getting harder and harder" to keep the recovery going, says one top policy maker, "We're walking a narrower and narrower line." He concedes that a great deal "more uncertainty" than in the past now surrounds the administration's forecast that "real" gross national product, the total output of goods and services adjusted for inflation, will grow about 4 percent both this year and next.

"When you look beyond 1978," a White House official says, "the uncertainty gets large because the economy's performance hinges on what monetary policy will do"—which is impossible to gauge. Since World War II, he worries, recessions have most often followed "periods of credit restraint."

Some senior administration officials "question the wisdom" of the Fed's decision last week to boost the interest rate on federal funds, reserves banks lend one another, to 7¾ percent from 7½ percent—the fourth tightening since mid-April.

"The speed with which interest rates have moved up recently raises some questions," a top official says. "The Fed could have at least marked time for a while."

Washington's recession worries are mounting in the midst of an especially strong quarter of economic growth. "Real" GNP probably rose at about an 8 percent clip in the April-June period as the economy snapped back strongly from its winter doldrums. But this pace is unsustainable, and there already are signs ,that the economy has begun to cool. Retail sales, durable goods orders and housing starts declined in May while industrial production and personal income rose more slowly than the previous month.

Policy makers hope that slackening growth combined with a slight deceleration of inflation in the second half of the year will permit the Fed to ease credit conditions, thus reducing the risk of recession. They also hope that the lack of "imbalances" or "excesses" in the economy will help prolong the expansion.

The same blend of fear and hope found in the administration is prevalent among analysts in the private sector. More and more private economists have been lowering their 1979 forecasts and worrying about a recession sometime in the next 18 months—while citing the economy's still-evident strengths.

Thirty-seven private forecasters, surveyed by Eggert Economic Enterprises, Inc., predicted in early June "real" economic growth of only 3.1 percent in 1979. Merrill Lynch Economics Inc. puts the chances of "outright recession in early 1979" at 50–50; Data Resources Inc. estimates the probability of recession next year is "a big .35."

There is no more sensitive subject on the economic scene at the moment than whether the Carter administration might be willing to take a mild recession next year, in the hopes the economy would be recovering in 1980 as Mr. Carter gears up for his re-election bid. The President's advisers "have got to decide, if we're going to have a recession, when we want to have it," says a high-level career official at an economic agency. "The best time would be late this year or early 1979. Carter has to be presiding over a recovery in 1980 or he's dead politically."

Such cynical talk is dismissed as nonsense by the President's men, who insist that their only aim is to keep the current expansion humming at a safe, moderate pace. Given the inability of economists to fine tune events, there's every reason to accept their statement at face value. Trying to engineer a recession for 1979 could easily backfire with disastrous consequences for the administration and the country.

Arthur Okun, chairman of the Council of Economic Advisers under Lyndon Johnson, has written: "It is pure fantasy to suppose that any President would instruct his advisers to concoct a well-timed, well-controlled recession followed by a lovely recovery. As any President knows, if the economists were sufficiently expert rainmakers to produce the ideal, made-to-order shower, they would also be smart enough to serve as cloudchasers without creating any rain at all.

"It would be no less difficult to produce the right-sized recession at the right time followed by the right subsequent recovery than to keep the economy prosperous and out of recession."—RICHARD J. LEVINE.●

CONTROLLING FEDERAL SPENDING

● Mr. BIDEN. Mr. President, today I cosponsored and voted for a 2-percent

cut in the Treasury and general Government appropriations that was offered by my colleague from Delaware, Senator ROTH. I supported his initiative in reducing this appropriation because I was concerned about the size of the spending growth in these appropriations. In my work on the Budget Committee we tried to hold programs at or below the rate of inflation, except for national defense and some other urgent items. In these appropriations considered by the Senate today the increase averaged 18 percent—way above the current level of inflation.

Generally speaking, I prefer to support cuts in specific programs rather than across-the-board cuts. Such across-the-board cuts often fail to discriminate between programs where spending is justifiably up and others where it probably should be cut below present levels. However, today we must be concerned with the ever upward movement of the inflation rate—pushed upward in part by high Government borrowing to cover the deficit created by the spending. Right now is the critical time when we will decide whether inflation is to be held at or below present levels—or whether it is to spiral out of control. I believe the urgent nature of the problems requires drastic action and it is for this reason that I today supported Senator ROTH's 2-percent reductions in the Treasury and general Government appropriations. If this is the most effective way at the moment to restrain Federal spending—and it seems to be—then I will support other similar efforts in the future.

It is my fervent hope that the Congress this year will pass the sunset legislation that I have been working on for a long time. This would provide an effective way to review Federal spending programs periodically and terminate those that are not doing the job. This kind of program-by-program review and evalution should ultimately reduce wasteful programs sufficiently so that across-the-board cuts are not needed. Until that time, however, such cuts will continue to be essential.●

THE TURKISH ARMS EMBARGO

● Mr. EAGLETON. Mr. President, in 1974 Congress mandated an arms embargo against Turkey because of her use of U.S.-supplied weapons in the 1974 invasion of Cyprus. Turkey's use of these weapons violated both U.S. law and bilateral agreements between the United States and Turkey. To this day, the violation continues: 40,000 Turkish troops continue to occupy nearly 40 percent of Cyprus and some 200,000 Greek-Cypriot refugees are still denied the right to resettle. And to this day, no concrete action has been taken by the Government of Turkey to resolve the tragic Cyprus situation.

Yet, Congress is being asked to repeal the embargo, which would mean turning our back on the continuing Turkish violation of U.S. law. Such action would, in my opinion, only undermine the rule of law in our foreign policy endeavors, and make a Cyprus settlement even more difficult to achieve. Our commitments to the rule of law and to a just settlement of the Cyprus situation must remain firm.

Mr. President, I would like to submit for the RECORD an editorial from the Kansas City Star of May 5, 1978, entitled "The Case Still Unmade on U.S. Arms for Turks." I think it presents an excellent discussion of this issue.

The article follows:

THE CASE STILL UNMADE ON U.S. ARMS FOR TURKS

The Carter administration will hardly begin breaking out the champagne after its one-vote victory in the House International Relations Committee on the question of lifting the U.S. arms embargo against Turkey. The White House and State Department argue that continuing the embargo contributes nothing to a solution of the Cyprus situation and, instead, only damages this country's and the West's security interests. By a vote of 18 to 17, the key House committee agreed.

But that hard-won triumph is only the first of many that must be achieved if the embargo suspension is finally to be squeezed past strong and bitterly unconvinced factions in both chambers of the Congress. The administration's case has not yet been adequately or persuasively made.

We are told that the embargo's end will actually increase, not lessen, U.S. leverage on the Ankara regime. And that it will assure this country's armed forces of continued use of military bases in Turkey. On the other hand, we are warned, to maintain the ban will so offend the Turks that they might turn to the Soviet Union for patronage and military favors, imperiling NATO's southeastern flank and risking the fall of the West. Sheer madness, say the opponents of repeal. So the three-year argument drones on and everyone, it seems, is in absolute possession of the truth.

The only genuine facts are that the Turks used U.S.-supplied arms in an aggression and a continuing occupation in breach of agreement and of U.S. law, that the embargo imposed in the hope of persuading them to moderate their behavior has failed and that injustice still prevails on occupied Cyprus. The rest is arguable. But if it is to make its case successfully, the administration will need to do better than blandly pronounce the Turks indispensable to the defense of the West. Many Americans, quite frankly, just do not believe that is true. And considering the chronic instability and irresponsibility in Ankara, they would be rightly appalled and alarmed if they did believe it.

A useful ally Turkey has been, and might be again, however. The issue is whether that utility is sufficient to require the U.S. to reverse its policy, without results and in the face of threats, on a matter of clear principle and clearer law.●

DEATH OF THE HUMILITY ELM

Mr. KENNEDY. Mr. President, last Tuesday, the landscape architects took down one of the great monuments on the Capitol grounds, the magnificent English elm that had stood watch for so many years over the walk between the Capitol and the Russell Senate Office Building.

They said that the tree had become infected by Dutch elm disease, that it came out in full foliage this spring but died suddenly, and that it had to be removed quickly, because of the danger of infection of other trees. Trees that large are impossible to save, they said, and the efforts that were made were unsuccessful. They counted 110 annual rings, and estimated that the tree dated back at least to the early years after the Civil War.

Few if any trees anywhere were better known or more loved by Members of the Senate. As we walked to the Capitol from the Russell Building, we passed under its giant limb, a cantilevered miracle of nature that stretched out across the sidewalk and over the roadway. Often we would reach up to touch the limb, or give it a warm slap of recognition and appreciation for its enduring vigil.

President Kennedy, when he was a Senator, liked to call it the Humility Tree, because Senators instinctively ducked or bowed their heads as they approached the limb and passed beneath it. Its loss is a real one, deeply felt.

The records are dim about its origin. But those of us who enjoyed the beauty of this elm can be grateful to the ancestors who planted it long ago. For a century, it graced the grounds of the Capitol of our growing Nation. We could, perhaps, brighten these grounds for posterity to come, by planting a successor tree worthy of the giant that has fallen. Perhaps, when it falls, in its turn, a century from now, that future generation of the Senate will pause, as we pause today, and know we cared.

Mr. President, I submit three sensitive and eloquent recent items about the sad loss of our much-loved Senate elm to be printed in the RECORD—two news reports by Lawrence L. Knutson of the Associated Press, and an editorial from the Washington Star.

The items follow:

CAPITOL ELM

(By Lawrence L. Knutson)

WASHINGTON, June 10, 1978.—A giant, ancient elm, used by generations of tourists as a frame for photographs of the Capitol dome, is dying and virtually certain to be destroyed.

Measuring more than 17 feet in circumference at the base, the tree is well over a century old and one of the three largest elms on the Capitol grounds.

Its branches extend over the sidewalk leading from the Senate side of the Capitol to the Senate office buildings across Constitution Avenue.

For a hundred years or more, senators have walked beneath its branches. The late Sen. Robert F. Kennedy, D-N.Y., often reached over his head and slapped a branch as he walked to and from the Senate floor.

Photographs taken at the turn of the century show the elm as large and thriving.

The inaugural parades of dozens of presidents, from Jimmy Carter back as far at least as McKinley, Harrison, Cleveland, Arthur, Garfield and Hayes, have passed by.

But in recent years Capitol gardeners have struggled to keep it healthy.

Steel cables hold up many branches.

Cement plugs fill cavities eaten away by time.

Dutch Elm disease, which has caused the destruction of millions of elms across the country, has caused what appears to be irreversible damage.

"We spent a lot of time and effort last year trying to save it," said Paul Pincus, the Capitol's landscape architect. "We have had good luck up to about three years ago. Our troubles started when the environmental people clamped down on certain sprays and we weren't able to use DDT any more."

He said the tree was "fed intravenously" last year, and that seemed to help for a while.

But now most of the tree's leaves have withered and turned brown, contrasting sharply with the surrounding greenery.

Pincus said tree experts from the Interior Department who tried to save the tree last year have now taken samples of bark to help in rendering a final verdict.

But Pincus said the important thing is to try and prevent the diseased tree from infecting the more than 100 other elms on the Capitol grounds.

"I'm sure it's going to have to be removed right away," he said.

CAPITOL TREE

(By Lawrence L. Knutson)

WASHINGTON, JUNE 20, 1978.—A giant elm, a sentinel on the Senate side of the Capitol since at least 1868, was cut down and sawed into sections Tuesday, another victim of Dutch Elm disease.

As trucks hauled away the remains of the tree, Capitol officials said a cross section might be polished and placed on display in the Rotunda of the building.

Paul Pincus, the Capitol's landscape architect, said a count of rings showed the tree was at least 110 years old. "But there is no record that we can find of who planted it," he said.

The tree has been in failing health for several years, although Pincus said that for awhile it appeared that attempts to save it would succeed.

Several limbs that extended over the sidewalk from the Senate to the Russell Senate Building were suspended by thick steel cables. Concrete filled cavities in the trunk. Last year, attempts were made to give nourishment by intravenous feeding.

This spring most of the tree's leaves withered and turned brown. Pincus said the decision to destroy it was made in an attempt to keep the disease from spreading to the more than 100 other elms elsewhere on the Capitol grounds.

The elm stood near the spot where inaugural parades begin. Its lifetime spanned the administrations of at least 22 presidents.

[From the Washington Star, June 25, 1978]

AN ELM THAT WAS

The elm is gone. As with the sudden loss of a friend whose features are stamped in the daily consciousness, the absence of the giant tree, forever, is hard to accept.

We talk about the huge-limbed English elm that guarded the approach from Constitution and Delaware Avenues to the Senate wing of the Capitol. According to Paul Pincus, the Capitol landscape architect, it was about 110 years old.

It had been ailing, we read recently in this newspaper. Leaves were brown and withered, and it was said to be dying of Dutch elm disease. And possibly of an arthritic old age. But experts were examining the patient—analyzing the ancient bark——and we hoped for a cure.

We were not quite prepared the other morning for the sight of the stump, and a denuded, sun-struck view of the East Front. Mr. Pincus, whom we consulted for reassurance that everything possible had been done, consoled us: "We were lucky to have had the tree as long as we did." Pollution in a crowded urban environment may have hastened its demise.

Our principal memory of the tree, over the last decade, involves a heavy horizontal limb spanning the adjacent walkway. (English elms grow out that way, unlike American elms with their high-arching "V" shape.) A six foot-threeish passerby could bump his head, Mr. Pincus noted. The thought frequently occurred to us that someday a few tons of elmwood might crush a pedestrian. We were comforted by the sight of a stout cable anchored higher in the tree to support the sagging limb. The late Senator Robert Kennedy was often seen reaching up to slap the tree as he passed under it, according to the Associated Press. We didn't take such liberties; the supportive cable warned us off.

No one knows exactly when the tree was placed on the Capitol grounds, though it shows up as a large presence in photographs from the turn of the century. The first president to glance at it on Inauguration Day might have been Hayes, Garfield or Cleveland. We were glad for its shady presence on many an unhistorical summer afternoon.

THE GENOCIDE TREATY IS NOT A PARTISAN ISSUE

Mr. PROXMIRE. Mr. President, genocide is not a political issue. Condemning the act of mass murder is more than a political choice. It is a moral responsibility. It is an act of conscience.

When the best interests of the United States are concerned, there are some issues which do not cut across ideological lines. Just as the fundamental beliefs or security of a nation override political concerns, so too is outlawing the crime of genocide.

Three times the Senate Foreign Relations Committee has recommended support of this treaty. And, every President since Truman, Republican or Democrat, has backed the articles of this Convention.

Today, I would like to make special mention of one of my Republican colleagues who, for years, has spoken for the Genocide Treaty. The senior Senator from New York, JACK JAVITS, has spoken out as a member of the Foreign Relations Committee and on the floor of the Senate.

Back in 1970, when the Foreign Relations Committee issued its report on the Genocide Convention, Senator JAVITS called ratification a "significant and beneficent step in mankind's bloody history" and he placed the Genocide Convention among the Magna Carta and the Bill of Rights as a document in the "great tradition" of those agreements which have "added mightily to man's commitment to individual rights and human dignity."

I ask all of my colleagues to consult their consciences and to support this important international agreement.

Mr. President, I ask unanimous consent that the context of Senator JAVITS' views in the report of the Foreign Relations Committee on the Genocide Convention be printed in the RECORD.

There being no objection, the views were ordered to be printed in the RECORD, as follows:

INDIVIDUAL VIEWS OF SENATOR JAVITS ON RATIFICATION OF THE GENOCIDE CONVENTION

I join with my colleagues on the Special Subcommittee of the Senate Foreign Relations Committee in urging ratification by the Senate of the United Nations Convention on the Prevention and Punishment of the Crime of Genocide. After 20 years of regrettable delay, the opportunity is now at hand to take this historic step.

This report contains an accurate and impressive summary of the arguments which have been made for and against ratification during these 20 years. I associate myself fully with the case for ratification presented in this report. Because of its preoccupation with answering the arguments that have been offered in the past to such ratification, however, the report takes on a defensive character. In these individual views, I wish to stress the positive case for ratification.

Final Senate approval will constitute much more than a "modest" step. In the crucial arena of world public opinion, such action should at long last fully refute the charge that the United States had defaulted on its commitments for in 1948 we were the prime mover within the United Nations for such a convention.

As President Nixon reminded the Senate when he urged ratification on February 9, 1970:

"* * * Some of our detractors have sought to exploit our failure to ratify this convention to question our sincerity. I believe we should delay no longer in taking the final convincing step which would reaffirm that the United States remains as strongly opposed to the crime of genocide as ever."

Those who would minimize the importance of the convention because it does not offer immediate and total assurance that the crime of genocide will never again be perpetrated overlook the nature of the process by which basic international law is developed, or how higher standards of international morality are nurtured. While it is a painstakingly slow and difficult process, the fundamental base for the process is world opinion.

As our Ambassador to the United Nations, the Honorable Charles Yost, told the committee, this convention has attained "a position of unique symbolic importance as an act of worldwide condemnation of what is perhaps the most dreadful crime men can commit." It stands, he told us, for the fundamental principle that "whatever evils befall any group or nation or people are a matter of concern not just for that group but for the entire human family." Like other Ambassadors to the U.N. before him, he reported that "no question that has ever been asked me about the policy of my country has been more difficult to answer than questions about American inaction on this convention."

Standing by itself, none of the great documents of human civilization can be credited with instant morality"—not even Magna Carta or England's Bill of Rights or France's Declaration of the Rights of Man or the Bill of Rights (the first 10 amendments) of our Constitution. But each of these has added mightily to man's commitment to individual rights and human dignity.

The Genocide Convention is in the great tradition. As the Section of Individual Rights and Responsibilities of the American Bar Association reported earlier this year, the convention "is an international commitment to decency and morality consistent with the American tradition." The immediate and overriding incentive for action by the United Nations in 1948 was the painful and gruesome memory of Hitler's extermination of six million Jews. This makes all the more appropriate the conclusion of the American Bar Association's section:

"The United States, which was founded on the basis of protests against governmental excesses, and which grew great in substantial measure because it was a haven and the hope for oppressed peoples everywhere, should be in the lead in joining in the declaration of the revulsion at the organized effort to eliminate a whole people during World War II and of determination that such an effort shall not be undertaken ever again."

Twenty years ago, President Harry Truman requested Senate ratification. President Richard M. Nixon now requests that it no longer be delayed. A bipartisan group of Senators in this subcommittee now recommends ratification by the Senate. A significant and beneficient step in mankind's long tortured and bloody history is about to be taken.

ISRAELI EL AL AIR NEGOTIATIONS HELD IN SECRET

Mr. PERCY. Mr. President, yesterday, a highly important round of discussions began at the State Department between the Israeli and United States Governments to renegotiate the 1950 air agreement between the two allies.

The Israeli Government should be commended for boldly proposing a new "open skies" policy. This innovative and forward-thinking policy would open up commercial air transportation to any airline wishing to fly to any city in either of the two countries. If carried out to its fullest extent, "open skies" would mean that direct air service between the two countries would become more easily accessible to hundreds of thousands of our citizens who now must fly through New York's overcrowded and overburdened J. F. K. International Airport.

As part of that proposed policy, the Israeli Government would permit low-fare charters to Israel from all 50 States and the territories. Currently, such charters are only permitted from California, Oregon, and Washington State.

In return, the Israelis wish to provide direct service on its national carrier—El Al Airlines—to Los Angeles International Airport, Chicago-O'Hare International Airport, Logan International Airport in Boston, and Miami International Airport.

The Israeli initiatives appear to be eminently reasonable and should be warmly received by the U.S. Government. Instead, I have been informed that, in exchange for these initiatives, the U.S. Government appears to be willing to award El Al only one or two additional landing sites in the United States. El Al currently only serves New York. This offer was made by U.S. negotiators despite the well-known fact that the Israeli airline could well suffer heavy financial losses in the new competitive environment proposed by the Israeli Government. The United States is the leading source of profit for El Al. Without a reasonable proportion of the traffic between the two nations, El Al—Israel's vital link to the outside world—may be placed in financial jeopardy.

Mr. President, one disturbing element of these negotiations is the view taken by the U.S. negotiators toward the proposed new service to the additional U.S. cities. Rather than viewing the proposals as bringing direct economic and social benefits to these American cities, the U.S. position appears to view the additional cities merely as bargaining chips. I was surprised to learn that our own negotiators view this extension of service as primarily of direct benefit to the foreign nation, without due consideration of the obvious benefits such added service would afford to American air travelers and U.S. cities.

There was no formal mechanism for civic parties to make presentations to the U.S. negotiators before the sessions began. In this case, for instance, it appears that there was no formal solicitation of the views of the city of Chicago Department of Aviation, the Massachusetts Port Authority, the Miami Aviation Department, and the Los Angeles Department of Airports.

This same kind of freezing out of public and civic interests led to LOT, the Polish Airlines, being denied Chicago landing rights in 1973, although Chicago has the third largest Polish population in the world after Warsaw and Cracow. Similarly, Sabena Belgium Airlines was denied landing rights at Chicago several years ago and eventually withdrew its application. As a result, an opportunity to provide convenient nonstop service from Chicago to Brussels—the headquarters of the European Economic Community—was lost. It is difficult for me to understand who benefits from the denial of Chicago landing rights to the Polish and Belgian Airlines. It is certainly not the citizens of this country. It is similarly difficult for me to understand why the Israelis would be denied any of the four cities, given their new interest in low fares and more competition.

Mr. President, this curious policy is already being publicly reflected in the posture taken by U.S. officials in the Israel negotiations. This is hardly the proper way of treating a trusted friend and ally whom we economically assist in a number of ways. Why not hard earned trade instead of that much more economic aid?

Because of my concerns that some, if not all, of the four cities would be denied direct service to Israel, I urged Secretary of State Cyrus Vance, in a letter of June 14, 1978, personally to intercede to insure the success of these negotiations.

I subsequently asked that an observer from an appropriate Senate committee be permitted simply to attend and monitor these negotiations, without participating in any direct way. Already participating are representatives from the Air Transport Association, the National Air Carriers Association, the International Association of Machinists and Aerospace Workers, and Ralph Nader's Aviation Consumers Action Project. However, none of these groups has expressed a desire to urge our negotiators to work for the expansion of El Al flights to those four metropolitan areas currently without full service to Israel.

When I asked to have a Senate representative listen in on the proceedings, my request was rejected, allegedly because the negotiations would turn into a "circus." It appears that our Government wishes to conduct these negotiations behind closed doors. While labor, industry and token consumer representation are free to listen and actually take part, Congress is denied access even to observe what is going on during these vital negotiations. I note that there are no verbatim transcripts or detailed notes taken.

I just cannot understand this policy, and have so told the White House and Department of State. Why not "let the sunshine in?" There are no national security considerations in these negotiations. There are no sensitive matters being discussed that would be harmful to our interests if discussed out in the open.

What are at stake are important domestic matters, about which the Congress and the public have a right to know.

That right is being ignored. It is difficult to understand the concerns and fears of the State Department that a little openness might somehow jeopardize these talks. When we opened up Senate markups and conference committee markups to the public, there were those who thought that congressional action would be paralyzed because of the open meetings. Instead, the public has become better aware of the important decisions made on their behalf by their elected representatives without any impairment to the operations of the Senate. Opportunities have been offered many times in these sessions for the executive branch to have an input at a crucial time in a spirit of true partnership.

I am convinced we also need to let the sunshine in on these negotiations which have such a direct bearing on the air service which consumers and cities will receive. The practice of excluding observers from Congress from negotiations of this type which have such a broad-based domestic impact, and are not fraught with national security factors, should now be seriously questioned. The U.S. Senate should not have the door slammed in its face, while private and commercial interests are permitted into the negotiating sessions. This is not the kind of partnership President Carter is trying to create.

I am attaching a copy of my letter to Secretary Vance, and a recent press account of a speech given by Mordechai Ben Ari, executive chairman of El Al, outlining the new Irsaeli position. I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., June 14, 1978.

Hon. CYRUS VANCE,
Secretary of State, Department of State, Washington, D.C.

DEAR SECRETARY VANCE: On June 26, 1978, the United States and Israel commence an important round of commercial air transportation negotiations which may lead to substantial direct benefits to the consumers and the respective economies of each country. If successfully concluded, these negotiations may result in lower fares, charter flights to Israel from anywhere in the United States, and direct wide-bodied service by El Al to Chicago, Los Angeles, Miami, and Boston.

Because of this country's special relationship to Israel, and because of the importance of these negotiations, I urge you to become personally involved. Your involvement would demonstrate to both the Israel and the American people that our government is just as concerned about planes of peace as we are with planes of war—planes of peace not armed with rockets, but instead bearing goodwill and friendship.

The time has now come to open an aerial

bridge to Israel—not just from New York City—but from every principal city in the United States, including Chicago in my own State of Illinois. Such a bridge will strengthen the philosophical, religious, and commercial ties between the two nations. At this time, more than ever, Israel must be shown that we will go that extra mile to build these bridges and not dismantle them.

Since 1968, I have been personally attempting to convince the State Department to grant additional landing rights in Chicago for El Al. However, because of protectionist policies of both governments, El Al has been limited to serving the United States through the New York gateway.

However, the Congress, the Executive Branch, and the Civil Aeronautics Board have united in the last year to redirect our domestic and international aviation policies on a path that places healthy competition, lower fares, and consumer preferences ahead of narrow protectionist policies.

On April 19, 1978, by a vote of 83–9, the Senate passed the Air Transportation Regulatory Reform Act of 1978, which I co-sponsored and supported.

This proposed law gradually lessens government control of our nation's airlines. It permits airlines to lower fares and add new routes, without government interference. Although it does not cover international aviation, many of its supporters believe it should serve as a model for negotiating bilateral international agreements.

President Carter has stated that, in negotiating international air transport agreements, instead of trading restriction for restriction, we should trade opportunity for opportunity. This policy has been brilliantly and boldly implemented by CAB Chairman Alfred Kahn. It was Chairman Kahn who cast aside the protests of U.S. flag carriers to allow Freddie Laker's low-fare Skytrain to begin operations from this country to London. Mr. Kahn placed the interests of consumers who want lower fares to Europe ahead of mere protectionism. The latter may have been necessary during the early years of international commercial aviation, but clearly is no longer necessary. Frankly, we are very fortunate in Chicago that foreign-flag carriers apparently think more highly of the potential Midwest market for travel to Europe than our own flag carriers. Only one such U.S. carrier operates out of Chicago to Europe, with year-around nonstop service to London and summer only nonstop service to Paris. Eight foreign flag carriers pick up the slack, because U.S. flag carriers chose, unfortunately, to direct most of their European-bound traffic through New York's crowded Kennedy Airport.

We are not the only nation to alter its policy during the past year. I understand that the Israeli government has already informally communicated an important projected change in policy that includes:

An "open skies" policy. Both scheduled and charter operators would be able to land in any point in Israel or the United States. This removes one of the major obstacles to negotiations by permitting charters from the 47 states currently excluded by Israel.

Low fares. Airlines would be able to set fares at the level they desire. This deregulation of air fares should lead to various innovative standby, advance purchase, and regular air fares that will make travel to Israel more affordable to those wishing to travel on TWA or El Al.

In return, Israel is asking for landing rights in Chicago, Los Angeles, Miami and Boston, and additional cities which El Al may designate later. I understand that El Al wants to provide Boeing 747 one-stop service to Chicago via Montreal or Boston; 747 one-stop service to Miami via Madrid; and 747 one-stop service to Los Angeles via Amsterdam or London.

Approval of new multiple landing rights for El Al is understandably important to many Illinois and Midwest citizens who have religious and cultural ties to Israel. Currently, air service to Israel is needlessly difficult from Chicago and other cities. It usually means flying to New York City in order to transfer to an El Al wide-bodied nonstop flight to Israel. For elderly passengers, this New York stop can be especially gruelling because it may mean a time-consuming bus ride and luggage transfer between La Guardia and Kennedy Airports. The only U.S. flag carrier servicing Israel—TWA—stops in Athens en route. It uses narrow-bodied Boeing 707 equipment, which is clearly less-favored by passengers in comparison with the wide-bodied jets, according to a recent survey taken by the Airline Passengers Association. A 1977 survey showed that 70.2 per cent of passengers surveyed preferred the 747 while only 2.7 per cent preferred the 707.

It is clear that many of my own constituents prefer El Al because of their pride in traveling abroad an airline that embodies the achievements and hopes of Israel—an airline that is imbued with an heroic and dependable tradition. I understand, for instance, on eastbound flights over the North Atlantic, not uncommonly at least ten orthodox Jewish men (the minimum required for a religious service) gravitate to the aft section of the 747 and don their prayer shawls and phylacteries to greet the rising sun seven miles over the earth, with traditional morning prayers. At times Torahs or Biblical scrolls—a sacred symbol to the Jewish people—are cradled through the aisles.

And, sometimes, as the plane descends across the Israeli coastline, the cabin breaks out in song as Hebrew folk songs ring out over the public address system.

Additionally, El Al has an impeccable safety and security record, which must be an important consideration to any traveler heading to the Middle East. Safeguards range from rigorous pre-flight clearance checks to the use of armed escorts.

I am sure that many of my constituents, who live in Chicago and in suburbs near O'Hare International Airport, would use this new service by El Al, if approved. Some have relatives and friends in Israel. Most simply want to tour and understand the country and its daring people. Already 35,000 to 40,000 Illinois residents travel to Israel every year. The Chicago and Waukegan City Councils and the Illinois legislature have passed resolutions favoring the new service.

Approval would clearly strengthen the Israeli economy which is heavily dependent on Western tourism. Israel today is considered one of the outstanding tourist attractions in the world to both those making a pilgrimage to the Judeo-Christian holy places and to those wishing only a relaxing vacation. A large segment of the Jewish population of 350,000 in the Midwest would undoubtedly be drawn to the new service, as well as hundreds of thousands of Christians who wish to visit the holy land.

The Israeli proposal for additional landing points should also help provide more jobs for American workers. I understand that if the U.S. Government approves these added landing sites, El Al will proceed to purchase three Boeing 747's together with spare parts, worth approximately $165 million. Israeli already is negotiating with McDonnell-Douglas and Lockheed for the purchase of new intermediate-range jet equipment for its service to Europe, Iran, and South Africa.

The Star of David painted on the tail of El Al's jombo jets will be a welcome sight in the skies over Metropolitan Chicago and other major U.S. cities, if these negotiations are successfully concluded. An aerial bridge of peace will have been established, cementing the democratic and Judeo-Christian ties that link our two countries.

Because of my personal interest in the successful outcome of these negotiations, I would like to have a representative of my staff observe the negotiating sessions. I understand that various trade, labor, and public interest groups already have been awarded such observer status. I would also appreciate a timely response to the concerns I have outlined, prior to the start of these renewed negotiations.

Sincerely,

CHARLES H. PERCY,
U.S. Senate.

[From the Washington Star, June 23, 1978]

ABANDON ALL AIRLINE REGULATION, EL AL CHIEF URGES

(By Thomas Love)

The head of Israel's El Al Airline yesterday proposed abandonment of all economic regulation of the airline industry and revamping of the present first class-economy class accommodation structure of commercial aviation.

Mordechai Ben Ari, executive chairman of El Al, also called for international aviation security authority to protect the world's airlines from terrorist attacks through intelligence gathering and pre-emptive military-like strikes.

A new method of dealing with the threat of terrorism is necessary to guarantee "the survival and existence of the civil aviation network," he told the National Aviation Club yesterday. "We are mistaken if we think the present silence is the end of the terrrorist problem.

" 'Terrorist International' is regrouping itself and one of its prime targets is international civil aviation," he said. "What is being done now is insufficient" to protect the airlines.

Later, Ben Ari explained he had made his proposals to the International Air Transport Association.

"The only effective method of combating terrorism in the air is a policy of active defense by governments and airlines," he said in a telegram to IATA.

An anti-terrorist defense, he said, must be built on the three levels of active intelligence gathering, preemptive measures against all forms of armed attack and—if the first two should fail—active defense action.

He called for "an IATA Interpol" for intelligence gathering and preventive action.

The agency would be responsible for the "supervision of the security measures" taken by all governments and airlines as well as the establishment of security ratings for all airports and airlines.

This would not be an usurption of state powers, he said, predicting that governments would appreciate the help since "it would be a framework for significant cooperation and work to their benefit."

On the economic front, Ben Ari said "the only alternative to complete regulations of the airlines is the complete deregulation," a concept which he said should be adopted as soon as possible.

He called for "open skies with unlimited freedom of competition, without government interference. Indeed, complete freedom of the air would mean that every airline can fly from and between any place in the world it chooses, without restriction and with the right to charge any fare it deems fit.

"In other words," he continued, "the principle of 'freedom of the air' would be identical to the principle of 'freedom of the seas.' "

The only government intervention, he said, should be to assure that airlines actually provide the service they say they will at the advertised price. Existing controls over safety and operational matters would not change under this concept, he added.

Such a policy, he predicted, "would constitute a revolutionary step toward assuring

the long-range growth and development of a healthy and dynamic international air transport system based on the principles of free competition as the best safeguard of the interests of the consumer."

Although he admitted the concept might seem a bit "radical, perhaps too drastic, departure," he said "I think it is high time we realized that our industry has reached maturity and that we can well afford to live in an environment of free competition and enterprise."

In answer to a question, he predicted that the government of Israel would agree to let all airlines operate in that country under the "open skies" concept.

Ben Ari said he was not proposing to disband IATA. "We have to preserve IATA as a trade association," he said, "because without it we can't operate a worldwide system." IATA, he explained, is necessary to coordinate such things as ticket sales, connecting flights and the like.

"In view of the fact that the future of international civil aviation seems to lie in mass transportation of the pleasure-motivated traveler at low fares, the solution to the economic problems of the airlines—especially on international routes—seems to point to a basic change in the service concept on scheduled carriers," Ben Ari said.

He proposed abolishing the present first class and economy class categories and replacing them with three new classes.

There would be a "deluxe class" with service and accommodations superior to the existing first class. First class would be replaced with a "business class" with less space than the existing accommodations but better service. A new "holiday class" would offer barebones, no-frills accommodations with little space between seats and no free food—travel comparable to that now offered by Laker's "Sky Train."

Ben Ari said El Al would offer this holiday class service starting some time late next year.

THE NEED FOR A BALANCED BUDGET

Mr. HARRY F. BYRD, JR. Earlier this month the voters in California overwhelmingly approved proposition 13.

The taxpayer is now demanding restraint of taxes and spending on the Federal level.

I believe the logical first step would be to adopt a resolution proposing a constitutional amendment requiring a balanced Federal budget.

I have sponsored such a resolution, Senate Joint Resolution 51, which is pending before the Senate Judiciary Committee. There are 38 similar resolutions before the House Judiciary Committee.

The National Taxpayers Union informs me that already 22 of the required 34 State legislatures have passed a resolution calling for a constitutional convention to consider an amendment requiring a balanced Federal budget.

In the next few weeks, California is expected to become the 23d State to pass such a resolution. The California State Senate recently approved the resolution 25 to 2.

These calls for conventions are passing rapidly and by wide margins. For example, in Kansas, the House voted 90 to 19 to approve the resolution, while the Senate almost unanimously approved it 38 to 2.

Nebraska approved its resolution 29 to 7; Georgia 156 to 11 in the House and 52 to 2 in the Senate. Elsewhere, the margins are just as impressive.

It is time for Congress to act on the balanced budget amendment.

The fact that 22 State legislatures have passed these resolutions seeking a balanced Federal budget indicates widespread sentiment for consideration of such an amendment.

Indeed, in the most recent Gallup poll, 78 percent of the respondents favored a constitutional amendment requiring Congress to balance the Federal budget.

As a body that supposedly is representative of the people, we should immediately hold hearings on the subject. I would hope that this could be done at an early date.

I ask unanimous consent to have printed at this point in the RECORD Senate Joint Resolution 51, which I introduced in the Senate on May 10, 1977.

There being no objection, the resolution was ordered to be printed in the RECORD as follows:

S.J. RES. 51

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid for all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within three years after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. In exercising its powers under article I of the Constitution, and in particular its powers to lay and collect taxes, duties, imposts, and excises and to enact laws making appropriations, the Congress shall assure that the total outlays of the Government during any fiscal year do not exceed the total receipts of the Government during such fiscal year and that the Federal indebtedness is eliminated.

"SEC. 2. During the first fiscal year beginning after the ratification of this article, the total receipts of the Government, not including receipts derived from the issuance of bonds, notes, or other obligations of the United States, shall not be less than 95 per centum of the total outlays, not including any outlays for the redemption of bonds, notes, or other obligations of the United States. During the second fiscal year, the total recipts shall not be less than 98 per centum of the total outlays.

"SEC. 3. During the third fiscal year beginning after the ratification of this article and for each succeeding year thereafter, total outlays shall not exceed total receipts.

"SEC. 4. In the case of a national emergency, Congress may determine by a concurrent resolution agreed to by a rollcall vote of three-fourths of all the Members of each House of Congress that total outlays may exceed total receipts.

"SEC. 5. During the fifth fiscal year beginning after the ratification of this article and for the next twenty-four succeeding fiscal years thereafter, the total receipts of the Government shall exceed outlays by an amount equal to 4 per centum of the Federal indebtedness at the beginning of the fifth fiscal year. The President shall, not later than the thirtieth day after the close of the fifth fiscal year, ascertain the total Federal indebtedness and transmit said total to Congress by special message.

"SEC. 6. Thereafter, whenever the Congress determines under section 4 that an emergency exists and authorizes outlays to exceed receipts, any indebtedness ensuing therefrom shall be extinguished within five fiscal years of being incurred.

"SEC. 7. The Congress shall have power to enforce this article by appropriate legislation.".

BUDGET ACT WAIVER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 857.

There being no objection, the resolution (S. Res. 456) waiving sec. 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 3067, the Civil Rights Commission Act of 1978, a bill to authorize appropriations for the U.S. Commission on Civil Rights, and for other purposes, was considered and agreed to, as follows:

S. RES. 456

Resolved, That, pursuant to section 402 (c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 3067, a bill to extend the Commission for five years, to authorize necessary appropriations for the Commission, to effect certain changes to comply with other changes in the law, and for other purposes. Such waiver is necessary in order to insure that the Commission on Civil Rights will be able to carry out its statutory duties during the fiscal year 1979. The moneys to be appropriated are sufficiently small that the consideration of S. 3067 will not significantly affect the congressional budget. That while the Committee on the Judiciary has engaged in a substantial effort to consider the bill beginning in December 1977, there is sufficient reason to believe that the committee will not report the bill during the present Congress. Thus, both the committee and the Senate will be prevented from complying with the Congressional Budget Act with respect to the May 15 deadline and from giving timely attention to the authorization of appropriations for the United States Commission on Civil Rights.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CIVIL RIGHTS COMMISSION ACT OF 1978

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 831.

The PRESIDING OFFICER. The clerk will state the bill by title.

The assistant legislative clerk read as follows:

Calendar 831, S. 3067, to extend the Commission on Civil Rights for five years, to authorize appropriations for the Commission, to effect certain technical changes to comply with other changes in the law, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. ROBERT C. BYRD. Mr. President, are there any committee amendments?

The PRESIDING OFFICER. There are none.

UP AMENDMENT NO. 1363

Mr. ROBERT C. BYRD. Mr. President, I send two amendments to the desk and ask that they be considered en bloc.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD) proposes an unprinted amendment numbered 1363 en bloc.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows.

On page 3, line 7, strike out "1983" and insert in lieu thereof the following: "1981".

On page 4, line 4, insert after the word "Act" the following: "During Fiscal Year 1979".

The PRESIDING OFFICER. The question is on agreeing to the amendment en bloc.

The amendments en bloc were agreed to.

Mr. BAYH. Mr. President, as chairman of the Subcommittee on the Constitution, it is my primary responsibility for shepherding this bill. I had the opportunity, along with some 18 other Senators, to introduce this legislation on November 4 of last year. Because of circumstances that are too lengthy to mention right now, it was impossible for this measure to take the normal legislative route, and thus it was necessary for us to use other parliamentary procedures to get this matter before us today.

Mr. President, as chairman of the Subcommittee on the Constitution, I have had the responsibility of guiding the U.S. Commission on Civil Rights extension bill through the Senate. As you know, I introduced S. 2300, the Civil Rights Commission Act of 1978, on November 4, 1977, and it was ultimately cosponsored by 18 other Senators. We held 4 days of hearings, in late 1977 and early 1978. I was then prepared to move the bill from the subcommittee to the full committee and then to the floor for a vote by the Senate on retaining the Commission as an independent bipartisan factfinding and reporting agency. Unfortunately, I found I was unable to do so.

As a result of the extended hearings, I found the time for subcommittee action was growing short. I had hoped to discuss, amend, and report S. 2300 by the May 15 budget act deadline by bypassing the subcommittee markup process in favor of debating any substantive changes in the bill in full committee. As a result of the testimony and other evidence received at the hearings, I felt that the bill needed to be revised somewhat to allow the Commission to continue and even improve its work in the area of civil rights.

However, at a meeting of the subcommitee on May 8, 1978, after a short discussion, a final vote was requested on the bill without amendments first being offered to it. This motion was amended to table S. 2300, and passed by a vote of 3 to 1 (Senators METZENBAUM and ABOUREZK, by agreement, were allowed to record their votes provided the outcome—to table—was unchanged by the result. They subsequently voted against the motion making the final vote 3 to 3).

The subcommittee's action created a dilemma for me. The subcommittee had rejected the Commission's extension despite the subcommittee hearings on the extension bill which strongly supported the continuation of the Commission. I felt there had been no evidence developed to show that the Commission should discontinue its unique and essential function of gathering information for the Congress and the President on civil rights developments. On the contrary, I felt the evidence presented showed just the opposite and required me to reintroduce the Civil Rights Commission Act of 1978.

I did so on May 11, 1978, by introducing and holding at the desk, S. 3067, an amended version of S. 2300. The following legislative day, under rule XIV, I moved to place S. 3067 directly on the calendar. I also introduced Senate Resolution 456 to waive section 402(a) of the Congressional Budget Act of 1974, allowing the Senate to take up S. 3067 after the May 15 authorization deadline. The Budget Committee, to whom the resolution was referred, favorably reported Senate Resolution 456 on May 26, 1978.

Mr. President, because of this rather odd legislative history that has brought us to the point of the Senate considering the Civil Rights Commission extension bill, the Judiciary Committee which would normally have issued a report on the bill has been unable to do so.

Mr. President, I would like to thank the distinguished Senator from Virginia (Mr. SCOTT) for his help in getting this bill brought up before the Senate. Although he opposed the bill in the subcommittee, we have been able to work out a compromise now that if accepted by the Senate will allow it to vote on this Civil Rights Commission measure and move on to other business. This compromise involves two parts. First, reducing the extension period for the Commission from 5 years to 3 years, and second, providing for an appropriations authorization solely for fiscal year 1979 rather than for the whole extension period as originally proposed.

Mr. President, I ask unanimous consent that the joint views of eight members of the Committee on the Judiciary be printed in the RECORD at this point, and that the Senate order them printed as a Senate document.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the joint views were ordered to be printed in the RECORD, as follows:

JOINT VIEWS OF EIGHT MEMBERS OF THE COMMITTEE ON THE JUDICIARY RELATING TO THE EXTENSION OF THE U.S. COMMISSION ON CIVIL RIGHTS

The undersigned 8 members of the committee submit the following views in support of a bill, S. 3067. The bill would extend the U.S. Commission on Civil Rights for 5 years, authorize appropriations for the Commission, effect certain technical changes to comply with other changes in the law, and achieve other purposes.

TEXT OF THE BILL

The text of S. 3067 is a follows:

To extend the Commission on Civil Rights for five years, to authorize appropriations for the Commission, to effect certain technical changes to comply with other changes in the law, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Civil Rights Commission Act of 1978".

SEC. 2. (a) Section 103(a) of the Civil Rights Act of 1957 (42 U.S.C. 1975b. (a)) is amended by striking out "section 5 of the Administrative Expenses Act of 1946, as amended (5 U.S.C. 73b–2; 60 Stat. 808)." and inserting in lieu thereof the following: "section 5703 of title 5 of the United States Code.".

(b) Section 103(b) of the Civil Rights Act of 1957 (42 U.S.C. 1975b. (b)) is amended by striking out "the provisions of the Travel Expenses Act of 1949, as amended (5 U.S.C. 835–42; 63 Stat. 166)" and inserting in lieu thereof the following: "subchapter I of chapter 57 of title 5 of the United States Code.".

SEC. 3. (a) Section 104 of the Civil Rights Act of 1957 (42 U.S.C. 1975c) is amended—

(1) in each of subsections (a)(1) and (a)(2), by inserting "age, handicap," after "sex,";

(2) in each of subsections (a)(3) and (a)(4), by inserting ", age, handicap," after "sex";

(3) in subsection (a)(2) by inserting "discrimination or" before "a denial";

(4) in each of subsections (a)(3) and (a)(4), by inserting "discrimination or" before "denial";

(5) by redesignating paragraph (6) of subsection (a) as subsection (b);

(6) by redesignating subsections (b) and (c) as (c) and (d), respectively; and

(7) by adding at the end the following:

"(e) As used in this section, the term 'handicap' means, with respect to an individual, a circumstance that would make that individual a handicapped individual as defined in the second sentence of section 7(6) of the Rehabilitation Act of 1973 (29 U.S.C. 706(6)).".

(b) Subsection (b) (which is redesignated as subsection (c) by this Act) of section 104 of the Civil Rights Act of 1957 (42 U.S.C. 1975c(b)), is amended by striking out "fiscal year 1978" and inserting in lieu thereof "the fiscal year ending September 30, 1983".

SEC. 4. Section 105(a) of the Civil Rights Act of 1957 (42 U.S.C. 1975d(a)) is amended by striking out "and who shall receive compensation at a rate, to be fixed by the President, not in excess of $22,500 a year".

SEC. 5. Section 105(c) of the Civil Rights Act of 1957 (42 U.S.C. 1975d(c)) is amended by striking out "composed of citizens of that State and" and inserting in lieu thereof the following: "as it deems advisable but the Commission shall constitute at least one such advisory committee within each State. The Commission".

SEC. 6. Section 105(d) of the Civil Rights Act of 1957 (42 U.S.C. 1975(d)) is amended by striking out "sections 281, 283, 284, 434, and 1914 of the title 18 of the United States Code, and section 190 of the Revised Statutes (5 U.S.C. 99)" and inserting in lieu thereof the following: "sections 203, 205, 207, 208, and 209 of title 18 of the United States Code".

SEC. 7. Section 106 of the Civil Rights Act of 1957 (42 U.S.C. 1975e) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 106. There are authorized to be appropriated such sums as are necessary to carry out the provisions of this Act.".

HISTORY OF THE LEGISLATION

S. 2300 was introduced by Senator Bayh for himself and Messrs. Humphrey, Kennedy, Brooke, Abourezk, Metzenbaum, Mathias, Javits, Moynihan, Ribicoff, Williams, Anderson, Stevenson, Haskell, Inouye, Glenn, Cranston, Matsunaga, and Mrs. Humphrey on November 4, 1977. The bill was referred to the Committee on the Judiciary and subsequently to the Subcommittee on the Constitution. Hearings were held on December 15, 1977, January 25, January 26, and March 6, 1978.

On May 8, 1978, following two attempts to reach a quorum, the subcommittee met to consider the bill. A motion was offered calling for the defeat of the bill, which was subsequently modified to table S. 2300. The motion to table carried on a vote of three to one. Voting in the affirmative were Senators Allen, Scott, and Hatch. Voting in the negative was Chairman Bayh. Senators Metzenbaum and Abourezk were later recorded as voting in the negative.

On May 11, 1978, Senator Bayh introduced S. 3067 which included the same provisions as S. 2300 as amended according to the advice received during the hearings. This step was taken to give the Senate an opportunity to consider and vote on whether to continue the existence of the U.S. Commission on Civil Rights.

One legislative day following its introduction, S. 3067 was placed directly on the calendar as provided for under Senate rule XIV.

STATEMENT: HISTORY OF THE COMMISSION

The U.S. Commission on Civil Rights is an independent, bipartisan, fact-finding agency created by the Congress in 1957 to investigate deprivations of voting rights, to study legal developments constituting a denial of equal protection of the laws under the Constitution, and to appraise the laws and policies of the Federal Government with respect to equal protection of the laws. With no enforcement powers, the Commission is merely authorized to report its findings and recommendations to Congress and the President. The Commission's life has been extended five times since it completed its first report in 1959. In 1972, the present legislative life of the Commission was extended through fiscal year 1978, and the Commission's jurisdiction was expanded to include sex discrimination.

In 1972, at the beginning of the current extension period the Congress authorized the Commission to spend $5,500,000 for the first year and $7 million for the remaining 4 years. However, during this period, the Congress steadily increased the authorized spending limit for the Commission up to the present $10,480,000 authorization set for fiscal year 1978. These increases were authorized by the Congress after reviewing the record of the Commission and determining that the agency's accomplishments amply justified such action. Once again the committee, as the oversight body for the Senate, has reviewed the Commission's actions and feels that its unique work in civil rights, encompassing intensive investigation and research, and sound factual analysis of the problems facing the Nation, requires the extension of the Commission for another 5 years, the expansion of its authority to include age and handicap discrimination, and the authorization of the necessary funds needed to carry out its full mandate.

At hearings on S. 2300 (the predecessor to S. 3067) former President Lyndon Johnson was quoted as saying that the U.S. Commission on Civil Rights is an agency, "that gather facts instead of charges, it can sift out the truths from the fancies; it can return with recommendations that will be of assistance to reasonable men."[1] During the 4 days of hearings on the Commission, that statement was reaffirmed by the overwhelming amount of testimony presented.

Assistant Attorney General Drew Days stated:

"Indeed, the Commission, over the years, has matured as its expertise has grown, until today it represents one of the most influential and effective civil rights organizations in the country. Through its published reports and recommendations, the Commission has provided guidance and direction to agency offices preparing to assume new enforcement responsibilities and has forcefully monitored and evaluated on a continuing basis the scope and effectiveness of their efforts."[2]

Mr. Clarence Mitchell, chairman of the Leadership Conference on Civil Rights said:

"I do know that in many agencies where data is being collected, those collecting it might have a different intention from what the Civil Rights Commission would have. Unfortunately, the data might come out skewed. I have seen that happen a number of times.

"I feel if we are going to consolidate and entrust to the Government the gathering of information of this kind, then the Civil Rights Commission is the place where it ought to be. If that can be achieved. I think it would be a very important sign of progress."[3]

Ms. Judith Lichtman, Executive Director, Women's Legal Defense Fund, testified:

"The U.S. Commission on Civil Rights has been a constant advocate for equal justice and opportunity. Were the Commission's life not extended, a void would be left which could not be filled by any existing Federal agency."[4]

Mr. William Taylor, Director, Center for National Policy Review, stated:

"In carrying out these major responsibilities, I believe that the Commission has done its job well. In saying this, I am aware of the occasional charges, some of which you have heard here this morning, that the Commission is not 'objective' in its reports. Such criticism, I believe, confuses of objectivity and neutrality.

"The question ought not to be whether the Commission is an advocate for the cause of improved protection of civil rights. It is, for the reasons you suggested. Mr. Chairman, because that is national policy. Rather, the issue is whether the Commission sets high standards of intergrity and reliability in the processes it uses to determine the facts and reach its conclusions. I believe that it does."[5]

Mr. Robert Destro, General Counsel, Catholic League for Religious and Civil Rights, who testified that the Commission should not be extended if its, "tactics and scholarship [did] not change"[6] nevertheless later expounded, in response to a question from the subcommittee chairman:

"I think most of the conclusions that have been reached by the Commission are unassailable. I do not think I would argue with them.

"What I have a problem with is the way they do them and some of the conclusions they reach. I think sometimes they are unsupportable but many of them are fine".[7]

The overwhelming evidence, then, even from opponents, is that the Commission has performed its duties with distinction, the conclusions reached from their work are unassailable. The Commission, in short, has, "stay[ed] on the cutting edge of [civil rights] issues . . ."[8] for more than 20 years.

ACTIVITIES OF THE COMMISSION 1972–1978

Public reports constitute the primary product of the Commission's fact-finding work. In the last 5 years, the Commission has released over 190 publications and studies covering a wide range of civil rights subjects. These publications were based upon information and data gathered by the Commission's professional staff, through Commission hearings and consultations, and through the work of the 51 State Advisory Committees to the Commission whose creation was authorized by the 1957 act. The Commission's reports constitute a comprehensive source of information on the Nation's civil rights problems and progress.

The initial mandate of the U.S. Commission on Civil Rights empowered it to investigate allegations that U.S. citizens were being denied the right to vote because of their color, race, religion or national origin. As a result of extensive Commission hearings, many of their recommendations for legislative action in the area of voting rights were incorporated in the Voting Rights Act of 1965, one of the most significant civil rights laws ever passed. In 1975, the Commission released the report, "The Voting Rights Act: Ten Years After". This publication, evaluating jurisdictions covered under the Voting Rights Act, as amended, noted that the promise of the 15th amendment and the potential of the Voting Rights Act had not been fully realized. Although the Voting Rights Act had been effective, the Commission concluded that the protection of the Voting Rights Act should not be allowed to expire in August, 1975. Partly as a result of this report, the Voting Rights Act was further extended in 1975, with amendments, for a period of 7 years.

In carrying out its factfinding work, the Commission often studies problems which are related in part to the statutory and programmatic responsibilities of other Federal agencies such as the Department of Health, Education and Welfare, the Bureau of Census, or the Small Business Administration. While most Federal agencies have their own research programs, their studies often ignore, and rarely focus on, the civil rights implications of the matters under investigation.

Recognizing that laws are not self-implementing, the Commission has extensively evaluated the enforcement of civil rights statutes. In 1969, the Commission began publishing an analysis of the Federal civil rights enforcement effort. Within the last 5 years, the Commission has researched and released a 7-volume series of enforcement effort reviews of regulatory agencies, housing, education, revenue sharing, employment, federally-assisted programs, and the Executive Office. Unencumbered by the self-interest inevitably associated with responsibility for enforcement of a law or operation of a program, the Commission has been able to objectively and dispassionately evaluate the Federal civil rights enforcement effort.

The value of an independent evaluation of Federal civil rights enforcement is illustrated by considering "To Eliminate Employment Discrimination," the fifth volume of the most recent series on civil rights enforcement. This 672-page study of the Government's enforcement of equal employment laws and Executive orders was published in 1975. The report not only identified specific deficiencies in the performance of individual agencies, but also analyzed the overall statutory and administrative system of EEO enforcement. The Commission found that the current EEO system was inherently and unnecessarily complex and confusing, and that it did not effectively serve victims of discrimination, employers, or, ultimately, the American people. Accordingly, the Commission proposed a broad-scale consolidation and restructuring of EEO enforcement.

Within a month of taking office, President Carter announced his intention to reorganize EEO enforcement, and the President subsequently established a task force in the

Footnotes at end of article.

Office of Management and Budget to carry out the reorganization. In July 1977, the Office of Management and Budget asked the Commission to provide the Civil Rights Reorganization Task Force with an up-to-date report on the status of Federal activities to assure equal employment opportunity. Six months later, the Commission completed its reanalysis of Federal EEO activity, and transmitted to Congress and the President a 335 page report entitled "The Federal Civil Rights Enforcement Effort—1977, To Eliminate Employment Discrimination: A Sequel."

The Commission's fact-finding efforts regarding Federal EEO enforcement documented the need and provided the impetus for reorganization. The Commission's 1977 reanalysis was of immense assistance to the President's Civil Rights Reorganization Task Force and the House and Senate Committee which considered and approved the reorganization plan.

The number of reports and studies released by the Commission each year has increased dramatically during the last two decades. The agency's increased output reflects not only the expansion of the Commission's jurisdiction, but also a growing recognition of the unique civil rights problems experienced by women and various minority groups.

Since 1972 when the Commission was granted authority to study sex discrimination, it has undertaken a series of studies which analyze the civil rights problems jointly experienced by women and members of racial and ethnic minority groups. Commission reports have documented the fact that women and minority group persons face obstacles not generally encountered by majority group males in obtaining mortgage credit and federal contracts. Last year, the Commission released a major study which found that referral unions, which constitute a major segment of organized labor in the United States, continue to engage in a wide range of discriminatory practices which adversely affect the employment opportunities of minorities and women. Several months ago, the Commission published an analysis of the portrayal of women and minorities on television and their employment in the television industry. Once again, the Commission found that minorities and women are victimized by common forms of discrimination. It found, for example, that women and minority group persons are underrepresented on the work forces of Federally-licensed local stations and are almost totally excluded from decisionmaking positions.

The Commission has also produced a number of reports specifically designed to increase public awareness of women's constitutionally and statutorily protected civil rights. In 1975, the Commission released a report entitled "Constitutional Aspects of the Right to Limit Child-bearing" to promote understanding of the rights guaranteed by the decisions of the United States Supreme Court in the cases of *Roe* v. *Wade* and *Doe* v. *Bolton*. Last year, the Commission published a 189-page "Guide to Federal Laws Prohibiting Sex Discrimination". This publication was meant to provide citizens, most of whom do not possess legal expertise or have access to statute books, with a working knowledge of the Federal laws and regulations against sex discrimination. The Commission also carried out a prototype study of "Sex Bias in the U.S. Code". Although the sex bias study did not attempt to comprehensively analyze all substantive portions of the Code, its publication fostered increased awareness of the sex discrimination inherent in our Federal laws. This Commission study is being utilized by the Department of Justice which is currently conducting a comprehensive assessment of sex bias in Federal laws and regulations pursuant to a Presidential directive.

During the last 5 years, the Commission conducted a series of special studies focusing on the civil rights problems of particular minority groups. In 1974, the Commission released the last volume in its 6-volume series on the education of Mexican American students. This series represents the most comprehensive assessment ever undertaken to ascertain the nature and extent of educational opportunities available to the approximately 1½ million Mexican American children attending public schools in the Southwestern United States. The Commission found that in virtually all aspects of the educational process, including student assignment, curriculum, counseling, and teacher education and assignment, Mexican American students were the victims of discrimination and/or neglect.

Other reports recently released by the Commission and its advisory committees documented the oppressive working and living conditions suffered by predominantly Hispanic migrant agricultural workers in Iowa and Indiana and mushroom workers in Delaware and Pennsylvania. Another publication of importance to Hispanic Americans, "Counting the Forgotten", documented the serious undercount of the Spanish-Speaking background population in the 1970 Census. Since the release of this report, the Commission has sought official action to remedy the problem of census undercount and to improve the adequacy of Federal statistical data on America's Hispanic population. The enactment of Public Law 94-311 in 1976 represented a necessary and positive response to the problems documented in "Counting the Forgotten".

The Commission has also studied the unique problems of Puerto Ricans living in the United States. In addition to Advisory Committee studies of "Hispanic Participation in Manpower Programs in Newark, New Jersey: Education and Housing of Puerto Ricans in Philadelphia" and "Public Employment Opportunities for Puerto Ricans in New York", the Commission last year published a comprehensive report entitled "Puerto Ricans in the Continental United States: An Uncertain Future".

The civil rights problems of Asian and Pacific Island Americans have been the subject of two recent Commission Advisory Committee reports. Additionally, the Commission is currently conducting a national study of the types of discrimination encountered by Asian and Pacific Island Americans.

Over the last 5 years, the Commission and its Advisory Committees have published 20 reports concerning the civil rights of American Indians. Some of these reports, such as "Federal and State Services and the Maine Indian" or "The Chippewa People of Sault St. Marie and Their Struggle for Civil Rights in Housing", focused on localized discrimination. Others, like the "Southwest Indian Reports" and the "Navajo Nation: An American Colony", addressed a wide range of civil rights problems experienced by American Indians.

Much of the Commission's work in the last 5 years, has been devoted to the study of school desegregation. No other agency of the Federal Government is as familiar with both the problems and progress of school desegregation as the Commission on Civil Rights. The Commission has studied school desegregation in communities across the country. In 1973, the Commission published a report entitled "School Desegregation in Ten Communities" which reviewed the desegregation experiences of school systems as diverse as Pontiac, Mich., and Glynn County, Ga. In 1976, the Commission published a history of the 20-year effort to desegregate the public schools of Prince George's County, Md. This 464-page report, based upon several years of research and interviews, recounts the administrative, legal and social forces that determined the county's pace and progress of school desegregation.

In carrying out its fact-finding responsibilities, the Commission has directed its attention to some of the Nation's toughest and most troublesome school desegregation situations. In March 1975, the Commission authorized a team of lawyers and social scientists to begin a full-scale investigation of public school desegregation in Boston, Mass. This 4-month investigation was followed by a week of formal public hearings during which the Commission heard the testimony of students, parents, teachers, school administrators, public officials and citizens representing the views of all segments of the Boston community. On the basis of this investigation and hearing, the Commission published a 225-page report of detailed findings and recommendations.

In view of the continuing controversy and misunderstanding regarding the legal, educational and social facts of school desegregation, the Commission initiated a nationwide study in late 1975. In addition to utilizing data gathered in the earlier Boston hearing, the Commission conducted formal public hearings in Denver, Colo.; Tampa, Fla., and Louisville, Ky. Each of the hearings was preceded by intensive staff research, and several thousand persons were interviewed. The Commission's State Advisory Committees held open meetings in four additional communities to review the desegregation process of the local school systems. The Advisory Committees and Regional Commission staff also prepared and published 29 community case studies of school desegregation. Finally, the Commission conducted a survey of over 1,000 school superintendents responsible for educational systems across the country. In August, 1976, the Commission released a report entitled "Fulfilling The Letter and Spirit of the Law: Desegregation of the Nation's Public Schools" which contained the findings of this prodigious national study effort.

PROPOSED ACTIVITIES OF THE COMMISSION 1979–1984

During the next 5-year extension, the Commission has anticipated beginning work on a number of projects, some of which will be completed within a year and others at different times during the extension period. Among these projects are the following:

1. Union Study, Part 2, in which the Commission will complete and publish an examination of union involvement in discriminatory employment practices.

2. Unemployment and Underemployment, involving completion of a draft report on the nature, extent, costs, and consequences of unemployment and underemployment among minorities and women.

3. Discrimination in Internal Labor Markets, completion and publication of a case study of internal personnel practices, informal work procedures, and occupational segregation that hinder the employment opportunities and advancement of minorities and women.

4. Affirmative Action, involving completion of a draft report on a study of the enforcement and effectiveness of Federal affirmative action requirements in the private sector.

5. Federal Civil Rights Enforcement Effort, in which the Commission will conduct and publish a followup Governmentwide evaluation of civil rights compliance programs for the period since the 1974 report.

6. State Licensing, involving the development and publication of a study that will serve as a general guide for assessing whether or not State licensing, certification, and accreditation practices result in employment discrimination.

7. National Indian Hearing, in which the Commission will conclude a series of local studies and hearings on the civil rights

problems of American Indians, on and off reservations, with a hearing in Washington on the effects of Federal laws and policies related to these problems. A summary report with findings and recommendations will be published.

8. Undocumented Workers Hearing, involving completion of a national study of the impact of undocumented workers on the civil rights of American citizens and resident aliens, including publication of a summary report with findings and recommendations from State Advisory Committee hearings and the Commission hearing.

9. National Police Project, involving completion of an administration of justice study centering on problems of police abuse, model police practices, and recommended Federal action.

10. Impact of Abortion Laws, involving completion of a draft report on the differential impact of abortion laws and policies on various groups. The Commission will also initiate a study of the impact of sterilization laws during fiscal year 1979.

11. Sex Discrimination in Athletics, in which the Commission will complete and publish a report on a study of sex discrimination in athletics and title IX implementation plans. The Commission will also examine title IX compliance and enforcement in the athletic programs of educational institutions.

12. Pensions and Insurance, involving a continuing study of discrimination against minorities and women in pensions and insurance.

During fiscal year 1979 the Commission will also be involved in a number of shorter studies, including:

1. State of Civil Rights, involving completion and publication of a report analyzing 1978 progress and problems in the effort to end discrimination and achieve equal opportunity in all areas of civil rights.

2. National Survey of Civil Rights Issues, involving completion of an opinion survey of 500 civil rights leaders regarding present and future critical civil rights issues.

The Commission will continue its monitoring of civil rights progress, developments, and problems in employment, housing, education, Federal civil rights enforcement, administration of justice, sex discrimination, and voting rights. Anticipated voting rights activity, for example, will include analysis of 1978 registration and voting survey data for civil rights implications and the preliminary design of a project to evaluate, prior to its review by Congress, the need for extending the Voting Rights Act.

Should the Commission be granted age and handicap jurisdiction during the next extension period, preliminary projects in both of these areas will be designed and initiated.

The Commission's State Advisory Committees, with the assistance of regional office staff, will complete 50 projects regarding civil rights issues in employment, housing, education, Federal enforcement, administration of justice, sex discrimination, and voting rights. Examples of projects to be completed include continuing examinations of school desegregation in Chicago, insurance redlining throughout the Midwest, migrant and seasonal farmworkers in Idaho, and equal employment and affirmative action in Alaska.

S. 3067—The Civil Rights Commission Act of 1978

SECTION 2

Sections 2(a) and 2(b) amend the absolete citations of the Administrative Expenses Acts now found in sections 103(a) and 103(b) of the Civil Rights Act of 1957. Both sections 5 of the Administrative Expenses Act of 1946 referred to in section 103(a) and the Administrative Expenses Act of 1949 referred to in section 103(b) were repealed by Public Law 89–554, the 1966 recodification of title 5 of the United States Code. As amended by section 2 of S. 3067, the act would reference section 5703 and subchapter I of chapter 57 of title 5 in sections 103 (a) and 103(b), respectively.

SECTION 3

Section 3(a) of S. 3067 (1) expands the Commission's jurisdiction to include age or handicap discrimination, and (2) inserts a technical amendment in section 104 to conform the act with congressional intent and understanding of the Commission's jurisdiction. These additions to section 104 of the act would allow the Commission to continue to investigate, study, and report on the widest possible range of civil rights topics.

Since 1975, the Commission has had a mandate from the Congress [9] to investigate age discrimination. That authority was to end in fiscal year 1978 following the submission of a final report to the President and the Congress.[10] During the period the Commission was authorized to study age discrimination, an expert staff was retained to develop and maintain a thorough knowledge of the issue of age discrimination especially in programs and activities receiving Federal financial assistance.[11] Section 3 would continue the Commission's activity in this limited area so that the Commission would be in a position to evaluate the implementation of the Age Discrimination Act in 1979. In addition, this section of S. 3067 would enhance the Commission's authority to investigate, study and report on all voting policies or practices, legal developments, and the laws and policies of the Federal Government that show evidence of discriminating against persons, otherwise qualified, because of age or denying those persons the equal protection of the law because of age. The committee believes that the Commission must be given as broad a base of authority under this topic as it now has in the other areas under its present mandate.[12]

The committee has found that the problems of age discrimination are more pervasive and wide ranging than the Congress previously thought. While the Congress, to this date, has only found age discrimination between certain ages to be unlawful, this committee finds that certain distinctions being drawn on the basis of age are so arbitrary and the effects so similar to those resulting from race or ethnic discrimination that it believes it is imperative for a study to be made and the Congress advised on the need for legislation on the whole issue of age discrimination. The committee feels that this would be a necessary first step to determine the extent of the right to be free from discrimination or a denial of the equal protection of the laws on the basis of age.[13] Mr. Edward King, directing attorney, Senior Citizens' Law Center, stated at the hearing:

"The Commission needs the power to be on the cutting edge of the issue of age discrimination and to be considering discriminatory practices or possible discriminatory practices without a full knowledge at the outset at least, of whether or not those discriminatory practices indeed are violative the equal protection clause or even of specific Federal legislation. The Commission, I am saying, should have the opportunity to investigate discriminatory practices and make recommendations of the need for additional law in the area." [14]

The committee also found wide-ranging discrimination against handicapped individuals similar to that suffered by other more visible minorities that are now protected by the civil rights laws. For instance, the committee heard evidence of discrimination against handicapped that ranged across the laws protecting the rights of other minorities; from housing, transportation, and employment to voting, administration of justice, and public accommodations.[15] In this regard the committee notes that the White House Conference on Handicapped Individuals recommend that the disabled individuals be included under the protection of the Civil Rights Act of 1964. Nevertheless, as a result of past disinterest of the courts and the Congress to this discrimination and its effects, little has been done in case law or legislation in this area. It is the committee's intent, then, that the Commission be impowered to investigate and report specfically on discrimination or denials of the equal protection of the laws as a result of handicap; and for the Commission to report to the Congress and the President on its findings.

The definition of the term "handicap" provided in this section of S. 3067, which cites language in the Rehabilitation Act of 1973 [16] is used to allow the Commission the greatest possible scope to investigate, study, and report on the discrimination facing handicapped individuals.

The phrase "discrimination or" is included in the duties of the Commission as a technical amendment to conform the act with the congressional intent that the Commission's mandate include the power to investigate, study, and report on all forms of race, color, religion, sex, age, handicap, or national origin discrimination occurring in the United States. The committee feels that the Commission has successfully worked within the mandate granted by Congress and fulfilled the mission intended by the Congress under the Civil Rights Act of 1957 and the amendments thereto. This amendment in S. 3067 is simply to set within the body of the law the express intent of the committee and the Congress that the Commission continue to exercise its duties as it has in the past.

Section 3(b) of S. 3067 extends the Commission's existence for a 5-year period, that is, until the end of fiscal year 1984. This corresponds with the term of the last two extensions of the agency's life approved by Congress. The 5-year period was selected by the committee because it accords with the concept of sunset legislation and takes into account both the nature of civil rights problems and the operational needs of Congress and the Commission.

Although the Commission has, for the last two decades, informed Congress and the American people of the various forms of racial, religious, ethnic and sex discrimination, the persistence of such discrimination in our society remains an indisputable, albeit tragic fact. Moreover, as a nation, we have only recently become aware of some of the often subtle yet severe civil rights problems experienced by many citizens because of their age or handicap. Recognition of the need to continue the work of the Civil Rights Commission for another 5 years does not compromise our hopes and aspirations for an America free from discrimination, but rather reflects the reality of the current status of the rights and our commitment to a better future.

The extension provided for by S. 3067 takes into account the operational needs of Congress and the Commission. On numerous occasions, Congress has called upon the Commission to provide its views on the need for new civil rights legislation or the implementation of existing laws. The continuation of the agency's temporary life has in the past, and will for the next 5 years, assure Congress that the information needed for sound civil rights policymaking will be available. Similarly, many of the Commission's fact-finding projects, especially those concerned with complex civil rights problems, span several years. An extension for a period of less than 5 years would severely restrict the Commis-

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Footnotes at end of article.

sion's ability to continue to design and carry out effective research programs.

The phrase "the fiscal year ending September 30, 1983" is added to clarify that the Commission's fiscal year coincides with the Federal fiscal year, the dates of which were changed (from June 30 to September 30) during the Commission's current extension period.

SECTION 4

Section 105(a) of the Civil Rights Act of 1957 which establishes a limitation on the rate of compensation for the Commission's Staff Director is obsolete. The limitation was superseded by Public Law 89-554 which lists the staff director as number 114 on the list of Executive level V positions. The executive level salaries are fixed by law (5 U.S.C. 5316) so the reference now in the act is unnecessary and is being repealed.

SECTION 5

Section 105(c) of the Civil Rights Act of 1957 gave the Commission the descriptionary authority to charter state advisory committees. These committees were established by the Commission shortly after its own creation and have continued to function in all 50 States and the District of Columbia through the present fiscal year. These committees are composed of citizens, concerned about the cause of civil rights and who volunteer to be members of their State committees at no compensation (except travel expenses) to themselves. These committee members are appointed by the Commission and serve purely in an advisory capacity. All staff work done for the committee is either voluntary or done by the Commission's nine regional offices.

Late in 1977 in response to a Presidential reorganization directive on advisory committees, the Commission proposed to reorganize the 51 State advisory groups into 10 regional committees complimenting the 10 regional Commission offices.[17] The Commission argued that the new regional structure would be more administratively sound and would be able to produce more studies of a higher quality since they would be working in closer liaison with the regional staffs.

The committee found, however, that far from improving the performance of the State Advisory Committees (SEC's), the Commission's regional approach would not be able to continue the productive functions as is the present case. While it could be argued that with the regional concept a more efficient dovetailing of the work of the regional staffs and committee members could be achieved, it does not follow that the same civil rights investigative effort could be maintained. There is little queston that under reorganization the high standards of scholarship reflected in the committee reports would be maintained—the same regional staffs would still do the writing, but whether the reports would be on subjects now dealt with by the committees is very doubtful. Increasingly, the focus would be on national issues at the expense of local and State concerns. In fact, in the opinion of some witnesses, the regions simply would be too large and cumbersome to operate effectively in the States. Problems particular to individual States would recede in importance to regional concerns so that some problems might not be addressed at all. The regional concept, it seems, would effectively end any "grassroots" input the Commission now has. In other words, the testimony indicates that the basic functions of the committees would end.

The committee found the functions of the SAC's to be the following:

(1) to serve as a civil rights "ombudsman" for citizens and local groups of citizens to make their rights and problems known to the Commission and given national attention; and

(2) to represent the Civil Rights Commission and thus civil rights concerns to States and localities, who, otherwise, would not have the benefit of such views.

It is in performing these functions that the committees authored the large number of substantive studies that have been used by the civil rights community in litigation on various subjects. The committee believes that maintaining the committees' functions is of primary importance and those functions are one of the factors that set the Commission apart from other civil rights agencies.

The committee finds that for the Commission to maintain its unique advantage among the Federal civil rights agencies, a State advisory committee must be maintained in each State including the District of Columbia, Puerto Rico, and the Virgin Islands.[18] However, the committee felt that requiring only State committees might unduly restrict the Commission's ability to function as an independent agency. The committee could foresee that the Commission may have need for advisory committees for example, on a local or expert basis. Therefore, language was added to section 105(c) allowing the Commission to charter those advisory committees it thought necessary, but requiring one advisory committee [19] within each State to advise the Commission and inquire into the civil rights issues of that State.

SECTION 6

All numbered sections of title 18 of the United States Code and section 190 of the Revised Statutes referred to in section 105(d) were repealed by Public Law 87-849 and substantively incorporated in other sections of title 18. All pre-existing exemptions from the operation of the repealed sections were continued with respect to the new sections of title 18 by Public Law 87-849. Thus, the substituted language will bring the Commission's charter (the Civil Rights Act of 1957) into conformity with existing statutory law covering conflicts of interest.

SECTION 7

Section 7 of S. 3067 authorizes the appropriation of funds necessary for the Commission to carry out its statutory responsibilities. This provision is identical to the one set forth in the 1957 legislation establishing the Commission and under which the agency operated for the first 10 years of its existence.

According to the Office of Management and Budget, only seven temporary agencies in the Federal Government have an appropriation ceiling specified in their statutory authorization. All others have an open-ended authorization. Although OMB generally prefers a fixed authorization that is consistent with the President's budget, it has recommended removing the constraints of the Commission's appropriation ceiling to avoid the need for special legislation each time a minor increase in the agency's budget is required.

A return to an unspecified authorization ceiling for the Commission is especially appropriate at this time in view of the new jurisdiction conferred upon the agency by S. 3067. Neither Congress nor the Commission is fully aware of the total extent of age and handicap discrimination or the scope of needed research in these areas. Accordingly, specification of a fixed authorization level would be highly speculative. It might result in long delays in the Commission's ability to work in the area if additional funds are necessary.

Finally, the committee believes that the authorization provision set forth in S. 3067 is consonant with, and indeed will enhance, effective implementation of its own oversight responsibilities. Since the enactment of a specified authorization ceiling for the Commission 10 years ago, this committee has devoted a substantial portion of its time and resources to consider legislation providing for minor increases in the agency's budget. If the relative size of the Commission's budget were left to the Appropriations Committee which has responsibility for such matters, this committee could concentrate on the agency's substantive program thereby providing greater direction to the Commission and, at the same time, receiving information from the Commission which is pertinent to the committee's legislative duties. The committee has informed the Commission that it intends to hold annual oversight hearings for the purpose of carefully reviewing the agency's accomplishments during the previous year and scrutinizing its future program plans.

ANALYSIS OF THE BILL

SECTION 1

Section 1 titles the bill the "Civil Rights Commission Act of 1978."

SECTION 2

Section 2(a) amends the Civil Rights Act of 1957 by conforming section 103(a) with the current language of title 5 of the United States Code.

Section 2(b) amends the Civil Rights Act of 1957 by conforming section 103(b) with the current language of title 5.

SECTION 3

Section 3(a) amends section 104(a) of the Civil Rights Act of 1957 by expanding the Commission's jurisdiction to include age and handicap discrimination. The words "discrimination or" are a technical amendment conforming section 104(a) with the congressional intent that the Commission's investigative and reporting mandate include all forms of race, color, religion, sex, or national origin (and, as amended by this bill, age or handicap) discrimination. Paragraph (6) of section 104(a) is redesignated as subsection (b) to correct a technical drafting error, and, as a result, susbections (b) and (c) are redesignated as subsections (c) and (d) respectively. Furthermore, a new subsection (e) is added to provide a definition of the term "handicap."

Section 3(b) simply extends the Commission's existence for another 5 years, until the end of fiscal year 1984.

SECTION 4

Section 4 amends section 105(a) of the Civil Rights Act of 1957 to conform it with Public Law 89-554 which lists the staff director of the Civil Rights Commission as an Executive V position. Executive level salaries are fixed by Public Law 88-426 as amended. The reference in section 105 to the rate of compensation of the staff director is, therefore, obsolete and unnecessary.

SECTION 5

Section 5 amends section 105(c) of the Civil Rights Act of 1957 by requiring the Commission to maintain an advisory committee in each State (including the District of Columbia, Puerto Rico, and the Virgin Islands) but allows the Commission to create any other advisory committees it thinks are necessary. The Commission is also allowed to consult with any local and State officials, and with any private individuals that it feels could help it fulfill its duties.

SECTION 6

Section 6 amends section 105(d) of the Civil Rights Act of 1957 by deleting the sections of title 18 of the United States Code and the revised statutes repealed by Public Law 87-849 and adding the current sections of title 18 which cover conflicts of interest.

SECTION 7

Section 7 amends section 107 of the Civil Rights Act of 1957 by authorizing the Com-

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Footnotes at end of article.

mission to spend the funds necessary to carry out its congressional mandate during the 5 year extension period authorized by this bill.

CHANGES IN EXISTING LAW MADE BY THE BILL

(Existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in Roman.)

CIVIL RIGHTS ACT OF 1957

An act to provide means of further securing and protecting the civil rights of persons within the jurisdiction of the United States

* * * * *

COMPENSATION OF MEMBERS OF THE COMMISSION

Sec. 103. (a) Each member of the Commission who is not otherwise in the service of the Government of the United States shall receive a sum equivalent to the compensation paid at level IV of the Federal Executive Salary Schedule, pursuant to section 5315 of title 5, United States Code, prorated on a daily basis for each day spent in the work of the Commission, shall be paid actual travel expenses, and per diem in lieu of subsistence expenses when away from his usual place of residence, in accordance with [section 5 of the Administrative Expenses Act of 1946, as amended (5 U.S.C. 73b–2; 60 Stat. 808).] *section 5703 of title 5 of the United States Code.*

(b) Each member of the Commission who is otherwise in the service of the Government of the United States shall serve without compensation in addition to that received for such other service, but while engaged in the work of the Commission shall be paid actual travel expenses, and per diem in lieu of subsistence expenses when away from his usual place of residence, in accordance with [the provisions of the Travel Expenses Act of 1949, as amended (5 U.S.C. 835–42; 63 Stat. 166.] *subchapter I of chapter 57 of title 5 of the United States Code.*

DUTIES OF THE COMMISSION

Sec. 104. (a) The Commission shall—

(1) investigate allegations in writing under oath or affirmation that certain citizens of the United States are being deprived of their rights to vote and have that vote counted by reason of their color, race, religion, sex, *age, handicap,* or national origin; which writing, under oath of affirmation, shall set forth the facts upon which such belief or beliefs are based;

(2) study and collect information concerning legal developments constituting *discrimination or* a denial of equal protection of the laws under the Constitution because of race, color, religion, sex, *age, handicap,* or national origin or in the administration of justice;

(3) appraise the laws and policies of the Federal Government with respect to *discrimination or* denials of equal protection of the laws under the Constitution because of race, color, religion, sex, *age, handicap,* or national origin or in the administration of justice;

(4) serve as a national clearinghouse for information in respect to *discrimination or* denials of equal protection of the laws because of race, color, religion, sex, *age, handicap,* or national origin, including but not limited to the fields of voting, education, housing, employment, the use of public facilities, and transportation, or in the administration of justice;

* * * * *

[(6)] *(b)* Nothing in this or any other Act shall be construed as authorizing the Commission, its advisory committees, or any person under its supervision or control to inquire into or investigate any membership practices or internal operations of any fraternal organization, any college or university fraternity or sorority, any private club or any religious organization.

[(b)] *(c)* The Commission shall submit interim reports to the President and to the Congress at such times as the Commission the Congress or the President shall deem desirable, and shall submit to the President and to the Congress a final report of its activities, findings, and recommendations not later than the last day of [fiscal year 1978.] *the fiscal year ending September 30, 1983.*

[(c)] *(d)* Sixty days after the submission of its final report and recommendations the Commission shall cease to exist.

(e) As used in this section, the term 'handicap' means, with respect to an individual, a circumstance that would make that individual a handicapped individual, as defined in the second sentence of section 7(6) of the Rehabilitation Act of 1973 (29 U.S.C. 706(6)).

POWERS OF THE COMMISSION

Sec. 105. (a) There shall be a full-time staff director for the Commission who shall be appointed by the President by and with the advice and consent of the Senate [and who shall receive compensation at a rate, to be fixed by the President, not in excess of $22,500 a year]. The President shall consult with the Commission before submitting the nomination of any person for appointment to the position of staff director. Within the limitations of its appropriations, the Commission may appoint such other personnel as it deems advisable, in accordance with the civil service and classification laws, and may procure services as authorized by section 3109 of title 5, United States Code, but at rates for individuals not in excess of the daily equivalent paid for positions at the maximum rate for GS–15 of the General Schedule under section 5332 of title 5, United States Code.

* * * * *

(c) The Commission may constitute such advisory committees within States [composed of citizens of that State and] *as it deems advisable but the Commission shall constitute at least one such advisory committee within each State. The Commission* may consult with governors, attorneys general, and other representatives of State and local governments, and private organizations, as it deems advisable.

(d) Members of the Commission, and members of advisory committees constituted pursuant to subsection (c) of this section, shall be exempt from the operation of [sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code, and section 190 of the Revised Statutes (5 U.S.C. (99)] *sections 203, 205, 207, 208, and 209 of title 18 of the United States Code.*

* * * * *

[Sec. 106. For the purposes of carrying out this Act, there is authorized to be appropriated for the fiscal year ending June 30, 1973, the sum of $5,500,000, and for each fiscal year thereafter through June 30, 1978, the sum of $10,480,000]

AUTHORIZATION OF APPROPRIATIONS

Sec. 106. There are authorized to be appropriated such sums as are necessary to carry out the provisions of this Act.

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COST OF LEGISLATION

CONGRESSIONAL BUDGET OFFICE,
U.S. Congress,
Washington, D.C., June 12, 1978.

Hon. BIRCH BAYH,
Chairman, Subcommittee on the Constitution, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for S. 3067, the Civil Rights Commission Act of 1978.

Should the Committee so desire, we would be pleased to provide further details on the attached cost estimate.

Sincerely,

ALICE M. RIVLIN, *Director.*

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

JUNE 12, 1978.

1. Bill number: S. 3067.

2. Bill title: Civil Rights Commission Act of 1978.

3. Bill status: As placed on the U.S. Senate Calendar, May 17, 1978.

4. Bill purpose: The bill extends the Commission on Civil Rights for an additional 5 years, authorizes the appropriation of such sums as are necessary for the Commission, and effects certain technical changes to comply with other changes in the law.

5. Cost estimate:

	Millions
Authorization level [1]:	
Fiscal year:	
1979	$13.5
1980	14.5
1981	15.5
1982	16.7
1983	18.0
Estimated costs:	
Fiscal year:	
1979	11.2
1980	14.3
1981	15.4
1982	16.5
1983	17.7

[1] Estimated; no specific sums are authorized in the bill.

The costs of this bill fall within budget function 750.

6. Basis of estimate: The authorization level and estimated costs are based on the Commission on Civil Rights request for $10.8 million for fiscal year 1979, plus $2.7 million estimated by the Commission to be required to operate under its expanded jurisdiction covering discrimination on account of age or handicap. Costs for fiscal years 1980 through 1983 are based on CBO projections of increases in Federal pay and expenses. The cost estimate is based on a 2-year spendout rate of 83 percent in the first year and 17 percent in the second year.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Thomas J. Elzey.

10. Estimate approved by: JAMES L. BLUM, *Assistant Director for Budget Analysis.*

BIRCH BAYH,
JAMES ABOUREZK,
CHARLES MCC. MATHIAS, JR.
EDWARD M. KENNEDY,
HOWARD M. METZENBAUM,
PAUL G. HATFIELD,
JOHN C. CULVER,
DENNIS DECONCINI,

FOOTNOTES

[1] See hearings before the Subcommittee on the Constitution, Committee on the Judiciary, "S. 2300, The Civil Rights Commission Act of 1978," 95th Cong., 2d sess. (hereinafter "Hearings"), p. 6.

[2] See hearings, p. 28.

[3] See hearings, p. 55.

[4] See hearings, p. 60.

[5] See hearings, p. 123.

[6] See hearings, p. 186.

[7] See hearings, p. 192.

[8] See hearings, p. 11.

[9] See "Older Americans Act of 1975," sec. 307 as amended (42 U.S.C. 6106).

[10] See "The Age Discrimination Study," U.S. Commission on Civil Rights, December 1977.

[11] See hearings, p. 11.

[12] The committee is especially concerned that the Commission be able to investigate and study age discrimination beyond the

limited scope set forth in *Massachusetts Board of Retirement* v. *Murgia*, 427 U.S. 307 (1975); also see hearings, p. 93.

[13] While the Supreme Court has suggested in *Murgia*, supra, that age is not a "suspect class" in terms of the protections guaranteed by the 14th amendment, and even that it may be justified by "compelling reasons," the Congress has latitude under sec. 5 of the 14th amendment to exceed in scope the interpretations of the Supreme Court (see *Katzenbach* v. *Morgan*, 384 U.S. 641 (1966)). It is only common sense to realize that the ability of the Congress to effectively legislate in all areas of discrimination, that is, to utilize this latitude recognized by *Morgan*, must be supported and accompanied by an on-going mechanism for collecting and analyzing relevant information; the specific job of the U.S. Commission on Civil Rights.

[14] See hearings, p. 92.

[15] See hearings, pp. 84–89.

[16] See the second sentence of 29 U.S.C. 706(6).

[17] The Commission proposed expanding its nine regional staff offices to 10 to accommodate the new 10th region, New England. The committee still believes the New England region should have a Commission staff office to work with the State committees in the area. See hearings, pp. 148–151.

[18] The committee felt the problems of these American Territories in the Caribbean were so obviously separate and different from those of the States that they warranted their own advisory committees. The District of Columbia, of course, has had an advisory committee since 1957 and is mentioned here only because it is not considered a "State" of the Union.

[19] Members of these advisory committees should be citizens of that State, as has been the practice in the past.

Mr. ROBERT C. BYRD. Mr. President, has the bill been passed?

The PRESIDING OFFICER. No, it has not.

Mr. ROBERT C. BYRD. Has it gone to third reading yet?

The PRESIDING OFFICER. It has not. The bill is open to further amendment. If there be no further amendment, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 3067

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Civil Rights Commission Act of 1978".

SEC. 2. (a) Section 103(a) of the Civil Rights Act of 1957 (42 U.S.C. 1975b(a)) is amended by striking out "section 5 of the Administrative Expenses Act of 1946, as amended (5 U.S.C. 73b–2; 60 Stat. 808)." and inserting in lieu thereof the following: "section 5703 of title 5 of the United States Code.".

(b) Section 103(b) of the Civil Rights Act of 1957 (42 U.S.C. 1975b(b)) is amended by striking out "the provisions of the Travel Expenses Act of 1949, as amended (5 U.S.C. 835–42; 63 Stat. 166)" and inserting in lieu thereof the following: "subchapter I of chapter 57 of title 5 of the United States Code".

SEC. 3. (a) Section 104 of the Civil Rights Act of 1957 (42 U.S.C. 1975c) is amended—

(1) in each of subsections (a)(1) and (a)(2), by inserting "age, handicap," after "sex,";

(2) in each of subsections (a)(3) and (a)(4), by inserting ", age, handicap," after "sex";

(3) in subsection (a)(2) by inserting "discrimination or" before "a denial";

(4) in each of subsections (a)(3) and (a)(4), by inserting "discrimination or" before "denials";

(5) by redesignating paragraph (6) of subsection (a) as subsection (b);

(6) by redesignating subsections (b) and (c) as (c) and (d), respectively; and

(7) by adding at the end the following:

"(e) As used in this section, the term 'handicap' means, with respect to an individual, a circumstance that would make that individual a handicapped individual as defined in the second sentence of section 7(6) of the Rehabilitation Act of 1973 (29 U.S.C. 706(6)).".

(b) Subsection (b) (which is redesignated as subsection (c) by this Act) of section 104 of the Civil Rights Act of 1957 (42 U.S.C. 1975c(b)) is amended by striking out "fiscal year 1978" and inserting in lieu thereof "the fiscal year ending September 30, 1981".

SEC. 4. Section 105(a) of the Civil Rights Act of 1957 (42 U.S.C. 1975d(a)) is amended by striking out "and who shall receive compensation at a rate, to be fixed by the President, not in excess of $22,500 a year".

SEC. 5. Section 105(c) of the Civil Rights Act of 1957 (42 U.S.C. 1975d(c)) is amended by striking out "composed of citizens of that State and" and inserting in lieu thereof the following: "as it deems advisable but the Commission shall constitute at least one such advisory committee within each state. The Commission".

SEC. 6. Section 105(d) of the Civil Rights Act of 1957 (42 U.S.C. 1075(d)) is amended by striking out "sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code, and section 190 of the Revised Statutes (15 U.S.C. 99)" and inserting in lieu thereof the following: "sections 203, 205, 207, 208, and 209 of title 18 of the United States Code".

SEC. 7. Section 106 of the Civil Rights Act of 1957 (42 U.S.C. 1975e) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 106. There are authorized to be appropriated such sums as are necessary to carry out the provisions of this Act during fiscal year 1979.".

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a title amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

Amend the title so to read: To extend the Commission on Civil Rights for three years to authorize appropriations for the Commission, to effect certain changes to comply with other changes in the law, and for other purposes.

The PRESIDING OFFICER. Without objection, the title amendment is agreed to.

Mr. BAYH. Mr. President, I ask unanimous consent that the Secretary of the Senate be permitted to make certain technical and clerical corrections in the engrossment of the bill and in the joint views.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. I further ask unanimous consent that the bill be ordered printed as passed by the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAYH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the following calendar order, which have been cleared on both sides of the aisle: No. 875, No. 876, and No. 881.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCRETE INDUSTRIES (MONIER), LTD.

The Senate proceeded to consider the bill (S. 1006) for the relief of Concrete Industries (Monier), Ltd., which had been reported from the Committee on the Judiciary with an amendment as follows: on page 1, line 10, strike "of" and insert "to, so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance with the opinion, findings of fact, and conclusions of the review panel of the commissioners of the United States Court of Claims in Congressional Reference Case No. 6–70, Concrete Industries (Monier), Limited against the United States, filed December 13, 1974, the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, of to Concrete Industries (Monier), Limited, the sum of $1,022,714, representing the amount to which Concrete Industries (Monier), Limited, is equitably entitled as compensation for costs incurred in performing United States Navy Contract numbered NBy 48950 awarded July 19, 1963.

SEC. 2. No part of the amount appropriated in this Act in excess of 15 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same is unlawful, any contract to the contrary notwithstanding. Violation of the provisions of this section is a misdemeanor punishable by a fine not to exceed $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DATRONICS ENGINEERS, INC.

The bill (S. 1562) for the relief of Datronics Engineers, Inc., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Review Panel of the United States Court of Claims having considered the case of Datronics Engineers, Incorporated against United States (Congressional Reference Case Numbered 8–72), and having determined that Datronics Engineers, Incorporated, has an equitable claim against the United States in the amount of $23,752, the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Datronics Engineers, Incorporated, such amount in full settlement for all claims against the United States aris-

ing in connection with the unjustified termination of such company's subcontracts for the erection of steel towers at a VLF radio facility which the prime contractor was constructing in Australia for the United States Navy.

EXTENSION OF NONDISCRIMINATORY TREATMENT WITH RESPECT TO PRODUCTS OF THE HUNGARIAN PEOPLE'S REPUBLIC

The concurrent resolution (H. Con. Res. 555) approving the extension of nondiscriminatory treatment with respect to the products of the Hungarian People's Republic, was considered and agreed to.

Mr. ROBERT C. BYRD. I ask unanimous consent that it be in order to move, en bloc, to reconsider the votes by which the three measures were passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I make that motion.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

BUDGET WAIVER RESOLUTION

Mr. ROBERT C. BYRD. Mr. President, I send to the desk, on behalf of Mr. MUSKIE, a report on a resolution. It is a budget waiver resolution having to do with the New York City matter. I ask unanimous consent that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read as follows:

A resolution (S. Res. 492) waiving Section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 12426, the New York City Loan Guarantee Act of 1978.

The resolution was considered and agreed to, as follows:

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of H.R. 12426, the New York City Loan Guarantee Act of 1978. Such waiver is necessary because the bill authorizes appropriations for fiscal year 1978 and it was not reported by May 14, 1977.

The legislation was not reported by May 15, 1977 because at that time the Federal seasonal financing program established by the New York City Seasonal Financing Act of 1975, Public Law 94–143, was in effect, there was no pending proposal for continued Federal financial assistance for New York City after the seasonal financing program ends on June 30, 1978, nor had any such aid been requested. While the city has made much progress toward fiscal stability and autonomy, the Banking Committee believes the city still has not been able to sell its securities in the public credit markets. In fact, its attempt last fall to sell a moderate amount of securities was unsuccessful. Without such market access, the Banking Committee believes the city cannot achieve its financial goals, and it must look to other sources to satisfy its critical financing needs.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNANIMOUS-CONSENT AGREEMENT—S. 2549

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, on S. 2549, a bill to authorize appropriations for the activities of the National Science Foundation, the Senate proceed to consideration of that bill at 9 a.m. in the morning and that Mr. DOLE be recognized at that time to call his amendment up; that there be 1 hour on the amendment by Mr. DOLE.

Mr. DOLE. Will the Senator yield at that point?

Mr. ROBERT C. BYRD. Yes.

Mr. DOLE. The Senator from Kansas is not certain he will offer that amendment. I might state that right now so the experts might be alerted to be available.

Mr. ROBERT C. BYRD. Very well.

I ask unanimous consent, Mr. President, that if Mr. DOLE calls up his amendment, there be a 1-hour time limitation on it; that on the amendment by Mr. HATCH, there be a 30-minute time limitation, 20 minutes under the control of Mr. HATCH, 20 minutes under the control of Mr. KENNEDY; that on the amendment by Mr. BELLMON, there be a 30-minute time limitation equally divided; and that there be a time limitation on any other amendment of 30 minutes, with 20 minutes for the proponent, 10 minutes for Mr. KENNEDY; and that the agreement continue to be in the usual form.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. SCOTT. Mr. President, reserving the right to object, I understand that the Committee on Armed Services is holding a hearing at 10 o'clock and that the Secretary of Defense and the commander of NATO will be there as witnesses. I wonder if the distinguished leader has cleared this with the ranking member and the chairman of the Armed Services Committee, Mr. STENNIS. There would be a conflict. Does the leader intend to authorize this committee to meet during the session of the Senate?

Mr. ROBERT C. BYRD. The Armed Services Committee?

Mr. SCOTT. Yes.

Mr. ROBERT C. BYRD. I would have no objection. I must ask the minority leader how he feels.

Mr. BAKER. Mr. President, I would have no objection to that. Of course, they would have the first 2 hours, which would carry them to 11 o'clock. But I would be happy to have included in the unanimous-consent request the permission for that.

Mr. SCOTT. General Haig is coming over for the meeting. It seems ill advised not to be able to hold that meeting. I have not talked to anyone about it.

Mr. BAKER. Mr. President, I think the point is well made. I hope the majority leader will amend his request to accommodate this.

Mr. ROBERT C. BYRD. I shall do that.

Mr. President, I include in the request that the Committee on Armed Services be authorized to meet during the session of the Senate tomorrow and that the time on the Hatch amendment be cut to 15 minutes to be equally divided. This is agreeable with both Mr. HATCH and Mr. KENNEDY.

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, since I was not able to listen to the entire request, because of a conversation with other Senators, do I understand now that there is a request for an hour for the distinguished Senator from Kansas?

Mr. ROBERT C. BYRD. If he calls up an amendment.

Mr. BAKER. If he calls up an amendment, to be equally divided; that there be 15 minutes for the distinguished Senator from Utah (Mr. HATCH) to be equally divided, and 30 minutes on the Bellmon amendment as well?

Mr. ROBERT C. BYRD. Yes. And that on any other amendment, there be a 30-minute limitation, with 20 minutes, I believe, Mr. KENNEDY said, to the offerer of the amendment, 10 minutes to Mr. KENNEDY; and that upon any debatable motion, appeal or point of order, if such be submitted, there be 20 minutes equally divided and that it be in the usual form.

Mr. BAKER. If the majority leader will yield to me further, a request was included to permit the Armed Services Committee to meet during the session of the Senate tomorrow.

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Was a request made on behalf of the subcommittee of the distinguished Senator from Massachusetts?

Mr. ROBERT C. BYRD. I shall include that, that the Antitrust Subcommittee of the Committee on the Judiciary be authorized to meet between the hours of 11 a.m. and 1 p.m. tomorrow.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, I have no objection. I thank the majority leader.

Mr. ROBERT C. BYRD. I thank the minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 8:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 8:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL ORDERS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that immediately after the prayer on tomorrow Mr. STEVENS be recognized—I believe that order is already entered?

The PRESIDING OFFICER. Mr.

STEVENS is now ordered for 10 minutes to follow the leaders.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, that the leaders' time be vacated tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following Mr. STEVENS tomorrow Mr. BENTSEN be recognized for not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS ON TOMORROW AND CONSIDERATION OF S. 2549

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the remainder of the time between that moment and the hour of 9 a.m. be utilized for routine morning business, with Senators allowed to speak up to 2 minutes therein, and that at 9 a.m. the Senate proceed then to the consideration of the National Science Foundation authorization.

RECESS UNTIL 8:30 A.M. TOMORROW

Mr. RANDOLPH. Mr. President, I move, in accordance with the previous order, that the Senate stand in recess until 8:30 a.m. tomorrow.

The motion was agreed to; and at 7:55 p.m. the Senate recessed until tomorrow, Wednesday, June 28, 1978, at 8:30 a.m.

NOMINATIONS

Executive nominations received by the Senate June 27, 1978:

DEPARTMENT OF STATE

Mary S. Olmsted, of Tennessee, a Foreign Service officer of class 1, now Ambassador Extraordinary and Plenipotentiary of the United States of America to Papua New Guinea, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to Solomon Islands.

IN THE AIR FORCE

Lt. Gen. John P. Flynn, U.S. Air Force, (age 55), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

Lt. Gen. Lee M. Paschall, U.S. Air Force, (age 55), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

Col. William A. Orth, [redacted], U.S. Air Force, for appointment as Dean of the Faculty of the U.S. Air Force Academy under the provisions of title 10, United States Code, sections 9333 and 9335.

SENATE—*Wednesday, June 28, 1978*

(Legislative day of Wednesday, May 17, 1978)

The Senate met at 8:30 a.m., on the expiration of the recess, and was called to order by Hon. QUENTIN N. BURDICK, a Senator from the State of North Dakota.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God of Creation, who at the beginning said, "Let there be light, and there was light," shine upon our pathway the light of Thy truth that we may be kept from falling into falsehood.

O God of Redemption who said, "Thy sins be forgiven thee, go thou and sin no more," help us to accept Thy pardoning grace which purifies the soul and sets us free.

O God of the Resurrection who said, "Blessed are they that have not seen, and yet have believed," give us wisdom to walk by faith when we cannot walk by sight.

O God of this world and the world beyond, help us to hear Thee say now and always, "Peace be unto you."

Hear this our prayer for all in the service of their country, through Jesus Christ our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 28, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable QUENTIN N. BURDICK, a Senator from the State of North Dakota, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. BURDICK thereupon assumed the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SPECIAL ORDER

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Alaska (Mr. STEVENS) is recognized for not to exceed 10 minutes.

DO AMERICANS REALLY WANT WILDERNESS DESIGNATION IN ALASKA?

Mr. STEVENS. Mr. President, speaking again on the basic issue affecting my State, I would like to discuss this morning the question of whether the American people really want wilderness designation in Alaska.

One of the basic tenets of the House-passed bill, H.R. 39, dealing with the d–2 legislation, is that it is supposed to deal with the desire of the American people to preserve land for future enjoyment. Unfortunately, we do not believe that the House-passed bill would fulfill that basic tenet because Government-imposed wilderness designation on vast areas of public land in Alaska will deny the American people, particularly those of future generations, their opportunity to live a pioneer lifestyle free from restraint.

If wilderness designation is placed into the d–2 legislation—and it should not be there at all—we will be locking away forever the pioneer impulses that have brought many people to Alaska, their human instinct to be wholly free, independent, self-reliant and at peace with nature.

The d–2 provision was placed in 17d–2 of the Alaskan Native Land Claims Settlement Act in order to make certain that, prior to the satisfaction of the lands conferred to the Alaskan Native people under the Alaskan Native Land Claims Settlement Act and the lands provided to Alaska in its statehood legislation, it would not take away from Federal ownership lands that were of overwhelming national significance and should become, therefore, national parks wildlife refuges, wild and scenic rivers, or national forests.

We in Alaska believe that it is possible to have a solution to this 17d–2 problem if those involved will keep the parameters of that original understanding embodied in section 17d–2 of the Alaskan Native Land Claims Settlement Act completely in mind as we attempt to resolve the issue.

We were moved when we read John McPhee's new book, "Coming Into the Country," because I think America recognizes John McPhee as being a leading environmentalist and one of the outstanding writers of our time.

He was able to discern, understand, and appreciate the Alaskan lifestyle as no living American writer has. He found young Americans from all over the country who had come into the de facto wilderness of Alaska and were living in pioneer life.

The real question facing us in considering the legislation pertaining to section 17d–2 is not whether Alaskan lands should be preserved, but how our lands can be used in a manner that will protect them.

The recent Lou Harris survey, which

I have commented upon before in the Senate, indicated the support of people all over the country for use of lands in protected areas. Seventy-eight percent, for instance, said that parks should be open to normal access, including surface transportation, when they are created in Alaska. Only 5 percent mentioned small aircraft and 2 percent mentioned boats as the means they felt they should use for transportation to reach Alaska's national parks. That seemed strange to us because the principal means of access to almost every one of the areas that has been set aside for protection so far in Alaska is by air or boat.

When we talk about wilderness, though, we are talking about extreme constraints as defined under Federal law. We are interested in the Lou Harris poll that indicated that 76 percent of the American people interviewed said that wilderness should be limited to areas with the highest scenic values, and areas that were not of that category should not be designated as wilderness at all.

To Alaskans, this showed that Americans believed wilderness has a value, per se, and it is not one that is brought about solely by statutory creation, by an act of Congress.

We have seen commercials and television shows of people in the woods who described their weekend in the mountains as a wilderness experience. I have heard people talk about the drive along the Shenandoah Parkway as being a wilderness experience. Unfortunately, many people think that that is so. But from a statutory point of view, being in a cabin in the woods and being able to drive along the Shenandoah Parkway has nothing to do with wilderness because a cabin is not permitted in wilderness and neither is a parkway.

Most people think of wilderness as being able to get away from it all, to be in an area where they can be apart from modern society and development. But it is a mistake to equate wilderness in the sense of that experience with the wilderness that some people are trying to create in Alaska, because the wilderness that H.R. 39 would create for Alaska would have no roads, no visitor centers, no cabins, no normal sanitary facilities, no airstrips, no boat docks, no stores for camping provisions, no trail markers—nothing.

The statutory definition of wilderness is, according to the act, "the natural community of life, untrammeled by man, who visits but does not remain—an area retaining its primeval character and influence without permanent improvement or human habitation."

That very strict definition of wilderness will do terrible damage to Alaska's future if it is applied in wholesale fashion as proposed by H.R. 39. It will not provide recreational opportunity for the bulk of the American people. The Alaska wilderness, in a state of de facto wilderness, is inaccessible and unaffordable to the majority of American people.

The area covered by H.R. 39 is an area as large as all of New England, New York, New Jersey, and then some. It is currently inhabited by a very unique type of human being, both the native Alaskans and those who have come to the country, as John McPhee said, who have the spirit and the strength to endure a very harsh environment in a community where the nearest neighbor may have a cabin a quarter of a million acres away.

The idea that is involved in the H.R. 39 concept of creating millions and millions of acres of wilderness and thereby denying man access to that wilderness in terms of habitation, cabins, stores, access such as roads, highways, or docks—is one that will give him less protection in the Alaska wilderness than the snail darter has in the South. Man will be the endangered species in Alaska.

Mr. President, in closing, I urge again every Member of the Senate to read John McPhee's book, "Coming Into the Country." I believe it will help them to understand the reasons why we Alaskans feel so strongly about preserving our Alaska lifestyle.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Texas is recognized for not to exceed 10 minutes.

DÉTENTE IN JEOPARDY

Mr. BENTSEN. Mr. President, during the period May 31 to June 2, I traveled to Geneva as a Senate adviser to the strategic arms limitation talks. I was briefed by the U.S. SALT delegation, participated in some working sessions of the talks, and had several opportunities to meet and exchange ideas with Soviet officials in the negotiations.

My presence in Geneva, Mr. President, coincided with the crisis in Zaire occasioned by the Soviet-Cuban intervention in that country; with the NATO ministerial meeting that took a stern view of Soviet attitudes and actions; and with the debate in this country over whether or not we remain prepared to conclude a strategic arms limitation agreement with a negotiating partner of dubious credibility.

During discussions with my Soviet counterparts in Geneva, I referred to the fact that the American public is becoming increasingly disillusioned with Soviet actions in Africa and in the field of human rights. I said the American public is less inclined today than at any time in the past decade to trust or honor ultimate Soviet intentions. I said this could have an adverse impact on the prospects for any SALT II agreement.

The Soviet response was interesting, Mr. President. The Soviet delegate suggested to me that it was a shame national policies toward issues as important as SALT should be influenced by the views of the uninformed public.

This one comment told me more than any briefing I received about the problems and opportunities inherent in the SALT talks. It explains, better than any briefing could, why we have reached the current impasse in disarmament negotiations and why—in my opinion—the Senate is not now prepared to ratify a strategic arms limitation agreement with the Soviet Union.

We can debate, Mr. President—and we shall debate—whether or not "linkage" should be a factor in SALT. A strong case can be made for the thesis that a SALT agreement that is verifiable and serves our national interests should be judged on its merits, quite apart from Soviet actions and intentions in other areas. We have, after all, made some modest progress with the Soviets on arms control during a decade that included both Vietnam and Soviet invasion in Czechoslovakia. In an ideal world, we should be able to isolate arms control, protect our interests through symmetrical and verifiable agreements, and deal independently with the Soviets in other areas of the world. It can be argued that arms control, as the single issue most vital to the future of this planet, deserves separate and considered treatment.

The problem, however, is that in the mind of the American public, linkage does exist and it will continue to exist. Soviet adventurism in Africa and Soviet lack of regard of basic human rights have poisoned the well of cooperative endeavor even in a noble undertaking such as arms limitation. There is a strong and understandable feeling in this country that we would be foolish indeed to mortgage our future security to an adversary bent on confrontation with our vital national interests.

That is the reality, and in our system of government it is reflected in the Congress. To the extent that the Soviet Union disregards or professes ignorance of this basic fact of life in our country, the prospects for a SALT II agreement are diminished accordingly. Our negotiators in Geneva could conclude a sound SALT II agreement tomorrow, one that would merit approval by the Senate. But the Senate would not approve it at this time, Mr. President, because the American people have lost faith in our negotiating partner; because the people know there is no such thing as a good agreement with an untrustworthy adversary.

I do not intend to belabor the Senate with an attempted definition of détente. The concept is indefinable, but we all know what it means—or meant. It meant a step back from the cold war policy of confrontation and containment. It suggested a new mutual willingness on the part of adversaries to research out areas for cooperation; to reduce gradually but steadily the tensions that could lead to nuclear warfare.

To a certain extent, détente was the child of the Cuban missile crisis—a period that brought the world to the brink of destruction.

In the spirit of détente we were able to conclude a test ban treaty with the Soviet Union in 1963. We were able to temper the arms race with the notion of arms control. We were able to conclude a Nuclear Nonproliferation Treaty in 1968 and a SALT I agreement in 1972. Relaxation of tensions in Berlin, freer commerce between the Soviet Union and the United States, the seabed arms control agreement, and the prohibition on the development of biological weapons were some of the other gains registered during an era of détente.

Mr. President, today détente—and the hope it held out for all the people of the world—is in jeopardy. Through the calculated maneuver of its Cuban pawns in

Africa, the Soviets have actively sought confrontation rather than conciliation. Basket Three of the Helsinki accords has been honored in the breach. The staggering buildup of the Warsaw Pact is both worrisome and inconsistent with the precepts of détente. There has been no reciprocation for unilateral acts of restraint on our part, such as deferral of the development of the neutron bomb and the decision not to produce the B–1 bomber.

And finally, Mr. President, there is a nagging feeling—and substantial evidence to support that feeling—that our "partner in détente" has taken us for a ride; that the Soviet Union has used détente as a smokescreen for an awesome expansion of their strategic and conventional arsenals. There can be little question that the Soviet Union is stronger today, vis-a-vis the United States, than it was 10 or 5 years ago. How long can this trend continue before a parity of power with the Soviet Union becomes a substantial and possibly irreversible Soviet advantage?

One thing is apparent, Mr. President. We have reached the stage in our strategic relationship with the Soviet Union where we can no longer afford sloppy negotiating or unilateral assurances. Consider, for example, the Soviet attitude toward article II of the SALT I accord in which the parties agreed not to convert launchers for light ICBM's into land-based launchers for heavy ICBM's. A noble concept, Mr. President, but we were never able to agree with the Soviets on the definition of a heavy missile, so our Government placed its own interpretation on the agreement and hoped for the best, tried to carry out the spirit of the contract. This unilateral interpretation did not deter the Soviets from deploying the SS–19 missile in replacement of the SS–11. By this act the Soviets replaced a light missile with a heavy missile.

Now the Soviets did not just stumble upon the SS–19; it takes about 8 years leadtime to develop such a weapon. They were developing it, thinking about its deployment at the very time they were refusing to agree with us on the definition of a heavy missile. Through a combination of our own sloppy negotiating tactics and Soviet duplicity, the U.S.S.R. was able to wrest a clear strategic advantage from SALT I.

It is clear the Russians will not feel limited to the "spirit" of a treaty. They will test every agreement to the outside limits of the covenant by strained interpretations of what they are permitted to build in weaponry.

As we approach a parity of power, we can no longer afford to absorb setbacks of this nature. The element of trust in any SALT II accord must be reduced to an absolute minimum; we must rely increasingly on carefully negotiated language and maximum verification.

Verification, like linkage, is a facet of SALT well understood and appreciated by the American public. If we were to assume the impossible—a perfectly verifiable treaty—the issues of ultimate Soviet intentions and linkage would lose much of their relevancy. The Soviets could cheat in Africa; they could cheat on human rights, and we could respond accordingly. But they could not cheat on SALT, because we could detect such cheating. Having designed an impenetrable vault, we could dare to hire Willie Sutton as a bank guard.

The fact of the matter, however, is that there is no such thing as perfect verification. We speak, instead, in terms of "adequate verification" and rightfully demand a treaty that contains no area of nonverifiability that could jeopardize our interests.

Still, Mr. President, there will always be that gray area, that area of doubt where cheating remains a possibility. The Soviets—or the United States for that matter—could build a cruise missile with a 6,000-mile range in violation of the treaty, test it at only 2,500 miles as they would a car, and be relatively certain that it would work the rest of the way.

In an atmosphere of understanding, this gray area could perhaps be accepted or balanced by a mutual determination to make the agreement work. However, in an era of distrust, of constant probing and seeking strategic advantage, I doubt very much if the American people or their representatives in the U.S. Senate are prepared to take much SALT on faith. And they would be foolish to do so.

The Soviets, of course, could help with the problem of verification by demonstrating a renewed commitment to the spirit of détente, by reinforcing the environment essential to any meaningful arms limitation agreement. They could also increase public and congressional receptivity to SALT II by responding to President Carter's unilateral initiatives in the field of arms control.

I strongly opposed the decision to cease production of the B–1 bomber and to defer deployment of the neutron bomb without a quid pro quo from the Russians. I would have been receptive to these decisions if the Soviets had reciprocated; if they had demonstrated comparable restraint. The Soviet attitude, however, has been to take whatever we are willing to give them, and offer nothing comparable in return, a position that hardly contributes to the atmosphere for successful negotiations on issues of vital concern.

Mr. President, I doubt if there is a Member of the U.S. Senate who would oppose a SALT II agreement with the Soviet Union providing two conditions are met. First, any such agreement must protect our national security interests. It must not provide or allow for Soviet strategic superiority. Second, we must be confident that we are dealing, in good faith, with a reliable negotiating partner sincerely committed to the concept of arms limitations. Any suspicion that the Soviets intend to use SALT II as a lever to pry superiority from us will doom the treaty once and for all.

Mr. President, there is a possibility that our negotiators will produce later this year a good, sound, and adequately verifiable SALT II treaty. Important outstanding issues remain to be resolved, but the potential for resolution exists.

A bad SALT treaty, one that does not adequately protect our national interests, will fail in the Senate on its lack of merit. We will not have to be concerned about linkage or Soviet actions elsewhere in the world.

A good treaty, however, could also fail in this body, not on its merits, but because we simply do not feel that we can enter an agreement of such evident significance with a nation we cannot trust; with a nation that speaks of accord while seeking out confrontation.

The distinguished majority leader has recently stated that the Senate will not be considering a SALT II treaty this year, and that is all to the good. We do not have the time to give the treaty the consideration it so clearly merits. And given the current status of our relations with the Soviet Union, any SALT treaty sent to the Senate at this time would almost certainly be rejected.

I hope the administration will move ahead to negotiate and conclude the best possible SALT II agreement with the Soviet Union. A mutually acceptable agreement is of transcendent importance to all nations, and negotiations should not be broken off or stalled. Let us get the best terms available and begin to study them.

Sometime next year the Senate will be called upon to pass judgment on the treaty. Assuming that the terms are sound, the fate of SALT II will depend in a large measure upon the attitude demonstrated over the next several months by our negotiating partner. The Soviet Union must be aware, the administration must be aware—as we and the American people are aware—that linkage exists, like it or not. When we are negotiating prospects for our future, the people will insist, and we shall insist, on an honorable and credible negotiating partner.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to extend beyond the hour of 9 o'clock a.m., with statements therein limited to 2 minutes.

(Routine morning business transacted and additional statements submitted will be printed later in today's RECORD.)

OUR COMMITMENT TO THE HUMAN RIGHTS CONVENTIONS

Mr. PROXMIRE. Mr. President, the reputation—the good name of a country that takes a stand and then fails to follow through on it cannot help but suffer. As a result of this Nation's failure to ratify the Genocide Convention, the integrity of the United States has been called into question.

When the states of the world gathered to draw up the Charter of the United Nations, it was the United States that insisted on seven specific references to human rights and fundamental freedoms. The Senate ratified the Charter of the United Nations by a near unanimous vote, and the United States went on record as committed to uphold and protect human rights.

In keeping with the aims set forward

in the charter, the U.N. later drafted conventions to make human rights a part of international law. President Truman signed these conventions and presented them to the Senate, confident that the body which had so unequivocally affirmed human rights would carry through on its commitment.

President Truman's confidence was not well placed. The Senate has not ratified any of the major conventions in the 29 years since the first was introduced.

Among the 18 U.N. conventions on human rights, the Genocide Convention ranks as one of the most important. There is no crime more opposed to human rights, no crime more inhumane, than the crime of genocide.

Mr. President, human rights have once again assumed a place of importance in our foreign policy. Once again we have a leader who is not reluctant to speak out in their defense. But the nations of the world will not trust our commitment to human rights unless we act on that commitment. The Senate has taken up the Genocide Convention four times, and each time it has not been ratified. Mr. President, I urge that we again take up the Genocide Convention. The failure of the Senate to ratify the Genocide Convention is irreconcilable with the commitment this country has made to protect and advance human rights.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The Clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that my staff member, Ginny Eby, be granted privilege of the floor.

The PRESIDING OFFICER (Mr. HODGES). Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I ask unanimous consent that during the consideration of S. 2549, Anne Strauss, Robert Wenger, and Jan Kalicky, of my staff, have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I make the same request for Barry Leshowitz and Sheila Burke, of my staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

NATIONAL SCIENCE FOUNDATION AUTHORIZATION ACT, 1979 AND 1980

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 2549, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 2549) to authorize appropriations for the activities of the National Science Foundation, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Human Resources with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "National Science Foundation Authorization Act for Fiscal Years 1979 and 1980".

SEC. 2. (a) There is authorized to be appropriated to the National Science Foundation $950,600,000 for the fiscal year 1979 and $1,076,870 for the fiscal year 1980.

(b) Funds authorized for the fiscal year 1979 shall be available for the following categories:

(1) Mathematical and Physical Sciences and Engineering, $268,300,000.

(2) Astronomical, Atmospheric, Earth and Ocean Sciences, $227,300,000.

(3) United States Antarctic Program, $50,700,000.

(4) Biological, Behavioral, and Social Sciences, $158,000,000.

(5) Science Education Programs, $89,700,000.

(6) Applied Science and Research Applications, $77,500,000, of which not less than 15 per centum shall be expended to small business concerns, and of which $2,000,000 is available for a "Handicapped Research Program".

(7) Scientific, Technological, and International Affairs, $24,300,000.

(8) Program Development and Management, $54,800,000.

(c) Funds authorized for the fiscal year 1980 shall be available for the following categories:

(1) Mathematical and Physical Sciences and Engineering, $303,960,000.

(2) Astronomical, Atmospheric, Earth and Ocean Sciences, $257,510,000.

(3) United States Antarctic Program, $57,430,000.

(4) Biological, Behavioral, and Social Sciences, $179,000,000.

(5) Science Education Programs, $101,610,000.

(6) Applied Science and Research Applications, $87,770,000, of which not less than 15 per centum shall be expended to small business concerns, and of which $2,260,000 is available for a "Handicapped Research Program".

(7) Scientific, Technological, and International Affairs, $27,520,000.

(8) Program Development and Management, $62,070,000.

SEC. 3. In addition to such sums as are authorized by section 2, not to exceed $6,000,000 each in fiscal year 1979 and fiscal year 1980 is authorized to be appropriated for expenses of the National Science Foundation incurred outside the United States to be paid for in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States.

SEC. 4. Appropriations made pursuant to this Act may be used, but not to exceed $5,000 each in fiscal year 1979 and fiscal year 1980 for official consultation, representation, or other extraordinary expenses upon the approval or authority of the Director of the National Service Foundation, and his determination shall be final and conclusive upon the accounting officer of the Government.

SEC. 5. Appropriations made pursuant to this Act shall remain available for obligation, for expenditure, or for obligation and expenditure, for such period or periods as may be specified in Acts making such appropriations.

SEC. 6. No funds may be transferred from any particular category listed in section 2 for any fiscal year to any other category or categories listed in such section for that year if the total of the funds so transferred from that particular category would exceed 10 per centum thereof, and no funds may be transferred to any particular category listed in section 2 for any fiscal year from any other category or categories listed in such section for that year if the total of the funds so transferred to that particular category would exceed 10 per centum thereof, unless—

(1) a period of thirty legislative days has passed after the Director of the National Science Foundation or his designee has transmitted to the Speaker of the House of Representatives and to the President of the Senate and to the Committee on Science and Technology of the House of Representatives and to the Committee on Human Resources of the Senate a written report containing a full and complete statement concerning the nature of the transfer and the reason therefor, or

(2) each such committee before the expiration of such period has transmitted to the Director, written notice to the effect that such committee has no objection to the proposed action.

SEC. 7. Notwithstanding any other provision of this or any other Act, the Director of the National Science Foundation shall keep the Committee on Science and Technology of the House of Representatives and the Committee on Human Resources of the Senate fully and currently informed with respect to all of the activities of the National Science Foundation.

SEC. 8. (a) The Director of the National Science Foundation, in consultation with the Director of the Office of Science and Technology Policy, the Secretary of Energy, the Administrator of the National Aeronautics and Space Administration, and technical experts in public agencies, private organizations, and academic institutions, is authorized to determine the need to provide support under this Act for a study of the feasibility of transmitting solar energy to Earth by using orbital structures manufactured from lunar or asteroidal materials, and the impact of such a feasibility study, if any, on existing National Science Foundation programs.

(b)(1) If the Foundation determines that such a feasibility study is necessary, the Foundation is authorized to conduct such a study directly or by grants or contracts with public agencies, private organizations or academic institutions.

(2) At the conclusion of any such study the Foundation shall prepare and submit to the President and to the Congress a report of the study, together with such recommendations as the Foundation deems appropriate.

(3) There are authorized to be appropriated $500,000 for the fiscal year 1979, and $500,000 for the fiscal year 1980 to carry out the provisions of this subsection.

The PRESIDING OFFICER. Time on this bill is limited to 2 hours, to be equally divided between and controlled by the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Pennsylvania (Mr. SCHWEICKER), with 30 minutes on any amendment, except one by Senator DOLE, on which there shall be 1 hour; one by Senator BELLMON, on which there shall be 30 minutes; and one by Senator HATCH, on which there shall be 15 minutes, to be divided and controlled with 20 minutes to the proponent and 10 minutes to Senator KENNEDY, with 20 minutes on any debatable motion, appeal, or point of order.

AMENDMENT NO. 3087

Mr. KENNEDY. Mr. President, I call up my amendment in the nature of a substitute to S. 2549.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY), for himself and Mr. SCHWEICKER, Mr. CHAFEE, Mr. HATCH, Mr. HAYAKAWA, Mr. RANDOLPH, Mr. HATHAWAY, Mr. PELL, Mr. RIEGLE, and Mr. WILLIAMS, proposes an amendment in the nature of a substitute, numbered 3087.

The amendment is as follows:

In the nature of a substitute: Strike out line 3, page 4 and all that follows, and insert in lieu thereof the following:

That this Act may be cited as the "National Science Foundation Authorization Act for Fiscal Year 1979".

SEC. 2. (a) There is authorized to be appropriated to the National Science Foundation $934,400,000 for the fiscal year 1979.

(b) Funds authorized for the fiscal year 1979 shall be available for the following categories:

(1) Mathematical and Physical Sciences and Engineering, $266,300,000.

(2) Astronomical, Atmospheric, Earth and Ocean Sciences, $225,300,000.

(3) United States Antarctic Program, $48,500,000.

(4) Biological, Behavioral, and Social Sciences, $156,000,000.

(5) Science Education Programs, $87,700,000.

(6) Applied Science and Research Applications, $73,500,000, of which not less than 15 per centum shall be expended to small business concerns, and of which $2,000,000 is available for a "Handicapped Research Program".

(7) Scientific, Technological, and International Affairs, $22,300,000.

(8) Program Development and Management, $51,800,000.

SEC. 3. In addition to such sums as are authorized by section 2, not to exceed $3,000,000 is authorized to be appropriated for expenses of the National Science Foundation incurred outside the United States to be paid for in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States.

SEC. 4. Appropriations made pursuant to this Act may be used, but not to exceed $5,000 in fiscal year 1979 for official consultation, representation, or other extraordinary expenses upon the approval or authority of the Director of the National Science Foundation, and his determination shall be final and conclusive upon the accounting officers of the Government.

SEC. 5. Appropriations made pursuant to this Act shall remain available for obligation, for expenditure, or for obligation and expenditure, for such period or periods as may be specified in Acts making such appropriations.

SEC. 6. No funds may be transferred from any particular category listed in section 2 for any fiscal year to any other category or categories listed in such section for that year if the total of the funds so transferred from that particular category would exceed 10 per centum thereof, and no funds may be transferred to any particular category listed in section 2 for any fiscal year from any other category or categories listed in such section for that year if the total of the funds so transferred to that particular category would exceed 10 per centum thereof, unless—

(1) a period of thirty legislative days has passed after the Director of the National Science Foundation or his designee has transmitted to the Speaker of the House of Representatives and to the President of the Senate and to the Committee on Science and Technology of the House of Representatives and to the Committee on Human Resources of the Senate a written report containing a full and complete statement concerning the nature of the transfer and the reason therefor, or

(2) each such committee before the expiration of such period has transmitted to the Director, written notice to the effect that such committee has no objection to the proposed action.

SEC. 7. Nothwithstanding any other provision of this or any other Act, the Director of the National Science Foundation shall keep the Committee on Science and Technology of the House of Representatives and the Committee on Human Resources of the Senate fully and currently informed with respect to all of the activities of the National Science Foundation.

SEC. 8. (a) The Director of the National Science Foundation, in consultation with the Director of the Office of Science and Technology Policy, the Secretary of Energy, the Administrator of the National Aeronautics and Space Administration, and technical experts in public agencies, private organizations, and academic institutions, is authorized to determine the need to provide support under this Act for a study of the feasibility of transmitting solar energy to Earth by using orbital structures manufactured from lunar or asteroidal materials, and the impact of such a feasibility study, if any, on existing National Science Foundation programs.

(b)(1) If the Foundation determines that such a feasibility study is necessary, the Foundation is authorized to conduct such a study directly or by grants or contracts with public agencies, private organizations, or academic institutions.

(2) At the conclusion of any such study the Foundation shall prepare and submit to the President and to the Congress a report of the study, together with such recommendations as the Foundation deems appropriate.

(3) There are authorized to be appropriated $500,000 for the fiscal year 1979, to carry out the provisions of this subsection.

Mr. KENNEDY. Mr. President, Senators SCHWEIKER, CHAFEE, HATCH, HAYAKAWA, RANDOLPH, HATHAWAY, PELL, RIEGLE, and WILLIAMS have joined me in cosponsoring this substitute. Its provisions reflect an agreement reached between Members on both sides of the aisle with regard to funding and policy initiatives for the National Science Foundation for fiscal year 1979.

The substitute will permit real growth in the NSF's budget of 3.4 percent, with an authorization of $934.4 million for fiscal year 1979.

Mr. President, the substitute will provide the resources which are needed to maintain basic research, to strengthen science education, and to maintain particularly promising applied research in areas of national need.

Mr. President, there are some high priority areas identified in the substitute which I would like to call to the attention of my colleagues:

The substitute provides important and necessary increases in basic research. Basic research totals 80 percent of the Foundation's budget and the substitute provides for real growth. Over the last 10 years there has been virtually no real growth in total Federal support for basic research and the funding provided in the substitute will help to reverse this trend. These funds are particularly important to the Nation's colleges and universities.

Also, for the first time, the NSF's basic research program will be actively encouraging joint proposals from academic and industrial researchers. This is an important recognition of the need to assure that the expertise of scientists in industry is applied to our Nation's basic research effort. It is a new emphasis for the Foundation, and one which could contribute substantially to the advancement of science.

With regard to science education, I point out that the substitute includes some important, but modest, increases in the funding requested by the administration. These increases bring funding for science education to a level which more accurately reflects the results of the administration's zero-based budgeting review. Furthermore, these increases are carefully targeted on those programs where the need is the greatest.

The programs increased by the substitute are: Those which focus on minorities, women and the handicapped; those which provide scientific and technical support for citizen groups; those which provide funding for programs to examine the ethical and value implications of science and technology; and those which assist high school and college students in getting firsthand experience in scientific research projects.

In the applied research area we have provided increases over the President's budget in just two areas: Support for small businesses and support for State and local governments. The authorization included in the substitute will assure continuation of the Foundation's successful small business innovation program and sets aside 15 percent of available funding for small businesses. It also provides continuing support for the State science engineering and technology program which has been so effective in assisting State and local governments in applying science and technology to the needs of their citizens.

Mr. President, this legislation not only maintains the NSF's major programs in basic research but provides the resources needed to strengthen science education and to maintain particularly promising applied research in areas of national need. I urge my colleagues to vote for the substitute so that we can go to conference in a strong position to win support for the Senate position.

Mr. President, I ask unanimous consent to have printed in the RECORD a table showing funding highlights of the substitute amendment and for programs targeted for special emphasis.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Funding is allocated as follows:

Mathematical and physical sciences and engineering	$266,300,000
Astronomical, atmospheric, Earth, and ocean sciences	225,300,000
U.S. Antarctic program	48,500,000
Biological, behavioral, and social sciences	156,000,000
Science education programs	87,700,000
Applied science and research applications	73,500,000
Scientific, technological, and international affairs	22,300,000
Program development and management	51,800,000
Special foreign currency program	3,000,000
Totals	934,400,000

Within the above allocations, the following programs are receiving special emphasis:

	Million
Resource centers for science and engineering	$4.8
Educational opportunities for women in science	4.0
Undergraduate research participation and student originated studies	3.1
Research to assist the handicapped (including mentally retarded)	2.0
Ethics programs	1.8
Science for citizens	2.7
Small business innovation grants	4.0
State science, engineering, and technology	5.0

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. I yield such time as the Senator from California desires.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. HAYAKAWA. I thank the Senator from Massachusetts.

Mr. President, I wish to express to the Senate my pleasure at the decision reached regarding S. 2549. I am most concerned about the levels of spending for the National Science Foundation, and am gratified that the chairman of the Subcommittee on Health and Scientific Research, the distinguished Senator KENNEDY, has agreed to accept the 1-year level of funding as had been indicated in Senator HATCH's and my amendment to S. 2549. I hope that the majority of my colleagues are equally concerned and will join me in cosponsoring Senator KENNEDY's amendment to the National Science Foundation reauthorization bill, S. 2549.

I hope the kind of fiscal responsibility as is proposed in this amendment will be a first step toward a consistent pattern of restraint on the part of Congress. I urge my colleagues to join me in support of this amendment.

Mr. President, the Senate Human Resources Committee recently reported out the National Science Foundation authorization for fiscal years 1979 and 1980. The Senate bill asks for a total funding of $957.1 million for fiscal year 1979 and $1.083 billion for fiscal year 1980.

The amendment Senator HATCH has proposed, and of which I am an original cosponsor, strikes the amounts in the 2-year Senate authorization bill (S. 2549) and replaces them with the 1-year funding levels passed by the House of Representatives in H.R. 11400. The total amount approved by the House Committee on Science and Technology and approved by the full House of Representatives is $934.4 million, which is a handsome figure, allowing for an 8-percent increase over the present 1978 National Science Foundation program. However, I believe that the $934.4 million figure approved by the House is a comfortable figure.

An important point to make is that the National Science Foundation itself has asked for $940.9 million. This is $16.2 million under the figure the Senate authorized for it. If the National Science Foundation itself has asked for $940.9 million, then I think we should abide by their wishes. This is not to say that I believe that $940.9 million is a reasonable figure; I have reservations about distributing this kind of money without blinking an eye. It is even worse to try to "get down to" the figure of $940.9 million. The National Science Foundation has asked for a certain dollar amount; if they do not know how much money they need, then who are we to tell them?

The Jarvis-Gann initiative recently passed by the citizens of California has received widespread attention. I think this, more clearly than anything I could say, is indicative not only of California, but of all the States' concerns with rising taxes. I cannot, in good conscience, ignore the pleas of my fellow Californians by voting for more unnecessary spending. I am here to represent their views, and must respect their wishes to the greatest extent possible. I think that we should all assess the importance of authorizing $16.2 million more than the receiving agency itself has requested.

As stated in the Senate Human Resources Committee report of May 15—

The National Science Foundation's principal missions are to advance U.S. science and strengthen science education at all academic levels. National Science Foundation sponsors basic research in all fields of science, and applied research in areas where there is particular potential to improve technology and economic growth.

I do not, with this amendment, take issue with the good intentions of the National Science Foundation. I believe the Foundation takes its responsibilities very seriously in attempting to sponsor scientific research, promoting improvements in science education, and encouraging scientific information exchanges. What I do object to is blindly authorizing more money than the National Science Foundation itself has asked for. This is irresponsible. Nor do I, by supporting this amendment, refute the importance of scientific progress. What I do espouse through this amendment is direct responsibility to our constituents. How can we support excessive spending like this, then turn right around to our constituents and talk about taxpayers' rights, and our conscientious efforts to hold down taxes? Every time we agree to authorize money for a program, we also agree that our constituents are willing to foot the bill.

It appears to me that the general opinion of most of our constituents is that they want unnecessary Federal spending stopped. But we in the Congress continue to violate our promises to citizens to cut taxes and eliminate the reckless spending habits of previous Congresses. How can we continue to ask for more and more money, while at the same time tell the people back in our respective home States that we sympathize with their problems in coping with inflation? Granted, we cannot be held responsible for every increase in living costs, but for those things for which we can be held accountable, I think we should exercise strong restraint. If we in Congress had to pay $1 out of our own pockets for every time we ask $1 million in legislation, I think we would not be so free-handed and benevolent with taxpayers' dollars.

Please allow me to repeat myself—the duties of the National Science Foundation are well intentioned, but if the functions of this program can be performed for $934.4 million rather than for $957.1 million, then let it be done for the lesser figure. I would like to know what the additional $17 million will provide to the American people? Is it just extra money for additional grant projects? Can we be sure that these projects are really necessary, or are they projects that we could do without?

I believe the most responsive, sensitive thing we in Congress can do is to cut down on those programs that the general public knows little about, and can do without. As effective as the results of NSF studies may be, the majority of Americans have little need for or interest in a $62,300 study of homosexual seagulls.

I am also concerned about the present administration of Federal grants and contracts throughout the Government, and this concern extends to the NSF grant program.

Both the HEW Audit Agency and congressional oversight have noted problems with NSF's internal monitoring and follow-through procedures. This was discussed during the Senate Budget Committee's markup of the first concurrent resolution in April of this year. NSF audit procedures were discussed and questioned, because NSF does no audits on its program. Thus, a researcher could be awarded a grant, then disappear and not be questioned until he returns for a second grant. If this is how the money is disbursed, then I think we all have reason to be worried about our dollars funneled into NSF. It is unsettling enough to be authorizing $934.9 million for NSF, much less $17 million more to be going into an agency with questionable auditing procedures. I think it reasonable that NSF's new Office of Audit and Oversight be given a chance to evaluate current policies and show progress toward correcting obvious problems before authorizing this new level of funding. At the very least, let us keep the level down until we are able to give the time necessary to assess the Agency's costs and practices.

People today are so incensed about rising taxes that they are willing to do without many services provided for with the tax money. If we earnestly try to trim our spending, this will eventually be reflected in reduced Federal income taxes. Such a tax cut would spur business investment and result in greater real growth. The money that people are able to accumulate through reduced taxes could be funneled back into the economy, which would eventually benefit us all. But the atmosphere now for taxpayers is one of near desperation. We must take it upon ourselves in Congress to cut back on programs that are not vital to America. I see our proposal as a not too drastic cut in funds for the National Science Foundation to continue its valuable work for 1 year without endangering its functions due to loss of money.

In 1 year, then I hope that we can take a long look at NSF practices to determine if increases in funding are war-

ranted. But until we are able to do this, I do not believe an increase such as was proposed by the Human Resources Committee is called for.

I hope this kind of fiscal responsibility as is proposed in Senator HATCH's and my amendment will be a first step toward a consistent pattern of restraint on the part of Congress. I urge my colleagues to support this amendment to strike the amounts in the 2-year Senate committee authorization bill and substitute the 1-year funding levels as passed by the House of Representatives in H.R. 11400.

I thank Senators for their consideration.

Mr. SCHWEIKER. Mr. President, we have before us at this time S. 2549, the reauthorization bill for the National Science Foundation. As a cosponsor of this important legislation, and a substitute amendment offered by Senators KENNEDY, CHAFEE, HATCH, HAYAKAWA, and myself, and as the ranking Republican on the Health and Scientific Research Subcommittee which has jurisdiction over the National Science Foundation, I wish to speak in behalf of the substitute amendment. This amendment continues the good work of the National Science Foundation, and expands some of the programs the Congress has been particularly pleased with in the past, while keeping the overall authorization amount at the House level.

I have enjoyed reviewing the work of the National Science Foundation both in hearings before the Health and Scientific Research Subcommittee, and in contact I have had with officials of the Foundation when I have requested information for myself or my constituents. I am sure my colleagues share my deep concern over maintenance of a healthy scientific community in our country. Without creative and dynamic research from which to draw solutions to some of our serious problems, and to keep up our technological superiority, we would certainly be facing a very grave situation. Benefits derived from the work done through the support of the National Science Foundation are difficult to measure because they are so wide ranging. Particularly in the area of basic research, one can never know how seemingly unrelated findings or experiments will provide solutions to very difficult problems or questions. Although I believe that we cannot count on technological solutions for all of our problems, and that indeed, we would be foolish to assume that any solutions exist which relieve us of our responsibility of planning wisely for the future, we obviously have witnessed some dramatic breakthroughs in scientific and technological achievement which have allowed us to live better, more comfortable, and longer lives.

Our substitute amendment would include an authorization for basic research under that contained in the House National Science Foundation reauthorization bill, but adequate for our national research needs.

The impact of the science education programs also goes far beyond the development of curriculum or the implementation of excellent science programs in our elementary, secondary and postsecondary institutions. The children we train to excel in science today will be our scientific leaders tomorrow. They will be the ones who will need the best possible training to cope with an increasingly complex world. The role of technology in that world will be great, and if we are to insure America's world leadership in the future, then we must make sure that we have a well-educated populous to improve our scientific accomplishments and to provide us with the proper interpretation of technological developments. Strong science education programs, helped in part by the work of the National Science Foundation. can help us to do so. The committee has authorized $87.7 million for fiscal year 1979 for science education.

Mr. President, although I supported the original bill, S. 2549, I was pleased to learn that Senators KENNEDY and CHAFEE, also supporters of S. 2549, agreed with me that we should reduce some of the authorization levels in our bill. I feel that the American people have given us a clear signal that they want a more careful consideration of all programs before we spend their tax dollars. The substitute amendment reflects this concern, while at the same time it preserves the programs the Senate has strongly supported in the past. I urge my colleagues to join us in supporting this legislation, and I want to commend Senator KENNEDY for his continuing leadership on behalf of the National Science Foundation.

Mr. KENNEDY. Mr. President, I request a vote on the substitute and then would consider the amendment of the Senator.

The PRESIDING OFFICER. A vote on the substitute would preclude other amendments.

Mr. KENNEDY. Mr. President, I ask unanimous consent pursuant to the request of the joint leadership last night that the amendments that were mentioned last night be in order.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Mr. President, that it be treated as original text.

Mr. KENNEDY. That it would be treated as original text.

The PRESIDING OFFICER. Without objection, it is so ordered.

And the substitute will be adopted for the committee substitute which will be adopted to the bill and considered original text.

The bill is open to amendment.

The Senator from Utah.

Mr. HATCH. Mr. President, I am pleased to join as a cosponsor of Senator KENNEDY's amendment to reduce the total level of funding for the National Science Foundation. I am able to support this measure as it reflects the same total authorization for fiscal year 1979 as contained in the substitute proposed by myself, Senators HAYAKAWA, CURTIS, and TOWER.

The PRESIDING OFFICER. If the Senator will suspend for a moment, is the Senator from Utah managing the time for the minority?

Mr. KENNEDY. Mr. President, I yield such time on the bill as the Senator from Utah requires.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, Senator KENNEDY's amendment also parallels our own in that it is a 1-year authorization which I think is of great importance. It allows the Congress to more fully exercise its oversight duties as well as to evaluate the funding needs of the NSF after changes in the economic climate.

I applaud the initiative of the senior Senator from Massachusetts in presenting this amendment. It serves as evidence that this Congress will begin to make good its promises to the people of this country to hold down spending. Even though this restraint will not be easy, as Senator KENNEDY has stated, it must be done. Special projects which may temporarily suffer due to such belt-tightening, will in the long run exhibit the financial health and strength characteristic of a sound economy.

Mr. President, we have heard many speeches recently about the necessity of controlling Government spending. In the wake of growing expenditures by all levels of government, the taxpayers have begun a revolt which may grow to rival the Boston Tea Party. I wholeheartedly agree with Senator KENNEDY in his remarks to the U.S. Conference of Mayors in Atlanta only a week ago that the process of curtailing Federal spending would not be easy, but that "the operation must be carried out if we are to restore the confidence of the people."

Mr. President, the bill reported originally to the Senate from the Human Resources Committee to authorize funds to the National Science Foundation for fiscal years 1979 and 1980 is the absolute antithesis of what we say we are trying to accomplish in terms of fiscal responsibility. For fiscal year 1979 alone, the bill is an almost 11-percent increase over the current 1978 plan as well as $16.2 million over the National Science Foundation's own budget request.

The amendment proposed initially by myself, Senators HAYAKAWA, CURTIS, and TOWER, in the nature of a substitute, has as its purpose the recognition of the need to control spending, and therefore recommends a reduction in the committee approved authorization for fiscal year 1979. Our substitute would strike the amounts of funding for each program activity in NSF and substitute the amounts already passed by the House of Representatives totaling $934.4 million for fiscal year 1979. This is still a most generous 8-percent increase over the current plan.

The substitute also includes a provision added to S. 2549 by Senator WILLIAMS, the distinguished chairman of the Human Resources Committee, to set aside $500,000 from any of the authorized NSF program areas to perform a feasibility study on the transmittal of solar energy to Earth by means of structures made from lunar or asteroidal materials. I think the Director of NSF, in consultation with the other Federal officials and experts in the private sector designated by the Williams amendment, should exercise the options to perform

such a study if the consensus is that the results could render important information concerning the future use of solar energy. That provision of the substitute would not increase the authorization total.

My reasons for opposing the bill as reported from the Human Resources Committee were outlined in my minority views to the committee report. I shall restate them briefly. First of all, a study by D. Kent Halstead of the National Institute of Education has cast aspersions on the assumed rate of inflation for institutions of higher education, where the bulk of NSF sponsored research is conducted. In his 1977 supplement to "Higher Education—Prices and Price Indexes," the published results of Halstead's study indicate that at 7 percent Congress may be overcompensating for the effects of inflation on research conducted at institutions of higher learning and that the inflation rate may actually be closer to 5.3 percent. This information bears serious consideration by Congress when authorizing funds for agencies whose primary function is to award public funds for research.

Secondly, there is serious doubt, expressed both by scientists and taxpayers as to whether we are getting our money's worth for the billions we allocate to support science and technology in the United States. A recent report issued by the Office of Technology Assessment quoted an article by Presidential Science Adviser Frank Press and Governor George Busbee of Georgia as saying that the funding for research and development in the civil sector totally is now over $7 billion annually, but that the overall impact of this R. & D. on meeting the needs of the public is "disappointing." Mr. President, funding for the National Science Foundation is approaching the $1 billion mark. If the bill is adopted as reported by the Human Resources Committee, it will be $1.083 billion for fiscal year 1980. How can we continue to approve such increases when the fruits of tax-supported research have been less than satisfactory?

Further, the complaints from our constituents with regard to such frivolous NSF undertakings as a $918,000 effort to determine why bugs are a negative factor in camping are becoming louder and more frequent. I have heard from my fellow Utahans protesting the expenditure of NSF of $62,300 for a study on homosexual seagulls, as well as other "golden fleeces." My staff thumbed casually through the NSF report on grants and awards for fiscal year 1976 and the transition quarter and with little effort in the course of about 10 minutes found seven such studies which total an unbelievable $249,100, an average of $35,585 per study. Mr. President, if we are to restore the people's confidence in the Congress and in Federal agencies and institutions, can we continue to fund this type of project which has little if any benefit to the beleaguered American taxpayer? I think not.

My final objection with S. 2549 as it was reported is that it rewards NSF for its inefficient internal checks and balances and recordkeeping. There is little accountability within the peer review system, either to NSF officials, the Congress, or to the scientific community itself. The peer review/merit selection system ought to be the strongest, most protected institution within the National Science Foundation, and yet it has been most abused. The seemingly systematic discrimination in the distribution of NSF awards toward certain areas of the country is illustrative of this point. In fiscal year 1977 there were four States in which over 42 percent of NSF's program funds were concentrated. In contrast, there were nine States in the southeastern region of our country who together received only 6.4 percent of NSF funds. In the West, nine States received just over $55 million which is only 7½ percent of the actual funding for fiscal year 1977.

In addition, there was testimony present before the HUD-Independent Agencies Appropriations Subcommittee calling attention to the fact that follow-through and audit procedures are inadequate. This testimony is backed up by the report of the Commission on Government Procurement quoted in the OTA assessment stating that most Federal grants programs do not have well-defined or precise administrative practices. The Commission found that in the absence of sound operational guidelines, unnecessary waste was created in addition to a great deal of confusion for the grant recipients. Not only is it incumbent on this Congress to hold the line on Federal spending, but it is imperative that the money we authorize is spent honestly, efficiently, and fairly. Until NSF has given sufficient evidence of having solved some of these problems, I cannot see the justification for either a $92.2 million increase in funding or a 2-year authorization.

Mr. President, it may be misunderstood that I do not support science or technological development in America, or that I do not support a reasonable level of Federal support for these activities. On the contrary, I heartily applaud American science and the valuable contributions that they have made. America is fortunate to have a vast reservoir of knowledge and understanding in these complex sciences and technological areas. I would not have proposed a substitute or agreed to Senator KENNEDY'S amendment if I did not favor the continuance of the work of the National Science Foundation, much of which has been excellent and to our Nation's benefit. I could have fought the bill as reported without an alternative. It is because I support the NSF that I want it to become better. As with disciplining a child, criticizing a Federal agency or function does not necessarily connote animosity or irrevocable differences.

I do, however, sincerely believe that if the NSF is to continue its fine work, some of these problems must be addressed and it is the duty of Congress to exercise judgment in the matter of funding. It is our charge to guard the Federal pocketbook. The substitutes we offer are constructive. Neither should be viewed as debilitating, but may rather be viewed as helpful and responsible both for NSF and the taxpayer who foots the bill. I urge support for this substitute.

Mr. President, I express my appreciation to all Senators who have shared in this victory for the American taxpayers and who have committed themselves to following through with cuts in other areas.

I especially mention Senator HAYAKAWA, who is with me in the Chamber at this early hour, having arrived back in Washington at 2 a.m. this morning from attending the funeral of Congressman William Ketchum.

Mr. President, I yield the floor.

UP AMENDMENT NO. 1364

(Purpose: To prevent discrimination in international cooperative programs sponsored by the National Science Foundation)

Mr. DOLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of Sec. 7, insert the following:

SEC. 8. (a) None of the funds authorized to be appropriated under this Act may be made available for any international scientific activity sponsored by the National Science Foundation if the Director of the National Science Foundation determines that any participant of the United States or of any foreign country in such activity has been denied by the government of the country in which the actvity takes place the opportunity to participate in such activity because of the religious, ethical, cultural, or political views of such participant.

(b)(1) In order to make the determination required by subsection (a), the Director shall consider—

(A) the provisions of the Final Act of the Conference on Security and Cooperation in Europe, also known as the Helsinki Accords;

(B) the recommendations of the Secretary of State; and

(C) any guidelines prepared by appropriate committees of the Congress.

(2) The Director of the National Science Foundation shall prescribe such regulations as he deems necessary to carry out the provisions of this section.

(c) Not later than six months after the date of enactment of this Act, the Director of the National Science Foundation shall prepare and transmit to the President and the Congress a copy of the regulations prescribed to carry out the provisions of this section, together with any recommendations for carrying out the provisions of this section.

Mr. DOLE. Mr. President, I might say at the outset I am offering this amendment, and I am not certain how far I may pursue it. But I think it raises issues we should discuss in the Senate.

It seems to me that during the past few weeks the cause of human rights has been dealt a severe blow. In May, Yuri Orlov, a prominent Soviet scientist, was tried on the charge of selling "slanderous material to the West" and sentenced to the maximum penalty of 7 years in prison and 5 years of internal exile. In

June, Vladimir Slepak and Ida Nudel, two Soviet activists, were sentenced to 5 years of internal exile after being convicted on charges of "malicious hooliganism" for hanging banners outside their Moscow apartments, pleading for the right to emigrate.

That was their only crime.

Both Slepak and Orlov were members of the group monitoring Soviet compliance with the Helsinki accords.

The following is a quote from an article in the Washington Post, dated June 22:

> Observers here noted that both Slepak and Nudel could have received up to five years in prison on the charge, hence, yesterday's sentences, while not signaling any change in the Kremlin's crackdown on dissent may nevertheless be seen as reflecting Moscow's intention to soften its image on the issue.

The Senator from Kansas suggests that, from stories that appear in the morning paper and on network television this morning, it appears there has not been any softening of the image. Now we have two American newspapermen detained and who have to appear in court on the 5th of July for reporting on dissidents. It seems to me that there has been no change in the Soviet attitude toward dissent, although a softening of the image may have been perceived on June 22.

The State Department characterized the sentences as "unduly harsh and clearly incompatible with the letter and spirit" of the Helsinki Accord.

In light of the fact that these Soviet citizens were not extended even a modicum of judicial review, and by no standard of justice could these persons be considered to have committed a crime, I am somewhat shocked to observe that the Post and the State Department expressed relief at the degree of the punishment when indignation and revulsion would be in order.

Speaking to the foreign ministers of Latin America on June 21, President Carter reiterated his commitment to human rights, stating that:

> My Government will not be deterred from our open and enthusiastic policy of promoting human rights. We prefer to take actions that are positive, but where countries persist in serious violations of human rights, we will continue to demonstrate that there are costs to the flagrant disregard of international standards.

While I agree with the feeling expressed by the President in his pronouncement, the flagrant disregard of international standards of justice demonstrated by the Soviet Union is a clear challenge to our position on human rights.

In the next few weeks, Anatoly Scharansky, a prominent computer scientist in the Soviet Union, is expected to be tried for treason. President Carter has denied categorically that Scharansky was "an agent of the CIA." Time is running out for us to demonstrate that the agreements arrived at Helsinki are not empty promises.

The amendment to the authorization bill for the National Science Foundation, S. 2549, that I have proposed expresses the view that, if a nation cannot conduct its international scientific affairs in accord with principles laid down in the Helsinki Final Act, Federal support for United States participation should be withdrawn.

I might say that I am not unaware of some of the reservations that some well-intentioned people have in the administration and maybe outside the administration. I am not unaware of the the reservations that some Senators have regarding the effect of the withdrawal of Government support on exchange programs and other international cooperative arrangements with other nations. Let me reassure Senators on this issue.

Although reliable information about the benefits accruing to the United States from international scientific programs is difficult to collect, there is some documentation available to substantiate the view that, in these exchanges, the United States gives more than it receives. I shall cite several observations of American scientists that appeared recently in a report published by the National Academy of Sciences entitled "Review of the U.S./U.S.S.R. Agreement on Cooperation in the Fields of Science and Technology." In the area of computer science and technology the view was expressed that "the U.S.S.R. lags several years behind the United States in both hardware and software." In the field of chemistry, "as far as technology and industry are concerned, no one seems to think ours had benefited noticeably from the Soviet contact." Careful reading of the academy report reveals that in only two of the nine areas was there an appreciable benefit to the U.S. scientists. I believe that the time has come for all nations who derive so many benefits from the knowledge and technology the United States provides to understand that cooperative agreements entail both responsibility and obligations. It is time for the Government to inform nations throughout the world that the U.S. scientific programs will not be continued if a climate of violations of human rights prevails.

I am not insensitive to the qualms felt by our scientific community over involving the Government in restricting the free circulation of U.S. scientists to all countries. But the role that the United States can play in the struggle to secure human rights throughout the world should be neither overlooked nor minimized. In light of the fact that violations of human rights are a breach of the Helsinki agreement, to which the United States and 31 countries are signatories, and that our scientific and cultural exchanges programs stem from international agreements between sovereign nations, it can be argued that the U.S. Government has more than a casual interest in the exchanges.

We also must face the reality that the scientific exchange programs within the National Science Foundation are fragmented, encompassing several programs and administered by several directorates. The scientific community lacks a ready mechanism or spokesperson to present a feeling of outrage over the violation of human rights experienced by their fellow scientists. I suggest it is time to move toward an active collaboration between Government and scientific communities, where the Government and its elected representatives speak and act on behalf of the scientific community.

The Senator from Kansas concurs with the strong and unprecedented action recently taken by almost 100 scientists who decided not to attend scientific meetings in the Soviet Union, and acknowledges the validity of the approach whereby the actions of scientists in protesting human rights violations ought not to be guided by Government policy.

But what happens when the furor over the distortion of justice we are now witnessing in the Soviet Union dies away? All too often we have witnessed public clamor for decisive action that is short lived once the issue is no longer being dramatized daily in the media. The greatest fear of the courageous dissidents throughout the world is that America will forget their plight.

I suggest that the Senator from Kansas will not forget and others in this Chamber will not forget, and I would hope the entire Senate would not forget their struggle for human rights.

The argument has been raised that many of our scientists would prefer not to become involved in the issue of human rights, that dealing with human rights or any nonscience issue is a distraction from the scientific pursuit. However, such an argument ignores the moral integrity of scientists as citizens and takes no account of that fact that scientists dedicate their lives to the betterment of their fellowmen through scientific research and the acquisition of knowledge. In a sense, scientists are compelled by the very nature of their avocation to assume a leadership role in the struggle to establish the principles of human dignity.

Do we, as a Nation, have the right to isolate ourselves when our fellowmen in other nations are denied the basic God-given human rights? To remain silent witnesses on this issue is tantamount to forgoing our social responsibility and our sense of ethics.

To claim that preoccupation with human rights might be detrimental to scientific pursuit is equivalent to stating that the fight for individual rights in 18th century France, undertaken by the philosophers of the enlightenment was damaging to the fate of philosophy and literature. Admirers of Voltaire and of Rousseau would undoubtedly disagree with this. History will judge us more by our actions than by our words.

Mr. President, I am aware of a number of contacts and a number of arguments made by the administration. I know there have been a number of phone calls made by the White House Science Adviser, and I am aware of a letter that is on the desk of each Senator signed by Frank Press, Science and Technology Adviser.

The argument made by Dr. Press is that the amendment would effectively preclude all contacts between dissidents and visiting U.S. scientists.

The aim of this amendment is to in-

crease, not shut off, international scientific collaboration. The measure does not foreclose the options of the nation in question: to the extent the nation in question abides by reasonable human rights provisions, for example by allowing its qualified scientists to attend an international congress held in the country in question, there will be no dfficulty.

Even in the unfortunate event that there exists an ongoing pattern of human rights violations, citizens of the United States can always visit the foreign country, but with personal funds or funds provided by the foreign country, not U.S. taxpayers' funds.

Dr. Press' argument is premised on the supposition that scientist-to-scientist interaction with dissidents takes place unofficially. Although these contacts are important, there is evidence that suggests they take place far too infrequently.

It is not uncommon in the Soviet Union for its police or KGB to harass American citizens who attempt to meet with "Refuseniks," Soviet Jews who have been refused permission to emigrate to Israel, and other dissidents. As Rabbi Weinberg of Washington, D.C., reported in the Washington Post, his group was often followed, detained, and arrested on trumped-up charges.

Only yesterday, two American reporters from the New York Times and the Baltimore Sun were formally accused of civil slander, as reported in the Post today:

> The two journalists said they believe the allegations must stem from separate articles each filed in late May about an unusual confession by a well-known Georgian dissident leader that was televised nationally.

Is it a crime to report an activity that was shown on TV?

Under conditions of constant intimidation with scare tactics and outright threat, I question whether very many of our scientists are willing to risk incurring the wrath of their "host" and visit the dissidents.

This very issue was raised in the monthly report of the Federation of American Scientists in 1976. Not only did the article raise the question of coercion by the U.S.S.R., it indicated that research agencies of our Government never encourage, and often discourage, U.S. scientists from meeting with Soviet scientists who were unpopular with the regime.

The article includes excerpts from instructions provided to our scientists by various agencies. For example: "While HEW has no policy to either encourage or discourage U.S. exchange-scientists who may wish to meet with Soviet scientists of any political or ethnic minority group, we must be assured that their primary objective in participating in the program is productive scientific work." So I do not suggest we are encouraging with the use of Federal funds contacts with dissidents.

> The Department of Transportation would certainly not discourage such contacts in principle as we feel that they are largely a matter of personal choice and judgment . . . we believe we have the obligation to inform the scientists fully lest they inadvertently engage in activities inimical to the objectives of the cooperative effort . . .

The National Science Foundation responded that:

> We have no desire to exert pressure. However, we do feel we have an obligation to inform American participants of relevant Soviet laws and conditions. This reduces the risk that they might engage in activities which would unintentionally adversely affect the cooperative program and personal objectives.

The Senator from Kansas believes our Government is not doing nearly enough to further the informal contacts that are so highly valued by the foreign scientists who are not free to participate in the "official" scientific meetings. He is aware of that particular argument.

There is also the report that there is no support for this amendment in the scientific community.

We have discussed these issues at length with a prominent group of concerned citizens, the National Conference on Soviet Jewry, and they fully support this amendment. Moreover, a recently released Soviet refusenik, scientist, Dina Beilin, who has been touring American universities, has informed us that the scientists she has spoken to also are behind this proposal. I also emphasize that Ms. Beilin's assessment of Soviet dissidents is that many of them also encourage a firm response, of the kind we are proposing, in dealing with the Soviet Union.

We have information, as I have suggested, that the administration opposes the amendment. Yesterday we witnessed rather intensive effort by the White House science adviser in opposition to the amendment.

We are also informed that the National Academy of Sciences, the American Association for the Advancement of Science, and the NIH are informing interested parties that they oppose the bill.

I do not quarrel with these agencies and organizations that disagree with my position, but I would have hoped they would have given me an opportunity to present my views in a public forum.

Until late yesterday afternoon, the final draft of this amendment was not available; but in early afternoon we had Senators being called by people saying, "We are opposed to the amendment." The Senator from Kansas did not even know what the amendment contained at that point. So I cannot understand on what basis they reached the decision to oppose, especially since such policy decisions in these organizations usually require, as I understand it, polling a large number of people in Washington and elsewhere.

It really does not matter to the Senator from Kansas how many interested parties oppose the amendment. As far as I understand the amendment, it is fair; it is measured; it is focused, and it has a reasonable chance to make a difference for citizens suffering at the hands of totalitarian regimes.

Who would be so bold, so insensitive, so arrogant as to support a scientific activity of a foreign country that serves as a mechanism by which human rights are repressed? I ask you to consider whether the American taxpayer would want its Government to directly subsidize an activity, were it known that there have been clear violations of human rights.

I am naturally disappointed that some agencies of Government and a large segment of the organized scientific community apparently do not support this amendment. But I seek support now for human rights from a much larger constituency, the American public.

As I said at the outset, while I am now introducing the amendment, I do not know how far I can pursue it, because it might be misunderstood. It is offered in the spirit of assisting cooperation, not to discourage it.

Mr. President, I reserve the remainder of my time.

Mr. KENNEDY. Mr. President, I rise to oppose the amendment of the Senator from Kansas. The Senator from Kansas has mentioned that there is a program of scientific exchange with the Soviet Union. As a matter of fact, there is scientific exchange with other eastern European countries, Latin American countries, and just about half of the world's nations at the present time.

The Senator from Kansas has indicated that he wants this primarily directed toward the Soviet Union, and he made his case and statement along those lines. I am opposed to it as it applies to the Soviet Union, but I am opposed to it generally as an amendment, because, as we will see in a few minutes, it has broad implications for other nations around the world that have and sponsor scientific inquiry.

We should make no mistake about it; the amendment does not target just the Soviet Union. The way it is drafted, on the face of it, it has broad implications in terms of scientific exchanges. The NSF had about 1,100 exchanges between the United States and the Soviet Union last year. I do not intend, although I will supplement my remarks, to discuss now in detail the advantages that have been attained in terms of health and humanitarian needs. An important case can be made as well for the merits of exchanges in terms of benefits to American industry, but I do not intend here to argue that case about technology, although it has been referred to by the Senator from Kansas.

One of the prime reasons, which is admitted by the Senator from Kansas, on the issue of why the National Science Foundation supports scientific exchange, is a very sound one, and is deeply rooted, I think, in the American political ethic. That is that the most powerful influence we can have is through individual acts of conscience.

Surely, there are formal exchanges with the Soviet Union, but it is a much more powerful factor in raising the issue of human rights when individual scientists, as a matter of conscience, object, because of discrimination on the basis of political, religious, racial, or any other type of discrimination. This has been recognized in the scientific community, and demonstrated in the recent past.

There are important scientists in this country who believe that the way to carry on the fight for human rights is to travel to the Soviet Union, face their Soviet colleagues across the table, and indicate to them their great concern about violation of human rights. The scientists who have traveled to the Soviet Union and visited with such distinguished scientists as Levich and Orlov and a number of other dissidents, just in the Soviet Union, have been able to be a window to the West in terms of scientific exchange, and are able to come back to the United States and talk from first-hand impressions about violations of human rights. It seems to me that the value of that kind of effort would be completely lost with the adoption of the amendment of the Senator from Kansas.

If we are interested in achieving what the Senator from Kansas wants to do in terms of putting pressure on the Soviet Union—because the Senator from Kansas implies that all we have to do is pass this amendment and the Soviet Union will change its policy with regard to discrimination—I do not think that argument is convincing to any Senator at this time, when we look over the results of our efforts to bring about a change in the structure of the social fabric of the Soviet Union.

Why does not the Senator from Kansas say, "Let's cut off the shipment of Kansas wheat to the Soviet Union?" He talks about cutting back on scientific exchange, but when it comes to considering jobs in Kansas, and the billions of dollars worth of Kansas wheat and other agricultural products that go to the Soviet Union, he is silent. If you want to talk about something that will have an impact, let us talk about something else that will have one. Why talk about the 1,100 scientists who want to go to or from the Soviet Union? If you want to take a bite out of the apple, take it where it may have some impact.

I will be interested to hear, when the the agricultural authorization comes up, whether this amendment will be offered on that.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. KENNEDY. If I may finish my thought.

The amendment says the National Science Foundation will prescribe regulations. How will they get the information on whether a certain scientist goes or does not go to the conference? Is the Soviet Union going to say why or whether a certain scientist does not go to the conference? Is the Director of the National Science Foundation, sitting here in Washington going to know whether that fellow is or is not sent? What about the exchanges when the administration is waging an important battle in terms of human rights in Argentina? Does this foreclose the opportunity for scientists to go to Argentina? What about Iran, Korea, a number of Latin American countries, or any of the Eastern European countries? I will look forward to the comments of the Senator from Kansas on those points.

At this point, Mr. President, I request that the full text of my prepared statement be inserted into the RECORD, together with a letter from the science adviser to the President, Dr. Frank Press, opposing the amendment of the Senator from Kansas.

There being no objection, the statement and letter were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR EDWARD M. KENNEDY IN SUPPORT OF SCIENTIFIC COOPERATION AND HUMAN RIGHTS

Mr. President, I strongly oppose the amendment proposed by the Senator from Kansas. It would bar the use of National Science Foundation funds to support the travel of U.S. scientists aboard, unless a determination has been made by the director of the N.S.F. that the host countries have not denied anyone the opportunity to participate in the activity because of religious, ethical, cultural or political views.

The amendment obviously affects scientific exchanges with the Soviet Union. But it could also affect NSF-sponsored exchanges with 17 other countries, including Argentina and Brazil, Poland and Romania, Saudi Arabia and Iran, Burma and Korea—to name only a few.

No one on this floor will question that there are human rights problems in the Soviet Union, as well as in other countries. Of course there are.

No one on this floor will question that there are occasions—too many occasions—when scientists are unable to leave their countries and attend international meetings. Of course there are.

We are all concerned about human rights. But is the way to further these rights to deny our scientists access to scientists from other countries?

This is the worst way to further our human rights objectives.

The amendment denies the foreign victims of discrimination their valued access to American colleagues—who can lend them support, bring their message to the outside world, and express solidarity with them.

And the amendment also denies American scientists the opportunity to press their human rights concerns with the authorities and with their colleagues in foreign countries.

American scientists have consistently displayed responsibility and concern for human rights worldwide. But American scientists see that this amendment will hurt, not help these important efforts. In the "Review of US/USSR Interacademy Exchanges and Relations" conducted by the National Research Council of the U.S. Academy of Sciences, a majority of participants in this program expressed the opinion that "Soviet isolation from western contact would lead to the worst possible fate for Soviet dissidents."

In the wake of the recent trial of Soviet physicist Yuri Orlov, some American scientists understandably postponed their scheduled travel to the Soviet Union. Others are continuing to participate—believing that in the longer term, dialogue and contacts will better support the causes of science and human rights.

I respect these individual decisions of conscience, and I believe that each in its own way will have important effects.

Nor shou'd we forget that those programs in which our scientists participate have considerable promise for the advancement of knowledge and solution of world problems.

In the medical field, for example, we have tested new cancer drugs and conducted important experiments on heart diseases, joining the resources and ideas of both countries.

Many of our constituents, in Massachusetts and in other States, have sought and received free attention in the USSR for an eye disease—retinitis pigmentosa—for which the Soviets have developed an experimental treatment.

In many other areas, such as electrometallurgy, theoretical physics, and earthquake prediction, the Soviets have outstanding scientists or experience relevant to U.S. interests. U.S. agencies are working to assure a real balance of benefit and reciprocity of access under these programs.

Some might argue that the Soviets gain U.S. technology they need and thus will make quick concessions if we only exert pressure. But United States-Soviet cooperation in science and technology is in humanitarian or non-sensitive fields and is oriented to theoretical, not applied work. It contributes only marginally to pressing Soviet economic needs. Most U.S. science and technology involved in our exchanges is soon published and freely available, in contrast to much Soviet science and technology which would be unavailable in the absence of exchanges between our two countries. The prospect of curtailed exchanges cannot be a consideration great enough to force the Soviet Government to change its basic internal policies.

Trade with western Europe and Japan, as well as the United States, is much more important to the Soviet economy than cooperation in science and technology. If the Senator from Kansas believes we should exert pressure on scientific exchanges, would he not also propose to withhold grain sales from the United States, not least from his home State, to the Soviet Union? Why doesn't he make the case that the Soviet Government needs grain imports and would offer concessions to get them?

For my part, I believe the Soviets would simply tighten their belts: whether the issue is grains or scientific exchanges, their vital interests are not at stake. At the same time, Soviet advocates of confrontation with the U.S. would have one more argument to use against the advocates of cooperation and détente. It is less spectacular, but our effectiveness must depend on patient, longer-term efforts to draw the Soviet Union into constructive relationships, not to push it back into the cold war.

If adopted, this amendment would not only jeopardize scientific cooperation with the Soviet Union. It would jeopardize scientific cooperation with any country alleged to prevent "participation" by its scientists in international programs on religious, ethical, cultural and political grounds. Does the Senator from Kansas suggest that we should end scientific cooperation with Iran? With Saudi Arabia? With Brazil? With Korea? Scientific programs with these countries would be just as much jeopardized as those with the Soviet Union.

The United States has historically been a world leader in the promotion of free and open scientific exchange. We have long given our scientists great freedom to pursue their endeavors, and Government support has made possible unparalleled advances. It would be turning the clock back to decline to support U.S. citizens proposing scientific activities in such-and-such a country without reference to the scientific merits of the work itself.

Far from furthering the cause of human rights, this amendment sets it back. Far from encouraging free and open international cooperation among scientists, this amendment makes it more difficult for American scientists to meet with their foreign colleagues.

But this amendment is not just undesirable. It is impracticable. How is the NSF director to determine objectively and convincingly that some scientist has been barred from participating for "religious, ethical, cultural, or political" reasons? It would be strange if a foreign government were to admit to preventing scientific cooperation for the reasons specified in the amendment.

It is ironic that the proposed amendment cites the Helsinki accords as a major test

of any NSF determination. An entire chapter of the Helsinki accords, chapter 4, is devoted to the need to expand cooperation in science and technology, in order to effect "the improvement of the conditions of human life." This amendment would achieve the Helsinki accords, and it would run counter to the vital human rights provisions of the final act as well.

We cannot ignore the fact of increased competition between the United States and the Soviet Union. But our obligation must continue to be to establish and expand areas of cooperation from which we both derive mutual benefits. Science and technology has been one of those areas, not only with the Soviet Union but with the 17 other countries in 4 continents who could be affected by this amendment.

Mr. President, we must assure the effectiveness of our human rights policies worldwide. The way to do this is to increase communication between Americans, and all of our aspirations for a better future, and the people of other countries. It is to make our contribution to basic human needs throughout the world, by mobilizing our resources of science and technology, as well as of humanity. This is not the spirit of the proposed amendment, it is the spirit of the programs it seeks to cut.

The administration joins me in strongly opposing this amendment, on grounds of human rights and human needs, as well as the scientific and political interests of our Nation. I wish to read the text of a letter I received yesterday from Dr. Frank Press, the Science Adviser to the President, a copy of which has been provided to each Senator.

THE WHITE HOUSE,
Washington, D.C., June 26, 1978.

DEAR SENATOR: I believe that Senator Dole's amendment to the NSF authorization would be counterproductive in aiding scientists in any country, who are discriminated against because of race or religion. Americans attending international meetings have been effective (in unpublicized, informal ways) in establishing contact with such scientists, providing a window to the outside world, and in securing their attendance at conferences.

It is not in the interest of American Science and it is not helpful to the cause of foreign scientists in difficult positions in their own countries, to effectively cut-off American participation at the international meetings covered by Senator Dole's amendment.

FRANK PRESS,
Science and Technology Adviser.

Mr. KENNEDY. I yield to the Senator from Connecticut.

Mr. RIBICOFF. Mr. President, I would hope that the Senator from Kansas, before this debate is over, would withdraw his amendment. There is no more consistent supporter of human rights and human freedom for all peoples in the Soviet Union, especially those of the Jewish faith, than the Senator from Kansas. I am well aware of his consistent fight for human rights, especially for those of the Jewish faith, throughout the world. I have shared a number of platforms with him, and I know in what esteem he is held by all fighters for freedom in this country and around the world.

However, I share the fear that this amendment would be counterproductive. One of the problems we have is that there are many prominent Jewish scientists in the Soviet Union who have been cut off from all scientic contact and research. Those men, in every scientic field, being the leaders, have been denied laboratories, have been denied the right to go to symposiums and to enter into discussions with their fellow scientists, and this is one of the greatest tragedies to them, that their great scientific knowledge has really been aborted.

One of the purposes of the scientific interchanges which is seldom commented on, and maybe rightfully so, but I think we ought to bring it out, is this: The scientists who travel to the Soviet Union from the United States, irrespective of race or creed, know no bar to communication with their fellow scientists based on religion.

They recognize their fellow scientists or their achievements and accomplishments and respect them accordingly. When these scientists go to the Soviet Union they do make it a point to visit the Soviet scientists of the Jewish faith. Many of them meet at the homes of the scientists and have an opportunity for discussion and run their symposia in the homes of these various scientists. This gives the Jewish scientists in the Soviet Union an opportunity to have a window on the world scientific community.

It is also a means to encourage and keep up the spirit of the Soviet Jewish scientists, because of the interchange they have with their fellow scientists in the United States. It gives them the feeling that they are not forgotten. It gives them a feeling not only of fraternizing with their fellow scientists but being brought up to date and being kept up to date with scientific development.

If we cut off the visits of American scientists to the Soviet Union we would completely cast the Soviet Jewish scientist into darkness in the ability to meet their fellow scientists throughout the world. We would cut them off completely from the latest scientific knowledge and the latest scientific development.

In this way this amendment would be counterproductive.

I know the sincerity that actuates the distinguished Senator from Kansas, but I do believe in this instance it would be counterproductive and to what he is seeking to achieve the contrary would take place. Consequently, I hope that before this debate is over the distinguished Senator from Kansas will withdraw his amendment.

Mr. JAVITS. Will the Senator yield?

Mr. KENNEDY. I yield.

Mr. JAVITS. First, Mr. President, I would like to identify myself completely with the views of my colleagues, Mr. RIBICOFF, respecting the standing in the human rights field of Senator DOLE, of Kansas. He is preeminent. He is widely regarded as a tremendous advocate for human rights and I know that this amendment is motivated very deeply by that feeling.

When I first read it I must say I said to myself, "Why not? These are outrageous people who are suppressing other human beings, who have signed on the dotted line in Helsinki and then immediately tore up the signature, who are sentencing people to Siberia, to long prison terms." We do not know what that meant for Solzhenitsyn, to be sentenced to Siberia, because he held up a placard saying, "I want to go wherever I want to go."

But upon consideration, Mr. President, I realize exactly what my colleagues have argued, that it would be counterproductive; that we would cut off our own scientists from contact with another great reservoir of scientific activity; that we would tend to isolate more the scientists in the Soviet Union, and that if there is going to be some new enlightenment in terms of human rights in the Soviet Union, the tremendous agents of that enlightenment will be these very people whom we would be cutting off. As we saw in the figures on Jewish emigration from the Soviet Union, they can turn the valve on or they can turn it off. The answer would be that they would simply turn it off and take the position that if they cannot choose the scientists who are to go, none will go. We will have a period of a freeze as far as the world is concerned.

I have one last thing to mention which comes from my experience as a member of the Foreign Relations Committee for a very long time.

It is hard for us to understand it in this country, but this is a very ambivalent struggle which we are waging with the Soviet Union and the world. The fact is that on the one hand we have to be firm and strong when it comes to efforts to subvert other countries by sending in Cubans who, for all practical effect, are mercenaries; and to efforts to undermine world peace and stability by feeding arms into Iraq, Libya, and other countries. And at the same time we have to negotiate about SALT, we have to have scientific interchange, we have to have any other interchange which the Soviet Union will allow us to have, even though if one were following a strict and consistent standard, one would say they have richly earned and deserved to be absolutely immunized as far as the world is concerned; we ought to have nothing to do with them, considering what they have done to human beings and human rights by the millions, let alone to the dissidents we know about so well.

But that is not the kind of a world in which we live. We all know that, probably, as the decades go on, the Soviet Union will remain the system it is, I say to my colleague. I doubt very much that the system will change. What will change will be the ability to see what is happening in the system.

What costs us so much, both in concern and inhibition to really liberate from the world poverty and want which all of us want to do, and in arms cost—which is what this budget is all about, their beating us over the head so far, with the American people seeing that very clearly—is that we do not see what is going on there. Suddenly, on a Wednesday morning there can be a change in leadership, a change in policy, and

God knows what can happen by 12 o'clock that day. So we have to be prepared for the worst case always. And yet at one and the same time we have to do our utmost to try to alleviate the situation. The only hope will be when the Soviet Union is open to the sky. Eisenhower coined that idea. That is going to be the only hope.

I deeply believe that these very men, who we might inhibit by this amendment—considering the obtuseness of the people who run the Kremlin, from seeing the Western world, the Japanese world, whatever world is an enlightening world—may be the very people and their successors who will be the ones to open it up so we can see.

I really believe deeply, and I hope the Russians hear this, that we are not trying to change their system. We are not. It is gone. That is it. But we want to open their system so we know as much about that system as we know about our own, and as they know about their own. That is the fundamental foreign policy rationale.

I join my colleague, Mr. RIBICOFF, who I believe has made a very fine statement on this matter, in keeping that understanding of the motivation of the Senator from Kansas, and honoring it.

I felt the same way when I first looked at it. I said, "Why not, the rascals. Look what they are doing to these scientists." Yet it would be counterproductive and would not work out, and is not in pursuance of a line of policy which ought to be, in foreign policy terms, our policy.

I believe this debate has been very constructive and very useful, but I very much hope that the Senator will consider the withdrawal of his amendment.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I appreciate the views of the distinguished Senator from Connecticut, the distinguished Senator from New York, and the distinguished Senator from Massachusetts. I would only reassure all my colleagues that I believe this is a matter of grave concern. We can reach different conclusions.

As a member of the Committee on Security and Cooperation in Europe, and having had the opportunity to visit Belgrade twice in the past 12 months, I have tried to have some impact with the Russian representatives there about those who were held against their will in the Soviet Union; those who seek to emigrate; those who seek to communicate. Having spent many hours listening to witnesses in our committee hearings, and having spent many months trying to determine how to come to grips with this one particular problem, it seemed to this Senator that the question ought to be raised, as I said last night and again this morning, but how far it is pursued is a determination I will make in just a few minutes.

I think the question should have been raised. I believe we have to address it. It is not enough to stand up and talk about Kansas wheat. If there comes a time when somehow Kansas wheat is involved in human rights, I will be with the Senator from Massachusetts voting on the side of human rights.

What we are talking about is the expenditure of taxpayer funds. That is all we are talking about. I recognize scientific community's interest in how its scholarly pursuits will be funded. We do not suggest they cannot go abroad. We are suggesting that it might be necessary to support travel with personal funds where there are human rights violations; that we ought to follow the Helsinki Final Act.

I might say as a Republican that President Ford took a great deal of heat when he signed the Helsinki Final Act in 1975.

There are many who felt that, somehow, President Ford had caved in to pressures from the Soviet Union, that we had given up too much, that we had really destroyed the hopes of millions of people in the world, who thought they might see freedom and liberty down the road. I suggest that this is a matter that concerns the Senator from Kansas. I know it concerns every Senator. How do we come to grips with this problem?

Maybe we cannot change the Soviet system. I am convinced that, as the Senator from New York said, we probably cannot. But we all sign letters—I think I signed one yesterday—addressed to Russian organizations about Mr. Slepak. Every day we try to figure out how to put pressure on the Soviet Union, not for any advantage, but so that they will treat people as we might in this country. Maybe that approach is wrong, maybe we have been deceiving ourselves.

Mr. KENNEDY. Just on that point, did I understand that the Senator was going to offer an amendment like this on Kansas wheat when the agricultural appropriations are up? He draws a distinction between the taxpayers' money being paid and the dollars coming to this country from agricultural exports. Do we draw the line on human rights there, say it is OK on wheat sales, but not on taxpayers' dollars? I am trying to understand the thinking of the Senator from Kansas, so we understand whether this is a serious proposal or not.

Mr. DOLE. It is a very serious proposal.

Mr. KENNEDY. I am not quite clear about whether the Senator indicated he was going to offer such an amendment on the agricultural appropriations.

Mr. DOLE. It might be an appropriate place if we find in that bill that there are Federal funds going to the Soviet Union, that our tax dollars are being used to ship wheat or permitting them to buy wheat on preferential credit terms. That might be an appropriate amendment. But I think that begs the question.

Mr. KENNEDY. Does the Senator mean there is a difference—if we are making money privately, we say that we can sacrifice human rights in those circumstances when private industry is doing it, but that is where the Senator draws his line about how committed we are to human rights? I am just trying to understand.

Mr. DOLE. It would be difficult for the Senator to understand, but I suggest this: We are talking today——

Mr. KENNEDY. I think I do understand. That is why I am making the point.

Mr. DOLE. We are talking about the National Science Foundation. We are talking about appropriating money to pay for the travel expenses of American scientists going all over the world—the Senator said 30 countries. It is not just aimed at the Soviet Union. It could happen in Israel if somehow they did not comply. So it is not just aimed at the Soviet Union.

I believe that if any thing violates the Helsinki Accords, whether it relates to agriculture, science, education, or whatever, we ought to have the same rules apply. I am willing to make the same rules apply.

I have great respect for all those who have spoken this morning. I have raised the question, and I hope it has been properly raised in an effort at least to alert my colleagues and those who may have an interest in this one small area. We are talking about the rights of human beings. The rights of one human being are important.

I would hope that, having made the point and having tried to present in a fair and objective way what the Senator from Kansas views as the argument, the American people who have a concern will now focus on this problem and, perhaps, between now and the time we have the appropriation bill for NSF, we will have more information, more understanding, and a better grasp of the problem.

I suggest that there is probably going to be a great deal of activity in the Senate now, because of the two American newsmen who have been detained by the Russians and who have to go to court. We are going to deplore that, as we should. We are going to suggest that something ought to be done. Again, we are dealing with somebody who does not receive private funds. So about all we can do is, maybe, is make an exchange or work out some other deal.

Here we are considering expenditure of Federal funds, taxpayers' money. Rather than wringing our hands about how to make the Soviets understand—as Solzhenitsyn said at Harvard, we are always on the giving end. We give too much to the Russians. They accept that, but they do not understand it.

Having made the point and having listened to the suggestions of the Senator from New York and the Senator from Connecticut, I withdraw the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment was withdrawn.

Mr. JAVITS. I thank the Senator very much. I know it is hard for the Senator to do this. He will have many other opportunities to make the same point, but I really think it is well advised and I am very grateful to him. It adds to, rather than substracts from, his own reputation

for stalwart advocacy with respect to human rights.

Mr. President, while I have the floor, may I make one observation?

The PRESIDING OFFICER. Who yields time?

Mr. JAVITS. Will the Senator yield me 2 minutes?

Mr. KENNEDY. I shall yield that in just 1 minute, if I may.

Mr. President, I want to express my appreciation to the Senator from Kansas for withdrawing his amendment. I think he has raised the important issue of human rights. I want to say that I appreciate his deep interest in this matter and I thank him for withdrawing this amendment and for giving us an opportunity to talk about this issue.

I yield 2 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, I am pleased to offer my support for the message of S. 2549, the National Science Foundation Authorization Act. This bill will enable the exemplary work of the National Science Foundation to continue, and will provide for some growth in National Science Foundation programs.

Specifically, S. 2549 authorizes appropriations of $934.4 million to support the program activities of the National Science Foundation in fiscal year 1979. This total fiscal year 1979 authorization level is distributed as follows:

	Million
Mathematical and physical sciences (plus engineering)	$266.3
Astronomical, Atmosphere, Earth and ocean sciences	225.3
U.S. Antarctic program	48.5
Biological, behavioral, and social sciences	156.0
Science education programs	87.7
Applied science and research applications	73.5
Scientific, technological and international affairs	22.3
Program development and management	51.8
Special foreign currency program	3.0
Total	934.4

This fiscal year 1979 authorization of $934.4 million represents a 5.6-percent increase over the fiscal year 1978 authorization level of $884.2 million. This is the minimum increase necessary to meet the reductions in real program growth which would otherwise be caused by inflation, and represents only stable funding of the program items authorized, not actual expansion of these programs.

The bill allows for small transfers of funds among programs, with any major transfers, as recommended by the Director of the National Science Foundation, subject to oversight by Congress.

To insure the proper role of the private sector in NSF programs, 15 percent of applied research funds are set aside for small business involvement.

S. 2549 includes a major provision which I proposed, to establish a handicapped research program within the larger NSF applied research program, and provides for an authorization of $2.26 million for this activity. The House bill contains a similar provision. This provision is based on the recommendations of the panel on research programs to aid the handicapped, initiated by the House Committee on Science and Technology. This panel thoroughly investigated the progress of our Nation in research programs to aid the handicapped, and found these programs to be critically deficient in scope and impact. Science and Technology Committee Chairman OLIN TEAGUE has advocated a concerted effort to better utilize our scientific and technological resource to serve our handicapped citizens, based upon the recommendations of the panel and I, along with Senators WILLIAMS, RANDOLPH and STAFFORD, have joined him through this legislation in recognizing and beginning to meet this need.

Mr. President, the managers of the bill, my colleagues from Massachusetts and Pennsylvania, had come to an agreement with one of the members of our committee on a 1-year authorization. I shall honor that agreement. I shall not try to do anything about it. But it has been a longstanding, deep conviction of mine that to enable the National Science Foundation to really do its job, it has to have at least 2-year authorizations. I have come to the floor this morning prepared to propose an amendment that a second year—to wit, fiscal 1980—be provided under an authorization of such sums as may be necessary. I really think that is absolutely inherent in an intelligent and wise method of management and planning for long-term scientific research, which is the business of the NSF.

Thus, Mr. President, I am extremely disappointed that the bill does not provide for a 2-year authorization for the National Science Foundation's programs. This is a critical element of this legislation. We should not be reformulating our scientific research policies each year—policies that the other committees do not have time even to study before they appropriate the funds. The pressure of annual reauthorizations leaves us too little time to look at the Nation's long-range needs in science and provide stable, consistent programs to meet those needs. We are losing the forest for the trees, so to speak, by each year reauthorizing every facet of the National Science Foundation and forgetting—or not having time for—the broader and significant policy questions with which the Congress should be concerned.

The National Science Board and the scientific community have continuously expressed the desirability of a 2-year authorization. Such an authorization would be useful in establishing a longer-range framework for policy planning, and would enable the respective Appropriations Committees to give more consideration to these policies.

Conversely, 1-year authorizations:

First, make management of long-term research extremely difficult;

Second, reduce the stability of our national commitment to the excellence of United States basic science and science education programs;

Third, leave little time for the committee to conduct meaningful oversight of National Science Foundation programs; and

Fourth, leave the Appropriations Committee each year with their consideration of National Science Foundation appropriations often completed in advance of enactment of the authorization measure.

Out of respect for my colleagues, Mr. President—though I am the ranking Republican member of the committee, Senator SCHWEIKER has richly earned that support and respect on my part—I shall refrain from offering this amendment. But I wish to reiterate my profound conviction about the urgent need, if we are really to pursue an intelligent program, for at least a 2-year authorization every time this matter comes up.

The PRESIDING OFFICER. Who yields time?

Mr. GLENN. Will the Senator yield for 1 minute?

Mr. KENNEDY. I yield to the Senator from Ohio.

Mr. GLENN. I appreciate the Senator for yielding.

Mr. President, I am particularly glad the Senator from Kansas saw fit to withdraw his proposal. I do associate myself with the remarks of the Senator from Massachusetts and the Senator from New York.

I have had some experience in the area of international scientific exchange. I think these are consistently among our most productive contacts, particularly with the Soviet Union. I think it would have been tragic had we seen fit to lessen or eliminate these contacts. The scientific community, oftentimes, operates in a way known only unto itself.

These contacts are on a personal basis. We get insights into thinking in foreign areas, particularly areas of those countries that are normally closed to outsiders. I am particularly pleased the Senator from Kansas saw fit to withdraw this. I think it would have been a drastic mistake had we gone ahead with his amendment.

I thank the Senator from Massachusetts for the time.

Mr. KENNEDY. I thank the Senator from Ohio. I know that, as a member of the Foreign Relations Committee and a Member who has had a distinguished background in science and technology, he brings a particular expertise to this area and I welcome his confidence.

Mr. SCHWEIKER. Mr. President, I ask unanimous consent that Kris Iverson of Senator HATCH's staff be granted the privilege of the floor during consideration of and vote on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEASIBILITY STUDY ON SOLAR POWER SATELLITES

● Mr. STEVENSON. Mr. President, as chairman of the Subcommittee on Science, Technology and Space, I would like to comment briefly on the solar satellite feasibility study which is authorized by S. 2549. As I understand it, the legislation provides that the Director of the NSF will determine the need for a study of the feasibility of transmitting solar energy to Earth using orbital structures manufactured from lunar or asteroidol materials. This decision will be made in consultation with the Director of OSTP.

the Secretary of Energy, the Administrator of NASA, and other technical experts in public and private institutions. If it is decided that such a study is necessary, the bill authorizes the foundation to conduct such a study directly or by grants or contracts with public agencies, private organizations, or academic institutions. The bill authorizes $500,000 each in fiscal years 1979 and 1980.

I have several concerns about this proposal. As Senators know, the Department of Energy, in collaboration with NASA, is presently conducting a study to determine the feasibility of solar power satellites as a source of electricity. Last week the House of Representatives passed H.R. 12505, the Solar Power Satellite Research and Demonstration Program Act, which authorizes $25 million to accelerate this evaluation and to begin technical verification of the concepts involved in satellite solar power systems. Whether or not H.R. 12505 becomes law, the administration must now understand the importance of moving forward with the evaluation of solar power satellites. This, in itself, is a major assignment and an important one. A number of economic and environmental questions have to be examined carefully.

However, the study contemplated in this provision of S. 2549 moves considerably beyond the feasibility study being conducted by DOE or authorized by H.R. 12505. Not only does it deal with the feasibility of generating electricity by satellites, it specifies that these satellites should be constructed by materials obtained from the Moon or from near-Earth asteroids. This concept has been developed and popularized by Prof. Gerald O'Neill of Princeton University under the label of the "high frontier." In essence it calls for the construction of a lunar base or space colonies for acquiring and smelting mineral resources which would then be used in building solar power satellites. In addition to the question of whether solar power satellites are feasible, the "high frontier" proposal involves major new initiatives in manned space flight: New propulsion and guidance systems, new techniques for transporting lunar or asteroidal material through space, long-duration human exposure to space, and a host of related issues. It is an imaginative and far-reaching concept, to say the least.

These are concepts which may turn out to have merit. But these concepts belong to the next generation of space flight and, in my judgment, are not proposals for serious consideration by Congress at this time. At the moment, the Subcommittee on Science, Technology, and Space is focusing on the need for a comprehensive civilian space policy that will permit the full and imaginative use of the Space Shuttle. The United States does not have such a policy at present. A Policy Review Committee, chaired by Dr. Frank Press, Director of OSTP, is just beginning its consideration of civil space policy. The subcommittee is also considering what initiatives Congress should take. It is essential that this civil space policy be hammered out soon so that the United States will be able to exploit fully the opportunities for space activities which the Shuttle offers.

In short, the U.S. space program is entering a new era. But we stand only at the threshold. We have a great deal to learn. And this knowledge will be accumulated in an evolutionary and step-by-step manner.

From this perspective, we would be well advised to put first things first. We cannot responsibly propose to leapfrog the entire next decade of space activities, moving all at once from the era of expendable launch vehicles to space colonies. What we learn in the next 10 to 15 years will be vital in evaluating such concepts as the "high frontier." Also, if we in Congress permit our attention and energies to be diverted from today's problems, we may wake up to find that the United States has lost its leadership in space to the Soviet Union, France, Germany, and Japan.

Although I do not intend to oppose this section of S. 2549, I believe it is important to understand that the study it contemplates moves far beyond the issues which Congress must address and decide in the next several years. I trust the Director of NSF and the other officials with whom he must consult will keep these concerns in mind.

Moreover, since the proposed study raises issues which fall squarely within the jurisdiction of the Committee on Commerce, Science, and Transportation, I request that we be consulted in advance of any decision on whether to fund such a feasibility study. It is extremely important that development of U.S. civilian space policy proceed in an orderly and coherent manner.●

Mr. SCHWEIKER. Mr. President, I yield back the remainder of my time.

Mr. KENNEDY. I yield back the remainder of my time.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. KENNEDY. Mr. President. I yield back the remainder of time on the bill.

Mr. President, I call up Calendar Order No. 784, the House-passed version of the National Science Authorization Act, H.R. 11400.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 11400) to authorize the appropriation of specified dollar amounts for each of the National Science Foundation's major program areas (and certain subprograms), and to provide requirements relating to periods of availability and transfers of the authorized funds.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the immediate consideration of the bill.

Mr. KENNEDY. Mr. President, I move to strike all after the enacting clause of H.R. 11400 and to substitute therefor the text of S. 2549, as amended by the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Massachusetts.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 11400), as amended, was passed.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SCHWEIKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KENNEDY. Mr. President, I ask unanimous consent that S. 2549 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections.

The PRESIDING OFFICER (Mr. DeConcini). Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I have cleared these two requests on the minority side.

Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate today to consider a resolution to amend Senate Resolution 4, Committee System Reorganization Amendments of 1977.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Near Eastern and South Asian Affairs of the Committee on Foreign Relations be authorized to meet during the session of the Senate today—beginning at 10:30 a.m.—to receive an executive branch briefing on developments in the Middle East.

The PRESIDING OFFICER. Without objection, is so ordered.

FOREIGN RELATIONS AUTHORIZATION ACT, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate

proceed to the consideration of Calendar No. 773.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 3076) to authorize appropriations for the fiscal year 1979 for the Department of State, the International Communication Agency, and the Board for International Broadcasting, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. SPARKMAN. Mr. President, since 1973, the Foreign Relations Committee has engaged annually in the task of considering and approving authorizing legislation for all of the major foreign affairs agencies. Previously the State Department and USIA had operated with permanent authorizations and were required only to seek annual appropriations. In initiating a requirement for annual authorizations as well as annual appropriations, the Foreign Relations Committee's purpose was to gain a regular opportunity to adjust basic foreign relations statutes and to give shape to the conduct of U.S. foreign policy.

The first years of this process were times of deep division concerning U.S. foreign policy, and a number of the amendments proposed to the annual authorizing legislation during those times reflected and generated intense controversy, sometimes within Congress, sometimes between Congress and the executive branch. In a time of heated domestic conflict, this was to be expected, the Constitution being, after all, what one historian has aptly called "an invitation to the executive and Congress to struggle over the making of American foreign policy."

Such a struggle need not, however, be perennial. And now that we have entered a calmer period, the divisions of the recent past have given way to a quieter time of greater executive-legislative cooperation. This current atmosphere is, I believe, reflected in the provisions of the annual foreign relations authorization bill now before us, S. 3076. While the bill contains several dozen provisions initiated by the committee, I believe that few, if any, should be cause for major controversy, either within this body or between Congress and the President.

The principal purpose of the bill is to authorize fiscal year 1979 appropriations for the State Department, the International Communication Agency, and the Board for International Broadcasting. The total of these fiscal year 1979 authorizations approved by the committee is approximately $1.9 billion, an amount almost identical to the executive branch's request. Of the three major components of this amount, the first is a sum of nearly $1.4 billion for the State Department, which will be used for two primary purposes: First, to pay the salaries and expenses necessary for the Department's worldwide operations, and second, to make payments to all of the international organizations which the United States supports by means of a fixed-percentage assessed contribution to the organizational budget. The second major component of the bill is an authorization of nearly $400 million to fund the fiscal year 1979 operations of the International Communication Agency, known as the USIA before the recent reorganization.

The third general funding authorization in the bill provides for a fiscal year 1979 appropriation of some $88 million to the Board for International Broadcasting, which makes annual grants to Radio Free Europe/Radio Liberty, Inc. The close correlation between the amounts requested by the executive branch for these three agencies and the amounts approved by the committee results from the fact that the three budgets involved are primarily "people" budgets as opposed to "program" budgets. And because the committee is satisfied that the number of personnel in each of these organizations has stabilized at a generally satisfactory level, the committee was prepared to approve, with minor modifications, the amounts requested for salaries and operational expenses.

Beyond the authorization of appropriations, S. 3076 also contains a number of policy provisions, most of which are characterized by a common format: a congressional finding followed by a requirement that the President or Secretary of State report to Congress by a specified date on action taken pursuant to the finding. While aware of a perhaps excessive congressional tendency to establish reporting requirements, the committee draws an important distinction between periodic reports—which often continue long after needed—and the single reports required in this bill, which have been included in order to prompt executive branch action in selected areas. The committee hopes that this format will be recognized in the administration as a desirable mode of congressional participation in foreign policy—a way of pointing a direction and providing a mandate, without intruding into the specifics of policy design and implementation.

It was precisely in order to be able to render such guidance effectively that the committee acted to establish the annual authorization process for the foreign affairs agencies; and the committee believes that this bill, pursuant to that purpose, represents a prudent use of the congressional power to give shape to—without conducting—the Nation's foreign policy.

In keeping with the temper of the times, these provisions are, as I have indicated, generally uncontroversial. But I believe that taken together, they represent constructive congressional participation in the foreign policy process.

I wish now to yield to my colleague from South Dakota, Senator McGOVERN, whom I have asked to serve as floor manager of the bill. Senator McGOVERN chairs the International Operations Subcommittee which conducted the hearings on this bill and which was responsible for the initial stages of its consideration by the committee. I wish to commend him for his work in producing a solid bill of which I believe the committee and the Senate can be proud.

I yield to Senator McGOVERN.

Mr. PAUL G. HATFIELD. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. McGOVERN. I yield.

Mr. PAUL G. HATFIELD. Mr. President, I ask unanimous consent that Bill Whitsitt, Teddy Roe, and Jim Martin of my staff be admitted to the Senate floor during such time as the Senate is considering my unprinted amendment to S. 3076, the State Department authorization bill. My amendment deals with negotiation of an air pollution treaty with Canada.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGOVERN. Mr. President, first of all, I want to thank the distinguished chairman of our committee, Senator SPARKMAN, for his generous words and for the privilege of working with him as a member of the Committee on Foreign Relations on which he has served so long and so well.

Mr. President, I ask unanimous consent that Mr. Norvill Jones, Mr. John Ritch, Mr. Dave Keaney, and Miss Pauline Baker be given the privileges of the floor during the consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1365

Mr. McGOVERN. Mr. President, before proceeding further, I would like to offer an amendment to S. 3076 which contains several parts, all of which I believe can fairly be described as being of a technical, or at least relatively uncontroversial, nature.

The first part, Mr. President, relates to a provision of the bill, section 108, which authorizes a supplemental fiscal year 1978 appropriation to allow for payment of arrearages in the assessed U.S. contribution to the budget of UNESCO. The Senate Budget Committee has expressed concern over such a large supplemental fiscal year 1978 authorization, and has requested that this amount, which is needed for the fulfillment of U.S. obligations to UNESCO, be shifted into the fiscal year 1979 budget. The first part of my amendment will therefore provide for compliance with that request—by striking out this $37 million as a fiscal year 1978 supplemental authorization while adding the same amount to the "International Organizations and Conferences" item in the bill for fiscal year 1979. It is my understanding that this shift will satisfy the Budget Committee's concern, which I am pleased to do.

The second part of my amendment, Mr. President, simply adds explicitly to the bill what is generally understood to be implicit—by inserting the words "United States" as a prefix to the new name for the International Communication Agency.

The third part of my amendment relates to a provision in the bill which stipulates a reasonable minimum number of pages for the State Department's

historical publication, "Foreign Relations of the United States." As it now stands, the provision stipulates the years 1946–48 as a guideline. My amendment simply shifts this forward 1 year—to 1947–49—because apparently there is some confusion as to whether a number of supplemental texts printed for the year 1946 should be counted. The essence of the provision would remain the same, and carries out what was the intent of the committee.

The fourth part of my amendment, Mr. President, relates to a commission on global hunger and malnutrition, which is now in the process of being created by Executive order. The creation of such a commission was urged last fall by means of resolutions passed by overwhelming and bipartisan votes in both Houses of Congress. My distinguished colleague, Senator PERCY, who is now on the floor and who is the ranking member of the Subcommittee on International Operations, and I, along with a lot of other Senators, were among the cosponsors of the Commission on Hunger and Malnutrition.

This amendment would simply authorize the funding for this Commission now that it is in the process of being created at congressional behest. For this purpose the amendment authorizes appropriations of up to $1.5 million in both fiscal year 1979 and fiscal year 1980. As to the need for the Commission, I think there is little doubt, and there has been no controversy. It is imperative that the United States focus and coordinate its efforts to address more adequately and comprehensively the problem of world hunger. Since the World Food Conference in 1974, worthy as that conference was, the situation in many ways has gotten worse.

The gap in per capita food production between rich and poor countries is widening; there is increased dependence on a few countries for the bulk of the world's grain; and population is up and production down in many of the less developed countries. The solutions offered by the World Food Conference, while promising, have simply not been moving to implementation fast enough. Indeed, almost everyone attending international food meetings in the last few years has become increasingly concerned, if not downhearted, about the inability of the world community to undertake a concerted effort and arrest the spread of hunger and malnutrition. As it must in so many other areas, the United States must, on the issue of food, take a leadership role by virtue of the fact that we are the most successful and efficient producers of food anywhere on this planet. To devise and implement our own approach, a Presidential commission can provide valuable initiative. Therefore, I trust that my colleagues will support this measure to take the action which this body formally mandated a few months ago.

The fifth part of my amendment, Mr. President, relates to a provision in the bill which expresses congressional congratulations to the people and Government of Spain for their progress in building strong democratic institutions, and which expresses hopeful anticipation concerning the future disposition of the Picasso masterpiece "Guernica," now in the United States but destined for eventual transfer to Spain. My amendment today would make certain perfecting changes in the wording of the provision, and also add a new element, by authorizing the appropriation of up to $500,000 to be used, at such time as the painting is moved to Spain, as a contribution to the preparation of any special facilities as may be suitable for the painting's permanent display. As stated in this additional language, such a contribution would be an expression both of U.S. appreciation and U.S. congratulation—appreciation for the very considerable benefit which the American people have received from the presence of Picasso's masterpiece in this country for some four decades, and congratulations to the Spanish people and their Government for their progress toward achieving the democratic institutions, which Picasso stipulated as a precondition to the painting's eventual transfer to his native land.

The sixth part of my amendment relates to a provision in the bill mandating a tripling, over the next 5 years, of international exchange-of-persons activities conducted by the International Communication Agency. Believing that these activities are among the most cost-effective run by our Government and that their current funding is almost pathetically low, considering the enormous benefit that these student and cultural exchange programs have provided, the committee's intent was to render an unequivocal mandate for a steady increase over 5 years. However, according to lawyers at the ICA, which I believe strongly favors the committee's initiative, the present language has certain flaws with regard to accomplishing its purpose. My amendment would simply rectify that.

The seventh part of my amendment provides for the clarification of an existing provision of law, which requires executive branch agencies to respond to requests from the congressional foreign affairs committees for certain information on matters under those committees' jurisdiction. While the congressional intent was clear when this provision was enacted, some administrative difficulty has apparently arisen in implementation, because of confusion as to exactly what information is to be reported to the congressional committees. The purpose of this part of my amendment is simply, without altering the original congressional intent, to eliminate any difficulty of interpretation and thus facilitate compliance with the law.

The eighth part of my amendment would add to the bill a simple sense of Congress declaration expressing the importance of the forthcoming United Nations Conference on Science and Technology. Such a declaration was suggested to me by Senator PERCY, and I am pleased to join with him in cosponsoring it Science and technology are a central element in the international drive to alleviate global hunger and poverty, and I believe that my colleagues can join unanimously in an expression of support for efforts to expand mutually beneficial cooperation among developed and developing countries in this area.

The ninth part of my amendment makes a minor adjustment in the wording of a provision in the bill which relates to improving the procedures by which the United States funds its share of the activities of the United States-Canada Joint Commission. The provision, which stems from a GAO report, relates only to internal U.S. Government procedures, and my amendment today is simply a technical adjustment requested by the State Department.

The 10th part of my amendment relates to a provision of the bill, section 132, designed to enhance the incentive for retirement from the Foreign Service and thereby alleviate the problem caused by present overstaffing in the senior Foreign Service grades. To encourage retirements over the coming year, this provision would have allowed Foreign Service officers to compute their annuities on the basis of the highest single year of salary rather than on the average of the highest 3 years.

What has happened, Mr. President, is that a number of Foreign Service officers are simply delaying their retirement in order to compile 3 years of service at the highest possible pay, to maximize their retirement benefits. The purpose of this amendment was to encourage the retirement of some of these people by letting them compute their pension basis on the highest single year of salary. Although Senators PELL and GLENN and I sponsored this provision, we have discovered that there are strong objections to it on the grounds that it may set a bad precedent elsewhere in the Government. We have therefore agreed to strike it from the bill at this time, and I withdraw the 10th part of the amendment.

The PRESIDING OFFICER. The Senator has that right.

Mr. McGOVERN. Mr. President, I misspoke. In order to withdraw that from the bill, it will be necessary to amend the bill, and that is the purpose of this tenth portion of the amendment. So, in agreeing to strike it from the bill, we will include that as the tenth part of this amendment.

The 11th part of my amendment, Mr. President, relates to a comprehensive revision, enacted last year, of the Foreign Gifts and Decorations Act. That act governs the receipt and disposition of all gifts received by employees of the U.S. Government from foreign governments and institutions. My amendment today relates only to the Senate's internal procedures as we comply with the provisions of that act. This amendment was requested by Senator STEVENSON, the chairman of the Senate Ethics Committee, which is responsible for insuring that the provisions of the act are carried out by Senators and Senate employees. The amendment does only two things. First, it specifies the Secretary of the Senate as having custodial responsibilities for gifts which are to be retained in the possession of the Senate as an insti-

tution. Second, in the case of gifts which are to be disposed of, the amendment broadens the avenues of disposal, such that if a Senator wishes, he may—in lieu of the gift being disposed of through the regular procedures of the GSA—specify a nonprofit institution of his choice to be the final and permanent repository of the gift. These two minor refinements, I think, represent no more than a polishing of a long and complicated measure enacted last year.

The 12th part of my amendment, Mr. President, relates to a problem which has been brought to my attention on many occasions and which is, as I understand it, now about to be addressed by a White House study effort. That is the problem of achieving, for Americans living abroad, fair and equitable treatment with regard to taxation, veterans' benefits, the citizenship of children, and other obligations, rights, and benefits. In order to assure that this problem, which has accumulated over many years, is now adequately and comprehensively addressed by the executive branch, I believe that a congressional mandate would be useful. This part of my amendment would therefore add a section to the bill mandating the administration to undertake a concerted effort to identify and evaluate provisions of law and regulation which result in unfair or unequitable treatment to Americans living abroad, and to submit to Congress any proposed remedial legislation the President finds appropriate. As the administration appears to have recognized, such an effort is long overdue. Providing a congressional mandate now will insure that appropriate corrective efforts are undertaken.

Mr. President, that completes my remarks on this package amendment, which I indicated at the outset to be either of a technical nature or at least relatively uncontroversial. I would hope that my colleagues in the Senate would see fit to approve this amendment at this time.

Mr. President, I yield the floor.

Mr. PERCY. Mr. President, I ask unanimous consent that Alison Rosenberg, of the Foreign Relations Committee, be granted the privilege of the floor during the discussion and votes on the present bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, I commend my distinguished colleague on his statement. With respect to comments which have been made about the Mission on Global Hunger and Malnutrition, I would first like to note that the statement made by the distinguished manager of the bill (Mr. McGOVERN) has pointed out that everyone attending international food meetings in the last few years has become increasingly concerned if not downhearted about the inability of the world community to undertake a concerted effort and arrest the spread of hunger and malnutrition.

Mr. President, I would like to point out that in the areas of greatest food need in the past, in the Near East, in Bangladesh, in Pakistan, in India, we have had a dramatic turnaround. We actually have a condition where this most impoverished area for years in the past has now dramatically brought itself up by its own bootstraps, and with the good fortune of good monsoons for 7 years, to where there are actually huge stockpiles of food in that part of the world with some exports being engaged in.

I think we should not be overly modest in pointing out, and we would not be overly modest if we would point out, that the United States has taken a tremendous interest in food production in that part of the world for a long time. That part of the world has been the recipient of huge amounts of Public Law 480 food shipments. We have also concentrated a great deal of our technical assistance, advice, and counsel not only from AID but also from private institutions in this country, the Rockefeller Foundation being one of them. So I think we have made progress, which is all the more reason to say, "Let us not be downhearted and discouraged. Let us be encouraged that real progress of that kind can be seen and measured."

Also, of course, coupled with it is the progress we have to note on population control. Again the United States has been a real leader in this.

I paid full tribute to Senator Fulbright when I first came on the Foreign Relations Committee. We jointly sponsored diversion of funds from AID to set up a fund of $100 million for population control, and I think we have made some progress in that area.

So I am not discouraged or downhearted about the possibilities.

I would like to ask my distinguished colleague what aspects of it are we discouraged about? So that he can be somewhat more particular and specific, is it the failure to set up world food reserves? Specifically, what is our next challenge?

I hope he shares with me a sense of encouragement that we have focused attention on this problem; that we have made progress. There are literally millions of people today who have adequate food available to them and do not face the pangs of hunger every night they used to face in the Near East. If it can be done there, it can be done in Africa and in other places with the proper amount of attention and world cooperation.

Mr. McGOVERN. Mr. President, I appreciate the points made by the Senator from Illinois this morning. His statement serves as a very helpful and corrective balance to what I said earlier today. To suggest that the problem is not solved, and I am sure the Senator from Illinois would agree with this, is certainly not to say that we have not made great progress in the battle against world hunger.

As the Senator from Illinois knows, I had the privilege in 1961 and 1962 in heading the overseas Food For Peace program of the United States under the Kennedy administration. The program of food assistance expanded enormously at that time. We were moving some $2 billion in agricultural surpluses that otherwise would have piled up in grain elevators and storage facilities here at home, with perhaps much of it spoiling, had we not moved it overseas into the hands and into the stomachs of hungry people.

There is no question in my mind at all that the most valuable single contribution the United States has made to the world since the end of the Second World War has been sharing our food abundance with hungry countries in Asia, in Africa, in Latin America, in the Middle East.

It has always been my judgment that that food moving out from this country in the form of grain, in the form of flour, corn meal, dairy products, powdered milk, edible oils, and other nutritious foods, has probably done more to prevent countries from sliding down into the morass of communism than we have accomplished by any other single tool.

It has been the only thing we have had in some countries that saved them from chaos and despair.

I do not for one moment denigrate what the United States has already done. There is no act of generosity and compassion that I know of in the history of any country that goes beyond the sharing of our food abundance for the last 30 or 40 years with other countries. We did the same thing after World War I under the direction of the late President Hoover. He really made his name in international and national affairs as the man who led the great campaign against hunger in Europe at the end of the First World War.

Beyond that, as the Senator correctly points out, we not only shared our food abundance directly but we have learned that in the long run it is better for us to share our technical know-how with these developing countries so that they can increase their own food production and at the same time to share with them technical means as well as knowledge about family planning and population restraint.

Really, the attack, as the Senator knows, on world hunger moves on a dual track, increasing food production on the one hand and trying to exercise some restraint on the growth of population on the other. The Senator is quite correct that we have made enormous strides in this field.

Now, why the need for this Commission? I know it is not necessary, really, for me to answer this question of the Senator from Illinois, because he is one of the cosponsors of the congressional act that created this Commission on Global Hunger and Malnutrition. The reason is, as the Senator suggested in his closing remarks, that there are a number of things that still need to be done. We do need to have better coordination of our own food policies here at home with our obligations as a leading food supplier abroad. We need to have more study and effort directed at the problem of internationally and nationally held grain reserves. Those policies have not been decided upon, but there needs to be a focus somewhere in our Government where we can bring to bear the best thought we are capable of marshaling on the question of what we can do

to prevent the kind of roller-coaster effect that is now taking place.

The Senator referred to the fact that Bangladesh has a pretty good crop coming in this year. He also knows that, more often than not, they are beset with floods in the spring and droughts in the summer that can wipe out that margin of survival very quickly. The question is, What are they doing and what are we doing to stimulate food policies that might be a help against problems of that kind?

What are we doing as a country to share our nutritional knowledge with developing countries? The introduction of good nutritional practices among the American people could cut medical bills in this country by as much as one-fourth; we are talking about savings in the range of $50 or $60 billion that might come to the American people in preventing illnesses and preventing medical bills if we follow commonsense nutritional patterns. Is it equally probable that if even elementary standards of nutrition and diet were followed in these developing countries, it would avoid the kind of crippling illness, the mental retardation, the sluggishness, the listlessness that holds back development in these countries?

I remember the dean of the University of Georgia telling me some years ago that good nutrition would do more to encourage the economic, social, and political development of the world than any other single factor. The Senator from Illinois is an expert in this field, one who has been a longtime member of the Select Committee on Nutrition. The purpose of this amendment is to underscore the interest that the Senator from Illinois and other Senators and I share in moving this Commission along. It is to give it a limited amount of funds, which had been suggested in this range by the White House, so that we can continue the studies, the hearings, and the public effort that is needed to keep our food assistance programs moving as effectively as possible.

(Mrs. HUMPHREY assumed the chair.)

Mr. PERCY. I thank my colleague for his comments. I should simply like to indicate to him, however, that the Committee on Governmental Affairs has been attempting for a number of years under a bill that I introduced in 1973, that has been law since then, to reduce the number of advisory committees and commissions. We were spending tens of millions of dollars on them. There never seemed to be an end to them. They would get into being and they had a sustained life of their own, and they never ended. They never seemed, ever, to finish their jobs.

So we tried the sunset principle in this legislation that I introduced and have now eliminated about 600 of these committees. We have saved millions of dollars and I do not think anybody even knows they are gone. We started a system for ending them.

Here we are starting up another one now. I am a cosponsor; I know it is needed. But I want to be certain that the White House will know that we are going to look with great scrutiny at that figure of $1.5 million that the floor manager has suggested to be put in as a cost factor for this commission. When the authorization comes, we want a justification in detail.

For $1.5 million is a lot of money. The League of Women Voters' budget, overall, is about $2 million. That allows them to hold hundreds of meetings across the country for thousands of people, employing 50 staff members. So you can do an awful lot for $2 million. You can do an awful lot for $1.5 million.

I want to be sure that, when we are talking about starvation and malnutrition, we can buy an awful lot of food for that money. I want to be sure we are not just studying a subject about which we already know a great deal and that we are not going over ground, repeating ourselves, and we are not just thinking we are accomplishing something with a study commission. Most study commissions do not accomplish a great deal. They do not take action at all. I want to be sure that we are not studying to death a problem while the same money could be used to feed people that need that.

I hope they will hold this down to a tight budget, a frugal budget, and not just indicate that, because we have an authorization up to that amount, that is the amount they have to justify. Let us justify as little as is necessary to get this job done. I only make that comment.

Mr. McGOVERN. If the Senator will yield on that point, I could not agree more with the observations he has made. If I did not think this $1.5 million to this Commission on Hunger and Malnutrition would not only save lives but save money, I would not be advocating it.

We are operating very large food assistance and food development programs abroad. There is no question in my mind that there is some waste in those programs. There is waste in the storage aspects of them, as well as waste in distribution. There is waste even in the way the food is prepared in some areas. I offer this amendment not simply to find another way to spend the $1.5 million or to create another useless study, but because I think there are a number of loose ends in this whole area of our food assistance and food development programs that need very careful scrutiny.

I shall join with the Senator, and I make that pledge publicly, to look very critically at how this money is spent in the first year before we go ahead with any further appropriations next year.

Mr. PERCY. I thank my colleague. We shall both take a good, hard look at them.

I should like to comment on the eighth part of the Senator's floor amendment, simply stating that Congress points out the importance of the forthcoming United Nations Conference on Science and Technology.

This is an important conference. I think, in the developed world, the greatest resource we have is our technological know-how. It is the desire of this country and other great countries to share that knowledge with Third World people. It can help them alleviate hunger and poverty. It can help them solve their energy problems. It can help them find alternative sources of energy and go down different routes than we have gone down, which obviously will be beneficial to them. If they can start down the solar route rather than just ape what we have done in the combustion engine and the insatiable desire we have for fossil fuels, they can certainly go a different route.

As a matter of fact, we have, right over here in the Capitol, beginning at 12:30 today, a gasohol experiment where any Member of Congress can come over and fill his gasoline tank with gasohol to prove that that car can drive, not just on a 100-percent petroleum product or on fossil fuel, but on a product made from farm products, forestry products, or city waste. I contributed toward that fund so that all Congressmen and Senators can fill their tanks in the next few days and try it out themselves and demonstrate that.

We certainly ought to take the technology, know-how, and experience that we gain in this country and share that with the rest of the world. I think the forthcoming United Nations Conference on Science and Technology is a good place.

I should also like to commend my distinguished colleague from Illinois (Mr. STEVENSON), the chairman of the Senate Committee on Ethics, for making these suggestions with respect to gifts.

It seems, many times, far more sensible to place a gift that has value that can be shared with the general public in a nonprofit institution.

I know that we did this ourselves years ago with a gift that the Ambassador said would have been extraordinarily embarrassing to the country if we turned it down. But I worked out with that country, before we left the country, the fact that we would make a gift to the Oriental Institute of Chicago where it could be seen and viewed by everyone there.

I think that is a very sensible approach by Senator STEVENSON and I fully support it.

Madam President, I would like to make some comments on section 404 of the Foreign Relations Authorization Act. I think it would be better, Madam President, to dispose of the amendment first and then I will go into section 404.

I yield the floor to my colleague.

Mr. McGOVERN. Madam President, I move the adoption of the amendment.

The PRESIDING OFFICER. The amendment has not been called up yet.

UP AMENDMENT 1365

Mr. McGOVERN. Madam President, I send the amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from South Dakota (Mr. McGOVERN) proposes unprinted amendment numbered 1365.

The amendment is as follows:

On page 2, line 7, strike out "$412,986,000" and insert in lieu thereof "$450,261,000".

On page 29, line 10, before the words "Agency for Information and Cultural", insert "United States".

On page 13, line 2, strike out "1946–1948" and insert in lieu thereof "1947–1949".

At the end of title IV, add the following new section:

"COMMISSION ON HUNGER AND MALNUTRITION

"SEC. 420. There is hereby authorized to be appropriated $1,500,000 for the fiscal year 1979 and $1,500,000 for the fiscal year 1980 for a Commission on Global Hunger and Malnutrition to be created by Executive order by the President. Such Commission shall: (1) assess the policies, organization, and structure of current Federal programs which have an impact on hunger and malnutrition; (2) coordinate, sponsor, and oversee projects, studies, events, and other activities that it deems necessary or desirable, making maximum use of past and ongoing related efforts; (3) conduct studies, inquiries, meetings, and hearings as it deems necessary; (4) make recommendations to the President and Congress on policies to increase the capacity of the United States to reduce hunger and malnutrition. Funds authorized to be appropriated by this section shall be expended under the direction of the Chairman of such Commission."

On page 46, lines 7–8, strike out "on Commission from" and insert in lieu thereof "for".

On page 46, lines 20–21, strike out "returned" and insert in lieu thereof "transferred".

On page 46, after line 21, insert the following:

"(d) It is further the sense of Congress that, upon the return to Spain of "Guernica", the American people, having long benefited from this treasure and admiring Spain's achievement today, would wish, as an expression of appreciation and congratulation, to contribute to the preparation of any special facilities as may be suitable for the painting's permanent display. There is hereby authorized to be appropriated for this purpose the sum of $500,000, to be available in whole or part if such contribution is found appropriate by the elected leaders of Spain."

On page 36, strike out lines 1 through 12 and insert in lieu thereof the following:

"(b) The United States Government shall seek to achieve, by October 1, 1983, not less than a tripling (in real terms) of the financial resources annually expended by the International Communication Agency for exchange-of-persons activities; a general plan for the accomplishment of this goal shall be prepared at an early date, and then annually adjusted by the President and the Congress; and the funds necessary to accomplish these expanded activities shall be included in the President's annual budget submission to the Congress, with the allocation of funds among programs to be determined by the President."

On page 6, strike out lines 14 through 19 and insert in lieu thereof the following:

"CLARIFICATION OF INFORMATION REPORTING REQUIREMENT

"SEC. 108. Section 15(b) of the Act entitled "An Act to provide certain basic authority for the Department of State", approved August 1, 1956 (70 Stat. 890), is amended by inserting after the word "information" the following: "(notwithstanding the department, agency, or independent establishment of origin)".

On page 57, after line 23, add the following new section:

"SCIENCE AND TECHNOLOGY FOR DEVELOPMENT

"SEC. 421(a) Congress finds that—

"(1) science and technology are the keys to eradicating hunger and poverty in developing nations;

"(2) the ability of the developing nations to achieve self-sustaining growth has been hindered by the lack of an indigenous scientific and technological base;

"(3) this scientific and technological base is vital to the emergence of developing countries as full and equal partners in the international system;

"(4) expanded science and technology cooperation can significantly contribute to an improved North-South relationship; and

"(5) the United Nations Conference on Science and Technology for Development offers a valuable forum for the analysis of development problems that might be alleviated or solved with the aid of scientific and technical expertise.

"(b) It is therefore the sense of Congress that the United States should strongly support the purpose of the United Nations Conference on Science and Technology for Development and that the United States delegation to this Conference should actively develop and offer proposals which would facilitate an expansion of mutually beneficial science and technology cooperation (including joint education and research and development programs) among developed and developing countries."

On page 17, line 23, strike out the comma and "other than salaries".

On pages 24 and 25, strike out section 132 and renumber subsequent sections accordingly.

At the end of Title IV, add the following new section:

"FOREIGN GIFTS AND DECORATIONS RECEIVED BY SENATORS AND SENATE EMPLOYEES

"SEC. 422. (a) Section 7342(a)(6) of title 5, United States Code, is amended—

"(1) by striking out '(e)' in subparagraph (A) and inserting in lieu thereof '(e)(1)'; and

"(2) by inserting before the semicolon at the end of subparagraph (B) the following: ', except that those responsibilities (other than responsibilities involving approval of the employing agency) specified in subsections (c)(2), (d), and (g)(2)(B) shall be carried out by the Secretary of the Senate'.

"(b)(1) The last sentence of section 7342(c)(2) of such title is amended by striking out 'subsection (e)' and inserting in lieu thereof 'subsection (e)(1) or provide for its disposal in accordance with subsection (e)(2)'.

"(2) The last sentence of section 7342(d) of such title is amended—

"(A) by striking out 'or' before 'forwarding' and inserting in lieu thereof ', for'; and

"(B) by striking out 'subsection (e)' and inserting in lieu thereof 'subsection (e)(1), or for disposal in accordance with subsection (e)(2)'.

"(c) Section 7342(e) of such title is amended—

"(1) by striking out 'Gifts' and inserting in lieu thereof '(1) Except as provided in paragraph (2), gifts';

"(2) by striking out '(1)' and inserting '(A)';

"(3) by striking out '(2)' and inserting '(B)'; and

"(4) by adding at the end thereof the following new paragraph:

'(2) Gifts and decorations received by a Senator or an employee of the Senate that are deposited with the Secretary of the Senate for disposal, or are deposited for an official use which has terminated, shall be disposed of by the Commission on Arts and Antiquities of the United States Senate. Any such gift or decoration may be returned by the Commission to the donor or may be transferred or donated by the Commission, subject to such terms and conditions as it may prescribe, (A) to an agency or instrumentality of (i) the United States, (ii) a State, territory, or possession of the United States, or a political subdivision of the foregoing, or (iii) the District of Columbia, or (B) to an organization described in section 501(c)(3) of the Internal Revenue Code of 1954 which is exempt from taxation under section 501(a) of such Code. Any such gift or decoration not disposed of as provided in the preceding sentence, shall be forwarded to the Administrator of General Services for disposal in accordance with paragraph (1). If the Administrator does not dispose of such gift or decoration within one year, he shall, at the request of the Commission, return it to the Commission and the Commission may dispose of such gift or decoration in such manner as it considers proper, except that such gift or decoration may be sold only with the approval of the Secretary of State upon a determination that the sale will not adversely affect the foreign relations of the United States.'

"(d) In the event that the space and facilities available to the Secretary of the Senate for carrying out his responsibilities in storing and safeguarding property in his custody under section 7342 of title 5, United States Code, are insufficient for such purpose, he is authorized, with the approval of the Committee on Rules and Administration of the Senate, to lease such space and facilities as may be necessary for such purpose. Rental payments under any such lease and expenses incurred in connection therewith shall be paid from the contingent fund of the Senate upon vouchers approved by the Secretary of the Senate.".

At the end of Title IV, add the following new section:

"EQUITABLE TREATMENT FOR U.S. CITIZENS LIVING ABROAD

"SEC. 422. (a) Congress finds that—

"(1) American citizens living abroad should be provided fair and equitable treatment by the United States Government with regard to taxation, citizenship of progeny, veterans' benefits, voting rights, Social Security benefits, and other obligations, rights, and benefits; and

"(2) such fair and equitable treatment would be facilitated by a periodic review of statutes and regulations affecting Americans living abroad.

"(b) Not later than January 20, 1979, the President shall therefore transmit to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate a report which—

"(1) identifies all statutes and regulations which discriminate against American citizens living abroad;

"(2) evaluates each such discriminatory practice; and

"(3) recommends draft legislation and any other remedial action the President finds appropriate to eliminate unfair or inequitable treatment of Americans living abroad."

HIGH-ONE DELETION

Mr. GLENN. Mr. President, today we have remove a committee-approved provision allowing for a 14-month period waiver granting Foreign Service officers an opportunity to retire at their highest 1-year salary as contrasted to the normal requirement of a 3-year salary high. I am distressed by the administration's failure to recognize the important ramifications of such an action upon the morale and spirit of career Foreign Service officers.

Equally significantly, I am amazed at the opposition of the Office of Management and Budget to this proposal and the justification they offer in light of Secretary Califano's apparent success to report its 1-year high waiver provision at HEW for not only career supergrades but also midlevel positions. I suggest to my colleagues there is an inconsistency in these two actions.

I think it is unfortunate that the Department of State has not been more forceful in fighting for this proposal. As a former member of another career service, the military, I am all too well aware

of the importance of good management in a department. Management is not housekeeping. Rather, it is direction, control, and an ability to pull together scattered elements to achieve specific purposes. At a time when we have more than 90 senior career officers walking the hallways literally looking for an opportunity to serve their government, colliding with the recent court decisions on retirement, the failure to enact this legislation only deepens the loss of morale and dissatisfaction in the career service.

Further, it may be seen by some talented young officers as yet another signal that they should look elsewhere for opportunities. Recent promotion levels in the Department of State have been dismally small in the midlevel ranks. In connection with that observation, Mr. President, I attach for the RECORD a pertinent article from a career officer regarding the situation. Robert Pringle's analysis of "Creeping Irrelevance at Foggy Bottom" may perhaps be overstated, but it is nevertheless, I fear, an accurate reflection of the sentiments of many officers.

Mr. President, I would hope our action today in deleting this provision does not blind us to the very real problems which exist in the Foreign Service. Just as with the military personnel stationed abroad, Foreign Service officers perform a vital and important function for our Government. We have been well served, but whether we can continue to attract and retain such highly competent people will be questionable if we continue the general pattern of ignoring their problems.

The attachment follows:

CREEPING IRRELEVANCE AT FOGGY BOTTOM

(By Robert Pringle)

An official British study group recently recommended abolishing Her Majesty's diplomatic service. The Central Policy Review Staff, headed by Sir Kenneth Berrill, argued that in today's increasingly technical world, significant business between nations can best be conducted by skilled home-based specialists from regular government departments. As global interdependence increases, the border between "foreign" and "domestic" issues is vanishing. Jet aircraft and the communications revolution have made it possible for technocrats to deal directly with each other on such complex issues as international trade, nuclear energy, and law of the sea. There is, so the report implied, no more need for the old-fashioned generalist diplomat, trained (or born) to understand and negotiate with foreigners, but rarely the possessor of any single technical skill.

The 442-page report has been hotly criticized in Britain as extreme to the point of absurdity and its relevance to other countries (particularly in superpowers like the United States) is debatable. The British, beset by endemic economic crisis, are still struggling to shed an apparatus conceived to run an empire that no longer exists. Being human, Her Majesty's diplomats have ably resisted the inevitable, maintaining to this day such palpably overblown establishments as a 570-man embassy in Washington. Excess, it may be argued, in this case prompted overreaction. Nevertheless, foreign ministries around the world shuddered at the implications of the report. Many were created in the image of Britannic precedent and have been imitating it ever since.

Overdrawn as it may be, the report suggests serious issues which also underlie the malaise now afflicting the U.S. foreign affairs agencies. The problem is most acute among the 3,500 Foreign Service officers—the American equivalent of Britain's diplomatic service—who work for the Department of State.

A BUREAUCRATIC MIDGET

The State Department has never had it easy, for reasons well known. These include chronic bad relations with Congress, the traumatic scars left by the McCarthy era, which bred a tradition of timidity, and a host of image problems created by the striped-pants diplomatic cliché. State has produced its share of martyrs—John Stewart Service and the others who told it like it was about China and were crucified for their pains—but very few popular heroes. Most serious, State lacks bureaucratic muscle. Although Secretary of State Cyrus Vance is most senior of cabinet members, and is charged (in theory) with responsibility for the coordination of all foreign policy activities, he presides over a bureaucratic midget. State is the smallest cabinet-level agency in town with a budget of only $1.06 billion in Fiscal Year 1976, compared to $128 billion for Health, Education, and Welfare, $90 billion for Defense, or an estimated $8 to $10 billion for the "intelligence community" including the Central Intelligence Agency.

These traditional problems have been joined by a host of new ones. Most obvious is an appalling personnel logjam. Traditionally, State was able to attract the best young college graduates through a highly competitive annual examination. But for a variety of reasons, the appeal of a Foreign Service career is no longer what it once was. Bright graduates not already alienated by Vietnam and CIA antics are appalled by slow promotions and shrinking job opportunities at State, except in such unglamorous specialties as consular work—issuing visas and protecting Americans abroad—and embassy administration. Moreovor, those interested in significant, fast-moving careers abroad now have many alternatives, thanks largely to the growth of multinational business. American banks alone now employ more officers in their international divisions than the entire U.S. Foreign Service.

Part of the problem is simple attrition. Thanks to progressive post-Vietnam disinvolvement in Indochina and repeated economy moves, the U.S. diplomatic service has shrunk from more than 3,700 officers 10 years ago to approximately 3,500 today. Meanwhile, however, recruitment and promotion have continued. The result is an acute oversupply of middle- and senior-level officers. Last summer, more than 60 (or nearly 10 per cent) of the diplomats in the two highest grade levels were walking the corridors in Washington, assigned to make-work details of various kinds. The problem is particularly embarrassing because, thanks to generous recent federal pay raises, they are making up to $47,500 each. "It is a miracle that this thing hasn't generated a major scandal," one corridor-walker observed.

Much of this talent might be employable elsewhere in the government. Unfortunately, the career Foreign Service, which under present practice administers its own personnel system, has not moved nearly fast or far enough to develop regular interchanges with academia, other agencies, or private business. Exhortations to the contrary notwithstanding. Foreign Service promotion panels still tend to penalize those who are rash enough to seek experience outside the admittedly stagnant mainstream—State Department or embassy assignment. Training activities, which might soak up excess personnel and simultaneously improve quality, are similarly underdeveloped. Foreign Service officers spend an average of only 6 per cent of their time in middle- or upper-level career training, compared to 11 per cent for an average military officer.

The situation will certainly get worse in the months ahead, for at least two reasons. Until recently, all Foreign Service officers were subject to mandatory retirement at age 60, 10 years earlier than the norm for other civilian government agencies. A recent federal court decision in a case brought by a retired diplomat ruled this provision disciminatory and opened the way for other forcibly retired officers under 70 to apply for reinstatement. Simultaneously, the Department of State is under heavy pressure to recruit more minority members by "lateral entry," bypassing the traditional combination of written and oral examinations.

No one has charged State with discrimination. Unfortunately, a Foreign Service career is simply not very attractive to most talented young blacks who are much in demand and can certainly make more money elsewhere. But whatever the cause, the fact remains that affirmative action programs are now threatening to force-feed a large dose of blacks, hispanic Americans, and women into State's already clogged personnel system.

Traditionally, the Foreign Service was a system apart, nourished by a sense of elitism. Foreign Service people looked forward to spending most of their lives abroad and regarded Washington as purgatory. They loved the perquisites of overseas living and willingly accepted hardships ranging from dysentery to bossy ambassadors' wives. "Worldwide availability," which means that you must move cheerfully wherever and whenever the department so ordains, has been one of the most rigid tenets of the system. But several new factors are rending the fabric of this once comfortable subculture. Most significant is the problem of the working wife. More young diplomats than ever before are married to women with careers of their own and, in an inflationary era, often depend upon their spouses' income. The wives are increasingly unwilling to sacrifice their own careers in order to follow their husbands overseas.

Until now, many such hidden costs inherent in a Foreign Service career have been cushioned by government-provided housing abroad, subsidized medical care, and allowances for extra expenses often associated with schooling abroad. But the Treasury Department, backed by sympathetic members of Congress, is now proposing to treat all such allowances as taxable income. The result could make it impossible to recruit anyone but the independently wealthy for service abroad. A likely compromise—making only some portion of the allowances taxable—would still sharply reduce the appeal and practicality of foreign service.

Such problems could be endured or overcome, as in the past, were it not that the diplomats themselves are nagged by suspicions that—as the British report so intemperately asserts—the art of diplomacy may be of waning relevance to the conduct of international affairs. There is more to this malaise than the self-doubt that seems to afflict most Americans at present.

A senior Foreign Service officer who recently completed tours at two large European embassies noted that he spent most of his time setting up appointments for visiting delegations from Washington. "There is no need for high-powered, broad-gauged individuals to do that kind of thing," he concluded. On his return to Washington, he found that State often plays only a marginal role compared to such bureaucratic giants as Defense, Treasury, or even Agriculture, and that even within State, the key decision-makers, at the rank of deputy assistant secretary and above, are increasingly non-Foreign Service personnel. They are often young bureaucrats with previous experience on Capitol Hill or in other agencies, professional Washington operators who are not remotely attracted by what they regard as frivolous and insignificant service abroad.

Some ambitious and talented Foreign Service personnel are beginning to accept this

ethic, and even to resist transfer abroad. However, to the service in general, the trend is deeply discouraging. The American Foreign Service Association recently praised Carter for doing better than his predecessors at appointing career officers to ambassadorships, but complained that only one-quarter of top-level Washington jobs at State are filled by "professionals," compared to two-thirds a year ago.

ADVICE NOT TAKEN

Whatever her problems, no one would argue that the Empress Dowager of Foggy Bottom has lacked for attending physicians. The foreign affairs community has been the subject of at least 65 major studies since 1951. Legions of involved scholars and concerned bureaucrats have poured out thousands of pages and tended to arrive at remarkably similar conclusions.

Major shortcomings frequently identified include weak and inconsistent internal management, ineffective performance in defense and economic policy-making, and inadequate long-term planning and assessment capability. The Foreign Service personnel system has repeatedly been criticized as unduly hierarchical and inflexible.

The most significant thing about the endless stream of studies is that little serious effort has been made to implement them and virtually none have resulted in major change at State. One major exception was the mid-1950s reform, named for a commission headed by Henry Wriston, which integrated Washington-based State Department personnel with the regular, still exclusive diplomatic corps. "Wristonization" was ill-conceived at the time, and its memory has conditioned many conservative Foreign Service officers to resist any change that might entail the further erosion of their special status.

The Carter administration has inherited the most massive study to date—the 1975 report of the "Commission on the Organization of the Government for the Conduct of Foreign Policy," chaired by retired Ambassador Robert D. Murphy.

The Murphy Commission took a different tack from its predecessors. It concluded that it was futile to keep on exhorting State to "take charge" of foreign policy in an age when significant foreign problems (such as energy policy) are increasingly intertwined with domestic concerns. Only the president can resolve major interagency disputes on such "intermestic" issues, it argued. State should concentrate on what it can realistically do, and then do it well. It defined this role as that of "advocate" in two senses: making sure that the interests of friendly foreign powers are not overlooked in the hurly-burly of Washington decisionmaking and, perhaps more important, articulating the broader national interest as opposed to the often competing and sometimes parochial concerns of agencies like Commerce, Defense, or Agriculture. The commission further proposed steps to sharpen functional (especially economic and political-military) skills to enable State officers to deal with counterparts in Treasury and Defense. It urged the creation of a top-level Foreign Affairs Executive Service, which would interchange officers among State, the Central Intelligence Agency, Defense, and others, thereby broadening domestic opportunities for the Foreign Service.

The kind of revitalization suggested by the Murphy Commission will require progress on two fronts. The traditional diplomatic skills of understanding and negotiating with foreigners are still vital and need to be strengthened. Traditional foreign policy expertise must be more effectively brought to bear in the maelstrom of Washington decision-making.

Within the Foreign Service there has been an endless debate about the traditional skills, particularly over the virtues of geographic area specialists versus generalists. Today it is accepted that foreign area expertise, including knowledge of exotic languages, alien cultures, and the history and politics of remote countries, is the one vital skill on which the State Department holds a natural monopoly. That the skill is vital should have been proven for all time by the course of U.S. involvement in Vietnam, a tragedy based on total misunderstanding of a unique revolution. In general, State has strong and sometimes outstanding skills for certain major culture areas—China, the Soviet Union, and the Arab world. But area knowledge is often weak for other countries of the Third World, where geographic and linguistic fragmentation make it difficult to become genuinely expert without extremely narrow and arduous specialization. Unfortunately, Vietnam was such a country.

Other factors continue to inhibit the Foreign Service from performing as well as it should in its most natural avocation. When all is said and done, it is still dangerous to be too understanding of foreigners. The ethos of the service still refers the well-rounded generalist. As recently as 1973, Secretary of State Henry Kissinger, angered by what he regarded as the parochialism displayed at a meeting of officers from U.S. embassies in Latin America, instituted a "Global Outlook Policy" (better known as GLOP), prohibiting his subordinates from serving more than two out of three tours in any one area of the world. (The policy has subsequently been greatly watered down, although it remains officially in effect.) This lingering suspicion of area expertise should be exorcized, and the department should raise its traditional skills to the highest possible level, supplementing them whenever necessary by interchange with academia.

Perhaps the most obvious, unique characteristic of the Foreign Service is the embassy—a permanent, overseas establishment staffed by resident, cross-cultural, political and economic analysts (which is what good diplomats are). Especially in the larger and more complex Third World countries visiting delegations are no substitute for such on-the-ground expertise. But embassies are rarely used as effectively as they might be.

Except under abnormal circumstances such as Vietnam, Foreign Service officers spend most of their time abroad passively observing and analyzing foreign behavior in great detail. According to traditional practice, American policies, made in Washington, are to be implemented, not subjected to meddlesome examinations in the field. Nevertheless, ambassadors, if they choose, can move toward a more systematically activist role. They can use their political and economic sections as a combined policy section, to monitor and evaluate American programs, as well as those of U.S.-supported multilateral activities such as U.N. agencies and the World Bank.

Such activism tends to produce cries of outrage from other agencies, but it could help restore to the Foreign Service the relevance that it is losing. It should be noted that ambassadors are already charged by law with "supervising" the activities of other U.S. agencies—except the military—in their countries. As is well known, this mandate has usually remained in the realm of polite fiction.

GLARING NEEDS

The failure of the Service to perform more effectively in Washington is partly a matter of inadequate experience. A much more vigorous, outward-looking policy of interchange with other government agencies and with private business would provide a partial cure. Those who seek such experience or training outside the mainstream should be rewarded, not penalized. Recruitment and training should be conducted with Washington requirements in view. The Foreign Service provides some degree of training for any junior officer headed for the most insignificant overseas post. But it does virtually nothing to provide its Washington assignees with adequate knowledge of complex "intermestic" issues such as energy food assistance, or the proper role of multinational corporations.

There is a glaring need for better technology as well as better training. Thanks to an electronic network that is funded largely by another agency, information pours from embassies to Washington in staggering profusion. Last year, the State message center handled about one million cables, and the number (which does not include documents addressed to other foreign affairs agencies) increases at an annual rate of about 15 per cent. But having information and using it are two different matters. As things stand, the State Department has failed to develop more than a rudimentary data retrieval and processing system, and in general less use is made of computer technology than in any modern department store.

Even with an adequate data retrieval system, skilled analysis would be necessary to sift and evaluate the ever increasing flow of information and get it to the officials who can use it. But State's own analytic capability, concentrated in the Bureau of Intelligence and Research, still operates with antiquated manual filing systems and has been heavily cut back in recent years, to the point where one analyst is sometimes responsible for several major countries. (The Central Intelligence Agency has a larger pool of analysts, but has also suffered from recent reductions and no small measure of identity crisis.)

Both in Washington and abroad, the kind of change that is needed would require the Foreign Service to opt for more openness in its dealings with other branches of government, including the Congress, and with the public. If diplomats want greater experience beyond the career service, they should welcome, not resist, the recruitment of some talented outsiders by lateral entry at mid-career levels. (For years the trend has been in the other direction.) Such a policy may be abused, of course, by using it to confer political favors, but there is no alternative that does not carry the greater risk of stagnation. It would be a logical first step to follow the Murphy Commission's recommendation and merge the executive personnel systems of all foreign affairs agencies.

The Carter administration has an unusual opportunity to initiate such reforms at State, in accordance with the president's own campaign rhetoric. The administration has already established a task force on national security affairs, part of the government-wide reorganization effort being conducted by the Office of Management and Budget. The task force is headed by none other than the chief researcher of the Murphy Commission, Peter Szanton. At State itself, a new management team headed by Deputy Undersecretary Benjamin H. Read is currently preoccupied with solving the immediate personnel crisis, but should eventually be able to cooperate effectively with Carter's reorganizers in implementing broad institutional reforms.

Considerable formal reorganization and some legislation might be required to achieve the broader, more open Foreign Service advocated here, although State's existing dual personnel system, including both Foreign Service and regular Civil Service personnel, allows considerable latitude for change within present legal and organizational confines. Congressional opposition to such change—especially when (as in the case of computer technology) it would require expenditure—has been a critical barrier in the past. But experts on Capitol Hill judge that because of the replacement of certain key subcommittee chairmen, notably John Rooney of New York and Wayne Hayes of Ohio, Con-

gress might now be surprisingly receptive to a well-thought-out reform effort.

Past experience proves that regardless of how structures may be altered, reform at State is likely to abort unless the Foreign Service itself welcomes and does not sabotage it. Although the idea of a more open, outward-looking service is by no means accepted by all officers, the current personnel crisis dramatizes the need for change. Thus, despite the shadow of creeping irrelevance, there is hope for the future.

Mr. McGOVERN. Madam President, I now move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to UP amendment No. 1365 of the Senator from South Dakota.

The amendment was agreed to.

Mr. McGOVERN. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PERCY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McGOVERN. Madam President, I now yield the floor.

Mr. PERCY. Madam President, I would like to draw attention to section 404 of the Foreign Relations Authorizations Act, calling for action in support of international journalistic freedom. The amendment reads as follows:

(a) Congress finds that—

(1) news dissemination and the free flow of information across national boundaries are vital to international understanding and to healthy relations among nations; and

(2) recurring and reliable reports strongly indicate that in many countries foreign journalists are subject to governmental harassment and restriction, including the denial of access to legitimate news sources, the imposition of censorship, and detention, or incarceration, and expulsion.

(b) It is therefore the sense of Congress that the President should—

(1) advise the appropriate officials of any foreign government engaging in such harassment and restriction that the United States considers the mistreatment of foreign news correspondents a significant and potentially damaging factor in overall relations of the United States with such country; and

(2) raise in appropriate international forums the issue of the treatment of foreign news correspondents with a view toward gaining multilateral support for the legitimate rights of such correspondents.

(c) Not later than January 20, 1979, the President shall transmit to the Speaker of the House of Representatives and the Chairman of the Senate Committee on Foreign Relations a report describing fully and completely actions taken pursuant to subsection (b) of this section.

Madam President, the mistreatment of foreign news correspondents has reached epidemic proportions in recent years and, therefore, the support of nations which respect press freedom should be brought to bear on behalf of the legitimate rights of foreign correspondents.

The front page of today's Washington Post reports that two American correspondents have been ordered to appear before a Soviet court to answer charges of slander. This is apparently an unprecedented move against Western journalists.

But this problem is not new. To many persons in the United States, the harassment and restriction of foreign correspondents has been almost totally unknown. Such mistreatment has not often reached the headlines; in fact, it has seldom been reported in this country, particularly when it only involved correspondents of other nationalities.

Moreover, more press attention in the past 2 years has been accorded to the mistreatment by governments of the editors and reporters of their own nations than of foreign reporters. The crackdown of the South African Government on many journalists and their publications was widely covered in the United States.

To show the extent of hostile action against foreign news correspondents, I will list about 25 incidents of the last 2 years. I have not sought to "manage" the list by having reports specifically from each region, or by seeking to balance these reports between countries. These are simply typical examples of harassment which indicate the scope of the problem.

A law was passed in Tanzania creating a domestic news agency with the authority to determine what correspondents of the transnational news services may transmit.

Czechoslovakia tried to restrict Western stories about dissidents by tying approval of correspondents' visa requests to agreement not to contact dissidents.

Plainsclothes police in Prague sprayed an irritant substance into the faces of two correspondents, one with Reuter, the other with AFP, after forcibly preventing them from speaking with a member of the Charter 77 human rights group. The authorities replied to Reuter's protest that the police action was justified, that the journalists were intervening in Czechoslovak internal affairs.

Czechoslovak police ordered Paul Hofmann of the New York Times off a train bound for Vienna, held him incommunicado for 2 hours and confiscated his notebooks and documents. He said that customs men had become alarmed, because they found in his luggage a statement attributed to Alexander Dubcek. When released, Hofmann had to walk 3 kilometers into Austria, carrying heavy luggage.

In Angola, authorities announced that foreign journalists may transmit only "official news" in the "precise form" published in the government newspaper or broadcast on government radio.

Laotian authorities arrested and later expelled the last resident Western journalist in the country, John Everingham, part-time correspondent of the BBC and the Far East economic review. Police seized his photo library of 10 years' work and confiscated all his cameras, books, documents, and personal papers.

Ross Munro, Peking correspondent of the Globe and Mail of Toronto, was expelled after his articles on human rights in China were published.

Nigeria expelled John Darnton of the New York Times while he was covering the trial of a controversial singer. Mort Rosenblum of Associated Press said in a magazine article that the last Reuter correspondent in Nigeria had been put in a dugout canoe, without his passport, and headed toward neighboring Benin.

Rhodesia refused to renew the work permit of BBC correspondent Brian Barron after he reported a massacre in that country.

In East Germany, U.S. freelance writer, Leslie Collit, was taken from a train and detained while border guards confiscated 90 pages of his notes and two tape recordings.

President Idi Amin of Uganda told the OAU foreign ministers that Uganda had taken steps to regulate the free entry of "imperialist and Zionist press media agents."

David Hirst, correspondent of the Guardian, the British daily, was arrested at gunpoint and expelled from Egypt. One Egyptian official said his visa had expired, another said that his articles were full of "hatred and false information aiming at serving Zion and Israel," and a third said his reporting of the conspicuous consumption of the Egyptian upper classes had helped to provoke riots.

The Government of India published a white paper on the misuse of mass media by the Indira Gandhi regime. During that period, it said, the Information Ministry decided that the reporter of any foreign newspaper would be held responsible for any objectionable material on India published by his paper and could be deported. Seven foreign correspondents were expelled. The press gallery in Parliament was then open only to foreign correspondents "about whose friendly attitude there was absolutely no doubt."

A Moroccan journialist was imprisoned in Algeria without charges or trial.

Argentina arrested and imprisoned journalists from Germany, Chile, Paraguay, and Uruguay. A Uruguayan writer was arrested and imprisoned in Chile.

A Yugoslav correspondent was arrested and imprisoned in Libya. Yugoslavia deported a Danish radio correspondent after he covered an attempted demonstration in Belgrade by a group of Jewish women from the West.

Robert Toth of the Los Angeles Times was arrested and expelled from the Soviet Union after interviewing a scientist who claimed a breakthrough in telepathy. George Krimsky of the Associated Press was expelled from the U.S.S.R. after the Soviet press charged that he was a CIA agent and a violator of currency regulations. Peter Osnos of the Washington Post was warned by the Soviet Foreign Ministry that his "anti-Soviet" articles could bring "certain consequences."

Arnold Zeitlin of the Associated Press was expelled from the Philippines.

A Paris-based Associated Press correspondent, Michael Goldsmith, was beaten unconscious personally by the Emperor of the Central African Empire and jailed for a month.

I believe that these incidents must be taken seriously if news dissemination and the free flow of information across national boundaries are to be upheld in the world. It is my strong feeling that the United States should make it known to appropriate officials of foreign governments engaging in such harassment and

restrictions of reporters that we consider the mistreatment of foreign news correspondents a significant and potentially damaging factor in the overall relations between the United States and such countries.

I believe further that the United States should raise in appropriate international forums the issue of the treatment of foreign news correspondents with a view to gaining multilateral support for the legitimate rights of such correspondents.

The Chicago Sun-Times, in an editorial on May 30, 1978, stated that—

> We in our business, perhaps more than others, are aware of and concerned about the official restraints put upon the free flow of news by a growing number of countries. But it is more than a parochial interest, and our concern ought to be shared by the American community at large.

Continuing, the Sun-Times said:

> The reasons are old: Implementation of a sound U.S. foreign policy relies upon an informed public opinion; and such opinion, like an arm to which a tourniquet is applied, goes, "to sleep" when the circulation of news is stanched.

The Sun-Times editorial concluded by saying that Congress would serve a "democratic cause" by passing this section of the bill.

Madam President, the Washington Post today on its front page had an article entitled "Crawford Freed: 2 Newsmen Accused."

Mr. Crawford was an employee, a representative of International Harvester Corp., and I was advised very quickly after he had been seized, advised, and protested to the Soviet Ambassador, Anatoly Dobrynin, who had not yet heard of the incident, and advised International Harvester, they had not yet heard about the incident.

We were absolutely shocked at this kind of treatment of an American citizen in a foreign country.

Fortunately, his fiance was with him and had diplomatic immunity, and we were able to get an eyewitness version of what happened to that businessman.

The harassment of news personnel continues. Here we have Harold Piper of the Baltimore Sun and Craig Whitney of the New York Times harassed in a way that causes Americans to be very concerned.

I think when we consider that no foreign policy can be implemented by the President or the Secretary of State without the backing and support of the American people, the Soviet Union must take into account that SALT II is going to be affected by the climate in which our negotiations occur.

These negotiations are not in a vacuum. They are taken into account. All actions are taken into account when we have this kind of incident on the front page of newspapers across the country and across the world.

The instances I have pointed out in my remarks are specific cases in specific countries. I have done so not for the purpose of offending any country, because things occur in this country of which we are not proud, but simply to point out that we believe deeply in the free dissemination of news and the freedom of information. The harassment of correspondents around the world by various countries certainly can do nothing to improve better understanding between people. They, themselves, will be cause for deep concern by us in our dealings with other countries.

Madam President, I ask unanimous consent to have printed in the RECORD a newspaper article in connection with this matter.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CRAWFORD FREED; TWO NEWSMEN ACCUSED—UNPRECEDENTED MOVE AGAINST JOURNALISTS

(By Kevin Klose)

Moscow.—Two American correspondents were summoned yesterday by Soviet authorities to appear in Moscow city court today to answer a slander accusation leveled by the state-run television and radio monopoly, a legal move without precedent that reflects the continued Soviet pressure on Western journalists.

Craig Whitney of The New York Times and Harold Piper of The Baltimore Sun said they were told by the Soviet Foreign Ministry that summons served on them are connected with an apparent civil slander complaint from the Soviet media organization "Gosteleradio" over articles they had written.

[The matter was raised by Secretary of State Cyrus Vance during his meeting with Soviet Ambassador Anatoliy Dobrynin in Washington yesterday. The substance of their discussion was not disclosed, but U.S. officials believe the action against the two U.S. journalists was not directly linked to the arrest of two alleged Soviet spies in New Jersey.

[State Department spokesman Hodding Carter III said there was "no implicit equation" of the cases involving the two correspondents and the one against U.S. businessman Francis Jay Crawford either on "the seriousness, the facts of the cases or anything of the sort . . . We do not regard the cases as being related."

[Carter pointed out that the correspondents were involved in a civil rather than a criminal proceeding and therefore would not be subject "to more severe penalties."]

The two reporters, both based here, said they have been given no details of the allegation against them. The summonses were styled in such a way as to indicate they are considered "respondents," a term used there in civil suits.

The allegation is the first known direct legal proceeding against working American journalists here that alleges something they wrote was slanderous, a word with ominous meaning in a country which frequently uses the criminal charge of "anti-Soviet slander" in dealing with its own dissidents.

The U.S. Embassy said it is "keenly aware" of the summonses. The reporters said they will go to court today accompanied by a consular officer from the embassy. U.S. Press and Cultural Counselor Raymond Benson has been notified to appear separately at the Foreign Ministry today and it was speculated here last night that his visit may be related to the Whitney and Piper case.

"If this is a slander case, then it means censorship is back," one Western diplomat said. Censorship was ended here in 1961 by Nikita Khrushchev.

The actions come the same day that Soviet authorities released Crawford from custody. He had been seized by police June 12 and has been accused in the Soviet press of currency violations. Crawford's release from jail had lightened the air of tension that has settled over the American community here since he was seized.

The two journalists said they believe the allegations must stem from separate articles each filed in late May about an unusual confession by a well-known Georgian dissident leader that was televised nationally.

In their articles, both journalists quoted dissidents in Soviet Georgia as saying they believed the televised confession by human rights activist Zviad Gamsakhurdia had been falsified by Soviet authorities. Whitney quoted friends of Gamsakhurdia as saying that they believed most of the confession had been fabricated. Piper wrote that sources close to Gamsakhurdia said the confession was false.

The two men interviewed their sources during a joint trip last month to Soviet Georgia and Armenia, where nationalist fervor was recently stirred by Soviet attempts to remove the Armenian and Georgian languages as the official tongues of the two republics in new regional constitutions.

The confession was broadcast May 19. Western press reports at the time noted that the confession, a color video tape, appeared to have been heavily spliced. Gamsakhurdia had been brought to trial earlier for anti-Soviet agitation and propaganda. He confessed at the start of the trial and was found guilty along with an associate, Merab Kostava. Both were sentenced to three years in prison and two of internal exile.

The Kremlin has always treated resident Western journalists, and especially Americans, to bouts of harassment, denunciation and attempted intimidation. It has shown particular sensitivity to Western reporting of the activities of dissidents, nationalists, human rights activists and Jews denied permission to emigrate.

It was speculated here last night that if the slander charge relates to the Gamsakhurdia articles by Whitney and Piper, it would show anew the authorities' concerns about these matters. Gamsakhurdia was long a prominent spokesman for Georgian nationalists. He is the son of one of the old Transcaucasian Republic's most famous authors.

The state's concerns about such reporting have been marked since 1976, when three American journalists were labeled spies in the Soviet press. The charge has been revived many times since, despite the fact that none of the three is here any longer.

One of them, George Krimsky, of the Associated Press, was expelled in February 1977, the first U.S. journalist to be thrown out since 1970. In June last year, Soviet police seized Robert Toth of The Los Angeles Times, accused him of receiving state secrets, and interrogated him during sessions over several days. He was then released to complete his normal three-year tour here a few days later.

The Soviet Union is signatory to numerous international accords on reportorial freedom, such as the Helsinki accord on European security and cooperation, which bars harassment of foreign journalists in the "legal" performance of their jobs.

Whitney, 34, is married and the father of two. He has been here for nine months. Piper, 39, is married and the father of one. He has been here three years.

UP AMENDMENT NO. 1366

Mr. McGOVERN. Madam President, I believe that the Senator from Montana has an amendment he is interested in offering to the bill.

Mr. PAUL G. HATFIELD. I thank the Senator from South Dakota.

Madam President, I have at the desk an unprinted amendment, and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

At the bottom of page 57, add the following:

NEGOTIATIONS ON AIR QUALITY

SEC. 420(a) Congress finds that:

(1) The United States and Canada share a common environment along a fifty-five-hundred-mile frontier;

(2) the United States and Canada are both becoming increasingly concerned about the effects of pollution, particularly that resulting from power generation facilities, as each country's facilities affect the environment of the other;

(3) the United States and Canada have both subscribed to international conventions and joined in the environmental work of the United Nations, the Organization of Economic Cooperation and Development, and other international environmental forums; and the United States and Canada have entered into and implemented effectively the provisions of the historic Boundary Waters Treaty of 1909; and

(4) the United States and Canada have a tradition of cooperative resolution of issues of mutual concern which is nowhere more evident than in the environmental area.

(b) It is the sense of the Congress that the Secretary of State should make every effort to negotiate a cooperative agreement with the Government of Canada aimed at preserving our mutual airshed so as to protect and enhance air resources and insure the attainment and maintenance of air quality protection of public health and welfare.

(c) It is further the sense of the Congress that the Secretary of State, working in concert with other interested Federal agencies, as well as the affected States, should take whatever diplomatic actions appear necessary to reduce or eliminate any undesirable impact upon both countries resulting from air pollution from any source.

Mr. PAUL G. HATFIELD. Madam President, on May 24 I was joined by 15 Senators whose States border Canada in introducing Senate Resolution 465, expressing the sense of the Senate that the Secretary of State enter into negotiations with the Government of Canada in an effort to seek a treaty to establish a framework for resolving transboundary air quality problems. Support for Senate Resolution 465 has grown and there is now a bipartisan group of 34 Senators cosponsoring it. They are Senators CHURCH, STEVENS, YOUNG, RIEGLE, STAFFORD, JACKSON, HUMPHREY, MELCHER, NELSON, MOYNIHAN, GRAVEL, MAGNUSON, METZENBAUM, PROXMIRE, ANDERSON, BURDICK, JAVITS, CURTIS, WALLOP, BAKER, MARK HATFIELD, DURKIN, CHAFEE, SASSER, CASE, HART, KENNEDY, MATSUNAGA, JOHNSTON, ABOUREZK, NUNN, HODGES, and CANNON.

The amendment I now offer to the State Department authorization bill is essentially the text of Senate Resolution 465. In its statement of findings, it acknowledges the unique quality of our 5,500-mile mutual border. It notes that both nations have subscribed to a number of conventions and treaties governing the environment and have enacted internal laws aimed at protecting air and water quality. It praises the fine record compiled by the two nations in resolving transboundary problems in the past.

The amendment then expresses the sense of the Congress in two regards. First, it asks that the Secretary of State make every effort to negotiate a cooperative agreement with the Government of Canada so as to preserve our mutual airshed from pollution which might be injurious to public health and welfare. Second, it encourages the State Department, working in concert with the affected States and such Federal agencies as the Environmental Protection Agency, to use whatever diplomatic means it deems necessary to reduce or eliminate the impact of pollution, no matter what its source.

Madam President, until recent years, the United States-Canadian environmental problems were confined essentially to those dealing with water. Recognizing the importance of allocation and quality of transboundary stream flows, the two nations negotiated the Boundary Waters Treaty of 1909. Under that pact, specific problems or grievances may be referred to the International Joint Commission, a creature of the Treaty. The IJC may then appoint whatever international groups it needs to investigate and report findings and recommendations back to the commission. The commission in turn makes its recommendations to the Governments of Canada and the United States. While the Governments are free to reject the findings, history has shown that the recommendations carry great moral weight and are given every consideration. The system has worked well on many occasions since it focuses international attention on transboundary problems in a realistic and positive manner.

That brings us to the subject of air quality. Absent a formal mechanism for treating the matter, the International Joint Commission created an "International Air Pollutior Advisory Board." Although the Board has focused some attention on the problem, the fact remains that neither the Boundary Waters Treaty nor the IJC's own rules of procedure mention the word "air." Yet air pollution is destined to become the dominant transboundary environmental problem of the future. We need a high-level mechanism for meeting and resolving air quality matters. We need an international equivalent of the Boundary Waters Treaty to protect our mutual airshed.

My amendment is an important first step toward negotiation of the United States-Canadian air pollution treaty. It declares to Washington and to Ottawa, and to all affected States and Provinces, that they will find the Congress cooperative in moving toward this important goal.

Madam President, I have been most gratified with the response given to this initiative. A large number of my colleagues, both Democrat and Republican, have cosponsored the resolution from which my amendment is drawn. I have also received informal encouragement from individual Canadians. The State Department has responded with a letter, which I ask unanimous consent to have printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, D.C., June 28, 1978.

Hon. PAUL G. HATFIELD,
U.S. Senate.

DEAR SENATOR HATFIELD: The Department of State appreciates the opportunity to review Senate Resolution 465, expressing the sense of the Senate with respect to mutual action by the United States and Canada to protect and enhance the quality of air resources along our international boundary.

In close coordination with other interested Federal and state agencies, the Department has sought to limit the transboundary impacts of air pollution. In this continuing effort, we appreciate and share the concern expressed in the subject Resolution for the maintenance of environmental quality in both nations.

For example, we currently have underway a cooperative effort with the Canadian Government aimed at better defining and effectively dealing with the problems we both face as a result of the long-range transport of air pollutants.

This Department, therefore, is in agreement with the objective outlined in Senate Resolution 465, and would find its passage consistent with Administration policy.

The Office of Management and Budget advises that from the standpoint of the Administration's program there is no objection to the submission of this report.

Sincerely,

DOUGLAS J. BENNET, Jr.,
Assistant Secretary for Congressional Relations.

Mr. PAUL G. HATFIELD. Madam President, before I ask for Senate action on the amendment, I wish to stress again its general nature. It is not aimed at any specific project, or group, or area. Rather it seeks to build on the remarkable cooperative record of the United States and Canada. It creates the necessary mechanism for treating the transboundary problem of the future: air pollution.

Madam President, the distinguished Senator from Minnesota (Mr. ANDERSON) cannot be here today. He is deeply interested in the matter of transboundary air pollution, and he has given me a statement on this subject. I ask unanimous consent that his statement be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY MR. ANDERSON

As an original cosponsor of S. Res. 465, which is a first step toward an air quality treaty between the United States and Canada, I wish to express my strong support for the amendment offered by my distinguished colleague, Senator Paul Hatfield.

In negotiating agreements on air quality issues, the two nations have had to operate under the terms of a treaty which has been around for almost three-quarters of a century. During these years, air pollution on both sides of the border has been a growing problem.

Several unresolved air quality disputes persist. One such dispute has been developing on the border which Minnesota shares with Ontario, Canada. There, a new power plant is planned, just 35 miles from the U.S. border, near Atikokan, Ontario. The two nations have thus far been unable to agree on appropriate pollution control measures for the plant.

A treaty would help focus attention on the international air pollution problem, and enable the two countries to establish procedures for the effective, equitable resolution of air quality disputes.

I believe that both countries will benefit from a treaty specifically aimed at protecting air quality on both sides of the border. I would like to take this opportunity to urge my colleagues to support the amendment offered by Senator Paul Hatfield of Montana to incorporate S. Res. 465 into the authorization legislation for the State Department.

Mr. McGOVERN. Madam President, I believe the amendment offered by the Senator from Montana is a constructive one I see no reason to oppose it. I hope it will be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 1367

Mr. WEICKER. Madam President, I call up my amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Connecticut (Mr. WEICKER) proposes an unprinted amendment numbered 1367:

Page 38, delete lines 7 through 11, and add in lieu thereof:

"Sec. 403: It is the sense of Congress that the Secretary of State should convey to all nations having an interest in cetacean sea life, the Congress' serious concern regarding the continuing destruction of these marine mammals (highlighted by the recent slaughter of dolphins in the sea of Japan by Japanese fishermen), and should encourage those nations—"

Line 16, delete the word "small"

Line 24, delete the word "small"

Mr. WEICKER. Madam President, I recently introduced a resolution along with 11 of my colleagues addressing the issue of the slaughter of dolphins off the coast of Japan by Japanese fishermen. The resolution expressed the concern of the Senate regarding the killing and called for the increased participation by the Japanese Government in international discussions aimed at eliminating further problems of this nature. I commend my colleague from Rhode Island Senator PELL, for adding the language of this resolution to S. 3076. Japan has admirably recognized the issue that confronts them and has taken positive initiatives to promote the peaceful coexistence between fisherman and dolphin.

The survival of cetaceans, however, is not solely the problem of the Japanese. It is, rather, the concern of all nations whose livelihood brings them in conflict with the dolphin and other marine mammals that seek the same resources from the sea. That conflict will increase as more and more nations turn to the sea to meet rising global food requirements. And, as a result, the tradeoff disputes between the needs of the marine ecosystem and man's socioeconomic system, so aptly displayed this winter in the Sea of Japan, will sharpen.

The path toward settling those disputes lies in the proper understanding and knowledge of cetaceans acquired at a cooperative international level. With the sharing of knowledge and technology, nations can work together toward the proper maintenance of a balanced marine environment which will, in turn, result in the most profitable harvesting of marine resources and a minimal effect on the future of cetaceans. The recent actions of the International Whaling Commission to establish whaling quotas is one such step in that direction. The U.S. Law of the Sea delegation's attempts to promote an international cetacean commission in the Law of the Sea treaties is equally welcomed.

It is in this spirit of international cooperation that I introduce the following amendment to the State Department authorization bill, S. 3076. With this amendment I ask the Secretary of State to encourage all nations with an interest in cetaceans, not just the Japanese as the present language states, to participate in international discussions and exchanges which will further the understanding of these magnificent creatures. In addition, I ask the State Department to encourage these nations to promote an international cetacean commission and to adopt comprehensive marine mammal protection legislation.

Madam President, I ask for passage of the amendment.

Mr. McGOVERN. Madam President, I think the amendment offered by the Senator from Connecticut is a good one and strengthens the provision in the legislation before us. I hope it will be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Connecticut.

The amendment was agreed to.

COMMITTEE MEETING

Mr. McGOVERN. Madam President, I ask unanimous consent that the committee on Agriculture. Nutrition, and Forestry be authorized to meet for 1 additional hour during the session of the Senate today to hear the testimony of Commissioner David Gartner.

The PRESIDING OFFICER. Without objection, it is so ordered.

FOREIGN RELATIONS AUTHORIZATION ACT, 1979

The Senate continued with the consideration of S. 3076.

The PRESIDING OFFICER. Is there further amendment to be proposed?

Mr. McGOVERN. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. I thank the Chair.

UP AMENDMENT NO. 1368

Madam President, I have an unprinted amendment at the desk which I ask to be stated, please.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment numbered 1368.

Mr. HELMS. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the bottom of page 57, add the following:

RHODESIA

SEC. 420. Section 5 of the United Nations Participation Act of 1945 is amended—

(1) by striking out the second and third sentences of subsection (a) and inserting in lieu thereof the following: "In recognition of the settlement of March 3, 1978, reached by leaders representing a majority of Rhodesians, no Executive order which was issued under this subsection before the date of enactment of the Foreign Relations Authorization Act, Fiscal Year 1979 and which applied measures against Rhodesia pursuant to any resolution of the United Nations Security Council may be enforceable until September 30, 1979."; and

(2) by striking out subsections (b) and (c).

Mr. HELMS. Madam President, I would point out that cosponsors of this amendment include the distinguished Senator from California (Mr. HAYAKAWA), the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.), and the distinguished Senator from Idaho (Mr. McCLURE). I ask unanimous consent that they be made cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Madam President, the amendment which I propose is a simple one. It would amend the United Nations Participation Act of 1945 so that no Executive order imposing sanctions against Rhodesia could be enforced until September 30, 1979. This would obviously have the effect of lifting U.S. sanctions against Rhodesia during the most critical period, when the transitional government is struggling to provide the necessary economic and social stability for free elections to be held in December 1978.

As everyone now knows—everyone, apparently, except the State Department—the principal leaders of Rhodesia, representing both the white populations and at least 80 percent of the black populations, signed an agreement on March 3, 1978, thereby initiating a transitional government leading to full majority rule by December 31, 1978.

Despite certain inevitable tensions, that transitional government has been functioning fairly smoothly. Few would assert that any parties concerned have failed to make a good faith effort to see that the internal settlement works, and that it leads to peace and prosperity for all residents of Rhodesia, black or white.

Nevertheless, Madam President, Rhodesia is far from calm. Terrorist attacks from guerrillas based in neighboring countries have continued to devastate both white and black communities. Furthermore the economic situation has continued to deteriorate because of the refusal of the outside world to lift economic sanctions against the Rhodesian economy. The high cost of providing security against the guerrillas, as well as the decline in trade due to the unsettled security situation, both have slowed development, increased inflation, and decreased trade. Thus the social unrest is caused not only by the terror and insecurity created by the guerrilla attacks

against innocent blacks and whites, but also by the rising unemployment and economic dislocation which creates insecurity of another kind.

If there are to be truly free elections, and if the elections are going to be held in an atmosphere of peace and emotional stability, it is imperative that sanctions be dropped immediately. I do not believe that the Rhodesian community will actually begin to disintegrate as a result of the terrorist strategy; but the cost will be high, and the chances of achieving peace and justice in Rhodesia will be correspondingly small. At best, the terrorist attacks will interfere with the restoration of normality. But at worst, if the present settlement fails, the country could slowly sink into tribal and civil war, with the attendant massacres and genocide which have been seen in so many other African countries in the past decade.

The United States has an obligation to assist these efforts. I concur with the concurrent resolution introduced by the distinguished ranking minority member of the Foreign Relations Committee, the Senator from New Jersey (Mr. CASE), along with the distinguished chairman (Mr. SPARKMAN), last March. I believe that the effort was also cosponsored by the distinguished Senator from New York (Mr. JAVITS) and the distinguished Senator from Florida (Mr. STONE). That proposal read as follows:

CONCURRENT RESOLUTION

Whereas; the Government of Rhodesia and representatives of Rhodesia's Black majority population have reached an agreement looking towards free elections and majority rule in Rhodesia by the end of 1978, and

Whereas; the agreement adopted in Salisbury looks toward both recognition of majority rights and protection of minority rights;

Resolved by the Senate (the House of Representatives concurring), that it is the sense of the Congress of the United States that—

(1) the Congress urge the President to assist the process of reconciliation in Rhodesia and oppose efforts in the United Nations and elsewhere to undermine the dual objectives just mentioned;

(2) the agreement reached in Salisbury should have the serious and impartial consideration of the United States Government and other governments interested in a peaceful settlement of the conflict;

(3) the President of the United States should instruct the United States Ambassador to the United Nations to lend his efforts toward ensuring the agreement is so considered and is not rejected out of hand by the United Nations; and

(4) the role of the United States should be to join with like-minded parties in providing its good offices to bring about a peaceful solution: an orderly transition to genuine majority rule, and the enduring protection of minority rights.

However, in the intervening months, there has been no such response to the reasonable proposals put forth by the leaders of the Foreign Relations Committee. About 2 weeks after the introduction of that concurrent resolution, State Department spokesman John Trattner said that:

The Salisbury regime is an illegal regime. Therefore administrative arrangements it makes of that kind we are talking about are also illegal.

Of course, the standard criticism of the administration has been that the internal settlement has excluded the leaders of the terrorist forces, Robert Mugabe and Joshua Nkomo. But in point of fact, neither has been excluded by the transitional government. Both have been invited to join, but only on condition that they will lay down their arms and compete freely in the democratic process for the votes of all Rhodesians. This they have steadfastly refused to do.

This refusal has been based partly on ideology, and partly on other rivalries. Both men are Marxists, who would like to turn Rhodesia into another Angola or Mozambique; but both are rivals for power who are bitterly opposed to each other. Moreover, most of the black people of Rhodesia, about 80 percent, belong to the dominant Mishona tribe, the historic enemies of the Matabele. The three distinguished black leaders who have signed the internal settlement are related to the Mishona tribe; the self-exiled Marxists are connected with the Matabele. Plainly, on tribal divisions alone, the terrorists could not hope to win more than 20 percent of the vote.

So with all the simplistic talk about "majority rule," no one seems to ask the question, "which majority?" There are many black Africans who are prepared to work across tribal divisions. Several of the ministers in the transitional government are not related to the Mishona tribe. There could be no just reason for the refusal of the so-called Patriotic Front leaders to lay down their arms and join in peaceful nation-building.

When Bishop Muzorewa visited the United States in April, he affirmed that both Nkomo and Mugabe were repeatedly asked to join the discussions with Ian Smith and Muzorewa, Sithole, and Chirau, but they steadfastly refused.

On February 1, Rhodesia's Minister of Foreign Affairs, P. K. van der Byl restated the position of the Rhodesian Government that—

If leaders of the external nationalist alliance completely renounce terrorism, they will be free to return to Rhodesia to contest elections envisaged under an internal settlement.

Appearing on Rhodesian television in late March, the Reverend Mr. Sithole said:

Well, right from the beginning, the external leaders were invited to join the talks, but they refused to come back into the country and join us. The reason why they have refused to come back is that they know they are massively rejected by the people of this country.

But even deeper than that, they have a very strange philosophy which is quite unacceptable to most of us, namely, they feel very strongly that all power should be handed over to the Patriotic Front. But we do not subscribe to that view.

We feel very strongly that all power must be handed not to a particular political leader or to a particular political organization, but to the people of this country. Then, in turn, the people of this country will delegate this power in free elections to the leaders of their own choice.

The invitation to the external leaders to come and join us is still open. They can come and participate in free elections like anybody else. But certainly no special place will be created for any of them, just as in the agreement no special place has been created for any of the internal leaders. What is important is that they should come back and submit themselves to the verdict of the people of this country no matter what external support they may get. * * *

Madam President, the record is absolutely clear that the leaders of the so-called Patriotic Front have not been excluded; they have excluded themselves. Not only do they lack a significant following among the black Rhodesian, but they have alienated most black Rhodesians by their emphasis on murder and atrocities. Indeed, records show that they have murdered far more blacks than whites in their terrorist raids. They cannot even claim that they are waging a holy war against white oppression; their program is simply murder—murder—as a stratagem to seize total power.

There is, therefore, no justice to the claim that the internal settlement is wrong because the Patriotic Front is not included; rather, the so-called Patriotic Front itself has rejected the principal of majority rule. Nor is it right to admit the claims of the so-called front line states bordering Rhodesia as a factor in the internal settlement. These nations have been backing the so-called Patriotic Front in their bloody and murderous campaign against the missionaries, women, and children of Rhodesia. They have harbored them, and given them support. They are, in short, aggressors themselves in this matter.

If we demand that the Patriotic Front and its allies must be admitted to the settlement simply because they have the capacity, with the assistance of the Soviets and the Cubans, to make war against Rhodesia, then we have succumbed to the same malaise that overtook Prime Minister Chamberlain at Munich, when he legitimized Hitler's aggressive claims in the illusory search for peace. A Rhodesian settlement that succumbs to the claims of aggressors will be another Munich settlement, touching off a continental war with chaos of epic proportions.

Madam President, I would like to point out in conclusion that the internal constitutional settlement more than fulfills the requirements that were laid down by former Secretary of State Kissinger in the Kissinger-Smith agreement of September 24, 1977. The government of Ian Smith accepted Secretary Kissinger at his word, and acted in good faith. We must honor that commitment.

The Kissinger-Smith agreement called for the setting up of a Council of State, with equal black and white membership, to draft a new constitution and handle legislation. It proposed a Council of Ministers, with a black Rhodesian as first minister and a black majority, but with the Ministers of Defense and Law white. The security forces, which are 80 percent black, would be under the control of the latter. In addition, Secretary Kissinger proposed to guarantee pension and property rights with an international trust fund.

The internal agreement, after much negotiation with black leaders, went be-

yond what Secretary Kissinger proposed. It set up an Executive Council consisting of Prime Minister Smith and three black ministers to make policy decisions on drafting the new constitution, and to review decisions of the ministerial council. The ministerial council is composed of an equal number of black and white ministers, with each portfolio shared by a black and a white minister with joint authority. The ministerial council initiates legislation and oversees day-to-day administration. The present Parliament continues to sit, but at the call of the Executive Council to handle transitional matters such as voter registration, and so forth.

The guarantees proposed include a legislative assembly of 100 members—with 72 seats reserved for blacks and 28 seats for whites—protection of pension and property rights, an independent judiciary, and an independent civil service.

Despite this, the United States and Great Britain continue to demand acceptance of the Anglo-American plan, first presented in a British White Paper on September 1, 1977. The Anglo-American plan proposes a British resident commissioner with full dictatorial power. Rhodesians would have no participation in his choice, nor representation in his decisions. He would not even have input from Rhodesian advisory bodies or the Rhodesian civil service. Similarly, the new constitution would be written in London without Rhodesian participation by either blacks or whites. The security forces would be under the control of the resident commissioner; its key, disciplined units disbanded and reconstituted with men taken from the terrorist forces.

Incredibly, even the proposed parliament would offer little guarantee of traditional Anglo-Saxon justice. Only one-sixth of parliamentary seats would be reserved for "specially elected members" to represent the white minority—but the "specially elected members" would be selected by the Parliament at large by majority vote, and would not even have to come from the minority group thus "represented." Conceivably, all of them could be members of the so-called Patriotic Front.

Such proposals represent nothing other than a vindictive plan of unconditional surrender. The carefully crafted plan of the internal settlement, by contrast, is reasonable, humane, and just to all parties. It is based upon traditional Western concepts of equity and justice. It was proposed in good faith. It deserves to be given a chance.

My amendment would lift sanctions on Rhodesia for a period of approximately 15 months. It is not a blanket rollback. The cutoff date of September 30, 1979, was chosen to coincide with the end of the fiscal year, and the effective date of the fiscal year 1980 State Department authorization bill. If the lifting of sanctions is successful in ending the Rhodesian crisis, then the issue will be moot. If it is not successful, then the Senate will be debating this whole issue a year from now. The amendment is, therefore, a modest attempt for peace in Africa.

Mr. President, I ask unanimous consent that the following materials essential to the proper understanding of this matter be printed in the RECORD at this point. The first is a comparison I have prepared of the internal agreement of March 3, 1978, with the Kissinger-Smith agreement of September 24, 1976, demonstrating clearly that Rhodesia has fulfilled its obligations; it also compares both with the abominable Anglo-American plan.

The second is the statement of Prime Minister Ian Smith on the Kissinger proposals, of September 24, 1976.

The third item is the full text of the internal agreement signed on March 3, 1978.

The fourth item is the official view of the Rhodesian Government on the history of events leading up to the March 3 agreement.

The fifth item is the short biographies of the four leaders of Rhodesia who signed the internal agreement.

The sixth item is a list of the present ministers of the transitional government, giving their names and party affiliations.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMPARISON OF VARIOUS PLANS AND AGREEMENTS RELATING TO THE RHODESIAN SETTLEMENT BY SENATOR JESSE HELMS

ANGLO-AMERICAN PLAN (BRITISH WHITE PAPER, SEPTEMBER 1, 1977)	KISSINGER-SMITH AGREEMENT (SEPTEMBER 24, 1976)	INTERNAL CONSTITUTIONAL AGREEMENT (MARCH 3, 1978)
Transitional government	*Transitional government*	*Transitional government*
1. British Resident Commissioner: No Rhodesian representation. Full dictatorial power. No Rhodesian advisory bodies. No Civil Service input.	1. Council of State: Equal black and white membership, nominated by each group. Drafts new Constitution. Initiates and approves legislation. General supervision of government.	1. Executive Council: Consists of Prime Minister and 3 black Ministers, with revolving Chairman. Makes policy decisions on drafting new Constitution. Reviews decisions of Ministerial Council.
2. Constitution to be written and imposed by British without Rhodesian participation.	2. Council of Ministers: Black as First Minister. Black majority. Ministers of Defence and Law would be white. Decisions by consensus, votes by ⅔ majority. Delegated legislative authority.	2. Ministerial Council: Equal number of black and white Ministers. Operates on Cabinet system. Each Ministry headed by one black and one white minister with equal authority. Initiates legislation. Decisions by majority vote, subject to review by Executive Council.
3. Security Forces: Under control of Resident Commissioner. Key units disbanded. Main force to be formed from terrorist armies.	3. Security Forces: 80 percent black. Under control of Ministers of Defence and Law. Terrorists to be excluded.	3. Parliament: Sits as presently constituted until elections in December. Meets at call of Executive Council for transitional matters, voter registration, etc.
Guarantees	*Guarantees*	*Guarantees*
1. Parliament elected by majority rule. ⅙ of Parliament to be "Specially Elected Members" to represent white minority. But SPE's to be elected by majority in Parliament and need not be from minority group.	1. International Trust Fund to guarantee pension rights, home and farm investments, and right of sending certain funds out of country.	1. Legislative Assembly of 100 members: Elected by universal franchise of all over 18. 72 seats for blacks. 28 seats for whites.
2. No international guarantees.	2. International base for contributions.	2. Protection of pension and property rights. 3. Independent judiciary. 4. Independent civil service.

THE DOCUMENT THAT WILL CHANGE A NATION

An agreement which will give Rhodesia a one-man-one-vote majority rule government by the end of 1978 was signed in Salisbury on Friday, March 3.

The full text of the agreement reads: Whereas the present constitutional situation in Rhodesia has led to the imposition of economic and other sanctions by the international community against Rhodesia and to armed conflict within Rhodesia and from neighbouring territories.

And whereas it is necessary in the interests of our country that an agreement should be reached that would lead to the termination of such sanctions and the cessation of the armed conflict.

And whereas, in an endeavour to reach such an agreement delegates from the Rhodesian Government, African National Council (Sithole), United African National Council and Zimbabwe United People's Organization have met during the last two months in Salisbury and, having discussed fully the proposals put forward by the various delegations, have reached agreement on certain fundamental principles to be embodied in a new Constitution that will lead to the termination of the aforementioned sanctions and the cessation of the armed conflict.

Now therefore:

A. It is hereby agreed that a Constitution will be drafted and enacted which will provide for majority rule on the basis of universal adult suffrage on the following terms:

1. There will be a Legislative Assembly consisting of one hundred members and the following provisions will apply thereto:

(a) There will be a common voters' roll with all citizens eighteen years and over being eligible for registration as voters, subject to certain recognized disqualifications.

(b) Seventy-two of the seats in the Legislative Assembly will be reserved for blacks who will be elected by voters who are enrolled on the common roll.

(c) Twenty-eight of the seats in the Legislative Assembly will be reserved for whites (i.e. Europeans as defined in the 1969 Constitution) who will be elected as follows:

(i) Twenty will be elected on a preferential voting system by white voters who are enrolled on the common roll.

(ii) Eight will be elected by voters who are enrolled on the common roll from sixteen candidates who will be nominated, in the case of the first Parliament, by an electoral college composed of the white members of the present House of Assembly and, in the case of any subsequent Parliament, by an electoral college composed of the twenty-eight whites who are members of the Parliament dissolved immediately prior to the general election.

(d) The reserved seats referred to in (c) above shall be retained for a period of at least ten years or two Parliaments, whichever is the longer, and shall be reviewed at the expiration of that period, at which time a Commission shall be appointed, the chairman of which shall be a judge of the High Court, to undertake this review. If that Commission recommends that the arrangements regarding the said reserved seats should be changed:

(i) An amendment to the Constitution to effect such change may be made by a Bill which receives the affirmative votes of not less than fifty-one members.

(ii) The said Bill shall also provide that the seventy-two seats referred to in (b) above shall not be reserved for blacks.

(e) The members filling the seats referred to in (c) above will be prohibited from forming a coalition with any single minority party for the purpose of forming a Government.

2. There will be a justiciable Declaration of Rights which will protect the rights and freedoms of individuals and, *inter alia* will provide for protection from deprivation of property unless adequate compensation is paid promptly, and for protection of pension rights of persons who are members of pension funds.

3. The independence and qualifications of the Judiciary will be entrenched and judges will have security of tenure.

4. There will be an independent Public Services Board, the members of which will have security of tenure. The Board will be responsible for appointments to, promotions in, and discharges from, the Public Service.

5. The Public Service, Police Force, Defence Forces and Prison Service will be maintained in a high state of efficiency and free from political interference.

6. Pensions which are payable from the Consolidated Revenue Fund will be guaranteed and charged on the Consolidated Revenue Fund and will be remittable outside the country.

7. Citizens who at present are entitled to dual citizenship will not be deprived of their present entitlement.

8. The above-mentioned provisions will be set out or provided for in the Constitution and will be regarded as specially entrenched provisions which may only be amended by a Bill which receives the affirmative votes of not less than seventy-eight members.

B. It is hereby also agreed that, following the agreement set out above, the next step will be the setting up of a Transitional Government. The prime function of the Transitional Government will be:

(a) To bring about a ceasefire.

(b) To deal with related matters such as:

(i) The composition of the future military forces, including those members of the nationalist forces who wish to take up a military career, and the rehabilitation of others.

(ii) The rehabilitation of those affected by the war.

C. It is also hereby agreed that it will be the duty of the Transitional Government to determine and deal with the following matters:

(a) The release of detainees.

(b) The review of sentences for offences of a political character.

(c) The further removal of discrimination.

(d) The creation of a climate conducive to the holding of free and democratic elections.

(e) The drafting of the new Constitution in terms of this Agreement.

(f) Procedures for registration of voters with a view to the holding of a general election at the earliest possible date.

D. It is also hereby agreed that the Transitional Government will comprise an Executive Council and a Ministerial Council and the following provisions will apply thereto:

1. EXECUTIVE COUNCIL

(a) Composition:

The Executive Council will be composed of the Prime Minister and three black Ministers, being the heads of those delegations engaged in the negotiations. The members will take turns in presiding as chairman of the Executive Council in such sequence and for such period as that Council may determine. Decisions of the Executive Council will be by concensus.

(b) Functions:

(i) The Executive Council will be responsible for ensuring that the functions given to, and the duties imposed on, the Transitional Government by the constitutional agreement are dealt with as expeditiously as possible. It will take policy decisions in connection with the preparation and drafting of the new Constitution and the other matters set out in Sections B and C of this agreement and with any other matters which may arise.

(ii) The Executive Council may refer the matters set out in Sections E and C of this agreement, or any other matter, to the Ministerial Council for examination and recommendation.

(iii) The Executive Council will review decisions or recommendations of the Ministerial Council and may confirm such decisions or recommendations or refer them back to the Ministerial Council for further consideration.

2. MINISTERIAL COUNCIL

(a) Composition:

The Ministerial Council will be composed of equal numbers of black and white Ministers. The black Ministers will be nominated in equal proportions by the heads of those delegations engaged in the negotiations. The white Ministers will be nominated by the Prime Minister. The chairmanship of the Ministerial Council will alternate between black and white Ministers. The Prime Minister will nominate which white Minister shall take the chair and the heads of those delegations engaged in the negotiations will nominate which of the black Ministers shall take the chair in the sequences and for the period determined by the Ministerial Council.

(b) Functions:

(i) The Ministerial Council will operate on the Cabinet system. For each portfolio, or groups of portfolios, there will be a black and a white Minister who will share responsibility.

(ii) The Ministerial Council will be responsible for initiating legislation and for supervising the preparation of such legislation as may be directed by the Executive Council.

(iii) The Ministerial Council will make recommendations to the Executive Council on all matters referred to it by the Executive Council and on any other matter it thinks fit.

(iv) Decisions of the Ministerial Council will be by majority vote and subject to review by the Executive Council.

3. PARLIAMENT

(a) Parliament will continue to function during the life of the Transitional Government and will meet for the following purposes as and when the Executive Council considers it should be summoned:

(i) To pass a Constitution Amendment Act, enabling Ministers who have not been elected to Parliament to serve for periods in excess of four months.

(ii) To pass legislation for the registration of voters.

(iii) To pass the 1978/79 Budget.

(iv) To enact any legislation or deal with any other matter brought forward by the Transitional Government (e.g. for the further removal of discrimination).

(v) To enact the new Constitution.

(vi) To nominate 16 whites for election by voters on the common roll to eight of the seats reserved for whites.

(b) The work of the various Select Committees and of the Senate Legal Committee will proceed as normal.

E. It is also hereby agreed that Independence Day shall be the 31st December, 1978.

Signed at Salisbury this day of March, 1978.

It was 10:20 a.m. when the four leaders started to sign the agreement in a small room at the red brick Government Training Centre in Salisbury.

They sat at a long baize-covered table before a tightly-packed crowd of international journalists, photographers and television teams. On the wall behind the signatories hung a portrait of Rhodesia's founder, Cecil John Rhodes.

When the leaders had signed several copies of the document, Bishop Muzorewa, called: "Three Cheers".

There was some restrained clapping, the African leaders waved, and then the signatories shook hands. The historic moment was over.

PRIME MINISTER'S STATEMENT ON KISSINGER PROPOSALS

(September 24, 1976)

As you are all aware, I have recently had a series of meetings in Pretoria, firstly with the South African Prime Minister, then with Dr. Kissinger and finally with Dr. Kissinger and Mr. Vorster together.

At these meetings the position of Rhodesia in relation to the rest of southern Africa, and indeed to the western nations, was discussed in great detail. It was made abundantly clear to me, and to my colleagues who accompanied me, that as long as the present circumstances in Rhodesia prevailed, we could expect no help or support of any kind from the free world. On the contrary, the pressures on us from the free world would continue to mount. Dr. Kissinger has been working in close consultation with the British Government and he has the full support of the other major western powers.

Dr. Kissinger assured me that we share a common aim and a common purpose, namely to keep Rhodesia in the free world and to keep it free from communist penetration. In this regard, of course, Rhodesia is in a key position in southern Africa. What happens here will inevitably affect the entire sub-continent. Although we and the western powers have a common purpose, we differ from them in how best to achieve this. I

would be dishonest if I did not state quite clearly that the proposals which were put to us in Pretoria do not represent what in our view would be the best solution for Rhodesia's problems. Regrettably, however, we were not able to make our views prevail, although we were able to achieve some modifications in the proposals. The American and British governments, together with the major western powers, have made up their minds as to the kind of solution they wish to see in Rhodesia and they are determined to bring it about. The alternative to acceptance of the proposals was explained to us in the clearest terms, which left no room for misunderstanding. Since our return Cabinet have examined in great detail and in all its aspects the choice which faces us and we have done this in full knowledge of the heavy responsibility which we carry for the welfare and the safety of all Rhodesians, white and black. In the light of this assessment, Cabinet has decided to accept the proposals put to us in Pretoria and the Parliamentary Caucus of my Party, which met all day yesterday, has endorsed our decision.

Before I spell out these proposals in detail there are some general comments I should make. The proposals represent what, in negotiating parlance, is usually called a "package deal", which means that some aspects are more readily acceptable than others. Firstly, on the positive side, as soon as the necessary preliminaries have been carried out, sanctions will be lifted and there will be a cessation of terrorism. Dr. Kissinger has given me a categorical assurance to this effect and my acceptance of the proposals is conditional upon the implementation of these undertakings. In the light of previous experience there will be some understandable scepticism regarding the undertaking that terrorism will cease, but on this occasince the assurance is given, not only on the authority of the United States government, but of the British government as well.

Since the weekend meetings we have reiterated to Dr. Kissinger and those who are working with him our concern over their ability to fulfill their undertaking to halt terrorism, and we stressed the responsibility which they carry in this regard. They have reaffirmed to us their conviction that they will be able to ensure the implementation of this condition. Nevertheless, if we are realistic we must accept that terrorism cannot be halted at the drop of a hat and it will therefore be incumbent on the security forces and all those living in the affected areas to act accordingly. Indeed, it is likely that there might be an immediate and temporary increase in terrorist activity.

It is also necessary for me to issue a warning with regard to sanctions. It is essential that the security of commercial information should be strictly preserved in the coming months and all those concerned are urged to be particularly careful not to reveal any information bearing on the breaking of sanctions.

Secondly, together with the lifting of sanctions in all their forms there will be an injection of development capital which will provide an immediate stimulus to the economy. Thirdly, because the western powers are mindful of the need to retain the confidence of the whites, there will be other far reaching financial provisions. I shall deal with these fully later in my statement.

Turning now to the constitutional aspects, the proposals provide for a setting up of an interim government comprising a Council of State and a Council of Ministers. The Council of State will be the supreme body and it will have equal numbers of white and black members with a white chairman. As is customary in the cabinet system, decisions will normally be reached by consensus, but where a vote is necessary, a two-thirds majority will be required. Its first duty will be to appoint the Council of Ministers. However, the most important function of the Council of State will be to draw up a new constitution. Its deliberations will therefore be of vital significance for the future of our country and all of its people. It will determine whether Rhodesia remains a stable, democratic and progressive country. It is important to note that this constitution will be drawn up in Rhodesia, by Rhodesians, and will not be imposed from outside. I am confident that in these circumstances and, given good will and realism on both sides, the right decisions will be taken. It will be a majority rule constitution and this is expressly laid down in the proposals. My own position on majority rule is well known. I have stated in public many times, that I believe I echo the views of the majority of both black and white Rhodesians, when I say that we support majority rule, provided that it is responsible rule.

The Council of State will be given two years to complete its task of producing a constitution and undertaking all the detailed work necessary for elections on the basis of that constitution. Some may regard this as too short a period, but I believe there are advantages in aiming at reaching finality as soon as possible.

Having given you the general background, I shall now read the actual terms of the proposals put to me by Dr. Kissinger. Paragraph six relating to economic aid is an agreed summary of a longer paper:

"1. Rhodesia agrees to majority rule within two years.

"2. Representatives of the Rhodesian government will meet immediately at a mutually agreed place with African leaders to organize an interim government to function until majority rule is implemented.

"3. The interim government should consist of a Council of State, half of whose members will be black and half white with a white chairman without a special vote. The European and African sides would nominate their representatives. Its function should include: Legislation; general supervisory responsibilities; and supervision of the process of drafting the constitution. The interim government should also have a Council of Ministers with a majority of Africans and an African First Minister. For the period of the interim government the Ministers of Defence and of Law and Order would be white. Decisions of the Council of Ministers to be taken by two-thirds majority. Its functions should include: delegated legislative authority; and executive responsibility.

"4. The United Kingdom will enact enabling legislation for this process to majority rule. Upon enactment of that legislation, Rhodesia will also enact such legislation as may be necessary to the process.

"5. Upon the establishment of the interim government sanctions will be lifted and all acts of war, including guerilla warfare, will cease.

"6. Substantial economic support will be made available by the international community to provide assurance to Rhodesians about the economic future of the country. A trust fund will be established outside Rhodesia which will organize and finance a major international effort to respond to the economic opportunities of this country and to the effects of the changes taking place. The fund will, inter alia, support the internal and external economic circumstances of the country and provide development assistance, guarantees and investment incentives to a wide variety of projects.

The aim will be to expand the industrial and mineral production of the country, to enhance agricultural potential by suitable land utilization and development programmes and to provide the necessary training and educational facilities to provide the essential flow of skills.

Pension rights, the investment of the individual in his own home and/or farm and the remittances overseas of an individual's liquid resources within levels yet to be stipulated will be guaranteed by the interim and subsequent governments. These particular measures will be underwritten by the trust fund thereby giving a firm international base to the government guarantee.

That was a brief outline of the proposed support measures which have now to be worked out in detail. As I have said, the measures, in particular the trust fund, are aimed at giving both the European and the African certainty as to his future in a multi-racial society and to demonstrate not only that the economic and social stability of the country will be maintained but that every individual can look forward to continued rising standards of living.

In our discussions in Pretoria, my colleagues and I made it clear that Rhodesians were not enamoured of schemes to buy them out—they were looking for a solution which would mean that they could go on living in their homeland. We were assured that the other parties to the proposal strongly supported this contention. Accordingly, whatever plan is produced to assist those who decide to leave, the incentive should be aimed at making it worthwhile for Rhodesians to stay.

Those are the proposals which were put to us in Pretoria. With the agreement of Cabinet and with the support of Caucus I have sent a message to Dr. Kissinger indicating my acceptance of the proposals, subject to their being accepted by the other Parties involved, and as I stated earlier, subject to the lifting of sanctions and the cessation of terrorism.

The next stage will be the meeting between government representatives and African leaders to set up the Council of State, as the first stage of establishing the interim government. This, I hope, will take place as soon as possible, because once the decision is taken it will be in the best interests of Rhodesia to proceed without delay.

I have given you the more important parts of what transpired during these negotiations. Were I to continue talking for the next two hours, I would not be able to tell you everything, and unfortunately there is much which cannot be disclosed in public. I hope you will derive some reassurance from the fact that my Cabinet, and my Caucus, came to the clear and positive conclusion, that on the evidence before us, this is our best choice.

What I have said this evening will be the cause of deep concern to you all, and understandably so. But we live in a world of rapid change and if we are to survive in such a world we must be prepared to adapt ourselves to change. We have the satisfaction of knowing that, in spite of the odds against us, we Rhodesians of all races have built up a magnificent country where the prospects are second to none in Africa. I hope and believe we shall be able to keep it so.

Despite the stresses and strains imposed by terrorism the relations between the races in our country remain friendly and relaxed. We are moving steadily towards the removal of racial discrimination and this will be seen to an increasing extent as the recommendations of the Quenet Commission are implemented in the coming months. I believe that it is incumbent on all of us, white and black alike, to act with dignity and restraint in the testing time which lies before us, and to create the right atmosphere to enable those charged with the drawing up of our new constitution to proceed expeditiously with their important task.

Clearly, this agreement doesn't give us the answer which we would have liked. However, it does present us with an opportunity which

we have never had before—an offer to Rhodesians to work out amongst themselves, without interference from outside, our future constitution. The Council of State has been charged to do this within two years, which should be more than ample time. As I have already indicated, the Council of State will be composed of equal numbers of white and black Rhodesians, They will be chosen by Rhodesians. I hope they will be the best, the most responsible we can find. It will only be at the conclusion of this exercise that we will know whether this whole operation has succeeded or failed. I hope all Rhodesians will join with me in dedicating themselves to ensure that there can only be one answer—success.

Meanwhile, I believe it is important that we maintain our morale and our confidence. It would be unworthy of us, after all we have been through, after all the sacrifices which have been made, to allow ourselves to fall into any premature despondency. There is no doubt in my mind, that the great fighting spirit of Rhodesians over the last decade has earned great respect from the rest of the world, and had it not been for this, the proposals which are now before us would not have been so favourable.

For myself, I hope to share the privilege of continuing to play a part in helping to guide the destiny of Rhodesia. I remain dedicated to the ideal of doing all I can to ensure that Rhodesia remains a country in which all of us, of whatever race or colour, can live and work and prosper together in peace, harmony and stability. I have been tremendously gratified and encouraged by the messages of support which so many Rhodesians have sent me in the last week. I am confident that the spirit and determination of Rhodesians remain undaunted and that we shall go forward together towards our goal.

RHODESIA—THE FIGHT FOR INDEPENDENCE

In 1888, following reports from hunters and explorers that the land beyond the Limpopo was fertile and rich in gold, Cecil Rhodes sent representatives to the king of the Matabele, Lobengula, to obtain a mineral concession for the territory.

After the granting of the Rudd Concession, as it became known, Rhodes formed the British South Africa Company and in 1889 obtained a Royal Charter for the company to administer the country, although ownership still remained with Lobengula.

Rhodes immediately organised a pioneer column to occupy Mashonaland. It left Kimberley on May 6, 1890, and consisted of 180 men from the Cape and Natal, who were to provide the nucleus of a settler population, and a force of 500 men—the British South Africa Company's Police—to protect the column.

The column reached its destination at the foot of Harari Hill (Salisbury Kopje) on September 12, 1890, and the pioneers spread out to begin mining and farming.

EXTENDED

The British South Africa Company's Charter, originally granted for a 25-year period, was reviewed in 1914, and was extended for a further 10 years. After the end of World War One, the settlers began to press for an end to the company's control, quoting the steady increase of their influence in the running of the country.

In a referendum in 1922, Rhodesians chose self-rule over union with South Africa and a year later Rhodesia became a self-governing colony of Great Britain. The British Government paid the Company £3,750,000 in settlement of all claims in respect of Southern and Northern Rhodesia. The Southern Rhodesian Government then paid £2,000,000 to the British Government for title to all unalienated land and public buildings from the British Government.

The new Constitution provided for a Governor and a Legislature of 30 elected members. Britain had control only in matters concerning the Constitution, external affairs and "discriminatory laws".

It was established by a written convention that Britain would not legislate for Rhodesia on those matters within the competence of the Rhodesian Legislative Assembly, unless asked to do so.

In 1953, Rhodesians decided by referendum to become part of the Federation of Rhodesia and Nyasaland. Economically, the Federation was an enormous success for all member countries. Commercial undertakings, industrial development and projects like the Kariba Dam were achieved.

Politically, however, the Federation was not a success. This was largely due to the fact that Rhodesians were used to running their own affairs whereas Northern Rhodesia and Nyasaland (Malawi) were inexperienced. This was compounded by the British Government's change of heart over its African politics and the Monckton Commission report on the Federation's future.

CONFERENCE

With the impending dissolution of the Federation, a constitutional conference was held toward the end of 1960. It was attended by the Rhodesian and British Governments, by representatives of the African Nationalists and by the Parliamentary opposition party. All but the opposition agreed to terms for a new Constitution, although the Nationalists later withdrew their consent.

The new terms were set out in two British White Papers and it was these terms which the electorate ratified in a referendum.

It was only when the actual Constitution was promulgated by the British Government that the Rhodesian Government discovered that an additional section, not mentioned in the White Papers, had been included. This gave the British Government unlimited power to intervene in the internal affairs of Rhodesia by means of Order-in-Council.

The British Government tried to explain away the inclusion of the extra section as being of theoretical importance only, but in fact it was a written authority for any British Government to interfere in Rhodesia's internal affairs.

ENDED

Federation officially ended on December 31. Independence was granted to Zambia and Malawi, but not Rhodesia, a territory which had been self-governing for more than 40 years, while the other territories had never governed themselves. Mr. Ian Smith, former Minister of the Treasury, became Prime Minister of Rhodesia April, 1964, after the resignation of Mr. Winston Field.

On November 5, an independence referendum was held. There were 58,176 votes in favour of independence, 6,101 against. The overall percentage poll was 61.6 per cent, of which 89.1 per cent were in favour.

The British Minister of State for Foreign Affairs, Mr. Gledwyn Hughes, arrived for talks in July, but subsequent negotiations broke down in London, in October, because the British Government would not agree to Independence based on the 1961 Constitution.

PATIENCE

The patience of the Rhodesian Government was exhausted. They had made repeated efforts to negotiate but each time a settlement seemed near the British Government made more stringent demands. The Unilateral Declaration of Independence of November 11, 1965, was the only alternative.

Recognition of the de facto and then the de jure status of the Rhodesian Government was contained in judgments handed down by the judiciary.

As a result of Britain's approach to the United Nations, comprehensive mandatory sanctions were imposed on Rhodesia on May 30, 1968.

Proposals for a new Constitution were announced by the Rhodesian Prime Minister on May 19, 1969. The subsequent referendum showed that the majority of Rhodesian voters were in favour of it, and of the country becoming a republic. The Constitution came into effect on March 2, 1970, and the same day Rhodesia became a republic.

VISITS

The Conservative Party came to power in Britain in June, 1970. In accordance with their party election manifesto, another attempt at settlement was launched. Lord Goodman, as Britain's special envoy, visited Rhodesia in June and September. He was followed by Sir Alec Douglas-Home, with whom the Prime Minister signed an agreement setting out proposals, on November 24.

A British Commission, headed by Lord Pearce, arrived in January, 1972, to test the acceptability of the settlement to the people of Rhodesia as a whole. The Commissioners made inquiries in seven provinces over a three-month period.

Their published report revealed that out of just over 100,000 Europeans, 98 per cent said "Yes", and of the Asian population, 96 per cent were of similar mind. In respect of the African population, the report stated the Commissioners were able to contact only 6 per cent of African adults, mainly through mass meetings. It was on this basis that the Commission found the proposals were not acceptable to the people of Rhodesia.

The Prime Minister visited South Africa on August 9, 1975, and signed the Pretoria Agreement with the South African Prime Minister and a representative of the ANC under which the Rhodesian Government and the ANC agreed to meet on the Victoria Falls bridge to publicly express their genuine desire to negotiate an acceptable settlement.

DEADLOCK

The meeting, on August 25, was attended by Mr. Vorster and Dr. Kaunda. It became deadlocked almost immediately when the ANC failed to abide by the Pretoria Agreement terms. The ANC split into two rival factions in September.

On September 13 Mr. Smith met Mr. Vorster for talks in Pretoria. Six days later he returned for talks with Dr. Kissinger.

ACCEPTED

In a broadcast to the nation, on September 24, 1976, Mr. Smith said the Government had accepted the Kissinger proposals for majority rule in two years, conditional on the dropping of sanctions and the end of terrorism.

The Geneva Conference opened on October 28. The chairman was Mr. Ivor Richard, Britain's permanent representative at the United Nations, and the delegations were headed by the Prime Minister, Joshua Nkomo, Bishop Muzorewa, the Rev. Sithole and Robert Mugabe. It bogged down almost immediately because of Nationalist insistence on majority rule in twelve months.

The formation of a moderate political party, the Zimbabwe United People's Organization (ZUPO) was announced by two African Senator Ministers, after they resigned their posts, on December 29.

A new Anglo-American settlement initiative was commenced, aided by the South African Government. Discussions were held in South Africa, Britain, and the United States. Dr. David Owen, the new British Foreign Secretary, made a visit to Rhodesia from April 15 to 17, to sound out Rhodesian opinion.

CHANGES

The Land Tenure Amendment Bill was passed in Parliament on March 4, allowing blacks to purchase land in white farming areas, and opening African Purchase Lands

to whites, as well as making changes in the industrial and commercial areas.

On September 1, Dr. David Owen and the American Ambassador to the United Nations, Mr. Andrew Young, arrived in Salisbury to present the Anglo-American settlement proposals. The proposals called for the surrender of the Smith government.

FOUR WHO LED THEIR PEOPLE TO ACCORD

The signatories were the Prime Minister, Mr. Ian Smith, and three Nationalist leaders—Bishop Abel Muzorewa, United African National Council; the Rev. Ndabaningi Sithole, African National Council (Sithole); and Senator Chief Jermiah Chirau, Zimbabwe United People's Organisation.

After the signing of the agreement, Mr. Smith said he hoped Britain would acknowledge the "sincere and genuine effort" which all parties had put into the exercise and realize that we are trying to bring about a situation where we can establish a new democratic system of government in Rhodesia."

Bishop Muzorewa said: "I am delighted". He was flying to London to ask for immediate recognition of the agreement.

The Rev. Sithole said the agreement marked the "greatest watershed" in the history of Rhodesia.

A call for the terrorists to stop fighting was made by Chief Chirau. He said: "Anyone who continues initiating acts of aggression will obviously be doing so for reasons different to the objective of black majority rule."

The four men had done what many international observers had said would be impossible and what the British and American governments had failed to do. These are their backgrounds:

Mr. Ian Douglas Smith was born on April 8, 1919, at Selukwe. He first went to school in Selukwe and later attended Chaplin School, Gwelo, where he had a fine sporting record. In 1937 he was head prefect and captain of rugby, cricket and tennis.

He went to Rhodes University in South Africa but interrupted his studies to join the Southern Rhodesia Air Force in 1941. He survived two crashes and extensive plastic surgery to his face before being demobbed in 1946.

After the war he resumed his studies at Rhodes University, gained a Bachelor of Commerce degree and started farming at Selukwe.

He was first elected to the Southern Rhodesian Legislative Assembly in 1948 as a member of the Rhodesia Party. He was elected to Federal Parliament in 1953 as a member of the United Federal Party Government under Sir Godfrey Huggins, and became Chief Government Whip in 1958 under Sir Roy Welensky.

In 1961 he came to the forefront of the party congress when he condemned the constitutional proposals for Southern Rhodesia as contrary to the principles and policy which the UFP had put to the electorate.

Ian Smith resigned from the UFP and formed the Rhodesian Front in the following year with Winston Field (then leader of the Dominion Party).

In 1962 the RF swept to power and Ian Smith became Deputy Prime Minister and Minister of Finance under Winston Field.

He became Prime Minister on April 14, 1964, and declared Rhodesia independent on November 11, 1965.

In 1970 Ian Smith led the RF to an election victory which won every European Roll seat.

On September 24, 1976, Mr. Smith announced that the Government had accepted the proposals put forward by U.S. Foreign Secretary Dr. Kissinger for majority rule in two years.

In October, 1976, Mr. Smith attended the Geneva Conference along with delegations led by Joshua Nikomo, Bishop Muzorewa, the Rev. Sithole and Robert Mugabe but the talks failed because of Nationalist insistence on majority rule in 12 months.

Mr. Smith made a second visit to Geneva but again talks were adjourned. In March 1977 emphasis had fallen on an internal settlement and Mr. Smith met ZUPO to discuss the matter, but not until after the return of the Rev. Sithole and after Mr. Smith had a mandate from the European electorate did internal settlement talks get off the ground in November.

Bishop Abel Muzorewa was born on April 14, 1925, at Old Umtali Mission, in the Eastern Districts of Rhodesia. In 1953 he was ordained a minister of the United Methodist Church at Hartzell Theological Seminary and later became a Pastor of the Chiduku circuit in the Rusape area.

In 1958 he was awarded a scholarship to study for a theological degree at the Central Methodist College, Fayette, Missouri, where he obtained a B.A. degree, and at Scarrit College, Nashville University, Tennessee where he gained his Master's degree in 1963.

He was consecrated a Bishop of the United Methodist Church in Rhodesia on August 28, 1968, the first black member of his church to receive such a distinction.

He was pitchforked into active politics in November 1971, when he was approached by four representatives of the old Zimbabwe African People's Union, and the Zimbabwe African National Union (ZANU) nationalist factions to lead a united effort to oppose the Smith/Home constitutional proposals, in a new body called the African National Council.

At the first ANC congress in March 1974, the Bishop emerged, undisputed, as the Council's leader and in June 1974, it became apparent that an agreement between Ian Smith and Bishop Muzorewa was imminent. The proposed settlement was, however, rejected by the ANC Executive.

By the end of August 1975, ANC unity broke down over the unsuccessful conclusion of the talks with Ian Smith and the issue of "diplomatic immunity" for certain of the Bishop's lieutenants if talks were to be continued inside Rhodesia. The leadership of the ZIC (the military wing of the ANC) was assumed by the Rev. Ndabaningi Sithole, James Chikerema and George Nyandoro and the ANC reorganised into two factions—the "Muzorewa ANC" and the "Nkomo ANC".

On October 8, the Bishop published an open letter appealing for unity between the different tribes and races of Rhodesia and the Muzorewa ANC became the United African National Council, under whose aegis Bishop Muzorewa attended the unsuccessful Geneva Conference in October 1976, and entered the internal settlement talks in Salisbury in November 1977.

The Rev. Ndabaningi Sithole was born in July 1920, at Nyamandhlovu, north of Bulawayo, of an Ndau father and an Ndebele mother.

His move into politics came through the African Teachers Association of which he was elected president in 1959, the same year in which he joined the multi-racial Central African Party.

He did not stay long in the CAP, however, joining the National Democratic Party in 1960. He was elected treasurer soon after his admission and in December, 1960, was one of the NDP delegation at the Federal review conference in London.

When ZAPU (which had replaced the NDP) was banned in September, 1962, he flew to Dar-es-Salaam, whence he broadcast propaganda to Rhodesia. Following a ZAPU executive meeting in Dar-es-Salaam, differences between the two leaders, Mr. Sithole and Mr. Nkomo, came to a head and Mr. Sithole left ZAPU at the end of June. Polarization led to a bitter struggle for the support of the African masses, the banning of ZANU in August 1964 and the arrest of the Rev. Ndabaningi Sithole.

During 1970 a struggle for the leadership of ZANU emerged among the detainees of Que Que Prison, resulting in the deposition of Mr. Sithole and the appointment of Robert Mugabe in his place.

He was released in late 1974 to sign the Lusaka Declaration.

In March, 1975, he was arrested again after calling for "African majority rule now." Despite the finding of a tribunal that his detention was fully warranted, he was released at the instigation of the South African Government and flown to Dar-es-Salaam to attend a meeting of the OAU Foreign Ministers.

Towards the end of 1975 Mr. Sithole moved into close political alliance with Bishop Muzorewa and announced the formation of an external wing of the ANC called the Zimbabwe Liberation Council.

In September a split appeared in the ANC between members of the former ZANU and ZAPU and two rival factions appeared, one of them led by the Rev. Sithole, who was invited to attend the internal settlement talks in Salisbury, in his capacity as president of the ANC (Sithole).

Senator Chief Jeremiah Chirau was born in the Lomagundi district, north of Salisbury, in June, 1923. In 1961 he was appointed Acting Chief of the district and five years later was elected to the first Council of Chiefs. In 1970 he was elected to the Senate and awarded the Independence Commemorative Decoration. He was a member of the BSAP before being appointed to the acting chieftainship.

His appointment as substantive Chief took place in 1971 and in 1973 he became president of the third Council of Chiefs.

The target of petrol bomb attacks by his political opponents in the mid 1960s, Chief Chirau is politically conservative. His party, the Zimbabwe United Peoples' Organisation, was formed in December, 1976, when he said his aim was "to lead a new black political party, whose goal is early and peaceful majority rule and an end to terrorism".

In April, 1976, Chief Chirau was appointed to the Cabinet in the post of Minister of Development, Mashonaland West and Central. He resigned from this post in December, 1976, to lead the newly-formed ZUPO.

MINISTERS OF TRANSITIONAL GOVERNMENT

Ministers of Finance and of Commerce and Industry: Mr. Ernest Bulle (UANC), Mr. David Colville Smith.

Ministers of Transport and Power and of Roads and Mines: Mr. James Chikerema (UANC), Mr. William Michie Irvine.

Ministers of Justice and of Law and Order and of Public Service: Mr. Hilary Gwyn Squires.

Ministers of Defence and of Combined Operations: Mr. K. Kadzwiti (ANC Sithole), Mr. Roger T. R. Hawkins.

Ministers of Foreign Affairs and of Information Immigration and Tourism: Dr. Elliott Gabellah (ANC Sithole), Mr. Peter K. F. V. van der Byl.

Ministers of Education and of Health and of Manpower: Mr. G. Magaramombe (ZUPO), Mr. Rowan Cronjé.

Ministers of Agriculture: Mr. J. Mandaza (ANC Sithole), Mr. Mark H. H. Partridge.

Ministers of Water Development and of Lands and Natural Resources: Mr. Aaron Mgutshini (ZUPO), Mr. Bernard H. Mussett.

Ministers of Internal Affairs and of Local Government and Housing and of Works: Chief Kayisa Ndweni (ZUPO), Mr. George R. Hayman.

Mr. HELMS. Mr. President, I yield the floor.

Mr. McGOVERN addressed the Chair.

The PRESIDING OFFICER (Mr. NELSON). The Senator from South Dakota.

Mr. McGOVERN. Mr. President, I think this amendment of the Senator from North Carolina would be a serious mistake. What it does is to lift the sanctions on Rhodesia in the absence, really, of an acceptable and dependable settlement of the problems that produced these sanctions in the first place.

Members of the Senate will remember that last year the Senate voted by a margin of 66 to 26 to do just the opposite from what the Senator from North Carolina is proposing: in short, to continue economic sanctions, and, in the case of the United States, to make our participation coincide with what the United Nations was already doing.

The Senate Committee on Foreign Relations commissioned its staff to do a very careful and thoughtful examination of the meaning of the agreement on March of this year that the Senator from North Carolina referred to. This study found that agreement wanting and that it was not an acceptable basis for resolving the problems of Rhodesia, and not sufficient justification for us moving either toward recognition or toward the lifting of sanctions at this point. Those actions need to await continued effort on the part of the State Department, Ambassador Young, the African States which are interested in this, and also the principal parties to the Rhodesian dispute. Let me refer to a few lines from the staff report.

For the United States and other outside powers, two decisions have to be made with regard to the internal agreement.

That is the one the Senator from North Carolina referred to dated March 3, of this year, the so-called Salisbury agreement.

First, the decision has to be made as to whether or not the settlement deserves diplomatic recognition at such time as a new government is installed. Second, the internal agreement presents the international community with the decision of whether or not the situation merits the lifting of economic sanctions.

Those are recommended by the Senator from North Carolina.

If one looks at the agreement alone, there is little basis for diplomatic recognition or the ending of sanctions. The agreement does not ensure the end of "white rule." Nor does it facilitate majority rule based on one man, one vote. Instead, it offers a formula for at least 10 years of qualified multiracial rule in which there would exist a black majority in parliament, but a central white power block with the ability to prevent fundamental change altering the political and economic structure of the Rhodesian society. Land tenure, the judiciary, the public service, police and defense forces are the essential institutions preserving the status quo. In addition, the agreement provides for a disproportionate voting system in favor of the whites that is also to remain in force for a period of at least 10 years.

Mr. President, I think this is the wrong time, when we are trying to exert constructive and yet steady and firm pressure on the Rhodesian Government to settle this longstanding problem of majority rule in Rhodesia, for us to consider lifting economic sanctions. It flies in the face of the more than 2-to-1 vote by which the Senate took an opposite position in the last session of the Congress last year.

For all these reasons, Mr. President, I move that the Senate table the amendment offered by the Senator from North Carolina.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay the amendment on the table.

Mr. McGOVERN. Mr. President, I understand that the Senator from California (Mr. HAYAKAWA) wishes to be heard on this. Under those circumstances, as a courtesy to the Senators, I shall withhold the motion to table until the Senator is here.

Mr. HELMS. I did not hear the Senator's motion to table. I appreciate his withholding.

Mr. President, the distinguished Senator from South Dakota (Mr. McGOVERN) said the Senate voted last year to make the sanction effective. But that was 1 year ago. At that time there was little evidence of change. There has been a major change since then, the internal settlement of March 3, 1978, that I referred to in my earlier remarks. Let me be clear on this point. The Rhodesians have moved forward; it is time for the Senate to move forward. I hope the Senator from South Dakota will bear it in mind.

Furthermore, the distinguished Senator from South Dakota said that this amendment recommended diplomatic recognition. But this amendment does not call for recognition of Rhodesia.

Mr. McGOVERN. I understand. It calls for a lifting of the sanctions.

Mr. HELMS. It calls only for a temporary lifting of the sanctions to try to stop the murders and the genocide over there. It does not rescind the President's Executive order; it merely stays enforcement of it until the end of fiscal year 1979. That way we can consider the problem on next year's State Department authorization.

Mr. McGOVERN. I understand the Senator's amendment.

Mr. HELMS. The distinguished Senator also says that the staff study finds the agreement lacking. But the Rhodesian people find that agreement suitable. I do not think that the U.S. Senate ought to force its views on 80 percent of the population of the country of Rhodesia. As it is, the agreement clearly conforms with the Kissinger proposals of 1976. In fact, it goes beyond them. I do not see how the staff of the Foreign Relations Committee can insist on more than was demanded by the Secretary of State—proposals which the Rhodesians accepted in good faith.

Mr. President, awaiting the distinguished Senator from California, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DECONCINI. Will the Senator yield for a unanimous-consent request?

Mr. HELMS. I am delighted to yield to the distinguished Senator from Arizona.

Mr. DECONCINI. Mr. President, I ask unanimous consent that Mr. Romano Romani and Mr. Leonard Ritt of my staff be granted the privilege of the floor during debate on this bill and any votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I ask unanimous consent that Dr. James P. Lucier and John Carbaugh, of my staff, be granted the privilege of the floor during consideration of the pending measure and any votes thereon, and that the same privileges be in order for Mr. Mark Edelman, of Senator DANFORTH's staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. Mr. President, will the Senator yield?

Mr. HELMS. Yes. I am happy to yield.

Mr. PELL. I ask unanimous consent that Geryld Christianson be added to that list.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGOVERN. Mr. President, because of the absence of the Senator from California, and the Senator from Idaho wished to speak on this, I ask unanimous consent that, without prejudice, that amendment be laid aside temporarily so we can take up other amendments that are not controversial.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGOVERN. Mr. President, I understand that the Senator from Arizona has an amendment that is without controversy. I yield the floor to him.

Mr. DECONCINI. I thank the Senator.

(Proceedings on Mr. DECONCINI's UP amendment No. 1369 are printed later in today's RECORD.)

Mr. HELMS. Mr. President, I am delighted to have the cosponsorship of the able Senator from California on this measure. I believe he has some comments in favor of the amendment.

Mr. HAYAKAWA. I thank the distinguished Senator from North Carolina.

Mr. President, I would like to speak in support of Senator HELMS' amendment, having to do with lifting sanctions on Rhodesia.

As he says:

In recognition of the settlement of March 3, 1978, reached by leaders representing a majority of Rhodesians, no Executive order which was issued under this subsection before the date of enactment of the Foreign Relations Authorization Act, Fiscal Year 1979 and which applied measures against Rhodesia pursuant to any resolution of the United Nations Security Council may be enforceable until September 30, 1979.

This means, of course, the lifting of the well-known sanctions against Rhodesia.

Mr. President, between May 25 and

June 6 of this year, I visited South Africa, Rhodesia, Botswana, Zambia, and Kenya in an attempt to investigate for myself the validity and the survivability of this so-called Salisbury agreement for the internal settlement.

It is a tenuous settlement, but let me start by saying a few words describing its better qualities.

This settlement puts the country, for the time being, into the hands of an executive council of four, consisting of Bishop Muzorewa, a black; Reverend Sithole, another black; Chief Chirau, still another black; and Ian Smith, the former Prime Minister. He is not a Prime Minister any more. The four together constitute the Executive Council. The four together rule the country. The four together take turns in chairing this Council. So it is truly a biracial executive council.

In addition to that, every ministry is occupied by two people, one black and one white.

I had the opportunity of sitting with them and watching them in operation. The two particular ones I watched and talked with were in the Ministry of Foreign Affairs, Mr. Gabellah, a black man, who had served in Rhodesian prisons, as I understand, for his activity in the freedom movement; and Mr. van der Byl, a white.

The two treated each other with courtesy, as equals, came to decisions together, sometimes contradicted or corrected each other, but they will stand like real colleagues on a position of total equality.

I am told that in the other ministries, the same kind of happy cooperation exists.

This internal agreement within Rhodesia envisions on December 31, 1978, the declaration of a new nation to be called Zimbabwe. Under the terms of its constitution, which is now being written, there will be 100 members in the Parliament and 28 seats will be reserved for whites.

While this may seem like unfair representation of a relatively small minority, it is the whites who are responsible for the technical progress and the advanced society that Rhodesia is today. The whites are essentially responsible for its high level of productivity in agriculture, mining, and manufacturing. Their sudden departure or their loss of position would result in a disastrous economic decline for Rhodesia, threatening the standard of living of all blacks, and threatening also the departure of whites from Rhodesia.

So this temporary reservation of 28 seats for whites is seen by white and black alike as a measure that will be changed as time goes on. Over the next 10 years there will be a gradual increase of authority for blacks and a more equitable distribution of positions in the Parliament by means of election.

The Rhodesian internal agreement also calls for elections for that Parliament before the end of this year, free and open elections in which everybody 18 years or over is entitled to vote—which is exactly the same system we have in the United States of America.

With that kind of open election, with everyone encouraged to take part in the electoral process, the Salisbury agreement also wisely makes provision so that voting will not be on racial or tribal grounds, except for those 28 seats previously mentioned. That is, as is well-known, African nations are often divided by tribes, and tribes are divided by geography. In this instance an attempt is being made to have these elections on grounds of political party rather than tribe or geography in order to try to break up the old tribal loyalties.

How well this internal agreement can survive, how well it can conduct those elections, is a matter of some doubt at the present time, because the continued existence of Rhodesia as a nation up to the time of its elections at the end of the year remains in constant doubt because of the threats of two terrorist groups.

In the north is the terrorist group called ZAPU—Zimbabwe African People's Union—led by Joshua Nkomo, and ZANU—Zimbabwe African National Union—led by Robert Mugabe.

These two leaders are harassing the villagers, killing hundreds and hundreds of blacks as well as whites in order to persuade them not to support the Salisbury government. This form of persuasion by murder, by pillage, by fire, by slaughter of innocents, continues to this very day, as we know from reading the newspapers of this last weekend of the murder of the schoolchildren and teachers by the ZANU forces.

It was my privilege when I was in Africa to meet not only with the leaders of the Executive Council and the Salisbury government, but I also met with the leaders of the Patriotic Front.

I invited for breakfast Mr. Albert Mugabe and his wife, Mr. Albert Mugabe being the brother of Robert Mugabe, the head of ZANU, and they explained to me the position of their branch of the Patriotic Front.

It is a singular and important fact, Mr. President, that these revolutionary leaders, trying to break down the Government of Rhodesia, are permitted free access to Rhodesia. We could invite them to breakfast in our hotel. No one said anything. They were not searched. They were not frisked by guards, not watched over. They had free access to anyplace they wanted to go in Salisbury.

We had breakfast and I asked, "Where is Mr. Robert Mugabe?" And Mr. Mugabe explained to me that Mr. Robert Mugabe was in North Korea. I do not know what he was doing there, but perhaps he was taking a course in advanced Marxism because Robert Mugabe has frequently advertised that he is a Marxist-Leninist and he does not believe in a multiparty government. He wants a one-party government. That is his own party.

I also met with Mr. Chinamano, who is vice president of ZAPU, which is led by Joshua Nkomo. I met with Mr. Nkomo and three of his staff aides, lieutenants. I had dinner with them and my staff at the same hotel in downtown Salisbury, where again they were permitted free access to the hotel. Nobody frisked them; nobody searched them for weapons. They were just invited in as guests of the hotel. The only thing the staff said to them was something like, "Will you have white wine, sir, or red?"

In other words, Rhodesia, where it is not being terrorized, is an open and free society, even giving freedom to its internal enemies.

I recall with great emotion the dinner we had together. On my side was my staff: my administrative assistant, Mr. Gene Prat; a writer from my staff, Jack Nugent, who frequently had been to Africa before and had written on African matters; also, the Reverend Samuel Morgan, a Baptist minister, a black, from my San Francisco staff.

Also at that dinner was Miss Susan Maule, our escort from the State Department. Across the table from us was Mr. Nkomo and three of his revolutionaries from ZAPU.

Let me characterize this conversation a bit, Mr. President, in describing what went on.

The four representatives of ZAPU repeatedly went back to the racist crimes, or alleged crimes, or Mr. Ian Smith in the past. Over and over again, they told me what terrible things Ian Smith had done in 1960, 1965, 1968, 1972. Their conversation centered entirely upon past injustices they had suffered.

Well, it occurred to me at the time that Reverend Sithole, of the Executive Council, also had been in jail for revolutionary activities and had been persecuted by Ian Smith. Nevertheless, Reverend Sithole had forgotten the past and was trying to get together in a biracial government with Mr. Smith. These people from ZAPU, however, were holding these grudges and would not cooperate.

The same thing was true of Mr. Albert Mugabe, who had breakfast with us.

It seemed to me that the people in the executive council, including Ian Smith, were willing to try a new kind of interracial agreement and work out a new kind of government in which the two races could live side by side; whereas, both ZAPU and ZANU, obsessed with the injustices, real or imagined—and I am sure many of them were real enough—that they suffered under the hands of Ian Smith were nursing their grudges. They were saying this is not going to work and were trying their best, through their guerrilla warfare, to guarantee that it would not work.

The internal agreement with Rhodesia that the Salisbury agreement represents is by no means a perfect document, but it is the one little step toward multiracialism and democracy that has been taken in Southern Africa in this situation that holds hope for the future. It has within it the seeds for its own change for the better.

What the purposes of ZAPU and ZANU are, it is only possible to imagine. As I said, Mr. Robert Mugabe says he want a Marxist-Leninist dictatorship. At the same time he says this, one cannot take him too seriously, because Marxism-Leninism in Africa is something quite different from Marxism-Leninism in

Moscow or Liverpool or New York. Nevertheless, these are his stated aims.

As for Joshua Nkomo, in Zambia, with an army variously estimated at 3,000, 4,000, 5,000, or 6,000, they are committing acts of terrorism, capturing children and killing blacks and killing whites.

At one moment, they are saying that they are willing to go along with the Anglo-American plan to bring all parties together, and in another moment they are denouncing it as a fraud, leaving a total impression at the end that Nkomo wants nothing more than to be president and chief, without an election. So far as I can see, he stands for no democratic purposes whatsoever. He certainly does not stand for multiracialism.

Up to now, Mr. President, our Government has refused to take sides and has refused to acknowledge the endeavors toward democracy that are being made in the Salisbury agreement, and insists that Nkomo and Mugabe be included in that agreement, at the same time that Nkomo and Mugabe say they do not want to have anything to do with it.

Therefore, the attempts of our representatives in Africa and Britain's representatives in Africa toward bringing the parties together are getting nowhere.

Meanwhile, the terrorists continue to thrive. Joshua Nkomo is encouraged by the President of Zambia, who our President entertained at dinner on May 17 of this year and who was awarded the Martin Luther King peace prize, at the same time that he harbored these terrorists within his own borders.

I had an interview with President Kaunda. I asked him, "How come you were awarded the Martin Luther King peace prize, while your friend Mr. Nkomo's armies are killing hundreds of blacks and whites all over the place? If you are racist and want to kill whites, that is one thing. But if you are going to kill your own people, that is perhaps even a greater crime. But killing anybody should not be part of the program of a man who wins the Martin Luther King nonviolent peace award."

I said this to the President directly. He had no defenses, except to say that there are conditions under which nonviolence no longer works. But if you accept those conditions, you do not deserve that prize, either.

At any rate, I am not asking at this moment that we recognize the Salisbury agreement, that we recognize the internal settlement; but I am saying that the seeds of an incipient democracy are there. They have promised to deliver an election before the end of 1978. They have promised to have free elections in which they would welcome United Nations observers to see that those elections are held fairly. They need the protection and the kind of peace that is necessary to hold those elections, to write their constitutions, to put their new government in place by the end of this year.

From the other side, from the Patriotic Front, we can see no hopes for an emerging democracy or any emerging interracial cooperation, for that matter.

However, without passing judgment on which of these sides should prevail, we at least should give that group which is making groping steps toward interracial harmony and democracy a fighting chance to survive. We should protect them from the terrorists, who, if they possibly can help it, will not let them have the election they have been planning on and for which they have been praying for a long time.

In order, then, to support indirectly the Salisbury agreement, in order to make an American acknowledgement of the fact that they are working toward this multiracialism and democracy, we should, at the very least, lift those economic sanctions that prevent them from operating, that cripple their economy. If we find, at the end of 1978, that they have made no steps, that they have not even tried to bring their democracy to fruition, then we can impose the sanctions again, if we wish.

If, however, we find that they have made such steps, then by all means let us continue to withhold those sanctions and establish some kind of economic cooperation for this struggling nation trying to emerge into a democracy.

Mr. President, the importance of this revolves around many factors, but the most important is this: It is not merely the survival of Rhodesia itself as an interracial society and as an emerging democracy.

I know from my visits in a neighboring country, namely Botswana, which used to be known as Bechuanaland, that there they do have parliamentary democracy on the English model. They do have interracial cooperation. In fact their census bureau does not even bother to write down whether you are black or white when they take the census. That is how little race matters to the people in neighboring Bechuanaland or as it is now called Botswana.

I had the privilege of an audience with the President of Botswana, Seretse Khama. He is a graduate of Oxford. He is a devout Christian. By the way, President Kaunda claims to be a devout Christian also.

But in any case, the facts that interracial cooperation and democracy can survive in Botswana is evidence that it can be made to survive also in Rhodesia if we give it just a little protection, and I am not asking that we give it any more protection than our moral support at the present time expressed in the lifting of those sanctions as Senator Helms' amendment so wisely proposes.

What is involved here, Mr. President, is not simply the future of Rhodesia. We all worry about the future of South Africa, also, which is a much bigger problem involving a larger area and many, many millions more people. If the people of Rhodesia can be permitted to bring together racial harmony, interracial cooperation, and steps toward a parliamentary democratic government, if the problems of Rhodesia can be resolved, in other words, without bloodshed and racial war, then the possibility of working out the problems of South Africa itself without bloodshed or racial war are profoundly enhanced. If, on the other hand, Rhodesia is permitted to sink into civil war, if the struggling hopes for democracy in the Rhodesian agreement are wiped out by these terrorists of a patriotic front so we have nothing left there but civil war, first against the Salisbury government and, then, after that, as is all too predictable, the Mashona will fight each other in a war between tribes, and we will have nothing but chaos in Rhodesia for the foreseeable future.

So I ask, therefore, not only for the sake of the future of Rhodesia but also for the future of South Africa and for the future of humanity that we make this small gesture to support the internal agreement, give it a chance to survive by saying, "We acknowledge, indeed, that you are struggling towards interracial harmony and you are struggling towards democracy. We want to make it just a little bit easier for you. We want to see if you really mean it, and if you really do mean it we are going to back it up." Let us at least give them that chance.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. HARRY F. BYRD, JR. Mr. President, I feel that the presentation just made by the Senator from California (Mr. HAYAKAWA) is perhaps the most objective presentation on the situation in Rhodesia that I have heard in this Chamber over a period of years.

Senator HAYAKAWA has returned within the past month from Rhodesia. He met there with leaders on both sides of the issue. He had an opportunity to see firsthand and to learn firsthand of the problems now existing in that country.

It has been my impression that what the United States wanted in regard to Rhodesia was a transition to black majority rule in that nation.

On March 3 of this year, the Prime Minister of Rhodesia, Ian Smith, and three respected black leaders in Rhodesia worked out an agreement among themselves to accomplish what I thought the United States wanted.

Ian Smith and the three black leaders, under the agreement which they reached in March, set into process the machinery which will bring about an election in that country and the turning over of that nation to black majority rule not later than 6 months from this coming Friday.

What the Senator from California suggests and what the amendment of the Senator from North Carolina would do is to give the gesture of encouragement to go ahead with this transition of power from the white minority to the black majority which, under the agreement, will take place not later than the last day of December, of the year 1978.

Mr. President, over the years the Senator from Virginia has been distressed at the attitude taken in Congress, and in the executive branch, for that matter, toward Rhodesia.

Rhodesia is a friendly country.

It has done nothing to the United States except to be a friend.

It has not had the exact policies that we have in this country, but the same can be said, I suppose, about all the Afri-

can countries and of most countries in the world. There are very few countries in the world that have the American system of democracy. Most African nations, for example, are dictatorships.

Because Rhodesia in 1965 declared its independence of Great Britain and because the racial policies of that new nation were not in accordance with the views of the Johnson administration, President Johnson unilaterally in 1966 imposed an embargo on all trade with Rhodesia. It is the only country that either the United Nations or the United States has taken such a position.

The United States even refuses to permit the officials of the Rhodesian Government to enter the United States, thus preventing the American people from hearing firsthand the government's side of the case.

Now, some of that is, you might say, ancient history. But now we come to the year 1978. Under pressure from the United States, Ian Smith worked out an agreement whereby at the end of this year black majority rule will prevail with free elections in Rhodesia. It seems to me that Congress would want to encourage that.

I might say that Prime Minister Smith received a guarantee from the United States and the British Government in 1976 that if the White Rhodesian Government agreed to a transition to majority rule, economic sanctions would be lifted. This fact was made known by Joseph Kingsbury-Smith, national news editor of the Hearst newspapers.

But there is an element in our Government that contends that this is not a satisfactory solution.

There are elements in our State Department who are not satisfied with the fact that there will be free elections in Rhodesia. They are not satisfied with the fact that by the end of this year black majority rule will be established. No, they are not satisfied.

What an element in the State Department is now demanding is that Prime Minister Ian Smith and the three black leaders of Rhodesia who negotiated this agreement among themselves bring into the Government Marxist-oriented terrorists who have been terrorizing Rhodesia and the people of Rhodesia from outside of that nation. These terrorists have been killing black Rhodesians.

The Senator from Virginia is convinced that if the State Department under its present policy has its way the next African nation to become a Soviet-dominated one will be Rhodesia. Russia is making good progress in Africa.

Mr. President, I would hope that the Senate would give serious and thoughtful consideration to the proposal offered by the Senator from North Carolina (Mr. HELMS). I would hope the Senate would give thoughtful consideration to the comments just made by the able Senator from California (Mr. HAYAKAWA). His, I thought, was a very objective portrayal of the situation as it exists today in Rhodesia.

Rhodesia is important.

It contains two-third of the world's metallurgical chrome. That is a strategic material that is vitally important to the United States and to our national defense. We have none. Virtually all of the world's chrome supply is in either Rhodesia or South Africa or Russia.

The vast bulk of the total world's chrome is in those three countries.

There is a bit in Turkey and a little bit elsewhere. But, as a practical matter, all of the world's chrome is in those three countries.

If we are not willing to give some consideration, some reasonable and fair consideration, to the proposal worked out among themsleves by the white and black leaders in Rhodesia, if we are not willing to give some consideration to that, and lend some encouragement, then I would suggest that the people of Rhodesia, as well as the people of the United States, will be disadvantaged as the years go by.

Why should we oppose an internal settlement, worked out by the Rhodesians themselves, which will bring to that country black majority rule?

If the State Department policy prevails, and if Marxist terrorists are forced into the Rhodesian Government then, obviously, it will not be too long before that country comes under the domination of the Soviet Union. This certainly would not be to the advantage of the people in Rhodesia; and certainly would not be to the advantage of the United States. Nor would it be to the advantage of Africa as a whole.

I would conclude by saying, Mr. President, that this 1-year moratorium on the trade embargo, which moratorium is being proposed by the Senator from North Carolina (Mr. HELMS), is a reasonable request.

I point out if this proposal is adopted, it is a moratorium which lasts only until the end of the next fiscal year; namely, September 30, 1979.

If the Senate, the Congress, is not satisfied with events that take place in that interim, the lifting of the embargo need not be renewed. It seems to me it is reasonable and fair, and I would hope the Senate would approve it.

The PRESIDING OFFICER. Who yields time?

Mr. CLARK. Mr. President, I rise in opposition to the Helms amendment.

Before proceeding with that, Mr. President, I ask unanimous consent that Bruce Van Voorst, of my staff, be given the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN. Mr. President, will the Senator yield for a similar request?

Mr. CLARK. I yield.

Mr. GLENN. Mr. President, I make the same request for Leonard Bickwit of my staff.

The PRESIDING OFFICER (Mr. MCINTYRE). Without objection, it is so ordered.

Mr. CLARK. Mr. President, the Helms amendment advocates a temporary lifting of sanctions, in order, as he explained to reinstitute the so-called Byrd amendment, with the idea that if this were passed and the United States were to give some recognition to the so-called internal settlement, this would lead to peace, and that Rhodesia could then experience some kind of peaceful transition.

I think every fact indicates that exactly the opposite would happen; that if we were to acknowledge and recognize the internal settlement, almost certainly there would be more killing. Why?

Lifting sanctions would only enable the present Rhodesian Government to carry on the war more forcefully, and it would kill any chance of getting all of the leaders together to agree to a negotiated settlement—that is to say, to a peaceful settlement. Indeed, the only way, it seems to me, that we can look forward to a peaceful transition to majority rule—peaceful as opposed to a continuation of the civil war—will, indeed, be if we get free elections that include all of the leaders, all of the internal leaders and all of the external leaders, because we have no way to stop civil war in Rhodesia unless all the leaders agree to it—all of the substantial leaders, both external and internal.

That is the policy of this Government, and I believe it is the right policy. There is no way that the civil war will end, there is no way that the killings can stop, unless we get something like the Anglo-American plan—the plan that this Government supports, the plan that Great Britain supports, and by the way, the plan that, with the exception of South Africa, every other African country supports.

I know of no African country other than South Africa that does not support this solution. The distinguished Senator from California spoke of Botswana and Seretse Khama, and quite accurately, I might say, he referred to this country as being the greatest democracy in Africa. Seretse Khama and Botswana oppose the internal settlement, and quite rightly, because they want a peaceful transition.

This is the alternative that is presented to us: Are we to have a peaceful settlement, are we to have a transition government that includes all of the black leaders, and then hold free elections and get the peaceful transition, or do we face the prospect of more war?

I do not think anyone seriously believes that if the United States tomorrow endorses and subscribes to the internal settlement, the killing is going to end. By what stretch of the imagination is the war going to end simply because we endorse the internal settlement?

There is only one way we can have a peaceful transition to majority rule in Rhodesia, and that is if all the parties are included. Every African country except for South Africa, whatever its political views—in west Africa, southern Africa, northern Africa—all agree on this point, as do the Governments of Great Britain, the United States, and, as far as I know, virtually every other non-Communist government in the world. I know of no Western nation, in NATO or outside NATO, which does not believe this is the correct solution. So,

to say that somehow if we just endorse the internal settlement, all this will change and the war will end, is ridiculous. Of course it will not.

Second, I would like to speak, if I might, about the nature of this internal settlement, and I want to make reference to a study by the Senate Foreign Relations Committee. The committee went into the Salisbury Agreement, looked at it, and analyzed it. These are some of the conclusions we came to about the nature of the internal settlement.

One of the reasons our committee has not supported the internal settlement, and our Government has not supported the internal settlement, is because of the nature of that agreement. Let me just take 5 minutes to go into the specific points with regard to the internal settlement before relinquishing the floor.

Probably the greatest single weakness of the agreement, the so-called Salisbury Agreement for the Rhodesian settlement, is that it is ambiguous in almost every respect. Its pervasive ambiguity leads one to draw the conclusion that although the interim executive council is charged with a broad series of tasks leading to a new government, the sequence of events leading up to the post-independent majority rule is very unclear.

We have heard several statements here today that independence is going to come to Rhodesia before the end of the year.

Nowhere is it stated, however, that the new constitution must be enacted prior to independence. What happens if the time-consuming tasks assigned to the transitional government—voter registration, elections, a constitution, a cease-fire, and so forth—are not completed by the end of December? Will independence be declared on December 31 in any event? Would the transition government remain in power beyond independence day? What, then, will independence really signify?

Another ambiguity concerns the procedures for elections. The agreement provides that it is the duty of the transitional government to determine and deal with the procedures for the registration of voters, "with a view to the holding of a general election at the earliest possible date."

You will note that no specific date is set for any election in Rhodesia. Nor is it clear that elections are going to take place after the constitution is drafted—surely a precondition if those elections are to be read as a test of internal black public opinion on the new political arrangements.

A third ambiguity relates to the decisionmaking process of the transitional government. No guidance is provided in the agreement indicating which of the two ministers, black or white, in each department has superior authority over the other in the event of conflict. Moreover, there is jurisdictional confusion inherent in the very structure of this transitional government.

Another critical weakness of the Rhodesian agreement regards the built-in veto by whites at every level of pre- and post-independence government. Nothing meaningful can be done, except with the approval of the white authority.

The white Rhodesian Front Party is guaranteed a political role for a minimum of 10 years, or the life of two parliaments, whichever is the longer. Additionally, at the end of the 10-year period, there is no automatic provision for the abolition of white political privilege.

I am not talking about rights. I am talking about special privileges over and above blacks.

Another critical weakness relates to the all-important franchise. First, the 28 reserved seats for whites gives disproportionate voting power to whites. Second, for the white candidates there will be a separate voting roll for white voters. Collectively, these provisions mean that every white vote will be worth approximately 10 times what a black vote would be worth and, furthermore, there is a double standard: For blacks, it will be the principle of "one man, one vote," but for whites, it will be the principle of "one man, two votes," that is, one vote for a white representative and one for a black representative.

That is the internal settlement. It is not equal voting.

Members may not care about that, but the fact of the matter is that it cannot be described as equal voting for blacks and whites under the internal settlement. It is not. Every white vote counts 10 times as much as a black vote if this settlement becomes the final settlement.

A final fundamental weakness in the agreement is that in protecting minority rights, the entrenched provisions, in effect, assure that all the instruments of state power remain in white hands for at least a decade. The civil service, the police, the army, and the judiciary all stay intact, despite what the new post-independence government may wish to change. These institutions are constitutionally guaranteed for maintaining the status quo. Any effort to change that situation can be blocked by whites whose seats are reserved in the legislature.

The presence of Prime Minister Ian Smith during the transitional government, combined with the continuation of the state instruments of control in the hands of the whites, gives credence to the impression that the underlying Rhodesian power structure will be protected for the foreseeable future.

Finally, Mr. President, perhaps the most critical point to the U.S. policymakers concerns a broad U.S. security interest in Africa—the threat of possible Soviet or Cuban intervention. The Rhodesian settlement seems to offer an opportunity for the United States to back a multiracial, pro-Western government without spending a penny or firing a shot. On the surface, this option seems highly attractive, especially when compared to the relatively narrow options that the United States had available in the conflicts in the Horn and in Angola.

In reality, support of the internal agreement as it stands today, or support for lifting Rhodesian sanctions, is almost certain to damage U.S. policy in Africa. Among other things, it would put the United States on the same side as these white minority regimes. Either of these acts would do that, and it would portray Americans as not being interested in supporting the principle of majority rule. Many Africans would conclude that the West is abandoning its diplomatic efforts to promote its own Anglo-American plan which seeks to include the participation of all groups, black and white, in free elections based on one man, one vote.

Therefore, Mr. President, I would hope that the Senate would not support the Helms amendment. If we are interested in keeping Cuban and Soviet penetration out of southern Africa, if we are serious about getting a diplomatic and, therefore, a peaceful, transition to majority rule in Rhodesia, we will certainly support the Anglo-American plan and not adopt this amendment.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on each of three amendments to be proposed by Mr. DOLE there be a time limitation of not to exceed 30 minutes, to be divided 20 minutes to Mr. DOLE and 10 minutes to Mr. MCGOVERN.

Mr. CLARK. Reserving the right to object, can we find out what the amendments are?

Mr. ROBERT C. BYRD. Mr. President, I hope there will not be an objection or I will take the bill down. I will not spend all day on this bill. I cannot.

Mr. CLARK. Mr. President, will the Senator withhold his request until I see the amendments?

Mr. ROBERT C. BYRD. Yes.

Mr. HARRY F. BYRD, JR. Mr. President, I assume that applies only to the amendments to be offered by Mr. DOLE.

Mr. ROBERT C. BYRD. Exactly.

Mr. President, while the distinguished Senator from Iowa is looking over the amendments to be offered by Mr. DOLE, I ask unanimous consent there be a time limit of 30 minutes on an amendment by Mr. SCHMITT, with 20 minutes under the control of Mr. SCHMITT and 10 minutes under the control of Mr. MCGOVERN.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I will withdraw my request for a moment to give the Senator from Iowa a chance to review the amendments of Mr. DOLE.

[After a pause.]

Mr. President, I renew my request with respect to the Dole amendment, as follows: 20 minutes to be allotted to Mr. DOLE, if he calls up the three amendments, 9 minutes to be allotted to Mr. CLARK, and 1 minute to be allotted to Mr. MCGOVERN.

The PRESIDING OFFICER. Is there objection?

The Chair hears none. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. Presi-

dent, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I must say that I am astonished that some members of the Committee on Foreign Relations should take the view that the Committee on Foreign Relations should determine the details of an internal settlement, worked out among the black and white leaders in Rhodesia.

The Senate has been told such and such detail is not good, and that the internal settlement, a settlement made internally, should be rejected. What business is that of the United States?

That is a matter to be determined by the people of Rhodesia, not by the Foreign Relations Committee, or some members of the Foreign Relations Committee, of the U.S. Senate.

Also, the statement was made that the United Nations should have observers for any election that is held there. My understanding is that the three black leaders and Ian Smith, who worked out this agreement for an election, have stated that they will welcome observers at the election.

I say again that the internal agreement made by the black leaders inside of Rhodesia provides for elections. It provides for turning that nation over to black majority rule by the end of this year.

Yet we are told on the floor of the Senate that the details of that arrangement are not satisfactory to some members of the Foreign Relations Committee and to some so-called experts in the American State Department.

My goodness, Mr. President, are we going to attempt to go into countries all over the world and tell them what kind of government, down to details, they are going to have? Black majority rule will become a fact. But a few extremists in our State Department are preparing to force either bloodshed or a Marxist government, or both, on the people of Rhodesia.

Mr. GOLDWATER. Will the Senator yield?

Mr. HARRY F. BYRD, JR. I am glad to yield to the distinguished Senator from Arizona.

Mr. GOLDWATER. Mr. President, there is no reason that this fact should be known, but I have a cousin who is the mayor of Bulawayo. He was in my office yesterday.

I asked him about this settlement that has been arranged internally in Rhodesia. He feels that it is a good one, but the important thing is what will happen if we do not have a vote, as they have suggested, soon. His prediction is that there will be utter chaos in that country if the wrong blacks prevail. The longer we wait for a vote, the more certain it will be that the wrong blacks are going to prevail. Those are the blacks that do not even live in Rhodesia, but comprise the guerrilla forces outside of Rhodesia.

Frankly, I do not see where it is any business of ours how Rhodesia cares to settle the problem that they have. They want to settle it. As he said to me—I will not use the language, but he said, "What more do you want from us? We have given you everything you have asked for." To delay this vote as proposed by a combination of blacks and Mr. Smith, that they propose, is going to bring further bloodshed in Africa.

I think the attitude of the United States toward parts of Africa that we seem to be interested in is going to cause the biggest bloodshed in the history of man if we do not change our tune. I think we have been completely wrong there.

We are going to lose one of the best friends we ever had in the world, South Africa. As the foreign minister said to me, "You chaps think we cannot get along without you. We can."

Indeed they can. They are doing very well. We are trying to correct what we do not like, but we do not like what members of the Foreign Relations Committee are doing who made such an issue of it.

I was over in the Soutswest Africa during the Easter vacation. Two days after I visited with the head black man who helped put the constitution together, he was murdered and so were three others on the list I had put in the RECORD, murdered by the SWAPO people, who started out as a legitimate organization. But now we have to kowtow to a band of terrorists who say they will not allow the vote to happen in Southwest Africa unless it happens their way. I think it is high time we allowed these countries to settle their own problems without sticking our noses in their business.

Mr. HARRY F. BYRD, JR. I think the Senator from Arizona is quite right.

I am convinced that if extremists in the State Department prevail, Rhodesia will be the next African country to fall under the domination of Communist Russia.

What is the State Department demanding and what is the Committee on Foreign Relations demanding?

They are demanding that the blacks within Rhodesia bring into the government Communist terrorists who have been killing Rhodesians—black Rhodesians—from outside of the borders of that country.

Mr. President, I think it is just absolutely—well, I shall be careful what word I use—incomprehensible that our Government should attempt to force the black leadership in Rhodesia, who worked out an agreement with the white people in Rhodesia for transfer of power to black majority rule, to bring into their governments Communist terrorists who have been spending their time killing the Rhodesian people.

Mr. HELMS. Mr. President, the able Senator from South Dakota has advised that he is going to move to table my amendment. I hope that the Senators who are not present and who have not heard the discussion on this floor will somehow understand that we are talking about the lives of many, many human beings lives in Rhodesia.

The case is precisely as the able Senator from Arizona (Mr. GOLDWATER) stated with reference to his conversation with a citizen of that country.

Mr. President, I have proposed this amendment in the name of equity, but, more important than that, the Senator from North Carolina proposes this amendment to avoid bloodshed; and if the Senate tables this motion the blood will not be on the hands of the Senator from North Carolina, but it will be on the hands of those Senators who vote to table.

Mr. President, I yield the floor.

Mr. McGOVERN. Mr. President, I yield without losing my right to the floor for a unanimous-consent request by the Senator from Kansas.

Mr. DOLE. Mr. President, I ask unanimous consent that Tom Carter of Senator HAYAKAWA's staff, Bill Reinich of Senator HEINZ' staff, Kip Hawley of Senator CHAFEE's staff, and Andy Fedynsky of my staff, be granted privilege of the floor during debate and voting on this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGOVERN. Mr. President, I think this issue that is now before us has been amply debated. It is an issue with which Senators are familiar. It is the overwhelming conviction of the majority of the Foreign Relations Committee that we ought to stay with our present policy with regard to Rhodesia and not make the change proposed by the Senator from North Carolina.

Under those circumstances, I move to lay on the table the amendment of the Senator from North Carolina.

Mr. HELMS. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table UP amendment No. 1368 of the Senator from North Carolina. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. ANDERSON), the Senator from Alaska (Mr. GRAVEL), the Senator from Montana (Mr. HATFIELD), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I further announce that the Senator from Idaho (Mr. CHURCH) is absent on official business.

Mr. STEVENS. I announce that the Senator from Utah (Mr. GARN) and the Senator from Oregon (Mr. HATFIELD) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "nay."

The result was announced—yeas 48, nays 42, as follows:

[Rollcall Vote No. 186 Leg.]

YEAS—48

Abourezk	Haskell	Moynihan
Bayh	Hathaway	Muskie
Bentsen	Heinz	Nelson
Biden	Hodges	Pearson
Brooke	Huddleston	Pell
Burdick	Humphrey	Percy
Case	Jackson	Proxmire
Chafee	Javits	Ribicoff
Clark	Kennedy	Riegle
Cranston	Leahy	Roth
Culver	Magnuson	Sarbanes
Durkin	Matsunaga	Stafford
Eagleton	McGovern	Stevens
Ford	McIntyre	Stevenson
Glenn	Melcher	Williams
Hart	Metzenbaum	Zorinsky

NAYS—42

Allen	Eastland	Randolph
Baker	Goldwater	Sasser
Bartlett	Griffin	Schmitt
Bellmon	Hansen	Schweiker
Bumpers	Hatch	Scott
Byrd, Harry F., Jr.	Hayakawa	Stennis
	Helms	Stone
Byrd, Robert C.	Hollings	Talmadge
Cannon	Johnston	Thurmond
Chiles	Laxalt	Tower
Curtis	Lugar	Wallop
Danforth	McClure	Weicker
DeConcini	Morgan	Young
Dole	Nunn	
Domenici	Packwood	

NOT VOTING—10

Anderson	Hatfield, Mark O.	Inouye
Church		Long
Garn	Hatfield, Paul G.	Mathias
Gravel		Sparkman

So the motion to lay on the table UP amendment No. 1368 was agreed to.

Mr. McGOVERN. Mr. President, I move to reconsider the vote by which the motion to lay the amendment on the table was agreed to.

Mr. PERCY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(The following proceedings occurred earlier.)

UP AMENDMENT NO. 1369

Mr. DECONCINI. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arizona (Mr. DECONCINI) proposes an unprinted amendment numbered 1369.

Mr. DECONCINI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of Title I, add the following new section:

"ASSISTANT SECRETARY OF STATE FOR INTERNATIONAL NARCOTICS MATTERS

SEC. 136. (1) There is established in the Department of State an Assistant Secretary for International Narcotics Matters who shall be responsible to the Secretary of State for all matters pertaining to narcotics in the conduct of foreign policy and international narcotics control programs funded under Section 482 of the Foreign Assistance Act of 1961.

(2) The Assistant Secretary for International Narcotics Matters, who shall be appointed by the President with the advice and consent of the Senate, shall carry out the duties and responsibilities set forth in Sections 481 and 482 of the Foreign Assistance Act of 1961 on behalf of the Secretary of State. On the date of enactment of this section, the Assistant Secretary shall assume the full duties and responsibilities now carried out by the Senior Adviser to the Secretary of State for International Narcotics Control.

(3) Not later than six months after enactment of this bill, the Secretary of State shall transmit to the Speaker of the House of Representatives and the Chairman of the Senate Committee on Foreign Relations, a comprehensive report on the Office of the Assistant Secretary for International Narcotics Matters, including its current mandate and operations, the mandate and operations of its predecessor offices, and proposals and recommendations to strengthen international narcotics control as an integral factor in the conduct of United States foreign policy and promote the ability of the United States to participate effectively in international narcotics control efforts.

(4) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(122) Assistant Secretary for International Narcotics Matters, Department of State.".

Mr. DECONCINI. Mr. President, this amendment creates the position of Assistant Secretary for International Narcotics Matters within the Department of State. The House has already seen fit to act on this matter, and the new position is part of H.R. 12598.

It is my belief that the creation of this position will have a positive effect on our international narcotics control programs which are critical to the fight against narcotics domestically. Almost all illicit drugs originate abroad, and without the committed assistance of foreign governments and effective administration within our country, we will not be able to turn the spigot off.

At present, the officer within the Department of State who is charged with responsibility for international narcotics programs is a "Senior Adviser." Given the nature of bureaucratic politics and the normal operation of large-scale organizations, the function of controlling international narcotics appears to have less importance and appears to be a lower priority than other functional and regional concerns that are headed by an assistant secretary.

Moreover, creating the position of assistant secretary will provide a legislative basis for a sustained, long-term international narcotics control effort as well as a framework for carrying out the Department's mandate to coordinate the international narcotics control activities of all other U.S. agencies, especially the Drug Enforcement Administration.

Creating this new position will emphasize the high priority Congress attaches to the international narcotics control effort, as well as indicate to foreign governments the importance of narcotics control as a major foreign policy issue.

I also believe that by upgrading the present senior adviser to a congressionally approved position, it will offer Congress the opportunity for greater and more careful oversight of the international narcotics control programs. It is important that all aspects of this effort be accountable to the Congress. Finally, the change will provide a legislative basis for strengthening the administration of the program by, for example, designating full-time narcotics coordinators in U.S. embassies in those countries in which drug abuse, illicit drug production, and trafficking are prevalent.

I commend this amendment to my colleagues, and hope that the distinguished manager of the bill will accept it.

I ask unanimous consent, Mr. President, to have printed in the RECORD at this point a short description of recent developments in the Mexican poppy eradication program. Mexican heroin, as I am sure my colleagues are aware, accounts for at least 60 percent of all heroin entering into the United States. In the Southwest, of course, almost all of our heroin is Mexican. International narcotics control is absolutely essential to effective law enforcement.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RECENT DEVELOPMENTS IN MEXICAN PROGRAM

Because of its devastating impact on the health and welfare of the citizens of this nation, heroin is the primary drug of concern in our international drug control efforts. The number of Americans addicted to heroin is conservatively estimated to be 500,000.

Mexico currently supplies approximately 60% of all heroin entering the United States. Although Mexico does not itself have a heroin abuse problem, the Mexican Government has undertaken a vigorous program to eradicate illicit opium poppy cultivation. Since 1973, the Government of Mexico has expended $40 million annually on narcotics eradication; the U.S. has contributed a total of $50 million for the period 1973-1977, the bulk of it in aircraft and related equipment.

The success of the Mexican eradication campaign can be measured by the reduction in the absolute amount of heroin entering the United States. During the last two years, the amount of heroin entering this country from Mexico dropped by 1.5 tons, reducing the purity of street heroin to a new low of 4.9%. Most significant, however, is the human dimension—heroin overdose deaths dropped 70%, from 1,770 in 1976 to 540 in 1977. Heroin related injuries fell 40% from 18,500 to 11,200.

The Mexican Government believes that marijuana presents the most serious threat to the health and welfare of its citizens, and has also undertaken a marijuana eradication program. In the initial stages of the program, the Mexican Government sought to eradicate heroin poppies and marijuana by hand with sticks or fire. Marijuana and poppies are, however, grown in remote, mountainous regions, on small acreages, rendering these methods largely ineffective. In 1975 in order to increase their eradication efforts, the Government of Mexico decided to use herbicides in aerial eradication. After extensive ecological tests, the herbicide, 2,4-D was selected for use against poppies, and paraquat for use against marijuana. The Mexican Government uses its own funds to purchase these herbicides.

Although the Center for Disease Control in Atlanta, which is responsible for investigating cases of alleged Paraquat poisoning, has not substantiated a single case of Paraquat related illness, the Government of Mexico has responded to the substantial coning agent, which would render the paraquat by initiating plans to consider alternative substances. U.S. and Mexican specialists met in Washington earlier this month to consider alternative substances for use in the marijuana eradication program. Marking

additives, such as Rhodamine-B, a red coloring agent, which would render the paraquat contaminated marijuana readily identifiable to the user, and alternative herbicides are being evaluated in field tests. Initial testing of the additives has begun.

Mr. DECONCINI. Mr. President, I advise that, according to the present senior adviser with the State Department, the Secretary of State takes no position on this matter, neither for nor against, nor does OMB oppose the creation of this position.

Mr. President, I have nothing further at this time.

Mr. BAYH. Mr. President, at this particular time I wish to interject a thought or two relative to the creation of the position of Assistant Secretary for International Naroctics Matters.

I particularly appreciate the opportunity to do it now, because I have a conference committee of House and Senate conferees on the transportation appropriations measure which will be meeting in the next few minutes, and otherwise I would not be able to follow the debate as it comes in on this particular matter.

Mr. President, I feel strongly about the wisdom of this amendment, and I salute the Senator from South Dakota, the Senator from Arizona, and the others who are involved in this effort for taking the initiative, on two bases:

First of all, looking at the quality of the individual who is going to be promoted, I think it is important for our colleagues to know that I have had a personal professional relationship with this woman, who now is serving our Government very well, but also had an opportunity to serve with distinction as an employee of the Senate. She was the chief of staff of the Senate Juvenile Delinquency Subcommittee at the time when I had the good fortune to chair that committee, and I know of no staff person who did more to try to breathe life and sensitivity into this area than Miss Falco.

We do have authorizing jurisdiction in this area as far as drugs are concerned, and I know of no one who knows more about the problems involved, the street problem, the growth problem, the manufacture problem, the distribution problem, and most importantly, the policy problem, than this individual.

If you have a good individual, you ought to give him or her the tools necessary to do the job. In discussing the problem of narcotics today, we cannot and must not ignore the international implications. It is important that the person charged with this responsibility be able to stand up and speak with equal authority, have equal prestige as she deals with other people in other countries where this poison is grown and manufactured and then disseminated into our country.

Because of the role which she presently plays, she finds herself repeatedly outranked in international conferences. I think it is important for us to send someone who is not only a heavyweight talentwise, but also to give that person the prestige that goes with the title of the office—an officer who will be appointed by the President of the United States, subject to the advice and consent of the Senate. The measure to which I am addressing myself will permit this to happen.

One other point. I think we need to understand that by giving this responsibility to an Assistant Secretary, we upgrade the importance of the issue as far as the United States is concerned. I think it is important for whoever has the responsibility to be able to deal with the give and take kind of negotiations that go on within our Government on a basis which will reemphasize the importance of narcotics control and fighting drugs. If we want to deal with drug addiction in the United States, we have to give the person in charge of dealing with it at the international level the kind of credentials necessary to be able to deal as an equal with her peers here in our own Government.

So I add my voice to those on the Foreign Relations Committee now dealing with this, and commend them on taking the initiative in this matter.

Mr. McGOVERN. Mr. President, I do not think there is any objection to the amendment on either side of the aisle. It simply manifests the concern of the Senate over the international narcotics trade and the importance of that issue. It raises the title of the person now handling that program in the Department of State to Assistant Secretary. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McGOVERN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(Conclusion of earlier proceedings.)

PRIVILEGE OF THE FLOOR

Mr. THURMOND. Mr. President, I ask unanimous consent that Harvey McElroy, a member of my staff, have the privilege of the floor today and tomorrow during the consideration of measures and votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Let us have order in the Senate.

The Senator from South Dakota.

Mr. McGOVERN. Mr. President, I ask unanimous consent that Miss Ann Proctor, of Senator EAGLETON'S staff, and Miss Maureen Norton, of Senator HUMPHREY'S staff, be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. McGOVERN. I yield.

Mr. BUMPERS. Mr. President, I ask unanimous consent that Len Parkinson, of my staff, be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I yield 2 minutes to the Senator from New York.

Mr. MOYNIHAN. I thank the distinguished Senator from Rhode Island.

Mr. President, on the occasion of this legislation before us I call attention to a hopeful event which took place in Geneva yesterday at the International Labor Organization. The ILO refused to adopt a resolution introduced by the Arab and Soviet countries denouncing Israel, a resolution asserting that Israel was guilty of "discrimination, racism, and violation of trade union rights."

Mr. President, this year the United States withdrew from the ILO, the first time we have ever withdrawn from an international organization. We did so because of the continued insistence of a majority of the ILO, led by the Soviet Union, to distort the purposes of that organization, to condemn democratic regimes throughout the world, and Israel particularly.

It was said at the time that in order to maintain our influence we should perhaps not withdraw.

Mr. President, I suggest that our having taken the decisive action we did in July has won the attention of those nations in the world that would not like to see the ILO so distorted.

At the time of the withdrawal I stated in this Chamber that it was our purpose to return to the ILO when the ILO returned to its principles.

I suggest, as we are authorizing appropriations for the State Department, there is evidence that this may be happening. Certainly, yesterday's vote was hopeful and positive. I hope that those nations that acted as they did yesterday in Geneva will note that in the Senate Chamber we have taken notice of their actions and that we consider those actions promising, perhaps even the beginning of the road back to Geneva for the United States.

I thank the President, and I thank the Senator from Rhode Island.

Mr. President, I ask unanimous consent to include in the RECORD the news report of this event and my comments in the Chamber last July when the matter was discussed.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 28, 1978]

I.L.O. REFUSES TO CENSURE ISRAEL

GENEVA, June 27.—In a major defeat for Arab countries, the International Labor Organization today rejected a resolution reiterating four-year-old Arab charges that Israel was guilty of "discrimination, racism and violation of trade union rights" in the occupied territories.

The Arab countries, which had succeeded in previous years in winning adoption of anti-Israel resolutions, were deserted this time by many African and other third world nations. These countries thus subscribed to the Western view that the annual renewal of a political debate on Israel was damaging a technical organization that could not contribute to political solutions.

The United States withdrew from the organization last November on the ground that it was dealing excessively in political issues,

but announced a readiness "to return whenever the I.L.O. is again true to its proper principles and procedures."

Today's vote was actually 211 to 0 in favor of the Arab resolution, but there were 139 abstentions. Under I.L.O. rules, the abstentions did not count toward the quorum of 236 votes required to make the tally valid.

SIGN OF NEW ATTITUDE

Th vote is certain to be received with satisfaction by the Carter Administration as a sign that the 137-member I.L.O., a United Nations agency, is retreating from excessive involvement in extraneous political issues. The I.L.O. was established at the close of World War I to bring together representatives of the governments, trade unions and employer organizations of member states to promote better working and living conditions in the interest of peace.

Today's action reversed a favorable decision by an I.L.O. committee in favor of the resolution, which was submitted by Syria and Libya. The committee used a different voting procedure.

After today's vote, Youssef Arebi, a Libyan delegate, denounced what he called "corridor maneuvers" that resulted in the organization being made the "subject of a minority." Dia el-Fattal, a Syrian representative, accused the abstainers in the voting of having "shirked their responsibilities and obligations."

But the resort to the procedural device of abstaining in order to prevent undesired action is a common practice in the I.L.O. The Arab bloc used it at last year's assembly to block consideration of a United States effort to permit the screening out of politically motivated resolutions without debate.

The United States has been closely monitoring developments at the four-week assembly, which ends tomorrow. However, the head of the American mission here, ambassador William J. Vanden Heuvel, declined to comment on today's vote.

At the outset of the session the Arab bloc mustered enough support to obtain first priority for its resolution in the assembly's resolutions committee. Labor sources said this displeased George Meany, president of the AFL–CIO, the organization that had designated the American labor delegates to the I.L.O.

STATE-JUSTICE-COMMERCE-JUDICIARY APPROPRIATIONS, 1978—CONFERENCE REPORT

Mr. MOYNIHAN. Mr. President, I thank the distinguished manager of the bill for his graciousness in allowing me these moments. While it might, in ordinary circumstances, be an occasion on which one would ask the indulgence of the Senate to speak, even to a brief extent, on this matter, I think this may be a different occasion.

Mr. President, in this Chamber in the year 1919, the U.S. Senate debated at great length and made its fateful decision not to accept the Treaty of Versailles which had been negotiated and brought back to the United States by President Woodrow Wilson.

In that debate, one of the major questions about the treaty had to do with the International Labor Organization. The debate was not a hostile one, but an inquiring one, for it was known that this was a matter with which President Wilson had deeply associated himself.

The group at the Versailles Peace Conference which drew up the charter of the ILO was headed by Samuel Gompers, head of the American labor movement. Later, on every occasion when President Wilson spoke on his famous trip west—from which he returned in a coma—and when he spoke of the ILO he spoke of the hopes that it had contained for the world.

Mr. President, in 1934, the United States joined the ILO, the first organization of its kind we ever joined.

Now, Mr. President, we must face the prospect that is explicit in the report of the conference committee that we are now to leave the International Labor Organization.

We have never before taken such a move and it is appropriate that this body note and state to the world what we do and why we do it.

Mr. President, the conference committee report states that the amount recommended by the committee does not include any funds for payment to the International Labor Organization; no funds were requested for that purpose since the United States has notified that organization of its intent to withdraw. Funds have been provided for the interim period since 1975. Subsequent funding will depend on the decision regarding continued membership in the ILO.

Mr. President, I stand here, concerned and somber, to state that the United States now almost certainly, as anticipated by the conference committee, will withdraw. We have never done such a thing. We do it with solemnity, with care, and with the greatest reluctance.

Mr. President, I was the U.S. Permanent Representative to the United Nations in 1975 at the time our notice to withdraw was given. I trust it will not too much impair the standards of discretion in these matters to say that I wrote the letter. I ask unanimous consent that the letter of November 5 stating our intention be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NOVEMBER 5, 1975.

The DIRECTOR GENERAL,
International Labor Office,
Geneva, Switzerland.

DEAR MR. DIRECTOR GENERAL: This letter constitutes notice of the intention of the United States to withdraw from the International Labor Organization. It is transmitted pursuant to Article 1, Paragraph 5, of the Constitution of the Organization which provides that a member may withdraw provided that a notice of intention to withdraw has been given two years earlier to the Director General and subject to the member having at that time fulfilled all financial obligations arising out of its membership.

Rather than express regret at this action, I would prefer to express confidence in what will be its ultimate outcome. The United States does not desire to leave the ILO. The United States does not expect to do so. But we do intend to make every possible effort to promote the conditions which will facilitate our continued participation. If this should prove impossible, we are in fact prepared to depart.

American relations with the ILO are older, and perhaps deeper, than with any other international organization. It is a very special relationship, such that only extraordinary developments could ever have brought us to this point. The American labor movement back into the 19th century was associated with the international movement to establish a world organization which would advance the interests of workers through collective bargaining and social legislation. Samuel Gompers, President of the American Federation of Labor, was Chairman of the Commission which drafted the ILO constitution at the Paris Peace Conference. The first meeting of the International Labor Conference took place in Washington, that same year. In 1934 the United States joined the ILO, the first and only of the League of Nations organizations which it did join. The Declaration of Philadelphia in 1944 reaffirmed the Organization's fundamental principles and reformulated its aims and objectives in order to guide its role in the postwar period. Two Americans have served with distinction as the Directors-General; many Americans have contributed to the work of the organization. Most particularly, the ILO has been the object of sustained attention and support by three generations of representatives of American workers and American employers.

In recent years, support has given way to increasing concern. I would emphasize that this concern has been most intense on the part of precisely those groups which would generally be regarded in the United States as the most progressive and forward-looking in matters of social policy. It has been precisely those groups most desirous that the United States and other nations should move forward in social matters which have been most concerned that the ILO—incredible as it may seem—has been falling back. With no pretense to comprehensiveness, I should like to present four matters of fundamental concern.

1. THE EROSION OF TRIPARTITE REPRESENTATION

The ILO exists as an organization in which representatives of workers, employers, and governments may come together to further mutual interests. The constitution of the ILO is predicated on the existence within member states of relatively independent and reasonably self-defined and self-directed worker and employer groups. The United States fully recognizes that these assumptions, which may have been warranted on the part of the western democracies which drafted the ILO constitution in 1919, have not worked out everywhere in the world: In truth only a minority of the nations of the world today have anything resembling industrial democracy, just as only a minority can lay claim to political democracy. The United States recognizes that revising the practices and arrangements of the ILO is not going to restore the world of 1919 or of 1944. It would be intolerable for us to demand that it do so. On the other hand, it is equally intolerable for other states to insist that as a condition of participating in the ILO we should give up our liberties simply because they have another political system. We will not. Some accommodation will have to be found, and some surely can be found. But if none is, the United States will not submit passively to what some, mistakenly, may suppose to be the march of history. In particular, we cannot accept the workers' and employers' groups in the ILO falling under the domination of governments.

2. SELECTIVE CONCERN FOR HUMAN RIGHTS

The ILO Conference for some years now has shown an appallingly selective concern in the application of the ILO's basic conventions on freedom of association and forced labor. It pursues the violation of human rights in some member states. It grants immunity from such citations to others. This seriously undermines the credibility of the ILO's support of freedom of association, which is central to its tripartite structure, and strengthens the proposition that these human rights are not universally applicable, but rather are subject to different interpretations for states with different political systems.

3. DISREGARD OF DUE PROCESS

The ILO once had an enviable record of objectivity and concern for due process in its examination of alleged violations of basic human rights by its member states. The Constitution of the ILO provides for procedures to handle representatives and complaints that a member state is not observing a convention which it has ratified. Further, it was the ILO which first established fact-finding and conciliation machinery to respond to allegations of violations of trade

union rights. In recent years, however, sessions of the ILO Conference increasingly have adopted resolutions condemning particular member states which happen to be the political target of the moment, in utter disregard of the established procedures and machinery. This trend is accelerating, and it is gravely damaging the ILO and its capacity to pursue its objectives in the human rights fields.

4. THE INCREASING POLITICIZATION OF THE ORGANIZATION

In recent years the ILO has become increasingly and excessively involved in political issues which are quite beyond the competence and mandate of the Organization. The ILO does have a legitimate and necessary interest in certain issues with political ramifications. It has major responsibility, for example, for international action to promote and protect fundamental human rights, particularly in respect to freedom of association, trade union rights and the abolition of forced labor. But international politics is not the main business of the ILO. Questions involving relations between states and proclamations of economic principles should be left to the United Nations and other international agencies where their consideration is more relevant to those organizations' responsibilities. Irrelevant political issues divert the attention of the ILO from improving the conditions of workers—that is, from questions on which the tripartite structure of the ILO gives the Organization a unique advantage over the other, purely governmental, organizations of the UN family.

In sum, the ILO which this nation has so strongly supported appears to be turning away from its basic aims and objectives and increasingly to be used for purposes which serve the interests of neither the workers for which the organization was established nor nations which are committed to free trade unions and an open political process.

The International Labor Office and the member states of the Organization have for years been aware that these trends have reduced support in the United States for the ILO. It is possible, however, that the bases and depth of concern in the United States have not been adequately understood or appreciated.

I hope that this letter will contribute to a fuller appreciation of the current attitude of the United States toward the ILO. In due course the United States will be obliged to consider whether or not it wishes to carry out the intention stated in this letter and to withdraw from the ILO. During the next two years the United States, for its part, will work constructively within the ILO to help the Organization return to its basic principles and to a fuller achievement of its fundamental objectives.

To this end, the President is establishing a Cabinet-level Committee to consider how this goal may be achieved. The Committee will of course consult with worker and employer representatives, as has been our practice for some four decades now in the formulation of our ILO policy. The Committee will also enter into the closest consultations with the Congress, to the end that a unified and purposeful American position should emerge.

Mr. MOYNIHAN. Mr. President, I would like to note the second paragraph which says simply, "having stated our intention under article I, paragraph 5, of the Constitution of the Organization which provides that a member may withdraw provided that a notice of intention to withdraw has been given 2 years earlier to the Director General and subject to the member having at that time fulfilled all financial obligations arising out of its membership."

And this is a letter from the Secretary of State, wherein he also states:

Rather than express regret at this action, I would prefer to express confidence in what will be its ultimate outcome. The United States does not desire to leave the ILO. The United States does not expect to do so. But we do not intend to make every possible effort without a corresponding response. If this should prove impossible we are, in fact, prepared to depart.

The United States in a tradition that began with the Declaration of Independence, stated its concerns, and expressed its terms. We spoke of the erosion of tripartite representation. We spoke of a selective concern for human rights.

Mr. President, I ask the patience of my colleagues in listening to this paragraph:

The International Labor Conference for some years now has shown an appallingly selective concern in the application of the ILO's basic conventions on freedom of association and forced labor. It pursues with violation of human rights in some member states. It grants immunity from such citations to others. This seriously undermines the credibility of the ILO's support of freedom of association, which is central to its tripartite structure, and strengthens the proposition that these human rights are not universally applicable, but rather are subject to different interpretations for states with different political systems.

In sum, Mr. President, the Communist world, having totally destroyed the right of free association and collective bargaining, has become immune nonetheless from censure by the ILO.

It is only those societies which still have some vestige of freedom left, or, indeed, are wholly free—as for example the State of Israel—that are the continued objects of the totalitarian assault in this.

Mr. President, with good faith, the American business community and the American labor movement which both helped to fund this organization, which both brought the United States into it, went back to Geneva and for 2 long years sought two simple propositions: First, that there would be a single standard for the rights and responsibilities of charter membership; and second, that the ILO would seek to avoid political issues in order to go about its work, which is primarily concerned now with the developing world and the new nations.

Mr. President, in June this year that effort failed.

Mr. President, I ask unanimous consent to have printed in the RECORD a succession of news stories from the New York Times in which the headlines read simply, "U.S. Is Defeated In Move To Keep 'Political' Issues Out of U.N. Labor Agency; Arabs Stage New Move Against Israel in ILO Despite U.S. Warnings:" finally, a plaintive thought, the now director urging us to remain after we had said we would leave if our plan and proper conditions were not attended to.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 4, 1977]

U.S. IS DEFEATED IN MOVE TO KEEP "POLITICAL" ISSUES OUT OF U.N. LABOR AGENCY

GENEVA, June 3.—The United States lost the first round tonight in its campaign to keep what it considers extraneous political issues out of the International Labor Organization, a United Nations specialized agency.

The defeat, a result of the combined voting strength of the Soviet bloc and the Arab and other third world countries in the I.L.O.'s assembly of member states, increased the likelihood that the United States would make good its threat to withdraw from the organization.

Using a procedural device, the Communist and third world countries blocked action on an American-inspired proposal that the assembly's rules be amended to screen out politically motivated resolutions unrelated to the I.L.O.'s field of activities or bypassing its constitutional procedures.

Underlying the issue was an Arab-sponsored resolution passed by the Assembly in 1974 calling for I.L.O. action against Israel for alleged "racism and violations of trade union rights" in the occupied Arab territories.

The I.L.O.'s Governing Body, or executive council, recommended the rule change to the Assembly. The United States considers the change as a necessary step away from the "politicalization" that it denounced when it submitted notice of its intention to withdraw from the I.L.O. unless the situation changes. The withdrawal will become effective in November unless it is rescinded.

Today in the I.L.O.'s assembly of government, worker and employer delegates, Mohammed Ennaceur, the Tunisian Minister of Social Affairs, strongly criticized the proposed rule change as an attempt to dictate to third world countries.

This brought an angry retort from Daniel L. Horowitz, the American Government delegate, who saw in what he termed the "insinuations" of the Tunisian minister the "kind of accusation we will not accept."

The opponents of the rule change effectively blocked all action by formally abstaining in order to prevent a quorum from being reached in the vote on whether to send the proposal to a committee for examination.

Only two Mexican delegates voted against having the rule change taken up. Although 133 delegates voted in favor, the 219 abstentions decided the issue.

[From the New York Times, June 21, 1977]

ARABS STAGE NEW MOVE AGAINST ISRAEL IN I.L.O. DESPITE U.S. WARNINGS

GENEVA, June 20.—Arab countries today staged a new anti-Israel maneuver in the annual assembly of the International Labor Organization despite warnings by the United States that continued political actions might impel it to go through with its announced intention of quitting the agency.

Backed by the Communist bloc and many third-world countries, the Arabs prevented the adoption by the assembly of a committee report that would have referred to an independent group of legal experts the issue of Israel's treatment of Arab workers in the occupied territories.

This was done by the procedural device of abstaining in the balloting on the report so that it fell short of the required quorum of 277 yes and no votes cast by the government, trade union and employer delegates representing member countries. The vote was 1,135 in favor, none opposed and 197 abstaining.

By killing the report after a prolonged and often heated debate, the Arab countries again gave primacy to a resolution that they had succeeded in having adopted in 1974. This accused Israel of "racial discrimination and violation of trade unions rights" in the occupied lands and called on the I.L.O. to "take all measures" to correct the situation.

There was no immediate comment from the United States delegation, but throughout the session it had made clear that the outcome of the Israeli issue would weigh heavily on its final decision on whether to remain in the I.L.O. The United States had deplored the "politicization" of the I.L.O. when it gave two-year notice, expiring in November, of its intention to withdraw unless the organization showed an intention to concentrate on its official goal of promoting better working and living conditions for workers everywhere.

To the United States, the 1974 resolution amounted to a denial of Israel's right to have the discrimination charges against it examined by experts under established I.L.O. procedures before being condemned.

[From the Washington Post, June 29, 1977]

ON LEAVING THE ILO

Will the United States now proceed, for the first time, to pull out of a United Nations agency, the International Labor Organization, with whatever impact that could have on the whole U.N. system? In justified frustration two Novembers ago the United States said it would quit in two years is this ostensibly technical agency didn't mend its grossly political ways. Some improvements subsequently were seen but they were badly undercut at the ILO's annual Geneva conference, just completed. Defying reasonable American demands, a Communist-Third World coalition trampled on due process and socked Israel, sidetracked a rule-change proposal to screen out loaded political resolutions and applied a familiar double standard (attacking only violators on the political right) on human rights. All in all it was a bad show.

If the ILO were just another organization, an administration as keen as this one on seeking global consensus might easily decide that—notwithstanding its predecessor's two-year warning—quitting to protect politicization was less important than staying to talk on. But ILO's charter makes governments only one of three equal partners with workers and employers. And while employer representation is not of great concern to the Chamber of Commerce, worker representation is to the AFL–CIO. Through the ILO, the AFL–CIO has battled to promote human and trade-union rights and to raise labor standards (and, perhaps not incidentally, labor costs) overseas. In brief, George Meany, in leading the charge to hold ILO to its charter and tradition, is not being simply a reflexive anti-Communist.

The United States cannot lightly start down the road of quitting international organizations. The ILO, moreover, has been useful in matters of union and workers' rights and is a forum for keeping in touch with international proposals to make job creation more central to economic growth. And since, at American urging, a good number of the United States' fellow democracies stuck out their necks to help Washington battle politicization, they must be consulted in planning the next step.

Still, it is hard to make a persuasive case that the organization is so important to American diplomacy that Americans should overlook the damage to credibility and the invitation to anti-Americanism that could result from slinking away, unrequitted, from the Ford and Carter administrations' two-year warning to pull out. A cabinet-level committee will now study the two-year record (not just the record of the recent and disappointing Geneva conference). If its verdict is to quit in November, so be it.

[From the Wall Street Journal, June 29, 1977]

DEJA VU AT THE ILO

The International Labor Organization, founded at the end of World War I to promote the well-being of workers around the world and later turned into an agency of the United Nations, has just finished its annual conference in Geneva. Near the end, the organizations Director General addressed a public plea to the United States delegation: America had a "duty to itself" not to quit the ILO. The Director General had plenty of reason to be worried about the * * * conference just may have been the last straw for the American camel.

For well over a decade, the ILO has been turning into a forum for the same kind of ideological warfare against us that has corrupted much of the UN system. The Eastern bloc has been insisting that it should not be held to the same standards as the West when it comes to judging how workers are treated. The annual meetings have been condemning nations whose politics are out of favor, without any investigation of facts beforehand. In 1974, the ILO outdid itself and voted to condemn Israel for discrimination, racism and violation of trade union freedoms and rights in the occupied territories. In 1975, the conference admitted the Palestine Liberation Organization to observer status.

American representatives to the various UN agencies have tended to dismiss the importance of such resolutions and official gestures. But one force in American life that has held few illusions in these matters is organized labor. When it became clear that the ILO had turned into a propaganda forum, the AFL–CIO saw to it that at least in this one arena the United States would protest in a way that would have to be taken seriously. In December of 1975 the U.S. wrote a letter to the ILO announcing that unless the body changed, we would withdraw at the end of the two-year waiting period required by the organization's rules.

This year's conference came as that two-year waiting period was drawing to a close. When the meeting began, it seemed as if our protest might finally have some effect. The Director General had already told the ILO's governing board that he thought he could take no further action to implement the condemnation of Israel, and the U.S. planned to introduce a rules change that would make it harder for politically inspired resolutions to get to the conference floor in the future.

But these plans and indications proved misleading. The conference sent the U.S. rules change to an unfriendly committee for preliminary consideration, and not surprisingly, our initiative was not heard from again. As for the issue of Israel, the U.S. and the Arabs at first worked out a compromise: Questions about Israel's behavior in the occupied territories would be put back into normal ILO channels and examined, as any such questions would be, by the organization's committee of experts. The Director General would continue to make formal reports on the subject, as required for any resolution, for two more years; and the Arabs would introduce no more floor resolutions on the topic.

But this compromise faltered. When the committee report embodying it actually came to a vote, the conference would not pass it. By refusing to adopt the report, the conference asserted once more that no investigation was necessary. The question of Israel was not an open one. The condemnation must stand. So on this issue as well, the members either refused to believe the U.S. was serious about withdrawing or were willing to risk seeing the organization collapse rather than give us what we wanted.

Now the U.S. has to decide whether it will actually pull out of the ILO this fall; Secretary of Labor Ray Marshall has said we probably will. It's a probability that by now should be faced without too much regret. The ILO was once a symbol of our commitment to internationalism: In 1934 we joined it alone of all the organs of the League of Nations. But 40 years later, when the ILO abandoned its role as a parliamentary institution and became simply a place in which to attack us by attacking our friends, it became just about useless for the goals we had in mind.

Instead, these events should remind us that international forums like the ILO have become a dangerous kind of place for us. The Carter administration has begun an effort to identify the U.S. more closely with Third World concerns; what we've gotten for the effort so far has been exemplified by the treatment we received from the ILO. We'd best not start building a foreign policy around the illusion that we can expect much different in the future. It's been to labor's credit that they, at least, have seen our situation clearly and have been willing to make the hard choices that this situation entails.

[From the New York Times, June 22, 1977]

U.S. IS URGED TO REMAIN IN WORLD LABOR GROUP

GENEVA, June 21.—The director general of the International Labor Organization appealed directly to the United States today to renounce any intention to resign from this United Nations specialized agency.

Francis Blanchard was addressing the annual assembly of the 135-nation I.L.O. that has been meeting here under the shadow of Washington's announced intention to withdraw unless the agency avoided continued involvement in so-called extraneous political issues.

Mr. Blanchard, a Frenchman, urged the delegates of the governments, trade unions and employer associations to what he called this "world parliament of labor" to make every effort to "preserve and strengthen the conditions which will enable the organization to maintain its universal character."

He then concluded by saying: "I make this appeal finally to the United States of America, that great country which has contributed so much to this organization and which has a duty to itself to continue to provide the aid and support that are needed to deal with the great problems of tomorrow for a world that is more fraternal, more just and more free."

The director general's appeal followed a major defeat suffered last night by the United States. The assembly refused to allow Arab charges against Israel of racial discrimination and violations of trade union rights in the occupied territories to be channeled into procedures that would mute their political repercussions.

Mr. MOYNIHAN. Mr. President, on the 29th of June, the Washington Post wrote:

It is hard to make a persuasive case to stay and nothing but an invitation to anti-Americanism can result from slinking away, unrequited, from the Ford and Carter administration's 2-year warning to pull out.

Finally, Mr. President, I have an article from the Wall Street Journal. The Wall Street Journal is not a publication of the AFL–CIO. Yet, there has been a unique business and labor collaboration going back almost now half a century in the ILO, and together business and labor have said that the time has come to go.

I shall read the last paragraph. Commenting on the events of June, the Wall Street Journal writes:

Instead, these events should remind us that international forums like the ILO have beocme a dangerous kind of place for us. The Carter administration has begun an effort to identify the U.S. more closely with Third World concerns; what we've gotten for the effort so far has been exemplified by the treatment we received from the ILO. We'd best not start building a foreign policy around the illusion that we can expect much different in the future. It's been to labors' credit that they, at least, have seen our situation clearly and have been willing to make the hard choices that this situation entails.

Mr. President, if it were a fateful hour in 1919 when this body chose not to ratify the Treaty of Versailles, it is no less fateful in this hour, when we, in effect, accept the fact that we now leave the ILO.

I express the hope which I know many Members of the Senate share, and which I know the distinguished manager of the bill shares, that when we do leave, the President of the United States will state the conditions on which we will come back, because we never wanted to go. We helped create that organization before 90 percent of its present members existed as nations. But we will not submit to totalitarian standards of what is freedom and what is not. We will not submit to the politicization of an organization designed to help workingmen, not dictators. We have stated our purpose. We will

carry it out. Let the world understand that the United States, with all its patience, has a limit.

This time, this night, the United States says, with the utmost regret, with respect to the ILO, that our patience has been exhausted, our pleas have not been heard and no money can be forthcoming. We are now to leave. Pray God, this makes a sufficient impression upon the members of that body and every other institution in the international system, so that they will understand the conditions under which we will remain, so that they will restore those conditions which may make it possible for us to return.

I know that I have delayed the Senate on this question. It is clearly one which matters personally to me.

I express especially my appreciation for the thoughtfulness of the manager of the bill, the Senator from South Carolina (Mr. HOLLINGS).

UP AMENDMENT NO. 1370

Mr. PELL. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Rhode Island (Mr. PELL) proposes an unprinted amendment numbered 1370:

On page 59, line 10, strike out all through line 22 on page 62.

On page 62, line 24, strike out "503" and insert in lieu thereof "502".

Mr. PELL. Mr. President, what this amendment does is it strikes section 502 from the bill that is before us.

Section 502, known as the Treaty Powers Resolution, purports to be an exercise of the rulemaking power of the Senate and is "deemed to be a part of the rules of the Senate" even though the Standing Rules of the Senate are not amended. Section 502 would become effective upon passage of S. 3076 by the Senate alone and would cause a point of order to lie in the Senate against any measure authorizing or appropriating funds to carry out any international agreement which the Senate had previously declared, by simple resolution, should be submitted as a treaty.

This provision in the bill, which is incidentally strongly opposed by the administration and by the Chairman of the House International Relations Committee, would considerably alter the balance between the executive and the legislative branches of our Government.

I think Secretary Vance put it very well in a letter that he wrote when he said:

As of now, while there may have been difficulties in the past in treaty matters, this administration has made every effort to consult systematically with the committee and will continue to do so.

He added:

Of course, most agreements of fundamental and lasting importance should be concluded as treaties, but we intend to consult with both Houses of Congress on these matters.

This provision was incorporated into the Foreign Relations Committee bill at the subcommittee level, and an effort was made to delete it at the full committee level, but that effort failed by a 7 to 7 vote, with two members not voting.

This provision of the bill should have come to the Rules Committee, but it was not referred to the Rules Committee.

The Foreign Relations Committee report on S. 3076 cites the expedited procedures contained in the Congressional Budget Act as a precedent for establishing rules of the type embodied in this section.

Yet the Budget Act was referred to the Rules Committee, and substantial revisions were made by the committee in the act's rules provisions.

In view of the significance of the rule change proposed in section 502 and because of its controversial nature, I believe it should have been examined by the Rules Committee.

Section 502 is an open invitation to the House of Representatives to retaliate with a resolution of its own to raise a point of order regarding funding the implementation of any international agreement which the House finds should be approved by both Houses of Congress.

Representative CLEMENT ZABLOCKI, the chairman of the House International Relations Committee, wrote to Senator SPARKMAN on May 4 pointing out that he could "easily imagine a similar House Resolution" and further warned that "such a turn of events could render the Panama Canal Treaty implementing legislation vulnerable to a single Member of the House," just as this measure would make legislation implementing executive agreements liable to a single Member of the Senate who lodges a point of order.

I understand further that a House resolution has been prepared, and in my view it is likely to be introduced if the Senate does not strike section 502.

I believe the effects of this section could be exactly opposite from the one intended by its proponents. The House is now more sensitive to its role in foreign relations, particularly in the context of the debate on the Panama Canal treaties and its involvement in the joint resolution approving the SALT I agreement. A retaliatory action by the House could involve a staking out of specific kinds of agreements, which are now ambiguous, in which the House expects to be involved as a matter of course. The end result could therefore be that the Senate will have fewer treaties before it.

I am concerned about the possibility of an impasse in the approval and implementation of international agreements if section 502 is not deleted. Obviously, if both House of Congress are in accord on the form an agreement should take, the executive branch is most unlikely to adopt a different form. In that case, no action under section 502 would be necessary. Section 502 is most likely to be used when the Senate and House are in disagreement.

Finally, even the proponents of section 502 agree that it provides for nothing that could not now be done. The Senate could always act to deny funding for the implementation of an agreement that it believes should have been submitted as a treaty. In the absence of any abuse in this area by the present administration, the adoption of section 502 would be a capricious and unconstructive act.

Mr. President, I urge my colleagues to join with me in deleting it.

Mr. GRIFFIN. Mr. President, will the Senator yield? I want to rise to associate myself with the remarks of the Senator and to support the Senator's position.

Section 502 of the foreign relations authorization bill raises some very fundamental constitutional issues—separation of powers questions—that should not be resolved by an add-on amendment to an authorization bill.

It is tempting, of course, for a Republican in the Senate, with a Democrat in the White House, to go along with this proposal. But I took the position during earlier administrations that similar legislation would not be appropriate, and I continue to hold that view.

To illustrate that this is not an easy or a simple question, one might refer to a 1972 report by Senator Sam Ervin's subcommittee on Separation of Powers, entitled "Congressional Oversight of Executive Agreements," which said:

American constitutional law recognizes, in the Constitution itself and in judicial opinion, three basic types of international agreement. First in order of importance is the treaty, an international bilateral or multilateral compact that requires consent by a two-thirds vote of the Senate prior to ratification. . . . Next is the congressional-executive agreement, entered into pursuant to statute or to a preexisting treaty. Finally, there is the "pure" or "true" executive agreement, negotiated by the Executive entirely on his authority as a constituent department of government.

It is the prerogative of the Executive to conduct international negotiations; *within that power lies the lesser, albeit quite important, power to choose the instrument of international dialog.* [Emphasis supplied.]

As much as we, as Members of the Senate, may prefer to see the treaty mechanism used as the primary form of international agreement, we must recognize the validity of properly executed "executive agreements."

Time and again—in cases such as *Altman & Co.* v. *United States* (224 U.S. 385 at 601 [1912]), *United States* v. *Belmont* (301 U.S. 324 at 330–331 [1937]), and *United States* v. *Pink* (315 U.S. 203 at 230 [1941])—the United States Supreme Court has upheld the constitutionality of various types of executive agreements.

It is true that there have been abuses over the years of the executive agreement mechanism. Indeed, the courts have voided "pure" executive agreements which encroached upon the constitutional powers of the Congress and were inconsistent with Congressional acts (*United States* v. *Guy Capps* [204 F. 2d] 655 at 658 (1953)).

But it is a questionable proposition that the Senate has a unilateral right to determine the precise form a given international agreement must have in order to be valid.

Certainly the Senate should guard jealously its powers. But if we need new legislation to do that, it really ought to be dealt with separately and only after the most careful deliberation and consideration.

I am going to support the amendment to strike section 502 from this bill. I hope

the amendment of the Senator from Rhode Island will be adopted.

Mr. PELL. I thank my colleague very much.

I yield the floor.

The PRESIDING OFFICER (Mr. SARBANES). Who yields time?

Mr. McGOVERN. Mr. President, I oppose the amendment by the distinguished Senator from Rhode Island that, in effect, would strike section 502 of this bill, the so-called treaty powers provision.

I would just like to briefly respond to several of the arguments that the Senator from Rhode Island has raised here in the Senate today, as he did in the committee earlier.

First, it is argued that this bill, because of section 502, should have been referred to the Rules Committee.

I would like to say respectfully to the Senator from Rhode Island that the provision is identical in all material respects to Senate Resolution 24 that Senator CLARK introduced earlier. That resolution was referred solely to the Foreign Relations Committee. As a matter of fact, it is also very similar to a provision in this year's Arms Control and Disarmament Agency authorization, H.R. 11832, which causes a point of order to lie in the Senate against measures containing certain program requests in the absence of arms control impact statements. That provision— sponsored by Senator PELL— is enacted "as an exercise of the rulemaking power of the Senate." Yet no one, including the sponsor, has suggested that Rules Committee referral was required. And it is not, just as it was not in the case of the various reorganization acts, the Trade Act of 1974, the War Powers Resolution, the Arms Export Control Act, and a number of other measures all of which established rules of procedure in the Senate, and none of which was referred to the Rules Committee.

Second, it is argued that section 502 "only invites retaliation by the House of Representatives." It is said that the House may under its own rules cause points of order to lie against funding measures for international agreements which the House believes should be approved by both Houses of Congress. Of course, no one can say with certainty that this will not happen, but I do not believe it will because it would be unreasonable, and I believe that the House is more responsible than to take such action. It would be unreasonable for the simple reason that the House has no constitutional basis for doing such a thing. The Foreign Relations Committee's report on this bill—and I want to quote 2 or 3 sentences—declares:

> The Senate possesses exclusive Constitutional powers with respect to the approval of a certain category of international agreements—treaties. The House does not possess exclusive powers with respect to any such category. Its "own Constitutional powers" to approve international agreements, to the extent that there are such powers, are shared with the Senate; they are not powers of the House, but of the Congress. Thus, such a resolution adopted by the House alone would arrogate to the House powers which are shared with the Senate. In short, the Senate has a Constitutional basis for acting by a simple resolution, whereas the House would not.

In any event, I do not believe that the Senate should be swayed from adopting a reasonable and appropriate measure by threats that the House will, in response, adopt an unreasonable and entirely inappropriate one. The fact is, the Senate has constitutional responsibilities that are not conferred upon the House, and if the House chooses to engage in petty retaliatory tactics simply because the Senate has found a way to carry out those responsibilities more effectively, then I believe that is the House's own business, a matter for the House to decide. It should not influence the judgment of the Senate.

Third, it is argued that the effective section 502 could well be exactly opposite from the one intended by its proponents. I must confess, as a cosponsor of this section, that the logic of this argument altogether escapes me. It is apparently premised on the dubious assumption that the House will take the unreasonable step of enacting rules as though it possesses the power to approve treaties, which, of course, it does not. As I said, I do not expect that to happen. I do not expect the House to act irresponsibly. But even in the unlikely event that it does act irresponsibly, I do not believe that anyone in this Chamber believes that the Senate will acquiesce while the House chomps away at its treaty powers, which the Constitution clearly spells out as the prerogative of the Senate. Most Members of this body simply have more concern for institutional prerogatives than to allow that to happen—and indeed, with this section in force, it will not happen because the Senate will be armed with a procedure to resist encroachments from either the executive branch or the House.

Fourth, opponents argue that section 502 is most likely to be used only when the Senate and House are in disagreement, as opposed to situations when both Houses of Congress disagree with the executive branch. This, again, simply is not so. When President Nixon promised President Thieu of South Vietnam that the United States would "respond with full force" if South Vietnam were endangered, I think that there was wide agreement that a security commitment as sweeping as that—which, after all, is at least the equivalent of any we have given our NATO allies—could be made only by treaty. There was no disagreement with the House, and this is precisely the kind of situation in which I envision this section to be useful.

Finally, opponents argue that the Senate should wait until a specific and immediate cause of disagreement arises before adopting a procedure such as this section establishes. I respectfully disagree. For many of the same reasons that it is desirable to have such measures as the War Powers Resolution permanently in place, it is useful to have this section, the Treaty Powers Resolution, permanently in place. It establishes a methodology for dealing with problems that arise when the President seeks to dispense with the advice and consent of the Senate by calling a treaty an executive agreement.

We know that that has happened in important matters that should have been handled by treaty instead of by tailormade executive agreements. Section 502 allows the Senate to proceed deliberately and systematically in implementing its desire—if it has one—not to fund such an agreement. This will, in the words of the committee report, "serve as a constant reminder to the executive branch that purse strings may be tightened should there be an attempt to side-step constitutionally required procedure."

Mr. President, if this resolution had come to the Senate floor some years ago, on the heels of a confrontation with the executive branch over the executive agreements question, it would have been adopted overwhelmingly by this body, just as the war powers resolution was. Today, it is true, we face no such crisis. The resolution has received virtually no attention at all in the press. It is not an emotional issue. But I think it will say a lot about whether this truly is the world's greatest deliberative body and about its capacity for dealing with complex problems in a responsible fashion.

I might add, Mr. President, that the measure as it is now included in the bill requires no action by the House of Representatives. It is simply a change in the rules of the Senate, and becomes operational on a favorable vote here in the Senate.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. CLARK. Mr. President, the Senator from Ohio (Mr. GLENN) and I offered this particular amendment in the committee, and it was adopted at that time and is in the bill now. I would like to talk about what our thinking was, and the justification I believe exists for establishing this particular procedure.

Over the past several years, Congress has been active in attempting to reclaim constitutional ground lost to the executive branch. In 1973 it took a major step toward recovering its share of the warmaking power by enacting the war powers resolution. In 1974, the Senate passed Senator Ervin's bill restricting the President's authority to enter into executive agreements, but the bill was not taken up by the House. In that same year, Congress regained lost constitutional prerogatives in the area of budget formulation through enactment of the Congressional Budget and Impoundment Control Act. In 1976 the Senate established a select committee to oversee intelligence activities—another step which, in my judgment, was long overdue. Each of these initiatives has restored a measure of equilibrium to our constitutional scheme of separation of powers, a scheme which—through a long process of erosion, accretion, and occasional outright usurpation—had reached a dangerous level of imbalance. One major area is yet to be restored, however—the treaty power.

The Constitution empowers the President, "by and with the advice and consent of the Senate, to make treaties, providing two-thirds of the Senators present concur." However, that requirement of Senate advice and consent has, in recent years, been honored more in the breach than in the observance. With distressing frequency the treaty clause has been circumvented by the use of "exec-

utive agreements"—agreements neither expressly approved nor even mentioned by the Constitution. I ask unanimous consent to have printed in the RECORD at this point a list of the number of the treaties and executive agreements entered into by the United States in various years.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

	Treaties	Executive agreements
1789–1839	60	27
1839–1889	215	238
1889–1929	382	763
1930	25	11
1931	13	14
1932	11	16
1933	9	11
1934	14	16
1935	25	10
1936	8	16
1937	15	10
1938	12	24
1939	10	26
1940	12	20
1941	15	39
1942	6	52
1943	4	71
1944	1	74
1945	6	54
1946	19	139
1947	15	144
1948	16	178
1949	22	148
1950	11	157
1951	21	213
1952	22	291
1953	14	163
1954	17	206
1955	7	297
1956	15	233
1957	9	222
1958	10	197
1959	12	250
1960	5	266
1961	9	260
1962	10	319
1963	17	234
1964	3	222
1965	14	204
1966	14	237
1967	18	223
1968	18	197
1969	6	162
1970	20	183
1971	17	214
1972	20	287
1973	17	241
1974	13	230
Total	1,254	7,809

Mr. CLARK. Numbers do not tell the whole story, however. A number of particularly significant agreements have in recent times been entered into as executive agreements. Loch Johnson and James M. McCormick, in an excellent article in Foreign Policy, list the following international obligations which were entered into partly or completely on the basis of an assertion of executive authority: Use of the Azores air bases by the United States (1947); placement of U.S. troops in Guatemala (1947); establishment of U.S. bases in the Philippines (1947); placement of U.S. troops in mainland China (1948); military security in the Republic of Korea (1949); U.S. military mission in Honduras (1950); broad U.S. military prerogatives in Ethiopia (1953); U.S. military mission to El Salvadore (1957); U.S. military mission to Liberia (1958); U.S. base rights in Lebanon (1958); security pledges to Turkey, Iran, and Pakistan (1959); military use of the British island Diego Garcia (1966); military use of Bahrein (1971); agreement terminating military and economic pact with Libya (1972); agreement relinquishing land at U.S. naval communication station in the Philippines (1973); and the establishment of a military mission in Iran (1974). I ask unanimous consent that this article, from the fall 1977 issue of Foreign Policy, be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CLARK. To this list might be added the base agreements with Spain in 1970 and Portugal in 1972, and the secret agreement with Israel in 1975. At the same time the treaty form has been used for a shrimp agreement with Brazil, an agreement on the conservation on polar bears, and an agreement regarding three uninhabited coral reefs in the Caribbean. The democratic process established by the Constitution is honored in the case of relatively unimportant agreements but sidestepped for significant ones.

This is a problem about which the Foreign Relations Committee has indicated considerable concern. In its 1969 committee report on the national commitments resolution, the committee said that "in some instances we have come close to reversing the traditional distinction between the treaty as the instrument of a major commitment and the executive agreement as the instrument of a minor one." In its report on the Department of State authorization bill of 1973, the committee said the following:

> There is no question that the drafters of the Constitution intended that all major agreements with foreign countries be treaties, subject to Senate approval. They would not have accepted the proposition that the Executive Branch has the option simply to call an important commitment an executive agreement and put it in effect without the participation of the Senate. Yet, this is the current practice, and it is in direct conflict with the system of checks and balances that the Founding Fathers so carefully read into the Constitution.

And, in its recent report on the Panama Canal treaties, the committee said that—

> The Treaty Clause requires that, normally, significant international agreements be made with the concurrence of two-thirds of the Senate. Acting on the basis of his sole Constitutional authority, the President would be without the power to enter into such an agreement.

The treaty powers resolution which I have cosponsored with Senators GLENN, MCGOVERN, BIDEN, CRANSTON, and KENNEDY, is an effort to resolve this problem. (Vice President MONDALE, I might add, was a cosponsor when he was in the Senate.) It is a simple Senate resolution which, if it is agreed to, would cause a point of order to lie in the Senate against the consideration of any bill, joint resolution, or conference report which authorizes or appropriates funds to implement any agreement which the Senate, by simple resolution, has said should be sent up as a treaty. The resolution, which is embodied in section 502 of the State Department authorization, is described in some detail in the committee report. I ask unanimous consent that the relevant portions of the report be printed in the RECORD at this point.

There being no objection, the excerpt from the report (No. 95–842) was ordered to be printed in the RECORD, as follows:

EXCERPT FROM SENATE REPORT NO. 95–842, ON S. 3076, MAY 15, 1978

SECTION 502. APPROVAL OF CERTAIN INTERNATIONAL AGREEMENTS

This section, initiated by Senators Clark and Glenn, is co-sponsored by Senators McGovern, Biden, Cranston and Kennedy.

Subsection (a) of the section sets forth the short title, the "Treaty Powers Resolution."

Subsection (b) provides that the section is adopted as an exercise of the rule-making power of the Senate, may be changed by the Senate at any time in the same manner as the Senate changes its other rules, shall be deemed to be a resolution of the Senate, and shall take effect upon the date of passage of this bill by the Senate.

Subsection (c) provides that the purpose of the resolution is to ensure, through the use of the rulemaking and legislative power of the Senate, that no international agreement which in the judgment of the Senate should be submitted as a treaty will be implemented by the Senate without its prior advice and consent to ratification of that agreement as a treaty.

Subsection (d) sets forth Senate findings, as follows:

(1) article II, section 2, of clause 2 of the Constitution empowers the President "by and with the advice and consent of the Senate to make treaties, provided two-thirds of the Senators present concur";

(2) the requirement for Senate advice and consent to treaties agreements;

(3) the Senate may refuse to consider legislative measures to authorize or appropriate funds to implement those international agreements which, in its opinion, constitute treaties to which the Senate has not given its advice and consent to ratification; and

(4) article I, section 5, clause 2 of the Constitution grants to the Senate plenary power to "determine the rules of its proceedings."

Subsection (e) is a consultation provision. It expresses the sense of the Senate that, in determining whether to submit a particular international agreement as a treaty, the President should, prior to and during the negotiation of such an agreement, seek the advice of the Committee on Foreign Relations. The committee believes that the Constitution's advice-and-consent clause was intended by the Framers to require full consultation with the Senate during every stage of the agreement-making process, with respect to the form as well as the substance of international agreements. This Senate role has steadily atrophied, to the point where "advice and consent" has become synonymous with approval; it is the committee's purpose, and the purpose of this subsection, to breathe new life into the advice portion of the advice-and-consent clause. The committee notes that good faith consultation by the President will obviate any need to use the point-of-order procedure established in subsection (f).

Subsection (f), paragraph (1), is the heart of the Resolution. It causes a point of order to lie in the Senate against any measure authorizing or appropriating funds to carry

out any international agreement which the Senate has previously declared, by simple resolution, should be submitted as a treaty. This paragraph thus establishes a procedure through which the Senate can refuse to approve funds for an international agreement if the Senate decides that it is, in effect, a treaty to which the Senate has not consented. Its application is prospective only. Paragraph (2) of subsection (f) establishes an expedited procedure for resolutions giving rise to points-of-order, a procedure identical to that provided under the War Powers Resolution for concurrent resolutions requiring the President to remove U.S. armed forces from hostilities.

Paragraph (3) of subsection (f) sets forth certain exceptions to the procedure established. It provides that a point of order may not be made in any of three circumstances:

(1) After the Senate has given its advice and consent to an agreement. Obviously, if the President complies with the request of the Senate to submit a certain agreement as a treaty, a point of order should not lie after the Senate has given its advice and consent.

(2) If the resolution is adopted later than 60 days after the agreement is transmitted under the Case Act. The Case Act requires that every international agreement be transmitted to the Congress. This provision limits to 60 days the period during which the Senate may adopt a resolution giving rise to points of order, thus limiting the period of uncertainty following notification of the Senate that an executive agreement has been made. Accordingly, after 60 days pass, the President can be assured that the point-of-order procedure will not be invoked.

(3) In the case of any agreement previously authorized by statute or treaty. Thus, agreements made pursuant to the Trade Act of 1974 of the Atomic Energy Act of 1954 would not be subject to the point-of-order procedure since the House and Senate have already authorized the President to make such agreements. On the other hand, any agreement which has not been previously authorized and which the President submits to the Congress for subsequent statutory approval would be subject to the point-of-order procedure. Thus, a SALT agreement submitted by the President for joint resolution approval could, in the judgment of the Senate, be such as to require its advice and consent as a treaty. In such case, rather than approving a joint resolution, the Senate could, pursuant to subsection (f)(1), adopt a resolution expressing its sense that such agreement should be submitted as a treaty. A point of order would thereafter lie against any measure containing funds to carry out that agreement.

Subsection (g) provides that, after the Senate has expressed its sense that a given agreement should be submitted as a treaty, committee reports and joint statements of the managers (filed with conference reports) must alert the Senate that the measure coming before it contains funds to carry out that agreement. This is to ensure that no measure containing any funds, even salaries or administrative expenses, escapes the Senate's attention once it has formulated its intent to postpone funding the agreement until approved in treaty form.

* * * * *

The Resolution of which this section consists is similar to Senate Resolution 24 of this Congress and also to Senate Resolution 486 of the 94th Congress. The latter, which was cosponsored by now-Vice President Mondale, was the subject of two days of hearings by the committee in 1976. The following analysis bears on various aspects of the Resolution:

Justification.—The problem at which this resolution is addressed is not a new one. The Constitution provides, in article II, section 2, clause 2, that the President "shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur. . . ." Yet Presidents have too often succeeded in circumventing the requirement of Senate advice and consent by calling treaties "executive agreements." As this Committee noted in its 1969 report on the National Commitments Resolution, "In some instances we have come close to reversing the traditional distinction between the treaty as the instrument of a major commitment and the executive agreement as the instrument of a minor one." However strongly the Senate may have disagreed, it was in the end presented with a fait accompli, for it obviously cannot legally redesignate an executive agreement a "treaty," and the alternative of overriding by statute a "sole" Presidential agreement—such as President Nixon's reported promise to South Vietnamese President Thieu to "respond with full force" if that country were threatened—stands on its head the requirement of approval by two-thirds majority since, in effect, a two-thirds majority would be required to disapprove through a veto override.

Although no glaring abuse has yet occurred during this Administration, the committee notes that the problem has been a long-standing one which, historical evidence suggests, is likely to recur and which therefore warrants a permanent solution.

Constitutionality.—The constitutionality of the Resolution is clear beyond question. Two elementary principles are relevant. First, the Senate shares the power over the purse, and it may refuse to join in funding an international agreement for any reason it may choose. That reason may be one of substance, or it may be one of form—the Senate may disagree with the President as to whether an agreement should be a treaty.

Second, the Senate may effectuate its judgment by relying upon its exclusive power to determine the rules of its proceedings. In this case those rules will provide that, in certain circumstances, a point of order may be made on the Senate floor. There is nothing novel to be found in such a procedure; numerous statutes and rules of each House subject certain classes of measures to a point of order, representing a judgment of that House that certain measures should not be considered. Such measures include authorization bills reported after May 15, appropriations bills containing general legislation, and, in the House, bills and conference reports containing "non-germane" matter. No serious scholar has ever suggested that rules establishing a point of order against such measures are unconstitutional, and the committee is unable to perceive any reason why it would be unconstitutional to add to that list of measures, bills and conference reports containing funds to carry out agreements which the Senate believes should be submitted as treaties.

Indeed, in what apparently is the only case dealing with such a question, *United States* v. *Ballin*, 146 U.S. 1 (1892), the Supreme Court upheld the validity of a rule relating to quorums, stating that "the advantages or disadvantages" and "the wisdom or folly" of the rule did not "present any matters for judicial consideration." It continued:

"With the courts the question is only one of power. The Constitution empowers each House to determine its rules of proceedings. It may not by its rules ignore constitutional restraints or violate fundamental rights, and there should be a reasonable relation between the mode or method of proceeding established by the rule and result which is sought to be attained. But within these limitations all matters of method are open to the determination of the House, and it is no impeachment of the rule to say that some other way would be better, more accurate or even more just. It is no objection to the validity of a rule that a different one has been prescribed and in force for a length of time. The power to make rules is not one which once exercised is exhausted. It is a continuous power, always subject to be exercised by the House, and within the limitations suggested, absolute and beyond the challenge of any other body or tribunals."

Applying these standards to subsection (f)(1), it is clear that the rule established does not "ignore constitutional restraints or violate fundamental rights." There is no constitutional restraint against a Congressional refusal to fund an executive agreement. Congress, as noted above, has exclusive power over the purse; the Constitution provides that "no money shall be drawn from the Treasury, but in consequence of appropriations made by law" (article I, section 9, clause 7). Nor does subsection (f)(1) violate any "fundamental right"—as would a rule that, say, prohibited a Member from speaking on a certain subject. Whatever right the President may have to choose the form of an agreement—and the committee believes that that right is strictly limited and does not extend to the designation of treaties as "executive agreements" for the purpose of circumventing Senate approval—he has no right to expect funds to implement that agreement if the Senate disagrees with his choice. Finally, it is also clear that a "reasonable relation" exists between the method established by subsection (f)(1) and the result sought to be achieved. The result sought is set forth in subsection (c)—to insure, through the use of the rulemaking power of the Senate, that no international agreement which in the judgment of the Senate should be submitted as a treaty will be implemented by the Senate without its prior advice and consent to that agreement as a treaty. The method for achieving that result is to rule out of order the consideration of measures which contain funds to carry out such agreements. End and means are thus directly and inextricably related.

This section, in sum, simply establishes a procedural framework to accomplish what the Senate could accomplish on an *ad hoc* basis through individual resolutions. The Senate could now provide in any given resolution that a point of order may be made in the Senate against the consideration of any specified measure. Instead of relying upon an unstructured, hit-and-miss procedure, however, it is appropriate that a methodology be established for the purpose of allowing the Senate to proceed systematically and deliberately in dealing with executive agreements which it believes should be treaties. The formal articulation of such a procedure, rather than simply the possibility of its being occasionally employed, will serve as a constant reminder to the executive branch that the purse strings may be tightened should it attempt to side-step constitutionally required procedure.

Validity of Agreements.—The procedure established by the Resolution would not purport to affect any international agreement under consideration, but would simply allow the Senate to prevent that agreement from being funded. The agreement may well be invalid as an *ultra vires* act on the part of the President, but a resolution adopted under subsection (f)(1) would not—and, indeed, could not—make it so.

Scope of Application.—The Resolution does not address the question of which agreements should be submitted as treaties (except to the extent that it excludes those previously authorized by law). It does counsel the executive branch to consult with the Committee on Foreign Relations in making that determination; the committee, for its part, believes that the test is the significance of the agreement. As stated in the commit-

tee's report on the Panama Canal Treaties, "the Treaty Clause requires that, normally, significant international agreements be made with the concurrence of two-thirds of the Senate. Acting on the basis of his sole constitutional authority, the President would be without the power to enter into such an agreement." Certain exceptions exist; agreements entered into, for example, to carry out the President's power to negotiate, to recognize foreign governments, or to pardon convicted criminals could be entered into as "sole" executive agreements. But such agreements are rare, just as it has been rare, over the years, that disagreement has arisen between the President and the Senate as to whether a given agreement should be a treaty. For this reason—and particularly if the executive branch consults faithfully—the committee believes that this procedure will be infrequently invoked. When it is invoked, however, and what test is to be applied, both are matters for the Senate to determine.

Role of the House of Representatives.—This Resolution in no way derogates from the role of the House. The House has always had and always will have the authority under the Constitution to fund or not to fund any international agreement—including a treaty—as well as the authority to enact or not enact implementing legislation for those treaties that require such legislation. This Resolution is not relevant to those questions. It is addressed only at the issue of whether the President can, by calling a treaty an executive agreement, dispense with the requirement of Senate advice and consent. He has succeeded in doing so in the past; this Resolution serves notice that he will face a funding cut-off should he seek to do so in the future.

It is said that this Resolution may encourage "retaliatory" action by the House; namely, the adoption of a similar rule through which the House could, by simple resolution, block the funding of an international agreement not submitted for statutory approval under its own constitutional powers. The committee would regard this as undesirable—and unlikely. The Senate possesses exclusive constitutional powers with respect to the approval of a certain category of international agreements—treaties. The House does not possess exclusive powers with respect to any such category. Its "own constitutional powers" to approve international agreements, to the extent that there are such powers, are shared with the Senate; they are not powers of the House, but of the Congress. Thus, such a resolution adopted by the House alone would arrogate to the House powers which are shared with the Senate. In short, the Senate has a constitutional basis for acting by simple resolution, whereas the House would not.

Jurisdiction.—The Resolution is, in its material provisions, identical to Senate Resolution 24. That Resolution was referred solely to the Committee on Foreign Relations, and such referral was, in the committee's judgment, correct inasmuch as the jurisdiction of the Committee on Rules would extend to this provision only if it amended the Standing Rules of the Senate, which it does not. Numerous "rules"—provisions such as those establishing an expedited procedure of the sort contained in the Congressional Budget Act and the Arms Export Control Act—are commonly reported by the various committees.

Mr. CLARK. Mr. President, I shall not unnecessarily repeat the explanation contained in that report. I simply commend it to my colleagues as an excellent explanation of the procedure established by section 502. There are several points which I believe are worth making in connection with the amendment.

First, the procedure established in this section is not a departure from the status quo. It is simply a reiteration—a formal articulation—of a power which the Senate already possesses.

The Senate could now provide in any given resolution that a point of order may be made in the Senate against the consideration of any specified measure. But as the committee report notes, that power now can be exercised only in an "unstructured, hit and miss" fashion. This resolution establishes a procedure which gives order to the Senate's power in this area so as to allow the Senate to proceed systematically and deliberately—following a preestablished methodology, known to both the Senate and the executive branch—to deal with executive agreements which it believes should be treaties. It is entirely appropriate that the Senate not go along with funding such agreements. A procedure for accomplishing that is, in the end, all this resolution is about.

Let me at this point respond to several of the arguments that are advanced against the resolution.

First, it is argued that the resolution will increase the Senate's workload. This simply is not so. I would guess that the procedure established will rarely if ever be invoked. The resolution at the outset urges the President to seek the advice of the Committee on Foreign Relations prior to and during the negotiation of an international agreement as to whether that agreement should be a treaty. It is premised on President Wilson's belief that the President should seek "veritable counsel and a real accommodation of views" in making international agreements. If he does so, no confrontation will develop. As the committee report notes, "good faith consultation by the President will obviate any need to use the point of order procedure * * *."

The second argument made against the resolution is that it somehow "strikes at" the role of the House of Representatives. I must confess that I fail utterly to understand this point. As disagreeable as some members of the House of Representatives may find its language, the Constitution gives only the Senate a role in the approval of treaties. In fact, the Framers of the Constitution considered and rejected an amendment to include the House in the advice-and-consent procedure which was offered by James Wilson on September 7, 1787.

I know that some have urged that the Treaty Clause has somehow been amended by "custom" and "practice." Well, this is not the first time the Congress has confronted such an argument. During the Vietnam war, we were told by representatives of the executive branch that the Constitution did not really mean what it says—that although it gives the Congress the power to declare war, it has in effect been amended by contrary usage—that Presidential military excursions against Barbary pirates and Mexican bandits and myriad other international evil doers had somehow established the precedent that the President may wage war without congressional approval.

We answered that argument with the war power resolution. Now, however, we hear the same argument made about the treaty clause—that the Constitution may seem to require Senate advice and consent, but that it really does not—that it has been changed over the years by territorial acquisitions and destroyer deals and various other executive agreements so that, today, major international agreements can be approved not simply by two-thirds of the Senate, but by majority of each House as well.

Mr. President, I find this argument totally unacceptable. Do those who make it not realize that if custom and practice have somehow altered the Constitution to that drastic extent, custom and practice could just as easily have eliminated the role of the Congress altogether—as certain recent administrations have argued? Do those who make that argument not appreciate that the concept of "amendment by erosion" undercuts the very idea of constitutionalism? Are the checks and balances established by our Constitution repealed if one branch or another occasionally suceeds in circumventing them?

I believe, Mr. President, that this argument cuts to the very heart of what we are deciding here today. The issue before us, in a very real sense, is whether the treaty clause of our Constitution somehow has been amended. I believe that it has not. I agree wholeheartedly with the words of the Foreign Relations Committee in its report on the Panama Canal treaties:

> The Constitution is not amended by violation; express prohibitions and requirements, such as those contained in the declaration-of-war clause, the treaty clause, and the disposal-of-property clause, are not expunged through nonobservance.

As the committee said in a May 1975 committee report, it "does not believe that an unconstitutional practice by mere repetition, becomes more constitutional." Perhaps the late Alexander Bickel put it best. He said:

> "Constitutionalism implies the stability of certain structural arrangements, the stability and binding nature of the rules of the game, so to speak, which may be changed only by express amendment. We would not think, for example, that we could change the length of the President's term, as fixed in the Constitution, or abolish the electoral college, otherwise than by reaching a new consensus through the difficult amendment process and writing new provisions into the Constitution. Moreover, if the Constitution is a living organism, it grows and adapts itself without losing its essential shape. It does not undergo radical mutations, except by the process of amendment."

So I do not believe, Mr. President, that the treaty clause has expanded over the course of two centuries either to include the House of Representatives or to exclude the Congress. The Foreign Relations Committee, I think, put it succinctly in a 1902 report. "The power of the President and the Senate," the committee said, "is derived from the Constitution. There is under our system no other source of treaty-making power."

The third argument made against this section is that this is a "good" administration, that it consults, and that it

would never think of usurping congressional powers. This may well be true, and I sincerely hope that it is; but, however strong that hope and however valid that belief, they regrettably afford no comfort when placed in historical perspective. For the evidence of decades of practice by many administrations—Democratic and Republican—demonstrates that the problem has been a recurring one which will not have been eliminated simply because one administration has chosen to respect constitutional limitations. It is the task of the Congress to legislate for the future, not simply the present.

At the risk of appearing an alarmist I would add that I am not nearly so sanguine as some of my colleagues about the intentions of this administration. Last week a major departure occurred from previous administration policy on a very similar subject—the warmaking power. Earlier, the administration had indicated that it did not challenge the constitutionality of the war powers resolution. During Secretary Vance's confirmation hearings before the Committee on Foreign Relations, he was asked by Senator JAVITS, "Do you or the new administration see any problem with the good-faith observance of that law?" Secretary Vance replied, "I do not." Senator JAVITS then asked, "Do you challenge it under the Constitution as to the President's power?" Secretary Vance responded, "No." The President himself took essentially the same position. In his March 5, 1977, "telethon," he said that the war powers resolution "is a reduction obviously in the authority that the President has had prior to the Vietnam war, but I think it is an appropriate reduction." And last summer, during hearings held before the Foreign Relations Committee on the resolution, we were told by the State Department Legal Adviser that the administration "is not challenging the constitutionality of the resolution" and "is not going to challenge the constitutionality."

This position, I regret to say, has now been abandoned by the administration. In his message to Congress last week on "legislative vetoes," the President said that "if Congress subsequently adopts a resolution to veto an executive action" which is, of course, the heart of the war powers resolution—"we will give it serious consideration, but we will not, under our reading of the Constitution, consider it legally binding." Attorney General Bell indicated the same day that the Justice Department would try to resolve the issue in the courts. Upon inquiries by the staff of the Foreign Relations Committee, it was made clear that the Attorney General's intent is to seek a court test of some less significant "legislative veto" and, in the process, try to convince the court to hand down a broad ruling which will sweep away more significant "legislative vetoes" such as those contained in the war powers resolution and the Arms Export Control Act.

So there is no great room, it seems to me, for us to take comfort in the administration's current intent to consult. Congress—and the Senate—should assume, I think, that if the administration truly intended to conduct its foreign activities so as to avoid confrontation, it would be operating within the limits set by the war powers resolution and treaty powers resolution and it would, therefore, not hesitate to endorse both wholeheartedly. But because the administration refuses to do so, it is not unreasonable to assume, I think, that it regards both as somehow imposing unwanted restrictions. That, it seems to me, is the strongest argument of all in favor of both measures being firmly in place.

I would also point out to my colleagues that Senator GLENN and I, on April 11, told the administration that we were considering going forward with this resolution and asked them to submit a proposal of their own to see whether something acceptable to both branches could not be worked out. No response was received—nothing. During the mark-up of this bill, that request was reiterated. Again, we have received no response. Only Monday, the staff of the committee again met with officials of the State Department and again sought to develop some compromise solution. And again, the administration was able to offer nothing more than a restatement of its intent to consult. This intent is deeply appreciated, and I say that sincerely, but there comes a point at which the ritualistic incantation of the word "consultation" must give way to a recognition that differences of opinion may not be resolved by mere consultation and that it is not inappropriate for either branch to establish a procedure for effectuating its own judgment.

The fourth and final argument made against this section is that, because it amends the Senate rules, it is within the jurisdiction of the Rules Committee. In my judgment, that is not so. It does not amend the Standing Rules of the Senate; rather, it amends the rules in a more generic sense, as do many other measures commonly reported from every committee. To cite only one of many examples, on the same day that this bill was reported, the Committee on Foreign Relations reported another bill—the ACDA authorization, H.R. 11832—which contains a jurisdictionally identical provision: It causes a point of order to lie in the Senate against any bill, joint resolution, or conference report containing certain program requests unless an arms control impact statement has been transmitted at least 7 days beforehand.

The sponsor of that provision was no less than Senator CLAIBORNE PELL, chairman of the Rules Committee and a man for whom I have the highest regard, particularly in his understanding of what is and is not within the jurisdiction of the Rules Committee. As a colleague of Senator PELL'S on both committees, I have never failed to be impressed by his sense of fairness. I am certain that he would apply the same jurisdictional principles evenhandedly to both provisions.

To conclude, Mr. President, the issue before us today is one of principle. Justice Holmes said that the principle of free thought means "not free thought for those who agree with us, but freedom for the thought that we hate." I think a related principle is at issue here. I think that constitutionalism means insistence on procedural safeguards for proposals we agree with, not simply for those we dislike. It also means insistence on procedural safeguards during administrations we support, not simply those we oppose. So I hope that our effort today will be perceived by neither the President nor the House as confrontational or devisive, but rather as a good-faith insistence that constitutional procedures be upheld by Democratic as well as Republican presidents, in times of political harmony as well as in times of political strife.

Mr. President, I yield to the distinguished Senator from Ohio.

Mr. GLENN. I yield to the Senator from New Jersey.

Mr. CASE. I am grateful, indeed, to my colleagues.

EXHIBIT 1

FOREIGN POLICY BY EXECUTIVE FIAT

(By Loch Johnson and James M. McCormick)

In the crucible of war, the Constitution may take on malleable properties. President Lincoln's expansive interpretation of the commander-in-chief clause during the Civil War is a case in point. More recently, World War II and the protracted cold war profoundly altered the shape of executive-legislative relations in the area of foreign policy: As the nation embraced strong leadership to thwart external threats, power shifted dramatically to the presidency.

This aggrandizement is reflected in the startling number of overseas military commitments since the end of World War II that have been grounded in claims of inherent executive authority. The executive branch has, among other things, placed military personnel in Guatemala, mainland China, Ethiopia, and Iran; pledged military support to Turkey, Iran, Pakistan, and, on the eve of war, South Korea; and contracted for military bases in the Azores, the Philippines, Lebanon, Diego Garcia, and Bahrein. In South Korea alone, over 30 commitments were made but never even reported to the Congress as required by law. Beneath this tip of the iceberg lies an expanse of executive discretion in peacetime foreign policy that reaches alarming proportions.

Between January 1, 1946 and December 31, 1976, the United States signed 7,201 agreements with other nations.[1] They dealt with a wide range of military, economic, cultural, technical, transportation, communications, and diplomatic issues. Approximately 6 percent of the international agreements reached during the 31-year period were formal treaties requiring Senate confirmation; 87 per cent were pursuant to congressional legislation (so-called statutory or congressional-executive agreements). But 7 per cent were so-called executive agreements, based partially or completely upon the presumed constitutional prerogatives of the executive branch.

The executive agreements represent a small percentage of the total, but many of them may be more significant than the treaties. The question arises: Has the Congress been excluded from decisions about crucial commitments abroad? While chairman of the Senate Foreign Relations Committee, J. William Fulbright (D.-Arkansas)

[1] This figure excludes secret agreements made by the United States. According to the Department of State, 63 secret agreements were reported to Congress between August 1972 (when the reporting requirement was established) and March 1977.

vividly depicted the crux of the controversy: "The Senate is asked to convene solemnly to approve by a two-thirds vote a treaty to preserve cultural artifacts in a friendly neighboring country. At the same time, the chief executive is moving military men and material around the globe like so many pawns in a chess game." More generally, the Foreign Relations Committee complained in a 1969 report about an imbalance: "We have come close to reversing the traditional distinction between the treaty as an instrument of a major commitment and the executive agreement as the instrument of a minor one." Since then, the trend has accelerated.

MILITARY TREATIES AND AGREEMENTS [2]

In this analysis we explore the treaty powers debate by focusing on U.S. military commitments abroad, for these obligations have proved to be particularly controversial.

Of the 7,201 international agreements signed in the 1946–1976 period, 1,235 (or 17.1 percent) related to military matters. An inspection of the content reveals two general types: substantive and administrative. Substantive military agreements deal with the creation of military alliances, the signing of peace treaties, the establishment of military bases, the disposal of military equipment, and the like. Administrative ones deal with secondary details, such as the establishment of a military headquarters based on an alliance, personnel staffing, and the like. For the purposes of this study, the substantive agreements are considered "significant," because they commit this country to specific policy positions; the administrative agreements are "insignificant," because they deal with housekeeping matters.

Among the 1,196 military commitments signed during the period from January 1, 1946 to August 9, 1974 (the day President Nixon left office), 42 (3.5 percent) were in the form of treaties, 1,003 (83.9 per cent) were statutory agreements, and 151 (12.6 per cent) were executive agreements. The texts of the 193 treaties and executive agreements were studied to assess their relative significance.

The finding, presented in Table 1, is that treaties in the post-World War II period have been used mainly for important military commitments, not for trivial matters. Of the 42 military treaties signed in the administrations from Presidents Truman through Nixon, 32 (or 76.2 percent) dealt with major defense obligations. Among them were various security arrangements with Japan, the Republic of Korea, and the nations of Western Europe; major arms control accords including the nuclear test ban treaty of 1963; and postwar peace treaties with former belligerents (for example, the Treaty of Peace with Italy). Ten of the treaties (23.8 percent) excluded from the "significant" category dealt with administrative details of major defense pacts—most notably the North Atlantic Treaty Organization (NATO). In short, the evidence—at least for defense commitments abroad—does not support the conventional wisdom that the advice and consent of the Senate has been requested by the Department of State largely for policies with little substantive meaning.

[2] We examine only the use of treaties and executive agreements, since they have become far more controversial than statutory agreements. Nonetheless, a separate study is warranted on the accuracy and validity of State Department claims for agreement-making authority based upon previous statutes, some of which may no longer reflect the original intent of Congress in a rapidly changing world.

TABLE 1.—*The dominance of executive agreements over treaties in the making of significant military commitments abroad, 1946–1974* [1]

Administration	Significant Military Treaties (T)	Significant Military Executive Agreements (EA)	Agreement Index Executive EA/T + EA [2]
Truman	17	18	.51
Eisenhower	7	20	.74
Kennedy	1	3	.75
Johnson	4	13	.76
Nixon	3	19	.86
Total	32	73	

[1] This table summarizes the use of military treaties and executive agreements only; statutory agreements, which are more numerous but less controversial, are not analyzed here.

[2] The numbers in this column represent for each Administration the proportion of significant military executive agreements, compared to the total number of significant military treaties and executive agreements. This Executive Agreement Index ranges from 0 to 1; the higher the index, the greater the reliance on executive agreements for major military commitments.

However, the Senate Foreign Relations Committee may be close to the mark in complaining about the use of executive agreements for negotiating important military commitments. Although a majority of the 151 executive agreements dealing with military matters in the postwar period were indeed routine and minor (dealing with such issues as the establishment of a practice bombing range in West Germany and of reciprocal air rights with Canada for rescue operations), a striking number involved major commitments abroad. The following obligations were entered into partly or completely on the basis of an assertion of executive authority:

use of the Azores airbases by the United States (1947);

placement of U.S. troops in Guatemala (1947);

establishment of U.S. bases in te Philippines (1947);

placement of U.S. troops in mainland China (1948);

military security in the Republic of Korea (1949);

U.S. military mission in Honduras (1950);

broad U.S. military prerogatives in Ethiopia (1953);

U.S. military mission to El Salvador (1957);

U.S. military mission to Liberia (1958);

U.S. base rights in Lebanon (1958);

security pledges to Turkey, Iran, and Pakistan (1959);

military use of the British island Diego Garcia (1966);

military use of Bahrein (1971);

agreement terminating military and economic pact with Libya (1972);

agreement relinquishing land at U.S. Naval Communications Station in the Philippines (1973);

establishment of military mission in Iran (1974).

Almost half (73 of 151, or 48.3 percent) of the military agreements signed during this period represented significant commitments abroad which seemed to merit closer scrutiny by the legislative branch. Several of the commitments involved the establishment of overseas bases, a primary source of tension between the executive and legislative branches as the President asserts his authority under the commander-in-chief clause of the Constitution and the Congress sometimes resists what it perceives to be unwarranted military commitments.

As illustrated in Figure 1, the number of significant executive agreements has always been greater than the number of significant treaties since the Second World War. To estimate more precisely the extent to which significant military commitments have shifted from treaties to executive agreements, we constructed for each administration a simple Executive Agreement Index based upon the proportion of significant military executive agreements among the total number of significant treaties and executive agreements (EA/T + EA in Table 1). The index has been high throughout the post-World War II era. Clearly, most of the significant military commitments between 1946 and 1974 took the form of executive agreements. Moreover, the Nixon administration was by far the most vigorous claimant for presidential authority in military agreement-making.

Thus far, only the outlines of military agreement-making during the administration of President Ford are clear. Of the 32 significant military commitments made overseas by the United States between August 9, 1974 and the end of 1976, only two were in treaty form and the remaining 30 (94 per cent) were either statutory or executive agreements. Although the State Department has not yet distinguished publicly which of these 30 agreements were based upon presidential authority and which upon statutes, a tentative examination of their content indicates that as many as 18 (or 60 per cent) may have been executive agreements. If accurate, this figure would give the Ford administration an Executive Agreement Index of .90, slightly higher than that of the Nixon administration. (That the State Department has not yet come up with a legal justification for all of the military pacts signed under Ford is, in itself, a commentary on the difficulty faced by legislators and the public in trying to evaluate the legitimacy of international commitments.)

THE CONGRESSIONAL RESPONSE

Too often the executive branch has bypassed the Congress to make major military commitments abroad simply by signing an executive agreement. The Congress has long been generally aware of the problem, but its attempts to correct it have met with limited success. The primary congressional response has been to propose legislation in three different areas: to require the reporting of all executive agreements to Congress; to permit a congressional "veto" of unwarranted executive agreements; and to require either a positive majority vote in Congress for approval of military agreements (more than an opportunity to veto) or the mandatory use of the treaty-making procedure for "significant" international agreements.

Among these various attempts to restore congressional powers, legislation requiring the executive branch to report all executive agreements has been most successful, no doubt because it is the least demanding and controversial. The Case-Zablocki Act of 1972 [3] requires the secretary of state simply to report to the Congress within 60 days "the text of any international agreement, other

[3] Senator Clifford Case (R.-New Jersey) is presently the ranking minority member of the Senate Foreign Relations Committee, and Representative Clement J. Zablocki (D.-Wisconsin) is chairman of the House International Relations Committee. Case, the popular, soft-spoken elder statesman of the Senate committee, is widely regarded as the chief architect of the rebuilding of congressional authority in the agreement-making area. His interest arose initially during the Vietnam war era out of despair over the failure of Congress to be aware of exactly what commitments were being made abroad by the executive branch.

than a treaty, to which the United States is a party. . . ."

This legislation represents a useful step toward an institutional sharing of power in foreign affairs. Since 1950, the Department of State has been required by law to report international agreements to the Congress; but the Case-Zablocki Act shortened the deadline from the indefinite (sometimes the process took years) to 60 days. It also increased the awareness of the government (and, to a lesser extent, the public) of the executive agreement problem. Just as former Senator John Bricker (R.-Ohio) brought the treaty powers controversy to the nation's attention in the 1950s, the Case-Zablocki Act has had a similar, albeit less emotional, effect in the 1970s. The act helped considerably to control the government's looseness about making commitments abroad, for the State Department was now forced to improve its own reporting procedures and to pay more attention to the international negotiations of agencies throughout the government.

Despite these virtues, the imperfections of the Case-Zablocki legislation have become evident. The 60-day provision in the law still permits the executive branch to present the Congress with a fait accompli, leaving little or no legislative recourse to alter already completed negotiations. While the Congress now knows earlier about what happened, its ability to participate effectively is not much better than under the old reporting requirement. (Even now, the Department of State fails to meet the 60-day deadline, forwarding agreements as much as a year late.)

In any event, Congress has not done much with the international agreement reports sent to Capitol Hill by the State Department. "They just get filed away in drawers," says one exasperated State Department official who invests time in their preparation. "The reports come up here so late, we have to rely on contacts and leaks in the executive branch to find out when really important negotiations are underway," counters a frustrated Senate staff aide with foreign policy responsibilities, "and the sketchy background statements accompanying the agreements are practically useless for someone trying to figure out the anticipated effect of the commitments."

Some of these shortcomings in the reporting system are a product of the severe strains placed upon the Office of Treaty Affairs in the Department of State. It is understaffed and has trouble meeting its new obligations under the Case-Zablocki Act. However, as a recent inquiry conducted by the General Accounting Office (GAO) suggests, the problem goes beyond the need for more analysts in the Office of Treaty Affairs. In February 1976, a GAO report noted that the transmission of executive agreements to the legislative suffered from significant omissions.

The report, which examined only American agreements with the Republic of Korea, documented more than 30 instances since the passage of the Case-Zablocki Act when agreements had not been sent to the Congress. Several dealt with military matters, such as the joint use of Taegu Air Base and the transfer of $37.6 million worth of military equipment to Korean forces. With classic bureaucratic understatement, the GAO investigators concluded: "We feel that certain arrangements identified in our study which were not transmitted to Congress . . . would have been of interest to that body had they been so transmitted."

The most alarming aspect of the GAO findings was that the Korean agreements were reported neither to the Congress nor to the Department of State. Clearly, government agencies—including the Department of Defense—have negotiated and transacted international agreements on an agency-to-agency basis without sufficient monitoring by the State Department itself, let alone by congressional overseers. Congress will never know the extent of agency discretion in the making of international agreements until the reporting of them is more complete and reliable, supplemented with sample "audits" like the GAO probe into the U.S.-Korean agreements. In June 1976, Case introduced an amendment to the International Security Assistance and Arms Control Act to require "any department or agency of the United States government which enters into any international agreement on behalf of the United States . . . [to] transmit to the Treaty Office, Department of State, the text of such agreement not later than 20 days after such agreement has entered into force." A year later, the provision became law as part of the State Department Supplemental Appropriations Bill.

An allied problem is the failure of the Case-Zablocki Act to require explicit notice from the executive branch to the Congress on more informal agreements, such as verbal "promises" or "understandings." Such agreements can be immensely troublesome and are often viewed by foreign governments as solemn commitments every inch as binding as formal treaties. Four recent examples illustrate this problem:

In 1973, Nixon sent a secret message to Pham Van Dong, premier of North Vietnam, promising postwar reconstruction aid in return for a peace agreement. The text of this message was not disclosed by the Department of State to the public or the Congress until May 19, 1977.

In 1975, Secretary Kissinger arrived at an "understanding" with Israel and Egypt over the question of a Sinai disengagement, which included the commitment of American personnel to serve as monitors in a region where military hostilities might have easily resumed with little warning. The "understanding" was declared by the State Department to be the proper exercise of executive powers, not a commitment appropriate for review by the treaty procedure.

In August 1975, the Helsinki accord was signed, boundaries in Europe and a freer flow of people and information between East and West. This declaration was sent to the Congress as a matter of "courtesy," but was never specifically reported under the Case-Zablocki requirements. The State Department reasoned that the accord was not a genuine international agreement, but only a "political statement of intent." In public hearings on March 29, 1977, members of the Senate Foreign Relations Committee made it clear they believed the Helsinki agreement should have been sent to the Congress under regular Case-Zablocki reporting requirements.

Intelligence agreements provide a rigorous test of executive branch reporting under the Case-Zablocki Act. Fragments of evidence suggest that some efforts have been made here to bypass the reporting requirements. For example, in 1975, the chief State Department legal adviser on intelligence agreements told a Senate judiciary subcommittee he had not yet determined whether six agreements between United States' intelligence agencies and their foreign counterparts were subject to the legislative reporting requirements. Moreover, according to a seasoned State Department specialist on treaty affairs, the intelligence agencies have shifted perceptibly to oral agreements since the Case-Zablocki bill, in order to avoid reporting these commitments to Congress.

In short, efforts to circumvent the reporting requirements of Congress have apparently been numerous and successful. Representative Les Aspin (D-Wisconsin) estimated in 1975 that some 400 to 600 of the international agreements concluded since passage of the Case-Zablocki Act had not been sent to the Congress, because the executive branch had redefined what needed to be reported to suit its own purposes. Others in Congress complain that the reporting legislation has specifically failed to elicit full cooperation in two particular areas: agreements on sensitive intelligence sharing and on the storage of nuclear weapons overseas. At the heart of the matter, then, is the question of which commitments abroad, if any, ought to be sheltered under the protective covering of executive privilege, and which ought to be reported to Congress (or some part of Congress) in a public or, if necessary, classified form.

A second avenue used by Congress to control executive agreements has been to resort to a congressional veto device. With this procedure, the Congress includes within a bill specific language allowing it to disapprove executive action pursuant to the legislation within a specified time period. This concept is embodied in the War Powers Resolution of 1973 and the Budget and Impoundment Act of 1974. This technique has long been employed by the Congress to monitor the power of the president to merge or reorganize executive agencies.

A recent Library of Congress report cites three pieces of legislation that used this approach to regulate international agreements: the Atomic Energy Act of 1954, the Trade Act of 1975, and the Fishery Conservation and Management Act of 1976. Each one contains a provision giving Congress the right to disapprove within 60 days any agreement made pursuant to the legislation. There is similar language in the present law on arms sales, as a result of amendments introduced by Senator Gaylord Nelson (D.-Wisconsin) and Representative Jonathan Bingham (D.-New York) to the 1974 Foreign Assistance Act. Any intended sale of defense articles or services worth $25 million or more or of major defense equipment costing $7 million or more, must be reported to the Congress.[4] Under the Nelson-Bingham provision, Congress may then disallow sales by a majority vote in either chamber within 30 days.

Some legislative proposals have recommended that all executive agreements be subject to congressional veto. One of the earliest proponents of this view was former Senator Sam Ervin (D.-North Carolina). In 1972, 1973, and 1974, Ervin introduced a bill requiring a 60-day delay before any executive agreement entered into force—and it would take effect then only if Congress had not voted it down by means of a simple concurrent resolution. The Ervin bill passed the Senate in November 1974, only to die in the House without a vote. The same bill was reintroduced by Senator Lloyd Bentsen (D.-Texas) in 1975, and variations on the idea were also advanced by Senator John Glenn (D.-Ohio) and former Representative Thomas Morgan (D.-Pennsylvania), while he was chairman of the House International Relations Committee. Hearings have been held periodically in both houses on these proposals, as well as on the more general problem of executive agreements, but as yet no bill has matched even the partial legislative success of Ervin's 1974 effort.

The primary drawback of the congressional veto approach is that it invites delay and obstruction. Power is highly fragmented in the Congress; consequently, piecing together successful coalitions is time-consuming and frustrating. Failure is far more common than success. Moreover, the veto approach is a rather blunt instrument, capable of wiping out a broad and painstakingly devised agree-

[4] This requirement excluded the controversial proposal to sell relatively inexpensive but highly destabilizing concussion bombs to Israel, first approved by Ford and later disapproved by Carter.

ment (say, military assistance to an entire region) when perhaps only a single aspect of the total package is unacceptable to the Congress (say, a specific weapons system going to a particular country). Such sweeping acts of congressional desperation could wreak havoc on the conduct of American foreign policy. Additionally, the thrust of the legislative veto approach puts the burden to act upon the Congress rather than the executive.

Why should the onus be placed upon the legislative branch to undertake the uphill political task of mobilizing a majority to stop an ill-conceived commitment initiated by the executive? If the executive branch has negotiated an important new commitment overseas, why should it not be required to achieve a positive majority vote on its own behalf in the Congress before the agreement takes effect?

Focusing on the limited but important area of overseas military installations, Case advanced the principle in 1973 that Congress should require positive legislative approval of such international commitments before they can be established—not just provide an opportunity to muster a difficult negative veto. Case attached an amendment to the Department of State authorization bill stating that no funds could be used to carry out any agreement establishing a military installation abroad until the agreement was appproved either by a concurrent resolution of Congress or by the treaty process in the Senate. The amendment passed the Senate and the conference committee, but the House rejected it. In 1974, a similar amendment was added to the Department of State authorization bill, but was subsequently lost in conference.

Stronger still is the remedy offered by Senator Dick Clark (D.-Iowa) through his "Treaty Powers Resolution," first introduced in 1976. This legislation seeks to express the sense of the Senate that any "significant" international agreement should be cast as a treaty and thus should be submitted to the Senate for its advice and consent. The resolution was introduced again in January 1977, with Senators Frank Church (D.-Idaho) and Edward M. Kennedy (D.-Massachusetts) joining Clark as cosponsors. Ironically similar in intent to the conservative Bricker Amendment of an earlier era, the Clark resolution represents an initiative from a more liberal camp (whose views on the virtues of presidential power were revised in the agony of the Vietnam war) to limit the authority of the chief executive to commit the United States abroad.

In the Clark bill, the Senate Foreign Relations Committee would help the president determine whether a particular international agreement should be submitted as a treaty. Section 4 of the proposal bears sharp teeth: If the executive fails to submit an agreement which the Senate decides by resolution should have been submitted for ratification as a treaty, then the Senate rules will declare it henceforth out of order "to consider any bill or joint resolution or any amendment thereto, or any report of a committee of conference, which authorizes or provides budget authority to implement such international agreement." The money spigots would remain shut off until the Senate gave its advice and consent to ratify the agreement in dispute.

A number of tangles in the Clark proposal have yet to be worked out. First and foremost is the problem of definition. What kinds of agreements are "significant" enough to be treaties? Despite the difficulties, the proponents of the Clark resolution must develop at least a rough set of guidelines to help delineate between significant international agreements and less important ones. These guidelines need not—and cannot—be definitive or set in concrete; at best, they would represent only the tentative opinions of a panel of experts. To a large extent, decisions would have to be particularistic, depending often upon the context; the rule of reason would have to be followed. In some cases disagreement may well—and properly—lead to extended debate on the appropriate way to proceed if the country is to make a commitment abroad.

Obviously, in the drafting of guidelines, quantitative rules alone will be insufficient. Who is to say whether $25 million or 500 soldiers sent abroad mark the beginning of a "significant" commitment? Just one platoon of American Marines sent to Africa or the Middle East would likely have a profound impact. An overriding principle for the establishment of guidelines might be that any new commitment or departure from existing policy would require the advice and consent of the Senate. (This would include "negative" decisions to end commitments as well as "positive" decisions to begin new ones.) Whether a change in policy should go through the treaty procedure, become a statutory agreement, require some form of legislative resolution, or simply be accepted as an executive agreement would be a determination to be made by the Senate Foreign Relations Committee or possibly the full Senate, under the terms of the Clark bill. But should be senators cry "treaty" while the president cries "executive agreement," the country could have a major debate on its hands—and perhaps, in particularly serious cases, a constitutional crisis as well.

To permit an effective appraisal of international agreements by the Senate under the Clark resolution, the executive branch would have to be required to submit more specific information about the anticipated nature of a commitment (as is now required for arms sales proposals). Approximate dollar estimates on the cost of a commitment and an impact statement on its long-range implications should supplement the present reporting requirements. Furthermore, if an agreement were being negotiated pursuant to prior legislation (by far the largest percentage of our present international agreements are), the executive should be required to provide precise citations of prior legal authority. In this way, Congress can scrutinize the claim of authority and determine if its original decision is still valid and applicable.

Another intramural difficulty that the legislative branch will have to face is the relative role of the House and the Senate in the approval of international agreements. Secretary of State Dulles noted in 1953 that an "undefined and probably undefinable borderline [exists] between international agreements which require two-thirds Senate concurrence, but no House concurrence, as in the case of treaties, and agreements which should have the majority concurrence of both chambers of Congress." One thing is certain: members of the House, and especially the members of the House International Relations Committee, are increasingly eager, not to say avid, to pay a part in reviewing international commitments. Their claim is based in part upon the constitutional budgetary authority provided to their chamber. This argument cannot be easily dismissed, in light of the millions of dollars that may be expended as a result of any treaty or less formal agreement. Key members of the Senate Foreign Relations Committee, however, are prepared to fight over this issue. "If they begin now to intrude on the treaty-making power of the Senate, we are going to find ourselves in a position where we can't do anything without the House's consent," observed Church, the ranking Democratic member of the committee, recently. "Their nibbles end up being big bites, and we being bitten to death."

Almost 200 years ago, Thomas Jefferson discussed this problem with President George Washington in reference to a proposed Algerian treaty. The Founding Fathers pondered what would happen if the House refused to appropriate funds to finance a treaty obligation enacted by the Senate. According to Jefferson's notes on the meeting, the president concluded that if the members of the House "would not do what the Constitution called on them to do, our government would be at an end, and must then assume another form."

LIMITING EXECUTIVE DISCRETION

As the foregoing discussion suggests, there is a continuum of approaches available to the executive branch in the making of international agreements. These range from complete executive discretion through secret verbal or written assurances to another country (for example, Nixon's promise of aid to North Vietnam and various intelligence agreements) to commitments made through the formal treaty process with Senate participation (obvious examples are the NATO treaty and the nuclear test ban treaty). It is the gray middle area between executive authority and institutional sharing which has been particularly controversial in seeking limits to executive discretion.

The controversy surrounding the Sinai agreements of September 1975 between the United States, Israel, and Egypt demonstrates this middle-range difficulty. These agreements established an early warning system to help keep the Mideast peace and called for American technicians to assist in its operations. They became controversial because some members of Congress believed the agreements should have taken the form of treaties, since they involved American personnel in an area of potential future conflicts. The executive branch argued through the State Department Legal Adviser, however, that while the president does not have "unlimited discretion in choosing between treaties and executive agreements . . . in 200 years of constitutional interpretation and practice [there has never] been a clear line between treaty and executive agreement . . ." Therefore, ". . . . there is no legal rule requiring that the Sinai agreements in question should have been submitted as treaties."

But perhaps because of the controversy surrounding the placement of American technicians in a war-ready zone, the executive branch ultimately did not discharge the commitment solely by executive authority. In the final text of the Sinai accords, Ford wrote to the presidents of Israel and Egypt that "as soon as the Congress of the United States has given its approval to United States participation in the Early Warning System, I will notify you, and this proposal shall be regarded as an agreement between us." What some wanted to be a treaty and others an executive agreement finally became a statutory agreement in order for the Congress to give its approval to the commitment.

Yet with the precedent of the Gulf of Tonkin Resolution in mind, the legislators did not grant open-ended language in their approval. The Sinai resolution specified that the congressional approval of American technicians in the Middle East did not imply approval of any other agreement, understanding, or commitment that might have been made at the same time, secretly or verbally, by executive branch. Congress, moreover, required the president to submit reports at least every six months, so long as the American technicians were still on duty, on the scope and duration of their participation.

As the Sinai example suggests, disagreements continue to arise over the appropriate form that international agreements should take. No doubt Bricker was correct that "it is probably impossible to draw a satisfactory line of demarcation even in a statute" between treaties and executive agreements. But most members of Congress seem less concerned today with the estab-

lishment of a fine and everlasting dichotomy between these two forms of agreement-making than they are with gaining assurances that the Congress will be informed in a timely fashion about all international agreements and provided adequate opportunity to judge whether a commitment is sufficiently important to deserve broader congressional participation in this decision-making process, either through a treaty or some other form of legislative involvement.

Our judgment is that virtually all international agreements, from verbal promises (which should be used only rarely) to open, written agreements, should be reported to commitment is sealed. Confidential discuss-the Congress, and early enough to allow serious congressional appraisal before the sions between heads-of-state are a different matter. Executive privilege must extend to these discussions, just as it does to talks between the president and his aides, if we are to have frank and meaningful relations with other countries. However, once general discussions reach a stage of promised commitments, our diplomatic negotiations and representatives must be obliged to make it known that whatever commitments are agreed upon, oral or written (in contrast to the free exploration of options and possibilities), must be communicated to the Congress. If the commitments are of a sensitive nature, they will be protected in both branches under secrecy provisions, as has been the rule under the Case-Zablocki Act.

As Senator Hubert H. Humphrey (D.-Minnesota) told Secretary of State Cyrus Vance in public hearings on the eve of his trip to the Middle East earlier this year, "Don't make any commitments until you've been back here [to Congress]—not even smiling ones." It is not a matter of violating executive privilege, but of who can genuinely commit the United States to what. Here members of the Congress believe they have a legitimate right to participate; and they know that the first prerequisite for participation is awareness.

Congress needs to review U.S. commitments abroad in a more meaningful way. Congress may be seen as a collectivity of public policy specialists; by interest, training, or committee experience, some congressmen have specialized in foreign policy. Legislation like the Clark resolution seeks to interject these congressional experts into the process by which the United States establishes, or withdraws from, obligations in other lands.

But the Congress provides more than just another arena of expertise; even more important is its sensitivity to public opinion and what might be acceptable foreign policy commitments to the American people. Why should the president and his assistants alone decide what is legitimately an executive agreement or a treaty; what is trivial or significant; what should be done quietly or with full debate? Why should not both the Congress and the executive branch play a part in this important process?

Of course, full participation by both branches may lead at times to controversy, and even confrontation. The alternate suggestion found in myriad books and articles on executive-legislative relations is greater consultation and comity, not new laws and procedures. This sounds like a reasonable suggestion; certainly no one is against the idea of the executive branch consulting more with the Congress and developing friendlier relations. The only trouble is that this informal approach does not often work.

"In the interest of orderly procedures," opined Dulles when he was secretary of state, "I feel that the Congress is entitled to know the considerations that enter into the determinations as to which procedures are sought to be followed. To that end, when there is any serious question of this nature and circumstances permit, the executive branch will consult with appropriate congressional leaders and committees in determining the most suitable way of handling international agreements as they arise." Yet the Congress was not consistently consulted in the 1950s (certainly not by Dulles), and it has been sporadically ignored in the 1960s and 1970s, too. That is why many members of the legislative branch want to go beyond a hit-or-miss reliance on occasional consultations and feelings of comity to develop a more formal, systematic, and reliable reporting and reviewing procedure for international agreements.

Reflecting upon his career, former Speaker of the House Carl Albert (D.-Oklahoma) said in an interview shortly before he retired last year that the restoration of congressional budgetary responsibility through the Budget and Impoundment Act of 1974, and of war-making (or preventing) responsibility through the War Powers Act of 1973, represented the two major accomplishments of the Congress in his memory.

Will this congressional reassertion extend to the agreement-making powers? An examination of the public statements made by members of the congressional committees on foreign policy indicates a resounding yes. As Case has said, "I think we should take back the full treaty power, and I'm not sure I won't have to join Senator Clark . . . in a crusade." How Carter will react to this crusade remains to be seen. He entered office with an ambivalence toward Congress on foreign policy issues that is characteristic of many presidents. Fresh from victory, the president-elect met with the Senate Foreign Relations Committee for the first time on November 23, 1976. "There will be times," he said, "when nobody needs to know about a foreign policy challenge except me and the secretary of state, or sometimes perhaps just me and the head of a foreign government." Yet at the same meeting, he also said, "My inclination is whenever possible to share the knowledge that I have with you and to seek your advice and counsel. I will go a second mile to meet you on this." Executive authority versus institutional sharing. It will be an important choice for this president, as it has been for others, when major military commitments are made abroad.

UP AMENDMENT NO. 1371

Mr. CASE. Mr. President, I have an amendment at the desk which I call up at this time and ask to have considered.

The PRESIDING OFFICER. The clerk will state the amendment of the Senator from New Jersey.

The legislative clerk read as follows:

The Senator from New Jersey (Mr. CASE) proposes unprinted amendment No. 1371.

Mr. CASE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 59, line 10, strike section 502, and insert in lieu thereof:

APPROVAL OF CERTAIN INTERNATIONAL AGREEMENTS

SEC. 502. (a) This section may be cited as the "Treaty Powers Resolution".

(b) This section—

(1) is enacted as an exercise of the rulemaking power of the Senate and as such is deemed to be a part of the rules of the Senate;

(2) supersedes other rules of the Senate only to the extent that it is inconsistent therewith;

(3) shall be deemed to be a resolution of the Senate and shall take effect upon the date of passage of this bill by the Senate; and

(4) may not be construed as derogating from the constitutional right of the Senate to change its rules at anytime, in the same manner and to the same extent as any other rule of the Senate.

(c) It is the purpose of this Resolution to fulfill the intent of the Framers of the Constitution and to ensure, through use of the rulemaking and legislative power of the Senate that the President seek the advice of the Senate in determining whether an international agreement should be submitted to the Senate for its advice and consent as a treaty.

(d) The Senate finds that—

(1) article II, section 2, clause 2 of the Constitution empowers the President "by and with the advice and consent of the Senate to make treaties, provided two-thirds of the Senators present concur";

(2) the requirement for Senate advice and consent to treaties has in recent years been circumvented by the use of "executive agreements";

(3) the Senate may refuse to consider legislative measures to authorize or appropriate funds to implement those international agreements about which it has not been consulted with respect to whether any such agreement should be submitted to the Senate for its advice and consent as a treaty; and consent to ratification; and

(4) article I, section 5, clause 2 of the Constitution grants to the Senate plenary power to "determine the rules of its proceedings".

(e) It is the sense of the Senate that, in determining whether a particular international agreement should be submitted as a treaty, the President should, prior to and during the negotiation of such agreement, seek the advice of the Committee on Foreign Relations.

(f)(1) Where the Senate, by resolution, expresses its sense that the President has not sought the advice of such committee with respect to whether a given international agreement, hereafter entered into, should be submitted to the Senate for its advice and consent as a treaty, it shall not thereafter be in order to consider any bill or joint resolution or any amendment thereto, or any report of a committee of conference, which authorizes or provides budget authority (including budget authority for salaries and administrative expenses) to implement such international agreement.

(2) Any such resolution shall be privileged in the same manner and to the same extent as a concurrent resolution of the type described in section 5(c) of the War Powers Resolution is privileged under section 7 (a) and (b) of that law.

(3) No point of order may be made pursuant to a resolution adopted under paragraph (1) of this subsection—

(A) after such date as the Senate has given its advice and consent to ratification of such agreement as a treaty;

(B) in the event such resolution is adopted later than sixty days after the transmittal of such agreement under section 112b of title 1, United States Code; or

(C) with respect to any international agreement which has been expressly authorized by statute or treaty which takes effect prior to the date on which such agreement takes effect.

(g) Any (1) committee of the Senate which reports any bill or joint resolution, and (2) committee of conference which submits any conference report to the Senate, authorizing or providing budget authority to implement any such agreement, shall indicate in the committee report or joint statement filed therewith, as the case may be, that such budget authority is authorized or provided in such bill, resolution, or conference report.

(h) It is the sense of the Senate that the Secretary of State should transmit—

(1) a copy of this Resolution to each foreign government; and

(2) a copy of any resolution adopted under subsection (f)(1) to the government of each country which is a party to the agreement specified therein.

Mr. CASE. Mr. President, this is, in effect, though I guess not technically, a substitute for the amendment of the Senator from Rhode Island. It would retain the framework of section 502.

Instead of making invalid any agreement as to which the President had not obtained the approval of the Senate, it would require that, before making any agreement, the President must consult with the Senate. The result of failure to do that would be that any such agreement would be subject to a resolution by the Senate, stating that it is in violation of the rules of the Senate, and making it subject to a point of order in respect of any implementing legislation that might come up.

This is a very marked change, a very great step down in the effect of the section 502 as contained in the bill.

The Senator from New Jersey agrees substantially with the Senators who proposed section 502 in the first place. In addition to Senator CLARK, they were Senator GLENN, Senator MCGOVERN, Senator BIDEN, Senator CRANSTON, and Senator KENNEDY.

The Senator from New Jersey, however, does feel that, as a first step in attempting to reassert the basic authority of the Senate and its responsibility under the Constitution in respect of international agreements, it might be well to move to a somewhat less drastic position at the outset.

This substitute requires consultation and provides the sanction that any agreement as to which the President does not consult the Senate shall be subject to a possible point of order in respect of implementation, instead of making any such agreement invalid in toto. That is the essence of the disagreement in position of section 502 as contained in the committee bill and as contained in the amendment that I have offered.

I understand, in respect of our procedure here on the floor, that a vote on my amendment would take precedence over a vote on the amendment of the Senator from Rhode Island to strike the whole section.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. CASE. I am happy to yield.

Mr. JAVITS. The Senator, I note, did not vote on this matter that divided 7-to-7. Is that correct?

Mr. CASE. The Senator is correct.

Mr. JAVITS. Is it also correct that the Senator is himself the author of the Case Act, which deals with this particular subject of international agreements with respect to treaties?

Mr. CASE. That particular statute is the Senator's only monument, so far as I know.

Mr. JAVITS. I know of many more, but we shall not argue about that today.

Mr. CASE. It is one that bears his name.

Mr. JAVITS. The important point is that this has been a concern of the Senators for a long time?

Mr. CASE. It has indeed, and I have been very interested in the effort that our colleagues are making here, because something has to be done, without any question.

Mr. JAVITS. Does this represent, in the Senator's judgment, based upon his own background, an equitable resolution of the problem?

Mr. CASE. It does at this stage and for some time to come. Perhaps it can be reviewed, as everything should be, but I think this is about the right distance to attempt to go at this time.

Mr. JAVITS. As soon as I can get a copy, I will address myself to it.

Mr. CASE. I appreciate that very much.

Mr. President, I am glad to yield the floor to the Senator from Ohio, but I understand there is no time limit now.

The PRESIDING OFFICER. The Senator is correct, there is no time limit applicable on this amendment.

Mr. GLENN. I thank the Senator from New Jersey.

Mr. President, I would like to make a few comments before commenting directly upon his proposed compromise resolution.

The distinguished Senator from Rhode Island commented that Secretary of State Vance was taking great pride in this administration consulting with the Congress and with the Senate in particular.

I would note that within just the last few weeks there has been speculation in the paper that the administration was seriously discussing whether to send up the SALT agreements when they are reached as a treaty or as an executive agreement, because with the treaty it would require a two-thirds vote, with an executive agreement it would, at best, require a 50 percent vote in the Senate, a majority vote in the Senate.

We questioned Secretary Vance about this and he has agreed in committee this would be sent up as a treaty when it comes.

But it indicates that serious thinking has gone on with regard to what should be submitted as an executive agreement of a treaty, even in this administration, and that increased consultation has been taking place.

Mr. President, among the powers shared by the executive and legislative branches is that of determining the course which this Nation will take in its relations with other nations. However, in recent years, Congress has been excluded in many cases from participation in determination of foreign policy, by the use of executive agreements. Under present procedures, executive agreements are concluded by the President alone and do not require the approval of Congress. The use of such agreements for important international commitments, in effect, circumvents the treatymaking provisions of the Constitution and denies the Senate the advice and consent role the Framer had envisioned in article II, section 2 of the Constitution.

RECENT GROWTH

It is alarming to note in recent years the burgeoning use of executive agreements by the United States, with the executive agreement becoming the usual form on international agreement and treaties being used seldom and for increasingly less important matters. According to Department of State statistics, 5,590 executive agreements were concluded between January 1946 and April 1972, while only 398 treaties were concluded during the same period.

While the huge increase in the number of agreements vis-a-vis treaties may be attributed in part to the increased international contacts of the United States in a rapidly changing world, there have been many instances in which executive agreements were used when it has appeared to scholars and Members of Congress that a treaty was called for because of the importance of the commitment.

Not only has congressional advice not been sought in the establishment of these agreements, but many of the agreements have been secret. On many occasions, Congress was completely unaware as to what extent the resources of the Nation were committed until the President asked Congress to appropriate funds to carry out these commitments. Finding itself asked to appropriate money for commitments it knew nothing about, the Congress was invariably told that it nonetheless should appropriate the money because our national "honor" was at stake, or we had "a moral commitment" to do so.

VIETNAM PROBLEM

The tragic situation in Vietnam illustrates this problem all too well. Congress was castigated for not appropriating money to carry out agreements and commitments which were not specific and about which it had not been consulted. Later it appeared, through a series of letters to President Thieu of South Vietnam, that President Nixon had in effect promised the resources of the United States if needed by South Vietnam, promising specifically to take "swift and severe retaliatory action." This was kept from the Congress and the question still remans: Was it a commitment, was it an agreement we should have honored?

While the commitments made to the Saigon government are an alarming example of the problem, agreements for major military commitments have been used for some time and have been a source of controversy. Among these are:

1. use of the Azores airbases by the United States (1947).
2. placement of U.S. troops in Guatemala (1947).
3. establishment of U.S. bases in the Philippines (1947).
4. placement of U.S. troops in mainland China (1948).
5. military security in the Republic of Korea (1949).
6. U.S. military mission in Honduras (1950).
7. broad U.S. military prerogatives in Ethiopia (1953).
8. U.S. military mission to El Salvador (1957).
9. U.S. military mission to Liberia (1958).
10. U.S. base rights in Lebanon (1958).
11. security pledges to Turkey, Iran, and Pakistan (1959).
12. military use of the British island Diego Garcia (1966).
13. military use of Bahrein (1971).
14. agreement terminating military and economic pact with Libya (1972).

15. agreement relinquishing land at U.S. Naval Communications Station in the Philippines (1973).

16. establishment of military mission in Iran (1974).

These commitments by the executive branch without congressional consultation or approval serve to highlight the kind of problem which the executive agreement can pose and the necessity for legislation to provide sufficient congressional review. The treaty powers resolution seeks to eliminate the potential abuse of the executive agreement by insuring that the word of the United States may be extended to foreign nations only with consultation of the Congress, which has the obligation to implement those agreements.

CASE ACT

The Case Act which was enacted by the 92d Congress requires reporting to the Congress of all international agreements but mandates no approval or disapproval at the congressional level. Even now, the 60-day reporting deadline is not always met by the State Department, and there is disagreement as to what agreements are required to be sent to Congress. It is important that the reporting function be strengthened.

RESTORE CHECKS AND BALANCES

There have been many legislative efforts in the past to address the executive agreement problem. In large measure they may be attributed to a growing determination by Congress to restore a proper balance between the branches of Government by preventing unilateral executive action in making foreign commitments.

The treaty powers resolution is prompted by that objective. The resolution would restore the advice and consent role of the Senate as envisioned by the Framers and would allow the Congress to act as a check on unilateral and arbitrary executive power in foreign affairs. I feel that the resolution not only provides a logical way to make certain we are fully aware of the real commitments made which we have an obligation to stand fully behind, but also provides a mechanism by which foreign governments can know for certain what their commitments are with regard to this country. At the present time, foreign governments have no way of knowing whether an executive agreement on which they rely may be abrogated or nullified by congressional action at some later date when the international situation may have altered. The time limit in the treaty powers resolution would help to remove such doubt.

I want to emphasize that the resolution is not designed to inhibit the President's key role in foreign policy. Quite the opposite, I feel the bill would clearly define the commitments made by the President and concurred in by the Congress, and thus do much to restore confidence in American commitments around the world.

I ask unanimous consent to have printed in the RECORD statistics supplied by the Department of State to Senator Sam J. Ervin's Subcommittee on Separation of Powers during its 1972 hearings on executive agreements. These statistics show not only totals, but a breakdown of the types of agreements and their authority, by year.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PART II.—ADDENDUM TO THE COMPILATION OF JAN. 10, 1969, ENTITLED "INTERNATIONAL AGREEMENTS OTHER THAN TREATIES 1946–68 CLASSIFIED ACCORDING TO THE LEGAL AUTHORITY ON THE BASIS OF WHICH THEY WERE MADE OR BECAME EFFECTIVE" TO COVER THE PERIOD TO APRIL 1972

	Totals in the several categories on a year-by-year basis [1]						
	A	B	C	D	E	F	Total
1955	1						1
1957	3						3
1958	1						1
1959	2						2
1961	1						1
1962	1						1
1963	1						1
1964	1	1					2
1965		1				1	2
1966	3				2		5
1967	9	1			1	1	12
1968	39		1		2		42
1969	138		8	4	5	7	162
1970	158		13		8	4	183
1971	184		7	2	19	2	214
1972 (to April)	28		1	1	1		31
Total	570	3	30	7	38	15	663
1946–68 total given in Jan. 10, 1969 tabulation	4,264	31	216	29	338	49	4,927
1946–April 1972 total	4,834	34	246	36	376	64	5,590

[1] Categories:
A. Prior legislation.
B. Subsequent legislation.
C. Legislation and treaty.
D. Treaty.
E. Partly legislation and/or partly constitutional authority.
F. Constitutional authority only.

NUMBERS OF TREATIES AND OTHER INTERNATIONAL AGREEMENTS CONCLUDED BY THE UNITED STATES DURING THE PERIOD JAN. 1, 1946 TO APR. 1, 1972

Year	Treaties	International agreements other than treaties
1946	19	139
1947	15	144
1948	16	178
1949	22	148
1950	11	157
1951	21	213
1952	22	291
1953	14	163
1954	17	206
1955	7	297
1956	15	233
1957	9	222
1958	10	197
1959	12	250
1960	5	266
1961	9	260
1962	10	319
1963	17	234
1964	3	222
1965	14	204
1966	14	237
1967	18	223
1968	28	197
1969	6	162
1970	20	183
1971	17	214
1972	7	31
Total	368	5,590

Mr. GLENN. Mr. President, the difficulty with executive agreements is reflected in the startling number of overseas military commitments since the end of World War II that have been grounded in claims of inherent executive authority. The executive branch has, among other things, placed military personnel in Guatemala, mainland China, Ethiopia, and Iran; pledged military support to Turkey, Iran, Pakistan, and, on the eve of war, South Korea; and contracted for military bases in the Azores, the Philippines, Lebanon, Diego Garcia, and Bahrein. In South Korea alone, over 30 commitments were made but never even reported to the Congress as required by law.

Between January 1, 1946, and December 31, 1976, the United States signed 7,201 agreements with other nations. They dealt with a wide range of military, economic, cultural, technical, transportation, communications, and diplomatic issues.

Many of them may be more significant than treaties, and the question obtains: Has the Congress been excluded from decisions about crucial commitments abroad? While chairman of the Senate Foreign Relations Committee, J. William Fulbright vividly depicted the crux of the controversy:

The Senate is asked to convene solemnly to approve by a two-thirds vote a treaty to preserve cultural artifacts in a friendly neighboring country. At the same time, the chief executive is moving military men and material around the globe like so many pawns in a chess game.

The Foreign Relations Committee complained in a 1969 report about an imbalance, saying that we have come close to reversing the traditional distinction between the treaty as an instrument of a major commitment and the executive agreement as the instrument of a minor one. Since then, the trend certainly has accelerated.

Of the 7,201 international agreements signed in this 1946 to 1976 period, 1,235, or 17.1 percent, related to military matters. Substantive military agreements deal with the creation of military alliances, the signing of treaties, the establishment of military bases, and the disposal of military equipment and the like.

Mr. President, the Senator from Iowa (Mr. CLARK) has put into the RECORD the statement from the Foreign Policy Magazine, the fall edition of 1977. Some of the comments I have made are directly taken from that article. I am highlighting some of those items as I leaf through it because they are of particular significance.

If we set up a ratio of executive agreements to total treaties and executive agreements, if we make a ratio of that, which would be a measure of the increased number of executive agreements used by Presidents, we find the ratio for President Truman was 0.51; in the Eisenhower years, 0.74; in the Kennedy years, 0.75; in the Johnson years, 0.76; in the Nixon years, 0.86. We do not have figures for the Ford and Carter administrations as yet. But that indicates graphically the increase in the use of executive agreements to accomplish what normally, in previous years, were considered treaty agreements.

Another example: Of 32 significant military commitments made overseas by the United States between August 9, 1974, and the end of 1976 only 2 were in treaty form and the remaining 30, 94 percent, were either statutory or executive agreements.

Mr. President, I will not quote further from that foreign policy article. It is excellent, and I recommend that all those interested in this subject—as I hope all Senators are—will read it in its entirety when it is printed in the RECORD, as Senator CLARK has requested it be.

Mr. President, I think the Senator from New Jersey has offered a very logical compromise in this regard. While I obviously would prefer to see the much tougher and much harder language we had written into this bill in section 502, I believe he is to be commended for offering his compromise language. I support him in this regard.

I will close with this remark: The President, after he had been elected, came before the Foreign Relations Committee for the first time on November 23, 1976, and said:

> There will be times when nobody needs to know about a foreign policy challenge except me and the Secretary of State, or sometimes perhaps just me and the head of a foreign government. My inclination, however, is, wherever possible, to share the knowledge that I have with you and to seek your advice and counsel. I will go a second mile to meet you on this.

Mr. President, we would take President Carter at his word on this, and we hope he will go a second mile to meet us on this, because we need to work these things out together. We do not need surprises in foreign policy at this end of the avenue. The surprises in foreign policy tend to result in people getting locked into a position against such a surprise.

I hope that some of the recent indications that the President is willing to consult more and to do more in working together on this foreign policy matter are continued into the future.

I would be happy to be a cosponsor of the amendment offered by the Senator from New Jersey. I thank the Senator from New Jersey.

Mr. CASE. I thank the Senator for his support. I was presumptuous in what I said earlier. I am sure the Senator will forgive me for that.

Mr. JAVITS. Mr. President, I voted against the insertion of section 502 in this bill. It was entirely fair to debate the issue, because I have a right to be heard on this one, inasmuch as I am the author of the War Powers Act, and that has been widely quoted.

I also believe—together with Senator GLENN and Senator CLARK—that Senator CASE has offered a fair resolution of this particular difficulty, provided that the Chair rules as I expect it will rule in response to a parliamentary inquiry which I shall make. Assuming that ruling, I, too, will ask to be a cosponsor, which I do not do yet.

I wish to develop this point: The War Powers Act was a great historic step forward. That is quite generally conceded. So was the Case act itself a great and historic step forward in this struggle between the Senate and Congress generally and the President, respecting the awesome power to make war and to make agreements which could lead to war or peace.

However, Mr. President, the point is—Senator GLENN said it, and it is very important to be made—that this power must be balanced. I felt that section 502 went over the balance. The reason why I felt that it went over the balance was that we unilaterally had the power to decide what was the power of Congress alone, and we were not willing, according to the original section 502, to submit to that state of tension which often must exist between a President and Congress in order to have anything resolved in the light of circumstances.

That is what the Constitution is all about. It is just a framework within which the Supreme Court has the last voice and in which we, as the implementing power in law, make the balance currently; and I did not want to shut off that opportunity as the constitutional framework of our country.

It seems to me that the resolution offered by Senator CASE keeps that balance, because he asks only for consultation or, using the technical word, advice. That, I think, is sound; because the War Powers Act proceeds also much along that line, in that it is based upon commiting forces of the United States to an area where there is imminent danger of hostilities.

When I was asked in that debate, "Why don't you define 'imminent danger of hostilities'?" I said, "Exactly no, because we have to have that state of tension between the executive and Congress in which politically we may wrestle over the question of whether there is or is not imminent danger of hostilities."

For example, I recently received a letter from the counsel for the State Department as to the applicability of the War Powers Act to the carriage of French and Belgian troops to the Congo. I said, "Let's keep that state of tension." It may be that being a hundred miles from the theater of war, which is the basis of their claim that the act did not apply, in this situation meant that our people were not in imminent danger of hostilities. On the other hand, in another situation, it may mean that they are in imminent danger of hostilities.

The people who came in from Angola did not have jet aircraft. If they did, our people would have been in imminent danger of hostilities—"and how!" as the saying goes. So I think this is a comparable situation.

Therefore, I believe that the idea of advice is sound. But there are two things I would like to suggest; and if the Chair and the Parliamentarian will give me their attention, I should like to ask a question, if I may.

It will be noted on the third page, in paragraph (f)1 of the amendment offered by Senator CASE, these words appear in the third line: "It shall not thereafter be in order."

I ask the Chair: Does that mean—does that boilerplate mean—that any Member may make a point of order, that that point of order is subject to appeal to the Chair, and that the Senate then has the final power either to sustain or overrule the point of order by its vote?

The PRESIDING OFFICER. The Senator is correct.

Mr JAVITS. I thank the Chair very much for that and I appreciate it greatly.

Second, I ask the author, and now with his cosponsors, if he and they would not consent to take out subsection (h) of this substitute. and let me explain why.

Subsection (h) says:

> It is the sense of the Senate that the Secretary of State should transmit (1) a copy of this resolution to each foreign government;

That means every foreign government on earth. And—

> (2) a copy of any resolution adopted under (f)(1) to the government of each country which is a party to the agreement . . .

That is overboard. I will tell Senators why.

There is one thing we want to avoid, and that is to be the foreign policy negotiators. That is without any question the absolute province of the President of the United States.

I think even the slightest intimation that we would communicate with a foreign power about the internal authorities and our own wrestling matches which go on here is ill advised.

I yield to the Senator.

Mr. CLARK. Mr. President, I join the Senator. I think the Senator's point is very well taken. I think I speak for Senator GLENN in this regard, and Senator CASE can certainly speak for himself. But I think the point is well taken.

Mr. CASE. Mr. President, I, also, agree that the point is well taken.

Before taking the action, however, of eliminating that section from the amendment, which we have a right to do, of course. I wish to make it very clear that there is no doubt in anyone's mind that this becomes an effective operating procedure which foreign countries are obliged to take judicial notice of, so to speak. Thus, they should not come up later and claim that they did not know that the Senate has a piece of the action in respect to any agreement under this proposed legislation.

Mr. JAVITS. There is no question about the fact that ignorance of the law is no excuse. That goes for sovereign nations and for individuals, foreign and domestic.

Mr. CASE. There is, of course, the concern about whether a foreign country, a foreign secretary, or some lesser official might plead that he did not know what he was doing or we trapped him, or something of that sort.

Mr. JAVITS. Right, and therefore the United States is embarrassed if we refuse to implement the agreement.

Mr. CASE. Exactly.

Mr. JAVITS. There is no question about that.

I affirm immediately that that cannot be used as a plea of confession of avoidance.

Mr. GLENN. Mr. President, will the Senator yield for a comment?

Mr. CASE. I yield.

Mr. GLENN. I agree with the Senator's comment and I agree to strike that section Senator CLARK indicated.

We put that in there to perhaps try to alleviate some of the difficulties that parliamentary forms of government have around the world in dealing with our different form of government.

It is a continual source of difficulty, as the Senator is very much aware. Prime ministers can go to international conferences and make agreements, and that is the law in their own land, or they are turned out with a vote of no confidence when they get home.

Our President is admittedly under a disadvantage when he goes to some of these meetings and conferences as he has expressed himself as being at a disadvantage because he cannot speak with final authority for the U.S. Government. He still has to come back and he still has to have congressional approval and congressional support for what he does.

What we were doing with this was once again pointing out to these governments by distributing this information around the world that that was, in fact, the case, to remind them of this and to give the President that little advantage.

But I have no objection to striking that section.

Mr. JAVITS. I thank my colleague very much.

Mr. CASE. Mr. President, with the agreement of my cosponsors, I eliminate the section entitled subsection (h) from the amendment.

The PRESIDING OFFICER. The amendment is modified in accordance with the request of the Senator from New Jersey.

The amendment, as modified, is as follows:

On page 59, line 10, strike section 502, and insert in lieu thereof:

SEC. 502. (a) This section may be cited as the "Treaty Powers Resolution".

(b) This section—

(1) is enacted as an exercise of the rulemaking power of the Senate and as such is deemed to be a part of the rules of the Senate;

(2) supersedes other rules of the Senate only to the extent that it is inconsistent therewith;

(3) shall be deemed to be a resolution of the Senate and shall take effect upon the date of passage of this bill by the Senate; and

(4) may not be construed as derogating from the constitutional right of the Senate to change its rules at any time, in the same manner and to the same extent as any other rule of the Senate.

(c) It is the purpose of this Resolution to fulfill the intent of the Framers of the Constitution and to ensure, through use of the rulemaking and legislative power of the Senate that the President seek the advice of the Senate in determining whether an international agreement should be submitted to the Senate for its advice and consent as a treaty.".

(d) The Senate finds that—

(1) article II, section 2, clause 2 of the Constitution empowers the President "by and with the advice and consent of the Senate to make treaties, provided two-thirds of the Senators present concur";

(2) the requirement for Senate advice and consent to treaties has in recent years been circumvented by the use of "executive agreements";

(3) the Senate may refuse to consider legislative measures to authorize or appropriate funds to implement those international agreements about which it has not been consulted with respect to whether any such agreement should be submitted to the Senate for its advice and consent as a treaty; and". consent to ratification; and

(4) article I, section 5, clause 2 of the Constitution grants to the Senate plenary power to "determine the rules of its proceedings".

(e) It is the sense of the Senate that, in determining whether a particular international agreement should be submitted as a treaty, the President should, prior to and during the negotiation of such agreement, seek the advice of the Committee on Foreign Relations.

(f)(1) Where the Senate, by resolution, expresses its sense that the President has not sought the advice of such committee with respect to whether a given international agreement, hereafter entered into, should be submitted to the Senate for its advice and consent as a treaty", it shall not thereafter be in order to consider any bill or joint resolution or any amendment thereto, or any report of a committee of conference, which authorizes or provides budget authority (including budget authority for salaries and administrative expenses) to implement such international agreement.

(2) Any such resolution shall be privileged in the same manner and to the same extent as a concurrent resolution of the type described in section 5(c) of the War Powers Resolution is privileged under section 7 (a) and (b) of that law.

(3) No point of order may be made pursuant to a resolution adopted under paragraph (1) of this subsection—

(A) after such date as the Senate has given its advice and consent to ratification of such agreement as a treaty;

(B) in the event such resolution is adopted later than sixty days after the transmittal of such agreement under section 112b of title 1, United States Code; or

(C) with respect to any international agreement which has been expressly authorized by statute or treaty which takes effect prior to the date on which such agreement takes effect.

(g) Any (1) committee of the Senate which reports any bill or joint resolution, and (2) committee of conference which submits any conference report to the Senate, authorizing or providing budget authority to implement any such agreement, shall indicate in the committee report or joint statement filed therewith, as the case may be, that such budget authority is authorized or provided in such bill, resolution, or conference report.

Mr. CASE. And in accordance with his own expressed desire, I ask unanimous consent to add the name of Senator JAVITS as a cosponsor of the amendment in its present form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. HARRY F. BYRD, JR. I wish to ask a question of the Senator from New Jersey, and I thank the Senator from New York for yielding.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I do not rise in objection or criticism at all. I only wish to seek clarification.

Section (f) is changed, as I read it, where the Senate by resolution expresses its sense that the President has not sought the advice of such committee with respect to whether a given international agreement hereafter, and so forth. What does "sought the advice" mean?

Mr. CASE. That, as Senator JAVITS indicated earlier, is a word that has come to have a technical meaning. It means tell us about it and ask us what we think about the proposition. In practice, it could take various forms and would be up to the Senate itself when it considers a resolution based upon this section to decide whether the consultation was adequate. But in practice, it undoubtedly would mean either the President of the Senate or to the chairman of the Foreign Relations Committee would receive a communication from the President, or his agent. That is the way the matter would come to us.

Mr. JAVITS. Mr. President, if the Senator will allow me now as a cosponsor "advice" as I understand it means that the committee has had an opportunity to render its advice to the President of the United States. That is largely formal, either in public or executive session, or both; or in given circumstances it might be, though that is certainly not the preferred course, informal in sense of the chairman and the ranking minority member being thoroughly informed and they coming and reporting to the committee, with the committee having an opportunity to react, and then the President either hearing the chairman and the ranking minority member as to our view or inviting us to the White House, as many Presidents have done before; in short, that the opportunity for the views of the committee as the committee to be expressed to the President is available both in time and seasonably and in the framework where he hears us. That is what I consider to be "advice."

Mr. HARRY F. BYRD, JR. I thank the Senator.

Does it also mean that, if the President takes such a course of action where if he writes a communication to the committee, or if he calls the members of the committee to the White House, or if his representative appears before the committee and explains the matter and the committee takes one view and the President takes the other view, the President is not precluded from taking a view opposite from that of the committee?

Mr. JAVITS. Absolutely; and it is more than that, I say to the Senator, if I might add just one caveat.

To call us in, as Presidents have, and to say, "I wish to inform you that right now the *Mayaguez* is under attack," that is not advice. In other words, even if it is an hour or 10 minutes or whatever the circumstances require, he has to give us the opportunity so we can tell him what

we think. If we default—that is, as the circumstances indicate we should do it in a few minutes, and we do not do it—that is our fault, and it does not circumscribe his freedom of action. He has performed his duty when he seeks our advice and gives us such opportunity as the circumstances permit to express our advice to him.

Mr. HARRY F. BYRD, JR. The Senator mentioned the *Mayaguez* incident. The Senator would not contemplate that the President would have to consult with the committee before taking any action of that type?

Mr. JAVITS. No. That is why I said what I did about calling in as many as he could whatever the circumstances dictate as an opportunity for the committee to reflect its views wherever the circumstances permit. But the President cannot make it arbitrary and say, "Let me know in an hour," if the circumstances indicate he has 10 hours or 10 days.

Mr. CASE. The reason he cannot, if I may interject here, is the language of the section expressly provides it is up to the Senate to decide whether it has been consulted or not.

Mr. HARRY F. BYRD, JR. The point I am trying to get clear in my mind is, if the President has an immediate decision to make in regard to a ship or aircraft being attacked or that has been attacked, does he then have to consult with the committee before he can take any action?

Mr. JAVITS. Mr. President, if the Senator will yield again, this matter deals only with what might be an executive agreement or treaty. It does not deal with anything else. Really, what the Senator is speaking about, it would come to be cognizable under the War Powers Act and under the War Powers Act he has only the duty to consult. When we argued that legislation and the Senate passed it, we made it crystal clear that that was strictly dependent on the circumstances. Certainly, if a President has to push the button in that little black box that shadows him everywhere because it is imminent that we are going to be attacked, he does not stop. He does it. We all understand that.

Mr. HARRY F. BYRD, JR. So this does not go to the problem of a President or preventing a President from taking emergency action.

Mr. JAVITS. Certainly not.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. GLENN. Mr. President, will the Senator yield for a following question? I think there is one following point to be made. I believe I would ask the Senator if it would be his reading of those words "to seek the advice of" that those words would also include the notion that the President must in good faith consider the advice of the committee?

Mr. JAVITS. Of course. That is why I said what I did about time. Of course, if the time is very short, that is a judgment we have to make that he really did or did not have the opportunity to do more than he did. But that is a judgment. and that is why this is a good thing. We have to make that judgment.

Mr. GLENN. I agree with the Senator completely. I thank the Senator.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I appreciate very much the efforts of the Senator from New Jersey to work out a compromise here, but I still think this compromise contains really pretty basic problems.

First, let us look at the question of whether the whole idea is needed at this time. Earlier in the discussion the Senator from Iowa mentioned the various instances that had occurred when agreements were concluded that led to disastrous commitments on our part.

But I do not think we can think of any agreement that has been concluded since January 20, 1977, that has resulted in such a commitment. My recollection is that the Spanish base agreement was actually made into a treaty and submitted as a treaty by President Ford.

I think the purpose of laws is not to deal with problems that occurred 5 or 10 years ago in Vietnam and Cambodia, but to deal with present problems and prospective problems. I see no need for action as relations are now developing between the administration and the Congress in this regard.

I think the pendulum, which had swung much too far in the direction of the executive branch during the years following the Depression and then World War II, and then going on into Vietnam, has now swung back, and there is a reasonable balance between the legislative and executive branches, a good balance, and one that should be left about as it is.

The other negative reason, to my mind, is that as sure as God made little green apples, the House will pass a similar resolution saying they should be advised or consulted as to whether a pending agreement should be an executive agreement or a treaty.

We all know they will say they should be executive agreements with an approval role for the House and we will say when in doubt that it should be a treaty; and we will all be pushing the State Department undoubtedly into the position of having to choose between the one or the other and with having to reject the advice of one body of the Congress.

For these reasons, I feel compelled to vote against the Case amendment.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER (Mr. SASSER). The Senator from Ohio.

Mr. GLENN. Mr. President, I would like to respond to the remarks of the Senator from Rhode Island briefly. This is not aimed at the Carter administration. It is a far longer term objective that we are seeking here. This is no criticism of what has happened in the last year and a half with the new administration.

At the risk of being repetitive here, let me cite some of the instances.

We had the use of the Azores air bases by the United States in 1947; this was by executive agreement. We had the placement of U.S. troops in Guatemala in 1947; we had the establishment of U.S. bases in the Philippines in 1947; we had the placement of U.S. troops in mainland China in 1948; we had the military security in the Republic of Korea in 1949; we had the U.S. military mission in Honduras in 1950; we had broad U.S. military prerogatives in Ethiopia in 1953; we had a U.S. military mission to El Salvador in 1957; we had the U.S. military mission to Liberia in 1958; we had the U.S. base rights in Lebanon in 1958; we had security pledges to Turkey, Iran, and Pakistan in 1959; we had the military use of the British island of Diego Garcia in 1966; we had the military use of Bahrein in 1971; we had the agreement terminating the military and economic pact with Libya in 1972; we had an agreement relinquishing land at the U.S. naval communications station in the Philippines in 1973; and we had the establishment of a military mission in Iran in 1974.

I also gave figures a little while ago during my remarks regarding the tremendous increase in executive agreements. So we are talking about a long-term thing here. We are not talking about something aimed at the Carter administration. Administrations come and go, including that of President Carter, and I am sure we will be living with another President, certainly within an 8-year span here of President Carter's tenure in the White House.

So this is not aimed at President Carter at all. It is a much longer term objective that we have.

As to the second point made with regard to the House, I would certainly hope the administration does consult with the House. The alternative to that is to say we would favor no consultation with the House and no consultation with Congress. There can be secretive executive agreements that we then somehow are expected to live up to later, whether it be the Senate or the House. So I would certainly hope the administration takes this as an evidence of our efforts in Congress to consult with both Houses of Congress, although we are addressing primarily the Senate side here because of our special responsibilities under the Constitution.

I thank the Chair.

Mr. MCGOVERN. Mr. President, I share the views that have been expressed by Senator GLENN, Senator CLARK, and others who originally authored this treaty-powers provision that is now in the bill.

While I think the language as it now stands in the bill is stronger and more in line with what we wanted to accomplish, I do recognize that, in the interests of comity with the administration and the other body, the substitute language offered by Senator CASE is probably more practical and, under those circumstances, I intend to support Senator CASE's substitute proposal to the language that is now in the bill and also for the amendment that was offered by the Senator from Rhode Island.

Mr. JAVITS. Mr. President, I just want to say a couple of words before we wind up this debate, which is important.

We have had a situation with other Presidents than President Carter where the claim has been made that a President can make an executive agreement, and that that has the force of law.

We are all aware of the fact that the President has the power of recognition,

that is, to send an Ambassador, and there is a certain narrow band of authority which falls in that area.

But I think that the doubt is best resolved between that area and even an agreement which is not of the magnitude—and, by the way, those are the words which are used in our committee report, and I think they are very useful to repeat. Pages 54 to 55 of the committee report say:

As stated in the committee's report on the Panama Canal Treaties, "the Treaty Clause requires that, normally, significant international agreements be made with the concurrence of two-thirds of the Senate. Acting on the basis of his sole constitutional authority, the President would be without the power to enter into such an agreement.

So I wish to make it clear in the debate, because the State Department will read this with great care if this particular amendment carries, that we are dealing with three classes of situations: The first class is the treaty, to wit, a significant international agreement which should be a treaty.

The second class is a non—I do not want to say "in"—because there is no such thing—a nonsignificant international agreement where, in order to do something, because you want it to have the force of law, you should pass a law, and that becomes something that both Houses can deal with and the President can sign or not sign.

Finally, that band of authority which goes with the executive power to recognize other countries, send an ambassador, send an emissary, and so forth, and what hinges upon that situation.

But I think all of these questions are best resolved through the course we are now taking, to wit, the route of advice.

I simply wanted to have this spelled out on the record so that the State Department and the country would understand that we are proceeding in a sophisticated way with foreknowledge of the various permutations of the proposition which we face.

I thank the Senator.

Mr. McGOVERN. I think the remarks of the Senator from New York are well taken.

Mr. President, I move the adoption of the amendment by the Senator from New Jersey (Mr. CASE).

Mr. PELL. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Jersey. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Arizona (Mr. DECONCINI), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Louisiana (Mr. LONG), and the Senator from Maine (Mr. MUSKIE) are necessarily absent.

I further announce that the Senator from Idaho (Mr. CHURCH) is absent on official business.

I further announce that, if present and voting, the Senator from Maine (Mr. MUSKIE), and the Senator from Arizona (Mr. DECONCINI) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Oregon (MARK O. HATFIELD) is necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

I further announce that, if present and voting, the Senator from Oregon (Mr. MARK O. HATFIELD) would vote "nay."

The result was announced—yeas 41, nays 48, as follows:

[Rollcall Vote No. 187 Leg.]

YEAS—41

Allen	Hathaway	Packwood
Biden	Heinz	Proxmire
Brooke	Hodges	Riegle
Case	Humphrey	Sarbanes
Chiles	Javits	Sasser
Clark	Kennedy	Schweiker
Cranston	Leahy	Scott
Culver	Lugar	Sparkman
Eagleton	Matsunaga	Stafford
Glenn	McGovern	Stennis
Hart	McIntyre	Stone
Haskell	Metzenbaum	Wallop
Hatfield, Paul G.	Moynihan	Weicker
	Nelson	Williams

NAYS—48

Baker	Eastland	Nunn
Bartlett	Ford	Pearson
Bayh	Garn	Pell
Bellmon	Goldwater	Percy
Bentsen	Griffin	Randolph
Bumpers	Hansen	Ribicoff
Burdick	Hatch	Roth
Byrd, Harry F., Jr.	Hayakawa	Schmitt
Byrd, Robert C.	Helms	Stevens
Cannon	Hollings	Stevenson
Chafee	Huddleston	Talmadge
Curtis	Jackson	Thurmond
Danforth	Lavalt	Tower
Dole	Magnuson	Young
Domenici	McClure	Zorinsky
Durkin	Melcher	
	Morgan	

NOT VOTING—11

Abourezk	Gravel	Johnston
Anderson	Hatfield, Mark O.	Long
Church	Inouye	Mathias
DeConcini		Muskie

So the amendment was rejected.

Mr. BARTLETT. Mr. President, I move to reconsider the vote by which the amendment of Senator CASE was rejected.

Mr. GOLDWATER. I move to lay that motion on the table.

The PRESIDING OFFICER. The motion to lay on the table was agreed to.

Mr. JAVITS. Mr. President, I ask for the yeas and nays on the Pell amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JAVITS. Is debate still in order?

The PRESIDING OFFICER. Debate is still in order.

Mr. JAVITS. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. JAVITS. Mr. President, I expect I shall not speak for more than 2 minutes, but I think it is important to speak.

Mr. PERCY. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. JAVITS. Yes, I yield.

Mr. PERCY. I ask unanimous consent that Kay Davies of Senator DOMENICI's staff may have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I was a cosponsor, with others of my brothers on the Committee on Foreign Relations, of this compromise. I think it was a very fair and equitable compromise, to deal with an excruciating situation in the struggle between the President and Congress, which is going to go on long after all of us are gone, because that is the nature of our system. And it is the right situation.

I do not know how others of the cosponsors of the compromise will vote. I shall vote now with Senator PELL, because I keenly believe, Mr. President, that we will be exceeding the balance which we should be as solicitous of retaining as the President in respect of these powers.

I believe that one of the elements of tension is the option of the President to try, if he can, to call it an executive agreement and get it acted on that way by both Houses, or to call it a treaty and try to get it acted on by the Senate. We always have the privilege of digging our heels in and saying, "Sorry, Mr. President, you tried and failed, because we are not going to give you any money or we are not going to give you any authority or we will try to veto what you are trying to do, because we think you are misbehaving."

But, in my judgment, to go the route that this will do, and for one House to say flatly, "You have to have our consent before you have the option as to what you are going to do with a given international agreement," I think, is really tipping the balance the other way.

I am, myself, as I think my colleagues know, the author of the War Powers Act. I think that was fair and proper. I am very concerned about this one as "going too far."

I think the report of the committee itself bears me out. Many Members were not here when I read before a statement from the committee report which says:

As stated in the committee's report on the Panama Canal Treaties, "the Treaty Clause requires that, normally, significant international agreements be made with the concurrence of two-thirds of the Senate. Acting on the basis of his sole constitutional authority, the President would be without the power to enter into such an agreement."

I agree with that, Mr. President, but the word "significant" is a qualitative word. That is the word where the tension exists. I believe that the system on that score is better.

I was deeply convinced that we ought to compel advice as far as the Senate Foreign Relations Committee and the Senate are concerned on treaties and executive agreements and I am still convinced of that.

The Senate having denied us that express rule authority, we still have it in the many kinds of business the Presi-

dent has to do with us. But to make ourselves, alone, the sole definitive and final judges, I think, as to whether a particular agreement is a treaty and enforce it by rule of the Senate will, I think, tip the balance, and I shall vote with Senator PELL.

Mr. CLARK. Mr. President, like Senator JAVITS, I wish to speak for not more than 1 or 2 minutes.

It seems to me that the Senator makes an interesting point: Perhaps there ought to be some tension, as he describes it, or some balance. But under the existing situation, there is no balance. The President of the United States alone decides what is to be sent up as a treaty. The Senate has no choice in that whatsoever. If the President of the United States decides to send the SALT agreement to this body as a treaty, we will consider it as a treaty. If the President of the United States decides that it is an executive agreement, it will be an executive agreement. The Senate will not decide and will have no voice in that decision except insofar as the President may decide to consult with us.

The same is true of any other international agreement. It is really, under the existing situation, the President, and the President alone, who decides whether any agreement that is signed is going to be considered by this body at all. The President can dispense with Senate advice and consent merely by calling a treaty an executive agreement. I do not see that as a fair balance. The Case amendment would have said simply that the President is required to ccnsult—and that if there were not consultation, or what the Senate itself voted to be inadequate consultation, then a point of order would lie against it.

I must say I do not see much balance in a situation which, although the Constitution does not even provide for executive agreements—it refers only to treaties—leaves it to one branch of the Government, the President, to make the decision all alone as to whether any agreement that he makes should be sent up here as a treaty.

UP AMENDMENT NO. 1372

Mr. JAVITS. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. JAVITS) proposes unprinted amendment No. 1372.

Strike subsection (h) on page 62 lines 16 through 22 inclusive.

Mr. JAVITS. Before we vote, I thought we should strike that subsection (h). Is that agreeable to my coauthors?

Mr. GLENN. That is agreeable.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. McGOVERN. Is that on the amendment of Senator JAVITS?

Mr. PELL. It cannot be an amendment to my amendment, because my amendment is to strike it in its entirety. What is the parliamentary situation? I am delighted to accept it, but that is not on my amendment.

The PRESIDING OFFICER. This is an amendment to the language proposed to be stricken. It takes precedence as a perfecting amendment.

Mr. PELL. In other words, my amendment will then be to strike everything which remains?

Mr. JAVITS. Which remains, that is exactly right.

We never know how the Senate is going to go and this is now in the bill. So if it remains, we have to perfect it. That is what I am doing. But I am going to vote with the Senator to strike it all.

Mr. PELL. I assume the Senator from New York wants to strike what remains.

Mr. DURKIN. Mr. President, I wish to associate myself with the remarks of Senator JAVITS. I think yesterday's vote with respect to oil import fees shows that there are various and sundry ways to contain the President if he gets off course. I do not think we ought to unduly restrict the hands of the President with respect to treaties and executive orders. I, for one, think the balance has gone too far on the side of Congress and the President has been hobbled by some of the restraints that were placed on the Presidency during the Watergate hearings. For that reason, I should like to join with my colleague and associate myself wih his remarks.

Mr. PERCY. Mr. President, I intend to support the Pell amendment. I want to point out to the Senate once again that this was a very tight situation inside the Senate Foreign Relations Committee, which had a 7-to-7 vote. I cast a vote at that time to strike section 502 on several principles.

First of all, I do think we have enough to do ourselves and that, many times, we are getting into the work of the executive branch of the Government.

I also believe that the Senate is empowered to do what it wants to do, if it feels that an executive agreement should be a treaty. We did that in the case of the Spanish bases agreement. We worked with the executive branch, and they changed their judgment that it should be an executive agreement and presented it to the Senate as a treaty.

I think we are inviting an unnecessary hassle with the House on this. They, without any question, I think, if we retain this provision, would act to constantly place the executive branch between consultation with the Senate Foreign Relations Committee and the House committee, with the Senate committee wanting it to be a treaty, the House committee wanting to assert their authority.

I think for the rare cases when we feel the executive branch is going too far, we have adequate authority to work its will.

But the primary objection I have had was brought to mind by the part of the Foreign Relations Committee report on S. 3076 which cited the expedited procedures contained in the Congressional Budget Act as a precedent for establishing rules of the type embodied in section 502.

I well remember it was the Government Affairs Committee that wanted the Rules Committee, after 3 years of work on the Congressional Budget Act, to take one more look at it.

I remember saying to Senator BYRD who was at the time chairman of the subcommittee, that we had gotten too close to this problem. We had been dealing with procedures which had really gotten into Senate procedures, and before we changed the Senate procedures we wanted the Rules Committee to take a look at it.

They did, and they brought changes back that improved the quality of the legislation and saved us endless grief here on the floor of the Senate, for which we are deeply grateful.

In the case of the matter before us, I believe it would have been well to have it considered by the Rules Committee before it came to the floor. For that reason alone, I was opposed to it in committee, and for that reason alone I support the Pell position today.

Mr. McGOVERN. Mr. President, I do not want to delay the Senate on this matter, but I do just want to speak for a minute or two to this issue that has been raised about the Rules Committee, as though somehow we are doing a kind of unprecedented thing here today in considering this fundamental foreign policy procedural matter before the Foreign Relations Committee.

Mr. CHILES. May we have order, Mr. President? I cannot hear.

The PRESIDING OFFICER. The Senate will be in order.

Mr. McGOVERN. Mr. President, I thought the compromise language that the Senator from New Jersey worked out made good sense, that it in no way could offend the House of Representatives or the executive branch of the Government.

What it was designed to do was simply to insure the Senate that we will have consultation on whether international agreements are going to be submitted as executive agreements or as treaties. There is nothing about the procedure that was proposed here that requires that this go to the Rules Committee.

When the resolution was originally introduced in the Senate by Senator CLARK, in essentially the same form as it was added to this bill, It was not referred to the Rules Committee by the Parliamentarian. It was referred solely to the Senate Committee on Foreign Relations.

The distinguished Senator from Rhode Island (Mr. PELL) is, himself, the author of a similar provision in this year's Arms Control and Disarmament Agency authorization which causes a point of order to lie in the Senate against measures containing certain program requests in the absence of arms control impact statements.

It is precisely the same principle that we are dealing with here.

That was not sent to the Rules Committee and no one ever suggested it should be. That provision, sponsored by Senator PELL, provides that it is enacted as an exercise of the rulemaking power of the Senate.

Not a single Senator, including the sponsor, has suggested that Rules Committee referral was required in that case, and it is not required, just as it was not required in the case of various reorganization acts that are similar to what we are dealing with here.

We did not send the War Powers Act to the Rules Committee. It was dealt with in the Senate Committee on Foreign Relations and brought to the floor and overwhelmingly approved. But it changed the Senate rules of procedure.

The Trade Act of 1974 or the Arms Export Control Act were not referred to the Rules Committee.

What we are dealing with here is a foreign policy matter that relates to the constitutional powers of the Senate. The question is whether we are going to protect our rights under the Constitution in dealing with international agreements that ought to be submitted as treaties.

It is true, as the Senator from Illinois has just said, that we could do this on an ad hoc basis. We could still take this action on a measure we thought ought to be sent up as a treaty and just refuse to fund it. That would have the same effect.

But the same thing could be argued about the war powers resolution. We can end a war, too, by refusing to fund it. But we saw how difficult that was in the event of the Vietnam war. That is why Senator JAVITS and others came forth with the war powers resolution, to make clear in advance the understanding of the Senate and the Congress with regard to the all-important matter of war powers.

This is a treaty powers matter. It establishes a procedure that we may never have to use, because it is a clear notice to the executive branch that they should stop the practice of using the executive agreement form in the case of matters that require a two-thirds vote and ratification as a treaty.

As Senator CLARK said, we can very well get the SALT agreement, the strategic arms limitation agreement, sent here as an executive agreement, if the administration decides to do that.

Of course, we could establish an ad hoc procedure to block that. But if and when the situation arises, why not spell out the rules in advance?

Certainly, the modified language offered by Senator CASE was reasonable.

I think the language that is still in the bill, with the failure of the Case amendment, is even better. It spells out very clearly the fact that the Senate intends to protect its treaty ratification powers and that if, in the judgment of the Senate, by majority vote, we decide at some point that a particular agreement ought to be handled as a treaty, then a point of order would lie against any measure to fund that particular executive agreement.

That is not an invasion of the powers of the House of Representatives. They have no role to play in the ratification process other than the funding of treaties that we agree upon.

It is no intrusion on the powers of the executive branch for the Senate to establish its own internal rules of procedure to make sure that our constitutional prerogatives are protected.

I very much hope that the amendment offered by the Senator from Rhode Island (Mr. PELL) will be rejected and that the Senate will stand by the committee language.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, some good arguments have been made on both sides of this measure. Obviously, it is a controversial one. I speak here not with emphasis on the Rules Committee problem.

I recognize that some important measures have gone to the Rules Committee, such as that that set up the Budget Act. Others, on the other hand, as has been pointed out, have not.

But the interest that I have here is not the parochial one of the Rules Committee, although I do believe it should have gone to the Rules Committee, but it is the broader interest.

I ask Senators to bear with me for a moment and just think back historically.

Sixty years ago, our country was run by the Congress, and then, with the exigencies of the Depression, the domestic powers accrued to the Presidency and, with the exigencies of World War II, the foreign policy powers accrued to the Presidency.

We drifted along in that state until 1965 or so and then suddenly realized that the executive branch had far too many powers. Since then, there has been this continual tug-of-war struggle to try to bring the balance more nearly even. My belief is that we are now in a pretty even balance with the executive department, and a pretty correct balance.

We all have seen Presidents come and go. I have served under 6 Presidents in this job. We see the swing of the pendulum. When you see the pendulum about right, which is about where it is, I see no reason for moving the pendulum further into what I think is the executive area.

I also think that, from a parliamentary viewpoint, if we adopt this, the inevitable result will be that the House will pass a similar resolution, and then they would have to be consulted and we would have to be consulted. They would advise executive agreements; we would advise treaties. In either case, the State Department would have to turn down one or the other, and in either body, one man could cite a point of order.

With regard to the SALT treaty, we all know in our hearts and as a result of the briefings we have had that there is no question that that is coming up as a treaty.

For these reasons, I hope we will look at the broad picture, bear with the thought that the Congress is in about the right relation of power as to the executive branch, and that my amendment will be supported.

Mr. GLENN. Mr. President, I hope we defeat the motion to delete this from the bill.

In the period 1946 to 1976, there were 7,201 international agreements, 17.1 percent of which related to military matters for this Nation.

While we may trust the present administration, we may have our doubts even with it. There was talk a few years ago downtown about whether the SALT treaty was to be sent up as a treaty or as an executive agreement.

The argument that apparently swayed several Senators on the vote, that this was a matter that should be sent to the Rules Committee, falls on deaf ears, so far as I am concerned; because this is the first time that has been brought up. When we submitted this bill, the Parliamentarian went through it completely and determined that it was solely under the jurisdiction of the Foreign Relations Committee. I recall nothing being raised during the Foreign Relations Committee discussion of this matter regarding the Rules Committee jurisdiction over it, whether there should be any.

Mr. PELL. Mr. President, if the Senator will yield, my recollection differs. I believe it was raised, and the argument did not prevail.

Mr. GLENN. Perhaps I was not there at that time.

I have no objection to it being sent to the Rules Committee, if that is one of the big problems here. Certainly, any objection the Rules Committee might have to the original version probably would not have applied to the compromise proposed by Senator CASE. But the question as to the Rules Committee being a major reason for shooting this down at this point falls on deaf ears, so far as I am concerned, because it was discussed very little at that time.

What we are talking about are things of consequence: Of placing military personnel in Guatemala, mainland China, Ethiopia, Iran; pledging military support to Turkey, Iran, and Pakistan and, on the eve of war, South Korea; contracting for military bases in the Azores, the Philippines, Lebanon, and Bahrain. In South Korea alone, more than 30 commitments were made and never reported to Congress as required by law.

How can we say that this is not a threat to our balanced system of Government is beyond me.

I think we need at least what was in the Case proposal, which was just defeated. I urge that we support the basics of this bill, which we had in the original version, section 502. I realize, with the less stringent version having been defeated, what the odds are for this going through. I do not plan to ask for the yeas and nays on this, but I urge support for it, nevertheless.

Mr. DURKIN. Mr. President, will the Senator yield for a question?

Mr. GLENN. I yield.

Mr. DURKIN. Was it not clear that Senator PELL clearly articulated that it was not his parochial concern with respect to the Rules Committee that prompted his seeking this amendment, but that it was the substantive issue that concerned him? It cannot be flowered over a procedural Senate jurisdictional fight. It is the substantive issue that is the main concern of Senator PELL and myself.

Mr. GLENN. Two Senators have come to me since the vote and have said that if the rules had not been part of it, it would have carried. That swayed a number of votes. I have been told that on the floor since the vote. That is the reason why I responded as I did to the Rules Committee matter, which was not made a major issue in the Foreign Relations Committee, and perhaps I was not there the day this was raised.

Mr. DURKIN. But does the Senator agree that Senator PELL said it was not a parochial issue, that it was a substantive issue?

Mr. GLENN. I am not sure I get the Senator's point.

Mr. DURKIN. Will the Senator agree that Senator PELL clearly stated that it is not a parochial concern, as chairman of the Rules Committee, that moves him to offer this amendment? It is the substantive concern.

Mr. GLENN. I am not accusing anybody of deliberately spreading misinformation or of malintent or anything such as that. I was just stating that since this has been raised again, since Senator MCGOVERN addressed the issue of the rules, and since it had been brought up on the floor today and had swayed several Senators, I think it should have been voted on with respect to the merits, not as to whether the Rules Committee had a crack at it.

Mr. PELL. My recollection is that Senator GRIFFIN raised it in committee and I joined him. I cited it today as one of the reasons for opposing the treaty—not the main reason, but a reason. If it swayed a few votes, I am delighted. That is not the main reason. The historical issue is the main one. Should we swing the balance of executive-legislative power further or keep it in balance?

Mr. MOYNIHAN. Mr. President, I support Senator PELL in his proposal to delete this language. I say to the distinguished Senator from Ohio, who has indicated the extraordinary number of executive agreements that have been entered into in recent years, that it suggests to me that this is evidence of the undesirability of this legislation, rather than the contrary.

Mr. President, as someone who has served in the executive branch in the area of foreign policy, I suggest that the modern Presidency could not operate without the instrument of the executive agreement. Similarly, I offer the thought that the modern Senate could not operate if it had to approve any very considerable number of executive agreements as treaties.

There is necessarily an ambiguous area where the trivial shades from the less important, to the merely important, to the very important. As one goes from the important to the very important, one goes from the area appropriate to an executive agreement to one appropriate to the treaty. There is no line between them. There is a zone between them.

As Senator JAVITS, my senior colleague, he said, it is the task of the Senate to insure that the Executive does not abuse the distinction. But it is a task we are perfectly capable of performing and one which is appropriate to a legislative, as against an executive, body.

The term "executive agreement" precisely describes the nature of the function. It is an executive one, and should remain so primarily.

I will support Senator PELL.

(Mr. LEAHY assumed the chair.)

Mr. CLARK. Mr. President, so far as I am concerned, the issue is not simply the number of executive agreements versus the number of treaties.

I could not agree more with the Senator from New York that we could not function without executive agreements, given the number of agreements that exist. The issue is whether the President has the authority to call a treaty an "executive agreement" and thereby avoid the requirement of Senate approval.

The best example, since we are debating this issue a great deal these days, is the SALT agreement. I do not agree that the President has full discretion to decide whether these agreements on arms control can be sent up here for a majority vote of the two Houses or as a treaty. The way we operate now, there is absolutely nothing that can prevent the President from sending up here, as an executive agreement, arms control agreements with the Soviet Union.

Indeed, SALT I was an executive agreement, and there is no reason to believe that SALT II might not be submitted in the same form. That is equally true of any significant agreement that the President can make.

It does seem to me that, given the fact that the Constitution does not even provide for executive agreements, while it does clearly provide for treaties, that it is not bringing about the slightest imbalance to simply say that the Senate should be consulted about whether these agreements should be sent up here as executive agreements or treaties. To me that is not a radical violation of the Constitution, but rather, simply a fulfillment of constitutional requirements.

Mr. MCCLURE. Vote.

Mr. GLENN. Mr. President, I send to the desk an unprinted amendment as a substitute to the amendment of the Senator from Rhode Island and ask for its immediate consideration.

The PRESIDING OFFICER. The Chair will advise the Senator from Ohio that the amendment of the Senator from New York is pending and the motion to strike is not open to a substitute so the question will be on the amendment of the Senator from New York.

Mr. GLENN. Will the Chair repeat that?

The Senator from Ohio lost the Chair a moment. Will the Chair repeat what he said?

The PRESIDING OFFICER. The amendment of the Senator from Ohio is not in order for two reasons.

First, the amendment of the Senator from New York is pending; second, the motion to strike is not susceptible to amendment, the part to be stricken is, but in that case there is an amendment pending, the amendment of the Senator from New York.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. Once we dispose of the JAVITS' amendment will it then be in order for an amendment directly to the bill without substituting for or amending directly the amendment of the Senator from Rhode Island?

The PRESIDING OFFICER. Will it be to section 502 of the bill?

Mr. JAVITS. What?

The PRESIDING OFFICER. Will it be to section 502 of the bill?

Mr. JAVITS. Yes.

The PRESIDING OFFICER. Then it will be in order.

So the question occurs on the amendment of the Senator from New York.

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. Have the yeas and nays been ordered for the vote?

The PRESIDING OFFICER. The yeas and nays have not been ordered on the amendment of the Senator from New York.

[Putting the question.]

The ayes appear to have it. The ayes do have it.

The amendment (UP amendment No. 1372) was agreed to.

UP AMENDMENT NO. 1373

Mr. GLENN. Mr. President, I send to the desk an amendment, and I make this an amendment to the bill, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Ohio (Mr. GLENN) proposes an unprinted amendment numbered 1373:

Strike section 502 and insert in lieu thereof

SEC. 502. It is the sense of the Senate that, in determining whether a particular international agreement should be submitted as a treaty, the President should, prior to and during the negotiation of such agreement, seek the advice of the Committee on Foreign Relations.

(f) (1) Where the Senate, by resolution, expresses its sense that the President has not sought the advice of such committee with respect to whether a given international agreement, hereafter entered into, should be submitted to the Senate for its advice and consent as a treaty, bill or joint resolution or any amendment thereto, or any report of a committe of conference, which authorizes or provides budget authority (including budget authority for salaries and administrative expenses) to implement such international agreement.

(2) Any such resolution shall be privileged in the same manner and to the same extent as a concurrent resolution of the type described in section 5(c) of the War Powers Resolution is privileged under section 7 (a) and (b) of that law.

(3) No point of order may be made pursuant to a resolution adopted under paragraph (1) of this subsection—

(A) after such date as the Senate has given its advice and consent to ratification of such agreement as a treaty;

Mr. GLENN. Mr. President, this is obviously a fallback, fallback, fallback position. All it would require would be that they at least talk to us about what is proposed and whether it will be an executive agreement or a treaty.

I can think of nothing more minimal than that. But this would put some requirement that we be consulted on these things so that we do not have something sent up here as an executive agreement without our knowledge that it may be considered that way by the administration, and I hope that the Senator from Rhode Island might see fit to accept this and as a position that he would see as

minimal for the administration to concur with.

Mr. PERCY. Mr. President, will the Senator yield for a question?

Mr. GLENN. I yield.

Mr. PERCY. Mr. President, I hope the distinguished Senator from Rhode Island, the chairman of the Rules Committee, will accept this. I think that it is a good fallback position. I am pleased that I can support my good friend and colleague from Ohio on this matter, because I know that the principle of what he has been after, consultation, is a very desirable principle. We should adhere to it and we want more consultation on these matters, but we do not want to put the executive branch in a straitjacket unless it is absolutely essential.

In this case I think the suggestion is a very good one. I support the amendment.

Mr. JAVITS. Mr. President, if the Senator will yield, I join Senator PERCY in that regard. When I read the amendment originally in the bill it seemed to me that that was about as far as we should go. We should stop there. The Senator has done that. He has trimmed away everything else, and I, too, hope that this may be adopted.

Mr. PELL. As I understand the amendment, Mr. President, and I have not yet seen it, it is this section (e) on page 61; is that correct?

Mr. GLENN. Yes. It would strike.

Mr. PELL. One point of inquiry. Where it says in the end, "the President should, prior to and during negotiation of such agreement, seek the advice of the Committee on Foreign Relations as to whether it should be a treaty," is that what the Senator means, or is he referring to the substance of the subject matter dealt with in the agreement?

Mr. GLENN. No. That is correct. We would have to get into some substance of the bill to know whether it would be serious enough to be considered as an executive agreement. The purpose of this is not to try to get us to negotiate the specific fine print of what is being negotiated but to determine whether it is serious enough that it should be an executive agreement or a treaty when it is submitted to the Senate.

Mr. PELL. I wonder if the Senator will accept a modification to read "seek the advice of the Committee on Foreign Relations as to whether it should be an executive agreement or a treaty"?

Mr. GLENN. Yes. I accept that.

Mr. PELL. With that modification, I have no objection to it and support its passage.

The PRESIDING OFFICER (Mr. CANNON). Does the Senator modify his amendment?

Mr. GLENN. I so modify it.

The PRESIDING OFFICER. The amendment is so modified.

The amendment, as modified, is as follows:

Strike section 502 and insert in lieu thereof:

SEC. 502. It is the sense of the Senate that, in determining whether a particular international agreement should be submitted as a treaty, the President should, prior to and during the negotiation of such agreement, seek the advice of the Committee on Foreign Relations as to whether it should be a treaty or an executive agreement.

Mr. McGOVERN. Mr. President, I intended to offer a similar amendment. I think this resolves this problem we have been grappling with here this afternoon. I hope this language will be adopted.

Mr. DURKIN. Vote.

Mr. MAGNUSON. Vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, of the Senator from Ohio.

The amendment was agreed to.

Mr. JAVITS. Mr. President, I ask unanimous consent to vacate the yeas and nays on the Pell motion.

The PRESIDING OFFICER. The Pell motion will not now be acted on. Under the precedents of the Senate, a motion to strike and insert takes precedence over a motion to strike and if agreed to tolls the action on the motion to strike.

Mr. GLENN. Mr. President, I move to reconsider the vote by which the amendment, as modified, was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1374

(Purpose: To strike debt settlement provision providing for increased funding for exchange activities)

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. CULVER). The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Virginia (Mr. HARRY F. BYRD, JR.) proposes an unprinted amendment numbered 1374.

On page 43, line 20, strike all through page 45, line 5, and renumber succeeding sections accordingly.

Mr. HARRY F. BYRD, JR. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. HARRY F. BYRD, JR. Mr. President, the purpose of this amendment is to eliminate section 408 from the bill.

Now, section 408 is entitled "United States-Soviet Educational and Cultural Exchange."

This title goes to show that you should not judge a book by its cover. This section of the bill, if adopted, would urge the President to seek a revised debt settlement with the Soviet Union and would have the effect of reducing even further the amount of funds to be repaid to the U.S. Treasury on the Soviet's World War II debt.

During World War II the United States provided to the Soviet Union almost $12 billion in lend-lease assistance. Of that amount, $2.6 billion was considered by the United States to be a reimbursable obligation on the part of the Soviet Union.

All of the rest was canceled. The remainder of the $12 billion was canceled, but the Soviet Union owed the United States, after canceling the bulk of the obligation, $2.6 billion. That is the way the situation stood until 1972.

In 1972, as a result of Executive action and without the approval of Congress, a very large portion of the Soviet debt was forgiven. Of the $2.6 billion owed, the United States agreed to accept payment of $722 million as final settlement of the debt.

To date, however, only $48 million of that amount has been repaid. Since 1975 the Soviet Union has discontinued payments on the debt because of the failure to be granted most-favored-nation treatment.

In other words, Mr. President, what was done in 1972 was this: The debt settlement negotiated by the State Department with the Soviet Union provided that the Soviet Union would pay 3 cents on the dollar of the amount owed to the United States, and another 24 cents, provided the United States granted most-favored-nation treatment to the Soviet Union and loaned the Soviet Union the money to pay that difference.

I do not believe the 1972 debt settlement was appropriate, and I do not think it would be fair for the Senate to further reduce the return of U.S. tax funds loaned to the Soviet Union.

Of the roughly $12 billion worth of equipment and material provided to the Soviet Union, we originally wrote off more than $9 million of the debt.

I suppose one could say that since the Soviets are not likely to pay the debt anyway, it does not matter much if we convert some of the unpaid debt into funds for educational and cultural exchange programs.

However, I do not believe this is appropriate. Our Government currently has outstanding an estimated $42 million in foreign debts owed to the Federal Treasury, and that does not include World War I debts. $42 million is owed to the U.S. Treasury by foreign countries.

Many of these debts have been rescheduled or reduced one or more times. If we set the precedent here of saying to a foreign country, namely, the Soviet Union, that:

You do not need to repay the Federal Treasury. What we will do is take the money that you owe us and put it into a cultural exchange program to pay for Soviet citizens to come to the United States and for U.S. citizens to go to the Soviet Union,

That would mean the United States is paying the cost of that program, and I do not believe that is justified.

I favor the cultural exchange program, but it ought to be handled by Congress and the money appropriated on a year-to-year basis, and to the extent that Congress at a particular time believes it is necessary.

I think it would be unwise to keep this section in the bill, and I would hope that the manager of the bill would agree not to press for this portion of it. It does say on page 44, "that it seeks a revised debt settlement agreement."

I could support that revised debt settlement agreement if the purpose of it was to increase the amount of money that the Soviet Union would agree to pay to the United States, bearing in mind now that the negotiations by the State Department in 1972 wrote off the bulk of the debt and left only $722 million to

be paid by the Soviet Union, of which she has only paid $48 million.

So if the Committee on Foreign Relations wants to revise the debt settlement so that the Soviet Union would pay a larger percentage than she has been willing to pay up to this time, the Senator from Virginia would be very pleased. But I would hope that the manager of the bill might agree that the Federal Treasury being what it is, in the condition that it is now, that he would not press and the committee would not press for this section of the bill.

In the first place, it takes away the power of Congress. If we want to go into these cultural programs let Congress authorize and appropriate them on a year-to-year basis.

Mr. McGOVERN. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield.

Mr. McGOVERN. Mr. President, with regard to the points the Senator from Virginia has been making, he is quite correct that the money we are talking about here would come out of the Soviet Union's lend-lease obligations incurred during World War II. That agreement was worked out in 1972, and the Soviets did, in fact, begin making payments on it. The understanding was that the debt would be repaid and the United States for its part would grant most-favored-nation status to the Soviet Union.

Then, as Senators know, a dispute developed on matters relating to the implementation of the most-favored-nation provision for the Soviet Union. While they had already paid back some $50 million on that $722 million obligation, so that the amount now pending is $674 million, they stopped making payments once the trade agreement fell through.

What the committee is proposing in the bill as it now stands is simply this: That it is the sense of the Congress that the President, in consultation with the congressional leadership, should seek a revised debt settlement.

As the Senator knows, we are not getting paid anything at the moment, there is not any money flowing into the Treasury or anywhere else on the repayment of the Soviet debt. We are saying that it is the sense of Congress that the President should seek a revised debt settlement under which a specified portion—it does not say how much in this language in the bill—would be paid into a special fund or endowment, and that money, however much it is, would be designated for the purpose of cultural exchange, the payment of expenses to make possible the exchange of citizens between our two countries.

The Senator has said, and I am sure it is true, that he supports the cultural exchange program, but he thinks that Congress ought to exercise its will in determining how much and or what basis and under what circumstances.

Well, I would remind the Senator that under a law which he authored, which is now on the books, the administration cannot negotiate any kind of an agreement affecting the lend-lease obligation on the part of the Soviet Union without coming back to Congress for approval. This language does not supersede that. Even if the President were to enter into an agreement, let us say, whereby $8 million or $10 million, or whatever it is, out of this total of $674 million, were to be designated for cultural exchange programs, that would still have to be acted upon by the Congress of the United States before it had the force of law, it would be in violation of the Byrd law which requires that these matters come back to Congress for action.

So I think any ideas that the Senator might have about the President going too far in negotiating an agreement to set aside a specific portion of this debt repayment for cultural exchange purposes is taken of by the foresight he previously demonstrated in the law now on the statute books.

I cannot see how this reduces the Soviet obligation at all. They owe us $674 million. There is nothing in the language of this bill that is going to excuse them from 1 penny of it. It simply says that when they resume making the payments, the President ought to explore the possibility that a specified portion of that could be set aside to cover the cost of cultural exchange between the two countries.

We have not addressed the question as to whether it ought to be a large amount, a small amount, or modest; but it is clear that before any such negotiation would have the force of law, it would have to be acted on specifically by the Congress of the United States.

With that reassurance, I would hope the Senator would find it in his heart to support the provision now in the bill.

Mr. HARRY F. BYRD, JR. May I say to the Senator from South Dakota that one must judge the future, to some extent, by the past; and whenever our State Department begins to negotiate with foreign countries with regard to debt settlements, the United States comes out second best.

I say again the debt settlement that was provided in 1972 provided that Russia pay to the United States 3 cents on the dollar, which it did pay, namely, $48 million, plus another 24 cents, or $674 million, provided Russia was given most-favored-nation treatment, and, by implication, credits or loans from the Export-Import Bank.

Mr. McGOVERN. Right.

Mr. HARRY F. BYRD, JR. So I do not have much confidence that a renegotiation of this debt would be to the advantage of the United States. I will say another thing in that regard to the Senator from South Dakota: This is not the normal way of providing funds for a cultural exchange program or any other program with a foreign country. Let them pay the money into the Treasury, and then let your committee authorize x number of dollars to be appropriated for the cultural exchange program, and let Congress decide.

Mr. McGOVERN. I will say to the Senator from Virginia that it is not an entirely unprecedented way of negotiating funds for a cultural exchange.

Back at the time of the Boxer Rebellion with the Chinese, we followed a certain pattern—a particular portion of war indemnities that were owed to us were designated to finance the possibility of Chinese students studying in this country. It was a very worthwhile proposal that I think from that day to this has contributed to a better understanding between the two countries.

In any event, as the Senator knows, we are on dead center with the Soviet Union at the present time because of this breakdown in the trade negotiations. There may be no payments at all. All we are suggesting here is that the President do what he can to get those debt repayments back on the track, and that, one small inducement in getting some action may be to hold out the hope that part of them could be set aside for cultural exchange purposes.

Again, in no case do we suggest reducing the Soviet obligation. They owe us $674 million. As I understand, there is not the slightest hint that we are talking about reducing that amount.

Mr. HARRY F. BYRD, JR. You state "a revised debt settlement," so I take it that it would be revised and probably downward.

Mr. McGOVERN. The revision we are talking about, as pointed out here, is that a certain portion of the funds be set aside for cultural exchange purposes. Let me emphasize that this was overwhelmingly approved by the Committee on Foreign Relations. The authors certainly had no intent of drafting language that called for scaling down the debt agreement worked out in 1972. And they did not do so. It was simply an effort to get it back on the track, and to use some of those funds for what we think is a constructive purpose.

Mr. HARRY F. BYRD, JR. I thank the Senator. It occurs to me that the United States has gone more than the last mile in renegotiating its debts with the Soviet Union, and I would hope that we would not go farther than we have gone in the past.

Mr. MOYNIHAN. Mr. President, will the Senator from Virginia yield?

Mr. HARRY F. BYRD, JR. Yes.

Mr. MOYNIHAN. Mr. President, I should like to rise in support of the proposal of the Senator from Virginia, and I do so with the reluctance with which I think he probably introduced it.

To restrict cultural exchanges, it is not something we associate with the Senate, much less our Nation. Yet one thing connects to another in the world, and this matter having been raised, it seems to me appropriate to use the occasion to suggest to the Soviet Union that we are appalled at its treatment of men of learning at the imprisonment of Orlov for the crime of having organized a group of Soviet citizens to monitor the Helsinki Agreement.

Just yesterday in the Wall Street Journal one was able to read of the advice of Andrei Sakharov saying "Hold the Jackson-Vanik Amendment"—Andrei Sakharov, whose world eminence is beyond question.

Just yesterday our own Government, in a move of profoundly questionable propriety, undertook to exchange two Soviet spies for an innocent American businessman arrested for the purpose of providing an exchange.

Mr. JACKSON. Mr. President, will the Senator yield on that point?

Mr. MOYNIHAN. I believe the Senator from Virginia has the floor.

Mr. JACKSON. Just for a couple of minutes?

Mr. HARRY F. BYRD, JR. I yield.

Mr. JACKSON. Mr. President, the action of the Soviet Government against the two newspaper correspondents from the United States, in clear violation of the Helsinki understanding, I think, is a blatant example of disrespect for the agreement they have entered into. I just wanted to supplement the comment of the able Senator from New York as to the treatment of those who were monitoring the Helsinki accords.

Mr. MOYNIHAN. Yes, indeed. I believe this is the moment, and this is an appropriate vehicle, for us to make known what, at least in the case of this Senator, is disgust at the behavior of the Soviet leaders, behavior that contravenes standards of international behavior which have long since been agreed upon. Nothing is less pleasing to me than to oppose an exchange of students and scholars with any country, but there are moments when the views of the Senate ought to be heard, and I congratulate the Senator from Virginia on providing us with just such an opportunity. I shall support this measure.

Mr. HARRY F. BYRD, JR. I am very grateful to the Senator from New York. What he says brings to mind this thought: if the Senate adopts the language of the position taken by the Foreign Relations Committee, it seems to me that the Senate would be sending a wrong signal to the Soviet Union. We would be saying: "You have disregarded your commitment to the United States; now we are going to try to bribe you, so to speak, to adhere to that commitment by additional cultural exchanges between American citizens and Soviet citizens." We would send such a signal at a time when they have shown very little regard for the intellectuals in their country who take a different view of communism and the dictatorship under which they live. I do not want to send that kind of signal to them.

Mr. McGOVERN. Mr. President, will the Senator yield while the Senator from New York is still here on the floor?

Mr. HARRY F. BYRD, JR. Yes.

Mr. McGOVERN. I must say I am puzzled at the reasoning behind the eloquent statement made by the Senator from New York. I think all of us are deeply concerned about the abuses of intellectual freedom, the abuses of the rights of leading artists, thinkers, and writers in the Soviet Union; but I fail to understand what that has to do with the question of whether it is in our interest to earmark a portion of the debt that the Soviet Union owes to us for cultural exchange purposes.

The thought occurred to me, if we all agreed here on the floor of the Senate, and I might assume we do, that it might be a contribution to humanity for the Soviets to have a more open attitude toward cultural matters, about the way they treat their intellectual writers and artists, and that we might encourage that process more through cultural exchange than we would by following a policy that tends to cut them off from the contacts they might have with our own students, teachers, writers, and others. It would seem to me that anything which encourages a greater flow of citizens between the two countries so that they come to understand more about our traditions of freedom—anything that allows them to appreciate the attitudes that we have toward writers and artists in this country as against the way they are treated in the Soviet Union—might serve, at least in some small way, as the power of example sometimes does, to encourage them in a more humane and open direction.

By the same token, the presence of American scholars, American writers, and American artists in the Soviet Union might have some, however limited, impact on the thinking of the people and the officials of the Soviet Union. I do not see cultural exchange, any more than I see a strategic arms limitation agreement, as a favor that we are doing to the Soviet Union. It seems to me that it is a tough-minded recognition that we have certain mutual interests.

We disagree, obviously, with the ideology of the Soviet Union. We disagreed with many of their practices. Doubtless, they share some of those disagreements with us. That does not mean that we ought to foreclose the possibility of opening up further the lines of communication between the two countries.

That is the purpose of this amendment. If we are ever going to break down some of these walls of ignorance, fear, division, and superstition dividing our peoples, one of the best ways to do it is through cultural exchange. I think it could benefit both countries. It is certainly not something that we do as a special favor to the Soviet Union.

Mr. MOYNIHAN. Will the Senator yield?

Mr. HARRY F. BYRD, JR. Yes.

Mr. MOYNIHAN. I thank the Senator from South Dakota. I would acknowledge the dilemma which anyone making judgments in this matter faces, and I acknowledge the generous and open attitude by which he suggests that if we treat the Soviets as we would wish to be treated ourselves, they will respond.

But I suggest it has been our historical experience that they do not respond. They are a totalitarian power. They do not have anything like the restraints upon their society, the pressures on their behavior, that we have.

Yesterday, Andrei Sakharov made the most powerful point, which he continues to make, that so long as the Soviet Union remains a totalitarian dictatorship, it is the most profound threat to peace in the world precisely because no influence reaches it. Nothing can reach it from its own people, and when people like Orlov have the courage to try, they crush them. What does reach them, however, is what we do. They will know what we have said on the floor of the Senate today and how we acted.

They have spat in our face. They sent Orlov to Siberia for supporting the Helsinki accords. They arrested an American businessman to exchange him, to barter him, for Soviet spies. The Soviets arrest as many as they will need. They have spat in our face, and if we but sit and wipe it off and smile, it may be a Christian act, but it will not be an act of statesmanship. They will see in it weakness and fear and we will get more of the same.

The Soviets have deliberately sought in the past 3 months to do the most provocative, the most obscene things they could do, so as to say to us they would never in any way change the nature of their regime. In the aftermath of that, if we would say, "But can we not give you some money to send some of our scholars to be friends?" They will conclude they have won.

I suggest that the Senator from Virginia is entirely correct in saying that this is no time to show weakness. Instead, this is a time to show contempt for a contemptible series of acts designed to defy us and to provoke us and to dare us to respond. I congratulate the Senator from Virginia.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield.

LEGISLATIVE PROGRAM

Mr. ROBERT C. BYRD. I take the floor at this time so that our respective cloakrooms will inform the Senators that it is the intention of the leadership to finish this bill today and go to the New York City matter, hopefully to finish that. If we finish that, we will not be in session tomorrow. If we do not finish that today, of course, we will be in session tomorrow. I thought it would be well to have the cloakrooms alert Senators that the Senate will be in session for a while this evening and we intend to finish action on this bill and to at least get into the New York City matter, hopefully long enough to complete action on that bill.

Mr. BAKER. Will the Senator yield so I can address a further question to the majority leader?

Mr. CLARK. Will the Senator yield?

Mr. HARRY F. BYRD, JR. I promise the Senator that I will yield first to the minority leader and then to the Senator from Iowa.

Mr. BAKER. I wonder if the majority leader can give an estimate as to how long we will be in session tonight. As I understood his remarks just now, we will finish this bill and get to the New York City bill and try to finish it. How long does the majority leader expect we will be in session?

Mr. ROBERT C. BYRD. It would be difficult for me to say at the moment. I do not know how many amendments remain on this bill. I think the Senate should be prepared to remain in session until 10 o'clock tonight to finish this bill and to make enough progress on the New York measure to see the other end of the tunnel tomorrow, hopefully by noon or 1 o'clock. That is a hope I am expressing. And in which case, instead of recessing at the close of business on Friday for the holiday, we would recess once the New York City matter is disposed of.

Mr. BAKER. I see the distinguished

junior Senator from Tennessee. I know that he and I hoped to go to Tennessee tomorrow for a matter of some importance. Under these circumstances, it is almost sure that if we do not finish the New York City bill tonight we will have to be here tomorrow?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. I thank the distinguished majority leader.

Mr. HARRY F. BYRD, JR. I yield to the distinguished Senator from Iowa.

Mr. CLARK. I thank the Senator for yielding.

The PRESIDING OFFICER. Will the Senator suspend? The Senate is not in order. The Senate will be in order before the Senator continues.

The Senator from Iowa.

Mr. CLARK. I have a question for the Senator from New York. Let me in 20 seconds of background say that the purpose of this particular provision in the bill is to be a sense of the Senate resolution for our Government to negotiate with the Soviet Government to see whether or not some of the lend-lease funds could be used for cultural and academic exchanges.

My question to the Senator from New York is whether it is his feeling, in view of recent Soviet actions, that the United States: first, should not have any exchange agreements at all with the Soviet Union in terms of academic and cultural agreements, or second, should not have any additional ones because of those actions?

Mr. MOYNIHAN. I thank the Senator from Iowa. It is clearly that we should go forward at this point with what we have, but we should not make any gestures to extend these relationships at a time of deliberate provocative acts by the Soviet leadership to indicate that these efforts on our part are having no effect on their conduct whatever.

Mr. CLARK. But the Senator would continue in that time——

Mr. MOYNIHAN. I would, and next year, with the money still available, this resolution might still be here, and I might be the first to support it—but not in the face of deliberate provocations, not when they drag an American businessman out of an automobile and arrest him in order to trade him for Soviet spies. That suggests to me maybe there should be fewer Americans in Moscow for the moment, or certainly at least not more.

Mr. CLARK. I would like to speak on the amendment, but I will wait until the floor is free.

Mr. HARRY F. BYRD, JR. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PERCY. Mr. President, I should like to comment. At the time the Foreign Relations Committee considered this section of the bill, it looked as though our two countries were moving toward some good understandings on some issues. The Senator from Illinois at that time had no objection to this particular provision. But I could not agree more at this time with my distinguished colleague from New York and the distinguished Senator from Virginia.

I learned about 2 weeks ago that Francis Jay Crawford, a representative of one of my great constituent companies, International Harvester, had been seized on the streets of Moscow. I called Ambassador Dobrynin to protest and to ask him for an explanation. He had no knowledge of the incident whatsoever. Word had just gotten to the desk of the State Department and they could not tell me anything more about it. I called International Harvester. Their board chairman, Brooks McCormick, had just returned from China. He had no knowledge of it.

We all now know what transpired. Fortunately, in this case, Mr. Crawford's fiance had diplomatic immunity and could not be seized with him, and she provided a firsthand, eyewitness report of this matter.

I have carefully researched the background and character of this young man. From what I can see, it is impeccable. The standards set by the company he works for are so eminently clear that the notion that he would engage in currency manipulation was very hard to accept.

I think, too, when we have that incident, and we now have the situation of the two American newsmen, I think this is a different climate from the climate in which the committee considered this bill.

I do believe that, in the long run, exchanges are a very good thing. I think we know, and the distinguished Senator from Virginia knows, that throughout the world, when we have military personnel trained here, when we have students trained here from other countries, some of the finest friends this country has made are people who have come and visited and seen our institutions.

I believe that and I believe that one of the finest ways to penetrate the Iron Curtain is to give them the opportunity to see what freedom is. They cannot ever go back the same.

But I believe this provision is the wrong kind of signal at this time. Because I believe that times have changed, I intend to support the position of the Senator from Virginia.

Mr. McGOVERN. Mr. President, I just want to make one more observation about this matter. I do not think we can change foreign policy every 24 hours. We cannot have one foreign policy on June 28 and another one in the middle of March and still another one next July. The long, steady effort that is needed in foreign policy, particularly in areas like cultural exchange, where the benefits in those programs may not be felt for many years to come, ought not to be interrupted in a fit of anger, as here on the Senate floor this afternoon.

The Senator from New York has very properly expressed concern about the plight of some of the intellectuals in the Soviet Union. Sakharov has been mentioned, Orlov, and others. I can only say for myself that I fully believe that if I were in the position of those men, those Soviet thinkers and intellectuals who are now being suppressed, I should not want the United States to cut off its cultural exchange program. I should not even want it slowed down.

Trying as best I can to project myself into the shoes of these people who are being oppressed in the Soviet Union, I should want to see the doors open as far as possible in communication between the United States and the Soviet Union and other Western countries. I do not regard this as some kind of softheaded, generous concession to the Soviet Union. I regard it as a hardheaded foreign policy decision that it is in our interest to keep the cultural contacts open with a major country like the Soviet Union, even at a time when things are being done that we do not entirely approve of.

I think that is the best way, over the long pull, for us to exert a constructive influence on the Soviet Union and to make it a more humane and open society. I reject the view that all of the things we have done in that direction in the past have failed. I do not think we would even be talking about détente as a possibility today; I do not think we would even be talking about the negotiation of war debts; we would not even be talking about the possibility of a strategic arms limitation agreement, if it were not for the fact that the leadership of both countries have recognized that, despite these hard differences, there are certain fundamental mutual interests that we share in common, the most important being to avoid the mutual destruction of the human race.

There is a tough-minded interest in keeping open the cultural lines of communication between the two countries.

I am getting increasingly concerned about the way our foreign policy jogs along from day to day, turns to the left one day, to the right the next, goes forward one day and backs up the next. We cannot react every day to the events that happen to be in the headlines of that day. We have to stake out certain objectives, certain initiatives, that we think are in the interest of the country. One of those, for many years, has been opening up the cultural and educational exchanges between our two countries.

I hope very much that this provision in the bill will be retained.

Mr. President, we are under a real time constraint here today. I think we have debated this issue long enough. I move to lay on the table the amendment by the Senator from Virginia.

Mr. CLARK. Will the distinguished Senator yield for just 30 seconds?

Mr. McGOVERN. I shall yield for 30 seconds, but then I intend to move to table the amendment offered by the Senator from Virginia.

Mr. CLARK. I wish only to say to the Senator that there are two very significant precedents for having used war debts of this kind for cultural exchanges, the most important of which is the Fulbright program.

Mr. McGOVERN. The Senator is correct.

Mr. CLARK. After World War II, Representative Fulbright introduced a measure in the House of Representatives which said we would like to take some of these war debts and turn them into a cultural exchange program. That is the

whole basis of the Fulbright program. It has since been refinanced, I think in 1961.

Additionally, Senator JAVITS, who is on the floor, is responsible for the United States-Japan friendship program—which again had to do with the war indemnities from Japan to the United States. These funds were used for such a cultural and educational exchange. It is an excellent precedent, and that is simply the sense in which it was offered and adopted in the committee.

Mr. McGOVERN. Will the Senator yield for a question?

Mr. CLARK. Yes, I shall yield for a question.

Mr. HARRY F. BYRD, JR. The Senator from Kansas had asked to be permitted to speak for a couple of minutes. I do not know whether the Senator would be inclined to withhold his tabling motion until the Senator from Kansas can make a few remarks or not.

Mr. DOLE. It would be about 2 minutes.

Mr. JAVITS. Mr. President, I should like 2 minutes, too. Could we arrange that by unanimous consent?

Mr. McGOVERN. Mr. President, with the understanding that the Senator from Kansas and the Senator from New York each speak for not more than 2 minutes. I do have a commitment to the leadership to move that legislation along. For that purpose, I shall yield for that period of time, first to the Senator from New York, whose name has just been mentioned here by Senator CLARK, then to the Senator from Kansas.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I thank the Senator.

I should like to call the attention of the Senate to the fact that we fought this issue out this morning on the National Science Foundation bill on an amendment by the Senator from Kansas. I think it was pretty much the agreement that keeping the door open to cultural and educational exchanges was a very sound idea and was highly contributory to the effort to open up Soviet society, which is the ultimate answer for the dissidents. I am deeply devoted to them, as devoted as my colleague from New York and my colleague from Virginia and everyone else here.

So I hope very much we will not strike this provision.

But I would like to make a pledge to Senator BYRD. I will be a conferee. I will do my utmost to revise this language, which I think needs to be revised.

To make it clear that we have a chance, we can do it now, if that would be agreeable to Senator BYRD.

One, to make it clear that anything done would be done subject to authorization and appropriation by the Senate; and two, to leave out a provision which I do not like that is in it, which says, notwithstanding unresolved trade issues.

I thoroughly agree with Senator MOYNIHAN. One of those is Jackson-Vanik. We ought to stand with that.

So that I would, if it is agreeable with Senator BYRD, and if not we will vote, to strike that out so that it does not appear and then simply provide that anything that is done in the way of negotiation must be subject to authorization.

Mr. McGOVERN. If the Senator from New York will yield on that point, I think he was not here on the floor when I pointed out that Senator BYRD is already the author of legislation that requires that any kind of new agreement we negotiate with the Soviet Union affecting lend-lease has to come here to the Congress for approval.

So what the Senator is suggesting is already guaranteed.

Mr. JAVITS. I understand. The only thing I was trying to make clear was as to the amount. We might even limit. For example, United States-Japan friendship was $30 million. We might write a limitation in here that it should not exceed x dollars and that it should be subject to authorization and appropriation as required by law.

But I will not do that, of course, unless that will satisfy Senator BYRD.

Mr. CHAFEE addressed the Chair.

Mr. McGOVERN. Mr. President, I think I have the floor and I had agreed under unanimous consent to yield for 2 minutes to the Senator from Kansas, and then I would like to move to table.

Mr. CHAFEE. Mr. President, might I have 2 minutes for a question following that, following the Senator from Kansas?

The PRESIDING OFFICER (Mr. METZENBAUM). Does the Senator make that unanimous-consent request?

Mr. CHAFEE. There is just a question of the Senator from South Dakota when the Senator from Kansas is through.

Mr. McGOVERN. Mr. President, I ask unanimous consent that 2 additional minutes be reserved for that purpose, to be followed by the tabling motion.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. McGOVERN. I yield now to Senator DOLE.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I want to say very quickly that I know this is a very sensitive issue and it was debated at length this morning. But there is a distinct difference in what Senator BYRD is trying to do and what I was trying to do.

I was trying to go back a step and this amendment he seeks to strike is trying to go forward a step.

I do not believe the refusniks and dissidents, and others, really believe we ought to be doing more and more when Russia does not live up to the Helsinki accords.

I think we will find out from the people, and as a member of the committee we have had testimony, that they want us to stand firm.

This is what the Soviets understand, not that we want to quarrel with them. We want to try to improve the relationship with the Soviets.

I suggest that it seems to me Senator BYRD is on the right track, that we are always giving—always giving—to the Soviets, and not very often receiving.

If they cannot live up to the Helsinki accords signed by President Ford in 1975, I do not know what rationale there is for doing more to help the Soviet Union.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I would like to ask a question, if I might, of the Senator from South Dakota.

That is, suppose Senator BYRD prevailed on this motion to strike. Would it affect our cultural exchanges that are currently going on or the level we have and that has taken place in the last several years? That would not necessarily go up or down?

Mr. McGOVERN. That is correct. It would have no affect on the existing level of our cultural exchange program.

Mr. CHAFEE. Nor the future level?

Mr. McGOVERN. No. Nothing that I see in what Senator BYRD has proposed would affect our existing or future cultural exchange program, except insofar as it relates to this specific matter on some of the lend-lease.

Mr. CHAFEE. I would like to say, Mr. President, it seems to me unfortunate at this time to have this provision 408 in there, which seems to be turning the cheek a little too much to the activities of what is taking place currently in the Soviet Union.

Like most other Senators here, I am not for reducing our cultural exchanges, cutting them back, because I think they are very valuable. But I do not think we ought to go quite as far as this.

Mr. McGOVERN. The only thing I would object to is turning the other cheek. I do not think that is the spirit of this at all.

This is not a reward of any kind for the Soviet Union. It is very much in our mutual interests. It was worked out by members of the Committee on Foreign Relations who thought this served the national interest of the United States as well as any contribution it might make to encourage a more humane and open society in the Soviet Union.

As I sat here a moment ago, it seemed to me that if I were an oppressed Soviet intellectual I would want the doors further opened culturally to the exposure of ideas from outside and from the West.

So this is not designed to serve the interests of the Soviet Government. It is certainly not designed to serve the purposes of the oppressors.

Quite to the contrary, it would encourage a more open society.

Mr. President, I move to lay on the table the amendment of the Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table U.P amendment No. 1374 of the Senator from Virginia. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the

Senator from Minnesota (Mr. ANDERSON), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), the Senator from Maine (Mr. MUSKIE), the Senator from South Dakota (Mr. ABOUREZK), and the Senator from Maine (Mr. HATHAWAY) are necessarily absent.

I further announce that the Senator from Idaho (Mr. CHURCH) is absent on official business.

Mr. STEVENS. I announce that the Senator from North Dakota (Mr. YOUNG) is necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

The result was announced—yeas 16, nays 74, as follows:

[Rollcall Vote No. 188 Leg.]

YEAS—16

Baker	Hart	Pearson
Biden	Hatfield, Mark O.	Pell
Case	Humphrey	Ribicoff
Clark	Kennedy	Riegle
Cranston	McGovern	Sparkman
Culver		

NAYS—74

Allen	Griffin	Nelson
Bartlett	Hansen	Nunn
Bayh	Haskell	Packwood
Bellmon	Hatch	Percy
Bentsen	Hatfield, Paul G.	Proxmire
Brooke	Hayakawa	Randolph
Bumpers	Heinz	Roth
Burdick	Helms	Sarbanes
Byrd, Harry F., Jr.	Hodges	Sasser
Byrd, Robert C.	Hollings	Schmitt
Cannon	Huddleston	Schweiker
Chafee	Jackson	Scott
Chiles	Javits	Stafford
Curtis	Johnston	Stennis
Danforth	Laxalt	Stevens
DeConcini	Leahy	Stevenson
Dole	Lugar	Stone
Domenici	Magnuson	Talmadge
Durkin	Matsunaga	Thurmond
Eagleton	McClure	Tower
Eastland	McIntyre	Wallop
Ford	Melcher	Weicker
Garn	Metzenbaum	Williams
Glenn	Morgan	Zorinsky
Goldwater	Moynihan	

NOT VOTING—10

Abourezk	Hathaway	Muskie
Anderson	Inouye	Young
Church	Long	
Gravel	Mathias	

So the motion to lay on the table the amendment of Mr. HARRY F. BYRD, JR. (UP No. 1374) was rejected.

Mr. GOLDWATER. Mr. President, I move to reconsider the vote by which the motion to lay the amendment of the Senator from Virginia on the table was rejected.

Mr. HELMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question occurs on agreeing to the amendment of the Senator from Virginia.

Mr. McGOVERN. Mr. President, in view of the lopsided nature of this vote, I ask unanimous consent that we vacate the order for the yeas and nays on the Byrd amendment.

The PRESIDING OFFICER. Is there objection?

Mr. McCLURE. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. PAUL G. HATFIELD (after having voted in the affirmative). Mr. President, on this vote I have a pair with the Senator from Maine (Mr. MUSKIE). If he were present and voting he would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore, I withdraw my vote.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Alaska (Mr. GRAVEL), the Senator from Maine (Mr. HATHAWAY), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), and the Senator from Maine (Mr. MUSKIE) are necessarily absent.

I further announce that the Senator from Idaho (Mr. CHURCH) is absent on official business.

Mr. STEVENS. I announce that the Senator from Pennsylvania (Mr. HEINZ) is necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

The result was announced—yeas 77, nays 12, as follows:

[Rollcall Vote No. 189 Leg.]

YEAS—77

Allen	Garn	Nelson
Baker	Glenn	Nunn
Bartlett	Goldwater	Packwood
Bayh	Griffin	Percy
Bellmon	Hansen	Proxmire
Bentsen	Haskell	Randolph
Biden	Hatch	Roth
Brooke	Hayakawa	Sarbanes
Bumpers	Helms	Sasser
Burdick	Hodges	Schmitt
Byrd, Harry F., Jr.	Hollings	Schweiker
Byrd, Robert C.	Huddleston	Scott
Cannon	Jackson	Sparkman
Chafee	Javits	Stafford
Chiles	Johnston	Stennis
Clark	Laxalt	Stevens
Curtis	Leahy	Stevenson
Danforth	Lugar	Stone
DeConcini	Magnuson	Talmadge
Dole	Matsunaga	Thurmond
Domenici	McClure	Tower
Durkin	McIntyre	Wallop
Eagleton	Melcher	Weicker
Eastland	Metzenbaum	Williams
Ford	Morgan	Young
	Moynihan	Zorinsky

NAYS—12

Case	Humphrey	Riegle
Cranston	Kennedy	
Culver	McGovern	
Hart	Pearson	
Hatfield, Mark O.	Pell	
	Ribicoff	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Paul G. Hatfield, for.

NOT VOTING—10

Abourezk	Hathaway	Mathias
Anderson	Heinz	Muskie
Church	Inouye	
Gravel	Long	

So Mr. HARRY F. BYRD, JR.'s amendment No. UP 1374 was agreed to.

Mr. HANSEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BARTLETT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1375

(Purpose: To control government spending)

Mr. GLENN. Mr. President, I send to the desk, on behalf of myself and Mr. HARRY F. BYRD, JR., and cosponsored by Senators RANDOLPH and PERCY, an unprinted amendment, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. GLENN), for himself and others, proposes an unprinted amendment numbered 1375:

On page 34, strike Sec. 302(2), lines 5 through 15.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a request?

Mr. GLENN. Yes.

Mr. ROBERT C. BYRD. I thank the Senator. Mr. President, I ask unanimous consent, on an amendment which will be called up by the Senator from Virginia (Mr. HARRY F. BYRD, JR.), that there be a 5-minute limitation, to be equally divided in accordance with the usual form.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The Senator from Ohio.

Mr. GLENN. Mr. President, I rise to propose the striking of a so-called technical amendment which authorizes the Board of International Broadcasting six supergrades.

What the Members should realize is that this overview organization has only 10 staff members. I submit it is therefore ludicrous to have 60 percent of a staff holding career supergrades at a time when we are trying to reduce Government waste.

Mr. HARRY F. BYRD, JR. Mr. President, may we have order? We cannot hear the Senator.

The PRESIDING OFFICER. The Senate will be in order.

Mr. GLENN. The second point I should like to make is that this proposal was never addressed by the full committee of the Senate Committee on Foreign Relations but added as a technical amendment is my judgment that the precedent this creates and the dubious value of giving four additional supergrades makes this a policy question. Hence, it should never have been added as a technical amendment and should be struck.

Third, I should like to point out that this is not an administration request, and that the Office of Management and Budget opposes this provision. This is made clear in a letter to Chairman SPARKMAN. I am glad to make it available to Members to read should they so desire.

Fourth, established procedures were not following in the drafting of this provision. Neither Senator SASSER's Subcommittee on Government Affairs nor apparently the relevant House committee were consulted. My information is that the House is not favorably inclined to support this authorization.

Fifth, and lastly, Mr. President, because I want to keep this brief, there is absolutely no justification for this amendment. The committee report offers the rationale of oversight of the radios. However, the radios themselves have numerous managerial personnel and I am far from persuaded that we need to stack yet another layer upon an organizational problem that is yet to be resolved.

It is for these compelling reasons that I ask my colleagues to join myself and Senator BYRD in striking this provision.

Mr. President, I have cleared this proposal on both sides of the aisle, and believe it is acceptable and will not require a record vote.

Mr. McGOVERN. Mr. President, I think the points made by the Senator from Ohio make sense, and I have no objection to his amendment.

The real purpose of the provision he seeks to strike is not to create any new positions in the Agency, but to make possible three or four promotions that we thought were in order. But the Senator does make the point that it was not examined in depth by the full committee, and under the circumstances I would not oppose the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio.

The amendment was agreed to.

Mr. GOLDWATER. Mr. President, if the floor leader of the bill will give me his attention, I wish to ask for a clarification.

On page 16, lines 1 through 4 read as follows:

By inserting after the words "in a country shall" in the third paragraph thereof a comma and the following: "notwithstanding any other provision of law,".

I wanted to inquire of the floor manager whether any hearings were held on this particular part of the bill. I will refer to page 17 of the report and the top of page 18. There they explain what it does. What it does, frankly, is to require the intelligence community to give any information to the chief of mission, or whatever he is going to be called, and I would assume that to mean his staff.

Mr. McGOVERN. First, to answer the Senator's question as to whether hearings were held on this particular provision, the answer is no. Now the reason for that is that all this language does is to clarify an existing provision of the law. There is nothing that is added here which goes beyond existing law, except to clarify what the Congress has intended all along.

Mr. GOLDWATER. It is the National Security Act of 1947 under which the Director of Central Intelligence is prohibited from disclosing sensitive intelligence information unless authorized by law.

I just found out about this a few moments ago when the intelligence community called me. They are very exercised about this, particularly because there were no hearings held. By merely alluding to a report made by the Church committee, of which I was a member, I do not think is enough background to warrant our passing this legislation with this provision in it without hearing from the intelligence agencies.

I know what is probably in the Senator's mind, that the Ambassador or chief of mission should be privy to information, but this is not always so. The law recognizes that there might be overt actions under the direction of the President that should not be disclosed unless the President specifically asks that they be disclosed.

Mr. McGOVERN. I will say to the Senator that it is my understanding that under the existing law the Central Intelligence Agency, and other intelligence agencies, are obligated to keep the Ambassador informed of their activities. This language simply underscores that fact.

I might say I have a letter which I ask unanimous consent to have printed in the RECORD. It is from Senator BAYH, the chairman of the Select Committee on Intelligence, and dated June 27, 1978. I will read the final paragraph. It was in response to an inquiry I made of the chairman of that committee as to whether or not this language was in compliance with their understanding of the current law. This is what he said:

This is my understanding of the current state of the law, and I believe it comports fully with the recommendations of the Church committee and the views of the Select Committee on Intelligence. It would appear to me that section 119 of S. 3076—

Which is what we are talking about here—

does no more than to affirm this interpretation, removing any ambiguities or uncertainties that may be thought to exist.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
June 27, 1978.

Hon. GEORGE MCGOVERN,
Chairman, Subcommittee on International Operations, Committee on Foreign Relations, Washington, D.C.

DEAR GEORGE: This is in response to your letter requesting my comments on the desirability of section 119 of S. 3076, a provision relating to the authority and responsibility of U.S. chiefs of mission.

The Select Committee to Study Governmental Operations with Respect to Intelligence Activities (the Church Committee), predecessor to the current Select Committee on Intelligence, considered the question of the proper relationship between ambassadors and U.S. intelligence agencies, and the effect of the so-called "Role of the Ambassador Legislation" (22 U.S.C. 2680a) on that relationship. It was the recommendation of that Committee (Final Report, Book I, p. 468) that the Executive branch issue instructions pursuant to 22 U.S.C. 2680a making "clear that Ambassadors are authorized recipients of sources and methods information concerning all intelligence activities . . . ." The Committee further recommended that ambassadors "have the personal right, which may not be delegated, of access to the operational communications of the CIA's Clandestine Service in the country to which they are assigned. Any exceptions should have Presidential approval and should be brought to the attention of the intelligence oversight committee(s) of Congress." I believe that the Select Committee on Intelligence would continue to support these recommendations.

I do not believe that these recommendations are in any respect inconsistent with the statutory responsibility of the DCI "for protecting intelligence sources and methods from unauthorized disclosure" (section 102 (d)(3) of the National Security Act of 1947, 50 U.S.C. 403(d)(3)). The statutory responsibility of the DCI extends only to *unauthorized* disclosure. If ambassadors are authorized recipients of sources and methods information, disclosure of such information to them cannot be said to be inconsistent with the DCI's statutory responsibility. I believe it implicit in the recommendations of the Church Committee that, at least after the enactment of 22 U.S.C. 2680a, ambassadors should be considered authorized recipients of sources and methods information for purposes of 50 U.S.C. 403(d)(3). Because the authority of ambassadors under 22 U.S.C. 2680a is "[u]nder the direction of the President", however, it would seem clear that the President, if he did so expressly, could make exceptions to the ambassadors' right of access to such information.

This is my understanding of the current state of the law, and I believe it comports fully with the recommendations of the Church Committee and the views of the Select Committee on Intelligence. It would appear to me that section 119 of S. 3076 does no more than to affirm this interpretation, removing any ambiguities or uncertainties that may be thought to exist.

I hope these views are of assistance to you.

Sincerely yours,

BIRCH BAYH,
Chairman.

Mr. McGOVERN. That is also true of the State Department.

The Senator is correct, that there has not been any testimony, so far as I know, by the Central Intelligence Agency.

For whatever my assurance is worth, this particular part of the bill was simply designed to underscore existing law to clear up any ambiguities in the law under which the Ambassador has a right to know what activities are being carried on by any of our intelligence agencies in the country to which he has been assigned.

Mr. GOLDWATER. I am inclined to agree with the basis of that thinking, but I do know as a member of the Intelligence Committee that the intelligence community is concerned about this, because there were no hearings. They do not know just what we are talking about in this legislation as to how far the information is to go, if it is to be made available to any member of the staff of the chief of misison staff who may not be cleared for top secret or have a "Q" clearance. That is why I raised the question.

I have an amendment to strike it. I do not particularly want to go through that exercise. I think we can straighten it out in conference.

The law says that the Director of Intelligence is prohibited from disclosing sensitive intelligence information unless authorized by the law. Merely by inserting "notwithstanding any other provisions of law," it seems to me that the committee is trying to strike this law, not clarify it.

Mr. McGOVERN. I say to the Senator that the reason for this is that existing law states that the Ambassador is entitled to be kept informed of the activities being carried on in the country to which he is assigned.

I am not certain just why there should be confusion, but there has been some confusion expressed by the intelligence agencies as to whether they have

to share that information with the Ambassador. The purpose of the provision is really simply to clear up that ambiguity.

Let me remind the Senator again that the Church committee and now the chairman of the Senate Select Committee on Intelligence says that that is their understanding, and it is also the understanding of the State Department. If, in fact, there is some question in the mind of the Central Intelligence Agency on this matter as to whether the reporting requirement extends beyond the Ambassador, I would say to the Senator we can clear that up in conference without going into it here today.

Mr. GOLDWATER. I believe we should insert that the law does say that they are prohibited from offering this information. I think under certain conditions the Ambassador is always able to get everything. What is in their mind is how far now does this information go, or the asking for this information. As I said, I did not know this language was in the law until about a half hour ago when the CIA called me. I talked to the chairman, Mr. BAYH, who unfortunately had to leave. He told me that he did share my feelings on this. I have an amendment at the desk but I am not going to offer it. I merely wanted this discussion in the RECORD so that when we go to conference, if the House wants to have an argument and we want to argue back at least we have made some points. I have not had the chance to sit down and visit with the CIA. I merely received the call.

Mr. MCGOVERN. I appreciate the concern of the Senator. I assure him that I will personally make sure that the matter is gone into carefully in conference. If there are matters that we have not fully considered, there will be ample opportunity to do that in conference.

Mr. GOLDWATER. I thank the Senator.

UP AMENDMENT NO. 1376

(Purpose: To express the sense of the Congress with respect to Uganda)

Mr. DOLE. Mr. President, I send an amendment to the desk for myself and Senators MCGOVERN, HELMS, THURMOND, and BROOKE, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE), for himself, Mr. MCGOVERN, Mr. HELMS, Mr. THURMOND, and Mr. BROOKE, proposes an unprinted amendment numbered 1376.

The legislative clerk proceeded to read the amendment.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER (Mr. METZENBAUM). The Chair, in his capacity as a Senator from Ohio, objects. The clerk will continue reading the amendment.

The legislative clerk concluded reading the amendment, which is as follows:

On page 56, between lines 20 and 21, insert the following:

(d) It is the sense of the Senate that the President should—

(1) prohibit the export of military, paramilitary, and police equipment to Uganda;

(2) declare that the appropriate consular officer may not approve any visa application of any official or employee of the Government of Uganda for the purpose of military, paramilitary, and police training within the United States without the review of the appropriate official of the Department of State in Washington to determine that the Government of Uganda has demonstrated a proper respect for the rule of law and for internationally recognized human rights; and

(3) instruct the permanent representative of the United States to the United Nations to submit to the United Nations General Assembly for its consideration a resolution imposing a mandatory arms embargo on Uganda by all members of the United Nations.

The PRESIDING OFFICER. Will the Senator from Kansas apprise the Chair as to whether or not this is one of the three amendments to which there was a 30-minute time limit?

Mr. DOLE. Yes.

The PRESIDING OFFICER. I thank the Senator from Kansas.

Mr. DOLE. Mr. President, I think those who heard the reading of the amendment know that it is self-explanatory.

Last November the State Department confirmed that several dozen Ugandan Government officials were in the United States for training programs with private organizations. At least a dozen of these were enrolled in a training course for helicopter pilots run by an American helicopter company located in Texas. According to the report, the Ugandans were Government employees training to pilot police helicopters.

There are two disturbing elements to this matter. First, the present Government of Uganda is notorious for its brutal and barbaric treatment of those individuals whom it perceives as political opponents. Both public and private executions have become the standard means for dealing with political opposition since Idi Amin came to power in January of 1971. Both Ugandans and non-Ugandans have suffered the wrath of this capricious dictator. Americans have been jolted by the uneasy feeling that training programs within our own country may be directly assisting in the brutal repression that has terrorized Uganda.

Second, it is particularly disturbing to me, as I know it is to many of my colleagues, that entrance visas for the Ugandan Government officials were approved without the knowledge of State Department officials in Washington. It seems that visas for foreign government employees traveling in this country for official purposes have been routinely handled by U.S. consular employees in our Embassies abroad. Although the State Department says that it has since "tightened up" its visa procedures for Ugandans, future policies in this regard seem uncertain at best.

For that reason I have introduced an amendment which would clearly express the sense of the Senate with respect to the handling fo visa applications submitted by Ugandan Government officials in the future. In addition, it calls for a mandatory embargo on the export of all American military police, and paramilitary equipment to Uganda, and it urges the U.S. Ambassador to the United Nations to present a resolution for consideration imposing a mandatory arms embargo on Uganda by all members of the United Nations. This would, of course, parallel similar action taken by the U.N. Security Council last fall.

UGANDAN ATROCITIES

Within the past several years, the world has become sadly aware of the unspeakable horrors of the Amin regime in Uganda. The rule of law in Uganda is nonexistent, and financial mismanagement is widespread. Idi Amin has declared himself "President for life" and has undertaken a bloody campaign to eliminate all potential opposition to his totalitarian government. The official intelligence network within the country constitutes a continuous form of harassment and intimidation for Ugandans in all walks of life.

Estimates of the number of Ugandan citizens who have been mercilessly killed since Amin came to power vary, but Amnesty International reports that between 30,000 and 300,000 Ugandans have fallen victim to this reign of terror.

In addition, we know that American businessmen and church leaders residing in Uganda have been harassed and intimidated unmercifully. Discrimination against Christians and Jews has occurred regularly. For a few days in February of last year, Amin forbade Americans living in Uganda from leaving the country. A concerted international protest fortunately led to a rescission of that order.

In search of a source of diplomatic and military support, Idi Amin has turned to the Soviet Union for the purchase of fighter aircraft and tanks, as well as Soviet instructors to accompany them. Amin's closest friends on the international scene are the leaders of Cuba and Libya, both international outlaws in their own right. Newspapers in neighboring Kenya have reported that large numbers of Cubans are entering Uganda, and Libya is providing Uganda with economic aid. It will not come as a surprise to many that the brutal Ugandan regime displays a definite pro-Marxist tendency in its foreign relations.

Mr. President, there are those who shrug their shoulders helplessly and say that there is little we can do to improve the barbaric situations that we know exist in nations such as Cambodia and Uganda today, but I do not subscribe to the theory that our limited capacities necessitate hopeless resignation on our part. I believe that the U.S. Government has a responsibility to speak out, and to continue to speak out against such brutal regimes, and to attempt to focus world attention on their gross violations of basic human rights.

In many cases, our action may be termed "symbolic" or "moralistic." In some cases, when we move to deny technical and military assistance to Uganda, others may fill the void. But I, for one, believe that moral principle and consistency of policy argue for such action in any case. Indeed, I believe the national interest is best served by a policy that encourages the isolation of repres-

sive governments, and by the termination of assistance that directly strengthens the means of repression.

At this time, I believe it is most important that the U.S. Senate go beyond a simple expression of condemnation for the oppressive Ugandan Government. Last year, our President saw fit to place a mandatory U.S. arms embargo against the nation of South Africa in response to human rights violations of a different scope and nature. I believe it is all the more important at this time for the United States to establish a mandatory embargo on the export of any military, paramilitary, or police equipment to Uganda. Similarly, the same restrictions should be encouraged among all concerned members in the United Nations. And U.S. visa regulations for Ugandan Government officials should be revised to prohibit technical training for repressive activities in Uganda.

Mr. McGOVERN. Mr. President, I fully support this amendment offered by the Senator from Kansas, which condemns the brutal and barbaric practices that are now going on in Uganda. As a matter of fact, the committee itself condemned those atrocities in language that appears in section 418 of the bill. We not only included Uganda; we added Cambodia.

I do not know of any place in the world where we come any closer to seeing a modern-day Hitler than we do in Uganda. Reports coming out of that country are that perhaps as many as 300,000 people have been slaughtered by their own government. No one really knows how many, but it would be hard to imagine a part of the world where there is more brutality and more inhumane practices going on than in Uganda.

I do call the attention of the Senate to the fact that we have been reading maybe even more horrendous reports coming out of Cambodia, where perhaps as many as 2 million people have been slaughtered in the first few years.

The committee saw fit to call on the President to support action within the U.N. and other international organizations to encourage bilateral action to bring about a lessening of such brutal and inhumane practices in both of those countries. In the same spirit in which that amendment was written and included in the bill at my suggestion, I am happy to support the amendment by the Senator from Kansas with regard to Uganda. I hope it will be adopted.

The PRESIDING OFFICER (Mr. MATSUNAGA). Who yields time?

Mr. DOLE. I yield back my time.

Mr. McGOVERN. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kansas.

The amendment was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1377

(Purpose: To express the sense of the Senate with respect to broadcasts of the Voice of America)

Mr. DOLE. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an unprinted amendment numbered 1377:

At the bottom of page 57, add the following:

VOICE OF AMERICA BROADCASTS

SEC. 420. It is the sense of the Senate that the provisions of section 503 of the Information and Educational Exchange Act of 1948 should apply to all broadcasts of the Voice of America without regard to any policies of distorting the truth, including censorship, of governments of countries to which the Voice of America broadcasts.

The PRESIDING OFFICER. The Chair makes inquiry of the Senator from Kansas whether this is another one of his amendments on which there has been set a 30-minute limitation on debate?

Mr. DOLE. Mr. President, I shall not use 30 minutes altogether.

I would say yes, in answer to that one.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. DOLE. Yes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all rollcall votes for the remainder of the day, with the exception of the next rollcall vote, be limited to 10 minutes each.

The PRESIDING OFFICER. Is there objection?

Mr. HANSEN. Reserving the right to object.

Mr. ROBERT C. BYRD. It has been cleared.

Mr. GOLDWATER. Reserving the right to object.

Mr. HANSEN. I do not intend to object. Could the distinguished majority leader give us an idea as to how late we might be tonight?

Mr. ROBERT C. BYRD. I cannot, really. I think things are moving fairly well on this bill now. When we complete this bill, we will go on the New York City bill. If we complete that, we can have a late breakfast at home tomorrow.

Mr. HANSEN. I do not object a bit. I do have a dinner engagement and if it will be 10 o'clock, I shall just call and say I cannot come.

Mr. ROBERT C. BYRD. I hate to say it will be 10, but I would say that is a pretty good guess.

Mr. GOLDWATER. Reserving the right to object, the leader made reference to the next vote. Can he tell us what that is going to be?

Mr. ROBERT C. BYRD. I do not know. I was simply indicating that the next rollcall vote will be a 15-minute rollcall vote. After that, each will be 10 minutes.

Mr. BAKER. Mr. President, reserving the right to object, I think the provision for the 15-minute rollcall vote on the next rollcall was at my request to accommodate one Senator.

Mr. ROBERT C. BYRD. That is correct.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DOLE. I yield to the Senator from New Hampshire.

Mr. DURKIN. Mr. President, I ask unanimous consent that Bob Lawrence of my staff may be granted the privilege of the floor during the remainder of the debate and votes on this measure and during the remainder of the day.

The PRESIDING OFFICER. Without objection, is is so ordered.

Mr. DOLE. Mr. President, I have discussed this amendment with the floor manager of the bill. I shall take just about 2 minutes to explain what it does.

It was called to my attention, first of all, in a column in the Washington Post on June 22, 1978, in a column by Jack Anderson called "Censorship On the Katyn Massacre."

Mr. President, in considering the appropriations for the State Department, International Communication Agency and the Board for International Broadcasting, I would also like to have us consider some of the principles on which our Nation and therefore these agencies are based. Words like liberty, democracy, and human rights are used freely by the people of our Nation and often sink to the level of cliche. These words, however, correspond to something real, something tangible, that can only truly be appreciated by people that do not enjoy them. The people of the United States, fortunately are well aware of the value of these principles and insist that our own Nation abide by them. That is why we remain a free people that can choose our leaders and our Nation's destiny. For the political choices we make to be meaningful and useful, however, they must be based on facts. Our Nation cannot tolerate lies and coverups for we know that falsehood can threaten the very foundations of our society.

That is why I view with particular alarm the recent practices of the Voice of America which has been tailoring its broadcasts to suit the needs and purposes of the government in Moscow and elsewhere in Eastern Europe, instead of the needs of the people for whom the broadcasts are intended. Soviet ideology demands that the government have a monopoly on the news and information its citizens receive. It is common knowledge that Soviet historians and journalists routinely change historical accounts and news dispatches to better shape the consciousness of its population.

Our approach in this country is, of course, different. We want our citizens to know the truth. We can never be sure what the net result of that knowledge will be, but we trust people with it. Yet, in its dispatches to peoples of other lands, we see the Voice of America, the station that speaks for the American people, conforming in its broadcasts to Soviet versions of the truth, in other words, to something that is not the truth at all. Thus, news of events in non-Russian republics of the Soviet Union, such as Ukraine, Lithuania, or Georgia, where

some of the greatest opposition to Soviet repressions exists, is subjected to self-censorship on the part of the Voice of America because of Soviet sensitivity to the so-called nationalism issue. As a result, most of the news reports to the minority republics of the Soviet Union generally avoid the sensitive issue of Russification and repressions and the efforts of dissidents to combat them and concentrate instead on the most innocuous reports of ethnic cultural activities in the United States. This, despite the fact that some of the most courageous dissidents in the Soviet Union are those that defend the right of their people to speak their own language and enjoy the culture of their ancestors. News of their activities should not be limited to a bare recital of wire reports. The Voice of America should provide generous coverage of their activities.

The avoidance of sensitive issues that would offend the Kremlin is not confined to events from within the Soviet Union. Recently, a Polish writer took the bold step of challenging the official, censored version of the Katyn massacre of 1940 where Soviet police murdered thousands of Polish officers. The Soviets would like history to be redone and have the world believe that this atrocity was committed by the Germans in 1941. That, however, is not what happened. Soviet censorship can impose its version of the truth on Polish journalists but in no way should it be imposed on ours. Yet incredibly, in its report to the Polish people about the writer's courageous stand, Voice of America followed the Soviet version that has been changed to absolve the Soviet Union instead of the historically accurate version.

I find it incredible that I should have to remind the Voice of America of the mandate spelled out in its charter which states explicitly that news broadcasts are to be comprehensive, accurate, and honest. Yet that apparently is what has to be done now. The policy of détente was designed to allow the two superpowers to exist side by side, accepting one another for what each is. It does not mean that our country has to become like the Soviet Union in our actions, rhetoric or values. We still believe in liberty, democracy, and in the value of truth. I do not want to criticize the Voice of America, but if the Voice of America is to continue to be valuable, it must consistently speak the truth, without any alterations, changes, or coverups. Let foreign governments deal in censorship and truth distortion if they feel they must. But never let it be said that our own information agencies deal in anything but the full truth.

Mr. President, I might suggest that what we are doing, in effect, with the amendment would be adding at the bottom of page 57, and I will ask that it be made part of the record, what 503 is. It says:

VOA will serve as a consistently reliable and authoritative source of news. VOA news will be accurate, objective, and comprehensive.

I suggest that has not always been the case, and perhaps with our support it would be helpful to VOA.

Mr. President, I ask unanimous consent that 503 be printed in the RECORD as well as the column I mentioned in the Washington Post, dated June 22, 1978.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

§ 1463. Voice of America broadcasts; principles governing communications

The long-range interests of the United States are served by communicating directly with the peoples of the world by radio. To be effective, the Voice of America (the Broadcasting Service of the United States Information Agency) must win the attention and respect of listeners. These principles will therefore govern Voice of America (VOA) broadcasts:

(1) VOA will serve as a consistently reliable and authoritative source of news. VOA will be accurate, objective, and comprehensive.

(2) VOA will represent America, not any single segment of American society, and will therefore present a balanced and comprehensive projection of significant American thought and institutions.

(3) VOA will present the policies of the United States clearly and effectively, and will also present responsible discussion and opinion on these policies.

Jan. 27, 1948, c. 36, Title V, § 503, as added July 12, 1976, Pub. L. 94–350, Title II, § 206, 90 Stat. 831.

Legislative History. For legislative 1976 U.S. Code Cong. and Adm. News, p. history and purpose of Pub. L. 94–350, see 1555.

CENSORSHIP ON THE KATYN MASSACRE

(By Jack Anderson)

In a strange case of censorship, the Voice of America recently tailored a story about a grisly World War II massacre to fit the Soviet distortion of history. American authorities deleted precisely the facts that the Soviet censorship code prohibits the press from publishing behind the Iron Curtain.

There is a poignant human story behind the incident. A bold Polish writer and poet, Andrzej Braun, dared to protest against the Soviet-imposed censorship before the Polish Writers Congress. It was a dangerous, defiant act, which was reported to the Voice of America.

Afterward, the lonely hero listened eagerly for word that the Voice of America had broadcast the story of his protest. Incredibly, he heard an account that sounded as if his story had been censored by the Kremlin. Sources in contact with the dissident Polish writers reported his reaction; they told us he was absolutely "crestfallen."

Our sources brought this discouraging word from inside Poland: "We look upon the United States as the world's greatest democracy, with a free press. Yet the censorship reaches even there."

Why did the Voice of America follow the Soviet censorship code in reporting on the massacre? We tried to find out.

The infamous event, known as the Katyn Forest Massacre, occurred during the Soviet occupation of Poland in 1940. Thousands of Polish army officers, their hands bound behind them with a rope looped around their necks, were gunned down and buried in mass graves.

The horror was later uncovered, and international researchers conducted painstaking autopsies of the disinterred bodies. They discovered that the Poles had been shot with German bullets. But these were of a type that had been exported to Russia during Josef Stalin's pre-World War II pact with Adolf Hitler. The rope was of Russian origin, and the loop-around-the-neck technique was one that the Soviets used to prevent their victims from struggling.

Letters and clippings found in the pockets of the dead men also established the time of the massacre as the spring of 1940, when the Soviets controlled the Katyn Forest. Yet the allies, having joined the Soviet Union in the war against the Nazis, kept the atrocity hushed up.

After the war, the Kremlin imposed severe restrictions on any mention of the Katyn Forest incident by the communist press. We have obtained the actual ruling from the Polish Communist Party's Book of Directives and Recommendations. "Any attempt to blame the Soviet Union for the death of Polish officers in the Katyn Forest," it decrees, "should not pass the censor."

For scholarly works, the directive permits only such phrases as "shot by the Nazis at Katyn," "died at Katyn" or "perished at Katyn." But it adds sternly: "No statement of this type can be published with a date of death earlier than August 1941," which the Soviets insist was the date of the massacre. This, of course, was safely after the Nazis took over the Katyn Forest.

The brave Andrzej Braun, risking possible imprisonment, spoke out against the censorship at the Polish Writers Congress. His heroism did not go unrecorded; the Warsaw correspondent for the Voice of America, Ron Pemstein, filed an account of Braun's remarks to Washington.

We have seen Pemstein's original dispatch. It reports that the poet, as an example of censorship, "cited the murder of Polish officers by the Soviet Union at Katyn Forest in 1940." The dispatch went on to say that his speech drew "wild applause from the writers at the congress and attacks from party officials."

Pemstein filed his dispatch in Warsaw at 10 a.m. on May 5, 1978. By 10:32 p.m. on the same day, all critical references to the Soviet Union had been excised. The censorship occurred in two stages. First, the words "by the Soviet Union" were removed. Then later the 1940 date was dropped. The final story, which the Voice of America broadcast, stated simply: "Braun cited the murder of Polish officers in World War II."

By a strange coincidence, the deletions were the same ones that the Soviet censorship code specifies. Thus the broadcast conformed completely with the official Soviet version of the Katyn Forest incident.

This offended 11 Poles who work for the Voice of America. They drafted a letter of protest to Hans Holzapfel, who heads the Voice's European Division. He responded by convening a meeting of his Polish employees and scolding them.

Mr. McGOVERN. Mr. President, I think the amendment offered by the Senator from Kansas is one that ought to be approved. What we are seeking to do is to underscore the commitment of the Voice of America to standards of objectivity and the truth.

If there is anything that the VOA ought to seek, it is credibility. If it is going to have an effect around the world it has got to be a believable source of information.

As I understand the thrust of the amendment offered by the Senator from Kansas, he is saying that the standard of the Voice of America should not be some other country's notion of what constitutes the truth. It ought to be the truth itself. The Voice of America ought to be free from censorship from our own agencies, and it certainly ought to be free from the censorship of foreign governments.

So, with that understanding, I not only would be happy to accept the amendment, but to support it.

Mr. DOLE. Mr. President, I yield back the remainder of my time.

Mr. McGOVERN. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to UP amendment No. 1377 of the Senator from Kansas.

The amendment was agreed to.

Mr. GOLDWATER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1378

(Purpose: To restrict the establishment of diplomatic relations with Angola)

Mr. DOLE. Mr. President, I send the last amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE), for himself and Mr. HELMS and Mr. THURMOND, proposes an unprinted amendment numbered 1378:

At the bottom of page 57, add the following:

ANGOLA

SEC. 420. None of the funds authorized to be appropriated under this Act may be used to establish diplomatic relations with the Government of Angola while military forces of the Government of Cuba remain in Angola.

The PRESIDING OFFICER. The Chair inquires of the Senator from Kansas whether this is also one of those on which by previous order a limitation of 30 minutes has been set?

Mr. DOLE. The Chair is correct.

The PRESIDING OFFICER. The Chair so observes.

The Senator from Kansas.

Mr. DOLE. Mr. President, it is my understanding that this amendment cannot be accepted.

I say to my colleagues that I do not expect to take a great deal of time. I think it is a rather clear-cut question. We may not agree with the amendment, but I can explain it probably in 5 or 6 minutes, and then, depending on what may develop during the debate, I will be prepared at the appropriate time to yield back the time.

Mr. President, the amendment that I have sent to the desk and which is not under consideration would bar establishment of diplomatic relations with Angola until Cuba has withdrawn all its forces from that nation. Only 2 years ago, the present Marxist regime came to power through a combination of support from Cuban troops and Soviet-supplied weapons. To date, the regime can claim control over only about two-thirds of the national territory, as anti-Marxist guerrila forces continue to struggle against the regime. According to our administration, Cuban troops in Angola have trained and equipped Katangese rebels who last month attacked the Shaba Province in southern Zaire. Under these circumstances, it would seem ill advised to even consider establishing diplomatic relations with Angola until all Cuban troops in that nation have been withdrawn.

Last week, the State Department dispatched a senior diplomat from our mission to the United Nations to Angola, to discuss certain issues affecting the southwestern area of Africa. The American diplomat, Donald McHenry, returned Monday evening after discussing methods for reducing border conflicts between Angola and neighboring Zaire, and methods of transfer to majority rule in nearby Namibia. Direct communication of this type between the U.S. Government and the Marxist government in Angola, which came to power following considerable civil strife in 1975, is unprecedented. It raises many questions about our overall policy strategy toward Angola, and toward all of southern Africa.

This diplomatic initiative is just the latest in a series of isolated African policy moves, which together reflect no clear strategy for the continent. During the past several weeks, the United States has been engaged in transporting peacekeeping troops into neighboring Zaire, where Angolan-based Katangese rebels have incited death and destruction. Only 7 weeks ago, the Central Intelligence Agency, acting on instructions from a committee of the National Security Council, was quietly making inquiries on Capitol Hill about a plan to aid Angolan rebels still fighting against the Marxist regime governing the country.

Is there a consistent, coherent strategy for southern Africa into which all of these diverse policy plans fit? Or is it all part of a hit-or-miss approach that develops on a day-to-day basis, in reaction to events in Africa? These are the central questions which the American people are asking as the administration proceeds with contradictory moves in the region.

MUST WITHDRAW CUBAN TROOPS

Mr. President, I certainly do not object to unofficial discussions with the Angolan Government on ways to reduce conflict in the area—particularly that which is incited by Angolan-Cuban aggression. But I would object, and I suspect the majority of the American people would also object, if any efforts are made to establish formal diplomatic relations with the Marxist Angolan Government while 20,000 Cuban troops remain in that country.

Cuban President Fidel Castro says that Cuban troops are in Angola at the express invitation of that regime. If this is true, then it should be a relatively simple matter for the Angolan regime to ask them to leave if Angola is truly interested in closer relations with the United States, and it would be a test of the real mandate for Cuban presence in Angola.

In addition, withdrawal of all Cuban troops would clearly be a test of whether the Angolan regime is strong enough to stand on its own—to prove that it is in fact a sovereign regime worthy of diplomatic recognition.

Finally, it would make little sense to establish relations with a nation harboring 20,000 Cuban soldiers, and which seems to rely upon them for its continued existence, when we do not have relations with Cuba itself. It is this Senator's understanding that Cuban provocations on the African continent are one of the main reasons why this administration has no yet moved to formally recognize the Castro regime in Cuba. Can we then, with any logic, formalize relations with a nation such as Angola which came into being, and continues to survive through the presence of Cuban aggressors? I think not.

It may be premature to suspect that the administration intends to move in the direction of formal relations with Angola. But the unpredictable, contradictory policies of this administration—particularly with respect to Africa—are a continuing cause for concern here in the United States. The President refuses to recognize the reasonable, peaceable Rhodesian internal settlement plan, which would lead to majority rule by the end of this year. At the same time, he continues to denounce Cuba for training and equipping rebels stationed in Angola. It, therefore, seems inconsistent to formally recognize the Marxist Angolan Government, particularly as long as Cuban troops remain. I hope the administration will refrain from any such initiative, and that these concerns can be put to rest. In any case, a clear statement of congressional objections to formal relations at this time, by means of a floor amendment, would discourage any plans of this type which may be developing within the administration.

Mr. President, I reserve the remainder of my time.

Mr. McGOVERN. Mr. President, under the time arrangement, we have 10 minutes on this side; but the distinguished chairman of the Subcommittee on Africa, the Senator from Iowa (Mr. CLARK), is in the Chamber, so I yield our time to him.

Mr. CLARK. Mr. President, I yield myself 7 minutes.

The PRESIDING OFFICER. The Senator is recognized for 7 minutes.

Mr. CLARK. Mr. President, Angola will play a critical role in achieving conditions of peace and stability in south-central Africa. Angola and its President Neto have the ability to influence the judgment and actions of SWAPO (Southwest African Peoples Organization), whose willing cooperation is vital to a satisfactory conclusion of negotiations looking to an independent Namibia, and that is in the interest of everyone in the world.

In addition, without at least a substantial measure of Angolan cooperation, there will be no cessation of the two-way, cross-border incursions and mini-wars all along the extensive Angolan and Zairian frontier. We could face Shaba III, or more.

So long as Angolan relations with its neighbors remain unstable, our own ability to contribute to the evolution of peaceful political change throughout the entire southern third of Africa will be less effective. And so long as Angola feels its security and even its existence are threatened by external forces, the heavy Cuban military and technical presence will remain, and could possibly increase.

The administration has no intention now of recognizing the government in Luanda. The President stated this in his press conference on Monday, June

26. I ask unanimous consent that an exerpt from the press conference with regard to this be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Our relationship with the Angolan officials has been a fairly consistent one. Ever since I've been in office we have had negotiations or consultations directly with Angolan officials. This is important, first of all because we want to have peace in Southern Africa and Mr. Neto, who is the leader of the Angolan Government has some influence on other African leaders, particularly the leaders of S.W.A.P.O., where we want an agreement in Namibia.

Also we have wanted to hold the Angolan leaders responsible for any future possible invasions into the Shaba Province in Zaire. I also would like to see the Cubans begin to remove their troops from Angola. And a few weeks ago in New York their Foreign Minister, the Angolan Foreign Minister, met with our Secretary of State and suggested additional consultations, which is a continuation of what was done all the time.

We have no desire at this point, no plan to normalize our relationship with Angola.

Mr. CLARK. Mr. President, there is no question of recognition of Angola at this time. There is internal dissent within Angola of sufficient magnitude to bring into question the true representational nature of that government. Katangan gendarmes have twice come out of Angolan sanctuaries into Shaba to threaten the territorial integrity of Zaire. And the heavy Cuban presence in Angola is a continuing source of concern.

Nevertheless, if we are not to hamstring ourselves in conducting our policies in south-central Africa, we must have the ability to tackle these problems directly. We must be able to talk reasonably with the Angolans, among others, in the search for acceptable accommodation and negotiated settlements.

The administration has begun such a process, a low-key but thoroughgoing exchange of views. We have a number of common objectives with Angola. If we achieve Angolan cooperation in reaching a settlement in Namibia, in improvement of relations with Zaire, and if Angola moves toward resolution of its internal differences, we could look forward to a time when Cuban combat presence would be withdrawn.

To maintain and expand that exploratory dialog, however, we should not send Angola a misleading signal of permanent enmity. We should leave open the long-term option, which the Angolans eagerly seek, of eventual normalization of relations—that is, diplomatic relations—on terms which accord with our own judgments.

A legislative prohibition of eventual diplomatic recognition would play into the hands of the hardliners in the Luanda Government. They are already arguing that Angola's future must lie with the Soviets, the East Germans, and the Cubans because the United States is capitalistic, therefore imperialist, and a permanent enemy of Angola. These are the arguments that the hardliners in the Angola Government are using. The proposed legislation, I think, would play into the hands of those hardliners. It would undercut our ability to deal successfully and flexibly with these intricate and important issues.

Mr. President, even today's papers report that President Neto has announced that he would try to prevent a recurrence of last month's attack on Zaire; and he previously said he would disarm the Katangans when they crossed the border back into Angola. These are positive steps. The Dole amendment would jeopardize further progress in this direction.

When the President addressed the issue of Angola in his press conference on June 26, last Monday, he said:

We have wanted to hold the Angolan leaders responsible for any future possible invasions into the Shaba province in Zaire. I also would like to see the Cubans begin to remove their troops from Angola . . . We have no desire at this point, no plan to normalize our relationship with Angola . . . and the present visit by Mr. McHenry to Angola is part of a series of consultations with them.

The Dole amendment definitely would withhold the "carrot" which might induce the Angolans to cooperate with us on these matters.

For those reasons, Mr. President, I strongly oppose this amendment.

I yield the remainder of my time to the Senator from South Dakota.

Mr. McGOVERN. Mr. President, the Senator from Iowa has made the case amply against this amendment.

It should be stated that the President's announced policy is precisely the same as this amendment, which is to withhold recognition from Angola so long as Cuban forces are there. Yet, I think the argument made by the Senator from Iowa is a compelling one: That at a time when we do have negotiations going on with Angola, and apparently with some success, it would seem to be a mistake to make the situation any more rigid or inflexible than it already is.

I believe we all know that Angola, even with the Cuban troops present there, is filled with paradoxes. For example, there is a situation in which the Gulf Oil Co., an American oil firm, is pumping oil in Angola, with Cuban troops providing the defense for the Gulf Oil Co., against possible attacks from other factions in Angola.

That is not to make an argument for the merits of having Cuban forces there. It is to say that it is a very fluid situation, and to remind us that diplomatic recognition is an executive prerogative that ordinarily we leave to the executive branch.

I hope very much that the argument made by the distinguished Senator from Iowa will be taken seriously and that we will keep the situation there as fluid and as open as possible.

The day may very well come when we will find it in our interests to move toward closer relations with Angola. I hope that day would even come with regard to Cuba. In any event, under present circumstances, I think this amendment would be a mistake, and I hope the Senate will reject it.

Mr. President, I yield back the remainder of my time.

Mr. DOLE. Mr. President, I respect the arguments made by both my friend from Iowa and my friend from South Dakota.

Perhaps there is a way the amendment might be altered to be supportive of the President. I am not trying to quarrel with the President, because I agree with him.

I think we do have the same intention at this time. I do not want to take away that flexibility, but at the same time it seems to me that in 1975 we passed an amendment to insure that no U.S. military aid would be provided to anti-Marxist forces fighting in Angola, and I think by the same logic we should now insure that there will be no U.S. diplomatic relations with the Marxist government until Cuban troops are withdrawn.

It seems to me, if that was a good policy in 1975 not to support the anti-Marxist forces, that we should make certain in 1978 that we are not going to walk the extra mile with the Marxist regime in Angola as long as Cuban troops are in that country.

I think the issue is clear. I am not certain how the Senate divides on it. I think it is a matter that is of some concern of certainly the President and certainly those in the Senate.

I am prepared to yield back the remainder of my time.

I am compelled to ask for the yeas and nays on this vote.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. McGOVERN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGOVERN. Mr. President, I have discussed the possible modification of the pending amendment offered by the Senator from Kansas under which these words would be added:

Unless the President certifies to Congress that the establishment of such relations would serve the U.S. national interest.

The Senator from Kansas made clear earlier that he is not offering this amendment to provoke any kind of a confrontation with the President. It does, in fact, state the existing policy of the administration, but this kind of language would add the flexibility that I think we recognize the President needs in dealing with a changing and fluid situation.

So I ask if the Senator will accept this as a modification of his amendment.

Mr. DOLE. Mr. President, the Senator from Kansas feels it is a very good suggestion.

Do I have any time remaining?

The PRESIDING OFFICER. The Senator from Kansas has no time remaining.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator from Kansas have 2 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Kansas is recognized for 2 minutes.

Mr. DOLE. Mr. President, if the amendment is accepted, it puts the Senate on record. It does not interfere with the flexibility the President should have, and I think it is a good suggestion, and I am willing to accept the amendment.

Mr. President, I ask unanimous consent that the yeas and nays be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Will the Senator from Kansas send his modification to the desk?

Mr. DOLE. The Senator from South Dakota stated the modification.

The amendment, as modified, is as follows:

At the bottom of page 57, add the following:

ANGOLA

SEC. 420. None of the funds authorized to be appropriated under this Act may be used to establish diplomatic relations with the Government of Angola while military forces of the Government of Cuba remain in Angola, unless the President certifies to Congress that the establishment of such relations would serve the U.S. national interest.

Mr. PERCY. Mr. President, will the Senator yield for 30 seconds?

Mr. DOLE. I yield.

Mr. PERCY. Mr. President, I commend the distinguished Senator from Kansas. I would, of course, have voted against the amendment because establishing relations with a country in no way endorses that country's policies or system of government. For that reason I oppose it.

But I do believe that the modification now that has been suggested is very acceptable, and I support it and commend my distinguished colleague.

Mr. JAVITS. Mr. President, will the Senator yield to me also?

Mr. DOLE. I yield.

Mr. JAVITS. Mr. President, I commend my colleague and for another reason, too, which is that the courts have held the President has absolute authority on matters of recognition, and by doing what he has done the Senator recognizes that.

Mr. ROBERT C. BYRD. Vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment as modified was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment, as modified, was agreed to.

Mr. McGOVERN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BARTLETT and Mr. CASE addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

UP AMENDMENT NO. 1379

Mr. BARTLETT. Mr. President, I have an unprinted amendment which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Oklahoma (Mr. BARTLETT) for himself and Mr. BAKER, Mr. DOLE, Mr. GOLDWATER and Mr. THURMOND, proposes unprinted amendment No. 1379.

Mr. BARTLETT. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered:

The amendment is as follows:

At the end of Title IV add the following:

CONCURRENT RESOLUTION

It is the sense of the Congress that the President should sever existing diplomatic and economic relations with Cuba until such time as Cuba removes its military forces from Africa.

Whereas Cuba, by its military presence, continues to intervene in the domestic affairs of Angola and Ethiopia, and threatens the national security of other African countries;

Whereas Cuba has actively sought to upset an internal settlement of political disputes in Rhodesia by sending troops and arms to train and supply terrorist forces operating inside and outside Rhodesia;

Whereas a Cuban military presence continues in Algeria, Angola, the Congo, Equatorial Guinea, Ethiopia, Guinea, Guinea-Bissau, Libya, Mozambique, and Sierra Leone and poses security threats throughout Africa;

Whereas the Cuban military presence in Africa has been linked repeatedly to unprovoked rebel incursions in Zaire and Rhodesia, resulting in considerable loss of life and property;

Whereas Cuba has nearly tripled the number of Cuban military personnel serving in Africa in the past year and gives no indication that the disturbing presence of such personnel will be tempered or diminished;

Whereas the Government of Cuba has reportedly issued a second call military reservists, the intent of which may be to further their military presence in Africa;

Whereas the President of the United States authorized the exchange of notes of May 30, 1977, between the governments of the United States and Cuba, which established an Interests Section for the United States in the Swiss Embassy in Havana and an Interests Section for Cuba in the Czechoslovakian Embassy in Washington, D.C., in an effort designed to move toward normalized diplomatic relations;

Whereas the President is authorized to limit trade with Cuba being conducted by subsidiaries of American firms acting in third party nations under the Export Administration Act of 1969;

Whereas the President of the United States has the power to sever all diplomatic and economic relations with Cuba;

Whereas the Congress deems the removal of a Cuban military presence in Africa of paramount importance to the security of the United States and the world: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the President should—

(1) recall the United States Interests Section from Cuba and expel the Cuban Interests Section from the United States,

(2) deny any license for commercial trade with or export to Cuba under the Export Administration Act of 1969,

(3) reverse any other action toward the normalization of relations with Cuba, and

(4) defer any further official actions toward normalization of United States relations with Cuba, until such time as all Cuban military forces are removed from Africa.

Mr. ROBERT C. BYRD. Mr. President, will the Senator agree to a time limitation on this amendment of 5 minutes to each side?

Mr. BARTLETT. No, I will not. But I will be happy to agree to——

Mr. DOLE. Ten minutes?

Mr. ROBERT C. BYRD. Ten minutes to a side?

Mr. BARTLETT. No. I will agree to 30 minutes equally divided.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. HARRY F. BYRD, JR. Mr. President, reserving the right to object, I would just as soon not have a time limitation agreement on this amendment until after I hear the debate of the Senator from Oklahoma, and I may want to join in the debate myself.

Mr. ROBERT C. BYRD. Mr. President, the issue is pretty clear. I hope we could get a time agreement on it. If the Senator from Virginia does not want one, I shall not press it.

Mr. BARTLETT. Mr. President, I shall read the resolve section.

Incidentally, for the benefit of my colleagues, this is identical to a concurrent resolution expressing the sense of Congress that the President should sever existing diplomatic and economic relations with Cuba until such time as Cuba removes its military forces from Africa.

This is concurrent resolution 91. The only change is striking the word "expressing" and replacing that with "it is." Otherwise it is exactly the same.

It had 32 cosponsors and, as the amendment I am introducing, it is the Bartlett-Dole-Baker-Griffin amendment.

Mr. President, I have been interested very keenly in the affairs of Africa and the new nations there for a number of years. I have been to Angola and the countries around it, to Somalia and Berbera, and so I followed with great interest the activities of Cuba as a surrogate for the Soviets in Africa.

For several years I have maintained a keen interest in the affairs of Africa and its newly founded nations. On several occasions, I have been fortunate enough to journey there and receive a firsthand account of the trials that fledgling African nations must weather, while securing a stable economic and political system.

Naturally I have viewed the recent events in Africa with great concern and apprehension. It seems obvious, even to the most casual observer, that there is a rising tide in Africa, which if not tempered or arrested, will only foster further chaos and deny the nations of Africa their right of self-determination and the opportunity for economic prosperity, that they so desperately need.

Mr. President, the tide of which I am speaking is the escalating Soviet-backed Cuban military presence in Africa, which has repeatedly demonstrated its aggressive intention to disrupt and interfere with the internal affairs of African nations. I would submit to my colleagues, that this military presence, often taking the form of active combat, not only threatens the secure borders of African states but also presents national security challenges to the United States and other nations of the West.

The record of Cuba, as surrogate to Soviet designs, is one of repeated military agitation not only on the African Continent but in our own hemisphere as well. In fact, it was in the face of American opposition, that Cuba abandoned its programs fostering Communist insurgency in Latin America and turned its attentions to greener pastures in Africa, where there was considerably less of an American presence.

It is not my purpose here to build a case against the Cubans. The Cubans have done that for themselves. Cuba currently maintains thousands of troops in Angola and Ethiopia, where it continues to interfere in the domestic affairs of those nations. The tenuous internal settlement in Rhodesia, which seeks to replace a longstanding minority regime with a government founded on majority rule, faces its only real opposition from terrorist forces trained and supplied by Cuba and the Soviet Union. Additionally, Cuba maintains military personnel and advisers in 12 other African nations, besides the ones I have just mentioned, whose placement can only serve to threaten the security of their neighbors.

In my own humble estimation, it is time that the United States resort to more than rhetoric in dealing with the Cubans. Today I place before the Congress an amendment urging the President of the United States to take tangible diplomatic, yet peaceful steps, designed to discourage Cuba and the Soviet Union from further military activity in Africa. Ambassodor Young's diplomatic solutions should be used to deal with the problems of Cuba.

Mr. President, I call for the sense of the Senate and the House of Representatives that President Carter sever existing diplomatic and economic relations with Cuba and stem any other official acts toward the normalization of relations with Cuba, until such time as Cuba removes combat military forces from Africa.

President Carter has said the Congress had shackled his hands so he could not deal adequately with Cuba's aggression and presence in Africa and this is a powerful diplomatic solution.

Since early 1977, there have been significant movements toward reestablishing normalized diplomatic relations with Cuba; the most important to date being the exchange of notes of May 30, 1977. This informal agreement provided interest sections for the United States in the Swiss Embassy in Havana, and for the Cubans in the Czechoslovakian Embassy here in Washington.

There has also been a limited amount of U.S. technological trade with Cuba by American subsidiaries, via third party nations.

The recent movements for normalized political and economic relations have not developed out of a 17-year hiatus without cause. The Cuban economy is in a shambles. Cuban officials have actively courted American business in hopes of trade opportunities; 85 percent of Cuban foreign exchange earnings are derived from sugar; and given the depressed price of sugar on the international exchange, their economy has fared poorly. Plans for industrial and agricultural diversification have failed. Cuba continues to have the highest per capita foreign indebtedness of any country in Latin America, with over 40 percent of its yearly foreign exchange earnings in hard currency going to pay the interest and principal on its external debt. They would like to see the flow of American dollars into their country continue and increase. They would be hurt if the current flow was stopped, and disheartened at the prospect of not having more American dollars.

Mr. Castro must be told that Cuban forces cannot go marauding through Africa without sacrificing diplomatic and trade relations he is seeking at home.

Perhaps in the meantime, Mr. Castro might learn that he can best solve his unemployment problems by promoting trade and industry at home instead of shipping soldiers abroad to interfere in the affairs of African nations.

I have formerly been encouraged by recent humanitarian concessions made by Mr. Castro, enroute toward improved trade and political relations. Yet this movement, which would be to Cuba's greater gain, must be supplanted in favor of restoring order and the removal of impending threats to the security of African nations and the rest of the world.

The adoption of this resolution would have no binding legal effect on the President of the United States. Indeed it should encourage him to take a freer hand in creatively exercising his powers over foreign policy. This resolution merely expresses the sense of Congress that first things be placed first, that tangible peaceful political pressures be applied. Mr. Carter should hear from the Congress our disapproval of Soviet-backed Cuban military activity in Africa, and move in the manner suggested by this resolution. In addition, he should encourage other leaders of the Western community to recognize these threats to world peace, and to take similar action.

Mr. RANDOLPH. Mr. President, will my able colleague yield at this point? I do not wish to break the continuity of his remarks.

Mr. BARTLETT. I would be happy to yield.

Mr. RANDOLPH. Mr. President, Fidel Castro came into this Chamber after he had taken over in Cuba, and I recall him so very well with his large outstretched hands saying, "We come as your friends. We are your friends." He repeated those words throughout the Capitol Building.

But I say in a well-reasoned way, that he has not been a friend of the United States of America. I feel that just the opposite is true. His support, his cooperation, his effort through diplomatic and other channels have been to work with not one, but many nations that would seem to resent the United States of America.

I am speaking rather quietly, but I am being very earnest when I say that in supporting this amendment, in which I am happy to join, I hope the Senate will agree to it because I believe it is founded in fact. It will be an expression of the Senate which will, of course, meet with favor the majority of American citizenship.

Mr. BARTLETT. I appreciate very much the strong support of the distinguished Senator from West Virginia. I appreciate the fact that he is a sponsor of Senate Concurrent Resolution 91, which this is.

As I said, with the exchange of two words used for expression, otherwise it is precisely the same. I think what the Senator said, specifically pointing out the strong feelings that exist in this Nation today on the part of people who are wanting something done, is most appropriate; and I think this is a peaceful, diplomatic approach that is going to do two things to Cuba and to Mr. Castro. That is, it will be embarrassing to him to lose the beginning of diplomatic recognition which he now enjoys; and secondly, I think it hurts him where he does not want to be hurt, and that is in the area of economic trade.

I yield to the Senator from West Virginia.

Mr. RANDOLPH. One more point. I had a very dear friend, Col. James V. McCauley, who operated a plant 2 miles out of Havana. When Castro took over, he was checking on the plant, which employed 200 Cubans, the key personnel were Americans who had gone in to help the Cubans have a better living.

As he drove toward the plant he was stopped. The Castro officers or police threw him in the ditch, and burned his car before his very eyes. Subsequently, the Castro government expropriated his plant, in which he had employed many Cubans. Col. James V. McCauley, a man who fought in World War I as a pilot for the U.S. Army Air Corps, had never done anything against Castro or his government.

When he found himself with no help from the United States after expropriation of the plant and all that was in it, he died a disillusioned American, because his own country seemed to be unable to help him after that situation took place.

We must not forget this incident or other incidents about Cuba and what has happened in Cuba, as I hope we support this amendment.

Mr. STONE. Mr. President, will the Senator yield me 1 minute?

Mr. BARTLETT. Yes, I yield the distinguished Senator from Florida 2 minutes.

Mr. STONE. Mr. President, the distinguished Senator from West Virginia has recounted——

The PRESIDING OFFICER. The Chair would remind the Senator from Oklahoma that he has not concluded his speech.

Mr. ROBERT C. BYRD. But the Senator has the floor, and is willing to yield the Senator 2 minutes before continuing his speech.

The PRESIDING OFFICER. The Senator from Florida is recognized for 2 minutes.

Mr. STONE. I thank the Chair and I thank the distinguished Senator from Oklahoma.

Mr. President, the distinguished Senator from West Virginia has recounted to

the Senate one moving and important true story. I represent a State that includes some 400,000 meaningful, moving true stories of the cruelties of the Castro regime. For us to continue to warm up to that regime is in contradiction to the meaning of human rights as espoused by this Government and this country.

I associate myself with the remarks of the previous speakers, particularly the senior Senator from West Virginia and the Senator from Oklahoma, and the Senator from Kansas on the previous amendment, and I ask unanimously to be included as a cosponsor of this amendment and its parent resolution, referred to in the remarks of the Senator from Oklahoma.

Mr. BARTLETT. Mr. President, I ask unanimous consent that the name of the distinguished Senator from Florida (Mr. STONE) be added as a cosponsor of this amendment, and also of Senate Concurrent Resolution 91.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BARTLETT. I yield to the distinguished Senator from Kansas (Mr. DOLE).

Mr. DOLE. Mr. President, this amendment, offered jointly by myself and Mr. BARTLETT, is to express the sense of the Senate that there should be no formal diplomatic recognition of Castro's Cuban Government and no partial or total lifting of the U.S. trade embargoes against Cuba until certain preconditions have been met. I want to make it clear that this Government does not intend to buckle under to Castro's demands for a lifting of the 1962 trade embargo until we see some tangible concessions on his own part.

FOUR CONDITIONS TO NORMALIZATION

In my own personal opinion, the United States should look to restricting our present diplomatic and commercial relations and avoid lifting the present embargo on Cuba until such time as the following four conditions are met, which would show that the Cuban regime demonstrates a sincere interest in becoming a respectable member of the world community:

First, Cuba must provide compensation for U.S. property confiscated when Castro first came to power in 1959. I understand that the U.S. Foreign Claims Commission has established American losses in Cuba at $1.8 billion.

Second, Cuba must withdraw its military troops and advisors from Africa. If Castro really wants to improve relations with the free world, it is time he stopped exporting revolution and bloodshed.

Third, Cuba must release from its prisons those citizens of the United States who are being held on political charges of a doubtful nature. In addition, we must see some substantial progress in observance of human rights of Cuban citizens, especially those thousands of persons who have been imprisoned for their political beliefs.

Fourth, Cuba must revise its stubborn attitude and agree to renew the 1973 Antihijacking Accord with the United States, which helps to protect the lives of American citizens.

WITHDRAWAL FROM AFRICA A PRIORITY

It should be made absolutely clear—and I would suggest that this is the one condition in the amendment offered by the Senator from Oklahoma and myself that will be made clear to Castro—there can be no meaningful improvement in American-Cuban relations until he agrees to terminate his active promotion of Communist aggression in Latin America and Africa. It is an insult to the principle of self-determination that Castro still maintains a force of some 20,000 Cuban troops in Angola, 3 years after their strong-arm activities won that country over for the Communists. In addition, Communist military advisors have been deployed throughout the African continent—in Ethiopia, Mozambique, and elsewhere—to instigate political turmoil and bloodshed. Their activity in supporting the terrorist incursion into Zaire this spring is a sobering example of their continued involvement. The Cuban dictator's revolutionary activism has not diminished, despite his earlier promises. This must be halted, before we can consider normalization of our relations with them.

RENEWAL OF ANTIHIJACKING AGREEMENT

The Cuban Government announced that, in October 1976, it would end its antihijacking agreement with the United States. Castro has indicated no willingness to formally renew the agreement, and I fear this removes a major psychological force to discourage the hijacking of American planes to Cuba. The administration and Congress should insist on a formal renewal of the Hijacking Accord.

CUBAN "GOOD FAITH"

Some here have maintained that we must take into account the negative impact of our policies toward Cuba. One must consider also the negative impact of Cuban policies for a proper perspective. Those who insist that the time is at hand for the United States to demonstrate "good faith" by lifting the trade embargo have not, I suspect, fully considered the lack of good faith by the Cuban Government on these and other issues of importance to the American people.

Just 1 year ago, some in this body defended the continuation of our informal relations with Cuba and efforts toward normalization as an important means of communication through which our differences could be worked out. The objectives we seek to achieve in our relations with Cuba, according to them, can only be obtained through direct negotiation and normal relations. In this manner, it is thought that the Cubans can be made to "see the error of their ways." The "effectiveness" of our contacts with the Cubans has been aptly demonstrated since that time, in Angola, in Ethiopia, and in Zaire.

BARBARA WALTERS INTERVIEW

In his recent interview with Barbara Walters, Castro gave his own indictment of his past record in meeting American demands that Cuba withdraw from Africa. He stated:

> We prefer—and I think I told you once—we prefer to send doctors than soldiers, but I believe that it is necessary that some problems be solved—the problems of Namibia and Biafra, the problems of South Africa. As long as South Africa and racism and fascism constitute a risk for the peoples of black Africa, logically there will also be a danger for these people and they will be interested, I believe, in our military cooperation. . . . It may be a long time. I am not going to deceive you. It might be.

Thus, Castro himself states that he intends to remain involved in Africa until he can involve himself in the "liberation" of African peoples, as he and the Soviet Union were involved in Angola, in Ethiopia, and, almost, in Zaire.

A MATTER OF PRINCIPLE

From both a moral and political standpoint, there are many reasons why we should not resume normal relations at this time. As I have said many times before, it is foolish for us to give up what "bargaining chips" we have for encouraging the observance of human rights in Cuba and for promoting the withdrawal of Cuban troops from Africa. If there is going to be any principle in American foreign policy, and any rational behavior, then this administration must draw a line on any further concessions toward Cuba until we have seen some sincere efforts by the Cuban regime toward resolving the outstanding issues between our two countries.

A MATTER OF CUBAN RESPONSIBILITIES

Let me re-emphasize what this amendment does. It simply states that there should be no U.S. diplomatic recognition of the Government of Cuba and no partial or complete lifting of the trade embargo until there is some indication that Castro and the Cuban Government is going to remove its military personnel from Africa and is willing to stop exporting Communism throughout the world. Cuba cannot be treated as a mature, peace-loving state, until it begins to fulfill the responsibilities that accompany such status.

A MATTER OF CONGRESSIONAL RESPONSIBILITIES

Until that is done, Congress has some responsibility to the American people to reflect its interests. The prevailing mood in this country is not one that would indicate a policy of complacent tolerance toward the activities of Communist Cuba, nor to extend a hand of friendship. Therefore it is my hope, that this amendment might be accepted.

Mr. President, we went through this exercise about a year ago. It was a very good debate, and we finally worked out some resolutions. I think many in this body thought we could probably work things out with Cuba. But matters have gone from bad to worse. They have exported more communism around the world, double or triple the amount we had a year ago.

It seems to me that we are on the

right track. We ought to require that they provide compensation for U.S. property confiscated back in 1959. We ought to insist that they withdraw their military troops and advisers from Africa. We ought to insist that Cuba release its prisoners from the United States held on political charges and that they revise their stubborn attitude and renew the 1973 hijacking accord with the United States. I say that we ought to do these things at a minimum before we talk about normalizing relations. I am pleased to join with the Senator from Oklahoma as a cosponsor of the amendment, and I hope our colleagues will support it.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BARTLETT. Mr. President, in this resolution I do not offer a comprehensive program designed to resolve the complex problems of national determination in Africa. However, I do believe that consideration and approval of this resolution does lend a direction, provide an initiative, and create an environment by which the United States can be an active participant in bringing peace to Africa.

Mr. President, I yield the floor.

Mr. McGOVERN. Mr. President, with all due respect to the authors of this amendment, if there was ever a case of proposing that we cut off our nose to spite our face, it is this proposal. What it would do, in effect, is close down the little Cuban interest section in the United States and the American interest section in Havana, both of which have been placed there at our choice, because they were perceived to be in the interests of the United States.

That Cuban interest section and the limited diplomatic intercourse that we have had with Cuba both have been instrumental in gaining the repatriation of American citizens. Closing it today would jeopardize the repatriation of some 400 American citizens and their families who President Castro recently agreed could depart.

The interest section represents the best hope of other Americans held in Cuban jails that they may some day be released. It is now their only contact with the United States. American ships that have inadvertently strayed into Cuban yaters have been expeditiously released because of the intervention of the interest section. The interest section is important in relation to the development of Cuba. It has nothing to do with our approval or disapproval of the Cuban Government.

If we were to close down our interest section because of our unhappiness with what they are doing in Africa, we ought to close down our diplomatic relations with the Soviet Union. Is there anything that applies to our relations with Cuba that does not apply to other countries with which we disagree? I cannot imagine anything more destructive of our relations with Cuba than closing down this interest section.

Mr. BARTLETT. Mr. President, will the Senator yield for a question?

Mr. McGOVERN. I yield for that purpose.

Mr. BARTLETT. To what lengths would Cuba have to go before the distinguished Senator from South Dakota would be willing to take diplomatic action of this type?

Mr. McGOVERN. I would not think that there is anything they have done to date that we could slow down or that we could improve upon by isolating them diplomatically.

What we have here is a very limited operation of some 10 or 12 people in each country, designed to deal with differences that arise between the countries. I cannot see how we can regard this operation as something we are doing as a favor to Cuba. It is something in the interest of the United States. We started it for that reason, and it has nothing to do with the question of whether we approve or disapprove of the Cuban Government.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. McGOVERN. Does the Senator wish me to yield for a question?

Mr. HARRY F. BYRD, JR. Either that, or yield the floor.

Mr. McGOVERN. I do not wish to yield the floor, but I do yield for a question.

Mr. HARRY F. BYRD, JR. I do not have a question. I have some observations of 15 or 20 minutes that I want to make with regard to Cuba.

Mr. PERCY. Mr. President, will the distinguished Senator from Virginia permit the Senator from South Dakota to yield to the Senator from Illinois for a half minute, so that I can complete my comments?

Mr. McGOVERN. I yield to the Senator under those circumstances.

Mr. PERCY. I thank the Senator.

Mr. ROBERT C. BYRD. Then, Mr. President, I hope the Senator from South Dakota will yield to the Senator from Virginia so he can make his observations, without the Senator's losing his right to the floor.

Mr. STENNIS. Mr. President, if the Senator will yield to me for an inquiry, I would like to have a few minutes on the bill.

Mr. HARRY F. BYRD, JR. There is no time on the bill.

The PRESIDING OFFICER. The Senator from South Dakota has the floor.

Mr. McGOVERN. Mr. President, let me say very frankly that it is my intention to move to table this proposed amendment, which is my right. I am simply, as a courtesy to other Senators, withholding that motion for a very brief period of time. But I do not see any point in debating this matter ad infinitum tonight, and it is under those conditions that I wish to retain the floor.

I will yield to the Senator from Illinois, as he said, for a minute, to make whatever observation he wishes.

Mr. PERCY. Mr. President, I thank my colleague. I intend to vote in favor of the tabling motion. I do so for a number of reasons, only one of which I would need to mention now. There are a great many Americans in the State of Illinois, as there are in many other States, particularly Florida, who have relatives and family in Cuba. Since the United States has had an office there, small as it might be, we have been able to have direct contact with our own American authorities there to intervene on behalf of relatives who wish to be reunited with their families.

For that reason, I would think that the pending amendment is contrary to the interests of many Americans of Cuban origin who wish the diplomatic services of the United States to be put to use in their behalf. For that reason alone I would support this tabling motion. By so doing, the Senator from Illinois, and others, are not expressing their approval of what Cuba is doing, either domestically or abroad. But diplomacy serves the interests of American citizens around the world and we should not forget that.

Mr. STENNIS. Will the Senator yield 2 minutes?

Mr. McGOVERN. Yes, without losing my right to the floor.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. STENNIS. Mr. President, this amendment offered as part of the law is a surprise to me. I had heard something about a sense of the Senate resolution. I just feel that I ought to say very positively that to offer it here on the floor as a part of the bill and voted into law without further knowledge, without further consideration, and the fact that we still have a naval operation there, constitutes one reason to oppose it. I never have believed that we could initially pass hard law here on the floor of the Senate with reference to an international affair or diplomacy, with reference to something that is primarily for the executive branch of the Government.

I want to keep the primary responsibility where the Constitution puts it, which is for the executive branch to take a position on policy. If it does not take it, then there is a second choice where we would find a way. But I do not think this amendment is the way to go at it. I oppose it on that ground.

Mr. McGOVERN. Will the Senator agree, as a practical matter, that insofar as we are trying to maintain some influence to encourage countries to move in the direction we would like to see them move, it is sometimes helpful to have some kind of diplomatic contact.

Mr. STENNIS. That is correct.

Mr. McGOVERN. We do not agree with everything the Soviet Union does, but I do not know anybody on the floor of the Senate who would suggest that it would serve the interests of the United States to break off relations with the Soviet Union. The Senator from Oklahoma asked me what the Cubans would have to do before I would recommend breaking off relations. I suppose we could ask the same question about the Soviet Union. There are a great many countries that do things we do not approve of, but it is my own view that the diplomatic contact we do have serves the benefit of the United States.

Mr. STENNIS. But this pertains to Cuba, as I understand it.

Mr. McGOVERN. That is correct. I was referring to cutting off our relationships with a little country because we disap-

prove what they are doing. I suppose the logic could go to all countries.

Mr. STENNIS. Mr. President, I do not want to detain the Senate. I oppose the amendment for the reasons I have given. I thank the Senator for yielding to me.

Mr. McGOVERN. Can the Senator from Virginia give me an indication of how long he might want me to yield? I am anxious to bring this matter to a resolution.

Mr. HARRY F. BYRD, JR. I want to be frank with the Senator from South Dakota. I probably will speak 15 or 20 minutes. If the Senator does not want me to speak at this time, I can put in an amendment after this amendment is disposed of. But I want to speak tonight on Cuba.

I am not a cosponsor of this amendment. I will probably vote for it, but I am not a cosponsor. I do want to speak tonight on Cuba. The question of Cuba has been raised in this Chamber. The Senator from West Virginia (Mr. RANDOLPH) mentioned Fidel Castro. I want to speak about Fidel Castro. The Senator from Florida mentioned that there are 400,000 Cubans who have been run out of Cuba and are now in Florida. I want to talk about that.

If the Senator is yielding, he is yielding a period of time.

Mr. McGOVERN. Will the Senator agree to 15 minutes?

Mr. HARRY F. BYRD, JR. No, I will not. If the Senator does not want to yield now, it is all right, I will not press it. But I will want to put in another amendment after this amendment is disposed of and speak to my own amendment. I assume the Senator will not move to table my amendment until I have discussed it.

Mr. McGOVERN. I have tried to be fair with all Senators who have wanted to speak on these matters. I do not want to cut the Senator off without his stating his views. This is an issue, as the Senator knows, where we have debated this principle on the floor many, many times. It seems to me it is one that we could bring to a vote soon. We are not going to change any votes at this hour in any event.

Mr. HARRY F. BYRD, JR. The Senator from Virginia is not attempting to change votes on this matter. The Senator from Virginia will state his own views with regard to Fidel Castro and Cuba.

It may be better to do it at a later date after this amendment is disposed of. If so, I will put in an amendment and speak on my own time.

Mr. McGOVERN. Under those circumstances, I yield to the Senator with the understanding that I do not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Virginia is recognized.

Mr. HARRY F. BYRD, JR. Mr. President, first, before getting to the question of Cuba, I want to comment on a statement made twice by the able Senator from South Dakota.

Mr. President, the Senator from South Dakota has very kindly yielded time to the Senator from Virginia. I express my appreciation for that.

In considering the matter, it might be better for the Senate to now proceed to vote on the motion about to be made by the Senator from South Dakota. If the Senator from South Dakota would be agreeable to this, I would ask unanimous consent that the Senator from Virginia be recognized, after this amendment is disposed of one way or the other, to present another amendment in regard to Cuba.

The PRESIDING OFFICER (Mr. MELCHER). Is there objection?

Mr. SCHMITT. Reserving the right to object, Mr. President, I wonder if it would be agreeable to the manager of the bill if the unanimous consent request included my recognition to offer an amendment following the amendment of the Senator from Virginia.

Mr. McGOVERN. I would have no objection.

The PRESIDING OFFICER. Is the Senator from New Mexico propounding a unanimous-consent request that he be recognized immediately following Senator BYRD and his unanimous-consent request?

Mr. SCHMITT. My unanimous-consent request would be that immediately following the amendment to be offered by the Senator from Virginia, the Senator from New Mexico be recognized to offer an amendment. There is already a time agreement on my amendment of 20 minutes, with 10 minutes allotted to me and 10 minutes to the manager of the bill.

I believe the Senator from New Jersey may want to get into the sequence, also.

Mr. CASE. Reserving the right to object, Mr. President, are we establishing a pecking order now for the rest of the day?

Mr. McGOVERN. Mr. President, if I could make a suggestion, we have a kind of unique circumstance here with the Senator from Virginia. Why not let that unanimous-consent matter come to the consideration of the Senate, then resolve these other questions later? The Senator from New Mexico, we know, has an amendment. I do not think the Senator from New Jersey will have difficulty getting recognition once we dispose of the amendment offered by the Senator from Virginia. The Senator from New Jersey has been here and the Senator from New York has an amendment. But we are almost at the end of the amendment process, so far as I know. I do not think the Senator will have any difficulty getting his amendment considered.

Mr. SCHMITT. I realize, that, but there has been some difficulty already working in a sequence. I thought it would be useful if the Senate could know what sequence we are going to be in, as well as how many amendments are pending. It looks like a very long evening.

Mr. McGOVERN. I have no objection if the Senator wants to press his request.

The PRESIDING OFFICER. Is there objection to either request?

Hearing none, it is so ordered.

Mr. McGOVERN. Mr. President, I move to lay on the table the pending amendment by the Senator from Oklahoma (Mr. BARTLETT). I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay the amendment on the table. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Alaska (Mr. GRAVEL), the Senator from Maine (Mr. HATHAWAY), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), the Senator from Maine (Mr. MUSKIE), the Senator from Indiana (Mr. BAYH), the Senator from Maryland (Mr. SARBANES), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I further announce that the Senator from Idaho (Mr. CHURCH) is absent on official business.

Mr. STEVENS. I announce that the Senator from Connecticut (Mr. WEICKER) is necessarily absent.

The result was announced—yeas 33, nays 55, as follows:

[Rollcall Vote No. 190, Leg.]

YEAS—33

Brooke	Humphrey	Packwood
Case	Javits	Pearson
Chafee	Kennedy	Pell
Clark	Leahy	Percy
Cranston	Mathias	Proxmire
Culver	Matsunaga	Ribicoff
Eagleton	McGovern	Riegle
Glenn	McIntyre	Stennis
Hart	Melcher	Stevenson
Haskell	Metzenbaum	Williams
Hatfield, Paul G.	Moynihan	
	Nelson	

NAYS—55

Allen	Eastland	Magnuson
Baker	Ford	McClure
Bartlett	Garn	Morgan
Bellmon	Goldwater	Nunn
Bentsen	Griffin	Randolph
Biden	Hansen	Roth
Bumpers	Hatch	Sasser
Burdick	Hatfield, Mark O.	Schmitt
Byrd, Harry F., Jr.	Hayakawa	Schweiker
Byrd, Robert C.	Heinz	Scott
Cannon	Helms	Stafford
Chiles	Hodges	Stevens
Curtis	Hollings	Stone
Danforth	Huddleston	Talmadge
DeConcini	Jackson	Thurmond
Dole	Johnston	Tower
Domenici	Laxalt	Wallop
Durkin	Lugar	Young
		Zorinsky

NOT VOTING—12

Abourezk	Gravel	Muskie
Anderson	Hathaway	Sarbanes
Bayh	Inouye	Sparkman
Church	Long	Weicker

So the motion to lay on the table UP Amendment No. 1379 was rejected.

The PRESIDING OFFICER. The question recurs on the amendment offered by the Senator from Oklahoma.

SEVERAL SENATORS. Vote.

Mr BARTLETT. Mr. President, I ask unanimous consent to vacate the yeas and nays.

Mr. McCLURE. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, let us voice vote this. The handwriting on the wall is clear.

Mr. McCLURE addressed the Chair.

Mr. ROBERT C. BYRD. The Senator has the right to object.

Mr. McCLURE. I have been present in this body time after time after time when people on our side of the issues are denied up or down votes upon amendments that have real merit.

The motion to table is almost always made when it is against positions which I and others like myself have considered. If the Senator from West Virginia or the managers of the bill will assure me that there will be no more motions to table on meritorious amendments, in order to avoid an up-and-down vote on the merits of the issue——

Mr. ROBERT C. BYRD. The Senator means on this bill?

Mr. McCLURE. No, I do not mean on this bill, because the Senator from West Virginia knows where we are.

Mr. ROBERT C. BYRD. The Senator objects?

Mr. McCLURE. I object.

The PRESIDING OFFICER. Objection is heard.

The following Senators requested and, by unanimous consent, the privilege of the floor was granted in behalf of the following staff members: Mr. BARTLETT: Ron Lehman; Mr. MORGAN: Hans Findorf; Mr. CRANSTON: Christy Cohagen; Mr. MOYNIHAN: Elbot Abrams, Tim Russert, and Mike Hodin; Mr. HARRY F. BYRD, JR.: Chris Lehman and Roger Sindlar; Mr. KENNEDY: J. Kalicki; Mr. GLENN: Len Bickwick.

Mr. ROBERT C. BYRD. Mr. President, this may be the last vote before final passage of this bill. Shall we proceed?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Indiana (Mr. BAYH), the Senator from Alaska (Mr. GRAVEL), the Senator from Maine (Mr. HATHAWAY), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), the Senator from Maine (Mr. MUSKIE), the Senator from Wisconsin (Mr. NELSON), the Senator from Maryland (Mr. SARBANES), the Senator from Alabama (Mr. SPARKMAN), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that the Senator from Idaho (Mr. CHURCH) is absent on official business.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Pennsylvania (Mr. HEINZ), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The result was announced—yeas 53, nays 29, as follows:

[Rollcall Vote No. 191, Leg.]

YEAS—53

Allen	Eastland	Nunn
Baker	Ford	Randolph
Bartlett	Garn	Roth
Bellmon	Hansen	Sasser
Bentsen	Hatch	Schmitt
Biden	Hatfield, Mark O.	Schweiker
Bumpers	Hayakawa	Scott
Burdick	Helms	Stafford
Byrd, Harry F., Jr.	Hodges	Stennis
Byrd, Robert C.	Hollings	Stevens
Cannon	Jackson	Stone
Chiles	Johnston	Talmadge
Curtis	Laxalt	Thurmond
Danforth	Lugar	Tower
DeConcini	Magnuson	Wallop
Dole	McClure	Young
Domenici	McIntyre	Zorinsky
Durkin	Morgan	

NAYS—29

Brooke	Hatfield, Paul G.	Metzenbaum
Case	Humphrey	Moynihan
Chafee	Javits	Packwood
Clark	Kennedy	Pearson
Cranston	Leahy	Pell
Culver	Mathias	Percy
Eagleton	Matsunaga	Proxmire
Glenn	McGovern	Ribicoff
Hart	Melcher	Riegle
Haskell		Stevenson

NOT VOTING—18

Abourezk	Griffin	Muskie
Anderson	Hathaway	Nelson
Bayh	Heinz	Sarbanes
Church	Huddleston	Sparkman
Goldwater	Inouye	Weicker
Gravel	Long	Williams

So Mr. BARTLETT's amendment (UP No. 1379) was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BARTLETT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. HARRY F. BYRD, JR. Mr. President. I congratulate the able Senator from Oklahoma. That was a tremendous victory which the Senator from Oklahoma won just a moment ago.

The vote of 53 to 29 approved the amendment which the Senator from Oklahoma (Mr. BARTLETT) had proposed.

I take this opportunity to say with regret I note that the Senator from Oklahoma has voluntarily decided to retire from the Senate.

He will be greatly missed in this body, and that victory that he had tonight and the persuasive arguments that he made to the Senate, dramatizes I think the tremendous service that Senator DEWEY BARTLETT has rendered to the Senate and to the American people.

In connection with that vote and during the debate on that vote, the distinguished Senator from South Dakota twice made an assertion which I shall comment on.

He was speaking of the amendment by the Senator from Oklahoma to sever relations with Cuba, and he said this:

> Are we going to punish little countries because they are little?

That was his first statement.

The second statement he made was:

> Is there any logic to punishing little countries because they are little?

Mr. President, this body has been punishing a little country because it is little for a long time, and that country is Rhodesia.

This body just today voted to continue to allow the punishment of a little country because it is little, namely, Rhodesia. But that vote today on the amendment offered by the Senator from North Carolina (Mr. HELMS) was a very close vote. The Helms amendment was tabled by a vote of 48 to 42.

A change of four votes would have changed U.S. policy in regard to Rhodesia.

I regret that the amendment offered by the Senator from North Carolina did not prevail, but I think that is a very fine vote which he received.

When we talk about little countries Rhodesia certainly comes to mind. When we talk about punishing little countries Rhodesia also comes to mind.

The vote that was just taken on Senator BARTLETT's proposal is on a very strong amendment. It is the sense of the Congress that the President should sever existing diplomatic and economic relations with Cuba until such time as Cuba removes its military forces from Africa. The Senate by a recorded vote approved that, the vote being 53 to 29.

I would think that that would be a very clear signal to the executive branch of our Government, to the President, to the State Department, that the Senate is very deeply concerned about continued Cuban activity and Cuban expansion in Africa.

All of us know, of course, that Cuba is a Russian satellite, and all of us know that Russia is continuing to expand its influence on the continent of Africa.

If the policy being advocated by certain officials in the State Department prevails in regard to Rhodesia, then that country is likely to be the next country to fall under the influence of Communist Russia.

The State Department is attempting to force a Marxist-oriented terrorist group into the Government of Rhodesia and that, in my judgment, would be a great tragedy.

Now, Mr. President, the reason I rose to speak, other than to congratulate the Senator from Oklahoma (Mr. BARTLETT), is to comment on Cuba. Earlier the Senator from Florida (Mr. STONE) mentioned that there are 400,000 Cubans who have been driven out of their homeland and are now residing in Florida.

Several years ago the Cuban community in Miami invited me to address them. It was a most interesting occasion.

There were 3,000 or 4,000 Cubans, and I was under the impression that all of them understood English. But when I spoke I found otherwise, and my speech had to be translated every four or five paragraphs.

It was a very disconcerting experience, I might say.

On the other hand, it was a rather interesting experience because about half of them could understand English, and I would receive applause when I spoke in the English language, and then when it was translated, I would receive

applause by those who could understand Spanish.

So I enjoyed that aspect of it. But I must say it was a long evening. I know Senator STONE has been to many of those meetings with the very fine Cuban community—a warmhearted people.

That evening, although I was the guest of honor, there were 11 speakers before they got to me, and by that time it was almost 2 o'clock in the morning. But I must say none of them spoke quite as long as Fidel Castro usually speaks.

The Senator from West Virginia (Mr. RANDOLPH) mentioned Fidel Castro earlier today. I first became acquainted with Cuba, and I first saw Castro in 1959. As all of us remember, it was January 1, 1959, that Castro took over power in Cuba, ousting the corrupt Batista regime.

I was a newspaper editor at that time, and I spent a good deal of 1959 in Cuba. I came away from there each time I went greatly impressed with the Cuban people and with the potential of that island.

Just look what Castro has done to it. What a tragedy it is.

My first trip to Cuba was shortly after Castro came to power, and I found him to be a very popular figure in Cuba at that time. Most of those with whom I had contact—and I had contact with people from almost every economic segment of the island—were very pleased that Batista had been overthrown, and they were looking to Castro to bring a greater degree of freedom to that land, and also to rid the island of the corruption which they felt existed in the Batista regime.

Then I went back about 4 months later and I found that more and more Cubans who had talked with me earlier had begun to revise their view of Castro and had begun to have questions as to whether he was, in fact, an improvement over Batista.

The next time I went back, I found much strong opposition. All of this happened in a period of about 1 year.

I will never forget one of the most interesting experiences I ever had in Cuba. I went to see a produce merchant. I did not know him, but a mutual friend had given me a letter of introduction. I went to see him and told him I would like to chat with him a little bit. He said, "I don't have time to talk with you. This is a busy place. You can see how busy we are."

I said, "I realize that, and I do not want to impose on you in any way, but it would be very helpful if I could just sit down and chat with you. Here is a letter that I brought from our mutual friend."

He said, "No, I am sorry. I do not like to be rude, but I just cannot do that."

"But," he said, "I will tell you what I will do. Would you like to see our refrigerated room where we keep all of our vegetables, onions, and so forth?"

I said, "Yes, I would like to do that."

So he took me back in that refrigerated room, and the two of us sat there on sacks of onions. Then he said, "Now, we can talk." He said, "I could not talk out there on the street. I could not talk there in my own office. The only place I can talk here is in this refrigerated room where I know no one is going to hear me."

He poured out his heart to me, and he told me what the conditions were under Castro at that time.

I shall never forget that meeting. Here was a hard-working, fine person, and he had a large family and, with tears in his eyes, he told me this: He said, "To show you to what extremes certain people in Cuba are going in brainwashing the young people of Cuba, last night we were talking at dinner," he told me, "and my daughter was there. I made the statement of how Castro was ruining this island, how he was ruining businesses like mine, and what great damage he was doing to the Cuban people.

"My daughter's reply was that Castro was the greatest man Cuba has ever had, and, 'If you don't like what Castro is doing, you ought to leave Cuba.'"

That man had tears coming down his cheeks when he was telling me that.

I have great sympathy with the Cuban people. I have tried to keep up with what has happened in Cuba through the years. Many of the friends that I made in Cuba were forced to leave the island at one time or another following 1959. Some of them are living in Connecticut, some of them are living in Mississippi, some of them are living elsewhere throughout our Nation. I try to keep in touch with them, and they, in turn, keep in touch as best they can with their friends and associates in Cuba, and their relatives.

So I feel very strongly about what Castro has done to that wonderful little island.

I just look forward to the day that I can go back there to a free Cuba. I must say I do not want to go back there while Castro is the dictator.

If I were in my professional capacity as a newspaper editor, I probably would, but I do not want to go back there as a U.S. Senator while Castro is operating that dictatorship.

I think this amendment, which the Senate has adopted tonight by an overwhelming vote, should send a pretty clear message to the State Department and to others who have been toying with the idea that what we ought to do is normalize our relations with Castro.

I must say I was somewhat surprised at the very large vote which this amendment received this evening: 53 yeas to 29 nays. That shows the depth of feeling, I think, which exists in the Senate in regard to Cuba.

I think one reason for the strong feeling about Cuba on the part of the Senate is due to the effective statements which have been made to the Senate time and time again by the two Senators from Florida, particularly by Senator STONE, who is present at this moment.

I know what a keen interest he has in the Cuban community in Florida, and how popular he is with that group. The Senators from Florida, who have had close contact with the 400,000 Cubans driven from their homes by Castro, have had much to do, I think, with influencing the Senate as to the position which it took today.

Mr. President, I have another amendment to the pending legislation. However, under the unanimous-consent agreement the distinguished Senator from New Mexico (Mr. SCHMITT) is to be recognized to present his amendment. I will withhold my amendment until the Senator from New Mexico has had an opportunity to present his, and I understand that following the Senator from New Mexico the Senator from New Jersey may have an amendment.

The PRESIDING OFFICER. Under the previous order, the Senator from New Mexico is recognized to present an amendment.

Under that previous order, the time agreement is 10 minutes to the Senator from New Mexico and 10 minutes under the control of the Senator from South Dakota.

The Senator from New Mexico.

UP AMENDMENT NO. 1380

(Purpose: To prohibit use of RFE/RL facilities by Communist countries)

Mr. SCHMITT. Mr. President, it is my understanding that the amendment has been found acceptable to the members of the committee, the chairman and the ranking Republican member, and therefore there will probably be no necessity for a rollcall. I would like, however, just very briefly to describe the amendment, and to do so I send the amendment to the desk and ask that it be reported.

The PRESIDING OFFICER. The Clerk will state the amendment.

The second assistant legislative clerk read as follows:

The Senator from New Mexico (Mr. SCHMITT) proposes an unprinted amendment numbered 1380.

Mr. SCHMITT. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHMITT. I also ask unanimous consent that the amendment be printed in its entirety at the initiation of my remarks.

The PRESIDING OFFICER. Without objection, is is so ordered.

The amendment is as follows:

On page 34, between lines 15 and 16, insert the following:

USE OF BROADCASTING FACILITIES BY COMMUNIST COUNTRIES

SEC. 303. The Board for International Broadcasting Act of 1973 is amended by adding at the end thereof the following:

"USE OF BROADCASTING FACILITIES BY COMMUNIST COUNTRIES

"SEC. 9. Notwithstanding any other provision of this Act, if RFE/RL, Incorporated permits any Communist country to use the broadcasting facilities of RFE/RL, Incorporated other than under an agreement whereby such Communist country permits the use, on a comparable basis, of its broadcasting facilities by RFE/RL, Incorporated, then none of the funds authorized to be appropriated under this Act may be made available for RFE/RL, Incorporated. For purposes of this section, the term 'Communist country' is used within the meaning of section 620(f) of the Foreign Assistance Act of 1961.".

Mr. SCHMITT. Mr. President, in its fourth annual report to Congress, the chairman of the Board for International Broadcasting, John Gronouski, has proposed that Radio Free Europe and Radio

Liberty give air time to the Soviet Union and the nations of Eastern Europe (Poland, Romania, Hungary, Czechoslovakia, and Bulgaria). This proposal was advanced in an effort to counter the jamming of the broadcasts of Radio Free Europe and Radio Liberty.

I ask unanimous consent that an excerpt from the Board's report be printed in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Moreover, the Board is prepared seriously to consider, in concert with the Radios, the development of procedures for making RFE/RL air-time available to officials of the Soviet Union and Eastern Europe for responses to those specific complaints which have merit. No radio enterprise broadcasting 980 hours a week can avoid committing an occasional inaccuracy. It would be eminently more sensible for the governments involved to develop, in cooperation with the Board, an orderly way to correct such lapses when they occur, rather than to engage indiscriminately in a costly jamming exercise which violates the very essence of the Helsinki commitment to the free flow of information.

Mr. SCHMITT. I find it unusual if not unbelievable, Mr. President, that such a proposal would be advanced. In essence, the Soviet Union and its satellites would be rewarded for their jamming efforts by access to the facilities they are jamming. This would all occur at the expense of the American taxpayer.

A number of more serious concerns exist. The first concern is that the Soviet Union and each of its satellites signed the Final Act on Security and Cooperation in Europe, the Helsinki Accords, 3 years ago. One of the provisions of that act was the free flow of information. Yet the Eastern Bloc continues to violate this provision of the act. The proposal of the Board for International Broadcasting would have the effect of rewarding Soviet refusal to honor its commitments.

The other very serious concern, Mr. President, is about the credibility of Radio Free Europe and Radio Liberty. These stations were established to provide accurate information to the people of the Soviet Union and Eastern Europe. Giving the Soviets access to these stations for the propaganda which these stations were established to combat would, I fear, compromise the credibility and reliability of these stations in the ears of their listeners throughout the Soviet Union and Eastern Europe.

Mr. President, over 70 Members of the House cosponsored a bill, introduced by Representative RINALDO, that would prohibit the Board for International Broadcasting from implementing this proposal. The House International Relations Committee adopted an amendment to the Foreign Relations Authorization Act which is identical to the amendment which I have just introduced. This amendment would prohibit Communist countries from using the facilities of Radio Free Europe and Radio Liberty unless that country allowed Radio Free Europe and Radio Liberty use of its broadcasting facilities on a comparable basis. The House retained this amendment in the final House bill.

Mr. President, this proposal would permit some flexibility but would protect the interests of the American people. If the Soviet Union and its satellites are interested in the free exchange of information, then they can begin by honoring the agreements which they have ratified, particularly the Helsinki Accords.

Mr. President, as I said, I believe the committee is willing to accept the amendment. They may have some comments, however.

Mr. McGOVERN. Mr. President, if the Senator will yield to me, let me just say that the background of this amendment was a proposal by Mr. John Gronouski, the chairman of the Board for International Broadcasting, which has jurisdiction over Radio Free Europe and Radio Liberty. Mr. Gronouski was somewhat nettled by the fact that these radio operations were not only being jammed, but were constantly being charged with being biased and untruthful.

I suspect, partly tongue in cheek, he proposed to his critics, the critics of these radio operations on the other side, that if they felt we were not telling the truth he would challenge them to go on the radio for a specified period of time and give their answer. In other words, let us test their mettle.

I do not think he ever had any thought that the Soviets would accept him on that challenge. I am totally convinced in my own mind that they would not.

I can see the Senator's point. As I understand his amendment, he is saying if we are going to give free time on our radios to a rival country, it only ought to be done under conditions under which they extend the same right to us to be heard without jamming, without interruption, on their radio facilities.

There is a proposal, as the Senator from New Mexico has said, which has already passed the House of Representatives which is somewhat similar to this. In any event, I am willing to take the amendment to conference, and I have no objection to it.

Mr. SCHMITT. I appreciate the interest of the distinguished Senator in this issue, and understanding why it is offered. There may be some misunderstanding in the consequences of the board's actions. This should take care of that.

Mr. McGOVERN. Mr. President, I yield back the remainder of my time.

Mr. SCHMITT. Mr. President, I yield back the remainder of my time. It is my understanding that the amendment is acceptable.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico.

The amendment is agreed to.

UP AMENDMENT NO. 1381

Mr. MOYNIHAN. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from New York (Mr. MOYNIHAN), for himself and Mr. WILLIAMS, Mr. CASE, Mr. STONE, Mr. SARBANES, Mr. HARRY F. BYRD, Jr., Mr. DANFORTH, Mr. DOLE, Mr. RIBICOFF, Mr. CHAFEE, Mr. SASSER, Mr. ALLEN, Mr. DURKIN, Mr. DOMENICI, Mr. GRIFFIN, Mr. BROOKE, and Mr. MATSUNAGA, proposes an unprinted amendment numbered 1381.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 8, insert a comma and the following before the period:

"Except that any part of such amount as may be available for the United Nations shall be reduced by a sum equal to the product of the United States contribution to the United Nations for the immediately preceding fiscal year and the proportion which the aggregate budget of the Committee on the Exercise of the Inalienable Rights of the Palestinian People and the Special Unit on Palestinian Rights for such fiscal year bears to the budget of the United Nations for such fiscal year."

Mr. MOYNIHAN. Mr. President, this is a matter which need not detain us at great length, it being one of which the Senate is at a near unanimous and solid opinion. This amendment would withhold from the U.S. contribution to the United Nations that proportion of the budget of the Committee on the Exercise of the Inalienable Rights of the Palestinian People which is proportionate to our general contribution to the U.N. budget.

Mr. President, this measure is submitted and cosponsored by Senators WILLIAMS, CASE, STONE, SARBANES, HARRY F. BYRD, Jr., DANFORTH, DOLE, RIBICOFF, CHAFEE, SASSER, ALLEN, DURKIN, DOMENICI, GRIFFIN, BROOKE, and MATSUNAGA.

It is my understanding that the distinguished manager of the legislation, the Senator from South Dakota, has agreed on behalf of the committee to accept this amendment.

Mr. McGOVERN. Mr. President, I have discussed this matter with the Senator from New York. I believe the amendment is one that we can accept and take to conference. Again, it is my understanding that a similar action was taken on the House side, though not in the same form as proposed by the Senator from New York. I have no objection to the amendment.

Mr. MOYNIHAN. I do thank the Senator from South Dakota.

I will detain the Senate only for a moment to point out that this is a departure from our normal principles. Few of the cosponsors of this legislation, certainly not the manager of the bill, are disposed to introduce the particular American viewpoints into the contribution that the United States makes to international bodies. But, Mr. President, this particular committee is profoundly a departure from the principles of the United Nations.

I have just had the pleasure of speaking on the telephone with the Israeli permanent representative to the United Nations, who was with me in the U.N. General Assembly on November 10, 1975, when the resolution establishing this committee was adopted. That was a day

which will live in infamy, when the United Nations General Assembly declare Zionism to be a form of racism—that obscene, untruthful, destructive resolution.

It was in that atmosphere that this resolution was adopted. It has since made the United Nations Secretariat a party to a conflict between members of the U.N., a clear violation of the charter, and the flat violation has been exacerbated by the extraordinary misbehavior of persons who do not at all represent the Palestinian people but who have taken it upon themselves to spread the most obscene form of antisemitism around the world. Among other things they are now making a movie which would make Herr Doctor Goebbels wonder if he had not been reincarnated.

Mr. President, the United States ought to in no way be a party to this destructive and illegitimate behavior of the U.N. This action by the Senate will indicate our strong view, which is not opposition to the proper works of the U.N. but to the irregular and in my view illegal activity of this committee.

I thank the Senator from South Dakota for his courtesy in accepting this amendment, and I yield the floor. The Senator from South Dakota, I understand, accepts the amendment.

Mr. McGOVERN. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. (Mr. ZORINSKY). The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MOYNIHAN. Mr. President. I move to reconsider the vote by which the amendment was agreed to.

Mr. McGOVERN. Mr. President, I move to lay that on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1382

Mr. CASE. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Jersey (Mr. CASE), for himself, Mr. JAVITS, Mr. STONE, Mr. HEINZ, Mr. DOLE, and Mr. BROOKE proposes an unprinted amendment numbered 1382.

Mr. CASE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of Title IV, add the following new section:

RHODESIA

Congress finds that:

(1) the conflict in Rhodesia is a source of loss of life and continuing concern to the nations of the world; and

(2) officials of the United States have been involved in efforts to bring about a peaceful solution: It is the sense of Congress that:

(1) the role of the United States should be to join with like-minded parties in providing its good offices to bring about a peaceful solution, an orderly transition to genuine majority rule, and the enduring protection of minority rights;

(2) the United States should assist the process of reconciliation in Rhodesia and oppose efforts in the United Nations and elsewhere which might undermine the dual objectives just mentioned; and

(3) the various peace proposals, including the agreement reached by the Government of Rhodesia and representatives of Rhodesia's black majority population regarding elections and majority rule by the end of 1978, should be given serious, impartial and good faith consideration by all parties and should not be rejected out of hand.

Mr. CASE. Mr. President, this amendment speaks for itself. It is very similar to a resolution, Senate Concurrent Resolution 70, which we introduced several months ago in regard to our position in the Rhodesian conflict. Its emphasis is upon our dual objective of and support for the efforts to bring about a peaceful settlement of the Rhodesian conflict, one which contains a cease-fire and a peaceful and orderly transfer to genuine majority rule with the enduring protection of minority rights.

It also is an appeal to those directly and indirectly involved in the Rhodesian conflict to take a cool and considered look at the agreement signed in Salisbury by three black Rhodesian leaders and the Smith government. We express opposition to the efforts, such as those at the United Nations earlier this year, to reject the agreement out of hand.

We also are expressing our backing for the efforts by the American, British and other governments to encourage all sides to work out their differences through negotiations and not continued fighting.

The agreement signed in Salisbury was, in my view, a significant and welcome step in the long struggle toward free elections and majority rule.

In this amendment, we are not embracing the Salisbury agreement—this is not the time or place to try to reach a consensus on that, and that is not our intention today.

But what we can say, and are saying in this, is that the agreement deserves serious and impartial consideration and that we are concerned about the consequences of outright rejection.

The consequences could have an impact beyond the settling of the Rhodesian conflict—affecting not only Rhodesia but the neighboring countries, possibly the Russians and Cubans, and also attitudes in the United States and Congress toward the United Nations and those who would automatically reject the settlement.

Leaders and supporters of the Patriotic Front have sharply and quickly denounced the Salisbury agreement and predicted it will only lead to renewed fighting. There also have been suggestions that they might bring in Cubans and Russians.

If Zambia and the neighboring states want to allow the continued buildup of guerrilla forces and follow that route, of course they can do so.

But—and I ask this as one who has sympathized with the aspirations of African nationalism and supported foreign assistance to those countries—is it in their real and long-range interest to do so?

It is the Africans themselves who will be hurt the most if what started as an effort to end white minority government turns into an escalating power struggle and perhaps civil war between various factions.

And it is the Africans in neighboring countries who may also suffer if the conflict widens, not only through border strikes but the exploitation of the situation by the Russians and Cubans for their own purposes. Not only are their countries in danger of further damage from being drawn into a possible whirlpool of stepped-up fighting, but their own economic development is likely to be hindered by the impact on foreign assistance, investment, and education and training programs.

There is, I believe, a great deal of sympathy for those who feel that the white minority rule has been unjust and should be replaced with majority rule. The Salisbury agreement, imperfect as it may be in the eyes of some, is an important part of this process. It could turn out to be the key. A continued rejection of an agreement worked out by black Rhodesian leaders who by most accounts represent a majority of the black Rhodesians is unlikely to get sympathy for the rejectionists. It will be hard for many Americans and Members of Congress to accept the idea that an agreement worked out in peaceful negotiations should be abruptly dismissed out of hand. For the United Nations to be used in this process can only add to the further erosion of the United Nations itself.

The American and British Governments, and perhaps others, are trying to bring the various factions together to bridge some of the gaps.

This process should be encouraged, and I hope that the rejectors will take an opportunity to coolly reassess the situation.

This could be the last chance to peacefully achieve an orderly transition to genuine majority rule, with the enduring protection of human rights—the creation of a Zimbabwe which could be a revitalized and not ruined country.

I understand that the manager of the bill has no objection to it. I know of none myself. I reserve the remainder of my time.

Mr. HARRY F. BYRD, JR. Will the Senator yield?

Mr. McGOVERN. Mr. President, I just wanted to say that I have read the text of the amendment. I think it is a very positive proposal. It simply puts us on record in support of majority rule in Rhodesia, but also to respect the rights of the minority. It does not commit us to any specific formula.

It is a constructive proposal that I think serves the interests of American policy. I hope the amendment will be adopted.

Mr. JAVITS. Will the Senator yield to me?

Mr. CASE. I am delighted to yield.

Mr. JAVITS. May I join as a cosponsor?

Mr. CASE. The Senator is a cosponsor.

Mr. JAVITS. I think it takes the right attitude of sympathy and commitment for peaceful settlement. That is our deepest worry in that area. I think Senator CASE has served us all immensely in this particular area.

Mr. CASE. I am grateful to my colleague. I yield the floor and ask for the vote.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. LEAHY). Without objection it is so ordered.

Mr. HELMS. Mr. President, I have read with interest the amendment proposed by my friend from New Jersey. While it is not a whole loaf, or maybe even a half-loaf, it is a step in the right direction. I commend him for it.

Mr. CASE. I am very much obliged to the Senator. We are used in our part of the country to saying that if we cannot get a whole loaf, it is much better than no bread, and to take a half-loaf.

I do not really regard it in that way.

I think this is an affirmation of such approval as appropriate at this time for the efforts being made by the African leaders and by the white leaders in Salisbury.

I by no means want it to fail. I want it to succeed. I want it to draw in as many of the surrounding forces as we can.

As encouragement of that, and to restate that we are interested in both black majority rule but protection of minority rights, I wanted to get this on record.

Mr. HELMS. I thank the Senator.

I want the Senator to know I was speaking in the context of the action earlier today by this Senate which rejected by a very narrow vote an amendment by the Senator from North Carolina which proposed to suspend the sanctions for a limited period of time.

The Senator from North Carolina is convinced that this is what the vast majority of the people of Rhodesia want, black and white. The Senator from North Carolina feels that this is Rhodesia's problem and ought not be settled by other African countries.

I truly feel that if my amendment had been approved, it would have had salutary results. But as I read this amendment, implicit in it, I believe, is an understanding that perhaps we should consider this matter of sanctions, somewhere down the road, either soon or later.

That may be my own interpretation of the Senator's amendment, but this is what I see in it.

Mr. CASE. The Senator from New Jersey can speak only for himself, of course, but he does feel strongly that as soon as we can do that without any appreciable harm to the common cause we are trying to work out here, which is a peaceful settlement along the lines stated in this amendment, we should do so.

I hope the time will soon come when that will be possible, and that the people of that country and all of that part of Africa—and the rest of the world, too—will benefit from the resumption of normal activity.

Mr. HELMS. I thank the Senator.

Mr. HARRY F. BYRD, JR. Mr. President, in reading the amendment, I am particularly glad to note No. 3, the third paragraph, in which it says:

> The various peace proposals, including the agreement reached by the government of Rhodesia and representatives of Rhodesia's black majority population regarding elections and majority rule by the end of 1978, should be given serious, impartial, and good faith consideration by all parties and should not be rejected out of hand.

I am reading from the amendment. I believe that is a good statement.

It is particularly desirable that it be a part of the legislation which will be enacted later, because earlier in the day we heard a great deal of oratory condemning the internal settlement. Also, there is opposition in certain quarters in the State Department to the internal settlement.

So I am pleased to note that the Senator from New Jersey, in presenting his amendment, feels that the internal agreement which was worked out by the white leaders and the black leaders in Rhodesia should be given serious, impartial, and good faith consideration,

Mr. CASE. I thank my colleague.

Mr. DOLE. Mr. President, after years of difficult bargaining, black and white Rhodesian leaders have reached an historic agreement that will protect rights and interests of all citizens of that nation. It is a momentous accomplishment, and this historic opportunity must not be allowed to deteriorate.

The Western Powers, who have long encouraged just such a peaceful resolution of the Rhodesian problem, should now do their part to insure that radical, Communist-supported factions do not disrupt this unique chance for peace. For that reason, I personally believe the United States should now take the initiative to fully endorse the multifaction agreement and to encourage the support of other nations as well.

Last March, I introduced a proposal similar to that now under consideration, Senate Concurrent Resolution 69, which was cosponsored by 11 of my colleagues. Since then, it has languished in the Senate Foreign Relations Committee. Unfortunately, this has typified the overall attitude of our Government so far toward the internal settlement. The administration continues to advocate a timeworn settlement proposal, in conjunction with Great Britain, which has been rejected by all parties in the area.

Would it not be better to endorse and insure the success of the multiracial government, which has committed itself to peaceful transition, rather than allow it to fall at the hands of Cuban-trained terror groups?

There are some who actively oppose this settlement, whose interests are served only by continuing discord and bloodshed within Rhodesia. We know that the Soviet Union, which already encourages and finances turmoil on the African continent, opposes this agreement. We know of the opposition of the so-called patriotic front of Communist-supported guerrilla units, whose leader threatens to make voting booths "military targets" if settlement provisions are carried out.

In fact, we are painfully aware of the brutal ends to which the Marxist guerrillas are willing to go, to undermine the peaceful transition to majority rule. Just last Friday, 12 white missionaries and their children were beaten and bayoneted to death by guerrillas who identified themselves as part of Robert Mugabe's forces, based in Mozambique. Using clubs, bayonets, and axes, they demonstrated the means by which they and their compatriots to the west—the Zambian-based Nkomo guerrillas—hope to achieve power in Rhodesia. The New York Times was moved to describe the action, in an editorial yesterday, as "a peculiarly vicious and senseless outrage in a horrifying war."

TOWARD MAJORITY RULE

Despite the almost universal trade and arms embargoes against Rhodesia, the interim transition government has so far managed to withstand the pressures of Marxist insurgency. It has managed to withstand the pressures of internal differences, as well, and is moving steadily toward a nationwide referendum, in which all black and white Rhodesian citizens over the age of 18 will be able to vote for a new government of their choice. That government, under the new constitution, will take office on the first day of 1979.

As the Ethiopian conflict winds down, and as the State Department seeks ways to defuse the Angola-Zaire confrontation, the question arises: "Will Soviet and Cuban forces decide next to inject themselves directly into the Rhodesian situation?" For the sake of peace in southern Africa we hope not. But with the Soviets arming, and Cubans training Rhodesian guerrillas in the area, the prospect is not out of the question.

Therefore, further delay in Western support for the biracial, interim settlement only courts disaster. I hope the Senate will act today, to express its own interest in the Rhodesian internal settlement, and to thereby give valuable moral support and encouragement to the peaceful transition to majority rule.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CASE. I move to lay the motion on the table.

The motion to lay on the table was agreed to.

Mr. CASE. Mr. President, I ask unanimous consent that the name of the Senator from Massachusetts (Mr. BROOKE) be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill is open to further amendment.

UP AMENDMENT NO. 1383

Mr. DOMENICI. Mr. President, I send an unprinted amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI) proposes an unprinted amendment numbered 1383 for himself, Mr. DOLE, Mr. JAVITS, Mr. SCHMITT, Mr. NUNN, and Mr. MOYNIHAN.

Mr. DOMENICI. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of section 404 add the following new subsection:

Resolved, (d) it is the sense of the Congress that the action of the Soviet Union in the detention of Craig Whitney of the New York Times and Harold Piper of The Baltimore Sun is in violation of a fundamental freedom of people in all nations; that such practices are not consistent with the spirit of detente and our continued search for peace through the SALT II negotiations; that the press has served as a conduit for the improved exchange of ideas and views between our two peoples. The Congress therefore condemns and expresses its disappointment and profound regret over the action taken by the Soviet authorities against free journalists representing a free and open press.

Mr. DOMENICI. Mr. President, this is a sense of the Senate amendment condemning the action of the Soviet Union in arresting and ordering to trial American journalists Craig Whitney of the New York Times and Harold Piper of the Baltimore Sun.

As we all know now, the Soviet Union has succeeded in getting a judge to order these two reporters to stand trial July 5 on civil charges of slander, brought ostensibly by the Soviet State Committee for Radio and Television.

It is noteworthy, Mr. President, that the Soviet authorities have not claimed that these men are spies, nor that their activities are unusual for reporters engaged in the gathering and reporting of news. The only charge is that a story they have reported about a Georgian dissident may have been inaccurate. For this, these two men are arrested and ordered to trial.

This unprecedented action by the Soviet Union reaffirms the fundamental differences between our two nations. It shows us once again the reality behind the facade. Above all things, the leaders of that nation fear a free press, inquiring after truth, and reporting that truth to the rest of the world. In light of the significance of this event, I believe that we in the Senate must take a stand for freedom of the press, and for freedom of expression.

Therefore, I am pleased to introduce with my distinguished colleagues this amendment.

Mr. President, I have discussed this amendment with the floor manager of the bill.

In that section of the bill wherein we refer to journalists and freedom of journalists around the world, I have merely added a congressional amendment that more specifically but clearly addresses the issue of the Soviet Union and its detention of Craig Whitney of the New York Times and Harold Piper of the Baltimore Sun.

This very simple but forthright amendment expresses the concern of the Congress with reference to what the Soviet Union is doing to those two reporters. It concludes with a condemnation and expresses the disappointment of the Congress and its profound regret over the action taken by the Soviet authorities against free journalists representing a free and open press.

I merely conclude by saying that I agree wholeheartedly with the executive director of the New York Times when he indicated that this is a highly unusual act that impinges on the rights of correspondents to perform their duties in a normal manner.

I am certain that the U.S. Congress meant well in the bill when it condemned this kind of activity generally and I am equally certain that if the committee had had before it the facts surrounding Mr. Piper and Mr. Whitney, they would have condemned the Soviet Union's action with regard to these journalists in particular. That is what I do in my amendment of condemnation.

I thank the Senator from New York.

Mr. MOYNIHAN. Will the Senator yield?

Mr. DOMENICI. Before I do, I ask unanimous consent that the senior Senator from New York (Mr. JAVITS) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I simply wish to add my strong endorsement of what the Senator has just said. I am cosponsoring the amendment and I only add to his remarks that I am sure he would agree that the action of the Soviet Government yesterday in detaining and charging two American journalists raises the question: Does that Government understand what are the standards of civilized conduct and of intercourse between civilized nations? It is deliberately seeking to outrage the conscience of the West or is it not aware of our response to such behavior? Let us hope they hear the words spoken on the Senate floor. Let us hope they ponder the import of this amendment.

I congratulate the Senator on having moved it and, of course, cosponsor it with my support.

Mr. MATHIAS. Will the Senator yield?

Mr. MOYNIHAN. The Senator from New York is happy to yield to the Senator from Maryland.

Mr. MATSUNAGA. I wonder if the Senator from New York would entertain a unanimous-consent request that I become a cosponsor?

Mr. MOYNIHAN. It is not for this Senator to do, but the Senator from New Mexico would certainly wish to do it.

Mr. DOMENICI. I certainly welcome the cosponsorship of the Senator from Hawaii.

Mr. President, I ask unanimous consent that his name be added.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGOVERN. Mr. President, there are so many distinguished cosponsors on this amendment, I am constrained to accept it and take it to conference. I have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1384

(Purpose: Prohibit Aid or Reparations to Vietnam)

Mr. HARRY F. BYRD, JR. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Virginia (Mr. HARRY F. BYRD, Jr.) proposes an unprinted amendment numbered 1384:

On page 63, line 10, insert the following new title:

TITLE VI—GENERAL PROVISIONS

PROHIBITION ON AID OR REPARATIONS TO VIETNAM

SEC. 601 (a) None of the funds authorized to be appropriated in this Act shall be used for the purpose of reparations, aid, or any other form of payment to the Socialist Republic of Vietnam.

(b) The President shall continue to take all possible steps to obtain a final accounting of all Americans missing in action in Vietnam.

The PRESIDING OFFICER. The Chair asks the Senator from Virginia if this is the amendment on which there is a 5-minute time limit.

Mr. HARRY F. BYRD, JR. Yes; that is correct.

The PRESIDING OFFICER. The Senator may proceed.

Mr. HARRY F. BYRD, JR. I yield myself such time as I may take.

Mr. President, this amendment is straightforward and easily understood. It prohibits the use of any funds in this bill for aid or reparations to Vietnam.

This same identical language is now law as it was included in the State Department bill approved by both Houses last year.

There is a need to continue this prohibition in law. The Socialist Republic of Vietnam continues to demand aid and reparations from the United States. In fact, officials of that country have indicated that the United States will pay reparations through the U.N. and other multilateral aid agencies.

I find it ironic that on this very day that we consider the matter of Vietnam's

demands for reparations while that country is in the middle of a major invasion of Cambodia.

The American taxpayers do not want their tax funds going to the aid of Vietnam and it is therefore appropriate that this prohibition remain in the law.

I urge the adoption of my amendment.

Mr. President, I ask unanimous consent to have printed in the RECORD a memorandum, prepared by the Library of Congress, showing what funds from international banking organizations have been sent to Vietnam.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., June 28, 1978.

At your request, I am preparing an update to the study which was prepared last year showing how much money might be available to the Socialist Republic of Vietnam in 1977 from international organizations. This memorandum provides preliminary data you requested showing the amount which might be available from international organizations in 1978. A more complete analysis of the total, and a report on the programs being funded, will be included in the final update of the study when it is completed.

In 1977, the Socialist Republic of Vietnam obtained about $118.9 million from international organizations, $73 million of it from UNICEF and the World Food Program and another $35.8 million from the IMF. In 1978, it appears that Vietnam may have about $140.2 million available from international organizations, $54.5 million of it from UNICEF and the World Food Program and $54.9 million from the IMF. It appears at this time that the World Bank may also approve two loans totaling $150 million for Vietnam in 1978, but the disbursements on those credits will probably not start until 1979 at the earliest.

Mr. McGOVERN. Mr. President, I do not believe there are any funds in this bill for Vietnam. In any event, under the circumstances, I would have no objection to the amendment offered by the Senator from Virginia, and I would be glad to accept it and take it to conference.

I move the adoption of the amendment.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. McGOVERN. I yield back the remainder of my time.

Mr. HARRY F. BYRD, JR. I yield back the remainder of my time.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

UP AMENDMENT NO. 1385

(Purpose: To enter into negotiations with Canada to develop air quality standards)

Mr. MELCHER. Mr. President, I call up my unprinted amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Montana (Mr. MELCHER) proposes an unprinted amendment numbered 1385.

Mr. MELCHER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 18, after line 25, insert the following:

(d) It is the sense of Congress that the United States should enter into negotiations with Canada to develop an agreement governing air quality standards to be mutually recognized by the two countries, and that such agreement, if achieved, should be regulated by the International Joint Commission. It is further the sense of Congress that the American Section of such Commission should monitor air quality within the United States at points near or adjacent to our common border with Canada when such monitoring will facilitate negotiations with Canada. Not later than January 20, 1979, the Secretary of State shall report to the Congress concerning the status of such negotiations.

Mr. MELCHER. Mr. President, the amendment deals with the State Department entering into negotiations with the Government of Canada for mutually agreeable air quality standards. It would be the sense of Congress that the International Joint Commission should monitor those air quality standards. I find it necessary, at least in our State of Montana, that such monitoring be done and such negotiations begin. We do have a problem there.

Mr. McGOVERN. Mr. President, I can assure the Senate that this is not a controversial proposal. The Senator is making a constructive suggestion.

I hope the amendment will be adopted, and I move its adoption.

The PRESIDING OFFICER. Is all time yielded back?

Mr. MELCHER. I yield back the remainder of my time.

Mr. McGOVERN. I yield back the remainder of my time.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

UP AMENDMENT NO. 1386

Mr. McGOVERN. Mr. President, I have an amendment at the desk, and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Dakota (Mr. McGOVERN) proposes an unprinted amendment numbered 1386.

Mr. McGOVERN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 36:

In section 401(b) as amended by the McGovern unprinted amendment 1365, strike out "not less than a tripling (in real terms) of" and substitute in lieu thereof "a significant increase in".

Mr. McGOVERN. Mr. President, this amendment makes a change in the existing legislation with regard to the increase in funds for the cultural exchange program.

The bill as it now stands calls for a tripling of funds for the cultural exchange program over the next 5 years. A number of Senators have expressed the view that that is too rapid an increase in the present program, which now stands at about $50 million.

This amendment would strike the language that calls for a tripling in the funding for the cultural exchange programs and substitutes for that simply a call for a significant increase in the program.

The committee report spells out that the original language would have called for increasing the funding from $50 million to approximately $150 million. Obviously, if this amendment that I now propose is adopted, that committee language would no longer be operable and we would simply be calling on the administration to make a significant increase in funding for the cultural exchange program.

I think that this should meet with the approval of the Senate, and I move the adoption of the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, shall it pass?

Mr. HELMS. Mr. President, I hate to inconvenience Senators, but I just do not think the Senate should continue the practice of appropriating billions of dollars on voice vote. This bill will cost the taxpayers $1,944,938,000.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the yeas and nays on S. 3076 be transferred to the companion House bill, H.R. 12598.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGOVERN. Mr. President, I ask unanimous consent that the committee be discharged from further consideration of the bill, H.R. 12598, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, the Senate will proceed to consider the bill.

The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 12598) to authorize fiscal year 1979 appropriations for the State Department, the International Communications Agency, the Board for International Broadcasting, and for other purposes.

The Senate proceeded to consider the bill.

Mr. McGOVERN. Mr. President, I move to strike all after the enacting clause of H.R. 12598 and insert in lieu thereof all provisions of S. 3076, as amended.

The PRESIDING OFFICER. Without objection, the motion is agreed to.

The question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time. The bill was a read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Indiana (Mr. BAYH), the Senator from Alaska (Mr. GRAVEL), the Senator from Maine (Mr. HATHAWAY), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), the Senator from North Carolina (Mr. MORGAN), the Senator from Maine (Mr. MUSKIE), the Senator from Alabama (Mr. SPARKMAN), the Senator from Mississippi (Mr. EASTLAND), the Senator from the Colorado (Mr. HASKELL), the Senator from Maryland (Mr. SARBANES), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I also announce that the Senator from Idaho (Mr. CHURCH) is absent on official business.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "yea."

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Illinois (Mr. PERCY), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The result was announced—yeas 64, nays 17, as follows:

[Rollcall Vote No. 192 Leg.]

YEAS—64

Baker	Griffin	Moynihan
Bartlett	Hatfield, Mark O.	Nelson
Bellmon	Hatfield, Paul G.	Nunn
Bentsen	Hayakawa	Packwood
Biden	Heinz	Pearson
Brooke	Hodges	Pell
Bumpers	Humphrey	Randolph
Burdick	Jackson	Ribicoff
Cannon	Javits	Riegle
Case	Johnston	Roth
Chafee	Kennedy	Sasser
Chiles	Leahy	Schmitt
Clark	Lugar	Schweiker
Cranston	Magnuson	Stafford
Culver	Mathias	Stevens
Danforth	Matsunaga	Stevenson
DeConcini	McGovern	Stone
Dole	McIntyre	Talmadge
Domenici	Melcher	Tower
Eagleton	Metzenbaum	Williams
Ford	Morgan	Young
Glenn	Muskie	Zorinsky

NAYS—17

Allen	Garn	Laxalt
Byrd, Harry F., Jr.	Hansen	McClure
Byrd, Robert C.	Hart	Proxmire
Curtis	Hatch	Scott
Durkin	Helms	Thurmond
	Hollings	Wallop

NOT VOTING—19

Abourezk	Haskell	Percy
Anderson	Hathaway	Sarbanes
Bayh	Huddleston	Sparkman
Church	Inouye	Stennis
Eastland	Long	Weicker
Goldwater	Morgan	
Gravel	Muskie	

So the bill (H.R. 12598), as amended, was passed.

Mr. McGOVERN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McGOVERN. Mr. President, I move that the Senate insist upon its amendment to H.R. 12598 and ask a conference with the House thereon, and that the conferees on the part of the Senate be appointed by the Chair.

The motion was agreed to and the Presiding Officer (Mr. STONE) appointed Mr. SPARKMAN, Mr. CASE, Mr. MCGOVERN, Mr. BIDEN, Mr. PELL, Mr. PERCY, and Mr. BAKER conferees on the part of the Senate.

Mr. McGOVERN. Mr. President, I ask unanimous consent that S. 3076 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGOVERN. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendment to H.R. 12598.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

(Routine morning business transacted and additional statements submitted are as follows:)

MESSAGES FROM THE HOUSE

ENROLLED BILL AND JOINT RESOLUTIONS SIGNED

At 10:55 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bill and joint resolutions:

S. 2351. An Act to designate the proposed new Veterans' Administration hospital in Little Rock, Arkansas, as the "John L. McClellan Memorial Veterans' Hospital", and for other purposes;

S. J. Res. 128. A joint resolution designating July 1, 1978, as "Free Enterprise Day"; and

H. J. Res. 995. A joint resolution to designate Sunday, June 25, 1978, as "National Brotherhood Day".

The enrolled bill and joint resolutions were subsequently signed by the President pro tempore (Mr. EASTLAND).

At 6:14 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 11797. An Act to amend title 10, United States Code, to grant survivors of Reserves who retire for nonregular service and die before becoming entitled to retired pay eligibility for certain survivor benefits;

H.R. 12841. An Act to prohibit the issuance of regulations on the taxation of fringe benefits, and for other purposes.

The message also announced that the House agrees to the amendment of the Senate to H.R. 10730, an act to authorize appropriations to carry out the Marine Mammal Protection Act of 1972 during fiscal years 1979, 1980, and 1981.

The message further announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 654. A concurrent resolution providing for an adjournment of the House from June 29 until July 10, 1978.

At 7:15 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House disagrees to the amendment of the Senate to H.R. 12222, an act to amend the Foreign Assistance Act of 1961 to authorize development and economic assistance programs for fiscal year 1979, to make certain changes in the authorities of that act and the Agricultural Trade Development and Assistance Act of 1954, to improve the coordination and administration of U.S. development-related policies and programs, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. ZABLOCKI, Mr. FASCELL, Mr. DIGGS, Mr. HAMILTON, Mr. BINGHAM, Mr. HARRINGTON, Mr. SOLARZ, Mr. BROOMFIELD, Mr. FINDLEY, and Mr. WINN were appointed managers of the conference on the part of the House.

HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 11797. An Act to amend title 10, United States Code, to grant survivors of Reserves who retire for nonregular service and die before becoming entitled to retired pay eligibility for certain survivor benefits; to the Committee on Armed Services.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, June 28, 1978, he presented to the President of the United States the following enrolled bill and joint resolution:

S. 2351. An Act to designate the proposed new Veterans' Administration hospital in Little Rock, Arkansas, as the "John L. McClellan Memorial Veterans' Hospital", and for other purposes; and

S.J. Res. 128. A joint resolution designating July 1, 1978, as "Free Enterprise Day".

REFERRAL OF H.R. 7819

H.R. 7819, an act to complement the Vienna Convention on Diplomatic Relations, was referred to the Committee on the Judiciary, pursuant to the order of December 6, 1977, until not later than August 28, 1978.

COMMUNICATIONS

The Presiding Officer laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-3872. A communication from the Secretary of the Interior, reporting, pursuant to law, that Chevron U.S.A., Inc., has submitted an application for payment of royalties total-

ing $503.64 for lease OCS 0260, Eugene Island Block 33, offshore Louisiana; to the Committee on Energy and Natural Resources.

EC–3873. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the Detroit, Mich., Federal Building and U.S. Courthouse, in the amount of $3,600,000; to the Committee on Environment and Public Works.

EC–3874. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the Lansing, Mich., U.S. Postal Service Building, in the amount of $1,305,000; to the Committee on Environment and Public Works.

EC–3875. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the St. Louis, Mo., Federal Center, 4300 Goodfellow Boulevard, Building No. 104, in the amount of $3,553,000; to the Committee on Environment and Public Works.

EC–3876. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the Omaha, Nebr., Federal Building, Post Office and Courthouse, in the amount of $4,636,000; to the Committee on Environment and Public Works.

EC–3877. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which proposes a succeeding lease for space presently occupied at 2011 Jefferson Davis Highway, Arlington, Va.; to the Committee on Environment and Public Works.

EC–3878. A communication from the Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, that, in order to maintain in the second quarter of fiscal year 1979 the budgeted level of operation for Radio Free Europe/Radio Liberty, Inc., $1,204,000 is needed, because of the downward fluctuations in foreign currency exchange rates; to the Committee on Foreign Relations.

EC–3879. A communication from the assistant legal adviser for treaty affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within 60 days after the execution thereof; to the Committee on Foreign Relations.

EC–3880. A communication from the Assistant Secretary for Management and Budget, Department of Health, Education, and Welfare, transmitting, pursuant to law, two reports on altered systems of records: Quality Review System HEW SSA OMA, 09–60–0040; and Quality Review Casefile HEW SSA OMA, 09–60–0042; to the Committee on Governmental Affairs.

EC–3881. A communication from the chairman, Council of the District of Columbia, transmitting, pursuant to law, an act adopted by the Council of the District of Columbia on May 16, 1978, which would provide for the fire chief to order the immediate closing of any public facility in certain circumstances (Act 2–206); to the Committee on Governmental Affairs.

EC–3882. A communication from the chairman, Council of the District of Columbia, transmitting, pursuant to law, an act adopted by the Council on May 16, 1978, which would provide for the recovery, from tortiously liable third persons, of the cost of medical and hospital care and treatment, funeral expenses, and salary payments furnished or paid by the District of Columbia to members of the Metropolitan Police Department and the District of Columbia Fire Department, and for other purposes (Act 2–208); to the Committee on Governmental Affairs.

EC–3883. A communication from the chairman, Council of the District of Columbia, transmitting, pursuant to law, an act adopted by the Council on May 16, 1978, which would amend the child development facilities regulation (Regulation 74–34), to expand the number of parent members on the Council's Advisory Commission on Child Development Facilities, and for other purposes (Act 2–205); to the Committee on Governmental Affairs.

EC–3884. A communication from the Administrator, Veterans' Administration, transmitting, pursuant to law, a draft of proposed legislation to amend chapter 19 of title 38, United States Code, to permit the unrestricted assignment of a beneficiary's interest in the proceeds of a Government life insurance policy in cases involving contested claims, and to increase the amount an attorney may receive for representing a claimant in such cases; to authorize the Administrator to use a flexible interest rate in cases where the beneficiary of Government life insurance receives the proceeds of such insurance under certain settlement options; and for other purposes; to the Committee on Veterans' Affairs.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM–712. A memorial adopted by the legislature of the State of Florida; to the Committee on Agriculture, Nutrition, and Forestry:

"HOUSE MEMORIAL No. 1967

"Whereas, the Osceola National Forest is of great recreational value to the citizens of Florida, and

"Whereas, the estimated amount of phosphate which could be recovered from the Osceola National Forest is insignificant compared to the 1.2 billion tons of phosphate reserves on private land in Florida, and

"Whereas, the phosphate mining would affect one-fifth of the Osceola National Forest changing it to an industrialized area for at least 30 years, and

"Whereas, approximately one-third of the mined area will be left as water filled pits, and

"Whereas, the possible spillage from the slime ponds would be a hazard to the Suwannee and Santa Fe rivers since one-third of the Suwannee's and one-half of the Santa Fe's water comes from the Osceola National Forest, now, therefore, Be It Resolved by the Legislature of the State of Florida:

"That the Congress of the United States is requested to take immediate action to prevent phosphate mining in the Osceola National Forest and save the Osceola National Forest from unnecessary destruction.

"Be it further resolved that copies of this memorial be dispatched to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of the Florida delegation to the United States Congress."

POM–713. A memorial adopted by the legislature of the State of Florida, to the Committee on Foreign Relations:

"HOUSE MEMORIAL No. 341

"Whereas, the Republic of Cuba under the dictatorship of Fidel Castro has conducted ongoing programs of subversion and revolution against democratic republics in South and Central America with the sole objective of replacing democratic institutions with communistic-styled dictatorships, and

"Whereas, the Republic of Cuba under the dictatorship of Fidel Castro has continually attempted to foster a spirit of anti-Americanism throughout South and Central America, and

"Whereas, the Republic of Cuba under the dictatorship of Fidel Castro has confiscated American property without any compensation in contravention of all standards of justice and in direct violation of the basic American principles of just compensation, and

"Whereas, the Republic of Cuba under the dictatorship of Fidel Castro has oppressed its freedom-loving citizens to the extent that multitudes have been put to death, imprisoned, or forced into exile and have had their personal property confiscated for the benefit of the Castro government, and

"Whereas, any direct or indirect resumption of trade relations between the Republic of Cuba and the United States of America is tantamount to approval of the Cuban Government and its oppressive communistic policies, now, therefore, Be It Resolved by the Legislature of the State of Florida:

"That the President and Congress of the United States are hereby urged to support a policy that no further direct or indirect trade agreements with the Republic of Cuba be instituted until American lives and property have been accounted for, just compensation for the loss of such property has been given, and a proper accounting has been given for the lives of Cuban citizens who have disappeared.

"Be it further resolved that copies of this memorial be dispatched to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of the Florida delegation to the United States Congress."

POM–714. A memorial adopted by the legislature of the State of Florida; to the Committee on Veterans' Affairs:

"SENATE MEMORIAL No. 709

"Whereas, the Legislature, the Governor, and the Cabinet recognize and appreciate the vital and honored services rendered to our state and nation by the many veterans of Florida who have ensured our national defense and preserved our democratic institutions and way of life, and

"Whereas, the Legislature, the Governor, and the Cabinet fully support proper and convenient medical care for veterans in this state and throughout the nation in recognition of their contributions and sacrifices for the defense of our people, and

"Whereas, numerous veterans and veteran organizations such as the Volusia County Veterans Council, representing chapters of the American Legion, Veterans of Foreign Wars, Disabled American Veterans, Jewish War Veterans, the Retired Officers Association, World War I Barracks, Embry-Riddle Association, and other veteran and auxiliary organizations, have expressed need for a Veterans Administration out-patient medical facility to be located in Volusia County, and

"Whereas, although there is a Veterans Administration hospital in Gainesville, travel by an out-patient from Volusia County often represents great hardship because of the distance involved and extended delay at the Gainesville Veterans Administration Hospital which cannot accommodate the influx of ever-increasing Volusia and Flagler County veterans requiring medical attention, and

"Whereas, although Orange County has an out-patient veterans' facility in Orlando, the population of Volusia County and Flagler County experienced tremendous growth, and the facility at Orlando is too distant for out-patient care for most Volusia County veterans, and

"Whereas, Volusia County has the ninth largest population of any county in the State of Florida and the number of veterans in

Volusia County exceeds 45,000 and is growing rapidly, now, therefore, Be It Resolved by the Legislature of the State of Florida:

"That the Congress of the United States is requested to recognize a present need for a veterans' out-patient medical facility in East Central Florida and West Florida and is requested to direct the Veterans Administration to establish such an out-patient medical facility in a readily accessible location in Volusia County, giving consideration to population density and geographical factors and to make such site selection in cooperation with the Division of Veterans' Affairs of the Department of Community Affairs of the state.

"Be it further resolved that copies of this memorial be dispatched to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of the Florida delegation to the United States Congress."

POM–715. A memorial adopted by the legislature of the state of Florida; to the Committee on Foreign Relations:

"SENATE MEMORIAL NO. 738

"Whereas, we as Americans have an interest in the human rights of all people, and

"Whereas, the Soviet Union endorsed the United Uations declaration of human rights in 1966, which allowed for immigration to country of origin of any of its citizens, and

"Whereas, Soviet citizens of Greek extraction were allowed to return to Greece, of Polish extraction to Poland, or Korean extraction to Korea, of Spanish extraction to Spain and many other nationalities to their homelands, and

"Whereas, the U.S.S.R. was a party to the Helsinki Agreement (1975) which, among other things, allowed for the human rights of all people, and

"Whereas, the Jewish people of the U.S.S.R. have not been allowed to return to their homeland, and

"Whereas, the Jewish people in Florida, and the Jewish population throughout the United States, have demonstrated their good faith to the United States Constitution and have formed public opinion which has been for the well-being of our country in the eyes of the world, now, therefore, be it resolved by the Legislature of the State of Florida:

"That the Congress of the United States is requested to use all available peaceful means to seek the freedom of Jews being held against their will in the U.S.S.R.

"Be it further resolved that copies of this memorial be dispatched to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of the Florida delegation to the United States Congress."

POM–716. A memorial adopted by the legislature of the State of Florida; to the Committee on Veterans' Affairs:

"HOUSE MEMORIAL NO. 24[illegible]

"Whereas, the people of Florida sincerely appreciate the sacrifices of Florida veterans in times of war and peace, and

"Whereas, veterans are entitled to a final resting place provided by the country they so selflessly defended, and

"Whereas, it is proper for the state to participate in the selection of a location for a veterans' cemetery, now, therefore, Be It Resolved by the Legislature of the State of Florida:

"That the United States Congress and the Veterans Administration are requested to establish a cemetery for military veterans to be located in central Florida, and to further provide funding sufficient for annual maintenance of the cemetery.

"Be it further resolved that a copy of this memorial shall be spread upon the journals of the House of Representatives and Senate of the State of Florida and copies shall be forwarded to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of the Florida delegation to the United States Congress."

POM–717. A memorial adopted by the legislature of the State of Florida; to the Committee on Veterans Affairs:

"HOUSE MEMORIAL NO. 423

"Whereas, there is a compelling need for a veterans' medical facility in Brevard County, Florida, by virtue of an existing veterans' population in excess of 40,000 persons, including disabled veterans, military retirees, other veterans, and dependents of veterans, and

"Whereas, nearly $1,000,000 is spent annually by the United States Government on medical costs for veterans in Brevard County, Florida, and

"Whereas, a satellite facility could provide medical treatment at one-third the cost of private medical facilities, affording a great savings to the taxpayers, now, therefore, Be It Resolved by the Legislature of the State of Florida:

"That the Congress of the United States is requested to direct the Administrator of the United States Veterans Administration to conduct a demographic study of Brevard County, Florida, to confirm the need for a United States Veterans Administration satellite facility in Brevard County, Florida, and to report back to the Congress of the United States no later than 6 months after receiving directions from the United States Congress to perform such study.

"Be it further resolved that copies of this memorial be dispatched to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of the Florida delegation to the United States Congress."

POM–718. A memorial adopted by the legislature of the State of Florida; to the Committee on Veterans' Affairs:

"HOUSE MEMORIAL NO. 622

"Whereas, the Legislature, the Governor, and the Cabinet recognize and appreciate the vital and honored services rendered to our state and nation by the many veterans of Florida who have ensured our national defense and preserved our democratic institutions and way of life, and

"Whereas, the Legislature, the Governor, and the Cabinet fully support proper and convenient medical care for veterans in this state and throughout the nation in recognition of their contributions and sacrifices for the defense of our people, and

"Whereas, numerous veterans and veteran organizations such as the Broward County Veterans Council, representing mobile chapters of the American Legion, Veterans of Foreign Wars, Disabled American Veterans, Jewish War Veterans, the Retired Officers Association, Fleet Reserve, Paralyzed Veterans Association, World War I Barracks, and other veteran and auxiliary organizations, have expressed need for a Veterans Administration out-patient medical facility to be located in Broward County, and

"Whereas, although there is a veterans hospital in Miami, travel by an out-patient from Broward County often represents great hardship because of the distance involved and extended delay at the Miami Veterans Administration hospital which cannot accommodate the influx of ever-increasing Dade and Broward veterans requiring medical attention, and

"Whereas, although Palm Beach County has an out-patient veterans' facility in Riviera Beach, the population of Broward County is almost double that of adjoining Palm Beach County, and the facility at Riviera Beach is too distant for out-patient care for most Broward veterans, and

"Whereas, Broward County has the second largest population of any county in the State of Florida and the number of veterans in Broward County exceeds 100,000 and is growing rapidly, now, therefore, Be it Resolved by the Legislature of the State of Florida:

"That the Congress of the United States is requested to recognize a present need for a veterans' out-patient medical facility in Broward County and is requested to direct the Veterans Administration to establish such an out-patient medical facility in a readily accessible location in Broward County, giving consideration to population density and geographical factors and to make such site selection in cooperation with the Division of Veterans Affairs of the Department of Community Affairs of the state.

"Be it further resolved that copies of this memorial be dispatched to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of the Florida delegation to the United States Congress."

POM–719. A memorial adopted by the legislature of the State of Florida; to the Committee on Foreign Relations:

HOUSE MEMORIAL NO. 1254

"Whereas, we as Americans have an interest in the human rights of all people, and

"Whereas, the Soviet Union endorsed the United Nations declaration of human rights in 1966, which allowed for immigration to country of origin of any of its citizens, and

"Whereas, Soviet citizens of Greek extraction were allowed to return to Greece, of Polish extraction to Poland, of Korean extraction to Korea, of Spanish extraction to Spain and many other nationalities to their homelands, and

"Whereas, the U.S.S.R. was a party to the Helsinki Agreement (1975) which, among other things, allowed for the human rights of all people, and

"Whereas, Anataloly Shcharanski is being held on unspecified charges without adducing any evidence that might indicate complicity and criminal acts, and without access to legal counsel and without trial, and

"Whereas, the Jewish people of the U.S.S.R. have not been allowed to return to their homeland, and

"Whereas, the Jewish people in Florida, and the Jewish population throughout the United States, have demonstrated their good faith to the United States Constitution and have formed public opinion which has been for the well-being of our country in the eyes of the world, now, therefore, Be it Resolved by the Legislature of the State of Florida:

"That the Congress of the United States is requested to use all available peaceful means to seek the freedom of Jews being held against their will in the U.S.S.R. and that Anataloly Shcharanski be granted immediate freedom and that he be granted the right to emigrate and be united with his wife as guaranteed by the Helsinki Accord 1975.

"Be it further resolved that copies of this memorial be dispatched to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of the Florida delegation to the United States Congress."

POM–720. A memorial adopted by the Legislature of the State of Florida; to the Committee on the Judiciary:

"HOUSE MEMORIAL NO. 1263

"Whereas, the energy demands of the ever growing population and economy of the State of Florida are expanding at a rate which

could increase present energy consumption six-fold by the year 2000, and

"Whereas, energy resources currently supplying the state's demands are becoming both increasingly scarce and more costly, while solar energy continues to represent a vast potential energy resource for the people of the State of Florida, and

"Whereas, the Florida Legislature concurs with the concepts expressed in the Congressional resolution, particularly, that 'the development of solar technologies will provide an abundant, economical, safe, and environmentally compatible energy supply,' and that 'a day devoted to a celebration of all solar technologies should . . . demonstrate the potential of the sun in meeting the nation's energy needs,' now, therefore, be it resolved by the Legislature of the State of Florida:

"That the Congress of the United States is urged to pass House Joint Resolution No. 431, offered by Mr. Ryan, Mr. Jeffords, and Mr. Ottinger, which proclaims May 3, 1978, as 'Sun Day' and calls for observance and celebration thereof.

"Be it further resolved that copies of this memorial be dispatched to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each members of the Florida delegation to the United States Congress."

POM-721. A memorial adopted by the legislature of the State of Florida; to the Committee on Veterans' Affairs:

"HOUSE MEMORIAL No. 1898

"Whereas, there is a compelling need for a veterans' hospital in East Central Florida by the virtue of an existing veterans' population in excess of 156,000 persons, including disabled veterans, military retirees, other veterans, and dependents of veterans, and

"Whereas, in excess of $3,000,000 is spent annually by the United States Government on medical costs for veterans in East Central Florida, and

"Whereas, a veterans' administration hospital could provide medial treatment at one-third the cost of private medical facilities, affording a great savings to the taxpayers, now, therefore, Be It Resolved by the Legislature of the State of Florida:

"That the Congress of the United States is requested to direct the Administrator of the United States Veterans Administration to construct a veterans' administration hospital in East Central Florida.

"Be it further resolved that copies of this memorial be dispatched to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of the Florida delegation to the United States Congress."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PELL, from the Committee on Rules and Administration, without amendment:

S. Res. 495. An original resolution relating to membership on the Committee on the Budget.

S. Res. 496. An original resolution relating to the classification of the Committee on the Budget.

S. Res. 497. An original resolution relating to members on the part of the Senate of the Joint Committee on Printing.

By Mr. STENNIS, from the Committee on Armed Services and the Committee on Energy and Natural Resources, without amendment:

S. Res. 498. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2693. Referred to the Committee on the Budget.

By Mr. STENNIS, jointly, from the Committee on Armed Services, with an amendment, and (for Mr. JACKSON) from the Committee on Energy and Natural Resources, with amendments to the amendment of the Committee on Armed Services:

S. 2693. A bill to authorize appropriations for the Department of Energy for national security programs for fiscal year 1979, and for other purposes (together with additional views) (Rept. No. 95-961).

By Mr. KENNEDY, from the Committee on the Judiciary, without amendment:

S. Res. 499. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1487. Referred to the Committee on the Budget.

By Mr. KENNEDY, from the Committee on the Judiciary, with an amendment:

S. 1487. A bill to eliminate racketeering in the sale and distribution of cigarettes, and for other purposes (Rept. No. 95-962).

By Mr. KENNEDY, from the Committee on the Judiciary, without amendment:

S. Res. 500. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 551. Referred to the Committee on the Budget.

By Mr. KENNEDY, from the Committee on the Judiciary, with an amendment:

S. 551. A bill to provide for grants to States for the payment of compensation to persons injured by certain criminal acts and omissions, and for other purposes (Rept. No. 95-963).

By Mr. MUSKIE, from the Committee on the Budget, without amendment:

S. Res. 451. A resolution waiving the provisions of section 402(a) of the Congressional Budget Act of 1974 with respect to H.R. 11445 (Rept. No. 95-964).

S. Res. 488. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 11005 (Rept. No. 95-965).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, with amendments and an amendment to the title:

H.R. 9518. An act to amend the Shipping Act, 1961, to strengthen the provisions prohibiting rebating practices in the United States foreign trades (Rept. No. 95-966).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. PEARSON (for himself and Mr. CHURCH):

S. 3251. A bill to provide for the distribution of certain funds appropriated to pay judgments in favor of the Delaware Tribe of Indians and the Absentee Delaware Tribe of Western Oklahoma in Indian Claims Commission dockets numbered 27A, 241, 289, 27B, and 338, and for other purposes; to the Select Committee on Indian Affairs.

By Mr. BROOKE:

S. 3252. A bill to amend title XVI of the Social Security Act to assure that, for purposes of the Supplemental Security Income Program, interest income received by an individual from a negotiated order of withdrawal account will be treated the same as interest income received from an account on which interest is payable on a quarterly basis; to the Committee on Finance.

By Mr. HART (for himself, Mr. DOMENICI, Mr. GARN, Mr. HATCH, and Mr. LAXALT):

S. 3253. A bill to authorize the Secretary of Energy to enter into cooperative arrangements to contain and to reduce potential radiation exposure from residual radioactive materials, and for other purposes; to the Committee on Environment and Public Works.

By Mr. PELL:

S. 3254. A bill for the relief of Li Cheng Lee; to the Committee on the Judiciary.

By Mr. PEARSON:

S. 3255. A bill for the relief of Belino D. Iway, M.D., his wife Olivia Tragico Iway, and his children Yvonne Iway, Christine Iway, and Edsel Francis Iway; to the Committee on the Judiciary.

By Mr. HELMS:

S. 3256. A bill for the relief of Antony C. Hui; to the Committee on the Judiciary.

By Mr. BENTSEN:

S. 3257. A bill to amend the Internal Revenue Code of 1954 to facilitate the investment of Section 403(b) teacher annuities in mutual funds; to the Committee on Finance.

By Mr. SASSER:

S. 3258. A bill to secure and protect the freedom of individuals from unwarranted intrusions by persons acting under color of law; to the Committee on the Judiciary.

By Mr. CHILES (for himself, Mr. MCINTYRE, and Mr. NUNN):

S. 3259. A bill to authorize the permanent establishment of a system of Federal Information Centers; to the Committee on Governmental Affairs.

By Mr. CANNON (by request):

S. 3260. A bill to amend the Interstate Commerce Act to continue to allow railroad rate flexibility; to the Committee on Commerce, Science, and Transportation.

By Mr. HASKELL:

S. 3261. A bill to secure freedom from unreasonable search and seizure, and to protect the freedom of speech and of the press; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PEARSON (for himself and Mr. CHURCH):

S. 3251. A bill to provide for the distribution of certain funds appropriated to pay judgments in favor of the Delaware Tribe of Indians and the absentee Delaware Tribe of western Oklahoma in Indian Claims Commission dockets Nos. 27A, 241, 289, 27B, and 338, and for other purposes; to the Select Committee on Indian Affairs.

KANSAS AND IDAHO DELAWARE INDIANS

● Mr. PEARSON. Mr. President, I have introduced today with my friend, the distinguished senior Senator from Idaho (Mr. CHURCH), a bill on behalf of the Kansas and Idaho Delaware Indians. It provides that the descendants of certain Delaware Indians residing in Kansas and Idaho, who were inadvertently excluded from funds awarded by the Indian Claims Commission, will be recompensed the identical amount they should have received had they not been wrongfully excluded. It also provides that the Secretary of the Interior will include these Kansas and Idaho Delawares in any future distribution plans so that the wrong will not be replicated. In short, it contemplates the inclusion of all lineal descendants of the Delaware Tribe as it existed at the time of the breach of the 1854 treaty with the United States.

In drawing the 1972 bill providing for the distribution of the reparations, the Congress inadvertently excluded the Kansas and Idaho Delaware portion of the Delaware Tribe. For the benefit of my colleagues, I would like briefly to outline the events which necessitate this remedial legislation.

In 1854, the main body of the Delawares lived on a Kansas reservation. They entered into a treaty with the United States whereby the Government was to sell certain reservation tribal lands at public auction. Instead of selling these lands at public auction, the Government sold them privately, thereby raising approximately $1 million less that the lands would have brought. Years later, under an 1866 treaty, the Delawares broke into three main groups. The Cherokee Delawares moved to Oklahoma. The so-called absentee Delawares stayed with other tribes and eventually settled in Oklahoma. Third, 21 adult Delawares chose to remain in Kansas and become citizens of the United States. These became the Kansas Delawares.

In 1969, the Indian Claims Commission determined that the Delaware Tribe was entitled to approximately $9 million reparations for the Federal Government's breach of the Treaty of 1854. Congress enacted Public Law 92–456 (25 U.S.C. 1291–97), providing for the distribution of this award, but due to a mistake in the drafting of such law, inadvertently excluded the Kansas Delawares.

Upon informing the House Interior Committee of this situation, the then chairman, the Honorable James Haley, stated that the administration would submit amendments to the law to change the wording which omitted the Kansas Delawares from eligibility. Later, the administration stated its preference for appeals to the Bureau of Indian Affairs rather than the legislative approach, but the Kansas Delawares' appeals were rejected. The Kansas Delawares then brought suit in Federal district court in Oklahoma, alleging their omission was a violation of the equal protection clause of the Constitution. The three-judge Federal district court agreed. Upon appeal to the U.S. Supreme Court, however, it was held that failure to include the Kansas Delawares in the distribution of funds, while unintentional on the part of the Congress, was not so irrational an act as to acquire the voiding of the law on constitutional grounds by the Court. Rather, the majority wrote, remedy lay properly in the Congress.

Thus today, my distinguished colleague, Senator CHURCH, and I, on behalf of the Kansas and Idaho Delawares, seek the relief suggested by the Supreme Court. I urge the Senate to correct this mistake and to work equity by distributing the funds under this bill to all those representatives of the Delaware Tribe who are entitled to them.●

By Mr. BROOKE:

S. 3252. A bill to amend title XVI of the Social Security Act to assure that, for purposes of the supplemental security income program, interest income received by an individual from a negotiated order of withdrawal account will be treated the same as interest income received from an account on which interest is payable on a quarterly basis; to the Committee on Finance.

● Mr. BROOKE. Mr. President, I am pleased to introduce today a bill which would amend a social security regulation which discriminates against supplemental security income (SSI) recipients who have a negotiable order of withdrawal (NOW) bank account.

The problem addressed by this legislation is one of fundamental equity. Presently, under section 1612 of title XVI of the Social Security Act, interest on bank accounts is counted as income when computing supplemental security income payments. However, an exclusion is provided if that income is "infrequently or irregularly" received. Section 1612(3)(A) states that an exclusion will be provided in determining an individual's income if:

> The total unearned income of such individual (and such spouse, if any) in a calendar quarter which, as determined in accordance with criteria prescribed by the Secretary, is received too infrequently or irregularly to be included, if such income so received does not exceed $460 in such quarter and the total earned income of such individual (and such spouse, if any) in a calendar quarter which, as determined in accordance with such criteria, is received too infrequently or irregularly to be included, if such income so received does not exceed $30 in such quarter.

Mr. President, income received "infrequently or irregularly" under current Federal regulations is defined as income received from a savings account on a quarterly or longer than quarterly basis. This regulation effectively excludes SSI recipients in Connecticut, Maine, New Hampshire, Rhode Island, Vermont, and my own State of Massachusetts who maintain NOW accounts. For, while a quarterly interest earning is considered infrequently or irregularly received, the monthly interest from a NOW account is not. And, since a NOW account interest rate is considered earned income, it is deducted from an SSI recipient's monthly benefits prior to the mailing of the benefit check.

Congress in 1974 initiated SSI benefits to millions of Americans to provide, in part, cash grants to the indigent elderly who had previously received assistance from State-run income support programs. This worthwhile program is targeted to meet the special needs of the elderly poor, and we would be missing the mark if we penalized them for trying to get the best possible return on their dollar. Indeed, by refusing SSI recipients the option of using a NOW account, we are actually subverting the intent of the program. In my judgment, this is not only discriminatory, but it is also completely illogical.

Many Massachusetts residents have written to me about this regrettable situation and they have pleaded for congressional remedial action. I would like to read into the RECORD a portion of one of those letters:

> Perhaps you are unaware of this, but I feel you should be informed and also feel that you should see that something is done about the limited income of the Aged being altered according to their small and meager bank accounts. In specific, there are Aged persons who have recently received the most grossly unfair practice of having their bank accounts checked, to ascertain their income, as per their interest income, and have had that same amount deducted from their supplemental checks. If a person has $250.00 in the bank, he or she receives interest of $1.25 per month on that money, and has the $1.25 subsequently deducted from his or her "supplemental" check. I think this is a disgraceful situation. To keep them constantly harrassed by the deductions of their checks is totally unacceptable in today's society.

Mr. President. we cannot allow this situation to continue. Congress must act now to amend section XVI of the Social Security Act and to provide equitable treatment for all SSI recipients.

The legislation which I offer today would extend exclusion included in title XVI to interest received from NOW accounts. Thus, interest received from NOW accounts would not be treated differently than "infrequently and irregularly" received income and SSI recipients would not be penalized for using NOW accounts to augment their benefits.

This measure would not create a loophole for SSI benefits. It would simply place SSI recipients in New England on an equal basis with SSI recipients in the other 44 States. And, in the event that the bill to legalize nationally NOW accounts already passed by the Senate Banking Committee last year becomes law, we will be assuring SSI recipients in other States a continuation of the benefits which they receive today.

Although the cost of this legislation would be minimal, its effect upon those receiving SSI benefits and maintaining NOW accounts would be substantial.

Mr. President, it is my hope that this bill will help insure a just and equitable program of SSI benefits to be administered on a national basis for all older Americans. And I urge my colleagues to support and expeditiously pass this important legislation.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3252

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1612(b) of the Social Security Act is amended by adding at the end thereof the following new sentence: "Amounts of interest income payable to any individual from any negotiable order of withdrawal account on which interest payments are made more frequently than quarterly shall be excluded, pursuant to paragraph (3)(A) of the preceding sentence and regulations of the Secretary with respect thereto, in like manner and to the same extent as are amounts of interest income payable to an individual from an account on which interest payments are made on a quarterly basis.".●

By Mr. HART (for himself, Mr. DOMENICI, Mr. GARN, Mr. HATCH, and Mr. LAXALT):

S. 3253. A bill to authorize the Secretary of Energy to enter into cooperative arrangements to contain and to reduce potential radiation exposure from residual radioactive materials and for other purposes; to the Committee on Environment and Public Works.

RESIDUAL RADIOACTIVE MATERIALS ACT OF 1978

● Mr. HART. Mr. President, today I am introducing legislation that will authorize and direct the Federal Government to correct a situation that is currently

threatening public health and safety in at least nine States. I am speaking of the threat of radiation from exposed uranium mill tailings at 22 abondoned sites in Colorado, Arizona, Idaho, New Mexico, Oregon, Texas, Utah, Pennsylvania, and Wyoming.

These abandoned uranium mill tailings resulted from the operations of private companies that processed uranium ore under procurement contracts for the Manhattan project and the Atomic Energy Commission. Most of these companies delivered uranium at fixed prices based on production costs estimates which did not include the costs of properly stabilizing and disposing of the residual mill tailings. Consequently, since mining and milling operations ceased, millions of tons of exposed and unattended mill tailings have been seriously threatening public health and safety.

Mr. President, neither the Federal Government nor the States appears to have the clear legal responsibility for cleaning up these mill tailings. The owners of these sites are either unwilling or financially unable to take any action. Furthermore, the Federal Government does not appear to have the authority, under existing law, to require them to do so.

The hazard that exists at the 22 locations addressed in the legislation I am introducing today is similar to one which existed a few years ago in Grand Junction, Colo., where a large quantity of radioactive tailings were produced by a private company that delivered uranium under contract to the Atomic Energy Commission. When the mill site became inactive, the residual tailings were improperly used in the construction of the buildings in and around the city. In this case, as in the cases addressed by this bill, the AEC exercised no regulatory control over disposal of the tailings, thus posing a serious threat of radioactive contamination.

In 1972, however, Congress enacted legislation which recognized the responsibility of the Federal Government to take remedial action to protect public health and safety. Legislation sponsored by my distinguished colleague from Colorado, Senator HASKELL, authorized Federal assistance to clean up and properly dispose of the mill tailings in the Grand Junction area. The legislation I am introducing today would establish a similar program for other abandoned sites.

Mr. President, the threat to public health at these other abandoned sites around the country may not be as immediate as it was at Grand Junction. Nevertheless, the long-term threat to public health and safety is significant and must be dealt with expeditiously.

Uranuim mining and milling operations at these 22 sites have produced over 500 million cubic feet of tailings that weigh more than 100 million tons. The radioactivity of these tailings is less than that of the original ore. However, the tailings are currently left exposed and unattended above ground, thus they pose a much more serious threat to public health than the original uranium ore. To make matters worse, these tailings will remain dangerous for hundreds of thousands of years—longer than all recorded human history.

The legislation I am introducing today would require the Federal Government, in cooperation with the States, to take remedial action and properly dispose of these tailings so that the public will no longer be exposed to this hazard.

In a general sense, this bill is similar to legislation introduced several weeks ago at the request of the administration, S. 3078. However, I would like to call to my colleague's attention the major differences between my solution and the one proposed by the administration.

First, this bill provides for the Federal Government to pay 100 percent of the costs of cleaning up the mill tailings to protect public health and safety. In contrast, the administration proposal provides for the Federal Government paying only 75 percent of the costs of remedial action leaving the States to pay the remaining 25 percent. Although the administration formula is similar to formulas used in other legislation, it is totally unjustified in this case.

The remedial action provided for in this legislation is necessary only because past Government programs have consistently failed to adequately protect public health and safety by providing for proper disposal of the uranium mill tailings. Just because past Federal programs failed to pay the costs 20 years ago is no excuse for forcing the States to pay those costs today.

People of my home State of Colorado and several other States will benefit substantially from the remedial action program. However, that program will offer no one any special privileges. My bill, if enacted, only provides these States with protection they are entitled to, and which they should have received years ago. Since, the Federal Government created this hazard, it is only just that the Federal Government should pay the full costs of its elimination.

There are several other differences between this legislation and that proposed by the administration.

This bill provides for a simpler, more streamlined Federal regulatory process than that proposed in the administration's bill. The States are given a greater role in formulating the remedial action plan, and in contrast to S. 3078, there is no limit to Federal liability for any health or safety hazards resulting from the remedial action program.

Mr. President, so that my colleagues and their staff might have the opportunity to carefully review this important legislation, I ask unanimous consent that the text of this bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3253

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as the "Residual Radioactive Materials Act of 1978".

SEC. 2. The Congress recognizes and assumes the compassionate responsibility of the United States to provide financial assistance to the States of Arizona, Colorado, Idaho, New Mexico, Oregon, Texas, Utah, Wyoming, Pennsylvania, and any other State where remedial action is necessary to limit the exposure of the public to radiation emanating from residual radioactive materials, as hereinafter defined, from former uranium ore processing sites situated in such States.

SEC. 3. As used in this Act:

(a) the term "Commission" shall mean the Nuclear Regulatory Commission.

(b) the term "Indian tribe" shall mean any Indian tribes, band, group, pueblo, or community,

(c) the term "processing site" shall mean a site on which uranium ore was processed but shall not include a site—

(i) where no uranium was produced for sale under contract to the United States Government;

(ii) which was owned on January 1, 1978 by the United States Government or any agency or department thereof; or

(iii) where a license issued by the Commission, the Atomic Energy Commission, or by a State pursuant to section 274 of the Atomic Energy Act of 1954, as amended, was in effect on or was issued after January 1, 1978, for the production of a uranium product derived from ores other than residual radioactive materials, as hereinafter defined;

(d) the term "residual radioactive materials" shall include those low-level radioactive wastes in the form of accumulated tailings resulting from processing of ores for extraction of uranium and other valuable constituents, and also other radioactive materials such as residual stock of unprocessed ores or low grade materials, and ground in the vicinity of the mill or processing site which has become contaminated with radionuclides, including radium-226, derived from the site:

(e) the term "Secretary" shall mean the Secretary of Energy.

SEC. 4. The Secretary is hereby authorized and directed to enter into cooperative arrangement with each State described in section 2 of this Act for the purpose of providing assistance to cover the entire cost of a joint Federal-State program to assess levels of radiation emanating from residual radioactive materials and to perform appropriate remedial action to limit exposure of individuals to such radiation.

SEC. 5. Each cooperative arrangement referred to in section 4 of this Act shall include, but not be limited to, terms which provide that:

(1) the selection of appropriate remedial action shall be determined by the Secretary upon concurrence of the State and the Commission, and shall be submitted to the Environmental Protection Agency, and others as appropriate, for review and comment;

(2) the Secretary shall have a right of approval of any disposal or custody plan;

(3) unless otherwise determined by the Secretary, any remedial action shall be performed by the Department of Energy or its authorized contractor and shall be paid for in accordance with the provisions of section 4 of this Act;

(4) unless otherwise determined by the Secretary, prior to the implementation of any remedial action involving the removal of residual radioactive materials to a more suitable location, State ownership of the original processing site shall be accomplished. The requirement for State ownership shall not apply to lands in the general vicinity of the processing site which may require decontamination activities as a result of incidental spread of radioactive substances, or to lands or structures where radioactive materials removed from the processing site have been used for construction-related purposes. Subject to the Secretary's approval, the requirement for State ownership of the land may be met by means of a purchase option exercisable at

any time within two years after remedial work is completed;

(5) in the event that any lands are acquired by a State as required by subsection (4) of this section, and the proceeds of subsequent sale or disposal in any manner exceed the cost of acquisition, the Secretary shall be reimbursed out of such proceeds by the State in proportion to the Secretary's share of the total costs involved in the program of assessment and performance of remedial action on such lands; and in the event the State does not dispose of the lands within two years after the acquisition thereof or the completion of remedial action, whichever comes later, the Secretary shall be so reimbursed by the State on the basis of the increase in value of the lands over the acquisition costs;

(6) prior to the commencement of any remedial action under the terms of this Act, the United States shall be required to obtain ownership of the land to be designated as a disposal site. The Secretary, upon concurrence by the State and the Commission, shall be responsible for the designation of such sites, as well as for their perpetual care. Ownership of residual radioactive materials involved in any remedial action effort under subsection (b) of this section shall be transferred to the United States;

(7) the law of the State in which the processing site is located shall be applied to determine all questions of title, rights of heirs, and trespass; and

(8) the Secretary will be provided such reports, accounting and rights of inspection as the Secretary deems appropriate.

SEC. 6. The provisions of sections 2, 3, 4, and 5 of this Act shall not apply to the assessment and performance of remedial action in connection with residual radioactive materials resulting from uranium ore processing operations formerly conducted on lands (a) held in trust by the United States for any Indian or Indian tribe or (b) owned by any Indian tribe subject to a restriction against alienation imposed by the United States. With respect to such materials, the Secretary is hereby authorized and directed to enter into a cooperative arrangement with the Secretary of the Interior and with each Indian tribe residing on such lands, for the purpose of providing assistance to cover the entire cost of a program to assess levels of radiation emanating from residual radioactive materials and to perform appropriate remedial action to limit the exposure of individuals to such radiation.

SEC. 7. Each cooperative arrangement referred to in section 6 shall include, but need not be limited to, terms which provide that:

(1) the need for and selection of appropriate remedial action shall be determined by the Secretary, with the concurrence of the Secretary of the Interior and the Commission, and upon consultation with the Indian tribe, the Environmental Protection Agency, and others as appropriate;

(2) any remedial action shall be performed by the Department of Energy or its authorized contractor and shall be paid for by the Department of Energy;

(3) the Secretary shall be responsible for the continued custody of any residual radioactive materials involved in any remedial action effort;

(4) the Secretary will be provided such reports, accounting and rights of inspection as the Secretary deems appropriate.

SEC. 8. The Secretary may prescribe such rules and regulations as he deems necessary and appropriate to carry out the provisions of this Act. Notwithstanding the provisions of subsection (a)(2) of section 553 of title 5, United States Code, such rules and regulations shall be subject to the notice and public participation requirements of that section.

SEC. 9(a). Within 180 days after enactment of this Act, the Commission shall establish regulations and standards with respect to all phases of handling and disposal of residual radioactive materials to assure that the public safety and health and the environment are adequately protected by the remedial actions undertaken pursuant to the terms of this Act.

(b) The Commission shall minimize the duplication of effort in the establishment of the standards and criteria developed pursuant to subsection (a) of this section by insuring that such standards and criteria are consistent, to the maximum extent possible, with the applicable provisions of the Resource Conservation and Recovery Act of 1976, the Clean Air Act of 1970, the National Environmental Policy Act of 1969, each as amended, and any other Federal law relating to the protection of the environment.

(c) The Commission shall be responsible for enforcement of the standards promulgated under subsection (a) of this section and for insuring that the remedial actions are performed in conformance with the plan selected pursuant to sections 5(a) and 7(a) of this Act.

(d) Judicial review of the Commission's rulemaking pursuant to subsection (a) of this section may be had by any interested person in the United States Court of Appeals of the United States for the Federal judicial circuit in which such person resides or transacts business only upon petition for review by such person filed within 90 days from the date of such rulemaking, or after such date only if such petition is based solely on grounds which arose after such 90th day.

(e) The Department of Energy shall not commence any remedial action pursuant to sections 5(a) and 7(a) of this Act until 90 days following the promulgation of the standards and criteria established pursuant to subsection (a) of this section.

SEC. 10. The Secretary, in consultation with the Commission and the State, shall be responsible for the preparation of all environmental impact statements that may be required by the National Environmental Policy Act of 1969, as amended, for remedial actions undertaken pursuant to this Act.

SEC. 11. There are hereby authorized to be appropriated to the Department of Energy $125,000,000 to carry out the purposes of the Act, to remain available until expended.●

By Mr. BENTSEN:

S. 3257. A bill to amend the Internal Revenue Code of 1954 to facilitate the investment of section 403(b) teacher annuities in mutual funds; to the Committee on Finance.

● Mr. BENTSEN. Mr. President, I am today introducing a bill to facilitate the use of so-called section 403(b) retirement annuities by schoolteachers and professors. This proposal is important to schoolteachers in Texas as well as the rest of the Nation since it will provide additional flexibility for these individuals to save for their retirement through mutual fund investments.

Teacher annuities were funded by insurance companies for many years. In 1974 Congress expanded this concept to allow teacher annuities to be invested in mutual funds. However, the Treasury interpretations of the 1974 change have had the effect of discouraging the use of teacher annuities.

The IRS has long held under section 403(b) that if an annuity contract is used the employee can be given the right at any time to withdraw amounts held for his account by the insurance company. Nevertheless, the IRS, on February 10, 1978, proposed regulations under the new section 403(b)(7) prohibiting the use of mutual fund shares as the investment medium unless the employee is forbidden to withdraw any amounts before he attains age 65, or dies or is disabled, or terminates his employment after age 55.

Mutual fund shares cannot be a viable investment alternative to annuity contracts under section 403(b) if the employee can withdraw amounts under an annuity contract prior to retirement age but must be forbidden to do so if mutual fund shares are used as the investment medium.

My proposal would merely eliminate the word "retirement" from section 403(b)(7) of the Internal Revenue Code and thus make it clear that when mutual fund shares are used as the investment medium in a section 403(b) arrangement the employee will have the same right of withdrawal prior to retirement age that he would have if the amounts contributed by the employer were invested in an annuity contract.

This proposal will facilitate retirement savings by teachers.●

By Mr. SASSER:

S. 3258. A bill to secure and protect the freedom of individuals from unwarranted intrusions by persons acting under color of law; to the Committee on the Judiciary.

PRESS PROTECTION ACT OF 1978

● Mr. SASSER. Mr. President, today I am introducing a bill to protect the rights of the Nation's press. This bill will maintain a proper balance in our efforts to bring criminals to justice with the necessity of preserving a free and independent press.

On May 31, the Supreme Court ruled in the case of Zurcher against Stanford Daily that newspaper offices could be searched by police, with a warrant, for information or evidence they believe to be located in the offices.

In my judgment, the Supreme Court decision has endangered the traditional role of a free press in our society.

This decision, if allowed to stand unchallenged, could be utilized in the years to come to erode our first and fourth amendment liberties.

The Supreme Court reversed the ruling of two lower courts which held that a subpena should be obtained when attempting to secure evidence from a newspaper. The Supreme Court rejected that principle and essentially indicated that the first and fourth amendments do not protect newspaper offices from being searched by police, unannounced—even though no individual at the newspaper is suspected of having committed a crime.

I believe that the district court was correct in stating that when a newspaper is the innocent object of a search, first amendment questions arise and that such a search is permissible under the Constitution—

Only in the rare circumstance where there is a clear showing that (1) important materials will be destroyed or removed from the jurisdiction; and (2) a restraining order would be futile.

I concur with the dissenting remarks of Mr. Justice Stewart, who said:

It seems to me self-evident that police searches of newspaper offices burden the freedom of the press . . . It requires no blind leap of faith to understand that a person who gives information to a journalist only on condition that his identity will not be revealed will be less likely to give that information if he knows that, despite the journalist's assurance, his identity may in fact be disclosed. And it cannot be denied that confidential information may be exposed to the eyes of police officers who execute a search warrant by rummaging through the files, cabinets, desks, and wastebaskets of a newsroom. Since the indisputable effect of such searches will thus be to prevent a newsman from being able to promise confidentiality to his potential sources, it seems obvious to me that a journalist's access to information, and thus the public's, will thereby be impaired.

The recent Supreme Court decision will certainly have a chilling effect on the freedom of the press. It disturbs me greatly that the Supreme Court may have handed the Goverment, with this decision, a tool with which to intimidate both critics and the press—and thereby repress unfavorable information.

The key to many disclosures to corruption and malfeasance in office—including Watergate—can be attributed in large part to the courage and diligence of reporters who had trusted sources of information.

It seems likely that it would have been much more difficult for the press to uncover many abuses during the Watergate era if the confidential files of journalists had been rummaged through during a surprise search.

Our Nation cannot afford to endanger the access of the press to vital information. I believe that the recent Supreme Court decision does just that, and thereby violates the first amendment.

Congress must act to prevent the abuses which may occur as a result of the Supreme Court's decision.

Mr. President, I ask unanimous consent that the text of my bill be inserted in the RECORD.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3258

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Press Protection Act of 1978".

SEC. 2. It shall be unlawful for any person acting under color of law to search any place or seize anything in the possession, custody, or control of any person engaged in the fathering or dissemination of news for the print or broadcast media unless such search or seizure is conducted pursuant to a warrant issued by a court after an adversary court proceeding upon probable cause that—

(a) such person has committed or is committing a criminal offense; or

(b) the giving of notice may lead to an attempt to conceal, alter, or destroy the evidence sought to be seized.

SEC. 3. Any person who maliciously violates any provision of section 2 of this Act shall be fined not more than $10,000, or imprisoned not more than one year.

SEC. 4. (a) Any person aggrieved by a violation of section 2 of this Act may bring a civil action in an appropriate United States district court.

(b) In any action brought under this section, the court may award such general damages as may be appropriate as well as punitive damages not to exceed $10,000 for each violation.●

By Mr. CHILES (for himself, Mr. MCINTYRE, and Mr. NUNN):

S. 3259. A bill to authorize the permanent establishment of a system of Federal Information Centers; to the Committee on Government Affairs.

FEDERAL INFORMATION CENTERS ACT

● Mr. CHILES. Mr. President, I am today introducing a bill to provide legislative authorization for Federal Information Centers.

Federal Information Centers provide direct help to citizens with questions about Federal Government services, programs, and regulations. They provide better access to the Federal Government, cut redtape, and reduce paperwork for many citizens who merely seek basic information about Government. They contribute significantly to make Government less remote and more accessible.

Presently, Federal Information Centers are located in 38 major metropolitan areas and are connected by toll-free tielines to an additional 41 cities. In fiscal 1977 more than 8 million inquiries were answered. Half of the Nation's population have the advantage of this service.

Federal Information Centers were first proposed by President Johnson in 1965 and we have 12 years of experience with the program. The President's Office of Management and Budget conducted a study of the Centers last year and found that they operate at a high degree of responsiveness to the substantial volume and diversity of questions they receive. While every segment of society has access to the Center, the principal beneficiaries were poor people who were the least informed and knowledgeable about Government.

OMB further found that the Centers could be improved through strengthened overall management, better information system design, improved support facilities and expansion of the population served.

The study concluded that before improvements should be undertaken, legislative authorization and separate appropriations should be sought in order to assure central control and accountability for center operations.

This legislation would build on the successful experience with Federal Information Centers by providing the legislative authority sought for a national system of centers to be managed by the General Services Administration.

A companion bill, H.R. 12583, has been introduced in the House by Congressman JOHN BURTON, JACK BROOKS, and FRANK HORTON. The administration has already indicated its support for this legislation in public hearings and I understand the House plans to move the legislation quickly.

I wish to highlight the opportunity to reduce paperwork and redtape this bill provides. Permanent establishment of Federal Information Centers was recommended by the Federal Paperwork Commission, for example, because of the frustration they found many citizens experienced in just trying to get simple information about government. Merely the effort to identify an appropriate Federal agency program can be a hassle for the person on the street. A quick responsive answer either over the phone or in person can eliminate a lot of redtape and frustration. That certainly has been the experience of the Centers to date and I believe the concept should be extended nationwide.

Mr. President, I ask unanmous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3259

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Information Centers Act"

SEC. 2. Title I of the Federal Property and Administrative Services Act of 1949 is amended by adding at the end thereof the following new section:

"FEDERAL INFORMATION CENTERS

"SEC. 112. (a) The Administrator is authorized to establish within the General Services Administration a nation-wide network of Federal Information Centers for the purpose of providing the public with information about the programs and procedures of the Federal Government and for other appropriate and related purposes.

"(b) The Administrator is authorized to prescribe such rules and regulations as may be necessary to the functioning of the Federal Information Centers.

"(c) There is hereby authorized to be appropriated $7,000,000 for the fiscal year ending September 30, 1980, and such sums as may be necessary for each succeeding fiscal year for carrying out the purposes of this section.".●

By Mr. CANNON (by request):

S. 3260. A bill to amend the Interstate Commerce Act to continue to allow railroad rate flexibility; to the Committee on Commerce, Science, and Transportation.

RAILROAD RATE FLEXIBILITY

● Mr. CANNON. Mr. President, I introduce today, at the request of the Secretary of Transportation, a bill to amend the Interstate Commerce Act to continue to allow railroad rate flexibility.

I ask unanimous consent that the text of the bill, a section-by-section summary, and the letter of transmittal be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 3260

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That clause (i) of subdivision (b) of section 15(8) of the Interstate Commerce Act (49 U.S.C. 15(8)(b)) is amended by striking all that follows the phrase "of this part" the first time it appears and inserting in lieu thereof "; or".

SEC. 2. Section 15(8)(c) of the Interstate Commerce Act (49 U.S.C. 15(8)(c)), is amended—

(1) by striking "within 2 years after the date of the enactment of this subdivision" in clause (i), and inserting in lieu thereof "prior to January 1, 1983";

(2) by inserting "and" after the semicolon in clause (ii); and

(3) by striking clauses (iii) and (iv) and inserting in lieu thereof a new clause (iii) to read as follows:

"(iii) the aggregate of increases or decreases in any rate filed pursuant to clauses (i) and (ii) of this subdivision during any calendar year is not greater than 7 per centum of the rate in effect on January 1 of that year."

SEC. 3. Section 15(8)(d) of the Interstate Commerce Act (49 U.S.C. 15(8)(d)) is amended by striking "clauses (iii) or (iv)" from the last sentence, and inserting in lieu thereof "clause (iii)".

SECTION-BY-SECTION ANALYSIS

Section 1. Because of litigation surrounding the Interstate Commerce Commission's current regulations on market dominance, much uncertainty exists with respect to the effect of those regulations. This section would amend section 15(8) of the Interstate Commerce Act to permit the "no-suspend" zone to operate without reference to market dominance. Section 15(8) was designed to be an experiment in suspension-free marketing within a seven percent range. To add a requirement that the carrier not possess market dominance over the traffic cancels the experiment since if the carrier does not have market dominance, it is already free to raise its rates by any amount at any time (subject only to section 2, 3, and 4 of the Act).

Section 2. This section extends the 7 percent "no-suspend" provisions for an additional five years, and puts the provisions on a calendar year basis. Extension of these provisions will enhance the ability of railroads to adjust promptly individual rates and will generate a record of experience in responsive rail ratemaking without the procedural delays occasioned by suspensions.

Section 3. This section revises section 15(8)(d) of the Interstate Commerce Act to reflect the change made by section 2 of the bill.

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., June 9, 1978.

HON. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Transmitted herewith is a bill, together with a Section-by-Section analysis: "To amend the Interstate Commerce Act to continue to allow railroad rate flexibility."

The bill would modify and extend for five years the seven percent "no suspend" zone provided for in the ratemaking provision of section 15(8) of the Interstate Commerce Act. This provision established a two-year period during which railroads could raise or lower individual freight rates by more than seven percent per year without fear of suspension unless the ICC found the railroad to have market dominance over the service to which the rate applies or to be in violation of certain other sections of the Interstate Commerce Act.

The Department believes that this important provision should be extended. Both this Department and the ICC, in their respective reports to the Congress pursuant to section 202(g) of the 4R Act, note that it was only within recent months that the railroads filed tariffs under section 15(8) of the Act. We believe that the initial reluctance of the railroads to utilize more fully many of the provisions of the 4R Act, including the seven percent provision, was attributable largely to the uncertainty associated with the lengthy rulemaking deliverations required to implement much of title II. Use of the seven percent provision was also inhibited by the restriction that it could not be used in those instances where a carrier wanted to raise a rate on traffic over which it possessed market dominance. Since a rate over which a carrier had not been found to possess market dominance could not be declared unlawful on the grounds that it was too high and, therefore, would not be suspended to determine whether the proposed rate was lawful, the seven percent provision was of only limited usefulness in facilitating rate increase proposals. To correct this problem our proposed bill would separate the seven percent provision from market dominance determinations. Rates could still be suspended by the Commission if found to be in violation of sections 2, 3, or 4 of the Act.

We feel that extension of the seven percent provision for a period of five years, with the indicated modification, would enhance the ability of railroads to adjust promptly individual rates. In this manner, a demonstrated record of experience in responsive rail pricing can be amassed without the procedural delays occasioned by suspensions. The importance of the railroad industry as a transporter of freight requires a continuing effort to provide the railroads with the necessary flexibility to promptly adjust individual rates.

The proposed legislation will not have an adverse impact on the environment, nor will it have an inflationary impact on the economy.

The Office of Management and Budget has advised that submission of this proposed legislation to the Congress is in accord with the Administration's program.

Sincerely,

ALAN BUTCHMAN
(For Brock Adams).●

By Mr. HASKELL:

S. 3261. A bill to secure freedom from unreasonable search and seizure, and to protect the freedom of speech and of the press; to the Committee on the Judiciary.

PRIVACY PROTECTION ACT OF 1978

● Mr. HASKELL. Mr. President, the bill I am introducing today, the Privacy Protection Act of 1978, seeks to fill the dangerous, gaping hole cut into the cloth of our civil liberties by the Supreme Court's recent decision in the case of Zurcher against Stanford Daily.

In that chilling decision the majority found that a search under warrant of the premises of a person who was not party to a crime in order to find evidence relating to the crime did not violate that person's constitutional rights.

Obviously, the impact of this decision on the media, as well as on private citizens, could be devastating. Reporters from newspapers, radio, and television stations all over the country will be subject to violation of their sources.

The Privacy Protection Act would forbid the issuance of a search warrant by Federal, State or local law enforcement officials which warrant authorizes the search of the premises any person where there is no reasonable cause to believe that the person is implicated in a crime or where there is reasonable cause to believe the evidence being sought might be destroyed, hidden or removed.

Although the bill is similar in thrust and goal to S. 3164 introduced by Senator BAYH, it does differ in its specifics. It also leaves somewhat less room for judicial construction than other legislation addressing this problem.

I particularly applaud the chairman of the Subcommittee on the Constitution, Senator BAYH, for his early, decisive action in addressing the Zurcher decision. My bill is offered in the hope that it might add to the committee's deliberation.

The Zurcher related legislation raises an interesting constitutional issue. Does Congress have the power to legislate in aid of the rights protected by the Bill of Rights and the 14th amendment, even after the Supreme Court has rejected an appeal that the Federal courts undertake enforcement of those provisions as against State action in the exercise of the Federal judicial power? Under the strength of *Katzenback* v. *Morgan*, 384 U.S. 631 (1966) it is my belief that Congress does have such authority and therefore my bill extends its protections to abuses by State and local as well as Federal authorities.

Additionally, the bill forbids unwarranted searches which might be used to avoid the restrictions of this legislation and incorporates decisional law on the reasonableness of such searches apart from the warrant context. It also provides for judicial enforcement through private actions and makes judicial officers who issue a warrant in derogation of the bill personally liable.

The proposed legislation does not deal with the issuance of subpenas duces tecum or ad testificandum, which would remain subject to traditional standards of relevance and burden as well as to pre-enforcement judicial review on or before their return date in a court of appropriate jurisdication. Unlike searches (whether with or without warrant), subpenas do not present the issue of unannounced police intrusion that is raised by the Zurcher decision.

Mr. President. I urge the Judiciary Committee to continue its hearings into this matter and hope that the full Senate will soon have the opportunity to take up this issue.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3261

Be it enacted by the Senate and House of Representatives of the United States in Congress assembled, That this Act may be cited as the "Privacy Protection Act of 1978."

SECTION 2

The Congress finds that the practice of unannounced police searches and seizures upon the premises of persons not reasonably believed to be implicated in the commission of crime is novel and unusual in the United States. In order to prevent the development of such a practice on a recurrent or widespread basis, and in order to effectuate the objectives of the First, Fourth, Fifth, and Fourteenth Amendments to the Constitution, the Congress finds and declares that legislation barring the conduct of such searches and seizures except in the circumstances specified in this Act is necessary and appropriate.

SECTION 3

(a) No search warrant for evidence of a crime shall issue pursuant to Rule 41 of the Federal Rules of Criminal Procedure, or pursuant to the legal process of any State, which authorizes the search of the premises of any person as to whom there is not reasonable cause to believe that he or she is implicated in the crime under investigation, except upon the showing specified in Subsection (b) hereunder.

(b) A search warrant may issue upon a showing of reasonable cause to believe that the evidence described in the application

(1) is in the possession, custody, or control of a person implicated in the crime; or

(2) will be destroyed, hidden, or removed unless a warrant issues and is executed.

(c) No search of any premise and no seizure of evidence thereon in violation of the terms of this Section shall be lawful, and the fruits of such search and seizure shall not lawfully be admissible in any subsequent judicial proceeding.

SECTION 4.

No search of any premise described in Section 3 of this Act and no seizure of evidence thereon under color of law but without a search warrant shall be lawful, and the fruits of such search and seizure shall not lawfully be admissible in any subsequent judicial proceeding, except upon a showing that application for a search warrant in compliance with the applicable requirements of law (including Section 3 (b) of this Act) was impracticable; *Provided*, That nothing contained herein shall be deemed to render valid any search or seizure under color of law but without a search warrant that is not otherwise in accordance with the requirements of law pertaining to such searches and seizures.

SECTION 5

(a) Jurisdiction is hereby conferred upon the United States District Courts to hear and determine civil actions commenced under this Act and to grant the relief prescribed in this Section.

(b) Any person aggrieved by a violation of Section 3 or 4 of this Act may commence a civil action in a United States District Court of appropriate jurisdiction, without regard to diversity of citizenship or the amount in controversy.

(c) In any action brought under this Section, the Court may award such general damages, such injunctive or other equitable relief as may be appropriate, together with the costs of the action, including reasonable attorney's fees; and the Court in its discretion may award punitive damages in appropriate circumstances.

(d) Notwithstanding any rule of law or statute to the contrary, any State or federal judicial or administrative officer who issues a warrant in derogation of Section 3 of this Act shall be personally liable and may be subjected to suit under the provisions of this Section.

SECTION 6

Nothing in this Act shall be construed to impair or pre-empt any State from enacting or enforcing any law designed to create a testimonial or other evidentiary privilege for journalists, or news organizations regularly engaged in the gathering and dissemination of news, nor any law designed to protect such gathering and dissemination, so long as such State law does not afford such persons or organizations any lesser protection than that accorded by the terms of this Act.

SECTION 7

As used in this Act, the term "State" means any of the several States, the territories and possessions of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

SECTION 8

This Act shall take effect upon enactment.●

ADDITIONAL COSPONSORS

S. 2842

At the request of Mr. BENTSEN, the Senator from Texas (Mr. TOWER) was added as a cosponsor fo S. 2842, a bill to name the Veterans' Administration Hospital located at 1901 S. First Street, Temple, Tex., the "Olin E. Teague Veterans' Hospital."

S. 2986

At the request of Mr. CHAFEE, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of S. 2986, a bill to provide that the salaries of the Vice President, Members of Congress, justices, commissioners, and referees, and positions in the executive schedule shall not be increased by the next comparability pay adjustment.

S. 2999

At the request of Mr. HART, the Senator from Illinois (Mr. PERCY) was added as a cosponsor of S. 2999, a bill to accelerate the commercialization of enhanced oil recovery.

S 3000

At the request of Mr. HART, the Senator from Illinois (Mr. PERCY) was added as a cosponsor of S. 3000, a bill to allow for certain deductions related to enhanced oil recovery.

S. 3003

At the request of Mr. MELCHER, the Senator from Indiana (Mr. BAYH) and the Senator from Alabama (Mr. SPARKMAN) were added as cosponsors of S. 3003, the Rural Electrification Act amendments of 1978.

S. 3036

At the request of Mr. PROXMIRE, the Senator from New Hampshire (Mr. MCINTYRE) and the Senator from North Dakota (Mr. BURDICK) were added as cosponsors of S. 3036, the Susan B. Anthony Dollar Coin Act of 1978.

S. 3058

At the request of Mr. HEINZ, the Senator from Minnesota (Mr. ANDERSON) and the Senator from New York (Mr. MOYNIHAN) were added as cosponsors of S. 3058, a bill to promote steel trade negotiations under the Trade Act of 1974.

S. 3087

At the request of Mr. DURKIN, the Senator from Idaho (Mr. CHURCH) was added as a cosponsor of S. 3087, a bill to limit nonbanking commercial activities in which bank holding companies may engage.

S. 3179

At the request of Mr. SASSER, he was added as a cosponsor of S. 3179, the Small Business and Capital Ownership Development Act.

SENATE CONCURRENT RESOLUTION 91

At the request of Mr. STONE, he was added as a cosponsor of Senate Concurrent Resolution 91, expressing the sense of the Congress that the President should sever existing diplomatic and economic relations with Cuba until such time as Cuba removes its military forces from Africa.

AMENDMENT NO. 2176

At the request of Mr. DURKIN, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of amendment No. 2176 intended to be proposed to S. 1500, the Alaska lands bill.

AMENDMENT NO. 2449

At the request of Mr. KENNEDY, the Senator from South Carolina (Mr. HOLLINGS) and the Senator from Maryland (Mr. MATHIAS) were added as cosponsors of amendment No. 2449 intended to be proposed to S. 2850, a bill to establish the National Home-Delivered Meals Act of 1978.

SENATE RESOLUTION 495—ORIGINAL RESOLUTION REPORTED RELATING TO MEMBERSHIP ON THE COMMITTEE ON THE BUDGET

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution:

SENATE RESOLUTION 495

Resolved, That paragraph 6 of rule XXV of the Standing Rules of the Senate is amended by adding at the end thereof the following new subparagraph:

"(k) Beginning on that date occurring during the first session of the Ninety-sixth Congress upon which the appointment of the majority and minority members of the standing committees is initially completed, a Senator may serve on the Committee on the Budget in addition to serving on two other committees listed in paragraph 2, but any Senator so serving may not serve on any committee listed in paragraph 3 (a) or (b).".

SENATE RESOLUTION 496—ORIGINAL RESOLUTION REPORTED RELATING TO THE CLASSIFICATION OF THE COMMITTEE ON THE BUDGET

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution:

S. RES. 496

Resolved, That effective on that date occurring during the first session of the Ninety-sixth Congress upon which the appointment of the majority and minority members of the standing committees of the Senate is initially completed, paragraph 6 of rule XXV of the Standing Rules of the Senate is amended by striking out subparagraphs (g), (i), and (j).

SENATE RESOLUTION 497—ORIGINAL RESOLUTION REPORTED RELATING TO MEMBERS ON THE PART OF THE SENATE OF THE JOINT COMMITTEE ON PRINTING

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution:

S. RES. 497

Resolved, That Mr. Cannon of Nevada be, and is hereby elected, a member of the Joint Committee on Printing vice Mr. Allen of Alabama, deceased.

SENATE RESOLUTION 498—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. STENNIS, from the Committee on Armed Services and the Committee on Energy and Natural Resources, reported the following original resolution, which was referred to the Committee on the Budget:

S. RES. 498

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 2693, a bill to authorize appropriations to the Department of Energy for national security programs for fiscal year 1979, and for other purposes.

Such waiver is necessary because section 402(a) of the Congressional Budget Act of 1974 provides that it shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which, directly or indirectly, authorizes the enactment of new budget authority for a fiscal year, unless that bill or resolution is reported in the House or the Senate, as the case may be, on or before May 15 preceding the beginning of such fiscal year.

It was impossible for the Armed Services Committee to properly prepare for and give adequate consideration to the annual military procurement authorization bill (S. 2571), the military construction authorization bill (S. 3079) and S. 2693 in time to report all three by May 15. The Committee was able to complete action on S. 2571 and S. 3079 by the deadline, but had to defer action on S. 2693. Among the programs funded in S. 2693 are those relating to enhanced radiation weapon systems which are highly technical and complex. The Committee felt it necessary to have a special hearing to better understand these systems which, due to the press of time on other matters, was unable to schedule until after May 15.

In addition, the Committee on Energy and Natural Resources, because of the press of other business, was unable to complete its action on Title II of the bill, which was jointly referred, until June 7, 1978.

For the foregoing reasons, pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to S. 2693 as reported by the Committee on Armed Services and the Committee on Energy and Natural Resources jointly.

SENATE RESOLUTION 499—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. KENNEDY, from the Committee on the Judiciary, reported the following original resolution, which was referred to the Committee on the Budget:

S. RES. 499

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of that Act are waived with respect to the consideration of S. 1487, a bill to eliminate racketeering in the sale and distribution of cigarettes and for other purposes.

Such waiver is necessary to permit consideration of S. 1487, a bill to eliminate racketeering in the sale and distribution of cigarettes, which will cause the Secretary of the Treasury to set up a comprehensive interdiction program for this purpose. While the bill authorizes to be appropriated such funds as may be necessary, the Congressional Budget Office estimated the cost of the bill at $1,970,000 for the fiscal year beginning October 1, 1978.

Although the bill was reported by the Subcommittee on Criminal Laws and Procedures to the Committee on the Judiciary on March 23, 1978, its consideration by that Committee was inadvertently delayed by the press of business both within the Committee and within the Senate.

SENATE RESOLUTION 500—ORIGINAL RESOLUTION REPORTED WAIVING THE CONGRESSIONAL BUDGET ACT

Mr. KENNEDY, from the Committee on the Judiciary, reported the following original resoluton, which was referred to the Committee on the Budget:

S. RES. 500

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of that Act are waived with respect to the consideration of S. 551, a bill to provide for grants to States for the payment of compensation to persons injured by certain criminal acts and omissions, and for other purposes.

Such waiver is necessary to permit consideration of S. 551, a bill which provides for grants to States for the payment of compensation to persons injured by certain criminal acts or omissions. This will complete congressional action on the corresponding bill, H.R. 7010, which passed the House on October 4, 1977. The bill authorizes to be appropriated $40,000,000 for the fiscal year ending September 30, 1979.

Although the bill was reported by the Subcommittee on Criminal Laws and Procedures to the Committee on the Judiciary on April 27, 1978, its consideration by that Committee was inadvertently delayed by the press of business both within the Committee and within the Senate.

SENATE RESOLUTION 501—SUBMISSION OF A RESOLUTION REFERRING H.R. 11300 TO THE COURT OF CLAIMS

Mr. BAKER. (for himself and Mr. SASSER) submitted the following resolution, which was referred to the Committee on the Judiciary:

S. RES. 501

Resolved, That H.R. 11300, entitled "A bill for the relief of Lance Industries, Incorporated", together with all accompanying papers, is hereby referred to the Chief Commissioner of the Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code, for further proceedings in accordance with applicable law.

SENATE RESOLUTION 502—SUBMISSION OF A RESOLUTION TO COMMEND NATIVE AMERICANS PARTICIPATING IN THE LONGEST WALK

Mr. DOLE submitted the following resolution, which was referred to the Committee on the Judiciary:

S. RES. 502

Whereas Native Americans have played a special and unique role in the development of the United States;

Whereas the Native American culture is a living culture;

Whereas Native Americans from many different tribes are walking from California to Washington, District of Columbia, to focus attention on the concerns of Native Americans;

Whereas this walk has become known as the Longest Walk and is a spiritual and peaceful walk; and

Whereas one purpose of the Longest Walk is to provide an opportunity for participants to meet with officials of the United States Government to discuss the concerns of Native Americans: Now, therefore, be it

Resolved, That the Senate recognizes and honors the Native Americans participating in the Longest Walk for their efforts to provide a peaceful and meaningful opportunity for the discussion of the concerns of Native Americans.

SEC. 2. The Secretary of the Senate is directed to transmit a copy of this resolution to the leaders of the Longest Walk.

THE LONGEST WALK

Mr. DOLE. Mr. President, the Senator from Kansas is submitting a resolution today which recognizes and honors native Americans who have participated in the longest walk. Described as a spiritual journey, the longest walk began on February 11, 1978, when a small group of Indians began their cross-country walk from California to Washington, D.C. Their purpose was to show their concern on a number of issues related to the status of Indians and Indian tribes.

BACKGROUND

In the beginning, 24 persons pledged to walk the 3,000 mile, coast-to-coast trip. As the walk passed through States and Indian communities, more persons joined. Now, the walk is crossing Pennsylvania, and more than 600 walkers are participating.

PURPOSE

The walk is termed "a spiritual and educational endeavor," and it has attracted the backing of native Americans from approximately 100 Indian tribes and nations. The fact that these Indians have banded together in a unified voice of concern is a significant precedent in itself. The walkers have crossed mountains, valleys, and plains in the snow, rain, wind, and sun, and in their trip have picked up the support of many church groups, and State and local governments.

Throughout the walk, emphasis has been placed on its religious significance. It is designed to awaken American sensitivity to the Indians' respect for land and life, and the intertwinement of the two. Religious elders are participating in the walk, and a sacred pipe is being carried the entire distance.

THE WALK THROUGH KANSAS

When first hearing of the walk, the Senator from Kansas admits to being rather skeptical of its purpose and validity. Several weeks ago, however, the walkers came through Kansas. I was impressed by all the reports of the walk and of its participants, and began to realize the import of the trip. No alcohol, drugs, or firearms are allowed to be carried on the walk. Participants camp overnight, and make a practice of leaving camping areas cleaner when they leave than they were upon arrival.

Newspapers along the route, from Dodge City to Hutchinson, to Wichita to Lawrence, carried favorable stories. The papers reported that orderly conduct had been maintained, and that the attitude among participants was one of serious concern.

THE WALK IN WASHINGTON

As the walkers near the Capitol, more and more Indians are expected to join. The walkers are due into Washington on July 15, at which time the Indians plan 9 days of spiritual, political, and social activities to focus attention on the reason for the walk.

It is too early to tell what shape the walk will take when it reaches Washington. But enough time has gone by for us to realize that the backbone supporters of the walk are committed to a peaceful and spiritual walk. Their concern stems from the fact that traditional In-

dian values and lifestyles are seemingly being engulfed by modern developments.

CONCLUSION

As a vehicle for expressing their views, the Indians organized the longest walk. It was designed as a peaceful and meaningful expression. When the walk reaches the Capitol, I think the Congress will be favorably impressed if the order and dignity that has characterized the walk up until this point is maintained.

I am submitting the resolution to indicate that the longest walk is being recognized as a sincere expression of concern, and to encourage Congressmen to take the time to meet with the walkers when they reach the Capitol. I think the Indians are to be commended for seeking a peaceful expression of their views.

AMENDMENTS SUBMITTED FOR PRINTING

NATIONAL CONSUMER COOPERATIVE BANK ACT—H.R. 2777

AMENDMENTS NOS. 3088 THROUGH 3090

(Ordered to be printed and to lie on the table.)

Mr. LUGAR (for himself and Mr. PROXMIRE, Mr. TOWER, Mr. GARN, and Mr. SCHMITT) submitted three amendments to be proposed by them, jointly, to H.R. 2777, an act to provide for consumers a further means of minimizing the impact of inflation and economic depression by narrowing the price spread between costs to the producer and the consumer of needed goods, services, facilities, and commodities through the development and funding of specialized credit sources for, and technical assistance to, self-help, not-for-profit cooperatives, and for other purposes.

© Mr. LUGAR. Mr. President, Senators PROXMIRE, TOWER, GARN, and SCHMITT join me today in submitting three amendments to H.R. 2777, the National Consumer Cooperative Bank Act. These amendments were rejected by narrow votes during the Banking Committee markup of H.R. 2777. We intend to offer each of these amendments during the floor debate on this legislation, if the substitute amendment, amendment No. 3086, is not adopted.

The purpose of the first two amendments is to safeguard the interests of small, taxpaying businesses within the market areas of the consumer cooperatives seeking loans from the Bank. We find it curious that the Congress would create a National Bank for Consumer Cooperatives using tax dollars paid by businesses that will be in direct competition with those taxpaying businesses.

Amendment No. 3088 requires a small business impact statement by the Bank when making loans to consumer cooperatives. Under this amendment, no loan could be made by the Bank where the impact on small business is adverse.

Amendment No. 3089 prohibits the Bank from making a loan unless the borrower has been refused credit by at least two private lending institutions. Proponents of H.R. 2777 claim that consumer cooperatives cannot obtain private financing. We disagree with this argument since the hearing record shows that many consumer cooperatives can obtain private financing and many others could if they had access to technical assistance, experienced management, and traditional bookkeeping methods.

If the problem is one of not being able to obtain private financing, we can see no reason why consumer cooperatives would object to meeting a credit-denial test before achieving eligibility for assistance from the National Bank. This second amendment requires such a credit-denial test.

Amendment No. 3090 increases the percentage of the Bank's loan portfolio which must be made to cooperatives which serve low-income persons, from the 35 percent stated in the bill to 50 percent. The advocates of this legislation stress that it will provide valuable assistance to consumer cooperatives which serve persons with low incomes. We believe that efforts to provide such assistance are commendable. Persons with low incomes are often able to buy goods and services at reduced prices through a consumer cooperative. We seriously question the appropriateness of providing Federal assistance through the Bank for cooperatives serving high income individuals. H.R. 2777 pays some recognition to our concern by providing that the Bank must make efforts to assure that in each year one-third of the Bank's loans be to cooperatives whose membership is comprised primarily of individuals with low incomes. We believe this requirement is too low. Our amendment increases this percentage to 50 percent.

We believe these amendments are reasonable ones which will effectively protect the valid interests of competing small businesses and direct more of the Bank's resources to those who need assistance most.

I ask unanimous consent that these amendments be printed in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 3088

On page 62, line 18, after the period, insert the following:

"The Bank may not make any loan unless, after conducting an appropriate study, it determines that—

"(A) the loan will not have a substantial adverse economic or competitive impact on small business in the market area served by the borrower; and

"(B) the loan is necessary because the market area to be served is not currently being reasonably and competitively served.".

AMENDMENT NO. 3089

On page 62, line 18, after the period, insert:

"The Bank may not make any loan unless the borrower has been denied credit by at least two financial or depositary institutions.".

AMENDMENT NO. 3090

On page 62, line 2, strike out "35" and insert in lieu thereof "50".

FULL EMPLOYMENT AND BALANCED GROWTH ACT OF 1978—S. 50

AMENDMENTS NOS. 3091 THROUGH 3096

(Ordered to be printed and to lie on the table.)

Mr. SCHMITT submitted six amendments intended to be proposed by him to S. 50, the Full Employment and Balanced Growth Act of 1978.

● Mr. SCHMITT. Mr. President, I am submitting this evening several amendments to S. 50, the Humphrey-Hawkins bill. These amendments are designed to address several important issues that have thus far received inadequate or no attention in S. 50.

I ask unanimous consent that the amendments be printed in the RECORD following my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SCHMITT. A brief description of each of the amendments is as follows:

(1) *Energy Independence.* Sets as a goal a reduction of U.S. imports of energy to 25% of domestic consumption. Excessive imports of foreign and crude oil and the resulting outflow of dollars has seriously affected the stability of the dollar internationally, and has contributed to inflation. This has also tended to reduce the amounts of capital available for job-producing investment in the economy.

(2) *Inflationary Impact of Federal Regulatory Programs.* Requires that regulatory agencies prepare economic, paperwork and judicial impact statements for major regulatory programs with an impact on the economy of over $100 million annually, that the General Accounting Office review these impact statements, and that regulatory programs with an impact in excess of $100 million annually be submitted to the appropriate Congressional committee. This would give Congress greater control over major regulatory programs which may have considerable impact on the rate of economic growth, job creation and inflation.

(3) *Capital Gains Tax Reduction.* This amendment provides for the President to recommend measures to reduce tax rates on capital gains to their pre-1969 level of 25% as a means of stimulating investment and maximizing the creation of jobs in the private sector.

(4) *General Tax Reduction.* This amendment provides for the President to recommend measures to reduce taxes by approximately 30 percent over the next three years. This amendment presents a strategy for the creation of jobs and economic growth that will increase the rewards for working, saving, producing and investing, thus expanding economic growth without inflation.

(5) *Findings.* Amendments the finds section to place emphasis upon inflation as a contributor to unemployment.

(6) *Employment Goals.* This amendment would require the President to submit proposals for stimulating the growth of the private sector of the economy to encourage the creation of approximately 11.5 million jobs by 1983. This is the number of new jobs that will be necessary to reduce substantially the number of those currently unemployed, and to provide employment opportunities for the increasing numbers of workers in the labor force.

Since the labor force will be expanding by 1.7 million workers by 1983, according to Department of Labor projections, it will be necessary for the private sector to create 9.7 million jobs by 1983 to maintain the current level of unemployment. In addition, approximately 1.8 million more jobs must be created by 1983 to reduce the number of those unemployed from the current level of approximately 6.1 million to 4.3 million, which would be the number of unemployed we would have if the unemployment rate was 4%. This would mean that a total of 11.5 million jobs are needed by 1983 to achieve

the aims of S. 50. The amendment would require the President to submit to Congress tax policy proposals and other proposals designed to bring about the stimulation of job-producing investment in the economy to achieve these goals.

These goals will help to achieve the goals of the Full Employment and Balanced Growth Act through the natural processes of a free marketplace, and without new Federal bureaucracies for the creation of jobs. These amendments will address many of the impediments to full employment which have thus far been inadequately considered in S. 50.

I ask unanimous consent that a chart which shows the rate of job creation in the private sector since 1972, and the projected increase in the labor force over the next 5 years be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Schedule of job production in the private sector

Job production in the private sector of the economy since 1971 has proceeded on the following schedule:

1971—84.1
1972—86.5 equals 2.4 million jobs created.
1973—88.7 equals 2.2 million jobs created.
1974—91.0 equals 2.3 million jobs created.
1975—92.6 equals 1.6 million jobs created.
1976—94.8 equals 2.2 million jobs created.
1977—97.4 equals 2.6 million jobs created.

A total of 13.3 million jobs created since 1971.

SOURCE.—Congressional Research Service.

Projected increases in the civilian labor force

Projected increases in population and the working force will result in the need for the creation of additional numbers of jobs in the private sector on the following schedule:

1979—101.5 million, equals 2.3 million increase in working force over 1978.
1980—103.5 million, equals 2.0 million increase in working force over 1979.
1981—105.4 million, equals 1.9 million increase in working force over 1980.
1982—107.2 million, equals 1.8 million increase in working force over 1981.
1983—108.9 million, equals 1.7 million increase in working force over 1982.

A total of 9.7 million.

SOURCE.—Congressional Research Service, based on Department of Labor projections.

EXHIBIT 1

AMENDMENT NO. 3091

On page 59 after line 11, insert the following:

"(7) One of the major contributions to unemployment is inflation which creates insecurity and reduces investor confidence, thus reducing the investment capital available for job producing investment. Congress recognizes that high annual Federal deficits, high taxes, the high costs of Federal regulation and artificial energy costs are important contributing factors to high rates of inflation."

AMENDMENT NO. 3092

On page 60, following line 25, insert the following:

"(e) The Congress further finds that further increases in the work force in the coming years, due to increases in population and other demographic factors, will require the creation of additional jobs in the private sector, through fiscal, tax, and other policies designed to reduce inflation, to increase investment in new plants and equipment, and to reduce the burdens of taxation on the American people."

On page 68, between lines 4 and 5, insert a new subsection as follows:

"(d)(1) The President shall submit in each Economic Report appropriate programs and policies designed to encourage the creation of new jobs in the private sector sufficient to provide employment opportunities for new entrants into the job force and an additional number of jobs to reduce the number of those unemployed so as to make substantial progress toward full employment by 1983. Specifically, the President shall develop fiscal, tax, and other policies that will encourage the development, in the private sector, of 9.7 million jobs by 1983 to meet the needs of the growing population, and of an additional 1.8 million jobs which will be necessary to reduce the unemployment rate to the approximate level specified in subsection (b) by 1983. In designing such programs and policies, the President shall take into account the facts that the private sector has created over 13 million jobs since 1971 and that the future employment needs of America can only be fulfilled, completely and permanently, through the future growth of the private sector of the economy.

"(2) The programs and policies submitted by the President under this subsection shall include but not be limited to measures designed to increase the rate of capital formation, reduce taxes on capital gains, and to reduce the overall rates of taxation on the private sector as a means of stimulating economic growth and creating new employment opportunties.

"(3) The schedule for the creation of new jobs in the private sector, and proposed programs to lead to their creation, shall be updated in each succeeding economic report to account for changes in demographic data.".

On page 68, line 5, strike "(d)" and insert "(e)".

On page 69, line 5, strike "(e)" and insert "(f)".

AMENDMENT NO. 3093

On page 77, after line 23, insert the following:

"(7) the development and implementation of procedures to assure a more effective projection of the economic effects of regulatory legislation prior to its enactment and the development and implementation of methods for measuring the impact of specific regulatory programs before they are promulgated by executive agencies;

On page 78, line 1, strike out "(7)" and insert in lieu thereof "(8)".

On page 78, line 3, strike out the quotation marks and the final period.

On page 78, between lines 3 and 4, insert the following:

"(d) To carry out the objectives of section 3(a)(3) and section 4(a), Federal departments and agencies shall be required to prepare economic, paperwork and judicial impact statements for major regulations which may have a cost to the economy in excess of $100 million annually, and for any alternative regulations considered, and shall submit these impact statements to the General Accounting Office for review and comment. Following GAO review, the economic, paperwork, and judicial impact statements for the proposed regulations, and the GAO comment, shall be published in the Federal Register for public comment, together with the full text of the proposed regulation, and any alternative regulations considered. Identical information and impact analyses shall be sent for informational purposes, to the Congressional committee with jurisdiction over the proposing agency.

AMENDMENT NO. 3094

On page 64, after line 8, strike out the quotation marks and the final period.

On page 64 after line 8, insert the following:

The Congress further declares that tax rates are unacceptably high and thereby contribute to reducing the resources available for job creation in the private sector. Broad tax reductions are necessary as a means of promoting full employment and balanced economic growth.

On page 69, line 10, strike out the quotation marks and the final period.

On page 69 after line 10, insert the following:

In order to encourage the production of more employment opportunities in the private sector of the economy, the President shall transmit to Congress specific programs and policies which the President deems necessary to reduce current Federal rates of taxation on personal income by 30 percent, to be achieved in three successive equal annual installments by 1981.

AMENDMENT NO. 3095

On page 64 after line 8, strike out the quotation marks and the final period.

On page 64 after line 8, insert the following:

The Congress further declares that tax rates on capital gains are unacceptably high and have reduced the amounts available for investment in the economy. Job creation in the private sector is closely linked with the ability of Americans to invest in new enterprises and to realize economic gains from their investments.

On page 69, line 10, strike out the quotation marks and the final period.

On page 69 after line 10, insert the following:

In order to increase the rate of job producing investment in the economy, the President shall transmit to Congress the programs and policies the President deems necessary to reduce tax rates on capital gains on their pre-1969 rate of 25 percent.

AMENDMENT NO. 3096

On page 69, between lines 10 and 11, insert the following:

"(f) in the first Economic Report after enactment of the Full Employment and Balanced Growth Act of 1978, the President shall propose a comprehensive energy plan to increase energy conservation and production from various traditional as well as innovative sources during, the 10-year period following the enactment of such Act, in order to reduce the level of U.S. imports of energy from foreign sources to not more than 25 percent of domestic consumption, and to achieve further reductions in the level of such imports after the expiration of such 10-year period with the final goal of the United States becoming a net exporter of energy by the end of 1999.●

ENDANGERED SPECIES ACT—S. 2899

AMENDMENT NO. 3097

(Ordered to be printed and to lie on the table.)

Mr. STENNIS (for himself, Mr. EASTLAND, and Mr. GARN) submitted an amendment intended to be proposed by them, jointly, to S. 2899, a bill to amend the Endangered Species Act of 1973 to establish an Endangered Species Interagency Committee to review certain actions to determine whether exemptions from certain requirements of that act should be granted for such actions.

● Mr. STENNIS. Mr. President, for myself and Senators EASTLAND, MCCLURE, and GARN, I submit today an amendment to S. 2899, which itself proposes to amend the Endangered Species Act of 1973. I believe that this amendment, if adopted, will give the necessary degree of protection to the ecology and the environment and, at the same time, will

permit needed, desirable, and useful Federal projects and economic growth and development to proceed when justified by a balancing of all the factors and circumstances.

For some time now it has been my purpose and intent to offer this amendment. However that purpose and intent were solidified and reinforced by the Supreme Court's decision on June 15, 1978, in Tennessee Valley Authority against Hill. That decision, and I will discuss it in more detail later, held that the Tellico Dam could not be closed and operated because of the existence of an insignificant fish known as the snail darter even though the dam was virtually complete with more than $105 million invested.

The Endangered Species Act, I submit, was never intended to have the extreme result reached in the Tellico Dam case. Congress should—indeed, it must—act to prevent the grave future consequences made possible by that decision. As it now stands, that decision is a clear, impending and continuing threat to the construction and operation of every Federal prospect, no matter how important to the Nation. If any of us had thought that the law would have been interpreted to produce such absurd consequences I doubt that it would have been given even casual consideration by the Congress.

Let me emphasize at the outset that I strongly favor conservation and protection of the environment and the ecology. The Endangered Species Act of 1973 states that its purposes are to "provide for the conservation, protection, restoration, and propagation of threatened and endangered species of fish, wildlife, and plants." Certainly we all support this general statement of policy. Valuable animals and plants should be protected both by and from man. Except in cases where all the circumstances, considered as a whole, dictate otherwise the need to protect endangered species should prevail.

Unfortunately, however, the 1973 act has been construed far beyond its intended purpose of laying down desirable conservation goals to balance the preservation of endangered species with economic and social growth and development. Its impact in the Tellico Dam and other cases, has been to prohibit growth and development, regardless of the needs of the economy, regardless of the importance of the project, regardless of the importance of the species, and regardless of the stage of completion or amount of public or private funds already invested in a project.

This act has now been on the books for 5 years and, even before the Tellico Dam decision, I was convinced that certain problems with it were so clearly apparent that corrective legislation was immediately required. That is what is proposed by the amendment which I have offered. I will take a few minutes to explain just what this amendment proposes to do.

In the first place, the amendment would eliminate the Endangered Species Committee which S. 2899 proposes to establish. This committee would seem to introduce added and unnecessary complications into an already difficult situation and might make it even more difficult than it is at present to establish that the act is not applicable to a particular project. I will discuss this aspect at a later date. In any event, I believe that it is far more preferable to proceed by the amendments to the act which I propose.

Section 7 of the act now requires that a sponsoring agency in carrying out a program take such action as is necessary to insure that the program does not jeopardize the continued existence of endangered or threatened species or result in the destruction of modification of habitat which the Secretary of the Interior has determined to be critical. This hard and fast requirement, I believe, should be relaxed. The amendment I have offered proposes to broaden this so as to make it clear that the agency would be required to insure such action only "to the extent feasible." This would introduce much needed flexibility into the law.

In order to further insure such flexibility and to make it plain that the sponsoring agency is vested with reasonable discretion, the amendment would change section 7 further so as to add to it the provision that in considering a program which might jeopardize an endangered or threatened species, "the agency head shall balance the social, cultural, economic, and other benefits to the public if such action is carried out as planned against the esthetic, ecological, educational, historical, recreational, or scientific loss to the public which would occur if such species should become extinct." This change would, I believe, prevent the act from being construed to be unreasonably rigid and inflexible and would give the sponsoring agency the authority to balance social, cultural, economic, and political factors against other considerations and to proceed with the project after so balancing the factors. We do not yet have a utopian society and, for the benefit of our immediate and future welfare, I believe that these amendments are desirable so as to permit necessary social and economic development and growth, while at the same time maintaining the proper ecological balance and protecting the environment.

The amendment would also insert two grandfathering clauses into the law. The first is a provision that an agency should not be precluded from carrying out a project or part of a project if such project or part is more than 50 percent completed. The second would provide that the act shall not be applicable to any project under contract or otherwise underway as of the date of the enactment of the original law. These provisions would prohibit projects in the process of construction from being summarily halted as was the Tellico Dam and, in my opinion, would result in the savings of hundreds of millions of the taxpayers' dollars.

When this legislation was passed in 1973, Mr. President, we were venturing off into new and uncharted fields. The law was novel, new, and complex, and I think I am safe in saying that its implications were not fully understood by anyone. The distinguished Senator from Alaska (Mr. STEVENS), who was one of the bill's strongest supporters, stated just before its passage that, "the bill is not perfect." Now that we have had 5 years of experience with the act, it is time to correct the deficiencies, inequities, and shortcomings that have come to light. That is the purpose of the amendment I offer today.

With the advance of the ecological sciences, man now has a vastly increased awareness of the importance of all life forms, and of the value of preserving natural plant and animal systems. The programs which we have launched to clear up our land, air, and water resources, and to protect our ecology and environment are desirable steps, and I support them as long as they do not produce absurd or unreasonable results.

However, we are also faced with the pressures of a growing population and the right of all people to have adequate shelter, food, clothing, and other necessities. We must not sacrifice one to the other. We must not let our haste to eliminate environmental neglect and waste lead to actions that would impact adversely and unnecessarily on desirable economic growth and development.

Certainly the most flagrant example of the lack of flexibility and balance in existing law is the Tellico Dam of the Tennessee Valley Authority which I have already mentioned. Construction of Tellico began in 1967. Tellico was more than one-half completed when the Endangered Species Act was passed in 1973. It was more than 80 percent completed when a suit was filed in February 1976, to enjoin its completion on the grounds that completion would destroy the critical habitat of a small and insignificant fish called the snail darter. Later the project was halted by an injunction of the U.S. Sixth Circuit Court of Appeals even though it was virtually complete with more than $105 million of the project's estimated $116 million cost already invested. This was the decision which the U.S. Supreme Court upheld.

I can cite another case from my own State. The act has delayed the construction of and will add $5 million or more to the cost of Interstate Highway 10 across the Mississippi coast because it was discovered that if the highway was built as originally planned it would disturb the habitat of about 40 sandhill cranes.

Many other projects may be adversely affected if not halted by this act as construed by the Supreme Court. These include the Columbia Dam in Tennessee, the Tombigbee Dam in Tennessee, the Narrows Reservoir in Nebraska, the Dickey-Lincoln Dam in Maine, the Miami Jetport in Florida, the Glen Canyon Dam in Colorado, the New Melones Dam in California, the Brantley Dam in New Mexico, the Vandenberg Space Shuttle in California, and others.

The cold and hard fact is—and I hope you will heed this well—that virtually any public works can be stopped under the act as construed by the Supreme Court unless some balance and flexibility is blended into the operation of this law. This could easily cost the taxpayers hundreds and hundreds of millions of dollars. We have a clear responsibility to act.

The U.S. Fish and Wildlife Service recently estimated that there may be as many as 1 million species and subspecies of animals and plants in the world which they believe may be entitled to protection under the law. Some scientists believe that there may be as many as 5 million separate species and subspecies of living organisms. Thus, it is altogether conceivable that virtually every river, stream, hillside, and field may contain an undescribed and possibly unique species or subspecies of life. It is entirely possible, therefore, that virtually any public project in the United States could be stopped in its tracks if the opponents of it look hard eough for a new and unique plant or animal in the area.

The key words are flexibility and balance. When the Endangered Species Act was passed in December 1973, it was an attempt to add balance to a world in which the scales had tipped in favor of economic growth and development in order to meet man's needs without regard to the loss of various species of fish, wildlife, and plants. In the words of the statute, such development had been "untempered by adequate concern and conservation." The Congress accepted this statement at face value. The belief was that section 7 of the act required Federal agencies to take reasonable measures, in consultation with the Secretary of the Interior, to conserve endangered or threatened species of fish and wildlife. However, it was further believed that in the event of a conflict between a congressionally authorized project and an endangered species, the responsible Federal agency had the ultimate responsibility to determine what action should be taken to protect the species and whether a project should go forward. The construction of the act by the Supreme Court is far different from these expectations. It is now time to act to amend the law appropriately and to make the meaning of the act clear.

I repeat that, while we should and must protect the environment and the ecology, we must have legislation which does not unnecessarily stop or hamper progress, growth, and development, but, on the contrary, which accommodates people and their needs, as well as the environment and its needs. This, I believe, can best be accomplished by a flexible decisionmaking process under which all important and relevant factors are weighed and considered before the final decision is made by the sponsoring agency. This is what the amendment proposes and I hope that it will be adopted.●

NOTICE OF HEARINGS

SPECIAL COMMITTEE ON AGING

● Mr. CHURCH. Mr. President, as Chairman of the Special Committee on Aging, I would like to announce committee hearings on "Retirement, Employment, and Lifelong Education," on July 17, 18, and 19, beginning at 10 a.m. each day in room 6226, Dirksen Senate Building.

The hearings will open an intensive committee inquiry into issues which have assumed new clarity and urgency in the wake of recent congressional enactment of legislation raising the upper age limit of the Age Discrimination in Employment Act from 65 to 70 for most workers in private industry and eliminating mandatory retirement completely for most Federal workers by September 30.

We wish to explore linkages among subjects usually thought of individually. Committee members have expressed their wish to focus on adjustments that will be required because of demographic, biomedical, and economic changes related to the "aging" of our population; on the impact of early retirement upon the economy and society; on the importance of preventing job skill obsolescence; on the impact of inflation on retirement income; and on educational opportunities for personal and employment enhancement.

Health, Education, and Welfare Secretary Califano and Labor Secretary Marshall are among the witnesses invited for the July hearings.●

SUBCOMMITTEE ON ENERGY CONSERVATION AND REGULATION

● Mr. JACKSON. Mr. President. On Monday, July 10, 1978, the Subcommittee on Energy Conservation and Regulation of the Committee on Energy and Natural Resources will hold an oversight hearing on the administration of the crude oil entitlements program by the Department of Energy with emphasis on the plans of the Department to grant entitlements benefits to imports of refined petroleum products. This hearing will investigate the rationale for these plans and the impact of the program on the domestic refining industry.

Testimony will be received from the Department of Energy and selected private witnesses. The hearing will commence at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

This hearing had been originally scheduled for Wednesday, June 28, 1978. Questions about this hearing should be directed to Ben Cooper or James T. Bruce of the Subcommittee staff at 224–9894.●

SUBCOMMITTEE ON FEDERAL SPENDING PRACTICES AND OPEN GOVERNMENT

● Mr. CHILES. Mr. President, the Subcommittee on Federal Spending Practices is announcing the continuation of hearings on the oversight of the Government in the Sunshine Act (P.L. 94–409) on Tuesday, July 11, at 10 a.m. The hearing room will be announced at a later date.

Please contact Christy Betts, subcommittee chief clerk, for further information regarding the hearing (224–0211).●

ADDITIONAL STATEMENTS

THE $36 MILLION-A-DAY MISUNDERSTANDING

● Mr. NELSON. Mr. President, a recent article in the Louisville Courier-Journal by the distinguished Senator from Kentucky, Mr. FORD, has come to my attention. As a member of the Senate's Energy and Natural Resources Committee, Senator FORD has been in an excellent position to observe the development of the national energy policy. Writing for the Courier-Journal, Senator FORD has identified several of the most difficult obstacles to a successful solution to the national energy problem. I ask that this informative article be printed in the RECORD.

The article follows:

THE $36 MILLION-A-DAY MISUNDERSTANDING

There is a fundamental misunderstanding between the public perception of their need for energy and the supply of energy available. This misunderstanding will cost our country $36 million a day in 1985!

Recent national polls indicate that more than half of the American people do not know that the United States imports energy from other countries. If this is true, then how can they hope to understand the necessary relationship between imported energy and the imbalance of trade payments, the increase of domestic unemployment, and the decrease in the value of the dollar.

The growing gap between the supply and the demond for energy threatens this nation's stability; it pervades almost every aspect of American life. The sale of arms in the Middle East, the ratification of treaties with Panama, and the attempt to control inflation, all are evaluated in terms of their impact upon the national energy picture. Yet, notwithstanding the constant attention energy has received in Washington and in the media, the issue is obscured by a massive misunderstanding at all levels of public life.

While one recognizes that the general public might not fully comprehend the urgency of our national energy predicament, there is no excuse for the nation's leading energy officials to be so misguided.

In testimony recently before the Senate Appropriations Committee, Department of Energy Secretary, James Schlesinger, tested one's capacity for incredulity with his responses to some of the country's most urgent energy questions.

When asked about the Department's recent revisions in their energy conservation and supply predictions, Dr. Schlesinger admitted that previously anticipated energy savings were optimistic. In fact, the Department has reduced the expected energy savings by nearly 2.5 million barrels of oil per day in 1985. The Secretary placed the responsibility for this reduction on excessive Congressional compromises in the National Energy Plan legislation.

The importance of the 2.5 million barrel per day reduction should not be lost. That figure means that American consumers will pay foreign nations $36 million more each day—and $13 billion more each year—for imported energy. If one applies a conservative 5% inflation increment to this figure, the actual excess amount consumers will pay out annually in 1985 will be nearly $18.5 billion. That figure should be staggering to most observers; even more staggering is the Department of Energy's response to this dilemma.

America has only one abundant domestic fuel resource for the next three decades. That resource is coal. However, the increased use of coal is constrained by tradition, by cost, and by law. While none of these contraints are insurmountable, the Department of Energy seems all but paralyzed by the problems they present.

Little has been done systematically to alter the learning process by which the public might discover the flexible capacity of coal.

Little has been done to share the costs of expensive coal demonstration plants which could transform coal into environmentally clean solid and liquid fuels.

And little has been done to maintain the rigor of laws requiring electric power plants and major fuel-burning installations to convert to coal.

The Department of Energy's most telling shortcoming, though, is in the category of research and development. After testifying that his proposed 1979 budget was adequate to meet "all" the goals of his department, Secretary Schlesinger admitted under questioning that the budget had reduced the funds for research and development in coal liquefaction, coal gasification, and direct coal combustion. These reductions have been achieved by limiting development to one technology while other potentially desirable methods remain idle for lack of funds. If the one selected method fails, the nation loses something far more valuable than money; the nation loses precious time and the depleted energy which goes with it. To "save" money in this convoluted way, while spending billions elsewhere in the federal budget constitutes a basic misunderstanding of the nation's needs.

Unfortunately, the Department of Energy's allocation for coal in the research and development budget has been a declining portion of the Department's total budget during the current three years. In the three years, 1977–1979, the percentage has declined from 6.8% to 5%, to 4.8% of the total Department budget. Clearly, this decline illustrates a classic miscalculation of the best option for meeting national energy needs.

The development of coal technology could accelerate the move to a new coal-based economy, one which meets environmental standards, uses existing energy transmission equipment, creates more jobs, involves less cost, and requires less time.

The move to coal could save more money and reduce our reliance upon foreign nations by decreasing the amount of foreign oil we must import; that figure will be 11 million barrels of oil per day by 1985. Moreover, America could improve its balance of payments and rescue the value of the dollar in the process.

No reasonable person expects miracles from the new Department of Energy, but a $36 million misunderstanding each day strains the patience and drains the pocketbook of even the most patriotic American consumer.●

SUPPORT FOR WORLD BANK DEVELOPMENTAL EFFORTS

● Mr. JAVITS. Mr. President, much has been written about the pressures that we in the Congress are facing to restrict governmental expenditures. Recently the Senate voted a 5-percent cut in our bilateral foreign aid bill. Had I been present I would have opposed such a cut, and it is important that we understand the value of foreign assistance, both bilateral and multilateral, to the U.S. economy. For we are talking not about philanthropy but about investment in the future growth of our own and the world economy. It is only through such growth that we can expect to find markets for the goods of the industrialized countries.

I was particularly concerned to hear the view that foreign aid helps to weaken the dollar. Rather than weakening the dollar, foreign aid serves to strengthen the dollar through a commitment to greater economic growth.

The London Times recently published an article on the role of the World Bank in helping economic development. It is an extremely important article because it analyzes the World Bank's record and discusses the serious implications for the future role of the World Bank that could result from restrictions that we in the Congress have been putting on our funding for the operations of the IFI's.

I continue to urge my colleagues to support increased capitalization for the World Bank and for the other international financial institutions, the regional banks, and the IMF.

I commend this article to my colleagues and ask that it be printed in the RECORD.

The article follows:

[From the London Times, June 7, 1978]

WORLD BANK PLAYING A MORE EFFECTIVE ROLE

(By Frank Vogl)

Mr. Robert McNamara, the President of the World Bank, talks confidently about the continuing strong growth of what is clearly the largest and most powerful international development assistance agency. Despite high inflation and the recessionary difficulties of recent years, the bank has managed to continue increasing its lending in real terms and it has ambitious plans.

Mr. McNamara notes that the bank has not yet released any new targets concerning the next few years, but that the programme he outlined to the last annual meeting of bank governors is still valid. This calls for total net financing by the World Bank group of between $30,000m and $35,000m in the five years to the end of the 1983 fiscal year.

In terms of its organization and methods of operation the World Bank is a cross between the typical official multilateral type of agency and a private corporation.

Like a private company it has shareholders, whose voting power is proportionate to share holdings and the bank also aims to make a profit. Like an offical agency the control of the bank is in the hands of governments and their representatives.

The creators of the bank saw this institution obtaining the bulk of its funds from the capital markets rather than from government grants and it saw reconstruction work and development assistance as the bank's prime sectors of operations. The Marshall Plan largely overshadowed the bank's reconstruction activities in the immediate postwar era and by the late 1940s the bank was almost wholly devoted to the development aid work, although it continues to make reconstruction loans at times of emergency—such as a loan in recent years to Guatemala after an earthquake there.

Over the years the bank has become increasingly complex in the manner in which it uses its scarce resources. Its staff has learnt more about the needs of the developing countries and it has become, as a result, increasingly effective in generating new economic opportunities for the 2,000 million poor people of this world.

In the past the main project emphasis was on public service projects in transportation, electric power and communications. These continue to play an important role, but today the emphasis is much more on rural and urban development, with agricultural projects now accounting for the largest single sector of the bank's project work.

Increasingly the bank has paid attention to meeting the basic human needs of the poorest peoples and to orienting its projects in such a way as to ensure that development programmes do not by-pass the poorest in poor countries. Population and nutrition and urbanization programmes and nonfarming rural schemes are playing an important role today in the bank's work.

By and large the great majority of the bank's projects produce substantial results. There have been numerous failures but the bank is now increasing its efforts to monitor projects and put into effect improved project evaluation procedures.

It is significant, however, that because of the government backing to each bank loan the bank itself has never suffered a loan loss in its 32 years of existence.

While the record of achievement is formidable, the amount of development work still to be undertaken is massive. Inevitably the bank must increase its financial lending volume and inevitably it must widen the scope of its activities. On both these fronts the bank is now approaching a critical stage.

The architects of this institution in 1944 were deeply concerned about the dangers of imprudent financial management within the bank and they decided that the bank could lead only the equivalent of its capital, as well as reserves. This now totals roughly $33,000m and the bank's actual lending volume is rapidly approaching this total. The bank, therefore, needs a capital increase.

Selective increases in bank capital have regularly been made, but to secure the sharp expansion of bank lending over the next decade a general capital increase is necessary. Most governments accept this point and many expert observers believe the increase should total about $30,000m to $40,000m. Mr. McNamara stats that it will probably be necessary for formal agreement to be reached on the details of the capital increase by the summer of next year.

Member countries in the bank only contribute a tenth of their capital contributions, with the remaining nine tenths being subject to call in the event of a financial emergency in the bank. Thus the actual amount of capital contributions to be paid in at the bank to enable a $40,000m capital increase is only $4,000m. Mr. McNamara states that the present United States Administration has been extremely supportive of efforts to boost the bank's financial resources and this is certainly a good omen for the capital increasing negotiations that lie ahead in the next few months.

However, the United States Congress is taking a more skeptical view of the bank and it remains an open question whether the Congress will accept a big increase in the American contribution to this institution. The bank's chief problems on capital will be with the Congress and substantial delays in actually obtaining Congressional appropriations could well be seen.

So great could these delays be that the bank has no alternative in the early 1980s other than to reduce its lending programmes and this would be a big blow to the development process as a whole.

An alternative to such a course would be for the bank to reduce its liquidity level, which stands at roughly 40 percent of the bank's total indebtedness. Mr. McNamara emphatically declares that this is not an option.

Bank officials argue that the large liquidity pool, which totalled $9,441m at the end of the calendar year 1977, is essential to win the confidence of private and government investors.

The bank borrows more than 90 percent of its funds and it enjoys prime credit ratings. To do this it must demonstrate that it is a prudent financial manager and its liquidity is the best means of achieving this.

To no small extent governments ought to be questioning whether the bank has the ability to manage a much larger lending programme and this matter will undoubtedly be raised in the capital increase negotiations. The bank is confident in this regard, but some staff members are now starting to worry because of recent moves by the United States Government to slash bank salaries and benefits.

World Bank salaries and benefits are no greater than those existing in most international agencies (and are considerably lower than European Common Market Commission levels) and they are possibly low, so far as top financial and engineering experts are concerned, relative to levels prevailing in the private sector.

But the remuneration at the bank is higher than that paid in the United States Civil Service and this is what troubles Americans. On this matter the Americans have been acting as if they own the bank, rather than owning just 24 percent of its stock and this has deeply angered staff employees and some foreign governments.

Morale among bank employees has suffered as a result of the American onslaught on pay and if the Americans win on this front then it may become harder for the bank to continue hiring more and more highly qualified experts. This could directly reduce the bank's efficiency and hinder its expansion.

It is also vital for the bank, if it wishes to become more effective and expand, that it maintains its excellent relations with borrowing countries. Cooperation with the governments of these countries is essential and bonds of trust between it and them can ensure putting projects into effect.

It can also ensure that the bank can influence developing countries directly in planning their economies and their general development programmes. The bank has established these ties over the years because it has demonstrated that it does not have a political axe to grind.

In some cases politics has dominated bank lending decisions, for example in recent years with regard to Chile. But by and large the bank's lending decisions have been based alone on economic considerations. This could all be changed now by the American determination to push American human rights views upon the bank.

The Americans have a legitimate right as holders of one seat on the bank's executive board to put forward whatever views they like. But they do not have the right to state in legislation that their funds can only be used by the bank to aid some countries and not others.

The United States Congress may well seek to earmark its bank contributions in the future, and it almost succeeded in this endeavour last autumn. Should this happen then the bank could find itself in a position where it has to refuse American contributions, and this would cripple the bank financially. It could also find that it increasingly becomes just another forum for political rhetoric. Such an event would smash the good relations the bank now has with many countries.

The bank, therefore, has a multitude of political hurdles to cross to ensure its further sharp expansion. When it overcomes these, then it seems clear which directions it will take.

In time it is likely that the bank will start reducing its lending to the most advanced developing countries and pressures are already building up on this front. At present it does not appear that the bank is yet willing to question as much as it should whether countries like Brazil, Mexico and South Korea still deserve major loans from the bank, given their relatively advanced state and their capital market access.

Mr. McNamara emphasizes that the bank has achieved some success in strengthening productivity of the rural poor, but that it has not yet done as much for the urban poor. It is likely that the bank will increase its efforts on this vital front in coming years. By 1980 nearly a fifth of the people living in developing countries—about 550 million—will be city dwellers.

The most important and most recent change in bank project policy has been on the energy front. In principle it has decided now that it must do more to stimulate energy development in the developing countries—oil activities, as well as hydroelectric and other energy ventures, the bank's president notes.

However, Mr. McNamara emphasizes that it will take time for the bank to expand in this area. Some projects have now been launched, but there is a shortage of technical ability and bank lending growth will expand only at a gradual rate.

The World Bank is a highly efficient institution. It deserves more credit from the American Congress than it gets, and it is to be hoped that foreign governments will become more willing to speak publicly in defence of the bank and in opposition to the destructive ideas held by some American politicians.●

CASTRO AND AFRICA

● Mr. CHURCH. Mr. President, James Dickenson's column describes Castro's ventures in Africa as merely another form of imperialism and akin to the Vietnam quagmire from which we found it so difficult to extricate ourselves. It provides some perspective on the dialog of the past few weeks, and I call it to the attention of the Senate.

I ask that Mr. Dickenson's column be printed in the RECORD.

The column follows:

CASTRO ON THE IMPERIALIST ROUTE

(By James R. Dickenson)

For nearly 20 years Cuba's Fidel Castro has had an extraordinary career in at least one respect. He has been to U.S. presidents and a good share of the American electorate what Howard Jarvis now is to the politicians of California—a gigantic pain in a presidential anatomical region just south of the equator.

For years he has tied one leader of the Free Western World after another in emotional knots. He is a maestro of the American version of twisting the British lion's tail.

Jimmy Carter after a year of soft-pedaling the issue of Cuban adventurism in Africa finally gave in to the ongoing American exasperation with Castro. For the past couple of weeks now the front pages have been filled with the "You did, too," "I did not" dialogue, if that's the word for it, between the president and Castro over Cuba's culpability in the fighting in Zaire.

Getting after Castro must just make presidents feel good as romancing a beautiful woman or drinking a good wine does. There is no question that Castro and Cuba are buzz-words to Americans as are few other countries and their leaders.

This is partly because Cuba like Panama, the Philippines and China is a symbol of America's turn-of-the-century Manifest Destiny, that first turn we took as a global power with its accompanying surge of patriotism and jingoism.

It may be that politicians even from different and basically conflicting countries share a chemistry and instincts, like generals, that give them a tie they don't have with their own countrymen.

There is a very familiar ring to the explanations for Castro's African imperialism. The least persuasive is the most rational—that he is executing Soviet designs, such as the historic Russian desire for influence in the Mideast sea lanes, in repayment for the support and billions of dollars in subsidies the Soviets have given him over the years.

The explanation that Castro sees himself as the revolutionary messiah bringing the tenents of Marxism-Leninism to the eager proletariat of the Third World is more persuasive, particularly given our own history. Beginning with Manifest Destiny it has been the calling of certain American presidents in this century, starting with Woodrow Wilson and going at least through Gerald Ford, to bring Western democracy to the world whether the world wants it or not.

So Castro has been bitten by that bug? He also shares the Western politicians' attitude that military adventures can be good in times of unemployment and a stagnating economy and that they distract the people in times of domestic difficulty.

Given his track record as the evangel of revolution in Latin America it's a little difficult to see what he'll accomplish in Africa except make a general nuisance of himself. He doesn't have to look any further than his old buddies, the recent presidents of the U.S., for a discouraging precedent.

The idea of Western democracy and capitalism, like its technology and firepower, sank, predictably, without a trace in Southeast Asia. Frustrated foes of the Vietnam war could only wish the Russians could have been induced to give their version of Marxism an equal opportunity.

It'll be interesting to see how receptive the Africans are to the political application of Hegel's dialectric. It's difficult to avoid the suspicion that they have more pressing problems and interests and that the Russians and Cubans appear to them as just another bunch of burdensome white men.

Castro has already been embarrassed by embracing Eritrea as properly revolutionary, then supporting Ethiopia against Somalia, and then being thanked by the Ethiopians with requests for help against the Eritreans. Americans who remember Vietnam can only say, Welcome to the NFL, Kid.

It would be tempting to make Castro an offer: to make the U.S. airlift capability available to him to ship as many soldiers and technicians and resources as he wants to Africa. The more the better.

It would be interesting to see if they sink into the quicksand without a trace as ours did in Southeast Asia. Imperialism is a tough business and the worst thing about it is the ingratitude of all those people you're trying so desperately to help.●

COMMENCEMENT ADDRESS BY SENATOR HEINZ AT TEMPLE UNIVERSITY

● Mr. CHAFEE. Mr. President, recently I have had the pleasure of reading a commencement address which our distinguished colleague from Pennsylvania, Senator HEINZ, delivered last month. In this time of national malaise, Americans can ill afford to retreat from the responsibilities demanded of a free society: To make the difficult choices for the public good; to accept the sacrifices for the greater good; to build a bright new future for the next generation of brave, dedicated, free citizens to enjoy. Senator HEINZ, in his address, has expressed a faith and a vision which I believe deserves to be shared as widely as possible with those who understand and respect the principles on which our Nation was founded. Mr. President, I submit for the RECORD the full text of Senator HEINZ's address.

The address follows:

REMARKS OF SENATOR JOHN HEINZ

I am honored to be with you today on this wonderful occasion of Commencement. You have labored long, you have given your best. And with the patience and support of understanding parents, loved ones, and professors, each of you has earned the right to sit today among the graduates of the Class of 1978. I salute you.

Graduation is a time of reflection. And I remember well my mixed feelings some eighteen years ago—relief and joy; pride; sadness at leaving friends and teachers, a feeling of release . . . and the uncertainties of unknowable future responsibilities.

My major at Yale University was history, the arts and letters, with particular emphasis on the history of art. My best friend then

and now, majored in politics and economics. Perhaps it says something about us both, but today he is the curator of fine arts at the Boston Museum and I am the one in politics and economics. In the testing process of life, there is a certain inevitability about the discovery of your abilities and needs, what you want to take from life and to give to others.

Thinking of testing, before I entered politics, I taught Business Administration at Carnegie-Mellon University in Pittsburg. In fact, before my election to the Senate in 1976, a TV reporter asked me what I would do if I lost. I told him I'd probably return to teaching. That night on TV, the reporter said with a straight face, that Congressman Heinz had threatened to return to teaching if he lost the Senate election. I won the Carnegie-Mellon area in a landslide.

I am sure you will discover, as you pursue the careers that lie before you, that you will again and again be put to the test. For you are leaving at a most challenging time in the history of our Nation. It is a time where we have seen a growth and proliferation of extremism; the rise of mindless terrorism world wide; and more and more one-issue people or groups interested in confrontation—not responsible change. It is one thing to have the courage of your convictions; it is another to be intolerant of others and their ideas. We appear to be losing our tolerance of diversity, our understanding of different circumstances and points of view; and our good will toward those who reflect these differences.

Some who have witnessed this change have been quick to criticize: President Carter has called it "A preoccupation with self." The writer Tom Wolfe refers to this period as the "Me Decade."

My profession is public service, and it is part of my professional responsibility to understand people. But so should you. We should all be concerned about this apparent malaise in American Society. Because unless we collectively diagnose and correct it, our society might lose what is most precious and unique. A recent editorial reflecting on this phenomenon noted: "The trouble is that the American people have run out of visions and causes. They are emotionally exhausted. They are not ready for some great new crusade. They are not in a mood to be roused to high sacrifice."

Now I am not prepared to be so pessimistic, this goes against my nature, but I do believe this malaise is real and is brought on by a temporary loss of consensus; a loss of the national goals or crusades of the kind we have known in the past: To put a man on the moon by 1970; to eradicate poverty and to bring Civil Rights to all Americans in the 60's; the movement to save the environment; ending the war in Vietnam.

The most obvious reason for this failure of spirit and goals is a lack of confidence—in our institutions in our government, in our leaders and even in ourselves. And there are problems today that appear insurmountable, problems like:

an uncontrollable American appetite for energy in the face of our growing dependence on foreign sources and dwindling supplies;

an American dollar which daily rides a roller coaster because of the lack of investor and business confidence, here and abroad, in the U.S. economy;

a Federal government which grows in all directions all at once, spawning red tape and regulations like confetti;

the cancer-like spread of the Soviet Union and Cuba on the continent of Africa;

In the face of these problems it is easy to become confused and uncertain—and retreat to simplistic solutions over which people think they themselves can exercise some control. But the false solution is to retreat, to either turn inward, or to look the other way.

We are being told, we are being reminded, we are becoming convinced of the message that rarely in our history have we passed through such a difficult time in relating to the world and ourselves. We are told that the basic fabric of our policies and government is in tatters, that the United States is a helpless Gulliver, bound by a thousand cords, and we are told that the American people have lost the will to act in our own self-interest.

I reject that view. I reject that verdict. Instead of clearly seeing what is demanded of us in a changing world . . . instead of understanding and learning from the past . . . instead of charting a new course for tomorrow . . . too many Americans prefer to quarrel with the past and to deny the realities of the world. They that do so risk losing both the future and the great opportunities that lie before us as a Nation.

America is a rich and powerful Nation, and our goal in a changing world is to exert clear leadership, protect our self-interests, while at the same time emphasizing our concern for human compassion and basic morality, and involving ourselves in seeking solutions to the major issues threatening world order and human development.

We cannot retreat without disowning our heritage. The problems we face today are no more difficult, nor more challenging, no less critical to our survival as a free Nation, than were the problems facing Temple graduates a generation ago of a world totally shattered by a great world war. Sons and daughters of Temple accepted that challenge. Each generation of Americans has accepted the challenge of their time; for America's sake, you can do no less today.

Abraham Lincoln once said: "I go for all sharing the privileges of the government who assist in bearing its burdens." Each of us has a duty to bear the burden. To examine the problems and to participate actively in the decision-making. Today's challenges will require addressing complex problems and making difficult and sometimes painful choices. Complex, difficult, painful, but not impossible.

There is no disagreement that something must be done about the energy problem. That is not the issue. Yet after months of debate today's leadership in Washington cannot bring about an agreement on what that "something" will be. And those of us who are consumers of energy and insist on a solution are not very helpful either since the solutions we demand involve little if any inconvenience. We want to increase our consumption, and lower the price for energy—well, we cannot have it both ways.

No one quarrels over the need to halt inflation. The hard choices come when labor is asked to hold down increases in wages and business is asked to hold down increases in price. No one wants to be first. Meanwhile inflation erodes the economy.

We can put a stop to uncontrollable government growth if we but had the courage to say "no" once in a while. After all the promises to reduce government in Washington, as evidenced by a $500 billion federal spending budget that is $60 billion more than the income that will be received, I still find that "The Federal Government is getting harder and harder to support in the style to which it has become accustomed".

Last Friday, I returned from Geneva where intensive discussions are going on at the SALT talks. It is ironic that while we are proceeding positively on this critical front, Soviet involvement in other parts of the world is by no means decreasing. Indeed, the use of Soviet supported Cuban mercenaries appears to be increasing. It is our responsibility as Americans to put the Soviet Union on notice that it cannot pursue such adventurism with impunity. They must understand that cooperation and agreement in such critical areas as strategic arms limitation cannot be considered in a vacuum apart from Soviet behavior in the rest of the world . . . and that the U.S. Senate will not ratify a SALT Treaty in the face of thinly disguised Soviet expansionism by Cuban proxies. In an age where Soviets are fond of saying, Nuclear War is unthinkable, it is equally unthinkable that the Soviet Union can use any military means, direct or indirect, to achieve political ends. In this nuclear age there must be an international code of acceptable behavior so that those least able to bear the burden of war may live in peace. A sign of Soviet weakness, or cynicism, that they say they do not see this.

We Americans historically are renowned for our ability to meet and conquer tough problems. We sent Americans to the moon—and brought them back again. We have worked hard to break down the barriers of racism and discrimination—and we still are working toward that end with Neighborhood Legal Services and the Equal Rights Amendment, and other matters of simple justice and fairness. We listened to environmental pioneers and moved quickly to preserve our precious air and water resources. And we brought an end to an unjust war.

I believe today that in spite of the failure of current leadership to deal decisively with our Nation's problems, the American people can regain confidence in themselves. Confidence to reject simple solutions as unworthy of and an insult to our great traditions.

So as you prepare to leave this institution of learning, prepare also to challenge the critical problems you will find waiting for you, here in Pennsylvania, in the United States, and worldwide.

Challenge them in the classrooms as you undertake the difficult task of opening the minds of children and adults to the power of a word.

Challenge them through public service as you try to make government more responsive and sensitive, be it in Washington or Harrisburg or in Erie.

Challenge them from the private sector as you use the tools of advertising, product safety, and investment to bring about a more productive America.

Challenge them through the print of broadcast media.

Through service in the Armed Forces.

Through social service and health care institutions.

Through the voluntary sector.

Through your own children and your children's children.

Wherever you choose to direct your energies and your talents, remember that you have a responsibility to remotivate and remobilize our society—to work for creative and courageous solutions to the tough problems facing our nation.

Just over 100 years ago, as the nation celebrated its Centennial, a disillusioned and distressed young Princeton student forecast disaster for the American system of government.

"I venture that this land will not endure another century as a republic," wrote Woodrow Wilson, then twenty years old. His sense of doom was as real as his sense of idealism. He had grown up in a land divided by war; he had observed the structure of government grapple with a major constitutional crisis as an attempt was made to unseat a President through the impeachment process; he had witnessed election fraud in that very year of centennial celebration as Samuel Tilden won the Presidential election by 250,000 popular votes, only to lose the office to Rutherford B. Hayes by a single electoral ballot.

But Wilson at twenty was wrong. He later came to know what we all must understand if we are to survive yet another century as

a republic: rights and liberties are never secure—are never won, as with all opportunities; they are always in the process of being won—always in the process of being made secure.

In this land of freedom, the future is ours if each and every one of us renews a respect for tolerance and diversity, initiative and compromise . . . and accepts challenges and responsibilities as great as our predecessors. Many Pennsylvanians have shown us the Way—from Benjamin Franklin and Betsy Ross to Maggie Kuhn. Let us learn from their creative and courageous examples.

As a Great American once said about our country, we can also say about our new challenges in the world.

"Let us develop the resources of our land, call forth its powers, build up its institutions, promote all its great interests, and see whether we may also, in our day and generation, perform something worthy to be remembered."

Congratulations and good luck.●

AN ALTERNATIVE PROPOSAL TO STEM THE COST OF HIGHER EDUCATION

● Mr. HATHAWAY. Mr. President, in the near future this body will be considering several legislative proposals to provide greater aid to students and their families in the pursuit of postsecondary educaton. Each of these proposals has differing specific components involving tax credits, grants, or guaranteed loans, or combinations of each.

The need for such assistance is quite clear. Between 1964 and 1976 the overall cost of a private college education has risen 119 percent; for public universities, 99 percent. Tuitions at private schools can exceed $5,000, for a staggering overall cost over 4 years in excess of $20,000. For public universities, tuitions in excess of $1,000 are increasingly common. The additional costs of room and board, transportation, books, and so on, do not vary markedly from institution to institution and can be counted on to add additional thousands of dollars per year to the real cost of higher education. Students contemplating graduate and professional schooling face tuition costs ranging up to $12,000 per year.

The most disturbing aspect of these trends is their impact on students from lower- and middle-income families. Unfortunately, financial aid has not kept pace with the extraordinary growth in costs. As a consequence, 20 percent fewer students from low- and middle-income families are attending college, as compared with 5 years ago. These trends drastically undercut the fundamental principle of our society of equal opportunity to education, and call for a reevaluation and modification of traditional approaches.

No doubt Federal tax credits, guaranteed loans, and grants will be of some help in providing assistance and relief from these escalating costs, and I support such proposals. Education is a sound investment for the individual and for society as a whole. But if we are going to respond adequately to this dilemma of constricted educational opportunity, more innovative and imaginative approaches are going to be necessary. Fundamental to this is a commitment on the part of the institutions directly involved to advance innovative proposals and approaches.

Many are possible, and I shall not attempt to suggest a comprehensive listing.

I would, however, like to advance one proposal which I believe could be fairly easily implemented, and would foster dramatic cost savings for the students and families affected.

My proposal is simple—our Nation's colleges and universities ought to establish a number of innovative programs to grant their baccalaureate degrees in less than the traditional 4 years. Cutting back on the number of years from 4 to 3½ years yields an overall savings for the student in tuition, room and board of approximately 14 percent. A change from 4 to 3 years leads to savings of up to 33 percent. For the individuals affected these figures yield a savings of $1,000 to several thousand dollars. Despite our best efforts at the Federal level, these kinds of savings are not likely to be matched by any combination of grants, loans, or tax credits. Best of all, no Federal revenue loss is involved. Already a number of institutions allow individual students to accelerate their program of studies to graduate early. But in most of these cases, such students must exhibit considerable personal initiative and, in effect, buck the system.

Instead, these students ought to be encouraged to proceed more quickly through their undergraduate studies and the institutions ought to establish permanent, ongoing programs and curricula designed toward this end. Coordinated efforts with professional and graduate programs would be particularly desirable and appropriate. A young man or woman who desires to pursue a career as a physician, a lawyer, or an academic researcher now faces a staggering burden of 7 to 10 or more years of very expensive education and training. For those committed to this course at the beginning of their higher education, it makes perfect sense to encourage them to devote 2 or 3 years, rather than 4, to their undergraduate studies, and then concentrate on their professional training.

It may be that colleges and universities have an insuperable vested interest in the perpetuation of the 4-year program as the norm, lest they be deprived of the tuition and other fees otherwise forthcoming from the students.

I prefer to think otherwise and call on our Nation's colleges and universities to act in the best interests of their students and the students' families. I believe that ultimately the survival of many of these institutions will rest on their flexibility and imagination in this regard. I urge both our public and private universities and colleges to move aggressively on these matters and would be pleased to learn from them of their progress and efforts in this direction. I would also urge students, prospective students, and their parents, to act as national consumers of this very expensive commodity—and insist on a full range of options and alternatives.●

SUPPORT FOR THE UNITED NATIONS UNIVERSITY

● Mr. LUGAR. Mr. President, I take this opportunity to express my sincere disappointment on Senate action on June 26 which eliminated the authorization for a $7.5 million contribution to the United Nations University. After 3 years of strenuous work to build the university, it would be tragic to see its chances of success thwarted because of congressional refusal to endorse it.

I would like, at this time, to associate myself with the remarks entered in yesterday's CONGRESSIONAL RECORD by the Senator from Oregon, Mr. HATFIELD. I commend his fine statement. Senator HATFIELD speaks for many in this body, including myself, in expressing support for the United Nations University.

The United Nations University should be supported with U.S. dollars. This important international institution incorporates values important to all Americans—academic freedom and objective scholarship. The university is working on issues which deeply concern the people of the United States, including world hunger, human rights, energy, and the environment. The university assists programs in the developing countries to achieve greater levels of self-reliance, and the university's advanced training programs are especially targeted at increasing the ability of Third World nations to use foreign aid effectively.

These are only a few of the many reasons for supporting a U.S. contribution to the United Nations University.

Let me also point out that the United Nations University is not a traditional teaching university with a faculty, campus, and degree students. It is a research and advanced training institution designed to increase knowledge and expertise on carefully defined major world problems. Our world is changing, and we must seek the resolution of problems which confront this planet. The developing nations will look with ever-increasing frequency to the United States for solutions to the problems which plague their peoples. We simply must respond to this call for assistance. The United Nations University can make a significant contribution to finding solutions to these global problems, and I am proud to declare my support for U.S. funding for this important developmental institution.

I am hopeful that the House-Senate Conference Committee on the International Development Assistance Act will seek a compromise between the House and Senate positions on this matter, and that authorization for a U.S. contribution to the U.N.U. will be restored. Similarly, I am hopeful that my Senate colleagues will take time to study the United Nations University and its programs, and will see fit to offer their personal support to this valuable institution.●

WARREN BEATTY: MR. HOLLYWOOD

● Mr. McGOVERN. Mr. President, this week's Time magazine carries a cover story on one of our most illustrious actors, Mr. Warren Beatty.

Beyond his dramatic abilities, Warren Beatty is a concerned citizen who has played an active role in the political life of his State and the Nation. He was of immeasurable help in the healthy manner by which my 1972 Presidential effort was waged. That campaign was largely financed by modest contributions from over 1 million American citizens. Unlike most such efforts, both my successful campaign for the Democratic Presidential nomination and my campaign in the general election were completed with no deficits or bad debts.

Warren Beatty marshaled some of the greatest talent in the Nation in arranging a series of fundraising concerts that raised hundreds of thousands of dollars for my campaign. I shall always be grateful for his help and his friendship.

I submit the Time article about Mr. Warren Beatty for the RECORD.

[From Time Magazine, July 3, 1978]

WARREN BEATTY STRIKES AGAIN

(By Frank Rich)

He is a millionaire many times over but lives in two small, slovenly kept hotel rooms. He travels with the fastest crowd in the country but rarely drinks and never snorts or smokes. He is offered the best jobs in his profession but turns most of them down. His idea of sin is to eat ice cream. His idea of a great time is to talk on the phone. His idea of heaven is to spend hours debating the pros and cons of Proposition 13. He wears dirty jeans three days in a row, chews vitamin pills and remembers everything. He makes coast-to-coast plane reservations for six consecutive flights, then misses all of them. Almost the only appurtenance consonant with his celebrity is an address book Don Juan would envy. As one of his best friends puts it, "He can be an idiot, and he can be brilliant. The thing is, whatever he does, he does it bigger than the others do it. It's his appetite. His appetite is epic. He looks at the world, and there are things in it he wants. There are things he must do. There are people he must have. His appetite is enormous, and he has a wonderful time getting what he wants."

The life-style may be odd, the methods unorthodox, but Warren Beatty gets what he wants. And it almost invariably works—and sells. No actor of his generation, not Redford or Nicholson, has been a star half as long as Beatty has. Few in the film industry make as much money. No one can do so many of the jobs required to create a successful film as he. In the most visible function, acting, Beatty, unlike Travolta or De Niro, began at the top. He has been a sensation ever since he first appeared on the screen, in Splendor in the Grass, 17 years ago.

He also revels in his life. Having no strong family ties, he goes wherever he wants whenever he wants. Having no strong compulsion to work, he takes off months to hop around the world, read, dabble in politics and consort with beautiful and interesting women. (He has made only 15 movies in 18 years.) While other stars hang out with one another in Malibu, Beatty moves and mingles with the "right" people. He has had breakfast with Henry Kissinger in San Clemente and dined back in town with Vladimir Horowitz. He has numbered among his friends the likes of Lillian Hellman, Robert F. Kennedy, Hubert Humphrey, George McGovern and Jerry Brown. The countless women in his life have included Natalie Wood, Julie Christie and his current flame, Diane Keaton.

With all this going on, he might well show signs of wear, but at 41, Beatty has the looks of a crown prince. He carries his 6-ft. 2-in. frame like a youth of 20. Maybe there are a few crows' feet around Beatty's bedroom eyes and a small bald spot, but these are minor imperfections. When people lead charmed lives, they age remarkably well. Explains Beatty's friend, Screenwriter Robert Towne (Shampoo): "People say you don't learn from success but from your failures. Warren learns from success."

This week fortune is ready to smile on Beatty yet another time. Heaven Can Wait, his new film, opens at 625 theaters nationwide and is almost sure to be the most popular entertainment of the summer. A remake of a classic Hollywood comedy called Here Comes Mr. Jordan (1941), Heaven Can Wait is a light, screwball fantasy about a Los Angeles Rams quarterback (Beatty) who dies and comes back to life as an eccentric millionaire. The movie has everything going for it: big laughs, populist politics, billowy sequences set in heaven, a murder plot, a climatic Super Bowl game, a supporting cast of choice comic actors (Charles Grodin, Dyan Cannon, Jack Warden) and, best of all, a touching (but P.G.) romance between the hero and Co-Star Julie Christie, who communicate largely through passionate eye contact, the heat of which has not been felt since Clark Gable and Vivien Leigh met in Gone With the Wind. From beginning to end, for kids and adults, Heaven Can Wait is nonstop—and blissfully uncomplicated—pleasure.

Beatty is not only the star of Heaven Can Wait but the co-writer (with Elaine May), co-director (with Buck Henry) and producer. Having already produced two smash hits in his only previous tries, Bonnie and Clyde (1967) and Shampoo (1975), Beatty must now be regarded as a major film maker as well as a star. "He is really a perfect producer," says Arthur Penn, who directed Bonnie and Clyde. "He makes everyone demand the best of themselves. Warren stays with a picture through editing, mixing and scoring; he plain works harder than anyone else I have ever seen."

The job of producing Heaven Can Wait began over a year ago. Beatty was gearing up for two massive pet projects, film biographies of Billionaire Howard Hughes and John Reed, the messianic leftist author (Ten Days That Shook the World). Then Beatty decided to make a simpler movie first. "I thought I better do a nice yarn with a strong narrative," he says, "and Heaven Can Wait is all plot." Since the hero of Here Comes Mr. Jordan is a boxer, Beatty considered the film a good vehicle for Muhammad Ali, a friend whom he regards as a potential movie star. But Ali had a couple of fights on his schedule, and Beatty cast himself as the hero instead. "I couldn't see myself as a boxer," he says, "but I had been a football player as a kid. So I changed it."

After commissioning and polishing Elaine May's screenplay, Beatty got to work on casting. Possibly the hardest role to fill was that of Mr. Jordan, a heavenly bureaucrat played by Claude Rains in 1941; both Cary Grant and former Senator Eugene McCarthy were talked about for the part before it went to James Mason. Only at the last minute did Beatty decide to try directing for the first time. "I asked Mike [Nichols] and Arthur [Penn], but they were busy," he says. "Then I thought the next best thing would be to do it myself." But Beatty, who becomes deadly serious when working, decided he needed a co-director to keep the movie from becoming ponderous. Buck Henry got the job, as well as the on-screen role of Mr. Jordan's celestial assistant. It was not an easy experience. "We had plenty of disagreements, but they weren't violent," says Henry. "When Warren wants to do something his way, he has it all figured out. So you goddam well better be prepared to argue your case if you differ with him."

What began as a throwaway film became, for Beatty, an exhausting effort. As he told Time West Coast Bureau Chief William Rademaekers in his reporting on Beatty: "I was looking for fun, but it took more time and work than I thought. The essence of producing is to get a good collaborative mix of talent. Yet, no matter what you do, a film is still a film—a couple of hours of moments, some good, some bad, and you have to replace the bad with the good." Only days before its opening, Beatty was in New York City refining the details of his movie's release. "Anyone who would make films and ignore the final phase—how it's projected on the screen, the speakers in the theater—is not realistic," he says. "You can put in years and have the entire thing erased by a light bulb. As the producer, I have nobody to blame but myself if the movie doesn't come off."

There is unlikely to be much blame in the case of Heaven Can Wait. Besides contributing a likable and funny performance as the movie's hero, Beatty has brought out the best in his collaborators. May's work on the script is her wittiest since A New Leaf: she has spiked a sentimental story with misanthropic jokes about money, marriage and adultery that are not in the old film. Grodin and Cannon, who have May's sharpest lines, give impeccable, dry comic performances. Some of the humor—involving batty butlers and rough football players—is knockabout, but the gags never go on too long. Nor do the co-directors ignore the poignancy of their tale. Though the film is set almost entirely in modern Los Angeles, it never gives the audience time to question its fantastic premise or its hopelessly romantic conviction that love can triumph over class differences, physical metamorphoses and even death. It is the first film Beatty has produced with a happy ending, and, as he says, "Let's face it, what makes you feel good about the movie is that it says you're not going to die."

The old-fashioned appeal of Heaven Can Wait gives the film some of its glow. It is easy to imagine Beatty spending his boyhood watching double features at the neighborhood movie palace. That was not the case. Growing up in Richmond and later Arlington, Va., Beatty (then spelled with one t) was a bookworm. His father, a high school principal, taught him to read at the age of four. He had a formidable sister, Shirley MacLaine (MacLean is Mrs. Beaty's maiden name). Three years older than Warren, she was the tomboy. Today she feels that both children were greatly influenced by the powerful personalities of their parents: "Dad had this Southern talent of commanding attention in any room with his storytelling; Mom would react to him in an intense way. Though not social or gregarious, they were like a vaudeville team at home, and Warren and I would sit there and watch. It made both of us rather shy, and one of our quests in life has been to overcome that shyness with self-expression."

As a teen-ager, Warren threw away the books. He was only a fair student but was captain of his high school football team and president of his class. He quit Northwestern University after his freshman year and moved to New York to study acting. Then as now, Beatty kept professional distance between himself and his sister. He told interviewers that "nobody likes to be in somebody else's shadow." He was also far from certain that he wanted the flashy career she already had.

"I wanted to be a stage director—that was legitimate!" says Beatty, "and I wanted to write for the theater. I sort of backed into acting as a way of learning the theater." In New York in the late '50s, he worked at odd jobs, such as playing "bad cocktail piano" at a dim midtown club. After appearing in a few stock and live television productions, he got a screen test with Director Joshua Logan; another novice movie actor, Jane Fonda, auditioned with Beatty. Nothing came of it, but three months later MGM offered Beatty a five-year contract at $400 a week. He moved to Hollywood and, at 22, sized up the

pitfalls of the studio system in record time. Without ever unpacking his bags, he borrowed money to buy his way out of MGM. Back in New York, he landed a supporting role in a William Inge play, A Loss of Roses. Though the show flopped on Broadway, Elia Kazan happened to see it. "I liked Warren right away," the director recalls now. "He was awkward in a way that was attractive. He was very, very ambitious. He had a lot of hunger, as all the stars do when they are young." Kazan signed Beatty immediately for Splendor in the Grass; to this day, Kazan remains Warren's favorite director.

Even before movie audiences got their first glimpse of Beatty, he was starring in Hollywood gossip columns. Nominally engaged to Actress Joan Collins, Beatty carried on a public affair with Splendor Co-Star Natalie Wood. It broke up her marriage to Actor Robert Wagner, though they later remarried. (A few years later Director Peter Hall named Beatty the correspondent in a divorce suit against Leslie Caron.) Beatty was notorious as a rake, and not of the garden variety, by the time his first film opened. At the time, his feelings about his profession were mixed. "When I would fly in from Europe," he recalls, "it was embarrassing for me to put 'actor' on my landing card."

Beatty followed Splendor with a string of movies—The Roman Spring of Mrs. Stone, All Fall Down, Lilith—that turned out to be disappointments, but enlarged Beatty's image. Along the way, he earned a reputation for being hard on directors. "If the director was indecisive, Warren would absolutely destroy him," says Robert Towne. "He'd ask so many questions—and he can ask more questions than any three-year-old—that the director didn't know whether he was coming or going. I think Warren's drive to be a producer was that he feared he would get into more films where the person in authority didn't quite know what he was doing." Beatty agrees: "Once I became interested in stories and getting stories told, I realized I had to be a producer to get them told in the right way."

With Bonnie and Clyde, Beatty's chance to tell a story in his own way arrived. He didn't fool around. "He found the script and brought it to me," says Director Penn. "He put together the financing and did the casting jointly with me. Warren is a great fighter. Warner Bros. didn't like Bonnie and Clyde and released it poorly. Warren got in there and reorganized the advertising and the release pattern. He made himself a real pain in the ——— to the people at Warner's. 'Why do we have to deal with this good-looking actor?' was their attitude. People didn't recognize him as the superior businessman he is. They do now. The results of his efforts were absolutely electrifying."

To say the least. Bonnie and Clyde became a classic of '60s pop culture and the year's highest grossing film. Beatty became an international culture hero. Visiting France after the movie opened there, he found that "people everywhere were dressed like Bonnie and Clyde; it was the pervasive theme." And Beatty was celebrated as its prophet. At haut monde parties in Paris, he recalls, "you would be seated at a table with Maurice Chevalier on one side, Arthur Rubinstein on the other and Mr. and Mrs. Pompidou across the candlesticks. There were old men with beautiful young girls—not one but clusters of them. There were women dripping jewels, and somehow you felt, this will never come again." He had just turned 30.

After the Bonnie and Clyde hysteria died down, Beatty acted only occasionally. His single memorable performance was in Robert Altman's McCabe and Mrs. Miller (1971); it was also his first appearance opposite Julie Christie, who had been the most important woman in his life since 1965.

Beatty was drawn into politics by Viet Nam and Bobby Kennedy in 1968. He took a year and a half off to work for the '72 Democratic ticket. George McGovern was impressed by his newfound fund raiser's seriousness: "Warren not only cares about issues, but his judgment is very perceptive." Mostly to be available for McGovern, rejected a number of major films: The Godfather, The Way We Were, The Great Gatsby and The Sting. Once the campaign was over, Beatty got to work producing and starring in Shampoo, a trenchant social comedy about a randy Beverly Hills hairdresser. Its sexual frankness was almost as hotly debated as the violence in Bonnie and Clyde, but it was enormously successful.

These days Beatty continues to pursue his three obsessions—movies, politics and women—in about equal measure. His base for the past dozen years has been his apartment high in the Beverly Wilshire Hotel. The suite, aptly named "El Escondido" (The Hideaway), is a mess. Half-eaten room-service sandwiches, old magazines, scripts, books and political journals lie in heaps throughout the living room: the place looks more like the office of the editor of a liberal weekly than the salon of a movie star. Beatty, who likes to wear old jeans and open shirts, slips in and out of the Wilshire through the garage.

Two and a half years ago, Beatty began building a mansion near his pal Jack Nicholson's spread on Mulholland Drive; there isn't a soul in Hollywood who believes that Beatty will ever move into it. "There's no anchor in Warren's life," observes one friend. "Warren is always on the go," says Arthur Penn. "He travels light and takes one small suitcase from coast to coast. I guess you'd call him a very rich migrant worker." Last week Beatty arrived in New York to organize the advance screenings of Heaven Can Wait and harass the Paramount sales force with endless queries. It took the elegant Carlyle Hotel two days to determine whether or not he had actually checked into his suite. At one point a maid burst into his room, found Beatty on the telephone and complained: "Nobody has slept in the bed again. I want to know—are you going to stay here tonight?" Finally Beatty sheepishly threw up his hands and announced, "Well, it looks like this hotel has blown my cover."

Such tales about Beatty are legion. He rarely, if ever, is on time for any kind of appointment: Agent Sue Mengers, a friend inured to his late arrivals, says she now "plans buffet entertaining if Warren is coming to one of my parties." Wealth makes him uncomfortable. He would rather hear Mabel Mercer sing in a quiet club than boogie at Regine's; he owns a Cartier watch, but refers to wear a Timex. An articulate man who refuses to use either Hollywood lingo or the latest L.A. hipspeak. Beatty likes to take long pauses in the middle of sentences to make sure that he doesn't say more than he intends. In action, he is fast and effective. Lillian Hellman describes Beatty as a "foul-weather friend," the first person to call in a crisis. Says Mike Nichols: "He can make 65 calls in three hours and plan anything." Beatty is also a health-food enthusiast and, as Nichols notes, "a postgraduate hypochrondiac." He tells of the time that Beatty crossed wires making a call and overhead two strangers discussing the symptoms of a friend who was about to have her gall bladder removed. Beatty listened and then broke in: "Hey, she doesn't have gall bladder problems; she should be tested for hypoglycemia." Sure enough, he proved to be right.

In business, Beatty is a tough operator. He will collect industry gossip without offering his sources any information in return. Says Beatty: "You never really know whether you are being perceived as a monster if you are a star." A few of his colleagues do see him that way. Says one highly respected studio head: "Warren won't make commitments and negotiates forever, trying to get his fees up. I wouldn't wish a negotiation with him on anyone." Buck Henry takes a more benevolent view: "Beatty is psychotic about the possibility of overlooking anything. If he could, he would be up in the projection booth of the theater showing his movie, pushing the projectionist aside, still trying to cut or add frames, humming music he might have forgotten to include in the sound track. 'Easy-going' is not a quality he has. You know how Presidents age in office? If Beatty were President, either he would be dead after the first year or the country would be dead, because his attention to detail is maniacal."

His romantic commitments are, as ever, ephemeral. Says his sister: "Neither of us would have a conventional marriage because of the intensity of the marriage we witnessed every day as children. We need more breathing room in our lives. I can't imagine Warren with children. When he first met my daughter, he examined her quietly as though she were just a specimen of human life instead of his niece."

Some friends find their relationships with Beatty one-sided. But women who have had flings with Beatty speak of him more often with amusement than rancor. One survivor of a brief affairs recalls: "He doesn't just want to seduce you but to quite literally charm the pants off you. He tells you you're fabulous and laughs at all your jokes. When we first met, we spent six hours talking about politics and articles in *The Atlantic* and sex and show business and Julie Christie. He's so in love with himself that it's contagious. He's very funny. I certainly don't regret knowing him." Actress Lee Grant, a longtime Beatty watcher, feels that "Warren's conquests of women are not totally successful. His percentage is about fifty-fifty. Those he can't conquer don't want to be part of a crowd—one of Warren's girls. But the Peter Pan quality in Warren is very attractive to some. He teaches them to fly, and they have extraordinary experiences with him. Then they grow up and go on, and keep flying. Like Peter Pan, he always comes back to another little girl who's ready to fly off with him to never-never land."

By now Beatty is used to having others theorize about him, though press accounts still test his not inconsiderable sense of humor. "I have never talked about my personal relationships—with women, my sister, my parents—because these are important people to me. I don't want to hurt them by discussing them in public. As for my love life, I can't control what others say about it; it is what it is. I know that movie actors are overrewarded in our society, and that the press has to cut people like me down to size. So they come up with all sorts of wild things. They make me into an insane eccentric with an incredible fear of losing my youth, who lives in a bomb shelter, who contemplates or is going through plastic surgery, who has devastating relationships with women. It goes through cycles. First they say that women like me too much; then that women don't like me at all; then that they like me too much again. Somewhere along the way they say that I secretly like men—but then that men don't like me! I'm old, I'm young, I'm intelligent, I'm stupid. My tide goes in and out."

Beatty is not contemplating any changes in his ways. If he has any personal complaints, they are only about the drugery of producing. "I enjoyed it the first time, on Bonnie and Clyde," he says, "because I wanted to see if I could play with the big boys. But, you know, they don't look that big after you've been playing with them." The prospect of running for public office also has lost some appeal for him, though he doesn't rule it out altogether. "The relationship between theater and politics fascinates me," he says. "They both communicate ideas and both involve persuasion and compromise." More than ever, though, Beatty loves acting; he looks forward to playing many more roles after John Reed and Howard

Hughes. This is good news, for Beatty has evolved into an exceptional movie star. Once a moody, latter-day James Dean, he is now the wittiest of leading men. He brings eroticism to the screen, but not at the expense of sensitivity and self-effacing charm. At his best—especially in McGabe and Heaven Can Wait—his acting belies his looks; he makes the audience feel protective of him.

Actually Beatty thrives on taking care of himself. He likes to be alone and sometimes dreams of the day when even his work will be solitary. "My idea of freedom and independence," he says, "is to live on top of a hill with clean air—no smog—and some good food vaguely in the area. The window is ajar, and there's a breeze that smells of geraniums or honeysuckle. And there's a room with a typewriter, where you go in for a few hours a day and tell your version of things. And you get a call from someone in a distant, dirty city who tells you that you can have more money and more time to write because people are so eager to read what you have to say. That's the fantasy of quitting. The other day I was thinking about quitting, and it was really attractive to me—for 15 or 20 minutes."

He pauses and goes on: "But then you go out to a movie theater and get this thrill when something good goes on the screen. And you want to raise your hand and say. 'Wait a minute, wait a minute. I want to make one of those!' "

DOES THE LARK STILL SING?

● Mr. BUMPERS. Mr. President, I submit for the RECORD a poem written by one of my constituents, Mrs. Gladys B. Long, of Norphlet, Ark. It is particularly appropriate for Memorial Day, but the sentiment expressed is timely on any patriotic occasion. Arkansas is proud of Mrs. Long's talent:

DOES THE LARK STILL SING?

The poppies here, in Flanders Fields
Have bloomed, and gone—once more
But the stately crosses, row on row
Keep vigil—as before.

We may sleep in Flanders Fields
These many, many years
Have listened for the guns to cease
And calm man's mortal fears.

Yet, on and on the carnage spreads—
The strife is never done;
Does the lark still sing? We cannot hear
For the rumbling of the guns.●

ANOTHER ADMINISTRATION ATTACK ON OUR TRADE LAWS

● Mr. HEINZ. Mr. President, President Carter's recent decision to reject the International Trade Commission's decision on welded stainless steel pipe and tube imports from Japan is a serious blow both to the domestic steel industry, long victimized by unfair foreign trading practices. and to the strength and coherence of our trade laws. Section 337 of the Tariff Act of 1930, under which this case was considered, is quite clear in its statement of what kinds of unfair trade practices the Commission is permitted to find, and is equally clear that in finding that such practices have occurred, the Commission need not also find injury to the domestic industry. By linking section 337 cases to an injury finding, the President has ignored the clear meaning of the statute and as a result may have seriously narrowed the impact and thrust of the section, thus limiting the effectiveness of one of the most powerful weapons we have to defend ourselves against unfair methods of competition.

There are a number of other reasons why this decision was a mistake, which I believe merits the attention of the Senate. To that end, Mr. President, I ask that correspondence between Ambassador Strauss and myself on this issue as well as a letter from the general counsel of the International Trade Commission be printed in the RECORD.

The material follows:

WASHINGTON, D.C.,
May 25, 1978.

Hon. H. JOHN HEINZ III,
U.S. Senate, Washington, D.C.

DEAR SENATOR HEINZ: This is in further reply to your letter of April 13, 1978, to the President concerning the determination of the United States International Trade Commission under Section 337 of the Tariff Act of 1930, as amended, on welded stainless steel pipe and tube imports from Japan. I have enclosed for your information a copy of the President's determination disapproving the Commission's determination. Although the President's determination sets forth the rationale for his disapproval, two additional points warrant your consideration.

First, the remedy ordered by the Commission was intended to promote competition, and not to protect the domestic industry. What the Commission found was "that the sale by certain respondents of stainless steel pipe and tube in the U.S. market at prices below AVC (the average variable cost of production) is an unfair act which has the tendency to restrain trade and commerce in the United States by substantially reducing the domestic market share of other foreign competitors." While the complaint was originally filed to protect the domestic industry, the resulting determination by the Commission was not based upon injury to the domestic industry.

Second, the week before the President's determination the Treasury Department made an affirmative determination covering Japanese stainless steel pipe and tube imports under the Antidumping Act of 1921, as amended. Under a recent amendment to the Antidumping Act, additional duties may, in general, be imposed against injurious imports when sold in the United States at prices below their total cost of production. The "sales below total cost of production" test is far easier for domestic petitioners to satisfy than the "sales below average variable cost of production" test used by the Commission, and it offers greater protection to injured domestic industries.

Largely based on these two facts, the President concluded that approval of the Section 337 determination would not result in a significant benefit to the domestic industry, and that the Antidumping Act provided adequate protection against any unfair trade practices. Given this background, and knowledge of the detrimental effect the action would have had on our international economic relations, the President disapproved the Commission's determination.

Concern has also been expressed that disapproval of this case could limit the future utility of Section 337. I do not believe that concern is justified. The President's determination repeatedly used the phrase "in this case" to preface the rationale for the decision. I can assure you that Presidential reviews of Section 337 determinations will continue to be individually conducted.

If I can be of any further assistance to you in this matter, please do not hesitate to contact me.

Sincerely,

ROBERT S. STRAUSS.

WASHINGTON, D.C.,
June 12, 1978.

Hon. ROBERT S. STRAUSS,
Special Representative for Trade Negotiations, Washington, D.C.

DEAR BOB: Thank you for your letter of May 25 enclosing the President's statement rejecting the International Trade Commission's recommendation on welded stainless steel pipe and tube imports from Japan. I appreciate your thoughtfulness in making this information available to me and in elaborating on the President's decision in your letter. I must confess, however, that some of the points you raised are most disturbing.

First, your letter suggests that the Commission's decision was somehow defective, apparently because it concerned itself with the issue of competition rather than the issue of injury to the domestic industry. My reading of Section 337 of the Tariff Act of 1930, however, shows no reason why the injury issue should be a necessary part of any finding. Section 337(a) states:

"(a) Unfair methods of competition and unfair acts in the importation of articles into the United States, or in their sale by the owner, importer, consignee, or agent of either, the effect of tendency of which is to destroy or substantially injure an industry, efficiently and economically operating, in the United States, or to prevent the establishment of such an industry, *or to restrain or monopolize trade and commerce in the United States,* are declared unlawful, and when found by the Commission to exist shall be dealt with, in addition to any other provisions of law, as provided in this section." (Emphasis added.)

The ITC decision is consistent with the italicized part of this paragraph, and I see nothing in the rest of the paragraph that suggests such a finding is not by itself sufficient to make the kind of recommendation the ITC made.

What particularly concerns me about your point, beyond the fact that it is inconsistent with my understanding of Section 337, is the effect it will have in limiting the application of this section. This disclaimer in the latter part of your letter notwithstanding, there is no question but that this decision will be considered a significant precedent and will have a chilling effect on future cases of this kind. It is, of course, comforting to know that the President intends to evaluate these cases individually, but his record thus far hardly suggests that he understands or appreciates the impact of unfair trade practices in the United States, and this most recent decision only adds to that impression and will make it more difficult in the future to use Section 337 as broadly as it should be used.

I am also disturbed by your second point, relating to the antidumping complaint pending against the Japanese with respect to similar products. The April 13 letter Senator Schweiker and I sent the President pointed out the differences between the Antidumping Act and Section 337 in general and the differences between the two cases in particular, so I won't repeat them now. My conclusion, however, is that the two statutes are not completely overlapping and that the two complaints are not identical, and that therefore proceeding with the antidumping case and dropping the Section 337 case is not sufficient.

Further, I find your conclusion that ". . . the Antidumping Act provided adequate protection against any unfair trade practices . . ." astonishing. There is no doubt in my mind and that of many other senators that the Antidumping Act of 1921 is seriously deficient as a protector of domestic industry against unfair trade practices. A number of bills have been introduced to make extensive modifications in the Act, and I believe that if you consult other Administration officials familiar with the workings of the Act you will find broad agreement on

its problems (though admittedly lack of consensus on solutions).

In conclusion, I find it distressing that the President has based such an important decision on such slender reeds. His arguments as reflected in your letter fly in the face of both the law and the facts of the situation, and do serious harm to the domestic industry as well as the development of a strong and coherent trade policy. I would welcome your further comments on this matter, and particularly your explanation as to where Section 337 requires any decision to be based on injury to the domestic industry.

Sincerely,

H. JOHN HEINZ III,
U.S. Senator.

WASHINGTON, D.C., *April 7, 1978.*

Re TPSC Review of Commission Determination and Action in Investigation No. 337–TA–29, Certain Welded Stainless Steel Pipe and Tube.

MICHAEL HATHAWAY, ESQ.,
Chairman, Section 337 Subcommittee, Trade Policy Staff Committee, Washington, D.C.

DEAR MR. HATHAWAY: The TPSC review of the Commission's determination and action concerning *Welded Stainless Steel Pipe and Tube* has raised several issues which merit comment and consideration prior to the final preparation of the Committee's advice to the President. As an observer to the Committee, I am taking the liberty of addressing two issues for your consideration. These issues are: 1) the nature of the President's authority in his review of Commission action under section 337, and 2) the relevance of the jurisdictional overlap between section 337 and the statutes which are administered by the Department of the Treasury.

The nature of the President's authority in his review of Commission action under section 337 of the Tariff Act of 1930, as amended:

A Commission determination and action under section 337 as transmitted to the President for his review under subsection (g) of that section is not in the form of a Commission recommendation to the President. It is not the function of the President to "approve" of a Commission order on the basis of its "beneficial impact" to a U.S. industry. Thus the nature of the President's authority under section 337(g) differs markedly from the nature of his authority under section 337 prior to its amendment by the Trade Act of 1974 or, for example, under section 201 of the Trade Act.

Section 337(a) was specifically amended by section 341 of the Trade Act of 1974 to give the Commission, not the President, the authority to find a violation of section 337, and review of that finding is vested in the Court of Customs and Patent Appeals pursuant to section 337(c). Under section 337, as amended, the President has no authority to reverse a Commission determination of a violation of section 337 (S. Rep. No. 93–1298, at 199). Section 337 and pertinent legislative history make it clear that the President may "disapprove" a Commission order under section 337 only "when he determines that policy reasons require it" (S. Rep. No. 93–1298, at 199). Accordingly, it would not be appropriate to interpret the law and legislative history to require approval by the President of Commission orders. Section 337(g) provides that Commission orders are effective pending review by the President, and become final within 60 days if not disapproved by the President.

The "policy reasons" that may form the basis of a disapproval by the President of a Commission order under section 337 are described in the statute itself and pertinent legislative history. Paramount among these "policy reasons" is the possible impact of a Commission order "on United States foreign relations, economic and political" (S. Rep. No. 93–1298, at 199). Further, the President may disapprove a Commission order on the basis of its impact on the "public health and welfare, competitive conditions in the United States economy, the production of like or directly competitive articles in the United States, and United States consumers" (S. Rep. No. 93–1298, at 199). The Commission must consider in the first instance these latter "policy reasons" in determining whether it should not issue an order under sections 2337(d), (e) or (f). The fact that "the President may be able to best see" the impact of the Commission's order in light of these latter "policy reasons" implies a review by the President of the Commission's public policy findings under sections 337(d), (e) or (f) (S. Rep. No. 93–1298 at 199). As such, the President's review of a Commission order on the basis of such "policy reasons" should be in a manner consistent with the Commission's initial consideration of these factors and with the nature of the President's responsibility under section 337(g)—that being to determine whether such "policy reasons" require the disapproval of the Commission order.

Finally, the beneficial impact of a Commission order under section 337 should not be judged on the basis of its economic benefit to a particular industry. Congress has repeatedly expressed a firm policy that unfair methods of competition and unfair acts in commerce with foreign nations are unlawful and should be remedied. (See, in addition to section 337, as amended, sections 4 and 5 of the F.T.C. Act, 15 U.S.C. 44 and 45.) Article XIV(4) of the Treaty of Friendship, Commerce and Navigation Between the United States and Japan, 4 U.S.T. 2065 (1953) provides that—

"Either Party my impose prohibitions or restrictions . . . in the interest of preventing deceptive or unfair practices."

Further, this policy is reflected in other international obligations of the United States. Article XX(d) of the General Agreement on Tariffs and Trade (GATT) provides that nothing in the Agreement shall be construed to prevent the enforcement of measures such as section 337.

Section 337 declares unlawful unfair trade practices. A Commission order issued under section 337, as amended, will seek to remedy an unfair method of competition which may have the effect *or tendency* to 1) "destroy or substantially injure an industry . . . in the United States," 2) "prevent the establishment of such an industry," or 3) "restrain or monopolize trade and commerce in the United States." Congress has expressed the policy of remedying unfair methods of competition and unfair acts in the import trade of the United States pursuant to its Constitutional authority to regulate commerce with foreign nations (Art. I, sec. 8, para. 3). The President may disapprove a Commission order under section 337 and the legislative policy it reflects, only where the President determines that consideration of certain specified policy considerations so require. To describe the authority of the President as that of approving Commission orders on the basis of their benefit to identifiable sectors of the economy is inconsistent with the letter and spirit of Section 337 of the Tariff Act of 1930, as amended.

The issue of a possible jurisdictional overlap between section 337 of the Tariff Act of 1930, as amended, and the Antidumping Act, 1921, as amended:

In its advice to your Subcommittee, the Department of the Treasury stated:

"The Department of the Treasury believes strongly that the President should be advised to disapprove the ITC determination that imports of welded stainless steel pipe and tube from Japan are being sold in violation of Section 337 of the Tariff Act of 1930. Investigations of this type under Section 337 overlap with Treasury responsibilities under the Antidumping Act and place the exporter in double jeopardy. We do not believe Section 337 should be interpreted to cover areas already covered by other statutes."

* * * * *

"Treasury maintains that the ITC should refuse to take jurisdiction until Treasury has completed action in those cases where a Section 337 complainant makes charges that are essentially the type that Treasury examines in its antidumping investigations. An affirmative determination by Treasury and the ITC under the Antidumping Act, with the subsequent imposition of dumping duties, should eliminate any Section 337 violations, thereby eliminating the need for separate ITC action. Simultaneous investigation of the same allegations by both agencies would be a) contrary to the intent of Congress and, b) rightfully resisted by the respondent as double jeopardy."

The issue of whether section 337 should be interpreted to cover areas already interpreted by other statutes, is an issue specifically addressed in section 337(a), which provides that violations of section 337 "shall be dealt with, in addition to any other provision of law, as provided in that section." The bulk of Commission activity under section 337 historically has involved alleged violations of U.S. Letters Patent, a matter clearly covered by other statutes. Since much of the statutory language in section 337(a) is similar to that of section 5 of the F.T.C. Act, section 337 cannot be interpreted rationally to exclude areas already covered by other statutes, as Treasury suggests. Moreover, the jurisdictional interpretation of section 337 is not a matter which is appropriate for Presidential review since, as already indicated, the Commission, not the President, is charged with finding violations of the statute.

The scope of the Commission's jurisdiction under section 337 is well established. On October 18, 1976, an action was filed in the U.S. District Court for the District of Columbia seeking to enjoin the Commission's investigation No. 337–TA–23, Certain Color Television Receiving Sets, of an alleged predatory pricing scheme resulting in below-cost and unreasonably low-cost pricing of television receivers from Japan in the United States. (*Melco Sales, Inc.* v. *U.S. International Trade Commission, et al.*, Civ. Action No. 76–1932.) Plaintiffs alleged that the Commission lacked jurisdiction over this allegation in that investigation, which allegedly was within the "exclusive jurisdiction" on the Department of the Treasury in its administration of the Antidumping Act, 1921. Appended to plaintiff's memorandum of points and authorities was a letter from the Secretary of the Treasury, dated September 24, 1976, advising the Commission that there was an outstanding finding of dumping concerning television receivers from Japan (T.D. 71–76), and that the Commission should refrain from investigating matters within the purview of the Antidumping Act, 1921. Nevertheless, the District Court, on November 12, 1976, granted the Commission's motion to dismiss the action, holding *inter alia* that "nothing in the papers or argument before this Court shows that the Commission proceeding . . . (Commission investigation No. 337–TA–23, 'Certain Color Television Receivers') is in excess of the Commission's jurisdiction under 19 U.S.C. 1337(a)."

Other courts have interpreted the Commission's jurisdiction, under section 337 broadly and have given literal meaning to the words, "in addition to any other provision of law." In *In re Von Clemm*, 229 F.2d 441 (C.C.P.A. 1955), the Court found that the fact that the patent issues raised in the Commission's section 337 investigation were also involved in a suit in District Court did not preclude the Commission from exercising the

jurisdiction under section 337. The Court was "aware of no statute, however, which would justify, much less require, this court to ignore the provisions of section 337." 229 F.2d 441, 445. The same decision emphasized the breadth of section 337 jurisdiction, as follows:

"The statute here under consideration provides broadly for action by the Tariff Commission in cases involving 'unfair methods of competition and unfair acts in the importation of articles' . . . the quoted language is broad and inclusive and should not be held to be limited to acts coming within the technical definition of unfair methods of competition as applied in some decisions . . . and it is evident from the language used that Congress intended to allow wide discretion in determining what practices are to be regarded as unfair." 229 F.2d 441, 443–44.

Congress did not limit the broad scope of the Commission's jurisdiction under section 337 in the amendments contained in section 341 of the Trade Act of 1974. Legislative history clearly indicates that "No change has been made in the substance of the jurisdiction conferred under section 337(a) with respect to unfair methods of competition or unfair acts in the import trade." (S. Rep. No. 93–1298, at 194.) Section 337(b)(3), added to section 337 by the Trade Act and cited by the Department of the Treasury, merely provides for the notification of the Secretary of the Treasury. The section is not a substantive limitation on the Commission's jurisdiction. The Committee on Finance used as a model for subsection (b)(3) the language in section 201(b)(6) of the Trade Act of 1974, and just as section 201(b)(6) is not a limitation on the jurisdiction of the Commission under section 201, the Commission does not view section 337(b)(3) as a limitation on the broad jurisdiction of the Commission under section 337.

The Department also cites the legislative history behind section 337(b)(3), which provides:

"It is expected that the Commission's practice of not investigating matters clearly within the purview of either section 303 or the Antidumping Act will continue." S. Rept. 93–1298, 93d Cong., 2d Sess. 195 (1974).

This expression of Congressional expectation suggests that the Commission should, in a manner consistent with law, avoid imposing the burden of simultaneous and possibly duplicative investigations of matters that are "clearly" within the purview of section 330 or the Antidumping Act. This legislative history, however, is not a substantive limitation on the Commission's jurisdiction under section 337, as amended. The "Commission's practice" referred to by the Senate Finance Committee is that correspondence and other informal inquiries alleging the suspected existence of dumping or export subsidization have been routinely routed to Treasury, as they are today.

While section 337(b) imposes procedural, not substantive, obligations upon the Commission in the conduct of its section 337 investigations, it does provide a statutory scheme for the possible overlap of jurisdiction between this agency and the Department of the Treasury, to which resort may be made to implement the intent of Congress as explained in the report of the Senate Committee on Finance. The Commission has interpreted this statutory scheme as follows:

"Section 337(b)(3) requires the Commission to notify the Secretary of the Treasury when it has reason to believe that the matter of a section 337 investigation may come within the purview of the Antidumping Act or section 303. The Commission may, pursuant to section 337(b)(1), suspend its section 337 investigations pending the outcome of any such proceedings, the Commission may consider the evidence obtained and, when appropriate, take official notice of the findings, in continuing with its section 337 investigation as the facts warrant. If the only matters alleged in the section 337 investigation fall 'clearly with the purview' of the Antidumping Act of section 303, then action taken under either of those statutes may dispose of the alleged unfair trade practices and resultant injury." (Certain Color Television Receiving Sets; U.S. International Trade Commission, investigation No. 337–TA–23; Commission memorandum opinion, at 12; Nov. 22, 1976.)

The Commission did not suspend its investigation of Welded Stainless Steel Pipe and Tube for reasons which are peculiar to the circumstances of the case. Nevertheless, whether the pendency of an antidumping proceeding involving the same product is a proper "policy reason" for disapproving a Commission order of the kind issued concerning Welded Stainless Steel Pipe and Tube is doubtful. The Commission took care to issue an order which would not conflict with any antidumping finding that might be issued by the Department of the Treasury, and that Department's advice to your Committee that the Commission order would amount to "double jeopardy" rests on a doctrine without any conceivable application or precedent in civil and administrative law.

The fact that administrative proceedings allegedly may be duplicative is not a ground for "resisting" administrative process or setting aside agency action. The Commission has a jurisdiction that is intentionally duplicative; it is as provided in section 337(a) "in addition to any other provisions of law." Such provisions are a valid exercise of Congressional power, *F.T.C.* v. *Cement Institute*, 333 U.S. 683 (1948), and particularly so in the regulation of the import trade of the United States, since importation is a privilege granted by Congress. *Buttfield* v. *Stranahan*, 192 U.S. 470 (1904). The Trade Act of 1974 confirms Congressional commitment to this policy. It is not irreparable harm to the defendants that to defend themselves before the Commission they may need to hire additional lawyers. *Myers* v. *Bethlehem Shipbuilding Corp.*, 303 U.S. 41 (1938). We are aware of no basis for applying a different standard to foreign respondents.

In addition, the Commission had little choice in this investigation. Section 337(b) and pertinent legislative history requires the Commission to institute an investigation on receipt of a properly filed petition alleging matters within its jurisdiction under section 337 (S. Rep. No. 93–1298, at 194; see also *Talbot* v. *Atlantic Steel*, 275 F2d 4 (D.C. Cir. 1960)). Congress has clearly established its policy in matters involving possible duplication of administrative jurisdiction. Accordingly, alleged duplication is not an appropriate basis for setting aside agency action.

Finally, the issue of possible disapproval by the President of its order concerning Welded Stainless Steel Pipe and Tube is of serious concern to this office and the Commission. The improper exercise of Presidential authority under section 337(g) could seriously undermine section 337 as an effective instrument of Congressional policy in preserving fair trade as established by the Congress of the United States. It is imperative that the same competition policies apply to both domestic and foreign competitors in the United States market. I urge the Committee to focus its examination on the impact of the specific terms of the Commission's order on the policy considerations enumerated by the Congress as appropriate for consideration by the President, and advise the President accordingly.

Thank you for your consideration.

Yours very truly,

MICHAEL H. STEIN,
General Counsel.●

A VISION OF POSITIVE GOVERNMENT

● Mr. McGOVERN. Mr. President, recently I delivered an address to the annual convention of the Americans for Democratic Action, setting forth my views on current national and international issues.

Because of the considerable discussions this speech has generated my colleagues may find it convenient to have the full text of my remarks. I include them here with only two or three minor editorial modifications.

I submit for the RECORD the text of my speech:

A VISION OF POSITIVE GOVERNMENT

We meet in a month when liberals are supposed to be in hiding. California has voted overwhelmingly to approve Proposition 13. In New Jersey a rightwing extremist has taken a Senate nomination by pledging to cut taxes and to gut government. In Ohio a general rejection of bond issues may close down schools in Columbus and Cleveland. Across the country politicians are chasing and fanning the popular whirlwind. They are seeking a mandate to govern by running against government itself.

So first of all let me affirm that I continue to be a liberal—a believer in dynamic government unafraid to set important goals and to persist in their achievement. I still believe that social justice and peace among nations are the defining endeavors of our democracy. I do not concede that the New Deal and the United Nations are out of date. I do not intend, in the words of Edmund Burke, "to take up or lay down a great political system for the convenience of the hour."

Expedient politicians have reversed Burke's standard of integrity: apparently they are not in office "to support (their) opinion of the public good"; but they "form (their) opinion in order to get into (office), or to continue in it." Candidates who sowed the wind with anti-government slogans are reaping the whirlwind. It should come as no surprise that citizens who hear goverment denounced as feckless will decide that the futility is not worth their tax dollars. If Franklin Roosevelt had assailed the needy and the old as shiftless and thriftless, could he have passed unemployment compensation, rural electrification and social security?

Today politics is being malpracticed as tactics, not leadership. Timid officials are repeating and reinforcing a despair of democracy. Last January the President himself announced that the state of the union was one of powerlessness—that "government cannot solve our problems . . . define our vision . . . eliminate poverty . . . or reduce inflation . . ."

In the past, in success and in adversity, the Democratic Party has stood proudly for the possibilities of progress. Woodrow Wilson sought a New Freedom at home and peace through law abroad; Franklin Roosevelt brought a New Deal; Harry Truman fought for a Fair Deal; John and Robert Kennedy opened a New Frontier; Lyndon Johnson and Hubert Humphrey dreamed of a Great Society; and even in the crushing defeat of 1972, we tried to call America home to its founding ideals. We have not come this far to settle now for no deal. We are not Americans for Democratic inaction.

Let us insist that government can, and must, solve problems—that it can, and must, eliminate poverty and reduce inflation—that it can, and must set goals and define a vision for the nation. For it is as true now as it was when Franklin Roosevelt quoted it in his inaugural address that "where there is no vision, the people perish." The danger is not the immediate death of the system, but a steady decline of its capacity and credibility. And people literally do perish in the process. Bad diets, bad housing, and bad health care *do* take human lives. Abused children and battered wives *do* suffer and die. Dangerous poorly policed neighborhoods *do* kill people. Blacks and other minorities on average *do* die four years sooner than whites; thousands

of senior citizens *do* lose the will to live out a neglected old age. And there is a death of hope among Americans of every race and age who must live out lesser lives in a lesser land. Beyond all of this may be the death of our planet if we do not soon curb the arms madness.

A clear vision of a better country cannot offer mere abstractions and disconnected echoes of the latest opinion polls. It asks not just for efficient government; it asks efficient at what. It depends not just on preaching love, compassion and competence—but on achieving results. For faith without works is empty.

But the conventional cynicism replies that the liberal faith will not work—that we should not try to move forward because the Great Society failed. I am tired of hearing that myth from the politicians and officials who urged the war that diminished the Great Society. They were not skeptical of government then. They believed the American government could work its will—in an Asian jungle. They were wrong. The final price of their error will total $400 billion for the fighting and its aftermath. It was the greatest single instance of government waste in any nation's history. That is when the taxpayers should have revolted. Three weeks of the Vietnam war at its height cost more than the highest budget of the war on poverty for an entire year.

Because all the firepower finally proved to be powerless, because it could not destroy enough villages in order to "save" Vietnam, does not mean that we are helpless to save our own cities by saving them, or to prevent needless malnutrition and illness, or to correct unemployment through job opportunities, or to reduce poverty through welfare reform, or to harness the sun and convert waste matter to energy. Government can do what is possible domestically—but not if it pursues a wasteful, self-defeating military globalism.

There is a fatal inconsistency in the nihilism of the new right that government is only good for tax write-offs and costly new weapons. Their Senate nominee in New Jersey emphasizes two issues—a 30 percent reduction in federal taxes and an American withdrawal from the SALT talks. He scorns the "free-spending" of government, but he would spend freely for tens of billions of dollars of extra megatons. How would the bill be paid? What programs would be slashed?

It is time to challenge the simplistic hypocrisies of the new right.

If government has the money to bail out Lockheed and Penn Central, why is it powerless to help older people, neglected children and average Americans—including those with black skin?

If government has billions for nuclear power plants, why does it lack the resources to develop solar power instead?

If government can find billions to dig 13-mile underground tracks for intercontinental missiles, why can't it restore railways and city transit instead?

In 1976 we were pledged a decrease of five billion to seven billion dollars in military waste; since then, we have had an increase of twenty billion. And recently we have been invited to the brink of a new cold war. We have heard no convincing rationale that current events in Africa outweigh the fundamental, mutual interest of America and Russia in ending the arms race before it ends all of us. But we have heard bombastic implications that who backed the Katanga rebels is a more urgent concern than SALT. Rather than proving that our leaders are tough enough, official overreaction to such minor events may convince the public that any SALT agreement that can be negotiated will be a bad one. How senseless it would be to hazard Armageddon for Shaba Province.

No National Security Advisor wants to appear faint-hearted in the face of genuine crisis. But to avoid being 'chicken" one need not become "Chicken Little."

We cannot conduct foreign policy as though every stirring in Africa, Asia or the Indian Ocean is another Cuban Missile Crisis. Foreign policy must be selective in centering upon the few fundamental interests of the nation—not the minor distractions.

Nor does it serve our interests to elevate Soviet influence and power while denigrating our own. The United States is far and away the world's mightiest power—militarily, economically and politically. We have more allies around the world than any other nation. We have well-defended bases in every part of the globe. We have a mighty two-ocean navy with devastating nuclear and conventional firepower. We have a strong mobile army and marine corps. We have the world's finest air force and the most accurate missiles with the greatest number of warheads. We are the pre-eminent power in the Western Hemisphere, in the NATO European partnership, in the Mediterranean, in the Middle East and in the Pacific.

By contrast, the Soviets are nearly alone in the world—with little Cuba their one apparent dependable ally. Without bases or allies around the globe, they share thousands of miles of border with an angry, hostile one billion Chinese, and their eastern border represents an enforced, unreliable presence in the volatile states of eastern Europe.

It is, in any event, preposterous to assume that the African states and tribes struggling to survive represent fundamental security concerns for the United States simply because a few of them have the support of Cuba or Russia.

And while Mr. Brzezinski contemplates Soviet and Cuban misbehaviour in Africa as a possible threat to SALT II, he might recall that the Russians signed SALT I in 1972 while we were mining Haiphong Harbor and had hundreds of thousands of men engaged in the destruction of Indochina.

But even more crucial than recalling the mistakes of the past is the avoidance of needless tragedy in the future.

That is why we must nurture the hope of detente and the necessity of arms control. Detente does not mean that the Soviets will not continue to be rivals of ours for influence and ideological propagation. Detente means simply that as rival powers there are a few areas such as arms control to avoid mutual extinction where the United States and the Soviet Union have mutual interests.

We need not love the Russians nor they us to know that the alternative to arms control and detente is the bankruptcy and death of civilization.

The real spendthrifts are the hardline hawks whose "worst case" nightmares are burdening the taxpayer, inflating our economy and jeopardizing the peace. The signing of SALT I in 1972 has saved us $15 billion in a needless ABM. The loss of SALT II would cost us $75 billion over the next five years—ten times the total property tax cut in California under Proposition 13. The arms race fuels the fires of inflation and the tax revolt. To be anti-waste is to be anti-war. In 1972, I urged military economies and tax reform to finance property tax relief. We were six years ahead of Howard Jarvis—and we explained how to pay the bill fairly. Today the fault for the heavy burden of unfair taxes rests not on liberal programs, but on needless war, a reckless arms race and an unjust tax system designed and continued by selfish special interests.

Now voters are offered a degrading hedonism that tells them to ask what they can take from the needy—and conceals the fact that in effect they also will take necessities from themselves. Television commercials reassured Californians that local governments could lose revenues without losing essential services. Voters in surveys believed that enough frills could be eliminated. Now it turns out that the frills include police and firefighters; that entire school systems may be shut down; that even if they open, class sizes will soar as high as 170 pupils; and that 225,000 employees probably will be laid off—which will raise state spending for unemployment compensation and welfare. Tax dollars will be shifted: they will pay employees less to do nothing rather than enough to provide services.

Ironically, two-thirds of the tax relief will enrich corporations and corporate landowners—many of them absentee owners thousands of miles from California. The homeowners knew it; but they believed that to get a fair break for themselves, they had to give that boon to the corporations. Property taxes in California were fifty percent above the national average. State officials had piled up a five billion dollar surplus. They were proud of it: They cited it as evidence that they could cut government down to size. And they fought over it: They delayed even minor property tax reform. So people who literally were being taxed out of their homes were so frustrated that they followed a pied piper for the real estate industry.

Politicians looking to ride or ride out the whirlwind of Proposition 13 cannot see or shape a vision of tax justice. They have become instant economizers and flailing taxcutters in the storm. The panic is nonpartisan. In New York, a Democratic official has suggested an arbitrary ceiling on the number of state employees that would force tens of thousands out of work; he did not say what services would be slashed. In the same state the Republican candidate for Governor proposed a constitutional amendment to limit local taxes; according to an aide, he left it deliberately vague.

Here in Washington, officeholders have been busy compounding the deeper causes and the worst inequities of the tax revolt. The President resurrected his promise of a balanced budget by 1981, while simultaneously calling for a tax cut and an even bigger Pentagon budget. That combination will bring economic trouble if he really means it and disillusion if he does not. A Congress that has spurned even meager reform of Federal taxes has rushed to cut the budget at least a little. Intent on not offending the powerful, the House of Representatives attacked the weak. It voted down $225 million to remove architectural barriers to the handicapped. What a spectacle the majority made of themselves: After raising the Pentagon's billions, they pinched a relative pittance for the halt, the lame, and the blind.

Was this one of those wasteful programs which will not work? Are we short of the materials and designs to build ramps? Nothing could more vividly expose the character of the assault on domestic government. A convenient arrogance of powerlessness comforts the comfortable: They would give less for what others need.

But even the comfortable would be in trouble if the whirlwind reached too far. John Kennedy's warning is still true that if we cannot help the many who are poor we cannot save the few who are rich.

It took Vietnam to teach the hard lesson that the American government in arms is not all-powerful. Will it take the domestic equivalent of that defeat to show the government in fiscal chains and our society in bondage? The new right figures that they can follow the tax revolt all the way into the White House. And in this illiberal hour, the rest of us are advised to trim our sails, tame our conscience, borrow the passing rhetoric, and gratefully accept a leadership of style over substance.

How can we continue to advocate government as the employer of last resort when the voters are making it the unemployer of immediate resort? We do so because it is right. We do so because we still believe in

the decency of the American people. We believe that they prefer a government that is both efficient and compassionate. But if they do not have that alternative, then they, like the citizens of California, may pick a government whose only virtue is that it has been cheapened—not merely in finance, but in principle The new right can exploit frustration; timid candidates may be swept along in the tide. But liberals can offer a steady vision of taxes that are lower for the majority and fairer for everyone. We can offer the vision of a society committed to a fuller justice for all citizens. We can and we must demand an end to the arms race as the condition of our prosperity and our survival.

First, we can provide tax relief through tax reform and the reduction of military waste. Billions of dollars are lost in unjustified tax loopholes; there are billions of dollars to be saved in completing the SALT talks.

Second we can offer additional tax relief that simultaneously controls inflation. Rather than cutting corporate taxes willy-nilly as now proposed we should, as Arthur Okun recommends, offer tax rebates to businesses and their employees who practice price and wage restraints.

By contrast, present anti-inflation policy saps the economy of $100 billion of output. The policy raises unemployment and the costs of welfare and unemployment compensation. Economists are now warning of an imminent recession. To invite it in order to control inflation, to make unemployment a secondary concern, is Republican economics that did not work before. It is failing again as inflation soars into double digits.

As Roosevelt once said: "We are poor indeed if this nation cannot afford to lift from every recess of American life the dread fear of the unemployed that they are not needed in this world." Are we so poor now that 6 or 7 percent unemployment has become the moral equivalent of full employment? Fifteen years ago a 4 percent rate was just a temporary goal. Is a level far higher now to become a permanent condition?

Third, we can offer financial relief by enacting programs instead of dismantling government. A common sense program of nutrition education and preventive health care could cut the nation's medical bill by one-fourth and probably more.

Similarly government intervention in energy could prevent excessive price increases. The Administration apparently will welcome any energy program now, including deregulation of natural gas. Government is not working when the average family's gas bill will rise $2.000 over the next seven years. Government is not working when the moral equivalent of war becomes the functional equivalent of surrender to the oil monopoly. Instead of an energy policy that seeks conservation through higher prices and higher oil taxes we should be pressing hard for alternative, renewable sources of energy and more economical transportation.

How ironic it is to see the new rightists piously protesting every public endeavor that costs anything, then eagerly advocating natural gas legislation that will transfer $60 billion from people's pockets to private boardrooms. In truth the tax revolt is an accident that happened to their ideology. They are not against waste; they are anti-government, good or bad, except when it is paying for B-1 bombers or neutron bombs. Their loyalty is not to hard-pressed taxpayers, but to the ideology of McKinley, Harding and Hoover.

I know that it is not politic to oppose that ideology now—that Proposition 13 in California has stirred a panic even more serious than the Cubans in Africa. But the redeeming purpose of politics is to explain, to educate, to take risks for a conviction—in short, to lead. I also know that no matter who leads us, the political journey from the vision to the reality will not be an easy one.

I believe that Jimmy Carter is a dedicated, conscientious man who longs to be a good President. I well know that the problems that now afflict the nation are not the results of a single presidency and no single President will end this time of troubles. Wilson and Roosevelt lost their share of congressional and judicial struggles. But what counted was that they fought another day, and then another, for their conceptions of how government could and should work. And they held a vision of greatness constantly before the American people. A President reaps disapproval not because he is set back in a cause that is right, but when he is lukewarm in a course that is confused.

We elect leaders to set goals and solve problems, not to plead that they are insoluble. And in the final analysis, their leadership must be a moral one. I do not mean the moralism of insubstantial pieties or dreary self-righteousness. Moral leadership does not tell us how good we are, but how we can do better. It touches conscience as well as self-interest

And in conscience, some final words must be said. While the tax revolt expresses profound and legitimate anger, we must be careful to direct that indignation constructivity. Crime was, and is, a legitimate issue; but in the last decade, law and order became a code word with racist undertones. So it could be in some instances with tax relief. A news weekly quoted one California voter: "It's those social services that annoy . . . me—social services for the colored, the Mexican, and so forth." Sixty percent of the employees who may be laid off in Los Angeles are members of minority groups.

It is unfashionable now to worry about the poor and minorities and to defend the idea that they, too, deserve an opportunity. Perhaps property taxpayers ought to remember, if only for a moment, how many of them would never have owned a home without a government loan and a mortgage tax write-off. To give up on government now, to turn our backs on those who have been left behind, to decide that all we can do is keep our own share, is to give up on our own best instincts. It is un-American; it is unacceptable.

At stake is whether America will become a parcel of geography drained of ideals, a collection of selfish, competing economic persons whose highest purpose is the bottom line. We worry about defending our nation as a physical entity; we must also defend it as a source of justice and mercy. National security includes the condition of our national spirit as much as the size of our nuclear arsenal. The gravest threat today is not a foreign adversary, but an enemy within. That enemy is not a conspiracy or a fifth column it is inside ourselves and among our leaders. It is the sense of futility. It is the dulled conscience. It is the lost vision.

Those of us who have seen the liberal vision have an obligation to nurture it.

We must insist that this latest revolution against taxation need not overthrow the first, best traditions of that earlier revolution for "the unalienable rights" of all people.

We must speak for those who have no voice.

We must stand for those who have no lobby.

We must be strong for those who are weak.

We must demand fairness for those to whom life has been unfair.

We must take the road that leads to peace.

We must not be ashamed to care or afraid to be liberal. For in this month when we are supposed to be hiding, a month that comes 10 years after Robert Kennedy's death, we still refuse to see things as they are and assume that they have to be; we continue to dream things that never were—and to say "why not."●

S. 3179—SMALL BUSINESS AND CAPITAL OWNERSHIP DEVELOPMENT ACT

● Mr. SASSER. Mr. President, today I am pleased to join Senator NUNN, my good friend from Georgia, as a cosponsor of S. 3179, the Small Business and Capital Ownership Development Act. This important legislation would go a long way toward correcting serious problems which exist within the Small Business Administration's 8(a) program for disadvantaged small business persons.

Mr. President, we must recognize the full potential of minority business in America. Minority business must take its rightful place as a viable and contributing segment of the overall business community. Congress must recognize the real need which exists—the need to bring a depressed market into a position of self-sufficiency within our free market system. There should be no place for discrimination in our economy. The free market should operate without such artificial and unfair presure. In Government purchases, as well as in private enterprise, procurement of goods and services should reflect participation of all segments of the business community, especially those which have been left out of the economic mainstream in the past.

Everyone who is familiar with the 8(a) program recognizes that the program has had its problems. The figures speak for themselves. Minorities constitute more than 18 percent of the total U.S. population, while only 3 percent of the Nation's businesses are minority owned. Vernon Weaver, Administrator of the Small Business Administration, has focused the attention of SBA on some of these problems. He took the initial step last August with the appointment of the 8(a) Review Board which has now submitted its conclusions and recommendations to the SBA.

Now, Congress must focus on the needs peculiar to minority business development. Attention should continue to be given to the award of 8(a) contracts. But more important, attention also needs to be focused on the business developmental aspects of minority business involvement. The objective of the program is to develop viable small business.

The 8(a) program is designed to direct Federal contracts to socially or economically disadvantaged firms as a means of evolving the free market system independently. It is the latter objective which deserves our attention today. The success rate of 8(a) has been minimal to date. SBA's own figures show that only 33 of 3,726 firms which have participated in the 8(a) program since 1968 have a positive net worth outside of the program today. I believe that the prompt passage of this legislation will be a major step toward improving this record.

S. 3179 calls for the creation of an advisory committee, appointed by the President, which would monitor and encourage the placement of subcontracts by the private sector with minority firms. The General Accounting Office will be responsible for evaluation of SBA performance in this regard, and will be required to report to Congress periodi-

cally on the success of this aspect of the program.

In addition, the proposed legislation calls for the creation of a new small business and capital ownership program to provide technical and management assistance for 8(a) firms. This new program may result in new successes for the 8(a) program and its participants.

Finally, all 8(a) firms will be eligible for this program and can participate fully in its benefits.

Mr. President, the Senate Select Committee on Small Business has held its initial markup session on several bills of importance to the future of minority small business. I am glad that S. 3179 is being included in this consideration, along with H.R. 11318 which has already been passed in the House of Representatives. S. 3179, in conjunction with H.R. 11318 and other bills under consideration, can provide a meaningful approach to solving the problems of minority small businesses.

Mr. President, I believe that the Congress needs to address the problems of minority businesses. I believe this legislation which I am cosponsoring is a step in the right direction, not only for minority business, but for the business community as a whole. It is a matter of doing what is right.●

NOTICE OF A DETERMINATION BY THE SELECT COMMITTEE ON ETHICS

● Mr. STEVENSON. Mr. President, it is required by paragraph 4 of rule 43 that I place in the CONGRESSIONAL RECORD this notice of Senate employees who propose to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The Select Committee on Ethics has received requests for a determination under rule 43 which would permit staff members to participate in a program cosponsored by a foreign educational organization, the Konrad Adenauer Foundation of the Federal Republic of Germany, and by the Center for Strategic and International Studies of Georgetown University, July 2–8, 1978.

It has been determined that participation by the following Senate staff members in the program in West Germany, at the expense in part of the Konrad Adenauer Foundation, to discuss the "Impact of New Technologies on the NATO Force Posture." is in the interest of the Senate and the United States:

Jeff Record, staff of Senator SAM NUNN.

Dr. Charles A. Stevenson, staff of Senator JOHN C. CULVER.

Frank Gaffney, staff of Senator HENRY M. JACKSON.

Michael B. Joy, staff of Senator ERNEST HOLLINGS

Peggy Haberstroh, staff of Senator S. I. HAYAKAWA.

Richard Asplund, staff of Senator JOHN C. CULVER.●

PRESIDENT'S COMMISSION ON FOREIGN LANGUAGE AND INTERNATIONAL STUDIES

● Mr. HAYAKAWA. Mr. President, thank you for providing this opportunity to speak to my colleagues in full support of the President's Commission on Foreign Language and International Studies. Even before the names of the members of the Commission are announced, I wish to say that its formation is a step in the right direction, at the very least.

The impetus for requesting the Commission came from several Members of the House and Senate who, apparently, share my serious concern that too few Americans are educated sufficiently in the study of foreign languages and understanding of other cultures to compete as equals with their counterparts throughout the world in today's global power struggle. So I commend my colleagues and the President for their action.

The request is in keeping with the Helsinki Accords which called on all signatories "to encourage the study of foreign languages and civilizations as an important means of increasing communication between peoples." In my judgment, Mr. President, this challenge should receive high priority. How long can this great Nation remain No. 1 if it is not wise enough to back up its material riches and industrial expertise with the intellectual commitment that other nations have recognized for so long?

To this very day, Americans have accepted—and imposed upon the world—the premise that English is perfectly adequate as a means of communication for everyone. But how valid is this premise? The emergence of the Third World alone poses a serious challenge, not to mention the ever-increasing power of the Arab world and the Asian nations. I think the time has come for this Nation to stop taking the "easy way out," and to address itself to the needs of other nations with whom we live. I suggest we have no alternative.

With all due respect to the members of the Commission, I hope that they will not confine the study to a superficial examination of school enrollment in foreign languages, which we all know has decreased alarmingly, but will include serious consideration of the deficiencies in the Nation's resources in foreign languages which will not be solved merely by increasing the number of children who study Spanish, French, Italian, and so forth, as they are frequently taught. While there is something to be said for learning a foreign language for its own sake, I feel that merely scratches the surface. There is an important need to train young people now to study the language, yes, but to study, also, the people, their history, religion, traditions and political systems, and to learn how to communicate with them. We know that communication between people who speak the same language is often difficult; how much more, then, when a third person, an interpretor, must intervene just to establish a modicum of intent?

Mr. President, it is well known that international organizations such as the United Nations, some of our own Federal agencies, and multinational corporations are forced to recruit top language specialists from Europe. In this country, there is no institution that compares in scope and output to the European and Canadian university institutes for translation and interpretation of foreign language. This led the chairman of the Department of German Studies at Stanford University to send me a very creative proposal for the establishment of a National Institute for Translation and Interpretation, which may be of interest to the Commission members as they undertake their assignment.

It is true that both the State Department's Foreign Service Institute and the Army's Defense Language Institute have earned high marks for their foreign language programs, and rightfully so. I have been advised, however, that DLI has undergone serious budget cuts which can only impair its effectiveness at a time when we need just the opposite.

I would like to comment briefly on the talks I had earlier this year in Japan with leaders about international trade. I learned a great deal and came away very impressed with the Japanese approach to foreign trade and their phenomenal success as exporters. There are approximately 1,000 American businessmen in Tokyo. There are 20,000 Japanese businessmen in New York alone—20,000—selling all kinds of products. If there is a trade imbalance, and there is no "if" about it, that is part of the answer. Those 20,000 Japanese in New York took the trouble to learn English before they came and expended years of time and effort in sophisticated market research to determine American preferences. I do not know how many of the 1,000 Americans in Japan speak Japanese, but I am willing to bet there are very few.

We must apply the American standard of excellence to educate those who represent us in other countries in the areas of foreign trade, international law, military preparedness and intelligence, and human needs, to communicate, in every sense of the word, with the people of other nations.

And so, Mr. President, I wish the members of the Commission well. I am sure they will receive nonpartisan support from Congress. The results of the Commission's work could be very meaningful for this country.●

SECRETARY BLUMENTHAL TESTIFIES AGAINST CAPITAL GAINS TAX REDUCTIONS FOR THE RICH

● Mr. KENNEDY. Mr. President, in his appearance this morning before the Subcommittee on Taxation and Debt Management of the Senate Finance Committee, Secretary of the Treasury W. Michael Blumenthal presented detailed, comprehensive, and convincing testimony demonstrating the multiple fallacies, inequities, and unproved claims contained in pending Senate and House proposals to roll back the tax rates on capital gains.

As President Carter indicated in his press conference at the White House last

Monday, and as Secretary Blumenthal ably testified today, such proposals are in fact "millionaire's relief" bills that are grossly unfair to the average hard-pressed taxpayer and that are very poorly adapted, if at all, to reach the goal of enhancing capital formation in the United States.

By contrast, the Carter administration's tax proposals represent a much more sensible, affordable, and efficient approach to tax reductions for individuals and business and the promotion of capital formation. Secretary Blumenthal's testimony today is of major value in demonstrating the economic wisdom and basic equity of the administration's approach, and in dispelling the false and confusing economic claims surrounding the alternative proposals for tax reductions keyed to capital gains.

Mr. President, I believe that Secretary Blumenthal's testimony will be of interest to all of us concerned about this issue, and I ask unanimous consent that it may be printed in the RECORD.

The testimony follows:

STATEMENT OF THE HONORABLE W. MICHAEL BLUMENTHAL ON CAPITAL GAINS TAX BILLS

Mr. Chairman and members of this Subcommittee: I welcome the opportunity to appear before this Subcommittee to present the Administration's views on three bills before you: S. 3065, S. 2428 and S. 2608.

Each of these bills would reduce the tax on capital gains for selected groups of taxpayers. Each aims at objectives of capital formation and growth. These objectives are shared by the Administration. But each bill has fatal flaws and either would not achieve its stated objectives at all, or would do so in an inefficient and inequitable manner. Accordingly, the Administration strongly opposes all three bills.

I will devote the bulk of my testimony to S. 3065, the "Investment Incentive Act of 1978". To say that this Bill and its House counterpart have received extensive publicity is to engage in understatement. Suddenly, like flowers that bloom in the spring, the notion of reducing capital gains taxation is appearing everywhere as an all-purpose solution to the country's economic problems. Manifold and sweeping claims are made for this idea: It is advertised as a technique of middle class tax relief, or a measure to help homeowners. It is said that reducing capital gains taxes will substantially increase stock values. It is claimed that the Treasury will gain revenues by cutting these taxes. We are told that this is the best way to accelerate capital accumulation in the United States. Some even claim that other economies outperform us because they avoid taxing of capital gains.

This Administration shares the goals espoused by the supporters of a capital gains tax reduction. We too wish to see stock prices rise. We too are concerned about Treasury revenues; and we are certainly as concerned as anyone about reducing the federal deficit. We too are vitally interested in spurring capital accumulation and investment, and believe that tax incentives are needed for this. We too are anxious to employ every reasonable device to improve our performance with respect to inflation, unemployment, and exports.

Our opposition to S. 3065, therefore, is based not on disagreement with its goals. Rather we are persuaded that this bill would not advance us toward these goals or would do so only in ways that are inefficient, inadequate and unjust.

The tax reduction legislation that the Administration has proposed this year would meet two broad objectives:

First, relief for the average taxpayers of this country who are finding their incomes increasingly pinched by rising tax liabilities.

Second, a broad and significant increase in the after-tax return on capital, which will increase business investments by making them more attractive.

Mr. Chairman, a dispassionate and objective analysis of S. 3065 shows that this bill and others like it would achieve neither of these goals while wasting Treasury revenues urgently needed to achieve these critical objectives in an effcient and equitable fashion.

THE FACTS ABOUT CAPITAL GAINS TAXATION UNDER CURRENT LAW

Under current law, the net capital gain of an individual taxpayer is taxed at a rate equal to one-half of the taxpayer's rate on ordinary forms of income, such as wages, salary, dividends, interest, and rent. Those persons in tax brackets above 50% need pay only the 25% alternative rate on the first $50,000 of their net capital gains.

For corporations, net capital gains may be taxed at an "alternative" 30 percent rate instead of the maximum 48 percent rate on other income.

In addition to these basic provisions, the Tax Reform Acts of 1969 and 1976 introduced two elaborations.

First, the 1969 Act imposed a "minimum tax" on those with very large amounts of capital gains income or other income benefitting from preferential provisions. After changes in the 1976 Act, the minimum tax for individuals is 15 percent of preference income in excess of either $10,000 or one-half of regular tax liability (whichever is greater). One-half of capital gain is considered "preference income." Therefore, if a taxpayer's only preference item is capital gain, the minimum tax applies only if total gains exceed $20,000.

Second, the 1969 Act reduced the maximum tax rate on earned income—wages and salaries—from 70 percent to 50 percent, providing massive relief to high-income individuals. For these persons, the amount of earned income eligible for this special "maximum tax" ceiling is offset by the amount of preference income, including the untaxed half of capital gains.

Now, what are the consequences of this structure of capital gains taxation? Who pays what?

In 1978, capital gains taxes will raise $10.3 billion in revenue, $7.8 billion from individuals and $2.5 billion from corporations.

Let's look at the individual side of the equation, where public attention has been concentrated.

The average effective tax rate on capital gains in 1976 was 15.9 percent. (See Table 1.) For most Americans with capital gains, the effective rate is quite low: for instance, 12.7 percent for those between $20,000 and $30,000 in adjusted gross income, 16.7 percent for those between $30,000 and $50,000. Up to $200,000 a year, the effective rate is below 25 percent. Even for those over $200,000 the average effective rate is only 27.4 percent.

Typically, therefore, the great majority of taxpayers pay taxes on capital gains at modest levels, considerably below the rate on ordinary earned or unearned income, and the progressiveness of the capital gains tax is quite moderate. The rate generally rises above 25 percent only where the taxpayer's income or gains are extraordinarily large, and even in these instances, the taxes are not at all extreme.

In the current debate, much has been made of the possibility—under the maximum and minimum tax provisions enacted in 1969 and 1976—that individuals may be paying a 50 percent tax or even more on their capital gains. The facts are much less alarming than the rhetoric. Capital gain, at all income levels, is still very much a preference item in our tax system.

More than 60 percent of all capital gains is taxed at 25 percent or less. Of all returns showing capital gains, only about 7 percent is taxed above 25 percent. Though in theory the tax rate could exceed 50 percent, this would require a very implausible composition of income, and in fact we have been unable to find even one case where this has happened. We have found fewer than 20 returns —out of 5.4 million returns with capital gains—taxed at more than 45 percent. The capital gains tax very rarely goes above 40 percent. Rates over 40 percent have appeared in less than five hundredths of one percent of returns with capital gains, involving less than four-tenths of one percent of gains.

In sum, the Tax Reform Acts of 1969 and 1976 increased capital gains taxes for very high income individuals with very large gains, but these measures did not introduce unreasonable marginal rates and they left capital gains in a clearly preferred status.

THE FACTS ABOUT S. 3065

This bill is not a general measure to reduce capital gains taxes for everyone. Rather, it aims to reduce the capital gains rate for the highest income individuals with the largest amount of gains. As I have just noted, the overwhelming majority of taxpayers, realizing the great bulk of capital gains each year, pays substantially less than 25 percent on capital gains. This bill is not designed for this vast majority. Its relief is focused almost entirely on the small minority who now pays more than 25 percent.

The bill would do the following. It would remove all non-taxed capital gains income from the minimum tax, rather than exempting the first $10,000 of untaxed gain (or one-half of regular tax liability), as under present law. It would eliminate the present capital gains offset against wage and salary income eligible for the maximum tax. It would extend the 25 percent alternative tax to an unlimited amount of gain, as opposed to the $50,000 of gain eligible for this rate under present law. Finally, it would reduce the "alternative" rate on capital gains for corporations from 30 to 25 percent.

For these changes in the law, very expansive claims have been made. We have examined those claims closely. Few of them stand up against such analysis. At best, it can be said that some of the claims can be neither proven nor disproven. For the most part, however, the claims run flat against the available evidence.

The proponents say that S. 3065 constitutes broad based tax reduction, in line with the so-called "middle class tax revolt". The facts are otherwise. About 20 percent of the bill's benefits would go to corporations. For individuals, the bill's benefits are skewed heavily to the highest income taxpayers. Four-fifths of the bill's benefits go the those with incomes over $100,000 a year. Mr. Chairman, this bill would provide lower taxes for less than one-half of one percent of the individual taxpayers in this country and would benefit only about 7 percent of the taxpayers that have capital gains.

This is in truth a millionaire's relief bill, and I mean *income* millionaires, whose assets are usually many times greater than that. Of those million dollar earners benefitted by S. 3065, about 3,000 of them throughout the country, each would receive on average $214,000 in tax reduction. For all million dollar earners the average relief would be $145,000. By contrast, the average relief for those in the $20,000 to 30,000 class would be one dollar. (See Table 2.)

The bill's proponents assert that it would trigger a stock market boom. The studies said to show this result simply assume the fact, or rather they assume different facts. Bear in mind that the bill would reduce taxes on corporate stock gains by only $500 million. Yet, one study assumes the bill would raise stock values by 40 percent, a rise of more than $300 billion or 600 times the size of the tax cut; another study suggests

only a 4 to 6 percent rise in stock values, which is still 60 times the size of the cut. A third study, which presumes total elimination of the capital gains tax, rather than the selective cuts in S. 3065, predicts a 20 percent rise in stock values. This is all the sheerest conjecture. The truth is that no one has any credible evidence or theory permitting a projection of the bill's impact on the stock market, and certainly there is no basis for the extreme assumptions that have dominated public discussion of the bill.

If we look at recent stock market behavior, it is difficult to avoid the conclusion that the effects of capital gains tax changes, if any, are wholly swamped by other stock market influences. The bill's proponents often suggest that the 1969 Tax Reform Act lies behind the stock market's doldrums during the 1970's. However, the stock market fell sharply in 1969, before the tax increases from the Reform Act took effect. Then the market rebounded sharply from 1970 through 1972—the same period during which the reforms, were fully phased in. Then, as inflationary momentum accelerated in 1973, there was a huge fall in stock prices, though the tax law was not changed at all. (See Chart 1.)

Analysis of stock market prices over the last ten years shows no relationship between the capital gains tax and the market's level. The record does not show that the capital gains tax changes in the Reform Acts of 1969 and 1976 depressed stock prices. The assertion that repeal of those reforms would now raise stock prices is just that, an assertion, unsupported by evidence.

Proponents of S. 3065 have noted that it would provide relief for homeowners forced to pay capital gains taxes upon sale of their residences, in those instances where the gain cannot be rolled over into purchase of a new residence. This aspect of the measure, we wholeheartedly support. The President's tax package provides nearly identical relief for homeowners.

A further claim of the proponents is that this bill would greatly spur capital formation. Accelerating the rate of capital formation—particularly industrial and technological investment—is a priority objective of this Adminstraton, but S. 3065 is not the way to go about it.

Why is this so? The test of a tax cut for investment is how generally and directly it reduces the tax burden on income from productive capital. In applying this test, it is important to keep in mind two facts. First, productive capital is taxed in many ways—by the corporate income tax, the individual income tax, the capital gains tax, etc. We don't have a single, unique tax on capital income; rather we have many taxes which together place a burden on capital. Capital gains tax is *not* the major tax on capital income. It accounts for only about 10 percent of the Federal tax burden on capital. (See Table 3.)

Second, the kind of capital we particularly need to accumulate is industrial and technological capital. Many types of assets—for instance jewelry, antiques, speculative real estate, and the like—are of much less importance to our economy's ability to adapt, grow, and compete in international markets. The President's tax proposal takes these two important facts into account. Through broad based reductions in corporate and individual income tax rates, and through a liberalization of the investment tax credit, the President's package would reduce the major taxes burdening capital income by about $7 billion and would directly increase the profitability and cash flow of all productive enterprises. It is a package ideally suited to increasing the rate of formation of productive capital.

By contrast, S. 3065 is very poorly suited to this job. As I've noted, capital gains taxes constitute only about 10 percent of the Federal tax burden on capital income. Reducing the capital gains tax would therefore deal with only a very small corner of the problem. Furthermore, it is in many respects the wrong corner. Only about one-quarter of realized capital gains come from corporate stock. The rest are scattered over a range of assets having little or no role to play in the kind of investment boom this country needs. For instance, another quarter of the realizations is on real estate sales, 3.4 percent on livestock, 2.5 percent on commodities, 9.7 percent on installment sales, etc. (See Table 4.) This bill would create windfalls on assets all over the landscape, but it would largely detour around the central objective, which is to reduce significantly and broadly the tax burden on income from productive investment. This bill takes a very inefficient approach to capital formation.

This inefficiency is a fatal flaw for the simple reason that we do not have unlimited revenues available to stimulate capital formation. To keep the budget deficit in bounds, the Administration believes next year's total tax reduction should not exceed $20 billion. The bill before you would take up over $2 billion of that amount. This would have to come at the expense of wage and salary earners, which would be clearly inequitable, or at the expense of the corporate income tax reductions, which would render the bill a much less effective vehicle for capital formation. The only other choice is to increase the budget deficit, which would be an inflationary and irresponsible course.

The proponents of S. 3065 try to avoid this dilemma by asserting that their bill, unlike the myriad other tax cuts promoted in the Congress, would in fact increase Treasury revenues.

The reasoning behind this assertion has never been made clear. As is often the case with this subject, we are dealing here with conjecture, not facts.

It is important, in assessing the revenue claims, to distinguish between three different time horizons: the very short term, the medium term, and the long term.

In the short term, the revenue impact of S. 3065 would turn on the so-called "unlocking" effect. With a cut in maximum capital gains rates, it is possible, at least in theory, that some taxpayers would sell assets that they had held for a very long time. Whether and how much this would occur, no one knows. If it did happen, two results would follow. First, the wave of selling might well depress asset prices, on the stock market and elsewhere. This would tend to reduce capital gains tax revenues. Second, the wave of selling would itself generate tax revenues. The net effect on revenues of these conflicting forces, no one can predict. But one thing is clear: It would be a temporary, one-shot effect. The wave of selling would not repeat itself year after year.

In the medium term, *any* tax reduction will stimulate aggregate demand—investment and consumption—and therefore tend to increase GNP toward its potential level, creating a "feedback" of tax revenues to the Treasury. There is absolutely no reason to think that S. 3065 would create larger feedback effects than any other cut in capital income taxes. Indeed, such feedback effects are much less certain with capital gain taxes that with the corporate income tax cuts proposed by the President. Cutting corporate rates and liberalizing the investment tax credit would directly increase enterprise profits and cash flow, and thus real investment and tax revenues. The advocates of S. 3065 hold out the hope—no more—that a capital gains tax cut would substantially boost stock values and that this in turn would trigger a large amount of new investment, with a consequent rise in tax revenues. But, as I have indicated, there is no perceptible relationship between capital gains taxes and the level of the stock market, and a capital gains tax cut of this size is most unlikely to affect the stock market substantially. Unfortunately, it is equally difficult to trace a causal relationship between the level of the stock market and the rate of increase of investment or GNP. Both points in the argument are thus very shaky. For the medium term, the revenue feedback effect of a capital gains tax reduction is anyone's guess.

In the long term—the most important perspective—tax revenues depend on the sustainable growth rate of the economy. In other words, the revenue feedback will be greater the more efficiently the tax cut boosts the long term trend of investment in productive assets and enterprises. It is precisely here that S. 3065 is most seriously defective. It scatters its benefits over a wide array of assets, many of little productivity, and it misses entirely 90 percent of the tax burden on capital income. It is a very poor tool for increasing the economy's long term rate of real growth, and its long term revenue feedback effects would be commensurately modest.

Finally, I wish to say a word about the very loose international comparisons that have been made in the debate on this measure. Some proponents of S. 3065 have suggested that our economic performance—in areas of inflation, unemployment, and growth—has fallen short of that of Germany and Japan because we tax capital gains while they, assertedly, do not. This line of argument ignores certain important facts. First, the United States has over the past few years outperformed most other industralized countries, including Germany and Japan, in terms of real growth and increases in employment. Our inflation record is less satisfactory, but is nonetheless superior to several countries (e.g. Italy) having no capital gains tax. Second, Japan does in fact tax capital gains. As for Germany, it instead uses an even more comprehensive tax on annual increases in wealth, whether or not realized; I doubt that the proponents of S. 3065 would prefer the German system to ours. What all this shows is that making simplistic international comparisons on a tax-by-tax basis is a very treacherous business.

In sum, Mr. Chairman, the claims made for S. 3065 do not stand up to scrutiny:

The bill would not provide general or middle income tax relief but would instead narrowly focus its benefits on the highest income classes and would provide an unprecedented boon to millionaires.

The bill has no realistic potential for creating a substantial rise in stock prices.

The bill would not efficiently meet our urgent needs for more investment in productive enterprises.

The bill would not gain us revenue but would instead use up revenue needed for far more efficient and equitable incentives for capital formation.

There are of course many variations of S. 3065 under discussion in the other Chamber. I will not deal with them in detail. Some of the proposals escape certain problems I have noted here. However, those involving an effective repeal of the minimum tax so far as capital gains are concerned have the same defects as S. 3065: they are very expensive, and they focus their benefits on a narrow class of extremely high income individuals, with the result that many of those persons would pay very little tax. As the President has indicated, this is an unfair and ineffective response to the need of American workers and businesses for genuine tax reduction.

COMMENTS ON S. 2428

I turn now to S. 2428, the "Small Business and Farms Capital Preservation Act of 1978." This bill would extend to certain small businesses a tax-free rollover privilege similar to that available on the sale of a principal residence.

We believe such a rollover provision would

be inequitable. Owners of businesses already enjoy enormous tax benefits. As a business grows and prospers, and its market value increases, the owners do not have to pay current tax on this appreciated value. A person receiving income in the form of wages, interest on a savings account, or stock dividends must first pay taxes before setting aside funds for future use. The business owner increases his wealth with before-tax dollars, while the wage earner increases his wealth with after-tax dollars. In addition, the owner of a business, when he sells, has the advantage of preferred capital gains rates. Further, any bunching of income resulting from the tax deferral can be alleviated by income averaging, made available for capital gains by the Tax Reform Act of 1969, and by the use of installment sales.

S. 2428 would provide yet another valuable tax break to those who already benefit from a number of preferential provisions. This raises serious questions of fairness.

Apart from considerations of equity, this proposal would raise considerable problems of compliance and administration. Some problems occur now with the tax-free rollover privilege afforded taxpayers on their personal residences. Individuals are asked for more information and computations than are generally required, and such data must be retained for very long periods of time. The complexity would be aggravated substantially by the rollover contained in S. 2428. Record-keeping and computation burdens could be monumental where a taxpayer has several qualifying asset sales and purchases with overlapping one-year reinvestment periods.

The Congress has allowed the extraordinary rollover privilege for principal residences because of the peculiar social value of home ownership. We think it would be a major error in tax policy to begin extending this privilege, piece by piece. Very soon, other types and classes of taxpayers would be demanding this preference, and a wholesale erosion of the tax base would result.

COMMENTS ON S. 2608

This bill seeks correction for the appreciation of nominal asset values caused by inflation. It attempts this by excluding from taxable income a percentage of realized capital gains—a percentage that would increase with the length of time the asset had been held. The rationale is simple and understandable. It seems unfair to many that taxes should be paid on gains that are "paper gains" only, the product of inflation.

Unfortunately, there is no easy way to solve this problem. While S. 2608 is concerned with "illusory income" in the case of capital gains, the same issue arises with all types of income from capital and with debt. A balanced program of indexing income for inflation would require at least four adjustments.

Taxpayers would increase the basis of capital assets by the rate of inflation.

Owners of savings accounts and other interest-bearing obligations would deduct the loss resulting from the inflation-induced decline in their assets' real value.

Businesses would be allowed to increase their basis in computing depreciation deductions and inventory profits.

Debtors would report income whenever inflation reduced the real value of their indebtedness.

Obviously, an indexation system that included these four elements would be extremely complicated; but going only part way would create new inequities among taxpayers. For example, it is difficult to justify an inflation adjustment for owners of stock and real estate while ignoring the effect of inflation on the savings account depositor. Nor would a system be just that allowed the holder of debt-financed property to adjust the asset's basis for inflation while making no allowance for the fact that the debt was being repaid with cheaper dollars.

There is, however, a more fundamental problem with the notion of indexation. It deals with the symptoms and not the disease itself. Indexation is a response to high inflation rates, but the proliferation of indexation schemes tends to make those rates an accepted fact of economic life. These schemes tend to institutionalize the defect. Rather than accommodating to inflation, we should, in my judgement, bend all efforts to eliminate it.

Even if capital gains indexing were desirable, S. 2608 would not provide the proper means of implementing such a system. The most appropriate inflation adjustment would be to increase the basis of capital assets by the rate of inflation rather than to exclude a fraction of the gain from income during a period of inflation. This bill instead excludes from tax a larger proportion of gain the longer the asset has been held. The mechanism should work in the opposite way. The absolute amount of the illusory gain does rise as the holding period lengthens; however, the absolute size of the real gain also rises. As a matter of fact, it can be shown mathematically that the ratio of real to total gain on an asset will increase the longer an asset is held. Thus, the bill's system of graduation would be perverse.

CONCLUSION

We strongly oppose these three bills on the merits, as I have explained at length. But we also object to them for a broader reason. These bills approach the problem of capital income taxation in a partial and ad hoc manner. The various federal taxes on capital income—the capital gains provisions, the corporate income tax, and the personal income tax on property income—make up an interrelated and complicated structure. The Treasury is now engaged in a far-reaching study of that structure, seeking to determine how it might best be rationalized in light of the capital formation problems our economy faces, and will continue to face, over the coming years. I am giving this study my closest personal attention. None of us is bringing rigid views on the taxation of capital gains into this exercise. But tinkering with bits and pieces of this structure of capital income taxation—as the bills before you do—will get us nowhere. The whole structure will become that much more complex, inequitable, inefficient, and incoherent. In the process, we will lose revenues critically needed for more efficient investment incentives. To deal properly with the capital gains tax, what is required is a thoughtful and comprehensive approach to capital income taxation generally.

For that task, the Congress needs more than the few months remaining in this very busy legislative session. The proper agenda for this year is to take relatively simple and efficient steps to cut capital income taxes across the board, as the President has proposed. There is no question that this would best serve the needs of the economy and the long term interests of the American people.

Thank you for this opportunity to present the Administration's views.

TABLE 1.—INCOME TAX ON CAPITAL GAINS, 1976 LEVELS

Adjusted gross income class (thousands)	In millions: Total capital gains	In millions: Tax liability	Effective tax rate on capital gains (percent)
Less than $5	$2,697	$34	1.3
$5 to $10	2,872	110	3.8
$10 to $15	3,571	269	7.5
$15 to $20	3,418	326	9.5
$20 to $30	5,281	672	12.7
$30 to $50	6,105	1,019	16.7
$50 to $100	5,537	1,234	22.3
$100 to $200	3,613	898	24.9
$200 and over	5,939	1,625	27.4
Total	$39,034	6,187	15.9

Source: Office of the Secretary of the Treasury, Office of Tax Analysis.

TABLE 2.—DISTRIBUTION OF INDIVIDUAL TAX REDUCTIONS UNDER S. 3065 (1978 INCOME LEVELS)

Expanded income class	Average tax benefit	Percentage distribution of tax benefit
Less than $15,000	12¢	0.4
$15,000 to $20,000	25¢	.2
$20 000 to $30,000	$1	.8
$30,000 to $50,000	11	4.0
$50,000 to $100,000	158	13.7
$100,000 to $200,000	783	14.2
$200,000 to $500,000	4,000	15.7
$500,000 to $1,000,000	21,540	11.3
$1,000,000 and over	145,302	39.7
Total	19	100.0

TABLE 3.—TAX LIABILITY ON CAPITAL GAIN INCOME COMPARED TO TAX LIABILITY ON ALL CAPITAL INCOME (1978 LEVELS)

[Dollar amounts in billions]

	Amount
Tax liability on all capital income:	
Corporate tax liability	$63.8
Individual tax liability	36.8
Total	100.6
Tax liability on capital gain income:	
Corporate	2.5
Individual	7.8
Total	10.3
Capital gain tax as a percent of total taxes on capital income	10.2

Note: Total capital income consists of corporate profits, dividends, interest, rents, royalties, the portion of partnership and sole proprietorship income attributable to capital, and capital gains.

TABLE 4.—SHARES OF CAPITAL GAINS AND LOSSES BY ASSET TYPE, 1973

[In percent]

Asset type	Gains only	Losses only	Gains and losses combined
Financial assets (stocks and bonds)	28.8	55.5	17.1
Partnership, fiduciaries, and small business corporations	8.5	7.2	9.0
Prior year installment sales	9.7	(1)	14.0
Liquidation distributions	2.6	.4	3.6
Residences	10.8	0	15.5
Nonbusiness real estate	8.1	1.3	11.1
Timber	.5	(1)	.7
Retirement plan distribution	1.8	(1)	2.6
Commodities, including future	2.5	8.2	(1)
Involuntary conversions	1.1	.5	1.4
Trade or business assets	3.7	1.1	4.9
Business and rental building	3.8	0	5.5
Livestock	3.4	.2	4.8
Farm land and property	.7	.3	.8
Other assets	14.0	25.1	9.1
Total	100.0	100.0	100.0
Memorandum: Corporate stock only	26.1	51.9	14.8

[1] Less than 0.05 percent.

Note: Details may not add to total due to rounding.

Source: Office of the Secretary of the Treasury, Office of Tax Analysis.

Chart 1 (not reprinted in RECORD).

Standard & Poor's 500 stock index and capital gains tax changes 1955–1978.●

SENATOR JAMES ALLEN

● Mr. DURKIN. Mr. President, I join my colleagues in mourning the passing of Senator James Allen, one of the finest men to have ever served in this Chamber.

Although I only had the pleasure of knowing and working with Senator Allen for a few short years, it was evident to me from our earliest meeting that he was a

truly remarkable individual. In an age when pleasantries are often either absent or insincere, Senator Allen was genuinely courtly and courteous—a gentleman in the classic sense of the word. He was magnanimous when winning and dignified when losing. His passion was always directed toward the pursuit of principle, never toward the pursuit of animosity. Those who have opposed him on an issue know that although he always sought to win, he never took nor accepted an unfair advantage.

Jim Allen was also a man of towering integrity, whose actions were guided by his bedrock principles and not by expediency. He adhered to a fundamental and carefully considered conservative philosophy, and he was one of the most effective exponents of that philosophy in the Nation.

Oftentimes, Jim Allen championed what was a minority view, and he always did so with great skill and great determination. Indeed, his parliamentary skill is legendary, and it has been said, correctly, I believe, that he was the finest Parliamentarian to have served in the Senate in our Nation's history.

Although Senator Allen will rightly be long remembered for his parliamentary genius, I hope he will also be remembered for his commitment to our representative form of government. It was this commitment which gave him the determination to fight for the principles in which he believed, for in doing so he was fighting for principles he knew were firmly held by those he represented. It was this commitment which gave him the strength to fight long and hard, often against the odds, in what were sometimes lonely battles. He did so because he knew he was giving voice to convictions held by many who could never come to Washington to fight for their views. Jim Allen knew this was the essence of democracy.

Because Senator James Allen so skillfully and so effectively fought for the principles in which he believed, the U.S. Senate was a richer deliberative body than it would have been had he never served here. I suspect that this is the legacy of which he would have been proudest.

Alabama, the U.S. Senate, and the entire country are the losers because of Jim Allen's untimely and premature death.

As the Irish poet said, "May he be in Heaven a half an hour before the devil knows of his death." ●

ANNUAL MEETING OF NAACP

● Mr. DOLE. Mr. President, the 69th Annual Convention of the National Association for the Advancement of Colored People (NAACP) will be held July 3 to 7 in Portland, Oreg. The theme of this year's convention is: "Till Victory Is Won." The theme is an appropriate choice for an NAACP convention, for its victories have been and continue to be numerous. Today, I rise to acknowledge its past successes and prophesy its future victories.

NAACP HAS FOUGHT AND WON MANY BATTLES

It was a victory in itself that the NAACP was founded at all. The year was 1909. The association has since fought many battles against segregation, discrimination, and poverty and repeatedly stood on the side of excellence in education, employment, racial justice, and equality. These and other accomplishments are primarily funded by membership fees and private donations.

The NAACP is active in a variety of forums. It was instrumental in the Brown against the Board of Education decision that began the end of formal school segregation. In addition, this body has been a major motivator of efforts to reorient ex-prison inmates, to provide accessible day care centers, and to aid minority-owned businesses in being effective competitors.

Through political activism and unparalleled perseverance, the organization commands respect in all branches of Government, including the legislative branch. We have all felt the presence here on the Hill of NAACPer Mr. Clarence Mitchell, referred to by his colleagues as "the 101st Senator." Its influence extends beyond Government to private citizens and groups.

NAACP HAS ENCOURAGED AND SERVED MANY PEOPLE

Powered by full-time workers and volunteers alike, the association strives to encourage political participation by all citizens. The NAACP is noted for its massive and effective voter registration drives. Through its Youth Corps, the organization brings young people into the participatory democracy and develops their citizenship.

Black Americans facing discrimination in housing, on the job, or in any situation where it may exist can turn to this body for legal aid.

Beyond this traditional assistance, the NAACP has evolved with the changing time. By studying the food crisis in Africa and United States-African relations this association continues to have an impact on foreign policy.

The economic status of black Americans has always been a focus of the NAACP's efforts. I share this commitment to eliminate traditional barriers to black business enterprises. I have sponsored legislation to upgrade the Office of Minority Business Enterprise so that minority businessmen are placed on an equal footing in the competitive marketplace. Government cannot guarantee success, but Government has an obligation to help black Americans overcome the vestiges of past and present discrimination.

Minorities are hurt the most by constant inflation and unemployment. The NAACP has been a spokesman for Government's efforts to adopt a more responsible fiscal attitude. While there may be disagreement on program details, a decrease in inflation must remain a top priority.

NAACP DESERVES OUR CONTINUED SUPPORT

Beginning with a membership of 60 black and white citizens early in this century, the NAACP has developed into an independent voice in America. The organization of more than 1,700 local units is over 400,000 members strong. The names of the leaders have changed, but their qualities of strength and dedication remain. The 1978 annual convention will be the fourth for Margaret Bush Wilson as chairman of the NAACP board of directors, and the first for Benjamin Hooks as executive director.

I would like to congratulate the NAACP on its 69 years of success, and lend my support for its continued fight until victory is won.●

APPLE PICKER SHORTAGES AND THE DEPARTMENT OF LABOR

● Mr. DURKIN. Mr. President, I regret that once again this year I am forced to call due attention to this body to unfair and unreasonable regulation of an important segment of our economy by the Department of Labor. I am referring to recent regulations which once again this year unreasonably limit the number of foreign workers who may be imported at harvest time to meet the domestic shortage of apple pickers and the regulations which unfairly regulate the conditions under which this temporary labor force may be used.

As many of my colleagues may know, under the present system apple growers must determine before each picking season how many foreign workers they will need to supplement their domestic work force and request certification of this number from the Department of Labor, so these workers may be imported for the brief picking season. Unfortunately, the pattern of Department of Labor action in this regard is well known in New Hampshire and New England. Year after year the Department certifies low numbers of foreign apple pickers just prior to the start of the apple harvest, contending that the growers have not looked hard enough for American labor. Next the media reports of potential crop losses because the work force will not be sufficient to complete the harvest in the limited time necessary. Then again each year the Department of Labor recants and increases its certification quotas, usually too late to be of any value. The result is lost crops and economic hardships for growers.

Last year there was a new last minute twist to this familiar pattern when growers challenged Department of Labor orders that the growers pay advance transportation costs to domestic migrant crews, most from the South and Puerto Rico, to areas such as New England. The growers correctly contended that the Department of Labor established this requirement without any laws or regulations authorizing them to do so. The growers also pointed to the significant financial hardships which this requirement produces. In recent years, New Englanders have been taken advantage of after paying these transportation costs in advance. For example, of 126 who were recently paid advance airline fares, 5 left after the flight to New York, 3 were lost en route to the New England orchards, and 74 did not complete half of their job contract.

Despite this, Department of Labor officials refused to certify foreign apple pickers as close as 1 week to the beginning of last fall's harvest, because growers balked at the unfair requirement to advance travel moneys for another year.

This unreasonable attitude was unnecessary and required growers to spend a considerable sum of money in the courts last summer. New Hampshire Federal Judge Hugh Bownes, now of the circuit court in Boston, pointed out that the Department of Labor itself had the authority to provide advance transportation for the migrant workers and then obtain reimbursement from the growers later. Judge Bownes ruled that the mandate that travel be paid in advance was not required either under the law or even by Department regulations. I woulld hope that Government agencies would not need this advice, but Judge Bownes did remind the Department of Labor that applegrowers "are entitled to be treated under the law as it is, not at the whim of the Secretary of Labor."

There is no question that these foreign workers are needed during the brief harvest season. In past years, I used a toll-free telephone Lot line into my State office to assist growers in recruiting local pickers. However, the combined recruiting efforts of the State employment offices, the growers and my own generated only a handful of interested pickers. This isn't surprising. Perhaps efforts to make it more palatable for someone to work at any honest, decent job rather than to collect a Government benefit check will improve the situation. Even many growers, who have lost millions of dollars because of unpicked apples in recent years, would prefer the local labor to all of the bureaucratic hassles they have encountered. The Department of Labor is not going to change history overnight. Apple picking is not an easy job. It is a tough, demanding job that lasts only 6 weeks or so in New England. For many, it is not worth exchanging for unemployment benefits.

One myth that must be shattered is the argument that the move to foreign help is an effort to attract cheap labor. A foreign picker is guaranteed $2.97 an hour for his orchard work, and the average foreign picker actually earns in the vicinity of $5 to $6 an hour. The bureaucratic hassles aside, other substantial costs are imposed on the grower who hires a foreign worker. For example, the grower must provide housing and round-trip transportation costs from the foreign nation to the orchard.

I am firmly committed to programs, policies, and laws which protect the American wage earner. However, if agencies in our Government cannot broaden their perspectives, be a little more creative, be willing to offer compromise and flexibility, and show enough insight into problems to recognize regional difference, we will find ways to make them more responsive.

The small businessman's lot is not very promising these days. The small fruit growers' lot, especially in New England where the weather conditions are ever-changing, is even worse. Fortunately, few apples rotted in New England orchards last year. It is outrageous that the growers had to depend on an 11th hour court decision when we pay a considerable sum to our regulators to work out these problems during the 10 now-harvest months.

I hope the Department of Labor realizes its purpose in our Government is to advance opportunities for U.S. wage earners. This cannot be done in a vacuum. Unpicked, damaged or rotten apples mean fewer opportunities for U.S. wage earners and a job not well done by the Department of Labor.●

LUDWIG VON MISES—FIRST HAND

● Mr. HELMS. Mr. President, several years ago I had the opportunity to deliver daily television editorials in Raleigh, N.C. My comments on economic matters prompted a friend of mine to recommend a brilliant book—Ludwig von Mises' Human Action, one of the most important economic treatises of this century. The von Mises book answered many questions in my mind about the free market and the essential humanity of freedom in economic affairs.

Two years ago Mrs. Ludwig von Mises, Margit, wrote "My Years With Ludwig von Mises," a book which chronicles the private life of Professor von Mises which was as full of character and integrity as his books. Mrs. von Mises lives in New York and is active in a number of organizations which value highly the virtues of a free society. Though I have never met her, I recognize her as a scholar in her own right and I hope sometime to be able to talk with her. Until anyone who does not know her has that opportunity, the next best thing might be her book.

Mr. President, a review by Prof. William Peterson, holder of the Lundy Chair of Philosophy of Business at Campbell College in North Carolina, of Mrs. von Mises' book appeared in the prestigious journal "Modern Age" in the summer 1977 issue. Bill Peterson is an erudite economist in his own right and I am glad to number him among my friends.

Mr. President, I ask that this article be printed in the RECORD.

The article follows:

MY YEARS WITH LUDWIG VON MISES

(By Margit von Mises)

The American Academy, for all its fanfare about academic freedom and its being a free marketplace of ideas, still flashes every now and then a degree of intellectual intolerance, especially against those it deems as possessing unconventional wisdom and being on "the Right." That is one impression from a reading of Margit von Mises' tender, moving and revealing memoir of her late husband whom she and his friends called "Lu."

Another impression is that once again a great intellect—and Mises possessed one of the great intellects of this century and perhaps of any century—is shown to be anything but a disembodied mind. Mises, the man, if ever uncompromising, ever beleaguered, still comes through as an individual of sense and sensitivity, charm and compassion, courtly manners and dignified reserve—marks of a bygone gentler and grander era.

Ludwig von Mises (1881–1973) was the leader of the Austrian School of Economics, the mentor of such outstanding economists as F. A. Hayek, who went on to become a Nobel laureate, and Gottfried Haberler and Fritz Machlup, both of whom went on to become president of the American Economic Association. He also had a profound impact on Jacques Rueff of France, Wilhelm Roepke of Switzerland, Lionel Robbins of England, Bertil Ohlin of Sweden, Volkmar Muthesius of Germany, Jean-Pierre Hamilius of Luxembourg, Luigi Einaudi of Italy, Joaquin Reig of Spain, Alberto Benegas-Lynch of Argentina, Pedro Beltran of Peru, Gustavo Velasco of Mexico, Ludwig Lachmann of South Africa, Toshio Murata of Japan and a number of scholars in the United States, perhaps most notably (apart from Drs. Haberler and Machlup) James Buchanan of Virginia Polytechnic Institute, Henry Hazlitt, formerly of *Newsweek* and *The New York Times*, Israel Kirzner of New York University, Sylvester Petro of Wake Forest University, Murray Rothbard of the Polytechnic Institute of New York and Hans Sennholz of Grove City College. Mises, whom Hayek characterized as a "great radical," was a thinker *par excellence* on freedom and free enterprise. Rare is the man who comes up with one major opus in his lifetime: Mises came up with three, all upsetting to conventional wisdom.

The first was published in 1912 as Theorie des Geldes und der Umlaufsmittel, later translated into a British edition in 1934 and an American edition in 1952 as The Theory of Money and Credit. In it Mises linked the business cycle to inflation and the Quantity Theory of Money. The Quantity Theory holds that prices, apart from supply and demand, tend to move with the stock of money, rising and falling with the stock.[1] With money issue and credit control as universal functions of government, said Mises, inflation is anything but an act of God; it is man-made—more precisely, government-made. Moreover, inflation breeds recession. Money, he declared in the 1934 edition, is simply a medium of exchange, a means of transferring goods and services, and not at all a tool for carrying out economic reform or business "stimulus" (how modern a ring in that word!). He held, yes, money and credit expansion can well lead to an inflationary boom, but it is bound to end in a correspondingly severer crisis.

His second major opus was published in 1922 as Die Gemeinwirtschaft, later translated into British and American editions as Socialism. Here he delievered so devastating (and presumably so helpful) an attack on socialism for its inherent lack of market calculation that a leading socialist thinker, Oskar Lange, who later became a member of Poland's Politburo, was impressed and even proposed tongue-in-cheek that a statue of Mises be raised. Lange believed that the problem of calculation was solvable; Mises thought such a belief naive.

His third and most sweeping major opus started as Nationalökonomie in Switzerland in 1940 and became Human Action in a completely revised English edition published by Yale University Press in 1949. In this work Mises transcended economics to comprehend the entire sphere of man's behavior, a sphere he designated as "praxeology . . . the science of human action." Human action, explained Mises, reflects each individual's ever choosing, determining and trying to reach various ends. Ends are unlimited, means limited—the omnipresence of scarcity. So, ironically, choosing the means for one end means giving them up for another. He wrote: "Action therefore always involves both taking and renunciation." Life ineluctably becomes a series of trade-offs.

Free—i.e., noncoerced—individual choice, then, becomes the key to personal and societal development, if not survival. So while Mises believed strongly in law and government (he held a doctorate in jurisprudence), he advocated limited and condemned interventionist government. As he stated:

In stark reality, peaceful social cooperation is impossible if no provision is made for

[1] But the Mises view of the Quantity Theory differed importantly from that of the Chicago School's patron saint, Irving Fisher. Fisher's approach with its equation of PT=MV was mechanical and presumably quite predictable in application; Mises' approach with its subjective evaluation of money was psychological and a good bit less predictable in application.

violent prevention and suppression of anti-social action on the part of refractory individuals and groups of individuals.

No government intervention was sacrosanct. He slashed into the Keynesians' use of the so-called contracyclical budget—the big paradigm of modern-day economies. (E.g., Mr. Carter's $31.3 billion budgetary package of job projects and $50 tax rebates to "stimulate" the U.S. economy.) Indeed, interventionism generally makes matters worse: subsidies to industries make them sick, minimum wage laws boomerang on labor, welfare hurts the poor, industrial regulation reduces competition and efficiency, foreign aid undermines developing countries, etc. etc.

All this and more attracted converts but also adversaries if not enemies over a lifetime, as Margit von Mises makes clear. To be sure, Mises was assertive and even abrasive at times. He questioned whether economics could be dissolved into such branches as agriculture, labor and Latin America. He was also critical of historical and statistical approaches in deriving economic theory. His methodology was aprioristic and deductive, not empirical and inductive. And conceding its shortcomings, he nonetheless espoused the gold standard to his dying day, long after it had gone out of fashion. Little wonder that Mises long stood alone. But he never budgeted, pushing on with a "relentless consistency and persistence"—the words are Hayek's, as quoted in Mrs. Mises' book—"even when it led to unpopularity and isolation."

So Margit Mises weaves a remarkable story of a remarkable man in remarkable times. She tells of her career on the Austrian stage, of her becoming widowed at age 27 with two small children and with inflation wiping out her savings in 1923. She recounts her first meeting in 1925 with the already eminent, then 44-year-old professor of economics she was to marry 13 years later.

She describes the Nazi takeover of Austria, the street demonstrations in Vienna, the huge picture of Hitler hung in St. Stephen's Cathedral, the strut of German troops, the Nazis raiding Professor Mises' apartment, their seizure of his library, his writings, documents and everything else they found of importance, which they packed into thirty-eight cases and carted away. Fortunately Mises had earlier left Vienna for Geneva where he joined the Graduate Institute of International Studies.

Margit, then engaged to her "Lu," had to scramble to get the necessary documents from the Nazified authorities to leave Austria for Switzerland. She writes of her departure with her children:

Police officers, Gestapo agents, S.S. men, one after the other, came into the compartment of our railway coach to inspect our passports and examine our documents. Only when the train moved out of the station and gathered speed could I breathe easy. We were free!

But the Nazi terror would not go away. She writes how she and Mises, blacklisted by the Nazis, followed news of the outbreak of World War II in 1939, of Hitler's sweep into Norway, Denmark, the Netherlands, Belgium and, finally, France. With the occupation of Paris in June of 1940, the Mises decided to leave for the United States.

Their escape from Europe, beginning on July 4, 1940, was not easy. Their bus through France had to avoid German troops who were in the midst of occupying the entire country. There was a nerve-racking delay in getting clearance to cross the Pyrenees into Spain. They arrived in New York in August.

In New York Henry Hazlitt, then an editor of *The New York Times* and an admirer of Mises, proved to be very helpful. Also helpful were Lawrence Fertig, syndicated financial columnist for the Scripps-Howard newspapers, Leonard Read, head of the Foundation for Economic Education, and Philip Cortney, presidnet of Coty, Inc. Mises soon turned out *Omnipotent Government, Bureaucracy* and *Planned Chaos*. In 1949 Yale University Press published his masterwork, *Human Action*. Mrs. Mises had typed every page of the manuscript.

She notes one incident in which she may have influenced Mises' thinking. She told him she felt the most important fact of the free market was that it helps poor people, that this should be stressed and brought out as clearly as possible in his writing. Mises looked at her, thought for a moment, and said: "I guess you are right."

Meanwhile, Mises became a "visiting professor" of political economy at New York University's graduate business school, a post he held for twenty-four years. For this Mrs. Mises expresses her gratitude to the University. Still, the fact that he did not land a position at one of the more prestigious universities betrays some intellectual ostracism. In a poignant episode Mrs. Mises writes of his luncheon with his friend Winfield W. Riefler at the Institute for Advanced Study in Princeton where scholars pursue full-time research and share a challenging intellectual atmosphere. She writes:

I remember Lu once told me that Riefler's job was the only position that really would have made him happy . . . It was unusual for Lu to express a longing for something out of his reach. It was more revealing to me than any other remark or complaint he might have made. . . . When I told Fritz Machlup—much, much later—about Lu's wish, he replied, "And he would have been the right man at the right place. Why did no one ever think of it?"

Why indeed? Again, she relates how the Yale University Press, after a change of editorship, denied page proofs to Mises and botched the second edition of *Human Action*, full of typographical errors and misplaced sections. (The Henry Regnery Company of Chicago brought out a third revised edition in 1966 that was workmanlike in every respect.) She also relates how coolly his fellow faculty members treated him at NYU's graduate business school, how faculty advisers denied permission to students to take the Mises seminar for credit in their official degree programs. As one of them declared to a student: "Mises' theory is a religion, not economics."

To be sure, Mises won recognition after all. In 1963 New York University bestowed an honorary doctorate of law on him, and *The Wall Street Journal* acknowledged the event with a laudatory editorial. In 1969, four years before his death, he was named Distinguished Fellow of the American Economic Association. In 1974, one year after his death, the Mont Perlerin Society conducted an impressive memorial conference in honor of Mises. Francisco Marroquin University in Guatemala founded a Ludwig von Mises Library. Hillsdale College in Michigan founded an annual series of Mises Lectures. The National Federation of Independent Business has a yearly Mises Memorial Essay Contest for high school and college students, administered by the Intercollegiate Studies Institute.

The work and philosophy of Ludwig von Mises will unquestionably live on and may someday even overtake the paradigms of our interventionist age. If this happens, it would be in spite of ongoing intellectual intolerance against his seminal free-market ideas.●

THE FOREIGN ASSISTANCE ACT

● Mr. DURKIN. Mr. President, I am pleased to join Senator HART in cosponsoring amendment No. 1847 to S. 2646, the development assistance authorizations to require the Agency for International Development to consider solar energy when choosing energy sources for projects that it assists overseas. This amendment incorporates policies similar to those contained in a bill I introduced last March, S. 2735. That legislation, the Solar Energy Transition Act, would require the Federal Government to consider using solar energy in all Federal programs and would mandate its application where cost effective over the lifecycle of whatever energy systems are employed or planned.

I commend Senator HART for his foresight and his effort to implement this approach in our foreign aid program and hope that this amendment sets a precedent that will soon be followed by passage of the Solar Energy Transition Act to address our energy problems here at home.●

ALASKA D-2 LANDS

● Mr. DURKIN. Mr. President, there has already been extensive debate over the Alaska lands legislation, perhaps more than any other environmental issue in this Nation's history, and there promises to be a lot more before this Congress is finished.

But one facet of the so-called d-2 lands issue has been repeatedly overlooked: the savings realized by placing lands into conservation systems now, as opposed to doing it in the future.

The majority of Alaska's land is already under Federal ownership, and the d-2 bills before the Senate Energy and Natural Resources Committee propose putting as many as 100 million acres of that land into the three great national conservation systems—the National Parks, the National Wildlife Refuges, and the Wild and Scenic River Systems.

Since all the proposed conservation lands are owned by the Federal Government, and much of it now managed by the Department of Interior's Bureau of Land Management, it is a relatively simple matter to transfer control of the land from the BLM to another agency of the Interior Department, such as the National Park Service. There is no substantial cost to the taxpayers.

Unfortunately, in times past, the Congress has been short-sighted by not setting aside enough land in the first place for parks or refuges or selling needed lands to private interests.

The result has been that, when the parks or refuges needed to be expanded, the Government was required to purchase private lands at considerable cost to the taxpayer.

I need only point to the Redwoods Park bill which just recently passed through our committee to prove my point. When the Government decided that the Redwoods Park required expansion, it was forced to appropriate several hundred million dollars to repurchase the land it once owned.

As I have said many times in the past, this Congress has one chance to preserve the best of Alaska's wildlife and scenic splendor and make sure that we protect a priceless natural heritage for our children and grandchildren to enjoy and experience.

If we fail to live up to this responsibility, it will be extremely difficult, if not impossible, to restore what should have

been made with relatively little effort. Buying back Alaskan lands for conservation purposes in the future may not be possible at any price.

A well-respected daily newspaper in my home State of New Hampshire, Foster's Daily Democrat of Dover, points out that the common sense approach is to set aside the land and leave it preserved for posterity, all at virtually no cost to the taxpayer. I commend the Daily Democrat and that editorial be printed in the RECORD.

The editorial follows:

ALASKA'S TREASURE

For once, Congress seems about to do something that not only makes enormous sense but—wonder of wonders—won't cost any of us a penny unless the special interests scarf the main course and leave the hor d'oeuvres for the rest of us.

We're referring to the Alaskan lands bill sponsored by U.S. Sen. John Durkin, D-N.H., which the Senate Energy Committee will begin to consider Monday. The House's version of the bill, which the Durkin proposal parallels, was overwhelmingly approved last month, with 277 representatives approving and only 31 opposed.

But forgetting for the moment the often impossible task of reconciling what the House has done (which most observers approve) with what the Senate proposes, the Alaskan bill must still leap several steep hurdles, and Americans everywhere should be cheering it on. Here's why:

Right now, because other generations have frittered away large parcels of our national heritage, we're spending—or, more accurately, being forced to spend—huge sums just to recover what was ours in the first place. The Treasury is, for example, taking money from our paychecks to buy a 30,000 acre recreation area in Ohio. Its price? A cool $41 million. Meanwhile, in California, we are buying back redwood acreage that was foolishly sold for a song to private loggers 30 years ago. Recovering that resource will cost us $350 million.

Yet now, by carefully selecting millions of park and wilderness acres from Alaska's public domain, we will preserve a national patrimony that, once lost, will be costly to recover. For despite the vocal complaints of some, less than 5 percent of Alaska's vast mineral wealth will be withdrawn from exploration by this measure. And sport hunting, including trophy hunting with commercial guides, will continue in Alaska's wilderness areas just as it does in other federal wildernesses.

Those who would filibuster about or dawdle over this legislation fool no one but themselves. This is not a battle that opposes growth to ecology; it is a battle about common sense and its defiance by those who would take property that belongs to us all and speculate with it for the private gain of a few.●

FREIGHT RATE INCREASES

● Mr. DURKIN. Mr. President, the recent action by the Interstate Commerce Commission in granting across-the-board railroad rate increases continues and aggravates a pattern of rate discrimination against the East, a pattern which not only has hurt Eastern shippers but has injured the economy of the region as well.

The ICC action gave a flat 4 percent rate increase between the East and Western parts of the country, compared to a 2 percent increase in the South. These flat percentages will further widen an already-gaping disparity between rail transportation costs in the two regions.

Certainly we all must recognize that the cost of providing rail services, like everything else, continues to increase in our inflationary economy. And it is also true that the railroad industry is in too weak a state to absorb many of these increases.

However, applying fixed percentage increases to already-different base figures will simply widen these differences. It is difficult to see the economic advantage in such a procedure. Surely there are less damaging ways to cover increased costs.

The increased differentials will further worsen the economic plight of Eastern industry. They will further erode the competitive position of Eastern and especially New Hampshire and New England shippers and undoubtedly lead to more unemployment, more plant closings, more losses, more welfare, more demands for public money.

And they will contribute to the downward spiral of the Eastern carriers which are already, in so many instances, economic basket cases.

Over the past decade it has become apparent that the problems afflicting the Northeast are not merely regional problems but are in truth national problems. They are fully comparable to the economic crisis that gripped the South and much of the West half a century ago. And they call for an equally national response.

It is especially necessary, therefore, that agencies such as the ICC, with their broad influence over so much of the economic underpinnings of America, should take a broad view of the implications of their actions. It is vital that in making their rate decisions they act in a way that cushions the adverse impact of their actions on the affected regions. In this connection, the ICC should take steps to insure that future actions on rate increase proposals avoid the meat axe approach of across-the-board percentage raises, and instead proceed to the more difficult but fairer method of detailed examination of costs and benefits.●

WALTER HELLER TESTIFIES AGAINST THE KEMP BILL AND ITS MASSIVE TAX CUTS

● Mr. KENNEDY. Mr. President, the twin tax evils threatening Congress today are the Steiger proposal to slash tax rates on capital gains for the benefit of the wealthy, and the Kemp proposal for massive but inflationary tax cuts that the country cannot afford.

Earlier today, I included in the RECORD the testimony of Secretary of the Treasury Blumenthal before a subcommittee of the Senate Finance Committee, in which he vigorously opposed the reduction in tax rates applicable to capital gains.

An equally effective case was also made today against the Kemp proposal, in testimony before the Joint Economic Committee by Prof. Walter W. Heller of the University of Minnesota. In his testimony, Professor Heller strongly rebutted the claims that massive tax cuts can be justified by economic analogy to the successful Kennedy-Johnson tax reductions of 1964.

The analogy is false, and becomes in fact a strong argument against the Kemp proposal. Economic conditions then were vastly different from those we face today, particularly with respect to the greater slack in economy and the extremely low inflation rate of the early 1960's—of the order of 1 percent per year, compared to the 1 percent a month we face today.

As Professor Heller states, a tax cut of $15 to $20 billion in magnitude, as currently proposed by the Carter administration, can clearly be justified as appropriate for the current condition of the economy. But a Kemp-size cut of $80 billion over the next 3 years would lead to "soaring deficits and roaring inflation."

Mr. President, I believe that Professor Heller's expert analysis will be of interest to all of us in Congress, and I ask that it may be printed in the RECORD.

The testimony follows:

TAX CUTS, THE KEMP-ROTH BILL, AND THE LAFFER CURVE

(Statement by Walter W. Heller, Regents' Professor of Economics, University of Minnesota, Before the Joint Economic Committee, June 28, 1978)

Ploughing new ground in an appearance before this sagacious and well-staffed Committee is not always easy. But on tax reduction, one of the subjects on which your chairman solicited our views, the Kemp-Roth Bill offers a target of opportunity.

As you are well aware, their bill represents a bold Republican alternative to the now-muted Carter tax proposal. Instead of a single $15 to $20 billion tax cut, it proposes an $80 billion slash via successive 10 percent across-the-board income tax cuts in each of the next three years. Citing the 1964 Kennedy-Johnson tax cut (in which I have a certain paternal interest) and a variety of other tax reductions as precedents, the Kemp-Roth supporters claim that their program would unleash such productive energies and generate so much GNP and revenue feedback that it would quickly pay for itself.

It is high time to examine their claims, the evidence cited to support them, and the assertions and estimates that underlie them. In this brief statement, I will plough no deep furrows, but I can at least scratch the surface and join a few issues.

THE "VERDICT OF HISTORY" ON THE 1964 TAX CUT

As a general observation, it is true that the 1964 tax cut ($12 billion plus, or roughly equivalent to $35 to $40 billion today) succeeded, almost exactly as projected, in stimulating the economy. It is also true that the expansion associated with the tax cut eventually raised income tax revenues above the pre-tax cut level. But in citing the 1964–1965 experience as support for their proposal to cut income taxes by some $80 billion (in constant 1978 dollars), the Kemp-Roth advocates are misreading the "verdict of history" in two important respects:

Contrary to their assertion that the Kennedy-Johnson tax cut achieved its economic stimulus and consequent revenue flows "by increasing aggregate *supply*, by increasing the reward to work and investment," the record is crystal clear that the great bulk of the success of the "great tax cut" that was phased in during 1964–1965 came, as expected, from its stimulus to *demand*, its release of some $10 billion of consumer purchasing power and another $3 billion or so of corporate funds.

Second, the economic setting for the Kennedy tax cut was sharply different from our setting today. The 1964 cut was injected into an economy characterized by (a) plenty of slack in both labor and product markets, coupled with (b) virtual price stability—inflation averaging about 1.2 percent per year—and stable-to-falling unit labor costs. In other words, the "aggregate supply" capacity *already* existed in the form of high unemployment and low industrial operating rates, and inflation was not a problem. So the tax cut was able to activate idle physical and human resources without more than minimal impact on the price level.

As to misrepresentation, I regret to say that on two important counts, the retrospective Kemp-Roth view of the Kennedy-Johnson tax cut is simply wrong:

First, it is said that the Kennedy tax program virtually ignored the incentive side of the tax equation. As shown in the excerpts from President Kennedy's 1963 Economic Message appended to this testimony, his program was a careful blend of measures designed to stimulate both markets and incentives. As he put it: "Only when we have moved the heavy drag our fiscal system now exerts on personal and business purchasing power and on the financial incentives for greater risk taking and personal effort can we expect to restore the high levels of employment and growth we took for granted in the first decade after the war."

Second, it is asserted that the revenue-generating effects of the 1964 tax cut were not foreseen. Exactly the opposite was true. As President Kennedy said (again, see the attached excerpts): "The impact of my tax proposals on the budget deficit will be cushioned . . . most powerfully, in time, by the accelerated growth of taxable income and tax receipts as the economy expands in response to the stimulus of the tax program."

Let me return to the first two points. The core of the 1964 tax cut was a $12 billion-plus boost in after-tax income and profits injected into a slack, non-inflationary economy. At the time, we calculated (a) that actual output was running about $30 to $35 billion below potential output, and (b) that the $12 billion-plus cut—as it was spent and respent and as it energized new investment—would boost consumer spending and business investment by a combined amount of $25 to $30 billion a year without significantly stepping up inflation.

The true verdict of history is that the tax cut, predominantly operating through the release of purchasing power, worked almost precisely as planned:

The unemployment rate fell from 5.6 percent in January 1964 to 4.5 percent in July 1965 (when escalation in Vietnam began).

Inflation, which had been running at 1.2 percent a year before the tax cut, crept up to 1.6 percent by the summer of 1965 (mainly because of food price increases). In other words, the purchasing power punch of the tax cut was converted into higher sales of goods and services, higher output, more jobs, more income, and more tax revenues, but not into higher prices.

As a careful quantitative appraisal by Arthur Okun (in late 1965) showed, the multiplied impact of the tax cut did indeed raise aggregate demand and GNP by about $30 billion (at annual rates) above what they would have been without the tax cut.

KEMP-ROTH: SUPPLY RESPONSES AND INFLATION

But what about the alternative explanation offered by the Kemp-Roth forces that the 1964 tax cut accomplished all this by quickly expanding supply through its benign effect on incentives?

A great leap forward on the supply side would have to show up in a big jump in trend productivity increases and in the growth of GNP potential. The Kennedy tax program—including both the 1964 tax cuts and the 1962 investment tax stimulants in the form of the investment tax credit and liberalized depreciation guidelines—did in fact improve investment and work incentives and contribute to good, sustained growth in productivity. But no sudden bulge in productivity and potential has been found by any close student of the subject.

Yet it would take precisely such a bulge—many times as big a supply response as the 1964 tax cut produced—to get the kind of results that Senator Roth and Congressman Kemp claim on the basis of estimates by Norman B. Ture. There is no basis in either the 1964 tax cut or any other modern tax cut for Ture's prediction that a Kemp-Roth tax cut would, in a year, boost GNP by $170 billion, capital investment by $113 billion (over 30 percent in real terms in one year), and jobs by 2 million—thus boosting revenues above pre-tax cut levels.

Such findings stretch both credulity and facts. As Rudolph Penner of the American Enterprise Institute puts it, "There can't be two or three or four times more bang in a Kemp-Roth tax cut than we've had with any other."

Given no validated evidence that huge tax cuts would generate huge increases in supply—that is, in productive potential—what would the three-year $80 billion Kemp-Roth tax cut do to budget deficits and inflation? My answer won't surprise you: the huge surge in demand would overwhelm our supply capacity and soon generate soaring deficits and roaring inflation.

THE "LAFFER CURVE"

Increasingly, supporters of Kemp-Roth are drawing aid and comfort from the "Laffer Curve", a diagram purporting to show how tax changes can suppress or unleash incentives to work and invest and hence affect tax revenues. Some of my views on the subject are implicit in the foregoing comments. But let me add some thoughts that go beyond the 1964 tax experience:

The Andrew Mellon tax cuts of the 1920s are cited as evidence to support the Laffer thesis. As Judge Wanniski flatly put it (in the *Public Interest*, Spring 1977): "As a result (of the Mellon cuts), the period 1921–1929 was one of phenomenal economic expansion . . ." At a time when a relative handful of Americans paid income taxes and Federal spending was less than 5 percent of GNP (in 1929, it was 3 percent), we are asked to believe that Federal income tax reduction powered the growth of GNP from $70 billion in 1921 to $103 billion in 1929!

Or take the 1948 tax cuts in West Germany, also advanced as "evidence" to support the Laffer thesis. As Chief of Internal Finance in our Military Government in Germany in 1947–1948, 'I was there." What actually touched off the great expansion? (1) A tough and successful currency reform; (2) Removal of wage and price controls; (3) The Marshall Plan; (4) Bountiful harvests; (5) Tax reduction and reform. Yet the whole German "economic miracle" is attributed to tax cuts. (Among other factors, the 2 million expellees and refugees from Eastern Europe, the major source of increased German labor supply in the post-1948 period, are conveniently ignored.)

Apart from such shaky evidence, the alleged miracle effect of tax cuts in generating great surges of work, savings, investment, and productive potential has to face such questions as the following:

Why, in the face of Laffer's assertions, has "Denison's Law" held true through thick and thin for the past 100 years or so? Edward F. Denison of Brookings has found that U.S. gross private domestic saving has been virtually invariant year-in and year-out in the face of high taxes, low taxes, or virtually no taxes. Adjusted to a high-employment level, it has held stubbornly at roughly 16 percent of GNP for about a century. And investment has necessarily been stuck right there with it. This simply does not square with the assertion that changes in tax rates touch off big changes in the will to work, save, and invest.

And even if there was something to the Laffer thesis, who is to say that we are in a high enough tax zone to produce those dire effects of higher rates and delightful effects of lower rates that Laffer postulates? Not William Fellner: "The U.S. is not yet at high enough tax rates to produce anything like the revenue explosion Laffer is predicting . . . where the U.S. economy is along such a curve is completely undocumented, unexplored, and unknown."

And how is it that the Kemp-Roth tax cuts could, by increasing take-home pay sharply, lead to such an upsurge in the work ethic when a considerably larger average increase in real take-home pay in the decade of the 1960s (mostly as a result of sustained economic growth) produced no similar upsurge? People worked less in response to longer real pay per hour—they took longer vacations, more holidays, and worked shorter work weeks, i.e., they took out part of the proceeds of growth in more leisure. Why wouldn't they do the same with the proceeds of big tax cuts, i.e., respond as much or more to the increase in income (by working less hard to gain a given target income) as they would to the increase in incentives (by working harder as lower taxes made leisure more "expensive")?

A 1978 TAX CUT

Lest I be misunderstood, I want to add a few comments on the wisdom of a tax cut in 1978. Nothing I have said above about the dangers of gigantic tax cuts in 1978–1980 applies to a moderate 1978 tax cut of $15 or $20 billion (for even $25 billion if monetary policy tightens a lot): with employment still at 6.1 percent and operating rates in manufacturing still hovering around 85 percent of capacity, there is still a sizable margin of unused supply potential to accommodate a $15 to $20 billion tax cut. Especially in a year when payroll tax boosts and the "inflation tax" are increasing taxpayer liabilities by some $15 billion, it is economically safe and sound to enact a tax cut to neutralize this increase and provide some modest stimulus to an economy that would otherwise slow down to an annual growth rate below 4 percent. It would work to the benefit of output, jobs, and incomes and pay a good dividend in tax revenues without shoving the economy into an excess-demand-inflation. Just two supporting comments:

A careful comparison of key unemployment rates today with those of 1971, when we were clearly operating well below our potential, shows that they are just about identical. Rates of unemployment of adults males were 4.4 percent then and 4.3 percent now (March, April, May average); adult females, 5.7 percent then and 6.0 percent now; teenagers, 16.9 percent then and 16.9 percent now; all persons, 5.9 percent then and 6.1 percent now. And one should recall that it took a 6.2 percent real GNP growth rate from mid-1971 to 1972 IV to start stretching our supply capacity and falling prey to excess demand.

Apart from the need to overcome continued slack in the economy, we need added stimulus to private investment to serve our major economic goals. To forego the boost to incentives and markets that a $15 to $20 billion tax cut could provide might shrink the deficit in fiscal 1979, but it would result in higher unemployment, lower investment, a less vigorous economy, and the risk of higher

deficits in fiscal 1980. That would be a poor trade-off indeed.

APPENDIX—EXCERPTS FROM PRESIDENT KENNEDY'S 1963 ECONOMIC REPORT

TAX REDUCTION AND REFORM IN 1963

We approach the issue of tax revision, not in an atmosphere of haste and panic brought on by recession or depression, but in a period of comparative calm. Yet if we are to restore the healthy glow of dynamic prosperity to the U.S. economy and avoid a lengthening of the 5-year period of unrealized promise, we have no time to lose. Early action on the tax program outlined in my State of the Union Message—and shortly to be presented in detail in my tax message—will be our best investment in a prosperous future and our best insurance against recession.

The responsible citizen and tax reduction

In this situation, the citizen serves his country's interest by supporting income tax reductions. For through the normal processes of the maket economy, tax reduction can be the constructive instrument for harmonizing public and private interests:

The taxpayer as *consumer*, pursuing his own best interest and that of his family, can turn his tax savings into a higher standard of living, and simultaneously into stronger markets for the producer.

The taxpayer as *producer*—businessman or farmer—responding to the profit opportunities he finds in fuller markets and lower tax rates, can simultaneously create new jobs for workers and larger markets for the products of other factories, farms, and mines.

Tax reduction thus sets off a process that can bring gains for everyone, gains won by marshalling resources that would otherwise stand idle—workers without jobs and farm and factory capacity without markets. Yet many taxpayers seem prepared to deny the nation the fruits of tax reduction because they question the financial soundness of reducing taxes when the Federal budget is already in deficit. Let me make clear why, in today's economy, fiscal prudence and responsibility call for tax reduction even if it temporarily enlarges the Federal deficit—why reducing taxes is the best way open to us to increase revenues.

Our choice is not the oversimplified one sometimes posed, between tax reduction and a deficit on one hand and a budget easily balanced by prudent management on the other. If the projected 1964 Federal cash deficit of $10.3 billion did not allow for a $2.7 billion loss in receipts owing to the new tax program, the projected deficit would be $7.6 billion. We have been sliding into one deficit after another through repeated recessions and persistent slack in our economy. A planned cash surplus of $0.6 billion for the fiscal year 1959 became a record cash deficit of $13.1 billion, largely as the result of economic recession. A planned cash surplus of $1.8 billion for the current fiscal year is turning into a cash deficit of $8.3 billion, largely as the result of economic slack. If we were to slide into recession through failure to act on taxes, the cash deficit for next year would be larger *without* the tax reduction than the estimated deficit *with* tax reduction. Indeed, a new recession could break all peace-time deficit records. And if we were to try to force budget balance by drastic cuts in expenditures—necessarily at the expense of defense and other vital programs—we would not only endanger the security of the country, we would so depress demand, production, and employment that tax revenues would fall and leave the government budget still in deficit. The attempt would thus be self-defeating.

So until we restore full prosperity and the budget-balancing revenues it generates, our practical choice is not between deficit and surplus but between two kinds of deficits: between deficits born of waste and weakness and deficits incurred as we build our future strength. If an individual spends frivolously beyond his means today and borrows beyond his prospects for earning tomorrow, this is a sign of weakness. But if he borrows prudently to invest in a machine that boosts his business profits, or to pay for education and training that boost his earning power, this can be a source of strength, a deficit through which he builds a better future for himself and his family, a deficit justified by his increased potential.

As long as we have large numbers of workers without jobs, and producers without markets, we will as a Nation fall into repeated deficits of inertia and weakness. But, by comparison, if we enlarge the deficit temporarily as the by-product of our positive tax policy to expand our economy this will serve as a source of strength, not a sign of weakness. It will yield private dividends in higher output, faster growth, more jobs, higher profits and incomes; and, by the same token, a large public gain in expanded budget revenues. As the economy returns to full employment, the budget will return to constructive balance.

This would not be true, of course, if we were currently straining the limits of our productive capacity, when the dollars released by tax reduction would push against unyielding bottlenecks in industrial plant and skilled manpower. Then, tax reduction would be an open invitation to inflation, to a renewed price-wage spiral, and would threaten our hard-won balance of payments improvement. Today, however, we not only have unused manpower and idle plant capacity; new additions to the labor force and to plant capacity are constantly enlarging our productive potential. We have an economy fully able and ready to respond to the stimulus of tax reduction.

Our need today, then, is:

To provide markets to bring back into production underutilized plant and equipment;

To provide incentives to invest, in the form both of wider markets and larger profits—investment that will expand and modernize, innovate, cut costs;

Most important, by means of stronger markets and enlarged investment, to provide jobs for the unemployed and for the new workers streaming into the labor force during the sixties—and, closing the circle, the new jobholders will generate still larger markets and further investment.

It was in direct response to these needs that I pledged last summer to submit proposals for a top-to-bottom reduction in personal and corporate income taxes in 1963—for reducing the tax burden on private income and the tax deterrents to private initiative that have for too long held economic activity in check. Only when we have removed the heavy drag out fiscal system now exerts on personal and business purchasing power on the financial incentives for greater risk-taking and personal effort can we expect to restore the high levels of employment and high rate of growth that we took for granted in the first decade after the war.

Taxes and consumer demand

In order to enlarge markets for consumer goods and services and translate these into new jobs, fuller work schedules, higher profits, and rising farm incomes, I am proposing a major reduction in individual income tax rates. Rates should be cut in three stages, from their present range of 20 to 91 percent to the more reasonable range of 14 to 65 percent. In the first stage, beginning July 1, these rate reductions will cut individual liabilities at an annual rate of $6 billion. Most of this would translate immediately into greater take-home pay through a reduction in the basic withholding rate. Further rate reductions would apply to 1964 and 1965 incomes, with resulting revenue losses to be partially offset by tax reforms, thus applying a substantial additional boost to consumer markets.

These revisions would directly increase the annual rate of disposable after-tax incomes of American households by about $6 billion in the second half of 1963, and some $8 billion when the program is in full effect, with account taken of both tax reductions and tax reform. Taxpayers in all brackets would benefit, with those in the lower brackets getting the largest proportional reductions.

American households as a whole regularly spend between 92 and 94 percent of the total after-tax (disposable) incomes they receive. And they generally hold to this range even when income rises and falls; so it follows that they generally spend about the same percentage of dollars of income added or subtracted. If we cut about $8 billion from the consumer tax load, we can reasonably expect a direct addition to consumer goods markets of well over $7 billion.

A reduction of corporate taxes would provide a further increment to the flow of household incomes as dividends are enlarged; and this, too, would directly swell the consumer spending stream.

The direct effects, large as they are, would be only the beginning. Rising output and employment to meet the new demands for consumer goods will generate new income—wages, salaries, and profits. Spending from this extra income flow would create more jobs, more production, and more incomes. The ultimate increases in the continuing flow of incomes, production, and consumption will greatly exceed the initial amount of tax reduction.

Even if the tax program had no influence on investment spending—either directly or indirectly—the $8—9 billion added directly to the flow of consumer income would call forth a flow of at least $16 billion of added consumer goods and services.

But the program will also generate direct and indirect increases in investment spending. The production of new machines, and the building of new factories, stores, offices, and apartments add to incomes in the same way as does production of consumer goods. This too sets off a derived chain reaction of consumer spending, adding at least another $1 billion of output of consumer goods for every $1 billion of added investment.

Taxes and investment

To raise the Nation's capacity to produce—to expand the quantity, quality, and variety of our output—we must not merely replace but continually expand, improve, modernize, and rebuild our productive capital. That is, we must invest, and we must grow.

The past half decade of unemployment and excess capacity has led to inadequate business investment. In 1962, the rate of investment was almost unchanged from 1957 though gross national product had risen by almost 16 percent, after allowance for price changes. Clearly it is essential to our employment and growth objectives as well as to our international competitive stance that we stimulate more rapid expansion and modernization of America's productive facilities.

As a first step, we have already provided important new tax incentives for productive investment. Last year the Congress enacted a 7-percent tax credit for business expenditures on major kinds of equipment. And the Treasury, at my direction, revised its depreciation rules to reflect today's conditions. Together, these measures are saving business over $2 billion a year in taxes and significantly increasing the net rate of return on capital investments.

The second step in my program to lift investment incentives is to reduce the corporate tax rate from 52 percent to 47 per-

cent, thus restoring the pre-Korean rate. Particularly to aid small businesses, I am recommending that effective January 1, 1963, the rate on the first $25,000 of corporate income be dropped from 30 to 22 percent while the 52 percent rate on corporate income over $25,000 is retained. In later stages, the 52 percent rate would drop to 47 percent. These changes will cut corporate liabilities by over $2.5 billion before structural changes.

The resulting increase in profitability will encourage risk-taking and enlarge the flow of internal funds which typically finance a major share of corporate investment. In recent periods, business as a whole has not been starved for financial accommodation. But global totals mask the fact that thousands of small or rapidly growing businesses are handicapped by shortage of investible funds. As the total impact of the tax program takes hold and generates pressures on existing capacity, more and more companies will find the lower taxes a welcome source of finance for plant expansion.

The third step toward higher levels of capital spending is a combination of structural changes to remove barriers to the full flow of investment funds, to sharpen the incentives for creative investment, and to remove tax-induced distortions in resource flow. Reduction of the top individual income tax rate from 91 to 65 percent is a central part of this balanced program.

Fourth, apart from direct measures to encourage investment, the tax program will go to the heart of the main deterrent to investment today, namely, inadequate markets. Once the sovereign incentive of high and rising sales is restored, and the businessman is convinced that today's new plant and equipment will find profitable use tomorrow, the effects of the directly stimulative measures will be doubled and redoubled. Thus—and it is no contradiction—the most important single thing we can do to stimulate investment in today's economy is to raise consumption by major reduction of individual income tax rates.

Fifth, side-by-side with tax measures, I am confident that the Federal Reserve and the Treasury will continue to maintain, consistent with their responsibilities for the external defense of the dollar, monetary and credit conditions favorable to the flow of savings into long-term investment in the productive strength of the country.

Given a series of large and timely tax reductions and reforms, as I have proposed, we can surely achieve the balanced expansion of consumption and investment so urgently needed to overcome a half decade of slack and to capitalize on the great and growing economic opportunities of the decade ahead.

The impact of my tax proposals on the budget deficit will be cushioned by the scheduling of reductions in several stages rather than a single large cut; the careful pruning of civilian expenditures for fiscal 1964—those other than for defense, space, and debt service—to levels below fiscal 1963; the adoption of a more current time schedule for tax payments of large corporations which will at the outset add about $1½ billion a year to budget receipts; the net offset of $3½ billion of revenue loss by selected structural changes in the income tax; most powerfully, in time, by the accelerated growth of taxable income and tax receipts as the economy expands in response to the stimulus of the tax program.●

STATEMENT AGAINST BREAKING THE TURKISH ARMS EMBARGO

● Mr. DURKIN. Mr. President, to my extreme disappointment and the disappointment of so many Americans, the administration recently announced that it is seeking $175 million in arms cash and credit sales to Turkey in fiscal year 1979 without any linkage to an agreed settlement or even progress on the issue of Cyprus. This recommendation runs directly counter to the President's campaign pledge, reiterated several times since he assumed office, that normalization of arms sales to Turkey should be preceded by a settlement of a Cyprus problem.

I intend to oppose the President's attempt to break this embargo should it come to the Senate floor for consideration. Though Turkey has been an effective NATO ally, its use of weapons sold to it by this country to invade Cyprus in 1974, disturbs me greatly. The facts of that tragedy are widely known, and there is no need to repeat them here, other than to note that after almost 4 years, Turkey continues to occupy at least 40 percent of the Island of Cyprus. Turkey has indicated almost total unwillingness to conform with United Nations Resolution 3212 of November 1, 1974, which they signed and which calls for the removal of all foreign military forces from Cyprus.

The reasons the administration has given for its 180-degree turn on arms sales to Turkey find little support in reason or in rationality. Secretary of State Cyrus Vance, until recently another strong supporter of the arms embargo to Turkey, testified recently that he thinks the embargo has gone on long enough. I might agree and other Members of this body might agree if Turkey complied with the laws of our country, the NATO charter, and Resolution 3212 during the past few years, but instead Turkey has continued in violation. Is the Secretary of State proposing that we reward the Turkish Government for their failures to comply? I find it hard to believe that this administration, pledged as it is to human rights throughout the world, wants to take such a stand knowing that the Turkish forces on Cyprus have displaced over 200,000 Greek Cypriots.

I hope the Department of State does not have to be reminded that arms transfers to Turkey would be in direct violation of the human rights provision of the International Security Systems and Arms Export Control Act. The 30,000 Turkish occupying troops and the estimated 35,000 mainland Turks sent to Cyprus as illegal colonizers by the Turkish Government show continuing violations by the Turkish Government of internationally recognized human rights.

Certainly studies by respected journalists from newspapers such as the London Sunday Times, documenting numerous major violations of human rights should dissuade anyone in this administration from thinking even for a second that this country can, within its own human rights provisions, send arms to Turkey.

I do not doubt that Turkey potentially is important to the strength of NATO. But when the Prime Minister of that country makes obvious moves toward increasing contact with the Soviet Union, and downplays the tremendous potential military threat from the Soviet Union and the other Warsaw Pact countries while choosing to focus on the military development of its supposed NATO ally Greece, military planners in this country and throughout all of Western Europe must have serious doubts about whether Turkey's actions presently strengthen or undermine NATO security.

Mr. President, I am not alone in my concern on this issue. All across America, people who support international justice and human decency are feeling betrayed, because this administration is reneging on a promise to the American people. One of the most eloquent statements of that feeling is found in a letter written to the President earlier this year by New Hampshire State Representative Christos G. Spirou, Democratic leader of the House of Representatives. I am extremely impressed by Chris Spirou's comments, and I submit the letter for the RECORD.

APRIL 12, 1978.

President JIMMY CARTER,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: On Thursday, April 6th I witnessed on Capitol Hill one of the saddest commentaries of our current foreign policy posture: I'm referring to the appearances before the House Foreign Affairs Committee of Secretary Vance, Secretary Brown and Chairman-designate of the Joint Chiefs of Staff, General Jones. The subject matter was the lifting of the Congressional military embargo against Turkey, an embargo first implemented several years ago when Turkey attacked the sovereign nation of Cyprus.

My comments are not those of an ethnic political activist but rather of a young Democratic politician concerned about the apparent abandonment of the basic principles of your administration. Sitting in that Committee room and listening to Secretary Vance try to give the Foreign Affairs Committee justification for the reversal of your administration's position on this issue was discouraging and bewildering. Even to the most casual and detached observer, his testimony would have appeared shallow, groundless, and politically accommodating. I could not help but feel that had my eyes been closed and had Secretary Vance a different accent, I would have thought it was Henry Kissinger doing the talking. Secretary Vance stated the reason for your wanting to lift the embargo is that no progress has been made on the Cyprus issue during the last three years and, as a result, our relations with Turkey have deteriorated. He admitted to having supported the imposition of the embargo in 1975.

One could reasonably ask the Secretary what he expected three years ago when he suggested that an embargo be imposed. Did he anticipate our relations with Turkey would improve or did he expect that the discontinuation of military aid to Turkey would strengthen the military posture of that country?

Secretary Vance further suggested that three years of punishment is sufficient and that the withholding of arms has not spurred Turkey into a negotiated settlement on the Cyprus matter. Should reasonable people expect that those who have committed crimes and have been incarcerated for three years be released if no rehabilitation is evident or, as in the case of Turkey, be given more arms with which to commit the same crimes?

Needless to say, my disillusionment with your decision to change the administration's position on the Cyprus question is compounded by my personal awareness of Turkish atrocities during and after the illegal invasion of Cyprus. I had hoped that my President would stand firm and would insist that the colonization of Cyprus by Turkey was in violation of international human rights and in contradiction of the principles

of human rights you have justly articulated since the outset of your Presidency. I had hoped that the occupation of 40 percent of Cyprus by a 40,000 Turkish military force armed with U.S. military equipment would be sufficient evidence of illegal presence of Turkey in the sovereign country. Frankly I had hoped that my President would be supportive of withdrawal from the illegal occupation of Cyprus, rather than supportive of more military assistance, implicitly condoning past Turkish atrocities.

I am sending a copy of this letter to Vice President Mondale, as he and I have spoken on the Cyprus question on many occasions both during and after the 1976 Presidential campaign.

Sincerely yours,

CHRIS SPIROU,
New Hampshire House Democratic Leader.

DEATH OF EDWARD HUNTER

Mr. THURMOND. Mr. President, Edward Hunter, a renowned author, newspaperman, and an expert on communism and the Soviet Union, passed away on Saturday, June 24, 1978, at his home in Arlington, Va., at the age of 75.

Mr. President, I have known Mr. Hunter for over 20 years. He was a man of impeccable integrity, honesty, and character. He was an astute professional in the psychological warfare field who dedicated his life and writings to expose Communist operations worldwide and the Soviet threat to our national security.

Mr. Hunter, who was employed by the Central Intelligence Agency in the late 1940's, was one of our foremost experts and authorities on "brainwashing." One of his first books was entitled "Brainwashing: The Story of Men Who Defied It." It was widely read and respected throughout the Government after the Korean war.

For the past 14½ years, Mr. Hunter edited and published a news analysis entitled "Tactics." It is reported to be the only professional "psywar" journal in the country. "Tactics" provided a very useful analysis and evaluation of significant events throughout the world which reflected Communist activities and related objectives. His publication has been of special interest and use to the intelligence community and Members of Congress because of Mr. Hunter's experience, knowledge, and reputation for accuracy, astuteness, and expert analytical evaluation.

Mr. President, I ask unanimous consent to have printed in the RECORD the obituary tributes published in the Washington Star and the Washington Post newspapers on June 26, 1978, and Mr. Hunter's biography from Who's Who in America.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EDWARD HUNTER DIES; WRITER AND PUBLISHER

Edward Hunter, 75, a writer and former newspaperman who is credited with being the first to use the word "brainwashing" and to give details of its strategy, died Saturday at his home on North 4th Street in Arlington after a heart attack.

For the last 14 years Hunter was publisher of Tactics, a monthly magazine that analyzes current events and is called by some the only professional psychological warfare journal in the world.

An employee of the Central Intelligence Agency beginning in 1947, Hunter was an early employee of the Office of Strategic Services, the predecessor of the CIA.

Hunter was a leader in anti-Communist organizations and was chairman of the Anti-Communist Liaison Committee in the early 1960s. His book, "Brainwashing: The Story of Men Who Defied It," was published in 1956. The book was revised in 1971 and published as "Brainwashing: From Pavlov to Powers." He also wrote "The Black Book on Red China," in which he analyzed Communist techniques in changing minds.

A native of New York City, Hunter was a foreign correspondent for the International News Service in the Far East when he broke the story of the Japanese invasion of Manchuria in 1931. He later went to Spain to report on the civil war there and he covered the Italian invasion of Ethiopia. Hunter next worked on the foreign desk of the New York Post.

During World War II, he was a specialist on psychological warfare for the OSS and was associated with the office's Asian section. He later was an adviser to the Air Force on psychological warfare.

In 1956 before the Senate Permanent Investigation subcommittee, Hunter testified on brainwashing, which then was used to describe the technique by which Communist governments were reputed to break the will of captives and transform them into virtual robots.

Brainwashing as a problem in the cold war came to American public attention with the release of prisoners from captivity in Red China. The question later was raised by returned prisoners of war from Korea, whether some of their number were subjected to brainwashing while in prisoner of war camps.

Hunter testified before the Senate Internal Security subcommittee in 1961. Two years later, while chairman of the Anti-Communist Liaison Committee, Hunter accused the FBI of harassing participants in the organization's two-day meeting here where the story of a private air raid on Cuba was first reported. He accused then-Attorney General Robert F. Kennedy of "using the FBI as a political machine against anti-Communist groups to try to prevent them from operating."

On another occasion he criticized President John F. Kennedy, Sen. William Fulbright, D-Ark., U.N. Ambassador Adali Stevenson and presidential adviser Chester Bowles for their liberal leadership.

Hunter was a recipient of the Bella Dodd Memorial Award, the Order of Lafayette and other citations. He was a member of the Overseas Press Club of New York and other journalistic organizations.

He leaves his son, Robert, of Rochester, N.Y.; a daughter, Tatiana Potts of Glenelg, Md., and seven grandchildren.

Services will be held at 8 p.m. tomorrow in Joseph Gawler's Sons Funeral Home, 5130 Wisconsin Ave. NW. Burial will be private.

EDWARD HUNTER, WRITER AND EDITOR

Edward Hunter, 75, a leader in anti-communist causes and the author of several books on "brainwashing," a term he is said to have coined, died at his home in Arlington on Saturday following an apparent heart attack.

From 1964 until his death, Mr. Hunter had been editor and publisher of TACTICS, a monthly journal devoted to developments in psychological warfare and analyses of current events. He also was chairman of Anti-Communism Liaison, Inc.

He was a former newspaperman and foreign correspondent. From 1927 to 1930, he worked on English-language newspapers in Japan and China. From 1931 to 1936, he worked for the old International News Service and covered the Japanese invasion of Manchuria, the Spanish Civil War and the Italian invasion of Ethiopia.

During World War II, he was a psychological warfare specialist with the army and with the Asian section of the Office of Strategic Services. He also was an adviser to the Air Force on psychological warfare in the mid-1950s.

His books on "brainwashing"—the use of psychological and other pressures to obtain confessions from prisoners—include "Brainwashing in Red China," first published in 1951 and issued in a revised version in 1971, and "Brainwashing: The Story of the Men Who Defied It," published in 1956. This also was published in revised form in 1971 under the title, "Brainwashing: From Pavlov to Powers."

Mr. Hunter was born in New York City. His early newspaper experience was on The Newark, N.J., Ledger, The New Orleans Item, The New York Post and The New York American.

He was married in 1932 to the former Tatiana Pestrikoff, who now lives in Greatlawn, N.Y. The marriage ended in divorce in 1961.

Survivors include a son, Robert, of Rochester, N.Y., a daughter, Tatiana Potts, of Glenelg, Md., and seven grandchildren.

WHO'S WHO IN AMERICA

Hunter, Edward, editor, author; b. N.Y.C., July 2, 1902; s. Edward and Rose (Weiss) H.; self educated; m. Tatiana Pestrikoff, June 30, 1932 (div. May 1961); children—Robert, Tate Ann. Reporter, news editor of various newspapers, including Newark Ledger, New Orleans Item, N.Y. Post, N.Y American; reporter Paris edit. Chgo. Tribune, 1924–25; news editor Japan Advertiser, Tokyo, 1927; editor Hankow (China) Herald, 1928–29, Peking Leader, 1929–30; covered Japanese conquest of Manchuria, Spanish Civil War, Italian conquest of Ethiopia, Internat. News Service, 1931–36; chmn. Anti-Communist Liaison, Inc., 1962–; publisher-editor of monthly TACTICS (also bound in ann. vols.), 1964–. Cons. psychol. warfare USAF, 1953–54. Served as propaganda warfare specialist AUS, with morale operations sect. OSS, Asia, World War II. Clubs: Overseas Press, Silurians. Author: Guide to Peking, 1930; Brain-Washing in Red China, rev. edit., 1971; Brainwashing: The Stor yof Men Who Defied It, 1956, rev. as Brainwashing: From Pavlov to Powers, 1971; The Story of Mary Liu, 1957; The Black Book on Red China, 1958; The Past Present: A Year in Afghanistan, 1959; In Many Voices: Our Fabulous Foreign-Language Press, 1960; Attack by Mail, 1963. Contbr. articles on psychol. warfare, polit. extremism to numerous periodicals. Address: 4114 N. 4th St., Arlington VA 22203.

My firsthand study of pressures against the mind in wartime, which I later wrote about as brainwashing, demonstrates that when a man retains spirit, he has always hope of survival, but when the spirit dies, the strongest physique perishes. I found that convictions, faith and prayer provide survival stamina for those who lack all else.

NEW YORK CITY LOAN GUARANTEE ACT OF 1978

Mr. ROBERT C. BYRD. Mr. President, under the order previously entered, I ask that the Chair lay before the Senate H.R. 12426.

The PRESIDING OFFICER. The clerk will state the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 12426) to authorize the Secretary of the Treasury to provide financial assistance for the city of New York.

The Senate proceeded to consider the bill which had been reported from the Committee on Banking, Housing, and Urban Affairs with an amendment.

Mr. ROBERT C. BYRD. Mr. President, it had been hoped that the Senate would complete action on the State Department Authorization Act in time so that the Senate might proceed to the consideration of the New York legislation and complete action on it today. Obviously at this hour it is not going to be possible.

TIME-LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on this measure there be a time agreement as follows: 4 hours on the bill, 1 hour on any amendment, one-half hour on any amendment to an amendment; 2 hours on an amendment by Mr. HARRY F. BYRD, JR.; 20 minutes on any debatable motion, appeal, or point of order if such is submitted to the Senate for consideration, and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes tonight, but it is anticipated that rollcall votes may occur beginning early tomorrow, and it is hoped that Senators will be prepared to call up their amendments tomorrow early, and that the Senate might be able to dispose of the bill at a reasonable hour, after which there will be no further action until after the holiday.

I thank all Senators for their consideration.

The text of the agreement follows:

Ordered, That when the Senate proceeds to the consideration of H.R. 12426, an act to authorize the Secretary of the Treasury to provide financial assistance for the city of New York debate on any amendment in the first degree (except an amendment to be offered by the Senator from Virginia Mr. BYRD on which there shall be 2 hours) shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill; debate on any amendment in the second degree shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill; and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 4 hours, to be equally divided and controlled by the Senator from Wisconsin (Mr. PROXMIRE), and the Senator from Texas (Mr. TOWER): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that certain members of the staff of the Banking Committee be granted privilege of the floor during the debate on the New York amendment and be allowed to come on the floor at this time so they can be here for that event: Ken McLean, Elinor Bachrach, Howard Menell, Jerry Buckley, John Collins, John Daniels, Tony Cluff, and also from Senator PERCY'S staff, Barbara Block.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHMITT. Mr. President, I ask unanimous consent to include on that list Stephen Beck of my staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, unless any Senator wants to make a statement on the New York City bill tonight, I shall ask that there now be a period for the transaction of routine morning business, after Mr. TOWER is heard.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. TOWER. I would suggest that we not proceed with opening statements tonight, and that the time begin to run tomorrow morning when the bill becomes the pending business.

Mr. ROBERT C. BYRD. Very Well.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business with Senators permitted to speak for up to 5 minutes therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina is recognized. The Senate will be in order.

Mr. HELMS. I thank the Chair. Mr. President, I ask unanimous consent that Mr. James Lucier be accorded the privilege of the floor during the consideration of the New York bill and any votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. I thank the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. STENNIS. Mr. President, the Senator from West Virginia seeks recognition. I yield to him.

Mr. ROBERT C. BYRD. I thank the Senator.

TIME LIMITATION AGREEMENTS

MILITARY PROCUREMENT AUTHORIZATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent—I believe this has been cleared all around—that there be a time limitation on the military procurement authorization bill as follows: 10 hours on the bill, to be equally divided between the Senator from Mississippi (Mr. STENNIS) and the Senator from Texas (Mr. TOWER); 2 hours on any amendment to an amendment; and 20 minutes on any debatable motion, appeal, or point of order, if such is submitted to the Senate; and that the agreement be in the usual form.

Mr. STENNIS. Mr. President, reserving the right to object, and I shall not object, I think this is a very practical agreement. Sometimes we have to have time on a bill before we can obtain consent to it being taken up, but with this agreement that will take care of the situation, I think.

I yield to the Senator from Texas.

Mr. TOWER. Let me simply say I concur with the Senator from Mississippi that, unless they throw some foul balls at us, I think we can dispose of it in that length of time.

Mr. BAKER. Mr. President, reserving the right to object, may I ask the majority leader if he has any idea when this matter will be reached?

Mr. ROBERT C. BYRD. Yes; I thank the Senator from Tennessee for bringing that to my attention.

Mr. President, I ask unanimous consent that the military procurement bill be the pending business before the Senate on Monday, July 10, when the Senate returns from its Independence Day holiday, immediately following the recognition of the two leaders under the standing order on that date, or following the recognition of any Senators for whom 15 minute orders have previously

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

MILITARY CONSTRUCTION AUTHORIZATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the military procurement authorization bill, the Senate proceed to the consideration of the military construction authorization bill, that there be a time limitation agreement thereon of 4 hours, divided equally between Mr. STENNIS and Mr. TOWER, that there be a time limitation on any amendment of 1 hour and a limitation on any amendment to an amendment of 30 minutes, that there be a limitation of 20 minutes on any debatable motion, appeal, or point of order if such is submitted to the Senate, and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the division and control of time on the New York City bill be under the direction of Mr. TOWER and Mr. PROXMIRE.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMODITY EXCHANGE ACT EXTENSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as S. 2391, the Commodity Exchange Act extension bill, is called up and made the pending business before the Senate, there be a time limitation agreement thereon of 2 hours, to be equally divided between Mr. LEAHY and Mr. DOLE, a limitation on any amendment of 30 minutes, and a limitation on any debatable motion, appeal, or point of order, if such is submitted to the Sen-

ate, of 15 minutes; and that the agreement be in the usual form.

Mr. BAKER. Mr. President, reserving the right to object, may I ask the majority leader if it is his intention to schedule this item to follow on after the military construction authorization bill?

Mr. ROBERT C. BYRD. That would be fine; I know of no objection to that, and I would include that in my request.

Mr. MELCHER. Mr. President, reserving the right to object, I wonder if the majority leader would include in that unanimous-consent request an opportunity for me to have 30 minutes on the bill, and an opportunity for an hour for myself on an amendment.

Mr. ROBERT C. BYRD. Mr. President, I add to that request the provision that Mr. MELCHER have 30 minutes on the bill under his control, and that there be a 1-hour limitation on an amendment by Mr. MELCHER, to be equally divided in accordance with the usual form.

The PRESIDING OFFICER. Does the Senator wish to provide for a time agreement on amendments to amendments?

Mr. ROBERT C. BYRD. No, 30 minutes on all amendments.

Mr. HARRY F. BYRD, JR. Mr. President, reserving the right to object, would the majority leader refresh my memory as to which bill this is?

Mr. ROBERT C. BYRD. This is the Commodity Exchange Act extension.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

ENDANGERED SPECIES BILL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as calendar order No. 804, S. 2899, the endangered species bill, is called up and made the pending business before the Senate, there be a time agreement thereon as follows: 2 hours on the bill, to be equally divided between Mr. CULVER and Mr. STAFFORD, 30 minutes on any amendment, except 1½ hours on an amendment by Mr. STENNIS, and 15 minutes on any debatable motion, appeal, or point of order, if such is submitted to the Senate; and that the agreement be in the usual form.

Mr. BAKER. Mr. President, once again reserving the right to object, this is the fourth item the distinguished majority leader has been able to request time limitations on. I wonder if the majority leader would consider scheduling this in sequence, to follow after the disposition of calendar order No. 781.

Mr. ROBERT C. BYRD. Mr. President, I am delighted to do so, and I add that to my request.

Mr. STENNIS. Mr. President, reserving the right to object, do I correctly understand this is still talking about the endangered species bill, to follow after the commodity credit extension?

Mr. ROBERT C. BYRD. Yes.

Mr. MAGNUSON. Mr. President, will the majority leader yield?

Mr. ROBERT C. BYRD. Yes.

Mr. MAGNUSON. There is an important matter that I hope will not take over 10 minutes tomorrow, if we can go into executive session, on the American-Canadian fisheries agreement. The Senator from Alaska and I have a direct interest in the matter. We have a hold on that measure, but we have decided to take the hold off, and I think it is important that some time tomorrow 10 or 15 minutes be taken up with it, because they are having a meeting between the Canadians and the United States. As a matter of fact, they are having it late tomorrow.

Mr. BAKER. Mr. President, if the Senator will yield to me for a moment, I would say, based on his representation that he has discussed this matter with the distinguished Senator from Alaska, and the information that we have on the calendar, there is no problem with that, and we would have no objection to trying to provide for that tomorrow.

Mr. MAGNUSON. It should not take 10 minutes.

Mr. ROBERT C. BYRD. Does the Senator expect any reservations or amendments?

Mr. MAGNUSON. No; I do not expect any.

Mr. JAVITS. What number is that?

Mr. BAKER. Calendar No. 885, on the Legislative Calendar.

TIME LIMITATION AGREEMENT—H.R. 12571

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow immediately upon the disposition of the New York City legislation, the Senate proceed to the consideration of Calendar Order No. 885, an act to amend the Fishery Conservation Zone Transition Act in order to give effect to the reciprocal fisheries agreement for 1978 between the United States and Canada, and that there be a time limitation thereon of not to exceed 20 minutes, to be equally divided between Mr. MAGNUSON and the minority leader or his designee, and that the time on amendments be limited to 10 minutes, debatable motions, appeals, or points of order, and that the agreement be in the usual form.

Mr. BAKER. I will accept control of that time, Mr. President, only on the condition that they take the snail darter along with it.

The PRESIDING OFFICER. Without objection, it is so ordered.

TAXPAYER REVOLT

Mr. HARRY F. BYRD, JR., Mr. President, on June 6, 1978, the citizens of California, through proposition 13, announced the beginning of a revolt against irresponsible government spending.

Californians were sending a message both to their own officials and to Washington that they wanted to do away with unnecessary, wasteful spending programs which add to their tax burden, even if this action would cause them some hardship and discomfort.

The passion on this issue in California ran deep.

The Los Angeles Times printed a letter from a proposition 13 supporter which in part said:

> Even now, the state shows contempt for the public will. The legislature, and the government at large, are literally addicted to profligate spending. This addiction must be broken. The state must learn to live on the same scale as those (who) support it. Proposition 13 is intended to start the treatment.

In the New York Daily News article of June 5, 1978, entitled "California Taxpayer Revolt Spreading Like Wildfire," a liberal Democrat who supported proposition 13 was quoted:

> Jarvis forced some action out of the politicians, and I'm voting for (sic.) it because I want them to get the message, not only here, but in federal government. That's who I'm really mad at—and I want them to know it!

Mr. President, the message that California sent is spreading eastward across the land.

The rising tide of frustrated taxpayers is being heard in the cities of Ohio, where school tax increases were defeated on June 6 throughout the State, and in other States and localities across the land.

Mr. President, I ask unanimous consent that the article entitled, "How Far Will California Tax Revolt Spread?" which appeared in the Christian Science Monitor of June 8, 1978, be introduced into the RECORD in full at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HARRY F. BYRD, JR. Mr. President this message touched the east coast on June 13 when voters in Fairfax County of my own State of Virginia voted decisively to reject $16 million in bonds that would have been used to build new storm drainage facilities and fire stations.

Voters everywhere have become frustrated with the spreading practices of the political leaders they have elected. Too often when the voters exercise their right to vote incumbents out, the newly elected officials assume the same irresponsible fiscal practices of their deposed predecessors.

Out of despair, California voters have taken the only avenue left open to them to impose fiscal restraint on their leaders by voting to cut their pursestrings.

Voters in California and other States are telling their elected officials to beware, the people will no longer blindly support their spendthrift ways. The tax burden is becoming increasingly oppressive.

I hope the Senate is listening to the rising clamor from the taxpayers. This clamor is rapidly becoming the voting taxpayers' marching song as they go into battle against unresponsive and irresponsible politicians.

California's vote and the subsequent actions of its citizens and responsive politicians provides an interesting contrast to another case of fiscal distress that is currently under examination by the Senate in the form of aid to New York City.

Ironically, June 6 was also the day the Senate Banking Committee began consideration of legislation to provide financial assistance to New York City.

For several months before the commit-

tee began its hearings, New York City had been conducting a massive, intense lobbying campaign.

The New York Times on April 26, 1978, noted that as of that date:

Altogether about $750,000 is being spent by the taxpayers in New York State to maintain the lobbying and reporting forces which is just one short of equaling the combined numbers of New York Senators and Representatives in Washington.

Mr. President, I ask unanimous consent that the New York Times article of April 26, 1978, entitled "Eight Units Lobby for New York in Washington" be inserted in the RECORD in full at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. HARRY F. BYRD, JR. This lobbying effort increased and intensified as Congress began to debate the issue of actual aid bill for New York City.

The Daily News on June 5, 1978 in an article entitled "House Warming Up to Us in D.C." noted that:

(A) coalition of groups began last week to step up their drive for the bill. The groups included Carter administration lobbyists, congressional supporters, governmental groups like associations of counties, mayors and governors, and a wide array of labor, business and banking officials.

The Daily News reported in its June 8 edition:

In what one White House aide called an "enormous" lobbying effort, the Carter administration, led by the President and Vice President Mondale, began telephoning undecided Democrats yesterday, pushing for House passage today of legislation to give New York City up to $2 billion in long-term federal loan guarantees.

And the New York Times in its June 14 edition, prominently displayed an article whose headline read "Lobbying for City Aid Stepped Up as Proxmire Unit Ends Hearings."

The Congress has been bombarded with reams and reams of paper extolling the virtues of New York City and why it deserves long-term guarantees.

The intent of this lobbying effort is to push quick passage of aid to New York City legislation under the guise that the city is faced with an emergency situation.

The effect of this lobbying effort is that Congress is being catapulted into hasty action on this legislation, without full information on all of the issues involved.

This hard-sell pressure is a lobbying tactic Congress is seeing more and more of today. The idea behind the tactic is to create a smokescreen around the issue, preventing the public from seeing the problem objectively.

The New York lobby has laid down a very effective smokescreen.

Except for isolated instances, notably the Wall Street Journal, the Washington Star, and a few Virginia newspapers, the Nation's newspapers appear to have been lulled into accepting the New York lobby line.

There is an old axiom that if you repeat a story long enough and hard enough it will be believed. Saying it makes it so.

In the hearings held by the Senate Banking Committee on this issue, very few witnesses appeared that were not from New York City or did not repeat the New York lobby line.

Senator PROXMIRE made pointed reference to this fact when he noted that the economic and political pressure that the lobby represents had apparently intimidated more opposition witnesses to the guaranteed aid to New York City.

We have before us today some witnesses who share my skepticism and my doubts. They are experts in the investment area and in the field of municipal finance, and they, too, have questions about the necessity and wisdom of providing long-term guarantees of New York City obligations, however circumscribed their use. I should add that, in my opinion, these witnesses represent a much larger body of opinion in this country than is evidenced by their numbers at these hearings. We have found that there are many people who feel strongly about this issue and who share in the skepticism, but who are reluctant to speak publicly and go up against the powerful political and financial leaders who appeared here and testified in support of the proposed legislation.

Mr. President, the pressure that can be brought to bear by the giant banks headquartered in New York City, labor unions, politicians, and the administration is, indeed, powerful. The bankers have been especially active.

As Senator PROXMIRE stated, it is not hard to imagine how this pressure has been utilized to prevent knowledgeable opponents of long-term guarantees for New York from speaking out on this subject.

Despite hard-sell tactics, intensive lobbying and the creation of a smokescreen, however, many remain unconvinced that the Federal Government should provide Federal guarantees to New York City.

Senator PROXMIRE has stated for the record many times that his mail from New York City area residents themselves is running 3 to 1 in opposition to Federal guarantees for the city's politicians.

Other non-New York area Congressmen have indicated that their mail is also running heavily in opposition to this issue. Representative THOMAS EVANS, a Republican from Delaware, noted that a recent poll in his State showed 70 percent of the population there was opposed to any Federal help for New York City.

What are the facts?

First, let us consider costs.

If there is one thing proposition 13 has told the politicians, it is that the cost of government programs is first and foremost in the public's mind.

The New York lobby, it appears, anticipating the appeal of proposition 13 to the Nation began early to allege that the granting of long-term Federal guarantees—absent default by the city—would not cost the Federal Government 1 cent.

Through "fact" sheets, literature, interviews, speeches, the New York lobby has attempted to convince the public that the guaranteed route would not cost the public or the Federal Government a single penny, but in fact, would produce a profit for the Federal Treasury.

Mayor Koch in an April 27 report to the Members of Congress strongly emphasized this point:

. . . In fact we are not asking the Federal Government to give a cent. We are asking for loan guarantees not a subsidy.

On the floor of the House during debate on this issue, New York Congressmen repeatedly brought up the cost issue.

Congressman GREEN echoed the chapter and verse of the lobby's line when he said on the floor of the House:

. . . What will this (program) cost the Federal Government?

Believe it or not, it will not cost the Federal Government anything.

First, I want to emphasize that this legislation is not a "giveaway" of the taxpayers' money.

The bill is not a "bail-out." . . . Further it is not even a subsidy program.

Majority Leader WRIGHT appeared to have been convinced by the cost argument propounded by the lobby when he wrote in a letter to Congressman BAUMAN, an opponent of long-term guarantees that:

. . . It will not cost the rest of us one penny to give that city a limited loan guarantee, which is all they are asking. To refuse would not even be intelligently selfish because any such refusal would inevitably hurt the rest of us.

But many authorities do not agree that this program is without cost.

The Library of Congress, in a report entitled "Federal Loan Guarantees and Their Use As a Mechanism To Correct Market Imperfection Assist Marginal Borrowers and Finance Discrete Ventures" rebutted the lobby's claim when it stated emphatically:

One misconception is that loan guarantees are costless to the Federal Government since no large budget outlays occur except in the case of default. . . .

Guarantees are not costless. Some of the direct costs to the Federal Government include the administration of the program, appropriations to cover defaults, direct subsidies in those programs where borrowers pay a below market rate of interest, and the indirect subsidies which make it possible for borrowers either to obtain funds or get them at a lower cost.

. . . Other costs associated with loan-guarantees include crowding out effects on capital markets and market anomalies caused by directing credit to areas where it might not otherwise go.

I ask unanimous consent that this report, dated Aprli 27, 1977, be inserted in full at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. HARRY F. BYRD, JR. Senator PROXMIRE, in the Banking Committee's June 6 hearing, gave a strong rebuttal to the New York lobby's position advanced by Senator JAVITS that the Federal Government's interest is adequately protected in the bill by the lien it holds on Federal transfer payments to New York City and State, to be used as an offset if there is a default. Senator PROXMIRE said:

(Y)ou know perfectly well if New York were in such desperate shape that they wouldn't be able to meet the obligations and the guarantee would have to be called, under those circumstances the last thing the Federal government would do would be to step in and say no revenue sharing, no CETA funds, we are going to make it worse for you. So that doesn't help us.

Lyle E. Gramley, a member of the President's Council of Economic Advisers, in testimony March 30, 1977, before the Subcommittee on Economic Stabilization of the House Banking Committee on the subject of Federal loan guarantees buttressed Senator PROXMIRE's argument when he stated:

(W)hen loan guarantees are used as a means of providing Federal assistance, the potential loss to the Government is usually larger than if the assistance had been provided through other means. . . . (T)he incentives for increased Federal involvement when subsidized projects do not prove viable may be greater when loan guarantees are used as a form of subsidy. The pressure to avoid political or bureaucratic embarrassment may result in additional and perhaps wasted support for projects in severe financial difficulties. A good default record is not necessarily a sign that a loan guarantee program is operating successfully.

The increased borrowing cost to the Federal Government was illuminated by Mr. David Lilly, a member of the Board of Governors of the Federal Reserve System, in his proposed testimony before the Subcommittee of Economic Stabilization of the House Banking Committee in its March 30 hearings on Federal loan guarantees:

Loan guarantees also tend to raise the amount of interest that must be paid on the national debt. This occurs because instruments bearing the full faith and credit guarantee of the Federal government are viewed as close substitutes for direct Government debt by many investors, and the competition from such instruments might tend to increase the cost of the Treasury's own debt financing operations.

Roger Altman, Assistant Secretary for the Department of the Treasury testifying on the same day before the subcommittee stated that:

The Treasury opposes Federal guarantees of tax exempt municipal bonds, because they create a class of securities which is stronger than the Federal Government's own securities. Like Treasury securities, they would be exempt from Federal taxes.

In other words, if there are increases in tax-exempt bonds with Federal guarantees, you create an increasing class of securities which can outcompete with the Federal government's own securities in the market, and as a matter of fact, certain bonds and notes which are federally guaranteed and also tax exempt today trade substantially below Treasury bills and notes of the same maturities.

Another cost that springs from a guarantee program is the unmeasurable cost that the public experiences when they are crowded out.

In a General Accounting Office draft report entitled "Costs and Subsidies From Federal Credit Assistance Programs," which is in the process of becoming finalized, the costs to the public from guarantee programs is summarized:

Aside from the direct subsidy, there are other costs of credit assistance which may go unrecognized. These costs relate to the fact that credit which is used to finance one project is not available to finance another. Thus there is a possibility that providing credit assistance can mean "crowding out" of other potential borrowers in the private sector, either directly or by driving up interest rates on the available supply of credit

While it can be demonstrated that this reallocation exists, and that it entails economic costs, it is difficult to me to assess (sic.) those costs and almost impossible to determine who pays them. Thus, an assessment of the true economic costs of credit assistance programs must consider these unqualifiable—but potentially significant components.

Mr. W. Bowman Cutter, Executive Associate Director for Budget, Office of Management and Budget, in testifying before the Subcommittee on Economic Stabilization of the House Banking Committee on March 29, 1977, succinctly explained the crowding out theory so that any layman would understand its costs to the public.

The Treasury has unlimited power to outbid all competitors. Large Corporations with high-earnings potential usually come next. The corporations generally pay higher interest rates than Treasury. Other borrowers—such as home buyers, small businesses, many State and local governments, most farmers, and at times, regulated utilities—are more limited in their ability to obtain funds.

Providing direct loans to borrowers substitutes the Federal Government's credit rating for the individual borrower's and places any risk of default on the Treasury. Similarly, providing guarantees makes investors more willing to finance those borrowers and activities that are favored, as well as to reduce their interest charges. In turn, the remaining potential borrowers are placed in a less favorable situation. The unfavored sectors are forced to compete for funds against competitors whose borrowing strength has been enhanced by Federal support. The unaided borrower therefore pays more or has to do without.

Mr. President, President Carter in his budget message last January warned that loan guarantee programs were getting out of hand. President Carter promised to propose legislation to tighten control over loan guarantees, but it appears that it will be awhile before such legislation is ready.

It is ironic that after Mr. Carter's past doubts about loan guarantees, he is now strongly supportive of them for New York City.

The problem guarantees present the administration is detailed in the January 30, 1978 article of Business Week entitled "A Lid on U.S. Loan Guarantees." I ask unanimous consent that this article be inserted in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 4.)

Mr. HARRY F. BYRD, JR. Especially relevant to this discussion of guarantees for New York City and their potential cost to the Government and the public is a speech delivered on May 20, 1976 by then Deputy Secretary of the Treasury George H. Dixon at a luncheon of a conference on income redistribution entitled "The Social Allocation of Capital."

Mr. Dixon spoke of the issues involved in 1975 when Federal guarantees were first offered as the solution to New York City's fiscal problems.

In the New York City case, the original plea was that the federal government guarantee the financial obligations of the city. Now what would have happened if this had happened? For one thing it would have made the obligations more valuable than Treasury securities. Not only would they carry the obligations of the U.S. government, but their interest would be tax-exempt as well. Imagine the windfall gain to investors. Contrast this gain with the return to a person who invests in the securities of a well-run municipality. This investor accepts a lower initial yield because the risk is lower than that of New York City. All of this, of course, is in keeping with equilibration in financial markets according to risk and return. But the relationship between risk and return is altered when the federal government steps in to guarantee the obligations of one borrower and not those of others.

This alteration would explicitly favor a city or corporation which is not well managed financially. If, through political pressure, it is able to get the federal government to enter the scene and guarantee its securities, it will be able to borrow at a lower rate than it could otherwise. This explains what happens to the return; but does the underlying risk go away? Of course not. It is merely shifted from the investor to the federal government and to taxpayers at large. If default should occur, the federal government will need to make good on the obligations. Where will it get the funds?

Either by forgoing programs, increasing taxes, or increasing the federal debt. In addition to the future burden on taxpayers, increasing the debt may bring immediate pressure on interest rates paid by all borrowers.

Therefore, there are costs to the guarantee, though they may be somewhat hidden. One is the contingent or potential cost to present and future taxpayers. Another is the possibility of increased cost to other borrowers in the financial markets. A third is the increased element of government risk which accompanies each successive guarantee. And finally, there is the unfair economic advantage that a government guarantee provides to the guarantee party.

Finally, we must consider that there is an element of subsidy for any recipient of a guarantee.

The General Accounting Office, in a May 31, 1978, report entitled "Federal Credit Assistance, an Approach to Program Design and Analysis," outlined the subsidies a recipient of a guarantee receives, summarizing this point by saying:

Federal credit programs (including loan guarantees) are subsidy programs that serve particular classes of borrowers and projects very well . . . as subsidy programs. Federal credit programs confer benefits on credit recipients.

A subsidy is given to guarantee recipients in the form of:

(1) Ready access and preferred treatment in the credit markets which, without the guarantees, may very well be closed to the recipient; and

(2) A much lower interest rate charged to a guarantee recipient by a private lender because the federal government has stepped in and by offering its credit as a back-up to the guaranteed, taken away the need for a risk premium to be charged to an otherwise shaky investment.

The GAO report estimated that recipients of guaranteed loans during fiscal year 1975 received a subsidy from those guarantees to the aggregate amount of $2.1 billion for that fiscal year alone.

After viewing the evidence, I believe that the argument propounded by the New York lobby—that guarantees for the city are without cost—is not a viable one.

And after all, this is the only reasonable conclusion.

If this guarantee program were truly without cost to anyone, how then could we deny federally guaranteed loans for any worthwhile endeavor?

Any State, any county, any city, any town, any organization, could come to the Federal Government and say: "We have a project of great benefit to the public, but we can't get financing without a loan guarantee from the Government. The guarantee doesn't cost anyone anything, and there's precedent for it."

How could such a request be refused?

Here is what Dr. Arthur Burns, former Chairman of the Federal Reserve Board, had to say and I quote from a letter he wrote Senator PROXMIRE, chairman of the Senate Banking Committee:

I cannot, however, support the Administration's proposal for long-term guarantees of the City's obligations. That would be a radical departure from the principles of fiscal federalism that have guided this nation since our earliest days. Cities are creatures of the State in which they are located. Long-term involvement in the financial affairs of a local government has never been the business of the Federal Government. If the Federal Government undertook to issue long-term guarantees of New York debt obligations, other cities might soon come along and clamor for similar guarantees. The precedent of New York could, therefore, lead to a significant change in the distribution of responsibilities within our Federal structure. Indeed, it is not inconceivable that the responsibilities now lodged in our State and local governments would in time wither away, while the Federal Government—which is hardly demonstrating a capacity to manage even its own fiscal affairs properly—becomes involved in running also the affairs of our States and cities.

Mention of States and communities raises one final point that must be considered with regard to costs: The ultimate costs of this legislation may well go far beyond the immediate effects of its provisions.

The Senate should bear in mind that this is a precedent-setting bill.

Never before has the U.S. Government guaranteed the securities of a city.

Once having done so, it is hard to see how the Government will be able to refuse the bids for assistance that may come from any State or its political subdivisions when they may chance to come upon financial hard times.

The costs and risks undertaken in this particular bill, then, may be only the beginning.

The precedent being set by this legislation is, in my opinion, a dangerous one.

Another issue around which the New York lobby has cast a smoke screen is the recently agreed to public employee labor contract.

In an earlier speech I had likened Mayor Koch to an adroit magician. In this contract and his subsequent public pronouncements he embellished on his magical tricks.

New York City finalized the contract settlement with the city's puublic employee labor unions on the eve of the opening of the Senate Banking Committee hearings on New York aid legislation.

Flushed with "victory," the New York lobby lead by Mayor Koch sat down at the witness table and began to lay down its smokescreen on the issue of the contract settlement.

Mayor Koch began his testimony quoting a New York Times article describing the contract settlement:

But the two raises are the equivalent of one raise of 5 to 5½ percent for the full two years, less than 6 percent. As a comparison, federal workers are complaining because they have been told that they must accept a 5.5 percent raise for one year.

This purported "fact" was repeated several times that day at the Banking Committee's hearing and was referred to many times in the press and the House floor during debate on the city aid bill and crept into national columnists' editorials. Michael McManus wrote in the June 13 Washington Post:

However, it should be noted that Mayor Koch held down the total payroll cost in the new agreement to only 5.3 percent over two years. As he rightly testified, federal employees are complaining about President Carter's desire to hold their compensation down to a 5.5 percent increase in one year.

As this line was drilled into the Nation's collective mind the rationale behind it was clear.

Okay, Congress, we settled our labor problems and we got a good deal in the process. Even though we didn't get everything we set out to get, we granted only a very low percentage pay increase, a smaller increase than what those hypocritical federal government workers are going to get. Now that we have settled our contract and have shown that we can face down the labor unions, quit bothering us about our labor problems. There is no need to examine this issue anymore. Let's get on with the more important matter of providing us with long-term guaranteed aid.

But is this the truth?

Had the city been tough in its bargaining position with the strong labor unions?

Have the city politicians regained control over its fiscal affairs having wrestled such control away from the labor who had, indeed, dictated to the city for so many years?

Did the labor unions indeed agree to accept such a small pay increase of 5.5 percent over 2 years as the lobby was proudly boasting about?

Were the facts of the contract settlement as the lobby so stated, or was it another one of its smoke screens?

Upon groping through the smokescreen, it appears to this observer that the proudful boasts over this contract settlement are nothing more than boasts. They have been used to pull the wool over the Nation's eyes and to get the country to vote the city exactly what the lobby wants.

On June 9, Mayor Koch wrote a letter to Senator PROXMIRE in which he admitted that the claims as to the percentage increase in this contract settlement he made orally before the committee were wrong. The actual percent salary increase for the contract settlement as computed by the lobby was 7.2 percent, not the 5.5-percent figure he had stated which had been picked up by the press and drummed into the Nation's head by the lobby.

The mayor apologized for this discrepancy though noting that the correct figure was set forth in the written text of his oral remarks and in a memorandum submitted for the record.

It is interesting to note that the corrected percentage salary increase which was contained in Mayor Koch's written remarks did not seem to be mentioned in the Nation's newspapers.

But is even the 7.2-percent figure correct?

The Wall Street Journal seems to think not.

In a June 7 editorial entitled "New York Shell Game," the Wall Street Journal found that a New York City sanitation man at the end of the contract would be making 12.7-percent more than he was at the contract's start. A clerk-typist's salary will have increased 17.8 percent.

12.7 percent, 17.8 percent. These are a far cry from the 5.5 percent and 7.2 percent the newspapers have mentioned.

The Journal explained the nature of the great disparity in figures:

As an indication of the kind of shell game the city and its advocates are playing, though, we can glance at the assertions being made about its new wage settlement. It is being billed as a 4 percent increase in each of the next two years, delayed three months into each contract year. This is said to be less than the 5.5 percent being used as a standard for federal employees, and less than the rate of inflation. The assertions manage to ignore that city employees are getting cost-of-living boosts *in addition* to the 4 percent raises.

Mr. President, I ask unanimous consent that the Wall Street Journal, June 7 editorial entitled "New York Shell Game" be printed at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 5.)

Mr. HARRY F. BYRD, JR. Mr. President, during the coming debate on this issue of the city's contract with its employee union, we will hear mentioned the terms "old" and "new" money.

The New York lobby will argue that the cost-of-living boosts that the unions are getting is "old" money, money that they were already entitled to, and thus should not be included in the percentage figure. Only "new" money, that money which the unions did not have any legal claim to was figured into the percentage salary increase figure.

Mr. President, I assert that this logic is another gimmick in a long line of gimmicks which is attempting to hide the true cost of the contract to the public.

This "old" money consisted of two $750 cost-of-living adjustments, one $750 adjustment being given July 1, 1978, and an additional $750 at the start of the second year. These two $750 payments are being referred to as bonuses, but nowhere in the newspaper accounts is there an explanation of what is meant by the term "bonus." Also, the accounts indicate that the bonus is being figured under a different formula from that of the "old" cost of living adjustment standard.

Also included in the "old" money category is a $105 payment and a $567 payment included as a cost-of-living ad-

justment. These payments are claimed by the unions to be carryovers from the prior contracts and thus, are not "new" money. The truth is that the unions were unable to meet the requirement of a show of productivity by them, and thus, could not receive any money under the previous terms of this cost-of-living adjustment formula. The new contract strikes the requirement of a show of productivity for payment of the COLA.

The new contract as a result created a "new" COLA. A COLA which allowed the unions to get out from under the requirement of having to justify in some manner to them the payment of money under this COLA provision.

We can readily see that the "old" money consists of provisions which have been substantially changed from prior contracts.

Contract law declares that when you change conditions of an old contract you have created a new contract consisting of new and different provisions.

To use the lobby's terminology, the money referred to as "old" money is in reality "new" money and should be figured into the percentage salary increase.

When one does, one finds that this contract percentagewise approaches and even exceeds the 12.7 to 17.8 percent figure mentioned in the Wall Street Journal.

These real figures tend to taint the lobby's proud boasts that "the settlement was a reasonable one."

Reasonable.

How can salary increases averaging anywhere from 12.7 to 17.8 percent be considered reasonable?

How can a contract settlement which costs $1.1 billion to a city that is currently running a deficit be considered reasonable?

Even the Senate Banking Committee in its report on this legislation, while buying the lobby's argument as to terms of the contract, questions whether the city can afford it:

. . . The cost of the settlement is estimated to be $757 million in city funds over the next years, with an ultimate cost of $1.1 billion. While terms of the settlement are not lavish by present standards nationwide, there is still reason to question whether a city in New York's financial condition can afford it.

I believe the voters across the Nation will no longer agree to pay for such exorbitant wage packages for their own municipal employees, let alone back loans to provide them for someone else's workers.

It is no wonder that the lobby has worked overtime on this issue to create a smokescreen of sympathy for the city and its workers, hoping that by doing so the public will not learn the truth.

The disparate salary increase figures comprise just one item of this contract which the smokescreen has attempted to cover up from public scrutiny.

Mr. President, in an effort to learn the truth on this issue, I had written to the Treasury Department and the General Accounting Office on April 24 and May 9, respectively, asking them to provide me with a report on the budgetary impact of the settlement of existing and prospective New York City labor disputes. Mr. President, I ask unanimous consent that these two letters be inserted into the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 6.)

Mr. HARRY F. BYRD, JR. As of yet, I have not received a final reply to my inquiry.

Mr. President, only with the facts can one dispel the heavy smokescreen surrounding this issue of aid to New York City.

When I last talked with New York officials, I was apprised that the terms of the contract were not yet set down in writing.

Because of the undue haste by which the administration is attempting to force enactment of the bill, it appears that I and the Senate will be prevented from receiving the facts to dispel the smokescreen and vote in a fully informed way.

This issue is of such grave importance that the Nation deserves the right to review all of the facts on this matter.

The smokescreen surrounding this issue must be dissolved.

If the lobby prevails in its attempts to force quick passage of this bill without complete debate the Nation will be the poorer.

EXHIBIT 1

HOW FAR WILL CALIFORNIA TAX REVOLT SPREAD?

(By Judith Frutig)

"Enough!" California property owners told state tax assessors, and like a political prairie fire, the landslide acceptance of Proposition 13—the tax relief initiative on the June 6 primary that chops state property taxes by roughly 60 percent—may ignite a national taxpayers revolt.

The echoes of frustration skimmed across the country, helping upset four-term New Jersey Sen. Clifford Case. He was defeated by a youthful conservative who campaigned in favor of a 30 percent federal income tax cut. Voters denied a $350 million bond to Los Angeles schools. And in Cleveland, balloters turned thumbs down on a tax increase to help fund Ohio's largest school district.

"This is just the beginning," a jubilant Howard Jarvis said in Los Angeles. Mr. Jarvis is co-author of the California tax relief initiative and chief spokesman for the Yes on Proposition 13 Committee. "We're sending a message to the rest of the country," he said. "The dominos are beginning to fall. The revolt has begun."

"The future course of local government throughout the United States could be altered radically by California's tax rebellion at the ballot box," warned Alan Beals, executive director of the National League of Cities in Washington, D.C.

The furor over California's proposition—which won by a whopping two-to-one margin, soundly defeating its rival amendment to reduce private property taxes by 30 percent—is considered a sure bet to spark demands for wholesale property tax cuts in other regions of the country.

Lewis K. Uhler, president of the National Tax Limitation Committee, said that tax limitation efforts are already under way in 25 other states and in Congress. Other states in which petitions are being circulated include Nebraska, Colorado, Michigan, New Hampshire, Connecticut, Massachusetts, and Pennsylvania. In Arizona, a petition drive to launch a Jarvis-like initiative is scheduled to begin next week.

Still, a number of state and local officials interviewed by this newspaper say they believe the real impact from the California ballot-box tax revolt will come through budget limitations imposed to place a ceiling on government spending—but not necessarily including the draconian kinds of cutbacks voted into law by Californians.

If these reactions, supported by the opinions of taxpayer relief organizations forming in other states and bolstered by alarmed legislators and public officials, are right, the next battlegrounds in the war against high taxes will be Massachusetts, Oregon, and Colorado.

In Massachusetts—where tax-weary residents have taken to calling the commonwealth "Taxachuetts"—a joint session of the two houses of the Legislature is scheduled for June 21 to consider a constitutional amendment. The amendment would clamp a ceiling on state spending by limiting state revenue to a fixed percentage of the gross per capita income. Under the formula, any revenue collected by that state exceeding that figure would be returned to taxpayers, either as a rebate or as a credit on taxes for the following year.

In Oregon, a group of rebellious taxpayers is passing petitions in 70 cities to place a Jarvis-like measure on the November ballot. So far, they have 20,000 signatures in hand, with a 61,000 minimum to collect by the July 7 deadline. The amendment calls for a 1½ percent tax limit on the market value of a house, roll back assessments to 1975 levels, and allow a maximum 2 percent annual tax increase.

The group has invited Mr. Jarvis and Paul Gann, co-authors of the California measure, to help them campaign. "The California landslide will easily make us a household proposition," said organizer James Wittenberg. "There's no doubt in my mind."

In Colorado, the Colorado Union of Taxpayers is circulating a petition calling for an initiative on the November ballot that would place an index on state spending. The index would be keyed to the state's growth rate, a measure that is already supposed to be in effect.

But last year, the Colorado Legislature passed a 7 percent ceiling on the rate state spending could grow. Money coming in that exceeded an established amount was to be earmarked for an emergency fund. Anything over 11 percent was to be rebated directly to taxpayers.

Instead, said tax rebate originator state Sen. James M. Kadlecek, the Legislature simply stopped collecting at the 11 percent point.

In other parts of the country, landmark legislation is already in effect. In Tennessee, voters overwhelmingly approved a constitutional amendment stipulating that the state may not tax or spend at a rate greater than the state's annual growth increase.

These areas are what taxpayer groups in Washington and Los Angeles call "hot spots" around the country. According to close observers there could be similar action heating up in Utah, Washington, Maine, South Dakota, Illinois, Hawaii, Texas, Georgia, and Florida in coming months.

To coordinate a national effort, the National Taxpayers Union in Washington, D.C., has asked Messrs. Jarvis and Gann to join them in an advisory capacity, to travel around the country and teach tax relief organizers in different states how California's Proposition 13 people pulled together their victory.

"We've been going [in business] for 10 years," said Charles Crawford, director of national programs for the National Tax-

payers Union. "Now we're finally on the move. The silent majority has finally found its voice."

EXHIBIT 2

8 UNITS LOBBY FOR NEW YORK IN WASHINGTON

(By Edward C. Burks)

WASHINGTON, April 25.—In pursuit of golden Federal grants and favorable legislation for New York State, New York City and various subdivisions thereof, eight separate offices are now operating full-tilt in the capital. At latest count 38 people are in lobbying in the spirit of "Excelsior" (ever upward), the New York State motto.

Governor Carey has an Office of Federal Affairs here. Mayor Koch has an office. Then there are the offices of the State Senate and the State Assembly, which set up operations here last year. Not to be forgotten are the special offices of the city's Board of Education, the state's Department of Education, the State University of New York and an office for Nassau County.

The salaries of the lobbyists and their support personnel range from the $43,000 of Julian Spirer, director of the New York City office, originally established by former Mayor John V. Lindsay, downward to about $7,500 for some clerks Altogether about $750,000 is being spent by taxpayers in New York State to maintain the lobbying and reporting force, which is just one short of equaling the combined number of New York Senators and Representatives in Washington.

MINNESOTAN HEADS OFFICE

Mr. Spirer, a 30-year-old Brooklyn-born, Harvard Law School graduate, thrives on his current major lobbying effort—trying to get Congress to approve a $2 billion loan program for New York City this spring. Before being hired by Mayor Koch early this year to run the city's office, Mr. Spirer was associated with the Manhattan law firm of Paul, Weiss, Rifkind, Wharton & Garrison, and then was counsel here to Representative Benjamin S. Rosenthal, Democrat of Queens, one of the city's most influential Congressmen.

In a glass and concrete building near Union Station called the Hall of States, Brad C. Johnson, a 29-year-old Minnesota native, is acting director of the New York State office, an arm of the Governor's Office. Mr. Johnson, who is a lawyer, is paid $32,250.

He heads a staff of 12 generally considered one of the best-functioning State office groups in the capital. He finds the most effective way of fighting for state-supported projects "is through our own Congressmen, who are much more effective now than in the past."

What does all this lobbying activity produce? Mr. Johnson, and Mr. Spirer have no doubt that some major gains have resulted.

Last year, for example, the two offices, working closely with New York Representatives, reported that the state got $500 million in "extra" annual financing (close to $300 million of it for the city). That was partly because of improvement in formulas—fought for by New Yorkers—to provide more aid to for housing, jobs and training in areas hard-hit by unemployment, and for rehabilitating poverty areas.

But with eight prospectors in the field, it is sometimes a matter of trying not to step on the toes of a fellow New Yorker looking for the same funds.

Many states have set up offices in Washington to get in closer touch with the Federal Government and its life-giving or life-saving grants and special legislation. A few cities have also done so, as well as a sprinkling of state education departments. But none can match the lobbying line-up from New York State. Here is the list of the eight offices with their directors and employees:

New York State's office, a branch of the Governor's Office—Mr. Johnson and his specialists, including five lawyers, cover a broad spectrum of Federal activities and work closely with the State Congressional delegation to keep members informed on bills.

New York City's office, reporting directly to Mayor Koch—Mr. Spirer, heading a staff of six, has set up a "coordinating council," including senior representatives from every major city department and agency that keep in constant touch with the Washington office.

New York State Senate—Jack R. MacKenzie, a 55-year-old native of Troy, N.Y., and a veteran of a number of government and Republican Party jobs, heads the four-member office at a salary of $35,000.

New York State Assembly—Jeffrey M. Wice, a Valley Stream, L.I., native who will be 26 on May 1, also heads a four-member staff, at $27,500.

New York City Board of Education—A staff of two headed by Fern Lapidus, with a $26,000 salary, and working from its own quarters within the New York City Office.

New York State Department of Education—Miriam Kazanjian, the director, has a little office for two and receives a salary of about $20,000.

State Univerity of New York—In the multimillion dollar business of applying for and getting Federal grants, this six-member, six-room office is headed by William F. Claire, who receives $35,000. (The $200,000 budget of this office is paid from Federal funds).

Nassau County—John Faso has an office and a secretary in the National Association of Counties headquarters here.

LAROCCA A "SUPERCONSULTANT"

With the New York City loan issue now coming to the fore in Congress, Governor Carey and Mayor Koch have prevailed on the previous head of the New York State office, James L. Larocca, to become a sort of special superconsultant.

Mr. Larocca, who had reached a salary level of $43,000 last year in the state office before becoming the state's Energy Commissioner, has agreed to use his Washington expertise and contacts to see what he can do for the city loan assistance plan.

As Energy Commissioner he has continued to make visits to Washington on energy matters, and he has kept in close touch with Mr. Johnson.

Does this heavy artillery from New York cause more confusion than effectiveness?

Mr. Larocca says that the two houses of the Legislature were in the best position to decide on the need for separate offices in Washington, which were established late last year. But as for the many New York related offices here, he said: "It can create confusion in Congress with too many people walking around with portfolios emblazoned with the words 'New York' ".

He sees another problem. With representatives from the Governor's office, the Assembly and the State Senate all testifying before a Congressional committee, for example, and with varying viewpoints, members of the committee may not know what the "real" New York position is or if there is one. This is a situation of "exploitable confusion," Mr. Larocca says.

There have been some indications of chilliness involving the firmly established Governor's office here and at least one of the newcomers, the State Senate office. Mr. MacKenzie, head of the Senate office, contends that several requests to the Governor's office for details on the Governor's position on energy legislation have been unanswered. But on the other things they cooperate, he insists.

Mr. Johnson says only that "the proliferation of offices may be confusing to Congress and the Administration." Privately, however, a number of New York lobbyists who have been here for some time do not view the establishment of the State Assembly and State Senate offices here as necessary.

EXHIBIT 3

FEDERAL LOAN GUARANTEES AND THEIR USE AS A MECHANISM TO CORRECT MARKET IMPERFECTIONS, ASSIST MARGINAL BORROWERS, AND FINANCE DISCRETE VENTURES

INTRODUCTION

Federal loan guarantees play an important part in the allocation of credit by the Federal Government in domestic capital markets. Concern over the size and diversity of guarantee programs is increasing in both the legislative and executive branches. As an example of this concern, the House Banking, Finance and Urban Affairs Committee in March 1977 held hearings on Federal loan guarantees. At these hearings Roger C. Altman, Assistant Secretary of the Treasury Designate, testified that:

[A] *serious review of this subject is increasingly needed.* The amount of loan guarantees outstanding has grown rapidly and the rate of growth is accelerating. In addition, the economic activities supported by guarantees have widened and pressures are building for large, new uses. Perhaps more important, the differences between guarantees and direct loans and the differences between different types of guarantees do not seem to be well understood. We need a more effective method for controlling the growth of guarantees and reviewing how they are used.[1]

At the same hearing Mr. W. Bowman Cutter of the Office of Management and Budget testified that:

A consensus now seems to be emerging, however, that the Government has both the need and the responsibility to exercise better control over the size and scope of its credit programs. To the extent that loan guarantees are effective, either stimulating the economy or diverting credit from one activity to another, their effects are important. Therefore, in order for the Government to efficiently influence the allocation of economic resources and the behavior of financial markets and the economy as a whole, control over guaranteed loans is as justifiable in concept as control over outlays.[2]

The 1978 Federal budget estimates show outstanding Federal loan guarantees totaling $276 billion in fiscal 1977 and an estimated $313 billion outstanding in fiscal 1978.[3] Federal loan guarantees are used to channel credit to a wide variety of users. They allow veterans to purchase homes, small businessmen to expand their firms, and farmers to finance essential purchases. They help railroads to buy locomotives, shipbuilders to construct liquid natural gas tankers, and airlines to obtain aircraft. They permit foreign governments to purchase U.S. fabricated steel mills and electric generating plants, build homes for their poor, and equip their armies with guns, bombs and other armaments.

The number of operating Federal loan guarantee and insurance programs, as well as those which are no longer operating, but which have guaranteed loans outstanding, is not clear. The *Treasury Bulletin* lists 62 programs with guarantees outstanding as of June 30, 1976.[4] The *1976 Catalog of Federal Domestic Assistence* lists 83 guarantee or insurance programs.[5] Preliminary investigations using other Treasury data, the Federal Budget, the Code of Federal Regulations, and the U.S. Code indicate that these totals are nowhere near a complete listing of such programs.

With such a large number of programs classified as guarantees, it is impossible to arrive at a definition which encompasses all the guarantee programs which have developed over the years. Some programs, for ex-

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ample, although called guarantees or insurance, are really direct loans. Their classification as guarantees or insurance avoids their inclusion in the unified budget totals. For example, the farm ownership loans of the Farmers Home Administration, are classified as insurance. Farmers using the program receive their funds from the Agricultural Credit Insurance Fund. This is a Federal revolving fund within the Farmers Home Administration, which operates with an initial $1 million appropriation, fees, and annual appropriations. Appropriations for the fund listed in the 1978 budget are $146 million for fiscal 1977 and $165 million for fiscal 1978.

Some guarantee programs charge a fixed rate of interest to borrowers while others charge a market rate, and still others fix the rate at a certain percentage above that charged for designated types of Treasury securities. In some cases borrowers receive funds from the Federal Financing Bank (FFB). The FFB is part of the Treasury and purchases selected direct and guaranteed loans made by many Federal departments and agencies. In other instances, the funds come from the private market through the sale of bonds or as loans or mortgages from commercial banks or savings and loan associations.

This report analyzes Federal loan guarantee activities. Fifty-nine programs listed in the Treasury Bulletin have been selected for analysis. The amount of guaranteed loans outstanding for each program for fiscal years 1960 to 1976 was taken from Treasury sources [6] and put into a computer. The programs were then placed in one of three classifications and the data tabulated.

The 59 programs used do not cover all the guarantee and insurance programs listed by the Treasury. These 59 were used because they could be classified into one of the three categories and were not an anomoly such as participation certificates. Other programs were excluded because there was no continuity from year to year. This was particularly true in the case of foreign assistance programs which were continually changing, thus making it difficult to create a meaningful series.

The classification of the 59 programs into one of three types (see below) was based on easily available information such as that found in the Catalog of Federal Domestic Assistance. Other analysts would doubtlessly classify some programs differently. However, the classification system used does provide some order and insight into the growth of loan guarantees as a Federal financing mechanism.

CLASSIFICATION OF LOAN GUARANTEES

The 59 program selected were classified as either a type 1, 2, or 3 loan guarantee based on a conceptualization found in the Senate Budget Committee Report "Federal Energy Financing" [7] as well as other work on guarantees done by the committee. "Federal Energy Financing" defines three purposes of loan guarantees. These are to:

(1) Correct Imperfections in the Capital Markets.—The earliest guarantee programs were created because lenders were unable to estimate the risks attached to important types of relatively small loans.

(2) Allocate Credit to Classes of Marginal Borrowers.—Federal guarantees have also been used to help extend credit to small borrowers who are demonstrably greater than ordinary risks.

(3) Finance Discrete Ventures by Allocating Credit.—More recent programs have made use of loan guarantees in order to allocate private credit to specific projects favored by public policy.[8]

Typical of the type 1 programs is the Federal Housing Administration (FHA) mortgage insurance program begun in 1934. This program has helped correct market imperfections in the housing sector by making the selfamortizing, long-term mortgage loan covering around 80 percent of a property's value a standard method of home mortgage financing. Housing before this was mainly financed by short-term mortgages with a low loan to property value ratio. Borrowers usually made regular interest payments and repaid the full principal at maturity. This system broke down during the Great Depression. The FHA program was used to convince the financial community that the self-amortizing mortgage was viable method of home financing, which would work even if no Federal guarantee were provided.

Type 2 programs, which allocate credit to marginal borrowers, are typified by programs of the Small Business Administration, the Farmers Home Administration, and student loan insurance. These provide relatively small loans to a large number of marginal borrowers who would otherwise either be denied credit, or would have to pay high interest rates. These programs usually have a social objective which outweighs and justifies the cost of the program. The programs often, but not always, run at a loss since their fees, when any are charged, are not sufficient to cover losses and other costs. This often results in the need for appropriations to cover the defaults and the direct subsidies which at times are incorporated in these programs.

Type 3 loans guarantees are used to finance discrete ventures. The Lockheed loan guarantee and new communities guarantees are typical of this type. These loan guarantees are often for very large amounts to one or a few borrowers. For these programs the default of only one or two borrowers can impose severe financial strains which would require a large appropriation relative to all guarantees outstanding under the program.

Where possible, information on the 59 selected guarantee programs was obtained from the Catalog of Federal Domestic Assistance for 1976.[9] The catalog, among other things, provides information on the purpose of listed programs, the range and average size of the financial aid provided, and often information on the number of guarantees given in a year.

Other information on the selected programs comes from the fiscal 1978 Federal budget and a Treasury publication, "Summary of Statutory Provisions of Federal Programs." [10]

Among the 59 selected programs, four are type 1 programs. Thirty-seven are type 2 programs and 18 can be classified as type 3 programs. Appendices A, B, and C list the particular programs included under each type. The 59 programs had a total of $52 billion in loan guarantees outstanding in fiscal year 1960, $109 billion in fiscal 1970, and $179 billion in fiscal 1976. While these programs do not include all loan guarantees outstanding, they account for 80 percent of the Treasury total in 1965, 87 percent of the total in 1970, and 86 percent in 1976. Table I shows the totals for the 59 programs from fiscal 1960 through fiscal 1976, the Treasury totals for all loan guarantees outstanding in these years, and the proportion of the totals accounted for by the selected programs. The proportion accounted for by the 59 selected programs ranged from 80 to 97 percent of all outstanding loan guarantees.

The annual total dollar amount outstanding for each type of loan guarantee, and the total for all three is shown in table II. The figures indicate the rapid growth in loan guarantee programs during the 17 year period covered. The total outstanding for the 59 selected programs increased from $52 billion to $179 billion, a 344 percent increase. The preponderance of outstanding loan guarantees has and continues to be type 1 loans.

These consist primarily of mortgage insurance offered by the Federal Housing Administration and guarantees provided by the Veterans Administration. The proportion of type 1 guarantees, as shown in table III, has declined from a high of 93 percent of the total in fiscal 1960, to 64 percent in fiscal year 1975 and 65 percent in fiscal 1976. Type 2 loan guarantees during the period grew 1,729 percent, going from $3.4 billion to $58.8 billion. In fiscal 1976, among the programs analyzed, they accounted for about a third of the loan guarantees outstanding. The most rapidly growing category has been type 3 guarantees. Those loan guarantees are characterized by a few large loans made annually. Type 3 loan guarantees increased from $79,000 outstanding in fiscal 1960 to $3.1 billion outstanding in fiscal year 1976, a 39,240 fold increase. Even with this spectacular growth, type 3 loan guarantees in fiscal 1976 constituted only a little over 1 percent of the total amount of loan guarantees outstanding among those examined, and have accounted for only about 1 percent of the total since fiscal year 1974.

The growth of type 3 guarantees (see table IV) to over $3 billion outstanding was not achieved through steady yearly growth. Unlike type 1 guarantees, which have grown steadily from year to year, type 3 guarantees outstanding have oscillated, sometimes greatly. Even compared to type 2 guarantees, which have ranged from a positive year to year gain of 190 percent to a year to year decline of 51 percent, type 3 loan guarantees show much more extreme year to year fluctuations, going from a positive gain of 2,633 percent to a decline of 86 percent.

TABLE I.—FEDERAL LOAN GUARANTEES AND INSURANCE OUTSTANDING—TREASURY TOTALS AND TOTALS OF 59 SELECTED PROGRAMS, FISCAL YEARS 1960–76

[In thousands of dollars]

Fiscal year	Treasury total	59 program total	59 total as percentage of Treasury
1960	53, 307, 950	51, 912, 021	97
1961	71, 855, 058	60, 804, 999	85
1962	76, 413, 598	66, 034, 399	86
1963	80, 098, 115	63, 234, 474	80
1964	84, 430, 401	66, 787, 472	79
1965	89, 800, 299	72, 203, 084	80
1966	99, 091, 134	83, 305, 568	84
1967	98, 391, 980	89, 021, 368	90
1968	106, 378, 152	95, 647, 638	90
1969	116, 354, 122	111, 403, 576	96
1970	124, 891, 494	190, 092, 957	87
1971	140, 089, 765	125, 002, 257	89
1972	158, 834, 805	142, 308, 670	90
1973	173, 961, 434	158, 687, 898	92
1974	182, 804, 671	166, 246, 248	91
1975	195, 721, 846	179, 816, 088	92
1976	107, 197, 144	178, 520, 508	86

Source: Treasury Bulletin for fiscal years 1976, 1975, and 1974, table CA–II–2. For other years the Treasury Report, "Federal Credit Programs of the United States Government."

TABLE II.—TOTAL TYPE 1, TYPE 2, TYPE 3 LOANS, AND TOTAL, FISCAL YEARS 1960–76

[In thousands of dollars]

Fiscal year	Type 1	Type 2	Type 3	Total
1960	48, 510, 023	3, 401, 919	79	51, 912, 021
1961	50, 929, 107	9, 875, 571	321	60, 804, 999
1962	54, 324, 643	11, 708, 388	1, 368	66, 034, 399
1963	57, 558, 637	5, 674, 033	1, 804	63, 234, 474
1964	60, 683, 589	6, 103, 124	759	66, 787, 472
1965	65, 104, 315	7, 097, 793	986	72, 203, 084
1966	67, 794, 631	15, 506, 216	4, 721	83, 305, 568
1967	70, 523, 436	18, 487, 487	10, 445	89, 021, 368
1968	75, 636, 076	19, 726, 043	285, 519	95, 647, 638
1969	80, 303, 753	30, 889, 588	210, 235	111, 403, 576
1970	86, 555, 077	22, 509, 014	28, 866	109, 092, 957
1971	96, 918, 434	27, 881, 895	201, 938	125, 002, 257
1972	106, 862, 939	34, 998, 496	447, 234	142, 308, 670
1973	111, 185, 360	47, 288, 766	1, 213, 771	159, 687, 898
1974	111, 896, 432	52, 284, 951	2, 064, 863	166, 246, 248
1975	115, 213, 582	61, 686, 133	2, 916, 369	179, 816, 086
1976	116, 600, 601	58, 774, 902	3, 145, 003	178, 520, 508

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TABLE III.—DOLLARS IN TYPE 1, 2, AND 3 PROGRAMS AS A PERCENTAGE OF TOTAL DOLLARS IN ALL 59 PROGRAMS, FISCAL YEARS 1960–76

Fiscal year	Type 1	Type 2	Type 3	Total
1960	93	6	0	100
1961	83	16	0	100
1962	82	17	0	100
1963	91	8	0	100
1964	90	9	0	100
1965	90	9	0	100
1966	81	18	0	100
1967	79	20	0	100
1968	79	20	0	100
1969	72	27	0	100
1970	79	20	0	100
1971	77	22	0	100
1972	75	24	0	100
1973	69	29	0	100
1974	67	31	1	100
1975	64	34	1	100
1976	65	32	1	100

Note: Will not always total 100 due to rounding.

TABLE IV.—YEARLY PERCENTAGE DOLLAR CHANGES IN TYPE 1, TYPE 2, TYPE 3 AND TOTAL FOR 59 SELECTED PROGRAMS, FISCAL YEARS 1960–76

Date	Type 1	Type 2	Type 3	Total
January 1960				
January 1961	4	190	306	17
January 1962	6	18	326	8
January 1963	5	−51	31	−4
January 1964	5	7	−47	5
January 1965	7	16	29	8
January 1966	4	118	378	15
January 1967	4	19	121	6
January 1968	7	6	2,638	7
January 1969	6	56	−26	16
January 1970	7	−27	−86	−2
January 1971	11	23	599	14
January 1972	10	25	121	13
January 1973	4	35	171	12
January 1974	0	10	70	4
January 1975	2	17	41	8
January 1976	1	−4	7	0

These different growth rates and the relative sizes of type 1, 2, and 3 guarantees are related to the age of the programs and the type of borrowers attracted. Mortgage programs, which constitute the bulk of type 1 guarantees, came into existence in the 1930's and 1940's. They have had forty years in which to build up a large base consisting of small guaranteed loans made to millions of borrowers. Over the years these mortgage programs have proven that this kind of long-term financing is possible. It nas helped correct many of the market imperfections which existed in the housing market. These corrections are reflected in the fact that in the last twenty years the proportion of conventional mortgages on 1–4 family homes has steadily increased while Government underwritten mortgages have decreased. In 1955, 44 dwellings was either insured by the Federal Housing Administration or guaranteed by the Veterans Administration. The proportion of Government underwritten mortgages decreased from 40 percent in 1960 to 33 percent in 1965, 33 percent in 1970, and 26 percent of the $492 billion in mortgage credit for 1–4 family housinging outstanding in 1975.[11]

Type 2 programs, which tend to advance credit to more risky borrowers, are more subject to economic conditions and changes in Federal policy. These programs generally grew in size and importance during the 1960's and 1970's when efforts were made to expand the availability of credit to more risky borrowers. For example the Maritime Administration's Ship Financing program was expanded and simplified in 1953. In the late 1960's and early 1970's the program expanded rapidly. From $542 million outstanding in fiscal 1969, the program increased to $1 billion in fiscal 1972 and to $3.4 billion in fiscal 1976. Similarly, the Small Business Administration business loan guarantees increased from $248 million in fiscal 1968 to $3.6 billion outstanding in fiscal 1976. Similar growth patterns occurred in other Small Business Administration, Export-Import Bank, Farmers Home Administration, and Department of Health, Education, and Welfare guarantee programs.

Type 3 programs of any size are a relatively recent event. The $79,000 outstanding in fiscal 1969 is accounted for by guarantees provided under the Small Business Administration's Local Development Company loan guarantees. It was only in fiscal 1973 that type 3 guarantees outstanding reached $1 billion Since that time programs in this category have expanded rapidly. Between fiscal 1973 and fiscal 1976 the amount outstanding grew by nearly $2 billion, going from $1.2 billion to $3.1 billion. The extreme variability in the yearly amount outstanding shown in table IV is accounted for by the nature of these guarantees and the impact of economic and political events on specific sectors and firms. Since the loans guaranteed tend to be large, a slight increase or decrease in the number obligated in a year can strongly influence the total amount outstanding. The increasing demand for type 3 loan guarantees has a variety of sources. The threat of economic collapse of a large aerospace firm led to the creation of the Emergency Loan Guarantee Board to assist Lockheed. New community guarantees were provided to advance a commitment to build new towns, while Overseas Private Investment Corporation guarantees assist private investment by American firms in foreign countries.

THE ALLURE OF LOAN GUARANTEES

The use of the type 1, 2, and 3 classifications in analyzing the growth and distribution of loan guarantees from fiscal 1960 to fiscal 1976 brings out the fact that not all loan guarantees are the same. The classifications used in this report are clearly not the only ways of looking at guarantees. Some other methods are by risk, by program size, or by economic sector.

The method used in this report shows one way in which shifts are occurring among programs. The older, larger type 1 programs aimed at overcoming market imperfections no longer make up as large a proportion of guarantees outstanding. They are still dominant, though. There were $86 billion in FHA insurance outstanding and $30 billion in Veterans guarantees outstanding at the end of fiscal 1976. The shift away from type 1 guarantees indicates that these programs have been successful in overcoming market imperfections in the areas where they have been tried. It may also indicate that opportunities to use this technique to overcome imperfections in other credit markets are either scarce or nonexistent.

The move toward type 2 loans, which provide credit to marginal borrowers, and type 3 loans which finance large discrete ventures, is a result of a series of perceptions and misperceptions about what loan guarantees can and cannot do.

One misconception is that loan guarantees are costless to the Federal Government since no large budget outlays occur except in the case of default. This lack of significant outlays in the light of ever present budgetary constraints and the constant criticism about the size of the Federal budget is a powerful inducement to use guarantees.

Guarantees are not costless. Some of the direct costs to the Federal Government include the administration of the program, appropriations to cover defaults, direct subsidies in those programs where borrowers pay a below market rate of interest, and the indirect subsidies which make it possible for borrowers either to obtain funds or to get them at a lower cost. Special Anaysis E of the 1978 budget indicates that assuming an 8 percent rate of interest, the present value of the subsidy for a selected number of guarantee programs is $1,028,000,000. The General Accounting Office in testimony before the House Banking, Finance and Urban Affairs Committee in March 1977 estimated that in 1975 losses on guaranteed loans were 1.4 percent of the amount outstanding, about $2.3 billion. Other costs associated with loan guarantees include crowding out effects on capital markets and market anomalies caused by directing credit to areas where it might not otherwise go.

A Federal guarantee does not mean that the guaranteed borrower will automatically receive credit. The availability of credit depends on market and credit conditions. In times of tight money and high interest rates, lenders will have a large number of potential borrowers from whom to select. In this climate guarantees will provide borrowers with better access to credit. It will not necessarily insure that marginal borrowers with a guarantee will obtain funds, however, since low risk borrowers may be willing to pay more for the funds than high risk borrowers who have a guarantee.

In periods of easy money, but not necessarily low interest rates, when lenders have money to lend, institutions may be willing to consider applications from most credit worthy borrowers. Only those projects or individuals with very poor repayment prospects would need a guarantee. These borrowers are also the ones most likely to default, since easy money generally occurs in periods of slow or no economic growth. The question is whether the technical nature of the guarantee is sufficient to overcome lenders' resistance.

Federally guaranteed loans which are purchased by the Federal Financing Bank (FFB) represent another entirely different situation since no private financing is involved. In these cases the "guarantee" is really a direct loan. The FFB lends the funds and borrows from the Treasury, which in turn borrows from the public. In fiscal year 1976, the FFB purchased 38 percent of the $16.2 billion in primary loan guarantees made. It is estimated that it will purchase 43 percent of the $20 billion in primary guarantees made in fiscal year 1977, and an estimated 21 percent of the $28 billion made in fiscal 1978.

CONCLUSION

Loan guarantees are an attractive budgetary device since they are not counted as an outlay in the unified budget and they involve private sector financing. They are therefore used as a Federal financing mechanism because it is possible to expand an existing guarantee program or create a new one with little or no impact on unified budget totals.

One aid to policy makers in deciding on whether to expand or create a new guarantee program might be to refer to the type 1, type 2 or type 3 guarantee classifications.

If the proposal is a type 1 intended to overcome market deficiencies, the exact nature of the deficiencies should be closely considered. Is it really necessary to use a guarantee with all its explicit and implicit costs? Could lenders be induced to loan the funds based on the analyses done by proponents of the guarantee program? Type 1 borrowers tend to be good credit risks. Market deficiencies often occur because lenders are normally conservative in their lending habits and are unwilling to risk using new unfamiliar credit instruments. In these circumstances, the reasons for the inability of the private sector to provide the funds without Federal assistance need to be made clear.

If the guarantee proposal under consideration is a type 2 program, the nature of the risk involved needs to be assessed. How marginal are those being assisted? Marginal borrowers who use the funds for a productive enterprise and who have some security

Footnotes at end of article.

to back their loan, are clearly more acceptable risks than those who have no assets and who use the funds only for low return ventures. In some instances the possibility of a default may be so high that a direct loan or grant might be a cheaper financing mechanism.

Type 3 guarantees are so diverse in their objectives and functioning that it is hard to make any clear-cut generalizations. For some programs the question is not one of risk so much as the appropriate role of the public versus the private sector. Should discrete multi-million dollar projects embodying national objectives be carried out by the government, as was the case with space exploration and atomic energy, or should a selected number of large corporations receive loan guarantees to carry out the job? Should a major aerospace firm, which relies heavily on sales to the Federal Government, receive a guarantee to stay in business, or should market forces be allowed to force it into bankruptcy if it is no longer profitable?

In other cases the riskiness of the venture needs to be evaluated. If the project's benefits are primarily social, such as urban renewal or a hospital, but not particularly profitable, it might be wiser to consider a direct grant rather than a guarantee, which in case of default may become an indirect grant.

In other instances, type 3 programs are for projects which would only be viable with the increased availability of credit provided by the guarantee. In these cases the financial viability of the project needs to be evaluated to see if the fees charged will create reserves large enough to cover possible defauts.

The type 1, 2, and 3 categories may not always be the most appropriate categories for evaluating loan guarantees. The classifications used are not necessarily that important, so long as it is recognized that not all guarantees are the same. Some classification system needs to be employed to distinguish the different kinds, and their particular appropriateness as a financing mechanism in different situations.

APPENDIX A: TYPE 1 LOAN GUARANTEES

1. Farmers Home Administration, Farm Operating Loans.
2. Federal Housing Administration, Property Improvement Loans.
3. Federal Housing Administration, Mortgage Insurance.
4. Veterans Administration, Guaranteed Mortgages.

APPENDIX B: TYPE 2 LOAN GUARANTEES

1. Agency for International Development, Housing Guaranty Fund.
2. Commodity Credit Corporation Guarantees.
3. Department of Defense, Defense Production Guarantees—Army.
4. Department of Defense, Defense Production Guarantees—Navy.
5. Department of Defense, Defense Production Guarantees—Air Force.
6. Export-Import Bank, Equipment and Service Loan Guarantees.
7. Export-Import Bank, Insurance.
8. Export-Import Bank, Loans Sold With Recourse.
9. Federal Aviation Administration, Aircraft Loans.
10. Farmers Home Administration, Business and Industrial Development Loans.
11. Farmers Home Administration, Community Facility Loans.
12. Farmers Home Administration, Credit Sales of Real Property.
13. Farmers Home Administration, Emergency Livestock Loans.
14. Farmers Home Administration, Emergency Loans.
15. Farmers Home Administration, Emergency Loans Refinanced.
16. Farmers Home Administration, Farm Ownership Loans.
17. Farmers Home Administration, Guaranteed Business and Industrial Development Loans.
18. Farmers Home Administration, Guaranteed Emergency Loans.
19. Farmers Home Administration, Labor Housing Loans.
20. Farmers Home Administration, Rural Housing Loans for Senior Citizens.
21. Farmers Home Administration, Rural Housing Loans.
22. Farmers Home Administration, Rural Rental and Cooperative Housing.
23. Farmers Home Administration, Water and Soil Conservation Loans.
24. Farmers Home Administration, Water and Waste Disposal Loans to Associations.
25. Federal Railroad Administration, Railroad Trust Certificates.
26. General Services Administration, Federal Building Fund Guarantees.
27. General Services Administration, Guaranteed Loans.
28. General Services Administration, Real Property Guarantees.
29. Department of Housing and Urban Development, Urban Renewal Guarantees.
30. Department of Health, Education and Welfare, Student Loan Insurance Fund.
31. Interstate Commerce Commission, Railroad Loan Guarantees.
32. National Oceanic and Atmospheric Administration, Federal Ship Financing for Fishing Vessels.
33. Rural Electrification Administration, Telephone System Guarantees.
34. Small Business Administration, Business Loans.
35. Small Business Administration, Investment Company Loans.
36. Small Business Administration, Economic Opportunity Loans.
37. Small Business Administration, Disaster Loans.

APPENDIX C: TYPE 3 LOAN GUARANTEES

1. Agency For International Development, Housing Guaranty Fund.
2. Economic Development Administration, Loans to Industry.
3. Emergency Loan Guarantee Board, Emergency Loan Guarantees.
4. Farmers Home Administration, Grazing, Recreation, Irrigation and Forrestry Loans.
5. Farmers Home Administration, Indian Land Acquisition.
6. Farmers Home Administration, Recreation Loans.
7. Farmers Home Administration, Resource Conservation and Development Loans.
8. Farmers Home Administration, Rural Site Housing Loans.
9. Farmers Home Administration, Watershed Works and Flood Prevention Loans.
10. Department of Housing and Urban Development, Health Teaching Facilities Construction.
11. Department of Health, Education, and Welfare, Medical Facilities Guarantees.
12. Department of Housing and Urban Development, New Communities Guarantees.
13. Overseas Private Investment Corporation, OPIC Guarantees.
14. Small Business Administration, Displaced Business Loans.
15. Small Business Administration, Handicapped Loans.
16. Small Business Administration, Local Development Company Loans.
17. Small Business Administration, State Development Company Loans.
18. Department of Transportation, Washington Metropolitan Transit Authority Guarantees.

FOOTNOTES

[1] Statement by the Honorable Roger C. Altman, Assistant Secretary of the Treasury Designate Before the Subcommittee on Economic Stabilization of the House Banking, Finance and Urban Affairs Committee, March 30, 1977.

[2] Statement of W. Bowman Cutter, Executive Associate Director of the Office of Management and Budget before the Subcommittee on Economic Stabilization of the House Committee on Banking, Finance, and Urban Affairs on the Impact of Federal Credit Assistance. March 29, 1977.

[3] U.S. President. Office of Management and Budget. *Special Analyses, Budget of the United States*, "Special Analysis E—Federal Credit Programs, "Washington, D.C., 1977. p. 105.

[4] U.S. Treasury Department. *Treasury Bulletin*, September 1976. Table GA–II–2, Direct and Guaranteed Loans Outstanding, June 30, 1976. pp. 120–125.

[5] U.S. President. Office of Management and Budget. Catalog of Federal Domestic Assistance. Washington, D.C. 1976.

[6] U.S, Treasury. Treasury Bulletin, Table GA–II–2, Direct and Guaranteed Loans Outstanding, and U.S. Treasury, Federal Credit Programs of the United States Government, prepared by the Bureau of Accounts and is the predecessor to the Treasury Bulletin Table.

[7] U.S. Congress. Senate, Committee on the Budget. Federal Energy Financing, Financial and Budgetary Implications of Government Guarantees. Committee Print. 94th Congress, 2nd Session. August 30, 1976, 34p.

[8] *Ibid.*, p. viii.

[9] U.S. President Executive Office of the President, Office of Management and Budget. 1976 Catalog of Federal Domestic Assistance, Washington, 1976. 806 p.

[10] U.S. Treasury Office of Debt Analysis. Summary of Statutory Provisions of Federal Credit Programs. Covers laws enacted through June 30, 1974. Mimeographed. No date, 200 p.

[11] U.S. President, Council of Economic Advisers. Economic Report of the President 1977. House Document 95–40, 95th Congress, 1st Session. Washington, D.C. 1977, p. 263.

EXHIBIT 4

A LID ON U.S. LOAN GUARANTEES

Fears about this year's projected $60 billion federal budget deficit have been a primary cause of the recent sharp runup in interest rates. But an often overlooked element of government intervention in the financial markets—federally guaranteed loans—also threatens to further distort credit flows and crowd out would-be borrowers in 1978. Partly for this reason, President Carter will give high priority to proposals for limiting the spread of loan guarantees when he sends his fiscal 1979 budget to Capitol Hill next week.

It is uncertain just how big the flourishing universe of federal loan guarantees actually is. Loan guarantees do not appear in the federal budget. One congressional subcommittee has published a catalog ticking off 164 separate guarantee activities. But that catalog, Capitol Hill observers say, keeps getting bigger every month The dollar amount of guaranteed loans outstanding is reckoned at $277 billion by the Office of Management & Budget. Actually it all depends on how embracing a definition of "guaranteed" is used. Guarantee programs come in all shapes and sizes—from those where the government simply agrees to pay in case of default to those where federal agencies handle everything from filling out applications to actually raising money for the borrower in the bond market. The diversity makes it very hard to compare guarantees

with federal spending, but the total certainly tops a quarter-trillion dollars.

One thing is certain, however. The traditional government guarantee, made by the Federal Housing Administration and the Veterans Administration for home mortgages, could rapidly be overshadowed in importance by multimillion-dollar guarantees to big corporations and other borrowers. Lockheed Corp., for one, won financial breathing room in 1971 when the government guaranteed $245 million of its loans. But the guarantee program also includes at least $6 billion of actual loans that have gone to rural electrical cooperatives, the District of Columbia subway system and foreign governments buying arms from the U.S.

Disruptions. The Administration fears the uncontrolled growth of guarantees and loans will not only disrupt credit markets but also lessen the Treasury's ability to manage debt and weaken the Federal Reserve's grip on the money supply. To prevent this, the Office of Management & Budget next week will come out in favor of a "credit budget." Specifically, the OMB will recommend the adoption of agency-by-agency ceilings on the use of guarantees, similar to those now placed on government spending. The OMB will also recommend that Congress routinely review the size of guarantees in relation to total government credit.

"Direct loans." Loan guarantees picked up steam in the late 1960s, when the budget deficit during the Vietnam war surged and sent lawmakers scurrying for ways to finance their pet projects outside the federal budget. One approach was to have the government guarantee loans made in the private financial markets. In some cases, of course, the money came not from the private markets but from the government itself. "They got away from the original concept of using guarantees to make private borrowers more creditworthy," says an Administration official. "These were not guarantees at all but really direct loans."

Indeed, by having the U.S. back some borrowers while still other borrowers have to rely on their own ability to repay, guarantees distort the distribution of funds and put the government into the business of allocating credit. A marginal borrower can become a top-grade borrower when the government guarantees its loan—gaining access to the markets even when credit is tight and paying a lower rate than it otherwise would have to pay.

EXHIBIT 5

NEW YORK SHELL GAME

New York City officials burned the midnight oil Monday to pass a city budget and reach a labor contract with its municipal unions. The next morning Mayor Koch showed up at the Senate Banking Committee bragging that the city has now fulfilled these two conditions, and the federal government should guarantee some $2 billion, or maybe $4 billion in city borrowings.

It will take some time to plumb the city's budget, so the Banking Committee did not have the benefit of a full analysis. As it was passed, City Controller Harrison Goldin remarked that it does not make full allowance for wage settlements, and includes revenues that "may not materialize." This caveat was easy to overlook since it went unreported in Tuesday's budget stories in all New York City newspapers with the exception of the Rev. Sun Myung Moon's News World.

Even The News World did not get around to totting up the city budget deficit implicit in the budget and wage negotiations. Now, the deficit is a statistic of some importance, since if the city cannot balance its budget, it cannot pay back the "loans" it is asking for. This means the federal "guarantees" are guarantees certain to be called on, or in other words, grants. We will have a more detailed report when there is time to figure out where the bodies are buried, but the deficit still looks to be on the order of $1 billion a year indefinitely.

As an indication of the kind of shell game the city and its advocates are playing, though, we can glance at the assertions being made about its new wage settlement. It is being billed as a 4-percent increase in each of the next two years, delayed three months into each contract year. This is said to be less than the 5.5 percent being used as a standard for federal employees, and less than the rate of inflation. The assertions manage to ignore that city employes are getting cost-of-living boosts in addition to the 4-percent raises.

The published numbers come from union analysts, and we will want to take a more leisurely look. But on the basis of two 4-percent raises plus a $750 "cost-of-living bonus," they show that a clerk-typist now making $8,372 will be making $9,786 in the last nine months of the contract. This is a total increase of 17.8 percent over current compensation. Similarly, a sanitation man now making $16,172 goes to $18,223, a 12.7-percent increase in two years.

The flim-flammery evident in these calculations goes somewhat toward explaining the exasperation with New York often evident in these columns. But as a place to live we really do love New York, and we think that its long-term potential for economic recovery is excellent. Unlike many of our older cities, it retains a sound reason for its being; this nation needs a financial and communications hub, and God forbid that this role ever descend on Washington.

What is mostly impeding the ultimate recovery of New York is the climate of unreality that envelops the city's government and most of its civic leadership. Even today they continue to believe that the city can continue to spend $1 billion a year more than it takes in, and con someone else into picking up the tab. Maybe this assessment is right, maybe the city can roll the Congress.

For the long-term future of the city, though, it would be far better if its public and private leaders were forced to face up to the realities of their problems, even if they cannot be made to do so by anything short of a bankruptcy crisis. If Congress does supply the monies to allow New York's leadership to live in its current dreamworld, the future of the city is permanent financial crisis, further humiliations as the federal guarantees are called in, and eventual status as a ward of the federal government, a sort of Indian reservation. It is scarcely a formula for resurgence, but a formula for decline.

EXHIBIT 6

APRIL 24, 1978.

Hon. W. MICHAEL BLUMENTHAL,
Secretary,
Department of the Treasury,
Washington, D.C.

MY DEAR MR. SECRETARY: On April 1, 1978, the New York Metropolitan Transit Authority negotiated a contract settlement with the Transport Workers Union of Greater New York and the Amalgamated Transit Union. The terms of the contract appear expensive in light of New York City's shaky financial situation.

You indicated in your March 2 speech before the House Committee on Banking, Housing and Urban Affairs Subcommittee on Economic Stabilization that New York City's wage negotiations with its labor unions are very important to the viability of the City's budget plan. You correctly pointed out that the City's four-year financial plan made no provision for wage increases to City employees. As a majority of these unions have yet to enter into any tentative agreements on their contracts, it is very difficult to ascertain whether New York's four-year financial plan will be able to accomplish its very optimistic goal of restoring the City to fiscal health.

I understand that Congressman Moorhead has asked to be provided by your department with an assessment of the budgetary impact of the settlement of existing and prospective New York City labor disputes.

I would appreciate being provided with a copy of this assessment at the same time it is sent to Congressman Moorhead.

With best wishes, I am

Sincerely,

———— ————.

MAY 9, 1978.

Hon. ELMER B. STAATS,
Comptroller General of the United States, General Accounting Office, Washington, D.C.

MY DEAR MR. COMPTROLLER GENERAL: P.L. 49–143, the New York City Seasonal Financing Act of 1975, authorized the General Accounting Office to make appropriate audits of New York City financial affairs before any federally funded loan was made under this law.

I am confident the G.A.O., because of this grant of authority, has kept abreast of the New York City financial situation.

As you may know, P.L. 94–143 expires on June 30, 1978. New York City, not having solved its financial problems, has requested continued and expanded Federal financial aid. The City has submitted a four-year financial plan which shows a promised resolution of their financial situation, but only if it continues to receive such aid.

The City's wage negotiations with its labor unions are very important to the viability of the City's budget plan. A majority of the City's unions have yet to enter into any tentative agreements on their contracts. Moreover, Mayor Koch's plan to use some of the City's last year's surplus money for his labor-settlement proposal has been called into serious question by a high New York State Budget official.

With this contract uncertainty unresolved, it is very difficult to ascertain whether New York's four-year financial plan will be able to accomplish its very optimistic goal of restoring the city to fiscal health.

I would like to request that your department prepare for me a report on the budgetary impact of the settlement of existing and prospective New York City labor disputes.

Mindful of the fact that budgetary "gimmicks" helped to put the City in a financial crisis situation, I would like for your office to address the manner in which the contracts will be funded. Also, I would like to know whether the proposal falls within generally accepted accounting standards.

With best wishes, I am

Sincerely,

———— ————.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for 2 minutes in executive session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of all nominations on the Executive Calendar beginning with Mississippi River Commission, on page 2, and going through page 4.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, I rise only to advise the distinguished majority leader that the nominations that he identifies on the Executive Calendar are cleared on our calendar as well, and that we have no objection to proceeding to their consideration and their confirmation.

Mr. ROBERT C. BYRD. Mr. President,

I thank the distinguished minority leader. That being the case, I ask unanimous consent that the Senate proceed to consider and confirm the nominations that I have alluded to, that the motion to reconsider the vote on the nominees be considered en bloc, that the motion be laid on the table en bloc, and that the President be notified of the confirmation of the nominees.

The PRESIDING OFFICER. Without objection, it is so ordered.

MISSISSIPPI RIVER COMMISSION

The legislative clerk read the nomination of James Williams Yancy, of Arkansas, to be a member of the Mississippi River Commission.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

FEDERAL COUNCIL ON THE AGING

The legislative clerk read the nominations of:

Nelson H. Cruikshank, of the District of Columbia; Walter L. Moffett, of Idaho; James T. Sykes, of Wisconsin; Fannie B. Dorsey, of Kentucky; Mary A. Marshall, of Virginia; Bernice L. Neugarten, of Illinois; Fernando Manual Torres-Gil, of California; and Wesley C. Uhlman, of Washington, to be members of the Federal Council on the Aging.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed.

NEW REPORTS

DEPARTMENT OF COMMERCE

The legislative clerk read the nomination of Henry Geller, of Virginia, to be Assistant Secretary of Commerce for Communications and Information.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of George S. Benton, of Maryland, to be Associate Administrator of the National Oceanic and Atmospheric Administration.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

FEDERAL TRADE COMMISSION

The legislative clerk read the nomination of Robert Pitofsky, of Maryland, to be Federal Trade Commissioner.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

U.S. COAST GUARD

The legislative clerk read nominations in the U.S. Coast Guard:

The following-named captain of the Coast Guard Reserve to be a permanent commissioned officer in the Coast Guard Reserve in the grade indicated:

Aubrey H. Jones, to be rear admiral.

Danny Ellis, licensed officer of the U.S. Merchant Marine, lieutenant (jg.).

The following officers of the U.S. Coast Guard for promotion to the grade indicated:

Capt. Bernie E. Thompson, Capt. Clifford F. DeWolf, Capt. Harold W. Parker, Jr., Capt. Henry H. Bell, Capt. Alfred P. Manning, Jr., Capt. Richard J. Knapp, to be rear admirals.

The following officers of the U.S. Coast Guard for promotion to the grade indicated:

William H. Stewart, Paul A. Yost, Jr., and Louis L. Zumstein to be rear admiral.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

The legislative clerk read National Oceanic and Atmospheric Administration nominations beginning Joseph G. Gofus III, to be lieutenant, and ending Charles I. Zigelman, to be ensign.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO HOLD H.R. 11886 AND H.R. 10173 AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as they are received, H.R. 11886 and H.R. 10173 be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO HOLD H.R. 12841 AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as it is received from the other body, H.R. 12841 be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the following resolutions: Senate Resolution 495, Senate Resolution 496, and Senate Resolution 497.

Mr. BAKER. Mr. President, reserving the right to object, will the distinguished majority leader give me just a moment?

Mr. ROBERT C. BYRD. Yes.

Mr. President, I withdraw that request.

BUDGET ACT WAIVER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 488, the budget waiver resolution with respect to the consideration of H.R. 11005.

The PRESIDING OFFICER. The resolution will be stated by title.

There being no objection, the resolution (S. Res. 488) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 11005, was considered and agreed to as follows:

Resolved, That (a) pursuant to section 402(c) of the Congressional Budget Act of 1974, section 402(a) of such Act shall not apply with respect to the consideration in the Senate of the bill (H.R. 11005) to provide authorization of appropriations for the United States International Trade Commission for fiscal year 1979; and

(b) That waiver of this section is necessary in order to enable the Senate to consider this legislation which authorizes funding for continued operation of the International Trade Commission.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

INTERNATIONAL TRADE COMMISSION AUTHORIZATIONS, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 850, H.R. 11005, an act to provide authorization of appropriations for the U.S. International Trade Commission for fiscal year 1979.

The Senate proceeded to consider the bill (H.R. 11005) to provide authorization of appropriations for the United States International Trade Commission for fiscal year 1979, which had been reported from the Committee on Finance with an amendment on page 1, line 9, strike "$12,813,000" and insert "$13,113,000".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–914), explaining the purposes of the measure.

There being on objection, the excerpt was ordered to be printed in the RECORD, as follows:

I. SUMMARY

The committee amended H.R. 11005 to authorize appropriation of $13,113,000 to the U.S. International Trade Commission (ITC) for fiscal year 1979. H.R. 11005, as it passed the House, would authorize appropriation of $12,813,000 to the ITC for fiscal year 1979. The amount the House bill would authorize is $300,000 less than the ITC requested and is $300,000 less than the amount authorized under the committee amendment.

II. GENERAL EXPLANATION

Present law.—Section 330(e) of the Tariff Act of 1930 (19 U.S.C. 1330(e)) requires that an authorization of appropriations for the ITC be enacted for each fiscal year. For fiscal year 1978 the ITC is authorized appropriations of $11,522,000. Under existing law additional sums are authorized by law in salary, pay, retirement, and other employee benefits.

House bill.—H.R. 11005, as passed by the House, authorizes appropriation of $12,813,000 to the ITC for fiscal year 1979, $300,000 less than the amount requested by the Commission.

Committee amendment.—The committee amended H.R. 11005 to authorize appropriation of $13,113,000 to the ITC for fiscal year 1979, the amount requested by the ITC.

Reason for change.—The U.S. International Trade Commission is an independent factfinding agency whose six members and staff perform important functions in the administration of U.S. trade laws and in the conduct of U.S. trade policy. The Commission holds administrative hearings, carries out economic investigations at the request of Congress, the President, or on its own initiative, and reports its findings to the Congress and to the Executive either as technical advice or as specific determinations in cases brought under the trade laws of the United States.

Some of the trade laws the Commission administers include:

1. The import relief provisions of the Trade Act of 1974. The Commission determines whether or not increased imports are injuring a domestic industry and recomemnds to the President the relief necessary to remedy the injury to the industry (19 U.S.C. 2251).

2. The Antidumping Act of 1921. The Commission determines whether or not imports sold at less than fair value are injuring a domestic industry (19 U.S.C. 160).

3. The unfair import practice law (19 U.S.C. 1337).

In fiscal year 1978, the Commission experienced a sharp increase in its workload. In particular, the number of Commission investigations of alleged unfair practices in the import trade under section 337 of the Tariff Act of 1930 has increased. This increase followed the conclusion of the Commission's investigation of alleged unfair practices in the importation of color televisions from Japan in fiscal year 1977.

The Commission's workload in import relief cases under the Trade Act has remained steady. Industries covered in recent investigations include producers of sugar, footwear, beef and veal, television sets, industrial fasteners, and citizen band radios. Increased activity is anticipated in the area of antidumping investigations and assistance to the U.S. negotiators at the multilateral trade negotiations.

The act authorizing appropriations for the Commission in fiscal year 1977 provided increased administrative authority to the Chairman of the Commission. Under this new authority the Chairman may make virtually all administrative decisions except those relating to the budget of the Commission and the discharge of employees from employment with the Commission. Previously, the entire Commission was responsible for all administrative matters. The transition to the new form of administration is largely complete. The new administrative scheme appears to have increased the efficiency of the ITC. Most importantly, commissioners can now devote their time to considering substantive issues before the Commission rather than administrative matters.

The Commission requests authorization of an appropriation of $13,113,000 for fiscal year 1979, an increase of $900,000 (7.4 percent) from the fiscal year 1978 budget (including a pending fiscal year 1978 supplemental appropriation for pay increases). More than one-third of the increase, $320,000, is to provide for automatic cost increases. The Commission intends to use most of the remainder of the increase to fill a number of the positions already authorized. During fiscal year 1978, the Commission was authorized to employ 395 full-time permanent employees, but received an appropriation adequate to support an average of about 367.

The committee considers the budget request of the ITC to be entirely justified. The amount requested is modest in relation to the importance of the work the ITC performs for the Congress, the Executive, and the public. The committee expects the workload of the ITC to increase during fiscal year 1979. Besides an increase in the number of cases, the culmination of the multilateral trade negotiations during fiscal year 1979 will result in increased demand for ITC studies. In light of this, the committee strongly recommends that the ITC be authorized appropriation of the full amount requested.

III. COST OF CARRYING OUT THE BILL

In compliance with section 252(a) of the Legislative Reorganization Act of 1970, the committee estimates the cost of carrying out this bill, as amended, will be $12,800,000 during fiscal year 1979 if the amount authorized is appropriated.

COST OF HEALTH CARE

Mr. ROBERT C. BYRD. Mr. President, Senator KENNEDY has served as chairman of the Health and Scientific Research Subcommittee of the Committee on Human Resources since 1971. Since 1977, Senator SCHWEIKER has been the ranking Republican on that subcommittee. The members of that subcommittee have consistently been faced with some of the most difficult and pressing issues to come before the Congress.

Health care is, of course, of paramount importance to every American. Which of us has not faced the tragedy of severe illness within our immediate families? Human suffering cannot be measured in dollars and cents.

Yet the issue of the economic costs of health research and delivery of services is one which must be considered. Our tax dollars must be carefully spent.

A useful insight into their value, in terms of Federal health dollars, can be gained if we pause for a moment to consider the economic costs of illness in the United States. It has been estimated that the costs of illness and—we are not even talking here about human suffering—is more than $250 billion per year in lost productivity and costs of care.

Viewed in this perspective, every dollar of Federal assistance productively used should save many dollars of foregone earnings and expensive health care or hospitalization. Every dollar spent to prevent illness saves many dollars otherwise spent to cure, to hospitalize, or to pay for disability or unemployment benefits.

Senators who have worked in the area of health legislation have struggled with two competing demands: The need to provide adequate health care to every American balanced against the problem of ever-increasing health care costs.

This week the Senate acted favorably on two pieces of health legislation which represent a constructive and rational approach to Federal participation in the health area.

Title I of the Community Mental Health Centers and Biomedical Research Extension Act addresses the need for effectiveness and easily accessible mental health services. It extends the community mental health centers program for 1 year, during which time the Health Subcommittee will consider ways to improve the program and aid in its integration into the health care system.

At present, the services of community mental health care centers are available to more than 95 million people in this country. Title I is aimed at continuing the progress toward making comprehensive local mental health services available to those in need.

Title II of this act reauthorizes several important biomedical research programs including the National Cancer Act, the National Heart, Lung, and Blood Diseases Act, and others. The extension will allow normal operation of these programs while the Health Subcommittee undertakes a detailed review of their operations.

In short, the bill passed by the Senate will insure continued funding of important health-related activities while further attention is given to the planning and integration of these services as well as others into our health care system as a whole.

The second piece of health legislation considered by the Senate addresses the serious problem of abuse of human subjects in biomedical experiments. Well-documented cases exist in which medical research has been conducted without the informed consent of the subjects.

In response to this situation, the Senate passed on Monday a bill to establish the President's Commission for the Protection of Human Subjects of Biomedical and Behavioral Research. The bill gives the Commission the responsibility and authority to make recommendations to executive departments and agencies on safeguarding the rights of human subjects of research.

In addition, the Commission will conduct several special studies on the legal, social, and ethical problems associated with advances in medical research. While the results of such studies will not have the force of law, they will significantly influence the growing debate on this subject. For their important contribution to our increased awareness and understanding of this growing problem, Senator KENNEDY, Senator SCHWEIKER and the other members of the Subcommittee on Health and Scientific Research are to be commended.

Another area which the subcommittee has focused its attention on, and one which certainly impacts on health research both directly and indirectly, is the advancement of scientific inquiry. The National Science Foundation is central to the Federal Government's effort to support scientific inquiry and improve science education at all academic levels. It sponsors basic research in all fields of science.

We cannot underestimate the importance and necessity of scientific research. The scientific and technological studies conducted and sponsored by the NSF have increased our understanding of the principles that govern life's phys-

ical and social interactions. This increased awareness and knowledge is essential in dealing with a broad spectrum of problems in every area of our daily lives. The inroads made as a result of studies sponsored by the NSF have greatly benefited the area of health. In addition, such diverse areas as energy, agriculture, transportation, and the environment have felt the positive impact of advances made through NSF activities.

More than 80 percent of National Science Foundation funds are expended in grants and contracts to colleges and universities. I cannot think of a better way to give our young doctors, as well as scientists and engineers—America's future leaders—the opportunity they may not have had to explore and better understand the workings of the world and the universe. All of us benefit in one way or another from their efforts. Perhaps someday their work will help us to solve some of the world's physical and social ills.

Senator KENNEDY's leadership as chairman of the Subcommittee on Health and Scientific Research and his expertise in the areas of health and science benefited all of us during consideration of S. 2549, a bill to authorize the National Science Foundation Act for fiscal years 1979 and 1980. Its recent passage will result in dividends for the whole Nation.

ADJOURNMENT OF THE HOUSE AND SENATE UNTIL JULY 10, 1978

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on House Concurrent Resolution 654.

The PRESIDING OFFICER. The Chair lays before the Senate House Concurrent Resolution 654, which will be stated.

The assistant legislative clerk read as follows:

A resolution (H. Con. Res. 654) providing for an adjournment of the House from June 29 until July 10, 1978.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the concurrent resolution.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the concurrent resolution.

UP AMENDMENT 1387

Mr. ROBERT C. BYRD. Mr. President, I call up an amendment which is at the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD) proposes UP amendment 1387.

At the end of the resolution strike the period, and insert: ", and that when the Senate completes its disposition of H.R. 12426, Calendar No. 883, it stand in recess until 11:00 o'clock a.m. on Monday, July 10, 1978."

Mr. ROBERT C. BYRD. Mr. President, before we act on that, I believe I got consent earlier that, upon the disposition of the New York City bill, the Senate would proceed with the consideration of the fisheries bill, did I not?

The PRESIDING OFFICER. The majority leader is correct.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, just prior to the vote on passage of the New York City bill tomorrow, the Senate proceed to the consideration of the fisheries bill, in connection with which a time agreement has already been entered. This would make the Senate act in conformity with the amendment to the resolution now pending before the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment.

The amendment was agreed to.

The concurrent resolution, as amended, was agreed to, as follows:

That when the House adjourns on Thursday, June 29, 1978, it stand adjourned until 12 o'clock meridian on Monday, July 10, 1978; and that when the Senate completes its disposition of H.R. 12426, Calendar No. 883, it stand in recess until 11:00 o'clock a.m. on Monday, July 10, 1978.

Mr. ROBERT C. BYRD. Mr. President, I send to the desk an amendment to the title.

The PRESIDING OFFICER. The title amendment will be stated.

The assistant legislative clerk read as follows:

Strike the period at the end thereof, and insert the following: ", and for a recess of the Senate from the time H.R. 12426 is disposed of until July 10, 1978."

The PRESIDING OFFICER. The question is on agreeing to the amendment to the title.

So the title was amended to read:

Providing for an adjournment of the House from June 29 until July 10, 1978, and for a recess of the Senate from the time H.R. 12426 is disposed of until July 10, 1978.

CONDEMNATION OF HARASSMENT OF WESTERN JOURNALISTS BY THE SOVIET UNION

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. BAKER, myself, and other Senators, I send to the desk a Senate resolution and ask that it be stated by the clerk.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read as follows:

A resolution (S. Res. 503) condemning the harassment of Western journalists by the Soviet Union.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the resolution be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, two U.S. correspondents in the Soviet Union are being brought to trial on charges of slander.

In fact, these two American reporters were fulfilling their professional responsibilities—informing the American people, through their respective newspapers, of developments in the Soviet Union.

Specifically, the Soviet television authority has objected to reporting of events surrounding activities of Soviet dissidents.

The two correspondents, Hal Piper of the Baltimore Sun and Craig R. Whitney of the New York Times, have been ordered to file written responses to the civil slander suit and to be prepared to go to trial July 5.

The television authorities claim that they were slandered by articles written by Piper and Whitney challenging the credibility of a filmed "confession" by a well-known Georgian dissident. Zviad Gamsakhurdia.

Mr. President, this is a clear case of harassment of American reporters. It impinges on the rights of newsmen to perform their duties.

We must deplore and condemn this treatment of the representatives of two major American newspapers. Actions such as this by the Soviet Union can only further inhibit and may seriously set back efforts to improve relations between our two countries.

Mr. Piper and Mr. Whitney are experienced, highly professional reporters. Mr. Piper has been the Sun's correspondent in Moscow for more than 3 years.

Mr. President, regrettably this is not the first serious incident involving American journalists in recent weeks.

According to Editor & Publisher magzine, many of the 22 American reporters stationed in Moscow have been subjected to harassment in the past few weeks while covering a sensitive dissident trial, dissident demonstration, and other developments.

These incidents involve what would appear to be clear violations of the Helsinki accords—to which the Soviet Union is a signatory—which guaranteed increased protection for journalists.

As the Baltimore Sun editorialized today:

It is sad to see the Kremlin converting a liberal provision in its civil code into a bludgeon against the Western press. This not only defies protections for journalists in the Helsinki Accords but damages detente. Soviet authorities would be well advised to stop the whole travesty and get on with more positive activities.

Mr. President, I am today introducing, a resolution condemning the harassment of Western journalists by the Soviet Union, and I ask unanimous consent that it be held at the desk pending further disposition. The resolution urges the Department of State to protest this harassment in the strongest possible terms and urges the Soviet Union to desist from further harassment and intimidation.

Mr. President, I ask unanimous consent to have printed in the RECORD an article from Editor & Publisher magazine of June 17 entitled, "U.S. Journalists

Harassed in U.S.S.R." and an editorial from the Baltimore Sun of June 28.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From Editor & Publisher, June 17, 1978]

U.S. JOURNALISTS HARRASSED IN U.S.S.R.

The United States Embassy has expressed concern to the Soviet foreign ministry over recent police harassment of U.S. journalists stationed in the Soviet Union.

Many of the 22 American reporters stationed in Moscow have been subject to harassment in the past few weeks while covering a sensitive dissident trial, a dissident demonstration, and a shooting incident. Police have confiscated or exposed film and tried to prevent contact with the dissidents.

UPI newsman Doug Stranglin, while taking photographs of a Finnair office several hours after an armed man had held two hostages briefly, had his camera yanked from his neck, breaking the strap, and while Stranglin gave up his identification card, another policeman removed the camera film and exposed it. Camera, card, broken strap, and exposed film were returned to Stranglin. UPI protested that incident.

During the trial of dissident leader Yuri Orlov, police tried to prevent Stranglin from taking pictures and twice grabbed a tape recorder microphone from his hands. Plainclothes policemen took videotape pictures and still shots of the reporters at the scene and after one session, trailed Washington Post's Kevin Klose, who was driving to his apartment in the Post's Volvo with Orlov's wife and other Western reporters. Police had refused to allow interviews with Mrs. Orlov at the trial scene.

Also during the trial, London Telegraph's Richard Beeston was threatened by 4 unidentified men in a parking lot and when he complained to a nearby policeman, the man said he saw nothing.

May 23, police demanded identification from Klose, UPI reporter Peggy Polk and Ebba Savborg, a correspondent for Scandanavian news agencies, as they covered a protest by dissidents. Police searched Polk's purse and tried to drag Klose into a nearby car, claiming he was witness to a crime. Klose was released when he told the other correspondents to inform the U.S. Embassy he was being arrested.

At the Finnair office incident, the film footage by Bernard Redmont of CBS News was confiscated as police claimed Soviet law forbade the filming of crowds.

The incidents involve apparent violation of the 1975 Helsinki accords, which guaranteed improved working conditions for journalists living in foreign countries. The foreign journalists felt the recent harassment was a warning to dissidents not to talk to Western journalists and also was an attempt to keep journalists from covering events that put the Soviet Union into a bad light.

[From the Baltimore Sun, June 28, 1978]

A CIVIL SUIT IN MOSCOW

With police state perversity, the Soviet Union seems to be in the process of turning a post-Stalinist liberalizing revision of its legal code into an instrument for harassing American reporters.

Hal Piper of *The Sun*, the senior U.S. correspondent in Moscow, and Craig R. Whitney, of the New York *Times* bureau, have been summoned to appear in Kalanchevskaya City Court today. The charge is one of slander probably arising from stories both wrote last month challenging the credibility of a television broadcast in which a well-known Georgian dissident, Zviad Gamsakhurdia, recanted his criticisms of the Soviet system.

The press department of the Soviet Foreign Ministry has informed Mr. Piper and Mr. Whitney that the civil suit has been brought by Gosteleradio, the state television and radio administration, evidently on the ground that it had been defamed. If the situation were not so outrageous, it would be laughable.

According to American experts in Soviet law, a civil slander provision was included in the 1961 fundamental principles of civil law in order to give aggrieved Soviet citizens a chance to sue the state-controlled press. Before, none had recourse against published but unproven condemnations.

Two years ago Alfred Friendly, Jr., then a correspondent for *Newsweek* magazine, cited this statute in a suit filed against the Moscow *Literary Gazette* for alleging he was an agent of the Central Intelligence Agency. The suit was not pursued to its conclusion, but the gesture must have rankled.

In the middle of May, according to Mr. Piper's dispatches, Tass quoted Mr. Gamsakhurdia as saying that Mr. Friendly, with whom he was acquainted, had produced "an adverse effect" on him. Then came the nationwide TV program in which the Georgia dissident allegedly confessed his supposed crimes and mistakes. Shortly after, Mr. Piper and Mr. Whitney were in Tbilisi, the Georgian capital, where friends of the dissident noted his changed appearance in the broadcast and speculated the program had been spliced together.

The Sun, of course, deplores this harassment of its Moscow correspondent. Mr. Piper is a careful, probing, highly professional journalist whose work for four years has been relatively free of Soviet attack. Indeed, President Leonid Brezhnev said last October that *The Sun's* reporting on the new Soviet constitution was "more or less" objective.

It is sad to see the Kremlin converting a liberal provision in its civil code into a bludgeon against the Western press. This not only defies protections for journalists in the Helsinki accords but damages détente. Soviet authorities would be well advised to stop the whole travesty and get on with more positive activities.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the resolution be held at the desk pending further disposition; and that it be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution ordered to be printed in the RECORD follows:

S. RES. 503

Whereas the government of the Soviet Union has, in the past, engaged in intimidation and harassment of Western journalists attempting only to report factually on life in the Soviet Union.

Whereas of particular interest to the peoples of the world is the continuing systematic campaign of repression by the Soviet Union of Soviet citizens who voice disagreement with their government's policies.

Whereas such repression is violative of basic human rights.

Whereas two American correspondents, Mr. Hal Piper of *The Sun* and Mr. Craig Whitney of *The New York Times*, are now being brought to trial in the Soviet Union for simply reporting on the purported "confession" of Soviet dissident Zviad Gamsakhurdia.

Whereas such harassment of newsmen is abhorrent to all freedom loving peoples as an attempt to suppress the truth and is violative of the Helsinki Accord to which the Soviet Union is signatory.

Whereas this incident could well presage a new campaign on the part of the Soviet Union to repress accurate news reporting in that country: Now, therefore, be it

Resolved, That the Senate of the United States—

(1) deplores and condemns the use of the Soviet judicial system to punish Mr. Piper and Mr. Whitney for fulfilling their responsibilities as journalists;

(2) urges the Department of State to protest the harassment of Mr. Piper and Mr. Whitney in the strongest possible terms; and

(3) urges the Soviet government to desist from further harassment and intimidation of journalists stationed in that country.

SENATE LEGISLATIVE ACHIEVEMENTS, JANUARY 19–JUNE 28, 1978

Mr. ROBERT C. BYRD. Mr. President, the work of the Senate in the last 5 months illustrates the resolve of Members of the Senate to face difficult issues. Senate action on at least three major issues of many years' concern readily supports this statement.

For a decade, the Senate has been dealing with the codification of Federal criminal law. This year, however, the Senate debated and passed comprehensive legislation which, for the first time in 200 years, pulls together criminal law into a single code. This matter is of critical importance to all Americans because it makes a momentous advance toward fulfillment of one of the most basic demands of our society—justice in the administration of the criminal law. These reforms, which include assurances of greater equity in the sentencing of persons for crimes of a similar nature, will go a long way toward restoring public confidence in the criminal justice system.

Senate approval of the Panama Canal treaties marked the culmination of 14 years of negotiation on the controversial issues surrounding the Panama Canal. The careful examination Senators gave the treaties resulted in essential clarifications of the American right to defend the Canal and to have priority passage through the Canal in an emergency.

A third issue—which three Senate committees have been grappling with for 2½ years—involves effective control of nuclear exports. These efforts on the part of the Senate and House led to enactment in April of this year of a law which has been described as the most comprehensive piece of nuclear legislation since 1954. It will lessen the spread of nuclear materials and technology while improving the framework for international cooperation for meeting energy needs of all nations.

Recently, the Senate debated Labor Law Reform, another important but tough issue. Despite the days spent on this matter, the Senate continued its work on other legislation, passing 72 bills, 50 of which contained authorization or appropriation of funds.

The overwhelming approval by the Senate of airline deregulation, which has been before two Congresses, has already had a noticeable effect on stimulating the regulatory agency to loosen up its regulations and on stimulating the airline industry to offer a greater variety of reduced airfares to consumers.

With regard to the Nation's health, the Senate extended funding for 1 year for Community Mental Health Centers, which will provide community outpatient mental health care to over 2.3 million persons in 1978, while a thorough review

of the program is undertaken. Provisions were also passed to establish a Presidential Commission for the Protection of Human Subjects of Biomedical and Behavioral Research.

Legislation fostered by the late Hubert Humphrey which streamlines and improves the effectiveness of our foreign aid programs was the subject of debate and passage this week. The Senate also agreed upon authorization levels for the State Department.

Among other important actions taken this year, the Senate:

Supported the President's sale of aircraft to Egypt, Israel, and Saudi Arabia;

Authorized $2.4 billion for public works improvements for navigation on inland waters and imposed an inland waterway fuel tax on commercial barges;

Authorized the Secretary of Agriculture to increase target prices for agricultural commodities for the next 4 years and established an economic emergency loan program to alleviate the plight of American farmers;

Limited the use of wiretapping equipment by requiring a warrant to conduct electronic surveillance for foreign intelligence purposes within the United States;

Established minimum Federal standards governing the termination and nonrenewal of gas station franchises;

Simplified certain requirements of the Truth-in-Lending Act;

Expanded the Redwood National Park by 48,000 acres;

Reduced the likelihood of dam failure by aiding States in inspecting nonfederally owned dams in order to avoid the damage to life and property which have resulted from bursting dams;

Established a program for testing the commercial, environmental and social viability of various oil shale technologies; and

Authorized loans to small businesses that manufacture energy conservation equipment.

A summary of major legislation the Senate has passed this year is contained in a report prepared by the staff of the Democratic Policy Committee. I ask unanimous consent that this report be printed at this point in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

MAJOR LEGISLATION SUMMARY: 95TH CONGRESS—2D SESSION

Agricultural credit. Amends the Consolidated Farm and Rural Development Act in order to improve Federal agricultural assistance programs; establishes a new economic emergency loan program for farmers and ranchers; and amends and extends the Emergency Livestock Credit Act of 1974. H.R. 11504—Passed House April 24, 1978; Passed Senate amended May 2, 1973; In conference. (146)

Airline deregulation. Sets forth U.S. policy to develop an air transportation system which places increased reliance on market competition, with safeguards against unfair or predatory practice or decreases in services to smaller communities;

Revises current standards governing entry application for interstate and overseas scheduled air transportation to promote competition by directing the Civil Aeronautics Board (CAB) to authorize proposed air transportation entries unless it determines that such transportation is not consistent with the public convenience and necessity, thereby negating current policy whereby a proposed new service must be "required" by the public convenience and necessity; establishes a graduated automatic entry program by allowing existing carriers to enter one new route a year for the first two years and two new routes a year thereafter without CAB approval; provides a five-year adjustment period to the automatic entry program during which carriers may place a limited number of their routes outside automatic entry and during which subsidized and smaller carriers will be protected by limiting the number of their unprotected routes;

Contains provisions throughout the bill requiring expedient action on all applications, complaints, and other matters filed before the CAB; and creates a new section of the Federal Aviation Act to insure surveillance of safety standards throughout the transitional period of reform. S. 2493—Passed Senate April 19, 1978. (146)

Criminal code reform. Creates for the first time a systematic consistent and comprehensive Federal criminal code to remedy the hodgepodge that now exists, by replacing title 18 with a "Federal Criminal Code"; creates a Sentencing Commission to establish guidelines to govern the imposition of sentences for all Federal offenses, taking into consideration factors relating to the purposes of sentencing (deterrence, protection of the public, assurance of just punishment and rehabilitation), the characteristics of the offender, and the aggravating and mitigating circumstances of the offense; provides for a penalty structure of consistent penalties for conduct of a similar nature or seriousness; provides for appellate review of a sentence by appeal of the defendant if it exceeds the maximum guideline for such a crime or by the government if it is less than the minimum; provides that the maximum term of imprisonment established by the Commission shall not exceed the minimum by more than 25 percent; requires the Commission in promulgating guidelines to consider alternatives to incarceration for nonviolent first offenders; allows pretrial detention of an individual charged with a serious crime such as murder, rape, armed kidnapping, drug trafficking, and armed robbery; reduces the present 79 different terms to define states of mind to four: intentional, knowing, reckless, or negligent; applies sex offenses without discrimination to both men and women and includes forcible sodomy in the definition of rape; provides that rape by means of force, threats of imminent serious injury, kidnapping or drugs will be punishable even where the victim is married to the offender; eliminates corroboration of a victim's testimony; prohibits defense or grading distinction based upon the promiscuity of the victim and severely restricts inquiry into the prior sexual conduct of the victim; expands the offense of kidnapping to include a case in which one holds his own child for ransom, as a hostage, or with similar criminal intent; provides that simple possession of more than 100 grams (about 1 pound) of an opiate (which retails for at least $4,000) is made a more serious offense than a simple possession of other drugs; makes possession of 30 grams (about one ounce) or less of marijuana subject to prosecution by summons rather than arrest, reduces the penalties and has liberal provisions for expungement of the record of conviction; and contains provisions regarding wiretapping, racketeering, white collar crimes, among others. S. 1437—Passed Senate January 30, 1978. (21)

Dam inspection and safety. Seeks to develop on-going programs that will reduce the likelihood of dam failure by encouraging the development and maintenance among the states dam safety programs, of and by gradually reducing the Corps of Engineers' role of inspecting non-Federally owned dams. S. 2444 and S. 2437—Passed Senate June 6, 1978. (VV)

Emergency agricultural act. Amends the Food and Agricultural Act of 1977 to give the Secretary of Agriculture discretionary authority to increase the target prices for wheat, feed grains and upland cotton for the 1978 through 1981 crops whenever a set-aside program is in effect for one or more of these crops; if the target price is increased for any commodity for which a set-aside is in effect, allows the Secretary to increase the target price for any other commodity in such amounts as he determines necessary for the effective operation of the program; makes technical changes in the formula contained in the 1977 Farm Act for computing the loan level for upland cotton, and sets a minimum loan level of 48 cents per pound regardless of the formula for the 1978–81 crops; increases the borrowing authority of the Commodity Credit Corporation from $14.5 to $25 billion, effective October 1, 1978; and provides that the Secretary may permit the acreage set-aside or diverted from the production of a commodity to be devoted to the production of any other commodity for the conversion into gasohol if the Secretary determines that such production is desirable in order to provide an adequate supply of gasohol and will not adversely affect farm income. H.R. 6782—Public Law 95–279, approved May 15, 1978. (72, 85)

First budget resolution, 1979. Recommends 1979 total estimated revenues of $447.9 billion, budget outlays of $498.8 billion, budget deficit of $50.9 billion, budget authority of $568.85 billion, and public debt level of $849.1 billion as compared to the President's recommendations of $439.6 billion in estimated revenues, $500.2 billion in budget outlays, $60.6 billion in budget deficits, $568.2 billion in budget authority, and $867.5 billion as the public debt level. S. Con. Res. 80—Action completed May 17, 1978. (140)

Foreign intelligence surveillance. Requires that all foreign intelligence electronic surveillance within the United States, as well as some overseas interceptions, be subject to a judicial warrant requirement based on the probable cause; prohibits the dissemination of information concerning U.S. persons which does not relate to national defense, foreign affairs, or the terrorist, sabotage or clandestine activities of a foreign power; sets limits on the dissemination of information relating solely to national defense or foreign affairs; requires certification, from an appropriate executive branch official, that any information sought by the surveillance is related to, and in the case of surveillance of a U.S. person is necessary to, the national defense, the national security, or the successful conduct of the foreign affairs of the United States; allows the court to approve electronic surveillance for foreign intelligence purposes for a period of 90 days or, in the case of a foreign government, faction, or entity openly controlled by a foreign government, for a period of up to 1 year; permits emergency surveillance without a court order in limited circumstances, but provides that a court order must be obtained within 24 hours of the initiation of any emergency surveillance; and sets forth civil and criminal sanctions for violation of the bill's provisions. S. 1566—Passed Senate April 20, 1978. (128)

International development assistance. Authorizes $1.7 billion (which reflects a 5 percent across-the-board decrease agreed to during Senate floor debate) for fiscal year 1979 for bilateral development assistance, international disaster assistance programs, operating expenses for the United States Agency for International Development (AID) and voluntary U.S. contributions to international organizations; amends the Foreign Assistance Act of 1961 to improve the coordination and administration of U.S. development-related policies and programs; and prohibits the use of funds for any form of aid, either by monetary payment or by the sale or transfer of any goods of any nature,

to the Socialist Republic of Vietnam, Cambodia, Uganda, or Cuba or to any country which allows, supports, or encourages acts of terrorism. H.R. 12222—Passed House May 15, 1978; Passed Senate amended June 26, 1978; Senate requested conference June 16, 1978. (177)

Mental health—biomedical research—family planning. Extends for one year funding for Community Mental Health Centers which will provide community out-patient mental health care to over 2.3 million persons in 1978 while a thorough review of the program is undertaken; establishes a Presidential Commission for the Protection of Human subjects in Federal Research; increases substantially authorizations for family planning and population research to expand the availability of voluntary family planning services emphasizing such services for sexually active adolescents and to increase research in contraceptives. S. 2450—Passed Senate June 26, 1978; S. 2522—Passed Senate June 7, 1978. (VV)

Middle East arms sales. States the objections of the Congress to the President's proposed sale of fifty F–5 aircraft to Egypt, fifteen F–15 aircraft and seventy-five F–16 aircraft to Israel, and sixty F–15 aircraft to Saudi Arabia. S. Con. Res. 86—Senate rejected disapproval resolution May 15, 1978. (161)

Nuclear Non-Proliferation Act. Establishes a more effective framework for international cooperation to encourage development of peaceful nuclear activities to meet energy needs and to assure that export by any nation of nuclear materials and technology does not contribute to proliferation; authorizes the United States to take such actions as are required to insure that it can act reliably in licensing the export of nuclear reactors and fuel to nations which share our non-proliferation policies; provides incentives to other nations to join in non-proliferation activities and to ratify the Nuclear Non-Proliferation Treaty; and sets forth effective controls by the United States over its exports of nuclear materials, equipment and technology. H.R. 8638—Public Law 95–242, approved March 10, 1978. (30)

Oil shale commercialization. Establishes a program within the Department of Energy for the purpose of testing the commercial, environmental and social viability of various oil shale technologies using the "GOCO" concept whereby the Federal Government supplies all funds and a private corporation contracts to perform the construction and operation of the test facilities; authorizes $1.4 million in fiscal year 1977 for the establishment of the program; and provides that nothing in the bill shall be construed as affecting in anyway State law or regulations dealing with control of water and water rights.

S. 419—Passed Senate June 27, 1978. (177)

Redwood National Park expansion. Increases the authorized acreage of the Redwood National Park by approximately 48,000 acres to bring the total acreage to 106,000; designates an additional 30,000 acres as a "park protection zone" which the Secretary of the Interior, following notice to the appropriate Congressional committees, may acquire upon a finding that failure to acquire all or a portion of the land could result in physical damage to the park resources, and contains provisions designed to protect persons adversely affected by the park expansion. S. 1976—Public Law 95–250, approved March 27, 1978.

Panama Canal Neutrality Treaty. Establishes a permanent regime of neutrality in order that both in time of peace and in time of war the Canal shall remain secure and open to peaceful transit; Provides that Panama and the U.S. agree to maintain the regime of neutrality beginning in the year 2000 which shall be maintained in order that the Canal shall remain permanently neutral and applies the same regime to any other international waterway that may be built in Panama; by amendment, provides that each country shall, in accordance with their respective constitutional processes, defend the Canal against any threat to the regime of neutrality and consequently shall have the right to defend the Canal against any threat or aggression but this shall not be interpreted as a right of intervention into the internal affairs of Panama or against the territorial integrity or political independence of Panama; provides that beginning in the year 2000 Panama alone shall operate the Canal and maintain all military forces and installations within Panama's territory; provides, as a condition to the resolution that notwithstanding these provisions, if the Canal is closed or its operation is interfered with, the U.S. and Panama may unilaterally take steps they deem necessary to reopen the Canal or restore its operation, including the use of military forces in Panama;

Provides as a condition that nothing in the Treaty shall preclude Panama and the U.S. from making, in accordance with their agreement to facilitate their responsibility to defend the Canal including an agreement for continued U.S. military presence in Panama;

Provides that the war and auxiliary vessels of the U.S. and Panama shall have the right to transit the Canal expeditiously; by amendment, states that this expeditious transit shall include the right to go to the head of the line of vessels in order to transit the Canal rapidly in case of need or emergency; provides as a reservation that such need or emergency shall be determined by the nation operating the vessel;

Provides before the Treaty can go into force that the U.S. and Panama must negotiate an agreement under which the American Battle Monuments Commission would administer the American Sector of the Corozal Cemetery and makes provision for the transfer of the remains of other Americans buried at Mount Hope Cemetery;

Contains as a reservation a prohibition on economic assistance, military grant assistance, security supporting assistance, foreign military sales credits or international military education and training to Panama; and provides that all amendments, reservations, understandings, declarations and other statements incorporated by the Senate in its resolutions of ratification be included in the instrument of ratification exchanged with the government of Panama. Ex. N, 95th-1st—Resolution of Ratification agreed to March 17, 1978. (66)

Panama Canal Treaty. Terminates prior United States-Panama treaty relationships concerning the Canal and establishes a partnership arrangement for the operation, maintenance and defense of the Panama Canal by the United States and Panama through December 31, 1999; provides that the treaty enter into force simultaneously with the Neutrality Treaty, six months from the date of exchange of instruments of ratification; by reservation, provides that exchange of the instruments of ratification shall not be effective prior to March 31, 1979, and the treaties shall not enter into force prior to October 1, 1979, unless implementing legislation has been enacted before March 31, 1979;

Grants to the U.S. the rights to manage, operate and maintain the canal including the right to establish and collect tolls; provides that the U.S. carry out these responsibilities for the management, operation and maintenance of the Canal through a new United States government agency, the Panama Canal Commission, which will replace the Panama Canal Company and the Canal Zone Government and which will be supervised by a board of nine members, five Americans and four Panamanians; requires the Commission to reimburse Panama $10 million semiannually for costs incurred by Panama in providing various public services in the canal operating area and in certain housing areas; by an understanding, requires the U.S. and Panama to agree on specific levels and quality of services to be provided by Panama for the $10 million annual payment for services which are essential to the effective functioning of the canal, to examine the cost of services every three years and to resubmit any disagreement between the United States and Panama to a binding independent audit;

Grants the U.S. the primary responsibility for the protection and defense of the canal for the duration of the treaty; by reservation, provides that the right to intervene militarily in Panama to keep the canal open and operating (pursuant to the DeConcini condition to the resolution of ratification of the Neutrality Treaty) shall not have as its purpose or be interpreted as a right of intervention into the internal affairs of Panama or interference with its independence or sovereign integrity; provides for the establishment of a Combined Board comprised of an equal number of senior military representatives from the two countries to facilitate planning and cooperation between the armed forces of both;

Provides that Panama and the U.S. study jointly the feasibility of a sea-level canal and enter into negotiations for its construction in the event that it is determined that such a facility is necessary; prohibits, for the duration of the treaty, construction of a canal except in accordance with the provisions of this treaty or as the U.S. and Panama may otherwise agree; prohibits the U.S. from negotiating with other countries for the right to construct an interoceanic canal on any other route during the life of the treaty; provides as a reservation that the instruments of ratification to be exchanged shall include provisions whereby each party agrees to waive these two prohibitions;

Upon entry into force, transfers to Panama all right, title and interest which the U.S. may have in real property and non-removable improvements located in areas not reserved for U.S. use under the treaty; provides that upon termination of the treaty, Panama will assume total responsibility for the Panama Canal which shall be turned over in operating condition free of liens and debts;

Provides that Panama receive payments to be derived from canal operating revenues as "a just and equitable return on the national resources which it has dedicated to" the Panama Canal as follows: (a) a share of tolls amounting to 30 cents per Panama Canal ton of shipping transiting the canal; (b) a fixed amount of $10 million per year; and (c) an additional sum up to $10 million per year if the Canal operating revenues yield a surplus over expenditures including other payments made under the treaty; by reservation, provides that any accumulated unpaid balance under item (c) at the termination of the treaty shall be payable only to the extent of any operating surplus in the last year of the treaty's duration and that nothing shall be construed as obligating the U.S. to pay any unpaid balance and that no U.S. Treasury funds may be used for any of the above three payments without statutory authorization; and by amendment to the resolution of ratification, requires the Panama Canal Commission to reimburse the U.S. for interest on funds or other assets directly invested by the U.S. Commission or its predecessor Panama Canal Corporation. Ex. N, 95th–1st—Resolution of Ratification agreed to April 18, 1978. (119)

Small business energy loans. Authorizes the Small Business Administration to make direct immediate participation and guaranteed loans to certain small businesses that

manufacture or market renewable energy equipment or conservation equipment or firms which provide professional engineering or architectural services which conserve energy or apply renewable energy measures as their main objective. H.R. 11713—Public Law 95–approved 1978. (VV)

Water resources projects—waterway user fee. Authorizes $2.4 billion for certain public works for improvement of navigation on U.S. inland waters and sundry water resources projects in 34 states; for such purposes as flood control, water supply and beach restoration; includes authorization of $421 million for replacement of locks and dam 26 at Alton, Illinois, on the Mississippi River with a new dam and a single 1,200-foot lock; imposes a fuel tax of four cents per gallon on shallow-draft commercial vessels that use the inland waterways which will begin in 1982 or when construction begins on locks and dam 26, whichever is sooner, and increase to 12 cents eight years later; and directs the Secretaries of Commerce and Transportation jointly to undertake a study regarding the impact of fuel taxes on inland waterway users or alternative or supplemental charges and to report findings and recommendations to Congress within three years. H.R. 8309—Passed House October 13, 1977; Passed Senate amended May 4, 1978; Senate requested conference May 4, 1978. (153)

ORDER FOR RECESS UNTIL 8:15 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I had stated that the Senate would resume its consideration of the New York City bill tomorrow at around 9 o'clock. I understand that there are requests for three special orders. I therefore ask unanimous consent that the Senate, when it stands in recess today, stand in recess until the hour of 8:15 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL ORDERS FOR TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the two leaders be limited at that hour of the morning to 2 minutes each, and after the two leaders have been recognized Mr. HATHAWAY be recognized for not to exceed 15 minutes, that Mr. BARTLETT and Mr. STEVENS be recognized for not to exceed 15 minutes each, that Mr. WALLOP be recognized for not to exceed 5 minutes, and that the Senate then resume consideration of the New York City bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 8:15 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 8:15 a.m. tomorrow morning.

The motion was agreed to; and, at 9:34 p.m., the Senate recessed until Thursday, June 29, 1978, at 8:15 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 28, 1978:

MISSISSIPPI RIVER COMMISSION

James Williams Yancey, of Arkansas, to be a member of the Mississippi River Commission for a term of 9 years.

FEDERAL COUNCIL ON THE AGING

The following-named persons to be members of the Federal Council on the Aging for the terms indicated:

For a term expiring December 19, 1979:

Nelson H. Cruikshank, of the District of Columbia.

For a term expiring June 5, 1979:

Walter L. Moffett, of Idaho.
James T. Sykes, of Wisconsin.

For a term expiring June 5, 1980:

Fannie B. Dorsey, of Kentucky.
Mary A. Marshall, of Virginia.
Bernie L. Neugarten, of Illinois.
Fernando Manuel Torres-Gil, of California.
Wesley C. Uhlman, of Washington.

DEPARTMENT OF COMMERCE

Henry Geller, of Virginia, to be Assistant Secretary of Commerce for Communications and Information.

George S. Benton, of Maryland, to be Associate Administrator of the National Oceanic and Atmospheric Administration.

FEDERAL TRADE COMMISSION

Robert Pitofsky, of Maryland, to be a Federal Trade Commissioner for the unexpired term of 7 years from September 26, 1975.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE COAST GUARD

The following officers of the U.S. Coast Guard for promotion to the grade of rear admiral:

Capt. Bernie E. Thompson, [redacted].
Capt. Clifford F. DeWolf, [redacted].
Capt. Harold W. Parker, Jr., [redacted].
Capt. Henry H. Bell, [redacted].
Capt. Alfred P. Manning, Jr., [redacted].
Capt. Richard J. Knapp, [redacted].

The following officers of the U.S. Coast Guard for promotion to the grade of rear admiral:

William H. Stewart.
Paul A. Yost, Jr.
Louis L. Zumstein.

The folowing-named captain of the Coast Guard Reserve to be a permanent commissioned officer in the Coast Guard Reserve in the grade of rear admiral:

Aubrey H. Jones, [redacted].

The following licensed officer of the U.S. Merchant Marine to be a permanent commissioned officer in the Regular Coast Guard in the grade of lieutenant (junior grade):

Danny Ellis.

IN THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

National Oceanic and Atmospheric Administration nominations beginning Joseph G. Gofus III, to be lieutenant, and ending Charles I. Zigelman, to be ensign, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 24, 1978.

HOUSE OF REPRESENTATIVES—*Wednesday, June 28, 1978*

The House met at 10 o'clock a.m.

Rabbi Barnett Hasden, Congregation Anshe Emeth, Hudson, N.Y., offered the following prayer:

Almighty G-d, whose kingdom is above all, watch over this Nation, its leaders, and its people in this crucial time of world history. In our dealings with other nations may we be kind but firm, generous without extravagance, right without compromise. May our strength and wisdom be applied in bringing freedom, human rights, justice, and peace to the entire world.

May Thy special blessings rest upon the President, Vice President, the leaders and Members of this body, for these times demand strong minds, great hearts, true faith, and willing hands, so they may rise to meet all challenges.

In our dealings with each other may we be gentle, understanding, and tolerant. In dealing with ourselves may we require the best.

May the Biblical ideals of freedom and fraternity, of justice and equality, enshrined in the American Constitution, become the heritage of all the peoples of the Earth.

We ask it in Thy name, our Father in heaven. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Is there objection to approval of the Journal?

Mr. BAUMAN. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

The question is on the approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 326, nays 11, answered "present" 3, not voting 92, as follows:

[Roll No. 498]

YEAS—326

Abdnor	Andrews, N.C.	Ashley
Addabbo	Andrews, N. Dak.	Aspin
Akaka	Annunzio	AuCoin
Ammerman	Applegate	Badham
Anderson, Calif.	Archer	Bafalis
Anderson, Ill.	Ashbrook	Baldus
		Barnard

Baucus	Ginn	Moorhead, Pa.
Bauman	Glickman	Moss
Beard, R.I.	Goldwater	Mottl
Beard, Tenn.	Gonzalez	Murphy, Ill.
Bedell	Goodling	Murphy, N.Y.
Benjamin	Gore	Murtha
Bennett	Gradison	Myers, Gary
Bevill	Grassley	Myers, John
Biaggi	Green	Natcher
Bingham	Gudger	Nedzi
Blanchard	Guyer	Nowak
Blouin	Hagedorn	Oakar
Boggs	Hall	Oberstar
Bonker	Hamilton	Obey
Bowen	Hammer-schmidt	Ottinger
Brademas	Hanley	Panetta
Breaux	Hannaford	Patten
Brinkley	Hansen	Patterson
Brodhead	Harkin	Pattison
Brooks	Harris	Pease
Broomfield	Harsha	Perkins
Brown, Calif.	Hawkins	Pickle
Broyhill	Heckler	Pike
Buchanan	Hefner	Poage
Burgener	Heftel	Pressler
Burke, Fla.	Hightower	Preyer
Burke, Mass.	Hillis	Price
Burleson, Tex.	Hollenbeck	Pursell
Burlison, Mo.	Holtzman	Quillen
Burton, Phillip	Hubbard	Rahall
Butler	Huckaby	Railsback
Byron	Hughes	Rangel
Caputo	Hyde	Richmond
Carney	Ichord	Rinaldo
Carr	Jeffords	Risenhoover
Carter	Jenkins	Roberts
Cavanaugh	Johnson, Calif.	Robinson
Cederberg	Jones, N.C.	Roe
Chappell	Jones, Okla.	Rogers
Clausen, Don H.	Jones, Tenn.	Rooney
Clawson, Del	Jordan	Rose
Cleveland	Kasten	Rosenthal
Cohen	Kastenmeier	Rousselot
Coleman	Kazen	Roybal
Collins, Ill.	Kelly	Rudd
Conable	Kemp	Russo
Conte	Kildee	Santini
Corman	Kindness	Satterfield
Cornell	Kostmayer	Sawyer
Cornwell	Krebs	Scheuer
Crane	Regula	Schroeder
Cunningham	Edwards, Ala.	Schulze
D'Amours	Krueger	Sebelius
Daniel, R. W.	LaFalce	Seiberling
Danielson	Lagomarsino	Sharp
Davis	Latta	Shuster
de la Garza	Leach	Sikes
Delaney	Leggett	Sisk
Derrick	Lehman	Skelton
Derwinski	Lent	Slack
Devine	Levitas	Smith, Iowa
Dickinson	Livingston	Smith, Nebr.
Dicks	Lloyd, Tenn.	Snyder
Dodd	Long, La.	Solarz
Dornan	Long, Md.	Spellman
Downey	Lott	Spence
Drinan	Lujan	St Germain
Duncan, Tenn.	Luken	Staggers
Early	Lundine	Stangeland
Eckhardt	McClory	Stanton
Edgar	McCormack	Steed
Edwards, Calif.	McFall	Steers
Edwards, Okla.	McHugh	Stockman
Eilberg	McKay	Stokes
Emery	McKinney	Stratton
English	Madigan	Studds
Erlenborn	Maguire	Stump
Ertel	Mahon	Taylor
Evans, Del.	Mann	Teague
Evans, Ga.	Markey	Thompson
Evans, Ind.	Marks	Thornton
Fascell	Marlenee	Traxler
Fenwick	Marriott	Trible
Findley	Martin	Van Deerlin
Fish	Mathis	Vander Jagt
Fisher	Mattox	Vanik
Fithian	Mazzoli	Vento
Flippo	Meeds	Volkmer
Flood	Metcalfe	Waggonner
Foley	Mikva	Walgren
Ford, Tenn.	Miller, Calif.	Walsh
Fowler	Miller, Ohio	Wampler
Fraser	Mineta	Watkins
Frenzel	Minish	Waxman
Frey	Mitchell, N.Y.	Weiss
Fuqua	Moakley	Whitehurst
Gammage	Montgomery	Whitley
Gaydos	Moore	Whitten
Gibbons	Moorhead, Calif.	Wilson, C. H.
Gilman		Winn
Wolff	Young, Fla.	Wirth
Wright	Young, Mo.	Zeferetti
Yatron	Zablocki	

NAYS—11

Breckinridge	Lloyd, Calif.	Sarasin
Brown, Mich.	Mitchell, Md.	Walker
Forsythe	Pritchard	Wilson, Bob
Holt	Quayle	

ANSWERED "PRESENT"—3

Ireland	McEwen	Skubitz

NOT VOTING—92

Alexander	Garcia	Quie
Ambro	Gephardt	Reuss
Armstrong	Giaimo	Rhodes
Bellenson	Harrington	Rodino
Boland	Holland	Roncalio
Bolling	Horton	Rostenkowski
Bonior	Howard	Runnels
Brown, Ohio	Jacobs	Ruppe
Burke, Calif.	Jenrette	Ryan
Burton, John	Johnson, Colo.	Shipley
Chisholm	Keys	Simon
Clay	Le Fante	Stark
Cochran	Lederer	Steiger
Collins, Tex.	McCloskey	Symms
Conyers	McDade	Thone
Corcoran	McDonald	Treen
Cotter	Meyner	Tsongas
Coughlin	Michel	Tucker
Daniel, Dan	Mikulski	Udall
Dellums	Milford	Ullman
Dent	Moffett	Weaver
Diggs	Mollohan	Whalen
Dingell	Murphy, Pa.	White
Duncan, Oreg.	Myers, Michael	Wiggins
Evans, Colo.	Neal	Wilson, Tex.
Fary	Nichols	Wydler
Florio	Nix	Wylie
Flowers	Nolan	Yates
Flynt	O'Brien	Young, Alaska
Ford, Mich.	Pepper	Young, Tex.
Fountain	Pettis	

Mr. VANDER JAGT changed his vote from "present" to "yea."

So the Journal was approved.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 555. Concurrent resolution approving the extension of nondiscriminatory treatment with respect to the products of the Hungarian People's Republic.

The message also announced that the Senate had passed a resolution of the following title:

S. RES. 493

Resolved, That the Senate has heard with profound sorrow the announcement of the death of the Honorable William M. Ketchum, late a Representative from the State of California.

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

Resolved, That when the Senate recesses today, it recess as a further mark of respect to the memory of the deceased Representative.

The message also announced that the Senate agrees to the amendments of the House to the amendment of the Senate to a bill of the House of the following titles:

H.R. 10882. An act to authorize appropriations to carry out conservation programs on military reservations and public lands during fiscal years 1979, 1980, and 1981.

The message also announced that the Senate has passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 12222. An act to amend the Foreign Assistance Act of 1961 to authorize development and economic assistance programs for fiscal year 1979, to make certain changes in the authorities of that act and the Agricultural Trade Development and Assistance Act of 1954, to improve the coordination and administration of U.S. development-related policies and programs, and for other purposes; and

H.R. 12930. An act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1979, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 12222) entitled "An act to amend the Foreign Assistance Act of 1961 to authorize development and economic assistance programs for fiscal year 1979, to make certain changes in the authorities of that act and the Agricultural Trade Development and Assistance Act of 1954, to improve the coordination and administration of U.S. development-related policies and programs, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SPARKMAN, Mr. CHURCH, Mr. CLARK, Mr. BIDEN, Mr. CASE, Mr. JAVITS, and Mr. PERCY to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 12930) entitled "An act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1979, and for other purposes," request a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CHILES, Mr. BUMPERS, Mr. SASSER, Mr. DECONCINI, Mr. EAGLETON, Mr. YOUNG, and Mr. WEICKER to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 6669) entitled "An act to establish a national climate program, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CANNON, Mr. MAGNUSON, Mr. STEVENSON, Mr. PEARSON, and Mr. SCHMITT to be conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 419. An act to test the commercial, environmental, and social viability of various oil shale technologies, and for other purposes;

S. 1006. An act for the relief of Concrete Industries (Monier), Ltd.;

S. 1562. An act for the relief of Datronics Engineers, Inc.;

S. 2450. An act to extend the assistance

programs for community mental health centers and for biomedical research, and for other purposes;

S. 2579. An act to amend the Public Health Service Act to establish the President's Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, and for other purposes; and

S. 3067. An act to extend the Commission on Civil Rights for 3 years, to authorize appropriations for the Commission, to effect certain changes to comply with other changes in the law, and for other purposes.

STANDARD REFERENCE DATA ACT ACTIVITIES APPROPRIATIONS

Mr. TEAGUE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 11232) to authorize appropriations to carry out the Standard Reference Data Act, with Senate amendments thereto, and concur in the Senate amendments with amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Strike out all after the enacting clause and insert: That there are authorized to be appropriated to the Department of Commerce not to exceed $4,000,000 for the fiscal year ending September 30, 1979, not to exceed $5,000,000 for the fiscal year ending September 30, 1980, and not to exceed $6,000,000 for the fiscal year ending September 30, 1981, to carry out the purposes of the Standard Reference Data Act (15 U.S.C. 290–290f).

SEC. 2. The Act entitled "An Act to establish the National Bureau of Standards", approved March 3, 1901 (15 U.S.C. 270 et seq.) is amended as follows:

(a) Section 12(a) of such Act (15 U.S.C. 278b(a)) is amended by striking out ", and additional amounts as from time to time may be required for the purposes of said fund are hereby authorized to be appropriated".

(b) Section 18 of such Act (15 U.S.C. 278h) is amended by (1) designating the existing paragraph as "(a)"; and (2) adding immediately thereafter the following:

"(b) There are authorized to be appropriated to carry out the provisions of this Act (including the Working Capital Fund referred to in section 12(a)), except section 16, such sums as may be necessary for each of the fiscal years 1979, 1980, and 1981.".

Amend the title so as to read: "An Act to authorize appropriations to carry out the Standard Reference Data Act, and to authorize appropriations for the National Bureau of Standards.".

Mr. TEAGUE (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the House amendments to the Senate amendments, as follows:

In the engrossed Senate amendment to H.R. 11232, make the following changes:

In section 1:

In line 2, delete the amount "$4,000,000" and insert instead the amount "$3,575,000";

In line 3, delete the amount "$5,000,000" and insert instead the amount "$4,375,000"; and

In line 5, delete the amount "$6,000,000" and insert instead the amount "$5,250,000".

In section 2(b):

In lines 9 and 10, delete the years "1979, 1980, and 1981" and insert instead the years "1979 and 1980".

● Mr. TEAGUE. Mr. Speaker, when the Senate acted on H.R. 11232, it struck all after the enacting clause and inserted new language. As a result, there are two differences between the House and Senate versions of this bill, as follows: First, both bills would provide authorization for the Bureau of Standards' standard reference data program, but the Senate amounts were higher for each year than the amounts in the House-passed bill. The amendment I offer would reduce the Senate increases by 50 percent and provide the following authorization for the 3 years: For fiscal year 1979, $3.575 million; for fiscal year 1980, $4.375 million; and for fiscal year 1981, $5.25 million.

The other difference has to do with the authorization for the National Bureau of Standards as a whole. Here the Senate bill would change the Bureau of Standards from a continuing authorization to a 3-year authorization, and provide for each of those years such sums as may be necessary. My amendment would agree to the proposed policy of periodic authorization, but would reduce the number of years to be authorized at this time from 3 to 2. Thus the first authorization hearings for the National Bureau of Standards would take place in the spring of 1980 for the fiscal year 1981 budget.

In October 1977, the Committee on Science and Technology held its first oversight hearings on the National Bureau of Standards since 1971. Because of the length of time between these reviews, our Science, Research, and Technology Subcommittee chairman, Mr. THORNTON of Arkansas, made a special effort to look with care at the Bureau's resources and programs in the light of its mission in our rapidly developing and highly industrialized Nation. We examined the forces that have shaped the NBS as it is today and found, among other things, that the Congress has, in those 6 or so years since our last oversight, enacted into law a dozen new, statutory tasks for the Bureau.

For the most part the Bureau has done its best to comply with our directives. But we have noted growing concern on the part of the executive branch, the professional, scientific, and technical communities, and industry about the Bureau's health and capacity to continue in its role as one of our Nation's most outstanding and highly respected scientific and technical research organizations.

At the conclusion of our hearings, a number of questions seemed worthy of further review by the Congress. We noted in our report (H. Rept. 95–977) that "the time may be approaching when the growth and importance of the activities of the National Bureau of Standards as a whole would be subject to the authorization process." One of our committee members, Mr. BROWN of California, expressed his concerns to the Senate Commerce Committee during their first oversight of the Bureau of Standards in April 1978. These concerns included questions on the Bureau's mission, the relationship of the Bureau to other Federal laboratories and U.S. industry, its institutional health and its new reorganized structure, its staffing characteristics, and the adequacy of its resources in view of newly assigned responsibilities.

Mr. Speaker, it is our belief that the start, no more than 2 years from now, of a periodic authorization process will assure that the Bureau of Standards will indeed be able to make its maximum contribution to the scientific knowledge and technology so important to our industrial innovation, growth and economic well-being.

Mr. Speaker, I understand that the Senate would agree to this amendment if adopted by the House and I urge the House to adopt the amendment.●

The SPEAKER. Is there objection to the first request of the gentleman from Texas?

There was no objection.

A motion to reconsider was laid on the table.

PERMISSION FOR SUBCOMMITTEE ON PANAMA CANAL OF COMMITTEE ON MERCHANT MARINE AND FISHERIES TO MEET TODAY WHILE HOUSE IS IN SESSION

Mr. METCALFE. Mr. Speaker, I ask unanimous consent that the Subcommittee on Panama Canal of the Committee on Merchant Marine and Fisheries may be permitted to meet today, for the purpose of taking testimony only, while the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

NORTH PACIFIC FISHERIES ACT AMENDMENTS

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 12637) to amend the North Pacific Fisheries Act of 1954, with Senate amendments thereto, and concur in Senate amendments numbered 1, 2, 3, 4, 5, 6, 7, 8, and 11, and concur in Senate amendments 9 and 10 with amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 3, line 13, strike out all after "of" down to and including "area." in line 15, and insert "the State of Washington.".

Page 8, lines 7 and 8, strike out "catching or processing anadromous species pursuant to the Convention" and insert fishing for or processing anadromous species".

Page 10 line 4, strike out "or".

Page 10, after line 4, insert:

"(5) to ship, transport, offer for sale, sell, purchase, import, export, or have custody, control, or possession of, any fish taken or retained in violation of the Convention or this Act or any regulation adopted or permit issued under this Act;

Page 10, line 5, strike out "(5)" and insert "(6)".

Page 15, lines 15 and 16, strike out "sonar censusing of salmon in fresh water streams" and insert "a sonar censusing project in the Arctic-Yukon-Kuskokwin region".

Page 16, line 11, after "issued" insert "shall comply with any regulations adopted under section 14(a) of this Act and".

Page 17, line 15, after "to," insert "(A)".

Page 17, line 18, after "mammals" insert "and (B) in conformity with the provisions of the Convention, adoption of regulations

governing the incidental taking of marine mammals by Japanese fishing vessels within the fishery conservation zone of the United States, including improvisions for the collection of biological material and data on all marine mammals incidentally taken within the fishery conservation zone of the United States and the use of such gear and fishing techniques to reduce or eliminate such incidental taking as are determined to be feasible, based upon the results of the research program conducted pursuant to the Convention and this Act".

Page 19, line 5, after "activities." insert "The report shall detail the steps taken by both nations to implement the Convention, the results of all research and statistical reporting and analysis carried out pursuant to the Convention and a description of all enforcement activities and their disposition. The report shall include an analysis of salmon harvesting and research, estimates of the magnitude of incidental taking of Dall porpoise (Phocoenoides dalli) by Japanese fishing vessels, estimates, as possible, of the abundance, distribution, recruitment rates, status, trends, and impacts of incidental taking upon the optimum sustainable population of Dall porpoises, and any proposals for adoption of fishing gear or techniques designed to reduce or eliminate such incidental taking. If available information is inadequate to provide the basis for such estimates or proposals, the report shall include an indication of what research efforts are needed to provide the requisite information.".

Page 19, strike out line 15 and insert:

SEC. 2. This Act, including the amendments made by this Act, shall take effect on the date of enactment of this Act, except the amendments made by paragraph (10) of the first section of this Act shall take effect on October 1, 1978.

The Clerk read the House amendments to Senate amendments numbered 9 and 10, as follows:

In lieu of the matter proposed to be inserted by Senate amendment numbered 9, insert the following: "and (B) the adoption of regulations, which conform to the provisions of the convention, governing the incidental taking of marine mammals by Japanese fishing vessels within the fishery conservation zone, including, but not limited to, regulations which require the collection of biological material and data on all marine mammals incidentally taken within such zone and the use of such gear and fishing techniques as are determined to be feasible to reduce or eliminate such incidental taking".

On page 3, line 4, of the Senate engrossed amendments, strike out "porpoise" and insert "porpoises".

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. FORSYTHE. Reserving the right to object, Mr. Speaker, and I will not object, we have consulted with the majority on these amendments, and we approve them.

Mr. Speaker, I would be happy to yield to my chairman if he would like to explain the matter any further.

Mr. MURPHY of New York. If the gentleman will yield, Mr. Speaker, H.R. 12637 passed the House on June 6, 1978, and it passed the Senate, with amendments on June 14, 1978.

As it passed the House, H.R. 12637 would amend the North Pacific Fisheries Act of 1954 to implement the renegotiated International Convention for the High Seas Fisheries of the North Pacific Ocean signed on February 10, 1977, by the countries of Canada, Japan, and the United States. The primary purpose of the convention is to insure the maximum sustained productivity of the fishery resources of the North Pacific Ocean and to encourage the conservation of these resources.

The main differences between the old and new convention are as follows:

First. The abstention line for Japanese fishing vessels involving the taking of U.S. origin salmon would be moved 10 degrees farther west;

Second. Japan would agree to furnish a research vessel to conduct research on the origin of anadromous species migrating to the Northern Bering Sea and allow Canadian and U.S. scientists onboard that vessel at their own expense.

Third. The provision of the Marine Mammal Protection Act that requires Japanese salmon fishing vessels within the U.S. Fishery Conservation Zone (FCZ) to have onboard a certificate of inclusion relating to the incidental taking of marine mammals would be waived for a 3-year period; during this period Japan and the United States would conduct research with a view toward reducing the incidental catch of such mammals; and

Fourth. Japanese and U.S. scientists would conduct annual Dall porpoise sighting surveys on Japanese salmon research vessels in the convention area and not later than 1979 Japan would make available an appropriate vessel for cooperative research on the Dall porpoise.

The Senate made 11 amendments to the bill, all of which were technical in nature. Briefly explained they are as follows:

First. Require one of the four commissioners to be from the State of Washington;

Second. Make it clear that enforcement officers in the convention area outside the FCZ's of the three countries can board vessels of each country "fishing for or processing anadromous species";

Third. Strike the word "or";

Fourth. Make it unlawful for any person subject to the jurisdiction of the United States to ship, buy or sell, or to have custody of any fish taken or retained in violation of the convention, this act, or any regulation or permit issued under the act;

Fifth. Strike "(5)" and insert "(6)";

Sixth. Limit the sonar censusing study on salmon in Alaska to the Arctic-Yukon-Kuskokwin region;

Seventh. Require Canadian and Japanese vessels in the U.S. FCZ to comply with U.S. regulations adopted under this act;

Eighth. Insert "A" after "to";

Ninth. Require Japanese fishing vessels operating within the FCZ of the United States to use certain types of gear and fishing techniques in order to reduce the incidental taking of marine mammals;

Tenth. Require the annual report to be submitted by the Secretary of Commerce to the Congress to include a detailed analysis of the research and comparative efforts carried out by the countries of Japan and the United States to reduce the incidental taking of marine mammals in the convention area; and

Eleventh. Make the effective date of the act the date of enactment of the act, except with respect to the funding provisions, which shall take effect on October 1, 1978.

Mr. Speaker, all of the Senate amendments to the bill were "germane" and they did not result in any additional cost to the legislation.

Mr. Speaker, the motion before the House is to concur in all of the Senate amendments, except for amendments numbered 9 and 10, and, with respect to those two amendments, to concur in such amendments with the following technical amendments:

No. 9. Rewrite the paragraph and correct a misspelled word therein; and

No. 10. Make the words "porpoise" and "population" appear in the plural in lines 4 and 7 of page 3 of the amendment.

Mr. Speaker, I urge the House to concur in all of the Senate amendments to the bill, except for amendments 9 and 10, and to concur in such amendments with amendments.

Mr. FORSYTHE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

A motion to reconsider was laid on the table.

AUTHORIZING CLERK TO MAKE CORRECTIONS IN H.R. 12637, NORTH PACIFIC FISHERIES ACT AMENDMENTS

Mr. MURPHY of New York. Mr. Speaker, I offer a concurrent resolution (H. Con. Res. 653) and ask unanimous consent for its immediate consideration.

The Clerk read the title of the concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the concurrent resolution as follows:

H. CON. RES. 653

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H.R. 12637), to amend the North Pacific Fisheries Act of 1954, the Clerk of the House of Representatives shall make the following corrections:

Page 12, line 3, of the House engrossed bill, strike out "subsection".

Page 17, line 13, strike out the period and insert a semicolon.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

TO AMEND MARINE MAMMAL PROTECTION ACT OF 1972

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 10730) to authorize appropriations to carry out the Marine Mammal Protection Act of 1972 during fiscal years 1979, 1980, and 1981, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: That section 109 of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1379) is amended by adding at the end thereof the following new subsection:

"(d)(1) There are authorized to be appropriated to the Department of the Interior, for the purposes of carrying out this section, not to exceed $400,000 for each of the fiscal years ending September 30, 1979, September 30, 1980, and September 30, 1981.

"(2) There are authorized to be appropriated to the Department of Commerce, for the purposes of carrying out this section, not to exceed $225,000 for each of the fiscal years ending September 30, 1979, September 30, 1980, and September 30, 1981.".

SEC. 2. Section 110(c) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1380 (c)) is amended by adding at the end thereof the following new paragraphs:

"(4)(A) $1,300,000 which shall be available to the Secretary of the Interior for the fiscal year ending September 30, 1979.

"(B) $2,700,000 which shall be available to the Secretary of Commerce for the fiscal year ending September 30, 1979.

"(5)(A) $1,500,000 which shall be available to the Secretary of the Interior for the fiscal year ending September 30, 1980.

"(B) $2,700,000 which shall be available to the Secretary of Commerce for the fiscal year ending September 30, 1980.

"(6)(A) $2,100,000 which shall be available to the Secretary of the Interior for the fiscal year ending September 30, 1981.

"(B) $2,700,000 which shall be available to the Secretary of Commerce for the fiscal year ending September 30, 1981."

SEC. 3. Section 114 of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1384) is amended—

(1) by amending subsection (a)—

(A) by striking out "title." and inserting in lieu thereof "title (other than sections 109 and 110).",

(B) by striking out "and" immediately after "fiscal years,", and

(C) by inserting immediately after "September 30, 1978," the following: "not to exceed $8,500,000 for the fiscal year ending September 30, 1979, not to exceed $9,000,000 for the fiscal year ending September 30, 1980, and not to exceed $9,500,000 for the fiscal year ending September 30, 1981,"; and

(2) by amending subsection (b)—

(A) by striking out "title." and inserting in lieu thereof "title (other than sections 109 and 110).",

(B) by striking out "and" immediately after "thereafter,", and

(C) by inserting immediately after "September 30, 1978" the following: ", not to exceed $650,000 for the fiscal year ending September 30, 1979, not to exceed $760,000 for the fiscal year ending September 30, 1980, and not to exceed $876,000 for the fiscal year ending September 30, 1981".

SEC. 4. Section 207 of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1407) is amended—

(1) by striking out "and" immediately after "$1,000,000"; and

(2) by inserting ", the sum appropriated for the fiscal year ending September 30, 1979, shall not exceed $1,000,000, the sum appropriated for the fiscal year ending September 30, 1980, shall not exceed $1,000,000, and the sum appropriated for the fiscal year ending September 30, 1981, shall not exceed $1,000,000" immediately after "$2,000,000".

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. FORSYTHE. Mr. Speaker, I reserve the right to object.

Mr. Speaker, this amendment by the Senate in which we are being asked to concur does add authorization for additional research on the bowhead whale, which I think is important as we try to find a way to make sure that we can preserve these whales while still maintaining the Native populations of Alaska and their subsistence.

Mr. Speaker, further reserving the right to object, I will be happy to yield to my chairman, the gentleman from New York (Mr. MURPHY).

Mr. MURPHY of New York. I thank the gentleman for yielding to me.

Mr. Speaker, on April 10, 1978 the House passed the bill H.R. 10730 authorizing appropriations to carry out the Marine Mammal Protection Act through fiscal year 1981 by a vote of 380 to 5. As passed by the House the bill authorized a total of $13.7 million in fiscal year 1979, $14.8 million in fiscal year 1980, and $16.6 million in fiscal year 1981.

On June 7, 1978 the Senate adopted all of the provisions of the House-passed bill, but amended the bill in three respects, all of which are germane. The Senate amendments increase the authorization over the 3-year period by a total of $2 million. These funds are authorized under section 110 of the act which provides for grants to States and private individuals to conduct marine mammal research. The Senate Commerce Committee report indicates that the funding increases were recommended to provide for increased research and monitoring of the endangered bowhead whale.

I urge the House to concur in the Senate amendments to H.R. 10730.

Mr. FORSYTHE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bills H.R. 10730, H.R. 12637, and H.R. 11232.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
June 27, 1978.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:10 a.m. on Tuesday, June 27, 1978, and said to contain a message from the President wherein he transmits the Annual Report for Fiscal Year 1976 of the Office of Alien Property.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

ANNUAL REPORT OF OFFICE OF ALIEN PROPERTY, DEPARTMENT OF JUSTICE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on International Relations:

To the Congress of the United States:

I herewith transmit the annual report of the Office of Alien Property, Department of Justice, for the fiscal year ended June 30, 1976, a time prior to my Administration, in accordance with Section 6 of the Trading with the Enemy Act.

JIMMY CARTER.

THE WHITE HOUSE, *June 27, 1978.*

SENATE ACTION ON TAX TREATY END-RUNS THE CONSTITUTION

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. VANIK. Mr. Speaker, yesterday, the other body voted approval of a so-called tax treaty between the United States and the United Kingdom. The other body has the clear constitutional duty to ratify treaties—but yesterday's action was not so much a treaty as it was a tax and revenue bill. The Constitution clearly gives the power of originating tax legislation to the House of Representatives. In addition, precedents going back to the founding of the Nation clearly show that international agreements affecting the revenues must be approved by both Chambers.

I do not know which individuals and companies the tax agreement affects; the House has had no opportunity to hold hearings or debate the proposal and its affect on the revenues or the tax code.

This tax giveaway in treaty clothing is a serious end-run of the Constitution. I believe that this United States-United Kingdom agreement may be subject to challenge by public interest groups in the courts. It is certainly subject to question when we next consider the budget resolutions.

Tax laws should not be written by the striped pants boys—they should be written as the Constitution directs, by the House and then by the Senate.

We cannot countenance tax ripoff by treaty.

GUAM HAS LOST A GREAT FRIEND

(Mr. WON PAT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. WON PAT. Mr. Speaker, it is with the greatest of sadness that I join our colleagues in our grief over the sudden death of my good friend Representative William Ketchum of California.

Bill Ketchum served this Nation with the greatest of dignity and honor. He has a love for this country second to none and his service in the House of Representatives since 1973 will be a lasting memorial to one who was proud to represent the 18th Congressional District from California.

One little known aspect of Bill Ketchum's wonderful personality was his interest in the Pacific Islands, and in particular in Guam. He had seen extensive action there in World War II and in fact had actually participated with great bravery in the liberation of Guam while a member of the U.S. Army.

The horrors and suffering he saw there never left him and it is truly to his credit that he continued to be concerned about the well-being of the residents of the Pacific Isiands during his service in the House.

On the occasions in which I had the pleasant privilege of working with Bill Ketchum, he never failed to impress me with his sense of fairness. In every way, Bill was truly a credit to himself, his family, his constituents, and his country.

I know he will certainly be missed by his colleagues on the House Ways and Means Committee and by all of us who came to know and like Congressman Ketchum. The shock of suddenly losing a great friend is never easy to comprehend. In the case of Bill Ketchum, the loss will be felt in many ways, for many years. We on Guam have lost a good friend and I extend on behalf of my constituents my deepest regrets to his family.●

BASIC WORKWEEK OF FIREFIGHTING PERSONNEL OF EXECUTIVE AGENCIES—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER. The unfinished business is the further consideration of the veto message of the President of the United States on the bill (H.R. 3161) to amend title 5, United States Code, to improve the basic workweek of firefighting personnel of executive agencies, and for other purposes.

Mrs. SCHROEDER. Mr. Speaker, I move that the message, together with the accompanying bill, be referred to the Committee on Post Office and Civil Service.

The SPEAKER. The gentlewoman from Colorado (Mrs. SCHROEDER) is recognized for 1 hour.

POINT OF ORDER

Mr. BAUMAN. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state his point of order.

Mr. BAUMAN. Mr. Speaker, is not a motion to move the previous question on the veto message in order prior to the motion to refer being considered, under rule XVI, clause 4, in which that motion is given preference over a motion to refer to committee?

The SPEAKER. The Chair will state that under the precedents (Cannon's VIII, section 1100) the veto message of the President having been read, only three motions are in order, to lay on the table, to postpone to a day certain, or to refer, which motions take precedence in the order given.

The gentlewoman from Colorado (Mrs. SCHROEDER) has made a motion to refer.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. BAUMAN. Mr. Speaker, my parliamentary inquiry is this, under rule XVI, clause 4, the rule says that when a question is pending that several motions are in order, one of them being the previous question, to postpone to a day certain, to refer, or to amend, or postpone indefinitely; which several motions shall have precedence in the foregoing order, and a motion to vote on the previous question on the veto is in order before a motion to refer.

The SPEAKER. The Chair will state that under the precedent of the House the question of a veto message is considered as pending and there are three motions that are preferential, to lay on the table, to postpone to a day certain, to refer, and, of course, a motion for the previous question would be in order at the appropriate time but, as Speaker pro tempore Woodrum ruled in the precedent just cited, the gentleman from Maryland would not at this point be entitled to prior recognition over the Member in charge of the bill.

Mr. BAUMAN. I thank the Speaker.

The SPEAKER. The gentlewoman from Colorado is recognized for 1 hour.

Mrs. SCHROEDER. Mr. Speaker, on June 21, 1978, President Carter vetoed passage of H.R. 3161, a bill to improve the basic workweek of Federal firefighters. The way the President vetoed this long-awaited bill has forced me to voice several objections.

First of all, the President had ample opportunity to make it known that this bill would be vetoed. Although voicing opposition, the administration sat quietly by the side as the bill progressed through committee, received a House vote of 241 to 129 on April 12, 1978, and quickly moved through the Senate receiving approval by unanimous consent on June 7, 1978. Never did the administration present any proposals for amendments to the bill which might have removed their objections.

Second, I am intrigued by where the President got his figures on costs on which the veto was based. These figures were never presented to the committee. In fact, the cost estimate prepared by the Congressional Budget Office on H.R. 3161 in cooperation with the administration estimated additional personnel needed and costs would be less than half what the President states in his veto message.

Third, while it is true that the overall hourly pay for Federal firefighters would increase under H.R. 3161, the average firefighter will lose between $1,000 to $1,500 per year in overtime pay—pay which the Civil Service Commission is allotting at a rate of one-half time, not time and one-half, for the 18 hours of mandatory overtime per week which Federal firefighters work and which 95 percent of other firefighters do not work.

What I find most perplexing about the President's rejection of this bill is that in 1978 the Federal Government is still requiring its employees to work 72 hours per week. In practical numbers this comes to three-quarters of the week spent away from home and family with very little compensation. Municipal and State firefighters average 18 to 30 hours per week less for about the same pay. Does the President favor putting all the Nation's employees on 72-hour workweeks with overtime "generously" granted at one-half time?

Mr. DERWINSKI. Mr. Speaker, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, I rise to commend our heroic President for his action in vetoing this bill. I think his action is consistent with the interests of the taxpayers and of a much more efficiently operated Federal Government.

I would remind the Members that the President is merely being loyal to his campaign promises and is making every effort to bring about control over inflation and control over the huge bureaucracy. Therefore, the veto of this bill is consistent with the President's campaign position.

I commend the President for his honesty, for his integrity, and for his courage.

Mr. Speaker, President Carter should receive a distinguished service award for his spunky veto of H.R. 3161, legislation which would reduce substantially the workweek of Federal Firefighters. The President's heoric action came as no surprise to those of us who have stood shoulder to shoulder with him in his hard-hitting campaign to control bureaucratic sprawl and to make Government more responsible to the taxpayers. To maintain his credibility on reform, President Carter's only option on H.R. 3161 was the veto.

Long before this body considered H.R. 3161, the President made it clear he did not consider it to be in the public interest.

In his veto message, the President correctly highlighted the three major deficiencies in the bill:

It would reduce the firefighters' workweek without reducing the premium pay designed for a longer standby schedule.

It would impede the ability of agency heads to manage and regulate the work force.

It would require additional manpower and additional payroll. The Department of Defense alone would be required to hire 4,600 additional employees at an annual cost of $46.7 million.

Furthermore, since this bill was last before this body, President Carter has recommended a 5.5-percent paycap. The administration estimates that H.R. 3161, in effect, would increase the firefighters' total hourly pay by more than 15 percent.

As I pointed out in a floor speech last April, there is no partisanship involved in opposing this bill. H.R. 3161 is a

warmed-over version of legislation which was rejected in the 94th Congress. Like the Carter administration, the Ford administration correctly concluded it provided preferential treatment to a select group of employees.

The President deserves our applause and accolades for his action in vetoing a bad bill.

Mr. BAUMAN. Mr. Speaker, will the gentlewoman yield?

Mrs. SCHROEDER. Mr. Speaker, I had promised to yield to the gentleman from Virginia (Mr. HARRIS) next, if that is all right. Then I will be delighted to yield to the gentleman from Maryland.

Mr. HARRIS. I thank the gentlewoman for yielding.

Mr. Speaker, I am disappointed that the President has vetoed H.R. 3161, the bill to reduce from 72 to 56 per week the hours of Federal firefighters. The point of the bill is simply fairness. Through collective bargaining, municipal fire departments have had their hours reduced over the years, yet Federal firefighter hours remain at 72 per week. As a result, with a turnover rate last year of 23 percent, the Federal Government has become a "training ground" for municipal departments.

It has been argued that this bill is somehow a salary windfall for Federal firefighters. Our committee's research has shown that not only do municipal firefighters work shorter hours, they also earn at least $500 more per year. Or stated another way, Federal firefighters now work 33 percent more hours each week than municipals but receive only 12.5 to 23 percent more. There is one further point about pay that I would like to make. The Civil Service Commission's pay comparisons are with cities with over 10,000 in population. True comparability would compare firefighter salaries with the actual locality, like our Federal blue-collar local prevailing rate system. In other words, in areas like Washington, D.C.—large metropolitan areas—municipal salaries are much higher than in a community of 10,000. It is not fair to lump all municipal salaries together in this fashion.

The facts are, that under this bill, Federal firefighters will actually lose money. The following comparison dramatically shows what the average firefighter, a GS–5, step 4—$10,955 per year—earns under current policies and would earn under this bill:

I. 72-hour weekly tour of duty (present schedule)	
Base pay for 40 hours	$210.80
25 percent premium pay	52.70
FLSA overtime for 18 hours	32.94
	296.44
II. 56-hour weekly tour under H.R. 3161	
Base pay for 40 hours	210.80
25 percent premium pay	52.70
FLSA overtime for 2 hours	4.72
	268.22
Loss in FLSA overtime pay	28.22

Also, the point is made that reducing firefighters' hours would be costly because additional firefighters would have to be hired. This argument ignores the cost savings that could result from reduced overtime payments under the bill. Additionally, it does not reflect the cost through the Government of constantly using experienced Federal firefighters and retraining new ones.

There are currently 12,500 Federal firefighters in all but a dozen or so States. The Department of Defense is the largest employer of firefighters, with approximately 10,500. The Department of Transportation, the Nuclear Regulatory Commission, the Veterans' Administration, and other agencies employ the remainder. These firefighters provide important protection for many Federal installations, standing guard at defense bases, veterans hospitals, some civilian airports and other Federal establishments. While some would like to portray the firefighter as one who "stands idle" much of the time, firefighters actually have a variety of duties, including fire prevention and other fire-related services. A Federal firefighter must maintain a proficiency in a variety of subjects, ranging from the combustibility of materials to general air traffic control techniques. Firefighters are subject to hazard and are often required to work on Sundays and holidays. Our pay, benefits, and working hours policies should reflect the fact that firefighters must be compensated for their knowledge, ability and the considerable risk they incur in protecting lives and property.

I am disappointed that the bill will not become law at this time; however, I will continue to pursue this goal. As the Post Office and Civil Service Committee develops civil service reform legislation, I will offer the bill as an amendment to that bill, H.R. 11280. To reduce working hours to a schedule more in line with other firefighters and more compatible with family life is, in my opinion, a reasonable pursuit. I hope my colleagues—who in the House approved the bill on a 241 to 129 vote—will again give the bill their support.

Mr. BAUMAN. Mr. Speaker, will the gentlewoman yield 2 minutes to me?

Mrs. SCHROEDER. I will be delighted to yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentlewoman for yielding.

Mr. Speaker, I regret that the procedure we are following on this veto is being used. It was my intention in making the inquiry of the Chair earlier to discover whether or not a procedure was possible to allow us to vote directly on the veto of this legislation.

I happen to agree with some of the statements made by my colleagues in this brief discussion that the bill does have merit. It is of great importance to a number of Federal employees who work under most hazardous conditions and much longer hours than any other Federal employees. I do not think referring it back to the committee is going to benefit those employees at all. It is, in fact, an avoidance of the issue. When the President of the United States vetoes a bill the House should not be denied our constitutional responsibility to vote upon that veto. I doubt seriously if this bill will ever see the light of day again if it is referred back to the committee. Admittedly, this device avoids putting Members on record directly on the issue, as to whether they are still for or against the legislation. If what has been said here is true, that the bill has merit and ought to become law, then the Members who voted overwhelmingly in this body and the other body in favor of it ought to have a chance again to express that wish, and we ought not to bury it in the committee, which I think is an insult to these firefighters. I would hope that when the motion to refer the bill to the committee is voted upon that the House will vote against it so that we can then have a clear-cut vote on the veto and the issue that the President has put before us.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Virginia.

Mr. HARRIS. Mr. Speaker, I would like to express to my colleague what the sponsor of the bill that brought this to the floor has proposed. I am urging a strategy for victory, not a blueprint for defeat as proposed by my colleague. I would hope that my recommendation that we take it to the committee and attempt to make it a part of the Civil Service Reform Act is designed so the bill can see the light of day. This is a better strategy than a premature vote on a veto override that my colleague well knows has little chance of passage.

Mr. BAUMAN. Mr. Speaker, the gentleman from Maryland does not know that. The gentleman from Maryland thinks that referral back to committee will kill this bill for this session. This parliamentary move is a great disservice to the very people the gentleman from Virginia says he wishes to protect, the Federal firefighters. I do not believe there is any chance that this bill will be added as an amendment to the pending civil service reform measure and the gentleman from Virginia must know that. The real reason for this referral is to avoid embarrassment for those Members who would now switch their votes away from Federal firefighters in deference to the President who vetoed a good bill that is badly needed by these Federal employees. I strongly urge a no vote on the motion so that we can vote to override the veto.

Mrs. SCHROEDER. Mr. Speaker, I have no further requests for time. I urge that we vote "aye" on this motion to refer the veto message to the committee. As one of the sponsors of the bill and one who feels strongly about it, I feel we in the committee will come up with a strategy to keep the bill alive and insure its victory.

Mr. Speaker, I move the previous question on the motion to refer.

The previous question was ordered.

The SPEAKER pro tempore (Mr. MINISH). The question is on the motion to refer.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ANNUNZIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 279, nays 109, not voting 44, as follows:

[Roll No. 499]

YEAS—279

Addabbo	Gammage	Myers, Gary
Akaka	Gaydos	Myers, Michael
Ambro	Gephardt	Natcher
Ammerman	Giaimo	Neal
Anderson, Calif.	Gibbons	Nedzi
	Gilman	Nichols
Anderson, Ill.	Ginn	Nix
Andrews, N.C.	Glickman	Nolan
Andrews, N. Dak.	Gonzalez	O'Brien
	Gore	Oberstar
Annunzio	Gradison	Obey
Ashley	Grassley	Ottinger
AuCoin	Gudger	Panetta
Baldus	Hall	Patten
Baucus	Hamilton	Patterson
Beard, R.I.	Hanley	Pattison
Beard, Tenn.	Hannaford	Pepper
Bedell	Harkin	Perkins
Bellenson	Harris	Pickle
Benjamin	Harsha	Pike
Bennett	Hawkins	Pressler
Bevill	Heckler	Preyer
Biaggi	Hefner	Price
Bingham	Heftel	Pursell
Blanchard	Hightower	Quayle
Blouin	Hollenbeck	Rahall
Boggs	Holtzman	Railsback
Bolling	Horton	Rangel
Bonior	Howard	Regula
Bonker	Hubbard	Rhodes
Bowen	Hughes	Richmond
Brademas	Jacobs	Rinaldo
Breaux	Jeffords	Risenhoover
Brodhead	Johnson, Calif.	Roberts
Brooks	Jones, N.C.	Roe
Brown, Calif.	Jones, Okla.	Rogers
Buchanan	Jones, Tenn.	Roncalio
Burke, Calif.	Jordan	Rooney
Burke, Fla.	Kasten	Rosenthal
Burlison, Mo.	Kastenmeier	Roybal
Burton, Phillip	Kazen	Russo
Byron	Keys	Santini
Caputo	Kildee	Sawyer
Carney	Kostmayer	Scheuer
Carr	Krebs	Schroeder
Chappell	Krueger	Seiberling
Chisholm	Leach	Sharp
Clausen, Don H.	Lederer	Sikes
	Leggett	Skelton
Cochran	Lehman	Skubitz
Cohen	Levitas	Slack
Collins, Ill.	Livingston	Smith, Iowa
Conte	Lloyd, Calif.	Solarz
Corman	Lloyd, Tenn.	Spellman
Cornell	Long, La.	Spence
Cornwell	Lott	St Germain
Coughlin	Lujan	Staggers
D'Amours	Luken	Steed
Danielson	McClory	Steers
Davis	McCormack	Steiger
de la Garza	McDade	Stokes
Dellums	McEwen	Stratton
Derrick	McFall	Studds
Derwinski	McKay	Teague
Dickinson	McKinney	Thompson
Dicks	Madigan	Traxler
Diggs	Maguire	Udall
Dingell	Mann	Ullman
Downey	Markey	Vander Jagt
Drinan	Marks	Vanik
Duncan, Oreg.	Marlenee	Vento
Duncan, Tenn.	Martin	Volkmer
Eckhardt	Mattox	Waggonner
Edwards, Ala.	Mazzoli	Walgren
Edwards, Calif.	Meeds	Watkins
Edwards, Okla.	Metcalfe	Waxman
Eilberg	Mikulski	Weaver
English	Mikva	Weiss
Erlenborn	Miller, Calif.	White
Ertel	Miller, Ohio	Whitley
Evans, Ga.	Mineta	Whitten
Fascell	Minish	Wiggins
Frenzel	Mitchell, Md.	Wilson, Bob
Fuqua	Moakley	Winn
Findley	Moffett	Wirth
Fisher	Mollohan	Wolff
Fithian	Montgomery	Wright
Flippo	Moore	Wydler
Flood	Moorhead, Pa.	Wylie
Foley	Moss	Yates
Ford, Mich.	Murphy, Ill.	Yatron
Ford, Tenn.	Murphy, N.Y.	Young, Mo.
Fountain	Murphy, Pa.	Zablocki
Fraser	Murtha	Zeferetti

NAYS—109

Abdnor	Fenwick	Myers, John
Applegate	Fish	Nowak
Archer	Flynt	Oakar
Ashbrook	Forsythe	Pease
Aspin	Fowler	Poage
Badham	Frey	Pritchard
Bafalis	Goldwater	Quillen
Barnard	Goodling	Robinson
Bauman	Green	Rousselot
Breckinridge	Guyer	Rudd
Brinkley	Hagedorn	Ryan
Broomfield	Hammer-schmidt	Sarasin
Brown, Mich.		Satterfield
Broyhill	Hansen	Schulze
Burgener	Hillis	Sebelius
Burke, Mass.	Holt	Shuster
Burleson, Tex.	Huckaby	Sisk
Butler	Hyde	Smith, Nebr.
Carter	Ichord	Snyder
Cavanaugh	Ireland	Stangeland
Cederberg	Jenkins	Stanton
Clawson, Del	Kelly	Stump
Cleveland	Kemp	Taylor
Coleman	Kindness	Thone
Collins, Tex.	LaFalce	Thornton
Conable	Lagomarsino	Treen
Crane	Latta	Trible
Cunningham	Lent	Van Deerlin
Daniel, Dan	Lundine	Walker
Daniel, R. W.	McDonald	Walsh
Delaney	McHugh	Wampler
Devine	Mahon	Whitehurst
Dornan	Marriott	Wilson, C. H.
Early	Mathis	Young, Fla.
Edgar	Mitchell, N.Y.	Young, Tex.
Emery	Moorhead, Calif.	
Evans, Del.		
Evans, Ind.	Mottl	

NOT VOTING—44

Alexander	Garcia	Rose
Armstrong	Harrington	Rostenkowski
Boland	Holland	Runnels
Brown, Ohio	Jenrette	Ruppe
Burton, John	Johnson, Colo.	Shipley
Clay	LeFante	Simon
Conyers	Long, Md.	Stark
Corcoran	McCloskey	Stockman
Cotter	Meyner	Symms
Dent	Michel	Tsongas
Dodd	Milford	Tucker
Evans, Colo.	Pettis	Whalen
Fary	Quie	Wilson, Tex.
Florio	Reuss	Young, Alaska
Flowers	Rodino	

The Clerk announced the following pairs:

Mr. Jenrette with Mr. Armstrong.
Mr. Cotter with Mr. McCloskey.
Mr. Shipley with Mr. Stockman.
Mr. Simon with Mr. Young of Alaska.
Mr. Alexander with Mr. Michel.
Mr. John L. Burton with Mr. Tucker.
Mr. Florio with Mr. Symms.
Mrs. Meyner with Mrs. Pettis.
Mr. LeFante with Mr. Whalen.
Mr. Rostenkowski with Mr. Quie.
Mr. Rose with Mr. Corcoran of Illinois.
Mr. Boland with Mr. Brown of Ohio.
Mr. Garcia with Mr. Holland.
Mr. Dodd with Mr. Harrington.
Mr. Conyers with Mr. Dent.
Mr. Clay with Mr. Evans of Georgia.
Mr. Flowers with Mr. Evans of Colorado.
Mr. Fary with Mr. Reuss.
Mr. Stark with Mr. Ruppe.
Mr. Tsongas with Mr. Runnels.
Mr. Milford with Mr. Long of Maryland.

Mr. RYAN changed his vote from "yea" to "nay."

Mr. GINN and Mr. FINDLEY changed their vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mrs. SCHROEDER. Mr. President, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the veto message referral just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

MAKING IN ORDER CONSIDERATION OF HOUSE JOINT RESOLUTION 1024, MAKING URGENT SUPPLEMENTAL APPROPRIATIONS FOR DEPARTMENT OF AGRICULTURE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that it may be in order on Monday, July 10, 1978, or any day thereafter, to consider in the House as in the Committee of the Whole the joint resolution (H.J. Res. 1024) making urgent supplemental appropriations for the Department of Agriculture for the fiscal year ending September 30, 1978.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CONFERENCE REPORT ON S. 2401, EMERGENCY INTERIM CONSUMER PRODUCT SAFETY RULE ACT OF 1978

Mr. STAGGERS submitted the following conference report and statement on the Senate bill (S. 2401) to amend the Consumer Product Safety Act to establish an interim consumer product safety rule relating to the standards for flame resistance and corrosiveness of certain insulation, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 95-1322)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2401) to amend the Consumer Product Safety Act to establish an interim consumer product safety rule relating to the standards for flame resistance and corrosiveness of certain insulation, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

That this Act may be cited as the "Emergency Interim Consumer Product Safety Standard Act of 1978".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) existing Federal, State, and local laws and regulations are insufficient to protect the consumer from improperly manufactured cellulose insulation;

(a) an unreasonably large quantity of cellulose insulation is being distributed that does not meet minimum safety standards;

(3) an urgent need exists for the expedited setting of interim mandatory Federal standards for the manufacture of cellulose insulation; and

(4) such standards are reasonably necessary to eliminate or reduce an unreasonable risk of injury to consumers from flammable or corrosive cellulose insulation.

(b) It is the purpose of the Congress in this Act to provide an interim mandatory

safety standard for cellulose insulation manufactured for use as a consumer product.

INTERIM CELLULOSE INSULATION SAFETY STANDARD

SEC. 3. (a) The Consumer Product Safety Act (15 U.S.C. 2051 et seq.) is amended by adding at the end thereof the following new section:

"INTERIM CELLULOSE INSULATION SAFETY STANDARD

"SEC. 35. (a)(1) Subject to the provisions of paragraph (2), on and after the last day of the 60-day period beginning on the effective date of this section, the requirements for flame resistance and corrosiveness set forth in the General Services Administration's specification for cellulose insulation, HH–I–515C (as such specification was in effect on February 1, 1978), shall be deemed to be an interim consumer product safety standard which shall have all the authority and effect of any other consumer product safety standard promulgated by the Commission under this Act. During the 45-day period beginning on the effective date of this section, the Commission may make, and shall publish in the Federal Register, such technical, nonsubstantive changes in such requirements as it deems appropriate to make such requirements suitable for promulgation as a consumer product safety standard. At the end of the 60-day period specified in the first sentence of this paragraph, the Commission shall publish in the Federal Register such interim consumer product safety standard, as altered by the Commission under this paragraph.

"(2) The interim consumer product safety standard established in paragraph (1) shall provide that any cellulose insulation which is produced or distributed for sale or use as a consumer product shall have a flame spread rating of 0 to 25, as such rating is set forth in the General Services Administration's specification for cellulose insulation, HH–I–515C.

"(3) During the period for which the interim consumer product safety standard established in subsection (a) is in effect, in addition to complying with any labeling requirement established by the Commission under this Act, each manufacturer or private labeler of cellulose insulation shall include the following statement on any container of such cellulose insulation: 'ATTENTION: This material meets the applicable minimum Federal flammability standard. This standard is based upon laboratory tests only, which do not represent actual conditions which may occur in the home.' Such statement shall be located in a conspicuous place on such container and shall appear in conspicuous and legible type in contrast by typography, layout, and color with other printed matter on such container.

"(b) Judicial review of the interim consumer product safety standard established in subsection (a), as such standard is in effect on and after the last day of the 60-day period specified in such subsection, shall be limited solely to the issue of whether any changes made by the Commission under paragraph (1) are technical, nonsubstantive changes. For purposes of such review, any change made by the Commission under paragraph (1) which requires that any test to determine the flame spread rating of cellulose insulation shall include a correction for variations in test results caused by equipment used in the test shall be considered a technical, nonsubstantive change.

"(c)(1)(A) Any interim consumer product safety standard established pursuant to this section shall be enforced in the same manner as any other consumer product safety standard until such time as there is in effect a final consumer product safety standard promulgated by the Commission, as provided in subparagraph (B), or until such time as it is revoked by the Commission under section 9(e). A violation of the interim consumer product safety standard shall be deemed to be a violation of a consumer product safety standard promulgated by the Commission under section 9.

"(B) If the Commission determines that the interim consumer product safety standard does not adequately protect the public from the unreasonable risk of injury associated with flammable or corrosive cellulose insulation, it shall promulgate a final consumer product safety standard to protect against such risk. Such final standard shall be promulgated pursuant to section 553 of title 5, United States Code, except that the Commission shall give interested persons an opportunity for the oral presentation of data, views, or arguments, in addition to an opportunity to make written submissions. A transcript shall be kept of any oral presentation. The provisions of section 9 (b), (c), and (d) shall apply to any proceeding to promulgate such final standard. In any judicial review of such final standard under section 11, the court shall not require any demonstration that each particular finding made by the Commission under section 9(c) is supported by substantial evidence. The court shall affirm the action of the Commission unless the court determines that such action is not supported by substantial evidence on the record taken as a whole.

"(2)(A) Until there is in effect such a final consumer product safety standard, the Commission shall incorporate into the interim consumer product safety standard, in accordance with the provisions of this paragraph, each revision superseding the requirements for flame resistance and corrosiveness referred to in subsection (a) and promulgated by the General Services Administration.

"(B) At least 45 days before any revision superseding such requirements is to become effective, the Administrator of the General Services Administration shall notify the Commission of such revision. In the case of any such revision which becomes effective during the period beginning on February 1, 1978, and ending on the effective date of this section, such notice from the Administrator of the General Services Administration shall be deemed to have been made on the effective date of this section.

"(C)(i) No later than 45 days after receiving any notice under subparagraph (B), the Commission shall publish the revision, including such changes in the revision as it considers appropriate to make the revision suitable for promulgation as an amendment to the interim consumer product safety standard, in the Federal Register as a proposed amendment to the interim consumer product safety standard.

"(ii) The Commission may extend the 45-day period specified in clause (i) for an additional period of not more than 150 days if the Commission determines that such extension is necessary to study the technical and scientific basis for the revision involved, or to study the safety and economic consequences of such revision.

"(D)(i) Additional extensions of the 45-day period specified in subparagraph (C)(i) may be taken by the Commission if—

"(I) the Commission makes the determination required in subparagraph (C)(ii) with respect to each such extension; and

"(II) in the case of further extensions proposed by the Commission after an initial extension under this clause, such further extensions have not been disapproved under clause (iv).

"(ii) Any extension made by the Commission under this subparagraph shall be for a period of not more than 45 days.

"(iii) Prior notice of each extension made by the Commission under this subparagraph, together with a statement of the reasons for such extension and an estimate of the length of time required by the Commission to complete its action upon the revision involved, shall be published in the Federal Register and shall be submitted to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives.

"(iv) In any case in which the Commission takes an initial 45-day extension under clause (i), the Commission may not take any further extensions under clause (i) if each committee referred to in clause (iii) disapproves by committee resolution any such further extensions before the end of the 15-day period following notice of such initial extension made by the Commission in accordance with clause (iii).

"(E) The Commission shall give interested persons an opportunity to comment upon any proposed amendment to the interim consumer product safety standard during the 30-day period following any publication by the Commission under subparagraph (C).

"(F) No later than 90 days after the end of the period specified in subparagraph (E), the Commission shall promulgate the amendment to the interim consumer product safety standard unless the Commission determines, after consultation with the Secretary of Energy, that—

"(i) such amendment is not necessary for the protection of consumers from the unreasonable risk of injury associated with flammable or corrosive cellulose insulation; or

"(ii) implementation of such amendment will create an undue burden upon persons who are subject to the interim consumer product safety standard.

"(G) The provisions of section 11 shall not apply to any judicial review of any amendment to the interim product safety standard promulgated under this paragraph.

"(d) Any Federal department, agency, or instrumentality, or any Federal independent regulatory agency, which obtains information which reasonably indicates that cellulose insulation is being manufactured or distributed in violation of this Act shall immediately inform the Commission of such information.

"(e)(1) The Commission, no later than 45 days after the effective date of this section, shall submit a report to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Interstate and Foreign Commerce of the House of Representatives which shall contain a detailed statement of the manner in which the Commission intends to carry out the enforcement of this section.

"(2)(A) The Commission, no later than 6 months after the date upon which the report required in paragraph (1) is due (and no later than the end of each 6-month period thereafter), shall submit a report to each committee referred to in paragraph (1) which shall describe the enforcement activities of the Commission with respect to this section during the most recent 6-month period.

"(B) The first report which the Commission submits under subparagraph (A) shall include the results of tests of cellulose insulation manufactured by at least 25 manufacturers which the Commission shall conduct to determine whether such cellulose insulation complies with the interim consumer product safety standard. The second such report shall include the results of such tests with respect to 50 manufacturers who were not included in testing conducted by the Commission for inclusion in the first report.

"(f)(1) The Commission shall have the authority to require that any person required to comply with the certification requirements of section 14 with respect to the manufacture

of cellulose insulation shall provide for the performance of any test or testing program required for such certification through the use of an independent third party qualified to perform such test or testing program. The Commission may impose such requirement whether or not the Commission has established a testing program for cellulose insulation under section 14(b).

"(2) The Commission, upon petition by a manufacturer, may waive the requirements of paragraph (1) with respect to such manufacturer if the Commission determines that the use of an independent third party is not necessary in order for such manufacturer to comply with the certification requirements of section 14.

"(3) The Commission may prescribe such rules as it considers necessary to carry out the provisions of this subsection.

"(g) There are authorized to be appropriated, for each of the fiscal years 1978, 1979, 1980, and 1981, such sums as may be necessary to carry out the provisions of this section.".

(b) Section 19(a) of the Consumer Product Safety Act (15 U.S.C. 2068(a)) is amended—

(1) in paragraph (8) thereof, by striking out "or";

(2) in paragraph (9) thereof, by striking out the period and inserting in lieu thereof "; or"; and

(3) by adding at the end thereof the following new paragraph:

"(10) fail to comply with any rule or requirement under section 32 (relating to labeling and testing of cellulose insulation)".

And the House agreed to the same.

HARLEY O. STAGGERS,
BOB ECKHARDT,
RALPH H. METCALFE,
ROBERT KRUEGER,
CHARLES J. CARNEY,
T. A. LUKEN,
JOHN E. MOSS,
A. T. MOFFETT,
SAM DEVINE,
JAMES T. BROYHILL,
MATT RINALDO,

Managers on the part of the House.

WENDELL H. FORD,
HOWARD W. CANNON,
BOB PACKWOOD.

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2401) to amend the Consumer Product Safety Act to establish an interim consumer product safety rule relating to the standards for flame resistance and corrosiveness of certain insulation, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

FINDINGS AND PURPOSE

Senate bill.—The Senate bill set up congressional findings regarding the need for a standard to protect against flammable and corrosive cellulose insulation. The findings stated that existing Federal, State, and local laws and regulations are insufficient to protect against improperly manufactured insulation, and that an unreasonably large amount of insulation is being distributed that does not meet minimum voluntary safety standards. There is an urgent need for a mandatory interim standard to eliminate or reduce the unreasonable risk of injury to consumers presented by flammable and corrosive cellulose insulation. The Consumer Product Safety Commission (hereinafter in this statement referred to as the "Commission") should study all forms of insulation within the jurisdiction of the Commission to determine where appropriate standards should be developed and promulgated by the Commission to reduce the possible health and safety risks.

The Senate bill stated that the purpose of the bill is to provide an interim mandatory safety rule for cellulose home insulation and directed the Commission to study the forms of home insulation commonly used in the United States and to recommend appropriate legislative and administrative action in regard to reducing the possible health and safety risks that may result from the manufacture of the insulation.

House amendment.—The House amendment was nearly identical to the Senate bill; however, the House amendment did not direct the Commission to study the forms of home insulation commonly used in the United States and to recommend appropriate legislative and administrative action.

Conference substitute.—The conference substitute follows the House provision. The Department of Energy is undertaking a comprehensive study of various kinds of insulation in terms of manufacturing of insulation, quality of insulation, and installation of insulation. The Senate provision calling for a study of all forms of insulation would result in duplication of this effort.

INTERIM CELLULOSE INSULATION SAFETY STANDARD

1. Initial interim standard

Senate bill.—The Senate bill amended the Consumer Product Safety Act to add a new section (section 35) which establishes an interim consumer product safety standard for cellulose home insulation. The bill provided that 120 days after the date of enactment the requirements for flame-resistance and corrosiveness contained in the General Services Administration's procurement specification for cellulose insulation, HH–I–515C, would become a mandatory consumer product safety standard.

The substantive provisions of the mandatory standard would be the same as those in the General Services Administration standard, permitting cellulose to have a flame spread rating of 0–50. The GSA HH–I–515C standard classifies cellulose insulation according to its surface burning characteristics. Under the standard, insulation is tested in a Steiner Tunnel to determine how quickly it will burn, and the material is assigned a "flame spread classification" based on the burn rate. Under the GSA standard, material is accepted if it has a flame spread rating of 0–25 or a flame spread rating of 26–50.

House amendment.—The House amendment provided that the substantive provisions of the mandatory standard would be the same as those found in the General Services Administration's procurement specifications for cellulose insulation, HH–I–515C, with an exception. The mandatory product safety standard would limit acceptable cellulose to that with a flame spread rating of 0–25.

The House amendment provided that 45 days after the date of enactment, the requirements for flame resistance and corrosiveness contained in the General Services Administration's procurement specifications would become a mandatory consumer product safety standard. During the 45-day period prior to the standard's effective date, the Commission is authorized to make any technical, nonsubstantive changes in the GSA requirements that the Commission feels are necessary to make them suitable for promulgation as a mandatory consumer product safety standard.

Conference substitute.—The conference substitute adopts the flame spread rating as provided by the House amendment. The GSA standard itself states that 0–25 flame spread rating as set forth in the GSA specification for cellulose insulation, HH–I–515C, should be used in applications which require a higher flame spread resistance. The conferees feel that installation of cellulose in homes presents such a situation. Further, both the Commission and the Department of Energy in commenting on the proposed legislation recommended that only 0–25 flame spread rating for cellulose insulation be permitted for use in homes. Because the conditions where installed and the installation techniques cannot be checked as they could in a GSA procurement situation, caution requires the use of material with greater flame resistance. A flame spread rating of 0–25 should assure a greater measure of safety to consumers.

In agreeing with the 0–25 flame spread rating, a somewhat stricter standard than 0–25, the Senate conferees requested labeling requirements to acknowledge that the stricter standard nonetheless is still only a minimum interim standard and that the test method used is not representative of home use conditions. The much-criticized Steiner Tunnel, used in the GSA standard, tests how fast a material will burn, but it does not test whether the material will burn when exposed to ignition sources which could be found in a home attic. For example, the Steiner Tunnel test does not simulate the exposure in an attic from a smoldering ignition source, such as a recessed lighting fixture or over heated wiring. Nor does it simulate what can happen in a hot attic during summer months if cellulose insulation is exposed to a small open flame. All statements required by this section to appear on the container must be prominent and conspicuous and must be legible in contrast by typography, layout, and color with other printed matter on the container. Manufacturers should be guided by Commission regulations set out in 16 Code of Federal Regulations 1500.121 which provide type size, placement, and other requirements for cautionary labeling under the Federal Hazardous Substances Act.

The interim standard will be effective 60 days after the date of enactment. The conferees intend for consumers to be able to purchase cellulose insulation during the heavy demand season in the fall months with indications that the minimum level of compliance of the Federal standard has been met.

During the 45-day period prior to the standard's effective date, the Commission is authorized to make any technical, nonsubstantive changes in the GSA requirements as the Commission feels are necessary to make them suitable for promulgation as a mandatory consumer product safety standard. Technical, nonsubstantive changes are changes which will not create a significant impact on the regulated industry. The conference substitute specifically provides that the Commission will include in the standard a provision which requires the flame spread rating to be computed in a manner which adjusts for the effects of the galvanized steel screen used in the Steiner Tunnel test. This metal screen absorbs heat and thus retards flame spread. According to some experts, this phenomenon may make a difference of up to 40 percent in the determination of the flame

spread rating of cellulose insulation. Some testing laboratories currently incorporate procedures which correct for the effects of the wire screen, while others do not. Thus, to assure uniformity among test results and to assure a flame spread rating which is truly indicative of a material's performance. a correction factor should be included in computing the test results.

Improper installation is identified as a major cause of insulation fires. This includes insulation installed too close to light fixtures in such a way as to entrap heat, and insulation installed near recessed light fixtures where bulbs of a higher wattage have been incorrectly used. Thus the conferees expect the Commission to issue a rule under section 27(e) of the Act to require manufacturers to provide safety information, on installation, to consumers.

The interim standard has all of the authority and effect of any other consumer product safety standard. Thus, once the standard goes into effect, all cellulose insulation manufactured for use as a consumer product after the effective date of the standard must comply with the standard. The Act's full panoply of civil, criminal, injunctive, and seizure remedies may be used against persons that manufacture, distribute, or offer for sale as a consumer product any noncomplying cellulose. In addition, the Commission has authority to prohibit a manufacturer from stockpiling any product to which a consumer product safety standard applies. The conferees are aware that some State and local governments have regulations or other requirements which set standards for the installation of insulation. Of course, under the terms of section 26 of the Consumer Product Safety Act, the interim safety standard established by the conferee substitute would not preempt such State or local installation standards. Section 26 preempts only standards which prescribe requirements for a consumer product rather than requirements relating to installation of such products.

Once the standard goes into effect, a manufacturer will have the responsibility under section 14 of the Act of issuing a certificate which certifies that his or her cellulose complies with the mandatory safety standard. The certificate must be based on a reasonable testing program. Under section 14 the Commission may, by rule, prescribe the testing program for manufacturers to use; however, in the absence of a Commission mandated testing program, each manufacturer will have to determine what constitutes a testing program adequate to ensure that the product being produced and distributed is in conformance with the mandatory standard.

2. Judicial review

Senate bill.—Judicial review of the initial interim rule was limited solely to the issue of whether any technical changes made by the Commission are nonsubstantive.

House amendment.—The House amendment followed the Senate language; however, it specifically provided that the changes necessitated to correct for the metal screen used in the tunnel test would be considered technical, nonsubstantive changes.

Conference substitute.—The Senate recedes to the House position.

3. Final standard

Senate bill.—The Senate bill established an interim product safety rule based on the GSA HH–I–515C standard and, as explained below, it also provided for the interim rule to be amended to incorporate any GSA revisions in its procurement requirements. However, if the Commission determined that the rule as established by the legislation or as subsequently amended did not adequately protect the public, then the Commission was authorized to promulgate a final consumer product safety rule. In promulgating such a final rule, the Commission would use the informal rulemaking procedures set out in section 553 of title 5, United States Code The standard of review is the traditional standard of review of administrative informal rulemaking, the arbitrary and capricious test. Under the Consumer Product Safety Act, court review of safety standards is pursuant to the substantial evidence test.

In a rulemaking, the main thing Congress is concerned with for court review is whether the agency involved is able to show that there is an unreasonable risk. Since Congress had already made the determination in this case, substantial evidence should not be required.

House amendment.—The Commission, in issuing a final standard, would use the informal procedures set out in section 553 of title 5, United States Code, except that the Commission was required to give interested persons an opportunity to express their views in an informal oral hearing. The provisions of section 9(b), (c), and (d) of the Consumer Product Safety Act were also made to apply to any proceeding to issue a final rule. Such provisions set out findings which the Commission must make in issuing a final rule, as well as spelling out procedural issues relating to such things as the effective date of the final rule. The amendment would require findings supported by substantial evidence on court review under section 11 of the Consumer Product Safety Act.

Conference substitute.—The conferees accept the procedures in the House amendment for promulgation of a final standard. However, the standard for judicial review in the conference substitute differs from the House amendment. The conference substitute specifies that in judicial review of the final standard under section 11, the court shall not require that each particular finding made by the Commission under section 9 be supported by substantial evidence. Instead, the Commission's action shall be affirmed unless the Commission's action is not supported by substantial evidence on the record taken as a whole. The conferees feel that such a clarification of the judicial review standard is necessary because the United States Court of Appeals for the Fifth Circuit, in *Aqua Slide 'N' Dive Corporation* v. *Consumer Product Safety Commission*, 569 F. 2d 831 (5th Cir. 1978) interpreted section 11 as requiring each element of a product safety standard to be supported by substantial evidence. The conferees have serious questions about this interpretation and to assure that such an interpretation is not relied upon in reviewing any final cellulose insulation standard, the conference substitute specifically states that it is the overall action of the Commission which is to be subjected to the substantial evidence test.

INCORPORATION OF GSA REVISIONS

Senate bill.—The Senate bill required the Commission to incorporate any GSA revisions to its procurement standard into the interim consumer product safety standard unless specific findings are made. The revisions are not to be incorporated if the Commission, after consultation with the Secretary of Energy, finds that (1) incorporating the revision is unnecessary to protect against an unreasonable risk of injury, (2) implementation of the amendment will create an undue burden upon the cellulose insulation industry, or (3) additional time is required to study the safety or economic consequences of implementing the revision. The GSA was required to notify the Commission at least 30 days before any revision is to become effective. In adopting the amendment, the Commission is to use the procedures found in section 553 of title 5, United States Code.

House amendment.—Like the Senate bill, the House amendment directed the Commission to incorporate into the interim consumer product safety standard each GSA revision superseding the then existing GSA procurement standard. However, the House amendment had specific time frames within which such revisions are to be incorporated. The Administrator of GSA is required to notify the Commission of any revision at least 45 days before its effective date. Within 45 days after receiving the notification, the Commission is required to publish the revision in the Federal Register as a proposed amendment. Prior to such publication, the Commission is authorized to make any changes in the revision it considers appropriate to make the revision suitable for promulgation as an amendment to the interim product safety standard.

If the Commission determined that additional time is necessary to study the technical and scientific basis for the revision or to study the safety and economic consequences, the House amendment provided that the Commission could take an additional period of not more than 150 days.

After this period ended. the Commission was required to publish the proposed amendment in the Federal Register and give interested persons 30 days to submit comments. Within 45 days after the comment period ends the Commission was required to promulgate the amendment to the interim safety rule unless the Commission determined, after consultation with the Secretary of Energy, that the amendment is not necessary to protect consumers from an unreasonable risk or that implementation of the amendment would create an undue burden upon the industry.

The House amendment provided that the provisions of section 11 of the Consumer Product Safety Act, relating to judicial review, would not apply to any amendment to the interim product safety standard. Instead, the judicial review provisions included in chapter 7 of title 5, United States Code, would apply.

Conference substitute.—The conferees accept the House provision with some changes in the time periods provided for Commission action. The House amendment had provided the Commission with 45 days after receipt of notice from GSA to publish the proposed GSA revision with any changes made by the Commission as an amendment to the interim standard. This period could be extended for an additional 150 days under the House amendment. The conferees agree to retain this time period, but to provide some additional flexibility for the Commission if additional time should be required. Under the conference substitute, the Commission may take an additional period of 45 days to review and, if necessary, make changes in the GSA revision after the additional 150-day period has expired.

The Commission must notify the Senate Committee on Commerce, Science, and Transportation and the House Committee on Interstate and Foreign Commerce that it plans to use this additional 45-day period. Such notice must be given prior to the expiration of the original 150-day period. The notice must state why the Commission needs the additional time, and it must contain an estimate of how much additional time will be needed. If, within 15 days after receipt of the notice from the Commission, both the House and the Senate Commerce Committees vote to prohibit the Commission from taking any additional time increments, the Commission must complete its work within this first 45-day extension. However, if the two committees do not take such action, the Commission may have additional time increments of 45 days each, so long as it provides prior notice to such committees as to its reason for taking the time and indicates how much longer it anticipates it will need.

The conferees feel that it is necessary to allow the Commission sufficient flexibility in order to insure that any needed technical,

scientific, or economic evaluation and analysis and any changes can be completed before the proposed amendment is published. For example, it is possible that GSA could submit a revision requiring a test method which, in the Commission's opinion, would not produce reproducible results. In such a case, the Commission might need to ask a number of laboratories to participate in a round-robin testing program to adequately evaluate the proposed new test. If the round-robin indicated there were problems in the testing method, the Commission would need time to make changes or find an alternative test method. Or if the Commission decides that a GSA revision does not adequately address a particular problem, it may change the revision to deal with the problem.

However, the fact that the conferees feel it necessary to impose specific time frames on the Commission is a reflection of the conferees' desire that GSA revisions be incorporated as quickly as possible.

Once the proposed amendment has been published, members of the public are given 30 days to submit comments. After the comment period has ended, the Commission will have 90 days in which to evaluate the comments and make a determination as to whether to promulgate the amendment and if so, in exactly what forms the final amendment should be promulgated. If the Commission determines, after consultation with the Secretary of Energy, that the amendment is not necessary, or that its implementation will create an undue burden upon the industry, then it is not required to promulgate the amendment.

The conferees wish to emphasize that the legislation imposes an affirmative obligation on the Commission to adopt the amendment. The amendment should not be adopted only if the Commission makes a determination that it is unnecessary or unduly burdensome. As a result, the conferees expect that any member of the public or the industry who might wish to stop the adoption of the amendment will make available to the Commission whatever information is necessary in order for the Commission to fully analyze the impact of the amendment.

The amendment as promulgated by the Commission will, of course, specify its effective date. In accordance with section 553 of title 5, United States Code, such effective date must be at least 30 days after the date it is published in its final form. This is to insure that those subject to the terms of the amendment will have adequate notice and time to bring themselves into compliance with the terms of the amendment.

The provisions of section 11 shall not apply to any judicial review of any amendment to the interim product safety standard. Instead, such judicial review will be in accordance with the provisions of chapter 7 of title 5, United States Code. Thus, agency action can be overturned if it is arbitrary, capricious, or an abuse of discretion.

NOTIFICATION BY FEDERAL AGENCIES

Senate bill.—The Senate bill had no provision on reports by other Federal agencies.

House amendment. The House amendment required any Federal executive department or agency, or independent regulatory agency which obtains information reasonably indicating that cellulose insulation is being manufactured or distributed in violation of the Act to immediately inform the Commission.

Conference substitute.—The conference substitute incorporates the House provision. A number of Federal agencies are involved in energy conservation activities or perform functions which could result in their obtaining information about possibly noncomplying cellulose. For example, the Federal Trade Commission is conducting a proceeding respecting the thermal properties of insulation, and the FTC has been monitoring the industry to make certain that manufacturers are not engaging in unfair or deceptive practices or advertising. In conducting its own activities, the FTC may receive information which bears on compliance with the product safety standard. As a further example, the Tennessee Valley Authority assists local residents who wish to retrofit their homes with insulation. In doing so, the TVA may obtain information relating to compliance with the safety standard. Such information should be immediately submitted to the Consumer Product Safety Commission. The language is not intended to imply that the other agencies should discontinue their efforts or activities in this area. The conferees expect that the various agencies will continue to cooperate and keep one another informed of their activities relating to insulation.

ENFORCEMENT REPORTS

Senate bill.—The Senate bill had no provision on enforcement reports.

House amendment.—Under the House amendment the Commission was required to submit reports on its enforcement efforts to the Senate Committee on Commerce, Science, and Transportation and the House Committee on Interstate and Foreign Commerce. These reports must contain a detailed statement of the manner in which the Commission is enforcing the cellulose insulation standard. Once the standard goes into effect, the Commission is to submit enforcement reports every 6 months. The first such report shall include the results of tests of cellulose insulation manufactured by at least 25 manufacturers. The report shall indicate how many of these 25 manufacturers' products are in compliance with the standard. The second 6-month report shall include the results of such tests with respect to 50 additional manufacturers.

Conference substitute.—The Senate recedes to the House position.

CERTIFICATION AUTHORITY

Senate bill.—The Senate bill contained no provision on certification authority.

House amendment.—The House amendment granted the Commission authority to require manufacturers to use independent third party laboratories to do any testing necessary to certify compliance with the insulation standard. Under section 14 of the Consumer Product Safety Act, manufacturers are required to issue certificates which certify that the manufacturer's product conforms to all applicable consumer product safety standards. The Commission has authority to prescribe reasonable testing programs to provide the basis for such certificates. Existing law further provides that any manufacturer may have such testing conducted by a qualified, independent third party. The House amendment would permit the Commission, with respect to the cellulose insulation standard, to require that the testing program be conducted by a qualified, independent third party.

Conference substitute.—The Senate recedes to the House position.

AUTHORIZATION OF APPROPRIATIONS

Senate bill.—The Senate bill authorized appropriations of such sums as may be necessary to carry out the purposes of the Senate bill for each fiscal year beginning with fiscal year 1978.

House amendment.—The House amendment authorized appropriations for fiscal years 1979, 1980, and 1981, of such sums as may be necessary to carry out the purposes of section 35 of the Act, as added by the House amendment.

Conference substitute.—The conference substitute authorizes the appropriation of such sums as may be necessary for fiscal years 1978, 1979, 1980, and 1981.

INSULATION SAFETY STUDY

Senate bill.—The Senate bill required the Commission to conduct a thorough and complete study of the need for safety standards for other kinds of home insulation, such as fiber glass, rockwool, and ureaformaldehyde. The study was also to cover methods of testing the safety of home insulation and methods of enforcing home insulation standards. In conducting the study, the Commission was to consult with relevant agencies and departments of the United States. A preliminary report was due within 180 days after commencement of the study. The final report was due within 365 days of commencement.

House amendment.—The House amendment contained no similar provision.

Conference substitute.—The Senate agrees to recede to the House because such a study is already being conducted by the Department of Energy. An additional study by the Commission would have been duplicative of the DOE efforts. The conferees expect that the Department of Energy will complete the study expeditiously.

HARLEY O. STAGGERS,
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Managers on the Part of the House.

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HOWARD W. CANNON,
BOB PACKWOOD,
Managers on the Part of the Senate.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions, to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

VETERANS' DISABILITY COMPENSATION AND SURVIVOR BENEFITS ACT OF 1978

Mr. ROBERTS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 11886), to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans, to increase the rates of dependency and indemnity compensation for their survivors, and for other purposes, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans' Disability Compensation and Survivor Benefits Act of 1978".

TITLE I—VETERANS DISABILITY COMPENSATION

SEC. 101. (a) Section 314 of title 38, United States Code, is amended—

(1) by striking out "$41" in subsection (a) and inserting in lieu thereof "$44";

(2) by striking out "$75" in subsection (b) and inserting in lieu thereof "$80";

(3) by striking out "$113" in subsection (c) and inserting in lieu thereof "$120";

(4) by striking out "$155" in subsection (d) and inserting in lieu thereof "$165";

(5) by striking out "$216" in subsection (e) and inserting in lieu thereof "$230";

(6) by striking out "$272" in subsection (f) and inserting in lieu thereof "$290";

(7) by striking out "$322" in subsection (g) and inserting in lieu thereof "$343";

(8) by striking out "$373" in subsection (h) and inserting in lieu thereof "$397";

(9) by striking out "$419" in subsection (i) and inserting in lieu thereof "$446";

(10) by striking out "$754" in subsection (j) and inserting in lieu thereof "$803";

(11) by striking out "$937" and "$1,312" in subsection (k) and inserting in lieu thereof "$998" and "$1,397", respectively;

(12) by striking out "$937" in subsection (l) and inserting in lieu thereof "$998";

(13) by striking out "$1,032" in subsection (m) and inserting in lieu thereof "$1,099";

(14) by striking out "$1,172" in subsection (n) and inserting in lieu thereof "$1,248";

(15) by striking out "$1,312" in subsections (o) and (p) and inserting in lieu thereof "$1,397";

(16) by striking out "$563" in subsection (r) and inserting in lieu thereof "$600"; and

(17) by striking out "$843" in subsection (s) and inserting in lieu thereof "$898".

(b) The Administrator of Veterans' Affairs may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

SEC. 102. Section 315(1) of title 38, United States Code, is amended—

(1) by striking out "$46" in subparagraph (A) and inserting in lieu thereof "$49";

(2) by striking out "$77" in subparagraph (B) and inserting in lieu thereof "$82";

(3) by striking out "$98" in subparagraph (C) and inserting in lieu thereof "$104";

(4) by striking out "$120" and "$22" in subparagraph (D) and inserting in lieu thereof "$128" and "$23", respectively;

(5) by striking out "$30" in subparagraph (E) and inserting in lieu thereof "$32";

(6) by striking out "$52" in subparagraph (F) and inserting in lieu thereof "$55";

(7) by striking out "$77" and "$22" in subparagraph (G); and inserting in lieu thereof "$82" and "$23", respectively;

(8) by striking out "$37" in subparagraph (H) and inserting in lieu thereof "$39";

(9) by striking out "$83" in subparagraph (I) and inserting in lieu thereof "$88"; and

(10) by striking out "$70" in subparagraph (J) and inserting in lieu thereof "$75".

SEC. 103. Section 362 of title 38, United States Code, is amended by striking out "$203" and inserting in lieu thereof "$216".

SEC. 104. Subsection (p) of section 314 of title 38, United States Code, is amended by striking out the semicolon at the end thereof and inserting in lieu thereof a period and the following new sentence: "In the event the veteran has suffered the anatomical loss or loss of use of three extremities, the Administrator shall allow the next higher rate, but in no event in excess of $1,397.".

TITLE II—SURVIVORS' DEPENDENCY AND INDEMNITY COMPENSATION

SEC. 201. (a) Subsection (a) of section 411 of title 38, United States Code, is amended to read as follows:

"(a) Dependency and indemnity compensation shall be paid to a surviving spouse, based on the pay grade of the person upon whose death entitlement is predicated, at monthly rates set forth in the following table:

"Pay grade:	Monthly rate
E-1	$295
E-2	305
E-3	312
E-4	331
E-5	341
E-6	348
E-7	365
E-8	386
E-9	[1] 403
W-1	373
W-2	388
W-3	399
W-4	423
O-1	373
O-2	386
O-3	413
O-4	436
O-5	480
O-6	540
O-7	586
O-8	641
O-9	689
O-10	[2] 754

"[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $433.

"[2] If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force or Commandant of the Marine Corps, at the applicable time designated be section 402 of this title, the surviving spouse's rate shall be $808.".

(b) Subsection (b) of such section is amended by striking out "$33" and inserting in lieu thereof "$35".

(c) Subsection (c) of such section is amended by striking out "$83" and inserting in lieu thereof "$88".

(d) Such section is further amended by adding at the end thereof the following new subsection:

"(d) The monthly rate of dependency and indemnity compensation payable to a surviving spouse shall be increased by $44 if the spouse is, by reason of disability, permanently housebound but does not qualify for the aid and attendance allowance under subsection (c) of this section. For purposes of this subsection, the requirement of being permanently housebound will be met if the surviving spouse is substantially confined to the house or immediate premises (or, if institutionalized, the ward or clinical areas) of such spouse due to a disability or disabilities which it is reasonably certain will continue throughout the surviving spouse's lifetime.".

SEC. 202. The text of section 413 of title 38, United States Code, is amended to read as follows:

"(a) Whenever there is no surviving spouse of a deceased veteran entitled to dependency and indemnity compensation, dependency and indemnity compensation shall be paid in equal shares to the children of the deceased veteran at the following monthly rates:

"(1) one child, $149;

"(2) two children, $214;

"(3) three children, $276; and

"(4) more than three children, $276, plus $55 for each child in excess of three.

"(b) If dependency and indemnity compensation has been awarded to a veteran's child or children under this section and the entitlement of an additional child is later established effective retroactively, the amount of the retroactive award payable to the additional child shall equal the difference between the total of the increased award for the retroactive period and the prior total award for that period.".

SEC. 203. (a) Section 414 of title 38, United States Code, is amended—

(1) by striking out "$83" in subsection (a) and inserting in lieu thereof "$88";

(2) by striking out "$140" in subsection (b) and inserting in lieu thereof "$149"; and

(3) by striking out "$71" in subsection (c) and inserting in lieu thereof "$76".

(b) Subsection (c) of such section is further amended by adding at the end thereof the following new sentence: "However, if during the month in which such child reaches age 18 that child is also being considered a child below age 18 for purposes of additional dependency and indemnity compensation for a surviving spouse under section 411(b) of this title, the amount of the child's award for that month will be reduced by an amount equal to the surviving spouse's additional award, for the same month, attributable to the child.".

TITLE III—MISCELLANEOUS PROVISIONS AND EFFECTIVE DATE

SEC. 301. Section 3101 of title 38, United States Code, relating to the nonassignability and tax-exempt status of veterans' benefits, is amended by adding at the end thereof the following new subsection:

"(d) In the case of a person who—

"(1) is receiving pay pursuant to any provision of law providing retired or retirement pay to persons in the Armed Forces, or as a commissioned officer of the National Oceanic and Atmospheric Administration or of the Public Health Service.

"(2) is determined to be eligible to receive pension or compensation under the laws administered by the Veterans' Administration but for the receipt of such retired or retirement pay, and

"(3) files a waiver of such retired or retirement pay in accordance with section 3105 of this title in the amount of such pension or compensation before the end of the one-year period beginning on the date such person is notified by the Veterans' Administration of such person's eligibility for such pension or compensation.

the retired or retirement pay of such person shall be exempt from taxation, as provided under subsection (a) of this section, in an amount equal to the amount of pension or compensation which would have been retroactively paid to such person if such person had not been receiving such retired or retirement pay.".

SEC. 302. (a) Subchapter III of chapter 15 of title 38, United States Code, is amended by adding the following new section immediately before the subtitle "WARS BEFORE WORLD WAR I":

"§ 531. Retroactive entitlements of children of veterans of all periods of war

"For purposes of this subchapter and for purposes of the prior pension law in effect June 30, 1930, if pension has been awarded to a veteran's surviving child or children and the entitlement of an additional child is later established effective retroactively, the amount of the retroactive award payable to the additional child shall equal the difference between the total of the increased award for the retroactive period and the prior total award for the same period.".

(b) The table of sections at the beginning of such chapter 15 is amended by inserting the following new item immediately after the item relating to the total of subchapter III:

"531. Retroactive entitlements of children of veterans of all periods of war.".

SEC. 303. The amendments made by this Act shall take effect October 1, 1978.

The SPEAKER pro tempore. Is a second demanded?

Mr. HAMMERSCHMIDT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

Mr. ANNUNZIO. Mr. Speaker, I object and on that I demand tellers.

Tellers were ordered, and the Speaker pro tempore appointed as tellers Mr. ANNUNZIO and Mr. ROBERTS.

The House divided, and the tellers reported that there were—yeas 69, nays 0.

Mr. ANNUNZIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device and there were—yeas 378, nays 1, not voting 53, as follows:

[Roll No. 500]

YEAS—378

Abdnor	Clawson, Del	Gammage
Akaka	Clay	Gaydos
Ambro	Cleveland	Gephardt
Ammerman	Cochran	Giaimo
Anderson, Calif.	Cohen	Gibbons
	Coleman	Gilman
Anderson, Ill.	Collins, Ill.	Ginn
Andrews, N. Dak.	Collins, Tex.	Glickman
	Conable	Goldwater
Annunzio	Conte	Gonzalez
Applegate	Corman	Goodling
Archer	Cornell	Gore
Ashbrook	Cornwell	Gradison
Ashley	Coughlin	Grassley
Aspin	Crane	Green
AuCoin	Cunningham	Gudger
Badham	D'Amours	Guyer
Bafalis	Daniel, Dan	Hagedorn
Baldus	Daniel, R. W.	Hall
Barnard	Davis	Hamilton
Baucus	de la Garza	Hammer-schmidt
Bauman	Delaney	
Beard, R.I.	Dellums	Hanley
Beard, Tenn.	Derrick	Hannaford
Bedell	Derwinski	Hansen
Benjamin	Devine	Harkin
Bennett	Dickinson	Harris
Bevill	Dicks	Harsha
Biaggi	Diggs	Hawkins
Bingham	Dingell	Heckler
Blanchard	Dodd	Hefner
Blouin	Dornan	Heftel
Bolling	Downey	Hightower
Bonior	Drinan	Hillis
Bonker	Duncan, Oreg.	Hollenbeck
Bowen	Duncan, Tenn.	Holt
Brademas	Early	Holtzman
Breaux	Eckhardt	Horton
Breckinridge	Edgar	Howard
Brinkley	Edwards, Ala.	Hubbard
Brodhead	Edwards, Okla.	Huckaby
Brooks	Eilberg	Hughes
Broomfield	Emery	Hyde
Brown, Calif.	English	Ichord
Brown, Mich.	Erlenborn	Jacobs
Broyhill	Ertel	Jeffords
Buchanan	Evans, Del.	Jenkins
Burgener	Evans, Ga.	Jenrette
Burke, Calif.	Evans, Ind.	Johnson, Calif.
Burke, Fla.	Fascell	Jones, N.C.
Burke, Mass.	Fenwick	Jones, Okla.
Burleson, Tex.	Findley	Jones, Tenn.
Burlison, Mo.	Fish	Jordan
Burton, Phillip	Fisher	Kasten
Butler	Fithian	Kastenmeier
Byron	Flippo	Kazen
Caputo	Flood	Kelly
Carney	Flynt	Kemp
Carr	Foley	Keys
Carter	Ford, Mich.	Kildee
Cavanaugh	Ford, Tenn.	Kostmayer
Cederberg	Fountain	Krebs
Chappell	Fowler	Krueger
Chisholm	Frenzel	LaFalce
Clausen, Don H.	Frey	Lagomarsino
	Fuqua	Latta
Leach	Nichols	Smith, Nebr.
Lederer	Nix	Snyder
Lehman	Nolan	Solarz
Lent	Nowak	Spellman
Levitas	O'Brien	Spence
Livingston	Oakar	St Germain
Lloyd, Calif.	Oberstar	Staggers
Lloyd, Tenn.	Obey	Stangeland
Long, La.	Ottinger	Stanton
Long, Md.	Panetta	Stark
Lott	Patten	Steed
Lujan	Patterson	Steers
Luken	Pattison	Steiger
Lundine	Pease	Stockman
McClory	Pepper	Stokes
McCormack	Perkins	Stratton
McDade	Pickle	Studds
McDonald	Pike	Stump
McEwen	Poage	Taylor
McFall	Pressler	Teague
McHugh	Preyer	Thompson
McKay	Price	Thone
McKinney	Pritchard	Traxler
Madigan	Pursell	Treen
Maguire	Quayle	Trible
Mahon	Quillen	Udall
Mann	Rahall	Ullman
Markey	Railsback	Van Deerlin
Marks	Rangel	Vander Jagt
Marlenee	Regula	Vanik
Marriott	Reuss	Vento
Martin	Rhodes	Volkmer
Mattox	Richmond	Waggonner
Mazzoli	Rinaldo	Walgren
Meeds	Risenhoover	Walker
Metcalfe	Roberts	Walsh
Mikulski	Robinson	Wampler
Miller, Calif.	Roe	Watkins
Miller, Ohio	Rogers	Waxman
Mineta	Roncalio	Weaver
Minish	Rooney	Weiss
Mitchell, Md.	Rousselot	White
Mitchell, N.Y.	Roybal	Whitehurst
Moakley	Rudd	Whitley
Moffett	Russo	Whitten
Mollohan	Ryan	Wiggins
Montgomery	Santini	Wilson, Bob
Moore	Sarasin	Winn
Moorhead, Calif.	Satterfield	Wirth
	Sawyer	Wolff
Moorhead, Pa.	Scheuer	Wright
Moss	Schroeder	Wydler
Mottl	Schulze	Wylie
Murphy, Ill.	Sebelius	Yates
Murphy, N.Y.	Sharp	Yatron
Murphy, Pa.	Shuster	Young, Alaska
Murtha	Sikes	Young, Fla.
Myers, John	Sisk	Young, Mo.
Myers, Michael	Skelton	Young, Tex.
Natcher	Skubitz	Zablocki
Neal	Slack	Zeferetti
Nedzi	Smith, Iowa	

NAYS—1

Myers, Gary

NOT VOTING—53

Addabbo	Flowers	Quie
Alexander	Forsythe	Rodino
Andrews, N.C.	Fraser	Rose
Armstrong	Garcia	Rosenthal
Bellenson	Harrington	Rostenkowski
Boggs	Holland	Runnels
Boland	Ireland	Ruppe
Brown, Ohio	Johnson, Colo.	Seiberling
Burton, John	Kindness	Shipley
Conyers	Le Fante	Simon
Corcoran	Leggett	Symms
Cotter	McCloskey	Thornton
Danielson	Mathis	Tsongas
Dent	Meyner	Tucker
Edwards, Calif.	Michel	Whalen
Evans, Colo.	Mikva	Wilson, C. H.
Fary	Milford	Wilson, Tex.
Florio	Pettis	

Mr. GARY A. MYERS changed his vote from "yea" to "nay."

So a second was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The gentleman from Texas (Mr. ROBERTS) will be recognized for 20 minutes, and the gentleman from Arkansas (Mr. HAMMERSCHMIDT) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. ROBERTS).

Mr. ROBERTS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, our primary obligation has always been to provide adequate benefits and quality medical services to our service-connected disabled veterans—those veterans wounded in combat or injured while on active duty. These veterans continue to receive priority attention by the Congress and rightly so.

I consider H.R. 11886 to be the No. 1 priority veterans' bill during this session of the Congress. It would provide for rate increases for service-connected veterans and eligible dependents drawing DIC.

Mr. Speaker, I yield such time as he may consume to the outstanding chairman of the Subcommittee on Compensation, Pension, and Insurance, the distinguished gentleman from Mississippi, Mr. SONNY MONTGOMERY.

GENERAL LEAVE

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. MONTGOMERY. Mr. Speaker, I thank the distinguished chairman of the Committee on Veterans' Affairs for his kind remarks.

Mr. Speaker, I want to thank the distinguished chairman of our committee for the support and help he has offered the Subcommittee on Compensation, Pension, and Insurance throughout the busy half of this session in the 95th Congress.

I would be remiss if I did not express, as well, my deep appreciation to the members of the subcommittee, particularly my esteemed colleagues, Mr. HAMMERSCHMIDT and Mr. WYLIE. We have maintained a brisk pace, have met early, and have achieved what I believe are excellent results for the veterans of this Nation's wars and for their survivors.

Mr. Speaker, as you know, the basic purpose of the disability compensation program, throughout its history, has been one of providing relief from the impaired earning capacity of veterans disabled as the result of their military service. The amount of compensation payable varies according to the degree of disability which in turn is required by law to represent, to the extent practicable, the average impairment in earning capacity resulting from such disability or combination of disabilities in civil occupations.

The purpose of the dependency and indemnity compensation benefit is to provide partial compensation to the designated survivors for the loss in financial support sustained as the result of the service-connected death. Income and need are not factors in determining a widow's or child's entitlement since the

Nation assumes, in part, the legal and moral obligation of the veteran to support his wife and children. Payments of DIC for widows are determined on the basis of the veterans' pay grade.

These veterans and dependents who are recipients of these benefits are the most deserving class of citizens to which our country will always be in debt. It is obvious therefore that if we are to live up to our obligation to these people we must increase their awards in accord with the ever-increasing cost of living.

Mr. Speaker, the reported bill would provide a general, across-the-board, cost-of-living increase in compensation benefits paid monthly to veterans who suffer disability resulting from their period of military service. It would also increase the amount of dependency and indemnity compensation (DIC) paid widows and orphans of veterans who died of disease or disability incurred in service.

It has been the policy of the Government to recommend Veterans' Administration benefit increases for disability compensation and DIC programs periodically in order to insure that our programs remain responsive to changing economic conditions. The amount of the increase proposed is 6.5 percent. The administration had recommended a 5.8-percent increase in its budget report. Our committee was persuaded that the 6.5-percent increase contained in the bill is more likely to be the true measure of inflation since the last increase in October 1977. At any rate, I can tell you that the administration has assured us they support increases in compensation rates that are consistent with increasing living costs.

The bill also makes clear the intention of Congress that a veteran's disability compensation paid in lieu of military retired pay will not be subject to taxation.

Included, also, in the bill is a provision that provides for moderately increased compensation for veterans who have lost, or who have suffered the loss of use of three extremities from service-connected causes.

One further provision of the bill would bring benefits for a surviving spouse entitled to DIC into line with payments for disabled veterans. The provision I refer to is an additional allowance similar to that paid veterans so disabled as to be housebound. This is a recommendation growing out of a Veterans' Administration study of benefits under the DIC program. The additional monthly payment proposed by the bill is $44 and that is the amount recommended by the administration.

The bill would also eliminate duplication of DIC payments to a surviving spouse and child which can occur during the month of the child's 18th birthday.

It happens on occasion that eligibility for an additional child is sometimes established after a veteran's other children have already been awarded such benefits. The entitlement of the additional child is often effective retroactively. A complication arises in that, while the total amount payable for the retroactive period is increased by reason of the additional child, the individual shares of each become less.

In such situations, an overpayment for the retroactive period results which must be remedied either by collection or withholding from some of the children to pay the others. Because the amounts involved in these adjustments are usually small and all the children are usually in the same family unit, the considerable administrative work generated served little purpose.

The cost of this bill is estimated at $323.5 million in fiscal year 1979. The benefits would go to some 2,256,000 service-connected disabled veterans and to 325,000 widows and children of veterans who died of service-incurred causes. The cost is within our budgetary limitations.

Historically, the Congress has reviewed the operation of these programs to assure that they are meeting the needs of the veteran and survivors to whom the nation owes a special obligation. With the inflation rate being what it has been for the past several years, it has been necessary to address the adequacy of the rates of the benefit being provided. During the compensation hearings, each witness expressed concern about the continuing rapid rise in the cost of living and supported the committee in its efforts to assure that the purchasing power of service-connected benefits keeps pace with these rising costs.

Mr. Speaker, our primary obligation has always been to our service-connected disabled veterans and their families. This bill will see to it that the continuing rise in the cost of living will not erode the purchasing power of the benefits we provide those who have incurred disabilities while in service in defense of our country.

I urge adoption of the reported bill.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 11886, a bill to authorize a cost-of-living increase in the rates of compensation payable for service-connected disability.

This Congress has always expressed its willingness—even eagerness—to respond to the needs of the service-connected disabled veteran. Legislation for this group enjoys the highest priority consideration by Congress. The everspiraling cost of living has made it necessary for our Subcommittee on Compensation, Pension, and Insurance to, in effect, gaze into a crystal ball in January to project the increased cost of living in October. The gentleman from Mississippi (Mr. MONTGOMERY) chairman of the subcommittee, and the gentleman from Ohio (Mr. WYLIE), the ranking minority member of the subcommittee, have become very proficient in making such estimates.

The bill before us (H.R. 11886) authorizes a 6.5-percent increase in the rates of compensation for service-connected disabilities and a similar percentage increase in monthly payments to the survivors of our war dead.

The administration had recommended a lesser increase. In the light of the accelerated rise in the Consumer Price Index in the past 2 months, however, even the 6.5-percent increase appears to be conservative. Should the Consumer Price Index continue its rapid rise, it may be necessary to seek amendment in the other body to this bill, or possibly, supplemental legislation.

In any event, Mr. Speaker, the increase in monthly payments to those who were wounded in action or sustained disease or injury in the defense of our national security and the increase to widows and children of those servicemen who made the supreme sacrifice are well justified.

I urge that the bill be passed.

Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. WYLIE), the distinguished ranking minority member on the subcommittee.

Mr. WYLIE. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in support of H.R. 11886. I want to thank the gentleman from Mississippi (Mr. MONTGOMERY), the chairman of the Subcommittee on Compensation, Pension, and Insurance, for his kind remarks. I would return the compliment and say that it is really the gentleman from Mississippi who deserves the credit for bringing this bill here in timely fashion this morning. The gentleman was conscentious and persistent in his 8:30 a.m. hearings. I, as the ranking Republican, appreciate his efforts in that respect.

Mr. Speaker, as has been mentioned, this bill would bring to the House floor a provision which would increase by 6.5 percent the benefit rates for disabled veterans and for their survivors.

As the ranking Republican on the Subcommittee on Compensation, Pension, and Insurance, it seems to me that there is no portion of the veterans' law that should concern us more than insuring adequate benefits for our service-connected veterans and their survivors. Every moment we enjoy in peace today is due to those who fought in one of our wars. These veterans answered the call of their Government, went where the Federal Government decided they should go, and they were injured performing that duty. It is the duty of that same Federal Government, it seems to me, to care for them and their widows and orphans.

Mr. Speaker, this is reasonable legislation. But if the current rate of inflation continues, as my friend, the gentleman from Arkansas (Mr. HAMMERSCHMIDT), has said, it may not provide benefits commensurate with the increased cost of living. I recommend the legislation to my colleagues at the present time, with the reservation that we may have to take another look at it in the very near future.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. HILLIS), a member of the committee.

Mr. HILLIS. Mr. Speaker, I rise in support of H.R. 11886—the Veterans Disability Compensation and Survivor Benefits Act of 1978. The Subcommittee on Compensation, Pension, and Insurance, headed by our distinguished colleague from Mississippi, Hon. SONNY MONTGOMERY, held extensive hearings on this leg-

islation. In fact, H.R. 11886 combines the significant sections of three separate bills and would provide a simple 6.5-percent, cost-of-living increase to recipients of disability compensation and DIC benefits. It clarifies the tax exemption for compensation, and finally, provides for increased compensation for veterans who have lost, or lost the use of, three extremities for service-connected causes.

The basic purpose of the disability compensation program has been one of providing relief from the impaired earning capacity of veterans disabled as the result of military service, and historically the Congress has increased compensation rates whenever there have been appreciable increases in the cost of living.

The purpose of the dependency and indemnity compensation program is to provide partial compensation to survivors for the loss in financial support sustained as the result of a service-connected death.

Mr. Speaker, the primary obligation of the Congress is to our service-connected veterans and their families. This legislation received universal support from the various veterans organizations and I urge my colleagues to support it as well.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 1 minute to the gentleman from South Dakota (Mr. ABDNOR), a member of the committee.

Mr. ABDNOR. Mr. Speaker, I rise in support of H.R. 11886. This bill will provide for a 6.5-percent cost-of-living increase to service-connected disabled and to survivors who are entitled to dependency and indemnity compensation. It also provides increased compensation for the loss or loss of use of three extremities, and it also provides for a clarification in the law pertaining to the tax-exempt status of veterans benefits. The Congress has traditionally seen fit to provide our service-connected disabled with cost-of-living increases. One of the reasons is our feeling that we owe a deep debt to those who have suffered as a result of a disability resulting from service to our Nation. I personally do not believe we can ever do enough to help these men and women who have given so much of themselves in service. The least we can do is assist them in leading as close to normal lives as is possible. The administration originally asked for a 5.8-percent increase. I wish I could say that this amount was more than enough. Unfortunately, the way things have been going, I fear that the 6.5-percent cost-of-living increase this legislation asks for will not be adequate to cover the cost of inflation. This bill will have a definite impact on the 2.3 million compensation recipients.

This bill also calls for a like increase for recipients of dependency and indemnity compensation. As compensation payments attempt to represent the average impairment in earning capacity caused by a service-connected disability, DIC similarly provides a measure of assistance in the form of financial security to widows and children in view of service-related deaths of their husbands and fathers.

I believe you will agree with me when I say that the recipients of the compensation proposed in this legislation are by no means deserving of any less. I hope you join me in supporting this message.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. O'BRIEN).

Mr. O'BRIEN. Mr. Speaker, I thank the gentleman for yielding.

I, too, rise in support of this legislation.

Mr. Speaker, I heartily approve the passage of H.R. 11886, the Veterans' Disability Compensation and Survivor Benefits Act. With the passing of this bill, to increase the rates of disability compensation for disabled veterans and to increase the rates of dependency and indemnity compensation for their survivors, we have been given the opportunity to demonstrate our appreciation for those who have fought to defend the freedom of our country, and to show them that they will not be abandoned in their time of need.

● Mr. PICKLE. Mr. Speaker, I would like to commend the chairman of the Veterans' Affairs Committee, my good friend and colleague from the State of Texas, for his work on this bill and the very important provision concerning the tax exemption of disability compensation.

I became aware of this problem last year when one of my constitutents in Austin, Tex., wrote to me that the Internal Revenue Service was requiring that he pay taxes on disability income when the VA had made a retroactive disability determination. The IRS was continuing this policy even though a Federal appeals court had ruled against the IRS in a case in Virginia.

A couple of months ago, I was notified that IRS had changed its policy and would no longer tax these benefits. Although this was good news, I think that additional precautions are needed to prevent the IRS from changing its mind again on this issue, or of other pressures that cause delays. Therefore, I was very glad to see this provision in this bill clarifying the intent of Congress to assure exemption from taxation of compensation paid in lieu of military retired pay.

I also want to let the chairman know that I intend to continue to seek passage of my bill, H.R. 8696, to amend the Internal Revenue Code to permanently protect the tax exemption on this disability income.

We have all learned that the IRS can be very stubborn on this issue and I think we need to have this amendment to the Code to insure that we do not encounter any more problems with the IRS on this matter.●

● Mr. MITCHELL of New York. Mr. Speaker, it is with pleasure that I rise to express my support for H.R. 11886, the Veterans' Disability and Survivor Benefits Act; 2.3 million veterans will benefit from the 6.5-percent increase to the service-connected disabled. Many more will benefit as this bill also provides for a 6.5-percent increase for the recipients of dependency and indemnity compensation in view of the service-related deaths of their husbands and fathers. We can never do enough for these men and women who have given so much of themselves in service. The least we can do is to help them keep up with the cost of living.

Veterans who are 50 percent or more disabled will also receive additional amounts for dependents, while veterans using prosthetic or orthopedic devices will have their clothing allowance raised from $203 to $216 annually. This measure also provides for additional compensation to veterans who have lost or lost the use of, three extremities from service-connected causes, and also provides for a clarification of the intent of Congress to assure the tax exempt status of compensation in lieu of military retired pay.

I am confident you will agree with me when I say that the recipients of the compensation proposed in this legislation deserve the little bit they will receive. I trust my colleagues will join me in supporting this legislation.●

● Mr. CORRADA. Mr. Speaker, I rise in support of H.R. 11886.

It is essential that Congress adjust the veterans programs whenever there has been an appreciable increase in the cost-of-living index. The bill's 6.5-percent increase for service-connected disabilities, and dependency and indemnity compensation (DIC) payable to surviving spouses and children of veterans whose deaths are service-connected appears to adequately protect the beneficiaries from inflation and other cost-of-living-related economic effects.

There are more than 165,000 veterans in Puerto Rico, many of which served gallantly in World War I, World War II, the Korean war, and the Vietnam war. A good number of them, their dependents and surviving spouses rely heavily on this program to meet their living costs. Puerto Rico is a high cost area and the 6.5-percent increase contemplated in this bill is very much welcomed, it is a relief very badly needed.

I support this legislation and urge you to vote for its approval.●

● Mr. ASHBROOK. Mr. Speaker, I rise in strong support of H.R. 11886, the Veterans' Disability Compensation and Survivor Benefits Act. This legislation is of major importance to disabled veterans and their survivors.

More than 2,250,000 veterans currently receive service-connected compensation benefits. These benefits are designed to assist disabled veterans who have impaired earning capacity resulting from their military service.

In addition, approximately 226,000 widows and 98,000 children are the recipients of dependency and indemnity compensation. These individuals are the survivors of 287,000 veterans who have died of service-incurred causes. The benefits are intended as partial compensation to the survivors who have lost financial support due to service-connected death.

The bill before us provides for a 6.5-percent increase in the rates payable to veterans with service-connected disabilities. It also increases by a similar percentage the amounts awarded to dependents which are paid to veterans rated 50 percent or more disabled. In addition, it

would raise by 6.5 percent dependency and indemnity compensation for the surviving spouses and children of veterans who died from service-connected causes.

These increases are certainly needed. The high rate of inflation has seriously eroded the value of the compensation provided to veterans and their survivors. The additional money will help veterans keep pace with the escalating cost of living.

I urge the adoption of this legislation.●

● Mr. TEAGUE. Mr. Speaker, I strongly support the bill, H.R. 11886.

This morning, we have scheduled three important veterans' bills. I want to compliment the chairman of the Veterans' Affairs Committee, my colleague, the distinguished gentleman from Texas, RAY ROBERTS, for getting these bills before the House so quickly. He is a most effective spokesman for veterans. I also want you to know how much I appreciate the leadership and contributions made by the distinguished Mr. HAMMERSCHMIDT, the ranking minority member of the committee.

These bills come out of the Subcommittee on Compensation, Pension, and Insurance that is chaired by our esteemed colleague, SONNY MONTGOMERY, from Mississippi. The ranking minority member on that subcommittee is our good friend from Ohio, Mr. CHALMERS WYLIE.

I, as well as many others in this House, am aware of the strenuous schedule that the subcommittee has maintained this year and the diligence with which they have approached many of the problems we are all facing.

I will speak first with regards to H.R. 11886, the bill we are now considering, and I consider it very appropriate that this is the first bill to be taken up by this House this morning, though I would not detract from the importance of the other bills.

This bill is designed to provide for a cost-of-living increase in the compensation benefits that are paid to the veterans of this Nation who incurred disease or disability as a result of their service to the Nation. The bill is designed also to provide a similar cost-of-living increase for the survivors of veterans who have died of service-connected causes.

This Nation knows no higher debt and the obligation it bears to care for those who have risen to the defense of all of us.

The bill at hand provides an across-the-board 6.5-percent increase. The administration has stated that it supports increases in compensation which are consistent with the increase in the cost of living. VA officials suggested at the time they appeared before the subcommittee that an increase of 5.8 percent should be sufficient to keep up with rising costs; however, they also agreed to support a higher rate of increase if warranted by the Consumer Price Index.

I suggest to you that anyone on looking at the acceleration in the Consumer Price Index in the last few months would be persuaded that 6.5 percent will not overshoot the mark. If anything, it may not be sufficient. If not, we will support a higher level if that is found to be necessary before enactment.

Again, I want to express my appreciation to the committee and the subcommittee for ordering their priorities and keeping first in mind the obligation we owe the service-connected veteran and his survivors.

Mr. Speaker, I recommend unanimous support by all my colleagues.●

● Mr. HEFNER. Mr. Speaker, I want to thank the distinguished chairman of our committee, Hon. RAY ROBERTS, for the support and help he has offered the Subcommittee on Compensation, Pension, and Insurance throughout the busy half year of this session of the 95th Congress.

I would be remiss if I did not express, as well, my deep appreciation to Chairman SONNY MONTGOMERY, and the members of the Subcommittee on Compensation, Pension, and Insurance. We have maintained a brisk pace, have met early and have achieved what I believe are excellent results for the veterans of this Nation's wars and for their survivors.

Mr. Speaker, the reported bill would provide a general, across-the-board, cost of-living increase in compensation benefits paid monthly to veterans who suffer disability resulting from their period of military service. It would also increase the amount of dependency and indemnity compensation (DIC) paid widows and orphans of veterans who have died of disease or disability incurred in service.

The amount of the increase proposed is 6.5 percent. The administration had recommended a 5.8-percent increase in its budget report. Our committee was persuaded that the 6.5-percent increase contained in the bill is more likely to be the true measure of inflation since the last increase in October 1977. At any rate, I can tell you that the administration has assured us they support increases in compensation rates that are consistent with increasing living costs.

The bill also makes clear the intention of Congress that a veterans' disability compensation paid in lieu of military retired pay will not be subject to taxation.

Included, also, in the bill is a provision that provides for moderately increased compensation for veterans who have lost, or who have suffered the loss of use of three extremities from service-connected causes.

One further provision of the bill would bring benefits for a surviving spouse entitled to DIC into line with payments for disabled veterans. The provision I refer to is an additional allowance similar to that paid veterans so disabled as to be housebound. This is a recommendation growing out of a Veterans' Administration study of benefits under the DIC program. The additional monthly payment proposed by the bill is $44 and that is the amount recommended by the administration.

The cost of this bill is estimated at $323.5 million in fiscal year 1979. The benefits would go to some 2,256,000 service-connected disabled veterans and to 325,000 widows and children of veterans who died of service-incurred causes. The cost is within our budgetary limitations.

Mr. Speaker, our primary obligation has always been to our service-connected disabled veterans and their families. This bill will see to it that the continuing rise in the cost of living will not erode the purchasing power of the benefits we provide those who have incurred disabilities while in service in defense of our country.

I urge the adoption of the reported bill.●

Mr. HAMMERSCHMIDT. Mr. Speaker, I have no further requests for time, and reserve the balance of my time.

Mr. ROBERTS. Mr. Speaker, I have no further requests for time, and I ask my colleagues to support this bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill H.R. 11886, as amended.

The question was taken.

Mr. WYLIE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

INCREASED COMPENSATION FOR DISABLED VETERANS

Mr. ROBERTS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 11888) to amend title 38, United States Code, to change the minimum disability rating a veteran must have in order to receive additional compensation for dependents from 50 per centum to 40 per centum.

The Clerk read as follows:

H.R. 11888

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 315 of title 38, United States Code, is amended by striking out "50 per centum" both places it appears and inserting in lieu thereof "40 per centum".

SEC. 2. The amendments made by the first section of this Act shall take effect October 1, 1978.

The SPEAKER pro tempore. Is a second demanded?

Mr. HAMMERSCHMIDT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

Mr. ANNUNZIO. Mr. Speaker, I object, and on that I demand tellers.

Tellers were ordered, and the Speaker pro tempore appointed as tellers Mr. ROBERTS and Mr. ANNUNZIO.

The House divided, and the tellers reported that there were—yeas 26, nays 20.

Mr. ANNUNZIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 379, nays 2, not voting 51, as follows:

[Roll No. 501]

YEAS—379

Abdnor	Delaney	Ichord
Akaka	Derrick	Ireland
Ambro	Derwinski	Jacobs
Ammerman	Devine	Jeffords
Anderson, Calif.	Dickinson	Jenkins
	Dicks	Jenrette
Anderson, Ill.	Dingell	Johnson, Calif.
Andrews, N.C.	Dodd	Jones, N.C.
Andrews, N. Dak.	Dornan	Jones, Okla.
	Downey	Jones, Tenn.
Annunzio	Drinan	Jordan
Applegate	Duncan, Tenn.	Kasten
Archer	Early	Kastenmeier
Ashbrook	Eckhardt	Kazen
Aspin	Edgar	Kelly
Badham	Edwards, Ala.	Kemp
Bafalis	Edwards, Okla.	Keys
Baldus	Eilberg	Kildee
Barnard	Emery	Kindness
Baucus	English	Kostmayer
Bauman	Erlenborn	Krebs
Beard, R.I.	Ertel	Krueger
Beard, Tenn.	Evans, Colo.	LaFalce
Bedell	Evans, Del.	Lagomarsino
Bellenson	Evans, Ga.	Latta
Benjamin	Evans, Ind.	Leach
Bennett	Fascell	Lederer
Bevill	Fenwick	Leggett
Biaggi	Findley	Lehman
Bingham	Fish	Lent
Blanchard	Fisher	Levitas
Blouin	Fithian	Livingston
Boggs	Flippo	Lloyd, Calif.
Bolling	Flood	Lloyd, Tenn.
Bonior	Flynt	Long, La.
Bonker	Foley	Long, Md.
Bowen	Ford, Tenn.	Lott
Brademas	Forsythe	Lujan
Breaux	Fountain	Luken
Breckinridge	Fowler	Lundine
Brinkley	Frenzel	McClory
Brodhead	Frey	McCormack
Brooks	Fuqua	McDade
Broomfield	Gammage	McDonald
Brown, Mich.	Gaydos	McEwen
Broyhill	Gephardt	McFall
Buchanan	Giaimo	McHugh
Burgener	Gibbons	McKay
Burke, Calif.	Gilman	McKinney
Burke, Fla.	Ginn	Madigan
Burke, Mass.	Glickman	Maguire
Burleson, Tex.	Goldwater	Mahon
Burlison, Mo.	Gonzalez	Mann
Burton, Phillip	Goodling	Markey
Butler	Gore	Marks
Byron	Gradison	Marlenee
Caputo	Grassley	Marriott
Carney	Green	Martin
Carr	Gudger	Mathis
Carter	Guyer	Mattox
Cavanaugh	Hagedorn	Mazzoli
Cederberg	Hall	Meeds
Chappell	Hamilton	Metcalfe
Chisholm	Hammer-schmidt	Mikulski
Clausen, Don H.		Miller, Calif.
	Hanley	Miller, Ohio
Clawson, Del	Hannaford	Mineta
Clay	Hansen	Minish
Cleveland	Harkin	Mitchell, N.Y.
Cohen	Harris	Moakley
Coleman	Harsha	Moffett
Collins, Ill.	Hawkins	Mollohan
Conable	Heckler	Montgomery
Conte	Hefner	Moore
Corman	Heftel	Moorhead, Calif.
Cornell	Hightower	
Cornwell	Hillis	Moorhead, Pa.
Coughlin	Hollenbeck	Moss
Crane	Holt	Mottl
Cunningham	Holtzman	Murphy, Ill.
D'Amours	Horton	Murphy, N.Y.
Daniel, Dan	Howard	Murphy, Pa.
Daniel, R. W.	Hubbard	Murtha
Danielson	Huckaby	Myers, Gary
Davis	Hughes	Myers, John
de la Garza	Hyde	Myers, Michael
Natcher	Roncalio	Teague
Neal	Rooney	Thompson
Nedzi	Rose	Thone
Nichols	Rousselot	Thornton
Nix	Roybal	Traxler
Nolan	Rudd	Treen
Nowak	Russo	Trible
O'Brien	Ryan	Udall
Oakar	Santini	Ullman
Oberstar	Sarasin	Van Deerlin
Obey	Satterfield	Vander Jagt
Ottinger	Sawyer	Vanik
Panetta	Scheuer	Vento
Patten	Schroeder	Volkmer
Patterson	Schulze	Waggonner
Pattison	Sebelius	Walgren
Pease	Sharp	Walker
Pepper	Shuster	Walsh
Perkins	Sisk	Wampler
Pickle	Skelton	Watkins
Pike	Skubitz	Waxman
Poage	Slack	Weaver
Pressler	Smith, Iowa	Weiss
Preyer	Smith, Nebr.	White
Price	Snyder	Whitehurst
Pritchard	Solarz	Whitley
Pursell	Spellman	Whitten
Quayle	Spence	Wiggins
Quillen	St Germain	Wilson, Bob
Rahall	Staggers	Winn
Railsback	Stangeland	Wirth
Rangel	Stanton	Wolff
Regula	Stark	Wright
Reuss	Steed	Wydler
Rhodes	Steers	Wylie
Richmond	Stockman	Yates
Rinaldo	Stokes	Yatron
Risenhoover	Stratton	Young, Fla.
Roberts	Studds	Young, Mo.
Robinson	Stump	Young, Tex.
Roe	Symms	Zablocki
Rogers	Taylor	Zeferetti

NAYS—2

Ashley	Collins, Tex.

NOT VOTING—51

Addabbo	Fary	Quie
Alexander	Florio	Rodino
Armstrong	Flowers	Rosenthal
AuCoin	Ford, Mich.	Rostenkowski
Boland	Fraser	Runnels
Brown, Calif.	Garcia	Ruppe
Brown, Ohio	Harrington	Seiberling
Burton, John	Holland	Shipley
Cochran	Johnson, Colo.	Sikes
Conyers	Le Fante	Simon
Corcoran	McCloskey	Steiger
Cotter	Meyner	Tsongas
Dellums	Michel	Tucker
Dent	Mikva	Whalen
Diggs	Milford	Wilson, C. H.
Duncan, Oreg.	Mitchell, Md.	Wilson, Tex.
Edwards, Calif.	Pettis	Young, Alaska

So a second was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The gentleman from Texas (Mr. ROBERTS) will be recognized for 20 minutes, and the gentleman from Arkansas (Mr. HAMMERSCHMIDT) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. ROBERTS).

Mr. ROBERTS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the reported bill, H.R. 11888, would provide additional benefits for a limited number of the more seriously disabled, service-connected veterans. The benefits provided by this bill would help veterans with dependents whose employment is adversely affected due to the severity of their disabilities.

I yield such time as he may consume to the distinguished gentleman from Mississippi (Mr. MONTGOMERY) for an explanation of the bill.

Mr. MONTGOMERY. Mr. Speaker, the bill, H.R. 11888, was reported following 2 days of hearings conducted by the Subcommittee on Compensation, Pension, and Insurance.

This bill would allow veterans receiving compensation for a 40-percent service-connected disability to receive a dependency allowance. Under current law, veterans with service-connected disabilities of 50 percent or more receive an additional monthly benefit for their dependents. The allowances for veterans who are less than totally disabled are directly proportionate to the allowance paid for the 100-percent rate. For example, a totally disabled veteran presently receives an extra $46 per month if he has a spouse, a 50-percent veteran receives one-half of that figure—$23, a 60-percent veteran receives $28, and so forth.

A dependency allowance is a supplemental payment made in recognition of the expenses involved in supporting a family. Accordingly, in the service-connected and non-service-connected death benefit programs and the educational program, the monthly benefits are increased for each dependent that a beneficiary may have.

The committee was urged to make the dependency allowance available to all service-connected veterans with ratings of 10 percent or more; however, following hearings the committee felt that justification for this special consideration should be limited to those with serious disablement. The level of 40 percent was agreed upon. One example of the type of disability the committee feels warrants the payment of the proposed benefits is the below-knee amputation disability which is currently evaluated at 40 percent. No change in the level of disability providing entitlement to additional compensation for dependents has been made since 1949. Therefore, Mr. Speaker, the committee feels that the existing law should be liberalized so as to include additional compensation for those war and peacetime veterans who are 40 percent disabled because such veterans generally are less able to secure regular employment to adequately support themselves and their dependents.

Accordingly to the Congressional Budget Office, the cost of this bill is estimated to be $50.4 million for fiscal year 1979. It is within our budget allocation. It would have no inflationary impact inasmuch as it would represent but a 1-percent increment in compensation benefits now paid to disabled veterans.

I hope you will join me in supporting this additional benefit for up to 180,000 seriously disabled service-connected veterans.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 11888, which would allow veterans rated at 40 percent to receive a prorated dependency allowance in the same manner as those rated 50 percent and above under current law.

Mr. Speaker, we have awarded additional compensation for dependents in the case of veterans who are seriously disabled since 1948. This legislation is merely a recognition of the fact, often pointed out to Members of Congress by

representatives of the veterans' organizations, that the cutoff percentile in defining such serious disabilities should be 40 percent, rather than 50 percent.

The rationale for allowing a dependency allowance is that many veterans who are seriously disabled have difficulty obtaining employment that would suitably regain income lost due to their disabilities. This legislation recognizes that veterans such as the individual who lost his leg below the knee, or who suffered the enucleated loss of an eye, or who suffered extreme facial disfigurement—all rated at 40 percent—are seriously disabled and deserving of a dependency allowance.

This dependency allowance is modest. In the case of a veteran rated at 40 percent, we are talking about $18 a month. I would remind my colleagues that today we are also voting on a pension bill that will give a non-service-connected veteran a dependency allotment of $600 a year, or almost three times this amount. I believe this bill is reasonable and fair, and I recommend it to my colleagues.

Mr. Speaker, I will now yield 2 minutes to the distinguished ranking member of the Subcommittee on Compensation, Pension, and Insurance, the gentleman from Ohio (Mr. WYLIE.)

Mr. WYLIE. Mr. Speaker, I thank the gentleman from Arkansas for yielding.

Mr. Speaker, I rise in support of H.R. 11888, which would allow those veterans, as the chairman of the subcommittee has mentioned, who are disabled at 40 percent or more to receive a prorated dependency allowance in the same manner that veterans who are now rated at 50 percent or more presently receive this dependency allowance.

This is another one of those bills on which the distinguished gentleman from Mississippi and I worked very closely. It is a real pleasure to be associated with the gentleman on this forward-looking piece of legislation.

Mr. Speaker, as my colleagues on the Committee on Veterans' Affairs will recall, the bill in its original form would have called for a prorated dependency allowance for all veterans with a service-connected disability and was not based on any percentage. It was the feeling of the subcommittee, as well as the full committee, that the dependency allowance should be reserved for those who are seriously disabled as a result of war wounds. After testimony was developed regarding the serious condition of many veterans rated at 40 percent, this percentage level was adopted.

Mr. Speaker, I trust we can all agree that an individual who has had his leg blown off below the knee or a person who has had an eye shot out or who has lost his nose is certainly seriously disabled. Yet, none of these disabilities are rated at a high enough percentage under present law to qualify for the dependency allowance. That is what this bill does. It says that those veterans who suffered 40-percent disabilities because of war injury will qualify for the dependency allowance. The dependency allowance mechanism has proven to be a fair way to help adjust income levels of deserving veterans. We use this mechanism in pension benefits and we use it in determining GI educational dependency allowance benefits.

Mr. Speaker, there is no fairer way to help the veteran or to help his dependents, and I urge my colleagues to support this reasonable and modest increase.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from Massachusetts (Mrs. HECKLER), a member of the committee.

Mrs. HECKLER. Mr. Speaker, H.R. 11888 is a bill which will assist a large number of most deserving veterans. This body has always made it known that we have a desire to do all we can to assist those veterans who have suffered because of a service-connected disability. Theirs is not an easy life. There is no way that we can bring back the physical ability which the service-connected disability has deprived them. However, we have been able to assist them to live as comfortably as possible. There is no question that a serious disability impairs one's ability to work. It therefore makes it much more difficult to provide for one's family. To offset this lack of earning capacity section 315 of title 38, United States Code, outlines a compensation program for dependents. Currently a veteran must be rated at 50 percent disabled as a result of service-connected injuries to receive additional compensation for dependents. This legislation will lower the percentage of disabilty to 40 percent. It has been said that this action would diminish the validity of this program because it is only for those seriously disabled veterans. Think for a moment. VA rates an amputation below the knee as a 40 percent disability. In my eyes an amputation is certainly very serious. It certainly impairs one's ability to earn a living and support a family. I could go on, but I believe the case for this bill has been well defined. I would ask that you join me in supporting it.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. HILLIS), a member of the committee.

Mr. HILLIS. Mr. Speaker, I urge my colleagues to support H.R. 11888—to reduce from 50 to 40 percent the disability rating for which a veteran could be paid dependency allowance. As originally introduced, this rating would have been reduced to 10 percent but after extensive hearings by the subcommittee it was felt the reduction recommended by H.R. 11888 was adequate.

Under present law, additional allowances for dependents are payable to those veterans whose service-connected disability is rated at 50 percent or more. The enactment of this legislation would permit such benefits to be awarded to dependents of veterans rated at 40 percent.

A dependency allowance is a supplemental payment made in recognition of the expenses involved in supporting a family. The committee feels that a disability rated at 40 percent, which includes below-the-knee amputation, is of such severity as to warrant the payment of the additional benefit, and I strongly urge my colleagues to vote for this legislation.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 1 minute to the gentleman from South Dakota (Mr. ABDNOR), a member of the committee.

Mr. ABDNOR. Mr. Speaker, I rise to support this legislation. I have always felt that our first priority is to assist those who have been disabled as a result of service to the Nation. This bill is a priority item. We all know how difficult it is today to meet the ever-increasing problems we are having with inflation. Being disabled does not make that job any easier. My colleagues have reviewed what this legislation will do. I would like to take just a short time to emphasize the importance of lowering the rating of disability to 40 percent from the current level of 50 percent. As you are aware, Veterans' Administration compensation payments attempt to replace average earning capacity which has been reduced by the service-connected disability. Some of the disabilities rated at less than 50 percent are quite severe and have a direct impact on the ability to provide for one's family. For example, a veteran who has suffered a below-the-knee amputation is rated at only 40 percent. There are many more examples, but I believe you will agree with me when I say that we should assist these veterans in providing for their families. H.R. 11888 will provide that assistance. I urge you to join me in supporting it.

● Mr. TEAGUE. Mr. Speaker, I rise in support of the bill, H.R. 11888. This bill would provide a more liberal rule to govern payment of additional service-connected compensation to veterans entitled to receive benefits because of disease or disability growing out of their period of service.

Many years ago, the Committee on Veterans' Affairs determined that with the more seriously disabled veterans an additional payment based upon the number of dependents looking to them for support was in order. Originally, the law provided that an allowance for dependents go to those whose disablement was determined to be 60 percent or more. That was in 1948. The next year, the rule was changed to permit this added payment to the 50-percent level of disability and there has been no change since.

The Committee on Veterans' Affairs, after hearings, has concluded that the law should be liberalized to pay additional compensation for dependents for those veterans who are 40 percent disabled. The committee has always been of the belief that this added benefit should be reserved for those who are seriously disabled and finds examples such as a below-knee amputation which warrants a rating of 40 percent ample justification.

The cost of this bill is insignificant when considered with the overall compensation budget. It is not inflationary and it is well within budget allocations.

I ask my colleagues to give it their unanimous support.●

● Mr. CORRADA. Mr. Speaker, I rise in support of H.R. 11888.

This bill will amend title 38, United States Code, to change the minimum disability rating a veteran must have in order to receive additional compensation for dependents from 50 to 40 percent.

I am glad to see that the House Veterans' Affairs Committee has recognized the fact that a disability rated at 40 percent, which includes below-the-knee amputation, is of such severity as to warrant the payment of the additional benefits.

A good number of the veterans residing in Puerto Rico would be greatly benefited from the approval of this bill. I hope that the committee in the near future will consider making the dependency allowance available for any veteran rated 10 percent or more disabled.

I support this legislation and I urge you to vote for it.●

● Mr. MITCHELL of New York. Mr. Speaker, it is with pleasure that I offer my support to H.R. 11888, which would increase compensation for disabled veterans by making an increasing number eligible for additional allowances for dependents. Previously a veteran had to be rated at 50 percent or more to receive compensation for dependents. This figure is now reduced to 40 percent. The disability must be service connected to receive the additional allowance. There is no way we can bring back the physical ability which was lost. But we can help the disabled veteran to live more comfortably. Under this legislation, a veteran will receive $67 per dependent if he is 100-percent disabled or a reduced portion of the $67 based on the percentage of disability rating. I hope you will join with me in supporting this legislation. We must look out for the veterans through caring for his dependents.●

● Mr. HEFNER. Mr. Speaker, the bill, H.R. 11888, was reported following 2 days of hearings conducted by the Subcommittee on Compensation, Pension and Insurance.

This bill would allow veterans receiving compensation for a 40 percent service-connected disability to receive a dependency allowance. Under current law, veterans with service-connected disabilities of 50 percent or more receive an additional monthly benefit for their dependents. The allowances for veterans who are less than totally disabled are directly proportionate to the allowance paid for the 100 percent rate. For example, a totally disabled veteran presently receives an extra $46 per month if he has a spouse, a 50 percent veteran receives one-half of that figure—$23, a 60 percent veteran receives $28, et cetera.

A dependency allowance is a supplemental payment made in recognition of the expenses involved in supporting a family. Accordingly, in the service-connected and non-service-connected death benefit programs and the educational program, the monthly benefits are increased for each dependent that a beneficiary may have.

The committee was urged to make the dependency allowance available to all service-connected veterans with ratings of 10 percent or more; however, following hearings the committee felt that justification for this special consideration should be limited to those with serious disablement. The level of 40 percent was agreed upon. One example of the type of disability the committee feels warrants the payment of the proposed benefits is the below-knee amputation disability which is currently evaluated at 40 percent. No change in the level of disability providing entitlement to additional compensaton for dependents has been made since 1949. Therefore, Mr. Speaker, the committee feels that the existing law should be liberalized so as to include additional compensation for those war and peacetime veterans who are 40 percent disabled because such veterans generally are less able to secure regular employment to adequately support themselves and their dependents.

According to the Congressional Budget Office, the cost of this bill is estimated to be $50.4 million for fiscal year 1979. It is within our budget allocation. It would have no inflationary impact inasmuch as it would represent but a 1 percent increment in compensation benefits now paid to disabled veterans.

I hope you will join me in supporting this additional benefit for up to 180,000 seriously disabled service-connected veterans.●

Mr. HAMMERSCHMIDT. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. ROBERTS. Mr. Speaker, I have no further requests for time, and I ask my colleagues to support the committee.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill, H.R. 11888.

The question was taken.

Mr. WYLIE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3 of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 11888, the bill just under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

VETERANS' AND SURVIVORS' PENSION IMPROVEMENT ACT OF 1978

Mr. ROBERTS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 10173) to amend title 38, United States Code, to improve the pension programs for veterans, and survivors of veterans, of the Mexican border period, World War I, World War II, the Korean conflict, and the Vietnam era, and for other purposes, as amended.

The Clerk read as follows:

H.R. 10173

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans' and Survivors' Pension Improvement Act of 1978".

TITLE I—AMENDMENTS TO PENSION PROGRAM FOR NON-SERVICE-CONNECTED DISABILITY OR DEATH

SEC. 101. Section 502(a) of title 38, United States Code, relating to determinations with respect to disability, is amended by inserting "and is not substantially gainfully employed" after "sixty-five years of age or older".

SEC. 102. (a) Section 503(a) of title 38, United States Code, relating to determinations with respect to annual income, is amended by—

(1) striking out clause (1);

(2) redesignating clauses (2) and (3) as clauses (1) and (2), respectively;

(3) striking out clauses (4), (5), and (6);

(4) redesignating clause (7) as clause (3);

(5) inserting after such clause the following new clause:

"(4) amounts equal to amounts paid—

"(A) by a veteran for the last illness and burial of such veteran's deceased spouse or child, or

"(B) by the spouse of a living veteran or the surviving spouse of a deceased veteran for the last illness and burial of a child of such veteran;";

(6) redesignating clause (8) as clause (5);

(7) striking out clause (9);

(8) redesignating clause (10) as clause (6);

(9) striking out clause (11);

(10) redesignating clause (12) as clause (7) and striking out "chapter 35" in such clause and inserting in lieu thereof "chapters 31, 34, and 35";

(11) striking out clauses (13) and (14);

(12) redesignating clause (15) as clause (8) and inserting at the end thereof "and";

(13) striking out clauses (16) and (17); and

(14) adding at the end of such subsection the following new clause:

(9) amounts equal to all amounts paid by a veteran, spouse, or child for unreimbursed medical expenses, if such amounts exceed 5 per centum of the income during the year (determined without regard to the exclusions provided by clauses (1) through (8) of this subsection) of such veteran, spouse, or child.".

(b) Subsection (c) of such section is repealed.

SEC. 103. Section 506(a) of title 38, United States Code, relating to resource reports, is amended to read as follows:

"(a) As a condition of granting or continuing a pension under section 521, 541, or 542 of this title, the Administrator—

"(1) may require from any person applying for, or in receipt of, a pension thereunder such information, proofs, or evidence as the Administrator desires in order to determine the annual income and the corpus of the estate of such person and of each spouse and child on account of whom added pension is applied for or received;

"(2) shall require that any such person file each year with the Veterans' Administration (on the form prescribed by the Administrator) a report showing the total income which such person (and any such spouse or child) received during the preceding year, the corpus of the estate of such person (and of any such spouse or child) at the end of that year, and such person's estimate for the then current year of the total income such person (and any such spouse or child) expects to receive and of any expected increase in the corpus of the estate of such person (and of any such spouse or child); and

"(3) shall require that any such person

promptly file a revised report whenever there is a material change in the estimated annual income of such person (or of any such spouse or child) or a material change in such person's estimate of the corpus of the estate of such person (or of any such spouse or child).".

SEC. 104. (a) Subsections (b) through (f) of section 521 of title 38, United States Code, relating to non-service-connected disability pensions, are amended to read as follows:

"(b) If the veteran is unmarried (or married but not living with and reasonably contributing to the support of such veteran's spouse) and there is no child in the custody of such veteran or to whose support the veteran is reasonably contributing, pension shall be paid to the veteran monthly at the annual rate of $4,000 (unless the veteran is entitled to pension at the rate prescribed under subsection (d)(1) or (e) of this section), reduced by the amount of the veteran's annual income.

"(c) If the veteran is married and living with or reasonably contributing to the support of such veteran's spouse, or there is a child in the custody of such veteran or to whose support the veteran is reasonably contributing, pension shall be paid to the veteran monthly at the annual rate of $5,200, unless the veteran is entitled to pension at the rate provided by subsection (d)(2) or by subsection (e) of this section. If the veteran has two or more such dependents, the rate shall be increased by $600 for each such dependent in excess of one. The annual rate payable shall be reduced by the amount of the annual income of the veteran and, subject to subsection (f)(1) of this section, the amount of the annual income of the veteran's spouse and of any such child.

"(d)(1) If the veteran is in need of regular aid and attendance, the pension payable to the veteran under subsection (b) of this section shall be at the annual rate of $6,160 reduced by the amount of the veteran's annual income.

"(2) If the veteran is in need of regular aid and attendance, the pension payable to the veteran under subsection (c) of this section shall be at the annual rate of $7,360 plus allowances for additional dependents as provided in such subsection, and reduced by the amount of the annual income of the veteran and, subject to subsection (f)(1) of this section, the amount of the annual income of the veteran's spouse and of any such child.

"(e) If the veteran has a disability rated as permanent and total and (1) has additional disability or disabilities independently ratable at 60 per centum or more, or (2) by reason of a disability or disabilities, is permanently housebound but does not qualify for the aid and attendance rate under subsection (d) of this section, the pension payable to the veteran under subsection (b) of this section shall be $4,804 reduced by the veteran's annual income, and the pension payable to the veteran under subsection (c) of this section shall be $6,004 plus allowances for additional dependents as provided under such subsection and reduced by the amount of the annual income of the veteran and, subject to subsection (f)(1) of this section, the income of the veteran's spouse and of any such child.

"(f) For the purposes of this section:

"(1) In determining annual income, where a veteran is living with or reasonably contributing to such veteran's spouse, child, or children, all income of the spouse and all income (except earned income) of such children which is reasonably available to or for the veteran shall be considered as the income of the veteran, unless in the judgment of the Administrator to do so would work a hardship upon the veteran.

"(2) A veteran shall be considered as living with a spouse, even though they reside apart, unless they are estranged.".

(b) Subsection (h) of such section is amended to read as follows:

"(h) Effective the first day of the month during which a veteran attains age eighty, the pension payable to the veteran under subsection (b) of this section shall be $4,804 reduced by the veteran's annual income, and the pension payable to the veteran under subsection (c) of this section shall be $6,004 plus allowances for additional dependents as provided under such subsection and reduced by the amount of the annual income of the veteran and, subject to subsection (f)(1) of this section, the income of the veteran's spouse and any child of the veteran.".

(c) Such section is further amended by adding at the end thereof the following new subsection:

(i) Benefits under this section may be paid less frequently than monthly if the amount of the monthly benefit would be less than $10.".

SEC. 105. Section 522 of title 38, United States Code, is amended to read as follows:

"§ 522. Net worth limitation

"(a) The Administrator shall deny or discontinue payment of pension under section 521 of this title when the corpus of the estates of the veteran and of the veteran's spouse are such that under all the circumstances, including consideration of the veteran's, spouses, and children's income, it is reasonable that some part of the corpus of such estates be consumed for the veteran's maintenance.

"(b) The Administrator shall deny or discontinue payment of increased pension or of additional pension under section 521(c) of this title on account of a child when the corpus of the estate of the child concerned is such that under all the circumstances, including consideration of the veteran's, spouse's, and children's income, it is reasonable that some part of the corpus of the child's estate be consumed for the child's maintenance. Any child to whom this subsection applies shall not be considered as a dependent of the veteran for the purposes of this title so long as the denial of pension required by this subsection remains in effect.".

SEC. 106. (a) Subsections (b), (c), and (d) of section 541 of title 38, United States Code, relating to pensions of surviving spouses of certain veterans, are amended to read as follows:

"(b) If there is no child of the veteran in the custody of the surviving spouse, pension shall be paid to the surviving spouse monthly at the annual rate of $3,000 reduced by the amount of the surviving spouse's annual income.

"(c) If there is a surviving spouse and one child of the veteran in such surviving spouse's custody, pension shall be paid to the surviving spouse monthly at the annual rate of $3,900. If there is a surviving spouse and more than one such child, the rate provided by the preceding sentence shall be increased by $600 for each such child in excess of one. The rate payable shall be reduced by the amount of the annual income of the surviving spouse and, subject to subsection (g) of this section, the amount of the annual income of any such child.

"(d) Benefits under this section may be paid less frequently than monthly if the amount of the monthly benefit would be less than $10.".

(b) Such section is further amended by adding after subsection (f) the following new subsection:

"(g) In determining annual income for purposes of subsection (c) of this section, all income (except earned income) of a child of the veteran in such surviving spouse's custody which is reasonably available to or for the surviving spouse shall be considered the income of the surviving spouse, unless in the judgment of the Administrator to do so would work a hardship upon the surviving spouse.".

SEC. 107. The text of section 542 of title 38, United States Code, relating to pensions of children of certain veterans, is amended to read as follows:

"(a)(1) Whenever there is no surviving spouse, the Administrator shall pay to the child or children of each veteran of the Mexican border period, World War I, World War II, the Korean conflict, or the Vietnam era, who met the service requirements of section 521 of this title, or who at the time of death was receiving (or entitled to receive) compensation or retirement pay for a service-connected disability, pension payable monthly at the annual rate of $1,200 for one child, plus $600 for each additional child.

"(2) Such pension shall be paid to eligible children in equal shares.

"(3) The pension for each child shall be reduced by the amount of the annual income (excluding earned income) of such child.

"(b) Whenever there is a surviving spouse of a veteran of the Mexican border period, World War I, World War II, the Korean conflict, or the Vietnam era, who met the service requirements of section 521 of this title, or who at time of death was receiving (or entitled to receive) compensation or retirement pay for a service-connected disability, and there is a child of the veteran not in the surviving spouse's custody, the Administrator shall pay to each such child pension payable monthly at the annual rate of $600 for each such child. The pension payable for each such child shall be reduced by the amount of the annual income (excluding earned income) of such child.".

SEC. 108. Section 543 of title 38, United States Code, is amended to read as follows:

"§ 543. Net worth limitation

"(a) The Administrator shall deny or discontinue payment of pension under subsection (b) or (c) of section 541 of this title when the corpus of the estate of the surviving spouse is such that under all the circumstances, including consideration of the surviving spouse's income, it is reasonable that some part of the corpus of such estate be consumed for the surviving spouse's maintenance.

"(b) The Administrator shall deny or discontinue payment of increased pension under subsection (c) of section 541 of this title when the corpus of the estate of a child on account of whom pension is otherwise payable is such that under all the circumstances, including consideration of income of the surviving spouse and the income of such child, it is reasonable that some part of the corpus of such estate be consumed for the maintenance of the child. A child to whom the provisions of this subsection applies shall not be considered as a child in custody of the surviving spouse for the purposes of this title so long as the denial remains in effect.

"(c) The Administrator shall deny or discontinue payment of pension under section 542 of this title to any child when the corpus of the estate of that child is such that under all the circumstances, including consideration of income of the child, it is reasonable that some part of the corpus of such estate be consumed for the child's maintenance.".

SEC. 109. Section 544 of title 38, United States Code, is amended to read as follows:

"§ 544. Aid and attendance allowance

"(a) If a surviving spouse is in need of regular aid and attendance, the pension payable to the surviving spouse under section 541(b) of this title shall be $4,488 reduced by the amount of the surviving spouse's annual income.

"(b) If a surviving spouse is in need of regular aid and attendance, the pension payable to the surviving spouse under section 541(c) of this title shall be $5,388 plus the allowances for each child in excess of one and reduced by the amount of the annual income of the surviving spouse and, subject to section 541(g) of this title, the income of any child or children.".

SEC. 110. (a) Chapter 53 of title 38, United States Code, is amended by adding at the end thereof the following new section.

"§ 3112. Annual adjustment of certain benefit rates

"Whenever benefit amounts payable under title II of the Social Security Act are increased effective with any month in any calendar year after 1978 as a result of a determination made under section 215(i) of such Act, the Administrator shall, effective the date of the increase in such benefit amounts, increase the rates of pension payable under sections 521, 541, 542, and 544 of this title as such rates were in effect immediately prior to such benefit amounts increase, by a percentage which is the same as the percentage by which such benefits payable under title II of the Social Security Act are increased. Whenever such rates are so increased, they may be rounded in such manner as the Administrator considers appropriate for ease of administration.".

(b) The table of sections at the beginning of such chapter 53 is amended by adding at the end thereof the following new item:

"3112. Annual adjustment of certain benefit rates".

SEC. 111. Section 101(15) of title 38, United States Code, relating to the definition of the term "pension", is amended by striking out "monthly".

SEC. 112. (a) Any case in which—

(1) a claim for pension is pending in the Veterans' Administration on December 31, 1978,

(2) a claim for pension is filed by a veteran after December 31, 1978, and within one year after the date on which such veteran became totally and permanently disabled, if such veteran became totally and permanently disabled before January 1, 1979, or

(3) a claim for death pension is filed after December 31, 1978, and within one year after the date of death of the veteran through whose relationship claim is made, if the death of such veteran occurred before January 1, 1979,

shall be adjudicated under title 38, United States Code, as in effect on December 31, 1978, with respect to any period before January 1, 1979.

(b) Nothing in this Act or the amendments made by this Act shall affect the eligibility of any person receiving pension under chapter 15 of title 38, United States Code, on December 31, 1978, to receive pension at the rate being paid on that date for periods after December 31, 1978, except that—

(1) the amount of such pension attributable to the existence of a dependent or dependents shall continue only so long as each such dependent continues to meet the definition of a child or spouse; and

(2) this subsection shall cease to apply when it is determined that the veteran is no longer permanently and totally disabled.

This subsection shall not apply in any case for any period after pension is granted, pursuant to application, under title 38, United States Code, as amended by this Act.

(c) Subsection (b) shall apply to those claims within the purview of subsection (a) in which it is determined that pension is payable for December 31, 1978.

TITLE II—MISCELLANEOUS PROVISIONS AND EFFECTIVE DATES

SEC. 201. (a) Effective January 1, 1979, section 9 of the Veterans' Pension Act of 1959 (Public Law 86-211), is repealed.

(b) Nothing in this Act or the amendments made by this Act shall affect the eligibility of any person receiving pension under the provisions of such section on December 31, 1978, to receive the pension being paid under such provisions on that date for periods after December 31, 1978, except that the amount of such pension attributable to the existence of a dependent or dependents shall continue only so long as each such dependent continues to meet the definition of a child or spouse. This subsection shall not apply in any case for any period after pension is granted, pursuant to application, under title 38, United States Code, as amended by this Act.

SEC. 202. Section 3012(b)(4) of title 38, United States Code, relating to effective dates of reductions and discontinuances of certain benefits, is amended to read as follows:

"(4) by reason of—

"(A) change in income shall (except as provided in section 3112 of this title) be the last day of the month in which the increase became effective; and

"(B) change in corpus of estate shall be the last day of the calendar year in which the change occurred;".

SEC. 203. The second sentence of section 612(h) of title 38, United States Code, relating to eligibility for medical treatment, is amended by striking out "$500" and inserting in lieu thereof "$1,000".

SEC. 204. The amendments made by this Act shall take effect January 1, 1979.

The SPEAKER pro tempore. Is a second demanded?

Mr. HAMMERSCHMIDT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas (Mr. ROBERTS) will be recognized for 20 minutes, and the gentleman from Arkansas (Mr. HAMMERSCHMIDT) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. ROBERTS).

Mr. ROBERTS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the reported bill is one of the most important veterans' bills to be considered by the House in recent years. The gentleman from Mississippi has stated the case for this bill very well and I want to thank SONNY MONTGOMERY, the chairman of our Subcommittee on Compensation, Pension, and Insurance for his tremendous work in bringing this bill to the House. The time has come for major pension reform and this bill fulfills the commitment we made to the Members of the House last year to get a bill before the House for a vote.

The reported bill is extremely important because not only will it correct inequities that exist under current law, it will also provide a standard of living for veterans who served during a wartime period that will bring about more meaningful lives for them. The important provisions of the bill are these:

First, the bill would eliminate the problem of pension benefits being reduced every time social security benefits are increased. Each year around the last of January we all receive letters from eligible veterans and widows telling us about their pension checks being reduced because of an increase in their social security checks. This bill will eliminate that problem for veterans and widows. Next year we hope to focus our attention on the DIC program for dependent parents. In any event, the proposed bill will eliminate this problem for veterans and eligible widows of veterans.

Second, the bill, if enacted, will automatically index pension rates to the Consumer Price Index on the same basis as social security benefits. This means that pension recipients will have their rates of pension automatically adjusted based on the cost of living.

Third, the bill would raise the maximum pension rates. Thus assuring each eligible veteran a decent standard of living. No longer will any wartime veteran be required to live on income less than the poverty level. No longer will a veteran be required to supplement his pension by welfare payments.

Fourth, the reported bill would grandfather pensioners on the roll so that the pensioner may continue to draw benefits under the current program if it would not be to the advantage of the eligible veteran or widow to elect to receive benefits under the proposed bill. This provision of the bill is also structured so that if the individual elects to remain under the current law, his or her benefits will also not be adversely affected by social security increases.

Fifth, the bill would allow veterans receiving aid-and-attendance to exceed the maximum income support levels by $1,000, and still continue to be furnished drugs and medicines by the Veterans' Administration. This will be most helpful to a few more seriously disabled veterans.

Finally, Mr. Speaker, the bill would provide a special benefit for veterans who are permanently and totally disabled upon reaching age 80.

The special benefit would be based on the individual's greater need because of age. We felt the benefit should not be limited to any group of wartime veterans, and the veterans' organizations who represent some 6 million veterans of all wars agree that the benefit should not be so limited. Therefore, our provision goes to any eligible veteran no matter whether his or her period of service was during World War I, World War II, or otherwise. It will, however, be most beneficial to World War I needy veterans.

Mr. Speaker, this special benefit would guarantee an income of $4,304 per year for the single veteran at 80 years of age. For a veteran with one dependent the maximum allowed income would be $6,004 annually.

Mr. Speaker, this is a very good bill and, if adopted by the House, I am confident we will have a measure that will be acceptable to the President and signed into law before the Congress adjourns. The Senate has ordered reported a measure very similar to the reported bill, and I do not expect any major problems in reaching agreement with the other body.

I want to again thank the distinguished gentleman from Mississippi, the very able chairman of our Subcommittee on Compensation, Pension, and Insurance. He has spent months in putting

this bill together and steering it through the committee and to the floor of the House. I am also grateful for the work of the ranking minority member of the subcommittee, the distinguished gentleman from Ohio, CHALMERS WYLIE, and the dedication and total cooperation of the ranking minority member of the full committee, the gentleman from Arkansas the honorable JOHN PAUL HAMMERSCHMIDT.

I also want to acknowledge and thank the honorable BOB EDGAR of Pennsylvania for his active leadership in helping with this major reform measure. Every member of the committee worked hard to get this measure before the House today.

The bill represents much hard work and during the next fiscal year will mean some $853 million in additional benefits for our veterans and eligible dependents drawing pension benefits. The cost of the bill is within the committee's budget allocation and I urge the Members of the House to unanimously adopt it.

Mr. Speaker, I yield such time as he may consume to the gentleman from Mississippi (Mr. MONTGOMERY), the distinguished chairman of the Subcommittee on Compensation, Pension, and Insurance.

Mr. MONTGOMERY. Mr. Speaker, the reported bill is the result of much hard work on the part of many people and I want to commend the members of our subcommittee, the distinguished chairman of the full committee, the Honorable RAY ROBERTS, the ranking minority member of the full committee, the Honorable JOHN PAUL HAMMERSCHMIDT, and I am especially grateful to the ranking minority member of the subcommittee, the Honorable CHALMERS WYLIE for the help he gave us in getting this bill to the floor.

The measure will solve many of the problems that have caused many of us so much concern during the past several years, especially the problem resulting from a reduction in pension benefits every time social security benefits are increased.

On February 7, 8, and 9, the Subcommittee on Compensation, Pension, and Insurance, which I am privileged to chair, conducted 3 days of hearings on bills pending before the Committee on Veterans' Affairs that would amend the current pension program.

The main issues of concern expressed in these bills were as follows:

First. The need to eliminate the problem individuals have of pension payments being reduced when social security benefits are increased;

Second. The proposal to provide a bonus of $150 per month to each World War I veterans, his widow or child;

Third. The need to provide a level of income for veterans above the poverty level; and

Fourth. The desire of many to automatically index cost of living increases in pension benefits to the Consumer Price Index.

Although I personally feel the current pension program is basically sound, it is evident that through the years the current program has developed a number of inequities when viewed in light of present needs of pensioners. During the past 18 years, the pension program basically has not been changed.

Last year the distinguished chairman of the Committee on Veterans' Affairs and I informed this House of our plan to undertake major reform of the pension program this year. At that time, the Administrator of Veterans' Affairs was under a legal mandate to complete a comprehensive study of the Veterans' Administration pension program and to report his findings to the Congress together with specific legislative recommendations for strengthening the current program and for making it more equitable for all veterans and eligible surviving dependents. This report was not received until January 30, 1978, and we were disappointed that when finally received it did not contain the legislative recommendations we had expected to receive.

When we did not receive the VA report on the due date, I proceeded to draft a bill and with the advice and counsel of several individuals and organizations with some expertise in the subject matter, I introduced H.R. 10173 on November 30, 1977. I am pleased to inform my colleagues that more than 140 Members of the House have cosponsored the bill.

Basically, the bill would automatically index pension rates to the Consumer Price Index on the same basis as social security benefits. Thus, if the reported bill is enacted, when social security rates are increased, individuals electing to receive pension benefits under the proposed bill would receive the full cost-of-living increase in both pension and social security benefits on the same date.

I can assure you, my colleagues, that under this bill an individual's pension would never be reduced because of future social security increases.

Second, the proposed bill would substantially raise maximum pension rates, assuring an annual income support level for all pensioners substantially above the poverty level. It would raise the maximum annual rate for a single veteran with no income from $2,364 to $4,000. For a veteran with one dependent and no income, the maximum rate would be increased from $2,544 to $5,200. In addition, each child would receive $600.

Third, the proposed bill would allow pensioners on the rolls to continue to draw pension at the current level if it would be more advantageous for such individual to remain under the current program. Pension rates would be frozen for those who elect to remain at the current level, and they would not have their pension reduced when social security is increased. It should be noted, however, that those who choose to remain under the current program will always have the option of converting to the proposed new program at any time such individual chooses to do so.

Fourth, the proposed bill would consider all family income for pension purposes, except a few one-time, pass-through payments such as unreimbursed unusual medical expenses; proceeds of fire insurance; expenses of last illness and burial of a veteran, child of a veteran or spouse; just debts of the deceased veteran, and VA educational benefits.

Fifth, the proposed bill would increase from $500 to $1,000 the amount above which veterans receiving aid-and-attendance benefits may exceed the income limits and still continue to be furnished drugs and medicines by the Veterans' Administration.

Finally, the bill takes special notice of the needs of the aged veterans. As you would guess, most of these are veterans of World War I. The special provision would provide for a basic pension rate for veterans who are age 80 or older at a level $804 above base rates for younger disabled veterans. This means that a veteran with neither wife or child would be guaranteed an income of $4,804 annually between his Veterans' Administration pension and his other countable income. The corresponding base rate for a veteran with one dependent would be increased from $5,200 to $6,004 annually.

The bill is designed to be effective January 1, 1979, and has an estimated fiscal year 1979 net cost of $730 million. While the cost thus estimated is well within our budgetary allocation, that does not tell the whole story for the future.

We have been able to get only incomplete estimates of the governmentwide savings the bill would generate. Since the pension proposed would provide a one-stop service for veterans and dependents at levels exceeding such programs as supplemental security income, aid to families with dependent children, and welfare in almost all States, savings would be at least $122 million in fiscal year 1979 growing to more than $552 million in 5 years.

Mr. Speaker, I am confident that H.R. 10173 addresses the major inequities in the current law. It will, in my opinion, substantially improve the standard of living for all veterans and eligible survivors, especially those most in need. Some Members clearly feel that we should grant another bonus to the World War I veterans, such as H.R. 9000 sponsored by the Honorable GLENN ANDERSON of California. The subcommittee and most of the national veterans' organizations have chosen the option of doing more for all pensioners to insure a truly adequate support level for all without distinction to specific periods of wartime service.

Mr. Speaker, in order that there may be no misunderstanding of the position of the major national veterans' organizations on the question of a World War I pension bill, I will quote from some of the letters the committee has received:

AIR FORCE SERGEANTS ASSOCIATION

Letter of February 22, 1978:

"In our opinion, H.R. 9000 would do little for the most needy of those it is intended to help."

THE AMERICAN LEGION

Testimony on February 9, 1978, H.R. 9000:

"We do not support this measure for the reason that it is in conflict with the Legion position established by Resolution No. 360 of our 1977 National Convention.

"The American Legion is opposed to those pension measures which single out certain incomes for exclusions from income determi-

nations and not others. We are also opposed to those measures which disregard the underlying philosophy of the veterans' and survivors' pension benefits program, that is, that it be an income maintenance or supplement program, and that entitlement thereto be based on a reasonable standard of need."

AMVETS

Testimony of February 8, 1978, on a separate pension for World War I veterans:

"We cannot lend our support to any proposal which, in our opinion, would discriminately benefits any particular group within the veteran sector not previously referred to herein."

DISABLED AMERICAN VETERANS

Testimony on February 8, 1978, H.R. 9000:

"Mr. Chairman, the Disabled American Veterans strongly opposes Congressional passage of this measure.

"Therefore, the DAV is very definitely of the opinion that enactment into law of H.R. 9000 would detract from the present and future benefit levels of the service-connected disabled veteran, his dependents and survivors.

"The measure also violates the previously discussed principle of financial need."

I also would like to quote to you from letters from a number of the national veterans' organizations their views:

AIR FORCE SERGEANTS ASSOCIATION

In a letter of February 22, 1978 stated: "We render our support to H.R. 10173."

VETERANS OF WORLD WAR I OF THE U.S.A., INC.

In testimony before the Subcommittee on February 7:

"We are strongly for H.R. 10173. It definitely will benefit many of our veteran groups who are in the lower rungs of pension benefits and whose incomes are low enough for them to take advantage of the higher rates.

"It pleases us to note that both the House and Senate proposals would eliminate the yearly head and heart aches caused by pension cuts resulting from increases in social security. We would be happier if income limitations were raised to permit more of our group to take advantage of the higher pension rates proposed."

THE AMERICAN LEGION

In a letter of February 25, 1978 said:

"The bill coming closest to satisfying our mandate (Res. 360–77) is H.R. 10173, the Veterans' and Survivors Pension Improvement Act of 1978, introduced by members of the House Committee on Veterans' Affairs on November 30.

"The American Legion believes the approach of H.R. 10173 to reform a complex program is sound and substantially in accord with the intent of our mandate.

"On the issue of disregarding social security or increases in that benefit, "We suggest that the cure for this perennial problem is the enactment of H.R. 10173. As we pointed out earlier, the amendment proposed in section 110 of the Pension Improvement Act of 1978 would assure a pass through of all cost-of-living increases granted under Title II of the Social Security Act."

AMVETS

In testimony on February 8, 1978:

"In alluding specifically to H.R. 10173, we would commend this committee for its pursuit of a realistic and comprehensive reform of the VA pension program."

DISABLED AMERICAN VETERANS

In testimony on February 8, 1978:

"It is also our opinion that, although substantial program restructuring is proposed by H.R. 10173, the historic eligibility criteria of honorable wartime service, physical disability and financial need would be left firmly intact. In this we commend the subcommittee most highly.

"Its income exclusion changes and standardized, above "poverty level" benefit rates provide for a more equitable distribution of pension benefits and assure that those with the greatest financial need receive the greatest financial benefit. And of course the automatic "tie-in" with social security increases would definitely assure that income received in those benefit rates would not result in any reduction in pension benefits; on the contrary, an identical percentage increase would be triggered in VA pension payments."

PARALYZED VETERANS OF AMERICA

In their testimony on February 8, 1978:

"PVA is, in general, quite satisfied with the overall structure of the pension improvement initiatives of this committee."

VETERANS OF FOREIGN WARS OF THE UNITED STATES

In their testimony on February 8, 1978 said:

"H.R. 10173 * * * is without question the most acceptable proposal now before Congress."

Some will suggest that the rates of support this bill would authorize are excessive. Others will say the proposed rates are not high enough.

The bill has received broad support by veterans' organizations. Even though we are advised that the administration does not favor the maximum support levels in the bill, it does concede that the bill addresses all of the recommendations for improvement coming out of its study.

Though our bill would provide for a thorough restructuring of the current pension program, it would keep intact the "needs" concept. Mr. Speaker, as you known, the non-service-connected pension program is governed by the principle that a pension is not a reward for service to our country but a supplement to resources otherwise available. The bill seeks to assure that pension beneficiaries will not be dependent on charity or welfare assistance in the future.

Let me summarize for you the big improvements the bill would effect:

It would stop, once and for all, your recurring problem of trying to explain reductions in pension when social security goes up;

It would more adequately meet the needs of veterans and their dependents, making it unnecessary for them to wait in line for relief through welfare to meet their needs;

It would index pension rates to living costs protecting pensions from inflation;

It would give special recognition to the increased needs of the older veterans, especially those who served during World War I, and

It would protect at current rates pension for those on the rolls who would not benefit from the proposed improved pension plan.

In closing, Mr. Speaker, I believe this bill will vastly improve the pension program. I believe veterans' pension should offer more than welfare for those who served during a period of war. I realize it is an expensive measure. It does, however, address critical needs of all our disabled and elderly veterans and their deserving widows.

I appreciate the support, Mr. Speaker, that the Members have given us in our efforts to come up with a comprehensive improvement in the pension system. I appreciate their patience in giving us the time needed to solve very difficult problems.

Finally, I ask and urge you all to support the improvements the bill, H.R. 10173, will bring.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in support of H.R. 11886, the Veterans' Disability and Survivor Benefits Act of 1978, and to express my support of two other bills to be voted upon later today, H.R. 11888, to increase compensation for veterans rated 40 percent disabled, H.R. 10173, the Veterans' and Survivor Pension Improvement Act, of which I am proud to be a cosponsor.

I commend the chairman of the committee, the gentleman from Texas (Mr. ROBERTS), the gentleman from Mississippi. (Mr. MONTGOMERY) the chairman of the subcommittee on compensation, pension, and insurance and the ranking minority member, the gentleman from Arkansas (Mr. HAMMERSCHMIDT) for bringing these bills before us today. We should all be aware that the full measure of the increases in veterans benefits that will occur if this legislation passes are made possible by the leadership of the gentleman from Texas in the debate of the allowance for budget authority for this function when we acted on the congressional budget resolution. It was gratifying that the House took the position that it did; it was a measure I strongly supported. In my opinion, our Nation's veterans are highly deserving of increased benefits in order to meet the escalating costs of living.

The Veterans' Disability and Survivor Dependent Act of 1978 will raise the payments to be made to disabled veterans and their survivors by 6.5 percent, a figure comparable to the increase in the consumer price index that has occurred since the last increase in this allowance.

Beyond the allowance increase, which only compensates for inflation, this bill also includes a number of other important provisions liberalizing payments to disabled veterans or their families. It raises the benefit level payable to veterans who have lost, or lost the use of, three extremities from service-connected causes, so that such individuals receive the highest rate of compensation available—the same compensation they would receive if they were totally blind, for instance. This bill also provides that a new allowance of $44 be established that would be paid to housebound surviving spouses of disabled veterans.

H.R. 11888 is a simple bill. Our service-connected disability compensation system includes special additional allowances for certain seriously disabled veterans who are deemed to need help in order to support their families. At present, these allowances are paid to the dependents of veterans with service-connected disabilities of 50 percent or more. This bill would lower the percentage of disability needed to qualify for such special additional benefits to the 40 percent

mark. I believe, along with the Veterans' Affairs Committee, that individuals with a 40-percent disability are likely to be less than fully able to secure regular employment that can support their dependents adequately. Accordingly, it is entirely fitting that the additional allowances specified in this bill be provided.

Mr. Speaker, I am honored to be a cosponsor of H.R. 10173, the Veterans' and Survivors' Pension Improvement Act of 1978. The fundamental purpose of that bill is to insure that every veteran and survivor pensioner receives an allowance sufficient to keep him above the poverty level. To this end, it provides increases in pensions to make up for past inflation.

In addition to these increases, this bill makes fundamental improvements in the veterans' pension system and for that reason deserves special praise and the support of every Member of this House.

The most important of these improvements is the linking of veterans' pensions to the cost of living, just as social security pensions are so linked, thereby precluding the necessity for bringing up this bill each and every year. In fact, I would like to request the Committee on Veterans' Affairs to consider linking service-connected disability allowances to the cost of living so that they, too, will rise automatically as the cost of living rises. We should not make disabled veterans and their families wait on the Congress each and every year until a bill is passed to keep their disability allowances in step with inflation.

Mr. Speaker, at this portion of the RECORD I would like to insert summaries of the provisions of these important veterans benefits:

SUMMARY OF H.R. 11886

The bill would increase by 6.5 percent the basic rates of compensation payable to veterans for service-connected disabilities, and the additional amount authorized for dependents for those with disabilities rated at least 50 percent.

The bill would also increase by the same percentage the annual clothing allowance payable to certain veterans wearing or using prosthetic or orthopedic appliances. The rates of dependency and indemnity compensation (DIC) payable to surviving spouses and children of veterans whose deaths are service-connected would also be increased by 6.5 percent under the reported bill.

The bill would become effective on October 1, 1978.

The bill would also amend section 3101 of title 38, United States Code, to clarify the intent of Congress in providing for exemption from taxation of that portion of service retirement pay equal to the amount of compensation or pension to which an individual is adjudged retroactively entitled and which is waived to permit receipt of the compensation or pension benefit. The bill makes clear the intention of the Congress that a veteran's disability compensation paid in lieu of military retirement pay will not be subject to taxation.

The measure includes a provision that would provide for increased compensation for veterans who have lost, or lost the use of, three extremities from service-connected causes.

The bill would provide an additional allowance for a surviving spouse who is so disabled as to be housebound. The Administration proposed a rate of $44 monthly, and this amount has been accepted and incorporated in the reported bill.

The bill would simplify the computation of death benefits for surviving children when retroactively added to a class of recipients.

The bill would also eliminate duplication of DIC payments to a surviving spouse and child which can occur during the month of the child's 18th birthday.

SUMMARY OF H.R. 11888

H.R. 11888 proposes to liberalize the law governing payment of added compensation on account of the veteran's dependents.

Under current law, veterans with service-connected disabilities of 50 percent or more receive an additional monthly benefit for their dependents. The dependency allowances for veterans who are less than totally disabled are directly proportionate to the allowance paid for the 100-percent rate. For example, a totally disabled veteran presently receives an extra $46 per month if he has a spouse, a 50-percent veteran receives one-half of that figure—$23, a 60-percent veteran receives $28, et cetera.

A dependency allowance is a supplemental payment made in recognition of the expenses involved in supporting a family. Accordingly, in the DIC, pension, and educational programs, the monthly benefits are increased for each dependent that a beneficiary may have.

The reported bill would reduce the 50-percent evaluation to 40 percent, thus paying additional compensation for this level of disability. The Disabled American Veterans and others have urged the Congress to make the dependency allowance available for any veteran rated 10 percent or more disabled. The committee felt there was ample justification to provide the additional benefit for those veterans rated 40 percent; however, the committee was not convinced that current data before the committee justified the payment of the dependency allowance for those rated below this level.

Testimony received at the subcommittee hearings reflected a general agreement that the added payments for dependents should be reserved for the seriously disabled. The committee feels that the reported bill is a logical extension of the current law, recognizing the fact that a disability rated at 40 percent, which includes below-the-knee amputation, is of such severity as to warrant the payment of the additional benefit.

Additional disability compensation for dependents was first authorized by Public Law 80–877, approved July 2, 1948. That act was the product of extensive study and consideration by the Congress on the subject of payment of additional benefits because of dependents of veterans entitled to disability compensation. The legislative history indicates that one of the reasons for limiting the benefits provided by that act to persons 60 percent or more disabled was based on the fact that veterans of this group, because of the serious nature of their disabilities, are not generally in a position to adequately supplement their compensation payments by income from substantial employment. Upon further consideration of this subject in 1949, the necessary degree of disability for entitlement to additional compensation was reduced to 50 percent by section 4 of Public Law 81–339.

This committee concluded that existing law should be liberalized so as to include additional compensation for those war and peacetime veterans who are 40 percent disabled because such veterans generally are less able to secure suitable regular employment to adequately support themselves and their dependents.

SUMMARY OF H.R. 10173

H.R. 10173, the "Veterans' and Survivors' Pension Improvement Act of 1978," as reported, would create a new pension system applicable to all veterans of Mexican Border Service or subsequent wars, their widows, or children, who, subsequent to January 1, 1979, the effective date of the new program, are or become eligible for a VA non-service-connected pension. This new program attempts to restructure the needs-based pension program to provide greater assistance to those in need and to remove a number of inconsistencies, anomalies, and problems which prevent the current program from operating in all cases in the equitable manner intended by Congress. It is intended that the new pension system, as authorized by the reported bill, should:

First, assure a level of income above the minimum subsistence level allowing veterans and their survivors to live out their lives in dignity.

Second, prevent veterans and widows from having to turn to welfare assistance.

Third, provide the greatest pension for those with the greatest needs.

Fourth, guarantee regular increases in pension which fully account for increases in the cost of living.

In the case of a veteran, H.R. 10173 would provide for the payment of pension at the following annual rates (in each case reduced by the amount of the veteran's annual income and by the income of a dependent spouse or child [except earned income of such child] which is reasonably available to the veteran):

Veteran without dependent spouse or child	$4,000
Veteran, over age 80, without dependent	4,804
Veteran with one dependent (spouse or child)	5,200
Veteran, over age 80, with one dependent	6,004
Veteran in need of regular aid and attendance without dependents	6,160
Veteran in need of regular aid and attendance with one dependent	7,360
Veteran permanently housebound without dependents	4,804
Veteran permanently housebound with one dependent	6,004
Increase for each additional dependent	600

The bill would provide pension at an annual rate of $3,000 for a surviving spouse without a dependent child. For such a surviving spouse with one dependent child, the annual pension rate would be $3,900, increased by $600 for each additional child. The annual rate of pension for a surviving spouse in need of regular aid and attendance would be $4,488 for a spouse without a child, and $5,388 with a child, increased by $600 for each additional child. As under the current pension program, there would be no separate rate of pension payable for a surviving spouse in housebound status. The applicable annual rates would be reduced by the amount of the surviving spouse's annual income and the income (except earned income) of a child in the surviving spouse's custody.

The annual rate of pension payable to each eligible child, whenever there is no surviving spouse, would be $1,200, plus $600 for each additional child, payable in equal shares. The annual rate for each child, not in the custody of an eligible surviving spouse, would be $600. The pension payable for each such child would be reduced by the amount of such child's annual income, excluding earned income.

The bill would generally require that all income, from whatever source derived, be counted for purposes of determining entitlement and the amount of pension payable, subject to the following exclusions:

a. donations from public or private relief or welfare organizations;

b. payments under chapters 11, 13, and 15 of title 38, United States Code (compensation for service-connected disability or death, dependency and indemnity compensation for service-connected death, and pension for non-service-connected disability or death, respectively);

c. amounts equal to amounts paid by a spouse for the expenses of a veteran's last illness, and by a surviving spouse or child for the veteran's just debts, the expenses of the veteran's last illness and burial expenses that are unreimbursed through the receipt of Veterans Administration burial benefits;

d. amounts equal to amounts paid by a veteran for the last illness and burial expenses of a deceased spouse or child, or by a spouse of a living veteran or a surviving spouse of a deceased veteran for the last illness and burial of a child of the veteran;

e. fire insurance policy proceeds;

f. profit from the sale of real or personal property, other than in the course of a business;

g. amounts in joint accounts in banking institutions acquired by reason of the death of the other owner; and

h. amounts equal to amounts paid by a veteran, spouse, or child for unreimbursed medical expenses which exceed 5 percent of such person's yearly income (not otherwise excluded);

i. payments of Veterans Administration educational benefits uder chapters 31, 34 and 35 of title 38, U.S.C.

The measure would require net worth determinations of a veteran, spouse, surviving spouse, child, or surviving child for entitlement to the pension. The determination would be dependent on the net worth of the veteran or surviving spouse and of any dependent for whom the veteran or surviving spouse is receiving increased pension. Pension payments would be denied or discontinued if the net worth of the veteran, spouse or surviving spouse is such that it is reasonable that some portion thereof be consumed for the maintenance of the veteran, surviving spouse, or surviving child. If a child's estate is such that some portion thereof should be consumed for the child's maintenance, the child would not be considered a dependent, nor have entitlement as a child.

Additionally, the measure would require all persons in receipt of pension to file annually with the Veterans Administration a report showing the total income which such person (and any spouse or child for whom additional benefits are paid) received during the preceding year, the end-of-the-year net worth of such person (and of any spouse or child), and such person's estimated total income and any expected increase in the value of the estate for the then current year.

H.R. 10173 would also provide for the automatic annual increase of the pension rates simultaneously with, and in the same percentage amounts as, Social Security cost-of-living increases in any calendar year after 1978. The measure would also provide for the reduction or discontinuance of pension benefits, by reason of a change in income (other than through a Social Security cost-of-living increase), effective the last day of the month in which any such increase became effective.

Another feature of H.R. 10173 would allow recipients under the "old law" and current pension programs to continue to receive the dollar amount of pension received at the time that the bill would become effective (Jan. 1, 1979).

Mr. Speaker, H.R. 11886, H.R. 11888, and H.R. 10173 are bills that fill the vital needs of deserving elderly and disabled veterans and their dependents. Accordingly, I urge my colleagues to fully support their passage.

Mr. MONTGOMERY. Mr. Speaker, I thank the gentleman for his remarks.

What we have done, we have talked to Members of Congress who testified during our hearings, and we tried to get the complaints on the pension program. One of the programs that most Members came to us with will be corrected in this bill. It pertains to the social security matter, when a veteran on a pension program draws a social security check and he also draws a small veteran's pension check. We have given a cost-of-living increase in the social security, and then we have turned around 6 months later, because of a quirk in the law, and because of income limitations we have taken away from his veteran's check this cost-of-living increase that we gave the veteran on his social security check. I guess every Member of the House has had this type of complaint. Under this legislation, this is corrected. This is a strong step forward. This will never happen again, where we give a veteran a little raise on his social security check and take it away on his pension check.

Mr. GIAIMO. Mr. Speaker, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Connecticut (Mr. GIAIMO), who worked with us on this legislation.

Mr. GIAIMO. I thank the gentleman for yielding.

Mr. Speaker, I want to commend the gentleman from Mississippi (Mr. MONTGOMERY) and the gentleman from Texas (Mr. ROBERTS), the chairman of the committee, and all of the members of the committee for coming out with what I think is a reasonable proposal here in helping the veterans of America and still having due consideration for the necessities of holding the line in our budget activities and in our spending activities.

Mr. Speaker, in this bill, as I understand it, we have taken care of the social security problem the veterans have been troubled with for many years. When they would get an increase in social security, they would lose it in the veterans benefits. We have also taken care of helping with additional money the veterans over 80. I think this measure will go a long way to help the World War I veterans in relieving the hardships which they suffer. I commend the committee for its actions in bringing this worthwhile legislation before the House.

As I said, Mr. Speaker, we have worked very closely in the Committee on the Budget with the members of the Committee on Veterans' Affairs. I know what a hard job it has and I think the committee has done it well.

Mr. Speaker, I think this legislation is reasonable and should be supported.

Mr. MONTGOMERY. Mr. Speaker, I certainly thank the gentleman from Connecticut (Mr. GIAIMO).

Mr. Speaker, we did work very closely with the Committee on the Budget on this matter.

As I said, I think we have a reasonable approach to the problems which he has mentioned about the World War I veterans.

Mr. CARNEY. Mr. Speaker, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Ohio.

Mr. CARNEY. Mr. Speaker, I wish to associate myself with the remarks of the gentleman from Mississippi (Mr. MONTGOMERY) and wish to thank him and the committee chairman for the good job they have done.

Mr. Speaker, the knotty problem of people getting a slight increase in social security and then having it taken away from their veterans' pension causes more hard feelings than practically anything I have seen since I have been a Member of Congress.

The gentleman in the well is to be commended, and I hope every Member votes for this bill.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio (Mr. WYLIE), the ranking member of the Subcommittee on Compensation, Pension and Insurance.

Mr. WYLIE. Mr. Speaker, I rise in support of H.R. 10173. As the ranking Republican on the Compensation, Pension, and Insurance Subcommittee, I have been involved with this bill from the outset, and while I intend to vote for it, I would like to make clear my reasons for doing so, as well as my hesitations about the measure. We have spent an enormous amount of time on this legislation and its companion legislation.

I believe that major pension reform is absolutely necessary. The present veterans pension law is in many ways unfair. It often distributes pensions of different amount to similarly situated veterans. For instance, a veteran with no income whatsoever receives a total pension of $2,364 a year, while a veteran with $2,000 outside income receives a pension of $1,140, for a total of $3,140 a year. The legislation before us today establishes an income floor principle, where all outside income counts, and eliminates these disparities by guaranteeing the same total amounts for all pensioners who are similarly situated as to family size and extent of disability. I strongly endorse this long-overdue refinement.

The present pension system also contains social security tradeoffs that leave many veterans and widows feeling the Government has given with one hand and taken away with the other, as a rise in social security payments due to cost-of-living adjustments causes a reduction in pension. This legislation eliminates such an occurrence by creating an automatic index, where pension floor levels will be adjusted whenever social security payments are raised due to cost-of-living increases, which I approve.

These two much-needed reforms are paramount in my mind, and I believe they provide justification for all Members to vote for this legislation. At the same time, however, I would like to express my strong reservations about the cost of this legislation. I introduced an

amendment during the subcommittee markup that would have provided substantial increases in pension amounts above current law, yet still remained cost-effective. It was the judgment of the subcommittee that my amendment should not carry. This legislation will cost almost a billion dollars above current law for only 9 months of fiscal year 1979. By 1983 it will be costing more than $3 billion a year above current law, and that figure will continue to grow throughout the remainder of this century. So I would like to remind my colleagues that, as with all entitlement programs, we are not merely obligating the taxpayers of this country to spend a billion additional dollars. We are obligating them to spend an additional $101 billion between now and the year 2000.

I have heard many colleagues speak of the need to aid the elderly, and I feel very strongly that we have an obligation to help those who are no longer in a position to help themselves. This year alone, the Federal Government will spend $153 billion on the elderly. This is more than we are spending on defense, and it is in the form of entitlement programs that will in all likelihood continue to grow in the future. We must keep an eye on this if we are to avoid doing a greater disservice to these same elderly persons—by overspending, government fuels inflation and destroys the value of the nest-eggs so many responsible people have managed to accumulate during their productive years.

With these reservations, Mr. Speaker, I intend to vote for H.R. 10173, and I recommend it to my colleagues as the best under the circumstances.

Mr. ROBERTS. Mr. Speaker, I yield 6 minutes to the distinguished gentleman from California (Mr. ANDERSON).

Mr. ANDERSON of California. Mr. Speaker and Members, I am asking that you join me in voting against H.R. 10173—before us under suspension—so we can send it to Rules and have it come back to us under a regular rule.

As both Chairman RAY ROBERTS and Congressman MONTGOMERY stated, this is one of the most important bills they have seen since coming to Congress.

I agree with them both. That is one of my points, I feel that this is too important a measure—too big of a price tag ($100 billion from 1979 through 2000)—to be considered under the suspension procedure, a procedure used only for the most routine of bills.

Though its proponents will tell you that H.R. 10173 costs only $959 million, as page 41 of the committee print explains, I have here an OMB report that shows H.R. 10173 carrying a price tag of $6.3 billion in 1990 and one of $10 billion in the vear 2000. That is over $100 billion total from 1979 thru 2000.

Second, the Veterans' Committee adopted a seemingly well intentioned amendment—$70 per month to veterans of all wars when they reach age 80.

I am told this was to offset our drive for a specific pension for World War I veterans—because it attempts to do "something" for "some" World War I veterans (about 200,000)—even though it ignores over 400,000 (or over 60 percent) of the total surviving World War I veterans.

And, this amendment is very costly.

This $70 in 1979 would increase in cost each year as it too is indexed to the cost of living. If we assume a 5-percent rate of inflation, this $70 in 1979 would increase to $94 by 1985—to $120 by 1990—to $153 by 1995.

So—starting in 1995—though practically all World War I veterans would be gone—we would still be paying hundreds and hundreds of thousands of other veterans (all over 80) more than our H.R. 9000 ever authorized ($150). Where H.R. 9000 would pay a flat $150 monthly, the committee's payment would be $153 in 1990—would be $195 in the year 2000—and in the year 2020, for example, this payment will be a staggering $515 per month and rising.

The total cost of this amendment in the bill before us today is really unknown. I have asked OMB and the VA to get this information for us. I have the VA Administrator, Max Cleland's answer—dated June 16, 1978, and he shows a price tag of one-half billion annually by the year 2000—in just the committee amendment. I ask unanimous consent to have Mr. Cleland's letter printed in the RECORD at this time.

The letter follows:

VETERANS' ADMINISTRATION,
Washington, D.C., June 16, 1978.

Hon. GLENN M. ANDERSON,
House of Representatives,
Washington, D.C.

DEAR MR. ANDERSON: This is in response to your June 7, 1978 letter, in which you requested the long-range costs of the so-called "Edgar amendment" to H.R. 10173, 95th Congress. I am pleased to be able to respond to your inquiry at this time.

The "Edgar amendment," as you know, would eliminate the current 25 percent "add on" to the amount of a veteran's pension payment upon his attainment of age 78, substituting therefor a provision increasing the basic support level of pension by $804 for those veterans who have attained age 80. The long-range cost estimates of this proposal, provided by the Office of Management and Budget, are as follows:

[In millions]

Fiscal year:	Cost
1980	$ 71
1985	67
1990	120
1995	180
2000	500

I trust that the foregoing will prove to be of assistance to you.

Sincerely,

MAX CLELAND,
Administrator.

Mr. Speaker, by the most conservative estimate, however, in 1995—when H.R. 9000 would have sunset—the committee's amendment—just this one small part that was added at the last minute to help some World War I veterans—will cost $173 million in 1995, $500 million in 2000, $900 million in 2005 because that is when the full force of World War II veterans come in, and soon thereafter our Treasury will have to put out nearly $1 billion each year—with no end in sight. That $1 billion per year for just this one small part of H.R. 10173.

No. 3: If this item on suspension is voted down today—I intend to offer H.R. 9000, with minor changes—such as to make it an authorizing measure—not entitlement—that will require it then to go to Appropriations.

This would avoid any conflict with the budget ceiling.

Also—if my amendment were adopted—by deleting the committee amendment—added by the committee at the last minute—it would result in savings in this bill of $55 million in 1979—of $69.8 million in entitlements in 1980—$62.4 million in 1981—$60.4 million in 1982—and $58.7 million in 1983.

This committee amendment totals over $300 million through 1983—over $2 billion by the year 2000—then, nearly $1 billion per year, thereafter.

Mr. Speaker, I again ask you to join me in voting against H.R. 10173 under suspension so that we can send it back to rules and have it back under a regular rule, so that we can authorize a World War I pension, and then pass it, and then send it to the other body.

Remember a "no" vote will save us $55 million this year, will help us in our efforts to authorize a World War I pension, and will still allow us to have the major portions of H.R. 10173 approved.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, I thank the gentleman for yielding because I would like to ask my colleague a question. I know that over the years there have been Anderson of California amendments to the budget bills and to the appropriation bills, and I think the record will show that I have supported many of them and am in favor of them. However, Mr. Speaker, I am not sure that we will be achieving the purpose the gentleman would seek to achieve by opposing this bill, defeating this bill and then offering the bill with a rule. I am not sure that we would be serving the veterans of the country. So I would ask my colleague the gentleman from California (Mr. ANDERSON) this question: Supposing we do adopt his suggestion and we defeat this bill, what assurances do we have that the bill would then actually come back, or would that be the end of the bill?

Mr. ANDERSON of California. I surely cannot see that the committee will keep the bill from coming back to the floor.

The SPEAKER pro tempore. The time of the gentleman has again expired.

Mr. ANDERSON of California. Mr. Speaker, I would ask if I might have an additional minute.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 1 additional minute to the gentleman from California.

Mr. ANDERSON of California. I thank the gentleman from Arkansas (Mr. HAMMERSCHMIDT) for yielding me the additional time.

To continue what I was saying, Mr. Speaker, I just cannot see the Committee on Veterans' Affairs bottling this bill in their committee. Chairman ROB-

ERTS said earlier that H.R. 10173 is the most important piece of veterans' legislation since he has been here, as does the ranking minority Member, the gentleman from Arkansas (Mr. HAMMERSCHMIDT). I just cannot see it not coming back before us. H.R. 10173 has so very many important provisions in it that it will come back. I would think that then we would have a chance to do some ironing out in some of these areas that have been bothering us.

Another thing that has bothered us for a long time is that we do not get these veterans bills on the floor early enough so we can amend them.

Mr. ASHBROOK. My only problem is with regard to the fact that these votes which have preceded the action here today have taken place and if the Committee on Veterans' Affairs does not include the World War I veterans pension based on the provisions of the Anderson of California amendments, what assurances do we have that they will bring it back.

Mr. ANDERSON of California. If they were to bring the bill back before us with a rule, and then if we did not adopt our "World War I pension" authorizing amendment I would support the bill that remains.

Mr. ASHBROOK. I thank my colleague for his answers and comments.

Mr. ROBERTS. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Pennsylvania (Mr. EDGAR).

Mr. EDGAR. Mr. Speaker, I rise in strong support of the pension reform bill that we are considering under suspension of the rules today.

I appreciate the comments of my colleague, the gentleman from California (Mr. ANDERSON) and as an original cosponsor of H.R. 9000, which is our colleague's bill to help World War I pensioners, I feel now, for the very reasons that he articulated on budget constraint, that we should support the committee bill at this time.

The gentleman has pointed out that his move to kill this bill under suspension of the rules would provide a savings of $55 million in 1979 fiscal funding but the gentleman failed to point out that if we tack on H.R. 9000, or the World War I pension bill that the gentleman supports, to this veterans reform bill, over 5 years, it would cost $9 billion. In the first year we will have to spend $1.5 billion on World War I pensions alone.

Mr. Speaker, I rise in support of H.R. 10173, the Veterans' and Survivors' Pension Improvement Act of 1978. This bill is a major reform of the pension system for veterans. I believe that this bill adequately addresses the legitimate complaints about the system which have been voiced for so long.

As a member of the Subcommittee on Compensation, Pensions, and Insurance, I was an active participant in both the hearings and the markup sessions dealing with this bill. I am pleased to say that this legislation enjoys bipartisan support among our committee, where each and every issue affecting pensions for veterans with non-service-connected disabilities was discussed. I would like to briefly summarize the bill's provisions and explain why I urge my colleagues to support it.

First, H.R. 10173 requires that the Veterans' Administration supplement a veteran's income so that it totals $4,000. For example, if a veteran receives $3,500 per year from a private pension, the VA would provide an additional $500, to total $4,000. Or if a veteran receives $2,500 per year in social security, the VA would provide $1,500. One dependent would raise the maximum pension to $5,200 with $600 for each additional dependent. Present law provides only $60 each for not more than two dependents.

One of the most important provisions of this bill will solve the problem of reductions in veterans' pensions due to cost-of-living increases in social security. H.R. 10173 provides automatic pension increases to keep pace with the rise in the cost of living by indexing pension rates to the Consumer Price Index on the same basis as social security.

Mr. Speaker, now we come to what seems to be the most controversial portion of the bill. I have been a supporter of an additional pension for World War I veterans since I came to Congress. Therefore, I offered an amendment, which passed in full committee, to provide a veteran with an additional $804 per year when he reaches the age of 80. At that age, the Veterans' Administration would supplement his income up to $4,804 per year rather than $4,000. The income of a married veteran would be supplemented up to $6,004. Veterans of all wars would be eligible for this provision.

Congressman GLENN ANDERSON is to be commended for his efforts on behalf of World War I veterans. He has probably been their strongest advocate in Congress. I can assure you that our subcommittee considered carefully his proposal that his bill, H.R. 9000, be adopted as an amendment to H.R. 10173. The reason that H.R. 9000 was not adopted was because of its cost. Our committee felt that it could not amend H.R. 10173, which will already cost approximately $850 million, by attaching H.R. 9000 which would have cost an additional $1.5 billion in 1979. The reason that the Anderson proposal is so high is that it provides a $150 per month pension for World War I veterans and their widows whose incomes are as high as $15,000 a year.

According to OMB, my amendment would cost $55 million in fiscal year 1979. The cost estimates that we have indicate that this figure would rise to $58.7 million in fiscal 1983 and possibly as high as $200 million in the year 2000. However, I would remind my colleagues that veterans of all wars will be eligible for the added income at age 80.

Finally, I believe that there are a few more figures offered by Mr. ANDERSON which deserve clarification. It is true that in the year 2000 H.R. 10173 may cost as much as $10 billion. However, if we do not change the existing pension system and continue with $5 per month pensions and pension reductions as social security benefits increase, the current system would cost $9.8 billion in 2000.

I believe that H.R. 10173 is a positive and realistic reform of the veterans' pension system. I urge my colleagues to support it so that we can put to rest the inequities of the system which we have neglected for far too long.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield briefly?

Mr. EDGAR. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. I thank the gentleman for yielding.

I think the gentleman has put his finger right on the problem we had in the committee. By the fiscal restraints we have we tried to figure out which was the best way we could help the World War I needy veteran, and we adopted the gentleman's amendment which does take care of these World War I veterans.

I would like to say if the Members vote against this bill, they are voting against the social security problem that has been corrected in this legislation, plus moving veterans out of the poverty level in this bill. So I would certainly hope that the House would follow the lead of the subcommittee and the full committee in that this bill was voted out unanimously, with the gentleman's amendment, helping World War I veterans.

Mr. EDGAR. I thank the gentleman for his comments and thank our chairman for his expeditious handling of this important issue before our committee. I think we have handled all of the pension reform issues carefully, all of the legislative initiatives, including the World War I pension benefits, and I think we came out with an equitable compromise that fits in with the budget process.

Mr. ANDERSON of California. Mr. Speaker, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from California.

Mr. ANDERSON of California. I thank the gentleman for yielding.

I commend the gentleman for his thoughts and his remarks on the World War I veteran. I was just wondering whether he was aware that of the 600,000 surviving World War I veterans only 231,000 of them would be getting any benefits under H.R. 10173 because they are the ones who draw this welfare that the VA chooses to call "pension." Most of these receive checks today of from $5 to $10 a month. So when we give then a 25-percent increase on a $10 pension we are not really giving very much. It totals about $30 a year. I think we all ought to square this real life situation with the gentleman's comments. Most World War I veterans tell me that this bill that we are talking about today, H.R. 10173, does really nothing for them. They are the ones who would like to have us come back and really do something for them, by authorizing a separate World War I pension.

Mr. EDGAR. The gentleman from California is only partially right in his comment. There are presently 250,291 World War I veterans currently receiving a pension that is at the $2,300 level. At the $4,804 level there will be additional World War I pensioners who will be

placed on the roll and who will receive a veterans' benefit based on need, based on our commitment.

Second, there is more than a 25-percent increase. What it simply says is that at age 80 a veteran who is in the neediest of categories will in fact receive an increment. I think the very heart of this reform pension goes to the World War I benefits, and I think that the benefits that they will receive—the neediest of veterans—will be far greater than the gentleman indicates.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield myself 6 minutes.

Mr. Speaker, I appreciate the concern of the gentleman from California (Mr. ANDERSON) and I know how sincere and dedicated he is to the welfare of veterans, particularly World War I veterans, and I hope he also appreciates that the members of the Veterans' Affairs Committee take a back seat to no one in the Congress in their efforts to look after the well-being of those who have served honorably in our Nation's wars.

However, as the voters in the gentleman's own State made abundantly clear just a few weeks ago, we are on the brink of overloading the average taxpayer in this country. The typical taxpayer already works more than 4 months of every year just to pay taxes. And it became necessary in the area of pension reform to make some very difficult choices—it is unrealistic to believe that both the pension reform measure, and the World War I pension, could be passed by the Congress. The combined 5-year expense of these two bills alone—just in expenditures above current law—is more than the entire Veterans' Administration budget for this year.

And, as between these two measures, it is clear that H.R. 10173 benefits those with the most need. It eliminates some very distressing inequities and it greatly benefits those World War I veterans who are without other income. I would urge my colleagues to face the reality that we are not going to have both measures, and to vote in favor of H.R. 10173.

Mr. Speaker, let me once again go over the provisions of this bill which will substantially revise the veterans pension program as we know it today. Although not limited to veterans of a single war, this bill is undoubtedly the most meaningful bill for World War I veterans to be considered by this Congress. Pension reform is long overdue, and I welcome this opportunity to express my strong support for the measure that is presented for our consideration today.

I also want to commend the distinguished chairman of the Subcommittee on Compensation, Pension and Insurance, Mr. MONTGOMERY, and the distinguished gentleman from Ohio, Mr. WYLIE, the ranking minority member of the committee, for presenting to this body a bill that will authorize a substantial increase in monthly pension payments, particularly to those veterans who are in the twilight of their years. It accomplishes that worthy purpose, Mr. Speaker, without singling out veterans of any war for special attention.

Instead, it establishes a minimum level of need for veterans of all wars that exceeds the poverty level set forth by the Census Bureau as well as the levels of the President's proposed welfare program. Then, in recognition of the special needs of the aging veteran population, Mr. Speaker, H.R. 10173 authorizes a supplemental pension of $804 per year to be added to the basic monthly payment when a veteran pensioner reaches the age of 80 years.

Mr. Speaker, for a number of years the major veterans organizations have been urging the committee to create the mechanism by which veterans' pensions could be increased automatically with increases in the cost of living as measured by the Consumer Price Index.

The veterans organizations have also been urging a revision of the pension program so that it is less sensitive to modest increases in social security payments.

This bill addresses both of these issues by providing for an automatic annual adjustment in the monthly rates of pension at the same time as social security increases are triggered by the rising cost of living. Thus, no pensioner—veteran or widow—will have his or her pension reduced because of the receipt of a cost-of-living increase in social security payments. Instead both pension and social security would be increased at the same time by the same percentage.

The Veterans' Administration, under a mandate contained in Public Law 94–432, has accomplished a comprehensive analysis and evaluation of the non-service-connected pension program. Despite the fact that the Veterans' Administration has indicated that it cannot support this bill in its present form, the Administrator of Veterans' Affairs has stated that "H.R. 10173 addresses the major deficiencies and inequities of the current pension program."

Admittedly, this bill is costly. It will put an additional $8.6 billion into the pockets and purses of the Nation's pensioners over the next 5 years. Its cost, however, must be considered in the light of the substantial relief it will provide to the financial plight of the aging World War I veteran.

Mr. Speaker, this is a generous bill. Its approval will permit the aging veteran to live in the dignity that his war service has earned for him. I shall support the bill and urge my colleagues to do likewise.

Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. HILLIS), a member of the committee.

Mr. HILLIS. Mr. Speaker, I rise in support of H.R. 10173, the Veterans' and Survivors' Pension Improvement Act of 1978. This reform legislation is long overdue and I cannot commend too highly our colleagues SONNY MONTGOMERY and CHALMERS WYLIE for their diligent efforts in behalf of our Nation's veterans, and the lengthy testimony received prior to reporting to the House this bill which will create a new pension system applicable to all veterans, their widows, and children, who are or become eligible for a non-service-connected VA pension.

The new system will—

Allow veterans to live out their lives in dignity;

Prevent them from having to turn to welfare assistance;

Provide the greatest pension to those with greatest need; and

Guarantee regular increases in pension benefits which fully account for increases in the cost of living.

For the first time, all eligible veterans will be assured of a level of assistance that places them above poverty and welfare levels.

While some may not agree with the final totals enumerated in the bill, all must breathe a sigh of relief when they realize that no longer will Members be receiving annual letters from constituents unhappy over a decrease in their VA pension solely because of an increase in their social security benefits. This bill indexes the VA pension rates to the Consumer Price Index so that those receiving benefits under this legislation will always receive the full cost-of-living increase in both VA and social security benefits. No veteran or survivor will suffer any pension reduction solely because of cost-of-living increases in social security benefits. Thus, when social security rates are increased, individuals electing to receive benefits under this bill would always receive the full cost-of-living increase in both pension and social security benefits.

While the bill will also assure all VA pensioners of a level of income significantly above the poverty level, it will also provide additional assistance to our veterans over 80 years of age—of particular importance to our World War I veterans.

Mr. Speaker, I hesitate to take any more time but I want to reiterate my great appreciation to all members of the Subcommittee on Compensation, Pension. and Insurance for putting forth this important legislation for our consideration today and I urge my colleagues to support the bill as reported by the committee.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 1 minute to the gentleman from South Dakota (Mr. ABDNOR).

Mr. ABDNOR. Mr. Speaker, I rise to offer my support to the bill we are now debating. H.R. 10173 is a pension measure which has long been in the works. The Subcommittee on Compensation, Pension. and Insurance under the direction of the distinguished gentleman from Mississippi (Mr. MONTGOMERY) studied the non-service-connected pension program in complete detail. The result of their labors is this legislation. I will not dwell on the history of the program because it has been outlined in the report which accompanies the bill. Nor will I elaborate on how and why the Committee on Veterans' Affairs reached a final decision on this bill. What I would like to do is elaborate on what this bill will do. Through the years, the Congress has put together the current pension program. From time to time, changes in the law have become necessary. These periodic changes have been good in meeting short-term problems, yet in the long run they have caused some inequities in the program. The anomalies and inconsistencies which currently appear throughout the

law causes serious problems in administering the program. Even more problematic is explaining it to the pensioners. In its study of the current program, the Veterans' Administration devoted an entire chapter to anomalies, inconsistencies and inequities. As a result, most of the recommendations for change centered on those problems.

This bill has been labeled as a reform measure. I do not know if it is truly reform, but it definitely makes needed improvements. The earnings limitation is increased from $2,364 to $4,000 a year for single veterans and from $2,544 to $5,200 for veterans with one dependent. Remembering that this program is based on need and that the income level of the individual veteran dictates the amount of pension is tantamount in understanding the changes made by this bill. We would like to see no one existing below the poverty level. This bill will insure that, plus it will also assist those who need the assistance the most. The new income levels combined with other sections of this bill will guarantee that our veterans and their survivors will receive assistance to maintain a level above the poverty line.

Now I would like to turn to what I think is one of the most important sections of this bill. There is not a Member of this House who has not received tens of letters from constituents claiming, "I get a raise in social security and lose my veterans' pension." That line coupled with those such as, "how can it be fair when the Government gives with one hand and takes away with the other," have appeared in my mail since I came to Congress almost 6 years ago. The indexing mechanism which ties social security cost-of-living increases to the pension program is most welcome. This procedure will insure that no pensioner will ever receive a decrease in veterans' pension solely because of the social security cost-of-living increase.

Before closing, I would also commend the gentlemen who served on the subcommittee for accepting the additional pension for those veterans who reach the age of 80. I do not believe it is necessary to elaborate on the special needs of our older veterans. Increased medical costs cause severe hardships. The foresight of the subcommittee is to be commended.

Considering the need for this legislation, I urge all of the Members to vote for H.R. 10173.

Mr. PHILLIP BURTON. Mr. Speaker, will the gentleman yield?

Mr. ABDNOR. I yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise to commend the chairman of the full committee, the gentleman from Texas (Mr. ROBERTS), the gentleman from Mississippi (Mr. MONTGOMERY), and all the Republican and Democratic members of the committee who were responsible for bringing us this very important reform of this program, a reform which has been long overdue.

The SPEAKER pro tempore. The time of the gentleman from South Dakota (Mr. ABDNOR) has expired.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. PHILLIP BURTON).

Mr. PHILLIP BURTON. Mr. Speaker, as I said, this reform is long overdue, and it is a necessary one for this program.

Finally, let me say that those who served our country and the widows of those veterans will no longer be subject to having to go the ignominious route of participating in the Federal SSI system. It is unthinkable that we had in the past such a clumsy, cumbersome, unfair, and expensive dual administrative function for these very low-income veterans.

Mr. Speaker, I applaud the committee for its very wise and helpful consideration and for the results it has achieved in this area.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. FREY).

Mr. FREY. Mr. Speaker, I rise today in support of America's three-quarters of a million World War I veterans, their spouses and survivors. Over 5 years ago I authored the first true pension bill for World War I vets.

The legislation before us provides a pension to all veterans over 80 of $804 a year. My legislation would provide $150 a month to all World War I veterans, regardless of age, but with a $15,000 income ceiling. The substitute is not only necessary, it is the right, proper and decent action for Congress to take. I only wish we could vote on my legislation today.

Five years ago, after a veterans meeting in my district, one of my constituents came to me and asked why World War I veterans were overlooked whenever pension reform came before Congress. After looking into the situation, I found not only were these veterans overlooked, but a case could be made for discrimination. Only World War I veterans with service-connected disabilities participate to any degree in benefits awarded other veterans. The rest are afforded very few of the benefits common to veterans of other wars and conflicts.

When discharged from the service in 1919, for example, World War I veterans received train fare home and a mustering out bonus of $60. After years of protest, Congress in the 1930's enacted legislation giving each veteran adjusted service certificates in an effort to compensate for low wages paid during the war. The average value of those certificates was $547.50.

World War I veterans did not have educational assistance programs, help in finding employment, or the availability of VA hospitals. In many instances their educational handicap (sixth grade is the average educational level) prevented them from achieving any economic status. They came home in 1919 to the economic decline of the early 1920's with resulting high unemployment. Social security meant little or nothing to these men since most were too old to build up maximums in the system.

World War I veterans are covered by two pension systems, both based on need. The first system, in existence prior to July 1, 1960, allowed a veteran to receive a maximum of $78.75 if his income did not exceed $3,300 if he were single and $4,760 if he had dependents. The second system, now in effect, sees a determination of veterans' incomes made by the Veterans' Administration. Included in this determination is all income received by him, and in some instances, his wife. The pension is terminated if he has other earnings which add up to $3,770 a year if he is single, or $5,070 if he has dependents.

At issue here is not the small amount of money—although it is pitiful—but the idea that the pension is based on need. Of the 4,744,000 men who served in World War I only 770,000 are alive today. Less than half draw a VA pension—approximately 37 percent are eligible while 63 percent are not.

Veterans' pensions are not welfare and should not be administered as such. Veterans' groups, and many of us in Congress, have long fought for an unrestricted pension awarded to all those who served in World War I—regardless of age or disability. Today we have a chance to make that dream a reality. H.R. 10173 is the first piece of legislation to adopt this concept and I commend the Veterans' Affairs Committee, and especially my colleague, Mr. MONTGOMERY, for their efforts. But H.R. 10173 is just not adequate.

In my State, for example, which has the third largest veteran population in the country, the vast majority of citizens 75 and older fall into the income bracket between $1 and $2,999—59 percent are men and 83 percent are women. Only 20 percent of the men and 9 percent of the women 75 or older receive an income of between $3,000 and $4,999. The economic plight of our older Americans is severe—the plight of our World War I veterans is doubly severe because they have, in effect, been cheated.

Again, I commend the committee for their work. But it is not enough. I will support this bill as a partial step in the right direction. I will continue to fight for what the World War I veterans deserve—a true pension—a pension they have earned.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 2 minutes to the gentlewoman from Massachusetts (Mrs. HECKLER), who has been a valued member of our committee.

Mr. FISH. Mr. Speaker, will the gentlewoman yield?

Mrs. HECKLER. I yield to the gentleman from New York.

Mr. FISH. Mr. Speaker, I rise to urge the unanimous support of all my colleagues for all three of the veterans' bills being considered today. H.R. 11886 increases disability compensation rates for service-connected veterans by 6.5 percent and increases the rate of dependency and indemnity compensation for their survivors by 6.5 percent. It also clarifies the tax exempt status of veterans' compensation and increases compensation for triple amputees.

H.R. 11888 changes the minimum disability rating a veteran must have in order to receive additional compensation for dependents from 50 percent to 40 percent. It addresses as well the particu-

larly severe problems of those veterans with amputations below the knee—recognizing their need for an additional benefit. This supplement will help those veterans with substantial disability, who often have difficulty finding suitable and steady employment, and need help to meet the necessary daily expenses of supporting their families.

H.R. 10173 finally solves the problem of reductions in non-service-connected veteran's pensions from social security cost-of-living increases.

With consideration and passage of these vital measures, I believe that the Congress has finally recognized our obligation to the veterans of our great Nation. These three bills comprehensively address the myriad of problems encountered by the American vet.

I would particularly like to address my remarks to H.R. 10173, the "Veterans' and Survivors' Pension Improvement Act" and I commend our distinguished chairman, subcommittee chairmen and ranking members for their excellent work on a most comprehensive piece of legislation. This bill will assure that VA benefits will never be reduced solely as a result of cost-of-living increases in social security.

The indexing of VA pension rates to the Consumer Price Index, on the same basis as social security, illustrates the sensitivity of the committee to an inequity that has hurt non-service-connected pensioners particularly. This bill solves the problem of reduction in veterans pensions resulting from social security increases. After January 1, 1979, when social security benefits go up, veterans' pension beneficiaries will always be assured the full cost-of-living increase in both pension and social security benefits.

The review of the pension program by the Veterans' Committee and their solution resolves questions involving the inherent inequities of the old law and assures that every veteran pensioner will be the recipient of a level of income above the poverty level. Henceforth, the VA will see that a veteran pensioner's income is at least $4,000.

Mr. Speaker, I would also like to compliment veterans groups for their tireless efforts in bringing this matter to the attention of the public and the Congress. I supported the House Veterans' Committee in their attempts to provide the Veterans' Administration with a workable budget for fiscal year 1979 in anticipation of the passage of this landmark legislation.

I urge my colleagues to pledge their support in this struggle to provide quality services and reasonable compensation for our American veterans.

Mrs. HECKLER. Mr. Speaker, I rise in support of H.R. 10173, the Veterans and Survivor Pensions Improvement Act of 1978. I commend the leadership of the full committee for reporting this legislation, and the leadership of the Subcommittee on Compensation, Pension, and Insurance for developing this bill.

There are many important reforms in this bill which I believe will serve all veterans and will reflect with credit on the Veterans' Committee and the Congress.

For example, H.R. 10173 contains as one of its central provisions legislation I introduced last year to end the absurd practice by which each time a pensioner's social security payment is increased, his or her pension is reduced by the identical amount. It would also assure that all pensioners on the rolls on the date of enactment would receive at least the dollar amount of pension being received at the time the bill becomes effective. This means that no pensioner would receive a decrease in pension because of income from future social security increases.

H.R. 10173 would automatically index cost-of-living increases for pensioners. This means that those drawing pensions would receive automatic increases each year. Under current law, Congress is required to take affirmative action periodically to provide those increases.

And, H.R. 10173 would assure that no pensioner will subsist at below the poverty level. This legislation will substantially improve the standard of living for all veterans and eligible survivors. To serve the interests of those most in need, the rates contained in this bill are above those of assistance proposed in the President's welfare reform initiative.

But as one who cares very deeply about the particular problems of World War I veterans, I must say that, quite frankly, I am less than completely satisfied by H.R. 10173. I feel that we should have developed provisions that would make the bill more finely tuned to the needs of World War I veterans.

H.R. 9000, for example, would provide all World War I veterans with the option of accepting a $150 monthly pension. This is more realistic than the amendment adopted in committee that would extend benefits to veterans in the pension program now at the age of 80. However, almost half of the World War I veterans are not covered by the present pension program because at the time the legislation affecting them was passed they had to be in "dire need" to qualify, a standard that other veterans did not have to meet.

Mr. Speaker, I do feel, however, that reform in the program of veterans' pension benefits is needed, that the increments contained in this legislation are deserved, and that the Congress would do well to adopt this legislation.

I would like to say that I am encouraged by the very genuine expression of concern by all the members of the Committee on Veterans' Affairs for the problems of our 600,000 remaining World War I veterans. I am encouraged that the very distinguished chairman of the subcommittee, the gentleman from Mississippi (Mr. MONTGOMERY), who has so conscientiously developed this bill, has promised that there will be further consideration and an inquiry into the problems of World War I veterans during the next Congress. I know that the gentleman will hold true to his word.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 30 seconds to the gentleman from Florida (Mr. BURKE).

Mr. BURKE of Florida. Mr. Speaker, I rise in support of H.R. 10173 but I must state that I listened with interest to the remarks of our colleague from California (Mr. ANDERSON).

I wholeheartedly support the need to increase pension benefits to veterans and their widows. The mere increase in our Nation's cost of living warrants such. Furthermore, I would like to commend the gentlemen from Texas, Arkansas, Ohio, and Mississippi, for having produced this piece of legislation. However, this legislation does fall short of total equity for all veterans.

I do regret that H.R. 10173 fails to incorporate a provision dealing with pensions for World War I veterans and their widows. There are over 400,000 individuals or widows in this Nation who faithfully served our Nation in World War I. Yet these faithful few are once again neglected. This body has continuously recognized a need to provide for veterans of all conflicts following World War I, yet it has overlooked these, the most needy. Surely when the "call to arms" came to go "over there," these individuals never considered personal needs, only those of our Nation. Now, however, they are the ones in need. These individuals require our attention to their needs.

On January 4, 1978, I introduced H.R. 792, legislation to amend chapter 15 of title 38 of the United States Code to provide for the payment of a pension to World War I veterans and to provide that retirement income such as social security shall not be counted against any pension and to provide that such pension shall be increased by a further 10 per centum where the veterans served overseas. This proposal is endorsed by the national 4th Infantry Division Association, the Veterans of World War I Association, my area's Broward County Veterans' Services Division, and various other veterans' organizations.

My colleagues, I feel that we perhaps should permit this legislation to be considered under the normal procedure which would allow the offering of amendments. Surely our World War I veterans are entitled to a vote by this body as to whether we consider their service to our Nation as justified. I do realize that the Congressional Budget Office has estimated the cost of such provision at $2 billion. But these veterans and their widows did not look at the cost when they entered the "War to end all Wars?" Surely my colleagues' benevolence is such that we will at least grant these individuals full consideration of their needs.

To this end, I urge my colleagues on both sides of the aisle to vote for this suspension because the pending legislation is warranted and because we will I hope provide equally for all veterans.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 30 seconds to the gentleman from Tennessee (Mr. FORD).

Mr. FORD of Tennessee. Mr. Speaker, I rise today in strong support of H.R. 10173, the Veterans' and Survivors' Pension Improvement Act of 1978. This bill would raise pension levels to insure all veterans' pension recipients a decent standard of living. Under the bill the maximum annual pension rate for a single veteran would be increased from $2,364 to $4,000, and pension rates would be automatically tied to the Consumer

Price Index. In addition, it would cure the inequitable situation that occurs when a VA pensioner receives an increase in social security. Currently, that person suffers a reduction in his veterans' pension as a result of the VA's treatment of social security increases.

Mr. Speaker, last year I introduced H.R. 904, a bill which would eliminate this inequity by passing through the social security increase to the pensioner. As you well know, Mr. Speaker, I successfully obtained the cosponsorship of 176 of my colleagues in the House. Many other Members introduced similar legislation. I was very happy that the Veterans' Affairs Committee incorporated this measure in the pension reform bill, and I made my feelings known by cosponsoring H.R. 10173 and testifying on its behalf before the Veterans' Affairs Subcommittee on Compensation, Pension, and Insurance last February.

Mr. Speaker, let me outline to the Members of this body my reasons for supporting this bill. Today, veteran pensioners who also receive social security benefits are deprived of the full cost-of-living increase which is granted social security recipients annually. The amount of income used to determine VA benefit levels is called countable income. This figure excludes such forms of assistance as welfare and food stamps, but it includes 90 percent of a person's social security payments. Thus, as the general price level rises and social security recipients are given a cost-of-living increase, the Federal Government quickly recovers part of the increase by reducing that person's veteran's pension.

In short, social security cost-of-living increases often push recipients into a higher income bracket, and many individuals who also receive a veteran's pension suffer a reduction in that pension. In many cases, the pension has been terminated. This form of giving with one hand but taking away with the other is especially important because of the number of pensioners it affects. Of the nearly 5,470,000 persons receiving a veteran's pension about 80 percent receive social security payments also. Many of these pensioners rely on these two benefits as their sole source of income. It is said that this procedure never leaves the pensioner with less overall monthly income—that the decrease never more than offsets the increase, but often leaves the recipient with a slight increase in monthly income. Such thinking fails to realize that when we speak in terms of real income—that is, buying power—the beneficiary is often worse off.

My bill and the pending bill, H.R. 10173, would eliminate this inequity by making certain that increases in social security would be "passed through" to those who receive a veteran's pension as well.

The social security cost-of-living increase is granted to offset the cruel bite of inflation. When the Government takes it away, the recipient is increasingly pressed for ways to make ends meet, since his monthly cost-of-living rises even through his income remains about the same. This is especially crucial in this case, where so many of those affected are surviving on the fixed income of veterans' pension benefits and social security.

I commend you, Mr. Speaker, for addressing this and other problems with the veteran's pension in this legislation, and I urge my colleagues in the House to support it.

Mr. ROBERTS. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. HALL).

Mr. HALL. Mr. Speaker, the Veterans' and Survivors' Pension Improvement Act of 1978, as amended, attempts to meet the objectives of an equitable needs-based pension program by establishing a one variable system.

For the first time, all eligible veterans and survivors will be assured of a level of assistance that places them above the official poverty level index and national welfare standards.

Utilizing this basic structure, the Veterans' Administration will pay all eligible veterans and survivors pension on an annual basis, or in monthly installments, an amount to insure that the pensioner achieves the minimum level of support established by Congress. If a veteran without dependents, for example, has no income, the Veterans' Administration will pay him $4,000 a year. If he has some nonpension income he will receive in veterans' pension the difference between income available to him and the congressionally mandated level of support.

Generally, with limited exceptions, no distinction is made as to the source of nonpension income and all such available income will be calculated in determining the amount of pension the veteran will receive under the needs-based program. Thus, in order to aline pension payments more closely to a pensioner's available resources, and, hence, to actual need, the vast majority of the 18 income exclusions contained in the current pension law are eliminated. Certain exclusions with respect to unusual situations which do not conflict with the basic principles of the pension program are continued. For the most part, these exclusions were recommended by the Veterans' Administration in draft proposals previously submitted to the committee. They were directed toward those funds expended which are in the nature of one-time or pass-through type receipts, for example, unusual unreimbursed medical expenses and fire insurance proceeds.

Another important feature of the new pension program as reported is the provision for regular cost-of-living adjustment in the basic level of support establishment under this bill. This provision, which has occasioned much thought and discussion, provides that whenever social security benefits are increased automatically as a result of changes in the Consumer Price Index, the annual rate of pension will also be increased by a like percentage. Enactment of this will eliminate the push-pull effect that characterizes the present system when social security benefits are increased. Further, the possibility that inflation will rob pensioners of benefits which are irretrievably lost, even though the law is subsequently amended to adjust the rate, is eliminated. And it is clear that veterans and widows living on fixed incomes are those who are hurt the most by inflation.

The Veterans' Administration has assured the committee that under the new pension program, no veterans or survivor will suffer any pension support reduction solely because of cost-of-living increases in social security benefits.

Mr. Speaker, I realize that this legislation does not please everyone. Having served on the Veterans' Affairs Committee that considered this legislation and having heard and considered testimony from all sections concerning the plight of the veteran and his dependents and survivors, I believe this bill offers the best that can be obtained at this time for the veterans of all wars.

Mr. ROBERTS. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. AMMERMAN).

Mr. AMMERMAN. Mr. Speaker, I rise in support of H.R. 10173, the Veterans' and Survivors' Pension Improvement Act of 1978. A great deal of effort has gone into this piece of legislation in an attempt to provide for more equitable treatment of disabled veterans and their dependents. H.R. 10173 is the product of a number of years of study and consideration by the Veterans' Administration and the House Committee on Veterans' Affairs, as well as Members of the 93d, 94th, and 95th Congresses.

This bill would restructure the needs-based pension program to provide greater assistance to those in need, and to remove a number of inconsistencies so that the program will operate in an equitable manner. It would assure that every veteran and his survivors receive a level of income above the minimum subsistence level, allowing them to live their lives in dignity and preventing veterans and their survivors from having to turn to welfare assistance.

This legislation is based on the principle that the greatest pensions should be provided to those with the greatest needs. It would also guarantee regular increases in pensions that fully account for increases in the cost of living.

The latter provision will prevent recurrences of the situation in which individuals saw their veterans benefits go down when social security benefits went up to reflect increases in the cost of living.

Mr. Speaker, during the short time I have served here, I have seen the House spend considerable time on the subject of a pension for veterans of World War I. Some of the proponents of a World War I pension are urging defeat of this bill today so that it can be later brought up and amended to include a special World War I pension. However, I feel that this bill does address itself to the problems of the World War I veterans while at the same time it does not create a special precedent-setting category which could cause serious problems for future Congresses. This is a commendable effort by the Veterans' Affairs Committee to handle a delicate and serious problem in a most judicious manner.

In that connection, it should be noted that under this bill veterans aged 80 and

older would receive an additional $804 annual benefit in addition to the basic pension of $4,000. That would help improve the situation in which many World War I veterans find themselves because they are the veterans who fit into that category.

As a cosponsor of H.R. 10173 and a strong supporter of those Americans who have defended our country, I urge the passage of this legislation. We must continue to monitor the needs of the Veteran and meet them through thoughtful legislation such as H.R. 10173. In that way the Veterans' Administration may continue in its mission as stated by Abraham Lincoln:

To care for him who shall have borne the battle, for his widow and his orphan.

● Mr. DON H. CLAUSEN. Mr. Speaker, I intend to vote for H.R. 10173, the "Veterans' and Survivors' Pension Improvement Act of 1978," which is being considered today under Suspension of the Rules.

While this procedure does not allow for the offering of any amendments, the bill as written represents a number of major improvements in the present pension system which will help all pensioners, especially those the most in need.

In particular, the bill offers a final solution to the problem we have faced every year when individuals receiving a veteran's pension have their pensions reduced as a result of an increase in their social security benefits. The bill automatically indexes pension increases to the same schedule now provided by law for social security, thus eliminating the requirement that the Congress each year take action to provide cost-of-living increases for veterans. It also assures that no pensioner will ever receive a reduced pension check as a result of increases in social security.

I have received numerous letters from veterans who have had their pensions either reduced or eliminated as a result of having social security counted as income in computing their pension. Their social security check goes up but their veterans pension is reduced leaving them no better off than they were before and in some cases even worse off. Inflation continues to eat away at their purchasing power while their total income remains fixed.

I have sponsored legislation to remove social security from the formula used to compute income. I commend the members of the Veterans' Affairs Committee, in particular the distinguished chairman of the Subcommittee on Compensation, Pension and Insurance (Mr. MONTGOMERY) and the chairman of the full committee (Mr. ROBERTS) for their willingness to address this inequity. The bill offers a carefully developed and simple solution to a very difficult problem and for this reason I support the legislation.

A number of members are urging me to vote against the bill in order to attempt to force the committee to bring the bill back to the House with an amendment providing for a pension program for World War I veterans or under a procedure which would permit an amendment to be offered adding this program to the bill.

As a cosponsor of H.R. 9000, the World War I pension bill, I have worked for enactment of legislation providing for this type of direct assistance to our oldest veterans and have voted for the amendment to the budget resolution providing for the necessary funding authority for such legislation. However, the legislation before us offers many major improvements in the pension program which should go ahead at this time. Sending the bill back to committee may delay it and may prevent our enacting any pension reform legislation this year. I intend to continue to press for separate legislation providing for a World War I pension.

H.R. 10173 does not totally disregard the older veterans. It does address their needs and recognizes that elderly veterans do incur increasing expenses, such as medical expenses and special dietary needs. The bill increases the basic rates and income limits for veterans age 80 and above by $804. A veteran over age 80 without dependents is assured an income of $4,804 annually. A veteran over age 80 with one dependent is assured an income of $6,004 annually. The average age of World War I veterans is 82.1 years which means that this provision will benefit those World War I veterans who are eligible for a pension.

I urge my colleagues to support this legislation.●

● Mr. ALEXANDER. Mr. Speaker, I rise in support of H.R. 10173, and as a cosponsor of this bill wish to comment that it is long overdue.

For the past three Congresses, I have introduced legislation to insure that no VA pensioner would have this pension check reduced as a result of increased social security benefits. I am pleased that this is a key provision of H.R. 10173.

Mr. Speaker, a number of this Nation's senior citizens rely on other pension benefits in addition to their social security just to make ends meet. It simply does not make sense for the Congress to increase the level of social security benefits to help retirees cope with the cost of living when that action results in a cut in other benefits they may be receiving.

I also applaud the other major provisions of H.R. 10173, namely an increase in the rates of pension to insure that no eligible veteran or survivor will be required to subsist at a level below poverty and a provision mandating an automatic indexing of VA pension increases similar to the schedule now provided by law for social security.

Mr. Speaker, as a representative from a State that is second in percentage of its populace over the age of 65, I am keenly aware of the inequities in present law and urge my colleagues to support this needed pension reform bill.●

● Mr. OTTINGER. Mr. Speaker, I am pleased to join my colleagues, the gentleman from Texas, RAY ROBERTS and the gentleman from Mississippi, SONNY MONTGOMERY, in support of the Veterans' and Survivors' Pension Improvement Act of 1978, H.R. 10173.

This legislation provides sorely needed reform of the veterans' pension system. Its most important provision at last rectifies the situation by which social security increases are automatically nullified for veterans' pension recipients by a commensurate decrease in their veterans' pensions.

H.R. 10173 will not only increase pension rates for veterans, but will require that pensions be indexed to the Consumer Price Index to provide for the automatic cost-of-living increases on the same basis and effective the same day as social security. Under this system, all qualified veterans will receive full cost-of-living increases in both social security and pension benefits. I congratulate the committee for these long overdue reforms.

The bill also provides badly needed assistance to World War I veterans, another long overdue reform which I have long advocated.

I strongly support this bill, and I am confident that the majority of my colleagues will agree.●

● Mr. CORRADA. Mr. Speaker, I rise in support of H.R. 10173.

I want to commend the members of the House Committee on Veterans' Affairs for their efforts in reporting out and bringing to the floor this important piece of legislation. They have been diligent and responsive to the needs of the veterans.

This bill might be considered a realistic restructuring of the pension program for non-service-connected disabled veterans, and others. Since I testified before the committee on behalf of this bill, I have been receiving letters of veterans from Puerto Rico expressing their interest and support for this legislation. I feel that the time for doing them justice is long overdue.

Furthermore, this bill will put an end to the practice of giving with one hand and taking with the other. No longer will the pensioned veterans have to suffer the injustice of the reductions in their pensions as a result of the increased social security payments. H.R. 10173 would provide for an automatic annual increase of the pension rates simultaneously with, and in the same percentage amount as, social security cost-of-living increases. This is a significant accomplishment for which various veterans organizations have been claiming a long time ago.

Meritorious as this legislation is in its attempt to restructure the needs-based pension program I want to join my colleague GLENN M. ANDERSON in his plight on behalf of World War I veterans and their widows. As cosponsor of H.R. 9000 I feel that further action should be taken to make justice to World War I veterans, but by defeating H.R. 10173 we would be doing at this time a disservice to all other veterans benefited by it.

The increase in the basic rates and income limits for veterans age 80 and above by $804 as contemplated in H.R. 10173, is a token recognition to our senior veterans, it would only be a minimal help to cover in part their increasing medical expenses. In my opinion, H.R. 9000 is the only realistic solution for making justice to World War I veterans.

However, I want to point out that if the House does not refer H.R. 10173 back to the Rules Committee as proposed by Mr. ANDERSON, the House Committee on Veterans' Affairs should consider having further hearings on H.R. 9000 at the earliest possible date.

As cosponsor of H.R. 10173 I urge you, at this time, to support this measure and vote for its approval.●

● Mr. TEAGUE. Mr. Speaker, I rise in support of H.R. 10173, the Veterans and Survivor Pensions Improvement Act.

Congress has enacted a program of pension assistance for veterans and their survivors in grateful recognition of the extra contribution by veterans and their survivors in the Armed Forces during a period of war. The criteria governing the entitlement to a pension has always been based on age, disability, and need. Pension payments are a dignified supplement intended to help a veteran during his hour of need. In this way, our Government has not forgotten the sacrifice made by veterans when called upon to serve in the Armed Forces during war time.

We are considering a bill, H.R. 10173, which continues to incorporate the basic criteria of the pension program. First the veteran must have served during a period of war. Second, the veteran must be totally and permanently disabled to such an extent that the veteran is no longer gainfully employed. Third, the veteran will be paid a pension check based on need. The less income a veteran has, the greater will be the veteran's pension payment. When a veteran or his survivor exceeds the maximum income limitation, the pension payments stop.

Admittedly, the program envisioned by H.R. 10173, is a more generous pension program than the one enjoyed by veterans and their dependents today. However, the increased income limitations take into consideration, and will largely offset the costs of the many new assistance programs which have come into being during the last 10 to 15 years. I am referring to welfare programs for all citizens, food stamp assistance, increased social security assistance and others.

Another problem which has continuously faced the Congress, is the counting of social security income as part of the income limitation for entitlement to a veteran's pension payment. Each time the Congress has increased social security payments, it has also provided a corresponding increase in both the veterans' income limitations and payments. Because of the structure of the current pension program, and despite an increase in Veterans' Administration pension payments to offset the social security increases, many veterans have had their pension payments reduced, or in some cases, lost their benefits altogether as a result of increased social security and other income.

Under H.R. 10173, an individual's pension will never be reduced because of future social security increases. For those persons who are presently receiving a pension, the bill will allow them to continue to draw a pension at the current level. Pension payments will not be reduced when social security payments are increased in the future.

Whenever social security payments are increased, persons who elect to receive pension payments under H.R. 10173 will receive a cost-of-living increase in both their pension and social security benefits on the effective date of the increase. H.R. 10173 provides that the pension payments will be tied to the Consumer Price Index so that there will be an automatic increase in pension payments on the same basis as presently provided for when there is an increase in social security benefits.

In this way, therefore, H.R. 10173, will eliminate the agony of hundreds of thousands of veterans who have experienced a reduction in their veterans pension payments because of an increase in their social security payments.

No person's pension will be reduced in the future because of social security increases under the provisions of this bill.

Mr. Speaker, shortly after I came to Congress, following World War II, the House was faced with legislation to pay veterans of World War I a special pension. A decision was made at that time to reject such a pension. One of the reasons was because the amount of the pension to be paid a World War I veteran, would have been almost as much as the compensation payments being paid to a 100-percent service-connected disabled veteran of all wars. Another reason the Congress rejected the bill to pay a special pension to veterans of World War I was based on the principle that there should be but one pension program for veterans of World War I and World War II. Again this Congress, the Committee on Veterans Affairs has considered a number of bills to pay veterans of World War I a special pension payment. The committee has rejected these proposals and has reported H.R. 10173 which addresses itself to veterans of World War I, World War II, the Korean conflict, and the Vietnam conflict. In this way, the committee is continuing to adhere to the principle that we should legislate on the basis that a veteran served during a period of war rather than legislating for a special group of veterans who served in a particular conflict. H.R. 10173, however, does have a provision which is especially attractive to World War I veterans. It provides that when a veteran reaches the age of 80 or older, that the pension rate will be increased on the same basis as is presently provided for veterans who are so disabled that they are considered to be housebound. The average age of World War I veterans is 80. Thus, all World War I veterans who qualify under H.R. 10173, will be eligible for a larger pension payment than veterans of a lesser age.

These, Mr. Speaker, are some of the reasons for which I rise in support of H.R. 10173 today. There are many who have advocated that the veterans' pension program should be eliminated. Others have recommended that the veterans' pension program be merged with the social security program. We know that the World War I veterans are unhappy that their proposal, H.R. 9000, has not been made a part of this bill. On the other hand, we are hearing that the program is too generous and that the rates are excessive. I believe that H.R. 10173, is the best answer to all of the criticisms of the pension program. Like all legislation, this bill represents a compromise.

I want to congratulate the chairman of the Subcommittee on Compensation, Pension, and Insurance, Mr. MONTGOMERY, for his contribution on holding hearings on all pension bills referred to the subcommittee, and ably assisted by the Honorable CHALMERS WYLIE of Ohio, the ranking minority member of the subcommittee. I also want to congratulate the chairman of the full committee, the Honorable RAY ROBERTS, and the ranking minority member of the full committee, Mr. HAMMERSCHMIDT, for their contribution and their help in bringing this bill to the floor.

Approval of H.R. 10173 by the House will go a long way toward solving many problems which have caused so many Members much concern during recent years, and at the same time, vastly improve the pension program which will meet the critical needs of permanently and totally disabled and elderly veterans and their dependents.

I urge the House approve H.R. 10173.●

● Mr. BEDELL. Mr. Speaker, I rise in support of H.R. 10173, the Veterans' and Survivors' Pension Improvement Act of 1978, and I ask permission to revise and extend my remarks.

H.R. 10173 is a necessary and constructive piece of legislation which would do much to restore greater equity in the treatment of our Nation's veterans by providing for a major revision of the non-service-connected pension program effective January 1, 1979. The thrust of this pension reform bill is to restructure the needs-based pension program to provide greater assistance to those in need and to correct certain problems which currently impede the operation of that program.

There are several important highlights of H.R. 10173 which merit mention.

First, the bill would increase pension rates substantially. This change would assure a level of income above the minimum subsistence level for eligible veterans and their survivors.

Second, the bill would require that all income, both earned and unearned, be counted for the purposes of determining entitlement and the amount of pension payable, thus providing the largest pension for those with the greatest needs.

Third, the bill would provide additional pension benefits when an eligible veteran reaches the age of 80 years. At that time, his maximum support level would be increased by $804 per year. This provision is designed to provide additional assistance to World War I and other elderly veterans.

And fourth, H.R. 10173 would assure that VA benefits will not be reduced solely as a result of cost-of-living increases in social security benefits by indexing pension rates to the Consumer Price Index and providing for automatic cost-of-living increases on the same basis and effective day as social security. Thus, when social security benefits are in-

creased, individuals who receive non-service-connected pensions would always receive the full cost-of-living increases in both pension and social security benefits.

Mr. Speaker, I would like to take a moment to address this particular section of H.R. 10173. It is a very significant provision whose implementation is long overdue.

I am very pleased that today the full House finally has an opportunity to correct a blatant injustice in our pension law—namely, that provision which currently allows reductions in veterans' benefits in certain cases when social security benefits are increased. The problem is simple. Social security cost-of-living increases often push recipients into a higher bracket. A result, many individuals who also receive other Federal pensions, such as veterans, suffer a corresponding reduction in that pension, thus effectively negating or at least diminishing the effect of their social security cost-of-living adjustment.

In my view, there is no justification for allowing this situation to continue. One of the first bills I introduced in Congress was designed to remedy this problem by requiring that social security cost-of-living increases be disregarded as factor in determining allowable income for those receiving benefits from any other Federal or federally assisted program, until such time as there is a general adjustment in such program.

Last year, the Congress enacted legislation which provided that no veteran or survivor would receive a total decrease in VA pension benefits and social security as a result of those cost-of-living increases. While a step in the right direction, that law did not go far enough. In my judgment, it is simply not acceptable to state that no individual will suffer a loss in "total aggregate income" because his or her social security payments, and to leave it at that. If a cost-of-living increase is designed to offset the effects of inflation, it makes no sense to juggle benefits so that a recipient's total aggregate income remains relatively constant despite the fact he or she received a social security cost-of-living increase.

I feel very strongly that all veterans should receive their full cost-of-living increase, and not be penalized at all. I see no justification whatsoever for the Federal Government to grant cost-of-living increases for social security recipients on the one hand, and then take them away from veterans and their survivors on the other. For too many senior citizens, the social security cost-of-living increase has become a cruel hoax. It is time to put an end to this charade once and for all, and, if enacted, H.R. 10173 will do just that.

Mr. Speaker, the Veterans' and Survivors' Pension Improvement Act of 1978 is sound legislation. I urge its prompt passage by the House.●

● Mr. MINISH. Mr. Speaker, I would like to urge all of my colleagues to support H.R. 10173, the Veterans' and Survivors' Improvement Act of 1978, which is before us now under suspension of the Rules.

This legislation offers valuable relief to the many veterans and survivors on fixed incomes and I am most pleased that the bill contains a so-called social security passthrough.

As a cosponsor, for many years, of legislation to eliminate veterans' pension reductions whenever social security benefits increase, I feel that this provision is long overdue.

I am sure that every one of us has received a continuous stream of mail from veterans and their survivors who have had their pensions reduced to ridiculously low amounts over recent years, because of social security increases.

Mr. Speaker, H.R. 10173 not only would raise pension rates substantially, but also would provide automatic cost-of-living increases on the same basis and effective the same day as social security. The pensions would be indexed to the Consumer Price Index.

Additionally, the legislation increases pension maximums from the present $2,364 to $4,000 per year.

Mr. Speaker, although I support this bill, I would like to express my regrets that more adequate compensation has not been provided for veterans of World War I. An overwhelming majority of the Members of the House have expressed support for legislation to provide a $150 monthly pension for all World War I veterans. Such a gesture on our part is the least we should be willing to do for those who fought and died to preserve democracy.

The Veterans Committee has provided an $804 annual pension addition for some veterans over the age of 80. I really believe we should do more, for some 400,000 World War I veterans will not be eligible for this.●

● Mr. MITCHELL of New York. Mr. Speaker, it is with pleasure that I rise to express my support for H.R. 10173, The Veterans' and Survivors' Pension Improvement Act, designed to revise the non-service-connected pension program. This legislation, effective January 1, 1978 automatically indexes pension rates to the Consumer Price Index on the same basis as social security increases. It also increases the outside earnings limitation from $2,364 to $4,000 per year for single veterans and from $2,544 to $5,200 a year for veterans with one dependent. This program is still based on need and the amount of pension will still be dictated by the veteran's income level.

The indexing mechanism which ties social security cost-of-living increases to the pension program is most welcome. Pensioners will be most happy to know that there is a social security cost-of-living increase, there will not be a subsequent reduction in non-service-connected benefit checks. The bill also provides that when a veteran reaches 80 his outside income limitation increases from $4,000 to $4,804, and that he would qualify for benefits under H.R. 11891, which will soon come before the House for consideration.

I am confident you will agree with me that this legislation is needed to correct an inequity that has prevailed for too long. This proposal deserves our support.●

● Mr. MILLER of Ohio. Mr. Speaker, I support H.R. 10173, a bill to improve the nonservice-connected pension program for veterans of all wars.

The bill creates a new veterans' pension system that assures veterans and their survivors will live their lives in dignity with incomes above the minimum subsistence level.

For example, veterans with no dependents and no income would have their pension increased from the current $2,364 level to $4,000 annually. All other categories of veterans and their survivors would have their pension rates similarly adjusted on the basis of need. In doing so we can prevent the veteran or his widow who are in need from having to turn to welfare for help.

Finally, pension rates would automatically be adjusted to provide cost of living increases just as social security benefits are indexed. Importantly, this measure allows that when social security benefits are increased, the VA pensioner would get the full increase in his VA pension as well as social security benefits.

I commend the committee for its thorough evaluation of the current system and the much needed changes it has reported to make pension entitlements fairer and more adequate. Yet the bill does not incorporate H.R. 9000, the World War I Pension Act, which I cosponsored with the gentleman from California (Mr. ANDERSON). In its absence, 60 percent of the World War I veterans presently receiving no monthly VA payment would not be eligible for pension under the committee bill. That is a regretable and serious flaw.●

Mr. ROBERTS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Mississippi has very effectively pointed out the need for passing this pension reform measure. The reasons are obvious.

First, the bill would eliminate the problem of pension benefits being reduced every time social security benefits are increased.

The bill would automatically index pension rates to the Consumer Price Index on the same basis as social security benefits which means that recipients would no longer have to wait until Congress provides such cost-of-living increases as has been the practice in the past.

The bill would raise maximum pension rates thus assuring eligible veterans a decent standard of living. No longer would any wartime veteran be required to live on income less than the poverty level. No longer would he or she be required to supplement benefits by welfare payments.

Finally, Mr. Speaker, the bill would provide a special benefit for veterans who are permanently and totally disabled upon reaching age 80.

Although the benefit would go to any wartime veteran upon reaching such age, it is specifically designed to substantially increase the Federal benefit to the more needy World War I vet-

eran. This provision is supported by all of the veterans' organizations including the World War I Veterans.

Mr. Speaker, this is a very good bill and it should be adopted unanimously by the House. It is a reasonable bill costwise and I can assure my colleagues that the cost of the bill is within our budget allocation.

Mr. Speaker, the issue concerning this veterans pension bill can be stated simply as a question. Do we want a veterans pension reform bill or do we not? That is what it boils down to.

The gentleman from California wants to add his provision for a flat $150 per month for World War I veterans to the bill now before you. Mr. ANDERSON testified before our subcommittee when pension reform was being considered. Other Members favoring his proposal also testified and we were very glad to discuss the merits of another World War I bonus; however, neither the subcommittee or the full committee were persuaded by their arguments. The bill before you now, H.R. 10173, was recommended to the full committee without a dissenting vote, and the full committee ordered the bill reported to the House without a dissenting vote.

During our hearings, many witnesses said they believed H.R. 10173 was not generous enough to needy veterans. Others felt it was too generous. What we have, I believe, is a reasonable bill that is responsive to the mandate of the House. We were asked to come up with legislation that would once and for all end pension reductions brought about by social security increase. This bill does that. We were also asked to bring pensioners income above the poverty level. It will be done if this bill is enacted.

Mr. Speaker, Mr. ANDERSON'S proposal could add $1,400 million to the cost of the pension program. There is little doubt the President would veto such a measure. I understand he feels the reported bill is more costly than he would like.

These are the realities of this situation, Mr. Speaker. We are entering a time when the American people are no longer asking for fiscal restraint by government. They are demanding it. H.R. 10173 is a reasonable bill that will accomplish the goals this House has set for itself on veterans' pensions. I say to all Members—if you want pension reform this year, let us pass this bill.

Mr. Speaker, Mr. ANDERSON proposes that we kill this bill and send it back to the committee so that there can be further consideration of another bonus for World War I veterans. We have devoted much time to that proposal and the committee has rejected authorizing a further bonus for specific wartime veterans. In the eyes of the committee, a veteran is a veteran regardless of the wartime period in which he served; therefore, it is my opinion that if the proposal offered by Mr. ANDERSON is adopted, pension reform is dead for this year. Make no mistake about it, and I urge my colleagues to adopt H.R. 10173, as amended.

● Mr. HEFNER. Mr. Speaker, the reported bill, H.R. 10173, is the result of much hard work on the part of many people and I want to commend the members of our subcommittee, the distinguished chairman, Hon. SONNY MONTGOMERY, and the chairman of the full committee, the Honorable RAY ROBERTS, for the help he gave us in getting this bill to the floor.

The measure will solve many of the problems that have caused many of us so much concern during the past several years, especially the problem resulting from a reduction in pension benefits every time social security benefits are increased.

Basically, the bill would automatically index pension rates to the consumer price index on the same basis as social security benefits. Thus, if the reported bill is enacted, when social security rates are increased, individuals electing to receive pension benefits under the proposed bill would receive the full cost-of-living increase in both pension and sccial security benefits on the same date.

I can assure you, my colleagues, that under this bill an individual's pension would never be reduced because of future social security increases.

Second, the proposed bill would substantially raise maximum pension rates, assuring an annual income support level for all pensioners substantially above the poverty level. It would raise the maximum annual rate for a single veteran with no income from $2,364 to $4,000. For a veteran with one dependent and no income, the maximum rate would be increased from $2,544 to $5,200. In addition, each child would receive $600.

Third, the proposed bill would allow pensioners on the rolls to continue to draw pension at the current level if it would be more advantageous for such individual to remain under the current program. Pension rates would be frozen for those who elect to remain at the current level, and they would not have their pension reduced when social security is increased. It should be noted, however, that those who choose to remain under the current program will always have the option of converting to the proposed new program at any time such individual chooses to do so.

Fourth, the proposed bill would consider all family income for pension purposes, except a few one time. passthrough payments such as unreimbursed unusual medical expenses; proceeds of fire insurance; expenses of last illness and burial of a veteran, child of a veteran or spouse; just debts of the deceased veteran and VA educational benefits.

Fifth, the proposed bill would increase from $500 to $1,000 the amount above which veterans receiving aid-and-attendance benefits may exceed the income limits and still continue to be furnished drugs and medicines by the Veterans' Administration.

Finally, the bill takes special notice of the needs of the aged veterans. As you would guess, most of these are veterans of World War I. The special provision would provide for a basic pension rate for veterans who are age 80 or older at a level $804 above base rates for younger disabled veterans. This means that a veteran with neither wife or child would be guaranteed an income of $4,804 annually between his Veterans' Administration pension and his other countable income. The corresponding base rate for a veteran with one dependent would be increased from $5,200 to $6,004 annually.

The bill is designed to be effective January 1, 1979, and has an estimated fiscal year 1979 net cost of $730 million. While the cost thus estimated is well within our budgetary allocation, that does not tell the whole story for the future.

We have been able to get only incomplete estimates of the Government-wide savings the bill would generate. Since the pension proposed would provide a one-stop service for veterans and dependents at levels exceeding such programs as supplemental security income, aid to families with dependent children and welfare in almost all States, savings would be at least $122 million in fiscal year 1979 growing to more than $552 million in 5 years.

Mr. Chairman, I am confident that H.R. 10173 addresses the major inequities in the current law. It will, in my opinion, substantially improve the standard of living for all veterans and eligible survivors, especially those most in need.

In closing, Mr. Speaker, I urge all of my colleagues to vote for the passage of this bill.●

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill H.R. 10173, as amended.

The question was taken.

Mr. HAMMERSCHMIDT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks and to include extraneous matter on the bill, H.R. 10173.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

TAXATION OF FRINGE BENEFITS

Mr. ULLMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 12841) to prohibit the issuance of regulations on the taxtion of fringe benefits, as amended.

The Clerk read as follows:

H.R. 12841

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FRINGE BENEFIT REGULATIONS.

(a) IN GENERAL.—No fringe benefit regulation shall be issued—

(1) in final form on or after May 1, 1978, and on or before December 31, 1979, or

(2) in proposed or final form on or after May 1, 1978, if such regulation has an effective date on or before December 31, 1979.

(d) DEFINITION OF FRINGE BENEFIT REGULATION.—For purposes of subsection (a), the term "fringe benefit regulation" means a regulation providing for the inclusion of any fringe benefit in gross income by reason of section 61 of the Internal Revenue Code of 1954.

SEC. 2. COMMUTING EXPENSES.

With respect to transportation costs paid or incurred after December 31, 1976, and on or before December 31, 1979, the application of sections 62, 162, and 262 and of chapters 21, 23, and 24 of the Internal Revenue Code of 1954 to transportation expenses in traveling between a taxpayer's residence and place of work shall be determined—

(1) without regard to Revenue Ruling 76-453 (and without regard to any other regulation, ruling, or decision reaching the same result as, or a result similar to, the result set forth in such Revenue Ruling); and

(2) with full regard to the rules in effect before Revenue Ruling 76-453.

SEC. 3. TREATMENT OF CERTAIN STATUTORY SUBSISTENCE ALLOWANCES RECEIVED BY STATE POLICE OFFICERS BEFORE JANUARY 1, 1978.

(a) GENERAL RULE.—If—

(1) an individual who was employed as a State police officer received a statutory subsistence allowance while so employed, and

(2) this section applies to such allowance, then, for purposes of the Internal Revenue Code of 1954, such allowance shall not be included in such individual's gross income.

(b) ALLOWANCES TO WHICH SECTION APPLIES.—For purposes of this section, this section applies to any statutory subsistence allowance which was received—

(1) after December 31, 1969, and before January 1, 1977, to the extent such individual did not include such allowance in gross income on his income tax return for the taxable year in which such allowance was received, or

(2) during the calendar year 1977.

(c) OTHER DEFINITIONS.—For purposes of this section—

(1) STATE POLICE OFFICER.—The term "State police officer" means any police officer (including a highway patrolman) employed by a State (or the District of Columbia) on a full-time basis with the power to arrest.

(2) INCOME TAX RETURN.—The term "income tax return" means the return of the taxes imposed by subtitle A of the Internal Revenue Code of 1954. If an individual filed before November 29, 1977, an amended return for any taxable year, such amended return shall be treated as the return for such taxable year.

(d) LIMITATION ON DEDUCTION.—If any individual receives a subsistence allowance which is excluded from gross income under subsection (a), no deduction shall be allowed under any provision of chapter 1 of the Internal Revenue Code of 1954 for expenses in respect of which he has received such allowance, except to the extent that such expenses exceed the amount excludable from gross income under subsection (a) and the excess is otherwise allowed as a deduction under such chapter 1.

(e) STATUTE OF LIMITATIONS.—If refund or credit of any overpayment of tax resulting from the application of this section is prevented at any time on or before April 15, 1979, by the operation of any law or rule of law (including res judicata), refund or credit of such overpayment (to the extent attributable to the application of this section) may, nevertheless, be made or allowed if claim therefor is filed on or before April 15, 1979.

SEC. 4. MEALS FURNISHED FOR THE CONVENIENCE OF THE EMPLOYER.

(a) IN GENERAL.—Section 119 of the Internal Revenue Code of 1954 (relating to meals or lodging furnished for the convenience of the employer) is amended to read as follows:

"SEC. 119. MEALS OR LODGING FURNISHED FOR THE CONVENIENCE OF THE EMPLOYER.

"(a) GENERAL RULE.—There shall be excluded from gross income of an employee the value of any meals or lodging furnished to him by his employer for the convenience of the employer, but only if—

"(1) in the case of meals, the meals are furnished on the business premises of the employer, or

"(2) in the case of lodging, the employee is required to accept such lodging on the business premises of his employer as a condition of his employment.

"(b) SPECIAL RULES.—For purposes of subsection (a)—

"(1) PROVISIONS OF EMPLOYMENT CONTRACT OR STATE STATUTE NOT TO BE DETERMINATIVE.—In determining whether meals or lodging are furnished for the convenience of the employer, the provisions of an employment contract or of a State statute fixing terms of employment shall not be determinative of whether the meals or lodging are intended as compensation.

"(2) CERTAIN FACTORS NOT TAKEN INTO ACCOUNT WITH RESPECT TO MEALS.—In determining whether meals are furnished for the convenience of the employer, the fact that a charge is made for such meals, and the fact that the employee may accept or decline such meals, shall not be taken into account.

"(3) Certain fixed charges for meals.—

"(A) IN GENERAL.—If—

"(i) an employee is required to pay on a periodic basis a fixed charge for his meals, and

"(ii) such meals are furnished by the employer for the convenience of the employer,

there shall be excluded from the employee's gross income an amount equal to such fixed charge.

"(B) APPLICATION OF SUBPARAGRAPH (A).—Subparagraph (A) shall apply—

"(i) whether the employee pays the fixed charge out of his stated compensation or out of his own funds, and

"(ii) only if the employee is required to make the payment whether he accepts or declines the meals."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to taxable years beginning after December 31, 1953, and ending after August 16, 1954.

The SPEAKER pro tempore. Is a second demanded?

Mr. CONABLE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

Mr. ANNUNZIO. Mr. Speaker, I object, and on that I demand tellers.

Tellers were ordered, and the Speaker pro tempore appointed as tellers Mr. ULLMAN and Mr. ANNUNZIO.

The House divided, and the tellers reported that there were—yeas 22, nays 2.

Mr. ANNUNZIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device and there were—yeas 379, nays 3, not voting 50, as follows:

[Roll No. 502]

YEAS—379

Abdnor	Daniel, Dan	Hefner
Addabbo	Daniel, R. W.	Heftel
Akaka	Danielson	Hightower
Ambro	Davis	Hillis
Ammerman	de la Garza	Hollenbeck
Anderson, Calif.	Delaney	Holt
	Derrick	Holtzman
Anderson, Ill.	Derwinski	Horton
Andrews, N.C.	Devine	Hubbard
Andrews, N. Dak.	Dickinson	Huckaby
	Dicks	Hughes
Annunzio	Dingell	Hyde
Applegate	Dodd	Ichord
Archer	Dornan	Ireland
Ashbrook	Downey	Jacobs
Ashley	Drinan	Jeffords
Aspin	Duncan, Oreg.	Jenkins
Badham	Duncan, Tenn.	Jenrette
Bafalis	Early	Johnson, Calif.
Baldus	Eckhardt	Jones, N.C.
Barnard	Edgar	Jones, Okla.
Baucus	Edwards, Ala.	Jones, Tenn.
Bauman	Edwards, Calif.	Jordan
Beard, R.I.	Edwards, Okla.	Kasten
Beard, Tenn.	Eilberg	Kastenmeier
Bedell	Emery	Kazen
Beilenson	English	Kelly
Benjamin	Erlenborn	Kemp
Bennett	Ertel	Keys
Bevill	Evans, Colo.	Kildee
Biaggi	Evans, Del.	Kindness
Bingham	Evans, Ga.	Kostmayer
Blanchard	Evans, Ind.	Krebs
Blouin	Fary	Krueger
Boggs	Fascell	LaFalce
Boland	Fenwick	Lagomarsino
Bolling	Findley	Latta
Bonior	Fish	Leach
Bonker	Fisher	Lederer
Bowen	Fithian	Lehman
Brademas	Flippo	Lent
Breaux	Flood	Levitas
Breckinridge	Florio	Livingston
Brinkley	Flynt	Lloyd, Tenn.
Brodhead	Foley	Long, La.
Brooks	Ford, Mich.	Long, Md.
Broomfield	Ford, Tenn.	Lott
Brown, Calif.	Forsythe	Lujan
Brown, Mich.	Fountain	Luken
Broyhill	Fowler	Lundine
Buchanan	Frenzel	McClory
Burgener	Frey	McCormack
Burke, Calif.	Fuqua	McDade
Burke, Fla.	Gammage	McDonald
Burke, Mass.	Gephardt	McEwen
Burleson, Tex.	Giaimo	McFall
Burlison, Mo.	Gibbons	McHugh
Burton, Phillip	Gilman	McKay
Butler	Ginn	McKinney
Byron	Glickman	Madigan
Caputo	Goldwater	Maguire
Carney	Gonzalez	Mahon
Carter	Goodling	Mann
Cavanaugh	Gore	Markey
Cederberg	Gradison	Marks
Chappell	Grassley	Marlenee
Clawson, Del	Green	Marriott
Cleveland	Gudger	Martin
Cochran	Guyer	Mathis
Cohen	Hagedorn	Mattox
Coleman	Hall	Mazzoli
Collins, Ill.	Hamilton	Meeds
Conable	Hammer-schmidt	Mikulski
Conyers		Mikva
Corman	Hanley	Miller, Calif.
Cornell	Hannaford	Miller, Ohio
Cornwell	Hansen	Mineta
Cotter	Harkin	Minish
Coughlin	Harris	Mitchell, N.Y.
Crane	Harsha	Moakley
Cunningham	Hawkins	Moffett
D'Amours	Heckler	Mollohan

Montgomery	Richmond	Symms
Moore	Rinaldo	Taylor
Moorhead, Calif.	Risenhoover	Teague
	Roberts	Thompson
Moorhead, Pa.	Robinson	Thone
Moss	Roe	Thornton
Mottl	Rogers	Traxler
Murphy, Ill.	Rooney	Treen
Murphy, Pa.	Rose	Trible
Murtha	Rosenthal	Tucker
Myers, Gary	Rousselot	Udall
Myers, John	Roybal	Ullman
Myers, Michael	Rudd	Van Deerlin
Natcher	Russo	Vander Jagt
Neal	Ryan	Vanik
Nedzi	Santini	Vento
Nichols	Sarasin	Volkmer
Nix	Satterfield	Waggonner
Nolan	Sawyer	Walgren
Nowak	Scheuer	Walker
O'Brien	Schulze	Walsh
Oakar	Sebelius	Wampler
Oberstar	Sharp	Watkins
Obey	Shuster	Waxman
Ottinger	Sikes	Weaver
Panetta	Sisk	Weiss
Patten	Skelton	White
Patterson	Skubitz	Whitehurst
Pattison	Slack	Whitley
Pepper	Smith, Iowa	Wiggins
Perkins	Smith, Nebr.	Wilson, Bob
Pickle	Snyder	Winn
Pike	Solarz	Wirth
Poage	Spellman	Wolff
Pressler	Spence	Wright
Preyer	St Germain	Wydler
Price	Staggers	Wylie
Pritchard	Stangeland	Yates
Pursell	Stanton	Yatron
Quillen	Steed	Young, Alaska
Rahall	Steers	Young, Fla.
Railsback	Steiger	Young, Mo.
Rangel	Stockman	Young, Tex.
Regula	Stratton	Zablocki
Reuss	Studds	Zeferetti
Rhodes	Stump	

NAYS—3

Collins, Tex.	Conte	Quayle

NOT VOTING—50

Alexander	Gaydos	Quie
Armstrong	Harrington	Rodino
AuCoin	Holland	Roncalio
Brown, Ohio	Howard	Rostenkowski
Burton, John	Johnson, Colo.	Runnels
Carr	Le Fante	Ruppe
Chisholm	Leggett	Schroeder
Clausen, Don H.	Lloyd, Calif.	Selberling
	McCloskey	Shipley
Clay	Metcalfe	Simon
Corcoran	Meyner	Stark
Dellums	Michel	Stokes
Dent	Milford	Tsongas
Diggs	Mitchell, Md.	Whalen
Flowers	Murphy, N.Y.	Whitten
Fraser	Pease	Wilson, C. H.
Garcia	Pettis	Wilson, Tex.

So a second was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The gentleman from Oregon (Mr. ULLMAN) will be recognized for 20 minutes, and the gentleman from New York (Mr. CONABLE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 12841 prohibits the Treasury Department from issuing final regulations dealing with the taxation of employee fringe benefits before 1980. It also prohibits the Treasury from issuing any ruling or regulation prior to 1980, which would change the treatment of certain commuting expenses to temporary worksites. Also, the bill provides for the exclusion from income for certain subsistence allowances paid to State police officers between 1970 and 1978.

With respect to the treatment of fringe benefits and commuting expenses, the House and Senate have already approved similar prohibitions through part of 1978. This is provided under H.R. 9251, the Tax Treatment Extxension Act of 1978. The bill, H.R. 12841, would extend the prohibitions through 1979, to give Congress additional time to review these areas. In the meantime, a Ways and Means task force will study the fringe benefit area. These provisions of H.R. 12841 will have no effect on budget receipts.

With respect to subsistence allowances, the Supreme Court recently held that cash meal allowances paid to a State trooper were includible in income. The bill would apply this decision to State police officers on a prospective basis. It is estimated that this provision will decrease budget receipts by $6 million for fiscal 1978 and $2 million for fiscal 1979.

Finally, the committee approved an amendment to provide an income tax exclusion for meals furnished an employee for the convenience of the employer although the employer imposes a partial charge for the meal.

Under present law, an employee's income does not include the value of certain meals so long as the meals are furnished on the employer's premises and for the employer's convenience. However, the Treasury regulations provide that meals do not qualify for the exclusion if an employee must pay something for the meals.

The committee amendment changes this result. It allows an exclusion for the value of meals above any amount charged if the other requirements for exclusion are satisfied. The committee amendment would not change present law in any other respect.

Mr. Speaker, I urge the House to approve H.R. 12841.

Mr. CONABLE. Mr. Speaker, I think the Members will want to listen to this. Their constituents are quite concerned about what is happening in the IRS relative to the taxation of fringe benefits, and I think this measure will be of considerable interest not only to the Members, but to their constituents.

I rise in support of H.R. 12841, which prohibits the IRS from issuing final regulations concerning fringe benefits or commuting expenses until January 1, 1980. It provides also for the more reasonable taxation of certain meal allowances received by State troopers.

H.R. 9251, previously passed by the House and Senate, prohibits the IRS from issuing final regulations concerning the tax treatment of fringe benefits until July 1, 1978. The July 1 date is fast approaching, and the Internal Revenue Service's interest in the taxation of fringe benefits remains intense. Because of the lack of uniform tax rules concerning fringe benefits, the Committee on Ways and Means has established a special task force to study this area.

In addition, the Treasury Department is continuing to study appropriate handling of fringe benefits. To allow the task force and the Treasury sufficient time to complete their studies, the bill prohibits the Treasury Department from issuing final or proposed regulations concerning fringe benefits that are effective before January 1, 1980. With respect to the fringe benefit regulations, the Treasury Department has assured the committee that—

. . . No substantial departures from existing rulings and practice will be recommended other than on a wholly prospective basis.

H.R. 9251, the previous bill, also precludes the IRS until May 1, 1978, from determining the tax treatment of certain commuting expenses in accordance with rules contained in revenue ruling 76–453. Although this ruling has been withdrawn by the IRS, the IRS indicated that it was in the process of issuing proposed regulations concerning the tax treatment of certain commuting expenses. To date, the regulations have not been issued and the prohibition in H.R. 9251 is no longer effective. Since the Committee on Ways and Means still feels that it should study the subject of commuting expenses before any rulings or regulations are issued by the IRS, H.R. 12841 extends the commuting expense prohibition in H.R. 9251 to December 31, 1979.

The bill also contains the substance of H.R. 12645, which provides for the more equitable treatment of certain meal allowances received by State police officers by prohibiting their retroactive inclusion in income. H.R. 12645 had strong bipartisan support on the committee.

Finally, the bill also contains the provisions of H.R. 10594, which would prevent employees from being taxed on the discount value of meals served in their employer's cafeteria. This will allow the tax treatment of such meals to more accurately reflect the fact that the meals are usually furnished for the employer's convenience and not as additional employee compensation.

This bill, in short, Mr. Speaker, brings together several measures relating to fringe benefits. It postpones any effort by the IRS to tamper with current regulations and current practices until the end of 1979.

H.R. 12841 affirms the superior role of the Congress in establishing Federal tax policy. I urge its immediate passage.

Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey (Mr. RINALDO).

Mr. RINALDO. Mr. Speaker, I rise in support of H.R. 12841 and urge my colleagues to join me in voting for this bill.

As you know, the first two sections of this bill are designed to prevent the Internal Revenue Service from acting before 1980 to change the status of fringe benefits and commuting expenses.

I strongly support section 3 of this bill, which is designed to prevent the retroactive application of a recent Supreme Court decision, which includes within gross income, cash meal allowances paid to State troopers while on duty.

The Kowalski case involved a member of the New Jersey State Police and has left current and past members personally liable for thousands of dollars in back taxes.

In addition, police officers in about 14 other States face similar liability for past years. As a result, some of these officers and their families face financial ruin. Many will have to mortgage their homes or seek outside employment.

I have received letters from troopers who will now be unable to send their children to college. This is unfair, inequitable, punitive, discriminatory and must be corrected.

The Supreme Court has spoken on the taxation of cash meal allowances and the State police will comply fully with the law. But they should not be penalized retroactively for what was lawful in the past.

Preventing retroactivity will make a minimal difference in tax revenue, but it will make all the difference in the world in the morale and the economic viability of these troopers.

I want to emphasize that we have some of the finest men and women in the country in our State police, and this ruling, that so detrimentally affects their morale, should certainly not be allowed to stand. The only way it can be corrected, the only way we can restore their morale, the only way we can restore their economic viability, and the only way we can prevent financial hardship for many of these troopers is through this legislation.

Mr. Speaker, I urge every Member of this body to join me in voting for this very important legislation.

Mr. ULLMAN. Mr. Speaker, I wish to commend the distinguished chairman of the Subcommittee on Miscellaneous Revenue Measures, the gentleman from Louisiana (Mr. WAGGONNER), for bringing this bill to us in a timely way, and I yield 1 minute to the gentleman.

Mr. WAGGONNER. Mr. Speaker, I thank my chairman of the full committee for yielding to me this time.

Mr. Speaker, I simply want to urge my colleagues to support this proposal which is under suspension today as a much needed piece of legislation.

When these fringe benefits are no longer allowed, it should be done by legislative action rather than by bureaucratic decision. We need to restrain the IRS, and this legislation will accomplish that until the Congress acts in this field and decides what it wants to do by way of legislative action.

Mr. ULLMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Connecticut (Mr. COTTER).

Mr. COTTER. Mr. Speaker, I rise in support of H.R. 12841, a bill to prevent the IRS from issuing new regulations in the so-called fringe benefit area.

I just want to tell the House that this legislation should not even be necessary but is a direct result of overzealous reinterpretation of existing law by the IRS. The IRS has been and is planning to redefine traditional non-taxed worker's benefits as taxable income.

For the benefit of my colleagues I will provide a copy of the U.S. News and World Report on this issue at the end of my remarks.

The job of this bill is threefold. First it would preclude the IRS from issuing any new regulations in the fringe benefit area before 1980. This will allow Congress and the relevant committees a chance to review these new regulations before they go into effect. My own concern, Mr. Speaker, is that the IRS is now considering the taxation of parking lots and on-the-job education. Such a change would effect thousands of working men and women. In my own area, every major company provides parking facilities for its workers and under the IRS proposal these individuals would have increased tax liability for this benefit which has never been taxed in the past. If the Congress wants to tax employer-provided parking, which usually is done for the convenience of the employer, then the Congress, not the IRS should act. It is my view that the Congress did not intend that these benefits be taxed.

In committee I offered the motion to take care of another problem. On November 29, 1977 the Supreme Court in the Commissioner against Kowalski case, ruled that the cash meal allowance for State troopers was actually taxable income and that troopers who did not pay tax on it would be liable for both the tax and the penalty.

The reason that this decision was so harsh is that lower courts had been divided on the taxability of the meal subsidy. My amendment makes the Kowalski decision prospective. It would allow those who did not pay a tax on the meal allowance, or took a deduction for the allowance to be free of any tax liability or penalty for the period 1970 to 1976.

Finally, Mr. Speaker, I offered the amendment which is included in Chairman ULLMAN's motion to clarify the tax status of meals that employees receive in employer subsidized cafeterias. Again the IRS was auditing major companies in order to tax individual employees for the subsidized part of cafeteria meals. It is incomprehensible to me that the IRS believes that the Congress wanted it to go after subsidized cafeteria meals. These cafeterias are for the most part serving the convenience of the employers and are well within the exemption of section 119. Under the committee amendment the IRS would be precluded from acting in this area. Therefore I urge my colleagues to support H.R. 12841.

The article follows:

FORTY FRINGE BENEFITS IRS WANTS TO TAX

New rules that would impose taxes on dozens of employee fringe benefits are about to be unveiled by the Internal Revenue Service.

Just about every employee in the country appears to be a potential target. Congress, which would not have to pass on the actions now in the works, can be expected to howl—and maybe even move to thwart IRS plans.

The boxes on these pages indicate how extensive the tax-free perks of executives and other employees are—and how sizable they can be.

Fringes for millions. At least 40 benefits are under scrutiny, and they reflect an astonishing variety. Many perks, such as price discounts allowed for retail clerks, are the privilege of millions of individuals.

Some, such as free tuition for children of college staff members and free or nearly free air travel for families of airline employees, can mean thousands of dollars in tax-free benefits in a year.

While many business executives are enjoying the use of company cars and airplanes, car salesmen are getting full-time use of demonstrator models and millions of other employees are benefiting from subsidized lunchrooms and free parking spaces—all tax-free.

If all these fringe benefits were to be taxed, the added revenues would run into the billions.

The position of the IRS is that, legally, all of these benefits are taxable compensation to employees.

The Internal Revenue Code, officials point out, defines income for tax purposes as "all income from whatever source derived," including "compensation for services."

That section, the Supreme Court has ruled, "is broad enough to include in taxable income any economic or financial benefit conferred on the employee as compensation, whatever the form or mode by which it is effected."

Officials point out, however, that there are two kinds of exceptions to that dictum. Many of the most important fringe benefits—pension and profit-sharing programs, exempted from current taxes by acts of Congress.

In addition, three major perks have been made tax-free by specific rulings or regulations issued by the IRS. These are: free or reduced tuition for children of college employes, free or nominal fares for employes of airlines, railroads and bus lines, and reimbursement of supper money for employes when they work overtime.

However, Internal Revenue Commissioner Jerome Kurtz warns that, for those three benefits, "IRS is legally empowered to change these rules to bring them more into line with the law as it has been developed by the courts over the years."

IRS officials are preparing to act on their own, without seeking legislation from Congress.

What to expect. Tax-agency lawyers are drawing up proposed new regulations that, if adopted, will tax many fringe benefits for the first time.

How inclusive will the proposed rules be? Commissioner Kurtz answers: "I would hope that we can draft rules including most items."

Not all fringe benefits will come under the tax law, to be sure. Many will specifically be made tax-exempt under carefully spelled out guidelines. Some small fringe benefits, for example, will be made exempt because they are not worth trying to tax. Just as the law itself now exempts Christmas gifts valued at $25 or less, the new rules will exempt fringes of strictly nominal value. Reimbursement for an occasional dinner bought by an employe working overtime, for example, might come under that exception.

Some other benefits are to remain tax-free because they are too difficult to evaluate. For example, the market value of free parking at a downtown office building is easy to determine, but a space outside a plant miles from any city might be hard to price.

What the IRS is trying to do in writing the landmark regulations on fringes, Commissioner Kurtz says, is "to screen out small, hard-to-handle, difficult-to-value items." But on a vast array of fringes, workers, executives and other recipients may well find themselves liable for tax payments.

Why is the IRS moving to tax fringe benefits that traditionally have been tax-free?

Because, says Kurtz, "basically, fringe benefits are taxable income under the law," and the IRS is bound to enforce that law.

The problem, he explains, is that the law does not spell out the tax treatment for most fringe benefits. As a result, some or all of them are likely to be subjected to taxes in specific cases when they show up in an audit of an individual's tax return.

Tax lawyers and accountants say this means that any individual's tax may depend on which Internal Revenue district he lives in, or on the mood of the agent who audits his return.

Seeking answers. In an effort to get the fringe issue settled, the Treasury in September, 1975, wrote a set of proposed new regulations setting out standards for determining the taxability of fringe benefits. However, recognizing the explosive nature of the issues, officials did not formally propose the new rules, but simply published them in the form of a "discussion draft."

The move met such a storm of protest from Congress and elsewhere that the draft was suddenly withdrawn on Dec. 17, 1976, by then-Secretary William Simon. He said the blanket approach to the fringe-benefit problem was all wrong.

And Congress, playing for time, wrote legislation forbidding the IRS to issue new fringe-benefit regulations before mid-1978. That measure has yet to become law, but the IRS has committed itself to adopt no new regulations on the subject before July 1.

As a result, the IRS is not even issuing any new fringe-benefit rulings to inquiring taxpayers or responding to revenue agents who request advice in cases that are under audit.

But the pledge to defer the actual adoption of new regulations is not being allowed to prevent the IRS from drawing up and proposing such rules for public study and comment. The plan is to issue these in a few weeks.

Washington's silence has not kept revenue agents in the field offices from demanding added taxes when fringe benefits show up on audits of returns. Some of the resulting disputes find their way to the Tax Court. When they do, the IRS usually wins.

Dealer pays up. Take the case of the auto dealer who was ordered to pay taxes on the value of his free use of one of his company's executive cars. Knowing that dealers and their executives all over the country enjoy free use of company cars without any tax liability, the man was outraged. But the court could find nothing in the law or regulations to let him off free.

In another case, the Supreme Court held that cash reimbursement of troopers' expenses for lunch while they are on duty is taxable income, even though tax law says reimbursement for meal expenses on overnight business travel is not counted as income.

Opponents of the IRS position argue that, because Congress has had many years in which to make fringes clearly taxable, the agency is usurping authority in going ahead on its own.

But Commissioner Kurtz insists that the IRS simply wants to get the issue settled—to make fringe benefits clearly taxable or tax-free under law.

By proposing new regulations imposing taxes on most such perks, Kurtz hopes to push Congress into writing legislation that spells out clearly the tax treatment of all such benefits.

But with Congress already balking on President Carter's tax-reduction-and-reform program, the IRS effort may draw nothing from Congress but another "stop" order on taxing employe perks.

IN THE TAX COLLECTORS' SIGHTS

(Scores of employe fringe benefits go untaxed without any provision for them in law. Now the IRS wants to tax most of them. Here are 40 examples of perks under scrutiny:)

1. Price discounts for store clerks.

2. Free trips in the U.S. and, in many cases, abroad for employes of airlines, railroads and bus lines.

3. Free tuition for spouses and children of university faculty members and other employes.

4. Free parking on employers' premises.

5. Overdraft privileges for bank officers and directors, often at low or no interest.

6. "In kind" benefits such as free or cut-rate telephone and power service for retired employes of phone companies and other utilities.

7. Use of company cars by executives and other employes, including use of demonstrators and "executive cars" by salesmen and executives of auto dealerships.

8. Cars and chauffeurs provided for high executives of federal, state and local governments.

9. Travel reimbursement for employes going between home and temporary work sites—say, an accountant driving to or from a client's office.

10. Season tickets to football, baseball and other games, used by employes.

11. Free tickets to the theater and concerts.

12. Christmas gifts—worth more than the $25 exempt by law—from employers.

13. Beach cottages and other vacation facilities maintained by companies for free use by employes.

14. Conferences at resorts for "sales leaders," spouses.

15. Employment-agency fees and expenses of interview trips paid by prospective employers.

16. First-class air travel when first class is not essential to the business of company officers and directors.

17. Rebates to employes who buy their firms' products.

18. Free subscriptions and low-cost gift subscriptions for employes of magazines and other periodicals.

19. Executive use of assistants and other staff members on personal matters.

20. Residences provided free for executives.

21. Free receptions and entertainment for wives at trade conventions—some of them overseas.

22. Education in the form of free on-the-job training.

23. Loans to employes at low or no interest to buy company stock or for other purposes.

24. Employer's credit cards used by employes to shift interest costs to the firm.

25. Old-age homes provided by companies for their retired employes.

26. Executive memberships in lunch and country clubs.

27. Home improvements for executives that are paid for by employers.

28. Financial counseling and accounting services provided by companies for executives.

29. Employe cafeterias and executive dining rooms offering subsidized prices.

30. Lunch and dinner money provided for employes in all sorts of situations.

31. Deferred pay for executives who each year elect to forgo a specific amount of their salaries and channel it into tax-sheltered investment accounts.

32. Executive trips on company planes to resorts.

33. Annual medical checkups, with health-unit services.

34. Company picnics, Christmas lunches, parties.

35. Bodyguards for corporate executives.

36. Taxi fares for employes coming or going after dark.

37. Tennis, squash courts, swimming pools, other recreational facilities provided by companies for free use by employes.

38. Free bus transportation to plants in distant locations or offices in unsafe neighborhoods.

39. For Americans working overseas, such benefits as education for children, residences, decoration and furnishing of homes, maid and valet services, meals and entertainment at nominal cost at military or government posts.

40. For members of Congress, haircuts, shoeshines, discounts on merchandise, transportation and meal reimbursements, limousines, parking, personal work by secretaries, day-care facilities, picture framing—and one free steamer trunk each session.

ABROAD, IT'S FULL SPEED AHEAD FOR MOST TAX-FREE PERKS

Unlike the U.S., there is little pressure in foreign countries to end their equivalent of tax-deductible three-martini lunches—or to start taxing other fringe benefits.

However, some changes in perks are being made by corporations. Japanese executives, for example, may double up in company cars instead of riding alone.

But even in Britain, where the Labor government might be expected to trim perks, there is no clamor to do so. One reason: Union chiefs, who are close allies of the government, collect a tidy assortment of fringes.

Says a London civil servant: "Union leaders get low salaries, but they also get London flats, chauffeur-driven cars, and give some of Britain's best and biggest parties."

Only in Canada is there anything like the agitation in the U.S. for a tax crackdown on frinzes.

Elsewhere, fringe benefits are considered essential to morale. Taxes on high incomes are often confiscatory, and perks lessen the demand for pay raises.

From a survey by the magazine's international staff:

LONDON.—The range of benefits for a British executive is wide and imaginative—from a car and gasoline credit card to a clothing allowance.

Executives receive interest-free loans to pay for their children's private schools. Bargain mortgage rates are available for home loans.

Unless a firm is entertaining foreigners, it has less freedom than in the past for expense-account hospitality. Yet companies pick up the tabs for race-track boxes and hunting privileges, both of which are used with or without foreign guests.

PARIS.—Fringe benefits are catching on in a big way here. The reason: Government-imposed ceilings on salaries force companies to find other ways to reward executive talent.

Some companies pay an individual more than one salary. By crediting some payments to a subsidiary abroad, the firm evades France's salary ceiling of $6,200 a month.

There are other nominal perks, such as use of a car and plane, and memberships in clubs. Executives get bonuses for overseas trips.

ROME.—Increasingly popular among Italian companies: providing housing for executives. Firms doing this are no longer troubled by employes' reluctance to accept transfers because of high rents in big cities.

An increasing number of firms are giving tax-free annual bonuses in addition to the

use of cars, club memberships and expense accounts.

GENEVA.—Compared to his counterparts elsewhere in Europe, the Swiss executive is a poor cousin in fringe benefits. Salary counts for more here than expense accounts.

Further, tax authorities scrutinize business expenses carefully. Use of a company car, for instance, would be considered taxable income.

TOKYO.—Fringe benefits are so deeply ingrained in Japanese business life that they will probably never be seriously curtailed. Expense accounts alone are expected to cost companies 30 billion dollars this year.

The general rule: A high executive's expense allowance should exceed his pay.

Free cars and housing, the latter even for lower-ranking employes, are common.

A profit squeeze is bringing changes. Executives are giving up their rent-free vacation homes.

BUENOS AIRES.—For the Argentine businessman, "black money" is an increasingly popular fringe benefit.

It's cash—paid under the table, not reported to the tax man, free of any deductions. Says one executive: "It is the only way you can get the kind of people you need."

OTTAWA.—Innovations in fringe benefits range from paid sabbatical leaves to memberships in health clubs to paid outside financial counseling.

But the government has moved against some lavish perks.

One casualty: Company-owned hunting lodges aren't deductible anymore; firms are closing them.

HOW FRINGES CAN ADD UP

(Here are the Bosleys, a hypothetical family of five: Jim, a university professor; wife, June, an airline reservations clerk; daughter, Sally, a department-store clerk; twin sons.)

The Bosleys live in a large campus house on which the university pays maintenance and utility costs. Tax-free benefits—about $1,000.

Because of their father's position, the sons pay no college tuition. Tax-free benefit—about $8,000.

Each year Jim, June and the boys travel abroad on free airline tickets and pay reduced hotel rates because of June's airline job. Tax-free benefit—about $3,000.

Sally buys all sorts of family items at a substantial discount at her department store. Tax-free benefit—about $750.

Both parents have free parking spaces at their jobs. Tax-free benefit—about $1,000.

The couple frequently enjoys meals and entertains often at the faculty club, paying reduced rates. Tax-free benefit—about $950.

Jim and June use other university facilities—golf course, exercise gym, tennis and squash courts—free or at reduced cost. Tax-free benefit—about $800.

Total annual tax-free benefits: $15,500.

Mr. CONABLE. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. FORSYTHE).

Mr. FORSYTHE. Mr. Speaker, I thank my colleague, the gentleman from New Ycrk (Mr. CONABLE), for yielding this time to me.

Mr. Speaker, I rise in support of H.R. 12841, and I most particularly wish to speak to the issue that has been addressed by my colleague, the gentleman from New Jersey (Mr. RINALDO). That is the issue of removing the retroactive penalty on the trooper allowances that has created a very serious problem in the State of New Jersey and in other States.

I think it is more severe in New Jersey because the allowance is far more significant. But this elimination of retroactive penalties, I think, is just simple justice.

There is just one other small part which does bother me with respect to this same situation. It is my understanding that this legislation does not provide those same troopers, who have already borrowed money, to pay their taxes in the same period, and I believe they should have a rebate. That should be taken care of at some time.

Mr. CONABLE. Mr. Speaker, I yield such time as he may consume to the gentleman from Missouri (Mr. COLEMAN).

Mr. COLEMAN. Mr. Speaker, I rise in support of H.R. 12841. There appears to be no end to how far this administration is willing to go in trying to impose new taxes on the people of this Nation.

Within my State of Missouri, the Internal Revenue Service (IRS) has been working to tax everything, everybody, and every transaction. IRS has worked to tax automobile salesmen, real estate agents, airline employees, office workers for parking spaces, and just about every honest working person within the Sixth Congressional District.

In some respects, it is easy to see the problem IRS has had in defining income, and it is the intention of Congress that income be taxed equally. But, when you take recent interpretations by IRS and extend them to their logical conclusion, you find an unbearable situation.

The Internal Revenue Service should not take it upon itself to attempt to establish new policy definitions for income. That is the role of this body, and if there is sufficient indication that fringe benefits are being abused as a way to circumvent income taxation, then Congress should review the situation.

I call on the House to adopt this important legislation to stop IRS from selective taxation of fringe benefits. This Congress needs to stop allowing the administration to constantly find new ways to tax middle America. We must recognize that every taxpayer receives fringe benefits in one form or another and acknowledge that IRS is not the proper body to decide whether or not to expand taxation of those fringe benefits.

Mr. CONABLE. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. BROWN).

Mr. BROWN of Michigan. Mr. Chairman, I would hope that, as the Committee on Ways and Means looks into this whole area of fringe benefits, it carefully analyze and examine the inequity that exists with respect to many working people concerning things like prepaid legal services, prepaid medical, all of those things which presently cause a worker who is under a negotiated contract, where these fringe benefits are negotiated, to in effect receive those services without having them be treated as income, whereas the non-negotiated contract person, who has the same expenses, is unable to take them as deductions, so therefore, for all intents and purposes, they are treated as income. I think there are gross inequities in this area. I hope that when this is being studied there will be a thorough study and we will get more equity in the tax system.

Mr. CONABLE. Mr. Speaker, I would like to thank the gentleman for his comments. I think that is an entirely appropriate area for study of our task force, and when this is being looked into I can assure the gentleman that his remarks will be noted.

Mr. ULLMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Speaker, I rise in support of this legislation. It is important that we pass this bill today. We tried under the Tax Treatment Extension Act of 1978 (H.R. 9251) to provide that no regulations were to be issued in final form after October 1, 1977, and before July 1, 1978, providing for the inclusion of any fringe benefit in gross income by reason of section 61 of the code. While that bill was passed by the House on October 25, 1977, and by the Senate on May 11, 1978, it now seems that a proper review of these issues requires a longer period of time than would be available under H.R. 9251.

We need to be sure that the Internal Revenue Service gets the message that policy that would govern the income tax treatment of fringe benefits is one that should be announced by Congress and no final regulations should be issued until 1980.

This whole area of fringe benefits is a complicated matter and obviously needs considered study and then further recommendations. Chairman AL ULLMAN has appointed me as the chairman of the Task Force on Employee Fringe Benefits with Mr. COTTER, Mr. MIKVA, Mr. JENKINS, Mr. BRODHEAD, Mr. DUNCAN, and Mr. GRADISON. I accept this appointment as a considerable challenge to meet the objections so that the little employee will not be deprived of fringe benefits that he has historically had and to which he is entitled, while at the same time fringe benefits are not used to hide what should be taxable compensation. The problem of finding the line separating the two may be difficult but our task force accepts the challenge.

The bill also will allow Congress additional time to study any proposed change in regulations by the IRS changing the treatment of transportation expenses between a taxpayer's residence and place of work. It will also apply the Supreme Court's Kowalski decision affecting meals for State police officers on a prospective basis only. The immediate case affects New Jersey only, but this type of case could affect other States also, including my own State of Texas.

I consider it an honor to have been appointed chairman of this distinguished task force and meanwhile urge passage of this bill that will stop any change in the taxation of fringe benefits by the Treasury Department, or alter the treatment of fringe benefits through the issu-

ance of revenue rulings or revenue procedures.

Mr. ULLMAN. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma (Mr. JONES).

Mr. JONES of Oklahoma. Mr. Speaker, I, too, would urge my colleagues to support H.R. 12841. This legislation will underscore the message that Congress has been trying to give to the executive branch, and that is that the tax policy of the United States shall be set by the Congress and not by the unelected bureaucracy. That is the message of this legislation.

This is the second expression that this Congress has been able to make on this particular subject. Similar legislation that I helped draft last year passed the House and Senate. This bill will postpone any change in the tax policy on fringe benefits and commuter expenses until 1980. I urge its adoption.

Mr. ULLMAN. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. HUGHES).

Mr. HUGHES. Mr. Speaker, I rise in strong support of H.R. 12841, which would delay any effort by the Internal Revenue Service to tax various fringe benefits.

This legislation also would remedy the very serious financial hardship which is facing State police officers across the Nation as the result of a recent Supreme Court decision. That case, Commissioner against Kowalski, ended almost 25 years of relatively consistent judicial opinion that meal allowances paid to State police officers are not taxable. As a result, they are now liable for taxes on their meal allowances back through 1971.

There can be little question but that the retroactive enforcement of this decision for the past 6 tax years will result in a very serious hardship. In my home State of New Jersey, I am personally aware of many troopers who have already been audited and assessed for as much as $4,000 in back taxes as a result of the Kowalski case. Assessments could go as high as $7,000 in the case of some individuals.

Needless to say, for troopers who have an average take-home pay of between $10,000 and $12,500 per year, the burden of such high assessments will be crushing. It will inevitably force many troopers deeply into debt. Similar hardships may result in other States as well.

I do not question the wisdom of the Supreme Court in deciding that meal allowances should be taxable. I very seriously question, however, the policy of enforcing this decision retroactively to a time when it was not in force, and the law was quite clearly different.

The legislation before us today would relieve this heavy burden by providing that taxation of State police meal allowances will apply only to future tax years, and not to the previous 6 years. This is a fair and equitable resolution of this problem, and strongly urge my colleagues to support H.R. 12841.

Mr. ULLMAN. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. ROE.)

Mr. ROE. Mr. Speaker, on behalf of the New Jersey State troopers and their families, I rise in strong support of H.R. 12841 before the House today to prevent the grossly unfair retroactive application of a ruling of the Internal Revenue Service which places a heavy tax burden on our New Jersey State Police threatening many of them with potential bankruptcy, jeopardizing their life savings and equity in their homes. This tremendous tax burden has fallen not only upon New Jersey's State Police but as many as 9,000 troopers in 15 States across the Nation are affected. There is immediate need for action. In some States there will be no retroactive application; in other States, troopers face retroactive tax obligations dating back 3 years; and in New Jersey there will be a retroactive application of 10 years. Members of the New Jersey State Police have indeed been singled out for unduly harsh treatment.

Mr. Speaker, we are talking about a dire financial strain on the families of our State police officers to say nothing of the staggering blow to the morale and esprit de corps of the representatives of this highly trained crime-fighting force of public safety officers whose outstanding record of performance and commendable service engenders a debt of gratitude from all of us for their valor and courage in line of duty on behalf of all of the people of our community, State, and Nation.

Mr. Speaker, this bill H.R. 12841 is a vitally important remedy of fairness and with your permission I would like to present to you for insertion at this point in our historical journal of Congress a copy of the in-depth testimony submitted to the Senate Committee on Finance on the Senate's companion measure by the distinguished Superintendent of the New Jersey State Police, Col. Clinton L. Pagano, on behalf of the men under his command which succinctly outlines this entire issue for the benefit of all Members of the House and Senate. Colonel Pagano's statement reads, as follows:

STATEMENT OF COL. C. L. PAGANO, FOR PRESENTATION TO THE SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT OF THE COMMITTEE ON FINANCE, U.S. SENATE, JUNE 19, 1978

I appear today to support the passage of S–3134, a bill to provide that certain statutory subsistence allowances received by state police officers will not retroactively be included in gross income. The purpose of this proposed legislation is to lift an unbearable retroactive tax burden that has been imposed upon thousands of state police officers across the nation. This severe hardship that will befall state police troopers comes as a result of the Internal Revenue Service application of the rule recently announced by the Supreme Court of the United States in *Commissioner of Internal Revenue* v. *Robert J. Kowalski* (Argued October 12, 1977, Decided November 29, 1977).

In *Kowalski*, the Supreme Court held in a split decision that the State of New Jersey's cash subsistence allowances to its state troopers to reimburse them for the cost of meals consumed while on active police duty constituted income and that the allowance could not be excluded from income under the special provisions of Internal Revenue Code, Section 119 (relating to the value of meals furnished for the convenience of the employer) because the allowance was provided in cash. The *Kowalski* rule would apply prospectively only under the proposed legislation.

Since the establishment of the New Jersey State Police in 1921 and until the Supreme Court's announcement of the *Kowalski* rule, meals and meal allowances furnished to New Jersey Troopers had never constituted income. Thus, this rule reverses a statutory result in New Jersey that has stood for over 50 years.

From 1921 to 1949, the State of New Jersey provided meals to the troopers of the state police at the state operated barracks. The Bureau of Internal Revenue never challenged the exclusion of these meals from income. In 1949, the State of New Jersey eliminated the meals served at the various barracks and instituted a cash meal allowance for administrative reasons. The Bureau of Internal Revenue immediately challenged the exclusion of the allowance from income, but the exclusion was upheld by the U.S. Court of Appeals for the Third Circuit in *Saunders* v. *Commissioner of Internal Revenue*, (1954), reversing the U.S. Tax Court. The Bureau of Internal Revenue did not seek review by the Supreme Court of the U.S.

The State of New Jersey continued to provide the meal allowance, and the Internal Revenue Service on audit of Kowalski's federal income tax return for 1970—20 years after the Saunders audit—disallowed any exclusion of the meal allowance and any deduction for meal expenses. Kowalski filed a petition in the United States Tax Court disputing the determination of the IRS. In October, 1975 the Tax Court decided that the meal allowance was not excludable under either Section 61 or Section 119 of the Internal Revenue Code, but that two-thirds of the meal expenses was deductible, since Kowalski had spent two-thirds of his time on overnight active duty. The Tax Court's opinion was joined in by nine judges. Six other judges (including Judge Sterrett, the trial judge) dissented on the ground that the meal allowance was fully excludable under Section 61 of the Code and one other judge dissented on the ground that the meal allowance was fully deductible. Kowalski appealed, and in November, 1976 the Third Circuit reversed the decision of the tax court on the basis of its prior decision in the Saunders case in 1954 and on the basis of Judge Sterrett's dissenting opinion in the tax court. Thus, the IRS lost, once again, in the U.S. Court of Appeals for the Third Circuit in a unanimous per curiam opinion.

In February, 1977, the IRS petitioned to the Supreme Court of the United States for review of the decision of the Third Circuit. The Supreme Court granted the petition for review in March, 1977. The case was argued on October 12, 1977 and decided November 29, 1977. At this time the IRS decision was sustained by a divided court, in spite of the fact that cash subsistence allowances paid to personnel of the armed forces and certain other federal employees are excluded by the Internal Revenue Service from their income without statutory authority. This is weak support for recognizing a substantial benefit for the Military and denying it for the paramilitary New Jersey State Trooper counterpart.

Thus, as I previously stated, the *Kowalski* rule has reversed an income tax result of over 50 years standing with the New Jersey State Police. Until the U.S. Supreme Court's announcement of the *Kowalski* rule, the New Jersey Troopers assumed, and it was affirmed on two occasions by the U.S. Court of Appeals for the Third Circuit, that the trooper's meal allowance was non-taxable. As a result of the Supreme Court De-

cision, the Internal Revenue Service has begun to audit individual returns of state troopers in order to claim back taxes on meal allowances. These audits are expected to reach eventually as many as 9,000 troopers in 15 states across the nation.

I understand that in some states the IRS has decided that it will apply *Kowalski* only for the future: In other states, troopers face retroactive tax obligations dating back only three years, the maximum period of tax liability ordinarily open under the statute of limitations. However, the troopers in New Jersey are being forced to pay taxes on meal allowances retroactive as far as 1970 because, at the request of the IRS and in order to forestall tax assessments, these troopers agreed to extend the statute of limitations pending the outcome of the *Kowalski* case.

The Supreme Court's *Kowalski* decision and the determination of the Newark District of Internal Revenue Service to collect taxes on meal allowances paid over the past seven years place thousands of state troopers and their families on the brink of financial ruin. In spite of the fact that the Tax Court allowed Trooper Kowalski a deduction equal to two-thirds of his meal allowance, the Newark District is limiting the deduction for many other troopers to a much smaller amount.

Such assessments will surely in many cases spell the difference between fiscal solvency or personal bankruptcy of the individual troopers whom the Supreme Court admitted in its decision "are not handsomely paid to begin with." Many of these troopers will have to seek outside employment to meet this tax liability, and such outside employment may affect their primary occupation. Since the Kowalski decision and the Internal Revenue Service's action, the requests for outside employment to my office from sworn members of the Division have shown a marked increase. As the Superintendent, I am very concerned for the morale and well-being of the men of my command. The crushing tax assessments they face under the current rule will surely place added mental and physical strains on our troopers and their families that can only destroy their morale and jeopardize their effectiveness. Unless action is taken upon this proposal, I feel a great many people across this nation will needlessly suffer severe financial harm.

I am also very concerned with the inequity of placing upon my men a vastly disproportionate share of the retroactive application of the Kowalski rule, owing to the zealous tenacity with which the Internal Revenue Service has concentrated its efforts in New Jersey. This legislation would insure that the state police troopers and their families receive the fair tax treatment they deserve, and I strongly urge its endorsement by this Committee.

Mr. ROE. Mr. Speaker, H.R. 12841 is no "tax break" or special treatment legislation but truly is a recognition of providing an equitable tax structure for all of our citizens. This retroactive application of a 1977 court decision will result in great hardship to over 2,300 New Jersey troopers, including those who have retired since 1971. I have received many letters from our State troopers—not one objects to the taxation of their subsistence allowance in the future if that is the court's decision. Their plea is to help them from having to pay back taxes on income tax returns filed in good faith over the past years on the basis of a series of favorable court decisions and statutory allowances available to them during those years. I strongly urge my colleagues to support H.R. 12841.

Mr. CONABLE. Mr. Speaker, I yield myself such time as I may consume.

I would like to make one last comment.

We hear a lot of rhetoric nowadays about closing loopholes for the rich. I want to say that this practice on the part of the IRS of trying to extend the taxable wage base by including within taxable wages fringe benefits is potentially a way of raising substantial additional taxes, not at the expense of the wealthy, but at the expense of the working class American.

A much higher proportion of the working class American's income comes in the form of fringe benefits in relation to his taxable income than occurs among the wealthier people of this country, for whom fringe benefits have relatively small advantage. Consider the value of an employer-furnished parking space; percentagewise it does not add much to a high-paid administrator's wage. It may add 10 percent to the wage of a janitor.

Therefore, Mr. Speaker, I think we had better keep our minds clear as we hear all this rhetoric about closing loopholes. The effect of what the IRS has been trying to do is to increase by greater measure the taxable income of working Americans rather than that of the very wealthy.

I support this measure. Congress should retain the power to tax in fact as well as inform.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. ULLMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Texas (Mr. PICKLE) has been appointed chairman of a task force to look into this matter.

I urge the Members of the House to confer with him with respect to any problems they may have in this area of fringe benefits and the other related items that are under this bill.

Mr. Speaker, it is extremely important that the Congress act and that the Congress lay down the rules. What we are doing here is putting a hold on IRS authority to move forward with regulations in an area that only Congress should be moving on or should be formulating policy on.

Therefore, Mr. Speaker, this is an important bill which will give us time to act responsibly in facing up to this issue.

Mr. Speaker, I yield back the balance of my time.

● Mr. KEMP. Mr. Speaker, I support the bill now before us. It would prohibit the Internal Revenue Service from issuing new or revised regulations designed to tax fringe benefits.

But in that this bill only extends the present prohibition for a longer—yet still temporary—period, I want to make it clear that I support a permanent prohibition to the IRS's plans to tax fringe benefits and that I think such a prohitition should be part of any tax reform measure considered by us this year.

It can come as no surprise that the IRS wants to tax more people and tax them to a greater degree. Unconcerned about the effects of higher tax burdens borne by the American people upon those people or their Government, the IRS has been unrelenting in its attempts to get every dollar it can. Taxing fringe benefits is a way, a major way, in which it intends to do just that. For some time, the IRS has been planning to issue specific regulations requiring that employees' fringe benefits be made taxable.

I first helped bring this to the attention of the House and public in August of last year. Senator HATCH and I introduced resolutions to disapprove any such IRS actions. Those resolutions had broad bipartisan support, and they spurred the Committee on Ways and Means into last year's legislation which prevented the IRS from issuing such regulations before July 1, 1978. That legislation became law, but that date—July 1—is upon us.

It was with that thought in mind—the rapidly approaching date on which the IRS would no longer be prohibited and would be free and prepared to issue the new regulations—that my able colleague from Colorado (Mr. ARMSTRONG) and I offered an amendment to the appropriations bill for the Department of Treasury and Internal Revenue Service to extend the prohibition. When this matter was on its way to the floor, for consideration of the full House, we were assured by the chairman of the Committee on Ways and Means that that committee would report out a bill and deal with the matter in that way. The following week this was done, and it is the bill now before us.

Last year's resolution, last year's law, this year's amendment to the appropriations bill, and the bill now before us were all made necessary by the persistent efforts of the Commissioner of Internal Revenue, Jerome Kurtz, to make all fringe benefits taxable. Until now, almost all fringe benefits have been regarded as tax free.

Let there be no mistake about it. If the IRS were to tax all fringe benefits, it would constitute a massive increase in taxes on virtually every working American.

Just look at what the IRS tax, and this list is by no means an inclusive one:

Store discounts for employees.

Employer-subsidized food at company cafeterias, etc.

Employer-provided or employer-paid parking.

Discount air fares for flight attendants, travel agents, airline employees, and their families.

Discount rail fares for railroad employees, travel agents, and their families.

Employer-paid or employer-contributed-to—

A. Health insurance.

B. Life insurance.

Medical and dental care, including infirmaries and consultations

Demonstrator vehicles for car salesmen.

Company-paid transportation to and from work, including partial payments on employee-owned automobiles for that purpose.

Value of discounts through the use of PX and other commissary privileges.

Use of company-owned recreational facilities.
Use of company-owned equipment.
Use of regular and WATS line telephone services of employers.
Lower-interest loans for bank and savings and loan employees.
Free or reimbursed cleaning service for uniformed employees.
Free or lower-cost checking services for bank employees.
Company-paid vacations.
Telephone discounts for employees of telephone companies.
Stock option value differentials.
Tuition paid for children of company employees.
Food grown and then consumed themselves by farmers and their families.
Discounts obtained through employee group plans.
Employer contributions to pension, annuity, and retirement funds.
Employer contributions to funeral costs of employees, even if killed in a work-related assignment.

Aspects of these benefits may be dealt with, of course, in already existing provisions of the Internal Revenue Code and regulations.

Mr. Speaker, as one can see, the greatest burden would fall on those people least able to pay additional taxes on income they never really received. They would have to pay more taxes—a higher percentage of their wages—without any increase in the wages to offset that tax increase. It would be a net loss for every taxpayer.

Unless the IRS is stopped, there is no limit to what the Government may tax from the people. Taxes are already too high and are strangling individual incentive. Instead of raising taxes by including fringe benefits in taxable income, we ought to be finding ways to lower taxes for all Americans, such as the Kemp-Roth permanent tax rate reduction bills, H.R. 8333 and S. 1860.●

● Mr. MAGUIRE. Mr. Speaker, I will reluctantly vote for H.R. 12841 concerning the taxation of fringe benefits, certain commuting expenses, and meal allowances for State troopers before January 1, 1978.

My decision is determined entirely by the provision relating to State police meal allowances. This situation demands early congressional remedy, and this bill appears to be the only one which promises rapidly to rectify a clear injustice.

As my colleagues know, the Supreme Court decision of Commissioner against Kowalski as applied by the Internal Revenue Service threatened to treat State police in New Jersey considerably worse than those in identical circumstances elsewhere. In addition, taxes amounting to thousands of dollars a person would be levied retroactively over a 7-year period.

Quite simply, both the appearance of justice and justice itself would be compromised if this decision were allowed to stand unmodified.

But, Mr. Speaker, my vote today emphatically does not suggest approval of the other provisions of this bill. The IRS has moved responsibly to incorporate fringe benefits in taxable income over the past few years, only to be impeded by Congress.

Clearly the intention of the philosophy underlying the Internal Revenue Code was that: First, income constructively received should be taxed; second, income need not be in the form of cash alone, and third, the IRS should have broad responsibility to make interpretative technical rulings to meet the spirit and letter of the tax law.

We all know that fringe benefits are not equally available to all workers, and are particularly unavailable to the nonunionized or the working poor. For this reason, I take special exception to this provision of H.R. 12841.●

● Mr. MINISH. Mr. Speaker, I wish to express my support, with some reservations, for H.R. 12841. This bill is intended to correct an unfair situation involving the State police of a number of States, including New Jersey.

The problem, briefly, is as follows. The State Police of New Jersey receive a $15 per day meal allowance. This adds up to about $3,000 per year. In late 1977, the U.S. Supreme Court, in its Commissioner of Internal Revenue against Kowalski decision, ruled that this meal allowance is income and should be taxed as such. In taking this action, the Supreme Court overruled several lower court decisions which, under various theories, excluded troopers' meal allowances from Federal taxation. As a result of this decision, many New Jersey troopers are faced with paying taxes going back 7 years, on up to $21,000 in income. Estimates of the taxes owed by some troopers run to $4,000. If the troopers, most of whom earn less than $18,000 per year, are forced to pay these back taxes, they will be subject to a severe and unfair hardship. This situation is repeated in a number of other States whose State police receive a meal or subsistence allowance.

H.R. 12841 would go at least part way toward relieving this problem. It provides that if a State trooper excluded his meal allowance from income under section 61(a), of the Internal Revenue Code, the back taxes which he owes will be forgiven. However, the bill may not deal with the situation in which the trooper listed his meal allowance as income and then deducted the allowance under section 119 of the tax code. Unfortunately, most New Jersey troopers deducted their meal allowances under section 119, and thus may not be helped by H.R. 12841 as presently drafted.

Therefore, I support H.R. 12841, as far as it goes, but hope that the problems of the State troopers who are not covered will be dealt with in conference. I am sure that it was not the intent of the Ways and Means Committee or of the cosponsors of this bill to distinguish among State troopers based on how they filled out their income tax returns. The State troopers have acted in good faith throughout this controversy and they all deserve our help.●

● Mr. BURKE of Massachusetts. Mr. Speaker, I rise in support of H.R. 12841, a bill to prohibit the Internal Revenue Service from issuing regulations relating to the taxation of fringe benefits. The prohibitions in sections 1 and 2 of the bill against the issuance of regulations in the area of fringe benefits and commuting expenses will allow Congress to study these areas and adopt the appropriate rules rather than having these rules decided by the administrative interpretations of the tax law. In addition, section 3 of the bill will prevent retroactive application concerning the taxation of cash meal allowances to State troopers and will prevent hardship to these policemen and their families which might otherwise be caused by the imposition of these taxes for past years. This provision is fair and equitable.

Finally, I strongly support the committee amendment to the bill which would overturn the Treasury interpretation concerning the taxation of employer-furnished meals. The amendment will allow tax-free status to these meals furnished for the convenience of the employer notwithstanding that a partial charge is required to be paid for the meals by the employee. This provision is based on a bill, H.R. 10594, which I introduced earlier this year.

Mr. Speaker, I urge the House to approve H.R. 12841.●

● Mr. BOLAND. Mr. Speaker, I rise in support of H.R. 12841. My support, Mr. Speaker, is based on a desire to see some sort of consistent tax policy applied to fringe benefits. Right now all fringe benefits are not strictly taxed. The question of the taxation of fringe benefits has been approached with a myriad of conflicting statutes, regulations, administrative rulings, and opinion letters. If we are to include fringe benefits in taxable income, let us at least adopt a uniform policy.

Mr. Speaker, the question of whether or not fringe benefits confer economic or financial gain is not an easy one. Both the House and the Senate, however, have agreed that the important tax policy questions posed here should be answered with tax legislation, not administrative action. Congress must exert a positive control over tax policy. A very large segment of the American people will be affected by fringe benefits regulations. It would be a dereliction of our duty not to exercise the type of oversight exemplified by this bill. Mr. Speaker, I support H.R. 12481 and I urge my fellow Members to do likewise.●

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN) that the House suspend the rules and pass the bill H.R. 12841, as amended.

The question was taken.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. ULLMAN Mr. Speaker, I ask unanimous consent that I may revise and extend my remarks, and that all Members may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 12841.

The SPEAKER pro tempore. Is there

objection to the request of the gentleman from Oregon?

There was no objection.

INTERNATIONAL INVESTMENT SURVEY ACT AMENDMENTS

Mr. BINGHAM. Mr. Speaker, I move that the House suspend the rules and pass the bill (H.R. 12589) to authorize appropriations for fiscal year 1979 under the International Investment Survey Act of 1976, and for other purposes.

The Clerk read as follows:

H.R. 12589

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 9 of the International Investment Survey Act of 1976 (90 Stat. 2059) is amended to read as follows:

"SEC. 9. To carry out this Act, there is authorized to be appropriated $4,000,000 for the fiscal year ending September 30, 1979.".

SEC. 2. Section 4(d) of the International Investment Survey Act of 1976 is amended by striking out "his findings and conclusions" and all that follows through the end of the subsection and inserting in lieu thereof the following: "to the Congress an interim report of his findings and conclusions not later than two years after the date of enactment of this Act and a final report of such findings and conclusions not later than three years after such date of enactment.".

SEC. 3. Section 8(b) of the International Investment Survey Act of 1976 is amended—

(1) by striking out "It shall be the responsibility of the Council on International Economic Policy to" and inserting in lieu thereof "The President shall"; and

(2) by striking out "Council's" and inserting in lieu thereof "President's".

SEC. 4. The amendment made by the first section of this Act shall take effect on October 1, 1978.

The SPEAKER pro tempore. Is a second demanded?

Mr. BROOMFIELD. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

Mr. ANNUNZIO. Mr. Speaker, I object, and on that I demand tellers.

Tellers were ordered, and the Speaker pro tempore appointed as tellers Mr. BINGHAM and Mr. ANNUNZIO.

The House divided, and tellers reported that there were yeas 12, nays 0.

Mr. ANNUNZIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 384, nays 3, not voting 45, as follows:

[Roll No. 503]

YEAS—384

Abdnor	Annunzio	Baucus
Addabbo	Applegate	Bauman
Akaka	Archer	Beard, R.I.
Ambro	Ashbrook	Beard, Tenn.
Ammerman	Ashley	Bedell
Anderson, Calif.	Aspin	Benjamin
	AuCoin	Bennett
Anderson, Ill.	Badham	Bevill
Andrews, N.C.	Bafalis	Biaggi
Andrews, N. Dak.	Baldus	Bingham
	Barnard	Blanchard
Blouin	Fuqua	Metcalfe
Boggs	Gammage	Mikulski
Boland	Gaydos	Mikva
Bolling	Gephardt	Miller, Calif.
Bonior	Giaimo	Miller, Ohio
Bonker	Gibbons	Mineta
Bowen	Gilman	Minish
Brademas	Ginn	Mitchell, Md.
Breaux	Glickman	Mitchell, N.Y.
Breckinridge	Goldwater	Moakley
Brinkley	Gonzalez	Moffett
Brodhead	Goodling	Mollohan
Brooks	Gore	Montgomery
Broomfield	Gradison	Moore
Brown, Calif.	Grassley	Moorhead, Calif.
Brown, Mich.	Green	
Broyhill	Gudger	Moorhead, Pa.
Buchanan	Guyer	Moss
Burgener	Hagedorn	Mottl
Burke, Calif.	Hall	Murphy, Ill.
Burke, Fla.	Hamilton	Murphy, N.Y.
Burke, Mass.	Hammer-schmidt	Murphy, Pa.
Burleson, Tex.		Murtha
Burlison, Mo.	Hanley	Myers, Gary
Burton, Phillip	Hannaford	Myers, John
Butler	Hansen	Myers, Michael
Byron	Harkin	Natcher
Caputo	Harris	Neal
Carney	Harsha	Nedzi
Carr	Hawkins	Nichols
Carter	Heckler	Nolan
Cavanaugh	Hefner	Nowak
Cederberg	Heftel	O'Brien
Chappell	Hightower	Oakar
Chisholm	Hillis	Oberstar
Clawson, Del	Hollenbeck	Obey
Cleveland	Holt	Ottinger
Cohen	Holtzman	Panetta
Coleman	Howard	Patten
Collins, Ill.	Hubbard	Patterson
Conable	Huckaby	Pattison
Conte	Hughes	Pease
Corman	Hyde	Pepper
Cornell	Ichord	Perkins
Cornwell	Ireland	Pickle
Cotter	Jacobs	Pike
Coughlin	Jeffords	Poage
Crane	Jenkins	Preyer
Cunningham	Jenrette	Price
D'Amours	Johnson, Calif.	Pritchard
Daniel, Dan	Jones, N.C.	Pursell
Daniel, R. W.	Jones, Okla.	Quillen
Danielson	Jones, Tenn.	Rahall
Davis	Jordan	Railsback
de la Garza	Kasten	Rangel
Deaney	Kastenmeier	Regula
Dellums	Kazen	Reuss
Derrick	Kelly	Rhodes
Derwinski	Kemp	Richmond
Devine	Keys	Rinaldo
Dicks	Kildee	Risenhoover
Dingell	Kindness	Roberts
Dodd	Kostmayer	Robinson
Dornan	Krebs	Roe
Downey	LaFalce	Rogers
Drinan	Lagomarsino	Roncalio
Duncan, Oreg.	Latta	Rooney
Duncan, Tenn.	Leach	Rose
Early	Lederer	Rosenthal
Eckhardt	Lehman	Rousselot
Edwards, Ala.	Lent	Roybal
Edwards, Calif.	Levitas	Rudd
Edwards, Okla.	Livingston	Russo
Elberg	Lloyd, Calif.	Ryan
Emery	Lloyd, Tenn.	Santini
English	Long, La.	Sarasin
Ertel	Long, Md.	Satterfield
Evans, Colo.	Lujan	Sawyer
Evans, Del.	Luken	Scheuer
Evans, Ga.	Lundine	Schroeder
Evans, Ind.	McClory	Schulze
Fary	McCormack	Sebelius
Fascell	McDade	Seiberling
Fenwick	McEwen	Sharp
Findley	McFall	Shuster
Fish	McHugh	Sikes
Fisher	McKay	Sisk
Fithian	McKinney	Skelton
Flippo	Madigan	Skubitz
Flood	Maguire	Slack
Florio	Mahon	Smith, Iowa
Flynt	Mann	Smith, Nebr.
Foley	Markey	Snyder
Ford, Mich.	Marks	Solarz
Ford, Tenn.	Marlenee	Spellman
Forsythe	Marriott	Spence
Fountain	Martin	St Germain
Fowler	Mathis	Staggers
Fraser	Mattox	Stangeland
Frenzel	Mazzoli	Stanton
Frey	Meeds	Stark
Steers	Udall	Whitten
Steed	Ullman	Wiggins
Steiger	Van Deerlin	Wilson, Bob
Stockman	Vander Jagt	Winn
Stokes	Vanik	Wirth
Stratton	Vento	Wolff
Studds	Volkmer	Wright
Stump	Waggonner	Wydler
Symms	Walgren	Wylie
Taylor	Walker	Yates
Teague	Walsh	Yatron
Thompson	Wampler	Young, Alaska
Thone	Watkins	Young, Fla.
Thornton	Weaver	Young, Mo.
Traxler	Weiss	Zablocki
Treen	White	Zeferetti
Trible	Whitehurst	
Tucker	Whitley	

NAYS—3

Collins, Tex.	McDonald	Quayle

NOT VOTING—45

Alexander	Flowers	Pressler
Armstrong	Garcia	Quie
Beilenson	Harrington	Rodino
Brown, Ohio	Holland	Rostenkowski
Burton, John	Horton	Runnels
Clausen, Don H.	Johnson, Colo.	Ruppe
	Krueger	Shipley
Clay	Le Fante	Simon
Cochran	Leggett	Tsongas
Conyers	Lott	Waxman
Corcoran	McCloskey	Whalen
Dent	Meyner	Wilson, C. H.
Dickinson	Michel	Wilson, Tex.
Diggs	Milford	Young, Tex.
Edgar	Nix	
Erlenborn	Pettis	

Mr. McDONALD changed his vote from "yea" to "nay."

So a second was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The gentleman from New York (Mr. BINGHAM) will be recognized for 20 minutes, and the gentleman from Michigan (Mr. BROOMFIELD) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 12589 would permit important studies of foreign investment, both outward and inward, both portfolio and direct, to go forward through fiscal year 1979 by authorizing the necessary funds.

Recognizing the importance of the impact of foreign investment on such vital elements of the U.S. economy as employment, availability of capital, and farmland prices, the Congress enacted the International Investment Survey Act of 1976. Both organized labor and the business community recognized the need for the studies provided for in that act. The cost of such studies has proved to be much greater than anticipated.

The 1976 act authorized $1 million for work on these studies in fiscal year 1978 and the same for 1979, a level of funding which has proved to be totally inadequate. H.R. 12589 would add $3 million to the fiscal year 1979 figure, making available a total of $4 million.

The Subcommittee on International Economic Policy and Trade held hearings to review the need for these studies and the requested authorization figures. The committee is fully persuaded that the studies are not only valuable, but essential, and that the $4 million authorized in H.R. 12589, which reflects the administration's request approved by OMB, is

needed to carry on these studies in the coming year. The subcommittee declined to approve similar authorization requests for fiscal years 1980 and 1981, because it felt that the amounts had not been adequately justified, and because the committee wants carefully to monitor the progress of these studies, which in some respects have been lagging badly.

It is important to bear in mind, Mr. Speaker, that the United States is virtually the only industrialized nation in the world that does not require reporting on inward and outward foreign investment. It seems obvious that we need to know the amounts, the kinds, and—most important—the effects of such investment. This Congress makes decisions virtually every week that affect foreign investment, either directly or indirectly, yet we know very little about that investment or the effects our policy decisions may have on it and on the other aspects of the economy affected by it.

The legislation before us, Mr. Speaker, will move us a step closer to remedying that appalling lack of vital information.

H.R. 12589 also extends for 1 year the deadline for completion of one of the studies mandated by the International Investment Survey Act of 1976, a feasibility study on monitoring foreign investment in U.S real estate, including farmland, from October of this year to October 1979.

Concern about the impact of foreign investment, both outward and inward, has intensified since 1976. Newspaper reports suggest that Arabs and other foreign nationals are buying up farms and making major purchases of industries and even scarce natural resources in the United States. At present we have no way of knowing the extent and implications of such purchases.

Organized labor tells us that increased investment abroad by American firms costs thousands of jobs in the United States and contributes to a shortage of capital here. Business says just the opposite—that investment abroad generally creates additional jobs at home. At present the facts are simply not available on which to determine which view is correct or whether Congress should encourage or discourage investment abroad.

The need for the studies mandated by the International Investment Survey Act and for which funding is authorized by H.R. 12589 is clear. The amount authorized for the coming fiscal year is modest, considering the complexity and difficulty of the task of carrying out these studies.

The Committee on International Relations reported H.R. 12589 without dissent and recommends its passage.

Mr. BROOMFIELD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I also rise in support of H.R. 12589.

Mr. Speaker, H.R. 12589 would permit important studies of foreign investment both inward and outward, both portfolio and direct, to go forward in fiscal year 1979 by authorizing the requisite funds.

Recognizing how important the impact of foreign investment can be on vital elements of the American economy, the Congress enacted the International Investment Survey Act of 1976. The Committee on International Relations is fully persuaded, as is the business community and are labor organizations, that the studies mandated by that act are valuable and essential.

The committee reported H.R. 12589 without dissent and I urge my colleagues to support its passage.

Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Speaker, I rise in support of H.R. 12589.

I do not share the apprehension of some of my colleagues about the investment by foreigners in U.S. property, including cropland, nor do I have the apprehension of some about the investment of U.S. funds abroad. I have always felt that the free movement of money across international borders is generally in the interest of both parties. In fact, the investment of foreign funds in the United States is a compliment to our system.

However, I do think there is great value to obtaining information. I think we ought to know what is happening in this area, and I think we ought to know the extent of the investment of U.S. funds abroad and, conversely, the extent of investment of foreign funds in this country.

Therefore, Mr. Speaker, I feel the completion of this survey is very much in the national interest.

Mr. Speaker, this is a very straightforward bill which would authorize appropriations for fiscal year 1979 under the International Investment Survey Act of 1976.

In response to concern about the volume and implications of both foreign investment in the United States and of investment abroad by Americans, the Congress in 1976 passed the International Investment Survey Act. That legislation requires the executive branch to collect and publish information on international capital flows, to conduct periodic studies and analyses on those flows, and to study the feasibility of monitoring foreign direct investment in American agricultural, rural, and urban real estate.

This was unusual legislation in that it had simultaneous support from both business and labor. Everyone seems to feel that his cause will be supported by the collection of better statistics. There can certainly be no doubt that the national interest will be served by such collection which can only be effective under a comprehensive implementation of the act.

The Committee on International Relations has been especially concerned about the effects of foreign acquisitions on the price of U.S. farmland and attaches great importance to the land-investment monitoring feasibility study being done by the Agriculture Department in accordance with the 1976 act. That Department has testified that a completion date earlier than October 1979 would be impossible to meet, and this bill would accordingly set that deadline for October 1979. However, the committee expects to scrutinize the interim 1978 report with great care to evaluate the progress which has been made. This study, as well as the others mandated by the act, will help meet the need for data on these issues and will provide a basis for responsible legislation if such legislation proves necessary. I urge my colleagues to support this bill.

Mr. BROOMFIELD. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I rise in support of H.R. 12589, to amend the International Investment Survey Act of 1976.

During the 93d Congress, I joined with my colleagues on the Committee on International Relations in sponsoring the Foreign Investment Study Act of 1974. This legislation authorized studies of foreign direct and portfolio investment in the United States. The result was the first realistic picture of foreign investment in this country. Upon expiration of this act, the International Investment Survey Act of 1976 was enacted, placing its authority on a permanent basis.

H.R. 12589 authorizes appropriations for fiscal year 1979 under the 1976 act. This legislation will enable us to maintain the ability to effectively deal with the increasing concerns over the expansion of foreign investment in this country. Through this mechanism, we can continue to collect data on foreign investment to determine its effect on the U.S. domestic competitive position and on domestic employment and the effects of foreign acquisition on the price of U.S. farmland.

The first survey conducted by the Department of Commerce in 1975 under the authority of the 1974 act, calculated that possible foreign ownership of farmland to be 4.9 million acres or less than 1 percent of the Nation's 1.3 billion acres of private land. These initial estimates provided valuable assistance in relieving the strong concerns at that time regarding the size and scope of Japanese investments.

Recently, a new concern has arisen strengthening the need for a continuation of monitoring systems provided in this bill. Due to a favorable exchange rate, many foreign investors find American farmland an attractive investment. The major concern is that these foreign purchases are bidding up prices of land beyond the level at which U.S. family farmers can afford to pay. In a GAO report released this month, it was indicated that their attempt to determine the extent of foreign purchases resulted in inconclusive findings, stating that "reliable data is difficult to obtain." H.R. 12589 would help provide this needed data.

As a sponsor of both the original leg-

islation and the bill before you, I urge my colleagues to support H.R. 12589 and thereby help provide the wherewithal to meet the continuing need for monitoring foreign direct investment in the United States and of U.S. investment abroad.

Mr. BROOMFIELD. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Nebraska (Mrs. SMITH).

Mrs. SMITH of Nebraska. Mr. Speaker, I rise in support of H.R. 12589 which authorizes a continuation of studies into the extent and implications of foreign investment in the United States. Of most significance, however, are the bill's provisions directing a study into systems that would allow our Government to monitor foreign investment in U.S. agricultural land.

The United States has outproduced the rest of the food-growing world for years. The family-owned farm structure, the hallmark of American agriculture, is primarily responsible for this remarkable record. For example, an American farmer feeds 57 others; a Soviet farmer feeds 7. Thus, any threat to concept of the American farm is striking at the heart of America.

Foreign investors threaten to concentrate farm ownership and operation, and ultimately deprive our Nation of its greatest source of power—American agriculture. The number of farms in the United States has declined from 4 million in 1960 to 2.8 million in 1976. And the farm population has decreased from 15.6 million in 1960 to 8.9 million in 1975. Ten years ago, the size of an average farm was 210 acres; in 1977 it is 310 acres. During these same periods, there is extensive evidence that foreign investors have ambitiously and vigorously entered U.S. agricultural land markets.

USDA figures indicate that more young families are trying to establish themselves in the farming industry. Between 1970 and 1975, the number of persons between 16 and 35 who were self-employed in agriculture increased by about one-third over the previous 5-year period. These are the youth who will carry on America's unmatchable family farm tradition. But if foreigners with unlimited resources enter the agricultural land markets, it will be impossible for this rising generation to find sufficient resources to acquire quality farmland. Gradually America's greatest resources, its farmland and its family farmers, will be foreign property. This process is already underway. Rising land prices have contributed to the farmer's present plight. United States land values have gone up 300 percent in just the last 5 years.

Let us look a moment at the forces causing this secret foreign invasion. Due to unbridled Government spending and budget deficits, inflation is eroding the value of the American dollar. Foreigners, therefore, see the purchase of agricultural land as a hedge against inflation. In some cases, foreigners buy the land as a haven in case of land reform or political crisis in their own land. But certainly it cannot be overlooked that these foreigners expect that their investment will also give them a base of economic and political power within our country. Whatever their motivation, this invasion, clever and unseen, may pose a serious threat to our Nation.

What appalls me most about this situation is that no one has an accurate grasp of the magnitude of the problem. A very inadequate Department of Commerce investigation survey made in 1974 set foreign investment in U.S. land, property, plants, and equipment at the $45 billion level. This survey, whose figures predate the oil embargo in many cases, made a very cursory review of foreign-land holdings. It questioned 6,000 foreign investors who were likely to own U.S. real estate. It disclosed that 334 corporations or individuals owned around 4.9 million acres. But the survey only counted holdings of 200 acres or more and certainly did not cover all alien investors. We are left only with the indication that foreigners are interested in American land, without any specifics on the degree of their involvement.

My investigations indicate that foreign investment has mushroomed since that 1974 study. For instance, columnist Jack Anderson's staff substantiated that Dutch investors have purchased 6,000 acres in Utah and are seeking 4,000 or more in that State. They also learned that 25,000 acres in Georgia and one of Oregon's largest agricultural farms valued at $5.7 million is in foreign hands.

Dr. James Paulding, a professor at Northeast Missouri State University studying alien ownership, states that 5 percent of Missouri's 32.6 million acres of farmland are foreign-owned, in other words, about 1.6 million acres.

In California, one of the most active areas for foreign investment, Amrex Corp. of San Francisco will sell $260 million worth of agricultural lands in 1977 alone, according to its president, Gerald Jackson.

In New York City, Daniel Bodini of Eastdil Realty claims to have sold 200,000 acres in the Midwest last year to aliens. He expects to double that amount this year.

There is a general consensus, however, that the major dealers in foreign land investment are Northern Trust and Continental Illinois, two large Chicago banks. These banks will not release any information about their clients, but Northern Trust's 1976 report indicated that it manages 450,000 acres in 35 States. Based on their reputation, the majority of that is undoubtedly owned by foreigners.

Amnivest Corp.'s vice president, Michael Hirsch, admits that he arranged the sale of 25,000 acres of farmland to foreigners.

Absolutely accurate figures on the amount of farmland held by foreigners is not presently available, because most aliens insist on secrecy in their land dealings. Many of their home countries have laws against removing large sums of money from the country. Others fear that widespread knowledge of their holdings would stir animosity against them, both in their home country and the United States.

For these reasons, foreigners generally deal through several intermediaries to cover the origin of their money. Typically their investment enterprise will be handled by a corporation set up in the Netherlands Antilles as a front to handle the transaction. The Antilles' reputation for lax taxation and a "no-questions-asked" attitude makes it the ideal location for an investment corporation.

As an example of the great pains taken to avoid discovery, one German investor contacted a Canadian realty firm, which contacted a Wyoming broker, which contacted a Chicago bank, which employed a statewide Kansas broker, which hired a local broker, which finally arranged the sale of a 2,500-acre farm. It is difficult to trace actual ownership when it passes through many hands.

Congress, however, has not been utterly blind to this problem. On October 11, 1976, Congress passed the Foreign Investment Survey Act. Section 4(d) of that act required the President to submit to Congress his findings on "the feasibility of establishing a system to monitor foreign investment in agricultural, rural, and urban real property." That study was to be complete by October 11, 1978. Unfortunately, the Department of Commerce and USDA got into a squabble over who should take the lead in conducting the study. OMB was supposed to settle the argument, but delayed its decision. Finally USDA proceeded with the study. The President sent over a supplemental request to begin the study in January with his fiscal year 1979 budget. Clearly, the study is somewhat behind schedule.

While I am not happy that H.R. 12589 will postpone for another year the availability of this critical information about foreign investment in U.S. land, I am convinced that we must go forth with this study. We must learn the extent of this foreign encroachment soon. Let me state briefly why foreign investment in U.S. farmland bodes ill for our Nation.

Aliens do not have proper incentives to practice sound conservation. Since they are only investing surplus funds, their primary concern is a swift and lucrative return. They are undoubtedly tempted to bleed the land dry without putting anything back into it. In addition, aliens are not concerned about the community where their holdings may be located. They do not support local businesses or civic activities. Instead they leave the local community to fend for itself, thus undermining the rural community structure which has built this Nation.

I recommend several approaches to getting a clear grasp of this problem. I am looking into legislation that would require any alien investor to report his land holdings presently and any future purchases to USDA. This would give us

a picture of the magnitude of the problem. With a definitive understanding of the amount of alien investment, Congress would then be able to rationally decide if stricter measures are needed to restrict foreign ownership. I also think it would be wise to have the Congressional Research Service of the General Accounting Office undertake an independent analysis of this problem.

Absolutely accurate figures on the amount of alien ownership is not currently available, but a trend toward foreign control of U.S. farmland is undeniable. This trend needs to be accurately assessed. We must stop the erosion of the U.S. dollar which is causing this foreign invasion and protect the family farm—our Nation's most valuable resource.

H.R. 12589 is only a study, and a study that should have been nearly finished. I call the attention of my colleagues to the implications of a foreign-owned food belt in the United States. We need reliable information as soon as possible. And once we have that information in hand, we need to have the courage to address this serious situation.

Mr. BROOMFIELD. Mr. Speaker, I yield such time as he may consume to the gentleman from Vermont (Mr. JEFFORDS).

Mr. JEFFORDS. Mr. Speaker, I rise in support of this bill and express my concern over the purchase of American farmland by foreign investors. It would appear that these investors recognize what many U.S. citizens and political leaders do not; that there is nothing more basic to our economic strength than our farmland resources. Indeed, during the last year, an estimated 30 percent of all foreign investment in the United States—some $800 million—was invested in farmland. The problem is, when coupled with purchases of raw farmland by large domestic corporations, and others, this investment in farmland has helped to fuel a sharp increase in the price of farmland and this in turn leads to instability in the agriculture sector as a whole. Between the spring of 1972 and the spring of 1978, according to the Agriculture Department, farmland prices rose from a nationwide average of $219 per acre to $490 per acre—an increase of 124 percent or about 20 percent per year. This is a price escalation at a rate about 2½ times the rate of inflation.

Inevitably, one must ask why this steep price escalation has occurred. Why has the price of American farmland—and I mean by this the farmland outside the fringe of the major metropolitan areas—suddenly escalated in price so that it costs almost as much to buy land for farming purposes as it did to buy land for development purposes just a few years ago. How can one explain this phenomenon, and what does it mean?

So far, most analysts of the situation see a combination of two factors at work—at least insofar as the foreign investors are concerned. One frequently suggested factor is the desire on the part of wealthy Europeans to put their money into something solid and enduring. These investors may fear the possibility of radical changes in the prevailing economic system of Western Europe, and are, therefore, seeking safer investments in the relatively conservative political environment of the United States. The other frequently voiced explanation is that we have entered a period of intense speculation in American farmland by large investors in this country and abroad. According to this opinion, Europeans see American farmland as underpriced—given the fact that farm land prices may be twice as much per acre in Western Europe. Seeing what they feel to be a good deal, therefore, they are flocking to invest in American land. This speculation—like speculative endeavors anywhere—may drive the price of farmland beyond its productive value, with unpredictable but possibly dangerous implications for the agricultural economy.

I would suggest, however, that there is a third factor at work here. Foreign investors—and large domestc investors, for that matter—recognize something about the American farmland base that our Nation as a whole has not yet adequately perceived. That is, prime agricultural land is an inherently limited resource, and its value will inevitably increase with each passing year. What is happening today is simply a specific application of Will Rogers timeless advice to "buy land—they ain't making anymore of it."

But I would add a further thought to the aphorism in terms of farmland: Not only are they not making anymore prime farmland, but they are taking away a substantial chunk of what we have got left each year in order to provide urban development, water reservoirs, highways, energy facility sites, and so forth. Land conversion consumes about 3 million acres of rural land in the United States each year, and another 2 million acres of rural land are idled in order to be held for possible future urban development. Not all of this land is high quality farmland, of course, but enough of it is or could be used for farmland to prompt increasing concern about the ultimate impact on American agricultural production if the process continues indefinitely.

My point is not—as some would have it—that all farmland or potential farmland be permanently kept in farm uses. Certainly, this is neither feasible nor desirable. We will need more land—including high-quality farmland in some instances—to meet inevitable future development needs of our growing Nation, but we need to reduce the indiscriminate development of prime farmland when other land of less value as a resource is available.

One does not have to be an economist to recognize the implications of this for foreign investors. Our prime farmland is the largest and most productive block of agricultural land on the face of the Earth. Our agricultural exports—amounting to some $24 billion per year—have become an increasingly important factor in the world food supply, and in partially offsetting our enormous trade deficit stemming from the increasing cost of foreign oil. In fact, some have drawn not terribly flattering parallels between the price of our agricultural exports and the price of OPEC oil. Yet, unlike oil, which must be used up in order to be useful, we are willfully depleting our naturally renewable farmland base by converting it to other uses. To the foreign investor, who sees the tremendously import role of American food to the world, and who comes from densely urban countries where the consequences of limited land availability have long been apparent, our farmland must indeed seem the best deal around.

If this is a plausible explanation about why foreign investors are interested in—and probably will continue to be interested in—American farmland, then what will this mean for the future of American agriculture? The whole subject is so complex that no definitive answer may be given at this time. Suffice it to say, however, that the price escalation is likely to aggravate the instabilities in the farmland base that have prevailed 1970's.

One of the most likely consequences stems from the fact that foreign investors—used to far higher farmland prices than those that prevail in the United States—are often willing to pay more for U.S. farmland than are American farmers. Consequently, local farmers may be effectively forced out of the market. This could have an untoward impact on one of America's most enduring traditions—the small family farm.

But there is another, less obvious impact that may stem from the precipitous increase in farmland prices. This land may not be overpriced from a European perspective, but it is from the perspective of the American farmer. And when speculation in farmland prices begins, so does a curious phenomenon called the "impermanence syndrome." When the price of farmland increases beyond what local farmers would pay if they intended to farm the land, the rural equivalent of redlining may begin. Local farmers, anticipating urban pressures, may be less willing to invest in long-term farm improvements. After all, what businessman would make major investments in buildings and other permanent improvements when the business is located on land likely to be condemned for a highway? Disinvestment by local farmers, in turn, may force local farm support industries to go out of business or move elsewhere.

The process is difficult for even the most dedicated small farmer to resist. But when the landowner is a large corporation—an absentee landowner with little commitment to the land itself—the pressure to convert the land to more profitable uses (such as urban development) may be met with little or no resistance at all. Unfortunately, we are already seeing in this country a development pattern called "buckshot urbanization"—in which housing developments and factories, aided by the secondary interstate highway system are spreading far beyond the traditional urban fringe into the very heart of rural America. Inevitably, the consequences of buckshot

urbanization are a reduction in the quality of farmland, and the viability of the local farm economy.

But if continued speculation in farmland could have such adverse impacts, what should be done about it? First of all, I think it needs to be said that farmland speculation is just one problem among many that affect the farmland base. It is a symptom, if you will, rather than a cause, of a systemic disease that plagues the American farmer. Like all systemic diseases, one can treat the symptoms without rooting out the cause. That is why I feel it would be dangerous to take too narrow an approach to the issue.

This Congress has before it legislation (H.R. 11122 in the House and S. 2757 in the Senate) which is intended to deal with the problem in the context of other land issues. The legislation would permit intensive study of the farmland base as a whole—including farm price and ownership issues—while at the same time not imposing a premature knee-jerk solution to the problem. At the same time, it would aid States and local governments in testing innovative methods for dealing with farmland conversion problems.

Mr. Speaker, this bill is an important first step to give us important information in this area, but I would remind the House it is only one part of a much larger problem.

Mr. BROOMFIELD. Mr. Speaker, I yield back the balance of my time.

Mr. BINGHAM. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. BINGHAM) that the House suspend the rules and pass the bill H.R. 12589.

The question was taken.

Mr. ANNUNZIO. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings of this motion will be postponed.

SOLAR PHOTOVOLTAIC ENERGY RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACT OF 1978

Mr. McCORMACK. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 12874), to provide for an accelerated program of research, development, and demonstration of solar photovoltaic energy technologies leading to early competitive commercial applicability of such technologies to be carried out by the Department of Energy, with the support of the National Aeronautics and Space Administration, the National Bureau of Standards, the General Services Administration, and other Federal agencies, as amended.

The Clerk read as follows:

H.R. 12874

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978".

FINDINGS AND POLICY

SEC. 2. (a) The Congress hereby finds that—

(1) the United States of America is faced with a finite and diminishing resource base of native fossil fuels, and as a consequence must develop as quickly as possible a diversified, pluralistic national energy capability and posture;

(2) the current imbalance between supply and demand for fuels and energy in the United States is likely to grow for many years;

(3) the early demonstration of the feasibility of using solar photovoltaic energy systems for the generation of electricity could help to relieve the demand on existing fuel and energy supplies;

(4) the use of solar photovoltaic energy systems for certain limited applications has already proved feasible;

(5) there appear to be no insoluble technical obstacles to the widespread commercial use of solar photovoltaic energy technologies;

(6) an aggressive research and development program should solve existing technical problems of solar photovoltaic systems; and, supported by an assured and growing market for photovoltaic systems during the next decade, should maximize the future contribution of solar photovoltaic energy to this Nation's future energy production;

(7) it is the proper and appropriate role of the Federal Government to undertake research, development, and demonstration programs in solar photovoltaic energy technologies and to supplement and assist private industry and other entities and thereby the general public, so as to hasten the general commercial use of such technologies;

(8) the early development and export of solar photovoltaic energy systems, consistent with the established preeminence of the United States in the field of high technology products, can make a valuable contribution to the well-being of the people of other nations and to this Nation's balance of trade;

(9) the widespread use of solar photovoltaic energy systems to supplement and replace conventional methods for the generation of electricity would have a beneficial effect upon the environment;

(10) to increase the potential application of solar photovoltaic energy systems in remote locations, and to minimize the need for backup systems depending on fossil fuel, programs leading to the development of inexpensive and reliable systems for the storage of electricity should be pursued as part of any solar photovoltaic energy research, development, and demonstration program;

(11) evaluation of the performance and reliability of solar photovoltaic energy technologies can be expedited by testing of prototypes under carefully controlled conditions;

(12) commercial application of solar photovoltaic energy technologies can be expedited by early commercial demonstration under practical conditions;

(13) innovation and creativity in the development of solar photovoltaic energy components and systems can be fostered through encouraging direct contact between the manufacturers of such systems and the architects, engineers, developers, contractors, and other persons interested in utilizing such systems; and

(14) it is contemplated that the ten-year program established by this Act will require the expenditure of $1,500,000,000 by the Federal Government.

(b) It is therefore declared to be the policy of the United States and the purpose of this Act to establish during the next decade an aggressive research, development, and demonstration program involving solar photovoltaic energy systems. Further, it is declared to be the policy of the United States and the purpose of this Act that the objectives of this research, development, and demonstration program are—

(1) to double the production of solar photovoltaic energy systems each year during the decade starting with fiscal year 1979, measured by the peak generating capacity of the systems produced, so as to reach a total annual United States production of solar photovoltaic energy systems of at least two million peak kilowatts, and a total cumulative production of such systems of four million peak kilowatts by fiscal year 1988;

(2) to reduce the average cost of installed solar photovoltaic energy systems to $1 per peak watt by fiscal year 1988; and

(3) to stimulate the purchase by private buyers of at least 90 per centum of all solar photovoltaic energy systems produced in the United States during fiscal year 1988.

DEFINITIONS

SEC. 3. For purposes of this Act—

(1) a "solar photovoltaic energy system" is a system of components which generates electricity from incident sunlight by means of the photovoltaic effect, and which shall include all components, including energy storage devices where appropriate, necessary to provide electricity for individual, industrial, or governmental use;

(2) the term "solar photovoltaic energy system" may be used interchangeably with the term "photovoltaic system";

(3) a "hybrid solar photovoltaic energy system" is a system of components that generates electricity from incident sunlight by means of the photovoltaic effect and, in conjunction with electronic and, if appropriate, optical, thermal and storage devices, provides electricity, as well as heat and/or light for individual, commercial, industrial, or governmental use;

(4) "photovoltaic effect" refers to the physical phenomenon exhibited under certain circumstances by some materials in which a portion of the light energy striking the material is directly converted to electrical energy;

(5) "facility" means any building, commercial or industrial complex or other device constructively employing photovoltaic systems; and

(6) "Secretary" means the Secretary of Energy.

RESEARCH, DEVELOPMENT, AND DEMONSTRATION OF SOLAR PHOTOVOLTAIC ENERGY SYSTEMS

SEC. 4. (a) The Secretary is directed to establish immediately and carry forth such research, development, and demonstration programs as may be necessary to meet the objectives of this Act as set forth in section 2(b), and as a part of any such program shall—

(1) conduct, and promote the coordination and acceleration of, research, development, and demonstrations relating to solar photovoltaic energy systems and components thereof, and

(2) conduct, and promote the coordination and acceleration of, research, development, and demonstrations for systems and components to be used in applications that are dependent for their energy on solar photovoltaic energy systems.

(b) In carrying out the provisions of subsection (a), the Secretary is authorized—

(1) to establish procedures whereby any public or private entity wishing to install solar protovoltaic components and systems in any new or existing facility may apply for Federal assistance in purchasing and installing, in such facility, photovoltaic components or systems which are certified under subsection (c) as meeting the performance criteria prescribed under such subsection;

(2) to select, as soon as he deems it feasible, a number of the applicants under paragraph (1) and enter into agreements with them for the design, purchase, fabrication, testing, installation, and demonstration of photovoltaic components and systems. Such

selection shall be based on the need to obtain scientific, technological, and economic information from a variety of such systems under a variety of circumstances and conditions; and

(3) to arrange, as part of any agreement entered into under paragraph (2), to provide up to 75 per centum of the purchase and installation costs of photovoltaic components or systems. Such arrangements shall be contingent upon terms and conditions prescribed by the Secretary, including an express agreement that the entity with whom the agreement is entered into shall, in such manner and form and on such terms and conditions as the Secretary may prescribe, observe and monitor (or permit the Secretary or his agents to observe and monitor) the performance and operation of such system for a period of five years, and that such entity (including any subsequent owner of the property) shall regularly furnish the Secretary with such reports thereon as the agreement may require.

(c) The Secretary shall determine, prescribe, and publish in the Federal Register, after notice and hearing in accordance with the applicable provisions regarding rulemaking prescribed under section 553 of title 5, United States Code—

(1) within twelve months after the date of the enactment of this Act, interim performance criteria for photovoltaic components and systems to be used in appropriate applications, and procedures whereby manufacturers of photovoltaic components and systems shall have their products tested in order to provide certification that such products conform to the performance criteria established under this paragraph; and

(2) within thirty months after the date of the enactment of this Act, definitive performance criteria for photovoltaic components and systems to be used in appropriate applications, and procedures whereby manufacturers of photovoltaic components and systems shall have their products tested in order to provide certification that such products conform to the performance criteria established under this paragraph. Such criteria may be annually revised by the Secretary, as he deems appropriate, subject to the same procedural requirements as those applicable to the initial determination of these criteria.

(d)(1) The Secretary is authorized, as soon as possible after the publication of the performance criteria prescribed under subsection (c)(1) or (c)(2), to select on the basis of open competitions—

(A) a number of readily available photovoltaic components and systems meeting the performance criteria prescribed under such subsection;

(B) a number of design concepts for various types of applications which demonstrate adaptability to the utilization of photovoltaic components and systems and which meet such performance criteria as described in such subsection; and

(C) a number of designs for applications selected under subparagraph (B), so that each design includes specific provisions for the utilization of solar photovoltaic components and systems selected under subparagraph (A).

(2) The Secretary, in accordance with the applicable provisions of sections 7, 8, and 9 of the Federal Nonnuclear Energy Research and Development Act of 1974, and with such program guidelines as the Secretary may establish, shall—

(A) enter into such contracts and grants as may be necessary or appropriate for the development for commercial production and utilization of photovoltaic components and systems meeting the performance criteria prescribed under subsection (c)(1) or (c)(2), including any further planning and design which may be required to conform with the specifications set forth in such criteria;

(B) select, as being compatible with the design concepts chosen under paragraph (1)(B) of this subsection, a reasonable number of photovoltaic components and systems meeting the performance criteria prescribed under such subsection; and

(C) enter into contracts with a number of persons or firms for the procurement of photovoltaic components and systems meeting the performance criteria prescribed under subsection (c)(1) or (c)(2), including adequate numbers of spare and replacement parts for such systems.

(e) The Secretary is authorized to award contracts for the design integration between the application concepts and the photovoltaic systems procured by the Secretary under subsection (d)(2)(C), and for the demonstration of prototype solar photovoltaic systems, and, when appropriate, for the utilization of such systems in existing facilities. Title to and ownership of the facilities so constructed and of photovoltaic systems installed hereunder may be conveyed to purchasers of such facilities under terms and conditions prescribed by the Secretary, including an express agreement that any such purchaser shall, in such manner and form and on such terms and conditions as the Secretary may prescribe, observe and monitor (or permit the Secretary to observe and monitor) the performance and operation of such systems for a period of five years, and that such purchaser (including any subsequent owner) shall regularly furnish the Secretary with such reports thereon as the agreement may require.

(f) The Secretary, in consultation with the Administrator of General Services or the Secretary of Defense or both (as may be appropriate) shall enter into arrangements with appropriate Federal agencies concurrently with the conduct of the programs under this section and section 5 of this Act, to carry out such projects and activities (including demonstration projects), with respect to Federal buildings, and facilities, as may be appropriate for the demonstration of photovoltaic systems suitable and effective for use in such applications.

(g) The Secretary shall, as he deems appropriate, undertake any projects or activities (including demonstration projects) to further the attainment of the objectives of this Act.

TEST PROCEDURES AND DEFINITIVE PERFORMANCE CRITERIA

SEC. 5. (a) The Secretary shall conduct a program for the development and demonstration of prototype photovoltaic systems, including collectors, controls, power conditioning, and energy storage systems for use in a program of testing photovoltaic systems. This program shall be managed by the Solar Energy Research Institute in Golden, Colorado.

(b) Data obtained from the testing program under subsection (a) shall be evaluated and used in establishing definitive performance criteria. These performance criteria shall be used in the demonstration program described in section 4 of this Act.

COORDINATION MONITORING, AND LIAISON

SEC. 6. (a) The Secretary, in coordination with such Government agencies as may be appropriate, shall—

(1) monitor the performance and operation of photovoltaic systems installed under this Act;

(2) collect and evaluate data and information on the performance and operation of photovoltaic systems installed under this Act; and

(3) from time to time carry out such studies and investigations and take such other actions, including the submission of special reports to the Congress when appropriate, as may be necessary to assure that the program for which the Secretary is responsible under this Act effectively carry out the policy of this Act.

(b) In the development of the performance criteria and test procedures required under section 4 of this Act, the Secretary shall work closely with the appropriate scientific, technical, and professional societies and industry representatives in order to assure the best possible use of available expertise in this area.

(c) The Secretary shall also maintain continuing liaison with related industries and interests, and with the scientific and technical community, during and after the period of the programs carried out under this Act, in order to assure that the projected benefits of such programs are and will continue to be realized.

SOLAR PHOTOVOLTAIC ENERGY ADVISORY COMMITTEE

SEC. 7. (a) There is hereby established a Solar Photovoltaic Energy Advisory Committee, which shall study and advise the Secretary on—

(1) the scope and pace of research and development with respect to solar photovoltaic energy sytsems;

(2) the need for and timing of solar photovoltaic energy systems demonstration projects;

(3) the need for change in any research, development, or demonstration program established under this Act; and

(4) the economic, technical, and environmental consequences of the use of solar photovoltaic energy systems.

(b) The Committee shall be composed of thirteen members, including eleven members appointed by the Secretary from industrial organizations, academic institutions, professional societies or institutions, and other sources as he sees fit, and two members of the public appointed by the President. The Chairman of the Committee shall be elected from among the members thereof. The members of the Committee, while attending conferences or meetings of the Committee or while otherwise serving at the request of the Chairman shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 5703) for persons in the Government service employed intermittently.

(c) The heads of the departments, agencies, and instrumentalities of the executive branch of the Federal Government shall cooperate with the Committee in carrying out the requirements of this section, and shall furnish to the Committee such information as the Committee deems necessary to carry out this section.

DISSEMINATION OF INFORMATION AND OTHER ACTIVITIES TO PROMOTE PRACTICAL USE OF SOLAR PHOTOVOLTAIC TECHNOLOGIES

SEC. 8. (a) The Secretary shall take all possible steps to assure that full and complete information with respect to the demonstrations and other activities conducted under this Act is made available to Federal, State, and local authorities, relevant segments of the economy, the scientific and technical community, and the public at large, both during and after the close of the programs under this Act, with the objective of promoting and facilitating to the maximum extent feasible the early and widespread practical use of photovoltaic energy throughout the United States.

(b) The Secretary shall—

(1) study the effect of the widespread utilization of photovoltaic systems on the existing electric utility system at varying levels of photovoltaic contribution to the system;

(2) study and investigate the effect of utility rate structures, building codes, zoning ordinances, and other laws, codes, ordinances, and practices upon the practical use of photovoltaic systems;

(3) determine the extent to which such laws, codes, ordinances, and practices should be changed to permit or facilitate such use, and the methods by which any such changes may best be accomplished; and

(4) determine the necessity of a program of incentives to accelerate the commercial application of photovoltaic technologies.

(c) In carrying out his functions under this section, the Secretary shall consult with the appropriate government agencies, industry representatives, and members of the scientific and technical community having expertise and interest in this area.

SOLAR ENERGY DATA BANK

SEC. 9. The Secretary shall establish at the Solar Energy Research Institute in Golden, Colorado, a solar energy data bank which shall be a national solar data collection center including information pertaining to photovoltaic energy systems.

INTERNATIONAL PARTICIPATION AND COOPERATION

SEC. 10. (a) Within one year after the date of the enactment of this Act, the Secretary shall submit to the House Committee on Science and Technology and the Senate Committee on Energy and Natural Resources a plan for demonstrating applications of solar photovoltaic energy systems and facilitating their widespread use in other nations, especially those with agreements for scientific cooperation with the United States.

(b) The Secretary is authorized to encourage, to the maximum extent practicable, international participation and cooperation in the development and maintenance of programs established under this plan.

ENCOURAGEMENT AND PROTECTION OF SMALL BUSINESS

SEC. 11. (a) In carrying out his functions under this Act, the Secretary shall take steps to assure that small-business concerns will have realistic and adequate opportunities to participate in the programs under this Act to the maximum extent practicable.

(b) The Secretary shall, to the maximum extent practicable, use all authority provided by law to protect trade secrets and other proprietary information submitted by small business under this Act and to avoid the unnecessary disclosure of such information.

PRIORITIES

SEC. 12. The Secretary shall set priorities, as far as possible consistent with the intent and operation of this Act, in accordance with the following criteria:

(1) The application utilizing photovoltaic systems which will be part of the research, development, and demonstration program and testing and demonstration programs referred to in sections 4 and 5 shall be located in a sufficient number of different geographic areas in the United States to assure a realistic and effective demonstration of the use of photovoltaic systems and of the applications themselves, in both rural and urban locations and under climatic conditions which vary as much as possible.

(2) The projected costs of commercial production and maintenance of the photovoltaic systems utilized in the testing and demonstration programs established under this Act should be taken into account.

(3) Encouragement should be given in the conduct of programs under this Act to those projects in which funds are appropriated by any State or political subdivision thereof for the purpose of sharing costs with the Federal Government for the purchase and installation of photovoltaic components and systems.

AUTHORIZATION OF APPROPRIATIONS

SEC. 13. There is hereby authorized to be appropriated to the Secretary, for the fiscal year ending September 30, 1979, $125,000,000, inclusive of any funds otherwise authorized, (1) to carry out the functions vested in the Secretary by this Act, and (2) for transfer to such other agencies of the Federal Government as may be required to enable them to carry out their respective functions under this Act. Funds appropriated pursuant to this section shall remain available until expended: *Provided*, That any contract or agreement entered into pursuant to this Act shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

The SPEAKER pro tempore. Is a second demanded?

Mr. GOLDWATER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

Mr. ANNUNZIO. Mr. Speaker, I object, and on that I demand tellers.

Tellers were ordered, and the Speaker pro tempore appointed as tellers Mr. MCCORMACK and Mr. ANNUNZIO.

The House divided, and the tellers reported that there were—yeas 10, nays 1.

Mr. ANNUNZIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 376, nays 5, not voting 51, as follows:

[Roll No. 504]

YEAS—376

Abdnor	Burton, John	English
Addabbo	Burton, Phillip	Erlenborn
Akaka	Butler	Ertel
Ambro	Byron	Evans, Colo.
Ammerman	Caputo	Evans, Del.
Anderson, Calif.	Carney	Evans, Ga.
	Carr	Evans, Ind.
Anderson, Ill.	Carter	Fary
Andrews, N.C.	Cavanaugh	Fascell
Andrews, N. Dak.	Cederberg	Findley
	Chappell	Fish
Annunzio	Chisholm	Fisher
Applegate	Clawson, Del	Fithian
Archer	Cleveland	Flippo
Ashbrook	Cochran	Flood
Aspin	Cohen	Florio
Badham	Coleman	Flynt
Bafalis	Collins, Ill.	Foley
Baldus	Conable	Ford, Tenn.
Barnard	Conte	Fountain
Baucus	Corman	Fowler
Bauman	Cornell	Frenzel
Beard, R.I.	Cotter	Frey
Beard, Tenn.	Crane	Fuqua
Bedell	Cunningham	Gammage
Beilenson	D'Amours	Gaydos
Benjamin	Daniel, Dan	Gephardt
Bennett	Daniel, R. W.	Giaimo
Bevill	Danielson	Gibbons
Biaggi	Davis	Gilman
Bingham	de la Garza	Ginn
Blanchard	Delaney	Glickman
Blouin	Dellums	Goldwater
Boggs	Derrick	Gonzalez
Boland	Derwinski	Goodling
Bolling	Devine	Gore
Bonior	Dickinson	Gradison
Bowen	Dicks	Grassley
Brademas	Dingell	Green
Breaux	Dodd	Gudger
Breckinridge	Dornan	Guyer
Brinkley	Downey	Hagedorn
Brodhead	Drinan	Hall
Brooks	Duncan, Oreg.	Hamilton
Broomfield	Duncan, Tenn.	Hammer-schmidt
Broyhill	Early	
Buchanan	Eckhardt	Hanley
Burgener	Edgar	Hannaford
Burke, Calif.	Edwards, Ala.	Hansen
Burke, Fla.	Edwards, Calif.	Harkin
Burke, Mass.	Edwards, Okla.	Harris
Burleson, Tex.	Eilberg	Harsha
Burlison, Mo.	Emery	Hawkins
Heckler	Mineta	Schroeder
Hefner	Minish	Schulze
Heftel	Mitchell, Md.	Sebelius
Hightower	Mitchell, N.Y.	Seiberling
Hillis	Moakley	Sharp
Hollenbeck	Moffett	Shuster
Holt	Mollohan	Sikes
Holtzman	Montgomery	Sisk
Horton	Moore	Skelton
Hubbard	Moorhead, Calif.	Skubitz
Huckaby		Slack
Hughes	Moorhead, Pa.	Smith, Iowa
Hyde	Moss	Smith, Nebr.
Ichord	Mottl	Snyder
Ireland	Murphy, Ill.	Solarz
Jacobs	Murphy, N.Y.	Spellman
Jeffords	Murphy, Pa.	Spence
Jenkins	Murtha	St Germain
Jenrette	Myers, Gary	Staggers
Johnson, Calif.	Myers, John	Stangeland
Jones, N.C.	Myers, Michael	Stanton
Jones, Okla.	Natcher	Stark
Jones, Tenn.	Neal	Steed
Jordan	Nedzi	Steers
Kasten	Nichols	Steiger
Kastenmeier	Nolan	Stockman
Kazen	Nowak	Stokes
Kelly	O'Brien	Stratton
Kemp	Oakar	Studds
Keys	Oberstar	Stump
Kildee	Obey	Symms
Kindness	Ottinger	Taylor
Kostmayer	Panetta	Thompson
Krebs	Patten	Thone
LaFalce	Patterson	Thornton
Lagomarsino	Pattison	Traxler
Latta	Pease	Treen
Lederer	Pepper	Trible
Lehman	Perkins	Tucker
Lent	Pickle	Udall
Levitas	Pike	Ullman
Livingston	Poage	Van Deerlin
Lloyd, Calif.	Pressler	Vander Jagt
Lloyd, Tenn.	Preyer	Vanik
Long, La.	Price	Vento
Long, Md.	Pritchard	Volkmer
Lott	Pursell	Waggonner
Lujan	Quillen	Walgren
Luken	Rahall	Walker
Lundine	Railsback	Walsh
McClory	Regula	Wampler
McCormack	Reuss	Watkins
McDade	Rhodes	Waxman
McEwen	Richmond	Weaver
McFall	Rinaldo	Weiss
McHugh	Risenhoover	White
McKay	Roberts	Whitehurst
McKinney	Robinson	Whitley
Maguire	Roe	Whitten
Mahon	Rogers	Wilson, Bob
Mann	Roncalio	Winn
Markey	Rooney	Wirth
Marks	Rose	Wolff
Marlenee	Rosenthal	Wydler
Marriott	Rousselot	Wylie
Martin	Roybal	Yates
Mathis	Rudd	Yatron
Mattox	Russo	Young, Alaska
Mazzoli	Ryan	Young, Fla.
Meeds	Santini	Young, Mo.
Metcalfe	Sarasin	Young, Tex.
Mikva	Satterfield	Zablocki
Miller, Calif.	Sawyer	Zeferetti
Miller, Ohio	Scheuer	

NAYS—5

Collins, Tex.	McDonald	Quayle
Krueger	Mikulski	

NOT VOTING—51

Alexander	Flowers	Pettis
Armstrong	Ford, Mich.	Quie
Ashley	Forsythe	Rangel
AuCoin	Fraser	Rodino
Bonker	Garcia	Rostenkowski
Brown, Calif.	Harrington	Runnels
Brown, Mich.	Holland	Ruppe
Brown, Ohio	Howard	Shipley
Clausen, Don H.	Johnson, Colo.	Simon
	Le Fante	Teague
Clay	Leach	Tsongas
Conyers	Leggett	Whalen
Corcoran	McCloskey	Wiggins
Cornwell	Madigan	Wilson, C. H.
Coughlin	Meyner	Wilson, Tex.
Dent	Michel	Wright
Diggs	Milford	
Fenwick	Nix	

So a second was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The

gentleman from Washington (Mr. McCORMACK) and the gentleman from California (Mr. GOLDWATER) will be recognized for 20 minutes each.

The Chair recognizes the gentleman from Washington (Mr. McCORMACK).

Mr. McCORMACK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I wish to first point out that there is a printing error in the Union Calendar print that the Members have before them, and I ask unanimous consent that the error be corrected. On page 2, line 14, the word "exciting" should read "existing." This is strictly a printing error. I think that the printer was excited about the bill, but I trust that there will be no objection to the correction.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. McCORMACK. Mr. Speaker, H.R. 12874 was reported unanimously from the Subcommittee on Advanced Energy Technologies and then from the full Committee on Science and Technology. It has about 100 sponsors in the House. It authorizes the same amount of money, $125 million, as does the fiscal 1979 authorization bill for the Department of Energy, which will be before the House immediately after the Fourth of July recess. This same amount has been appropriated for solar photovoltaic energy research, development and demonstration programs for 1979 in legislation that has already passed in the House.

The administration has taken no position on this bill, saying neither that it supports or opposes the legislation. However, since the bill was introduced and printed, the administration has proposed a photovoltaic program similar to but less comprehensive than the one we have before us in our bill, H.R. 12874.

The bill we are considering provides the Congress an opportunity to take positive action in the development of renewable alternative energy sources. It provides a commitment to a 10-year program that has the potential of bringing solar technology to the point where it may be competitive for commercial applications, as, for instance, the pumping of irrigation water in remote areas of this and other countries.

We on the Science and Technology Committee believe that the research, development and demonstration programs established in H.R. 12874 must be undertaken as soon as realistically possible in order to bring photovoltaic technologies, and the photovoltaic industry, to maturity at the earliest possible date.

The Subcommittee on Advanced Energy Technologies and Energy Conservation, Research, Development, and Demonstration, which I chair, has held extensive hearings on this bill and on the potential for photovoltaic systems. We received testimony from a number of qualified persons from a broad spectrum of qualified sources, and the testimony at these hearings indicated the need for the Federal Government to assume a leadership role in the development of the photovoltaic industry over the next decade. This bill establishes such a Federal involvement by laying out an aggressive, rational, 10-year, goal-oriented research, development, and demonstration program in the Department of Energy for solar photovoltaic energy technologies.

Mr. Speaker, solar photovoltaic systems convert sunlight directly into electricity. This is accomplished by a process which is clean, silent, involves no heat engine, and no moving parts.

I have a simple demonstration here. If this light bulb would serve as sunshine, the Members will see this propeller turn as a result of my bringing the light close to the photovoltaic cells, which are the black semicircles we see on top of the box. This is a simple demonstration of photovoltaic powered systems.

All of our space satellites are equipped with photovoltaic panels to provide electricity inside the spacecraft. The problem that has precluded their terrestrial use is that they are very expensive. This particular display model here, which has enough electricity to run this tiny one-hundredth of a watt motor, costs about $30. Also, our total production of photovoltaic cells in this country today is the equivalent of about three-hundredths of 1 percent of one nuclear powerplant.

We have much to accomplish. We have to improve the technology, reduce the costs, introduce methods of mass production, and mass produce cheaply enough to make these systems competitive for electrical uses for various places in the country and in the world where they are not competitive today. This is the purpose of this bill.

We must reduce the cost of these cells by 10 to 50 times to make them competitive for most purposes, and this is what the bill sets out to do. First of all, it sets into motion a 10-year, $1.5 billion research, development, and demonstration program in solar photovoltaic technologies based on a close cooperative relationship between the Federal Government and private industry. It sets clear but adjustable goals for the program to meet. These goals include improved performance, increased production, and reduced costs.

The bill proposes to double the total production of photovoltaic systems each year for 10 years, starting with fiscal year 1979. By 1988 the production will be 1,000 times what it is today, and all of the production combined by that time would equal 2 million peak kilowatts.

The bill sets forth a predictable program that clearly declares that the Federal Government is serious about this technology and is dedicated to facilitating its adoption by the private sector. To help bring this about, the bill calls for the Department of Energy to provide up to a 75-percent subsidy for purchase and installation of solar photovoltaic systems in market development demonstrations in a wide variety of uses in both the public and private sectors. The bill provides necessary and initially aggressive Federal funding assistance and phases it out over 10 years, so that by the end of that time only 10 percent will be paid for by the Federal Government.

The Solar Photovoltaic Energy Research, Development and Demonstration Act has received strong support from industry, the academic community, and various citizens' groups. It was reported from the committee unanimously.

Mr. Speaker, I request support for this legislation.

Mr. FUQUA. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Florida.

Mr. FUQUA. Mr. Speaker, I thank the gentleman for yielding. I want to thank the gentleman in the well and the subcommittee for the fine work they did in bringing this bill before us. It is a further illustration of the fact that we must use all types and sources of energy to try to cope with the problem we have.

Mr. Speaker, I rise in support of H.R. 12874, the Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978. This bill provides for a focused, goal-oriented research, development, and demonstration program over the next decade relating to solar photovoltaic energy systems. These systems offer great promise for providing a significant portion of our future energy needs from an inexhaustible energy source; the Sun. Our Nation anxiously awaits to see if we can harness this solar energy application and realize the unlimited potential offered by the Sun. By the end of fiscal year 1988, we hope that industry will be able to provide us with approximately 2 million peak kilowatts of solar photovoltaic energy systems per year.

The program established under this legislation will allow us to look at the technical and economic feasibility of these systems. It will also permit us to determine the role that this technology will play as a future domestic energy source. One of the goals of this program is to reduce the average cost of installed photovoltaic energy systems to $1 per peak watt by fiscal year 1988.

The Committee on Science and Technology has carefully drafted this legislation to contain the necessary elements for successful implementation of this program. This committee has received a great deal of testimony from industry, and the research and academic community on the need for Federal involvement in the photovoltaic market. After much effort and deliberation, we have structured a piece of legislation that will specify an accelerated program for solar photovoltaic systems, leading to their widespread use in supplementing and replacing conventional methods of generating electricity. I believe that this legislation is responsive to these needs.

We and our Nation owe a debt of gratitude to our committee chairman, Congressman TEAGUE, who has helped us develop a comprehensive research and development program for not only this

energy application, but also for many other energy sources and conservation technologies that will enable us to achieve our goal of a healthy energy future. OLIN TEAGUE has devoted 32 years of his life to shaping legislation that has benefited our Nation. We owe him a great debt of gratitude for the contributions he has made in insuring our own well-being, and, in particular, in reaffirming this committee's commitment to the development of our Nation's energy sources. Without his guidance, our programs for energy conservation and development would have lacked the direction required to insure that we can solve our energy problem.

I would like to compliment Congressman MIKE MCCORMACK, the chairman of the Subcommittee on Advanced Energy Technologies and Energy Conservation Research, Development and Demonstration, and Congressman BARRY GOLDWATER, Jr., ranking minority member of this subcommittee, for the fine work they have done in formulating this legislation. Their aggressive leadership and sound work were instrumental in developing this piece of legislation so as to insure that we have created a successful program for solar photovoltaic systems. I believe that their insight in creating both a solar photovoltaic energy advisory committee and a national solar energy data bank will help in seeing that appropriate information relative to the effective uses of solar photovoltaic systems is collected and disseminated. As a result of their efforts, I am confident that we can reach the goals outlined in this bill and realize the potential of solar photovoltaic energy.

Mr. Speaker, I consider H.R. 12874 to be a responsible piece of legislation which deserves our support. We must continue the development of solar energy applications that show great promise for the future. With this legislation, we will be able to develop solar photovoltaic energy technologies in a rational and comprehensive manner. This will insure that the taxpayer's dollars are used in as efficient and effective manner as possible. I urge passage of this bill.

Mr. MCCORMACK. Mr. Speaker, I thank the gentleman from Florida for these remarks and for the leadership of the gentleman from Florida, and also the gentleman from Texas (Mr. TEAGUE) on the Committee on Science and Technology.

Mr. GOLDWATER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 12874, the Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978. H.R. 12874 represents one more opportunity for us to expand upon our reliance on alternative energy sources. This particular piece of legislation which comes before us today is one which has been developed over the past several years. It provides for the development of an exciting source of energy—the Sun. Solar energy, and in particular, solar photovoltaic energy systems, are realized by much of the scientific community as a viable potential future source of energy. Solar photovoltaic energy systems could be utilized either in a cantralized source or in a dispersed application to satisfy the energy needs of both our country and foreign nations.

H.R. 12874 provides for the development of a solar photovoltaic energy research, development and demonstration program. This program is a 10-year program estimated potentially at about $1.5 billion, leading solar photovoltiaic to a point of economic commercialization. What this program intends to do is to double our production of solar photovoltaic energy each year over a 10-year span and by fiscal year 1988, to have in place some 2 million peak kilowatts of production capacity. Another purpose of this program is to reduce the dollar cost of energy per peak kilowatt produced by solar photovoltaics down to approximately $1; whereas today, I believe it is somewhere in the area of $6 up to $12 or higher, depending on the total system used.

I believe that the Science Committee has developed the solar photovoltaics energy program embodied in H.R. 12874 in a realistic way. It has shaped a legislative program which meets the approval of most of those who are involved. The committee held comprehensive hearings and received a great deal of testimony in this matter. As a result, the program which we bring before the House today fits quite well into the Department of Energy goals and programs as far as solar energy is concerned.

I am particularly pleased with many provisions of this bill. As the gentleman from Washington (Mr. MIKE MCCORMACK), pointed out, H.R. 12874 will insure that the fiscal year 1979 authorization of $125 million will be wisely spent over approximately the next 4 to 5 years. In this regard the bill establishes a solar photovoltaic advisory committee which will allow us to bring to bear expertise in this particular field of energy development and demonstration. In addition, the bill provides for the protection of proprietary rights and especially the interests and innovations of small business.

Finally, the bill also provides for and encourages the stimulation of foreign markets.

Mr. Speaker, I believe that H.R. 12874 establishes an exciting energy program for the future. Our Nation anxiously awaits the challenge of harnessing the unlimited resources of the Sun. Some consider solar energy as an exotic and expensive form of energy; but as a result of increased interest, we have found dramatic breakthroughs in the sciences resulting in significant cost reductions in the use of solar energy technologies, and in particular, solar photovoltaic energy systems.

The photovoltaic effect, the phenomenon upon which these systems are based, is the direct conversion of the Sun's energy into electricity. By using materials such as silicon, and other semiconductor materials, and allowing these materials to be exposed to solar radiation, we can easily convert direct sunlight into electricity. If they can be economical, these systems could be of great future benefit to our Nation. I believe that we must continue to maintain vigorous energy research and development programs that show merit, such as those involving solar photovoltaic systems, to reach our goal of energy independency. For this reason, I urge support of this bill.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. GOLDWATER. I am happy to yield to my colleague, the gentleman from New York (Mr. FISH), who has been a significant contributor to this piece of legislation as well as to the concept of solar energy.

Mr. FISH. Mr. Speaker, I thank the gentleman very much for yielding.

Mr. Speaker, I rise in support of H.R. 12874, the Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978.

I wish to compliment both the chairman of the subcommittee, the gentleman from Washington (Mr. MCCORMACK), and the ranking member of our subcommittee, the gentleman from California (Mr. GOLDWATER) for bringing this legislation before us.

Mr. Speaker, H.R. 12874 provides for an accelerated 10-year research, development, and demonstration program for solar photovoltaic energy systems—the direct conversion of solar radiation to electricity. It provides for a focused solar photovoltaic program which, hopefully, will reduce the average cost of photovoltaic systems to $1 per peak watt by fiscal year 1988. In the past, photovoltaic systems have been considered economically impractical, but we on the Science Committee believe that the economic barriers to this application can now be overcome.

I also support the funding levels established by this bill, which adds $49 million to the amount requested by the administration. This will permit the establishment of a truly effective R. & D. program. This program will be more focused and likely to succeed, and will allow our Nation to reap the benefits of solar photovoltaics at an earlier date.

These systems can be used in both central and dispersed applications, supplying energy for such diverse purposes as satellites, small communities, homes and irrigation pumps. If solar photovoltaics can be produced on a wide scale at a cost-efficient price, an even wider range of applications will open up. The goals of H.R. 12874, which include stimulating the purchase by private buvers of at least 90 percent of all photovoltaic systems produced in the United States by fiscal year 1988, can be attained.

I am particularly pleased that we continue to explore the potential of alternative renewable sources of energy for meeting our future energy needs. Solar energy offers us an unlimited resource of energy, and this particular application of solar energy has the potential to meet a portion of global energy demands in a

socially and economically acceptable manner. As our country works on the development of a comprehensive energy policy, I believe that we must stress the development of those energy sources and their uses that are environmentally benign and technologically simple in their applications. In solar photovoltaics, we have a technology that meets these criteria and can also be appropriate for use in foreign markets. For this reason, I believe that we must strenuously pursue the development of solar photovoltaics.

Mr. Speaker, we must now try to overcome the obstacles facing the use of solar photovoltaic systems. Our Nation anxiously awaits to see if we can harness the full potential of the Sun. We cannot afford to wait any longer if we wish to reach our goal of energy independence. This bill provides for a national effort to increase our energy production from solar photovoltaics, so that by 1987 annual production from these systems will be 2 million peak kilowatts, 1,000 times what it is today. I believe that we should strive to reach this goal, and for this reason, I urge support of this bill.

Mr. PURSELL. Mr. Speaker, will the gentleman yield?

Mr. GOLDWATER. I am happy to yield to my colleague, the gentleman from Michigan (Mr. PURSELL), who has demonstrated a tremendous amount of knowledge in the field of energy and has contributed greatly to our efforts.

Mr. PURSELL. Mr. Speaker, I want to congratulate the majority and minority members of the committee for their excellent work on this alternative energy demonstration program for the next 10 years. I compliment all the committee members and the staff especially for putting together a bill that has, I think, great advantages, not only domestically but for all nations in the free world.

H.R. 12874 provides for a solar energy R. & D. program that this country desperately needs. It has become increasingly necessary to develop our solar energy resources to the fullest extent possible in order to reduce our dependence on foreign energy supplies. I believe that we must take actions now to insure that we will have enough energy supplies in the future to satisfy our demands.

H.R. 12874 satisfies this need. It is an attempt to establish a focused, goal-oriented program for solar photovoltaic energy development. The bill requires the Department of Energy, with the support of NASA, the National Bureau of Standards, the General Services Administration, and other Federal agencies, to implement a research, development, and demonstration program relating to solar photovoltaic energy systems, and leading to their early commercial applicability. By adding $49 million to the administration's request in this area, the bill provides the funding necessary to conduct this program in an effective manner. I believe that we have chosen an appropriate level to assure that the goals of this bill can be attained.

Of particular importance to me is the emphasis in the bill on the development of a plan for demonstrating applications of photovoltaic systems and facilitating their widespread use in other nations. These systems may offer an attractive energy option for foreign nations who will face the same pressing energy demands that we predict for ourselves. The increase in export revenues created by foreign solar photovoltaics will help stimulate our economy and strengthen our dollar.

In addition, I am particularly pleased that this bill provides for the implementation of a research, development, and demonstration program that considers long-range plans for photovoltaics. The bill commits our Nation to a 10-year program that takes into account the anticipated future role of the Federal Government throughout the program. By considering the future implications of solar photovoltaics. we will be better able to manage this program in an efficient manner, and assure the most effective expenditure of Federal funds.

Mr. Speaker, I believe that the solar photovoltaic program has to be pursued in the manner represented by this bill. Our Nation anxiously awaits the development of our solar energy resources. These resources offer us an almost unlimited potential to help meet our future energy needs. This legislation will contribute significantly toward attaining our goal of energy self-sufficiency. I support the bill, as I do the use of solar energy in general, and urge my colleagues to do the same.

Mr. GOLDWATER. Mr. Speaker, I thank the gentleman for his support.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. GOLDWATER. I am happy to yield to my colleague, the gentleman from Arizona (Mr. RUDD), who not only has a keen interest in solar energy, reflecting the concerns and the interests of the State of Arizona, but who has also certainly contributed greatly to the Committee on Science and Technology and, in particular, to the Subcommittee on Advanced Energy Technologies.

Mr. RUDD. Mr. Speaker, I thank the distinguished gentleman from California (Mr. GOLDWATER) for yielding.

I also would like to add my congratulations and my thanks to the gentleman for his leadership and for his action, and I commend the gentleman from Washington (Mr. MCCORMACK) for the tremendous effort he has put into this legislation.

I would like to say that the solar photovoltaic energy research, development and demonstration program presents an exciting challenge for our Nation. Solar photovoltaic systems hold great promise for satisfying our future energy needs.

In my own State of Arizona we have several companies that are most active in the field of solar photovoltaic, principally Motorola, which has put together a new program and has continuously added to what it has done.

Mr. Speaker, I think that solar energy represents one of the real vital movements for the future in the field of energy.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. GOLDWATER. Mr. Speaker, there have been many in this Congress who have worked hard on solar energy, and I am very happy to yield to the gentleman from Pennsylvania (Mr. WALKER), who has been one of the leaders in the Congress in this field and who has also made a significant contribution to finding alternative energy sources as a result of our increasing concern for future energy supplies.

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding.

I, too, would like to say that I think the gentleman from California (Mr. GOLDWATER) and the gentleman from Washington (Mr. MCCORMACK), who have led the Subcommittee on Advanced Energy Technologies in the development of this bill, are to be congratulated.

I rise in support of H.R. 12874, the Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978 .This bill provides an expanded and accelerated program for solar photovoltaic energy development, leading to the widespread use of this technology. Solar photovoltaic systems show great promise for providing a portion of our future energy supplies in an environmentally sound manner, and must be vigorously pursued.

One of the goals of H.R. 12874 is to reduce the average cost of installed solar photovoltaic energy systems to $1 per peak watt by fiscal year 1988. This will help to insure that these systems are cost-competitive with other energy systems, and will encourage the widespread use of solar photovoltaics. I believe that we would be remiss if we did not further examine this energy source, which shows great potential for relieving our dependence on foreign supplies of oil.

Mr. Speaker, H.R. 12874 takes a monumental step toward determining the feasibility of using solar energy, and highlights a concept that challenges both our ingenuity and our commitment. This bill reaffirms our willingness to examine the merits of all possible energy sources. It offers us a chance to develop an energy source with an infinite resource base, one which must be seriously considered in our energy plans for the future.

Solar photovoltaic energy systems will surely play a large part in those plans, and H.R. 12874 includes the steps needed to make those plans a reality. I therefore urge support of this bill.

Mr. DORNAN. Mr. Speaker, will the gentleman yield?

Mr. GOLDWATER. I am happy to yield to my colleague, the gentleman from California (Mr. DORNAN), who likewise has made significant contributions to this piece of legislation.

Mr. DORNAN. Mr. Speaker, it is a pleasure to join my other colleagues in congratulating my fellow Member, the distinguished gentleman from California (Mr. GOLDWATER), and I am happy to

see the tremendous bipartisan support that this bill, H.R. 12874, has had since its inception. It is reassuring to see that real teamwork can move this country into the future and put the energy issue properly where it belongs, in middle America, and not where radical groups can run away with it with a lot of half-baked claims and use this issue particularly as a radical or political issue.

I am proud to be a member of this committee, and I am proud of the way it has moved aggressively forward on the issue of photovoltaic energy.

Mr. Speaker, I thank the gentleman for yielding.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. GOLDWATER. I am very happy to yield to the gentleman from Ohio (Mr. WYLIE), who was one of the original sponsors of this legislation.

Mr. WYLIE. Mr. Speaker, I want to commend the gentleman in the well Mr. GOLDWATER, as well as, Mr. MCCORMACK and Mr. TEAGUE, the chairman of the committee for their most worthwhile efforts in bringing this bill to the House floor today.

Mr. Speaker, I wholeheartedly support H.R. 12874. I am indeed one of the original cosponsors of this legislation. The solar photovoltaic concept draws attention to the serious problem the Nation faces posed by our depleting energy resources. We all have seen the results of studies predicting the exhaustion of our natural gas, oil, and eventually coal reserves. Whether the timetable is 20 years or 200, we know that these reserves are finite.

We who live in Ohio are perhaps a little more sensitive to this problem than those who live in other areas. For the past 2 years we have suffered from painful glimpses at a frozen crystal ball. The winter of 1977 brought a natural gas shortage that closed our industry, business, and schools. This winter's coal strike brought the same threat from a different direction.

Solar photovoltaic energy systems show great promise for providing significant amounts of energy from an inexhaustible resource—the Sun. These systems do not pollute. They show promise of easing our reliance on nations from which we import energy. In fact, this technology shows great potential as an item of export.

The Solar Photovoltaic Energy Act will hopefully realize the advantages of photovoltaic energy by providing for an aggressive energy research, development, and demonstration program. This program will help us solve the technical problems that are hindering the attainment of cost reduction goals specified in the bill.

Another goal of this bill is to "stimulate the purchase by private buyers of at least 90 percent of all solar photovoltaic energy systems produced by the United States during fiscal year 1988. With passage of the bill, this is an achievable goal. Like the Solar Heating and Cooling Act of 1974, which I also cosponsored, this bill has a termination date. It will create no new, permanent Federal bureaucracy. Like the 1974 act, it is a brief stimulus by the Federal Government to create a healthy and aggressive industry which includes small businesses. It is a stimulus to harness that industry for our national battle to overcome our energy problem.

When the 1974 Heating and Cooling Demonstration Act was passed, there were no privately owned solar homes in my district. This summer the 50th will be completed. The Solar Photovoltaic Act holds the promise of equal success. For this reason. I urge support of this bill.

Mr GOLDWATER. Mr. Speaker, I think it is important to point out the bipartisan support of our efforts in developing this particular source of energy. It has been the concern of some people that the Federal Government is injecting itself too greatly in some of these areas. I think, as the gentleman from Ohio (Mr. WYLIE) pointed out, it gets down to a matter of the cost-effectiveness of producing energy from solar photovoltaic systems. I believe that the Federal Government should play a role in stimulating a market for solar energy technologies. The development of these markets will help us reach our goal to reduce the average cost of solar photovoltaic energy systems to $1 per peak unit by fiscal year 1988. Some of our alternative sources of energy, such as solar energy, are not economically competitive with oil and gas, or even coal; and, therefore, a great deal of effort, time and money needs to be put in to massage the technologies that make use of these energy sources, and to refine them down to a point where they are competitive. Solar photovoltaic technologies, which have been with us for some time, are one such type of solar energy application that is not economically competitive today. There is no way that we can presently use these systems to replace oil and gas. But through a joint program with the Federal Government and the private sector, I think that we can put together the kind of dollars that are needed to massage solar photovoltaic technology and to refine it to the point where breakthroughs and new techniques of manufacturing will bring it down to the point where it will be economically competitive. I think that when we reach that particular time, it will be appropriate for the Federal Government to step out of this program, because I believe that the private sector will then move in and vigorously promote solar photovoltaic technologies.

Mr. JEFFORDS. Mr. Speaker, will the gentleman yield?

Mr. GOLDWATER. I yield to the gentleman from Vermont (Mr. JEFFORDS), who has been in the forefront in promoting and stimulating the development of all types of solar energy applications.

Mr. JEFFORDS. Mr. Speaker, I thank the gentleman for yielding. I also thank him for his kind words. I rise to commend him, the Chairman, Mr. McCormack, and the committee for this forward looking bill. There is so much potential to be gained from full utilization of our resources to develop the potential of solar electric, photovoltaics.

The policies and purposes as set forth in this bill articulate so well the message this House delivered 2 years ago when it substantially increased the committees recommendations at that time. I commend the committee for taking the lead at this time. I only wish the Department of Energy and, in particular, Dr. Schlesinger, would also see the potential and wisdom of moving forward at a more rapid pace in this area.

As the gentleman noted I have dedicated a considerable amount of time and effort in this area. Others have already discussed the details of the bill. I would like to discuss more fully the international potential although the main assistance to this country is mainly in the next decade. There is so much to be gained in comercialization to place us in a competitive position in the international market immediately.

In lesser developed nations where there are no existing utility grid systems and where diesel fuel costs are high, photovoltaics for rural village use can already be cost competitive. This bill will assist us to take advantage of these opportunities for markets. This will help us in many ways. It will reduce our balance-of-payment problem. It will enhance our image with the countries served. It will help build the markets to help reduce our per unit costs. This will allow the Government to get out of the subsidization position sooner.

Also, when one realizes how little of our energy funds are going into this area of great potential, one cannot wonder that the public, which all polls indicate are way ahead of us in recognizing the potential, are upset with our inaction. We now have action.

Although no one can say that the exact funding levels in this bill are on target, the numbers do seem reasonable. The figure for the next fiscal year conforms to the accelerated program that the House committees are recommending, and the total for the 10-year period covered by the bill does not seem inadequate. There may be adjustments which we will want to make as we learn more about what these technologies can and cannot do.

The concept of a staged accelerated commercialization effort, something that industry can rely on for planning purposes, and the setting of ambitious goals—all of which is accomplished by this bill—is a step forward. I commend the committee for their initiative here, and support the bill.

Mr. GOLDWATER. Mr. Speaker, I thank the gentleman for his remarks.

I would only conclude by saying that the minority and the majority, I think, have worked well on this particular piece of legislation. H.R. 12874 represents, I think, a fairly intelligent approach to managing one source of alternative energy, and a particular application of that source. I would hope that my colleagues will agree with me and support this bill.

Mr. MCCORMACK. Mr. Speaker, I

yield such time as he may consume to the gentleman from New York (Mr. OTTINGER).

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. OTTINGER. I am happy to yield to the gentleman from Ohio.

Mr. VANIK. I thank the gentleman for yielding.

Mr. Speaker, I want to commend the gentleman from Washington (Mr. McCORMACK), the chairman of the subcommittee, and the gentleman from California (Mr. GOLDWATER) for bringing this legislation to the floor.

I think that the high purpose of this bill justifies its adoption by the House. I am sure that it is going to put into motion a great deal of research to develop alternative energy systems.

I want to suggest this to my colleagues: Perhaps the time has come for us to deal with the issue of an investment credit for research and development in all areas. If we were to use that approach in this bill, a revenue loss of $125 million would produce 10 times the expenditure by private industry, or an expenditure equivalent of $1,250,000,000. I certainly urge my colleagues to adopt this legislation to help develop an alternative energy system.

I hope that later on we might consider providing an incentive for research and development across the board in a way that we can revitalize our economy and make it more competitive and productive.

Mr. Speaker, I thank the gentleman for yielding.

Mr. OTTINGER. Mr. Speaker, I thank the gentleman from Washington (Mr. McCORMACK) for yielding, and I thank the gentleman from Ohio (Mr. VANIK) for his remarks.

I would certainly like to join in the congratulations to my subcommittee chairman, the gentleman from Washington (Mr. McCORMACK), and to the ranking minority member, the gentleman from California (Mr. GOLDWATER), for taking the leadership on this legislation. I am pleased to have worked with them on it.

I also think that a word of praise ought to be said for the committee staff, particularly Henry Gaton, who contributed very constructively to this legislation.

Mr. Speaker, in my opinion, this is one of the most promising and exciting technologies for resolving our energy problems of the future. While it alone will not answer all of our energy needs—we will always have the need for some centralized energy resources—it does offer the promise of being able to produce electricity without environmental problems in the quantity that is needed at each plant and at each home in America at some date in the near future when we can get the price down to the point of being competitive with existing resources.

Mr. Speaker, this is at long last a photovoltaic program of enough vision and scope and has enough funding behind it to enable us to achieve the cost reductions that will make this outcome possible.

For that vision and for that scope I congratulate the committee because in the past the photovoltaic program has not, in my opinion, been taken with an adequate degree of seriousness.

Mr. Speaker, I do hope that the administration will give this bill the same priority we have on the committee. In the past, also, the administration has been very lax in pursuing photovoltaics. In point of fact, the administration and in particular the DOE has been far behind what industry has been doing. Industry has been making far greater progress on its own than our own research programs. Therefore, I hope the Department of Energy will really get behind this effort and will expand its program and carry it forward.

Mr. Speaker, this legislation has two important aspects: A research-and-development aspect and a very substantial photovoltaic "buy" aspect which will stimulate the private sector to be able to start mass production of photovoltaic cells.

Mr. Speaker, I hope that through this legislation we can achieve the great potential for this very promising energy resource. I strongly urge passage of this bill.

Mr. McCORMACK. Mr. Speaker, I thank the gentleman from New York (Mr. OTTINGER).

I yield such time as he may consume to the gentleman from Oregon (Mr. WEAVER).

Mr. WEAVER. Mr. Speaker, I thank the gentleman from Washington (Mr. McCORMACK) for yielding.

I rise in strong support of the bill and in strong support of this great approach to solar energy.

I want to congratulate and commend the committee for bringing this bill to the floor.

Mr. McCORMACK. Mr. Speaker, I thank the gentleman from Oregon.

Mr. Speaker, I yield such time as he may consume to the gentleman from Arkansas (Mr. THORNTON).

Mr. THORNTON. Mr. Speaker, I thank the gentleman for yielding.

I would like to add my congratulations to the chairman, the gentleman from Washington (Mr. McCORMACK), the gentleman from California (Mr. GOLDWATER), and the other members of the committee, who have joined in bringing this useful legislation to the floor. I strongly support it and urge its passage.

However, I would like to ask the gentleman from Washington if he would respond to a question as to what we can reasonably expect to obtain in the nature of energy resources from the various applications of solar energy.

If the gentleman has projections as to what we can reasonably expect from this source of energy during the rest of this century, I would appreciate the gentleman's sharing that information with us.

Mr. McCORMACK. Mr. Speaker, if the gentleman will yield, I will try to answer his question.

It is difficult to project total production from any energy technology as far in the future as the end of the century. However, we can make realistic estimates of how much each solar energy technology will contribute as a function of the number of units in operation.

For instance, each 100 kilowatt (peak) photovoltaic system will produce about the same electricity as one barrel of oil a day. That is the equivalent one permanent job for some American worker. If we were to install 200,000 solar photovoltaic units of 100 kilowatts (peak) each, this would produce electricity equivalent to that from 200,000 barrels of oil per day.

If we were to convert 20 percent of all the residences in the country to solar heating and cooling, this would be equivalent to about one million barrels of oil a day.

If we had 20 solar electric farms in the desert, each five times as large as the one now being built in California, they would produce the equivalent of about 15,000 barrels of oil a day.

If we had 100 very large windmills, as big as jet airplanes, and 100,000 small ones, they would produce the equivalent of 5,000 barrels of oil per day.

If we had 10 ocean thermal conversion plants, they would produce the equivalent of about 3,000 barrels of oil a day.

If we had a system of solar-bioconversion that converted 50 percent of all organic waste to useful energy, that would produce the equivalent of about 1 million barrels of oil a day.

Mr. Speaker, the total of all the above is about 4 percent of the total energy consumption anticipated for the United States in the year 2000. If we put all those solar facilities into operation, we would still have to produce 96 percent of our energy needs from other sources. I do not wish to minimize the importance of what seems to be a small percentage contribution. This 4 percent will cut out about $14 billion a year in the cost of imported oil.

Mr. Speaker, if we recognize the value of going with solar energy technologies, and aggressively pursue them today, we will find that they will provide a very significant saving in oil, even though they will not solve our energy problems by themselves. Solar is an inexhaustible form of energy and, as we develop economic technologies, we can expect to expand it over the coming decades.

Mr. THORNTON. Mr. Speaker, I want to thank the gentleman from Washington (Mr. McCORMACK) for that very complete response to my question.

Mr. McCORMACK. Mr. Speaker, I yield such time as he may consume to the gentleman from Washington (Mr. DICKS).

Mr. DICKS. Mr. Speaker, I rise in support of this legislation. As a member of the Public Works Appropriations Subcommittee, which added $49.2 million over the budget for photovoltaic research, development, and demonstration, I am aware that this technology is one of the closest to a marketable potential energy source.

We also added $19 million to accelerate efforts to reduce the cost, which the gentleman from Washington (Mr. McCORMACK) has so ably pointed out as one of the major sticking points in bringing this system on line.

The legislation we are considering today deepens our commitment to achieve the earliest possible commercialization of a reliable solar electrical supply. Mr. Speaker, we are going to need all the electrical generation we can produce by the turn of the century. I would just like to commend again the chairman and the ranking Republican on the committee, the gentleman from California (Mr. GOLDWATER) who I think have done an outstanding job on this and in a variety of other areas to try to help us develop energy alternatives that are absolutely essential to meet our energy requirements. What we are talking about is our energy supply. That is the issue that has not yet been addressed adequately in our emerging national energy plan.

Mr. Speaker, I want to applaud the gentleman from Washington for his outstanding leadership in this important field.

Mr. McCORMACK. I thank the gentleman.

● Mr. DON H. CLAUSEN. Mr. Speaker, I want to express my strong support of H.R. 12874, the Solar Photovoltaic Energy Research, Development, and Demonstration bill.

As a cosponsor of the legislation, I commend my colleagues on the House Science and Technology Committee for their willingness to advance this important piece of legislation. In particular, I would like to recognize the leadership role played by the distinguished gentleman from Washington (Mr. MCCORMACK), the chairman of the committee. As the lead author, he has devoted a tremendous amount of time to perfecting the bill and has used his expertise to develop the best possible legislation. Throughout the hearings and the mark-up sessions, his understanding and knowledge of the subject matter gave him the ability to recognize the needs of the industry and to quickly arrive at the heart of the issue.

As my colleagues know, photovoltaic solar cells were first developed in the early 1950's as a means of capturing the Sun's rays and converting that energy into electrical power. Large-scale use has not, however, developed due to the cost relative to current energy sources. An acclerated program of research development, and demonstration of solar photovoltaic energy technologies is needed to bring about competitive commercial application. The purpose of this legislation is to provide just such an incentive to the industry.

The bill authorizes funds for the Department of Energy to establish solar photovoltaic research, development, and demonstration grant projects.

The goals of the program are to double the production of solar photovoltaic energy systems, to reduce the average cost of installed solar photovoltaic energy systems, and to stimulate the purchase by private buyers of at least 90 percent of all photovoltaic energy systems produced in the United States during 1987.

To assist in reaching these goals, grants will be available to private or public entities to help with the design, purchase, fabrication, testing, demonstration, and installation of performance certified photovoltaic systems.

The Department of Energy will also serve as a clearinghouse for all information obtained under the program. Federal, State and local agencies, the scientific and technical communities, industries, universities, and the public will be able to obtain information needed to promote photovoltaic technology.

I would like to commend the committee for its sensitivity to the needs of small businesses. The legislation assures that small businesses will be provided an opportunity to participate in the program and provides for the protection of trade secrets and other proprietary infomation submitted by them.

I urge my colleagues to pay close attentior to the debate today and to support this legislation. We need to advance every possible energy alternative in our attempt to achieve energy independence. Solar energy has the potential of satisfying many of our long-range requirements but in order to do this we need to move from the experimental stage to actual commercial application.

I have seen demonstrations of the successful use of photovoltaic solar cells and know that the capability is there. The problem is making it commercially viable which we hope to accomplish, at least partially, with enactment of this legislation.

Again, I urge my colleagues to support this legislation.●

● Mr. CORCORAN of Illinois. Mr. Speaker, I rise in support of H.R. 12874, the Solar Photovoltaic Energy Research Development and Demonstration Act of 1978. As a cosponsor of this measure, I believe that this bill will allow us to fully engage in a comprehensive analysis of energy ideas which up until now have been placed on the back burner. Considering the stagnatory condition of the Federal energy bill in Congress, the need for alternative energy sources, such as solar energy, are imperative if our society is going to remain and function properly.

National interest in solar power has increased significantly in recent months. I am receiving a substantial amount of mail from my constituents, most of whom make some reference to solar energy after commenting on the status of the energy situation in general in this country. Indeed, the residents of the 15th District of Illinois realize that solar energy is not a science fiction phenomenon. The results of my spring 1978 questionnaire indicate that more than 45 percent of those responding would support research and development in the solar field as the primary alternative for existing energy sources such as natural gas and coal. We therefore must assign a priority to solar developments now, so that we can determine whether it can become a feasible, cost-effective method of providing large amounts of power.

Interest in solar photovoltaic systems is also increasing in Congress. Last year the House of Representatives adopted the Tsongas amendment to the FRDA authorization bill which authorized $28 million for the Federal purchase of these systems and initiates studies on increasing their use to help meet the Nation's energy needs.

H.R. 12874 establishes a focused, goal-oriented program based on a cooperative effort between the Federal Government and private industry to facilitate the early commercial application of photovoltaic systems. The key element of this bill is the establishment of a 10-year research, development and demonstration program. This program provides clear and ambitious goals and the types of long range plan that is so important to effective management. This bill has the widespread support of industry, the academic community, and environmental groups and is cosponsored by more than 85 Members of the House.

Mr. Speaker, this is a sound proposal and I hope that the bill will be adopted by an overwhelming margin.●

● Mr. CORRADA. Mr. Speaker, I rise in strong support of H.R. 12874, the Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978. This legislation reinforces and promotes our Nation's commitment to a swift solar R.D. & D. program, in keeping with our goal of increasing the use of renewable sources of energy.

In placing a strong emphasis on the research and development stages during the early part of this 10-year program, this legislation correctly aims to deal early on with the technical problems that exist thereby silencing the critics of this advanced technology and bringing closer the day of commercially viable, mass-production of the knowledge learned.

Our distinguished colleague and chairman of the Advanced Energy Technologies Subcommittee, MIKE MCCORMACK, and his staff are to be commended for their hard work in developing this comprehensive legislation.

Mr. Speaker, while my own State of Puerto Rico is usually associated with balmy weather and Sun-drenched beaches, we are increasingly aware that this Sun which attracts tourists year-round, can also be used to heat our water and fulfill other energy related requirements. These needs are currently being met through the purchase of foreign imports of oil, to the detriment of our local economy and the Nation's ever worsening balance of trade picture. Any progress that we may achieve in breaking this cycle of dependency on foreign imports of fossil fuels is welcomed. To those who argue that the $125 million fiscal year 1979 authorization in this legislation is inflationary, I would point out that the flow of dollars out of the United States is viewed as one of the primary contributing factors to inflation. This money will be money well spent and I strongly urge my colleagues to approve this legislation.

In Puerto Rico we have already committed ourselves and our resources to the increasing use of solar energy; for example, as part of our State energy conservation plan, 2,000 solar water heaters are being installed in new housing projects under the supervision of the Puerto Rico Department of Housing.

Mr. Speaker, we welcome the prompt enactment of H.R. 12874 and I exhort my

colleagues to cast their votes in favor of this bill.●

● Mr. WINN. Mr. Speaker, I rise in support of H.R. 12874, the Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978. The purpose of this bill is to provide for accelerated work on photovoltaic systems, leading to their early commercial application. As a result of the program to be established by this bill, we hope to reach a total annual U.S. production of solar photovoltaic energy systems of at least 2 million peak kilowatts by fiscal year 1988—1,000 times what it is today. A broad-based, competitive industry will come into being, and a variety of residential, commercial, and industrial applications will become economical.

Solar photovoltaic systems offer us the potential for obtaining large amounts of electrical energy from an important domestic-energy resource—the sun. We can ill afford to ignore this potential energy application, which may help relieve our dependence on foreign energy supplies. We must now begin to harness the sun's resource through use of this proven technology.

Mr. Speaker, solar photovoltaic can allow us to use the Sun's energy through environmentally safe means. It is a technology that can be used in both centralized and decentralized applications. I believe we should place strong emphasis on a program to develop and demonstrate the economic feasibility of solar photovoltaics. That is what this bill does in a timely and cost-effective manner. I therefore urge that my colleagues support this bill.●

● Mr. TSONGAS. Mr. Speaker, last year, an amendment to the ERDA authorization bill (now Public Law 95-238) which I authored provided for initial Government support of the commercialization of solar cells. The proposed bill, which I support, takes the next step, providing for a 10-year program which will bring the cost of solar photovoltaics down to a level where they can begin to compete with utility based power. This program will couple an extensive research, development and demonstration effort with the Government purchases of these systems to accelerate the commercial development of this valuable energy alternative. I wish to commend the committee for their action on the proposed bill and urge its passage by the House.●

● Mr. WIRTH. Mr. Speaker, with today's passage of the Solar Photovoltaic Act, we have taken an important step forward in making solar energy a viable energy choice for the United States in the very near future.

But, unfortunately, there is still great resistance in the administration—particularly in the Department of Energy—to give support to a coordinated, coherent, long-term program of solar research, development and demonstration; and that resistance threatens efforts to reduce our dependence on imported foreign oil.

Yesterday, June 27, 1978, I had the privilege of testifying before field hearings of the Department of Energy in Denver about our solar energy program. I would like to share with my colleagues that testimony.

TESTIMONY OF TIM WIRTH BEFORE DOMESTIC REVIEW HEARINGS IN DENVER

I am pleased to have been asked to testify before this commission today. This re-appraisal of solar energy is long overdue. And as one who has been deeply involved with the issue and development of solar policy, I have some strong views on the subject.

Let me begin by saying that our greatest need in the energy field today is not for any one particular fuel, but rather for a balance between and among different energy strategies. We have seen the result of overdependence on one form of energy, and it should be clear that the only way we will be able to cope with tomorrow's energy needs is by ensuring that we leave all of our options open. We must support research, development and demonstration of promising alternative energy technologies.

Unfortunately, we are not. And this is particularly disappointing with regard to solar because it is one of the *most* promising. But right now solar energy in this country is underemphasized and our efforts to support it are uncoordinated.

More disturbing than this, however, is the fact that solar energy has been asked by its critics to provide "up front" proof of its viability as no other energy supply has. DOE has refused to provide comprehensive programs for solar energy with follow through funding for second and third generation equipment. There is no better way to illustrate this point, and what it may mean to the United States down the road, than to contrast it with the way we handled—successfully, for the most part—another technology once considered "new"—nuclear energy.

Nuclear reactors have been operating in this country for almost 40 years. One of the first government-funded commercial demonstration projects in nuclear power—the Shippingsport reactor—is over twenty-five years old. Yet, despite the fact that the first generation development of nuclear power occurred so long ago, the Federal Government is spending, in the FY 1979 budget, over a billion dollars for Research and Development in the nuclear area.

Clearly, the Government has not abandoned nuclear energy, and that commitment has paid off. There have been important improvements in efficiency of original designs and many advanced technologies have been identified and supported through research efforts: High-temperature gas-cooled reactors, liquid metal fast breeder reactors, and thorium breeder reactors are the most obvious examples. In addition, the Government is working on reducing the costs of nuclear energy by developing centrifuge separation plants to lower the cost of the fuel components, working on improved light water reactors, and many other projects. The point is that now, 25 years after the Government's project was a commercial success, we are still proceeding with advanced development and subsequent demonstration, and we are not asking the nuclear industry to go it alone: the money is coming from the Federal Government.

Moreover, there has been long-term, coordinated programming accompanying the commitment to research and development that has contributed to nuclear's rapid development.

Let us compare and contrast this commitment and co-ordination to the Federal Government's present and proposed solar effort.

Solar Energy is without a home in the Department of Energy. DOE has no high ranking solar advocate: in fact, DOE officials have repeatedly made deprecating remarks about solar. And, one year after the creation of the Department, we still have no Assistant Secretary for Conservation and Solar. Because of this, solar programs and responsibility for them are spread all over the DOE organizational chart. There is no coherent solar strategy, and in this environment, it is not surprising that solar energy does not flourish.

Because the commitment and organization do not exist, neither does a long-term program for solar development. Deputy Secretary Myers, for example, has said that after the solar heating demonstration program, the Government will have completed its role in solar heating development, and that the future will be left to the solar industry. What if the Government had taken the same position in the fifties with regard to nuclear power, and said that all future work should be paid for and planned by the industry. It is very unlikely, had that happened, that we would be looking at 150 reactors operating in the 1980's; perhaps there would be no nuclear industry at all.

Yet this attitude permeates DOE regarding solar and other alternative technologies.

Another example: This year, funds were cut for the heating demonstration program, because, the Department said, the existing technology had been successfully demonstrated. No plans were announced for a multi-year program of development of more advanced solar collector and heating concepts—programs that would help reduce the high costs currently associated wtih these technologies. No plans were announced for an ongoing demonstration project that would trigger new programs as these second generation concepts were brought in line.

But clearly, there are improvements that can be made in solar collectors and other equipment. It is equally clear that those improvements will come faster with Federal help and can be commercialized faster with Federal demonstration programs.

A change in the Government's attitude must extend to less direct involvements as well. Most of the homes used in this country are gas heated. To some extent, this is because the Federal Government intervened to hold gas below market values for the past 25 years (a policy with which I also disagree). Contrast this intervention strategy with the program for tax credits for solar installation, which the Administration has said should expire in 1982.

A similar statement could be made on photovoltaics, our most promising solar electric alternative. A bill recently passed by the House (and which the Administration has opposed) establishes a ten-year program of research, development and demonstration for photovolttaic cells—to convert sunlight directly into electricity. This is of enormous importance because electricity is an increasing portion of our energy demands, and we are currently having trouble meeting those demands with non-polluting energy sources and without oil imports. Recent photovoltaic demonstrations have shown that amorphous solar cells can be made to work, and theoretical calculations of their maximum efficiencies bode well and virtually assure us that photovoltaics will one day give us reasonably priced electrical energy.

But much of this depends on the Government's commitment. Industry is understandably wary of investing in a program that is very capital intensive absent a sign of long-term commitment that will make use of those developemnts. Nevertheless, the Administration opposed the Photovoltaic Act precisely because it contained an integrated, structured, coordinated program of R&D feeding into demonstation projects. We cannot guarantee that photovoltaics will be the answer: that some other technology, such as laser fusion, will not drive it off the market. But neither could the nuclear industry make any guarantees in the 1950's—nor were they asked to.

Again, it becomes a question of balance. Let me by way of summary, contrast for you two statements that reveal a great deal about attitudes about solar.

In March of this year, Secretary Schlesinger said in California that "It is all very fashionable to pretend that the problems of California's energy supply are going to be resolved by solar energy or by conservation, but . . . we're going to have to use nuclear . . . because nuclear power provides the only form of power production that does not contribute to air pollution. Solar energy is not, in the near term, going to be a source of electric power." This, despite internal DOE documents showing that amorphous photovoltaics may be commercially competitive with nuclear within ten years.

But at about the same time, a number of us in Congress talked with President Carter about a balanced approach to energy. In a letter to him we said, "If only the breeder option is developed for a commercialization program in this century, then it is likely that only the breeder option will be available when future decisions must be made. In effect, we will have no choice in the future. But, if other options, such as solar, are similarly developed . . . then we will be able to make an intelligent choice among several options at that time."

We asked for a commitment to the development of a balanced alternative energy program, including a significant role for solar. And the President agreed with us and gave us his commitment.

Yet, this year, as in the past, we in the Congress who believe in the potential of solar energy, had to take apart DOE's budget and restore more than 130 million dollars in cuts in the solar program.

This simply cannot go on. If we are to have any hope of meeting our future energy needs, we must commit ourselves to a multifaceted program of research, development and demonstration for technologies that offer the possibility of meeting our needs. If we supply that commitment, we will succeed. If we do not, I fear that we will fail.

Thank you.●

● Mr. DRINAN. Mr. Speaker, nearly two decades have passed since President Kennedy announced the bold program which was to land a man on the Moon within 10 years. The accomplishment of that goal constitutes a proud moment in the history of our Nation. Today, we have the opportunity to initiate another ambitious 10-year program, one whose benefits can touch the lives of all Americans. Mr. Speaker, I join many of my colleagues in cosponsoring and strongly supporting the Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978, H.R. 12874.

Events of the past several years have made manifest this Nation's need to eliminate its dependence on a finite supply of fossile fuels. According to the Central Intelligence Agency and the MIT Workshop on Alternative Energy Strategies, the world might experience an acute oil supply crisis by 1985. Clearly, we must supplement an aggressive energy conservation policy not only with development of our domestic fuel reserves, but especially with vigorous development of the opportunities offered by solar and other nondepletable sources of energy.

The Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978 will act as a catalyst for the mass production of electricity-producing solar cells by private industry. Presently, the cost of such cells is too expensive for practical mass application. H.R. 12874 will lower their cost in two ways. First, funds will be appropriated for intensified research and development by private firms in order to overcome the present technological impediments to low-cost production. After monitoring the performance of various designs, in consultation with an advisory committee drawn from industry, academics, professional societies, and other sources, the Department of Energy will purchase such equipment for Government buildings and facilities, thereby further driving down the cost of photovoltaic cells.

The total cost of the program is estimated at $1.5 billion over the next decade, beginning with a $125 million authorization in fiscal 1979. Given the projected benefits of this 10-year program, however, the costs are very reasonable. A Federal Energy Administration task force analysis in July 1977 concluded that with a program similar to H.R. 12874, the Federal Government could "realize significant net cost savings. Also, the Government should benefit from the stimulation of a new mode of operation where fuel efficient, life cycle cost effective products are routinely procured. This FEA commercialization program, in conjunction with an aggressive ERDA R. & D. effort, should ensure the rapid development of a large U.S. photovoltaics industry."

The specific goals of this legislation are threefold: to double the production of solar photovoltaic energy systems each year during the next 10 years, thus reaching the production of 4 million peak kilowatts by fiscal 1988; to reduce the average cost of installed photovoltaic systems to $1 per peak watt; and to stimulate the purchase by private buyers of at least 90 percent of all such systems produced in the United States during fiscal year 1988.

Given the realities of our present energy situation and prognosis, increased reliance on photovoltaic electricity seems essential. H.R. 12874 will enable our Nation to begin the inevitable break with oil dependency prior to the time when we shall have no choice but to do so. The present photovoltaic industry has progressed much faster than official estimates had predicted, yet even more rapid advancement must be achieved if we are to survive the impending energy crisis without compromising our economic growth or standard of living. The Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978 presents us with clear objectives for our future. In the absence of Presidential action in this area, I urge my colleagues in the House to seize the initiative at this time and support H.R. 12874.●

GENERAL LEAVE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill under consideration, H.R. 12874.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. GOLDWATER. Mr. Speaker, I have no further requests for time. I yield back the balance of my time.

Mr. McCORMACK. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington (Mr. McCORMACK) that the House suspend the rules and pass the bill H.R. 12874, as amended.

The question was taken.

Mr. McCORMACK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3, rule XXVII, and the Chair's announcement, further proceedings on this motion will be postponed.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER pro tempore. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion, on which further proceedings were postponed, in the order in which that motion was entertained.

Votes will be taken in the following order, all by the yeas and nays.

H.R. 11886, as amended;
H.R. 11888;
H.R. 10173, as amended;
H.R. 12841, as amended;
H.R. 12589; and
H.R. 12874, as amended.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

VETERANS' DISABILITY COMPENSATION AND SURVIVOR BENEFITS ACT OF 1978

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 11886, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) to suspend the rules and pass the bill H.R. 11886, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 400, nays 1, not voting 31, as follows:

[Roll No. 505]

YEAS—400

Abdnor	Bellenson	Burke, Fla.
Addabbo	Benjamin	Burke, Mass.
Akaka	Bennett	Burleson, Tex.
Ambro	Bevill	Burlison, Mo.
Ammerman	Biaggi	Burton, John
Anderson, Calif.	Bingham	Burton, Phillip
	Blanchard	Butler
Anderson, Ill.	Blouin	Byron
Andrews, N.C.	Boggs	Caputo
Andrews, N. Dak.	Boland	Carney
	Bolling	Carr
Annunzio	Bonior	Carter
Applegate	Bonker	Cavanaugh
Archer	Bowen	Cederberg
Ashbrook	Brademas	Chappell
Ashley	Breaux	Chisholm
Aspin	Breckinridge	Clausen, Don H.
AuCoin	Brinkley	
Badham	Brodhead	Clawson, Del
Bafalis	Brooks	Clay
Baldus	Broomfield	Cleveland
Barnard	Brown, Calif.	Cochran
Baucus	Brown, Mich.	Cohen
Bauman	Broyhill	Coleman
Beard, R.I.	Buchanan	Collins, Ill.
Beard, Tenn.	Burgener	Collins, Tex.
Bedell	Burke, Calif.	Conable

Conte	Hughes	Pickle
Conyers	Hyde	Pike
Corman	Ichord	Poage
Cornell	Ireland	Preyer
Cornwell	Jacobs	Price
Cotter	Jeffords	Pritchard
Coughlin	Jenkins	Pursell
Crane	Jenrette	Quayle
Cunningham	Johnson, Calif.	Quillen
D'Amours	Jones, N.C.	Rahall
Daniel, Dan	Jones, Okla.	Railsback
Daniel, R. W.	Jones, Tenn.	Rangel
Davis	Jordan	Regula
de la Garza	Kasten	Reuss
Delaney	Kastenmeier	Rhodes
Dellums	Kazen	Richmond
Derrick	Kelly	Rinaldo
Derwinski	Kemp	Risenhoover
Devine	Keys	Roberts
Dickinson	Kildee	Robinson
Dicks	Kindness	Roe
Dingell	Kostmayer	Rogers
Dodd	Krebs	Roncalio
Dornan	LaFalce	Rooney
Downey	Lagomarsino	Rose
Drinan	Latta	Rosenthal
Duncan, Oreg.	Leach	Rousselot
Duncan, Tenn.	Lederer	Roybal
Early	Lehman	Rudd
Eckhardt	Lent	Runnels
Edgar	Levitas	Russo
Edwards, Ala.	Livingston	Ryan
Edwards, Calif.	Lloyd, Calif.	Santini
Edwards, Okla.	Lloyd, Tenn.	Sarasin
Eilberg	Long, Md.	Satterfield
Emery	Lott	Sawyer
English	Lujan	Scheuer
Erlenborn	Luken	Schroeder
Ertel	Lundine	Schulze
Evans, Colo.	McClory	Sebelius
Evans, Del.	McCormack	Seiberling
Evans, Ga.	McDade	Sharp
Evans, Ind.	McDonald	Shuster
Fary	McEwen	Sikes
Fascell	McFall	Sisk
Fenwick	McHugh	Skelton
Findley	McKay	Skubitz
Fish	McKinney	Slack
Fisher	Madigan	Smith, Iowa
Fithian	Maguire	Smith, Nebr.
Flippo	Mahon	Snyder
Flood	Mann	Solarz
Florio	Markey	Spellman
Flynt	Marks	Spence
Foley	Marlenee	St Germain
Ford, Mich.	Marriott	Staggers
Ford, Tenn.	Martin	Stangeland
Forsythe	Mathis	Stanton
Fountain	Mattox	Stark
Fowler	Mazzoli	Steed
Fraser	Meeds	Steers
Frenzel	Metcalfe	Steiger
Frey	Michel	Stockman
Fuqua	Mikulski	Stokes
Gammage	Mikva	Stratton
Garcia	Miller, Calif.	Studds
Gephardt	Miller, Ohio	Stump
Giaimo	Mineta	Symms
Gibbons	Minish	Taylor
Gilman	Mitchell, Md.	Teague
Ginn	Mitchell, N.Y.	Thompson
Glickman	Moakley	Thone
Goldwater	Moffett	Thornton
Gonzalez	Mollohan	Traxler
Goodling	Montgomery	Treen
Gore	Moore	Trible
Gradison	Moorhead, Calif.	Tucker
Grassley		Udall
Green	Moorhead, Pa.	Ullman
Gudger	Moss	Van Deerlin
Guyer	Mottl	Vander Jagt
Hagedorn	Murphy, Ill.	Vanik
Hall	Murphy, N.Y.	Vento
Hamilton	Murphy, Pa.	Volkmer
Hammer-schmidt	Murtha	Waggonner
	Myers, John	Walgren
Hanley	Myers, Michael	Walker
Hannaford	Natcher	Walsh
Hansen	Neal	Wampler
Harkin	Nedzi	Watkins
Harris	Nichols	Waxman
Harsha	Nolan	Weaver
Hawkins	Nowak	Weiss
Heckler	O'Brien	White
Hefner	Oakar	Whitehurst
Heftel	Oberstar	Whitley
Hightower	Obey	Whitten
Hillis	Ottinger	Wiggins
Hollenbeck	Panetta	Wilson, Bob
Holt	Patten	Wilson, C. H.
Holtzman	Patterson	Winn
Horton	Pattison	Wirth
Howard	Pease	Wolff
Hubbard	Pepper	Wright
Huckaby	Perkins	Wydler
Wylie	Young, Alaska	Young, Tex.
Yates	Young, Fla.	Zablocki
Yatron	Young, Mo.	Zeferetti

NAYS—1

Myers, Gary

NOT VOTING—31

Alexander	Johnson, Colo.	Quie
Armstrong	Krueger	Rodino
Brown, Ohio	Le Fante	Rostenkowski
Corcoran	Leggett	Ruppe
Danielson	Long, La.	Shipley
Dent	McCloskey	Simon
Diggs	Meyner	Tsongas
Flowers	Milford	Whalen
Gaydos	Nix	Wilson, Tex.
Harrington	Pettis	
Holland	Pressler	

The Clerk announced the following pairs:

Mr. Le Fante with Mr. Armstrong.
Mr. Alexander with Mr. Brown of Ohio.
Mr. Danielson with Mr. Whalen.
Mrs. Meyner with Mr. Ruppe.
Mr. Tsongas with Mr. Corcoran of Illinois.
Mr. Simon with Mrs. Pettis.
Mr. Shipley with Mr. Pressler.
Mr. Rostenkowski with Mr. McCloskey.
Mr. Long of Louisiana with Mr. Johnson of Colorado.
Mr. Gaydos with Mr. Quie.
Mr. Harrington with Mr. Dent.
Mr. Flowers with Mr. Krueger.
Mr. Nix with Mr. Holland.
Mr. Charles Wilson of Texas with Mr. Leggett.
Mr. Diggs with Mr. Milford.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b)(3) of rule XXVII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on all the additional motions to suspend the rules on which the Chair has postponed further proceedings.

INCREASED COMPENSATION FOR DISABLED VETERANS

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 11888.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill, H.R. 11888, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 385, nays 16, not voting 31, as follows:

[Roll No. 506]

YEAS—385

Abdnor	Andrews, N.C.	AuCoin
Addabbo	Andrews, N. Dak.	Badham
Akaka		Bafalis
Ambro	Annunzio	Baldus
Ammerman	Applegate	Barnard
Anderson, Calif.	Archer	Baucus
	Ashbrook	Bauman
Anderson, Ill.	Ashley	Beard, R.I.
Beard, Tenn.	Fithian	Mahon
Bennett	Flippo	Mann
Bevill	Flood	Markey
Biaggi	Florio	Marks
Bingham	Flynt	Marlenee
Blanchard	Foley	Marriott
Blouin	Ford, Mich.	Martin
Boggs	Ford, Tenn.	Mathis
Boland	Forsythe	Mattox
Bolling	Fountain	Mazzoli
Bonior	Fowler	Meeds
Bonker	Fraser	Metcalfe
Bowen	Frenzel	Michel
Brademas	Frey	Mikulski
Breaux	Fuqua	Miller, Calif.
Breckinridge	Gammage	Miller, Ohio
Brinkley	Garcia	Mineta
Brodhead	Gaydos	Minish
Brooks	Gephardt	Mitchell, Md.
Broomfield	Giaimo	Mitchell, N.Y.
Brown, Calif.	Gibbons	Moakley
Brown, Mich.	Gilman	Moffett
Broyhill	Ginn	Mollohan
Buchanan	Goldwater	Montgomery
Burgener	Gonzalez	Moore
Burke, Calif.	Goodling	Moorhead, Calif.
Burke, Fla.	Gore	
Burke, Mass.	Gradison	Moorhead, Pa.
Burleson, Tex.	Grassley	Moss
Burlison, Mo.	Green	Motti
Burton, John	Gudger	Murphy, Ill.
Burton, Phillip	Guyer	Murphy, N.Y.
Butler	Hagedorn	Murphy, Pa.
Byron	Hall	Murtha
Caputo	Hamilton	Myers, Gary
Carney	Hammer-schmidt	Myers, John
Carr		Myers, Michael
Carter	Hanley	Natcher
Cavanaugh	Hannaford	Neal
Cederberg	Hansen	Nedzi
Chappell	Harkin	Nichols
Clausen, Don H.	Harris	Nolan
	Harsha	Nowak
Clawson, Del	Hawkins	O'Brien
Clay	Heckler	Oakar
Cleveland	Hefner	Oberstar
Cochran	Heftel	Obey
Cohen	Hightower	Ottinger
Coleman	Hillis	Panetta
Collins, Ill.	Hollenbeck	Patten
Collins, Tex.	Holt	Patterson
Conable	Holtzman	Pattison
Conte	Horton	Pease
Conyers	Howard	Pepper
Corman	Hubbard	Perkins
Cornell	Huckaby	Pickle
Cornwell	Hughes	Poage
Cotter	Hyde	Pressler
Coughlin	Ichord	Preyer
Crane	Ireland	Price
Cunningham	Jeffords	Pritchard
D'Amours	Jenkins	Pursell
Daniel, Dan	Jenrette	Quayle
Daniel, R. W.	Johnson, Calif.	Quillen
Davis	Jones, N.C.	Rahall
de la Garza	Jones, Tenn.	Rangel
Delaney	Jordan	Regula
Dellums	Kasten	Reuss
Derrick	Kastenmeier	Rhodes
Derwinski	Kazen	Richmond
Devine	Kelly	Rinaldo
Dickinson	Kemp	Risenhoover
Dicks	Kildee	Roberts
Dingell	Kindness	Robinson
Dodd	Kostmayer	Roe
Dornan	LaFalce	Rogers
Downey	Lagomarsino	Roncalio
Drinan	Latta	Rooney
Duncan, Oreg.	Leach	Rose
Duncan, Tenn.	Lederer	Rosenthal
Early	Lehman	Rousselot
Eckhardt	Lent	Roybal
Edgar	Levitas	Rudd
Edwards, Ala.	Livingston	Runnels
Edwards, Calif.	Lloyd, Calif.	Russo
Edwards, Okla.	Lloyd, Tenn.	Ryan
Eilberg	Long, Md.	Santini
Emery	Lott	Sarasin
English	Lujan	Satterfield
Erlenborn	Luken	Sawyer
Ertel	Lundine	Scheuer
Evans, Colo.	McClory	Schroeder
Evans, Del.	McCormack	Schulze
Evans, Ga.	McDade	Sebelius
Evans, Ind.	McDonald	Sharp
Fary	McEwen	Shuster
Fascell	McFall	Sikes
Fenwick	McKay	Sisk
Findley	McKinney	Skelton
Fish	Madigan	Skubitz
Fisher	Maguire	Slack

Smith, Iowa	Teague	Weiss
Smith, Nebr.	Thompson	White
Snyder	Thone	Whitehurst
Solarz	Thornton	Whitley
Spellman	Traxler	Whitten
Spence	Treen	Wiggins
St Germain	Trible	Wilson, Bob
Staggers	Tucker	Wilson, C. H.
Stangeland	Udall	Winn
Stanton	Ullman	Wirth
Stark	Vander Jagt	Wolff
Steed	Vanik	Wright
Steers	Vento	Wydler
Steiger	Waggonner	Wylie
Stockman	Walgren	Yatron
Stokes	Walker	Young, Alaska
Stratton	Walsh	Young, Fla.
Studds	Wampler	Young, Mo.
Stump	Watkins	Young, Tex.
Symms	Waxman	Zablocki
Taylor	Weaver	Zeferetti

NAYS—16

Aspin	Jones, Okla.	Seiberling
Bedell	Keys	Van Deerlin
Beilenson	Krebs	Volkmer
Benjamin	McHugh	Yates
Glickman	Mikva	
Jacobs	Pike	

NOT VOTING—31

Alexander	Johnson, Colo.	Railsback
Armstrong	Krueger	Rodino
Brown, Ohio	Le Fante	Rostenkowski
Chisholm	Leggett	Ruppe
Corcoran	Long, La.	Shipley
Danielson	McCloskey	Simon
Dent	Meyner	Tsongas
Diggs	Milford	Whalen
Flowers	Nix	Wilson, Tex.
Harrington	Pettis	
Holland	Quie	

The Clerk announced the following pairs:

Mr. Alexander with Mr. Armstrong.
Mr. Le Fante with Mr. McCloskey.
Mrs. Meyner with Mrs. Pettis.
Mr. Rostenkowski with Mr. Whalen.
Mr. Shipley with Mr. Brown of Ohio.
Mrs. Chisholm with Mr. Quie.
Mr. Danielson with Mr. Johnson of Colorado.
Mr. Simon with Mr. Railsback.
Mr. Tsongas with Mr. Ruppe.
Mr. Charles Wilson of Texas with Mr. Corcoran of Illinois.
Mr. Krueger with Mr. Dent.
Mr. Diggs with Mr. Holland.
Mr. Flowers with Mr. Nix.
Mr. Harrington with Mr. Leggett.
Mr. Long of Louisiana with Mr. Milford.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

VETERANS' AND SURVIVORS' PENSION IMPROVEMENT ACT OF 1978

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 10173, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill H.R. 10173, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 398, nays 5, not voting 29, as follows:

[Roll No. 507]

YEAS—398

Abdnor	Ambro	Andrews, N.C.
Addabbo	Ammerman	Andrews,
Akaka	Anderson, Ill.	N. Dak.
Annunzio	Edwards, Okla.	Livingston
Applegate	Eilberg	Lloyd, Calif.
Archer	Emery	Lloyd, Tenn.
Ashbrook	English	Long, La.
Ashley	Erlenborn	Long, Md.
Aspin	Ertel	Lott
AuCoin	Evans, Colo.	Lujan
Badham	Evans, Del.	Luken
Bafalis	Evans, Ga.	Lundine
Baldus	Evans, Ind.	McClory
Barnard	Fary	McCormack
Baucus	Fenwick	McDade
Bauman	Findley	McDonald
Beard, R.I.	Fish	McEwen
Beard, Tenn.	Fisher	McFall
Bedell	Fithian	McHugh
Benjamin	Flippo	McKay
Bennett	Flood	McKinney
Bevill	Florio	Madigan
Biaggi	Flynt	Maguire
Bingham	Foley	Mahon
Blanchard	Ford, Mich.	Mann
Blouin	Ford, Tenn.	Markey
Boggs	Forsythe	Marks
Boland	Fountain	Marlenee
Bolling	Fowler	Marriott
Bonior	Fraser	Martin
Bonker	Frenzel	Mathis
Bowen	Frey	Mattox
Brademas	Fuqua	Mazzoli
Breaux	Gammage	Meeds
Breckinridge	Garcia	Metcalfe
Brinkley	Gaydos	Michel
Brodhead	Gephardt	Mikulski
Brooks	Giaimo	Mikva
Broomfield	Gibbons	Miller, Calif.
Brown, Calif.	Gilman	Miller, Ohio
Brown, Mich.	Ginn	Mineta
Broyhill	Glickman	Minish
Buchanan	Goldwater	Mitchell, Md.
Burgener	Gonzalez	Mitchell, N.Y.
Burke, Calif.	Goodling	Moakley
Burke, Fla.	Gore	Moffett
Burke, Mass.	Gradison	Mollohan
Burleson, Tex.	Grassley	Montgomery
Burlison, Mo.	Green	Moore
Burton, John	Gudger	Moorhead, Calif.
Burton, Phillip	Guyer	Moorhead, Pa.
Butler	Hagedorn	Moss
Byron	Hall	Mottl
Caputo	Hamilton	Murphy, Ill.
Carney	Hammer-schmidt	Murphy, N.Y.
Carr	Hanley	Murphy, Pa.
Carter	Hannaford	Murtha
Cavanaugh	Hansen	Myers, John
Cederberg	Harkin	Myers, Michael
Chappell	Harris	Natcher
Clausen, Don H.	Harsha	Neal
Clawson, Del	Hawkins	Nedzi
Clay	Heckler	Nichols
Cleveland	Hefner	Nolan
Cochran	Hightower	Nowak
Cohen	Hillis	O'Brien
Coleman	Hollenbeck	Oakar
Collins, Ill.	Holt	Oberstar
Collins, Tex.	Holtzman	Obey
Conable	Horton	Ottinger
Conte	Howard	Panetta
Conyers	Hubbard	Patten
Corman	Huckaby	Patterson
Cornell	Hughes	Pattison
Cornwell	Hyde	Pease
Cotter	Ichord	Pepper
Coughlin	Ireland	Perkins
Crane	Jacobs	Pickle
Cunningham	Jeffords	Pike
D'Amours	Jenkins	Poage
Daniel, Dan	Jenrette	Pressler
Daniel, R. W.	Johnson, Calif.	Preyer
Davis	Jones, N.C.	Price
de la Garza	Jones, Okla.	Pritchard
Delaney	Jones, Tenn.	Pursell
Dellums	Jordan	Quayle
Derrick	Kasten	Quillen
Derwinski	Kastenmeier	Rahall
Devine	Kazen	Railsback
Dickinson	Kelly	Rangel
Dicks	Kemp	Regula
Diggs	Keys	Reuss
Dingell	Kildee	Rhodes
Dodd	Kindness	Richmond
Dornan	Kostmayer	Rinaldo
Downey	Krebs	Risenhoover
Drinan	LaFalce	Roberts
Duncan, Oreg.	Lagomarsino	Robinson
Duncan, Tenn.	Latta	Roe
Early	Leach	Rogers
Eckhardt	Lederer	Roncalio
Edgar	Lehman	Rooney
Edwards, Ala.	Lent	Rose
Edwards, Calif.	Levitas	Rosenthal
Rousselot	Stangeland	Walgren
Roybal	Stanton	Walker
Rudd	Stark	Walsh
Runnels	Steed	Wampler
Russo	Steers	Watkins
Ryan	Steiger	Waxman
Santini	Stockman	Weaver
Sarasin	Stokes	Weiss
Satterfield	Stratton	White
Sawyer	Studds	Whitehurst
Scheuer	Stump	Whitley
Schroeder	Symms	Whitten
Schulze	Taylor	Wiggins
Sebelius	Teague	Wilson, Bob
Seiberling	Thompson	Wilson, C. H.
Sharp	Thone	Winn
Shuster	Thornton	Wirth
Sikes	Traxler	Wolff
Skelton	Treen	Wright
Skubitz	Trible	Wydler
Slack	Tucker	Wylie
Smith, Iowa	Udall	Yates
Smith, Nebr.	Ullman	Yatron
Snyder	Van Deerlin	Young, Alaska
Solarz	Vander Jagt	Young, Fla.
Spellman	Vanik	Young, Mo.
Spence	Vento	Young, Tex.
St Germain	Volkmer	Zablocki
Staggers	Waggonner	Zeferetti

NAYS—5

Anderson, Calif.	Beilenson	Myers, Gary
	Fascell	Sisk

NOT VOTING—29

Alexander	Holland	Quie
Armstrong	Johnson, Colo.	Rodino
Brown, Ohio	Krueger	Rostenkowski
Chisholm	Le Fante	Ruppe
Corcoran	Leggett	Shipley
Danielson	McCloskey	Simon
Dent	Meyner	Tsongas
Flowers	Milford	Whalen
Harrington	Nix	Wilson, Tex.
Heftel	Pettis	

The Clerk announced the following pairs:

Mr. Rostenkowski with Mr. Armstrong.
Mr. Shipley with Mr. McCloskey.
Mr. Le Fante with Mr. Dent.
Mr. Simon with Mr. Holland.
Mr. Tsongas with Mr. Ruppe.
Mr. Krueger with Mr. Nix.
Mr. Harrington with Mr. Leggett.
Mr. Flowers with Mr. Corcoran of Illinois.
Mr. Charles Wilson of Texas with Mr. Quie.
Mr. Alexander with Mr. Brown of Ohio.
Mr. Danielson with Mr. Whalen.
Mrs. Meyner with Mrs. Pettis.
Mr. Heftel with Mr. Johnson of Colorado.
Mrs. Chisholm with Mr. Milford.

Mr. KREBS changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

TAXATION OF FRINGE BENEFITS

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 12841, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN) that the House suspend the rules and pass the bill H.R. 12841, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic de-

vice, and there were—yeas 386, nays 12, not voting 34, as follows:

[Roll No. 508]

YEAS—386

Abdnor	Dickinson	Kelly
Addabbo	Dicks	Kemp
Akaka	Diggs	Keys
Ambro	Dingell	Kildee
Ammerman	Dodd	Kindness
Anderson, Calif.	Dornan	Kostmayer
	Downey	Krebs
Anderson, Ill.	Duncan, Oreg.	LaFalce
Andrews, N.C.	Duncan, Tenn.	Lagomarsino
Andrews, N. Dak.	Early	Latta
	Eckhardt	Leach
Annunzio	Edgar	Lederer
Applegate	Edwards, Ala.	Lehman
Archer	Edwards, Calif.	Lent
Ashbrook	Edwards, Okla.	Levitas
Ashley	Eilberg	Livingston
Aspin	Emery	Lloyd, Calif.
AuCoin	English	Lloyd, Tenn.
Badham	Erlenborn	Long, La.
Bafalis	Ertel	Long, Md.
Baldus	Evans, Colo.	Lott
Barnard	Evans, Del.	Lujan
Baucus	Evans, Ga.	Luken
Bauman	Evans, Ind.	Lundine
Beard, R.I.	Fary	McClory
Beard, Tenn.	Fascell	McCormack
Bedell	Fenwick	McDade
Benjamin	Findley	McDonald
Bevill	Fish	McEwen
Biaggi	Fisher	McFall
Bingham	Fithian	McHugh
Blanchard	Flood	McKay
Blouin	Florio	McKinney
Boggs	Flynt	Madigan
Boland	Foley	Maguire
Bolling	Ford, Mich.	Mahon
Bonior	Ford, Tenn.	Mann
Bonker	Forsythe	Markey
Bowen	Fountain	Marlenee
Brademas	Fowler	Marriott
Breaux	Fraser	Martin
Breckinridge	Frenzel	Mathis
Brinkley	Frey	Mattox
Brodhead	Fuqua	Mazzoli
Brooks	Gammage	Meeds
Broomfield	Garcia	Metcalfe
Brown, Calif.	Gaydos	Michel
Brown, Mich.	Gephardt	Mikulski
Broyhill	Giaimo	Miller, Calif.
Buchanan	Gilman	Miller, Ohio
Burgener	Ginn	Mineta
Burke, Calif.	Glickman	Minish
Burke, Fla.	Goldwater	Mitchell, Md.
Burke, Mass.	Gonzalez	Mitchell, N.Y.
Burleson, Tex.	Goodling	Moakley
Burlison, Mo.	Gradison	Mollohan
Burton, John	Grassley	Montgomery
Burton, Phillip	Green	Moore
Butler	Gudger	Moorhead, Calif.
Byron	Guyer	
Caputo	Hagedorn	Moorhead, Pa.
Carney	Hall	Moss
Carr	Hammer-schmidt	Motti
Carter		Murphy, Ill.
Cavanaugh	Hanley	Murphy, N.Y.
Cederberg	Hannaford	Murphy, Pa.
Chappell	Hansen	Murtha
Chisholm	Harkin	Myers, Gary
Clausen, Don H.	Harris	Myers, John
	Harsha	Myers, Michael
Clawson, Del	Hawkins	Natcher
Clay	Heckler	Neal
Cleveland	Hefner	Nedzi
Cochran	Heftel	Nichols
Cohen	Hightower	Nolan
Coleman	Hillis	Nowak
Collins, Ill.	Hollenbeck	O'Brien
Collins, Tex.	Holt	Oakar
Conable	Holtzman	Oberstar
Conte	Horton	Obey
Conyers	Howard	Ottinger
Corman	Hubbard	Panetta
Cornell	Huckaby	Patten
Cornwell	Hughes	Patterson
Cotter	Hyde	Pattison
Coughlin	Ichord	Pease
Crane	Ireland	Pepper
Cunningham	Jacobs	Perkins
D'Amours	Jeffords	Pickle
Daniel, Dan	Jenkins	Pike
Daniel, R. W.	Jenrette	Poage
Davis	Johnson, Calif.	Pressler
de la Garza	Jones, N.C.	Preyer
Delaney	Jones, Okla.	Price
Dellums	Jones, Tenn.	Pritchard
Derrick	Jordan	Pursell
Derwinski	Kasten	Quayle
Devine	Kazen	Quillen
Rahall	Slack	Vento
Rangel	Smith, Iowa	Volkmer
Regula	Smith, Nebr.	Waggonner
Rhodes	Snyder	Walgren
Richmond	Solarz	Walker
Rinaldo	Spellman	Walsh
Risenhoover	Spence	Wampler
Roberts	St Germain	Watkins
Robinson	Staggers	Waxman
Roe	Stangeland	Weaver
Rogers	Stanton	Weiss
Rooney	Steed	White
Rose	Steers	Whitehurst
Roybal	Stockman	Whitley
Rudd	Stokes	Whitten
Runnels	Stratton	Wiggins
Russo	Studds	Wilson, Bob
Ryan	Stump	Wilson, C. H.
Santini	Symms	Wirth
Sarasin	Taylor	Wolff
Satterfield	Teague	Wright
Sawyer	Thompson	Wydler
Scheuer	Thone	Wylie
Schroeder	Thornton	Yates
Schulze	Traxler	Yatron
Sebelius	Treen	Young, Alaska
Seiberling	Trible	Young, Fla.
Sharp	Tucker	Young, Mo.
Shuster	Udall	Young, Tex.
Sikes	Ullman	Zablocki
Sisk	Van Deerlin	Zeferetti
Skelton	Vander Jagt	
Skubitz	Vanik	

NAYS—12

Bellenson	Gore	Moffett
Bennett	Hamilton	Reuss
Drinan	Kastenmeier	Rosenthal
Gibbons	Mikva	Stark

NOT VOTING—34

Alexander	Le Fante	Rostenkowski
Armstrong	Leggett	Rousselot
Brown, Ohio	McCloskey	Ruppe
Corcoran	Marks	Shipley
Danielson	Meyner	Simon
Dent	Milford	Steiger
Flippo	Nix	Tsongas
Flowers	Pettis	Whalen
Harrington	Quie	Wilson, Tex.
Holland	Railsback	Winn
Johnson, Colo.	Rodino	
Krueger	Roncalio	

The Clerk announced the following pairs:

Mr. Rostenkowski with Mr. Armstrong.

Mr. Shipley with Mr. McCloskey.

Mr. Le Fante with Mr. Dent.

Mr. Simon with Mr. Holland.

Mr. Tsongas with Mr. Ruppe.

Mr. Krueger with Mr. Nix.

Mr. Harrington with Mr. Leggett.

Mr. Flowers with Mr. Corcoran of Illinois.

Mr. Charles Wilson of Texas with Mr. Quie.

Mr. Alexander with Mr. Brown of Ohio.

Mrs. Meyner with Mr. Whalen.

Mr. Danielson with Mrs. Pettis.

Mr. Flippo with Mr. Johnson of Colorado.

Mr. Rousselot with Mr. Milford.

Mr. Winn with Mr. Roncalio.

Mr. Railsback with Mr. Steiger.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to prohibit the issuance of regulations on the taxation of fringe benefits, and for other purposes.".

A motion to reconsider was laid on the table.

INTERNATIONAL INVESTMENT SURVEY ACT AMENDMENTS

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 12589.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. BINGHAM) that the House suspend the rules and pass the bill H.R. 12589, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 344, nays 54, answered "present" 1, not voting 33, as follows:

[Roll No. 509]

YEAS—344

Abdnor	Diggs	Keys
Addabbo	Dingell	Kildee
Akaka	Dornan	Kindness
Ambro	Downey	Kostmayer
Ammerman	Drinan	Krebs
Anderson, Calif.	Duncan, Oreg.	LaFalce
	Early	Lagomarsino
Anderson, Ill.	Eckhardt	Latta
Andrews, N.C.	Edgar	Leach
Andrews, N. Dak.	Edwards, Ala.	Lederer
	Edwards, Calif.	Lehman
Annunzio	Eilberg	Lent
Applegate	Emery	Levitas
Ashley	English	Livingston
Aspin	Erlenborn	Long, La.
AuCoin	Ertel	Long, Md.
Bafalis	Evan. , Colo.	Lott
Baldus	Evans, Del.	Luken
Barnard	Evans, Ga.	Lundine
Baucus	Evans, Ind.	McClory
Bauman	Fary	McCormack
Beard, R.I.	Fascell	McDade
Beard, Tenn.	Fenwick	McEwen
Bedell	Findley	McFall
Bellenson	Fish	McHugh
Bevill	Fisher	McKay
Biaggi	Fithian	McKinney
Bingham	Flippo	Madigan
Blanchard	Flood	Maguire
Blouin	Florio	Mahon
Boggs	Foley	Mann
Boland	Ford, Mich.	Markey
Bolling	Ford, Tenn.	Marks
Bonior	Forsythe	Marlenee
Bonker	Fowler	Marriott
Bowen	Fraser	Martin
Brademas	Frenzel	Mathis
Breckinridge	Frey	Mattox
Brinkley	Fuqua	Mazzoli
Brodhead	Garcia	Meeds
Broomfield	Gaydos	Metcalfe
Brown, Calif.	Gephardt	Michel
Broyhill	Giaimo	Mikulski
Buchanan	Gilman	Mikva
Burgener	Ginn	Miller, Calif.
Burke, Calif.	Glickman	Miller, Ohio
Burke, Fla.	Goldwater	Mineta
Burke, Mass.	Gore	Minish
Burlison, Mo.	Gradison	Mitchell, Md.
Burton, John	Grassley	Mitchell, N.Y.
Burton, Phillip	Green	Moakley
Butler	Gudger	Moffett
Byron	Guyer	Mollohan
Caputo	Hagedorn	Moore
Carney	Hamilton	Moorhead, Pa.
Carr	Hammer-schmidt	Moss
Carter		Motti
Cavanaugh	Hanley	Murphy, Ill.
Cederberg	Hannaford	Murphy, N.Y.
Chappell	Harkin	Murphy, Pa.
Clausen, Don H.	Harris	Murtha
	Harsha	Myers, Gary
Clawson, Del	Hawkins	Myers, John
Clay	Heckler	Myers, Michael
Cleveland	Hefner	Natcher
Cochran	Heftel	Neal
Cohen	Hightower	Nedzi
Coleman	Hillis	Nichols
Collins, Ill.	Hollenbeck	Nolan
Conte	Holtzman	Nowak
Corman	Horton	O'Brien
Cornell	Howard	Oberstar
Cornwell	Hubbard	Obey
Cotter	Huckaby	Ottinger
Coughlin	Hughes	Panetta
D'Amours	Ichord	Patten
Daniel, R. W.	Ireland	Patterson
Davis	Jeffords	Pattison
de la Garza	Jenkins	Pepper
Delaney	Jenrette	Perkins
Dellums	Johnson, Calif.	Poage
Derrick	Jones, N.C.	Pressler
Derwinski	Jordan	Preyer
Devine	Kasten	Price
Dickinson	Kastenmeier	Pritchard
Dicks	Kazen	Pursell

Quayle	Sikes	Van Deerlin
Rahall	Sisk	Vander Jagt
Railsback	Skelton	Vanik
Rangel	Slack	Vento
Regula	Smith, Iowa	Volkmer
Reuss	Smith, Nebr.	Walgren
Rhodes	Snyder	Walker
Richmond	Solarz	Walsh
Rinaldo	Spellman	Wampler
Risenhoover	Spence	Waxman
Roberts	St Germain	Weaver
Robinson	Staggers	Weiss
Roe	Stangeland	White
Rogers	Stanton	Whitehurst
Roncalio	Stark	Whitley
Rooney	Steed	Whitten
Rose	Steers	Wilson, Bob
Rosenthal	Stockman	Wilson, C. H.
Roybal	Stokes	Winn
Russo	Studds	Wirth
Ryan	Taylor	Wolff
Santini	Thompson	Wright
Sarasin	Thone	Wylie
Sawyer	Thornton	Yates
Scheuer	Traxler	Yatron
Schroeder	Treen	Young, Fla.
Schulze	Trible	Young, Mo.
Sebelius	Tucker	Young, Tex.
Seiberling	Udall	Zablocki
Sharp	Ullman	Zeferetti

NAYS—54

Archer	Goodling	Pike
Ashbrook	Hall	Quillen
Badham	Hansen	Rousselot
Benjamin	Holt	Rudd
Bennett	Hyde	Runnels
Brooks	Jacobs	Satterfield
Brown, Mich.	Jones, Okla.	Shuster
Burleson, Tex.	Jones, Tenn.	Skubitz
Collins, Tex.	Kelly	Stratton
Conable	Kemp	Stump
Crane	Lloyd, Tenn.	Symms
Cunningham	Lujan	Teague
Daniel, Dan	McDonald	Waggonner
Dodd	Montgomery	Watkins
Duncan, Tenn.	Moorhead, Calif.	Wiggins
Edwards, Okla.	Oakar	Wydler
Flynt	Pease	Young, Alaska
Gammage	Pickle	
Gibbons		

ANSWERED "PRESENT"—1

Gonzalez

NOT VOTING—33

Alexander	Harrington	Pettis
Armstrong	Holland	Quie
Breaux	Johnson, Colo.	Rodino
Brown, Ohio	Krueger	Rostenkowski
Chisholm	Le Fante	Ruppe
Conyers	Leggett	Shipley
Corcoran	Lloyd, Calif.	Simon
Danielson	McCloskey	Steiger
Dent	Meyner	Tsongas
Flowers	Milford	Whalen
Fountain	Nix	Wilson, Tex.

The Clerk announced the following pairs:

Mr. Shipley with Mr. McCloskey.

Mr. Le Fante with Mr. Armstrong.

Mr. Rostenkowski with Mrs. Pettis.

Mr. Simon with Mr. Whalen.

Mr. Krueger with Mr. Ruppe.

Mr. Tsongas with Mr. Dent.

Mr. Harrington with Mr. Holland.

Mr. Flowers with Mr. Nix.

Mr. Charles Wilson of Texas with Mr. Leggett.

Mrs. Meyner with Mr. Corcoran of Illinois.

Mr. Breaux with Mr. Brown of Ohio.

Mr. Alexander with Mr. Johnson of Colorado.

Mrs. Chisholm with Mr. Milford.

Mr. Conyers with Mr. Quie.

Mr. Danielson with Mr. Steiger.

Mr. Lloyd of California with Mr. Fountain.

So (two-thirds having voted in favor thereof), the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

SOLAR PHOTOVOLTAIC ENERGY RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACT OF 1978.

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 12874, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington (Mr. McCORMACK) that the House suspend the rules and pass the bill H.R. 12874, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 385, nays 14, not voting 33, as follows:

[Roll No. 510]

YEAS—385

Abdnor	Cochran	Gibbons
Addabbo	Cohen	Gilman
Akaka	Coleman	Ginn
Ambro	Collins, Ill.	Glickman
Ammerman	Conable	Goldwater
Anderson, Calif.	Conte	Gonzalez
Anderson, Ill.	Conyers	Goodling
Andrews, N.C.	Corman	Gore
Andrews, N. Dak.	Cornell	Gradison
Annunzio	Cornwell	Grassley
Applegate	Cotter	Green
Archer	Coughlin	Gudger
Ashbrook	Cunningham	Guyer
Ashley	D'Amours	Hagedorn
Aspin	Daniel, Dan	Hall
AuCoin	Daniel, R. W.	Hamilton
Badham	Davis	Hammer-schmidt
Bafalis	de la Garza	Hanley
Baldus	Delaney	Hannaford
Baucus	Dellums	Hansen
Beard, R.I.	Derrick	Harkin
Beard, Tenn.	Derwinski	Harris
Bedell	Devine	Harsha
Beilenson	Dickinson	Hawkins
Bennett	Dicks	Heckler
Bevill	Diggs	Hefner
Biaggi	Dingell	Heftel
Bingham	Dodd	Hightower
Blanchard	Downey	Hillis
Blouin	Drinan	Hollenbeck
Boggs	Duncan, Oreg.	Holt
Boland	Early	Holtzman
Bolling	Eckhardt	Horton
Bonior	Edgar	Howard
Bonker	Edwards, Ala.	Hubbard
Bowen	Edwards, Calif.	Huckaby
Brademas	Edwards, Okla.	Hughes
Breaux	Eilberg	Ichord
Breckinridge	Emery	Ireland
Brinkley	English	Jeffords
Brodhead	Erlenborn	Jenkins
Brooks	Ertel	Jenrette
Broomfield	Evans, Colo.	Johnson, Calif.
Brown, Calif.	Evans, Del.	Jones, N.C.
Brown, Mich.	Evans, Ga.	Jones, Okla.
Broyhill	Evans, Ind.	Jones, Tenn.
Buchanan	Fary	Jordan
Burgener	Fenwick	Kasten
Burke, Calif.	Findley	Kastenmeier
Burke, Fla.	Fish	Kazen
Burke, Mass.	Fisher	Kelly
Burleson, Tex.	Fithian	Kemp
Burlison, Mo.	Flippo	Keys
Burton, John	Flood	Kildee
Burton, Phillip	Florio	Kindness
Butler	Flynt	Kostmayer
Byron	Foley	Krebs
Caputo	Ford, Mich.	LaFalce
Carney	Ford, Tenn.	Lagomarsino
Carr	Forsythe	Latta
Carter	Fountain	Leach
Cavanaugh	Fowler	Lederer
Cederberg	Fraser	Lehman
Chappell	Frenzel	Lent
Chisholm	Frey	Levitas
Clausen, Don H.	Fuqua	Lloyd, Calif.
Clawson, Del	Gammage	Lloyd, Tenn.
Clay	Garcia	Long, La.
Cleveland	Gaydos	Long, Md.
	Gephardt	Lott
	Giaimo	Lujan
	Luken	Obey
	Lundine	Ottinger
	McClory	Panetta
	McCormack	Patten
	McDade	Patterson
	McEwen	Pattison
	McFall	Pease
	McHugh	Pepper
	McKay	Perkins
	McKinney	Pickle
	Madigan	Pike
	Maguire	Poage
	Mahon	Pressler
	Mann	Preyer
	Markey	Price
	Marks	Pritchard
	Marlenee	Pursell
	Marriott	Quayle
	Martin	Quillen
	Mathis	Rahall
	Mattox	Railsback
	Mazzoli	Rangel
	Meeds	Regula
	Metcalfe	Reuss
	Michel	Rhodes
	Mikulski	Richmond
	Mikva	Rinaldo
	Miller, Calif.	Risenhoover
	Miller, Ohio	Roberts
	Mineta	Robinson
	Minish	Roe
	Mitchell, Md.	Rogers
	Mitchell, N.Y.	Roncalio
	Moakley	Rooney
	Moffett	Rose
	Mollohan	Rosenthal
	Montgomery	Rousselot
	Moore	Roybal
	Moorhead, Calif.	Rudd
	Moorhead, Pa.	Runnels
	Moss	Russo
	Motti	Ryan
	Murphy, Ill.	Santini
	Murphy, N.Y.	Sarasin
	Murphy, Pa.	Sawyer
	Murtha	Schroeder
	Myers, Gary	Schulze
	Myers, John	Sebelius
	Natcher	Seiberling
	Neal	Sharp
	Nedzi	Shuster
	Nichols	Sikes
	Nolan	Sisk
	Nowak	Skubitz
	O'Brien	Slack
	Oakar	Smith, Iowa
	Oberstar	Smith, Nebr.
		Snyder
		Solarz
		Spellman
		Spence
		St Germain
		Staggers
		Stangeland
		Stanton
		Stark
		Steed
		Steers
		Stokes
		Stratton
		Studds
		Taylor
		Teague
		Thompson
		Thornton
		Traxler
		Treen
		Trible
		Tucker
		Udall
		Ullman
		Van Deerlin
		Vander Jagt
		Vanik
		Vento
		Volkmer
		Waggonner
		Walgren
		Walker
		Walsh
		Wampler
		Watkins
		Waxman
		Weaver
		Weiss
		White
		Whitehurst
		Whitley
		Whitten
		Wiggins
		Wilson, Bob
		Wilson, C. H.
		Winn
		Wirth
		Wolff
		Wright
		Wydler
		Wylie
		Yates
		Yatron
		Young, Alaska
		Young, Fla.
		Young, Mo.
		Young, Tex.
		Zablocki
		Zeferetti

NAYS—14

Barnard	Hyde	Scheuer
Bauman	Jacobs	Stockman
Benjamin	Livingston	Stump
Collins, Tex.	McDonald	Symms
Crane	Satterfield	

NOT VOTING—33

Alexander	Johnson, Colo.	Rodino
Armstrong	Krueger	Rostenkowski
Brown, Ohio	Le Fante	Ruppe
Corcoran	Leggett	Shipley
Danielson	McCloskey	Simon
Dent	Meyner	Skelton
Duncan, Tenn.	Milford	Steiger
Fascell	Myers, Michael	Thone
Flowers	Nix	Tsongas
Harrington	Pettis	Whalen
Holland	Quie	Wilson, Tex.

The Clerk announced the following pairs:

Mr. Le Fante with Mr. Dent.

Mr. Rostenkowski with Mr. Armstrong.

Mr. Shipley with Mrs. Pettis.

Mr. Simon with Mr. McCloskey.

Mr. Tsongas with Mr. Holland.

Mr. Krueger with Mr. Ruppe.

Mr. Harrington with Mr. Nix.

Mr. Flowers with Mr. Leggett.

Mr. Charles Wilson of Texas with Mr. Corcoran of Illinois.

Mr. Alexander with Mr. Quie.

Mr. Danielson with Mr. Brown of Ohio.

Mr. Michael O. Myers with Mr. Whalen.

Mrs. Meyner with Mr. Johnson of Colorado.

Mr. Fascell with Mr. Milford.

Mr. Thone with Mr. Steiger.
Mr. Skelton with Mr. Duncan of Tennessee.

Mr. BARNARD changed his vote from "yea" to "nay."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ADJOURNMENT FOR FOURTH OF JULY HOME DISTRICT WORK PERIOD

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, I take this time to announce to the Members that I am sending to the desk the usual adjournment resolution for the Fourth of July home district work period.

The resolution will provide that when we adjourn tomorrow, on Thursday, we will stand adjourned in order for the Members to be in their home districts fulfilling longstanding engagements and to be with their constituencies until 12 o'clock noon on Monday, July 10.

ADJOURNMENT FROM THURSDAY, JUNE 29, 1978 TO MONDAY, JULY, 10 1978

Mr. WRIGHT. Mr. Speaker, I send to the desk a privileged concurrent resolution (H. Con. Res. 654) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 654

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Thursday, June 29, 1979, it stand adjourned until 12 o'clock meridian on Monday, July 10, 1978.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. BAUMAN. Mr. Speaker, do I understand correctly from what the majority leader said previously that the terms of this resolution are such that all Members will have to return to their districts to work and they are not allowed on world junkets or to indulge in any taxpayer financed foreign travel; is that correct?

The SPEAKER pro tempore. The Chair will state that that is not a parliamentary inquiry, but that is what the majority leader implied.

Mr. BAUMAN. I thank the Chair and seriously doubt the majority leader's implication although I endorse it.

The SPEAKER pro tempore. The question is on the concurrent resolution.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION FOR SUBCOMMITTEE ON ECONOMIC DEVELOPMENT OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT TODAY AND TOMORROW DURING 5-MINUTE RULE

Mr. ROE. Mr. Speaker, I ask unanimous consent that the Subcommittee on Economic Development of the Committee on Public Works and Transportation may be permitted to sit today and tomorrow while the House is operating under the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 12222, INTERNATIONAL DEVELOPMENT ASSISTANCE ACT OF 1978

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 12222) to amend the Foreign Assistance Act of 1961 to authorize development and economic assistance programs for fiscal year 1979, to make certain changes in the authorities of that act and the Agricultural Trade Development and Assistance Act of 1954, to improve the coordination and administration of U.S. development-related policies and programs, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin? The Chair hears none and, without objection, appoints the following conferees: Messrs. ZABLOCKI, FASCELL, DIGGS, HAMILTON, BINGHAM, HARRINGTON, SOLARZ, BROOMFIELD, FINDLEY, and WINN.

There was no objection.

PERMISSION TO COMMITTEE ON AGRICULTURE TO SIT TOMORROW DURING 5-MINUTE RULE

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may be permitted to sit tomorrow during the consideration of legislation under the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

INTERNATIONAL INVESTMENT SURVEY ACT AMENDMENTS

Mr. BINGHAM. Mr. Speaker, this request has to do with H.R. 12589, a bill that was passed under suspension a few moments ago.

Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2928) to amend the International Investment Survey Act of 1976, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2928

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4(d) of the International Investment Survey Act of 1976 (22 U.S.C. 3103(d)) is amended by striking out "his findings and conclusions to the Congress not later than 2 years after the enactment of this Act." and inserting in lieu thereof "an interim report of his findings and conclusions to the Congress not later than October 11, 1978, and a final report not later than October 11, 1979.".

SEC. 2. Section 9 of the International Investment Survey Act of 1976 (22 U.S.C. 3108) is amended by—

(1) striking out "and $1,000,000" and inserting in lieu thereof "$4,400,000"; and

(2) inserting ", $4,600,000 for the fiscal year ending September 30, 1980, and $4,900,000 for the fiscal year ending September 30 1981" immediately after "1979".

MOTION OFFERED BY MR. BINGHAM

Mr. BINGHAM. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BINGHAM moves to strike out all after the enacting clause of the Senate bill, S. 2928 and insert in lieu thereof the provisions of H.R. 12589, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to authorize appropriations for fiscal year 1979 under the International Investment Survey Act of 1976, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 12589) was laid on the table.

HOUSING AND COMMUNITY DEVELOPMENT AMENDMENTS OF 1978

Mr. ASHLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 12433), to amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation, and related programs, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. ASHLEY).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 12433, with Mr. BENNETT in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Friday, June 23, 1978, all time

for general debate had expired and the Clerk had read through line 5 on page 1.

Are there any amendments to section 1?

Mr. JOHN L. BURTON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to congratulate the author of this bill and the coauthors for including in it title V, congregate services for the elderly. These services are very important to the senior citizens of our country, and they are also important to the American taxpayers, because by providing these services of congregate housing we can keep people in their own areas and stop them from being institutionalized at a great cost, not only to themselves and to their families, but also to the taxpayers.

Mr. Chairman, it was my intention, originally, to offer on page 67 an additional $20 million authorization that would allow $20 million to enter into contracts with public housing agencies and $20 million to enter into contracts with nonprofit corporations under 202 of the Housing Code.

The present bill provides only for $20 million for both the public housing agencies and the nonprofit corporations.

After a discussion with the staff and with the distinguished chairman of the subcommittee, it was my understanding that this $20 million figure would be sufficient for startup purposes in the public housing agency, as well as in section 202 housing.

Mr. Chairman, I would like to yield to the gentleman from Ohio (Mr. ASHLEY), the distinguished chairman of the committee, to see if that is not a fact.

Mr. ASHLEY. Mr. Chairman, I appreciate the gentleman's yielding and I appreciate his interest in this matter.

I might say that the subject at hand does properly fall in title V of the bill. But let me say to the distinguished gentleman that the committee was very sympathetic to the need of providing congregate services for the elderly who live in our public housing facilities and also in our section 202 housing for the elderly.

I might say to the gentleman that the original proposal submitted in subcommittee by our colleague from New York, Mr. LUNDINE, covered congregate facilities only for those who live in public housing facilities.

In full committee the proposal was amended to cover the elderly living in section 202 housing.

It seemed to us on the committee that the availability of $20 million for this startup program would be adequate even considering the fact that the scope of the congregate facilities program was broader than encompassed by the original proposal.

Therefore, I would say, not only because we are engaged in this colloquy, but on the basis of previous discussions that we have at considerable length, that, in my judgment, this program is well funded for the purposes of initiating the program in both public housing and nonprofit 202 congregate projects. The program is going to be put in place. It does enjoy the funding necessary to accomplish the purposes which the members of the subcommittee and the full committee, and the gentleman from Florida (Mr. PEPPER) and the members of his Select Committee on Aging have had in mind.

I do appreciate the concern of the gentleman from California (Mr. JOHN L. BURTON), and I am pleased to be able to respond in this fashion.

Mr. JOHN L. BURTON. Mr. Chairman, I thank the gentleman from Ohio (Mr. ASHLEY). It is felt that that is sufficient funding for the first year for both the public housing and the nonprofit corporations.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Chairman, I want to associate myself with the remarks and the concerns of the gentleman from California (Mr. JOHN L. BURTON).

Mr. Chairman, as the ranking minority member of the Housing and Consumer Interests Subcommittee of the Select Committee on Aging, I wish to express my support for H.R. 12433, the Housing and Community Development Amendments of 1978.

I would like to comment briefly on three sections of the bill which I believe can have an impact on the lives of many older Americans.

First, and, I believe, most important, is the new authorization, title V, for congregate housing services for the elderly and handicapped. The available data indicates that at least 2.4 million elderly persons would profoundly benefit from the combination of health care, social services, and housing. The present lack of adequate congregate housing forces many elderly to be prematurely and inappropriately institutionalized, while others remain in their own homes, but without proper nourishment or health care.

The argument for congregate housing is not a new one, and, in fact, several provisions of the 1970 Housing Act (sections 114 and 207) authorize the development of low-cost congregate housing. The only service required is a central dining facility. The funds for the meals, however, are not included, nor are moneys for such vital services as housekeeping, personal care—such as assistance with dressing and grooming—transportation, or medical services. The guidelines for the development of congregate housing under section 202 have similar disparities. Both title I of the Housing and Community Development Act of 1974 and general revenue-sharing funds can be utilized to provide social services in housing facilities. But, the history of both programs shows them to be underutilized and ineffectual.

The separate eligibility requirements for the major service programs for the elderly make them virtually incompatible with current housing programs. In addition, funding for services under titles III, V, and VII of the Older Americans Act is so inadequate that benefits are actually rationed out. Although title XX has the highest funding level of any social service program, its funds are subject to the competing demands of the children, the physically and mentally handicapped, and the blind. In this competition, the elderly frequently lose.

All of these conditions substantiate the need for a comprehensive housing program, primarily for the elderly. That will offer a wide range of services designed to promote independent living and allow persons to remain in the community as long as possible.

I am also pleased that section 232, which currently authorizes HUD to insure mortgages on nursing homes and intermediate care facilities, would be expanded to include facilities which provide day care services for the elderly and others. Existing legislation excludes day care because there is a requirement that the facility supply "continuous care."

Hearings held by our subcommittee have demonstrated the tremendous gap that exists in the availability of alternatives on the continuum between independent housing and long-term care facilities. We have heard testimony emphasizing the need for expanding the number of day care centers so that the types of services which will allow elderly persons to avoid inappropriate institutionalization can be provided. For thousands of older people who are not in need of skilled nursing care, but would benefit from social interaction, recreation, and therapy, day services are an appropriate solution. Allowing older persons to maintain their own residences has incalculable psychological rewards and benefits. Further, the costs of day care are significantly less both for the individual and the State and Federal Governments. The day care centers which will be insured under section 232 will have the advantage of utilizing the variety of existing health and social services provided by nursing homes and long-term care facilities.

Finally, I would like to commend the increase in the rural housing section 504 loan and grant program. In a hearing before our subcommittee, Farmers Home Administration Director Gordon Cavanaugh attested to the tremendous need that elderly rural residents have for housing rehabilitation. Approximately 80 percent of the elderly living in rural areas own their homes. And, according to the 1970 census, close to 60 percent of the Nation's substandard housing is in rural areas. Many of these homes are 30 to 40 years old and require major repairs. Yet, the income of the rural elderly is so low that the majority are unable to improve their housing situation unaided.

I hope I have been able to enlighten some of my colleagues who may not have been aware of the scope of housing-related problems facing older Americans. I would like to reiterate my support for this legislation and its attempt to address the housing needs of the elderly.

The CHAIRMAN. The time of the gentleman from California (Mr. JOHN L. BURTON) has expired.

(By unanimous consent, Mr. JOHN L.

BURTON was allowed to proceed for 3 additional minutes.)

Mr. PEPPER. Mr. Chairman, will the gentleman yield

Mr. JOHN L. BURTON. I will be happy to yield to the gentleman from Florida, the distinguished chairman of the Select Committee on Aging.

Mr. PEPPER. Mr. Chairman, I thank my friend, the gentleman from California (Mr. JOHN L. BURTON), for yielding.

I want to commend the gentleman from California, who is a very able member of the Select Committee on Aging. I also want to thank the distinguished chairman of the subcommittee for his support of this provision that will assure more medical and social services for the elderly people living in public housing projects. All of this is in the direction of providing or making possible home care for the elderly as an alternative to their having to be incarcerated in institutions of one sort or another.

Mr. Chairman, we have a report, elicited by our Select Committee on Aging from the General Accounting Office, documenting that, except in extreme cases of physical disability, it is cheaper, from the viewpoint of the Government, for people to have care of this character in their homes than to go into nursing institutions or perhaps into hospitals.

Mr. Chairman, this is the beginning of a program which I hope will provide in all future public housing projects and housing constructed under section 202 for the elderly medical and social services and will also eventually add those services to public housing projects which are not now congregate in their nature.

Mr. JOHN L. BURTON. Mr. Chairman, I am sure the gentleman from Florida would include in his statement public housing and nonprofit section 202 housing; is that correct?

Mr. PEPPER. Yes, those are included.

Mr. LUNDINE. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from New York.

Mr. LUNDINE. Mr. Chairman, I thank the gentleman for yielding.

I concur in the comments of the subcommittee chairman, the gentleman from Ohio (Mr. ASHLEY). I believe there are ample funds, not only the $20 million provided in this authorization. However, up until now, there have been additional funds which have not been used for this purpose because of lack of cooperation between the Department of Housing and Urban Development and the Departemnt of Health, Education, and Welfare.

Perhaps by this breakthrough that we are now endorsing we will be able to accomplish the kind of coordination which can really save the taxpayers money and provide more humanitarian services to the elderly in both the nonprofit section 202 projects and in the Housing Authority projects.

Mr. JOHN L. BURTON. Mr. Chairman, I thank the gentleman from New York (Mr. LUNDINE) for his comments.

Mr. LUNDINE. Mr. Chairman, I thank the gentleman, and I would just like to commend him for his great efforts on the Banking Committee, for seeing to these amendments.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE I—COMMUNITY AND NEIGHBORHOOD DEVELOPMENT AND CONSERVATION

REHABILITATION LOANS AND LOAN INSURANCE

SEC. 101. (a) Section 312 of the Housing Act of 1964 is amended—

(1) by striking out the undesignated paragraph which follows subsection (a)(3) and inserting in lieu thereof the following new udesignated paragraph:

"The Secretary shall in making loans under this section, give priority to applications by low- and moderate-income persons who own the property to be rehabilitated and will occupy such property upon completion of the rehabilitation, including applications by condominiums and cooperatives in which the residents are principally of low and moderate income.";

(2) by striking out "$50,000" in subsection (c)(4)(B) and inserting in lieu thereof "$100,000";

(3) by striking out "and not to exceed $60,000,000 for the fiscal year beginning on October 1, 1977" in subsection (d) and inserting in lieu thereof "not to exceed $60,000,000 for the fiscal year beginning on October 1, 1977, and not to exceed $245,000,000 for the fiscal year beginning on October 1, 1978"; and

(4) by adding the following new subsection at the end thereof:

"(i) The Secretary may not, after 180 days following the date of the enactment of this subsection, make any loan under this section with respect to any property unless the Secretary has determined that the improvements to such property, upon completion of the rehabilitation, will meet cost-effective energy conservation standards prescribed by the Secretary.".

(b)(1) Section 203(k) of the National Housing Act is amended to read as follows:

"(k)(1) The Secretary may, in order to assist in the rehabilitation of one- to four-family structures used primarily for residential purposes, insure and make commitments to insure rehabilitation loans (including advances made during rehabilitation) made by financial institutions on and after 180 days following the date of the enactment of the Housing and Community Development Amendments of 1978. Such commitments to insure and such insurance shall be made upon such terms and conditions which the Secretary may prescribe and which are consistent with the provisions of subsections (b), (c), (e), (i), and (j) of this section, except as modified by the provisions of this subsection.

"(2) For the purposes of this subsection—

"(A) the term 'rehabilitation loan' means a loan, advance of credit, or purchase of an obligation representing a loan or advance of credit, made for the purpose of financing—

"(i) the rehabilitation of an existing one- to four-unit structure which will be used primarily for residential purposes;

"(ii) the rehabilitation of such a structure and the refinancing of the outstanding indebtedness on such structure and the real property on which the structure is located; or

"(iii) the rehabilitation of such a structure and the purchase of the structure and the real property on which it is located; and

"(B) the term 'rehabilitation' means the improvement (including improvements designed to meet cost-effective energy conservation standards prescribed by the Secretary) or repair of a structure, or facilities in connection with a structure, and may include the provision of such sanitary or other facilities as are required by applicable codes, a community development plan, or a statewide property insurance plan to be provided by the owner or tenant of the project.

"(3) To be eligible for insurance under this subsection, a rehabilitation loan shall—

"(A) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Secretary shall approve) in an amount which does not exceed, when added to any outstanding indebtedness of the borrower which is secured by the structure and the property on which it is located, the amount specified in subsection (b)(2); except that, in determining the amount of the principal obligation for purposes of this subsection, the Secretary shall establish as the appraised value of the property an amount not to exceed the sum of the estimated cost of rehabilitation and the Secretary's estimate of the value of the property before rehabilitation;

"(B) bear interest at a rate permitted by the Secretary for mortgages insured under this section; except that the Secretary may permit a higher rate of interest to be applied to the loan with respect to the period beginning with the making of the loan and ending with the completion of the rehabilitation or such earlier time as the Secretary may determine;

"(C) be an acceptable risk, as determined by the Secretary; and

"(D) comply with such other terms, conditions, and restrictions as the Secretary may prescribe.

"(4) Any rehabilitation loan insured under this subsection may be refinanced and extended in accordance with such terms and conditions as the Secretary may prescribe, but in no event for an additional amount or term which exceeds the maximum provided for in this subsection.

"(5) All funds received and all disbursements made pursuant to the authority established by this subsection shall be credited or charged, as appropriate, to the General Insurance Fund, and insurance benefits shall be paid in cash out of such Fund or in debentures executed in the name of such Fund. Insurance benefits paid with respect to loans insured under this subsection shall be paid in accordance with paragraphs (6) and (7) of section 220(h); except that, where references to 'this subsection' are found in such paragraphs, such references shall be construed as referring to this subsection.".

(2) Section 203(c) of such Act is amended—

(A) by striking out "subsection (n) is" in the first proviso and inserting in lieu thereof "subsections (n) and (k) are"; and

(B) by inserting "or (k)" after "subsection (n)" the second time it appears in such proviso.

(3) The proviso in the first sentence of section 302(b)(1) of such Act is amended by inserting "or section 203(k)" after "title VIII" in clause (3).

URBAN HOMESTEADING

SEC. 102. The first sentence of section 810 (g) of the Housing and Community Development Act of 1974 is amended—

(1) by striking out "and" immediately following "fiscal year 1977,"; and

(2) by inserting the following before the period at the end thereof: ", and not to exceed $25,000,000 for the fiscal year 1979".

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM AMENDMENTS

SEC. 103. (a) Section 104(a)(4)(B)(i) of the Housing and Community Development Act of 1974 is amended by inserting "including existing units to be upgraded and thereby preserved," immediately following "existing dwelling units,".

(b) Section 104(a) of such Act is amended by inserting the following after "expected to reside in the community" in paragraphs (3)(C) and (4)(A): "as a result of existing or

projected employment opportunities in the community".

(c) Section 104(c) of such Act is amended—

(1) by inserting "and co-equal" after "primary" in paragraph (3); and

(2) by adding the following new sentence at the end thereof:

"The Secretary may not disapprove an application on the basis that such application addresses any one of the primary purposes described in paragraph (3) to a greater or lesser degree than any other.".

(d) Section 105(a)(11) of such Act is amended to read as follows:

"(11) relocation payments and assistance for displaced individuals, families, businesses, organizations, and farm operations, when determined by the grantee to be appropriate to the community development program;".

EFFECTIVE DATE

SEC. 104. The amendments made by this title shall become effective October 1, 1978; except that the amendments made by subsections (b) and (c) of section 103 shall become effective on the date of enactment of this Act.

Mr. ASHLEY (during the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 7, strike out the second period and insert in lieu thereof "; and", and insert the following after line 7:

(5) by inserting "(A)" in subsection (c)(3) after "not to exceed" and by inserting in such subsection after "at any time," the following: "or (B) except that where the Secretary finds it appropriate to carry out the purposes of this section, the Secretary may establish such higher rate of interest for loans which will primarily benefit persons who have annnual incomes exceeding 95 percent of the median income of the area. Such higher rate shall not exceed a rate determined by the Secretary of the Treasury, taking into consideration the current market yield of outstanding marketable obligations of the United States with remaining periods of maturity comparable to the terms of loans made pursuant to this section, adjusted to the nearest one-eighth of one percent. In determining an appropraite rate, the Secretary shall consider the condition, location, and anticipated use of the property, the nature of the proposed rehabilitation, the income of the applicant, and such other factors as the Secretary finds relevant;".

Mr. BROWN of Michigan (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. CRANE

Mr. CRANE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRANE: Page 9, after line 2, add the following:

(e)(1) The first sentence of section 108(a) of such Act is amended by inserting the following before the period at the end thereof: ", or, notwithstanding section 104 or subsection (b) of this section, for the purpose of financing activities necessary to alleviate a serious threat to health or safety caused by a shortage or potential shortage of potable water, where the Secretary determines that funding available under sections 106 or 107 is insufficient to assist such project".

(2) Section 108(d)(2) of such Act is amended by inserting the following before the semicolon: ", except that, in the case of a guarantee of the notes or other obligations issued by a unit of general local government for the purpose of financing activities necessary to alleviate a serious threat to health or safety caused by a shortage or potential shortage of potable water, the Secretary may accept as security (A) a repayment commitment based on a unit surcharge upon the quantity of water conveyed by the community and imposed for the purpose of repayment of such note or other obligation, or (B) other financial resources of such unit".

Mr. CRANE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The gentleman from Illinois (Mr. CRANE) is recognized for 5 minutes in support of his amendment.

Mr. PEPPER. Mr. Chairman, will the gentleman yield?

Mr. CRANE. I am happy to yield to the gentleman from Florida.

Mr. PEPPER. Mr. Chairman, I am sure the distinguished chairman, the gentleman from Ohio (Mr. ASHLEY), and the distinguished gentleman from California (Mr. JOHN L. BURTON) intended no slight or lack of recognition of the fact that the gentleman from New York (Mr. LUNDINE) was the author in the committee of the provisions which we were discussing a few moments ago. Great credit goes to him for his taking the leadership in this matter.

Mr. CRANE. Mr. Chairman, I wish to commend the distinguished gentleman from Ohio (Mr. ASHLEY), the subcommittee chairman whose leadership and hard work is always a trademark of this legislation. I also compliment the conscientious and constructive ranking minority member from Michigan (Mr. BROWN) whose efforts along with all the members of the subcommittee have improved housing and community development legislation through the years. I trust that will be the case in this situation.

Mr. Chairman, the purpose of this amendment with the related discussion is to provide a more adequate and responsive approach to solving our critical water needs. I do not propose to establish a program not heretofore contemplated but I do have in mind a threefold purpose:

First. To enable a community to make direct application for a guaranteed loan for critical water facilities without completing the form required for a block grant or a discretionary grant.

Second. To allow the Secretary to establish adequate security for the guaranteed loan other than a block grant or a discretionary grant.

Third. To make clear that a threat to the health and safety of a community includes a rapidly diminishing water supply from its current source.

HUD officials are obviously of the opinion there is no real mechanism by which a community can make a separate and direct application for a guaranteed loan. Section 108 of the act provides for guaranteed loans for acquisition of real property. There is also an implied, back-door restriction that no community can apply unless they have a grant as security. My amendment clarifies this.

At this point, I include HUD standard form 424 with general instructions. The above can be accomplished by executing block 9, part E with all required additional remarks.

[Form not reproduced in RECORD.]

GENERAL INSTRUCTIONS

This is a multi-purpose standard form. First, it will be used by applicants as a required facesheet for preapplications and applications submitted in accordance with Federal Management Circular 74-7. Second, it will be used by Federal agencies to report to Clearinghouses on major actions taken on applications reviewed by clearinghouses in accordance with OMB Circular A-95. Third, it will be used by Federal agencies to notify States of grants-in-aid awarded in accordance with Treasury Circular 1082. Fourth, it may be used, on an optional basis, as a notification of intent from applicants to clearinghouses, as an early initial notice that Federal assistance is to be applied for (clearinghouse procedures will govern).

APPLICANT PROCEDURES FOR SECTION I

Applicant will complete all items in Section 1. If an item is not applicable, write "NA". If additional space is needed, insert an asterisk "*", and use the remarks section on the back of the form. An explanation follows for each item:

1 Mark appropriate box. Pre-application and application guidance is in FMC 74-7 and Federal agency program instructions. Notification of intent guidance is in Circular A-95 and procedures from clearinghouse. Applicant will not use "Report of Federal Action" box.

2a. Applicant's own control number, if desired.

2b Date Section I is prepared.

3a Number assigned by State clearinghouse, or if delegated by State, by areawide clearinghouse. All requests to Federal agencies must contain this identifier if the program is covered by Circular A-95 and required by applicable State/areawide clearinghouse procedures. If in doubt, consult your clearinghouse.

3b Date applicant notified of clearinghouse identifier.

4a–4h. Legal name of applicant/recipient, name of primary organizational unit which will undertake the assistance activity, complete address of applicant, and name and telephone number of person who can provide further information about this request.

5 Employer identification number of applicant as assigned by Internal Revenue Service.

6a. Use Catalog of Federal Domestic Assistance number assigned to program under which assistance is requested. If more than one program (e.g., joint-funding) write "multiple" and explain in remarks. If unknown, cite Public Law or U.S. Code.

6b. Program title from Federal Catalog. Abbreviate if necessary.

7. Brief title and appropriate description of project. For notification of intent, continue in remarks section if necessary to convey proper description.

8. Mostly self-explanatory. "City" includes town, township or other municipality.

9. Check the type(s) of assistance requested. The definitions of the terms are:

A. Basic Grant. An original request for Federal funds. This would not include any contribution provided under a supplemental grant.

B. Supplemental Grant. A request to increase a basic grant in certain cases where the eligible applicant cannot supply the required matching share of the basic Federal program (e.g., grants awarded by the Appalachian Regional Commission to provide the applicant a matching share).

C. Loan. Self explanatory.

D. Insurance. Self explanatory.

E. Other. Explain on remarks page.

10. Governmental unit where significant and meaningful impact could be observed. List only largest unit or units affected, such as State, county, or city. If entire unit affected, list it rather than subunits.

11. Estimated number of persons directly benefiting from project.

12. Use appropriate code letter. Definitions are:

A. New. A submittal for the first time for a new project.

B. Renewal. An extension for an additional funding/budget period for a project having no projected completion date, but for which Federal support must be renewed each year.

C. Revision. A modification to project nature or scope which may result in funding change (increase or decrease).

D. Continuation. An extension for an additional funding/budget period for a project the agency initially agreed to fund for a definite number of years.

E. Augmentation. A requirement for additional funds for a project previously awarded funds in the same funding/budget period. Project nature and scope unchanged.

13. Amount requested or to be contributed during the first funding/budget period by each contributor. Value of in-kind contributions will be included. If the action is a change in dollar amount of an existing grant (a revision or augmentation), indicate only the amount of the change. For decreases enclose the amount in parentheses. If both basic and supplemental amounts are included, breakout in remarks. For multiple program funding, use totals and show program breakouts in remarks. Item definitions: 13a, amount requested from Federal Government; 13b, amount applicant will contribute; 13c, amount from State, if applicant is not a State; 13d, amount from local government, if applicant is not a local government; 13e, amount from any other sources, explain in remarks.

14a. Self explanatory.

14b. The district(s) where most of actual work will be accomplished. If city-wide or State-wide, covering several districts, write "city-wide" or "State-wide."

15. Complete only for revisions (item 12c) or augmentations (item 12e).

My amendment also eliminates the confusion of the words "rehabilitation of real property" as found in section 108 and makes clear that this section includes the financing of activities necessary to alleviate a serious threat to health or safety.

So, as we have it now, a community must first make an application for a block grant or a discretionary grant. If no moneys are available or the request is denied for other reasons, the community cannot apply for a guaranteed loan. Moreover, the nonexistent grant must be used as security for any guaranteed loan application accompanying the grant application. My amendment will eliminate this administrative dilemma and focus attention on the critical water needs of our communities.

Last year the distinguished Congresswoman from Massachusetts, MARGARET HECKLER, amended the HUD authorizations to provide discretionary funds where an urgent need exists due to health or safety reasons.

I reread her remarks of May 10, 1977, and noted that she emphasized "this language would encompass many different situations." She also pointed out during debate that "the guarantee of a safe water supply should be every citizen's right" and "my amendment requires HUD to take into account the need for a safe water supply as a factor in determining eligibility for funding."

Because of a critical water supply situation in my district I inquired at HUD as to the regulations implementing this legislative history. On page 8488 of volume 43, No. 41, of the Federal Register of March 1, 1978, in section 570.432 we find the HUD criteria as follows:

The Area Manager will review the claim to determine if, in fact, an imminent threat to public health or safety does exist. For example, an applicant with documented cases of disease resulting from a contaminated drinking water supply would have an imminent threat to public health, while an applicant ordered to improve the quality of its drinking water supply over the next two years would not have an imminent threat within the definition of this paragraph. These funds are to be used to deal with those threats which represent a unique and unusual circumstance, not for the type of threat that occurs with frequency in a number of communities within a state.

Mr. Chairman, we all note the very narrow aspect of the HUD criteria which is contradictory to the legislative history. The discretionary fund is small and it is understandable that HUD would want to restrict applications.

HUD should not attempt to solve money problems with narrow regulations of their own creation. However, that issue is not directly related to my amendment for there are two main points I wish to emphasize.

First. My proposal is not directed to discretionary grants or block grants—the very able lady, Mrs. HECKLER, took care of that last year.

Second. The words "serious threat to health and safety" include in their meaning a rapidly failing water supply for a community from its present source.

I am interested in the guaranteed loan program. Surely one of my communities and other communities will make application for a guaranteed loan should this amendment be adopted. They will need financing for real property which is already in the act and for a pipeline which, if not now included in the act, is provided for in my amendment. Communities cannot wait until 2 years before they start to tackle these critical needs which obviously affect public health and safety. It makes no sense to start planning after the well goes dry.

Mr. Chairman, I have charts which show that 8 townships in the Chicago suburbs are not utilizing over 100 percent of the potential yield of the shallow aquifer and 15 townships have a deep aquifer deficit. Some townships are on both charts. Engineers with the Illinois Division of Water Resources tell me this is a very serious situation and in these townships it would be impractical to develop the ground-water potential.

Eight communities in my district—Schaumburg, Hoffman Estates, Arlington Heights, Rolling Meadows, Elk Grove Village, plus Palatine, Mount Prospect, and Buffalo Grove—known as the SHARE plus Three, have entered into agreements to obtain water from Lake Michigan. Estimates are that the entire State of Illinois has only $9 million in discretionary grant funds and since this project may run $100 million it is easy to see that SHARE plus Three communities are in need of substantial loans.

Mr. Chairman, I am sure this situation exists in many communities around the Nation. These communities, many not eligible for block grants, should have an opportunity to solve these critical water problems without looking to the discretionary fund if they can offer adequate security on a guaranteed loan.

I have provided in the amendment that the payback be based on a unit surcharge structured upon the quantity of water conveyed by the community water supply system or any other financial resources of the community the Secretary may accept. The surcharge could be based on approximately $0.05 per 1,000 gallons of water conveyed for each $50 million of loan for a 50-year period. As an example of the amount of money generated by this proposal, in a Chicago suburban community, a study found that revenues of $100.4 million would be generated over a 50-year period.

This type of payback system would allow local units of government to adequately spread the cost of the improvement over a period that is somewhat near to the anticipated system life, and at the same time, be able to plan the water rate structure around a payback schedule that is based on a fixed unit quanity cost and would generate revenues proportionate to the quantity of water conveyed by the assisted system. It is also my suggestion that consideration should be given to adjusting the unit quantity payback in some manner so that it stays constant with regard to the value of the dollar at the time the loan was made.

Mr. Chairman, the act presently requires that a community use taxable bonds to finance the projects. So we can see at the outset that since the interest rates on taxable bonds are higher than on nontaxable securities, the more guaranteed loans that are made will generate just that much more revenue to the general treasury.

An authorization does exist in the act for a community to make application for a grant to pay up to 30 percent of the interest, but no appropriation exists for this purpose. I do not propose with this amendment nor do I intend to argue for such an appropriation.

However, I asked the joint Economic Committee to check the impact should such an appropriation be made. I was advised that in most years the loss in tax

revenues would be greater from nontaxable bonds than outlays would be for the interest subsidy on a taxable bond. We can see that the Government, the communities and the taxpayers will all do well under this program.

Mr. Chairman, a guaranteed loan program with these favorable budgetary aspects should be an integral part of the program and I hope my colleagues from all areas will support me on this amendment.

Mr. Chairman, I would like to ask the distinguished chairman of the subcommittee if he would engage in a brief colloquy with me on this particular amendment, because I know that there are reservations that he has. Hopefully, we might adjudicate those as amicably and as expeditiously as possible.

Mr. ASHLEY. Mr. Chairman, I appreciate the attitude of the gentleman from Illinois. I might say that I also understand and am very sympathetic with the kind of problem that confronts the district and the constituents whom he represents.

I would have to say to the gentleman that his amendment does propose to broaden the uses of the loan guarantee provisions to cover health and safety needs, and he argues that this is simply a continuation of an amendment incorporated into last year's housing bill at the request of the gifted gentlewoman from Massachusetts (Mrs. HECKLER). The Heckler amendment last year would permit discretionary communities to receive grants for comprehensive community development programs for health and safety activities. The amendment today, however, goes beyond that incorporated into last year's housing legislation.

The amendment today is specifically intended to qualify for guaranteed financing measures to alleviate a severe imbalance in the water supply/demand due to rapidly failing water resources. This is the situation that confronts the gentleman in his district.

There is some question, I would have to say to my friend the gentleman from Illinois, as to whether this is a problem which is national in scope, as the gentleman would have us believe. There is a question on that count.

More importantly, however, the amendment anticipates the use of federally guaranteed funds to finance reservoirs, regional water systems, and pumping stations, and these are uses which have never been contemplated to be eligible for aid under the community development program. The community development water and sewer projects are eligible activities under the community development programs. They are limited however to the upgrading of existing systems or extension of lines to lower income areas, not the construction of wide-ranging, broad regional water systems.

Mr. CRANE. Mr. Chairman, if the gentleman will allow me to make a point, actually this is a community loan and not designed for a regional water system. I think the legislative history could reinforce that point.

Actually the specific problem is not one confined exclusively to my own district.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(On request of Mr. ASHLEY, and by unanimous consent, Mr. CRANE was allowed to proceed for 3 additional minutes.)

Mr. CRANE. But it is a problem that is at least involving numerous communities in the greater Chicago area. I think depending upon how the line might be reconstructed to satisfy the chairman, it could have an appeal and extend to considerations that our distinguished colleagues from Massachusetts could appropriately address.

Mr. ASHLEY. If the gentleman would yield further, let me say, as I have to him directly, that I get very uncomfortable, very queasy when confronted with an amendment the implications of which are very far reaching both in terms of public policy and in terms of the Federal financial commitment involved.

We have not held hearings on the proposal of the gentleman before our subcommittee or before the full committee. It is a proposition that would involve hundreds upon hundreds of millions of dollars in guarantee authority. The gentleman has indicated that in the 5 or 15 communities that are distressed, or potentially affected, I should say, by the imbalance in the water supply/demand situation in his area, that the facilities involved may cost in the neighborhood of $100 million.

So clearly the financing commitment that is involved here is a very, very substantial one. All I am saying to the gentleman is that I am not saying this is or is not a matter of national concern.

This is local rather than national in scope. All I am saying we do not know yet because we really have not addressed ourselves in the proper forum to determine what the situation is. What we do know to a certainty is that the financial implications are enormous. We would be ill-advised, in my humble opinion, were we to proceed to adopt or consider adopting the amendment.

In view of that fact, Mr. Chairman, I would hope that the gentleman from Illinois (Mr. CRANE) would, with my assurances that I will work with him to try to develop a proper focus on the problem, whether it be at HUD or EPA, or elsewhere, but I would hope, in view of the implications that are involved that he would see fit to withdraw his amendment at this time.

I think the gentleman prejudices his case by advancing an amendment which has surfaced only within recent days and which the committee did not have time to consider during its deliberations.

Again, because of all of these various facts, I would think the gentleman would be well-advised to withdraw his amendment.

The CHAIRMAN. The time of the gentleman has again expired.

(By unanimous consent, Mr. CRANE was allowed to proceed for 2 additional minutes.)

Mr. CRANE. Mr. Chairman, may I first respond to the distinguished chairman, the gentleman from Ohio (Mr. ASHLEY) and then I will yield to the gentleman from Michigan (Mr. BROWN) who is also seeking recognition. Let me say that I greatly appreciate the offer that the gentleman has made as to his willingness to help me in attempting to address what is becoming an increasing problem and I think it is a problem that will continue to surface in many more communities around the country who do not have, at the present time, the mechanisms to handle it. But, with those assurances, I will indeed withdraw my amendment.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. CRANE. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, let me say that I am sympathetic with the concern that the gentleman from Illinois (Mr. CRANE) has voiced and I am sympathetic with the situation that his amendment attempts to address. I also concur with the gentleman from Ohio (Mr. ASHLEY) though, that we need to look at this to see how the situation interfaces between HUD and EPA, so that we can do something that will be beneficial for the gentleman and his problem.

Mr. CRANE. I thank the gentleman.

Mrs. HECKLER. Mr. Chairman, will the gentleman yield?

Mr. CRANE. I am happy to yield to the gentlewoman from Massachusetts.

Mrs. HECKLER. Mr. Chairman, I thank the gentleman for yielding, and I would like to state that I am also very sympathetic to the gentleman from Illinois' concern for water problems in his district and that I understand as well the possibilities the distinguished chairman of the subcommittee, the gentleman from Ohio (Mr. ASHLEY) has advanced.

I would say that the President has expressed an interest in water policy, but his program lacks responsiveness, it lacks national depth, and it lacks teeth. If it is going to be anything more than mere rhetoric, this Congress will have to address in a substantive manner the serious water problems that exist across the country which have not been addressed by any legislative panel thus far or by the President's program.

Last year I was grateful to the distinguished chairman of the House subcommittee for his acceptance of my amendment which allowed one community to use community development funds for water-related purposes—the relining of waterpipes. The development grant was for $88,000. The problem still remains and they now need $3 million for the construction of a totally new water facility.

This is a problem which relates intimately to the total development of any community—economically, industrially, and residentially.

I would ask the chairman of the House subcommittee to consult with other Members concerning this problem and seek an interchange among HUD, EPA, EDA, and other related agencies, to find an acceptable legislative approach to the solution of this increasing, complex, and pressing national and local problem.

Mr. CRANE. Mr. Chairman, I ask unanimous consent that I may be permitted to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AMENDMENT OFFERED BY MR. GRASSLEY

Mr. GRASSLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GRASSLEY: Insert the following new subsection at the end of section 103 of the bill:

(e) Title I of such Act is amended by adding the following new section at the end thereof:

"FAIR ACCESS FOR SMALLER COMMUNITIES

"SEC. 120. The Secretary shall not establish requirements that limit or exclude the access of smaller communities of any size to assistance under this title except as expressly authorized by statute."

Mr. GRASSLEY. Mr. Chairman, the amendment is offered on behalf of the gentleman from Oklahoma (Mr. WATKINS) and myself. We have offered similar amendments affecting HUD programs in past years and generally these amendments have centered around the general proposition that HUD programs ought to be available to small communities just as they are to the large communities.

Mr. Chairman, the language and purpose for this amendment are straightforward. HUD has consistently issued regulations, or proposed regulations aimed at discouraging smaller communities from participating fully in community development programs. Exactly why is not clear, although it does seem as if HUD simply deems these communities as administrative burdens which they would just as soon sweep under the rug.

These communities are tired of taking a back seat to the big cities when it comes to funding and receiving the benefits of Government programs; in addition, their needs are just as great and just as important as those of our large metro areas, and it is time that we recognize that. Because slums or blight, or poor housing, or a poor water or sewer system affect only a few thousand people rather than several hundred thousand does not mean that those few thousand should wait in line for years and years to correct their problems.

HUD has, unfortunately, never taken the attitude that they should try to help these communities participate in CD programs. The attitude has always been, "how can we get them out of the way." Our amendment is intended to put an end to the rules and regulations that give effect to that attitude. All our Federal agencies must recognize that small towns are just as deserving of assistance as are large cities, and hopefully, this amendment is a starting point in that direction.

This amendment is intended to put a halt to HUD's continued promulgation of regulations which limit or exclude the access of smaller communities to community development funds. You will note a slight change in the wording from what was circulated in the amendment as originally offered in committee. After discussions with Chairman ASHLEY, we decided that the use of the phrase "on the basis of the population" would clarify our intent without unduly tying HUD's hands in administering the block grant program. Our intent, however, is in no way altered. Smaller communities are still expected to be given an equal chance to qualify for funding. By including the words "on the basis of the population," we do not mean that HUD may find some other standard to prevent smaller communities from participating fully in their programs. For instance, in applying for Action Grant funding, communities of under 2,500 must demonstrate capacity to administer such funds. Though our amendment would clearly eliminate this kind of population cutoff, it seems feasible to conclude that a capacity standard might still be used to limit a smaller community participating in a program. Our amendment is intended to prevent this kind of situation as well. Unfortunately, HUD has not published a precise, clear definition of the word "capacity," and it is our hope that this would be done. But capacity and need are not directly linked and indeed, in many instances HUD, by lending just a modicum of assistance to smaller communities, could enable them to deal with the paperwork and planning requirements of any of the community development programs. While it might be an administrator's natural inclination to try to exclude certain communities to limit the number of applications received, we simply do not intend to allow such limitations to continue. If HUD finds that certain communities do not have the capacity to participate, and that HUD is unable to reasonably assist such a community, then certainly, it might make sense to disqualify that community for funding. But any guidelines which simply create a class of communities to be excluded from the program would be in antithesis to the spirit of this amendment. In fact, commonsensically, some smaller communities may have needs and project proposals which could be far more practical and worthwhile than the proposals of larger communities; to exclude these communities out of hand on the basis of population, or capacity, makes little sense.

Our "Dear Colleague" letters, and other statements have listed a number of regulations, and proposed regulations which we feel are not in the spirit of our amendment. It is our intent that such regulations should be terminated where possible, and not issued in the future. HUD, for example, allows communities of over 50,000 to take advantage of a "unique distress factor" to qualify for Action Grant funds. There is no justification for depriving smaller communities of the benefits to be gained from including such a factor in their applications. In addition, HUD does not allow smaller communities to participate in the loan guarantee program. Smaller communities receiving comprehensive grants ought to be allowed to participate in the program as well.

We have reiterated on a number of occasions various proposed regulations which we feel were not in the spirit of our amendment. These did not go into effect but we would hope that in the future, similar sorts of regulations will not even be proposed. For instance, the proposed rules to the Small Cities program would have barred communities of under 2,500 from participating in the comprehensive program unless they could prove capacity or previous experience. This cutoff seems entirely arbitrary and would not be allowed by our amendment. In fact, it is perhaps more reflective of HUD's assessment that it lacks the capacity to deal with the large number of smaller communities that might apply for funds, then with their ability to implement a grant. In addition, HUD's original Action Grant regulations included three sets of eligibility standards for communities of under 50,000 with smaller communities having to meet the most rigorous test to qualify for funding. Again, our amendment should put an end to this sort of proposal.

It is our feeling that this amendment will not impede HUD's ability to effectively administer community development program. Rather, it will insure that any size community is dealt with fairly and that its eligibility for funds will not be controlled by HUD's desire to tailor the administration of their programs to their own needs or prejudices.

I would like to yield to my colleague, the gentleman from Oklahoma (Mr. WATKINS), who has been so helpful on this.

Mr. WATKINS. I thank the gentleman from Iowa for yielding.

I stand in support and also as one of the authors with him on this amendment. I would like to state that in this amendment we have reached an agreement with the subcommittee chairman and HUD, and let me say to this committee that this decision was not made in haste, but after working many hours with the administration and also with the subcommittee chairman. I would like to commend the subcommittee chairman, the gentleman from Ohio, for his patience and also for his cooperation in trying to listen and work with us to develop the wording that could be accepted and helpful to the citizens of small cities and rural communities.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. GRASSLEY. I yield to the gentleman from Ohio, the distinguished chairman of the subcommittee.

Mr. ASHLEY. I thank the gentleman for yielding.

Mr. Chairman, I am pleased to support the amendment offered by the respective gentlemen from Iowa and Oklahoma, Messrs. GRASSLEY and WATKINS. The purpose of this amendment, Mr. Chairman, is to assure many of our smaller communities that they are to be treated equitably in the distribution of community development block grant funds. An earlier version of the amendment, as was indicated by my friend, the gentleman from Oklahoma, was considered in committee and defeated, but the amendment that is now before us has been revised to meet some of the objections that were originally raised.

What the sponsors are really concerned about is that these smaller communities not be discriminated against in

their eligibility for community development funding because of their size. The changes embodied in the amendment before us make the amendment more acceptable than the original was, and I applaud the spirit of cooperation with which the gentleman from Iowa (Mr. GRASSLEY) and the gentleman from Oklahoma (Mr. WATKINS) have worked with the committee on this amendment.

As the two gentlemen know, I have gone on record many times in support of the inclusion of small communities so that they might benefit from the various forms of assistance available under the community development block grant program. While several of HUD's proposed regulations initially showed some degree of insensitivity regarding the eligibility of small communities for UDAG and comprehensive community development grants, those regulations have since been amended to comply with the intent of the law.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. ASHLEY, and by unanimous consent, Mr. GRASSLEY was allowed to proceed for 1 additional minute.)

Mr. ASHLEY. M. Chairman, will the gentleman yield further?

Mr. GRASSLEY. I yield to the gentleman from Ohio.

Mr. ASHLEY. I thank the gentleman for yielding.

Mr. Chairman, I would not add one further comment. I do not think that this amendment should restrict the ability of the Secretay to differentiate between discretionary communities based on the crucial factor of need. The Secretary in making these discretionary Community Development funds available to communities under 50,000 population should take into consideration the different abilities and needs that these smaller urban communities have. For instance, many of these communities might lack the technical expertise that larger communities have. We would expect the Secretary to recognize the lack of technical expertise as an activity on which the smaller community might need more assistance.

I believe that the amendment under consideration would forbid the Secretary, unless expressly authorized by statute, to discriminate purely on the basis of size, without tying her hands regarding the equitable distribution of community development funds based on need.

On that basis, Mr. Chairman, I am very pleased to support the amendment that has been cosponsored by the gentleman from Iowa (Mr. GRASSLEY) and the gentleman from Oklahoma (Mr. WATKINS).

● Mr. GILMAN. Mr. Chairman, I rise in support of the amendment offered by my distinguished colleague from Iowa (Mr. GRASSLEY) and urge my colleagues to join with us in supporting this extremely fair and warranted amendment.

My 26th Congressional District of New York consists of 28 townships, 3 cities, and approximately 36 villages. All of these municipalities, with the exception of three of the townships, have populations of under 50,000. Therefore, each time HUD has proposed regulations which discriminate against the smaller communities, my district has been hurt and my constituents have thus been subject to much unwarranted heartache.

Probably the most unfair aspect of HUD regulations over the past few years has been the tendency to prevent communities of under 50,000 from taking advantage of a special criteria, the "unique distress factor," to qualify for action grant funds. Apparently, HUD feels that smaller communities are not subject to the pressures and hardships which our large urban areas are forced to endure. However, this argument ignores that fact that although the experiences of our smaller communities may not parallel those of large urban areas, their distress is none the less real.

For example, permit me to point to the village of Highland Falls in my congressional district, which in 1970 had a population of only 4,602. As articulated by the village board, the "unique distress factor" of Highland Falls can be described as follows:

> The Town of Highlands, of which the Village of Highland Falls is an integral part is comprised of a total land area of 20,930 acres. The United States Military Academy at West Point has removed from the tax rolls for military purposes 18,910 acres of this land. 310 acres of land were removed for the village watershed, further reducing the available land area. The village itself is comprised of 563 acres of land leaving the total unincorporated land area of the town at 1,147 acres. 90.3 percent of the total available land in the town has been removed from the tax rolls drastically inhibiting growth potential. This situation on its face is most unique but under the proposed rules is not a qualifying factor for small cities under 10,000 population.

I doubt if any of us can dispute the village's contention that they are subject to a "unique distress factor," a distress factor which larger communities do not have to face. Yet under existing HUD regulations the village of Highland Falls cannot receive any compensation from this unfortunate situation in which the village finds itself.

Furthermore, I can point to other "unique distress factors" which affect the other muncipalities in my congressional district. Surely the time has come for Congress to recognize that our large urban centers are not the only population centers in our Nation which are faced with difficulties, but that our local officials in smaller communities are also confronted with problems which seem insurmountable.

In January of this year, I protested to HUD Secretary Patricia Roberts Harris, the proposed Urban Development Action Grant regulations, which not only would have precluded the use of the "unique distress factor" but also would have forbidden the smaller communities from using 1976 unemployment data, a right which was accorded without question to larger urban areas.

The smaller communities are asking but one thing of the Federal Government: To be treated as equals, using the same criteria as larger communities. The amendment offered by the gentleman from Iowa (Mr. GRASSLEY) will accommodate this just request.

Mr. Chairman, I call upon my colleagues to support this amendment, in order to equalize HUD's procedures for funding the needs of our communities.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. GRASSLEY).

The amendment was agreed to.

Mr. BINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to engage in colloquy with the distinguished chairman of the subcommittee on the subject of the very first provision of this bill, which amends section 312, the low-interest housing rehabilitation loan program. This provision would direct the Secretary of HUD to give priority to section 312 applications from persons who own and occupy the property to be rehabilitated. Such a priority would exclude investor-owned properties, which make up the vast majority of housing units in need of rehabilitation in my congressional district, as well as in many other big cities. Most of these properties are multifamily buildings, and I am concerned that these buildings be eligible for section 312 assistance, since this program is the only major additional source of rehabilitation funds authorized in this bill.

I would welcome the comments of the distinguished chairman.

Mr. ASHLEY, Mr. Chairman if my good friend, the gentleman from New York, would yield?

Mr. BINGHAM. Mr. Chairman, I am glad to yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Chairman, I would point out to the gentleman from New York that I most certainly am not unaware of the special concern the gentleman has with respect to the assistance needs of multifamily properties in neighborhood rehabilitation areas. The gentleman from New York has been an unrelenting advocate and champion of the housing needs and in some respects the rather particular needs of the people that the gentleman represents.

In focusing the section 312 program on one to four-family owner-occupied units and for low and moderate income owners, the committee bill does not rule out multifamily properties. We would fully expect the Secretary to be reasonable when administering this program, as amended by this bill.

Now, let me be clear in what we mean here. Where a neighborhood in a community development area contains multifamily properties and where the owners of these properties cannot obtain credit at reasonable rates of interest and loan terms, or when such reasonable credit—even if available—would result in increasing rental charges such that existing or prospective low and moderate income tenants would be unable to meet the new rental levels, then clearly it would be expected that section 312 loans could be used.

I believe that the Secretary has a clear directive here and understands the committee's intent not to exclude multi-

family properties from being eligible for section 312 loans. I might say that in her original initiatives for legislation this year, she indicated that the Department had given considerable thought to the needs of multifamily properties in community development areas and considered using section 312 for multifamily properties where necessary to meet neighborhood rehabilitation objectives. So I am quite confident that the multifamily property needs that my friend, the gentleman from New York, points out can and will be met within the provisions that are contained in title I of this bill.

Mr. BINGHAM. Well, Mr. Chairman, I thank the distinguished chairman very much. This is very reassuring.

Mr. Chairman, although I am hopeful that these new 312 loan funds will be useful in cities like New York, I am not convinced that our needs are being adequately addressed by this legislation. The 312 program will make available, at most, some $5 to $10 million for New York, where there are at least 100,000 units which the city would like to rehabilitate immediately, according to the city's housing assistance plan. Clearly, the 312 program by itself will hardly make a dent in the needs of New York. What other sources of assistance are provided in this bill? The Committee on Banking, Finance, and Urban Affairs claims in the committee report on this legislation that the section 8 rent subsidy program and a revised 203(k) insurance program can be used for housing rehabilitation. Unfortunately, neither of these programs offers much help either. New York only received 1,300 units of section 8 in fiscal year 1978 and will receive about the same amount in fiscal year 1979. The 203(k) insurance program can only be used for buildings with one-to-four units, but most of the buildings in need of repairs and rehabilitation in New York are larger than this. Forty-one percent of all the housing units in New York State's standard metropolitan statistical areas are in buildings of five units or more, and none of these will be eligible for 203(k) insurance.

This leaves communities like mine with only the block grant funds provided in title I. Thanks to the formula change last year, New York and other big cities with big deterioration problems now get a fairer share of these funds, but even the $225 million New York received this year is not enough. Many important needs must be funded from this source, not just neighborhood preservation. In fact, because of the financial crisis in New York, the community development block grant makes up almost the entire capital budget for the city.

I regret that an amendment I introduced to the block grant program, H.R. 11500, was not accepted by the Subcommittee on Housing and Community Development, since it would have provided ample funds for housing rehabilitation and neighborhood preservation in a flexible way. My proposal was to establish a separate fund from which bonus or matching payments would be made to those cities which used at least 15 percent of their block grant funds for housing rehabilitation. This would effectively double the amount of money spent on rehabilitation. Each community would be free to design its own program of housing rehabilitation, suited to its own unique conditions, rather than being forced to follow a rigid and unchangeable national program like the 312 loan program. I also proposed that only those funds which were actually obligated to housing rehabilitation, not simply planned to be spent but actually spent, would be eligible for matching. This provision was designed to address the problem of extremely slow utilization of block grant funds which seems to plague many cities. I was disappointed that the subcommittee voted this proposal down when it was offered in substances by my distinguished colleague and good friend, the gentleman from Maryland, (Mr. MITCHELL). Many members of the subcommittee, including the distinguished chairman, apparently misunderstood the nature of this proposal, considering it a new categorical grant program, which it is not. It would be a rather unique addition to the special revenue-sharing approach of the block grant program, encouraging local governments to channel funds to meet a particular need but leaving the option of whether or not to use funds for this purpose and how to design programs in their hands.

I intend to pursue this program further in the months ahead, as the Congress considers the various urban policy proposals submitted by the President but not included in this legislation. I hope to convince my colleagues that more needs to be done to support housing rehabilitation and neighborhood preservation, that present programs are inadequate for these purposes, and that my proposal is a sensible and effective approach.

AMENDMENT OFFERED BY MR. BROWN OF MICHIGAN

Mr. BROWN of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Michigan: Page 9, after line 2, H.R. 12433 is amended—

(a) by adding to section 103 the following new subsection:

"(e) The last sentence of Section 107 (a)(8) of such Act is amended to read as follows: "The Secretary may also provide, directly or through contracts, technical assistance under this paragraph to such governmental units, or to a group designated by such a governmental unit for the purpose of assisting that governmental unit to carry out its Community Development Program." (b) by striking in section 104 the following "(b) and (c)" and inserting in lieu thereof "(b), (c) and (e)".

Mr. BROWN of Michigan. Mr. Chairman, this amendment clarifies that provision in the CDBG Act which authorizes the use of CD funds for technical assistance. The provision of current law, which my amendment would modify (section 107(a)(8) of the Housing and Community Development Act of 1974), was authored by me as part of the Housing and Community Development Act of 1977.

As a result of a request for proposals issued by HUD, a controversy developed as to whether the beneficiaries of the technical assistance, authorized under that provision, are limited to governmental units. That was the original intent of the provision. No matter how the technical assistance is provided; through grants, directly from HUD, or through contracts, the beneficiary of that assistance was always intended to be the unit of Government that is carrying on a CDBG program.

I have discussed my concerns about the RFP with HUD, and we have reached agreement that the technical assistance must be implemented in a way consistent with the basic concept of the CDBG program; namely, that the unit of local Government controls all of its program. My amendment would make it clear that the technical assistance must go to "governmental units, or to a group designated by such a governmental unit for the purpose of assisting that governmental unit to carry out its community development program."

The understanding reached with HUD, is that no group will receive a contract for technical assistance unless that group has been requested by the community to provide assistance to the community in the planning or implementation of a particular project or approach that the community wishes to incorporate into its CDBG program. In addition, one group could not provide assistance, under HUD contract, to another group in its own community or elsewhere unless the community where the latter group is located has designated such group to receive that assistance in order to plan or implement a CDBG activity in that community.

Mr. Chairman, I believe this amendment is noncontroversial and I urge its adoption.

Mr. Chairman, I would be glad to yield to the chairman of the subcommittee if he should care to comment on the amendment.

Mr. ASHLEY. Mr. Chairman, if the gentleman would be kind enough to yield, let me say that we have worked together on this amendment, and it is, I think, a substantial improvement and provides clarification. Obviously our efforts have met with some degree of success, because the amendment has been well received by the Department. The Secretary personally has indicated her support of the amendment.

So I commend my good friend and cohort, the gentleman from Michigan (Mr. BROWN), for a typically excellent piece of legislative drafting on his part. The amendment accomplishes its purpose. It is in the public interest, and it should be adopted.

Mr. BROWN of Michigan. Mr. Chairman, I thank the gentleman for his comments, and I hope that the attitude he has expressed prevails throughout the course of the deliberations on this piece of legislation.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I am pleased to yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I am very happy that this compromise has been worked out, but I would like to follow up just a little bit further on this issue.

Let us say that we have some neighborhood organization or group that wants to get technical assistance. Theoretically, under the gentleman's amendment this would have to be approved by the political subdivision; is that correct?

Mr. BROWN of Michigan. The gentleman is correct. That would be a unit of Government designated in the statute.

Mr. MITCHELL of Maryland. Fine. Now, suppose we find a situation such as we had some 5 or 8 years ago where the head of a political subdivision simply has an intense dislike for a particular neighborhood group which is operating in a bona fide fashion. In that situation does the neighborhood group have any right of appeal if the city or the county or the political subdivision simply vetoes the technical assistance?

Mr. BROWN of Michigan. Mr. Chairman, the provision for technical assistance as a source of funding which was originally contemplated would go to certain communities and other communities using governmental regional groups as well. I suppose that a neighborhood group, if designated by communities as part of a regional planning group, could in that instance conceivably be a contractor as the gentleman contemplates even though a particular community might not so designate.

Frankly, we do not intend to have HUD directly contracting with any neighborhood group; we felt originally and feel now that this assistance should be available to, or its use designated by, a unit of Government.

Mr. MITCHELL of Maryland. I understand that. I am simply trying to look ahead to a situation where we find a really autocratic type of Government that squashes some group, as happened in the past, some 8 or 10 years ago.

I am not going to oppose this amendment, but I would hope that some consideration would be given to a method of appeal when we run into what is really an autocratic, quasidictatorial sort of situation.

Mr. BROWN of Michigan. Mr. Chairman, let me say to the gentleman that we will look at the situation, but the direct answer to the gentleman's question is that if a community designated in the statute does not wish to fund a community group or have HUD, through a direct contract, fund a community group for technical assistance, then there would not be assistance available under this provision for that neighborhood group.

Mr. MITCHELL of Maryland. Mr. Chairman, I hope the gentleman and the chairman of the subcommittee will pursue that particular problem area at some time in the future.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. BROWN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. EDGAR

Mr. EDGAR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDGAR: Page 8, insert the following after line 20 and redesignate the subsequent subsection accordingly:

(d) Section 105 (a)(2) of such Act is amended by inserting "loading areas (including shelters) to serve public transportation passengers," immediately following "parking facilities,".

Mr. EDGAR. Mr. Chairman, this amendment should not be necessary, but an unfortunate ruling by the Department of Housing and Urban Development makes it necessary. The amendment pertains to HUD's community development block grant program and what types of activities can and can not be funded under this program.

I ask my colleagues to consider the following:

When a community uses its CD block grant for general urban renewal in a poverty neighborhood, it can use the funds to build and repair streets, to improve sidewalks, and to construct parking lots. These transportation facilities are part of the fabric of any neighborhood, and it makes sense to include them under the community development program even though funding for these activities might be found under other Federal programs.

According to HUD, streets, sidewalks, and parking lots are eligible activities, but if you include a bus loading and unloading area as part of your renewal scheme that would be ineligible for funding.

In other words, urban renewal in a poverty neighborhood may include auto-related transportation improvements, but it may not include public transit improvements. HUD says that money for the transit improvements can be obtained from the Federal Urban Mass Transportation Administration.

A community in my congressional district was engaged in renewal of a run-down shopping area, using CD funds. It narrowed and repaved a street, widened sidewalks, installed some fancy "street furniture," and built a fancy parking lot. When it was redoing the sidewalks, it wanted to include provisions for transit buses that use the street: It wanted to build a pulloff for the buses, and include some simple bus shelters as part of the new "street furniture." The project's transit-related portions came to about $15,000. HUD disallowed the bus pulloff and the shelters.

"Go to UMTA for them," HUD said. To do this the city would have had to do the following:

First. Go to the county and amend its transportation plan to include the project.

Second. Go to the Regional Planning Commission and get an amendment to the regional transportation plan.

Third. Obtain A–95 clearance.

Fourth. Make available 20 percent of the project cost. UMTA projects are 80–20 Federal-to-local, while CD grants are 100 percent Federal.

To make a long story short, it is just too much trouble to get an UMTA discretionary grant for a $15,000 project.

I believe that if a community is engaging in urban renewal in a community redevelopment area that meets HUD's guidelines, it should be permitted to use CD funds for bus shelters and bus pull-over areas in addition to the transportation facilities HUD already allows: Streets and parking facilities.

I might add for clarification that the amendment reads:

Loading areas (including shelters) to serve public transportation passengers.

In Philadelphia and San Francisco, we still have streetcars and trolley buses and waiting areas for these modes of transit would be allowed in addition to bus transit. In all cases, the proposed use of CD funds must meet HUD's standing evaluation criteria: The project must serve low- and moderate-income people or eliminate blight. My amendment would not open the door to the construction or installation of bus shelters in wealthy suburban neighborhoods.

All I am saying is that a bus stop or a trolley stop has a proper place in urban renewal, just as parking lots have. I urge my colleagues to reject HUD's narrow-mindedness by supporting this modest and sensible amendment.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, this amendment is so modest and so sensible that I do not see why it even needs to be debated. It is absolutely preposterous that such a thing should have been turned down.

Mr. EDGAR. Mr. Chairman, I thank the gentlewoman from New Jersey for her comment.

Mr. MITCHELL of Maryland. Mr. Chairman, I rise in reluctant opposition to the gentleman's amendment.

I am very, very sympathetic about his plight and sympathetic with the comments made by my colleague, the gentlewoman from New Jersey (Mrs. FENWICK).

However, Mr. Chairman, I think we have to face two very real things: One, dollars are limited for every agency. While there is not much money involved in this instance, just a few thousand dollars, we open the door for a precedent which may be a further drain on the limited dollars of HUD.

The second thing we have to bear in mind is that more and more we see an effort being made by this Congress and by the administration to bring all of these agencies together to work in some sort of cooperative effort so that we, indeed, address problems, with each of the agencies taking some responsibility.

Mr. Chairman, I am not angry so much at HUD as I am at the Department of Labor and UMTA for having all of these ridiculous regulations for a pitiful sum of money like this.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I thank my colleague for yielding.

If they were going to refuse to consider parking facilities, I would agree with the gentleman. If they were confining themselves to housing, in other words, they could say, "We do not do anything but housing."

I think we see that they have already gone beyond housing in these community development plans.

If they are going into parking for automobiles, surely a place of shelter for bus-stop passengers is part of the whole living situation for people in that area.

Mr. MITCHELL of Maryland. Mr. Chairman, I thank the gentlewoman from New Jersey for her comments. Believe me, I bleed for her, and I bleed for my distinguished colleague, the gentleman from Pennsylvania (Mr. EDGAR); but we have to be rational about this situation.

It is a pitiful sum of money. It seems reasonable enough to do that. However, we have to weigh that decision against one which will open up precedents, in which case we would actually operate in such a fashion as to discourage agencies from coming together and working together.

For those reasons, Mr. Chairman, I oppose the gentleman's amendment.

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Chairman, I thank the gentleman for yielding, and I appreciate his comments.

I offered the first amendment which said let us include loading zones for bus and trolley stops. I have a second amendment, and I will be glad to offer it if the gentleman would like. That would delete streets and parking facilities.

Mr. Chairman, the suggestion I am making is simply that in urban renewal, in low- and moderate-income areas, if, in fact, it fits in with the community's need in that area, that we provide these things for people who are standing out in the snow or the rain. It makes sense to provide it for public transit if, in fact, we are going to make similar provisions with respect to streets and highways.

The further comment I have is that the very same Federal regulations are in use in the Federal Highway Administration and that, in fact, those very communities could go through the redtape to get a $15,000 street repair or parking lot facility, and yet the community development funds do not say it is necessary to do that.

Mr. MITCHELL of Maryland. Mr. Chairman, I thank the gentleman from Pennsylvania (Mr. EDGAR).

However, let us deal with the amendments one at a time. I am dealing only with the one now before us.

Mr. Chairman, not only is there a possibility of DOT being involved in this; let us also look at the Department of Labor under which the CETA program comes. It might be a worthwhile, healthful project for CETA workers to do this kind of modest construction.

Mr. Chairman, my point is that, if this amendment is passed, ultimately it discourages the coming together of agencies to work together on common problems.

Mr. Chairman, I urge defeat of the amendment.

Mr. ASHLEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in reluctant opposition to the amendment. The gentleman's amendment proposes to amend section 105 of title I of the Housing and Community Development Act of 1974 to expand the definition of eligible activities to include "transportation-related facilities" as a new eligible activity. Let me say that I sympathize with the purpose of the gentleman's amendment and can understand the frustration of communities who can use their community development funds for street repair, sidewalk construction, and the construction of parking lots, but cannot use these funds for public transportation-related activities.

The fact remains, however, that funding for bus shelters or bus pullover areas, is available under Urban Mass Transportation Administration grants and while it might be easier to make eligible for HUD funding all activities that might be related to a community development plan, we just do not have the resources that this approach would require. I am most reluctant to expand eligible activities under the community development program to matters which are essentially ancillary to the programs that the local communities are using their bloc grant funds for. The gentleman is certainly correct in pointing out that community development funds can be used for parking facilities, road repairs, and so forth, and that such activities have been long time recipients of assistance under the old urban renewal program which were carried over into our community development program.

However, Mr. Chairman, since funding for the type of activity that is contemplated in the gentleman's amendment is available under another Federal program, and because expansion of eligible activities under the bloc grant program could seriously dilute its impact and effectiveness, I must oppose the amendment at this time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. EDGAR).

The question was taken; and on a division (demanded by Mr. EDGAR) there were—ayes 2; noes 15.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. EDGAR

Mr. EDGAR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDGAR: Page 8, insert the following after line 20 and redesignate the subsequent subsection accordingly:

(d) Section 105(a)(2) of such Act is amended by striking out "streets," and "parking facilities,".

Mr. EDGAR. Mr. Chairman, I am not going to prolong the debate tonight. I simply raise the second amendment to further point out the silliness of including one type of auto-related transportation and not including a public transit facility. I share it with my colleagues just for that purpose.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, let me just say that my opposition and the objections, I am sure, of the subcommittee chairman to this amendment are not in opposition to the general concept of what the gentleman is trying to do. But, we feel that there is provision for making this in connection with other community development activities. There is an opportunity for the very thing that the gentleman wishes to have accomplished.

We think, within the framework of the present legislation, that what he wishes to accomplish can be accomplished, plus the fact that we do have to look at the interface of UMTA and all the other pieces of legislation. So, I trust the gentleman will not misinterpret our objections.

Mr. EDGAR. I appreciate the gentleman's comments. One of the points I am making is, sure, we need joint development. When we have UDAG grants and EDA grants, we have got to recognize that transit is an integral part of urban development; not just highways and streets, parking facilities, but public transit as well. It seems to me that we become very narrow sighted with many of our joint developments on community development projects, we fail to recognize that highways and auto-related transit are as important as public transit. In fact, public transit, in light of our energy crisis, may be equally or more important.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield further?

Mr. EDGAR. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, I do not know if the gentleman was here at the time or what his position was on the issue, but at one time Members will recall the Urban Mass Transit Act and all those were under the jurisdiction of the Banking and Currency Committee. I think it was properly within the jurisdiction of the Banking and Currency Committee, because then they could interrelate the mass transit with the community development, and we did not have the kind of schism the gentleman has alluded to.

Mr. EDGAR. Mr. Chairman, I ask unanimous consent to withdraw my amendment at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

AMENDMENT OFFERED BY MR. HAGEDORN

Mr. HAGEDORN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAGEDORN: Page 9, insert the following after line 2 and redesignate section 104 as section 105:

LABOR STANDARDS AND REHABILITATION ACTIVITIES CONDUCTED BY NEIGHBORHOOD-BASED NONPROFIT ORGANIZATIONS

SEC. 104. (a) Section 110 of the Housing and Community Development Act of 1974 is amended by inserting the following before the period at the end of the first sentence thereof: ": *Provided further*, That this section shall not apply to any rehabilitation of residential property which is carried out, directly or by contract, by a neighborhood-based nonprofit organization".

(b) Section 12 of the United States Housing Act of 1937 is amended by inserting after "construction or rehabilitation is commenced" the following: ", except that the provisions of this section shall not apply to a substantially rehabilitated project assisted under such section 8 if such rehabilitation is carried out, directly or by contract, by a neighborhood-based nonprofit organization".

(c) Section 212(a) of the National Housing Act is amended by adding the following new sentence at the end thereof: "Notwithstanding any other provision of law, the provisions of this section shall not apply with respect to rehabilitation activities financed by a mortgage insured under this Act and carried out, directly or by contract, by any neighborhood-based nonprofit organization.".

Mr. HAGEDORN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. HAGEDORN. Mr. Chairman, the purpose of this amendment is to remove a costly regulatory obstacle that currently acts as a substantial hindrance to housing rehabilitation efforts, particularly in larger urban areas. This is the Davis-Bacon Act.

The amendment would waive the applicability of the Davis-Bacon Act for most housing rehabilitation projects performed by neighborhood-based, nonprofit organizations. This term is defined in section 570.204 of HUD's community development regulations. The waiver would cover only residential rehabilitation.

The Davis-Bacon Act has repeatedly frustrated the public objectives of this body. The act is costly, not only to the contractors that must comply with it, and to the taxpayers that must pay for it, but also to the intended beneficiaries of public programs themselves.

According to GAO estimates, the impact of the prevailing wage requirements of Davis-Bacon is to increase labor costs on Federal and federally assisted construction by approximately 10 to 15 percent. This translates into between $1 to $2 billion annually.

As a result, Federal public works expenditures put fewer persons to work; Federal school construction assistance builds fewer classrooms; Federal library assistance purchases fewer books; and Federal housing assistance builds fewer homes.

Davis-Bacon has proven particularly costly in the area of inner-city housing rehabilitation and renovation. High prevailing wage requirements, and restrictive work rules imposed by the act have severely retarded many of these projects. According to Douglas Moritz, the deputy administrator of Los Sures, a neighborhood-based, nonprofit rehabilitation group in the Bronx—

> Many of the symptoms of urban blight can be connected to Davis-Bacon . . . Its net effect in poor communities is to make the cost of housing outrageously high, as well as to exclude poor workers from construction employment.

Davis-Bacon has a destructive impact upon housing rehabilitation efforts in at least three ways. First, the wage levels mandated by the act simply make it uneconomical for many neighborhood groups to improve decaying housing. As the New York Times has observed—

> Prevailing wages, in the case of Davis-Bacon mean the highest wage rate paid to union construction labor, even when the nearest union local is 50 miles away.

When any form of Federal assistance is employed to rehabilitate housing, including community development and CETA funds, the Davis-Bacon Act is triggered, and wage rates which are two to three times what can be afforded by the rehabilitation groups are required. Unless these groups are able to attract some Federal assistance, they are usually unable to attract any funds from private lending markets.

Suffering particularly heavily are what are known as sweat equity programs. These generally involve workers who volunteer their labor on rehabilitation projects in exchange for their equity in the housing units they build. Where Davis-Bacon is inapplicable to a federally assisted project (usually only the very smallest ones), these workers might be paid no more than $3.50 to $4 per hour to everyone's satisfaction. They are more often than not unemployed, and, in performing sweat equity, they are investing in their own homes and communities.

They are investing sweat and toil, rather than dollars, in real estate, and are converting abandoned, dilapidated, and deteriorated buildings into livable housing.

These projects can be stopped virtually dead in their tracks by the invocation of Davis-Bacon which will commonly require the payment of wages in excess of $10 per hour. While HUD has limited waiver authority under some of the provisions of the Community Development Act—and Secretary Harris has publicly recognized that Davis-Bacon inflates labor costs—more often than not rehabilitation projects are deterred from the outset by Davis-Bacon.

Many inner city rehabilitation efforts were closed down entirely last year when many building trades locals refused the Secretary's offer to negotiate lower Davis-Bacon wage rates for rehabilitation work. Nearly 5,000 rehabilitation projects were dropped in such places as Boston, Cleveland, Kansas City, Cincinnati, and St. Louis. Boston lost an estimated $5 million worth of rental subsidies and a $40 million investment in housing rehabilitation for 1,150 vacant apartments when these trades locals refused to negotiate such an agreement.

In addition to the high prevailing wage levels require, Davis-Bacon also frustrates local rehabilitation efforts through its archaic work rules. Philip St. George, director of the Urban Homesteading Board in New York City which provides technical aid to the city's sweat equity groups, has observed:

> Current Davis-Bacon regulations actively prevent homesteading projects from being implemented due to overly restrictive work rules . . . These rules provide a ratio system for hiring journeymen, apprentices and trainees on a Federally-financed housing project. Under current rules, an unskilled urban homesteader/trainee could only work on his own home under the supervision of five journeymen. This is obviously costly and impractical.

Also, the precise job descriptions that Davis-Bacon requires on a project, conforming exactly to trade union descriptions, are totally inappropriate to most rehabilitation projects. Unlike housing starts, where there is usually a fairly precise idea of the materials and labor that will be required, housing rehabilitation is a far more uncertain venture. It is normally impossible to predict with precision those trade skills which will be necessary, and when they will be necessary. Yet, the rigidity of Davis-Bacon remains.

The waiver of Davis-Bacon provided for by this amendment will not undermine the overall purposes of that act. We are talking only about projects which, without local community involvement and the employment of neighborhood residents, would never be carried out in the first place. It is not an issue of paying lower wages or of denying jobs to union workers. It is simply an issue of giving free play to the self-help initiatives of local community organizations.

Mr. Chairman, at a time when our inner cities are so desperately in need of innovation, and new approaches to problem-solving, the Davis-Bacon Act imposes a straitjacket on the self-help efforts of local citizens. It is an outdated anachronistic piece of legislation that is eroding the ability of urban America to deal with its own problems.

If ever there was blatant special interest legislation that worked to the detriment of everyone but that special interest, that is Davis-Bacon. As Mr. St. George concludes succinctly. "It's destroying neighborhoods."

I urge my colleagues to consider this, and to support the pending amendment.

Mr. THOMPSON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Minnesota (Mr. HAGEDORN).

Mr. Chairman and members of the committee, this is as sophisticated an attack on Davis-Bacon and as superficially as attractive a one as I have seen in a long time. However, in the remarks of the gentleman from Minnesota (Mr. HAGEDORN), he alluded to the full scope of Davis-Bacon, probably not being familiar with the genesis of the act which was suggested by the then Presi-

dent Herbert Hoover, and has been the law ever since.

The real effects of this amendment—and I do not know whether the gentleman was aware of what I just stated because he probably was not alive at that time——

Mr. HAGEDORN. If the gentleman will yield, Mr. Chairman, I reject that policy of Herbert Hoover, and I did not know that the gentleman from New Jersey (Mr. THOMPSON) subscribed to very many if any of them at all that he had advocated.

Mr. THOMPSON. Well, Mr. Chairman, I am very forgiving and I have forgiven President Herbert Hoover. But, in any event, the gentleman does believe it is necessary to waive Davis-Bacon in order to achieve housing rehabilitation at reasonable costs. That seems a very laudable objective but, in fact, Davis-Bacon is not anywhere near the problem that the gentleman seems to think. First, it applies only to rehabilitation of structures designed for the residential use of eight or more families. Since almost all housing rehabilitation is being done on a one- or two-unit basis, Davis-Bacon has actually had very, very, little effect.

The adoption of this amendment would be simple. In effect, the gentleman says, do not pay Davis-Bacon wages for rehabilitation work in the inner cities where it is almost exclusively done in one or two units there, done by minority employees. The effect of this would be to say, go ahead; rehabilitate the homes at subminimum wages; pay your minority workers in the inner cities—and we have a great many of them, and they are doing a perfectly splendid job—pay them less than you would pay somebody working at similar work in the suburb. I am sure the gentleman's intentions are fine, but the end result is one which would and could be potentially disastrous, and this amendment should not be adopted.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from Ohio.

Mr. ASHLEY. I thank the gentleman for yielding.

I take it my very distinguished friend, the gentleman from New Jersey (Mr. THOMPSON), in many respects is taking the words out of my mouth.

Mr. THOMPSON. Having looked at this statement, I can understand that.

Mr. ASHLEY. I would point out that the Davis-Bacon Act is firmly embedded in our Nation's housing programs and has provided the means to insure that fair wages are paid on all federally assisted housing construction. There is no real sense in abandoning a proven safeguard of fair labor standards in the hope of possibly reducing construction costs for housing rehabilitation, particularly when alternative means of lowering costs are available. So I would join my friend, the gentleman from New Jersey, in rising to oppose this amendment.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. I thank the gentleman for yielding.

My concern is that is a frontal assault against Davis-Bacon. But is it not true that under the provisions of Davis-Bacon, people employed in this kind of inner city work, if they so desire, can waive the provisions of Davis-Bacon for themselves if they are not coerced into doing so?

Mr. THOMPSON. The gentleman is exactly correct.

Mr. MITCHELL of Maryland. If that is true, then I really do not see why we need this particular amendment. I thank the gentleman for yielding.

Mr. GRASSLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. HAGEDORN. Mr. Chairman, will the gentleman yield?

Mr. GRASSLEY. I yield to the gentleman from Minnesota.

Mr. HAGEDORN. I thank the gentleman for yielding.

I just want to point out, No. 1, these types of rehab units of seven or less are already exempt from Davis-Bacon standards. They are not even included. What we are trying to do is go upwards. Admittedly I do not have many of these communities in my district. I admit it is from urban areas that the Members plead for the minorities, the downtrodden people who live in the ghettos and who do not have a chance. They are the people I am pleading for today. I think it is important we adopt this kind of legislation and let people work for themselves and not be encumbered with outdated, archaic work rules that come with Davis-Bacon, as applied. I am only asking for exemption for nonprofit, community-based organizations. I am not even including the private profitmaking sector, and some of the Members are obscuring the total issue by trying to say this is just something to get at Davis-Bacon. I am honestly concerned about trying to do something for the very people that this amendment is directed at. I can quote the people, the New York Times, the people who administer these various programs and work with them. If we do not take it from them, I do not know whom we are going to take it from.

I would just appeal to the Members to be sympathetic and help these poorest of the poor to have a little better chance to live in a little better housing, and not try to impose ridiculous, high-level wages on a community that could not pay them. It means if they cannot pay them, then they cannot have improved housing.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. GRASSLEY. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

Does the amendment offered by the gentleman from Minnesota (Mr. HAGEDORN) just apply to nonprofit organizations?

Mr. HAGEDORN. If the gentleman from Iowa will yield, just neighborhood based, nonprofit, in ghettos that get together and say, "We want to build up our inner cities and restore our homes."

Mr. SYMMS. Like a historical society or a community center?

Mr. HAGEDORN. Not a historical society but a community-based organization that has a common interest.

Mr. SYMMS. A self-help, nonprofit organization?

Mr. HAGEDORN. Absolutely.

Mr. SYMMS. I thank the gentleman.

Mr. HAGEDORN. If the gentleman will yield further, when this committee comes to Congress and asks the American taxpayers to go to the well and provide billions and billions of dollars to restore the inner cities, and then we have a group that comes and opposes just one small measure that would help the taxpayers help the poor people, the low-income people, the minorities in the urban areas, I would suggest that this is the very shortsighted position for this powerful special interest group.

Mr. GRASSLEY. The gentleman's amendment will have the effect of making the taxpayers' dollars go a little further and having more units rehabilitated for the dollar.

Mr. HAGEDORN. Yes.

Mr. GRASSLEY. And in a sense making the whole concept of rehabilitation work and be more feasible.

Mr. HAGEDORN. Yes. This amendment is in the spirit of proposition 13 and embodies those same principles of getting more "bang" for the taxpayers' "buck" and that is its objective.

Mr. PRITCHARD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have not been an opponent of Davis-Bacon and I think I come to this subject with a little different perspective. I have been on the Neighborhood Commission and I spent the last 6 months in the communities of these gentlemen who have just spoken. I have been in Baltimore, Cleveland, St. Louis, Los Angeles, and Washington, D.C. What disturbs me is I see a very harmful division among groups that should be fighting for the same goals. I think it is sad if organized labor and the neighborhood movement, which is a very strong movement all over this country, gets divided. Out there in these neighborhood groups they feel that the Davis-Bacon provisions are harmful when they get into their self-help programs. Maybe they do not know what they are doing out in these neighborhoods; but I have to say this to the gentleman from Baltimore. I heard this in Baltimore. I heard this in Cleveland. I heard this in every one of those neighborhoods. Somehow I believe it should be worked out, because it will have a very harmful effect if organized neighborhood groups and organized labor are put in adversary roles. They must work together.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. PRITCHARD. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I am extremely amazed that the gentleman heard this in Baltimore, because under our self-help programs in my city we have worked out all kinds of arrangements under which organized

labor does not make excessive demands on self-help groups. Workers in self-help programs are employed sometimes at wages less than the minimum wage. We have not had any problems with it; so it has not been a problem in my city.

I would suggest, however, that any self-help group that wants to avail itself of the waiver provision can, without any pressure, do it and it protects itself. That is already a provision of law. So all that Mitchell self-help group down on Brunt Street in Baltimore has to do is say, "Look, we have gotten together. We are going to build this project. We want exemption from Davis-Bacon," and they get the exemption.

Mr. PRITCHARD. Mr. Chairman, there is some difference between what the gentleman from Maryland is saying and what we are hearing out there. It is a very disturbing thing. I can tell you when we get into neighborhood groups across this country, and it is a very large movement, they consistently complain about Davis-Bacon in the inner city projects.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield further?

Mr. PRITCHARD. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I heard sort of a sotto voce comment that, "You are talking to real people."

I came out of a community help agency and I work with every self-help group in the city. I deal with them on a direct basis.

Mr. PRITCHARD. The gentleman from Maryland did not infer that I said that?

Mr. MITCHELL of Maryland. Oh no; it was another sotto voce comment.

Mr. PRITCHARD. I do not know, "Another," infers that I said something.

Mr. MITCHELL of Maryland. No; it was a whispered conversation that I just happened to overhear. It was not the gentleman from Washington.

Mr. PRITCHARD. Mr. Chairman, I do not think we want to sweep this away quickly. We want to go into this fully.

I would ask the gentleman from Ohio, did he go into this fully? I would yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Chairman, the Davis-Bacon provisions are subject to review and consideration by the subcommittee year in and year out. They were this year, as they have been in prior years.

There was no stampeding or no movement for the kind of amendment that is before us at this time. Had there been, it would have been opposed by the chairman and other members of the committee.

If the gentleman wants to know if we focused on this particular amendment, the answer is no, and it was not advanced by the Members of the majority or the minority. But we are facing the issue year in and year out in our annual authorizations of programs that do have Davis-Bacon provisions.

Mr. PRITCHARD. I understand. I hope the gentleman from Ohio (Mr. ASHLEY) realizes that I have not been a member of the committee, and when I went out in the communities I found this was coming from people who are not the traditional Davis-Bacon opponents.

So I have been disturbed, because I am very concerned that these neighborhood programs do not go at cross purposes with other institutions in America. I think it is terribly important that they do survive and are effective.

The CHAIRMAN. The time of the gentleman from Washington (Mr. PRITCHARD) has expired.

(By unanimous consent, Mr. PRITCHARD was allowed to proceed for 2 additional minutes.)

Mr. ASHLEY. Mr. Chairman, will the gentleman yield further?

Mr. PRITCHARD. I would be happy to yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Chairman, let me say this to the gentleman from Washington (Mr. PRITCHARD): That I was the principal sponsor of the neighborhood commission legislation. When the legislation failed in the House, I helped to get it resurrected in committee and adopted in the conference report.

I am pleased that the gentleman is serving on that commission, and I am proud of his work on that commission. I would expect that there will be any number of recommendations that emanate from that commission on an interim basis, and when the commission files its report, its recommendations will be taken seriously in their totality.

It does seem to me that it is not inappropriate for the committee and the subcommittee that I chair to await those suggestions rather than to try to anticipate them. So I do not think that the gentleman and I are too far apart, but I am opposing the amendment at this time for the reasons I have stated.

I would hope, Mr. Chairman, that we could get to a vote on the amendment, because I think the issue is really quite clear.

Mrs. FENWICK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am in favor of this amendment. I know the subject from a very different angle, and it is not funny. There is nothing funny about people trying to rehabilitate their homes.

HUD last year, in New York City, insisted that 39 units be combined in one project, and this meant it could not be considered one house at a time; being one group project meant that minority business could not handle the bonding. The project was too large.

The New York Times published a very hopeful article on "sweat equity" projects in the Bronx. What the gentleman from Minnesota (Mr. HAGEDORN) was saying is absolutely what they said.

These are people living in the ghettos, trying to rehabilitate the places where they live, and nobody pays the slightest attention to them. That is what they are saying. We should not ignore the voices of people who have been on the working end of it. They tell us that government itself often makes it impossible for them to employ teenagers in the South Bronx in the rehabilitation of their housing.

We must pay some attention to the people of this country who are trying time after time to tell us something that matters to them.

Mr. Chairman, perhaps I am not an adequate spokesman, but somebody has got to talk for them.

Mr. JOHN L. BURTON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I know there are all these people from all over the country who know so much about California and about proposition 13, but we have a local Davis-Bacon Act in California, and I do not know anybody who has complained about that.

If we do want to add something to the cost of the taxpayers, we can start paying people substandard wages so they will then have to collect welfare as well as food stamps and MediCal payments and other things that come out of the State and county treasuries.

That is what proposition 13 was about; it was not about Davis-Bacon. People were concerned about government programs, and unfortunately a lot of them were concerned with welfare, but if we start paying people substandard wages, we do increase welfare.

They were concerned about food stamps. And if people are paid substandard wages and cannot feed their families with the wages, they do get food stamps. They were worried about MediCal. And if people do not have their own medicare, they do qualify for MediCal. That is what it was all about.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank the gentleman for yielding.

Mr. Chairman, I will say to the gentleman that I was a minority partner in a minority construction business, 2 black partners and myself, and we could not afford these high wages of $13 an hour. None of our people starved or was on food stamps. We paid good wages, but we could not afford the very highest.

Mr. JOHN L. BURTON. Could the gentlewoman repeat what she said? I was not able to understand. I am dealing with the gentleman's amendment, and there are certain places that do not have labor union contracts that pay above union scale. But what I am saying is—and the gentleman raised the proposition 13 situation—what this amendment will do is put people to work at substandard wages on projects. We do not have this problem in our minority community and in our ghettos. They do work with the building trades. And it was not easy, because the building trades at first resisted.

Mr. HAGEDORN. Mr. Chairman, will the gentleman yield?

M. JOHN L. BURTON. I yield to the gentleman from Minnesota.

Mr. HAGEDORN. I thank the gentleman for yielding.

Mr. Chairman, I hope the gentleman gets the point of proposition 13 better than he gets the point of this amendment, because what we are attempting

to do is to rehabilitate homes in Los Angeles and in San Francisco and put those homes now off the property tax rolls back on the property tax rolls instead of passing increasing cost of Government on to the working homeowners. We want to assist these types of people who qualify for this kind of housing and use it and put this property back on the tax rolls.

Mr. JOHN L. BURTON. I thought the gentleman was repealing a section of the law that dealt with wages. I did not know the gentleman had something in there to add money to rehabilitate property, to put it on the tax rolls.

Does the gentleman have two different amendments?

Mr. HAGEDORN. If the gentleman will yield further, it will all accomplish the same thing, to rehabilitate housing which really has no value today, which has been abandoned and which can be rehabilitated.

Mr. JOHN L. BURTON. If I may reclaim my time, some of the biggest ripoffs in this country were nonprofit corporations with very exorbitant wages to the executive directors.

● Mr. OBERSTAR. Mr. Chairman, I rise in opposition to the amendment. Very simply stated, if we adopt this amendment, we will be asking working men and women to subsidize with their low wages a public program approved by the Congress of the United States and we will be asking them to subsidize industry profits by the sweat of their labors.

My colleagues on the other side of the aisle seem to forget that the Davis-Bacon program is not a concoction of the New Frontier, the Great Society, the Carter administration, or the New Deal of Franklin D. Roosevelt, or the Fair Deal of Harry Truman. It was, some of you may be surprised to know, signed into law by Herbert Hoover and authored by two Republican Members of Congress for the purpose of assuring that competent skilled craftsmen would be engaged on construction projects.

There are a few things we must keep in mind when considering the application of Davis-Bacon to federally funded projects. Davis-Bacon wages are generally less than union scale wages. They are determined by a U.S. Department of Labor survey of wages paid to members of the 17 constituent local unions of the building trades, in surveys conducted in local communities throughout the United States; they do not represent a uniform national wage scale.

Furthermore, Davis-Bacon wages, as applied to housing projects, which are the subject of this amendment, are generally at rates lower than those set for major public building construction, such as libraries, community centers, sewage treatment plants, and so forth.

Furthermore, I would point out that under Davis-Bacon determinations, the unions make certain adjustments that are beneficial to both project sponsors and contractors. For example, instead of insisting on the usual practice of one apprentice to four or five journeymen, the building trades unions change that ratio to four apprentices for each journeyman. In this situation the journeyman actually becomes a teacher or trainer for the apprentice whose wage rate, of course, is lower than that of the journeyman. This arrangement results in total wages paid on a Davis-Bacon job being substantially lower than if the job were subject to the standard union scale and employment requirements.

If we pass this amendment and eliminate Davis-Bacon coverage on housing projects, we will, in effect, be condemning construction workers to a minimum wage scale and, I think I can say without fear of contradiction, to subminimum wages because the contractor would then have all the bargaining power in his hands and force workers to accept the lowest possible wage. Both skilled craftsmen and unskilled construction labor would be getting less than car wash attendants, for example, who, although paid the minimum wage, nonetheless, get tips for their service as do waiters and waitresses and who, therefore, would be making more in real wages than the construction craftsman who do not get any tips.

Another reason this amendment should be soundly rejected is that it hurts the people in the lowest end of the wage scale, those who are just barely making a living wage and would especially hurt minority employees, who traditionally are the lowest wage earners in the economy.

Eliminating Davis-Bacon coverage would be insensitive to the basic economic needs, to the right to a living wage of the most defenseless people in our work force. I urge my colleagues to reject this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. HAGEDORN).

Mr. HAGEDORN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Fifty-six Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

The CHAIRMAN. A quorum of the Committee of the Whole has not appeared.

The Chair announces that a regular quorum will now commence.

Members who have not already responded under the noticed quorum call will have a minimum of 15 minutes to record their presence. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 511]

Addabbo	Conyers	Eckhardt
Alexander	Corcoran	Edwards, Ala.
Andrews, N.C.	Crane	Fish
Archer	D'Amours	Flowers
Armstrong	Delaney	Forsythe
Beard, R.I.	Dellums	Fraser
Bolling	Dent	Goldwater
Brown, Ohio	Derrick	Harrington
Burton, Phillip	Derwinski	Harsha
Byron	Diggs	Howard
Caputo	Dingell	Ireland
Jenkins	Pike	Skelton
Johnson, Colo.	Poage	Steed
Krueger	Quie	Steiger
Le Fante	Rangel	Teague
Leggett	Rodino	Tsongas
Long, Md.	Roncalio	Tucker
McCloskey	Rostenkowski	Ullman
McDonald	Runnels	Weaver
McFall	Ruppe	Whalen
Meyner	Russo	Wiggins
Milford	Santini	Wilson, C. H.
Moffett	Satterfield	Wilson, Tex.
Murphy, N.Y.	Scheuer	Wright
Nichols	Seiberling	Young, Alaska
Nix	Shipley	Young, Tex.
Pettis	Simon	

Accordingly the Committee rose; and the Speaker pro tempore (Mr. KAZEN) having assumed the chair, Mr. BENNETT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 12433, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 352 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Minnesota (Mr. HAGEDORN) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 173, noes 218, not voting 41, as follows:

[Roll No. 512]

AYES—173

Abdnor	Evans, Del.	McClory
Anderson, Ill.	Evans, Ga.	McDonald
Andrews, N.C.	Fenwick	McEwen
Andrews, N. Dak.	Findley	McKay
Archer	Fithian	McKinney
Ashbrook	Flynt	Madigan
Badham	Fountain	Mahon
Bafalis	Frenzel	Mann
Barnard	Frey	Marriott
Bauman	Fuqua	Martin
Beard, Tenn.	Gibbons	Mathis
Bedell	Goldwater	Michel
Bennett	Goodling	Miller, Ohio
Boggs	Gore	Mitchell, N.Y.
Bowen	Gradison	Montgomery
Breaux	Grassley	Moore
Breckinridge	Green	Moorhead, Calif.
Broomfield	Gudger	Myers, Gary
Brown, Mich.	Guyer	Myers, John
Broyhill	Hagedorn	Neal
Burgener	Hall	Nichols
Burke, Fla.	Hammerschmidt	O'Brien
Burleson, Tex.	Hansen	Pattison
Butler	Hefner	Preyer
Byron	Heftel	Pritchard
Carter	Hightower	Quayle
Cederberg	Holt	Railsback
Chappell	Huckaby	Regula
Clawson, Del	Hyde	Rhodes
Cleveland	Ichord	Risenhoover
Cochran	Jacobs	Roberts
Cohen	Jones, N.C.	Robinson
Coleman	Jones, Okla.	Rogers
Collins, Tex.	Jones, Tenn.	Rose
Conable	Kasten	Rousselot
Coughlin	Kazen	Rudd
Daniel, Dan	Kelly	Satterfield
Daniel, R. W.	Kemp	Sawyer
de la Garza	Keys	Schulze
Devine	Kindness	Sebelius
Dickinson	Lagomarsino	Shuster
Dornan	Latta	Sikes
Duncan, Oreg.	Leach	Skubitz
Duncan, Tenn.	Lent	Smith, Nebr.
Edwards, Ala.	Livingston	Snyder
Edwards, Okla.	Lloyd, Tenn.	Spence
Emery	Long, La.	Stangeland
English	Long, Md.	Stanton
Erlenborn	Lott	Steed
Evans, Colo.	Lujan	Stockman

Stump	Ullman	Whitehurst
Symms	Van Deerlin	Whitley
Taylor	Vander Jagt	Whitten
Thone	Waggonner	Wilson, Bob
Thornton	Walker	Winn
Treen	Wampler	Wirth
Trible	Watkins	Young, Fla.
Tucker	White	

NOES—218

Addabbo	Florio	Murtha
Akaka	Foley	Myers, Michael
Ambro	Ford, Mich.	Natcher
Ammerman	Ford, Tenn.	Nedzi
Anderson, Calif.	Fowler	Nolan
	Fraser	Nowak
Annunzio	Gammage	Oakar
Applegate	Garcia	Oberstar
Ashley	Gaydos	Obey
Aspin	Gephardt	Ottinger
AuCoin	Giaimo	Panetta
Baldus	Gilman	Patten
Baucus	Ginn	Patterson
Beard, R.I.	Glickman	Pease
Beilenson	Gonzalez	Pepper
Benjamin	Hamilton	Perkins
Bevill	Hanley	Pickle
Biaggi	Hannaford	Pike
Bingham	Harkin	Pressler
Blanchard	Harris	Price
Blouin	Harsha	Pursell
Boland	Hawkins	Quillen
Bonior	Heckler	Rahall
Bonker	Hillis	Rangel
Brademas	Holland	Reuss
Brinkley	Hollenbeck	Richmond
Brodhead	Holtzman	Rinaldo
Brooks	Horton	Roe
Brown, Calif.	Howard	Roncalio
Buchanan	Hubbard	Rooney
Burke, Calif.	Hughes	Rosenthal
Burke, Mass.	Jeffords	Roybal
Burlison, Mo.	Jenrette	Russo
Burton, John	Johnson, Calif.	Ryan
Burton, Phillip	Jordan	Sarasin
Carney	Kastenmeier	Scheuer
Carr	Kildee	Schroeder
Cavanaugh	Kostmayer	Seiberling
Chisholm	Krebs	Sharp
Clausen, Don H.	LaFalce	Sisk
	Lederer	Slack
Clay	Leggett	Smith, Iowa
Collins, Ill.	Lehman	Solarz
Conte	Levitas	Spellman
Conyers	Lloyd, Calif.	St Germain
Corman	Luken	Staggers
Cornell	Lundine	Stark
Cornwell	McCormack	Steers
Cotter	McDade	Stokes
Cunningham	McFall	Stratton
D'Amours	McHugh	Studds
Danielson	Maguire	Thompson
Davis	Markey	Traxler
Dellums	Marks	Udall
Derwinski	Marlenee	Vanik
Dicks	Mattox	Vento
Diggs	Mazzoli	Volkmer
Dingell	Meeds	Walgren
Dodd	Metcalfe	Walsh
Downey	Mikulski	Waxman
Drinan	Mikva	Weiss
Early	Miller, Calif.	Wilson, C. H.
Eckhardt	Mineta	Wolff
Edgar	Minish	Wright
Edwards, Calif.	Mitchell, Md.	Wydler
Eilberg	Moakley	Wylie
Ertel	Moffett	Yates
Evans, Ind.	Mollohan	Yatron
Fary	Moorhead, Pa.	Young, Alaska
Fascell	Moss	Young, Mo.
Fish	Mottl	Zablocki
Fisher	Murphy, Ill.	Zeferetti
Flippo	Murphy, N.Y.	
Flood	Murphy, Pa.	

NOT VOTING—41

Alexander	Jenkins	Ruppe
Armstrong	Johnson, Colo.	Santini
Bolling	Krueger	Shipley
Brown, Ohio	Le Fante	Simon
Caputo	McCloskey	Skelton
Corcoran	Meyner	Steiger
Crane	Milford	Teague
Delaney	Nix	Tsongas
Dent	Pettis	Weaver
Derrick	Poage	Whalen
Flowers	Quie	Wiggins
Forsythe	Rodino	Wilson, Tex.
Harrington	Rostenkowski	Young, Tex.
Ireland	Runnels	

The Clerk announced the following pairs:

Mr. Brown of Ohio for, with Mr. Shipley against.

Mr. Corcoran of Illinois for, with Mr. Le Fante against.

Mr. Crane for, with Mr. Rostenkowski against.

Mr. Ruppe for, with Mr. Harrington against.

Mr. Wiggins for, with Mr. Tsongas against.

Mr. Runnels for, with Mr. Whalen against.

Mr. Teague for, with Mr. Dent against.

Mr. LONG of Louisiana changed his vote from "no" to "aye."

Mr. MARLENEE changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. GEPHARDT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to join with the remarks of earlier speakers to congratulate the chairman of the subcommittee for the fine work that has been done on this bill, particularly in title I.

Mr. Chairman, I wholeheartedly support section 101(b) of the Housing and Community Development Amendments of 1978 which would revise section 203 (k) of the Housing Act to insure first mortgages to cover substantial rehabilitation. This type of loan instrument has been sorely needed for a long time in light of the growing interest in buying and rehabilitating older, often historic homes in our Nation's cities.

Those who have successfully undertaken such efforts have had to resort to extremely complex measures to obtain financing for their projects. They have often had to seek first a mortgage to help cover the purchase price of the property and then any number of home improvement loans to finance the renovation. In some instances owners of rehabilitated homes have been able to consolidate all these transactions under a second mortgage.

Not only is this procedure extremely complicated and difficult to carry out, it can be very costly since home improvement loans, which finance the bulk of the cost, bear high interest rates and relatively short terms. The whole effect acts as a deterrent to rehabilitation of many sound structures, which offer a considerable resource for housing, especially for those with moderate incomes. The deterrent exacerbates the problem of displacing lower income residents who have lost their homes in rehabilitation areas when they have been taken over by those who can afford the complicated financing.

The revised section 203(k) will go a long way toward facilitating rehabilitation of urban homes. By making mortgages for both purchase and rehabilitation through FHA, loans will be easier to get and rehabilitation will be available to a broader group of people.

My one reservation about this new program stems from problems my constituents have encountered with FHA appraisals of rehabilitated property. For example, in one neighborhood where several homes have recently been rehabilitated, FHA appraisals came in below the market value of the property and the price agreed upon between the buyer and seller and approved by the lender. For one such house, the buyer agreed to pay $42,900 but the FHA assessment was originally $24,000 and brought up to $43,500 only after reappraisal and renegotiation.

The problem derives from the FHA practice of basing appraisals on "comparables." In a neighborhood where rehabilitation is just beginning, there are few if any comparables available for making a valid appraisal.

The committee report accompanying H.R. 12433 appropriately acknowledges that the Secretary of Housing and Urban Development may need to "develop new underwriting standards which take into account varying risks that accompany rehabilitation in different neighborhoods." I understand this comment is largely intended to assure that appraisal regulations are designed to prevent the kind of speculative ripoffs that have destroyed rehabilitation programs in the past, especially in inner-city neighborhoods. This provision is well advised and will, hopefully, help assure success of this much needed program.

I would hope, however, that in developing these new underwriting standards HUD will also address the appraisal problem I described. In doing so, I believe it would be appropriate to permit or encourage FHA appraisers to look at home values in neighborhoods which have already undergone rehabilitation.

Accordingly, I ask my distinguished colleague if he agrees that this problem ought to be addressed in the new underwriting standards under section 203(k) and that a recommendation for HUD to do so would be in accordance with the committee's intent.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield,

Mr. GEPHARDT. I yield to the gentleman from Ohio.

Mr. ASHLEY. First, Mr. Chairman, let me thank my distinguished colleague for support of title I of the bill, and for focusing on the proposals with respect to the section 203(k) program which are of such interest to him and, indeed, to the committee.

Clearly, there has been a need for a program which would help make funds available to borrowers who can afford to pay market interest rates and HUD–FHA insurance can be a tremendous help in securing such credit. To date, borrowers have had to resort to short-term, extremely complicated, and often costly programs, and this has been a deterrent to those seeking to upgrade and preserve their homes and to new buyers who have sought to acquire and renovate properties.

Let me make just two points in response to the gentleman's question.

First, the 203(k) program is not to be aimed at specifically "targeted" or otherwise specially designated neighborhoods. It is our intent that this be a general, demand program, like the basic 203 pro-

gram, available anywhere where an owner or prospective owner seeks to undertake rehabilitation or upgrading and the Secretary finds the loan an acceptable risk.

The time of the gentleman from Missouri (Mr. GEPHARDT) has expired.

(On request of Mr. ASHLEY, and by unanimous consent, Mr. GEPHARDT was allowed to proceed for 2 additional minutes.)

Mr. ASHLEY. Mr. Chairman, if the gentleman will yield further, second, we are aware that underwriting of this type is a difficult and often new field for many lenders and for HUD-FHA personnel, and that simple formulas, such as acquisition cost plus construction cost will not necessarily yield a fair estimate of value. Neighborhood comparables, even if they are available, may only be a helpful guide and not a determinant since values in geographic areas undergoing extensive rehabilitation are often rising rapidly and available market records may lag behind actual values.

Each property is probably unique in some way. There may well be a void in conventional appraisal techniques which must be filled. One approach which we have noted and the Secretary may wish to consider uses comparable neighborhoods, instead of comparable homes, which the gentleman has also suggested.

So what we have provided is that the Secretary will have a brief period in which to develop standards for a nationwide program which will both protect the government and the buyer—by reflecting only actual value, which is not necessarily the same as cost, but also provide enough flexibility to assure that borrowers have sufficient funds to acquire properties and undertake the needed work by recognizing that values are sometimes appreciating rapidly. The Secretary, of course, could look at similar experiences in other areas for guidelines in any individual situation.

Mr. GEPHARDT. Mr. Chairman, I appreciate very much the remarks of the chairman. I again extend my congratulations for his work and the work of the subcommittee on this creative new program.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. GEPHARDT) has again expired.

(On request of Mr. ASHLEY, and by unanimous consent, Mr. GEPHARDT was allowed to proced for 1 additional minute.)

Mr. ASHLEY. Mr. Chairman, the gentleman submitted testimony before the Housing Subcommittee which, in all truth, was as carefully crafted and as persuasive as any testimony that has been taken by our subcommittee in recent years. The attention that he has directed to the problem at hand is one that, by virtue of his testimony, was looked at very carefully. It was because of the gentleman's contributions that the report language established the framework that I think will provide the decisions which are intelligent and which achieve the purpose that we have in mind.

Mr. GEPHARDT. Mr. Chairman, I thank the gentleman from Ohio (Mr. ASHLEY) very much.

The CHAIRMAN. Are there further amendments to title I of the bill?

Mr. BROWN of Michigan. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to ask a question of the subcommittee chairman, Mr. ASHLEY, dealing with HUD's new proportionality requirement for housing assistance plans. In effect, it requires a community to adjust this year's HAP to reflect exactly the needs of each group, that is, the elderly, families, and large families, in the precise ratio that was used in the 1976 HAP.

Thus, if the 1976 HAP showed that the total housing need was made up of 20 percent elderly, 60 percent family, and 20 percent large family, the new HAP would only be approved if it contained numbers which, when added to housing assisted since 1976, would precisely give those percentage totals. Under the law, HAP's, like the CDBG application itself, can only be disapproved where the Secretary can show that the needs and objectives stated in the HAP are "plainly inconsistent" with known facts and data, or that the activities proposed are "plainly inappropriate" to meeting those needs and objectives.

If the chairman agrees with me as to what the law requires, he would then agree that HUD's proportionality requirement alone is not a basis for disapproving a community's HAP, unless the proportionality test take into account known changes in needs and reveals that a community has so ignored the needs of one group, such as large families, that the Department can conclude that the projected housing goals are "plainly inappropriate" to meeting the needs set forth in the HAP. Is that not the gentleman from Ohio's understanding of the statute?

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. Of course I yield to the gentleman from Ohio.

Mr. ASHLEY. I think it is. If I understand the substance of the gentleman's question, it seems to me that his approach incorporates two things, one, a test of reasonableness and, second, a set of criteria that the Secretary must follow with regard to approving applications as established in the basic statute.

Is that not so?

Mr. BROWN of Michigan. That is correct. And that, of course, is the language I referred to, because we cannot have a rigid, hard, uniform test that does not take into consideration the plainly inconsistent, "plainly inappropriate" language in the statute.

Mr. ASHLEY. The plainly inconsistent, plainly inappropriate language in the statute was arrived at after days and weeks of debate and deliberations.

I do not think—and again, if I understand the gentleman correctly—that that language can be used in a destructive way to turn down applications if they do not precisely meet the proportionality criterion.

In other words, what we are saying is that proportionality really has got to be looked at in a reasonable way. It cannot be said, I do not believe, that if there is a slight variance that that in itself would disqualify an application because it, per se, then would be clearly in appropriate and clearly inconsistent from the language of the 1974 act.

Mr. BROWN of Michigan. I thank the gentleman for his remarks, and I think he substantially concurs in what I have said. I think we would not have to go any farther than just the county of Fairfax to be able to show in a much more poignant way the problem with use of the proportionality criteria and the almost ridiculous result it can mandate.

In 1976 the county showed its 3-year housing goals as follows:

Units: Total, 3,555, 100 percent; elderly, 404, 11.4 percent; family, 2,596, 73.0 percent; large family, 555, 15.6 percent.

Since 1976, the following distribution of housing assistance has been provided:

Units: Total, 1,184, 100 percent; elderly, 176, 14.8 percent; family, 703, 59.3 percent; large family, 305, 25.7 percent.

For 1979 the county has proposed to assist:

Units: Total, 860; elderly, 152; family, 656; large family, 52.

HUD has told the county that the goals in the proposed HAP "must be distributed" as follows:

Units: Total, 860; elderly, 56; family, 789; large family, 15.

The result is clear and preposterous. Fairfax County is being required to reduce proposed assistance to the elderly (from 152 to 56) and to large families (from 52 to 15) so that it can meet some arbitrary regulation, even though the result is the opposite of what was intended by HUD's proportionality test in the first place.

In developing the original Housing and Community Development Act of 1974, Congress acted deliberately to prevent HUD from second-guessing communities, and to avoid just this sort of meddling, unless it was very clear that the community's statement of needs and objectives was plainly inconsistent with the facts, or that its proposed activities were plainly inappropriate to meeting those needs and objectives. Surely, the way this regulation was written and is being interpreted is contrary to the intent of Congress and must be changed.

What is even more disturbing is that in negotiations with the county, HUD was able to force the change in this year's HAP. This all came about after the expenditure of considerable time and money by both HUD and Fairfax County on a controversy that would never have arisen if HUD had followed the intent of Congress.

The CHAIRMAN. Are there any other amendments to title I? If not, the Clerk will read.

The Clerk read as follows:

TITLE II—HOUSING ASSISTANCE PROGRAMS

FINANCIAL ASSISTANCE FOR CERTAIN HOUSING PROJECTS

SEC. 201. (a) The purpose of this section is to improve the management of certain housing projects covered by, or formerly covered by, mortgages insured under the National

Housing Act, so that the financial soundness of such projects may be restored or maintained and so that a low- and moderate-income character may be maintained in such projects.

(b) The Secretary of Housing and Urban Development (hereinafter referred to in this section as the "Secretary") may make available, and contract to make available, financial assistance to owners of rental or cooperative housing projects meeting the requirements of this section. Such assistance shall be made on an annual basis and in accordance with the provisions of this section.

(c) A rental or cooperative housing project is eligible for assistance under this section only if such project—

(1)(A) is covered by a mortgage (including a mortgage assigned to the Secretary) insured under the National Housing Act and assisted under section 236 or the proviso of section 221(d)(5) of such Act, or under section 101 of the Housing and Urban Development Act of 1965; or

(B) met the criteria specified in subparagraph (A) of this paragraph before the acquisition of such project by the Secretary and has been sold by the Secretary, subject to a mortgage insured or held by the Secretary and subject to an agreement (in effect during the period of assistance under this section) which provides that the low- and moderate-income character of the project will be maintained; except that, with respect to projects sold after October 1, 1978, assistance shall be available for a period not to exceed two years; and

(2) meets such other requirements consistent with the purposes of this section as the Secretary may prescribe.

(d) No assistance may be made available under this section unless the Secretary has determined that—

(1) such assistance, when considered with other resources available to the project, is necessary and, in the determination of the Secretary, will restore or maintain the financial soundness of the project and maintain the low- and moderate-income character of the project;

(2) the assistance which could reasonably be expected to be provided over the useful life of the project will be less costly to the Federal Government than other reasonable alternatives by which the Secretary could maintain the low- and moderate-income character of the project;

(3) the project is structurally sound, as determined on the basis of information obtained as a result of an onsite inspection of the project;

(4) the community in which the project is located has evidenced a commitment to provide essential services in keeping with the community's general level of such services;

(5) the real estate taxes on the project are not greater than would be the case if the property was assessed in a manner consistent with the normal property assessment procedures for the community in which the property is located;

(6) the management of the project is being conducted by persons who meet minimum levels of competency and experience prescribed by the Secretary; and

(7) the project is being operated and managed in accordance with a management-improvement-and-operating plan which is designed to reduce the operating costs of the project, which has been approved by the Secretary, and which includes the following: (A) a detailed maintenance schedule; (B) a schedule for correcting past deficiencies in maintenance, repairs, and replacements; (C) a plan to upgrade the project to meet cost-effective energy efficiency standards prescribed by the Secretary; (D) a plan to improve financial and management control systems; (E) a detailed annual operating budget taking into account such standards for operating costs in the area as may be determined by the Secretary; and (F) such other requirements as the Secretary may determine.

(e)(1) The Secretary may, with respect to any year, provide assistance under this section, and make commitments to provide such assistance, with respect to any project in any amount which the Secretary determines is consistent with the project's management-improvement-and-operating plan described in subsection (d)(7) and which does not exceed the sum of—

(A) an amount determined by the Secretary to be necessary to correct deficiencies in the project which exist at the beginning of the first year with respect to which assistance is made available for the project under this section, which were caused by the deferral of regularly scheduled maintenance and repairs or the failure to make necessary and timely replacements of equipment and other components of the project, and for which payment has not previously been made;

(B) an amount determined by the Secretary to be necessary to maintain the low- and moderate-income character of the project by reducing deficiencies, which exist at the beginning of the first year with respect to which assistance is made available for the project under this section and for which payment has not previously been made, in the reserve funds established by the project owner for the purpose of replacing capital items; and

(C) an amount not greater than the amount by which the estimated operating expenses (as described in paragraph (2) of this subsection) for the year with respect to which such assistance is made available exceeds the estimated revenues to be received (as described in paragraph (2) of this subsection) by the project during such year.

(2) The estimated revenues for any project under paragraph (1)(C) of his subsection with respect to any year shall be equal to the sum of—

(A) the estimated amount of rent which is to be expended by the tenants of such project during such year, as determined by the Secretary without regard to section 236(f)(1) of the National Housing Act;

(B) the estimated amount of rental assistance payments to be made on behalf of such tenants during such year, other than assistance made under this section;

(C) the estimated amount of assistance payments to be made on behalf of the owner of such project under section 221(d)(5) or section 236 of the National Housing Act during such year; and

(D) other income attributable to the project as determined by the Secretary;

except that—

(E) in computing the estimated amount of rent to be expended by tenants, the Secretary shall provide that (i) at least 25 percent of the income of each such tenant is included, or (ii) in the case of a tenant paying his or her own utilities, a percentage of income which is less than 25 percent and which takes into account the reasonable costs of such utilities; except that no amount shall be provided for any tenant under clause (i) or (ii) which exceeds the fair market rental charge as determined pursuant to section 236(f)(1) of the National Housing Act for such tenant; and

(F) in computing the estimated amount of rent to be expended by tenants and the estimated amount of rental assistance payments to be made on behalf of such tenants, the Secretary may permit a delinquency-and-vacancy allowance of not more than 6 percent of the estimated amount of such rent and payments computed without regard to such allowance; except that, with respect to the first two years in which assistance is provided to a project under this section, the Secretary may permit such allowance for such project to exceed such 6 percent by an amount which the Secretary determines is appropriate to carry out the purposes of this section.

For purposes of computing estimated operating expenses of any such project with respect to any year, the Secretary shall include all estimated operating costs which the Secretary determines to be necessary and consistent with the management-improvement-and-operating plan for the project for such year, including, but not limited to, taxes, utilities, maintenance and repairs (except for maintenance and repairs which should have been performed in previous years), management, insurance, debt service, and payments made by the owner for the purpose of establishing or maintaining a reserve fund for replacement costs. The Secretary may not include in such estimated operating expenses any return on the equity investment of the owner in such project.

(3) Any assistance payments made pursuant to this section with respect to any project shall be made on an annual basis, payable at such intervals, but at least quarterly, as the Secretary may determine, and may be in any amount (which the Secretary determines to be consistent with the purpose of this section), except that the sum of such assistance payments for any year may not exceed the amount computed pursuant to paragraph (1) of this subsection. The Secretary shall review the operations of the project at the project at the time of such payments to determine that such operations are consistent with the management-improvement-and-operating plan.

(f) In order to carry out the purposes of this section, the Secretary may, notwithstanding the provisions of section 236(f)(1) of the National Housing Act, provide that, for purposes of establishing a rental charge under such section, there may be excluded from the computation of the cost of operating a project an amount equivalent to the amount of assistance payments made for the project under this section.

(g) The Secretary may issue such rules and regulations as may be necessary to carry out the provisions of this section.

(h) There are authorized to be appropriated, for the purpose of providing financial assistance under this section, an amount (in addition to any amount appropriated for use under this section pursuant to section 236(f)(3) of the National Housing Act) not to exceed $74,000,000 for the fiscal year 1979.

(i) Effective October 1, 1978, section 236 of the National Housing Act is amended—

(1) by striking out the third and fourth sentences of subsection (g); and

(2) by striking out subsection (f)(3) and inserting in lieu thereof the following:

"(3) The Secretary shall utilize the fund described in subsection (g) for the sole purpose of carrying out the purposes of section 201 of the Housing and Community Development Amendments of 1978. No payments may be made from such fund unless approved in an appropriation Act. No amount may be so approved for any fiscal year beginning after September 30, 1979.".

HOUSING FOR THE ELDERLY AND THE HANDICAPPED

SEC. 202. (a) Section 202 of the Housing Act of 1959 is amended by adding at the end thereof the following new subsection:

"(h) Of the amounts made available in appropriation Acts for loans pursuant to subsection (a)(4)(C) for the fiscal year

commencing on October 1, 1978, not less than $50,000,000 shall be available for loans for the development of rental housing and related facilities specifically designed to meet the needs of handicapped (primarily nonelderly) persons. The Secretary shall take such steps as may be necessary to assure that—

"(1) funds made available pursuant to this subsection will be used to support innovative methods of meeting the needs of handicapped persons by providing a variety of housing options, ranging from small group homes to independent living complexes; and

"(2) housing and related facilities assisted under this subsection will provide handicapped persons occupying units within such housing with an assured range of services specified in subsection (f) and the opportunity for optimal independent living and participation in normal daily activities, and will facilitate access by such persons to the community at large and to suitable employment opportunities within such community.".

(b) The second sentence of section 202(a)(4)(C) of such Act is amended—

(1) by striking out "in any fiscal year" after "under this section"; and

(2) by striking out "for such year" after "authority established".

(c) Section 202(d)(3) of such Act is amended by inserting "the cost of movables necessary to the basic operation of the project as determined by the Secretary," immediately after "related facilities,".

LOW-INCOME HOUSING

SEC. 203. (a) Section 5(c) of the United States Housing Act of 1937 is amended—

(1) by striking out "and" immediately after "October 1, 1976," in the first sentence;

(2) by inserting immediately after "on October 1, 1977," in the first sentence the following: "and by $1,195,043,000 on October 1, 1978";

(3) by striking out the second and fourth sentences; and

(4) by inserting "and on and after October 1, 1978," immediately after October 1, 1976," in the third sentence.

(b) Section 8(d)(1)(B) of such Act is amended to read as follows:

"(B) the owner shall have the right to give notice to vacate, in accordance with State and local laws which the Secretary has determined provide adequate protection for tenants, or in accordance with regulations prescribed by the Secretary;".

(c)(1) Section 8 of such Act is amended by adding at the end thereof the following new subsection:

"(i) In entering into contracts under this section with respect to substantially rehabilitated dwelling units, the Secretary shall provide that—

"(1) the maximum monthly rent permitted for the assisted units be not greater than the amount permitted under subsection (c) or a lesser amount which the Secretary determines is appropriate taking into consideration the investment of the owner in the assisted units and such other factors as the Secretary determines to be relevant;

"(2) the assisted units be rehabilitated to a level which meets but does not exceed applicable codes and standards for decent, safe, and sanitary housing which are prescribed by the Secretary;

"(3) all the dwelling units in the housing structure in which the assisted units are located meet applicable codes and standards prescribed by the Secretary for decent, safe, and sanitary housing;

"(4) the term of any such contract does not exceed the maximum term permitted under subsection (e)(1) or a shorter term which the Secretary determines is appropriate taking into consideration the amount of investment of the owner in the assisted units and such other factors as the Secretary determines to be relevant; and

"(5) the assisted units meet cost-effective energy efficiency standards prescribed by the Secretary.".

(2) The amendments made by this subsection shall become effective with respect to contracts entered into on or after 180 days following the date of enactment of this Act.

(d) Section 8 of such Act is amended by adding at the end thereof the following new subsection:

"(j)(1) The Secretary may enter into annual contributions contracts under this subsection for the purpose of assisting lower income families by making rental assistance payments with respect to real property on which is located a mobile home which is owned by any such family and utilized by such family as its principal place of residence. In carrying out this subsection, the Secretary may (A) enter into annual contributions contracts with public housing agencies pursuant to which such agencies may enter into contracts to make such assistance payments to the owners of such real property, or (B) enter into such contracts directly with the owners of such real property.

"(2) Contracts entered into pursuant to this subsection shall establish the maximum monthly rent (including maintenance and management charges) which the owner is entitled to receive for each space on which a mobile home is located and with respect to which assistance payments are to be made. The maximum monthly rent shall not exceed by more than 10 per centum the fair market rental established by the Secretary periodically (but not less than annually) with respect to the market area for the rental of real property suitable for occupancy by families assisted under this subsection. The provisions of subsection (c)(2) of this section shall apply to the adjustments of maximum monthly rents under this subsection.

"(3) The amount of any monthly assistance payment with respect to any family assisted under this subsection shall be the difference between 25 per centum of one-twelfth of the annual income of such family and the sum of—

"(A) the monthly payment made by such family to amortize the cost of purchasing the mobile home;

"(B) monthly utility payments made by such family, subject to reasonable limitations prescribed by the Secretary; and

"(C) the maximum monthly rent permitted with respect to the real property which is rented by such family for the purpose of locating its mobile home;

except that in no case may such assistance exceed the total amount of such maximum monthly rent.

"(4) Each contract entered into under this subsection shall be for a term of not less than one month and not more than 180 months.

"(5) The Secretary may prescribe other terms and conditions which are necessary for the purpose of carrying out the provisions of this subsection and which are consistent with the purposes of this subsection.".

(e) Section 9(c) of such Act is amended—

(1) by striking out "and" immediately following "on or after October 1, 1976,"; and

(2) by inserting immediately before the period at the end thereof the following: ", and not to exceed $729,000,000 on or after October 1, 1978".

(f) The amendments made by this section, except the amendments made by subsection (c), shall become effective on October 1, 1978.

Mr. ASHLEY (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 8, line 19, insert ", or assisted or approved for assistance under such Act," after "Act";

Mr. BROWN of Michigan (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendments be considered as read, printed in the RECORD, and that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

(The remaining committee amendments to title II are as follows:)

Committee amendments: page 9, line 7, strike out "covered" and all that follows through "Act and" in line 9; and page 9, line 10, strike out "such" and insert in lieu thereof "the National Housing".

Page 11, line 21, strike out the period and insert in lieu thereof "; and", and insert the following after line 21:

Page 18, after line 10, insert the following new subsection:

(d) Section 202(d)(2) of such Act is amended to real as follows:

"(2) The term 'corporation' means any incorporated private institution or foundation—

"(A) no part of the net earnings of which inures to the benefit of any member, founder, contributor, or individual;

"(B) which has a governing board (i) the membership of which is selected in a manner to assure that there is significant representation of the views of the comunity in which such project is located, and (ii) which is responsible for the operation of the housing project assisted under this section; and

"(C) which is approved by the Secretary as to financial responsibility."

Page 19, strike out lines 1 through 5 and insert the following:

"(B) the owner shall have the right to give notice to vacate, in accordance with State and local laws which the Secretary has determined provide adequate protection for tenants and in accordance with determination of the public housing authority pursuant to review procedures which the Secretary has determined provide such protection;"

The CHAIRMAN. Do any Members wish to debate the committee amendments? If not, the question is on the committee amendments.

The committee amendments were agreed to.

The CHAIRMAN. Are there any amendments to title II?

AMENDMENT OFFERED BY MR. ASHLEY

Mr. ASHLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHLEY: Page 9, line 21, insert the following after the second comma: "to such extent and in such amounts as may be approved in appropriation Acts,".

Mr. ASHLEY. Mr. Chairman, this amendment is entirely technical in na-

ture. It simply brings the bill into full compliance with the Budget Act. Although the amendment is minor, it is important in that it maintains the principle that all legislation should fully meet the requirements of the Budget Act. I urge adoption of the amendment.

Mr. GREEN. Mr. Chairman, we have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHLEY).

The amendment was agreed to.

Mr. ST GERMAIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to clarify the intent of the committee with respect to section 202(b) of the bill.

Currently, if a housing sponsor under the 202 program is unable to utilize loan funds reserved by HUD, these funds revert to the Treasury and cannot be reobligated to another eligible sponsor after the close of the fiscal year in which the funds were originally committed.

To deal with this problem, I proposed and the committee adopted a "recapture" provision which would allow HUD to reallocate 202 loan funds without regard to any fiscal year.

I wish to make it clear, however, that my purpose in introducing this language was to focus on the need to reobligate funds which might otherwise be lost through sponsor inaction. It was not my intent for HUD to rely on this flexibility to avoid its obligation to fully commit loan funds in the year in which Congress authorizes them or to recapture loan funds which might be lost due to HUD's failure to process applications expeditiously.

Mr. Chairman, am I correct that it is the intent of the committee by this change to authorize HUD to reallocate loan reservations only where the Assistant Secretary for Housing finds the sponsor's loss or surrender of his loan reservation is due to the sponsor's own failure to develop a workable project and to preclude the use of this recapture authority in instances of HUD processing delays?

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. ST GERMAIN. I yield to the gentleman from Ohio.

Mr. ASHLEY. I thank the gentleman for yielding.

I am pleased to say that the gentleman from Rhode Island has stated the matter with complete accuracy.

Mr. ST GERMAIN. Further, Mr. Chairman, am I correct that the intent of the committee is for HUD to fully commit within the fiscal year the amount of loan funds set forth in the annual appropriations bill, consistent with sound management practices?

Mr. ASHLEY. If the gentleman will yield further, again he is correct. The committee expects HUD to fully commit its 202 loan funds to eligible sponsors in the fiscal year in which such funds are included in the appropriations bill.

Mr. ST GERMAIN. I thank the Chairman, and I yield back the remainder of my time.

AMENDMENT OFFERED BY MRS. COLLINS OF ILLINOIS

Mrs. COLLINS of Illinois. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. COLLINS of Illinois: On page 24, after line 13 insert new paragraph:

(f) The Congress instructs the Secretary of the Department of Housing and Urban Development to seek to remove section 8 new construction authorization for the City of Chicago from the placement formula developed in the case of Gautreaux *vs.* Hills, either through agreement with other parties before the Federal District Court, or through appeal to the Circuit Court of Appeals. Redesignate paragraph (f) as paragraph (g).

Mrs. COLLINS of Illinois. Mr. Chairman, this amendment would instruct the Secretary of the Department of Housing and Urban Development to act to remove section 8 new construction housing authorizations from the effect of an order issued by the Federal district court in Chicago on May 5, 1975, in the case of Gautreaux against Hills. The effect of the amendment would be to permit section 8 housing to be constructed in the city of Chicago in compliance with the Department's own guidelines for site selection followed in the rest of the United States.

Chicago is the only city in the Nation that has not been receiving its fair share of federally assisted new construction under section 8 because of severe restrictions covering two-thirds of the city. These restrictions are part of a remedy fixed by the district court following a lawsuit against the Chicago Housing Authority to which the Department of Housing and Urban Development was made a party. At the time the initial decision was handed down in 1969 [304 F. Supp. 736 (1969)], the section 8 housing program did not exist.* HUD agreed in 1975, to make this housing subject to a mathematical formula set out by the court. The formula (which is clearly shown by this map) requires that at least 60 percent of section 8 new construction be built outside of a 1-mile radius of residential concentration of minority and low-income individuals—this is known as the "general area" and includes the suburbs immediately contiguous to Chicago—before the remaining 40 percent can be built in such communities (known as the "limited area") and which encompasses two-thirds of the city. Needless to say, the suburbs are not knocking down HUD's doors with applications.

In fact, in March of this year HUD issued a Notice of Fund Availability (NOFA) for 399 housing units in the six-county area surrounding the Chicago statistical metropolitan area and got no response. Not one single suburban community so much as inquired about or showed any interest in making application for these housing units.

In a very special effort to find takers, 1 week ago HUD issued a second Notice of Fund Availability after taking steps to make sure that every potential applicant had been informed of both the opportunity and, more importantly of their responsibility under their own housing assistance plan (HAP) to provide housing for people of low incomes.

This is just one of many illustrations of the restrictions on HUD's ability to live up to its mandate to provide housing in Chicago, in an equitable manner because HUD has shackled itself to a decision which prevents it from acting with any flexibility. This example also illustrates the fact that the continuing inclusion of section 8 new construction in the Gautreaux formula further negates any hope of ever providing low-income residents with either the freedom of choice to live where they want to live or to enjoy adequate housing wherever they happen to reside. These citizens find themselves in critical need of new housing some of which could be built on land already vacant—some of it since 168—and yet they cannot get new units until communities outside their neighborhoods agree to accept section 8 low-income housing. They are locked in a Catch-22 situation.

As chairwoman of the Government Operations Subcommittee on Manpower and Housing, I have held hearings here in Washington and in various sections of the country in order to determine the effectiveness of the section 8 program. I have seen for myself that it has been extremely beneficial in enabling low-income citizens of other metropolitan areas throughout the country to enjoy not only newly constructed, quality subsidized housing; but has contributed to a very large degree to the stabilization and revitalization of neighborhoods. This healthful environment is a direct result of section 8 new construction, that is not being generated to a significant degree in two-thirds of the city of Chicago. Conversely, the restrictions on its use in Chicago have left us with long stretches of city blocks on which absolutely nothing stands, many blocks on which only three or four houses remain, and hundreds of others on which there are boarded up buildings awaiting demolition.

It is important to understand that section 8 was included in the scope of the Gautreaux decision pursuant to a voluntary agreement between the Department of Housing and Urban Development (the Chicago Housing Authority) and the counsel for the plaintiff in the case. It can be removed from the decision in the same manner it was included. Indeed, several months ago, another agreement was made between the plaintiff's counsel and HUD to eliminate section 8 substantial rehabilitation from the decision.

I have spoken with the Secretary and with President Carter about the importance of providing adequate housing to the citizens of Chicago along with those in the rest of the country, and under the same rules that are currently and effectively in use in the rest of the country. In my discussions, I pointed out that the effect of tying section 8 funds for new construction is to impose a burden on

*Enacted with 1974 Housing Act.

Chicagoans that is not shared by any other Americans.

Both the President and the Secretary were sympathetic and agreed that this action punishes the poor.

The reason given by the Secretary for not attempting to remove these funds from the scope of the formula is that such a move could be unfairly interpreted as a retreat from our present open housing policy. It goes without saying that I avidly support the concept of open housing as do the vast majority of my colleagues. However, HUD's action in agreeing to paste section 8 new construction funds to a 10-year-old decision has not produced open housing in Chicago. Instead, the situation has worsened; the poor are still compressed in blocks of devastation and urban decay. In fact, there seems to be absolutely no dispute that this formula has effectively precluded the construction of significant numbers of subsidized housing units in the city of Chicago. Not only is there no open housing in the true sense for low-income citizens, there is not sufficient adequate housing for those who must suffer this indifference and indignity. Those who would like to remain in their current neighborhoods are prevented from so doing by the lack of housing units and are therefore forced to move out.

HUD has failed to use its authority to remedy this unjust situation—an authority vested in its own site selection criteria which have been found to be adequate in every other city in the United States. Inasmuch as this site selection process is effective in all other areas of the country, it is totally unreasonable for HUD to continue to stifle Chicago with standards that are so stringent that they serve to deprive its citizens of their fair share of federally subsidized housing.

Instead of trying to rectify this paradoxical situation, HUD has chosen to close its eyes to the plight of inner-city Chicagoans because it fears that its actions might be misinterpreted. However, it is unfair to continue to subject the poor in Chicago to insufficient housing units merely because someone may misinterpret what is done. These citizens have the same rights as others to benefit from new housing units—especially since it is the intent of Congress that all Federal dollars be spent equitably.

I have attempted through regular channels and even through the extraordinary channel of going directly to the President on May 24 to make him aware of this injustice and to urge the Department to free section 8 new construction from the stifling effects of Gautreaux which applies only to the city of Chicago.

Now, I come to you and urge you to adopt this amendment to direct the Secretary to seek removal of section 8 from the Gautreaux decision by petitioning the district court. Such a petition has an excellent chance for success because the formula has been changed numerous times as a result of agreements between the parties. If such removal is not agreed to by the counsel for the plaintiff, then it is possible that the court will reject HUD's application. If so, the amendment directs the Secretary to appeal to the Federal circuit court.

In essence, I am only seeking to require HUD to exercise its right to use the court system to remove a powerful and strangling impediment to the functioning of its major subsidized housing program in the second largest city in the country. Chicago's low-income citizens have been held hostage to the whims of communities in the general area and by HUD's acquiescence in this matter for too long.

It is up to us to indicate to HUD our confidence in its own site selection procedures and to reaffirm in Chicago the principle of open housing as well as our compassion in seeing that this principle is applied in a manner that is fair to all of our citizens.

The CHAIRMAN. The time of the gentlewoman from Illinois (Mrs. COLLINS) has expired.

(On request of Mr. BROWN of Michigan, and by unanimous consent, Mrs. COLLINS of Illinois was allowed to proceed for 3 additional minutes.)

Mr. BROWN of Michigan. Mr. Chairman, will the gentlewoman yield?

Mrs. COLLINS of Illinois. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. I thank the gentlewoman for yielding.

Mr. Chairman, I am sympathetic to the issue the gentlewoman has raised and that the amendment addresses. Mandating certain things, by HUD and by courts, oftentimes has a counterproductive result, as it has in this instance.

My problem with the amendment really is that I am not sure that I know all about it that would make the amendment effective.

Otherwise, does the gentlewoman know, as her amendment says, that there could be an agreement with other parties?

Mrs. COLLINS of Illinois. Yes. There have been agreements with other parties, as I pointed out.

Mr. BROWN of Michigan. It was consent.

Mrs. COLLINS of Illinois. Letters of understanding, agreement with other parties, et cetera, have been done in the past. In fact, the history in this case must stack up so high. This was the usual procedure.

Mr. BROWN of Michigan. My concern is, if the court has decreed that the law require this, which the court pretty much did, it was a consent order. The gentlewoman is correct. So what the gentlewoman is saying is that she thinks that if HUD would, it could in effect reach another agreement and have an amended consent order?

Mrs. COLLINS of Illinois. Absolutely.

Mr. BROWN of Michigan. But then I noticed that the gentlewoman also says that this effort should be made by HUD either through agreement or through the appeal of the decision.

Mrs. COLLINS of Illinois. That is right. The reason I say that is that if HUD continues to refuse to get an understanding or an agreement, I would like to see that HUD goes into court to make it clear. The point I want to make extremely clear is that I am not in any way trying to rid the city of the Gautreaux decision. I think it is needed in many other areas. All I am trying to do is extract these particular funds from this decision. Initially, these funds were not a part of this decision. HUD went in and agreed to have these funds placed in this 10-year-old decision that was made.

Mr. ASHLEY. Mr. Chairman, I rise in strong opposition to the amendment offered by the gentlewoman from Illinois (Mrs. COLLINS).

The amendment would specifically limit the Secretary of HUD in the options she can pursue in devising a settlement to the Gautreaux against Hills case, which a Federal district court decided 10 years ago. I believe it is premature and entirely inappropriate for the Congress to interfere at this point when the Federal district court, the Department of HUD and the plaintiffs in the case are attempting to fashion an equitable remedy for a very troubling problem.

I totally understand and sympathize with the Congresswoman's concern that adequate housing for low-income individuals is not presently being built in the city of Chicago. The city of Toledo has recently struggled with a similar problem so I am very familiar with the delicate negotiations that the plaintiffs, the city, and HUD must pursue in order to agree on an effective remedy. This body is not familiar with the precise impact of the present court order and the letters of agreement between the plaintiffs and HUD. I must agree with the Supreme Court when it stated in its Gautreaux against Hills decision:

> The nature and scope of the remedial decree * * * is a matter for the district court in the exercise of its equitable discretion, after affording the parties an opportunity to present their views.

Congress should not interfere at this point and should not tie the hands of one of the parties to the suit.

In addition, an amendment such as this could have extensive and unforeseen public policy ramifications while it is drafted to address only the Gautreaux case, it could establish an unwise precedent. The House is entitled to have hearings on the public policy impact of this amendment before we act. We should not legislate in the dark and I urge my colleagues to defeat this amendment.

Mrs. COLLINS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. Of course, I yield to the gentlewoman from Illinois.

Mrs. COLLINS of Illinois. Mr. Chairman, let me just comment quickly on the fact that the gentleman says that this amendment is premature. I do not think it is premature because this is a situation which has been created over the last 10 years. I think a decade is a very long time for people who are in dire need of housing.

Mr. ASHLEY. Mr. Chairman, it is my understanding, I will say to the gentlewoman from Illinois (Mrs. COLLINS), and this is what I meant when I said it was

premature, that negotiations now are taking place and that by the end of December of this year, a new letter of agreement between the plaintiffs and the Secretary of HUD must be signed.

Very clearly, this is not a situation in which there is inaction. The parties to the suit are presently in discussions or in negotiations in an effort to fashion a remedy.

Again, I sympathize with the gentlewoman because of her frustration in that 10 years after the decision, the community that she represents is, in fact, being victimized by the outcome of the Gautreaux decision. That is really what the gentlewoman is saying.

Mrs. COLLINS of Illinois. That is correct.

Mr. ASHLEY. I am sympathetic in that respect. We have a similar situation in the city that I represent where, in an effort to expedite the civil rights decision, there have been restrictions put on the amount of housing that can go into selected neighborhoods in my city. The general effect is that every single neighborhood in my city of Toledo is benefiting from the HUD program except those neighborhoods which are most seriously impacted and the hardest hit, those neighborhoods which are in the greatest need of housing.

Therefore, when I say that I sympathize, these are not just idle words. I am opposing this amendment not because Mrs. Harris has urged me to do so and not because I agree with her with respect to the implications of the moratorium, a moratorium just as pernicious as the Nixon moratorium on housing of some years ago.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. ASHLEY) has expired.

(By unanimous consent, Mr. ASHLEY was allowed to proceed for 1 additional minute.)

Mr. ASHLEY. But, Mr. Chairman, I am urging that this amendment be voted down because it seems to me that this represents an inappropriate intrusion into efforts to fashion a legal remedy pursuant to a Supreme Court decision. I am just reluctant to have this congressional intrusion, which, in effect, would direct the Secretary, at the behest of the Congress, to take a particular position. This, it seems to me, would prejudice the negotiations which are taking place at this time.

Mr. Chairman, it is for that reason alone, not because of the broader policy on which I think we agree, that I am obliged to oppose the gentlewoman's amendment.

Mrs. COLLINS of Illinois. If the gentleman will yield further, Mr. Chairman, I am glad to know that the Secretary has advised someone on the staff that they plan to take this matter up by December of this year, because when I talked with her just a very short while ago, it was not my understanding that they were ready to take action that quickly.

Mr. HYDE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to take this opportunity to commend the distinguished gentlewoman from Illinois (Mrs. COLLINS) for offering an eminently sensible, practical amendment which seeks to do something to get some public housing built for people who need it and who cannot wait indefinitely to satisfy the whims of the Federal courts. Far from calling this an intrusion, Mr. Chairman, it is the judiciary which has done the intruding. It seems to me that Congress ought to do the legislating, not the court.

Waiting for the opportunity to put up public housing throughout suburban communities before public housing can be put up in the inner cities where the people are, including the people who have the greatest need, seems to me to be very counterproductive.

Mr. Chairman, I think this is an eminently sensible amendment which seeks to assert the will of the Congress in place of judicial fiat.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Illinois (Mrs. COLLINS).

The amendment was rejected.

AMENDMENT OFFERED BY MR. ASHLEY

Mr. ASHLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHLEY: Page 10, line 8, insert after "1965" the following: "; except that, in the case of any such project which is not insured under the National Housing Act, such assistance may not be provided before October 1, 1979".

Page 11, insert the following after line 11 and redesignate the subsequent paragraphs accordingly:

(3) the owner, together with the mortgagee in the case of a project not insured under the National Housing Act, has provided or has committed itself to providing assistance to the project;

Mr. ASHLEY. Mr. Chairman, I am pleased to say that the distinguished ranking member of the Housing Subcommittee, Mr. BROWN of Michigan, is joining me in offering this amendment. Very simply the amendment would delay for 1 year the availability of assistance to uninsured assisted housing projects under the new troubled projects program. This delay is necessary to allow the Department to work with the State and local agencies who are the mortgagees of these uninsured projects to develop procedures which will allow these uninsured projects to be effectively assisted. The problems of uninsured projects are somewhat different than those of projects insured under the FHA programs and, therefore, it is both Mr. BROWN's and my feeling that the delay will both aid the Department and these uninsured assisted housing projects.

The amendment would also make explicit that owners and uninsured mortgagees should share with the Federal Government the responsibility for assuring the financial stability of their projects. As stated in the committee report on the bill before us, the committee believes that the Secretary should require the owners of projects applying for assistance to make available or pledge additional capital prior to her making assistance available under the program. The committee, however, did recognize, as do I, that nonprofit sponsors may have limited resources and that the Secretary should take care not to unduly burden them with added financial responsibilities. The committee also stated its belief that mortgagees of uninsured projects should also become involved in assisting those projects. Our amendment simply requires what the committee itself has stated as its intent. It does nothing more, nothing less. Mr. BROWN and I believe that it is appropriate to set the committee intent into the statute so that there be no ambiguity. Mr. Chairman, this amendment is relatively noncontroversial and I urge my colleagues to join in supporting it.

Mr. BROWN of Michigan. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do support the amendment of the gentleman from Ohio. It has always been the intention of the members of the committee to assure that all parties involved in the projects being assisted, provide some support or assistance to the projects.

One point should be made clear, that the term "assistance to the project" can take many forms such as the provision of various services, forebearance on delinquencies, tax considerations, rental subsidies or capital contributions. The type of assistance should be arrived at in the spirit of partnership and negotiated between the parties treating all types of projects in an equitable fashion.

From the beginning, I strongly supported including States agency projects in the program. The States joined with the Federal Government in an effort to provide needed housing for low- and moderate-income persons. Their record has been good and probably better than the Federal Government's insure projects. Also, HUD is just beginning to realize that State agencies are vital to meeting the production goals of the section 8 program. It has been difficult to get HUD to recognize these facts, but hopefully, during the 1 year delay before State projects are eligible under the program, a set of guidelines can be developed concerning the expectations of all parties, and that this will be done with a recognition that each party is integral to the overall effort of assisting low- and moderate-income families to obtain a decent place to live.

Mr. GREEN. Mr. Chairman, as the member of the committee who offered the amendment in the full committee which led to covering of uninsured projects, I think it is appropriate that I also support the amendment.

At the time I offered the amendment in the full committee it was my understanding that HUD had done a canvass of its own FHA-insured projects and had identified a list of projects that would be assisted under this title of the act before us.

It was also my understanding that no such survey had been done by HUD with respect to uninsured projects, and that this would require time to accomplish.

It was certainly never my intention to delay HUD in providing this assistance to FHA-insured projects, nor was it my intention that HUD must rashly rush ahead with respect to uninsured projects without first canvassing the field and

identifying those uninsured projects in need of assistance under this title.

Moreover, in the case of uninsured projects, the housing finance agencies that financed them do have supervisory responsibility for the projects. It has always been my understanding that they would have to participate in any plan devised to assist any uninsured projects.

I commend the chairman of the subcommittee for discussing this problem with HUD and coming up with a more definitive version of the amendment I had offered that was adopted by the committee, and therefore I support this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHLEY).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. PEPPER

Mr. PEPPER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PEPPER: On page 24, after line 16, insert the following:

PUBLIC HOUSING SECURITY

SEC. 204. (a) This section may be cited as the "Public Housing Security Demonstration Act of 1978".

(b)(1) The Congress finds that—

(A) low-income and elderly public housing residents of the Nation have suffered substantially from rising crime and violence, and are being threatened as a result of inadequate security arrangements for the prevention of physical violence, theft, burglary, and other crimes;

(B) older persons generally regard the fear of crime as the most serious problem in their lives, to the extent that one-fourth of all Americans over 65 voluntarily restrict their mobility because of it;

(C) crime and the fear of crime have lead some residents to move from public housing projects;

(D) an integral part of successfully providing decent, safe, and sanitary dwellings for low-income persons is to insure that the housing is secure; and

(E) local public housing authorities may have inadequate security arrangements for the prevention of crime and vandalism.

(2) It is, therefore, declared to be the policy of the United States to provide for a demonstration and evaluation of effective means of mitigating crime and vandalism in public housing projects, in order to provide a safe living environment for the residents, particularly the elderly residents, of such projects.

(c)(1) The Secretary of Housing and Urban Development shall promptly initiate and carry out during the fiscal year beginning on October 1, 1978, to the extent approved in appropriation Acts, a program for the development, demonstration, and evaluation of improved, innovative community anticrime and security methods, concepts and techniques which will mitigate the level of crime in public housing projects and their surrounding neighborhoods.

(2) In selecting public housing projects to receive assistance under this section, the Secretary shall assure that a broad spectrum of project types, locations and tenant populations are represented and shall consider at least the following: the extent of crime and vandalism currently existing in the projects; the extent, nature and quality of community anticrime efforts in the projects and surrounding areas; the extent, nature and quality of police and other protective services available to the projects and their tenants; the demand for public housing units in the locality, the vacancy rate, and extent of abandonment of such units; and the characteristics and needs of the public housing tenants.

(3) In selecting the anticrime and security methods, concepts and techniques to be demonstrated under this section, the Secretary shall consider the improvement of physical security equipment for dwelling units in those projects, social and environmental design improvements, tenant awareness and volunteer programs, tenant participation and employment in providing security services, and such other measures as deemed necessary or appropriate by the Secretary. Particular attention shall be given to comprehensive community anticrime and security plans submitted by public housing authorities which (i) provide for coordination between public housing management and local law enforcement officials, or (ii) coordinate resources available to the community through programs funded by the Law Enforcement Assistance Administration, the Department of Health, Education, and Welfare, the Department of Labor, the Community Services Administration, ACTION or other State or Federal agencies.

(d) The Secretary shall initiate and carry out a survey of crime and vandalism existing in the Nation's public housing projects. The survey shall include the nature, extent and impact of crime and vandalism and the nature and extent of resources currently available and employed to alleviate crime and vandalism in public housing.

(e) The Secretary shall report to the Congress not later than eighteen months after the date of enactment of this Act. Such report shall include the results of the survey on crime and vandalism in public housing; findings from the demonstration and evaluation of various methods of reducing the level of crime; and legislative recommendations, if appropriate for (i) a comprehensive program to increase security in public housing projects and (ii) increasing the coordination between anticrime programs of other State and Federal agencies that may be used by public housing authorities. Any recommendations shall include estimated costs of such programs.

(f) Of the additional authority approved in appropriation Acts with respect to entering into annual contributions contracts under section 5(c) of the United States Housing Act of 1937 for the fiscal year beginning on October 1, 1978, the Secretary may utilize up to $12,000,000 of such authority in the fiscal year beginning on October 1, 1978, for the establishment of the public housing security demonstration program authorized by this section.

Mr. PEPPER (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and that the amendment be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. PEPPER. Mr. Chairman, I am joined in sponsoring this amendment by a bipartisan group of my distinguished colleagues on the Select Committee on Aging: the gentleman from California (Mr. ROYBAL), the ranking majority member on the committee and chairman of the Subcommittee on Housing and Consumer Interests; the gentleman from Virginia (Mr. WAMPLER), our ranking minority member; the gentleman from New York (Mr. BIAGGI), who chairs our Subcommittee on Human Services; the gentleman from Arkansas (Mr. HAMMERSCHMIDT), the ranking minority member of the Subcommittee on Housing and Consumer Interests; the gentlelady from Ohio (Miss OAKAR), a member of the Aging Committee who also serves on the Banking, Finance, and Urban Affairs Committee, and who sponsored major legislation on this subject; the gentleman from New York (Mr. LUNDINE), an Aging Committee member who also serves on the Housing Subcommittee which produced H.R. 12433; and the gentleman from Indiana (Mr. EVANS), who serves on the same two panels. Their support in this effort has been invaluable.

I also wish to acknowledge the assistance and cooperation of the distinguished gentleman from Ohio (Mr. ASHLEY), who chairs the Subcommittee on Housing and Community Development. He and his staff have been helpful far beyond the normal requirements of courtesy, and his input has resulted, I believe in a much improved amendment.

The gist of the amendment is the same as a bill that I introduced some time ago with many of the same cosponsors I have named, and others. It recommends that the Secretary of Housing and Urban Development shall promptly initiate and carry out during the fiscal year beginning on October 1, 1978, to the extent approved in appropriation acts, a program for the development, demonstration, and evaluation of improved, innovative community anti-crime and security methods, concepts and techniques which will mitigate the level of crime in public housing projects and their surrounding neighborhoods.

It provides that there shall be earmarked a sum not to exceed $12 million of the new contract authority funds authorized in the bill for the establishment of a public housing security demonstration program authorized by this section.

The amendment would also require the Department of Housing and Urban Development to evaluate any new techniques and results from these targeted grants, and report to Congress within 18 months after enactment.

Money contained in this amendment would be available both for physical security equipment such as better locking devices and design improvements—so-called hardware programs—and for such steps as funding guard or escort services, television monitors, and tenant awareness activities—known as software.

The amendment is structured to promote cooperation among HUD and other Federal agencies. Particularly important will be coordination with elements of the network of State and area agencies on aging. Also, projects receiving funds under this amendment should make the maximum use possible of the expertise and resources of private, nonprofit organizations, many of whom have been very active in fighting crime and the fear of it. These steps are vital if the programs funded under this amendment are to flourish after the 1-year grant as solid, continuing, community-based efforts.

It is important to note, Mr. Chairman, that my amendment would not increase expenditures or budget authority under the bill by a single dollar. It would merely specify that a small portion of the money now available to HUD for a variety of

purposes be directed at one of the most serious problems facing public-housing residents today—crime and the fear of crime.

Mr. Chairman, I have the privilege of chairing the House Select Committee on Aging. In that capacity, I have become even more keenly aware during this Congress of the impact crime has on the lives of older persons—who, it should be noted, comprise about 47 percent of the residents of public housing nationwide.

The Aging Committee has held hearings on this issue in Los Angeles, Indianapolis, New York City, Miami, and Washington, D. C. What we have found are increasing instances of victimization of older people, particularly by teenaged youths. A front-page story in the Washington Post last week shocked thousands of people, including the author of the pending amendment. Two young hoodlums apparently terrorized an elderly couple over a period of months, beating and robbing them of their social security checks, even to the extent of sleeping overnight in their apartment. Although the couple did not live in public housing, a major factor in their plight was that there were inadequate locks—even no locks at all at some times—for their apartment.

A little bit ago in my own city of Miami, an 81-year-old blind resident of a federally assisted housing project was brutally murdered, according to police, by a 15-year-old who climbed a tree next to the building, jumped onto a ledge, and pushed his way through an unprotected window into the man's apartment. At the Aging Committee hearing shortly thereafter in Miami, a responsible representative of HUD testified and made this comment:

> Congressman PEPPER's pending legislation on crime against the elderly and Senator BROOKE's pending legislation on residential security in public housing have the potential, if passed, to significantly expand this emerging demonstration program and improve the quality of life in projects across the Nation.

So the principle of this amendment is approved by HUD, and my distinguished colleagues are supporting this amendment.

I do not need to tell this House how prevalent crime against the elderly is.

Here is the Washington Post of June 16 with the headline saying, "Hoodlums Prey on the Aging."

I have an editorial from the Miami Herald of May 25 that says, "Protect the Elderly From Criminals."

Here is one from the Los Angeles Times of May 15 that reads, "Must the Elderly Forever Live in Fear?"

This is one from the Washington Post of April 16, 1978, an editorial "Crimes Against the Elderly."

Then the last one from U.S. News & World Report of June 13, 1977, "Step-Up in Fight on Crimes Against Elderly."

As distressing as incidents like these are, perhaps even more alarming is the level of fear about crime among older people. In a report by the Aging Subcommittee on Housing and Consumer Interests last year, fear of crime among the elderly was cited as "the most pervasive and consistent finding of the subcommittee and other major research studies." In the major survey by Louis Harris and sponsored by the National Council on the Aging, the elderly ranked fear of crime as the single most serious problem they faced—a greater problem than health, income or loneliness.

The result of this pervasive fear is, inevitably, isolation. Older persons literally do not venture beyond their own apartments.

Mr. Chairman, the extremely competent report by the House Committee on Banking, Finance, and Urban Affairs notes that HUD is about to launch a demonstration program using approximately $8.5 million in reprogramed funds from fiscal year 1978. I heartily applaud that initiative, and I note that this amendment is intended to build upon and supplement, not to substitute for, that initiative.

What my amendment proposes, Mr. Chairman, is that HUD, which is already cognizant of the problem, will have some more money earmarked from its discretionary contract authority for fiscal year 1979 specifically earmarked in order to help them to establish demonstration projects—sometimes changing of the contours of the buildings, providing more secure locks on the doors and windows, and the like, perhaps having guards around the place, perhaps television cameras in the corridors and around the exterior of the building. Then they are to report to the Congress upon the results that they have obtained from these demonstrations.

Mr. ROYBAL. Mr. Chairman, will the gentleman yield?

Mr. PEPPER. I yield to my distinguished colleague, and a valued member of the Aging Committee, the gentleman from California (Mr. ROYBAL).

Mr. ROYBAL. Mr. Chairman, I rise in support of the amendment offered by my distinguished colleague, the gentleman from Florida (Mr. PEPPER).

The Subcommittee on Housing and Consumer Interests of the Select Committee on Aging, which I chair, recently published the first comprehensive national study on elderly crime victimization. The study clearly demonstrates that the elderly are not only seriously affected by crime, but greatly affected by the fear of crime.

Burglary was shown to be the most predominant crime perpetrated against the elderly. In Los Angeles, for example, 1 out of every 56 persons over the age of 65 has suffered a burglary. As an example of what happens to an elderly burglary victim, allow me to cite the following finding of the committee:

First. Many elderly burglary victims are reluctant to leave their homes, however, they also manifest a heightened fear of remaining alone in their residences.

Second. Elderly victims of burglary, almost without exception, displayed a long-lasting sense of fear that emanated from a feeling of anonymous invasion and latent threat.

Third. The majority of burglary victims suffer anxiety and feel compelled to restrict their activities due to pervasive and continuing fear of crime.

The study also found that the elderly rank fear of crime as the most serious problem they experience. It is this fear that causes the elderly to become virtual prisoners in their own homes or apartments.

Mr. Chairman, security in one's own residence is one of the most basic human rights. If we are truly serious about our work to improve the quality of life for the senior citizens of this Nation, we must actively seek to eliminate the incidence of crime against them, and the damaging effects of the fear of being victimized. The fact that our senior citizens are victimized is horrendous enough, but financially, physically, and emotionally, they are the least able to cope with the loss or injury that results from a criminal act.

The enactment of this amendment would not cost any additional funds, but would utilize funds already authorized. I urge my colleagues to give their wholehearted support to this amendment.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. PEPPER. I am happy to yield to the gentleman from Arkansas, also an important member of the Aging Committee (Mr. HAMMERSCHMIDT).

Mr. HAMMERSCHMIDT. Mr. Chairman, I thank the gentleman for yielding and I want to commend the gentleman in the well from Florida (Mr. PEPPER) on his amendment.

I rise in support of the amendment by the distinguished chairman of the Select Committee on Aging, Mr. PEPPER, to designate $12 million of the housing and community development bill's housing assistance funds for crime prevention measures. Specifically, these moneys would be used to provide security devices for doors and windows, television monitors, and guards in public housing projects.

As a member of the Select Committee on Aging, I would like to comment on the impact which these security measures would have on the 48 percent of public housing residents who are elderly. Slightly more than a year ago, the Housing and Consumer Interests Subcommittee, on which I serve as ranking minority member, completed the first national study on elderly crime victimization. Two of the findings of the study are significant to this discussion. It was indicated that most crimes against the elderly are theft and are committed by persons under the age of 30, particularly by teenagers 13 to 18. The provision of simple security devices can be a substantial deterrent to these young and unsophisticated burglars.

The elderly are the group most severely debilitated by crime. Once older persons have been victimized, the fear of being away from home, or even being in their homes, adds stress to this already vulnerable group.

Personally and emotionally, the elderly are the least able to cope with the

losses that result from crimes of theft. One-fourth of all persons 65 and over are retired and live on fixed incomes at or below 125 percent of the poverty level.

The theft of $20 from an older person on a fixed income can represent a much greater relative loss than the same amount stolen from an employed person. Many older people have no bank accounts from which they can withdraw funds in an emergency, for example, if robbed. They must often wait until their social security, pension, or supplemental security income checks arrive in the following month. This protracted loss also occurs when an older person's property is stolen or damaged. The elderly generally do not have the financial capability to replace or repair the property.

As my colleagues know, I am very concerned with fiscal responsibility. With this amendment, we are not authorizing additional funds. Rather, we are asking that funds be set aside for increasing the security of the elderly and other residents of public housing projects. This could make a tremendous difference in their lives.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. PEPPER. Mr. Chairman, I am pleased to yield to my distinguished colleague who serves on the Select Committee on Aging, the gentleman from New York (Mr. BIAGGI).

Mr. BIAGGI. Mr. Chairman, I thank the gentleman from Florida (Mr. PEPPER) for yielding me this time.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. BIAGGI and by unanimous consent, Mr. PEPPER was allowed to proceed for 3 additional minutes.)

Mr. PEPPER. I thank the gentleman for the additional time.

Mr. BIAGGI. Mr. Chairman, if the gentleman will yield further, I commend the gentleman from Florida (Mr. PEPPER) in having introduced this amendment and I am privileged to be a cosponsor of this amendment.

Mr. Chairman, I have been a member of the House Select Committee on Aging since its establishment in 1974. During that time I have chaired and participated in numerous hearings around the Nation looking into problems confronting America's elderly. It has been documented in areas urban, suburban, and rural that a foremost concern of older Americans is crime. I am therefore proud to join with the distinguished chairman of the House Select Committee on Aging, Mr. PEPPER, in cosponsoring this amendment to provide $12 million in funds to develop improved security measures in public housing projects.

This amendment is a modest first step in dealing with a major national problem of crime in public housing. We have reached the rather paradoxical point of having spent billions of dollars in new public housing for all groups, yet for some groups like the elderly, they are unsafe to live in due to crime. The vulnerability to crime increases with age and therefore when working for solutions we should start with the elderly.

This amendment will allow a series of demonstration projects to be funded in selected areas around the Nation where crime problems exist in public housing projects. Funds will be used to improve physical security equipment, make social and environmental design improvements, and institute special tenant awareness programs. Special consideration in the awarding of funds will be given to those areas where comprehensive and coordinated crime prevention programs are in effect. Crime and the fear of it has driven many senior citizens to become prisoners of their own homes. All across the Nation the numbers of elderly living alone is increasing. Polls taken in a number of cities including New York identify crime as the major concern of all age groups but especially the elderly.

I recall vividly the testimony of New York City's chief medical examiner during a hearing I chaired in New York City on crimes against the elderly. He stated that 51 percent of the homicides committed against persons over age 60 occurred within the person's residence. Another 16.5 percent occurred in front of the residence such as in hallways, elevators, or stairways. The New York City police commissioner at the same hearing said that the elderly made up 27 percent of all victims of dwelling robberies.

In simple terms many of our public housing projects are conducive for criminal activity against the elderly. Many projects were built in a time when the reality of crime was not as severe as today. Others developed inadequate responses to the problem. Still others provided no special consideration for the elderly despite their high susceptibility to crime.

Our amendment today represents a positive first step demonstration of our concern about crimes against the elderly in public housing. We cannot expect to perform miracles with only $12 million but what we do fund may provide the catalyst for a larger Federal commitment later. It is also a message that future public housing projects should be more concerned about protecting their residents, especially its elderly from crime.

I urge support of this amendment. It is needed. Security too should begin at home.

Mr. MICHAEL O. MYERS. Mr. Chairman, will the gentleman yield?

Mr. PEPPER. I am pleased to yield to the distinguished gentleman from Pennsylvania (Mr. MICHAEL O. MYERS).

Mr. MICHAEL O. MYERS. Mr. Chairman, I thank the gentleman for yielding.

Mr. Speaker, I rise to speak in full support of this amendment, and to ask my distinguished colleague from Florida a question regarding section (d) of this proposed amendment.

This language, which calls for the demonstration and evaluation of improved physical security equipment in publicly assisted housing projects, clearly infers that existing physical security equipment is inadequate.

I have statistics provided by the Philadelphia Housing Authority police which show that the crime most committed in publicly assisted housing in Philadelphia at least, is burglary. The burglary rate in Philadelphia public housing is almost 100 percent over the national average.

At the same time, we know that nationally the crime most committed against the elderly is also burglary.

Many kinds of security devices would be useful to combat this problem. We can conclude that more effective locking devices on living units in publicly assisted housing would go far toward providing the security to which the poor and elderly are entitled.

Mr. Speaker, I have here an article from the New York Times of July 31, 1977, which I will later submit for the RECORD. This article indicates that the maximum degree of security to be obtained from a locking device is found in multipoint locking systems. This secures the door on three of four sides, is virtually burglar proof, and can be opened by turning a single knob. Would this kind of locking system be the sort of physical security equipment that we would expect to see demonstrated and evaluated under the provisions of this amendment?

Mr. PEPPER. HUD would be the one to select the specific thing, but that sounds like the best device that could be employed.

Mr. MICHAEL O. MYERS. I thank the gentleman.

I would note that the increased cost in providing the maximum security in housing units would be greatly offset by the savings that will result if we can prevent abandonment and destruction of our public housing projects.

I commend my esteemed colleague for offering this much needed amendment to the Community Development and Housing Act.

The article follows:

HOME AND APARTMENT DWELLER'S GUIDE TO LOCKS

(By Bernard Gladstone)

Although there may be some Utopian community where people can still feel secure without locking doors, in most areas residents recognize the need for equipping entrance and exit doors with at least one good quality lock. Even the best locks and other security arrangements will not be enough to stop a truly determined professional burglar, but a good door lock will go a long way toward preventing a break-in in the vast majority of cases.

The reason for this is that most burglaries are spontaneous crimes—the would-be thief moves from house to house (or apartment to apartment) looking for an "easy mark"—a home which will be quick and easy to enter through unprotected windows, or through doors which have locks that are easy to pick or jimmy open. Burglars don't like noise, and they don't like delays; if one lock gives them trouble they will usually move on to another that offers less resistance.

The least expensive type of door lock, and the one that also offers the least amount of security, is the springlatch lock. This is the type that has a latch bolt (the piece that goes into the opening in the door frame) with a sloping face so that the door locks when it is slammed shut. In this type of lock

the latch is spring-activated—that is, the bolt is pushed out by a spring on the inside.

Although springlatch locks are convenient because they lock automatically when slammed shut, they are also the easiest to force open. When a plastic credit card or strip of metal is forced between the edge of the door and the frame it presses against the sloping face of the latch bolt to force it open.

Some springlatch locks are designed to prevent this by including a small secondary bolt, called a deadbolt, behind the primary latch. When the door is locked this deadbolt does not fit into the opening in the strike plate, it presses against it and deadlocks the latch so it cannot be forced open easily.

For maximum protection against this type of break-in it is better to install a separate deadbolt lock or auxiliary locking deadbolt. These are not spring-activated, they can only be opened or closed with a key from the outside, and with either a key or a knob from the inside. Unlike the spring latch, the front face of the metal bolt is not sloping—it is squared-off so that it cannot be pried open the way a spring latch can.

As further protection, some deadbolts have steel rods through the center that rotate, so that a saw blade cannot cut them (burglars sometimes slide a hacksaw blade between the edge of the door and the frame, then saw through the bolt).

Auxiliary deadbolt locks come in two basic types or styles: surface-mounted locks that are installed on the inside of the door; and bored or recessed locks that fit into a recessed or hole bored into the edge of the door. The better quality ones have bolts made of hardened steel that will resist cutting, and they have tapered locking rings around the cyclinder on the outside to prevent burglars from prying or pulling the cylinder out of the door.

Surface-mounted auxiliary deadbolt locks are popular for apartment doors because they are less expensive than bored or recessed locks, and they are easier to install. They are also used on doors in homes, but some people object to their appearance (from the inside) when used on front doors.

Deadbolt locks also differ in how they are opened from the inside. Some have a knob to lock or unlock them; others require a key on the inside as well on the outside. This latter type, known as a double cylinder lock, is recommended for doors which have glass panes, or which have glass close by. If the thief breaks the glass, he still cannot open the lock from the inside without a key.

However, it must be remembered that in a panic situation, such as a fire, occupants on the inside will also need a key to open the door. That is why fire experts recommend that when occupants are at home the key should always be left in place in the lock on the inside (or nearby where occupants can easily find it) so that the door can be unlocked quickly for emergency exiting.

One of the strongest and most secure types of door locks is a heavy duty mortise lock. This lock is enclosed in a heavy metal case and has both a spring latch and a separate deadlatch or locking deadbolt. It is recessed (mortised) into the edge of the door and often requires "double locking"—that is, from the outside an extra turn of the key is required to lock it.

From the inside a separate small knob, in addition to the large doorknob, must be turned to unlock it. The newest models, however, permit unlocking from the inside with just a single turn of the one large knob. This unlocks the deadbolt as well as the latch bolt to simplify getting out when occupants have to leave in a hurry.

Another type of entrance door lock which provides deadlocking features is the cylindrical lock. Not as burglarproof or as tough as the mortise lock described above, it is easier to install and still provides better protection than a springlatch. These usually have the keyhole in the knob on the outside, and a small button in the center of the knob on the inside for locking or unlocking the deadbolt feature.

Most people also do not realize the importance of having their locks equipped with a really pick-resistant cylinder. An expert burglar can pick the average lock in a matter of a minute or so, regardless of how tough the construction of the lock is, so for complete protection purchasers should specify one of the various specialty cylinders which are highly pick-resistant. Made by several different manufacturers, for use in their own locks, as well as for use in other brands, these cylinders have special pin and tumbler mechanisms that are virtually pickproof. Some also use special keys that cannot be duplicated by local locksmiths or hardware stores.

No lock can be any more secure than the door on which it is installed, so make certain the door is a sturdy one that fits snugly in its frame and see to it that the frame cannot be easily pried away from the door to loosen the latch bolt. Also, the lock must be securely mounted with the proper bolts and fasteners.

For really maximum protection one can even buy a new type of multiple bar lock—it consists of four or more locking bolts inside the door which go into the door's frame at the top and bottom, as well as at each side. This prevents a burglar using a jack for force the door's frame apart enough to permit removing the door without even unlocking it. A single key, that fits into a pick-resistant cylinder in the center of the door, opens all four bolts at one time.

Mr. PEPPER. I also want to note, Mr. Chairman, that this amendment has gained the support of a broad coalition of aging and other organizations, including the National Council of Senior Citizens, the National Council on the Aging, the National Retired Teachers Association/American Association of Retired Persons, the Urban Elderly Coalition, the National Caucus on the Black Aged, and the Ad Hoc Coalition for Low-Income Housing, which represents more than 60 organizations active in the field.

The question is asked by some, "Why concentrate on public housing projects alone? Many elderly people live in run-down apartments and houses in some of the slum areas of our cities." Mr. Chairman, this amendment is not intended to solve the whole problem. That is one of the most challenging problems facing our country today—what to do about crime. We must combine assuredness of prosecution, severity of punishment, and also I think we must try to provide a way to stop school dropouts and do other things. But this amendment will give HUD an opportunity to demonstrate what can be done to protect the elderly and the poor who are concentrated in these public housing projects. I believe it will ultimately be helpful in dealing with the problem in respect to other people in the country. I hope the amendment will be adopted.

Ms. OAKAR. Mr. Chairman, I rise in obvious support of the amendment offered by the distinguished chairman of the Select Committee on Aging, the gentleman from Florida (Mr. PEPPER). The language that the gentleman puts before us today is similar to an amendment that I offered in the committee markup of this legislation, and it was deadlocked by a 16-to-16 vote and, therefore, did not pass. So I am grateful to the subcommittee chairman for giving us the opportunity to vote on the same issue or a similar issue today.

I personally believe that one of the real national scandals in our country is crime against the elderly and other poor in public housing. Security in our public housing projects is practically nil. Rising crime and violence threatens the property and persons of all who live in the housing projects, for whom we authorize and appropriate funds. Elderly and other low-income residents have been forced to restrict their lifestyles and daily routines to avoid being victimized. The total inadequacy of security arrangements in public housing is an issue that we must finally face head on. It threatens the success of public housing programs themselves, which is, by the way, a $19 billion investment. Most importantly, it threatens the lives of our most vulnerable citizens to crime.

In hearings held by the Select Committee on Aging, of which I am a member, in the city of Cleveland, for example, we heard testimony that public housing is not safe for emotional, physical, and spiritual development. We heard many horror stories, and this is true not only in my own city but in other urban areas throughout the country. We heard of the murders, the muggings, the robbings, the broken bones, the concussions, the physical damage to these people, let alone the psychological damage. We heard, for example, that in our housing estates in Cleveland, which mirrors what is happening nationally, 23 residents were killed in and around public housing estates. More than 300 burglaries and break-ins were reported in 1977, and these were only the kinds of records that were reported. Clearly, many of these victims are either the elderly or women who are the heads of households. They comprise more than 60 percent of the population. In short, we believe very strongly that these citizens, like every other citizen, should be free from day-to-day fear that their lives are in danger. In short, they must be free human beings. We do not believe that housing should merely be placing a roof over someone's head. We believe very, very strongly in the concept of total housing for these individuals and all Americans.

We believe very strongly that we should remove these people, who are virtual prisoners in their own homes. Therefore, I applaud our esteemed chairman, the gentleman from Florida (Mr. PEPPER) for this very important amendment and I urge its unanimous adoption.

Mr. EVANS of Indiana. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, recently, I chaired a hearing of the Subcommittee on Housing and Consumer Interests of the Aging Committee in Indianapolis. Our inquiry focused primarily on crimes committed against the elderly. The testimony presented illustrated the dominant fact that elderly victimization is on the rise and,

moreover, confirmed the sad truth that many live each day in anticipation that they may be robbed, beaten, sexually accosted, in none other than the supposed sanctity of their home.

At that investigative hearing we had as one of the witnesses, George Sunderland, senior coordinator for criminal justice programs of the National Retired Teachers Association and the American Association of Retired Persons. Let me quote something Mr. Sunderland found distressing, namely, that the "population of older persons who very seldom commit crimes, receive the least attention in our criminal justice system." He questioned whether they "should become more criminal and more militant to get (their) fair share of attention." Nevertheless, he confessed that there was little need to fear such an occurrence "because the older person will work within the institution, supporting our institution, and supporting our elected leaders to work toward the satisfactory redress of this very grievous wrong."

Commenting about remedial measures Sunderland expressed the belief that "legislation is the mover, because, with that, we exercise power." He further commended the Congress for its efforts relative to amending the Omnibus Crime Control and Safe Streets Act of 1968.

Mr. Martin Miller, president of the Indiana Senior Citizens Association, noted that most burglars enter a residence through a door. Statistically, the second choice is through a window. The very points of entry which we are addressing in this amendment.

Sgt. Bob Warren of the Marion County sheriff's department stressed the necessity for development of preventive measures. "The use of adequate locks and security devices on windows and doors" received his endorsement, since as he testified "the elderly are often as vulnerable in their homes as they are on the street."

I am hopeful that the input from these witnesses will help us adopt these meaningful remedies here today. I believe support for this amendment presents such an opportunity. It gives us the chance to partially arrest this national scandal involving our senior citizens. Support for this amendment will mean we recognize the fact that elderly victimization is an outrage.

We can no longer ignore rape, robbery, assault, burglary, and murder when it has infiltrated senior housing. The time has come for us to say that we will not force our elderly to become recluses.

Because I am concerned over increased Federal spending, I especially want to point out that this amendment does not mean added spending, but rather more effective earmarking of funds already set to be spent. It designates $12 million already authorized in the Housing bill for monitors, security guards, and safer locks, doors, and windows, to help insure the safety of our elderly. At the risk of simplifying a crucial matter—this is an important step to take. I know, I have spoken with and heard from hundreds of older Americans about their fear of crime.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Indiana. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I rise in support of the amendment. I wanted to take a minute to compliment the gentlewoman from Cleveland, Ohio. It was she who initiated this activity in the Committee on Banking, Finance and Urban Affairs, and although it was not successful there, she persisted in her efforts and, really, I think the gentlewoman is due a great deal of complimentary praise for her persistence in moving this legislation through.

Mr. Chairman, I do wholly and fully support the amendment.

Mr. EVANS of Indiana. Mr. Chairman, I thank the gentleman for these remarks.

Mr. DRINAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to take this occasion to congratulate the gentleman from Florida (Mr. PEPPER), the chairman of our committee, for this very creative amendment.

I have in my hand a report put out by the Select Committee on Aging where this problem is set forth in terms that really will horrify anybody who reads it. We read here of the elderly all across this country who have this built-in fear of crime and in many instances they have been actually victimized; so I commend the gentleman for a very well thought out and creative proposal.

This amendment is not just another $12 million for some vague purpose. It is very carefully thought out, that it shall be a program for the development, demonstration, and evaluation of improved innovative community anticrime and security methods and it is carefully delineated as to exactly what the Secretary of HUD shall do with this particular money.

Mr. Chairman, this is one further effort by the distinguished and devoted chairman of the Select Committee on Aging, and I am happy to join in this effort. I urge my colleagues enthusiastically to support the amendment.

Mr. ASHLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I support the amendment of my esteemed friend from Florida.

A similar amendment was offered in committee during markup and was defeated by a tie vote. I voted against the proposal at that time because it appeared that a great deal of money was already available and would be available in fiscal 1979 to increase security in public housing projects. The Assistant Secretary of HUD testified that a public housing security demonstration program will be instituted during fiscal 1978—$8.5 million will be used for that program. In addition, in fiscal 1979 close to $29 million will be available specifically to increase security measures and services by using public housing operating subsidies and modernization funds. Many communities will also focus some of their community development block grants, LEAA grants and CETA public service positions on this problem.

However, I have since been persuaded by my eloquent colleague from Florida, the distinguished chairman of the Select Committee on Aging, that more needs to be done to protect the residents, particularly the elderly residents, of public housing projects. While I still believe that a thorough and useful demonstration program can be conducted for less than the $12 million included in the gentleman's proposal, I have reluctantly agreed to support the amount contained in this amendment.

I expect that the Department will incorporate the demonstration program being initiated this year with the one this amendment would authorize for next year and come back to Congress with appropriate recommendation regarding a comprehensive approach to increasing security in these projects and to coordinating the funds available through the anticrime programs of other State and Federal programs. As you know, I am not in favor of establishing separate categorical grant programs for each discreet problem related to housing our lower income citizens and I am hopeful that any legislative proposal will recommend a careful integration with existing programs.

For these reasons, Mr. Chairman, I ask my colleagues to join me in supporting this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. PEPPER).

The amendment was agreed to.

AMENDMENT OFFERED BY MRS. FENWICK

Mrs. FENWICK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. FENWICK: Page 20 after line 13, section 203 is amended by inserting the following new subsection (b) and relettering each succeeding subsection accordingly.

"(b) Section 8(c)(1) of such Act is amended by adding the following new sentence at the end thereof:

'Notwithstanding any other provision of this section, the Secretary may not, after the date of enactment of the Housing and Community Development Amendments of 1978, enter into any contract under this section for any dwelling unit with respect to which the total of the debt service and any insurance premium charged under Title II of the National Housing Act exceeds $100 per month per room contained in such unit; except that, in the case of one-bedroom efficiency or any dwelling unit located in Alaska or Hawaii, this sentence should not apply.'"

Mrs. FENWICK. Mr. Chairman, this amendment is precisely the amendment, with the exception of the one-bedroom apartment exemption, that our former colleague, Herman Badillo, offered to the bill last year. That amendment was approved in committee, and it came to the floor of the House. It was described as follows in the committee report:

The committee has become concerned about the increasing costs of construction of section 8 housing. Through efficient construction management and by other efficiencies the committee intends these increases can be kept in check. To encourage

this greater efficiency the committee has included a requirement in the bill that contracts for section 8 assistance cannot be made for units in which the debt service, plus any FHA insurance premium, exceeds $100 per room.

Mr. Chairman, this was part of the bill last year, and it was put in the bill by Mr. Herman Badillo.

Why did he say this? I must call the attention of the House to this. I do not know how the people of this country stand it. Mr. Shanker, the head of the Teachers Union in New York, has announced proudly that the pay of teachers would start at $13,000 yer year. That is not a very grand sum; it is not as much as being paid on a HUD subsidy rental. In other words, HUD is prepared to pay over $15,000 a year for one family on a rent subsidy.

Now, this is more than most people make in this country. I am not saying it should be controlled, because I know it is difficult to put a rent ceiling on. But what are we doing? I am just asking this: Is this the most simple, commonsense approach? Do we really say that we are prepared to meet the problems in section 8 housing? What happens?

As Herman Badillo pointed out, this is what happened in New York City in the Manahattan Plaza: They built this thing, and they put it in the wrong place. Was it luxury apartments? It rents for about $750 a room, and they put it over west of Times Square. Then they turned it into section 8 housing, and that is now going to cost the Federal Government $11.5 million every year in rent subsidies for the next 40 years.

This was done by HUD in February of 1977. It was vigorously objected to by Mr. Badillo. We simply have no way of controlling it. It makes no difference what the committee puts in the bill or puts in the report. It was knocked out by the Senate, and HUD is going to do it because they have the power to do it.

I know the distinguished chairman of the subcommittee, who knows much more about housing than I do, is going to say it is not right to have a limit, but, for pity's sake, where do we start? What do we say to the people of this country who have jobs paying $15,000 to $18,000 a year—and that is not so terrible—or $20,000 a year, on which they pay local, State of New York, and Federal income tax, when they find somebody is getting a rent subsidy, a tax-free subsidy, of $15,000 a year?

It is absolutely beyond comprehension that people can stand this kind of abuse. We must not wonder why we get proposition 13—because it is nonsense, and we know it and they know it.

Mr. HANNAFORD. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from California.

Mr. HANNAFORD. I thank the gentlewoman for yielding.

Mr. Chairman, in the example that the gentlewoman cites, was not a substantial part of that real estate common property, used for recreational purposes by the larger community?

Mrs. FENWICK. No. That is not the one. That is a different one.

Mr. HANNAFORD. Was not that part of that same project?

Mrs. FENWICK. No. This is one which had a swimming pool, and all, and was very much objected to also. But the one on West 43d Street did not have. That is another one. But the point the gentleman is making, it is true, they have taken over the construction of things. I do not know what we are going to do in the way of commonsense in this place. People have to have decent places to live. But this has taken up so much of New York's section 8 housing allotment. As the gentlemen said, they could have had three in the Bronx. But $11.5 million a year for 40 years?

Well, I guess I better just ask the House to look at what we are doing, to see what it is possible to do, no matter what our intentions are and no matter what the committee says in the way of report, what it is possible to do under the legislation that we make on this floor.

Mr. ASHLEY. Mr. Chairman, I rise in opposition to the amendment offered by my colleague, the gentlewoman from New Jersey.

This amendment would set an arbitrary development cost limit for HUD's subsidized housing programs. I am sure that all Members share our colleague from New Jersey's concern to economize. However, there are methods for limiting all assisted housing costs that are more appropriate than attempting to arbitrarily limit only one aspect of these costs—room or unit development costs. Our concern must be with overall costs rather than attempting to limit just one—the development portion. This is very likely to raise the operating costs—utilities, repairs, maintenance—to such a degree that the very opposite of what the gentlewoman and all of us seek will result.

We have had experience with such limits in the past. They proved to be unworkable mainly because they ignored differences among regions and areas. In this regard, the gentlewoman would have us take an ill-advised step backward.

Now, let us look closely at what this amendment would do. It would set a limit for debt service at $100 a room which would effectively limit the cost of development to $15,000 a room. This level would limit the cost of efficiency and one bedroom unit projects somewhat realistically, but as the number of bedrooms increases, then the limit becomes unrealistically high. For example, an efficiency apartment, which with its bathroom constitutes two rooms would be limited to $30,000 of development cost. A two-bedroom apartment which is considered to have five rooms would have a limit of $75,000 while we could effectively limit costs in efficiency and single bedroom unit projects through this amendment, its overall effect could be excessively high limits for two-, three-, and four-bedroom unit projects—defeating the very purpose of greater economy.

Worse yet, the amendment could prohibit the installation of better insulation, more efficient boilers or stronger doors, and a range of other cost-reducing capital improvements. Capital improvements which are designed to reduce operating costs, which represent at least 60 percent of what we subsidize, may have more effect on lowering the cost of the subsidy than simplistic limitations on development costs. Yet this amendment ignores this fundamental fact.

Finally, this amendment would work against, if not prohibit, projects with shorter term FHA or conventional financing. We must encourage these types of projects—they are cheaper to the Government because we pay the interest costs for only 20 years rather than 40. Yet this amendment would make only the more expensive long-term projects possible.

In fact, we now have effective and sophisticated methods for controlling excessive development costs. We have maximum development cost limits, mortgage amount limits, limits based on comparable costs of similar units of the same type and design, fair market rents, and cost certification. This is an adequate set of methods for controlling costs which when employed recognize cost differences among regions and for different types of construction.

In both last year's bill and the bill before us, we have taken several carefully thought out steps for effectively controlling costs. Mr. Chairman, I am as cost conscious as any Member of this House and I share my colleague's intentions to prevent excessive costs in our housing assistance programs, but I would urge the House to oppose this amendment as it is unnecessary and very probably counterproductive in view of the protections we already have in this bill, in law, and in regulation.

Mr. MINISH. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. Yes, I am pleased to yield to my colleague, the gentleman from New Jersey.

Mr. MINISH. Mr. Chairman, one of the implications of the gentlewoman's amendment which concerns me is that I doubt whether we can build any senior citizen housing or section 8 family housing in my area of the country if the gentlewoman's amendment were adopted.

Would the chairman care to comment on that subject?

Mr. ASHLEY. As I have already said, the really horrendous implications of the gentlewoman's amendment fall not so much on housing for the aged, which in most instances can be built within the community limitation, the $100-per-room limitation.

The really bad effect for northern New Jersey, for New York, and for other areas is with regard to the two-, three-, and four-bedroom units.

Mr. GREEN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I think the gentlewoman from New Jersey (Mrs. FENWICK) raises a very important issue; but I think the solution of the problem that she poses is not the solution which she has offered us.

I think, first of all, that it should be understood that the telephone book numbers she has given us are the result of the design of the section 8 program and do not really reflect actual outlays under the section 8 program.

As a result of the 1974 Housing and Community Development Act, HUD, in allocating section 8 subsidies to a project, is required to make a reservation against future inflation. Therefore, in order to comply with that congressional mandate, HUD reserves the full amount of the fair-market rent of the project, and those are the numbers which the gentlewoman from New Jersey quotes as the section 8 subsidies for the project.

In fact, though, from that amount for each project must be subtracted the actual rent paid by the families in residence, so that the amount of the subsidy is smaller than the fair-market rent as published or the actual contract rent committed for the individual project.

Therefore, Mr. Chairman, I think the Members should understand that the amounts of actual cash outlays under this program are smaller than the fair-market rent or the contract rent, whichever applies.

I would suggest that the published numbers are realistic numbers of what it costs to produce housing containing the number of bedrooms called for under each of the fair-market rent geographical categories, particularly in view of the extra expenses that are inherent in a Government-operated program. I would point out, Mr. Chairman, that we had a debate earlier this evening on the impact of the Davis-Bacon Act on housing costs.

What I would suggest is that if we want to address this problem, I think the committee in the future is going to have to take a look at the decision that is currently in effect, which is, in essence, that the mix among new construction, rehabilitation, and existing housing in the section 8 program is going to be determined not by us and not administratively, but by the decisions of the individual communities in their individual HAP plans as aggregated by HUD.

I think we really are going to have to take a look, if we are concerned with the expenses of the section 8 program, as to whether we should not be giving greater emphasis to the existing portion of the section 8 program, where the fair market rents, and as a result the outlays, are substantially lower than in the new construction program. I think, as the chairman of the subcommittee pointed out in his remarks, our experience with fixed statutory construction cost limits has not been good. We decided in the early 1970's to get away from those limitations in the public housing program because it was clear that they were constantly getting obsolete as the result of inflation, and therefore stifling the program. I think just to go back to an approach that was proven inadequate would be a mistake.

Mr. BROWN of Michigan. Mr. Chairman, I move to strike the requisite number of words.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I am sorry the gentleman from New York does not agree with what the Department of HUD, according to their letter to me dated June 13, 1978, said, in which they state quite clearly, of course, that the $1,050 a month does include the portion contributed by the tenant.

But—but, they also have—it may be 15 percent or it may be 25 percent—of the income of the tenant, but also they can have a 20-percent addition. So that, in other words, they are not limited to the $1,050, which may or may not have 15 or 25 percent. But, they also can add to this figure the 20-percent add-on that they sometimes give.

Mr. GREEN. Mr. Chairman, will the gentleman from Michigan yield?

Mr. BROWN of Michigan. I will be glad to yield to the gentleman from New York.

Mr. GREEN. Mr. Chairman, I certainly agree with the gentlewoman that the HUD regulations do permit an add-on over the administratively determined fair market rent based on comparable non-Federal projects, in order to allow for——

Mrs. FENWICK. But, for God's sake——

Mr. GREEN. HUD recognizes the additional cost of Government-operated programs as opposed to free market costs, but we still have to deduct from that final figure the amount the family is paying in rent.

Mrs. FENWICK. Can I just say something?

Mr. BROWN of Michigan. Very briefly.

Mrs. FENWICK. Really and truly, are we going to sit here and say that we are preparing to pass into law—I do not care whether we use a $100 subsidy or take a flat fee and just say that we will not subsidize rents that go beyond wages people are making in this country when they work hard. That is what I am trying to bring it down to, in a commonsense area.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Chairman, the gentlewoman from New Jersey says postal workers and others are earning $13,000. Can we take a limitation of $15,000? That $13,000 per year postal worker is in the market for a $35,000 home. Do not try to equate oranges and pineapples; it does not work. We know perfectly well that the median-priced home today is selling in the neighborhood of $50,000.

If we do not want to provide shelter, any shelter in Toledo or in New Jersey or in Sioux City or any place else, just put a limitation that under no circumstances will shelter be made available—new construction—that costs more than, say, $35,000. We can get rid of the program very easily by doing that, but the simplistic kind of a test that the gentlewoman proposes does not make any sense.

It is counter-productive. This economy she is so urgently urging upon us is not going to be accomplished by that $100 a room limitation. We get into the four and five-bedroom homes, and we are up to $75,000. That is what we will do.

Mr. BROWN of Michigan. Mr. Chairman, I think, since I have not used any of my time, I would like to use maybe a couple of seconds of it.

When we adopted the fair market rent plan we got away from setting a limitation. If one does not like the fair market rent plan principle, where basically we allowed what the subsidy would be on the basis of what comparable units cost in the same area, just repeal the section 8 provision.

I like the $100 limitation per room per month. I would rather have it be $50, and then I could say what a great nonspender I am. But unfortunately that is just not feasible if we intend to provide shelter under the section 8 program. We always get active criticism of the section 8 program. However, we do not do a similar cost analysis of what we are doing in the high cost areas for public housing, and it might be well if we would do that sometime.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New Jersey (Mrs. FENWICK).

The question was taken; and on a division (demanded by Mrs. FENWICK) there were—ayes 12, noes 21.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. PANETTA

Mr. PANETTA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PANETTA: Page 24, after line 16, insert the following:

DEMONSTRATION PROGRAM

SEC. 204. (a) The Secretary of Housing and Urban Development shall conduct a demonstration program, beginning in fiscal year 1979, for the purpose of determining new methods by which the program established by section 8 of the United States Housing Act of 1937 can be improved in order to encourage more owners of new, substantially rehabilitated, and existing housing to utilize such program and thereby provide additional housing for low-income families, particularly families which have more than two children and which reside in market areas with a low-vacancy rate in rental housing. In carrying out this section, the Secretary may utilize the additional authority to enter into contracts for annual contributions provided on October 1, 1978, and approved in appropriation Acts, under section 5(c) of the United States Housing Act of 1937.

(b) The Secretary shall report to both Houses of the Congress annually, during the duration of such demonstration program, for the purpose of providing a detailed accounting of the results of such program.

Mr. PANETTA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PANETTA. Mr. Chairman, the amendment I propose here is to require that the Secretary of Housing and Urban Development conduct a demonstration program to approve the effectiveness of section 8 as it applies to low vacancy areas. The purpose of section 8 was to provide an incentive to the private sector to get involved in providing low-income housing. One of the areas where it is not working is in the low vacancy areas where rents are escalating beyond the ability of the elderly and of the low-income families to afford the housing and private owners and the private developers are inhibited from getting involved.

This is part of the problem I think that was discussed in the previous amendment. The fact is that everyone recognizes there is a problem in the low vacancy areas as shown in studies done by the committee, the Congressional Research Service, the General Accounting Office, and HUD itself.

The fact is that in the low vacancy areas the owners and developers have no reason to participate. The fair market rents established by HUD are no incentive. In addition, there are administrative and management problems that inhibit section 8 from going into the low vacancy areas.

There are no easy answers to this area and I do not pretend to have any. Yet I am concerned about a program that was developed for the purpose of providing housing for all people, including those located in the high vacancy areas as well as those located in the low vacancy areas.

My proposal is to permit the Secretary of Housing and Urban Development to start a demonstration program in 1978 to look specifically at the problem of the low vacancy areas and fair market rents in these areas.

It does not provide any additional funding but it can operate out of the present section 8 authority and requires an annual reporting requirement to determine what steps can be taken to make this program effective.

I believe it is most important that this housing program be applicable to all people if it is to be an effective housing program for the Nation. It's not working now. We need to insure that it does work or get rid of it.

That is the purpose of the amendment.

I am hopeful that the committee will accept the amendment.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I will be pleased to yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Chairman, I want to say that I applaud the gentleman from California (Mr. PANETTA) for his amendment. I think it is a most constructive amendment. It has been discussed by me with the appropriate officials in the Department of Housing and Urban Development and it represents a contribution which I think will have some value in the deliberations of the Department and of this committee.

So I do want to commend the gentleman from California (Mr. PANETTA) and to congratulate him on his amendment and to indicate my support of the gentleman's amendment.

Mr. PANETTA. I thank the gentleman.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I am happy to yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, I thank the gentleman from California (Mr. PANETTA) for yielding to me. I do not intend to oppose the gentleman's amendment. I may not applaud it with the great approbation, and so on, that my colleague, the gentleman from Ohio (Mr. ASHLEY) does because it seems to me that this is what HUD should be doing at the present time and that the gentleman's amendment should not be necessary. But, if he has said it is not being done, and this situation is continuing to exist, then I think the message that we must send to the department by the gentleman's amendment is desirable.

Mr. PANETTA. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. PANETTA).

The amendment was agreed to.

● Mr. PATTERSON of California. Mr. Chairman, I rise in support of H.R. 12433 and I wish to commend the chairman, the gentleman from Ohio (Mr. ASHLEY), for the fine work which has been done in bringing this bill to the floor. I am well aware of the many hours and the hard decisions that went into shaping this legislation. I wish also to commend my colleagues on the Housing Subcommittee who worked hard to provide for an authorization bill which not only continues many of the important housing programs administered by the Department of Housing and Urban Development but addresses some other housing issues which have been of concern to the committee for quite some time.

Included in this bill is a provision to extend section 8 rental assistance to eligible families who own their mobile homes but rent the space on which it is located. It was at my urging that the chairman agreed to include this provision in the housing authorization bill and I applaud him for giving this issue the attention it deserves. This matter has been one of great concern to me for several years, when it was first brought to my attention by a number of my constituents living in mobile homes on fixed incomes and who were finding it increasingly difficult to meet their monthly housing costs.

As you know, Mr. Chairman, under the section 8 program a wide variety of rental housing is eligible including rental mobile homes. Currently, owner occupied mobile homes on rented sites are not eligible for rental assistance. My amendment would change the section 8 program to include owner occupied mobile homes on rented sites. This will provide the needed relief for many low and moderate income elderly families who have chosen mobile home ownership as an affordable alternative to traditional housing.

Traditional section 8 housing is very expensive and mobile homes are a cost effective alternative which should be encouraged by the Federal Government. Title 16 of the National Housing and Urban Development Act of 1968 sets housing goals. Congress determined to achieve these goals over the next decade by the construction and rehabilitation of 6 million units for low and moderate income families. Since the early 1970's, mobile homes have been considered to be a viable alternative to meet these goals. However, the section 8 program which was established to provide for low and moderate income housing to help meet our national housing goals specifically excludes mobile homes as a viable assisted housing alternative.

I again commend the chairman of the Housing Subcommittee and my colleagues for their work on this bill.●

● Mr. ALEXANDER. Mr. Chairman, it seems to me that during the past decade when Congress has enacted legislation intended to benefit certain classes of cities, small towns, or communities we have made that clear in the language of the law. It follows then that it is a direct violation of the intent of Congress for any executive branch agency or department to exclude or make it more difficult for smaller cities, towns, or communities to participate in programs in order to narrow the field of applicants further than the language of the law specifies.

Therefore, the Grassley amendment is unnecessary. It should be, but those of us concerned with the negative effect of this kind of regulation for agency convenience or to achieve a goal the Congress has not approved know only to well, from past experience, how necessary it is.

This amendment was meant to prohibit the Secretary of Housing and Urban Development from discriminating against smaller cities, towns, and communities unless Congress says, by law, this should be done.

Under the Constitution the Congress has the responsibility to write the laws. The executive branch, under the leadership of the President, has the responsibility for carrying them out. That responsibility for faithfully executing the laws does not mean reshaping them to fit the executive branch's concept of how those laws should have been written in the first place.

Had the executive branch been diligent in carrying out its constitutional responsibility this proposed amendment would not be necessary. It would not be necessary to earmark a specific share of the funds for smaller cities, towns, or communities as we have had to do in Department of Housing and Urban Development legislation. Nor would it have been necessary, or be necessary, for the Congress to protect its responsibilities by including in legislation mandatory congressional oversight of administrative regulatory proposals.

Too often these proposed regulations commit a triple offense. They violate congressional intent. They discriminate against the interests, rights, and needs of smaller cities, towns, and communities. And, in doing so, they promote an unhealthy sense of regionalism.

When the regulations of a department or agency such as HUD applies tougher tests than required by law to places under 50,000 population than to larger place they discriminate against 98 percent of the 18,750 municipalities in this Nation. They work against the interests of 66 percent of the Nation's people.

That HUD takes this kind of insensitive, callous, and arrogant attitude toward smaller places is easily documented. Regulations proposed for implementing the urban development action grant program enacted last year made it harder for places under 50,000 to qualify for assistance, and, in the case of those under 2,500, would have virtually eliminated them. And, of course, the smaller places had to wait many weeks longer to get their regulations than did the bigger cities.

Why, with the distressing big city examples that come to mind, should HUD assume that simply because a city is big its government is competent to administer a federally aided community project and, on the other hand, because a place is smaller its government is incompetent?

If we are fair we will admit that administrative competence or incompetence is not the exclusive property of any size category of government.

I am not convinced that when an executive branch department or agency writes a regulation favoring places with populations of more than 50,000 there is anything more complicated involved than that agency or department's determination to help the bigger city without regard to the equally strong needs and rights of the people of the smaller cities, towns, and communities. The competence issue does make a convenient smokescreen though, doesn't it? To some it may even gloss over the blatant discriminatory treatment involved.

Where possible, I believe in allowing the executive branch flexibility for administering programs. In the past we have done that. Now we are finding that the resulting experiences have been so bitter that the choice is between flexibility and achieving congressional intent. I must choose the objective of achieving congressional intent. That is the goal of the amendment offered by Mr. GRASSLEY.

I urged my colleagues to vote against the amendment, for making clear that the Congress expects its intent to be faithfully executed by the executive branch.●

● Mr. BINGHAM. Mr. Chairman, I rise in support of title VI of H.R. 12433. This measure would transform the Urban Reinvestment Task Force into the Neighborhood Reinvestment Corporation, a public corporation.

I had planned to offer an amendment to this portion of the bill to increase the authorization from $8.5 million to $12 million for fiscal year 1979. It seemed to me that the task force's 5-year track record of success merited a larger authorization. The task force has painstakingly developed and tested its programs during that 5-year period, and now deserves the funds necessary to expand its activities. The congressional district I represent, which contains a portion of the South Bronx as well as nearby areas, desperately needs the assistance of such programs.

However, the prevailing mood of the Congress in the wake of proposition 13 against increased expenditures even for cost-effective programs such as the task force, coupled with the opposition of the administration and the distinguished chairman of the Housing and Community Development Subcommittee, persuaded me not to offer the amendment. However, I urge my colleagues who will serve on the conference committee to take a flexible view regarding the authorization for the Neighborhood Reinvestment Corporation. I remind them that our colleagues in the Senate voted unanimously for a 3 year, $65 million authorization for the task force.

The record compiled by the Urban Reinvestment Task Force during the 5 years since its creation in 1974 fully merits the establishment of the Neighborhood Reinvestment Corporation. The task force's neighborhood housing services and neighborhood preservation projects have come to be recognized as perhaps the Federal Government's most effective neighborhood revitalization programs. However, the status of the task force has always been precarious. It was formed in 1974 through an interagency agreement between HUD and the Federal Home Loan Bank Board. The Federal Reserve, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation subsequently joined the agreement. The task force has been funded by a 5-year demonstration grant from HUD. The grant is coming to an end this year, and the time is appropriate to give the task force a more secure base of operations than an interagency agreement.

The Neighborhood Reinvestment Corporation is a well-suited vehicle to give the task force the more permanent status it has earned. The Corporation would preserve the interagency involvement which has been so essential to the past success of the task force. Officers of HUD and the four regulatory agencies would make up the board of directors of the new Corporation. They would assist the Corporation in bridging the gap that often exists between neighborhood groups and local governments attempting to revive declining inner-city areas, and the financial institutions on which they must depend for assistance. The Neighborhood Reinvestment Corporation is thus an appropriate structure to carry on the work of the Urban Reinvestment Task Force on a more permanent basis.

The success of the Urban Reinvestment Task Force has in large part been based on its unique approach to neighborhood revitalization. The task force requires the key actors in a community—neighborhood groups, financial institutions, and local government—to develop a plan to revitalize the neighborhood. If the plan is approved, the task force will provide technical assistance to the community to implement the plan. In addition, the task force will contribute money to a high risk revolving loan fund to assist homeowners or businesses which are unable to obtain financial assistance from banks.

The virtues of the task force's approach to neighborhood revival are numerous. First, the program is nonbureaucratic. The idea for each neighborhood project must come from the neighborhood, and a local, private, nonprofit corporation is set up to carry out the project. There are no government regulations to follow, and the task force's involvement is limited to providing technical assistance and contributing to the high risk revolving loan fund.

Second, the task force gets the maximum bang out of the Federal Government buck. By establishing good relations with local financial institutions and foundations, the task force has been able to leverage more than $8 in non-Federal investment in inner-city areas for every dollar of Federal money spent. Since the creation of the task force in 1974, the Federal Government has spent $9 million on the program. During that period, the task force has leveraged $75 million in inner-city investment from private banks, foundations, and local governments. Further, each task force project requires a relatively small investment of Federal funds. The maximum grant available for a task force project is $100,000.

Third, each neighborhood project is run at the local level by neighborhood people. The community initiates and implements the neighborhood redevelopment project with the assistance of task force personnel. Once the project is off the ground, the community takes over full control of the program.

The two principal programs operated by the task force are neighborhood housing services and neighborhood preservation projects. Neighborhood housing services projects are aimed at improving the housing stock of neighborhoods that are just beginning the slide ir to decline. There are currently 47 NHS's operating in 52 neighborhoods around the country, and 29 more are under development. The neighborhood preservation projects are directed at neighborhoods which have experienced a somewhat greater degree of deterioration. The NPP's attempt to develop new approaches to revitalizing declining urban neighborhoods. The projects include apartment building rehabilitation, neighborhood business district revival, and homeownership development. There are currently 16 NPP's in operation, with 14 more planned.

In addition, the task force has recently developed a new component of its program, the Neighborhood Housing Services of America. NHSA is a private, nonprofit corporation that is creating a secondary loan market for loans from the high-risk revolving loan funds of the NHS and NPP projects. Loan purchases by the NHSA increase the liquidity of the high-risk funds, and enable the funds to increase the amount of investment money flowing into the inner-city projects. Thus far NHSA loan purchases in

excess of $500,000 have been completed from 12 NHS programs.

The Urban Reinvestment Task Force is one of the few bright lights shining in the inner-city darkness. Districts such as mine in the Bronx are desperately in need of such innovative programs. The task force has earned the more permanent status that would be afforded by the creation of the Neighborhood Reinvestment Corporation. I only hope the new Corporation is granted the funds necessary to carry out its programs on a larger scale.●

Mr. ASHLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. NATCHER, having assumed the chair, Mr. BENNETT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12433) to amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation, and related programs, and for other purposes, had come to no resolution thereon.

LATTA SAYS COURT'S DECISION NOT IN BEST INTEREST OF U.S. TELEVISION INDUSTRY

(Mr. LATTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LATTA. Mr. Speaker, the Supreme Court's decision in favor of the Government and against the Zenith Corp. on the question of imposing countervailing duties on Japanese TV sets imported into the United States is the second heavy blow this administration has helped administer to our domestic television industry and its employees within the last 13 months. When you combine the administration's action in this case with its action of May 20, 1977—when it set aside the International Trade Commission's recommendation that it protect the jobs of U.S. workers by increasing the duty on Japanese sets for the next 5 years and replaced it with an agreement permitting a 70-percent increase in imports above normal years of Japanese sets for the next 3 years—you have to wonder whether the administration knows whose jobs are being destroyed and how long our TV industry can survive under such anti-domestic policies.

It is difficult for me to believe, Mr. Speaker, that the U.S. Solicitor General would go before the Supreme Court in the Zenith case representing the administration and argue in favor of the Japanese position and against the U.S. television industry and its employees. The Solicitor General should have been arguing the sole issue before the Court—whether Japan's failure to levy the same tax on TV's for export that it applies to sets sold within Japan requires the levying of a duty of a like amount on sets imported to the United States—rather than going international and admonishing the Court that a ruling for Zenith could "undermine our negotiating flexibility" in the multilateral talks in Geneva. Section 303 of Tariff Act of 1930 provides that whenever a foreign country pays a "bounty" or "grant" upon the exportation of a product from that country, the Secretary of Treasury must levy a countervailing duty equal to the same when the product is imported into the United States.

How the Supreme Court and this free-trading administration could possibly come to the conclusion that Japan's failure to apply its own commodity tax to TV sets for export was not a benefit to the exporter—and therefore a "bounty" or "grant" to that exporter under section 303—is beyond me.

Zenith claimed that the tax break would permit Japanese manufacturers to charge 15 to 20 percent less for TV sets sold in the United States than in Japan. Such an advantage will have an adverse effect on the entire domestic television industry including the excellent GTE-Sylvania facility located in my district at Ottawa, Ohio.

U.S. Steel and Bethlehem Steel submitted briefs to the Court in favor of Zenith's position as the American steel industry has been complaining of similar tax breaks given to foreign steel manufacturers by their governments.

Mr. Speaker, it is past time for this administration to change its import policies. It is time for it to start protecting the jobs of U.S. workers rather than exporting them overseas.

PROPOSED CEILING ON FEDERAL EMPLOYEE PAY RAISES

(Mrs. SPELLMAN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SPELLMAN. Mr. Speaker, I call my colleagues' attention to yesterday's Senate passage of H.R. 12930, the Treasury and Postal Service appropriations bill for fiscal year 1979. In particular, I want to discuss the Senate's acceptance of an amendment placing a 5.5-percent ceiling on Federal employee pay raises for the coming fiscal year.

I will not discuss now the economic validity of the 5.5-percent cap, but I do wish to say Congress should not be debating this issue at this time through this amendment. The reason is, it usurps the power of the congressional authorizing committee.

In the early 1970's, Congress, recognizing the difficulty involved in making and keeping Federal employees' pay comparable to salaries in private industry, enacted two laws: Public Law 91–656, the Pay Comparability Act of 1970, which applies to Federal white-collar workers, and Public Law 92–392, which applies to blue-collar employees.

The Pay Comparability Act of 1970 established a system for maintaining parity between pay in the Federal work force and pay in the private sector. It vested authority in three advisory groups—economic experts, union representatives, and officials of the Office of Management and Budget and the Civil Service Commission—along with the President. Together, these groups and the President were to implement annually an adjustment to Federal white-collar salaries that would keep them comparable to pay scales in private industry.

Congress purposely was excluded from this system to keep the system as free from political influence as possible. However, if the President feels—based on economic conditions—Federal salaries should be depressed, Congress has the right to disapprove the President's recommendation. I do not have to remind anyone here just such an action is a possibility this year since President Carter has said he wants to limit Federal pay raises to 5.5 percent, even though several statistical sources suggest salaries in private industry have risen higher.

Public Law 92–392 refined and codified a complex procedure for establishing pay comparability in the blue collar wage area. Essentially, it authorized lead agencies, by the use of local wage surveys, to keep their salaries even with blue collar salaries outside Government.

As you can see, Congress has created two comprehensive, fairly successful, systems for maintaining pay comparability or for allowing the President, with congressional approval, to depress Federal pay rates. Despite this, we soon will have before us an appropriations bill that, if enacted as now written, will prevent these systems from performing as planned. Ultimately, it will deny the President and Congress their proper roles in setting Federal pay scales.

I know there has been much concern lately over the growing power of the Appropriations Committees at the expense of the authorizing committees, and I believe this bill is further evidence that these concerns are not groundless. Specifically, section 614 of H.R. 12930, as passed by the Senate, not only attempts to usurp the authority of an existing legislative program, but is an "end run" around the members of the House Post Office and Civil Service Committee, who have jurisdiction over Federal pay. For these reasons, I urge my colleagues to soundly reject section 614 of H.R. 12930, and thereby reaffirm our belief in the legislative processs.

TRIBUTE TO AMERICAN FREEDOM

(Mr. DORNAN asked and was given permission to address the House for 1 minute and to extend his remarks.)

Mr. DORNAN. Mr. Speaker, I rise today to remind this House that a young Californian, an American citizen named Gary Acker, rots for his second year and fifth month in a Communist cell in Angola.

This morning I had the honor of meeting young Michael Gearhart, a courageous 9-year-old, whose father Daniel was captured in Angola the day before Mr. Acker's capture, and who after a phoney kangaroo trial was executed by a Communist firing squad on July 10, 1976.

Both these brave soldiers were American "Freedom Fighters" in whom their fellow countrymen can take great pride.

New evidence has come to light that our CIA briefed these men in Angola for their combat roll and that these volunteer soldiers were funded by our Government in the same manner that the "Lafayette Escadrille" was supported before our entry into World War I, the way

our American Flying Tigers fighting in China were funded in 1941 and, also, in the manner our young pilots were supported in 1940 to fly with the American Eagle Squadron in England which fought alone with the RAF against the enemies of liberty in those dark days before our entry into World War II.

Danny Gearhart was a modern day "Flying Tiger," a young General Lafayette, anything but a cynical "mercenary."

Mrs. Sheila Sullivan Gearhart and the four Gearhart children were unbelievably dishonored by not hearing a eulogy at their father's graveside because Danny was denied the dignity of his hero's death by poisoned American public opinion. It is a sad day for our great Nation when we turn our backs on those young men who fight and die for liberty. We simply must honor those who volunteer to be among the vanguard of those fighting for that freedom we so cherish in the United States.

I believe it long overdue, 2 years overdue, that someone pay grateful tribute before this House to a courageous, contemporary American freedom-fighter, Daniel F. Gearhart.

In 1976 Danny left for Angola firmly committed to rekindling the torch of freedom that had been left barely flickering by the U.S. Congress tragic and shortsighted decision to end all assistance to the forces fighting for freedom there. A man possessed of deep dedication to liberty—the inherent right of a people to be free—Danny Gearhart had fought fearlessly and honorably in Vietnam. The conquest of the Vietnamese people by its new totalitarian masters was a loss deeply felt by many Americans, including Danny. When he learned of the Communist aggression in Angola he decided to go there to do what he personally could do prevent another several million people from falling under a marxist dictatorship imposed upon them by communism. In this case the instrument of killing was the Soviet-backed Cuban force.

His decision was reached not for reasons of money, glory, or excitement. Danny Gearhart went to Angola on the belief that a man must do more than just hold to his principles; a man must sometimes live by his principles. A proudly idealistic American, he was sickened by the retreatest attitude that so infested the leadership echelons of this country. Danny was going to make this mission count, the forces of democracy would triumph, and he would have a part in it.

As we know, it did not happen that way, the pro-Western forces never even came close. But it was not due to the likes of a man like Danny Gearhart, gutty, full of spit and vinegar, and, going into combat, determined that liberty would be victorious.

Well, as U.S. involvement in Angola is reassessed, as new facts are revealed, we now know that it is impossible to be victorious when your own Government cuts off the freedom forces from all weapons and supplies. As I said earlier Danny was briefed by our Central Intelligence Agency there in Angola and sent to the city of Sao Salvador which the Agency knew would probably be encircled and overrun by Cuban forces. Danny did not know this. He was never told. And we also know from the former CIA commander of the Task Force on Angola that at that point, to quote him, "they simply didn't care."

Danny went into a "death trap" where he was ambushed, captured, and tried before that Angolan kangaroo court. Shortly after our July 1976 Bicentennial, Daniel F. Gearhart was executed by a firing squad by the order of the Communist People's Republic of Angola.

God help us if that dark day ever comes when we, as a nation of people, do not mourn the loss of each and every American who gives up his or her life in furtherance of those principles upon which this Nation was founded.

I, for one, fully intend to use the powers of my office to restore the good name of the Gearhart family for his widow, Sheila, and the four beautiful Gearhart children.

My condolences and prayers go out to Sheila and the children. While they have suffered a great loss, they can be proud of their man. For Danny Gearhart died while attempting to bring our freedoms to other people and died as a true American patriot, in defense of liberty. A modern Nathan Hale.

To those of us who revere freedom, morality, and principle, his life should never be forgotten. God took him to his eternal resting place. May that same loving God continue to protect the free world, our Nation, and our families with selfless men of courage and dedication—men of excellence like Daniel F. Gearhart.

VETERANS' AND SURVIVORS' PENSION IMPROVEMENT ACT OF 1978

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. SAWYER) is recognized for 5 minutes.

● Mr. SAWYER. Mr. Speaker, I strongly support H.R. 10173, the Veterans' and Survivors' Pension Improvement Act of 1978, which will benefit the nonservice connected pension program for veterans of all wars.

I have received many letters from veterans in Michigan and throughout the country concerning the fact that when social security benefits are increased, veterans' pensions are decreased. I do not think this is fair and therefore proposed legislation to eliminate this inequity. I am pleased that we, in the House Veterans' Affairs Committee, approved H.R. 10173, and I support its passage by the full House. This bill will not only aid in reducing the distress from disability among our veterans but it will also show our Nation's gratitude for faithfully performed service.

H.R. 10173 will automatically index pension rates to the Consumer Price Index on the same basis as social security payments. Thus, when social security benefits are increased, veterans will receive the full increase in both veterans' pensions and social security benefits.

This bill is a positive move forward which will insure veterans the fair and decent income they have earned and which they deserve. I reiterate my strong support for H.R. 10173.●

SERIOUS DEFECTS IN ECONOMETRIC MODELS USED IN FORMULATION OF PUBLIC ECONOMIC POLICY

The SPEAKER pro tempore under a previous order of the House, the gentleman from California (Mr. ROUSSELOT) is recognized for 10 minutes.

● Mr. ROUSSELOT. Mr. Speaker, on February 22, 1977, I reviewed on this floor an article by Dr. Paul Craig Roberts. In the article, Dr. Roberts pointed out some serious defects in the econometric models which are used in the formulation of public economic policy.

On March 3, I sent a letter to Mr. Bert Lance, then Director of the Office of Management and Budget, enclosing a copy of Dr. Robert's article and requesting that OMB respond to the points made by Dr. Roberts.

In its response, OMB acknowledged unequivocally that the econometric models upon which they rely for guidance in the choice of economic policy alternatives do not include any relative price effects of changes in personal income tax rates. However, since they believe that the performance of the economy is a function of spending levels, not of production incentives, they expressed little concern over their neglect of the supply side effects of fiscal policy.

As the issues raised by Dr. Roberts have attracted a growing interest over the past 15 months, and have become a topic of public debate, I am inserting for the Record OMB's response to Dr. Robbert's criticisms of econometric models:

WASHINGTON, D.C.,
March 22, 1977.

Hon. JOHN H. ROUSSELOT,
House of Representatives,
Washington, D.C.

DEAR MR. ROUSSELOT: I am writing in response to your letter of March 3, in which you asked several questions about econometric models.

The Office of Management and Budget uses three econometric models for studying fiscal and monetary policy: Chase, DRI, and Wharton. DRI has been available and used the most number of years, but all three have been used for some time. OMB staff members have found these models valuable for analyzing the economy and evaluating policy alternatives. This does not imply, however, that the results from simulating a particular policy on an econometric model are simply assumed to be correct. The results frequently differ from one model to another, and in some cases the differences are substantial. More fundamentally, the results of econometric simulations must always be evaluated in terms of our knowledge about the characteristics of the models and in terms of our knowledge about the economy. The econometric models are valuable evidence, but they do not comprise everything that we know. The final estimates of the effects of any policy, therefore, are influenced by what we learn from these models but are not determined by them alone.

The Chase, DRI, and Wharton econometric models all depend upon supply conditions and relative prices in many ways. A reduction in the corporation income tax rate, for example, increases the profitability of holding capital and thereby stimulates investment in plant and equipment. It is true, to

be sure, that these models do not include relative price effects caused by changing the individual income tax rate. In many cases an economist using these models to estimate the effect of policy changes can, if he wishes, make adjustments to take some account of effects that are omitted but that he believes to be significant. However, we do not believe it has been shown that relative price effects caused by a change in the individual income tax rate are important for answering the questions that these models are designed to study, such as the effect of an individual income tax rate change on GNP over a one-to-three year horizon. For studying supply conditions over a longer period these effects may be much more significant, but the models are not designed to evaluate that kind of question.

An enclosed staff memorandum by Robert W. Kilpatrick comments on the critique of econometric models, written by Paul Craig Roberts, that you enclosed with your letter. Your staff should talk to him (395-3667) if they have any questions.

Sincerely,

BERT LANCE,
Director.

COMMENTS ON "ECONOMETRIC MODELS, ECONOMIC POLICY, AND POLITICS," BY PAUL CRAIG ROBERTS

(By Robert W. Kilpatrick)

Paul Craig Roberts is correct in stating that the econometric models primarily used by Congress and the Executive Branch—Chase, DRI, and Wharton—"all share in common the Keynesian emphasis on the primacy of demand." From this he develops two principal conclusions: that the models' emphasis on demand prevents any consideration of supply; and that "their emphasis on demand sets the limits to the debate, regardless of the political persuasion of the participants." Both conclusions have some validity but only to a limited extent.

SUPPLY CONDITIONS

Roberts writes that the Chase, DRI, and Wharton models do not take any account of supply conditions and, although on this he is less explicit, that they also do not take any account of relative prices. This is not correct. The most direct effect of supply conditions is perhaps in the equations for plant and equipment, housing, and consumer durables, in which the stock of goods outstanding is often used as one of the variables that determines the amount of new goods demanded. Less direct, but more significant, are the sectors of these models that determine prices, productivity, wage rates, and employment. Productivity, for example, is estimated in all three models. It affects unit labor costs and inflation and thereby affects real and nominal GNP and the effect of fiscal policy on real and nominal GNP. Employment and the unemployment rate are estimated in these models, and they, in turn, affect inflation and the impact of fiscal policy on real GNP and inflation. Not only do the models contain supply conditions, such as these, but the supply and demand conditions interact.

The models also contain relative prices. The consumption equations usually include relative price as one of the variables determining the quantity demanded. The user cost of capital is one variable determining investment in plant and equipment; and the user cost, in turn, is composed of interest rates and other relative prices. Interest rates affect housing starts. The monetary or financial sectors of the models are largely about interest rates. And so on.

Thus, Roberts at most should have argued that the econometric models exclude certain supply conditions and relative prices that he judges significant. Furthermore, his way of introducing the excluded effects that he judges significant is confusing. Roberts builds his argument around the premise that people produce for three reasons: because people buy, in order to get income, and in order to get profits. He does not define the difference between profit and income, which is obscure, since profit is usually defined as one form of income. Nor does he explain the difference between "producing because people buy" and "producing to get income (or profit)." These two motives, which he says are separate, instead seem inextricably intertwined. If people are not willing to buy a product (at a price that covers cost, including a normal return on capital), no one can make a profit by producing it and consequently no one will produce it; if people are willing to buy a product (at a price that covers all costs), someone can make a profit by producing it and consequently someone will produce it. Similarly, people will not work at a job unless someone buys their labor (i.e., pays them wages).

Despite this objection to the framework in which Roberts introduces his argument, he is correct that Chase, DRI, and Wharton do not include any relative price effects from an individual income tax rate reduction—no incentives to work longer, to work harder, to save more, to take greater risk, to be more innovative, etc. Disposable income is increased, which raises consumption, and that is the only direct effect.

Undoubtedly a permanent individual income tax reduction does have relative price effects on the economy, including the ways that Roberts argues, and at least for some purposes they may be significant. The types of effects that Roberts discusses have been theoretically analyzed for many years and sometimes empirically tested, but we are not very certain about their size or how long it takes for them to go into effect. In some cases we are not even sure of the direction of the incentive or of the total net effect. A permanent individual income tax reduction has "income effects" as well as "substitution effects," and people will work less if the former effect predominates. A greater incentive to save would reduce income (and saving and investment) unless the incentive to invest is likewise increased.

As all of this suggests, we do not know of any evidence that the relative price effects from an individual income tax rate reduction would significantly modify the results of econometric simulations with the Chase, DRI, and Wharton models. We most certainly do not know of any evidence to support Robert's claim that because these effects are omitted the models "grossly exaggerate the tax revenue losses which would result from cutting tax rates." (This presumably implies that he believes that the models grossly underestimate the effect of a tax rate cut in raising GNP.) For the purpose of estimating the effects of a tax rate change of reasonable size over a one-to-three year horizon, we do not believe that the omitted effects are important.

Roberts emphasizes in his critique what he regards as deficiencies in the models' responses to an individual income tax rate reduction. However, he also says that DRI and Wharton (but not Chase) "predict GNP declines if corporate tax rates are reduced." This criticism is fundamentally not correct. In all three models a cut in the corporation income tax rate increases real GNP, and in all three models an important part of the effect is due to relative prices. The tax cut reduces the user price of capital, which increases the profitability of holding capital and thereby stimulates investment in plant and equipment.

This result may be obscured in Wharton by the necessity of distinguishing between real and nominal GNP. A corporate tax rate cut raises real GNP after a one or two quarter lag but lowers nominal GNP for about the first two years. Thus, looking at nominal GNP alone would be misleading. The primary reason for these divergent results seems to be that the reduction in the user cost of capital decreases the price mark-up and the inflation rate until this effect is offset by higher capacity utilization. Eventually inflation increases, nominal GNP (as well as real GNP) is higher than in the control solution, and after about three years the price level is also higher than in the control solution. Nominal and real investment in plant and equipment are both higher throughout the entire forecast period.

In DRI a straight simulation of a corporation income tax rate cut has very small initial negative effects on nominal and real GNP but raises GNP beginning three or four quarters after the tax change is enacted. This stimulus lasts about two years before turning negative. The stimulus to investment in plant and equipment begins upon enactment of the tax change and lasts throughout a four-year forecast interval. To be sure, the stimulative effects on GNP are small; and if one isolates the relative price effect of the tax reduction by changing only the maximum statutory rate (RTCGFS) but not tax receipts (RTCGF or +TCGF), real and nominal GNP are both reduced for the whole period. This perverse effect is not due to interest rates. Interest rates quite properly do rise when the economy is stimulated, thereby retarding investment, but they do not have as large an effect as Roberts supposes. The perversity is instead because a reduction in the tax rate directly and substantially reduces multi-unit housing starts. If one finds this result objectionable, which would be a reasonable conclusion, one can eliminate it by making multi-unit housing starts exogenous. With this modification, a corporation income tax rate reduction stimulates the economy significantly throughout a four-year forecast interval. (The 1975 version of DRI, unlike the present version, did have an intractable problem with the corporation income tax.)

This review of selected supply conditions and relative price effects in the econometric models suggests that for the most part Roberts' criticisms are not justified. The models clearly have deficiencies. They must, for they differ among themselves, are frequently modified, and are judgmentally adjusted for their monthly forecasts. The results of econometric simulations must always be evaluated in terms of one's knowledge about the characteristics of the models and in terms of one's knowledge about the economy. Nonetheless, Chase, DRI, and Wharton all contain many supply conditions and relative price effects. They could contain more, and they are hardly ideal for studying such events as oil embargoes and droughts. However, at least as of now, the evidence is lacking that the effects about which Roberts is concerned would make a great deal of difference to the questions that the models are designed to answer. For long-run supply effects, however, such as for the determination of potential GNP, they may be much more significant.

LIMITS TO THE DEBATE

To a certain degree Roberts is right that the structures of the models and the emphasis on demand "set the limits to the debate." By using the models, people may be influenced to think most naturally in terms of the variables and the relationships that these models contain. The extent of this influence may be slight, however models and presumably most of their users are in the mainstream of standard Keynesian macroeconomic analysis, so the users are presumably predisposed to think in the same terms. Such a predisposition is not detrimental unless it is shown that an alternative approach

to macroeconomics is preferable. The use of the models may perhaps encourage too much emphasis on the short-run. As has been suggested above, however, Roberts' critique of the models does not embody a preferable approach.

Even though the models are oriented in certain ways, they may sometimes be adjusted to reflect one's judgment about excluded variables and relationships. One example, given above, is the effect of a corporation income tax rate reduction in DRI. Another example, more directly related to the main part of Roberts' critique, would arise if one believed that an individual tax rate reduction would stimulate effort and thereby increase the growth in productivity. This could be introduced into the models by add factors to the appropriate equations, and the simulated result of a tax rate cut would reflect this effect. This would not be fully satisfactory, since the effect on productivity would not be estimated by the model itself and the adjustment would be crude, but it would be a large step in the direction that was hypothetically desired.

Moreover, even though the models are oriented toward demand, this does not mean that policy conclusions using demand-oriented models are predetermined. The St. Louis model is an example of a model that emphasized demand, that did not include the relative price effects that Roberts wants to include, but that yielded policy simulation results that were very different from those of Chase, DRI, and Wharton.

More specifically, the latter three models very definitely do not show "tax rate reductions, tax rebates, and government spending programs financed by deficits to be equally effective economic policy tools." First of all, economic policy tools should be evaluated on numerous criteria, not just their effects on GNP—as this statement seems to imply. Depending on the choice of the tool, consumption or investment may be stimulated; the Federal, State and local, or private sector may be expanded; income distribution may be altered; efficiency in resource allocation may be enhanced or retarded; individual freedom may be expanded or contracted; etc. Unless one is indifferent about these and many other types of outcomes, the alternative policy tools listed by Roberts cannot be fully judged let alone judged equally effective. Some of these various outcomes would be shown in the models as differing from one policy tool to another, whereas other outcomes would have to be judged by other evidence.

Secondly, in terms of GNP alone, all three models show different multipliers for the various kinds of spending, the various kinds of taxes, and between taxes and spending. They also show, or may show, different results for tax rate reductions and rebates. In judging the relative effectiveneses of rebates and rate reductions Roberts presumably means their effects dollar-for-dollar, since of course a rebate and a rate reduction would differ substantially in duration (and, for this reason, would probably differ substantially also in their size during the initial period). For the corporation income tax the models imply that a rebate would have a much smaller effect dollar-for-dollar than would a rate reduction, since the user cost of capital would be unaffected by the rebate. For the individual income tax the models taken literally would imply that the rebate and rate reduction would have the same dollar-for-dollar effects. However, if one believes that the marginal propensity to consume was smaller for a temporary tax cut than for a permanent one, one could easily introduce this judgment. For example, if one believes that the marginal propensity to consume for a rebate was half the effect of a normal income change, one could simulate a tax change that was half the size of the rebate being proposed. In this way the rebate would have only half the dollar-for-dollar effect of a rate reduction (assuming that a rate reduction would approximate the effects of a normal change in disposable income).●

WOOD RESIDUE UTILIZATION ACT OF 1978

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. WEAVER) is recognized for 5 minutes.

● Mr. WEAVER. Mr. Speaker, today I am introducing the Wood Residue Utilization Act of 1978, legislation designed to establish pilot projects which will demonstrate and evaluate methods and techniques for collecting, handling, and processing wood residues from harvesting, protecting and managing timber and from the manufacture of wood products.

There has been longstanding concern about the need to utilize wood residues, improve the appearance of timber harvest areas, and reduce the smoke from forest and mill residue burning. Wood residues include logging and manufacturing wastes which result from harvesting timber and its conversion to conventional forest products. Other potential sources include cuttings from thinning operations and salvage of dead and diseased timber. These operations generate huge volumes of wood and bark residues each yea . Present use of residues has been limited almost entirely to mill residues.

These wood residues can provide a number of usable products and benefits. They represent a great source of biomass for energy production. Some of the material can be converted into wood products. For example, it is estimated that two-thirds of the logging residues now left in the woods is sound chippable wood.

Logging residues represent a large source of wood waste. They include rotten and defective logs, limbs, and undersized material. About 100 million dry tons of logging residues are generated annually. Per acre volumes reach 57 dry tons on cutover lands in the national forests of western Oregon and Washington.

In my own State of Oregon, there were over 4 million tons of logging residues burned in the forest in 1976. In addition to being a wasted source of energy, the burning of slash put over 20,000 tons of particulates into the atmosphere. Had weather and smoke management conditions been ideal, over 6 million tons of slash would have been burned.

Another source of forest residues is from intermediate cuttings associated with caring and tending the forest and from salvage cuttings. Annual mortality losses from fire, insects, disease, storm, and other destructive agents were estimated at about 4.5 billion cubic feet in 1970, equivalent to 100 million dry tons.

Several studies indicate improvement can be made in existing residue utilization systems. Substantial improvement opportunities exist in the areas of residue collection and transportation. Present logging technology is aimed at removing the primary product, generally logs. There are opportunities for efficiency if the objective becomes total removal of all material.

More efficient and economical material handling systems will be required to harvest and transport residues. Pelletizing to increase bulk density, pipeline transportation and unit trains are a few of the promising possibilities for future handling of wood residues.

The legislation I am introducing will authorize the Forest Service to establish pilot projects to test and demonstrate existing technology for collecting, transporting, sorting and processing wood residues. The objective is to substantially increase the economic utilization of these residues. The authority for these projects will expire in 5 years.

Mr. Speaker, I submit it is time that we move ahead in the utilization of our timber resources. Wood residues offer a tremendous potential in helping to meet our national energy and wood products needs. In addition, there are numerous public benefits from improved utilization of wood residues. They include: improved air quality, cleaner appearance of the forest, reduced fire hazard, better reforestation access and a net addition to the Nation's energy.

The legislation I am offering today will enable us to take better advantage of this potential and make wood residue utilization a fully operational and integral part of forest management.●

U.S.S. "GROTON" TO BE COMMISSIONED JULY 8, 1978

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. DODD) is recognized for 5 minutes.

● Mr. DODD. Mr. Speaker, it is with a great deal of pride that I bring to the attention of my colleagues the fact that on July 8, 1978 the U.S.S. *Groton* will be commissioned.

The U.S.S. *Groton* is the latest and very best nuclear fast attack submarine to enter the U.S. Navy. I mention this with pride because the *Groton* was built at the Electric Boat Co., the largest employer in Connecticut's Second Congressional District, which I have the privilege of representing in Congress.

The U.S.S. *Groton* takes its name from the town of Groton, Conn., where it was built. The name Groton carries a proud heritage in the highly complex field of submarine construction. For over 76 years, the Electric Boat Co. has enjoyed the reputation of being the premier designer and builder of submarines in the world. The reputation is a well deserved one.

The SSN 694 *Groton* will be the 266th submarine, and the 46th nuclear powered submarine, delivered to the U.S. Navy by Electric Boat. The world's first nuclear-powered submarine, the *Nautilus*, which was commissioned almost 24 years ago, was built at Electric Boat. From the *Nautilus* to the *Groton*, it is a proud heritage that Electric Boat, the U.S. Navy, and the town of Groton carry on.

The *Groton* is part of the newest 688-class of nuclear attack submarines. Being 360 feet long and displacing 6,800 tons, this class is by far the largest class of attack subs ever built for the

U.S. Navy. Its mission will be to locate, track, and in the event of war, destroy enemy submarines and surface ships thus preventing them from attacking either United States or Allied targets. To perform this mission, the 688-class has a greater submerged speed, better sonar equipment, and improved weapons systems than any other class of nuclear attack submarines.

The people who should be the most proud on July 8 when the *Groton* is commissioned are the skilled men and women who actually built the submarine. The employees of Electric Boat, most of whom live in the Groton/New London area, are living proof that the work force in southeastern Connecticut is among the most highly skilled, dedicated, and competent in the country. While the dignitaries celebrate the *Groton's* commissioning, we should remember that it is the men and women of Electric Boat who deserve the greatest credit for a job well done.

The southeastern Connecticut community, and all Americans should salute the people of Electric Boat on the occasion of their latest achievement.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CARR) is recognized for 5 minutes.

● Mr. CARR. Mr. Speaker, I wish to explain my absence on the procedural vote on ordering a second to the consideration of the bill H.R. 12841. At the time the vote was taken I was chairing a joint hearing by the Subcommittee on Antitrust and Monopoly of the Committee on Judiciary, U.S. Senate and the Subcommittee on Energy and Environment of the Committee on Interior and Insular Affairs, U.S. House of Representatives. The hearing was being held in room 2228 of the Dirksen Senate Office building. I was informed of the vote with only 4 minutes remaining to vote. Considering the fact that I was presiding this important hearing more than 4 minutes from the House floor and that the vote was a procedural vote only, I was absent.●

PROTECTING DIRECT SELLERS FROM ARBITRARY AUDITS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, on April 27, I introduced a bill (H.R. 12427) directed at relieving an unfortunate situation facing the real estate industry in this country. Due to recent actions by the Internal Revenue Service which have reversed over 30 years of interpretations of common law, thousands of independent contractors in this industry have been reclassified as employees for Federal tax purposes. This reversal of policy has resulted in financial chaos within a number of independent businesses since they are being retroactively charged for withholding, unemployment insurance, and social security taxes.

More recently, it has been brought to my attention that a similar situation exists for direct sellers. Direct selling is an established industry which markets numerous products and services directly to consumers in the home. Approximately 2 million direct selling salespeople are associated with this industry at any point in time during the year. Direct selling offers unique income opportunities to women, members of minority groups, persons with disabilities, the elderly, and those who are economically disadvantaged. The keystone of the direct selling method of distribution is the independent enterpreneurial status of direct selling representatives. Therefore, direct sellers are particularly interested in preserving the tax status of independent contractors and the income opportunties afforded to millions of small businesspersons.

The Internal Revenue Service's new campaign has produced large tax assessments, jeopardizing many direct selling businesses. For example, it is known that the Service's departure from the common law rules and the resulting retroactive tax assessments contributed to the termination of two direct selling companies, Wheatonware, a division of Wheaton Industries, and Cordon Blue, Inc., a Minnesota corporation. Moreover, these assessments may involve double taxation, because the assessments duplicate taxes already paid by independent contractors. Although the Service has been notably unsuccessful in upholding its position in the courts (that is, Queen's Way to Fashion, Inc. against United States and Aparacor, Inc. against United States), the large retroactive assessments and the threat of double taxation have created serious concern.

Thus, the Court stated in Queen's Way:

> The extended discussion of the facts and relevant factors in this case is a function of the defendant's (the government's) abrupt departure from existing case law and rulings in comparable situations. The resultant and understandable alarm on the part of the plaintiff that its business and the industry of which it is a part are thereby threatened with destruction has resulted in a very large record and lengthy arguments not normally found in a single issue case with a readily apparent solution." (37 A.F.T.R. at 76–1140, n. 41; 556 F.2d at 1018, n. 41)

It is the abrupt departure from the longstanding distinction between employees and independent contractors and the resultant retroactive assessments that caused the conferees on the Tax Reform Act of 1976 to call for a halt to arbitrary and inconsistent IRS tax policies. Since the Service continues to pursue this unfair procedure, it is essential that Congress take immediate action to provide interim relief from such harassment.

Mr. Speaker, the bill I am introducing today is intended to prevent any further action by the Internal Revenue Service which would reverse the tax status of independent contractors in the direct selling industry. Hopefully, my bill will protect not only direct sellers but all other self-employed persons throughout the country. It is time for Congress to take action to clarify this ambiguous area of our tax code by at least eliminating conflicting interpretations of the law.

I include the text of my bill at this point in the RECORD:

H.R. —

A bill to disregard, for purposes of certain taxes imposed by the Internal Revenue Code of 1954 with respect to employees, certain changes from common law in the treatment of individuals as employees

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) except as provided in subsection (b), the determination of whether any individual is an employee for purposes of chapters 21 (relating to Federal Insurance Contributions Act), 23 relating to Federal Unemployment Tax Act), and 24 (relating to collection of income tax at source of wages) of the Internal Revenue Code of 1954, shall be made under Internal Revenue Service practices, interpretations, and regulations in effect on December 31, 1975.

(b) Notwithstanding subsection (a), an individual shall not be treated as an employee of any person for purposes of chapters 21, 23, and 24 of the Internal Revenue Code of 1954 if such person, in good faith, consistently treated such individual as an independent contractor for such purposes.

(c) This Act shall apply until enactment of any law which expressly repeals this Act.

MAJORITY LEADER JIM WRIGHT HONORED BY SHRINERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

● Mr. BRADEMAS. Mr. Speaker, on Saturday, June 24, I was privileged to have been present at ceremonies on Capitol Hill at which our valued colleague, the distinguished majority leader of the House, the Honorable JIM WRIGHT of Texas, was honored at a special meeting of members of the Shrine of North America.

Present for this occasion, which was sponsored by the Capitol Hill Shrine Club, were Fred R. Morrison of Detroit, imperial potentate of the Shrine of North America, and Illustrious Potentate William W. Scott, Almas Temple A.A.O.N.M.S. of Washington, D.C., and other Shriners from the District of Columbia and several Eastern States.

Although, Mr. Speaker, JIM WRIGHT was not able to be present for the ceremony because he was in his home State of Texas with President Carter, I am sure that he would have been pleased by the kind words said about him on this occasion.

I ask unanimous consent to insert at this point in the RECORD the tribute to the majority leader made during the ceremony by Illustrious Potentate William W. Scott:

SATURDAY—DAY

Back in the early Spring, I needed a favor, as Potentate, that only a few people were in position to grant.

Jim Wright, the Majority Leader of the House of Representatives, was suggested to me. I had only met the Honorable Sir once, and I was very reluctant. However, when the call was made for me, I was given an appointment, and when I told him our plight and asked the favor, he showed total concern and put his staff to work on it.

It was then I realized what an asset men like this are to our organization, and yet

we so seldom let them know it. I asked Jim if he would permit me to have a ceremonial in his honor, and I have never seen a more pleased man. The men who spend their life serving the American people in this great House of Representatives are seldom given the credit they deserve. Sometimes back home they may be given a testimonial dinner, but this is where they live and work and serve their community. Jim Wright has spent 27 years in public service; 12 consecutive terms here in the House of Representatives. He is the author of major legislation in the fields of energy, foreign affairs, economic development and water conservation. Jim is known in Washington as one of the most effective and articulate members of the House. He has been chosen frequently to represent the United States in important international meetings.

Jim is a member of Moslah Temple, Fort Worth, Texas.

If you are wondering where he is today—about a week ago I received the following letter from him:

DEAR BILL: As my staff has informed you, the President will be in Fort Worth on the weekend of your ceremonial. While I am deeply pleased that he is going to pay a visit to my district, I deeply regret that this will prevent my attending the ceremonial you have arranged in my honor.

It was very kind of you to honor me in this way. I hope that, in spite of my absence, the event will be a happy one for all who attend.

My staff will continue to work with you on room arrangements, parking and all other details.

Thank you, not only for arranging the ceremonial in the first place, but also for your understanding at this turn of events.

With warmest and best wishes,

Sincerely,

JIM WRIGHT.

However, here to represent JIM is an equally known figure here in Washington, the majority whip of the House, JOHN BRADEMAS. JOHN, I appreciate your being with us today, as I know Congressman WRIGHT does. It has come to my attention that JIM WRIGHT is a student of the Bible. I would like for you to accept this for him. It is a concordance to the Holy Bible which we hope he will find useful in his Bible study.●

OIL IMPORT FEE LIMITATION AMENDMENT TO TREASURY APPROPRIATIONS BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

● Mr. VANIK. Mr. Speaker, yesterday the Senate approved an amendment to H.R. 12930, the Treasury and Postal Service appropriations bill, which would block the President from spending money to impose oil import fees. I oppose this backdoor attempt to restrict this Presidential authority, and urge the House conferees to reject the amendment in conference.

The issue of Presidential authority to impose oil import duties is still pending before the House-Senate conference committee on the energy tax bill. The Senate had voted to nullify the President's authority to adjust imports of petroleum or petroleum products under section 232 (b) of the Trade Expansion Act of 1962, except in certain instances, and to bar Presidential imposition of or increase import duties on petroleum. The House passed no similar provision. During consideration of this issue by the energy tax conference, I offered a compromise to resolve the differences, but the conference has not yet resolved the issue.

The issue of oil import quota and duty authority must be discussed—and will be discussed by the Trade Subcommittee. Despite continued concern by domestic and international leaders, the United States is not curbing its oil import appetite. Recent reports indicate that imports of petroleum and related products climbed 5.8 percent to a seasonally adjusted $3.32 billion in May. The action taken by the Senate yesterday flies in the face of these concerns. We cannot afford to establish this top priority economic and security policy in such a hasty and ill-conceived manner.●

HUMAN RIGHTS: A COMMON GOAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FASCELL) is recognized for 5 minutes.

● Mr. FASCELL. Mr. Speaker, I would like to draw the attention of my colleagues to an article which appeared in yesterday's edition of the Wall Street Journal. Dr. Andrei D. Sakharov, noted Soviet physicist and champion of human rights, eloquently addresses the issues of dissent in the U.S.S.R., the Soviet Government's attempts to quell the struggle for civil and political rights, and the Western response to those efforts. Dr. Sakharov appeals to the West to continue to protest violations of human rights in the Soviet Union and, specifically, to defend the imprisoned members of the Helsinki monitoring groups.

In an effort to do just that, the Commission on Security and Cooperation in Europe, which I chair, will hold a public hearing on July 11 at 9 a.m. in room 2255 of the Rayburn House Office Building. The purpose of the hearing is to provide a forum for Members of Congress to express themselves on the issue of Soviet compliance with the human rights provisions of the Helsinki Final Act and to draw public attention to the repeated violations of their Helsinki commitments by the Soviet Government. I invite my colleagues to testify before the Helsinki Commission at this hearing and I urge them to contact the commission staff if they are interested in doing so.

I ask that the article by the Nobel Peace Prize winner be printed in the RECORD so that my colleagues might have the benefit of Dr. Sakharov's thinking.

The article follows:

HUMAN RIGHTS: A COMMON GOAL

(By Andrei D. Sakharov)

The West has finally begun to pay attention to dissent. Public figures now understand that the fight for the victims of repression, in defense of civil and political rights, is an essential foundation of the struggle for international stability and confidence. Still, especially among policy makers, there persists a short-sighted pragmatism—a frivolous hope of obtaining instantaneous solutions for the most complex problems of peace and justice and, on occasion, banal political intriguing to exploit burning human rights problems on which mankind's fate depends.

Not long ago we in the Soviet Union heard radio broadcasts of the comments of several American and European papers on the results of Secretary Vance's visit to Moscow in April. A majority of the commentators agreed that a year before, President Carter's firm human rights policy had been the main reason for the breakdown of the SALT talks with Foreign Minister Gromyko, and that the progress achieved (the scale of which was unknown, but the comments cited the optimistic tone of official statements) was somehow the result of a "softening" or "erosion" of Carter's position. To me such analyses exemplify the myopic pragmatism and superficiality to which I refer. They stand logic on its head and stab the human rights campaign in the back.

I have said more than once that the complications which showed up in the SALT negotiations last year are profound issues which could not be side stepped. They are linked to fundamental flaws in the Vladivostok agreement, to traditional peculiarities of Soviet politics and to certain technical issues—but not in any way to the problems of human rights.

DYNAMIC AND CONSTRUCTIVE

Then and now I perceive the 1977 negotiations as in no sense a failure of American policy; they clearly demonstrated the dynamic and constructive character of the U.S. position, contributed to a degree in delivering the West from certain dangerous illusions and created the basis for further talks and major decisions. It seems obvious to me that a firm policy on human rights could not and cannot "spoil" anything. On the contrary, it shows that the West will not succumb to blackmail or to feelings of weakness and uncertainty, and that it will resolutely defend the principles which hold such fundamental significance for our common future. Weakness or excessive "flexibility" on human rights matters undermines Western positions all along the detente 'front."

Disarmament negotiations have their own substantive significance. The fact that they are under way diminishes to some extent the likelihood that a major war will break out. They cannot, however, eliminate the reasons for politico-military opposition. When they bring about some limitation on military outlays, that is important, but unfortunately such limitation appears to be a reality mainly in the West. Until now, no agreed restraints, as far as I know, have been able to compel the Soviet military-industrial complex to renounce even one projected weapons system or cut back the numerical strength of its army, air force, tanks, artillery, and strategic missiles.

Furthermore, the systematic buildup of armed strength—tanks, multiple-warhead missiles, the world's strongest submarine fleet—is being sychronized with a noisy, demagogic campaign against the neutron bomb. More precisely an enhanced-radiation weapon, this bomb is no more humane than any other weapon, though it is primarily defensive.

No matter how important arms control discussions are, they can produce decisive results only when they are joined to the resolution of broader and more complicated problems of military-political and ideological confrontation, including questions of human rights. The freedom to exchange information at home and across international borders, the freedom to move at home and to travel or emigrate abroad all rank as prerequisites of international trust, basic to the process of diminishing hostility. As long as a country has no civil liberty, no freedom of information and no independent press, then there

exists no effective body of public opinion to control the conduct of the government and its functionaries. Such a situation is not just a misfortune for citizens unprotected against tyranny and lawlessness; it is a menace to international security.

A number of important events in the campaign for human rights have marked 1977 and 1978. The ideas of that struggle have continued to grow and spread, and the struggle itself has taken on new forms. Among other international occurrences the Belgrade meeting gave human rights a central place. An unquestionable spirit of tactical and philosophical kinship animated the growth of the human rights movement in Czechoslovakia (the splendid Charter '77), in Poland (the Workers' Defense Committee and others) and in the U.S.S.R. (the Helsinki Watch).

Even though all this occurred without any organizational ties or contacts, it is now possible to speak of a united movement in the Soviet Union and Eastern Europe. The Eurocommunists of Spain, Italy and France have assumed a new position on human rights. In the United States, President Carter used his inaugural address to proclaim that the defense of human rights the world over would be the moral foundation of American policy. Amnesty International was awarded the 1977 Nobel Peace Prize. And the political amnesties in Yugoslavia, Indonesia and Chile represented even more tangible expressions of the victory of human rights thinking.

Nonetheless, political repression, ethnic and religious persecution and other human rights violations have simultaneously continued and even intensified in a number of countries. There can be no forgetting the suffering and deaths of many, the massive violation of human rights in various nations—Cambodia, Vietnam, Uganda, Brazil, several other African and Central and South American countries, in Iran; the list is a long one.

Among the 35 signatories of the Helsinki Accord guaranteeing respect for human rights, the rulers of those states where rights are systematically violated have employed special tactics to repress those men and women who joined their names and civic activity to Helsinki. The immediate goal is to stem the flow of information, but that goal is unreachable. The repression, accordingly, can be called a bureaucractic reflex. In the U.S.S.R. the mechanistic soullessness of political persecution makes it especially cruel and unjust, particularly when little-known people are its objects.

At present, however, the KGB "brain trust" seems to me to be pursuing an even wider aim. By arresting Helsinki Watch members and sentencing some of them with a cruelty no one could fail to notice, the Soviet authorities were issuing a defiant challenge to the Western Helsinki signatories and Belgrade meeting participants.

They were confronting them with the painful dilemma of either defending the Helsinki principles with uncompromising demands for the liberation of all those arrested—thereby risking heightened tension—or capitulating by backing off from the challenge and thus weakening their positions not only in human rights matters, not only at Belgrade, but in all aspects of detente.

As an added benefit—even if the ploy were a partial failure—the authorities could count on these fresh repressions to draw attention away from the other, massive and permanent human rights violations in the U.S.S.R. What must never be overlooked is the fact that the entire tactic is a bluff; after all, it is the Soviets who have the most at stake in those aspects of Helsinki other than human rights.

AN ENORMOUSLY IMPORTANT EVENT

The closing of the Belgrade meeting brought one episode of the Helsinki drama to an end, but I view the session as an enormously important event with far-reaching consequences. For the first time specific human rights violations were discussed at such a representative international level, and the discussion drew the attention of the press, public figures and world opinion. Despite some slip-ups and compromises, the West in general made it very plain that observance of human rights is a matter of fundamental significance and will remain a central issue. The permanence of human rights concerns was a key feature of the decision of the delegates to meet again in Madrid in 1980.

In this new phase, on the eve of the next series of trials of Helsinki Watch members, I now again call on Western political leaders and on those in society involved in cultural, scientific, trade and technological contacts with the U.S.S.R. and Eastern Europe to follow closely the reports on human rights violations there and do all in their power to prevent and correct them. It is essential to employ all possible leverage—quiet and public diplomacy, the press, demonstrations and other means that strike at prestige, boycotts, cancellations of cooperative activities in one field or another, legislative limitations on trade and contacts similar to the Jackson-Vanik amendment, prisoner exchanges—to save the individual victims of tyranny and lawlessness and entire categories of people suffering injustice and discrimination, to reverse the practice of arbitrary rule.

I must again emphasize the importance of defending the arrested members of the Helsinki groups. Under the circumstances, their defense is the touchstone of Western resoluteness and perseverance as well as a test of the good faith and reasonableness of the Soviet side. This is a major international affairs.

In all the campaigns of support it is terribly important not to divide the arrested and convicted into separate categories—the important ones for whom it is easy to generate backing and publicity and the secondary figures with whom the authorities count on dealing in silence as they wish. I appeal for the creation of a unified international committee to defend all Helsinki Watch members, to bring together the forces of several groups already at work.

HUMANITARIAN ACTIONS

In connection with prisoner exchanges, I wholeheartedly supported the exchange of Luis Corvalan and Vladimir Bukovsky. It was a wise and compassionate act that granted freedom to two men. I hope for further exchanges to save those who are gravely ill, women and political prisoners subjected to especially severe injustice. I consider the exchanges as humanitarian actions standing apart from either political or strictly juridical considerations. Since exchanges of prisoners are not commercial deals, there is no need to worry about making them precisely balanced. For that reason, it comes as bitter news to me to hear that official State Department representatives consider Anatoly Shcharansky's very innocence of espionage charges a possible obstacle to arranging an exchange for him.

I am writing as the world recoils from the monstrous, cold-blooded murder of Aldo Moro, one of Italy's best men. The West has much to worry about; life is difficult, tragic, in no sense unclouded even there. I know that, and I feel it today even more acutely perhaps than usual. But I know something else as well: Most of the problems and tragedies that occur in the West, like those in the totalitarian countries, affect all of mankind. Events like the murder of Moro shock and shake those of us whose democracy is under explosive assault from the Red Brigades and those like them. In truth we are all united by a common goal; in that is our fate and our hope.

(This article is adapted from the Afterword to "Alarm and Hope," a collection of essays, statements and correspondence by Soviet dissident and Nobel Peace Prize winner Andrei D. Sakharov to be published this autumn by Alfred A. Knopf. The article was translated by Alfred Friendly, Jr.) ●

STACKING THE DECK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 30 minutes.

● Mr. ALEXANDER. Mr. Speaker, when our colleague from Georgia (Mr. LEVITAS) came to Congress in 1975, he set in motion an effort to restore more thorough congressional oversight over a bureaucracy that, more often than not, is unresponsive to the needs of the people. His leadership in the fight to establish a congressional veto over executive agency rules and regulations that go beyond, or ignore, congressional intent, or which are unnecessary and repressive, has been able and constant.

Undaunted by an administration that opposes the concept of a legislative veto, the gentleman from Georgia (Mr. LEVITAS) has time and again brought our attention to the need for such a veto through introduction of amendments to authorizing legislation for the various Federal agencies.

Recently the Atlanta Journal carried an editorial in support of the effort instituted by our colleague from Georgia (Mr. LEVITAS). Mr. Speaker, I commend this editorial to my colleagues and ask that they join with those of us who have sponsored and who support the legislation of the gentleman from Georgia to remind the bloated Federal bureaucracy that it is the "servant of the people and not our master."

STACKING THE DECK

Rep. Elliott Levitas is upset that the Justice Department has refused to defend the one-house veto in court.

Levitas has incorporated into several laws a procedure whereby regulations issued by government agencies pursuant to these laws are subject to congressional review. The regulations become null and void if either house of Congress votes to overrule them.

Levitas thinks that since the Justice Department is the "lawyer for the United States," it should be willing to defend these U.S. laws in court.

But in addition to that point, the Justice Department's attitude is upsetting because the administration supports this same procedure when it suits its convenience to do so. In the matter of President Carter's reorganization of the executive branch, the bill the administration asked for and got gives the president authority to order changes in agency structure which go into effect unless overruled by one house of Congress.

Why does the Justice Department think the one-house veto is constitutional as far as reorganization is concerned but not in other matters? In truth it would seem that, since Congress is supposed to be the legislative branch of government, it is on even sounder ground in reviewing bureaucratic regulations governing citizens with the force of law.

The one-house veto is merely a means to an end. The real objective of Rep. Levitas is to reassert both the authority and responsibility of Congress in making the laws of the land.

We are sure the Constitution is on the side of Rep. Levitas as far as the right of Congress to review regulations is concerned. If there is a problem of mechanics in saying that one house alone can wield this power, that is an issue for the courts to decide. But let the courts make the decision without the Justice Department stacking the deck in favor of the unlimited authority of unelected bureaucrats.●

ALVIN B. WOOD—HARTFORD EDUCATOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. COTTER) is recognized for 5 minutes.

● Mr. COTTER. Mr. Speaker, I would like to take this opportunity to pay tribute to a most extraordinary man. He is Alvin B. Wood, a noted educator in my home, Hartford, Conn. Mr. Wood is scheduled to retire soon from his position as principal of the Fred D. Wish Elementary School following 24 years of selfless service to his community. I feel my colleagues should be made aware of his exemplary career.

To know Alvin Wood is to understand the meaning of diligence. Mr. Wood first offered his services to the Hartford school system more than 40 years ago, but was rejected at that time because he was finally granted to him. Since that made in spite of his impressive academic qualifications for the job.

Alvin Wood was not deterred from his goal. He worked as a janitor, postal carrier and after-hours piano player. Then in 1954, some 20 years after his initial application for a teaching position, one was finally granted to him. Since that time, Mr. Wood has consistently proved an outstanding educator and role model to innumerable Hartford youngsters. The city of Hartford is in his debt.

The following article appeared in a recent issue of the Hartford Courant. I think it reveals much of this fine man's character, and I commend it to the reader of the RECORD.

CITY'S FIRST BLACK PRINCIPAL LOOKS BACK, NOT IN ANGER

(By Joel Lang)

Like most men who endure to retirement age, Alvin B. Wood, the first black principal of a Hartford school, has seen the thread of his life cross and recross itself in twists of irony.

Between telephone calls and paper work, Wood remembered back 40 years to the twilight of the Great Depression when, as a new graduate of the prestigious Howard University, he applied for a teaching job in Hartford.

The tall, gangly young man seemed well qualified. He had majored in mathematics, minored in physics and had taken education courses. He was no stranger to Hartford. He had gone to Dwight and Burr schools before his family, one of the few black families in the South End, moved to Bloomfield.

But then superintendent of schools, Fred D. Wish, was candid with Wood. The city just was not ready for a black schoolteacher. Twenty years passed before Wood finally got his teaching job. That, by coincidence, was in 1954, the year the U.S. Supreme Court made its landmark ruling on school desegregation.

Wood taught science and then in 1964 was named principal of Clark Street School. A year later he moved to the school from which he will retire next month. Irony No. 1: the school is Fred D. Wish Elementary School, named for the superintendent who turned Wood away 40 years ago.

Wood, who will turn 69 in September, but could easily pass for 50, recalled his childhood as happy. His mother kept house and earned extra money as a seamstress. He said his father had a good job for a black man in his time: he was a receptionist in the executive suite at Aetna Life & Casualty.

As a youngster, Wood learned to play the piano and the organ. He played the organ in churches and the piano jazz style, in various bands and many clubs that have long passed into history.

It was the piano that helped pay Wood's way through college. As a grocery delivery boy before college, Wood was allowed by his employer to stop for piano lessons at Hartt School of Music, then on Collins and Sigourney streets and part of his delivery route. But Wood never had ambitions to be a full-time professional musician.

"I liked to eat, you see and being a musician then, well it didn't pay."

WANTED TO BE ENGINEER

What Wood wanted to be was an electrical engineer. He had an aptitude for math and he figured skills in a wide-open field would bring him a good job even if he was black. Of course, Wood said, he didn't expect to work in the United States. His scheme was to go to South America. He dropped it when a friend mentioned most of the large employers in South America were U.S. companies.

Although Wood's ambitions were thwarted, his two children have found success early.

Irony No. 2: A daughter teaches school in Bloomfield and a son, Alvin Jr., works as a mechanical engineer for Polaroid Corp. The job is his son's third or fourth, each one a promotion. "Times have changed. Now it's easy to get jobs," said Wood with a shrug.

After college, having been rejected as a teacher, Wood became a janitor at Aetna. He worked there 10 years, always turned down in his occasional bids for advancement. Ironey No. 3: A college graduate, he got the menial job only through his father's influence.

BECAME POSTMAN

Eventually Wood took the civil service examination for postman. He got the highest pure academic score on the test, but war service credits moved two other candidates ahead of him. Wood got the job through the help of a political friend and for 13 years he was Bloomfield's rural route mailman.

All those years he played the piano after hours for extra money. He finally dropped it when he got his teaching assignment at Mark Twain School.

Irony No. 4: he had given up ideas of teaching full time and applied for a night school position as a second job. But Kenneth Meinke, then school superintendent, promised Wood a regular classroom post if he would spend the summer taking refresher courses. Eventually Wood got his master's degree from Central Connecticut State College and did further graduate work at the University of Connecticut.

He has fond recollections of his years at Twain. About half his students came from the Bowles Park housing project, which was pretty well integrated. The other half came from the solidly Jewish middle-class Blue Hills neighborhood.

GOOD KIDS

"I always wanted to be principal at Twain. They were good kids. I see them today still. They're doctors and dentists and lawyers. Not like the kids now. You read about them in the morning paper," he said referring to crime stories.

He said children don't seem as interested as they once were in learning. He blamed the change on the intellectual passivity encouraged by television, the permissive behavior allowed by some parents and also allowed by some educators.

Wood said he resisted, but he too swung with the pendulum of educational theory that resulted in less strict standards for basic academic skills. He drew the line at open classrooms and threatened to quit if any were created at Wish School. None were. Now the educational pendulum is swinging back and Wood said a change in students will be noticeable soon.

Wood expects to be joined in retirement within a few years by his wife M. Beatrice Wood, who is reading coordinator for the Hartford school system. Both Woods have served long terms on the Bloomfield Town Council. Wood now is vice chairman of the Board of Trustees of State Colleges and a member of the state Commission for Student Financial Assistance.

If those unpaid jobs don't keep him busy, he plans to spend time with his neglected hobbies: woodworking, photography and irony No. 5, the piano, which he gave up 20 years ago, and electrical tinkering, which he gave up 40 years ago.

Wood said he has no time to brood about opportunities lost to discrimination.

"I've got a couple of bucks. I've been reasonably successful. So why cloud up my mind with resentment."●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MOAKLEY) is recognized for 5 minutes.

● Mr. MOAKLEY. Mr. Speaker, I was necessarily absent during the sessions of the House on June 23 and 26. I would like to place in the RECORD a statement of how I would have voted on rollcalls taken during the sessions had I been present and voting:

Rollcall No. 488: Amendment by Mr. STEIGER to delete the "Buy America" provisions of the Amtrak Improvement Act (rejected 98 to 207); "no." *

Rollcall No. 489: Amendment by Mr. MADIGAN, as amended, to provide for route terminations prior to the completion of the study of rail routes required by the bill (rejected 119 to 186); "no." *

Rollcall No. 490: Amendment by Mr. NEAL to delegate to the Special Trade Representative authority to determine products to be exempted from the "Buy America" provisions of the bill (rejected 121 to 178); "no."

Rollcall No. 491: Passage of the bill (H.R. 11493) Amtrak Improvement Act (passed 204 to 89); "yea."

Rollcall No. 492: Adoption of the rule (H. Res. 1214) providing for the consideration of the Housing and Community Development Act of 1978 (adopted 282 to 5); "yea."

Rollcall No. 493: Suspension: Army and Air Force Retirement Amendments (Passed 283 to 35); "yea."

*Positions previously recorded by pairs.

Rollcall No. 494: Suspension: Military retirement pay revisions (passed 292 to 30); "yea."

Rollcall No. 495: Suspension: Early Retirement for Non-Indian Employees of the Bureau of Indian Affairs (rejected 118 to 204); "nay."

Rollcall No. 496: Adoption of the rule (H. Res. 1243) providing for the consideration of the National Parks and Recreation Act of 1978 (adopted 331 to 2); "yea."

Rollcall No. 497: Adoption of the rule (H. Res. 1235) providing for the consideration of the Civil Rights Commission Act of 1978 (adopted 303 to 16); "yea."●

LEGISLATION TO ESTABLISH AN OFFICE OF POPULATION POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. OTTINGER) is recognized for 5 minutes.

Mr. OTTINGER. Mr. Speaker, on June 21 the gentleman from Massachusetts (Mr. HARRINGTON) and I introduced legislation to declare the need for an explicit U.S. population policy and to establish an Office of Population Policy. We are especially pleased that this bill is cosponsored by a majority of the members of the House Select Committee on Population. We are now seeking additional cosponsors.

There was a mistake made in a paragraph of the bill, and the corrected text is included below. I ask unanimous consent to include the bill as part of my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York.

There was no objection.

The bill is as follows:

H.R. —

A bill to declare the need for an explicit population policy and to establish an Office of Population Policy

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

PURPOSE

SECTION 1. The purposes of this Act are—

(1) to declare the need to coordinate the Nation's approach to population growth;

(2) to attain a balance between the environment and human demands made upon it;

(3) to allow greater opportunity and a high standard of living for all;

(4) to establish an Office of Population Policy.

DECLARATION OF POLICY

SEC. 2. (a) Congress recognizes the impact of continued national and international population growth, particularly as that growth affects energy supplies, natural resources, food and agriculture, the environment, governmental expenditures, world security, and diplomatic relations. Congress recognizes further the economic, social, governmental and environmental advantages of declaring an explicit national population policy.

(b) Congress declares that the Federal Government should adopt an explicit national population policy and encourage and assist other countries to achieve their population goals, and that it is the continuing policy of the Federal Government, in cooperation with State and local governments and other concerned public and private organizations, to use all practicable means and measures, including financial and technical assistance, in a manner calculated to foster and promote the general welfare, to create and maintain conditions under which it is possible to plan for population size and growth consistent with a high standard of living relative to available resources, at the earliest possible time.

(c) In order to carry out the purposes and provisions of this Act, it is the continuing responsibility of the Federal Government to use all practicable means, consistent with other essential considerations of national policy, to improve and coordinate Federal plans, functions, programs, and resources to the end that the Nation may attain a high standard of living relative to available resources without incurring major social or economic dislocations, and to encourage and assist other nations to do the same.

ADMINISTRATION

SEC. 3. The Congress authorizes and directs that, to the fullest extend possible—

(1) the policies, regulations, and public laws of the United States shall be interpreted and administered in accordance with the policies set forth in this Act;

(2) all agencies of the Federal Government shall

(A) utilize a systematic, interdisciplinary approach which will insure the integrated use of reliable demographic research in planning and in decisionmaking;

(B) identify and develop methods and procedures in consultation with the Office of Population Policy established by this Act which will ensure that population dynamics be given appropriate consideration in decisionmaking along with environmental, economic, and technical considerations;

(C) recognize the worldwide and long-range character of population growth and lend appropriate support to initiatives, resolutions, and programs designed to maximize international cooperation in anticipating and preventing population growth;

(D) make available to States, counties, municipalities, institutions, and individuals, advice and information useful in improving the quality of life by attaining a balance between populaton and the environment; and

(E) assist the Office of Population Policy established by this Act.

POLICY REVIEW

SEC. 4. All agencies of the Federal Government shall review their present statutory authority, administrative regulations, and current policies and procedures for the purpose of determining whether there are any deficiencies or inconsistencies therein which prohibit full compliance with the purposes and provisions of this Act and shall propose to the President such measures as may be necessary to bring their authority and policies into conformity with the intent, purposes, and procedures set forth in this Act within six months of its enactment. The policies and goals set forth in this Act are supplementary to those set forth in existing authorizations of Federal agencies.

ANNUAL REPORT

SEC. 5. (a) The President shall transmit to the Congress annually a Population Growth and Distribution Report (hereinafter referred to as the "report") which shall set forth—

(1) the status of population growth and distribution;

(2) current and foreseeable trends in the growth and distribution of population both as it relates to demographics and to immigration;

(3) the adequacy of available natural resources for fulfilling human and economic requirements of the Nation at current and foreseeable population sizes;

(4) a review of the programs and activities (including regulatory activities) of the Federal Government, the State and local governments and nongovernmental entities or individuals, with particular reference to their effect on population dynamics; and

(5) a program for remedying the deficiencies of existing programs and activities, together with recommendations for legislation.

(b) The Secretary of State and the Director of the Agency for International Development shall submit for inclusion in the report required by subsection (a) the most recent available data with respect to each nation of the world on—

(1) the status of population growth and distribution;

(2) foreseeable trends in the growth and distribution;

(3) the adequacy of available natural resources for fulfilling human and economic requirements of such nation at current and foreseeable population sizes; and

(4) a review of the program of the Federal Government, international agencies, and the local national government to address population growth problems, their deficiencies, and recommendations for administrative and legislative actions which would improve these programs or provide new programs to address population problems.

OFFICE OF POPULATION POLICY

SEC. 6. (a) There is created in the Executive Office of the President an Office of Population Policy. The Office may employ such officers and employees as may be necessary for the carrying out of its functions under this Act. It shall be the duty and function of the Office—

(1) to assist and advise the President in the preparation of the Population Growth and Distribution Report required by this Act;

(2) to gather timely and authoritative information concerning the conditions and trends in population growth both current and prospective and both attributable to demographics and immigration; to analyze and interpret such information for the purposes of determining whether such conditions and trends are interfering, or are likely to interfere with the achievement of the policy set forth in this Act; and to compile and submit to the President and Congress with respect thereto;

(3) to review and appraise the various programs and activities of the Federal Government in the light of the purpose and provisions of this Act for the purpose of determining the extent to which such programs and activities are contributing to the achievement of such policy, and to make recommendations to the President and Congress with respect thereto;

(4) to develop and recommend to the President and Congress national policies to meet the environmental, social, economic, health, and other requirements and goals of the Nation;

(5) to conduct investigations, studies, surveys, research, and analyses relating to population growth and distribution;

(6) to document and define changes in population growth and distribution and to accumulate necessary data and other information for a continuing analysis of these changes or trends and an interpretation of their underlying causes;

(7) to report at least once each year to the President and Congress on the state and condition of population size and distribution;

(8) to coordinate with the Secretary of State and the Director of the Agency for International Development with respect to our international policies affecting population growth; and

(9) to make and furnish such studies, reports thereon, and recommendations with respect to matters of policy and legislation as the President and Congress may request.

(b)(1) In exercising its powers, functions, and duties under this Act, the Office shall—

(A) consult with such representatives of science, industry, health, education, agriculture, labor, conservation, social welfare and population organizations, State and local governments and other groups, as it deems advisable; and

(B) utilize to the fullest extent possible, the services, facilities, and information of public and private agencies and organizations, and individuals, in order that duplication of effort and expense may be avoided, thus assuring that the Office's activities will not unnecessarily overlap or conflict with similar activities authorized by law and performed by established agencies.

(2) Each department, agency, and instrumentality of the Executive Branch of the Government, including any independent agency, is directed to furnish the Director such information as the Director deems necessary to carry out the functions of the Office under this Act.

(c)(1) Directors of the Office shall serve full time and shall be compensated at the rate provided for level III of the Executive Schedule under section 5314 of title 5, United States Code.

(2) Section 5314 of title 5, the United States Code, is amended by inserting immediately after paragraph (37) the following new paragraph:

"(38) Director, Office of Population Policy.".

(d) In carrying out the functions of the Office under this Act, the Director is authorized to—

(1) appoint such officers and employees as may be necessary to perform the function now or hereafter vested in the Office and to prescribe their duties;

(2) obtain service as authorized by section 3109 of title 5, United States Code, at rates not to exceed the rate prescribed for GS–18 under section 5332 of such title; and

(3) enter into contracts and other arrangements, subject to prior appropriation of funds, for studies, analyses, and other services with public agencies and with private persons, organizations, or institutions, and make such payments as may be to carry out the provisions of this Act.

(e) There are authorized to be appropriated to carry out the provisions of this Act not to exceed $800,000 for the first fiscal year commencing after the date of enactment of this Act, $1,200,000 for the second fiscal year commencing after the date of enactment of this Act, and $1,600,000 for each fiscal year thereafter.

CONGRESSMAN FRANK ANNUNZIO—KEEPING AHEAD OF THE TIMES

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, our distinguished colleague, the gentleman from Illinois (Mr. ANNUNZIO) should feel some personal pride in the New York Supreme Court's ruling that Citibank's former practice of charging 50-cent fees to customers who had paid their balances in full was illegal.

As chairman of the House Banking Subcommittee on Consumer Affairs, Mr. ANNUNZIO lashed out at this practice from the day it was initiated by Citibank and was instrumental in bringing the fee to the attention of both the press and the consumers. Consumers were indignant and rightly so at the concept of being surcharged for promptness in paying their debts. Three Citibank customers were outraged sufficiently to bring suit against the bank, the second largest financial institution in the country. Last week's ruling is the result of their suit.

The court not only ruled Citibank's 50-cent fee charge was illegal, but ruled that all customers who had paid the fees are entitled to be reimbursed for the amount illegally charged. An aid of the court estimated reimbursements could amount to $1 to $2 million to customers who paid the fee during April 1976 to January 1978, the time the fee was in effect.

Mr. ANNUNZIO fought this issue on several grounds. However, he was particularly upset by the 50-cent fee, because Citibank had promoted the use of its Master Charge accounts by telling customers they would not be charged if their account was paid in full each month. Only later did the bank initiate the 50-cent charge.

At the time, he described the bank's action as like "the spider who lured the fly into its parlor and then trapped it in its web." Now, it appears the spider has been caught in its own web.

According to Citibank, this ruling will effect about one-third of its 1 million Master Charge account holders who had paid their bills promptly in full to avoid paying high interest rates.

In handing down the decision, Justice Andrew DiPaola said that under New York's personal property law a service charge can only be imposed on "outstanding indebtedness." He further said:

To uphold as valid the 50 cents charged by the defendant (Citibank) on a monthly billing . . . would be to construe the statute in a manner which would defeat its primary purpose of protecting the consumer. It would thereby encourage the very evil which the statute was enacted to prevent.

He continued:

It is unfairly discriminatory to assesss a service charge against one who promptly pays his current bill as against one who does not pay the outstanding installment on the due date.

This ruling confirms what (Mr. ANNUNZIO) argued for over 2 years—the practice blatantly violated the rights of consumers. Our colleague should be praised for this stance and should feel pride in the ruling of last week.

HUMAN RIGHTS ABUSE IN NORTHERN IRELAND CONTINUES

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. HANLEY. Mr. Speaker, today I join with my fellow members of the Ad Hoc Committee on Irish Affairs to point out as expressly as possible the continued abuse of human rights in Northern Ireland. Amnesty International, the respected human rights organization, recently completed an investigation into brutal treatment of prisoners by the Royal Ulster Constabulary. Certainly, continued disregard of basic human rights can only serve to inflame and further the bitterness and strife in that shattered land.

I insert the following case to outline an example of what occurs when governments and individuals allow hate and insensitivity to overcome basic laws of justice and due process:

Case No. 74: Male, arrested 1977 and brought to Castlereagh Holding Centre. Detained for three days and then released without charge. No information about medical examination on arrival at the detention center. He had medical examinations by police doctors during his stay at Castlereagh and on release, and by Dr. D1, two days after his release from police custody.

Maltreatment alleged: Physically exhausting procedures. General beating. Finger pressure under the ears. Was spun round and round, head banged against a wall. Threats to kill him. One of the interrogators rode on his back as if he were a horse and forced him to count holes in the wall. One of the intereogators forced him to eat mucus from his (the interrogator's) nose. Interrogators spat in his face.

Symptoms: Patient stated that while he was in Castlereagh he was mentally unbalanced to the extent that he tried to hang himself, but without success.

Medical report: By Dr. D1, two days after his release from Castlereagh.

Signs: Twelve bruise marks spread over chest, back, left hip, left inner arm, right leg. Tender in epigastrium. Mentally very nervous and agitated.

Conclusion: There is consistency between the alleged maltreatment and the signs. It would be of great value to compare the report of Dr. D1 with the police doctor's reports.●

PERSONAL EXPLANATION

● Mr. OTTINGER. Mr. Speaker, on Friday, June 23, 1978, I was not present, because I was attending a funeral for a member of my immediate family. As a consequence, I missed rollcalls 488 through 492.

Mr. STEIGER offered an amendment to strike protectionist provisions which I feel can only work to our country's own detriment. Had I been present, I would have voted "aye" on the amendment—rollcall No. 488.

Mr. MADIGAN offered an amendment to establish a dollar loss per passenger mile discontinuance criteria for Amtrak trains. While I find this idea interesting, I would have voted "nay" on the amendment, because it had not been adequately considered in subcommittee and committee and thus its full implications were not clear—rollcall No. 489.

My colleague from Kansas (Mr. SKUBITZ) offered an amendment which would have given Amtrak an incentive to do nore of the business which the Postal Service has to offer, which would have also helped to reduce Amtrak's continual operating deficit. Had I been present, I would have voted "aye" on the amendment—rollcall No. 490.

On final passage of H.R. 11493, rollcall No. 491, I would have voted "aye."

In its final action on Friday, the House took up the rule providing for the consideration of H.R. 12433, the Housing and Community Development Amendments of 1978. Had I been pres-

ent, I would have voted "aye"—rollcall No. 492.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. ALEXANDER (at the request of Mr. WRIGHT), for today, on account of attending a funeral.

Mr. CORCORAN of Illinois (at the request of Mr. RHODES), for June 28 and 29, 1978, on account of medical reasons.

Mr. RODINO (at the request of Mr. WRIGHT), for today, on account of illness in the family.

Mr. STEIGER (at the request of Mr. RHODES), from 3:30 today, for the balance of the week on account of official business to attend Trade Negotiations as a U.S. Representative.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. TRIBLE) to revise and extend their remarks and include extraneous material:)

Mr. SAWYER, for 5 minutes, today.

Mr. BOB WILSON, for 1 hour, on June 29, 1978.

Mr. MILLER of Ohio, for 5 minutes, today.

Mr. ROUSSELOT, for 10 minutes, today.

(The following Members (at the request of Mr. WEISS) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. WEAVER, for 5 minutes, today.
Mr. DODD, for 5 minutes, today.
Mr. CARR, for 5 minutes, today.
Mr. PANETTA, for 5 minutes, today.
Mr. BRADEMAS, for 5 minutes, today.
Mr. VANIK, for 5 minutes, today.
Mr. FASCELL, for 5 minutes, today.
Mr. ALEXANDER, for 30 minutes, today.
Mr. COTTER, for 5 minutes, today.
Mr. MOAKLEY, for 5 minutes, today.
Mr. OTTINGER, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BURKE of Massachusetts, and to include extraneous matter.

Mr. ZEFERETTI, and to include extraneous matter.

Mr. EVANS of Colorado, and to include extraneous matter.

Mr. OBERSTAR, to revise and extend his remarks prior to the vote on Hagedorn amendment.

Mr. GILMAN, to revise and extend his remarks, immediately following those of Mr. GRASSLEY on his amendment in the Committee of the Whole today.

(The following Members (at the request of Mr. TRIBLE) and to include extraneous matter:)

Mr. MICHEL.
Mr. GILMAN.
Mr. WHITEHURST in two instances.
Mr. FINDLEY in two instances.
Mr. SAWYER.
Mr. CARTER in three instances.
Mr. DORNAN.
Mr. PRESSLER.
Mr. DERWINSKI.
Mr. STEERS in two instances.
Mr. YOUNG of Alaska.
Mr. ASHBROOK in two instances.
Mrs. FENWICK.
Mr. HAGEDORN in four instances.
Mr. DICKINSON.
Mr. LENT.
Mr. MARRIOTT.
Mr. STEIGER in three instances.
Mrs. SMITH of Nebraska.
Mr. ANDERSON of Illinois in five instances.
Mr. FORSYTHE.
Mr. SYMMS in three instances.
Mr. CRANE in 10 instances.
Mr. CONABLE.
Mr. MOORE.
Mr. HORTON in two instances.
Mr. YOUNG of Florida in five instances.
Mr. ROUSSELOT in two instances.

(The following Members (at the request of Mr. WEISS) and to include extraneous matter:)

Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. KILDEE.
Mr. ROE in two instances.
Mr. BAUCUS in two instances.
Mr. MCHUGH.
Mr. FARY.
Mr. ROSENTHAL.
Mr. ICHORD.
Mr. NOLAN.
Mr. EDGAR in two instances.
Mr. HAMILTON.
Mr. WAXMAN.
Mr. LEHMAN.
Mr. WOLFF in two instances.
Mr. WRIGHT.
Mr. UDALL in two instances.
Mr. BRECKINRIDGE.
Mr. WEAVER.
Mr. MOAKLEY.
Mr. ADDABBO.
Mr. SKELTON.
Mr. ROGERS in five instances.
Mr. TSONGAS.
Mr. EILBERG in 10 instances.
Mr. EDWARDS of California.
Mr. FASCELL in five instances.
Mr. ZABLOCKI.
Mr. SANTINI.
Mr. MCDONALD in five instances.
Mr. BRADEMAS in six instances.
Mr. OBEY in two instances.
Mrs. SPELLMAN.
Mrs. BURKE of California.
Mr. PEPPER.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 419. An act to test the commercial, environmental, and social viability of various oil shale technologies, and for other purposes; to the Committees on Armed Services and Interior and Insular Affairs;

S. 1006. An act for the relief of Concrete Industries (Monier), Ltd.; to the Committee on the Judiciary;

S. 1562. An act for the relief of Datronics Engineers, Inc.; to the Committee on the Judiciary;

S. 2450. An act to extend the assistance programs for community mental health centers and for biomedical research, and for other purposes; to the Committee on Interstate and Foreign Commerce; and

S. 2579. An act to amend the Public Health Service Act to establish the President's Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, and for other purposes; to the Committee on Interstate and Foreign Commerce.

ENROLLED JOINT RESOLUTION SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 995. Joint resolution to designate Sunday, June 25, 1978, as "National Brotherhood Day."

SENATE ENROLLED BILL AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled bill and a joint resolution of the Senate of the following titles:

S. 2351. An act to designate the proposed new Veterans' Administration hospital in Little Rock, Ark., as the "John L. McClellan Memorial Veterans' Hospital," and for other purposes; and

S.J. Res. 128. Joint resolution designating July 1, 1978, as "Free Enterprise Day."

ADJOURNMENT

Mr. WEISS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 9 minutes p.m.), the House adjourned until tomorrow, Thursday, June 29, 1978, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4455. A letter from the Secretary of Housing and Urban Development, transmitting a statement endorsing the retention of section 307(b) in H.R. 12433, the Housing and Community Development Amendments of 1978; to the Committee on Banking, Finance and Urban Affairs.

4456 A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-205, "To amend the Child Development Facilities Regulation (Regulation 74-34), to expand the number of parent members on the Council's Advisory Commission on Child Development Facilities, and for otner purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4457. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-206, "To provide for the Fire Chief to order the immediate closing of any public facility in certain circumstances," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4458. A letter from the Chairman, Council of the District of Columbia, transmitting a

copy of Council Act No. 2-208, "To provide for the recovery, from tortiously liable third persons, of the cost of medical and hospital care and treatment, funeral expenses, and salary payments furnished or paid by the District of Columbia to members of the Metropolitan Police Department and the District of Columbia Fire Department, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4459. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting the first semiannual report on the status of action on the recommendations of the Commission on Federal Paperwork, pursuant to section 3(d) of Public Law 93-556; to the Committee on Government Operations.

4460. A letter from the Assistant Secretary of Health, Education, and Welfare for Management and Budget, transmitting notice of proposed changes in two records systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4461. A letter from the Assistant Secretary of Housing and Urban Development for Administration, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4462. A letter from the Secretary of the Interior, transmitting notice of a proposed refund for excess payments on a lease by Chevron U.S.A. Inc., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

4463. A letter from the Secretary of the Interior, transmitting a report on the study of the impact of the exclusion of certain privately owned lands near and adjacent to Lake Quinault from Olympic National Park, Wash., pursuant to section 320(d) of Public Law 94-578; to the Committee on Interior and Insular Affairs.

4464. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting his determination and certification that downward fluctuations in foreign currency exchange rates have made it necessary to provide additional funds to maintain the budgeted level of operation for Radio Free Europe/Radio Liberty, Inc., during the second quarter of fiscal year 1978, pursuant to section 8 of the Board for International Broadcasting Act of 1973, as amended (90 Stat. 832); to the Committee on International Relations.

4465. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on International Relations.

4466. A letter from the Chairman, U.S. International Trade Commission, transmitting a report on the economic impact of exports of industrial technology, pursuant to section 119 of Public Law 95-52; to the Committee on International Relations.

4467. A letter from the Secretary, Aviation Hall of Fame, Inc., transmitting the organization's annual report and audit for calendar year 1977, pursuant to section 15(b) of Public Law 88-372; to the Committee on the Judiciary.

4468. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Omaha, Nebr., Federal Building, Post Office and Courthouse, pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

4469. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the St. Louis, Mo., Federal Center, 4300 Goodfellow Boulevard, Building 104, pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

4470. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Lansing, Mich., U.S. Postal Service Building, pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

4471. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Detroit, Mich., Federal Building and U.S. Courthouse, pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

4472. A letter from the Acting Comptroller General of the United States, transmitting a report on deep ocean mining for manganese nodules (PSAD-77-127, June 28, 1978); jointly, to the Committees on Government Operations, Interior and Insular Affairs, and Merchant Marine and Fisheries.

4473. A letter from the Secretary of Health, Education, and Welfare, transmitting the annual report for fiscal year 1977 on implementation of the Indian Health Care Improvement Act, pursuant to section 701 of the act (Public Law 94-437); jointly, to the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce, and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STAGGERS: Committee of conference. Conference report on S. 2401 (Rept. No. 95-1322). Ordered to be printed.

Mr. UDALL. Committee on Interior and Insular Affairs. H.R. 12264. A bill to designate certain lands in the State of Wisconsin as wilderness (Rept. No. 95-1323). Referred to the Committee of the Whole House on the State of the Union.

Mr. DIGGS: Committee on the District of Columbia. H.R. 10311. A bill to amend the District of Columbia Redevelopment Act of 1945, and for other purposes (Rept. No. 95-1324). Referred to the Committee of the Whole House on the State of the Union.

Mr. DIGGS: Committee on the District of Columbia. H.R. 13224. A bill to provide for the transfer of certain real property in the District of Columbia from the United States to the District of Columbia Redevelopment Land Agency (Rept. No. 95-1325). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAHON: Committee on Appropriations. House Joint Resolution 1024. Joint resolution making urgent supplemental appropriations for the Department of Agriculture, Agricultural Stabilization and Conservation Service, and for other purposes for the fiscal year ending September 30, 1978 (Rept. No. 95-1326). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO:

H.R. 13299. A bill to authorize the coinage of 50-cent pieces bearing a design emblematic of the 1980 Winter Olympic Games; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ANDERSON of California (for himself, Mr. WHITEHURST, Mr. BINGHAM, Mr. BRODHEAD, Mr. D'AMOURS, Mr. DRINAN, Mr. DUNCAN of Tennessee, Mr. EDWARDS of California, Mr. EMERY, Mr. FLORIO, Mr. GORE, Mr. GUYER, Mrs. HOLT, Mr. HORTON, Mr. HYDE, Ms. KEYS, Mr. LENT, Mr. MOAKLEY, Mr. MOTTL, Mr. RODINO, Mr. RUPPE, Mr. SARASIN, Mr. THOMPSON, Mr. WEISS, and Mr. YATRON):

H.R. 13300. A bill to amend the Animal Welfare Act to prohibit the use of live animals as visual lures in dog racing and training, and for other purposes; to the Committee on Agriculture.

By Mr. CORRADA:

H.R. 13301. A bill to amend title 13, United States Code, to require that the Secretary of Commerce treat the Commonwealth of Puerto Rico as a State for the purpose of making surveys to furnish interim current data on subjects covered by censuses; to the Committee on Post Office and Civil Service.

By Mr. DUNCAN of Tennessee:

H.R. 13302. A bill to amend the Trade Act of 1974; to the Committee on Ways and Means.

H.R. 13303. A bill to amend the Internal Revenue Code of 1954 to suspend the imposition of interest on underpayments of tax resulting from erroneous advice given in writing by the Internal Revenue Service; to the Committee on Ways and Means.

By Mr. FLOWERS:

H.R. 13304. A bill to amend the Federal Trade Commission Act and the Clayton Act to exempt incorporated or unincorporated associations of health professions personnel from the Federal Trade Commission Act and the antitrust laws; jointly to the Committees on Interstate and Foreign Commerce and the Judiciary.

By Mr. GUYER:

H.R. 13305. A bill to secure and protect the rights of citizens and protect freedom of the press; to the Committee on the Judiciary.

By Mr. HANNAFORD:

H.R. 13306. A bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the amount of the personal exemption and in the individual tax rates; to the Committee on Ways and Means.

H.R. 13307. A bill to amend the Internal Revenue Code of 1954 to provide pre-1969 tax treatment for capital gains; to the Committee on Ways and Means.

By Mr. HANNAFORD (for himself, Mr. BEDELL, Mr. EILBERG, Mr. ENGLISH, Mr. GEPHARDT, Mr. JENRETTE, Mr. MURPHY of Pennsylvania, Mr. OTTINGER, Mr. CHARLES WILSON of Texas, Mr. YOUNG of Missouri, Mr. DERWINSKI, Mr. HOLLENBECK, Mr. HYDE, and Mr. WHITEHURST):

H.R. 13308. A bill to amend the Congressional Budget Act of 1974 to require periodic review of new authorizations of budget authority, spending authority, and tax expenditures, to prevent the Federal Government from imposing additional fiscal burdens on State and local governments, and for other purposes; to the Committee on Rules.

By Mr. HANSEN:

H.R. 13309. A bill to provide for the striking and public sale of gold coin commemoratives, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. McCORMACK (for himself, Mr. TEAGUE, Mr. GOLDWATER, Mr. MCCLOSKEY, Mr. LUKEN, and Mr. TSONGAS):

H.R. 13310. A bill to provide for an accelerated program of research, development, and demonstration of solar photovoltaic energy technologies leading to early competitive commercial applicability of such technologies to be carried out by the Department of Energy, with the support of the National Aeronautics and Space Administration, the National Bureau of Standards, the General Services Administration, and other Federal agencies; to the Committee on Science and Technology.

By Mr. MURPHY of New York (for himself, Mr. BIAGGI, Mr. TREEN, Mr. JONES of North Carolina, Mr. DE LA GARZA, Mr. PRITCHARD, Mr. STUDDS, Mr. EILBERG, Mr. YOUNG of Alaska, Mr. DE LUGO, Mr. PATTERSON of California, Mr. BAUMAN, Mr. BONIOR, Mr. GINN, Mr. LENT, Mr. BONKER, Mr. D'AMOURS, Mr. EVANS of Delaware, Mr. HUGHES, Ms. MIKULSKI, Mr. AKAKA, Mr. ZEFERETTI, Mr. EMERY, and Mr. TRIBLE):

H.R. 13311. A bill to amend the Ports and Waterways Safety Act of 1972, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. MOAKLEY:

H.R. 13312. A bill to authorize the Coast Guard Cutter *Chautaqua* to be made available for use as an exhibition and education center under contracts with nonprofit organizations; to the Committee on Merchant Marine and Fisheries.

By Mr. PANETTA:

H.R. 13313. A bill to disregard, for purposes of certain taxes imposed by the Internal Revenue Code of 1954 with respect to employees, certain changes from common law in the treatment of individuals as employees; to the Committee on Ways and Means.

By Mr. PEPPER (for himself, Mr. FORD of Tennessee, Mr. COHEN, Mr. ANDERSON of California, Mr. BAUCUS, Mr. BEDELL, Mr. BINGHAM, Mrs. BURKE of California, Mr. BURKE of Massachusetts, Mr. CARNEY, Mr. CLAY, Mr. CONTE, Mr. CONYERS, Mr. CORNELL, Mr. CORNWELL, Mr. DELLUMS, Mr. DIGGS, Mr. EDGAR, Mr. EDWARDS of California, Mr. EILBERG, Mr. FASCELL, Mr. FISH, Mr. FLOOD, Mr. FOLEY, and Mr. FORD of Michigan):

H.R. 13314. A bill to amend title XVIII of the Social Security Act to remove all limits on the number of home health visits for which payment may be made under both part A and part B (eliminating the requirement of prior hospitalization in the case of home health care under part A), to include additional types of service health care, and for other purposes; jointly, to the Committee on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. FORD of Tennessee, Mr. COHEN, Mr. GREEN, Mr. GUYER, Mr. HANLEY, Mr. HARRINGTON, Mr. HAWKINS, Ms. HOLTZMAN, Mr. HORTON, Mr. HOWARD, Mr. HYDE, Mr. JENRETTE, Mr. LAFALCE, Mr. LEFANTE, Mr. LEHMAN, Mr. LENT, Mr. LOTT, Mr. LONG of Maryland, Mr. MAZZOLI, Mr. MCHUGH, Mr. MINETA, Mr. MOAKLEY, Mr. MOTTL, and Mr. MURPHY of Pennsylvania):

H.R. 13315. A bill to amend title XVIII of the Social Security Act to remove all limits on the number of home health visits for which payments may be made under both part A and B (eliminating the requirement of prior hospitalization in the case of home health care under part A), to include additional types of services as home health care, and for other purposes; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. FORD of Tennessee, Mr. COHEN, Mr. NEAL, Mr. NEDZI, Mr. NOLAN, Mr. OTTINGER, Mr. PANETTA, Mr. PATTEN, Mr. PATTERSON of California, Mr. PATTISON of New York, Mr. RAHALL, Mr. RANGEL, Mr. RICHMOND, Mr. RODINO, Mr. ROE, Mr. ROSENTHAL, Mr. RUSSO, Mr. RYAN, Mr. SEIBERLING, Mr. SIMON, Mr. ST GERMAIN, Mr. SOLARZ, Mr. STUDDS, and Mr. THORNTON):

H.R. 13316. A bill to amend title XVIII of the Social Security Act to remove all limits on the number of home health visits for which payment may be made under both part A and part B (eliminating the requirement of prior hospitalization in the case of home health care under part A), to include additional types of services as home health care, and for other purposes; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. FORD of Tennessee, Mr. COHEN, Mr. TRAXLER, Mr. TRIBLE, Mr. TSONGAS, Mr. UDALL, Mr. WAXMAN, Mr. WHITEHURST, Mr. CHARLES H. WILSON of California, Mr. CHARLES WILSON of Texas, Mr. YATRON, Mr. YOUNG of Florida, Mr. ZEFERETTI, Mr. KELLY, and Mr. GILMAN):

H.R. 13317. A bill to amend title XVIII of the Social Security Act to remove all limits on the number of home health visits for which payment may be made under both part A and part B (eliminating the requirement of prior hospitalization in the case of home health care under part A), to include additional types of services as home health care, and for other purposes; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. FORD of Tennessee, Mr. COHEN, Mr. CORMAN, Mr. BRODHEAD, Mr. DUNCAN of Tennessee, Mr. ROYBAL, Mr. ROONEY, Mr. BIAGGI, Mr. JOHN L. BURTON, Mr. BEARD of Rhode Island, Mr. BONKER, Mr. DOWNEY, Mr. FLORIO, Mr. HUGHES, Mr. Drinan, Mrs. MEYNER, Mr. LUNDINE, Miss OAKAR, Mr. HAMMERSCHMIDT, Mr. WALSH, Mr. COCHRAN of Mississippi, and Mr. RINALDO):

H.R. 13318. A bill to amend title XVIII of the Social Security Act to remove all limits on the number of home health visits for which payment may be made under both part A and part B (eliminating the requirement of prior hospitalization in the case of home health care under part A), to include additional types of services as home health care, and for other purposes; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. RAILSBACK:

H.R. 13319. A bill to secure and protect the freedom of the press from unwarranted intrusions; to the Committee on the Judiciary.

By Mr. ROE (for himself and Mrs. COLLINS of Illinois):

H.R. 13320. A bill to increase the authorization for the Local Public Works Capital Development and Investment Act of 1976; to the Committee on Public Works and Transportation.

By Mr. SATTERFIELD:

H.R. 13321. A bill to amend the Trade Act of 1974; to the Committee on Ways and Means.

My Mr. STEERS (for himself, Mr. HARRINGTON, Mr. GILMAN, and Mr. KEMP):

H.R. 13322. A bill to provide that certain refugees who were paroled and later admitted for permanent residence into the United States will be treated, for determining their period of residence for purposes of naturalization, as establishing permanent resident status as of the date of their arrival to the United States; to the Committee on the Judiciary.

By Mr. THONE (for himself, Mr. ANDREWS of North Dakota, Mr. BAFALIS, Mr. BURGENER, Mr. COLLINS of Texas, Mr. DEVINE, Mr. FISH, Mr. FORSYTHE, Mr. GUYER, Mr. KINDNESS, Mr. LOTT, Mr. ROBINSON, Mr. SEBELIUS, and Mr. WHITEHURST):

H.R. 13323. A bill to amend the Congressional Budget and Impoundment Control Act to limit total Federal budget authority and budget outlays in fiscal years 1980, 1981, 1982, and 1983; jointly, to the Committees on Government Operations, and Rules.

By Mr. WEAVER:

H.R. 13324. A bill to establish pilot projects for testing and demonstrating practical application of existing technology for the utilization of wood residues from timber harvesting, forest protection and management, and the manufacture of wood products; to the Committee on Agriculture.

By Mr. WIRTH:

H.R. 13325. A bill to disregard, for purposes of certain taxes imposed by the Internal Revenue Code of 1954 with respect to employees, certain changes since 1975 in the treatment of individuals as employees; to the Committee on Ways and Means.

By Mr. WOLFF:

H.R. 13326. A bill to amend the Internal Revenue Code of 1954 to suspend the imposition of interest and to prohibit the imposition of a penalty for failure to pay tax on underpayments of tax resulting from erroneous advice given in writing by the Internal Revenue Service; to the Committee on Ways and Means.

By Mr. YOUNG of Alaska (for himself, Mr. MARRIOTT, Mr. LOTT, Mr. DUNCAN of Tennessee, Mr. SYMMS, Mr. CHARLES WILSON of Texas, Mrs. LLOYD of Tennessee, Mr. JOHNSON of Colorado, and Mr. FRENZEL):

H.R. 13327. A bill to amend the Endangered Species Act of 1973 to provide for an annual review of species listed as endangered species or threatened species, to provide for the relocation of endangered or threatened species in certain cases, to provide a method for determining in certain cases whether the operation or construction of certain projects affecting endangered or threatened species should be suspended or halted, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. CARR (for himself, Mr. DOWNEY, Mr. BONIOR, and Mr. NOLAN):

H.R. 13328. A bill to amend the State and Local Fiscal Assistance Act of 1972 to provide incentives for the funding of education by means other than property taxes; to the Committee on Government Operations.

By Mr. CUNNINGHAM:

H.R. 13329. A bill to direct the President to abrogate all treaties entered into by the United States with Indian tribes in order to accomplish the purposes of recognizing that in the United States no individual or group possesses subordinate or special rights, providing full citizenship and equality under law to Native Americans, protecting an equal opportunity of all citizens to fish and hunt in the United States, and terminating Federal supervision over the property and members of Indian tribes, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DIGGS:

H.R. 13330. A bill to increase the contractual authority of the Temporary Commission on Financial Oversight of the District of Columbia with respect to financial planning services and auditing services, and for other purposes; to the Committee on the District of Columbia.

By Mr. KASTENMEIER:

H.R. 13331. A bill to amend title 28 of the United States Code to make certain changes in the places of holding Federal district courts in the divisions within judicial districts, and in judicial district dividing lines; to the Committee on the Judiciary.

By Mr. MINISH:

H.R. 13332. A bill to amend title 13, United States Code, to provide for the review of Federal authority for the collection of statistical information, to require certain information to be included in committee reports accompanying legislation in which there is provided Federal authority for the collection of information, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MINISH (for himself and Mr. REUSS):

H.R. 13333. A bill to assist cities and States by amending section 5136 of the Revised Statutes, as amended, with respect to the authority of national banks to underwrite and deal in securities issued by States and local government, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. PRESSLER:

H.R. 13334. A bill to redesignate the Badlands National Monument as the Badlands National Park, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RANGEL (for himself, Mr. CORMAN, Mr. VANDER JAGT, Mr. STARK, and Mr. BURKE of Massachusetts):

H.R. 13335. A bill to amend part A of title IV of the Social Security Act to provide additional fiscal relief for States and political subdivisions with respect to the costs of certain welfare programs; to the Committee on Ways and Means.

By Mr. WAGGONNER:

H.R. 13336. A bill to amend the Internal Revenue Code of 1954 to provide an exemption from withholding of tax on nonresident aliens for ship suppliers in respect of certain commissions paid to nonresident aliens; to the Committee on Ways and Means.

By Mr. COLLINS of Texas:

H.J. Res. 1035. Joint resolution proposing an amendment to the Constitution of the United States providing that all persons have the right to equal opportunity and providing that the right to equal opportunity may not be denied because of quotas or ratios based on race, color, national origin, religion, or sex; to the Committee on the Judiciary.

By Mr. HALL (for himself, Mr. CUNNINGHAM, Mr. BURLESON of Texas, Mr. DUNCAN of Tennessee, Mr. STUMP, Mrs. LLOYD of Tennessee, Mr. WHITLEY, Mrs. HOLT, Mr. YATRON, Mr. HUCKABY, Mr. SIMON, Mr. NICHOLS, and Mr. EDWARDS of Oklahoma):

H.J. Res. 1036. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying of the national debt; to the Committee on the Judiciary.

By Mr. TEAGUE (for himself, Mr. CORMAN, Mr. SCHULZE, Mr. MAGUIRE, Mr. VAN DEERLIN, Mr. WON PAT, Mr. CONABLE, Mr. ERTEL, Mr. LATTA, Mr. MCFALL, Mr. EDWARDS of California, Mr. FORD of Michigan, Mr. DIGGS, Mr. DON H. CLAUSEN, Mr. RISENHOOVER, Mr. NATCHER, Mr. MCDADE, Mr. FLOOD, Mr. CORRADA, Mr. KREBS, Mr. CLEVELAND, Mr. DE LUGO, Mr. PRESSLER, and Mr. D'AMOURS):

H.J. Res. 1037. Joint resolution to designate May 21, 1978, as "Firefighters' Memorial Sunday"; to the Committee on Post Office and Civil Service.

By Mr. TEAGUE (for himself, Mr. MOOREHEAD of California, Mr. PERKINS, Mr. MONTGOMERY, and Mr. HANLEY):

H.J. Res. 1038. Joint resolution to designate May 21, 1978, as "Firefighters' Memorial Sunday"; to the Committee on Post Office and Civil Service.

By Mr. AKAKA (for himself, Mr. DRINAN, Mr. HEFTEL, Mr. STARK, Ms. SPELLMAN, and Mr. MINETA):

H.J. Res. 1039. Joint resolution requiring improvement and expansion in the collection, analysis, and publication of statistical data relating to women in the professional, technical, and managerial occupations, and for other purposes; jointly, to the Committees on Education and Labor and Post Office and Civil Service.

By Mr. WYDLER (for himself, Mr. ADDABBO, Mr. CAPUTO, Mr. CLEVELAND, Mr. CORRADA, Mr. HORTON, Mr. HYDE, Mr. KEMP, Mr. LAGOMARSINO, Mr. OTTINGER, Mr. RANGEL, Mr. ROE, and Mr. YOUNG of Florida):

H. Con. Res. 655. Concurrent resolution relative to the rights of Rumanian citizens; to the Committee on International Relations.

By Mr. DORNAN:

H. Res. 1250. Resolution directing the Permanent Select Committee on Intelligence to conduct an investigation of the involvement of the Central Intelligence Agency in the civil war in Angola during the period of 1975 and 1976, and of any illegal activities by such Agency in the United States during such period which were related to such involvement; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

442. By the SPEAKER: Memorial of the Legislature of the State of Florida, relative to preventing extraction of phosphate ore by surface mining methods in the Osceola National Forest, Fla.; to the Committee on Agriculture.

443. Also, memorial of the Legislature of the State of Florida, relative to urging freedom for Soviet Jews; to the Committee on International Relations.

444. Also, memorial of the Legislature of the State of Florida, relative to supporting the observance of "Sun Day"; to the Committee on Post Office and Civil Service.

445. Also, memorial of the Legislature of the State of Florida, relative to the need for expanded Veterans' Administration services and facilities in the State of Florida; to the Committee on Veterans' Affairs.

446. Also, memorial of the Legislature of the State of Florida, relative to restricting American-Cuban trade; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEVILL:

H.R. 13337. A bill for the relief of Dr. Romulo G. Villanueva; to the Committee on the Judiciary.

By Mr. MURTHA:

H.R. 13338. A bill for the relief of Eugenia Cortes; to the Committee on the Judiciary.

By Mr. SHARP:

H.R. 13339. A bill for the relief of Kil Soo Kim; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

484. By the SPEAKER: Petition of students at the Hans-Beimler-Oberschule, Berlin, East Germany, and others, relative to production of the neutron bomb; to the Committee on Armed Services.

485. Also, Petition of the Minnesota Conference of the United Church of Christ, Minneapolis, Minn., relative to support of Indian Treaties; jointly, to the Committee on Interior and Insular Affairs, the Judiciary, and Merchant Marine and Fisheries.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1609

By Mr. UDALL:

—Strike all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the 'Coal Pipeline Act of 1978".

DEFINITIONS

SEC. 2. As used in this Act, the term—

(a) "carrier" means any carrier of coal by coal pipeline that is subject to any of the provisions of this Act;

(b) "Secretary" means the Secretary of the Department of the Interior;

(c) "right-of-way" includes necessary land or other property for the location of pipelines, pumping stations, pressure apparatus, tanks or other stations, equipment, or appurtenances required for the proper operation of a coal pipeline or pipelines; and

(d) "control" means the power to exercise control by whatever means; and any person who (1) is a director of a carrier or of any other person, or (2) owns in excess of 20 per centum of the voting stock (or any like evidence of participation) of a carrier or of any other person shall be deemed to have the power to exercise control of such carrier or other person, as the case may be.

RIGHTS-OF-WAY ON FEDERAL LANDS

SEC. 3. Subsection 28(a) of the Mineral Leasing Act of February 25, 1920, as amended by the Act of November 16, 1978 (87 Stat. 576), is further amended by inserting the word "coal," between "natural gas," and "synthetic".

EMINENT DOMAIN

SEC. 4. (a) Except as provided in subsection (b), when any carrier cannot acquire by negotiation the right-of-way required to construct, operate, and maintain any proposed coal pipeline or pipelines, such carrier may acquire the same by the exercise of the power of eminent domain in the district court of the United States for the district in which such property is located or in the courts of the State in which such property is located.

(b) The power of eminent domain shall not be exercised to acquire (1) lands owned by the United States or by any State, or (2) lands held in trust by the United States for an Indian or Indian tribe.

(c) Nothing in this Act shall be construed to permit the United States, the Secretary, or a coal pipeline operator to acquire any right to use or develop water through the exercise of the power of eminent domain.

CERTIFICATION OF PUBLIC CONVENIENCE AND NECESSITY

SEC. 5. (a) The power of eminent domain granted pursuant to this Act may be exercised only by a carrier holding a certificate of public convenience and necessity issued by the Secretary of the Interior. The Secretary is authorized to issue such a certificate if the Secretary finds, with respect to the particular project of the carrier as to which said power is sought, that the project is in the national interest and provides the capacity necessary to fulfill the requirement of a common carrier of coal, as determined by the Secretary. In addition to other factors customarily considered in determining common carrier status in the case of pipeline common carriers, the Secretary shall consider contracts for the carriage of coal which are in existence or proposed as of the date of the application for certification and may also consider such contracts for such carriage as may reasonably be anticipated, at the time of issuance of the certificate, to be entered into after such date. In determining the size of the pipeline to be certificated, the Secretary shall take into account the resultant cost to ultimate consumers of services or products affected by such transportation.

(b) In making the findings required in (a) of this section the Secretary shall consider

and make findings on the extent to which the project—

(1) would help meet national needs for coal utilization, considering, among other matters, alternate routes or means of transportation of coal and the relative costs of such alternative routes or means;

(2) may be impeded or delayed unless granted the power of eminent domain;

(3) involves disruption to the environment, as compared with disruption from other routes or modes of transportation or other methods of utilization of the coal resources involved;

(4) considers the balance between the energy needs of the area to be benefited by the project and the water requirements and other impacts on the area from which the coal is to be transported;

(5) would be likely to impair the financial integrity of other common carrier modes of transportation or the level or type of transportation services any such mode is able to offer;

(6) will be likely to result in lower rates for the transportation of coal than would be in effect if such coal were transported by a common carrier by railroad under part I of the Interstate Commerce Act; and

(7) would unduly impact on the surface and ground water at the point of destination and disposal of such water on the environment.

The Secretary's findings as to whether a project is in the national interest shall be based on the record as a whole taking into consideration each of the criteria set forth in this subsection. The Secretary's findings under paragraphs (1), (5), and (6) of this subsection must be concurred in by the Secretary of Transportation and the Interstate Commerce Commission.

(c) The Secretary shall require as a condition of issuance of a certificate of convenience and necessity under this Act that any pipeline for which such certificate is issued be constructed, operated, and maintained as a common carrier, in fact, fully subject to rate and charge regulation by the Interstate Commerce Commission as provided in the Interstate Commerce Act. Any violation of such condition shall be enforced as provided in such Act, and nothing in this paragraph shall be construed to limit, impair, or otherwise affect any provision of such Act.

(d) (1) No carrier certified under this Act shall transport any coal mined by it or under its authority or which it may own in whole or in part, or over which it may have any control, direct or indirect, except that such a carrier may transport coal which it owns after it is mined and before it enters the pipeline or during shipment for the sole purpose of achieving transportation and storage economies through blending and commingling of coal acquired from several coal producers or for several coal users, if the Secretary determines that such ownership of the coal facilities the achievement of such transportation and storage economies and is in the national interest. The transportation and storage charges permitted under the preceding sentence by the Secretary shall be included in tariff's filed with the Interstate Commerce Commission. The Interstate Commerce Commission shall have the same authority respecting rate regulation under part I of the Interstate Commerce Act in the case of coal which a carrier owns under the preceding sentences as the Commission has in the case of coal owned by any person other than such a carrier.

(2) The prohibition contained in subsection (d) (1) shall not apply to the construction, ownership, and operation of a feeder line for the purpose of gaining access to a coal pipeline by any person who would otherwise be ineligible if—

(A) the carrier has declined a formal request to construct, own, and operate the feeder line;

(B) the owner of the feeder line will operate the line as a common carrier for any excess capacity in the feeder line; and

(C) the Secretary has determined that an exemption from subsection (d) (1) is in the public interest.

(3) (A) No certificate of public convenience and necessity may be issued to any carrier which controls, is controlled by, or is under common control with any person which uses or will use coal transported by the carrier or which supplies coal to the pipeline and (B) no carrier granted the power of eminent domain under this Act may control, be controlled by, or be under common control with any such person.

(4) The penalties and enforcement provisions of section 8 shall not apply to this subsection, but whenever, on the basis of any information available to it, the Interstate Commerce Commission finds that any carrier or other person is in violation of paragraph (1) or (3) (B) it shall notify such carrier or other person. If such violation extends beyond the thirtieth day after the date of such notice, the Commission shall, after notice and opportunity for hearing, issue an order requiring such carrier or other person to comply. Failure to obey any such order shall be subject to the same penalty as provided for in section 16(8) of the Interstate Commerce Act (49 U.S.C. 16(8)).

(e) If the Secretary determines, in the course of the consultations and findings required by subsection (b) or the hearings required by section 6 that the project right-of-way may be utilized for additional uses compatible with operations of the project line, the Secretary may, in his discretion, require as a condition to the grant of a certificate of public convenience and necessity that the particular project right-of-way be subject to such compatible uses.

(f) The Secretary shall require the additional use described in subsection (e) only if he by rule—

(1) finds—

(A) the additional use is a compatible use, and

(B) conditioning the issuance of the certificate upon the availability of the right-of-way for the additional use is in the public interest, and

(2) establishes reasonable provisions for the payment of compensation for the additional use to the person otherwise entitled to the exclusive use

(g) (1) The Secretary shall not approve an application for a certificate of public convenience and necessity for a coal pipeline which proposes to use underground water (whether groundwater or other subsurface waters) for the purpose of transporting coal, unless—

(A) the United State Geological Survey has conducted a comprehensive study which demonstrates that the use of such underground water source over the life of the coal pipeline, and considering the cumulative effect of any other coal pipelines using the same underground aquifier as a source of water, will not cause a significant adverse impact on the quality and quantity of the water table in surrounding areas or adjoining States, and

(B) the applicant has obtained any and all permits or authorizations for the use of any surface or underground water required by the State or States having jurisdiction over the surface waters to be used, or having a valid legal interest in the underground waters to be used and beneath whose lands the underground aquifier lies constituting the source of the underground water to be used.

(2) Any other interested State shall have the opportunity to make its views known to, and shall be given full consideration by, the Secretary regarding any determination made under subsection (g) (1) (A) of this section.

PROCEDURE

SEC. 6. (a) Applications for a certificate of public convenience and necessity under this Act shall be filed with the Secretary pursuant to such regulations as the Secretary may prescribe. Each carrier applying for a certificate shall reimburse the Secretary for administrative and other costs incurred in processing the application as the Secretary shall prescribe.

(b) A certificate authorized by section 5 may be issued only after public notice and public hearings in accordance with this section.

(c) The carrier shall publish, in accordance with regulations promulgated by the Secretary, a notice that it has filed an application for a certificate of public convenience and necessity under this Act in a newspaper of general circulation in each county in which the project will be located. The notice shall, among other things, specify to the greatest extent practicable the land which would be subject to the power of eminent domain.

(d) The Secretary shall publish in the Federal Register a notice of the receipt of each application under this Act.

(e) Upon the receipt of an application for a certificate of public convenience and necessity with respect to a particular project, the Secretary shall request the Secretary of Transportation and the Interstate Commerce Commission to make recommendations with respect to the impact of the proposed project on other modes of transportation. The Secretary of Transportation and the Interstate Commerce Commission shall submit such recommendations to the Secretary within six months after the date of the Secretary's request.

(f) The Secretary shall hold at least one public hearing in each State in which the project involved will be located. Any interested person may present relevant material at any hearing. After all hearings in each State are concluded, the Secretary shall hold at least one public, formal adjudicatory hearing in accordance with the provisions of section 554 of title 5, United States Code, in the District of Columbia at which the Secretary of Transportation, the Interstate Commerce Commission, the Secretary of Energy, and the Environmental Protection Agency shall, and other Federal, State, and local agencies may, participate.

ANTITRUST REVIEW

SEC. 7. (a) The Secretary shall not issue any certificate pursuant to section 5 of this Act unless it has received the advice of the Attorney General of the United States and the Federal Trade Commission that such action would not restrain trade, further monopolization, substantially adversely affect competition, or otherwise create or maintain a situation in contravention of the antitrust laws. The issuance of a certificate under this Act shall not be admissible in any way as a defense to any civil or criminal action for violation of the antitrust laws of the United States, nor shall it in any way modify or abridge any private right of action under such laws.

(b) (1) Nothing in this section shall be construed to bar the Attorney General or the Federal Trade Commission from challenging any anticompetitive situation involved in the operation of a coal pipeline.

(2) Nothing contained in this section shall impair, amend, broaden, or modify any of the antitrust laws.

(3) As used in this section, the term "antitrust laws" includes, but is not limited to, the Act of July 2, 1890, as amended; the Act of October 15, 1914, as amended; the Federal Trade Commission Act (15 U.S.C. 41 et seq.); and sections 73 and 74 of the Act of August 27, 1894, as amended.

ENFORCEMENT AND PENALTIES AND JUDICIAL REVIEW

SEC. 8. (a) At the request of the Secretary, the Attorney General may institute a civil action in the district court of the United

States for the district in which the affected operation is located for a restraining order or injunction or other appropriate remedy to enforce any provision of this Act or any regulation or order issued under the authority of this Act.

(b) If any carrier shall fail to comply with any provision of this Act, or any regulation or order issued under the authority of this Act, after notice of such failure and expiration of any period allowed for corrective action, such person shall be liable for a civil penalty of not more than $5,000 for each and every day of the continuance of such failure. The Secretary may assess and collect any such penalty.

(c) Any person who knowingly and willfully violates any provision of this Act, or any regulation or order issued under the authority of this Act, or makes any false statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained under this Act shall, upon conviction, be punished by a fine of not more than $10,000, or by imprisonment for not more than six months, or both.

(d) Whenever a carrier violates any provision of this Act, or any regulation or order issued under the authority of this Act, any director, officer, or agent of such corporation or entity who authorized, ordered, or carried out such violation shall be subject to the same fines or imprisonment as provided for under subsection (c) of this section.

(e) Petitions for judicial review shall be filed in the court of appeals of the United States for the circuit in which the pipeline's originating point of coal transportation is located.

CONSTRUCTION OF LAW

SEC. 9. (a) In granting a State water permit or authorization to a pipeline granted a certificate of public convenience and necessity under this Act any State may, to effectuate a legitimate State public interest, condition pursuant to State law the water rights of such pipeline. The State may limit or terminate the right of a pipeline to transport water for coal pipeline use if so required by such conditions.

(b) Nothing in this Act, including the exercise of the power of eminent domain authorized by this Act, shall be construed—

(1) as affecting in any way any law, regulation, or rule of law governing appropriation, use or diversion of water, or as affecting any Federal, State, or private right to water; or as granting a right to the use of water to any carrier holding a certificate of convenience and necessity issued pursuant to this Act; or as superseding or modifying any State law, regulation, or rule of law governing the acquisition and administration of water rights so as to excuse any person from compliance with such law, regulation, or rule of law in acquiring or maintaining water rights necessary in connection with the operation of a coal pipeline;

(2) as expanding or diminishing Federal or State jurisdiction, responsibility, or interest in water resources development or control;

(3) as displacing, superseding, limiting, or modifying any interstate compact or the jurisdiction or responsibility of any legally established joint or common agency of two or more States or of two or more States and the Federal Government;

(4) as superseding, modifying, or repealing existing laws applicable to the various Federal agencies which are authorized to develop or participate in the development of water resources or to exercise licensing or regulatory functions in relation thereto; or

(5) as diminishing in any manner the authority of a State to grant or deny water use or establish or place terms or conditions regulating or limiting such use in any water permit or authorization, which authority such State would have in the absence of this Act.

REGULATIONS

SEC. 10. (a) The Secretary is authorized to promulgate such rules and regulations as he deems necessary to carry out the purposes of this Act.

(b)(1) Notwithstanding any other provision of this Act, simultaneously with promulgation or repromulgation of any rule or regulation under this Act, the Secretary shall transmit a copy thereof to the Secretary of the Senate and the Clerk of the House of Representatives. Except as provided in paragraph (2) of this subsection, the rule or regulation shall not become effective, if—

(A) within ninety calendar days of continuous session of Congress after the date of promulgation, both Houses of Congress adopt a concurrent resolution, the matter after the resolving clause of which is as follows: "That Congress disapproves the rule or regulation promulgated by the Secretary of the Interior dealing with the matter of , which rule or regulation was transmitted to Congress on .", the blank spaces therein being appropriately filled; or

(B) within sixty calendar days of continuous session of Congress after the date of promulgation, one House of Congress adopts such a concurrent resolution and transmits such resolution to the other House, and such resolution is not disapproved by such other House within thirty calendar days of continuous session of Congress after such transmittal

(2) If, at the end of sixty calendar days of continuous session of Congress after the date of promulgation of a rule or regulation, no committee of either House of Congress has reported or been discharged from further consideration of a concurrent resolution disapproving the rule or regulation and neither House has adopted such a resolution, the rule or regulation may go into effect immediately. If, within such sixty calendar days, such a commitee has reported or been discharged from further consideration of such a resolution, or either House has adopted such a resolution, the rule or regulation may go into effect not sooner than ninety calendar days of continuous session of Congress after such rule is prescribed unless disapproved as provided in paragraph (1) of this subsection.

(3) For purposes of paragraphs (1) and (2) of this subsection—

(A) continuity of session is broken only by an adjournment of Congress sine die; and

(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of thirty, sixty, and ninety calendar days of continuous session of Congress.

(4) Congressional inaction on, or rejection of, a resolution of disapproval shall not be deemed an expression of approval of such rule or regulation.

UNDERGROUND CONSTRUCTION

SEC. 11. All coal pipelines subject to this Act shall, to the maximum extent practicable, consistent with environmental protection, safety, and good engineering and technological practices, be buried underground and on all rights-of-way replace on the disturbed areas sufficient topsoil, so that a vegetative cover can be reestablished at least equal in extent of cover as that which sustained the natural vegetation in the area.

RELATIONSHIP TO INTERSTATE COMMERCE ACT

SEC. 12. Except where otherwise provided by this Act, the provisions of part I of the Interstate Commerce Act (24 Stat. 379) as amended (49 U.S.C. 1–40) shall be applicable to coal pipelines subject to this Act.

APPLICABILITY TO EXISTING PIPELINES

SEC. 13. This Act shall not be applicable to the line or route or operations of any carrier of coal by coal pipelines which was in bona fide operation on January 1, 1978.

SEPARABILITY OF PROVISIONS

SEC. 14. If any provision of this Act, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Act, and the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

H.R. 10587

By Mr. STEERS:

—Page 22, strike out line 18 and all that follows down through line 8 on page 35, and insert in lieu thereof the following:

SEC. 7. (a) The Secretary of the Interior shall enter into appropriate arrangements with the National Academy of Sciences (hereinafter in this section referred to as the "Academy") to conduct a study of the population dynamics of wild free-roaming horses and burros on public lands. Such study may be conducted by the Academy, or by a Task Force appointed by the Academy, utilizing such scientific and other expert personnel from various fields as the Academy determines necessary to carry out the study.

(b) The study required under subsection (a) shall be conducted over a period of not less than two breeding seasons. Such study shall include a current inventory of the wild free-roaming horses and burros on the public lands and projections concerning the size of the population of such horses and burros on the public lands for the foreseeable future. Such projections shall be based upon the number of offspring, the mortality rate, breeding characteristics, and such other factors as may be appropriate.

(c) Upon completion of the study required under subsection (a), the Academy (or Task Force appointed by the Academy, as the case may be) shall submit a report containing the results of the study to the Secretary of the Interior and to the President of the United States Senate and the Speaker of the United States House of Representatives.

(d) If the report submitted under subsection (c) recommends that the study of wild free-roaming horses and burros on the public lands should be continued following the submission of such report, the Secretary of the Interior may specify a Federal range area wherein a detailed and indepth study of such horses and burros may take place and shall enter into such contracts or other arrangements with the National Academy of Sciences or any other appropriate scientific group to conduct such study and provide periodic reports to the Secretary and to the Congress.

H.R. 12005

By Mr. ROYBAL:

—Page 11, strike out line 11 and all that follows through line 18 and redesignate succeeding sections accordingly.

H.R. 12433

By Mr. GARY A. MYERS:

—Page 51, line 18, strike out (ii)" and all that follows through line 19, and insert in lieu thereof the following: "(ii) the greater of (I) 35 per centum of the income of such applicant or (II) $100 per month.".

H.R. 12931

By Mr. MILLER of California:

—Insert after line 16 on page 13:

SEC. 116. None of the funds appropriated or made available pursuant to this Act shall be used to finance the use of the herbicide paraquat to eradicate marijuana fields under programs of international narcotics control.

EXTENSIONS OF REMARKS

THE SUMMER FEEDING PROGRAM

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. ADDABBO. Mr. Speaker, the summer feeding program was established and funded by Congress to be implemented by the Department of Agriculture. I have consistently supported the program, based upon the simple assumption that children are the unwilling victims of poverty. As they are unable to do anything by themselves to improve their lot, it remains for society to at least assure that they have some semblance of an adequate diet during the summer months spent away from school.

Insofar as the program has resulted in nutritious meals for poor children, it has been successful. Yet, even its most enthusiastic supporters must face the fact that there have been far too many instances of mismanagement within the program. These, in turn, have resulted in many serious problems, the losers being not only the children, but the Federal Government and the private firms which participated as well.

Until this year, the program has been implemented in New York State by the State Department of Education, which approved nonprofit sponsors to distribute the meals. The sponsors, in turn, contracted for the procurement of food with private vendors. In a number of instances, the Department of Agriculture alleged that several sponsors—the regulation and control of which has been its responsibility—failed to keep the necessary records to establish that the meals were distributed to eligible children. Therefore, the Department has withheld funds from these sponsors, leaving the companies, which acted in good faith to provide the food, with nowhere to go for reimbursement.

I would like to bring to the attention of the Members the plight of one of those persons who has been victimized.

John Krauss, Inc., is a 45-year-old, meat-processing company located in my congressional district, in Jamaica, Queens, N.Y. The company has built a fine reputation for providing quality meals in accordance with all of its contractual obligations. Among its many satisfied customers, incidentally, is the Department of Defense.

John Krauss, Inc., agreed to participate in the summer feeding program as early as 1972. All of the children who were served meals containing meat provided by John Krauss certainly benefited from the program. However, for the meat processor, the company's involvement was a distinct disaster. During the period 1975 to 1977, John Krauss provided over $900,000 worth of food, for which he has not yet been reimbursed.

If there has been some wrongdoing in the program, it is the responsibility of the Department of Agriculture to ferret it out. But, John Krauss is an innocent who has acted honestly and in good faith. It is a burden of almost catastrophic dimensions for a small business to absorb a $900,000 loss. The cost of carrying so large an account receivable is in excess of $125,000 per year. A well-established company, which employs 260 people in the depressed south Jamaica area of Queens, is now threatened with bankruptcy. John Krauss has been forced by his bank to institute legal proceedings against the sponsor agencies. However, the sponsors are nonprofit agencies with no real assets. Thus, John Krauss must also incur large legal costs for a futile legal effort.

John Krauss told me that he would still participate in the summer feeding program this year, in spite of his previous difficulties. Such is his devotion to what he considers a worthwhile Government project. However, his bank will not extend to him the necessary credit, as they consider participation in the program to be an unsafe investment. Thus, the operation of a worthwhile Government program is hindered, because the private sector cannot be assured that their accounts will be paid on time, if at all.

The cost of mismanagement in the summer feeding program is measured in more than dollars. For John Krauss, the cost could be his business—his family's productive effort for the past 45 years. For the people of Queens, the cost could be the loss of 260 jobs in a company which has given substance and vitality to a deteriorating neighborhood. And, let us not forget the children, who, as I said before, are the unwilling victims of poverty. The summer feeding program provides them with the nutritious meals they need to grow up to be intelligent, active, and contributing members of society. If not a threat to this entire worthwhile program, the mismanagement at least prevents the full participation of Government, private agencies, private enterprise, and children. The fuller the participation on all sides, the greater the number of children who can benefit.●

STATEMENT OF PERSONAL EXPLANATION

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. BRECKINRIDGE. Mr. Speaker, on Friday, June 23, 1978, I was present on the floor and voted "yea" on rollcall No. 491, H.R. 11493, authorizing $768.25 million for fiscal year 1979 for Amtrak. Apparently my vote was not recorded correctly in the CONGRESSIONAL RECORD. I was marked as "not voting" on this bill and I wish to correct this inaccuracy.●

FREEING JOB OPPORTUNITIES FOR OLDER WORKERS

HON. BRUCE F. CAPUTO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. CAPUTO. Mr. Speaker, the age discrimination in Employment Act, enacted into law, April 6 of this year represents a major stride in American society. I would like to submit for the RECORD, a precis of an article by Dr. Leonard M. Greene, president of the Institute for Socioeconomic Studies, which highlights some of the attributes of allowing our competent American citizens to engage in employment beyond the age of 65:

ONLY THE BEGINNING ON FREEING JOB OPPORTUNITIES FOR OLDER WORKERS

(By Dr. Leonard M. Greene)

The stereotypes on which mandatory retirement has been built will only slowly fade away. Automatic ejection at 65 has become a heavily encrusted institution since 65 was arbitrarily picked as "the" retirement age in the Social Security Act of 1935.

The discrimination faced by older workers is not a true reflection of their actual working abilities and potentials. Even in the 60–82 age group, the ability to learn new tasks is only slightly lower than for younger workers. Absenteeism is 20 percent less among workers at or above the "retirement age" as compared to younger workers.

Some companies have capitalized on the advantages of older workers with great success. The Burpee Seed Company in 1975 had workers aged 56 to 85 with an average age of 68 and an 85-year-old president!

Not only depriving the nation of productivity, early retirement also poses a serious threat to pension plans. Many private pension funds are underfinanced. Increasingly, corporations are trying to persuade personnel to delay retirement. The current crisis will remind us that at any age retirement is still, in historical terms, a relatively untried innovation.

Is U.S. affluence sufficient? Have our social aspirations again outstripped economic reality? Certainly those arguing for the end of retirement at 65 did not disguise the fact that our Social Security system could not afford it. Now it is hoped that enough workers will delay retirement to allay pressure on Social Security. Even so, the high cost of retirement upon society remains apparent. Congress is reeling over a taxpayer revolt against the high level of Social Security "contributions" now exacted of every wage earner in order to bail out the system.

With the possibility of continuing stagflation, a faltering dollar and the unpredictability of world supplies of such essentials as food and petroleum, the danger of permitting continued proliferation of mass retirement seems all the greater. To pull through straitened times, the overriding need may be for more work and more workers.

The new era wherein mandatory retirement no longer confronts employees at age 65 will certainly impose a far-reaching necessity on management; it will again be required to manage! The practice of waiting for compulsory retirement to dislodge the "deadwood" will have to be replaced with standard

measures of performance to be applied to all employees.

Easy acceptance of this form of lotus-eating may well be a factor in the declining productivity of American industry and its inadequacy upon the world market. Few demands have been made upon workers or management alike.

Many of our aged want to work and need to work. Because society does not have sufficient abundance to abide substantial members of non-producers, the skills and experience of older workers should be utilized. To do so effectively will require that the "deadwood" that we discard be that in our minds.●

A COMMEMORATIVE STAMP HONORING ENRICO FERMI

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. BIAGGI. Mr. Speaker, the archives of history are filled with the names of famous men who distinguished themselves in various fields of endeavor. Such a man was Enrico Fermi: Nobel Prize winner and Italian nuclear physicist. Since 1979 is the 25th anniversary of Fermi's greatest scientific contribution, the splitting of the uranium atom, I would like to take this opportunity to speak for the issuance of a commemorative stamp in his honor.

During Dr. Fermi's lifetime, he was a very prominent Italian-American who represented what the working class of America is all about. Born in 1901 from working class parents, he was, by 1939, recognized as one of the world's foremost scientists by his selection for the highly coveted Nobel Peace Prize. Among Dr. Fermi's greatest contributions in nuclear physics was the construction of the first American nuclear reactor in 1942. His unselfish dedication in the field of nuclear fission won him the Hughes Medal of the Royal Society.

Dr. Fermi's contributions, though, did not end there. Through amazing perseverance, he achieved scientific immortality as the first man to split the nuclei of uranium atoms by bombarding them with neutrons, thus producing the first radioactive substances.

After his death, Dr. Fermi was inducted into the Italian-American Hall of Fame to take his rightful place among those of Italian ancestry who have made outstanding contributions to this country.

With this brief synopsis of Dr. Fermi's contributions, I am sure you all can understand my interest in honoring Dr. Fermi with a commemorative stamp. He certainly fits all the criteria to be considered in issuing such a stamp. For the last 10 years, I and many others have urged the Citizen's Stamp Advisory Committee to issue such a stamp. Unfortunately, the committee seems quite content to issue stamps for horses and butterflies rather than for men such as Dr. Fermi who have contributed so much to the American way of life.

It is also important to consider that with the exception of Christopher Columbus, few, if any Italo-Americans have been so honored by a commemorative stamp. Thus, in addition to honoring a great man, the issuance of such a stamp will also honor the millions of Italo-Americans who take pride in the contributions of Dr. Fermi.

With all this in mind, I ask all of you here to join with me in urging the Citizen Stamp Advisory Committee requesting that there be a commemorative stamp to honor Enrico Fermi. The committee will be meeting July 28 to conclude the 1979 stamp program and begin work on the 1980 program. Therefore, it will be necessary to exhibit a massive surge of interest for such a stamp before this date. It is perhaps most appropriate that now, at a time when we seek to find new ways to supply world demands for energy that the progenitor of the atomic age, Enrico Fermi, be acknowledged for his most important contributions. Hopefully, the Citizen's Stamp Advisory Committee will agree.●

HUMAN RIGHTS

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. WOLFF. Mr. Speaker, I am very concerned about the harsh sentences handed out to Vladimir Slepak and Ida Nudel in the Soviet Union. Slepak has tried for 8 years and Nudel for 7 years to be granted permission to emigrate. In separate incidents in Moscow, Slepak, and his wife, Masha, and Nudel hung banners outside their apartments to demonstrate their desire to emigrate to Israel. For this they were charged with "malicious hooliganism." Slepak was sentenced to 5 years exile and Nudel to 4 years. Masha Slepak will be tried later, because of illness.

Obviously, the Soviets wanted to punish Slepak for his leadership in forming the "Helsinki monitoring group" to assess the progress, or lack of it, on the part of the Soviet Union in complying with the human rights provisions of the Helsinki Accords. Soviet authorities have been systematically wiping out the leadership of the dissident movement in the Soviet Union, through exile to Siberia, or deportation. I am very concerned by this campaign of the Soviets. After a short period of relaxation, the Soviet Union seems to be returning to Stalinism, to the total repression of human rights, civil liberties, and cultural expression.

Here in the United States, one of our most precious freedoms is the freedom of speech. It is hard to understand how hanging a sign on one's balcony asking to emigrate to Israel could be an offense so severe that it must be punished with a sentence of 5 years in Siberia. Such a harsh response to dissent only demonstrates the incredible extent to which freedoms are repressed. It is almost incomprehensible to an American how one could stand to live under conditions where one fears to speak out, to demonstrate, to stand up for what one believes.

For most people, the threat of spending 5 years in Siberia would be enough to stifle any thought of speaking up, of demonstrating for their convictions. The penalty for these "crimes" demonstrates the tremendous courage on the part of those who do stand up for their convictions. Vladimir and Masha Slepak and Ida Nudel have shown themselves to be most courageous.●

ALASKA NATIVE PEOPLES' LAND ENTITLEMENT IS OF NATIONAL INTEREST, TOO

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. UDALL. Mr. Speaker, H.R. 39, the "Alaska National Interest Lands Conservation Act" passed the House on May 19 by an overwhelming margin of 277 to 31. The bill designates certain public lands in the State of Alaska as units of the National Park, National Wildlife Refuge, National Forest, and Wild and Scenic Rivers Systems. Portions of the new units and parts of existing conservation system units are designated as wilderness.

These are the "National Interest" lands of Alaska—lands owned by all of the American people. But there are other public lands of Alaska which are of "National Interest" too. These are the public lands in that State which were granted to Alaskan Native peoples—Eskimo, Aleut, Indian—by the Alaska Native Claims Settlement Act of 1971 which gave the Alaskan Native peoples 44 million acres in exchange for extinguishment of their aboriginal rights to the land. To date, however, due mostly to bureaucratic snafus and delays, Natives have received only about 5 million acres of their entitlement.

While conducting public hearings in Alaska last summer I told Native witnesses, who brought the land transfer delay problem to our attention, that the trail of broken promises would end with passage of the Alaska National Interest Lands Conservation Act. Accordingly, H.R. 39 contains an expediting procedure by which the prompt transfer of Native Lands is assured.

Delay in consideration of H.R. 39 by the Senate will not only continue the existing uncertainty affecting most Alaskans by postponing the resolution of the status of the public lands, but will postpone a contract the Congress made with Alaskan Native peoples, proud citizens of that great State, whose land grant is in the national interest, also.

Mr. Speaker, the following editorial from the Tundra Times of June 7, 1978, speaks eloquently of the need for the Senate to move quickly on passage of an Alaska lands bill, so that an as yet unfilled promise finally will be kept. The editorial follows:

UNFULFILLED PROMISES

The Treaty of Cession, swifty negotiated between the United States and Russia in 1867, did little to define the rights of Alaska Natives. It did, however, set the stage for a

relationship between the Government and Natives which holds sway even today.

Article III of the Treaty, almost as an afterthought, states the following: "The uncivilized tribes will be subject to such laws and regulations as the United States may, from time to time, adopt in regard to aboriginal tribes of that country."

One-hundred and four years later, when the Congress consented to define what rights Natives did possess by virtue of aboriginal occupancy, the language was vaguely familiar in part. Section 25 of the Settlement Act states, "The Secretary is authorized to issue and publish in the Federal Register, pursuant to the Administrative Procedure Act, such regulations as may be necessary to carry out the purposes of this Act."

While Congress made a clear declaration of policy, the regulation drafters and the gray administrators securely squirrelled away in their mid-fiefdoms subverted the intent of the law. Burdensome easement provisions were written, and conveyances of lands to the Natives were painfully slow or more often nonexistent. Apart from misdeems of the bureaucrats, oversights in the original legislation came to light. No definition of the rights of the subsistence user, for whom there is no alternative to subsistence, had been provided.

One section of the Claims Act provided for a further opportunity to bring before the Congress further legislation, and hence to bring to the Congress' attention the failure of the Government to implement the law earlier passed. Also existed the opportunity to bring forth the neglected subsistence question. Much progress has been made by Natives in bringing both issues to light, with resulting development of favorable solutions to these problems. The legislation has been adopted by the House and is now before the Senate.

Some have suggested delaying tactics to dispense with less attractive aspects of the proposal. Others have suggested that misjudgments of certain bureaucrats resulting in unfortunate but hastily corrected incidents, will indicate poor future treatment of subsistence users.

From the broader view, Natives had waited 104 years for a resolution of their rights. After settlement was made, they have been left with unfulfilled promises. While every effort must be made to ensure as much as possible that the promises will be kept with this legislation, time is of the essence. The promises must be kept. There should be no filibuster. The drastic consequences of the failure to keep the promises in a timely manner are becoming evident on the front page of this week's newspaper. They will be further evident in the lives of neglected subsistence users.

The promise best be kept and the deed best be done.●

MRS. ANNE M. AIGNER RETIRES AS EXECUTIVE DIRECTOR OF THE COMMUNITY NURSING SERVICE OF CHESTER AND VICINITY

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. EDGAR. Mr. Speaker, it is with great pleasure that I bring to the attention of my colleagues the career of Mrs. Anne M. Aigner, one of my constituents, who will be retiring on Friday. Mrs. Aigner is the executive director of Community Nursing Service of Chester and vicinity, and she is culminating 16 years with that agency and 40 years of community service. I have been informed that she desires to avoid publicity concerning her many achievements, but I believe that it would be unfortunate not to acknowledge her contribution to the well-being of those who I represent.

I last met Mrs. Aigner when she testified at field hearings in Delaware County which I arranged for the House Select Committee on Aging. She continues to impress me as a forceful and dynamic speaker, and I suspect that we will find her retirement a great loss to Delaware County in general, and to the Community Nursing Service in particular.●

EFFORT TO INCREASE ALTERNATIVES FOR SENIOR CITIZENS

HON. MILLICENT FENWICK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mrs. FENWICK. Mr. Speaker, over 1 million elderly Americans—5 percent of those who are over 65—live in nursing homes, and many of them will spend the rest of their lives there, isolated from friends and from family members. Although many of these people need the nursing care which can be provided only by an institution, a 1977 Congressional Budget Office study has estimated that 20 to 40 percent of them could be cared for at less intensive levels if funds and adequate community-based facilities were available to them. On March 20, 1978, I introduced a bill, H.R. 11648, which would provide alternatives to institutionalization for these people.

Existing health insurance programs for the aged have a strong institutional bias. Under present medicare law, payments are not permitted for home health care unless the individual has been hospitalized for 3 days, is deemed eligible for skilled nursing care, or for physical or speech therapy, and is considered "homebound." Medicaid supports the vast bulk of federally subsidized long-term care, yet only a tiny percentage of these funds is used to pay for home health care. With funds available to those who are in institutions, but not to those who might be able to stay home, the incentives all point toward institutionalization, even when this is neither the desired nor the appropriate level of care for the senior citizens.

If some of the money currently used for institutional care could be made available to those individuals or to their families, many could avoid institutionalization altogether. The Government would be encouraging family unity, rather than discouraging it. Also, several studies have demonstrated that home health care is considerably less expensive than care in a hospital or skilled nursing facility. In other words, maintaining many elderly people at home instead of sending them to institutions could be accomplished at considerable savings to the taxpayer.

Secretary of Health, Education, and Welfare, Joseph A. Califano, Jr., has stated that he is "committed to finding workable alternatives to institutionalization." My bill would provide the groundwork for many such alternatives, by authorizing demonstration projects wherein those people eligible for medicare or medicaid nursing home care would be paid a tax-free stipend which they could use to finance alternative forms of care. The stipend, which would be equal to 50 percent of the average nursing home benefits to which they were entitled, would enable these senior citizens to arrange for a home care situation, either with their own or with foster families, with friends or in cooperative arrangements with others, pooling resources. Since eligibility would be based on already established medicaid and medicare guidelines, there would be no danger of abuse or overuse.

For example, an elderly grandmother in my home State of New Jersey, where more than half of the nursing home population is dependent on Federal assistance, might be maintained in a nursing home with public funds at a cost of $1,000 per month. With a tax-free stipend of $500—half the cost—she might well be able to stay at home with her family and contribute to the household income. Then her daughter, who perhaps was planning to go to work to help with the grandson's college expenses, would be able to stay at home. Or she might use the stipend to pay for part-time health or nursing care. Any such living arrangement would be reviewed periodically by a registered nurse or other health official who could determine whether the money was being used to the individual's satisfaction—whether the elderly individual was happy with the situation. A 1977 study by the Urban Health Institute of East Orange has estimated that as many as 35 percent of those senior citizens currently institutionalized in the State of New Jersey might be able to benefit from such an arrangement.

I have introduced the bill with the expectation that while saving a considerable amount of money, it can provide independence and dignity for a great many elderly persons in this country. Separation from one's family or from one's community ought not to be required or encouraged by Government regulations and incentives. Institutionalization ought, rather, to be the option of last resort. For the record, a complete text of the bill follows:

H.R. 11648

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of Health, Education, and Welfare (hereinafter referred to as the "Secretary") may provide, through demonstration projects payments to individuals who are receiving, or are eligible to receive, benefits with respect to post-hospital extended care services under title XVIII of the Social Security Act or intermediate care facility services or skilled nursing facility services under title XIX of such Act, who do not require 24-hour nursing care or supervision, and who desire to establish a noninstitutional living arrangement which will meet their medical and other needs.

(b) The amount of any payment made to any individual under this Act shall be an amount determined by multiplying—

(1) the number of days in the period for which the payment is made, by

(2) 50 percent of the average daily benefit paid for the services described in subsection (a), in the State in which such individual resides, on behalf of an individual under titles XVIII and XIX of the Social Security Act.

(c) Any payment received by an individual under this Act shall be used for the purpose of financing an appropriate noninstitutional living arrangement which meets the medical and other needs of the individual. The Secretary shall provide that such living arrangement will be reviewed periodically by a registered nurse or other appropriate health official for the purpose of determining whether the individual is satisfied with the care as a result of such arrangement.

(d) Any payment made under this Act shall be made on such terms and conditions, in advance or by reimbursement, in such installments, and for such length of time as the Secretary determines will best meet the medical and other needs of the individual receiving the payments.

(e) Such payments shall not be includable in gross income under the Internal Revenue Code of 1954.

(f)(1) The Secretary shall design demonstration projects established under this Act for the purpose of determining—

(A) the economic, medical, psychological, and sociological feasibility of transferring inpatients of skilled nursing and intermediate care facilities to noninstitutional living arrangements;

(B) the types and percentage of such inpatients who could live effectively in a noninstitutional living arrangement; and

(C) the types and percentages of such inpatients who would benefit economically and qualitatively from transferring to a noninstitutional living arrangement.

(2) The Secretary shall, within 2 years after the date of the enactment of this Act, transmit a report to each House of the Congress concerning the findings and conclusions which have been made with respect to the matters described in paragraph (1). In addition, such report shall contain recommendations, if any, by the Secretary for legislative action with respect to such matters.

(g) Funds made available under this Act shall be made in appropriate part, as determined by the Secretary, from the Federal Hospital Insurance Trust Fund (established by section 1817 of the Social Security Act) and from funds appropriated to carry out title XIX of the Social Security Act.●

PEOPLE'S REPUBLIC OF CHINA EMIGRATION

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. FINDLEY. Mr. Speaker, there is periodically, in connection with a consideration of our diplomatic and trade relations with the People's Republic of China, a discussion of Chinese emigration practices. I found the following article from the June 4, 1978. issue of the Guardian to be enlightening in this regard:

A NEW CHINESE INFLUX

(By Harold Jackson in Hong Kong)

The Bridge at Lo Wu, where Hong Kong borders with the mainland of China, is a scruffy place at the best of times. But the government of the territory is watching it with the sort of rapt fascination that would normally be fastened on the Taj Mahal or the Parthenon. Those clanking planks with their single line of railway tracks down the centre could well determine the future prosperity of the place.

In the past few months they have seen an influx of immigrants from China which has not been matched since the nervy days of 1973, when a thousand a month were being given exit permits by the Peking government and were teeming down on every train from Canton. During that period 55,300 Chinese arrived to join the 4½ million already inhabiting the territory.

So far this year nearly 14,000 have come clutching their bundles and their cooking pots, all of them given the required permission by the Chinese authorities. This flow is quite distinct from the steady dribble of people who choose, at considerable danger on occasions, to swim across Mirs Bay as illegal immigrants.

After a general flap in 1973 it emerged that the Peking government was fed up with giving political asylum to these refugees and had used the easiest pressure available to make the point. When an agreement was concluded that the "illegals" would be repatriated the flow across the Lo Wu bridge dried to its normal proportions.

No one is quite sure what the present surge indicates. At the rate of 140 immigrants a day it is not quite running at the 1973 level, but it is coming perilously close. As a comparison, the flow in the past three years has been at something like half the current rate. Given that the vast majority of these legal immigrants settle in Hong Kong even this lower rate has meant that the population of the territory has swelled by 72,543. It may sound like a drop in the bucket among 4.5 million but, to the hard-pressed administration it means that yet another new town will have to be built to accommodate them.

And that is where the heart of the business lies. Last year, simply to meet its aim of getting the existing population into some sort of reasonable housing, Hong Kong built 14,000 new flats. Within two years it hopes to get the rate of building up to 40,000 a year—and it will still take six years to get to grips with the basic problem. If China were to continue its current policy of letting 140 of its citizens emigrate to the territory every day the Hong Kong authorities would be faced with housing another 300,000 people by the end of its present building programme.

Given the complexity of relations between Peking and Hong Kong—under which the diplomatic stance by the Chinese is that the city is part of their territory which happens to find itself under foreign control—there is little the territory can do to stop the flow. "What are we supposed to do?" one official said resignedly, "have the Gurkhas shoot them on the bridge?"

The best official guess at the reasons for the present flood is that it represents no more than a liberalisation of policy by the new regime. It has been noticeable that a far higher proportion of the arrivals are young people who have usually been stopped in the past.

But, whatever the reason, the only answer available to Hong Kong was that made by Mr. Philip Haddon-Cave, the acting Chief Secretary to "inform China of our concern." In the twilight world of nods and winks of relationships between the island and its giant parent nation, it may be that the Peking government will note the message and tighten up on the issue of exit permits.

Nobody in Hong Kong is going to express any such wish, of course. For one thing it would annoy the Chinese and for another it would be a pretty left-footed stance for an administration which is ferociously free-enterprising in its general stance. But, underlying it all, is the observation made by a senior official contemplating the future of the territory in a relaxed moment. "All they have to do," he confided, "is to send in two million of the buggers out of Kwantung Province and we can kiss it all goodbye." ●

SCIENCE, TECHNOLOGY AND AMERICAN DIPLOMACY—IV

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. FASCELL. Mr. Speaker, a recent editorial in Science magazine highlights the importance of international scientific activities to U.S. foreign policy. This importance has been recently underscored by action of the House of Representatives in adopting title V on science, technology and American diplomacy in the Foreign Relations Authorization Act for fiscal year 1979. As the author of the editorial notes, "Scientists cannot do everything, but if they select limited and doable objectives, they can make a meaningful difference."

Title V of the Foreign Relations Authorization Act for fiscal year 1979 is intended to give direction to the international scientific activities of the U.S. Government. I would hope that in the future, the Department of State could sponsor or otherwise assist some of the activities discussed in the following editorial. Such sponsorship is the kind of activity the International Relations Committee had in mind when it adopted language calling for the State Department to operate and manage some international activities on behalf of the U.S. Government.

The article follows:

SCIENTISTS AND WORLD NEEDS

(By Philip H. Abelson)

Scientists have a long tradition of international cooperation. Initially their interaction was based on admiration for scientific contributions. With time the intensity and scope of interaction have increased. Air travel and the telephone have multiplied the opportunities for meaningful contacts, mutual respect, and friendships. In consequence scientists have tended to be unusually internationally minded.

Until the last decade cooperation among scientists was focused strongly on fostering science. But now substantial emphasis is being directed toward important world problems. In seeking to be helpful in meeting human needs elsewhere, scientists have discovered that the practical problems are complex and difficult; quick solutions are enormously costly. The world's scientists possess a substantial fraction of relevant intellectual capacity; they have very little control of funds.

Under such circumstances, it would be easy to become frustrated. But this has not happened; rather the tempo of organized efforts has increased, stimulated in part by the forthcoming United Nations Conference on Science and Technology for Development. But activities by scientists will go on long after the meeting at Vienna in August 1979.

An important focus of the continuing efforts will be the International Scientific Unions. One example of activities involves the International Union of Pure and Applied

Chemistry (IUPAC). Its activities are carried out by 1500 experts from 43 member countries who cover the spectrum of chemistry-related sciences and technologies. For most of its 59 years of existence the Union devoted its efforts to the regulation of atomic weights, chemical nomenclature and symbolization, analytical procedures, and standard methods of assay.

But IUPAC has recognized that though such activities are useful they are not enough, and it has created a mechanism designed to aid in identifying and solving problems of chemistry having direct impact on human needs. The effort bears the title Chemical Research Applied to World Needs (CHEMRAWN). IUPAC's initial enterprise under CHEMRAWN is a first World Conference on Future Sources of Organic Raw Materials. This major conference will discuss alternatives to petroleum as future sources of chemicals and chemical feedstocks. The conference, to be held in Toronto from 10 through 13 July 1978, will be attended by world leaders from government, industry, and academia. They will seek to define those factors that will determine the sources of organic raw materials at the end of this century.

Another example of effort by the scientific unions is an activity spear-headed by the umbrella organization for all of them—the International Council of Scientific Unions (ICSU). Through ICSU initiative, a number of nongovernmental organizations including those of engineers and social scientists will host a symposium in Singapore during late January 1979 that will involve participants from many countries. Objectives of the meeting include identification of substantive inputs into the U.N. Conference on Science and Technology for Development. Of more lasting consequence is exploration of institutional and other innovations which would enlarge the opportunities for scientists and engineers to participate in future years in the improvement of the human condition. One of the important objectives of the symposium is to illuminate the basic conditions necessary for the assimilation of science and technology into developing countries in a manner which significantly contributes to the development process. The symposium will explore such questions as "how can a systematic approach be made country by country to selection of technology relevant to it?" Such an approach is required because the various nations differ greatly in educational levels, technological know-how, internal markets, natural resources, financial strengths, managerial talents, and political climates.

Scientists cannot do everything, but if they select limited and doable objectives, they can make a meaningful difference.●

FIREWORKS NOT WORTH RISK

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. DERWINSKI. Mr. Speaker, I, as much as anyone else, enjoy the Fourth of July observances. However, I believe that fireworks constitute more of a public menace by producing unnecessary suffering and serious injuries than the temporary enjoyment that they create. As I am sure that most Members agree with me, I wish to insert the following very pertinent and informative editorial that appeared in the June 21 West Proviso Herald, serving the suburban areas of Cook County, Ill.:

FIREWORKS NOT WORTH RISK

As the Fourth of July approaches, everyone naturally thinks of celebrating. But with the very American tradition of celebration comes danger in the form of illegal fireworks.

Sadly, as traditional as picnics and parades are on the Fourth, serious injuries to life and limb—often permanent—have become just as much of a tradition. We urge parents to make sure their children are not keeping illegal fireworks.

Fireworks may seem like innocent fun. But in most places (Illinois included) they are illegal to purchase. Even if bought in places where their sale is legal, it is against the law to bring them into Illinois. Since most fireworks are sold at least on the fringes of the law, there is no possible way to know what you're getting. There's nothing approaching a manufacturer's warranty, and setting off fireworks certainly isn't worth the risk.

Of course, with small children the risk of children playing with matches should be sufficient warning to keep parents on guard.

State law defines illegal fireworks as "any combustible or explosive composition, or any substance or combination of substances, of articles prepared for the purpose of producing a visible or an audible effect by combustion, explosion, deflagrations or detonation."

If you have any question whether articles your children bring home are illegal fireworks, phone your fire departments of Bellwood, Berkeley or Hillside.

You still can have fireworks fun by attending any of the numerous officially sanctioned shows held throughout the Chicago area. Fireworks there are set off by professional experts. And the explosives are purchased under strict regulation by a bureau of the U.S. government. But to set off fireworks on your own risks bad injury and even death, for example if a fire should start. That is no way to celebrate our nation's birth.●

JOURNEY TO CHINA, PART III

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. MICHEL. Mr. Speaker, at this point I would like to insert in the RECORD the third installment of C. L. Dancey's "Journey to China" as printed in the Peoria Journal Star:

THE FACTORY: IN RED CHINA IT IS A COMMUNE

(By C. L. Dancey)

It has a production chief and a political chief and the political chief is senior.

The "wise director" of production runs the factory, whereas the "wise leader" of the commune runs the whole shooting match. He has responsibility for the factory, the housing assignments of the workers, the "hospital" or "clinic," the nursery, the school, the recreation program, the commissary or general store—the whole community.

Thus the factory commune is much like a farm commune or farm village (with one boss) although set down in the middle of a city of millions. It is the an old fashioned "company town"—only in spades!

The words are a little tricky. The "hospital" is most likely not like any hospital we know. Its doctors may have no more formal preparation, in fact, than our paramedics or a registered nurse. The clinic is apt to be manned by some housewives of the commune who have received a short course in first aid and old family style remedies.

Thus they aren't as good as the words sound—but neither are they as bad as the description sounds. You must remember that millions of older Americans survived reasonably well many injuries and several diseases on little more than first aid and family remedies . . . and are still around, doing pretty well.

There is a double culture-shock when you go from visiting the 1400-year-old structures where the emperors worshipped their ancestors—a site 3,000 years old—gaze on those elaborate and uniquely graceful structures and grounds and then proceed to the modern heavy equipment factory at Taiyuan.

The Taiyuan plants makes giant earth-movers, excavators actually, on order from the government, used mainly for mining operations.

We saw mostly the foundry and the early "rough cuts" and finishing work on parts . . . and they didn't get much done while we were walking through.

Most of you would be familiar with the basic steel plant scene, with the huge closed car of a lift about three or four stories overhead on tracks near the roof, used for heavy lifting of either molten steel or ingots or castings, with either furnaces, or lathes, or other machinery down the sides of the building at ground level.

As we passed down the center, groups of laborers formed by in knots, standing, grinning, and clapping their hands as we approached. Those farther away were apt to be craning their necks, stretching and waving.

Women high overhead in the huge cabs of the lifts leaned out, incredibly tiny against the roof, and waved frantically at us.

We felt like visiting dignitaries instead of an ordinary gang of tourists.

There were two people, usually women, at the lathes, and Vic Traenkenshuh of Caterpillar pointed out that one was the operator and the other, apparently, an apprentice. When you looked closely, that became obvious.

Vic said it was quite a respectable operation as far as he could see, except that there were "about 10 people for every job." He pointed out, however, that when really interesting visitors arrive at any plant anywhere, all kinds of people from other parts of the operation find reasons to show up where they can get a look. It's hard to judge.

There was no sign of safety glasses, ear protections, or standard safety precautions familiar to us. The "wise leader" told us that such were made available, but the workers didn't like to be hampered by them and production was faster without them.

Much the same was true in the cotton mill we visited, and in the incredible "factories" for art work, oriental carpets, and handicraft objects. Some of the latter seemed like they had gathered up people from a score of back-room workshops and assembled them into communes where they line up in rows under badly lighted drills to carve out ivory and jade figures of incredible delicacy—and all on a quota system posted on the wall.

The largest "factory" we saw was the heavy equipment place which had 12,000 workers, and the smallest has about 400 workers.

The most interesting interview was at the cotton mill, an impressive place with thousands of spinning spools and tricky machines—and with women performing daily the impossible job of hand-threading the needles for the machine banks.

There I asked the householder what he did, and he said he was responsible for repairing machinery and keeping it in good order—a machinist.

I noted that was a special skill and asked him if he was paid more than others. His reply was specific: he received 82 yuan a

month, while his wife, as a winder in the plant, got 56 yuan.

When you deal in the small numbers chosen for the Chinese economy, it doesn't sound like much—but he makes half-again as much as she.

It goes with the "wise leader's" misquote from Marx, which we heard several times in the same form in China.

Marx wrote, in fact: "From each, according to his ability. To each, according to his need."

The Chinese "translation" repeatedly says:

"From each, according to his ability. To each, according to his work."

In general, however, except for this worker and the farmers (who got their own garden and private project on the side and one yuan a day) almost everybody claimed to make about 60 yuan a month, from laborers to government officials, and to pay about six yuan rent—and a yuan and half to three yuan for "utilities."

Since the authorities assign housing, etc., however, I have no idea what a bigshot gets for his six yuan rent compared to the ditch diggers—providing the figures are accurate.

As for the utilities, while such figures may sound great to CILCO customers, even on a payroll of less than $15 a week—you must remember that "utilities" often means one light bulb—and, if you are lucky, cooking gas.

One thing is clear—the effort to get from each the maximum "according to his ability" is impressive and important. Giving to each "according to his work" is less clear, and more subtle—but they made no bones about it.●

THE LATE SENATOR FRANCIS CASE

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. PRESSLER. Mr. Speaker, June 22, 1978, was the 16th anniversary of the death of Senator Francis Case, a beloved South Dakotan who served in the Congress of the United States for 25 years. Much of my own interest in public service originated from the opportunity which I had to serve as an aide in his office some years ago. I have always been impressed by the ability of this man to retain his purpose, principle, and integrity in public office.

The impact on public service careers, from technological advances combined with other complexities of contemporary life, has caused me to reflect a bit on the origins and political career of this distinguished public servant from my home State. It is interesting to me that from roots, which go back to a humble beginning in a minister's family in a sparsely populated part of an agrarian State, the stimulus developed to become a doer of many things in public service which have had an impact not only in South Dakota, but throughout the world.

Francis Case was the grandson of a sturdy pioneer who crossed the country in a covered wagon in the last century and started a family which transmitted a spirit of determination and fearlessness, which is reflected in the lives of many of his descendants. These determined people include educators, historians, developers and curators of museums, editors, scientists, and even an astronaut-scientist (HARRISON SCHMITT) who is currently a Member of the U.S. Senate.

The interests of Francis Case were always global. This was earliest exemplified when, as a sophomore at Dakota Wesleyan University in Mitchell, S. Dak., he wrote an oration for the National Peace Contest, traveled alone to Lake Mohonk, N.Y., to deliver the speech, and won this prestigious national contest. His oration, "The Modern Paradox," has a theme as current today as it was in 1974—the philosophical conflict of a nation that speaks peace, but plans for war.

The written and spoken word continued to be of great importance to this man. Francis Case began his career in South Dakota as a small town newspaper editor—often accepting potatoes for subscriptions during the Depression—an occupation where the belief in the importance and power of the people in the community is paramount. Throughout his career he took the time to converse with local merchants, farmers, ranchers, fellow fishermen or hunters and shaped his philosophies of what was important to South Dakota from real knowledge of South Dakotans.

Motivated to run for public office by a desire to help South Dakota, Francis Case became a dedicated public servant who believed that he held a trust for the people of the State. Because of his newspaper background, the media used when he first ran for public office was the distribution of handbills which he had printed himself. Until the rising costs of more technical media in the early 1950's, Senator Case felt that no person should contribute a sum greater than $25 to his campaign.

His record in a wide range of accomplishments in public works and water resource conservation is evidenced by maps dotted with reservoirs and bridges dedicated to his memory. At the time of his death in 1962, he was editorialized throughout South Dakota as the most respected man ever to hold public office in the State. I believe that this review of his philosophy, motivation for seeking public office, and the framework within which he accomplished this, are an appropriate commemoration on the anniversary of his death, and I am proud to be able to add my own statement of respect at this time.●

VOTE EXPLANATION

HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. DERRICK. Mr. Speaker, on June 14, 1978, I was recorded incorrectly on rollcall vote No. 458, the Armstrong amendment to H.R. 12935, the Legislative Branch Appropriation bill. My vote should have been recorded as "yea." ●

THE NEED TO INDEX PERSONAL INCOME TAXES

HON. MARK W. HANNAFORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. HANNAFORD. Mr. Speaker, each time I go back to my district and talk with my constituents on economic issues, our conversations revolve around three dominant topics:

First, Federal taxes are too high;

Second, inflation is pricing individuals and families out of the market for basic necessities and adequate housing; and

Third, taxpaying citizens are realizing diminishing benefits from their hard work while noting substantial increases in the level of Government spending.

These are observations which, I am sure, have been brought to the attention of many of my colleagues.

I am, therefore, introducing legislation which addresses all of the issues listed above. The legislation that I propose is to index personal income taxes.

Mr. Speaker, let me briefly discuss why indexing is one answer to the criticisms of rising Federal taxes, inflation, and the level of Federal spending.

With rising inflation, people seek increased wages to compensate for hikes in the consumer price index. Many Federal programs including social security, SSI, Federal civilian retirement, and military retirement are indexed for inflation. Such allowances permit individuals to keep up with inflation. Yet, as many people have experienced, the inflation adjustments often catapult them into a higher tax bracket and, in some instances, result in less take-home pay. Indexing Federal income taxes to the increases in the inflation rate will help solve this dilemma.

Such a revision in our tax laws will reflect an honest tax system which will distinguish the taxation of real income as opposed to illusory, inflation-induced increases.

There is no question but that the inflationary levels experienced by the economy in recent years are making it almost impossible for the middle class to keep up with price increases. In essence, the distortions of a nonindexed tax system have overtaxed the American public by $14 billion in 1970, $19 billion in 1971, $25 billion in 1972, $28 billion in 1973, $37 billion in 1974, and $42 billion in 1975. While periodic tax cuts have trimmed the margins of such inflation-induced taxes, that mechanism alone has not been the most effective tool in abating inflationary pressures.

Finally, an indexed system of Federal income taxation is one of the most effective ways to control Government spending. As I discussed earlier, inflation causes Government revenues to increase because of the tax bracket shove which occurs. Mr. Speaker, a study titled, "The Effect of Inflation on Federal Expenditures" which was prepared by the Con-

gressional Budget Office for the Joint Economic Committee's Fiscal Policy Subcommittee claims that a 10 percent increase in the price level will increase Federal tax receipts by 12.3 percent. Indexing Federal income taxes will prevent such revenue increases and contribute significantly to a reduction in Federal spending and the inflation rate. The Canadian Government has instituted an indexing system which has reduced revenues and has subsequently lead to declines in the growth rate of government spending from 16 percent in 1974 to 3 percent in 1976.

Mr. Speaker, I believe that indexing Federal income taxes is imperative if we intend to maintain a progressive tax system and put a stop to the hidden tax increases which are currently being perpetuated.

The provisions of my Anti-Inflation Tax Relief Act are:

First, to provide automatic adjustments in tax rate tables to reflect changes in the rate of inflation. These adjustments will prevent individuals from being pushed into higher tax brackets due to inflation.

Second, to provide for automatic adjustments in the personal exemption based upon changes in the inflation rate. For example, the $750 personal exemption would be substituted by an amount equal to $750 multiplied by the cost-of-living adjustment plus the original $750. Thus, with an annual inflation rate of 6 percent, the personal exemption rate would be increased to $795.

Both indexing provisions are important. The latter provision is necessary to assist individuals such as senior citizens and the working poor with large families whose income levels are not likely to rise and who deserve protection from further erosions in buying power.

Printed below is the text of my proposal:

H.R. —

A bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the amount of the personal exemption and in the individual tax rates

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE

This Act may be cited as the "Anti-Inflation Tax Relief Act of 1978".

SEC. 2. COST-OF-LIVING ADJUSTMENTS IN AMOUNT OF PERSONAL EXEMPTIONS

(a) GENERAL RULE.—Section 151 of the Internal Revenue Code of 1954 (relating to allowance of deductions for personal exemptions) is amended by striking out "$750" each place it appears and inserting in lieu thereof "the exemption amount".

(b) EXEMPTION AMOUNT.—Section 151 of such Code is amended by adding at the end thereof the following new subsection:

"(f) EXEMPTION AMOUNT.—

"(1) IN GENERAL.—For purposes of this section, the term 'exemption amount' means, with respect to any taxable year, $750 increased by an amount equal to $750 multiplied by the cost-of-living adjustment for the calendar year in which the taxable year begins. If the amount determined under the preceding sentence is not a multiple of $10, such amount shall be rounded to the nearest multiple of $10 (or if such amount is a multiple of $5, such amount shall be increased to the nearest multiple of $10).

"(2) COST-OF-LIVING ADJUSTMENT.—For purposes of paragraph (1), the cost-of-living adjustments for any calendar year is the percentage (if any) by which—

"(A) the CPI for the preceding calendar year, exceeds

"(B) the CPI for 1977.

"(3) CPI FOR ANY CALENDAR YEAR.—For purposes of paragraph (2), the CPI for any calendar year is the average of the Consumer Price Index for the months ending in the 12-month period ending on September 30 of such calendar year.

"(4) CONSUMER PRICE INDEX.—For purposes of paragraph (3), the term 'Consumer Price Index' means the Consumer Price Index for all-urban consumers published by the Department of Labor. In the case of periods for which a Consumer Price Index for all-urban consumers has not been published, the Secretary shall establish a comparable index based on information provided by the Secretary of Labor."

SEC. 3. ADJUSTMENTS TO INDIVIDUAL TAX RATES SO THAT INFLATION WILL NOT RESULT IN TAX INCREASES

(a) GENERAL RULE.—Section 1 of the Internal Revenue Code of 1954 (relating to tax imposed) is amended by adding at the end thereof the following new subsection:

"(f) ADJUSTMENTS IN TAX TABLES SO THAT INFLATION WILL NOT RESULT IN TAX INCREASES.—

"(1) IN GENERAL.—Not later than December 15 of each calendar year, the Secretary shall prescribe tables which shall apply in lieu of the tables contained in subsections (a), (b), (c), (d), and (e) with respect to taxable years beginning in the succeeding calendar year.

"(2) METHOD OF PRESCRIBING TABLES.—The table which under paragraph (1) is to apply in lieu of the table contained in subsection (a), (b), (c), (d), or (e), as the case may be, with respect to taxable years beginning in any calendar year shall be prescribed—

"(i) by increasing—

"(1) the maximum dollar amount on which no tax is imposed under such table, and

"(ii) the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed under such table,

by the cost-of-living adjustment for such calendar year (as defined in section 151(f)(2)).

"(B) by not changing the rate applicable to any rate bracket as adjusted under subparagraph (A)(ii), and

"(C) by adjusting the amounts setting forth the tax to the extent necessary to reflect the adjustments in the rate brackets. If any increase determined under subparagraph (A) is not a multiple of $10, such increase shall be rounded to the nearest multiple of $10 (or if such increase is a multiple of $5, such increase shall be increased to the nearest multiple of $10)."

(b) DEFINITION OF ZERO BRACKET AMOUNT.—Subsection (d) of section 63 of such Code (defining zero bracket amount) is amended to read as follows:

"(d) ZERO BRACKET AMOUNT.—For purposes of this subtitle, the term 'zero bracket amount' means—

"(1) in the case of an individual to whom subsection (a), (b), (c), or (d) of section 1 applies, the maximum amount of taxable income on which no tax is imposed by the applicable subsection of section 1, or

"(2) zero in any other case."

SEC. 4. ADJUSTMENTS IN WITHHOLDING

(a) IN GENERAL.—Subsection (a) of section 3402 of the Internal Revenue Code of 1954 (relating to requirement of withholding) is amended by inserting after the third sentence the following new sentence: "The Secretary shall, not later than December 15 of each calendar year, prescribe tables which shall apply in lieu of the tables prescribed above to wages paid during the succeeding calendar year and which shall be based on the tables prescribed under section 1(f) which apply with respect to taxable years beginning in such succeeding calendar year."

(b) PERCENTAGE METHOD OF WITHHOLDING.—Paragraph (1) of section 3402(b) of such Code (relating to the percentage method of withholding) is amended by adding at the end thereof the following new sentence: "The Secretary shall, not later than December 15 of each calendar year, prescribe a table which shall apply in lieu of the above table to wages paid during the succeeding calendar year and which shall be based on the exemption amount (as defined in section 151(f)) which applies to taxable years beginning in the succeeding calendar year."

(c) WITHHOLDING ALLOWANCES BASED ON ITEMIZED DEDUCTIONS.—Paragraph (1) of section 3402(m) of such Code (relating to withholding allowances based on itemized deductions) is amended—

(1) by striking out "$750" and inserting in lieu thereof "the exemption amount (as determined under section 151(f) for taxable years beginning in the calendar year)"; and

(2) by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) an amount equal to the maximum amount of taxable income for taxable years beginning in the calendar year on which no tax is imposed by section 1(a) (or section 1(b) in the case of an individual who is not married, within the meaning of section 143, and who is not a surviving spouse, as defined in section 2(a))."

SEC. 5. RETURN REQUIREMENTS

(a) Clause (i) of section 6012(a)(1)(A) of the Internal Revenue Code of 1954 is amended by striking out "$2,950" and inserting in lieu thereof "the sum of the exemption amount and the zero bracket amount applicable to such an individual".

(b) Clause (ii) of section 6012(a)(1)(A) of such Code is amended by striking out "$3,950" and inserting in lieu thereof "the sum of the exemption amount plus the zero bracket amount applicable to such an individual".

(c) Clause (iii) of section 6012(a)(1)(A) of such Code is amended by striking out "$4,700" and inserting in lieu thereof "the sum of twice the exemption amount plus the zero bracket amount applicable to a joint return".

(d) Paragraph (1) of section 6012(a) of such Code is amended by striking out "$750" each place it appears and inserting in lieu thereof "the exemption amount".

(e) Paragraph (1) of section 6012(a) of such Code is amended by adding at the end thereof the following new subparagraph:

"(D) For purposes of this paragraph—

"(i) The term 'zero bracket amount' has the meaning given to such term by section 63(d).

"(ii) The term 'exemption amount' has the meaning given to such term by section 151(f)."

(f) Subparagraph (A) of section 6013(b)(3) of such Code is amended—

(1) by striking out "$750" each place it appears and inserting in lieu thereof "twice the exemption amount", and

(2) by striking out "$1,500" each place it appears and inserting in lieu thereof "twice the exemption amount", and

(3) by adding at the end thereof the following new sentence: "For purposes of this subparagraph, the term 'exemption amount' has the meaning given to such term by section 151(f)."

SEC. 6. EFFECTIVE DATES

(a) The amendments made by sections 2, 3, and 5 of this Act shall apply to taxable years beginning after December 31, 1978.

(b) The amendments made by section 4 of this Act shall apply to remuneration paid after December 31, 1978.●

APPROPRIATIONS FOR PRINTING THE HOUSE DAILY CALENDARS, AND RELATED MATTERS

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. EDGAR. Mr. Speaker, during the consideration of the legislative appropriations bill earlier this month, I planned to offer an amendment to cut wasteful expenditures relating to the printing of the House business calendar. Daily, a thick calendar is delivered to my office. Probably 99 percent of the information in it is identical to the previous day's issue.

My amendment would have provided that the House business calendar be printed weekly in comprehensive form, and updated daily. The daily update would provide only changes from the previous week's issue. Thus, not only would there be a saving of paper, but I and my staff would be able to see at a glance the changes in status of legislation.

Paper savings could be substantial. The calendar at the adjournment of the 94th Congress was 276 pages long, for example.

On September 1, 1976, I proposed this idea in a letter to the Clerk of the House. I regret that I never received a reply. This year, I requested that the Congressional Research Service analyze the costs and benefits of my suggestion. I would like to share with my colleagues the response from the Service, which I received in time to offer the amendment. Unfortunately, I was more concerned with my amendment to delete funding for eight wasteful water resource projects, so I did not offer this proposal as an amendment to the legislative appropriation bill:

CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., June 14, 1978.

To: The Honorable Robert Edgar.

From: Paul Rundquist, Government Division.

Subject: Appropriations for Printing the House Daily Calendars, and Related Matters.

This memorandum responds to your request concerning possible cost reductions to be achieved by changing the format of the daily House calendar, and the procedure to be followed in offering a suitable amendment to the Legislative Branch Appropriations Bill to achieve that purpose.

No exact itemization for the cost of printing the daily House calendars is seemingly available. After telephone discussions with staff members in the Office of the Clerk of the House, the Office of the Secretary of the Senate, and in the Government Printing Office, I was unable to obtain official reports on the costs for printing either the House or Senate daily calendars.[1]

Some reliable estimates are possible, however. Information contained in the House Legislative Branch Appropriations Hearings for FY 1979 shows an estimated cost of $2.2 million to print the House and Senate business calendars for the coming fiscal year.[2] In a telephone discussion, Mr. Bryan Mercer, the comptroller of the Government Printing Office, explained that GPO billings to the House and Senate for printing the daily calendars are based upon the number of pages in the edition and not upon the number of copies printed. The principal cost would appear to be the labor and materials charges associated with producing press-ready plates and other production materials; paper costs for larger press runs do not directly determine the charges, according to Mercer.

On the basis of total House and Senate daily calendar pages printed during FY 1977, Mercer estimated that approximately 64% of the document pages (and hence, the printing costs) were for the House daily calendar. On the assumption that the relative sizes of the House and Senate daily calendars would remain constant during FY 1979, roughly $1.4 million would be needed to print the daily House calendar in its current format.

As you explained in our telephone conversation, you would propose keeping the weekly (Monday) complete indexed House calendar, but would limit subsequent daily calendar publications to listing only those items the status of which had changed since the last complete calendar edition. The "changed status only" format for the remaining Tuesday-through-Friday calendars should require the printing of fewer total pages than those currently in one daily calendar. Anticipated savings in printing the House daily calendar could be as high as sixty percent, or about $600,000, even if the status of each bill listed in the House calendar changed once during the week.

Calendar Printing Requirements in House Rules. The printing of the House calendar on a daily basis is required by Rule XIII, clause 6. Prior to 1911, there was no provision in the Rules regarding the printing of the various House calendars, although the calendars were then issued twice weekly. From 1911 until the beginning of the 68th Congress in 1923, complete indexed calendars were printed daily; beginning in 1923, the indexed edition was issued weekly on Mondays, or on the first session day of the week.[3] The requirements for preparing the indexed editions are not contained in the House Rules. The Rules do not contain stipulations as to the format of the daily calendar.

Appropriations Amendments. Several criteria must be met for an amendment reducing expenditures in an appropriations bill to be in order. The so-called "Holman Rule" (Rule XXI, clause 2) permits the introduction of legislation in appropriations bills so long as the effect of the amendment is to reduce Federal expenditures, and the amendment is germane to the subject of the bill. The amount of the reduction proposed in the amendment does not have to be large (instances have been recorded of a retrenchment amendment reducing expenditures by as little as $1,000), however, it is incumbent upon the sponsor of the amendment to show that a reduction in expenditures would result from its adoption. In addition to other qualifications, the amendment reducing expenditures may not impose additional duties or responsibilities upon Federal employees or officials.[4] Space in this memorandum, and the time constraints of your request, do not permit a more detailed description of the requirements of the Holman Rule.[5] In drafting your amendments, it is suggested that you consult the staff of the Office of Legislative Counsel who are familiar with the various requirements.

If I can be of further assistance in this matter, please feel free to call me at 426-5824.●

[1] Among the officials consulted were Benjamin Guthrie, Deputy Clerk of the House; Harold G. Ast, Legislative Clerk of the Senate, and members of the staff of the Congressional Information of GPO.

[2] U.S. Congress. House. Committee on Appropriations. Legislative Branch Appropriations for 1979 . . . Hearings. 95th Congress, 2d Session. Washington, U.S. Govt. Print. Off. (1978), p. 217.

[3] Hinds and Cannon's Precedents of the House, VI, sec. 743.

[4] For a discussion of the precedents of the House, and definitions of additional duties and responsibilities, see floor discussion and rulings of the Chair pursuant to the Hyde Amendment prohibiting use of Federal funds to finance abortion payments. *Congressional Record*, daily edition, v. 105, June 17, 1977, pp. H8062-8063.

[5] For a brief summary of parliamentary rulings on amendments offered under the Holman Rule, see *Constitution, Jefferson's Manual*, and *Rules of the House*, 95th Congress, 1st Session, sec. 844.

THE VOA AS MINISTRY OF TRUTH

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. DORNAN. Mr. Speaker, the great English author, George Orwell, was most famous for his fictional works on the coming of a totalitarian political order, notably "Animal Farm" and "1984." The novel, "1984," was an especially terrifying work. For Orwell skillfully transported the reader into a dehumanizing future society totally controlled by a bureaucratic elite. In the future society nothing was sacred, neither privacy nor personality, language nor history. The chief apparatus for brainwashing the drones was a Ministry of Truth" an information agency designed to obliterate any idea contrary to the official views of the regime. In substance, Mr. Speaker, the real horror conveyed by Orwell's novel, what really curdled the blood of his readers, was his gripping description of the regime's war against truth. Truth itself was the enemy, the outcast, banished from the life of the future society by, of all things, the "Ministry of Truth."

Mr. Speaker, when lying becomes commonplace we tend to take it for granted. We simply absorb it, neither challenging it nor taking it seriously. The lies become engrained, part of the political landscape. The code words of lying may even creep into our own language, like some insidious parasite, eating away at the vitality and precision of our communication.

Consider some examples. Western opponents of communism are often denounced by their critics as 'fascists," a Soviet hate word, even though these men and women are sincere votaries of majoritv rule, popular sovereigntv, political equality, a limited state, and the widest range of personal liberty—in other words everything that could possibly exclude them from embracing the statist doctrine of Fascism. But the lie becomes second

nature: "Fascists" are everywhere, in our Government, in our businesses, in our labor unions, in our movie industry, and, though less frequently, even in our universities.

Soviet Russia's lies are so fantastic, so enormous, and so repetitive. They now conjure up only a yawn—and this is dangerous. Consider. The various political divisions within the U.S.S.R. are called "independent republics." The purpose of the Berlin wall is designed to "protect" the East Germans. The Soviet Union officially describes itself as a "democratic" political order and a friend of "peace-loving peoples." And, on and on, the lies are spewed out, mass produced—and consumed—like MacDonald's hamburgers. It is not without sound theological reason that Satan is described as the Father of Lies, the Lord of Darkness. And his children multiply.

Truth is most often profaned in the rewriting of history. The Soviets are masters of this: They indulge this sort of thing every time they have a change in the Kremlin leadership. Ritual book burnings precede republication of standard histories.

Much the same goes on, with more or less efficiency, in Eastern Europe. In protest of this madness, a Polish writer recently risked life and limb in appearing before the Polish Writers Congress. He denounced the Soviet mass murder of some 15,000 Polish army officers in Katyn Forest in 1940. (The official Soviet line is that the Nazis did it). His statement was greeted with wild applause. Somebody had the guts to stand up and say what everybody else knew was the truth, a truth unearthed—literally—by independent researchers years ago.

A correspondent for the Voice of America carried this statement to his superiors, who then doctored the final version for broadcast over VOA channels. The final version fit nicely with the official lying of the Soviet leadership. Incredible? Not at all. To paraphrase James Russell Lowell, we should not be surprised to see truth swinging from the gallows, while falsehood sits in comfort on the thrones of men.

Mr. Speaker, Mr. Jack Anderson is to be commended for bringing this matter to the attention of the public:

CENSORSHIP ON THE KATYN MASSACRE

(By Jack Anderson)

In a strange case of censorship, the Voice of America recently tailored a story about a grisly World War II massacre to fit the Soviet distortion of history. American authorities deleted precisely the facts that the Soviet censorship code prohibits the press from publishing behind the Iron Curtain.

There is a poignant human story behind the incident. A bold Polish writer and poet, Andrzej Braun, dared to protest against the Soviet-imposed censorship before the Polish Writers Congress. It was a dangerous defiant act, which was reported to the Voice of America.

Afterward, the lonely hero listened eagerly for word that the Voice of America had broadcast the story of his protest. Incredibly, he heard an account that sounded as if his story had been censored by the Kremlin. Sources in contact with the dissident Polish writers reported his reaction; they told us he was absolutely "crestfallen."

Our sources brought this discouraging word from inside Poland: "We look upon the United States as the world's greatest democracy, with a free press. Yet the censorship reaches even there."

Why did the Voice of American follow the Soviet censorship code in reporting on the massacre? We tried to find out.

The infamous event, known as the Katyn Forest Massacre, occurred during the Soviet occupation of Poland in 1940. Thousands of Polish army officers, their hands bound behind them with a rope looped around their necks, were gunned down and buried in mass graves.

The horror was later uncovered, and international researchers conducted painstaking autopsies of the disinterred bodies. They discovered that the Poles had been shot with German bullets. But these were of a type that had been exported to Russia during Josef Stalin's pre-World War II pact with Adolf Hitler. The rope was of Russian orgin, and the loop-around-the-neck technique was one that the Soviets used to prevent their victims from struggling.

Letters and clippings found in the pockets of the dead men also established the time of the massacre as the spring of 1940, when the Soviets controlled the Katyn Forest. Yet the allies, having joined the Soviet Union in the war against the Nazis, kept the atrocity hushed up.

After the war, the Kremlin imposed severe restrictions on any mention of the Katyn Forest incident by the communist press. We have obtained the actual ruling from the Polish Communist Party's Book of Directives and Recommendations. "Any attempt to blame the Soviet Union for the death of Polish officers in the Katyn Forest," it decrees, "should not pass the censor."

For scholarly works, the directive permits only such phrases as "shot by the Nazis at Katyn," "died at Katyn" or "perished at Katyn." But it adds sternly: "No statement of this type can be published with a date of death earlier than August 1941," which the Soviets insist was the date of the massacre. This, of course, was safely after the Nazis took over the Katyn Forest.

The brave Andrzej Braun, risking possible imprisonment, spoke out against the censorship at the Polish Writers Congress. His heroism did not go unrecorded; the Warsaw correspondent for the Voice of America, Ron Pemstein, filed an account of Braun's remarks to Washington.

We have seen Pemstein's original dispatch. It reports that the poet, as an example of censorship, "cited the murder of Polish officers by the Soviet Union at Katyn Forest in 1940." The dispatch went on to say that his speech drew "wild applause from the writers at the congress and attacks from party officials."

Pemstein filed his dispatch in Warsaw at 10 a.m. on May 5, 1978. By 10:32 p.m. on the same day, all critical references to the Soviet Union had been excised. The censorship occurred in two stages. First, the words "by the Soviet Union" were removed. Then later the 1940 date was dropped. The final story, which the Voice of America broadcast, stated simply: "Braun cited the murder of Polish officers in World War II."

By a strange coincidence, the deletions were the same ones that the Soviet censorship code specifies. Thus the broadcast conformed completely with the official Soviet version of the Katyn Forest incident.

This offended 11 Poles who work for the Voice of America. They drafted a letter of protest to Hans Holzapfel, who heads the Voice's European Division. He responded by convening a meeting of his Polish employees and scolding them.●

WHAT ABOUT OUR FLAG?

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. DICKINSON. Mr. Speaker, Roy Shoffner, Publisher-Editor of The Enterprise Ledger, Enterprise, Ala., has written an essay for the Veterans of Foreign Wars "Speak Up for Democracy" program. Shoffner's beautiful essay was printed as the editorial for the Ledger's Wednesday, June 14, 1978 edition.

While for many, traditional love and patriotism for our country has become passé, and the butt of much misguided irreverance, that is obviously not the case with Roy Shoffner. I am thankful for my region, and for our Nation, that there still are writers, editors, and publishers who feel as strongly and as patriotically toward our flag and Nation as does Roy Shoffner.

I commend to my colleagues, and to any who are fortunate enough to read the following essay, Roy Shoffner's answer to the question—"What About Our Flag?"

The essay follows:

WHAT ABOUT OUR FLAG?

(By Roy Shoffner)

Let me ask you a question that is being asked in the capitals of almost all the nations of the world. "Is the United States ready, willing, and able to oppose aggression, defend freedom and honor its commitments around the world?"

I don't expect you to answer that question, although the answer is vitally important to our friends . . . and also our enemies.

It is important that our friends have the assurance that commitments made, treaties entered into, and long friendships will be honored. Our friends must know that if they become the victim of any armed aggression, the United States stands ready to come to their assistance.

Even more important to the peace of the world is the complete understanding, by our potential enemies, that this nation has the means and the strength of purpose . . . has the national will so to speak . . . to act in defense of freedom against any aggressor.

However, since the United States has, during the past few years, assumed the role of world "Whipping boy," the world is no longer sure of America's stand on the issue of world freedom. In other words, "Freedom versus Communism."

Ever since American leadership began drifting away from its strong pro-freedom, anti-Communism stand, the idea has taken root that there is really very little difference between free and Communist nations. And, what little difference does exist, is about as important as the difference between calico and gingham.

How utterly wrong that idea is . . . the difference between freedom and Communism is as vast as the difference between freedom and slavery . . . good and evil . . . life and death.

What can be done about our current position? Well, first and foremost, when you look at the world situation and see the apparent rise in military strength of our most obvious potential enemy . . . the Soviet Union . . . don't panic. The Soviet Union is a superpower, but so are we . . . and we must continue to be strong and to use that strength in our dealings with the rest of the world.

That shouldn't be hard, the United States is a strong nation. All this nation needs is firmness on the part of our leadership, firmness in what we believe in and what we stand for.

Americans are optimistic by nature, and it's good that we are, for this country was built and has waxed great because of the prevailing optimistic hope for a better future.

America's characteristic optimism was the catalyst that bonded a sprawling, brawling, rowdy, rugged frontier into a strong, vibrant nation.

A firm belief in our own abilities and a prevailing hope for a better future became basic threads in the tapestry of America's national character. This tapestry started taking shape back before 1776, and it still isn't finished.

Each era America passes through becomes another panel in the tapestry. The Revolution, the Monroe Doctrine, the Louisiana Purchase, the great tragedy of the Civil War, the relentless westward march, the great Depression, all the great wars, men landing on the moon, all these parts of the tapestry.

Let's carry our characteristic optimism forward and continue to follow its lead in this century, for no century needs optimism more than the present one.

However, we must ensure that our optimism is not clouded by the naive belief that the rest of the world will finally come to its senses and see thing in their true perspective . . . or at least in the perspective that we believe to be the true one. Strange as it may seem to you, the policies of the United States are not necessarily the policies the rest of the world will choose to follow. However, that is no reason not to pursue the policies that are in our best interest.

As we push ahead we must remember the lessons of the past. There's an old adage that says, "Those who refuse to learn from the past, are doomed to repeat it".

History has many lessons for us. One of the most important is that every time this nation of ours has lowered its defenses, it has received a very unpleasant slap in the face.

If we become complacent; if we begin to feel secure in the present atmosphere of world superpower detente, or if we consider ourselves to be so powerful that we can ignore the military and diplomatic advances of other nations, we open ourselves to another slap in the face . . . another Pearl Harbor.

A strong and free government in the United States is the world's best hope for a future blessed with liberty. One of the best ways to ensure a strong and free United States is for us to have the strongest military and naval forces. But, do we now have such a guarantee? Once our Flag flew over the greatest array of military and naval might that the world had ever known. Now there is some doubt about whose flag flies over the strongest nation . . . ours or the Soviet Union's.

Speaking of flags, it was 201 years ago on the fourteenth of this month that our Flag was born. On June 14, 1777, the Marine Committee of the Continental Congress passed a resolution that read: "Resolved that the Flag of the United States be made of 13 stripes, alternate red and white, that the union be 13 stars white in a blue field representing a new constellation."

It is unfortunate that in establishing the basic design of our National Flag, the members of the committee used phraseology that was so brief that much was left to the imagination and inclination of the flag makers of the day.

Here are just three of the most obvious omissions:

1. The resolution contains no provisions for representation of additional states that were likely to join the union.

2. No determination as to whether the stripes should be horizontal or vertical was made in the wording of the resolution.

3. Also, it didn't prescribe the arrangement of the stars in the blue field.

The people of Vermont and Kentucky, after these states were admitted to the Union, wanted their states to be represented on the National Flag, so Congress added another star and another stripe for each additional state. This brought the Flag to 15 stars and 15 stripes. Also it set the precedent of adding a star and a stripe for each additional state.

This was obviously a totally unworkable situation. The Flag would soon become too bulky to be functional.

So, even though five additional states were admitted to the Union, the National Flag remained the same . . . 15 stars and 15 stripes . . . for twenty-three years.

Then in 1816 a movement to give all the states of the Union equal representation on our National flag was started. The slogan of the movement was "A star for every state and a state for every star."

On April 4, 1818 both houses of Congress passed a bill entitled: "An Act to Establish the Flag of the United States."

This new act stated that the Flag should have 13 horizontal stripes, alternate red and white, to represent the 13 original states. And "that on the admission of every state into the Union, one star be added to the Union of the Flag; and that such addition shall take effect on the Fourth of July next succeeding admission."

Finally the design of the United States Flag was set . . . firmly defined . . . and just think, it only took forty-one years from the time the original Flag law was enacted.

June 14th was established as Flag Day in 1915 . . . one hundred and thirty-eight years after the original Flag resolution.

Actually, Flag Day came about because of World War I in 1915, it became apparent that internal strife was building in the United States because of the great war that was raging in Europe.

Because forces from both within and without seemed bent on drawing the United States away from the traditions of unity of action and purpose that Americans had always been proud of . . . doesn't that bring to mind the happenings of recent years . . . President Wilson felt a patriotic day of national significance was sorely needed.

So, in an attempt to re-kindle national pride and restore unity of purpose, the President proclaimed June 14th as National Flag Day.

In the message that accompanied that proclamation, President Wilson said: "I therefore, suggest and request that throughout the nation . . . in every community the 14th day of June be observed as Flag Day."

The President went on to say, "Let us on that day re-dedicate ourselves to the nation, 'one and inseparable' from which every thought that is unworthy of our forefathers' first vows of independence, liberty and right shall be excluded, and in which we shall stand with united hearts for an America which no man can corrupt, no influence draw away from its ideals, no force divide against itself, a nation singly distinguished among all the nations of mankind for its clear, individual conception alike of its duties and its privileges, its obligations, and its rights."

The message President Wilson put into those few words is as important today as it was then. Perhaps even more important in light of current history . . . and in the light of the scandalous way our Flag was treated during the sixties and early seventies.

Our current flag with its 13 stripes and its 50 stars in recent years has suffered more indignities at the hands of those it represents than any other Flag in the history of this great country. It has been torn down, dragged through the streets, disgracefully defiled, and publicly burned in protest by those who would have you believe they are Americans.

No true American could treat his Flag in such a manner and no Flag in history has deserved this kind of treatment less than our curent Flag. For, the "fifty-star" Flag of the United States represents a country that has done more to ease the suffering and erase the tyranny of the world than any other nation in the history of mankind.

Therefore, it behooves Americans everywhere to pay special honor to the Flag of the United States on this June 14th, not only because of its age . . . 201 years old . . . but also because of what it stands for and whom it represents.

There are those, even on this special holiday, who will belittle our Flag and say, "What's the big deal? The Flag is just a piece of cloth."

Is our Flag just so much cloth, stapled to a staff on which there are some red and white bars and some scattered white stars on a field of blue?

No, of course it isn't . . . no right thinking person would ever categorize it as such. Our Flag is the symbol of America's greatness, America's unity. It is the symbol of the American people's hopes, sacrifices, struggles and achievements, but . . . more than that . . . our Flag is what the people make it.

What is our Flag? Our Flag is first and foremost, the symbol of freedom. And, our nation . . . under this flag . . . is the last great citadel of freedom in the world. It may well be man's best . . . and last . . . hope for freedom on earth.

Still there are some who might ask, "What is our Flag?" "After all, it was designed by mere mortals, what makes it so unique?"

It is unique because it was conceived in the dream of liberty and born of the hope of free men. It was proclaimed the national emblem of a nation newly born on a wild new continent and fighting valiantly for its very existence.

The Flag of the United States has been a party to all the great events in our nation's history. It was born during our initial struggle for independence; it was seen in the early morning light, battle stained, but proudly waving over Fort McHenry.

Our Flag has flown from the mast of every ship in our Navy and has been the joy and inspiration to American fighting men through two World Wars, and in fights for freedom all over the world.

What does our Flag mean to Americans? Let me quote once again from the words of President Wilson: "This flag, which we honor and under which we serve, is the emblem of our unity, our power, our thought and purpose as a nation. It has no other character than that which we give it from generation to generation. The choices are ours, it floats in majestic silence above the hosts that execute those choices, whether in peace or in war. And yet, though silent, it speaks to us—speaks to us of the past, of the men and women who went before us, and the records they wrote upon it."

What does our Flag say as it floats in the "majestic silence" President Wilson spoke of? It speaks of liberty and equality under law; it speaks of honor and courage, and it serves to remind us that each new generation must dedicate itself to an undivided allegiance to the country and its high ideals.

For, as the poet said, "Honor, courage, and heroic deeds . . . are the flowers of freedom, not the weeds." ●

LIFT THE EMBARGO

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. FINDLEY. Mr. Speaker, I would like to call to the attention of my colleagues an excellent editorial by the St. Louis Globe-Democrat whose arguments in favor of lifting the arms embargo against Turkey are compelling. The editorial follows:

[From the St. Louis Globe-Democrat, June 10, 1978]

LIFT TURKISH ARMS EMBARGO

One of the most puzzling performances in American foreign policy today is by those congressional leaders who feel compelled to engage in cutting off the nose to spite the face. It is as impractical as it is injurious.

And yet that is precisely what a majority of the members of Congress are doing in their spite-filled insistence on keeping in place the American embargo against shipments of arms to Turkey. The congressional bungling of three years ago has turned out to be one of the most botched-up operations in the history of United States foreign affairs. Congress could be sued for malpractice.

The embargo voted by Congress in 1975, forbidding the sale or gift of American weapons to Turkey, was a mistake from the outset. The reason for the action, said a wrathful Congress, was to punish the Turks for what Congress viewed as their illegal use of American arms against Greek Cypriots on the island of Cyprus the preceding year. This, Congress declared, was in violation of U.S. rules on foreign assistance.

What Congress blindly overlooked, however, was that Turkey didn't start the ruckus on Cyprus. Analysts of military-political affairs make it clear that the crisis started with an attempted coup by the colonels who then ruled Greece. The Greeks, it is reliably reported, were using modern weapons, and since Greece's chief supplier of arms was and is the United States, Greece broke the same rules that Turkey was punished for violating.

Congress also failed to see, in its hip-shooting at the Turks, that Turkish intervention in the Cyprus affair may have been justifiable on the basis of a treaty right to protect Turkey's interests on the island.

It is not too late, however, to rectify the mistakes of the past. This can be done by Congress in its coming debate on lifting the arms embargo against Turkey. How Congress decides this critical issue will have a direct bearing not only on the future of the United States but on the stability of the entire free world.

Reason argues it is imperative that America end the ill-considered embargo. As a means of punishing the Turks, it was wrongly conceived; as an instrument for forcing a solution to the Greece-Turkey-Cyprus question, it has proven totally ineffective. Rather than forcing Turkey to knuckle under in negotiations, as backers of the embargo have hoped it would, the arms ban has hardened the Turks' determination.

The embargo has had a profound effect on Turkey. It has caused rapid deterioration in the Turks' once powerful military forces, which are heavily dependent on American weapons and spare parts.

The embargo has humiliated and offended the Turks, a fiercely proud people. Worse yet, in this strategically located country that has for decades nurtured warm ties with Washington, friendship is turning sour and developing into an alienation that could have enormously damaging consequences for the United States and the West.

President Carter has called on Congress to lift the arms ban. He is supported by five former supreme commanders of the North Atlantic Treaty Organization—Gens. Andrew J. Goodpaster, Lyman L. Lemnitzer, Alfred M. Gruenther, Lauris Norstad and Matthew B. Ridgway—who in a letter to Congress make a solid case for ending the embargo.

"We view with alarm the deterioration in NATO's southern flank caused by the sharp decline in Turkish military capabilities and the increasing alienation of Turkey from the United States. Turkey is vitally important to our Western collective security, for it:

"One: Controls the passage of Soviet war vessels from the Black Sea to the Mediterranean.

"Two: Houses large numbers of strategically important U.S. and NATO facilities, some of which are uniquely situated for collecting intelligence on Soviet military activities.

"Three: Provides an air defense warning critical to the operation of our Sixth Fleet in the Mediterranean.

"Four: Provides a major contribution of army forces to NATO.

"Our need of our Western defensive alliance is now greater than ever in light of the ominous Soviet military buildup of recent years."

Equally strong in his call for lifting the embargo is Gen. Alexander M. Haig Jr., present NATO supreme commander, who warned that time is running out for restoration of Turkey to genuinely full membership in NATO. The present state in the eastern Mediterranean, he said, is "totally unsatisfactory and extremely and increasingly dangerous to the health and vitality of the alliance itself."

During the NATO summit meeting in Washington last month, alliance members pledged an unprecedented defense buildup that could cost $80 billion or more over the next decade. This represents a monumental effort to counter the global expansion of the Soviet Union.

But the entire structure on which NATO is built could be undermined by events now transpiring in the eastern Mediterranean. Unless the Turkish connection is again made solid, the Western alliance will be outflanked by the Soviet-led Warsaw Pact. If Turkey feels rejected by the West, it very easily could drift into the Communist camp to the East. And if Turkey ever left NATO, there would be a perilous shift in the balance of power in the Middle East, because the buffer zone would be gone and other nations that are presently pro-West could be drawn into the Soviets' web.

Edward W. O'Brien, chief of The Globe-Democrat's Washington Bureau, has made an in-depth study of the Turkish situation, interviewing a broad range of military and political experts in the process. As Mr. O'Brien clearly documented in a comprehensive series on the subject, the consensus is strongly in favor of lifting the arms embargo in a move to normalize relations between the United States and Turkey.

This would not mean that the U.S. was siding with the Turks in the Cyprus dispute. Nor would it mean that the U.S. was trying to build up Turkey at the expense of Greece. Both countries are vital to the West as members of NATO, and it is clearly in Greece's best interests to keep Turkey oriented to the West. A Communist Turkey would put Greece directly on the Reds' firing line.

Congressional moralizing against Turkey is an exercise in stupidity. The sermonists are blind to the facts of life, failing to see that the arms embargo against a country which has always been one of NATO's strongest allies is self-defeating. It is also one of the most self-destructive foreign policies in American history. With the security—even the very survival—of the West at stake, it's time for Congress to talk turkey on the Turkish situation. And while Congress is at it, a determined effort should be made to reshape American foreign policy along more sensible and flexible lines. The post-Vietnam syndrome that has affected the thinking of so many congressional leaders has produced a tunnel vision that is taking America in the wrong direction. In attempting to tread a path of self-righteousness, Congress is unmindful of the many pitfalls along the way.

WHAT IS RIGHT ABOUT AMERICA

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. PRESSLER. Mr. Speaker, I think we are all aware of the great institution of which we are a part and of the people we represent. America is a great Nation because of its people and the values they uphold. It is these values and principles that are passed on to our young.

Accordingly, I would like to share with my colleagues the following articles on, "What's Right About America", written by the three top winners in the Miss South Dakota National Teenage Pageant.

In order, they are follows: First place, Laurie Schenecker, Watertown; second place, Robin Gauger, Clear Lake; third place, Kay Hall, Fulton.

WHAT IS RIGHT ABOUT AMERICA

(By Laurie Schenecker)

What's right about America? The right of its people to say what's wrong about America. History traces our advance through criticism.

In 1775 Patrick Henry criticized the colonies for submitting to England's tyrannical rule. He motivated the colonies to fight for independence. The follow through is evident. We are the United States of America.

In 1863, Abraham Lincoln criticized slavery. He motivated our country through the emancipation proclamation. The battle was a bloody one, but the follow through is evident. We are the United States of America.

We have criticized, motivated, and followed through to become the United States of Americans. It's like Lymann Abbott once said, "America was a great land when Columbus discovered it. Americans have made it a great nation."

WHAT IS RIGHT ABOUT AMERICA

(By Robin D. Gauger)

People often tell the negative side of life in America. How often do we boast about its positive character? In contrast with the rest of the industrialized world, our economy seems to be positively thriving. In 1977, American church membership swelled while donations to charitable causes rose by 9.4 percent.

What other nation has welcomed immigrants from battered countries or given food and medicine unquestioningly? American volunteers have educated those in need spiritually and physically. Where else do common men become president? Where else is there freedom to worship and express individual beliefs?

Because of its positive image America is viewed as a dream to be achieved.

WHAT'S RIGHT WITH AMERICA

(By Kay Hall)

After the Constitution was adopted the Bill of Rights was attached. These ten freedoms are guaranteed to us all. Without these civil rights America would not be the place it is today.

What would newspapermen do without freedom of the press, or an eloquent speaker who does not possess freedom of speech? What would happen if there was no freedom of religion? The other unmentioned privileges are just as important.

These civil liberties protect each of us every day of our lives. Without them our system of democracy would probably fail.

What is right with America? . . . The Bill of Rights.●

FOREIGN INVESTMENT IN U.S. AGRICULTURAL LANDS

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. NOLAN. Mr. Speaker, on Tuesday, June 20, 1978, the House Subcommittee on Family Farms and Rural Development, of which I am privileged to chair, held hearings on the impact of foreign investment in U.S. agricultural lands.

I would like to call to the attention of my colleagues the testimony of George Rucker, research director for Rural America, Inc. which was presented before the subcommittee. Mr. Rucker's testimony clearly describes the affects and consequences of foreign ownership of U.S. farmland. Mr. Rucker stated that:

Foreign ownership of U.S. farmland increases the number of tenant farmers and hired laborers, and thus weakens rural communities, and that capital from the farms is being siphoned out of rural communities, by these foreign owners.

Although the current ownership of farmland by foreign owners is relatively small, the rising trend of foreign purchases has increasingly brought national attention. I believe the Congress must now examine the issue of foreign ownership of domestic farmland, and develop a mechanism to accurately collect data on the impact of foreign purchases on our small rural communities and family farming system.

Mr. Rucker's statement follows:

FOREIGN AND OTHER ABSENTEE OWNERSHIP OF AMERICAN FARMLAND: A PRELIMINARY STATEMENT

(Testimony of George Rucker, Research Director of Rural America, Inc.)

Chairman Nolan and members of the Subcommittee, my name is George Rucker and I am the Research Director at Rural America, a national membership organization seeking to improve human opportunity in small town and rural America. We appreciate the opportunity to appear before this committee and comment on foreign investment in U.S. farmland. Mr. Chairman, we had hoped that a member of our Board of Directors could have been here today who would have been able to provide this committee with some first-hand knowledge about foreign investment in American farmland. Unfortunately our Board is at its annual meeting in Marshall, Minnesota today. They have expressed, however, a real concern for this issue and we will be submitting a more comprehensive statement for the hearing record once we receive their input.

For years, we have been among those warning Congress and the American public that absentee-ownership of farmland is corroding the fabric of rural life. For the most part, our words have gone unheeded. Now, suddenly, there is a hue and cry about foreign ownership of U.S. farmland. Almost daily, newspapers and politicians express their concern that foreign investors are buying the land at inflated prices, thereby driving the land out of the purchasing range of small farmers. We are cautioned that foreign-ownership of farmland increases the number of tenant farmers and hired laborers, and thus weakens rural communities. We are warned that capital from the farms is being siphoned out of rural communities by these foreign owners. These are all very real problems and we are pleased that Congress and the public are finally paying them some attention.

All of these rural afflictions, however, are symptoms of absentee-ownership in general, not specifically of foreign ownership. To the small farmer who is forced to pay rent on his farmland because he can not afford the escalated real estate value of the land, or to the rural entrepreneur who goes out of business because nobody in the community has any money to spend, it matters very little whether the owner of the land resides in Saudi Arabia or on Madison Avenue. Moreover, when we deal with the huge agribusiness corporation which are generally multi-national, it becomes a moot point as to whether the land they own is foreign- or American-owned.

Unfortunately, it is currently impossible to determine how much U.S. farmland is actually absentee-owned. Not since 1945 has there been a national survey of land ownership in this country. The Department of Agriculture is preparing to carry out a sample survey of land ownership, but at best that sample will provide data on nominal rather than beneficial ownership. In the meantime we are forced to rely on indirect indicators and to argue about what the implications of those indicators are.

One indicator, of course, is the residence and other characteristics of farm operators. The Census of Agriculture is not as helpful as it might be on this point, though. In fact, its definition of a farm operator is so imprecise as to constitute an impediment rather than an aid to the understanding of the tenancy-ownership situation. The Census, for example, defines a "farm operator" as anyone who "operates the farm, either doing the work himself or directly supervising the work." The term, "directly supervising the work" is so loose that it could include almost anyone. A doctor in Connecticut, for instance, who decided what crops will be grown on his Kansas farm could be considered the farm operator. By the same token, a sharecropper in Mississippi is also a farm operator. What these two—the doctor and the sharecropper—have in common is hard to fathom. (It might be noted in passing that if we take the definition at face value, the 1974 data suggest that 14 percent of even the non-corporate farms were "operated" by someone who did not live on a farm—that one or even some other one.)

This imprecise definition of operator, which came into use with the 1969 Census of Agriculture, simply dropped from the available data the category of hired farm manager—a category that accounted for one-tenth of all farmland in 1964 and, we would guess, a significantly larger share today. As Professor Dick Rodefeld of Pennsylvania State University, has pointed out, the change eliminates "a key indicator of the status and trends . . . in family type farms." Dr. Rodefeld notes that the data through the 1964 Census of Agriculture showed a steady decline in the number of "full owner" farms—those in which the manager (defined in the old restrictive sense of the person directing farm production activities "on a daily basis" and "either doing the work himself or directly supervising the work"), was also the full owner of the farm being managed. The number of such family-type farms not only declined by 42 percent between 1910 and 1964, but their share of total farmland fell from more than half to less than 30 percent. (Thanks to the definitional change we do not know what has happened over the last decade and a half.)

Another indirect indicator is corporate ownership. (Again, it is only an indirect indicator since the data include family corporations as well as absentee firms.) In 1974 the share of U.S. farm acreage accounted for by corporate owners was almost 11%, up nearly 2 percentage points from the 1969 figure. (These figures refer only to farms with sales in excess of $2,500.) The average size of the corporate farm was nearly 3,400 acres, compared with less than 500 acres for those owned by individuals, families and partnerships. This size disparity helps to underline the link between corporate ownership and concentration in farming.

There is also evidence suggesting that the Census of Agriculture data on corporate farming is an understatement of the situation. A number of states have taken the initiative in requiring farming corporations to file reports. The number of corporations identified in these states far exceeds the number reported in the Census. In the six states for which figures are available—South Dakota, Nebraska, Kansas, Missouri, Iowa, and Minnesota—the number of farm corporations which had filed reports as of January, 1977 is almost twice the number reported in the 1974 Ag Census. The Ag Census identified 4,919 corporate farms, but more than 9,000 have filed reports. Some of this difference is doubtless attributable to differences in time and definition. But the spread is so large as to make one uneasy with the Census figures.

In short, while we do not really know how much farmland is absentee-owned, the indicators we have suggest that it is a significant and growing share. It is safe to assume that some portion of this is controlled by foreign interests. It may be, as the recent GAO spot check indicated, that this portion is relatively small. Should this turn out to be the case, we hope that this committee will not then relax and turn its back on the broader and more important issue of absentee-ownership in general.

U.S. farmland offers foreigners an attractive investment due to the political stability of our country and the favorable exchange rate between the dollar and West European currencies. To Americans, farmland is an equally enticing investment due to preferential tax treatment and skyrocketing real estate values.

In the past six years, the value of farmland has increased by 133%. In Iowa, it has more than tripled. As if this were not enough, investors in real estate are granted lavish tax breaks. Profits from the sale of real estate are taxed at approximately half the rate of ordinary income. Moreover, investors in real estate are allowed to deduct from their taxable income—at an artificially accelerated rate—the annual depreciation of structures on their land.

Another tax benefit, especially popular among doctors, lawyers, and corporations, is the code which permits the deduction of farm losses from non-farm income. This has an especially harmful effect on small farmers who depend on their agricultural sales to survive. Since many of these tax-loss farmers actively pursue losses in their farming ventures, they can afford to undercut the prices charged by legitimate farmers. A 1968 study

by the USDA revealed that of the wealthiest 66,000 individuals filing farm income tax returns, more than two-thirds reported a net farm loss.

In addition to tax incentives, the Federal Government continues to act through the Department of Agriculture to promote absentee farming by encouraging large-scale farming. (Since large farms are capital-intensive and require large investments in land and machinery, they tend to attract investors rather than farmers.) Land grant colleges design more and more complicated and expensive machinery to harvest larger and larger acreages. And USDA-supported scientists continue to develop tasteless fruits and vegetables whose sole advantage is their suitability for machine-picking and large-scale processing and marketing techniques. There are even reports issued by USDA which foresee farming in the future as completely automated and computerized.

Again, Professor Rodefeld has warned of the consequences of a shift to the industrial-type farm in place of the family-type farm. Based on 1968 data for the State of Wisconsin, he estimated that "if all current State farms were replaced by industrial-type farms, the number of farms would be reduced by 94% . . . and the size of the work force (man year equivalents) would decline by 46%." This shift would have profound implications for such things as "community compositional characteristics (levels of education, income, stability, etc.), population structure and functioning (age distributions, fertility rates, dependency rates, rates of out-migration, etc.), and structure and functioning of community institutions and organizations."

Aside from Rodefeld's work, it is likely that the best treatment of this subject is still Walter Goldschmidt's classic study of two towns—Arvin and Dinuba—in California's San Jaoquin Valley. Although the study was conducted in 1944, its conclusions are still pertinent. Goldschmidt found that the small-farm town of Dinuba had more business activities, better community facilities such as garbage and sewage disposal, more recreational facilities, more newspapers and churches, and more local autonomy, than did the corporate-farming town of Arvin. In short, Goldschmidt determined that "small farms provide the basis for a richer community life, and a greater sum of those values for which America stands, than do industrialized farms of the usual type."

A revisitation to Arvin and Dinuba last year found that the social and economic differences between the two towns are even more pronounced today than they were in 1944. In addition, a recent 5-year study of 130 communities in the San Joaquin Valley concluded that "there is a strong positive correlation between large-scale 'industrialized' farming and rural poverty."

While absentee-ownership of farmland is certainly not the sole cause of rural America's ills, it is a major component. It is clear that the health of rural America depends, in part, on land reforms. These reforms, moreover, should not be left to the individual States. A national land policy which promotes small farms owned by the farmers is needed.

Before anything can be done about absentee-ownership of farmland, foreign or otherwise, we must have reliable information. The Ag Census's section on farm tenure should be overhauled so that it acquires some meaning. We would be happy to provide specific recommendations on these changes at the request of the committee.

"The ownership of land," wrote Henry George, "is the great fundamental fact which ultimately determines the social, political, and consequently the intellectual and moral condition of a people." We hope that Congress and the public will not sit idly by while that determinant falls slowly but surely under the control of absentee owners—whatever their nationality.●

NGO'S SPEAK OUT FOR DISARMAMENT

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. LEHMAN. Mr. Speaker, during the past few days, I have included in the RECORD various speeches which were delivered by representatives of nongovernmental organizations on June 12 at the UN Special Session on Disarmament. Today I wish to bring to the attention of my colleagues the remarks of Mr. Philip Potter of the Commission of the Churches on International Affairs.

The remarks follow:

COMMISSION OF THE CHURCHES ON INTERNATIONAL AFFAIRS

(By Mr. Philip Potter)

It is a great privilege for me, on behalf of the World Council of Churches, to address this Committee. The World Council of Churches is a fellowship of 293 Orthodox and Protestant churches in over 100 countries. They comprise hundreds of millions of believers who live in east and west, north and south, people who find themselves caught up in all the ideological, political, economic, social, racial and cultural conflicts of our time. One of the main functions of the Council is to express the common concern of the churches in the service of human need, the breaking down of barriers between people, and the promotion of one human family in justice and peace.

The barriers caused by war and by the armaments race have been a major preoccupation of the Council from its inception 30 years ago. Through its Commission of the Churches on International Affairs, which has consultative status with various United Nations bodies, the Council has indefatigably represented the churches in the concern for disarmament and has constantly sought to rouse the conscience of Christians to throw their weight, with people of goodwill and Governments, in working for peace and justice. Christians expert in the field of disarmament have been mobilized and valuable contributions have been made. The Fifth Assembly of the World Council of Churches, held at Nairobi in 1975, called for studies in depth on militarism and disarmament. Since then consultations have been held, and their findings have been shared with delegates at this special session of the United Nations. I should mention that on Sunday, 21 May, the eve of this special session, churches throughout the world remembered it in their prayers to the God of peace.

As Christians have grappled with the issues of disarmament, they have been painfully aware of the qualitatively new elements in the situation during this disarmament decade. The world has, in fact, become more insecure in these years.

First, considerably more material and human resources are being concentrated on the production of armaments. Science and technology, the preserve of an intellectual élite in both rich and poor countries, are now deployed by the alliance of those involved in the business, bureaucratic, political and military sectors to produce new and ever more lethal weapons at a prodigious rate. This is often done secretly, in the corridors of power and beyond social control. Moreover, the dramatic increase in the number, variety, destructive power and cost of these armaments frustrates disarmament negotiations more than ever before because they change the nature of the problems which have to be faced.

Secondly, arms production and sale have become part of the national economic policy of the rich developed world, and therefore dictate political and foreign policies. Weapons-producing national and transnational corporations have exacerbated this trend. This has meant a marked increase in the flow of arms to the poorer, developing countries, which in the process become dependent clients of the powerful States and potentially widen the scope of armed conflict. For example, it is known that of the over 130 armed conflicts which have taken place since the Second World War nearly all have been in the third world, and the powerful nations of the rich world have been involved in those conflicts. Disarmament nas therefore become a truly global concern. Hence the necessity and timeliness cf this special session of the United Nations.

Thirdly, national security should be the instrument for promoting the social, economic and political rights of all peoples within the nation State. However, in a growing number of countries it has become a doctrine which is used to justify military take-overs, the suppression of civilian political institutions, and the violation of basic human rights. In the defense of "law and order," sinister instruments of torture, police and prison hardware, and sophisticated means of intelligence gathering have been produced and sold to minority and undemocratic régimes, especially in the third world. We are witnessing the increasing militarization of many of our societies and the tendency to extend a country's military, ideological and economic frontiers far beyond its national borders, all of which leads to greater insecurity.

Moreover, in the name of national security, the mass media and educational institutions are frequently misused to foster a psychosis of fear and mistrust and to prevent any way of looking at resolution of conflicts, other than in military terms.

Fourthly, overshadowing all these dangerous tendencies is the development of new generations of even more destructive conventional and nuclear weapons. There is a growing danger of nuclear proliferation and of a lowering of the nuclear threshold. The deployment of weapons, through missiles, submarines and long-range bombers, has made possible a strike capability encompassing all nations and peoples. Furthermore, the superpowers are now seeking to create an atmosphere in which first-strike capability will sooner or later be turned to reality, and will thus hasten the annihilation of the human race.

In face of this catalogue of accelerated insecurity, the churches cannot remain inactive spectators. On the basis of their faith in a God who, in Jesus Christ, wills that we should have life, and have it in all its fullness, and in his purpose that the earth should be replenished and used for the well-being of all, Christians are called to bring new perspectives to bear on the issues of militarism and the arms race. I have time to mention only in a general way a few of these perspectives.

First, disarmament is an integral part of the struggle for a just, participatory and sustainable society. The threat to peace of the arms race is inextricably related to the other prevailing threats to human survival—poverty, and hunger, racial, political and economic oppression, the suppression of human rights, the despoiling of the environment and the wanton wastage of the resources of the earth. Disarmament and the search for a new international economic order are inseparable efforts towards peace with justice. Thus disarmament is not a technical but a political and moral concern. A global approach to disarmament is needed. Everything which is done to achieve a more just economic order, to share material and human resources in an equitable way and to facilitate the participation of all in the life of

society is bound to contribute to eliminating the arms race and the militarization of society.

Secondly, we must challenge the idol of a distorted concept of national security which is directed to encouraging fear and mistrust resulting in greater insecurity. The only security worthy of its name lies in enabling people to participate fully in the life of their nation and to establish relations of trust between peoples of different nations. It is only when there is a real dialogue—a sharing of life with life in mutual trust and respect—that there can be true security.

Thirdly, Christians are pledged to work for creating those structures and mechanisms by which disarmament can be sought boldly and imaginatively. The United Nations is the most effective forum for enabling the nations to work for that international security which will ensure national security, for the rule of law through covenants freely entered into and maintained by mutually agreed peaceful methods. Therefore, it is imperative that the role of the United Nations be extended and strengthened in the search for disarmament and for a new international economic order. One of the tragedies of our time is the way in which Member States and the mass media which support them ignore and denigrate the work of the United Nations. The World Council of Churches and its member churches stand pledged, as they always have done, to support the United Nations in all its efforts to promote peace and justice in our troubled, tortured world.

Fourthly, disarmament is not the affair of statesmen and experts only, but of every man and woman of every nation. We are dealing here with the issues of life and death for humankind. They are not technical, but human and therefore political issues. This means that every effort must be made to dispel the ignorance, complacency and fear which prevail. Political decisions can be made only when people are fully aware of the facts and are enabled to discern the options before them. This is a necessary function which non-governmental organizations can perform. The churches have a very distinctive role to play because they have the criterion of faith in a God of hope whose purpose is that all should be responsible for each other in justice and peace. Therefore, they will continue to rouse the conscience of people and encourage them to demonstrate by attitude, word and act that peace and justice are not ideals to be cherished but realities to be achieved. The arms race is the decision and creation of human beings; disarmament must also be willed and won by human beings.

The churches do not approach their task with any self-righteousness or naivety. They are well aware that throughout their history they have often been so allied to the forces of disorder and oppression that they have promoted or connived in wars and the war psychosis. They know that their own divisions are symptoms and signs of the divisions of the world. To be instruments of reconciliation they are in fact endeavouring to become reconciled to each other.

It is in humility and hope that the churches participate in the efforts towards disarmament and a just society. They do so with the vision of the prophet whose words are engraved on the Isaiah Wall just across the street from this building:

"They shall beat their swords into plowshares, and their spears into pruninghooks; nation shall not lift up sword against nation, neither shall they learn war any more."

It is this vision of the conversion of the tools of death into the tools of life which inspires and activates the churches today. Our prayer is that this vision will inspire the representatives in their deliberations and their people in the pursuit of peace and justice.●

THE COSTS OF ENVIRONMENTAL PROTECTION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, June 28, 1978, into the CONGRESSIONAL RECORD:

THE COSTS OF ENVIORNMENT PROTECTION

In one public meeting after another this spring I have heard Ninth District residents express concern about the impact of environmental regulation on the economy.

The feeling is growing that the nation simply cannot afford the costs of strict environmental regulation at a time when inflation is the top economic priority. There is an increased appreciation of the conflict in our nation between the environmental considerations of clean air, pure water and prudent land management on the one hand, and the economic consideration of jobs, energy and inflation on the other. The conflict is apparent in many matters before the Congress, including oil and natural gas leasing on the outer continental shelf, preservation of the redwood forests in California and expansion of the Alaskan wilderness, to name just a few. At the heart of the debate is the fundamental problem of weighing the costs of environmental controls against the benefits.

The issue of cost versus benefit is being intensely examined by Washington policymakers. An attempt is being made to define more precisely the relationship between environmental regulation and performance of the eonomy. At the moment, the two cases that best illustrate the difficulty of the issue are the proposed limits on dust levels in cotton mills and the regulations to curb emissions from coal-fired power plants. In each instance pollution can be sharply reduced, but only at a very high cost. A cotton dust standard was recently presented as a model of regulatory effectiveness and economy, but as if to confirm the complexity of such cases the standard was immediately attacked by labor as ineffective and by industry as uneconomical. In anticipation of the problems that will arise in these and other areas, the President has established a new regulatory assessment group in the White House to provide much-needed advice and counsel.

It is apparent that the nation's environmental goals are important. There is agreement that some regulation is needed. Congress has committed the government to high environmental standards and has recognized the serious consequences of failing to meet them. But the cost of these standards is higher than had been imagined. No one expects the present environmental laws to be emasculated, but neither does anyone expect that environmental considerations will be given free rein. Policymakers must strive for a balance, seeking to sharpen regulation so that it will accomplish the same worthy goals without aggravating inflation. It is clear that more attention must be paid to all the results of regulation, including its effect on costs. The task of keeping the environment clean and workers safe has to be carried out more efficiently.

Since no one really knows precisely how environmental regulation affects the economy, controversy can be expected as we strive to strike a balance. The environmentalists claim that the regulation adds only four-tenths of a percent to the overall annual inflation rate. They argue that a million people are employed through environmental expenditures and that the expenditures raise the GNP by $1.5 billion. Many economists, however, think that these estimates are seriously flawed. They contend that anti-pollution requirements add more than one percent to the overall annual inflation rate, push up business costs by $100 billion and reduce employment by slowing economic growth. They also point to recent studies which purport to show that the combination of pollution control, safety regulation and spending for crime prevention cuts gains in economic productivity by 20% to 25%.

All participants in this discussion concede that there has been no accurate measurement of the social benefits of environmental regulation. Better health, longer life expectancy and lower rates of worker absenteeism are slow in coming and quite hard to gauge. But the evidence is building that environmental factors cause birth defects, cancer and other illnesses, so the real question is not whether government should regulate business to protect the environment, but how it can do this in the most efficient and cost-effective manner.

I do not welcome the prospect of having to choose between a clean environment and a healthy economy. I believe that environmental protection is consistent with a sound economy and that environmental concerns are totally compatible with economic needs. I would argue that if we neglect the environment the day will come when the economy will suffer. Every effort must be made to avoid a polarization of views, with the environmentalists on one side and the economists on the other. We must try to have it both ways. At stake is the quality of life in America.

It might help to change the basic way we think about environmental regulation. Indeed, more and more interest is being shown in the use of the marketplace as an effective regulator. By taking advantage of economic incentives to reduce pollution and cost-benefit analyses to show where sacrifice is necessary, business itself could become the most active advocate of a clean environment.●

CONTROLLING PUBLIC SECTOR GROWTH AND REDUCING INDIVIDUAL TAX BURDENS

HON. MARK W. HANNAFORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. HANNAFORD. Mr. Speaker, today I am introducing, with the cosponsorship of 13 of my distinguished colleagues, legislation which I originally proposed on March 7. This bill addresses vital issues which now confront the Nation's taxpayers and public servants. These important issues are: First, the need to control the promulgation of new Federal programs, second, the need to cut duplicative regulation, third, the need to weigh the costs and benefits of regulation at all levels of government, fourth, the need to contain Government spending, and fifth, the need to put an end to the unchecked growth of the public sector.

There are, of course, other actions which must be undertaken in concert with the measure which I am introducing. However, we must begin somewhere. And I believe that my bill initiates momentum in the right direction.

Mr. Speaker, very briefly, my proposal

addresses the issues outlined above by providing:

First, authorization time limits on current and new Federal programs;

Second, requiring CBO estimates of reported legislation mandating additional State or local government expenditures;

Third, requiring coordination of Federal and State programs; and

Fourth, requiring executive agencies and departments to publish estimated compliance costs which may be incurred by State and local governments in carrying out regulations.

Finally, Mr. Speaker, my bill contains a provision which is intended to serve as a disincentive for overspending and unchecked growth of the public sector by requiring that federally mandated programs which must be carried out at State and local levels be funded by the U.S. Treasury.

A list of the Members who join me in introducing this legislation today follows:

1. Mr. Bedell,
2. Mr. Eilberg,
3. Mr. English,
4. Mr. Gephardt,
5. Mr. Jenrette,
6. Mr. Murphy of Pennsylvania,
7. Mr. Ottinger,
8. Mr. Charles Wilson of Texas,
9. Mr. Young of Missouri,
10. Mr. Derwinski,
11. Mr. Hollenbeck,
12. Mr. Hyde, and
13. Mr. Whitehurst.●

WILBUR J. COHEN

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. PURSELL. Mr. Speaker. On June 30, the School of Education at the University of Michigan will be bidding farewell to its dean of 9 years—Wilbur J. Cohen. Dean Cohen's fine leadership has made the School of Education one of the finest in the country, with emphases in new areas such as early childhood development and multicultural education. The School of Education was one of the first schools on the Michigan campus to have an office of minority affairs and a women's commission. Also, Dean Cohen is happy to note that his successor as dean will be Joan S. Stark, the first woman dean in the school's history.

However, Dean Cohen's career spans far beyond his work at the University of Michigan. Thirty years were actually spent in Government service in Washington. In 1934, Cohen was hired as a research assistant on President Roosevelt's Cabinet Committee on Economic Security, helping to draft the original Social Security Act. Later, he became a staff member of the Social Security Board, and from 1953 to 1956, he directed its Division of Research and Statistics.

During the 1950's, Dean Cohen was a professor of public welfare administration at the university—a title he still holds. As chairman of President Kennedy's Task Force on Health and Social Security in 1960, his leadership directed recommendations such as medicare and other health, social security, unemployment insurance, and public welfare proposals.

In 1961, Dean Cohen became the Assistant Secretary for Legislation in HEW. In 1965, he became Under Secretary, and in 1968 President Johnson named him Secretary of HEW, a post he held until the Republican administration came in. His return to the school of education in 1969 marked the school's leadership role in involving students and alumni in policymaking and in meeting affirmative action goals.

Although he is leaving his post as dean of the school of education, Cohen will continue his active career by teaching courses at the university on social welfare policy, education and aging, and the Federal role in higher education. He will also remain active on the Government Relations Committee of the American Association of Colleges for Teacher Education. In addition, Cohen will chair a task force on prevention and investigation of abuse in institutions in Michigan, as well as serve as chairman of the National Commission on Unemployment Compensation.

Wilbur Cohen has certainly made his mark on American education and social welfare policy. The author of 4 books, and the recipient of 13 honorary degrees, he has served his country and mankind well over the years. Wilbur Cohen is a dynamic, optimistic man whose sense of duty and responsibility to his fellow citizens should be an inspiration to all of us.

While the school of education may be saying goodby to its dean, Wilbur Cohen is not really retiring, he is simply going on to different things in life. It is good to know that his leadership will continue in education and other public welfare areas through his teaching and work on various task forces. Therefore, I will not wish Dean Cohen a happy retirement. Instead, I congratulate him on his many successes, and wish him every happiness in his new endeavors.●

THE ROAD TO PROSPERITY—PART X—THE FAT LADY HASN'T SUNG YET

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. STEIGER. Mr. Speaker, I presume President Carter thought he would bring down the curtain on the Investment Incentive Act by his inaccurate and misleading attacks during his most recent press conference. Yet, this story is supposed to have a happy ending, and the villains routed. So, the drama proceeds.

The administration's assertion that H.R. 12111 is a millionaire's tax relief bill is absurd. The President's popularity is sinking, and he feels that know-nothing "populism" will buoy his sagging administration. This is the same worn-out acting which was used to attack those who did not agree with the Carter energy program. That play folded, and this latest production will rapidly follow suit.

I should point out one misstatement by the President. He said that taxpayers in the $15,000 to $20,000 income bracket would only benefit on average by 25 cents if Steiger passes. The Joint Tax Committee analyzed the data, and discovered that the actual average benefit is $278. I have attached the two tables for the Members' review.

The Wall Street Journal had an editorial today on the "boon to the wealthy" issue. Three examples are used which show the impact of capital gains on average taxpayers, and how Steiger-Hansen would benefit these average, not wealthy, taxpayers. The taxicab driver, by the way, drove Oscar Pollock to the Journal offices, and said he would support Steiger-Hansen. If we have the New York taxicab drivers on our side, then I know we are OK.

The material follows:

TABLE 2.—DISTRIBUTION OF INDIVIDUAL TAX REDUCTIONS UNDER S. 3065 (1978 INCOME LEVELS)

Expanded income class	Average tax benefit	Percentage distribution of tax benefit
Less than $15,000	12¢	0.4
$15,000 to $20,000	25¢	.2
$20,000 to $30,000	$1	.8
$30,000 to $50,000	11	4.0
$50,000 to $100,000	158	13.7
$100,000 to $200,000	783	14.2
$200,000 to $500,000	4,000	15.7
$500,000 to $1,000,000	21,540	11.3
$1,000,000 and over	145,302	39.7
Total	19	100.0

TABLE 3.—CONGRESSMAN STEIGER'S CAPITAL GAINS PROPOSAL FOR INDIVIDUALS [1]

1978 INCOME LEVEL

Expanded income class [2]	Returns (thousands)	Tax reduction: Average (actual)	Tax reduction: Amount (millions)	Percentage distribution
Below $5,000	3	$2,350	$6	0.4
$5,000 to $10,000	[3]	873	[3]	[3]
$10,000 to $15,000	1	694	[3]	[3]
$15,000 to $20,000	11	278	3	.2
$20,000 to $30,000	30	473	14	.9
$30,000 to $50,000	99	666	66	4.0
$50,000 to $100,000	131	1,730	226	13.7
$100,000 to $200,000	76	3,076	234	14.2
$200,000 and over	34	32,337	1,102	66.8
Total	383	4,312	1,652	100.0

[1] Including removing capital gains as a preference item and granting an unlimited alternative tax.

[2] Expanded income equals adjusted gross income plus the minimum tax preferences less investment interest to the extent of investment income.

[3] Less than 500 returns, $500,000, or 0.05 percent.

Note: Details may not add to totals because of rounding.

TWO-BIT POLITICS

In a press conference reminiscent of the "war profiteering" attack on the oil companies last fall, President Carter Monday aimed his populist heavy cannons at the Steiger amendment, calling it a plan that provides "huge tax windfalls for millionaires and two bits for the average American."

When you consider that 60-odd Senators

and a sizable chunk of the House are backing the Steiger-Hansen capital gains rollback, the President's claim takes on a burden of political implausibility. Millionaires don't have that many friends in Congress in an election year.

Matters get worse for the President when you examine the numbers he used in support of his populist rhetoric. For example, he again trotted out the estimate that the Steiger cut would "add more than $2 billion" to the federal budget deficit. This is based on the improbable assumption that cutting the maximum capital gains rate roughly in half would not encourage people to take more capital gains. Considering the beating that assumption has taken from tax analysts and economists, we thought it had been hidden away in a dark closet somewhere. As we have said here before, a good case can be made that revenues would rise, not fall, because of renewed investment incentives.

We are newly fascinated by the President's assertion that 80% of the tax benefits from the Steiger cut would go to taxpayers who "make" more than $100,000 a year. We've learned what that $100,000 figure really means, and you don't have to be a big shot to "make" that much under the President's definition.

The $100,000 figure is what the Treasury has defined as "expanded income," a description developed by tax reformers some time ago for political purposes. Expanded income means ordinary income plus the full amount of any capital gain. Thus, it would be possible for a family with an ordinary income of $25,000 and a capital gain of, say, $75,000 on the sale of a long-term residence to be part of that illustrious group "making" $100,000. We wonder why that point wasn't made clearer.

As to that "average" American who only gets two bits from Steiger, it is certainly true that you have to have a capital gain to benefit from a capital gains tax cut. And when you average all taxpayers the average benefit doesn't look very large. Indeed, the yield to the Treasury itself from the capital gains tax isn't very large, particularly in relation to the damage the tax does to capital formation.

But none of this means that the Steiger amendment would not yield major benefits to ordinary, nonrich Americans who have to cash a major asset and find themselves, mainly because of inflation, realizing a sizable capital gain.

By way of illustration, we asked accountants Price Waterhouse & Co. and Oscar Pollack of the Ingalls and Snyder securities house in New York to work up some examples:

A New York cabbie paid $24,000 for his licensing medallion five years ago and now sells it for $58,000. His total long-term capital gain is $34,000. His earned income was $13,200, excluding the capital gain. He has a wife and two children. Under the present law his federal income tax liability would be $8,850. With the Steiger amendment, it would be $7,800, a saving of $1,050;

A California construction project manager and his wife, in their early 60s with a taxable earned income of $25,000, want to retire on a pension and Social Security. They sell their house and rent an apartment. They bought their house 20 years ago for $24,000 and now sell it for $100,000, for a long-term capital gain of $76,000. They don't qualify for income averaging because of higher earned income in prior years. Their total tax liability under present provisions would be $26,064. Under the Steiger amendment it would be $22,014, for a saving of $4,050;

An Iowan who helped build a successful hardware retailing business wants to sell his half-interest to his partner for $100,000. His original capital contribution was $10,000 and the full $90,000 difference qualifies as a capital gain. He will have investment income of $15,000 in the year he sells. He does not qualify for income averaging because of higher income in prior years. His present liability would be $25,650. His tax under Steiger would be $20,400, a savings of $5,250.

It will be noted that none of the above are millionnaires. They are ordinary individuals forced by circumstances to take a capital gain in grossly inflated dollars, and who, under present law, would pay a heavy tax on inflation. Obviously, the Congress understands all this better than the President. Backers of the Steiger amendment might be forgiven if they categorized the statements at the Monday press conference as two-bit politics.

RADIOACTIVE WASTE DISPOSAL PROBLEM

HON. JAMES WEAVER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. WEAVER. Mr. Speaker, I am today placing in the RECORD a series of excerpts from a statement by George B. DeBuchananne who is chief of the Office of Radio Hydrology of the U.S. Geological Survey. These excerpts are from his testimony before the Subcommittee on Nuclear Regulation of the Senate Committee on Public Works on April 4, 1978. In contrast to the confident assertions by Department of Energy officials that the radioactive waste disposal problem is virtually solved, Geological Expert DeBuchananne points to a number of unresolved problems. He notes that there are significant gaps in "current knowledge concern(ing) the chemical interaction between the host media and the (radioactive) waste." He notes that effects which could result in the transportation of radioactive waste away from the storage site "are imperfectly understood (and) are extremely difficult to predict for the intervals of geologic time required for the isolation of the waste." He further notes that one of the basic problems is that in determining whether the site is a sound site, the site itself is necessarily disturbed by drilling. He goes on to mention that earthquakes are a significant risk in radioactive waste disposal. He concludes that adequate methods for doing (risk evaluations for seismic activity) that are meaningful for long periods of time must be developed to avoid siting problems." In other words, we do not now have the tools to determine whether earthquakes are going to exist. He also notes that we are presently unable to predict future climatic changes which could affect the repositories' acceptability. We do not presently have the technology for understanding the impermeability or permeability of low-permeability sites; that models do not exist which are capable of understanding the ground water formations; and that the technology to seal up the drill holes, mine shafts and other excavations necessary to create a repository do not presently exist. In conclusion he notes that—

Radioactive waste problems are dynamic, complex and varied. Therefore, there can be no simple solution to all problems.

This fresh, honest assessment is welcome, especially for its sharp contrast to the glib assertions of DOE scientists that the problems are essentially already solved.

The material follows:

UNRESOLVED PROBLEMS OF RADIOACTIVE WASTE DISPOSAL

(By George D. DeBuchananne)

Presently, geologic containment appears to be the most reasonable alternative for radioactive waste isolation if an acceptable geologic repository can be constructed. Because there will always be some residual uncertainty about the basic process of groundwater migration, waste-rock interaction, tectonism, and climatic variability, a conservative approach to the development of these repositories is called for. This approach should involve the development of clear and detailed statements of geologic criteria, the development of adequate techniques for verifying that a particular site meets these criteria, and a plan for long-term monitoring of the repository to ensure that the natural processes that actually occur are those that were anticipated or are at least benign.

HIGH-LEVEL WASTE

One of the greatest gaps in current knowledge concerns the chemical interaction between the most media and the waste. A significant factor, for example, is related to the generation of heat by the wastes. The highest repository temperatures would occur during the first tens or hundreds of years. The release of thermal energy in the geologic media will result in a variety of mechanical, mineralogical, and hydrologic effects that may strongly influence transport of wastes away from a repository. These effects, some of which are imperfectly understood, are extremely difficult to predict for the intervals of geologic time required for the isolation of the wastes.

The problem of characterizing the environment of a potential repository is amplified by the necessity to minimize disruption of the integrity of the geologic containment media by excessive drilling of exploratory holes in the repository area. Geophysical techniques, particularly downhole techniques, need to be improved to adequately explore and describe the volumes or rock needed for a repository.

Most of the repository sites will be located within the stable part of the North American continent. However, because of the hazard of high-level waste, the risk of seismic activity exposing or releasing the wastes must be evaluated for every area considered for siting. Adequate methods for doing evaluations of this type that are meaningful for long time periods must be developed to avoid siting problems.

One of the major questions that will have to be asked about any proposed repository of radioactive waste will be the effect of future climate on the hydrologic regimen and geomorphic setting. Major climatic oscillations, with periods on the order of tens of thousands of years, have been a feature of global climate for at least the past million years and maybe expected to continue. Therefore, existing paleo-climatological data need to be reviewed to judge the likelihood of the wastes being exposed during a future erosion cycle and/or transported as a result of a change in the hydrologic regimen.

In order for a repository to be acceptable, the host rock must be essentially impermeable. This raises the question of how to measure permeability in a drill hole in rocks of very low permeability. The technology for doing this needs to be developed.

Because circulating ground water is a potential mechanism for transporting wastes to the biosphere, the existing flow pattern must be completely known and models for contaminant transport must be developed.

Mathematical models of fluid and solute transport in granular media are available, but flow in fractures, which is the principal avenue in crystalline rocks and shales, is not well understood. In general, further research is needed to develop methods of defining the spatial distribution of hydrologic parameters of rocks. In particular, the occurrence of fractures and the hydraulics of fracture flow should be investigated.

The assessment of containment properties of the rock at any potential high-level waste repository involves considering the potential movement of transuranium elements as well as other radioactive contaminants. There are several aspects of this assessment which need to be fully understood including the following: (1) chemical reactions between the radioactive contaminants, and the natural earth materials through which they are being transported, and (2) the effect of the high-level waste heat on the migration of waste via ground water.

Drill holes, mine shafts, and other rock excavations in the repository are potential pathways that will have to be evaluated in terms of the role they might play in releasing wastes to the biosphere. All repository openings, regardless of depth, will have to be sealed by some, as yet unknown, technology which will in effect return the site, as nearly as possible, to its original condition. In addition, work is needed on the problem of monitoring a repository and the surrounding area for an indefinite time period to detect changes which might signal a loss of containment.

LOW-LEVEL WASTE

The problem of designing engineered remedial action for the waste migration problem at the existing disposal sites is complicated by a lack of information on the detailed hydrology of the area. The selection of future disposal sites, that will be required as the expansion of nuclear energy continues, will be dependent upon detailed knowledge of the hydrology of the proposed area plus a better understanding of several hydrologic factors that are directly related to the migration of waste.

In the solute transport of waste through a porous media, no model has been developed that will predict the concentration of a solute prior to actual introduction of waste into the aquifer. The theory is well described but actual field tests are lacking. Several studies are presently underway which will help resolve the obstacle.

As noted earlier, the flow of solutes through fractured rocks is not yet adequately understood. All verified transport models assume intergranular flow in the aquifer. However, where flow occurs in a fractured media these models are not applicable. Sound theory relating flow in fractured media to that intergranular flow is presently lacking and must be developed before meaningful field tests can be made.

Theory for chemical reactions among water, waste, and earth materials in the unsaturated zone must be developed. Research on this subject is underway at the present time. After development of adequate theoretical concepts, the next step would be field testing and verification of the theory.

For simple chemical reactions of short duration under conditions of rapid flow, hydrologists have traditionally been able to ignore the kinetics of some major reactions. However, for predictions pertaining to radioactive waste disposal systems, involving tens of hundreds of years in systems where flow is slow, these reactions become important. Research is underway in the USGS to quantify them.

Characterizing the chemical and physical forms of plutonium, americium, and neptunium in contaminated natural waters is critical to the understanding of transport of these elements. In ongoing research in this area there is an attempt to establish the interaction of these elements with solutes in natural waters and to determine their behavior in a ground-water environment where migration is likely to occur. The key questions are: (1) What is the valance of these nuclides, and (2) Do they occur as a colloidal suspension?

Radioactive waste problems are dynamic, complex, and varied. Therefore, there can be no one simple solution to all problems. The different solutions will have to be imaginative, working primarily within the constraints dictated by the hydrogeologic environment at each proposed disposal site. The major factor will be to determine what types of radioactive wastes can be contained by the proposed site for the period of time required to isolate them from the biosphere and hydrosphere. The form and handling of the waste should be tailored to the characteristics of the environment in the light of our understanding of the many natural processes that could affect waste containment.●

RACING MEN URGE CONGRESS TO END TAX ON WINNINGS

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. FLORIO. Mr. Speaker, today I am inserting in the RECORD another excellent newspaper article which describes the devastating impact of section 3402 (q), requiring at-the-source withholding taxes on parimutuel racing winnings, enacted as a provision of the 1976 Tax Reform Act. This article, by Dale Austin, entitled "Racing Men Urge Congress to End Tax on Winnings," appeared in the Baltimore Sun on Friday, June 23.

Mr. Austin's report of the June 22 briefing session on racing should be of particular interest to my colleagues who have racetracks in their districts and have not, as yet, joined in cosponsorship of my bill, H.R. 6066, to repeal section 3402(q). Members in the 32 States where parimutuel wagering has been legalized, who are concerned over losses of revenue to their States, should also find the report enlightening.

In my view, Mr. Speaker, if the facts brought out in Mr. Austin's article are thoughtfully weighed, there can be no doubt in anyone's mind that the effects of the discriminatory at-the-source withholding provision should be further explored in hearings before the House Ways and Means Committee. The text of the article follows:

RACING MEN URGE CONGRESS TO END TAX ON WINNINGS

(By Dale Austin)

WASHINGTON.—The fun of horse racing and the sport's importance as a revenue producer for the states have been imperiled by federal taxes on winnings, according to testimony heard yesterday on Capitol Hill.

In the event of a money crunch that might be triggered by the passage of Proposition 13 in California, racing revenue can loom larger than ever in importance as a tax source.

And the horseplayer always could use an even break.

Federal taxes on racing winnings, a relatively new venture, is being blamed for a 6 percent decline in business at the Meadowlands in New Jersey and a devastating 27 percent loss at the Charles Town (W. Va.) Turf Club.

That was the thrust yesterday of an hour-long presentation by the American Horse Council, which is gathering its forces—in the form of influential congressmen and senators in hopes of repealing a 13-month-old law that racetrack operators have determined is dangerous to their health.

The council was left at the gate last year when a strange and seemingly whimsical law slipped through along the rail and forced track owners to withhold 20 percent of winnings over $1,000 provided the odds were at least 300 to 1.

Racing men have been unable to determine just why the law was passed. It apparently was aimed at taking the sting out of another tax law passed in 1964 that was thrust upon them just as mysteriously.

That law, which created Internal Revenue Service Form 1099, ordered tracks to report the identity of persons cashing bets at odds of 300 to 1 or higher. The law was a favorite project of the late Senator Robert Kennedy (D., N.Y.) back in the days when he battled the racketeers as the counsel of a Senate committee.

Testimony yesterday showed that many Form 1099 tax reports had been presented with phony identification and further, that when the IRS got them, it never bothered to check them against the horseplayers' tax forms, anyway.

"The United States is the only nation on earth to tax gambling winnings," said Jack Krumpe, president of Meadowlands. "The bettor already has paid a tax in order to make a wager and now he has to pay again. He pays going in and going out."

Krumpe and several others testified in a small room of the Capitol Building, secluded from the eyes of visitors walking a few feet away, gawking at the statues in the rotunda.

The object was to influence congressmen who might be swayed into co-sponsoring a tax-killing bill introduced by Representative James Florio (D., N.J.), who lives in the Camden area near Garden State Park.

A few congressmen were there, but the majority of the 34 guests were congressional aides, sent to take notes and report their views to the bosses.

For the presentation, there was little technical talk. It was aimed more at explaining how the average person would be affected.

Tad Davis, counsel for the Horse Council, said that the current law would "take all the fun out of going to the track. You would have to record all your bets—your wins and your losses [to avoid suffering unfair taxation].

"The law was designed to take 20 per cent out of the winnings. If a person wants to offset that tax by itemizing his losses, then he must give up the standard deduction, which statistics say most Americans take."

Bill MacDonald, general manager of Charles Town and Shenandoah Downs tracks, described the impact in the West Virginia panhandle as "devastating."

He said, "We pioneered exotic betting, the kind that is most affected by this tax, in 1959 and we depend on it for much of our business. I'm almost sorry we started it, considering the situation now."

MacDonald noted that in many states, exotic bets such as the triple, or trizacta, are taxed as much as 25 per cent by the state.

"Add to that, 20 per cent by the IRS," he said, "and you see that the winner only gets 55 per cent of the money he should have gotten."

Jim Ritchie, who headed a federal gambling study four years ago, pointed out the natural tendency of a person to avoid taxation by calling his bookie and settling at the end of the week.

"There's not much of a danger of getting caught," he explained. "In a five-year study of New York State, 20,000 persons were arrested on gambling charges. Of that number, 1,500 were indicted and 100 were convicted. Nine went to jail."●

BLIGHT OF THE TROPICS

HON. MATTHEW F. McHUGH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. McHUGH. Mr. Speaker, last week Newsweek magazine carried an excellent article on the toll which tropical diseases inflict on people living in the developing nations. For example, it pointed out that malaria strikes 150 million people each year and kills more than 1 million children in Africa alone. Another 300 million people are disfigured or blinded by filariasis.

I mention these figures because the House will soon be asked to vote upon the foreign assistance appropriations bill. The bill recommends an appropriation of $135 million in fiscal year 1979 for health and health-related development activities to be funded through the Agency for International Development. It also includes funding for the international financial institutions which are also deeply involved in funding health projects.

I hope that my colleagues will take this opportunity to review the Newsweek article which I am including in the RECORD at this point. I think that it provides a very effective answer to those who suggest that we are spending too much on foreign assistance.

The article follows:

BLIGHT OF THE TROPICS

(If you happen to be born and grow up in rural Africa you are liable to harbor four or more disease-producing organisms simultaneously. In your village every child at times suffers the paroxysms of malarial fever and you and your wife will mourn the death of one or two children from this disease. The snails in your village pond carry schistosomiasis and you do not consider it unusual when your children pass blood in their urine. You take for granted the disfigured faces and fingerless hands of the beggars in the village street suffering from leprosy. If you live near a river where black flies breed, one in ten of your friends and neighbors will be blind.)

Even this chilling picture, presented by Dr. David Rowe of the World Health Organization, fails to suggest the full magnitude of the suffering caused by tropical diseases in vast regions of the world. Americans reckon the toll of their worst afflictions—heart attacks, cancer and strokes—in the thousands. But the people of Africa, Asia and South America count their dead and disabled by the millions. "More people suffer and die from tropical diseases than all other diseases combined," says Dr. Ben Kean of New York's Cornell University Medical Center.

Malaria, the worst of the lot by far, strikes 150 million people each year and kills more than 1 million children in Africa alone. At least 200 million are infected by schistosomiasis, or snail fever. The parasitic worms of filariasis disfigure or blind almost 300 million.

Tropical diseases work hand in hand with poverty and malnutrition, trapping their victims in a cycle of misery. Those who are sick can't till the soil or fish or hunt. Consequently, they and their children starve, lose their resistance and fall prey to yet other diseases. "The synergism between malnutrition and infection is the most important cause of death," says Dr. Carl Taylor of Johns Hopkins School of Hygiene and Public Health.

In the era of the jumbo jet, Americans are hardly invulnerable to tropical infections. Of the 406 cases of malaria reported in the U.S. in 1976, all but four involved travelers who had contracted the disease abroad. Because of the speed of jet travel, moreover, a tourist may pick up an infection during his stay and return to the U.S. before the symptoms appear. At that point, his doctor may well misdiagnose the case because these diseases are so rare in industrial countries. The fever and chills of malaria can be confused with flu, and amebiasis, a parasitc intestinal disease, can be mistakenly diagnosed as ulcerative colitis. "There may be only ten doctors in the U.S. who are truly qualified to thoroughly handle parasitic diseases," says Kean.

Malaria is the most important threat, and many experts complain that physicians and travel agents are lax about warning tourists to take antimalarial medication. In one recent survey, it was found that only 15 per cent of American and Canadian travelers going to Belize in Central America had taken appropriate precautions against the disease. "The rest," says Dr. Myron G. Schultz of the Federal Center for Disease Control in Atlanta, "were playing Russian roulette with their lives."

Considering the enormous toll taken by tropical diseases, many medical experts are critical of the modest role the U.S. has played in stamping them out. Interest in tropical medicine runs high in wartime, when American troops may be exposed to the illnesses, but wanes rapidly when peace returns. "The U..S. is like an ostrich with its head in the sand when it comes to the world health community," says Prof. James Jensen of New York's Rockefeller University. "We only relate to our own problems." More than $800 million is now spent for cancer research each year, but only $40 million for tropical diseases.

Last month, Health, Education and Welfare Secretary Joseph A. Califano announced a pledge of $20 million in U.S. funds over the next five years toward a major attack on tropical diseases now being mounted by the World Health Organization. The WHO program, expected to last for twenty years, has set its sights on six of the worst tropical afflictions:

MALARIA

It is caused by the *Plasmodium* parasite and transmitted to humans by the female *Anopheles* mosquito. The parasites multiply in the liver and then invade red blood cells, producing fever, chills, headache and weakness. Most forms of Plasmodia produce a long-term chronic illness, with recurrent attacks. But one species, *falciparum*, causes a single acute attack that can be fatal in 10 per cent of cases. Chloroquine is the standard drug for the treatment and prevention of the disease. However, it is impractical for the eradication of malaria because residents in endemic areas would have to take it continuously over their lifetimes. WHO made great strides in reducing malaria in the 1950s by the widespread eradication of mosquitoes with DDT. But the disease has made a frightening resurgence in recent years because mosquitoes in many areas develop a resistance to the insecticide and the parasites acquire an immunity to chloroquine. An estimated 2 billion people now reside in malaria-infested regions, and one-fourth of the adult population of Africa suffers recurrent bouts of the disease.

SCHISTOSOMIASIS

An insidiously debilitating disease, this is caused by the *Schistosome* flatworm and carried by certain species of freshwater snails. The snails release the flatworm larvae into rivers and ponds. When a human enters the water, the larvae penetrate the skin and develop into mature worms that lay thousands of eggs in such sites as the liver, bladder and intestines. The eggs produce an immune reaction which in severe cases can cause scarring of tissues that in turn leads to swelling of the liver and spleen and chronic heart disease. In areas of poor sanitation, flatworm eggs excreted by the victims find their way into water supplies where they start the cycle of infection anew. Ironically, irrigation projects, such as the construction of the Aswan Dam in Egypt, have increased the spread of schistosomiasis. Attempts to destroy *Schistosome*-bearing snails with chemicals have proved largely unsuccessful. A drug, hycanthone, is considered promising by many experts because a single dose seems to destroy virtually all the worms. But some specialists fear that it may cause cancer.

TRYPANOSOMIASIS

One form of the *Trypanosome* parasite causes the familiar African "sleeping sickness," while another causes Chagas' disease in South America. African trypanosomiasis is transmitted by the tsetse fly. In West Africa, the chronic form of the disease produces lethargy, loss of appetite and eventually coma. An acute form, most prevalent in East Africa, is usually fatal within a few weeks if it goes untreated. The drugs available to treat it are all unfortunately toxic to some degree. The best way to control the disease is to kill the tsetse flies with insecticides and clear away vegetation that has become infested with them.

Chagas' disease—which affects 10 million—is transmitted by the "kissing bug," so named because it tends to bite its victim on the corner of the mouth while they lie asleep. The disease begins with fever and malaise, subsides after several weeks and then flares up years later, after lurking parasites have damaged the intestinal tract and heart muscle. Drugs such as nifurtimox and nitroimidazole have been tested but seem impractical because they must be taken over long periods.

LEISHMANIASIS

A protozoal infection carried by sand flies, this usually causes ulcers and sores that may be grossly disfiguring. The disease is prevalent throughout the tropic, and its victims number in the millions. In one of the worst forms, called kala azar, the parasites invade the bone marrow, liver and lymph nodes. Without treatment it is usually fatal within two years. Again, existing drugs are unsatisfactory for dealing with large numbers of victims, because they must be given for long periods of time—sometimes intravenously—and are toxic.

FILARIASIS

This is caused by several species of parasitic worms that are carried by insects. The best-known form of the disease is elephantiasis, an often grotesque swelling and inflammation of the arms, legs and genitals caused by adult worms infiltrating a human's lymph nodes. An equally serious type is onchocerciasis, or liver blindness, caused by a worm whose larvae are transmitted by female black files. The worms produce thousands of larvae that invade the eyes, causing gradual loss of vision. Black flies breed in fast-flowing streams, and in some tropical

African villages as many as 40 percent of men who fish or farm are blind as a result of filariasis. Because the flies can travel 180 miles a day, spread of the disease is virtually impossible to control. A drug, diethylcarbamazine, destroys the worm larvae but causes intestinal side effects. However, Dr. Maurice Langham of Johns Hopkins has developed an ointment form that may simplify the treatment of river blindness and also act as a preventive.

LEPROSY

The ancient Biblical scourge is thought to be caused by a bacillus spread from person to person through years of close contact. Eleven million, mainly in Africa, have the disease. It is primarily a disease of the skin and peripheral nerves which can lead to paralysis and mutilation of the extremities, such as the loss of the nose or fingers. A drug called dapsone helps control the disease and is now being tested in areas of high prevalence as a means of prevention. But it may take three years or more for the drugs to check the illness, and doctors have recently reported an increasing number of cases that have become resistant to dapsone, usually because the patients didn't take enough of the drug. Some experts regard leprosy as more of a social problem than a tropical disease, because its victims are treated as pariahs even though they pose practically no threat to others.

Sanitation: Many experts in tropical medicine believe diarrheal illnesses—caused by a variety of intestinal germs and parasites—should be added to WHO's list. Each year, forms of diarrhea kill 150,000 people in Latin America alone, notes Kean, and in some countries they are the leading cause of death. For the most part, the problem is due to poor sanitation and can be quickly brought under control by improved sewage disposal. Tetanus in the newborn, contracted from contaminated knives used to sever the umbilical cord, is yet another major problem in Africa. It could be easily eliminated by the training of midwives.

One of the major research efforts being mounted against parasitic diseases is the development of vaccines. The work has gone slowly, however, because of the complexity of the life cycles of the organisms responsible. An important step toward an antimalaria vaccine has been made by Profs. Jensen and William Trager of New York's Rockefeller University: They have devised a way to grow the "merozoite" stage of the *Plasmodium falciparum* parasite in the laboratory. This is the stage that develops in the human red blood cells, and now Dr. Sydney Cohen of London's Guy's Hospital is using these cultured merozoites to develop a vaccine against them.

Mutant Flies: Since many insecticides are no longer effective, researchers are devising some novel ways to eliminate the carriers of parasites. A team of entomologists at the University of California has rendered some mosquitoes immune to Western equine encephalitis viruses by altering their genes with X-rays. They hope that the mutant genes can be passed on to succeeding generations, establishing, in effect, a new species that would be unable to carry the disease. If the stratagem works with this nontropical illness, the same principle could be applied to the insects that transmit malaria, sleeping sickness and other parasitic diseases.

But such sophisticated disease-fighting measures won't be available for years—if ever. In the meantime, the war against tropical diseases will have to be waged with the tried-and-true methods of improved sanitation and better living conditions. By the simple expedient of building showers and community swimming pools on the Caribbean island of St. Lucia, a team funded largely by the Rockefeller Foundation greatly reduced the population's exposure to snails—and the risk of schistosomiasis.●

DILEMMAS AND OPPORTUNITIES IN INTERNATIONAL AIR COMMERCE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. ANDERSON of California. Mr. Speaker, at a meeting of the National Aviation Club on Thursday, June 22, Mr. Mordechai Ben Ari, Executive Chairman of the Board of El Al Israel Airlines, spoke on "Dilemmas and Opportunities in International Air Commerce." Mr. Ben Ari's speech deals with a number of pertinent issues and includes his proposals for international freedom of the skies, and for measures against air terrorism. I know that Mr. Ben Ari's remarks will be of interest to my colleagues since we in the Congress are heavily involved in these issues.

REMARKS OF MORDECHAI BEN ARI

President Reed, Honored Guests, Friends: At the outset, let me express my appreciation to the National Aviation Club for providing me with the forum for the ideas and views I intend to advance here, today. It was suggested that the theme of my talks should cover the subject of "dilemmas and opportunities in International Aviation in the Eighties" and that I should talk no more than 20 minutes.

When I think about the problems of international aviation, a limit of 20 minutes poses a dilemma, but I welcome the opportunities such a broad subject offers me to talk about whatever is on my mind.

We are, furthermore, struggling with the question of regulation or, as the case may be, deregulation. Is there too much of one or the other? Not enough? Should or can it be partial or total?

And, last but by any means not least, there remains the ever-present threat of terrorism in the air and on the ground, effecting our passengers, our pocket books and our peace of mind.

As far as the economy of international civil air transportation is concerned, it would take a dramatic technological breakthrough to give us an aircraft of greatly reduced production and operating costs. To my knowledge no such development is on the drawing board at the present time. In view of the fact that the future of International Civil Aviation seems to lie in mass transportation or the pleasure-motivated traveller at low fares, the solution to the economic problems of the airlines, especially on intercontinental routes, seems to point to a basic change in the service concept on scheduled carriers.

Let me be specific: the present first and economy class would have to be abolished. In their place we would introduce a three-tier service concept. This would consist of a deluxe class, superior to the current first class service standards; the current first class would become the business class, based on the 34'' pitch seating configuration with service features identical to those of the present first class service. We would offer a third class service at drastically reduced fares, with a 32'' pitch seating configuration, with no-frill, no free food service, which we might call something like the "Holiday Class".

A 747 aircraft, offering all three categories of service, can be equipped with 500 seats or more, resulting in per-unit cost savings of between twenty to thirty-three per cent, depending on the "Mix" of classes in the aircraft.

The concept of Holiday Class, which I first proposed five years ago, has been endorsed by the Annual General Meeting of IATA at Madrid last October, upon recommendation of IATA's Director General, Mr. Knut Hammerskjold. It had been partly implemented a month before by the introduction of Laker's "Sky Train".

I believe that far-reaching changes of this kind will be introduced under different names and in different variations, on most intercontinental routes of the world and especially on the North Atlantic.

Many of these changes will undoubtedly come as a result of the growing desire for deregulation by domestic as well as international carriers. Chairman Kahn of the CAB of the United States Government has shown great courage and leadership in this regard and deserves our praise and gratitude. It now remains for the international carriers to follow suit.

If all this suggests that the time has come to dispense with IATA, this conclusion would be entirely wrong. IATA has become a worldwide international system of air transportation making it possible for every passenger, freight forwarder or postal authority to reach any point in the world on a single ticket or bill of lading or postal document.

This system does not represent merely a collection of independent competing airlines. In its role as a world-wide transportation system, the international air transport industry and its well being have become a matter of public as well as national and international interest and concern.

Under the wise and skillful stewardship of Knut Hammerskjold this international organization of airlines has gained remarkable achievements to its credit and the airlines could not exist without it.

IATA is much like a woman. It may be difficult to live with but it is essential to the survival of orderly world air commerce.

Think what aviation would be like if every airline issued a different type of ticket and observed sets of rules for the transport of passengers or freight!

We are faced with two clear cut alternatives, in response to the requirements for drastic changes in civil aviation in the Eighties from which the public as well as the airlines would benefit: we could opt for complete regulation on traffic rights, fares and rates on a bilateral of multilateral basis. This would, inevitably, lead to the complete elimination of charter flights on intercontinental routes. The alternative would be to create a deregulatory environment of "Open Skies" with unlimited freedom of competition, without government interference. Indeed, complete freedom of the air would mean that every airline can fly from and between any place in the world it chooses, without restriction and with the right to change any fare as it deems fit. In other words, the principle of Freedom of the Air would be identical to the principle of the Freedom of the Seas.

I firmly believe that adherence to this principle of "Open Skies" or Freedom of the Skies when adopted by nations and their airlines would constitute a revolutionay step toward assuring the long-range growth and development of a healthy and dynamic international air transport system based on the principles of free competition as the best safeguard of the interests of the consumer.

If this seems like a radical, perhaps too drastic, departure from the system adhered to now by the international airlines, I think it is high time we realized that our industry has reached maturity and that we can well afford to live in an environment of free competition and enterprise. Moreover, it is our obligation to ourselves and to the public we serve, to be bold enough and promote actively the adoption by governments of a policy of complete freedom of the air.

In this context I strongly support the far-reaching structural changes in the statutes of IATA, proposed by the executive commit-

tee of that organization. They would comprise a major step towards the goal of complete freedom of the air in a healthy worldwide aviation system.

Finally, let me say a few words about the clear and present danger of the problem of terrorism. If governments and airlines do not show greater determination to deal with the armed interference with commercial airliners and their passengers, this may pose a threat to the very existence of civil air transport.

Only a policy of "active defense" will deal effectively with this threat. I have submitted detailed proposals on this subject to IATA.

The same century, which has brought us intercontinental flight and has enabled us to leap forward into space has made possible the global brotherhood of Man and has facilitated human and commercial relationships but has also placed these treasured achievements of our civilization in mortal danger. It will be up to us to show our firm resolve that we are ready to defend them through affirmative action and without fear or hestitation.

Thank you very much.●

REV. JOHN A. WARD RETIRES AFTER 46 YEARS OF SERVICE

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. FARY. Mr. Speaker, I would like to take this oportunity to inform my distinguished colleagues that on July 1, the Reverend John A. Ward of the parish of St. Jane de Chantal will retire from that church after serving as its pastor for 24 years. An ordained priest for the past 46 years, Father Ward has carried out his duties in exemplary fashion and has been commended for his efforts by his parishioners and many others who have come to know and love him.

John A. Ward was born in Chicago on August 2, 1908 to Patrick and Jane Ward, themselves natives of County Derry, Ireland. After attending Chicago's Holy Angels School, Father Ward entered Quigley Preparatory Seminary in 1921, attained academic honors, and graduated in 1926. That year, he entered the major seminary of the Catholic Archdiocese of Chicago, St. Mary of the Lake Seminary in Mundelein, Ill., where he completed his philosophical and theological studies and ordained a priest on April 2, 1932 by the late George Cardinal Mundelein. Father Ward, who was the youngest member of his class, then celebrated his first Mass on April 3, 1932, at St. Bernard's Roman Catholic Church, his parish in Chicago.

Father Ward's 46-year theological career has included assignments at a variety of church parishes in the Chicago area, all of which have benefited immensely from his enthusiastic devotion to service. Reverend Ward's first assignment was to St. Cecelia's parish in south Chicago, where he served until 1933. He then served as associate pastor to St. James parish in Highwood, Ill. until 1945. Following St. James, Reverend Ward spent a year in north Chicago at Sebastian's before being transferred to St. Mel's parish, then known as the largest parish in the United States. Father Ward remained at St. Mel's until 1950 when he left to serve at St. Richard's in Chicago's south side.

After leaving St. Richard's in 1954, the late Samuel Cardinal Stritch gave Father Ward the important responsibility of forming a new parish in the vicinity of 53d Street and McVicker Avenue in Chicago. Reverend Ward, as the founding pastor of the new parish, suggested that the new church bear the name of St. Jane de Chantal, after the French saint who founded the Visitation Order of Sisters. Cardinal Stritch concurred and Father Ward's suggestion was adopted.

Today, 24 years later, the parish of St. Jane de Chantal stands as an impressive monument to the priestly labors of Father Ward. The parish buildings include a church of beauty and striking design, a school which has residential facilities for the Dominican Sisters of the Province of Columbus, Ohio who teach there, a combination gymnasium and social center, and the parish rectory. These buildings extend for the greater part of a square block in a quiet residential area in southwest Chicago. Its school has provided excellent educations for thousands of boys and girls of the parish.

On April 2 of this year, the parishioners of St. Jane de Chantal, together with former associate pastors who had served with Father Ward, the sisters of the school, lay teachers, and Father Ward's family and friends celebrated a special Mass of Thanksgiving on the happy occasion of the 46th anniversary of his ordination to the priesthood. Hundreds of the members of the parish and other friends, including Mayor and Mrs. Bilandic of Chicago, were present at the mass and reception.

Mr. Speaker, Father Ward recently announced that he has advised John Cardinal Cody of his intention to retire on July 1, 1978. So in honor of Reverend Ward's devoted service, a testimonial dinner and awards ceremony has been scheduled for June 30 at the Mayfield Banquet Hall in Chicago, of which I will have the pleasure of attending. Among others to be present will be Father Ward's brother, Illinois Supreme Court Chief Justice, Daniel P. Ward.

Therefore, on this happy occasion, I would like to join with the parishioners of St. Jane de Chantal in showing the deepest appreciation of this man's tireless efforts and dedicated service. The inspiration he instilled will continue to thrive in the hearts and minds of those whose lives he touched so dearly.●

GUN CONTROL—NECESSARY ACT OF A DICTATOR

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. ASHBROOK. Mr. Speaker, I was not surprised to hear that Idi Amin, the bloody dictator of Uganda, recently ordered all civilians to turn in the firearms to army headquarters. The right of private citizens to keep and bear arms, after all, is a right that belongs only to free men and women.

Dictators cannot allow guns to remain in the hands of the people. The risk is too great. A dictator must control all firearms if he is to keep himself in power.

The right of gun ownership is a measure of our freedom and a right incompatible with totalitarian forms of government. We must never allow this important freedom to be taken away from us.

Following is an article on the antifirearms move in Uganda which appeared in Gun Week.

GUN CONTROL IN UGANDA

On April 28 President Idi Amin of Uganda ordered civilians to immediately surrender all firearms. He said that he personally was taking direct charge of the police and prison services.

Amin's number one hit man, Brig. Isaac Malyamungu, warned a gathering of 10,000 Ugandans that numerous suspects had been arrested for subversive activities (such as owning firearms) and were being interrogated.●

PROPOSITION 13: THE GUPPY-LAW FACTOR

HON. DAN MARRIOTT

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. MARRIOTT. Mr. Speaker, I would like to note today that the taxpayers of this country through increasing discontent with high taxes, are increasingly telling their representatives that they want less money spent by Government, they want less dominance of Government in their lives and they want to spend more of their money themselves. Too often in the past Congress, responding to needs, real and imagined have proposed setting up boards and commissions as a solution. As Groucho Marx said:

Politics is the art of looking for trouble, finding it everywhere, diagnosing it incorrectly, and applying the wrong remedies.

This article is a good satire of how spending programs are generated, and where the money keeps going. It was published in the Washington Post today.

PROPOSITION 13: THE GUPPY-LAW FACTOR

(By Fred Reed)

Probably the most tortured cry, the most entrail-wrenching plaint, and certainly the most delectable, is the shrill scream of a bureaucrat discovering that it is not his money. It is a sound to freeze one's very liver. Almost as hideous is the gasp of a taxpayer pondering how his money is spent. The two bid fair to rattle windowpanes in harrowing cacophony if states continue to vote constitutional limits to taxation. They may. By all appearances, California's Proposition 13 could have many ravenous children.

Commentators who specialize in misunderstanding politics, as distinct from misunderstanding other things, see the Proposition 13 battle as a liberal-versus-conservative dispute—the right raising its fanged head. It fig-

ures. The tendency to reduce questions to the irrelevant is overwhelming. Besides, as conservatives delight in saying, the best way to weary a liberal of liberalism is to make him pay for enough of it. But California is a liberal state. The rebellion is actually a taxpayers' insurrection against government in general—much more interesting.

The issue, really, is taxation without representation. Government is so complex, so tailored to the wily and knowledgeable, so many steps removed from the will of the people, that the public has little voice in spending. In a sort of camouflaged disenfranchisement, the electorate retains its vote while losing its shirt—the handiest advance in politics since the stuffed ballot box.

Of the techniques used to thwart representation, the most devastating is the guppy law—i.e., that when outrageous expenditures are divided finely enough, the public will not have enough stake in any one expenditure to squelch it.

Typically, a special interest stands to gain greatly from favorable legislation, and works energetically for it. For example, requiring a steamfitter's presence at the construction of federal sidewalks benefits the steamfitters enormously. Yet it costs the citizen only a few cents a day in taxes. Fat campaign contributions from the steamfitters (never say bribes) give the legislature reason to pass the bill. A fiscal guppy is born, nibbling its few pennies a day (not worth opposing). Enough guppies can eat a treasury. The citizen is not quite represented.

A tactic of the politically crafty is to phrase questions in terms of frightful virtue. "What? You oppose a mere $40-million subsidy of codpiece manufacture by the Nez Percé? So! You are against Indians . . ." The thudding opprobrium of anti-Indianism outweighs the $40-million guppy bite in the legislator's eyes. The public, probably sympathethic to Indians but transcendently uninterested in codpieces, has no real say. Diffuse public irritation does not equal the codpiece lobby's concentrated clout.

A favored technique here in Washington is the fossil agency. Suppose that 3,000 children fall from skateboards this year and land on their heads. Outrage arises. Sen. Thrustfactor rises to his feet and introduces a bill to create a Skateboard Regulatory Commission with a budget of $5 million. Everyone applauds: No one can favor concussions for 11-year-olds, unless he has one.

Next year the agency, by now forgotten but firmly encysted in the federal blockhouses of Southwest Washington, wants $50 million. Not for anything, just $50 million. The parent agency, always hungry for a snack, supports the request.

The country may no longer give the faintest damn about skateboard, but it has a skateboard commission for eternity.

Washington is full of such fossil agencies, embodied in ghastly acronyms: powdered English for minds traveling light. We have OSHA, CPSC and endless others, gnawing the bones of their appointed discontents and spending money.

The bureaucrats who inhabit the acronyms may or may not believe that they are doing a service beyond drawing their paychecks, but they will fight like rabid badgers to keep their jobs. Consequently the federal government simply prints money to pay them. When engaged in by private enterprise, this is called counterfeiting. The states lack this useful resource, but make do by raising the assessed value of property, and hence their revenues. Both approaches keep the electorate the vital arm's length from the reins—not quite represented.

But then the taxpayer realizes he is paying for institutionalized featherbedding government being a de facto union and many of its activities serving only to employ government workers. He is paying for OSHA, which is a practical joke raised to godhead, and for the National Endowment for the Humanities, which keeps sociologists from being obviously unoccupied, and for CPSC which, practically speaking, consists of a budget and a flackery. And so on, and on. And he can't help it.

He can't decide how his money is spent, but he can decided not to spend it at all—and that is what Proposition 13 is all about.●

WHY THE UNITED STATES SHOULD REPROCESS SPENT NUCLEAR FUEL

HON. JAMES R. MANN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. MANN. Mr. Speaker, as our Nation strives to free itself from an ever increasing dependence on foreign petroleum sources, expanded use of nuclear power will be a major vehicle to reduce that dependence. In the next decade, my own State of South Carolina will become reliant on nuclear power plants for more than 50 percent of its energy.

Not only can nuclear energy become an increasingly important source of electrical energy, but reports on the operation of nuclear reactors in recent years have shown that these plants have saved electric ratepayers billions of dollars over comparable fossil fuel costs. Several utilities have experienced annual savings of $50 to $80 million per reactor per year.

Projected increases in nuclear power plant capacity can only occur, however, if the United States move expeditiously to resolve the handling of spent nuclear fuel from reactors and the subsequent storage of radioactive waste materials in a form that protects the public and the environment.

In my State of South Carolina, we have at hand a solution to both questions. I am talking about the Barnwell Nuclear Fuel Plant, located near Barnwell, S.C.

The Barnwell facility is a nuclear fuel reprocessing plant, the only one in the United States available to meet civilian nuclear power needs. Reprocessing is essentially a complex chemical process whereby spent fuel rods from nuclear reactors are chopped up, processed chemically, and three liquid streams—uranium, plutonium, and waste—evolve. The liquid uranium is usually converted to uranium hexofluoride (UF_6), a gaseous form which is suitable for reuse by the Government-owned uranium enrichment facilities. The liquid waste stream can be solidified safely and packaged for ultimate storage. The plutonium stream can be solidified and recycled in today's light-water reactors and tomorrow's breeder reactors for fuel.

The economic savings we could gain from reprocessing are staggering. For example:

Each spent fuel assembly removed from a conventional light-water reactor contains an amount of unburned uranium and plutonium that, if reprocessed and recycled back into fresh fuel, would provide the energy-equivalent of about 80,000 barrels of oil. At $12 per barrel, that makes each spent fuel assembly "worth" approximately $1 million.

Every nuclear reactor discharges about 70 spent fuel assemblies per year, with a total energy content equivalent to approximately 6 million barrels of oil.

The spent fuel from four reactors, if reprocessed and recycled, would provide sufficient fuel to meet the needs of a fifth reactor.

A reprocessing plant such as that which has been built at Barnwell can handle the spent fuel discharged from 50 reactors per year, and therefore could provide the equivalent of about 300 million barrels of oil per year in the form of fresh nuclear fuel.

Over the long term, our savings would be:

The oil equivalent in fresh fuel produced by one reprocessing plant through the year 2000 would save $40 billion on our balance of payments—which otherwise would be spent for imported oil.

The energy content in all spent U.S. fuel through the year 2000 will be equivalent to 19 billion barrels of oil, worth more than $300 billion at a price of $16/barrel.

The total energy content of the free world's spent fuel will be about 97 billion barrels of oil by the year 2000, equal to six times the free world's oil production in 1975.

In spite of the very significant potential contributions to our national energy situation, the Barnwell plant cannot operate because President Carter has indefinitely deferred commercial reprocessing in the United States. Why? The primary reason is the President's desire to control nuclear weapons proliferation, a goal which we all support. Yet, other nations are moving ahead full speed to develop nuclear fuel reprocessing capability while we stand on the sidelines and Barnwell stands idle. President Carter's call for an international pause in the development of nuclear fuel reprocessing while adequate safeguards are put in place worldwide has gone unheeded. The reason is simple. Other nations such as Japan are not endowed with the energy resources as the United States is and they simply must reprocess at the earliest date. A pause could mean economic disaster. Other nations simply cannot throw away the vast energy contained in spent fuel, as President Carter has proposed as a deterrent to nuclear proliferation.

Congress has responded to this situation under the leadership of our colleagues WALTER FLOWERS and TOM BEVILL to keep Barnwell alive in a research and development mode in the hopes that the United States can keep the reprocessing option open. A fiscal year 1978 research and development program is now underway at Barnwell to evaluate more proliferation-resistant nuclear fuel cycles and to improve nuclear facility safeguards.

I am happy to say that Congress is also supporting a fiscal year 1979 program at Barnwell. Continuing support for Government supported programs at Barnwell has been forthcoming, I believe, for two major reasons. First, as I already mentioned, other nations are moving ahead on reprocessing, irrespective of the U.S. position of indefinite deferral. The majority of the Members of Congress continue to believe that the United States needs to have some recognizable activity in reprocessing to keep abreast of foreign reprocessing developments. Second, there is great concern in Congress over the "throwaway" fuel cycle for resource conservation, proliferation, and political reasons. Congress clearly views funding of Barnwell programs as a means of keeping the nuclear fuel reprocessing option open.

The owners of Barnwell, Allied-General Nuclear Services (AGNS), have stated publicly its purpose in pursuing further Federal funding. The Department of Energy (DOE), as part of the fiscal year 1978 program, studied optional uses of Barnwell and reported to Congress that no decisions could be made in the fate of the facility until completion of the International Nuclear Fuel Cycle Evaluation (INFCE), a 40-nation, 2-year study of proliferation-resistant nuclear fuel cycles. AGNS believes, therefore, that it makes sense to keep Barnwell alive in a R. & D. mode until the INFCE is completed to see if some use might be made of the facility.

AGNS continues to believe that the Government may need to use Barnwell for a variety of reasons, including verification of promising proliferation-resistant fuel cycles, reprocessing of Government spent nuclear fuels or even spent fuel storage on a limited basis to meet near-term needs.

One of the largest obstacles in achieving our national need to increase nuclear capacity is the backlog of spent fuel at operating reactors and the uncertainty in the utility industry over how the Government will address all of the problems facing the "backend" of the nuclear fuel cycle in a timely fashion.

If we look closely at each option, reprocessing or throwing spent fuel away, the choice seems clear. We must move ahead on nuclear fuel reprocessing. Lack of needed decisions will be disastrous. Under a worse case situation, reactors could be forced to shut down because of filled on-site storage basins while we attempt to resolve national policy.

The fact that a fuel resource equivalent to billions of barrels of oil might be permanently lost through a "throwaway" fuel cycle is going against our national commitment to conserve all fuel resources. The President needs to recognize this and modify his policy of indefinite deferral of reprocessing at the earliest date.

Wise economic and natural resource planning dictates that we move ahead to commit to nuclear fuel reprocessing as a means of insuring that today's reactors can continue to operate and tomorrow's reactors will have the fuel resources available to meet the Nation's needs.●

THE ECONOMIC BENEFITS OF DETERIORATED BUILDINGS AND COMMUNITIES

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. MOAKLEY. Mr. Speaker, H.R. 12433, a bill to amend the Housing and Community Development Act of 1974, and H.R. 12536, a bill to increase appropriations ceilings, development ceilings, land acquisition, and boundary changes in certain Federal park and recreation areas, and for other purposes, are both key legislative efforts to restore and revitalize America's hard pressed urban areas. In addressing this growing urban problem these bills also provide intrinsic and economic boosts to these deteriorated communities. And, most importantly, represent an effort to capitalize on the empirical economic advantage of urban preservation and revitalization.

The recent history of America's urban areas is not bright. A massive exodus of businesses and neighborhoods, deteriorating health and safety conditions, abandonment of buildings by landlords, rising rental costs, high unemployment, rising crime, arson, and declining tax bases are all the failure of local, State, and Federal governments in caring for their urban communities. The decline in the once elite inner city areas has led to the trapping of poor and ethnic minorities. This pattern demonstrates an immediate need for renewal and revitalization. The difficulties suffered by urban areas are a burden on all of America, and represent a challenge to government's sensiblity and economic know-how.

In addition to increasing the battle against urban decline, H.R. 12433, and H.R. 12536 are far more sound than most previous urban legislation because many of the current problems are a product of Federal legislation, policies, and programs. And, because previous Federal legislation contributed to the flight from urban areas to the suburbs, these bills also represent a sensible shift in urban policy.

Federal laws have encouraged the urban decline by presenting more attractive tax incentives for suburban ownership. Far more attractive than those available for urban renewal. Furthermore, the failure of the past "urban removal" policy was that it augmented little or no neighborhood preservation or housing rehabilitation. In fact, only 1.5 percent of FHA's many insurance and subsidy programs have been used for rehabilitation, totaling 134,000 units in 40 years. The only housing program aimed specifically at rehabilitation, section 312, has been used to improve just 60,000 to 80,000 units in its 12-year history. The subsequent housing and community development act of 1974 first appeared to be the answer, but it too has failed to address itself to urban revitalization needs. Only 13.7 percent of community development block grants have been expended. This figure is particularly inadequate when it is currently estimated that well over 4.8 million houses need help.

The inefficiency of the block grant program has been facilitated particularly at the State and local level. Cities have simply been too slow in spending obligated funds on rehabilitation. In New York, for example, 63 percent of all moneys allocated for housing rehabilitation from 1955 to 1977 still remains unspent. In Chicago, only 11 percent of its first and second year goals of 2,960 units of housing rehabilitation have been accomplished. In Wilmington, Del., only 2 percent of the funds allocated for rehabilitation was spent as of June 1977. In Oklahoma City, Okla., none of its 1975 grant of $8,183,000 has been disbursed for rehabilitation. Statistics from virtually every major city in the country illustrate this same fundamental failure of State and local governments to address seriously the need and value of restoring America's urban communities.

In particular, H.R. 12433, the Housing and Community Development Act amendments, addresses the greatest failure of America's urban policy, displacement. Section 101 of H.R. 12433 amends this difficulty by providing loans to applicants in principally low- and moderate-income persons who own the property being rehabilitated, and who will occupy the said unit at the completion of the rehabilitation.

With this background in mind, H.R. 12433, and H.R. 12536 become increasingly attractive. Both bills adopt a philosophy of revitalization and understand the importance of uplifting the living conditions of an area without destroying its architectural style and heritage. These bills attempt to restore the resources we already have without yielding to the capital intensive downtown apartment complexes and parking garages.

Furthermore, urban renewal projects are a more effective means of bettering the hard-pressed communities' economy. These renewal projects, are as high as 75 percent labor intensive—compared with 50 percent for new construction projects—and create two to five times as many jobs as new construction for a given expenditure of money. This, according to testimony of the General Services Administration, is enhanced by the fact that the highest concentration of the structurally unemployed tend to reside in those areas with the highest concentration of old structures.

Thomas D. Bever, economist for the Heritage Conservation and Recreation Service, clearly defines several additional economic benefits of urban revitalization:

EMPLOYMENT

Urban renewal projects provide a training ground for structurally unemployed. In Brooklyn's Bedford-Stuyvesant area previous long-term unemployed individuals were taught welding, masonry, and painting skills. Furthermore, Bever estimates that it is more costly to fund 60 people on welfare than it is to employ the same 60 people in jobs related to renewal and preservation.

PRIVATE SECTOR STIMULATION

The rehabilitation and adaptive use of old buildings has been shown to be a wise investment by the private sector. First, in recent years, the costs of building materials have increased more than labor costs, causing rehabilitation and adaptive use work to be less influenced by inflation than new construction. Second, reusing an old building saves on demolition costs, which in dense city areas can run as high as 10 percent of total construction costs. Provisions of the 1976 Tax Reform Act disallow the tax deduction previously available for demolishing buildings listed on the National Register. Third, whereas new construction takes up to 2 or more years on the average to complete, rehabilitation oftentimes takes less than a year. Fourth, renovation can take place throughout the year, because the construction work is already shielded from the weather. Portions of a rehabilitated structure can be completed and rented out while work is being done to complete others, whereas new construction projects have to be virtually finished before space is rented. Fifth, dramatic increases in the price of land on the urban fringe is diminishing the previous cost advantage of new construction on undeveloped land. Finally, the new Tax Reform Act allows all rehabilitation costs on historic structures to be written in 5-year depreciation schedules.

The old Faneuil Hall in my own city of Boston is a fine example. Few would argue that razing this historic building and constructing a new and typically boring structure in its place would have been a wise decision. Instead, Faneuil Hall has been rehabilitated into a shopping mall attracting thousands of tourists and shoppers daily. Several other revitalization projects around the country have recorded this type of success. In fact, it was recently reported in the Harvard Business Review that a great majority of these renewed projects have grossed considerably more revenue per square foot than similar newly constructed buildings.

RESOURCE EFFICIENCY

The Energy Research and Development Commission, now a division of the Department of Energy conducted a study that determined rehabilitation consumes 23 percent less energy than new construction. In addition to this, urban renewal is resource efficient in that it responds to the contemporary demands of natural resource scarcity. That is, since rehabilitation is 75 percent labor intensive, fewer natural resources are utilized in the renovation of hard-pressed areas.

AVAILABLE FINANCING

Funds for historic preservation and urban rehabilitation from private and local sources have been readily available to match Federal funding. Vermont, and the city of Philadelphia are prime examples of private response to rehabilitation investment.

ENERGY CONSERVATION

Because most structural systems and building materials are already in place before rehabilitative construction begins, rehabilitation consumes less energy. Older buildings were designed to use natural light and ventilation, have thicker walls, windows that open, higher ceilings, and rely less on expensive heavy machinery and costly structural materials. Furthermore, when one considers that almost one-third of the total amount of energy used in this country is to operate residential and commercial buildings, any effort to conserve such energy use will certainly have a direct impact on lowering energy consumption for the entire country.

In concluding, the success of such rehabilitative efforts deserves mention. In Massachusetts alone, the rehabilitation of the Chickering Piano Factory, Old Boston City Hall, Winthrop Square Merchants Row, Simons Rock Art Center, Southbridge Credit Union, Exeter Street Theater, and the Garage in Cambridge, all maintain or surpass the 80-percent occupancy rate for the city of Boston without sacrificing their architectural and esthetic value.

Thus, H.R. 12433 and H.R. 12536, both represent efforts to compensate for the weaknesses of previous revitalization policy and a wise attempt to capitalize on the economic benefits of historic preservation and urban revitalization. Previous legislation has failed to adapt properly to the significant changes in the American economy, and hence failed to realize the available economic growth achievable through such revitalization. Furthermore, H.R. 12433 and H.R. 12536, utilize already existent built environments and provide for visual and esthetic improvement in realizing this national growth. It is with these intentions in mind that I seek the support of my colleagues in the House and my friends in the Senate in the passage of this legislation.●

FEDERAL POLICY TO DEAL WITH FOREIGN INVESTMENT IN U.S. FARMLAND

HON. MAX BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. BAUCUS. Mr. Speaker and fellow colleagues, foreign investment in American farm and ranchland is a matter for serious concern. Farmland is this Nation's most valuable natural resource. We in Congress need to make sure that foreign investments do not threaten the ability of our family farm system to supply essential food and fiber supplies.

The Federal Government has a responsibility to monitor foreign investments to insure that they do not lead to national problems. Foreign acquisition of U.S. real estate brings up important economic, social, and political questions.

Farmland purchases by foreign investors may limit opportunities for American farmers to buy land. Agricultural land is a limited resource, with only 3 percent of the total coming onto the market every year. Foreign buyers, assisted by tax breaks and attracted by relatively high rates of return on secure investments, are willing to pay prices above market rates.

These prices reduce the ability of young farmers to purchase farmland and existing family farm operations to expand. Foreign investments will replace the traditional owner-operator relationship which has been an integral part of our family farm system with a system of absentee ownership and tenant farming.

Foreign purchases bring up the possibility that U.S. land might be exploited for foreign benefit. Foreign control of resources eventually could influence U.S. Government policy. Certainly there is the possibility that foreign firms will be unresponsive to employment, community development, and national security needs of the United States.

We clearly need to increase our knowledge of foreign investment. Only when we know for sure the extent of foreign investment can we devise intelligent policies to deal with this investment. A recent GAO study of foreign ownership of U.S. farmland sums up current information with the words, "Reliable data is difficult to obtain." Current and planned efforts to monitor foreign investments in the United States are simply not sufficient.

Iowa's reporting procedure on foreign investment, an economic research report done as part of the Foreign Investment Study Act of 1974, and pending efforts by the Departments of Agriculture and Commerce provide only fragmentary data on foreign investments in U.S. farmland.

I have joined Congressman NOLAN GRASSLEY and others in cosponsoring the Agricultural Foreign Investment Disclosure Act of 1978. Essentially the bill requires that all nonresident aliens or foreign interests who hold, acquire or transfer interests in American farmland file a report with the Secretary of Agriculture within 90 days of purchase, sale, or transfer. Foreign interests would include foreign individuals, governments and corporations, as well as American corporations which are substantially controlled by foreign interests. Also, any foreign investor holding an interest in agricultural land on the day before the date of enactment of the legislation would have 6 months to submit a report to the Secretary of Agriculture. Consequently, we would have data on all foreign land ownership from the date the legislation is enacted and into the future.

Failure of foreign interests to report land ownership would result in stiff penalties of up to 25 percent of the fair market value of the interest held in the property. These penalties would provide a strong incentive for both small and large foreign landholders to register.

The recent GAO investigation concluded with the advice that such a national reporting system would be the most feasible and simplest approach in obtaining much needed data on foreign investments in agricultural land.

To the extent possible, efforts to restrict foreign investments should be the prerogative of individual States. States

have established various laws regarding foreign investment in farmland. These laws are in response to the particular needs and desires of each State. For instance, in Iowa, aliens, corporations, and limited partnerships are required to register landholdings and make certain annual disclosures. In addition, nonresident aliens may hold a maximum of 640 acres outside of municipal limits. In Oklahoma no alien may hold land unless he is a bona fide resident of the State. Many States have no restrictions at all on foreign investment in real estate.

Several of our current tax policies operate to the benefit of foreign investors. We in Congress should make overhaul of these tax laws a major priority.

Foreign corporations share an advantage with outside domestic investors in that they can write off farm losses against nonfarm income. Some types of farm operations require several years of large investments before returns start coming in; examples are cow-calf livestock operations and groves of fruit and nut trees. Investors can write off losses they incur in developing these enterprises, then sell the operation and treat their profits as capital gains. Thus, they convert ordinary nonfarm income into capital gains on their farming operations. I introduced H.R. 11641 several months ago to limit these tax advantages available to nonfarm interests operating in agriculture. My bill would reduce the amount of farm losses that could be deducted from nonfarm income to $15,000 annually.

A tax treaty the United States recently signed with the Netherlands Antilles grants investors there a special tax treatment when they invest money in this country. Currently the Senate is considering a tax treaty with England that could attract further foreign investment in farmland. That treaty would throw major legal roadblocks into State government authority to tax foreign investors. I would urge my colleagues in the Senate to closely examine article 9(4) of the U.S.-U.K. Tax Treaty before they approve this limitation upon the State's power to tax.

Mr. Speaker and fellow colleagues, foreign investment in U.S. farmland threatens to become an extremely serious problem. We in Congress should act now to establish procedures for monitoring this investment, and to insure that Federal policy does not favor foreign investors at the expense of our established family farmers.●

SENATE COMMITTEE MEETINGS

Title IV of the Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committees scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, June 29, 1978, may be found in Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 30

9:30 a.m.
Veterans' Affairs
Compensation and Pension Subcommittee
To hold hearings on S. 379 and H.R. 6501, to provide increased awards of service-connected compensation to certain veterans who have suffered the loss or loss of use of paired extremities; S. 2828, the Veterans Disability Compensation and Survivor Benefits Act; and S. 1929, to establish, for purposes of paying dependency and indemnity compensation, a presumption of death from service-connected disability in the case of certain blinded veterans.
5110 Dirksen Building

JULY 10

10:00 a.m.
Energy and Natural Resources
Energy Conservation and Regulation Subcommittee
To hold oversight hearings on DOE's administration of the crude oil entitlements program and its impact on the domestic refining industry.

JULY 11

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 3209, the State Community Conservation and Development Act; S. 3210, the Livable Cities Act; and S. 3211, the National Self-Help Development Act.
5302 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings on mid-west railroad bankruptcies and on the operation of the Railroad Revitalization Regulation Reform Act (P.L. 94-210).
235 Russell Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Finance
Taxation and Debt Management Subcommittee
To receive testimony from Treasury Secretary Blumenthal on the Administration's request to increase the limit on the public debt.
2221 Dirksen Building

Joint Economic
To resume hearings to review economic conditions, and to discuss the future outlook.
6626 Dirksen Building

JULY 12

9:30 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To resume hearings at S. 2775, to improve the siting and licensing process for nuclear power reactors.
6226 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 3209, the State Community's Conservation and Development Act; S. 3210, the Livable Cities Act; and S. 3211, the National Self-Help Development Act.
5302 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings on railroad freight car utilization.
235 Russell Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Finance
International Trade Subcommittee
To hold hearings on proposed extension of Presidential authority to maintain most-favored-nation trade treatment with Romania under the Trade Act of 1974 (P.L. 93-618).
2221 Dirksen Building

Joint Economic
To continue hearings to review economic conditions, and to discuss the future outlook.
5110 Dirksen Building

JULY 13

9:30 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To continue hearings on S. 2775, to improve the siting and licensing process for nuclear reactors.
6226 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Joint Economic
To continue hearings to review economic conditions, and to discuss the future outlook.
2168 Rayburn Building

JULY 17

10:00 a.m.
Special on Aging
To hold oversight hearings on P.L. 95-256, to increase from 65 to 70 years the age limit for retirement under the Age Discrimination in Employment Act.
6226 Dirksen Building

JULY 18

10:00 a.m.
Human Resources
Health and Scientific Research Subcommittee
To resume mark up of S. 2775, the Drug Regulation Reform Act, and S. 3115, to establish a comprehensive disease prevention and health promotion program in the U.S.
4232 Dirksen Building

Joint Economic
To resume hearings to review economic conditions, and to discuss the future outlook.
2168 Rayburn Building

Special on Aging
To continue oversight hearings on P.L. 95-256, to increase from 65 to 70 years the age limit for retirement under the Age Discrimination in Employment Act.
6226 Dirksen Building

JULY 19

10:00 a.m.
Joint Economic
To continue hearings to review economic conditions, and to discuss the future outlook.
5110 Dirksen Building

Special on Aging
To continue oversight hearings on P.L. 95-256, to increase from 65 to 70 years the age limit for retirement under the Age Discrimination in Employment Act.
6226 Dirksen Building

JULY 20

9:30 a.m.
Joint Economic
To continue hearings to review economic conditions, and to discuss the future outlook.
2168 Rayburn Building

10:00 a.m.
Human Resources
Health and Scientific Research Subcommittee
To resume markup of S. 2755, the Drug Regulation Reform Act, and S. 3115, to establish a comprehensive disease prevention and health promotion program in the U.S.
4232 Dirksen Building

JULY 21

10:00 a.m.
Human Resources
Health and Scientific Research Subcommittee
To continue markup of S. 2755, the Drug Regulation Reform Act, and S. 3115, to establish a comprehensive disease prevention and health promotion program in the U.S.
4232 Dirksen Building

JULY 25

10:00 a.m.
Budget
To hold hearings on the second concurrent resolution on the Congressional Budget for FY 1979.
6202 Dirksen Building
Joint Economic
To resume hearings to review economic conditions, and to discuss the future outlook.
2220 Rayburn Building

JULY 26

10:00 a.m.
Banking, Housing, and Urban Affairs
To mark up H.R. 10899, proposed International Banking Act.
5302 Dirksen Building
Budget
To continue hearings on the second concurrent resolution on the Congressional Budget for FY 1979.
6202 Dirksen Building
Rules and Administration
To receive testimony on S.J.Res. 142, authorize the Franklin Delano Roosevelt Memorial Commission to proceed with construction of the FDR Memorial, and other legislative and administrative business.
301 Russell Building

JULY 27

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue markup of H.R. 10899, proposed International Banking Act.
5302 Dirksen Building
Budget
To continue hearings on the second concurrent resolution on the Congressional budget for FY 1979.
6202 Dirksen Building

AUGUST 2

10:00 a.m.
Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To hold hearings on the quality of patient care in nursing homes.
3302 Dirksen Building

AUGUST 3

10:00 a.m.
Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To continue hearings on the quality of patient care in nursing homes.
3302 Dirksen Building

CANCELLATIONS

JUNE 30

10:00 a.m.
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on H.R. 6503, to provide for a just and reasonable rate of return or profit for common carriers by water used in intercoastal commerce.
235 Russell Building

HOUSE OF REPRESENTATIVES—*Thursday, June 29, 1978*

The House met at 10 o'clock a.m.

Rev. Father John M. Nagele, St. Anthony Catholic Church, Falls Church, Va., offered the following prayer:

God, our Father, as we approach again the commemoration of our origins, may we be conscious of the need for Your presence among us. We pray that our lives may always be shaped in justice, liberty, and truth.

Like all nations we seek security, but we confess that our ultimate security must rest in our relationship with You, personally and collectively.

We acknowledge the responsibility for the power we exercise in the world. May we employ that power for the welfare of all mankind.

Sustained by our trust in Your providence, we pray that the bond of confidence between our Government and our people may be strengthened as we celebrate another year of our history. May You continue to abide with us as You did with our ancestors two centuries ago. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

Mr. BROOMFIELD. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

The question is on the approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BROOMFIELD. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 338, nays 11, answered "present" 4, not voting 79, as follows:

[Roll No. 513]

YEAS—338

Abdnor	Bennett	Cederberg
Addabbo	Bevill	Chappell
Akaka	Biaggi	Clausen, Don H.
Alexander	Blanchard	Clawson, Del
Ammerman	Blouin	Cleveland
Anderson, Calif.	Boland	Cohen
Andrews, N.C.	Bonior	Coleman
Andrews, N. Dak.	Bonker	Collins, Ill.
Annunzio	Bowen	Conable
Applegate	Breaux	Conte
Archer	Brooks	Corman
Ashbrook	Broomfield	Cornell
Ashley	Brown, Calif.	Cotter
Aspin	Buchanan	Cunningham
AuCoin	Burgener	D'Amours
Badham	Burke, Fla.	Daniel, Dan
Bafalis	Burke, Mass.	Daniel, R.W.
Baldus	Burleson, Tex.	Davis
Barnard	Burlison, Mo.	de la Garza
Baucus	Burton, Phillip	Delaney
Bauman	Byron	Dellums
Beard, R.I.	Caputo	Derrick
Beard, Tenn.	Carney	Derwinski
Benjamin	Carr	Devine
	Carter	Dickinson
	Cavanaugh	
Dicks	Green	Lehman
Dodd	Guyer	Lent
Dornan	Hall	Levitas
Downey	Hamilton	Livingston
Drinan	Hammer-schmidt	Lloyd, Tenn.
Duncan, Oreg.	Hanley	Long, La.
Duncan, Tenn.	Hannaford	Long, Md.
Early	Hansen	Lott
Edgar	Harkin	Lujan
Edwards, Ala.	Harris	Luken
Edwards, Calif.	Harsha	Lundine
Edwards, Okla.	Hawkins	McClory
Eilberg	Hefner	McCormack
Emery	Heftel	McDade
English	Hightower	McFall
Erlenborn	Hillis	McKay
Ertel	Holland	McKinney
Evans, Colo.	Hollenbeck	Madigan
Evans, Del.	Holt	Maguire
Evans, Ind.	Holtzman	Mahon
Fary	Horton	Mann
Fascell	Howard	Markey
Fenwick	Hubbard	Marks
Findley	Huckaby	Marlenee
Fish	Hughes	Marriott
Fisher	Hyde	Martin
Fithian	Ireland	Mazzoli
Flippo	Jacobs	Meeds
Flood	Jeffords	Metcalfe
Flynt	Johnson, Calif.	Michel
Foley	Jones, N.C.	Mikulski
Ford, Tenn.	Jones, Okla.	Mikva
Fountain	Jones, Tenn.	Miller, Calif.
Fowler	Jordan	Miller, Ohio
Frenzel	Kasten	Mineta
Frey	Kastenmeier	Minish
Fuqua	Kazen	Mitchell, N.Y.
Gammage	Kelly	Moakley
Gaydos	Kemp	Moffett
Gephardt	Keys	Mollohan
Giaimo	Kildee	Montgomery
Gibbons	Kindness	Moore
Gilman	Kostmayer	Moorhead, Calif.
Ginn	Krebs	Moorhead, Pa.
Glickman	LaFalce	Mottl
Goldwater	Lagomarsino	Murphy, Ill.
Gonzalez	Latta	Murphy, N.Y.
Gore	Leach	Murphy, Pa.
Gradison	Lederer	Murtha
Grassley		

Statements or insertions which are not spoken by the Member on the floor will be identified by the use of a "bullet" symbol, i.e., ●

Myers, Gary	Rooney	Thompson
Myers, John	Rose	Thone
Myers, Michael	Rosenthal	Thornton
Natcher	Rostenkowski	Traxler
Neal	Rousselot	Treen
Nedzi	Roybal	Trible
Nichols	Rudd	Tucker
Nowak	Russo	Udall
Oakar	Ryan	Ullman
Oberstar	Santini	Van Deerlin
Obey	Satterfield	Vander Jagt
Ottinger	Sawyer	Vanik
Panetta	Scheuer	Vento
Patten	Schulze	Volkmer
Patterson	Sebelius	Waggonner
Pattison	Sharp	Walgren
Pease	Shuster	Walsh
Perkins	Sikes	Wampler
Pickle	Simon	Watkins
Pike	Sisk	Waxman
Poage	Slack	Weiss
Pressler	Smith, Iowa	Whitehurst
Price	Snyder	Whitley
Pritchard	Solarz	Whitten
Pursell	Spellman	Wilson, C. H.
Quillen	Spence	Winn
Rahall	St Germain	Wirth
Railsback	Staggers	Wolff
Rangel	Stangeland	Wright
Regula	Stanton	Wydler
Rhodes	Stark	Wylie
Richmond	Steed	Yates
Rinaldo	Steers	Yatron
Risenhoover	Stokes	Young, Fla.
Roberts	Stratton	Young, Mo.
Robinson	Studds	Zablocki
Roe	Stump	Zeferetti
Rogers	Symms	
Roncalio	Taylor	

NAYS—11

Brown, Mich.	Jenrette	Sarasin
Collins, Tex.	Lloyd, Calif.	Walker
Forsythe	Mattox	Wilson, Bob
Goodling	Quayle	

ANSWERED "PRESENT"—4

Breckinridge	Hagedorn	Moss
Danielson		

NOT VOTING—79

Ambro	Eckhardt	Pepper
Anderson, Ill.	Evans, Ga.	Pettis
Armstrong	Florio	Preyer
Bedell	Flowers	Quie
Beilenson	Ford, Mich.	Reuss
Bingham	Fraser	Rodino
Boggs	Garcia	Runnels
Bolling	Gudger	Ruppe
Brademas	Harrington	Schroeder
Brinkley	Heckler	Seiberling
Brodhead	Ichord	Shipley
Brown, Ohio	Jenkins	Skelton
Broyhill	Johnson, Colo.	Skubitz
Burke, Calif.	Krueger	Smith, Nebr.
Burton, John	Le Fante	Steiger
Butler	Leggett	Stockman
Chisholm	McCloskey	Teague
Clay	McDonald	Tsongas
Cochran	McEwen	Weaver
Conyers	McHugh	Whalen
Corcoran	Mathis	White
Cornwell	Meyner	Wiggins
Coughlin	Milford	Wilson, Tex.
Crane	Mitchell, Md.	Young, Alaska
Dent	Nix	Young, Tex.
Diggs	Nolan	
Dingell	O'Brien	

Mr. ASHBROOK and Mr. EDWARDS of Oklahoma changed their vote from "present" to "yea."

So the Journal was approved.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills and a concurrent resolution of the House of the following titles:

H.R. 11005. An act to provide authorization of appropriations for the U.S. International Trade Commission for fiscal year 1979.

H.R. 11400. An act to authorize the appropriation of specified dollar amounts for each of the National Science Foundation's major program areas (and certain subprograms), and to provide requirements relating to periods of availability and transfers of the authorized funds; and

H. Con. Res. 654. Concurrent resolution providing for an adjournment of the House from June 29 until July 10, 1978.

TRIBUTE TO REV. JOHN M. NAGELE, C.PP.S.

(Mr. PRICE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PRICE. Mr. Speaker, Rev. John M. Nagele, C.PP.S., pastor of St. Anthony Catholic Church in Falls Church, Va., observed the 25th anniversary of his ordination in the Society of the Precious Blood this June. Father Nagele, has served the community of St. Anthony Parish for a total of 13 years, 6 years as an associate pastor and the last 7 years as pastor. Father Nagele was born and raised in Erie, Pa. His seminary training took place at Brunnerdale, Canton, Ohio; St. Joseph's College, Rensselaer, Ind., and St. Charles' Seminary, Carthagena, Ohio.

Besides his parish duties he also serves in many capacities the Diocese of Arlington and the community of northern Virginia.

ELECTION OF MEMBER TO COMMITTEE ON WAYS AND MEANS

Mr. RHODES. Mr. Speaker, I offer a privileged resolution (H. Res. 1251) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1251

Resolved, That JOHN H. ROUSSELOT, of California, be and he is hereby elected a member of the Committee on Ways and Means.

The resolution was agreed to.

A motion to reconsider was laid upon the table.

CONFERENCE REPORT ON S. 2401, EMERGENCY INTERIM CONSUMER PRODUCT SAFETY STANDARD ACT OF 1978

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the Senate bill (S. 2401) to amend the Consumer Product Safety Act to establish an interim consumer product safety rule relating to the standards for flame resistance and corrosiveness of certain insulation, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

Mr. BAUMAN. Reserving the right to object, Mr. Speaker, I do so since no one from the Interstate Committee on the minority side is here to handle the bill. I wonder if the chairman would explain the request and what the other body did on this bill.

Mr. STAGGERS. Will the gentleman yield?

Mr. BAUMAN. I will be very pleased to yield to the gentleman from West Virginia.

Mr. STAGGERS. I thank the gentleman for yielding and I will be very happy to explain the purpose of why the conference report needs to come up today.

First, let me say that the other body did not do anything to the bill. The other body gave in to the House on practically every provision except on days, and a compromise was reached on that point. That was the only significant difference between the bill that passed the House and the conference report.

Mr. BAUMAN. This is just to establish interim standards for insulation immediately?

Mr. STAGGERS. That is correct, this must be done as soon as possible. That is why we want to get this through today.

The bill establishes an interim safety standard which becomes effective 60 days after the bill is enacted. If we have to wait 10 days for the recess and then up to 10 days for the President's signature, that delays by 20 days the time the standard goes into effect. And it is important that the standard be in place before autumn, which is a peak period for consumers to buy insulation. The standard is needed to protect consumers, and it is also needed to help restore consumer confidence in the insulation industry.

Mr. BAUMAN. Will the usual procedure be taken of having public hearings, and so forth?

Mr. STAGGERS. That is right. That will be necessary before the issuance of a final standard.

Mr. BAUMAN. And there are any nongermane amendments?

Mr. STAGGERS. There are no nongermane amendments.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see Proceedings of the House of June 28, 1978.)

Mr. STAGGERS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. STAGGERS. Mr. Speaker, this legislation establishes an interim consumer safety standard for cellulose home insulation. The peak buying period for insulation is just coming up, and it is important for both the consumer and the industry that the standard be in effect by then. For that reason, I am asking that we bring the conference report up before the House recesses for July 4.

The legislation before us today sets up a minimum standard to protect consumers from flammable or corrosive cellulose home insulation. It is urgently needed because more and more consumers are reinsulating their homes in attempts to save energy costs. The

energy legislation passed by the House and now in conference with the Senate provides a tax incentive for consumers who buy home insulation. Since we are encouraging consumers to purchase insulation, we also have an obligation to make certain that the insulation is safe.

I want to commend our colleague from Connecticut (Mr. MOFFETT), for developing this legislation. When data from recent fire reports showed that untreated or improperly treated cellulose insulation can present a very real fire hazard, he introduced this legislation. The bill establishes the GSA procurement standard as the safety standard for cellulose. As the fall months approach, consumers will be making decisions about purchasing insulation. To assure that the insulation they buy is safe, we need to get this legislation enacted into law as soon as possible.

The House passed this bill last month by a unanimous vote. I am happy to report that in conference, the House prevailed on most of the major differences, so the conference report is substantially the same as the House bill.

Consumers are purchasing insulation at a record rate. Approximately 8 million homes will be reinsulated this year, many of them with cellulose. This insulation may present very real fire hazards unless a mandatory standard to protect against flammability is enacted. For example, recent fire data from Oregon and Oklahoma City show an alarming number of fires caused by cellulose insulation—29 in Oregon, 26 in Oklahoma City. Such fire statistics will become all too common unless some kind of mandatory standard is enacted. The legislation before us today provides for a minimum standard, and it makes provisions for a more effective standard to be adopted as soon as the research and analysis on it is completed.

This legislation is supported not only by consumer groups, but also by responsible members of the cellulose industry. All of the recent bad publicity about cellulose insulation has hurt those members of the industry who try to produce a quality product. The responsible manufacturers want this legislation so that the industry can be cleaned up.

Mr. Speaker, we have encouraged Americans to reinsulate their homes. We must now take action to see that the insulation they buy is safe. S. 2401 takes a very important first step in doing just that. I urge my colleagues to approve this conference report.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO SIT THIS MORNING DURING THE 5-MINUTE RULE

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may be permitted to sit this morning during the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, could the gentleman from West Virginia (Mr. STAGGERS) tell us whether or not this was cleared with the minority members on the committee?

Mr. STAGGERS. It has been cleared with the ranking minority member.

Mr. BAUMAN. Mr. Speaker, I wonder if the gentleman has checked with other members of the minority. Some of them have indicated to me that they do not favor sitting today. I do not want to object, and perhaps the gentleman could bring it up later.

Mr. STAGGERS. Mr. Speaker, if the gentleman would yield, I would like to say to the gentleman from Maryland (Mr. BAUMAN) that I spoke not 1 minute ago or 2 minutes ago or 5 minutes ago to the gentleman from Ohio.

Mr. BAUMAN. Mr. Speaker, I see the gentleman from Ohio (Mr. DEVINE) is on the floor and I will yield to the gentleman from Ohio to clear up that point.

Mr. DEVINE. Mr. Speaker, I thank the gentleman for yielding.

I do not really have an objection and would ask that no objection be made to the committee sitting during the 5-minute rule today. We do have two matters pending before the committee, one of which will be considered, but in view of the fact that this is the day before a recess, and is getaway day, I do not think we are going to make much progress. One of the issues involves the rail slurry legislation and the other is the hospital costs containment bill. And, as I say, since we are trying to get out of here I do not believe much progress will be made on either of the pieces of legislation but I do not object to the committee meeting.

Mr. BAUMAN. Mr. Chairman, in view of that statement I will be happy to follow my leader and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

SEA-GRANT PROGRAM AUTHORIZATION, 1979 AND 1980

Mr. BREAUX. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 10822) to improve the operations of the national sea-grant program, to authorize appropriations to carry out such program for fiscal years 1979 and 1980, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment with amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: That the title heading of title II of the Marine Resources and Engineering Development Act of 1966 (33 U.S.C. 1101 et seq.) is amended to read as follows:

"TITLE II—NATIONAL SEA GRANT COLLEGE PROGRAM"

SEC. 2. Section 201 of the National Sea Grant Program Act (33 U.S.C. 1121) is amended by inserting "College" immediately before "Program".

SEC. 3. The National Sea Grant College Program Act (as redesignated by section 2 of this Act) (33 U.S.C. 1121–1131) is amended—

(1) by amending section 204(d)—

(A) by striking out "and" at the end of paragraph (5),

(B) by redesignating paragraph (6) as paragraph (7), and

(C) by inserting immediately after paragraph (5) the following new paragraph:

"(6) accept funds from other Federal departments, agencies (including agencies within the Administration), and instrumentalities to pay for grants made, and contracts entered into, by the Secretary under section 25(a); and";

(2) by striking out the period at the end of the last sentence of section 205(a) and inserting in lieu thereof the following: "; except that this limitation shall not apply in the case of grants or contracts paid for with funds accepted by the Secretary under section 204(d)(6).";

(3) by amending the first sentence of section 26(c) to read as follows:

"There are authorized to be appropriated for purposes of carrying this section not to exceed the following amounts:

"(1) $5,000,000 for each of fiscal years 1977, 1978, and 1979.

"(2) $7,000,000 for fiscal year 1980.";

(4) by amending section 211—

(A) by striking out "ANNUAL" in the section heading and inserting in lieu thereof "BIENNIAL",

(B) by amending subsection (a) to read as follows:

"(a) BIENNIAL REPORT.—The Secretary shall submit to the Congress and the President, not later than February 15, 1980, and not later than February 15 of every even-numbered year thereafter, a report on the activities of, and the outlook for, the national sea grant program."; and

(C) by amending the last sentence of subsection (b) to read as follows: "Such material shall be submitted to the Secretary not later than February 1 of the year in which the report concerned is to be submitted under subsection (a), and the Secretary shall cause it to be published as a separate section in such report."; and

(5) by amending the first sentence in section 212 to read as follows:

"There are authorized to be appropriated for purposes of carrying out the provisions of this title (other than section 206) not to exceed the following amounts:

"(1) $50,000,000 for each of fiscal years 1977 and 1978.

"(2) $55,000,000 for each of fiscal years 1979 and 1980.".

SEC. 4. Section 3 of the Sea Grant Program Improvement Act of 1976 (33 U.S.C. 1124a) is amended by amending the first sentence of subsection (c) to read as follows: "There are authorized to be appropriated for purposes of carrying out this section not to exceed the following amounts:

"(1) $3,000,000 for each of fiscal years 1977, 1978, and 1979.

"(2) $5,000,000 for fiscal year 1980.".

The SPEAKER pro tempore. The Clerk will report the House amendments to the Senate amendment.

The Clerk read the House amendments to the Senate amendment, as follows:

Page 1, line 7, of the Senate engrossed amendment, insert "(a)" immediately after "SEC. 2."

Page 1 of the Senate engrossed amendment, between lines 9 and 10 insert the following:

(b) Sections 202(a)(3), 203(3), 204, and 211 are each amended by striking out "national sea grant program" each place it appears therein and inserting in lieu thereof "national sea grant college program".

(c) The section heading of such section 204 is amended to read as follows:

"SEC. 204. NATIONAL SEA GRANT COLLEGE PROGRAM."

Page 2, line 10, of the Senate engrossed amendment, strike out "25" and insert "205".

Page 2, line 18, of the Senate engrossed amendment, strike out "26" and insert "206".

Page 4 of the Senate engrossed amendment, strike out lines 2 and 3 and insert the following:

ment Act of 1976 (33 U.S.C. 1124a) is amended—

(1) by striking out "National Sea Grant Program Act" each place it appears therein and inserting in lieu thereof "National Sea Grant College Program Act";

(2) by amending subsection (a)(2) to read as follows:

"(2) promote the exchange among the United States and foreign nations (including, but not limited to, developing foreign nations) of information and data with respect to the assessment, development, utilization, and conservation of such resources."; and

(3) by amending the first sentence of subsection (c) to read as follows:

Mr. BREAUX (during the reading). Mr. Speaker, I ask unanimous consent that the House amendments to the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The SPEAKER pro tempore. Is there objection to the first request of the gentleman from Louisiana?

There was no objection.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON MERCHANT MARINE AND FISHERIES TO HAVE UNTIL 5 P.M. FRIDAY, JULY 7, 1978, TO FILE REPORT ON H.R. 13311

Mr. BREAUX. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may have until 5 p.m., Friday, July 7, 1978, to file a report on the bill H.R. 13311.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

FEDERAL BANKING AGENCY AUDITING ACT

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 2176) to amend the Accounting and Auditing Act of 1950 to provide for the audit, by the Comptroller General of the United States, of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 8, strike out "(d)(1)" and insert "(e)(1)".

Page 2, line 11, after "in" insert "clauses (A), (B), and (C) of".

Page 4, strike out lines 7 to 14, inclusive.

Page 4, line 15, strike out "(E)" and insert "(D)".

Page 6, line 14, strike out "117(d)" and insert "117(e)".

Page 6, line 19, strike out "117(d)" and insert "117(e)".

Page 7, line 6, strike out "117(d)" and insert "117(e)".

Mr. BROOKS (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. BROWN of Michigan. Mr. Speaker, reserving the right to object, will the gentleman explain the difference in the bill as it passed the House and H.R. 2176 as passed by the other body.

Mr. BROOKS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Texas.

Mr. BROOKS. I thank the gentleman for yielding.

Mr. Speaker, H.R. 2176 authorizes the General Accounting Office to conduct independent audits of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Comptroller of the Currency.

When it passed the House last October by a vote of 336 to 24, it included a provision that would require the GAO to furnish confidential information to appropriate committees of Congress, upon the request of a committee, and on the condition that the committee receive the information in closed, executive session.

It was thought that that provided adequate protection against improper disclosure of financial information affecting banks and individuals, but the Senate adopted an amendment deleting the provision. That is the amendment I have asked the House to accept.

Although I prefer the House version, the importance of the legislation and the urgent need for its enactment lead me to take this approach. The fact that the Senate adopted the amendment 93 to nothing has also had some influence on me.

I would add that nothing in the legislation limits the authority to obtain any information now available to Congress.

Mr. BROWN of Michigan. Mr. Speaker, further reserving the right to object, I would like to state my support for H.R. 2176. This legislation will provide the General Accounting Office with the authority to review the performance of the three Federal banking agencies in all areas except monetary policy. It is my hope that the legislation will further enhance the bank regulatory effort and the public perception of that effort without jeopardizing the privacy of individual bank customers. It was in the interest of privacy that the other body adopted the amendment deleting section (d)(5)(D) from the bill. While I recognize there is disagreement as to the appropriateness of the amendment, I believe the practical significance has been lessened by other amendments adopted in this body and carried forward in the final version of the bill as adopted by the other body. I support the unanimous consent request for the House to accept the Senate amendment and pass the bill, H.R. 2176, as amended.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas that the Senate amendments be considered as read and printed in the RECORD?

There was no objection.

Mr. ROSENTHAL. Mr. Speaker, H.R. 2176, the Federal Banking Agency Audit Act, as amended, authorizes the Comptroller General, for the first time, to conduct independent audits of the Federal bank regulatory agencies—the Federal Reserve System, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation. Although the responsibilities of the three agencies go to the core of national economic well-being and are governed by Federal laws, there has been inadequate or no authority in the past for regular audits of their operations.

The Federal Banking Agency Audit Act precludes the GAO from auditing Federal Reserve Board monetary policy deliberation, decision, or implementation; any transaction conducted on behalf of foreign governments, foreign central banks, or nonprivate international financing agencies; and any transaction of the Federal Open Market Committee. Further, GAO is prohibited from auditing the discount window operations.

H.R. 2176 recognizes the sensitivity of bank examination information and provides essential protection to this information. The bill specifically states that GAO is not permitted to reveal to the public information in a form that would identify specific open banks, bank holding companies, or customers of either. The GAO is permitted to reveal a specific customer of a closed bank or a bank holding company only when that customer held a controlling influence in the management of the closed bank—as in the case of U.S. National Bank of San Diego or Franklin National Bank of New York. H.R. 2176 provides that criminal penalties are applied to GAO employees who disclose loan information to the same extent that those penalties apply to bank examiners.

When the legislation was approved by the Committee on Government Operations on June 28, 1977, and by the House itself on a vote of 336 to 24, it contained subsection (d)(5)(D) which prohibited the GAO from withholding "any information from a duly authorized committee or subcommittee of the Congress." The subsection continued that—

Information not authorized to be disclosed to the public by the [General Accounting Office] . . . can be disclosed to a congressional committee or subcommitee only in closed executive session.

Subsection (d)(5)(E) of H.R. 2176 contains language prohibiting any of the bank regulatory agencies from withholding information "from a duly authorized committee or subcommittee of the Congress."

When the legislation emerged from the Senate Governmental Affairs Committee, subsection (d)(5)(D) remained in the bill. However, as a result of repre-

sentations by the Federal Reserve Board that the subsection could result in the use of the GAO as a conduit to secure otherwise "confidential" information from the bank regulatory agencies, the Senate (by a recorded vote of 93 to 0) struck subsection (d)(5)(D) from H.R. 2176. Subsection (d)(5)(E) was retained and the Senate passed the bill on a voice vote.

We have serious concerns over the deletion of (d)(5)(D):

First, it is highly inappropriate for the General Accounting Office, which is subordinate to and an arm of the Congress, to be able to withhold data from committees and subcommittees with jurisdiction over a Federal agency's performance.

Second, it is procedurally awkward for a committee or subcommittee of the Congress, which is empowered (even absent a subpena) to have access to data from a regulatory agency, to have to subpena that same information from the General Accounting Office—particularly when the General Accounting Office is performing a study and issues a report at the request of that committee or subcommittee.

Third, since, under subsection (d)(5)(D), the General Accounting Office would have had to turn over nonpublic information to committees and subcommittees in executive session, it is our view that this provision provided a somewhat greater degree of protection to confidential data than the procedure preserved by section (d)(5)(E) and under which committees with subject matter jurisdiction can routinely receive even sensitive data under the information powers conferred by House and Senate rules; or through the enforcement of this information right by the subpoena procedure.

While I disagree with the Senate decision in fact, I feel that enactment of the legislation is vital.

Accordingly, I respectfully recommend that the House accept and approve the Senate version of H.R. 2176.

● Mr. ST GERMAIN. Mr. Speaker, on January 19, 1977, Chairman ROSENTHAL of the House Subcommittee on Commerce, Consumer and Monetary Affairs of the Committee on Government Operations, of which I am a member, introduced H.R. 2176 to amend the Accounting and Auditing Act of 1950 to provide for regular independent audits of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency. H.R. 2176 was approved by the Committee on Government Operations on June 28, 1977, and by the House itself on a vote of 336 to 24.

The Senate-passed H.R. 2176 is essentially the House bill deleting, however, subsection (d)(5)(D) which prohibits the GAO from withholding "any information from a duly authorized committee or subcommittee of the Congress." Further, that "information not authorized to be disclosed to the public by the GAO * * * can be disclosed to a congressional committee or subcommittee only in closed executive session." Subsection (d)(5)(D) attempted to give bank examination records that degree of confidentiality, allowable under the House rules. However, the Federal Reserve Board did not desire the protection that subsection (d)(5)(D) provided and sought its deletion. They were successful on the Senate side. It is their position that financial information which identifies an operating bank or individual bank customer, even when that bank was a closed bank and that customer held a controlling influence in the management of the closed bank, should not be accessible to the Congress without the issuance of a congressional subpena. In fact, their position goes beyond this in that Congress should not be provided bank examination information without subpenas.

Congress authority to such information exists under the Constitution and the rules of each House. In order to carry out its legislative functions, each House has delegated to specific responsible committees jurisdictional authority to legislate and/or oversee the banking industry of the United States. In this context, there is an absolute legal right under the Constitution and the rules of either House of Congress for the proper congressional committee or subcommittee, in order to carry out its delegated functions, to have bank supervisory information. A subpena is merely the instrument that enforces such a right when the committee's or subcommittee's jurisdiction or responsibility is questioned. Therefore, the deletion of subsection (d)(5)(D) does not mean that the bank regulatory agencies and GAO should deny subcommittees or committees of the Congress any legitimate request for bank examination information needed to carry out the responsibilities of the committee or subcommittee. In fact, subsection (d)(5)(E) of the House-passed H.R. 2176 is retained which reiterates constitutional law that the bank regulation agencies are prohibited from withholding information from a duly authorized committee or subcommittee of the Congress.●

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Texas?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 2176.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 12933, TRANSPORTATION AND RELATED AGENCIES APPROPRIATION ACT, 1979

Mr. McFALL. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 12933) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1979, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

BANKING COMMITTEE LEGALIZES HOME MORTGAGE LOAN SHARKING

(Mr. ANNUNZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANNNUZIO. Mr. Speaker, yesterday, it was my regrettable task to employ parliamentary tactics to slow proceedings of the House. In my 14 years in this body I have never undertaken such a role but it was necessary in order to call attention to the action of the Committee on Banking, Finance and Urban Affairs in adopting an amendment to a banking reform bill that would allow Federal-chartered savings and loans in 17 States to offer variable rate mortgages. The VRM's supposedly increase or decrease the monthly payment based on the money markets. In practice they always increase but never decrease, because they are nothing more than legalized loan sharking. The principal beneficiary of this amendment was the State of California where most of the VRM's are written.

Just a few weeks ago the voters of California passed proposition 13 which cuts property tax assessments. Yesterday the Banking Committee passed proposition 31 that is 13 reversed, because the VRM vote will allow savings passed on to homeowners by reduced property taxes to be added on again to the monthly payment in the form of higher interest rates.

The committee passed proposition 31 by a 24-to-20 vote. I am planning an amendment on the floor to knock out the amendment, because I know this body wants to lower taxes not increase them through some back door strategy.

PERSONAL EXPLANATION

Mr. FOUNTAIN. Mr. Speaker, an examination of the RECORD yesterday shows that on rollcall No. 509 on H.R. 12589, the International Investment Survey Act amendments, I was not recorded.

I attempted to use the electronic process, but evidently it did not go through completely.

I would like for the RECORD to show that I would have voted "yea."

THE GUFFAW CURVE

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PICKLE. Mr. Speaker, in the wake of the California vote on Proposition 13, the news media has given a lot of attention and some credibility to a tax proposal advanced by the gentleman from New York (Mr. KEMP). As I understand it, the gentleman is peddling a new theory of economics based on something called the "Laffer Curve." I think this is

an appropriate name for this thing, because anyone who takes a close look at the realities of taxes, the budget and the economy will get a hearty belly laugh out of this proposed budget-balancing tax cut.

The supporters of this 30-percent tax cut claim that it will stimulate the economy and bring in enough new revenue to balance the Federal budget. Let us look at the facts.

In 1975, Congress passed a $22.9 billion tax cut and we had a deficit of $43.9 billion. In 1976, we had total cuts of $24.1 billion with a deficit of $78.3 billion. In 1977, we passed a 3-year $34.2 billion cut and a resulting $45 billion deficit. Overall, we cut $81 billion from taxes and had deficits totalling $167 billion.

These recent figures prove that tax cuts in themselves do not balance the budget—they could merely add to the deficit and thus add to the inflation rate.

Now comes our colleague, the gentleman from New York, proposing that if we cut $225 billion from our Federal revenues that the budget will simply balance itself. I think it would be more appropriate to call his Laffer Curve the Guffaw Curve.

Mr. Speaker, I feel confident that the American people are intelligent enough not to be misled by bizarre medicine-show economic theories that promise to solve every problem from deficit spending to the common cold.

THE PRESIDENT IS 110,000 PERCENT WRONG

(Mr. CONABLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONABLE. Mr. Speaker, the President has rhetorically lashed out again. This time is is not the lawyers or the doctors—it is the rich. He claims that millionaires will be the only people to profit from a reduction in capital gains taxes. He is wrong. He says that a family with between $15,000 and $20,000 in income will be saved only two bits. He is wrong again.

The President's figures are intentionally misleading. He has divided the tax relief afforded by the Steiger amendment by all taxpayers in the $15,000 to $20,000 expanded income class, not just those with capital gains. Obviously a taxpayer who does not incur a capital gain does not receive a tax reduction from reduced capital gains taxes. If the static revenue loss is divided among those with capital gains in the expanded income class between $15,000 and $20,000 the President's "two bits" actually computes out to $278. That may be two bits to a President but it is not to most American taxpayers. In fact, $278 is 110,000 percent more than 25 cents. It is not often someone makes an error of that proportion.

The economic evidence is overwhelming; a reduction in capital gains taxes would push stock values up. There are 33 million Americans who participate in some form of pension plan; 22 percent of pension assets are invested in stocks. And while pension plan stock transactions do not result in capital gains taxes, all those covered by these plans will benefit by increased stock values.

Lastly, let us look at a simple example. A small business person bought a drug store in the 1950's for $50,000. I am told that is the average cost of such a store then. Suppose he and his wife want to retire so they sell the store in 1977 for $150,000, again an average figure. Suppose further that our businessman had income of $20,000 that year exclusive of his capital gain. If they do not sell the store, this husband and wife will have income taxes of $2,549; if they do (and they are not eligible for income averaging because of higher income in prior years) their taxes go up to $29,873. Under the Steiger amendment, the tax on this family would be reduced by $5,686 or by 19 percent. That is not peanuts. It is not two bits either.

STEIGER PROPOSAL TERMED "AFFRONT" TO MOST AMERICAN TAXPAYERS

(Mr. VANIK asked and was given permission to address the House for 1 minute.)

Mr. VANIK. Mr. Speaker, I just want to respond to the remarks of my colleague, the distinguished gentleman from New York (Mr. CONABLE).

The fact of the matter is that the great reform proposed by the Steiger amendment or any of its variations would provide a tax benefit for 350,000 American taxpayers. There are about 85 million other taxpayers who are not going to get anything out of it.

I think a tax break for one-third of 1 percent of the American taxpayers is a tax break only for the highly privileged who are able to enjoy the benefits of capital gains and live off those benefits. Capital gains income has an adequate tax avoidance route under the present laws.

Mr. Speaker, I think that if we would take this inequitable backward step, it would be an affront to all the other taxpayers of America.

OPPOSITION OF WHITE HOUSE TO CAPITAL GAINS TAX REFORM

(Mr. MARTIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARTIN. Mr. Speaker, President Carter has announced his opposition to any relief from the world's most oppressive tax on inflation and our deflated dollar—the U.S. capital gains tax. In what appears to be a reaction of Presidential pique without adequate thought, Mr. Carter has suggested that if Congress reduces the capital gains tax from its near confiscatory level he will veto it.

That would be a shame, for he would only continue the dead hand of excessive taxation on the American economic throttle, that will continue great harm to unemployed millions—whose jobs have not been created yet because too much investment capital is tied up. So he will penalize the unemployed. If he vetoes a bill which overall neutralizes the ratchet effect of inflation pressing people into higher and higher tax brackets and, in constant dollars, lower and lower take-home pay—he will penalize all the employed as well, by allowing their taxes to increase. So he will veto both the employed and the unemployed.

President Carter has piqued too soon.

ADJOURNMENT OF CONGRESS UNTIL MONDAY, JULY 10, 1978—COMMUNICATION FROM THE SENATE OF THE UNITED STATES

The SPEAKER pro tempore (Mr. ROSTENKOWSKI) laid before the House the following communication from the Secretary of the Senate of the United States:

Resolved, That the concurrent resolution from the House of Representatives (H. Con. Res. 654) entitled "concurrent resolution providing for an adjournment of the House from June 29 until July 10, 1978", do pass with the following amendments:

Page 1, line 5, strike out "1978." and insert "1978, and that when the Senate completes its disposition of H.R. 12426, Calendar No. 883, it stand in recess until 11:00 o'clock a.m. on Monday, July 10, 1978".

Amend the title so as to read: "Concurrent resolution providing for an adjournment of the House from June 29 until July 10, 1978, and for a recess of the Senate from the time H.R. 12426 is disposed of until July 10, 1978.".

The SPEAKER pro tempore. The question is on the Senate amendments.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

HOUSING AND COMMUNITY DEVELOPMENT AMENDMENTS OF 1978

Mr. ASHLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 12433) to amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation, and related programs, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. ASHLEY).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 362, nays 3, answered "present" 1, not voting 66, as follows:

[Roll No. 514]

YEAS—362

Abdnor	Andrews, N.C.	Aspin
Addabbo	Andrews, N. Dak.	AuCoin
Akaka	Annunzio	Badham
Alexander	Archer	Bafalis
Ammerman	Ashbrook	Baldus
Anderson, Calif.	Ashley	Barnard
		Baucus

Bauman	Fowler	Michel
Beard, R.I.	Frenzel	Mikulski
Beard, Tenn.	Frey	Mikva
Benjamin	Fuqua	Miller, Calif.
Bennett	Gammage	Miller, Ohio
Bevill	Gaydos	Mineta
Biaggi	Gephardt	Minish
Blanchard	Giaimo	Mitchell, N.Y.
Blouin	Gibbons	Moakley
Boggs	Gilman	Moffett
Boland	Ginn	Mollohan
Bonior	Glickman	Montgomery
Bonker	Goldwater	Moore
Bowen	Gonzalez	Moorhead, Calif.
Breaux	Goodling	
Breckinridge	Gore	Moorhead, Pa.
Brodhead	Gradison	Moss
Brooks	Grassley	Mottl
Broomfield	Green	Murphy, Ill.
Brown, Calif.	Guyer	Murphy, N.Y.
Brown, Mich.	Hagedorn	Murphy, Pa.
Broyhill	Hall	Murtha
Buchanan	Hamilton	Myers, Gary
Burgener	Hammer-schmidt	Myers, John
Burke, Calif.		Myers, Michael
Burke, Fla.	Hanley	Natcher
Burke, Mass.	Hannaford	Neal
Burleson, Tex.	Hansen	Nedzi
Burlison, Mo.	Harkin	Nichols
Burton, John	Harris	Nolan
Burton, Phillip	Harsha	Nowak
Byron	Heckler	O'Brien
Caputo	Hefner	Oakar
Carney	Heftel	Oberstar
Carr	Hightower	Obey
Carter	Hillis	Ottinger
Cavanaugh	Holland	Panetta
Cederberg	Hollenbeck	Patten
Chappell	Holt	Patterson
Chisholm	Holtzman	Pattison
Clausen, Don H.	Horton	Pease
	Howard	Pepper
Clawson, Del	Hubbard	Perkins
Cleveland	Huckaby	Pickle
Cochran	Hughes	Pike
Cohen	Hyde	Pressler
Coleman	Ichord	Preyer
Collins, Ill.	Ireland	Price
Collins, Tex.	Jacobs	Pritchard
Conable	Jeffords	Pursell
Conte	Jenrette	Quayle
Corman	Johnson, Calif.	Quillen
Cornell	Jones, N.C.	Rahall
Cotter	Jones, Okla.	Railsback
Coughlin	Jones, Tenn.	Rangel
Crane	Jordan	Regula
Cunningham	Kasten	Rhodes
D'Amours	Kastenmeier	Richmond
Daniel, Dan	Kazen	Rinaldo
Daniel, R. W.	Kelly	Risenhoover
Davis	Kemp	Robinson
de la Garza	Keys	Roe
Delaney	Kildee	Rogers
Dellums	Kindness	Roncalio
Derrick	Kostmayer	Rooney
Derwinski	Krebs	Rose
Devine	LaFalce	Rosenthal
Dickinson	Lagomarsino	Rostenkowski
Dicks	Latta	Rousselot
Dingell	Leach	Roybal
Dodd	Lederer	Rudd
Dornan	Lehman	Russo
Downey	Lent	Santini
Drinan	Levitas	Sarasin
Duncan, Oreg.	Livingston	Satterfield
Duncan, Tenn.	Lloyd, Tenn.	Sawyer
Early	Long, La.	Scheuer
Edgar	Long, Md.	Schulze
Edwards, Ala.	Lott	Sebelius
Edwards, Calif.	Lujan	Seiberling
Edwards, Okla.	Luken	Sharp
Eilberg	Lundine	Shuster
Emery	McClory	Sikes
English	McCormack	Simon
Erlenborn	McDade	Skubitz
Ertel	McFall	Smith, Iowa
Evans, Colo.	McHugh	Smith, Nebr.
Evans, Del.	McKay	Snyder
Evans, Ind.	McKinney	Solarz
Fary	Madigan	Spellman
Fascell	Maguire	Spence
Fenwick	Mahon	St Germain
Findley	Mann	Staggers
Fish	Markey	Stangeland
Fisher	Marks	Stanton
Fithian	Marlenee	Stark
Flippo	Marriott	Steed
Flood	Martin	Steers
Flynt	Mattox	Stokes
Foley	Mazzoli	Stratton
Ford, Tenn.	Meeds	Studds
Fountain	Metcalfe	Stump
Symms	Vento	Winn
Taylor	Volkmer	Wirth
Thompson	Waggonner	Wright
Thone	Walgren	Wydler
Thornton	Walker	Wylie
Traxler	Walsh	Yates
Treen	Wampler	Yatron
Trible	Watkins	Young, Alaska
Tucker	Waxman	Young, Fla.
Udall	Weiss	Young, Mo.
Ullman	White	Zablocki
Van Deerlin	Whitehurst	Zeferetti
Vander Jagt	Whitley	
Vanik	Wilson, C. H.	

NAYS—3

Lloyd, Calif.	McDonald	Wilson, Bob

ANSWERED "PRESENT"—1

Danielson

NOT VOTING—66

Ambro	Ford, Mich.	Reuss
Anderson, Ill.	Forsythe	Roberts
Applegate	Fraser	Rodino
Armstrong	Garcia	Runnels
Bedell	Gudger	Ruppe
Beilenson	Harrington	Ryan
Bingham	Hawkins	Schroeder
Bolling	Jenkins	Shipley
Brademas	Johnson, Colo.	Sisk
Brinkley	Krueger	Skelton
Brown, Ohio	Le Fante	Slack
Butler	Leggett	Steiger
Clay	McCloskey	Stockman
Conyers	McEwen	Teague
Corcoran	Mathis	Tsongas
Cornwell	Meyner	Weaver
Dent	Milford	Whalen
Diggs	Mitchell, Md.	Whitten
Eckhardt	Nix	Wiggins
Evans, Ga.	Pettis	Wilson, Tex.
Florio	Poage	Wolff
Flowers	Quie	Young, Tex.

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 12433, with Mr. BENNETT in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, June 28, 1978, title II had been considered as having been read and open to amendment at any point.

Are there any further amendments to title II?

Mr. EDWARDS of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to ask a question of the chairman of the subcommittee, the gentleman from Ohio (Mr. ASHLEY). Incidentally I also want to compliment the committee and the gentleman from Ohio (Mr. ASHLEY) in particular for really a very excellent bill.

Mr. Chairman, in last year's Housing and Community Development Act, we provided that local public housing agencies, where the Secretary deemed it appropriate, could manage properties in which they also administered the section 8 housing-assisted contracts. Despite the fact that Congress firmly stated its intent that the primary responsibility for carrying out the leasing program should be vested in local public housing agencies, this is not the case today. To my knowledge, there are presently no known cases of PHA management in California and elsewhere in the Nation, and it is very distressing to me that HUD is completely disregarding legislative intent.

I repeat, in no instance, since the passage of the law, is there a case where the Secretary has given permission for local management section 8 public housing.

I was very much concerned about this, because a particular housing authority in northern California specifically asked the Secretary for permission to manage some section 8 housing under the terms of this provision. The Secretary just quickly turned it down, stating that HUD did not have the authority to provide an independent subsidy for management. This is quite ironic, since the individual already had the funds to do this, and was not requesting 1 cent from HUD.

It seems to me that we, as legislators, should be as concerned about seeing public law implemented, as seeing it enacted. HUD is clearly in violation of the congressional intent in this case, and I feel that we should put some teeth into this provision.

The section 8 program is ineffective mainly because of a reluctance on the part of owners, and developers to participate. Without this participation, low-income people cannot be served to the extent that is needed. The responsibility for the operation of the program has been taken out of the hands of the local public housing agencies and given to regional HUD offices which are understaffed and out of touch with the needs of the local housing market. The example which I cited previously is a crystal clear example of this problem. On one hand, we have a completely competent director of a housing authority willing to take on added burdens and responsibilities of PHA management. HUD, on the other hand, instead of being encouraging to this individual, who, in essence, is relieving them of difficulties, is, in fact, rejecting his offer of assistance on the grounds that they have no authority to grant his request. This is clearly untrue. In fact, the chairman of the subcommittee which is considering this legislation, Mr. ASHLEY, responded to exactly this problem when I wrote him about this. He said:

As you may recall, last year in the Housing and Community Development Act of 1977, we provided that local public housing agencies, where the Secretary deemed it appropriate, could manage properties in which they also administered the housing assistance contract. This provision, would, I think, take care of the principal difficulty your constituents seem to be having in converting their units to Section 8.

At this time, I would like to again stress the need for us, as legislators, to insist that this provision be implemented at once by HUD.

I strongly suggest that members of the committee and of the entire House pay heed to the needs of public housing officials. They are all urging Congress to take action to reform this important program. This year's reauthorization process provides us with an excellent opportunity to do just that.

In closing, what I am asking the chairman of the subcommittee, the gentleman from Ohio (Mr. ASHLEY), is, Did we really mean what we said in that law that in certain cases where it is necessary should not the Secretary give approval to local housing authorities, not

in a wholesale sense, to do necessary management?

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of California. I will be glad to yield to the gentleman from Ohio (Mr. ASHLEY).

Mr. ASHLEY. Mr. Chairman, I would respond to the inquiry of the gentleman from California (Mr. EDWARDS) by saying that the Congress has something in mind when it legislates, it has a purpose, and we expect and intend that that purpose be carried out and fulfilled.

The gentleman from California (Mr. EDWARDS) has brought this matter to the attention of the subcommittee in recent weeks. Interestingly enough, the subcommittee in March addressed some questions to the Department on this very topic. We were told at that time that the Department plans to implement the public housing authority management provision of the Housing and Community Development Act of 1977, in accordance with the statutory intent to provide housing for large and very low-income families.

The Department went on to say that they were reluctant to permit general use of public housing management within the section 8 program when a similar provision, in the section 23 program, resulted in a large number of units, which were substandard units.

Our response to that, and mine now, is that we are not really talking about permitting general use of public housing authority management in the section 8 program. We are in agreement with HUD on this. That would be counterproductive. At the same time the gentleman from California (Mr. EDWARDS) is focusing, as I am now, on the fact that final regulations have not yet been drafted or published to carry out an important provision of the 1977 housing legislation.

Yes, that is too long. Yes, this appears to be dilatory. Yes, we will find out from the Department what its expectations are with respect to finalizing action on this matter.

I can understand the concern of the gentleman, because he comes from a State where public housing authorities can own assisted housing units only where there is a favorable vote by the local citizens.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. ASHLEY, and by unanimous consent, Mr. EDWARDS of California was allowed to proceed for 2 additional minutes.)

Mr. ASHLEY. Mr. Chairman, if the gentleman will yield still further, this puts a different set of requirements on communities in California than on communities in my State of Ohio or elsewhere. So that the importance of the provision contained in the 1977 legislation, is of keener interest to the gentleman from California (Mr. EDWARDS), and to his associates from that State, than perhaps others of us.

But, Mr. Chairman, I want to assure the gentleman that I think that his interests and his inquiry are extremely relevant and legitimate and that I do intend to pursue this matter with the Department on his behalf.

Mr. EDWARDS of California. Mr. Chairman, I thank the gentleman from Ohio (Mr. ASHLEY) very much. It is very important to many communities in the State of California. I hope that this important provision of the law can be implemented.

Again I thank the gentleman.

Mr. GEPHARDT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to make comments about increasing and making more certain our commitment to conserving public housing units that exist around the United States. Today, in America, there are approximately a million public housing units that house at least 3 million people. The Department of Housing and Urban Development estimates that to eliminate the present backlog of current unfunded modernization needs in public housing will cost $1.5 billion. The modernization program is a deferred maintenance and capital improvement program. Many public housing units are now over 20 years old and capital improvements are an absolute necessity if the units are to remain useful and occupied.

This past winter, in my congressional district in St. Louis, I personally inspected a number of public housing units that were without heat because the heat pipes had corroded over the 20-year period they had been in the building and broke. These same units have deficient and old wiring which needs to be replaced. Many similar maintenance requirements exist in public housing units all over the country.

Over the years the Department of Housing and Urban Development has not developed a feasible plan for financing needed capital improvements and public housing units other than the modernization program which began in 1968. Under this program modernization funds are derived from an allocation of contract authority under section 5 of the U.S. Housing Act of 1937 to increase the total development cost of a project for the purpose of financing capital improvements under an approved modernization program. Within the limits of an existing or amended annual contribution, modernization funds are obtained by public housing authorities through a direct HUD loan or from temporary and/or permanent private financing or federally guaranteed notes or bonds. This results in an increase to the total development cost of a particular project involved and is amortized through payment of debt service annual contributions over the remaining life of the project's annual contributions contract.

This year, H.R. 12433 authorizes for fiscal year 1979 an appropriation of $1,195,043,000 for the public housing and section 8 housing assistance payments. Although the committee states this amount could permit an increase in the budget allocation for modernization, HUD has indicated it would spend only $37.5 million in fiscal year 1979 which will finance an estimated $409 million in new modernization work. The bill eliminates all set-asides established in existing law for use on low-income housing, including public housing modernization funds. In eliminating these set-asides, the committee pointed out that under existing restrictions, great complications in administration and accounting were caused both to the Department of Housing and Urban Development and at the local government level.

The committee points out in its report that the amendments are designed to give the Department greater flexibility to respond to community needs as expressed in their housing assistance plan. While these points may be valid for the set-asides relating to new construction, I disagreee with these arguments as they relate to modernization. I believe the set-aside for modernization of public housing should continue and I believe the amount should be increased.

On the set-aside issue, I do not believe that it should cause complication in program administration and accounting, nor should it cause great difficulty in allocating and reserving funds consistent with the "fair share" mandate of section 213(d) of the Housing and Community Development Act of 1974 as the committee argues. Rather, it quite clearly allows Congress to establish a priority for the conservation of public housing and mandates that that priority be carried out. I think that is clearly our responsibility and our legitimate role.

On the issue of that amount, I would submit that $37.5 million in contract authority in fiscal year 1979 which translates to an estimated $409 million worth of new work is simply not enough. HUD estimates that the present backlog of needed capital improvements in public housing equals $1.5 billion. The $409 million is less than one-fourth of that amount and the $1.5 billion amount does not take into account inflation, new energy conservation standards, funding requirements accruing during the 4-year period, or new program initiatives. One of the overriding needs regarding public housing is to convert some existing projects from their present or past use for large families to new uses for the elderly, the handicapped, and smaller families. The present level of funding will allow no movement toward such sensible conversion. Further, the amount projected in this authorization for 1979 would be even less than the amount allocated in 1978 which was $42.5 million worth of contract authority which translated into $475 million worth of actual work.

The real question involved is whether we as a Congress want to establish a priority of conserving our public housing stock. My home city of St. Louis undoubtedly has provided the Nation with the most vivid example of failure in public housing. All of America was a witness a few short years ago when the Pruitt-Igoe public housing project in St. Louis was demolished by a planned explosion. The Pruitt-Igoe project built in the mid-fifties had 2,800 living units which at one time housed about 13,000 St. Louis residents. Today, the site of Pruitt-Igoe is a vacant weed field. If we are not to witness multiple public housing explosions throughout the United States in the coming years, we must establish a priority.

The cost of building a new public housing unit today is about $41,000 meaning

that replacing all existing units in the country today would cost a minimum of $41 billion. I firmly believe authorizing the expenditure of $550 million for modernization costs this year, as opposed to $475 million, makes eminent good sense. Increasing our spending authorization for modernization of public housing will not increase housing spending by one penny. It does establish a definite philosophy and priority for our housing program which prefers conserving what we have built rather than building new units while we tear old ones down.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. GEPHARDT) has expired.

(At the request of Mr. YOUNG of Missouri, and by unanimous consent, Mr. GEPHARDT was allowed to proceed for an additional 5 minutes.)

Mr. GEPHARDT. Mr. Chairman, I urge the distinguished subcommittee chairman to urge HUD to allocate as much as $50 million of contract authority for modernization of public housing in this fiscal year. I understand the appropriate subcommittee in the other body has set aside $50 million for contract authority for modernization. I sincerely hope the chairman and House conferees will give consideration to the views I have expressed as agreement is reached in conference on this question.

Mr. YOUNG of Missouri. Mr. Chairman, will the gentleman yield?

Mr. GEPHARDT. I yield to my colleague, the gentleman from Missouri.

Mr. YOUNG of Missouri. Mr. Chairman, I would like to associate myself with the remarks made by my colleague from Missouri, Congressman RICHARD GEPHARDT, concerning the use of housing assistance funds for meeting modernization needs in public housing projects.

Approximately $1.2 billion in new contract authority for section 8 and public housing programs has been included in this bill. The approach suggested by the gentleman would guarantee that a small percentage of this authority would be available to protect our public investment in housing for low-income families and elderly citizens.

St. Louis is not alone in its pressing need for significant modernization in nearly one-half of all public housing units. These modernization needs are not merely cosmetic improvements, but essential repairs for existing heating, plumbing, and wiring systems to correct hazardous conditions in some of our older housing projects.

We cannot continue to ignore a growing backlog of modernization needs in these housing projects. It is my hope that House and Senate conferees will address these needs when drawing up the final provisions of this legislation.

Mr. GEPHARDT. Mr. Chairman, I thank the gentleman from Missouri.

Mr. Chairman, I yield to the gentleman from Ohio (Mr. ASHLEY).

Mr. ASHLEY. Mr. Chairman, I want to commend the gentleman for focusing on this matter of considerable importance, namely, the condition of the public housing stock upon which we depend to house many millions of Americans.

I would say to the gentleman that I am appreciative of the fact that the gentleman did not offer an amendment that would have increased a set-aside of funds for this purpose. The reason I say that is that we have had a great deal of difficulty with statutory set-asides in the past.

I happen to share the gentleman's view regarding the need for increased public housing modernization funds. I do not think the way to accomplish that purpose, however, is by legislative set-aside. I think the gentleman has recognized that. The gentleman understands that the administration's program includes $37.5 million for modernization in the next fiscal year. That was the Presidential request and that is what the Department submitted to the Congress.

I had an opportunity to discuss with the Department, because of the gentleman's interest in this, among other reasons, whether or not the $37.5 million spending limitations still apply with respect to public housing modernization. I was told, no longer ago than yesterday, that the Department expects to allocate and to expend amounts of money for modernization substantially in excess of the $37.5 million originally proposed. That is good news for the gentleman and it is good news for me. It does indicate there are other approaches to accomplish the purpose than legislative set-asides.

Again, Mr. Chairman, I want to commend the gentleman from Missouri (Mr. GEPHARDT).

Mr. GEPHARDT. Mr. Chairman, I appreciate the gentleman's remarks and I do hope as we follow the legislation as it comes out of the House and out of the Senate and becomes law that we do see that HUD spends increasing amounts of money for existing units. It makes no sense to spend millions of dollars for new units as we tear existing units down.

I will cooperate and work with the distinguished subcommittee chairman to see that that policy is carried out by the Department of Housing and Urban Development.

The CHAIRMAN. Are there further amendments to title II? If not, the Clerk will read.

The Clerk read as follows:

TITLE III—PROGRAM AMENDMENTS AND EXTENSIONS

EXTENSION OF FEDERAL HOUSING ADMINISTRATION MORTGAGE INSURANCE PROGRAMS

SEC. 301. (a) Section 2(a) of the National Housing Act is amended by striking out "October 1, 1978" in the first sentence and inserting in lieu thereof "October 1, 1979".

(b) Section 217 of such Act is amended by striking out "September 30, 1978" and inserting in lieu thereof "September 30, 1979".

(c) Section 221(f) of such Act is amended by striking out "September 30, 1978" in the fifth sentence and inserting in lieu thereof "September 30, 1979".

(d) Section 235(m) of such Act is amended by striking out "September 30, 1978" and inserting in lieu thereof "September 30, 1979".

(e) Section 236(n) of such Act is amended by striking out "September 30, 1978" and inserting in lieu thereof "September 30, 1979".

(f) Section 244(d) of such Act is amended—

(1) by striking out "September 30, 1978" in the first sentence and inserting in lieu thereof "September 30, 1979"; and

(2) by striking out "October 1, 1978" in the second sentence and inserting in lieu thereof "October 1, 1979".

(g) Section 245 of such Act is amended by striking out "September 30, 1978" in the third sentence and inserting in lieu thereof "September 30, 1979".

(h) Section 809(f) of such Act is amended by striking out "September 30, 1978" in the second sentence and inserting in lieu thereof "September 30, 1979".

(i) Section 810(k) of such Act is amended by striking out "September 30, 1978" in the second sentence and inserting in lieu thereof "September 30, 1979".

(j) Section 1002(a) of such Act is amended by striking out "September 30, 1978" in the second sentence and inserting in lieu thereof "September 30, 1979".

(k) Section 1101(a) of such Act is amended by striking out "September 30, 1978" in the second sentence and inserting in lieu thereof "September 30, 1979".

EXTENSION OF FLEXIBLE INTEREST RATE AUTHORITY

SEC. 302. Section 3(a) of the Act entitled "An Act to amend chapter 37 of title 38 of the United States Code with respect to the veterans' home loan program, to amend the National Housing Act with respect to interest rates on insured mortgages, and for other purposes", approved May 7, 1968, as amended, is amended by striking out "October 1, 1978" and inserting in lieu thereof "October 1, 1979".

EXTENSION OF EMERGENCY HOME PURCHASE ASSISTANCE ACT OF 1974

SEC. 303. Section 3(b) of the Emergency Home Purchase Assistance Act of 1974 is amended by striking out "October 1, 1978" and inserting in lieu thereof "October 1, 1979".

COMPREHENSIVE PLANNING

SEC. 304. (a) The second sentence of section 701(e) of the Housing Act of 1954 is amended by striking out "and not to exceed $75,000,000 for the fiscal year 1978" and inserting in lieu thereof "not to exceed $75,000,000 for the fiscal year 1978, and not to exceed $65,000,000 for the fiscal year 1979".

(b) The second sentence of section 701(c) of such Act is amended by striking out "biennially" and inserting in lieu thereof "triennially".

(c) Section 701(d)(2) of such Act is amended by striking out "biennially" and inserting in lieu thereof "at least triennially" and by striking out "two" and inserting in lieu thereof "three".

(d) Section 701(m) of such Act is amended by adding the following new paragraph at the end thereof:

"(5) The term 'Indian tribal group or body' means any Indian tribe, band, group, and nation, including Alaska Indians, Aleuts, and Eskimos, and any Alaskan Native Village, of the United States, which is considered an eligible recipient under the Indian Self-Determination and Education Assistance Act (Public Law 93-638) or under the State and Local Fiscal Assistance Act of 1972 (Public Law 92-512).".

RESEARCH AUTHORIZATIONS

SEC. 305. (a) Section 501 of the Housing and Urban Development Act of 1970 is amended by striking out in the second sentence "and not to exceed $60,000,000 for the fiscal year 1978" and inserting in lieu thereof "not to exceed $60,000,000 for the fiscal year 1978, and not to exceed $62,000,000 for the fiscal year 1979".

(b) Title V of such Act is amended by adding at the end thereof the following new section:

"EXPANDING HOMEOWNERSHIP OPPORTUNITIES

"SEC. 510. In carrying out activities under section 501, the Secretary is authorized to conduct demonstrations to determine the feasibility of expanding homeownership opportunities in urban areas and encouraging

the creation and maintenance of decent, safe, and sanitary housing in such areas through the conversion of multifamily housing properties to condominium or cooperative ownership by individuals and families.".

NEW COMMUNITIES

SEC. 306. Section 720(a) of the Housing and Urban Development Act of 1970 is amended by striking out "October 1, 1978" and by inserting in lieu thereof "October 1, 1979".

CRIME INSURANCE AND RIOT REINSURANCE PROGRAMS

SEC. 307. (a) Section 1201 of the National Housing Act is amended—

(1) by striking out, in subsection (b)(1), "September 30, 1978" and inserting in lieu thereof "September 30, 1979";

(2) by striking out, in subsection (b)(1)(A), "September 30, 1981" and inserting in lieu thereof "September 30, 1982"; and

(3) by striking out, in subsection (b)(2) "September 30, 1978" and inserting in lieu thereof "September 30, 1979".

(b) Section 1211(b) of such Act is amended by striking out "and" at the end of paragraph (9), by striking out the period at the end of paragraph (10) and inserting in lieu thereof "; and", and by adding the following new paragraph at the end thereof:

"(11) Notwithstanding any other provision of this section, on and after January 31, 1979, no risk within the plan shall be insured at a rate higher than the rates or advisory rates set by the principal State-licensed rating organization for essential property insurance in the voluntary market; except that this provision shall not be deemed to prohibit the application to any such risk, on a nondiscriminatory basis, of condition charges for substandard physical conditions within the control of the applicant for insurance as set by the principal State-licensed rating organization for the voluntary market.".

(c) Section 1211 of such Act is amended by adding the following new subsection at the end thereof:

"(c) At least one-third of the voting members of every board of directors, board of governors, advisory committee, and other governing or advisory board or committee for each plan described in subsection (b) shall be individuals who are not employed by, or otherwise affiliated with, insurers, insurance agents, brokers, producers, or other entities of the insurance industry.".

EXTENSION OF NATIONAL FLOOD INSURANCE PROGRAM

SEC. 308. (a) Section 1319 of the National Flood Insurance Act of 1968 is amended by striking out "September 30, 1978" and inserting in lieu thereof "September 30, 1979".

(b) Section 1336(a) of such Act is amended by striking out "September 30, 1978" and inserting in lieu thereof "September 30, 1979".

FLOOD INSURANCE STUDIES

SEC. 309. Section 1376(c) of the National Flood Insurance Act of 1968 is amended by striking out "and not to exceed $108,000,000 for the fiscal year 1978" and inserting in lieu thereof the following: ", not to exceed $108,000,000 for the fiscal year 1978, and not to exceed $114,000,000 for the fiscal year 1979".

REPORT ON MOBILE HOME CONSTRUCTION AND SAFETY STANDARDS

SEC. 310. (a) The first sentence of section 626(a) of the National Mobile Home Construction and Safety Standard Act of 1974 is amended—

(1) by striking out "March 1 of each year" and inserting in lieu thereof "July 1 of every other year beginning with calendar year 1978"; and

(2) by striking out "preceding calendar year" and inserting in lieu thereof "two preceding calendar years".

(b) The second sentence of section 626(a) of such Act is amended by striking out "such year" in clauses (1), (2), and (5) and "the year" in clause (6) and inserting in lieu thereof "such years" in each such clause.

MULTIFAMILY MORTGAGE INSURANCE

SEC. 311. (a) The last sentence of section 207(c) of the National Housing Act is amended by striking out "eight" and inserting in lieu thereof "five".

(b) Section 241(d) of such Act is amended by adding at the end thereof the following: "At any sale under foreclosure of a mortgage on a project or facility which is not insured under this Act but which is senior to a loan assigned to the Secretary pursuant to subsection (c), the Secretary is authorized to bid, in addition to amounts authorized under section 207(k), any sum up to but not in excess of the total unpaid indebtedness secured by such senior mortgage, plus taxes, insurance, foreclosure costs, fees, and other expenses. No bid shall be made under the authority provided in the preceding sentence, unless the Secretary determines that sales proceeds from future disposition of the project or facility can reasonably be expected to equal or exceed the costs of acquiring title, extinguishing any prior uninsured debt or liability, paying the insurance claim on the loan insured, and managing and preparing the property for sale. In the event that, pursuant to subsection (c), the Secretary acquires title to, or is assigned, a loan covering a project or facility which is subject to a mortgage which is not insured under this Act, the Secretary is authorized to make payments from the General Insurance Fund on the debt secured by such mortgage, and to take such other steps as the Secretary may deem appropriate to preserve or protect the Secretary's interest in the project or facility.".

MORTGAGE INSURANCE FOR NONRESIDENT CARE FACILITIES

SEC. 312. (a) Section 232(a) of the National Housing Act is amended—

(1) by inserting the following immediately before the period at the end of paragraph (1): ", including additional facilities for the nonresident care of senior citizens and others who are able to live independently but who require care during the day"; and

(2) by inserting the following immediately before the period at the end of paragraph (2): ", including additional facilities for the nonresident care of elderly individuals and others who are able to live independently but who require care during the day".

(b) Section 232(b)(2) of such Act is amended by inserting immediately after "nursing services;" in the first sentence the following: "(3) a 'nursing home' or 'intermediate care facility' may include such additional facilities as may be authorized by the Secretary for the nonresident care of elderly individuals and others who are able to live independently but who require care during the day;".

CONDOMINIUM MORTGAGE INSURANCE

SEC. 313. (a) The first sentence of section 234(c) of the National Housing Act is amended by inserting immediately after "less units" in the proviso of clause (2) the following: ", or twelve or more units in the case of a multifamily project the construction of which was completed more than a year prior to the application for mortgage insurance,".

(b) The third sentence of section 234(c) of such Act is amended by inserting "(100 per centum if the mortgagor is a veteran as defined under section 203(b)(2) of this Act)" after "centum" in clause (A)(i).

FEDERAL HOUSING ADMINISTRATION GENERAL INSURANCE FUND

SEC. 314. Section 519(f) of the National Housing Act is amended by inserting the following before the period: ", which amount shall be increased by $165,000,000 on October 1, 1978".

PURCHASE OF FEE SIMPLE TITLE

SEC. 315 Section 240(c)(2) of the National Housing Act is amended by adding "($30,000, if the property is located in Hawaii)" immediately after "$10,000".

HOUSING AND URBAN DEVELOPMENT DAY CARE CENTER FACILITIES

SEC. 316. Section 7(n) of the Department of Housing and Urban Development Act is amended—

(1) by inserting "or facilities" immediately following "day care center facility" in the first sentence; and

(2) by striking out "such a day care center" in the second sentence and inserting in lieu thereof "any such day care center facility".

SALE OF SURPLUS FEDERAL LAND FOR HOUSING

SEC. 317. (a) The first and second sentences of section 414(a) of the Housing and Urban Development Act of 1969 are amended to read as follows:

"(a) Notwithstanding the provisions of the Federal Property and Administrative Services Act of 1949, any Federal surplus real property within the meaning of such Act may, in the discretion of the Administrator of General Services, be transferred to the Secretary of Housing and Urban Development at the Secretary's request for sale or lease by the Secretary at its fair value for use in the provision of housing to be occupied predominantly by families or individuals of low and moderate income, assisted under a Federal housing assistance program administered by the Secretary or under a State or local program found by the Secretary to have the same general purpose, and for related public commercial or industrial facilities approved by the Secretary. Prior to any disposition of Federal surplus real property to an entity other than a public body, the Secretary shall notify the governing body of the locality where such property is located of the proposed disposition and no such disposition shall be made if the local governing body, within ninety days of such notification, formally advises the Secretary that it objects to the proposed disposition, unless the Secretary determines (1) that the proposed disposition would be consistent with any approved housing assistance and community development plans developed by such body pursuant to the Housing and Community Development Act of 1974, or (2) in cases where such plans are not available, that there is a need for low- and moderate-income housing, taking into consideration any applicable State housing plans, and that there is or will be available in the area public facilities and services adequate to serve any housing proposed in conjunction with the proposed disposition.".

(b) Section 414(b) of such Act is amended to read as follows:

"(b) As a condition of any disposition by the Secretary of Federal surplus real property under this section to an entity other than a public body, the Secretary shall obtain such understandings as the Secretary may consider appropriate to assure that the property will be used, to the maximum practicable extent, in the provision of housing and related facilities to be occupied by families or individuals of low and moderate income for a period of not less than thirty years. If during such period the property is used for any purpose other than the purpose for which it was disposed of, it shall revert to the United States (or, in the case of leased property, the lease shall terminate) unless the Secretary and the Administrator, after the expiration of the first twenty years of such period, have approved the use of the property for such other purposes.".

INCREASE IN GOVERNMENT NATIONAL MORTGAGE ASSOCIATION MORTGAGE PURCHASE AUTHORITY AND LIMITS

SEC. 318. Clause (3) of the proviso in the first sentence of section 302(b)(1) of the National Housing Act is amended by striking out "if the original principal obligation thereof exceeds or exceeded $33,000 (or such higher amount not in excess of $38,000 as the Secretary may by regulation specify in any geographical area where he finds that cost levels so require), for each family residence or dwelling unit covered by the mortgage (plus an additional $2,500 for each such family residence or dwelling unit which has four or more bedrooms)." and inserting in lieu thereof "if the original principal obligation thereof exceeds or exceeded $50,000 in the case of property upon which is located a dwelling designed principally for a one-family residence; or $55,000 in the case of a two- or three-family residence; or $62,500 in the case of a four-family residence; or, in the case of a property containing more than four dwelling units, $38,000 per dwelling unit (or such higher amount not in excess of $45,000 per dwelling unit as the Secretary may by regulation specify in any geographical area where the Secretary finds that cost levels so require) for that part of the property attributable to dwelling use.".

NATIONAL INSTITUTE OF BUILDING SCIENCES

SEC. 319. Section 809(h) of the Housing and Community Development Act of 1974 is amended by inserting after "1978" the following: ", and any amounts not appropriated for fiscal years 1977 and 1978 shall be available for appropriations through fiscal year 1979".

Mr. BROWN of Michigan (during the reading). Mr. Chairman, I ask unanimous consent that title III be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the committee amendments.

Mr. BROWN of Michigan. Mr. Chairman, I ask unanimous consent that the committee amendments be considered as read and printed in the RECORD, and that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

(The committee amendments are as follows:)

Committee amendments: Page 28, after line 14, add the following:

(c) The Secretary of Housing and Urban Development shall conduct a study of the feasibility of underground construction of residential housing and changes in housing codes and financing which may be necessary as the result of the adoption of this construction method. The Secretary shall transmit a preliminary report at the end of the first year after the date of enactment of this Act and a final report no later than 2 years after such date to both Houses of the Congress with regard to the findings and conclusions made as a result of such study, along with any legislative recommendations which the Secretary determines should be enacted with respect to the subject of such study.

Page 36, line 9, strike out "disposition," and all that follows through line 20.

Page 38, insert the following new section after line 16:

TITLE I

HOME IMPROVEMENT LOANS FOR MULTIFAMILY DWELLINGS

SEC. 320. The first sentence of section 2(b) of the National Housing Act is amended by striking out "$25,000", "$5,000", and "twelve years" in the third proviso in clause (3) and inserting in lieu thereof "$37,500", "$7,500", and fifteen years", respectively.

Page 39, insert the following new section after line 23, page 38:

AMENDMENTS TO THE FEDERAL HOME LOAN MORTGAGE CORPORATION ACT

SEC. 321. (a) Paragraph (1) of subsection (a) of section 305 of the Federal Home Loan Mortgage Corporation Act is amended by inserting the following before the period at the end of the first sentence thereof: "or from any mortgagee approved by the Secretary of Housing and Urban Development for participation in any mortgage insurance program under the National Housing Act".

(b) Paragraph (1) of subsection (a) of section 305 of the Federal Home Loan Mortgage Corporation Act is amended by adding at the end thereof the following new sentences:

The Corporation may establish requirements, and impose charges or fees, which may be regarded as elements of pricing, for different classes of sellers or servicers, and for such purposes the Corporation is authorized to classify sellers or services according to type, size, location, assets, or, without limitation on the generality of the foregoing, on such other basis or bases of differentiation as the Corporation may consider necessary or appropriate to effectuate the purposes or provisions of this Act. The Corporation may specify requirements concerning, among other things, (A) minimum net worth; (B) supervisory mechanisms; (C) warranty compensation mechanism; (D) prior approval of facilities; (E) prior organization and servicing experience with respect to different types of mortgages; (F) capital contributions and substitutes; (G) mortgage purchase volume limits; and (H) reduction of mortgage purchases during periods of borrowing. With respect to any particular type of seller, the Corporation shall not be required to make available programs involving prior approval of mortgages, optional delivery of mortgages, and purchase of other than conventional mortgages to an extent greater than the Corporation elects to make such program available to other types of eligible sellers. Any requirements specified by the Corporation pursuant to the preceding three sentences must bear a rational relationship to the purposes or provisions of this Act, but will not be considered discriminatory solely on the grounds of differential effects on eligible sellers. Insofar as is practicable, the Corporation shall make reasonable efforts to encourage participation in its programs by each type of eligible seller."

(c) The amendments made by this section shall become effective at the end of 210 calendar days after enactment of this Act, but not before January 31, 1979, or on such earlier date as the Federal Home Loan Mortgage Corporation may prescribe.

Page 41, insert the following new section after line 23, page 40:

SALE OF ACQUIRED PROPERTY TO COOPERATIVES

SEC. 322. Section 246 of the National Housing Act is amended to read as follows:

"SALE OF ACQUIRED PROPERTY TO COOPERATIVES

"SEC. 246. In any case in which the Secretary sells a multifamily housing project acquired as the result of a default on a mortgage which was insured under this Act to a cooperative which will operate it on a nonprofit basis and restrict permanent occupancy of its dwellings to members, or to a nonprofit corporation which operates as a consumer cooperative as defined by the Secretary, the Secretary may accept a purchase money mortgage, or upon application of the mortgagee, insure a mortgage under this section upon such terms and conditions as the Secretary determines are reasonable and appropriate, in a principal amount equal to the value of the property at the time of purchase, which value shall be based upon a mortgage amount on which the debt service can be met from the income of the property when operated on a nonprofit basis after payment of all operating expenses, taxes, and required reserves; except that the Secretary may add to the mortgage amount an amount not greater than the amount of prepaid expenses and costs involved in achieving cooperative ownership, or make such other provision for payment of such expenses and costs as the Secretary deems reasonable and appropriate. Prior to such disposition of a project, funds may be expended by the Secretary for necessary repairs and improvements."

Page 42, insert the following new section after line 4:

SECONDARY MORTGAGES ON INSURED PROPERTIES

SEC. 323. Title V of the National Housing Act is amended by adding at the end thereof the following new section:

"SECONDARY MORTGAGES ON INSURED PROPERTIES

"SEC. 528. In carrying out the provisions of title II of this Act with respect to insuring mortgages secured by a one-to-four-family dwelling unit, the Secretary may not deny such insurance for any such mortgage solely because the dwelling unit which secures such mortgage will be subject to a secondary mortgage or loan made or insured, or other secondary lien held, by any State or local governmental agency or instrumentality under terms and conditions approved by the Secretary."

The CHAIRMAN. The question is on the committee amendments.

The committee amendments were agreed to.

AMENDMENT OFFERED BY MR. BROWN OF MICHIGAN

Mr. BROWN of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Michigan: Page 42, after line 18 insert the following new section:

Sec. 324 (a). Section 7 of the Department of Housing and Urban Development Act is amended by adding at the end thereof the following new subsection:

"(o) (1) Notwithstanding any other provision of the law, simultaneously with prescribing any rule or regulation, under this Act or any other Act, excluding section 3 of Public Law 90-301, the Secretary shall transmit a copy thereof to the Secretary of the Senate and the Clerk of the House of Representatives. Except as provided in paragraph (2), the rule or regulation shall not become effective, if within 90 calendar days of continuous session of Congress after the date the rule or regulation is prescribed, either House of Congress adopts a resolution, the matter after the resolving clause of which is as follows: "That the disapproves the rule or regulation prescribed by the Department dealing with the matter of which rule or regulation was transmitted to Congress on ', the blank spaces therein being appropriately filled.

"(2) If, at the end of 60 calendar days of continuous session of Congress after the date on which a rule or regulation is prescribed, no committee of either House of Congress has reported or been discharged from further consideration of a resolution disapproving the rule or regulation and neither House has

adopted such a resolution, the rule or regulation may go into effect immediately.

"(3) Congressional inaction on, or rejection of, a resolution of disapproval under this subsection shall not be deemed an expression of approval of the rule or regulation involved.

"(4) For purposes of this subsection—

"(A) continuity of session is broken only by an adjournment of Congress sine die; and

"(B) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of 60, and 90 calendar days of continuous session of Congress.".

(b) The amendments made in this section shall apply to any rule or regulation of the Department of Housing and Urban Development which has not been published for comment in the Federal Register prior to June 30, 1978. If any such rule or regulation becomes final before the date of enactment of this section, such rule shall cease to be in effect and shall be subject to the provision of section 7(o) of the Department of Housing and Urban Development Act, as added by this section.

Mr. BROWN of Michigan (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BROWN of Michigan. Mr. Chairman. My amendment would restrict the Department of Housing and Urban Development from putting proposed regulations into effect until Congress has had an opportunity to review these regulations and, if necessary, to vote them down.

This amendment is similar to one that passed the House last fall by a vote of 272 to 139. That amendment was added to legislation regarding the Federal Trade Commission and was introduced by my colleague from North Carolina (Mr. BROYHILL). It is also similar to legislation that the gentleman from Georgia (Mr. LEVITAS) has introduced and has been cosponsored by 184 Members of this body. That legislation would allow Congress to disapprove regulations across most of the executive branch and the independent regulatory agencies. I would like to make it clear, however, that my amendment would not apply to the setting of the FHA interest rate, since my amendment specifically excludes this regulatory function, thereby permitting HUD's present discretion and authority in this area.

In the amendment I am offering, no rule or regulation of the Department would become effective if, within 90 congressional days, either the House or the Senate adopts a resolution of disapproval. An exception to this procedure is allowed, if after 60 days no committee of either the House or the Senate has reported a resolution of disapproval or has been discharged from further consideration. In that case, the rule or regulation would become effective immediately.

In spite of reported efforts to improve the regulations by making them understandable to the layman, we still see proposed regulations that only a lawyer could read.

Far more important, however, is the need for Congress to reassert its authority as the lawmaking branch of the Federal Government. Nothing in this amendment or in the concept of the legislature veto generally, is unconstitutional. A quick review of the precedents makes it quite clear that Congress is merely exercising its proper authority. The executive branch is only supposed to carry out the law, and should not use the regulation writing process to enter the legislative field. That authority is expressly provided to Congress. Laws that have been written by Congress are being "interpreted" by bureaucrats in the executive branch, and these interpretations, which take the form of regulations and have the force of law, have been contrary to the clear intent of Congress in too many instances.

The process, when not abused, can be beneficial. It has, however, been abused. The executive branch has used its regulation writing authority not to flesh out the law but to undermine the law. It has used its authority to thwart the will of Congress. The legislators have substituted their judgment for the judgment of Congress.

Of all the executive branch departments, I believe HUD is one of the worst offenders. This is true to a large extent because the Department simply disagrees with the intent of the laws that have been passed. In our hearings this spring, one of the Assistant Secretaries of the Department and I were debating the legitimacy of one of its proposed regulations. In response to my contention that, in light of the clear legislative history, the Department could not reach the conclusion it had reached, the Assistant Secretary said, "I would have written the statute differently."

Therein lies the problem. If they do not like the way the law reads, they change its effect by regulations and then administer it the way they think it should have been written.

The classic example of this their distortion of the "primary purposes" provision of the community development block grant program. By regulation, they completely changed the meaning of the law. Letters and telephone calls from Members of Congress pointing out the legislative intent were to little or no avail. Our only resource was to take the legislative route.

Indeed, in the "Dear Colleague" letter you received from Chairmen REUSS and ASHLEY, opposed to my amendment, they admit that "H.R. 12433 specifically deals with several areas where our committee believed that the Department had misinterpreted congressional intent." The committee report on H.R. 12433 is even more explicit. Its states, with respect to the amendment dealing with the term "expected to reside" that "the committee intends for this amendment to make it clear that there is no basis for HUD's regulations * * *."

We should not be forced to do this. We should not have to legislate again and again on the same subject. We should not be placed in a position where nonelected bureaucrats change the meaning of our words.

The adoption of this amendment will go a long way toward solving this problem. We will have a prompt opportunity to review and pass judgment on HUD's regulations. We will have returned the ultimate writing of legislation to the legislative branch, and as the distinguished majority leader, the gentleman from Texas (Mr. WRIGHT), was quoted as saying in the New York Times on June 22, 1978, the very possibility of a legislative veto "should serve as a brake on the overzealous administrator."

Mr. HOLLENBECK. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from New Jersey.

Mr. HOLLENBECK. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the amendment offered by my colleague from Michigan.

I have become increasingly disturbed by the actions of the Department of Housing and Urban Development in circumventing the House of Representatives and the legislative process by issuing rules and regulations which seem to defy both the spirit and the letter of the law. It is particularly intriguing that the President has chosen to criticize the legislative veto as a usurpation of the authority of the executive branch. In practice, however, the bureaucracy within the executive branch has often acted to usurp the constitutional authority of Congress. This has been particularly true with respect to the Department of Housing and Urban Development, as demonstrated in the extensive hearings that took place on this bill.

One example of the need for the legislative veto involves HUD rule 403. This regulation allows HUD to preempt local rent controls on all subsidized and insured projects. In addition, HUD may preempt local controls on all projects which are insured but not subsidized whenever the Department feels that Federal interests may be threatened.

Mr. Chairman, this rule has caused unnecessary hardships on, an unfair treatment of, many residents of buildings in my district. The latest example is shocking. In late 1977, the tenants of Crystal House saw preemption by HUD. Until that time, Crystal House had provided electricity to all tenants, pursuant to its promotional promises. Commencing July 1, 1978, tenants have now been advised that they must contract with the local electric utility since electricity is no longer included in their rents. Rents are to be reduced by a minimal sum—one which in no way compensates for the utility charges to be paid by the tenants.

For example, in a one-bedroom apartment, prior rent was $400 per month. Starting July 1, the new rent will be $389. The average monthly fuel bill for the apartment is $27. As you can see, this reduction in rent hardly compensates for the reduction in services and the disparity that will grow as fuel and energy costs mount.

In addition, tenants have been denied annual leases. By forcing them to be month-to-month tenants, HUD may expose them to more than one raise a year, because, as mentioned, HUD allows increases at the expiration of a lease term. A month-to-month tenancy can be terminated by 30 days notice, thus opening the way to further increases. How

can one of them plan or budget for the future? This is only one example of the capricious actions by HUD.

The regulation, although originally well intended to protect the Federal Government investment, has been used far beyond that intent according to the figures that I have seen. It is to insure the Government's interests, not guarantee the landlord a profit.

Mr. Chairman, had Congress had the opportunity to review this regulation, my constitutents in Crystal House would not be presently subjected to some remote Federal bureaucrat acting as their landlord. I urge adoption of this amendment.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. BROWN) has expired.

(On request of Mr. LAGOMARSINO and by unanimous consent, Mr. BROWN of Michigan was allowed to proceed for 2 additional minutes.)

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding; I associate myself with his remarks and would like to join the gentleman in support of this amendment. We have attached a similar amendment to many other pieces of legislation—legislation where the regulating agency has far less authority and is less involved in drafting and promulgating regulations that have far less effect on the lives and the well-being of the American people than does this agency.

Mr. Chairman, I think it is very appropriate. I think this provision would do three things:

No. 1, the bureaucrats who write the regulations would be much more careful about doing so if they knew we were looking over their shoulders.

No. 2, we would, from time to time, actually veto regulations. We have done it in the past. We have the authority now in some cases, for example, the Nixon papers.

No. 3, we Members of Congress would not be able to pass the buck as we do now.

So I am in strong support of the gentleman's amendment and I urge its adoption.

Mr. BROWN of Michigan. Mr. Chairman, I thank the gentleman for his remarks.

Mr. ASHLEY. Mr. Chairman, I vigorously oppose this amendment. This amendment would impose a one-house legislative veto on all rules and regulations issued by the Department of Housing and Urban Development. This amendment is both unnecessary and ill-advised.

I share my colleague's concern that the regulations of the Department of Housing and Urban Development fully reflect congressional intent, and that is why H.R. 12433 specifically deals with several areas where our committee believed that the Department had misinterpreted congressional intent. Mr. BROWN has sponsored carefully drafted amendments which the committee adopted which provide explicit and precise direction to the Department on these matters. In my judgment this earlier approach suggested by Mr. BROWN, is far more effective than the approach now suggested by Mr. BROWN, which is simply a classic case of overkill.

The amendment, of course, raises some very troubling constitutional issues which will soon be before the Supreme Court. Without reasons more compelling than I have heard in subcommittee, full committee, on the floor of the House or anywhere else, I cannot conceive of any reason to place our important housing and community development programs which enjoy bipartisan support in the middle of a constitutional struggle between Congress and the Executive over the separation of powers.

Federal agencies issue thousands of complex regulations each year. Many are adopted after months or even years of hearings and are based on many volumes of evidence. To act responsibly under Mr. BROWN's veto provision, we would have to examine, that is to say the committees of Congress would have to examine, all of this evidence, hold our own hearings, and decide whether to overrule the agency—all in a few weeks. Nor do I understand the type of review Mr. BROWN hopes to achieve. Are we to look at proposed flood elevation determinations in every city of our country? Or the different rent levels for existing housing in each of our Nation's 3,100 counties. How about the definition of lead-based paint and standards for fire sprinkler systems in nursing homes all over the country?

As a practical matter, Mr. Chairman, by requiring a conscientious review of every rule and regulation the amendment would impose an overwhelming burden on Members of Congress and their staffs.

It would introduce one more element of redtape and delay into the already tedious rulemaking process. I cannot see that these burdens and delays are warranted, particularly in view of the ample oversight powers which we in Congress already have, which we use and which are clearly demonstrated by what we have already done in committee on Mr. BROWN's initiative.

As you know, earlier this week, the President sent the Congress a message urging us to avoid provisions such as this. Let me quote from his message:

> The desire for the legislative veto stems in part from Congress' mistrust of the Executive, due to the abuses of years past. Congress responded to those abuses by enacting constructive safeguards in such areas as war powers and the budget process. The legislative veto, however, is an overreaction which increases conflict between the branches of Government.

Obviously, this issue is one which deserves detailed and careful consideration. This amendment and the constitutional and practical issues raised by it were never considered by our committee. Currently, the Rules Committee is in the midst of a careful examination in its consideration of legislation which addresses the legislative veto issue in a comprehensive rather than piecemeal manner. If we are to enact a legislative veto, Mr. Chairman, it should be done in this manner and not by virtue of a floor amendment which has had no consideration—and in a bill which already addresses the concerns giving rise to this veto proposal.

I urge the defeat of this amendment.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. ASHLEY) has expired.

(On request of Mr. BROWN of Michigan and by unanimous consent, Mr. ASHLEY was allowed to proceed for 3 additional minutes.)

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I am most pleased to yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, I thank the gentleman for yielding.

First of all, the gentleman, I am sure, realizes that he has taken a position that is contrary to the amicus curiae brief that has been filed by this House in the Atkins case.

Secondly, the gentleman also knows that having to legislate after the fact is not nearly as effective as being able to stop the fact from taking place. That is why the legislative process does not work so well. That is why we need to look at regulations.

Mr. ASHLEY. Mr. Chairman, I say to the gentleman that 90 percent of the legislative process is good, and includes updating legislation, already on the statute books so that it will be more responsive to the changing times in which we live. This has been the case since the founding of the Republic.

Mr. Chairman, we have never taken the view that the proper relationship between the executive branch and the Congress is for the Congress to legislate and then to insist on a review of the regulations, the issuance of which has always been construed to be a proper exercise of executive branch authority.

What the gentleman is saying is that we are not going to simply legislate, but we are going to take over certain prerogatives of the executive branch; namely, the issuance of regulations. I think that this is a most ill-advised intrusion into the established relationship between the Congress and the executive branch; and I resist it with every ounce of vigor that I command.

Mr. BROWN of Michigan. Mr. Chairman, if the gentleman will yield further, what the gentleman has said would be quite correct if we did not have the situation where overzealous members of the executive branch are basically writing the law under what they consider their quasi-legislative powers.

Mr. ASHLEY. Mr. Chairman, I will say that there is no one in this body who has a greater gift than the gentleman from Michigan (Mr. BROWN), in reviewing legislation, weighing proposed regulations against the intent of the legislation and making a very pronounced point of the fact if there is a variance between the two.

Will not the gentleman concede that in at least two instances which I can possibly remember he has not only been influential, but has brought about a change in proposed regulations because those regulations did not comply with the intent of the legislation?

Is that not a fact?

Mr. BROWN of Michigan. If the gentleman will yield further, that has been a fact, but it has been awfully onerous.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

(By unanimous consent Mr. ASHLEY was allowed to proceed for 3 additional minutes.)

Mr. BROWN of Michigan. When the department involved pits one House against the other and says, "We can ignore one House," that is the fact, and the gentleman knows it.

Mr. ASHLEY. If the gentleman wants to talk about what is onerous, then let us do so. Would it be onerous to require that every rule and regulation of the Department of Housing and Community Development be wheeled up in a truck of some dimension, unloaded, have those rules and regulations come to our committee chambers, where they would be reviewed by the membership of the committee? If the gentleman wants to talk about what is onerous and what is not onerous, does he not think that the way we have proceeded in the past is less onerous and more effective than it would be following the implementation of this amendment?

Mr. BROWN of Michigan. Would the gentleman yield so that I can respond?

Mr. ASHLEY. I yield.

Mr. BROWN of Michigan. The gentleman makes it appear that every rule would be gone over, would be perused very carefully. The gentleman knows that if this amendment is adopted—and I am satisfied that it will be—that then the Department will be much more circumspect in adopting regulations, and no doubt there will be very, very few regulations upon which action will be required by this House. The gentleman knows that will be the situation, and that is why it is significant to have this amendment in this legislation.

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Georgia.

Mr. LEVITAS. Mr. Chairman, I thank my colleague from Ohio for yielding to me. I just would like to inquire with regard to one point, because I am not a member of the gentleman's committee.

Does the gentleman's committee, or his committee staff, at the present time read the regulations that HUD issues under legislation passed by the gentleman's committee?

Mr. ASHLEY. Well, I think in most instances they do.

Mr. LEVITAS. I thank the gentleman.

Mr. VENTO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I had not intended to take the well today, but this amendment and the continued reemergence of the amendment, I think, does require some attention. I think that the intention of this, while being very good in terms of mandating review by the legislative process, is one that would be very trying to our committee and to other committees of the Congress. In fact, I think while we are talking about it on the community development bill, obviously its application is to the legislative process.

It is really a question that should be addressed in that context, and I know the feelings of the House on a number of rollcall votes in the past have upheld the position and responsibility of legislative veto or legislative review, but I think we really are visiting upon ourselves a very interesting demise.

I think the chairman of the subcommittee, the gentleman from Ohio (Mr. ASHLEY), has really pointed out very well that this would, in a sense, burden the subcommittee, the full committee, and other committees of this House with a task that they are just not equipped to engage in. I think the process we have now in terms of reviewing the rules and regulations is one that has proven at times to be difficult, but it works. The question that comes to my mind with regard to this is, What would the impact of review, the expectation that we must review, the responsibility that we must review, and in essence if we do not review it, that we have approved it, be?

The type of legislation we draft necessarily, in more recent years, has given authority to the Executive. Perhaps in the first instance we ought to look at that and restrict the number of regulation powers we pass on to the Executive in these instances, but to suggest that we would have a review would give the legislative authority to the Executive. Then they could suggest that, well, there is a question about whether or not it was legislative intent. But this in essence, the review and the veto power, may very well be interpreted to be a license to legislate on the part of the Executive, because after all, does not the Congress and does not this body have then the power to veto what in essence the administration drafts as rule and regulation policy?

That is really one of the pitfalls we are visiting upon this body. We would be paralyzed in our ability to start to deal with legislative policy. We could be bogged down in the rules and regulations that are put forth by the departments.

I think we have a problem with respect to rules and regulations, but I think the sledge-hammer approach being used by Georgia, and being offered by our colleague, the gentleman from Michigan, is the wrong approach to solve the problem.

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman from Georgia.

Mr. LEVITAS. Mr. Chairman, I thank the gentleman for yielding.

I want to address myself to one aspect of the gentleman's comments and I will deal with the others at a later time.

But the amendment offered by the gentleman from Michigan (Mr. BROWN) is very carefully drafted to avoid the problem the gentleman raises, and it is language which has been offered in similar amendments of this sort. It expressly says:

> Congressional inaction on, or rejection of, a resolution of disapproval under this subsection shall not be deemed an expression of approval of the rule or regulation involved.

The reason for that is that every regulation does not need to be reviewed. It is only those which are the most devastating, the most wrong minded, the most excessive that have to be dealt with.

Mr. VENTO. I appreciate what my colleague pointed out. I want to suggest that where there is a policy difference of opinion, the question of whether or not there was legislative intent for an executive agency to pursue a certain policy, there is going to be a preponderance on the part of the Executive to take action in these instances where they would be reluctant to do so today. And simply because of that I think we would do well not to accept this amendment.

Where would we have the time to do this? There are a myriad of issues which are supposed to be addressed by the Banking, Finance and Urban Affairs Committee today, nor would we have the time to do them tomorrow.

This bill contains several provisions where we find differences of agreement between the Executive and HUD and between HUD and Congress, and we have tried to address these, and in this measure we obviously have resolved many instances of contested rules and regulations. They are important, whether they concern the insurance program or the programs that deal with interest rates or the programs that deal with interpretations or allocations of funds or policy. We try to deal with these in such a way as to eliminate improper or incorrect administration decisions on enacted legislation.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

(On request of Mr. VOLKMER, and by unanimous consent, Mr. VENTO was allowed to proceed for 2 additional minutes.)

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, I just basically have some questions on the system of government. Is it the opinion of the gentleman that the issuance of rules and regulations of this nature, and not procedural, are administrative in nature although they affect the policy or program of government?

Mr. VENTO. I would hope they would not be policy in nature but would deal with the specifics on which Congress would be setting policy. I think by adoption of this amendment we go a step closer to implementation of policy. Certainly it would be most desirable if we could draft all our rules and regulations, but I think from a practical standpoint we have neither the expertise nor the time to do the job that is required.

Mr. VOLKMER. There is another question I want to address myself to, and that is the rules and regulations and the power to issue them are derived from the Congress. As a result of what the gentleman is saying about Congress not having the time, that power derives from the Congress to begin with, if you have time in es-

sence to review every aspect of every regulation that is set up.

Mr. VOLKMER. If you had the time to go through the specific lists, and that we started to do years ago, the Congress anyway, but, there was a time, as the gentleman knows, when Congress never did this, there was a time when we did not have rules and regulations.

Mr. VENTO. That is right. However, I think the cure you are offering to the problem, and it is a problem we both admit that exists, this solution I believe is inappropriate and will not serve the best interests of the Congress and will diminish the effectiveness of the Congress in terms of our pursuit of legislative policy changes that are essential to the needs of the country and our constituents.

Mr. VOLKMER. Can you suggest an alternative?

Mr. VENTO. It has been suggested by the procedures of legislative oversight which have occupied a great amount of time in this Congress, a greater amount, in fact, than in the past and will probably continue to do so in the future.

Mr. VOLKMER. What about the oversight committees?

Mr. VENTO. I think they have a responsibility to resolve this in terms of the most efficient and effective action and use of our time that we all must work to improve in an effort to have Congress achieve this goal.

The CHAIRMAN. The time of the gentleman has again expired.

(On request of Mr. BROWN of Michigan and by unanimous consent, Mr. VENTO was allowed to proceed for 1 additional minute.)

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman from Michigan (Mr. BROWN).

Mr. BROWN of Michigan. Mr. Chairman, I thank the gentleman from Minnesota (Mr. VENTO) for yielding to me. I do not intend to try to rebut all of the arguments that have been made, I think they have been pretty well discussed. I would like to comment about the remarks of the gentleman from Georgia (Mr. LEVITAS). The gentleman from Georgia (Mr. LEVITAS) suggested I was entitled to some credit for the language that he recited for you. To set the record straight, I want you to know that the author of that very able language is the very able legislator, the gentleman from Georgia (Mr. LEVITAS).

Mr. VENTO. I thank the gentleman from Michigan for his comments.

I would just like to add that from a personal standpoint, I might be more interested in the review of interest rates, the language of the amendment in terms of legislative consideration deletes for varied reasons. I think this really points up the problem that we want to avoid the author perceives correctly the problems this would interject in terms of the Congress legislative process.

Mr. BROOKS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment offered by the gentleman from Michigan (Mr. BROWN).

Mr. Chairman, I hope that the Members will not look at the issue raised by this amendment as a test of strength between the Congress and the President, or as a means of getting in some good licks at the "faceless bureaucrats" downtown.

What we should be looking at is our role as a legislative body and the duties and responsibilities that that role imposes upon us, and at the procedures that we have adopted to carry out those duties and responsibilities.

I doubt that anyone in this Chamber thinks that he or she is not busy enough, or that the House does not really have enough to do. On the contrary, a frequent complaint around here is that there are too many demands on our time for us to do our job properly.

Committees are hard pressed to get a quorum so that they can finish their work and, as a result, legislation often is either held up or is rushed through without the careful consideration it requires.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield at that point?

Mr. BROOKS. Mr. Chairman, I will be pleased to yield to the gentleman from Missouri (Mr. VOLKMER) in a moment.

Mr. Chairman, we all know what it is like in the last few weeks of a session when the bills and conference reports are flying by us like in a Broadway ticker tape parade.

That is the way it is now, and yet we are being asked to add to our duties the review and evaluation of all the regulations issued by the executive departments and agencies.

I know that the amendment before us, offered by the gentleman from Michigan (Mr. BROWN) is limited to the Department of Housing and Urban Development, but we are all aware of the gentleman from Georgia (Mr. LEVITAS) and of his interest, apparently, in far bigger plans for us. The gentleman has already devoted considerable skill, energy and exceptional talent, plus charm and graciousness to imperiling the effectiveness of the entire Congress with this proposal.

The gentleman hopes to have a bill before us a little later that will require all the regulations issued by the executive branch to be reviewed by Congress before they would take effect.

This is a preview of the main event, which makes it especially important for the House to vote this amendment down. We should just kill it and not argue about it any more.

Mr. Chairman, I see only two results possible if the House takes it upon itself to review and evaluate all Federal regulations. Either it will not be done, and things will go along as they always have, the only difference being that Congress will bear the full responsibility and the full brunt of whatever those "terrible" regulations require. Or else we will conscientiously try to do the job, adding tremendously to the legislative burden that we are barely able to tote right now. That is to say nothing about adding substantially to the swollen ranks of Capitol Hill employees. In either case, it is a no-win situation, a foolish situation for this Congress.

Mr. Chairman, Congress is not a pitiful, helpless giant in its dealings with the bureaucracy. We have ample means and powers to see that the legislation we enact is implemented the way we want it to be. We need only to exercise those powers. We can call them in anytime we want to. Adding a whole new layer of procedural requirements would only sap our strength. I would urge defeat of this amendment.

Mr. SEIBERLING. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

It would be very difficult to add anything to the expertise of the distinguished gentleman from Texas (Mr. BROOKS) or to his wit or to the cogency of his remarks. And yet I feel that something more needs to be said about this amendment.

I remember that the author of this amendment some years back used to rise annually and oppose the perennial amendment of the gentleman from California (Mr. Moss) which would have required that none of the funds in appropriations bills could be paid to any employee of the executive branch who refused, except on constitutional grounds, to answer a question put to him by a committee of Congress. The gentleman from California (Mr. Moss) had a very good point. We were having problems with uncooperative bureaucrats. But it was overkill to try to solve the problem of nonresponsiveness of executive branch officials by denying them funds when they refused to answer any question put to them by a committee of the House. We finally resolved it in different ways, among other things by getting a more cooperative person at the top of the executive branch. Nevertheless, the gentleman from Michigan was right to oppose that kind of blanket approach to a narrow range of problems, and I suggest that his amendment before us is another example of overkill to solve a problem that is better solved by other means.

The gentleman from Georgia (Mr. LEVITAS) is one of the most distinguished and wise men in this House. He is right that we have a problem, but we also have the power to solve that problem. For example, just yesterday this House voted to suspend the ability of the Internal Revenue Service to impose the income tax on our constituents for fringe benefits, even though under the law IRS has the right to issue regulations to do so. I am sure they got the message. Clearly, we do not need to hamstring ourselves in the name of trying to prevent overregulation and improper regulation by executive branch agencies.

Look at the size of this bill before us. It deals with dozens and dozens of different programs, every one of which involves the issuance of regulations. It would be an absolute nightmare if we extended this principle not only to this bill but to all of the other agencies, which is what the gentleman from Georgia (Mr. LEVITAS) would like to see. So all I can say is that if we want to do this job, we can

do it in the way we have been doing it. We can do a better job of oversight. At times we may have to pass special resolutions and bills to cure actions of the executive branch. But we certainly do not need to tie ourselves up in knots reviewing thousands and thousands of regulations every year.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Ohio.

Mr. ASHLEY. I thank the gentleman for yielding.

I appreciate what the gentleman is saying. A point that has not been stressed is one that we hear a great deal about on the floor of the House, that is to say, the need for certainty in the business community and in the other areas of our national life.

What would the adoption of this amendment do with respect to trying to provide certainty to these various groups, various interests that have a right to a degree of certainty? We could pass legislation and send it to the President, and he could sign it. With the adoption of this amendment? Would that indicate anything at all? Absolutely not. That would indicate that there is no particular course of action on which there could be reliance in the marketplace and elsewhere—not at all. Not until the issuance of the regulations and the action or nonaction on the part of the Congress could there be any certainty in the marketplace and elsewhere. For this reason, as well as those indicated by the gentleman, the amendment should be voted down.

Mr. SEIBERLING. I think the gentleman from Ohio has made a very good point.

I will yield to the gentleman from Georgia in a minute, but I would just like to add to that. Under this amendment, we would end up with bills that we have passed and that have been signed into law being legislated all over again every time a regulation was submitted to us, and all the same lobbyists would descend upon us, only this time it would be even worse because the lobbyists would be attacking both the regulations and the underlying legislation. Their attack will be even more furious because they will be able to delay or frustrate the legislation by persuading only a single House and not both Houses of Congress.

I would like to make one other point, then I will yield.

We will, in addition, find that we ourselves are unable both to carry out our legislative functions and scrutinize all these regulations; but having had the theoretical opportunity to review them before they took effect, then when business interests or others find that some regulations are unduly burdensome or improper we will be held responsible.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. SEIBERLING) has expired.

(At the request of Mr. LEVITAS, and by unanimous consent, Mr. SEIBERLING was allowed to proceed for 2 additional minutes.)

Mr. SEIBERLING. Mr. Chairman, I will yield in a minute. Let me finish my sentence.

We will find that we cannot escape the responsibility then for poor regulations, because we had the opportunity to correct them and did not do so. So I suggest that if we think this kind of amendment will solve our problem, we are going to find that we have created two in its place.

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. SIEBERLING. I yield to gentleman from Georgia.

Mr. LEVITAS. Mr. Chairman, the question of certainty raised by my dear respected friend and colleague from Ohio is one of the reasons we need this process, because it is true when we pass legislation with a policy, there is no certainty anyplace that that policy is going to be implemented, because time and time again the unelected bureaucrats downtown take what we thought we had written into law and turn it upside down on its head. This is the means by which we can return to certainty what we thought we had to begin with.

Mr. SEIBERLING. Mr. Chairman, the gentleman is absolutely right. Time after time they do that; but most of the time they try to carry out the will of the Congress; but even when they do, under this amendment it will still be up in the air until Congress has acted in 90 days, and we know the kinds of stalls that will go on. The committees will not have time to act and they will be asking the agencies to suspend their activities until they have time to act.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, what is the impact in the policymaking process of Congress today and what will be the effect on the quality of the job we have to do?

Are we going to have to differentiate in terms of legislative veto, so that will eliminate some of the quality work that is done and should be done here; not only the fact we are competing in terms of these regulations, but the very fact we have this string attached that we can correct errors in a different way with only one House participating, without the agreement of the other House and without the agreement of the Executive?

It is going to diminish the quality of the legislative work we do in this Chamber.

Mr. SEIBERLING. Not only that, but it will diminish the quality of regulation, because the executive branch drafters will feel that whatever they may write, the congressional committees will probably rewrite. It is a perfect formula for the bureaucrats to pass the buck back to Congress.

Mr. ROUSSELOT. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I think it is unfortunate that some of our colleagues here would try to lead us to believe that when we pass a piece of legislation and send it to the executive branch for writing of the rules and regulations that we thereby wash our hands of any responsibility for how those rules and regulations are drafted and "don't have the time to be involved." To me that is the height of irresponsibility.

We had better have the time to be involved, because the laws that we have written here has been badly distorted and turned absolutely upside down through the process of writing of rules and regulations. Many times the Congress passes legislation, only to have the bureaucrats almost totally rewrite the intent of Congress through rules and regulations.

On June 21, the President took a rather distorted public stance on the legislative veto issue. I can understand why any administration would not want the "extra trouble" of dealing with a legislative veto but for the President, through the Attorney General, to blatantly assert that he will ignore the legislative veto provisions of most existing laws—surely this is going too far. I certainly would have expected a more reasoned and restrained response from the President of the United States. Instead, he has reacted as though this issue were a personal matter.

In his statement on the 21st, the President said:

> By working together, we can restore trust and make the government more responsive and effective.

I could not have said it better myself. These veto provisions are designed to foster concurrence and agreement between the legislative and executive branches before regulations are issued for effect. The need for this amendment on that basis alone is clear.

We have all heard the quotation of our distinguished majority leader, the gentleman from Texas Mr. JIM WRIGHT. I think that the gentleman's statement is one of the best I have heard on this subject. According to the New York Times of June 22, our distinguished majority leader Mr. WRIGHT, said:

> Increasingly, in recent years, there has been a voracious thirst on the part of nonelected bureaucrats to write regulations that have the force and effect of law, without the inconvenience of running for Congress.

Mr. WRIGHT further pointed out the need for a legislative veto and said it "should serve as a brake on the overzealous bureaucrat" when he writes the rules and regulations.

I believe that the legislative veto is an important brake, and I think the majority leader speaks for a number of Members of the House who have been badly burned by the follow-on process used by the bureaus in writing rules and regulations that go far bevond what Congress intended. Yet it is the Congress and our constituents that has to live with those rules and regulations. Our constituents come to us and ask, "Did you intend that?"

Mr. Chairman, let me comment on the issue of time. Sure, it is extra work on our part, but we write the Federal laws in this country, and I say it is the responsibility of our Congress to make sure that the laws are carried out the way we in-

tended them to be. That is why, when we reorganized our committee structure a few years ago, we established the practice that every committee have an oversight subcommittee. So that is a very appropriate place in which we could, and already do, watch the writing of rules and regulations.

The basis for Congress authority in this area is quite clear, and is documented in a recent thesis, submitted by Mr. Charles Pashayan for his bachelor of letters at Oxford University in England, entitled "The American Legislative Veto And Its British And Constitutional Background." In this thesis, Mr. Pashayan illustrates the early usage of the legislature controlling rulemaking authority of those delegated to exercise such authority as early as the 17th century in England and traces its roots into the Constitution of the United States.

The thesis cites examples in 1804 and 1805 where Congress required the laws promulgated for the Louisiana Territory be "laid before" Congress by the President and provided that if such laws were disapproved, they would "thenceforth be of no force." It goes on to point out that based on historical precedent, rules and regulations are a form of subordinate law to that of a statute passed by Congress and that in issuing rules and regulations, the delegate is not executing the law but actually exercising a form of legislative authority which Congress has granted. Therefore, Mr. Pashayan finds there is no violation of the separation of powers doctrine.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will yield briefly to my colleague, the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, let me ask, has the gentleman or anybody conducted a survey as to the percentage of times when the agencies have written regulations that fail to carry out the intent of legislation? Is it 1 percent? Is it 5 percent?

Mr. ROUSSELOT. On the basis of my experience I would say it is the failure of the bureaus to carry out the intention of Congress occurs more than 5 percent of the time. Having served on the Committee on Post Office and Civil Service and on the Committee on Banking, Finance and Urban Affairs, I can say to the gentleman that it is far in excess of 5 percent.

I will also make this judgment: The percentage of times is not to me the most important point, although I think it is much greater than the gentleman indicates. The important point is that when it is obviously bad and obviously has the effect of law far beyond of that intended in legislation many times the rulemaking is extremely bad and it needs immediate attention by the House to correct such defects.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

(On request of Mr. BROWN of Michigan, and by unanimous consent, Mr. ROUSSELOT was allowed to proceed for 2 additional minutes.)

Mr. ASHLEY. Mr. Chairman, I wonder if we might get an agreement on a time limitation.

Mr. Chairman, I ask unanimous consent that all debate on the Brown of Michigan amendment and all amendments thereto close at 15 minutes after 12.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. LEVITAS. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. ASHLEY. Mr. Chairman, all the Members have been heard on this matter, and I am going to do it by motion.

Mr. LEVITAS. Mr. Chairman, I reserve the right to object.

The CHAIRMAN. The gentleman from California (Mr. ROUSSELOT) has been recognized for 2 minutes.

Mr. ROUSSELOT. Mr. Chairman, may I inquire, is this discussion coming out of my time?

The CHAIRMAN. The Chair will state that if a motion is offered, that would come out of the gentleman's time.

Mr. ASHLEY. Mr. Chairman, I ask unanimous consent that all debate on the Brown of Michigan amendment and all amendments thereto close at 12:20 p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The gentleman from California will be recognized for 2 minutes.

Mr. ROUSSELOT. I thank the Chair.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, I thank the gentleman for yielding.

The question was raised as to how often this has occurred when we had regulations that clearly did not follow the legislative intent of Congress when it passed the legislation. It has ocurred many times.

Many Members of this House recall that under the RESPA regulations we had to write to HUD, to the Secretary of the previous administration, saying that the proposed regulations clearly did not follow legislative intent, and in that instance the regulations were corrected.

Mr. ROUSSELOT. Mr. Chairman, the gentleman is absolutely correct. That was the best example of unwarranted overreach and rulemaking that any House Member can imagine. There is not one Member of this House who did not hear from everybody who was involved in the settlement procedure after the rules on RESPA were put in place. We had to come back and amend the law. We had to change it just to correct the terrible job that was done in rulemaking.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Michigan, the author of this amendment.

Mr. BROWN of Michigan. I thank the gentleman for yielding.

Mr. Chairman, the whole point is that we can now write to the regulators as a committee, as the gentleman from Ohio and I together have, in a bipartisan way, and say, "Look, these proposed regulations do not conform to the legislative intent."

If we have the ability to veto those regulations, a letter from us will have some significance.

The gentleman from Ohio knows that many of our letters have gone unrecognized, ignored, in the past; and I think with this mechanism we will have some impact and we will not have to do the review that the law contemplates.

Mr. ROUSSELOT. Mr. Chairman, the gentleman is absolutely correct.

Mr. COHEN. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman, the next Senator from Maine.

Mr. COHEN. I thank the gentleman for yielding, and I rise in support of the amendment. I wish to associate myself with the remarks of the gentleman from California.

We have had a recent example where the Labor Department has done exactly the same thing, by subverting an amendment we offered in this Congress to allow agricultural workers and their families to work in the field. They have just issued some regulations which totally subvert the intent of the Congress.

Mr. ROUSSELOT. The gentleman is correct, and has given another good example of why we need this amendment.

The CHAIRMAN. Members standing at the time the unanimous-consent request was made will be recognized for 1 minute each.

(By unanimous consent, Mr. VOLKMER and Mr. COHEN yielded their time to Mr. LEVITAS.)

The CHAIRMAN. The Chair recognizes the gentleman from Georgia (Mr. LEVITAS).

Mr. LEVITAS. Mr. Chairman, I would like to thank the gentleman from Missouri (Mr. VOLKMER) and the gentleman from Maine (Mr. COHEN) for yielding me their time.

Mr. Chairman, I rise in support of the amendment. There is a very simple question involved here, and we must not lose sight of it. The question is: Who makes the laws of the United States? It is as simple as that. Is it the elected Members of Congress, or the unelected bureaucracy? I think the answer is, or at least should be, that it is the elected Members of Congress. There is no inherent power in any bureaucractic organization to write rules and regulations. It is an authority that only comes from the Congress. It is a delegated legislative power, and we have every right and responsibility to have this legislative veto over its exercise.

The most disturbing argument against this, to me, is that we do not have time. That is an absolute abdication of our responsibility, because what you are saying to your constituents is that we have time to deal with all of the cats and dogs bills up here, but when a regulation comes out that can put our constituents out of business, can deteriorate the environment, can adversely affect consumers, can mess up a program, then we do not have time. If any Member does not have time for that, he should not be here.

The fact of the matter is, you can go to jail for violating a regulation. And

you are telling the American people you do not even have time to consider it? I think that is the worst possible argument.

The main point is that we will sensitize the bureaucracy once and for all. They will write better regulations and pay more attention to the public and to the congressional intent.

Last week the President sent a message to Congress and said he did not want to see any more legislative vetoes. One of the reasons for that was that the Secretary of Housing and Urban Development said she wanted that message sent, according to the information I have received.

I think the time has come for the Congress this week to send a message back to the White House and say that we are the elected representatives of the American people, and that we will decide which rules and regulations go into effect, because we have that responsibility. It is our constitutional duty to the American people.

Mr. Chairman, I strongly urge the adoption of this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, I rise in opposition to the amendment. I would like to make three points.

The first point is that we have just heard the proponents say that there has been no survey as to what percentage of the regulations do not comply with the intent of Congress. In order to handle a small percentage that have problems, they would have us review every single regulation which the executive branch writes.

The second point is this: A one-House veto means that, after there has been an accommodation of differences on legislation between the House and the Senate, and the President has signed it into law, either body can hold up the implementation of that legislation, reassert its original position, and completely frustrate the compromises reflected in the legislation.

So it just seems to me that that can result in a total frustration of the legislative process.

Finally, let me say that I have some experience with oversight as chairman of the Subcommittee on General Oversight and Alaska Lands of the Committee on Interior and Insular Affairs.

The committee does not even have an annual authorization authority for the Interior Department. Nevertheless, I and my subcommittee have received 100-percent cooperation from the Department and its various bureaus and agencies whenever we wished to review a regulation or other action that they have taken.

Therefore, I feel that this argument that somehow we are helpless does not stand up, on the basis of the experience we have had in our subcommittee.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. Mr. Chairman, I support the amendment.

I think the real issue is the competence level of a very, very large, diverse bureaucracy in this country and assuring, before they promulgate their regulations, that they comply with the legislative intent.

This is one way of handling it. For that reason, I support the amendment.

Mr. Chairman, I would submit that a more complete and better way of handling it would be supporting a massive reform of the civil service system so that we would insure there is an incentive for people to comply with the intent of Congress, as well as assuring that they perform their jobs competently.

Again, Mr. Chairman, I would say that this is one way of doing it; but only a partial way. Another way is to pass a very comprehensive and very strong civil service reform package.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. BROWN).

Mr. BROWN of Michigan. Mr. Chairman, I think all of the arguments have been made. I think any casual observer of the legislative process and anyone who has listened to the arguments made today can only come down on one side of this issue, and that is the position this House has taken in its amicus curiae brief that the legislative veto is constitutional and is a desirable feature of the legislative process.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. ASHLEY) to conclude debate.

Mr. PATTERSON of California. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from California.

Mr. PATTERSON of California. Mr. Chairman, I thank the gentleman for yielding.

● Mr. Chairman, I rise in opposition to the gentleman from Michigan's amendment which provides for a one-House legislative veto on all rules and regulations promulgated by the Department of Housing and Urban Development.

While the one-House veto has been an appealing way of controlling bureaucracy, I oppose the gentleman's amendment for several reasons. The one-House congressional veto is not the proper way to maintain control over Federal agencies which have issued regulations that go beyond congressional intent. Congress should address this issue through carefully drafted legislation which makes it clear to Government agencies what their regulatory responsibilities are. The Housing Subcommittee, during markup of H.R. 12433, did just that and addressed this very issue in several areas where it was clear that the Department of Housing and Urban Development had undermined the intent of Congress.

In addition, Mr. Chairman, Congress should have the opportunity to carefully review one-House veto legislation in a comprehensive way rather than through individual appropriations and authorization bills. The Rules Committee has already held several days of hearings on the congressional veto and has tentative plans to address the issue through comprehensive legislation.

As you can imagine, this amendment would unnecessarily delay the implementation of housing and urban development programs and would put Congress in the position of having to conduct detailed review of regulations which, in many cases, require technical expertise and a great deal of knowledge about departmental programs.

One of the major arguments against the congressional veto is that it raises serious constitutional questions regarding the separation of powers. Also, it allows one body of Congress to veto delegated authority given to the department by both Houses.

For these reasons, Mr. Chairman, I oppose the gentleman from Michigan's amendment to H.R. 12433. It is unnecessary, unwise and premature.●

Mr. ASHLEY. Mr. Chairman, we are all in agreement that in some instances the regulations which are promulgated by the bureaucracy are not consistent with the intent of the Congress with respect to specific legislation.

The question is whether the remedy in these relatively few instances is through the congressional oversight function and the constitutional authority of the Congress to legislate, or whether, in the alternative, the remedy is through a new process in which every regulation is subject to review and veto by the Congress.

I submit, Mr. Chairman, that the Constitution gives us great guidance with respect to this issue. There is a point of decisionmaking finality with respect to the Congress that is established in the Constitution. When we send a bill to the President and that bill is signed, that discharges the legislative responsibility with respect to that piece of legislation. If the President chooses to veto the bill, then there is a further step with respect to the override vote; but never in the Constitution was it contemplated that when the decisionmaking process reaches that point of finality, there would be an attendant responsibility vesting in the Congress which allowed a further legislative intrusion into the implementation of the legislation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. BROWN).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. BROWN of Michigan. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 244, noes 140, not voting 48, as follows:

[Roll No. 515]

AYES—244

Abdnor	Applegate	Baucus
Alexander	Archer	Bauman
Ambro	Ashbrook	Beard, Tenn.
Ammerman	AuCoin	Benjamin
Andrews, N.C.	Badham	Bennett
Andrews, N. Dak.	Bafalis	Blanchard
	Barnard	Blouin

Bowen	Hagedorn	Pickle
Breaux	Hall	Pike
Breckinridge	Hamilton	Poage
Broomfield	Hammer-	Pressler
Brown, Mich.	schmidt	Preyer
Broyhill	Hansen	Pritchard
Buchanan	Harkin	Pursell
Burgener	Harris	Quayle
Burke, Fla.	Harsha	Quillen
Burleson, Tex.	Hefner	Rahall
Byron	Heftel	Railsback
Caputo	Hillis	Regula
Carr	Hollenbeck	Rinaldo
Carter	Holt	Risenhoover
Cavanaugh	Horton	Roberts
Cederberg	Hubbard	Robinson
Chappell	Huckaby	Roe
Clausen,	Hughes	Rogers
Don H.	Hyde	Rousselot
Clawson, Del	Ichord	Rudd
Cleveland	Ireland	Russo
Cochran	Jacobs	Ryan
Cohen	Jeffords	Santini
Coleman	Jones, N.C.	Sarasin
Collins, Tex.	Jones, Tenn.	Satterfield
Conable	Kasten	Sawyer
Coughlin	Kazen	Schroeder
Crane	Kelly	Schulze
Cunningham	Kemp	Sebelius
D'Amours	Keys	Sharp
Daniel, Dan	Kildee	Shuster
Daniel, R. W.	Kindness	Sikes
Davis	Krebs	Sisk
de la Garza	Lagomarsino	Skelton
Delaney	Latta	Skubitz
Derwinski	Leach	Slack
Devine	Lent	Smith, Iowa
Dickinson	Levitas	Smith, Nebr.
Dingell	Livingston	Snyder
Dodd	Lloyd, Tenn.	Spellman
Dornan	Long, Md.	Spence
Duncan, Oreg.	Lott	Stangeland
Duncan, Tenn.	Lujan	Stanton
Edwards, Ala.	Luken	Steers
Edwards, Okla.	McClory	Stump
Eilberg	McDade	Symms
Emery	McDonald	Taylor
English	McEwen	Thompson
Erlenborn	McKay	Thone
Ertel	McKinney	Thornton
Evans, Del.	Madigan	Treen
Evans, Ga.	Mann	Trible
Evans, Ind.	Marks	Tucker
Fenwick	Marlenee	Ullman
Fish	Marriott	Vander Jagt
Fithian	Martin	Volkmer
Flynt	Mattox	Waggonner
Ford, Mich.	Mazzoli	Walker
Forsythe	Michel	Walsh
Fountain	Miller, Ohio	Wampler
Frenzel	Mitchell, N.Y.	Watkins
Frey	Mollohan	White
Fuqua	Montgomery	Whitehurst
Gammage	Moore	Whitley
Gaydos	Moorhead,	Whitten
Gephardt	Calif.	Wiggins
Gilman	Mottl	Wilson, Tex.
Ginn	Murphy, Pa.	Wolff
Glickman	Murtha	Wydler
Goldwater	Myers, John	Wylie
Goodling	Neal	Yatron
Gore	Nedzi	Young, Alaska
Gradison	Nichols	Young, Fla.
Grassley	Nowak	Young, Mo.
Green	O'Brien	Zeferetti
Guyer	Panetta	

NOES—140

Addabbo	Burton, Phillip	Foley
Akaka	Carney	Ford, Tenn.
Anderson,	Chisholm	Fowler
Calif.	Clay	Fraser
Annunzio	Collins, Ill.	Giaimo
Ashley	Conte	Gibbons
Aspin	Corman	Gonzalez
Baldus	Cornell	Hanley
Beard, R.I.	Cotter	Hannaford
Bedell	Danielson	Hawkins
Beilenson	Dellums	Heckler
Biaggi	Derrick	Hightower
Boggs	Diggs	Holland
Boland	Downey	Holtzman
Bolling	Drinan	Howard
Bonior	Early	Jenrette
Bonker	Edgar	Johnson, Calif.
Brodhead	Edwards, Calif.	Jones, Okla.
Brooks	Evans, Colo.	Jordan
Brown, Calif.	Fary	Kastenmeier
Burke, Calif.	Fascell	Kostmayer
Burke, Mass.	Fisher	LaFalce
Burlison, Mo.	Flippo	Lederer
Burton, John	Flood	Lehman
Lloyd, Calif.	Myers, Michael	Seiberling
Long, La.	Natcher	Simon
McCormack	Oakar	Solarz
McFall	Oberstar	St Germain
McHugh	Obey	Staggers
Maguire	Ottinger	Stark
Mahon	Patten	Steed
Markey	Patterson	Stokes
Meeds	Pattison	Stratton
Metcalfe	Pease	Studds
Mikulski	Pepper	Traxler
Mikva	Perkins	Udall
Miller, Calif.	Price	Van Deerlin
Mineta	Rangel	Vanik
Minish	Reuss	Vento
Mitchell, Md.	Richmond	Walgren
Moakley	Roncalio	Waxman
Moffett	Rooney	Weiss
Moorhead, Pa.	Rose	Wilson, C. H.
Moss	Rosenthal	Wirth
Murphy, Ill.	Rostenkowski	Wright
Murphy, N.Y.	Roybal	Yates
Myers, Gary	Scheuer	Zablocki

NOT VOTING—48

Anderson, Ill.	Flowers	Pettis
Armstrong	Garcia	Quie
Bevill	Gudger	Rhodes
Bingham	Harrington	Rodino
Brademas	Jenkins	Runnels
Brinkley	Johnson, Colo.	Ruppe
Brown, Ohio	Krueger	Shipley
Butler	Le Fante	Steiger
Conyers	Leggett	Stockman
Corcoran	Lundine	Teague
Cornwell	McCloskey	Tsongas
Dent	Mathis	Weaver
Dicks	Meyner	Whalen
Eckhardt	Milford	Wilson, Bob
Findley	Nix	Winn
Florio	Nolan	Young, Tex.

The Clerk announced the following pairs:

On this vote:

Mrs. Meyner for, with Mr. Bingham against.

Mr. Krueger for, with Mr. Shipley against.

Mr. Corcoran of Illinois for, with Mr. Florio against.

Mr. Brown of Ohio for, with Mr. Tsongas against.

Mr. Steiger for, with Mr. Brademas against.

Mr. Bob Wilson for, with Mr. Eckhardt against.

Mr. Runnels for, with Mr. Le Fante against.

Mr. Teague for, with Mr. Conyers against.

Mr. Bevill for, with Mr. Garcia against.

Mr. Winn for, with Mr. Harrington against.

Mr. Butler for, with Mr. Nix against.

Messrs. AuCOIN, ZEFERETTI, ULLMAN, and RAHALL changed their votes from "no" to "aye."

Mr. PEPPER changed his vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there any other amendments to title III?

AMENDMENT OFFERED BY MR. GREEN

Mr. GREEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GREEN. Page 42, after line 18, insert the following new section:

MORTGAGE LIMITS UNDER SECTION 221(d)(3)

SEC. 324. Section 221(d)(3)(ii) of the National Housing Act is amended—

(1) by striking out "$16,860", "$18,648", "$22,356", "$28,152", and "$31,884" and inserting in lieu thereof "$18,450", "$20,625", "$24,630", "$29,640", and "$34,846", respectively; and

(2) by striking out "$19,680", "$22,356", "$26,496", "$33,120", and "$38,400" and inserting in lieu thereof "$20,962", "$24,030", "$29,220", "$37,800", and "$41,494", respectively.

Mr. GREEN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GREEN. Mr. Chairman, I have discussed this amendment previously with the distinguished subcommittee chairman and with the distinguished ranking minority member of the subcommittee. I believe it is acceptable to both of them.

Very simply, at the present time the statutory mortgage ceilings under the section 221(d)(3) program, which is used by nonprofit housing sponsors, are significantly lower than those under section 221(d)(4), which is used by profit-motivated sponsors.

This amendment would raise the section 221(d)(3) limits to those in section 221(d)(4), so that nonprofit sponsors would have the same opportunities to develop housing as the profit-motivated builders under this legislation.

Mr. ASHLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from New York.

The gentleman offered a similar amendment in committee during mark up and at that time we did not have the opportunity to review the implications of the amendment. In the interim we have been able to assess more carefully the amendment, and I now believe that it merits our support.

Nonprofit sponsors face the same building costs as profit-oriented sponsors. And therefore they should be put at least on a par with the limits allowed for profit oriented sponsors.

I do not believe that nonprofit organizations should be forced into unhappy, perhaps ill-advised partnerships with developers who can provide the additional capital on the one hand—or be faced with pressures for shoddy construction on the other.

While it is my intention that our committee review all FHA limits next year, I can support this increase as a needed interim measure.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Ohio. I rise also in support of the amendment.

Mr. GREEN. Mr. Chairman, I thank the gentleman for his courtesy in this matter. I appreciate his support.

Mr. ASHLEY. Mr. Chairman, I commend the gentleman from New York for this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. GREEN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. RUSSO

Mr. RUSSO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RUSSO: Page 42, after line 18, insert the following:

COUNSELING

SEC. 324. (a) Section 106(a)(2) of the Housing and Urban Development Act of 1968 is amended by striking out "may" and all that follows in the first sentence and inserting in lieu thereof the following: "shall, to the extent approved in appropriation Acts, provide such services to any other owner of a single-family dwelling unit insured under title II of the National Housing Act if such other owner was not a homeowner at any time prior to purchasing such dwelling unit.".

(b) The amendment made by this section shall become effective on October 1, 1978.

Mr. RUSSO (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

(By unanimous consent, Mr. RUSSO was allowed to proceed for an additional 2 minutes.)

Mr. RUSSO. Mr. Chairman, it is a strong belief of mine, the President, and the constituents of Illinois' Third District, that if indeed we are to begin rebuilding the cities, we must first stop the insidious decay that is caused by the continuing destruction of our neighborhoods. The root of this problem stems from inadequate screening by some realtors and mortgage bankers.

With these goals in mind, I am offering an amendment that would authorize HUD to administer a prepurchase counseling program to first time purchasers of single family dwellings.

Most people who apply for FHA mortgages are buying a home for the first time, and know very little about the myriad costs associated with owning a house. Unless an impartial counselor informs these individuals of the extra cost, they often come as an unpleasant surprise to the new homeowner living on a tight budget. Beyond the financial costs, to the mortgagee, are the psychological costs; the feelings of failure and inadequacy. Nothing can be more destructive to one's sense of self-worth than to purchase a home, and to then watch in anguish as it becomes increasingly difficult to maintain it.

In responding to the desires of homeowners who want to live in safe, well kept neighborhoods, the Congress, last year, provided the Secretary of the Department of Housing and Urban Development (HUD) with the authority to administer prepurchase counseling programs. Unfortunately, the Secretary did not exercise her discretionary powers, and to my knowledge only one local program has been tried. We have all learned that it is far less costly, and less painful, to deal with a cancer in its early stages. Housing deterioration is growing like a cancer in its early stages. Prepurchase counseling, like any wise preventive health measure, can play a vital role in enabling us to cope with this problem before it consumes us.

In the Marquette Park area of Chicago, HUD briefly administered a prepurchase counseling program, but is considering dropping it, due to a decline in FHA loans in the area. My staff participated in a meeting involving HUD and community groups within the past 2 weeks. The people living in the target area, both black and white, have seen the stability which has been fostered by the prepurchase counseling program and strongly support it. They were very favorably disposed toward the continuation of that program, and in fact, its expansion throughout the country. Roseland, Austin, New City and West Engelwood, Ill. were so impressed with the positive effects of prepurchase counseling, that they have also petitioned HUD to administer the program in their areas.

The May 1976 report of the Government Operations Subcommittee on Manpower and Housing described two excellent examples of the effectiveness of prepurchase screening. One counseling agency in North Carolina reported that, after initial meetings, only 150 out of 450 applicants were certified as eligible for FHA mortgage insurance. The rest either were refused certification, or decided as a result of the counseling not to buy a home. Since the program's conception in 1972, only two mortgagees or 1.3 percent of the homeowners who participated in the program were foreclosed.

In the Dallas region, 605 homeowners were given prepurchase counseling under a HUD program for prospective section 235 homeowners. As you know, this program has a higher rate of default than most of the other programs because it assists very low income families. However, only 20 of these purchasers had gone into foreclosures at the time the hearings were held. Even if a much larger program were only half as successful as these two examples, the Government would have saved many people from financial disaster. Prepurchase counseling can save the Government billions of dollars and save neighborhoods from the agony of deterioration.

I have been informed by the Chicago HUD regional office that with the necessary training programs already in place, it would cost $30 to counsel each potential mortgagee on the advantages of being a homeowner. Counseling would save the Government billions of dollars, and help stem the deterioration of many of our cities finer neighborhoods because of abandoned structures. From 1972 to 1977, the Federal Government paid $2 billion out of its insurance fund to cover its losses. According to a September 1977 letter from HUD's region V office, the average loss per FHA-insured property in the Chicago area is $15,174. But this is merely the monetary loss associated with the abandonment of a home; the real loss emerges when an entire neighborhood becomes infested with wrecked hulks and gutted frames.

I ask you to support my amendment to require prepurchase counseling.

Gino Baroni, Assistant Secretary, Department of HUD, on April 4, 1978, testified before Mr. BOLAND's Housing Subcommittee on Appropriations and said:

Secretary Harris and I strongly support pre-purchase counseling. I want to get the job done. Congress has consistently pushed this issue. I am happy about that.

Now, Secretary Harris and I are anxious to get going.

The question here is what is the alternative to counseling? More failures? More broken promises? Continued lack of support for the kind of housing programs we need especially for poor people? That is the issue.

I think we want to be comprehensive about the counseling. We want to do prepurchase counseling. We think it will be cost effective for a lot of the reasons I said and will save the Treasury money.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. RUSSO. I yield to the gentleman from New York.

Mr. DOWNEY. Mr. Chairman, I have listened carefully to the gentleman's presentation, and I must admit that he has convinced me that what he has offered is a good idea.

If the gentleman can assure the membership that this program will diminish foreclosures in the future, then this $10 million that we spend now may save us many billions of dollars in the years to come.

Mr. RUSSO. Mr. Chairman, let me just cite for the gentleman from New York (Mr. DOWNEY) and the members of the committee the fact that last year alone HUD lost $417 million in insurance claims that the Government had to pay. The estimate I have is a $30 cost per counseling—and we had something in the area of 350,000 new starts last year—prepurchase counseling would cost today about $9.6 million. So it would seem to me that it would make a lot of sense if we would spend $9.6 million in order to cut back on the astronomical losses of $417 million last year, and a total loss of $2 billion over the last 5 years.

I do not necessarily agree with all of the programs. But if we are going to have these programs, the most important thing to do is to make sure that the people who buy these homes do not abandon them, do not leave them, do not destroy neighborhoods.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. RUSSO) has expired.

(On request of Mr. HILLIS and by unanimous consent, Mr. RUSSO was allowed to proceed for 3 additional minutes.)

Mr. HILLIS. Mr. Chairman, will the gentleman yield?

Mr. RUSSO. I yield to the gentleman from Indiana.

Mr. HILLIS. Mr. Chairman, I, too, would like to congratulate the gentleman on his statement, and I associate myself with his remarks.

Perhaps 10 to 12 months ago, I toured a portion of my district in which a problem, such as the gentleman described, exists on the northern edge of Indianapolis; and I saw graphically what the gentleman is talking about. And once a house is abandoned by someone who can-

not pay the mortgage bills, the taxes, the utility bills, the interest, and so forth, it becomes quickly a blight on the block, and pretty soon another one appears and then another one, and the whole neighborhood suffers and goes down. The FHA comes in then, at least in that situation, and probably holds it 6 or 8 months, boards up the windows, lets the grass grow, and then we have the cycle started that the gentleman described.

Mr. RUSSO. Mr. Chairman, the gentleman realizes that in this bill we have added a new section which expends $245 million for rehabilitation of HUD properties. And the irony about it all is, we are making it very easy for the low income buyers to purchase homes who probably should not purchase homes, in the first place. This causes a circular effect. And after the foreclosure or abandonment of these homes, HUD rehabilitates them and finds another buyer to purchase that home who also cannot afford the maintenance and upkeep. Consequently, the home is again abandoned. Let us mandate prepurchasing counseling for first-time home buyers so they know what responsibilities go along with homeownership and are not led to believe the only cost is the monthly mortgage payment, they must be informed of hidden costs in buying a home.

Mr. HILLIS. I think the gentleman is right. I am happy to stand up and say, from my experience, that I strongly support the gentleman.

Mrs. COLLINS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. RUSSO. I yield to the gentlewoman from Illinois.

Mrs. COLLINS of Illinois. Mr. Chairman, I rise in support of the gentleman's amendment. I supported this amendment which would provide for prepurchase counseling to first-time home purchasers who apply for FHA mortgage loans.

The Government Operations Subcommittee on Manpower and Housing last year held hearings on HUD's support and the effectiveness of homeowner counseling. We learned that over the past several years, the insurance funds for the Department of Housing and Urban Development have lost hundreds of millions of dollars as a consequence of foreclosures. The average loss per foreclosure has mounted to where it now exceeds $10,000 for certain programs.

Many of these foreclosures happened because low- and moderate-income homeowners, who were extended the opportunity to buy FHA insured homes in the 1968 Housing Act, were unable to keep up their payments.

The importance of prepurchase counseling of potential first-time homeowners has been recognized by both HUD and the Congress. There is support for the concept of providing information about homeownership to people who had never owned a house before and who would have to make wise decisions if they were to keep current on their obligations.

Additionally, there is recognition that those whose financial resources are barely adequate to keep up mortgage payments might default when some unexpected contingency arises and would need assistance in arranging their affairs so they could bring their loans current.

Unfortunately, the potential offered through counseling homeowners was never realized. Neither were the savings that would have accrued to the insurance funds had counseling been used to reduce the number of foreclosures as well as to help some prospective homeowners decide that they were not ready for this obligation.

Mr. Speaker, to most Americans the purchase of a home is their biggest investment. Surely the Congress will support an effort, like counseling, which will help to insure that the purchase of a home will be a wise decision.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield for a question or two?

Mr. RUSSO. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. I thank the gentleman for yielding.

Is there any income limit on those who would avail themselves of this prepurchase counseling?

Mr. RUSSO. No.

Mr. MITCHELL of Maryland. It could be an individual making $50,000 a year?

Mr. RUSSO. That is correct. He would, first of all, have to qualify under the HUD program for that type of financing.

Mr. MITCHELL of Maryland. Under 312, for example, he could. I really question the wisdom of not putting a ceiling, an income ceiling, on this plan.

My second question is that in a number of cities the banks, as a sort of pro bono service, have started giving prepurchase counseling to various potential purchasers. Is not that a way of involving the lending institutions in this effort, without making it all Federal?

Mr. RUSSO. Again, most prepurchasing counseling is contracted out to volunteer organizations. Unfortunately, in the programs that need it the most, it has done the least such as the section 235 low down payment low income housing. If I were assured that the Secretary would use the discretionary powers we gave her last year, I would not be on the floor of the House today seeking this amendment to make it mandatory. The history of prepurchase counseling has indicated that it cuts down on abandonments, it cuts down on defaults, and it saves millions of dollars.

Mr. MITCHELL of Maryland. I see the wisdom, but I only quarrel with the idea of no income limit and why we cannot utilize some of these institutions to do some service for the community. That was my only concern.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. RUSSO) has expired.

(On request of Mr. AUCOIN and by unanimous consent, Mr. RUSSO was allowed to proceed for 2 additional minutes.)

Mr. AUCOIN. Mr. Chairman, will the gentleman yield?

Mr. RUSSO. I yield to the gentleman from Oregon.

Mr. AUCOIN. I thank the gentleman for yielding.

Mr. Chairman, I would like to ask the gentleman where he gets that estimate of $30 per family counseled, because the information the committee has, based on the mandatory requirement that is imposed on HUD to counsel with 235 program families, is that the per family counseling cost there ranged between $150 to $400 a family.

Therefore, I am very curious; and I think the Members should know where the $30-a-family figure comes from.

Mr. RUSSO. That is a legitimate question, and I would be happy to answer the gentleman.

In the Chicago regional office where they have had prepurchase counseling, it costs $30 per client. In Cincinnati where they have had a prepurchase counseling program, it costs $25 per client. In Washington, D.C., where they have had a prepurchase counseling program, it costs $16 per client. A lot of it depends on the type of counseling programs set up by the agency.

If we had a comprehensive counseling program, where the counselor ushered one through the house and inspected it for the person, the cost would be higher than the above figures.

Mr. AUCOIN. Mr. Chairman, if the gentleman will yield further, I think the gentleman will agree that if we really are going to try to make a dent in the magnitude of the lawsuits he has been describing, we are not talking about tertiary counseling; we are talking about a major amount of counseling.

I think that argues probably for more counseling rather than just a minimal amount such as the gentleman has suggested.

We simply cannot take random samples around the country and suggest that is what the Congress can expect the counseling costs to be. We have figures by HUD based on a mandatory program imposed on HUD in this field in the 235 programs. The figures run, as I have indicated, from $150 to $400.

Mr. Chairman, those are some of the things which ought to be understood by the Members before we vote on this amendment.

Mr. RUSSO. Mr. Chairman, I do question the accuracy of those figures.

Mr. ASHLEY. Mr. Chairman, I rise in opposition to the $96 million amendment of the gentleman from Illinois (Mr. RUSSO). The amendment would require each and every first-time homebuyer to undergo prepurchase counseling as a condition of gaining FHA mortgage insurance. The amendment is at best premature, would most certainly be extremely costly, as was indicated by the gentleman from Oregon (Mr. AUCOIN), and could be very damaging to the ability of first-time homebuyers to secure credit.

As the gentleman is aware, the Department has for several years been researching the effectiveness of prepurchase counseling. That research has been anything but conclusive to date. It has yet to show that prepurchase counseling,

at least among those who would participate in FHA's unsubsidized programs, has any effect at all on preventing defaults and foreclosures. Because of the interest of the gentleman and other members, the Department has undertaken a major new research effort to examine the effectiveness of prepurchase counseling. This $1.5 million research project should yield useful results. Even before we have the results of that extensive study, the gentleman would have us require that every first-time buyer undergo prepurchase counseling—whether such counseling is needed and appropriate or whether it is not.

It would apply, in response to the question of the gentleman from Maryland (Mr. MITCHELL) to any purchaser under the 203 conventional FHA program. That could be a $60,000 or a $80,000 home. Yet, the buyer of that home as a condition to receiving FHA insurance, would be obliged to go through this counseling.

The Department estimates that the cost per family for prepurchase counseling, as was indicated, at a minimum would be $150 and could easily range up to $400. With an estimated 240,000 first-time homebuyers utilizing the FHA programs next year the cost would be between $36 and $96 million, a lot of money to allocate to an activity that is still in the research stage.

Finally, and what troubles me most about this amendment, is the effect it could have on the supply of credit for first-time homebuyers. I am not alone in this concern. The Mortgage Bankers Association, a longtime supporter of counseling, in a letter sent to me yesterday expressed grave concern that this amendment if passed would provide major disincentives for lenders and sellers to deal with first-time homebuyers under the FHA programs. Their concern, like mine, is that the added burden of delay, uncertainty about the security of the FHA insurance and the reluctance of secondary market investors to purchase mortgages with only conditional insurance would dry up credit for first-time homebuyers.

The amendment of the gentleman does not recognize the differences between first-time homebuyers. It assumes all must receive prepurchasing counseling. This approach is not warranted by the facts, would be extremely costly without any assurance of positive results and could have devastating effects on the ability of young, first-time homebuying families to purchase a home. For these reasons I urge most strenuously the defeat of the Russo amendment.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, I thank the gentleman for yielding to me.

As the gentleman from Illinois (Mr. RUSSO) knows, he has discussed the amendment with me. I indicated to him that I could not support the amendment, but that I would not actively oppose it. In any case, the points that the gentleman in the well makes are quite valid. Furthermore, there is a concern that needs to be properly recognized; that is, that we know there will be a finite number of dollars provided for counseling, mandatory counseling. The question is, where should those dollars be spent most effectively, or can they be spent most effectively?

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(At the request of Mr. BROWN of Michigan and by unanimous consent, Mr. ASHLEY was allowed to proceed for 2 additional minutes.)

Mr. BROWN of Michigan. To the extent that we expand the class that are covered under mandatory prepurchase counseling, we dilute the amount of funds that are available for the more needy in the counseling group. I respectfully suggest to the gentleman, as I did in our conversations, that the 235, the subsidized home buyer, as a group is certainly in much greater need of counseling than are those who are the affluent, who are buying much more expensive homes and are buying them with only the assistance of FHA conventional insurance.

So, therefore, I understand and am sympathetic with the unique situation the gentleman has described. It seems to me the offering of this amendment will certainly give impetus to the HUD research program that attempts to find out if there is not some way to be able to do what the gentleman wants to accomplish without, in effect, requiring this mandatory counseling to be provided to all, irrespective of their needs.

Mr. Chairman, I thank the gentleman for yielding to me.

Mr. RUSSO. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Illinois.

Mr. RUSSO. Mr. Chairman, I mentioned to the gentleman that if the income limitation is something that is disturbing him, I would be more than happy to ask unanimous consent at this time to put an income limitation on the amendment.

Mr. ASHLEY. Well, Mr. Chairman, I would object to that. If the gentleman wants serious consideration of his amendment, all he has to do is to put it in bill form. It will be referred to the committee, and we will be happy to invite him to appear before us to testify in the normal course of events.

I have worked with the gentleman in the past. As a matter of fact, the research program I referred to is largely a consequence of the interest shown by the gentleman from Illinois. I think he would be the first to say that the committee has worked very closely with him, and will continue to do so.

Mr. DOWNEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I would rise in support once again to clarify some points with the gentleman from Illinois about his amendment. It seems to me that there have been several important points raised against the amendment that should be clarified; namely, that this does not have an income limit; that conceivably there would be an open end amount of counseling. I was wondering if I could get the attention of the gentleman from Illinois.

Aside from the fact that it saves money, what else in the gentleman's opinion and what other facts does he have to substantiate the fact that it has worked in other parts of the country?

Mr. RUSSO. As I indicated to the gentleman from New York, in those areas I have described, one in Dallas and one in North Carolina, it substantially reduced the number of defaults and abandonments. As a matter of fact, in North Carolina only two mortgages since 1972 have been foreclosed.

PARLIAMENTARY INQUIRY

Mr. RUSSO. Mr. Chairman, I have a parliamentary inquiry, if the gentleman will yield.

Mr. DOWNEY. I yield to the gentleman from Illinois.

Mr. RUSSO. Mr. Chairman, at this point can I offer a modification to my amendment?

The CHAIRMAN. The gentleman can ask unanimous consent to modify his amendment.

Mr. RUSSO. Mr. Chairman, I ask unanimous consent that I be allowed to modify my amendment by adding the words

. . . and do not have income exceeding $25,000 per year.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. ASHLEY. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. RUSSO. Mr. Chairman, I have a substitute amendment to offer.

The CHAIRMAN. That would have to be offered by another Member.

AMENDMENT OFFERED BY MR. DOWNEY TO THE AMENDMENT OFFERED BY MR. RUSSO

Mr. DOWNEY. Mr. Chairman, I offer a substitute amendment for the amendment offered by the gentleman from Illinois (Mr. RUSSO).

The Clerk read as follows:

Amendment offered by Mr. DOWNEY as a substitute for the amendment offered by Mr. RUSSO:

Mr. DOWNEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. ASHLEY. Mr. Chairman, I object. We do not have a copy of the amendment.

The CHAIRMAN. Objection is heard.

The Clerk will report the amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. DOWNEY, to the amendment offered by Mr. RUSSO: After the word "unit" in line 11 of the amendment add the following language: "and do not have income exceeding $25,000 per year".

Mr. DOWNEY. Mr. Chairman, I offer this as an amendment to the Russo amendment so that we can cure one of its defects.

It is to place an income limit on those for whom this counseling on housing is to be done.

The CHAIRMAN. Technically the amendment offered by the gentleman from New York (Mr. DOWNEY) is an amendment to the amendment offered by the gentleman from Illinois (Mr. RUSSO), and not a substitute amendment.

Mr. MITCHELL of Maryland. Mr. Chairman, I rise in very, very reluctant opposition to the amendment and for a very simple reason. I do not think we can just pull figures out of our hats on this floor and say this should be the income level. Why is it $25,000? Why not $30,000? Why not $20,000?

A lot of times these things backfire, as we have learned from past experience, when we just do things very quickly on the floor without really having gone through some process of arriving at a figure that is meaningful and viable.

I want to talk just a little bit more. I like the idea of this precounseling service, but I do not know about Texas and these other places. Is that being done by HUD, or by the bankers or by voluntary groups in the community? There is so much more that I think we ought to know about this before we just quickly vote for it.

Mrs. COLLINS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentlewoman from Illinois.

Mrs. COLLINS of Illinois. I thank the gentleman for yielding.

One reason for putting this $25,000 limitation on the income is to meet the objections many Members have had about not having a limitation. They have expressed their concern that people with $100,000 of income would be getting this service; but they would not need it.

Mr. MITCHELL of Maryland. I understand why it was done. But why is it $25,000? Why could it not be $30,000 or $20,000?

Mrs. COLLINS of Illinois. $25,000 is a figure which would cover the people most in need of this counseling. This ceiling would be assurance that the service would not go to the people that are not in need of prepurchase counseling.

Mr. MITCHELL of Maryland. Again I support the concept, but maybe the limitation ought to be $20,000 or $15,000 in the State of Mississippi and $35,000 in the State of Illinois. I just do not think it makes sense for us to pull a figure out and say that is going to solve the problem.

Mrs. COLLINS of Illinois. If the gentleman will yield further, I think $25,000 is a figure that would probably reach the median income of the group we are talking about; if it is not, then I am sure in conference it could be worked out to whatever figure would be better.

Mr. MITCHELL of Maryland. I thank the gentlewoman from Illinois (Mrs. COLLINS) for her comments. Again let me say I think we have significant regional differences as to what the income limitation should be.

Mr. ASHLEY. Mr. Chairman, I move to strike the last word and I rise in opposition to the amendment to the amendment.

I will be very brief, Mr. Chairman. I said earlier that the Subcommittee on Housing has sought to work with the gentleman from Illinois (Mr. RUSSO) on this matter. It was largely at his behest that we crafted the legislation for $1½ million for a research effort to determine the efficacy of counseling. That legislation passed. That research effort has been made. It has not yet given us any final data with respect to the appropriateness of counseling. But, not yet satisfied, ill content to wait for the results of that, so that we would have some fair basis on which to legislate, we now find ourselves entertaining an amendment with a limitation as far as income is concerned that would determine who can get counseled and who does not, a figure picked out of the air, $25,000, we say it is even less than that, but the fact is, they are going to be counseled whether they need it or not.

And on what showing? On what showing, Mr. Chairman? The report with respect to the research effort on counseling has not been presented to us. Is it not logical to wait until we see the results of that research so that we can be guided by the same findings? This can be challenged, and this will be challenged, I know, but, rather than act prematurely, rather than spending millions and millions of dollars, rather than intruding with counseling in families who do not need it, I say, Mr. Chairman, we would do well to vote down the amendment to the amendment and the amendment.

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Ohio.

Mr. STANTON. Mr. Chairman, I want to associate myself with the remarks of the chairman of the subcommittee, the gentleman from Ohio (Mr. ASHLEY) in the terms the gentleman has listed because he has answered the problem to the degree that we will take this up in the subcommittee. It is a very important subject, but when you make plans that it is absolutely mandatory for everybody, then we will not solve any problem. So I follow what the problem the gentleman from Maryland (Mr. MITCHELL) is concerned with on a pilot basis, or to study it, but not to start making it mandatory for everybody.

So I join the gentleman in opposition to the amendment.

Mr. AUCOIN. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Oregon.

Mr. AUCOIN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I think the gentleman from Ohio has made two or three unassailable points on the amendment that might remove one of the problems to the proposal. The additional fact is true, that two other major problems that you have raised to the proposal still remain at this time, in that even with the amendment to the amendment, there still remains the condition that has to be met by a family. We do not know how much the cost of the counseling will be, we have the disparity of the figures presented by the gentleman from Illinois and the figures of HUD.

Given those factors then I think even the amendment to the amendment should be defeated.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. MITCHELL of Maryland, and by unanimous consent, Mr. ASHLEY was allowed to proceed for 2 additional minutes.)

Mr. MITCHELL of Maryland. Mr. Chairman, if the gentleman will yield, I have been kind of skirting the issue and I might as well come right to the point, and that is I would like to know, in terms of this kind of proposition, whether or not there might be some mechanism in this precounseling service selection by which we counsel some minorities out of certain neighborhoods, at a sacrifice. These are areas we barely look at. I am not saying that is the intent in this case, but to continue to do blindly what the implications are, I think is wrong.

Again I thank the gentleman for yielding.

Mr. RUSSO. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Illinois (Mr. RUSSO).

Mr. RUSSO. Mr. Chairman, I thank the gentleman for yielding, and I would like to state that the thing that has upset me more over the last 5 years is that there have been lots of problems in these programs, and the committee has been holding hearings because they want to correct it. But then I ask you why have we not done something about the 221 housing where there has been a 16-percent increase in mortgage foreclosures? What about 223 housing where there has been a 22-percent increase in the foreclosure rate? And what about in the 235 housing, an increase of 18.9 percent? There are a lot of problems.

Mr. ASHLEY. Let me say, very briefly, that that does not mean that presale counseling is the answer. Since 1972 we have had a couple of recessions. We have had double digit inflation. This goes to the ability of families to own their own shelter. It does not necessarily go to the need for counseling. So I would say that there has been 16 percent foreclosures in a particular housing program and, therefore, we need counseling does not follow as day to night, whatsoever. On the contrary, there have been no findings yet with respect to the need for counseling. I say again we have got $1.5 million into the HUD budget. With the help of the distinguished gentleman from Massachusetts (Mr. BOLAND) we are going to find out with respect to counseling where it is needed, how much is needed, and what the costs are. But simply to assume

as the gentleman does is not the proper way to go.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PIKE. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the substitute amendment.

Mr. Chairman, I have been intrigued by this debate, and I feel compelled to rise in support of this substitute.

First of all, I take issue with the argument of the gentleman from Maryland that we cannot just pull figures out of a hat. Of course, we can pull a figure out of a hat. We do it all the time around here. We are always pulling figures right out of a hat.

I think that the whole concept of preinvestment counseling is an idea whose time has come. Why limit it to housing, for heaven's sake? That is just one of the decisions that a man makes in his lifetime.

He buys a car, and I think maybe the Department of Transportation ought to have the responsibility for counseling a man as to whether or not he should buy a car.

Whole vistas of new bureaucracies dance before my eyes. There is just no end to this. There are major decisions that people are making every day in their lives without the Government telling them how to do it, and that is wrong. We have a chance here for the Department of Health, Education, and Welfare to counsel people before they decide to get married, whether to or not. That is a huge decision people are making by themselves out there these days. We should not have that going on in this country.

There are children to be had. Does anyone think that young people should decide to have children without being counseled by HEW as to whether or not they should have children, and how many children they ought to have?

I just think that the opportunities for ending unemployment in this country are so great in this amendment offered by the gentleman from Illinois and the substitute offered by my colleague, the gentleman from New York, that no way could I not get to my feet and support it.

Mr. Chairman, I yield back the remainder of my time.

Mr. BOLAND. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, it is awfully difficult to follow the distinguished gentleman from New York. He usually kills amendments or gets amendments passed by the use of some very fine humor.

I suppose I could agree with him in some instances. If there is anyone who needs prechildren counseling, it is myself. I am not the youngest man in this Chamber. I have a child who is 4 years old. I have one 3 years old. I have one who will be 2 years old August 28. And Mary tells me I have one who will be born in the middle of August.

I guess there is, therefore, a necessity for counseling in certain areas, and there is a necessity for counseling in this area—prepurchase counseling. There is no doubt about it. In the appropriations bill that was just passed by the House 10 days ago—we do provide $10 million for counseling. Eight million dollars of that is for the continuation of default counseling, and the subcommittee that I chair added $2 million for prepurchase counseling. Actually we added it as a result of talking with the staff of the committee that the distinguished gentleman from Ohio chairs, and also after hearing testimony from a number of interested voluntary counseling groups.

The Department of Housing and Urban Development has had some reluctance in moving ahead with prepurchase counseling. As a matter of fact, Mr. Chairman, it has been this committee and the Congress that have insisted that the Department pursue not only prepurchase counseling—but also default counseling.

We have had the assurance of Monsignor Baroni, the Secretary, and Jay Janis, who is the Under Secretary of HUD, that the money added to the 1979 appropriation bill will be used for prepurchase counseling.

As the gentleman from Ohio has stated, the Department has been looking at this problem. A study of prepurchase counseling will be completed in a short time.

Prepurchase counseling can be very expensive. The gentleman from Illinois cited a figure of about $30 for each unit of prepurchase counseling but in the hearings we have had, the figure is higher than that. The lowest figure cited was $62 for Knoxville, Tenn. That is twice as high as the figure indicated by the gentleman from Chicago. The gentleman quotes somebody from the Department of Housing and Urban Development in Illinois.

I have no reason to question that particular figure; but in any event, I think we are on the right track. I think we can indicate by what we are doing here today to the Department of Housing and Urban Development that we want the Department to get a serious look at prepurchase counseling.

We are doing it not here alone, but we are doing it in the appropriation bill, where we added some $2 million to the request.

I think it ought to be done, but I do not think this is the way to do it. I am not sure that mandating prepurchase counseling is right. As the gentleman from Illinois knows, the largest number of defaults occur in the section 203 FHA insurance program. There are also a number in the section 235 program, the homeownership program; but the greatest number of defaults have come in the section 203 program. This is an area the Department is looking at, and I think we should wait until a thorough study is completed and when that study is completed we can allocate additional funds for prepurchase counseling. I certainly would consider that in the 1980 budget.

Mr. RONCALIO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I use this device, to engage in a colloquy with the eminent chairman and with Members who may wish to partake in it.

We have set for today, in addition to completing this legislation, two very important bills. One is the Ak-Chin Indians bill, which passed by a substantial majority, but not two-thirds under suspension a month ago. This is vital to the chairman, the gentleman from Arizona (Mr. UDALL) my committee, and to the Indians and especially the non-Indians in that Arizona area.

We have also the grazing bill (H.R. 10587) which involves about 11 Western States and the hundreds of thousands of ranchers, farmers, and others who use the public domain. There has been 2 years of work and hours of hearings gone into that bill.

I find there are seven more amendments on this housing bill. I ask my good chairman Mr. ASHLEY, is there a possibility to get unanimous consent that this amendment and all amendments to this legislation and debate thereon end by 2 o'clock; at least we could have a half hour or so to get our two bills up that are just as important to our people in the West as this bill is to the people in Illinois and New York.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO. I am happy to yield to the distinguished chairman.

Mr. ASHLEY. Mr. Chairman, let me say to my good friend, it is a little hard to contemplate a limitation of time at this juncture, because we are now in title III. There are additional amendments to this title. There are important amendments to not a large number, but to other titles.

It would seem to me that any effort to set a limitation at this time would prejudice some of the amendments to be offered.

I am sensitive and I think the membership of the House is sensitive to the problems that the gentleman from Wyoming has suggested.

Mr. Chairman, it would be my hope that we can try to move expeditiously and not be repetitive in our arguments on the amendments. That would certainly be the goal of the committee. Let us look at the situation in a half hour or so and see where we are in the consideration of this bill.

Mr. RONCALIO. Mr. Chairman, I am grateful to my friend from Toledo. I thank him for his observations, and I defer to his judgment in these matters.

I would only say that at 10 o'clock this morning he and I were of the opinion we would be through with this bill by noon, and it is now 1:30. So I would abstain from any further hope that there would be a cutoff of debate. I hope the Members will cooperate and not turn this into a long-range debating society on these amendments, so we can get to other equally important matters.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. DOWNEY) to the amendment offered by the gentleman from Illinois (Mr. RUSSO).

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. Russo).

The question was taken; and on a division (demanded by Mr. Russo) there were—ayes 24, noes 50.

RECORDED VOTE

Mr. RUSSO. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 93, noes 285, not voting 54, as follows:

[Roll No. 516]

AYES—93

Addabbo	Flippo	Mottl
Alexander	Ford, Tenn.	Murphy, Ill.
Ambro	Fowler	Myers, Gary
Anderson, Calif.	Fraser	Myers, Michael
Annunzio	Ginn	Nolan
Beilenson	Gradison	O'Brien
Benjamin	Harkin	Oakar
Biaggi	Harris	Oberstar
Blouin	Hawkins	Patten
Brodhead	Heckler	Price
Buchanan	Heftel	Railsback
Burke, Calif.	Hightower	Rangel
Burleson, Tex.	Hillis	Roberts
Burton, Phillip	Hollenbeck	Rosenthal
Carr	Howard	Rostenkowski
Cederberg	Hyde	Russo
Chisholm	Jeffords	Scheuer
Cohen	Kastenmeier	Simon
Collins, Ill.	Lederer	Sisk
Conte	Leggett	Solarz
Cotter	Levitas	Spellman
Davis	Lloyd, Calif.	Stokes
Derrick	Long, La.	Tucker
Dodd	Long, Md.	Van Deerlin
Downey	Maguire	Vander Jagt
Early	Markey	Walgren
Eilberg	Meeds	Waxman
Emery	Metcalfe	Weiss
Ertel	Michel	Yatron
Fary	Mikulski	Zeferetti
Fithian	Mikva	
	Moffett	

NOES—285

Abdnor	Chappell	Flynt
Akaka	Clausen, Don H.	Foley
Ammerman	Clawson, Del	Ford, Mich.
Andrews, N.C.	Clay	Forsythe
Andrews, N. Dak.	Cleveland	Fountain
Applegate	Cochran	Frenzel
Archer	Coleman	Frey
Ashbrook	Collins, Tex.	Fuqua
Ashley	Conable	Gammage
Aspin	Corman	Gaydos
AuCoin	Cornell	Gephardt
Badham	Coughlin	Gibbons
Bafalis	Crane	Gilman
Baldus	Cunningham	Glickman
Barnard	D'Amours	Goldwater
Baucus	Daniel, Dan	Gonzalez
Bauman	Daniel, R. W.	Goodling
Beard, R.I.	Danielson	Gore
Beard, Tenn.	de la Garza	Grassley
Bedell	Delaney	Green
Bennett	Dellums	Guyer
Blanchard	Derwinski	Hagedorn
Boggs	Devine	Hall
Boland	Dickinson	Hamilton
Bonior	Dicks	Hammer-schmidt
Bonker	Dingell	Hanley
Bowen	Dornan	Hannaford
Breaux	Drinan	Hansen
Breckinridge	Duncan, Tenn.	Harsha
Brooks	Edgar	Hefner
Broomfield	Edwards, Ala.	Holland
Brown, Calif.	Edwards, Calif.	Holt
Brown, Mich.	Edwards, Okla.	Holtzman
Broyhill	English	Horton
Burgener	Erlenborn	Hubbard
Burke, Fla.	Evans, Colo.	Huckaby
Burke, Mass.	Evans, Del.	Hughes
Burlison, Mo.	Evans, Ga.	Ichord
Burton, John	Evans, Ind.	Ireland
Byron	Fascell	Jacobs
Caputo	Fenwick	Johnson, Calif.
Carney	Fish	Jones, N.C.
Carter	Fisher	Jones, Okla.
Cavanaugh	Flood	Jones, Tenn.
Jordan	Moss	Sikes
Kasten	Murphy, Pa.	Skelton
Kazen	Murtha	Slack
Kelly	Myers, John	Smith, Nebr.
Keys	Natcher	Snyder
Kildee	Neal	Spence
Kindness	Nedzi	St Germain
Kostmayer	Nichols	Staggers
Krebs	Nowak	Stangeland
LaFalce	Obey	Stanton
Lagomarsino	Ottinger	Stark
Latta	Panetta	Steed
Leach	Patterson	Steers
Lehman	Pattison	Stockman
Lent	Pease	Stratton
Livingston	Pepper	Studds
Lloyd, Tenn.	Perkins	Stump
Lott	Pickle	Symms
Lujan	Pike	Taylor
Luken	Poage	Thompson
Lundine	Pressler	Thone
McClory	Preyer	Thornton
McCormack	Pritchard	Traxler
McDade	Pursell	Treen
McDonald	Quayle	Trible
McEwen	Quillen	Udall
McFall	Rahall	Ullman
McHugh	Regula	Vanik
McKay	Reuss	Vento
McKinney	Richmond	Volkmer
Madigan	Rinaldo	Walker
Mahon	Risenhoover	Walsh
Mann	Robinson	Wampler
Marks	Roe	White
Marlenee	Rogers	Whitehurst
Marriott	Roncalio	Whitley
Martin	Rooney	Whitten
Mattox	Rose	Wiggins
Mazzoli	Rousselot	Wilson, Tex.
Miller, Calif.	Roybal	Winn
Miller, Ohio	Rudd	Wirth
Mineta	Ryan	Wolff
Minish	Santini	Wydler
Mitchell, Md.	Sarasin	Wylie
Mitchell, N.Y.	Satterfield	Yates
Moakley	Sawyer	Young, Alaska
Mollohan	Schroeder	Young, Fla.
Montgomery	Schulze	Young, Mo.
Moore	Sebelius	Young, Tex.
Moorhead, Calif.	Seiberling	Zablocki
Moorhead, Pa.	Sharp	
	Shuster	

NOT VOTING—54

Anderson, Ill.	Flowers	Quie
Armstrong	Garcia	Rhodes
Bevill	Giaimo	Rodino
Bingham	Gudger	Runnels
Bolling	Harrington	Ruppe
Brademas	Jenkins	Shipley
Brinkley	Jenrette	Skubitz
Brown, Ohio	Johnson, Colo.	Smith, Iowa
Butler	Kemp	Steiger
Conyers	Krueger	Teague
Corcoran	Le Fante	Tsongas
Cornwell	McCloskey	Waggonner
Dent	Mathis	Watkins
Diggs	Meyner	Weaver
Duncan, Oreg.	Milford	Whalen
Eckhardt	Murphy, N.Y.	Wilson, Bob
Findley	Nix	Wilson, C. H.
Florio	Pettis	Wright

The Clerk announced the following pairs:

On this vote:

Mr. Krueger for, with Mr. Le Fante against.

Mr. Jenrette for, with Mr. Dent against.

Mrs. Meyner for, with Mr. Brademas against.

Mr. Florio for, with Mr. Bevill against.

Mr. Bingham for, with Mr. Shipley against.

Mr. OTTINGER and Mr. DORNAN changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

● Mr. PICKLE. Mr. Chairman, I would like to inquire about the Federal Home Loan Mortgage Corporation's policy regarding an innovative type of loan that the Home Capital Funds, Inc., of Austin, Tex., offers. This company has requested that the Corporation recognize the acceptability of joint loans as an alternative to second mortgage loans made concurrently with senior loans purchased by the Federal Home Loan Mortgage Corporation.

The problem that my constituent faces is how the Federal Home Loan Mortgage Corporation defines mortgage. I would like to see it defined as "mortgage loan" so that the Federal Home Loan Mortgage Corporation would not deny mortgagors concurrent access to separate supplementary junior loans secured by subordinate junior liens on properties securing mortgage loans purchased by the Federal Home Loan Mortgage Corporation.

I would like to describe the type of loan that Home Capital Funds, Inc., of Austin, Tex., offers and the advantage that this type of loan affords the home buyer.

Junior loans are written for the same term as senior loans with the privilege of prepayment. Second mortgage loans are customarily written for short terms with the hazard of refinancing a balloon payment up to the borrower. One added borrower benefit: mortgage insurance companies do not seek deficiency judgments against defaulted borrowers; second mortgage lenders have no inhibition against doing so.

The loan example contemplates that total financing and total security (one or more mortgages or deeds of trust) does not exceed $75,000 and involves no legal interpretation of whether Congress intended to limit only the size of loans purchased by FHLMC or the amount of security (mortgages) as well.

The Mortgage Corporation does in fact purchase loans not exceeding $75,000 when there are second lien loans made concurrently which raise the total amount of financing above $75,000. It is only logical that if this can be done with second mortgage loans it can be done just as legally with junior loans. Junior loans purchased by a separate investor are just as separate as first and second mortgage loans. The FHLBB has established the separate junior loans are not loan participations. Also, senior and junior interests in single first liens have identical relative security positions as do first and second mortgages or deeds of trust.

Following is an illustration of how more financing may be made available to homebuyers without the senior first lien investor ever having an investment, or an exposure to loss, of over $75,000:

Property value is $100,000. Senior loan (75 percent of value) $75,000 and junior loan (15 percent of value) $15,000 which makes a total of $90,000; or 90 percent of value.

Minimum claim payment option 20 percent of $90,000 or $18,000—reduces senior investors exposure to $72,000

Home Capital Funds, Inc., was organized for the specific purpose of providing a less expensive and more equitable source of supplementary financing for homebuyers as an alternative to the disadvantages of second mortgage loans.

I believe homebuyers should have a choice, and that unless the FHLMC recognizes the merits of joint loans and permits its seller-services to offer mortgagors a choice, it is in the position of penalizing homebuyers which is not what Congress intended.

Mr. Chairman, I think this company makes a good point and I can see his problem. I would hope the committee not hold a deaf ear to this kind of consideration.●

● Mr. FAUNTROY. Mr. Chairman, I rise in support of H.R. 12433, the Housing and Community Development Amendments of 1978. I would also like to compliment Chairman ASHLEY for his diligent work in the writing of such a fine bill. I congratulate both the Chairman and our entire Committee for coming to grips with this Nation's housing problems, and know that the full House will do so as well.

This bill is not a panacea for the country's housing problems. The bill does, however, make the best use of the limited funds available. In this time of fiscal conservatism, housing often finds itself a low priority; but, it still needs to be dealt with as best as possible. This bill does just that.

As the representative of Washington, D.C., I am acutely sensitive to this country's housing needs. I am committed to the restoration and preservation of the existing housing stock in this Nation. This bill would greatly enhance that effort by expanding the section 312 loan program to aid in the rehabilitation of the homes of low- and moderate-income families in urban renewal and community development areas, and makes extensive revisions to the section 203(k) rehabilitation loan insurance program.

The handicapped and elderly also often confront additional problems in the housing market. It is especially important that they be able to live independently, in a noninstitutional setting. H.R. 12433 contains several significant improvements in the programs of the Department of Housing and Urban Development to this end. It allows the Secretary of HUD to make grants providing services to the residents of congregate housing operated by public housing authorities or nonprofit owners of section 202 projects. The passage of this bill would allow the expansion of the section 232 mortgage insurance program to permit insurance on nursing home facilities. The bill also contains a provision that at least $50 million will be spent annually on the housing needs of the handicapped. The bill authorizes a new program to aid troubled FHA-insured properties, and approves a new program aimed at providing housing for families not presently served by existing programs.

This housing bill, unlike others of the past is not an urban only bill. It vastly improves the management and program operations of the Farmers Home Administration.

I must emphasize that this bill does not attempt to solve all housing problems. In light of the funding available, such an effort is not even remotely possible. Instead, this bill seeks and does solve some of the major problems confronting a wide variety of homeowners—rural, as well as urban; middle class, as well as poor; the aged, as well as the handicapped. While it is not a solution, it is a great step in the right direction, and deserves House passage. I yield back the balance of my time.●

The CHAIRMAN. Are there any further amendments to title III?

Mr. ASHLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it has become apparent to me and to other members of the committee that there is no way in the world that we are going to be able to finish consideration of the blil before us this afternoon. Pending at the Clerk's desk are seven amendments, four of which will all be certain to consume at least 1 hour each.

That being the case, Mr. Chairman, I wonder if I could just conclude my statement by saying that because there are two bills that have been scheduled for some period of time, that will not require extensive periods of time for debate and vote, and so that these two bills can be considered this afternoon, and again because there is no way in the world of finishing the legislation before us this afternoon, I am going, Mr. Chairman, to move that the Committee do now rise.

I will reserve my motion for a moment so I may yield to the gentleman from Michigan (Mr. BROWN).

Mr. BROWN of Michigan. Mr. Chairman, I thank the gentleman from Ohio (Mr. ASHLEY) for yielding.

I would like to see us proceed to get the bill finished or it will be spread out for a long time now, but I understand the purpose of the gentleman to reach the other legislation so it may be considered.

However, at a very minimum, I think we ought to permit the reading of the amendment of the gentleman who has been recognized for that purpose.

Mr. ASHLEY. I would have no objection to that.

AMENDMENT OFFERED BY MR. ABDNOR

Mr. ABDNOR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ABDNOR: Page 42, after line 18, insert the following:

DEPARTMENTAL REORGANIZATION

SEC. 324. (a) None of the funds available to the Department of Housing and Urban Development may be obligated or expended during the fiscal year ending October 1, 1978, or October 1, 1979, for the reorganization or transfer of any function of any area, field, or insuring office which relates to multi-family housing or community planning or development and related technical services. The Secretary of such Department shall restore the Department to the organizational structure which existed prior to the reorganization announced on October 13, 1977, and there are hereby authorized to be appropriated such funds as are necessary for that purpose. In the case of any such reorganization or transfer of offices or functions which was begun prior to the effective date of this provision, the Secretary may, from those funds appropriated for the fiscal year ending October 1, 1979, expend funds to redress employees for expenses incurred as a result of that reorganization.

(b) This section shall become effective upon the date of enactment.

Mr. BROWN of Michigan (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ASHLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BOLAND) having assumed the chair, Mr. BENNETT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12433) to amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation, and related programs, and for other purposes, had come to no resolution thereon.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1609, COAL PIPELINE ACT OF 1978

Mr. SISK, from the Committee on Rules, submitted a privileged report (Rept. No. 95–1330), on the resolution (H. Res. 1252) providing for consideration of the bill (H.R. 1609), to amend the Mineral Leasing Act of 1920, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 12796, TO AMEND NATIONAL VISITOR FACILITIES ACT OF 1968

Mr. SISK, from the Committee on Rules, submitted a privileged report (Rept. No. 95–1331), on the resolution (H. Res. 1253) providing for consideration of the bill H.R. 12796, to amend the National Visitor Facilities Act of 1968, which was referred to the House Calendar and ordered to be printed.

PROVIDING FOR CONSIDERATION OF H.R. 8099, WATER RIGHTS FOR AK-CHIN INDIANS

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1187 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1187

Resolved, That upon the adoption of this resolution it shall be in order to move, sections 401(a) and 402(a) of the Congressional Budget Act of 1974 (Public Law 93–344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8099) relating to the settlement between the United States and the Ak-Chin Indian community of certain water right claims of such community against the United States. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the committee amendment in the nature of a substitute recommended by the Committee on Interior and Insular Affairs now printed in the bill as an original bill for the purpose of amendment

under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 8099, the House shall proceed to the consideration of the bill S. 1582, section 401(a) of the Congressional Budget Act of 1974 to the contrary notwithstanding, and it shall be in order in the House to move to strike out all after the enacting clause of said Senate bill and insert in lieu thereof the text of the bill H.R. 8099 as passed by the House.

The SPEAKER pro tempore. The gentleman from California (Mr. SISK) is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. DEL CLAWSON), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1187 provides for the consideration of H.R. 8099, a bill relating to water rights for the Ak-Chin Indian Tribe.

Although the rule does provide waivers, it is not particularly complex. One hour of general debate time is provided and will be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs.

This rule is completely open, allowing any germane amendment to be offered under the 5-minute rule. An amendment in the nature of a substitute recommended by the Committee on Interior and Insular Affairs and now printed in the bill will be in order as an original text for purposes of amendment. One motion to recommit with or without instructions is provided by the rule.

Upon completion of consideration of the bill H.R. 8099, it shall be in order for the House to proceed to consider the bill S. 1582, striking all after the enacting clause and inserting the text of the House-passed bill.

Waivers provided by the rule are for certain provisions of the Congressional Budget Act. Specifically, sections 401(a) and 402(a) of the Budget Act are waived to allow consideration of H.R. 8099. These sections bar the consideration of any bill which provides new contract authority unless the bill limits that authority to such extent and such amounts as are provided in appropriations acts and section 402(a) prohibits the consideration of any bill authorizing new budget authority unless the bill has been reported on or before May 15 preceding the beginning of the fiscal year in which the funds are to be available.

Section 4 of H.R. 8099, as introduced, allows the Secretary of Interior to enter into contract with the Ak-Chin Indian community for drilling construction, and repair of certain well fields on Federal lands. This contract authority is not limited by specific amounts to be included in appropriations acts and thus is in violation of the Budget Act.

Section 6 of H.R. 8099, as introduced, authorizes funds to be available upon enactment of the bill. This provision could possibly make funds available prior to the new fiscal year and thus would be in violation of section 402(a) of the Budget Act.

These waivers, however, are something of a technicality at this stage, because the Interior Committee susbstitute corrects the Budget Act violations. Nonetheless, a point of order could have been made against the consideration of the bill, because the violations remain in the bill as introduced. To avoid this possibility, the Committee on Rules provided waivers to protect consideration of the bill.

The rule also provides a waiver of section 401(a) of the Budget Act for consideration of S. 1582. The waiver is necessary for the same reasons that a waiver was necessary on the House bill.

Mr. Speaker, H.R. 8099 represents a very careful compromise which has been worked out between the U.S. Government, the Ak-Chin Indian Tribe, the State of Arizona, and the non-Indian community in the State. The bill provides the Ak-Chin Indian community with a stable water supply. In return, the tribe would waive all of its claims against the Federal Government for failure to supply water to meet the tribe's needs. The bill authorizes $43 million through fiscal year 1983 to carry out the purposes of the legislation.

Mr. Speaker, H.R. 8099 failed under suspension of the rules on May 2, 1978, by a slim margin. I would urge my colleagues to adopt House Resolution 1187 so that we may now proceed to consideration of the bill.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1187 provides for the consideration of H.R. 8099, relating to the settlement between the United States and the Ak-Chin Indian community of certain water right claims. This is an open rule providing 1 hour of debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs. The Committee substitute is made in order as an original bill for purpose of amendment under the 5-minute rule. One motion is permitted to recommit with or without instructions.

If the bill should pass, it shall be in order for the House to consider S. 1582, striking out all after the enacting clause and inserting the text of H.R. 8099 as passed by the House.

The rule further contains two waivers of the Congressional Budget Act of 1974. The first waives section 401(a) which limits new contract authority in a bill to the extent provided for in appropriation acts. Section 4 of H.R. 8099 and section 3 of S. 1582 authorize contractual agreements in violation of this act. The second waiver is of section 402(a) which prohibits new budget authority in a bill which failed to be reported before the May 15 deadline preceding the beginning of the applicable fiscal year. The committee amendment in the nature of a substitute, however, corrects the Budget Act violations.

Mr. Speaker, H.R. 8099 makes provisions to settle the water right claims of the Ak-Chin Indian community. The tribe would agree to waive all of its claims against the United States and other parties in return for the provision of a sufficient water supply.

Mr. Speaker, I know of no organized objection to the rule, and have no further requests for time.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 10587, IMPROVING RANGE CONDITIONS FOR GRAZING LANDS

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1233 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1233

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 7 of rule XIII to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10587) to improve the range conditions of the public grazing lands. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recomended by the Committee on Interior and Insular Affairs now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a subsitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from California (Mr. SISK) is recognized for 1 hour.

Mr. SISK. Mr. Speaker, prior to yielding to my colleague, the gentleman from California (Mr. DEL CLAWSON), I ask unanimous consent to correct a typographical error in the resolution on lines 7 and 8 of page 1 in accordance with what I have submitted to the desk.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. DEL CLAWSON). Pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1233 provides for the consideration of H.R. 10587 to improve the range conditions of the public grazing lands.

The rule is not complicated. It provides for 1 hour of general debate with the time equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs. It is an open rule, allowing any germane amendment to be offered under the 5-minute rule. An amendment in the nature of a substitute recommended by the Committee on Interior and Insular Affairs and now printed in the bill will be in order as an original text for purposes of amendment. One motion to recommit with or without instructions is in order.

The rule provides one waiver which waives points of order against consideration of the bill for failure to comply with clause 7 of rule XIII. This waiver is necessary, because the committee report does not contain a separate cost estimate nor did the committee state in its report that the Congressional Budget Office estimate had been accepted as that of the committee. In essence, this is a technical waiver since the committee complied with the intent of clause 7, rule XIII by including in its report the CBO cost estimate.

Mr. Speaker, the purpose of H.R. 10587 is to improve the range conditions of the public grazing lands administered by the Bureau of Land Management in the 11 Western States. The bill authorizes $360 million over the next 20 years for that purpose. These funds are to be available in addition to the regular BLM authorizations for range, wildlife, and soil and water management. Guidelines are provided in the bill to assist BLM in determining what types of range improvements can proceed prior to the development of range environmental impact statements.

The bill also establishes, on a 7-year trial basis, a fair market value grazing fee formula which is tied to the costs of beef production and beef prices. At least $10 million or 50 percent of grazing fee receipts, whichever is larger, is to be spent for range improvements to benefit wildlife and livestock.

Mr. Speaker, this bill obviously is very important to the 11 Western States directly affected by it, but it has indirect implications that are equally important to the rest of the country. Range conditions determine the number of livestock which can be supported and thus the quality and quantity of meat products available from the supermarket. An equitable grazing fee formula not only impacts the Federal Treasury but determines the price the consumer pays at the meat market. Consequently, it behooves all Americans to support improved range conditions.

Mr. Speaker, I urge the adoption of House Resolution 1233 so that we might proceed to the consideration of H.R. 10587 to improve the range conditions of the public grazing lands.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, this rule provides 1 hour of general debate for the consideration of H.R. 10587, a bill to improve the range conditions of the public grazing lands. The bill will be open to all germane amendments.

There is one technical waiver of a point of order. The committee report includes a cost estimate by the Congressional Budget Office, but there is no cost estimate by the committee as required by clause 7, rule XIII. Therefore, a waiver is necessary.

In order to preserve the normal amending process, the committee amendment in the nature of a substitute is made in order as an original bill for the purpose of amendment.

Mr. Speaker, the purpose of H.R. 10587 is to improve the range conditions of the public grazing lands. The bill provides for taking inventory of current public grazing lands conditions. Under the bill protection of wild free-roaming horses and burros will continue, while at the same time necessary thinning of their herds is facilitated. The bill provides for the setting of appropriate fees for public grazing use.

Mr. Speaker, this bill includes an authorization of $15 million annually for fiscal years 1979–82.

Mr. Speaker, H.R. 10587 came out of the Committee on Interior and Insular Affairs by a voice vote. The Rules Committee reported the rule by a voice vote.

I support the rule so that the House may proceed to consider the bill.

Mr. Speaker, I have no further requests for time, and I reserve the remainder of my time.

Mr. SISK. Mr. Speaker, I have no further requests for time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

WATER RIGHTS FOR AK-CHIN INDIANS

Mr. RONCALIO. Mr. Speaker, I call up the bill (H.R. 8099) relating to the settlement between the United States and the Ak-Chin Indian community of certain water right claims of such community against the United States, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

The Clerk read the bill, as follows:

H.R. 8099

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Congress hereby declares that it is the policy of Congress to resolve, without costly and lengthy litigation, the claims of the Ak-Chin Indian community for water based upon failure or alleged failure of the United States to meet its trust responsibility to the Indian people provided reasonable settlement can be reached.

(b) The Congress hereby finds and declares that—

(1) the Ak-Chin Indian community relies for its economic sustenance on farming, and that groundwater, necessary thereto, is declining at a rate which will make it uneconomical to farm within the next few years;

(2) at the time of the establishment of the reservation, it was the obligation and intention of the United States to provide water to the Ak-Chin Indian Reservation, and such obligation remains unfulfilled this day;

(3) it is likely that the United States would be held liable for its failure to provide water and for allowing groundwater beneath the reservation to be mined by nearby non-Indians;

(4) this Act is proposed to settle the Ak-Chin Indian community's claim for water by delivering water in exchange for a release of all claims such community has against the United States for failing to act consistently with its trust responsibility in the protection and delivery of the water resources of the community;

(5) there exists a critical situation at Ak-Chin in that there is not sufficient economically recoverable groundwater beneath the reservation to sustain a farming operation until a permanent source of surface water can be delivered; and

(6) that it is the intention of this Act not to discriminate against any non-Indian land owners or other persons, but to fulfill the historic and legal obligations of the United States toward the Ak-Chin Indian community.

SEC. 2. The Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized and directed to pump and deliver one hundred thousand acre-feet of groundwater from nearby Federal lands to the Ak-Chin Indian community to enable the community to farm all its practicably irrigable acreage, except that if the Secretary determines that pumping such an amount will (1) significantly damage other interests, or (2) adversely affect groundwater basins, the Secretary may deliver less than such one hundred thousand acre-feet but in no event less than seventy thousand acre-feet. Such water shall be delivered annually until such time as a permanent supply of surface water can be delivered, and as such permanent surface water is delivered, the obligation to deliver groundwater by this section shall be reduced by a like amount to the end that the delivery of such groundwater shall no longer be required. The Secretary is authorized to receive, consider, and pay any claim received by him arising under this section from water users other than the AK-Chin Indian community for any losses or other expenses incurred by such users by reason of enactment of this Act.

SEC. 3. To accomplish the pumping and delivery of water, the Secretary is directed to undertake such engineering and hydrological studies as may be necessary to insure a reasonably stable source of ground water which can be taken with minimum adverse effect on the present users of groundwater in nearby areas: *Provided,* That such studies shall be completed within one year from the date of enactment of this Act.

SEC. 4. Upon completion of the studies authorized in section 3, but not later than one year from the date of enactment of this Act, the Secretary shall enter into a contract or other agreement with the Ak-Chin Indian community pursuant to which the Secretary shall agree, on behalf of the

United States, to take such action as may be necessary to drill, construct, equip, maintain, repair, reconstruct and operate a well field on such Federal lands. In addition to the drilling, construction, equipping, maintenance, repair, and reconstruction of such wells, the Secretary shall agree to construct and maintain a distribution system including canals, pumping stations, and other appurtenant works, sufficient to provide for the distribution of such water from such Federal lands to the lands comprising the Ak-Chin Indian Reservation.

SEC. 5. As consideration for the actions by the Secretary in section 4, the Ak-Chin Indian community would agree effective upon the delivery of one hundred thousand acre-feet of water annually or such amounts as the Secretary determines under section 2 to the reservation, to waive any and all claims which it might have against the United States for the alleged failure of the United States to protect or otherwise assert the water rights of the Ak-Chin Indian Reservation, including both groundwater and surface water from time immemorial to the present.

SEC. 6. There are hereby authorized to be appropriated such sums as may be necessary to enable the Secretary to carry out the provisions of this Act, and any contract or agreement entered into pursuant to this Act by the Secretary with Ak-Chin Indian community.

COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

The SPEAKER pro tempore. The Clerk will report the committee amendment in the nature of a substitute.

The Clerk read as follows:

Committee amendment in the nature of a substitute: Strike out all after the enacting clause and insert:

That (a) the Congress hereby declares that it is the policy of Congress to resolve, without costly and lengthy litigation, the claims of the Ak-Chin Indian community for water based upon failure of the United States to meet its trust responsibility to the Indian people provided reasonable settlement can be reached.

(b) The Congress hereby finds and declares that—

(1) the Ak-Chin Indian community relies for its economic sustenance on farming, and that ground water, necessary thereto, is declining at a rate which will make it uneconomical to farm within the next few years;

(2) at the time of the settlement of the reservation, it was the obligation and intention of the United States to provide water to the Ak-Chin Indian Reservation, and such obligation remains unfulfilled;

(3) it is likely that the United States would be held liable for its failure to provide water and for allowing ground water beneath the reservation to be mined;

(4) there exists a critical situation at Ak-Chin in that there is not sufficient economically recoverable ground water beneath the reservation to sustain a farming operation until a permanent source of water suitable for irrigation on the resevation can be delivered;

(5) this Act is proposed to settle the Ak-Chin Indian Community's claim for water by meeting the emergency needs of the Ak-Chin community through construction of a well field and water delivery system from nearby Federal lands and by obligating the United States to meet the Ak-Chin community's needs for a permanent supply of water in a fixed amount to be available upon a date certain, in exchange for a release of all claims such community has against the United States for failing to act consistently with its trust responsibility to protect and deliver the water resources of the community; and

(6) it is the intention of this Act not to discriminate against any non-Indian landowners or other persons, but to fulfill the historic and legal obligation of the United States toward the Ak-Chin Indian community.

SEC. 2. (a) For the purposes of this Act, the Secretary of the Interior (hereinafter referred to as the "Secretary") shall undertake engineering and hydrological studies as may be necessary to determine whether there exists, on Federal lands near the Ak-Chin Indian Reservation, a source of ground water which could be taken, on an annual basis, for use in connection with any contract entered into pursuant to subsection (b) of this section, subject to the provisions in (c)(2). Such studies shall be completed and a report with respect thereto submitted to the Congress within twelve months after the date of the enactment of this Act.

(b) Within one hundred and eighty days following the submission to the Congress of the report referred to in subsection (a), the Secretary, if he determines that there exists a source of ground water which can be so taken on an annual basis, shall enter into a contract or other agreement with the Ak-Chin Indian community pursuant to which the Secretary shall agree, on behalf of the United States, to—

(1) furnish, subject to the provisions of clause (2) of subsection (c) of this section, to the Ak-Chin Indian community, commencing within sixty days following the completion of the necessary facilities under clause (2) of this subsection but in no event later than four years from the date of said contract, the delivery to the southeast corner of the lands comprising the Ak-Chin Indian Reservation, on an anual basis, of eighty-five thousand acre feet of ground water from nearby Federal lands covered by such studies;

(2) take such action as may be necessary to begin within sixty days following the date of such contract, to drill, construct, equip, maintain, repair, reconstruct, and operate a well field on such Federal lands, and to construct and maintain a delivery system, including canals, pumping stations and other appurtenant works, sufficient to provide for the delivery of such ground water from such Federal lands to the southeast corner of the lands comprising the Ak-Chin Indian Reservation.

(c)(1) The delivery of ground water under clause (1) of subsection (b) shall continue until augmented or replaced by the permanent water supply required under section (3) to be delivered to the Ak-Chin Indian Reservation, except that the obligation to deliver ground water during any year shall be reduced for that year by an amount equal to the amount of surface water delivered to such community pursuant to such contract during such year.

(2) Notwithstanding the provisions of clause (1) of subsection (b) of this section, the Secretary, if he determines that pumping eighty-five thousand acre feet of ground water annually from nearby Federal lands to the Ak-Chin community would (a) not be hydrologically feasible or (b) diminish the ground water supply in the basin and thereby cause severe damage to other water users; may deliver a lesser amount.

(d) The Secretary is authorized to receive, consider, and pay any claims arising under this Act from water users other than the Ak-Chin Indian community for compensation for any losses or other expenses incurred by such users by reason of the enactment of this Act or actions taken thereunder.

(e) Notwithstanding any other provision of this Act, if the Secretary determines, on the basis of studies conducted pursuant to subsection (a) of this section, that the pumping on an annual basis of any such ground water pursuant to clause (1) of subsection (b) of this section in excess of sixty thousand acre feet is not possible by reason of clause (2) of subsection (c), and the Ak-Chin Indian community does not agree to contract for a lesser amount, the Secretary shall report to the Congress an alternative plan for meeting the emergency needs of the Ak-Chin Indian community. Such alternative plan shall be submitted to the Congress within one hundred and eighty days following the submission of the report referred to in subsection (a).

SEC. 3. In addition, and as a part of the contract referred to in section 2(b) of this Act, the Secretary shall provide for, commencing as soon as possible, but in no event later than the expiration of the twenty-five-year period following the date of the enactment of this Act, the permanent delivery, on an annual basis, to the lands comprising the Ak-Chin Indian Reservation, of eighty-five thousand acre feet of water suitable for irrigation on the reservation.

SEC. 4. (a) As consideration on the part of the Ak-Chin Indian community for entering into any contract or agreement pursuant to section 2(b), the Ak-Chin Indian community shall agree to waive, in a manner satisfactory to the Secretary, any and all claims of water rights or injuries to water rights of the Ak-Chin Indian community, including both ground water and surface water from time immemorial to the present, which it might have against the United States, the State of Arizona or agency thereof, or any other person, corporation, or municipal corporation, arising under the laws of the United States or the State of Arizona.

(b) As further consideration on the part of the Ak-Chin Indian community for entering into any contract or other agreement pursuant to section 2(b), the Ak-Chin Indian community shall agree to waive any and all claims of water rights or injuries to water rights, including both ground water and surface water, arising under the laws of the United States or the State of Arizona, which it might have in the future against any person, corporation, municipal corporation, or the State of Arizona or agency thereof.

(c) Notwithstanding the provisions of subsections (a) and (b) of this section, the community will not thereby waive any claims against the United States for breach, if any, of the contract referred to in section 2(b) of this Act. A failure to deliver water within the times specified in either sections 2(b) or 3 shall be deemed a breach of the contract. The measure of damages for any such breach shall be the replacement cost of water not delivered by the United States.

SEC. 5. There are authorized to be appropriated for the fiscal year ending September 30, 1979, the sum of $500,000, and the aggregate sum of $42,500,000 to be appropriated prior to the fiscal year ending September 30, 1983, for carrying out the purposes of section 2 of this Act. Notwithstanding any other provisions of this Act, no authorization to make payments under this Act, or to enter into contracts, shall be effective except to such extent or in such amounts as are provided in advance in appropriations Acts.

Mr. RONCALIO (during the reading). Mr. Speaker, I ask unanimous consent that the commitee amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

Mr. RONCALIO. Mr. Speaker, I move to strike the last word.

Mr. Speaker, in the interest of saving time, I shall try to avoid the duplication of that which is obvious. I would attempt to recollect your memory on the vote on this legislation not long ago in which it passed by a handsome majority. Unfortunately, it had been handled under a suspension of the rules and we have come back again under the rule.

I remind my colleagues that there are more non-Indians than there are Indians who will benefit from this legislation, because in this general area there are more non-Indians who are liable and in difficulty of having reduced water tables from Indian water on the Indian reservation.

Mr. Speaker, H.R. 8099 settles the water rights claims of the Ak-Chin Indian Community of Arizona and makes provision for meeting their temporary and permanent water needs.

The committee report explains the background and justification for this bill in some detail and I will be brief.

The Ak Chin Indians have substantial, valid claims to the use of water based upon the decision of the Supreme Court in Winters against United States and subsequent Federal case law.

In general, the so-called Winters doctrine holds that an Indian tribe has a prior and paramount right to the use of water for the purposes of their reservation and that this right dates, in time from the date of the establishment of the reservation. The right is inchoate in nature and is not lost by nonuse or passage of time. While the law is unclear as to the exact method of measurement of this right, the Supreme Court has held that one measure is the amount of water necessary to irrigate all the practicably irrigable acres of the reservation.

The United States recognized that right when it created the Ak Chin reservation in 1912, by filing notices of appropriation of 70,000 acre-feet of water per annum on behalf of the tribe. The United States subsequently failed to secure that entitlement for the tribe.

Mr. Speaker, it is a long-sought goal for Indian tribes to achieve self-sufficiency through the development of their own resources and to become independent of Federal appropriations for their benefit.

Through irrigation of only 5,000 acres of their 20,000 acre reservation, the Ak-Chin have nearly achieved that status. However, this newly won independence faces imminent ruin. Concentrated, severe mining of underground water by non-Indian irrigators surrounding the reservation has drastically lowered the water table on the reservation. Within 5 years, it will no longer be economically feasible for the tribe to continue farming.

Mr. Speaker the tribe has substantial claims arising from the right to use water. Their claims against the United States, for default on its trust responsibility, could well run into the millions of dollars.

The United States is prepared to file suit, on behalf of the tribe, against over 200 non-Indian water users for money damages and for an injunction to enjoin further pumping detrimental to the tribe. These suits will have a chilling, disastrous effect on the society and economy of the local non-Indian community.

It is the purpose of this bill to avoid the chaos such litigation would bring and to provide for the water needs of the tribe.

In brief, the bill authorizes the Secretary of the Interior, if he deems it feasible, to enter into an agreement with the Ak-Chin Tribe to provide the tribe with a temporary and a permanent supply of water. The emergency, temporary supply is to be provided by the Secretary through the development of a water field on adjacent Federal lands and through the construction of a pipeline to deliver the water to the reservation. The permanent supply is to be provided by the Secretary from any available sources.

In return for this agreement, the tribe will agree to wave all of its claims against the United States, the State of Arizona, and all other non-Indian water users.

I realize that some Members are concerned about the cost of this bill as compared with the relatively few members of the Ak-Chin Tribe. While understandable, this view is shortsighted.

The United States will benefit by avoiding possibly costly damage claims and by avoiding the necessity of appropriating money for the care of the Ak Chin Indians which is now borne by the tribe from its own tribal income.

The State and local non-Indian water users will benefit by avoiding the debilitating litigation and the considerable economic threat to the stability of the community.

The tribe will benefit by securing the water necessary to their continued progress toward tribal self-sufficiency and economic independence.

Mr. Speaker, I urge that the bill, as reported by the committee, be passed without further amendment.

The SPEAKER pro tempore (Mr. FOLEY). The Chair recognizes the gentleman from California (Mr. DON H. CLAUSEN).

Mr. DON H. CLAUSEN. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I rise in strong support of H.R. 8099.

The need for this legislation arises from the failure of the United States to act on its own stated intention to secure an adequate supply of water for the Ak-Chin Reservation at the time of its creation in 1912. This failure was compounded by inaction in view of the fact that pumping by non-Indian irrigators of ground water from under the reservation was rapidly lowering the water table. The water table, which in 1946 was approximately 40 feet below the surface, is now between 400 and 500 feet and is going down at approximately 20 feet per year. Ground water is the sole source of water for the tribe's successful farming enterprise. If pumping continues at its present rate, the Ak-Chin will be forced out of business in 5 to 8 years. Their tribal enterprise, which can be said to epitomize what is meant by Indian self-determination, would be replaced by the Federal dole.

The Department of Justice is now preparing to file an action against some 200 non-Indian defendants which would enjoin further pumping while litigation to quantify the Ak-Chin water rights goes forward. It is the cost of this litigation and the adverse economic and social consequences which it would entail that H.R. 8099 is designed to avoid.

The proposed settlement provides that in exchange for the waiver of all its past, present and future water claims against the United States and the State of Arizona and their neighboring non-Indian irrigators, the Ak-Chin will receive the commitment of the United States to deliver water in the manner and quantity specified in the bill. The cost to the United States of providing this water to the tribe will be high. H.R. 3099 authorizes $43 million for construction of a well-field and delivery system. However, this figure is not unreasonable when compared with the potential direct and indirect costs to the United States and other defendants if the Ak-Chin claims were fully litigated.

I believe there is a consensus of those who have been involved with these Indian claims that attempts to achieve comprehensive, across-the-board settlements are unrealistic and impractical. The administration has endorsed a policy of seeking solutions on a case-by-case basis. It is the position of the Interior Committee, and of our colleagues in the other body, who passed a similar Ak-Chin bill by unanimous consent, that out-of-court solutions are the most equitable and workable. The settlement in H.R. 8099 is fair and practical and its cost is not unreasonable. I therefore strongly urge the House to accept it.

Mr. UDALL. Mr. Speaker, I move to strike the requisite number of words. I rise in strong support of this legislation.

Mr. Speaker, as has been stated, this received a 256 to 138 vote when it was before us on a suspension of the rules.

Mr. Speaker, H.R. 8099 authorizes the settlement of the water rights claims of the Ak-Chin Indian community in Arizona.

The Ak-Chin community is a small Indian tribe of Papago and Pima Indians located on a 22,000 acre reservation about 30 miles south of Phoenix, Ariz. The tribe is comprised of about 350 members.

The reservation was established by executive order in 1912. At that time, the United States filed notices of appropriations of 70,000 acre-feet of water annually on behalf of the community for irrigation purposes. No further action was taken by the United States to secure that right for the tribe. All surface water which was once available to the reservation has since been diverted or otherwise appropriated, leaving the tribe dependent on ground water.

From 1912 until 1946, there was little farming development on the reservation.

However, beginning in 1946, 10,000 acres of the land was leased to non-Indians for irrigation purposes with little economic return to the Indians. At that time, the ground water table was at 50 feet and water was readily available for irrigation.

Beginning in 1960, the tribe canceled or refused to renew these leases and began its own farming operation. This enterprise has been outstandingly successful and the tribe has achieved substantial independence from Federal appropriations.

But the tribe's newly won independence is immediately threatened. Heavy mining of water by the Maricopa-Stanfield irrigation project which surrounds the reservation has lowered the water table to 400 feet. It is estimated that, within 5 years, it will no longer be economically feasible for the tribe to pump water for irrigation and they will once again become dependent upon Federal appropriations.

The tribe is not without means of relief for this situation.

They have a potentially damaging claim against the United States for its failure, as trustee, to preserve and protect the tribe's water rights. It has been conservatively estimated that this claim could cost the United States over $27 million. They also have similar damage claims against the surrounding non-Indian water users for pumping ground water detrimental to the tribe's rights and interests. In addition, they have the basis for requesting an injunction against any further pumping by non-Indian water users.

Mr. Speaker, such law suits will create havoc and chaos in the economy of this part of Arizona and will pit neighbor against neighbor in racial strife.

This volatile situation must be avoided and H.R. 8099 seeks to do so.

There are those who ask why the United States must bear the burden of settling this dispute. First, the United States defaulted on its trust responsibility to this tribe to secure and protect their right to the use of water and now may well be subject to a costly damage suit by the tribe because of this failure.

Secondly, the United States has a legal and moral responsibility to aid this tribe in achieving economic and social self-sufficiency. With little help from the United States, the tribe has done so on its own and now faces ruin. It is in the interests of the United States to prevent this from happening and avoid having these people once again becoming a charge on the U.S. Treasury.

Finally, through default on its trust obligation to the Ak-Chin Tribe and through other actions, the United States has encouraged and permitted a substantial non-Indian economic community to develop through the use of waters which the Ak-Chin claim.

Mr. Speaker, this bill embodies a delicately balanced agreement worked out between the parties. I understand that some amendments may be offered to the bill. I will strongly oppose such amendments as they will destroy this balance and force the parties back into the courts.

It is my understanding that the appropriations for this settlement would be in the form of contract authority for the Secretary of the Interior to facilitate the finalization of the agreement and that it would be a separate part of the Interior Department's budget to reflect the settlement-nature of the bill as in the case of the Alaska Native Claims Settlement Act.

I urge the Members to vote "no" on all proposed amendments other than the committee amendments and to vote "aye" on final passage.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. UDALL. Yes, I yield to my friend, the gentleman from Arizona.

Mr. RUDD. Mr. Speaker, this bill contemplates the establishment of a permanent supply of water for the Ak-Chin Indian Reservation.

The committee report, on page 6, sets out that the permanent supply of water will be composed of specified sources, including so-called additional waters from other sources.

My question is whether or not these "other sources" could include vested water rights of other water users in the State?

Mr. UDALL. Mr. Speaker, I will say to the gentleman that this bill does indeed anticipate a permanent and lasting solution to the water and economic needs of the Ak-Chin community. It is definitely not intended that the legally vested water rights of other parties will be taken by the United States to satisfy the permanent needs of the Ak-Chin community.

Mr. RUDD. Mr. Speaker, I thank the gentleman for that statement.

AMENDMENT OFFERED BY MR. CUNNINGHAM TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. CUNNINGHAM. Mr. Speaker, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. CUNNINGHAM to the committee amendment in the nature of a substitute: On page 9, line 5 strike "receive, consider, and pay" and insert in lieu thereof "receive and consider".

Mr. CUNNINGHAM. Mr. Speaker, I offer this amendment with the knowledge that the manager of the bill and also the sponsor of the bill are aware that it is not too offensive to the language of the original bill.

When I took the well a month ago to oppose passing this bill under suspension, I did urge that if there was continued serious concern—and I know that the sponsors and the principals are sincerely concerned in all respects—the bill be brought back under an open rule and the body be afforded an opportunity to work its will.

In the basic original bill there is language which states that the Secretary is hereby authorized to receive, consider, and pay any claims which might arise from the fulfillment of this delivery of water to the Ak-Chins through a reduction of well supply to adjoining pumps of the same aquifer.

My amendment simply says that the Secretary will receive and consider those claims, and it does not mandate that he pay them, because that, I feel, would be a bottomless liability.

So, Mr. Speaker, I am particularly concerned that we take that mandate off the Secretary, and that we afford the normal judicial review process for people who feel they have been damaged, and I urge support of this amendment.

Mr. RONCALIO. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. I will certainly yield to the chairman of the subcommittee.

Mr. RONCALIO. Mr. Speaker, I appreciate the gentleman's yielding.

There are often occasions for an interpretation of words that may have different legal effects, but basically we feel we can live with this amendment. It adds to the legislation, and we are happy to accept it.

Mr. UDALL. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the chairman of the committee.

Mr. UDALL. Mr. Speaker, I agree with the gentleman from Wyoming. The amendment is acceptable to me, and I appreciate the gentleman's offering it.

Mr. DON H. CLAUSEN. Mr. Speaker, if the gentleman will yield, I wish to state that we are happy to accept the amendment.

Mr. RUDD. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I rise in support of H.R. 8099 which will permanently resolve the water problems of both the Ak-Chin Indians, in Arizona.

This legislation will avoid unnecessary, protracted litigation by the U.S. Government in behalf of the Ak-Chin Indians, which would cause hundreds of millions of dollars of economic damage to non-Indians in the area. Without the legislation non-Indian farmers of the 108,000 acres of prime, highly productive farmland served by the Maricopa-Stanfield Irrigation and Drainage District would be the most severely hurt.

They would immediately suffer decreased market values and marketability of their land, and would be unable to obtain short-term and long-term financing to conduct business.

Further, the bonding capacity of the drainage district, municipalities, and municipal corporations in the area would be threatened by the cloud that litigation would place on ground water supplied in central Arizona.

In this part of my district, there are one existing copper mine, two proposed mines, a city of 20,000 people, and more than a dozen smaller communities.

Thus, the legislation will benefit a large geographic area outside the Indian reservation boundaries.

I believe that the cost of this legislation is reasonable in light of the claims that the U.S. Government is prepared to make against the current water users in behalf of the Ak-Chin Indians.

These claims based on a conservative price of $10 per acre-foot of water lost,

could total in excess of $40 million for the last 10 years alone.

We must assume that damages would probably also be awarded for non-Indian water use over a much longer period. The Indian claims actually cover the past three decades and this alone insures the virtual bankruptcy of the affected water users and rippling economic losses across central Arizona.

The major benefit of this legislation, apart from purely economic considerations which are enormously important, is that it will insure continued harmony and economic cooperation that have characterized past dealings between the productive enterprise oriented Ak-Chin Indians and their non-Indian neighbors.

Mr. Speaker, I urge passage of H.R. 8099 and in the form as reported by the Committee on Interior and Insular Affairs.

H.R. 8099 is the product of lengthy and complex negotiations between the Ak-Chins, their non-Indian neighbors and the U.S. Government to settle rights and liabilities to and for the use of water without having to go through the lengthy and costly process of protracted litigation which is otherwise inevitable. Any amendment of H.R. 8099 would render these settlement efforts meaningless and throw the matter into the courts to the detriment of everyone involved, including the U.S. Government.

The bill has the support of the non-Indian community of Arizona. The Maricopa-Stanfield Irrigation and Drainage District, which consists of the non-Indian farmers around the Ak-Chin Indian Reservation, has stated in correspondence to me:

The economic threat to our District and the surrounding communities would likely be felt immediately, and not just after such litigation would be concluded. Substantial questions about water supplies could adversely affect the farmers' ability to obtain financing, both short term and long term, could decrease the marketability of the lands in our District and elsewhere and could easily have an adverse effect on the District's bonding capacity as well as the capacity of other municipalities and municipal corporations in the area. Several copper mining developments in the vicinity could also be adversely impacted by the cloud the litigation would place on ground water supplied in the area. In the meantime, the Indians tell us that their water supply will fail before the Central Arizona Project can deliver water to the Reservation. Thus, having to resort to litigation will do substantial injury to their non-Indian neighbors without providing a solution to the Indians' problems within the time frame that is critical.

Do not be misled as to the costs of this bill. It is not a matter of dividing Indians into dollars, but rather a matter of investment in acres. The bill would result in a capital investment of $2,000 per acre for 22,000 acres of Reservation lands which are susceptible to agricultural production. The Ak-Chins are now successfully realizing a $200 per acre profit on their lands now under cultivation. A 10 percent return on investment each year is a very successful investment.

If you do wish to consider dollars per person under this bill, then the appropriate calculation is one which includes all who will benefit, which number well in excess of the 3,000 people who own, operate and work on the farms and in the communities of the immediate area. In view of the potential economic devastation that a lawsuit of the kind and extent that is inherent in the case of the Ak-Chins versus their non-Indian neighbors, which would come about because of the Federal Government once again failing to live up to its end of a bargain struck with the Indians, this is a small price to pay not only in terms of dollars, but in terms of the well being of a large number of citizens who have put their lives and hard-earned dollars on the line.

H.R. 8099 will provide both the Ak-Chins and non-Indians with what they need most: Water. It will resolve the problems of both the Indians and the non-Indians as they themselves want it to be resolved. Unlike most bills we have had before us, this bill was worked out through negotiation and is what all the people involved want. I urge you to support this worthy effort and the first step toward the type of solution that should be the basis of our dealings with the Indian communities of our country—one agreed to by all parties involved.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Washington (Mr. CUNNINGHAM), to the committee amendment in the nature of a substitute.

The amendment to the committee amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. CUNNINGHAM AS A SUBSTITUTE FOR THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. CUNNINGHAM. Mr. Speaker, I offer an amendment as a substitute for the committee amendment in the nature of a substitute.

The SPEAKER pro tempore. The Clerk will report the amendment offered as a substitute for the committee amendment in the nature of a substitute.

Mr. RONCALIO. Mr. Speaker, before the amendment is read, let me state that as it is now being offered, this amendment appeared in the CONGRESSIONAL RECORD at page 13965 on May 16, 1978. Therefore, I ask unanimous consent that it be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

(The amendment offered by Mr. CUNNINGHAM as a substitute for the committee amendment in the nature of a substitute is as follows:)

Strike out all after the enacting clause and insert in lieu thereof the following:

That the Congress hereby finds and declares that—

(1) the Ak-Chin Indian community wishes to increase its irrigated acreage substantially;

(2) the water table in the area in and around the Ak-Chin Indian Reservation has been dropping steadily in recent years, making increased irrigation water harder to find;

(3) delays in the completion of the Central Arizona Project have complicated the supplying of water from it to the Ak-Chin community;

(4) no specific amount of water or schedule for delivery of water for irrigated agriculture was promised or implied by the 1912 Executive Order settling up the Reservation, or by any other law or regulation;

(5) the Ak-Chins have been successful in making a profit from farming approximately 5,000 acres under irrigated cultivation;

(6) assistance in providing the Ak-Chin Indians, as citizens of the United States, with cost-effective means for irrigating more acres is in the national interest.

SEC. 2. (a) The Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") is authorized to make loans to the Ak-Chin Indian community in accordance with this section for the purposes of locating commercially recoverable ground water on the Ak-Chin Indian Reservation and developing an irrigation system for farmlands on such Reservation.

(b)(1) The proceeds of loans made under this section shall be used only for—

(A) making such engineering and hydrological studies as may be necessary to determine the location on the Ak-Chin Indian Reservation of commercially recoverable ground water; and

(B) drilling, constructing, equipping, maintaining, repairing, reconstructing, and operating a well field and a water delivery system on the Ak-Chin Indian Reservation in accordance with the findings of such studies which are capable of suppling water, in an amount not to exceed forty thousand acre feet annually, for the irrigation of lands on such reservation.

(2) For purposes of this Act ground water is "commercially recoverable" if—

(A) its recovery can be justified on a commercial basis, taking into consideration the costs of its recovery and the benefits that will result from its use, and

(B) its recovery will not diminish the ground water supply so as to cause severe damage to water users on neighboring lands.

(c) Loans under this section shall be made pursuant to a contract or other agreement between the Secretary and the Ak-Chin Indian community setting forth the same repayment terms as are provided in section 5(c) of the Small Reclamation Projects Act of 1956 (43 U.S.C. 422e(c)), and such other provisions as the Secretary deems necessary to provide assurance of prompt repayment of the loan.

SEC. 3. If it is determined from the studies made under section 2(b)(1)(A), or at any later time, that there is not a quantity of commercially recoverable ground water on the Ak-Chin Indian Reservation which, when added to water provided from other sources, is sufficient for the farming needs of the Ak-Chins on such Reservation, the Secretary shall report to the Congress a plan for providing loans to the Ak-Chin community to connect the Maricopa-Stanfield Water District, Pinal County, Arizona, with such Reservation for the purpose of satisfying such needs. Such plan shall be submitted to the Congress within 180 days after any such determination.

SEC. 4. There is authorized to be appropriated an amount not to exceed $10,000,000 for the purposes of section 2 of this Act.

The SPEAKER pro tempore. The gentleman from Washington (Mr. CUNNINGHAM) is recognized for 5 minutes in support of his amendment.

Mr. CUNNINGHAM. Mr. Speaker, this amendment is in the form of a substitute. As the Members may understand already, the bill contains a $45 million bribe. How do we get into this? We got into this when our good old Department of Justice came down, and threatened the surrounding neighbors of the Ak-Chin Reservation with legal action to

claim what they contended to be a right in perpetuity to have all of the water they needed, without any questions of how they would share with their neighbors. A program has been proposed of 100 miles of 54-inch pipeline to pump water from not so nearby Federal lands and thereby provide the Ak-Chin Indians, who are a good, industrious tribe with 85,000 acre-feet of water per year.

Just imagine, we have an agricultural area in Arizona of approximately 140,000 square acres. In the midst of this 140,000 square acres there sits a 20,000-acre oasis, or reservation, of which 5,000 acres are presently irrigated with well water being pumped. The Ak-Chin Indians have already been granted, under the Central Arizona project, some approximately 58,000 acre-feet of water in perpetuity. They do not have to give up any at the time they are pumping water from their own wells. Non-Indian farmers, who are also U.S. citizens, do not have that privilege. That is the point which really shocks me, because here we are again, dealing with U.S. citizens, native Americans, and just good old came-across-in-the-boat American but with one group claiming different rights.

This amendment simply says we will loan them, as we would any farming area, $10 million with which they can sink, three to four wells, at approximately 1,800 feet. This is similar to what is being done now, and they will have approximately 40,000 acre-feet of water a year.

It is interesting, in talking to the well-drilling companies in that area, that they feel that the total cost of those wells will be in the neighborhood of $3 million. Yet in my amendment I am proposing $10 million, because I want to make sure they have not come in and with inflation, find it is not enough.

I do not think it is too much to ask of this body, in recognition that we do have people who need water, both Indians and non-Indians, that those who happen to be Indians live by the rules that all citizens do. With $10 million, according to the best information I have been able to get, they will have enough water to continue to be successful farmers. I have spoken with the manager of the irrigation district surrounding Ak-Chin, I have spoken with the well-drilling company, I have spoken with the council chairman, I have spoken with Ak-Chins themselves—no one has seriously questioned the fact that they can, with these wells and central Arizona project allocation, deliver all of the water they need. And, frankly, I think it is time that this body come to grips with the problem of what we are going to do to stop this continuation of dual classes of U.S. citizenship and have everybody live by the rules.

Mr. Speaker, I understand the concern of the non-Indians living in the immediate area, having the U.S. Department of Justice standing there poised, ready to spring on them. I think that this body—and I am comfortable enough with the legislative process—has the guts to face up to this issue, to provide a valid and viable alternative and, in the meantime, let everybody live as one.

Mr. UDALL. Mr. Speaker, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Speaker, this is the only amendment remaining of which I am aware. If we can dispose of this amendment, I think we can conclude action on this bill.

Mr. Speaker, the subcommittee headed by the great gentleman from Wyoming (Mr. RONCALIO) and our full committee very carefully, over a long period of time, worked out this legislation, a satisfactory solution for the Indian and non-Indian. The Senate of the United States, the other body, has acted on this legislation; and it would be very unwise at this late date to come along with a complete rewrite of the bill and completely restructure the bill, which would do violence to everything which the bill seeks to accomplish.

Mr. Speaker, let me just briefly tell the Members why we are in this position. Back in 1912 the United States established this Indian reservation. When we did we filed a notice that we were appropriating 70,000 acre-feet of water so that the Indians in this hot desert country would have water to go along with the land.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Washington.

Mr. CUNNINGHAM. Mr. Speaker, could the gentleman tell us where specifically he finds this 70,000-acre-foot allocation? As the gentleman and I both know, this reservation was created by Executive order. There was a mandate by the following Congress, in 1914, that a report be filed.

However, we cannot find a specific recommendation of 70,000 acre-feet.

Mr. UDALL. We have it documented in the report. I will get the gentleman the information, although I do not have it at this moment. However, the United States notice of appropriation of 70,000 acre-feet so that they would have some water to go with the reservation. Nothing was done in furtherance of that. The United States filed the notice, and they did nothing further.

In the meantime, over the last 50 or 60 years, the nearby non-Indians have been pumping away the water, the level of which has gone down from 50 feet to 400 feet.

Mr. Speaker, these Indians are doing very well. This is a self-supporting Indian tribe taking care of their own land. They are not on welfare.

What is being said here, Mr. Speaker, is, "Dear friends, to get your water, you have gone from 50 feet down to 400 feet. We are going to loan you some money so you can go to 600 or 800 feet."

Admittedly, it is going to be very expensive, but the water is going to run out anyway. Therefore, Mr. Speaker, the very well-thought-out process we have in this bill will get them a permanent water supply from Federal lands nearby, lands owned by the United States. We have worked it out very carefully.

Mr. Speaker, again, I hope this amendment will be defeated.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield further?

Mr. UDALL. I yield to the gentleman from Washington.

Mr. CUNNINGHAM. Mr. Speaker, I am sure the gentleman from Arizona (Mr. UDALL) is aware that with 140,000 acres, both Indians and non-Indians are presently pumping that water and they are presently pumping it only at the rate of 20 feet a year.

I am sure the gentleman is further aware that the central Arizona project, in spite of the administration, should have water there by 1985.

Mr. UDALL. That is very questionable, speculating as to how much water the Ak-Chin Indians are going to get out of central Arizona.

Mr. CUNNINGHAM. The gentleman will agree that there has been guaranteed a minimum of 60,000 acre-feet and a maximum of 100,000; is that not correct?

Mr. UDALL. This does not take the place of the kind of permanent water supply provided for in this bill.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Arizona.

Mr. RUDD. Mr. Speaker, I just want to set up a colloquy, if I may, and I will ask for additional time if necessary.

With reference to the gentleman's reference that the wells are now at 400 feet, they are really down to 600 feet in some places, according to the testimony that we have received and also according to the facts presented to the committee.

Furthermore, deeper wells will cause a sinking of the land and a breaking and cracking of the canal ditches on the currently irrigated land, and any further irrigation would be extremely difficult, if not impossible; is that not correct?

Mr. UDALL. The gentleman is right.

The amendment of the gentleman from Washington (Mr. CUNNINGHAM) gives them nothing. It is a shell game. They are not going to get an adequate supply of water; and an Indian reservation which is now self-sustaining is going to be back on welfare.

Mr. RUDD. Mr. Speaker, I agree with the gentleman.

That is what this is all about. These people have demonstrated their ability not to go on welfare and are proud of that fact.

Mr. Speaker, if the gentleman will yield further, I have here a wire from the Arizona Cotton Grower's Association president, which may throw some light on what we are talking about here.

Mr. Speaker, I will include it in the RECORD later.

It does indicate that the bill provides a very practical solution to the problem instead of having the lawsuit which would take place if this does not happen in the way in which it was carefully worked out. I agree that the courts of law are the place in which to settle disputes that cannot be settled otherwise, but if they can be settled just by what has been done here, that is a far better way to go.

The SPEAKER pro tempore. The time of the gentleman from Arizona (Mr. UDALL) has expired.

(On request of Mr. RUDD and by unanimous consent, Mr. UDALL was allowed to proceed for 2 additional minutes.)

Mr. RUDD. Mr. Speaker, will the gentleman yield further?

Mr. UDALL. I yield to the gentleman from Arizona.

Mr. RUDD. With the additional time, I would like to read this very short communication:

The Ak Chin Indian water bill would resolve water problems of both Indians and non-Indians in the area. The bill would provide a practical solution to Winter's doctrine water claims of the Ak Chin Indian community and would benefit the entire non-Indian community that surrounds this reservation. It would remove a cloud on non-Indian water rights and remove the threat of multi-million dollar litigation which could bankrupt the area. This legislation is consonant with our association resolution which was sent to you on March 7, 1978 with attached copies of correspondence we have had with the Department of Interior concerning the resolution.

What we are really saying is that this community is going to be affected in the nature of perhaps a billion dollars within the next year if this lawsuit is to take effect, and the settlement is not arranged for now.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Washington.

Mr. CUNNINGHAM. Mr. Speaker, I do thank very much the sponsors of the bill for extending me the courtesy of working with me. My real concern is that it was interesting when the gentleman discussed the fact that the ground water is not going to be there in perpetuity. I hope that some day this body takes a look at what we are doing to the average U.S. citizen when we placate those with special rights, because some day, if what the gentleman says is true, the wells are going to go dry, and then we are going to have non-Indian U.S. citizen farmers in this adjoining 120,000 acres back here looking for help also.

Mr. UDALL. I thank the gentleman for his concern, and I urge that the amendment be defeated.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Washington (Mr. CUNNINGHAM) as a substitute for the committee amendment in the nature of a substitute.

The amendment offered as a substitute for the committee amendment in the nature of a substitute was rejected.

The SPEAKER pro tempore. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the bill and amendments thereto.

There was no objection.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. CUNNINGHAM) there were—ayes 24; noes 3.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 292, nays 80, not voting 60, as follows:

[Roll No. 517]

YEAS—292

Abdnor	Downey	Levitas
Addabbo	Drinan	Livingston
Akaka	Duncan, Oreg.	Lloyd, Calif.
Alexander	Duncan, Tenn.	Lloyd, Tenn.
Ambro	Early	Long, La.
Ammerman	Edgar	Long, Md.
Anderson, Calif.	Edwards, Ala.	Lott
	Edwards, Calif.	Lundine
Andrews, N.C.	Eilberg	McClory
Andrews, N. Dak.	Emery	McCormack
	Erlenborn	McDade
Annunzio	Ertel	McEwen
Applegate	Evans, Colo.	McFall
Aspin	Fary	McHugh
Bafalis	Fascell	McKay
Baldus	Fisher	McKinney
Barnard	Fithian	Madigan
Baucus	Flippo	Maguire
Beard, R.I.	Flood	Mahon
Bedell	Ford, Mich.	Mann
Beilenson	Ford, Tenn.	Markey
Benjamin	Fountain	Marks
Bennett	Fowler	Marlenee
Biaggi	Frenzel	Marriott
Blanchard	Frey	Mazzoli
Blouin	Fuqua	Meeds
Boggs	Gammage	Metcalfe
Boland	Garcia	Mikulski
Bolling	Gephardt	Mikva
Bonior	Giaimo	Miller, Calif.
Bonker	Gibbons	Mineta
Bowen	Gilman	Minish
Breckinridge	Ginn	Mitchell, Md.
Brodhead	Glickman	Mitchell, N.Y.
Brooks	Goldwater	Moakley
Broomfield	Gonzalez	Moffett
Brown, Mich.	Gore	Mollohan
Broyhill	Green	Moorhead, Pa.
Buchanan	Gudger	Moss
Burgener	Guyer	Murphy, Ill.
Burke, Calif.	Hagedorn	Murphy, N.Y.
Burke, Mass.	Hall	Murphy, Pa.
Burleson, Tex.	Hamilton	Myers, John
Burlison, Mo.	Hanley	Myers, Michael
Burton, John	Hannaford	Natcher
Burton, Phillip	Harkin	Neal
Byron	Harris	Nedzi
Caputo	Harsha	Nichols
Carney	Hawkins	Nowak
Carr	Hefner	O'Brien
Carter	Heftel	Oakar
Cavanaugh	Hightower	Oberstar
Cederberg	Hillis	Obey
Chappell	Hollenbeck	Ottinger
Chisholm	Holtzman	Panetta
Clausen, Don H.	Howard	Patterson
	Hubbard	Pattison
Clawson, Del	Huckaby	Pease
Cochran	Hyde	Pepper
Cohen	Jeffords	Perkins
Coleman	Jenrette	Pickle
Collins, Ill.	Johnson, Calif.	Pike
Conable	Jones, N.C.	Poage
Conte	Jones, Tenn.	Pressler
Corman	Jordan	Preyer
Cornell	Kasten	Price
Cotter	Kastenmeier	Pritchard
D'Amours	Kazen	Pursell
Danielson	Kemp	Quayle
Davis	Keys	Quillen
Delaney	Kildee	Rahall
Dellums	Kostmayer	Rangel
Derrick	Krebs	Regula
Derwinski	LaFalce	Reuss
Devine	Leach	Rhodes
Dicks	Lederer	Richmond
Dodd	Lehman	Rinaldo
Risenhoover	Sisk	Vanik
Roberts	Skelton	Vento
Roe	Slack	Volkmer
Rogers	Solarz	Walgren
Roncalio	Spellman	Walsh
Rooney	Spence	Wampler
Rose	St Germain	Waxman
Rosenthal	Staggers	Weiss
Rostenkowski	Stangeland	White
Roybal	Stanton	Whitley
Rudd	Stark	Whitten
Russo	Steed	Wilson, Bob
Sarasin	Steers	Wirth
Sawyer	Stokes	Wolff
Scheuer	Studds	Wright
Schroeder	Thompson	Young, Alaska
Sebelius	Thornton	Young, Mo.
Seiberling	Tucker	Young, Tex.
Sharp	Udall	Zablocki
Shuster	Ullman	Zeferetti
Sikes	Van Deerlin	
Simon	Vander Jagt	

NAYS—80

Archer	Forsythe	Moorhead, Calif.
Ashbrook	Gaydos	Murtha
Ashley	Goodling	Myers, Gary
AuCoin	Gradison	Patten
Badham	Grassley	Robinson
Bauman	Hammer-schmidt	Rousselot
Beard, Tenn.	Hansen	Ryan
Breaux	Heckler	Satterfield
Burke, Fla.	Holt	Schulze
Cleveland	Hughes	Smith, Nebr.
Collins, Tex.	Ichord	Snyder
Coughlin	Ireland	Stockman
Crane	Jacobs	Stratton
Cunningham	Jones, Okla.	Symms
Daniel, Dan	Kelly	Taylor
Daniel, R. W.	Kindness	Thone
de la Garza	Lagomarsino	Treen
Dingell	Lent	Trible
Dornan	Lujan	Walker
Edwards, Okla.	Luken	Whitehurst
English	McDonald	Wiggins
Evans, Del.	Martin	Wydler
Evans, Ga.	Mattox	Wylie
Evans, Ind.	Michel	Yatron
Fenwick	Miller, Ohio	Young, Fla.
Fish	Montgomery	
Flynt	Moore	
Foley		

NOT VOTING—60

Anderson, Ill.	Fraser	Rodino
Armstrong	Harrington	Runnels
Bevill	Holland	Ruppe
Bingham	Horton	Santini
Brademas	Jenkins	Shipley
Brinkley	Johnson, Colo.	Skubitz
Brown, Calif.	Krueger	Smith, Iowa
Brown, Ohio	Latta	Steiger
Butler	Le Fante	Stump
Clay	Leggett	Teague
Conyers	McCloskey	Traxler
Corcoran	Mathis	Tsongas
Cornwell	Meyner	Waggonner
Dent	Milford	Watkins
Dickinson	Mottl	Weaver
Diggs	Nix	Whalen
Eckhardt	Nolan	Wilson, C. H.
Findley	Pettis	Wilson, Tex.
Florio	Quie	Winn
Flowers	Railsback	Yates

The Clerk announced the following pairs:

Mr. Shipley with Mr. Stump.

Mr. Bingham with Mr. Charles H. Wilson of California.

Mrs. Meyner with Mr. Steiger.

Mr. Florio with Mr. Ruppe.

Mr. Kruger with Mr. Whalen.

Mr. Le Fante with Mr. Milford.

Mr. Dent with Mr. McCloskey.

Mr. Brademas with Mr. Johnson of Colorado.

Mr. Bevill with Mr. Harrington.

Mr. Conyers with Mr. Cornwell.

Mr. Eckhardt with Mr. Corcoran of Illinois.

Mr. Brown of California with Mr. Butler.

Mr. Flowers with Mr. Brown of Ohio.

Mr. Nix with Mr. Armstrong.

Mr. Runnels with Mr. Anderson of Illinois.

Mr. Tsongas with Mr. Quie.

Mr. Teague with Mr. Horton.

Mr. Brinkley with Mr. Holland.

Mr. Clay with Mr. Latta.

Mr. Mathis with Mr. Leggett.

Mr. Nolan with Mr. Mottl.

Mr. Diggs with Mr. Dickinson.
Mr. Yates with Mrs. Pettis.
Mr. Charles Wilson of Texas with Mr. Railsback.
Mr. Waggonner with Mr. Fraser.
Mr. Traxler with Mr. Weaver.
Mr. Smith of Iowa with Mr. Skubitz.
Mr. Santini with Mr. Watkins.
Mr. Diggs with Mr. Jenkins.

Mr. TAYLOR, Mr. BREAUX, Mrs. FENWICK, and Mr. LUKEN changed their vote from "yea" to "nay."

Mr. NEAL and Mr. SHUSTER changed their vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11877) entitled "An act to authorize appropriations for fiscal year 1979 for the Peace Corps and to make certain changes in the Peace Corps Act."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2401) entitled "An act to amend the Consumer Product Safety Act to establish an interim consumer product safety rule relating to the standards for flame resistance and corrosiveness of certain insulation, and for other purposes."

CLAIMS OF THE AK-CHIN INDIAN COMMUNITY

The SPEAKER pro tempore (Mr. BAUCUS). Pursuant to the provisions of House Resolution 1187, the Committee on Interior and Insular Affairs is discharged from the further consideration of the Senate bill (S. 1582) relating to the settlement between the United States and the Ak-Chin Indian community of certain water right claims of such community against the United States.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. RONCALIO

Mr. RONCALIO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. RONCALIO moves to strike out all after the enacting clause of the Senate bill, S. 1582, and insert in lieu thereof the provisions of the bill H.R. 8099, as passed, as follows:

That (a) the Congress hereby declares that it is the policy of Congress to resolve, without costly and lengthy litigation, the claims of the Ak-Chin Indian community for water based upon failure of the United States to meet its trust responsibility to the Indian people provided reasonable settlement can be reached.

(b) The Congress hereby finds and declares that—

(1) the Ak-Chin Indian community relies for its economic sustenance on farming, and that ground water, necessary thereto, is declining at a rate which will make it uneconomical to farm within the next few years;

(2) at the time of the settlement of the reservation, it was the obligation and intention of the United States to provide water to the Ak-Chin Indian Reservation, and such obligation remains unfulfilled;

(3) it is likely that the United States would be held liable for its failure to provide water and for allowing ground water beneath the reservation to be mined;

(4) there exists a critical situation at Ak-Chin in that there is not sufficient economically recoverable ground water beneath the reservation to sustain a farming operation until a permanent source of water suitable for irrigation on the reservation can be delivered;

(5) this Act is proposed to settle the Ak-Chin Indian community's claim for water by meeting the emergency needs of the Ak-Chin community through construction of a well field and water delivery system from nearby Federal lands and by obligating the United States to meet the Ak-Chin community's needs for a permanent supply of water in a fixed amount to be available upon a date certain, in exchange for a release of all claims such community has against the United States for failing to act consistently with its trust responsibility to protect and deliver the water resources of the community; and

(6) it is the intention of this Act not to discriminate against any non-Indian landowners or other persons, but to fulfill the historic and legal obligations of the United States toward the Ak-Chin Indian community.

SEC. 2. (a) For the purposes of this Act, the Secretary of the Interior (hereinafter referred to as the "Secretary") shall undertake engineering and hydrological studies as may be necessary to determine whether there exists, on Federal lands near the Ak-Chin Indian Reservation, a source of ground water which could be taken, on an annual basis, for use in connection with any contract entered into pursuant to subsection (b) of this section, subject to the provisions in (c)(2). Such studies shall be completed and a report with respect hereto submitted to the Congress within twelve months after the date of the enactment of this Act.

(b) Within one hundred and eighty days following the submission to the Congress of the report referred to in subsection (a), the Secretary, if he determines that there exists a source of ground water which can be so taken on an annual basis, shall enter into a contract or other agreement with the Ak-Chin Indian community pursuant to which the Secretary shall agree, on behalf of the United States, to—

(1) furnish, subject to the provisions of clause (2) of subsection (c) of this section, to the Ak-Chin Indian community, commencing within sixty days following the completion of the necessary facilities under clause (2) of this subsection but in no event later than four years from the date of said contract, the delivery to the southeast corner of the lands comprising the Ak-Chin Indian Reservation, on an annual basis, of eighty-five thousand acre feet of ground water from nearby Federal lands covered by such studies;

(2) take such action as may be necessary to begin within sixty days following the date of such contract, to drill, construct, equip, maintain, repair, reconstruct, and operate a well field on such Federal lands, and to construct and maintain a delivery system, including canals, pumping stations and other appurtenant works, sufficient to provide for the delivery of such ground water from such Federal lands to the southeast corner of the lands comprising the Ak-Chin Indian Reservation.

(c)(1) The delivery of ground water under clause (1) of subsection (b) shall continue until augmented or replaced by the permanent water supply required under section (3) to be delivered to the Ak-Chin Indian Reservation, except that the obligation to deliver ground water during any year shall be reduced for that year by an amount equal to the amount of surface water delivered to such community pursuant to such contract during such year.

(2) Notwithstanding the provisions of clause (1) of subsection (b) of this section, the Secretary, if he determines that pumping eighty-five thousand acre feet of ground water annually from nearby Federal lands to the Ak-Chin community would (a) not be hydrologically feasible or (b) diminish the ground water supply in the basin and thereby cause severe damage to other water users; may deliver a lesser amount.

(d) The Secretary is authorized to receive and consider any claims arising under this Act from water users other than the Ak-Chin Indian community for compensation for any losses or other expenses incurred by such users by reason of the enactment of this Act or actions taken thereunder.

(e) Notwithstanding any other provision of this Act, if the Secretary determines, on the basis of studies conducted pursuant to subsection (a) of this section, that the pumping on an annual basis of any such ground water pursuant to clause (1) of subsection (b) of this section in excess of sixty thousand acre feet is not possible by reason of clause (2) of subsection (c), and the Ak-Chin Indian community does not agree to contract for a lesser amount, the Secretary shall report to the Congress an alternative plan for meeting the emergency needs of the Ak-Chin Indian community. Such alternative plan shall be submitted to the Congress within one hundred and eighty days following the submission of the report referred to in subsection (a).

SEC. 3. In addition, and as a part of the contract referred to in section 2(b) of this Act, the Secretary shall provide for, commencing as soon as possible, but in no event later than the expiration of the twenty-five-year period following the date of the enactment of this Act, the permanent delivery, on an annual basis, to the lands comprising the Ak-Chin Indian Reservation, of eighty-five thousand acre feet of water suitable for irrigation on the reservation.

SEC. 4. (a) As consideration on the part of the Ak-Chin Indian community for entering into any contract or agreement pursuant to section 2(b), the Ak-Chin Indian community shall agree to waive, in a manner satisfactory to the Secretary, any and all claims of water rights or injuries to water rights of the Ak-Chin Indian community, including both ground water and surface water from time immemorial to the present, which it might have against the United States, the State of Arizona or agency thereof, or any other person, corporation, or municipal corporation, arising under the laws of the United States or the State of Arizona.

(b) As further consideration on the part of the Ak-Chin Indian community for entering into any contract or other agreement pursuant to section 2(b), the Ak-Chin Indian community shall agree to waive any and all claims of water rights or injuries to water rights, including both ground and water and surface water, arising under the laws of the United States or the State of Arizona, which it might have in the future against any person, corporation, municipal corporation, or the State of Arizona or agency thereof.

(c) Notwithstanding the provisions of subsections (a) and (b) of this section, the community will not thereby waive any claims against the United States for breach, if any, of the contract referred to in section 2(b) of this Act. A failure to deliver water within the times specified in either sections 2(b) or 3 shall be deemed a breach of the contract. The measure of damages for any such breach shall be the replacement cost of water not delivered by the United States.

SEC. 5. There are authorized to be appropriated for the fiscal year ending Septem-

ber 30, 1979, the sum of $500,000, and the aggregate sum of $42,500,000 to be appropriated prior to the fiscal year ending September 30, 1983, for carrying out the purposes of section 2 of this Act. Notwithstanding any other provisions of this Act, no authorization to make payments under this Act, or to enter into contracts, shall be effective except to such extent or in such amounts as are provided in advance in appropriations Acts.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 8099) was laid on the table.

IMPROVING THE RANGE CONDITIONS OF THE PUBLIC GRAZING LANDS

Mr. RONCALIO. Mr. Speaker, I call up the bill (H.R. 10587) to improve the range conditions of the public grazing lands, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

The Clerk read the bill, as follows:

H.R. 10587

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Grazing Lands Improvement Act of 1978".

FINDINGS AND DECLARATION OF POLICY

SECTION 1. (a) The Congress finds and declare that—

(1) vast segments of the public grazing lands (and especially the public rangelands) are producing less than their potential for livestock, wildlife habitat, recreation, forage, and water and soil conservation benefits, and for that reason are in an unsatisfactory condition;

(2) such grazing lands will remain in an unsatisfactory condition and some areas may decline further under present levels of, and funding for, management;

(3) unsatisfactory conditions on public grazing lands present a high risk of soil loss, desertification, and a resultant underproductivity for large acreages of the public lands; contribute significantly to unacceptable levels of siltation and salinity in major western watersheds including the Colorado River; negatively impact the quality and availability of scarce western water supplies; threaten important and frequently critical fish and wildlife habitat; prevent expansion of the forage resource and resulting benefits to livestock production and wildlife; increase surface runoff and flood danger; reduce the value of such lands for recreational and esthetic purposes; and may ultimately lead to unpredictable and undesirable long-term local and regional climatic changes;

(4) the above-mentioned conditions can only be addressed and corrected by an intensive public rangelands maintenance management, and improvement program involving significant increases in levels of rangeland management and improvement funding;

(5) the Act of December 15, 1971 (85 Stat. 649, 16 U.S.C. 1331 et seq.), continues to be successful in its goal of protecting wild free roaming horses and burros from capture, branding, harassment, and death, but that certain amendments are necessary thereto to avoid excessive costs in the administration of the Act, and to facilitate the humane adoption or disposal of excess wild free-roaming horses and burros which because they exceed the carrying capacity of the range, pose a threat to their own habitat, fish, wildlife, recreation, water and soil conservation, domestic livestock grazing, and other rangeland values;

(6) to prevent economic disruption and harm to the western livestock industry, it is in the public interest to charge a fee for livestock grazing permits and leases on the public lands which is based on a formula reflecting annual changes in the costs of production;

(b) The Congress therefore hereby establishes a national policy and commitment to:

(1) inventory and identify current public grazing lands conditions and trends as a part of the inventory process required by section 201(a) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1711);

(2) manage, maintain and improve the condition of the public rangelands so that they become as productive as feasible for all rangeland values in accordance with management objectives and the land use planning process established pursuant to section 202 of the Federal Land Policy and Management Act (43 U.S.C. 1712);

(3) continue the policy of protecting wild free roaming horses and burros from capture, branding, harassment, or death, while at the same time facilitating the removal and disposal of excess wild free roaming horses and burros which pose a threat to themselves and their habitat and to other rangeland values;

(4) charge a fee for public grazing use which is equitable and reflects the concerns addressed in section (a)(6) above;

(5) reaffirm section 402(a) of the Federal Land Policy and Management Act which provides for a ten-year grazing permit and lease term with certain exceptions.

(c) The policies of this Act shall become effective only as specific statutory authority for their implementation is enacted by this Act or by subsequent legislation, and shall be construed as supplemental to and not in derogation of the purposes for which public lands are administered under other provisions of law.

SEC. 2. As used in this Act—

(a) The term "public grazing lands" means lands administered by the Secretary of the Interior through the Bureau of Land Management or the Secretary of Agriculture in the eleven contiguous Western States and Nebraska, North Dakota, and South Dakota (except for the National Grasslands) on which there is domestic livestock grazing or which the Secretary concerned determines may be suitable for domestic livestock grazing.

(b) The term "public rangelands" means lands administered by the Secretary of the Interior through the Bureau of Land Management in the eleven contiguous Western States on which there is domestic livestock grazing or which the Secretary determines may be suitable for domestic livestock grazing

(c) The term "allotment management plan" means a document prepared in consultation with the lessees or permittees involved, which applies to livestock operations on the public lands or on lands within national forests in the eleven contiguous Western States and which—

(1) prescribes the manner in, and extent to, which livestock operations will be conducted in order to meet the multiple use, sustained yield, economic and other needs and objectives as determined for the lands by the Secretary concerned;

(2) describes the type, location, ownership, and general specifications for the range improvements to be installed and maintained on the lands to meet the livestock grazing and other objectives of land management; and

(3) contains such other provisions relating to livestock grazing and other objectives found by the Secretary concerned to be consistent with the provisions of this Act and other applicable law.

(d) The term "grazing permit and lease" means any document authorizing use of public lands or lands in national forests in the eleven contiguous Western States and Nebraska, North Dakota, and South Dakota for the purpose of grazing domestic livestock.

(e) The term "range condition" means the quality of the land reflected in its ability in specific vegetative areas to support various levels of productivity in accordance with range management objectives and the land use planning process, and relates to soil quality, forage values (whether seasonal or year round), wildlife habitat, watershed and plant communities, the present state of vegetation of a range site in relation to the potential plant community for that site, and the relative degree to which the kinds, proportions, and amounts of vegetation in a plant community resemble that of the climax community for that site.

(f) The term "native vegetation" means those plant species, communities, or vegetative associations which are endemic to a given area and which would normally be identified with a healthy and productive range condition occurring as a result of the natural vegetative process of the area.

(g) The term "environment impact improvements" means range improvements which involve manipulation of the environment so as to artificially alter the natural vegetative and ecologic process and produce range conditions for livestock grazing which could not be attained naturally or by using nonenvironment impact improvements and methods. Such improvements include, but are not limited to: chaining, chemical treatment (including the use of herbicides), water developments with a storage capacity in excess of 25 acre-feet, stream modification projects, and seeding activities to introduce nonnative species or increase forage above the optimum conditions which could occur naturally, or through the use of nonenvironment impact improvements.

(h) The term "nonenvironment impact improvements" means range improvements designed to augment, restore, or prevent deterioration of naturally occurring range conditions or facilitate the environmentally sound management of the range through intensive grazing management. Such improvements include, but are not limited to:

(1) fence construction and maintenance, vegetative manipulation through grazing management, installation and maintenance of cattle guards, water developments with a storage capacity of 25 acre-feet or less, stock ponds, water lines, springs, wells;

(2) fish and wildlife enhancement projects, soil stabilization projects, watershed management projects, stream erosion control and restoration projects, and other nonlivestock projects, subject to the limitations set forth in subsection 4(h) of this Act;

(3) the restoration of native vegetation which does not involve chaining or chemical treatment (except for the use of organic fertilizers) where scientific evidence or prior experience shows the likelihood of success is high.

(i) The term "court ordered environmental impact statement" means any environmental statements which are required to be prepared by the Secretary of the Interior pursuant to the final judgment or subsequent modification thereof as set forth on June 18, 1975, in the matter of Natural Resources Defense Council against Andrus.

(j) The term "Secretary", unless specifically designated otherwise, means the Secretary of Interior.

RANGELANDS INVENTORY AND MANAGEMENT

SEC. 3. (a) Following enactment of this Act, the Secretary of the Interior and the Secretary of Agriculture shall update, de-

velop (where necessary) and maintain on a continuing basis thereafter, an inventory of range conditions and record of trends of range conditions on the public grazing lands, and shall categorize or identify such lands on the basis of the range condition and trends thereof as they deem appropriate. Such inventories shall be conducted and maintained as a part of the inventory process required by section 201(a) of the Federal Land Policy and Management Act (43 U.S.C. 1711), shall be kept current on a regular basis so as to reflect changes in range conditions, and shall be available to the public.

(b) The Secretary shall manage the public rangelands in accordance with the Taylor Grazing Act (48 Stat. 1269, as amended; 43 U.S.C. 315), the Federal Land Policy and Management Act of 1976 (90 Stat. 2743; 43 U.S.C. 1701), and other applicable law consistent with the public grazing lands improvement program pursuant to this Act. Except where the land use planning process required pursuant to section 202 of the Federal Land Policy and Management Act (43 U.S.C. 1712) determines otherwise or the Secretary determines, and sets forth his reasons for this determination, that grazing uses should be discontinued (either temporarily or permanently) on certain lands, the goal of such management shall be to improve the range conditions of the public rangelands so that they become as productive as feasible in accordance with the rangeland management objectives established through the land use planning process, and consistent with the values and objectives listed in section 1 (a) and (b)(2) of this Act.

RANGE IMPROVEMENT FUNDING

SEC. 4. (a) In order to accomplish the purposes of this Act, there are hereby authorized to be appropriated the sum of an additional $15,000,000 annually in fiscal years 1979–1982. Such funds shall be in addition to any range, wildlife, and soil and water management moneys which have been requested by the Secretary under the provisions of section 318 of the Federal Land Policy and Management Act, and in addition to the moneys which are available for range improvements under section 401 of the Federal Land Policy and Management Act (43 U.S.C. 1751(b)).

(b) In addition, annual authorization requests made by the Secretary under the provisions of section 318 of the Federal Land Policy and Management Act for fiscal years 1983 through 1986 for range, wildlife, and soil and water management shall be no less than the amount authorized under the provisions of subsection (a) of this section for fiscal year 1982. Furthermore, requests for authorization for fiscal years 1987 through 1998 shall be not less than the amount authorized for fiscal year 1982 as increased by $5,000,000.

(c) The funds authorized by subsections (a) and (b) of this section shall be fully requested by the President. In the event such funds requested in any fiscal year are of a lesser amount, the Secretary shall specifically set forth the detailed reason or reasons for requesting Congress to approve a lesser level of funding, and shall indicate whether the lesser level of requested funding results from his determination that the full authorized funds cannot be effectively and efficiently utilized to accomplish the purposes of this Act, or whether a lesser level has been requested for other reasons, including any cuts dictated or suggested by the Office of Management and Budget.

(d) Any amounts authorized by this subsection not appropriated in one or more fiscal years shall be authorized for appropriation in any subsequent years.

(e) No less than 80 per centum of such funds provided herein shall be used for on-the-ground rangeland maintenance and improvements (including project layout, design, and supervision). No more than 15 per centum of such funds provided herein shall be used to hire and train such experienced and qualified personnel as are necessary to implement on-the-ground supervision and enforcement of the land use plans required pursuant to section 202 of the Federal Land Policy and Management Act (43 U.S.C. 1712) and such allotment management plans as may be developed. Such funds shall be distributed as the Secretary deems advisable after careful and considered consultation and coordination, including public hearings and meetings where appropriate, with the district grazing advisory boards established pursuant to section 403 of the Federal Land Policy and Management Act (43 U.S.C. 1753), range user representatives, and other interested parties. To the maximum extent practicable, and where economically sound, the Secretary shall give priority to entering into cooperative agreements with range users (or user groups) for the installation and maintenance of on-the-ground range improvements.

(f) None of the funds authorized for on-the-ground range improvements by this Act or by section 401(b)(1) of the Federal Land Policy and Management Act (43 U.S.C. 1751) shall be used for environment impact improvements until such time as—

(1) the land use plans required by section 202 of the Federal Land Policy and Management Act have been completed and such environment impact improvements are consistent with such plans;

(2) an allotment management plan for the area (unless the Secretary determines that an allotment management plan is not necessary for management of livestock operations and will not be prepared), has been completed and such environment impact improvements are consistent with the allotment management plan;

(3) any court ordered environmental impact statement has been satisfactorily completed;

(4) any other environmental statement which may be required for such environment impact improvements pursuant to section 4332(c) of title 42 of the United States Code has been satisfactorily completed.

(g) For the purpose of increased efficiency and coordinated planning, the Secretary shall, to the maximum extent practicable, incorporate the documents to be prepared under (1) through (3) of subsection (f) of this section, and any other program documents for the area involved, into one consolidated unit plan and environmental statement.

(h) Until the requirements of subsection (f) of the section have been met, the funds authorized by this section shall be used as provided only for nonenvironment impact improvements, and for the supervision and enforcement of existing and future rangeland use and allotment management plans as provided in subsection (e) of this section. Such nonenvironment impact improvements shall not be considered a major Federal action requiring a detailed statement pursuant to section 4332(c) of title 42 of the United States Code: *Provided*, That any additional forage which may be produced by the non-livestock projects described in section 2(h)(2) of this Act shall not be allocated for livestock use until the documents which may be required under subsection (f) of this section have been satisfactorily completed and the allocation of such forage for livestock use is consistent with such documents: *Provided further*, That any other environmental statements (other than court ordered environmental statements) which may be required for such nonlivestock projects pursuant to section 4332(c) of title 42 of the United States Code, shall be satisfactorily completed prior to the initiation of such nonlivestock projects.

(i) Except as specified in subsection (f) above, nothing in this section shall affect the distribution or use of grazing fee receipts as set forth in section 401(b)(1)(2) of the Federal Land Policy and Management Act or the Taylor Grazing Act, as amended (43 U.S.C. 315 et seq.).

GRAZING FEES

SEC. 5. The Secretaries of Agriculture and Interior shall charge the fee for domestic livestock grazing on the public grazing lands which was recommended by the Technical Committee to Review Public Land Grazing Fees Grazing Livestock on Federal Land, a report from the Secretary of the Interior and the Secretary of Agriculture dated October 21, 1977, and under which fair market value for public grazing equals the $1.23 base established by the 1966 Western Livestock Grazing Survey multiplied by the result of the Forage Value Index (computed annually from data supplied by the Economic Research Service) added to the Combined Index (Beef Cattle Price Index minus the Price Paid Index) and divided by 100: *Provided*, That the annual increase or decrease in such fee for any given year shall be limited to not more than plus or minus 25 per centum of the previous year's fee.

GRAZING LEASES AND PERMITS

SEC. 6. Section 402(b)(3) of the Federal Land Policy and Management Act (43 U.S.C. 1752) is amended by striking the period at the end of the proviso and adding ": *Provided further*, That the absence of completed land use plans or court ordered environmental statements shall not be the sole basis for establishing a term shorter than ten years unless the Secretary determines on a case-by-case basis that the information to be contained in such land use plan or court ordered environmental impact statement is necessary to determine whether a shorter term should be established for any of the reasons set forth in items (1) through (3) of this subsection.".

WILD HORSES AND BURROS

SEC. 7. Subsections 3 (b) and (c) of the Act of December 15, 1971 (85 Stat. 649; 16 U.S.C. 1333(b)(3)) are hereby amended to read as follows:

"(b) Where the Secretary of the Interior or Agriculture determines on the basis of a current inventory of lands within his jurisdiction, that an area is overpopulated with wild free-roaming horses or burros, he shall immediately cause such number of excess wild free-roaming horses and burros to be captured and removed for which he determines a demand exists for private adoption and maintenance by qualified individuals under humane conditions. Additional excess wild free-roaming horses and burros for which an adoption demand by qualified individuals does not exist shall be disposed of by the Secretary concerned in the most humane manner possible, so as to restore a thriving natural ecological balance on the public lands and protect the range from the deterioration associated with overpopulation.

"(c) Where excess wild free-roaming horses or burros have been transferred to a qualified individual for adoption and private maintenance, and such individual has provided humane conditions and care for such animal or animals for a period of one year, the Secretary is authorized to donate such animal or animals, to such individual at the end of the one year period. Upon disposal, or donation as provided in subsections (b) and (c) of this section, animals shall lose their status as wild free-roaming horses and burros and shall no longer be considered as falling within the purview of this Act.".

COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

The SPEAKER pro tempore. The Clerk will report the committee amendment in the nature of a substitute.

The clerk read as follows:

Committee amendment in the nature of a substitute: Strike out all after the enacting clause and insert:

FINDINGS AND DECLARATION OF POLICY

SECTION 1. (a) The Congress finds and declares that—

(1) vast segments of the public grazing lands (and especially the public rangelands) are producing less than their potential for livestock, wildlife habitat, recreation, forage, and water and soil conservation benefits, and for that reason are in an unsatisfactory condition;

(2) such grazing lands will remain in an unsatisfactory condition and some areas may decline further under present levels of, and funding for, management;

(3) unsatisfactory conditions on public grazing lands present a high risk of soil loss, desertification, and a resultant underproductivity for large acreages of the public lands; contribute significantly to unacceptable levels of siltation and salinity in major western watersheds including the Colorado River; negatively impact the quality and availability of scarce western water supplies; threaten important and frequently critical fish and wildlife habitat; prevent expansion of the forage resource and resulting benefits to livestock production and wildlife; increase surface runoff and flood danger; reduce the value of such lands for recreational and esthetic purposes; and may ultimately lead to unpredictable and undesirable long-term local and regional climatic changes;

(4) the above-mentioned conditions can only be addressed and corrected by an intensive public rangelands maintenance management, and improvement program involving significant increases in levels of rangeland management and improvement funding;

(5) the Act of December 15, 1971 (85 Stat. 649, 16 U.S.C. 1331 et seq.), continues to be successful in its goal of protecting wild free-roaming horses and burros from capture, branding, harassment, and death, but that certain amendments are necessary thereto to avoid excessive costs in the administration of the Act, and to facilitate the humane adoption or disposal of excess wild free-roaming horses and burros which because they exceed the carrying capacity of the range, pose a threat to their own habitat, fish, wildlife, recreation, water and soil conservation, domestic livestock grazing, and other rangeland values;

(6) to prevent economic disruption and harm to the western livestock industry, it is in the public interest to charge a fee for livestock grazing permits and leases on the public lands which is based on a formula reflecting annual changes in the costs of production;

(b) The Congress therefore hereby establishes a national policy and commitment to:

(1) inventory and identify public grazing lands conditions and trends as a part of the inventory process required by section 201(a) of the Federal Land Policy and Management Act of 1976 (43 U S.C. 1711);

(2) manage, maintain and improve the condition of the public rangelands so that they become as productive as feasible for all rangeland values in accordance with management objectives and the land use planning process established pursuant to section 202 of the Federal Land Policy and Management Act (43 U.S.C. 1712);

(3) continue the policy of protecting wild free-roaming horses and burros from capture, branding, harassment, or death, while at the same time facilitating the removal and disposal of excess wild free-roaming horses and burros which pose a threat to themselves and their habitat and to other rangeland values;

(4) charge a fee for public grazing use which is equitable and reflects the concerns addressed in section (a)(6) above;

(5) reaffirm section 402(a) of the Federal Land Policy and Management Act which provides for a ten-year grazing permit and lease term with certain exceptions.

(c) The policies of this Act shall become effective only as specific statutory authority for their implementation is enacted by this Act or by subsequent legislation, and shall be construed as supplemental to and not in derogation of the purposes for which public lands are administered under other provisions of law.

SEC. 2. As used in this Act—

(a) The term "public grazing lands" means lands administered by the Secretary of the Interior through the Bureau of Land Management or the Secretary of Agriculture in the eleven contiguous Western States and Nebraska, North Dakota, and South Dakota (except for the National Grasslands) on which there is domestic livestock grazing or which the Secretary concerned determines may be suitable for domestic livestock grazing.

(b) The term "public rangelands" means lands administered by the Secretary of the Interior through the Bureau of Land Management in the eleven contiguous Western States on which there is domestic livestock grazing or which the Secretary determines may be suitable for domestic livestock grazing.

(c) The term "allotment management plan" means a document prepared in consultation with the lessees or permittees involved, which applies to livestock operations on the public lands or on lands within national forests in the eleven contiguous Western States and which—

(1) prescribes the manner in, and extent to, which livestock operations will be conducted in order to meet the multiple-use, sustained yield, economic and other needs and objectives as determined for the lands by the Secretary concerned;

(2) describes the type, location, ownership, and general specifications for the range improvements to be installed and maintained on the lands to meet the livestock grazing and other objectives of land management; and

(3) contains such other provisions relating to livestock grazing and other objectives found by the Secretary concerned to be consistent with the provisions of this Act and other applicable law.

(d) The term "grazing permit and lease" means any document authorizing use of public lands or lands in national forests in the eleven contiguous Western States and Nebraska, North Dakota, and South Dakota for the purpose of grazing domestic livestock.

(e) The term "range condition" means the quality of the land reflected in its ability in specific vegetative areas to support various levels of productivity in accordance with range management objectives and the land use planning process, and relates to soil quality, forage values (whether seasonal or year round), wildlife habitat, watershed and plant communities, the present state of vegetation of a range site in relation to the potential plant community for that site, and the relative degree to which the kinds, proportions, and amounts of vegetation in a plant community resemble that of the climax community for that site.

(f) The term "native vegetation" means those plant species, communities, or vegetative associations which are endemic to a given area and which would normally be identified with a healthy and productive range condition occurring as a result of the natural vegetative process of the area.

(g) The term "environment impact improvements" means range improvements which involve manipulation of the environment so as to artificially alter the natural vegetative and ecologic process and produce range conditions for livestock grazing which could not be attained naturally or by using nonenvironment impact improvements and methods. Such improvements include, but are not limited to: activities to implement allotment management plans (including fence construction for the purpose of implementing allotment management plans), chaining, chemical treatment (including the use of herbicides), water developments with a storage capacity in excess of 25 acre-feet, stream modification projects, and seeding activities to introduce nonnative vegetation or increase forage above the optimum conditions which could occur naturally, or through the use of nonenvironment impact improvements.

(h) The term "nonenvironment impact improvements" means range improvements designed to augment, restore, or prevent deterioration of naturally occurring range conditions or facilitate the environmentally sound management of the range. Such improvements include, but are not limited to:

(1) fence construction and maintenance, vegetative manipulation through grazing management, installation and maintenance of cattle guards, water developments with a storage capacity of 25 acre-feet or less, stock ponds, water lines, springs, wells;

(2) fish and wildlife enhancement projects, soil stabilization projects, watershed management projects, stream erosion control and restoration projects, and other nonlivestock projects, subject to the limitations set forth in subsection 4(h) of this Act;

(3) the restoration of native vegetation which does not involve chaining or chemical treatment (except for the use of organic fertilizers) where scientific evidence or prior experience shows the likelihood of success is high.

(i) The term "court ordered environmental impact statement" means any environmental statements which are required to be prepared by the Secretary of the Interior pursuant to the final judgment or subsequent modification thereof as set forth on June 18, 1975, in the matter of Natural Resources Defense Council against Andrus.

(j) The term "Secretary", unless specifically designated otherwise, means the Secretary of Interior.

RANGELANDS INVENTORY AND MANAGEMENT

SEC. 3. (a) Following enactment of this Act, the Secretary of the Interior and the Secretary of Agriculture shall update, develop (where necessary) and maintain on a continuing basis thereafter, an inventory of range conditions and record of trends of range conditions on the public grazing lands, and shall categorize or identify such lands on the basis of the range condition and trends thereof as they deem appropriate. Such inventories shall be conducted and maintained by the Secretary as a part of the inventory process required by section 201(a) of the Federal Land Policy and Management Act (43 U.S.C. 1711), and by the Secretary of Agriculture in accordance with section 1603 of title 16 of the United States Code, shall be kept current on a regular basis so as to reflect changes in range conditions, and shall be available to the public.

(b) The Secretary shall manage the public rangelands in accordance with the Taylor Grazing Act (48 Stat. 1269, as amended; 43 U.S.C. 315), the Federal Land Policy and Management Act of 1976 (90 Stat. 2743; 43 U.S.C. 1701), and other applicable law consistent with the public grazing lands improvement program pursuant to this Act. Except where the land use planning process required pursuant to section 202 of the Federal Land Policy and Management Act (43 U.S.C. 1712) determines otherwise or the Secretary determines, and sets forth his reasons for this determination, that grazing uses should be discontinued (either temporarily or permanently) on certain lands, the goal of such management shall be to improve the

range conditions of the public rangelands so that they become as productive as feasible in accordance with the rangeland management objectives established through the land use planning process, and consistent with the values and objectives listed in section 1 (a) and (b)(2) of this Act.

RANGE IMPROVEMENT FUNDING

SEC. 4. (a) In order to accomplish the purposes of this Act, there are hereby authorized to be appropriated the sum of an additional $15,000,000 annually in fiscal years 1979–1982. Such funds shall be in addition to any range, wildlife, and soil and water management moneys which have been requested by the Secretary under the provisions of section 318 of the Federal Land Policy and Management Act, and in addition to the moneys which are available for range improvements under section 401 of the Federal Land Policy and Management Act (43 U.S.C. 1751(b)).

(b) In addition, annual authorization requests made by the Secretary under the provisions of section 318 of the Federal Land Policy and Management Act for fiscal years 1983 through 1986 for range, wildlife, and soil and water management shall be no less than the amount authorized under the provisions of subsection (a) of this section for fiscal year 1982. Furthermore, requests for authorization for fiscal years 1987 through 1998 shall be not less than the amount authorized for fiscal year 1982 as increased by $5,000,000.

(c) The funds authorized by subsections (a) and (b) of this section shall be fully requested by the President. In the event such funds requested in any fiscal year are of a lesser amount, the Secretary shall specifically set forth the detailed reason or reasons for requesting Congress to approve a lesser level of funding, and shall indicate whether the lesser level of requested funding results from his determination that the full authorized funds cannot be effectively and efficiently utilized to accomplish the purposes of this Act, or whether a lesser level has been requested for other reasons, including any cuts dictated or suggested by the Office of Management and Budget.

(d) Any amounts authorized by this section not appropriated in one or more fiscal years shall be authorized for appropriation in any subsequent years.

(e) No less than 80 per centum of such funds provided herein shall be used for on-the-ground range rehabilitation, maintenance and the construction of range improvements (including project layout, project design, and project supervision). No more than 15 per centum of such funds provided herein shall be used to hire and train such experienced and qualified personnel as are necessary to implement on-the-ground supervision and enforcement of the land use plans required pursuant to section 202 of the Federal Land Policy and Management Act (43 U.S.C. 1712) and such allotment management plans as may be developed. Such funds shall be distributed as the Secretary deems advisable after careful and considered consultation and coordination, including public hearings and meetings where appropriate, with the district grazing advisory boards established pursuant to section 403 of the Federal Land Policy and Management Act (43 U.S.C. 1753), range user representatives, and other interested parties. To the maximum extent practicable, and where economically sound, the Secretary shall give priority to entering into cooperative agreements with range users (or user groups) for the installation and maintenance of on-the-ground range improvements.

(f) None of the funds authorized for on-the-ground range improvements by this Act or by section 401(b)(1) of the Federal Land Policy and Management Act (43 U.S.C. 1751) shall be used for environment impact improvements until such time as—

(1) the land use plans required by section 202 of the Federal Land Policy and Management Act have been developed and such environment impact improvements are consistent with such plans;

(2) an allotment management plan for the area (unless the Secretary determines that an allotment management plan is not necessary for management of livestock operations and will not be prepared), has been completed and such environment impact improvements are consistent with the allotment management plan;

(3) any court ordered environmental impact statement has been satisfactorily completed;

(4) any other environmental statement which may be required for such environment impact improvements pursuant to section 4332(c) of title 42 of the United States Code has been satisfactorily completed: Provided, however. That such environment impact improvements shall not require completion of the documents required by (1) through (4) of this subsection if the Secretary determines through the environmental analysis review (EAR) process that they will have an insignificant environmental impact, or are of such a minor nature as to not require an environmental analysis review (EAR).

(g) For the purpose of increased efficiency and coordinated planning the Secretary shall, to the maximum extent practicable, incorporate the documents to be prepared under (1) through (3) of subsection (f) of this section, and any other program documents for the area involved, into one consolidated unit plan and environmental statement.

(h) Until the requirements of subsection (f) of the section have been met, the funds authorized by this section shall be used as provided only for nonenvironment impact improvements, and for the supervision and enforcement of existing and future rangeland use and allotment management plans as provided in subsection (e) of this section. Such nonenvironment impact improvements shall not require completion of the documents required by subparts (1) through (4) of subsection (f) of this section, unless the Secretary determines through the environmental analysis review (EAR) process that they will have a significant environmental impact. Such documents shall also not be required if the Secretary determines such improvements are of such a minor nature as to not require an environmental analysis review (EAR): *Provided*, That any additional forage which may be produced by the nonlivestock projects described in section 2(h)(2) of this Act shall not be allocated for livestock use until the documents which may be required under subsection (f) of this section have been satisfactorily completed and the allocation of such forage for livestock use is consistent with such documents: *Provided further*, That any other environmental statements (other than court ordered environmental statements) which may be required for such nonlivestock projects pursuant to section 4332(c) of title 42 of the United States Code, shall be satisfactorily completed prior to the initiation of such nonlivestock projects.

GRAZING FEES

SEC. 5. (a) For the grazing years 1979 through 1985, the Secretaries of Agriculture and Interior shall charge the fee for domestic livestock grazing on the public grazing lands which Congress finds represents the economic value of the use of the land to the user, and under which Congress finds fair market value for public grazing equals the $1.23 base established by the 1966 Western Livestock Grazing Survey multiplied by the result of the Forage Value Index (computed annually from data supplied by the Economic Research Service) added to the Combined Index (Beef Cattle Price Index minus the Price Paid Index) and divided by 100: *Provided*, That the annual increase or decrease in such fee for any given year shall be limited to not more than plus or minus 25 per centum of the previous year's fee.

(b) The second sentence of section 401(b)(1) of the Federal Land Policy and Management Act of 1976 (90 Stat. 2743, 2772; 43 U.S.C. 1751(b)(1)) is hereby amended by adding the words "or $10,000,000 per annum, whichever is greater" after the words "50 per centum".

(c) The Secretaries of Interior and Agriculture are hereby authorized and directed to develop and implement, on an experimental basis on selected areas of the public grazing lands which are representative of the broad spectrum of range conditions, trends, and forage values, a program which provides incentives to, or rewards for, the holders of grazing permits and leases whose stewardship results in an improvement of the range condition of lands under permit or lease. Such program shall explore the possibility of implementing a future grazing fee formula which charges a grazing fee lower than the fair market value fee established in subsection (a) of this section, and combinations of lower grazing fees and other grazing management policies which might provide incentives to improve range conditions. To carry out such experimental program, the Secretary is authorized to charge grazing fees which are lower than the fee established in subsection (a) of this section.

(d) No later than December 31, 1985, the Secretaries shall report to the Congress the results of such experimental program, their evaluation of the fee established in subsection (a) of this section and other grazing fee options, and their recommendations to implement a grazing fee schedule for the 1986 and subsequent grazing years.

GRAZING LEASES AND PERMITS

SEC. 6. Section 402(b)(3) of the Federal Land Policy and Management Act (90 Stat. 2743, 2774; 43 U.S.C. 1752) is amended by striking the period at the end of the proviso and adding ": *Provided further*, That the absence of completed land use plans or court ordered environmental statements shall not be the sole basis for establishing a term shorter than ten years unless the Secretary determines on a case-by-case basis that the information to be contained in such land use plan or court ordered environmental impact statement is necessary to determine whether a shorter term should be established for any of the reasons set forth in items (1) through (3) of this subsection.".

WILD HORSES AND BURROS

SEC. 7. Subsections 3(b) and (c) of the Act of December 15, 1971 (85 Stat. 649; 16 U.S.C. 1333(b)(3)) are hereby amended to read as follows:

"(b)(1) The Secretary shall maintain a current and scientific inventory of wild free-roaming horses and burros on the public lands. The purpose of such inventory shall be to: Make annual determinations as to whether an overpopulation exists and whether action should be taken to remove excess animals; determine appropriate management levels of wild free-roaming horses and burros on these public lands; and determine whether appropriate management levels should be achieved by the removal or destruction of excess animals, or other options (such as sterilization, or natural controls on population levels). In making such determinations the Secretary shall consult with the United States Fish and Wildlife Service, wildlife agencies of the State or States wherein wild free-roaming horses and burros are located, and independent individuals having scientific expertise and special knowledge of wild horse and burro protection, wildlife management and animal husbandry as related to rangeland management.

"(2) Where the Secretary determines on the basis of the inventory of lands within

his jurisdiction that an overpopulation exists, and that action is necessary to remove excess animals, he shall immediately remove excess animals from the range so as to achieve appropriate management levels. Such action shall be taken, in the following order and priority, until all excess animals have been removed so as to restore a thriving natural ecological balance to the range, and protect the range from the deterioration associated with overpopulation:

"(A) The Secretary shall order old, sick, or lame animals to be destroyed in the most humane manner possible;

"(B) The Secretary shall cause such number of additional excess wild free-roaming horses and burros to be humanely captured and removed for private maintenance and care for which he determines an adoption demand exists by qualified individuals, and for which he determines he can assure humane treatment and care (including proper transportation, feeding, and handling) by the adopting party; and

"(C) The Secretary shall cause additional excess wild free-roaming horses and burros for which an adoption demand by qualified individuals does not exist to be destroyed in the most humane and cost efficient manner possible.

To facilitate the implementation and enforcement of the provisions of this subsection and subsection (c), the Secretary is hereby authorized to contract with animal protective organizations (such as humane societies) to screen applicants for adoption and to conduct inspections after adoption to insure that adopted animals are receiving humane treatment and care. However, this authority shall in no way be construed as relieving the Secretary of his primary responsibility for assuring that adopted animals receive humane treatment and care.

"(c) Where excess wild free-roaming horses or burros have been transferred to a qualified individual for adoption and private maintenance, and the Secretary determines that such individual has provided humane conditions, treatment and care for such animal or animals for a period of one year, the Secretary is authorized to donate no more than five animals to such individual at the end of the one-year period. Upon donation, or destruction, as provided in subsections (b) and (c) of this section, animals shall lose their status as wild free-roaming horses and burros and shall no longer be considered as falling within the purview of this Act.".

ALLOTMENT MANAGEMENT PLANS

SEC. 8. Sections 402 (d) and (e) (90 Stat. 2743, 2774; 43 U.S.C. 1752 (d) and (e) are hereby amended—

(a) by changing subsection (d) to read as follows:

"(d) All permits and leases for domestic livestock grazing issued pursuant to this section may, upon satisfactory completion of any court ordered environmental impact statements which may be required for the area involved, incorporate an allotment management plan developed by the Secretary concerned. If the Secretary concerned elects to develop an allotment management plan for a given area, he shall do so in careful and considered consultation, cooperation and coordination with the lessees, permittees, and landowners involved, the district grazing advisory boards established pursuant to section 403 of the Federal Land Policy and Management Act (43 U.S.C. 1753), and any State or States having lands within the area to be covered by such allotment management plan. Allotment management plans shall be tailored to the specific range condition of the area to be covered by such plan, and shall be reviewed on a periodic basis to determine whether they have been effective in improving the range condition of the lands involved or whether such lands can be better managed under the provisions of subsection (e) of this section. The Secretary concerned may revise or terminate such plans or develop new plans from time to time after such review and careful and considered consultation, cooperation and coordination with the parties involved. As used in this subsection, the terms 'court ordered environmental impact statement' and 'range condition' shall be defined as in the 'Public Range Improvement Act of 1978.' ".

(b) by deleting in subsection (e) the words "Prior to October 1, 1988, or thereafter, in" and by inserting "In".

APPROPRIATIONS

SEC. 9. Notwithstanding any other provision of this Act, authority to enter into cooperative agreements and to make payments under this Act shall be effective only to the extent or in such amounts as are provided in advance in appropriation Acts.

GRAZING ADVISORY BOARDS

SEC. 10. Section 403(a) of the Federal Land Policy and Management Act of 1976 (90 Stat. 2743-2775; 43 U.S.C. 1753) is amended by inserting after "Western States" the words "and South Dakota".

COMMITTEE AMENDMENTS

The SPEAKER pro tempore. The Clerk will report the committee amendments.

Mr. RONCALIO. Mr. Speaker, I ask unanimous consent that the three committee amendments at the Clerk's desk numbered 1, 2, and 3, be considered as part of the committee amendment in the nature of a substitute, and that they be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wyoming?

Mr. DON H. CLAUSEN. Mr. Speaker, reserving the right to object, I do not intend to object, but I just want to make sure I have an understanding of the request.

Is the gentleman talking about committee amendments Nos. 1, 2, and 3, the ones that we discussed?

Mr. RONCALIO. The answer is "yes," Mr. Speaker.

Mr. DON H. CLAUSEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

(The committee amendments that are to be included in the committee amendment in the nature of a substitute are as follows:)

On page 22, line 8, strike the word "climax" and insert in lieu thereof "desired".

On page 30, line 11, add the words "And Incentive Program" to the title of section 5.

On page 31, line 14, strike the sentence beginning with "Such program" and running through line 19. Insert in lieu thereof: "Such program shall explore innovative grazing management policies and systems which might provide incentives to improve range conditions, including the implementation of grazing fees which are lower than the fair market value fee established in subsection (a) of this section."

On page 31, line 22, insert a comma in place of the period and add the words "and offer such other incentives as he may deem necessary."

On page 20, lines 11, 12 and 13, strike "North Dakota," and "(except for the National Grasslands)".

On page 21, line 20, strike the words ", North Dakota,".

On page 31, line 5, change the period to a comma and add the following: "and by adding the words ', Nebraska and South Dakota' after the words 'Western States'."

On page 32, line 5, change the present section 6 to subsection 6(a) and add the following new subsection 6(b):

"Section 402(a) of the Federal Land Policy and Management Act is hereby amended by adding the words ', Nebraska and South Dakota,' after the words 'Western States'."

On page 37, line 6 add a section 11 to read as follows:

"SEC. 11. All National Grasslands are exempted from the provisions of this Act."

Mr. RONCALIO. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I am pleased to present H.R. 10587, the Public Range Lands Improvement Act of 1978 in behalf of the 14 Members of Congress who are its sponsors. This legislation is of critical importance to the Western States, and has been dubbed by some as perhaps the most important legislation relating to the western rangelands since passage of the Taylor Grazing Act in 1934. Its goal is to improve the vegetative cover and forage value of approximately 283 million acres of Federal land that is used for livestock, and by wildlife, for grazing. For if vegetative cover can be enhanced, all range values will be appreciably upgraded, including wildlife and livestock grazing, soil erosion control, outdoor recreation, water quality and quantity, and the esthetic beauty of the 11 States comprising the western range.

Immediate action is needed, especially on the approximate 170 million acres of land managed by the Bureau of Land Management for livestock grazing and other range values. According to BLM's own studies, over 80 percent of these lands are currently in less than satisfactory condition in the sense that they are producing far below their true potential for diversified rangeland values. Studies by the General Accounting Office and others confirm these problems.

Much of this poor condition is a legacy of the virtually unregulated grazing which occurred in the Western States beginning with settlement of the area by the Spanish and running up until the Great Dust Bowl Drought of the 1930's.

Despite the fact that range conditions have improved in some areas over the past decades, BLM still estimates that only 19 percent of the lands are currently in an improving condition. During hearings held by my Subcommittee on Indian Affairs and Public Lands in Western States and Washington, D.C., in 1977 and 1978, it became apparent that little improvement in this trend is likely to ocurr unless Congress dedicates itself to a significant range improvement program involving substantial increases in funding, personnel, and cooperative efforts on the part of all range users and managers.

Although Congress did act to resolve some of the Bureau of Land Management's problems by passing the Federal Land Policy and Management Act in 1976, the issues involving range management and improvement policies were only partially addressed or deferred for

future action. For example, the question of grazing fee levels was relegated to further study. A range betterment fund was established, but was not adequately funded. Ten-year grazing permits were mandated, but have, in most cases, not become a reality due to uncertainty as to exactly what was intended by Congress. Aircraft were permitted for use in wild horse roundups, but have not solved the problem of overpopulation. And allotment management planning was sanctioned, but did not contain specific guidelines as to how plans would be adopted.

To clean up this unfinished business, H.R. 10587 takes the following actions, all of which are designed to complement or further clarify existing provisions of the BLM Organic Act. H.R. 10587 is its followup and in no way reverses or changes the basic provisions or philosophy of that act. To wit:

First. It requires a systematic inventory of all range lands, conditions, and trends so that range values and deficiencies can be identified and improvement programs initiated;

Second. It authorizes $360 million over the next 20 years to be used for the construction and maintenance of on-the-ground range improvements such as soil erosion control projects; livestock and wildlife watering holes, wells and water lines; fencing; range revegetation; and watershed management. A portion of these funds is also available to the Bureau of Land Management to hire and train field level personnel to work closely with range uses to develop and implement the land management plans initiated to improve range conditions. These moneys should help balance the woefully deficient funding BLM has had for range personnel and projects in the past;

Third. It sets forth guidelines to assist BLM in determining which types of range improvements can proceed in the absence of range environmental impact statements which are required under a 1975 court order;

Fourth. It legislates, on a 7-year trial basis, a fair market value grazing fee formula which incorporates the factors of costs of production and ability to pay. This fee schedule should insure that higher Federal grazing fees do not combine with other inflationary pressures to force small ranchers out of business. At the same time, the formula guarantees that at least $10 million per year in Federal grazing fee receipts (as opposed to $8.8 million in 1977) will be returned to the range for improvements to benefit livestock, wildlife, and multiple rangeland values;

Fifth. It reemphasizes Congress' intention in enacting the BLM Organic Act that grazing leases should be for a period of 10 years unless sound land management requires a shorter term. It is hoped that this 10-year lease period will assist ranchers in obtaining the long-term financing they need to stay in business;

Sixth. It stresses the Organic Act's requirements that range grazing plans, commonly known as allotment management plans, be developed in close consultation and coordination with range users. With this cooperation, the committee is hopeful that the best possible range improvement plans can be developed, implemented, and revised as changing range conditions may warrant; and

Seventh. It amends the 1971 Wild Horse and Burro Protection Act to require positive action to curb identified overpopulations of wild free-roaming horses on the public lands. As part of this program, a "current and scientific" inventory of wild horse and burro populations is mandated so that the administering agency can precisely determine if overpopulation exists and decide whether action is needed to curb it. The bill also increases safeguards to insure that excess animals which are put up for adoption are humanely treated during roundup and after adoption. To encourage adoption, the bill allows title to adopted horses and burros to be transferred to the adopting party, if the adopting party has held and cared for the animals for a minimum of 1 year under humane conditions.

Mr. Speaker, that pretty well sums up the thrust of the legislation before us today. As you can see, it covers a broad spectrum of range-related issues—issues which are of utmost concern to westerners, and the general public as well. The bill's solutions are outlined and discussed in great detail in House Report 95–1122, and I commend it to Members' attention if they wish more intricate analyses than my time here will permit. However, there are two issues—grazing fees and wild horses—which have provoked long debate, and which I feel bear mention at this point.

Grazing fees: With passage of the BLM Organic Act on October 21, 1976, we instructed the Secretaries of Agriculture and the Interior to undertake a 1-year joint study of grazing fees charged on the public lands. That study is now complete, and the Secretaries have recommended adoption of a grazing fee formula which is strictly pegged to grazing lease charges on private lands. While this approach appears to have an aura of commonsense, I submit it that it is invalid to tie public land grazing fee rates solely to private land rates. The Committee on Interior and Insular Affairs, and my subcommittee in particular, has devoted considerable time, hearings, and study to this issue, and has come to the conclusion that the Secretaries' proposal must be rejected in favor of the cost of production/ability to pay formula of H.R. 10587.

The unmodified private land lease comparison proposed by the Secretaries is an inaccurate barometer and standard for unadjusted use in calculating public land fees for the following reasons:

First. The checkerboard land ownership pattern which prevails in many areas of the West means that many private landowners have little choice but to lease adjacent public lands in order to make an economic ranching unit. As such, public land leasing is often not analogous to the "willing buyer, willing seller" situation which governs private land lease transactions.

Second. Private land leases are often for short periods of time only, and reflect inflated rates which speculators, hobby ranchers, or drought-plagued operators can afford to pay. They can thus be significantly higher than what a full-time rancher may be able to sustain on a year-round operation on public lands.

Third. Private land rates generally convey most of the rights of the landowner to the lessee. By way of contrast public land lessees do not have the exclusive right to exclude others, control predators, and exercise complete freedom as to livestock movement, supplemental feeding, and livestock numbers and use.

Fourth. Private land lease rates tend to be higher because the lands often contain a greater degree of improvements (such as fencing, water holes, and springs) than do public lands, and are of better forage quality than public lands.

Given these facts, I feel it would severely jeopardize many western livestock operations to tie public lands lease rates directly to private land rates. To prevent this, the formula adopted by H.R. 10587 would incorporate private land lease rates, but would also recognize the factors of cost of beef production and beef prices. In so doing, ranchers would be assured that grazing fees would reflect prices for their animals. In lean years, such as the past four, fees would be lower to help alleviate situations such as the acute financial squeeze which was recently experienced by many western ranching operations.

I am aware, however, that some groups and individuals disagree with this concept of pegging grazing fees to costs of production and the rancher's ability to pay. To accommodate these concerns, our committee agreed to put its formula on a 7-year trial basis only. This trial period should allow all parties an opportunity to analyze the effects of incorporating costs of production and beef prices into a formula, and determine whether the concept is worthy of permanent statutory enactment. At the same time, the trial formula will prevent undue grazing fee ratification in years when ranchers can least afford it, and this should assist in combating the alarming rate of ranch sales and closures which have occurred in recent years.

Wild Horses and Burros: Few problems have been as thorny or as difficult of resolution during my years of public service as the question of what to do with excess numbers of wild horses and burros on the public lands. On the one hand, the administration, cattlemen's groups, the National Audubon Society, Wildlife Management Institute, National Wildlife Federation, Sierra Club, and others all claim that the 1971 Wild Horse and Burro Protection Act has been overly successful in its goals. They insist that horse and burro overpopulations are causing range habitat destruction on certain areas of the public lands, and that immediate action is necessary to mitigate serious impacts on wildlife, and livestock grazing. On the other hand, certain animal protective organizations feel that the 1971 act is working well, that no overpopulation exists, and even if it does exist, that horses and burros themselves, and natural forces will act to regulate numbers.

No matter what point of view one finally espouses, it becomes obvious that the starting point in the controversy calls for an accurate wild horse and burro population census. To address this in H.R. 10587, we have directed the Secretaries of Agriculture and Interior to maintain a "current and scientific" inventory of wild horse and burro populations. In conducting and maintaining this inventory, and in determining what action to take if excess numbers of horses and burros are found to exist, the Secretaries are directed and required to consult with the U.S. Fish and Wildlife Service, State fish and game departments, and independent experts such as university specialists who have devoted considerable time and study to wild horse and burro problems. I am hopeful that this new consultation requirement will answer the concerns of those who feel the Secretaries' current inventories are less than reliable. I also feel that involving the U.S. Fish and Wildlife Service and State game and fish departments in the decisionmaking process will help insure that the needs of horses, burros, wildlife, and livestock are all carefully balanced.

H.R. 10587 also takes steps to eliminate the abuses which have occurred to date in the administration of the BLM adopt-a-horse program. These reforms have been requested by animal protective organizations and include more stringent controls and guidelines on wild horse roundups, guidelines in the committee report on animal holding facilities, increased post adoption inspection authority, and generally stricter controls and adoption monitoring by the Secretaries.

In summary, I believe that we have given our best good faith efforts to "fine-tune" the wild horse and burro section of H.R. 10587 so that urgent problems can be addressed, and I ask my colleagues to resist any amendment to delete this important section of the bill.

Mr. Speaker, in concluding my remarks on this legislation, allow me to stress once again the importance of H.R. 10587 in reversing years of range neglect. If we do not seize the opportunity to enact H.R. 10587 into law, range conditions will continue to stagnate or deteriorate. This could lead to increasingly dire effects on wildlife, watershed, and other range values, as well as posing a threat to the survival of the smaller ranching operations. This must not be allowed to happen, and I urge that we move swiftly to pass H.R. 10587.

Mr. DON H. CLAUSEN. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I rise in strong support of H.R. 10587, the Public Range Lands Improvement Act of 1978. This is an extremely important piece of legislation which addresses well-documented needs for improvements in the conditions and management of some 172 million acres of this Nation's public land.

A full background and explanation of the bill's specific provisions is contained in the committee report, so I will not repeat a description of them here. Rather, I would emphasize the great need for this legislation and the broad array of support it enjoys.

During the course of 10 days of hearings over the past year, the Subcommittee on Indian Affairs and Public Lands heard testimony from individuals and organizations representing the gamut of interests involved with and affected by the management of the public range. While there was disagreement on some matters, all parties agreed on the basic issue: that millions of acres of public range lands are in unsatisfactory condition and that significant increased funding should be made available for improving the range and protecting its resource values. This conclusion is buttressed by the findings of numerous studies and reports conducted in recent years by various public and private entities.

There can be no doubt that the range improvements envisioned by this legislation will ultimately benefit all Americans either directly or indirectly. Enhanced public range land productivity will lead to greater livestock and wildlife production, increased opportunities for outdoor recreation, for flood and erosion control, and watershed protection. The 20-year funding program authorized by H.R. 10587 constitutes an excellent investment in a vast and extremely valuable public resource.

As amended and reported by the Committee on Interior and Insular Affairs, H.R. 10587 is supported by a coalition which includes ranchers, farmers, bankers, cattlemen, woolgrowers, environmentalists, and others. The administration is in general support of this legislation.

Yesterday all Members received a letter signed by 29 Members of the House describing H.R. 10587 as perhaps the most important legislation relating to the Western range since the Taylor Grazing Act of 1934. I fully concur with that description and again strongly urge all Members to vote in favor of this bill.

Mr. SANTINI. Mr. Speaker, I move to strike the last word.

Mr. Speaker, the bill we are now considering is perhaps the first real attempt at improving our Nation's range resources since the passage of the Taylor Grazing Act in 1934. At that time, Congress determined that there was a need for regulating the use of our Nation's public grazing lands. That act instituted a system of permits and fees which, with minor changes, has geen the principal tool of Federal management of those lands for more than 40 years.

I use the word "management" in that statement very loosely. Looking at the current conditions of those lands regulated by this act, one would find it difficult to determine just what kind of "management" has really occurred, outside of placing restrictions on the number of cattle or sheep allowed on the range.

Nearly 2 years ago, in passing the Federal Land Policy and Management Act of 1976, Congress changed the course of our Nation's range management policies. I participated in and authored some substantial changes in range management policies of the past, including restoration of grazing advisory boards, provisions allowing 10-year leases, my grazing fee formula, in the House version, and the statutory mandate to return 50 percent of the grazing fees to the grazing district for range improvement. Unfortunately the conference committee action left some issues unresolved. The purpose of this bill, H.R. 10587, is to resolve those problem areas.

I think that the most important provision of this bill is the determination that additional funds should be spent to improve the quality of our Nation's rangeland resources. Regulating the number of animals allowed to graze is not enough to improve range quality. That is purely a negative action. We need an affirmative response as well. This legislation proposes additional steps that will enable the BLM to manage, rather than simply regulate the livestock grazing activity on the public lands.

Now the Bureau of Land Management will be able to spend the funds necessary for such important projects as reseeding, small watershed management, soil stabilization, and other on-the-ground improvements. The benefits which will be returned to our Nation will include enhanced wildlife preservation, better forage, and increased livestock productivity on public lands.

In addition this bill directs the Bureau of Land Management to implement congressional intention. This bill clarifies those sections of current law which deal with the length of grazing permits, the use of environmental impact statements for small projects, and the mangement of wild horses and burros.

The principal thrust of this bill is range improvement. The bill does include a trial period for a grazing fee that will be high when the prices are high and lower when prices are lower. I hope that each Member will carefully consider all the facts underlying the committee's carefully crafted grazing fee formula.

An analysis comparing grazing fees under the administration's proposal and the formula which this bill would establish demonstrates that in those years when the beef market is good, grazing fees will actually be higher than under the rate index proposal. This would be the case this year, for example. It is important to note that this is the same formula which the Technical Committee on Grazing Fees, established by the Secretaries of Agriculture and Interior, recommended for use on Western lands. I believe that it is equitable to both the public lands user and the rest of the citizens of the United States.

If we are to prevent continued deterioration of one of our Nation's most important public resources—public rangelands—then we must act now to enact legislation which will allow our Federal land management agencies to do the job for which they were established. This bill will accomplish that objective.

Mr. Speaker, I want to say that this bill is, I think, the most appropriate hallmark that we can use to mark the career of one of the most distinguished

Members of the House of Representatives, who many have served with far longer than I have. It has been my pleasure to have served in the last few years with Mr. RONCALIO. This is a responsible piece of legislation. I would hope that all of my colleagues would join in support of this legislation and in accommodation to Mr. RONCALIO who has, with his very able assistant, crafted the hallmark piece of legislation for the 1970's, the Far Western rangelands.

Mr. UDALL. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I want to echo the comments of the gentleman from Nevada (Mr. SANTINI). TENO RONCALIO has got to be one of the great legislators who has served in this body. I am proud to have been associated with him on the committee over the years. He has really unscrewed the inscrutable here. When you bring in a western range lands bill which has the support of the Sierra Club and the American Cattlemen's Association, you have got to be pretty good. TENO has done an outstanding job.

Mr. Speaker, as chairman of the Committee on Interior and Insular Affairs, I rise in support of this bill. H.R. 10587, the Public Range Lands Improvement Act of 1978, has received close scrutiny from both the Indian Affairs and Public Lands Subcommittee and the full Interior Committee, and I urge its approval in this House. This bill will go a long way toward improving the quality and productivity of our public range lands, consistent with the multiple use, sustained yield principles this Congress has mandated for all Federal lands. Moreover, this bill attempts to solve many of the problems that have plagued all users of the public lands.

This bill has four main features. First, $360 million would be provided for actual on-the-ground range improvements over the next 20 years. Although the cattle industry certainly will benefit from such expenditures, improved range conditions will benefit all Americans, from consumers of beef, to wildlife lovers, to the hikers and backpackers. This bill also simplifies the procedure for making range improvements, by allowing the Secretary of the Interior or the Secretary of Agriculture to excuse an environmental impact statement where it is clear that environmental impact would be negligible. Third, H.R. 10587 adopts an experimental grazing fee system, in an attempt to settle a long-standing dispute over just what is fair market value. Part of this experiment is the idea of encouraging good grazing habits through the fee system. Although I have had doubts that the formula chosen will actually achieve fair market value, putting it on an experimental basis will allow reappraisal of the system in a few years. Finally, this legislation attempts to resolve one of the thorniest problems existing on Federal lands—what to do with the wild horse and burro. H.R. 10587 deals with the problem in a humane, reasonable way. The subcommittee has taken a careful look at the wild horse and burro problem, and I commend it for a fair and workable solution.

This legislation has been carefully studied and a lot of work has gone into seeing that it balance the interests involved. The chairman of the Indian Affairs and Public Lands Subcommittee, the gentleman from Wyoming, TENO RONCALIO, did an outstanding job of listening to the concerns expressed by myself, those of the cattle industry, environmentalists, the Departments of the Interior and Agriculture, and those who have a sincere desire to protect the wild horse and burro. We now have a bill that addresses those concerns. This bill is an important step toward making our Federal rangelands as productive as possible, while providing maximum protection for the other valid uses of that land and preserving its natural values. It is a bill that is truly in the national interest.

Mr. BAUCUS. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I stand to support H.R. 10587, a bill to improve the range conditions of the public grazing lands.

Montana is one of the States most affected by this legislation. The bill is urgently needed to achieve the full potential of the public rangeland for wildlife, water resources, recreation, and livestock values.

This bill provides funding for range improvement, establishes a fair formula for determining the grazing fees ranchers pay and specifies that grazing leases and permits will be issued for 10-year periods. Thus it resolves many long-standing and difficult issues that have plagued our State for years. It represents a reasonable compromise that has broad-based support from environmental, livestock, and other groups.

H.R. 10587 will affect management of 170 million acres of rangeland in 11 Western States. Federal policy toward grazing land has an enormous impact. In Montana, beef production is one of our largest industries, and nearly 30 percent of the land area is federally owned. It has been estimated that in the Western States at least half of all cattle and sheep spend part of their lives on public ranges.

If the quality of public rangelands is to be improved for wildlife, recreation and livestock, Congress must dedicate itself to a program of positive support for range improvement. H.R. 10587 begins such a program of positive support.

The bill authorizes $15 million annually for improvements on public rangelands. Examples of such improvements are soil erosion control, watering holes, wells, springs and water lines, fencing, and so forth.

These improvements should yield handsome dividends in increased storage and improved range conditions. For example, the development of water holes can serve to spread livestock use over a wide area and eliminate the tendency to concentrate grazing in the vicinity of a few water spots. Obviously, wildlife benefit from increased water sources.

Fencing is often the least expensive way to implement rotation grazing systems which maximize forage use while minimizing overuse. Water use management and erosion control can improve conditions for vegetative growth and overall livestock and wildlife habitat.

The bill also establishes guidelines to eliminate the redtape involved before range improvements can be made. It does this by specifying that many projects such as small water holes, springs, seeding to reintroduce native vegetation, wildlife projects, and so forth, will not require environmental impact statements. Statements will be required for projects that are determined to have significant impacts on the environment.

One of the most important parts of the bill is the establishment of a grazing fee which reflects beef prices and forage values.

The bill replaces the administration's discretionary power to set grazing fees with a specific formula. Factors included in the formula are cattle prices, costs of beef production, and the value of forage.

According to the formula, in years when beef prices are high and ranchers can afford higher fees, the fee will rise. In depressed years, the fee will decrease.

Current methods of determining grazing fees ignore the ability of ranchers to pay. For example, last fall the Secretaries of Agriculture and Interior proposed a 25-percent jump in grazing fees at a time when ranchers were suffering from severe drought and depressed prices. The House immediately passed a 1-year moratorium which I cosponsored to stop the unfair increase.

The new formula included in H.R. 10587 is much more equitable. The lower fee in lean years should put less pressure on ranchers to abuse Federal ranges.

Another important provision of the bill which protects the interests of ranchers and leads to more efficient use of public grazing land is a specification that grazing leases or permits be issued for 10-year periods. Congressional intent as specified in the Federal Lands Policy and Management Act of 1976 was that grazing leases of 10 years should be the exception rather than the rule. However, the Secretary of the Interior has proposed regulations to issue only 1-year leases in all cases where land use planning is not completed for a given area. H.R. 15087 would require the Secretary to issue 10-year leases or permits except where he determines on a case-by-case basis that a shorter term is necessary.

Longer leases are necessary to insure stable use of the public grazing land. Obviously, lending institutions are unwilling to finance operations which must renew their leases each year. Also, ranchers have little incentive to protect grazing lands when there is the likelihood that they will not be using the same land the next year.

Finally, H.R. 10587 contains provisions to deal with the problems of excessive wild horses and burros on the ranges. In many areas in the West, populations of wild horses and burros have become so large that they are actually destroying their ranges. Ranges had deteriorated to the point that wild horses are starving in many areas, and overgrazing is con-

tributing to serious soil erosion and water pollution.

Section 7 of this bill, dealing with wild horses and burros, is supported by the National Audubon Society, the National Wildlife Federation, the Sierra Club, and the Department of the Interior.

Mr. Speaker and fellow colleagues, I would like to reiterate that H.R. 10587 solves many different and long-standing problems involving the management of the Federal rangelands. The legislation has widespread support: in Montana it has been endorsed by such diverse interests as the Montana Taxpayers Association, Montana Water Development Association, Operating Engineers International Union, and Montana Association of Conservation Districts as well as the Stockgrowers, Woolgrowers and Cattlemen's Associations.

This bill may well be the most significant legislation in the history of Federal rangelands. It is badly needed, and I strongly urge that it be passed as approved by the committee.

Mr. Speaker, I very briefly want to join the Members who preceded me in praising the Honorable TENO RONCALIO, chairman of the committee. I know that all of us will very much miss him upon his departure from this body. He will be leaving us at a time when he is ascending.

I would also like to commend him very, very strongly for merging the various groups together in this bill. It is needed in the West. It means a lot to us in the West. I know I speak for the Montanans and other Members in the House in praising the gentleman from Wyoming for his efforts.

Mr. LUJAN. Mr. Speaker, I move to strike the last word.

Mr. Speaker, on behalf of myself and Congressman HAROLD RUNNELS, who is unable to be present today, and as a fellow cosponsor of H.R. 10587, I rise to present our statement in support of this vitally important legislation relating to the western range since the enactment of the Taylor Grazing Act of 1934, and in particular, section 8 of the bill. The language of section 8 was originally introduced by Congressman RUNNELS as a separate measure, but I am pleased to report that after careful consideration and appropriate amendment by our good colleagues of the House Interior and Insular Affairs Committee, a motion was made and accepted to include the intent of his bill as section 8 of H.R. 10587. This action was made during our friend's recuperation from major surgery.

As the title of H.R. 10587 implies, many of the public rangelands are in unsatisfactory condition and in need of vast improvements in order to achieve levels of productivity that will promote maximum livestock and wildlife production, greater recreational opportunities, soil erosion and flood control and watershed protection. At the same time it is important to give credit to those lessees and permittees who have maintained the rangelands in satisfactory condition. The taxpayers of California recently expressed their concern by passing proposition 13 in California in protest to excessive governmental spending. With the average cost of an allotment management plan presently amounting to some $50,000 on each allotment, many dollars could be saved by eliminating those allotment plans on those rangelands found to be in satisfactory or good condition.

The intent of Congress upon passing the Federal Land Policy and Management Act of 1976 was to give authority to the Secretary of Interior to include in permits and leases such plans as were determined necessary to retard the deteriorating condition of the range land in the Western States. Section 402 of FLMPA addresses this problem but the language is ambiguous. It has also been interpreted by a few of the agency personnel that AMP's are to be included in all permits and leases. It is now known that many of the stipulations contained in AMP's are presently being practiced by numerous ranchers throughout the West.

Many areas presently have been fenced into smaller pastures, watering for both livestock and wildlife have been constructed and various grazing systems are being practiced which are proving of great benefit to the land. These progressive permittees have accomplished what the Department is striving to achieve through implementation of AMP's and it is not necessary to apply these management plans on those allotments or ranchers.

In other areas where these improving conditions do not exist and the Secretary determines an AMP is necessary, then, under the provisions of section 8, he shall do so in consultation, coordination and cooperation of the permittee. In those areas where State land is intermingled or checkerboarded with private and Federal lands, State land officials should also be afforded the opportunity to participate in the formulation of any management plan that would impact the land for which they are responsible. District advisory grazing boards which are provided for in FLPMA are ranchers who have expertise in their field and are to be utilized in guidelines and consultation for the development of AMP's. These boards consist of members elected by the permittees and lessees in their districts who are the most qualified to represent the livestock industry.

In summary, section 8 of House bill 10587 recognizes those individuals who have and are doing a satisfactory job in insuring that the Federal land and their own private land will be in a better condition for future generations. I would like to point out that the language of section 8 has been endorsed by the administration, Western States land commissions, Governors, legislators, lending institutions and the livestock industry and I heartily endorse this section as a vital component to H.R. 10587.

Mr. RISENHOOVER. Mr. Speaker, will the gentleman yield?

Mr. LUJAN. I yield to the gentleman from Oklahoma.

Mr. RISENHOOVER. Mr. Speaker, I thank the gentleman for yielding.

I usually have very serious reservations about anything that has the endorsement of the Bureau of Land Management. However, this is one time when I think they are acting in the public interest.

Therefore, Mr. Speaker, I urge passage of the legislation.

AMENDMENT OFFERED BY MR. M'KAY TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. McKAY. Mr. Speaker, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. McKAY to the committee amendment in the nature of a substitute: Page 26, line 14, strike out the first sentence of subsection (c) which reads "The funds authorized by subsections (a) and (b) of this section shall be fully requested by the President."

Mr. McKAY. Mr. Speaker, I offer this amendment not to indicate that I do not support the full funding levels authorized in this bill, but rather out of concern that it overreaches Congress true authority over budget requests.

Each year the Appropriations Committee, of which I am a member, receives the President's budget requests and has the opportunity and sometimes the obligation to alter these requests as needed. To aid us in our separate evaluations we question administration officials as to the real need and merit behind these budget requests. Many times the judgment of the committee differs from that of the administration. This is our constitutional prerogative.

We do not, however, have authority to force the President to make budget recommendations. And it is not wise that we should attempt to do so in this bill.

To force the administration to automatically request the full authorization each year without regard to whether the Interior Department has the capability to profitably spend it is wasteful and unwise.

As a ranking member of the Interior Appropriation Committee, however, and as an original cosponsor of this bill, I will assure my colleagues I will try each year to encourage a budget request for this range rehabilitation program that matches the Interior Department's ability to spend the funds. I will also urge them to develop greater capability in this area through increased range science research and personnel training. My commitment to range rehabilitation is total and I will see to it that this program receives priority attention in each year's appropriation.

WESTERN RANGE REHABILITATION BENEFITS ALL AMERICANS

There are 622 million acres of grazing land, both public and private in the 11 Western States or 83 percent of the total land area in these States.

Federal grazing lands comprise almost half of all the rangelands in the West. Several recent studies have shown, however, that these public rangelands are not producing forage anywhere near capacity. I believe this tremendous resource should be utilized.

To that end I cosponsored with Chairman RONCALIO, Democrat of Wyoming, H.R. 10587, the Public Land Improvements Act of 1978.

The keystone of this bill authorized an influx of $10 to $15 million per year in range management funds for a period of 20 years. This long-term range management program has been heartily endorsed by the Interior Department, the Forest Service, and by several national livestock and wildlife associations as well.

As the world population is expected to increase from the present 3.6 billion people to 7.3 billion within the next 50 years, increased consumption of meat will result. One pound of table meat presently requires from 6 to 12 pounds of grain. The western public land States have the potential of producing one-half of the total meat consumed in the United States. At present, 20 percent of all feeder calves and 50 percent of all feeder lambs come from the 11 Western States. This country has a vested interest in continued grazing on the public lands.

RANGE IMPROVEMENTS BENEFIT BOTH LIVESTOCK AND WILDLIFE

While I am a strong advocate of continued grazing on the public ranges, I also believe that wildlife herds must be protected as well. I am convinced, however, that both wildlife and livestock can coexist on rangeland without detriment to either.

The Sierra Club in testimony recently before the Interior Public Lands Subcommittee in Salt Lake City on the public land improvement bill stated:

On the matter of range improvements, we support the sponsor's belief that funds could be well spent on such improvements, and that benefits would flow to wildlife, recreation and other uses of public lands as well as livestock.

In a paper just completed by Prof. Frederic H. Wagner of Utah State University, it is stated that when three-fourths of the western ranges are producing at less than half their potential, there is a great room for developing this potential "for both increased livestock numbers and wildlife." Professor Wagner concludes:

The advantages of this option are that it could be ecologically sound and provide for both facets of society who want more production of animal products and those who wish to enjoy increased wildlife resources.

I am hopeful that the Public Land Improvements Act of 1978 can start us on the road to reclaiming our rangelands.

OVERGRAZING HAS NOT CAUSED DETERIORATION

There are many who believe that the rangeland's poor condition has been caused by ever-increasing AUM's of cattle and sheep which has resulted in overgrazing. Prof. Thadis W. Box, dean of the College of Natural Resources at Utah State University, disputes this belief.

He indicates that:

The number of animals using the public range has continuously declined since records were first kept. Today only about one-third of the total number of AUM's are produced on the grazing lands as occurred in 1935. The number of sheep is only about half those grazing in 1935.

Rangelands began to deteriorate back in the 1890's. The U.S. botanical survey sent assistant agronomist Jared G. Smith into the Western States to survey the condition of the rangelands. In 1895 he reported:

There has been much written in the last 10 years about the deterioration of the ranges. Cattlemen say that grasses are not what they used to be. This is true to a very marked degree in many sections of the country.

Professor Box reports that livestock associations in Texas and Arizona in 1889 and Mormon church records in Utah attest to the depleted condition of ranges soon after settlement began.

A correspondent of the Deseret News wrote on September 25, 1879:

The stock raisers here are all preparing to drive their stock to where there is something to eat. This country, which was once one of the best ranges for stock in the territory, is now among the poorest; the myraids of sheep that have been herded here for the past few years have almost entirely destroyed our range.

The point of all this history is that the fault for the present condition of the rangeland lies not with present grazing techniques but rather with our inability to restore to capacity the rangelands deteriorated by an earlier generation.

I believe the answer to restoring the rangelands is not, therefore, found in further reducing AUM's but in increased range management.

As Aldo Leopold put it in 1924 "Wholesale exclusion of grazing is neither skill nor administration and should only be used as a last resort."

GRAZING FEES

Mr. Speaker, may I quote testimony of Dean Rhoads, President of the Public Lands Council, an 11 Western State organization of livestock permittees given before the Interior Committee:

Following the release of the Technical Committee report last February we urged ranchers and communities to participate in the public hearings scheduled in the Western States. There was good attendance at those hearings and the majority of the comments indicated that ranchers and community citizens felt that the cost of production and beef prices received should be part of any federal grazing fee formula. The outlook following the hearings held by the Grazing Fee Task Force in the West was that things were moving along and that finally there would be an equitable resolution to this issue.

After hearing what the Secretaries are proposing for a grazing fee formula, that optimism dropped into great disappointment and frankly, a feeling by a good number of ranchers that they had been taken for suckers—that all the work that went into responsible and constructive comment was for nothing. It may well have a lasting effect on the attitudes of many ranchers and Westerners about participating in the public hearing process again.

The fact is, if fees go up to the levels recommended in the Secretary's report, there is no doubt that the increased cost to some ranchers will drive them right over the brink and out of business.

The administration's fair market value formula is defective in several respects.

First, there is inadequate data to validate the private land lease rate as used by BLM and Forest Service in determining the private land lease rate index. For example, the new survey taken in March and June of last year did not include two livestock producing State figures—those of Nevada and Arizona—two States which have 26.2 percent of all the Federal AUM's permitted in the West. So, right off you have a 26-percent error factor.

Second, agricultural economists, range scientists, Federal personnel, and even Secretary Andrus openly admit that the private land lease rate as currently used, leaves a lot to be desired when it comes to statistical credibility. The administration says it will be cleaned up by 1980 but they still have not included the five questions recommended by the Technical Committee as additions to the survey questionnaire and it was the concensus of the Technical Committee that those questions were critical to even a half defensible private land lease rate survey.

Last, the report published by the Secretaries summarily dismissed the findings and recommendations of the Technical Committee, a group of professionals who are expert and knowledgeable about the factors that should be considered in a grazing fee formula. They were originally chosen for their expertise in their fields of range science, agricultural economics, survey design, and statistical skills.

I would like to note that two of the members of the four-man Technical Committee were also on the four-member Task Force Committee. A third member of the Technical Committee was the consultant on the Task Force. You would think that if the three members had agreed to the merits of the Technical Committee's recommendations that their input would have been reflected in the Secretaries' report.

The reason given for rejecting the November 1976 Technical Committee Grazing Fee Formula is not acceptable to us.

The Grazing Fee Task Force Report stated that to consider cost of production items normally associated with ranching operations in the Western States in relation to average prices received would institute a "subsidy" of a small portion of a much larger industry and would therefore be unfair. I wholeheartedly disagree with this statement.

I want it known that the livestock industry is willing to pay a reasonable and equitable grazing fee as mandated by the act. The $1.89 fee for 1978 is of some concern to us, however, the major problem is the future. When fees get to this 1980 level, you will see permits going vacant if current cattle prices continue. This will be particularly true in many areas of the more arid Western States.

NON-FEE COSTS OF GRAZING FEDERAL LANDS

I want to place into the record some of the hidden costs that livestock raisers face on the public lands. This was compiled by Dr. Darwin Nielsen at Utah State University:

NON-FEE COSTS OF GRAZING FEDERAL LANDS

(Up-dated with 1976 (July) index numbers)

1966

Lost animals, $0.60×1.76 (meat animals—priced received), $1.06.

Association fees, $0.08×1.99 (production items), $0.16.

Veterinarian, $0.11×2.09 (wage rates), $0.23.
Moving livestock, $0.24×2.13 (autos and trucks)+$2.09/2 (wage rates) $2.11 average, $0.51.
Herding, $0.46×2.09 (wages), $0.96.
Salting and feeding, $0.45×2.06+2.13/2 (auto and truck) 2.10 average), $0.95.
Travel, $0.32×2.13+1.89/2 (auto, truck, fuel and energy) $2.01 average, $0.64.
Water, $0.08×1.99 (production items), $0.16.
Fence maintenance, $0.24×2.09+2.09/2 (wages) (building and fence), $0.51.
Horse cost, $0.16×2.06 (feed), $0.33.
Water maintenance, $0.19×2.09+2.14/2 (wages, building and fencing) $2.12, $0.40.
Dev. depreciation, $0.11×3.02 (interest rates), $0.33
Other cost, $0.13×1.99 (production items), $0.26.
Total non-fee cost per AUM, $6.50.
$6.50+$1.60=$8.10 total cost of Forest Service grazing per AUM.
$6.50+$1.51=$8.01 total cost of BLM grazing per AUM/$6.50+$2.21=$8.71 estimated cost in 1980 per AUM.

Mr. RONCALIO. Mr. Speaker, will the gentleman yield?

Mr. McKAY. I yield to the gentleman from Wyoming.

Mr. RONCALIO. Mr. Speaker, the committee is delighted to accept the gentleman's amendment.

Mr. DON H. CLAUSEN. Mr. Speaker, will the gentleman yield?

Mr. McKAY. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Mr. Speaker, we concur with the objective of the amendment and accept the amendment.

The SPEAKER pro tempore (Mr. DANIELSON). The question is on the amendment offered by the gentleman from Utah (Mr. McKAY) to the committee amendment in the nature of a substitute.

The amendment to the amendment in the nature of a substitute was agreed to.

Mr. PANETTA. Mr. Speaker, I move to strike the last word, and I rise in support of the measure.

Mr. Speaker, I am pleased to learn from the gentleman from Wyoming (Mr. RONCALIO) that the House Interior Committee and the gentleman's subcommittee will be following administration of the wild horses and burro program of the Bureau of Land Management closely.

As many of us know, there have been some serious allegations of mismanagement by BLM in this program, allegations that are sometimes distressing and sometimes simply shocking.

I am greatly reassured to learn from the gentleman from Wyoming that there will be tough oversight of this program. Particularly of interest to me is the fact that the committee will work closely with BLM to see that its population dynamics study and census are conducted in scientifically acceptable ways. In addition, the gentleman has indicated his intention to see that the Bureau improves its handling of the animals, so that the terrible inhumanity to these great wild animals that has characterized this program is ended once and for all. Finally, I am pleased that the committee recognizes the need to improve the adopt-a-horse program, so that more horses are adopted more quickly by interested individuals. Clearly, there is a demonstrated willingness on the part of the public to take these animals; with better management, the animals will find good, new homes with responsible individuals.

Once again, let me say that I appreciate the willingness of the gentleman from Wyoming and the committee to work with me on finding ways to improve the program. This program, once its management is improved, will benefit all of us, including ranchers, the public and, not least of all, the wild horses.

Mr. RONCALIO. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I believe that most of the debate on this bill is finished, and I will only take a moment to thank all of the Members who have aided me in handling this piece of legislation.

Mr. Speaker, this may very well be my swan song as one of the lawmakers of this House. I love this Congress, I love this House; and I express my good will and wish for the happiness of all of those who stay on in the public work of this body.

Mr. DON H. CLAUSEN. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I just wanted to add my accolades to the comments made by the gentleman from Arizona (Mr. UDALL) and my other colleagues.

Mr. Speaker, this legislation, I understand, is a monument to TENO RONCALIO, and I wanted to make certain that the input was bipartisan.

As a member of the Subcommittee on Indian Affairs and Public Lands, I can attest to TENO RONCALIO's fairness, to his responsiveness to the needs of the public and to those of his colleagues.

As a member of the minority party, I especially appreciate the spirit of cooperation with which he conducts the subcommittee's business. The Public Range Improvement Act just passed reflects the even-handed, fair-minded approach which he brings to the legislative process. It is, therefore, a most fitting monument to a career of dedicated public service.

● Mr. SYMMS. Mr. Speaker, almost half of the land area in the 11 Western States is federally owned. Livestock grazing is done on about 73 percent of this land. There is a growing demand for the wise and productive use of our renewable natural resources and I believe that H.R. 10587, the Public Range Lands Improvement Act of 1978, will enhance the improvement of rangelands as well as set up a formula based on a fair market value grazing fee in relation to the cost of beef production and prices. We all know what happened to the ranchers when the price of beef fell drastically and they were paying high feed and grazing costs.

H.R. 10587 authorizes $360 million for 20 years so that a long-range improvement program can effectively be carried out by the Bureau of Land Management for range revegetation, watershed management, and erosion control, to name just a few of the projects which will be undertaken.

Federal range improvement is not just a western concern but one which constitutes national importance. We must care for the lands, which assures their contribution to the national welfare. Numerous organizations have endorsed H.R. 10587 and I believe Congress should consider this legislation a No. 1 priority.●

● Mr. MARLENEE. I rise in support of H.R. 10587. This legislation is the product of many months of work by members of the Interior Committee, the livestock industry, and the environmental community. This legislation has numerous advantages and no drawbacks.

Public lands used for livestock grazing and wildlife are a very important and viable natural resource. Yet this resource has not been properly administered in a manner conducive to all the competing ends which vie for its benefits. By ignoring the range until the Taylor Grazing Act of 1934, the Congress is much to blame for the current status of our ranges, and I call upon each Member to stand and rectify the situation.

The urgent need for this legislation is underscored by the fact that 80 percent of the lands managed by the Bureau of Land Management are currently in less than satisfactory condition. Such decline in the range came about through the unlimited grazing in the early years of westward expansion in conjunction with the lack of any direction supplied by the Government. Today the cattlemen are more attuned to the needs of the land and have spearheaded this fight for range improvement and conservation.

Recent years have seen large improvemen'ts in the range due to improving management practices and our increased knowledge and education about this natural resource.

Yet we still have a long way to go in bringing our native ranges back to their productive potential for livestock, wildlife, and recreational purposes.

Bill H.R. 10587 will be a major step in improving the condition the public rangelands are now in. Let me speak to the highlights of the bill. Since the range is utilized by the livestock industry more than any other single group, it is proper for them to continue to take the lead in improvement of the range. Even while the cattle industry suffers from depressed prices, those who are major utilizers of the public range are willing to burden themselves through increased fees in order to increase range productivity. Such fees will add $10 million to the range improvement fund. The Government will also allocate $360 million over the next 20 years for the range improvement program. Of these funds, at least 80 percent of the moneys must go for on-the-ground improvement. Such on-the-ground improvement funding will go a long way in increasing forage improvement for wildlife and livestock.

In addition the legislation takes into account the rancher as producer, conservationist, and administrator of the lands. The bill will assist the livestock producer by placing the grazing fee on a

cost/price basis rather than the market value of the land concept now being used. These fees are on a 7-year trial basis. This linking of grazing fees to livestock prices and the forage index allows the producer to remain in a financially viable condition and protects the range from overgrazing during times of lower fees.

In addition, by taking into account the livestock operator as administrator of the lands, the requirement of cooperation between the leasing agencies and the rancher, as well as between the Secretaries of Agriculture and Interior, allows for a directed and coordinated effort of rangeland improvement.

The separation of projects into environmental and nonenvironmental impact improvements allows minor improvement of the lands to take place without holding up such action until an EIS is completed. However, when a major change is taken under consideration the law provides for the EIS to be undertaken so as to assure the land will be enhanced for the benefit of all concerned.

H.R. 10587 is, in addition, a positive approach to the protection of wild and free-roaming horses and burros. However, due to the lack of natural predators, the BLM estimates that between 20,000 and 30,000 excess animals are currently on the public lands. Such numbers of animals have created grave problems of soil erosion, overgrazing, and forage depletion. The Grand Canyon is an excellent example of what will take place if these excess animals are not removed from the range in a humane manner. This bill provides such a means. The adopt-a-horse-or-burro program is an excellent method of removing these animals while providing them with a good home. This wildlife must be controlled in order to save the range not only for the livestock and recreational purposes, but for the horses and burros themselves. Animal numbers beyond the carrying capacity of the land encourage not only depletion of the land resource, but disease, malnutrition, and suffering amongst the herds as well.

Those who are not familiar with the Western public lands will ask why not stop all grazing in order to bring the lands back to their productive potential. This is a falacious argument. The BLM and other independent research indicate that range conditions will actually improve at a faster rate if regulated livestock grazing takes place. Others ask why grazing fees should not be increased at a faster rate than the formula would dictate. The livestock industry has been producing at costs which are higher than returns, and any sharp increases at this time would be devastating to the producers. This bill will allow these producers to continue while range improvement moves forward.

I believe this bill is a commonsense and reasonable approach that should allow the harvest of a renewable resource, and at the same time will also help improve the public lands as a natural resource. I thank the Members for their support of this needed legislation.●

The SPEAKER pro tempore. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the bill and amendments thereto.

There was no objection.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

(Mr. RHODES asked and was given permission to address the House for 1 minute.)

Mr. RHODES. Mr. Speaker, I take this time to ask of the distinguished acting majority leader as to whether he is in a position to announce the program for the balance of the week and for the week following the recess.

Mr. ROSENTHAL. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from New York.

Mr. ROSENTHAL. Mr. Speaker, the program for this week has been concluded. The program for the week of July 10, 1978, is as follows:

On Monday, the House meets at noon, and will consider six bills under suspension. Votes on suspensions will be postponed until the end of all suspensions.

The bills are as follows:

H.J. Res. 613, National Grandparents Day;

H.J. Res. 1007, Asian-Pacific American Heritage Week;

H.J. Res. 773, National Port Week;

H.R. 12605, Public Telecommunications Financing Act of 1978;

H.R. 13037, authorize issuance of substitute Treasury checks; and

H.R. 12106, Transportation Safety Board authorizations.

Following disposition of the bills under suspension of the rules, the House will consider H.R. 12536, National Parks and Recreation Act of 1978; votes on amendments and the bill.

Following that, we will consider House Joint Resolution 1024, urgent supplemental appropriations for agriculture.

In addition, there are three District bills to be considered, as follows:

H.R. 10311, D.C. Redevelopment Act amendments;

H.R. 13224, transfer of D.C. real property to D.C. Redevelopment Land Agency; and

H.R. 12116, home rule charter amendments.

On Tuesday, the House will meet at noon, and consider six bills under suspension, as follows:

H.R. 11153, Reclamation Safety of Dams Act;

H.R. 11226, Water Research and Development Act;

H.R. 11655, Water Resources Planning Act;

H.R. 10787, BLM authorizations;

H.R. 11827, surface mining authorizations; and

H.R. 13340, joint fisheries ventures.

Following the suspensions the House will consider H.R. 15, ESEA Amendments of 1978, with an open rule and 2 hours of debate. The rule has already been adopted.

On Wednesday, the House will meet at 10 a.m. and will consider the following:

H. Con. Res. 599, proposed export of uranium to India;

H.R. 15, ESEA Amendments of 1978, complete consideration; and

H.R. 12163, DOE authorizations, fiscal year 1979, subject to a rule being granted.

On Thursday, the House will meet at 10 a.m. and will consider H.R. 11392, DOE authorizations, fiscal year 1978, subject to a rule being granted.

On Friday, the House will meet at 10 a.m. for the following legislation:

H.R. 12432, Civil Rights Commission Act of 1978, to complete consideration of that bill; and

H.R. 1609, Coal Pipeline Act of 1978, with an open rule and 2 hours of debate.

The House will adjourn by 3 p.m. on Fridays and by 5:30 p.m. on all other days except Wednesday.

Conference reports may be brought up at any time, and any further program will be announced later.

Mr. RHODES. Could the gentleman inform the House as to whether there are any plans to bring up the housing bill which was partially completed, but was not completed?

Mr. ROSENTHAL. The present intention is to continue consideration of that bill during the week of July 17.

Mr. RHODES. I thank the gentleman.

HOUR OF MEETING FOR BALANCE OF 2D SESSION OF 95TH CONGRESS

Mr. ROSENTHAL. Mr. Speaker, I ask unanimous consent that until otherwise ordered and from July 1, 1978, until the end of the second session, the hour of meeting of the House shall be 12 o'clock meridian on Mondays and Tuesdays, and 10 o'clock antemeridian on all other days of the week.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

AUTHORIZING CLERK TO RECEIVE MESSAGES FROM THE SENATE AND SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS NOTWITHSTANDING ADJOURNMENT

Mr. ROSENTHAL. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Monday, July 10, 1978, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint

resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, JULY 12, 1978

Mr. ROSENTHAL. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday, July 12, 1978, may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

AUTHORIZING SPEAKER TO ACCEPT RESIGNATIONS, APPOINT COMMISSIONS, BOARDS, AND COMMITTEES NOTWITHSTANDING ADJOURNMENT

Mr. ROSENTHAL. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Monday, July 10, 1978, the Speaker be authorized to accept resignations, and to appoint commissions, boards, and committees authorized by law or by the House.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION FOR COMMITTEE ON MERCHANT MARINE AND FISHERIES TO HAVE UNTIL MIDNIGHT, JULY 7, 1978, TO FILE REPORT ON H.R. 13340, AMENDING FISHERY CONSERVATION AND MANAGEMENT ACT OF 1976

Mr. ROSENTHAL. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may have until midnight on Friday, July 7, 1978, to file a report on the bill H.R. 13340, amending the Fishery Conservation and Management Act of 1976 in order to regulate the acquisition by foreign fishing vessels for processing at sea of fish harvested by U.S. fishing vessels, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

GENERAL LEAVE

Mr. UDALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 10587.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

EUROPEAN COMMUNITY IS PLAYING A DANGEROUS TRADE GAME

(Mr. McFALL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McFALL. Mr. Speaker, many of the farmers in my Congressional District in California's fertile San Joaquin Valley continue to experience great anxiety over the efforts of the European Economic Community (ECC) to disrupt the historical trade patterns of California specialty crop exports to Western European markets.

Last month, on May 23, the House addressed this subject specifically by adopting House Resolution 238 on a recorded vote of 407 yeas to 0 nays. House Resolution 238 condemned unfair trade practices by the EEC such as minimum import prices (MIP), prior deposit requirements, and import licensing schemes.

On June 16, a panel convened under the General Agreement on Trade and Tariffs (GATT) ruled that the EEC's minimum import price regulations were illegal. On that same day, June 16, the EEC replaced its MIP system with a system of internal production subsidies on several agricultural commodities. These commodities include dried prunes, canned peaches, and several tomato products.

The complaint of many of my constituents is not that the EEC should not be able to insure the continued existence of certain sectors of its agricultural community through providing subsidies, but rather that the EEC should not be allowed to establish production subsidies at such a high level as to encourage and promote expansion of the agricultural production affected.

I think a specific example will help clarify the concerns of my constituents. On June 16, the EEC implemented an internal production subsidy for dried prunes. Under this program, a processor will receive a subsidy of 18 cents per pound if he agrees to pay EEC prune growers, who are all French, a price of 64½ cents per pound. The dimension of this subsidy becomes apparent when you compare the 64½ cents per pound the French grower will receive to the 24 cents per pound the California grower has typically received over the last 3 years. This disparity is even more acute in light of the calculation, based on an economic study in France 2 years ago, that the California growers are on average 33 percent more efficient than the French growers, when all factors are considered.

This level of subsidy, which can be increased, is obviously designed to encourage increased French production of prunes to the detriment of California growers. In net effect, how does this differ from the unfair trade practices condemned in House Resolution 238? The effect is also the same as in the case of the EEC's minimum import price regulations the GATT panel declared illegal.

Mr. Speaker, the EEC is playing a dangerous game, be it called "MIP" or "Subsidy" or whatever. The United States cannot continually allow its historical trade patterns to be unilaterally disrupted. I am fully aware that the Multinational Trade Negotiations are now in a crucial period and that any final agreement coming out of those negotiations may deal with this subject. I simply want it fully understood that many of my constituents, whose livelihoods are being threatened, cannot long endure the continued trade harrassment that appears to be becoming second nature to the EEC.

THE TELLICO DAM CASE

(Mr. DUNCAN of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DUNCAN of Tennessee. Mr. Speaker, the widespread publicity which has been given to the Tellico Dam case, especially in light of the Supreme Court's decision just 2 weeks ago, has undoubtedly made my colleagues very much aware of the growing controversy surrounding the Endangered Species Act of 1973. In the Tellico case, the act was successfully used by a small group of environmentalists to halt a nearly completed, multimillion dollar project which had been promised to, and which is greatly needed by, the people of East Tennessee. I do not believe that such an application of the law was ever intended by the Congress, and that in the near future, we will have to act to provide flexibility to the act so that the needs of man will not always be outweighed by the needs of obscure fish.

In the meantime, I would like to commend to my colleagues the following editorial which appeared recently in the Maryville-Alcoa Daily Times, a newspaper which serves much of the Tellico Project area.

[From the Maryville-Alcoa Daily Times]

TIME TO LOOK THROUGH GATES OF TELLICO DAM

The United States Supreme Court, in killing the Tellico Dam for the umpteenth time, simply decided that the law as written by Congress allowed no exceptions. It stated that the snail darter cannot be endangered and that its protection from the Endangered Species Act was absolute.

The recourse now is for Congress to redraw the act, disallowing it from stopping public projects without due process of public hearings and an established procedure to balance the benefits of a project against the damage it does to the ecology.

Our inclination at this time is to stop any effort to preserve the Tellico Project of the Tennessee Valley Authority by congressional action. In the first place it is doubtful that the new board of the authority will approve any further action with Congress for this exemption. Secondly, the money which cannot be recovered from project costs is a mere pittance to what the current administration is throwing away on far more useless projects.

Rather than proceeding to complete the closing of the gates, we would like to see the dam structure left as it is and start a fund drive among local citizens for a huge plaque to place on it. The legend on the plaque should real that the dam is a monument to governmental stupidity, to the successful lobbying of small interest groups against the desires of over 90 percent of the people of this area and to the inability of the regulators of our society to escape from wasting huge sums of taxpayer money when congressional acts are poorly written and maladministered.

It already is a monument to some $30 million purely through added costs by delay-

ing tactics. It has been stopped by a congressional act passed long after the approval and construction start of the project if anything, the grandfather clause should have saved it.

Now is the time to turn not inward for recriminations but outward to investigate all possible means to utilize the land within its proposed impoundment area for the best advantage of the people of this area and for the nation. We agree with the proposal of some that the entire area be turned into a national recreational park and the links of this park with the Great Smoky Mountain National Park should be greatly enhanced.

We're not kidding when we say that the name of the park is already before us—Snail Darter National Recreation Area. The nation has long laughed at the ability of the snail darter to stop this construction and the darter would be highly responsible for its conversion to a rec area. It is custom to name parks for those who have had a major part in their location.

WILLIAM R. TANSILL: A TRIBUTE

The SPEAKER. Under a previous order of the House, the gentleman from Puerto Rico (Mr. CORRADA) is recognized for 10 minutes.

Mr. CORRADA. Mr. Speaker, "Anybody," said Wilde, "can make history. Only a great man can write it." These words may serve as tribute to the character and lifework of William R. Tansill during his remarkable career in the Library of Congress. For over four decades, in varying capacities, he has served the Congress with distinction, winning respect and affection from those who have worked with him. To his chosen vocation, he has brought not only a widely acknowledged professional competence but also personal gifts of wit and humor, rare candor, and marked individuality of character. Impatient of sham and disinclined by temperament to "the insolence of office," he has pursued his love of history through the years, obedient to Trevelyan's vision:

> Of imagination pursuing the fact and fastening upon it * * * a burning desire that constitutes and ratifies (the historian) all his life, that carries him each morning, eager as a lover, to the library and muniment room * * * this peculiar call of the spirit, the type of intellectual curiosity that we name the historical sense.

To that sense he had been unwaveringly faithful in an age often marked by distortion, ignorance, or faddish abuse of that distinterested quest for truth which distinguishes history from propaganda.

Animating his love for history has been a lifelong devotion to his country and to the ideals which constitute its true greatness. Recognizing with Disraeli that "patriotism depends as much on mutual suffering as on mutual success * * * the experience of all fortune and all feelings," he has devoted his energies to the study of American history with special attention to the territories, regarding which he is recognized nationally as one of the best informed persons in the United States. Born into a family tradition marked by love of country, independent judgment, and historical criticism, he has made that tradition his own through his service to Congress in the Library originally established for that purpose. His major analytic reports and multilithe publications for some 30 years indicate the extent and value of his contribution.

Puerto Rico, American Samoa, the Pacific Islands, the Virgin Islands—on these and other areas, he has written with authority and insight regarding their history, administration, problems, and aspirations. His 1942 Public Affairs Bulletin, "Hawaii and Statehood", may be said to have been prophetic. He has traced the development of the political status of Puerto Rico and the evolution of the office of Resident Commissioner. He has examined the complex problems of the territories and their representation. His study of Samoa "as an international pawn in the latter half of the 19th century" definitively illuminates the background to the condominium of 1889 and partition 10 years later.

Moreover, he has always provided invaluable assistance to Delegates and Resident Commissioners alike in behalf of the well-being of Puerto Rico and her citizens. He has worked closely with the staff of relevant congressional committees, and has published privately in his area of territories. His knowledge has inspired confidence in others and he has given freely both of information and of that wisdom which comes from experience and reflection. His multiliths on the American Constitution—its formation, development, and principles—and on procedures for admission of States are evidence of his comprehensive understanding of American Government, past and present.

Born in Washington, D.C.—appropriately enough—he attended public schools in the District, later receiving both his B.A. and M.A. degrees from George Washington University and his Ph. D. (in history) from Georgetown. He began his Federal career in 1936 at the height of the New Deal era as a messenger and desk attendant in the House Office Building. In 1942, he transferred to the then Legislative Reference Service, serving in progressively responsible positions through the past 36 years, including Junior Librarian, Assistant Reference Librarian, and Social Science Analyst. From 1956 to 1967, he served as assistant chief of the then History and Government Division. On July 3, 1956, he was appointed Specialist in National Government, in which position he has served to this day.

Many honors have come to him over the years, the most recent being the Superior Service Award of the Library of Congress, recognizing his 42 years of Federal service, service to the Library, to the Congress, and, indeed, to the Nation. Throughout his career, he has always given freely of his time and counsel to his colleagues and to junior analysts, instilling in them his own love of research and respect for language, demonstrating his editorial skill and sense of style, and imparting not only knowledge and the ability to communicate it, but also his sense of fairness in human relations.

As he retires from the Library he has loved so well, he leaves a legacy of esteem and good will. He may also take just pride in the significant body of research which has been his and in the innumerable ways in which he has affected the shaping of public policy. For him the history of the Nation is (in Emerson's words) no "shallow village tale" but the unfolding drama of human freedom. He shares the faith of another eminent American historian's appraisal of the lessons taught by history: "When it is dark enough, you can see the stars."

We congratulate him and the members of his family, and wish him a retirement filled not with repose but with continuing intellectual growth, confident that for him as for America "what is past is prologue."

THE LATE HONORABLE CLIFFORD ALLEN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee, (Mr. JONES) is recognized for 60 minutes.

Mr. JONES of Tennessee. Mr. Speaker, it is with sadness and sorrow that I take the floor today to pay special tribute to our late colleague, CLIFFORD ALLEN. Though he was a Member of this body only 3 short years, I know we will all miss his presence here.

I knew CLIFFORD ALLEN for many years dating back to his first term as a Senator in the Tennessee Legislature. At that time, I was serving in the cabinet of the late Gov. Gordon Browning. It was then that CLIFFORD first began building his reputation as a fighter for what he believed was right. In Tennessee, he was referred to in many ways: A maverick, flamboyant, consumer advocate, and many others. No doubt, there was truth in every one of those labels.

What I remember him most for was his dedication to public service and his deep devotion to the average man on the street. It was those people, average every day Americans, that CLIFFORD ALLEN fought so hard for. The Members of this body know of his tenaciousness during the deliberations in this body, but the people of Tennessee know of his fighting instincts in every public office he held.

While a Tennessee State senator, CLIFFORD ALLEN wrote the first free textbook law to be passed in Tennessee. When he was suffering from a heart attack in 1957, he refused to let it keep him from his duties in the State senate. Against the advice of his doctors, he ordered that he be taken to the senate chamber on a stretcher so he could vote on a teachers pay raise bill. While tax assessor of Nashville, he wrote a constitutional amendment known as question 3 which sought to provide more equitable property taxes for homeowners. I might add that was many years before proposition 13 became an issue in California. I could go on and on about his achievements.

But I would rather take this time to express my unabiding respect for CLIFFORD ALLEN. There were occasions when he and I were on opposite sides of the fence in political campaigns, but those differences were put aside after the elec-

tion. I grew to respect him greatly, both as a political opponent and as a supporter. He brought to any endeavor he undertook the same energy, enthusiasm, and expertise; and when he undertook a battle, he never stopped the fight or let up in his efforts until it was over.

I know we shall all miss CLIFFORD ALLEN; I am certain the people of Tennessee will miss him. I want to extend to his family my deepest sympathy in their loss.

Mr. Speaker, I ask unanimous consent to include in the RECORD two tributes paid to CLIFFORD ALLEN in the last week. The first is the eulogy given by the Reverend Dr. Robert Spain of the Belle Meade United Methodist Church in Nashville. The second is a commentary on his work written by Mr. John Means of the Tennessee News Bureau.

The SPEAKER pro tempore (Mr. MONTGOMERY). Is there objection to the request of the gentleman from Tennessee.

There was no objection.

(The material referred to follows:)

EULOGY FOR CLIFFORD ROBERTSON ALLEN

(By Dr. Robert H. Spain, Belle Meade United Methodist Church)

II Timothy 4:7—"I have fought the good fight, I have finished the course, I have kept the faith."

We come together today to mark the passing from our midst of Clifford Robertson Allen, and to honor him as a person and to underscore our appreciation for his contribution to our lives.

Most of us in Metropolitan Nashville and in the 5th Congressional District have been acutely aware of Clifford Allen for more than thirty years. We have known him as an attorney, a restaurant operator, state senator, tax specialist, an oft-time candidate for various positions in government, and as our Representative in the Congress of the United States. It may well be that in our area he is one of this generation's best known personalities. As someone recalled, "Clifford Allen is a household word."

We have not always spoken of Mr. Allen according to the titles I have just mentioned. Indeed, there have been many other descriptive phrases. You have heard and read them as I have—political maverick, flamboyant, fiery critic, unabashed liberal, ahead-of-his-time, consumer advocate, dedicated friend of the common people, tireless worker, warhorse . . . and I suppose there is some truth in each of them. Our description of him will depend upon our personal relationship with him or with a specific cause. One thing is for sure. We were aware of him.

The contributions that Clifford Allen made to our community will be a topic of conversation for years to come. They will probably be judged in the light of our own particular political or social persuasion, but we can all agree that he did not leave life as he found it. Whether it was free text books for our school children, a new day for teachers' salaries, or tax relief as found through Question 3, or energy rates for the average consumer, or the fight for the recognition of the common person, he made a difference. He gave to the causes he championed everything he had. And even in defeat, he raised questions that could not help but be considered.

Clifford Allen could be as unrelenting in his convictions as anyone I know, and could unleash an attack on an individual or agency that had the fury of a tornado, but he was not one to harbor hate or ill will toward his opposition. Even in the midst of a torrid debate, there was always a respect for those who sat on the opposing side.

Because of his uncompromising commitments and a flair for the spectacular, many often felt him to be totally insensitive to the criticisms leveled against him. I doubt if this is an accurate description of him. He was a deeply personal man. There is a bleeding which reveals itself to the world and there is an internal bleeding. He did not let the battle wounds affect his outward performance (he would not have allowed his opposition this joy), but he did hurt and suffer when, as he said to me, "I let the people down."

Clifford Allen was a multi-faceted person:

Like a dancer, he had a sense of "timing" that was beyond description. He had something like a sixth sense that seemed to tell him when to enter a room or when to call a press conference or when to sound the attack. He discovered and cultivated the necessary steps and practiced them to perfection, but there was something beyond the basics—maybe it was purely a gift, but he had a sense of timing that was something to behold.

Like a boxer, he had an uncanny way of turning disaster and defeat into an advantage. Whether it was a heart attack (which he often suffered) or a solid political defeat (which he also often suffered), or a D rating for a restaurant, he always came back. Time after time, he struggled up on a count of nine with a new burst of power that his opponents could not believe. Not until the bell (in Clifford's case, not until the final vote was counted) could one ever count him out. He had a way of doing what no one thought he could do.

Like a quarterback, he was always in control and never shied away from the responsibility of "taking charge." To that extent, he would have been a good quarterback. In other ways, I doubt if he would have been successful in that role. As a quarterback, I can imagine that Clifford would have never punted on third down. He would have often passed from his own end zone, and would have never been caught "just running out the clock." Judging from his political record, he probably would not have always been on the winning team, but I doubt if anyone in the stadium would have gone away without knowing that there had been an exciting ball game.

Like a conductor of a symphony orchestra, he had the ability to blend together sounds from all corners of life and bring them into one harmonious outpouring of beauty. He loved and respected the conductor's position and could receive the ovations of the crowd with as much pleasure as anyone I know. But once the applause had ended and the lights were down, he could be a master with the baton—leading, guiding . . . from the strings to the woodwinds to the kettle drums—always in control of the situation.

Someone remarked that Clifford Allen could have done anything there was to do. I understand the intent of the comment and certainly agree that he was a talented person in many ways, but I doubt the comment as a literal fact. I don't think Clifford could have ever been a coach—he could't have stayed on the sidelines. He would have had difficulty being a farmer or forester, spending all his day out in the fields alone. He was a person-oriented individual. People, all kinds of people, were as necessary to his well-being as food and water. He probably could have been a pilot of an airplane, but I don't think he would have been one because they can only fly where someone tells them to fly . . . and this wasn't Clifford. He charted his own course in life and was his own man. He did not say or do everything that the world might have wanted, but the world never lacked for knowledge of where he stood.

Of all the words I have read and heard about Clifford Allen, I appreciate the one that said, "One could feel his presence even when he entered the room". There was a "presence" about him. One felt him when he came near. He had many critics and much opposition and he endured the wrath of many government and civic leaders . . . but they couldn't forget him or write him off.

Literature abounds in mythological stories of one's spirit arising from the ashes of death. There is no doubt in my mind but that the spirit of this life will continue to be felt even though his physical presence is no longer with us.

History will record the bills he introduced and the causes he championed, but it may very well be that his greatest accomplishment will be none of these—but rather the hope he gave to ordinary people. He brought us again to believe that government is truly of the people and for the people.

Clifford Allen died as he lived—fighting . . . and we are the beneficiaries of his struggles. May God richly bless the life and the deeds and now the memory of Clifford Robertson Allen.

CLIFFORD ALLEN

(By John Means)

WASHINGTON.—Wherever Clifford Allen is, he's probably laughing.

The Nashville Congressman had a strange sense of humor anyway, and nothing delighted him more than twisting the tail of the establishment. The picture of Middle Tennessee politics thrown into complete and utter chaos by his death would appeal to him.

For three decades, Tennessee political writers tried to characterize Clifford Allen. They called him liberal, populist, maverick Democrat, lone wolf, giant-killer, just to mention a few.

None fit. All anyone could call Clifford Allen was Clifford Allen.

He ran for governor four times, and never came close. But the maverick in him played a major role in the 1958 race, changing the outcome.

By mid-summer of that year, even without sophisticated polling methods, it was fairly obvious that Allen would run a distant fourth, behind Buford Ellington, Judge Andrew (Tip) Taylor of Jackson and Memphis Mayor Ed Orgill. Orgill, the only liberal in contention, met with Allen and almost persuaded him to pull out of the race and join the Orgill camp.

They came within inches of agreement, but at the last minute Allen changed his mind. He stayed in the race, carrying Davidson County by more than enough to cost Ed Orgill the governorship.

Allen served in the state Senate for three terms before running for Davidson County tax assessor. Nobody had ever considered tax assessing a very dramatic job, but nobody had ever seen Clifford Allen assess taxes before, either.

Listening to the taxpayers every day, he smelled something like Proposition 13 down the road years ago, and tried to warn others that it was coming. He used his office to denounce rising utility costs, particularly TVA's, which scarcely came under his jurisdiction. That didn't bother him. If something needed to be said, and nobody else seemed anxious to say it, Allen was always ready.

He clashed with both the Browning and Clement administrations, but the most memorable confrontation was the 1957 teacher pay raise fight. During it, he had his first major attack, the one that almost blinded him. From a hospital bed, he ordered an ambulance to take him to the Senate chamber the day of the vote, while his doctors threatened to walk off the case if he disobeyed their orders.

To this day, one of the most dramatic moments in the history of the Tennessee legislature is Allen being wheeled into the Senate on an ambulance cot to vote for the teachers' pay increase. It would make a better story if his vote had decided the issue, but

I don't remember that detail. I only remember leaning over the press table to watch him as he tried to raise his head to reach the microphone to cast his vote.

He was the author of the state's first free textbook law, and he always had an eager interest in the public school system. He was a lone voice again after the 1954 Supreme Court desegregation decision, when the legislature was debating a package of five bills designed to cushion (some said thwart) the decision. The Clement administration wasn't completely redneck, but it wasn't rushing into anything, either, regardless of the "all deliberate speed" mandate.

The status-quo package was backed by Clement, anti-Clement people, Democrats, Republicans, practically everybody. Except Allen.

During one debate, Sen. Ross Dyer of Halls, a Clement floor leader and chief sponsor of the bills, countered an Allen objection with the kind of look given by parents to a retarded child who has just announced that the earth is flat. "Senator Allen," he said, "do you mean you think these bills might be unconstitutional?"

"Don't think there's any question about it," Allen answered in his finest air of infuriating self-assurance.

Of course, he was right. The bills were passed overwhelmingly, and declared unconstitutional almost before the ink dried on Clement's signature. Dyer went on to become chief justice of the state Supreme Court, compiling a record of judicial wisdom that allowed his admirers to forget his role in that unsavory passion play.

And Allen went to Congress, after a successful career as restaurant owner, tax lawyer and accountant. But more than anything else, he was a public official the voters liked and trusted to speak out for them.

Mr. JONES of Tennessee. Mr. Speaker, I now yield to my distinguished colleague, the gentleman from Tennessee, Mr. ALBERT GORE.

Mr. GORE. Mr. Speaker, I thank my colleague, the distinguished gentleman from Tennessee (Mr. JONES) for yielding me this time.

Mr. Speaker, the death of Representative CLIFFORD ROBERTSON ALLEN leaves us with great sorrow. We are saddened because we have lost a man of great courage, a persuasive man of strong personal convictions, a valuable critic of our political system, and a personal friend. We miss his presence today, tomorrow, and we will remember him for a very long time. We will remember CLIFFORD in the way I believe he would have wanted us to remember him—as a man who represented the people; as a man who was proud of being a "public servant"—and kept that title unblemished and polished. He reveled in championing the cause of the average citizen. He was their hero.

CLIFFORD was a man of ideas and a man of vision, ahead of his time on many complex issues. I once heard him say:

This may not happen during my lifetime, but if I can plant a few seeds for thought, perhaps others will follow-through with the detailed solutions.

One of the proudest moments of his life was when the Governor of Tennessee addressed him as "the father of free textbooks for Tennesseans," an issue which was considered radical in Tennessee before CLIFFORD ALLEN took the lead and made it a reality.

He was never afraid to enter any battle when he believed it was justified. He said his father taught him never to be afraid to enter a fight, but to always be prepared. And as anyone who ever disagreed with Mr. ALLEN knows, he was always prepared. He reeled off facts and figures during debate which left its mark on the opposition. Through his persuasive abilities and intellectual analysis he hammered away on a point or issue with the self-assurance for which he was noted. Whether he won or lost was never his first consideration. He was dedicated to his own conscience.

The people of the Fifth District of Tennessee recognized CLIFFORD as their fighter and they respected and cherished him for it. They knew he would listen and respond, and so he was asked repeatedly to take up the banner of justice for the people—a flag he vigorously and joyously upheld.

So many times during his life he fought personal illness and tragedy. Some men, plagued with such adversity, would have surrendered—to protect their own well-being. But not CLIFFORD ALLEN. He died as he lived—never admitting defeat; living life in the most positive way he knew; fighting against any odds because his will and conscience dictated it. He was true to himself. What greater service can any man give?

Mr. Speaker I want to express my sympathy to all the members of his family and all others who were close to him. He was truly an extraordinary man. I will miss Mr. ALLEN more than words can express. I knew him as a newspaper reporter while he was tax assessor. I covered him on a daily basis for many years. Our friendship grew much closer, of course, in this body, as did my respect for him.

The two daily newspapers in Congressman ALLEN'S home city of Nashville wrote very eloquently of his contributions to his country and his community. I would like at this point to insert these editorials to exemplify the high esteem in which CLIFFORD ALLEN was held by those who knew him so well through his long and distinguished political career.

The editorials are as follows:

CLIFFORD ALLEN: A VALUED, REMARKABLE PUBLIC SERVANT

Congressman Clifford Allen was such a familiar part of Nashville and Tennessee politics that even a day later it is difficult to grasp the final fact of his death.

Despite illness over the years. Despite awareness of the seriousness of this last illness. He was such a fighter. One expected him to come back, again and again, as he had done so many times in public life.

Unsuccessful races for governor and mayor. Successful races for state senator and county tax assessor. Delegate to the 1971 Constitutional Convention. His long career was capped by his election—a landslide—as U.S. Congressman from Tennessee's 5th District. That he was considered "unbeatable" during his service in the U.S. House was a direct reflection of the high esteem he held among the people.

Clifford Allen, dead at 66. The years leave so many memories. One he would surely prefer, and which is entirely valid, would be of the battles he waged for the ordinary citizen. Whether it was in regard to seeking free textbooks, or his work through Question 3 that lowered assessments for residential and agricultural property, or his calls against government waste, or his challenges to companies and utilities on behalf of the consumer (in recent years, the Tennessee Valley Authority became a prime target)—Clifford Allen armed himself with facts and figures, lowered his head, and charged.

Each of these clashes, some won and some lost, always garnered a large share of public attention. But there are probably thousands of other instances of his helping individuals—efforts that escaped mass attention and are remembered only by those he served. Clifford Allen had a kind heart. Clifford Allen also had a temper, quite often directed at where he perceived injustice. He was a fighter who knew tragedy and who knew pain, and who could never abide seeing people picked on. He knew people, from the experience of his own ups and downs.

Clifford Allen was a politician. Yet he never allowed the word to be disconnected from the term "public servant." That latter term has fallen into a state of abuse in recent years, which is unfortunate—because there are some political leaders who are public servants in the purest sense. They listen to people. They respond to people. They offer themselves to public life to represent and serve the people.

This goes hand-in-hand with honesty. And here, we believe, there was a rare communication between Clifford Allen and the public: a perception of an honest man. What he never forgot was the importance of this contact, this honesty, this very simple interpretation of public servant.

So many politicians today thrive on smoothness, an image that one unaccustomed to Clifford Allen likely would wonder how he could fit in. He would weigh you down with numbers and hammer at you with facts. He would scorn and persuade, and literally hound you toward the point he was driving home. And yet in all of this, one came not only to respect his intellect and his character, but in turn came to feel acceptance of Clifford Allen as a part of home—a vital spokesman for thousands of citizens.

He was that, and he was much more. We are saddened by his death. We will miss him very much. We will remember him for a very long time.

REPRESENTATIVE CLIFFORD ALLEN WAS UNIQUE POLITICAL FIGURE

There is widespread sadness over the death of Rep. Clifford Allen, who was one of the most colorful and controversial figures of Tennessee politics.

Congressman Allen thrived on politics. He enjoyed the give and take, the rhetoric and the fire, and those who found themselves in opposition to him usually discovered that he could take a lot, and give more back in return.

He had an almost uncanny knack of being able to zero in on an issue that would strike a responsive chord among the people. Once he had it, he pounded away.

Mr. Allen had served three terms and part of a fourth as Davidson County tax assessor, and was a popular one. Earlier, he had served three terms as a state Senator and was a delegate to the 1971 Constitutional Convention.

But while he could win some offices in a walk, he made three unsuccessful races for governor and ran twice for Metro mayor.

After each major defeat, Mr. Allen would be counted out of politics, but he always came back. And he was always tough.

He thought of himself as a friend of the consumer, of the "little people," and he flailed away at those in power, or those in an entrenched bureaucracy.

His election to the Congress in 1975 from a field of candidates with considerable stature and political background was won largely on the basis of a fight he had been waging against increased power rates.

He was a political maverick when he was on the attack and that was frequently. He had opposed Gov. Gordon Browning in the state Senate and made two races against him. Later, he was to switch his attack to Governor Browning's successor, Gov. Frank Clement. His usual target was fiscal policies and he was adept at finding weak spots.

He would frequently assert that his main interest in whatever political role was to eliminate waste and work for more efficient government. "The people know," he would say, "who has fought their battles for them."

And in fact, Mr. Allen could claim some successes all along the way. Some of his campaign planks of the gubernatorial campaigns, such as free textbooks, were put into effect. Because of his opposition, some fiscal policies were changed. If he was unable to prove that he brought electric rates down, a good many gave him credit for doing so.

Mr. Allen had a persuasive charm. He could smile and argue his point of view with the best. He felt keenly his disappointments, but he held no enmities. He never forgot a friend—and he had legions of those.

There will not be another quite like him, and across this state friends and acquaintances mourn his death and extend their sympathy to his family.

Mr. Speaker, I would call attention of my colleagues also to the article by John Means and the very eloquent eulogy which was delivered at his funeral, which has been inserted already by my colleague, the gentleman from Tennessee (Mr. JONES).

Mr. Speaker, we have lost a great colleague, and I applaud his career.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. GORE. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate my colleague's yielding.

I would like to say to the Members of the House that CLIFFORD ALLEN did a very competent job on the Committee on Banking, Finance, and Urban Affairs on which he served. I had not known CLIFF for a long time, but I do know that in the time that he was there, he brought to that committee some appreciation and understanding of the problems facing the financial community of the country and also those problems of the depositors and the consumers. He made a substantial and positive contribution to the committee, and we regret that he will not be able to continue that effort. On one major bill, CLIFF proposed a substitute draft that was appreciated because it forced the committee to reasses it's approach to the whole area of financial institutions. CLIFF just kept pecking away until his colleagues listened, which they finally did.

I wish to thank the gentleman in the well for taking this time so that those of us who knew him and served with him could express our appreciation for his good service to his home District in Tennessee and the entire Nation.

Mr. GORE. I thank my colleague for his generous words. Indeed, at the time of his death, CLIFFORD had an expertly drafted substitute for the major piece of legislation pending before that committee.

I thank the gentleman from Tennessee (Mr. JONES) for yielding to me.

Mr. JONES of Tennessee. Mr. Speaker, I thank my dear friend, the gentleman from Tennessee, Mr. AL GORE, for the generous statement the gentleman just rendered.

● Mr. FORD of Tennessee. Mr. Speaker, it is with a deep sense of personal and emotional loss that I take this opportunity to pay tribute to our beloved colleague, Congressman CLIFFORD ALLEN. As freshman Representatives together in the 94th Congress, CLIFFORD and I developed a strong friendship and mutual respect that I will cherish forever. He leaves behind a legacy of service to his fellow human beings that serves as a model for all of us.

For CLIFFORD ALLEN was truly a man of the people. He spent 15 years fighting for the people of Nashville as the metropolitan tax assessor. He worked long and hard to make sure that the average citizen, who alone cannot stand up to the powers of big business and big government, got a fair shake. If this meant taking huge entities such as the Tennessee Valley Authority to task, CLIFFORD ALLEN willingly did this.

During his first year in office ALLEN received the "Taxpayer's Friend" Award given by the Taxation With Representation organization, a public interest taxpayer's lobby. He also received the "Hero" Award from the Consumer Federation of America for his 100-percent voting record on 11 selected consumer issues in 1976.

As Metropolitan Nashville's tax assessor, CLIFFORD became known throughout Tennessee as the "Father of Question Three," a constitutional amendment which classifies property to provide more equitable levels of taxation among residential and farm properties and commercial businesses and utilities. Prior to becoming tax assessor, he was a practicing attorney specializing in accounting and tax work. He was three times elected State senator from Davidson County, serving in the 1949, 1955, 1957 sessions of the general assembly. He served as a member of the Tennessee Tax Study Commission and later as a delegate to the 1971 Tennessee Constitutional Convention.

CLIFFORD ALLEN'S reputation as a defender of the average citizen was well known in the U.S. Congress. Many were the times I heard CLIFFORD implore the House of Representatives to take account of the effect of legislation on the American consumer. In fact, CLIFFORD ALLEN was a regular fixture on the floor of the House. He had a wealth of knowledge on every issue imaginable, and often went to the well to share his insights with the entire House membership. Everyone knew him and listened closely to his wise counsel.

I will miss CLIFFORD ALLEN very much. The State of Tennessee has truly lost one of its great statesmen. The House has lost one of its most articulate Members. However, Mr. Speaker, I sincerely believe that our loss will be God's gain.●

● Mr. SARASIN. Mr. Speaker, I want to join my colleagues in expressing my great sorrow over the death of our fellow Member of Congress, the late Honorable CLIFFORD ALLEN of Tennessee. On an occasion such as this, words cannot adequately express the sorrow felt by the Allen family, the Members of this body, and the people of Tennessee's Fifth District whom he served so well.

CLIFFORD ALLEN, though having served as a Member of Congress for only 3 years, distinguished himself as a capable member of the Veterans' Affairs Committee and the Committee on Banking, Finance and Urban Affairs. In his service he was dedicated, energetic, making decisions courageously and with only the highest of principles.

His readiness to deal with any problem, no matter the magnitude or the opposition, accorded him the respect of both his colleagues and his constituents. His sense of prudence and humanity with which he acted makes him an example for all of us to follow.

While words might not adequately express the loss that we feel, they can, however, record his memorable achievements—and the gentle but forceful way in which he worked for them. This is the legacy which he leaves us, and his concern, vitality and interest in the welfare of American people will be sorely missed.●

● Mr. STEED. Mr. Speaker, although he had not served with me as long as many others, I probably spent as much time during and after hours with him as anyone else in the House. We frequently had breakfast together in the cafeteria, and visited many times each day on the floor during consideration of legislation.

He had a keen insight to matters under debate, often taking part in some of the most critical issues, and displayed many times his ability to assess the pros and cons of controversy, an art which stemmed from his many years of public service.

He had a great sense of humor, enjoyed jokes and could laugh at the political foibles that sometimes featured activities around the House.

It so happens that I was at National Airport with him as he boarded an airplane for the final trip to Nashville, a day prior to his fatal attack. He was in the best of spirits and looked forward to getting home to family and friends.

I very much regret his passing and extend my heartfelt sympathy to his loved ones.●

● Mr. DE LA GARZA. Mr. Speaker, it was with sadness I read that the House of Representatives had lost Tennessee's Fifth Congressional District Congressman, CLIFFORD ALLEN.

Congressman ALLEN will be missed in this House. He was a dedicated Member, and during the short while he was in the House he made his mark. He will be long remembered for his dignity, integrity and responsibility.

Mr. Speaker, to Congressman ALLEN'S family I send my deepest sympathy.●

● Mr. CORMAN. Mr. Speaker, all of us are deeply saddened by the untimely death of our friend and colleague, CLIFFORD ALLEN.

Although he served with us less than 3 years, CLIFFORD won the respect and esteem of his colleagues for his integrity, conscientiousness and understanding of human needs.

CLIFFORD was a champion of the people. He was dedicated to public serv-

ice as a consumer advocate and leader in the fight for equitable utility rates. He took a strong stand on behalf of veterans while serving on the Veterans' Committee and went out of his way to solve problems of the small businessman.

CLIFFORD took pride and pleasure in being called a politician. His second victory by an overwhelming majority demonstrates the loyalty, confidence and trust the people of Tennessee had in him. He was close to people, both in and out of office.

I extend my deepest sympathy to Louise, his wife, and to his four children, who must bear the burdens of grief and sorrow. CLIFFORD will long be remembered by his friends in Tennessee and in the House.●

● Mr. HANLEY. Mr. Speaker, with tribute, I join the family and friends of our late dear colleague, CLIFFORD ALLEN, in mournful praise. Our great loss must certainly be felt by the people of the Fifth District of Tennessee, who twice overwhelmingly elected Mr. ALLEN as their Congressman.

I respected CLIFFORD ALLEN, not only as a statesman, but as a fine gentleman and close friend. In CLIFFORD ALLEN, we all could admire the very qualities which make America a great and proud country.

A champion of the people, a colorful and well-spoken politician, CLIFFORD ALLEN has served the public for nearly 30 years. Having worked with Mr. ALLEN on the Banking, Finance and Urban Affairs Committee, I will always remember the honesty and integrity which this great individual exhibited in his work and, indeed, his life.

The memory of CLIFFORD ALLEN will serve as a shining example of the purpose and pride of the people of Tennessee and of the Nation itself.●

● Mr. MAZZOLI. Mr. Speaker, on June 18, our friend and colleague, Representative CLIFFORD ALLEN, of the Fifth District of Tennessee, died after a period of illness.

This is a sad time for CLIFFORD's beloved family, for the people whom he represented with such distinction, and for the House of Representatives.

We will remember and admire CLIFFORD as a dedicated crusader against any and all who would do harm to his constituents. His concern for the well-being and economic security of his people was his sole motivation.

All of us, CLIFFORD's colleagues, share heartfelt grief over his death. His kind is rare these days—we will miss him.

I extend to CLIFFORD's bereaved widow and loving family my condolences and sincerest sympathies on the occasion of their grievous loss.●

● Mr. QUAYLE. Mr. Speaker, it is with a great deal of sadness that I join with my colleagues in saying a final farewell to CLIFF ALLEN of Tennessee. We convey our heartfelt sympathy to his dear wife, Louise, and their four children.

CLIFF was dedicated to his people in the Fifth Congressional District and he worked hard to represent their best interests here in Washington. He stood and fought for accountability of Government for its decisions as they affect the average citizen.

Prior to coming to Congress in November of 1975, he had devoted many years to the service of the people of Nashville as tax assessor, and he also had served as a Tennessee State senator. It is clear that CLIFF ALLEN was a servant of the people.

His life was filled with many positive achievements, and he made a lasting imprint on his community, State, and Nation. In the words of Longfellow:

"Lives of great men all remind us
We can make our lives sublime,
And, departing, leave behind us
Footprints on the sands of time."●

● Mr. DUNCAN of Tennessee. Mr. Speaker, on June 18 this body lost one of its most tireless and distinguished members when CLIFFORD ALLEN died. As a fellow member of the Tennessee delegation, his death has had a particular impact upon me.

CLIFFORD ALLEN was an active and colorful figure in various Tennessee public offices long before he was chosen to join us here. He always served with honor and distinction the people whose good fortune it was to have him represent them. I say "good fortune" for rarely does one see a public figure who worked harder than CLIFFORD ALLEN to represent and protect the interests of all the people, not just the privileged few.

Even though he was here only a relatively short while, the loss of CLIFFORD ALLEN will be sorely felt in this House for a long time to come. However, the loss to my fellow Tennesseans is perhaps even greater. In the death of CLIFFORD ALLEN, Tennessee has lost a friend and champion who worked during most of his adult life to serve that great State and her people. He cannot be replaced easily. We can, though, perhaps take some consolation in the knowledge that his work, and the benefits derived from it, will be evident forever.●

● Mr. MONTGOMERY. Mr. Speaker, it was a great shock when I learned of the passing of CLIFFORD ALLEN because I realized we would be losing a valued colleague, as well as a close friend. In his 3 short years of service in the House, CLIFFORD ALLEN made his mark on this body and won the respect of his fellow Members as one of our most conscientious lawmakers.

I personally shall miss CLIFFORD ALLEN's fine contributions to the House Veterans' Affairs Committee, where I had an opportunity to serve with him. He was very much dedicated to our Nation's veterans and played an important role in shaping legislation to benefit our former service men and women.

Mr. Speaker, I think the remarks of one of our colleagues made recently bear repeating when he said CLIFFORD ALLEN was a quiet man, an agreeable man, and a peacemaker by inclination. But CLIFFORD ALLEN was also a scrapper. When he saw something that offended his sense of fairness and honesty, his opposition was immediate and strong.

It is not often that this House is fortunate enough to have a man of CLIFFORD ALLEN's caliber sent by the people he represents. He served as an efficient liaison between the people of Nashville and the Federal bureaucracy in providing constituent services. And more importantly, he was always on the floor of the House to represent the best interests of his constituents and fight for good government. We shall miss his wise counsel, but also feel fortunate to have served with him as a most able colleague.

I join with my colleagues in offering deepest sympathy to members of the Allen family and the people of Tennessee.●

● Mr. STEIGER. Mr. Speaker, the death of our colleague, CLIFFORD ALLEN of Tennessee, very much saddens Mrs. Steiger and me.

CLIFF ALLEN's service here in the House of Representatives reflected his concern for the people of the Fifth Congressional District, the State of Tennessee, and this country. CLIFF ALLEN never lost his sense of interest in what happened on the House floor, his willingness to participate thoughtfully in the deliberations of the House, and oftentimes his sense of outrage over what was happening.

This country has been fortunate to have had CLIFF ALLEN serving its people and this institution.●

● Mr. EARLY. Mr. Speaker, as we pay tribute to our late colleague, the Honorable CLIFFORD ALLEN, I would call us to remember the significant contributions which he made throughout his long and distinguished career as a public servant. Although Mr. ALLEN served for only a few years in the House of Representatives, he brought to this forum a rich knowledge of the workings of government at the local and State levels, and the insights which he gained while offering leadership in Tennessee enabled him to be a more sensitive and effective Representative in the Congress.

CLIFFORD ALLEN consistently articulated the concerns of consumers, championing those consumer rights and urging responsible action on the part of those involved in the shaping of public policy. His constituents held him in high esteem, for he represented their interests with diligence and with integrity.

We commemorate CLIFFORD ALLEN today and honor him as one who enriched our experiences together in this place. To his family and close friends, I extend sincere sympathy; we in the Congress shall share with you warm and lasting memories of the accomplishments of this good man.●

● Mr. BEVILL. Mr. Speaker, I want to join my colleagues in the House today in paying tribute to one of the most dedicated public servants to ever serve in this Chamber—the late Congressman CLIFFORD ALLEN of Tennessee.

Although CLIFFORD ALLEN's tenure in the House was not a long one, in a short time he certainly made his mark on the proceedings of this legislative body.

His work obviously met with the approval of his constituents in Tennessee. After a convincing victory in a special election which sent him to Congress on November 25, 1975, CLIFFORD ALLEN was

overwhelmingly elected to a complete term for the 95th Congress.

During his service in the House, he could frequently be found in the first row of the Chamber observing and actively participating in the debate of the hour.

When not on the House floor, CLIFFORD ALLEN devoted a large amount of his time to his work on the Banking, Finance and Urban Affairs Committee and the Committee on Veterans' Affairs.

From those committee assignments, he worked untiringly in behalf of two issues for which he felt a deep commitment—the well-being of the Nation's military veterans and the struggle for American consumers to have a voice in the important matters which affect them.

CLIFFORD ALLEN'S record as a private citizen and as a public servant were always characterized with distinction. He was simply an honest, hard-working, forthright, and conscientious person.

His record in the House of Representatives will serve as a standard for present and future Members who espouse his many outstanding qualities.

My wife Lou joins me in offering our most sincere condolences to the Allen family.●

● Mrs. LLOYD of Tennessee. I would like to take this opportunity to join with my colleagues in honoring the memory of the late CLIFFORD ALLEN of Tennessee's Fifth Congressional District.

CLIFFORD ALLEN was elected to the House of Representatives after having served the State of Tennessee capably and faithfully. The people of the Fifth District of Tennessee then decided to send him to Washington to represent their interests in the Congress and that decision proved to be well founded based on his performance here.

CLIFFORD ALLEN was a man who took great pride in his work here in the House of Representatives. He gave his total dedication to actively participating in all of the major debates which this House has held during the 3 years in which he served. He welcomes the challenges which this job offered and he met those challenges most capably and enthusiastically.

CLIFFORD ALLEN may have been here only a short period of time, but he will long be remembered for his integrity, his energy, and his perseverance in the principles in which he believed.

His finest hours were those which he spent here with us in the House. He stood out as one of the most conscientious and forthright Members which the House has seen.

CLIFFORD ALLEN cared very deeply about his duty to the people of the Fifth District and his conduct exemplified that concern. He never hesitated to speak out on any issue which he felt demanded discussion and his contributions to our debates were always eloquent and elucidating.

CLIFFORD ALLEN will be sorely missed by all of us as well as the people of Tennessee—he will be missed as a fine statesman, a dedicated public servant, and a good friend.●

● Mr. ST GERMAIN. Mr. Speaker, it was a shock to have our esteemed colleague, CLIFFORD ALLEN, taken from us so rapidly and so unexpectedly, and I know that his loss will be felt by all of the U.S. Congress, not just by my colleagues on the House Committee on Banking, Finance and Urban Affairs, where he was one of our newest but most outstanding members.

CLIFFORD ALLEN had devoted nearly 30 years of his adult life to public service when he came to us, and, although new to the committee, his broad experience was evidenced in his ability to grasp quickly the issues before us. His contributions throughout the most difficult and complex hearings ever held on the subject of comprehensive financial reform earned for him the respect to all of his colleagues. Most assuredly, he had my respect, for as I harken back to the committee's hard work on the consumer cooperative bank bill, now pending in the Senate, I am well aware that CLIFF ALLEN was one of the champions of this legislation and that he fought long and hard by my side to have it adopted.

He gained the admiration, also, of the members of the Subcommittee on Financial Institutions, Supervision, Regulation and Insurance. As I look back upon the very early days of CLIFF ALLEN'S career in the Banking Committee, I recall that although he had not yet been assigned to our subcommittee, he nonetheless attended all of the hearings on the Fine study. It was obvious that he attended in order to represent his constituents—to put in the time so that he could learn as much as he could about financial institutions and their impact on the community at large, and particularly their effect on his constituents.

Later, when he had joined our subcommittee, CLIFF ALLEN was a very major and active participant in our deliberations on the Safe Banking Act. There were times when we did not see eye to eye; nevertheless, we experienced disagreement in an agreeable fashion because we both realized that in every instance our motives were to do what we as individuals thought best, and I will never forget the wonderful working relationship we enjoyed together.

CLIFFORD ALLEN'S excellence as a Member of Congress was not confined to his intensive committee work; his integrity and his warm character asserted themselves always. I well remember one day last July, here on the floor of the House, when Mr. ALLEN rose to speak in favor of the national consumer cooperative bank bill. CLIFF worked long and hard on this bill with me, and, as I am sure my colleagues remember, the House fell silent when CLIFF rose to speak. I would like to quote from this speech because it says so much about our late colleague:

> I have spent most of my life with a deep and abiding faith in the little man—a faith that if we provide sensible structure, he, too, can share in the bounty of this wonderful Nation. The consumers' interests have always been my interests. The consumers will be better under this bill . . . (I urge) my colleagues to seize the chance to write another great chapter in our economic history.

CLIFF did not just speak for that bill, he worked the floor—he cajoled—he changed votes. When President Carter finally signs this bill into law, it will be largely due to CLIFF'S efforts.

Our departed colleague was with us for much too brief a time in the House of Representatives, but the people he represented may be very proud that they sent him to the U.S. Congress, and all of us who knew him can be grateful for the ways in which he touched our lives.●

● Mr. BENNETT. Mr. Speaker, our beloved colleague, CLIFFORD ALLEN leaves behind him a void that cannot be easily filled because he was not only an extremely able legislator but a close friend of all of us. Warm, personable, tenacious and able, he left a monument of good legislation on the statute books of our country and we are all deeply his debtors. Our deepest sympathy goes to his beloved and lovely wife and children in their grief.●

● Mr. BURKE of Massachusetts Mr. Speaker, I wish to associate myself with the remarks of my colleagues on the passing of my dear friend, Congressman CLIFFORD B. ALLEN of Tennessee.

I recognized CLIFF as one of the old school who had a great compassion for people. This genuine concern was so evident in his service in the U.S. Congress.

CLIFF ALLEN often consulted with me on problems dealing with social security because of my position as the chairman of the Social Security Subcommittee. He always impressed me by his great interest and knowledge on many of the problems confronting the elderly.

During the time which we spent together at the Bethesda Naval Hospital, I came to know CLIFF well. He always showed a great interest in problems of the people. He truly was a man of the people and he reflected the highest qualities of a public official.

We will miss CLIFF ALLEN and his sage advice. I know that his community, his State, and our Nation will suffer a great loss with his passing.●

● Mr. ANNUNZIO. Mr. Speaker, I rise in tribute to the Honorable CLIFFORD R. ALLEN, who represented the Fifth District of Tennessee since 1975. The death of my distinguished colleague has left a void in this House, for he served his Tennessee constituents and the American people with devotion and dedication.

I had the privilege of serving with CLIFFORD ALLEN on the House Banking, Finance and Urban Affairs Committee, where he was one of the most capable members of that committee. He participated in all of the legislative hearings and drafting sessions conducted by the committee and had a deep concern for the well-being of the American people during these deliberations.

CLIFF ALLEN began his career of leadership as a Tennessee State Senator serving three separate terms, and also served as the metropolitan assessor of property for the city of Nashville and Davidson County in Tennessee from 1960 to 1975. He was a delegate to the Constitutional Convention of Tennessee, and in 1975, won a special election and began his service in the House of Representatives.

CLIFFORD ALLEN served as a member of the Subcommittee on Consumer Affairs, a subcommittee of the House Banking Committee of which I am honored to serve as chairman. He was a leader in the fight on debt collection legislation, which was approved by both the House and the Senate. Signed into law by the President of the United States last year, this bill is the only consumer legislation that President Carter has signed thus far during his term in office.

All of us here in Congress shall miss Congressman ALLEN, and I shall especially miss his dedication and loyalty on my subcommittee. Mrs. Annunzio and I extend our deepest sympathy to his wife, Louise, and to his children, Suzanne, Nancy, Robert, and Patricia.●

● Mr. DON H. CLAUSEN. Mr. Speaker, we honor today our departed colleague, CLIFF ALLEN, whose contributions to our cherished traditions are well known to those of us who have worked with him for the past few years.

The people of Tennessee and the people of the United States have lost a respected leader and champion in the battle for fair and equitable economic treatment.

He was a leader in the fight for fair treatment for America's veterans, and also made many meaningful contributions in the development of legislation dealing with banking, finance, and urban affairs.

He will be particularly remembered for his stand on utilities rates and his early recognition of the need for reform in this area. He also had a most extensive background as a tax assessor, and we shall miss his expertise, judgment, and perception as we attempt to develop legislation in response to growing demands by the American public for equitable treatment in our tax laws.

CLIFF ALLEN was a man of deep convictions, independent in thought and action, and was willing to challenge any person or institution in the pursuit of his personal ideals and what he thought was right for his people.

I knew him as a friend and champion for the "little people." We, in the Congress, shall miss him.●

● Mr. GIAIMO. Mr. Speaker, I rise to pay tribute to our late colleague, CLIFFORD ALLEN. It was less than 3 years ago that CLIFF ALLEN came to us to replace our friend, Dick Fulton. Like so many of our colleagues, he was new to the House, yet full of vigor in his zeal to represent his district and to help us to make a better country. Like others of us who have been here for some time, CLIFF was gray of hair and experienced in the delicate process of Government.

Few know it, but CLIFF ALLEN was singly the most important factor in bringing free textbooks to his State of Tennessee. That, indeed, is a milestone since all of us take such amenities for granted today.

CLIFF served three terms in the Senate of Tennessee and was, for 15 years, metropolitan assessor of property for Nashville and Davidson County.

Some come to this body and expect to make a mark quickly. Others are content to sit and learn. CLIFF ALLEN fit neither mold. He neither sat patiently waiting for seniority nor did he dazzle us with his rhetoric. Quietly, effectively he worked and he was heard on the Veterans' Committee and the Committee on Banking, Finance and Urban Affairs.

I am deeply sorry that we did not have the benefit of his wisdom and experience longer than we did. To his widow and their children and to the people of the Fifth District of Tennessee, we send our condolences and our good wishes. May time heal their sorrow and keep the memory of a great American.●

● Mrs. HECKLER. Mr. Speaker, I would like to express my deep sorrow and a sense of great loss with the untimely passing of our colleague, the distinguished gentleman from Tennessee, the Honorable CLIFFORD ALLEN.

I had the great fortune to serve with CLIFFORD ALLEN on the Committee on Veterans' Affairs. He also was my colleague on the Subcommittee on Education and Training of the committee.

CLIFFORD ALLEN impressed me from the very outset of his service in the Congress as a man of an independent mind. CLIFFORD ALLEN's vote was never one to be taken for granted. I came to know him as a man who closely studied the issues and questions at hand regarding a given vote or public concern. In an age of uniformity and standardization, CLIFFORD ALLEN stood out as the uncommon man, a man of distinction and nobility.

His dedication to the welfare of our Nation's veterans, their widows, and orphans was unyielding. The veterans of our Nation knew well that in CLIFFORD ALLEN they had a friend and champion.

Mr. Speaker, I shall miss CLIFFORD ALLEN. My deepest sympathy goes to his family and friends at home and in Washington.●

● Mr. RHODES. Mr. Speaker, I join my colleagues in the House in expressing our sadness over the passing of Congressman CLIFFORD ALLEN.

Although he was in the House only briefly, he was an active and energetic public servant for the better part of 30 years.

CLIFF ALLEN held strong views and fought vigorously for causes that he believed were right. He overcame physical ailments and political opposition to carry on his career. Representative ALLEN was a fine gentleman, and a gracious person. Along with his legislative service in Tennessee, he operated successful restaurants and a jewelry business. Although we seldom agreed philosophically, I respected CLIFF ALLEN for his staunch adherence to his beliefs.

I extend my condolences to his wife, Nancy.●

● Mrs. BURKE of California. Mr. Speaker, I am pleased to join Members of this body in paying tribute to the memory of our late colleague, the Honorable CLIFFORD ALLEN of the Fifth Congressional District of the State of Tennessee.

Although we sometimes supported opposing viewpoints before the House, Mr. ALLEN continually demonstrated the utmost courtesy, restraint, and ability in advocating the positions in which he truly believed. His sincere attitude toward our work and toward the other Members elicited my greatest admiration and respect.

Though he served a relatively short time, 3 years, CLIFFORD ALLEN served the Nation reliably, devotedly, and diligently. His extreme wealth of knowledge and extensive experience gleaned from many years of work in his home State benefited all with whom he served and for whom he worked as a Member of Congress.

CLIFFORD ALLEN will definitely be missed by all of those who loved him as a father and as a legislator. All of those who knew him will experience his loss. His integrity, energy, and friendship will not be easily forgotten.●

● Mr. BAFALIS. Mr. Speaker, like most of my colleagues, I only had the pleasure of serving with Mr. ALLEN slightly less than 3 years.

But during that time, he impressed me—as he impressed us all—as a tireless worker for the people of Tennessee's Fifth District and a representative of all the people of this great country.

He served the Nation well as a member of the Committees on Banking, Finance and Urban Affairs and Veterans' Affairs.

However, we in Washington did not have the benefit of his talents and dedication as long as the residents of Tennessee. For he served long and well as a member of the Tennessee State Senate and as an official of Nashville and Davidson, County, Tenn.

He will be missed, not just by the people he represented, and by his colleagues, but also by the people of this country who have lost a leader whose counsel was valued.●

● Mr. WAGGONNER. Mr. Speaker, it is with deep sorrow that I take the floor today to mourn the loss of Tennessee's CLIFFORD ALLEN.

Though CLIFF was amongst us for only a short time, he had become known as a tireless public servant, committed to excellence in all that he did, and especially committed to the welfare of those he served. He immersed himself in every task without losing the broad perspective.

His tireless endeavors in the field of veteran affairs will long be remembered. His concern for the men who have fought our wars was great, and I am sure that the Veterans' Affairs Committee will be hard pressed to find a replacement for this dedicated man .

I, as a Southern Democrat, feel a special sense of loss at his passing. However all Democrats in the House were proud to include in our ranks a man of such high integrity and with such tireless dedication to "the job" as CLIFFORD ALLEN.

I extend my deepest sympathy to his family, to whom he has left an imperishable legacy.●

● Mr. DERRICK. Mr. Speaker, it is my privilege on this occasion to honor the memory of CLIFFORD ALLEN.

I felt a special affinity for CLIFFORD ALLEN. Since his office was next to mine, we would pass each other on the way to work or walk together going to vote almost every day. This, and because we

were both Southerners and both on the Banking Committee, produced an instant and mutual camaraderie. It was not long, however, until this affable association had deepened to friendship and affection, so the news of my fellow Congressman's passing was particularly sorrowful.

One can never adequately address loss of this kind. We can call it tragedy, which it is; deprivation, which it will remain; or promise, which it can be. This is why a summation of a human life is at once painful and impossible.

I would just like to say that CLIFFORD ALLEN was my friend, my neighbor, and my counselor. His frequent visits to my office—and mine to his, deepened my respect and admiration of him. I truly know that his work and his dedication—to the Congress, to the people of Tennessee, and to our own America—was complete and untiring.

We shall miss him very much.●

● Mr. O'NEILL. Mr. Speaker, I was deeply saddened by the death of my good friend and colleague, the Honorable CLIFFORD R. ALLEN.

Since his election to the Congress in November 1975, he has represented the people of the Fifth District of Tennessee with true dedication and always with concern for their best interests.

CLIFFORD ALLEN was devoted to public service. Thirty years of his life was spent working and fighting for others. He listened and responded to all people and their needs. He was courageous in defeat, and always came back—whether these defeats be political or physical. Those who knew CLIFF well, admired him most for his wisdom and special kind of vision—I was one of them. He was open-minded and extremely fair. When there was a problem he felt should be brought to the public's attention, he campaigned vigorously to insure they got the message. He was truly dedicated to those causes he believed in and set an example for others to become involved. He will be sorely missed by his constituents for his dedication to them and their problems, and by all who knew and respected him for the decent and honorable public servant he was.

My wife, Millie, joins me in expressing our deepest sympathy to his beloved wife, Louise, and the four Allen children.●

● Mr. DERWINSKI. Mr. Speaker, I wish to express my sorrow at the passing of our colleague, CLIFFORD ALLEN of Tennessee. He made a special mark as a Member who always worked steadfastly for the principles in which he believed.

We have lost the services of a respected and dedicated colleague, one who had acquired a great many friends even though he served in this body for only 3 short years. He was wholeheartedly responsive to the needs of his district, which he served so well.

CLIFFORD ALLEN was a very devoted public servant and one who was most diligent in the discharge of his congressional responsibilities. CLIFF served ably and well in his positions on the Veterans' Affairs Committee and the Committee on Banking, Finance and Urban Affairs.

Not only was he an objective man, CLIFF was a man of compassion, goodwill, and foresight. His knowledge and vast experience in all levels of Government as well as being a conscientious and alert individual, contributed to his being a good legislator.

One of the most appreciated qualities of CLIFFORD ALLEN was his delightful sense of humor, which was exhibited in the constant twinkle in his eyes. He was a genuinely warm and humane person, with a deep understanding of human problems. The country has lost a man of great stature, and we have lost a good friend and a good Member.

Mrs. Derwinski joins me in offering our most sincere condolences to his wife, Nancy, and their family.●

● Mr. HORTON. Mr. Speaker, May 26, 1978, was indeed a sad day—Congressman CLIFFORD ALLEN died of complications from a heart attack. Although he had been in the hospital for some time, there had been indications that his health was improving.

CLIFFORD ALLEN'S dedication to his district and country was well known by his colleagues. After 2 years in the Tennessee State Senate, CLIFF made three attempts for the governorship in 1950, 1952, and 1958. He was elected to the 94th Congress in a special election on November 25, 1975, and was reelected to the 95th Congress.

In the House, CLIFF'S reputation as a crusader to hold down utility rates continued when he joined the Subcommittee on Consumer Affairs of the Banking, Finance and Urban Affairs Committee. The record will also show that his attendance on the floor of the House was respected by his colleagues, and an example of his devotion to his constituents and the Nation.

To Nancy Allen and their four children, Suzanne, Nancy, Robert, and Patricia, I would like to extend my sincerest condolences at this very difficult time for them.●

● Mr. ADDABBO. Mr. Speaker, for the second time in 3 weeks we Americans have suffered the loss of a dedicated public servant. When I first received news of Congressman CLIFFORD ALLEN'S passing, I was struck by an acute sense of the untimeliness of his death. After 30 years in public service, CLIFFORD ALLEN was only in the beginning of his congressional career.

The ability which CLIFFORD ALLEN brought to this House of Representatives was one formed by many years of public service at the local and State level. He had a great instinct for understanding the needs of his constituents and was an unyielding champion of their interests. Although a kind man with a genteel manner, CLIFFORD ALLEN never shirked from a fight in defense of his principles. The veteran, the union worker, and the consumers of TVA power, especially, have lost a distinguished and vigorous advocate. For proof of his popularity, one need only refer to his reelection to Congress with over 90 percent of the vote.

In addition to public service, CLIFFORD ALLEN distinguished himself in private enterprise. He headed a prominant Nashville accounting and tax firm and he owned several restaurants in that city. His experience in these enterprises were an invaluable aid to the Congress in the development of national legislation.

I consider myself honored to have had the privilege of knowing CLIFFORD ALLEN. Kind, honest, and considerate are just three descriptions which are particularly appropriate for this man. He served in Congress for only 3 years, but he has left a deep sense of loss among us. I will never forget this great statesman; his remarkable achievements are the best testament to his memory.●

● Mr. UDALL. Mr. Speaker, the sudden heart attack and death of CLIFF ALLEN came as a particular shock to me. CLIFF was a sensitive, exceptionally intelligent, fair-minded legislator, and public servant. I had developed a valued friendship with this good man.

Before coming to Washington, he had already gained a reputation in his native Tennessee as a champion of consumer rights. In the House, he kept up his fight to hold down utility rates, as a member of the Consumer Affairs Subcommittee.

Tennessee, the House and the country are a little poorer now, because CLIFF is gone.

I shall miss him a great deal, and I extend my deepest sympathy to his family in this hour of their great personal tragedy.●

● Mr. JONES of Oklahoma. Mr. Speaker, the great State of Tennessee will sorely miss the talent and energy of CLIFFORD ALLEN.

Although he was older than most Members of Congress when he first came to Washington, CLIFFORD ALLEN plunged into the work like a youngster. He was a fine example to all of us that age need not limit a person's creativity or desire to help others. CLIFF ALLEN did his homework and spoke eloquently and effectively on issues of importance both to the Nation and to the people of Tennessee.

He was a forceful advocate for those who were unable to pay the soaring costs of energy. He had a genuine compassion for older Americans on fixed incomes who were caught in the squeeze of inflation and reduced to dependence on government or relatives to make ends meet. Some may argue with CLIFFORD ALLEN'S positions, but none would suggest that he did not deeply believe in doing justice to all citizens, whether they were rich and powerful or poor and weak.

CLIFFORD ALLEN was a true gentleman. He cannot be replaced, but he will be remembered by all citizens who place a premium on electing responsive and effective government leaders.●

● Mr. SISK. Mr. Speaker, I join with my colleagues today in paying special tribute to the Honorable CLIFFORD ALLEN who ably represented Tennessee's Fifth Congressional District.

In his all too brief career he made his mark as a conscientious servant, carrying on a tradition he established in the Tennessee State Senate and in other public endeavors begun in 1948 after distinguishing himself as an attorney-at-law.

He brought to these halls the wisdom and skill honed by that dedicated serv-

ice. We will all miss him and are deeply saddened by his sudden loss.●

● Mr. PANETTA. Mr. Speaker, I rise to briefly add my voice in praise of CLIFFORD ALLEN.

June 18 was a sad day for this House and for our Nation. The energy, sincerity, and compassion which characterized CLIFF's work here in Congress are now gone, but his record of concern should serve as a model for us all.

CLIFF never faltered in his support for consumers and was a tireless protector of the less advantaged. I, for one, will miss his presence in this Chamber, and I am sure the Nation will join me in mourning the passing of this truly compassionate and hard-working public servant. At a time when the public doubts the ethics and competence of its public officials, CLIFFORD ALLEN gave us hope.●

● Mr. MILLER of Ohio. Mr. Speaker, I would like to take this opportunity to express my deepest sympathy to the family of Tennessee's CLIFFORD ALLEN, who passed away recently.

While Mr. ALLEN was only serving his first full term in the House, he had already earned the reputation of being a crusader for adequate public and community services and facilities. As a State legislator, in Tennessee, he was regarded as a champion of lowering utility rates and fighting the causes of inflation.

He brought to Congress the same hard driving spirit that he exhibited in the Tennessee Legislature. As a result, he earned the respect of his colleagues in the Congress and the admiration of the people he so diligently represented here.

He will be missed by those who knew him as a strong advocate of citizens rights, and I want to join my House colleagues in extending my sincerest regrets to the Clifford Allen family at this time.●

● Mr. PICKLE. Mr. Speaker, when CLIFF ALLEN first came to the Congress, it was evident that he was "full of legislation," and expressed himself openly on many subjects. We found him to be knowledgeable, intense, and sincere.

Quite often we would tease each other a bit about amendments that we offered which we assumed were more important than the other person's amendments. But during these discussions I became very fond of CLIFF ALLEN. It was my privilege to go to his fundraising dinner here and to be with him on many such occasions. In addition, we shared friendships with some of the optometrists in his district, all of whom spoke very highly of CLIFF.

I personally know of few people who were more dedicated to the task of representing his district than CLIFFORD ALLEN was. Each day CLIFF made a new friend, who became attached to him because of his depth of understanding and his willingness to speak out. He was a true gentleman and a legislator in the true American spirit, and I know all of my colleagues join me in saying that we will miss him very much.●

● Mr. CARTER. Mr. Speaker, I wish to join in publicly noting the passing of our friend and colleague from Tennessee, CLIFFORD ALLEN.

While CLIFFORD ALLEN served the people of the Fifth Congressional District of Tennessee but 3 years here in the House of Representatives, his work on their behalf goes back many years.

His was a colorful and frequently dramatic career before coming to Washington to serve his people. But regardless of what issue he chose to champion, the people of Tennessee could be confident that his sole motivation was the achievement of what he believed was right and in their best interest.

I regret that CLIFFORD ALLEN's distinguished career in the Congress of the United States was so brief, for we all could have benefited by longer exposure to his brand of representation. We as Members of this body shall miss his presence, but more important we shall miss the joyful fervor with which he did his job.

Kathleen and I extend our sincere sympathy to Mrs. Allen and to their children.●

GENERAL LEAVE

Mr. JONES of Tennessee. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material relative to the death of our friend, the gentleman from Tennessee, CLIFFORD ALLEN.

The SPEAKER pro tempore (Mr. MONTGOMERY). Is there objection to the request of the gentleman from Tennessee?

There was no objection.

THE LATE HONORABLE WILLIAM KETCHUM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BOB WILSON) is recognized for 60 minutes.

GENERAL LEAVE

Mr. BOB WILSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BOB WILSON. Mr. Speaker, of course, the special order is taken for the purpose of eulogizing our late colleague, the gentleman from California, Mr. WILLIAM KETCHUM.

Mr. Speaker, the Nation has lost a dedicated legislator. California has lost a tireless worker, and I have lost a friend in the passing of BILL KETCHUM.

BILL KETCHUM came to this House just 6 years ago, and quickly established himself as a leader of great potential. He was a tough, honest man who was never afraid to speak his mind and to stand up for his beliefs. BILL's advice and counsel were invaluable to me on numerous occasions and I will sorely miss him, as we all will.

His energy and enthusiasm were infectious, and it was impossible to be around BILL without becoming caught up in his momentum. With all this he still had a hearty outgoing friendliness that crossed political lines. He had made many friends in Congress, and all of us mourn his passing.

Shirley and I send our most sincere condolences to his wife, Lola, their two children and their four grandchildren. May they all draw much comfort from having shared his greatness for so many years.

Mr. Speaker, I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I thank my colleague for yielding. We are all especially grateful to the gentleman (Mr. WILSON) for arranging for this tribute.

I do not think there is any doubt that the passing of BILL KETCHUM is a direct and very heartfelt loss not only to the House of Representatives, but to this fine country.

I first became acquainted with BILL KETCHUM when he entered service in the State legislature. There he very quickly established a constructive and positive outlook as a legislator. He was able to do it in a way so that everyone in the State knew of his presence and his capability.

BILL brought to this House of Representatives a very, very valuable legislative viewpoint and capability. He has succeeded in the legislative process in so many ways. On the Interior and Insular Affairs Committee, on the Ways and Means Committee, on the Science and Technology Committee he was a total and active participant. BILL certainly participated in the floor debates on many issues.

We all know he understood and fully appreciated the necessity of having legislative policies that would allow the private sector to produce in the field of energy. BILL had an indepth knowledge in the oil and gas industry that few others in this Congress possess.

He was deeply involved in the writing of legislation here in the field of social security and in unemployment compensation. BILL understood many other areas that his colleagues here from the Committee on Ways and Means can comment on more thoroughly than I.

Many of us knew him as a very hard-hitting politician, but he was reverently referred to in California politics as "Old Iron Pants." I think he kind of enjoyed that title. I know he enjoyed that title. It suited him well.

BILL's humor was magnificent. He used that humor in powerful and tactful ways to make important points. That humor will be missed.

It was certainly deserved, because he never approached any topic in politics or in legislation without first of all knowing what he was talking about. More important, BILL brought to the attention of others the importance of the subject matter in clear, concise, and hard-hitting terms.

He was an extremely dedicated family man. He made sure that all of us appreciated the warm relations of family activity. He made sure that to whatever degree legislation touched on the family

the strong family point of view was well represented. BILL, of course, dedicated himself here and in the State legislature to the problems and solutions to those problems of the elderly. The senior citizens of this country never had a more understanding friend.

Mr. Speaker, there are so many ways that we could all comment on the fine dedication to this country of BILL KETCHUM, but I suppose that the minister who spoke at his memorial service just this past Tuesday in Bakersfield, Reverend Hannibal summed it best when he said, "He was one hell of a man."

Mr. BURKE of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BOB WILSON. I yield to my friend, the gentleman from Massachusetts.

Mr. BURKE of Massachusetts. Mr. Speaker, I thank my colleague for yielding, and I wish to associate myself with the remarks made by my colleagues here today on the passing of my close personal friend, Congressman WILLIAM KETCHUM of California.

BILL and I served together in the famous old 77th Infantry Division. That was a group of fighting men who had made nine amphibious landings under enemy fire. The division served at Guam, Leyte, Ie Shima, Keramaretto, and Okinawa, and BILL served through all those actions. In further distinguished service, he served in the Counterintelligence Corps during the Korean conflict.

BILL and I served on the Committee on Ways and Means of the House during the last several years. He was also a member of my subcommittee on Social Security.

I have always admired BILL KETCHUM for his fighting spirit. He was very articulate. He was more or less an independent. He could even differ with his own party once in awhile, and I know he differed with my party on several occasions. But he could differ with you without being disagreeable, and he had a wonderful sense of humor.

A little over a week ago I was kidding BILL about getting home safely from the South Pacific after a couple of years of being out there, and I said, "BILL, you owe me a vote. When are you going to give me a vote?" BILL in a humorous way said, "I'll give you a vote on your retirement resolution."

BILL was kind and compassionate. I will never forget that during my stay in the hospital BILL wrote to the 77th Infantry Association and told them about my hospitalization. As a result, I heard from some of my comrades that I had not heard from since World War II. He had great compassion. In fact, I think it was he who inspired most of the Members on the other side of the aisle to send me notes of consolation during my absence.

I will always remember BILL KETCHUM. I think he stood for everything that America stands for. He served his community, he served his State, and he served his Nation.

My sympathy goes out to his wife and his two children, and Mrs. Burke joins me in this. While I was in the hospital, Mrs. Burke asked me, "Who is this BILL KETCHUM? I hear so much about him." I explained to her about BILL.

So, Mr. Speaker, I can only express my very deep sorrow about the passing of BILL. This Nation has lost one of its greatest public servants.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Speaker, we are all saddened by the loss of BILL KETCHUM. He was a good friend and an outstanding legislator, with rare qualities of candor and common sense. I have often been amazed that in a profession as much in the public eye as ours, BILL never resorted to the temporizing that so many of us engage in. He was as direct and forthright in committee and on the floor as in private, and it was that quality that made him such a valuable asset to this House and Nation.

His leadership on behalf of California agriculture is well-known. The expertise he developed in private life as a rancher and cattleman, as president of the county farm bureau, and in the California State Legislature, was extended by his service in Congress, where he so ably represented the interests of the men and women who produce so much of the food we eat. In some respects, I suppose, BILL never shook the dirt from his boots, and that was part of his strength.

In the field of oil and gas development, BILL was fiercely devoted to the idea of energy independence for our Nation, recognizing the dangers of too much reliance on foreign sources. He was knowledgeable and realistic about the actual workings of the industry, on which much of our Nation's strength is based. In both these fields, agriculture and energy, he exemplified the ideals of the free enterprise market system which is the basis of our greatness as a Nation.

But the area in which he will most be missed is one in which his work is probably least known to those who now benefit from it—the old folks, for whom BILL did so much over so many years. Practical things, not fancy programs but things that really did some good. With BILL's death the senior citizens of our Nation lost one of their best friends and strongest champions.

BILL's concern for old folks probably sums up the essence of his character. He was not one to put on a false front, and when he felt strongly about something he did not mince words. He was a diamond in the rough, but one whose light always shined true. He had common sense and a common touch. I guess the best thing you can say about him is that BILL was a real, live human being. And that is why we will all miss him.

My thoughts and prayers are with his wife, Lola, and his family.

Mr. MIKVA. Mr. Speaker, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman from Illinois.

Mr. MIKVA. I thank the gentleman for yielding.

Mr. Speaker, it is with sadness that I join in this special order to pay tribute to our colleague and friend, BILL KETCHUM. I served on the Ways and Means Committee with BILL for close to 4 years. During that time we sometimes disagreed about issues, and we sometimes agreed. Frankly, it is only our agreements that I remember.

BILL was a man of great principle, and when he was an ally there was no one who would work harder or work more effectively to persuade others of the justice of the cause. BILL was noted for his conservation, but I always felt he was distinguished by his compassion. He was not afraid of alienating his conservative colleagues by advocating welfare reform or help for the aged or help for the handicapped. But, he was also quick to tell the advocates of those social causes when he thought their idealism outstripped our financial resources.

Those qualities of conservatism and compassion made BILL KETCHUM universally respected among all Members of the House of Representatives, and I know of few others who were more deserving of that respect. The people of BILL's district and State have lost an outstanding spokesman for their interests. The Members of the House have lost a man who could be a formidable opponent or a staunch ally, but always a good friend. The country has lost a great American.

Mr. BURGENER. Mr. Speaker, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman from California (Mr. BURGENER), who served in the legislature with Mr. KETCHUM.

Mr. BURGENER. Mr. Speaker, everyone who knew him swore he was indestructible, but when he left us on June 24, 1978, he reminded us that he, and we, are not. Why did we think of him as indestructible? Because he was so strong, and so tough—in so many ways. And yet, underneath that toughness was a gentleness and a compassion that made BILL KETCHUM the study in contradictions that any man who is indeed complete and whole, must be.

What made this colorful, plain talking, blunt, and masterfully articulate man give to all who knew him that undeniable presence of raw strength and unbreakable fiber? Two of his great life experiences come to my mind as perhaps the largest contributors to the image and the fact.

The first was as a combat infantry officer in the South Pacific Theatre during World War II. While millions of Americans served honorably during that great conflict, relatively few were involved directly in combat with the enemy. BILL KETCHUM was one of the few. He knew death first hand—it was all around him. And he served with bravery and distinction and survived—coming out of the horrors of the battlefield with a new appreciation of life and a greatly reduced fear of death. And so this patriotic and almost fearless infantryman must have earned some of this toughness, from the battlefield in the service of his country.

The second of BILL KETCHUM's life experiences which helped form the fibers of strength which characterized him were his years on the soil as a young and ex-

ceedingly hardworking farmer in his native California. He became a successful farmer the hard way. With no inherited land or capital he scratched it out with blood, sweat, and tears. He went through all the knuckle-bursting aggravation of repairing farm machinery and implements because there was not the money for the newest or the best, and like all farmers who did it the hard way he had to learn all the skills of mechanics and agronomy by doing it all himself. And he never forgot the exhaustion of the sunrise to sunset days as later he became one of the most aggressive and persuasive voices in the California State Legislature and in the Congress of the United States for agriculture, the biggest and most vital industry in his home State of California.

BILL KETCHUM did many other things with his life—but to this observer and friend, the combat in war, and the farming in peace were the two life experiences which made BILL KETCHUM the tough, yet compassionate human being he was.

His wife Lola, his son Bob, and his daughter Kathy can and will take great pride in his contribution to our Nation as a Member of the U.S. House of Representatives, representing the 18th District of California—the position he held at the time of his death. After distinguished service on the House Committee on the Interior during his first term, he was unanimously selected to fill a vacancy on the powerful and heavily sought after Ways and Means Committee.

It was on this committee, and particularly on the subcommittees which dealt with public assistance and social security that BILL KETCHUM made what I believe to be a major contribution to our national well-being. In spite of BILL'S reputation as a tight-fisted fiscal conservative, he had a sensibility and understanding of the needs of the elderly, the handicapped, and the disadvantaged second to none in the Congress. His legislative experience in Sacramento served him well. He was able to quickly and accurately differentiate between the wasteful and the essential in terms of public policy and public expenditures. He constantly and consistently advanced those programs which would better serve the aged, the dependent children, the disabled, and the seriously disadvantaged. He personally organized, for key Members of Congress, bipartisan seminars in the field of public assistance or social welfare. This was done without fanfare or commotion, and the sole object was to bring Members of the House together in a better and more informed manner—so as to better legislate in this controversial and important area.

His skills and his industry will be sorely missed in this area—in which our society has indeed recognized that the welfare and the well-being of every American is of vital concern to us all.

In conclusion, Mr. Speaker, I join my colleagues in paying tribute to Congressman BILL KETCHUM, a man we all loved. And to his widow Lola, we look forward to years of close friendship, where together we can pay the highest of all tribute to BILL—namely to live rich, meaningful, and happy lives—enriched by his memory and secure in the knowledge we will all be together again.

Mr. SCHULZE. Mr. Speaker, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman from Pennsylvania.

Mr. SCHULZE. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, on June 24, 1978, our Nation suffered a great loss. That loss was the untimely death of our colleague, and my friend, WILLIAM M. KETCHUM.

The residents of the 18th District of California lost an able, competent, articulate representative and the State of California lost a forceful and reasoned voice in Washington and the citizens of our Nation have lost a mature, intelligent advocate whose major concern was the future of our great Nation.

I personally feel a tremendous sense of loss as it was my good fortune to sit next to BILL KETCHUM on the Ways and Means Committee. Words cannot express the value of his guidance, counsel, and advice.

I know firsthand of his dedicated commitment to a solid, responsive Government moving in the direction of wise, practical tax policies.

He was always willing to fight for his principles no matter what the odds. He often fought and often lost but never was diminished in his dedicated enthusiasm. BILL was also something of a legislative prophet, and all of the prophecies which he shared with me either came to pass or are now becoming apparent with the passage of time.

He loved the people of the 18th District and respected their opinions, often sharing with me bits and pieces of constituent mail. Although he spent much time in Washington, his heart was in his California home.

The Congress of the United States has many who are well known for their quick wit and sense of humor, but BILL KETCHUM took a back seat to no one in this area. His humor, sometimes gentle, sometimes barbed, was ever present. Many were the times when his wit lessened the tensions of both this body and the Ways and Means Committee.

I do not believe that there was an ounce of hypocrisy in his body. Yet he had an uncanny knack for sensing when another Member allowed a bit of hypocrisy to creep into a public or private pronouncement and the ability to expose it with a smile and a laugh.

Yes, BILL will be sorely missed but his wife, Lola, his children and grandchildren can be justly proud of his service to our Nation. Although he is no longer with us physically. He will be with us in spirit wherever free men gather to determine the future of nations and the welfare of their citizens.

Mr. PICKLE. Mr. Speaker, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman from Texas.

Mr. PICKLE. Mr. Speaker, BILL KETCHUM was an honest-to-goodness legislative character. He was as distinct in legislative matters as his fighting Irish jaw was always jutting out in combat. He was an absolute competitor. And most of all, we knew exactly where BILL KETCHUM stood on every issue, and even on every amendment. He was as predictable as the Moon, and the stars and the Sun, and sometimes even more dependable. That does not mean he always voted one way. His voting pattern was broad and compassionate. But, once he decided on an issue—and he did it quickly—he was as solid and steady and dependable as a man could be.

If he gave you his word on a given matter, then you could lock the door and throw away the key. KETCHUM would be there, and when he got there—on the floor—he was no blushing violet. He was as tough as an Irish sergeant; and as outspoken as a football coach on homecoming day. There was no in between in KETCHUM. He was all with you—or all against you—and you knew the difference.

Yet never once do I recall a time when BILL KETCHUM was unfair. Tough as a boot, but fair.

When the Congress loses a man of this integrity and character we have lost a valuable asset.

We have lost a beautiful friendship, and the country has lost a bit of its granite structure. We have lost "old iron pants," but, ah, so much has been left us by this true American.

Mr. PHILLIP BURTON. Mr. Speaker, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Speaker, at first, I would like to associate myself with the remarks of our colleague, the gentleman from California (Mr. BURGENER).

In BILL KETCHUM'S death his lovely wife lost a loving husband, his children a doting parent, our country a great patriot, our House a hardworking and conscientious colleague, and myself a dear friend. Truly, BILL KETCHUM represented the best, and he was in the real meaning of the term a conservative. He believed in conserving the best of our heritage. He believed that individual initiative and effort must dominate the motivation of all of our people.

But, he also knew that there were those in our society who for many reasons, most of which reasons individuals had no personal control over, could not help themselves. This quality of kindness and compassion led him to play an enormously important role in bettering the lives of hundreds of thousands of people less fortunate than most of our fellows; and more particularly, the needy, aged, crippled, and blind in our country.

Those of us in this House know, the political leadership of our insular areas know—and I might note parenthetically that in an unprecedented action, all of them flew their flags at half-mast this past Monday and Tuesday—that no person has played a more fundamentally constructive and effective role in seeing that the residents of the Pacific Trust Territories, and our fellow Americans in the Virgin Islands, Guam, American

Samoa, and the Northern Marianas Islands—no person has played a more important role than the discerning and sensitive role played by this strong, decent man.

He will be sorely missed. Those whose lives BILL KETCHUM touched learned to care for him and love him deeply, and I was honored to have known him.

Mr. DON H. CLAUSEN. Mr. Speaker, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman from California (Mr. DON H. CLAUSEN).

Mr. DON H. CLAUSEN. Mr. Speaker, I am proud and privileged to follow the eloquent and very moving presentation of our chairman, the gentleman from California (Mr. PHILLIP BURTON), with whom I have shared the responsibilities associated with the Trust Territories, along with BILL KETCHUM, the individual we are honoring and eulogizing here today.

BILL KETCHUM was truly a rugged individualist and his life and career will stand as a lasting tribute and a monument to all that BILL did and stood for. As most in the Chamber know, we shared many hours of conversation because of one of our first loves, that of aviation. BILL KETCHUM was a pilot and he was a perfectionist. When I consider the manner in which BILL addressed his legislative responsibilities, I concluded early that he was a man of his word, of principle and purpose, and, above all, a real champion for the people he represented.

I am going to miss BILL tremendously, but I think I can share with my chairman the words outlined in the colloquy that took place on the floor earlier this week. It is the intention of the gentleman from California (Mr. PHILLIP BURTON) and Mr. LAGOMARSINO, myself and all that are here participating in this eulogy to advance something of a lasting reminder of BILL'S service, hopefully in an appropriate monument somewhere in the offshore islands. This will be advanced in the future in the form of an amendment to a pending bill.

The loss of BILL KETCHUM is a tragedy in that a remarkable man in the prime of his life was not allowed to make his full mark on the U.S. House of Representatives. His loss creates a void that will not soon be filled.

He was a pro in the very best sense of that word. He kept his close contact with the people of his district while always extending his reputation as one of the finest legislators in the House.

BILL was salty and colorful. He typified the great State of California as it is both fiction and reality.

BILL KETCHUM was truly a man of the people. He rendered magnificent service to his State and the Nation. All who knew him recognized him as one who inspired friendship and confidence, whose word was his bond, and who battled for the things in which he believed, regardless of the odds against him.

It was a pleasure for me to work with BILL KETCHUM during his all too brief service in the House and his legislative accomplishments will stand forever as a lasting testament to his skill and vision.

He was an articulate and courageous spokesman. He was unyielding in his devotion to honesty and principle. BILL represented the very best in public service.

Few men have made such an outstanding contribution to the Nation in such a short time. We will miss BILL KETCHUM, but his high standards will be a model for all.

To his wife, Lola, and their family, we in the Congress, say thank you for sharing his life and talents with us.

BILL has many friends in my congressional district commonly referred to as Redwood Country.

Like the big trees of Redwood Country, BILL KETCHUM stood tall in the forest of the big men of this country. We shall miss him tremendously because no one, I repeat, no one, will ever take his place.

There was only one BILL KETCHUM. He was one of my closest friends and counselors.

God will be kindly to his soul. He will preserve and protect him and his beautiful family forevermore.

Mr. DEL CLAWSON. Mr. Speaker, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman from California (Mr. DEL CLAWSON).

Mr. DEL CLAWSON. Mr. Speaker, there is an irreplaceable void in the House today and few occasions for comments for the RECORD during my congressional experience have caused so much personal sadness and trauma as this Special Order in honor of our late colleague, BILL KETCHUM.

BILL joined us 6 years ago and right away his presence was like a fresh breeze, sweeping away cobwebs of stiffness and pretentious ceremony. His disposition for the direct approach to problems rather than the circuitous route, his ready wit, his refusal to use two words when one would do—as well as his special talent for the choice of those words he did use—quickly earned him the reputation of a valuable ally. These same qualities made him a man you were not likely to view with joy on the other side when the issue line was drawn in the House, whether in floor debate or in committee, or even in the sports field.

BILL KETCHUM represented a district crackling with diversity, a district of farm land as well as urban concerns, and oil rich fields, including Elk Hills. It includes Kern, Inyo and a portion of Los Angeles county. He was responsive and attentive to the interests of the people he represented. This attentiveness gained him the strength at the polls which also contributed to his success in the House. His own experience in cattle raising and as a rancher aided him in understanding the problems of farmers in his district. His service in our California assembly equipped him with the legislative skills which quickly became apparent in his work in the House of Representatives.

BILL always did his "home work." He did not fail in his congressional duties no matter how tedious or arduous they might be. In fact, just before we left for the sad journey to California to pay our last respects with his family, members of the California Republican delegation received a notice prepared earlier under BILL'S guidance as Secretary of our delegation concerning a delegation meeting. The delegation did meet on the appointed day, but in the sad and unhappy setting of BILL'S memorial service in Bakersfield, the very heart of his Congressional District. The notice testified however, to his personal responsibility and the efficiency of his office operation.

"BILL", "KETCH", "TIGER", whatever your choice of salutation when speaking of or to our colleague, you knew he appreciated the title as an endearing term and reciprocated in kind. His logical and most frequently conservative opinions and ideas were presented with complete candor and openness. Did you ever have to "guess" where BILL stood on an issue? His vote along with the other "K's" of the minority side of the aisle provided a "bellwether" for Republican political positions. All that was necessary was to look at the lighted, electric voting panel and start with KASTEN, then KELLY, KEMP, KETCHUM and KINDNESS. If they were together, you were pretty safe to follow their lead. We have lost one of the very valued members of the Republican five "K's". We join all our colleagues in mourning the loss and extending our sympathies and condolences to Lola and members of BILL'S family in the loss of this good man and distinguished American.

Mr. ERLENBORN. Mr. Speaker, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman from Illinois (Mr. ERLENBORN).

Mr. ERLENBORN. Mr. Speaker, the loss of our colleague and my good friend, BILL KETCHUM, came as a shock to each of us.

BILL was a man who, though he spent only a few short years as a Member of this body, earned the respect of us all.

BILL did not hesitate to speak out to be sure his views got a fair hearing. He was not afraid to engage any Member in debate who fostered a position BILL thought was in error.

Despite his fighting spirit, BILL was also one of the most thoughtful Members of this House.

BILL KETCHUM was a conservative; a label he wore proudly and one which he urged others to wear.

In his way, he was the conscience of the House. It has been written that conscience is a still, small voice that makes minority reports.

BILL KETCHUM'S was a strong, earnest voice which made minority reports.

That voice has been stilled. It shall be missed.

Mr. ROBINSON. Mr. Speaker, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman from Virginia.

Mr. ROBINSON. Mr. Speaker, because of his always evident energy, it was a distinct shock to us all to receive the word that we had lost our affable, hard-working colleague, BILL KETCHUM.

In my case, there was the realization that one of my best friends among those who had entered this House more re-

cently than I no longer would be on hand to talk over with me legislative problems and the state of the Federal finances.

We did not serve on the same committee, but BILL's conscientious attention to the complex matters under the jurisdiction of the Commiteee on Ways and Means permitted him to pass on counsel of value to me as a member of the Committee on Appropriations.

We shared a concern for the problems of agriculture and of the national defense. BILL KETCHUM labored diligently in the interest of the congressional district he represented, but he thought out his positions on major legislation in terms of the broad national interest. He was in all respects a valuable, effective Member of this body.

He would go out of his way to assist in what he regarded as the cause of good government, and to help a friend. Strong in my memories of him will be the times when, at my request, he came into Virginia, at no personal advantage to himself, to speak in his convincing way in behalf of the principles and candidates of his party.

With a feeling of great personal loss, Kit and I offer our condolences to BILL's wife, Lola, and his family. In so doing I know I also express the sentiments of our distinguished former colleague, the Honorable Stan Parris, the closest friend BILL had in Virginia.

Mr. BOB WILSON. Mr. Speaker, I yield to the gentlewoman from California (Mrs. BURKE).

Mrs. BURKE of California. Mr. Speaker, in the past year untimely deaths have taken from us an unfortunate number of able colleagues. I am especially saddened by the passing of WILLIAM M. KETCHUM. BILL will be greatly missed by all of us who were members of the California delegation.

BILL was born and raised in my district in Los Angeles. He moved north to Paso Robles and began his illustrious political career through which we became acquainted. We were elected to the State assembly in 1966 and to the House in 1972; our paralleled careers fostered a continuing friendship. As fellow Californians, BILL KETCHUM and I shared much in our great State. Our regional brotherhood contributed to a mutual understanding strengthened in our tenures in State government.

We disagreed upon occasion in House debate, as we had in the assembly, because we belonged to different parties. However, the bond that linked us as Californians and as friends kept us both good natured and objective adversaries. As an opponent I regarded him as extremely capable, straightforward and sincere.

Few people demonstrate that strength of moral character which leads them to act without fear of reprisals on what they believe to be true. WILLIAM M. KETCHUM was this type of person. The 18th District of California, this body and the Nation have suffered a great loss.

I extend my deepest sympathy to his wife Lola, his two children and his four grandchildren.

Mr. BOB WILSON. Mr. Speaker, I yield to the gentlewoman from Maryland (Mrs. HOLT).

Mrs. HOLT. Mr. Speaker, as we have heard today when we lost BILL KETCHUM the Congress lost a valued Member, and I lost a dear friend. We came to Congress together in the class elected in 1972.

Alert, bright, and experienced in the legislature of California, a State as big as many nations, BILL KETCHUM adapted quickly to Congress. But he was never too busy to help other freshmen Members or to cooperate with them in the practical matters of working into the system of this extraordinary place.

Of all the great qualities BILL had, I think the most amazing talent was a talent for reaching out to people—the great, the humble, the lonely, the weary—to show special concern for them and their problems. There was a quality of tenderness and caring that always came through his tough, profane manner and made one feel important and loved.

BILL KETCHUM was a warm, but competitive, person. He had strong convictions, and we admired his commitment to principle. Many times I listened with great admiration as he stood in the well and articulately and persuasively expressed a profound insight. He was a self-made man with an amazing store of knowledge.

He was a man of courage and deeply felt patriotism. An Army veteran of both World War II and the Korean war, his service in action brought him the Bronze Star and the Purple Heart.

I miss him very much. I pray that Lola and his family will be comforted.

Mr. BOB WILSON. I yield to the gentleman from California (Mr. BADHAM).

Mr. BADHAM. Mr. Speaker, and Members of the House, I find it personally a somewhat unique experience which does not often come when I share the emotions of my close friend and former colleague in the State legislature from the other side of the aisle, the Honorable PHILLIP BURTON of California, because it is not often that he and I agreed. I think that this is one of the occasions upon which I would desire to associate myself with his remarks, and also particularly with the remarks of the other Members of the alumni of the California State Legislature who served together in that body.

It is with the heaviest of hearts that I take this time to address this House on this occasion as we pay final tribute to our departed friend, BILL KETCHUM. Words such as these unfortunately have a hollow and cold ring particularly when one uses mere words to express tribute to a departed friend.

It is impossible to put into words memories, experiences, and unforgettable aspects of a close relationship over many years. I feel that the Nation has lost a valued servant, strong supporter, and fiercely dedicated patriot. We, as Members of this body, have lost a valued, hard-working, beloved colleague. His family has lost husband, father, grandfather, truly loved, highly respected. My loss has been that of a trusted and valued friend, counselor, guide, competitor, and colleague.

In our years as close friends and colleagues in the State legislature and then in the Congress, it has been my great privilege with BILL KETCHUM to have worked and played together. Together we had talked, hunted, fished, legislated, swam, exercised, competed, gambled, ate, drank, and lived that good life that creates the bonds of friendship that are truly never forgotten.

To all of us who knew him and mourn him now, though that surely would not have been his wish, we remember BILL KETCHUM as indomitable, irrepressible, immutable, irascible, and perhaps above all, irreplaceable.

His memory will live beyond forgetting, as in life he was unable to forget a friend. To his family, Lola, his children and grandchildren, we say thank you for sharing BILL with us, and may the memory of his love sustain you. To him we say goodby, good friend.

Mr. BOB WILSON. Mr. Speaker, I now yield to the gentleman from Indiana (Mr. JACOBS).

Mr. JACOBS. I thank the gentleman for yielding and for arranging the special order.

Mr. Speaker, BILL KETCHUM was a good man for all of the reasons that have been stated. He was good to people. When one served on the Committee on Ways and Means with the jumble of numbers and technicalities, one realized that he was also a fun person, a fun man. He was not one who was black or white; he was pure technicolor. He had sparkle.

I have seen many of these special orders through the years, as others have. Generally speaking, they seem to be somewhat sparsely attended. This one seems interminable and that in itself is a supreme tribute to BILL KETCHUM.

Mr. Speaker, the words written by Edward Markham on the occasion of the untimely death of one of BILL's fellow Republicans, Abraham Lincoln, come to my mind to illustrate, I think, what we all mean when we say we shall miss his vibrance and his fun and his sparkle.

Markham wrote:

And when he fell in whirlwind, he went down
As when a lordly cedar, green with boughs,
Goes down with a great shout upon the hills,
And leaves a lonesome place against the sky.

Mr. BOB WILSON. Mr. Speaker, I now yield to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. I thank the gentleman for yielding.

Mr. Speaker, it is with sadness that I rise today to deliver my own tribute to our late colleague, BILL KETCHUM of California. My sadness is prompted not only by the fact that his wisdom and counsel will henceforth be denied us by his untimely passing, but because we will also be denied his personal presence which meant so much to all of those who knew him as a personal friend, and, I might add, as somewhat of a "Dutch uncle."

There was never any doubt where BILL KETCHUM stood on an issue when he made up his mind. He was as rugged as the land and people who sent him to Congress. He was a tough conservative

who knew his beliefs and stood by his principles even when it meant standing alone. But he was certainly not predictable. On more than one occasion when I thought I could predict BILL's stand his impeccable logic produced a different result and made me rethink my own mind on the matter. While many of us of the conservative persuasion in the House often seem to share in an automatic communion of views on any given issue, KETCH, as we called him, would challenge us with his sharp retorts and barbs until our views were refined with a far greater clarity than before.

He could be sarcastic. He could be rough. But he always provoked a strong response because his own mind was strong, as was his indomitable will. I watched him in the Interior Committee on which we both served, I saw him daily on the floor. As he fought hard for his view he never left the field of battle without making sure that his temporary legislative foes were also his friends in real life. His courtly manners toward the gentlewomen of the House were well known and his gruff demeanor was usually reserved for the males of the specie, few of whom could match his ability with succinct and explicit use of the English language.

My own wife, Carol, was especially taken with BILL when we met him and his wife, Lola, for the first time. It was a dinner at the Capitol Hill Club and his first impression of friendliness to my wife and his terse characterization of me and my activities on the floor, sarcastic but true, captivated Carol while I sat in rueful silence acknowledging the truth of his statements.

What can one say about a friend when he leaves this life, except to mourn his passing, and console his wife and family. That I certainly do today, because all of us will miss BILL KETCHUM.

But more than that, I would refer to a recent article by Henry Fairlie in the Washington Post, a journal which does not always inspire me. Writing last Sunday about the poor estate into which preaching has fallen in the United States since our early days as a Republic, Mr. Fairlie quoted a 17th century preacher from New England, Samuel Willard, who spoke on the occasion of the death of Thomas Savage, one of the "pillars" of New England. Said this long ago divine:

> When the Pillars are gone, how shall the building stand? When the Watch-men are asleep, who shall descry, and warn us of the enemies approach? When the Wall is pluckt down, and the hedge removed, who shall keep out the Bore of the Wilderness? When the Gap-men are taken away, who shall stand in the breaches? When the lights are put out, who shall direct me in the right way? When the Chariot and Horsemen of *Israel* are removed, who shall defend us from misery and mischief?

Who indeed? BILL KETCHUM has left us, but no one would deny that he did all that he could while he was here, to serve his fellow man, to advance his beliefs, and also in spite of himself, he endeared himself to those who knew him. And if he were with us this sunny Thursday afternoon, as he was but a week ago, I know what his advice would be. "Why don't you guys just insert your statement in the RECORD so we can go out and play golf?"

Mr. BOB WILSON. Mr. Speaker, I yield to the gentleman from California (Mr. MOORHEAD).

Mr. MOORHEAD of California. Mr. Speaker, BILL KETCHUM cannot be replaced in our lives and our hearts, but in a way he is going to be with us for a long, long time.

I find myself coming into this Chamber and seeing him walking out the door and down the aisle. I really cannot get it through my mind that he is gone from us.

I met BILL about 12 years ago when we both were freshly elected members of the State legislature in California. We were with a group of newly elected members visiting various parts of our State. It soon became certain that BILL was going to be one of those leaders that became a very important part of the political scene.

I think one thing about him that we do not always realize at once is that he pretended to be tough, but BILL had a soft heart for anybody that he could help, for anyone that needed any kind of assistance, BILL was there standing ready to help in any way he could. When his friends were sick, he would visit them regularly in the hospital. For anyone who was less fortunate than he, he would try to find a way to help.

I think one thing BILL really hated was any kind of pretense or phoniness. He had a way of really kidding his friends that showed any signs along that way. He would tell them, "Just knock it off. You know this is right. You know you've got to do the right thing. Go ahead and do it. Don't just stand there and talk about what you might do. Go out and accomplish the thing that is necessary to be done."

BILL was one of those people that made himself felt wherever he went. His presence was always known on this floor, because you knew where he stood. He would tell people his position. You would not always be able to predict in advance, but you knew he would not be neutral. When you would go through his district in California, you would realize that here was a politician that was loved, not because they always agreed with BILL, because they did not. He had a district that had some very wealthy people and a district that had an awful lot of poor people that needed help of various kinds. It did not matter who it was, in Bakersfield or Paso Robles where he came from, or out in Antelope Valley. It did not matter where it was, because people loved BILL, because they knew he would tell them the truth. If he said something, he meant it down deep in his heart. Nothing was done for political expediency. Nothing was done to get a vote. If it cost him an election, he would tell them where he stood and he would fight for those things he believed in.

I think most of us that knew BILL loved him and loved him deeply. We will miss him as a very real part of our lives. I know that Lola misses him so much. She lived with him for 34 years. All we can say is God bless you. We know that wherever you are the Lord is with you and that you will be fighting for those things you believe in.

Mr. BOB WILSON. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I yield to the gentleman from California (Mr. PANETTA).

Mr. PANETTA. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, BILL came from an adjoining district to mine, but he farmed and knew the people in a part of my district, the Paso Robles area. As a result, I began early to rely on BILL's experience in and knowledge of Congress.

His experience in the legislature was extensive. His knowledge of issues, especially relating to agriculture, welfare, and social security, was really second to none. He could be relied upon for a straight opinion and could accurately assess the impact a particular provision would have on people.

But most importantly, as a freshman Member, I will always remember BILL KETCHUM for two special qualities. The first is independence. He did not rely on leadership or on party or on special interests. He relied on his own conscience and what he believed was right or wrong on a particular issue.

The second quality is that he always spoke his mind. He was honest and direct, and you always knew where he stood on an issue.

So, Mr. Speaker, while we will all miss him a great deal and our sympathies go out to his wife and his family, I think we can take some comfort from the fact that those two qualities—of independence and honesty—will continue on this Chamber in other Members and in the actions of this House.

Mr. BOB WILSON. Mr. Speaker, I thank the gentleman for those remarks.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. BOB WILSON. I yield to the distinguished minority whip, the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Speaker, the sudden and untimely death of BILL KETCHUM was a tragic event. The sudden passing of a colleague and friend is always a shock. In BILL KETCHUM's case it was doubly so since the last time I saw him in the cloakroom he was in the best of spirits and asking when we were going to play golf again. BILL was a dear friend and I am sure going to miss him around here. I just cannot envision his being gone.

BILL was admired and respected not only by those of us in the minority, but by Members of the majority as well. When you consider that many of our debates are conducted with intensity and deep feeling it is a tribute to BILL KETCHUM's memory to say that while he always spoke his mind, he never cut off lines of communication with those who might disagree with him. You knew where BILL KETCHUM stood and he recognized your right to take your stand. That is the essence of our system and he personified it.

He will be long remembered by the elderly for the fine work he did on social security earnings limitations. Anyone seeking to read a concise, learned and informative essay on the problems of social security should read BILL KETCHUM's article, "Is There A Positive Approach to Social Security?" in the recently pub-

lished volume, Can You Afford This House? BILL had concerns for the problems of the elderly and he realized that the social security system is not perfect. His view was that we should not simply complain about the problems of the system, but do something about them. His fine essay will remain a standard guide for years to come.

Mr. Speaker, our side of the aisle is weakened by the loss of BILL KETCHUM. He could be a most vigorous partisian here in debate and he enjoyed a good verbal scrap. As the Republican whip, I could always count on BILL's vote when it counted and the going was rough.

But more than anything else, I have lost a dear friend personally and for that I am deeply saddened. My sympathy goes out to Lola and the other members of the family where the void is even more profound.

Mr. O'BRIEN. Mr. Speaker, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman from Illinois.

Mr. O'BRIEN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, as a new friend of BILL's, I can add little to what has been said, because it has all been said by others who are older and wiser and who have said it better than I could say it—by other Members: Congressmen BURGENER, BAUMAN, MOORHEAD of California, and the others.

But the one thing that comes to me is that I feel the loss of the presence of the fellow—the presence of one who had an enormous vitality, a zest for life, a love of this House and of those who serve in it, and a love of the country we all serve.

He was a fine example of candor and courage—not much for compromise but a lot for choice. And somehow I think we remember those who stand for choice.

So in summing up, I will miss the awareness and mourn the loss of his presence, and that is the source of my sadness.

And when I respectfully reflect on it and look ahead at where we are, for a split second I realize my temporary day here is coming to a conclusion, and I begin to tremble when I realize I will have to face it, too. But I am reassured that I will see KETCHUM again and I will know him in that remarkable assembly of souls. Believe me, when I see him, he will not be sprawling or prostrate, but, like the very truth itself that he stood for, he will be standing erect.

Mr. JOHN T. MYERS. Mr. Speaker, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman from Indiana.

Mr. JOHN T. MYERS. Mr. Speaker, 6 years ago, an enthusiastic and scrappy fellow came to Congress to represent the 14th District of California. Not too many in Congress outside of his colleagues from California knew this fellow at that time. A short time later, everyone in the House knew him because he made them know him. He became more than just an acquaintance or a casual friend. To everyone he came in contact, a respect and fondness developed.

He never backed away from a controversy. He listened to all the facts, weighed both sides, and then made a decision. Regardless of the odds or prospects of success, when he felt he was right, he battled for the cause he believed in.

Off the floor of the House, he was equally competitive. In sports he was fun and a great competitor. Socially, he was always most congenial and fun to be with.

His State of California which he was most proud of, his Nation, his friends, and his family have lost a great dedicated person. Our society is a greater place because he lived, he cared, and he unselfishly gave.

Our thoughts and our prayers are with his wife Lola and his family.

We all remember and are happy in the memory that we knew him and could call him a friend.

We remember and we will miss WILLIAM R. "BILL" KETCHUM, a great guy.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Speaker, I thank my colleague, the gentleman from California (Mr. BOB WILSON), for having this special order today; and I wish to associate myself with his remarks.

A lot has been said here, Mr. Speaker. I would also like to associate myself with the fine remarks made by the gentleman from Illinois (Mr. O'BRIEN) just a few moments ago.

Many of us here feel that BILL was one of the best friends we have ever had. I have only known him for 5½ years, since we were sworn in 1973. Nonetheless, he was a good friend, counselor, and adviser to me; and I will miss him very much.

One of the things I like about him was his willingness to take a stand on any issue that he was equal to, also his sense of humor, and the manner in which he showed that sense of humor.

Of course, as many Republicans here know, back in 1976 during the election campaign, our former colleague, President Ford, was running for reelection. It was not too popular to be a Reagan Republican or on the Reagan Republican team. However, that did not faze BILL KETCHUM. He jumped right in and started talking about how great a Governor Mr. Reagan was and so forth. He became identified with the Reagan campaign.

Mr. Speaker, I remember one day when we were sitting together, where the gentleman from California (Mr. ROUSSELOT) is right now. I was sitting in that empty seat there, and KETCH was right by me. Speaker O'NEILL was in the Chair. The gentleman from Arizona (Mr. RHODES) was at the Republican desk, and the gentleman from Texas (Mr. WRIGHT) was at the Democratic desk.

KETCH had been waiting for this chance to get a 1-minute speech. He was recognized and went into the well, looked back at the Speaker, and started talking about the fact that during the energy crisis we had Oldsmobiles to save gas but then we switched to Lincoln Continentals.

He did not give the speech that he had wanted when he had proceeded into the well. One could just see the humor coming out of his eyes when he got out on the floor and gave that wry grin of his.

When he got back to his seat, he said, "How do you like that job?"

Mr. Speaker, the farmers loved BILL KETCHUM because he tried to provide opportunity for entrepreneurship.

BILL was a soldier in World War II and was decorated for bravery. He never stopped fighting for what he thought to be right.

Mr. Speaker, may I say to his wife, Lola, and his son and daughter, whom I have had the opportunity to meet, I wish to thank them for the opportunity I had to be associated with him. I am happy I knew KETCH and considered him a good friend.

Mr. Speaker, I agree that we all will see KETCH again sometime, somewhere, and God bless him.

Mr. BOB WILSON. Mr. Speaker, I thank the gentleman from Idaho (Mr. SYMMS).

It is impressive to me that so many of BILL's former colleagues in the State legislature, some on the other side of the aisle and some here on this side of the aisle, have that same affection that we have.

Mr. BURGENER. Mr. Speaker, I yield to the gentleman from New York (Mr. MCEWEN).

Mr. MCEWEN. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I thought nothing could exceed the feeling of shock when I learned of BILL KETCHUM's death, but the sadness that I felt—and I know we have all felt—in the ensuing days exceeds it. It just does not seem possible that he is not here with us in our midst; he was so much a part of all of our lives. There has been eloquent testimony to his ability as a legislator, his interest in this country and its people. He was interested in all of us and what we were doing, Mr. Speaker.

He not only was concerned with legislation for which he had a direct, immediate responsibility, but the legislation of so many of us, as the gentleman from California (Mr. PANETTA) said, concerning his interest in a bill that the gentleman was sponsoring.

I would just like to say for this RECORD and for my colleagues concerning that great sense of humor of his, that he early spotted that I had a piece of legislation which to my area and to one little village in the Adirondack Mountains was quite important. That was the authorization of the support of this country through this Congress for the 1980 Winter Olympic Games. He assured me that when that authorizing legislation came to this floor, he would have an amendment, Mr. Speaker. He said:

> It is a simple amendment, but I want you to know I am going to offer an amendment. It will just strike four words and add three words. I am going to strike "Lake Placid, New York," and add three words, "Squaw Valley, California."

He used to threaten me with that. Then, as it got closer he said:

> I don't know whether I am threatening you with this. You may really want me to do

that before this is over, and take all these problems off your hands.

So, the day the authorizing legislation reached the floor he reminded me that this was the day he was doing that. But, of course he did not, and of course he enthusiastically supported my efforts. But, from that day on, Mr. Speaker, he would frequently say:

Don't you wish I had offered that amendment so that we would have the problems in California and you would not have them up there in your Adirondack country of New York?

I cite that as just an illustration of BILL KETCHUM. It was not legislation; it was not a piece of paper that had House Resolution and a number on it.

It was something that a colleague was interested in, that people were interested in, and that is what interested him.

So, Mr. Speaker, we shall all miss him. And to Lola and his children and grandchildren, our sympathy goes to them and, yes, as it has been said, our thanks go to them for letting us share him and having some of his time and his just wonderful warm friendship and interest in all of us.

Mr. BURGENER. Mr. Speaker, I yield to the gentleman from California (Mr. DORNAN).

Mr. DORNAN. Mr. Speaker, I was reticent at first to rise today because I knew Mr. KETCHUM least well of all of those in the California delegation. With the deep emotion I have seen expressed here and the relating of some of the almost lifelong friendships, I thought what could I add to the eloquent words already spoken?

I do not like funerals, but I love wakes. I assume it is the Irish in me. I have seen two deeply emotional moments in this House that have fascinated me far more than the great moments of intellectual combat that go on on a regular basis. One involved the depth of feeling at the "Happy Warrior's" appearance in this House in one of the last public appearances of the late Senator Hubert Humphrey. Another one I witnessed today with the ideological opposite of Mr. KETCHUM, the distinguished Congressman from California (Mr. PHILLIP BURTON) crying unashamedly because of his depth of feeling for his late adversary.

Like the Cheshire cat in Alice in Wonderland, some unforgettable people leave behind a great visual image. It is easy to conjure up some attitudinal expression of theirs or some physical expression. BILL KETCHUM's squareness of jaw and his darting blue eyes are a strong impression and image left in the House cloakroom.

I stood at the front of this desk just a week ago this afternoon, putting something in the RECORD, and "KETCH" walked behind me and whacked me hard on the backside and said: "DORNAN, nobody is going to read that crap and propaganda you are putting in there." And the next day, his last day here, he mumbled under his breath: "I enjoyed what you put in the RECORD yesterday, DORNAN."

I am not the earliest of our arrivers at our regular Tuesday California delegation meetings. One morning I purposely set my clock in the right direction and arrived half an hour early. I was the first one in the office. "KETCH" was second. He looked at me directly and said: "Are you sick, DORNAN? Are you ill, getting here this early?"

He was one of the most direct people I have ever met in my life, and I was not aware for a long time of the warmth under that directness. I always thought I got off on a terribly bad footing with KETCHUM because in an act of exuberance when Nazi terrorists were holding a city at siege, I offered rather facetiously some Congressmen as hostages, and I think he felt I was offering him as a hostage.

I think he thought that I was indirectly offering him as a hostage. No "guttier" man ever lived, but he let me know, in no uncertain terms, in the cloakroom, that he thought this was about the stupidest move he had ever seen a freshman Congressman make.

I thought he had taken some personal umbrage at some press attention which the "new meat" around here gets, until I saw the printed words that any criticism of what I was doing was just sour grapes. And I was over in the Capitol Hill Club a few weeks ago, and the distinguished gentleman from New York was enjoying a moment also, when Mr. KETCHUM came by my table—and I had flown an aircraft in Mr. MCEWEN's district—BILL said, "Don't you ever enter my district without first getting my permission." I thought he was just kidding. It turned out the next day that he was not just kidding. He felt that proprietary fashion about his beloved 18th District so much so that he felt it was really "KETCHUM turf."

And I realized that when I saw the tour that comes here each year from his district, the KETCHUM tour in Washington, D.C. I remember how he would personally take such great delight in directing his constituents around our beautiful Federal City, and then wining and dining them as one of their final moments in the Capitol Hill Club. He truly was a representative for his people in the best sense of the word.

I wondered once how a man could be so direct until I noticed, in looking into his office one day while walking by it, that Japanese battle flag on his wall and I realized that he had picked up his love of life, and his directness, from the crucible of the battlefield where he was a bona fide hero.

I want to touch again on that moment in the well here by Mr. PHILLIP BURTON. A wake is beneficial if you can take something away from it, that you at least promise yourself that that moment you will not forget. I will never forget the emotion expressed by Mr. BURTON for someone 180 degrees out of phase with his ideology and approach to government.

When I first saw Mr. BURTON and Mr. KETCHUM sitting side by side in our cloakroom on this side of the aisle, it was the first time I realized that they are not restricted cloakrooms that are allotted as the private preserves only for each respective party.

I said to BILL afterward, "How did you get along with PHILLIP BURTON? You are trying to undo everything he is trying to do?"

He said, "Well, as a freshman legislator you will realize that some of the best friendships are formed with political opposites here, that we all love our country, albeit in different ways."

I think I will try, however long God permits my course here, to remember that BILL KETCHUM was the personification of how to disagree while not being disagreeable; how to be direct and straightforward and hard-headed, without losing the warmth beneath that endears you to a friend who finds a totally different road or path in life.

Like that Cheshire cat, I will always see that jutting jawbone in both cloakrooms.

I do not presume that there is anything I can say that would truly ease the grief of the wife and family of our late departed colleague from the State of California, BILL KETCHUM. I say this because I am unable to recall the joys experienced by BILL's family, as a father, husband, and grandfather. I did not share those happy moments, which are truly personal and intimate, that his family experienced. Those sacred moments belong to BILL's select circle, and provide the deep personal foundation for his family's grief.

All of us in this House are public servants. And we must not presume that any eloquence that God gave us can have some kind of special meaning, some exalted stature, that can better serve to heal the sorrows of close family and friends. No, we are poor mortals, destined to the same end, the inevitable equalizer of rich and poor, humble and proud, the famous and the infamous. We have been blessed with life, but only barely do we comprehend its vast mysteries. We are only human, and there our poor power stops. Our consolations to BILL's family, like the very lives we lead, must necessarily be imperfect.

No, Mr. Speaker, we are in a much better position to console ourselves. Because we knew of BILL's contributions to this House. We felt his presence. We allied ourselves with him on some issues and did battle with him on others. Therefore, we can speak with greater assurance and with far better understanding of his loss to us.

I did not find myself consistently in agreement with BILL KETCHUM but almost. We had our few differences. But we shared a common outlook on public policy, and a common belief in the Providential destiny of this Republic. If anything, BILL was a solid man. He was a firm believer in a strong national defense and an unequivocal proponent of the expansion of personal freedom here at home. These were the twin pillars upon which he rested his judgments on issues foreign and domestic.

He came to this House in 1972. Previously, he had enjoyed an active and varied career in business and civic affairs, including a productive 6 years in the California Legislature, and was a soldier's soldier. He served this Republic in the toughest of all branches of U.S.

Army, the infantry, during World War II. He also served in the Korean war and in Japan. His background was well known to us. So was the solidity of his convictions. Thus, our sense of loss, our sadness, is direct and immediate. But still, our attempts at consolation, if only to console ourselves, seem imperfect, short of the mark.

Mr. Speaker, on this Earth we can, and will, find no perfect consolation. What can it be that sustains us in our grief? When we are reminded, on an occasion such as this, of our mortality, what is it that can give us hope? What can it possibly be that enables us to carry on, day in and day out, sure that our existence in this life is not some meaningless recycling of matter and energy, devoid of purpose or destiny? BILL KETCHUM knew the answer to this simple, yet profound, question. He was a Christian gentleman. He believed in the saving grace, goodness and infinite love of God. He knew a truth that so many fail to comprehend: That an infinitely powerful intellect, the architect of the universe, was born in a cave, and lived and died to break bread with simple fishermen. In that love, in that alone, there is consolation. Perfect consolation.

And for all of the heat of the controversies that surrounds us, for all of the pressures that impose themselves upon us, and for all of the importance that we attach to our own abilities, this we must remember: Life is short, and we must never fail to make the most of it, trying in whatever small way, to make our peace with the Author of life itself.

Mr. Speaker, as I said, there is no perfect consolation. But to BILL'S Lola, to his beloved children, Kathy and Robert, and to his beautiful grandchildren, Tracy, Travis, and Christopher, I offer my deepest and most heartfelt sympathy.

Mr. BURGENER. Mr. Speaker, I yield to the gentleman from California (Mr. ANDERSON).

Mr. ANDERSON of California. Mr. Speaker, I thank the gentleman for yielding me this time, and I wish to thank both gentlemen from California for taking these special orders so that we can pay tribute to a good friend and colleague, BILL KETCHUM.

Mr. Speaker, in 1966 WILLIAM M. KETCHUM won his seat in the California Assembly while I was finishing my second term as Lieutenant Governor. Though I had served earlier in the assembly, it was not until the beginning of the 93d Congress, in 1973, that BILL and I held legislative office together. He had won the newly created 36th District seat in 1972—only to find himself redistricted the next year—a sequence of events I, too, experienced.

But, having survived two redistrictings and a Democratic landslide year, BILL KETCHUM won with 67 percent in 1976 and seemed to be in good political shape. Unfortunately, BILL'S untimely death last Saturday reinforced what people say—that no matter how good we think our health may be, we must live each day like it may be our last.

BILL lived each day fully. Whether it was on the tennis court or at a meeting of the Ways and Means Committee, BILL KETCHUM'S strong and active voice was heard. So were his efforts to assure his divergent constituency a better tomorrow.

Congressman KETCHUM'S district is as diverse as a Member could hope to represent. Not only is it the western end of the Long Road from Oklahoma's Dust Bowl of the 1930's, it also is the home of the table grape producers in Delano. BILL KETCHUM represented both Caesar Chavez's UFW headquarters and the wine producers. Each no doubt will join me in expressing our sincere loss.

BILL KETCHUM was a cattle raiser, a farmer, a former Army infantryman, a father, and a grandfather. But above all, to us he was a dear friend and we will miss him.

My wife, Lee, joins me in extending our sympathy and sincere condolences to BILL'S wife, Lola, their children, Robert and Kathy, and the rest of the family.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. BURGENER. I yield to the gentleman from Minnesota.

Mr. FRENZEL. I thank the gentleman for yielding.

I would like to add my voice to those who have paid their respects and this final tribute to our colleague, BILL KETCHUM. I was one of the fortunate ones who was able to attend the funeral on Tuesday and found it a moving experience. It was good to see so many of BILL'S friends present. He was a good and fine colleague, a hard working and an industrious member of our Committee on Ways and Means, and he will be severely missed not only in his committee but also in this House of Representatives.

I also want to express my deep sympathy to his wife, Lola, and to the entire Ketchum family.

● Mr. BURKE of Massachusetts. Mr. Speaker, the 77th Infantry Division lost a buddy over the weekend in the passing of Congressman WILLIAM KETCHUM of California. BILL and I served with the famous Statue of Liberty Division in the South Pacific during World War II. It was a great group of fighting men that engaged in nine amphibious landings under enemy fire in Guam, Leyte, Kerama-retto, Ie Shima, and Okinawa. BILL was up there through it all. BILL stayed in the service and served with the Counterintelligence Corps during the Korean conflict. He loved his country and gave unselfishly of his life. He served his community, his State, and his Nation during war and peace. Truly one of God's great noblemen, BILL had a compassion for people. I shall always remember BILL for his many messages of encouragement during my stay in the Bethesda Naval Hospital. As a result of his concern, I heard from many of my World War II comrades from all over the Nation. As a Congressman, BILL could disagree with you without getting disagreeable. He was articulate and dedicated, and devoted to public service.

I have attached the article from the New York Times which relates the circumstances of his untimely death. I extend my deepest sympathy to Mrs. Ketchum and his children, Robert and Kathy.

The article follows:

REPRESENTATIVE WILLIAM M. KETCHUM; WAS IN THIRD TERM IN HOUSE

BAKERSFIELD, CALIF., June 25.—Representative William M. Ketchum, Republican of California, died last night of an apparent massive coronary. He was 56 years old.

Mr. Ketchum was stricken at his home here at 6:40 P.M. and pronounced dead on arrival at Kern Medical Center at 7 P.M.

Joseph Hummel, the hospital administrator, said Mr. Ketchum had been playing tennis in the afternoon and apparently suffered the attack in the shower a few minutes later.

Mr. Ketchum, a member of the California Assembly from 1966 to 1972, was serving his third term in the House of Representatives and was a member of the House Ways and Means Committee. He represented California's 18th Congressional District.

He was a cattle rancher, farmer and a former president of the San Luis Obispo County Farm Bureau. He was seeking re-election, having run unopposed in the Republican primary this month.●

● Mr. RHODES. Mr. Speaker, the House has lost a courageous and dedicated Member with the passing of BILL KETCHUM. As minority leader I will miss him greatly.

BILL KETCHUM was a man of unswerving principle, who held strong beliefs and was not afraid to fight for them against any odds. He believed in prudent government, and in the free enterprise system as the source of America's greatness. He fought consistently against over-government and waste in Federal expenditures.

He brought to Congress a first-hand knowledge of the problems facing the cattle business and was a fighter for a strong domestic beef industry.

As a person, BILL KETCHUM was a warm and vital individual, with a zest for living life to the utmost. I counted him among my friends, and am deeply saddened by his passing.

He served the Nation and his district with determination and distinction, and earned the respect of his colleagues on both sides of the political aisle.

His untimely passing is a loss for the House of Representatives, and for us who were privileged to work with him here.●

● Mr. DERWINSKI. Mr. Speaker, I am deeply saddened as I join in eulogizing the life and accomplishments of our late distinguished colleague, the Honorable WILLIAM KETCHUM. His untimely passing is a great loss not only to the 18th Congressional District of California, but also to the Congress and the Nation. His absence from the House will certainly be felt.

As a member of the Ways and Means Committee, BILL was a most effective spokesman for reforms in tax legislation; and he carried his responsibilities with a sense of deep concern knowing that the committee's action affects every American.

BILL was truly dedicated to public service, and lived up to the full measures of his responsibilities. He distinguished himself as an outstanding assemblyman in the California Legislature and he carried with him to Congress all the qualities and talents that are essential to the makeup of an effective legislator. He

leaves rich memories for all of us who served with him.

As a rancher himself, he understood the unique problems facing cattlemen and was ever mindful of the feelings and viewpoint of the California farmers.

BILL KETCHUM was a respected legislator, loyal to his political ideals and principles and possessing strong convictions on issues he felt would point our Government in the right direction. In the short period of time which he served with us, he made a tremendous impression by demonstrating great qualities of leadership and truly great strength of character.

My wife Pat joins me in expressing our heartfelt sympathy to Lola Ketchum, their two children, and the three grandchildren.●

● Mr. MCCLORY. Mr. Speaker, I would like to add my voice to those who have already expressed themselves in paying tribute to our colleague from California Congressman BILL KETCHUM. His passing leaves a void here in the House, for he was a well respected, valuable Member, whose actions reflected a sincere interest and concern for the well-being of all Americans.

Mr. Speaker, in only 6 short years, BILL KETCHUM made his presence known. His perception for the rights and interests of his fellow citizens was demonstrated graphically in his successful sponsorship of the Ketchum amendment to the Social Security Amendments of 1977. I am grateful to have had the opportunity to observe BILL KETCHUM in his fight for inclusion of the liberalized earnings limitation language in the bill. His amendment provided for the first time for older Americans to utilize their time and talents productively without being penalized by a reduction in their social security benefits.

We should all be grateful to BILL KETCHUM for his measure of compassion and humanity toward those against whom the social secuity laws were discriminating. The benefits to older Americans which can come from useful activity as well as the need which a very high percentage of such Americans have for economic gains—which they can now enjoy as a result of the adoption of the Ketchum amendment—form but a single instance, but yet a graphic one, of the interest which Congressman KETCHUM translated into successful legislative action.

Mr. Speaker, I take this occasion to express my respect and affection for Congressman BILL KETCHUM. His accomplishments as a lawmaker, his reputation for hard work and devoted service as a public official—and his warmth and loyalty as a friend—combine to establish Congressman BILL KETCHUM as a very special and important individual.

I extend to his wife, Lola, and to his children my deep sympathy. ●

● Mr. BURKE of Massachusetts. Mr. Speaker, I rise in sorrow at the passing of our colleague, Congressman BILL KETCHUM of California. I knew BILL well having worked closely with him on the Ways and Means Committee, as well as the Social Security Subcommittee. Previously, we had served in the same division in the Pacific in World War II.

Although we sat on opposite sides of the aisle in this Chamber, and found ourselves on alternative sides of many issues, I have the deepest respect and admiration for BILL.

He was a hard-working and conscientious legislator. I will always remember BILL for his gracious manner and easy way. I deeply regret his death as I recognize that this body and the entire Nation will sorely miss his statesmanship. In the tradition of the Vandenbergs, BILL KETCHUM served in the 18th District of California, and I deeply regret his untimely death.

I extend my sympathies to his family.●

● Mr. GRADISON. Mr. Speaker, with sorrow at our heavy loss, I join with my colleagues in this special order in memory of BILL KETCHUM. His untimely, unexpected death is a loss both to this House as an institution and to those of us who knew him well and worked with him closely, as I did on the Committee on Ways and Means.

The House has lost an unusually valuable Member, a recognized expert in welfare, day care, public assistance, and unemployment compensation. His prior experience in the California Legislature, coupled with his diligence, hard work, and sense of compassion, made him a Member other Members listened to, both in committee and on the floor.

On a more personal note BILL KETCHUM was a delight to serve with. He was a warm and concerned individual, direct and outspoken in conversation, a man who cared about others: about his family, his constituents, his colleagues, and his staff.

The deep feeling of this House was reflected in the size of the delegation which attended the memorial service in Bakersfield on Tuesday. By our special order today we add a final word about our good friend BILL: well done, good and faithful servant.●

● Mr. GOLDWATER. Mr. Speaker, BILL KETCHUM was an individual in the finest sense of the word. He believed in America—everything he did reflected love of country. Whenever I think of the Rock of Gibraltar, I think of BILL KETCHUM. Political expediency was not a part of his character. As a legislator in California, and as a Member of Congress, he stood firm on principle and honor, and his colleagues could depend on him not to flinch when the advocates of political necessity peddled their wares. He represented a congressional district that is well known for its individualism and pioneer spirit, and I just cannot fathom the loss to our State and Nation—it is monumental. I shall miss him.

In my association with BILL, I was impressed with his contribution to the House Ways and Means Committee on which he served. I know, too, that BILL KETCHUM will be missed by many in the aviation industry who could count on him as a true friend.

To his lovely wife Lola, their children and grandchildren, I offer my deepest condolences.●

● Mr. TREEN. Mr. Speaker, the sudden death last Saturday of our colleague, BILL KETCHUM, has left me with a very empty feeling. Because of his unique wit, his dependable good humor and his sincere response whenever approached, BILL KETCHUM was the kind of person one looked forward to seeing as each day began.

Bill had the kind of personality that made you want to be around him; he helped to make the day happy and interesting. I know that this is the way he affected me, and I believe the same is true with regard to all of his colleagues, on both sides of the aisle. Going to the House chamber, or down to the Members dining room for lunch, has been a sad experience for me all this week, and will continue to be for quite some time, because I know my good friend, BILL KETCHUM, will not be there. He helped light up my life and made my service in the Congress more enjoyable and rewarding.

I had the privilege of coming to the Congress with BILL KETCHUM. We were sworn in together on January 3, 1973. From that date forward BILL demonstrated his many talents, and other Members have spoken about these today. I recognize them as well.

But, Mr. Speaker, I simply wanted to stress that most important human personality trait which BILL KETCHUM possessed so abundantly: sincerity, warmth, and good will toward all people. That marks BILL KETCHUM as a very special person, and one whom I shall miss more than words can adequately describe.●

● Mr. YOUNG of Florida. Mr. Speaker, with the sudden passing of the Honorable WILLIAM KETCHUM, the citizens of the 18th Congressional District of California have lost a dedicated and effective Congressman, the Congress has lost a distinguished Member and I have lost a true friend.

BILL accomplished a great deal in the short time that he was a Member of the House of Representatives. His colleagues came to know him as a gentleman who was dedicated to his congressional constituents and staff, his country, his family and his principles. BILL KETCHUM believed in a strong America, fiscal responsibility, helping less fortunate Americans, was a champion of the elderly, and fought against wasteful Federal spending and programs. His actions as a Member of Congress reflected these beliefs.

The Congress and the Nation truly need the kind of man BILL KETCHUM was in leadership positions. Although he is gone, his personal characteristics as a statesman and gentleman will remain as an inspiration to us all.●

● Mr. MCFALL. Mr. Speaker, I rise today in deep personal sadness to mourn the death of our colleague and friend, WILLIAM M. KETCHUM, who worked with us in the House as a dedicated servant of the people for nearly 6 years.

We cannot understand why God chose to bring WILLIAM KETCHUM to his eternal home last Saturday. We can only accept, and be comforted in the knowledge that BILL is forever embraced in our Lord's mercy and love.

The death of BILL KETCHUM at age 56 leaves a marked void in this House and in our Nation.

To his wife, Lola, and their family, we extend our heartfelt condolences for this loss they must sustain.

BILL KETCHUM was a man of integrity and ability. As a cattleman and rancher he worked to improve the quality of this important economic element in our State.

His dedication to serve was recognized by the people of his community who elected him to three terms in the California State Legislature as the representative of the 29th assembly district.

He served our Nation in World War II, during the Korean conflict, and was elected to the 93d Congress.

The people of BILL KETCHUM's 18th Congressional District reelected him to each succeeding Congress. There is no doubt that he would have been returned by those he served so well to another term.

To this House, and to the Ways and Means Committee on which he served, BILL brought ability, conviction, and an engaging personality that enabled him to work effectively.

His district and mine adjoin. It was my privilege to work with him many times over the years on endeavors to improve the quality of life in our area of California. In lighter moments, we enjoyed good fellowship on the paddle ball courts.

BILL loved life; was eager to absorb all it had to offer; and return in service to people a measure greater than he received.

I am sure he would have agreed with Tolstoy's observation that "The sole meaning of life is to serve humanity."

BILL's service to humanity will stand as a monument for ages to come.

We can be grateful we had the opportunity to know and work with this fine man, just as the people of his district and our Nation can be thankful that he was their servant.●

● Mr. JOHNSON of California. Mr. Speaker, I was shocked by the news Sunday morning of the loss of my very dear friend and colleague, BILL KETCHUM. I have known BILL for many years, both in California and here in Washington. I first knew him as a constituent of mine when he lived in Nevada County. He was widely respected and known as someone who could get the job done, even back then.

BILL and his lovely wife later moved to the coastal area of California where he remained very active in the farming and ranching community. He was very successful and his talents were widely recognized and appreciated.

His hard working reputation and constant involvement in public affairs led him to seek election to the California Assembly. This effort was successful, and he served in that body from 1967 to 1972 with distinction.

Ever since his election in 1972 as a Member of Congress, he was a very strong member of the California delegation. We all came to appreciate his forthrightness and zest for life. He was a man who knew what he wanted to accomplish and knew how to carry it out.

When BILL came to Congress, he earned a seat on the House Interior and Insular Affairs Committee, on which I also served. I had many opportunities to work closely with him as together we sought to enact legislation of benefit to our State. He knew his people and what their needs were. I can say this because part of his congressional district was once in the area I represented in the Congress. He was a champion of their cause and a guardian of their tax dollars.

After 4 years on the Interior Committee, BILL had demonstrated his eagerness for the difficult task and for doing more than just his share of the national responsibilities a Congressman must shoulder. His determination and dedication were recognized and rewarded by his being named to a seat on the important Ways and Means Committee. Although the subject matter had changed, BILL continued to show his appetite for challenge and actively participated in the drafting and preparation of major legislative initiatives.

BILL KETCHUM was a very strong legislator. He actively sought to influence legislation and to assure that Federal responsibilities were not taken lightly. He sought to make every dollar of Federal money count. He worked hard and did a very fine job for his district, his State, and his Nation.

My wife, Albra, and I will miss him in many ways. In the House, we will miss his humor, his tenacity, and his legislative skill. In the California delegation, we will miss a dedicated servant of the people. Personally, we will miss a true and warm friend.

To his family we extend our deepest sympathy. BILL lived his life to the fullest and was happy in what he did. There is little more that an individual can do. We will all miss him, but we can take comfort in knowing that he did his best and gave us much of himself that will live long after him.●

● Mr. FARY. Mr. Speaker, I join with my colleagues in expressing a deep sense of loss at the passing of our fellow colleague and friend, the Honorable BILL KETCHUM of the 18th Congressional District of California. The death of this devoted public servant marks the passing of one of the finest gentlemen to have served in this Chamber in many years.

His was a long and devoted career in the service of his State, this House, and his country. He served in the Armed Forces of his country in the Pacific during World War II and in 1950, was recalled into service during the Korean conflict. In 1966, BILL was elected to the California legislature, serving as representative from the 29th assembly district for 6 years. Then in 1972, he was elected to the 93d Congress, representing the 18th Congressional District, and was reelected to each succeeding Congress. BILL was a distinguished member of the House Ways and Means Committee, where he made significant contributions to numerous important pieces of legislation.

But no recital of offices won, committee posts held, and bills labored upon, can adequately describe his impact on the legislative process at both the State and national level. He was an effective legislator because he won the respect and affection of his colleagues, who were always aware that his genial ways accompanied an informed dedication to the public interest and to the legislative tasks at hand.

His service to the public has now come to a close and we mourn his absence among us. To his beloved widow, Lola, and his two children, Robert and Kathy, and to other members of his family, I extend my deepest sympathies.●

● Mr. MARTIN. Mr. Speaker, there is respect but no pleasure about coming today to speak of our departed colleague, BILL KETCHUM. To do so is too much to remind one's self of one's own mortality. BILL KETCHUM was an ox of a man. It is trite to say that someone's passing came as a shock, but BILL's did. You do not prepare yourself for an event such as this for a person of such commanding physical presence, virility, and stamina. We should perhaps reflect upon the fact that none of us is immortal—in spite of our press notices—and perhaps such reflection will benefit the process in which we earn our daily bread.

BILL KETCHUM did well to inject into debate a sense of the real world—of which mortality is an inevitable part—and with that same needle, puncture a balloon or two.

In committee, BILL was good at leaning over and quite pungently observing how the noblest of ideas would operate in a society of quite ordinary people, instead of among a hypothetical nation of economists and tax lawyers.

A few years ago, when ponderous constitutional arguments were being made here about the District of Columbia, I recall it was BILL KETCHUM who had one of the few novel ideas—maybe the best one, which would explain why it has not gone very far yet—which suggested simply constricting the seat of Government to the area where the government sits. I am sure he would add: "and sits, and sits, and sits."

In Ways and Means, where we have been spending eons seeking to simply put right what the Internal Revenue Service has put wrong, BILL KETCHUM had been sparkplugging the effort to simply require that the Service's regulations lie before Congress for possible legislative veto, just the way, rightfully, the regulations and enactments of other agencies do. His proposal would depopulate the law firms of downtown Washington.

We should hope that we get a few more men here like BILL KETCHUM. We need to be reminded constantly of what goes on in the real world, that there is intelligent life beyond the beltway, and that many good ideas will not work. BILL was superb at making those reminders. Though one might disagree, one had to agree that he made sense, often infuriatingly good sense. Above all, "KETCH" really made a difference.

So, with respect to BILL KETCHUM, Mr. Speaker, we will remember him with greatest respect.●

● Mr. BURKE of Florida. Mr. Speaker, last week this body was saddened by the loss of our colleague, CLIFF ALLEN. As I drove to the Capitol this morning I was again faced with the news of death. This time an individual of true accomplishment and the highest respect was taken from us. My friend and colleague, BILL KETCHUM. For 6 years, BILL graced this Chamber with his presence, always dutiful and diligent in his every action. During his years of service on the prestigious House Ways and Means Committee he spent numerous hours fighting for the poor and working class of this Nation. His accomplishments at this committee not only affected the Internal Revenue Code but the unemployed and elderly of our country. This was not unusual, for BILL was no stranger to public service. During World War II he served in the Pacific as an infantryman and when recalled in 1950 he willingly returned to serve in the Army Counterintelligence Corps. Afterward, returning to his home in California, he served as president of the San Luis-Obispo County Farm Bureau. Later he served in the California Legislature where his accomplishment included the first major reform of the State's welfare code, a task he continued here in his service on the House welfare reform task force.

I am still quite shocked at his passing. Only last week BILL took time out of his busy schedule to stop by at an affair in my honor. As usual he was racing from meeting to meeting, never thinking of himself, only the public and his friends.

I hope and pray that God Almighty grants him eternal rest and peace. My deepest and most sincere sorrow go to his lovely wife, Lola, and thier children, Robert and Kathy. I for one will sorely miss a great legislator and good friend, BILL KETCHUM.●

● Mr. COLLINS of Texas. Mr. Speaker, when I heard about the death of BILL KETCHUM, I just could not believe that it had happened. BILL was always such an active, vital person. Just 3 days before his death, I remember so well how he was standing on the floor as a strong advocate of balanced trade and the need to offset our export deficiencies. BILL spoke with such vigor and enthusiasm. Then that weekend we lost him through this heart attack.

BILL will always be remembered and respected by all of his colleagues who knew him. BILL was a Congressman who always had positive positions and consistently stood for sound fundamentals in legislation. In our Halls where we hear so many generalities, it was always refreshing to hear BILL KETCHUM rise to his feet and talk about down-to-earth specific situations.

He was a great believer in the defense of America. He believed that America should always be first.

BILL understood the importance of energy and natural resources. I always welcomed BILL on the floor when we discussed excessive regulatory agencies. Coming from the West and especially from the friendly area of California that he came from, BILL was foursquare for greater development of oil, farming, water, and ranching.

Dee and I extend our sincerest and warmest sympathy to Lola and all of the Ketchum family. California has lost one of the greatest voices that ever represented the West in the Halls of Congress. We join with the family in the loss as we will all miss one of the finest, most dynamic men that ever served in Congress—BILL KETCHUM of California.●

● Mr. STEIGER. Mr. Speaker, the untimely death of BILL KETCHUM of California deeply saddens Janie and me. Having had the opportunity to work with BILL during his service in the House and on the Committee on Ways and Means, I know that his departure means a real loss not only to his own area of California, but to all the people of this country.

Throughout his service, BILL KETCHUM reflected his very deep commitment to this country and to the principles on which it was founded. There's no doubt that at times BILL KETCHUM could be irascible, but he was always thoughtful, perceptive, and persistent. The Ways and Means Committee has lost a man who took a very deep interest in matters affecting welfare and social security as well as a leading advocate for sensible tax policy.

Janie joins with me in extending to Mrs. Ketchum and to her family our deepest sympathy. BILL KETCHUM will long be remembered by all who care deeply about our country. His was a career marked by exemplary public service. The Ketchum family is in our thoughts and prayers.●

● Mr. ADDABBO. Mr. Speaker, I would like to join with my colleagues in paying tribute to the Honorable WILLIAM KETCHUM of California whose untimely death last weekend was a shock to all of us.

BILL was one of the most decent and hard-working Members of the House. He became a good friend even though our viewpoints on legislation were far apart. He was a prime example of the old axiom that it is possible to disagree without being disagreeable.

Our colleagues who served with BILL on the Ways and Means Committee learned all too well that BILL was an articulate exponent of his points of view. On the floor of the House, he expanded his viewpoints far beyond tax matters. He could be as tough in floor debate as he was gentle outside of the fray. I know from my own experience how often BILL went out of his way to be helpful to people, including Members of this House. He went about his business with a quiet dignity that impressed all who came in contact with him. Those were the qualities, obviously, that so endeared him to the voters of California's 18th Congressional District.

He was a good man in all senses of the word and he will be sorely missed by those of us who served with him and by the people whom he served. It is always sad when a good man passes away. It is particularly sad that BILL KETCHUM has left us when he had so many good years of service left.●

● Mr. LATTA. Mr. Speaker, I would also like to express my sorrow on the passing of BILL KETCHUM. He was not only a friend and a colleague but most of all a Congressman who had the courage of his convictions and the concern to attend to his constituent's needs.

His accomplishments measure high on the yardstick of success for his qualities were numerous and his dedication to the responsibilities of his office unswerving. Although he served only 6 years, he was a ready listener who combined quick intelligence with an ability to solve problems. We worked together on many issues and I was always impressed by his desire to do what was best for the people of this country.

I feel privileged to have served with him for he was an influential, respected and most effective Member of the House of Representatives. His service in Congress was dedicated to honorably serving his district and was characterized by leadership, intelligence, and hard work.

I, too, extend my sympathy to his lovely wife, Lola, and to his family, and I ask them to remember that at a time in our history when many people are considering themselves before others, BILL KETCHUM served as a shining example of how to achieve for others.●

● Mr. SEBELIUS. Mr. Speaker, I want to join my colleagues in lamenting the sad and unexpected death of our good friend, WILLIAM B. KETCHUM of California. His absence will be deeply felt in this House because of the energy, intelligence, and special knowledge which he brought to his work.

I had the privilege of serving with BILL on the Interior Committee during which time we developed a close relationship. I can say, without reservation, he was one of the finest people I have ever associated with and I am certain this feeling is shared by many others in the Congress.

And so, it is not only in our work that we will miss this fine gentleman from California, but also in our friendship. Our loss means that now we know an emptiness in our world where once we knew a friend. I extend my condolences to his family, for here too, he will be sorely missed.●

● Mr. ANDERSON of Illinois. Mr. Speaker, I was shocked and saddened by the sudden death of our colleague from California, the Honorable WILLIAM M. KETCHUM. BILL KETCHUM was well liked and respected by his colleagues on both sides of this aisle. He was an enthusiastic, hard-working and good-humored legislator who could size up a situation quickly and respond with intelligence and wit. BILL brought to this Congress a wealth of experience as a farmer, cattle-raiser, and former California legislator—all of which help to explain how he so quickly learned the issues and procedures facing this House and earned the esteem of his colleagues.

Mr. Speaker, my sympathies go out to BILL's wife, Lola, his son Robert, his daughter, Kathy Cole, and his three grandchildren. We will all deeply miss BILL's friendship and abilities in this body.●

● Mr. BIAGGI. Mr. Speaker, a sudden death has taken from this House one of its most respected Members, BILL KETCHUM from California. His death was a profound personal shock to me, one which I will not soon forget. While BILL was only in the House for a short time, he did make many friends while here, but, more importantly, he made many contributions for the betterment of this Nation.

BILL KETCHUM's life was a steady, lifelong commitment to public service. Prior to his election to the 93d Congress, he served for several terms in the California State Legislature. He served his Nation admirably in the Armed Forces both in World War II and later in Korea.

BILL might best be remembered as one of the most articulate spokesmen for responsible Government spending in the House. As a member of the House Ways and Means Committee, he worked to improve the equity of our tax system while working for limited rather than limitless Federal spending. He was named to serve on an Ad Hoc Committee on the Impact of Proposition 13.

BILL KETCHUM was a dedicated family man. I extend my sincere condolences to his wife, Lola, his two children, and grandchildren. BILL KETCHUM served the Nation he loved and provided this House with his talents, his compassion, and his commitment for a better America. He will be missed.●

● Mr. JONES of Oklahoma. Mr. Speaker, those of us working on a plan for tax reduction and reform will miss BILL KETCHUM. The loss of his skills and talents will certainly complicate our efforts to arrive at a just and workable solution.

BILL KETCHUM always did his homework. He was particularly knowledgeable in the areas of welfare and old-age assistance. No one would deny that BILL was a conservative, but no one would suggest that his philosophy got in the way of his compassion for those trapped by poverty or strapped by fixed incomes that held them hostage to inflationary pressures.

Most people with that sort of compassion prefer to talk in generalities. BILL was different. He never let his deep feelings obscure his desire to make workable programs. He knew that the greatest injustice that could be perpetrated on those less fortunate than himself would be to draft expensive and impractical programs. BILL always had positive and substantive recommendations to offer to make the philosophy of a program a reality.

If BILL KETCHUM were on your side, the battle was half won. If he opposed you, you had a real fight on your hands.

BILL KETCHUM was a friend. He often boasted to me that he represented more "Oakies" than I did by virtue of the Oklahoma migration to his hometown of Bakersfield during the Dust Bowl days. BILL KETCHUM represented the people of California with dignity and charm. His compassion and knowledge of the issues will be sorely missed by those of us whom he left behind.●

● Mr. CORMAN. Mr. Speaker, it was with sadness and shock that we learned of the untimely death on June 24 of our colleague, BILL KETCHUM. As chairman of the Subcommittee on Public Assistance and Unemployment Compensation of the Ways and Means Committee, on which he so ably served, I am particularly affected by this tragedy, and wish to pay my respects to his memory, and to express my deepest sympathy to his wife and children.

BILL came to the Congress from our State legislature, where he played an impressive role in legislation affecting California's needy people, particularly the elderly, the blind, and the disabled. He brought with him to the Congress his deep concern and compassion for the Nation's needy persons. His experience in the California Legislature made him one of the most informed Members in the House on public assistance programs.

BILL played a crucial role in the important early stages of the formation in 1975 of the Subcommittee on Public Assistance and on Unemployment Compensation, as a member of both, and when the subcommittees were joined early in 1976. His expertise in public assistance issues was an essential ingredient in stabilizing and strengthening the role that the subcommittee would play in legislating in this area. The bipartisan measures that came out of the subcommittee were largely because of the responsibility that BILL took upon himself to see that our efforts and action would make the programs more adequate and fair for recipients, and administratively more effective. He was concerned about targeting limited resources to those most in need, and his knowledge of and emphasis on this point was of inestimable value to us.

Legislation on public support programs is always controversial, and BILL was a practical and well-reasoned voice on these matters, particularly in developing legislation that gave the subcommittee bipartisan support, if not consensus. When the Chair had his support on an issue, it was strong support, all the way through to floor consideration.

BILL and I shared common cause in our concern and compassion for the poor, the elderly, blind and disabled, and he was staunchly supportive of the subcommittee's efforts to legislate to improve the quality of their lives. Whatever our disagreement on other issues that came before us—and our disagreements were few—in this area we stood together, and his influence in subcommittee, in full committee, and on the floor was necessary, welcome, and of sound logic, and his contribution to the legislation was always that of an expert.

BILL KETCHUM was a faithful member, an informed member, a hard-working member of the subcommittee, and I shall miss his presence, his competence, and his cooperativeness.●

● Mr. DUNCAN of Tennessee. Mr. Speaker, it is with profound sadness that I observe the death of our honored colleague and my good friend, BILL KETCHUM.

The long and distinguished career of BILL KETCHUM as a member of this Nation's Armed Forces in World War II and Korea, as a member of the California Legislature, and as a representative of the people in this House constitutes a sustained record of dedicated public service of lasting benefit to his State and Nation. His is a record of continuous hard work, helpful to and appreciated by the people he represented and by us as his colleagues in this body.

It was my particular pleasure to serve with BILL KETCUHM on the Ways and Means Committee where his skill and leadership were always evident.

I have known BILL KETCHUM as a dependable coworker and treasured friend, as a man who has inspired me and many others with his commitment to public service. His dedication to this Nation has placed us all in his debt.●

● Mr. CONTE. Mr. Speaker, I would like to join my colleagues today in expressing profound sorrow and deep grief over the sudden loss of our beloved colleague, and a dear personal friend, WILLIAM KETCHUM.

I knew BILL KETCHUM as a dedicated, conscientious man who had the respect of his colleagues on both sides of the aisle. During his time with us here in the House, he served with distinction on the Ways and Means Committee, the Committee on Interior and Insular Affairs, the Science and Astronautics Committee and the District of Columbia Committee.

Although we shared no committee assignments, I was privileged to have him as a friend. My memories of this good man will reflect his personal generosity and many thoughtful kindnesses to me. To give you just one example of what I mean: As you know, BILL was a farmer before entering Government service, and, as my colleagues may realize, I enjoy home gardening, myself. Last year, hearing of my success with some tomato plants in my vegetable patch, BILL thought he would like to try his hand at city gardening. Well, I gave BILL one of my tomato plants which he put on his apartment balcony. It proceeded to bloom splendidly—but because it was a single plant, and as any farmer will tell you, without pollination, it never did give BILL any tomatoes. This year, I gave BILL four of my tomato plants with the hopes that this year's harvest would be more successful. The week after, BILL came back from one of his frequent trips home to his district in California, and brought me back some of his own fine California produce—large Bermuda onions, juicy red grapes and California pistachio nuts. With all of the many things BILL must have had on his mind—and as busy as he was in his district—he took the time out to show his gratitude to a friend in this way.

BILL KETCHUM was deeply loved by his constituents who elected him three times to this body. The affection was certainly returned in the compassionate service he rendered to them. Their loss is ours as well.

His untimely death came as a blow to all of us. My wife, Corinne, joins me in expressing our deepest sympathy to BILL's widow Lola, their two children, and four grandchildren.●

● Mr. ABDNOR. Mr. Speaker, the shock of the sudden and untimely death of

our good friend and colleague, BILL KETCHUM, is still with us.

The 18th District of California has lost an able public servant—a man who faithfully reflected their views as well as his own deep convictions for many years in the California Assembly, before coming to Washington with the 93d Congress to render similar yeoman service here.

The Congress has lost an able Member—respected by his colleagues on both sides of the aisle for his intelligence, his courage, his integrity, his deep sense of principle.

The Nation has lost an able fighter in the battle for honor in Government, for fiscal responsibility, for reason and decency, for our country's well-being in a troubled world.

We have all lost a faithful, reliable friend whose word we could always count on.

We have lost a great American who gave greatly of all he had to give.●

● Mr. BAFALIS. Mr. Speaker, it is with a great deal of sadness that I take the floor today to eulogize my great and good friend, BILL KETCHUM of California.

BILL and I came to the Congress together and we served together on the House Ways and Means Committee, where his wise counsel will be sorely missed.

I knew him to be a hard-working, dedicated public servant, determined to serve the people of California's 18th District and the Nation to the best of his ability.

The Congress and the country are the worse because of his passing.

To his wife, children, and grandchildren, I offer my deepest sympathy.

BILL KETCHUM will be missed by us all.●

● Mr. MILLER of Ohio. Mr. Speaker, it is with a tremendous sense of personal loss that I join my colleagues in the House in this tribute to the late BILL KETCHUM.

His sudden passing is a loss not only to the people of California's 18th District and those of us in this Chamber, but to the Nation as a whole. He was an affable, congenial friend, a man who made service in the House of Representatives a more pleasant task. He was the epitome of hard work, diligence, and integrity. Qualities we all respect and admire.

Since BILL became a Member of this body in 1973, I came to know him as a trusted confidant. He was a conscientious, dedicated, and active legislator who invested his full energies in his job. As a member of the influential House Ways and Means Committee, he was viewed as one who welcomed the challenge this important committee assignment offered and was always deeply involved in the legislative activities of that committee. Extremely knowledgeable on the specifics of Ways and Means legislation, his advice was often sought by those wanting a comprehensive and objective analysis of matters before that committee. His words offered in support or opposition to a legislative proposal were given more than just passing notice by his colleagues.

The citizens of California's 18th District and of our Nation have been well served by BILL KETCHUM for the past 6 years and his presence will be sorely missed.●

● Mr. GOODLING. Mr. Speaker, the death of the Honorable WILLIAM M. KETCHUM of California deprives this Congress of an outstanding colleague, and this country of an outstanding representative. As a colleague, Congressman KETCHUM's opinions were respected on both sides of the aisle. As a Representative, he acted not in terms of his California constituency alone, but rather, in the sense of what was best for the entire country in the long run.

BILL KETCHUM brought to Congress those traits which, if shared by all Members, would greatly facilitate the work of this body. He was clear on the issues, and articulate on his position. His strong feelings were always backed by careful study and substantive argument. He never minced his words, either on the floor of the House, in committee meetings, or in private conference. Yet, accompanying these qualities was a subtle sense of humor, which BILL used to effectively convey his points.

The absence of Congressman KETCHUM will be felt by his colleagues. His vision, which extended beyond narrow self-interest to a national view of issues, hopefully can be adopted by us all. If so, this Nation will continue to profit from his service to his country.●

● Mr. GIAIMO. Mr. Speaker, I rise in tribute to a young Member of this body who was taken from us suddenly, WILLIAM M. KETCHUM, of Bakersfield, Calif.

BILL KETCHUM was an unusual man in many ways. Schooled as a businessman, he was a cattle rancher and farmer. He served his country in many ways. First, he left college to serve in World War II. Second, he served again during the Korean conflict. He was president of his Farm Bureau, served a term in the California Legislature and was with us in the 93d, 94th, and 95th Congresses.

BILL KETCHUM's voice was respected on both sides of the aisle. His judgment was appreciated on the Ways and Means Committee. His friendship and counsel were sought by many.

We shall all miss him. With his family, we grieve that he was taken from all of us while he was in what we regard as the prime of life. Yet, his service and his demeanor remain with all of us as his monument.●

● Mr. WAXMAN. Mr. Speaker, I was very saddened by the sudden death of our distinguished colleague from California, WILLIAM KETCHUM. We served together in the Assembly in Sacramento, as we did here in the Congress. He was a most outspoken man—a rare quality which I valued very much. BILL was an independent person—his own person—not bound by predictability or partisanship.

I always admired him for his willingness to take on those with whom he disagreed—even Governor Reagan, of his own party, when the differences were compelling enough. In all, these characteristics marked him as a thoughtful man who carefully reviewed each issue on its own merits.

Although he was very serious about legislative matters, he had a sense of humor which often brought laughter to committee rooms and legislative chambers.

We will all miss him, and I join my colleagues in extending our condolences to Lola and their children.●

● Mr. ARCHER. Mr. Speaker, it is with great personal regret and sadness that I join today with others in this Chamber in paying tribute to our late friend and colleague, the Honorable BILL KETCHUM.

All of us feel a tremendous loss with his passing—a loss which will most certainly be deeply felt by the constituents he served so faithfuly and so well for many years.

BILL KETCHUM was an outstanding Representative, and a great part of what made him so was the fact that he cared so much about people. Anyone who knew him had to admire his strong devotion to his family, his Nation, and those people who reside in the district he represented.

He was a man who was not content with living just for today. His visions were those of the future—the kind of future he could help provide for those fine grandchildren of his whose photos in his wallet were always such a source of pride to him—and the kind of future that would create unlimited opportunity for many generations of Americans still to come.

BILL KETCHUM was a man of honor and integrity, one who never lost sight of who he was or how he got where he was. He believed very strongly in human dignity and in the rights of Americans to live in a country committed to the protection of individual liberty.

All of us who knew him will indeed miss BILL KETCHUM as we continue working toward those goals which meant so much to him. I know he will always be with us in spirit.●

● Mr. WINN. Mr. Speaker, I, too, want to join my friends and colleagues on both sides of the aisle as they pay tribute to the memory of our good friend, the late BILL KETCHUM of California.

It has been my pleasure to know BILL KETCHUM since his election to the 93d Congress. At that time he was assigned to the Science and Technology Committee. His interest and dedication to the scientific affairs of our Nation was outstanding. As a member of the Space Science and Applications Subcommittee I had the pleasure of visiting his congressional district while inspecting the aircraft facilities in that area. BILL was dedicated to the philosophy that Californians could do the best job of keeping our space program No. 1. He was sincere, but aggressive in seeing to it that the technology teams in California and his district received the acclaim due them for their part in our space program. I also had the privilege of attending a "Salute to BILL KETCHUM Night" in his district and saw how his many friends and constituents felt about him. The enthusiasm, love and affection was obvious at that meeting, and I was proud to be a very small part of it.

When he moved from Science and Technology to Ways and Means I knew

that if anyone in Congress would try to hold down Government spending, show concern about the American taxpayer, and just in general keep the committee on its toes, it would be BILL KETCHUM.

His statements and challenges of others' statements on the floor prove that BILL KETCHUM was the type of Congressman who was definitely concerned about the American taxpayer and all American citizens. He has served his district, his State, and his Nation with distinction and I am sure would have been in our party leadership in time, had he not met such an untimely death.

He was humorous, kind, and thoughtful and respected by both sides of the aisle. He will be missed by all those who called him friend, and I am pleased that I became a friend of BILL KETCHUM.

Joan and I offer our deepest sympathy to Lola and his children, Kathy and Robert.●

● Mr. JENKINS. Mr. Speaker, I rise to express deep sorrow on the death of our friend and colleague, WILLIAM M. KETCHUM. To his widow and family I offer my prayers that you will find a measure of comfort in his accomplishments and his service to our Nation. BILL KETCHUM was a patriot as truly as any man who has been afforded that compliment in the history of the Republic.

As a colleague of BILL KETCHUM on the Committee on Ways and Means, I have noted firsthand his work on behalf of his people of California and his dedication to principle. He was a good legislator. His colleagues of the Republican side will miss his driving enthusiasm and influence as will we who are Democrats.

Basic virtues and high character know no political party. His life and work in the Congress transcend mere political affiliation. BILL KETCHUM was a citizen whose life was committed to service to his fellow citizens of this country. There is no greater work nor more noble goal. The real testimony to BILL KETCHUM's dedication to freedom and democracy is his life's deeds and service.●

● Mr. BROOMFIELD. Mr. Speaker, I join my many colleagues in expressing the real loss that we feel upon the death of our friend and colleague, BILL KETCHUM, and to extend to his family, our deepest sympathies.

BILL was a member of this body for only a relatively short time—6 years. But in that interval, he developed a solid reputation for his intelligence, eloquence, and dedication to the service of the people of the Nation, and especially to his constituents in California's 18th Congressional District.

He served with distinction on many committees, but most recently with the Ways and Means Committee where he quickly developed an expertise in such difficult areas as welfare and unemployment insurance. I know the committee will miss his contributions in shaping legislation, and we, in the House, will miss his wise counsel.

But beyond his legislative skills, we will miss BILL because of the man he was. He was an energetic man of high integrity. He was a kind, considerate, and gracious man without pretensions, who won friends on both sides of the political aisle. He was a man you could not help respect and like.

Mr. Speaker, with the death of BILL KETCHUM, the Nation has lost a wise and dedicated Congressman who had a great future in the House of Representatives, and we, in the House, have lost a good friend.●

● Mr. BENNETT. Mr. Speaker, the tragic and unexpected death of our beloved colleague, BILL KETCHUM, came as a great shock to all of us. He was a soldier for his country in time of war and a soldier in the fight for good legislation here in Congress. We will all miss him greatly. Our deepest sympathies go to his beloved and lovely wife and children in their grief.●

● Mr. HAGEDORN. Mr. Speaker, it is always sad when the House marks the passing of one of its Members, but on this occasion I consider it a personal loss. BILL KETCHUM was one of the kindest persons it has been my pleasure to know. He was dedicated to the people he served, was well liked by his colleagues and was one of the best friends the American taxpayers ever had.

In his home State of California, in this Chamber, and in the Nation, he has left the indelible mark of an individual sincerely dedicated to the welfare of others. BILL KETCHUM was a man of firm principles and high qualities. He will long be remembered as a truly fine gentleman by all of us who had the good fortune to know him and work with him as I did over the years.

Mrs. Hagedorn joins with me in extending to his wife, Lola, and their children, our heartfelt sympathy at this particular time.●

● Mr. MANN. As a Congressman, BILL KETCHUM was an aggressive and highly competent activist for those issues and causes in which he believed. That is not uncommon on Capitol Hill, but BILL was not an average guy, even for a body such as the U.S. House of Representatives.

BILL KETCHUM endured many gruelling hours of travel to go to the ends of the Earth for those persons who were working for that to which BILL was committed.

BILL once rode to Cape May, N.J., in a small private plane in mid-May, missing votes and the comforts of home, just to deliver a speech on energy to a large audience of senior citizens who had gathered to study the problems of energy in our Nation. Few Members would take their own time, sacrifice their own precious moments, to speak to those who could never vote for them, or even support them, but BILL KETCHUM did.

There are examples aplenty to describe BILL's dedication to the basic good in America, and to promoting that which he felt was best for her. He often stood against big spending, even when it was not politically smart to oppose the special interests. He did it because he truly believed it was not in the national interest to practice massive deficit spending.

He was a leader, not a leadership seeker, but a leader nonetheless. When he spoke, or wrote to his colleagues, his words had meaning. He did not believe in being a big talker on all subjects, but he never refused to have his views interjected when he knew the subject. This was a man of the great tradition of the House. He understood the value of experience and specialization in the conduct of national affairs, and made himself a specialist in his own areas.

Men like BILL KETCHUM do not enter the House every year, and his loss among us as a young man is a truly sad occasion. We shall long feel the good he has done, and know the good he could have done.

The world of the House will continue, but we shall all know that our tenure and our Nation have been enriched by his having served with us.●

● Mr. CEDERBERG. Mr. Speaker, I join with my colleagues today in paying homage and tribute to our late colleague and friend, BILL KETCHUM.

From the time he was elected to the 93d Congress, it was my privilege to have served with Congressman KETCHUM of California. During those 6 years, he served with distinction on the Ways and Means Committee, the House Committee on Interior and Insular Affairs, the Science and Astronautics Committee, and the District of Columbia Committee. His unexpected death represents a significant loss to the Congress, the State of California, and the Nation that he loved and served so well.

WILLIAM KETCHUM had all the qualities and talents that are essential to the makeup of an effective legislator, and he handled the demanding responsibilities of his congressional assignments with intelligence and insight. He had the courage to stand up and be counted at times when he was part of a tiny conservative minority.

WILLIAM KETCHUM will be greatly missed in this body, by those of us who had the opportunity to work with him and know of his devotion, and by those who he so ably served over the years.

I extend my personal sympathies to his family and know that the distinguished career of WILLIAM KETCHUM will be a cherished memory for them and an example to future Members of the House of Representatives.●

● Mr. ICHORD. Mr. Speaker, we have all been saddened by the death of our distinguished colleague from California, WILLIAM KETCHUM. I know you join with me in extending our deepest sympathies to his family. His passing was most untimely.

The people of California and the Nation will miss the vigor of this dedicated public servant. He served his Nation and his State, not only in the Congress and in the California State Assembly, but also in the armed services during World War II and the Korean conflict.

WILLIAM KETCHUM was in the forefront of those who espoused genuine concern for the sustenance of the Nation's elderly. He labored tirelessly on behalf of welfare reform and governmental efficiency. He was mordantly aware of America's energy requirements. His interest in economics encompassed an awareness of the capital needs of small business.

As farmer, veteran, and legislator, WILLIAM KETCHUM was well qualified to meet the great burdens of government borne by this Nation in a century of almost unceasing turbulence. The challenges we face will be that much more difficult to overcome in his absence.●

● Mr. HANLEY. Mr. Speaker, I join with my colleagues today in paying homage and tribute to our late colleague and friend, BILL KETCHUM. Those of us who were fortunate enough to serve with BILL KETCHUM during his terms in Congress, will remember him as a warm friend and respected legislator.

In BILL KETCHUM, we recall a very wise and sensitive individual. A gifted politician, Representative KETCHUM often incorporated the wonderful knowledge of a successful farmer and rancher into resourceful agriculture legislation. His devotion to our country's senior citizens was rewarded in him being named the National Alliance of Senior Citizens 1977 Man of the Year.

BILL KETCHUM faithfully represented the people of the 18th District of California, yet his commitment to several causes touched the very heart and soul of the Nation.

Mr. Speaker, my wife Rita and I join the rest of the 95th Congress in extending our heartfelt condolences and prayers to BILL's family.●

● Mr. WHITEHURST. Mr. Speaker, BILL KETCHUM's death is a profound loss not only for this body but also for the Nation. Bill brought commonsense, an all-too-rare commodity, to the business of Government. Fiscally sound, he exerted a moderating influence on the Ways and Means Committee. Many times I found myself persuaded by his comments in the well of the House.

On a personal note, I already feel the absence of his friendly spirit and jovial good humor. BILL was great company, a man whose cheerfulness and enthusiasm were infectious and who made serving in this body more of a pleasure.

His untimely death leaves all of us a little poorer, and like his many other friends, I will miss him.●

● Mrs. PETTIS. Mr. Speaker, our sorrowful and poignant journey to California on behalf of the House to the services held for our loved and valued colleague BILL KETCHUM is over, and we are only now beginning to feel the full impact of what we have lost.

It is not often a man comes to the Congress and immediately makes his mark as an independent, probing, expert legislator. BILL was resolute, determined, an honest and accurate spokesman for his district. Intuitive and devoted to the common good, he had a great future ahead of him on the national scene.

Not only as a competent legislator, but as a treasured friend, he is mourned by thousands of Californians who understood his worth. A native Californian, he left college to serve in the Pacific theater during World War II. He served again in the Korean conflict, and with the counterintelligence forces in Japan. His early preoccupation with the public interest led him to run for the State legislature in 1966, where he served for 6 spectacular years. In 1972 he was elected to this body, where he easily made the seat his own, and won our deep respect for his integrity and uncompromising spirit.

My heartfelt sympathy goes to Lola and his family, and to the district he served so well. We share their sorrow in this irreparable loss.●

● Mr. LENT. Mr. Speaker, it was with deep regret and a keen sense of personal loss that I learned of the untimely death of our friend and colleague, WILLIAM KETCHUM. It has been my privilege to have served with BILL KETCHUM in the House of Representatives in the Congresses since his first election from the 18th District of California in 1972. My admiration and respect for BILL continued to grow through those years.

As a member of the influential House Ways and Means Committee, BILL KETCHUM was always a forceful influence in committee work on legislation. He brought to this Congress a most distinctive outlook on the Nation's public laws, drawing upon a variety of experience through his service overseas in the Army during World War II and again during the Korean war; through his career as a farmer and cattleman in California; and during his 6 years as a member of the California State Legislature.

In those careers, as in his three terms in the House of Representatives, BILL KETCHUM was always active, always a leader. We in the House will sorely miss his knowledge, his legislative abilities, and his tireless dedication which made him such a valuable and outstanding public servant. Our Nation has lost an outstanding lawmaker; I have lost a great friend.

I know all of us here today join in conveying our sincerest condolences to BILL KETCHUM's lovely wife, Lola, and his family, whose grief I share.●

● Mr. MADIGAN. Mr. Speaker, the death of a colleague is always a sobering experience. The death of BILL KETCHUM is a real personal loss.

In addition to being a responsible legislator and a dedicated Representative of the constituents of California's 18th District, BILL KETCHUM was one swell guy. He always brought joviality into a room; his zest for life touched everything he did and everyone he encountered.

I will miss BILL KETCHUM's camaraderie on the House floor, the cloakroom, at a reception. California will miss this unabashed champion of that State; Congress will miss this roving ambassador of conversation on the House floor.●

● Mr. WYDLER. Mr. Speaker, it is hard to believe that BILL is no longer with us. Last week he was actively participating in the business of the House and we are sorry to know that he will return no more. I know I speak for those on both sides of the aisle who knew and liked BILL and he will be sorely missed. He was a rugged individualist with a tough exterior and a soft heart. He spoke his mind and did a great job representing the people of his district. His voice was heard, his contribution was made, and we all hope he will rest in peace.●

● Mr. MONTGOMERY. Mr. Speaker, this is indeed a sad occasion for me to have to prepare an eulogy for WILLIAM KETCHUM. His completely unexpected and most untimely death came as a great shock to me as I am sure it did to all my colleagues. However, I can find solace in the fact that we were fortunate enough to have BILL KETCHUM's dedication and abilities in the House for 6 years. We were all able to profit from his service and having known him.

One of the traits for which I shall remember BILL the most was his honesty. He was honest as a private individual. He was honest as a public servant. And more significantly to me he was honest in his approach to the legislative process. You always knew where BILL KETCHUM stood and the reasons why he would take a particular stand. And I am happy that on many occasions I was able to stand with BILL in his legislative battles.

While I never had the privilege to serve on a committee with BILL, I understand from my colleagues who did that no matter whether it was Interior and Insular Affairs, or Science and Technology, or Ways and Means, that he always contributed greatly. I know I found this to be true here on the floor on any bill which he undertook to perfect through the amendment process.

Mr. Speaker, I offer my deepest condolences to BILL's family and I also thank them for sharing BILL with us and giving us the benefit of his outstanding service.●

● Mr. COUGHLIN. Mr. Speaker, it is with great sadness that I join my colleagues in lamenting the untimely passing of my personal friend and highly respected colleague, BILL KETCHUM.

BILL was serving in his third term, representing the 18th Congressional District of California. A holder of strong and definite views on today's issues, BILL fought for what he believed was right. He was his own man, a man of strong principle, and one whose remarks and ideas will be sorely missed.

A well-respected Member of the House, BILL had a firm devotion to the responsibilities of his office. He was a powerful and vigorous man who served the Nation well on the Ways and Means Committee. His dedication to public service and especially to his constituents was unparalleled.

I join my colleagues in expressing my deepest, heartfelt sympathy to his wife, Lola, his two children, and three grandchildren. BILL's reputation as a devoted and distinguished Representative will be long remembered. The Nation has lost a dedicated, tough, and honest legislator, and we will all miss him greatly.●

● Mr. ROSTENKOWSKI. Mr. Speaker, paying homage to a deceased colleague is an effort involving the recognition of talents and dedication lost, and of shared personal experiences which now must serve to provide memories for the future.

In the case of BILL KETCHUM, late our colleague of California, the recognition and the memories are of a friend with whom I was privileged to serve on the Committee on Ways and Means. He brought to our committee a quality of freshness and commonsense arising no doubt, from his background as a rancher and farmer. He could often be blunt

and exceedingly direct in expressing his views. One rarely had any doubt that when he spoke his position would be crystal clear. He had a sense of conviction about where he stood which demanded respect, if not always agreement.

Most refreshing of all, though, was the ability he had to inject humor—a pithiness—which so often relieved the "gravity" of our deliberations. More than once, BILL KETCHUM had the committee chamber rocking with laughter—often directed in a self-deprecating way at all of us.

He was also a man of substance, and was recognized as a competent and thoughtful contributor to the Subcommittee on Unemployment Compensation and Public Assistance and the Social Security Subcommittee.

Mr. Speaker, we will miss BILL KETCHUM for his outspokenness, his dedication, his forthrightness, and his humor. I will miss him as a friend.●

● Mr. KINDNESS. Mr. Speaker, on April 10, 1889, in an address to the Hamilton Club of Chicago, Theodore Roosevelt, then Secretary of the Navy, urged the United States to take an aggressive role in governing the Philippine Islands, which had then only recently been freed from Spanish control.

But before addressing the role which the United States, as a new world power, should assume in an international theater, Roosevelt directed his attention to the duties of an individual citizen.

His remarks opened with the following lines:

> In speaking to you, men of the greatest city of the West, men of the State which gave to the country Lincoln and Grant, men who pre-eminently and distinctly embody all that is most American in the American character, I wish to preach, not the doctrine of ignoble ease, but the doctrine of the strenuous life, the life of toil and effort, of labor and strife; to preach the highest form of success which comes, not to the man who desires mere easy peace, but to the man who does not shrink from danger, from hardship, or from bitter toil, and who out of these wins the splendid ultimate triumph.

I often thought of Teddy Roosevelt when I was talking with BILL KETCHUM. As well as any man I have ever known, BILL understood and lived "the strenuous life" which Roosevelt commended to the American people.

Like Roosevelt, BILL was a cattleman before entering politics; and he was truly a man of the West, a man who "preeminently and distinctly" embodied "all that is most American in the American character."

With fondness I recall several evenings when the deliberations of this body went on into late evening hours and BILL and I passed some time arm wrestling. I do not imagine he liked to lose, but I will never know—he never lost.

BILL's energy seemed far too great for even his massive physique. His booming voice seemed more suited to the wild than to a crowded room, and his laughter was reminiscent of a summer thunderstorm.

Teddy Roosevelt once said, "I am never bored." So it was with BILL. And those of us who knew him came to think of boredom as irresponsible and shameful.

In his passing, the Nation has lost a diligent and vigorous lawmaker. But equally poignant for his colleagues is the loss of a friend.

In a time when so many of our Nation's leaders are enamored of a Zen minimalism, and of equality as a substitute for excellence, the contrasting life of BILL KETCHUM would be an appropriate example for any young man or woman who aspires to become an active citizen and to leave a mark upon the world through which we pass but once.

I shall deeply miss him.●

● Mr. MOORE. Mr. Speaker, to friend and foe alike, BILL KETCHUM was a man who was always prepared for his duty in government as well as being fair and just in the performance of that duty. His untimely and early death find us absent a spirit and vitality shown daily to us as he was a leader, and not a follower.

I had the opportunity to work closely with BILL KETCHUM on several successful amendments dealing with the one-House legislative veto. His interest in this measure was given long before others joined the bandwagon in support of it, and I believe this is indicative of the legislative outlook BILL KETCHUM provided. He sensed the opinion pulse of the taxpayer and stood by the side of each in support of self-reliance, a national defense second to none, and tax equity based on economic progress for the benefit of all.

BILL KETCHUM will not be forgotten for he has touched each of our lives with his humor, legislative initiative, and vibrant personality. He will be missed.●

● Mr. WAGGONNER. Mr. Speaker, with the passing of BILL KETCHUM, the U.S. Congress has lost one of the most able, devoted, and honorable men in the history of this great deliberative body. BILL was a humanitarian who possessed a deep sense of commitment to his constituents and he represented his great State of California with dignity and distinction.

Having served with us for almost 6 years, BILL KETCHUM had established himself as a concerned and able man; a man who, I am sure, would have continued for many years to exhibit the kind of leadership and admirable consistency that he had come to be known for.

To me BILL was more than a fellow Congressman, he was a close personal friend and I am going to miss him. You know when a friend like BILL goes, a part of you goes. BILL and I served together on Ways and Means for several years, and during that time I always respected his opinions. We shared the same political philosophy.

My heartfelt sympathy goes out to Mrs. Ketchum and BILL's fine family and grandchildren, as well as to the countless friends and constituents who admired and loved BILL KETCHUM: A man who has well earned his place in history.●

● Mr. STARK. Mr. Speaker, I was shocked and saddened to learn of the sudden death of my friend and colleague BILL KETCHUM.

I knew BILL for the 6 years that I have served in the House, and for the past 4 years I have worked with him on the Ways and Means Committee. While we frequently disagreed on issues, BILL KETCHUM was always one who would speak his mind forthrightly and with conviction. He was a man who had an extensive knowledge of the welfare system, and coupled that knowledge with a true compassion for the disadvantaged and needy. Despite our political differences, I could rely upon BILL KETCHUM to support things that would help people. He was not one to mince words, but could always be looked to for a laugh to ease the tension, or to brighten a dreary session.

He was a serious and hardworking man, full of vigor and enthusiasm for this job. He was not ashamed to display his love for this country, and made valuable contributions to the State of California and to the Nation, as a whole.

He was a pilot, a public servant, but above all he was a good man. We will remember him for the person that he was, and for the commitment that he showed to the House and to the people that he served.●

● Mr. VAN DEERLIN. Mr. Speaker, BILL KETCHUM was a friend. His civilizing presence helped smooth the rough edges of political dialog. From the other side of the aisle—and of most issues—I appreciated BILL's easy manner and friendly humor.

Though the farms and oilfields of the southern Central Valley are large and modern, the flavor of small-town America remains among the people. BILL represented these people—the farmers, grocers, teachers, truckdrivers—with wit and wisdom. He not only spoke for the economic interests of his district, but for the man in the street, drawing attention to the sometimes burdensome impact of the government on the average citizen.

BILL also had the great virtue, not always evident enough in public life, of being very honest and straightforward about his views. Because he was direct without being doctrinaire, discussing anything with BILL was a pleasure.

Above all, I will miss BILL KETCHUM because he was a nice person. That may not sound significant, but it is very important to me. Mrs. Van Deerlin joins in expressing sincerest sympathy to Lola.●

● Mr. STOKES. Mr. Speaker, I would like to commend the gentleman from California (BOB WILSON) for giving us the opportunity to eulogize our late colleague, BILL KETCHUM.

I am deeply saddened, Mr. Speaker, by the untimely death of our distinguished colleague. During his 6 years in Congress, he served with honor and distinction. Even though BILL and I were on opposite sides of the aisle, we had a warm and friendly relationship. Two years ago, we both suffered similar arm injuries and I have fond memories of our amusing discussions about getting back into the swing of things. As many of you know, BILL was an avid golfer and was worried about maintaining his stroke and aim.

Mr. Speaker, I would like to conclude my remarks by saying that BILL KETCHUM was an able and conscientious legislator. I respected his skill and commitment. My deepest sympathy goes to Mrs. Ketchum and the family during the time of their bereavement.●

● Mr. REGULA. Mr. Speaker, The sudden and untimely death of our colleague, BILL KETCHUM, has shocked and saddended us all. I join with my associates in the House of Representatives in paying tribute to this beautiful person and true friend of our Nation.

BILL KETCHUM and I were sworn into office together in 1973, and in the ensuing years I was privileged to become acquainted with this man who stood for integrity and honesty. His career in government service is the eptiome of what the word "statemanship" should represent. As a fellow Republican, I am also grateful for the leadership and good judgment he provided our party in the House of Representatives.

We shall all miss our friend, but I for one will long remember the dedication of purpose with which BILL carried out his responsibilities as the U.S. Representative for the 18th District of California.●

● Mr. LLOYD of California. Mr. Speaker, the sudden death of BILL KETCHUM leaves me unprepared to list the many achievements of his private and political life, especially since those achievements are so many. I want to talk instead about the man—my colleague, fellow Californian, basketball buddy and, especially, friend. Not many things are permanent in political life, but I could always count on BILL'S word and promise. He was an honest man, forceful, down-to-earth, and loyal to his constituents and staff.

People obviously meant a great deal to him. His social security and welfare legislation, his charitable activities, and his gentlemanly relationship with Congress all indicate that people were his priority—and there were very few occasions which did not call for showing us the latest pictures of his grandchildren.

His love was returned and his memory makes it that more precious.●

● Ms. OAKAR. Mr. Speaker, I would like to offer these thoughts about our late colleague, BILL KETCHUM.

WILLIAM KETCHUM was one of those rare men that one meets during a lifetime. He was a kind and dignified man, who was able to debate and disagree with his friends and colleagues, but who never failed to listen respectfully to his congressional opponents. He served with distinction in this body, particularly in his assignment to the Committee on Ways and Means. He was a fine legislator and a most admirable American.

I will miss BILL KETCHUM. The Republican Party, the Congress, and the entire Nation have suffered an incalculable loss.●

● Mr. SARASIN. Mr. Speaker, I want to join my colleagues in expressing my shock and sadness over the death of the late Honorable WILLIAM M. KETCHUM.

BILL KETCHUM was an excellent legislator and a good friend. He will be sorely missed by his colleagues on the House Ways and Means Committee, by those of us who had the distinct privilege of serving with him on the Ad Hoc Subcommittee on Welfare Reform, and by all of us who knew him to be conscientious and dedicated to responsible government.

Although our paths only crossed formally on the ad hoc subcommittee, I often was the beneficiary of BILL'S counsel on a wide range of issues. From tax measures to problems facing the elderly to the Nation's manpower programs, BILL KETCHUM demonstrated the all important ability to mix compassion and concern with an awareness of national and economic realities. He always worked to help the American public—to help them in the most direct and effective ways possible.

We entered Congress together, and from our initiation as members of the 93d Club until his untimely death, we found many areas of common interest and concern. We found, too, that the distance between California and Connecticut was only miles, that our friendship could easily span the illusory distance.

BILL KETCHUM will be most sadly missed—for his dedication, devotion, and statesmanship.●

● Mr. FREY. Mr. Speaker, I would like to take this time to join my colleague BOB WILSON of California and all the many Members in expressing our condolences to BILL'S wife, Lola, and his family. I had the privilege of serving with BILL in the House for over 5 years and had the privilege to know him well. BILL was a worker, a strong personality with principles he was not afraid to enunciate or work for. No matter how tough the issue, you always knew where BILL stood. He cared about this country and the people he represented. As was obvious over the years with his service in the State legislature and the Congress, the people of his district knew and appreciated his dedication and service. BILL was also a competitor. Whether it was on the golf course, the tennis courts, or paddle ball courts, BILL put everything into it. That is probably the reason that so many of us were so fond of him. He never did anything half way. This country was built with the Bill Ketchum's of the world. As long as such people are willing to step forward and serve this country will continue to grow. Marcia and I send our thoughts and prayers.●

● Mr. DE LA GARZA. Mr. Speaker, with the passing of our colleague BILL KETCHUM, of the 18th District of California, both the State and the House lose a great asset. Mr. KETCHUM'S dignity and demeanor held him in the highest esteem by his colleagues, and while I unfortunately never had the pleasure of serving with this fine gentleman on any House committee I have long been aware of his exemplary and significant contributions to the Ways and Means Committee of which he was a member.

Mr. Speaker, the House will sorely miss Mr. KETCHUM. To his family may I extend my deepest sympathies and condolences for a great man has all too soon left our ranks.●

● Mr. MAZZOLI. Mr. Speaker, we in the Congress share the deep loss of the people of California's 18th District on the death of their Representative, the Honorable WILLIAM KETCHUM.

Though BILL served in the Congress only 6 years, he gained the respect of all of his colleagues in that short time with his enthusiasm, his leadership, and his devotion to his constituents.

BILL KETCHUM will be missed.

I extend my heartfelt sympathy and condolences to his wife and to his beloved family.●

Mr. MINETA. I thank the gentleman for yielding and I thank him, also, for taking this special order.

Mr. Speaker, I first met BILL in 1967 when, shortly after his having gone to the State legislature, I had become a member of the city council in San Jose. There were many times when municipal officials had to go up to Sacramento to discuss issues that dealt with cities. We always felt, well, BILL, being from a rural area, may not have an understanding of what some of the problems of the cities might be, especially a growing city like San Jose. But BILL always had that open ear.

I recall one evening after one of those "Meet Your Legislators" sessions when he asked me, "NORM, were you in one of those camps?" I answered in the affirmative. And he said, "You know, that was one of the worst things that ever happened in the history of our country but it has never been written about in our history books."

Here was a person who serves in World War II, in the tough battles of the South Pacific, and was recalled to active duty during the Korean war. Here was a person who had been in the counterintelligence corps in Japan and I who had served my time in the military intelligence corps in Japan, and we used to swap stories and exchange experiences. But under that tough exterior and that crew ut of his, there was a person of deep warmth and compassion for people and their experiences. I never really got to know BILL as many of you in the State legislature did, but as I got more erperience as a member of the city council in San Jose and was eventually elected mayor, I always knew that BILL was a person I could talk to about the problems of the city. I came to know BILL a lot better when we got back here. Two years ago, when I introduced a bill relative to civil service credit for those American citizens of Japanese ancestry who had been interned during World War II, BILL was one of the first Members to call me to be a cosponsor, and he said, "NORM, I want to help you with your bill." He had a very strong commitment. He testified before the House committee and the Senate committee, one of the few Members to take the time to do that, in strong support of the bill.

Mr. Speaker, I know all of us will miss his strength as a person, his warmth, his toughness and sincerity and compassion for people and their problems. Of course, Lola and the family, with their great strengths, will have the memory of his great accomplishments to keep alive the spirit of BILL KETCHUM. I know that it is his kind of driving spirit and patriotism that gives a lot of us strength, as well.

Liberal or conservative, we all have a great love for this country; and BILL for a lot of us epitomized what is the strength of this country.

Mr. Speaker, again I thank the gentleman from California (Mr. BOB WILSON) for taking this time.

Mr. BOB WILSON. Mr. Speaker, I thank the gentleman.

● Mr. ULLMAN. Mr. Speaker, the people of California lost an able Representative and the House Ways and Means Committee a valued member with the death recently of WILLIAM M. KETCHUM.

BILL KETCHUM was an eternal advocate. He had a deft sense of what was irritating on the law books—and he went after the wrongs he perceived. He was at ease with controversy, and he often created it.

I did not always agree with BILL. But I felt secure that an issue before the Ways and Means Committee would have a better hearing because of him. And I know that nearly every bill we passed was, in one way or another, shaped by him.

As a legislator, he did his homework. He chose his targets with care, and his approach was forthright and strong. While he could throw a sharp dart in debate, more often than not it was dipped in humor.

BILL KETCHUM believed the American dream. He believed that everyone had a chance to succeed in this country. He was tough on those who did not reach for success. But he was even tougher on those who did not obey the rules of play.

Congress has lost a man who fought for his ideas and lived by his ideals. He will be missed.●

Mr. DANIELSON. Mr. Speaker, I thank the gentleman for yielding.

I do not really know when I first met BILL KETCHUM. I know that I met him when he came to the California Legislature following the 1966 election.

Mr. Speaker, I remember one occasion not too long ago when BILL and I were visiting, and it happened to come out in our conversation that for a while BILL had been stationed with the Army on the Japanese island of Hokkaido, which is the northernmost of the principal islands of Japan, shortly after World War II.

I commented to BILL, "That is interesting." I told him that I had been in the Navy during the war, and along in the fall of 1945 the task unit to which my ship, the APA–87, was attached, picked up some troops down in the Philippines and carried them to Hokkaido. In fact, this was the first group which landed in Hokkaido.

We did not pursue the matter any further at the time, but BILL told me of his experiences in Hokkaido, about how much he enjoyed working there and enjoyed the Japanese people.

BILL actually became quite expert in the Japanese language and was one of those few in the military who were able to get along with the Japanese in their own tongue.

Just the other day, Mr. Speaker, I was in the group that went out to Bakersfield, Calif., for BILL'S memorial service. While out there, I was sitting across from the gentleman from California (Mr. DON H. CLAUSEN), who happened to comment that BILL had been in the 77th Division during World War II. That happened to be the division that we went down to the Philippines to pick up in September of 1945, which we hauled up to Hokkaido. Therefore, I imagine we crossed paths some 33 years ago, although I did not know it and possibly did not meet BILL at the time.

Mr. Speaker, inasmuch as this is a recorded tribute to a Member who has gone on, it might be well to have the record reflect the fact that we have another Member of this body who was with that same 77th Division, with whom I have reminised from time to time.

I am talking about our good colleague, JIMMY BURKE of Massachusetts.

Mr. BOB WILSON. Mr. Speaker, JIMMY was here earlier, and mentioned that fact. It was very impressive.

Mr. DANIELSON. I thank the gentleman, Mr. WILSON. I was not here at the time that JIMMY BURKE spoke, but it tends to corroborate what I am saying. But, JIMMY BURKE and I have talked about it from time to time. We picked JIMMY and his group up down on the Island of Cebu in the Philippines. So I guess BILL was with us on that trip.

My first real recollections of BILL, however, were in the legislature in California. I might say that the record he established, the reputation he established here in the Halls of Congress, was simply a continuation of his record and reputation in the California Legislature.

The SPEAKER pro tempore. The time of the gentleman from California (Mr. BOB WILSON) has expired.

Mr. BURGENER. Mr. Speaker, I ask unanimous consent that I may be permitted to address the House for 60 minutes, and that my special order should precede the other special orders for the day.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BURGENER) is recognized for 60 minutes.

Mr. BURGENER. Mr. Speaker, I yield to the gentleman from California (Mr. DANIELSON).

Mr. DANIELSON. Mr. Speaker, as I was saying, the record he established in Sacramento was just a precursor of the one he has here in the House. What I remember most about BILL as a legislator was his absolute independence and integrity. He was always responsible in making up his mind, but he was his own man; his mind belonged to himself. Oftentimes he was nearly alone in the positions which he took, but they were taken with the utmost of integrity and independence, and he set a standard we could all well afford to follow.

I join my many colleagues in extending my sympathy, and that of my wife, Candy, to BILL'S wife Lola, and to their family. BILL will always live in our memories as one of the "good guys."

● Mr. DICKINSON. Mr. Speaker, I would like to take this opportunity to join in paying tribute to the late Honorable WILLIAM M. KETCHUM of the 18th Congressional District of California. The Nation has lost a dedicated and capable public servant when we lost BILL KETCHUM.

BILL KETCHUM was filled with all of those qualities which we admire in people both in and out of public life: Honesty, personal integrity, intelligence, sincerity, and dedication to the betterment of his fellow citizens.

It was very seldom that BILL KETCHUM and I had differences on public issues which were of concern to the Congress or the Nation. But even among those who might have held differing philosophical views, he was highly regarded and much admired. He was thoughtful and constructive and he was perceptive and incisive.

The residents of the 18th Congressional District of California were well-served by this fine legislator. The House of Representatives is a better place for his having worked among us. Much as we may mourn his untimely death, we are grateful for having had the opportunity of working with and knowing BILL KETCHUM.

BILL KETCHUM'S death was also a personal loss to me. We were good personal friends and enjoyed many happy occasions together. I would also like to extend my deepest sympathy to his wife Lola, and their fine family. Truly we are all better for his having walked among us.

● Mr. COCHRAN of Mississippi. Mr. Speaker, the death of BILL KETCHUM was a great shock and a very real tragedy.

This House and our Nation have sustained an unmeasurable loss.

BILL KETCHUM was one of the most conscientious Members of the House. He was effective, hard-working, and very intelligent.

His warm and genuine manner made him one of the most popular among us.

His death leaves a big, empty place in this Chamber. I know he will be missed and fondly remembered for a long, long time.●

● Mr. GILMAN. Mr. Speaker, in December of 1972, fresh from a victory in my first election to the House of Representatives, I came to Washington with other new Members of the 93d Congress to get acquainted and to familiarize myself with the workings of Capitol Hill.

One of the warmest men I met that first day was a pleasant, energetic gentleman from California, BILL KETCHUM, who welcomed the opportunity to discuss the many problems confronting the "freshman class."

As the years went by I found many other opportunities to seek out the advice and counsel of BILL KETCHUM on many vital issues.

And then, last Sunday, I read in my local paper of BILL'S untimely death in his beloved Bakersfield. It was a great shock to all those who knew and respected him.

Too many good men have left us this past year, and it is a particular loss to have a strong, patient, and sensible man like BILL KETCHUM suddenly leave our midst.

Congressman KETCHUM covered a lot of ground in his 56 years. He served his Nation in two wars, he served the people of his State in the California State Legislature. He was an accomplished cattle farmer and businessman, and a devout

member of the St. James Episcopal Church in Paso Robles.

To BILL's widow, Lola, his son, Bob, and his daughter, Kathy, and their grandchildren, I offer my sincere condolences in their bereavement. They can be truly proud of his outstanding service to his Nation and to his fellow man.●

● Mr. SHUSTER. Mr. Speaker, I rise today to add my thoughts on the passing of my good friend and distinguished colleague, BILL KETCHUM. BILL was a classmate of mine, a man with a deep concern for his constituents in the agricultural 18th Congressional District of California. Coming as I do from an agricultural Pennsylvania district, I shared with BILL many of the same concerns in our common effort to see that rural America got a square deal in the Congress.

In his service on the House Ways and Means Committee, BILL stuck to his guns and was constantly fighting against irresponsible spending measures that all too often kept coming before his committee. He was a man of principle whose convictions ran deep, and he was never afraid to stand by them. He was, most importantly, a gentleman and a friend. I shall miss him greatly.●

● Mr. RAILSBACK. Mr. Speaker, Congressman WILLIAM KETCHUM died of a heart attack on June 24. At that time, I lost a very good friend. He was a dedicated Republican from California and a capable legislator with whom I had the privilege and opportunity to work. Although a proven conservative, he led Congress to pass legislation authorizing regulation of agricultural burning and agricultural chemicals, as well as legislation to end most open burning of wastes. He worked hard to help revise tax laws in his capacity as a Member of the House Ways and Means Committee. As a good Republican, he fought to keep taxes down. This country needs capable leaders, and I am sorry that we have lost BILL KETCHUM.●

● Mr. CARTER. Mr. Speaker, it was with deep regret that I had learned of the sudden death on June 24 of our distinguished colleague, WILLIAM M. KETCHUM.

BILL KETCHUM served the people of California's 18th Congressional District as he always lived his life, devoting himself fully to the job at hand. His dedication and hard work were well-known and respected, as was the good humor with which he spiced both.

BILL KETCHUM was an outstanding Congressman, an outstanding Republican and an outstanding human being. We shall miss his good counsel, and Kathleen and I wish to extend our condolences to Mrs. Ketchum and to the rest of his family.●

● Mr. LEGGETT. Mr. Speaker, aggressive, tenacious, courageous, capable, moderate, honest, witty—all of these adjectives and more describe our recently fallen colleague from the Central Valley and desert of California, my friend, BILL KETCHUM. A man of great war record, a gladiator who followed me by a few years in the California Legislature, he was a tenacious U.S. Congressman.

I spent a few days with BILL several years ago when we journeyed to Bishop to hold hearings on the Tule Elk Refuge legislation. I heard KETCHUM's constituents and he represented them well—inevitably the Tule Elk herds were saved. as well as the Owens Valley economy.

Bill was aggressive, but inevitably reasonable, and from such balanced attitude and capability many times democracy can work to accommodate the conflicts that arise in the human environs.

Friend BILL KETCHUM was extremely capable. He served California well in public office for over a decade. His memorial is etched in the perpetually maintained scrolls of the House of Representatives CONGRESSIONAL RECORD.

He served with diligence, honor, and respect. I salute his wife, Lola. We will all miss him very much.

● Mr. CLEVELAND. Mr. Speaker, our late colleague, BILL KETCHUM, was a great guy, a superb legislator, a patriot, and a man of firm conviction. His sudden death was a tragedy, not only for his wonderful wife, Lola and family, but also for this body and our Nation.

We as a nation badly need legislators and representatives capable of adhering to principle, when the tide of public opinion is running in different directions. BILL adhered to his strong principles and convictions eloquently and forcefully—but never disagreeably. One could differ with BILL and maintain a mutual friendship and great respect. Of BILL's many endearing qualities his capacity to differ sharply on an issue, but in an agreeable manner, is perhaps the most memorable one.

BILL's death was a particular shock and sadness to me. We enjoyed many conversations, meals, and trips together. A truly great guy who made one proud to be an American. My wife, Hilary, joins me in sending Lola our sympathy. We hope she is finding comfort not only in faith but in proud memories of a distinguished life so much of which was devoted to exemplary public service.●

Mr. BURGENER. Mr. Speaker, before yielding back the remainder of my time, I want to express my deep appreciation to the dean of our delegation, the gentleman from California (Mr. BOB WILSON), for arranging the first of these two special orders so that all of our colleagues could honor a dear, dear friend. It was a great tribute to BILL on Tuesday of this week when some 48 Members of this House, along with about 40 members of staff who loved BILL equally, traveled to his hometown, Bakersfield, to participate with his family and local friends in a memorial service.

GENERAL LEAVE

Mr. BURGENER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of these special orders today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

ROTH-KEMP BILL—AN $86 BILLION TICKET TO RUNAWAY INFLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 10 minutes.

● Mr. VANIK. Mr. Speaker, on June 20, our colleague from New York (Mr. KEMP) circulated a "Dear Colleague" letter that discussed his proposal to cut Federal taxes drastically. I want to respond to that letter.

To begin, I regard the Roth-Kemp tax cut proposal as extremely dangerous tax policy. The authors would have us cut personal taxes by 30 percent, reduce corporate tax rates from 48 percent to 45 percent, and increase the corporate surtax exemption from $50,000 to $100,000. The "static" revenue costs of such a proposal (the amount of revenue lost under existing conditions if the provisions are enacted) would be $86 billion at 1979 income levels. That is billions.

You will recall that there was concern even before the administration announced the size of their $25 billion tax cut that it would be too large and thus end up fueling inflation rather than spurring the economy. Since then, the pressures of inflation have increased even more, and more people have urged that the cut be reduced. The administration, in response, has reduced its recommended tax cut to $19.5 billion and has indicated that it would accept a $15 billion cut.

Congressman KEMP's own figures, derived from the Chase econometric model, indicate that the Roth-Kemp tax cut proposal would dramatically increase the already bloated Federal deficit. The increase would be from the current deficit of $50 to $90 billion in 1980, just one year before the administration hopes to balance the Federal budget. Enacting the Roth-Kemp bill would mean abandoning all hope of a balanced budget for the next decade and perhaps this century.

Furthermore, Mr. KEMP argues that despite these enormous deficits, his bill would actually reduce inflation. This claim flies in the face of not only commonsense but also economic logic. In his letter, Mr. KEMP quotes several statistics from an analysis of the bill by Chase Econometrics Associates, Inc. However, he does not tell the full story. The Chase analysis shows that the Roth-Kemp bill, when fully enacted in 1980, would increase the rate of inflation by almost 1 percentage point per year over the no-tax cut alternative. The figures are shown in the following table taken from the Chase study:

Major economic indicators (percent change, annual rates)

	1980	1981	1982	1983	1984	1985	1986	1987
Consumer Price Index (no tax cut)	6.1	6.0	5.8	5.3	5.0	5.1	5.1	5.0
Consumer Price Index (Roth-Kemp bill)	6.4	6.6	6.8	6.6	6.3	6.1	6.0	5.7

I think that estimates of the inflationary effect of the Roth-Kemp bill are probably underestimated, and we should be unwilling to accept even a 1-percent increase in inflation.

Congressman KEMP also refers back to the Kennedy-Johnson tax cut of 1964, claiming that it increased revenues by stimulating the economy. What actually stimulated the economy after 1964 was the spending on the Vietnam war, which greatly increased demand but also conscripted a million potential workers from the workforce. The nostalgia for the Kennedy-Johnson tax cuts is somewhat misplaced.

The combined effect of the tax cut, the increased defense spending, and the reduction in workforce from the draft was to overstimulate the economy, drive the unemployment rate down to an unsustainable 3.3 percent, and ignite the inflation which is still plaguing us. The conditions led to two severe credit crunches initiated by the Federal Reserve in 1966 and 1969 to try to stop inflation. It clearly would have been better to postpone the tax cut until 1970.

But the authors of this politically appealing scheme want us to take a chance, despite no proof that it will work and little rationale for it. Trust us, they say, and hope that we do not make a mistake and push the economy into runaway inflation.

I urge my colleagues to reject this idea.●

TOWARD A MORE CONSTRUCTIVE BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GREEN) is recognized for 10 minutes.

● Mr. GREEN. Mr. Speaker, as we near the end of consideration of the appropriation bills. I think it important and appropriate to set forth my views on the budget.

On April 11, the President delivered a speech in which he outlined his plans to reduce inflation. Essentially, he called for overall fiscal restraint and for voluntary agreements by business and labor to keep price and wage increases below the average rate for the last 2 years. He also proposed a 5.5-percent ceiling on Federal pay raises to set an example for the private sector.

The President's interest in fighting inflation is encouraging and I hope that his initiatives will be successful. I supported his proposal in regard to Federal salary increases by voting for the Mattox amendment to the first fiscal year 1979 budget resolution to set a 5.5-percent cap on such increases.

Unfortunately, the war against inflation will not amount to even a skirmish until a firm commitment is made to reduce Federal spending and deficits. President Carter's budget message to Congress in January certainly did not reflect such a commitment. The administration's original budget proposal at that time called for outlays of $500.2 billion and a deficit of $60.6 billion. In March, the administration budget was reestimated to call for $499.4 billion in outlays, with a deficit of $59.6 billion.

Against this background, the call for fiscal self-discipline in April is akin to attempting to strike a match in the midst of a hurricane. Neither effort has much chance of success.

Congressional action on the first fiscal year 1979 budget resolution upheld the administration's budgetary policy. As passed by the House, the first fiscal year 1979 budget resolution, House Concurrent Resolution 559, provided for outlays of $500.9 billion and a deficit of $57.9 billion. The House's outlay target in House Concurrent Resolution 559 actually ended up being even higher than the original administration budget proposal in January.

The budget targets finally agreed to by the House and Senate in Senate Concurrent Resolution 80 set outlays at $498.8 billion and the deficit at $50.9 billion. It is interesting to note that while the deficit target ultimately was $9.7 billion below the administration's first proposal, outlays only were reduced by $1.4 billion. Deficit reductions were achieved by increasing revenues to the Federal Government, rather than by reducing Federal spending. Indeed, the administration's budget in January had established revenues of $439.6 billion; in the final congressional target, these revenues had swollen to $447.9 billion.

Another way of looking at this is that the House-Senate conference committee arrived at a relatively lower deficit by reducing the size of the anticipated tax cut. This is not an effective approach to our economic problems.

I favor a larger tax cut, decreased initial revenues, and reduced spending outlays. I say "decreased initial revenues" because a larger tax cut, coupled with decreased Federal spending, should stimulate private sector investment and expansion that eventually will return increased revenues to the Treasury.

In my opinion, the outlays and large deficits provided in both the administration's budget and the congressionally approved budget target resolutions were unacceptable. Therefore, I voted against both the House budget resolution, House Concurrent Resolution 559, and the House-Senate conference committee resolution, Senate Concurrent Resolution 80. The House measure passed by a vote of 201 to 197, and the final House-Senate version passed by a vote of 201 to 198.

When House Concurrent Resolution 559 was before the House on May 3, I voted for the Holt substitute budget proposal. This amendment, which was rejected by a vote of 197 to 203, provided for outlays of $488.3 billion, revenues of $440.1 billion, and a deficit of $48.2 billion. This proposal was to be part of a 5-year effort to reduce spending and taxes. The Holt substitute, which still would have permitted flexible growth in Federal outlays, set outlays at a level $12.6 billion below that of House Concurrent Resolution 559 and provided for a deficit that was $9.7 billion smaller. The Holt amendment demonstrated that there was a better alternative to increased spending and a larger deficit.

When the Holt substitute was rejected, the Conable amendment was offered to reduce the target for revenues by $3.2 billion to allow for a larger tax cut. This amendment also failed, by a vote of 163 to 239. I supported this amendment to lower taxes.

I believe that failure to handle the tax question was the most significant shortcoming of both the administration's budget proposals and the budget resolutions passed by Congress. Both were unable to accommodate tax relief for lower- and middle-income citizens, and both were consumed with the demands imposed by the Social Security Financing Act of 1977.

To meet the needs of the social security trust fund, Congress in 1977 enacted a whopping $25 billion a year social security tax increase, to take effect in January, 1979. The increase scheduled for 1979, of course, is not the only one provided by the Social Security Financing Act of 1977.

Year after year, the act raises the taxable wage base by fixed amounts until 1981, and by a rate dependent upon inflation rate increases thereafter, so that by 1987 it is estimated that the taxable wage base will be $42,600, instead of the $17,700 that presently prevails. The act also raises the tax rate from the current 6.05 percent each on employer and employee to 7.15 percent in 1987.

The end result is a $227 billion tax hike by 1987, or an amount equal to some 56.6 percent of present Federal revenues.

No one quarrels with the urgent need to put the social security system on a sound actuarial basis. Clearly, our senior citizens are entitled to know that their benefits under the system are secure.

However, the Social Security Financing Act of 1977 does not even accomplish that. The massive increases in payroll taxes that it provides still leave the system with a deficit over the next 75 years of 1.46 percent of taxable payroll, approximately $800 billion.

Demographic projections for the future are largely responsible for this. As is well known, the birth rate in the United States has been declining since 1957, while life expectancies have been increasing. Indeed, babies born in 1977 can expect to live 73.5 years.

The fertility rate peaked at 3.7 babies born to the average woman in her lifetime in 1957. Today, the rate is around 1.8, and it is expected to average 1.9 for the next 75 years. A rate of 2.1 represents the necessary replacement rate at which the population would stabilize at some time in the future.

The projected 1.9 babies per woman means that the number of persons retiring will swell rapidly, while those potentially entering the work force will dwindle. If the fertility rate assumptions I have described are correct, by the year 2035, for every 100 workers there will be 52 beneficiaries. This represents a 62.5-percent increase in beneficiaries per worker.

Thus, we are facing a situation where a relatively static work force will be paying for the retirement of a growing number of senior citizens, especially in the years after 2011, when those born in the

post-World War II "baby boom" start to reach age 65.

This accounts for the need for an enormous tax increase—and the actuarial deficit that remains even after the increase.

Some have suggested that the problem of rising social security payroll taxes can be solved by using general revenues to fund part of the social security system. On April 5, the Democratic Caucus adopted a resolution that calls on the House Ways and Means Committee to report legislation this year to reduce social security taxes by funding a portion of the trust fund out of general revenues.

On May 11, the House Ways and Means Committee approved a measure to inject general revenue funds into the health insurance trust fund of the social security system. Six days later, the committee reversed itself and voted 21 to 16 against this proposal. Some members said they switched their votes after the President announced that he wants to reduce the size of the tax cut proposed for this year.

The general revenue funding approach to social security financing is inherently flawed because it fails to alter the overall Federal budget pictures. That is, if social security taxes are lowered through the use of general revenues, then other taxes must be raised. The alternatives to increasing general income taxes are equally unattractive—a larger deficit or reductions in other programs.

If the social security system problem is not addressed, it will continue to plague Federal budgetary planning in the years ahead. The same budgetary obstacle that President Carter—and the American people—faced this past January will recur every January as the social security system absorbs more and more of the Nation's fiscal resources.

In my view, we cannot afford the inflationary impact of $60 billion deficits. We cannot afford increases averaging $25 billion per year in social security taxes.

There is an alternative—H.R. 11304, a bill that would repeal the tax increases mandated by the social security financing legislation of 1977. I am a cosponsor of this measure (H.R. 12491), which was originally introduced by the late Congressman WILLIAM M. KETCHUM.

Unlike other social security financing proposals, this bill does not involve any funding of the system from the general revenues. Moreover, it would restore the taxable wage base to the levels of law prior to the 1977 legislation, and would provide a payroll tax rate increase of only 1.25 percent over the next 75 years.

The principal feature of the bill is an increase in the minimum retirement age for full benefits from age 65 to age 68, beginning in the year 2000 and on a gradually phased-in basis. By deferring the effective date of this change to the year 2000, the measure would avoid hurting those who can be reasonably planning their retirements at age 65. Further, this would give the private sector time to adjust to the change.

By adding 3 years of payment into the system and subtracting 3 years of payment out of the system, this change—even more than two decades away—would have an enormous actuarial impact. Such a change would also acknowledge the reality that people are living longer and working longer. We simply cannot run the social security system on the basis of assumptions that no longer are true.

Another key provision of the bill is the inclusion of Federal employees in the social security system. Right now, 107 million workers contribute to social security, but 2.5 million Federal workers have their own retirement system. I might add that this includes Members of Congress, who now have representation without taxation, instead of the other way around.

Often, Federal employees moonlight or work briefly in employment covered by social security after their Federal retirement. Their limited employment history allows them to draw benefits substantially larger than their input into the system, a form of "double dipping" which has a negative economic impact. It only seems fair that we should have universal coverage equitable for all.

As I mentioned earlier, it appears that if Congress approves a rollback of any of the tax increases enacted in the Social Security Financing Act of 1977, that rollback is likely to involve funding a portion of the system from general revenues. This would mean that the social security system still would continue to be a drain on the overall budget.

I regret that more of my colleagues have not been responsive to a proposal like H.R. 11304. Unfortunately, most are unwilling to abandon some form of general revenue financing of social security as a way to reduce the social security tax increases imposed in 1977.

It is interesting that the House Budget Committee called for a net tax cut of $19.4 billion for fiscal year 1979. The committee recommended that $7.5 billion of this cut was to be derived from reductions in social security taxes.

Let us assume instead that the Budget Committee or the full House had been willing to support H.R. 11304. This would have eliminated the need for the $25 billion increase in social security taxes slated for January 1, 1979. In turn, this would have obviated the necessity of the President's original proposal of a $25 billion tax cut to offset the $25 billion increase in social security payroll taxes.

Enactment of H.R. 11304 would provide a budget saving of $25 billion. This "extra" money could then have been used in the following manner.

First, $5 billion of the $25 billion could have been used for a tax cut.

Second, $15 billion of the $25 billion in social security savings could have been designated to go toward a reduction of the deficit in the budget.

And third, the remaining $5 billion could then have been distributed among a variety of health, urban, senior citizen, mass transit, job, and development programs.

Adoption of H.R. 11304 would have provided a long-term solution to insure the financial integrity of the social security system. At the same time, it would have freed $25 billion in the budget resolution that largely had to offset the $25 billion increase in social security taxes imposed by the 1977 legislation. The resulting surplus could then have funded a tax reduction, a deficit reduction, and a number of programs to meet our human resource and development priorities.

So far, I have discussed the revenue or taxing portion of the budget resolution. As I stated previously, I believe that failure to handle the tax question—especially the social security tax question—was the most significant shortcoming of both the administration's budget proposals and the budget resolutions passed by Congress.

I would now like to turn to the outlay or spending portion of the budget resolution. It is clear that hard decisions must be made with respect to Federal spending and the ordering of our national priorities. It is easy enough to cry "cut," but where are cuts to be made?

One of the largest specific cuts proposed during consideration of the first fiscal year 1979 budget resolution was the Mitchell transfer amendment to reduce defense spending by $4.8 billion in budget authority and $2.8 billion in outlays. The funds saved were then to be dispersed among economic stimulus, jobs, and human service programs.

I supported the underlying concept of the transfer amendment: That the defense budget should not be considered untouchable and that our national spending priorities should favor social services and human development programs. However, I believed that the present international situation makes the size of the cuts in defense spending provided in the transfer amendment unwise at this time.

I am greatly disturbed by some of the Soviet Union's recent actions. The massive Russian deployment of conventional weapons in Eastern Europe is extremely threatening to NATO's defenses. Certainly the NATO foreign ministers who attended the recent NATO Conference in Washington made this most evident. The NATO leaders approved a long-range program designed to bolster the alliance militarily, and expressed concern over instances in which the Soviet Union and its allies "have exploited situations of instability and regional conflict in the developing world." Their final communique at the Washington session questioned the Warsaw Pact's military buildup and the Soviet bloc's failure to adhere to the human rights provisions of the Helsinki accords.

Soviet activities have indicated that the spirit of détente and cooperation must not encourage us to think that we can afford to make large unilateral defense reductions. For example, Russia's development of a missile capable of shooting down the reconnaissance satellites which are at the heart of current disarmament efforts is a highly destabilizing move. Unilateral concessions are not the way to achieve the bilateral reductions in armaments we are seeking.

The present Soviet military buildup and its adventurism in Africa and elsewhere cause me to be reluctant to make cuts in President Carter's defense proposals on the magnitude of those in the Mitchell transfer amendment.

At the same time, I believe that careful scrutiny of the defense budget reveals

that sensible reductions can be made in military spending without threatening our security.

On May 24, the House passed the Department of Defense authorization bill. This bill, as reported for full House consideration by the House Armed Services Committee, was approximately $2.4 billion higher than the amount the President had requested for defense spending. When the bill was before the House, a substitute proposal was offered. The Carr substitute contained the President's lower defense budget, minus $912 million for an extra Trident submarine. I voted for this substitute funding plan, which lost by a vote of 115 to 287.

When the substitute lost, I supported a number of amendments to reduce funding for certain specific items in the defense bill. One of these amendments would have deleted $2.1 billion for another nuclear-powered aircraft carrier. Unfortunately, this amendment was rejected. As a matter of fact, the only successful amendment was one to cut $8.1 million for one Gulfstream executive jet for the Marine Corps.

My vote in favor of the Carr substitute to the defense authorization bill recommended by the Armed Services Committee paralleled a previous vote I cast during consideration of the budget resolution. While I voted against the Mitchell transfer amendment at that time, I also voted against the Stratton amendment to add $2.4 billion for military spending.

The only addition to the budget resolution for which I voted was the Fraser amendment to increase funding for job training programs for youths and older Americans. That represents my priority for additional spending.

In addition to resisting efforts to increase defense expenditures, I also opposed amendments to reduce spending for social service and human resources programs. I voted against an amendment that would have achieved a balanced budget by making significant reductions in spending for community and human development. Further, I opposed the Ashbrook amendment to reduce budget authority and outlays for the programs of the Department of Health, Education, and Welfare by $3.15 billion.

I intend to continue to vote to bring some rationality to the defense budget and to increase Federal support of programs that address social and human needs.

Nevertheless, difficult budget decisions must be made. We simply cannot afford every new spending program, however attractive it might seem.

A case in point was the vote I cast on the Roberts amendment to the budget resolution. This amendment, which was adopted by a vote of 362 to 33, increased the spending targets for veterans' programs by $1.1 billion in budget authority and $844 million in outlays. While I support many of the pension and benefit improvements this additional funding would permit, I voted against the Roberts amendment because I felt that we had to cut spending priorities to cut the proposed deficit, and my priority was the Fraser amendment.

Certainly, the Federal Government should take the lead in demonstrating fiscal self-discipline. This was one of the reasons I voted for the Mattox amendment to the budget resolution to reduce budget authority and outlay targets by $255 million to reflect a reduction in the upcoming Federal pay raise from 6 percent to 5.5 percent.

Similarly, I voted for the Conte amendment to the legislative appropriations bill to slash the funds Congress spends on its own operations by 5 percent across-the-board.

In addition, I voted against the $10.3 billion public works appropriations bill because it contained a number of water projects that were environmentally objectionable and economically unsound.

These are some examples of areas where I believe Federal spending can be reduced. Through careful examination of budget requests and appropriations expenditures, it is possible to cut Government outlays without jeopardizing national priorities.

The administration's budget and the budget resolutions adopted by Congress are clearly unsatisfactory. Until we are willing to enact constructive alternatives to these kind of proposals, we can expect cynicism and frustration to grow among our citizens.

Are outlays of $498.8 billion and a $50.9 billion deficit the best fiscal package we can offer the American people? To raise the question is, indeed, to answer it.

I have attempted to outline directions in which we can move to reduce taxes, decrease spending, and achieve a more balanced budget. I believe that such an approach is essential if we are to cure the economic melaise that affects our country today. Accordingly, I will continue to work with my colleagues to develop a more imaginative and responsible fiscal policy.●

ST. ELIZABETH HOSPITAL CELEBRATES 100 YEARS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. WHALEN) is recognized for 5 minutes.

● Mr. WHALEN. Mr. Speaker, I wish to offer my congratulations to St. Elizabeth Medical Center in Dayton, Ohio, which begins its centennial celebration on July 1. In July, 1878, two Franciscan Sisters of the Poor opened the doors of St. Elizabeth Hospital, and the facility has operated continuously since that time.

Prior to 1878, members of the women's sodality of Emmanuel Catholic Church in Dayton each began contributing 5 cents per month so that one day the community would have a hospital. When the collections amounted to $600, the Franciscan Sisters of the Poor were invited to start a hospital in Dayton. The invitation was accepted and two Sisters moved to Dayton for the purpose of operating the hospital. The facility first was housed in a small deserted brick building. During that first year, the hospital had only 12 straw beds, and treated 69 patients.

During its first 100 years of operation St. Elizabeth's has grown with the city which it serves. Today it serves 150,000 patients annually with a full-time and part-time staff of 1800. Some 200 medical services are available to patients at the hospital.

In addition to providing excellent health care for Dayton, St. Elizabeth's is a center for education and learning. Through affiliations with Wright State University School of Medicine, Sinclair Community College, University of Dayton, and the Dayton School of Practical Nursing, the hospital has become a major center for students in a wide variety of health care specialties. St. Elizabeth's was one of the first institutions in Ohio to establish a family medicine residency program, and that program has grown to become one of the State's largest. Of even greater benefit to the community is the fact that many of the residents who enroll in this program decide to stay in the area to establish private practices.

As St. Elizabeth Medical Center enters its second century of operation, I am certain that it will continue to provide the highest quality care for the sick and injured of the Dayton area. I am sure that I speak for all Daytonians in offering my heartfelt thanks for the care and compassion which all of those associated with St. Elizabeth's have provided to our city.●

PRESERVING DETERRENCE: THE CASE FOR A SURVIVABLE ICBM SYSTEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 20 minutes.

● Mr. KEMP. Mr. Speaker, unless deliberate American efforts are taken to prevent it, by the mid-1980's no U.S. President will have a sound basis for confidence in the survival of our land-based intercontinental ballistic missile force in the face of a determined Soviet attack.

Yet, despite the predictable outcome of such a course, this awesome prospect has not elicited the attention it deserves—and must have—from either the administration or the public. Such reticence on the part of the President to call attention to the problem and means of its resolution reflects, in my opinion, the low estate to which concern about our strategic nuclear forces must have fallen at that level of policymaking.

But the course must be changed. The problem must receive the attention it deserves. The rapid pace of Soviet strategic nuclear force growth and their modernization of that force compel it.

The question then is, How we should proceed?

HOW PEACE HAS BEEN PRESERVED

For nearly a generation, the peace has been preserved by the maintenance of a capability—albeit a hedged capability—to bring unprecedented retaliation upon any adversary after we have absorbed a first strike. This capability has been hedged by deploying forces of differing characteristics, each requiring alterna-

tive countermeasures on the part of the enemy to defeat.

I will be more specific. Land-based, silo-housed ICBM's require numerous accurate multiple-warhead missiles on the part of an adversary. The sea-based force, deployed on nuclear-powered submarines with long-endurance potential, require an adversary to possess highly sophisticated antisubmarine warfare forces, if the submarines are to be successfully attacked. And the manned bomber is designed to minimize its exposure to direct attack by being deployed in an airborne mode at the onset of political warning that a conflict is possible. Of these three means of retaliation, only the manned bomber has to run the gantlet of Soviet antiaircraft defenses, and thus it alone risked attrition from enemy action once launched toward its target.

The operation of these three distinct types of forces was—and is today—a means by which we could and can assure that the possibility that the United States could be disarmed as a consequence of a Soviet first strike was and is remote. I think the survivability of these forces is robust with respect to Soviet technological innovation, and it is unlikely that a technological breakthrough would be so comprehensive as to render all three elements of the strategic triad vulnerable to a Soviet first strike.

But which among the three types of forces is the most important to our survival? Which among equals is more equal? It is the land-based ICBM force. Why? Because of the high accuracy of silo-housed ballistic missiles, because of their high reliability—compared to submarines and bomber forces, and because of their short time of flight—less than 30 minutes, ICBM's will almost certainly dominate both the initial exchanges in a nuclear conflict, as well and perhaps as important, the perceptions of both ally and adversary of the state of the strategic balance.

Should that land-based ICBM force become vulnerable to a Soviet first strike, the consequence is likely to increase the vulnerability of the remaining elements of U.S. strategic forces—sea-based forces and manned bombers—by permitting the Soviets to concentrate their efforts at the neutralization or destruction of those remaining forces.

WHY THE QUESTION IS NOW A MATTER OF CONCERN

Why is this question now a matter of concern?

There is disturbing evidence which suggests that at least some elements within the administration, apparently recognizing the potential risk to U.S. silo-housed missiles, are favoring, for want of something better, a declaratory policy of launch-under-attack (LUA) or launch-on-assessment of an impending attack (LOA).

I say that this is disturbing because it is precisely such a dangerous and accident-prone posture we have desperately sought to avoid by designing our strategic forces so they could survive under any plausible attack and be capable of returning fire in a manner carefully responsive to Presidential command. The LUA/LOA posture being advocated—with the euphemistic caveat that "we do not rule out"—will shift the incentive for the Soviets to attacking the United States early warning network.

I do not believe that the American people wish to have a strategic nuclear posture with such a "hair trigger" that we would be compelled to "push every button in the house" upon the loss of a few radar sites and detection satellites to prevent the destruction of U.S. silo-based forces on the ground.

This adoption of a nuclear defense posture by default is particularly indefensible when the alternatives are available. I would like to review the evidence concerning the character of the silo-housed ICBM vulnerability problem and then address some of those alternatives.

THE NATURE OF THE SOVIET THREAT

The broad details of the Soviets' strategic nuclear weapon inventories are well known. They have been widely discussed elsewhere. I will, therefore, only comment on aspects of the current and projected Soviet posture which are most directly relevant to the question of diminishing the vulnerability of our land-based ICBM forces.

Since 1972, the Soviet Union has had a vigorous program of modernization and expansion of its strategic nuclear forces. This formidable effort and astounding cost to the Soviet economy have surpassed any effort by the United States, including the post-Korean war investment program in strategic nuclear forces. Though all elements of Soviet strategic forces have won the favor of the Soviet Politburo, the developments in the land-based ICBM force have been the most important one in terms of the survivability of U.S. land-based strategic forces.

How did this Soviet modernization and expansion come about?

The "ground rules" established by the Interim Agreement on Strategic Offensive Forces in the first-round strategic arms limitation agreements—SALT I—permitted the Soviets to deploy far larger missile silos than were permitted the United States. This was agreed to as a "temporary" and "interim" measure to compensate the Soviets for the U.S. technological advantage in multiple warhead missiles—MIRV's. The argument made, with some justification in 1972, held that the superiority embodied in U.S. MIRV technology—more lethal and numerous warheads—offset the crude Soviet advantage in numbers of very large ICBM's.

Unfortunately, that "temporary" disparity may be enshrined and codified in SALT II, if the draft agreement is agreed to in its present form and ratified by the Congress. The crucial difference between 1972 and 1978 is that Soviet forces are no longer crude. They are not only larger but also will soon be more effective than their American counterparts. Herein lies the danger for the United States.

A series of tests on two new models of the Soviet SS–18 and SS–19 missiles—the newest types currently being deployed—was conducted last year. It revealed that the Soviet inertial guidance system and on-board computer have a capability similar to the NS–20 system now deployed on board the most advanced U.S. ICBM, the Minuteman III. The accuracy of the NS–20 and its associated subsystems is believed to be approximately 600 feet or 0.1 nautical miles. The United States currently has under development a new system known as the advanced inertial reference sphere—AIRS—which promises an improved capability.

Let us examine what the improved accuracy of Soviet ICBM's means. The resistance of missile silos to the blast effects of nuclear weapons is measured in pounds of overpressure above atmospheric air pressure produced by the blast wave needed to destroy the silo and/or its contents. The initial U.S. Minuteman I silos were hardened to resist blast overpressures of 300 pounds per square inch. These silos were subsequently upgraded to over 1,000 pounds per square inch as Soviet warheads became ever more accurate.

Assume, for illustrative purposes, that the Soviets wish to assure with 95-percent confidence that they will be able to destroy a U.S. silo with a single shot. Assume further that all Soviet warheads are 1 megaton in yield; many are, in fact, considerably larger. If the Soviets never improve the capability of their inertial guidance system beyond what they are now capable of—0.1 nautical miles—they will be capable of destroying a 1,200 pounds-per-square-inch U.S. silo with 95 percent confidence. If they improve their capability from 600 feet to 300 feet—0.05 nautical miles—they could destroy a 3,000 pounds-per-square-inch silo. At overpressures beyond 3,000 pounds per square inch, the silo is entirely within the fireball of the nuclear detonation; as a consequence accuracy improvements will not add to lethality—assuming a 1-megaton warhead—since other nuclear effects will destroy the silo and its contents, particularly heat and nuclear radiation produced as an immediate product of the explosion.

The concern here is that our silo-housed missile forces will become vulnerable to Soviet land-based ICBM systems when those systems are fitted with subsystems with capabilities we have already observed in the Soviet test program.

Reasonable men may differ as to the speed with which the Soviet Union will be able to improve its strategic force posture by the upgrading of its delivery accuracy, but it is incontestable that such upgrading is now being accomplished.

THE U.S. RESPONSE

The growth in the Soviet capability to threaten the survival of a significant portion of the U.S. silo-housed ICBM capability has drawn a variety of suggestions. In addition to the launch-on-warning posture discussed earlier—a potential which always exists, even if it is a dangerous policy choice—analysts in the employ of the administration as consultants have proposed a variety of expedients, ranging from the deployment of tall steel stakes designed to prematurely detonate incoming nuclear weapons before they are close enough to

the silo to destroy it on the one hand to the abrogation of the ABM Treaty during a period of crisis by detonating defensive nuclear explosives in the vicinity of U.S. silos upon warning of incoming Soviet warheads on the other. The cloud of debris thrown in the path of the incoming warheads would, it is argued, blunt the effectiveness of the Soviet attack. These expedients have the property of the apocryphal story of a fool-proof scheme to defeat German submarines in World War II: Simply heat the water of the ocean to the boiling point. Would it have been effective? Yes. Would it have been a plausible means for providing for the long-term security of the United States? No.

An even more serious set of concerns relates to the choice between abandoning the silo-housed force entirely in favor of a strategic dyad—named depending upon only ballistic missile submarines and "air breathing" forces, that is manned bombers and cruise missiles on the one hand, and replacing the current ICBM posture with a survivable basing scheme that would diminish its vulnerability to a first strike on the other.

THE FUNDAMENTAL WEAKNESSES OF RELIANCE ON A STRATEGIC DYAD

The move to a strategic dyad would have several fundamental weaknesses that appear beyond remedy in the foreseeable future:

First, a substantial fraction of the submarine force is in port at any one time—30 to 40 percent on average. That makes it vulnerable to substantial attrition in an unanticipated Soviet strike.

Second, a formidable communications problem with deployed submarines will certainly exist in the face of a determined Soviet attack on U.S. communications facilities. Only extremely low frequency (ELF) radio waves can penetrate the substantial amount of sea water under which most submarines will find themselves. Yet, the only ELF system survivable in the presence of multiple nuclear weapon detonations was the Sanguine system, a system which was terminated by Congress. The results? Submarines cannot now be used with much precision in a crisis and retargeting to accommodate submarines which were destroyed in port may be difficult or impossible. This will result in a very disorganized retaliatory strike.

Third, a partially decimated submarine and bomber force may be perceived as a suicidal American response to a Soviet first strike, if such a retaliatory effort cannot strike reliably at the remaining Soviet ICBM's which were not employed in the first strike.

Fourth, the abandoning of our land-based ICBM force would free a vast quantity of Soviet ICBM forces which could then and thereafter be employed in barrage attacks against aircraft escape areas and suspected submarine deployment areas. That would substantially complicate the survival probability of the dyad itself.

In short, Mr. Speaker, the notion of shifting from a strategic triad to a dyad is not a reasonable solution to the problem of sustaining deterrence in the current environment. A way needs to be found, instead, to assure the survival of the land-based ICBM force by some means other than hardening, since we have already reached the end of that road due to the kind of Soviet accuracy improvements I discussed earlier.

THERE ARE OTHER ALTERNATIVES

A wide variety of potential candidates have been examined and should continue to be examined as means of diminishing the vulnerability of our land-based forces. The option of ballistic missile defense, which is the most direct and the most practical alternative—particularly with the new generation of ABM technology now becoming available—is not now available to the United States due to our self-imposed strictures through the 1972 ABM Treaty. That treaty limits deployments of ABM interceptors to the nominal number of 100.

In principle, the most effective way of protecting our ICBM force is by increasing substantially the number of points at which the Soviets must direct their warheads until their inventory is exhausted. In other words, for us to have more points at which the warheads must be directed than they have warheads. The perplexing technical problem has been to do so in a manner substantially less costly to us than it is to the Soviets to add more warheads to their inventory. Various mobility proposals have been reviewed, including air and land-mobile types. That mobility would have the effect of imposing a much higher warhead requirement on the Soviets than they now have to maintain with respect to our silo-based force. These studies, carried out in the advanced ICBM program under the rubric of MX, missile experimental, have produced a wealth of data about alternative basing schemes as well as alternative missile systems.

What have these studies shown?

The studies conducted to date suggest that a decision on an appropriate basing mode, one which would provide a multiple aim-point systems (MAPS) exhausting the Soviet ability to attack it, can and should be separated from the question of what missile will be employed as the U.S. land-based ICBM.

There are four prominent candidates which could be employed in the multiple aim-point system role:

Minuteman III, the existing ICBM;

Minuteman IV, an improved version of the existing ICBM using more advanced guidance and more numerous, though smaller warheads;

D–5, the proposed missile to be fitted in the Trident II submarines—it would thus be a common land and sea based missile; and,

MX, a large newly designed missile capable of a considerably larger payload than any of the aforementioned ICBM's.

There is a larger variety of basing modes available. They range from a simple, though ingenious, proposal by Paul Nitze which would construct additional 300 psi silos around the existing Minuteman fields with the missile moved around at random in cannister—four such silos for each existing Minuteman missile would exhaust the anticipated 1985 deployed warhead capability of the Soviet Union—to elaborate underground tunnels. The basing proposals differ substantially in terms of cost, complexity, effectiveness, and most importantly, time of availability.

CRITERIA FOR EVALUATION OF A SUITABLE MAPS AND SUGGESTIONS FOR POTENTIAL DEVELOPMENT AND DEPLOYMENT

There must be a basis for decisionmaking. In that context, I would like to propose some criteria for evaluation of a suitable multiple aim-point system and offer a suggestion for potential development and deployment.

First, any proposed MAPS should be robust with respect to the evolution of the threat. Why? Because no one can say with certainty what Soviet force level objectives are. There is proof of that point: since the early 1960's, the CIA has underestimated Soviet force in virtually every category of strategic weapons. A MAPS should be capable of meeting unanticipated growth in Soviet forces.

Second, it should be compatible with any future missile choice. The choice of the basing mode should be independent of the choice of an ICBM.

Third, it should be generally compatible with a wide variety of American arms control objectives. For example. it should not require abrogation of the ABM Treaty as a condition for its success, though it need not conform to every definition now in the joint draft text of the proposed SALT II agreement. A draft is still a draft; we should seek amendments which are in our national security interests.

Fourth, a new MAPS should be amenable to timely deployment should a decision be made to proceed with such a system. A MAPS available in quantity only in the 1990's would be of no use in an intense crisis in the mid-1980's when the vulnerability of the silo-based force may be most vulnerable.

WHERE SHOULD THE UNITED STATES GO FROM HERE?

It is my view that we need to begin work on the development and deployment of a MAPS system at the earliest possible moment.

One cannot review the literature on the development of the Soviet strategic program in the 5½ years since the SALT I accords were ratified without concluding that our current defense posture—coupled with the administration's mindless determination to negotiate a SALT agreement before the November elections—without becoming seriously concerned about the ultimate intentions of the Soviet strategic nuclear buildup. The history of Soviet-American relations is one fraught with periods of hostility and suspicion as well as periods of cooperation. Should American ICBM forces be perceived as conspicuously vulnerable during a period of hostility and crisis, it may be difficult for this, or any future President, to support credibly and sufficiently American foreign policy interests when challenged by the Soviets.

What is required, therefore, is a system capable of early deployment so as to increase the probability of survival of our land-based force without the need for an extensive development or deployment program. A first generation system would have the following attributes:

It would employ the Minuteman III missile which is currently in production.

It would use multiple low-cost silos for deployment of the missile, but canisters would be employed to facilitate mobility and enhance prospects for concealment and deception, thereby increasing Soviet attack requirements.

Deployment would be initiated within 2 years with the construction of additional 300 psi silos in Minuteman fields using existing Minuteman launch control facilities.

Up to 270 Minuteman II ICBM's would be converted to Minuteman III missiles, the precise number to depend upon specific trade-offs with ultimate Trident I/II deployments.

Unconverted Minuteman II's be upgraded to higher single warhead performance through the addition of a modern guidance and control system (AIRS) and replacement of deteriorating components. The Minuteman II should also be employed in a MAPS role as well to enhance the survivability of the land-based force.

As subsequent developments required, the Minuteman III could be replaced by a successor missile, depending on the details of the Soviet target structure.

In the interim, the survival of the land-based ICBM force could be assured through most of the 1980's at the very least, thereby increasing the prospect that deterrence could, in the words of former Arms Control and Disarmament Agency's Director, Fred C. Ikle, "last out the century." ●

A DIFFERENT PROPOSITION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. MARTIN) is recognized for 10 minutes.

● Mr. MARTIN. Mr. Speaker, whatever happened to California's "proposition 13" tax cut? President Carter has announced that he will oppose any tax relief from the world's most oppressive tax on property, the U.S. capital gains tax. This presently taxes up to 48 percent any increase in the value of property, such as land, buildings, and stock certificates.

Most of the value increase in such property is due to inflation, because as our currency is devalued 7 percent a year it takes 7 percent more of those dollars to equal the true constant value of the property.

As I found out painfully, this also applies to the appreciated value of your home. You can think of your home as your castle, because when you sell it, the taxes will be royal. Only if you quickly roll over the gain from selling your house into the purchase cost of a new one can you avoid this tax, but only for awhile. The tax is merely deferred until that unavoidable day when you or your heirs are forced or choose to sell your home one last time. Then it all catches up with you, painfully.

You not only can not take it with you, you cannot leave much of it behind.

In 1969, a series of so-called tax reforms effectively doubled this capital gains tax rate. The argument was that this would double tax revenues from the rich. In fact, revenues dropped because people could not afford to sell property if the Government was going to take half the gain. Buyers lost interest in the stock market because the incentive to invest in growth stocks was going to be taxed away—so Government could grow faster than business.

That not only penalizes people with money and property by discouraging vigorous business activity, it also penalizes those who might have had a job created for them. That tax increase nearly a decade ago is believed to be a major contributor to current unemployment problems. Instead of the heady appeal of taxing away money from the rich, it ended up taxing away jobs from the working class.

Now, in the Ways and Means (tax-writing) Committee, Representatives BILL STEIGER and JIM JONES have put together a bipartisan proposal to relieve this capital gains penalty. Their plan has majority support to roll back all or part of the capital gains tax increase as part of a package cutting the income tax rate for individuals and businesses. That will generate renewed activity in the marketplace of the private enterprise system. That will create more jobs, more values, more products, more taxable transactions, and, therefore, even more net tax revenues. It will reverse the depressing impact of the present law.

If you like California's proposition 13, you will love the tax cuts of STEIGER and JONES. There is something for everybody including those of us who want to reduce the Federal deficit.

But President Carter says he will not stand for it. He had a different plan, which he called "tax reform." What it amounted to was a major tax increase for anyone who itemizes tax deductions. The Carter plan would result in tax increases for most people, even, who take the short form standard deduction. It would cut taxes only for those few who do not pay much taxes. The Carter plan has been rejected in our committee, so the President is understandably piqued, and wants to veto our plan.

If he does, the impact will be very broad indeed. That veto would continue the present high tax law with its dead hand on the American economic throttle. That will continue doing great harm to unemployed millions whose jobs have not been created yet, because too much investment capital is tied up. So his veto will penalize the unemployed.

It will also penalize the employed majority. If he vetoes this bill, inflation will continue to rachet workers into higher and higher tax brackets, leaving them with lower and lower buying power in their take-home pay.

In threatening to veto tax-relief for the employed and job-relief for the unemployed, President Carter has piqued too soon. ●

CONGRESSMAN WYDLER'S CLEAR CALL FOR COMMONSENSE AND NUCLEAR POWER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Hampshire (Mr. CLEVELAND) is recognized for 5 minutes.

● Mr. CLEVELAND. Mr. Speaker, my colleague, the gentleman from New York (Mr. WYDLER), was asked by the Garden City High School of Garden City, N.Y., to address the school's graduating class, which included his son Christopher, at exercises held on June 25 of this year. Mr. WYDLER's comments, particularly his excellent analysis of the debate concerning nuclear power and its importance to our country's future, are both interesting and perceptive as is his call for a balanced and bold approach to decision-making by our Nation's future adults and leaders. I commend his remarks to the attention of my colleagues and hereby insert his speech as follows:

Thank you.

It is a beautiful day—and important!

This is the day you are honored by your school—Garden City High School—in front of your proud parents.

On this day, I am honored to speak, especially since I missed my own high school graduation. It is a special day for me and my family.

Today, I want to talk about *your* future—and on this night we will be celebrating *your* past accomplishments.

When I was in high school, there were a number of puzzles going the rounds, and I remember one particularly. We were shown a network of railroad tracks; it was explained that a certain remote section of track had to be used by an eastbound train and then, a half hour later, by a westbound train. A switchman had the job of throwing a switch after the passage of the first train so that the track would be clear for the second. On this particular occasion the first train was late, and the switchman could see that the two trains were going to arrive at the crucial section of track at the same moment. The telegraph wire was down and there was no way either train could be signaled to stop. What did the switchman do? After a suitable length of time, we were supposed to give up and be furnished the answer: He brought out a chair from the shack where he lived with his aging mother and set it on a knoll from which there was a good view of the track. Then he put her in the chair, saying, "You just sit there, and in about ten minutes you're going to see the worst train wreck in history." Sometimes I feel like that.

Our society has been rushing down the track of unparalleled growth and change. Most of you were born in 1960. The gross National Product—the usual means for measuring the production capacity of a society—was, in real terms, around $737 billion in 1960. Today it is over 1 trillion, 300 billion. That is almost a 2-fold increase in just 18 years. In 1960, Federal spending stood at $136 billion; today it stands at $631 billion. All this growth has led to progress—that, no one can deny. People live longer and healthier lives. Machines perform more manual and routine labor. We travel great distances and communicate even further. Our production industries are efficient. Our society is more affluent than any in history. Most basic needs of food, clothing and shelter are satisfied. We now have a greater choice over what we want to be. Most of you are choosing careers. This is a great change from the not too long ago when a man could expect to go no further in life than his father's position in society, nor a woman no further than her mother's.

The progress that has resulted in these advances has also led to new and, to some extent, more complicated problems. An example is inflation. Today a family of four must earn about $32,000 a year to lead the same life that cost them $15,000 in 1967. If this rate continues, most of you, when you start raising families 10 years from now,

will have to make about $64,000 a year just to maintain a moderate style of living. Other problems include; caring for the aged; the hazards of mass destruction through nuclear and biological weapons; unemployment; excessive uroanization; pollution; vulnerability of a complex society to breakdown; depletion of the earth's resources; and increasing gaps between rich and poor nations.

While most of these problems have only been recently recognized, there is a feeling in the air that they can't be solved, that they are the direct result of progress and, therefore, progress must be bad. There is a feeling that the engine of science and technology that has driven our society to such great achievements must not only be stopped, but that society must somehow be turned back. Small is beautiful; less is better; the past is better than the future.

A great debate is beginning to form. Which way do we go? What road do we take? Do we go forward into an uncertain future building on the advances of the past, or do we try to turn the clock back to some perception of a simpler world? Do we come to grips with and solve this new set of problems or is our society to suffer a failure of nerve and go the way of other great societies of the past?

With this great debate now in its formative stages, I urge two things. First, I urge all to maintain a sense of balance. Balance comes from being tolerant and skeptical, tolerant of alternative points of view, open to new ideas and new formulations of problems. And most of all, skeptical of dogmatic solutions and those who say that things can't be done regardless of whether the dogma comes from laymen or so-called experts, even professors—or what I say to you tonight.

Many tend to forget how oftentimes the so-called experts have been wrong. Back in the early 1950's, when the first pioneering Univac 1 computer was delivered to the Bureau of the Census, the experts in the new field of computing machines predicted a market for computers of all types soon reaching several dozen. They added that by 1970, there would be no less than 100 computers in the United States. In 1970, the American computer population fell just short of 200,000 units. Even our newspapers, which daily make solemn pronouncements on the state of society and the world, make silly statements. In the early 1920's, The New York Times ran an editorial telling rocket pioneer Robert Goddard that even a high school student had enough knowledge to know that a rocket could not fly in space. A list of silly predictions by experts and prestigious organizations could go on and on. Arthur C. Clarke, the distinguished scientist who also made the screen play for the movie 2001, and who has encountered so many of these completely false predictions by experts, has formulated the following law: "When an expert states that something is possible, he is almost certainly correct. When he states that something is impossible, he is very probably wrong."

The second thing that I would urge is that we not suffer from a failure of nerve—that we not be afraid to use the greatest acquired asset this country has, our science and our technology, to solve the problems we now face. In no field is this problem more serious than in the field of energy. We all know that in the next 20 to 30 years, we must find and develop new sources of energy or the social advances we have achieved will be for naught, and your chances for success—for a full and happy life—will be much less.

Over the coming decades, we must rely on proven energy sources, particularly nuclear power, to a greater degree than in the past. If you and your children are to enjoy the quality of life we enjoy today, it will require national nerve to make this choice.

There are two aspects of nuclear energy development which we should be aware of. First, as a means of generating electricity it has economic advantages over coal, oil or gas. Secondly, for the future of our country it is important for energy independence and foreign trade that we remain number one in the nuclear league.

It is disconcerting that the mystique surrounding nuclear power, because of its relation to weapons, has led to such a distorted image of its true value. Let's look at the facts on nuclear power and its real promise. The figures speak for themselves. In 1977, nuclear power plants—

Produced 31 percent more electricity than in the previous year;

Produced 12 percent of all electricity sold;

Widened their cost advantage over coal, oil and gas.

What is important for you as tomorrow's consumer is that nuclear's economic advantages represent cost savings compared with oil and coal of more than $2 billion a year. If this country can pursue the nuclear option on its real merit, this advantage will widen.

The "breeder" reactor is a remarkable device which opens the avenue to using nuclear energy in an almost unlimited way. The "breeder" actually produces more nuclear fuel than it consumes as it generates electricity. Thus, it can be used to provide fuel to feed other nuclear reactors which can be breeders or "burners" of fuel. The United States has been preparing to demonstrate this technology but within the past year our country's policy on this matter has turned completely around.

The most economical way to use breeder reactors requires reprocessing of nuclear fuel. This simply means that "spent" power plant fuel is treated so as to extract the precious energy contained in uranium and plutonium. Simply stated, you recycle and re-use the nuclear fuel. In all other energy, it's called conservation.

The President and the Congress have quite different views on breeder reactor development. The President has tried to cut back our breeder effort saying that reactors will lead to proliferation of nuclear weapons. The Congress believes this concern can be handled by "technical fixes" and has insisted that the United States pursue this option vigorously.

To the rest of the world the United States' policy of deemphasizing atomic power is a no-growth policy of "pull back." Other nations look in amazement at a policy designed to keep us on a oil binge and destined to let the world leave us behind in nuclear development.

Other limitations of our unilateral no-growth policy are becoming clear. Developed countries in Western Europe have no intention of slowing their breeder programs.

This policy is leading to imbalance also as it is catalyzing the opposition of anti-nuclear groups in nations all around the world. These opponents are seizing on our well-intended but naive nonproliferation policy as evidence that nuclear power is a "chancy" technology.

I'm not promoting nuclear power because it is an easy answer, but because it is a necessary answer to our energy needs in your lifetime.

If you want the economy to be strong, and growing stronger as you come into the mainstream of your life, we must have it as the rest of the world will have it—England, France, Japan, the Soviet Union will have nuclear power.

Not all agree with me.

Tonight, two hundred miles north of here, thousands of demonstrators are gathered at a nuclear plant site calling for an end to construction. If they succeed, there will not be enough electric power in the Northeast in the years to come. What there is will cost more. There will be less industry and fewer jobs, and people will continue to move out of the region.

These demonstrators call themselves the Clam Shell Alliance. I don't want to be a clam—I want to be a man!

They would call me a "Nuke"—and I am for increasing our own nuclear energy resources. I have many allies.

In fact, you may find some of my allies quite surprising. For instance, the NAACP, in a widely-circulated report, called for President Carter to "take a more positive attitude" toward energy supply.

"We find it very disturbing to contemplate a future in which energy supply would become a constraint upon our ability to solve the critically important social and economic problems which confront black citizens," the association said. "Nuclear power, including the breeder, must be vigorously pursued because it will be an essential part of the total fuel mix necessary to sustain an expanding economy."

Andrei Sakharov, Soviet civil rights leader and 1975 Nobel Peace Prize winner, called on Western nations to accelerate development of nuclear energy in a recent article in the French daily, *Le Monde*. "It's not merely a question of . . . upholding what is called the 'quality of life,' Sakharov said. "It is a more pressing matter, that of upholding the freedom of your children and of your grandchildren."

"It is important not only to build 'ordinary' nuclear plants," Sakharov said, "but it will be indispensible to launch the construction of breeder reactors * * *."

The liberal journalist Richard Rovere, New York Magazine, has pointed out the perils for many of our friends and developing nations in disregarding nuclear power and embracing only soft technologies. He recently wrote that "The United States can afford (though not without cost in long-term economic growth) to forego or postpone the use of breeder reactors. But for many countries, including some of our closet allies and trading partners," he wrote, "a failure to use nuclear energy in its most efficient form could mean a strangling of their energy-intensive economies over the coming years."

"To ask the poorer countries to conserve oil and to eschew nuclear energy is to ask them to accept continued poverty as a condition of their existence," Rovere continued. "To ask Americans to mark time until solar energy comes into their homes and factories is to resign ourselves to a rate of unemployment . . . that most find intolerable."

I have encouraged you to retain balance and the nerve to make decisions that are bold and which others may perceive as "Risky." This is the only way you can constructively take advantage of drastic change which none of us can predict. The uncertainty of the future should not be feared in and of itself; it offers excitement and opportunity.

We have been talking about our country's future—and *your* future as well.

Don't allow that bright future to pass you by. ●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. SARASIN) is recognized for 5 minutes.

● Mr. SARASIN. Mr. Speaker, on June 22, 1978, I was absent for part of the legislative session of the House of Rep-

resentatives. Had I been present, I would have voted in the following fashion:

Rollcall No. 486: H.R. 12505: Solar power satellite program. The House passed the measure to provide for a research, development, and demonstration program to determine the feasibility of collecting in space solar energy to be transmitted to Earth and to generate electricity for domestic programs, "yes."

On June 23, 1978, I was absent for the legislative session of the House of Represenatives. Had I been present, I would have voted in the following fashion:

Rollcall No. 488: H.R. 11493: Amtrak Improvement Act. The House rejected an amendment that sought to strike language requiring Amtrak to buy American products for any purchase exceeding $100,000, "no";

Rollcall No. 489: H.R. 11493: Amtrak Improvement Act. The House rejected an amendment, as amended, that sought to require a discontinuance hearing for any passenger train where the Federal subsidy exceeds $100 per passenger averaged over a successive 12-month period, and that service be instituted over restructured routes after such hearing, if that route had been restructured prior to January 1, 1978, "no";

Rollcall No. 490: H.R. 11493: Amtrak Improvement Act. The House rejected an amendment that sought to have the U.S. Special Trade Representative advise the Secretary when it would not be in the public interest to require the Corporation to purchase American products, "nc";

Rollcall No. 491: H.R. 11493: Amtrak Improvement Act. The House passed the measure to extend the authorization of appropriations for an additional fiscal year, and to provide for public consideration and implementation of a rail passenger service study, "yes"; and

Rollcall No. 492: Housing and Community Development. The House agreed to the rule (H. Res. 1214) under which the bill was considered, "yes."

On June 26, 1978, I was absent from the legislative session of the House of Representatives. Had I been present, I would have voted in the following fashion:

Rollcall No. 493: H.R. 10341: Reserve enlisted members' retirement. The House passed under suspensions the measure to authorize Reserve enlisted members of the Army and the Air Force to retire with 20 years of service, "yes";

Rollcall No. 494: H.R. 10342: Military retirement pay recalculation. The House passed under suspensions the measure to revise the rule for recalculation of military retired or retainer pay to reflect later active duty with respect to later active duty performed between Ocober 1, 1963, and October 1, 1973, "yes";

Rollcall No. 495: S. 666: Early retirement for non-Indian employees of BIA. The House failed to suspend the rules and pass the measure to allow Federal employment preference to certain employees of the Bureau of Indian Affairs, and to certain employees of the Indian Health Service, who are not entitled to the benefits of, or who have been adversely affected by the application of, certain Federal laws allowing employment preference to Indians, "no".

Rollcall No. 496: H.R. 12536: National parks. The House agreed to the rule (H. Res. 1243) under which the bill was considered, "yes"; and

Rollcall No. 497: H.R. 12432: Civil Rights Commission. The House agreed to the rule (H. Res. 1235) under which the bill was considered, "yes." ●

CONSUMER TRUST IS THE KEY TO ELECTRONIC BANKING'S SUCCESS OR FAILURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, in the rush to establish electronic banking, the "checkless, cashless" society of the future, the banking industry has ignored a key aspect of human nature. Most people are simply slow and wary of accepting change.

Despite all the promises of the convenience of the new electronic fund transfer system of banking, most persons are frightened of banking by computer and what they view as a dehumanized approach to handling their money.

How rapidly this system develops and to what extent it does gain consumer acceptance hinges on one thing—consumer trust of electronic banking. Consumers must know they are protected against the obvious pitfalls of EFTS—unauthorized use of their cards, incorrect billings, unsolicited cards which could fall into the wrong hands, and difficulties in maintaining records of transactions.

In view of this, it has been to my constant amazement that the banking industry has fought so hard against the Electronic Fund Transfers Act (H.R. 13007). As approved by the full Committee on Banking, Finance and Urban Affairs, this legislation establishes the consumer safeguards that could enable persons to overcome some of their fears of using EFTS. This legislation could benefit the banking industry in its development of EFTS while protecting consumers against the uncertainties of EFTS.

The banking industry seems to be ignoring its own past in the rush to develop EFTS. Consider the years of coaxing and training required to convince consumers to use checks. Bank customers had to be assured again and again that checks were sometimes better than cash—that checks could substantiate records, that checks confirm payments, that checks were like receipts and proof of payments, that checks could be stopped if merchandise was found faulty, and so on.

But what can the banking industry tell consumers to encourage use of EFTS? That less than half of the States have laws protecting consumers in EFTS transactions? That no Federal regulations exist? That if their life savings are lost by fraud or the use of a stolen card, no laws assure they will not be held liable?

With the advent of EFTS in the early 1970's, the banking industry predicted that 60,000 to 100,000 automated teller machines would be installed in the United States by 1980. Statistics show their expectations have hardly been met. As of December 31, 1977, exactly 7,729 machines were installed in banks and sidewalk locations around the country. And statistics further show that few systems have been able to generate enough EFT transactions to cover the cost of installation.

Just as with checks and with credit cards several decades later, the banking industry must push consumers at first to use new systems. The banks must sell the product, must convince consumers EFTS are in their best interest. And without this legislation, the industry has little ammunition to do this.

With the passage of H.R. 13007, consumers can know the Government has put its stamp of approval on EFTS, that they have definite protections in using the systems and protections that are uniform throughout the country.

The most common abuse of EFTS systems is theft or unauthorized use of customers' bank-debit cards and their secret indentification number. Newspaper accounts are cropping up across the country that detail consumers losing hundreds of dollars in this manner. Unlike the situation with stolen credit cards, consumers have no guarantee they will be reimbursed the amount stolen. A customer whose card is stolen and whose life savings are emptied can be held liable for the entire loss. And the banking industry wonders why customers are not accepting the new system?

H.R. 13007 would limit consumer liability in the case of stolen or unauthorized use of debit cards to $50. Exceptions would be made in the case of obvious negligence on the part of the consumer.

Other provisions of the Electronic Fund Transfers Act are:

Requiring a monthly statement of all EFTS transactions;

Specific provisions for when EFT account information can be revealed to a third party;

Requiring a financial institution to assume liability for damages to consumers when the system fails to carry out transfers;

Prohibits financial institutions from charging more for check payments than for EFTS payments;

Prohibits false or misleading advertising of services;

Requires banks to spell out terms of using EFTS in full and in terms readibly understandable to consumers;

No one is permitted to force a customer to establish an account to receive EFTS as a condition of employment or as a condition of a Government benefit;

Prohibits the distribution of unsolicited debit cards which are validated for use;

Establishes criminal liabilities consistent with those already in the Truth in Lending Act and criminal penalties for a willful and knowing violation with intent to defraud for institutions violating the act.

Mr. Speaker, I contend that with these safeguards, consumers will overcome

many of their fears in using electronic fund transfers, and rightfully so. This legislation will protect consumers and at the same time, encourage the use of the systems.

And as consumers accept these systems, the banking industry can concentrate expansion of services and will begin to see a profit from EFTS.

I urge speedy passage of this legislation when it reaches the House floor, without burdensome and unwarranted amendments. In its present form, H.R. 13007 effectively protects consumers from the hazards now present in EFTS transactions while not unduly restricting the development of this new technology.●

A SPECIAL TRIBUTE TO DIARIO LAS AMERICAS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. PEPPER) is recognized for 5 minutes.

● Mr. PEPPER. Mr. Speaker, I am pleased to call the attention of the Congress to the forthcoming 25th anniversary of one of the great newspapers of the Americas, whose silver anniversary appropriately falls on the 4th of July, the birthday of our free and freedom-loving multinational, multiracial, and multicultural Nation and people.

Throughout the Latin American communities of the United States, Diario Las Americas is a major source of information about United States, Latin, and world affairs, and under the careful guidance of Drs. Horacio and Francisco Aguirre it has become an active force for human freedom and enlightenment in Latin and non-Latin governmental, business, and diplomatic communities not only in our own Capital, but in the capitals of Latin America and most nations of the world as well. For those who are concerned with inter-American affairs, Diario Las Americas is an invaluable informant and faithful guide to events affecting Latin Americans throughout the Western Hemisphere.

"Diario," as it is fondly known, is Florida's only Hispanic daily newspaper and I am particularly proud that a daily journal of such outstanding quality and influence is headquartered in my congressional district. It is invaluable to me, as it is to our community, as I seek to serve one of the leading bilingual communities of the United States.

Diario is a labor of love for two outstanding men, brothers, trained lawyers, dedicated journalists, and devoted servants of freedom—Drs. Horacio and Francisco Aguirre. Their lifelong dedication to the cause of human rights, the principles of democracy and the pursuit of justice goes back to their youth in Nicaragua. It grew in strength during their legal careers and first flowered in the field of journalism through Dr. Horacio Aguirre's experiences as editorial writer for "El Panama America" in Panama from 1948 to 1953.

Diario Las Americas represents the full blooming of the careers of these two great and dedicated men. Their devotion to human freedom and dignity, their outrage at repression and inhumanity, became a fire in their souls which has lighted the pages of Diario Las Americas since its founding in 1953. Thus Diario has become a beacon of hope for those who have been subjected to injustice and tyranny, and particularly to those who have seen the beautiful island of Cuba subjected to the most ruthless and pervasive tyranny of mind and spirit in the history of the Western Hemisphere.

The respect which the Aguirre brothers have earned for their support of the cause of Cuban freedom has been reinforced in our area and wherever Diario is read by their solid reputation for editorial integrity and their active support for the aspirations and interests of all Hispanic Americans in the United States and throughout the world.

Thus, Mr. Speaker, we can take great pride in sharing our Nation's day of independence with the 25th anniversary of a great journal devoted to the cause of human liberty. I congratulate Drs. Horacio and Francisco Aguirre and the dedicated members of the staff of Diario Las Americas for their contribution to the people of my district of Dade County of the State of Florida, the United States, and the cause of freedom everywhere. I ask our colleagues to join here in applauding this great journal and all the people who have made it such a respected and, I am sure, enduring institution in the service of freedom for all mankind. We extend the warmest wishes of the House of Representatives to Diario Las Americas for many more great and happy anniversaries.●

ROGER D. SPECK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

● Mr. LEVITAS. Mr. Speaker, Roger D. Speck, a respected labor and community leader of Georgia, passed away on June 19, 1978, at the age of 54.

An employee of Southern Bell Telephone Co. as a toll testing technician, Roger was a member of the Communication Workers Local No. 3204 for 30½ years. He served his local union as a steward, plant department representative, vice president, secretary-treasurer, and two terms as local president. He was also a member of the Atlanta Labor Council. At the time of his death, he was serving as a member of the CWA Political Council of Georgia, the State legislative arm of CWA, and was actively involved in the legislative field in Georgia.

He was a veteran of World War II where he served with distinction as a paratrooper in the famous 82d Airborne Division. He was a member of the 505 C–47 Club, a member of the Yaarab Temple of the Shrine, a member of the Cascade Lodge 94 F & A.M., a member of the board of directors of the Georgia Teleco Credit Union, and a member of the Presbyterian Church of Douglasville, Ga.

He is survived by his wife, Christine, five daughters, Bonnie, Debbie, Mary Ellen, Reggie, and Christine, his mother, Mrs. R. H. Speck, three sisters, one brother, and five grandchildren.

Roger was a true friend to many people nationwide as well as Georgia, to Congressmen, Senators, Governors, and many others, but especially to his fellow union members in local 3204. He has left a void that will not be filled.

The memory of Roger Speck will be treasured by his many friends.●

CAN BIG GOVERNMENT BE REINED?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 30 minutes.

● Mr. ALEXANDER. Mr. Speaker, I would like to share with my colleagues the third, and final article in a Christian Science Monitor series written by John Dillin that highlights some of the proposals that have been advanced to pare down the size of the Federal Government. The article is entitled: "Can Big Government Be Reined?"

[From the Christian Science Monitor
May 17, 1978]

CAN BIG GOVERNMENT BE REINED?

(By John Dillin)

WASHINGTON.—If you haven't heard about the "yak fat" hoax at the Interstate Commerce Commission, this is probably the place to bring you up to date.

In the mid-1960's, Hilt Truck Lines, Inc., of Lincoln, Nebraska, became irritated over complaints from competing railroads each time Hilt tried to lower its freight rates.

When a railroad complains, the Interstate Commerce Commission (ICC), which rules on the legality of truck rates, must order a hearing.

After another rail protest in April, 1965, Hilt was uncertain whether it was being harassed by the railroads, or whether the complaints were genuine. To find out, the firm decided on a test: It submitted a proposed rate on an imaginary commodity yak fat.

Sure enough, the railroads, in a seven-page protest, objected to the proposed rate as too low. And the ICC quickly suspended the rate.

Only too late did a red-faced ICC realize it had been suckered, that the nearest yaks were browsing on a mountainside somewhere in Tibet. Newspapers had a field day with the story.

The yak fat case is a favorite of government critics, who have been reviving it again this year. Although many cases of Washington beadledom have surfaced since, none has ever quite topped the yak for yuks.

Meanwhile, the hard-working folk at the ICC have ground ahead, laboring mightily until today they have placed on file an estimated 11 trillion, or 11,000,000,000,000, individual rates that cover the cost of shipping just about everything from everyplace to everywhere.

But even as the ICC's files have grown it is being asked: Is all of this costly, time-consuming regulation necessary? Is there no other road than the one that leads to government that gets bigger and bigger? Or are there appealing alternatives?

These questions occupy the thinking of officials for several reasons now: The obvious limits on the federal budget; the wide-

spread disenchantment with government; and the realization that regulation can foster inflation.

Succeeding budget deficits will push the national debt from $737 billion now to $874 billion by the middle of 1980. If reelected, it is possible that Jimmy Carter could be the first president to preside over a trillion-dollar debt.

While a number of ideas have been proposed to do something about all this, a few concepts are getting more attention than others. Here are some of them:

SUNSET LAWS

Strongly supported by Senator Edmund MUSKIE (D) of Maine, chairman of the Senate Budget Committee, the "sunset" concept has gathered momentum in recent years.

Basically, it works like this: Once every few years, certain agencies and programs would come up automatically for formal review by Congress. Unless able to win renewal after a careful examination by the lawmakers, the agency or program would go out of business—the sun would set on it.

Such a system, endorsed by over half the Senate, would put heavy responsibility on agencies to appraise their roles, set goals, then prove to Congress they were meeting them.

Although Congress already is supposed to review programs, too often these reviews are perfunctory—and renewal automatic.

In April, 1976, Colorado became the first state to adopt a sunset law; since then 26 others have enacted similar measures, according to a new report by Common Cause.

"The laws are being taken seriously by the legislatures across the country," says an official of Common Cause. Since enactment, Colorado has terminated three boards, and Alabama was wiped out some 20 nonfunctioning agencies. Georgia dropped a licensing board, Hawaii terminated two boards, South Dakota eliminated one board, and Oklahoma knocked out 14. New Mexico reviewed the functions of 20 boards and repealed four. Other states are also gearing up for reviews.

In the U.S. Senate, the sunset bill (S. 2) has won both conservative and liberal support, but it has run into resistance in the House.

Critics there call the Senate bill "draconian" because of its automatic termination feature. It's too powerful, they say, and therefore would never be used.

To keep the sunset concept alive, Representative Butler Derrick (D) of South Carolina has introduced a modified sunset bill that would give Congress a better look at program and agency goals.

The Derrick bill (H.R. 10421) would tighten reporting requirements and mandate annual reports on how each agency was doing on its objectives. Certain programs, such as social security, would be exempt.

The Derrick bill doesn't include automatic termination. For that reason, it is blasted as toothless by those who want tougher action.

Senate insiders say prospects of a tough bill this year are "dim" because of House resistance and Senate opposition in a key committee.

The public appears to favor the concept. A poll last month by Louis Harris found a 54-to-34 majority for a sunset law that would require federal agencies to go out of business after six years unless given a new lease on life by Congress.

DEREGULATION

As the yak fat case illustrates, some regulation is just silly; but more importantly, regulation also often raises prices to consumers, reduces competition, hurts business profits, and leads to larger bureaucracies in Washington.

In the regulatory area, the most dramatic change in tone in recent years has taken place at the Civil Aeronautics Board. The board is breathing new price competition into the industry and blowing away some of the inflated fares for air travel.

Congress seems to be moving in the same direction. Under the leadership of Senators Edward M. Kennedy (D) of Massachusetts and Howard W. Cannon (D) of Nevada, legislation has made some progress that would give airlines more flexibility in cutting fares. The Senate bill would also make it easier for airlines to add new routes, and for new firms to get into the business.

An even bigger area for potential change is trucks. Some deregulation has already taken place, but critics think there is a long road to travel yet. Once again, Senator Kennedy is zeroing in his fire with hearings that continued last week. But he is expected to have difficulty gathering support against powerful trucking interests.

Trucks, airlines, buses, and railroads are all examples of economic regulation—and that sort of thing has been around since the 19th century.

A newer, potentially far more important form of regulation really got moving within the last few years. It involves the environment, health, and safety.

This type of regulation seems certain to grow. But broad questions are being asked about the way the United States is going about it.

For instance, is it really wise to have inspectors for the federal Occupational Safety and Health Administration poking around American businesses looking for violations of controversial safety regulations?

Or is there a better, less bureaucratic, more efficient, more effective way? Many think there is. For instance, instead of mandating how pollution is to be cleaned up, merely tax a firm for any pollution it creates. Then it becomes in the firm's interest to clean up. The cleaner it gets, the lower the tax.

In the area of safety, instead of having government inspectors hunting for violations, why not just fine a firm heavily for accidents caused by unsafe conditions? If the levees were steep enough, firms would police themselves better than inspectors ever could.

A TOTAL GOVERNMENT BUDGET

Barry Bosworth, chairman of the Council on Wage and Price Stability, notes an important change that has taken place in Washington during the past 25 years.

In the early 1950s, anyone could get a good measure of what government cost by looking at the federal budget, he says. Today, that is no longer true. To a large extent, government planners have "hidden" many functions from view. Many of these hidden activities favor special interest groups.

The "cargo preference" bill defeated in the House last year was a prime example. It was favored by President Carter, and would have benefited the maritime unions and the shipbuilding companies. It would have mandated that a rising percentage of oil shipped to the United States would have to arrive aboard American-built, American-owned, American-manned ships.

The cost to the federal government; zero. The cost to American consumers: $300 million a year, or more, because of higher prices for oil.

One White House planner said before the vote: "It doesn't impact on our budget." Thus, there wasn't that much concern about it.

While that bill was defeated, government takes thousands of actions each year that cost Washington virtually nothing, but cost the consumer a lot. For instance, the Jones Act requires than cargoes moving from one American port to another American port—such as oil from Alaska to New York—must move in high-priced American ships.

This adds significantly to costs, especially when one considers that 978 million tons, or 53 percent, of all cargoes unloaded at American ports come under this heading.

Yet there is no overall measure of what these actions cost the country, nor is there adequate debate about priorities, critics say.

For instance, if the U.S. has $1 billion to spend on auto safety, is it better to spend that on air bags, or on halting drunk driving?

In air pollution, with $5 billon to spend, is it better to mandate three-way catalytic converters, or scrubbers for power plants? Which removes more pollution per dollar of spending?

Mr. Bosworth says: "The day is gone when you can do these regulations without looking at their costs. . . . I cannot believe that Capitol Hill understands the economic implications of those regulations that they are passing. . . . I'm afraid we are just getting a hodge-podge of things that aren't consistent with each other [and] rule out perfectly reasonable alternatives. . . ."

One possible solution: Set a total budget for all federal actions—both direct government costs and the costs to the private sector. That should help government and the public set priorities.

MORE SOLUTIONS

Other ideas have been advanced. A few of them:

Foster constitutional action. By amending the Constitution, either state or federal, or by voter initiative, it may be possible to clamp a lid on spending or taxes. The upcoming June 6 vote in California setting a ceiling for taxes on residential property is the prime current example.

Take political action. Since people tell pollsters that they don't get good value for their tax dollars, they could always "vote the rascals out" or demand better performance.

Make realistic demands. One U.S. senator says the two things all his constituents want are: help for their own cause, and, less government spending. Few people, he says, see the inconsistency.

CONGRESSMAN McFALL INTRODUCES CONCENTRATED INDUSTRIES ANTI-INFLATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. MCFALL) is recognized for 5 minutes.

● Mr. MCFALL. Mr. Speaker, I am today introducing legislation to deal with the undue pricing power and inflationary pricing actions arising in concentrated industries.

These industries, which effectively control a substantial portion of a given market, can keep prices at an unfairly high level. They lie outside the discipline of a truly competitive marketplace, and can set prices higher than is justified by production costs, consumer demand or fair rate of return.

The eminent economist Dr. Gardiner C. Means, chief architect of the bill I am introducing today, has observed that—

In the concentrated industries, where administrative inflation arises, prices are not determined by demand and supply in the traditional fashion, but by management which has a considerable degree of discretion in setting prices and such prices do not behave in the traditional manner. In par-

ticular, prices tend to have an upward bias and produce a significant upward creep in adjusting to increases in productivity.

These administrative pricing practices have a substantial inflationary impact on our economy and permit the few to take advantage of the misfortune of the many.

The proposed Concentrated Industries Anti-Inflation Act would create an independent five-member Price Resistance Board with power to require notification of price increases, to delay or disapprove proposed price increases and to roll back excessive prices with respect to concentrated industries.

The Board would be required to classify corporations and businesses into three categories reflective of their degree of concentration or the share of the market they control. Initially, the determination would be made on the basis of gross sales, but the Board would have a continuing responsibility to reclassify businesses on the basis of competitive status.

The Price Resistance Board would have authority to disapprove or roll back price increases in the first category and to require notification of up to 30 days for price increases in the first two categories. Businesses in the third category would not be subject to any Board action.

Board members would be appointed by the President with the consent of the Senate. The Chairman and Vice Chairman would be persons with board experience in Government operation and the remaining three with experience in management, labor and consumer affairs, respectively.

The Board would be required to issue standards and guidelines for noninflationary price adjustments based on stability of profit margins per unit of output. The Board could adjust the guidelines to account for changes in the value of the dollar or to avoid hardship, inequity or impairment of economic growth.

The Board would also be required to conduct a study of corporate pricing setting methods. The study shall concentrate on determining how corporate pricing methods add inflationary pressures to the economy. Mr. Speaker, on June 22, I addressed the House on the need for such a study to be made. I have contacted several administration officials concerned with controlling inflation and endorsed a recent proposal by Dr. Means for such a study. I am hopeful that the administration will decide to undertake this study, but nonetheless I thought it advisable to include a requirement for this study in the legislation I am introducing today.

Any program for economic growth and stability must include some means for dealing with the administered prices problem. Administered prices contribute significantly to our problem with inflation.

It is my hope that hearings can be held expeditiously and that we can have a bill ready for floor action as rapidly as possible.●

HARDENING SOVIET LINE BODES ILL FOR RUSSIAN JEWISH FAMILY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. GLICKMAN) is recognized for 5 minutes.

● Mr. GLICKMAN. Mr. Speaker, a year ago a constituent just back from a trip to the U.S.S.R. informed me of the plight of a Soviet Jewish family he visited there. The family, Victor and Irina Breilovsky and their two children requested permission to emigrate to Israel 5 years ago. In the style all too typical of Soviet justice, the authorities issued a visa to Mr. Breilovsky, but not to his wife. As a mathematician she fell into the "exposure to state secrets" trap.

Sadly, in the passage of a year there has been no indication of any softening on the part of the Soviet Government. Although I have received periodic reports from Americans who have visited the Breilovskys that they are well—but jobless like many others who have applied for visas—a number of factors is making their situation increasingly precarious. First, their son, Leonid, is approaching his 18th birthday at which time he will be drafted into the army. That would make him the second member of his family to fall under the "exposure to state secrets" clause. Anyone in the armed forces from the rank of lowly private on up is affected by this law.

Second, the hardening position of the Soviets not only against dissidents, but against U.S. citizens as well, is making the Breilovskys' situation seem even more desperate. The recent sentencing of Vladimir Slepak and Ida Nudel, the imprisonment of American businessman Francis Jay Crawford, and yesterday's summons to two U.S. news correspondents before a Moscow court are brutal evidence of the Soviets increasingly repressive tactics.

Third, I suspect the Breilovskys may be under some type of house arrest. In recent correspondence to the United States, Mrs. Breilovsky apologized for the delay of her response explaining that she had to obtain permission in order to leave the apartment to mail the letter.

In spite of all these odds, the spirit and courage of the Breilovskys remain strong. Mr. Breilovsky, a scientist, leads regularly scheduled seminars in his apartment with other dissident scientists in Moscow. Americans visiting the Breilovsky's are amazed at their fearlessness to speak freely despite the presence of electronic listening devices.

The Breilovskys are continuing to press their case with the Soviet authorities. Just last month Mrs. Breilovsky write to A. A. Logunov, director of the Moscow State University. In her letter she reminded him of her past correspondence requesting his confirmation that while she was at the university she was not involved in any studies that would have exposed her to state secrets.

Although the stiffening of the Soviet's attitude does not bode well for those who have applied for visas, it is essential to keep up the pressure. Publicity on Vladimir Slepak's protest banner did not protect him against a sentence of internal exile, However, continuous pressure through the press and by the public may act to save him and others from a more drastic fate. Further, registered letters—I emphasize registered as regularly mailed letters are not generally delivered—to these families are important in expressing our solidarity with them and our desire for human rights throughout the world.●

CONGRESSMAN DRINAN ON ISRAEL AND THE MIDDLE EAST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 5 minutes.

● Mr. DRINAN. Mr. Speaker, this is an especially important moment in the continuing search for peace in the Middle East. Plans have been made for the resumption of direct negotiations between Israel and Egypt, at the level of Foreign Minister and Defense Minister. The optimism and, indeed, the euphoria which accompanied the journey of President Sadat to Jerusalem has been replaced with an awareness of the obstacles to be overcome and a determination not to permit this opportunity for an agreement to slip away.

Even as we approach the resumption of negotiations, however, there are signs that all of the parties in this process, including the United States, have not learned from their past mistakes. Such mistakes must be avoided or this chance for a peace agreement will also be lost. The United States erred in asking Israel to provide specific answers to certain questions concerning the most troublesome issue of all, the future of the West Bank. Israel had already submitted a detailed position which was to serve as the basis of negotiations; attempting to elicit more specific information prior to the commencement of negotiations was, predictably, counterproductive. The United States, in this instance, repeated its past mistake of trying to devise all or part of an agreement in advance of actual face-to-face talks between the disputing parties.

In describing his answer to an American request for Egypt's views on the occupied territories, President Sadat repeated the demand which has for so long been a major obstacle to peace; he stated that Israel must be prepared to yield all of the West Bank and the Gaza Strip, with no territorial adjustments of the indefensible borders which have invited Arab attacks on Israel virtually since the first moment of its nationhood. Prime Minister Begin rightly called this a demand, not a peace plan, and emphasized that, in rejecting it, Israel was not prematurely turning down a plan but rather was restating its longstanding position that negotiations should not be accompanied by preconditions, particularly with reference to matters as vital to Israel's security as the ultimate disposition of the occupied territories.

The American initiative on the future of the West Bank was, like the earlier joint United States-Soviet initiative on the resumption of the Geneva Conference, a needless complication and a mistaken shift of focus away from direct and unencumbered negotiations between the parties. In spite of this, the response of the Israeli Cabinet was needlessly abrupt and excessively vague. Ultimately, however, the responsibility for the cryptic Israeli response rests with in part with the United States, for its stubborn adherence to the notion that forcing the parties, particularly Israel, to accept specific positions in advance of the negotiations will serve the cause of peace, and in large measure with Egypt, whose insistence on total Israeli withdrawal as a part of any agreement remains the principal cause of the present stalemate.

Recriminations over past missed opportunities for peace serve no one's interests. Unjustified criticism of Israel for its insistence on negotiations without preconditions impedes the search for peace. Such criticism, emanating from officials of the U.S. Government, unfairly labels Israel as the recalcitrant party and misleads the Arab nations into believing that the United States will pressure Israel into making concessions which threaten her security.

Now is the time to learn from our mistakes and encourage Israeli and Egyptian leaders to meet face to face in negotiations with no preconditions and no proposals from other nations. As we enter into this new and, hopefully, productive stage of the search for peace, it is appropriate for us to look back upon the past year and review those things which helped to stimulate negotiations and those things which have prevented the achievement of an agreement between Egypt and Israel.

The single most disturbing and counter-productive development of the past year was the decision by the administration to sell large quantities of highly sophisticated fighter aircraft to Saudi Arabia and Egypt. Even prior to this action, however, the administration had demonstrated its inability to appreciate fully the legitimate security concerns of Israel.

The State Department called upon Israel to give up virtually all of the territory occupied after the 1967 war in exchange for Arab steps toward peace. This policy statement, issued almost exactly 1 year ago in June of 1977, contradicted a firmly established American and Israeli understanding that mere steps toward peace are insufficient. If Israel is expected to return substantial portions of territory which are vital to its security, then the Arab nations must agree to a comprehensive peace treaty which includes explicit recognition of Israel, normalization of trade and tourism, the exchange of diplomatic representatives, and firm guarantees of Israel's security. Subsequent clarifications of this statement by President Carter could not negate totally the encouragement provided to the Arab nations by the initial State Department announcement.

JOINT DECLARATION

Even more disturbing was the joint United States-Soviet declaration on the principles of a new Middle East peace conference in Geneva. This unfortunate statement, issued on October 1, 1977, cast into doubt traditional American positions on the most vital issues affecting Israel's security. In a speech which I delivered in the House of Representatives on October 3, 1977, I outlined the many counterproductive elements of the joint communique. Procedurally, it reversed U.S. policy and increased the role of the Soviet Union in the Middle East peace negotiations and violated American commitments to consult fully with Israel and seek to concert positions and strategy at the Geneva Peace Conference. Substantively, the joint statement used the code words "legitimate rights of the Palestinian people," known to refer to a Palestinian state, and failed to affirm Israel's security needs.

The dramatic visit to Jerusalem by President Sadat had the positive effect of transcending the joint United States-Soviet communique and restoring the sound principle that face-to-face negotiations by the parties to the conflict are the surest road toward a peace agreement. Unfortunately, the Egyptian Government still insists upon substantial Israeli concessions as a precondition for serious negotiations. Despite the unyielding attitude of President Sadat on this issue, his opening of a dialog with Israel remains an event of major significance and a continuing source of hope for the future.

SALE OF FIGHTER AIRCRAFT

As long ago as last summer, I was deeply concerned over reports that the United States was contemplating the sale of 60 F–15 aircraft, the most advanced fighter planes in the world, to Saudi Arabia. On August 10, 1977, Congressman BENJAMIN ROSENTHAL of New York, and I wrote a letter to President Carter urging him not to sell F–15's to the Saudis. "Such a sale can only serve to destabilize the military balance in the Middle East," he wrote. "There exists today as never before the possibility that Saudi Arabia could use its sophisticated aircraft against Israel or loan them to another Arab power." President Carter responded on October 11, stating, "I can assure you that I will give the most serious consideration to the issues you have raised."

However, in March President Carter announced that he would recommend the sale not only of 60 F–15's to Saudi Arabia, but also 50 F–5's to Egypt as part of a unified "package," which also included planes for Israel. While many had anticipated that the President might break with traditional U.S. policy and try to sell offensive weapons to Arab nations, most were shocked by the dimensions of the sales and their inclusion in a "take it or leave it" package with armaments vital to the security of Israel.

In a speech in the House of Representatives, I urged the disapproval of the sales of aircraft to Saudi Arabia and Egypt. I pointed out that Saudi Arabia had participated in every Arab war against Israel and that Saudi leaders have consistently promised to make their arsenal of weapons available for military action against the Jewish State. Egypt still possesses formidable Soviet-supplied fighter aircraft and has no need for American planes.

SENATE UPHOLDS THE SALES

As affirmative votes of disapproval are required by both Houses of Congress to block a weapons sale, the failure of the Senate resolution of disapproval meant that the sales would take place as proposed by the President. In the wake of this disheartening development, I addressed a group of some 1,000 students who had come to Washington to protest the unprecedented United States sale of arms to Saudi Arabia and Egypt. I told the students "The task before us now is not to dwell on the unfortunate action of the Senate; rather, the task is to call upon the courage, the dedication, and the inventiveness which have carried Israel through other unhappy events. Let us dedicate ourselves to work in every way possible against any repetition of this transaction. Let us reiterate words used often by Prime Minister Begin: Never Again."

The sale of arms to Egypt and Saudi Arabia places upon Members of Congress who opposed this unwise transaction a special obligation to see to it that Israel receives all of the military equipment it needs to deter any possible attack by the Arab nations, two of which will possess advanced American weapons. We must also monitor events carefully to insure that the restrictions on the use of the F–15's by Saudi Arabia, particularly the prohibition against transfer to other Arab nations or positioning of the planes near the Israeli border, are strictly enforced. Any violation of these restrictions should result in the immediate cessation of American delivery of planes, spare parts, and technical assistance.

THE OUTLOOK FOR PEACE

If the Sadat visit to Israel taught us that goals which seemed impossible can be achieved, the ensuing negotiations taught us that serious problems remain and that the achievement of peace in the Middle East will be one of the most challenging, as well as one of the most important goals on the international agenda.

It is my hope that the United States will cease its efforts to elicit from Israel specific commitments in advance of negotiations. Israel's policy today is the same as it has always been: everything is negotiable. The Arab nations adamantly adhere to specific, absolute conditions, including total withdrawal from the occupied territories. The process may now be entering a phase with greater potential for the accomplishment of an Israeli-Egyptian agreement. Negotiating in private, without outside interference or a preconceived agenda, representatives of these two nations may at least reach an accord on the significant issues which divide them.

Direct negotiations with each individual Arab nation would seem to offer the best hope for a peace agreement which will not jeopardize the security of

Israel. The failure of the U.S. plan to reconvene the Geneva Conference, with the reintroduction of the Soviet Union into the bargaining process, was actually a positive development. The Russians remained without direct influence and the Palestinian problem did not arise as an initial stumbling block. Perhaps the low key meetings of Israeli and Egyptian officials will finally put these two nations on the right track toward a lasting peace agreement.●

LEGISLATION TO AID EMPLOYEES WHO DO NOT REMAIN LONG ENOUGH IN ONE JOB TO COME UNDER A PENSION PLAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. CORMAN) is recognized for 5 minutes.

● Mr. CORMAN. Mr. Speaker, today I am introducing a bill to provide relief to those workers who because of the nature of their jobs never stay with one employer long enough to become vested in a pension plan. They can spend years participating in a series of employer sponsored retirement plans without ever realizing any benefits.

The individual retirement account (IRA) has become a very popular way of making tax deductible contributions for retirement. However, the IRA rules prohibit participants in pension plans from setting up an IRA. This legislation would allow these workers to contribute to an IRA up to the $1,500 annual limit until they are fully vested in their retirement plan. If and when vesting occurs, the employee would take out of the IRA an amount equal to the value of his benefits in the plan. After vesting, the employee could continue to contribute to the IRA up to the $1,500 limit minus the employer and employee contributions.

While this legislation represents the most equitable way to solve this problem, I am aware that it does involve considerable complexity. We will continue to search for simpler approaches that will also be considered by the Ways and Means Committee, but I am introducing this legislation in order to stimulate discussion on this very important matter.●

THE FREDERICK DOUGLASS MUSEUM OF AFRICAN ART

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Louisiana (Mrs. BOGGS) is recognized for 5 minutes.

● Mrs. BOGGS. Mr. Speaker, today, I have reintroduced legislation to authorize the Smithsonian Institution to acquire and operate the Museum of African Art. A total of 88 Members of this House have now seen fit to join me in this endeavor.

With the encouragement of the late Senator Hubert Humphrey and the endorsement of the Board of Regents of the Smithsonian Institution, the sponsors of this legislation hope to see the Frederick Douglass Museum of African Art, devoted to black art and culture, become part of the Smithsonian. This legislation would authorize the transfer of all assets of the museum to the Smithsonian and permit the appropriation of $1 million for the first year of operation.

The budgetary staff at the Smithsonian has estimated the annual salaries and expenses that would be required to run the museum as a Smithsonian component would be about $700,000. Additional amounts during the first year of operation would be required for one time renovation and repair costs to make sure that the physical plant conforms to all applicable Federal codes. Complementing this approximate $1 million in Federal funds, the museum, of course, would continue its present and well developed fund raising efforts in order to enrich whenever possible the basic program capabilities which the appropriated funds would provide.

Mr. Speaker, as I previously mentioned, this legislation has the full support of the Smithsonian Regents. The Institution has in the National Collection of Fine Arts a museum devoted to American art; in the National Portrait Gallery a museum devoted to American portraiture; in the Freer Gallery a museum devoted to the art of the Near and Far East; in the Hirshorn Museum and Sculpture Garden a museum devoted to the contemporary art of Europe and America. The National Gallery of Art possesses one of the world's leading collections of European and American masterworks. But there is not within our complex of national museums any museum devoted to what is now recognized as one of the major artistic traditions of mankind. For both substantive and symbolic reasons this commission should be corrected. Happily, an opportunity now exists to do so. Our colleagues in the other body has already seen fit to pass unanimously S. 2507. I trust the Committee on House Administration will act on this very important proposal at the earliest possible date.

At this point, Mr. Speaker, I ask unanimous consent to insert in the RECORD a "Background Statement" which was prepared by Museum Director Warren Robbins, along with a current listing of cosponsors of this proposal.

BACKGROUND STATEMENT

Established in 1964 in the first Washington residence of the renowned abolitionist, orator, publisher and statesman, Frederick Douglass, the Museum has in the fourteen years of its existence won international acclaim as the outstanding educational and cultural institution in the United States devoted to fostering public understanding of the rich creative traditions of Africa.

From its tentative beginnings in four small rooms of one-half of the Douglass residence, the Museum has grown to a complex of nine row houses in the 300 block of A Street, N.E. on Capitol Hill with a modern addition to the original Douglass "bookend houses" as well as additional carriage house and garage properties along Frederick Douglas Court to the rear.

EDUCATION PROGRAMS

More than a million people have viewed the Museum's exhibitions, participated in its orientation sessions or attended its extension exhibitions and programs in Washington or in museums, schools and universities in many other cities. With education the Museum's primary emphasis, more than 11,000 groups of school children, college students and others from churches, civic and social organizations, etc. have received guided tours of its galleries and been exposed to its interdisciplinary educational approach to the broad subject of African social values and the creative contribution of Africa to world culture. In this respect, the Museum has served as an educational prototype for museums, school systems and universities throughout the nation, which are endeavoring to deal effectively in their own programs and curricula with the African facet of the heritage of man.

Its Department of Higher Education offers courses in six local colleges and will soon establish a consortium through which any university in the United States may send students wishing to study African art and culture.

COLLECTIONS AND RESOURCES

The Museum's collections include some 7000 objects of African sculpture, artifacts and textiles—one of the four principal Museum collections of African art in the United States; the Eliot Elisofon Archives of some 150,000 slides, photos, films and negatives of African art and environment bequeathed to the Museum by the late renowned LIFE photographer in 1973; a specialized library of 5000 items (in addition, the largest assemblage in existence of works by the principal 19th and early 20th century Afro-American artists: some 250 works by Henry O. Tanner, Edward Mitchell Bannister, Robert Duncanson, Edmonia Lewis, Joshua Johnston and others).

EXHIBITIONS AND PUBLICATIONS

Since its establishment 45 exhibitions have been shown at the Museum with some 100 more mounted by it in other locales throughout the United States. Twenty-five catalogues and books and 14 audio-visual packets have been produced, including "The Creative Heritage of Africa," an audio-visual kit distributed world-wide by Encyclopedia Britannica, and "Tribute to Africa, the Photography of Eliot Elisofon," a slide presentation converted into CINE "Golden Eagle" award-winning film.

Approximately 500 objects of art and artifacts are displayed in the Museum's 12 public galleries at any given time, supplemented by selected color photo-panels by Elisofon and most recently by a permanent outdoor mural exhibit replicating in the Museum's inner court and along the walls of Frederick Douglass Court, from A Street to Constitution Avenue, the brilliant geometric color mural seen in the N'Debele villages of Southeastern Africa. The Museum's Botique Africa, highlighting contemporary craft objects from Africa, usually mounts two exhibitions per year to supplement its regular sales operation.

PURPOSES AND GOALS

To reveal the aesthetic significance of African art, as one of the great creative traditions of mankind; to help replace myth and misconception with valid scientific and historical insight about African culture; to provide proper representation for the African heritage in the spectrum of museums in the nation's capital—these are the goals of the Museum of African Art.

With its unique resources and programs, the institution which utilizes the instrument of an art museum for what are essentially purposes of social education fulfills a real and genuine need in Washington both as a community and as the Nation's capital.

SPONSORS OF MUSEUM OF AFRICAN ART LEGISLATION

Mr. Addabbo, Mr. Akaka, Mr. Anderson of Illinois, Mr. Annunzio, Mr. Baucus, Mr. Bonoir, Mr. Brademas, Mr. Brown of California, Mrs. Burke of California, Mr. John L.

Burton, Mr. Carr, Mr. Cederberg, Mrs. Chisholm, Mr. Clay, Mrs. Collins of Illinois, Mr. Conable, Mr. Conyers, Mr. Corman;

Mr. Dellums, Mr. Diggs, Mr. Dodd, Mr. Downey, Mr. Drinan, Mr. Edgar, Mr. Eilberg, Mr. Edwards of California, Mr. Erlenborn, Mr. Fascell, Mr. Fauntroy, Mr. Flood, Mr. Ford of Michigan, Mr. Ford of Tennessee, Mr. Forsythe, Mr. Fraser, Mr. Frenzel, Mr. Goodling;

Mr. Harrington, Mr. Harris, Mr. Hawkins, Mr. Horton, Miss Jordan, Mr. Kastenmeier, Mr. Lehman, Mr. Long of Louisiana, Mr. McFall, Mr. Mahon, Mr. Meeds, Mr. Metcalfe, Ms. Mikulski, Mr. Mikva, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Moss, Mr. Nolan;

Mr. Nix, Mr. Oberstar, Mr. Ottinger, Mr. Pattison of New York, Mr. Pepper, Mr. Preyer, Mr. Price, Mr. Quie, Mr. Rangel, Mr. Richmond, Mr. Rodino, Mr. St Germain, Mr. Sarasin, Mr. Scheuer, Mrs. Schroeder, Mr. Seiberling, Mr. Simon;

Mr. Solarz, Mrs. Spellman, Mr. Stark, Mr. Steers, Mr. Steiger, Mr. Stokes, Mr. Thompson, Mr. Tsongas, Mr. Udall, Mr. Vento, Mr. Waxman, Mr. Weiss, Mr. Whalen, Mr. Charles Wilson of Texas, Mr. Winn, Mr. Zefferetti, Mrs. Boggs.●

WORLD WAR I PENSION IS STILL NEEDED

(Mr. ANDERSON of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDERSON of California. Mr. Speaker, yesterday I stood on this House floor asking you and the other Members of this body to vote down H.R. 10173, the Veterans and Survivors' Pension Improvement Act.

I did this thinking that there was sufficient support for a World War I pension to defeat H.R. 10173 under suspension of the rules. It then could be brought back under a regular rule which would permit us to add a separate World War I pension to this omnibus reform bill.

Even though I supported several sections of H.R. 10173, I thought that enough Members wanted this separate World War I pension that there would be support for my effort yesterday. I was wrong.

I hold no ill feelings for the 219 Members who joined me in cosponsoring the World War I Pension Act in this Congress. I recognize it was a bad tactic on my part to think that we could defeat a committee's bill under suspension of the rules. I took to heart the comments of my colleagues yesterday. H.R. 10173 was a good bill, and for me to attempt to defeat it because it left so many World War I veterans and their widows out in the cold was unfortunate.

The fact is, we must all rally behind H.R. 10173 and make every effort to get it enacted. We must do this in order to assure our veterans that the several provisions we have waited so long for are passed into law.

There is no doubt of my support for H.R. 10173's provision that eliminates the problem of veterans' monthly payments being reduced every time social security benefits are increased. This inequity has hit especially hard our World War I veterans and their widows. It is this group with their $5 and $10 monthly checks that I was urging a separate $150 pension. For it is these World War I veterans who over the years have lost their pensions and are left with nothing in H.R. 10173.

So the section of H.R. 10173 that now eliminates this problem will at least assure these aging veterans of the First World War that they will keep their $5 payments.

Another part of the committee's bill that is long overdue that I totally support automatically indexes pension rates to the Consumer Price Index on the same basis as social security benefits. Now, these WWI veterans will see their $5 pensions climb with the rate of inflation—this is only fair. This section will thus help our poorest of veterans keep pace. True, at the poverty level, but nevertheless in line with inflation.

Mr. Speaker, Representative MARGARET HECKLER told us that Congressman MONTGOMERY, the chairman of the Pension Subcommittee, has promised that there will be further consideration and an inquiry into the problems of WWI veterans during the next Congress.

I welcome this news for even though the Members of this House voted to pass H.R. 10173 without a separate WWI pension—Chairman MONTGOMERY'S promise gives us hope that the plight of our First World War veterans will be before us again.

The day after the vote on H.R. 10173, the Washington Post carried an article saying:

> The only opposition to the bill came from Rep. Glenn Anderson (D-California) who . . . wanted to give the WWI vets, their widows, and children, $150 per month. . . .

As long as we have these veterans in need and this need remains unanswered, we will find such bills as my H.R. 9000 trying to get to the House floor for a vote.

As one colleague from Florida said during the debate on H.R. 10173:

> Surely our World War I veterans are entitled to a vote by this body as to whether we consider their service to our Nation as justified.

As a matter of equity and as a matter of dignity, we cannot settle for anything less.

COAL SLURRY PIPELINES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. SKUBITZ) is recognized for 10 minutes.

● Mr. SKUBITZ. Mr. Speaker, I am deeply disturbed by what I feel is a precipitous and ill-conceived course of action that the Congress may be embarking on in its forthcoming consideration of H.R. 1609, the "Coal Pipeline Act of 1978."

As ranking minority member on the Committee on Interior and Insular Affairs, I have watched with incredulity as this special interest bill has been rammed through that committee and the Committee on Public Works. Only yesterday, the bill received the same cursory treatment in the Rules Committee.

The Committee on Interstate and Foreign Commerce, on which I also serve, requested sequential referral of the bill. This request was denied but the committee was authorized by the Speaker to develop a position on the legislation. Moreover, the committee was advised that Rules Committee consideration of the bill would not be scheduled for at least 30 days following the date the bill was reported by the Committee on Public Works and Transportation.

A report on coal slurry pipeline and H.R. 1609 was approved by the committee s Subcommittee on Transportation and Commerce. The full committee commenced consideration of this report on Wednesday, deferring temporarily its work on an important health bill. When the coal slurry pipeline report was brought before the committee, a principal sponsor of H.R. 1609 used every parliamentary maneuver at his disposal to prevent the committee from considering the merits of the report, which lays out in painstaking detail serious concerns about the consequences of coal slurry pipeline development which H.R. 1609 has failed to address. The concerns are highlighted in the report's table of contents which follows:

Introduction:

I. The Federal grant of the power of eminent domain to coal slurry pipelines is not in the public interest.

A. Federal condemnation powers should not be granted for slurry pipeline promotion.

B. The common carrier railroad system can adequately handle the demand for reasonable and economic coal transportation.

C. Absence of benefit to consumers.

D. Illusory competition.

E. Wasteful allocation of water resources and other adverse environmental impacts.

F. Conclusion.

II. H.R. 1609 provides neither a comprehensive nor rational nor equitable statutory scheme for increased coal transportation capability or regulation of slurry pipeline in the public interest.

A. H.R. 1609 undermines the common carrier railroad industry which serves the entire economy.

B. H.R. 1609 threatens employment stability.

C. H.R. 1609 disregards consumer interests.

D. H.R. 1609 represents special-interest legislation.

E. H.R. 1609 neglects serious environmental concerns.

F. H.R. 1609 fosters the wasteful use of energy.

G. H.R. 1609 facilitates excessive economic concentration.

H. H.R. 1609 prejudices Federal and State water rights.

I. Conclusion.

III. National transportation policy should govern slurry pipeline transportation.

A. Coal is only one of many solid commodities which could be transported by pipeline.

B. The national energy policy adequately addresses increased coal production and use.

C. Conclusion.

Nevertheless, without the benefit of the views of the Commerce Committee, the Rules Committee granted a rule on the bill.

This incredibly hasty action puzzles

me. What is the emergency that justifies this type of action when the bill cannot be brought to the floor until after the forthcoming district work period? Construction on the pipeline will not begin tomorrow or even next year. The delay in floor action would have been a couple of days at most.

I believe that the report would have been of significant value at every stage of the legislative process. I believe that it will be of significant value to the members in their consideration of H.R. 1609 before it reaches the floor. I can only conclude that the proponents of this bill prefer to stifle any discussion of it which disagrees with its approach.

In my view, the legislative process is ill served by these steamroller tactics. The Commerce Committee report should be available within the next few legislative days and I urge Members to review it carefully and consider its warnings before casting their votes on H.R. 1609. In particular, the House should be aware of the unprecedented grant of governmental power to private interests in this bill: The Congress has never before granted the power of Federal eminent domain to pipelines unless these privately owned companies were the only feasible means of transporting an essential commodity and were governed by all the consumer safeguards inherent in meaningful and enforceable common carrier obligations. H.R. 1609 recognizes neither of these principles and represents a radical departure from fundamental national policy designed to justify exceptional encroachment on individual property rights in the broad public interest. ●

THE BAKKE DECISION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York, (Mr. GARCIA) is recognized for 5 minutes.

● Mr. GARCIA. Mr. Speaker, I rise to express my dismay at the decision today by the Supreme Court on the Bakke decision. Mr. Speaker, there were compelling reasons why the Bakke case should not have been the case brought to the Supreme Court, and those reasons became abundantly clear when decision was handed down today. The decision in favor of Mr. Bakke is narrow. It affirms Mr. Bakke's right to admission at Davis, and says that Davis' affirmative action program is bad. Those are the specifics of the decision, and that, unfortunately is what too many people will see—and all they will see.

What must be seen, and reaffirmed over and over again, is that affirmative action is not dead, and that programs that will increase access for minorities to education and jobs are indeed constitutional and proper.

I could focus on what I perceive as the reactionary legacy of Richard Nixon's administration, and I could focus on my feeling that the decision is a reflection of a frightening attempt by the conservative sectors of our society to undo the slow and painful progress that minorities are making to assume their equal place in American life. Those things are true, they worry me, and it is an object lesson to me that we who care about the basic rights of American citizens must redouble our efforts in this great struggle.

But, finally, I feel that for now we must maximize the positive impact of Bakke. We cannot let the American people, particularly those who administer our institutions, businesses, and even our Government itself forget the words of Justice Powell in his decision this morning: "The judgment below is * * * reversed insofar as it prohibits petitioner from taking race into account as a factor in its future admissions decisions." ●

EXPORT-IMPORT BANK FINANCING NOTIFICATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognized for 5 minutes.

● Mr. NEAL. Mr. Speaker, I call to the attention of my colleagues a communication from the Export-Import Bank which has been referred to me as chairman of the Banking Subcommittee on International Trade, Investment and Monetary Policy. The communication notifies the Congress of a proposed Eximbank transaction to assist in financing the export from the United States of U.S. goods and services to be used in the construction of a gas liquefaction plant at Arzew, Algeria.

Section 2(b)(3) of the Export-Import Bank Act of 1945 requires the Bank to notify Congress of any proposed loan, guarantee, or combination thereof in an amount of $600 million or more at least 25 days of continuous session of the Congress prior to the date of final approval. Upon expiration of this period, the Bank may give final approval to the transaction unless the Congress dictates otherwise.

In the proposed transaction with Algeria, a direct loan totaling $240 million would be made to Societe Nationale pour la Recherche, la Production, le Transport, la Transformation et la Commercialisation des Hydrocarbures (SONATRACH), a state-owned enterprise of the Democratice and Popular Republic of Algeria, to assist in financing the export from the United States of U.S. goods and services for the LNG-2 gas liquefaction plant at Arzew, Algeria. Eximbank participation would cover 75 percent of the total cost of the U.S. goods and services for the project. Private sources will provide an additional 10 percent, or $32,000,000. The total loan would bear interest at the rate of 8.5 percent per annum. A commitment fee of .5 percent would be charged on the undisbursed portion of the loan. The loan would be repaid over 10 years in 20 equal semiannnual installments beginning March 1, 1982. The private loans would be repaid out of the first two and part of the third installments, and the Eximbank loan would be repaid for the remainder.

I am inserting at this point in the RECORD the letters from Eximbank pertaining to these transactions with the accompanying materials. I welcome any comments my colleagues may wish to offer concerning this proposed transaction.

EXPORT-IMPORT BANK OF THE UNITED STATES,
Washington, D.C., June 21, 1978.

Hon. STEPHEN L. NEAL,
Chairman, Subcommittee on International Trade Investment and Monetary Policy, Committee on Banking, Finance, and Urban Affairs Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, I have reported to the President of the Senate and the Speaker of the House of Representatives on an application currently pending consideration by the Bank. I am taking the liberty of providing you with a copy of this statement.

Sincerely,

JOHN L. MOORE, Jr.

EXPORT-IMPORT BANK OF THE UNITED STATES,
Washington, D.C., June 21, 1978.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES,
The Speaker's Room,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States House of Representatives with respect to the following transaction involving U.S. exports to Algeria.

A. DESCRIPTION OF TRANSACTION

1. Purpose

Eximbank is prepared to extend a direct credit in the amount of $240,000,000 to Societe Nationale pour la Recherche, la Production, le Transport, la Transformation et la Commercialisation des Hydrocarbures (SONATRACH), a state-owned enterprise of the Democratic and Popular Republic of Algeria, to assist in financing the export from the United States of U.S. goods and services for the LNG-2 gas liquefaction plant at Arzew, Algeria (LNG-2 Plant).

The total cost of the LNG-2 Plant is estimated at $1,715,800,000, with non-Algerian costs amounting to $1,164,400,000, including U.S. costs of $320,000,000. There has been strong competition for the sale of exports for the LNG-2 Plant by other countries which are providing officially supported export financing totaling $488,000,000.00.

The LNG-2 Plant is part of an overall system in Algeria consisting of (1) the LNG-2 Plant itself at Arzew on the Mediterranean coast, (2) the gas field treatment facilities at Hassi R'Mel in the Sahara desert, and (3) a 315-mile gas pipeline connecting the two. Exports for the gas field treatment facilities and the gas pipeline for the LNG-2 Plant are being supplied by non-U.S. exporters whose countries are providing officially supported export financing for such related facilities totaling $411,000,000.00.

An earlier liquefaction plant (LNG-1 Plant) also supported by Eximbank financing, is in process of completion at Arzew and is part of an overall system similar and related to the LNG-2 overall system. Both systems, as well as others which are planned, will draw from the Hassi R'Mel field, and some of the systems will have certain facilities in common. The prior Eximbank financing supported the sale and export of U.S. goods and services not only for the LNG-1

Plant but also for the gas field treatment facilities and gas pipeline built in connection with the LNG–1 Plant.

2. Identity of the Parties

SONATRACH is the state-owned monopoly of Algeria under the jurisdiction of the Ministry of Energy and Petrochemical Industries charged with the responsibility for the development of Algeria's oil and gas resources.

Banque Algerienne de Developpement is the government-owned development bank which will guarantee repayment of Eximbank's credit for and on behalf of the Democratic and Popular Republic of Algeria.

3. Nature and Use of Goods and Services

The principal goods and services to be exported from the United States for use in the construction and operation of the LNG-2 Plant include U.S. services for engineering, procurement and construction supervision, and U.S. goods consisting of cryogenic heat exchangers, pumps, compressors, filters, bulk construction materials and equipment, and portable camp housing. The major U.S. suppliers for the project are the Pullman Kellogg Division of Pullman Incorporated, Houston, Texas, and Air Products and Chemicals, Inc., of Allentown, Pennsylvania.

B. EXPLANATION OF EXIMBANK FINANCING

1. Reasons

The proposed extension of a $240,000,000 credit by Eximbank will facilitate the export of $320,000,000 of U.S. goods and services. In addition to the engineering, design, and construction work that will result from this project for Pullman Kellogg, many other firms throughout the United States will receive contracts to supply equipment. Export sales generated by the project will result in an estimated 12,800 man-years of employment in the United States. There has been very active foreign competition offering official export credit support for this project from, among others, Belgium, Canada, Japan, and the Netherlands. None of the goods to be exported is in short supply in the United States, and Eximbank perceives no adverse impact on the U.S. economy from the export of these goods and services.

The LNG–2 Plant and related system are major elements of Algeria's long-range plan to develop its vast reserves of natural gas. They will generate substantial amounts of foreign exchange earnings for Algeria and will help to expand the world supply of energy. Unlike the LNG–1 Plant, which will be a major supplier of natural gas to the United States, there are as yet no final arrangements for the sale of natural gas from the LNG–2 Plant to the United States. Ultimately, sales could be made to the United States or Europe, or both, but Algeria already has sufficient sales contracts to utilize the output of both the LNG–1 and LNG–2 Plants.

Because of present and past sales of U.S. goods and services with the support of Eximbank financing for Algeria's program for development of its natural resources, American firms will be in a better position to compete for further export sales under Algerian plans for other projects in such development.

2. The Financing Plan

The total cost of U.S. goods and services to be exported from the United States for the LNG–2 Plant is estimated to be $320,000,000, which will be financed as follows:

		Percent
Cash payment	$48,000,000	15
Eximbank credit	240,000,000	75
Private loans not guaranteed by Eximbank	32,000,000	10
Total	320,000,000	100

(a) Eximbank Charges. The Eximbank credit will bear interest at the rate of 8.5 percent per annum, payable semiannually. A commitment fee of ½ of 1 percent per annum will be charged on the undisbursed portion of the Eximbank credit.

(b) Repayment Terms. The total financing of $272,000,000, consisting of the Eximbank credit and private loans will be repaid by the Borrower in twenty equal semiannual installments beginning March 1, 1982. The private loans would be repaid out of the first two and part of the third installments, and the Eximbank credit would be repaid from the remainder.

Sincerely,

JOHN L. MOORE, Jr.●

INTRODUCTION OF LEGISLATION ON FARM WATER ACT OF 1978

(Mr. SISK asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SISK. Mr. Speaker, I have the privilege today of introducing legislation providing for the modernization of reclamation laws under which irrigation and public power projects have been constructed in the 17 Western States.

Joining me in introducing this legislation are the distinguished chairman of the House Committee on Public Works, Mr. JOHNSON of California; Mr. EVANS of Colorado, Mr. RONCALIO, Mr. RUNNELS, Mr. LUJAN, Mr. MARLENEE, Mr. CLAUSEN, and Mr. BURGENER.

This legislation is the product of many months of work by a broad cross section of people interested in irrigation. They represented the views of many States under the banner of the Farm/Water Alliance. As it stands today, this legislation is not what any of the individual Western States would introduce if it were to look out only for its own interests. Rather, it represents the nearest thing possible to a consensus of the water people from the West.

The distinguished chairman of the Water and Power Resources Subcommittee of the Interior Committee, Mr. MEEDS, plans to hold hearings next month on this bill and others dealing with the same subject. Although the administration's general position is known on the basis of testimony presented to the other body earlier this year, an administration bill has not yet been introduced in the House.

Generally speaking, the administration seems to be pursuing a course of land redistribution under the guise of enforcing reclamation law. In the process of attempting to do this, the Department of Interior is casting aside 75 years of precedent and saying that everything that has been done up to now, and every interpretation of law up to now, has been wrong.

Our legislation, on the other hand, attempts to reconcile the economics and technology of modern-day agriculture with the need to protect the broad public interest. The sponsors of this legislation have a positive perception of reclamation law and the projects built under it. The dollars spent are not lost dollars—they are invested dollars. They are job-creating dollars. They are dollars which stimulate the production of food to feed our Nation and create the exports to help with our balance of payments problems.

The people of the State of California have long ago recognized the necessity of a partnership approach in the development of needed water resources and the legislation which we are introducing today offers a clear signal to the people of the State of California—as well as the rest of the Western States—that the Congress remains committed to the principle of water resource development. This means a great deal to the State of California, where the General Accounting Office has estimated that even if all proposed Federal, State, and local projects are built, firm water supplies will be insufficient to the year 2000—a scant 22 years away.

The national interest is also very much at stake. Pursing the land distribution policies advocated by the Department of Interior will result in the creation of small, inefficient farming units which will increase the cost of food production. Preliminary figures from one of our major banks, for instance, show that the cost of producing canning tomatoes will be increased as much as 29 percent if farm operations on the west side of the San Joaquin Valley of California were limited in size to 320 acres.

We will be inviting other Members of the House to join with us in sponsoring this legislation and in order to provide the membership with a general outline of what the bill contains, I ask unanimous consent to have a summary of the bill printed along with these introductory remarks.

Thank you.

The summary follows:

SUMMARY OF FARM WATER ACT OF 1978

PURPOSE

The purpose of this bill is to liberalize the landholdings of the reclamation law by increasing the basic ownership from 160 acres per person to ½ section in return for a restriction on windfall profits for a period of 10 years. The Act also, for the first time, would recognize that the reclamation law must either provide the social benefit of breaking up individual landholdings or be paid for without subsidy by the users of the project. It in effect gives the users a choice. They can pay for the project and escape the limitations of reclamation law or receive the subsidized benefits and reduce their land ownership to three hundred and twenty (320) acres.

EXPLANATION

Section 3—Definitions—"Written Representations", can be either a contract or opinion, or other administrative interpretations or rulings implementing Federal reclamation law.

A "Contracting Entity" includes individual landowners who may have entered into recordable contracts, as well as irrigation districts.

The "Landowner" definition includes a requirement that an owner of reclamation land must be a citizen of the United States.

"Project" and "Project Water" are defined in such a way as to include only those projects under reclamation law in which new water, that would not have been available but for those facilities, is introduced under

a contract with a contracting entity to the project area.

Section 4—This section would validate all of the written representations made on behalf of the United States under the Federal Reclamation Law including not only specific contractural rights but also such writings as solicitors' opinions on which contracting entities and individual landowners have relied in the past.

Section 5—This section would establish an ownership limitation of three hundred and twenty (320) acres of the Class I land in place of the present one hundred and sixty (160) acres. There is also provided an equivalency provision which would allow larger acreages where the land does not have the same productivity, because of topography, soil characteristics, adequacy of water supply, crop adaptability, cost of crop production, or length of growing season equivalent to the Class I land. The additional acreage would be established by the Secretary of Interior after hearings and he cannot limit project water until such hearings have been held.

This section also preserves present law by allowing a lender that acquires the property by foreclosure, to sell the land without price approval within a five year period. Corporate or individual trustees and landowners which are other than a natural person may hold land eligible to receive water provided that the underlying beneficial owners are qualified as individual owners.

Section 6—This section provides for certain defined exemptions from reclamation law. It introduces the payout concept which permits a district to either pay the full amount of the obligation or make periodic payments with interest and thereby relieve the property within that district from the application of excess land laws.

The interest rate is to be either contractual or the average rate paid by the United States on its marketable securities during the construction period.

In addition other lands are exempt depending on certain sources of water. These include temporary project water, water which is merely diverted or regulated such as in Corps of Engineers Projects, water which reaches property through unavoidable seepage, deep percolation, or ground water recharge. Land would also be exempt if it receives 15% or less of its irrigation needs from project water.

Section 7—A certification provision is provided for clearing title to lands of the acreage limitations when the project has been paid for.

Section 8—This section would provide that the three hundred and twenty (320) acreage limitation would be increased to reflect the decreasing amount of project water supplied to a project above the 15 percent threshold amount.

Section 9—This section deals with the requirements of a recordable contract and its provisions in order to qualify land in excess of three hundred and twenty (320) acres to receive project water. It provides that a landowner may designate his non-excess lands, a contract is not required until the water is delivered, the owner is entitled to sell his excess land to the buyer of his choice at its fair market value without reference to the project water, land can be sold at any time prior to the exercise of the power of attorney under recordable contract and that non-agricultural uses of the property can be retained by an excess owner.

Section 10—This section provides, for the first time, an anti-speculation provision in reclamation law. A landowner or his family or beneficiaries under his will or gifts would have to retain the property for ten years before it could be sold for anything more than his costs plus an allowance for cost of living increase.

Section 11—This section repeals the residency requirement of the 1902 Act.

Section 12—This section provides that the Act will apply only to existing projects or by contract to future projects, no previous exemptions are repealed, individual contracts may be amended to conform to the more liberal provisions of this Act, and only provisions of Federal reclamation laws which are inconsistent with this Act are amended. It allows the Secretary to request a court to terminate the right to receive water when there are fraudulent misrepresentations of the sale price or ownership.

Section 13—This section grants contracting entities the right to bring the United States into court for purpcses of resolving conflicts in reclamation law.

Section 14—This section restates the language of section 46 of the Omnibus Adjustment Act of 1926 which is not changed by other provisions of this Act and eliminates language which is no longer needed.

CONTRACTUAL RELIEF IN THE CASES OF GENERAL DYNAMICS CORPORATION AND LITTON INDUSTRIES, INC.

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PRICE. Mr. Speaker, on behalf of the Committee on Armed Services, I am taking this method to inform Members of the House of certain contract actions proposed by the Secretary of the Navy which are subject to disapproval by either House of the Congress.

On June 22, 1978, the Honorable W. Graham Claytor, Jr., the Secretary of the Navy, notified the Committee on Armed Services that he intends to modify two contracts with the General Dynamics Corporation (Electric Boat Division) for the construction of SSN-688 class submarines by invoking the provisions of Public Law 85-804, 50 U.S.C. 1431.

On June 24, 1978, Secretary Claytor notified the Committee on Armed Services that he intends to modify two shipbuilding contracts with Litton Industries, Inc./Litton Systems, Inc. (Ingalls Shipbuilding Division) for the construction of LHA amphibious ships and DD-963 class destroyers, also using the provisions of Public Law 85-804.

Public Law 85-804 authorizes the modification and amendment of contracts without regard to other provisions of Federal contract law whenever the President deems that such action will "facilitate the national defense." Where the proposed contractual relief involves an obligation of funds in excess of $25 million, Public Law 85-804 requires that a written notification be made to the Armed Services Committees of the Senate and House of Representatives. The law also prohibits any obligation of funds until a 60-day period of congressional review has expired during which neither House of the Congress has passed a resolution of disapproval. Excluded from the 60-day period are days on which either House is not in session because of an adjournment of more than 3 days to a day certain, and days during which the Congress is adjourned sine die.

I have requested that the Comptroller General assist the committee in gathering facts and determining whether the proposed contractual actions comply with applicable laws and regulations.

When the Comptroller General has completed his work, the Committee on Armed Services will hold hearings on the proposals probably in late July or early August.

For the information of the House, I ask that the letters of the Secretary of the Navy be inserted into the RECORD at this point.

DEPARTMENT OF THE NAVY,
Washington, D.C., June 22, 1798.

Hon. MELVIN PRICE,
Chairman, House Armed Services Committee, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is to notify you of the steps taken by the Navy under the provisions of P.L. 85-804, 50 U.S.C. 1431 (Supp. 1977) to reform two SSN 688 contracts with the General Dynamics Corporation (Electric Boat Division).

Attached are the memorandum of decision to invoke P.L. 85-804, supporting analysis (Attachment 1) and the Agreement reached with the General Dynamics Corporation on 9 June 1978 (Attachment 2). This decision is the outcome of a long series of arduous and complex negotiations and is considered by the Navy to be decidedly in the national interest.

The contract modifications that will implement the memorandum of decision are being prepared. It is expected that the parties will sign these modifications by mid-July. A copy of the modifications will be then immediately forwarded to you.

This letter and an identical letter addressed today to the Chairman of the Senate Armed Service Committee, are submitted in compliance with the notification requirements of 50 U.S.C. 1431. Information copies are being forwarded to the Chairmen of the Senate and House Appropriations Committees. Upon favorable conclusion of the 60-day period provided for Congressional review, the Agreement of 9 June 1978 and the contract modifications would automatically become effective.

Please do not hesitate to call upon me or members of my staff for such assistance as you may desire in the course of your review.

Sincerely,

W. GRAHAM CLAYTOR, Jr.,
Secretary of the Navy.

MEMORANDUM OF DECISION

GENERAL DYNAMICS—ELECTRIC BOAT

This decision memorandum is the outcome of strenuously contested and complex negotiations by the Navy Department and General Dynamics—Electric Boat (EB) Division since December 1977.

The General Dynamics position is that the anticipated costs to the completion of two SSN 688 contracts* in 1984, unreimbursed to General Dynamics without claims recovery, in the amount of $843 million, place an unacceptable burden on its corporate structure and stability; and that if the measure of relief described herein is not granted, it has

*N00024-71-C-0268 and N00024-74-C-0206.

no reasonable choice but to stop work on the remaining fifteen SSN 688 nuclear attack submarines and rely upon appropriate judicial action.

Independent financial verification confirms the magnitude of the anticipated unreimbursed costs.

A detailed analysis of the history of the two SSN 688 contracts and the controversy it has engendered, together with the risks and uncertainties of protracted, highly complex litigation, lead to the conclusion that it will "facilitate the National Defense" for the Navy to grant to General Dynamics the measure of relief described in this Memorandum and in Attachments 1 and 2, subject to the conditions described therein.

HISTORICAL BACKGROUND

The Navy entered the 1970s with an urgent demand for a new class of nuclear attack submarines that would embody significant advances in submarine technology. The SSN 637 Class nuclear attack submarine, dating back to the early 1960s, had been an extremely successful program due in large measure to excellent performance by Electric Boat, the designer and major producer of this Class.

On the basis of assumptions that history would later portray as overoptimistic, the SSN 688 program was considered to be merely an evolution from the SSN 637. In retrospect, significant misjudgments were made by both the Navy and industry. The attractiveness of the long term business base provided by the SSN 688 Class seemingly resulted in a willingness by the shipbuilder to accept contractual terms which would later prove unwise. The Navy elected to develop an alternate design capability for submarines after exclusive use of EB design talent for almost 20 years. With the SSN 688, Newport News Shipbuilding Division of Tenneco became a submarine design agent for the first time and was also awarded the lead ship contruction in February 1970.

In January 1971 the first production contract was awarded after intense competition among three shipbuilders. EB was awarded seven SSN 688s and Newport News four. With the benefit of hindsight it can now be concluded that unwarranted optimism governed the competition and resulting contract. By basing the award on ceiling price competition, the fixed-price-incentive contracts allowed little cost growth flexibility. This approach for the first production contract of a new weapon system was thereafter quickly abandoned by the Navy.

In the early phases of construction it became evident that the Navy design agent was having difficulty in providing GFI (Government-Furnished Information) in a timely manner. Yet, optimism seemingly continued to prevail in all quarters. Neither Newport News nor Electric Boat appeared to recognize that major problems were imminent. From a national security standpoint, construction and deployment of more SSN 688s at a rapid pace were considered essential.

In this environment Congress authorized eleven additional SSN 688s for the FY 73–74 program requirements. These represented the second flight of construction. Original Navy strategy was to split this unusually high quantity between EB and Newport News.

Second flight negotiations were significantly influenced by SSN 637 experience and early first flight experience, primarily estimates rather than actuals. In retrospect, the EB estimates to complete have proved to be grossly understated. For whatever reasons, Newport News' bid was essentially noncompetitive. On 31 October 1973, EB was awarded a contract for seven SSN 688s followed by an option for four more on 10 December 1973. This award was made despite Navy in-house concern over the ability of EB to meet schedule. Within a period of 35 months, EB as follow shipbuilder was awarded a total of 18 SSN 688s, or 78 percent of the total construction program authorized to that date.

The SSN 688 schedule and cost problems gradually surfaced as the danger signals became increasingly strong. EB was forced by its contractual commitments into a dramatically rapid growth in its labor force, aggravated by the award of the first TRIDENT contract in July 1974. Delays were experienced in the receipt of GFI. Materials were impacted by inflation, shortages of needed materials, and expanding leadtimes. Double digit inflation seriously dislocated the American economy precisely in 1974–1975.

In late 1974, EB finally avowed its serious difficulties. A February 1975 claim for $220 million was settled with the Navy for $97 million, and was followed by the filing of a December 1976 claim for $544 million. Its most recent assessment in the 1977 General Dynamics Annual Report acknowledges an anticipated loss of $843 million to the final construction of the eighteen SSN 688 submarines. Coopers & Lybrand, a firm of independent public accountants retained by the Navy, has concluded, based on their comprehensive review, that General Dynamics employed reasonable procedures in arriving at this amount. This unprecedented loss has been a focal point in the complex negotiations leading to the settlement agreement.

CRITICAL ISSUES

The agreement which ultimately emerged from these negotiations culminates almost four years of contention and uncertainty. The conclusion reached is that the EB-SSN 688 problem is of paramount national interest that requires recognition of the financial consequences flowing from contractor and Government related causes, as well as other causes beyond the control of either party. The following critical issues were revealed in the negotiations:

EB management underestimated the complexity of the SSN 688 in its proposals and was unable to control manpower and productivity effectively during contract performance.

The competitive environment and respective bid strategies of EB and Newport News resulted in the award to EB of all eleven submarines of the second flight with all the risks inherent in that decision.

Choice of an alternative design source resulted in significant costs to EB despite efforts by the Navy to make this an effective process.

Lateness of GFI had a serious delaying and disruptive effect on EB.

Given the above factors the protection against inflation afforded by the first two SSN 688 contracts proved inadequate under conditions of schedule slippages and during the double digit era of 1974–1975.

Shipbuilding uniqueness and complexity connected with the new SSN 688 attack submarine were intensified by the severely restrictive contractual structure, the inadequate productivity of a rapidly multiplying work force, and the extraneous forces of unforeseen inflation.

The negotiations commenced actively in October 1977, broke off in mid-March 1978 when EB announced termination of construction and were resumed in late March when a 2-month moratorium of the contractor's stop-work order was agreed upon. The agreement of the parties (Attachment 2) was reached on June 9, 2 days before expiration of the moratorium and after a further stop-work notice given on June 5.

BASIC ELEMENTS OF AGREEMENT

The prolonged negotiations ultimately produced the following basic elements of agreement which are embodied in an Aide Memoire signed by the parties on June 9, 1978 and included herewith as Attachment 2.

1. Navy recognizes a $125 million price increase on the two contracts by reason of the claims filed by General Dynamic in December 1976 in the face amount of $544 million.[1]

General Dynamics will absorb a loss of $359 million or half of the remaining $718 million loss; the Navy will pay the other half, or $359 million, under Public Law 85–804.

2. Cost underruns will be shared on a 50/50 basis, as will cost growth in an aggregate amount not to exceed $100 million, beyond which General Dynamics will assume sole responsibility.

3. Costs, if any, solely attributable to inflation rates based on BLS indices, above the 7% labor and 6% material annual inflation upon which the $843 million loss is projected, will be the responsibility of the Navy.

4. The contract prices of the two SSN 688 contracts are to be increased to $2,668 million, $843 million (amount of the projected loss) above the current figure. Pursuant to such contract adjustments, the Navy will make an initial progress payment to General Dynamics of about $300 million, approximately $45 million less than the unreimbursed costs incurred to date by General Dynamics.[2] The balance of the $359 million loss assumed by General Dynamics—$314 million—will be withheld from progress payments during the construction period, with more than one-half of that amount (approximately $200 million) to be absorbed by General Dynamics by the end of 1980.

5. General Dynamics will fully release, in form satisfactory to the Navy, all claims on the SSN 688 contracts based on events to date, as well as any past impact of the SSN 688 contracts on the TRIDENT contract, an aspect of major importance.

6. The agreement is subject to appropriate Congressional review and the availability of appropriations.

By implementing the foregoing basic elements of the Agreement between the Navy and General Dynamics, the Navy will, by strict analysis, pay a competitive price for the 18 SSNs constructed by General Dynamics.

DECISION

Electric Boat and the Navy must get on with the business of building essential combatant ships. TRIDENT and the SSN 688 go to the very heart of the Nation's strategic and defense forces. Construction of these ships and the availability of Electric Boat as a strong and capable source of future work, are essential to our national defense. Not granting the relief set forth above will inevitably mean long years of litigation and a disruptive relationship that will unreasonably jeopardize the national defense.

Accordingly, in the exercise of my residual powers under Public Law 85–804, 50 U.S.C. No. 1431 *et seq.*, and in accordance with the agreement (Attachment 2) reached with the General Dynamics Corporation, an Agreement which is expressly made subject to the Congressional review provided in Public Law 85–804, it is my decision that it will "facilitate the National Defense" to reform the two SSN 688 contracts with General Dynamics in accordance with the provisions of such Agreement. The contracting officer will pre-

[1] General Dynamics has repeatedly and publicly stated that it was preparing additional substantial claims, based on events subsequent to November 1, 1976, cut-off date of the above claim. The estimated magnitude was privately (prior to June 9) said to be an additional $750 million.

[2] It is estimated that the unreimbursed costs will increase to approximately $60 million by the effective date of the contract modifications.

pare and execute the required contractual terms and conditions in accordance with the stipulations of Attachment 2 which are an integral part of this decision.

W. GRAHAM CLAYTOR, Jr.,
Secretary of the Navy.

DEPARTMENT OF THE NAVY,
Washington, D.C., June 23, 1978.

Hon. MELVIN PRICE,
Chairman, House Armed Services Committee, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is to notify you of the steps taken by the Navy under the provisions of P.L. 85–804, 50 U.S.C. 1431 (Supp. 1977) to reform the LHA and DD–963 contracts with Litton Industries, Inc./Litton Systems, Inc. (Ingalls Shipbuilding Division).

Attached are the memorandum of decision to invoke P.L. 85–804, supporting analysis (Attachment 1) and the Agreement reached with Litton Industries, Inc./Litton Systems, Inc. on 20 June 1978 (Attachment 2). This decision is the outcome of a long series of arduous and complex negotiations and is considered by the Navy to be decidedly in the national interest.

The contract modifications that will implement the memorandum of decisions are being prepared. It is expected that the parties will sign these modifications by mid-July. A copy of the modifications will be then immediately forwarded to you.

This letter and an identical letter addressed today to the Chairman of the Senate Armed Services Committee, are submitted in compliance with the notification requirements of 50 U.S.C. 1431. Information copies are being forwarded to the Chairmen of the Senate and House Appropriations Committees. Upon favorable conclusion of the 60-day period provided for Congressional review, the Agreement of 20 June 1978 and the contract modifications would automatically become effective.

Please do not hestiate to call upon me or members of my staff for such assistance as you may desire in the course of your review.

Sincerely,

W. GRAHAM CLAYTOR, Jr.,
Secretary of the Navy.

ATTACHMENT 1—DETAILED ANALYSIS OF THE MEMORANDUM OF DECISION

At issue are two major ship construction programs involving thirty-five ships, nineteen of which are yet to be delivered. The LHA's are a unique component of the nation's amphibious lift capability and an essential ingredient of our ability to project forces ashore on a worldwide basis. The thirty DD–963 (SPRUANCE) class destroyers are urgently required to replace aging destroyer type ships in the Fleet. When the last of the DD–963's is delivered in 1980, this class will comprise almost 17% of all the Navy's major surface combatants.

Almost since the awards of the LHA and DD–963 contracts, in 1969 and 1979 respectively, Litton faced growing difficulties in its ship design and construction efforts. These efforts have been impacted by continuing disagreement between Litton and the Navy over the contractual division of responsibilities. Costs have escalated and Litton faces enormous losses on these programs. More than five years have been spent in litigation merely to resolve threshold problems. The decision described herein ends this highly complex controversy in a manner consistent with the national interest.

LITTON'S FINANCIAL POSITION

Over the course of the negotiations, Litton has provided extensive data including corporate and divisional financial data. Comprehensive analysis of relevant data has been conducted by Deloitte, Haskins & Sells, an independent accounting firm engaged by the Navy, and by the Defense Contract Audit Agency. The Navy has requested that the General Accounting Office conduct its own analysis.

The Navy has established that the losses faced by Litton are $647 million on the two contracts. The accounting firm confirms that financial requirements to complete these ships will strain Litton's abilities to borrow or generate cash. It further confirms that a loss of this magnitude would place Litton in default of covenants in its loan agreements.*

BACKGROUND OF THE LHA AND DD–963 PROGRAMS (1965–70)

Two events in the mid-1960's form the setting against which the subsequent history of the LHA and DD–963 must be appraised. The first was the adoption of Total Package Procurement by the Department of Defense. This policy represented a reaction to prior cost reimbursement contracting policies in major weapons systems acquisition. Simply stated, the prime contractor was expected to design, develop and produce the product, on a fixed-price, or fixed-price-incentive, basis to meet performance requirements stated by the military service. The result was a drastic reversal of normal design/development roles and responsibilities.

The second event was the construction by Litton of a new shipyard in Pascagoula, Mississippi, on the west bank of the Pascagoula River. The new yard, already portrayed before its construction as the "Shipyard of the Future," was designed to use relatively new high-technology modular techniques, establish logical material flow patterns and, in concept, gain the advantages of assembly-line production. Groundbreaking for this facility took place in early 1968.

In 1966, the Navy announced plans to develop a new amphibious assault ship under Total Package Procurement concepts. Litton and two other firms actively engaged in contract definition and bid procedures for the next two and a half years. On 1 May 1969, the Navy awarded Contract N00024–69–C–0283 to the Ingalls Shipbuilding Division of Litton Systems, Inc., for the construction of this radically new class of ships—the LHA's. It is a multi-year fixed-price-incentive, successive target contract, and initially called for the construction of nine ships. In January of 1971, however, pursuant to contractual provisions, the Navy cancelled four ships.

Reflecting the Total Package Procurement concepts, the LHA contract was fundamentally different in many respects from prior shipbuilding contracts. Most notably, the contractor assumed "Total Systems Responsibility." It agreed and represented to the Navy that it could build ships, as designed and it assumed virtually full responsibility for delivering ships which met particular performance requirements/capabilities. Consistent with this increased shipbuilder responsibility was the explicit undertaking that Navy would minimize its involvement or "engagement" in the design/construction process. The LHA contract was the first shipbuilding program to utilize the concepts contained in DOD Directive 3200.9, which formally embodied, in part, the Total Package Procurement concepts.

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* In addition to performing other Navy programs at Ingalls, Litton is a major subcontractor on most fighter aircraft programs for both Navy and Air Force, is a subcontractor on the Cruise Missle programs and involved, as prime or subcontractor, on several Army contracts (e.g., TACFIRE).

On 23 June 1970, the Navy awarded Contract N00024–70–C–02875 to Ingalls for the construction of thirty destroyers of the SPRUANCE (DD–963) Class. It is also a multi-year, fixed-price, successive target incentive contract and, again, the contract was awarded on the Total Package Procurement concept. It was the last DOD contract to use these concepts in major weapons systems acquisition.

CONTRACT PERFORMANCE DIFFICULTIES (1969–78)

Litton planned to perform the contracts at its new shipyard, construction of which was underway during the LHA contract bid and award process. Even before actual fabrication of the LHA's began, however, Litton assumed significant financial commitments in regard to the west bank yard. Substantial costs in connection with construction at the new facility were incurred. Approximately $140,000,000 of these costs were subsequently identified as "Manufacturing Process Development" costs. These costs originated with expenditures during the construction of American President Lines and Farrell Lines commercial ships built immediately prior to the LHA's. The construction of these ships was intended to "debug" the facility and the planned new systems.

The LHA design effort did not proceed as originally conceived and failed, from the beginning of contract performance, to achieve design milestones. Partially at Litton's behest and partially because of Navy's own concern over emerging schedule and technical problems, the Navy became heavily involved in the design process contrary to the intent of the LHA contract and the Total Package Procurement concept.

Design problems persisted and fabrication began on LHA–1 eight months later than originally scheduled. Litton was severely handicapped by the unavailability of sufficient skilled manpower and the failure of initial construction to achieve the efficiencies (e.g., percentage of completion prior to launch) expected from the modular concepts introduced in the west bank yard. As the LHA design efforts proved to be far more difficult than anticipated, the time necessary to construct the ships also proved far greater than anticipated. This unexpected work and delay had spill-over effects on the DD–963 contract.

As a result of these developments, severe slippages in contract schedules occurred. Today, the last LHA is expected to deliver six years after the original contract delivery date. The last DD–963 destroyer will deliver about two years after the contract delivery scheduled. The increased costs flowing from these factors are enormous: the LHA's are now expected to cost Litton $1500 million; without claims recovery, the LHA contract will result in $486 million in unreimbursed costs; the DD–963 construction is now expected to cost $3226 million, or $161 million in unreimbursed costs to Litton. The result is total losses between the two programs of $347 million.

CONTROVERSY CLAIMS AND LITIGATION

During early 1971, in an attempt to bring some order to the contract administration, Litton and the Navy entered a Memorandum of Agreement concerning the LHA contract which included recognition of the cancellation of four ships. This temporary truce was short lived. In March of 1972, Litton presented its reset proposal on the LHA contract, pursuant to the successive target feature of that contract and the Memorandum of Agreement. Included with the reset proposal was a request for equitable adjustment (REA). The REA asserted that, as a result of Government actions, there should be substantial price increases in the contract,

including fully escalated adjustments to ceiling price of $475,500,000. The parties tried but failed to negotiate an agreement, and the contracting officer reset the contract by unilateral decision on 28 February 1973. He raised the contract price to ceiling, awarding only about $19,000,000 on account of changes, made no price adjustment for claims but allowed six months delay as excusable or Government caused. He also awarded the maximum adjustment to ceiling allowed.

It is presently estimated that for all the reasons previously indicated and many others of relatively less importance, the two contracts will result in costs of $4,726 million, or $647 million more than is recoverable under the contracts. This estimate is based upon a Defense Contract Audit Agency audit and is being reviewed by Deloitte, Haskins & Sells, an independent accounting firm under contract to the Navy.

BASIC ELEMENTS OF AGREEMENT

The prolonged negotiations ultimately produced the following basic elements of agreement:

1. Analysis of the $1,088 million claim by the NAVSEA Claims Team yielded a recommended figure of $312 million. After adjustments for $47 million in prior payments, the net amount of $265 million will be paid to Litton in accordance with the contract modifications to be executed.

2. Of the $382 million remaining loss, Litton will absorb $200 million on the LHA contract. Navy will pay the remaining $182 million under Public Law 85–804.

3. By operation of the adjustments to the ceiling prices of the LHA and DD–963 contracts, under the progress payment provisions Litton will receive $97 million on the effective date of the settlement agreement and the implementing contract modifications. Payments subsequent to the effective date will be made through the adoption of revised progress payment schedules including amortization of $182 million of the loss (it being estimated that after the $97 million payment there will remain $18 million in past unreimbursed expenditures by Litton).

4. Cost underruns will be shared between Litton and Navy on an 80%/20% basis, respectively, as provided in the existing contract, and cost growth will be shared on a 50%/50% basis up to an aggregate amount of $100 million, beyond which Litton will assume sole responsibility. The Navy assumes no obligation for escalation during the remaining terms of the contracts.

5. Appropriate modifications consistent with the elimination of unduly stringent Total Package Procurement concepts are to be implemented.

6. Litton will fully release, in form satisfactory to the Navy, all claims and actions on the LHA and DD–963 contracts based on events to date, as well as the impact of these contracts on each other or on any other contracts performed by Ingalls Shipbuilding. Two related actions by Litton against the Navy, in the aggregate face amount of $40.2 million, will be dismissed. Litton will not present on these contracts as invoiced costs any portion of the total $133 million it has identified as Manufacturing Process Development (MPD) costs and will release the Navy for these costs as allocated by Litton to the LHA and DD–963 contracts (stated by Litton to be $62 million).

7. The agreement is subject to appropriate Congressional review and the availability of appropriations.

An essential goal of the negotiations was to achieve a permanent solution of the claims on the LHA contract and, more importantly, of the serious problems underlying that contract as well as the DD–963 contract, as described in this Memorandum and Attachment 1.

DECISION

The controversies described in this document and Attachment 1 have been festering for more than nine years. Litigation has growingly dominated the history of these programs for the last five years. The solution arrived at by the Navy and Litton, after strenuous and prolonged negotiations, recognizes the serious consequences of Total Package Procurement, the essential need for amphibious ships and destroyers that embody the ultimate in naval technology, and the importance to the national defense of the unique resources of the Ingalls shipyard.

Accordingly, in the exercise of my residual powers under Public Law 85–804, 50 U.S.C. § 1431, and in accordance with the Agreement (Attachment 2) reached with Litton, an Agreement expressly made subject to the Congressional review provided in Public Law 85–804, it is my decision that it will "facilitate the National Defense" to reform the LHA and DD–963 contracts in accordance with the provisions of such Agreement. The contracting officer shall prepare and execute the required contractual terms and conditions in accordance with the stipulations of Attachment 2 which are an integral part of this decision.

W. GRAHAM CLAYTOR, Jr.,
Secretary of the Navy.●

WORLD MILITARY AND SOCIAL EXPENDITURES 1978

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, Ms. Ruth Leger Sivard, a former analyst at the Arms Control and Disarmament Agency, has just published her annual report, World Military and Social Expenditures 1978. This publication documents the trends of military and social expenditures for each of the world's countries.

In his recent speech to the UN Special Session on Disarmament, British Prime Minister Callaghan called this booklet "that remarkable annual publication * * * We are all here in the debt of Ruth Sivard for the work that she does." Indeed, the special session is now addressing many of the seemingly intractable problems documented by Ms. Sivard:

Growth in world military expenditures from $200 billion in 1970 to $400 billion in 1978;

Growth of strategic nuclear stockpiles in the U.S. and U.S.S.R. from 6,000 in 1970 to 14,000 in 1978; and

Growth of exports of major weapons to Third World countries by almost 300 percent since 1970.

While World Military and Social Expenditures deals ably with these "traditional" concerns of disarmament, I especially recommend it this year because of its analysis of the impact of military spending on economic development. It makes clear that Congress will not be able to begin solving the problems of inflation and "waste in big government" unless we examine the impact of military expenditures on these problems. According to Ms. Sivard:

The average family pays more in taxes to support the world arms race than to educate their children;

One tax dollar in six goes to the arms race; and

Up to twice as many people can be employed per unit of expenditure in building houses, schools, transit systems, and health systems as through military contracts.

These statistics require us to ask the hard questions: Where is the taxpayer's revolt when it comes to the military budget? Why are those who attack "big government" often silent when it comes to the Pentagon, the biggest Government employer of them all? is the real problem in providing for the public welfare insufficient public moneys or distorted budget priorities? Ruth Sivard has provided us with a fascinating array of facts and analysis with which we can begin to tackle these difficult issues.

World Military and Social Expenditures 1978 has recently received considerable attention in the press, and I now would like to insert some of these articles from the publications indicated at the start of each article:

[From the Christian Science Monitor, May 19, 1978]

BULGING ARSENALS ACCENT U.N. TALKS

(By Richard L. Strout)

WASHINGTON.—The global arms cost has reached $400 billion a year, with over 23 million men under arms, and is growing.

The overkill capacity of nuclear arms could destroy every city nearly 7 times over.

Half the world's arms expenditures are made by two countries, the United States and the Soviet Union.

These estimates are included in the annual report "World Military and Social Expenditures, 1978," released here by Ruth Leger Sivard, with a foreword by John Kenneth Galbraith, just before the biggest disarmament conference ever held—the United Nations General Assembly on Disarmament, May 23–June 28.

America is the world's chief arms exporter, exemplified in President Carter's $5 billion Middle East warplanes package for Saudi Arabia, Israel, and Egypt, which the Senate this week voted not to block.

Here are some findings from the Sivard report:

—The average family pays more in taxes to support the world arms race than to educate its children.

—One tax dollar in six goes to the arms race.

—Only one government in three spends as much to safeguard the health of its citizens as to protect them against military attack.

—Developing countries, despite severe food shortages, use five times as much foreign exchange for the import of arms as for agricultural machinery.

—Measured in terms of armed forces and military expenditures, the most rapid military growth since 1960 has occurred not in the superpowers nor their alliances, but in the developing world.

The analysis is sponsored by six organizations including the Rockefeller Foundation, and it continues an annual report formerly issued by the U.S. Arms Control and Disarmament Agency.

PROPAGANDA BATTLE?

The United Nations conference on disarmament was initiated by the nonaligned

nations, and many think it will become a propaganda battle between the Soviet Union and the U.S. rather than an occasion for serious negotiation. The U.S. and the Soviets, with 11 percent of the world's population, at present account for half the world's arms expenditures.

The world is spending almost $1 million a minute for arms, the Stockholm International Peace Research estimated recently in its 1978 armaments review.

The Sivard report, replete with charts and diagrams, compares national expendtures for arms with social expenditures.

"For the estimated cost of a new mobile intercontinental missile [the MX]," the report says, "50 million malnourished children in developing countries could be adequately fed [and] 65,000 health care centers and 340,000 primary schools built."

A-STOCKPILE SWELL

At another point the report declares, "Strategic nuclear stockpiles of the two superpowers [U.S. and U.S.S.R.] rose [last year] to 14,000 warheads, an increase of 8,000 since 1970. There are also 500 or more deliverable nuclear weapons among other nuclear-weapon states, which now include the United Kingdom, France, China, India, and perhaps Israel. The explosive force of these stockpiles is equivalent to several tons of TNT for every person on earth."

The U.S. Mideast arms sale plan is likely to be brought up at the UN sessions. The Sivard report offers cumulative figures: 1970–76, the U.S. exported $25.5 billion worth of arms; U.S.S.R., $12.2 billion; France, $2.4 billion; United Kingdom, $2.1 billion; West Germany, $1.6 billion; Italy, $0.7 billion; China, $0.4 billion; all others, $3.2 billion.

Because of "apparent understatement" of Soviet arms expenditures in its official budget, the Sivard report says, estimates vary widely. These include Stockholm Peace Research Institute, $6.1 billion in 1975; CIA (in 1974 prices), $114 billion; International Institute for Strategic Studies, $124 billion. The Sivard study uses an intermediate figure of $94 billion.

Mrs. Sivard started annual publication of World Military Expenditures for the U.S. Arms Control and Disarmament Agency (part of the Defense Department), where she was formerly chief of the economics division. Former Defense Secretary Melvin Laird discontinued the study. The present analysis is the fourth annual publication under private auspices.

The U.S. and Russia control 80 percent of all research on new weapons, the report notes, and dominate competition in space, where 4,500 satellites now orbit the Earth; the two nations have more than 95 percent of the world's stock of nuclear weapons.

"For economic as well as political-military reasons, the superpowers have actively promoted exports of the newest technology. Three-fourths of the arms transferred to other countries originate in the U.S. and U.S.S.R.," the report says.

[From the New York Times, May 26, 1978]

THE DECLINE OF ELOQUENCE

(By James Reston)

UNITED NATIONS, N.Y., May 25.—You can't hear or read the speeches on the disarmament problem here at the United Nations these days without wondering about the decline of eloquence in the political world.

Nobody expected that this special disarmament session of the United Nations would do anything, but there was a hope that the representatives of the nations would at least say something that would make the world pay attention to the startling and undisputed facts of the arms race:

In 1970, the nations of the world were spending about $200-billion a year on military arms. Since then, the total has doubled to $400-billion or more than a billion dollars a day.

The size of regular armed forces in the world has increased to 23 million in 1978, two million more than in 1970 and seven million more than in 1960.

The major industrial nations are now exporting weapons worth $8-billion a year to the poor developing countries—almost three times as much as in 1970.

Since the beginning of the 70's, the United States and the Soviet Union have increased their stockpiles of nuclear warheads from 8,000 to 14,000, and the other nuclear powers—Britain, France, China, India and probably Israel—have another 500 deliverable nuclear weapons.

The consequences of this financial burden are well known. As Ruth Leger Sivard has observed in her compelling summary of the problem. "The arms race clashes with world development needs, stimulates price inflation, contributes to unemployment and poverty. It amplifies problems that all nations have in common, while weakening the cooperative effort necessary to deal with them. The accumulation of destructive force in the name of national defense has itself become the major threat to international stability and human security."

This last point is open to honest dispute, for it may be that the balance of nuclear terror is what has avoided a major war for over 30 years, whereas there were only 20 years between the two world wars of this century. * * *

President Carter didn't even show up for the debate. Vice President Mondale didn't really deal with the tragedy of $400 billion a year for arms in a hungry world, but made a cold war speech against the Russians and the Cubans for their aggression in Africa. Fair enough, but it didn't contribute much to arms control.

What is missing in this debate is a sense of purpose, and the gift of definition among the representatives of the free nations. They came here to take this arms race by the throat, and make arms control the presiding issue of world affairs, but they are not succeeding.

Woodrow Wilson failed eloquently at Versailles and in the Senate in his efforts at a new world order, but the spokesman of the West here today are failing not eloquently but miserably. In fact, this majestic question of controlling the arms race has not even been able to compete with the border clashes in Zaire for the attention of the world.

This was not because the leaders of the free nations don't have evidence on their side. The average family in the world today is paying more in taxes to support the arms race than to educate their children.

The nuclear bombs inventories of the United States and the Soviet Union are already able to destroy every city in the world seven times over, but the inventories are still growing by three nuclear bombs every day.

One tax dollar in six now goes to the arms race worldwide.

Yet, while this disarmament conference at the United Nations has brought together many of the leaders of the world, it has been largely ignored by the newspapers and television networks of the United States, and most of the other communications organizations of the world. John Kenneth Galbraith has tried to explain why this is so:

"There can be few more seemingly unequal political contests in the world than those over military spending, its claims against social needs. On the one side, powerful military bureaucracies, influential and richly financed weapons industries, their lobbies, their captive legislators, those for whom paranoia or past wars are a way of life. On the other side, only reason, the will to survive and the inarticulate poor."

But ironically, just at the point where things became excessively complicated and we needed political leaders who could reduce all this diversity and confusion to some kind of identity the people could understand, the men of words seem to have disappeared from the political world.

Roosevelt, Churchill, and DeGaulle could address their peoples in words that could move events, but in the West today, even on the great issue of arms control, Carter, Callahan, Giscard and Schmidt cannot match them. * * *

[From the New Republic, May 27, 1978]

A BIGGER BANG

I've always had an odd partiality for the human race. The thought of a small dead planet spinning endlessly through space with no people on it after a nuclear war oppresses me. No passengers—no birds singing; no children playing. Ugh! And yet the nightmare can't be lightly dismissed; the burden of armaments is growing all the time; even now it's questionable, if all the 50,000 nuclear bombs possessed by the United States and the Soviets were detonated at once, whether the earth would be habitable. And we have only just started.

Covering D-Day off the Normandy coast, June 6, 1944, in the U.S. cruiser *Quincy*, we were pretty proud of our big bombs, called "block-busters." But the bang that comes from one of our new nuclear bombs is a quarter of a billion times greater. Block-busters? These are city-destroyers! Their aggregate explosive power is now equivalent to several tons of TNT for each person on earth.

These reflections come from reading the fourth annual report on "World Military and Social Expenditures—1978," by Ruth Leger Sivard (32 pages, $2.50; WMSE Publications, Leesburg, Va.). It is an independent analysis sponsored by six private foundations. It is issued just as the largest official gathering on disarmament that has ever assembled meets in New York—the UN's special session on disarmament, to run from May 23 through June 28. Will anything come from it but words? It is not too likely.

Mrs. Sivard is former chief of the economics division of the U.S. Arms Control and Disarmament Agency. She started *World Military Expenditures* while there. To make a point she published tables of world expenditures for health and education alongside those for arms and bombs. Defense Secretary Laird complained that this made it harder for him to get his budget through Congress and the Nixon administration ordered the publication stopped. Mrs. Sivard retired and continued the annual report with the aid of supporting groups including the Rockefeller Foundation. It is the equivalent, in some ways, of the annual survey by the International Peace Research Institute at Stockholm.

All right then—ready for some statistics? The global arms bill is now $400 billion annually in public funds. There are 23 million men actually under arms with a back-up force of perhaps the same number. The arms race is out of control, stimulating price inflation (by using scarce resources for non-commercial goods), contributing to unemployment and poverty.

The world spends almost a million dollars a minute on arms—20 times more than the industrialized nations spend in aid to help the poorer countries.

The average family pays more in taxes to support the world arms race than to educate its children.

Nuclear bomb inventories of the two superpowers, already big enough to destroy every city on earth seven times over, are growing; the leaders are not satisfied; they may have an unobtainable goal but they want to be able to destroy each city nine or 10 times over, and are busily turning out three bombs a day.

Says Mrs. Sivard: "Modern technology has made it possible to deliver a bomb across the world in minutes; women in rural areas in Asia and Africa still walk several hours a day for the family's water supply."

Had enough? It's boring, but it is probably worth spending five minutes a year in contemplating the consequences of armaments on a small, frightened planet where nobody is in charge and where everybody must guard against his neighbor.

Way back in the 1920s an isolationist senator named Gerald P. Nye of North Dakota set out to show that the gullible United States had been egged into Woodrow Wilson's war by the munition makers. He held dramatic hearings. The slogan was, "Take the profits out of war," and it was believed that we would have peace, probably forever, if we controlled the "Merchants of Death." How perplexing it all is; the United States government itself is now the world's chief arms exporter; according to the Pentagon, in 1960 through 1977 we sent arms worth perhaps $71 billion to 161 countries. It was good business. Some of the smallest, hungriest countries were most avid for arms; we sent or withheld them according to our favor.

Speakers at the UN disarmament conference are apt to mention this and the field will be ripe for propaganda, with Russia prepared to lead the way. The Soviets have been selling arms, too, to their clients. The US, Russia, France and Britain account for more than four-fifths of all military sales. The munitions trade is changing; it is no longer a kind of used-car munitions market, but often latest model, state-of-the-art technology. In 1975, 95 nations took major weapons systems. Only one country got long-range, surface-to-air missiles in 1958; in 1975 it was 27. Last Monday the Senate approved the administrations' deal with Saudi Arabia, Israel and Egypt—$5 billion.

This is all done, of course, to defend the United States. We have got so much nuclear security by now that we are no longer safe. The two great powers, the US and the USSR, representing only 11 percent of the world's population, have shaped the military competition since World War II. A mutual distrust bordering on the pathological drives them on. The formula is crazy: an adequate defense means an offense sufficient to deter attack; this must be constructed on worst-case assumptions of the opposing threat. As the enemy responds in kind, the reality of the threat automatically grows—the dog comes closer and closer to catching its tail. It is obvious that it can't last. Will war come? Only last week the New China News Agency, speaking of Russia, came out with the statement that "War will inevitably break out some day."

The average person, all over the world, accepts this incredible situation calmly. It is regarded as the normal lot of the earth dweller. One billion people—a quarter of the earth's population—go to bed hungry at night. It is in their countries, the report shows, that since 1960 the proportion of military expenditures has risen most.

The report is factual, statistical, rather dull. There is little editorializing. In it you discover curious facts. Developing countries—the ones with high birthrate, short life expectancy and few doctors—invest more public revenue in arms than in education and health combined. Another item: for the estimated cost of a new mobile intercontinental missile (the MX), 50 million malnourished children in developing countries could be adequately fed, 65,000 health centers opened, 340,000 primary schools built.

IN THE PUBLIC INTEREST

(By Edward P. Morgan)

It's enough to sink the lightest heart. The family of nations continues to squander increasing billions on arms every year while the world's poor, who have no constituency, continue to multiply, both in numbers and in misery.

The Washington Post has been running an excellent series of articles on poverty in the Third World, vividly written by Bill Peterson, who had never been outside the United States to witness such scenes of abject want before. Journalism of this kind, books and a few scattered television documentaries may prick our conscience a little. But not much. At least not enough.

The poor are not hidden, Peterson wrote, they are in the majority. But they suffer, largely, in silence, as if they knew from birth that their legacy was neglect. How safe can this madly spinning planet be with such imbalance threatening constantly to hurl it off its axis?

John Kenneth Galbraith puts it penetratingly well. "There can be few more seemingly unequal political contests in the world," he says, "than those over military spending, its claims against social needs. On the one side, powerful military bureaucracies, influential and richly financed weapons industries, their lobbies, their captive legislators, those for whom paranoia or past wars are a way of life. On the other side, only reason, the will to survive, the inarticulate poor."

However, Galbraith adds in a foreword to "World Military and Social Expenditures 1978", the latest edition of Ruth Leger Sivard's devastating analyses of the world's military budgets, reason and compassion have power but reason and the will to exist must be informed.

The Sivard brochure is a mine-field of carefully researched facts. The most staggering one is that global military budgets now approach $400 billion—an expenditure of nearly a million dollars a minute and rising.

Here are some more nuggets:

"The average family pays more in taxes to support the world arms race than to educate their children."

"Nuclear bomb inventories of the two superpowers, already sufficient to destroy every city in the world seven times over, are still growing at the rate of three bombs a day."

"For the estimated cost of a new mobile intercontinental missile (the MX), 50 million malnourished children in developing countries could be adequately fed, 65,000 health care centers and 340,000 primary schools built."

There is little use to go on. The facts are there. The conditions exist. Somehow stronger ways must be found for us to relate personally to them. We can't all go to Bangladesh or Pakistan or Guatemala, as the Post's Bill Peterson did. But the facts must now put our reason and compassion to work.

And to make Ruth Sivard's brochure must reading for every single delegate to the UN Special Session on Disarmament might not be bad for openers.

This is Edward P. Morgan in Washington with the shape of one man's opinion.

[From the Christian Science Monitor, May 26 1978]

TALE OF A SECRET ARMS CONTROL EFFORT

(By Richard L. Strout)

WASHINGTON.—Here is the step-by-step story of a secret U.S.-Soviet effort to lighten the burden of world armaments. It is based on the recollections of one participant supported by U.S. Government documents recently declassified. It comes when the world arms race costs $400 billion a year (almost $1 million a minute), with over 23 million men under arms. It comes as the UN General Assembly started this week a special session on disarmament lasting to June 28.

Ruth Leger Sivard reveals the story in "World Military, and Social Expenditures, 1978," financed by seven nonprofit organizations including the Rockefeller Foundation. Mrs. Sivard joined the U.S. Arms Control and Disarmament Agency in 1960 and helped prepare its annual report on world armaments till President Nixon ended its publication in 1973. She returned and continued privately with her associates. In condensed form, here is the story of an effort to cut arms costs, made without fanfare.

September, 1963: The economic staff of the Arms Control Agency suggests that President Kennedy make a major address announcing U.S. intentions to reduce arms expenditures and invite Soviet reciprocity before Moscow announces its budget in December.

October, 1963: Mr. Kennedy and Secretary Rusk privately discuss with Soviet Foreign Minister Gromyko a move toward disarmament by simple steps including informal reciprocity on military budgets. Gromyko agrees that if formal actions are not possible a "gentlemen's agreement" might help.

December, 1963: Following Mr. Kennedy's assassination Mr. Johnson meets his security advisers at Camp David. The agenda includes proposed mutual examples on the defense budget, establishment of an "economic hotline," and graduated exchange of information. No U.S. action taken, but three days later Moscow announces that the 1964 defense budget will be 600 million rubles less than 1963.

January, 1964: Mr. Johnson announces reductions in the U.S. defense budget: "And it is in this spirit," he says, "that we call on our adversaries to do the same."

January-April, 1964: U.S. and Russian disarmament delegates at Geneva conference cannot agree on rival arms cut proposals, but the final cable from the U.S. delegate says Soviets might possibly agree to an exchange of experts if U.S. agreed to modify its proposal.

November, 1964: In private bilateral talks in New York Secretary Rusk tells Gromyko the U.S. defense budget in the next fiscal year will shrink $1.25 billion "in the absence of special circumstances." Gromyko responds two days later that the Soviet budget will go down a comparable amount, 500 million rubles.

December, 1964: At a meeting of the Supreme Soviet, Premier Kosygin announces a 500-million-ruble defense cut and refers to recent exchange of information with U.S. officials. U.S. press asks White House if this means an agreement. Press Secretary George Reedy denies agreement or "any effort whatsoever at mutuality." In Moscow, Izvestia denies a special agreement, but says there is "a policy of mutual example, and as a result of this a definite positive step has been taken to reduce international tensions."

January, 1965: Johnson budget message calls for reduced defense outlays for second consecutive year.

May, 1965: Vietnam escalation brings administration request for a supplemental defense budget. There is no communication with Soviets. Diplomatic reports from several countries report bitter reaction by Kosygin, who claims U.S. is reneging on unwritten understanding.

September, 1965: In private U.S.-U.S.S.R. talks Secretary Rusk urges a technical budget discussion to pave way for action when Vietnam is finished. Gromyko says "Later; not now."

June, 1967: At Glassboro (N.J.) summit meeting, Mr. Johnson raises the subject again, but Soviet response is the same.

That ends Mrs. Sivard's recollection of a promising Kennedy-Johnson effort to reduce military expenditures, ruptured abruptly by Vietnam.

In an interview here, Mrs. Sivard asks whether a step-by-step approach by the quiet process of "mutual example," as in the 1960's isn't more apt to reduce the staggering arms burden than the grandiose approach of the U.N. General Assembly.●

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 12571. An act to amend the Fishery Conservation Zone Transition Act in order to give effect to the Reciprocal Fisheries Agreement for 1978 between the United States and Canada.

The message also announced that the Senate agrees to the amendment of the House to the Senate amendments to a bill of the House of the following title:

H.R. 9757. An act entitled "Grazing Fee Moratorium of 1978"

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 12426. An act to authorize the Secretary of the Treasury to provide financial assistance for the city of New York.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 12426) entitled "An act to authorize the Secretary of the Treasury to provide financial assistance for the city of New York," disagreed to by the House; request a conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PROXMIRE, Mr. SPARKMAN, Mr. WILLIAMS, Mr. BROOKE, and Mr. TOWER to be the conferees on the part of the Senate.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 11877, AUTHORIZING PEACE CORPS APPROPRIATIONS FOR FISCAL YEAR 1979

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report to accompany the bill H.R. 11877 to authorize appropriations for the fiscal year 1979 for the Peace Corps and to make certain changes in the Peace Corps Act.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

CONFERENCE REPORT ON H.R. 11877

Mr. ZABLOCKI submitted the following conference report and statement on the bill (H.R. 11877) to authorize appropriations for fiscal year 1979 for the Peace Corps and to make certain changes in the Peace Corps Act.

CONFERENCE REPORT (H. REPT. No. 95–1333)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11877) to authorize appropriations for fiscal year 1979 for the Peace Corps and to make certain changes in the Peace Corps Act, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 5 and 6.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, and 9, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "$112,424,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with amendments, as follows: Restore the matter proposed to be stricken out by the Senate amendment.

"On page 5, line 2 of the House engrossed bill, strike out "Volunteer Program" and insert in lieu thereof "volunteer program".

On page 5, line 2 of the House engrossed bill, immediately after "voluntary" insert "service"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the Senate amendment and agree to the same with the following amendment:

On page 2, line 19, of the Senate engrossed amendments, immediately after the first period and before the quotation marks insert the following new sentence: "Funds allocated for activities set forth in this paragraph should be kept to a minimum so that such allocation will not be detrimental to other Peace Corps programs and activities"; and the Senate agree to the same.

Amendment to title: That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

CLEMENT J. ZABLOCKI,
DANTE B. FASCELL,
MICHAEL HARRINGTON,
DON BONKER,
GERRY E. STUDDS,
DONALD J. PEASE,
ROBERT N. C. NIX,
WILLIAM BROOMFIELD,
LARRY WINN, JR.
BENJAMIN A. GILMAN,
Managers on the Part of the House.

JOHN SPARKMAN,
FRANK CHURCH,
DICK CLARK,
JOE BIDEN,
CLIFFORD P. CASE,
JACOB JAVITS,
CHARLES H. PERCY,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11877) to authorize appropriations for fiscal year 1979 for the Peace Corps and to make certain changes in the Peace Corps Act, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The differences between the two Houses and the adjustments agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes. (The amendments not dealt with below because they deal with clerical, clarifying, and necessary conforming changes are amendments numbered 6 and 9 and the amendments to the title of the bill.)

The committee of conference agreed to supplemental authorizations for fiscal year 1978 and authorizations for fiscal year 1979 in the amounts shown in the following table:

Funds authorized in H.R. 11877

	Executive branch request	House bill	Senate amendment	Conference agreement
Supplemental authorization for fiscal year 1978	[1] $3,713,000	----------	[1] $3,713,000	[1] $3,713,000
Authorization for fiscal year 1979	95,135,000	$96,135,000	125,000,000	112,424,000
Total	98,848,000	96,135,000	128,713,000	116,137,000

[1] Includes $69,000 for increases in salary, pay, retirement, and other employee benefits authorized by law.

AMENDMENT NO. 1—PEACE CORPS PROGRAMS AND ACTIVITIES—SUPPLEMENTAL AUTHORIZATION

The Senate amendment authorized $3,644,000 in supplemental appropriations for fiscal year 1978 for Peace Corps programs and activities.

The House bill contained no provision authorizing such supplemental appropriations.

The committee of conference agreed to the Senate amendment.

The committee of conference noted that the bill as reported by the House Committee on International Relations did authorize supplemental appropriations for fiscal year 1978. Under the Rules of the House, a waiver of section 402(a) of the Budget Act was not granted because the need for this supplemental authorization was not deemed an emergency at that time, and an amendment to strike out the fiscal year 1978 supplemental authorization was offered on the House

floor without prejudice to the Committee's justification for such authorization.

It was the view of the committee of conference, however, that since the date on which the bill passed the House, inflationary and programing factors had caused budgetary pressures greater than at the time the supplemental request was initially reviewed, and that, consequently the Peace Corps request for supplemental funds to fulfill its fiscal year 1978 program commitments was fully justified.

The House Budget Committee has informed the committee of conference that it does not object to the inclusion of the fiscal year 1978 supplemental authorization in the conference report.

AMENDMENT NO. 2—FISCAL YEAR 1979 AUTHORIZATION

The House bill authorized $96,135,000 for fiscal year 1979 for Peace Corps programs and activities.

The Senate amendment authorized $125 million for the same fiscal year.

The committee of conference agreed to authorize $112,424,000 for fiscal year 1979.

AMENDMENT NO. 3—UNITED NATIONS VOLUNTEER PROGRAM

The House bill earmarked $1,320,000 of the amounts authorized for fiscal year 1979 for a U.S. contribution to the United Nations volunteer program.

The Senate amendment earmarked $1 million for this purpose.

The committee of conference agreed to the Senate amendment.

AMENDMENT NO. 4—SALARIES AND EMPLOYEE BENEFITS—SUPPLEMENTAL AUTHORIZATION

The Senate amendment authorized $69,000 in supplemental appropriations for fiscal year 1978 for salaries and for employee benefits authorized by law.

The House bill contained no provision authorizing such supplemental appropriations.

The committee of conference agreed to the Senate amendment.

It was the view of the committee of conference that the same need existed for a supplemental authorization of appropriations for salaries and employee benefits as in the case of supplemental authorizations for Peace Corps programs and activities. (See discussion of amendment numbered 1.)

AMENDMENT NO. 5—VOLUNTEER INSTRUCTION REQUIREMENTS

The Senate amendment struck out section 8(c) of the Peace Corps Act, which requires that training of volunteers include instruction in "the philosophy, strategy, tactics, and menace of communism".

The House bill contained no comparable provision.

The committee of conference agreed to the House position.

AMENDMENT NO. 7—REPORT ON COORDINATION EFFORTS

The House bill amended section 11 of the Peace Corps Act to require that the annual report to Congress on Peace Corps operations include a discussion of efforts taken to improve coordination of Peace Corps activities with the activities of international service organizations and host country voluntary organizations.

The Senate amendment struck out the House provision.

The committee of conference agreed to the House provision with two minor clerical changes.

AMENDMENT NO. 8—ASSISTANCE FOR VOLUNTEER SERVICE PROGRAMS IN OTHER COUNTRIES

The Senate amendment provided that the President, in carrying out existing authority to encourage countries to develop their own volunteer service programs (section 301(a) of the Peace Corps Act), may furnish technical assistance, materials, tools, supplies, and training, and may conduct demonstration projects, in order to assist such volunteer service programs.

The House bill contained no comparable provision.

The committee of conference agreed to the Senate amendment with a further amendment providing that the Peace Corps should devote only a minimal portion of its funds for these activities.

While recognizing the desirability for flexibility in permitting Peace Corps support for indigenous volunteer service programs, the committee of conference noted its concern that this new authority not become a central focus of Peace Corps programing, or be detrimental to other Peace Corps programs and activities. In order to facilitate congressional oversight of this authority, the committee of conference requests that the Peace Corps provide advance notification to Congress when it intends to allocate funds under this provision; such notification need be given only once in each calendar quarter.

CLEMENT J. ZABLOCKI,
DANTE B. FASCELL,
MICHAEL HARRINGTON,
DON BONKER,
GERRY E. STUDDS,
DONALD J. PEASE,
ROBERT N. C. NIX,
WM. BROOMFIELD,
LARRY WINN, JR.,
BENJAMIN A. GILMAN,
Managers on the Part of the House.

JOHN SPARKMAN,
FRANK CHURCH,
DICK CLARK,
JOE BIDEN,
CLIFFORD P. CASE,
JACOB JAVITS,
CHARLES H. PERCY,
Managers on the Part of the Senate.

CONFERENCE REPORT ON H.R. 12933

Mr. McFALL submitted the following conference report and statement on the bill (H.R. 12933) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1979, and for other purposes.

CONFERENCE REPORT (H. REPT. No. 95–1329)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12933) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1979, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 5, 7, 8, 11, 13, 18, 19, 38, 43, 50, 51.

That the House recede from its disagreement to the amendments of the Senate numbered 9, 10, 12, 17, 20, 28, 30, 34, 42, 44, and 45, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows:

LIMITATION ON WORKING CAPITAL FUND

Necessary expense for operating costs and capital outlays of the Department of Transportation Working Capital Fund not to exceed $54,059,000 shall be paid, in accordance with law, from appropriations made available by this Act and prior appropriation Acts to the Department of Transportation together with advances and reimbursements received by the Department of Transportation.

And the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$965,318,000"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following: "$286,617,000, of which $3,500,000 shall be derived by transfer from the appropriation "Pollution Fund".".

And the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,000,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows:

OFF SYSTEM RAILWAY-HIGHWAY CROSSINGS

For necessary expenses for the elimination of hazards of railway highway crossings on roads other than those on any Federal-aid system in accordance with the provisions of section 203 of the Highway Safety Act of 1973, as amended, to remain available until September 30, 1982; $15,000,000.

And the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows:

SAFER OFF-SYSTEM ROADS

For necessary expenses to carry out the provisions of 23 U.S.C. 219; $15,000,000, to remain available until September 30, 1982.

And the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$81,620,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$25,875,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$36,715,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$8,252,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amend-

ment insert "$75,040,000"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$9,330,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$170,000,000"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$24,760,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$11,455,000"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,820,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,850,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$170,000,000"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$35,990,000"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$593,150,000'"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,950,000,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 14, 27, 31, 32, 33, 40, and 49.

JOHN J. MCFALL,
TOM STEED,
ROBERT DUNCAN,
ADAM BENJAMIN, Jr.,
NEAL SMITH,
JOSEPH P. ADDABBO,
SIDNEY R. YATES,
FRANK E. EVANS,
GEORGE MAHON,
SILVIO O. CONTE,
JACK EDWARDS
(Except as to amendments 21 and 33),
GEORGE M. O'BRIEN,
ELFORD A. CEDERBERG,
Managers on the Part of the House.

BIRCH BAYH,
WARREN G. MAGNUSON,
JOHN C. STENNIS,
ROBERT C. BYRD,
THOMAS F. EAGLETON,
J. BENNETT JOHNSTON,
CLIFFORD P. CASE,
MILTON R. YOUNG,
CHARLES MCC. MATHIAS, Jr.,
LOWELL P. WEICKER, Jr.
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12933) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1979, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

TITLE I—DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

Limitation on Working Capital Fund

Amendment No. 1: Limits obligations to $54,069,000 instead of $45,434,000 as proposed by the House.

COAST GUARD

Operating Expenses

Amendment No. 2: Appropriates $965,318,000 instead of $964,518,000 as proposed by the House and $966,118,000 as proposed by the Senate. The Conference agreement includes $800,000 for 74 pollution response vans and related equipment. No additional positions are provided above the House allowance.

Acquisition, Construction, and Improvements

Amendment No. 3: Restores House language regarding transfer of funds.

Amendment No. 4: Appropriates $286,617,000, of which $3,500,000 shall be derived by transfer instead of $286,310,000, of which $5,000,000 shall be derived by transfer as proposed by the House and $283,617,000 as proposed by the Senate. The conference agreement includes funds for the Quillayute River station.

Research, Development, Test and Evaluation

Amendment No. 5: Appropriates $20,000,000 as proposed by the House instead of $23,300,000 as proposed by the Senate. The conferees direct the Coast Guard to utilize the estimated carryover funds in fiscal year 1979 to accelerate the testing and evaluation of an airborne all-weather pollution surveillance system, to improve its capability to clean up oil pollution under adverse conditions on the high seas, and to increase the technical and procurement staff for pollution related activities by 20 civilian activities.

State Boating Safety Assistance

Amendment No. 6: Appropriates $5,000,000 instead of $4,000,000 as proposed by the House and $6,000,000 as proposed by the Senate.

FEDERAL AVIATION ADMINISTRATION

Operations

Amendments No. 7 and 8: Restore House provision which prohibits the use of funds for new applicants for the second career training program. The conferees believe that substantial modifications of the second career program are required. If such modifications are enacted, the conferees will consider a supplemental request to cover the cost of new applicants for the program.

Amendment No. 9: Deletes House provision prohibiting the use of funds for liaison or familiarization travel by air traffic controllers under certain conditions.

The conferees strongly oppose the recent slow down actions by certain controllers. These actions, which have been performed by only a small group of controllers and which are not supported by the controllers' union, present a potential threat to public safety and result in an unnecessary consumption of fuel. The conferees, however, believe that familiarization travel can serve a useful purpose in educating controllers and direct the FAA Administrator to ensure that this program is not abused. The conferees are also concerned about the procedures used in order to arrive at decisions regarding these flights and believe that in the future all parties should be consulted prior to a final agreement. The conferees intend to closely monitor this program and will support a legislative provision later if it proves necessary.

The conference agreement includes the position levels specified in the Senate report. The conferees believe that the International Visitors Information Service and Travelers-Aid Society provide valuable service and intend that FAA continue to support these activities.

Facilities and Equipment (Airport and Airway Trust Fund)

Amendment No. 10: Appropriates $336,660,000 as proposed by the Senate instead of $321,338,000 as proposed by the House. The conference agreement includes the full budget request for the VOR/VORTAC replacement program. The conferees expect, however, that FAA will continue to pursue to the maximum extent feasible the potential application of NAVSTAR for civilian use.

Amendment No. 11: Deletes the language proposed by the Senate to prohibit the use of funds to reduce hours of service at Flight Service Stations. The conferees direct that FAA obtain the approval of the House and Senate Appropriations Committees prior to any hours of service reductions at Flight Service Stations.

FEDERAL HIGHWAY ADMINISTRATION

Highway Safety Research and Development

Amendment No. 12: Deletes the language proposed by the House to earmark $1,000,000 for the National Accident Sampling System.

Darien Gap Highway

Amendment No. 13: Deletes $20,000,000 appropriation proposed by the Senate. The conferees support the intentions of the Joint Panama-American Commission on Hoof and Mouth Disease in its attempt to prevent the spread of that disease.

Railroad-Highway Crossings Demonstration Projects

Amendment No. 14: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment which reads as follows:

In lieu of the matter inserted by said amendment, insert the following:

"Railroad-Highway Crossings Demonstration Projects

"For necessary expenses of railroad-highway crossings demonstration projects, as authorized by section 163 of the Federal-Aid Highway Act of 1973, as amended, and title III of the National Mass Transportation Assistance Act of 1974, to remain available until expanded, $40,000,000 of which $26,666,667

shall be derived from the Highway Trust Fund.".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Off-System Railway-Highway Crossings

Amendment No. 15: Appropriates $15,000,000 instead of $30,000,000 as proposed by the House. The amount included in the conference agreement is within the existing authorization. The conferees believe that consideration of any additional financing should be deferred until action on the pending authorizing legislation is completed.

Safer Off-System Roads

Amendment No. 16: Appropriates $15,000,000 instead of $30,000,000 as proposed by the House. The amount included in the conference agreement is within the existing authorization. The conferees believe that consideration of any additional financing should be deferred until action on the pending authorizing legislation is completed.

Access Highways to Public Recreation Areas on Certain Lakes

Amendment No. 17: Appropriates $7,900,000 as proposed by the Senate instead of $3,800,000 as proposed by the House.

Overseas Highway

Amendment No. 18: Appropriates $87,100,000 as proposed by the House instead of $44,000,000 as proposed by the Senate.

Rail Crossings—Demonstration Projects

Amendment No. 19: Deletes $45,000,000 appropriation proposed by the Senate. The conferees are in agreement that a supplemental will be considered if the authorization for this program is continued.

Alaska Highway

Amendment No. 20: Appropriates $15,000,000 as proposed by the Senate.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

Traffic and Highway Safety

Amendment No. 21: Appropriates $81,620,000 instead of $78,495,000 as proposed by the House and $84,745,000 as proposed by the Senate. The increased funds in the amount of $3,125,000 are to be used at the discretion of the Secretary to further the goals of the traffic and highway safety programs except that $125,000 of such amount shall be used to cover the expenses of a one year demonstration project involving citizen participation in NHTSA's rulemaking process. The conferees expect a detailed report on the results of this demonstration project.

Amendment No. 22: Provides that $25,875,000 of the appropriation shall be derived from the Highway Trust Fund instead of $25,700,000 as proposed by the House and $26,050,000 as proposed by the Senate.

Amendment No. 23: Provides that $36,715,000 of the appropriation shall remain available until expended instead of $34,565,000 as proposed by the House and $38,865,000 as proposed by the Senate.

Amendment No. 24: Provides that $8,252,000 of the amount appropriated to remain available until expended shall be derived from the Highway Trust Fund instead of $8,077,000 as proposed by the House and $8,427,000 as proposed by the Senate.

FEDERAL RAILROAD ADMINISTRATION

Rail Service Assistance

Amendment No. 25: Appropriates $75,040,000 instead of $74,970,000 as proposed by the House and $75,110,000 as proposed by the Senate.

Amendment No. 26: Appropriates $9,330,000 instead of $8,060,000 as proposed by the House and $10,600,000 as proposed by the Senate.

Northeast Corridor Improvement Program

Amendment No. 27: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that the provisions of Public Law 85-804 shall apply to the Northeast Corridor Improvement Program.

The purpose of this provision is to allow the use for Corridor improvements the $100,000,000 in appropriated funds which the Department temporarily set aside to provide for claims arising from construction activities. This provision will permit indemnification under the provisions of Public Law 85-804 without the necessity of any determination by the Secretary and without referral to or consideration of any such agreement by either House of Congress.

The conferees also direct that no funds under this appropriation shall be used for the elimination of rail grade crossings without the prior approval of the House and Senate Appropriations Committees.

Payments to the Alaska Railroad Revolving Fund

Amendment No. 28: Appropriates $9,300,000 as proposed by the Senate instead of $3,000,000 as proposed by the House.

Railroad Rehabilitation and Improvement Financing Funds

Amendment No. 29: Appropriates $170,000,000 instead of $250,000,000 as proposed by the House and $120,000,000 as proposed by the Senate. The conferees agree that the reduction from the budget request should not be interpreted as a sanctioning of the lengthy delays experienced in the processing of applications for assistance under this program. The conferees expect that priority in the allocation of the funds appropriated under the redeemable preference share program will be given to existing applications. If additional funding for new applications is believed to be necessary, consideration will be given to a request for supplemental appropriations.

Amendment No. 30: Deletes $55,000,000 appropriation proposed by the House.

URBAN MASS TRANSPORTATION ADMINISTRATION

Technical Studies

Urban Discretionary Grants

Amendment No. 31: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment which reads as follows:

In lieu of the sum proposed by said amendment, insert the following: "$1,250,000,000, of which $25,000,000 shall be available for technical studies".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement includes $200,000,000 for bus procurements, $770,000,000 for rail modernization, system extensions and the purchase of rolling stock, $255,000,000 for new systems construction in Buffalo, Baltimore and Miami, and $25,000,000 for technical studies.

The conferees intend that UMTA shall have the authority to make capital grants to qualified applicants for downtown people mover systems and intermodal transportation facilities such as Union Station, Indianapolis and South Station, Boston. The conferees, however, do not intend this action to be considered as an endorsement for a large national program for intermodal transportation facilities.

Rural and Small Urban Grants

Amendment No. 32: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment which reads as follows:

In lieu of the sum proposed by said amendment, insert the following: "$76,500,000, of which $1,500,000 shall be available for technical studies".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Urban Formula Grants

Amendment No. 33: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment which reads as follows:

In lieu of the sum proposed by said amendment, insert the following: "$553,500,000, of which $28,500,000 shall be available for technical studies and $75,000,000 shall be available for rail service operating payments".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement includes $300,000,000 for the purchase of buses, $150,000,000 for such additional mass transit operating subsidy programs as may be authorized, $75,000,000 for rail service operating payments and $28,500,000 for technical studies. If additional authorizations are enacted for operating assistance, the conferees are in agreement that a supplemental request will be considered.

Rail Service Operating Payments

Amendment No. 34: Deletes $75,000,000 appropriation proposed by the House.

RESEARCH AND SPECIAL PROGRAMS DIRECTORATE

Research and Special Programs

Amendment No. 35: Appropriates $24,760,000 instead of the $23,100,000 as proposed by the House and $25,420,000 as proposed by the Senate. The conference agreement includes the following additions to the amount provided by the House:

Monitoring Alaska gas pipeline	$185,000
Research and development	455,000
State pipeline safety grants	20,000
Purdue University automotive transportation center	1,000,000

Amendment No. 36: Earmarks $11,455,000 of the appropriation for research and development instead of the $10,000,000 as proposed by the House and $11,910,000 as proposed by the Senate.

Amendment No. 37: Earmarks $2,820,000 of the appropriation for state pipeline safety grants-in-aid instead of the $2,800,000 as proposed by the House and $2,840,000 as proposed by the Senate.

TITLE II—RELATED AGENCIES

NATIONAL TRANSPORTATION SAFETY BOARD

Salaries and Expenses

Amendment No. 38: Appropriates $15,600,000 as proposed by the House instead of $15,965,000 as proposed by the Senate. The conferees direct NTSB to conduct a thorough review of hazardous materials rail shipments and the applicable Federal rail standards as well as determine how the Federal Railroad Administration can more effectively prevent the occurrence and reduce the severity of derailments of hazardous materials.

CIVIL AERONAUTICS BOARD

Salaries and Expenses

The conferees approve the expediture of not to exceed $150,000 of the funds provided to the Board for the expenses of a one year demonstration project involving the participation of public interest groups and individuals in the Board's proceedings. The conferees expect the Board to provide a de-

tailed report on the results of this demonstration project.

INTERSTATE COMMERCE COMMISSION

Salaries and Expenses

Amendment No. 39: Provides that $1,850,000 of the appropriation shall be available for the office of rail public counsel instead of $1,500,000 as proposed by the House and $2,200,000 as proposed by the Senate.

THE PANAMA CANAL

Canal Zone Government

Capital Outlay

Amendment No. 40: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate to appropriate $1,035,000. The conferees direct that none of these funds be used for capital acquisitions which might be transferred to Panama.

DEPARTMENT OF THE TREASURY

Office of the Secretary

Investment in Fund Anticipation Notes

Amendment No. 41: Provides $170,000,000 instead of $120,000,000 as proposed by the Senate and $250,000,000 as proposed by the House.

UNITED STATES RAILWAY ASSOCIATION

Payments for the Purchase of Conrail Securities

Amendment No. 42: Deletes the House provision prohibiting USRA from making funds available to Conrail if Conrail pays compensation to any executive in excess of the base salary in effect as of January 1, 1978.

Amendment No. 43: Restores the House provision that prohibits funds from becoming available until authorizing legislation is passed.

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

Interest payments

Amendment No. 44: Inserts the words "debt service assistance and" as proposed by the Senate.

Amendment No. 45: Appropriates $38,142,000 as proposed by the Senate instead of $19,374,000 as proposed by the House.

TITLE III—GENERAL PROVISIONS

Amendment No. 46: Limits obligations for general aviation discretionary grants to $35,990,000 instead of $21,980,000 as proposed by the House and $50,000,000 as proposed by the Senate.

Amendment No. 47: Limits obligations for grants-in-aid for airports under 49 U.S.C. 1714 (a) and (b) other than general aviation discretionary grants to $593,150,000 instead of $561,300,000 as proposed by the House and $625,000,000 as proposed by the Senate.

In addition to the specific directions provided in the House and Senate reports as to locations where airport improvements should be made, the conferees direct that $2,000,000 be provided to the Tri-City Airport in Freeland, Michigan.

Amendment No. 48: Limits obligations for Federal-aid highways to $7,950,000,000 instead of $7,800,000,000 as proposed by the Senate and $8,100,000,000 as proposed by the House. The conferees are in agreement that, if necessary, a supplemental estimate will be considered after the enactment of authorizing legislation.

Amendment No. 49: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides $50,000,000 from obligations authorized by 23 U.S.C. 125 for the replacement of the West Seattle bridge in the State of Washington.

Amendment No. 50: Restores House provision prohibiting the use of funds for the implementation or enforcement of any standard or regulation which requires any motor vehicle to be equipped with an occupant restraint system (other than a belt system).

Amendment No. 51: Restores House provision which provides that section 317 does not prohibit the use of funds for any research and development activity relating to occupant restraint systems.

The Conferees intend that the language of this provision permits broad research and development activities related to the provisions of occupant restraint standard No. 208. Where a regulation is final and must be met by manufacturers at a fixed future date, the Secretary's activities must be realistically and broadly construed. The Secretary is expected to perform and report the findings of his diverse actions, including validation studies, investigations, and assessments, to maximize the regulation's effectiveness and reliability.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1979 recommended by the Committee of Conference, with comparisons to the fiscal year 1978 amount, the 1979 budget estimates, and the House and Senate bills for 1979 follow:

New budget (obligational) authority, fiscal year 1978	$6,226,801,023
Budget estimates of new (obligational) authority, fiscal year 1979 [1]	9,268,623,096
House bill, fiscal year 1979	8,847,296,096
Senate bill, fiscal year 1979	8,568,543,096
Conference agreement	8,747,553,096
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1978	+2,520,752,073
Budget estimates of new (obligational) authority, fiscal year 1979	−521,070,000
House bill, fiscal year 1979	−99,743,000
Senate bill, fiscal year 1979	+179,010,000

[1] Includes $200,000,000 of budget estimates not considered by the House, contained in Sen. Doc. 95-110.

The conferees are in agreement that unless otherwise specified in this statement the personnel differences in the House and Senate reports should be evenly divided. With respect to railroad safety, the conferees concur with the level specified in the Senate report.

JOHN J. MCFALL,
TOM STEED,
ROBERT DUNCAN,
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GEORGE M. O'BRIEN,
E. A. CEDERBERG,
Managers on the Part of the House.

BIRCH BAYH,
WARREN G. MAGNUSON,
JOHN C. STENNIS,
ROBERT C. BYRD,
THOMAS F. EAGLETON,
J. BENNETT JOHNSTON, Jr.,
CLIFFORD P. CASE,
MILTON R. YOUNG,
CHARLES MCC. MATHIAS, Jr.,
LOWELL P. WEICKER, Jr.,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. RODINO (at the request of Mr. WRIGHT), for today, on account of illness in the family.

Mr. ALEXANDER (at the request of Mr. WRIGHT), for Wednesday, June 28, on account of attending a funeral.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. VANIK, for 10 minutes today, and to revise and extend his remarks, and include extraneous matter.

(The following Members (at the request of Mr. TRIBLE) and to revise and extend their remarks and include extraneous matter:)

Mr. GREEN, for 10 minutes, on June 29, 1978.

Mr. WHALEN, for 5 minutes, today.

Mr. KEMP, for 20 minutes, today.

Mr. MARTIN, for 10 minutes, today.

Mr. CLEVELAND, for 5 minutes, today.

Mr. GOLDWATER, for 5 minutes, today.

Mr. SARASIN, for 5 minutes, today.

(The following Members (at the request of Mr. JOHN T. MYERS), to revise and extend their remarks, and to include extraneous matter to:)

Mr. SKUBITZ, for 10 minutes, today.

Mr. ROUSSELOT, for 10 minutes, today.

(The following Members (at the request of Mr. RAHALL) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. PEPPER, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. LEVITAS, for 5 minutes, today.

Mr. ALEXANDER, for 30 minutes, today.

Mr. MCFALL, for 5 minutes, today.

Mr. GLICKMAN, for 5 minutes, today.

Mr. DRINAN, for 5 minutes, today.

Mr. CORMAN, for 5 minutes, today.

Mr. DODD, for 5 minutes, today.

Mrs. BOGGS, for 5 minutes, today.

Mr. GIAIMO, for 60 minutes, July 10, 1978.

(The following Members (at the request of Mr. ANDERSON of California), to revise and extend their remarks, and to include extraneous matter to:)

Mr. VAN DEERLIN, for 5 minutes, today.

Mr. GARCIA, for 5 minutes, today.

Mr. HANLEY, for 5 minutes, today.

Mr. FAUNTROY, for 10 minutes, today.

Mr. FASCELL, for 5 minutes, today.

Mr. NEAL, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. OBEY, and to include extraneous material notwithstanding the fact that it

exceeds two pages of the RECORD and is estimated by the Public Printer to cost $2,874.

Mr. SEIBERLING, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $903.38.

(The following Members (at the request of Mr. TRIBLE) and to include extraneous matter:)

Mr. CONABLE in two instances.
Mr. HOLLENBECK in two instances.
Mr. FINDLEY.
Mr. ABDNOR in two instances.
Mr. SAWYER in two instances.
Mr. HYDE in two instances.
Mr. DERWINSKI in two instances.
Mr. LATTA.
Mr. FRENZEL in five instances.
Mr. MCKINNEY.
Mr. GILMAN.
Mr. GOLDWATER in two instances.
Mr. MCCLORY.
Mr. MARTIN.
Mr. MICHEL.
Mr. MARLENEE.
Mr. KEMP in two instances.
Mr. DORNAN in two instances.
Mr. WINN.
Mr. KASTEN.
Mr. SKUBITZ.
Mr. WALKER.
Mr. PRESSLER.
Mr. SARASIN in two instances.
Mrs. HECKLER.

(The following Members (at the request of Mr. RAHALL) and to include extraneous material:)

Mr. MAZZOLI in two instances.
Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. FORD of Tennessee.
Mr. FARY in two instances.
Mr. WOLFF.
Mr. FRASER in three instances.
Mr. CONYERS.
Mr. MURPHY of Illinois.
Mr. STARK in two instances.
Mr. WON PAT.
Mr. LEHMAN in two instances.
Mr. NOLAN.
Mr. DRINAN in five instances.
Mr. UDALL in two instances.
Mr. BONKER.
Mr. MINETA.
Mr. MOFFETT.
Mr. EDGAR.
Mr. CARR.
Mr. DODD in two instances.
Mr. EVANS of Indiana.
Mr. BLOUIN.
Mr. MARKEY in five instances.
Mr. GEPHARDT.
Mrs. SPELLMAN.
Mr. LUKEN.
Mr. HEFNER in three instances.
Mr. HUGHES.
Mr. DE LA GARZA.
Mr. RUSSO.
Mr. MOORHEAD of Pennsylvania.

ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 3447. An act to amend chapter 83 of title 5, United States Code, to grant an annuitant the right to elect within one year after remarriage whether such annuitant's new spouse shall be entitled, if otherwise qualified, to a survivor annuity, and to eliminate the annuity reduction made by an unmarried annuitant to provide a survivor annuity to an individual having an insurable interest in cases where such individual predeceases the annuitant;

H.R. 3755. An act to provide for the reinstatement of civil service retirement survivor annuities for certain widows and widowers whose remarriages occurred before July 18, 1966, and for other purposes;

H.R. 10730. An act to authorize appropriations to carry out the Marine Mammal Protection Act of 1972 during fiscal years 1979, 1980, and 1981;

H.R. 10882. An act to authorize appropriations to carry out conservation programs on military reservations and public lands during fiscal years 1979, 1980, and 1981; and

H.R. 12571. An act to amend the Fishery Conservation Zone Transition Act in order to give effect to the Reciprocal Fisheries Agreement for 1978 between the United States and Canada.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2401. An act to amend the Consumer Product Safety Act to establish an interim consumer product safety rule relating to the standards for flame resistance and corrosiveness of certain insulation, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on June 28, 1978, present to the President, for his approval, a joint resolution of the House of the following title:

H.J. Res. 995. To designate Sunday, June 25, 1978, as "National Brotherhood Day."

ADJOURNMENT

Mr. ANDERSON of California. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore. Pursuant to the provisions of House Concurrent Resolution 654, 95th Congress, the House stands adjourned until 12 o'clock meridian, Monday, July 10, 1978.

Thereupon (at 4 o'clock and 40 minutes p.m.), pursuant to House Concurrent Resolution 654, the House adjourned until Monday, July 10, 1978, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4474. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-207, "To amend the election and conflict-of-interest laws of the District of Columbia, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4475. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as mended; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LEHMAN: Committee on Post Office and Civil Service. House Joint Resolution 613. Joint resolution to authorize and request the President to issue annually a proclamation designating the first Sunday of September after Labor Day of each year as "National Grandparents Day"; with amendment (Rept. No. 95-1327). Referred to the House Calendar.

Mr. LEHMAN: Committee on Post Office and Civil Service. House Joint Resolution 773. Joint resolution authorizing and requesting the President of the United States to issue a proclamation designating the 7 calendar days beginning September 17, 1978, as "National Port Week"; (Rept. No. 95-1328). Referred to the House Calendar.

Mr. McFALL: Committee of Conference. Conference report on H.R. 12933. (Rept. No. 95-1329). Ordered to be printed.

Mr. SISK: Committee on Rules. House Resolution 1252. Resolution providing for the consideration of H.R. 1609. A bill to amend the Mineral Leasing Act of 1920, and for other purposes. (Rept. No. 95-1330). Referred to the House Calendar.

Mr. SISK: Committee on Rules. House Resolution 1253. Resolution providing for the consideration of H.R. 12796. A bill to amend the National Visitor Center Facilities Act of 1968. (Rept. No. 95-1331). Referred to the House Calendar.

Mr. ROBERTS: Committee on Veterans' Affairs. H.R. 12028. A bill to amend title 38, United States Code, to improve the housing programs of the Veterans' Administration; with amendment (Rept. No. 95-1332). Referred to the Committee of the Whole House on the State of the Union.

Mr. ZABLOCKI: Committee of Conference. Conference report on H.R. 11877 (Rept. No. 95-1333). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AUCOIN (for himself, Mr. LEGGETT, Mr. FORSYTHE, Mr. MURPHY of New York, Mr. RUPPE, Mr. BONKER, Mr. METCALFE, Mr. BIAGGI, Mr. YOUNG of Alaska, Mr. ROONEY, Mr. STUDDS, Mr. TRIBLE, Mr. D'AMOURS, Mr. ZEFERETTI, Mr. OBERSTAR, Mr. HUGHES, Ms. MIKULSKI, Mr. AKAKA, Mr. WEAVER, and Mr. DON H. CLAUSEN):

H.R. 13340. A bill to amend the Fishery Conservation and Management Act of 1976 in order to regulate the acquisition by foreign fishing vessels, for processing at sea, of fish harvested by U.S. fishing vessels, and for other purpcses; to the Committee on Merchant Marine and Fisheries.

By Mr. BEARD of Tennessee (for himself, Mr. BUTLER, Mr. DAN DANIEL, Mr. SEBELIUS, Mr. DEVINE, Mr. STUMP, Mr. EVANS of Georgia, Mr. BADHAM, Mr. KEMP, Mr. MCCORMACK, Mr.

HAGEDORN, Mr. EVANS of Colorado, Mr. DUNCAN of Oregon, Mr. CHARLES WILSON of Texas, Mr. SYMMS, and Mr. WAGGONNER):

H.R. 13341. A bill to amend the Endangered Species Act of 1973 in order to clarify the provisions of the act regarding Federal agency cooperation; to the Committee on Merchant Marine and Fisheries.

By Mr. BEARD of Tennessee (for himself, Mr. QUIE, and Mr. HYDE):

H.R. 13342. A bill to amend the Controlled Substances Act to authorize a Marihuana pretrial diversion program in order that persons subject to arrest for the unlawful possession of small amounts of marihuana or hashish for personal use may receive drug-related counseling rather than be subject to criminal prosecution pursuant to section 404(a) of such act; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BROOKS (for himself, Mr. THOMPSON, and Mr. BLOUIN):

H.R. 13343. A bill to establish a Department of Education, and for other purposes; to the Committee on Government Operations.

By Mrs. BOGGS (for herself, Mr. ANDERSON of Illinois, Mr. ANNUNZIO, Mr. BROWN of California, Mr. CORMAN, Mr. DOWNEY, Mr. FASCELL, Mr. FLOOD, Mr. FRASER, Mr. KASTENMEIER, Mr. LONG of Louisiana, Mr. MCFALL, Mr. OBERSTAR, Mr. PATTISON of New York, Mr. PREYER, Mr. SCHEUER, Mrs. SCHROEDER, Mr. SEIBERLING, Mr. STEIGER, Mr. TSONGAS, Mr. UDALL, and Mr. WHALEN):

H.R. 13344. A bill to authorize the Smithsonian Institution to acquire the Museum of African Art, and for other purposes; to the Committee on House Administration.

By Mr. BYRON (for himself, Mr. EILBERG, Mr. FISH, and Mr. LUKEN):

H.R. 13345. A bill to prohibit fuel adjustment clauses in electric utility rate schedules; to the Committee on Interstate and Foreign Commerce.

By Mr. CONABLE (for himself, Mr. DUNCAN of Tennessee, and Mr. STEIGER):

H.R. 13346. A bill to amend title II of the Social Security Act to make it clear that every beneficiary is entitled to apply the monthly earnings test (under the amendment made by section 303 of the Social Security Amendments of 1977) in at least 1 year after 1977; to the Committee on Ways and Means.

By Mr. CORMAN (for himself, Mr. GIBBONS, Mr. RANGEL, Mr. BROOKHEAD, Mr. TUCKER, Mr. DUNCAN of Tennessee, and Mr. FRENZEL):

H.R. 13347. A bill to amend the Internal Revenue Code of 1954 to allow certain individuals whose employers make contributions to pension plans a deduction for their contributions to certain individual retirement savings plans; to the Committee on Ways and Means.

By Mr. DE LA GARZA:

H.R. 13348. A bill to authorize the Secretary of Agriculture to relinquish exclusive legislative jurisdiction over lands or interests under his control; to the Committee on Agriculture.

By Mr. EILBERG (for himself, Mr. MCCLORY, Ms. HOLTZMAN, Mr. HALL, Mr. HARRIS, Mr. EVANS of Georgia, Mr. FISH, and Mr. SAWYER):

H.R. 13349. A bill to repeal certain sections of title III of the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. SISK (for himself, Mr. JOHNSON of California, Mr. EVANS of Colorado, Mr. RONCALIO, Mr. RUNNELS, Mr. LUJAN, Mr. MARLENEE, Mr. DON H. CLAUSEN, and Mr. BURGENER):

H.R. 13350. A bill to amend and supplement the acreage limitation and residency provisions of the Federal reclamation laws, as amended and supplemented, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. EVANS of Georgia:

H.R. 13351. A bill to amend the Local Public Works Capital Development and Investment Act of 1976 to increase the authorization of appropriations and to provide a set-aside for certain counties and parishes; to the Committee on Public Works and Transportation.

By Mr. GLICKMAN (for himself, Mr. NOLAN, Mr. CLAY, Mr. GUYER, Mr. HAWKINS, Mr. HEFTEL, Mr. TSONGAS, and Mr. STUMP):

H.R. 13352. A bill to encourage the use of alcohol in motor vehicle fuels by requiring certain retailers to make alcohol-blended fuels available for sale, by allowing the rapid amortization of facilities producing alcohol for use in motor vehicle fuels, and by exempting alcohol-blended fuels from certain requirements of the Clean Air Act; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. HOLLENBECK:

H.R. 13353. A bill to provide for the repatriation of the remains of five unknown members of the U.S. Navy killed and interred in Tripoli in 1804 and for the interment of such remains in Arlington National Cemetery; jointly to the Committees on International Relations, and Veterans' Affairs.

By Mr. JACOBS:

H.R. 13354. A bill to require any budget submitted to the Congress which is in deficit shall be printed in red ink; to the Committee on Government Operations.

By Mr. JONES of Oklahoma:

H.R. 13355. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 to allow the use of a participant's contributions to certain defined contribution plans as security for a loan from a bank or insured credit union; jointly, to the Committees on Education and Labor, and Ways and Means.

By Mr. KREBS (for himself, Mr. GRASSLEY, Mr. NOLAN, Mr. HARKIN, Mr. GOLDWATER, Mr. CORCORAN of Illinois, Mr. LAGOMARSINO, Mr. ENGLISH, Ms. KEYS, Mr MCFALL, Mr THONE, Mr. GUYER, Mr. ROBINSON, Mr. FUQUA, Mr. DERRICK, Mr. ABDNOR, Mr. MILLER of California, Mr. PANETTA, Mr. HEFTEL, Mr. BALDUS, Mr. MCHUGH, Mr. PRICE, Mr. COCHRAN of Mississippi, Mr. EVANS of Georgia, and Mr. JEFFORDS):

H.R. 13356. A bill to require foreign persons who acquire, transfer, or hold interests in agricultural land to report such transactions and holdings to the Secretary of Agriculture and to direct the Secretary to analyze information contained in such reports and determine the effects such transactions and holdings have, particularly on family farms and rural communities, and for other purposes; to the Committee on Agriculture.

By Mr. KREBS (for himself, Mr. GRASSLEY, Mr. NOLAN, Mr. OTTINGER, Mr. BAUCUS, Mr. ROSE, Mr. BEDELL, Mr. BOWEN, Mr. AMMERMAN, Mr. VENTO, Mrs. SMITH of Nebraska, Mr. BROWN of California, Mr. TUCKER, Mr. FRASER, Mr. SIMON, and Mr. SEBELIUS):

H.R. 13357. A bill to require foreign persons who acquire, transfer, or hold interests in agricultural land to report such transactions and holdings to the Secretary of Agriculture and to direct the Secretary to analyze information contained in such reports and determine the effects such transactions and holdings have, particularly on family farms and rural communities, and for other purposes; to the Committee on Agriculture.

By Mr. MCCORMACK:

H.R. 13358. A bill to provide for the construction at federally owned facilities for the temporary storage of spent nuclear fuel, and for other purposes; jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

By Mr. MCFALL:

H.R. 13359. A bill to establish an independent board which shall have the authority to require prenotification of price increases, delay proposed price increases, disapprove proposed price increases, and roll back excessive prices with respect to companies in concentrated industries, in order to reduce inflation in the United States, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MANN:

H.R. 13360. A bill to amend the Federal Rules of Criminal Procedure and the Federal Rules of Appellate Procedure to provide for post-conviction proceedings in certain criminal cases; to the Committee on the Judiciary.

By Mr. MARLENEE:

H.R. 13361. A bill to provide for the United States to hold in trust for the Assiniboine and Sioux Tribes of the Fort Peck Indian Reservation in Montana approximately 1.8 acres of land; to the Committee on Interior and Insular Affairs.

H.R. 13362. A bill to terminate the airlines mutual aid agreement; to the Committee on Public Works and Transportation.

By Mr. MIKVA (for himself, Mr. DRINAN, Mrs. HECKLER, and Mr. VANIK):

H.R. 13363. A bill to correct inequities in certain sales representatives practices to provide protection for certain sales representatives terminated from their accounts without justification, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PREYER (for himself, Mr. BRADEMAS, and Mr. ERTEL):

H.R. 13364. A bill to amend title 44 to insure the preservation of and public access to the official records of the President, and for other purposes; jointly, to the Committees on House Administration, and Government Operations.

By Mr. ROBERTS (by request):

H.R. 13365. A bill to amend chapter 19 of title 38, United States Code, to permit the unrestricted assignment of a beneficiary's interest in the proceeds of a Government Life Insurance policy in cases involving contested claims, and to increase the amount an attorney may receive for representing a claimant in such cases; to authorize the Administrator to use a flexible interest rate in cases where the beneficiary of Government Life Insurance receives the proceeds of such insurance under certain settlement options; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. SEBELIUS:

H.R. 13366. A bill to provide for the construction of the Wild West Highway between Wichita, Kans. and Tucumcari, N. Mex.; to the Committee on Public Works and Transportation.

By Mr. SOLARZ:

H.R. 13367. A bill to amend the Uniform Time Act of 1966 to provide that daylight savings time shall begin on the last Sunday in February of each year; to the Committee on Interstate and Foreign Commerce.

By Mr. STARK (for himself, Mr. DERWINSKI, Ms. HOLTZMAN, Mr. PRITCHARD, and Mr. BOB WILSON):

H.R. 13368. A bill to amend the Indochina Migration and Refugee Assistance Act of 1975, and for other purposes; to the Committee on the Judiciary.

By Mr. CHARLES H. WILSON of California (for himself, Ms. MIKULSKI, Mr. NIX, Mr. UDALL, Mr. HANLEY, Mr. WHITE, Mr. FORD of Tennessee, Mr. CLAY, Mrs. SCHROEDER, Mr. LEHMAN, Mrs. SPELLMAN, Mr. HARRIS, Mr. SOLARZ, Mr. MICHAEL O. MYERS, Mr. HEFTEL, Mr. GARCIA, Mr. METCALFE, Mr. DERWINSKI, Mr. COLLINS of Texas, Mr. TAYLOR, Mr. GILMAN, Mr. LOTT, Mr. LEACH, and Mr. CORCORAN of Illinois):

H.R. 13369. A bill to amend the provisions of title 39, United States Code, relating to the mailing of solicitations disguised as invoices or statements of accounts; to the Committee on Post Office and Civil Service.

By Mr. WOLFF:

H.R. 13370. A bill to strengthen Federal policies and programs and international cooperation to combat international terrorism; jointly, to the Committees on International Relations, the Judiciary, Public Works and Transportation, and Ways and Means.

By Mr. DINGELL:

H.R. 13371. A bill to increase the price of migratory-bird hunting and conservation stamps and to provide for consultation by the Secretary of the Interior with State and local authorities before migratory bird areas are recommended for purchase or rental; to the Committee on Merchant Marine and Fisheries.

By Mr. DINGELL (for himself, Mr. AKAKA, Mr. ASHLEY, Mr. BEILENSON, Mr. BONIOR, Mr. CONTE, Mr. ECKHARDT, Mr. EDGAR, Mr. EILBERG, Mr. FORSYTHE, Mr. KILDEE, Mr. LONG of Maryland, Mr. MOAKLEY, Mr. PREYER, Mr. RODINO, Mr. RUPPE, Mr. SEIBERLING, Mrs. SPELLMAN, Mr. STOCKMAN, Mr. STUDDS, Mr. UDALL, Mr. VENTO, and Mr. WAXMAN):

H.R. 13372. A bill to increase the price of migratory-bird hunting and conservation stamps and to suspend the hunting of migratory birds in any State in which there has been a failure to approve an acquisition of wetlands; to the Committee on Merchant Marine and Fisheries.

By Mrs. HECKLER (for herself and Mr. WOLFF):

H.R. 13373. A bill to amend title 38 of the United States Code to provide for an extension of the delimiting period for Vietnam era veterans pursuing a program of apprenticeship, on-the-job or cooperative training; to the Committee on Veterans' Affairs.

By Mr. HEFTEL (for himself and Mr. DICKS):

H.R. 13374. A bill to establish a Department of Education, and for other purposes; to the Committee on Government Operations.

By Mr. KELLY (for himself, Mr. ABDNOR, Mr. ARCHER, Mr. BADHAM, Mr. BAFALIS, Mr. BAUMAN, Mr. BEARD of Tennessee, Mr. BROWN of Ohio, Mr. BROWN of California, Mr. BURGENER, Mr. BUTLER, Mr. CHAPPELL, Mr. DON H. CLAUSEN, Mr. DEL CLAWSON, Mr. COLEMAN, Mr. COLLINS of Texas, Mr. CUNNINGHAM, Mr. DAN DANIEL, Mr. DE LA GARZA, Mr. DERWINSKI, Mr. DEVINE, Mr. DORNAN, Mr. DUNCAN of Tennessee, Mr. EDWARDS of Oklahoma, and Mr. FUQUA):

H.R. 13375. A bill to prohibit the importation into the United States of certain agricultural products of Cuba, to include citrus, winter vegetables, and tropical fruits until after 1989; to the Committee on Ways and Means.

By Mr. KELLY (for himself, Mr. GINN, Mr. GLICKMAN, Mr. GOLDWATER, Mr. GONZALEZ, Mr. GOODLING, Mr. GRASSLEY, Mr. GUYER, Mr. HAGEDORN, Mr. HANSEN, Mr. HEFTEL, Mr. HIGHTOWER, Mr. HORTON, Mr. HYDE, Mr. JONES of Tennessee, Mr. JONES of North Carolina, Mr. LAGOMARSINO, Mr. LATTA, Mr. LIVINGSTON, Mr. LOTT, Mr. MCCLORY, Mr. MCDONALD, Mr. MADIGAN, and Mr. MARTIN):

H.R. 13376. A bill to prohibit the importation into the United States of certain agricultural products of Cuba, to include citrus, winter vegetables, and tropical fruits until after 1989; to the Committee on Ways and Means.

By Mr. KELLY (for himself, Mr. MATHIS, Mr. MITCHELL of New York, Mr. MONTGOMERY, Mr. MOORE, Mr. MOORHEAD of California, Mr. MOTTL, Mr. PANETTA, Mrs. PETTIS, Mr. ROUSSELOT, Mr. RUDD, Mr. SCHULZE, Mr. SEBELIUS, Mr. SIKES, Mr. STUMP, Mr. SYMMS, Mr. THONE, Mr. VANDER JAGT, Mr. VOLKMER, Mr. WALKER, Mr. WAMPLER, Mr. WINN, and Mr. YOUNG of Florida):

H.R. 13377. A bill to prohibit the importation into the United States of certain agricultural products of Cuba, to include citrus, winter vegetables, and tropical fruits until after 1989; to the Committee on Ways and Means.

By Mr. MOORE (for himself and Mr. MARTIN):

H.R. 13378. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $100 of interest in the case of an individual taxpayer; to the Committee on Ways and Means.

By Mr. PRESSLER:

H.R. 13379. A bill to authorize construction of the Gregory pumped-storage hydroelectric dam and reservoir; to the Committee on Public Works and Transportation.

H.R. 13380. A bill to impose quotas on the importation of beef in order to assure an adequate supply of quality beef at stable prices for the American consumer; to the Committee on Ways and Means.

By Mr. RANGEL:

H.R. 13381. A bill to grant a Federal Charter to the 369th Veterans' Association; to the Committee on the Judiciary.

By Mr. UDALL:

H.R. 13382. A bill to amend the Atomic Energy Act of 1954, as amended, to provide for regulations of uranium mill tailings, and for other purposes; jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

By Mr. DODD (for himself, Mr. BAUCUS, Mr. CHAPPELL, Mr. MANN, Mr. NOLAN, and Mr. ROBINSON):

H.J. Res. 1040. Joint resolution authorizing the President to proclaim the third week in June 1979 as "National Veterans' Hospital Week"; to the Committee on Post Office and Civil Service.

By Mr. HALL (for himself, Mr. EILBERG, Mr. HARRIS, Mr. EVANS of Georgia, Mr. FISH, Mr. SAWYER, and Mr. LOTT):

H.J. Res. 1041. Joint resolution to restore posthumously full rights of citizenship to Jefferson F. Davis; to the Committee on the Judiciary.

By Mr. LEACH:

H.J. Res. 1042. Joint resolution proposing an amendment to the Constitution of the United States to provide that, except in time of war or national emergency as declared by the Congress, expenditures of the United States in any fiscal year shall not exceed 20 percent of the estimated gross national product for such year; to the Committee on the Judiciary.

By Mr. MOORHEAD of Pennsylvania (for himself, Mr. AKAKA, Mr. ALEXANDER, Mr. AMBRO, Mr. AMMERMAN, Mr. ANDERSON of California, Mr. ANNUNZIO, Mr. APPLEGATE, Mr. ARMSTRONG, Mr. ASHLEY, Mr. AUCOIN, Mr. BAFALIS, Mr. BALDUS, Mr. BAUCUS, Mr. BEARD of Tennessee, Mr. BEVILL, Mr. BIAGGI, Mr. BINGHAM, Mr. BLANCHARD, Mr. BOLAND, Mr. BONIOR, Mr. BOWEN, Mr. BRADEMAS, and Mr. BRINKLEY):

H.J. Res. 1043. Joint resolution designating July 18, 1979, as "National P.O.W.–M.I.A. Recognition Day"; to the Committee on Post Office and Civil Service.

By Mr. MOORHEAD of Pennsylvania (for himself, Mr. BRODHEAD, Mr. BROWN of Ohio, Mr. BUCHANAN, Mr. BURGENER, Mr. BURKE of Florida, Mr. BURKE of Massachusetts, Mr. BUTLER, Mr. BYRON, Mr. CAPUTO, Mr. CARNEY, Mr. CHAPPELL, Mr. CLEVELAND, Mr. COHEN, Mr. CONTE, Mr. CORCORAN of Illinois, Mr. CORNWELL, Mr. COTTER, Mr. CRANE, Mr. DAVIS, Mr. DE LA GARZA, Mr. DERRICK, Mr. DERWINSKI, Mr. DEVINE, and Mr. DICKINSON):

H.J. Res. 1044. Joint resolution designating July 18, 1979, as "National P.O.W.–M.I.A. Recognition Day"; to the Committee on Post Office and Civil Service.

By Mr. MOORHEAD of Pennsylvania (for himself, Mr. DICKS, Mr. DIGGS, Mr. DINGELL, Mr. DODD, Mr. DUNCAN of Tennessee, Mr. DUNCAN of Oregon, Mr. EILBERG, Mr. EMERY, Mr. ERTEL, Mr. EVANS of Georgia, Mr. EVANS of Delaware, Mr. FARY, Mr. FAUNTROY, Mr. FISH, Mr. FLOOD, Mr. FLORIO, Mr. FLYNT, Mr. FORSYTHE, Mr. FOUNTAIN, Mr. FRASER, Mr. FRENZEL, Mr. FREY, Mr. GAMMAGE, and Mr. GAYDOS):

H.J. Res. 1045. Joint resolution designating July 18, 1979, as "National P.O.W.–M.I.A. Recognition Day"; to the Committee on Post Office and Civil Service.

By Mr. MOORHEAD of Pennsylvania (for himself, Mr. GEPHARDT, Mr. GILMAN, Mr. GINN, Mr. GLICKMAN, Mr. GONZALEZ, Mr. GOODLING, Mr. GORE, Mr. GRADISON, Mr. GRASSLEY, Mr. GUYER, Mr. HAGEDORN, Mr. HALL, Mr. HAMMERSCHMIDT, Mr. HANLEY, Mr. HANSEN, Mr. HARRIS, Mr. HARSHA, Mr. HEFTEL, Mr. HILLIS, Mr. HOLLAND, Mr. HOLLENBECK, Mr. HORTON, Mr. HOWARD, and Mr. HUGHES):

H.J. Res. 1046. Joint resolution designating July 18, 1979, as "National P.O.W.–M.I.A. Recognition Day"; to the Committee on Post Office and Civil Service.

By Mr. MOORHEAD of Pennsylvania (for himself, Mr. HYDE, Mr. IRELAND, Mr. JEFFORDS, Mr. JENKINS, Mr. JOHNSON of California, Mr. JONES of North Carolina, Mr. KASTEN, Mr. KAZEN, Mr. KEMP, Ms. KEYS, Mr. KILDEE, Mr. KINDNESS, Mr. KOSTMAYER, Mr. KREBS, Mr. KRUEGER, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LE FANTE, Mr. LEGGETT, Mr. LENT, Mr. LEVITAS, and Mr. LIVINGSTON):

H.J. Res. 1047. Joint resolution designating July 18, 1979, as "National P.O.W.–M.I.A. Recognition Day"; to the Committee on Post Office and Civil Service.

By Mr. MOORHEAD of Pennsylvania (for himself, Mr. LLOYD of California, Mrs. LLOYD of Tennessee, Mr. LOTT, Mr. LUJAN, Mr. LUNDINE, Mr. MCCLOSKEY, Mr. MCDADE, Mr. MCDONALD, Mr. MCHUGH, Mr. MARTIN, Mr. MAZZOLI, Mr. METCALFE, Mrs. MEYNER, Ms. MIKULSKI, Mr. MILLER of Ohio, Mr. MINETA, Mr. MITCHELL of New York, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MONTGOMERY, Mr. MOORE, Mr. MOTTL, Mr. MURPHY of Pennsylvania, and Mr. MURPHY of Illinois):

H.J. Res. 1048. Joint resolution designating July 18, 1979, as "National P.O.W.–M.I.A. Recognition Day"; to the Committee on Post Office and Civil Service.

By Mr. MOORHEAD of Pennsylvania (for himself, Mr. JOHN T. MYERS, Mr. MICHAEL O. MYERS, Mr. NATCHER, Mr. NICHOLS, Mr. NOLAN, Mr. NOWAK, Mr. O'BRIEN, Mr. OTTINGER, Mr. PANETTA, Mr. PATTERSON of California, Mr. PERKINS, Mr. PRESSLER, Mr. PREYER, Mr. PRICE, Mr. PURSELL, Mr. QUIE, Mr. QUILLEN, Mr. RAHALL, Mr. RANGEL, Mr. RINALDO, Mr. ROBINSON, Mr. RODINO, Mr. ROE, and Mr. ROGERS):

H.J. Res. 1049. Joint resolution designating July 18, 1979, as "National P.O.W.–M.I.A. Recognition Day"; to the Committee on Post Office and Civil Service.

By Mr. MOORHEAD of Pennsylvania (for himself, Mr. ROONEY, Mr. SARASIN, Mr. SATTERFIELD, Mr. SAWYER, Mr. SHARP, Mr. SIKES, Mr. SKELTON, Mr. SNYDER, Mr. SPENCE, Mr. STANGELAND, Mr. STEED, Mr. STEIGER, Mr. STOCKMAN, Mr. SYMMS, Mr. THONE, Mr. VAN DEERLIN, Mr. VANDER JAGT, Mr. VENTO, Mr. WALGREN, Mr. WAMPLER, Mr. WATKINS, Mr. WAXMAN, Mr. WEISS, and Mr. WHITEHURST):

H.J. Res. 1050. Joint resolution designating July 18, 1979, as "Nation P.O.W.–M.I.A. Recognition Day"; to the Committee on Post Office and Civil Service

By Mr. MOORHEAD of Pennsylvania (for himself, Mr. WHITTEN, Mr. BOB WILSON of California, Mr. CHARLES WILSON of Texas, Mr. CHARLES H. WILSON of California, Mr. WINN, Mr. WON PAT, Mr. WRIGHT, Mr. WYDLER, Mr. WYLIE, Mr. YOUNG of Missouri, Mr. ZABLOCKI, Mr. ZEFERETTI, Mr. MURTHA, Mr. D'AMOURS, Mr. FOWLER, Ms. HOLTZMAN, Mr. MINISH, Mr. MOLLOHAN, Mr. MURPHY of New York, Mr. ROUSSELOT, Mr. DENT, Mr. STANTON, Mr. STUMP, and Mr. YATES):

H.J. Res. 1051. Joint resolution designating July 18, 1979, as "National P.O.W.–M.I.A. Recognition Day"; to the Committee on Post Office and Civil Service.

By Mr. MOORHEAD of Pennsylvania (for himself, Mr. CONYERS, Mr. YATRON, Mr. YOUNG of Florida, and Mr. LONG of Maryland):

H.J. Res. 1052. Joint resolution designating July 18, 1979, as "National P.O.W.–M.I.A. Recognition Day"; to the Committee on Post Office and Civil Service.

By Mr. SAWYER (for himself, Mr. JONES of Oklahoma, Mr. COLLINS of Texas, Mr. EVANS of Georgia, Mr. LUKEN, Ms. MIKULSKI, Mr. MOFFETT, and Mr. NOLAN):

H.J. Res. 1053. Joint resolution proposing an amendment to the Constitution of the United States to give citizens of the United States the right to enact and repeal laws by voting on legislation in a national election; to the Committee on the Judiciary.

By Mr. GILMAN (for himself, Mr. BAUCUS, Mr. DERWINSKI, Mr. DUNCAN of Tennessee, Mr. EDGAR, Mr. EVANS of Georgia, Mr. GOODLING, Mr. HUGHES, Mr. LIVINGSTON, Mr. LLOYD of California, Mr. MCCORMACK, Mr. O'BRIEN, Mr. ROE, Mr. SANTINI, Mrs. SPELLMAN, Mr. STEERS, and Mr. WALGREN):

H. Con. Res. 656. Concurrent resolution urging a continuing Presidential commitment to improving Federal regulation making; to the Committee on the Judiciary.

By Mr. BEARD of Tennessee:

H. Res. 1254. Resolution requesting that the Secretary of Defense should rescind that portion of the Department of Defense directive which permits deserters from military service to receive in absentia discharges; to the Committee on Armed Services.

By Mr. BRECKINRIDGE (for himself, Mr. ST GERMAIN, Mr. D'AMOURS, Mr. BEARD of Rhode Island, Mr. GOLDWATER, Mr. PRITCHARD, Mr. CHAPPELL, Mr. MANN, Mr. NOLAN, Mr. KREBS, Mr. YOUNG of Missouri, Mr. DEVINE, Mr. PURSELL, Mr. RAHALL, Mr. FOUNTAIN, Mr. CARTER, Mr. CLAY, Mr. KEMP, Mr. BARNARD, Mr. OBERSTAR, Mr. KOSTMAYER, Mr. BRODHEAD, Ms. KEYS, and Mr. RODINO):

H. Res. 1255. Resolution relating to voluntary pooling of clerk-hire funds; to the Committee on House Administration.

By Mr. BRECKINRIDGE (for himself, Mr. CAVANAUGH, Mr. RUNNELS, Mr. BUCHANAN, Mr. ROUSSELOT, Mr. RAILSBACK, Mr. SHARP, Mr. SISK, Mr. MILLER of California, Mr. METCALFE, Mr. KASTEN, Mr. LUNDINE, Mr. STARK, Mr. ANDREWS of North Carolina, Mr. MURPHY of Illinois, Mr. MICHAEL O. MYERS, Mr. NIX, and Mr. CORNWELL):

H. Res. 1256. Resolution relating to voluntary pooling of clerk-hire funds; to the Committee on House Administration.

By Mr. EDWARDS of California:

H. Res. 1257. Resolution expressing the sense of the House of Representatives that the Committee on Ways and Means should develop tax reform legislation designed to induce noninflationary behavior by business and labor; to the Committee on Ways and Means.

By Mrs. SMITH of Nebraska:

H. Res. 1258. Resolution relating to the importance of a strong and independent Department of Agriculture; to the Committee on Agriculture.

By Mr. STARK (for himself, Mr. JOHN L. BURTON, Mr. PHILLIP BURTON, Mr. HARKIN, Mr. HARRINGTON, Mr. MILLER, of California, and Mr. MOFFETT):

H. Res. 1259. Resolution directing the Secretary of State to furnish certain information to the House of Representatives with respect to shipments of military equipment to Chile; to the Committee on International Relations.

By Mr. STUDDS (for himself, Mr. AUCOIN, Mr. BEARD of Rhode Island, Mr. CLEVELAND, Mr. COHEN, Mr. D'AMOURS, Mr. EMERY, Mr. FLOOD, Mr. FORSYTHE, Mr. HARRINGTON, Mr. TREEN, Mr. TSONGAS, and Mr. ZEFERETTI):

H. Res. 1260. Resolution to disapprove the waiver of countervailing duty on certain items of Government-subsidized fish imported from Canada; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DODD:

H.R. 13383. A bill to direct the Secretary of the department in which the U.S. Coast Guard is operating to cause the vessel *Albatross* to be documented as a vessel of the United States so as to be entitled to engage in the coastwise trade; to the Committee on Merchant Marine and Fisheries.

By Mr. TSONGAS:

H.R. 13384. A bill for the relief of Hanna E. Aboufarah; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 15

By Mr. SIMON:

—Page 34, line 8, strike out "Funds allocated" and insert in lieu thereof "Except as provided in subparagraph (B), funds allocated".

Page 34, insert immediately after line 18 the following new subparagraph:

"(B) In the case of any county to which funds are allocated under this section within which is located one or more local educational agencies for which such children constitute a percentage of total enrollment which exceeds the percentage which such children constitute of total enrollment in the State—

"(i) [one-half] of such funds shall be allocated among the several local educational agencies whose school districts lie (in whole or in part) within the county on the basis of the current distribution of such children; and

"(ii) [one-half] of such funds shall be allocated among such agencies on the basis of the number of such children in excess of the product of the percentage which such children constitute of total enrollment in the State multiplied by the enrollment of such agency.

H.R. 12931

By Mr. BUCHANAN:

—Page 6, line 23, strike out "$1,827,000,000" and insert in lieu thereof "$1,837,000,000".

SENATE—*Thursday, June 29, 1978*

(Legislative day of Wednesday, May 17, 1978)

The Senate met at 8:15 a.m., on the expiration of the recess, and was called to order by Hon. ROBERT MORGAN, a Senator from the State of North Carolina.

PRAYER

The Reverend Doctor Robert L. Cate, Professor of Old Testament, Golden Gate Baptist Theological Seminary, Mill Valley, Calif., offered the following prayer:

Let us pray:

Almighty God, we rejoice in Thy Love, revealed to us in both redemption and creation, and beg that Thou will grant to us the ability to love others. We thank Thee for all Thy gifts, and at this season are most mindful of Thy gift of freedom. We thank Thee for those of our forefathers who lived and died that this Nation might be given its birth of freedom, for those who chose this freedom as immigrants and refugees, and for those who have defended this freedom

when necessary. Help us to accept this heritage as a sacred trust both from them and from Thee, that we may pass its blessing to our posterity.

Grant that these upon whom the mantle of leadership has fallen may find divine wisdom for dealing with this Nation's problems, divine power to meet human needs, and divine peace in the midst of these tumultuous times. Help us to possess vision for the future without losing sight of the needs of today.

Recognizing that this day is Thy gift, we dedicate its use to Thee, begging that Thou will multiply our human efforts by Thy infinite grace.

In Thy holy name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 29, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable ROBERT MORGAN, a Senator from the State of North Carolina, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. MORGAN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield briefly to the Senator from Rhode Island.

ANNOUNCEMENT OF REVIEW OF TITLE 44, UNITED STATES CODE, RELATING TO FEDERAL GOVERNMENT PRINTING AND BINDING

Mr. PELL. Mr. President, as chairman of the Joint Committee on Printing, I wish to announce that the joint committee is undertaking a review of the provisions of title 44 of the United States Code, the law relating to Federal Government printing and binding.

The purpose of the review is to prepare recommendations for submission during the 96th Congress, for updating, eliminating, or otherwise revising provisions of title 44.

The Joint Committee on Printing will appreciate receiving comments, suggestions, and observations from Members of the Senate and from other interested parties regarding provisions of title 44.

Comments or recommendations should be submitted by September 30, 1978, and addressed to the chairman, Joint Committee on Printing, room S–151 of the Capitol.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Orders Nos. 890, 891, and 892.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, I rise only to advise the majority leader that these items are cleared on our calendar and we have no objection to their consideration.

Mr. ROBERT C. BYRD. I thank the minority leader.

Each of these measures are without amendment. I, therefore, ask unanimous consent that they be considered en bloc, reconsidered en bloc, and that motions to lay on the table be agreed to en bloc.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE ON THE BUDGET MEMBERSHIP

The resolution (S. Res. 495) relating to membership on the Committee on the Budget, was considered and agreed to, as follows:

Resolved, That paragraph 6 of rule XXV of the Standing Rules of the Senate is amended by adding at the end thereof the following new subparagraph:

"(k) Beginning on that date occurring during the first session of the Ninety-sixth Congress upon which the appointment of the majority and minority members of the standing committees is initially completed a Senator may serve on the Committee on the Budget in addition to serving on two other committees listed in paragraph 2, but any Senator so serving may not serve on any committee listed in paragraph 3 (a) or (b).".

By previous unanimous consent, a motion to reconsider was laid on the table.

CLASSIFICATION OF THE COMMITTEE ON THE BUDGET

The resolution (S. Res. 496) relating to the classification of the Committee on the Budget, was considered and agreed to, as follows:

Resolved, That effective on that date occurring during the first session of the Ninety-sixth Congress upon which the appointment of the majority and minority members of the standing committees of the Senate is initially completed, paragraph 6 of rule XXV of the Standing Rules of the Senate is amended by striking out subparagraphs (g), (i), and (j).

By previous unanimous consent, a motion to reconsider was laid on the table.

JOINT COMMITTEE ON PRINTING MEMBERSHIP

The resolution (S. Res. 497) relating to members on the part of the Senate of the Joint Committee on Printing, was considered and agreed to, as follows:

Resolved, That Mr. CANNON of Nevada be, and is hereby elected, a member of the Joint Committee on Printing vice Mr. Allen, of Alabama, deceased.

By previous unanimous consent, a motion to reconsider was laid on the table.

Mr. ROBERT C. BYRD. I yield back my time, Mr. President.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

Mr. BAKER. Mr. President, I have no requirement for my time and I yield it back.

SPECIAL ORDER

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Maine (Mr. HATHAWAY) is recognized for not to exceed 15 minutes.

LAND CLAIMS OF INDIAN TRIBES

Mr. HATHAWAY. Mr. President, aboriginal land claims of various Eastern Indian tribes are being pursued from Maine to Louisiana. They have aroused great controversy and threaten prolonged economic disruption during litigation.

The State of Maine has been the focus for the largest and most controversial of these claims—for an estimated 12.5 million acres, 60 percent of the State, and up to $25 billion in trespass damages.

These Eastern cases are in varying legal stages, from active litigation to consideration of settlement legislation in Congress. A month ago, my colleagues from Rhode Island introduced legislation to settle a case which had been in litigation for 3 years—the claims of the Narragansett Tribe to 3,500 acres of land in Charlestown, R.I.

The Rhode Island case illustrates both the need and the advantage of negotiated settlements of these land claims when they have been evaluated and are not frivolous. The agreement was originally announced last February. It provides for a State contribution of 900 acres of land, and the purchase, with Federal funds, of an additional 900 acres of land from private landowners being sued. This land would be held by a State corporation controlled by the Narragansetts. Once these transfers were carried out, all Narragansett claims in Charlestown would be extinguished by the Federal Government.

This settlement, then, provides for a contribution from all of the parties, and is supported by all of the parties. Normal land transactions can start again with implementation of this agreement.

All of the parties have an interest, of course, in avoiding protracted litigation which could result in a more costly judgment and in continued economic stagnation in the claims area.

The Rhode Island example can be a precedent for the settlement of similar Eastern land claims. The legal basis for these cases is the 1790 Trade and Intercourse Act which prohibits the transfer of tribal land without the consent of the Federal Government. In Maine's case, Massachusetts entered into treaties with the Passamaquoddy and Penobscot Tribes in the 1970's and 1800's for vast areas of what later became Maine. These treaties were never specifically sanctioned by Congress, and in 1820, the State of Maine assumed all these obligations toward the tribes. Over the years, the Maine Indians were considered to be under the State's jurisdiction and were not eligible for BIA services extended to federally recognized tribes.

In 1972, the Maine tribes filed suit against the State for damages for trespass on their original lands in violation of Federal law. At the same time they requested that the Federal Government bring the suit on behalf of the tribes. The Department of Justice refused on the grounds that they were not federally protected tribes, and that issue went to trial separately to determine the relationship between the Federal Government and the Maine tribes.

The tribes won this initial round of litigation. In 1975, the Court of Appeals in Boston upheld a decision which found that the Federal Government had a trust relationship with the Maine tribes. While the court did not define the scope of that relationship, it held that the Federal Government had an obligation to investigate the land claims for the tribes.

This trust relationship involves a duty to act on behalf of the tribes, within the bounds of reasonableness. The Government is not required to bring a lawsuit if the claims have no merit. Its obligation from the Passamaquoddy against Morton decision is to investigate these claims. The results of that investigation by the Interior and Justice Departments, under both the Ford and Carter administrations, is that the claims have sufficient merit to require that suit be brought. It would be against the State and private landowners for ejectment from millions of acres of land, and substantial trespass damages.

Such a lawsuit would, however, jeopardize municipal and State financing, affect the land titles of nearly 350,000 people and threaten economic chaos for the entire State. The prior administration described this as "potentially the most complex litigation ever brought in the Federal courts, with social and economic impacts without precedent and incredible potential litigation costs to all parties."

Municipal bonds were in fact held up by the cloud on title in the fall of 1976. More recently as the latest court deadline for instituting suit draws near, the city of Brewer, Maine, had to sell its bonds at an unusually high interest rate. Such long-term impacts are likely to recur unless progress is made toward a settlement.

In recognition of the potential for economic disruption as a result of the claims, both the Federal Government and the tribes have proceeded cautiously. A search for a resolution of this case which would avoid such harsh results began over a year ago, with the support and assistance of the administration.

It has been my own view for some time that only a negotiated settlement of this case, agreed to by all of the parties, could obtain congressional approval without damaging delay. Legislation opposed by any of the parties in interest—the State, the Federal Government, the tribes, the private landowners—can be held up in Congress indefinitely. A negotiated settlement on the other hand can end this case with certainty, with finality, and with fairness.

Positions on how to resolve this case, however, have become polarized. The case is legally and historically complex, and emotions for and against the claims have run high. A negotiated settlement will not be easy to achieve. My colleague Senator CHAFFEE in his remarks upon introduction of the Rhode Island legislation noted the high degree of cooperation which was essential over many months to achieve agreement in that case. Recent hearings on that legislation show that such agreements can be reached, however, and receive efficient action in Congress once achieved.

Over the past year, two recommendations for settlement of the Maine case have been proposed through the Carter administration. The first of these provided for a Federal payment of $25 million in trust, the transfer of 100,000 acres to the tribes, continuation of State assistance indefinitely, and options to purchase 400,000 acres of land in the future. In turn, all claims by the tribes would be extinguished by Congress.

Both the State and the tribes rejected this proposal.

A White House task force then worked to see if the tribes would agree to make an offer of settlement of the claims. In February that offer was announced. It too involved a Federal payment of $25 million, continuation of State assistance for 15 years, the transfer of 300,000 acres of privately owned land, and options on an additional 200,000 acres. An additional $5 million in Federal funds would be provided to the tribes to compensate the private landowners—in part for the 300,000 acres, and for the options.

The tribes agreed that in exchange for the $25 million fund, all claims against private landowners holding less than 50,000 acres of land would be extinguished. This left 14 large landowners, principally paper companies, with 3 million acres of land in the original claims area. Litigation against those 14 companies and the State owned lands would proceed unless the tribes' offers of settlement, or another settlement, were accepted.

The tribes offers, and the task force role in their formulation, were met with confusion and opposition in the State. They were misunderstood; attacked as confiscatory and a denial of equal protection. Threats of widespread job losses and predictions of the flight of the paper industry from Maine were heard.

Demands began for the Federal Government to assume total liability for settling these claims. State officials proposed that the claims be extinguished and any liability be transferred to the Federal Government. The administration in turn insisted that there be some State contribution to any settlement.

Despite the rhetoric of the past months, I am convinced that the parties are closer in position than might appear. The basis for a reasonable settlement of this case is within the bounds of the proposals which have been put forth. All that is needed is a little give on every side.

Each of these land claims in the Eastern States has a particular set of historical and legal facts which distinguish it from its counterpart in another State. The Maine case would not have to follow the precise pattern of the Rhode Island case as a precedent for the terms of a settlement. There are, however, some general principles which can be the basis for a total settlement of the Maine case:

First, that private landowners receive a fair price for any land which they transfer as part of a settlement;

Second, that there be a provision for the continuation of normal harvesting operations for the paper industry, so that they will receive needed timber supplies and there will be no possibility of adverse impact on jobs from any settlement;

Third, that there be some State contributions to a settlement;

Fourth, that there be an increase in the amount of the Federal contribution to a settlement;

Fifth, that, in general, State laws apply on any lands acquired by the tribes through a settlement, and

Sixth, that any assets involved in a settlement be held in trust for the tribes so that they may be used for long-term economic development, rather than distributed on a per capita basis.

Within the context of a commitment to negotiations, and these general principles, I think that we can eventually reach a settlement of this case which has the support of all of the parties. Precise figures have been included in prior recommendations; I would not wish to be tied to such precision at this time. The limits for discussion have been set, however, and many different combinations of land and dollars can be devised between the $25 million Federal payment clearly offered and the total evaluation of the land and money in the task force proposal, which is approximately $80 million.

The advantages of a negotiated settlement of the Maine case for all the people of the State are clear. Such a settlement would end the continued uncertainty as to land titles, bond sales, and Federal funding and would end the general anxiety now pervading the

State. As litigation decisions draw near, I urge the parties to sit down again and search for a common ground. A recent editorial by Yvonne Goulet in Maine's Church World magazine in favor of negotiations aptly quoted President Kennedy:

Let us never negotiate out of fear, but let us never fear to negotiate.

The Indian cases are complex, but as the Rhode Island example shows, they are not impossible. I encourage and continue to hope for, an amicable resolution of the case in Maine.

Mr. President, I ask unanimous consent to print at the end of my remarks the opening statement of Mr. Leo M. Krulitz, who is Solicitor for the U.S. Department of the Interior, before the Select Committee on Indian Affairs in regard to the Rhode Island proposal.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

OPENING STATEMENT OF LEO M. KRULITZ

Mr. Chairman and Members of the Committees—

I appreciate the opportunity to appear before you today to testify on the bills intended to implement a settlement of the Narragansett Indian land claims in the State of Rhode Island.

This legislation is intended to resolve once and for all the claims being asserted by the Narragansett Indians to lands in the Town of Charlestown on the ground that past transfers of those lands may have been made in violation of the Indian Nonintercourse Act. The bills are drawn against the background of an agreement reached among all parties to the Indian claim litigation on February 28, 1978.

I want to begin by applauding the parties to the litigation—the State of Rhode Island, the Indian plaintiffs, and the non-Indian defendants—and Senator Pell, Senator Chaffee, their staffs, and other members of the Rhode Island delegation, for their constructive approach toward resolution of a very difficult problem.

It is reassuring to me to see that attempts to resolve such Indian claims can be made in an atmosphere of cooperation. The parties here have faced each other through three years of litigation, but they remain willing and anxious to look toward the future in a renewed spirit of brotherhood. Their agreement is evidence of that spirit

I feel that I am particularly sensitive to the problems inherent in the modern assertion of Indian claims. In my 15 months as chief legal officer of the Interior Department I have had to wrestle with extremely difficult problems arising out of Indian claims to natural resources in the West, and also the dozen or so Nonintercourse Act land claims made on the Eastern Seaboard. A number of such claims are legitimate, and Secretary Andrus has directed me to insure that Indian people obtain the justice which has so long been denied them. On the other hand, some Indian claims which have come before me do not have substantial merit, and I have refused to condone the expenditure of the taxpayers' money to support them.

Unfortunately, in both circumstances the mere pendency of the Indian claims has sometimes resulted in economic stagnation in the locales where they have been asserted. As Interior Solicitor, I have no more difficult task than to resolve the conflict between the rights of Indian people to assert valid legal claims and the legitimate concerns of innocent non-Indian purchasers of real property who fear for their homes and livelihoods. The Administration supports and encourages just and amicable settlements of credible Indian claims, and under certain circumstances we are willing to make contributions toward such settlements.

We are, however, unwilling to have the Federal government assume the entire burden of resolution of Indian claims that are not even being brought against it. We have insisted, for example, on State contributions to the settlement of legitimate Nonintercourse Act claims since in such cases we see the State as bearing part of the responsibility for the problems arising from a failure to comply with the Nonintercourse Act.

Frivolous Indian claims, brought under the Nonintercourse Act or otherwise, can also have a chilling effect on the economy of an affected community. Nevertheless, the Administration is unwilling to recommend contribution to any settlements of frivolous claims. "Paying off" such claimants could only encourage other such frivolous suits and cause problems in other communities. Such claims are best defended; and indeed, the Interior Department has itself been sued in two Nonintercourse Act claims which we regard as having no merit. Needless to say, the Government is defending itself.

In the case of the Narragansett Indians in Rhode Island, we determined that the claim is sufficiently plausible to warrant the Administration's participation in settlement talks among the parties. Representatives of the Executive Office of the President and I have worked closely with the parties in the past few months to assist them in ironing out some of the details of their agreement. Much progress was achieved, but the bills before us were introduced with the understanding that further refinement may be necessary. The Federal government was, of course, not a party to the claims litigation; nor was it in danger of any liability arising out of the Narrangansett claims. Yet the agreement of the parties and the legislation call for a significant Federal contribution toward resolution of the claims; and Federal officials have been understandably concerned that Federal expenditures be justified, that the interests of the Federal government are adequately protected, and that the legislation clearly accomplishes the purposes of the settlement agreement.

As I have said, we have insisted on a significant State contribution to the settlement of Nonintercourse Act claims, and the amount of the Federal contribution must be dependent upon the extent of the State's participation. We have not yet finally evaluated the worth of the State of Rhode Island's offer to contribute 900 acres of State public lands to the settlement. In short, we have had a problem with conflicting appraisals of those lands. The State's appraisal came in just last week, and it was only last Friday that the Interior Department appraisers had an opportunity to sit down with the State's appraisers to determine the basis of the discrepancies in their respective appraisals. I expect that this can be worked out very soon, but today I cannot tell you whether the Administration is willing to support the size of the Federal contribution specified in the legislation.

Apart from the critical question of the amounts of the Federal contribution and State contribution to the overall settlement, we have objections to some relatively minor provisions of the settlement bill. Several other provisions also seem overly cumbersome. Accordingly, early next week we will send you a report in the form of an alternate bill. I will not now go into great detail on the changes we think need to be made in the settlement legislation. I will, however, point out the most important alterations that we deem necessary.

First, I note that Section 4 of the Committee print changes the language by which the claims of the Narragansetts are eliminated. It is the intention of the Administration and the parties to effect an approval of the conveyances as of the date of transfer, to extinguish Indian titles as of the date of transfer and to extinguish all trespass, ejectment, or other claims based on Indian title or transfers that may have violated the Nonintercourse Act. To clarify this matter, the Administration believes strongly that the language of the bill should provide for both extinguishment and ratification as of the time that the original transfers occurred. This is an important point, since with this language we need to provide as much assurance as possible to the United States that the bill will not form the basis for a claim of a taking as of the date of enactment. Should there be any basis for such a claim, the potential liability of the United States might be measured by the fair market value of the claims which have been eliminated—an amount substantially in excess of the settlement which has been agreed to. Because the language of the Committee print is not as clear as it might be on this critical point, we strongly favor changing that language to provide for both extinguishment and ratification as of the date of the original transfers.

Second, we are seriously considering recommending deletion of the condition provided for in Section 8(c) that within 60 days of enactment the Secretary must determine that the plaintiff in the lawsuits has a credible claim and that a Federal contribution toward the settlement will be made contingent upon an affirmative finding by the Secretary. This was a condition originally proposed by the Administration, but we have now had an opportunity to examine the merits of the Narragansett claim, and it appears that we will be able to determine in the near future whether the claim is sufficiently plausible to justify the United States' contribution to settlement. Deletion of the provision for an administrative determination of the credibility of the claims would greatly simplify the legislation, and we expect that no one would be opposed to it.

The change would also expedite the settlement process after enactment. Thus, the need for long-term options to purchase the private settlement lands would be eliminated. After the Rhode Island legislature had provided (1) for the creation of the State Corporation authorized to act for the benefit of the Narragansett Indians, and (2) for the State's contribution to the settlement, the purchases of the private settlement lands could proceed. Only short-term options would be necessary pending State legislative action early in 1979. As already provided in the bills before us, the fee for those options could then be applied to the total purchase price of the lands.

Third, we are inalterably opposed to the authorization of any expenditure for the payment of attorney and consultant fees to the private defendants for the cost of defending the Indian claim lawsuits. This has been our consistent position in all our conversations with the parties. Such an expenditure sets a dangerous precedent. We do not want to give anyone the impression that the Federal government is always ready to come to the rescue to pay for the costs of defense of an Indian claim.

We are considering whether some change might not be appropriate in the role of the Secretary in the implementation of the legislation. Rather than providing, as in section 6(a) of the bills, that the federal fund

be paid to the Governor of Rhode Island for the purchase of options until the State Corporation is created, it may be possible for the Secretary to assume that responsibility and also the responsibility for acquiring the lands after the State Corporation is formed. Such acquisition would, of course, be done in full consultation with the Governor and the State Corporation. Upon completion of the purchases, the excess funds would remain in the U.S. Treasury and the lands would be transferred to the State Corporation. This would avoid the complexities of transferring funds to the State or the Corporation.

The current bills are also vague with respect to the Secretary's later role. For example, in section 9 the Secretary is given the responsibility, along with the Governor, of approving later conveyances of State Corporation lands. But no standards are provided for that approval authority.

We feel that the relationship of the Secretary to the State Corporation has to be clarified before a settlement bill is enacted. That Corporation will not be an "Indian tribe" to whom the Secretary will owe any trust responsibility. Indeed, the Interior Department has never determined that the plaintiff in the lawsuits, the "Narragansett Tribe of Indians, Inc.", is entitled to tribal status or the federal services that flow from that status. This legislation changes nothing in that respect. The Narragansett Indians (though *not* the new State-chartered Corporation contemplated by this settlement legislation) may still petition the Assistant Secretary for Indian Affairs for a ruling on tribal status. Whether they obtain such a ruling has no bearing on the settlement or this legislation.

Further refinements in the legislation will appear in our proposed amended bill which, as I have said, will be provided to the committees early next week. Then our respective staffs can work out the necessary details.

Mr. HATHAWAY. Mr. President, I yield back the remainder of my time.

SPECIAL ORDER

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Alaska (Mr. STEVENS) is recognized for not to exceed 15 minutes.

Mr. STEVENS. Mr. President, I thank the Chair.

ALASKA LANDS

Mr. STEVENS. Mr. President, I shall continue my comments about the problems related to the Alaska lands legislation, and this morning I shall discuss again the advertisement that has appeared in national newspapers sponsored by an organization that calls itself Americans for Alaska. It is headed by a gentleman named Mr. George Wills. Mr. Wills has just returned from a trip to Alaska and while there he has repeated the same comments.

I had stated to the Senate that an assertion made by the advertisement that 80 percent of Alaska would be open to oil and gas production if H.R. 39 becomes law is an absolute falsehood. In response to my statement, Mr. Wills came forward with an analysis of Alaska "lands," open for oil development. He has listed as a portion of the "lands," that are available for development. These included the State-owned tidelands and the lands beneath navigable waters. This is questionable but perhaps he could consider the State tidelands out to the 3-mile limit as lands.

I would not normally think that we were talking about the 3-mile belt around California when we talk about the acreage in California, and it is interesting that when Mr. Wills lists the acreage for California of 102 million acres he does list the absolute uplands, he does not list the tidelands. Mr. Wills goes on and lists, Mr. President, as a portion of the "lands," that are available for development the Federal Outer Continental Shelf submerged lands of 258.4 million acres. I think the inclusion of those lands that are 70 percent of the Outer Continental Shelf off the United States as being Alaska lands available for oil and gas development is an absolute falsehood.

He has misled the American people and the Members who he has recruited to become a part of the group he calls Americans for Alaska.

Let us just assume that it would be proper to include those submerged lands and Outer Continental Shelf lands as within this status of lands available for oil and gas development. If you look at Mr. Wills' analysis, he shows that the Federal domain administered by the Bureau of Land Management, amounting to about 76.8 million acres, is available for oil and gas development in Alaska. That is just not true. There has not been a new oil and gas lease issued in Alaska since 1966 and all of those lands are withdrawn by the so-called d–1 withdrawal order issued by the Secretary of the Interior. With regard to the Federal Outer Continental Shelf submerged lands, 358.4 million acres, those lands also are not open for development until the Secretary of the Interior designates them as being open.

And, as a matter of fact, in most instances where the Secretary has been asked to open lands he has refused to do so.

So the analysis of Mr. Wills in response to my assertion that his ad was an absolute falsehood in stating that 90 percent of Alaska is to be open for oil production is faulty and misleading and, as a matter of fact, is just as false as his original ad.

Second, I had stated Mr. Wills' ad would lead one to believe that the purpose of H.R. 39 is to open land for development when, as a matter of fact, its purpose is exactly the opposite, and that is to close lands to development.

Mr. Wills points to title VIII of H.R. 39 and the provisions that are supposed to accelerate conveyance of title of lands to be selected by the State of Alaska under the Statehood Act and the Natives of Alaska under the Alaskan Native Land Claims Settlement Act as being an answer to my assertion.

Mr. President, we have 375 million acres of Alaska lands. The State eventually will get about 105 million acres and the Natives 44 million acres. Anyone who can add or subtract should know that this means that there will be 150 million acres roughly in non-Federal ownership and the balance, 225 million acres will be in Federal ownership.

H.R. 39 does not open any of this land.

Mr. Wills knows that we are talking about Federal lands in Alaska. We thought we had our right to statehood lands under the Statehood Act and the Natives had their right to their lands under the Alaska Native Land Claims Settlement Act.

We did not know it would take another act of Congress to make those lands available either to the States or the Natives.

Mr. Wills' assertion that this bill has as its purpose to make those lands available to Alaskans is just as misleading as his first statement.

Again I say no land is opened by H.R. 39 that is in Federal ownership and remains in Federal ownership. Its purpose is to close Alaska's land and lock it up.

Another part of Mr. Wills' response to my previous statement was in response to a comment in which I said it was an absolute lie to assert that Alaska's land area, 2.5 times larger than California, would be open for development if the Interior Committee bill becomes law. As I pointed out in regard to the size of California he does not add in the Outer Continental Shelf land off California or the submerged lands area in the 3-mile limit.

But assuming that he has the right, again, to be so inconsistent, he lists California as having 102 million acres. This time he says, this bill, H.R. 39, gives the State its 105 million acres, and the Native lands are 45 million acres, and he again talks about these lands as being open for development. As a matter of fact, one of the provisions of H.R. 39, with which I do not necessarily disagree, contains so-called land bank concept for Native lands. It is an inducement to put up to 90 percent of Native lands into a land bank which would not be available for development, therefore, would not be subject to taxation, adverse possession, or attachment for debt on the part of the Native corporations.

As far as the State intitlement is concerned, we have received only 26 million acres of that land so far. The State has already determined at least 10 percent of our land would go into parks and refuges, and again it is misleading to point to Alaska's land grant under the Statehood Act and say that H.R. 39 has as its purpose to open those lands.

We got those lands by virtue of becoming a State, and H.R. 39 has nothing to do with our entitlement to those lands.

Third, Mr. Wills lists the national forest lands, 18 million acres, as being open for development. That is not true either. Those lands are being studied under RARE II and the Tongass land use plan, and substantial wilderness, as much as one-third of that area will be designated pursuant to these studies.

Finally, Mr. Wills lists 79 million acres of Bureau of Land Management lands, including the military lands, and he

says that that land is available for development.

Again that is not true. That BLM land is withdrawn under the d-1 withdrawal. It is not opened by H.R. 39, and he knows that the military land is not open for development, either.

But it shows the extent to which he wants this group to go to mislead the people of the United States, trying to convince America that H.R. 39 is not a bill to lock up our future but instead is a bill that is designed to open lands for Alaska.

I would hope that if we are going to get into an analysis of Alaska's land that we would get an analysis that is factual and one that deals with the actual designation of Alaska's land in terms of H.R. 39.

I think it is unfortunate that Mr. Wills has decided to circulate to each Member of Congress not only the original advertisement, but the answer that is equally deceitful in terms of its reference to the status of Alaska's lands. Particularly deceitful is the reference to the submerged lands in the 3-mile limit, and the Outer Continental Shelf lands which, as I say, comprise 70 percent of the OCS lands under Federal jurisdiction.

To assert that in terms of opening up lands—and this ad talked about opening up lands and making lands available for development—to assert that the Outer Continental Shelf and tidal areas are part of that land in Alaska which is open for development is, as I said, as deceitful as the original ad.

I think we ought to have a concept of fraudulent advertising involved in campaigns such as this group is waging across our land.

If such a false assertion in advertising by a corporation regarding a product or the status of its land is made it would be illegal. In order to justify what Mr. Wills has done he has committed a second crime, in my opinion. But the real problem is that there is no way to deal with ads such as that because they are, technically, under the first amendment, freedom of speech, and the American people are supposed to be able to discern the fraud and deceit in campaigns such as this.

I think we need a concept of fair advertising or fair labeling or whatever we want to call it in dealing with those who are registered lobbyists, Mr. President. I intend, as the lobby bill starts to move through the Senate, to try to see to it that that is the case.

Mr. Wills is making money by soliciting contributions from other Americans to support what they consider to be a good cause, and he is doing so by feeding them false statistics and lies and trying to deceive the American public. I do not think he should be allowed to do that, or that anyone in his position should be allowed to do that as a registered lobbyist. I think that a registered lobbyist ought to be subject to some kind of penalty for making false and misleading statements about legislation that is pending before Congress. I am hopeful that the other Members of the Senate will agree to do something about this problem when the lobby bill comes before this body for consideration.

I thank the Chair.

SPECIAL ORDER

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Oklahoma (Mr. BARTLETT) is recognized for not to exceed 15 minutes.

THE NATURAL GAS COMPROMISE

Mr. BARTLETT. Mr. President, I shall speak today on the very important matter of the natural gas compromise, and continue a series of discussions, begun by my distinguished colleague and friend, Mr. HANSEN, the distinguished Senator from Wyoming, on the defects in the natural gas compromise that may ultimately come before the Senate.

I would note that I am discussing only the conceptual flaws embodied in the general points the conferees have agreed to. It is quite possible that the staff drafting of specific language will introduce new and even greater evils which we will, of course, raise as they become apparent.

I would point out to my colleagues that the compromise that has passed at this point is a compromise in memorandum form only and not in bill form. It is being drafted at the present time to reflect the wishes of the conferees and, obviously, there will be some difference of opinion as to just what language should be used to reflect those issues.

There are three major areas in which the compromise fails. It represents a vast increase in regulation, a vast increase in bureaucracy and complexity, and little or no increase in the price which can be paid to provide for reserves.

Today I will speak to the issue of controls. This bill's primary effect, which is immediate upon enactment, is to bring under Federal control the presently regulated intrastate market. Gas which is currently flowing in intrastate commerce will remain under controls forever if its price in 1985 is still below $1 per 1,000 cubic feet.

Even if the gas price rises above $1, it remains under controls for the life of the existing contract.

I point out to my colleagues that the intrastate market is providing 40 percent of the total gas provided to the United States, and dedicated 80 percent of the gas dedicated to utilities last year from the intrastate market, the free market, the uncontrolled market; only 20 percent was dedicated from the interstate or uncontrolled market.

Gas from many of the shallower, newly-drilled intrastate wells will remain under controls for more than 9 years, until 1987, while virtually all new intrastate production will be controlled at least until 1985. Imposition of these increased controls happens immediately. How much decontrol is there as an offset?

In the offshore areas, the source of almost all new interstate natural gas, gas from all of the leases issued before April 20, 1977, will remain regulated forever. This includes gas from such basically unexplored areas as the Baltimore Canyon. The only offshore areas from which any gas might ever be deregulated are almost totally unexplored, so that we cannot look forward to any production from such deregulated areas for many years. In the onshore areas, little gas now goes into the interstate market, so that any gas that might be deregulated from such areas after 1985, under the terms of the compromise, would in all likelihood be produced far more quickly as unregulated gas in the intrastate market under the status quo.

Mr. President, bear in mind that this is supposed to be a deregulation bill. It is not. It is a regulation bill.

Finally, the only assurance of deregulation is for the first 6 months of 1985. Beyond that, controls may be reimposed at the whim of the President. Statements by both the Chairman of the Senate conferees and the Secretary of Energy indicate that long-term deregulation is not their goal or intent in supporting this bill.

This ambivalence with regard to ultimate deregulation is emphasized by the fact that the latest compromise removes the objective test for reimposition of controls, and substitutes the President's whim. If the supporters of this compromise were serious about favoring deregulation, except in the event of a sudden and unexpected price rise, why should there not be an objective test that must be met before controls could be reimposed? I think the answer is obvious, that the supporters of this proposal fully hope and intend that controls will be reimposed at the end of the initial 6-month period in mid-1985.

For these reasons and many others, Mr. President, I strongly oppose the natural gas compromise.

ENHANCED RADIATION WEAPONS

Mr. BARTLETT. Mr. President, I continue a series of floor speeches on SALT and related matters involving nuclear weapons.

I believe that President Carter's recent decision to postpone indefinitely the production and deployment of enhanced radiation weapons is unwise and should be reversed immediately. The Soviet Union has already rejected President Carter's call for a reciprocal arms control measure. Instead, Moscow has orchestrated a worldwide propaganda campaign designed to divide us from our allies and to persuade the President never to deploy this weapon so important to our NATO Alliance.

Few defense analysts would seriously deny the need to counteract the increased capability of Soviet and Eastern European military forces. When Senator SAM NUNN and I went to Europe, we found that Warsaw Pact forces and armaments had far outgrown any legitimate defense needs. In our report to the Senate Armed Services Committee entitled "NATO and the New Soviet Threat," we explained how U.S. and allied forces

in NATO were unprepared to defend against a surprise attack by huge Warsaw Pact tank armies with massive firepower striking into West Germany. We recommended that new technologies be encouraged which could compensate for our numerical inferiority.

The enhanced radiation reduced blast weapon—the so-called neutron bomb—is a new technology which fills this role. Soviet military doctrine has always stressed the importance of the tank in the offensive. The Soviet Union outnumbers the United States in tanks by 5 to 1. The Warsaw Pact outnumbers NATO by 2 to 1 overall, and by 3 to 1 in the crucial central front. As new Soviet tank designs are deployed, older models are retained in massive tank stockpiles. Significantly, the last few generations of Soviet tanks have been equipped with sophisticated protective equipment designed to permit combat in a chemical, bacteriological, and radiological environment. The Soviets have been determined that nothing be able to stop their tank armies. It is for that reason, that they are so greatly concerned about possible deployment of enhanced radiation weapons in Europe. Enhanced radiation weapons are extremely effective against armored forces and, because they produce few civilian casualties and little collateral damage, could be used by the United States to stop Soviet penetrations into Western Europe.

The Senate Armed Services Committee has recognized that enhanced radiation weapons deny Soviet military planners any confidence that their tank armies could conduct a successful "blitzkrieg" attack against the West. Therefore, the committee has recommended that the United States deploy in Europe nuclear warheads which are capable of being converted to enhanced radiation weapons. The committee has also recommended that the components which would convert these warheads to enhanced radiation weapons be produced and stored in the United States.

The wisom of the committee's decision was made clear to me during a recent visit to our Nation's two laboratories which design nuclear weapons: the Lawrence Livermore Laboratory in California, and the Los Alamos Scientific Laboratory in New Mexico. There I received compelling information on the need to modernize our tactical nuclear weapons and, in particular, the value of the enhanced radiation warhead. I believe that much of the concern about enhanced radiation weapons could disappear if more information could be made available to the general public.

The enhanced radiation warhead could equally be called the reduced blast or even the reduced fallout weapon. Against any appropriate target, the enhanced radiation warhead produces less fallout, less residual radiation, less blast, and less thermal effect than nuclear weapons presently in our arsenal. Enhanced radiation warheads explode several thousand feet above the battleground and release a heavy flux of neutrons which can easily penetrate even the thickest tank armor. Although the area exposed to these neutrons is small, the neutron radiation is lethal. Soldiers in tanks directly below the blast will be incapacitated immediately. Certainly, enhanced radiation weapons are horrible, but they are far less horrible than our existing tactical nuclear weapons and militarily they are more effective because they reduce civilian casualties and collateral damage. I cannot help but think that if our present stockpile of tactical nuclear weapons consisted entirely of enhanced radiation/reduced blast weapons, and if we were now considering adopting "dirty" weapons such as those which are now in our stockpile, the same people who now object to switching to "cleaner" weapons would object to switching to "dirtier" weapons. However, we are not desiring to switch to enhanced radiation weapons because they are more "moral," although I suspect they may be. We prefer switching to these cleaner weapons because they reduce the chance of war in Europe by enhancing our deterrence and improving our ability to defend.

Currently, we have many tactical nuclear weapons stationed in the European theater. However, there is great doubt among both our allies and our adversaries about our willingness to use these weapons. Tactical nuclear weapons of the old design produce tremendous blast damage and long-lived radiation. The use of these older nuclear tactical weapons to repel Warsaw Pact forces in Western Europe would insure heavy loss of life and the destruction and contamination of a significant part of these friendly countries which we are helping to defend.

Enhanced radiation weapons reduce the damage which would result from a nuclear defense of Europe on the sovereign soil of NATO members. With enhanced radiation weapons, damage to physical property is limited largely to that directly below the explosion. Because the resulting radiation is short lived, friendly forces or civilians could enter the area within 24 hours. Most importantly, civilians less than a mile away will not be harmed. The use of current dirty tactical nuclear weapons to defend NATO could turn Western Europe into a waste heap of irradiated rubble, but the existence of enhanced radiation weapons prevents that from being a necessity. Of course, the United States would retain many of our older, dirtier tactical nuclear weapons. Hopefully, these would not have to be detonated on the Western side of the Iron Curtain during a nuclear defense of NATO.

Aside from emotional and irrational charges that enhanced radiation weapons kill people and not things and are therefore immoral, the major argument against these weapons is that they might increase the chance of nuclear war. This argument, however, ignores the most important deterrent effect of enhanced radiation weapons. If there is no attack at all, there will be no need to use any nuclear weapons. In the enhanced radiation warhead NATO has a weapon which could be used against Warsaw Pact forces very effectively. Soviet planners must assume that if they attack NATO, we will defend with enhanced radiation weapons, and they will lose. By eliminating the offensive potential of Soviet tank armies, the existence of the enhanced radiation warhead is our best guarantee that nuclear weapons will not be used.

In addition, we must remember that the President will maintain control of all nuclear weapons, including enhanced radiation warheads. There is no reason for us to believe that he would authorize the use of ER warheads any more quickly than he would the use of our older tactical nuclear weapons. President Carter himself has said as much. In any case, tactical nuclear weapons, whether of enhanced radiation design or not, would be used only when NATO is in danger of collapsing before a full scale attack from the East. In my opinion, it is likely that any war in Europe will be a nuclear war. Therefore, our goal must be to deter a Soviet attack on the West, whether conventional or nuclear, rather than to deter our own defensive use of nuclear weapons once war has begun and we have found ourselves unable to prevent the conquest of Central Europe.

Other misunderstandings about the deterrent effect of ER weapons exist. Some critics fear that a theater nuclear war in which enhanced radiation weapons are deployed is more likely to escalate to a strategic nuclear exchange. I find this impossible to accept. Our present tactical nuclear weapons, large and dirty, have nuclear effects similar to those of strategic weapons and are deployed on forward based systems (FBS) such as fighter-bombers which have fairly long range. Enhanced radiation warheads are deployed only on very short range artillery and missiles, and their effects are generally not experienced outside the immediate battle area. I hope, however, I have made the major rebuttal to this argument clear above. Enhanced radiation weapons make nuclear war, tactical or strategic, less likely because they make war less likely.

Other critics have suggested that the enhanced radiation warhead is mainly an offensive weapon and ought not to be deployed by a defensive alliance like NATO. Because armored troops can move through areas attacked with enhanced radiation weapons shortly after the detonation has incapacitated defending troops, attacking Soviet tank commanders could use ER warheads to penetrate NATO's antitank defenses. Ambassador Paul Warnke, of the Arms Control and Disarmament Agency, however, said recently that—

> The Neutron Bomb, whatever its merits or demerits, is a defensive system. It is not anything with which you start a war.

In my opinon, neither of these views is entirely correct. Enhanced radiation weapons can be used to aid both the of-

fense and the defense. Nevertheless, on balance, they favor the defender who must defend on his own soil.

A few extreme opponents of enhanced radiation weapon have suggested that ER warheads are destabilizing, because the Soviet Union might launch a preemptive nuclear strike to eliminate these technically superior weapons. I find this to be an unreasonable assertion. Enhanced radiation weapons are less of a threat to the homelands of the Warsaw Pact than are our existing tactical nuclear weapons. Certainly, if the Soviet Union were to attempt an invasion of West Germany, it would have to consider a preemptive nuclear strike against our enhanced radiation weapons, because of the danger they pose to Soviet armored forces. However, even if enhanced radiation weapons were not deployed, Soviet planners would have to consider preemptive strikes against our forward-based nuclear systems. Undoubtedly these same Soviet planners are aware that Russian first use of nuclear weapons will end any possibility that delay in the employment of nuclear weapons by the West will grant victory to Warsaw Pact conventional forces.

In summary, Mr. President, enhanced radiation weapons enhance NATO's defenses while reducing the chance of war. And if war should come, they reduce the destructiveness. We must proceed with the production and deployment of enhanced radiation weapons, and we must make our reasons clear to the American people and to the world.

Mr. President, in an article entitled "Whirl is King," columnist George F. Will has once again shown great eloquence and insight in attempting to explain enhanced radiation weapons to the American people. I ask that his article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHIRL IS KING

(By George F. Will)

Controversy about neutron weapons boiled up last summer, heated by news reports about "killer" warheads that destroy people "rather than," or "while sparing," property. Such reporting reverberated in Congress, where one overwrought senators said a neutron weapon is "dehumanizing" because it "singles out people for destriction, choosing to preserve buildings instead." Soviet propaganda assailed "captalist weapons" that respected only property. But Congress disregarded such tendentiousness and approved the Administration's request for funds for the weapons.

Like all weapons, neutron artillery shells or warheads are, indeed, "killers." They are not a new species of weapons; these "enhanced radiation" weapons are a subspecies of the nuclear species. They do not "choose" to "preserve" property. They produce all four lethal effects of nuclear explosions: blast, heat, radiation and fallout. But neutron weapons produce only about one-tenth the blast, heat and fallout of regular nuclear weapons, so neutron weapons do little collateral damage to civilians or structures away from battlefields. The radiation is more intense but less widely distributed: it can be confined to a radius of a few hundred yards. And the radiation is short-lived: people can safely enter a blast area the next day.

FRENZY OF PROPAGANDA

Deployed in Europe, neutron weapons could partially offset the enormous and expanding Soviet advantage in conventional forces, and especially in tanks. They would be the most effective defense against massed armor. The weapons' value to NATO can be gauged by the frenzy of Soviet propaganda against them. (Of course, the Soviets have many battlefield nuclear weapons of the "dirtier," less precise sort.)

But the history of war is full of ironies, such as the fact that the early fourteenth-century mortars were made possible by metal-casting skills developed for making church bells. Today's irony is that many people complain, in the name of moral sensitivity, that neutron weapons are not indiscriminate enough in dealing destruction. In the modern age, war has become a conflict of populations as well as armies. Since industrial might became the basis of military might, and especially since the development of air power, the theory of war has blurred the distinction between combatants and noncombatants and the practice of war has blended (as historian Michael Howard notes) mass participation and esoteric technology. But neutron weapons are one esoteric technology that diminishes the indiscriminate slaughter of war.

Critics argue that because neutron weapons have few collateral effects, the weapons "invite" use. The logic of this thinking is that weapons should be hideously destructive and dirty so that the nation possessing them will be deterred from using them (except perhaps in the most desperate circumstances). This doctrine of "self-deterrence" is especially dear to those, within the Administration and without, who believe that U.S. power is a threat to world peace.

GROUNDS FOR CONTEMPT

But if NATO only has tactical nuclear weapons that would devastate the territory it is designed to protect, NATO will be less attractive to Europeans and less credible to the Soviets. Carter's indefinite postponement of neutron weapons is destabilizing because it strengthens Soviet doubts about U.S. readiness to use existing tactical weapons. The Soviets already knew that the Carter Administration buckles under pressure, and makes unilateral and unreciprocated concessions. Now they have fresh grounds for contempt.

What NATO's members think of the Administration can be imagined (and in some cases is painfully clear). In Europe, as in the U.S., overwrought journalists, skittish politicians and leftist agitators have transformed neutron weapons into a political problem. (Imagine the uproar if the tactical nuclear weapons now deployed in NATO were neutron weapons, and if NATO proposed replacing them with the dirtier, more indiscriminate weapons that actually are deployed today). In Europe, too, proper leadership is lacking. Officials who want the weapons have flinched from reasoning with their confused constituents.

For many months the Carter Administration shrank from endorsing deployment of neutron weapons. Rather than give forthright leadership to the alliance and to Western publics, the Administration privately urged NATO members, and especially West Germany, to support them. NATO governments, and especially that of West Germany, paid a political price for preparing to do so. When reports of Carter's reversal leaked, West Germany protested, politely. Now, some of Europe's most important leaders barely bother to disguise their disdain.

Carter says the ultimate decision about neutron weapons depends, in some unspecified way, on what the Soviets do in future deployments in Europe. But the weapons are needed now because of what the Soviets have done. At the end of last week's debacle, the Administration's fig leaf was the theory that the unproduced, undeployed weapons can somehow be a "bargaining chip." But that flimsy theory cannot hide the embarrassing truth, which is that the Administration's unilateral and unreciprocated decision against the weapons is just another in a series of similar decisions. The indefinite postponement of weapons designed for a theater in which the Soviet buildup has been especially ominous is a paradigm of Administration policy.

For a decade—approximately the span of the rise and fall of the idea of détente—it has been becoming increasingly difficult for persons so inclined to rationalize the Soviet buildup as something justified by defensive considerations. Today, the buildup of strategic and theater forces, and the concomitant adventurism, are alarming.

DANGEROUS DECISION

So is the Carter Administration. It has canceled the B–1 bomber, slowed other strategic programs (the MX missile, the submarine-launched cruise missile), refused to sustain a Minuteman 3 production capacity, retreated at a gallop from its SALT position of last spring, planned drastic shrinkage of the Navy in the face of rapid Soviet naval growth, announced an intention to withdraw ground forces from Korea and responded to Cuba's aggression in Africa by exchanging diplomatic missions with Havana.

It is unclear how, or why, this Administration devises its policies. Carter is President, but whirl is king. Carter's prevarication, to the blaring accompaniment of Soviet propaganda, has been dangerous. His decision to postpone production of neutron weapons is dangerous as military policy and dangerous as a diplomatic signal. Because Carter has not quite repudiated the weapons, some people may praise him for at least avoiding one mistake. Other people may recall Samuel Johnson's observation: "A horse that can count up to ten is a remarkable horse, not a remarkable mathematician."

SPECIAL ORDER

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Wyoming (Mr. WALLOP) is recognized for not to exceed 5 minutes.

NUCLEAR CAPABILITY

Mr. WALLOP. Mr. President, the present administration appears committed to achieving an agreement with the Soviet Union to limit the number of launchers of intercontinental nuclear weapons. Negotiators still disagree on important details concerning the development of new missiles and the improvement of old ones, but there is every reason to believe that the Senate will soon be faced with an agreement—and with the administration's all-out attempt to sell it. When that time comes the country and the Senate will be flooded with facts and figures regarding the numbers of missiles, the sublimits on types, and the exceptions allowed by the treaty. There will be claims that our forces are inferior to the Soviets by some measurements, and equal to the Soviets by others. There will also be claims that acceptance

of the treaty will doom us to inferiority and counterclaims that rejection of the treaty will mean nuclear war. Unfortunately these claims, and facts and figures are not likely to contribute to the kind of discussion that American people ought to be having, a discussion which should deal less with the proposed treaty than with the fundamental questions of strategy for national defense.

Very soon now, whether we like it or not, whether we do so consciously or by inaction, we will be deciding how to respond to vast changes in the technology of weapons, and huge increases in the Soviet Union's power—all of which have rendered our former strategy inconsequential for the present and inconceivable for the future.

The outlines of our problem are simple. The Soviets now have over 1,425 launchers for intercontinental ballistic missiles to our 1,054. (We have only one missile per launcher, but we do not know how many missiles they actually have.) Nearly all of their missiles are far bigger than ours. That means, that as advancing Soviet technology has made it possible to equip those larger missiles with multiple warheads as accurate as ours, their advantage has not just grown, but has literally multiplied. As a consequence, in a few years less than 300 of their 1,400 missiles will be able to destroy nearly all of our 1,054. They could also destroy that half of our missile submarine fleet which is in port at any given time, and all but a few of our bombers, which would be caught on the ground. Remember that their military doctrine calls for them to strike first, while ours calls on us to absorb an attack before returning fire. The Soviets also have 950 launchers aboard their submarines, to our 656. Ours have many more warheads, but these warheads are smaller. Their missiles have longer range. Moreover the Soviets have a whole new generation of missiles coming along. We have slowed down the development of our only new missile, the MX. They have two new bombers (the backfire plus an even newer one). We once again rely on the old B–52—the technology of 1950. There is talk of marrying the aged B–52 with cruise missiles yet to be developed. But there is no discussion of how these vulnerable, slow airplanes are going to survive a Soviet attack, get through Soviet air defense (they have one, we do not) and strike at remaining Soviet weapons before they are launched.

All this adds up to the following hard facts:

First. We cannot inflict as much damage on the Soviets as they can inflict on us.

Second. With what they have and with how they plan to use it they can defend their country by striking our weapons systems and thereby limiting damage to themselves. Our Government has neither the strategy nor the weapons to limit damage to our country, especially if the Soviets strike first.

Now, as a nation, we can face this problem any way we wish. If we so decide, this country could produce so many missiles, and so many antimissile missiles to attain a capability to do more damage to them than they could do to us; that is, to discourage them from starting a war—and to be able to limit damage to ourselves should war occur. On the other hand, we could decide that is order to deter the Soviets from war we only need to be able to destroy a certain portion of their population, say 25 percent, and industry, say 50 percent, even if they retained a capability to destroy all our weapons and most of our population. According to those who think this, no nation would ever be willing to lose a fourth of its people and half its industry even if it could wholly destroy its enemy in the bargain. Therefore, these influential people argue that we do not need more than we have and that, no matter what we might commit ourselves to do, we could never protect ourselves completely. Moreover they say that if we were to try, we would probably make the Soviets nervous and increase the chances of war.

Here then is the choice. Is war best avoided by building the ability to survive and win one if it should occur, or is war best avoided by not provoking the enemy while retaining enough forces to make him pay a price for any attack?

My view is that any plan which does not limit damage to the United States in case of war does not deserve the name "strategy" but rather the label "pipe dream."

There was a time, about 10 years ago, when the state of our forces, the state of the Soviet forces, and the state of technology was such that neither side could disarm the other. We could hurt each other but not protect ourselves. Our so-called strategists were delighted. They thought this balance of terror made nuclear war irrational and, therefore, impossible. And so it did—for a fleeting moment. But the Soviets never accepted the notion that weapons are not for fighting and wars are not for winning. They built big missiles, and lots of them. Now technology is giving them accurate multiple warheads.

This administration clearly wishes that time, Soviet deployments, and technology had stood still. There never was the slightest chance they would. From what we have seen of the SALT Treaty the administration seems to have embraced the notion that even though Soviet strategy, Soviet deployments, as well as technology have upset the "balance of terror" of the late 1960's, that balance can be re-created—at least on paper—by American good will.

The proposed treaty will feature a superficial equality of ceilings on intercontinental launchers. Yet the hard world of military facts belies this notion. Launchers are not created equal. By no stretch of the imagination can one say, for example, that a B–52, vulnerable before launch and throughout its 6-hour journey and carrying cruise missiles which incidentally have yet to be built, is the equal of a Soviet SS–18, delivering eight 2-megaton warheads in 30 minutes with 90-percent reliability. The two are no more equal than racehorses and pack mules. The hard fact, again, is that the Soviets' weapons give them more power and flexibility than ours give us.

Of course, military power and flexibility do not even have to be used in order to have their effect. Around the world, people have been watching the Soviet buildup, and they have begun to bend before the Soviets' wishes. If the United States decides to accept a military equation which will be equal only on paper, we can expect the world to become an ever less friendly place for us, and ever more open to our enemies.

In my view the SALT Treaty itself, while not unimportant, will not determine the future of this country. That future will depend far more on the fundamental decisions the country and the Congress make regarding our military forces and strategy. It seems illogical to me that we may be discussing a treaty to limit the numbers and kinds of weapons we can have before we have decided what our national military strategy should be and how many and what kinds of weapons we need to make it work. Indeed, is it not illogical to debate limits on numbers if we are not up to a national decision to build to the basic limits negotiated?

In the coming months I will try to foster discussion on some fundamental strategic choices before us, so that we will consciously choose our military future, and not stumble into it backwards.

NEW YORK CITY LOAN GUARANTEE ACT OF 1978

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume its consideration of H.R. 12426, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (H.R. 12426) to authorize the Secretary of the Treasury to provide financial assistance for the city of New York.

The Senate resumed the consideration of the bill which had been reported from the Committee on Banking, Housing, and Urban Affairs with an amendment to strike all after the enacting clause and insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "New York City Loan Guarantee Act of 1978".

DEFINITIONS

SEC. 2. As used in this Act, the term—

(1) "city" means the city of New York;

(2) "State" means the State of New York;

(3) "financing agent" means any agency or instrumentality of the State duly authorized by the State to act on behalf of or in the interest of the city, and no other subdivision of the State, with respect to the city's financial affairs;

(4) "Secretary" means the Secretary of the Treasury;

(5) "independent fiscal monitor" means an agency, board, or other entity authorized by the law of the State which has the authority to control the fiscal affairs of the city during the entire period for which assistance under this Act will be outstanding and which authority the State has covenanted will not

be substantially impaired during such period;

(6) "city indebtedness" means indebtedness for borrowed money with a stated maturity more than one year from the date of issuance thereof of (A) a financing agent, but only if the proceeds thereof are advanced to or applied for the benefit of the city, or (B) the city; and

(7) "fiscal year" means a fiscal year of the city, except in section 11.

AUTHORITY

SEC. 3. (a) The Secretary may guarantee, and enter into commitments to guarantee, the payment of the principal of and interest on any city indebtedness. Such guarantees may be of all or any portion of the principal of and interest on such city indebtedness and, subject to the limitations set forth in this section, may be for all or any portion of the term of such city indebtedness. The authority of the Secretary to extend guarantees under this Act shall not at any one time exceed $1,500,000,000 in the aggregate principal amount outstanding. Of the amount of authority conferred by the preceding sentence, not to exceed $500,000,000 shall be available on or after July 1, 1978, which shall be increased by—

(1) not to exceed $500,000,000 on or after July 1, 1979, except that the increase in the amount of such authority contained in this clause shall not take effect if prior to July 1, 1979, either the Senate or the House of Representatives agrees to a resolution stating in substance that it disapproves of such increase; and

(2) not to exceed $250,000,000 on or after July 1, 1980, except that the increase in the amount of such authority contained in this clause shall not take effect if prior to July 1, 1980, either the Senate or the House of Representatives agrees to a resolution stating in substance that it disapproves of such increase.

In addition to the amount made available under the preceding sentence, not to exceed $250,000,000 of the aggregate guarantee authority under this Act shall be available for the guarantee of indebtedness issued on or after the commencement of the first fiscal year beginning prior to July 1, 1982, with respect to which the Secretary determines, in accordance with generally accepted accounting principles, that the city has presented a balanced budget.

(b) Any guarantee of any city indebtedness hereunder shall lapse and be of no further effect on the earlier of—

(1) any date specified in the guarantee; or

(2) the fifteenth anniversary of the date of issuance in the case of the first $1,000,000,000 of indebtedness guaranteed under this Act, and the tenth anniversary of the date of issuance of any other indebtedness so guaranteed.

(c) A guarantee under this Act is effective only with respect to city indebtedness which is issued or is to be issued to employee pension funds of the city or the State, or of any agency of the city or the State, and shall terminate whenever such indebtedness is sold or otherwise disposed of by such a fund (other than to a successor in interest not involving a change in beneficial ownership).

CONDITIONS

SEC. 4. The Secretary shall not guarantee or commit to guarantee any city indebtedness under this Act unless he determines at the time such guarantee or commitment to guarantee is made that—

(1) there is a reasonable prospect of repayment of such city indebtedness in accordance with its terms and conditions;

(2) credit is not otherwise available to the city or a financing agent on reasonable terms;

(3) the interest rate on such city indebtedness is reasonable, taking into consideration current average market yields for other obligations guaranteed by the United States;

(4) during the four-year period ending June 30, 1982, the long-term borrowing needs of the city (other than borrowing assisted or to be assisted under this Act) and the seasonal borrowing needs of the city will be met through commitments from the State, an agency of the State, or private sources, or through public credit markets in amounts which will be sufficient to enable the city, on and after the termination of the guarantee authority conferred by this Act, to meet all of its long-term and seasonal financing needs through the public credit markets;

(5) (A) the independent fiscal monitor is requiring the city to adopt and adhere to budgets covering all expenditures other than capital items, the results of which would not, for fiscal years of the city beginning after June 30, 1981, show a deficit when reported in accordance with generally accepted accounting principles and, for fiscal years of the city beginning on or prior thereto but after June 30, 1978, to make substantial progress toward that goal, and, for each fiscal year of the city beginning prior to June 30, 1981, but after June 30, 1978, is requiring the city to adopt and adhere to budgets covering all expenditures other than capital items, the results of which would not show a deficit when reported in accordance with accounting principles established under State law; and

(B) the city has submitted to the Secretary, with the approval of the independent fiscal monitor, in such detail and in accordance with such accounting principles as the Secretary may prescribe, a plan for bringing its operating expenses into balance with its revenues for each of the first three full fiscal years of the city beginning after June 30, 1978, and the city agrees to publish, after the completion of each fiscal year covered by the plan, an analysis reconciling its actual revenues and expenditures with projected revenues and expenditures, and to publish periodic projections which reflect the impact of the plan on tax rates;

(6) the city has agreed—

(A) to obtain and submit to the Secretary, as soon as practicable after the close of each fiscal year of the city during which the Secretary may guarantee or commit to guarantee city indebtedness under this Act or during which any city indebtedness guaranteed hereunder is outstanding, an opinion of independent public accountants setting forth the results of an audit by such accountants of the financial statements of the city for such fiscal year, which opinion shall describe any deviation in the preparation of such financial statements from generally accepted accounting principles applicable to governmental bodies and shall state that the audit of such financial statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as were considered necessary under the circumstances; and

(B) to establish an audit committee which shall assist in the determination of areas of inquiry for, review the progress of, and evaluate the results of, audits to be conducted by such independent public accountants, and which shall consist of the mayor of the city, the comptroller of the city, the president of the city council, two officers or employees of financial institutions holding securities of the city, and two officers or employees of two different firms of independent public accountants which are not engaged either by the city or by the comptroller, such officers or employees of such firms and institutions to be selected by the financing agent;

(7) (A) in the case of guarantees issued after June 30, 1979, the State has furnished to the Secretary satisfactory assurances that the amount of financial assistance to be provided by the State to the city during the fiscal year of the city in which such guarantee will be issued will not be less than the amount of such assistance which was provided during the fiscal year of the city ending June 30, 1979, except during any fiscal year of the city during such period for which the city has presented a budget which the Secretary has determined is balanced, in accordance with generally accepted accounting principles; and

(B) the State or an agency of the State, subject to and in accordance with applicable State law, prior to the making of any guarantee hereunder by the Secretary, shall deposit in a fund approved by the Secretary, an amount which, together with all amounts previously so deposited in such fund, shall equal not less than 5 per centum of the then outstanding principal of and one year's interest on city indebtedness then guaranteed under this Act, and which shall, under the direction of the Secretary, be used to pay, or to reimburse the Treasury for paying, principal and interest which the city fails to pay, the payment of which is guaranteed under this Act, but in no case will the fund be used to pay or reimburse an amount in excess of 5 per centum of the principal amount of and one year's interest on all guaranteed obligations outstanding on the date of the failure;

(8) the city has agreed, in addition to other efforts undertaken by the city to increase employee productivity, to establish a productivity council which shall consist of representatives of the city government, of city employee unions, and of the independent fiscal monitor, and which shall develop and seek to implement methods for enhancing the productivity of the city's labor force;

(9) the city has agreed to offer to sell for distribution to the public its short-term notes in fiscal years 1980, 1981, and 1982 and its long-term bonds in fiscal years 1981 and 1982, unless the Secretary determines that any such offer would be inconsistent with the financial interests of the city;

(10) the city has agreed that—

(A) following the fiscal year ending June 30, 1982, and during any fiscal year thereafter in which a guarantee under this Act is outstanding, the city will pay or provide for the payment of city indebtedness then guaranteed hereunder, giving priority to city indebtedness having the longest maturity or maturities, in a principal amount not less than 15 per centum of the net proceeds of city indebtedness issued in public credit markets during such year, except that the Secretary may modify or waive such 15 per centum requirement to the extent he determines that its application would substantially impair the city's ability to meet its essential capital needs; and

(B) as soon as practicable after the Secretary determines that the city has demonstrated its ability to meet its long-term credit needs through the public credit markets, the city will implement a program satisfactory to the Secretary of refunding any outstanding indebtedness guaranteed under this Act for the purpose of achieving complete repayment of such obligations at the earliest practicable date, taking into consideration such factors as the Secretary deems appropriate, including the effect of such refunding on the city's need to maintain the city's continued access to public credit markets for its long-term credit needs; and

(11) the city and the State are meeting their respective obligations under this section.

Any determination by the Secretary that the conditions set forth in this section have been met shall be conclusive, such determination to be evidenced by the making of such guarantee or commitment to guarantee, and the validity of any guarantee so made shall be incontestable in the hands of the holder of such guaranteed city indebtedness, except for fraud or material misrepresentation on the part of such holder. The

Secretary is authorized to determine the manner in which such guarantees and commitments will be issued and, in addition to the terms and conditions required by this section, to require from, or agree to with, the city, a financing agent, the holders of the city indebtedness guaranteed or committed to be guaranteed and any other party in interest such other terms and conditions as he may deem appropriate, including provision of security for the repayment of amounts paid pursuant to any guarantee under this Act. Any such other term or condition may be modified, amended, or waived in the discretion of the Secretary.

GUARANTEE FEE

SEC. 5. The Secretary shall assess and collect from the issuer of any city indebtedness guaranteed hereunder, no less frequently than annually, a guarantee fee computed daily at a rate of no less than one-half of 1 per centum per annum on the outstanding principal amount of city indebtedness guaranteed hereunder. All funds received by the Secretary in payment of such fees shall be paid into the general fund of the Treasury. The Secretary may periodically escalate the guarantee fee to induce the obligor to enter the public credit market.

REMEDIES; SECURITY

SEC. 6. (a) The Secretary shall take such action as may be appropriate to enforce any right accruing to the United States or any officer or agency thereof as a result of the issuance of guarantees under this Act. Any sums recovered pursuant to this section shall be paid into the general fund of the Treasury.

(b) The Secretary shall be entitled to recover from the borrower, or any other person liable therefor, the amount of any payment made pursuant to any guarantee or commitment to guarantee entered into under this Act, and upon making any such payment, the Secretary shall be subrogated to all the rights of the recipient thereof.

(c) Notwithstanding any other provision of law, the Secretary shall provide for the withholding of any payment from the United States to the city or State which may be or may become due pursuant to any law and offset the amount of such withheld payments against any claim the Secretary may have against the city or State pursuant to this Act.

(d) The remedies prescribed in this Act shall be cumulative and not in limitation of or substitution for any other remedies available to the Secretary or the United States.

(e) With respect to any debt of the United States arising under this Act, for the purposes of section 3466 of the Revised Statutes (31 U.S.C. 191), the term "person" includes the city and any financing agent. Notwithstanding the provisions of such section, the Secretary is authorized to waive, wholly or partially, the priority for the United States established thereunder with respect to any indebtedness of the city or the financing agent issued after the effective date of this Act (other than any indebtedness the proceeds of which are applied to the repayment prior to the stated maturity thereof of indebtedness outstanding on or before the effective date of this Act owned to the lender of such proceeds) if, in his judgment such waiver is necessary to facilitate the ability of the city to meet its financing needs. No waiver under the preceding sentence shall by its terms subordinate the claims of the United States to those of any creditor of the city or any financing agent.

(f) The Secretary may bring a civil action in any United States district court or any other appropriate court to enforce compliance with the provisions of this Act, any agreement related thereto, or any provision of State law by the city, the State, the financing agent, the independent fiscal monitor, or any official of any of the foregoing, or any other party to any such agreement, and such court shall have jurisdiction to enforce such compliance and enter such orders as may be appropriate.

REPORTS TO CONGRESS

SEC. 7. Within three months after the date of enactment of this Act, and at six-month intervals until June 30, 1982, and thereafter at twelve-month intervals, the Secretary shall transmit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a report containing a detailed statement of his activities under this Act.

INSPECTION OF DOCUMENTS

SEC. 8. At any time a request for a guarantee is pending or indebtedness guaranteed under this Act is outstanding, the Secretary is authorized to inspect and copy all accounts, books, records, memorandums, correspondence, and other documents of the city or any financing agent relating to the city's financial affairs.

TERMINATION

SEC. 9. The authority of the Secretary to guarantee city indebtedness under this Act terminates on June 30, 1982. Such termination shall not affect the carrying out of any contract, guarantee, or other obligation entered into pursuant to this Act, or the taking of any action necessary to preserve or protect the interests of the United States arising hereunder, except that no commitment to guarantee any city indebtedness shall be effective after such date.

GENERAL ACCOUNTING OFFICE AUDITS

SEC. 10. The Comptroller General of the United States shall make such audits as may be deemed appropriate by the Secretary or the Comptroller General of all accounts, books, records, and transactions of the issuer of any city indebtedness guaranteed hereunder. The Comptroller General shall report the results of any such audit to the Secretary and the Congress.

AUTHORIZATION

SEC. 11. (a) There are authorized to be appropriated to remain available without fiscal year limitation such sums as may be necessary to carry out the provisions of this Act.

(b) Notwithstanding any other provision of this Act, the authority of the Secretary to make any guarantee under this Act shall be limited to such extent or amounts as are provided in advance in appropriation Acts.

The PRESIDING OFFICER (Mr. HATHAWAY). The Senator from Wisconsin is recognized.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, last night, I got permission for several members of the staff of the Banking Committee and several assistants of other Senators to have access to the floor during consideration of this bill. I understand that carries over to today and subsequent days if we do not finish the bill today.

The PRESIDING OFFICER. The Senator is correct.

Mr. PROXMIRE. I should like also to ask permission for additional members for whom Senators have requested the privilege of the floor during consideration of the bill. They are John Fleming, Gary Welsh, Ethan Segal, Stu Simms, Mark Bisnow, Dave Gogol, Stephen Beck, and Alan Fox.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, this bill, H.R. 12426, as reported by the committee, is a bill, frankly, that I opposed and I still oppose it. I think it is unnecessary. I think that New York City has the capability to do the job by itself. It has the credit resources available to do the job if it wishes to do so. Nevertheless, the committee decided, by an overwhelming vote, 12 to 3, to support this bill. A similar bill has been passed by the House by a resounding margin, almost 2 to 1.

It is clear that this bill or something very close to it is going to pass the Senate today, I think probably with 70 or 80 Members of the Senate supporting it. I think it is only realistic to discuss the bill in that context.

The bill reported by the committee is a distinct improvement over both the administration bill and a substantially more generous bill passed by the House of Representatives. It provides Federal assistance of $1.5 billion in long-term guarantees. That is $500 million less than provided by the House and is the minimum which the committee believes is necessary to enable New York City to balance its budget and get back in the credit markets over a period of 4 years.

The bill imposes much stricter conditions for providing the guarantees than the administration requested or the House provided, and it relies heavily on private sources to meet the city's financing needs over the life of the Federal guarantee program. In addition, it is designed to get the Federal Government out of New York City's financial affairs early after the program expires, by requiring that the guaranteed obligations be repaid or refunded as rapidly as is practicable. Incentives and requirements to do that are in this bill to a much greater degree than they are in the House bill.

Mr. President, there have been and continue to be cogent arguments against extending any more Federal financial aid to New York City after the seasonal loan program expires this Friday. I have argued this position, because it is clear to me that sufficient resources are available in New York City and New York State, from the various financial institutions and pension funds, to meet New York City's financing needs without additional assistance from the Federal Government. Furthermore, I have grave reservations about the precedent we are setting for other cities in providing long-term Federal guarantees for New York City.

However, I recognize that this legislation is going to pass and that there is a clear majority in favor of long-term guarantees. As chairman of the committee handling the bill, I have an obligation to work for its passage in the form adopted by the committee, and I intend

to do so. Moreover, I hope the Senate will act as quickly as possible, because there is a time problem here.

The seasonal loan expires on June 30, on Friday of this week. It is expected that New York will be able to raise the money under any circumstances, for at least a few days, absent final action on this bill and the appropriation that is also necessary. But it is important that we act promptly on this bill and not delay it for weeks.

Moreover, the sooner this legislation is enacted, the more rapidly the New York City and State officials and the administration can put together the financing package needed to get the city through the next 4 years.

Mr. President, I believe that if there are to be long-term guarantees, the committee has come up with a tough, responsible bill—a bill that can do the job intended, and with minimal risk to the Federal Government. Let me describe the main features of the bill as reported by the committee.

The bill provides Federal guarantees in the aggregate amount of $1.5 billion over the 4 years running through June 30, 1982. This is less than the $2 billion which the administration and House bills would provide, but it is probably more than enough to do the job. In negotiating the financing package, the administration has indicated that it plans to use only $500 million of the guarantee authority up front.

All the rest can be kept on a stand-by basis, according to the testimony in the record of the committee's hearings, to be used only if the amounts expected to be raised by the Municipal Assistance Corporation and the city in the public credit markets fall short of what is expected and what was testified as reasonable to expect.

Witnesses at the committee hearings said it is unlikely in any event that more than $1 billion will be needed. The smaller the Federal involvement, the better for all concerned, in my view, so that the $1.5 billion provided in the committee bill should be more than enough to do the job.

The bill also sets annual limitations on the amount of guarantees to be provided, as a further basis for limiting the Federal involvement.

We are saying that there will be $500 million available for the city's fiscal year 1979, $500 million more in fiscal year 1980; $250 million more in fiscal year 1981, and, under certain conditions which I shall specify in a minute, an additional $250 million to be available in fiscal 1982 or any prior year only if the city has a budget which is balanced in accordance with generally accepted accounting principles.

They do not have that now. They have not had a truly balanced budget for many years, and they have to achieve that if they are going to get the full amount of the guarantees.

The guarantees authorized for fiscal years 1980 and 1981 are subject to a one-House veto. This means that if the city goes off track and fails to live up to its commitments to cut spending and restore fiscal responsibility, then either the Senate or the House of Representatives can stop any further guarantees from being issued by considering and passing a resolution of disapproval. The committee believed it was necessary to have some basis for "keeping the city on a short leash" and requiring it to continue to take action on tough problems. That basis is available in the present seasonal loan program, where the loans have to be renewed each year. The one-House veto will provide a similar measure of control, to be used only if the city fails to make the sort of progress it has made in the past 3 years and thus throws the security of the guarantees into jeopardy.

Mr. President, that provision is a very important provision. I realize certain Members of the House oppose it. If we can sustain that provision on the floor and go to conference, it will probably be opposed in conference. But it is really of very considerable importance.

The New York Times on June 18, right after the Senate committee acted, said that, from now on, the more Federal monitoring the better. They want the Federal Government to follow this closely. They think that it would be better for the health of the city if the Federal Government does watch it closely.

There is no other provision in this bill that will encourage or, for that matter, provide any kind of Federal monitoring. We know how busy committees are. We have to move in whatever direction is called for at the time.

In my judgment, if we do not provide this one-House veto, New York will go its way and the Banking Committees of the House and Senate, and any other committee that may have an interest, will not follow up on this legislation and will not have the basis for following up, or the responsibility to do so, without the one-House veto.

If we do not succeed in keeping the one-House veto, it seems to me that annual appropriations instead of an appropriation for the full 4-year period will be necessary.

Mr. President, let me briefly state the conditions provided in the New York City Loan Guarantee Act, as approved by the committee.

First, the Secretary of the Treasury must determine there is a reasonable prospect of repayment.

He must make sure, in his judgment, that the Federal Government is not taking a significant risk, that the guaranteed obligations will be repaid.

Second, the Secretary must determine that credit is not otherwise available on reasonable terms.

Here again is a controversial issue. But it is only proper for the Federal Government to require that New York City be unable to get credit elsewhere in sufficient amounts before it steps in and gives guarantees, and that is what this provides.

Furthermore, the city must pay an annual guarantee fee of not less than one-half of 1 percent of the amount of the guaranteed obligations outstanding. That fee will more than cover the cost to the Federal Government of administering the guarantee program. In fact, the Federal Government will make money out of this.

That is right, Mr. President. I see surprise on the face of the President of the Senate, and that is correct. The Federal Government will make money out of it unless, of course, there is a loss due to default, which nobody expects at the present time.

The city must demonstrate that it has a plan to bring its budget into balance according to generally accepted accounting principles by fiscal year 1982 and to make substantial progress in that direction in the intervening years.

What this means is that if the city has not made the required progress in the direction of balancing its budget, if it has not been able to hold down its expenditures and maintain or increase its revenues so that the deficit is reduced, then the guarantee would not be provided.

It has to make progress.

Furthermore, and this has put some real force and steam in the necessity to move toward a balanced budget, there must be an independent fiscal monitor which requires the city to adhere to its budget balancing plan and which has the power over spending and revenues and borrowing to see that it does so adhere.

Mr. President, I would like to call attention to the fact that we have experience with the fiscal monitor to show that it works. It is not just a nice institution we required the State to put in place to make people think we have something. We have had experience with the Emergency Financial Control Board, which is a fiscal monitor, for the last 3 years.

Here are some of the specific actions it has taken to bring New York toward budget balance and make sure it stays on track.

In fiscal year 1976, the Control Board mandated and enforced a $200 million cost reduction program and fixed expenditure limitations on every city agency and covered agency. This resulted, among other things, in the closing of the City University for 2 weeks in May 1976 because the EFCB would not permit CUNY to exceed its expenditure limitations. Shortly thereafter, tuition was imposed at CUNY for the first time, under EECB pressure.

So this is not just a little patsy that was put in just to reassure people. This is a board that has force and has demonstrated it will use it to hold expenditures down and keep the city on track.

Mr. JAVITS. Mr. President, will the Senator yield for one other fact in that very same connection?

Mr. PROXMIRE. Yes.

Mr. JAVITS. The board also has significant authority over the city and its employees and the newly enacted State law which continues the existence of the board contains a special provision, which was a critical issue in the recent wage negotiations between the unions and the city.

So it has very widespread power and uses it.

Mr. PROXMIRE. The Senator from New York is absolutely correct. In fact, the labor unions understandably have been very concerned about the power of the board. It has been a source of conflict in the city and in the State legis-

lature. It is a board that the unions feel is going to limit their wage increases. But that is the way it has to work out.

The Senator from New York is correct. That this is a very important restraining element on cost growth in the city.

In fiscal year 1977, control board required the development of $50 million in expenditure reduction or revenue increase measures, as backup to the projected financial plan; these measures were later required to be implemented to insure that targets were met.

In other words, if the city goes off on a tangent and spends more money than expected, either by a too generous labor settlement or some other action that may be unforeseen, the board is not only in a position to act, but, on the basis of the demonstrated record for the last 3 years, it will act.

In fiscal year 1978, the Emergency Financial Control Board required a similar $50 million backup plan, and in addition, refused to approve the fiscal year 1978 financial plan because it contained two questionable accounting procedures. These procedures were later declared invalid by the city's independent accountants, and the EFCB required the city to implement the $50 million backup and make additional modifications in the plan to make up for the costs arising from this determination.

The EFCB has about 15 professional staff, and is backed up by the office of the special deputy—state—comptroller with about 60 accountants, who monitor the city's progress at least on a weekly basis by reviewing the output of the integrated financial management system and by doing special audits. The recently passed State law extending the Emergency Financial Control Board requires modifications of the City's financial plan at least four times a year, to keep it on track.

Mr. President, in addition to these conditions, there are other provisions.

There must be independent audits of the city's financial statements, conducted in accordance with generally accepted accounting principles, at the end of each of its fiscal years.

This is a tighter provision than the House has in its bill.

An audit committee must be established to review the progress and evaluate the results of such audits. And that is not in the House bill either.

Here is what really requires performance for New York City.

The Secretary must determine that the city's remaining long term borrowing needs and all of its seasonal borrowing needs will be met through commitments from the State, an agency of the State or private sources or through public credit markets in amounts sufficient to enable the city to meet all of its financing needs, both long term and short term, after the guarantee authority expires on June 30, 1982.

What that means is that the city must perform, the banks must be willing to come in, the pension funds must agree to buy unguaranteed as well as guaranteed securities, they must make firm commitments which the Secretary of the Treasury is required to determine are firm and are in amounts sufficient to get the city back in the credit markets after the guarantee program ends, before he provides any guarantees to begin with.

Mr. President, let me just quickly describe the incentives to perform that we have written into this legislation. I think it is proper to ask what incentives this bill provides to get New York City off the Federal Government's back and into the credit markets.

Here they are:

First. The city is required to try some seasonal borrowing in fiscal years 1980, 1981, 1982 in the open private credit markets, and to try to sell long term bonds in fiscal 1981 and 1982. That is not in the House bill.

This is a vital provision, because the only way we can get New York City out of the dependence on the Federal Government and back into the public credit markets is to make it try to do this as early as possible. This mandates their trying it.

Second, following the termination of the guarantee authority in 1982, the city is required to set aside—and this also is not in the House bill—at least 15 percent of what it raises in the public credit markets for the retirement of the federally guaranteed obligations, unless the Secretary waives the requirement. The bill says at least 15 percent. If the city raises a billion dollars, they would have to put aside $150 million and use it to retire that much of the guaranteed obligations outstanding.

I think it is reasonable to expect that the guarantee will not go out for 19 years, as it theoretically could with this legislation. In all likelihood, the guarantees will be retired in 5 or 6 years after the program ends.

Also, the Secretary is directed further to require the city to refund the rest of its guaranteed obligations at the earliest practicable date. In addition, the Secretary is authorized to escalate the guarantee fee periodically in order to induce the city to enter the credit markets.

Mr. President, let me take just a minute to point out why the Federal guarantee is unattractive to the city of New York from the standpoint of the interest rates it will have to pay.

New York would have to pay, according to my calculations, about 9¼ percent on these guaranteed bonds. That is because it will have to pay an interest rate equal to the rate charged on other federally guaranteed obligations of comparable maturities, which is a taxable rate, and that rate is presently about 8¾ percent. Add on top of that the one-half of one percent guarantee fee, and the total cost to the city of the guarantees will be about 9¼ percent. We are not really giving New York much.

I went through the Wall Street Journal this morning to find out if any city is paying anything like 9¼ percent and I could not find any. Municipal bonds are tax-exempt. High grade municipals are selling around 6 percent.

So this is not a bargain for New York. New York will be paying more than any other city is paying, that I could find, and will be under a strong incentive, for that reason, to retire these guarantees; because the sooner they can do that, and sell their own tax-exempt bonds instead, the less the debt burden on the city of New York.

These are provisions in the New York City aid bill requiring performance by New York State:

First. State aid provided to the city must remain at least at the level provided in the city's fiscal year 1979 until the city's budget is fully balanced. So, really, we are requiring at least a maintenance of State effort, and we hope the State will actually increase its aid to the city over the 4 years of the guarantee program.

Second. The State is required to establish a reserve fund with an amount sufficient to cover at least 5 percent of the total amount of the outstanding principal and of 1 year's interest on the guaranteed obligations outstanding to be used to pay principal and interest in the event of default, before any Federal money is paid out. This, also is not in the House or the administration bills.

All our experience shows that when there is a default, there is a relatively modest loss. It is not a matter of wiping out the entire principal. At most, you are likely to lose 10 or 15 percent of the principal. This provides that New York City has to pay up to the amount 5 percent of the principal on all the guaranteed obligations outstanding, plus 5 percent of 1 year's interest on those obligations. So it is likely that in the event of any loss, the State would have to pick up as much as half of the loss.

This is a provision that I think is reasonable. While it would mean that New York State would have to move in and assume a substantial part of the likely loss, it also is reasonable because it amounts to only 5 percent of the principal and of 1 year's interest. This means that if the $500 million in guarantees is provided, as is now possible, the State would have to provide only $25 million in a reserve fund, plus about $2.2 million to cover the interest.

Third. Federal payments to the State or the city or both are required to be withheld to cover any losses to the Federal Government under the guarantee.

In other words, if the city cannot make good on the guarantee, then the Federal Government is authorized to withhold revenue-sharing payments and other Federal payments in order to protect the Federal Government from any loss, and those payments can be withheld from the State as well as the city, as the Secretary deems appropriate.

Also, Mr. President, we should recognize that there are these limitations: The guarantees will be available only to the pension funds, not to the banks, not to the private investor. The fact that the guaranteed obligation is tax exempt will not be a problem, because the pension funds do not pay taxes anyway. That also reduces the effect of the precedent, because there are virtually no other cities in the country that have pension funds big enough to provide financing on the scale contemplated by this kind of guarantee legislation.

Also, the guarantees are for long-term

financing only, not seasonal financing. The House provides both long term and seasonal. We say, "No, you should be able to get the seasonal financing on your own." Felix Rohatyn told the committee that seasonal financing probably will not be a problem if we provide the long-term guarantees, so we confine it to that.

Mr. President, will these conditions, incentives, and performance requirements work? Let us take a look at the record.

New York City has reduced its budget deficit from more than $2 billion in fiscal 1976 to $750 million in fiscal 1978, according to generally accepted accounting principles. The deficit has been eliminated according to the provisions of State law. The city has met or exceeded targets for progress toward a balanced budget established in accordance with the State law.

So that I think we can see that this is not something that is likely to be evaded or avoided. We have a solid record of accomplishment; and we know, on the basis of this experience, that New York City can meet these requirements, will meet them, and that the Federal Government is safeguarded.

I must conclude by saying that I continue to oppose this legislation because I disagree with its fundamental premise. I do not believe that New York City needs or should get more financial aid from the Federal Government after the seasonal loan program expires this week. Rather, I believe that the city's financing needs can and should be met from local sources, from the banks and pension funds, and that passage of this legislation will do nothing more or less than relieve those local parties of the responsibility which should rightfully be theirs. Consider for a moment the vast resources which are available:

The top six banks in New York City hold over $248 billion in assets, and there are billions more held by other banks, savings banks, savings and loan associations and insurance companies throughout the city and State. If the six banks alone were to devote a meager 1 percent of their assets to financing New York City, this would amount to well over $2 billion dollars during the next 4 years, or about half of the city's total long-term financing needs. If these banks would provide only what they were providing in 1975, in terms of the amount of assets invested, we would have about $2 billion—just from those banks alone, and there are many other sources available in New York.

The Municipal Assistance Corporation, which has issued over $5 billion in bonds on the city's behalf thus far, should be able to raise at least $500 million a year in long-term financing over the next 4 years. The MAC bonds are selling now at a yield of 8 percent, which is below the rates which would be charged on guaranteed obligations. MAC should be able to sell some short-term notes as well.

If the city pension funds simply maintained their present-year level of investment in New York City-related obligations of 35 percent of assets over the next 4 years, then that would net the city about $2.6 billion, more than enough to meet the rest of its long-term financing needs.

Mr. President, one of the most frustrating experiences I have had in my years in the Senate is that nobody answers that argument. We give them the arithmetic over and over.

I have sat with Felix Rohatyn, who probably knows more about this than anyone else; and I have said to him, "What's wrong with the figures?" and he cannot answer. All these sources need is the will, but they do not have it. Nobody has successfully challenged those figures. This argument is unanswerable. Nobody has even tried to answer it. Nobody has said the local sources could not in principle meet the city's financing needs. The basic argument against my position has been that these sources will not meet those needs.

The banks do not like to get into this because they are not paying very much in taxes anyway and if they buy tax-exempts, even though the yield is high, their profits might go down some. The pension funds would like to get below 35 percent of assets invested in city-related obligations. Well, they were up to 60 percent in the early 1960's. They can sustain that 35 percent for a few more years. If they do that, virtually the whole package will be in place.

Mr. President, I fear we are setting a number of undesirable precedents with this bill. We are relieving a major State of its responsibility for the financial soundnes of one of its cities. We are relieving some of the biggest banks in the country of their responsibility for seeing that the city they live in and do business in remains solvent and returns to fiscal responsibility. We are not demanding that they do this.

Above all, and most disturbing of all, we are setting the precedent of providing long-term Federal guarantees to a municipality to meet its basic financing needs. Despite the efforts made in the committee's bill to limit the scope of the guarantees and confine them to the rather singular conditions prevailing in New York City, there is no way to get around the fact that the Federal Government is now going into the business of guaranteeing municipal bonds.

Once we get in, I see no way of getting out, no way in fact to get anywhere but deeper in. There is likely to be a downturn in the economy sometime in the next couple of years, and this is bound to put strains on city budgets, as happened in the 1974–75 recession which pushed New York City to the brink. The passage of proposition 13 in California and potential "tax revolts" in other States will also cut into city revenues. The response should be to reduce spending. But given the precedent we are setting here, I fear the response will more likely be to come to Washington for a Federal guarantee.

We are showing the way. "The richest city in the country has a guarantee. Why not us?" Where will be the grounds to deny to Los Angeles, Cleveland, or Oshkosh what we just gave to New York?

Mr. President, this legislation could seriously alter the nature of our federal system. I regret that the Congress has not weighed more heavily the full implications of providing long-term Federal guarantees to New York City.

As manager of the bill and on behalf of the committee, I will resist substantive amendments to the bill and I will argue against them, but I reserve the right to vote quietly for the amendments and against the bill as an individual Senator.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. BROOKE. Mr. President, I yield myself such time as I may need.

Mr. President, as I listened to my distinguished chairman, even though he reached the conclusion that he will vote quietly against the bill, he was so persuasive for the bill that I thought perhaps he had persuaded himself that this is a sound bill and that he should support it. But I understand my colleague and I understand the message that he intends to give.

The PRESIDING OFFICER. If the Senator will suspend for a moment, is the Senator from Massachusetts speaking on the time controlled by Senator TOWER?

Mr. BROOKE. I think under the bill, Mr. President, I have control of the time.

Mr. PROXMIRE. If the Senator will yield, last night the time was given Senator TOWER in absence of Senator BROOKE. Senator BROOKE is the ranking minority member of the committee. I think Senator BROOKE does have control on the minority side.

The PRESIDING OFFICER. Is there objection?

Mr. GARN. Mr. President, reserving the right to object, I suggest that the opposition have equal time.

Senator BROOKE is the ranking minority member of the committee, but there are those of us who disagree with this bill. I suggest that Senator BROOKE's time be taken away from those who are in favor of the legislation.

Mr. PROXMIRE. Maybe my time should be on the opposition side because I am opposed to the bill.

Mr. GARN. I really do not care as long as the opposition has half of the time allotted for debate on the issue. Who yields it makes no difference to me.

Mr. BROOKE. I can assure my colleague, and I think he knows it when I assure him, that the opposition will be given ample time to voice their views on this bill. As a matter of fact, I have already agreed to allot time to Senator TOWER, Senator THURMOND, and Senator GARN, and I think all three of them, we will find, are in opposition to this bill.

Mr. GARN. I will not object. I just wanted to make certain. Again I have no quarrels with who controls the time, only that we opponents have equal time with those who are in favor.

The PRESIDING OFFICER. Does the Chair understand, then, that half of the time is under the control of the Senator from Wisconsin and half under the control of the Senator from Massachusetts?

Mr. BROOKE. That is correct. I so ask unanimous consent.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROOKE. Mr. President, today we consider H.R. 12426 which, as amended by the Banking Committee, would provide Federal guarantees on up to $1.5 billion of long-term, New York City securities. I personally believe that the bill as reported provides the appropriate amount and type of Federal assistance to enable New York City to balance its budget and to regain access to the public credit markets. The Banking Committee revised and amended the House bill to insure that the interests of the Federal Government are protected and that Federal assistance is accompanied by substantial local efforts designed to assist the city.

When this legislation first came before the committee, I raised serious question as to whether we should support any further Federal aid to New York City, because I believed, as the Banking Committee's February 1978 report on New York City indicates, that the city could make it financially with additional State aid and increased investments by local pension funds and financial institutions. And I believe that is the position that my distinguished chairman has taken and still takes. However, after lengthy hearings, a consensus developed in the Banking Committee that limited Federal aid is still necessary for New York to avoid financial peril and to regain fiscal autonomy. After considering the testimony of Mayor Koch, Governor Carey, Secretary Blumenthal, and the other witnesses who appeared before the committee during our recent hearings, I voted to report the bill we consider today.

During the Banking Committee's hearings on the bill, Mayor Koch outlined the steps he has taken and will take to get the city back on the right financial track, including an ambitious 4-year financial plan. We are all well aware of the sacrifices which city residents have had to make during the past few years, especially city workers who have been subjected to layoffs and job losses. With such local efforts and with continuing commitments by the city, the State government, and local financial institutions and pension funds to assist the city, I believe it is clear that limited, Federal guarantees can provide a necessary backup to a locally designed and implemented financial plan.

Unlike the present $2.3 billion Federal seasonal loan program, the $1.5 billion in guarantees will not involve direct extensions of credit. Guarantees may be drawn down, but they are essentially a contingent liability of the Federal Government. Moreover, Secretary Blumenthal indicated during the Banking Committee's recent hearings that he does not at the present time expect to issue any more than $1 billion in guarantees. In addition, the Federal Government will receive guarantee fees from the city which will more than offset the expenses incurred in administering the guarantee program. Considering that the city is in much better financial condition now than it was 2½ years ago and that, under the Federal seasonal loan program, it has repaid all of its loans in full and on time, it seems likely that the Federal guarantee program will be as successful.

My distinguished chairman indicated that the Federal Government had made money on the Short Term Borrowing Act or seasonal loan, and he is absolutely correct. Some people do not believe that we did. But it is my recollection of the facts that the Federal Government has received something like $25 million of interest on the seasonal loan program. Do not hold me to that exactly here, but I think it is close to the correct figure.

Mr. PROXMIRE. Mr. President, if the Senator will yield, I think the Senator is not only correct but he is being conservative. Some of the figures I have seen indicate $30 million above the interest returned; in other words, it was not only interest on the money they loaned but because of the fee involved they made money above that.

Mr. BROOKE. I thank my chairman.

The Banking Committee has included several conditions and restrictions in the guarantee program in order to insure that local parties provide the majority of financial assistance to the city and to encourage the city to continue its efforts at fiscal restraint. And our distinguished chairman, Senator PROXMIRE, while he did not vote to order the bill reported, led the committee's efforts to report a bill which would place appropriate conditions on Federal aid.

These conditions include requirements that guarantees may be issued only to city or State pension funds, that the city's 1982 budget must be balanced in accordance with generally accepted accounting principles, that the city must attempt to sell securities publicly as soon as possible, that the State must continue to provide the city with at least as much aid as it has agreed to provide in the city's 1979 fiscal year, that the State must coinsure 5 percent of the federally guaranteed securities, and that the city's financing needs for completion of its 4-year financial plan (other than securities covered by guarantees) will have to be met through commitments from the State and other local parties. In view of these and the other conditions and restrictions, it is obviously in the best interest of New York City to obtain early access to the public credit markets and pay off the securities covered by the guarantees.

Mr. President, the Banking Committee has worked hard on this bill to provide the correct formula for continued Federal aid to New York City. I believe we have succeeded and I support enactment of this legislation. Of course, I cannot deny that there are certain dangers inherent in approving such aid; however, I am willing to put my faith in Mayor Koch and other New York leaders who have given solemn assurances to the Banking Committee of their determination to have New York City return to fiscal stability and independence as soon as possible. Federal guarantees will help New York City to implement a long-term solution to its financial problems, and I urge my colleagues to support the quick passage of this needed, limited, Federal aid program.

I here want to pay my deep respect to the two Senators from the great States of New York, Senator JACOB JAVITS and Senator PATRICK MOYNIHAN who, during the course of the hearings on this legislation before this committee, attended those hearings, spoke at them, and were given permission by the chairman to ask questions. Naturally, one would expect that as Senators from that State that they would be interested in these loans.

And I found them to be eminently fair, eminently objective, and most cooperative and helpful to the committee in arriving at its final determination to report this bill to the Senate for its consideration.

Mr. President, how much time do I have remaining so that we can have some proper allocation of time as raised by my distinguished colleague from Utah (Mr. GARN)?

The PRESIDING OFFICER. The Senator has 109 minutes remaining on his side of the bill.

Mr. BROOKE. I thank the Chair.

Mr. President, I yield the floor to the distinguished Senator from Texas, my colleague, Senator JOHN TOWER.

I would ask at this time how much time he needs.

Mr. TOWER. Ten minutes.

Mr. BROOKE. I yield 10 minutes to the Senator from Texas (Mr. TOWER).

The PRESIDING OFFICER. The Senator from Texas is recognized for 10 minutes.

Mr. TOWER. Mr. President, I strongly oppose the bill to provide long-term Federal guarantees of New York City securities, and I urge my colleagues to vote against it. In order to report this bill favorably, the Banking Committee had to repudiate its unanimous finding of last February to the effect that, upon expiration of the Seasonal Financing Act on June 30, 1978, New York City would be able to continue its operations without any further financial help by the Federal Government.

Further, the long-term guarantees which would be authorized by this legislation represent a surprising and unnecessary change from the limited, short-term, one-time approach adopted in 1975. Now the Congress is being asked to do more than merely maintain New York City's solvency—we are being asked to provide a basis upon which New York City is purportedly going to rebuild its physical plant and restructure its financial operations.

The Banking Committee was right in February when it recognized that the resources are available in New York City and New York State to meet its financing needs. It is abundantly clear that New York City and New York State have available the assets necessary to put together a financial plan that will alleviate the city's problems without involvement of Federal assets. But local sources have turned their backs on New York City's needs, and city officials, aware of the likelihood of Federal help, have not made the kind of hard decisions which must be made if the city's financial problems are ever going to be solved. Federal guarantees will postpone—not solve—New York City's financial problems.

The most troublesome aspect of this bill—and there are a great many trou-

blesome aspects—is that it would implement a double standard for dealing with our Nation's cities. New York City would in effect be given a special status, completely undeserved in view of its fiscal irresponsibility, to the detriment both of cities with sound fiscal records and of those with financial problems. Other cities have had to cope with the same kinds of hard decisions which New York is evading, and they are doing so without a Federal bailout. President Carter has said that the Federal Government will not help the city governments in California in the wake of that State's recent cutback, yet this bill will assist New York City when New York State just enacted a $750 million tax cut rather than using a portion of those funds to address New York City's needs.

If we enact this legislation in its present form, we will be committing the Federal Government to a role in New York City's financial affairs through 1997. Of course, there is litle doubt that, even after that date, future extensions and expansions of the Federal role will occur. But even accepting the optimistic projections of the bill's proponents, it is going to be a long time before the Federal Government extricates itself from the conduct of municipal government.

The Federal role in New York City under this bill would be massive, long lasting, and irreversible. Once the guarantees are in place, Federal finances will be interwoven with New York City's financial condition and, in the event the city nears default for whatever reason, the Federal Government will have no choice but to become involved to a deeper and deeper extent. Thus the restrictive conditions attached to the guarantees are unlikely to result in any meaningful protection of Federal tax dollars.

Elementary principles of federalism should preclude the consideration of this bill. But even if we ignore the disastrous and unprecedented consequences to Federal-State relations which would flow from this legislation, no case has been made that the guarantees are really needed.

Although I am completely unconvinced that New York City needs Federal assistance, it appears that there is a substantial belief that the failure to take some action may create too great a risk of bankruptcy and its attendant uncertainties. If that is the mood of the Senate, then I strongly urge that the Senate approve the minimum Federal role which will assure that New York City will avoid bankruptcy.

I yield back the remainder of the time that was yielded to me.

Mr. BROOKE. I thank my colleague.

How much time does the Senator from Utah need?

Mr. GARN. Ten minutes.

Mr. BROOKE. I yield 10 minutes to the distinguished Senator from Utah.

Mr. GARN. Mr. President, I am surprised that we are here at all today considering this legislation. Three years ago, 1975, when I was a new Senator, had just retired as mayor of Salt Lake City and as president-elect of the National League of Cities, who was rather familiar with the situation in New York City, we started holding hearings on the seasonal financing, and a great deal of testimony was heard at that time.

What really came out rather forcibly was that the reason why New York City was in the trouble it was in was because of unbelievable mismanagement through several administrations, through several mayors, where they had gotten themselves in this position primarily because they had not instituted management procedures to know where they were going and what their financial capabilities were. In fact, it was very difficult to determine exactly what their position was, and it was estimated that it would cost millions of dollars to institute proper accounting procedures so that we could really get a definite handle on exactly what the nature and extent of the problem was.

We certainly heard it was a big problem, that they were in real trouble; we heard about all the dire consequences that would take place if New York City were allowed to default; that cities all over the country would have the same problems; and that simply was not true. Cities that were responsible in the operation of their budgets were able to sell their bonds at 4⅝ percent that year. It was not affecting the cities in the rest of the country.

We also found in those hearings that in spite of the lack of commonly accepted accounting procedures, so that they could control their budget properly, we had what should be the most distasteful part of American politics: politicians who simply sold out to the labor unions, with unbelieveable contracts, far beyond what was being paid in any other city of this country, with pension funds that it would be the desire of anyone to have, beyond the comprehension of most of us running cities and living in States where the State constitutions required us to balance our budgets or we would be sent to jail if we did not.

So there has been very little sympathy with New York City's problem among the mayors of this country. The vast majority would not vote to give them a dime. When you struggle and you strain, and you have the same pressures on your budgets and the same demands from municipal labor unions, but where most of the mayors of this country had the guts to say, "No, we will not put our cities in that condition," I saw no reason at that time to bail them out.

I think it might be good for the politics of this country to see New York City go bankrupt, to start all over again, and really not to recognize this kind of irresponsibility with Federal help and Federal bail-outs.

At that time, we heard again about all the dire consequences. I think the precedent will be set the other way if we continue to support this kind of political incompetence and those who continue to use the taxpayers' money of New York City for the primary purpose of getting themselves reelected. That is what has been going on in New York City all these years: buying votes for the purpose of keeping themselves in office.

So then they get in this kind of financial condition, and they run to the Federal Government. I see no reason why the taxpayers of the country, as hard-pressed as they are both locally, supporting their own city, county, and State governments, and the unbelievable burden of the Federal Government, should be called upon to have their tax dollars guarantee and support this kind of political corruption that has gone on in New York City all of these years.

I am not going to take the time to go back into the comparisons of that time, except briefly to say that if I had wanted to have the same kind of wages and the same number of employees per capita in my city, I would have had to increase the budget by 900 percent—just little old figures like that. It is almost incomprehensible that elected officials would allow a city to get in the condition that New York City has been in.

Nevertheless, we gave them the seasonal loans over the last 3 years, and they did not go bankrupt. They have made considerable improvements, there is no doubt about it. They have eliminated 60,000 employees. The curious thing about that, however, is that despite the elimination of that number of employees, payroll costs, as of February, when we had our study, were only 5 percent less; and with the recent wage increases going in just the last couple of weeks, that will cost over a billion dollars in the next few years, wages will not have gone down at all. I certainly compliment them for the efforts that they have made, but they have essentially been on the surface. They have been tokenism.

New York City has not faced the fundamental problems of balancing its budget, of cutting the expenditures to match the revenues. That is the bottom line in this whole thing.

We received so many promises 3 years ago about what would take place at the end of this seasonal loan. And although they are in better condition, certainly they have not even begun to reach the promises. They said they were going to balance the budget. Over and over again we were told by Mayor Beame that they were going to balance their budget by June 30 of 1978. Well, that is this week, and they have not balanced their budget.

As a matter of fact, in that package, a State law passed in 1975 required New York City to develop a 3-year financial plan for balancing its budget in its 1978 fiscal year, running from July 1, 1977, to June 30, 1978. They have not done that.

In February, as Senator TOWER has pointed out, all the evidence indicated that it was simply not necessary for the Federal Government to continue its involvement. Why the committee has changed its position since February I do not know, because there has been no new evidence submitted that this need exists.

President Carter is exhibiting a double standard. California will not be aided, and I agree that they should not be, as a result of proposition 13. It is not the responsibility of the Federal Government to bail them out. But apparently we are going to treat one State differently than the other 49, and that is a double stand-

ard. President Carter said that we would not create special legislation for one State; we would not do it where there were property tax cuts. But New York has cut its taxes by $750 million—three-quarters of what New York City needs to sustain itself. So I do not quite understand why we can help New York but we cannot help California or the other 48 States.

I do not know why we say we are not allowed to use the CETA funds in California to keep public employees on the payroll with the use of Federal funds when those are supposed to be for hard-core unemployed, but New York City has been doing that the last 2 or 3 years to help in their problems, and apparently will continue to do so. Another double standard. We are not cracking down on the use of CETA funds in New York City.

It is interesting that the Secretary of the Treasury said:

* * * the settlement—

Referring to the city's labor contract settlement—

does not include any provisions to bring about needed modifications in work rules, fringe and pension benefits, and unnecessarily rigid civil service rules. To an outsider, it seems clear that progress in those areas is essential to the ultimate recovery of the city. As I understand it, New York City's present work rules and benefits are considerably more generous than those that exist in typical cities across the country. It is difficult to see how they can be justified when the city faces the kind of financial difficulties that your committee has been reviewing.

It is difficult for me to understand this. It is difficult for me to understand why the big banks in New York cannot continue to fund at the rate they did in 1975, and how New York State can have a tax cut and then run to the taxpayers of the rest of the country to solve their problem for them. There are more than adequate resources, with the combination of the pension funds, the New York State government, and the banks, to solve their problems for them. There has been no case made for long-term guarantees.

There has not even been a case made for the phaseout, over an additional 3-year period, of additional seasonal loans. I do not even know why we are here today. The crisis is certainly not what it was in 1975.

I think it is also interesting that New York City officials have made a great point about the deteriorating state of their capital plant, how they need money in that way, they need long-term guarantees to satisfy that requirement.

There certainly has been no commitment to hold the line on labor contracts, when they have an increase of 7.2 percent over 3 years, and we will see that cost increase $710 million over the first year. What we would be guaranteeing in our first year would be the wage increases.

When are we going to see a commitment to really cutting back? I would suggest that, with these long-term loan guarantees, we certainly remove the incentive for New York City to do the things they have promised that they would do over the last 3 years, and have not; and I would expect that the labor pressures will be much greater once we have the long-term loan guarantees. It simply takes the pressure off the city for making the changes that they should be required to make.

I do not think the American taxpayers are too pleased with this kind of a situation, with the tremendous tax burdens they carry, that they should be required to guarantee New York City unless they make a considerably greater effort than they have, unless they stop deceiving the Banking Committee on what their needs are and making promises that they have not been willing to carry out.

I am sympathetic with the people of New York City. It is unfortunate that they have had the kind of leadership they have had over a long period of time. It is too bad they have not seen fit to throw the rascals out before. Mayor Koch is probably making, in my opinion, a far, far better effort than any of his predecessors, but I think he and his city council need to make a much more significant effort. I would suspect if we are not correct in thinking it could be handled, there would be no problem in going back into some sort of a seasonal program, but I would suggest that the Senate reject this bill today.

Mayor Koch himself has testified that he would not allow the city of New York to go bankrupt; that he would make the cuts necessary so that they would remain solvent.

If that is the case, why are we removing the pressure for his administration to make significant cuts? It would not be necessary for him to make the deep kinds of cuts he is talking about. There are sufficient means within the State of New York to handle this problem. I would suggest that New York City would be better off in the long run if they had the pressure to move more rapidly in the direction of fiscal solvency within their city. I firmly believe that with the long-term 15- to 19-year guarantees that pressure will be removed and New York City will not solve their own problems nearly as rapidly as they would if they had to go it alone on July 1.

I yield back the remainder of my time.

Mr. PROXMIRE. Mr. President, I yield 10 minutes to the Senator from New York.

Mr. JAVITS. I thank my colleagues for yielding.

Mr. President, I welcome New York Day on the floor of the Senate. I hope it will be a day for realism. I have no feeling of celebration. I have doubt that my colleague and friend (Mr. MOYNIHAN) has either.

Our city is in trouble. It is very easy for some to overlook the situation and what failure to resolve it will mean to the country. I would like to emphasize this, Mr. President, in the short statement which I shall now make.

The essential point which is supported by the Secretary of the Treasury, after carefully scrutinizing the whole situation in New York City, is that it would be contrary to the national interest of the United States to let New York City go bankrupt. That is the bottom line.

We are not here to make gifts, preferences or discriminatory arrangements for New York City, but we are here to deal with our national interest which is to preserve our national city—New York City. In any other nation, a city of New York's size and importance would be the capital of the Nation. We settled that issue a long time ago. But it is the capital of the Nation in the very real terms of economics and finance, with an enormous concentration of the business, the culture, the medicine, the education, the lines of communication, and the agencies of credit which represent the strength of the United States to the world.

Mr. President, today, the Senate takes up legislation that would provide $1.5 billion in Federal loan guarantees to New York City over the next 4 years. The bill that comes before the Senate is the result of weeks of study, testimony, and hard work by and before the Senate Committee on Banking, Housing and Urban Affairs.

The committee, by a 12-to-3 vote, expressed support for New York City and now the Senate can confirm that it will allow the city to embark on a new era of stability and opportunity. In supporting this bill, the Senate will have opted for a permanent solution to New York City's financial problems and will have dismissed the need for periodic patch-up missions.

This is a course of action that has already found strong support in the House of Representatives, as well as the Senate committee. I commend highly the spirit of compromise that has allowed members to act so rapidly and decisively on this matter.

Senator PROXMIRE, Chairman of the Senate Banking Committee, is to be commended for his leadership of the committee that culminated in reporting the bill to the Senate, even though Senator PROXMIRE continues to remain opposed to providing additional Federal financial assistance to New York City. Despite that opposition, he says of the legislation before us that it "is a distinct improvement over both the administration bill and the substantially more generous House bill. The committee's bill imposes strict conditions for extending financial aid to New York City and relies heavily upon private sources to meet the city's financing needs." It is a mark of the Senator's character that even in opposition he fulfills the responsibilities of his office. Senator PROXMIRE was an even-handed chairman on this issue. He put constant challenges before my colleague Senator MOYNIHAN and myself and others who appeared before him. Requiring us to bear the burden of proof to justify and to prove the case for further Federal assistance to New York City.

We are indebted to Senator BROOKE, ranking member of the committee and to Senators LUGAR and HEINZ, because under their probing questions, it became apparent that a vote in favor of long-term guarantees would be the most judicious and least expensive course of action for the Nation. Indeed, on the narrow issue of direct costs to the U.S. Treasury, the Congressional Budget Office has said that in the absence of default, the budget

impact of this bill is the difference between administrative costs and loan guarantee fee collections. By this test the Treasury would make money from the New York City loan guaranteed, as it did under the seasonal loan program. CBO estimates that in 1979 the Treasury could earn $1.2 million. In 1980, $3.6 million; 1981, $4.6 million; 1882, $5.3 million; and in 1983, $4.7 million.

On a broader front, however, assisting New York City is the right thing to do economically, because economic difficulty in one area of the country weakens the Nation's entire economic structure. These loan guarantees will forestall a bankruptcy for the city, thereby averting a major disruption of municipal bond markets and permitting many vendors to conduct business as usual with the city.

Now, Mr. President, this is a plan for this season. In 1975 we faced the matter of meeting the payroll on Friday and, hence, the seasonal loan provision was essential as the only thing that could be obtained for that kind of putting one's finger in the dyke. But now, Mr. President, we face the reality that New York City has to be given an opportunity to get on its feet in order to be the revenue producer which it is.

Additionally, the loan guarantees will instill confidence in foreign observers who see the city as one of the major capitals of the free world. That we are able to act decisively when the fate of one of our primary national city is at stake can only send the right signal abroad to our major economic partners in the West.

And make no mistake about it, New York City is also a major national resource. New York is the world center of finance and industry, transportation, communications, research, medicine, graphic arts, culture, and entertainment. Six of the Nation's seven largest banks, with combined assets in excess of $438 billion, are headquartered in New York City. The headquarters of 84 of Fortune 500's largest corporations are situated in our metropolitan center.

The volume of stocks and bonds traded on the New York Stock Exchange accounts for 83 percent of the market value of all securities traded nationally. The annual buying power of the city's residents totals $45 billion. Each year the city's port handles foreign trade valued at $30 billion—or 17 percent of the Nation's annual foreign trade.

Each year the city's airports log in about 42 million passengers and 1.2 million tons of cargo. I could go on indefinitely but these examples serve to illustrate the magnitude of the stake of our Nation in providing support for the city of New York.

My colleague, Mr. MOYNIHAN, in a brillant work has demonstrated just how large a revenue machine New York City is for the United States, producing at least three times anything it can get, or hope to get, from the Federal Government in annual revenue. I think it would be fair to say that it would take a few centuries to replace New York City as that kind of a revenue machine, let alone the establishment of the city as I have described it, as a world center.

Indeed, it has been said many, many times before that when the millions of people of the world are asked about our country, they are far more likely in the far reaches of India, Bangladesh, and in Latin American countries to speak of New York City than they are of the United States, so dominant is New York City in our economics, in our society, and in our political life.

Mr. President, we are talking now about guarantees, not grants. We are talking solely about the U.S. Government backing private funds. The credit rating of New York City should certainly have gone up with the United States considering the fidelity with which it paid principal and interest on the seasonal loan.

The committee has very carefully hemmed in the conditions under which New York City may have this assistance. The legislation exacts payment from New York City in a hard currency in that it requires the city to meet a number of stringent conditions before the assistance can be provided. The conditions are intended to insure that the city balances its budget, returns to the public credit markets and repays the guaranteed obligations as quickly as possible in order to limit the length of the Federal involvement and to expedite the city's financial recovery. In setting these conditions, the legislation places New York City under a Federal microscope and I know of no other city in this country that would welcome that kind of Federal intervention in its affairs.

We have no right to give New York City any aid unless it is in the national interest of the United States. I am the senior Senator from New York, and I say so. But I am convinced, and the committee was convinced—and I think the country is convinced now—that unless we act, New York City will go down the drain with enormous danger to our Nation. That is the important issue here and that is what Members will be voting on. Let us see the acid test, Mr. President.

At this point I would like to say a word to my colleagues who understand the economics, but firmly believe an important principle is at stake here—that of the separation of Federal and local governmental responsibilities. To those of my colleagues who hold firmly to this tenet let me say that no precedent is set by approval of this loan guarantee legislation. That, indeed, the precedent if any was established in 1975 when the Seasonal Financing Act was approved by Congress and signed into law. Some feared then—and fear now—that enactment of the seasonal loan legislation and this current bill would result in a run on the U.S. Treasury by other cities in financial straits. No such run occurred in 1975 or since and I believe none will occur this time. The reason is clear and was expressed by New York State and City officials in their appearances before the Senate Banking Committee. No city in this country wants to come hat-in-hand to the Federal Government for assistance and thus have the Federal Government intrude on its prerogatives and government. That course is to be avoided if possible. In the case of New York City it cannot be avoided and New York City must pay the price.

There is still another question of precedent to dispose of and that is the issue of the propriety of Federal loan guarantees used to assist a municipality. I believe, however, that this issue has been put to rest by the report I requested in February from the Congressional Research Service that shows that Federal loan guarantees have been provided to almost all sectors of the economy, including new communities in 10 States, the Virgin Islands, and the Guam Power Authority. Federal loan guarantees support purchases of homes, small businessmen, college students, farmers, large corporations, and foreign governments. It is estimated that in fiscal year 1978 a total of $81 billion in loan guarantees will be made by a variety of Federal agencies and that the gross amount of loan guarantees outstanding will reach $324 billion in fiscal year 1978, and $368 billion in fiscal year 1979.

Thus precedent is firmly established in the use of this Federal vehicle to support various segments of society. Moreover, the New York City proposal would amount to less than 2 percent of the $81 billion in loan guarantees estimated for fiscal year 1978 and 0.0046 percent of the $324 billion aggregate amount to be outstanding by the end of the fiscal year.

By approving this program for New York City the Senate will provide the city with an opportunity to continue to put its financial house in order. It also would allow the city to channel desperately needed resources into the maintenance of its physical plant, which has deteriorated dramatically over the last few years.

Everybody emphasizes the fact that the physical plant of New York City is crumbling. It would cost hundreds of billions of dollars to restore it. It is a national facility for every American. Hundreds of billions of dollars—in fact, there was testimony before the committee that New York City is sitting on a powder keg, because of the failure of maintenance; that even our bridges show signs of deterioration. It is almost, one could say, in the national security interest, that New York's bridges are critically important to the United States, so bad has maintenance become.

What that guarantee is for and why it is for the long term is that only in that way, with the very kind of financing, without tricks or dodges, that Congress wants New York to do—it has to have long-term debt in order to do it, because these are long-term responsibilities.

The fact is that there is no other way to meet them except by long-term debt. The guarantee, of course, will go only to the pension funds, where there is a fiduciary responsibility on the part of the trustees, which we have no right to demand that they assume and which they will not assume unless they get these guarantees.

More importantly, Federal Govern-

ment support provides a necessary psychological assurance to the city's other financial backers—the State and city employee pension funds, the State, and the financial institutions—and permits the city to carry out its 4-year financial plan in an infinitely more propitious atmosphere. New Yorkers will continue to make self-help sacrifices, but they will be equipped with the budgetary and financial tools to correct their situation so as to regain access to public credit markets by 1982.

In approving this legislation, the Senate is not embarking on a rash course. As I have pointed out already, strict criteria have been imposed to insure the city's sound functioning. An independent Emergency Financial Control Board acts as a watchdog for the city's budgets. The bill also provides for independent outside audits, wider by State participation through a coinsurance fund, and calls for prompt retirement of the debt.

In fact, we owe a debt to the members of the Banking Committee, and Senator PROXMIRE, as I previously said, who worked so judiciously to require the city to establish the control mechanisms that will allow it to balance its budget by 1982.

The fact is that, after 3 years of seasonal loans, instead of the sentiment of the people of our Nation being more against New York City, it is far less against New York City, and Senators in this Chamber know it. There is not nearly the pressure from back home. On the contrary, people back home are much more sympathetic to the idea of not letting New York City go into bankruptcy, because they have had the experience of seeing that it can, without any damage to the United States, be kept from bankruptcy and that that is a national blessing, not a national disaster.

Mr. President, I do not think it is necessary to recount all of these details that we have heard time and time again, and the proof in the case which was made before the committee under the most exacting and brilliant, in my judgment, cross examination by Senator PROXMIRE, Senator BROOKE, Senator LUGAR, Senator HEINZ, and Senator RIEGLE. I was there, as Senator MOYNIHAN was, all the time. We know how thoroughly this case had been examined.

I think this is a constructive bill. It is a very strict bill; it limits New York City's freedom of action and self-government very, very materially.

I agree with it. That is the way it should be. As I said, I pledge to the Senate once before, and I am confident that my colleague feels the same way—he will speak for himself—it will be my job as long as I am here to monitor this situation as I monitored the seasonal loan situation, to be absolutely positive that New York City has its feet to the fire and is catholic to every single obligation, in letter and in spirit, which it undertakes.

Now, Mr. President, I wish to tell the managers of the bill that I have no design to offer any amendments. I believe that the judgment of the managers and the committee was an honorable one, based upon the evidence. I believe that accurately reflects the sense of the Senate which, as I read the committee's determination, is that New York City, because it is a truly national city, requires, in the national interest of the United States, to be saved from bankruptcy; that bankruptcy is inevitable unless an action like this is taken; that this action has every reasonable promise of working out to put New York City on the road to viability where it can go into the markets as any municipality must go in order to rehabilitate itself.

I thank my colleagues very much.

Mr. PROXMIRE. Mr. President, before I yield time to the junior Senator from New York, let me say I think the whole Senate owes a debt of gratitude to the remarkable Senators from New York. I have never seen this kind of thing happen in the time I have been in the Senate and on this committee.

Both Senators attended virtually every single minute of the hearings we held on the New York City financial aid problem. They are men, as we all know, of very strong intellectual capacity and great knowledge in this particular area. They have contributed a great deal to our understanding of the situation and we are deeply in their debt.

I do say to my friend, the senior Senator from New York, that he is very skillful in presenting the issue which is predominant in New York. The issue, as they put it, is shall we let New York City go bankrupt or shall we give Federal aid? My feeling is that there is no way New York is going to go bankrupt. There is no way the pension funds are going to say, "We'll let the city go bankrupt", or "We'll insist on reducing our investment in New York City's securities from 35 percent down to 25 percent of assets, even if it means that the city goes bankrupt." They are not going to say that; it would be absurd.

The banks are not going to say, "We don't care if the city goes bankrupt." It would be a body blow to the banks if it did. They have an enormous investment in the city. They have enormous capital, they have the ability to help New York. But they will not do it unless they are required to do it. This bill will require them to do it, although not on the scale that I think they would if we gave no Federal aid.

I am happy to yield to the junior Senator from New York (Mr. MOYNIHAN).

Mr. MOYNIHAN. I do thank the chairman and, as my revered colleague has done, I wish first to state the gratitude we have felt and the admiration which we hold for the way in which the chairman has brought this matter to term—with responsibility, with rigor, with extraordinary capacity and devotion to the task. He will know of our respect for him, and of our plain joy in the intellectual elegance of the not unambiguous position in which he finds himself this morning.

I wish also to say to his colleague, the ranking minority member, Mr. BROOKE, who has made such an impress upon the Senate and upon the Nation with his knowledge of and commitment to the problems of the cities of America, and to say how glad we are that New York sent troops to help relieve the siege of Boston in 1778.

Senator JAVITS has spoken of New York as a national city. If I may, it seems to me that there is almost a disproportion between the issues at stake in the fiscal survival of the city and the efforts which this Government will make in this bill. As the chairman has said, this bill will not cost the Federal Government any money. The Federal Government will make money from it.

It does not introduce a new principle of fiscal behavior; it adds some $1.5 billion on top of what I believe, at last count, was $298 billion of Federal guarantees, overall, for various Federal programs. But more importantly, and for a few moments, I might ask the attention of the committee members. I just want to say how much I appreciate the remarks of the Senator from Wisconsin (Mr. PROXMIRE) who spoke of the solid record of achievement of the city in the last few years; and the Senator from Massachusetts (Mr. BROOKE) who spoke of the sacrifices of the city workers.

Let me say just one personal thing. It has to do with how I come to be standing here, in the Senate. The chairman mentioned the establishment of the Emergency Financial Control Board, which was established in November of 1975 as part of an unprecedented control of the city's finances. In 3½ centuries, with a brief interregnum under Gen. Howe, the city has always controlled its finances, but it gave this up as a consequence of the Federal seasonal loan program for New York in 1975.

I remember one day in late May 1976 when I happened to be in New York City. I had no intention of running for public office. I had absolutely determined to go back to the university. I had been in the Cabinet or Subcabinet of four Presidents. I wanted to go back to a quiet corner.

But that day, on the front page of the newspaper was a report that the emergency Financial Control Board had closed the City University.

The City University is not just any university. City College of New York, which I went to after graduating from Franklin High School in East Harlem in 1943, was the first free urban college in the world—the first one in the world. It was established in 1847 by a referendum in the city. It represented all that New York has been and has given to the rest of this country, as an indication of what it can mean to be children of immigrants who could come to the city and learn this Nation and its ways. And we had closed it.

That is a sin against the Holy Ghost, to close a university. In all the turmoil of the 1960's and 1970's, no university ever closed. But the City University in New York was closed.

At that moment, I said, "No, you have to run for the Senate. You cannot walk away from this."

I should like to suggest what has happened. The Senator from Massachusetts spoke of the sacrifice of the city workers. May I suggest that part of our problem in New York is that we have

acquired a population of 1 million welfare recipients. We have tried to be responsive to them, and, as much as anyone has, we have. Do you know what has happened since this last financial crisis began? Not one nickel has been added to the benefits of welfare recipients. We have not had the money.

In consequence, the true value of their welfare payments has declined since then by 29 percent. The most punitive, antiwelfare administration seeking to punish and to make an example of dependent and helpless people would nonetheless, never have cut their benefits by 29 percent. But it happened in New York City.

The Senator from Utah, who is a former mayor of Salt Lake City and former head of the National League of Cities, said that it is incomprehensible that we should have gotten ourselves into such a situation. Yes, in one sense it is. But the mismanagement of cities is not incomprehensible, it is an all-too-common phenomenon of American life. It reached a certain exaggerated extent in New York. New York will tend to overdo, and we overdid incompetence in management; perhaps no one has ever been quite so oblivious to reality as the people who ran the city in that decade. But this is familiar, if, indeed, somewhat exotic.

What is genuinely incomprehensible is that we should have lost one-sixth of our economy in 7 years. For 1969–76, 400,000 jobs disappeared south of 59th Street itself. Now we have stabilized. We have, certainly, got hold of our finances. There has been a slight increase in jobs. We do not seem to be going down any further. But we continue to have an enormous burden of the past. Thirty percent of every dollar the city collects goes to debt service.

This legislation will enable us to borrow moneys at 9¼ percent. But what a further burden on us. As much as we appreciate it, the chairman and the ranking Member will understand that we can scarcely celebrate it.

Just as Congressman WRIGHT said in the debate in the House, this will not cost the taxpayer "one red cent." It is not just that. As he said, what New York is asking is a hand up and not a handout. Yet, in my view, this legislation simply confirms the extraordinary burden of the past which will live with us in the future.

We sold bonds in 1975 at 11 percent interest. The uttermost irony is that, despite the excesses of redistributors of wealth and their egalitarian zeal, the only people we made rich or better off were the truly rich who bought those incredible city securities at unprecedented rates of interest, tax free to boot.

I have one last point. This legislation continues controls on the finances of the city of New York almost into the 21st century. But we thank you for it. We know you have done your best.

We will have to live with our past well into the future. We hope we will be worthy of the trust you put in us. We thank you for having stated that we have kept the agreements we made 3 years ago.

As I say, not for nothing are we still the greatest city in the world. I hope we will fulfill the expectations which are embodied in this legislation, and I thank the committee for it.

Mr. HARRY F. BYRD, JR. Will the Senator from the great city of New York yield for a unanimous-consent request?

Mr. MOYNIHAN. With great respect.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that Roger Sindelar of my staff and Jack Davis of my staff be granted privilege of the floor.

The PRESIDING OFFICER (Mr. SARBANES). Without objection, it is so ordered.

Mr. MOYNIHAN. I thank the Chair and I thank the chairman and ranking minority member.

Mr. PROXMIRE. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. BROOKE. Yes.

COMMITTEE MEETINGS

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the Nuclear Regulation Subcommittee of the Committee on Environment and Public Works be authorized to meet during the session of the Senate today to hold a hearing on S. 2775, Nuclear Siting and Licensing Act.

I understand it has been cleared with the minority.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the Committee on Human Resources be authorized to meet during the session of the Senate today to consider labor reform legislation.

That has been cleared with the minority.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate today to hear testimony from Government and non-Government witnesses on S. 2894, human rights legislation.

That is also cleared with Mr. BAKER.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the Commerce, Science, and Transportation Committee be authorized to meet during the session of the Senate today to hold an executive session markup on aircraft noise and gold and silver labeling legislation.

This also has been cleared with Senator BAKER.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the Subcommittee on Aging be permitted to meet during the session of the Senate today. This has been cleared on both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Taxation Subcommittee of the Committee on Finance be authorized to meet during the session of the Senate today to hold a hearing on capital gains tax bills, and that the Subcommittee on Energy, Nuclear Proliferation and Federal Services of the Committee on Governmental Affairs be authorized to meet during the session of the Senate today to consider S. 3229, the Postal Amendments Act of 1978.

These requests have been cleared on both sides.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the Government Affairs Committee be permitted to meet for the purpose of marking up the Civil Service Reform Act.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object, that request has been cleared on this side, and we have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN. Mr. President, I make a similar request involving the normal 2-hour time limit. We have the first of the postal hearings scheduled this morning in the Government Affairs Subcommittee, and I ask unanimous consent that we be permitted to hold that meeting at 11 o'clock.

Mr. BAKER. Mr. President, reserving the right to object——

Mr. GLENN. Mr. President, I withdraw that request temporarily.

NEW YORK CITY LOAN GUARANTEE ACT OF 1978

The Senate continued with the consideration of the bill.

Mr. BROOKE. Mr. President, I am prepared to yield to the Senator from Tennessee, the distinguished minority leader.

How much time does the Senator want?

Mr. BAKER. About 5 minutes.

Mr. BROOKE. I yield 5 minutes.

The PRESIDING OFFICER. The Senator from Tennessee is recognized for 5 minutes.

Mr. BAKER. Mr. President, I thank the Chair and I thank the distinguished Senator from Massachusetts.

Before I begin my formal remarks, I observe that the distinguished junior Senator from New York is still on the floor.

Having known him for some years and having known of his distinguished services to former Presidents, both Republican and Democrat, and having heard him now say he was tempted to retire to a quiet place, I feel compelled to say that whatever place he occupies is not likely to be quiet. [Laughter.]

He has contributed much to the country and I expect that he will contribute more. I would be greatly disappointed if he did not.

Mr. President, I plan to support H.R. 12426 as reported by the Committee on Banking, Housing and Urban Affairs. I do so not because of any desire to encourage other cities to seek the assistance of the Federal Government, but rather because aid to New York City as

provided for in this bill is the responsible thing to do.

In my judgment, a concerted and determined effort was made by the Banking Committee to ascertain whether the city of New York had made a good-faith effort to rectify many of the financial problems described to the Congress in 1975. Clearly, a substantial majority of the committee concluded that the city of New York was making progress toward financial solvency. Moreover, they are convinced that the schedule and manner in which Federal guarantees would be provided will continue New York City on the road to a balanced budget.

I wish to commend particularly my able colleague from Indiana, Mr. LUGAR, for his contribution to the consideration and formulation of this legislation. I believe the committee has acted responsibly in recommending Federal guarantees of New York City's indebtedness of up to $1.5 billion through June 30, 1982. I am pleased by the provisions in the bill which would permit either House of Congress to disapprove the guarantee authority for fiscal years 1980 and 1981, should that be necessary.

I was also encouraged by the adoption of certain other conditions upon which the guarantees are based. Those conditions include a requirement that the Secretary of the Treasury determine that there is a reasonable prospect of repayment of the guaranteed obligations and that credit is not otherwise available on reasonable terms. Also, the city must demonstrate that it has in place a plan for bringing its budget into balance according to generally accepted accounting principles for fiscal year 1982 and that substantial progress will be made toward that goal in the intervening years. Independent audits of the city's financial statements must be conducted at the end of each of the city's fiscal years, and an audit committee must be established to review the progress and evaluate the results of such audits.

Finally, Mr. President, the Secretary must determine that the city will meet its remaining long-term and seasonal borrowing needs from the State, an agency of the State, private sources, or through public credit markets in amounts adequate to permit the city to meet all of its financial needs after June 30, 1982.

These conditions, as well as various incentives to encourage an early reentry by the city into credit markets constitute a sound means of dealing with the New York City problem. For those reasons, I intend to support passage of H.R. 12426 as reported by the committee.

Mr. President, I thank the distinguished managers of the bill for their service and for yielding to me at this point so that I may comment.

Mr. PROXMIRE. Mr. President, I yield 15 minutes to the Senator from South Carolina on the bill.

The PRESIDING OFFICER. The Senator is recognized.

Mr. THURMOND. Mr. President, today I rise to speak about an issue that could set a dangerous precedent to the future relationship of the Federal Government with municipalities. The proposed measure that purports to once again bail out New York City from its extravagant financial woes is unsound and unfair to other municipalities across the Nation.

If this legislation is enacted, the Federal Government will put itself in the business of guaranteeing municipal obligations. How are the proponents of this measure going to justify turning down similar requests from other cities which in many cases will have exercised more fiscal restraint than New York City but are beset by financial problems. It cannot be done. If we again assist New York then other cities—San Francisco, St. Louis, San Antonio, Columbia, Charleston, Richmond—are entitled to the same consideration. Therefore, I ask my colleagues who tend to favor this legislation to turn around before it is too late.

In 1975, we heard numerous comments favoring the Seasonal Financing Act. These comments exclaimed that this financing would end New York City's problems; that this was a one time shot; in fact, Governor Carey stated assuring us it would not happen again that a 3-year financial plan had been established which "will provide the city of New York with a balanced budget by the fiscal year beginning with July 1977."

Now New York City is back for another one time shot and I say again what I said in 1975—No—and, if this legislation is approved, I fear the city will be back again and my response will be the same.

During the hearings in the Senate on this bill, Senator PROXMIRE noted that the majority of his mail from New York City was not in favor of further financial assistance to the city. I have one letter here from Mr. E. T. DiCorcia of 1251 Avenue of the Americas, New York City, that I would like to share with my colleagues. It says:

> I am a native of New York City and a New York City and New York State taxpayer. I appreciate very much your interest in New York's management and fiscal problems, but I would urge and encourage you not to bail the City out with federal money.
>
> Despite all the talk and furor, very few of New York's fundamental problems such as low productivity, mismanagement, and excessive services have really been addressed. Experience has shown that our politicians will never squarely face these problems until there is no politically expedient way out. Despite the good intentions of the Congress, the worst thing that could be done for us beleagered New York taxpayers would be to not hold our elected officials' feet to the fire.
>
> Fundamental reforms are our only hope for the long run, even if it means we have to pay more in local taxes and suffer some inconveniences in the short run.

Many have asked: Why did New York City come to the Federal Government for these loan guarantees? Why did the State not agree to the guarantees? The simple answer is the State of New York in its Constitution is prohibited from doing this.

Governor Carey testified he did not feel the people of the State would repeal this provision to allow the State to assist the city. Mr. President, outside of the city officials the responsibility of the city lies with the State. It refuses to help. Why should it, when the high pockets of the Federal Government using the tax funds of other States can help the city? This is not rational and sound government.

Much has been made of the fact that New York City is alleged to have exercised sound fiscal restraint in the past few years. However, sufficient restraint has not been shown in city wages. A city fireman gets paid $35,288 per year. A senior city clerk receives $18,952 per year. How does this compare with the city wages of municipal employees around the country? The U.S. Bureau of Labor statistics informs us that skilled trade workers for New York City receive 49 percent higher wages than those in the private sector.

I want to repeat that, Mr. President. The U.S. Bureau of Labor Statistics informs us that skilled trade workers for New York City receive 49 percent higher wages than those in the private sector.

Mr. President, to illustrate about the wages being paid to New York, I would like to give the salaries of a few other types of workers.

Sanitation workers, $28,033; teachers, $30,288; social workers, $31,009; a climber-pruner, $27,351; nurse's aid, $20,093.

Mr. President, we can see from these figures the kinds of salaries that New York City is paying. Here is New York City.

Is New York City exercising restraint? Is New York City economizing?

Mr. President, it is clear that New York City is extravagant in its salaries, it is extravagant in its management. Why should it come to the Federal Government to bail it out under such circumstances?

Mr. President, I want to say further that the average—and this is the average—city employee is paid $26,654 per year with extra benefits being—and catch this figure—65 percent of base pay. Also, Mr. President, I call to the attention of my colleagues that a New York welfare family receives average monthly payments of $370 per month as compared with, in Texas, the average of $105.21.

When all the other welfare benefits are figured in, the family can receive an estimated $600 per month.

So, Mr. President, you see a welfare family receives $600 per month in New York City. Why should the Federal Government bear this? Why should the taxpayers of South Carolina bear this? Why should the taxpayers of any other State bear this? New York City is the one that fixed these salaries. If they want to fix them, they have a right to do it, but let them pay the bill. The people of America should not have to pay the bill.

This legislation calls upon employees of other cities who receive a lot less to pay their hard-earned tax money so that New York City employees can receive these exorbitant wages. The American people will not and should not stand for this, Mr. President. As the recent action in California has shown, the people of this country want less taxes and a more restrictive use of the taxes they pay.

This bill offers up to $1.5 billion in long-term loan guarantees over the next

4 years. Some have stated that there should not be any concern because these are guarantees and will cost us nothing. However, let us not be fooled. If a danger of default did not exist the guarantees by the best backers in the world, the U.S. Government, would not be necessary.

The New York City banks, which have gained much by their location in the so-called financial capital of the world, and which employ some of the best financial minds available, follow the sound policy of not getting involved with the city's money problems. Therefore, we are asked to guarantee what the private financial sector considers a bad risk.

Mr. President, I want just to recapitulate a few points that I feel are important: First, this bill is another bailout bill, although the Senate was told in 1975 that it would be the one and only one.

Next, New York City does have a balanced budget according to acceptable accounting practices. We were assured that New York City would have a balanced budget by the fiscal year 1977.

Third, city employees in New York City are among the highest paid in the world. A city that cannot meet its obligations and has to come to Washington with hat in hand, begging aid, it seems to me, should begin reducing expenses.

Next, this is a bad risk. New York City could, in fact, default and cost this country $1.5 billion.

Furthermore, the people of New York State will not substantially come to the aid of the city. The first obligation is for the State to come to the aid of the city, not the Federal Government.

Mr. President, it is surprising that President Carter stated that California will not receive Federal aid if financial problems result from tax cuts. Yet, he endorses aid for New York City. This is a double standard.

Finally, Mr. President, I would like to reiterate that this measure will set a bad precedent for the future. We went to the well once and, so far, have escaped the dangerous consequences, but if we go once more it could open the gates to numerous other cities seeking easy assistance for their financial problems. Apparently, the proponents of this bill feel New York City is entitled to further aid because, to use the title of a novel, appropriately about the jet set, by the late Jacqueline Susann, "Once Is Not Enough." However, my colleagues, once was enough, in fact once was once too many.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. Mr. President, I yield 3 minutes to the Senator from New York.

Mr. MOYNIHAN. Mr. President, I rise solely for the purpose of correcting the RECORD—which I think is necessary in one respect concerning the address of the distinguished Senator from South Carolina—and affirming the RECORD with respect to another.

Mr. President, it is simply not the case that the salaries of municipal employees are in any way in the range that was suggested; sanitation men do not make $28,000 and schoolteachers do not make $30,288. That $288 at the end of the 30,288 figure perhaps gives a suggestion of precision and exactness to what is a wildly inaccurate average figure. In the main, cut those in half. Schoolteachers make about $15,000 or $16,000 in New York State, which is just a little bit above the median income from family units in the United States.

In one respect, I fear the Senator from South Carolina was correct. He did state that New York City provides welfare assistance at a level higher than that of Texas. I earlier made the point, Mr. President, that there has been no increase in welfare payments, not one nickel, since this crisis began. In truth, the true income of welfare families has dropped by 29 percent—women and children, dependent children, helplessly reduced.

It is the case that we have tried to provide a decent standard of living. It is not a very decent one; $370 per month, said the Senator from South Carolina. It is more than that. The average payment per family of four last year was $430. But it is true that in Texas, it is $105. And more, it is true that in South Carolina, a family of four is provided, by the State, $84.87 per month to live on. That is a family income of less than——

Mr. THURMOND. Will the Senator yield?

Mr. MOYNIHAN. May I just complete my statement, as I have nothing else to say.

I calculate that a family of four in South Carolina is given less than $1,000 a year to live on. And it is true, we do better in New York and we hope we might continue to do better in New York.

I yield happily to the distinguished Senator from South Carolina.

Mr. THURMOND. Mr. President, the Senator said the figures are wrong. If they are wrong, they came from the temporary commission on city finances in New York. I ask the distinguished Senator: Is it not true that though New York has decreased their work force by 20 percent, the municipal payrolls have decreased by only 1 percent?

Mr. MOYNIHAN. That is true but, may I say, over a 3-year period, when the cost-of-living increases have simply brought the payrolls up, as they have done everywhere else in the country.

Mr. THURMOND. Is it not true that the city still faces a $1 billion real deficit for fiscal year 1978 after 3 years of Federal aid?

Mr. MOYNIHAN. By generally accepted accounting practices, I think the 1978 deficit is about $450 million.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. PROXMIRE. I yield 2 more minutes.

Mr. THURMOND. Is it not true that New York City balances its $13.9 billion budget through accounting loopholes?

Mr. MOYNIHAN. Does the Senator mean the way the Federal Government does?

Mr. THURMOND. No, the way New York City does.

Mr. MOYNIHAN. Our accounts are ruthlessly public. But would the Senator like to repeat his question?

Mr. THURMOND. Will the Senator permit me to ask him a few questions?

Mr. MOYNIHAN. Yes, certainly.

Mr. THURMOND. Is it not true that New York City is still considered a bad risk by private investors?

Mr. MOYNIHAN. It is true that the city of New York was not able to sell short-term notes in the market last November. That is true. That is why we have this legislation before us today.

Mr. THURMOND. Is it not true that New York State pension fund trustees——

Mr. MOYNIHAN. May I extend my remarks? Standard and Poor's gave the city's notes an acceptable rating, but they said the general fiscal situation of the city was not such as to encourage persons to invest.

Mr. THURMOND. Is it not true that New York State pension fund trustees have refused to invest in New York City's securities?

Mr. MOYNIHAN. No; it most assuredly is not true. In an act of rather extraordinary local patriotism, if you will, when the city almost went bankrupt in 1975, the city was saved by a combination of banks and the pension funds, which now have almost 35 percent of their assets in city securities. We have had to pass a law exempting the trustees from what would otherwise be the prohibition of Federal law against having so high a proportion of their assets in one type of security.

The PRESIDING OFFICER. The Senator's 2 minutes have expired. Who yields time?

Mr. PROXMIRE. Will 1 minute take care of it? I yield an additional minute to the Senator.

Mr. THURMOND. If I may have 2 or 3 minutes, I would like to finish the questioning.

Mr. PROXMIRE. Two more minutes.

Mr. THURMOND. Is it not true that New York State claims a surplus in their budget, yet has provided minimal aid to New York City?

Mr. MOYNIHAN. No. The surplus is a way of saying that the deficit was not as large as anticipated.

Mr. THURMOND. Is it not true New York City pays its municipal workers substantially more than workers holding comparable jobs in the private sector?

Mr. MOYNIHAN. No. There are surely cases where a New York City worker may receive more than a comparable worker elsewhere, but the answer to the Senator's question is surely "no," in the sense that these are no "average city employees" who earns $26,800 with a 65 percent above base pay extra in benefits.

Mr. THURMOND. Is it not true that New York City is setting a precedent for other cities of receiving free money from the Federal Government to subsidize an irresponsible budget?

Mr. MOYNIHAN. I shall not think so.

Mr. THURMOND. Is it not true that actually bankruptcy or default occurred 3 years ago and making it official will not make much difference?

Mr. MOYNIHAN. In terms of what, in the Catholic Church, is called sub specie eternitatus, it will not matter at all.

But to the people alive in our city, it will matter, not least to those who come from South Carolina where a dependent

family is asked to live on the incredibly penurious sum of $84 a month. If they get to New York, they will be welcomed. They will not be much better off, but at least we hope to do our best by them.

I thank the Senator.

Mr. THURMOND. If I might respond, there is no city in South Carolina that is near bankruptcy, near default, and they are not calling on the Federal Government.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. THURMOND. Furthermore, the people in South Carolina——

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND (continuing). Are making a good living and very few of them have to go on welfare because they earn well in South Carolina and they are happy. If the Senator comes down, I think he will enjoy living there, too.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. I have not only been down, I hope to go back down to campaign for Dick Riley, who will be a great Governor.

Mr. BROOKE. I yield to the distinguished Senator from Texas.

AMENDMENT NO. 3084

(Purpose: To terminate long-term guarantees under certain circumstances)

Mr. TOWER. Mr. President, I seek recognition on my own time for the purpose of calling up an amendment. I call up my amendment No. 3084.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Texas (Mr. TOWER) proposes an amendment numbered 3084:

On page 13, line 7, insert "(1)" following "shall terminate.".

On page 13, line 10, before the period insert a semicolon and the following: "or (2) whenever the holder of any guaranteed indebtedness fails to comply with any term or condition of any commitment relating to the long-term or seasonal borrowing needs of the city".

Mr. TOWER. Mr. President, this amendment would strengthen this bill by providing that any guarantees outstanding would terminate if the holder of the guaranteed indebtedness fails to comply with any term or condition of any commitment made under New York City's financing plan.

The bill as reported contains language to the effect that the Secretary of the Treasury, in order to guarantee or commit to guarantee any indebtedness must determine, among other things, that the unguaranteed portion of the city's long term and seasonal financing needs will be met through commitments from the State, an agency of the State, or private or public credit markets. Unfortunately, that provision does not provide any meaningful deterrent to the failure to honor commitments since it would only affect future guarantees and not those already outstanding.

My amendment is designed to address this problem in a simple and straightforward way. Under the bill, the guaranteed obligations can be held only by city and State pension funds. Testimony at the hearings established that the city's financing needs, other than those to be met through the guarantees, are to be met in the next 2 years primarily or exclusively through loans by banks, city pension funds, and others. Unless foolproof commitments are in place upon which the Secretary of the Treasury may rely, then the risk to the Federal Treasury is magnified substantially.

My amendment would provide for lapse of already outstanding guarantees in the event that the pension funds holding the guaranteed obligations fail to abide by the commitments. Since the pension funds, like all other parties to the financing plan will agree to honor the commitments, then there is no real reason to oppose this amendment unless one doubts the veracity of those who will agree to the commitment.

The need for this amendment is illustrated by events which have occurred in the last few months. Although the city pension funds agreed as part of the 1975 financing plan which formed the basis of the Seasonal Financing Act to invest $2.5 billion in city bonds in the period prior to June 30, 1978, some of the funds' trustees have threatened not to honor that agreement. The uncertainty regarding that investment has made the city's financing plans even more unreliable than they otherwise would have been. Since those threats were made during the course of labor negotiations with the same unions for which those pension funds exist, the impact on the labor contracts, and upon the city's budget, was enormous.

My amendment would make the commitments upon which the Secretary must rely more meaningful, and, in doing so, it would get tough with those who consider obstructing progress toward sound and reliable financial recovery.

According to an article in today's New York Times, two of the union pension funds are still refusing to honor their 1975 commitments to purchase New York City bonds. Not coincidentally, they are the same two unions which are still negotiating new labor contracts. This illustrates the weakness in the bill as it is now constituted and provides compelling evidence of the need for my amendment.

Mr. President, it occurs to me that the managers of the bill should accept this amendment, because it does prevent one of the holders of the guaranteed securities from using its commitments to the total financing plan for leverage—for example, to bargain for higher wages and benefits.

As I have pointed out, two unions are holding back on honoring their commitments, while they are currently engaged in negotiations on wage contracts.

I think this offers New York City more assurance. Therefore, I hope that the managers of the bill will accept this amendment.

Mr. PROXMIRE. Mr. President, I reluctantly oppose this amendment. I do not believe it will accomplish its intended purpose.

I oppose the amendment, however, with considerable sympathy for what the Senator from Texas is proposing. Much of what he said is correct, and I certainly support the motive behind it.

The purpose, I understand, is to prevent the situation we have seen recently, where the pension funds refused to honor a financing commitment made in 1975 at the time when they were supposed to honor it.

The difficulty with this amendment is that it could cause the pension fund trustees to refuse to purchase any New York City securities on the ground that such commitment could jeopardize the safety of their guaranteed investments. If that is done, it is counterproductive.

We want to get the pension funds and the banks involved in buying unguaranteed New York City and MAC securities as rapidly as possible. If they are inhibited from doing so by the kind of action which this amendment would require, it seems to me that it is going to make it harder for New York City to get out from under the Federal guarantees, or even to put together a total financing package with the guarantees.

Furthermore, the amendment does not provide sufficient flexibility to permit the Secretary to allow changes in the financing commitments if circumstances change—for example, if the financial condition of one or more of the pension funds does not permit the planned investment to be made, or to be made in the specified amount.

Suppose we have a recession, suppose there is a sharp drop in stock values, and the pension fund cash flow situation is seriously disturbed. There may be a legitimate reason why, under those circumstances, the pension fund would not be able at that time to come in with its full commitment. Under those circumstances, I think the Secretary should be in a position to be tolerant, to waive it, to recognize that to require the pension fund to live up to the letter of the commitment would be too much of an imposition, and that the investment could be reduced or postponed, at least temporarily.

I must add, however, that the committee has been very concerned about the city pension funds' failure to make the $683 million in scheduled bond purchases this May and June. That is a deliberate breach of a binding legal obligation. It has caused substantial cash flow problems for the city.

I understand that some of the pension funds have come around this week and agreed to make their investments; but, as the Senator from Texas has just said, the policemen's fund is still holding out, basically because the PBA is more interested in getting bigger pay raises than in keeping New York City going.

Because of these concerns, the committee already has made it clear in the bill that we expect financing commitments to be made and kept in order for guarantees to be provided, either in the first instance or subsequently.

We already have in this bill section 4(4) that requires that all financing commitments from pension funds and banks be in hand and be kept for the Secretary to provide and keep providing guarantees.

In addition, another section, section 6(f), allows the Secretary to sue any party which fails to keep its commit-

ments under this act. That is a new provision. It is not in the House bill. It is not in the present law. So this bill is considerably stronger in that regard. But I believe, in aggregate, that the Senator's amendment is not necessary, in view of the fact that the bill already provides the strength that the Secretary needs to enforce the law, and that this amendment would deny him the flexibility that I think would be appropriate under trying circumstances where it might be quite difficult for a pension fund to meet its obligation technically.

For that reason, Mr. President, I reluctantly oppose the amendment.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. PROXMIRE. I am happy to yield to the Senator on the amendment.

Mr. JAVITS. I wish to juxtapose the word which Senator Tower used, a simple and straightforward way to the actual conditions. The fact is that no bond counsel would approve this guarantee with any such condition because I always believe in reading the words, and the words simply heavily underline what Senator PROXMIRE has argued. They speak of failure to comply with any term or condition, any term or condition. A failure to given a written notice would be a failure to comply with a term or a condition, and then it would prejudice every other guarantee because that holder would be deprived of his guarantee.

So, Mr. President, it simply is another way of sabotaging and destroying this bill. No bond counsel will approve that. There will be no purchase by the pension funds that guarantee the minute we agree to this amendment. So forget it. The whole scheme just falls down. It is very cleverly drafted to destroy the bill. That is just what it means, and the bill depends upon the guarantee to the pension funds in order to get them to put up the money.

With all the other restrictions in the bill, including the fact that guarantees come in in installments, New York City does not get $1.5 billion in guarantees immediately. It gets it only so much per year so that if we do not like what is going on in the appropriations process and here in the Chamber, based on that, because this whole thing is built on that proposition, we can turn it down. But to put this sanction in merely guarantees that there is no bill and we have to start from square A all over again.

Mr. MOYNIHAN. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator.

Mr. MOYNIHAN. Mr. President, I, of course, wish to endorse the statements of my senior colleague. No bond counsel would ever authorize, ever approve, purchases with this ambiguous and uncertain a provision. This amendment would have the effect of defeating this bill.

But the Senator from Wisconsin, in his reply asking that the amendment not be approved, seems to me to have drawn attention once again to the extraordinary controls on New York City which this legislation involves.

Section 6(f) of the legislation, as the Senator from Wisconsin notes, states:

> The Secretary may bring a civil action in any United States district court or any other appropriate court to enforce compliance with the provisions of this Act, any agreement related thereto, or any provision of State law by the city, the State, the financing agent, the independent fiscal monitor, or any official of any of the foregoing, or any other party to any such agreement, and such court shall have jurisdiction to enforce such compliance and enter such orders as may be appropriate.

There has not been as many "anys" in one section of a Federal statute, I should think, in our history. It gives the Secretary the right to go to court to make people comply with agreements which the legislation requires.

This, in combination with the fiscal monitor, creates a control over the city's affairs which is without precedent, and which will continue almost to the end of this century.

I think the Senator from Wisconsin has made precisely the accurate point, supplemented by that of the senior Senator from New York. This is a measure which would in effect defeat the purpose of this bill, but in pointing that out, I think the Senator has very clearly represented and illustrated the strengths of this bill.

I thank the Senator.

Mr. TOWER. Mr. President, it seems to me that we will let a very ugly cat out of the bag indeed if we are unwilling to tighten up this legislation to prevent the various public employee unions from using their commitments as leverage to negotiate still higher wages and benefits in a situation where they are already paid more than comparable municipal employees in any other city in the United States, in a city that finds itself in this dilemma partially because New York City has been operated for years more for the benefit of its public employees than it has for its citizens due to the enormous political clout of the public employee unions.

But what we are doing here, if we fail to adopt this amendment, is to say, "Go ahead, keep it up." Not only do we run the risk of losing their commitment, we run the risk of still higher negotiated wages and benefits that will tend to compound the problems of New York City.

For those genuinely interested in seeing that the commitments are met so that the problems of New York City can ultimately be solved, it seems that they would be strongly for this amendment.

Mr. President, I am prepared to yield back the remainder of my time if we can get a quorum call going and establish enough warm bodies in the Chamber to achieve the yeas and nays. Do we have enough?

Mr. President, I ask for the yeas and nays on the amendment.

Mr. PROXMIRE. It yield back my time and ask for the yeas and nays also.

The PRESIDING OFFICER. Is there a sufficient second: There is a sufficient second.

The yeas and nays were ordered.

Mr. TOWER. Mr. President, I am prepared to yield back the remainder of my time if the manager of the bill is prepared to yield back his.

Mr. PROXMIRE. Yes. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to the amendment of the Senator from Texas.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

(Mr. ZORINSKY assumed the chair.)

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from North Dakota (Mr. BURDICK), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. HASKELL), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), the Senator from Washington (Mr. MAGNUSON), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from New Hampshire (Mr. MCINTYRE), and the Senator from Maine (Mr. MUSKIE) are necessarily absent.

I further announce that the Senator from Idaho (Mr. CHURCH) is absent on official business.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON) would vote "nay."

Mr. STEVENS. I announce that the Senator from North Dakota (Mr. YOUNG) is necessarily absent.

The result was announced—yeas 24, nays 63, as follows:

[Rollcall Vote No. 193 Leg.]

YEAS—24

Allen	Ford	McClure
Bartlett	Garn	Roth
Bellmon	Goldwater	Scott
Bentsen	Griffin	Stennis
Byrd, Harry F., Jr.	Hansen	Thurmond
Cannon	Hatch	Tower
Curtis	Hayakawa	Wallop
Eastland	Helms	
	Laxalt	

NAYS—63

Baker	Hatfield, Paul G.	Packwood
Bayh	Hathaway	Pearson
Biden	Heinz	Pell
Brooke	Hodges	Percy
Bumpers	Hollings	Proxmire
Byrd, Robert C.	Huddleston	Randolph
Case	Humphrey	Ribicoff
Chafee	Jackson	Riegle
Chiles	Javits	Sarbanes
Clark	Johnston	Sasser
Cranston	Kennedy	Schmitt
Culver	Leahy	Schweiker
Danforth	Lugar	Sparkman
DeConcini	Mathias	Stafford
Dole	McGovern	Stevens
Domenici	Melcher	Stevenson
Durkin	Metzenbaum	Stone
Eagleton	Morgan	Talmadge
Glenn	Moynihan	Weicker
Hart	Nelson	Williams
Hatfield, Mark O.	Nunn	Zorinsky

NOT VOTING—13

Abourezk	Haskell	McIntyre
Anderson	Inouye	Muskie
Burdick	Long	Young
Church	Magnuson	
Gravel	Matsunaga	

So Mr. TOWER's amendment (No. 3084) was rejected.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BROOKE. Mr. President, I ask unanimous consent that Everett Wallace of Senator BAKER's staff be given the privilege of the floor during the consideration of and votes on this bill, H.R. 12426.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, on the same issue, I ask unanimous consent that Richard Gentry of Senator ALLEN's staff be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROOKE. I ask unanimous consent that Tony Cluff and John Daniels be added to that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1388

(Purpose: To require a report on local government credit problems)

Mr. WEICKER. Mr. President, I send an amendment to the desk and ask that it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Connecticut (Mr. WEICKER) proposes an unprinted amendment numbered 1388:

On page 22, line 22, insert "(a)" after "Sec. 7.".

On page 23, between lines 4 and 5, insert the following:

(b) In addition to the reports required

Mr. WEICKER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 22, line 22, insert "(a)" after "Sec. 7.".

On page 23, between lines 4 and 5, insert the following:

(b) In addition to the reports required under subsection (a), the Secretary shall submit to the Congress within six months a report (1) analyzing the needs of units of local government either presently or potentially facing substantial difficulty in obtaining credit on reasonable terms, and (2) recommending to the Congress whether and under what conditions the Federal government should assist units of local government in obtaining credit to assure the continuation of essential services. In preparing such report, the Secretary shall focus on those units of local government presently experiencing financial constraints similar to those which compelled New York City to seek Federal financial assistance to sustain its governmental operations.

Mr. WEICKER. Mr. President, the amendment I am offering today calls for a study which would pinpoint those cities presently experiencing financial constraints similar to those which compelled New York City to seek Federal financial assistance to sustain its governmental operations. Specifically, the amendment calls upon the Secretary of Treasury to report to Congress on the needs of cities either presently or potentially facing substantial difficulty in obtaining credit on reasonable terms. The amendment also directs the Secretary to make recommendations to Congress regarding whether and under what conditions the Federal Government should assist cities in obtaining credit to assure the continuation of essential services.

The PRESIDING OFFICER. Will the Senator from Connecticut suspend for a moment? The Senate is not in order. Senators engaged in conversation will please retire to the cloak rooms.

The Senator from Connecticut may proceed.

Mr. WEICKER. Mr. President, it should not take the threat or the financial collapse of a city to move the administration or Congress to act on vital legislation concerning a city or many cities. This 11th hour legislation to save New York City from bankruptcy is typical of the administration's approach to a national urban policy. How many other cities may be in the same situation as New York City a few years down the road—or indeed, at the present time—because this administration and this Congress failed to construct and act upon a decisively creative and fiscally responsible national urban policy?

It is quite obvious that the Carter administration lacks the courage and the imagination to put forth a bold yet fiscally responsible plan to aid America's distressed cities. President Carter's own initial response to his urban interagency task force's proposals was to veto them outright as consisting of little but ideas left over from Roosevelt's New Deal and as costly and inefficient. Nonetheless he settled for those proposals, even though their final form is anything but clear. The formulas, the directions, and the purposes of the administration's proposals change from week to week depending upon which public interest group or Cabinet official has the President's ear.

Today, we still have no urban policy. We have the product of a rigid, self-interested group of people who could not put the welfare of the cities—not even the welfare of their own President—above their own personal craving for power.

The task force was supposed to look at the $30 billion the Federal Government pours into our cities every year and find out why it was not helping. They were supposed to prune and cut and reorganize and rationalize the whole Federal-urban relationship. That had to mean that some programs would die, others would be absorbed, a few bureaucratic fiefdoms might perish and some departments might see their authority move elsewhere.

It did not happen. Everything that went into the process came out virtually intact. The administration that wants to call on the American people to make some sacrifices is stacked to the ceiling with people who refuse to make any sacrifices of their own. So there is something in the program for everybody—something for HEW, a lot for HUD, something for Commerce, something for Labor and Transportation and Interior and ACTION and NEA and EPA, something for every part of the bureaucracy. And anything that falls out inadvertently the cities are welcome to claim.

There is something almost mystical about the fact that this effort to produce a program that would help our cities and their people, many of whom are minorities, should have been delayed again and again. And that it should finally appear on the eve of the anniversary of the death of Martin Luther King, Jr. Dr. King had an inconvenient dream of justice for all men and was murdered for it. His dream outlived him, and there was hope in that. But today in Washington, a dream that could not be struck down by violence is being nibbled to death by bureaucrats. The hope that could not be destroyed by hatred threatens to be destroyed by the selfishness and personal ambition of people, many of whom yet presume to march under Martin Luther King's banner.

Let me give one example of the kind of failure I am talking about. It has long been proposed that an urban development bank be established to help bring industry back to our cities, to provide the jobs and the tax base that are necessary for urban revival. It is an excellent idea that would help to involve the private sector in rebuilding our cities. The administration recognized the value of this approach.

The only problem with the urban bank proposal has been where to put it. Commerce and HUD have fought from the beginning over economic development in the cities. You would think they were paid to fight with each other instead of working for the country. So Secretary Harris insists she should have the urban bank, and Secretary Kreps says no, she should have it, and Secretary Blumenthal think it ought to be in his bailiwick.

In a masterful display of leadership, the President said OK., you can all have it—run it as an interagency bank. Can you imagine trying to get a loan commitment from the bank? You cannot get through one bureaucracy in Washington much less three at once. The administration finally managed to get the National Development Bank in legislative form only last week to present to Congress.

But that is only the tail end of the foolishness. The interagency solution virtually dooms any chance of getting an urban bank through the Congress. In the House we will have the Government Operations Committee fighting with the Banking, Finance and Urban Affairs Committee for jurisdiction over the bank, and that will be repeated in the Senate with the same committees, all claiming a chunk of the bank which Caesar had divided into three parts and called an urban initiative. That is gall.

We have to do better. Where Federal involvement in our national life is warranted at all, it must be directed to the needs of our people and public institutions, and not to the greater glory of a handful of bureaucrats. And not for the benefit of a few politicians either. The relationship between bureaucratic ambition and political self-aggrandizement has become insidious.

I hope my colleagues will support my amendment and see it not as an effort to provide Federal financial assistance for every city government who has been fiscally irresponsible with its budget. But instead, an effort to assess the possibility of future hazardous situations and the need to take the necessary steps to prevent another New York City fiasco.

A small survey taken by my staff to assess whether other cities have had difficulty gaining access to the credit markets through normal methods has highlighted financially precarious situations in some cities in the United States. The immediate effect of proposition 13, the property tax reduction vote in California, was the suspension of all bond ratings in California by the Standard and Poor's Corp. John Dailey, group vice president of Standard and Poor's bond division said that "nobody in California can sell a bond right now." Approximately 251 units of government and public corporations in California have been suspended from further offering bonds and their outstanding bonds are no longer considered to be of investment quality. With similar proposition 13 proposals being considered around the country there is the potential that the whole bond market industry could be thrown into disarray and one of the most vital instruments of revenue raising on a local level may be severely impaired.

Some may be inclined to say to Californians, "You made your bed now lay in it." However, other cities outside of California are also facing tight budget constraints with a declining tax base and high interest rates on bond issues. For example, Detroit twice in the past 3 years went to the bond market tc raise money but had to reject the bids due to high interest rates. Boston, Pittsburgh, Cleveland, Detroit, St. Louis, and Buffalo have all had their bond ratings dropped in recent years and have found interest rates on bond issues extremely high and at times prohibitive.

I urge my colleagues to support my amendment with the hope that we will not be back here voting on the Buffalo Seasonal Financing Act of 1980 or the Detroit Loan Guarantee Act of 1982.

In conclusion, Mr. President, the purpose of this amendment came to pass by the nature of the fact that after having voted for the New York City loan guarantees the last time around, I made the statement at that time that I would not vote again for legislation that was indigenous to New York City; that indeed, the problems that were to be found in New York City were to be found in cities all over this country due to the lack of an urban policy. I might add, that this lack of a policy commenced during Republican administrations. So if, indeed, I have given a hard time to the present administration, make no mistake about it, I understand that this lack of a national urban policy all commenced right around 1970.

Mr. President, starting in the early seventies it was no longer politically fashionable, expedient, or prosperous to take into account the desperate needs of the urban areas of this country. So both the President and the Congress went along with a gradual nibbling away of any assistance to those cities, which I have referred to.

Whatever problems New York City has, be they housing, be they education, be they transportation, these are all problems that are shared by my smaller cities in the State of Connecticut. I am not here to try and get a slice of the pie for Connecticut. I believe the legislation as drafted by the chairman of the committee and by the able ranking member is excellent legislation. It should not be tampered with. It should go through just as it is. But I want to know what is on the other side of that hill. I think I do have a sense of the misery that now exists. I think I do know what will happen unless we get on the stick, both the administration and Congress alike, and determine what it is we are going to have to do next week, next month, a year from now to prevent another New York City fiasco.

Rather than be put under a gun, such as we are now being put under, I want some advance notice before we get legislatively sandbagged. This is not in any way a criticism of the work of the committee.

The fact is that there is an urgency, if you will, relative to the needs of New York City that has to be met on this floor. The situation that created it is one that we should have been apprised of a long time ago, before the emergency actually manifested itself. So the nature of the amendment which I present to my colleagues is to give us that kind of notice. I think what is going to happen in the report of the Secretary of the Treasury is that we are all going to learn exactly what the cost has been of our urban neglect of the past 8 years.

And it is mounting. So the amendment is in the sense of good legislation and good planning, and that is all that is involved here. It alters not one bit the arrangements that have been worked out by the committee. It would give us a true picture of the urban crisis in this country.

I understand that good legislation and good planning are not making political points in this day and age. Apparently there are other matters which seem to gain more votes. But misery is misery and, believe me, it does exist in those urban areas. This is not the frothy thinking of some academic liberal. Just get in an automobile and drive through those cities and take a look at that misery as it manifests itself in human beings, derelicts—no homes, no health care, no nutrition, no job opportunities.

Indeed, yes, I am trying to accomplish two things here: No. 1, to give us a knowledge upon which we can act rationally and reasonably; and No. 2, to highlight the fact that this administration, which went into office on a promise of assistance to the urban areas, has done nothing, and there is no possibility of anything being done until the next election comes along.

Mr. TOWER. Will the Senator yield for a question?

Mr. WEICKER. I yield to the distinguished Senator from Texas.

Mr. TOWER. My concern with the Senator's amendment is whether or not it is not an open invitation for other cities who, perhaps through their own mismanagement, find themselves in financial difficulties to notify Congress that they would like similar assistance. That is my principal concern with this bill. I am afraid it establishes a precedent and many cities will feel that if they mismanage their affairs, the Federal Government will come in and bail them out.

Mr. WEICKER. I say to the distinguished Senator from Texas, I do not think it can establish any more of a precedent than our act in passing this legislation, which I assume is going to take place.

Mr. TOWER. Right. I understand that.

Mr. WEICKER. All I am saying is, sure, we can stick our heads in the sand and say, "Well, this is just New York." Indeed, that is what the administration is doing, and a lot of other people.

I say to the Senator, I know it is not just New York. I do not know the exact situations and the exact numbers that lie over that hill, but they are there. Passing my amendment is not going to make them go away; it is only going to let us know what it is that sits over there waiting.

Mr. TOWER. My point is, is this a sort of license to the Secretary to shop around for other cities that we can help in a similar matter that we are going to help New York here?

Mr. WEICKER. I merely want the Secretary to give us a factual accounting of what the situation is in this country. I do not want him to shop around. I do not want him to plead the cause of any city.

Most of us in this room, indeed, most of the people in the country, do not know the depths to which most of our urban areas have deteriorated over the past 8 years. I want an accounting of that so we will not be caught short as we are caught short now, in the case of one particular urban area.

Mr. BROOKE. Will the Senator yield?

Mr. WEICKER. I am happy to yield to the distinguished Senator from Massachusetts.

Mr. BROOKE. I am sure the Senator from Connecticut has correctly stated the case of our cities, but does he think the amendment might possibly be an invitation for other cities to come to the Federal Government and ask for assistance of this sort at this time? I think that is inherent in the question that was asked by our colleague from Texas. It certainly worries me as well. We do not want to open up the floodgates and say, "Come on in, there is plenty of Federal money for you," and have this serve as an invitation to city mayors and city councils around the country to come to the Federal Government because of what we have done in a very unique and limited situation that exists in the city of New York.

Mr. WEICKER. In response to the distinguished Senator from Massachusetts, I do not think it is an invitation. Again, I am not saying that what is being legislated here should be applied in the na-

tional sense. I am asking for an accounting.

The Senator turns to me and says that this is a unique situation as far as New York City is concerned. I do not know why I am saying this to him, because there is no greater urban expert on the floor than the Senator from Massachusetts: It is not unique.

Very likely, the circumstances in New York are unique in their size, and there the uniqueness ends. The mismanagement, the financial irresponsibility, the very real need because of a diminishing amount of aid over recent years, have created situations that are just like New York in my own State of Connecticut.

As I walk through Hartford, Bridgeport, or New Haven, I can see that everything literally came to a dead halt roughly 6 years ago. I can foresee that it is not a question of an invitation to New Haven or Boston. It is just going to happen. Then they are going to be here.

Then everybody is going to say, "Oh, here they are again. We did not know what was going on."

I am simply asking that everybody be put on notice as to what exists in this country today.

Mr. PROXMIRE. Will the Senator yield?

Mr. WEICKER. I am happy to yield.

Mr. PROXMIRE. I want to commend the Senator for his interest in this and his fine background in the urban area. I have deep concern for the same reasons the Senators from Texas and Massachusetts have mentioned here.

The problem is this: New York City is unique in a different way. New York is not only big, it is so big that the State of New York cannot assume the responsibility it should take for New York City. When Yonkers went on the verge of bankruptcy, the State of New York stepped in. They did the job. They did not come to the Federal Government.

Buffalo was in great difficulty and the State of New York was able to step in.

There are very few cities in the country—possibly Providence, R.I., and maybe a few others—that are so big in relation to the State that the State cannot handle the job. Under our federal system, cities have always been the responsibility of the State in which they are located. The State is sovereign. The State can create or recreate the borders of a city, change or modify it in any way. The States have been responsible throughout our history.

But New York City has a bigger budget than New York State has. So we had a situation, in 1975 and possibly here—although, as I have indicated, I am probably going to vote against the bill—we do have a situation here where you can argue that New York is different, New York is unique, that the State of New York cannot do the job by itself. That is what makes this situation so different.

Now, if we follow what the Senator is proposing here, what he is asking for in addition to a report required in subsection (a), is that the Secretary shall submit to Congress within 6 months a report analyzing the credit needs of units of local government, and this would be throughout the country, as I understand it.

It seems to me that the Senator from Massachusetts is absolutely on target, what we would do with this amendment would be to invite other cities to come in with their fiscal problems, and quite possibly to ask for a guarantee. And then we are really in trouble. This would take us exactly along the path which we have tried so hard in this legislation to avoid.

The precedent is clear, the mechanism is on its way. Within a few years, the guarantees would not be $1.5 billion for New York, they would be tens of billions, maybe hundreds of billions.

Mr. WEICKER. I say to the Senator that the fact is that unless we address the problems that exist today, yes, we are going to have them storming through here asking for this type of emergency legislation. All I am asking that we do here is be apprised of what the situations are across this country before we are confronted with having "unique" emergency legislation presented to us.

I might add that I have a suggestion both to the chairman and to the ranking member (Mr. BROOKE). They might consider the possibility of amending the amendment, as to what should be contained in the report of the Secretary by eliminating the second portion of it, where it says "Recommending to the Congress whether and under what conditions the Federal Government should assist," and so on.

If he eliminated that, and left it merely "analyzing the needs of local units of government either presently or potentially facing," that might take care of the concern.

Mr. BROOKE. Will the Senator yield?

Mr. WEICKER. Yes.

Mr. BROOKE. When I read the "Dear Colleague" letter that was circulated to all Members of the Senate, I could not help but agree with the language contained therein: "No similar significance is attached to action on a strong national urban policy, and I believe that is a tragic mistake," and so forth.

I think we should have a strong national urban policy. I believe this whole problem of welfare, of poverty, is not a city or State problem but a national problem. I think we have shirked our responsibility in not directing our attention and formulating a national policy to take care of that. I quite agree.

But when I look at the amendment itself, there is certainly that implication in there, "Recommending to the Congress whether and under what conditions the Federal Government should assist units of local government in obtaining credit to assure the continuation of essential services."

That is what I consider to be an invitation and that is what disturbs me—not the concept, not the thrust of the argument of the distinguished Senator from Connecticut. I think that he has made a very strong point. But that language does disturb me, yes.

Mr. WEICKER. Then my recommendation is that the amendment read:

(b) In addition to the reports required under subsection (a), the Secretary shall submit to the Congress within six months a report (1) analyzing the needs of units of local government either presently or potentially facing substantial difficulty in obtaining credit on reasonable terms. In preparing such report, the Secretary shall focus on those units of local government presently experiencing financial constraints similar to those which compelled New York City to seek Federal financial assistance to sustain its governmental operations.

Eliminate that sentence, insofar as the recommendations are concerned.

But how can we say that we do not want the facts on what it is that lies around us? That is all I am asking for. The national situation is totally confusing, both, I think, to the Congress and to the American people.

It is not correct to say that this is a situation that is unique except insofar as its size. That is unique, I agree.

But believe me when I say that there is city after city, many of them in my own State of Connecticut, that experience the same difficulties as New York City.

It would have been possible for me to try to amend this legislation, to make certain everybody got a piece of the pie, but that is what we have all tried to avoid. It would have been possible to go ahead and say, "All right, nothing for New York."

I am sorry, but I think the need is great and that New York should be addressed in this legislation, as has been done.

But as far as the legislation being indigenous to New York City in the sense of the crisis that confronts the country, no. I think the legislation at least ought to recognize there is a federal system, that New York was put into, aside from our own deficiencies, which I am sure are many, part of that hole was created by lack of urban policy, and that applies to many more than New York and we are kidding ourselves and the electorate if we give any other impression.

Mr. PROXMIRE. Does the Senator not recognize there is a federal system, that Connecticut is responsible for New Haven, for New Britain, Hartford, and all other cities, and Connecticut is big enough in relation to the size of those cities to take care of it under normal circumstances?

If the Senator wants a study made to find out which cities are so big in relation to the size of the State that the Federal Government might have to step in if they got into trouble, because the federal system would not work, then he might have some grounds.

Let me say to the Senator, my staff has had an opportunity to talk to the Treasury Department. They say they would have to oppose this.

As chairman of the committee, I want to tell the Senator, I think it is a very important and significant amendment. We have had not a word of testimony in the hearing record on it. We have no record pro or con on it of significance.

So I would suggest to my good friend from Connecticut, if he would draft this as a bill, introduce it as a bill, I would assure him as chairman of the committee that we would be happy to have hearings on it and to get into this promptly.

But to put this in a bill that is uniquely drafted, purposely drafted, to reduce the

precedent, to confine it to one circumstance, it seems to me that this would be a serious mistake, absent some kind of record and more detailed knowledge.

Mr. WEICKER. Mr. President, I recall full well in those early 1970's when the distinguished Senator from Wisconsin and I served on the Banking and Housing Committee. At that time, he very graciously pointed out the slow erosion into nothingness of, for example, our Federal housing program in our Nation's cities, and he was rather severe in the language which he directed toward the Republican administrations of that time for this erosion.

Now, I appreciate whatever philosophical changes have taken place insofar as the cities being able to be taken care of by the States, or the States taking care of the cities. That has not always been the Senator's viewpoint, and I think correctly so.

Indeed, we cannot do the whole job as far as Connecticut is concerned. We can do a large part of it. I hope that is where the emphasis should lie.

As a Republican, it is probably the one thing that binds us together, doing things at the lowest political level, where possible.

But in the sense of now and the lack of urban policy, I am sorry, the cities cannot do it themselves. What will happen, as I said earlier, is that somebody will come in saying, "You cannot let Boston, the great historical birthplace of our Nation, go down the drain, you cannot let Hartford go down the drain."

That is no way to legislate.

Do I want a bill to go through the committee process, to get everybody to come in to testify, whether it be the administration or Congress? No, I do not want a bill, and I will not sit here and continue to vote, 3 years now, for indigenous legislation for one city, for which Congress believes only one city is experiencing and for which I believe many other cities are experiencing.

I only want the facts, not money, not a share in this pie. I do not want to deny the pie to the other persons. But I think it is time somebody woke up and we legislate in a responsible way and not in an emergency situation.

Mr. BROOKE. Will the Senator yield?

Mr. WEICKER. I yield to the Senator from Massachusetts.

Mr. BROOKE. I find the Senator's argument, relative to the language in the amendment calling for a study of urban needs, not difficult to accept. Certainly, taking out the reference to credit needs strengthens the amendment, at least in my opinion.

I would suggest, however, to the Senator that, in addition to the Secretary of the Treasury, that the Secretary of HUD should be designated as responsible for a study, because I think it is very important that we have the Secretary of HUD to submit to the Congress an analysis of the needs of local governments.

I thing the Secretary of HUD is much better equipped to make such an analysis than the Secretary of the Treasury.

Designating only the Secretary of the Treasury indicates to me that what the Senator is talking about is either a seasonable loan or a guaranteed loan and that he is holding out some hope to those cities that there would be such a guaranteed loan or a seasonal loan.

I do not think the Senator intended to do that.

So, therefore, if we have the Secretary of HUD to make such a study, it might be very helpful to the Senator from Connecticut, and I think it would be very helpful to our Banking Committee.

Mr. PROXMIRE. May I say to my good friend, if the Senator from Connecticut will permit me, this illustrates exactly why we should have a hearing on this, to establish a record on it, to have expert witnesses testify, have HUD testify, have the Treasury testify, to know what we are doing.

The Senator from Connecticut, in my view, conceded this would be a profound change in the federal system. Maybe that change ought to be made. Maybe not.

But we ought to know what we are doing and have a record, have hearings and testimony. We have none of that. Instead, we have an amendment and we only have about a half hour's time left.

It seems to me that this would be taking a long step.

Mr. LEAHY. Will the Senator yield?

Mr. WEICKER. Yes.

Mr. LEAHY. Mr. Presient, I ask unanimous consent that Robert Paquin and Susan Brannigan of my staff be granted privilege of the floor for the rest of the day for any votes and any debate throughout.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I make a similar request for Mr. Lockemy of my staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Conecticut.

Mr. WEICKER. Mr. President, I ask unanimous consent that the amendment be modified in the sense of placing a period after the word "terms" eliminating all that starts with "and" through "services."

So that it would read:

(b) In addition to the reports required under subsection (a), the Secretary shall submit to the Congress within six months a report—

I would eliminate (1) there.

analyzing the needs of units of local government either presently or potentially facing substantial difficulty in obtaining credit on reasonable terms. In preparing such report, the Secretary shall focus on those units of local government presently experiencing financial constraints similar to those which compelled New York City to seek Federal financial assistance to sustain its governmental operations.

Mr. President, first of all, I think the nature of the amendment clearly shows why I do not feel——

The PRESIDING OFFICER. The Senator has the right to modify his own amendment without unanimous consent, and it is so modified.

Mr. WEICKER. Then I so modify it, Mr. President.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BROOKE. How much time does the Senator want?

Mr. WEICKER. Three more minutes.

Mr. BROOKE. I yield the Senator 3 minutes.

Mr. WEICKER. I thank the distinguished Senator from Massachusetts.

Mr. President, the reason I am not for extending the report to include the Secretary of HUD, is because I tried to restrict the investigation to what the financial condition is or units of local governments. That is all. The investigation should not get into the overall urban decisions ostensibly to be made by the Secretary of HUD.

This was all promised to be done in the election campaigns. There is not a man on the floor that will be able to guarantee me there will be any urban legislation enacted by 1980. Is there anyone to deny that the promise of President Carter to go ahead and ask an urban policy, in the absence of a Republican one, was one of the reasons why he gained the White House?

So the answer is "No."

So far as I am concerned, the Secretary of HUD is a very adept politician. She has been anything but an urban expert.

All I want in the course of this amendment is to have the facts laid before the American people so they do not think New York City is unique. That is all I want.

I think the amendment at least does one thing. Psychologically, in the sense of image, it takes this piece of legislation and does not make it entirely indigenous to one city or give the impression that what has occurred in that city is not occurring elsewhere in this country.

Mr. HARRY F. BYRD, JR. Mr. President, will someone yield time to me?

Mr. PROXMIRE. From the time in opposition to the amendment, I yield 5 minutes to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, this has been a most significant discussion. For that reason, I am very glad that the Senator from Connecticut offered this amendment.

The debate that took place on the amendment offered by the distinguished Senator from Connecticut dramatizes a basic reason why the Senator from Virginia must oppose the pending legislation.

The Senator from Connecticut eloquently and ably pointed out that problems such as those that face New York face many cities throughout this Nation. The Senator from Connecticut said. "City after city in my own State of Connecticut is in as great difficulty as New York City."

In another place in his remarks he stated—and I have to paraphrase it, because I did not get it down exactly—that he was reluctant to sit here, as he has for 3 years, and have this special aid apply only to the city of New York, that other cities throughout the Nation deserve consideration.

That is the basic reason why I question the wisdom of establishing a precedent of guaranteeing municipal bonds. New York, as the Senator from Connecticut said, is not the only city in the United States with difficulties.

I can foresee the day, with this precedent being set, as it will be set today, when Senators with the eloquence and

the ability of the Senator from Connecticut (Mr. WEICKER) will urge this Chamber to take similar action in regard to cities in their States.

I must say that if we are going to have the Federal Government guarantee New York City bonds, it is going to be very difficult in the future for Senators to vote against guaranteeing the bonds of the city of Cleveland, Ohio; the city of Providence, R.I.; the city of Hartford, Conn., or many other cities which may seek assistance from the Federal Government.

So, while I think it would be a great mistake for the managers of the bill to accept or approve or support the amendment offered by the Senator from Connecticut, I am pleased that he presented it, because it clearly dramatizes what is going to happen when Congress, as it will do, approves guaranteeing New York City bonds. It will just mean that, as the years go by, there will be more and more demand from more and more Senators to do the same thing elsewhere.

The Senator from Connecticut was very persuasive in his assertions, although I cannot support his amendment.

Mr. PROXMIRE. Mr. President, I imposed on the Senator from Connecticut in taking a considerable amount of his time, so I yield time to the Senator.

Mr. WEICKER. Just 1 minute.

Mr. PROXMIRE. Before I yield, I commend the Senate from Virginia on the excellent statement he has made.

I agree with him wholeheartedly. He is right. This is a bad precedent. He has stated it extremely well, and I think the amendment illustrates the problem.

Mr. BROOKE. Mr. President, before the Senator from Connecticut speaks, I should like to say this:

When Patricia Harris was before the Banking Committee for confirmation of her nomination, she was questioned very vigorously by our distinguished chairman, who makes a custom of vigorous cross-examination. It came out at that time that she was not an urban expert, as the distinguished Senator from Connecticut has said; nor did she profess to be an urban expert. She did testify that she had had experience in urban affairs. She is a very able attorney, she had been an ambassador, serving with distinction, and she had been a law school professor. She testified that she felt that the urban qualifications she does possess would justify her acceptance of this appointment as Secretary of HUD.

Since that time, we have had oversight hearings on the Department of HUD; and, in all objectivity and all fairness, I believe that even the Senator from Wisconsin, the chairman of our committee, who felt very strongly about the nomination and who may even have voted against confirmation——

Mr. PROXMIRE. I did.

Mr. BROOKE [continuing]. Has agreed and stated publicly that Mrs. Harris has done an outstanding job and has worked very hard; that what she may have lacked in expertise at the time, she certainly has acquired since she has been on that job.

I feel very strongly about it as well; and I simply wish to show for the RECORD that the distinguished Secretary of HEW, under very difficult circumstances, has been doing not only a creditable job but also an exemplary job, as did her predecessor in office, Secretary Carla Hills.

Mr. WEICKER. I have to respond to my good friend, if he will allow me to respond.

Mr. PROXMIRE. I yield the Senator 2 minutes.

Mr. WEICKER. The bottom line of just how effective she is is what we have in the way of an urban policy on the ground today, in this country. I have seen a great number of photographs of visits, if you will, and very little in the sense of housing and the many other things that are needed by the cities of this Nation.

I thank the distinguished Senator from Virginia for his very perceptive remarks and the nice compliments he threw my way.

I say to the Senator that I will make one pitch, if I may, for his vote on this matter. Does the Senator know why most of the urban Senators are going to vote for this measure? Because in their minds this is a precedent which might be used for their cities later.

All my amendment does is attempt to be honest by saying we should have the true picture out there, rather than come in and try to cut up New York's pie.

I assure the Senator that this is going to be voted for by urban Senator after urban Senator, because he will have it in his satchel to be used some time in the future as a precedent. I am saying that I do not think it should be a precedent. In my amendment, I am saying, "Let us be honest. Let us find out what the picture is in this country." I make no commitment about what will be done in the future. I think it is more proper to address the situation that way, at least with respect to the reason for voting for it. I am not saying the proposition before us is not correct, but I am pointing out the reasons that are going to be behind the votes for this legislation.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield the Senator such time as he requires.

Mr. HARRY F. BYRD, JR. The Senator from Connecticut mentioned urban Senators. I do not know how my colleagues characterize the Senator from Viginia, whether he is an urban Senator or a rural Senator.

I suspect that many feel that the State of Virginia is not an urban State, that it is, in essence, a rural State.

That is not correct. There are only four States in the Union that have more cities of 100,000 population than does the State of Virginia. Pennsylvania does, California does, Ohio does, and Texas does.

But to the best of my recollection, no other State has as many cities of 100,000 population or more than does the State of Virginia which has nine in that category.

This does not count the urban county of Fairfax, across the Potomac River from Washington. Although in many respects it is a city, technically it is a county, and yet it has a population of 550,000, almost 600,000 in that one jurisdiction.

So Virginia is really an urban State.

Virginia is a number of States in one. We have a million people residing across the Potomac River in Northern Virginia. We have another million people in Tidewater Virginia, with entirely different conditions and entirely different problems from what the people in Northern Virginia face. We have another million people in the Richmond metropolitan area, much different from the other two areas. We have 2 million persons in addition throughout the rest of the State, in the coal mining areas of southwest Virginia, in the Shenandoah Valley, in the Piedmont area, and in the tobacco growing sections of our State.

So Virginia is the 12th largest State in the Union in population and as I say has 9 cities of more than 100,000 population.

But this urban Senator is not going to vote for this bill today, although, as the Senator from Connecticut pointed out, there will be many urban Senators who will support it.

Mr. WEICKER. Mr. President, will the Senator yield for one comment?

Mr. HARRY F. BYRD, JR. I yield.

Mr. WEICKER. We finally refer to Virginia as the Connecticut of the South.

Mr. HARRY F. BYRD, JR. Virginia is honored to be associated with the great State of Connecticut.

Mr. WEICKER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. FORD. Mr. President, will the Senator from Wisconsin yield for a unanimous-consent request?

Mr. PROXMIRE. I yield.

Mr. FORD. I thank the Senator from Wisconsin.

Mr. President, I ask unanimous consent that Jim Fleming and Martha Maloney, of my staff, be accorded the privilege of the floor during debate and vote on this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, will the Senator yield me 2 minutes?

Mr. PROXMIRE. Mr. President, it is my understanding the Senator has a conference report that he wishes to act on in 2 minutes. I am happy to comply with the Senator's wishes. I yield.

EMERGENCY INTERIM CONSUMER PRODUCT STANDARD ACT OF 1978—CONFERENCE REPORT

Mr. FORD. Mr. President, I submit a report of the committee of conference on S. 2401 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2401) to amend the Consumer Product Safety Act

to establish an interim consumer produce safety rule relating to the standards for flame resistance and corrosiveness of certain insulation, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of June 28, 1978.)

Mr. FORD. Mr. President, I call up the conference report on the bill (S. 2401), the Emergency Interim Consumer Product Safety Standard Act of 1978.

Mr. President, I am pleased that my colleagues in the House and in the Senate have reached agreement on an interim consumer product safety standard, and that the House has acted favorably on the conference report. I have seen the need for such legislation since holding hearings on consumer protection and energy conservation in September of last year.

The conference substitute directs the Consumer Product Safety Commission to adopt in 60 days an interim mandatory consumer product safety standard for the flammability and corrosiveness of cellulose insulation. The Senate receded to the House provision specifying that cellulose insulation should be manufactured in compliance with the 0–25 flame spread rating as set forth in the General Services Administration's standard HH–I–515C. The Senate bill contained the 0–50 flame spread rating. The stricter standard was accepted as the conferees felt that installation of cellulose insulation in homes presented a situation requiring a higher flame spread resistance. Installation conditions and techniques in the home cannot be checked as in a GSA procurement situation allowing the broader rating. The use of material with more flame resistance will assure a greater measure of safety to consumers.

It should be remembered that much of the demand for home insulation has resulted from President Carter's call for insulation in 90 percent of American homes by 1985. Clearly, this is an ambitious venture that will require maximum cooperation from manufacturers, individual homeowners, and the Federal Government. We have encouraged consumers to bear the cost of insulating their homes through a tax credit. With the passage of this bill, consumers will be able to purchase cellulose insulation during the heavy demand season this fall, knowing that the minimum level of compliance required by the Federal standard has been met.

This legislation became necessary as both the cellulose insulation industry and individual homeowners recognized the need to protect consumers against the fire and corrosion dangers posed by untreated or improperly prepared cellulose home insulation. It is my hope that this legislation will protect both individual consumers and the legitimate manufacturers of cellulose home insulation. I have consistently stated that when properly manufactured and properly installed, cellulose insulation is a safe and effective product. This legislation is a major step toward providing consumers with a properly manufactured product.

When I became chairman of the Consumer Subcommittee, I stated that oversight of existing legislation would be my first priority, and that there would be no legislation for legislation's sake. In exercising my oversight responsibility in several hearings involving the Consumer Product Safety Commission, it became clear to me that the Agency was not responding in a timely fashion to this problem. The Consumer Product Safety Commission would not have been able to respond to this urgent problem for at least 18 to 24 months, utilizing its existing standard setting authority. When the exercise of my oversight responsibilities as chairman of the Consumer Subcommittee leads me to believe that legislation is needed, I will not hesitate to act. Thus, my first piece of consumer legislation came as a direct result of oversight of existing legislation.

Mr. President, I want to applaud the cellulose manufacturers who have been most cooperative in our efforts to protect consumers from improperly manufactured cellulose insulation. This bill confirms my belief that industry and consumers can work well together in the development of safety standards to reduce risk to consumers.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. BROOKE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. FORD. I thank the distinguished Senator from Wisconsin for his courtesy.

NEW YORK CITY LOAN GUARANTEE ACT OF 1978

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. Who yields time?

Mr. BROOKE. Mr. President, I ask unanimous consent that Ed Pinto and Mike Shorr, of Senator Javits' staff, be accorded the privilege of the floor for the duration of the consideration of this bill and all votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROOKE. Mr. President, if the Senator from Connecticut will yield for a question on my time, I heard the Senator's statement relative to the Secretary of HUD, and we have discussed that. Did the Senator accept the recommendation that I made to him that in addition to the Secretary of the Treasury, or in place of the Secretary of the Treasury, that the Secretary of HUD would submit such a report, even though the Senator may have some questions about the present Secretary's qualifications? I just raise the question, because certainly HUD is the proper department to make such analysis.

Mr. WEICKER. The answer in response to the distinguished Senator from Massachusetts is no, I did not change it, and I will tell him why I did not change it. I am not asking for a report on general urban conditions or a general report on urban conditions. I am asking for a report on the fiscal condition of cities around this country, conditions that are similar to those that precipitated the New York situation in a fiscal sense. It is in that narrow sense that I am looking for a report.

I must confess I find it amazing that with the modification of my amendment the way it now is which is merely to get back a report of fiscal condition of cities around this country, that it will be denied by my colleagues, because of the obvious fact that no amendments whatsoever are to be attached to this legislation. In the sense of getting the facts at hand on which we legislate in the future, I find it difficult to reason as to why there is opposition to the amendment as now written.

Mr. BROOKE. I thank my colleague. Vote.

Mr. THURMOND addressed the Chair.

Mr. PROXMIRE. Does the Senator yield back his time?

The PRESIDING OFFICER (Mr. FORD). The Senator from Wisconsin.

Mr. THURMOND. Mr. President, will the Senator yield me 15 minutes?

Mr. PROXMIRE. Will the Senator permit us to vote on the amendment or does he prefer to proceed first.

Mr. THURMOND. That will be all right.

Mr. WEICKER addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. WEICKER. Mr. President, will the Senator yield? I have a question to ask.

Mr. PROXMIRE. I yield a minute to the Senator from Connecticut.

Mr. WEICKER. Mr. President, if it would be convenient to the managers of the bill to have my votes stacked up with others I am more than delighted to do that, whatever is their desire.

Mr. PROXMIRE. No. I think it is good to move along if we can and have a vote on it right now and then let the Senator from South Carolina proceed. I understand the Senator from South Carolina has a general speech on the bill.

Mr. THURMOND. Yes.

Mr. WEICKER. Fine. The Senator will permit us to keep on this and then he will speak.

Mr. THURMOND. Fine.

Mr. WEICKER. I yield back my time.

Mr. PROXMIRE. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Connecticut.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CANNON (after having voted in the affirmative). Mr. President, on this vote I have a pair with the Senator from Montana (Mr. MELCHER). If he were present and voting he would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore, I withdraw my vote.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota

(Mr. ANDERSON), the Senator from North Dakota (Mr. BURDICK), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. HASKELL), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Montana (Mr. MELCHER), the Senator from Georgia (Mr. TALMADGE), and the Senator from Tennessee (Mr. SASSER) are necessarily absent.

I further announce that the Senator from Idaho (Mr. CHURCH) is absent on official business.

Mr. STEVENS. I announce that the Senator from North Dakota (Mr. YOUNG) is necessarily absent.

The result was announced—yeas 28, nays 58, as follows:

[Rollcall Vote No. 194 Leg.]

YEAS—28

Baker	Hatfield, Mark O.	Packwood
Brooke	Hayakawa	Pearson
Case	Kennedy	Ribicoff
Curtis	Laxalt	Sarbanes
Dole	Magnuson	Scott
Domenici	Mathias	Stafford
Glenn	McClure	Stevens
Griffin	Metzenbaum	Wallop
Hansen	Muskie	Weicker
Hatch		

NAYS—58

Allen	Ford	Morgan
Bartlett	Garn	Moynihan
Bayh	Goldwater	Nelson
Bellmon	Hart	Nunn
Bentsen	Hatfield, Paul G.	Pell
Biden	Hathaway	Percy
Bumpers	Heinz	Proxmire
Byrd, Harry F., Jr.	Helms	Randolph
Byrd, Robert C.	Hodges	Riegle
Chafee	Hollings	Roth
Chiles	Huddleston	Schmitt
Clark	Humphrey	Schweiker
Cranston	Jackson	Sparkman
Culver	Javits	Stennis
Danforth	Johnston	Stevenson
DeConcini	Leahy	Stone
Durkin	Lugar	Thurmond
Eagleton	Matsunaga	Tower
Eastland	McIntyre	Williams
		Zorinsky

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Cannon, for.

NOT VOTING—13

Abourezk	Haskell	Sasser
Anderson	Inouye	Talmadge
Burdick	Long	Young
Church	McGovern	
Gravel	Melcher	

So Mr. WEICKER'S UP amendment (No. 1388) was rejected.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President——

The PRESIDING OFFICER. Will the Senator suspend? Senators will please take their seats. The Senate will be in order.

The Senator from Texas.

AMENDMENT NO. 3085

(Purpose: To increase State coinsurance requirement)

Mr. TOWER. Mr. President, I call up my amendment No. 3085.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Texas (Mr. TOWER) offers an amendment numbered 3085:

On page 17, line 13, strike out "5" and insert "10".

On page 17, line 20, strike out "5" and insert "10".

Mr. TOWER. Mr. President, I will yield to the Senator from West Virginia, but first I should say——

The PRESIDING OFFICER. The Senate will be in order. The Chair asks Senators either to take their seats or retire from the Chamber, so that the proceedings of the Senate may continue.

The Senator from Texas may proceed.

Mr. TOWER. Mr. President, before Senators leave the floor, I might note that I intend to make just a few minutes of remarks on my amendment, maybe 5 minutes or so, and then perhaps yield back the remainder of my time, so we can get to a record vote on it very soon.

Let me first ask for the yeas and nays on my amendment No. 3085.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PROXMIRE. Mr. President, the Senator from New Hampshire has been promised that he can speak. He asks to speak only briefly; and the Senator from South Carolina, too, has asked that he have a chance to speak.

Mr. TOWER. Fine; after those Senators have had a chance to speak, if no other Senator wishes to speak, I will make my statement, and then we can vote on my amendment.

Mr. PROXMIRE. First I yield to the Senator from Michigan for a unanimous-consent request.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that Marc Steinberg of my staff have access to the floor during the deliberations and votes on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I yield 2 minutes to the Senator from New Hampshire.

The PRESIDING OFFICER. How much time does the Senator yield?

Mr. PROXMIRE. Two minutes.

Mr. MCINTYRE. Mr. President, I, like many of my colleagues, have a reluctance to support assistance to New York City, believing strongly that New York, like every other municipality, must accept the consequences if it fails to act responsibly.

I am also concerned about breaching the historical political demarcation in this country between Federal, State, and local government.

Nevertheless, Mr. President, it must be noted that this package of financial assistance to New York City has strong bipartisan support from Members of both liberal and conservative persuasion.

This suggests to me that this bill transcends partisan politics; that it is viewed on its merits as the responsible and right thing to do, given the circumstances presented.

The underlying objective of all parties concerned is to place New York City on a fiscal course which will permit it to regain entry into the capital markets. Failing that, the city has no hope of long-term financial soundness, and that would result in grave economic consequences for the entire country.

Virtually all of the testimony received demonstrated that the only reasonable prospect of providing the city with access to long-term financing was through the proposed limited Federal guarantees. Therefore, the question became the manner in which the guarantees would be tailored. Furthermore, can we as a country totally ignore the undermining in confidence in our system of government if we simply turn our backs on the reality of New York's problem. A problem which it created. A problem that is the city's primary responsibility. But a problem that if ignored will spread.

I am confident, Mr. President, that the Banking Committee, in its lengthy deliberations on this bill, has fashioned a reasonable proposal. Numerous limitations and conditions were added, to insure that the city, the State, and all other interested parties remain subject to continued rigid fiscal discipline, maximizing local and State involvement and minimizing Federal risk and involvement. By virtue of these limitations and conditions, I believe the Federal Government will have discharged its responsibility in as sound and prudent a fashion as possible.

Mr. TOWER. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator from Texas.

AMENDMENT TO INCREASE STATE COINSURANCE FROM 5 TO 10 PERCENT

Mr. TOWER. Mr. President, I am calling up my amendment which would raise from 5 to 10 percent the amount which New York State would be required to "coinsure" the Federal exposure under the bill. The Banking Committee added the "coinsurance" requirement to the bill in an effort to make it clear that we expect the State, rather than the Federal Government, to bear the initial responsibility for New York's fiscal health. However, I do not believe that 5 percent is a high enough figure.

It must be emphasized that New York City is the creature of the State, as has been emphasized by my distinguished friend from Wisconsin, the chairman of the committee and, under traditional principles of federalism applied everywhere but New York, the State is expected to look after its cities. I oppose any change in that principle; in an effort to improve this bill, however, I am offering the amendment to strengthen the role of the State in New York City's financial future.

The idea of State coinsurance is a fundamental feature of the bill as reported by the Banking Committee. It is the most reasonable means of assuming that the State will continue to express an adequate degree of concern and watchfulness over operations of New York City.

However, the amount called for by the bill—5 percent—represents only a token amount. Doubling the amount which the State is obligated to coinsure will double their attentiveness to New York City's

financial well-being. It will also provide a great deal more protection against Federal loss in the event of a New York City default, since the State would be required to absorb the initial amount of any loss.

The idea of State coinsurance first came to my attention in an account of a statement of Felix Rohatyn, chairman of the Municipal Assistance Corp., reported last January. Mr. Rohatyn, an outspoken advocate of Federal aid to New York City, proposed at that time a long-term Federal guarantee of $2.25 billion with 10 percent State coinsurance. Since the amount of potential State exposure would be much greater if 10 percent of $2.25 billion were coinsured, I believe that my amendment envisions a modest but meaningful effort to assure that New York State will do its part to oversee the operations of its largest city.

Mr. President, this is a perfectly reasonable amendment. Apparently the word has been going out, has gone out, that all amendments are to be rejected. Some little magic here says, "Vote no on all amendments regardless of merit."

But now if, indeed, the original proposition was to guarantee $2.25 billion, or to participate to the extent of 10 percent of $2.25 billion, I do not think that 10 percent of $1.5 billion will be a substantial burden to the State of New York.

I urge the adoption of this amendment.

Mr. PROXMIRE. Mr. President, I rise in opposition to the amendment by my good friend from Texas.

This is a judgment call. The committee, as the Senator from Texas fairly stated, did put this 5 percent mandatory reserve fund into the bill. It is unprecedented, as far as I know. The House did not have it in. The administration did not ask for it. We had no similar reserve fund in the 1975 legislation.

It would require the State to cover any loss under the guarantee in the first instance, up to a total amount of 5 percent of the principal and of 1 year's interest on the guaranteed obligations outstanding.

Now, in virtually all defaults of municipal obligations, there has not been a 100-percent, a 50-percent, even a 25-percent loss. They have usually been fractional. That would mean in every likelihood the State would cover perhaps half, or 30 percent, or a substantial part of the loss.

So this is a major commitment already, and what the Senator from Texas is doing is asking us to double it.

Now, the Senator may be right. I would agree wholeheartedly the State has the fundamental responsibility. But I resist this amendment because I think it could be counterproductive, and I want to say why.

The fact is that because of problems with State law, the adoption of this amendment would have the effect of reducing the amount of financial aid the State could provide to New York City for budget-balancing purposes, and I think it is important to encourage State effort in that area also.

As the language in the bill presently stands, the State would have to appropriate $25 million into the fund in the first year to cover 5 percent of the $500 million in principal that could be guaranteed, plus an additional $2.2 million to cover 5 percent of one year's interest on that amount. By the third or fourth year, the amount in the fund, could total $75 million to back up the principal plus $6.6 million for the interest, for a total in the fund of $81.6 million, assuming that all of the guarantees are provided, as they may not be. Because of the strictures of State law, that money would have to actually be appropriated into the fund and could not be used for any other purpose.

In spite of the fact that the State would not suffer much because they would get interest on that money, it would inhibit them from providing the money to New York to help balance the budget. And if the percentage were increased to 10 percent, then the State would have to appropriate $163.2 million into the fund.

Given the extent of the city's financial problems, I think that the extra $80 million could better be used to increase the State aid payments to the city, and the State should be encouraged to increase its aid to the city.

Therefore, I oppose the amendment to provide that more State money be appropriated to the reserve fund. Under the circumstances, I think it would be counterproductive.

Mr. STONE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. STONE. Mr. President, I ask unanimous consent that Craig Wolfson and David Horowitz, of my staff, have the privilege of the floor during the debate and votes on this bill.

The PRESIDING OFFICER (Mr. HUDDLESTON). Without objection, it is so ordered.

Mr. DURKIN. Mr. President, I ask unanimous consent that Richard Morrissitte and David Thompson have the privilege of the floor during the deliberation of and votes on this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, will the Senator yield me 2 minutes?

Mr. PROXMIRE. I yield.

Mr. JAVITS. Mr. President, Governor Carey's testimony before the committee supports the point exactly made by the Senator and in the exact amount.

As the Senator has said, it would take about $163 million of State funds, which the Governor testified would be diverted from State aid to New York, and the Governor set the figure at $250 million to $300 million of aid in the budgetary situation of New York, because at that time there was not even a 5-pecent provision in the bill. So the figures jibe.

If this were security for the repayment of the loan, then we could say 10 percent is inadequate, but it is not. The fact is that well over $2 billion in Federal payments under other Federal programs to New York City and New York State are the fundamental security for the loan, and that is provided in section 6(c), which says:

> Notwithstanding any other provision of law, the Secretary shall provide for the withholding of any payment from the United States to the city or State which may be or may become due pursuant to any law and offset the amount of such withheld payments against any claim the Secretary may have against the city or State pursuant to this Act.

So that is the real cash security. It comes every year, and it comes in a very large amount, because New York has a population of close to 10 percent of that of the United States.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. PROXMIRE. I dislike very much to disagree with the Senator from New York when we are on the same side on this amendment; but, frankly, I am concerned that in the event New York gets into such trouble that they might default, there would be quick action in Congress and elsewhere to make sure we would not cut off the revenue-sharing money.

On the other hand, I think that this reserve fund set aside for this purpose—exclusively for it—might very well be used at least to ease part of the burden on the Federal Government, as a practical matter.

Mr. JAVITS. I do not disagree at all. The Senator did not let me finish. I respect him so much that I yielded to him too quickly.

All I was going to say was that the 5 percent or 10 percent does not make a major difference. The major point is that the money which would be used for the 10 percent is going to New York City, anyhow, except that it is going through the State, and the State is trying to maximize its contribution. I think it is very valuable to help the State maximize its contribution. The money, if it is 10 percent, is going to come from somewhere. It is going to come to New York and be frozen in the guarantee fund.

Mr. PROXMIRE. Mr. President, how much time does the Senator from Indiana desire?

Mr. LUGAR. Five minutes.

Mr. PROXMIRE. I yield 5 minutes to the Senator from Indiana.

Mr. LUGAR. Mr. President, I appreciate the amendment as well as the source of the amendment.

The distinguished Senator from Texas has mentioned Mr. Felix Rohatyn and the thought that a 10-percent coinsurance of a larger guarantee was the source of his amendment today. Let me review the bidding for just a moment as things have proceeded since Mr. Rohatyn made this suggestion.

In fact, the suggestion was one I attempted to adopt in a bill I presented to the Banking Committee, and generous reference has been made to that earlier today by the Senators from New York and the distinguished chairman of our committee, Senator PROXMIRE. It was one element of the bill. The bill I presented was a package of suggestions, some of which were adopted by the committee and appear before us now.

The 5-percent coinsurance idea is important when coupled, as the chairman has pointed out, with the one-House veto, for example; with the oversight by various boards of review now in place and

some to come; by each of the checks and balances that are a part of the bill.

Indeed, if all these elements were not a part of the bill, the point made by Senator JAVITS a moment ago certainly would be well taken—that 10 percent hardly would be enough insurance. Substantially greater assurance would be needed to the taxpayers of the country that their money would be safe.

But, I am convinced that we will have to approach this bill as a finely tuned instrument in which a number of compromises have been made by a great number of people of good will.

Among the compromises was, first, the representation, both from the administration and the House proposal, for a total exposure, at the extreme, of $1.5 billion, with the unlikelihood that that can be reached unless the budget is balanced according to regular accounting procedures; and, second, the one-House veto means that the whole operation could end after 1 year. That might be the end of the exposure at that stage. That is a very severe instrument but an important one.

I oppose the amendment of the Senator from Texas simply because I feel that I have been a party to an agreement of a good number of things that are a part of the package.

Mr. STONE. Mr. President, will the Senator yield?

Mr. LUGAR. I yield to the Senator from Florida for a question.

Mr. STONE. The Senator from Florida voted against the city of New York on a direct loan basis last year. One of the main ingredients in persuading the junior Senator from Florida this year to support this bill was the work done by the Senator from Indiana and the statements he has made. His approach to this amendment and his approach to the bill are persuasive to the Senator from Florida, not only because of the Senator's conservatism but also because of his practical approach to a difficult problem.

This is not a question.

Mr. LUGAR. I appreciate the Senator's comments.

Mr. President, let me conclude by saying that what would otherwise be a reasonable amendment is, in the context, unreasonable, and I ask that Senators concur with the general focus of this bill.

Frankly, I have asked many persons who would be disposed to do a great deal more—to expand money, to lighten the controls, to somehow restructure the whole situation today—to cease and desist. I believe it is important that this bill not be overladen with additional guarantees or additional controls.

It is for this reason I ask that the Senator concur with me and vote against the amendment of the distinguished Senator from Texas.

Mr. TOWER. Mr. President, I am a little reluctant to pursue this matter, in the light of what the distinguished Senator from Indiana has said. But, as I understand what he has said, it is that we took a bad bill and made it a little less bad, so let us stay with it and not try to improve it any further; that would be understood as a violation of the commitment. That is the sort of tenuous reasoning here.

We should not be passing this legislation in the first place. I do not care what kind of compromises are struck in committee to ameliorate a bill in some repect. The fact is that we have created, in my view, a very unfortunate precedent here, in guaranteeing New York's paper at all. True, we are only guaranteeing it insofar as State and pension fund participation is concerned. But the next step will be to expand on it to the extent that we are going to guarantee bad paper, regardless of who buys the stuff; and the paper that is going to suffer then will be the paper issued by such well-managed cities as the city of Indianapolis, of which my distinguished friend served so ably as mayor for a number of years and so ably administered.

We are off on a bad precedent here, in my view, and I am trying to improve bad legislation still more.

I suggest that the greater the risk involved from improper management and failure to meet commitments to the State of New York, the more diligent the State of New York is going to be in making sure that everything proceeds on a fiscally sound basis.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. TOWER. I am delighted to yield to my very distinguished friend from Massachusetts, who has been named the Bay Stater of the Year. My only amazement in that is that he was not named that some time ago because he has been the most distinguished Bay Stater that I have known for many years.

Mr. BROOKE. I thank my distinguished colleague from Texas.

As my colleague from Texas knows, a very distinguished and a ranking minority member of the Banking Committee, we had exhaustive hearings on this bill. This is not the first time that the bill has come before us. It came before us in a different form several years ago when we acted upon it, and we came out then with a compromise measure which was a seasonal loan, a short-term borrowing act.

It has not served the entire purpose, though the city of New York, as the distinguished Senator from New York so eloquently has said, certainly took certain steps which put their house in much better financial shape than it had ever been before, when they had been plagued with very difficult problems.

I think that the Senator from Indiana, as the Senator from Florida said, performed a great service to the committee, to the Senate, to Congress, to the city of New York, and to the Nation by providing a compromise amendment to the guarantee legislation.

First of all, there was a consensus in the Banking Committee that something had to be done, that there was a need for the city of New York to have some kind of assistance at this time or else not only New York would suffer but the entire Nation would suffer.

The second consensus that we had in the committee was that there be a form of a guarantee rather than a continuation of the short-term borrowing act.

The House of Representatives, as Senators very well know, went along with both. But in the Senate, and primarily because of the work of the distinguished Senator from Indiana, we first cut back on the amount from $2 billion to $1.5 billion, and then we restricted the guarantee itself to the city and State pension funds, which I think was a great step forward and which gave the United States of America additional safety and protection.

So it was a compromise, not the compromise of a bad bill, as has been suggested, but a compromise born out of necessity, born out of the need to have a bill that would give the support that the city of New York needed to get its financial house in order so that it could go into the credit markets, and that is exactly what we finally ended up with.

I therefore understand why the Senator from Indiana stood up, and I know reluctantly, to oppose this amendment offered by the Senator from Texas. I would also reluctantly oppose an amendment offered by my friend from Texas because I know how strongly he feels on this subject.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. BROOKE. I yield.

Mr. TOWER. I wish all that reluctance would manifest itself in the form of restraint some day.

Mr. BROOKE. Well, sometimes it has; I predict sometimes it shall.

But in the hearings that were had, I do not think anyone asked any more difficult questions than did I, unless, of course, it was the distinguished chairman of the committee, who is well known for asking difficult questions. I do not make it a habit of asking difficult questions, but in this case I did. I asked very serious, very difficult questions of all of the witnesses that I interrogated because I had some serious reservations, as did the Senator from Texas.

I was hopeful that we could avoid this whole concept of Federal guarantees. We got into a whole philosophical problem of Federal Government and city relationships, but I shall not rehash all of that at this time.

I merely say that I feel very strongly that what we did in that committee, with the consensus we arrived at, is in the best interests of the city of New York and of this Nation, and I think to further burden and to torture the agreement that we made, would weaken this bill. I also do not believe this amendment would answer the need that the city of New York has demonstrated, I think without any question, to the members of that committee.

It will only mean that we will come back here within another year or so in the same position that we have been in before. Therefore, I must rise to support the position taken by the distinguished Senator from Indiana and again to commend him, as I did in committee, when he first came forth with his suggestion, about funding the guarantees that this is a very sound suggestion, it is one that the committee adopted, and I think it is one that the Senate should adopt.

Mr. TOWER. Mr. President, I wish to ask one question.

Mr. BROOKE. Yes.

Mr. TOWER. Is the House of Representatives going to take the bill as passed by the Senate, or will it go to conference?

Mr. BROOKE. Let me answer that question like this: The conferees, as I understand it, unless the chairman so changes it, will be the distinguished Senator from Wisconsin (Mr. PROXMIRE), who is the chairman of the committee; another would be the distinguished Senator from Texas, who I am sure would be a conferee as a ranking minority member of the committee; on the Democratic side of the aisle, I presume that Senator SPARKMAN of Alabama and Senator WILLIAMS of New Jersey will be conferees; and I take it that I, the junior Senator from Massachusetts, will be a conferee.

Now, if you look at those conferees and you look at the position that all of them have taken with possibly the exception of one or two in that committee—and I do not want to predict what a Senator will do at any given point in the conference—I think that we are duty bound to stand behind the Senate's position. I think the Senate's position is a sound one. I think the position of the Senator from Indiana is a sound one.

So if it is the fear of the Senator from Texas that this conference will result in the Senate conferees caving in to the House I give him one assurance that at least that is not my belief. I think that he will find that the conferees on the Senate side will fight for the Senate position over the House position.

Mr. TOWER. But I know what is going to happen. We will come back with another compromise from conference. We had better go into conference in the strongest position possible because we know what happens in conference. Of course, the Senate could take my amendment and suggest that the Senator would see what he could do about it in conference. That is very often the case of amendments around here. But, in fact, we know that when we go to conference ultimately what is coming back here will not be as good or as tight a bill as the one we passed here, and that is virtually a fact of life.

If we could have some assurance that the House of Representatives would rush into the conference room shouting "We recede," I might be then convinced that it would be unnecessary for me to pursue any further amendment of this bill.

But I have no such assurance; therefore, I think it would be wise on our part to strengthen the position of the great Senator from Massachusetts and the great Senator from Wisconsin that will afford the leadership of the Senate conferees by tightening this bill up still a bit more.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. TOWER. That means they will have to come a little bit further than they might otherwise.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. TOWER. I yield to the Senator from Massachusetts.

Mr. BROOKE. I just remind the Senator from Texas, and he is wise about these matters of conferences, as he has been a conferee on many occasions, and he has fought for Senate positions with the House of Representatives, that there is wide variance.

Mr. TOWER. The Senator from Texas has also gotten rolled in conference a few times.

Mr. BROOKE. In the years that I have served with him, I do not believe that the Senator from Texas has been rolled very frequently. That would be a very unique situation to see the Senator from Texas rolled under any circumstances. But at any rate, there is wide variance between the House bill and the Senate bill.

Mr. TOWER. Let us make it wider.

Mr. BROOKE. I think with the position that we have——

Mr. TOWER. Like the old hymn "There is a wideness in God's mercy like the wideness of the sea." [Laughter.]

Mr. BROOKE. Well, in this position I think that our position is so strong that the case we have made, that the Senate has made, will be very attractive to the House conferees, particularly in this day and time. I do not think the House is going to want to rush in and say, "Oh, we insist on $2 billion." I do not think they are going to say that at all. They certainly have not indicated that or anything else. I do not think they are going to rush in and say that. I think they are going to be very glad that the Senate has come in with a lower figure of $150 billion—I mean $2 billion——

Mr. TOWER. The Senator means $1.5 billion. I was afraid I had read the bill wrong. If we give them $150 billion—the Senator from Massachusetts scared the life out of me.

Mr. BROOKE. Now we are in at $1.5 billion, and they are in at $2 billion. I do not think they are going to run in and say, "We insist on $2 billion." No. 1, I just cannot believe the House will do that, particularly in the climate that exists in the country today. No. 2, the restrictions that we have put in, which further guarantee the United States, protect the United States. I cannot see the House rushing in saying, "We insist on a more lenient bill so far as New York is concerned."

So I think we are in very excellent position, if I might say to the distinguished Senator from Texas, to go into a conference with the House and come out with exactly the same bill that the Senate will vote upon, and I hope favorably, today.

If the Senator can believe that, then I would hope he might withdraw his remaining amendments and let us go to conference as we are, because we had a vote in the committee of 12 to 3, I believe, the strongest vote we have had on any particular bill for a long period of time. I think that even buttresses our position, strengthens us, as we go into conference with the House.

I want to give that assurance to the distinguished Senator from Texas.

Mr. TOWER. I can only say to my distinguished friend from Massachusetts it is solely my desire to strengthen his hand even more.

I am prepared to yield back the remainder of my time if the manager of the bill is prepared to do so.

Mr. PROXMIRE. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. HUDDLESTON). All time has been yielded back. The question is on agreeing to the amendment of the Senator from Texas The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from North Dakota (Mr. BURDICK), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. HASKELL), the Senator from Louisiana (Mr. LONG), the Senator from Montana (Mr. MELCHER), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that the Senator from Idaho (Mr. CHURCH), and the Senator from South Dakota (Mr. MCGOVERN) are absent on official business.

I further announce that, if present and voting, the Senator from Montana (Mr. MELCHER) would vote "nay."

Mr. STEVENS. I announce that the Senator from North Dakota (Mr. YOUNG) is necessarily absent.

The result was announced—yeas 28, nays 61, as follows:

[Rollcall Vote No. 195 Leg.]

YEAS—28

Allen	Garn	Nunn
Bartlett	Goldwater	Roth
Bentsen	Griffin	Schweiker
Byrd, Harry F., Jr.	Hansen	Scott
Cannon	Hatch	Stennis
Curtis	Hayakawa	Stevens
DeConcini	Helms	Thurmond
Eastland	Laxalt	Tower
Ford	McClure	Wallop
	Morgan	

NAYS—61

Baker	Hatfield, Paul G.	Nelson
Bayh	Hathaway	Packwood
Bellmon	Heinz	Pearson
Biden	Hodges	Pell
Brooke	Hollings	Percy
Bumpers	Huddleston	Proxmire
Byrd, Robert C.	Humphrey	Randolph
Case	Inouye	Ribicoff
Chafee	Jackson	Riegle
Chiles	Javits	Sarbanes
Clark	Johnston	Sasser
Cranston	Kennedy	Schmitt
Culver	Leahy	Sparkman
Danforth	Lugar	Stafford
Dole	Magnuson	Stevenson
Domenici	Mathias	Stone
Durkin	Matsunaga	Weicker
Eagleton	McIntyre	Williams
Glenn	Metzenbaum	Zorinsky
Hart	Moynihan	
Hatfield, Mark O.	Muskie	

NOT VOTING—11

Abourezk	Gravel	Melcher
Anderson	Haskell	Talmadge
Burdick	Long	Young
Church	McGovern	

So Mr. TOWER's amendment (No. 3085) was rejected.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. SARBANES. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GLENN. Mr. President, I ask unanimous consent that Lyle Morris, of my staff, be granted the privileges of the floor during the consideration and votes on the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I yield 3 minutes to the Senator from Alabama.

PEACE CORPS ACT AMENDMENTS OF 1978—CONFERENCE REPORT

Mr. SPARKMAN. Mr. President, I submit a report of the committee of conference on H.R. 11877 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11877) to authorize appropriations for fiscal year 1979 for the Peace Corps and to make certain changes in the Peace Corps Act, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of June 29, 1978.)

Mr. SPARKMAN. Mr. President, I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

VISIT TO THE SENATE BY MEMBERS OF THE CHRISTIAN DEMOCRATIC UNION OF THE FEDERAL REPUBLIC OF GERMANY

Mr. SPARKMAN. Mr. President, I want to call attention to the fact that we have some distinguished visitors today from Germany. We have the Honorable Dr. Helmut Kohl, chairman, Christian Democratic Union; Dr. Werner Marx, Member of the Bundestag, chairman, CDU Working Group on Foreign, Defense, and European Affairs, and Prof. Dr. Richard von Weiszacker, Member of the Bundestag; deputy chairman, CDU and Christian Social Party. These gentlemen are in the Chamber at this time.

RECESS

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the Senate stand in recess for 5 minutes so that Members might meet our friends from West Germany.

There being no objection, the Senate, at 1:44 p.m., recessed until 1:49 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HUDDLESTON).

NEW YORK CITY LOAN GUARANTEE ACT OF 1978

The Senate continued with the consideration of the bill.

Mr. PROXMIRE. Mr. President, I yield 5 minutes to the Senator from Maryland.

Mr. SARBANES. Mr. President, I appreciate the chairman yielding.

Mr. President, I rise in support of this legislation. I think it is extremely important, having made that statement, to underscore, as a number of Members have already on the the floor today, that this is in no way meant to condone, excuse, or sanction the past conduct and behavior of New York City administrations—conduct and behavior which have brought that great city into such difficulty.

The fact is that there were a number of practices which were engaged in by past city administrations which were inexcusable and which clearly led to placing the city in its current difficult situation.

With some, there is a suspicion that those practices were really known and concurred in by outside observers in the financial community and elsewhere. They did not ask many of the kinds of hard questions which should have been asked about the budgeting practices of the city of New York, about items that were being concealed in the budget so that the budget really did not truly reflect what was taking place.

Having said that about the past the fact remains that we are confronted now, and were previously so confronted in 1975, with an existing situation and had the problem of how to meet that situation.

I, for one, think that the suggestion which has been made by some that we simply ought to let New York City go into bankruptcy, is the kind of easy bromide that is thrown out into a discussion without thinking through the consequences of what it would mean if the Nation's No. 1 city were to go into court and seek bankruptcy.

I simply suggest to those who throw out that course of action that they ought to stop and think through in their own minds what bankruptcy would entail, in terms of the operation and of the governance of a great city. I do not consider it to be a feasible course of action.

It is important to recognize that New York City has done a great deal to try to meet the situation in which it finds itself. Over a period of the seasonal loan program, there is no question that New York City took a number of major steps toward solving this situation. I think Mayor Koch has a genuine commitment to facing the hard reality with which the city is confronted. I know the mayor personally and I know of his own strong commitment. I have confidence in his ability and I think he will do all he can to bring New York City out of this situation.

Secondly, I think Governor Cary has responded in a very intelligent and in a very skillful way to the problems of the city. I heard the criticism earlier on the floor today that New York State, after imposing very heavy additional tax burdens in response to this crisis, has eased those burdens somewhat by recent action of the State legislature. I simply point out that the rationale for that recent action was that the tax burden had become so heavy that it was impeding the growth of the State's economy and, therefore, placing the State in a worse situation, rather than a better situation, in terms of meeting its responsibilities.

I think everyone would recognize the logic of that argument even if some may disagree on the point where you cross over to diminishing returns. I think that by any measure, one would have to concede that New York State has imposed a heavy tax burden on its people.

Some argue that there is a danger with this legislation because it is going to set a precedent and every other city is going to look at this precedent and say, "Well, we do not have to face our problems squarely and directly, because if we get into difficulties we will simply take recourse to the solution that was provided for New York Cty." If anyone will look carefully at this legislation and all the controls and restrictions and limitations that are contained in it, and if they would further look very carefully at the additional restrictions and controls that have been imposed on New York City by the State and by the outside parties with which the city has to deal, I think it is fair to say that no city administration with any degree of sanity would want to place itself in a comparable situation. So the response to the precedent argument is that the restrictions and the limitations that are involved here, the extraordinary controls, are such that they constitute an effective barrier against any other city moving down this path.

In fact, I think other cities are already drawing that lesson and recognizing that they must take steps to avoid, at all costs, finding themselves in a comparable situation.

The PRESIDING OFFICER. The Senator's 5 minutes are up.

Mr. PROXMIRE. I yield 2 additional minutes to the Senator from Maryland.

Mr. SARBANES. Finally, let me simply say that I think this program offers an opportunity for New York to work out of its situation in such a way that it will be able to stand on its own feet without any dependency. I think that is extremely important. I am not suggesting that either the city or the State or the private parties with which they deal have done all that they could do or should do. In fact, this legislation has been tailored and trimmed, to some extent, in order to heighten the pressure on all those parties to do more. The oversight and the review procedures that are in this legislation. I think one can say, will guarantee that the pressure will be maintained on them to do more.

It is accurate to say that the situation is significantly better today than it was the last time this issue was before this body. Improvements have been made, substantial improvements. The current proposal offers the opportunity to work through the problem in such a way that New York City can then break out of this dependence.

It will not be easy and it will require

a committed effort on the part of the city and the State and the private parties in order to accomplish that, but this is their opportunity to do so. Failing passage of this legislation, there is no path available that offers that opportunity.

Finally, Mr. President, I simply want to comment on the extraordinary contribution which the two Senators from New York have made to the consideration of this legislation. Not only have they stood vigil on the floor but, of great importance, they also participated in the hearings which the Banking Committee held on this legislation. They made very perceptive and constructive contributions to the consideration of this legislation. They brought to the debate arguments which related the New York City problem to questions of the national interest and of national concern. Their skill, tact, and perseverance in developing a reasonable and sensible piece of legislation to meet a very difficult problem deserves the highest commendation.

Mr. President, I hope the Senate will support this legislation by an overwhelming majority.

Mr. JAVITS. Mr. President, I should like to thank the Senator, for Senator MOYNIHAN and myself, for his graciousness.

UP AMENDMENT 1389

(Purpose: To require that the city, as a condition of guarantees, achieve a balanced budget by fiscal year 1981 (New York fiscal year))

The PRESIDING OFFICER. Who yields time?

Mr. HARRY F. BYRD, JR. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Virginia (Mr. HARRY F. BYRD, JR.) proposes an unprinted amendment numbered 1389:

On page 14, line 15, strike "1981" and insert in lieu thereof "1980".

On page 14, line 20, strike "1981" and insert in lieu thereof "1980".

The PRESIDING OFFICER. The Chair inquires of the Senator from Virginia if this is the amendment included in the unanimous-consent agreement?

Mr. HARRY F. BYRD, JR. It is, with a 2-hour limitation.

Mr. GRIFFIN. Will the Senator from Virginia yield briefly?

Mr. HARRY F. BYRD, JR. I yield to the Senator from Michigan.

Mr. GRIFFIN. It is the fact that this has a 2-hour limit that rather disturbs this Senator. I, along with a number of other Senators, I think, are in a kind of bind. If we do not get to passage by 3 o'clock, Northwest Orient is on strike and I just cannot even get another reservation this weekend if I do not leave at that time. I wonder if the Senator from Virginia anticipates that the 2 hours will be used? Will there be any possibility that the contending parties might agree to a vote, say, at 2:30 or 2:35 on the amendment?

Mr. HARRY F. BYRD, JR. I say to the Senator from Michigan that the Senator from Virginia has spoken in the Senate four or five times recently on this issue. I do not expect to take more than 20 or 25 minutes, myself. So far as I am concerned, that is all I would need.

Mr. PROXMIRE. I shall not take very long, but it is my understanding that the Senator from Texas has an amendment which I think will take a while. It might take, altogether, a half hour or perhaps a little longer. I think it would be very hard to wind this up by quarter to 3; a little after that, maybe—3:15 or 3:30.

Mr. GRIFFIN. I thank the Senator.

Mr. HARRY F. BYRD, JR. I say to the Senator from Michigan, the Senator from Virginia will attempt to move as quickly as possible to accommodate him.

Mr. McCLURE. Will the Senator yield for a unanimous-consent request?

Mr. HARRY F. BYRD, JR. Yes.

Mr. McCLURE. Mr. President, I ask unanimous consent that Tom Carter of Senator HAYAKAWA's staff, Marcie Ward of Senator STEVEN's staff, and Mike Hammond of my staff be granted the privilege of the floor during all stages of the proceedings on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, it is probably well known that the Senator from Virginia's enthusiasm for the pending legislation is somewhat restrained.

I do have a good word to say, however, for it. In my judgment, it is substantially better than the legislation which came to the Senate from the House of Representatives.

I commend the Banking Committee and its chairman (Mr. PROXMIRE), and Senator LUGAR particularly, who took such an active role in this matter, for presenting to the Senate a vastly improved proposal than was the legislation sent to the Senate by the House of Representatives.

I think it is somewhat ironical that in the same month that the people of California, by an overwhelming vote, voluntarily put restraints on themselves and their public officials, it is ironic that in the same month that was being done the Senate of the United States is preparing to give immense financial aid to the city of New York.

The people of California told their officials that they are greatly dissatisfied with the excessive spending of governments and that they, the people, are willing to take some discomfort, if necessary, to have a reduction in spending and a reduction in taxes.

By this legislation, the credit of the people of California, along with the credit of the people of the other 49 States, is being used for the advantage of one particular municipality in our Nation.

The two problems that are foremost in the mind of the Senator from Virginia in regard to this legislation are, No. 1, that New York City promised the Congress 3 years ago that it would balance its budget. It has refused to do so.

Incidentally, on December 5, 1975, the Senator from Virginia authored and presented to the Senate an amendment to the then New York bailout legislation which would have required New York City to submit a balanced budget for fiscal year 1977. The Senate was told then that this amendment was not necessary because New York City had agreed and was committed to balance its budget.

Now we come to the end of the fiscal year 1978 and New York has not balanced its budget and the proposal before the Senate today does not require New York City to balance its budget until fiscal 1982.

So I think that it is not appropriate to grant the aid which the Senate is considering for New York City when it has refused to take appropriate steps to balance its budget.

What we are doing is saying to the politicians that we will take care of their problems. It encourages them to give in to the demands of the various pressure groups.

So, No. 1, I am concerned that New York City has not complied with what it said it would do 3 years ago.

Number two, I am greatly concerned about the precedent which will be set by this legislation.

One of the most persuasive arguments, which has been made against having the Federal Government guarantee the bonds of New York City was made by the former chairman of the Federal Reserve Board in a letter dated June 6, 1978, addressed to the chairman of the Senate Banking Committee (Mr. PROXMIRE).

This is what former Chairman Burns had to say:

I cannot, however, support the Administration's proposal for long-term guarantees of the City's obligations. That would be a radical departure from the principles of fiscal federalism that have guided this nation since our earliest days. Cities are creatures of the State in which they are located. Long-term involvement in the financial affairs of a local government has never been the business of the Federal Government. If the Federal Government undertook to issue long-term guarantees of New York debt obligations, other cities might soon come along and clamor for similar guarantees. The precedent of New York could, therefore, lead to a significant change in the distribution of responsibilities within our Federal structure. Indeed, it is not inconceivable that the responsibilities now lodged in our State and local governments would in time wither away, while the Federal Government—which is hardly demonstrating a capacity to manage even its own fiscal affairs properly—becomes involved in running also the affairs of our States and cities.

To the thinking of the Senator from Virginia, that is a powerful and accurate argument made by the former Chairman of the Federal Reserve Board.

I had not anticipated that what former Chairman Burns had to say would come to pass so quickly. But earlier today on the floor of the Senate the distinguished Senator from Connecticut introduced an amendment and made statements, some of which I shall quote in a moment, which lent immediate credence to the statement made by Dr. Burns.

The distinguished Senator from Connecticut stated this to the Senate today:

You will find when the vote comes that urban Senators will support the pending legislation because it will be a precedent.

That is precisely the danger I see: that this will be a precedent.

Incidentally, the Senator from Virginia is from an urban State. Virginia has nine cities with a population of more than 100,000. There are only four States in the Union which have more cities of 100,000 population and above than does the State of Virginia.

But I shall not support this measure before the Senate today, because I fear the dangerous precedent it will be setting.

The Senator from Connecticut also said this in his address to the Senate today:

City after city in my own State of Connecticut is in as great difficulty as is New York City.

He went on to say that he would not continue to sit here, as he has for 3 years, and have Federal aid, in the nature of the proposal here, applied only to one city.

His amendment was directed toward getting the Federal Government and the departments in Washington to assess what cities need aid all over this country and the nature of their financial problems.

So even before this measure is passed, one can see that there will be others—well-intentioned, able, and fine representatives of their States—who will feel that their States and their cities should have the consideration that has been given and is now being given to the city of New York.

I find it distasteful to have to oppose the bill now before the Senate. I say again that if there is to be legislation along this line, the Banking Committee proposal is the least bad of any to come before Congress. There are some safeguards in it—that is helpful, of course—but it does not get away from the precedent that will be established.

The amendment I presented is a simple one: It changes only one date. The measure as it came from the Banking Committee would require a balanced budget for New York City by fiscal 1982. The proposed amendment would change that by one year, to require a balanced budget by fiscal 1981.

Mr. President, as I say, the amendment changes just one date. It requires a balanced budget by fiscal 1981 instead of fiscal 1982. It seems to me that that is reasonable.

Three years ago, the Senate was assured that New York City would balance its budget by the end of fiscal year 1978. Even if the amendment I have offered is adopted, it still would be 3 years from now. That would be a total of 6 years that the Senate has given the city of New York to balance its budget. I believe that to go beyond that is not reasonable.

I hope the Senate will act favorably in that regard.

Mr. PROXMIRE. Mr. President, I think we owe a debt of gratitude to the Senator from Virginia for his great persistence and his interest and his great ability in this area. He makes an extremely strong case.

He is proposing a moderate amendment, not an extreme amendment. At first, I thought he was going to ask for a balanced budget in 1979 or 1980. No, he is asking for it in 1981, a year earlier than the bill would require.

However, I must again, unfortunately, resist this amendment. I do so because we have gone over this very carefully in committee.

We have considered what the city has been able to do. As the Senator knows, in fiscal 1976 the city was out of balance by about $2 billion, according to generally accepted accounting principles. They were able to reduce that, so that in fiscal year 1979 their deficit will be $750 million, on the same basis. Now they are cutting that down so that in 1979 the amount of operating expenses in the capital budget and accrued pension liability will be about $550 million; in 1980, about $400 million; in 1981, about $250 million, and then they would be in balance in 1982 in accordance with generally accepted accounting principles.

The Senator asked a perfectly proper question: Why do they not cut their expenses or raise revenues or find some way to balance the budget in fiscal year 1981? $250 million is not a great amount. But, in all fairness to New York, we should see what they have done. They have made progress. It would be different if they had slipped along the line. But they have met the goals they said they would meet. They will have to overcome a budget deficit of $600 million, on top of the amount of the capitalized operating expenses and accrued pension liability, which they plan to do through various Federal, State, and city actions.

This means that if we add on top of that the $250 million more in fiscal year 1981, it would take extraordinary action on the part of New York. If 1981 is a prosperous year, if income is good and jobs are good and they have few unemployed, then it is possible they could do it, but it is hard for us to say now that they can do it by then.

We have tried to design this bill in a way that will provide a responsible, honest, realistic target for the city.

If, without any real record, without any testimony by any witness, without anybody who can show us how New York can cut that extra $250 million, we come on the floor and simply accept this amendment, to move the budget-balancing target up a year, it seems to me that this is not being fair to the city, in view of the fact that they have made this kind of progress and in view of the fact that they will have to make very substantial efforts and considerable sacrifice in order to be able to balance the budget in fiscal year 1982 in accordance with generally accepted accounting principles.

I believe the Senator from Wisconsin and all other Senators agree with the objective that the Senator from Virginia wants to achieve, to see that New York balances its budget and does the job. All the indications are that they can do it in 1982; and if they can do it in 1982, I think the Senator from Virginia might be surprised and happy, as would the Senator from Wisconsin.

So I hope the Senator will not press his amendment. It might put New York City in an unreasonable and difficult position; and if 1979, 1980, or 1981 are not years of prosperity, it might be extremely difficult.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Of course, New York City 3 years ago committed itself to balance its budget by the end of the current fiscal year.

Mr. PROXMIRE. If the Senator will yield, that was not according to generally accepted accounting principles. That was according to the State law, which permitted them to phase it out of their operating expenses at a rate which resulted in a budget which would not be in actual balance, according to generally accepted accounting principles, in 1978.

Mr. HARRY F. BYRD, JR. When they were told that New York City would balance its budget, I think most Senators were justified in assuming that it was meant on an appropriate, acceptable accounting basis, not on the basis of some gimmicks.

Mr. PROXMIRE. That may be the case, but that was because we did not inquire as we should have.

In fact, in 1975, it is my understanding, the plan was to phase out the operating expenses in the capital budget, and phase into an accounting system which would be on generally accepted accounting principles, not by 1982 but by 1986, over a period of 10 years.

So what they are planning to do now actually is better than what they said they would do in 1975, if we hold them to the fiscal year 1982 target, which is what the bill does. If we push them back to 1981, we are really tightening the screws in a way that may be possible but may also be very unfair.

Mr. HARRY F. BYRD, JR. The Senator from Wisconsin makes a persuasive argument for the future. But, when he reflects back to 1975, nothing was said then about New York not having to balance its budget until 1986. That never came out in the Senate debate. I do not think the Senate would have ever passed that bill 3 years ago had it been stated that New York would not be required to balance its budget for 10 years.

Mr. PROXMIRE. At that point, let me say to my good friend from Virginia that it is my understanding—and the staff has reviewed the debate—that we made it clear that it was under State law. It would not be an actual budget balance, according to generally accepted accounting principles. That was easily misunderstood. Maybe we should have made it much clearer. That was the context in which that balanced budget by 1978 was argued.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. President, I reserve the remainder of my time and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I yield 5 minutes to the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 5 minutes.

Mr. SPARKMAN. Mr. President, I ask that it be in order that I might ask the chairman two or three questions.

I know we have worked on this for a long, long time, and we have tried different solutions. But it seems to me that the one that we have arrived at in this measure is the best we can hope for.

Is it not true that, first of all, this is a guarantee program?

Mr. PROXMIRE. The Senator is correct.

Mr. SPARKMAN. We have had other guarantee programs, successful programs, not with New York, but in other fields; is that correct?

Mr. PROXMIRE. Yes. It is my understanding we have. As a matter of fact, we have too many in the judgment, I think, of both the Senator from Alabama and the Senator from Wisconsin, something like I have heard the figure $228 billion. So this would be an increase of less than 1 percent in the Federal guarantees outstanding.

Mr. SPARKMAN. Have we not come out pretty well as a whole on all of those guarantees?

Mr. PROXMIRE. It is pretty hard to generalize.

Mr. SPARKMAN. I realize that.

Mr. PROXMIRE. I think in many cases they have been excellent programs.

Mr. SPARKMAN. Under this, bonds will be issued; is that not true?

Mr. PROXMIRE. Under this the city's bonds would be issued and would be guaranteed by the Federal Government. That is correct.

Mr. SPARKMAN. But is there not a requirement or at least an assurance on the part of New York City that these bonds will be sold to their employees?

Mr. PROXMIRE. These bonds can only be sold to the pension funds, city and State.

Mr. SPARKMAN. Yes.

Mr. PROXMIRE. That is the limitation.

Mr. SPARKMAN. Is there not a very satisfactory pension fund already?

Mr. PROXMIRE. Yes.

Mr. SPARKMAN. In other words, are the bonds not well protected by the pension fund?

Mr. PROXMIRE. The bonds would be protected by Federal payments to the city and State, and I think what we have to keep in mind is that the city gets no really big advanage. There is no subsidy, as pointed out earlier here, at all. As a matter of fact, the bonds would carry a yield of 8.75 percent, plus the 0.5 percent Federal guarantee fee, which means a 9.25 percent rate, about the highest rate that any city in the country would be paying.

When we consider that it would be a real burden on the city of New York, and the Federal Government would make money out of this, and I think that from that standpoint it is very fair because, of course, we should make money out of it in view of the fact we are providing a service to New York in their hour of need.

Mr. SPARKMAN. The point I am trying to get at to see if I am correct in my understanding is that the pension fund stands responsible for retiring the bonds. They must be sold, in other words?

Mr. PROXMIRE. The city is responsible for retiring the bonds.

Mr. SPARKMAN. They must be sold.

Mr. PROXMIRE To the pension fund.

Mr. SPARKMAN. To their employees?

Mr. PROXMIRE. They must be sold to the pension fund acting, of course, on behalf of their beneficiaries. That is correct.

Mr. SPARKMAN. Yes. Does that not give a very high degree of security to the bonds?

Mr. PROXMIRE. No. I think the security for the bonds has to come from the capability of the city and the State, of course, and we have the State involved here very strongly.

Mr. SPARKMAN. Yes. But it is my understanding the pension fund is there to lean upon to help take care of the bonds, pay for those bonds?

Mr. PROXMIRE. No. It is my understanding that if the city defaults, then the Federal Government and to some extent the State would be responsible for making good that guarantee to the pension funds. The pension funds would be receiving funds from the Federal Government under those circumstances. They would be protected. Their recipients would not lose anything, but the Federal taxpayer would.

Mr. SPARKMAN. Very well.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield to my friend from Virginia.

Mr. HARRY F. BYRD, JR. The Senator from Alabama brought up the point that $200 billion of bonds have been guaranteed by the Federal Government.

Mr. PROXMIRE. $228 billion.

Mr. HARRY F. BYRD, JR. $228 billion. Is it not correct that the bonds of no municipality have ever been guaranteed?

Mr. PROXMIRE. The Senator is absolutely correct. This is a new precedent. The Senator's position on this is correct. And that is why I intend, as I indicated before, to vote against the bill on final passage because I think it is a very bad precedent. I think once we go down that path, no matter how we work it, it is going to be very hard to avoid and we are going to have to make that kind of commitment elsewhere in the country. It is going to mean less fiscal responsibility on the part of localities.

Mr. HARRY F. BYRD, JR. That is what I am fearful of. That is why I cannot support the legislation.

Mr. PROXMIRE. There is no question about it.

Mr. HARRY F. BYRD, JR. May I ask the Senator From Wisconsin this question?

Mr. PROXMIRE. Yes.

Mr. HARRY F. BYRD, JR. The Senator from Wisconsin is pretty certain in his own mind that New York City, if this legislation is enacted, as it will be, will balance its budget by the end of fiscal 1982 as provided by the legislation?

Mr. PROXMIRE. Of course, no one knows what is going to happen in the future. But all the indications and all the requirements are that that be done, that they move on schedule. We have the following particular assurance. We have an emergency financial control board, which is empowered to act to prevent the city from engaging in expenditures or making contracts, labor contracts, for example, that would prevent the city from balancing the budget. The control board is directed to do that. The city is being overseen by the Secretary of the Treasury and being audited very carefully. There are reports that will be made to Congress and the Secretary of the Treasury. There is every indication that we should be able to hold them to their schedule, and they should be able to balance their budget by fiscal year 1982 according to generally accepted accounting principles. In the event there is a nationwide recession or depression, obviously all bets are off.

Mr. HARRY F. BYRD, JR. But in the Senator's judgment so far as he can—and he cannot look in the future; none of us can—but from his experience as chairman of the Banking Committee and the testimony that has been given to the committee, he is pretty well satisfied in his own mind that New York City can and will balance its budget by fiscal 1982?

Mr. PROXMIRE. I am satisfied. Of course, as I say, I think what we overlook in all our debate and in our hearings is the enormous effect that economic developments, over which we have no control, can have. In the event we continue to have reasonably stable conditions with no severe problems, I think we have every reason to expect New York City will be able to balance its budget by 1982 and will balance its budget by 1982. City and State officials have kept their commitment and then some from 1975 to 1978. I think it is very reasonable to expect they can do so with the same situation in place and with the monitoring, and so on.

Mr. HARRY F. BYRD, JR. As I mentioned earlier, I think of all the bills that have been presented on this subject in the House and in the Senate, this bill now before the Senate is the best of the bunch or the least bad, whichever way one wants to express it. For that the Committee on Banking and the chairman of the committee, Senator LUGAR and others deserve much credit. The bill has been so greatly improved.

It still is not satisfactory to the Senator from Virginia on the broad principle of the precedent that it is going to set for the Nation as a whole and what will confront Members of the Senate in the future. For that reason, I shall vote against it.

But bearing in mind that the committee has made such a vast improvement in the legislation as it came from the House, and if I could ask one other question of the Senator from Wisconsin—I am inclined to withdraw this amendment based on the statements of the Senator from Wisconsin. Could I have the assurance of the chairman, as one who will be the chairman of the

conferees, that he and the Senate conferees will do their best to hold to the Senate bill, which is much more acceptable than the House bill?

Mr. PROXMIRE. I can tell the Senator from Virginia that it is certainly my determination to do all I possibly can. Senator SPARKMAN, Senator WILLIAMS, Senator BROOKE, and Senator TOWER will be on that conference, too. I think they would also do all they can to support the Senate position.

The Senator is a veteran of a number of conferences, and he knows, however, that we can never get everything we want. We have to compromise in some areas. But certainly we would do our very best in the area, for instance, of holding it to $1.5 billion; of requiring New York State to put up the 5 percent; requiring the one-House veto; we will do all we can on those very, very important provisions to hold them in conference. We think they are essential.

Mr. HARRY F. BYRD, JR. And on the balanced budget provision.

Mr. PROXMIRE. Oh, yes, indeed, on the balanced budget provision. But that is in the House bill as well.

Mr. SPARKMAN. May I say to the Senator from Virginia I will be right with the chairman.

Mr. HARRY F. BYRD, JR. That is certainly an excellent group of conferees you have enumerated, and I have confidence in the conferees.

I cannot support the legislation. But as the result of this discussion we have had in the Senate today with the Senator from Wisconsin, and realizing the many changes for the better that have been made in the House bill, I withdraw my amendment.

Mr. PROXMIRE. I thank the Senator.

The PRESIDING OFFICER (Mr. BENTSEN). Who yields time?

Mr. PROXMIRE. Mr. President, I suggest the absence of a quroum and I ask that the time not be taken out of either side.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1390

Mr. PROXMIRE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The second assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. PROXMIRE) proposes an unprinted amendment numbered 1390:

On page 24, line 4, insert as a new section 11 and renumber the existing section 11 as section 12:

SEVERABILITY

"SEC. 11. If any provision of this Act is held to be invalid, or the application of such provision to any person or circumstance, is held to be invalid by a court of competent jurisdiction, the remainder of this Act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby."

Mr. PROXMIRE. Mr. President, this truly is a technical amendment. It is an amendment that I think all Senators can support.

The purpose of this amendment is to make it clear that if any part of this act is found to be invalid by a court of competent jurisdiction, then the validity of other parts of the act will not be affected. For instance, if there were to be a challenge to the one-house veto provision in this bill or to a similar provision in another act, and if such provisions were found to be unconstitutional, such a finding would not affect any other section of this legislation.

The language of the severability provision is similar to language included in other legislation considered by the Congress. It is in no way intended to be construed as relieving the Secretary of his obligations to carry out and adhere to all of the provisions of this act.

This has been cleared with the distinguished ranking minority member, Senator BROOKE, and I know of no opposition to the amendment.

The PRESIDING OFFICER. Does the Senator yield back his time?

Mr. PROXMIRE. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin.

The amendment was agreed to.

UP AMENDMENT NO. 1391

Mr. PROXMIRE. Mr. President, I send another technical amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The second assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. PROXMIRE) proposes an unprinted amendment numbered 1391:

On page 16, line 19, strike "financing agent" and insert "fiscal monitor".

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. Mr. President, I yield myself 1 minute.

What this amendment does is to simply correct a technical error made in the bill, and it makes the correction. It substitutes the term "fiscal monitor" for "financing agent," which is the intent of this provision.

The PRESIDING OFFICER. Is there further debate?

Mr. PROXMIRE. As far as I know there is no concern about this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin.

The amendment was agreed to.

Mr. PROXMIRE. Mr. President, I yield such time as the Senator from New York may desire.

Mr. MOYNIHAN. Mr. President, I thank the Senator.

Senator GRAVEL had the thoughtfulness to prepare a very positive statement about this legislation. He has asked that it be inserted in the RECORD, and I ask unanimous consent that this be done.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR GRAVEL

I am pleased that the Senate is prepared to approve legislation providing federal assistance in the form of long-term loan guarantees for the City of New York.

I feel a deep and abiding affection for this city where I spent quite some time after my service in the military. Beyond that type of affection for the city which I am sure is shared by many Americans, it is important to appreciate New York City for its role as the economic capital of the world.

The State of Alaska has been quite dependent on the financial resources made available through the New York City marketplace. Much of the capital that was used to finance the Trans-Alaska Oil Pipeline and much of the capital that will be used to finance the Alaska Highway Natural Gas Transportation System originated in New York City. It seems clear to me that these projects have played a larger role in Alaska's overall economic development than any federal, state or local economic development programs.

On an international level, New York City continues to be the premier marketplace, in spite of its current difficulties. A recent New York Times article reported on a study conducted for Touche Ross and Company which concludes that foreign businessmen prefer New York City over London, Paris and other American cities as their favorite place to live and do business. I submit the New York Times article at the conclusion of my remarks.

It seems clear to me that a New York City bankruptcy would have a disastrous effect on both the national and international economic structure. Cities, Counties and States across the country would face higher interest rates in the market for their bond issues, which will do little to moderate the problem of rising taxes. Not only would bankruptcy erode the dollar on the international market, but it may well drive international commerce from the city at the very time that such commerce is crucial to its long-term well-being. The bankruptcy would not only tarnish the preference of foreign businessmen for living in New York City, but the publicity of such a bankruptcy would undermine the credibility of the free enterprise system.

I think it is important to remember that we at the federal level are not being all that generous with New York City. The proposed loan guarantee program will require no federal outlays. Under the terms of the legislation which expires on June 30, the Treasury has realized a profit of some $30 million on the short-term loans provided to the city.

I would like to draw a comparison between the amount of Federal assistance provided to Washington, D.C. as the political capital of the world and New York City as the economic capital of the world. According to statistics prepared by the Community Services Administration, Washington, D.C. received $2.2 billion in federal grants in 1977, which means an expenditure of $3,021 on a per capita basis. New York City received $4.97 billion or $660 on a per capita basis. It strikes me as appalling that we are willing to spend such a huge amount for the betterment of our Nation's Capitol and are unwilling to make a similar effort for a city which plays a similar role in the wellbeing of the United States.

Finally, I would like to salute the efforts of Mayor Koch to bring some type of fiscal sense to the management of the affairs of New York City. I have no doubt that the stringent requirements contained in this legislation will not only bring about a balanced New York City budget but will also limit federal exposure under the terms of the legislation. But I would like to stress one point: New York City is in trouble and it needs help. I believe it would be tragic for the

American people and the Congress to turn their backs on this city.

EXHIBIT 1

STUDY FINDS FOREIGN EXECUTIVES PREFER NEW YORK

(By James P. Sterba)

Foreign businessmen based in New York City prefer it over London, Paris and other American cities as their favorite place to live and do business, according to a sampling of their opinions conducted for Touche Ross & Company, the international accounting firm.

Those surveyed cited New York's business services and cultural resources as major attractions. On the negative side they cited high taxes, high living costs and crime.

PERCENTAGE BREAKDOWN

McBain & Small Inc. conducted the telephone survey of executives in 226 of the 1,600 foreign companies with offices in New York City. There are no exact figures on how many foreign businessmen currently live and work here, but city officials estimate that number to be 1,000.

Asked which American city they preferred to work in, 58 percent said New York, 19 percent San Francisco and 5 percent Los Angeles.

Asked which city in the world they preferred working in, 53 percent chose New York, 11 percent chose San Francisco, 6 percent picked London, 5 percent picked Los Angeles and 4 percent picked Paris.

Of the 226 executives queried, 27 percent had had assignments in other cities and 73 percent had not, although some among the latter said they had visited other cities.

Richard A. Levine, a partner at Touche Ross, noted that while living and working costs were high in New York compared with many other United States cities, they have become competitive with other international business centers.

A large majority of Japanese businessmen in New York, for example, said in the survey that food, automobiles, housing, entertainment and public-transportation costs were all lower here than in Tokyo. Most of the European businessmen in New York on the other hand, said those things generally cost more here than in their home countries.

Mayor Koch, who was on hand when the results were released, said the survey confirmed what he suspected all along—that New York City, despite its troubles, remained the "premier place" in the world for doing business.

He said the city was "on the edge of a renaissance" in which it was government's role to "get out of the way of the private sector's efforts to create jobs and make profits."

The foreigners were surveyed in numbers roughly equivalent to the numbers of companies here from their countries, not on the basis of the size of those companies. They included 85 European businessmen, 75 from Japan, 46 from South Korea and 20 from countries in Central and South America, the Middle East, Australia and Canada.

Mr. MOYNIHAN. Mr. President, I have one question which I would like to address to the distinguished chairman of the committee. With respect to line 22 on page 12 of this bill, my question is this: Do I understand correctly that the phrase "of no further effect" simply means that should the guarantees lapse after certain dates, as indeed they do, this will have no effect on any of the legal rights of those parties holding guaranteed securities while the guarantees were in effect?

Mr. PROXMIRE. The Senator is absolutely correct. This is a guarantee with the full faith of the Federal Government, and there is no question that the legal rights of the parties under the guarantees would be completely protected after the date on which the guarantee authority terminates, and that is the full intention of the committee and of the legislation, as I understand it, both in the House and in the Senate.

Mr. MOYNIHAN. I thank the Senator, and I thank the chair.

Mr. PROXMIRE. I yield 2 minutes to the Senator from Virginia.

The PRESIDING OFFICER. The Senator from Virginia is recognized for 2 minutes.

Mr. HARRY F. BYRD, JR. Mr. President, the Wall Street Journal today had an interesting editorial captioned "The Hidden Game." The first paragraph says:

Congratulating itself on the high probability that Congress will guarantee some of New York City's debt, The New York Times threw a bouquet to "the political muscle of the banks based in New York." Thereon hangs a tale.

I am well aware of the tremendous influence of the New York City bankers. I ask unanimous consent to insert this editorial from the Wall Street Journal of June 29, 1978 in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE HIDDEN GAME

Congratulating itself on the high probability that Congress will guarantee some of New York City's debt, The New York Times threw a bouquet to "the political muscle of the banks based in New York." Thereon hangs a tale.

The Senate is expected to pass the guarantee bill momentarily, now that Washington considers New York aid to be a "noncontroversial" issue. The $1.5 billion or $2 billion in federal guarantees will cap a $4.5 billion four-year financing plan to which the major New York banks are expected to contribute half a billion. Everyone seems willing to ignore increasingly foreboding projections coming from the city's own fiscal watchdogs.

In the first official attempt to factor in the costs of the new city labor contract, the Emergency Financial Control Board last week projected budget gaps of $928 million in fiscal 1981 and $1.014 billion in fiscal 1982. These figures, it added, were on the low side, since they do not recognize that wages will almost certainly go up again in the 1980 contract talks.

The Municipal Assistance Corporation was even more ominous; in its own mandatory budget review it warned, "An understanding of the need for continued retrenchment and the ability to plan for it with a minimum disruption of city services has not yet been manifested in the city's current financial plans." So, according to official analysis, the city's deficit is widening, not closing, and its efforts at retrenchment aren't convincing. It's hardly a formula that will get New York back in the public markets when the new four-year plan expires. In fact, one has to ask why the Clearing House banks not only lend their imprimatur to this patently unsound financial plan, but throw in an extra $500 million of their own money in loans to get to 1982.

It grows increasingly plausible that the answer lies in what is known to insiders as the "10-b-5 issue." That is the section of the securities law that outlaws fraud. The banks underwrote huge volumes of New York City notes just before its fiscal crisis exploded in 1975; their critics have charged that they knew the crisis was mounting and made fraudulent misrepresentations to buyers of the notes. The significance of 1982 is that by then the statute of limitations will have run out.

The underwriters of these notes are vulnerable to both criminal and civil suits. Criminal charges depend on the SEC, which in a staff report last year singled out Chase Manhattan, Citibank, Morgan Guaranty, Manufacturers Hanover, Banker's Trust, Chemical Bank and Merrill Lynch for criticism. SEC Chairman Harold Williams has promised the Senate a decision before expiration of the federal statute of limitations in early 1980.

A suit on civil fraud is now in the courts, and here is the crux of the matter. The U.S. District Court for the Southern District of New York has been steadily consolidating noteholder complaints into the so-called "Friedlander Action." The bank defendants are the six named by the SEC as well as First National Bank of Boston and Bank of America.

The major question in the civil suit, if it ever gets past the involuted pretrial maneuvering, is going to be how much damage is really involved. During the period of impending crisis, the city issued $4 billion of short-term notes, and through the Moratorium Act of 1975 it in effect defaulted on $1.6 billion. But the moratorium notes have been paid off, largely through swaps for MAC bonds. As long as there's a strong public market for MACs, the banks can argue that money losses were relatively small. In fact, there have been occasional rumors that an out-of-court settlement of $100 million has been discussed.

The liability would obviously be far more serious in the event of a city bankruptcy, which could drag down MAC as well. So the bank defendants have an obvious interest in keeping the city afloat until a Friedlander settlement or the statute of limitations closes on any more damage suits. Since the relevant limitation period for the civil suit is six years, they have to make it somehow to 1982.

The Senate should be considering this scenario when it votes on the New York City bill. It is more than possible that the whole debate about New York's social conscience or its abysmal management is simply irrelevant, that the bankruptcy will still come at the end and that the whole point of the exercise will have been just to buy more time for the banks.

The PRESIDING OFFICER. Does the Senator yield back the remainder of his time?

Mr. HARRY F. BYRD, JR. I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Texas is recognized.

AMENDMENT NO. 3083

(Purpose: To reduce the amount of guarantee authority)

Mr. TOWER. Mr. President, I call up my amendment No. 3083.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Texas (Mr. TOWER) offers an amendment numbered 3083:

On page 11, line 21, strike "$1,500,000,000" and insert "$1,000,000,000".

On page 11—

Mr. TOWER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 11, line 21, strike "$1,500,000,000" and insert "$1,000,000,000".

On page 11, line 23, strike "$500,000,000" and insert "$300,000,000".

On page 12, line 1, strike $500,000,000" and and insert "$300,000,000".

On page 12, line 7, strike $250,000,000" and insert "$200,000,000".

Mr. TOWER. Mr. President, this amendment would reduce the authority of the Secretary of the Treasury to make guarantees to a maximum amount of $1 billion, rather than the $1.5 billion now contained in the bill. The bill in its present form in effect would provide more than New York City needs or expects to use under its financing plan.

If it is the will of the Senate to provide long-term guarantees, then I would urge my colleagues not to enact anything more than that which is absolutely necessary to provide a base from which New York City, if and only if it demonstrates a responsible fiscal attitude, will be able to help itself. The $1.5 billion authority contained in the bill now exceeds the projected amount of guarantees which New York proposes to use; $500 million has been described as a "standby" commitment which would only be used if the assumptions regarding access to the public credit markets prove to be inaccurate. In effect, this "standby" authority relieves some of the pressure which would otherwise be present for city officials and others to do everything possible to balance the budget and take all other steps to build confidence in the public credit markets.

If any aid to New York City is to be enacted, then it should take the form which involves the least possible commitment of Federal resources. The approval of a "standby" commitment will lead inevitably to the reliance upon that authority rather than upon fiscal restraint on the part of New York City officials.

It is clear that New York City will regain access to the public credit markets only when its officials demonstrate an absolute commitment to balance the budget, year after year. If the bill allows New York City to look elsewhere for funds—as, for example, to private markets for guaranteed securities—then the discipline which the public credit markets would otherwise provide will not be available.

The experience with the Seasonal Financing Act should demonstrate beyond a doubt that, if the authority is available, New York City will use it. My amendment is designed to put a meaningful limit on the amount of resources which can be tapped, rather than providing a cushion to be used in place of public credit.

I oppose the use of any Federal guarantees. If any guarantees are to be authorized, however, they should be as limited as possible. The bill in its present form purportedly would result in greater participation by the State and by private credit sources in New York. However, the only way to assure a greater role is to limit the amount of Federal involvement. If the guarantees available are reduced to $1 billion, then other sources—who have ample resources to devote if they will only do so—will fill the gap.

I, therefore, urge the Senate to adopt my amendment.

Mr. President, I am prepared to bring the amendment to a vote soon, and at the appropriate time will yield back the remainder of my time.

Mr. PROXMIRE. Mr. President, I have considerable sympathy for the amendment offered by the Senator from Texas, in view of the fact that I offered a similar amendment in the committee. I certainly share his view that we should hold down the amount of the guarantees as much as we can. Nevertheless, I must oppose this amendment, and I do so for the following reasons:

Mr. President, it is true that both the Secretary of the Treasury and the Chairman of the Municipal Assistance Corporation say that they may not need all of the $1.5 billion. As a matter of fact, they may need only between $500 million and $1 billion.

They also stress, however, that they have to have the full $1.5 billion—as a matter of fact, the administration has asked for $2 billion, and the House has provided $2 billion; the committee cut that back by half a billion, to $1.5 billion. They say they need at least $1.5 billion in order to have a "safety net."

Top experts in the country and, indeed, in the world, in finance of this kind, have argued that this is one provision in the bill which is sensible and responsible, and not an imposition on the Federal Government. Even though the Senator from Texas argued that if they get more than a billion dollars, they will use more than a billion dollars, it is not up to New York to decide how much they use; it is up to the Secretary of the Treasury. He is strictly required to keep those guarantees at a minimum, and to escalate the fees in order to drive the city into the public market, if he thinks that is a necessary action.

I think for all those reasons the amendment should not be accepted, that $1.5 billion would be better, more secure, and safer not only for New York, but for the Federal Government.

Mr. TOWER. Mr. President, will the Senator yield so that we can get the yeas and nays?

Mr. PROXMIRE. I yield.

Mr. TOWER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PROXMIRE. I yield to the Senator from New York.

Mr. JAVITS. Mr. President, this bill is really in two parts. One part is, What does New York need to get it by?

The other part is, What conditions shall be affixed to be sure that it does not abuse the privilege?

If I gage the sentiment of the Senate correctly, it wants New York City to be viable, it wants to give it what it takes to be viable, but the Senate does not want to be abused. It wants the pressure to be on the city. Therefore, Senator PROXMIRE's arguments are directed to the first part.

What do the financial experts say? I will say that Rowan, who is also a New Yorker, built up great confidence in the committee that he knew his business when it came to finance.

There are many others in this Chamber who have been business lawyers, and we know that one thing leans upon the other. The fact is there is elbow room in this amount of guarantee. Mind you, there is no budgetary impact for the $1 billion, for the $1.5 billion, or for the $2 billion in the House. The fact is this hangs together with the guarantees forming the base of the pyramid, because the go to the pension funds, which are very jittery anyhow, and which has been testified to a good deal here on the floor and in the committee. I think we are much better off going that route, bearing in mind that we want the fire while we put together restrictions on them.

The law clearly says:

The authority of the Secretary to extend guarantees under this act shall not at any one time exceed $1.5 billion.

He has absolute authority.

We have an appropriation process, in addition, which the committee has cranked into the bill.

For all of those reasons, Mr. President, unless we wish to defeat our own objective, I believe we should go the route as recommended by the chairman of the committee. Again, I know he is against the bill, but he recognizes that if we are going to do it, we have to do it right. That is what this argument is all about.

Mr. TOWER. Mr. President, I am prepared to yield back my time, but before I do so, almost in a tearful attitude, I should like to nominate the Senator from Wisconsin for consideration in the next Golden Fleece Award, that it be awarded to the distinguished Senator from Wisconsin, who has apparently taken leave of his earlier good judgment and succumbed to the plaintive cries, pleas, and entreaties of those who would feed at the public trough.

I hope he will consider that nomination seriously. I would be glad to deliberate with him and advise him before the next award is presented.

I am prepared to yield back the remainder of my time.

Mr. PROXMIRE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment. The yeas and nays have been ordered and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the

Senator from Minnesota (Mr. ANDERSON), the Senator from Arkansas (Mr. BUMPERS), the Senator from North Dakota (Mr. BURDICK), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. HASKELL), the Senator from Minnesota (Mrs. HUMPHREY), the Senator from Louisiana (Mr. LONG), the Senator from Washington (Mr. MAGNUSON), the Senator from Montana (Mr. MELCHER), the Senator from Rhode Island (Mr. PELL), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. MCGOVERN) and the Senator from Idaho (Mr. CHURCH) are absent on official business.

I further announce that, if present and voting, the Senator from Minnesota (Mrs. HUMPHREY) and the Senator from Montana (Mr. MELCHER) would each vote "nay".

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from New Mexico (Mr. DOMENICI), the Senator from Oregon (Mr. PACKWOOD), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

The result was announced—yeas 24, nays 59, as follows:

[Rollcall Vote No. 196 Leg.]

YEAS—24

Allen	Goldwater	Nunn
Bartlett	Griffin	Roth
Bentsen	Hansen	Scott
Byrd, Harry F., Jr.	Hatch	Stennis
	Helms	Thurmond
Cannon	Hollings	Tower
Curtis	Laxalt	Wallop
Eastland	McClure	
Garn	McIntyre	

NAYS—59

Abourezk	Hatfield, Paul G.	Percy
Baker		Proxmire
Bayh	Hathaway	Randolph
Biden	Hayakawa	Ribicoff
Brooke	Heinz	Riegle
Byrd, Robert C.	Hodges	Sarbanes
Case	Huddleston	Sasser
Chafee	Inouye	Schmitt
Chiles	Jackson	Schweiker
Clark	Javits	Sparkman
Cranston	Johnston	Stafford
Culver	Kennedy	Stevens
Danforth	Leahy	Stevenson
DeConcini	Lugar	Stone
Dole	Mathias	Weicker
Durkin	Matsunaga	Williams
Eagleton	Metzenbaum	Zorinsky
Ford	Morgan	
Glenn	Moynihan	
Hart	Muskie	
Hatfield, Mark O.	Nelson	
	Pearson	

NOT VOTING—17

Anderson	Gravel	Melcher
Bellmon	Haskell	Packwood
Bumpers	Humphrey	Pell
Burdick	Long	Talmadge
Church	Magnuson	Young
Domenici	McGovern	

So Mr. TOWER's amendment (No. 3083) was rejected.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

Mr. PROXMIRE. Mr. President, I yield the Senator such time as he may require.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for not more than 30 seconds.

The PRESIDING OFFICER (Mr. CHILES). Without objection, it is so ordered.

CONSUMER CONTROVERSIES RESOLUTION ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 405.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 957) to promote commerce by establishing national goals for the effective, fair, inexpensive and expeditious resolution of controversies involving consumers, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Consumer Controveries Resolution Act".

SEC. 2. FINDINGS AND PURPOSE

(a) FINDINGS.—The Congress finds and declares that—

(1) for the majority of American consumers, mechanisms for the resolution of controversies involving consumer goods and services are largely unavailable, inaccessible, ineffective, expensive, or unfair;

(2) the total amount of money involved each year in consumer controversies exceeds $100,000,000, but the amount involved in any single controversy is apt to be small, less in many cases than the cost of legal representation for the affected consumer;

(3) mechanisms for consumer controversies resolution often either are not readily available or are inadequately handling such controversies;

(4) meaningful remedies in cases of fraud, deception, or overreaching, and effective protection in cases of improper service of process, abuse of default judgments, unfair repossession of consumer goods, and other similar practices, are unavailable to most consumers;

(5) a major portion of the goods and services which form the underlying subject matter of consumer controversies flow through commerce; the circumstances of their sale and distribution to consumers affect commerce; and the unavailability of effective, fair, inexpensive, and expeditious means for the resolution of such controversies constitutes an undue burden on commerce; and

(6) while the private sector has made substantial efforts to resolve consumer disputes, and while such efforts should be encouraged and expanded, effective consumer redress will be promoted through a cooperative functioning of both public and private mechanisms.

(b) PURPOSE.—It is the purpose of the Congress in this Act to assure all consumers convenient access to consumer controversies resolution mechanisms which are effective, fair, inexpensive, and expeditious, and to promote better representation of consumer interests in appropriate forums.

SEC. 3. DEFINITIONS

As used in this Act, the term—

(1) "commerce" means trade, traffic, commerce, or transportation—

(A) between a place in a State and any place outside thereof, or

(B) which affects trade, traffic, commerce, or transportation described in clause (A);

(2) "Commission" means the Federal Trade Commission;

(3) "consumer controversies resolution mechanism" or "mechanism" includes, but is not limited to, small claims courts and procedures such as arbitration, mediation, and conciliation which are available to adjudicate, settle and redress disputes arising from the purchase or use of a product or service by a consumer;

(4) "Director" means the Director of the Office established pursuant to subsection 5(a);

(5) "local" means of or pertaining to any political subdivision within a State;

(6) "State" means any State of the United State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Canal Zone, and the Trust Territory of the Pacific Islands;

(7) "State administrator" means the individual or government agency which is designated, in accordance with State law, to supervise, direct, coordinate, or conduct a State system or State plan, is authorized to submit required reports to the Commission, and is authorized to receive and disburse money pursuant to a cooperative agreement;

(8) "State plan" means that part of a cooperative agreement, and the requirements therefor, specified in section 6(d), and such plan may either encompass the entire effort within a State to provide effective consumer controversies mechanisms, or may be directed toward one or more specific mechanism; and

(9) "State system" means all of the State-sponsored mechanisms and procedures available within a State for the resolution of controversies involving consumers, including, but not limited to, small claims courts, arbitration, mediation, and other similar mechanisms and procedures.

SEC. 4. NATIONAL GOAL

(a) NATIONAL GOAL.—There is hereby established a national goal of providing all consumers convenient access to consumer controversies, resolution mechanisms which are available, effective, fair, expeditious, and inexpensive.

(b) CONSUMER CONTROVERSIES RESOLUTION MECHANISM.—In order to achieve the national goal set forth in subsection (a) of this section, a consumer controversies resolution mechanism shall provide for—

(1) forms, rules, and procedures which are, so far as practicable, easy for potential users to understand and free from technicalities;

(2) assistance, including paralegal assistance where appropriate, to consumers in pursuing claims and collecting judgments;

(3) the adjudication or resolution of controversies during hours and on days that are convenient for consumers, including evenings and weekends;

(4) adequate arrangements for translation in areas with substantial non-English-speaking populations;

(5) an amount in controversy jurisdictional limitation which is adequate to permit most consumer controversies within its subject matter and territorial jurisdiction to be resolved therein;

(6) reasonable and fair rules and procedures, such as those which would—

(A) provide an easy way for an individual to determine the proper name in which, and the proper procedure by which, any person may be sued;

(B) encourage the early resolution of consumer controversies by, in addition to the adjudication of claims, such informal means as conciliation, mediation, or arbitration;

(C) provide for the qualifications, tenure, and duties of persons charged with resolving or assisting in the resolution of consumer controversies;

(D) permit the use of consumer controversies resolution mechanisms by assignees or collection agencies but only in a manner consistent with the purposes of this Act;

(E) provide methods for assuring that process served is actually received by defendants, including, but not limited to, procedures for supplemental notification after service of process, and that all parties are informed of the status of the case;

(F) discourage the entry of judgments by default by requiring, as a prerequisite thereto, that the appropriate judge find, after a proceeding in open court, that—

(i) the defendant was given adequate notice of claim; and

(ii) the plaintiff established a prima facie case demonstrating entitlement to judgment;

(G) ensure that all sides to a dispute are directly involved in the resolution of such dispute, and that the resolution of dispute settlement efforts is actually carried out (including promoting effective means for ensuring that judgments awarded to aggrieved individuals are paid promptly);

(H) encourage the finality of the resolution of consumer controversies; and

(I) provide useful information about other available redress mechanisms in the event that dispute settlement efforts fail or the controversy does not come within the jurisdiction of a mechanism.

(c) STATE SYSTEM.—Each State is encouraged to develop a State system which is responsive to the national goal established in subsection (a) of this section by providing—

(1) sufficient numbers and types of readily available consumer controversies resolution mechanisms which meet the requirements for such mechanisms set forth in subsection (b) of this section; and

(2) a public information program which effectively communicates to potential users the availability and location of such mechanisms and consumer complaint offices in such State.

SEC. 5. DUTIES OF THE COMMISSION

(a) OFFICE OF CONSUMER REDRESS.—The Commission shall, within 60 days after the date of the enactment of this Act, or by October 1, 1977, whichever is later—

(1) establish an Office of Consumer Redress to assist the Commission in the administration of this Act; and

(2) appoint a Director of the Office.

Such Director shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be entitled to receive compensation at a rate established by the Commission, without regard to the provisions of such title 5, but at a rate not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of such title.

(b) GENERAL.—The Commission, through the Director, consistent with the purposes and goal of this Act, shall—

(1) prescribe and publish in the Federal Register general regulations under this Act covering eligibility criteria, the order of priority in approving cooperative agreements, the terms and conditions for approving such agreements, determinations of amounts of grants, and such other regulations as it finds necessary to carry out the provisions of section 6 of this Act!;

(2) determine whether a State plan submitted to it pursuant to section 6(d) is in accordance with the purposes and goal of this Act, enter into or renew cooperative agreements with the States, and allocate and pay to the States funds appropriated for financial assistance under cooperative agreements pursuant to section 6;

(3) award discretionary grants pursuant to section 7;

(4) review, pursuant to sections 6(h) and 6(1), the operation and effectiveness of cooperative agreements and State plans which have been approved under this Act;

(5) encourage and assist in the development and implementation of innovative concepts and approaches for the resolution of controversies involving consumers by both the public and private sectors;

(6) within 12 months after the date of the enactment of this Act, formulate, promote, and thereafter revise from time to time a model small claims court act and ordinances which may then be adopted by the States;

(7) encourage the coordination and dissemination of information with respect to public and private resolution mechanisms; and

(8) take such other actions as the Commission in its discretion deems appropriate and necessary to fulfill the purposes of this Act.

SEC. 6. COOPERATIVE AGREEMENTS

(a) AUTHORITY.—The Commission, through the Director, pursuant to the procedures and requirements of this section, is authorized to enter into cooperative agreements with the States to provide financial assistance to the States for the development, establishment, improvement, or maintenance of mechanisms for the effective, fair, inexpensive, and expeditious resolution of controversies involving consumers.

(b) REQUIREMENTS FOR COOPERATIVE AGREEMENTS.—The Commission, through the Director, may enter into a cooperative agreement with any State which makes application therefor, and which—

(1) undertakes and submits, or agrees to undertake and submit, the results of a comprehensive survey of the State system and major private mechanisms within the State for the resolution of controversies involving consumers pursuant to subsection (c) of this section;

(2) formulates and submits to the Commission a satisfactory State plan for the resolution of controversies involving consumers, in accordance with subsection (d) of this section;

(3) provides for a State administrator;

(4) requires that funds expended for the development, establishment, improvement, or maintenance of the State system or of consumer controversies resolution mechanisms within the State for which application for a cooperative agreement is made are distributed in accordance with need and in a manner which would further the purposes of this Act, and which meets the requirements set forth in subsection (e) of this section;

(5) provides satisfactory assurances that consumers, including low-income consumers, have participated in the development of and have commented on the State plan, which comments shall be submitted as part of an application for a cooperative agreement; and

(6) complies with such other eligibility criteria for cooperative agreements as the Commission may establish.

(c) STATE SURVEY.—The Commission, through the Director, shall require that any State which applies to enter into a cooperative agreement under this section undertake or agree to undertake a comprehensive survey of the State system and, to the extent possible, major private mechanisms within the State, and within a reasonable amount of time as determined by the Director, submit the results of such survey. To the maximum extent practicable, such survey shall disclose (1) the nature, number, and location of consumer controversies resolution mechanisms within the State; (2) the annual expenditure and operating authority for each such mechanism; (3) the existence of any program for informing the potential users of the availability of each such mechanism; (4) an assessment of the present use of and projected demand for the services offered by each such mechanism; and (5) data on the following factors with respect to each such mechanism: (A) annual caseload; (B) amount in controversy jurisdictional limit, if any; (C) number of cases filed by corporations or partnerships and their disposition; (D) number of cases filed by individuals and their disposition; (E) availability and nature of legal or paralegal assistance; (F) number of default judgments entered each year, including an assessment of the nature of the case and the parties by category of plaintiff and method of service; and (G) copies of the rules and regulations applicable to the resolution of consumer controversies.

(d) STATE PLAN.—The Commission, through the Director, shall require that, before entering into a cooperative agreement, any State which applies for such an agreement must submit to the Commission a State plan for the resolution of controversies involving consumers. Such plan shall (1) be designed to further the goal and meet or exceed the requirements set forth in section 4 of this Act; and (2) represent an effective response to the State's need for fair, expeditious, and inexpensive resolution of consumer controversies.

(e) USE OF FUNDS.—Money appropriated for financial assistance pursuant to this section shall be available to the Director for allocation to the States under cooperative agreements. The purposes for which such funds may be used include, but are not limited to—

(1) compensation of personnel engaged in the administration, adjudication, conciliation, or settlement of controversies involving consumers, including personnel whose function it is to assist consumers in the preparation and resolution of their claims and the collection of judgments;

(2) recruiting, organizing, training, and educating personnel described in paragraph (1) of this subsection;

(3) public education and publicity relating to the availability and proper use of consumer controversies resolution mechanisms and settlement procedures;

(4) improvement or lease of buildings, rooms, and other facilities and equipment and lease or purchase of vehicles needed to improve the settlement of controversies involving consumers;

(5) continuing supervision and study of the mechanisms and settlement procedures employed in the resolution of consumer controversies within a State;

(6) research and development of effective, fair, inexpensive, and expeditious mechanisms and procedures for consumer controversies resolution; and

(7) sponsoring programs of nonprofit organizations to accomplish any of the provisions of this subsection.

(f) ENTERING INTO COOPERATIVE AGREEMENTS.—(1) Upon entering into a cooperative agreement with any State, as provided under this section, the Director shall publish in the FEDERAL REGISTER a notice of Commission approval of such application and a summary of such agreement.

(2) The Commission shall not finally disapprove any State application submitted pursuant to this section, or any modification thereof, without first affording the State reasonable notice and opportunity for a hearing. A State may submit a revised or improved application designed to better effectuate the purposes of this Act at any time.

(g) ALLOCATION OF FUNDS.—(1) In allocating funds among the States for cooperative agreements under this section, the Director shall consider, among other factors, (A) population, (B) population density, (C) need for consumer controversies resolution mechanisms, and (D) the finanical need of States applying for cooperative agreements under this section.

(2) The Federal share of the estimated cost of a cooperative agreement shall not exceed 70 percent of the total cost of such agreement. The aggregate expenditure of funds of the State and political subdivisions thereof, exclusive of Federal funds, for such purposes shall be maintained at a level which does not fall below the average level of such expenditures for the last 2 full fiscal years preceding the date of application for a cooperative agreement. Payments to a State under this section may be made in installments, in advance, or by way of reimbursement, with necessary adjustments on account of underpayment or overpayment, and may be made directly to a State or to one or more public agencies designated for this purpose by the State, or both.

(h) REVIEW.—The Director shall periodically review any cooperative agreement for the resolution of controversies involving consumers, and the implementation thereof, (1) to determine whether such agreement is being implemented in accordance with the goal and requirements of this Act, (2) to evaluate the success of such agreement in terms of the purposes of this Act, and (3) to determine whether the State is complying with the terms of such agreement. To assist such review, the State administrator in each State shall submit to the Commission, not later than 1 year after the commencement of the cooperative agreement, and by December 1 of each subsequent year, an annual report containing information in such form and detail as the Commission may require.

(i) REASONABLE NOTICE.—If the Director finds, after giving reasonable notice and an opportunity for hearing to a State receiving financial assistance under this section, that the State has failed to undertake and submit, within the time specified in the cooperative agreement, any survey required to be undertaken pursuant to section 6(c), or that the cooperative agreement or the State plan—

(1) has been so changed that it no longer complies with the provisions of this section; or

(2) as operated or maintained, fails to comply substantially with any of the provisions of this section or with the applicable plan as approved;

the Director shall notify such State of such finding of noncompliance. No further payments may be made under this section to such State by the Director until the Director is satisfied that such noncompliance has been, or promptly will be, corrected, except that the Director may authorize additional payments for any other program carried out by such State under this Act which is not involved in such noncompliance.

SEC. 7. DEMONSTRATION PROJECTS AND DISCRETIONARY GRANTS

(a) GENERAL.—The Director, in accordance with the purposes of this Act, shall promote the development of consumer controversies resolution mechanisms through research and demonstration projects or other activities that will encourage innovation in order to effectuate the purposes of this Act.

(b) DISCRETIONARY GRANTS.—Notwithstanding the provisions of section 6, the Director is authorized to make discretionary grants, in a total amount each year not to exceed 25 percent of the financial assistance appropriated under this Act.

(c) ELIGIBILITY FOR GRANTS.—The Director shall establish criteria, terms, and conditions for awarding grants for research or demonstration projects which are consistent with the purposes of this Act. Such grants may be made to units of local government, combinations of such units, or nonprofit organizations.

SEC. 8. RECORDS, AUDIT, AND ANNUAL REPORT

(a) GENERAL.—Each recipient of assistance under this Act shall keep such records as the Commission, through the Director, shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, the amount of that portion of the project or undertaking supplied by other sources, and such other records as will assist in effective financial and performance audits. This provision shall apply to all recipients of assistance under this Act, whether by cooperative agreement or discretionary grant with the Commission, through the Director, or by subgrant or subcontract from recipients of financial assistance from the Commission, through the Director, or from any State administrator receiving financial assistance under this Act.

(b) AUDIT.—The Commission or any of its designated representatives shall have access for purpose of audit and examination to any relevant books, documents, papers, and records of the recipients of grants and financial assistance under this Act.

(c) COMPTROLLER GENERAL.—The Comptroller General of the United States, or any of his duly authorized representatives, shall, until the expiration of 3 years after the completion of the program or project for which financial assistance is used, for the purpose of financial and performance audits and examination, have access to any relevant books, documents, papers, and records of recipients of such assistance under this Act.

(d) ANNUAL REPORT.—The Commission, through the Director, shall submit an annual report to the President and Congress simultaneously within 1 year of the date of the enactment of this Act and no later than February 1 of each subsequent year. Such report shall include but need not be limited to—

(1) a list of all cooperative agreements entered into, and all discretionary grants awarded;

(2) a summary of any reviews undertaken pursuant to sections 6(h) and 6(i);

(3) the results of financial and performance audits conducted pursuant to this section; and

(4) an evaluation of the effectiveness of the Commission in implementing this Act, including a detailed analysis of the extent to which the purposes and goal of this Act have been achieved, together with any recommendation for additional legislative or other action.

SEC. 9. AUTHORIZATION FOR APPROPRIATION

For purposes of this Act, there are authorized to be appropriated to the Commission not to exceed $15,000,000 for the fiscal year ending September 30, 1978, and not to exceed $25,000,000 for the fiscal year ending September 30, 1979: *Provided*, That not more than 10 percent of the amount authorized to be appropriated under this Act shall be used for Federal administrative expenses.

Mr. FORD. Mr. President, I ask unanimous consent that Senator GRIFFIN be added as a cosponsor.

Senator GRIFFIN has long been a supporter of this legislation and we are pleased to have him as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, it is with pleasure that I bring S. 957 to the floor for consideration by the full Senate. S. 957 has been reported favorably in substantially the same form three times by the Commerce Committee, and the Senate passed it in the 94th Congress. In the 1st session of the 95th Congress, after hearings and consideration by the Commerce Committee, several refinements were incorporated in the legislation and the bill was reported by the committee on May 16, 1977. The bill was then considered by the Senate Judiciary Committee. Although the full Judiciary Committee took no formal action on it, the legislation has been carefully reviewed by a number of members of that committee and their staffs. The distinguished Senator from Massachusetts, Senator KENNEDY, will shortly introduce an amendment, which is an outgrowth of this review and our mutual discussions. I have cosponsored the Kennedy amendment and I believe that we are now ready to pass S. 957, which will provide significant added protection to the public in resolving these disputes.

The need for this legislation is clear. For a large percentage of American consumers there is still no way to enforce consumer rights inexpensively, fairly, quickly, and effectively. The Small Claims Study Group and the National Institute for Consumer Justice compiled extensive documentation of problems faced by the average citizen when attempting to enforce a right, defend himself, or resolve a controversy. In August of 1976, the American Bar Association published the report of the Pound Conference Follow-Up Task Force which contained several recommendations applicable to the area of minor dispute resolution.

The need for improving existing procedures for resolving disputes involving small amounts of money, such as consumer transactions and other transactions which arise in the course of daily life, has been quite obvious to those who have examined the existing situation. As noted by the Honorable Griffin Bell:

Constitutional guarantees of human rights ring hollow if there is no forum available for their vindication. Statutory rights become empty promises if adjudication is too long delayed to make them meaningful or the value of the claim is consumed by the expense of asserting it.

The National Retail Merchants Association wrote to the committee:

S. 957 would encourage "effective, fair, inexpensive, and expeditious" resolution of consumer disputes through the establishment of appropriate dispute resolution mechanisms that would be easily accessible to consumers. NRMA believes that the goals of S. 957 are laudable, and that both consumers and retailers will benefit from the existence of systems designed to settle disputes quickly, fairly, and inexpensively. NMRA therefore supports S. 957 in principle.

The Chamber of Commerce states:

S. 957 would provide the incentive for states to study existing consumer resolution mechanism to add new mechanisms and to change old methods that are no longer serving the public as they should.

Mr. President, the foregoing statements demonstrate that there is a need for this legislation. All Americans should have access to forums which provide just settlements of even the most minor disputes. There is a need to assure ac-

cess to justice for all citizens both through more effective courts as well as through nonjudicial settlement procedures. Many distinguished commentators have stated that simple, inexpensive, and just mechanisms must be created to resolve disputes that can be effectively used by the average citizen. However, several well known consumer advocates have cautioned that in creating informal tribunals or reforming small claims courts, we must insure that we maintain a framework of procedural standards affecting consumer transactions. The programs established under S. 957 would meet these objectives.

There is a need to stimulate improvement in existing small claims courts and also to assist in the creation of alternate methods of dispute resolution. In drafting this legislation, the committee has been responsive to a recommendation from the National Institute of Consumer Justice that a modest infusion of Federal funds would stimulate local and State jurisdictions already strapped for funds to improve and create alternative forums for the resolution of minor disputes. The bill as amended will seek to provide incentives whereby the States and localities can respond to their unique needs, but through expertise and assistance from the Department of Justice satisfy those needs with the most up-to-date data and information regarding possible solutions. This legislation assures access by business to dispute resolution mechanisms created pursuant to this bill, but it continues to leave to the States the responsibility of determining the nature of such access.

There is also a need to assure that reforms and changes in existing procedures and structures will in fact benefit the average citizen. Federal financial assistance must be conditioned on adequate assurances that consumer and other types of controversies will be resolved in mechanisms that have forms and procedures that average citizens can effectively use. These forms should be open and available at times when working people will have access to them.

Mr. President, through a carefully drafted program to assist the States and localities in creating more responsive mechanisms, it is the intent of the legislation to create more responsive small claims courts or develop such mechanisms where they do not now exist. This legislation also will provide other inexpensive ways to allow the average citizen to resolve disputes in a fair and simple way. The bill seeks to provide incentives whereby the States and localities can respond to their unique needs, but through expertise and assistance from the Department of Justice satisfy those needs with the most up-to-date data and information regarding possible solutions. Several experiments have already taken place in some very successful small claims courts and other sorts or arbitration and mediation mechanisms have been operating for several years. They have demonstrated both the need for this bill and the success of the kind of programs that could be implemented under it.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. FORD. I yield to the Senator from Massachusetts.

AMENDMENT NO. 3064

(Purpose: To promote commerce by assisting States and other persons to create or develop mechanisms for the effective, fair, inexpensive, and expeditious resolution of disputes, and for other purposes)

Mr. KENNEDY. Mr. President, I call up amendment No. 3064 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection. it is so ordered. The amendment is as follows:

Strike out all after the enacting clause and insert the following:

That this Act may be cited as the "Dispute Resolution Act".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds and declares that—

(1) for the majority of Americans, mechanisms for the resolution of disputes involving consumer goods and services, as well as numerous other types of disputes involving small amounts of money, are largely unavailable, inaccessible, ineffective, expensive, or unfair;

(2) the inadequacies of dispute resolution mechanisms in the United States have resulted in dissatisfaction and many types of inadequately resolved grievances and disputes;

(3) each individual dispute, such as that between a consumer and seller, and landlord and tenant, for which adequate resolution mechanisms do not exist may be of relatively small social or economic magnitude, but taken collectively such disputes are of enormous social and economic consequence;

(4) there is a lack of necessary resources or expertise in many areas of the country to develop new or improved consumer and other necessary dispute resolution mechanisms;

(5) the inadequacy of dispute resolution mechanisms throughout the United States is contrary to the general welfare of the people;

(6) a major portion of the goods and services which form the underlying subject matter of consumer disputes and disputes involving small amounts of money flows through commerce, and the unavailability of effective, fair, inexpensive, and expeditious means for the resolution of such disputes constitutes an undue burden on commerce; and

(7) while the States and the private sector have made substantial efforts to resolve disputes, and while such efforts should be encouraged and expanded, effective redress will be promoted through a cooperative functioning of both public and private mechanisms with the support and assistance of the Congress.

(b) PURPOSE.—It is the purpose of the Congress in this Act to assist the States and other interested parties in providing to all persons convenient access to dispute resolution mechanisms that are effective, fair, inexpensive, and expeditious.

SEC. 3. DEFINITIONS.

As used in this Act, the term—

(a) "Attorney General" means the Attorney General of the United States, or his designee;

(b) "commerce" means trade, traffic, commerce, or transportation—

(1) between a place in a State and any place outside thereof, or

(2) which affects trade, traffic, commerce, or transportation described in paragraph (1);

(c) "Commission" means the Federal Trade Commission;

(d) "dispute resolution mechanism" means courts of limited jurisdiction and arbitration, mediation, conciliation, and similar procedures, and referral services, which are available to adjudicate, settle, and resolve disputes involving small amounts of money or otherwise arising in the courses of daily life;

(e) "local" means of or pertaining to any political subdivision within a State;

(f) "State" means any State of the United States, and the District of Columbia; and

(g) "State system" means all of the State-sponsored mechanisms and procedures available within a State for the resolution of consumer disputes and other civil disputes not involving large amounts of money, including, but not limited to, small claims courts, arbitration, mediation, and other similar mechanisms and procedures.

SEC. 4. CRITERIA FOR DISPUTE RESOLUTIONS MECHANISMS

(a) CRITERIA.—In order to achieve the purpose of this Act, a dispute resolution mechanism funded in whole or in part under this Act shall provide for—

(1) forms, rules, and procedures which are, so far as practicable, easy for potential users to understand and free from technicalities;

(2) assistance, including paralegal assistance where appropriate, to persons seeking the resolution of disputes;

(3) the adjudication or resolution of disputes during hours and on days that are convenient, including evenings and weekends;

(4) adequate arrangements for translation in areas with substantial non-English-speaking populations; and

(5) reasonable and fair rules and procedures, such as those which would—

(A) insure that all sides to a dispute are directly involved in the resolution of such dispute, and that such resolution is adequately implemented (including promoting effective means for insuring that a monetary award or agreement is promptly paid, and a nonmonetary award or agreement is effectively carried out);

(B) provide an easy way for an individual to determine the proper name in which, and the proper procedure by which, any person may be made a party to a dispute resolution proceeding;

(C) encourage the resolution of disputes by, in addition to adjudication, such informal means as conciliation, mediation, or arbitration;

(D) permit the use of dispute resolution mechanisms by the business community, including, but not limited to, small businesses, corporations, partnerships, and assignees;

(E) provide for the qualifications, tenure, and duties of persons, other than judicial officers, charged with resolving or assisting in the resolution of disputes;

(F) encourage the finality of the resolution of consumer and other minor disputes; and

(G) provide information about the availability of other redress mechanisms in the event that dispute settlement efforts fail or the dispute does not come wihin the jurisdiction of the mechanism.

(b) STATE SYSTEM.—Each State is encour-

age to develop a State system which is responsive to the criteria established in subsection (a) of this section by providing—

(1) sufficient numbers and types of readily available dispute resolution mechanisms which meet the requirements for such mechanisms set forth in subsection (a) of this section; and

(2) a public information program which effectively communicates to potential users the availability and location of such mechanisms and consumer complaint offices in such State.

SEC. 5. DISPUTE RESOLUTION PROGRAM.

Within 60 days after the date of enactment of this Act, there shall be established within the United States Department of Justice a dispute resolution program, to be administered at the direction of the Attorney General. Such program shall consist of the Dispute Resolution Resource Center established pursuant to section 6 of this Act and of the financial assistance authorized under section 7 of this Act.

SEC. 6. DISPUTE RESOLUTION RESOURCE CENTER.

(a) ESTABLISHMENT.—There shall be established within the United States Department of Justice, as part of the dispute resolution program established pursuant to section 5 of this Act, a Dispute Resolution Resource Center (hereinafter referred to as the "Center"). As soon as practicable after the creation of such dispute resolution program, the Attorney General shall provide for the creation of the Center and prescribe basic criteria for its operation consistent with the purposes described in subsection (b) of this section.

(b) PURPOSES.—The Center shall—

(1) serve as a national clearinghouse for the exchange of information concerning the improvement of existing and the creation of new dispute resolution mechanisms;

(2) provide technical assistance to State and local governments to improve existent and to create new mechanisms for dispute resolution;

(3) conduct research and development for the improvement of existent and creation of new dispute resolution mechanisms;

(4) undertake comprehensive surveys of the various State systems and, to the extent possible, major private dispute resolution mechanisms within the States, and each such survey shall, to the extent possible, disclose (A) the nature, number, and location of dispute resolution mechanisms within each State; (B) the annual expenditure and operating authority for each such mechanism; (C) the existence of any program for informing the potential users of the availability of each such mechanism; (D) an assessment of the present use of and projected demand for the services offered by each such mechanism; and (E) other relevant data on the types of disputes handled by each such mechanism, such as disputes between consumers and sellers, landlords and tenants, and any other relevant categories of cases;

(5) identify, after consultation with the Commission, those dispute resolution mechanisms or aspects thereof that—

(i) are consistent with the provisions of section 4;

(ii) are most effective and fair to all parties in the resolution of disputes; and

(iii) are suitable for general replication.

Consideration shall also be given to the need for the program to provide new or improved mechanisms for the resolution of all types of minor disputes. Mechanisms or aspects thereof so identified shall be certified as "national priority projects"; and

(6) make grants to, or enter into contracts with, to the extent provided in appropriation Acts, public agencies, institutions of higher education, or private organizations to conduct research, demonstrations, or special projects to implement paragraphs (1) through (5).

SEC. 7. FINANCIAL ASSISTANCE.

(a) AUTHORITY.—As part of the dispute resolution program established under section 5 of this Act, the Attorney General is authorized to provide financial assistance in the form of grants to applicants who have filed, pursuant to subsection (c) of this section, applications for the purpose of improving existent or creating new dispute resolution mechanisms.

(b) DUTIES OF THE ATTORNEY GENERAL.—As soon as practicable after the date of enactment of this Act, the Attorney General shall prescribe—

(1) the form and content of the applications for assistance to be submitted as set forth in subsection (c) of this section;

(2) the time schedule for submission of applications for assistance available under this section;

(3) the procedures for approval of applications submitted under this section, and for notification to each State of all funds awarded to applicants within such State;

(4) the specific criteria for the distribution of funds received by applicants under this section, consistent with the limitations contained in section 4 and subsection (e) of this section and after consultation with the Commission;

(5) the form and content of the reports to be filed under this section as may be reasonably necessary to monitor compliance with the requirements of this Act and to evaluate the effectiveness of projects funded under this Act and the procedures to be followed by the Department of Justice in reviewing such reports;

(6) the uses to which funds received under this section may be put consistent with those set forth under subsection (d) of this section; and

(7) procedures for publishing in the Federal Register a notice and summary of approved applications.

(c) ELIGIBILITY REQUIREMENTS.—Nonprofit organizations, agencies of State governments, and units of local governments are eligible to receive assistance under this section. Any such entity desiring to receive grant funds under this section shall submit to the Attorney General an application consistent with the criteria set forth in section 4 of this Act and such specific criteria as the Attorney General may establish under paragraph (4) of subsection (b) of this section. Such application shall—

(1) set forth a proopsed plan for improving or creating dispute resolution mechanisms for which financial assistance is sought;

(2) identify the person responsible for the administration of the project set forth in the application;

(3) provide for the establishment of fiscal controls and fund accounting of Federal funds paid pursuant to this Act;

(4) provide for the submission of reports in such form and containing such information as the Attorney General may require under subsection (b) of this section;

(5)(A) meet the criteria of the national priority projects program of the Center, or (B) identify the project proposed therein as not meeting the criteria of the national priority projects program and request funding as an exception thereto in such manner, on such forms, and pursuant to such specific criteria as the Attorney General may prescribe pursuant to paragraph (2) of subsection (e) of this section; and

(6) set forth the nature and extent of participation of interested parties, including consumers, in the development of the application.

(d) USE OF FUNDS.—(1) Funds available under this section may be used only for the following purposes:

(A) compensation of personnel engaged in the administration, adjudication, conciliation, or settlement of disputes, including personnel whose function it is to assist in the preparation and resolution of claims and the collection of judgments;

(B) recruiting, organizing, training, and educating personnel described in subparagraph (A) of this subsection;

(C) improvement or lease of buildings, rooms, and other facilities and equipment and lease or purchase of vehicles needed to improve the settlement of disputes;

(D) continuing monitoring and study of the mechanisms and settlement procedures employed in the resolution of disputes within a State;

(E) research and development of effective, fair, inexpensive, and expeditious mechanisms and procedures for the resolution of disputes;

(F) sponsoring programs of nonprofit organizations to accomplish any of the provisions of this subsection; and

(G) other necessary expenditures directly related to the operation of new or improved dispute resolution mechanisms.

(2) Funds available under this section may not be used for the compensation of attorneys for the representation of disputants or claimants or for attorneys otherwise providing assistance in any adversary capacity.

(e) DISTRIBUTION OF FUNDS.—(1) One-half of the funds available for the purpose of making grants under this section shall be reserved for equal distribution among the States from which applications have been received for projects which are identified as national priority projects and which are approved by the Attorney General. The sum of all grants awarded in any State under this subsection shall be (A) an amount equal to the entitlement of such State; or (B) an amount up to the entitlement of such State, if approved applications for funds under this paragraph are, in total, in an amount less than such State's entitlement. Funds available under this paragraph shall be awarded to applicants in such amounts as the Attorney General may decide.

(2) One-half of the funds available for the purpose of making grants under this section shall be reserved for the awarding of discretionary grants by the Attorney General. Such grants may be made to fund applications that were not funded under paragraph (1) of this subsection, to applications for projects that do not meet the criteria of the national priority projects program, or to research and demonstration projects or other activities that will encourage innovation in order to effectuate the purpose of this Act. The Attorney General shall, in consultation with the Commission, establish specific criteria, terms, and conditions for awarding grants under this paragraph. Such criteria, terms, and conditions shall include consideration of: (1) population and population density; (2) the financial need of States and localities in which applicants for funds available under this section are located; (3) the need in the State and locality for the type of dispute resolution mechanism proposed; and (4) the national need for experience with the type of mechanism proposed, including the need to further the goal that for all types of disputes there be dispute resolution mechanisms available.

(f) PAYMENTS TO GRANTEES.—When the Attorney General has approved an application submitted under subsection (e)(1), he shall pay to the applicant the Federal share of the estimated cost of the approved project. The Federal share of the estimated cost of projects funded pursuant to applications submitted under subsection (e)(1) shall be 100 percent for the first fiscal year in which funds are appropriated for grants under this section; 90 percent for the second fiscal year in which funds are appropriated for grants under this section; 75 percent for the third

fiscal year in which funds are appropriated for grants under this section; and 60 percent for the fourth fiscal year in which funds are appropriated for grants under this section. When the Attorney General has approved an application under subsection (e)(2), he shall pay to the applicant the amount which he in his discretion determines appropriate. The aggregate expenditure of funds of the State and political subdivisions thereof, exclusive of Federal funds, for such purposes shall be maintained at a level which does not fall below the average level of such expenditures for the last 2 fiscal years preceding the date of application for funding. Payments made pursuant to this subsection may be made in installments, in advance, or by way of reimbursement, with necessary adjustments on account of underpayment or overpayment, but shall not be used to compensate, directly or indirectly, for any administrative expense incurred in applying for funds under this Act.

(g) SUSPENSION OF PAYMENTS.—Whenever the Attorney General, after giving reasonable notice and opportunity for hearing to any recipient of a grant under this subsection, finds that the project for which such grant was received no longer complies with the provisions of this Act, or with the relevant application as approved by the Attorney General, the Attorney General shall notify such recipient of his findings and no further payments may be made to such recipient by the Attorney General until he is satisfied that such noncompliance has been, or promptly will be, corrected. However, the Attorney General may authorize the continuance of payments with respect to any program pursuant to this Act which is being carried out by such recipient and which is not involved in the noncompliance.

(h) No funds for assistance available under this section shall be expended until one year after the date of enactment of this Act.

SEC. 8. RECORDS, AUDIT, AND ANNUAL REPORT.

(a) GENERAL.—Each recipient of assistance under this Act shall keep such records as the Attorney General or his designee shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, the amount of that portion of the project or undertaking supplied by other sources, and such other records as will assist in effective financial and performance audits. This provision shall apply to all recipients of assistance under this Act.

(b) AUDIT.—The Attorney General or his designee shall have access for purposes of audit and examination to any relevant books, documents, papers, and records of the recipients of financial assistance under this Act.

(c) COMPTROLLER GENERAL.—The Comptroller General of the United States, or any of his duly authorized representatives, shall, until the expiration of 3 years after the final year of the receipt of any financial assistance under this Act, for the purpose of financial and performance audits and examination, have access to any relevant books, documents, papers, and records of recipients of such assistance under this Act.

(d) ANNUAL REPORT.—The Attorney General, in consultation with the Commission, shall submit to the President and Congress on or before the 365th day following the enactment of this Act, and on or before February 1 of each succeeding year, a report on the administration of this Act during the preceding fiscal year. Such report shall include but not be limited to—

(1) a list of all grants awarded;

(2) a summary of any actions undertaken in accordance with section 7(g) of this Act;

(3) a listing of the projects designated as national priority projects for that year and the types of other dispute resolution mechanisms which are being created, and, to the extent possible, a statement as to the success of all mechanisms in achieving the purpose of this Act;

(4) the results of financial and performance audits conducted pursuant to this section; and

(5) an evaluation of the effectiveness of the Center in implementing this Act, including a detailed analysis of the extent to which the purpose and goal of this Act have been achieved, together with any recommendation for additional legislative or other action.

SEC. 9. AUTHORIZATION FOR APPROPRIATIONS.

(a) To carry out the purposes of the section 6 of this Act, there are authorized to be appropriated to the Attorney General not to exceed $3,000,000 for the fiscal year ending September 30, 1978; not to exceed $3,000,000 for the fiscal year ending September 30, 1979; not to exceed $3,000,000 for the fiscal year ending September 30, 1980; not to exceed $3,000,000 for the fiscal year ending September 30, 1981; and not to exceed $3,000,000 for the fiscal year ending September 30, 1982.

(b) To carry out the purposes of section 7 of this Act, there are authorized to be appropriated not to exceed $15,000,000 for the fiscal year ending September 30, 1979; not to exceed $15,000,000 for the fiscal year ending September 30, 1980; not to exceed $15,000,000 for the fiscal year ending September 30, 1981; and not to exceed $15,000,000 for the fiscal year ending September 30, 1982. Such sums shall remain available until expended.

SEC. 10. THE FEDERAL TRADE COMMISSION.

The Federal Trade Commission shall hire and assign applicants for employment and shall promote, train, discipline, demote and dismiss employees on the basis of individual merit, without regard to race, color, sex, religion, or national origin, and without engaging in any act or practice which has the purpose or the effect of illegal discrimination against any individual because of his or her race, color, sex, religion, or national origin.

Mr. KENNEDY. Mr. President, last fall, I introduced an amendment in the nature of a substitute (Amendment No. 1623) to S. 957, the Consumer Controversies Resolution Act. In my floor statement on November 4, I spoke about the need for and the scope of my amendment, which had been drafted after numerous discussions and meetings with the Committee on Commerce, Science and Transportation and the Department of Justice's office for improvements in the administration of justice.

In the past few months, since the introduction of my amendment, a number of citizen and business groups, Members of Congress, and various organizations of judges and lawyers have commented on the amendment and have provided excellent recommendations for improving it. Senator FORD and I have incorporated many of the suggestions which have been made into a revised amendment (Amendment No. 3064) which I introduced last week, because they not only streamline the grant process, but also more clearly and more specifically define the focus and intent of the original amendment.

The need for informal mechanisms which citizens can use as alternative forums for resolving daily disputes has been documented repeatedly over the past few years. The critical ingredients for success are that these mechanisms be fair, effective, inexpensive and expeditious. S. 957, as modified by the revised amendment, is an important step toward encouraging the States to experiment with innovative approaches and to develop alternative methods for the resolution of citizen disputes.

Mr. McCLURE. Will the Senator yield?

Mr. KENNEDY. I would be happy to yield.

Mr. McCLURE. Mr. President, I rise in support of the Kennedy amendment and also to commend all of those who have worked on S. 957 for their efforts in taking a poorly drafted bill and turning it into a precise and tightly knit statement of legislative intent. While I do not wholly agree with the concept of giving the Federal Government jurisdiction over the operation of State courts, I feel that negotiations between liberals and conservatives have produced a bill which spells out the role of the Federal Government with sufficient precision to minimize the possibility for abuse. Having obtained this objective, I bow to what I perceive to be the will of this body.

Throughout our consideration of S. 957, my high regard for the good intentions and valid concerns of the proponents of that legislation has remained unabated. I have been concerned, however, about the very sensitive area of State court independence. And this concern has led to a feeling that this was an inappropriate area to paint with the broad legislative brushstrokes which we have applied elsewhere.

Because both the sponsors and the opponents of S. 957 had in common a fairly clear notion of what the bill is to accomplish, I have used this as a test of my belief that Congress is capable of determining what it wants to do with a program and of spelling out that intention in enabling legislation. That we have passed this test masterfully is, I believe, a refutation of the notion that Congress must grant the executive branch extensive powers which it does not use in order to insure that it does not lack the power which it needs. This legislative philosophy has too frequently led to abuse of broad statutory grants of authority, as agencies fell into the hands of officials whose intentions for it were broader than those of the founders.

I believe these to be our major accomplishments:

First, we have laid out in specific terms the types of mechanisms which we wish to fund and the uses to which funds may be put. Earlier bills had, in my opinion, left open the door for funding of advocacy activities, resembling in some ways the recently defeated Consumer Protection Agency.

Second, we have delineated the demands which the Federal Government could make on recipients. Thus, the role of the Justice Department will be to monitor funded mechanisms in order to insure that they creatively and effectively carry out the adjudicative role envisioned by the bill, but will not be to tamper with the substantive output of those mechanisms.

Third, we transferred the funding apparatus from the Federal Trade Commission to the Justice Department, pur-

suant to our belief that the bill should create and augment adjudicative mechanisms, but should not do so in a way designed to affect the substantive output of those mechanisms.

My staff and I have been assured that the agreements in fact codify the intent of the drafters, and that there is no intent to reverse this compromise in the House, in conference, or in legislation introduced in some subsequent Congress. I in turn will personally sponsor any perfecting legislation necessary to insure that the Dispute Resolution Resource Center and the Attorney General have the authority necessary to carry out our common intent.

I hope what we have done here will serve as a model of appropriate exercise of congressional responsibility for the programs which it creates. Special credit goes to John Beale of the Justice Department, Dr. James McClellan of Senator HATCH'S staff, Rob Lyons of Senator THURMOND'S staff, Robert McNamara of Senator KENNEDY'S staff, Quentin Crommelin of Senator ALLEN'S staff, Steve Holloway of the Commerce Committee minority staff, and Dan Jaffe and of the Commerce majority.

Before proceeding to final consideration, there are a few questions which I would like to clarify with the sponsors of the bill and amendment.

First of all, what do the sponsors of the bill intend the level of funding to be if the program is beyond the initial 4 years?

Mr. FORD. It is the intention of the sponsors of this legislation that, should the program be extended beyond the initial 4-year period, the level of funding will not increase substantially, other than to compensate for inflation. The legislation provides for a resource center and startup funds for the States, and the level of funding provided in the bill is the appropriate level for that purpose.

Mr. McCLURE. How much of the money in the bill is to be expended for administrative costs?

Mr. KENNEDY. The bill provides that no money may be expended at the State or local level for the purpose of preparing, processing, or filing applications. Furthermore, there is no need for any State administrative apparatus to implement the program established by the bill.

At the Federal level, the administration has assured the sponsors that the program will be administered as efficiently as possible. Thus, it is the intention of the sponsors that the administrative expenses be kept to a minimum.

Mr. McCLURE. Do the sponsors intend that the funds expended under this legislation may be used for resolving high visibility public disputes?

Mr. FORD. The sponsors intend that funds expended under this legislation shall be used to fund mechanisms for the resolution of private disputes between individuals that arise in the course of daily life, not high visibility public disputes.

Mr. McCLURE. Do the sponsors intend that funds may be expended under this legislation to develop or promote changes in the substantive law governing the resolution of disputes?

Mr. KENNEDY. The sponsors of this legislation intend that funds may be expended under this legislation only to improve the mechanisms and procedures for dispute resolution, and not for substantive law reform.

Mr. McCLURE. What is the effect of section 10 of the bill on special recruitment programs for minority group members?

Mr. FORD. Consistent with existing law, which section 10 reflects, the Federal Trade Commission may make special efforts to seek qualified minority applicants and to insure that all employees receive the types of assignments and delegation of responsibility required for promotion.

Mr. McCLURE. I thank the Senators.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and read the third time, and passed, as follows:

S. 957

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Dispute Resolution Act".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds and declares that—

(1) for the majority of Americans, mechanisms for the resolution of disputes involving consumer goods and services, as well as numerous other types of disputes involving small amounts of money, are largely unavailable, inaccessible, ineffective, expensive, or unfair;

(2) the inadequacies of dispute resolution mechanisms in the United States have resulted in dissatisfaction and many types of inadequately resolved grievances and disputes;

(3) each individual dispute, such as that between a consumer and seller, and landlord and tenant, for which adequate resolution mechanisms do not exist may be of relatively small social or economic magnitude, but taken collectively such disputes are of enormous social and economic consequence;

(4) there is a lack of necessary resources or expertise in many areas of the country to develop new or improved consumer and other necessary dispute resolution mechanisms;

(5) the inadequacy of dispute resolution mechanisms throughout the United States is contrary to the general welfare of the people;

(6) a major portion of the goods and services which form the underlying subject matter of consumer disputes and disputes involving small amounts of money flows through commerce, and the unavailability of effective, fair, inexpensive, and expeditious means for the resolution of such disputes constitutes an undue burden on commerce; and

(7) while the States and the private sector have made substantial efforts to resolve disputes, and while such efforts should be encouraged and expanded, effective redress will be promoted through a cooperative functioning of both public and private mechanisms with the support and assistance of the Congress.

(b) PURPOSE.—It is the purpose of the Congress in this Act to assist the States and other interested parties in providing to all persons convenient access to dispute resolution mechanisms that are effective, fair, inexpensive, and expeditious.

SEC. 3. DEFINITIONS.

As used in this Act, the term—

(a) "Attorney General" means the Attorney General of the United States, or his designee;

(b) "commerce" means trade, traffic, commerce, or transportation—

(1) between a place in a State and any place outside thereof, or

(2) which affects trade, traffic, commerce, or transportation described in paragraph (1);

(c) "Commission" means the Federal Trade Commission;

(d) "dispute resolution mechanism" means courts of limited jurisdiction and arbitration, mediation, conciliation, and similar procedures, and referral services, which are available to adjudicate, settle, and resolve disputes involving small amounts of money or otherwise arising in the courses of daily life;

(e) "local" means of or pertaining to any political subdivision within a State;

(f) "State" means any State of the United States, and the District of Columbia; and

(g) "State system" means all of the State-sponsored mechanisms and procedures available within a State for the resolution of consumer disputes and other civil disputes not involving large amounts of money, including, but not limited to, small claims courts, arbitration, mediation, and other similar mechanisms and procedures.

SEC. 4. CRITERIA FOR DISPUTE RESOLUTIONS MECHANISMS.

(a) CRITERIA.—In order to achieve the purpose of this Act, a dispute resolution mechanism funded in whole or in part under this Act shall provide for—

(1) forms, rules, and procedures which are, so far as practicable, easy for potential users to understand and free from technicalities;

(2) assistance, including paralegal assistance where appropriate, to persons seeking the resolution of disputes;

(3) the adjudication or resolution of disputes during hours and on days that are convenient, including evenings and weekends;

(4) adequate arrangements for translation in areas with substantial non-English-speaking populations; and

(5) reasonable and fair rules and procedures, such as those which would—

(A) insure that all sides to a dispute are directly involved in the resolution of such dispute, and that such resolution is adequately implemented (including promoting effective means for insuring that a monetary award or agreement is promptly paid, and a nonmonetary award or agreement is effectively carried out);

(B) provide an easy way for an individual to determine the proper name in which, and the proper procedure by which, any person may be made a party to a dispute resolution proceeding;

(C) encourage the resolution of disputes by, in addition to adjudication, such informal means as conciliation, mediation, or arbitration;

(D) permit the use of dispute resolution mechanisms by the business community, including, but not limited to, small businesses, corporations, partnerships, and assignees;

(E) provide for the qualifications, tenure and duties of persons, other than judicial

officers, charged with resolving or assisting in the resolution of disputes;

(F) encourage the finality of the resolution of consumer and other minor disputes; and

(G) provide information about the availability of other redress mechanisms in the event that dispute settlement efforts fail or the dispute does not come within the jurisdiction of the mechanism.

(b) STATE SYSTEM.—Each State is encouraged to develop a State system which is responsive to the criteria established in subsection (a) of this section by providing—

(1) sufficient numbers and types of readily available dispute resolution mechanisms which meet the requirements for such mechanisms set forth in subsection (a) of this section; and

(2) a public information program which effectively communicates to potential users the availability and location of such mechanisms and consumer complaint offices in such State.

SEC. 5. DISPUTE RESOLUTION PROGRAM

Within 60 days after the date of enactment of this Act, there shall be established within the United States Department of Justice a dispute resolution program, to be administered at the direction of the Attorney General. Such program shall consist of the Dispute Resolution Resource Center established pursuant to section 6 of this Act and of the financial assistance authorized under section 7 of this Act.

SEC. 6. DISPUTE RESOLUTION RESOURCE CENTER.

(a) ESTABLISHMENT.—There shall be established within the United States Department of Justice, as part of the dispute resolution program established pursuant to section 5 of this Act, a Dispute Resolution Resource Center (hereinafter referred to as the "Center"). As soon as practicable after the creation of such dispute resolution program, the Attorney General shall provide for the creation of the Center and prescribe basic criteria for its operation consistent with the purposes described in subsection (b) of this section.

(b) PURPOSES.—The Center shall—

(1) serve as a national clearinghouse for the exchange of information concerning the improvement of existing and the creation of new dispute resolution mechanisms;

(2) provide technical assistance to State and local governments to improve existent and to create new mechanisms for dispute resolution;

(3) conduct research and development for the improvement of existent and creation of new dispute resolution mechanisms;

(4) undertake comprehensive surveys of the various State systems and, to the extent possible, major private dispute resolution mechanisms within the States, and each such survey shall, to the extent possible, disclose (A) the nature, number, and location of dispute resolution mechanisms within each State; (B) the annual expenditure and operating authority for each such mechanism; (C) the existence of any program for informing the potential users of the availability of each such mechanism; (D) an assessment of the present use of and projected demand for the services offered by each such mechanism; and (E) other relevant data on the types of disputes handled by each such mechanism, such as disputes between consumers and sellers, landlords and tenants, and any other relevant categories of cases;

(5) identify, after consultation with the Commission, those dispute resolution mechanisms or aspects thereof that—

(i) are consistent with the provisions of section 4;

(ii) are most effective and fair to all parties in the resolution of disputes; and

(iii) are suitable for general replication. Consideration shall also be given to the need for the program to provide new or improved mechanisms for the resolution of all types of minor disputes. Mechanisms or aspects thereof so identified shall be certified as "national priority projects"; and

(6) make grants to, or enter into contracts with, to the extent provided in appropriation Acts, public agencies, institutions of higher education, or private organizations to conduct research, demonstrations, or special projects to implement paragraphs (1) through (5).

SEC. 7. FINANCIAL ASSISTANCE.

(a) AUTHORITY.—As part of the dispute resolution program established under section 5 of this Act, the Attorney General is authorized to provide financial assistance in the form of grants to applicants who have filed, pursuant to subsection (c) of this section, applications for the purpose of improving existent or creating new dispute resolution mechanisms.

(b) DUTIES OF THE ATTORNEY GENERAL.—As soon as practicable after the date of enactment of this Act, the Attorney General shall prescribe—

(1) the form and content of the applications for assistance to be submitted as set forth in subsection (c) of this section;

(2) the time schedule for submission of applications for assistance available under this section;

(3) the procedures for approval of applications submitted under this section, and for notification to each State of all funds awarded to applicants within such State;

(4) the specific criteria for the distribution of funds received by applicants under this section, consistent with the limitations contained in section 4 and subsection (e) of this section and after consultation with the Commission;

(5) the form and content of the reports to be filed under this section as may be reasonably necessary to monitor compliance with the requirements of this Act and to evaluate the effectiveness of projects funded under this Act and the procedures to be followed by the Department of Justice in reviewing such reports;

(6) the uses to which funds received under this section may be put consistent with those set forth under subsection (d) of this section; and

(7) procedures for publishing in the Federal Register a notice and summary of approved applications.

(c) ELIGIBILITY REQUIREMENTS.—Nonprofit organizations, agencies of State governments, and units of local governments are eligible to receive assistance under this section. Any such entity desiring to receive grant funds under this section shall submit to the Attorney General an application consistent with the criteria set forth in section 4 of this Act and such specific criteria as the Attorney General may establish under paragraph (4) of subsection (b) of this section. Such application shall—

(1) set forth a proposed plan for improving or creating dispute resolution mechanisms for which financial assistance is sought;

(2) identify the person responsible for the administration of the project set forth in the application;

(3) provide for the establishment of fiscal controls and fund accounting of Federal funds paid pursuant to this Act;

(4) provide for the submission of reports in such form and containing such information as the Attorney General may require under subsection (b) of this section;

(5)(A) meet the criteria of the national priority projects program of the Center, or (B) identify the project proposed therein as not meeting the criteria of the national priority projects program and request funding as an exception thereto in such manner, on such forms, and pursuant to such specific criteria as the Attorney General may prescribe pursuant to paragraph (2) of subsection (e) of this section; and

(6) set forth the nature and extent of participation of interested parties, including consumers, in the development of the application.

(d) USE OF FUNDS.—(1) Funds available under this section may be used only for the following purposes:

(A) compensation of personnel engaged in the administration, adjudication, conciliation, or settlement of disputes, including personnel whose function it is to assist in the preparation and resolution of claims and the collection of judgments;

(B) recruiting, organizing, training, and educating personnel described in subparagraph (A) of this subsection;

(C) improvement or lease of buildings, rooms, and other facilities and equipment and lease or purchase of vehicles needed to improve the settlement of disputes;

(D) continuing monitoring and study of the mechanisms and settlement procedures employed in the resolution of disputes within a State;

(E) research and development of effective, fair, inexpensive, and expeditious mechanisms and procedures for the resolution of disputes;

(F) sponsoring programs of nonprofit organizations to accomplish any of the provisions of this subsection; and

(G) other necessary expenditures directly related to the operation of new or improved dispute resolution mechanisms.

(2) Funds available under this section may not be used for the compensation of attorneys for the representation of disputants or claimants or for attorneys otherwise providing assistance in any adversary capacity.

(e) DISTRIBUTION OF FUNDS.—(1) One-half of the funds available for the purpose of making grants under this section shall be reserved for equal distribution among the States from which applications have been received for projects which are identified as national priority projects and which are approved by the Attorney General. The sum of all grants awarded in any State under this subsection shall be (A) an amount equal to the entitlement of such State; or (B) an amount up to the entitlement of such State, if approved applications for funds under this paragraph are, in total, in an amount less than such State's entitlement. Funds available under this paragraph shall be awarded to applicants in such amounts as the Attorney General may decide.

(2) One-half of the funds available for the purpose of making grants under this section shall be reserved for the awarding of discretionary grants by the Attorney General. Such grants may be made to funds applications that were not funded under paragraph (1) of this subsection, to applications for projects that do not meet the criteria of the national priority projects program, or to research and demonstration projects or other activities that will encourage innovation in order to effectuate the purpose of this Act. The Attorney General shall, in consultation with the Commission, establish specific criteria, terms, and conditions for awarding grants under this paragraph. Such criteria, terms, and conditions shall include consideration of: (1) population and population density; (2) the financial need of States and localities in which applicants for funds available under this section are located; (3) the need in the State and locality for the type of dispute resolution mechanism proposed; and (4) the national need for experience with the type of mechanism proposed, including the need to further the goal that for all types of disputes there be dispute resolution mechanisms available.

(f) PAYMENTS TO GRANTEES.—When the Attorney General has approved an applica-

tion submitted under subsection (e)(1), he shall pay to the applicant the Federal share of the estimated cost of the approved project. The Federal share of the estimated cost of projects funded pursuant to applications submitted under subsection (e)(1) shall be 100 percent for the first fiscal year in which funds are appropriated for grants under this section; 90 percent for the second fiscal year in which funds are appropriated for grants under this section; 75 percent for the third fiscal year in which funds are appropriated for grants under this section; and 60 percent for the fourth fiscal year in which funds are appropriated for grants under this section. When the Attorney General has approved an application under subsection (e)(2), he shall pay to the applicant the amount which he in his discretion determines appropriate. The aggregate expenditure of funds of the State and political subdivisions thereof, exclusive of Federal funds, for such purposes shall be maintained at a level which does not fall below the average level of such expenditures for the last 2 fiscal years preceding the date of application for funding. Payments made pursuant to this subsection may be made in installments, in advance, or by way of reimbursement, with necessary adjustments on account of underpayment or overpayment, but shall not be used to compensate, directly or indirectly, for any administrative expense incurred in applying for funds under this Act.

(g) SUSPENSION OF PAYMENTS.—Whenever the Attorney General, after giving reasonable notice and opportunity for hearing to any recipient of a grant under this subsection, finds that the project for which such grant was received no longer complies with the provisions of this Act, or with the relevant application as approved by the Attorney General, the Attorney General shall notify such recipient of his findings and no further payments may be made to such recipient by the Attorney General until he is satisfied that such noncompliance has been, or promptly will be, corrected. However, the Attorney General may authorize the continuance of payments with respect to any program pursuant to this Act which is being carried out by such recipient and which is not involved in the noncompliance.

(h) No funds for assistance available under this section shall be expended until one year after the date of enactment of this Act.

SEC. 8. RECORDS, AUDIT, AND ANNUAL REPORT.

(a) GENERAL.—Each recipient of assistance under this Act shall keep such records as the Attorney General or his designee shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, the amount of that portion of the project or undertaking supplied by other sources, and such other records as will assist in effective financial and performance audits. This provision shall apply to all recipients of assistance under this Act.

(b) AUDIT.—The Attorney General or his designee shall have access for purposes of audit and examination to any relevant books, documents, papers, and records of the recipients of financial assistance under this Act.

(c) COMPTROLLER GENERAL.—The Comptroller General of the United States, or any of his duly authorized representatives, shall, until the expiration of 3 years after the final year of the receipt of any financial assistance under this Act, for the purpose of financial and performance audits and examination, have access to any relevant books, documents, papers, and records of recipients of such assistance under this Act.

(d) ANNUAL REPORT.—The Attorney General, in consultation with the Commission, shall submit to the President and Congress on or before the 365th day following the enactment of this Act, and on or before February 1 of each succeeding year, a report on the administration of this Act during the preceding fiscal year. Such report shall include but not be limited to—

(1) a list of all grants awarded;

(2) a summary of any actions undertaken in accordance with section 7(g) of this Act;

(3) a listing of the projects designated as national priority projects for that year and the types of other dispute resolution mechanisms which are being created, and, to the extent possible, a statement as to the success of all mechanisms in achieving the purpose of this Act;

(4) the results of financial and performance audits conducted pursuant to this section; and

(5) an evaluation of the effectiveness of the Center in implementing this Act, including a detailed analysis of the extent to which the purpose and goal of this Act have been achieved, together with any recommendation for additional legislative or other action.

SEC. 9. AUTHORIZATION FOR APPROPRIATIONS.

(a) To carry out the purposes of section 6 of this Act, there are authorized to be appropriated to the Attorney General not to exceed $3,000,000 for the fiscal year ending September 30, 1978; not to exceed $3,000,000 for the fiscal year ending September 30, 1979; not to exceed $3,000,000 for the fiscal year ending September 30, 1980; not to exceed $3,000,000 for the fiscal year ending September 30, 1981; and not to exceed $3,000,000 for the fiscal year ending September 30, 1982.

(b) To carry out the purposes of section 7 of this Act, there are authorized to be appropriated not to exceed $15,000,000 for the fiscal year ending September 30, 1979; not to exceed $15,000,000 for the fiscal year ending September 30, 1980; not to exceed $15,000,000 for the fiscal year ending September 30, 1981; and not to exceed $15,000,000 for the fiscal year ending September 30, 1982. Such sums shall remain available until expended.

SEC. 10. THE FEDERAL TRADE COMMISSION.

The Federal Trade Commission shall hire and assign applicants for employment and shall promote, train, discipline, demote and dismiss employees on the basis of individual merit, without regard to race, color, sex, religion, or national origin, and without engaging in any act or practice which has the purpose or the effect of illegal discrimination against any individual because of his or her race, color, sex, religion, or national origin.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed and move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended so as to read:

A bill to promote commerce by establishing a national goal for the development and maintenance of effective, fair, inexpensive, and expeditious mechanisms for the resolution of consumer controversies, and for other purposes.

NEW YORK CITY LOAN GUARANTEE ACT OF 1978

The Senate continued with the consideration of H.R. 12426.

UP AMENDMENT NO. 1392

Mr. MORGAN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. MORGAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

The following paragraph would be added as Subsection (d) to Section 3 of the bill, and would be inserted between lines 10 and 11 on page 13 of H.R. 12426 as reported out by the Senate Committee on Banking, Housing and Urban Affairs:

(d) After June 30, 1979, no guaranty may be made under this Act unless the City and the State shall have taken whatever legislative steps may be necessary to remove rent controls over privately owned non-subsidized rental housing units in the City when vacancies occur in those units after June 30, 1979, which units shall remain free of all City or State rent controls during the period that any guarantees under this Act remain outstanding.

Mr. MORGAN. Mr. President, I realize that the hour is late. I assure my colleagues that my amendment will only take just a few moments. I intend, I say now, to withdraw it before a vote. But it has to do with a very important point that I feel strongly about.

Mr. STENNIS. Mr. President, may we have order so the Senator can be heard?

The PRESIDING OFFICER. The Senate will be in order, and conversations will be taken to the cloakrooms. Senators will please take their seats.

Mr. MORGAN. Mr. President, this amendment would provide that no guarantees could be made after July 1 of next year unless the city of New York and the State of New York shall have taken whatever legislative steps might be necessary to remove rent controls on apartments that become vacant after that date.

Mr. President, this is a very important issue that the Banking Committee has discussed and addressed itself to for 3 years or so now on every occasion that the problems of the city of New York have been considered.

As a matter of fact, if I recall correctly, the report language 3 years ago called attention to the effect that rent controls were having on the tax base in the city of New York.

The committee stated then, and I quote:

The committee finds that the rent control program administered under State law is a major cause of the decline of New York City's housing stock and the erosion of its real estate tax base. The committee recommends that the city and State confront this problem squarely and, if necessary, take the actions needed to phase out rent control.

I think my distinguished chairman will confirm this when I say that during each oversight hearing we have had since the passage of the original bill, the Banking Committee has made inquiry as to what if anything has been done and has generally expressed its concern about the effects of rent control in the city of New York.

Generally, Mr. President, it is not our business in this Senate to tell the city of New York whether they should have rent control or not. But when they come to us with a financial situation in a city where the tax base is continuing to

deteriorate to a large degree because of such a program, then I think it is appropriate that we address ourselves to this question.

There was testimony before the Banking Committee that the city has failed to implement a phaseout program over the period of 2½ to 3 years and that during this period of time the New York City Department of Finance reported a decline in assessed valuation of real estate in New York City of more than $2.5 billion.

The city comptroller reported on the cancellation and remission of $815 million in real estate taxes.

The city comptroller reported cumulative unpaid real estate taxes of more than $1.2 billion.

New York City's decline continues.

Mr. President, normally, it is nice to talk about rent controls protecting the low-income individuals, and that would be nice if we could do that without having any harmful effect on others. But the sad truth about the matter is that many landlords are simply abandoning their property, or they are caught in an unprofitable situation.

I could go on and cite the figures I have before me about the small number of apartments that are being built and the abuses of the program.

For instance, I have here a newspaper article from the Daily News which points out that the mayor himself lives in a rent-controlled apartment. I believe he pays $240 a month. It also says the president of the American Stock Exchange lives in a rent-controlled apartment. The paper said, and I do not vouch for this, but I assume it has not been refuted, he lives in an eight-room apartment with high ceilings and wood-burning fireplaces, living in a rent-controlled apartment, at a rate of $640-something per month.

The response I heard to our request from the Banking Committee is that there are more tenants in New York than there are landlords. If the people in New York do not have the political courage to do what is right to help reestablish the appraisal, the tax base, then I think this Senate ought to look carefully at any further action.

Mr. PROXMIRE. Mr. President, I commend the Senator from North Carolina very strongly on this amendment.

I have great sympathy for it. I think he is absolutely right.

There is no question that one of the principal reasons why property values in New York have deteriorated, why their revenue base has diminished, why it is a far less attractive place to live than it should be, is because of rent control. We have brought this out over and again in committee, as the Senator knows. We have had great trouble in getting action from the city and the State.

The cynical argument is that there are more tenants than landlords and that, therefore, they cannot do it.

The fact is that there are other places in the country where there is rent control, including Washington, D.C., as the Senator knows.

As the Senator points out in this case, we are providing extraordinary assistance to the city of New York. We did succeed, in a way, in requiring the City College of New York to charge tuition. Many people feel that was a mistake, but at least that was a change which was urged by the committee, and was achieved, although it could be argued that that was a local matter.

Let me make one further point with respect to what the Senator is arguing: The one way you can be sure to get out from under rent control, at least temporarily, is to have a fire burn up your apartment. A number of people in HUD have told me that one of the reasons why arson has increased greatly in New York, why they have so many more fires, is that there is that incentive. How do you get out from under rent control? The apartment burns up. It is no accident that that happens. So this is counterproductive in a number of ways.

As the Senator has pointed out, it means that we do not get the kind of housing production we should get in New York City. We do not get the kind of renovation and concern and response on the part of landlords that we should get, and we get arson.

Unfortunately, as the Senator knows, it is extremely hard to get this kind of legislation adopted in our committee. There is great regard and proper regard for local authority and State authority. While I share the Senator's view, I think he is right in feeling that there is no way we could get this adopted here or in committee, but I do not think we should give up on the issue.

The Senator deserves to be commended and to have the committee follow through on this kind of proposal in the future. We will do our very best. I think the Senator is right in withdrawing his amendment and not pressing it to a vote.

Mr. MORGAN. I thank the distinguished chairman.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MORGAN. I yield.

Mr. JAVITS. Mr. President, the New York situation, of course, is a very complicated one, with hundreds of thousands of tenants in very low rent situations because of the nature of the accommodations which are also nonsubsidized. We are dealing here with approximately a million and a quarter units, rental units, and with much decontrol having taken place already since 1970, when decontrol began.

My opinion is this: I am sympathetic to the need for upgrading New York City's real estate. There is no question about that. I am sure that rent control has an effect. But I believe that if we are going to link this to rent control, we will defeat our purpose, for the many reasons I have mentioned and which already have been mentioned.

The Secretary of the Treasury has plenary power. All we are giving him is authority. Therefore, I think Senator PROXMIRE's advice is right—to wit, that the committee continue to have this under its control; that in its monitoring capacity, it deal with such action as should be taken; that the Secretary of the Treasury is able to put all the pressure that needs to be put on New York City. The Senate and the United States will not be committed, except as the Secretary of the Treasury commits it.

I believe that if we try to get into some sweeping provision here in the bill, we are bound to be unjust or unacquainted or unoriented with respect to the basic relationships between one type of building, one type of tenant and the other. Like many of these things in a big situation, I have no doubt that we will find things, such as discrimination, which we have to expect in a longstanding situation such as this, which extends since the end of World War II.

I hope very much that within those parameters we may act on this bill, which really is an emergency proposition. The Senator from North Carolina and the committee will not be giving up a measure of control over the situation, because the bill is only an authorization, and the Secretary of the Treasury still has very strong control over the details of it.

Mr. MORGAN. I thank the distinguished Senator.

I hope the Secretary of the Treasury will take a careful look at this, because it has been going on now for about 2½ years, and the city has not been willing to move. I think it is important for the Secretary to look at it later.

I read from an independent statement to the mayor of the city of New York, issued in June of last year. The Temporary Commission of New York City Finances found this:

> Rent control and rent stabilization have already facilitated the destruction beyond repair, of a significant portion of the housing inventory of New York City, . . . cumulatively, this subsidy (to tenants) has exceeded $20 billion. . . . By depressing property tax assessments and promoting real estate tax delinquency and the abandonment of rental properties, rent control and rent stabilization diminish receipts from the single most important source of city revenues, the real property tax.

Mr. President, I also state that my amendment would apply only to privately nonsubsidized apartments.

Mr. President, I have made this a matter of record, and I have served notice on my friends in New York City that if and when this matter comes before the Banking Committee in the future, if I am still on that committee, I hope to take a strong look at this. While I voted for and supported the measure this time, I do not think I will be inclined to do so again unless some affirmative action has been taken along this line.

Mr. MOYNIHAN. Mr. President, will the Senator yield?

Mr. MORGAN. I yield.

Mr. MOYNIHAN. Mr. President, I associate myself with the remarks of Senator JAVITS.

The Senator from North Carolina has raised a profoundly serious issue, and I shall make it my business to see that the Governor and the mayor know of his concern. I consider it a wholly legitimate and responsible concern.

Mr. MORGAN. I thank my colleague.

Mr. President, I ask unanimous consent to withdraw my amendment.

The PRESIDING OFFICER. The Senator has a right to withdraw his amendment. The amendment is withdrawn.

Mr. KENNEDY. Mr. President, I give my strong support to the New York City Loan Guarantee Act of 1978.

New York is a great city. If it were to default that would say much about America. Its great potential for rejuvenation, and the commitment we are making to it today, also says much about America.

Partly, we are making this effort because of the national consequences of letting New York go bankrupt. The effect on the municipal securities market, the effect on the national banks which hold New York securities, the effect on the creditors of New York, and the effect on the worldwide preception of the strength of this country would have been disastrous had we not initiated a loan program in 1975 and if we were not to renew that commitment through the more sophisticated and self-reliant means adopted today.

This is an important consideration and in itself it would be sufficient reason for us to take the action we take today.

But there is more. Part of the reason that we are making this effort is because of the tremendous work that New York City has undertaken for the rest of the country.

New York City has always paid far more in taxes to the Federal Government than it has gotten back in services from it.

New York City has welcomed the millions of migrants who have come first from the Old World, then from the South and now from the Carribbean. It has provided the intensive educational efforts that these migrants needed; it has provided the welfare that these migrants needed; it has provided the hospital services that these people have needed with a frequency and to a degree unmatched by others.

And New York City has made the major cultural and educational commitments whose benefits are then reaped throughout the country. The people of New York have supported the Metropolitan Museum of Art which invites people to its halls and sends exhibits throughout the country. So, too, with the New York City Ballet and the Metropolitan Opera and the New York Philharmonic. Even more, it has provided this country with a wealth of educated New Yorkers who have gone out and strengthened it. It supported special public schools, like the Bronx High School of Science, which has produced more doctorates by far than any other high school in the country; it supported one of the few free college systems for 120 years, whose graduates include Felix Frankfurter, Albert Sachs, Jona.. Salk, Alexander Bickel, Joshua Lederberg, and Bernard Baruch.

This is an important consideration and in itself it would be sufficient reason for us to take the action we take today.

But there is more. There is New York. There are 7½ million people who live in the city and over twice that number in the metropolitan area who depend on that city. They need our assistance. And they are a great people and it is a great city and they deserve our assistance.

New York is the Botanical Gardens in the Bronx and the stadium where my Red Sox beat their Yankees, but it is also the need and the shame of the South Bronx. New York is the Children's Museum in Brooklyn and Sheepshead Bay and the renewal at Prospect Park, but it is also the need and hope of Bedford-Stuyvesant. New York is Flusing Meadow in Queens, the site of two great World Fairs; it is the homes and the countryside of Staten Island. It is the Staten Island Ferry. It is the warmth of Little Italy in Manhattan and the fashion of Fifth Avenue, but it is also the need and the struggle of Harlem.

This is an important consideration and in itself it would be sufficient reason for us to take the action we take today.

As we take this action, we must note that New York City itself is undertaking the even greater effort to get its own house in order. It is establishing financial management systems, it is reducing its budget deficit and it is reestablishing its fiscal responsibility. These moves have required painful decisions on the part of New Yorkers, decisions which have reduced the city workforce by the tens of thousands, and therefore reduced city services; decisions which have raised transit tolls and established tuition at the city colleges for the first time; decisions which have reduced the number of hospital beds and day care centers. These have not been easy things to do, but they make our job in voting these loans much easier. For they show a recognition on the part of the city itself that it must bear the primary responsibility for restoring its integrity. And the results so far indicate that it is getting at the problem. The city has reduced its deficit from $2 billion in fiscal year 1975 to $750 million in fiscal year 1978.

So, as we make this commitment today, I see a bright future for the flagship of urban America. It is a future in which New York and New Yorkers can continue to grow and change, can continue to contribute so much to the rest of the country, and can continue to prove that the investment we make today shall be returned over and over again tomorrow.

I see a bright future for the flagship of urban America, a self-reliant and generous future. I am pleased by the sight.

Mr. DOLE. Mr. President, the extension of Federal assistance presents the Congress with many difficult questions. In many ways, the decision reached by Congress could shape Federal and local governmental relations for years to come.

SOLID RECORD

Mr. President, the Senator from Kansas intends to support the legislation reported by the Senate Banking Committee. I believe that in the last 3 years New York has faced many difficult problems. New York, by its solid record of repayment of seasonal loans, and its new-found austerity in city budgeting, by the excellent work of Mayor Koch and the city council, and by the demonstated willingness of government, labor, and management to work together has earned its chance.

In 1975, New York was on the brink of economic collapse. Denied access to public credit markets, the city and its residents faced financial disaster, massive unemployment, and a severe cutback on vital city services. The complex web of government, private, and pension fund investments which have moved New York to a most sound fiscal basis have been controversial.

1975 AID

There is no doubt that the issue of Federal aid to New York in 1975 was very emotional. Many people were seriously alarmed about an ill-advised bailout of a fiscally irresponsible city. Others believed that the economic collapse of our largest city would have a tremendous ripple effect throughout the country. For many others who tried to keep an open mind on the issue, their viewpoints were misrepresented and inaccurate conclusions were drawn. In my opinion, the Presidential election may have been lost because of an inaccurate newspaper headline.

In the election of 1976 it did not seem to matter that despite his initial opposition, President Ford himself proposed a seasonal financing package which may have provided the assistance to the city.

As the Vice-Presidential nominee of my party in 1976, I feel that my position on the New York City issue was greatly misunderstood. In fact, on my campaign trip to the city, I was greeted by headlines which quoted then Mayor Beame as saying that I was not welcome in New York because I had opposed seasonal financing.

CLOTURE MOTION

The fact is, I cosigned the cloture motion to end the filibuster on the New York aid package. The cloture vote—not the vote for final passage of the bill—was the key to the success of seasonal financing in 1975. The Senator from Kansas understood, as did those who followed the Senate debate, that without a successful end to the filibuster the seasonal financing which the city has used for almost 3 years would not have become law.

LOAN GUARANTEE

Mr. President, I share many of the concerns that have issued by the chairman of the Banking Committee, Mr. PROXMIRE, and others. More could be done by New York's corporations, its banks, and its labor unions to restore the city's financing. However, we cannot ignore that the record of New York of repaying every cent of the emergency Federal loans with interest, its willingness to cut public employment, to raise taxes, and to hike many city fees, is commendable. The city has demonstrated its willingness to get tough, to bite the bullet, and to make unpopular decisions necessary to restore the financial confidence in New York.

I believe that the loan guarantee concept is vastly preferable to a Federal direct loan. In this instance, the loan guarantee is a reasonable investment on behalf of the people of the United States and the future of its largest city.

I must call attention of my colleagues to the fact that the Federal Government has guaranteed loans to local governments before. The metrorail transit system operating in Washington is con-

structed on federally guaranteed loans. The Lockheed Corp. received a well-publicized Federal loan guarantee several years ago. Many farmers in my home State of Kansas take advantage of Federal loan guarantees from the Small Business Administration and the Farmers Home Administration. Loan guarantees are available to purchasers of homes, small businesses, college students, farmers, large corporations, and foreign governments. The Congressional Research Service estimates that $81 billion in Federal loan guarantees will be made in fiscal year 1978.

DOLE SUPPORT

Many of my colleagues have chosen to speak of this issue in terms of pitting urban and rural forces against each other. The Senator from Kansas believes that public and private policies must be formulated which recognize both urban and rural problems as national problems. Many small communities are experiencing problems once thought to be reserved for larger cities. I am speaking of the problems of crime, environmental pollution, and of employment. Almost every governmental district in America must look to the bond markets to finance its capital needs. The sooner we recognize the link between urban and rural problems the sooner we will reach a consensus on public policies which are responsive to the problems which confront us as a nation.

Mr. McGOVERN. Mr. President, I commend the Senators who worked so long and hard on developing this constructive legislation. I know it represents compromise and accommodation on an issue that has long been marked by controversy—fiscal relief for New York City. I especially wish to commend the two New York Senators, Senators JAVITS and MOYNIHAN, for their wise leadership on this issue so vital to the entire Nation.

This bill could not have come into being unless New York City had made enormous strides toward solving its financial problems. Many of the required sacrifices have obviously been made. I am grateful this bill reflects, through its internal controls, the need to maintain this same kind of restraint in the years ahead. There is even serious talk now about balancing the New York City budget by 1982. What a pleasure to see and hear the change in tone regarding New York City's future. The doom-sayers seem to be in retreat.

This legislation, with its strict controls and internal accountability mechanisms, has my support, not merely because New York is doing better, but because an economically sound New York is an absolute necessity if the country is to continue its own slow and fragile economic recovery. Every State, including mine, does business with New York City. Literally thousands of banks, corporate headquarters, and financial institutions can be found in New York, and their viability has immediate relevance for the economic health of businesses throughout the Nation. In addition, many State and local governments would needlessly suffer, as would the people of the country, if the municipal bond market were to go through another period of dysfunction. Towns that did nothing to deserve tighter money supplies would be faced with just that situation, and this is not the time to put our State and local governments through that kind of pressure.

Finally, Mr. President, let me point out that if the U.S. Government is not willing to invest in its central cities, if we are not courageous enough as a matter of policy to encourage the growth and survival of our great urban areas, how can we expect private investors and business to follow suit? This kind of legislation should be a signal to all that we have faith in the future of our great cities, and that we are willing to work with them for a greater tomorrow.

I am encouraged by the urban-rural coalition that supports this bill. Our interdependent modern economy requires an end to parochialism, and I am hopeful that this legislation will mark a new level of commitment by Senators from all over the country to understand and appreciate the special problems each of our States has.

Mr. BELLMON. Mr. President, when the New York City Seasonal Financing Act was passed by this body in 1975, we were led to believe that the city of New York would not be back, that all it needs was a one-time shot of Federal funds to get back on its feet financially. Today, although the city has made substantial progress over the past 3 years, its fiscal house still is not in order and it has failed to regain investor confidence. We again face the question of providing Federal assistance to the city of New York. This time, we are told that if long-term Federal guarantee assistance is provided, the city will not be back. But, if we merely extend short-term seasonal loans to the city, we are told that we can expect the city back on our doorstep when the seasonal loans expire.

As in 1975, I am unable to support what I consider to be the dangerous precedent set by this legislation. I have no doubts that the conditions attached to seasonal loans and to these proposed new long-term Federal loan guarantees are "sufficiently onerous," as the committee puts it. However, I believe this type of Federal financial assistance, even with conditions attached, would be welcome relief to any local government finding itself "between a rock and a hard place" as a result of financial difficulties or fiscal mismanagement. The tax revolt in California is a handy example. If such a revolt catches fire, it may cause sufficient problems for other local governments who will now feel free to turn to the Federal Government for relief. In my opinion, this is an improper role for the Federal Government to play. The city is a creature of the State. This type of Federal intervention in local affairs is entirely inappropriate and poses a serious threat to local political autonomy and accountability. It also ignores such efforts as those undertaken by the State of California and its localities to assume the sacrifices necessary to make ends meet. The State of California has acted to turn over $5 billion of its surplus to its localities whose income has been cut as a result of proposition 13.

In the case of New York City, I do not believe that the State of New York has gone as far as it possibly can, especially in view of the $750 million tax cut it will hand out this year. I tend to agree with the Senate Banking Committee's February 1978 conclusion that—

> New York City should be able to meet its financing needs and avoid bankruptcy after June 30 without further financial assistance from the Federal Government.

The city still bears a heavy burden of welfare and medicaid costs; the State could assume a much larger share of these. The financial institutions and pension funds could do more simply by returning to previous levels of investment in New York City securities.

With respect to this bill, I would first like to register my general concern about the use of the loan guarantee device. Federal loan guarantees have become a convenient way for us to avoid increases in the deficit, since no Federal outlays result unless the borrower defaults on his obligation. This gives the false appearance that the Federal Government is spending less than it actually is and removes this allocation of Federal resources from regular budget scrutiny. The volume of Federal loan guarantees has increased significantly over the years and the Senate should be aware that use of the loan guarantee device erodes budget control and has an undetermined effect on the Nation's financial and credit markets.

The potential risks this legislation exposes the Federal Government to should also be carefully examined. If this legislation is most likely to result in substantial budget outlays, then we should be aware of that fact and not hide the truth behind the loan guarantee gimmick. The bill before us authorizes Federal guarantees of New York City indebtedness of up to $1.5 billion in aggregate principal amount outstanding. This means that if the city were to default any time after the beginning of its fiscal year 1982, the cost to the Federal Government could be as high as $1.5 billion. We are told that default is an unlikely possibility. However, many aspects of the city's 4-year financial plan remain questionable at best. In fact, the New York State Emergency Financial Control Board (EFCB) reported last week that it is highly probable that the city's 1979 expense budget contains a $141 million deficit and suggested that the city draw up a standby contingency plan in the event this is the case.

A number of revenue uncertainties are found in the plan. These include tenuous assumptions with regard to the level and continuance of Federal aid to the city and State government, especially revenue sharing and countercyclical revenue-sharing funds; the reliance of the city on illegal use of CETA funds to hire additional city employees in light of the possibility of a Federal restriction as to the level of pay; the level of tax revenues which depend on the city's economic health; and the inclusion of such one-

time revenue items as the sale of the Westway right-of-way counted on by the city to produce $80 million in fiscal year 1979.

In addition, the city's labor contract settlement does not cover the last 2 years of the plan and there is substantial room for savings in the area of fringe and pension benefits.

The risk the Federal Government must assume under this bill does not seem warranted in light of the fact that the financial institutions and State legislature are unwilling to make the necessary commitments to carry out the city's 4-year financial plan, unless Federal long-term loan guarantees are provided. If we are to risk Federal resources, it would seem to me that the State, city, and local financial institutions must also be willing to assume some risks.

I cannot support this measure. I believe it is time that we sever the city's umbilical cord. The longer the city takes to balance its budget according to generally accepted accounting principles and to put its fiscal house back in order, the longer it will take the city to regain investor confidence. The city itself must regain its credibility if it wishes to reenter the private credit markets. I believe the city, with the help of the State, can do this and that the long-term involvement of the Federal Government is both unnecessary and improper.

In closing, Mr. President, I would like to take a moment to commend the Senate Banking Committee for its tighter version of this legislation. I consider it to be far less risky than the House alternative in that it attaches stricter limitations and conditions to the loan guarantees, especially with respect to State responsibilities and incentives to induce the city to reenter the credit markets and repay the guaranteed obligations as quickly as possible. It also places annual limitations on the guarantees and includes a "one-House veto" provision to assure there is adequate program oversight and control. Unfortunately, these features are not a part of the House-passed version or the administration's original bill, and there is no assurance that they will be retained in conference.

Mr. ROBERT C. BYRD. The state of New York City's financial affairs is the result of years of mismanagement; straightening them out will take years of frugality and sound management. The city already has 3 years of austerity behind it, but belt-tightening alone is not sufficient to restore the city to sound financial health.

New York City must be able to sell its securities to private investors. According to the city, its bankers, and trustees of the pension funds, long-term Federal loan guarantees are essential in order for the city to reenter the capital markets.

No one knows for sure if the city will default should long-term Federal guarantees not be forthcoming. The foreseeable results of a default are so serious and unacceptable, however, that I have come to the conclusion that they cannot be risked.

The Nation's municipal bond markets, queasy since the passage of proposition 13, would have to absorb a stunning blow. The physical plant of New York City would continue to deteriorate, encouraging an exodus of corporate and individual taxpayers. Foreign investors holding U.S. dollars probably would regard the financial default of the world's premier banking center as an ominous sign. That could spark a new downward spiral of the dollar in the foreign currency markets.

The short-term assistance already extended to New York City by the Federal Government coupled with steps taken by New York State has provided the city with the time it needed to initiate housecleaning steps. The city has used this time wisely.

The city has adopted standardized accounting and financial reporting. In fiscal year 1978, the city's financial statements will be audited by an independent accountant, a practice which few municipalities follow.

In addition to taking these steps toward fiscal responsibility, the city has made progress toward balancing its budget. On the expenditure side of the ledger, it has reduced the municipal work force by one-sixth, approximately 60,000 jobs. Wage increases have been sharply limited, and fringe benefits could hardly be described as generous. Among other spending cuts, the city has reduced expenditures for certain social programs, such as housing and hospital costs.

On the revenue side, the city has increased transit fares and tuition at the City University. As symbols as well as real revenue-raising measures, they underscore the city's new get-tough attitude.

The extent to which New York City has initiated steps to put its house in order is evidenced also by its loan repayment record. Since 1975, the city has repaid the short-term money it borrowed from the Treasury at premium interest rates. The payments have been made on time. Considering that the city is on the verge of bankruptcy, it is remarkable that the Nation's taxpayers actually earned some $30 million on these short-term loans.

It is now obvious that a continuation of short-term financial assistance will not enable the city to terminate its dependence on the Federal Treasury, if bankruptcy is to be avoided. Maybe its creditors would extend the needed long-term money without Federal guarantees. The only way to find out, however, is to risk default. The consequences of bankruptcy are national in scope and, in my judgment, do not warrant the risk of rejecting the city's request.

In providing long-term loan guarantees, the Banking Committee has imposed stringent conditions designed to assure that the city continues to pursue vigorously its policy of fiscal responsibility.

First is a requirement that the Secretary of the Treasury withhold a Federal commitment to guarantee any loan to New York City if a reasonable prospect of repayment does not exist. This provides a continuing incentive to the city to adhere to its budget-balancing plan.

Second, the Secretary must determine that credit is not available to the city from other sources. This stricture will encourage the city to seek its own financing in the private markets as soon as possible.

Third, a service fee will be assessed and collected by the U.S. Treasury, along with interest on the guaranteed indebtedness of the city. Such fees are standard financial arrangements and insure that taxpayers earn a fair return for the Federal guarantees.

Fourth, guarantees will be provided only if all of the short-term financial needs of the city are met by other sources, including New York State or private investors.

Fifth, the city must balance its budget in accordance with generally accepted accounting principles by fiscal year 1982. Between now and 1982, the city must demonstrate to the Secretary that its budgets are within reasonable limits and, at a minimum, in accordance with New York State accounting standards.

Sixth, the city's banks must be audited annually by an independent certified public accountant.

Seventh, New York State is required to participate in the city's refinancing arrangements and to provide certain levels of direct financial assistance. Thus, New York State must accept a significant measure of responsibility for the restructuring of the city's debt.

Eighth, the city must establish a productivity council consisting of municipal labor union representatives, city government officials, and members of the State fiscal monitoring agency. The purpose of the council is to consider measures to increase the productivity of the city's labor force.

Finally, beginning in fiscal year 1980, New York City must test the private capital markets to ascertain investor reaction to its securities without guarantees. In addition, the city is required to refund or retire the guaranteed obligations as soon as possible. These conditions are designed to help prevent the city from becoming dependent on Federal guarantees.

Superimposed on these 10 stringent conditions are the oversight responsibilities of the New York State fiscal monitoring agency, the U.S. Treasury, and the Congress. In order to institutionalize congressional oversight, the Banking Committee bill provides the Congress with a single House veto over guarantees the Secretary might make to the city for fiscal years 1980 and 1981.

I particularly commend the Senate Banking Committee for its thorough oversight activities to date, for the probing questions its members asked during hearings, and for insisting on clear and direct answers. I commend Chairman PROXMIRE for his impartial leadership. Actually my commendations go to each member of the committee; the bill before us is truly a product of the contributions of the full committee. In addition, Senator MOYNIHAN—a persuasive advocate for the city—participated actively in the Banking Committee in conjunction with his work on a related bill being considered by the Finance Com-

mittee of which he is a distinguished member. Senator JAVITS also contributed in the Banking Committee sessions.

Mr. MATHIAS. Mr. President, I would like to voice my support for the bill before us which would authorize long-term loan guarantees for the assistance of New York City. This bill, which provides financial aid to that city over the next 4 years in the form of 10- to 15-year Federal guarantees, is intended to do more than simply maintain a stable cash flow for New York. It gives the city breathing time to get its long-term finances on sound footing. The legislation, as reported out by the Senate Committee on Banking, Housing, and Urban Affairs, insures that New York City will, over the next 4 years, complete the working out of its financial problems and end its dependence on the Federal Government. To do this, the city must bring its budget into balance using common accounting procedures; restructure its debt and lengthen its maturities; and continue its reentry into the credit markets solely with its own notes and bonds.

There are several important features of this bill about which we should be clear:

First. These are long-term (10 to 15 years) loan guarantees. They do not involve Federal short-term, or seasonal, loans to New York, as was the case in 1975.

Second. These are Federal guarantees only. The bill does not spend money now. Such expenditure would only become necessary should the city default on the repayment of its federally guaranteed obligations.

Third. There is a limit to the amount of Federal guarantees which may be extended. Over the 4-year period of this legislation, not more than $1.5 billion in aggregate outstanding principal may be guaranteed.

Fourth. Federally guaranteed New York City bonds may only be sold to the city and State pension funds. The guarantee does not pertain for any other party owning or prepared to purchase New York City bonds.

Five. This is a last resort guarantee. The U.S. Treasury may only guarantee New York obligations when it is assured that other substantial financial support has been committed. Furthermore, the Secretary of the Treasury must be assured, prior to extending any Federal guarantee, that there is a reasonable prospect of repayment.

If we do not help New York City now, the repercussions will be felt across the Nation, perhaps even more than in 1975. A report recently released by the Northeast-Midwest Economic Advancement Coalition detailed some of the consequences of the New York City debt-financing crisis of 1975 and 1978. The report found that:

> The loss of investor confidence during the New York City financial crisis forced state and local governments to pay unusually high interest rates, and these added interest costs provide one measure of the widespread effects of the crisis. In many cases, these governments were forced to withdraw bond issues from the market, and these market displacements are quantifiable. But these bond withdrawal data do not include borrowers which decided not to go to the market during the crisis. Nor do they reflect inflation caused by delays in the issuance of bonds needed to finance construction projects. Those consequences of the 1974–75 crisis which now can be measured understate the real magnitude of economic dislocation; they are only the tip of an iceberg composed largely of "hidden costs."

The report noted that in 1975, $700 million in added interest costs were incurred outside of New York City and State, and that "this ripple effect can be directly attributed to market instability caused by the New York City crisis." In addition, $1.4 billion in bonds were either withdrawn or rejected from the market in 1975. This resulted in $2.1 billion in total costs to the Nation.

The coalition found that a financially troubled New York affects every region of our Nation. Data from a report of the House Subcommittee on Commerce, Consumer, and Monetary Affairs show that two-thirds of the banks holding New York City bonds are located outside New York State. The House report states that—

> These non-New York banks are mostly small community-oriented institutions with average deposits of only $45 million.

In addition, the total amounts of contracts and liabilities of the city displays a pattern of widespread diffusion across the country. The report notes that:

> Four states—Illinois, Masachusetts, Pennsylvania, and Texas—collectively have New York City contracts equaling almost $800 million. New York City has at least $320 million in outstanding debts owed to firms throughout the country; thus, many states would be forced to help pay the costs of a New York City default. Further, these figures represent only the amount of liability that can accurately be calculated and therefore are a conservative approximation.

I supported the seasonal loan program to New York in 1975 because I believed that it provided the city with the time to put its financial affairs in order. The city met its obligations to the Federal Government over the past 3 years and repaid its seasonal loans promptly.

Under the terms of the 1975 act, the U.S. Government charged New York 1 percent more than the rate on outstanding obligations of comparable maturity. As a result, this year's seasonal loans to New York will yield a net gain to the U.S. Treasury of $13 million. The aggregate net gain to the Treasury from the New York seasonal loan program should exceed $30 million. Thus, not only has the Federal Government not lost any money on New York. It has actually realized a tidy profit.

New York clearly has made progress toward balancing its budget and restoring fiscal responsibility. As the Treasury Secretary reported recently to the Senate Banking Committee:

> Taking into account all expense items still included in the capital budget, and the accrued pension liability, the city has reduced its deficit from approximately $2 billion in fiscal year 1975 to approximately $750 million estimated for fiscal year 1978.
>
> The city has achieved this improvement by reducing the city-funded workforce by 60,000; by charging tuition for all students at City University for the first time; by sharply limiting wage increases for municipal employees through June 1978 and reducing employee fringe benefits; by withdrawing from mortgage financing of low- and middle-income-housing projects; by reducing the number of beds in city operated hospitals; by raising the transit fare from 35 to 50 cents; and by reducing social services through closing 77 day-care centers and limiting reimbursement rates at other centers. The city also reduced its share of contributions to municipal union pension funds by requiring greater employee contributions, while the city increased the absolute amount of its contributions to increase the actuarial soundness of the funds.
>
> At the same time as it took these budgetary actions, the city also moved to reform its accounting and internal financial control systems. The city has begun phasing current expense items out of its capital budget and is now accelerating that phaseout for completion by the end of 1981. It has installed an integrated financial management system at a cost of $16 million. Furthermore, a consortium of independent certified public accountants is conducting an independent audit of the results of the city's current fiscal year and will do so in the future years.

So the city is making progress and is moving away from its dependence on the Federal Government. However, loan guarantees are still needed if the city is to maintain solvency and borrow even a minimal amount of capital to repair its physical plant. As many of my colleagues are no doubt aware, many investors are still reluctant to make large-scale investments in New York obligations.

The Senate Banking Committee report has made it quite clear that this legislation will help New York resolve its financial and fiscal problems without setting an undesirable precedent. The conditions set up by this bill are sufficiently stringent to insure that New York will live up to its end of the bargain. The city is required to surrender much of its local spending power to a New York State watchdog agency, as well as being subject to monitoring by the Treasury Department and the General Accounting Office.

The fiscal failure of New York would have a devastating effect on our Nation's economy and on international economies. It would result in higher borrowing costs for other municipalities and a decline in investor confidence in the overall municipal bond market. Thus, New York's financial health and stability has a ripple effect on other local economies.

The city has, over the past 3 years, tightened its belt, as well it should, and shown restraint in its financial operations. This bill certainly does not offer New York a "free ride." It imposes substantial responsibilities on the city. It guarantees that the city will pay back its obligations. I hope my colleagues here in the Senate agree that this guarantee is essential if New York, the financial capital of our Nation, and, indeed, the world, is to regain sound fiscal health.

Mr. HEINZ. Mr. President, the bill before us represents long and detailed study by the Senate Banking Committee. It also represents, in my opinion, a restrained, but responsible, Federal approach to the New York City fiscal crisis.

Many of us who support this legislation came to the hearings skeptical that the

Federal Government should be in the business of rescuing cities from fiscal messes they themselves have created. To the contrary, cities should be required to undertake all necessary measures of austerity and self-reliance before they look elsewhere for assistance. Furthermore, States have a major role to play as well: Constitutionally, cities are, in fact, creatures of their States. If the Federal Government should ever undertake a poll, it should be only in exceptional circumstances and quite literally as a very last resort; and, even at that in extremis point, its role should remain as limited as possible.

To my mind, two issues emerged as central in determining whether a Federal role was appropriate in this case: The potential costs and effects of a bankruptcy by New York City; and the likelihood of such a bankruptcy in the absence of Federal action.

With respect to the first issue, I think we must recognize objectively the consequences of our failure to act. The extensive hearings we held convince me that fiscal assistance from some source is necessary for New York City successfully to reenter the bond market. It was clearly established that without such reentry, the city faces default—and ultimately, then, it faces bankruptcy. And it is my opinion that bankruptcy would be perilous at best; in fact, we would be flirting with catastrophe.

First, we should understand that bankruptcy on this scale is not an abstract concept that is relevant only to judges and lawyers. In reality, bankruptcy threatens a city with denial of basic life and safety supporting services, police protection, fire protection, sanitation services, and schooling, among innumerable other programs and services; in the case of New York City, it could also perpetuate the already serious flight of business—and desperately needed revenue. The economic and social ramifications of bankruptcy on a city the size of New York are, quite simply, too unpredictable to invite.

Second, beyond the immediate impact default would have on New York, we must also understand what message such an event could send cities and investors nationwide. In my judgment, financial collapse in our Nation's largest city would inevitably increase uncertainty in municipal bond markets, registering its impact on all cities in their ability to borrow, no matter that their financial situations do not resemble New York's. In other words, the access to credit markets would become more difficult, borrowing costs would rise, and municipal budget problems would only be aggravated. In the aftermath of New York City's last crunch, in 1975, I know that cities in my own State of Pennsylvania encountered substantial new concerns among potential investors.

Third, if in fact bankruptcy occurs with the resulting consequences I have mentioned, I think it is inevitable that there would occur at that point substantial new pressure for Federal intervention. Yet Federal assistance at that point would turn out to be less carefully constructed, more expensive, and ultimately more risky to the Federal Government than would be the responsible, timely program of guarantees we are proposing now. Clearly, the best approach is to provide the minimum support needed now, and thereby forestall future pressures for assistance in the context of default that would then be, in truth, a bailout. The lesson of ConRail, and the Penn Central has not been lost on this Senator: Failure to provide timely support before bankruptcy only served to draw the Federal Government in deeper later on—with operating subsidies.

Given all these potential results, I believe the arguments for limited Federal help outweigh the arguments for doing nothing if indeed bankruptcy is the only other alternative.

And what is the judgment on this latter question: How likely is bankruptcy in the absence of Federal action?

My own opinion, based on long scrutiny of the finacial details of the situation, is that the likelihood is substantial. This is so for several reasons. Over the last 3 years, since the original fiscal crisis forced the issues, we have learned that New York City is in much worse shape than had been realized. Hundreds of millions of dollars in operating expenses, for example—expenses that should be funded out of current revenues—have been categorized, by slight of hand, as capital expenses, so they can be funded through the issue of debt. As another example, it has been necessary for the State to advance the city large amounts of money annually, because the city's revenue collections do not coincide with its calendar of financial obligations; moreover, it has turned out that the city uses the State advance to repay Federal seasonal loans, only to turn around and use Federal money to repay the State. Finally, the issuance of short-term bonds that has been required to tide the city through crisis exacts high debt-service requirements that cause severe budget stress.

It has also become clear that without adequate capital expenditures, New York City will suffer a deteriorating physical plant—and the attendant flight of business, tax base, and desperately needed revenue. Yet much of the bond purchases for capital expenses must be made by pension funds. Unfortunately, pension funds have legal obligations that restrict their investments; and as a result, it is not at all clear that either New York City or State pension funds would invest the necessary amounts in city or MAC bonds without Federal guarantees.

Mr. President, in trying to determine whether what kind, if any, Federal role would be appropriate to these circumstances, I have kept in mind four principles.

First, whatever Federal support is provided should be crafted in such a way as to minimize the Federal taxpayer's risk and exposure. It is my conclusion that the bill before us does so in the following way:

The amount of guarantees is limited to only $1.25 billion—as opposed to the $2 billion in the House bill; and it is dispersed only year by year;

The Secretary is not permitted to extend guarantees unless and until he determines there exists a reasonable prospect of repayment;

The city is required to apply 15 percent of the proceeds from any new long-term borrowing to retire guaranteed debt, beginning with that of longest maturity; and, beyond this, the Secretary is directed to require refunding of all outstanding debt as soon as practicable.

The Federal Government is empowered to withhold transfer payments from either the city or the State to compensate the Federal Government in case of default on the guaranteed bonds; and, in addition, guaranteed bonds are accorded priority over all other debt owed by New York in the event of default;

The Secretary of the Treasury is empowered to take all necessary legal action to enforce any condition whatever in the legislation, or agreements that may be made pursuant to it;

And, perhaps most importantly, the Secretary will not be permitted to extend Federal guarantees until he is satisfied that maximum commitments for unguaranteed bonds have been made by the city, the State, and private sources.

Second, the principle of fiscal responsibility must be maintained through insistence on a balanced budget. I have worked for the inclusion of several provisions to insure that the city does, in fact, balance its budget; this is also central to the city getting back on its own feet and the Federal Government being able to terminate its special assistance. These provisions include:

An incentive provision that allows $250 million of the guarantees to be extended only if, before 1982, the city has brought its budget into balance; in addition, the Secretary is not permitted to extend any of the guarantees except on determining that the city is adopting and adhering to expense budgets designed to bring its full budget into balance according to generally accepted accounting principles by fiscal year 1982;

The requirement for a "fiscal monitor" to be in place that has the power to reject labor settlements that are out of line with the city's ability to pay;

That an independent certified public accountant will be required to audit the city's financial records, and a special auditing committee has been mandated to serve as a consultant to this independent auditor; reports will be made regularly to Congress; the GAO will be permitted to make whatever audits it deems appropriate; and maximum access to New York City financial information is guaranteed;

That the Appropriations Committee will have to fund this legislation, adding another check on city compliance;

And, most importantly perhaps, Congress is given the power of one-house veto beginning in fiscal year 1980, should it determine that the city is not making expected progress.

Third, there must be the maximum self-help on the part of both the city and State. This has been absolutely essential from the beginning, particularly if we are to insure that all the parties involved have a vested interest in returning the city to fiscal soundness and

then to keep it that way. I urged that the committee accept that the bill accomplishes this.

With respect to the city, it will be required to pay reasonable interest rates and guarantee fees, something intended to make it think twice before turning to the Government for assistance. But by far the more effective inducement to self-help is, quite simply, that the Secretary is not permitted to extend guarantees until he's satisfied that commercial banks, insurance companies, mutual savings banks, and pension funds have contributed the maximum possible—and our committee report indicates our feeling that they have not done so thus far.

With respect to the State, it is required under the legislation not to reduce its present level of aid to the city, as well as to provide an insurance fund to help secure the guaranteed bonds; finally, Federal transfer payments to the State are liable to being withheld should the city default.

I believe that in these ways, the distinction between the role of the Federal Government and the State governments in assisting cities is protected; clearly, the city and State are meant to fight in the front lines, and the Federal Government only to serve in a reserve, backup role.

Fourth, we need to avoid setting a precedent that would undermine the Federal principle of State responsibility for its municipalities. No other city or State should think that this extraordinary case is an invitation to apply for wholesale fiscal assistance from the Federal Government. I am able to support this bill because I believe it is a response tailored to the uniqueness of New York City's situation. Consider this:

Only pension funds can receive guarantees (in other cities, pension funds are much smaller and would not suffice to make the bond purchases needed for major capital expenses);

It is doubtful many other States would care to act as coinsurer of a city's bonds, or to be required by Federal law to supply a certain amount of aid;

And, most importantly, all the restrictions and conditions I have described in my statement are not calculated to whet the appetite of other cities and States to seek this sort of assistance from the Federal Government.

Mr. President, I am satisfied that this bill strictly requires that the principles of taxpayer protection, fiscal responsibility, maximum self-help, and avoidance of precedent be met. For this reason I can support it. My support is reluctant, but I am convinced that the action we propose to take today is necessary.

The PRESIDING OFFICER. The bill is open to further amendment.

The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT REQUEST

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that three nominations reported from the Committee on the Judiciary today be considered immediately, confirmed, that a motion to reconsider en bloc be in order, tabled, and the President be immediately notified.

Mr. JAVITS. Mr. President, may we know who they are and what they are being appointed to?

Mr. BAKER. Mr. President, these nominations have been cleared on our side, from the Judiciary Committee. They are three district judgeships.

Mr. JAVITS. May we have the names of the States?

Mr. ROBERT C. BYRD. Mr. President, I withdraw my request.

GRAZING FEE MORATORIUM OF 1978

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 9757.

The Presiding Officer laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendment of the Senate to the text of the bill (H.R. 9757) entitled "An Act entitled 'Grazing Fee Moratorium of 1978'", with the following amendment:

Page 1, line 11, strike out "SEC. 2." and all that follows over to and including "'$47,802,000'.", page 2, line 6.

Resolved, That the House agree to the amendment of the Senate to the title of the bill.

Mr. ROBERT C. BYRD. Mr. President, this has been cleared all around. I ask unanimous consent that the Senate concur in the amendment of the House to the amendment of the Senate.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

THE 1978 UNITED STATES–CANADIAN RECIPROCAL FISHERIES AGREEMENT

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of H.R. 12571, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (H.R. 12571) to amend the Fishery Conservation Zone Transition Act in order to give effect to the Reciprocal Fisheries Agreement for 1978 between the United States and Canada.

The Senate proceeded to consider the bill.

Mr. KENNEDY. Mr. President, the passage of this bill and its signature by the President will complete the statutory authority needed to carry out the 1978 Interim Fisheries Agreement signed by the United States and Canada last April subject to ratification by both governments. While Congress was in the process of approving the agreement, Canada announced on June 2 that it was "not prepared to continue implementation on a provisional basis of the agreement," and that it would require all U.S. fishing vessels to cease fishing in Canadian waters on 2 days notice. The United States was then forced to issue similar orders to Canadian vessels fishing in our waters.

Nevertheless, we are today completing the ratification of the 1978 Interim Agreement, so that the President will have legal authority to restore reciprocal fishing arrangements if Canada is willing to do so. Despite the present halt in reciprocal fishing, the Canadian and American negotiators have both reaffirmed their desire to complete the negotiation of a long-term boundary and resource agreement. Such agreement would include the settlement of the boundaries, procedures for management of fishery and hydrocarbon resources, and a binding dispute settlement mechanism for resolving the recurring issues that led to the current disruption of reciprocal fishing.

As a Senator from New England I have long been an advocate of close and friendly relations with Canada. But, as a New England Senator, I am also aware that the halt in reciprocal fishing has deeply concerned the fishermen of New England and has increased mistrust and resentment of the other country's fishermen on both sides of the border. I am informed that mutual tension between Canadian and American fishermen on the Pacific coast is equally high. U.S. fishermen experienced further frustration after the recent decision not to impose countervailing duties on Canadian subsidized fish products exported to this country. Under these circumstances the atmosphere for negotiating a mutually satisfactory long-term agreement has worsened. Should each side withdraw behind a wall of distrust and make the painful readjustments necessary to fish in its own waters, an amicable long-term relationship based on the tradition of reciprocal fishing and on joint management of the coastal fish stocks will be exceedingly difficult.

I have had an opportunity to discuss the progress of these negotiations with Lloyd Cutler, the President's Special Representative on Maritime Boundary and Resource Negotiations with Canada. I believe that the special negotiators have at least made a start in building a lasting structure for mutual cooperation, and I would like to help them complete their job. To restore the atmosphere in

which this can be done, an early resumption of reciprocal fishing is essential.

Mr. President, I hope that our action today in ratifying the 1978 interim agreement—despite the Canadian decision not to continue its provincial implementation—will be correctly perceived in Canada as a beau geste, put forward to demonstrate the continuing interest of the United States in forging cooperative maritime relationships with Canada. I hope that Canada will take some comparable step toward resumption of reciprocal fishing, in order to reduce the present level of tension and permit the special negotiators to finish their task.

Mr. STEVENS. Mr. President, I support the pending legislation, H.R. 12571, that would permit the fishermen of the United States and Canada to continue fishing off the coasts of each nation during the period from January 1, 1978, to December 31, 1978.

This United States-Canada Reciprocal Fisheries Agreement for 1978 directly affects the State of Alaska. It is not a totally acceptable agreement in that there are still a few issues left unresolved, however, negotiations on these matters are progressing well and I am confident the interests of our Alaskan fishermen will be protected.

My principal reason for supporting this agreement is due to the fact that it will result in maintaining the atmosphere of cooperation needed to carry out a long-term agreement with Canada in other areas of negotiation. I agree with Lloyd N. Cutler, U.S. representative to the United States-Canadian maritime negotiations, in his letter to Senator SPARKMAN urging the Senate to act quickly on this agreement, and I ask unanimous consent that an excerpt from this letter be printed in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

I strongly recommend that the Senate proceed to complete legislative approval of the Interim Agreement. My reason is that, once the Interim Agreement has been approved, the executive branch will have the necessary legal power to negotiate a resumption of as much reciprocal fishing as is feasible for the balance of 1978, on terms authorized by the Interim Agreement. If legislative approval is not completed, the executive branch will lack power to agree on any resumption of reciprocal fishing unless and until Congress completes legislative approval, and because of recesses and other factors so much time may be required to complete approval that the resumption of reciprocal fishing will be unduly delayed. Legislation is required to bring the 1978 Agreement with Canada into force, as the Agreement contains provisions affecting Canadian fishermen which go beyond the terms of the Fisheries Conservation and Management Act of 1976. These provisions were accorded in return for reciprocal rights for U.S. fishermen in Canadian waters. As with the 1977 Interim Fisheries Agreement, legislative action would in effect amend the FCMA to give force of law to the Agreement.

As you may know, the House passage and the Senate Commerce Committee's favorable action were based on my commitment to the Chairmen of the House Merchant Marine and Fisheries Committee and of the Senate Commerce Committee that as the principal U.S. negotiator I would not agree to grant to Canadian West Coast salmon trollers any of the 1978 Interim Agreement terms for fishing off the coast of Washington that are better than the 1977 terms without first consulting the committee chairman. I am prepared to extend this same commitment to you as Chairman of the Senate Committee on Foreign Relations. I am also prepared to make the same commitment of prior consultation with respect to any terms of whatever arrangement can be negotiated with Canada for a partial or complete resumption of reciprocal fishing on one or both coasts for the balance of 1978.

Mr. PELL. Mr. President, for 2 years the United States and Canada have been involved in negotiations designed to conclude long-term agreements on maritime boundaries, Pacific salmon interceptions and comprehensive bilateral fisheries. However, in view of the complexity of the issues, no agreement has been reached. It has been necessary to conclude annual interim arrangements to insure that each nation's fishermen would be allowed to continue fishing in the other country's 200-mile fishing zone.

Under U.S. law, the Fishery Conservation and Management Act (Public Law 94–265) provides that no foreign fishing vessel shall be authorized to fish within the 200-mile fishery conservation zone of the United States unless the foreign nation concerned has signed a governing international fishery agreement (GIFA) with the United States, has secured a permit for each of its fishing vessels planning to fish in such zone, and has paid the appropriate fees associated with the issuance of such permits.

The purpose of H.R. 12571 is to waive these requirements of the Fishery Conservation and Management Act of 1976 in order to permit fishermen of the United States and Canada to continue fishing off the coasts of each nation in accordance with the terms of an interim reciprocal fishery arrangement concluded on April 11, 1978.

The primary necessity for H.R. 12571 arises from the need to protect the U.S. fishery in Canadian waters which was significantly affected by the extension of Canada's fisheries jurisdiction in 1977 to 200 miles. The operation of the Canadian law would result in the exclusion of many U.S. fishermen from the Canadian zone. In 1977, the U.S. fishery in undisputed Canadian waters was valued at approximately $7.1 million, and approximately $15.7 million in the disputed boundary areas. For 1978, the U.S. Pacific groundfish fishery off Canada alone is valued at $8 million.

On June 2, 1978, because of their concern over a number of East coast fisheries problems, the Canadians announced that they would not proceed to implement the 1978 Interim Agreement. Despite this development, the administration urges the Congress to complete the legislative approval of the Interim Agreement. Once this Interim Agreement is approved, the executive branch will have the necessary legal power to negotiate a resumption of as much reciprocal fishing as is feasible for the balance of 1978 on terms authorized by the Interim Agreement.

Therefore, in order to expedite the resumption of reciprocal fishing by United States and Canadian fishermen, I urge the Senate to pass this legislation.

Mr. BROOKE. Mr. President, America is well aware that relations between New Englanders and Canadians are sensitive, intense, often affectionate, and sometimes quarrelsome. Therefore, it has been a matter of no surprise but rather of continuing concern that tensions between Canadian and American fishermen have mounted as the halt in reciprocal fishing activities has continued.

The passage of the statutory authority to carry out the 1978 Interim Fisheries Agreement which both our governments have signed should presage a reduction in the unfortunate and I believe, unnecessary, ill feeling that has been rising between our two peoples. This gesture by the Congress is another demonstration of our determination to strengthen a cooperative relationship in maritime affairs with Canada. I trust it will provide an atmosphere of good will within which our negotiators can build a permanent mutual cooperative relationship and I trust that the Canadian reaction to this gesture of friendship will be to allow the resumption of reciprocal fishing and the completion of the work of our two countries' special negotiators with all deliberate speed.

The bill was ordered to be engrossed for third reading, was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER AUTHORIZING COMMITTEES TO FILE REPORTS ON JULY 5

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to file reports on July 5 from 9 a.m. in the morning until 3 p.m. in the afternoon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I wish everyone a very pleasant holiday.

NEW YORK CITY LOAN GUARANTEE ACT OF 1958

The Senate continued with the consideration of H.R. 12426.

Mr. CANNON. Vote.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. MORGAN (after having voted in the affirmative). On this vote I have a pair with the distinguished Senator from Michigan (Mr. GRIFFIN). If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore, I withdraw my vote.

Mr. NELSON (when his name was

called). On this vote I have a pair with the distinguished senior Senator from Washington (Mr. MAGNUSON). If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore, I withhold my vote.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. ANDERSON), the Senator from Arkansas (Mr. BUMPERS), the Senator from North Dakota (Mr. BURDICK), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. HASKELL), the Senator from Minnesota (Mrs. HUMPHREY), the Senator from Louisiana (Mr. LONG), the Senator from Washington (Mr. MAGNUSON), the Senator from Montana (Mr. MELCHER), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that the Senator from Idaho (Mr. CHURCH) and the Senator from South Dakota (Mr. MCGOVERN) are absent on official business.

I further announce that, if present and voting, the Senator from Minnesota (Mr. ANDERSON), the Senator from Minnesota (Mrs. HUMPHREY), the Senator from South Dakota (Mr. MCGOVERN), and the Senator from Montana (Mr. MELCHER) would each vote "yea."

On this vote, the Senator from Arkansas (Mr. BUMPERS) is paired with the Senator from North Dakota (Mr. BURDICK). If present and voting, the Senator from Arkansas would vote "yea" and the Senator from North Dakota would vote "nay."

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from New Mexico (Mr. DOMENICI), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that, if present and voting, the Senator from Oklahoma (Mr. BELLMON) would vote "nay."

The result was announced—yeas 53, nays 27, as follows:

[Rollcall Vote No. 197 Leg.]

YEAS—53

Abourezk	Hatfield,	Pearson
Baker	Paul G.	Pell
Bayh	Hathaway	Percy
Biden	Heinz	Randolph
Brooke	Hodges	Ribicoff
Byrd, Robert C.	Huddleston	Riegle
Case	Inouye	Sarbanes
Chafee	Jackson	Schmitt
Clark	Javits	Sparkman
Cranston	Johnston	Stafford
Culver	Kennedy	Stevens
Danforth	Leahy	Stevenson
Dole	Lugar	Stone
Durkin	Mathias	Weicker
Eagleton	Matsunaga	Williams
Ford	McIntyre	
Glenn	Metzenbaum	
Hart	Moynihan	
Hatfield,	Muskie	
Mark O.	Packwood	

NAYS—27

Allen	Hansen	Sasser
Bartlett	Hatch	Schweiker
Bentsen	Hayakawa	Scott
Byrd,	Helms	Stennis
Harry F., Jr.	Hollings	Thurmond
Cannon	Laxalt	Tower
Chiles	McClure	Wallop
Curtis	Nunn	Zorinsky
DeConcini	Proxmire	
Garn	Roth	

PRESENT AND GIVING A LIVE PAIR AS PREVIOUSLY RECORDED—2

Morgan, for.
Nelson, for.

NOT VOTING—18

Anderson	Eastland	Long
Bellmon	Goldwater	Magnuson
Bumpers	Gravel	McGovern
Burdick	Griffin	Melcher
Church	Haskell	Talmadge
Domenici	Humphrey	Young

So the bill (H.R. 12426), as amended, was passed.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments to H.R. 12426.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. I move that the Senate insist upon its amendments to H.R. 12426 and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. CHILES) appointed Mr. PROXMIRE, Mr. SPARKMAN, Mr. WILLIAMS, Mr. BROOKE, and Mr. TOWER conferees on the part of the Senate.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, and that it appear at the appropriate place in the RECORD, with Senators allowed to speak for not in excess of 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 11:28 a.m., a message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 3447. An act to amend chapter 83 of title 5, United States Code, to grant an annuitant the right to elect within one year after remarriage whether such annuitant's new spouse shall be entitled, if otherwise qualified, to a survivor annuity, and to eliminate the annuity reduction made by an individual having an insurable interest in cases where such individual predeceases the annuitant;

H.R. 3755. An act to provide for the reinstatement of civil service retirement survivor annuities for certain widows and widowers whose remarriages occurred before July 18, 1966, and for other purposes; and

H.R. 10882. An act to authorize appropriations to carry out conservation programs on military reservations and public lands during fiscal years 1979, 1980, and 1981.

The enrolled bills were subsequently signed by the President pro tempore (Mr. EASTLAND).

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to S. 2401, an act to amend the Consumer Product Safety Act to establish an interim consumer product safety rule relating to the standards for flame resistance and corrosiveness of certain insulation, and for other purposes.

The message also announced that the House agrees to the amendment of the Senate to the text of House Concurrent Resolution 654, providing for an adjournment of the House from June 29 until July 10, 1978; and that the House agrees to the amendment of the Senate to the title of the resolution.

At 2:40 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House agrees to the amendments of the Senate to H.R. 2176, an act to amend the Accounting and Auditing Act of 1950 to provide for the audit, by the Comptroller General of the United States, of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency, and for other purposes.

The message also announced that the House has passed the bill (S. 2928), to amend the International Investment Survey Act of 1976, and for other purposes, with amendments in which it requests the concurrence of the Senate.

The message further announced that the House agrees to the amendments of the Senate to H.R. 11232, an act to authorize appropriations to carry out the Standard Reference Data Act, with amendments in which it requests the concurrence of the Senate, and that the House agrees to the amendment of the Senate to the title of the bill.

The message also announced that the House agrees to the amendments of the Senate numbered 1 through 8, inclusive, and 11 to H.R. 12637, an act to amend the North Pacific Fisheries Act of 1954, and that the House agrees to the amendment of the Senate numbered 10 to the bill with an amendment in which it requests the concurrence of the Senate.

The message also announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 10173. An Act to amend title 38, United States Code, to improve the pension programs for veterans, and survivors of veterans, of the Mexican border period, World War I, World War II, the Korean conflict, and the Vietnam era, and for other purposes;

H.R. 11888. An Act to amend title 38, United States Code, to change the minimum disability rating a veteran must have in order to receive additional compensation for dependents from 50 per centum to 40 per centum; and

H.R. 12874. An Act to provide for an accelerated program of research, development, and demonstration of solar photovoltaic energy technologies lending to early competitive commercial applicability of such technologies to be carried out by the Department of Energy, with the support of the National Aeronautics and Space Administration, the

National Bureau of Standards, the General Services Administration, and for other purposes.

The message further announced that the House has agreed to House Congressional Resolution 654, directing the Clerk of the House of Representatives to make corrections in the enrollment of H.R. 12637, in which it requests the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker has signed the following enrolled bills:

S. 2401. An Act to amend the Consumer Product Safety Act to establish an interim consumer product safety rule relating to the standards for flame resistance and corrosiveness of certain insulation, and for other purposes;

H.R. 10730. An Act to authorize appropriations to carry out the Marine Mammal Protection Act of 1972 during fiscal years 1979, 1980, and 1981; and

H.R. 12571. An Act to amend the Fishery Conservation Zone Transition Act in order to give effect to the Reciprocal Fisheries Agreement for 1978 between the United States and Canada.

The enrolled bills were subsequently signed by the Acting President pro tempore (Mr. MORGAN).

HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 11888. An Act to amend title 38, United States Code, to change the minimum disability rating a veteran must have in order to receive additional compensation for dependents from 50 per centum to 40 per centum; to the Committee on Veterans' Affairs.

H.R. 12874. An Act to provide for an accelerated program of research, development, and demonstration of solar photovoltaic energy technologies lending to early competitive commercial applicability of such technologies to be carried out by the Department of Energy, with the support of the National Aeronautics and Space Administration, the National Bureau of Standards, the General Services Administration, and for other purposes; to the Committee on Energy and Natural Resources.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Santiago E. Campos, of New Mexico, to be U.S. District Judge for the District of New Mexico.

Louis H. Pollak, of Pennsylvania, to be U.S. District Judge for the Eastern District of Pennsylvania.

Robert H. McFarland, of Mississippi, to be U.S. District Judge for the District of the Canal Zone.

Mr. STENNIS. Mr. President, from the Committee on Armed Services, I report favorably the nominations of Lt. Gen. Edward M. Flanagan, Jr. (age 56), U.S. Army, to be placed on the retired list in the grade of lieutenant general; and Lt. Gen. James A. Hill, U.S. Air Force, to be lieutenant general; Maj. Gen. Gerald Joseph Post, U.S. Air Force, to be lieutenant general; and Lt. Gen. Woodrow W. Vaughn, U.S. Army (age 59), to be placed on the retired list in the grade of lieutenant general. Also, Vice Adm. James B. Wilson, U.S. Navy (age 53), for appointment to the grade of vice admiral on the retired list; and Rear Adm. Charles E. McDowell, U.S. Navy, to be Judge Advocate General of the Navy with the rank of rear admiral; and Brig. Gen. Richard Carr, U.S. Air Force, to be major general and Col. Jeremiah J. Rodell, U.S. Air Force, to be brigadier general. Also, Lt. Gen. LeRoy J. Manor, U.S. Air Force (age 57), for appointment to the grade of lieutenant general on the retired list; Lt. Gen. George E. Schafer, U.S. Air Force (age 56), for appointment to the grade of lieutenant general on the retired list; and Maj. Gen. Paul W. Myers, U.S. Air Force, to be appointed Surgeon General of the Air Force in the grade of lieutenant general. Also, Vice Adm. Pierre N. Charbonnet, Jr., U.S. Navy (age 58), for appointment to the grade of vice admiral on the retired list; and Lt. Gen. Robert L. Nichols, U.S. Marine Corps (age 56), for appointment to the grade of lieutenant general on the retired list. Also, Lt. Gen. Dewitt C. Smith, U.S. Army (age 57), to be lieutenant general on the retired list; and Gen. George S. Brown, U.S. Air Force (age 59), for appointment to the grade of general on the retired list; and Vice Adm. Donald D. Engen, U.S. Navy (age 53), for appointment to the grade of vice admiral on the retired list. Also, Lt. Gen. Kenneth B. Cooper (age 54), U.S. Army, to be placed on the retired list in the grade of lieutenant general; and Vice Adm. Parker B. Armstrong, U.S. Navy (age 59), for appointment to the grade of vice admiral on the retired list; and Vice Adm. Robert B. Baldwin, U.S. Navy, for appointment as Chief of Naval Personnel for a term of 4 years. Also Vice Adm. Alfred J. Whittle, Jr., U.S. Navy, for appointment to the grade of admiral as Chief of Naval Materiel; and Rear Adm. Albert J. Baciocco, Jr., U.S. Navy, for appointment as Chief of Naval Research for 3 years; and Maj. Gen. Kenneth McLennan, U.S. Marine Corps, to be lieutenant general as Deputy Chief of Staff for Manpower, HQS Marine Corps. I ask that these nominations be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. In addition, there are 271 for promotion in the Reserve of the Army of the United States, in the grade of colonel and below (list beginning with Robert W. Berry); and there are 518 for temporary promotion in the Navy to the grade of chief warrant officer (list beginning with Robert P. Aitken); and there are 236 in the Marine Corps for temporary appointment to the grade of lieutenant colonel and below (list beginning with Ronald E. Ablowich). Also, there are 33 Air National Guard officers for promotion in the Reserve of the Air Force to be lieutenant colonel (list beginning with Ernest Z. Adelman); and there are 6 Naval Academy graduates for appointment in the Regular Air Force in the grade of second lieutenant (list beginning with Richard R. Barth). Also, there are 1,136 lieutenant commanders in the Reserve of the Navy for temporary promotion to the grade of commander in the line (list beginning with Gary W. Aaron); and there are 24 to be commander and below in the Navy (list beginning with Robert J. Lauderdale); and there are 366 for appointment in the Regular Army of the United States, in the grade of major and below (list beginning with Clarence Peterson). Also, there are 96 for appointment in the Regular Army of the United States in the grade of colonel and below (list beginning with Herbert D. Beckman); and there are 17 for permanent appointment in the Marine Corps in the grade of second lieutenant (list beginning with Penelope L. Alvarez). Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of May 15, May 22, and June 13, 1978, at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. BENTSEN:

S. 3262. A bill to establish a procedure to reduce by a goal of twenty-five percent over a five year period the costs of compliance with rules and regulations of Federal executive departments and independent agencies; to the Committee on Governmental Affairs.

S. 3263. A bill to reduce duplicative and conflicting Federal, State, and local rules or regulations, and for other purposes; to the Committee on Governmental Affairs.

By Mr. CRANSTON:

S. 3264. A bill to assist in alleviating the burden on State and local governments caused by State constitutional limitations on their power to impose real property taxes by modifying matching fund requirements and maintenance of effort requirements in Federal programs to the extent that Federal revenues are increased by reason of such limitations; to the Committee on Governmental Affairs.

By Mr. ROTH:

S. 3265. A bill to amend the Internal Revenue Code of 1954 to allow an individual to exclude from gross income the gain from the sale or exchange of the individual's principal residence; to the Committee on Finance.

By Mr. MUSKIE (for himself and Mr. ROTH):

S. 3266. A bill to establish an Office of Intergovernmental Affairs, to establish a program of Federal grants to provide incentives for State actions to examine and alter State policies towards local governments, to simplify the intergovernmental grant system, and for other purposes; to the Committee on Governmental Affairs.

By Mr. ROTH (for himself, Mr. MUSKIE, and Mr. DANFORTH):

S. 3267. A bill to streamline and simplify the generally applicable requirements at-

tached to Federal assistance programs and their implementation; to provide for multi-year funding of certain grant programs; to expedite the processing of applications for Federal assistance involving more than one grant; to extend and amend the law relating to intergovernmental cooperation, and for other purposes; to the Committee on Governmental Affairs.

By Mr. HATHAWAY:

S. 3268. A bill to direct the Secretary of the Treasury and the Council of Economic Advisers to prepare a tax impact study for the Congress; to the Committee on Finance, by unanimous consent.

By Mr. MATHIAS (for himself, Mr. PELL, Mr. STAFFORD, Mr. JAVITS, Mr. Mr. CASE, Mr. MORGAN, Mr. CHAFEE, Mr. HEINZ, Mr. LEAHY, Mr. CRANSTON, Mr. MOYNIHAN, and Mr. RANDOLPH):

S.J. Res. 143. A joint resolution to initiate preliminary studies for the restoration and renovation of the Pension Building in Washington, District of Columbia, to house a Museum of the Building Arts; to the Committee on Environment and Public Works.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BENTSEN:

S. 3262. A bill to establish a procedure to reduce by a goal of 25 percent over a 5-year period the costs of compliance with rules and regulations of Federal executive departments and independent agencies; to the Committee on Governmental Affairs.

S. 3263. A bill to reduce duplicative and conflicting Federal, State, and local rules or regulations, and for other purposes; to the Committee on Governmental Affairs.

THE REGULATORY COST REDUCTION ACT OF 1978 AND THE REGULATORY CONFLICTS ELIMINATION ACT OF 1978

● Mr. BENTSEN. Mr. President, in 1789, Thomas Jefferson wrote "the execution of the laws is more important than the making of them." In 1978, any businessman or woman who has observed the Federal bureaucracy's tendency to write 50 pages of regulations to carry out 1 page of law will enthusiastically endorse Mr. Jefferson's observation made 189 years ago.

Over the past decade, we have witnessed an explosion of Federal rules and regulations. In 1955 some 10,000 pages were published each year in the Federal Register. By 1970, 15 years later, that number had doubled to 20,000. But by 1977, the number of pages in the Federal Register had mushroomed to 70,000. Today, Federal regulations is America's No. 1 growth industry.

In recent years, our pluralistic, regionally diverse society has sometimes had difficulty uniting to develop a consensus on the most pressing problems we face as a Nation. It is truly ironic that today a consensus has been reached in all parts of this great Nation and among just about every group of Americans that one of our most pressing problems is the incredible tendency of our own Government to expand and intrude.

The galloping growth of Federal regulation is the source of serious economic problems for this country. Excessive Federal regulation drives up prices and dries up the capital resources business needs to invest in plant and equipment to create jobs. That means excessive Federal regulation contributes directly to both inflation and unemployment.

Earlier this year, as Vice Chairman of the Joint Economic Committee, I held hearings on Government regulation. The testimony which our committee heard should convince every American that Federal redtape is an important factor in our inability to bring inflation under control and to create a job for every American who wants to work. According to a path-breaking study on regulatory costs undertaken by the center for the study of American business and presented to our committee, Federal regulations alone—excluding State and local regulations—cost consumers and business over $100 billion annually.

But the impact of strangulating Federal regulation is far more profound than any cold recitation of dollar and cents figures could possibly convey. Stifling Federal regulatory policy threatens to break the back of the spirit of individual creativity and individual entrepreneurship which has made this Nation a model of what is best in Western civilization.

Let us not forget one thing. For 200 years the key to our success as a Nation has been freedom. Not just the traditional freedoms of worship and expression, but the freedom to succeed. The small businessman, the person with an idea—the risk taker—has always been the motor force behind our economic development.

Today, excessive Government intrusion is making the individual entrepreneur an endangered species.

Some years ago, that great American philosopher, Will Rogers, told a story to illustrate the tendency of public officials to talk in general terms about a problem without offering specific solutions. Rogers said he had an absolutely foolproof way to bring peace to the world's oceans by ending submarine warfare forever. All you have to do, Rogers said, was to heat up the oceans to the boiling point so that no aggressor would be able to use submarines without destroying the crew and the ship. Someone had the good sense to ask Rogers what he was going to use to heat up the oceans of the world to the boiling point. "Look," he said, "I've solved the big question. You figure out the technical details."

Mr. President, talking about excessive regulation is easy, offering proposals to deal with the problem is far more difficult. But the American people do not want more talk. They are fed up with public officials who just wring their hands and talk futilely about the large burden Federal regulatory policy imposes on the American people. They want that burden to be reduced and they want action now.

Today, Mr. President, I am beginning what will be an ongoing intensive effort to provide legislative remedies to halt the alarming tendency toward Government by regulatory decree.

Some of my legislative initiatives will be designed to deal with the broad scope of the problem of excessive regulation. Some will be designed to surgically remove individual regulations or paperwork requirements which are unwarranted, confusing, or unreasonable.

Today, my legislative efforts begin with the introduction of two bills, the Regulatory Cost Reduction Act and the Regulatory Conflicts Elimination Act.

THE REGULATORY COST REDUCTION ACT

Under this legislation, beginning with fiscal year 1979 and for the 4 following years, the President is required to submit recommendations to Congress for reducing by up to 5 percent each year the cost imposed on society by Federal regulations. The heads of independent regulatory agencies must submit similar recommendations. These Presidential and agency recommendations will go into effect 60 days following their submission unless disapproved by Congress. The Office of Management and Budget or any other agency designated by the President will establish a uniform method of determining the costs imposed on society by each agency's rules and regulations, and the General Accounting Office will evaluate the recommendations and each agency's progress in meeting the 5-percent annual goal.

Determining compliance costs will not be easy, but it can be done and it must be done. The American people are entitled to know the cost Federal regulations impose on them. A number of private economists have already come up with good, solid cost estimates.

Under this legislation, any agency failing to achieve a 5 percent compliance cost reduction during any year is required to provide a full explanation of its failure and to cite all provisions of law which may have prevented it from achieving the goal.

This bill is both simple and tough. It is based on the premise that Federal regulation has created too heavy a burden for our people to bear and the time has come to lift some of that burden from the shoulders of America's consumers and businessmen and taxpayers.

The President, I believe, is sincerely committed to reducing the burden of excessive Federal regulation. Enactment of this bill will give him a solid legislative mandate to hold the bureaucracy's feet to the fire in order to achieve that goal. In addition, this legislation requires the Congress to "stand up and be counted" when provisions of the law hamper the compliance cost reduction effort.

THE REGULATORY CONFLICTS ELIMINATION ACT

Under this legislation, the Office of Management and Budget will annually report to Congress and the President on Federal agency rules or regulations which duplicate or conflict with rules or regulations promulgated by other Federal agencies or by State and local governments. At the start of each fiscal year, the President will submit his recommendations for resolving or eliminating duplication or conflicts among rules or regulations at the Federal, State, and local levels. The recommendations affecting Federal agencies go into effect 60 days following their submission unless disapproved by Congress. The GAO will evaluate the OMB report and the President's recommendations as well as each

agency's progress in implementing those recommendations.

It is simply outrageous for a small businessman to confront the impossible situation where complying with one regulation requires violating another. Such circumstances, which our Joint Economic Committee hearings indicate are not infrequent, serve to diminish entirely what little credibility the Federal Government has left in our country. My legislation is designed to eliminate the irrationality of conflicting or overlapping regulations.

Mr. President, later this summer I will introduce legislation designed to reduce paperwork and compliance costs in the housing industry by mandating the use of the same mortgage and note forms by FHA, VA and the Farmers Home Administration. I intend as well to introduce bills to simplify reporting requirements under the CETA program and to reduce the high cost of managing and storing Federal records.

The legislation I am introducing today as well as the legislative efforts I will be making later this year are not aimed at the legitimate efforts of Government to clean up our environment and to improve worker health and safety. Indeed, enactment of this legislation will make the entire regulatory process more efficient and hence more effective in carrying out the serious work of protecting our environment and improving the quality of life for all citizens.

My efforts are directed at excessive and unnecessary Federal regulation. Mr. President, you and I know there is too much Federal regulation. The President and the Congress know the cost of complying with Federal regulations is much too high. Most importantly, the American people are fed up with the ever-expanding tentacles of regulation-writing bureaucrats and they want something done about it.

Most Americans would agree that Federal efforts to regulate private individuals and private businesses have a benevolent intent. But I would remind the Senate of what Justice Brandeis said many years ago: "Experience teaches us to be most on our guard to protect liberty when the Government's purposes are beneficent."

Mr. President, I ask unanimous consent that the text of the Regulatory Cost Reduction Act and the Regulatory Conflicts Elimination Act be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 3262

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Regulatory Cost Reduction Act of 1978".

STATEMENT OF FINDINGS AND POLICY

SEC. 2. (a) The Congress finds and declares that—

(1) Federal rules and regulations have grown in number and scope without sufficient emphasis on minimizing the costs of compliance with such rules and regulations;

(2) there has been an insufficient effort by the Federal Government to eliminate or modify rules or regulations which are unnecessary or which impose excessive costs; and

(3) no systematic program exists within the Federal Government to eliminate inappropriate or outdated rules or regulations.

(b) Therefore, it is the purpose of this Act to establish a procedure to reduce by a goal of twenty-five percent over a five year period the costs of compliance with Federal rules or regulations.

DEVELOPMENT OF REGULATORY COST ANALYSIS PROCEDURES

SEC. 3. (a) Each year, at a time and in a manner consistent with his responsibilities under section 5, the President shall—

(1) establish criteria for use in the determination of which rules or regulations are within the definition of rule or regulation established in section 8, and furnish such criteria to the heads of the executive departments and independent agencies; and

(2) develop methods of determining the costs of compliance with Federal rules or regulations, and furnish such methods to the heads of the Federal executive departments and independent agencies.

(b) In developing the methods required under subsection (a) (2), the President shall—

(1) take such action as may be necessary to insure that such methods are based upon the most accurate available statistical and accounting knowledge and techniques; and

(2) provide, to the maximum extent feasible, that such methods are uniform for all departments and agencies while taking into account the different functions of each department or agency.

(c) (1) At least 90 days before the submission of the criteria and methods required under subsection (a) to the heads of the executive departments and independent agencies, the President shall—

(A) publish such criteria and methods in the Federal Register in order to solicit public comments thereon, for a period not in excess of 45 days; and

(B) submit such criteria and methods to the Director of the Council on Wage and Price Stability, the Chairman of the Administrative Conference of the United States, and the Director of the Congressional Budget Office for their review and comments.

(2) The Director of the Council on Wage and Price Stability, the Chairman of the Administrative Conference of the United States, and the Director of the Congressional Budget Office shall submit comments and recommendations concerning the criteria and methods submitted pursuant to paragraph (1) (B) within 45 days of the receipt of such criteria and methods.

(d) The President may delegate his responsibilities under this section to the Director of the Office of Management and Budget.

(e) The head of each executive department and independent agency shall utilize the criteria and methods developed by the President under this section to carry out their functions under section 4.

REGULATORY COST REPORTS

SEC. 4. (a) For the fiscal year beginning October 1, 1978, and for each of the four succeeding fiscal years, the head of each executive department and independent agency shall conduct a study of the costs of compliance with the rules or regulations of that department or agency. The head of each such department or agency shall submit to the President, the Congress, and the Comptroller General a Regulatory Cost Report containing the results of such study. The head of each department or agency shall utilize the criteria and methods developed under section 3 in the conduct of the study, and shall submit the report at a time to be specified by the President consistent with his responsibilities under section 5.

(b) Each Regulatory Cost Report shall—

(1) contain a statement of—

(A) the total costs of compliance with all of the rules and regulations of such department or agency for the fiscal year prior to the fiscal year for which the report is made and for the fiscal year for which the report is made, and the projected costs of compliance with such rules and regulations for the fiscal year succeeding the fiscal year for which the report is made;

(B) the costs of compliance with each of the rules or regulations of the department or agency for the fiscal year for which the report is made, as well as an identification of the legislation authorizing each such rule or regulation;

(C) the projected costs of compliance with each of the rules or regulations of that department or agency in effect during the fiscal year succeeding the fiscal year for which the report is made; and

(D) the projected costs of compliance with rules or regulations of that department or agency to be issued, or which are expected to be issued, during the fiscal year for which the report is made and during the fiscal year succeeding the fiscal year for which the report is made;

(2) report on the action taken by the department or agency during the fiscal year prior to the fiscal year for which the report is made, and the action which the department or agency is undertaking or planning to undertake during the fiscal year for which the report is made, to reduce the costs of compliance with the rules or regulations of the department or agency in accordance with the recommendations submitted under the provisions of section 5;

(3) identify (A) methods to reduce, by a goal of up to 5 percent of the costs of compliance during the fiscal year for which the report is made, the total projected costs of compliance with the rules or regulations of the department or agency for the fiscal year succeeding the fiscal year for which the report is made, and (B) provisions of law which impose excessively high costs of compliance in relation to benefits or effectiveness; and

(4) contain a statement—

(A) explaining any failures to reduce, by 5 percent during the fiscal year prior to the fiscal year for which the report is made, the costs of compliance with the rules or regulations of that department or agency, including a citation and discussion of any provisions of law contributing to such failure; and

(B) explaining any expected failures to reduce, by 5 percent during the fiscal year for which the report is made, the costs of compliance with the rules or regulations of that department or agency, including a citation and discussion of any provisions of law contributing to such failure.

REGULATORY COST REDUCTION RECOMMENDATIONS

SEC. 5. (a) On or before March 30 of each year, the President and the head of each independent agency shall prepare and transmit to the Congress and the Comptroller General a report containing recommendations to reduce, by a goal of up to 5 percent during the fiscal year succeeding the fiscal year for which the report is made, the projected costs of compliance with Federal rules or regulations promulgated by, in the case of the President, each of the executive departments, and in the case of the head of each independent agency, that agency. Such reports shall include—

(1) a statement of the costs of compliance with the rules or regulations of each

department or agency in effect during the fiscal year for which the report is made;

(2) specific actions to be taken during the fiscal year succeeding the fiscal year for which the report is made to reduce by a goal of up to 5 percent the costs of compliance with the rules or regulations of each department or agency to be in effect during such fiscal year; and

(3) a review and evaluation of the costs of compliance with the rules or regulations of each department or agency in effect during prior years and the status of actions taken in prior years, if any, to reduce such costs.

(b) Recommendations submitted by the President and the head of each agency to reduce the costs of compliance with the rules or regulations of a department or agency may include—

(1) the elimination of outdated or ineffective rules or regulations;

(2) the rewriting, shortening or simplification of rules or regulations;

(3) the revision of criteria used to determine the population required to comply with a rule or regulation in order to reduce the number of persons affected by such rule or regulation;

(4) the simplification of forms and paperwork requirements;

(5) the simplification of recordkeeping requirements;

(6) the elimination of detailed design standards, and the use of performance standards which permit the use of less costly methods of compliance;

(7) the expansion of the use of financial and market incentives in lieu of rules or regulations; and

(8) such other methods which the President and the head of each agency find will reduce the costs of compliance with Federal rules or regulations.

(c) Recommendations submitted by the President and the head of each independent agency to the Congress pursuant to this section shall be implemented by the President or the head of each independent agency, as appropriate, at the end of the first period of 60 calendar days of continuous session of Congress after the date on which such recommendations are transmitted to the Congress unless, between the date of transmittal and the end of the 60-day period, the Congress passes a concurrent resolution in accordance with the procedures established in section 6 which states in substance that the Congress disapproves any part or all of the recommendations submitted under this section.

(d) The President and the head of each independent agency shall submit the recommendations required under subsection (a) once each year for each of the four years following the date of submission of the initial recommendations under subsection (a).

RESOLUTIONS DISAPPROVING PRESIDENTIAL OR AGENCY HEAD RECOMMENDATIONS

SEC. 6. (a) For purposes of this section, the term "resolution" means a concurrent resolution of the two Houses of Congress, the matter after the resolving clause which is as follows: "That the Congress does not approve the recommendations submitted under section 5(a) of the 'Regulatory Cost Reduction Act of 1978' numbered _____ transmitted to the Congress on _____, 19__.", the blank spaces therein being appropriately filled.

(b) All resolutions introduced in the Senate shall be referred to the Committee on Governmental Affairs and all resolutions introduced in the House of Representatives shall be referred to the Committee on Government Operations.

(c)(1) If the committee of either House to which a resolution has been referred has not reported it at the end of 30 days after its introduction, it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution introduced with respect to the same matter, except that no motion to discharge shall be in order after the committee has reported a resolution with respect to the same matter.

(2) A motion to discharge under paragraph (1) may be made only by an individual favoring the resolution, and is highly privileged in the House and privileged in the Senate; and debate thereon shall be limited to not more than 1 hour, the time to be divided in the House equally between those favoring and those opposing the resolution, and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader or their designees. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(d)(1) A motion in the House of Representatives to proceed to the consideration of a resolution shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) Debate in the House of Representatives on a resolution shall be limited to not more than 20 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion to further limit debate shall not be debatable. No amendment to, or motion to recommit, the resolution shall be in order. It shall not be in order to move to reconsider the vote by which a resolution is agreed to or disagreed to.

(3) Motions to postpone, made in the House of Representatives with respect to the consideration of a resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

(4) All appeals from the decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to a resolution shall be decided without debate.

(5) Except to the extent specifically provided in the preceding provisions of this subsection, consideration of a resolution in the House of Representatives shall be governed by the Rules of the House of Representatives applicable to other resolutions in similar circumstances.

(e)(1) A motion in the Senate to proceed to the consideration of a resolution shall be privileged. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) Debate in the Senate on a resolution, and all debatable motions and appeals in connection therewith, shall be limited to not more than 20 hours, to be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(3) Debate in the Senate on any debatable motion or appeal in connection with a resolution shall be limited to not more than 1 hour, to be equally divided between, and controlled by, the mover and the manager of the resolution, except that in the event the manager of the resolution is in favor of any such motion or appeal, the time in opposition thereto, shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from time under their control on the passage of a resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal.

(4) A motion in the Senate to further limit debate on a resolution, debatable motion, or appeal is not debatable. No amendment to, or motion to recommit, a resolution is in order in the Senate.

(f) In the case of a resolution described in subsection (a)(1), if prior to the passage by one House of a resolution of that House, that House receives a resolution with respect to the same matter from the other House, then—

(1) the procedure in that House shall be the same as if no resolution had been received from the other House; but

(2) the vote on final passage shall be on the resolution of the other House.

REVIEW BY THE COMPTROLLER GENERAL

SEC. 7. (a) Within thirty days after the receipt of the reports required under section 5, the Comptroller General shall submit a review of such reports to Congress.

(b) Such review shall—

(1) evaluate the effectiveness of the actions (referred to in section 4(b)(2)) taken by each department or agency during the previous fiscal year to reduce the costs of compliance with the rules or regulations of that department or agency;

(2) evaluate the explanations (referred to in section 4(b)(4)) by the head of each department or agency concerning failures or expected failures to reduce the costs of compliance with the rules or regulations of each department or agency;

(3) assess the accuracy of the statements of the costs of compliance made by each department or agency in the reports required under section 4(b)(1);

(4) evaluate the recommendations made by the President under section 5 to reduce the costs of compliance with the rules or regulations promulgated by the executive departments; and

(5) evaluate the recomendations made by the head of each independent agency under section 5 to reduce the costs of compliance with the rules or regulations promulgated by each such independent agency.

(c)(1) The Comptroller General shall acquire directly from the head of any department, independent agency or instrumentality, or other authority of the executive branch of the government, information which he considers necessary to carry out the provisions of this Act.

(2) All executive departments, independent agencies and instrumentalities, or other authorities of the executive branch of the government shall cooperate with the Comptroller General and furnish all information requested to the extent permitted by law.

DEFINITIONS

SEC. 8. For purposes of this Act—

(1) the term "rule or regulation" means any rule or regulation which is consistent with the term "rule" as defined in section 551(4) of title 5, United States Code;

(2) the term "Comptroller General" means the Comptroller General of the United States;

(3) the term "costs of compliance" means the costs imposed upon the non-Federal sector as a result of compliance with the rules or regulations promulgated by any Federal executive department or independent agency, including wages, salaries, benefits, capital costs, rents, interest, State and local taxes, and costs due to data collection and recordkeeping, preparation and submission of forms, data, and reports, purchase of necessary equipment, management time, training, and changes in the quality or mixture of raw materials or output, except that such terms does not include normal business or recordkeeping costs which would exist in the absence of such rules or regulations;

(4) the term "non-Federal sector" means an individual, partnership, association, corporation, business trust or legal representative thereof, an organized group of individuals, labor organization, a State or ter-

ritorial Government or branch thereof, or a political subdivision of a State or territory or a branch thereof;

(5) the term "independent agency" means an agency of the United States having quasi-legislative or quasi-judicial powers, as determined by the Director of the Office of Management and Budget; and

(6) the term "executive department" means any agency of the United States within the executive branch which is not an "independent agency" as defined in clause (4).

AUTHORIZATION OF APPROPRIATIONS

SEC. 9. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

S. 3263

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Regulatory Conflicts Elimination Act of 1978".

STATEMENT OF FINDINGS AND POLICY

SEC. 2. (a) The Congress finds and declares that—

(1) duplication among Federal, State, and local rules, regulations, and data collection requirements often impose excessive and unnecessary costs and burdens on the private sector;

(2) conflicts between rules or regulations promulgated by the different executive departments and independent agencies, as well as conflicts between rules or regulations promulgated by Federal, State, and local governments, impose excess costs on the private sector, create uncertainty, result in unintentional violations by persons required to comply with such rules and regulations, and create a disregard for the spirit and intent of such rules and regulations; and

(3) such duplicative and conflicting rules or regulations are a source of inefficiency in government, thereby reducing the productivity of government employees and increasing Federal, State, and local taxes.

(b) It is the purpose of this Act to reduce or eliminate duplicative and conflicting rules or regulations among Federal, State, and local governments.

DEVELOPMENT OF REGULATORY COST ANALYSIS PROCEDURES

SEC. 3. (a) The President, in a time and manner consistent with his responsibilities under section 5, shall—

(1) establish criteria for use in the determination of which rules or regulations are within the definition of rule or regulation established in section 8; and

(2) determine criteria for use by the heads of the Federal executive departments and independent agencies in examining the costs of compliance with Federal rules or regulations.

(b) The President shall transmit the criteria developed under this section to the head of each executive department and independent agency.

ANALYSIS OF REGULATORY DUPLICATION AND CONFLICT

SEC. 4. Each year, at a time to be specified by the President in accordance with his responsibilities under section 5, the Director of the Office of Management and Budget, in cooperation with the head of each executive department and independent agency, shall submit to the President, the Congress, and the head of each independent agency a Regulatory Duplication and Conflicts Report. Each Regulatory Duplication and Conflicts Report shall—

(1) identify specific rules or regulations, including data collection requirements, of each executive department or independent agency which are duplicative or conflicting rules or regulations between such department or agency and any other executive department or independent agency, and identify the provisions of law which authorize or require the promulgation of such duplicative or conflicting rules or regulations;

(2) identify specific rules or regulations, including data collection requirements, of each executive department or independent agency which are, or which tend to be, duplicative or conflicting rules or regulations between such department or agency and State or local governments;

(3) determine the costs of compliance with the rules or regulations of each executive department or independent agency which are duplicative or conflicting rules or regulations between such department or agency and other executive departments or independent agencies or State and local governments;

(4) contain recommendations for—

(A) modifying, eliminating, or consolidating duplicative rules or regulations among the executive departments and independent agencies;

(B) modifying or eliminating duplicative rules or regulations of the executive departments and independent agencies and of State and local governments; and

(C) resolving conflicting rules and regulations among the executive departments and independent agencies and conflicting rules and regulations between the executive departments and independent agencies and State and local governments; and

(5) report on actions taken by each department or agency during the fiscal year prior to the fiscal year for which the report is made, and the actions which each department or agency is undertaking or planning to undertake during the fiscal year for which the report is made, to modify or eliminate duplicative or conflicting rules and regulations in accordance with the recommendations submitted under section 5.

REGULATORY CONFLICTS REDUCTION RECOMMENDATIONS

SEC. 5. (a) On or before October 1 of each year, beginning with the fiscal year 1979, the President and the head of each independent agency shall prepare and transmit to the Congress and the Comptroller General a report containing recommendations for modifying or eliminating duplicative or conflicting rules or regulations promulgated by, in the case of the President, each of the executive departments, and in the case of the head of each independent agency, that agency.

(b) Recommendations submitted by the President and the head of each independent agency to the Congress pursuant to this section shall be implemented by the President or the head of each independent agency, as appropriate, at the end of the first period of 60 calendar days of continuous session of Congress after the date on which such Congress unless, between the date of transmittal and the end of the 60-day period, the Congress passes a concurrent resolution in accordance with the procedures established in section 6 which states in substance that the Congress disapproves any part or all of the recommendations submitted under this section.

RESOLUTIONS DISAPPROVING PRESIDENTIAL OR AGENCY HEAD RECOMMENDATIONS

SEC. 6. (a) For purposes of this section, the term "resolution" means a concurrent resolution of the two Houses of Congress, the matter after the resolving clause which is as follows: "That the Congress does not approve the recommendations submitted under sections 5(a) of the 'Regulatory Conflicts Elimination Act of 1978' numbered— transmitted to the Congress on ————, 19—.", the blank spaces therein being appropriately filled.

(b) All resolutions introduced in the Senate shall be referred to the Committee on Governmental Affairs and all resolutions introduced in the House of Representatives shall be referred to the Committee on Government Operations.

(c)(1) If the committee of either House to which a resolution has been referred has not reported it at the end of 30 days after its introduction, it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution introduced with respect to the same matter, except that no motion to discharge shall be in order after the committee has reported a resolution with respect to the same matter.

(2) A motion to discharge under paragraph (1) may be made only by an individual favoring the resolution, and is highly privileged in the House and privileged in the Senate; and debate thereon shall be limited to not more than 1 hour, the time to be divided in the House equally between those favoring and those opposing the resolution, and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader or their designees. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed or disagreed to.

(d)(1) A motion in the House of Representatives to proceed to the consideration of a resolution shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) Debate in the House of Representatives on a resolution shall be limited to not more than 20 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion to further limit debate shall not be debatable. No amendment to, or motion to recommit, the resolution shall be in order. It shall not be in order to move to reconsider the vote by which a resolution is agreed to or disagreed to.

(3) Motions to postpone, made in the House of Representatives with respect to the consideration of a resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

(4) All appeals from the decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to a resolution shall be decided without debate.

(5) Except to the extent specifically provided in the preceding provisions of this subsection, consideration of a resolution in the House of Representatives shall be governed by the Rules of the House of Representatives applicable to other resolutions in similar circumstances.

(e)(1) A motion in the Senate to proceed to the consideration of a resolution shall be privileged. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) Debate in the Senate on a resolution, and all debatable motions and appeals in connection therewith, shall be limited to not more than 20 hours, to be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(3) Debate in the Senate on any debatable motion or appeal in connection with a resolution shall be limited to not more than 1 hour, to be equally divided between, and controlled by, the mover and the manager of the resolution, except that in the event the manager of the resolution is in favor of any such motion or appeal, the time in opposition hereto, shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from time under their control on the passage of a resolution,

allot additional time to any Senator during the consideration of any debatable motion or appeal.

(4) A motion in the Senate to further limit debate on a resolution, debatable motion, or appeal is not debatable. No amendment to, or motion to recommit, a resolution is in order in the Senate.

(f) In the case of a resolution described in subsection (a)(1), if prior to the passage by one House of a resolution of that House, that House receives a resolution with respect to the same matter from the other House, then—

(1) the procedure in that House shall be the same as if no resolution had been received from the other House; but

(2) the vote on final passage shall be on the resolution of the other House.

REVIEW BY THE COMPTROLLER GENERAL

SEC. 7. (a) Within thirty days after the receipt of the reports required under section 5, the Comptroller General shall submit a review of such reports to Congress. Such review shall include—

(1) an evaluation of the report of the Director of the Office of Management and Budget submitted under section 4;

(2) an evaluation of the recommendations submitted under section 5; and

(3) an assessment of the efforts of each department or agency to modify or eliminate duplicative or conflicting rules or regulations during the fiscal year prior to the fiscal year for which the report is submitted under section 5.

(c)(1) The Comptroller General shall acquire directly from the head of any department, independent agency or instrumentality, or other authority of the executive branch of the Government, information which he considers necessary to carry out the provisions of this Act.

(2) All executive departments, independent agencies and instrumentalities, or other authorities of the executive branch of the government shall cooperate with the Comptroller General and furnish all information requested to the extent permitted by law.

DEFINITIONS

SEC. 8. For purposes of this Act—

(1) the term "rule or regulation" means any rule or regulation which is consistent with the term "rule" as defined in section 551(4) of title 5, United States Code;

(2) the term "duplicative rule or regulation" means rules or regulations promulgated by Federal, State, or local government agencies which are designed to—

(A) attain the same or similar regulatory objectives;

(B) acquire the same or similar information or statistics; or

(C) encourage or discourage the same or similar courses of action by the private sector;

(3) the term "conflicting rules or regulations" means rules or regulations promulgated by Federal, State, or local government agencies which require different courses of action in the same or similar situations, or require the private sector to violate one rule or regulation in order to fully and faithfully be in compliance with another rule or regulation;

(4) the term "Comptroller General" means the Comptroller General of the United States;

(5) the term "costs of compliance" means the costs imposed upon the private sector as a result of compliance with rules or regulations promulgated by any Federal agency;

(6) the term "private sector" means an individual, partnership, association, corporation, business trust or legal representative thereof, an organized group of individuals, or labor organization, which is not part of, or directly funded as, an entity of a Federal, State, or local government department, agency, or other instrumentality;

(7) the term "independent agency" means an agency of the United States having quasi-legislative or quasi-judical powers, as determined by the Director of the Office of Management and Budget; and

(8) the term "executive department" means any agency of the United States within the executive branch which is not an "independent agency" as defined in clause (4).

AUTHORIZATION OF APPROPRIATIONS

SEC. 9. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.●

By Mr. ROTH:

S. 3265. A bill to amend the Internal Revenue Code of 1954 to allow an individual to exclude from gross income the gain from the sale or exchange of the individual's principal residence; to the Committee on Finance.

THE HOMEOWNERS RELIEF ACT

● Mr. ROTH. Mr. President, I am today introducing a bill to remove the capital gains tax now imposed on the proceeds of the sale of a taxpayer's permanent residence. My legislation would provide tax relief to all homeowners whose home's value and taxes have skyrocketed because of inflation.

This legislation will have a major impact on senior citizens who wish to sell their home and move to an apartment. Instead of the extra dollars realized on the sale of their home going to supplement their pensions or social security, a lion's share now goes to Uncle Sam.

A home is perhaps the major purchase of a lifetime and to punish taxpayers and reward government which has caused the inflated selling price is unconscionable.

A capital gains tax is currently imposed on the profit from the sale of a person's personal residence. Taxpayers 65 years old and above are provided partial relief from capital gains on a profit of up to $35,000 on the sale of their houses.

All house sellers would benefit under my legislation. A home is a major investment for all working Americans—young and old—and they should be allowed to sell their homes without having an enormous tax imposed on them by a money-hungry Federal Government.

A home is the one real investment, that without the capital gains trap, can offset inflation.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3265

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (a) of section 121 of the Internal Revenue Code of 1954 (relating to gain from sale or exchange of residence) is amended to read as follows:

"(a) GENERAL RULE.—At the election of the taxpayer, gross income does not include gain from the sale or exchange of property if such property has been owned and used by the taxpayer as his principal residence for at least 12 months."

(b) Subsection (b) of section 121 of such Code is amended to read as follows:

"(b) LIMITATION.—Subsection (a) shall not apply to any sale or exchange by the taxpayer if an election by the taxpayer or his spouse under subsection (a) with respect to any other sale or exchange is in effect.".

(c)(1) The heading of such section 121 is amended by striking out "WHO HAS ATTAINED AGE 65".

(2) The table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking out (in the item relating to section 121) "who has attained age 65."

(3) Paragraph (1) of section 121(d) of such Code is amended by striking out "the age holding, and use requirements" each place it appears and inserting in lieu thereof "the holding and use requirements".

(4) Paragraph (2) of section 121(d) of such Code is amended to read as follows:

"(2) Property of Deceased Spouse.—For purposes of this section, in the case of an unmarried individual whose spouse is deceased on the date of the sale or exchange of property, if the deceased spouse satisfied the holding and use requirements with respect to such property, then such individual shall be treated as satisfying the holding and use requirements of subsection (a) with respect to such property. An election by the deceased spouse under subsection (a) in effect with respect to a prior sale or exchange shall not limit such individual from the election under subsection (a) with respect to such property.".

(5) sections 1033(h)(3), 1034(k), 1038(e)(1)(A), and 6012(c) of such Code are each amended by striking out "who has attained age 65".

(6) Section 1250(d)(7)(B) of such Code is amended by striking out "who has attained the age of 65".

(d) The amendments made by this section shall apply to dispositions after the date of the enactment of this Act in taxable years ending after such date.●

By Mr. MUSKIE (for himself and Mr. ROTH):

S. 3266. A bill to establish an Office of Intergovernmental Affairs, to establish a program of Federal grants to provide incentives for State actions to examine and alter State policies toward local governments, to simplify the intergovernmental grant system, and for other purposes; to the Committee on Government Affairs.

By Mr. ROTH (for himself, Mr. MUSKIE, and Mr. DANFORTH):

S. 3267. A bill to streamline and simplify the generally applicable requirements attached to Federal assistance programs and their implementation; to provide for multiyear funding of certain grant programs; to expedite the processing of applications for Federal assistance involving more than one grant; to extend and amend the law relating to intergovernmental cooperation, and for other purposes; to the Committee on Government Affairs.

THE FEDERAL SYSTEM REFORM ACT OF 1978 AND THE FEDERAL ASSISTANCE PAPERWORK REDUCTION ACT

● Mr. MUSKIE. Mr. President, today, Senator ROTH and I are introducing two pieces of legislation (S. 3266 and S. 3267) which we believe will add significantly to the debate on the President's national urban policy begun this week in the Subcommittee on Intergovernmental Relations.

The first bill, the Federal System Reform Act, would establish a grant program of State incentives to encourage

State governments to analyze and take steps to improve their policies and programs affecting distressed local governments. That bill would also create an Office of Intergovernmental Affairs in the Executive Office of the President to administer the State incentive program and to provide a focal point for all Federal grant assistance programs.

The second bill, the Federal Assistance Paperwork Reduction Act, would streamline and make sense of our fragmented and confused system of Federal assistance programs.

Mr. President, 3 months ago, President Carter called on all of us to help him build a new partnership to conserve our cities—a working alliance of all levels of government with the private sector of our economy and with our citizens in their communities and neighborhoods.

The proposals we are introducing today go to the heart of that new partnership. They force us to address such fundamental questions as which levels of government should bear responsibility for urban programs and how we can improve the efficiency and coordination of government at all levels.

That program questions whether it is necessary or wise for the Federal Government to continue to pick up more of the tab for local governments—and the large cities in particular—while the States continue to pick up relatively less.

I do not believe it is. And that is why I consider the Federal effort to encourage the States to provide greater help to their distressed local governments to be of critical importance.

The State incentive legislation we are introducing today addresses what I view are the most fundamental issues.

It targets the benefits to the most distressed local governments which need them the most.

It sets out realistic actions that States can take to aid those communities.

It offers incentives—both monetary and otherwise—to the States to induce them to change longstanding policies affecting their cities.

And it is drafted to insure that the States which participate in this program are rewarded solely on the basis of performance and not promises.

But, if we are going to ask the States to assume a new role in helping distressed local governments, the Federal Government must do its part, too.

That means we must make our existing grant-in-aid structure more effective so that we can make better use of the resources we now spend.

Today, we have a creaking structure of aid programs that overlap—that conflict—that are snarled in redtape and regulations—that do not keep up with changing needs—that are poorly administered—in short, a structure badly in need of renovation.

The second piece of legislation which we are introducing with Senator DANFORTH will help us start making those repairs by establishing a single office to coordinate the grant system, by reducing the regulatory burden, and by simplifying grant application procedures.

Mr. President, I ask unanimous consent that the two bills be printed in the RECORD immediately following Senator ROTH's statement.●

The PRESIDING OFFICER. Without objection, it is so ordered.

THE FEDERAL ASSISTANCE PAPERWORK REDUCTION ACT

● Mr. ROTH. Mr. President, I am introducing important legislation today with Senators EDMUND MUSKIE and JOHN DANFORTH to reform the administrative burdens that excessive paperwork and regulation imposes on State and local governments and other recipients of Federal assistance. The Federal Assistance Paperwork and Regulation Reduction Act is the product of several months of consultation and coordination among our offices and with representatives from public interest groups. I applaud the efforts of Senator DANFORTH and Senator MUSKIE and their many weeks of labor in helping to develop this important legislation.

This reform legislation was developed to address the costly and cumbersome procedures for receiving Federal domestic assistance and implementing Federal program objectives. It is sadly true today that many communities choose not to participate in the domestic assistance process because the costs and regulatory burdens outweigh the program benefits. As a consequence, many communities are becoming dropouts in the grantsmanship quest for Federal program benefits.

In my remarks today I would like to outline some of the more serious problems that have plagued domestic assistance administration and explain the approach for reform that we believe would be a significant improvement. In one sense our approach is limited in that we have tried to make improvements in the categorical system of Federal assistance. Our aim is to improve the administration of domestic assistance to recipients.

The bill has several major purposes. First, it provides for greater uniformity of program requirements that apply to grant recipients. Across-the-board requirements such as citizen participation, access to information, equal opportunity, planning, and environmental quality would be standardized so that a recipient is not asked to comply with different regulations for each administering agency.

A second major aim of the legislation is to facilitate the administration of programs by providing funding commitments one year in advance of State and local budgeting deadlines.

Third, the Joint Funding Simplification Act would be amended to facilitate greater use of funding of a single plan or program with more than one source of Federal funds.

Fourth, State or local governments could request a certification of approval from the responsible Federal agencies that they are in compliance with all crosscutting requirements applying to the grants administered by each of those agencies. Once certified, a State or local government would not be required to fulfill all the redtape regulations associated with the many crosscutting requirements. The certification would in no way allow the State or local governmental units to escape their responsibility to fulfill the law; it would merely cut the redtape and paperwork in a most effective manner.

GRANTS MANAGEMENT

The haphazard administration of grant dollars to State and local governments used to be a small problem in Washington. In 1960, $7 billion was distributed to State and local governments in the form of grants and aid. Today it is a big problem—the 1979 budget targets $80 billion for intergovernmental transfers to city, county, and State government. Managing this annual budget is equivalent to managing a corporation with gross sales the size of Exxon Corp. and Ford Motor Co. combined. Overseeing this huge Federal grants system efficiently with a minimum of redtape and confusion has become a serious problem.

The expanded amount of Federal dollars going to the State and local governments is not the only, nor indeed the greatest, problem facing the Federal grants management system. One of the severe problems is the increased number of Federal agencies which currently administer grant programs. The responsibility for providing assistance to State and local governments has been widely scattered. In the mid-1960's, some 123 different Federal bureaus or divisions administered one or more aid programs. In 1966, all but 2 of the then 11 Cabinet rank departments offered some form of assistance. By 1975, grant programs were offered by some 74 bureaus within 28 Federal agencies and departments. With so many Federal players involved it has become quite difficult to keep track of the progress and development of Federal grant procedures.

As if the number of Federal grant agencies were not enough, the number of Federal grant programs is even greater. Although some of the grants which previously existed have been consolidated into block grants, there are still far too many categorical grants in our Federal grants system. The number of separate grant programs for very specific purposes run by the Office of Education of the Department of Health, Education, and Welfare, to use a startling example, is 85. Among them are grants for bilingual vocational education, media services and film loan program centers, undergraduate instructional equipment, university community services programs, and consumer and homemaking education. Other functional areas, such as health services, are nearly as crowded and contain only a few less programs. The sheer volume of grants programs has made it increasingly difficult to manage the Federal grants system with a minimum of paperwork, delay and red tape.

The number, variety, and confusion apparent in assistance programs system is compounded by continuing management weaknesses evidenced by the agency primarily responsible for overseeing the system, the Office of Management and Budget. Since its creation in 1921 when it was a part of the Department of Treasury, OMB has assumed three primary duties: Budget preparation, legislative

clearance, and management improvement. Through the years since its creation but especially during the reorganization efforts of 1967, 1970, and 1973, efforts were made to improve OMB's handling of the issues relating to Federal management, including intergovernmental and interagency coordination. The symbolic representation of these efforts was the addition of the "M" to the agency's name in 1970.

Sadly, these attempts to strengthen the management side of the agency have proved to be largely unsuccessful. The fact remains that despite official disclaimers, the agency's management activities have never come to be regarded as important as its budgetary role. Consequently, the agency has in fact had limited success and has made a limited effort to obtain full compliance with its management initiatives. The agency, for a variety of reasons, has been lax in its enforcement of management circulars, monitors the grants management system in a largely reactive fashion, and has failed to foster greater intergovernmental cooperation in existing and newly created programs.

In sum, its efforts have not been effective in reducing the redtape and the profusion of regulations and requirements which currently saddle the Federal grants process, and its failures, added to the problems described earlier, have reduced the effectiveness and utility of grant programs.

PUBLIC SECTOR GROWTH AT STATE AND LOCAL LEVEL

Despite a decline in public sector growth in 1977, the trend during the past quarter century has been toward an unparalleled expansion of government. State and local governments have grown rapidly, as demonstrated by the nearly threefold increase in their work forces from about 4.1 million to 12.2 million between 1953 and 1976, and the nearly tenfold increase in their own revenues during the same period, from about $27 billion to approximately $200 billion. The roles of these governments have also expanded and diversified greatly.

While the size and scope of State and local responsibilities have grown, policy initiatives, allocational decisions, and administrative authority have increasingly been centralized at the national level. This expansion of the Federal Government's role has taken a variety of forms. In 1950, Federal grants-in-aid to State and local governments amounted to about $2.3 billion but by 1977, the total had risen to over $70 billion. An increasing amount of these grants have been in the form of general revenue sharing and block grants which now comprise almost one-fourth of what was once an entirely categorical system. These newer grants have greatly expanded the contemporary intergovernmental partnership, as virtually all State and local units are recipients of Federal aid and are, therefore, bound by the accompanying conditions and controls.

CROSS-CUTTING REQUIREMENTS

Currently, there are at least 33 crosscutting regulations routinely attached to most aid programs. Over 450 categorical grants are now funded for use by State and local governments with several hundred more remaining unfunded but still alive in statute.

The 33 so-called across-the-board or crosscutting requirements are attached, in varying forms, to almost every one of the 450 grant programs, creating an incredible hodge-podge of strings and regulations. A partial listing of such requirements would include nondiscrimination statutes and regulations, environmental protection requirements, planning and project coordination laws, labor and procurement standards, and various public participation requirements. We have four separate Federal laws covering the same public policy goal: To encourage public participation in grant programs. There are 13 separate Federal statutes that specify compliance procedures for equal opportunity and discrimination. Six separate Federal laws require grant recipients to make environmental impact assessments. Areawide planning and program development statutes exist in 17 different forms.

My point is obvious: There are too many crosscutting strings attached to Federal grant programs.

It is clear that the crosscutting requirements attached to each grant are burdensome, difficult to comply with and often conflicting. The attached Federal strings in grant-in-aid programs have made it difficult for the States and their local governments to use available Federal moneys effectively and productively. As if all of this was not bad enough, each of these crosscutting statutes can be interpreted differently by each agency and all Federal agencies have issued their own regulations to implement the various statutes. As a result, potential grant recipients must not only know the crosscutting laws which apply to each grant program, they must also become familiar with the regulations which each agency promulgates to implement the law. And the Federal agencies which administer grant programs affecting the State and local governments can be very imaginative. It is sad but true that the bureaucracy as well as the Congress seem to be able to cut redtape in only one direction: lengthwise.

How did we let our grant system become so snarled and twisted in redtape? The general revenue sharing program illustrates just how Federal crosscutting strings have been allowed to sprout. Revenue sharing began as a program to allocate Federal moneys to local governments whose use of such funds was supposed to be largely discretionary. Cutting redtape and eliminating regulatory snags was one of the primary reasons for the creation of revenue sharing. Under the original program, each recipient government was required to follow its normal hearing procedures to assure public participation. This meant that a local government was to budget, appropriate, and spend its revenue sharing funds under the same procedural safeguards it applied to funds appropriated from its own tax revenues. In addition, local governments were required to complete one planned-use report and one actual-use report for each entitlement period, file these with the Secretary of the Treasury and publish each report.

The revenue sharing amendments of 1976 added more requirements to the act and significantly increased local regulatory burdens. Local governments are now required to hold two public hearings where no hearings were mandated previously. Each of these hearing provisions is accompanied by technically specific publication requirements. Even more disturbing, three reports are now required of local governments on an annual basis.

The original act wisely contained waiver provisions so small local governments and those receiving relatively little revenue-sharing money would not be required to fulfill the burdensome reporting requirements. Sadly, the regulations issued by the Office of Revenue Sharing removed even these provisions. In the area of revenue sharing, as in most other Federal grant programs, it is apparent that redtape, bureaucratic dallying and plain insensitivity to the needs of local government has begun to shackle the program.

The public participation strings added to the revenue sharing program are similar to some of the crosscutting requirements attached to most other grant programs in an attempt to encourage citizen involvement. The growth of these requirements in the revenue sharing program is amazingly similar to the process which has gradually added the many crosscutting requirements contained in our Federal grant-in-aid system. The process is a gradual one, adding a new public participation requirement here and an environmental requirement there until a massive system of Federal statutes and requirements has grown up around the grants system. Because of the huge volume and complexity of these requirements, many of them, though seeking to reach laudable goals, become useless and largely pro forma in nature. The system has become too huge and confusing to manage and its benefits are questionable.

What has resulted from this twisted network of crosscutting requirements, regulations, and statutes? For one thing, smaller jurisdictions have been hard pressed to compete for needed Federal grants. Drawn into the grants process by expanded use of block grants and general revenue sharing, smaller jurisdictions have been finding that they are less and less capable of complying with the plethora of Federal mandates. As one HUD official recently acknowledged—

Government in general is not taking into account the capacity of these small jurisdictions to deal with Federal programs.

The costs of the system have vastly increased, in part due to crosscutting mandates, and both State and local officials and Federal administrators are finding that the costs of many grant programs are greater than the benefits. Numerous examples of the administrative costs of the crosscutting regulation thicket have been revealed in the press and by congressional studies and reports.

For instance, crosscutting and other grant requirements have prompted the State of Georgia's department of education to use a rule of thumb of $5,000 for determining whether to apply for grants from Federal agencies. If the possible grant award would be less than $5,000, the State estimates it would lose money in the paperwork process associated with the grant application and therefore does not apply for it. A large share of these paperwork costs are mandated by the various crosscutting requirements.

In another case, the city of Tulsa, Okla., estimates that it spends 15 to 20 percent of all the Federal aid it receives just to apply for and administer Federal grants. Many cases have arisen in recent years in which towns, counties or States have refused Federal grants because of excessive Federal requirements and costs. The explosion of Federal crosscutting strings has, indeed, had serious negative effects on the utility and effectiveness of Federal grants.

The legislation we introduce today seeks to address these problems by the provisions described in title I. It provides that within 90 days of enactment of the act, the President would be required to designate a single Federal agency which would be responsible for issuing a standard set of rules and regulations in each of nine subject areas. These areas include citizen participation, procurement standards, and environmental protection requirements which are attached to most grant programs with the intent of achieving certain national policy objectives. Once the standardized rules and regulations have been issued, each of the Federal agencies having responsibility for a Federal grant program in which the various crosscutting requirements apply would be responsible for implementing the standardized regulations in its programs. The Office of Management and Budget would have the general responsibility of monitoring the new act and adjudiciating any disagreements which arise between the agencies during implementation.

The simplification and clarification provided by our legislation would prevent State and local governments from complying with differing standards and regulations in each grant application. It would strengthen the management role of OMB by providing for a simple and rational system of crosscutting requirements and by delegating to it the role of interagency manager and facilitator with respect to the provisions of the act. Finally, the legislation would aid the agencies in their administration of grants programs largely because of the fact that grant applications submitted by State and local governments would be better prepared under the streamlined system created by this legislation. Overall, the provisions contained in title I work to the benefit of all the participants in the grants system and in the long run should help save money, time, and unnecessary effort.

JOINT FUNDING

The need for a coordinated, unified Federal response to State and local requests for multi-Federal assistance has been apparent since the beginning of Federal grant assistance. The Congress attempted to meet this need with passage of the Joint Funding Simplification Act of 1974. The act was intended to enable State and local governments to use Federal assistance more effectively and efficiently, and to adapt that assistance more readily to their particular needs through the wider use of comprehensive projects drawing upon resources from more than one Federal agency, program, or appropriation. Ideally, the joint funding concept should promote and provide support for the accomplishment of State and local goals and projects by allowing a combination of funds from several Federal agencies to be used in a concentrated manner.

Unfortunately, the grand designs originally contemplated for the program have not been fulfilled. Joint funding is not working. As of October 1977, there were only two new joint funding projects initiated and funded. Simplification, as envisioned in the legislation, has not occurred. In some cases, unnecessary redtape, excessive paperwork, duplication, delay, confusion, and frustration often associated with existing grant administrative practices and individual programs have been compounded rather than alleviated.

There has been a noticeable lack of commitment toward implementation of the joint funding process at the Federal level. This has been manifested in a number of ways, from lack of agency participation in joint funding projects to the inability of many States or local governments to gain consideration of their proposals because no Federal agency would "volunteer" to serve in a lead capacity. Joint funding has not been viewed by the agencies as part of their mission, but rather as a layon. Because the joint funding process is different from the normal categorical grant processes utilized by most agencies, joint funding matters have often been shuffled to the bottom of the pile. Generally, though the joint funding process could be immensely valuable to State and local governments, it has seldom been utilized due to agency indifference.

Title III of our legislation would strengthen the Joint Funding Simplification Act. The bill provides language mandating a more serious consideration of the joint funding process by Federal grant agencies. It also provides for a new section in the Joint Funding Simplification Act which would allow the creation of joint management funds accounts. These accounts would be maintained with funds from the participating agencies so that any State or local government with an approved jointly funded project could more easily receive its funds from a single agency. Competent management of jointly funded projects would be encouraged and redtape and delays cut significantly.

OTHER IMPROVEMENTS

The proposed legislation makes several other grants management improvements, two of which deserve special note. One of these provisions would allow State and local governments to petition agencies administering Federal assistance programs for a certificate of compliance. The certificate, once approved by the respective agency, would be accepted as proof that the State or local government was in compliance with State or local laws or regulations which are at least as stringent as the standard rules and regulations mandated by the Federal Government. Upon approval, the State or local unit would no longer be required to fill out all of the forms and reports required by each agency for the newly standardized crosscutting requirements attached to each grant. The result will be a significant decrease in paperwork frustration and redtape.

The second important provision is contained in title II of the bill. The provisions in title II would require the appropriations committees of both the House and the Senate to continually study the multitude of Federal grant programs and recommend, from time to time, to their respective Houses changes and modifications which could be made to authorize those programs for more than 1-year periods, also known as advance funding. The Senate and House could then decide to make those programs available on an advance funded basis.

Advance funding for grant programs would allow the States and localities to plan ahead with greater certainty. Planning and budgetary processes at the local level would be strengthened and State and local governments would be able to interlink their planning and implementation systems to a much greater degree. It is a necessary and important reform and one which will help improve financial management by the States and their local governments.

Mr. President, this legislation would go far toward cleaning up the redtape, confusion, and frustration which exists for all participants in our Federal grants system. It is a bill designed to improve the management of Federal assistance programs, a theme which the administration has constantly stressed. I believe the bill will help strengthen our Federal assistance programs and it will help smooth the relationships between the Federal Government and its State and local partners. Out of these more positive interactions will emerge a stronger Federal system, one in which all partners cooperate and participate. We have spent many months carefully crafting this legislation and I hope my colleagues will give it careful consideration.

The bills ordered to be printed in the RECORD follow:

S. 3266

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal System Reform Act of 1978".

SEC. 2. (a) The Congress finds that—

(1) Federal programs to aid State and local governments are too often duplicative, overlapping, and uncoordinated;

(2) the benefits of such Federal programs are diminished substantially when State governments take actions which work at cross purposes with such Federal programs;

(3) there is no systematic method to assess the impact of Federal programs on State and local governments;

(4) States play a pivotal role in the Federal system because local governments derive the authority to raise revenues and make expenditures from the States, and, as a result, the fiscal well-being of local governments has been dependent upon the actions of the States;

(5) during the past twenty years, the proportions of Federal and State assistance to local governments has been reversed, and many local governments, particularly those facing economic difficulties, have received more Federal assistance than State assistance; and

(6) the Federal system would be substantially strengthened if—

(A) the coordination and assessment of Federal programs to assist State and local governments were improved;

(B) State governments were encouraged to coordinate their actions with Federal programs to aid local governments; and

(C) Federal programs providing grants to State and local governments were reformed.

(b) The purposes of this Act are to—

(1) establish an Office of Intergovernmental Affairs in the Executive Office of the President to coordinate and assess Federal grant-in-aid programs for State and local governments;

(2) create a program of Federal grants to provide incentives to the States to provide additional assistance to local governments and to coordinate such State assistance with similar Federal assistance; and

(3) simplify and reform the Federal grant-in-aid system and Federal assistance to State and local governments.

TITLE I—OFFICE OF INTERGOVERNMENTAL AFFAIRS ESTABLISHMENT OF OFFICE

SEC. 101. (a) There is established in the Executive Office of the President an Office of Intergovernmental Affairs. The Office shall be administered by a Director who shall be appointed by the President, by and with the advice and consent of the Senate.

(b) There shall be in the Office a Deputy Director, who shall be appointed by the Director. The Deputy Director shall perform such functions and exercise such powers as the Director may prescribe, and shall act as Director during the absence or disability of the Director or in the case of a vacancy in the office of the Director.

(c) The establishment of the Office of Intergovernmental Affairs in the Executive Office of the President shall not affect or limit access by the Congress or the committees of either House of Congress to information, documents, materials, or studies, in the possession of or conducted by the Office, or to the personnel of the Office.

(d) The President may authorize any individual who held a position in the Executive Branch of the Government on the day before the date of enactment of this title to act as the Director or Deputy Director until the Director and Deputy Director are first appointed pursuant to the provisions of this title or by recess appointment, as the case may be. The President may authorize any individual acting as the Director or Deputy Director under this section to receive the compensation prescribed for the Office of Director or Deputy Director, as is appropriate. Such compensation shall be in lieu of and not in addition to any other compensation from the United States to which such individual may be entitled.

FUNCTIONS OF THE DIRECTOR

SEC. 102. The Director shall—

(1) coordinate and establish goals for Federal efforts under grant assistance programs in accordance with the provisions of section 103;

(2) make recommendations to the President for the resolution of conflicting actions between Federal departments and agencies in the administration of Federal grant assistance programs, in accordance with the provisions of section 104;

(3) maintain liaison and communications with officials of State and local governments involved with Federal grant assistance programs, in accordance with the provisions of section 105;

(4) provide technical assistance to State and local governments in accordance with the provisions of section 106; and

(5) provide management oversight review to Federal departments and agencies in accordance with the provisions of section 107.

COORDINATION OF FEDERAL GRANT ASSISTANCE PROGRAMS

SEC. 103. (a) The Director shall review the grant assistance programs for State and local governments of all Federal departments and agencies, and shall establish goals to achieve the coordination of actions by all Federal departments and agencies in regard to such programs. In carrying out the provisions of this section, the Director shall consult with the Secretary of Housing and Urban Development, the Secretary of Commerce, the Secretary of Health, Education and Welfare, the Secretary of the Treasury, and the Director of the Office of Management and Budget.

(b) To carry out his functions under subsection (a), the Director shall—

(1) establish goals to achieve the coordination of actions by all Federal departments and agencies in the administration of grant assistance programs;

(2)(A) review the rules, regulations, guidelines, requirements, criteria, and procedures of departments and agencies operating grant assistance programs;

(B) determine whether such rules, regulations, guidelines, requirements, criteria, and procedures are consistent with the goals established under paragraph (1); and

(C) assist such departments and agencies in making such additions or modifications to the rules, regulations, guidelines, requirements, criteria, and procedures of such departments or agencies as may be necessary to achieve consistency with the goals established under paragraph (b)(1);

(3) recommend changes in organization, management, and personnel of such departments and agencies, which may be advisable, in order to implement the goals established under paragraph (b)(1);

(4) conduct, or provide for the conduct of, evaluations and studies concerning—

(A) the performance and results achieved by Federal, State, and local grant assistance programs; and

(B) possible programs and activities which provide alternatives or supplement existing grant assistance programs and the projected performance and results of such programs and activities; and

(5) require departments and agencies engaged in State and local grant assistance functions to submit such information and reports with respect thereto as the Director determines to be necessary to carry out the purposes of this title, and such departments and agencies are authorized and directed to submit to the Director such information and reports as the Director may reasonably require.

CONFLICT RESOLUTION RECOMMENDATIONS

SEC. 104. The Director shall examine the manner in which each Federal department or agency conducts grant assistance programs for State and local governments with a view towards identifying areas in which the conduct of such a program by a particular department or agency conflicts with or impairs the administration of a grant assistance program by another department or agency. If the Director identifies actions by a department or agency in the conduct of its grant assistance program which conflict with or impair the administration of a grant assistance program by another department or agency, he shall submit his findings and recommendations to the President who shall take appropriate action.

LIAISON WITH FEDERAL DEPARTMENTS AND AGENCIES

SEC. 105. The Director shall maintain communications and liaison between all Federal departments and agencies administering grant assistance programs for State and local governments.

TECHNICAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

SEC. 106. (a) Consistent with his functions under this title, the Director may—

(1) provide technical assistance to State and local governments to analyze and identify the problems of local government recipients of grant assistance and assist in the development of plans and programs to solve the problems identified, including advice and consultation concerning local programs, technical and professional assistance, and where necessary, the use of task forces of public officials or other individuals assigned to work with State and local governments;

(2) convene conferences of Federal, State, and local officials and such other individuals as the Director deems appropriate, to promote the purposes of this title, and provide for the reimbursement of reasonable expenses of individuals incurred in connection with participation in such conferences; and

(3) draft model legislation to further the principles and purposes of this title and make such model legislation available to State and local governments.

(b) To carry out the provisions of subsection (a)(1), the Director may—

(1) request, in accordance with the provisions of section 3341 of title 5, United States Code, the detailing of any employee of a department or agency who is involved with the administration of a Federal grant assistance program to serve as a member of a task force established under subsection (a)(1), except that no such detail may be permitted for an aggregate of more than ninety days in any fiscal year without the express approval of the head of the department or agency in which such individual is employed;

(2) assign any individual employed by the Office to serve as a member of any such task force or to coordinate management of such task forces; and

(3) enter into contracts or other agreements with any individual or organization to serve on or work with such task forces.

MANAGEMENT OVERSIGHT REVIEW

SEC. 107. The Director may provide for the performance of a management oversight review of the conduct of any grant assistance program by any department or agency. Such review may be conducted by an officer of any Federal department or agency other than the department or agency under review, and may not be conducted for a period in excess of 30 days during each calendar year. The officer conducting the review shall submit a written report to the Director concerning his findings and recommendations.

SINGLE NON-FEDERAL SHARE REQUIRED

SEC. 108. The Director shall review State and local grant assistance programs wherein funds are made available to an individual, organization, or agency by more than one Federal department and agency, and establish for such individual, organization, or agency a single non-Federal share requirement. Each individual, organization, or agency shall be required to provide a single non-Federal share in order to qualify for the grant assistance for which the individual is otherwise eligible which are offered by all Federal departments and agencies. The amount of the non-Federal share assignable to the grant assistance program of each de-

partment or agency shall be equal to the product of a single non-Federal share and the proportion of grant assistance provided by that department or agency to each individual, organization, or agency, divided by the total amount of grant assistance provided to such individual, organization, or agency by all Federal departments and agencies.

(b) The Director may order any Federal department or agency to waive any technical grant or contract requirement established in regulations which may be inconsistent with the similar requirements of other Federal departments or agencies or which other Federal departments or agencies do not impose under grant assistance programs.

DELEGATION

SEC. 109. Unless otherwise provided by law, the Director may delegate any of his functions, duties, or powers to individuals or organizations within the Office. The Director shall remain responsible for any functions, duties, or powers delegated under this section.

ADMINISTRATIVE PROVISIONS

SEC. 110. (a) The Director is authorized—

(1) to appoint and fix the compensation of personnel of the Office;

(2) to allow and authorize payment of travel expenses, including per diem in lieu of subsistence, for any employee of the Office in accordance with the provisions of section 5703 of title 5, United States Code;

(3) to employ experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, except that—

(A) the limitations contained in such section concerning the number of days or time period of services shall not apply to individuals employed under this paragraph; and

(B) individuals employed under this paragraph may not be compensated at a rate in excess of the rate prescribed for GS–18 of the General Schedule contained in section 5332 of title 5 of such Code;

(4) to promulgate such rules, regulations, and procedures as may be necessary to carry out the functions of the Office;

(5) to utilize, with their consent, the services, equipment, personnel, information, and facilities of other Federal agencies and of State, local, and private agencies and instrumentalities, with or without reimbursement therefor;

(6)(A) without regard to section 3648 of the Revised Statutes (31 U.S.C. 529), to enter into and perform such contracts, leases, cooperative agreements, or other transactions of the Office, with any public or private nonprofit agency or individual, or to make grants to any public agency or private nonprofit organization; (B) to require the recipient of a grant or contract under this paragraph to contribute money, facilities, or services for carrying out the program for which such grant or contract was made; and (C) to make payments for such grants or contracts in advance or by way of reimbursement, and in such installments and on such conditions as he may determine, as well as adjust such payments for prior underpayments or overpayments;

(7) to accept voluntary and uncompensated services, notwithstanding the provisions of the second sentence of section 3679 of the Revised Statutes (31 U.S.C. 665(b));

(8) to request such information, data, and reports from any Federal agency as the Director may from time to time require and as may be produced consistent with all other provisions of law; and

(9) to make such reports and recommendations to the Congress and the President, including recommendations for additional legislation, as he deems appropriate.

(b) Upon request made by the Director, the head of each Federal department and agency is authorized and directed to make its services, equipment, personnel, facilities, and information available to the extent permitted by law.

COMPENSATION OF DIRECTOR AND DEPUTY DIRECTOR

SEC. 111. (a) Section 5313 of title 5, United States Code, is amended by adding at the end thereof the following:

"(24) Director, Office of Intergovernmental Relations.".

(b) Section 5313 of such title is amended by adding at the end thereof the following:

"(114) Deputy Director, Office of Intergovernmental Relations.".

SAVINGS PROVISIONS

SEC. 112. Except as provided in section 108, nothing in this title shall be construed to authorize or permit the Director or any other Federal officer to waive or disregard any limitation or requirement, including standards, criteria, or cost-sharing formulas, prescribed by law with respect to any Federal program or activity.

AUTHORIZATION OF APPROPRIATIONS

SEC. 113. There are authorized to be appropriated $15,000,000 for the fiscal year ending September 30, 1979, and $20,000,000 for each of the fiscal years ending September 30, 1980, and September 30, 1981.

TITLE II—STATE INCENTIVE GRANTS

DEFINITIONS

SEC. 201. For purposes of this title—

(a) the term "Director" means the Director of the Office of Intergovernmental Affairs established under title I;

(b) the term "local government" means the government of a county, municipality, township, or other unit of government within a State which—

(1) is a unit of general government, as determined by the Director on the basis of the principles as used by the Bureau of the Census for general statistical purposes;

(2) performs substantial governmental functions; and

(3) has a minimum population of 2,500. Such term includes the District of Columbia and includes the recognized governing body of an Indian tribe or Alaskan Native Village which performs substantial governmental functions;

(c) the term "distressed local government" means any local government which—

(1) has an average per capita income of less than 125 percent of the average per capita income of the State;

(2) has an unemployment rate during the most recent four-year period in excess of the average national unemployment rate for the same period; and

(3) has a standardized distress ranking which is greater than or equal to the standardized distressed ranking of 50 percent of the local governments within the State which meet the criteria established in subparagraphs (A) and (B); or

(4) has substantially met the criteria set forth in section 201(c) (1), (2), and (3) and has been determined by the Governor of the State to be a "distressed local government" because the local government has a record of exceptionally low per capita income or high unemployment or faces extraordinary problems resulting from a combination of the criteria in section 201(a).

(d) the term "standardized distress ranking" means, for each local government, the sum of the standardized distress ratios for the following factors—

(1) the percentage of the civilian labor force unemployed;

(2) the percentage of the population that is younger than 18 years old or older than 64 years old;

(3) the percentage of the population which is 25 years of age or more with less than a twelfth grade education;

(4) the per capita income;

(5) the percentage of occupied housing units with more than one person per room; and

(6) the percentage of families below 125 percent of the poverty level;

(e)(1) except as provided in subparagraph (2), the term "standardized distress ratio" means, for each factor in paragraph (e), the product obtained by multiplying 100 times the quotient of (A) the "local distress ratio" for each local government in a State minus the minimum "local distress ratio" for local governments in that State by (B) the maximum "local distress ratio" for local governments in the States minus the minimum "local distress ratio" for local governments in the State;

(2) in the calculation of the standardized distress ratio for per capita income under paragraph (d)(4), the "standardized distress ratio" means the amount obtained by subtracting the product obtained under paragraph (e)(1) from 100; and

(f) the term "local distress ratio" means for each factor in paragraph (e), the quotient obtained by dividing the percentage for each local government by the average percentage for each factor for all local governments in the State which meet the criteria established under subparagraphs (1) and (2) of paragraph (d).

INITIAL ASSESSMENT GRANTS

SEC. 202. (a) From the amounts appropriated pursuant to subsection (e), the Director is authorized to make grants to States for the purpose of obtaining (1) an accurate assessment of and report concerning State policies toward distressed local governments and (2) an identification of problems facing distressed local governments.

(b)(1) Except as provided in paragraph (2), the Director shall make grants to each State that submits an application in accordance with the provisions of subsection (c). In determining the amount of each grant, the Director shall take into account—

(A) the population of the State, and

(B) the number of persons residing within the jurisdiction of distressed local governments.

(2) Grants to any State under this section shall not exceed an amount equal to 7.5 percent of the amounts appropriated pursuant to subsection (e).

(c)(1) The Director may not make any payment under this Act to any State unless an application therefor has been submitted to and approved by the Director. Such application shall be submitted to the Director at such time, in such manner, and containing such information and assurances as the Director may by regulation prescribe.

(2) The application required under this subsection shall contain an agreement by the State to—

(A) use the grant applied for and authorized under this section for the sole purpose of conducting a study and analysis of State policies towards distressed local governments. Such study and analysis shall be presented in quantitative terms to the extent possible and shall include—

(i) a detailed description of specific State policies affecting distressed local governments within the State, such as taxing and annexation policies, siting of State facilities, development and construction policies, and distribution formulas for Federal funds under State control;

(ii) a detailed analysis of both the positive and negative effects of the State's policies toward distressed local governments within the State; and

(iii) a description of the economic, administrative, and structural problems facing local governments within the State;

(B) submit a report to the Director concerning the results of the studies and analyses required under this section; and

(C) provide the Director with such additional information, reports, and assurances

as the Director finds necessary to carry out the provisions of this title.

(d) The Director is authorized to promulgate such rules and regulations as may be necessary to carry out the provisions of this section.

(e) There are authorized to be appropriated $50,000,000 for the fiscal year ending September 30, 1979, for the purpose of making grants under this section.

PERFORMANCE GRANTS

SEC. 203. From the amounts appropriated pursuant to subsection (f), the Director is authorized to make grants to State governments which have changed their policies towards distressed local governments in order to provide solutions to the problems described in the initial assessment grant study under section 202(c)(2)(A).

(b) The Director may make grants under this section to States which received an initial assessment grant under section 202, which completed the study and analysis required by that section, and which—

(1) show demonstrable and measurable progress toward meeting the problems faced by distressed local governments within their jurisdiction as described in the analysis submitted under the initial assessment grant study pursuant to section 202(c)(2)(A) and

(2) have improved their performance in the following categories since the submission of their initial assessment analysis under section 202:

(A) the raising of State revenues through more progressive means;

(B) the reduction of the fiscal burden on distressed local governments by (i) authorizing tax-sharing programs; or (ii) by increasing State responsibility for the financing or delivery of public services previously financed or delivered by such distressed local governments, and reassigning responsibility for such public services to less-distressed levels of government;

(C) the channeling of increased State aid and Federal aid administered by the State to distressed local governments;

(D) the achievement of reforms increasing the management capacity of distressed local governments;

(E) the enhancement of distressed local government borrowing capacity and participation in bond markets;

(F) the establishment of procedures to allow distressed local governments to modify their tax structure or extend their boundaries to improve their tax bases;

(G) the location of an increased percentage of State facilities within the jurisdiction of distressed local governments;

(H) the redirection of State development, construction and tax programs and policies to encourage and facilitate private-sector investment within the jurisdiction of distressed local governments;

(I) the elimination or reduction of State and local governmental barriers which restrict investment within the jurisdiction of distressed local governments; and

(J) the increased participation by the State in federally financed or Federal-State financed programs which benefit residents of distressed local governments.

(c)(1) The Director may not make any payment under this title to any State unless an application therefor has been submitted to and approved by the Director. Such application shall be submitted to the Director at such time, in such manner, and containing such information and assurances as the Director may by regulation prescribe.

(2) The application required under this subsection shall contain an agreement by the State to—

(A) maintain existing types and levels of assistance to distressed local governments during the period in which the State participates in the program established under this section;

(B) provide for the verification by officials of local governments of the information in the application for performance grants under this section; and

(C) provide the Director with such additional information, reports, and assurances as the Director finds necessary to carry out the provisions of this title.

(d) Prior to approval of any application under this section, the Director shall provide a reasonable opportunity to any local government to verify such application.

(e)(1) The Director shall, by regulation—

(A) establish criteria for measurement of State progress towards attaining the goals specified in subsection (b); and

(B) set forth procedures for the verification by local governments of the information in the applications for performance grants under subsection (c)(2)(B).

(2) The Director may promulgate such other rules and regulations as may be necessary to carry out the provisions of this section, including procedures for incremental or installment payments of the grants authorized under this section.

(f) For the purpose of making grants under this section, there are authorized to be appropriated $350,000,000 for each of the fiscal years ending September 30, 1980.

SEC. 204. For States which receive performance grants pursuant to section 203, the Director may, in addition—

(a) assist in facilitating the award of a Federal grant by another department or agency to such State or distressed local government within such State if the grant could reasonably be expected to improve the performance of the State in the categories cited in section 203(b)(2);

(b) assist in facilitating use of the provisions of the Joint Funding Simplification Act of 1974; or

(c) simplify the procedures of Federal programs operating within the State which could reasonably be expected to aid the performance of the State in the categories listed in section 203(b)(2).

S. 3267

Be it enacted by the Senate and House of Representatives of the United States of America assembled, That this Act may be cited as the "Federal Assistance Paperwork Reduction Act."

TITLE I—ADMINISTRATION OF GENERALLY APPLICABLE FEDERAL ASSISTANCE REQUIREMENTS

SEC. 101. The Intergovernmental Cooperation Act of 1968 (42 U.S.C. 4201) is amended by adding at the end thereof the following new title:

"TITLE VII—ADMINISTRATION OF GENERALLY APPLICABLE FEDERAL ASSISTANCE REQUIREMENTS

"STATEMENT OF PURPOSE

"SEC. 701. It is the purpose of this title to encourage simplification and standardization in the administration of national policy requirements which are generally applicable to Federal assistance, to strengthen the supervision and implementation of such requirements, and to reduce their overall administrative burden and adverse economic impact on assistance recipients.

"DEFINITIONS

"SEC. 702. As used in this title—

"(1) The term 'generally applicable requirements' means requirements which are placed on assistance recipients by Federal legislation or administrative rules and regulations to achieve national policy objectives and, whether contained in one or more laws or other instruments, apply to two or more assistance programs.

"(2) The term 'designated agency' means a Federal agency designated by the President pursuant to this title as responsible for establishing standard rules and regulations for specified generally applicable requirements and for reporting on the implementation of such requirements.

"(3) The term 'assistance recipient' means a State or local government or a non-profit private organization.

"ASSIGNMENT OF DESIGNATED AGENCIES

"SEC. 703. (a) The President shall, within 90 days following the date of enactment of this title, designate a single Federal agency to establish standard rules and regulations for, and to report on, the implementation of generally applicable requirements attached to Federal assistance in the following subject areas:

"(1) labor practices requirements;

"(2) equal employment opportunity requirements;

"(3) public employee standards;

"(4) equal services requirements based on prohibitions of discrimination because of race, color, religion, national origin, sex, age, or physical handicap;

"(5) access to government information;

"(6) citizen participation requirements;

"(7) environmental protection requirements;

"(8) relocation and real property acquisition requirements; and

"(9) procurement standards.

"(b) Relevant provisions of new legislation affecting generally applicable requirements for Federal assistance in these subject areas shall come within the rulemaking purview of the designated agencies. Generally applicable requirements in new subject areas shall be assigned to a single Federal agency designated by the President.

"ISSUANCE OF STANDARD RULES AND REGULATIONS

"SEC. 704. (a) Each designated agency shall develop for the President's review and approval standard rules and regulations in its field of designated responsibility in consultation and cooperation with affected Federal agencies, assistance recipients, and other interested parties. Such standard rules and regulations, to the maximum extent possible, shall be simple, internally consistent, and clear. They shall include standard compliance procedures, provisions for technical assistance and other facilitative actions, and a list of those Federal assistance programs to which such rules and regulations apply.

"(b) On issuance, such standard rules and regulations shall be binding upon all Federal agencies administering Federal assistance programs to which such standard rules and regulations apply. Except in cases covered by section 706 of this title, the standard rules and regulations shall be developed by each designated agency, reviewed and approved by the President, and issued by such agency not later than one year following the enactment of this title, or in the case of new legislation creating a generally applicable requirement, within six months after the effective date of such legislation. Each designated agency shall review its standard rules and regulations and may prepare amendments for review and approval by the President to reflect new legislation and changing conditions, but, to the extent possible, such actions shall occur no more than once in any calendar year.

"(c) Within 180 days after a designated agency issues standard rules and regulations, each Federal agency administering a Federal assistance program to which such standard rules and regulations apply shall issue specific rules and regulations for such program. Such specific rules and regulations shall conform to such standard rules and regulations unless, with respect to any matter, the designated agency authorizes a variation from its standard rules and regulations. If a Federal agency has not issued its specific rules and regulations within such 180-day period with respect to a Federal assistance program, the designated agency shall issue specific rules and regulations for

such program which shall remain in effect until such Federal agency issues its specific rules and regulations for such program.

"(d) Any application for assistance under a Federal assistance program may, at the request of the applicant, be revised to comply with standard rules and regulations and specific rules and regulations issued pursuant to this section.

"ROLE OF FEDERAL AGENCIES IN ACHIEVING COMPLIANCE

"SEC. 705. (a) Each Federal agency administering a Federal assistance program to which standard rules and regulations issued pursuant to section 704 apply shall be responsible for securing compliance with such standard rules and regulations. Designated agencies may render such assistance as is necessary for Federal agencies to carry out their respective responsibilities.

"(b) Upon the request of any affected State or local government, a Federal agency administering a Federal assistance program may accept a certification by such government that its performance is in compliance with State or local laws, regulations, directives, and standards that are at least equivalent to those required by standard rules and regulations. Such acceptance may be rescinded by such Federal agency upon a finding, after notice and an opportunity for a hearing, that the government involved is not in substantial compliance with such State or local laws, regulations, directives, and standards or that the latter are not fully equivalent to the applicable standard rules and regulations.

"(c) Federal agencies administering Federal assistance programs shall take appropriate steps, including the provision of technical assistance, to assist affected assistance recipients in their efforts to comply with applicable standard rules and regulations.

"LEGISLATION TO REMOVE IMPEDIMENTS TO IMPLEMENTATION

"SEC. 706. If a designated agency is unable to develop standard rules and regulations pursuant to section 704 in its field of designated responsibility because of conflicting or inconsistent provisions of law, such agency shall prepare and submit to the President for review and approval, a legislative proposal to remove any such impediments to the development of such standard rules and regulations. The President, on approval of such a legislative proposal, shall submit it to the Congress.

"GENERAL OVERSIGHT

"SEC. 707. The President shall designate an agency of the Federal Government to oversee the administration of this title until there is established an Office of Intergovernmental Affairs which shall assume the oversight responsibility. It shall monitor and facilitate the activities of designated agencies under this title as they prepare, adopt, and report on their standard rules and regulations. It may convene interagency meetings as needed to help resolve conflicts and inconsistencies which may arise within or among standard rules and regulations. It shall insure that designated agencies report on the implementation of standard rules and regulations, and it shall monitor the compliance efforts of affected Federal agencies.".

TITLE II—ADVANCE APPROPRIATIONS

SEC. 201. (a) The Intergovernmental Cooperation Act of 1968 (42 U.S.C. 4201) is amended by adding at the end of the new title provided in Title I of this Act, the following new title:

"TITLE VIII—ADVANCE APPROPRIATIONS FOR PROGRAMS PROVIDING FINANCIAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS"

SEC. 801. As used in this title—

"(1) The term 'advance appropriation' means an appropriation made by Congress one or more years ahead of the normal time for making appropriations for the fiscal year in which the appropriation first becomes available for obligation. (For example, the summer of 1978 is the normal time for making appropriations for FY 1979; if during the summer of 1978 Congress makes an appropriation that does not become available for obligation until FY 1980, that is an advance appropriation.) Such an appropriation is counted as budget authority in the fiscal year it first becomes available for obligation.

"SEC. 802. The Committees on Appropriations of the Senate and House of Representatives shall consider whether, in the light of matching requirements, program size, and other factors, new budget authority for Federal financial assistance, as defined in section 107 of this Act, should be provided at least one fiscal year in advance of the fiscal year in progress at any time.".

"SEC. 803. In the case of each program of Federal financial assistance, as defined in section 107 of this Act, for which an advance appropriation is authorized by law for more than one fiscal year in advance of the fiscal year in progress, it shall be in order in both the House of Representatives and the Senate to include in appropriation Acts for a fiscal year (1) new budget authority which shall be available for obligation in the next succeeding fiscal year and (2) if new budget authority is authorized for any such program for any following fiscal year, new budget authority for such program which shall be available for obligation in such following fiscal year.".

AMENDMENT TO BUDGET AND ACCOUNTING ACT OF 1921

SEC. 202. Section 201 of the Budget and Accounting Act of 1921 (31 U.S.C. 11) is amended by adding at the end thereof the following new subsection:

"(k) With respect to each program of Federal financial assistance, as defined in section 107 of the Intergovernmental Cooperation Act of 1968 (82 Stat. 1093), for which an advance appropriation is authorized by law for more than one fiscal year in advance of the fiscal year in progress, the budget transmitted pursuant to subsection (a) of this section for each fiscal year may include a request for new budget authority for such program and estimated outlays under such program for the next succeeding fiscal year, and, if new budget authority is authorized for such program for any following fiscal year, may include a request for new budget authority for such program and estimated outlays under such program for any such following fiscal year.".

FIVE-YEAR PROJECTION OF NEW BUDGET AUTHORITY AND OUTLAYS

SEC. 203. Section 301(d)(7) of the Congressional Budget Act of 1974 (31 U.S.C. 1322 (d)(7) is amended to read as follows:

"(7) projections, for the period of five fiscal years beginning with such fiscal year, for each program of Federal financial assistance, as defined in section 107 of the Intergovernmental Cooperation Act of 1968 (82 Stat. 1093), and a statement of any significant changes in the proposed levels of Federal assistance to State and local governments; and".

EXERCISE OF RULEMAKING POWER

SEC. 204. Sections 201 and 203 are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

TITLE III—JOINT FUNDING SIMPLIFICATION

SEC. 301. (a) Section 3 of the Joint Funding Simplification Act of 1974 (88 Stat. 1604; 42 U.S.C. 4252) is amended—

(1) by striking out "He may" in the second sentence of subsection (a) and inserting in lieu thereof "He shall";,

(2) by striking out "may prescribe" in the matter in subsection (b) preceding paragraph (1) and inserting in lieu thereof "prescribes", and by striking out "may take" in such matter and inserting in lieu thereof "shall take";

(3) by inserting the following at the end of subsection (b)(1): "Such programs shall be grouped or identified as having a logical relationship for joint funding purposes with programs within a particular Federal agency or with other Federal agencies."; and

(4) by inserting the following at the end of subsection (b)(5): "Participating agencies shall contribute proportionately to the support of the lead or managing agency's joint funding administrative costs, including but not limited to the provision of staff, administrative, and fiscal services.".

(b) Section 5 of such Act is amended—

(1) by striking out "Where appropriate to further the purposes of this Act, and subject" in the first sentence and inserting in lieu thereof "Subject";

(2) by striking out "may" in the first sentence and inserting in lieu thereof "shall"; and

(3) by striking out "and with program purposes and statutory requirements" in the last sentence. (c) Section 6 of such Act is amended—

(1) by striking out "may" in the matter in subsection (a) preceding paragraph (1) and inserting in lieu thereof "shall"; and

(2) by striking out subsection (c) and inserting in lieu thereof the following:

"(c) In promoting the more effective and efficient use of Federal assistance resources, Federal agency heads shall waive requirements (1) that a single or specific public agency or other organizational unit be utilized or designated to receive, supervise, or otherwise administer, or (2) that a single or specific pattern of internal organization be utilized or designated to administer a part of the Federal assistance drawn upon by any jointly funded project to the extent that administration by another public agency or pattern of internal organization is determined to be fully consistent with applicable State or local law and with the objectives of the Federal assistance program involved. This authority may be exercised only (A) upon request of the head of a unit of general government, with respect to agencies that he certifies to be under his jurisdictions, or (B) with the agreement of the several State or local public agencies concerned.".

(d) Section 8 of such Act is amended to read as follows:

"FUNDING ARRANGEMENTS AND PROCEDURES

"SEC. 8. (a) In order to provide for the more effective administration of funds drawn from more than one Federal program or appropriation in support of projects under this Act, there may be established joint management funds with respect to such projects. The total amount approved for such a project may be accounted for through a joint management fund as if the funds had been derived from a single Federal assistance program or appropriation. There shall be transferred to the joint management fund from each affected appropriation, from time to time, its proportionate share of amounts needed for payment to the grantee. Any amounts remaining in the hands of the grantee at the completion of the project shall be returned to the joint management funds.

"(b) Any account in a joint management fund shall be subject to such agreements, not inconsistent with this section and other applicable law, as may be entered into by the Federal agencies concerned with respect to the discharge of the responsibilities of those agencies and shall assure the availability of necessary information to those agencies and to the Congress. These agreements shall also provide that the agency administering the joint management fund shall be responsible and accountable for the total amount provided for the purposes of each account established in the fund; and may include procedures for determining, from time to time, whether amounts in the account are in excess of the amounts required, for returning that excess to the participating Federal agencies in accordance with a formula as providing an equitable distribution, and for effective returns accordingly to the applicable appropriations, subject to fiscal year limitations. Excess amounts applicable to expired appropriations will be lapsed from that fund.

"(c) For each project financed through a joint management fund established pursuant to this section, the recipients of moneys drawn from the fund shall keep such records as the head of the Federal agency responsible for administering the fund will prescribe. Such records shall, as a minimum, fully disclose the amount and disposition by such recipient of Federal assistance received, the total cost of the project in connection with which such Federal assistance was given or used, the amount of that portion of the cost of the project supplied by other sources, and such other records as will facilitate an effective audit.

"(d) The head of the Federal agency responsible for administering such joint management fund and the Comptroller General of the United States or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of such recipients that are pertinent to the moneys received from such fund.

"(e) In the case of any project covered in a joint management fund, a single non-Federal share shall be established according to the Federal share ratios applicable to the several Federal assistance programs involved and the proportion of funds transferred to the project account from each of those programs.".

(e) Section 13 of such Act is amended by striking out "five years following the date upon which it becomes effective" and inserting in lieu thereof "December 6, 1984.".

TITLE IV—ADMINISTRATION OF FINANCIAL ASSISTANCE TO THE STATES

SEC. 401. (a) Section 201 of the Intergovernmental Cooperation Act of 1968 (42 U.S.C. 4211) is amended to read as follows:

"FULL INFORMATION ON FUNDS RECEIVED

"SEC. 201. (a) Any department or agency of the United States Government which administers a program of Federal assistance to any State shall, upon request, notify in writing the Governor, the legislature, or other official designated by either, of the purpose and amounts of Federal assistance to the State. After two years following the date of enactment of the Federal System Reform Act of 1978, any department or agency of the United States Government which administers a program of Federal assistance to any of the political subdivisions of the States, shall, upon request, notify the Governor, the legislature, or other official designated by either, of the purpose and amounts of such assistance and, to the extent practical, such other information, as requested, including, but not limited to, the program number (established pursuant to the Federal Program Information Act of 1977), title, recipient, date of award, and geographic location of the recipient, as may be necessary to the accurate determination of the impact of Federal assistance on the State budget. In each instance, when information is requested by either the Governor or the legislature, such information shall be furnished to both.

"(b) A department or agency of the United States Government which administers a program of direct Federal assistance to any local government shall, after two years following enactment of the Federal System Reform Act of 1978 and upon request, notify in writing the chief executive officer, the local governing body, or other official designated by either, of the purpose and amounts of such assistance to the political subdivision, and to those governments or other recipient units that lie wholly or partly within it, and, to the extent practical, such other information, as requested, including, but not limited to, the program number, title, date of award, as may be necessary for the accurate determination by such government of the impact of direct Federal assistance on its budget. In each instance, when information is requested by the chief executive officer or the local governing body, such information shall be furnished to both.

"(c) The Office of Intergovernmental Affairs shall develop the information system needed to implement this section, shall issue regulations to provide uniform compliance by the departments and agencies, and shall oversee compliance by the departments and agencies with the provisions of this section.".

(b) Section 203 of such Act (42 U.S.C. 4213) is amended to read as follows:

"TRANSFERS OF GRANT FUNDS

"SEC. 203. Heads of Federal departments and agencies responsible for administering grant-in-aid programs shall schedule the transfer of grant-in-aid funds consistent with program purposes and applicable Treasury regulations, so as to minimize the time elapsing between the date of disbursement of such funds from the United States Treasury and the date of disbursement thereof by a State or by a political subdivision; or between the date of disbursement by a State or by a political subdivision and the date of transfer by the United States Treasury. States and the political subdivisions shall not be held accountable for interest earned on grant-in-aid funds, pending their disbursement for program purposes.".

(c) Section 204 of such Act (42 U.S.C. 4214) is amended to read as follows:

"SINGLE STATE OR LOCAL AGENCY ORGANIZATION UNIT PROVISIONS

"SEC. 204. Notwithstanding any other Federal law which provides that a single State or local government department, agency, multimember board or commission, or a single bureau, division, other organizational unit, or specific officer within a department, agency, multimember board or commission or State or local government, must be established or designated to administer or supervise the administration of any grant-in-aid program, upon certification by the appropriate executive or legislative authority of the State or local government responsible for determining or revising the organizational structure of such government that such provisions prevent the establishment of the most effective and efficient organizational arrangements, within the State or local government, the head of the Federal department or agency administering the program shall waive such provisions and approve other State or local administrative structure or arrangements, unless he determines that the objectives of the Federal statute authorizing the program will be thereby endangered.".

(d) Title II of such Act is amended by adding at the end thereof the following new section:

"STANDARD MAINTENANCE OF EFFORT REQUIREMENT

"SEC. 205. (a) When the Congress desires to ensure that the making of grants-in-aid to State and local governments will not result in a reduction in relevant State or local governmental expenditures or the substitution of Federal funds for State or local funds previously made available for the activities aided, the Congress shall incorporate in the legislation authorizing such grants-in-aid a maintenance of effort provision providing that—

"(1) the amount available for expenditures by such State or local government for the activities aided for the fiscal year for which the grant or subgrant is sought shall not be less than the average expended based on recurring expenses for such activities during the preceding two fiscal years; otherwise, the Federal amount will be reduced proportionate to the State or local reductions below such an average;

"(2) the Federal agency head may waive the requirement established by paragraph (1) in any case in which he determines, in accordance with regulations establishing objective criteria and reviewed by the Office of Management and Budget or such other unit as the President may designate, that application of the requirement would result in unnecessary hardship or otherwise be inconsistent with the purposes of the grant legislation; and

"(3) the amount of expenditures required by subsection (1) may be reduced for State or local governments in fiscal distress. The Director of the Office of Management and Budget or the head of such other unit as the President may designate shall be responsible for defining and certifying eligibility for waivers under this subsection and such certifications shall be honored for all programs when requested by eligible grantees.

"(b) For the purpose of standardization, the Congress shall limit itself to the elements specified in subsection (a) in the prescription of maintenance of effort requirements, and shall declare that such elements apply to subgranted funds.".

By Mr. HATHAWAY:

S. 3268. A bill to direct the Secretary of the Treasury and the Council of Economic Advisers to prepare a tax impact study for the Congress; to the Committee on Finance, by unanimous consent.

TAX IMPACT STUDY

Mr. HATHAWAY. Mr. President, I have long been concerned about the impact of taxes upon our citizens. Today I am proposing legislation to take the first steps toward an analysis of the impact of taxes on the American economy.

The U.S. Government in 1977 collected $211.6 billion in income taxes and another $108.7 billion in payroll taxes. The Federal Treasury also receives excise tax receipts. State governments collect significant income and sales taxes; local governments levy large real and personal property taxes each year.

These revenues are essential to finance the enormous programs which are carried out by government, at all levels, each year. These programs vary from local education, through State highway systems to national defense actions.

The incidence of these taxes—that is, who actually bears the burden—vary widely. Tax programs have varying effects at alternative income levels.

In order to understand the impact of these taxes, this legislation would authorize a tax impact study of the distribution of tax burdens by income classes and the extent of shifting the taxes which are imposed on businesses. The study is to be prepared by the Treasury Department and the Council of Economic

Advisers. The report shall be transmitted to Congress.

This data is essential if the Members of the House and Senate are to enact tax legislation which is responsible and equitable. Too frequently, tax legislation is written and enacted which has unforeseen results on income classes. This has been recently highlighted in a recent Newsweek article entitled "The Tax Mess." In addition, the Federal Reserve Bank of Boston has included in the January/February 1978 Economic Review an article on "Tax Incentives: Their Impact on Investment Decisions and Their Cost to the Treasury" by Richard W. Kopcke and Richard F. Syron. I ask unanimous consent that these articles be included in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Annual Report of the Council on Wage and Price Stability]

THE TAX STRUCTURE AND INFLATION

The relationship between general revenue and expenditure policies and inflation is well recognized. For any given level of government expenditures and money supply, increased taxation is deflationary because it reduces purchasing power within the private sector. To the extent that there is controversy, it is centered on the magnitude of the inflationary effect at different levels of resource utilization. That is, an increase in total demand following a tax reduction will tend to be less inflationary when there is ample unemployed labor and idle industrial capacity than when the available supply is highly utilized. However, less attention has been directed to the fact that alternative tax structures can also have impacts on the level of prices.

The precise measurement of the inflationary effect of substituting one type of a tax for another is complicated by differences in the extent to which the tax can be shifted either forward into higher prices or backward into lower payments to the factors of production. Taxes that are shifted through market processes create varying degrees of inefficiency in resource use and consumption patterns. This arises because such taxes can alter relative prices in a fashion different from what was intended. Therefore, taxes which cannot be shifted generally are considered more efficient and less inflationary than those which can be shifted. In addition, some of these taxes are measured explicitly as part of the Consumer Price Index.

An important exception to this generalization is taxation deliberately designed to alter market prices where these prices fail to reflect certain social costs (pollution, noise, etc.). Such "corrective" taxation improves efficiency. Similarly, user taxes and charges imposed to defray the costs of private use of public facilities can contribute to efficiency since they ration capacity, guide investment and avoid unintended subsidies to individuals and firms.

Normally general income tax changes are thought to have the least impact on prices. Though changes in personal income tax rates may effect work incentives and wage demands in collective bargaining, it is generally thought that such taxes are not shifted and, in this respect, raise revenues in a relatively efficient and noninflationary manner. Most of the available evidence suggests that the allocation of time between work and leisure is not very sensitive to moderate levels of income taxation. Since 1970 the share of Federal revenue provided by the income tax has declined from 46.5 percent to 43.7 percent. To the extent that other taxes that are shifted forward have filled the gap created by income tax reduction, it can be argued that this change has been mildly inflationary.

Perhaps the most significant change in the tax structure has been the steady increase in social security payroll taxes. These taxes, which are not "general" revenue in a technical sense, amounted to about $94 billion in 1976 and now are second only to the personal income tax as a source of government revenue.

Since employees bear the share of payroll taxes that apply to them, these taxes, like income taxes, contribute less to direct price increases than many other taxes. The employer's share of the payroll tax, on the other hand, increases the costs of production and raises prices. Over long periods of time the burden of the employer taxes may be concentrated on workers as firms reduce their demand for labor and rely on more capital intensive methods of production. In the short-run, however, a large portion of the employer's share appears to be shifted forward in higher prices. Moreover, there is some empirical evidence that increases in employee payroll taxes may encourage upward revision of wage demands. However, the shifting that occurs as a result of imposing this tax probably contributes more to inflation than an equivalent income tax.

The role of the corporate income tax has declined steadily because of rate reductions, investment tax credits and accelerated depreciation. That trend has been accelerated in recent years by a sharp drop in the corporate profit share of GNP. The impact on prices of this change in the relative role of the corporate income tax is exceedingly difficult to evaluate and is a source of much controversy.

The revenues of State and local governments have been increasing more rapidly than either GNP or Federal revenue. However, the rate of increase in sales and excise taxes which provide the major source of State and local revenue has diminished in recent years, as State and local governments have turned to less inflationary alternatives to finance their growth. The increasing significance of income taxes at the State and local level represents a desirable, albeit modest, reduction in the inflationary effect of the State and local tax structure.

Property taxes continue to play a significant role in the tax system. Property taxes have geographically different impacts on long-run location and investment decisions and are frequently cited as an important source of economic inefficiency. Improved administration and greater uniformity in property taxation would no doubt generate efficiencies in housing markets and locational decisions which would have a desirable effect on inflation.

The changes that are expected to occur in the next few years involve an increasing role for social security taxes coupled with a modest decline in the role of the corporate income tax. The rapid rise of excise taxes proposed as a part of the President's energy program will more than offset proposed reductions in other excise taxes. Thus, these taxes will raise prices; but at the same time, they will improve economic efficiency by bringing consumer energy prices more in line with the incremental costs of new supplies. Thus, they will move forward in time the price increases which would otherwise be long delayed by regulatory controls on the price of existing energy supplies.

[From Newsweek Magazine, Apr. 10, 1978]

THE TAX MESS

(NOTE.—Okay now, time for the rite of spring: the pot of coffee, the canceled checks, the pocket calculator. Let's see, the W-2 form, the dividend and interest records . . . Total income, $33,268, not bad, not bad at all. Taxes—state income tax, sales tax, gasoline tax, property tax, my God, now the Federal income tax—do you realize that comes to $9,353.44? That's—check that—that's more than 28 percent of all I made. And that's not counting the excise taxes, the cigarette and whisky and airline taxes, and taxes on top of taxes . . . I remember when I would have been glad to earn $9,000, and now I'm shoveling it out in taxes.)

All across the country, taxpayers are mumbling over their 1040 forms in the push to meet the mid-April deadline. For many, it's the only time of the year when they confront their total tax bill and the maze of interlocking and overlapping tax laws that candidate Jimmy Carter bluntly called "a disgrace to the human race." Increasingly, they see it as a bewilderingly complex, chaotic and inequitable mess. While there's no sign of a real tax revolt, it's plain that resentment and cynicism are growing—and that a system that rests on voluntary compliance is in some danger of losing its base.

JUST PLAIN UNFAIR

Uniformly, polls find majorities who think that their taxes are too high, too complicated and just plain unfair. Sixteen state legislatures are considering bills promising income-tax relief, and fifteen more states have moves afoot to cut or put limits on property taxes. Tennessee last month became the first state to put a constitutional ceiling on spending; California voters will pass judgment in June on a draconian initiative that would chop property tax revenues in half. Repeated changes in the tax laws serve mainly to confuse people; this year, more than half of all taxpayers will seek help in filling out their Federal income-tax forms.

Less visibly, cracks are beginning to show in the consent of the governed. The incidence of tax evasion is beginning to rise after years of relative stability. A small number of vocal protesters are challenging the tax laws on constitutional grounds, while a much larger group is seeking refuge in the "underground economy"—a cash-only world beyond the tax man's reach, fueled by at least $45 billion in unreported income that costs the U.S. Treasury a rock-bottom $9 billion a year in taxes (page 85). Even those who dutifully file their returns are taking greater liberties, on the theory that they're only doing what the rich and powerful do: flout the law and get away with it. That kind of cynicism, were it to deepen, could pose a real danger. "There already is a lessening of the sense of responsibility for the payment of taxes," says Mortimer Caplin, IRS chief in the 1960s and a dean of private-sector tax experts. "Americans are patriots and want their country to do well, but they're beginning to ask, 'Am I being taken for a sucker?' I have always poohpoohed talk of tax revolts, but I don't feel that confident any more."

With a similar sense of foreboding, both Congress and the Carter Administration are taking an uneasy new look at the tax mess. But as always, proposals for reform and simplification run afoul of a tangle of political calculations, social goals, practical limits and a basic confusion over what the tax system aims to do. Chances are that this election year will see another set of cosmetic patches on the system, with many basic reforms postponed again—and considerable doubt left that Congress really wants reform.

How bad is the problem? From one basic angle, it could be a lot worse: government at all levels in the U.S. takes less of the national pie than in the major industrialized countries of Europe. But countries like Sweden and Britain also tend to provide their citizens with more comprehensive social services such as free medical care. If 80 per cent of health-care costs carried by the private sector in the U.S. were added to the national tax total, for instance, the American burden would roughly equal those of Britain and West Germany.

Still, the crucial fact remains that the U.S. tax take is growing, and fairly rapidly. Over the past two decades, Federal, state and local taxes have increased from less than 24 per cent to more than 30 per cent of the gross national product. Much of the growth has been in state and local governments, which raised spending at an annual clip of 14 per cent in the twelve-year period that ended in 1975; even so, they are taking in so much revenue that they will run surpluses estimated at $14 billion this year. Higher social-security taxes have also bitten deeply into paychecks. But in recent years, the biggest single force for higher taxes has been inflation.

THE DEEPENING BITE

Because of the progressive income-tax structure, a worker whose salary keeps pace with the cost of living will find himself in a higher tax bracket without any rise in real income (chart). Even a hefty merit increase may not do him much good. Chicago economist Dennis Jacobe of the U.S. League of Savings Associations has calculated that if a man who earned $30,000 last year gets a 10 per cent raise this year and another 10 per cent in 1979, the combined bite of income taxes, social-security withholding and a 6.5 per cent inflation rate will leave him with an actual loss of $50 in purchasing power.

The inflationary ratchet works at the state and local levels, too. In California, for instance, a couple who saw their income rise by 9 per cent to $18,000 in 1977 also saw their state income-tax bill jump by 24 per cent. And because real estate usually appreciates sharply during inflationary periods, property-tax assessments are skyrocketing. "We already contend with inflation in the progressive income tax," grouses James Tobin, president of a group called National Taxpayers United of Illinois. "We all try to protect our money by investing in real estate, and now what do we have but a progressive real-estate tax, too."

PAY UNTO OTHERS

Even more important to the national mood, the growing burden of taxes has not been evenly spread. In recent years, the corporate share of income taxes has actually declined, leaving a larger percentage for individual taxpayers. And among individuals, the income-redistribution programs of the past decade have provided low-income families and the elderly with tax cuts and benefits at the expense of middle- and upper-income taxpayers. A study by the American Enterprise Institute's Rudolph Penner recently found that a middle-income family (defined as having $18,500 in 1977 income) saw its tax burden grow from 12.4 per cent to 16.9 per cent in the past ten years, while an upper-middle-income family ($27,750) jumped from 13.6 per cent in taxes to 19 per cent.

Between the tax increase and the effects of inflation, real income for most Americans has thus been stagnant for nearly a decade. But at the same time, a recent study by the Tax Foundation shows that 75 per cent of the total Federal income-tax take is provided by only 25 per cent of the taxpayers—those earning $16,000 or more. What fuels resentment most, says Stanford economist Michael Boskin, is that such taxpayers don't feel that they're getting much for their added tax dollars. "The higher taxes aren't going for improved government services," he says. "They are going to support other people."

A BUREAUCRATIC THICKET

The rising tax burden, the inflation ratchet and the middle-income squeeze are all exacerbated by the sheer state of confusion in the tax laws. In recent years, Congress has churned out new tax legislation almost annually, leaving the Internal Revenue Service to spell out the details in regulations. The tax men are running far behind. "Regulations under many key provisions of the tax-reform legislation of 1969 are still not out," says Los Angeles tax lawyer Herbert Schwartz, "and there are precious few regulations under the '76 Tax Reform Act." What's worse, the regulations that have been written tend to be a bureaucratic thicket of obfuscation, contradition and tangled language. "You read the instructions and think you have it figured out," says Elena Brittain, who operates a San Francisco tax-preperation firm with her husband. "Then you read a little further and it contradicts itself."

No area is more confusing than the inheritance-tax laws. In an attempt to ease the tax burden on those with modest estates and increase it on the very wealthy, Congress has made several changes, including establishment of a unified transfer law that effectively exempts estates of less than $250,000 from taxes. But it also toughened the capital-gains laws pertaining to estates, added qualifiers and left issues hanging. In the upshot, tax lawyers say they don't know what to advise their clients. "The new system is incredibly complex," says Howard Sharfstein, an estate lawyer for the New York firm of Baer and McGoldrick. "It's impossible to administer."

In part, such confusion is just the practical result of the chronic philosophical debate over what the nation's tax system ought to do—merely raise revenues, redistribute income, or punish the greedy and reward the socially beneficient. Tax experts tend to argue for a simplified, streamlined structure, with progressive rates applied equally to all kinds of income and as few deductions as possible. But in practice, Congress and the President find it irresistible to add loopholes and credits for special purposes—to provide incentives for taxpayers to insulate their houses or drive smaller cars, for example. "We're trying to use the tax system to cure social ills," says Sheldon Cohen, another former IRS commissioner. "There's nothing wrong with that, but it does not make for a simple tax structure."

MYTH OF OMNISCIENCE

If the structure isn't simple, the tax men have at least tried to simplify this year's 1040 form—and in practice, most experts agree, it is slightly easier to file. But as New York accountant Raymond Liebesman warns, any change tends to confuse people simply by introducing new and unfamiliar things—and this year's form makes no net gain when it uses the phrase "zero bracket amount" in place of "standard deduction."

The IRS itself, chronically understaffed with sometimes ill-trained employees, isn't very much help. Late last month, the General Accounting Office released a study showing that only 87 per cent of the questions asked of the IRS's telephone-aid personnel got correct answers. The IRS has always counted on a public perception of its omniscience as a tool of enforcement. But in truth, it is anything but; it audits barely 2 per cent of all tax returns each year (page 79).

The agency is trying to toughen its enforcement procedures, and in its annual requests for more funds, it argues that each additional $1 investment by the government could net $5 in new tax revenues. But Congress has usually balked at giving the IRS too much money, partly on economic considerations—taxes are basically transfer payments that result in no new net economic activity—but perhaps more in fear of a police-state aura. As IRS commissioner Jerome Kurtz himself says, "They are trying to avoid turning Uncle Sam into Uncle Auditor."

Even without provocation, resentment against the tax system is high—and rising. A recent poll by the Roper Organization for H & R Block, the big tax-preparation firm, found that a majority of those surveyed thought their taxes not only "excessively high" but unfairly distributed as well. Predictably, those who consider themselves middle-class think the rich get favored treatment. In a Harris survey on Carter's tax package released last month, proposals to curb the perquisites of businessmen were even more popular than tax cuts for individuals.

The anti-fat-cat attitude is probably overdone, but there seems little doubt that the wealthy do better than most. The Chicago Tribune recently reported, for instance, that 22 major businesses and owners of posh apartment buildings had successfully petitioned Cook County for reductions totaling $1.1 billion in property taxes over a seven-year period. "The average homeowner could do the same thing," says County Board president George Dunne. "There's nothing stopping him except the cost of his attorney—which would probably exceed the money saved."

Leniency in the courts for tax-fraud criminals also bolsters resentment. Of the 1,641 indictments for tax fraud handed up by the government last year, the Justice Department managed to convict nearly 1,500 offenders. But in most cases, says an IRS official, "They never hear that jail door close behind them. If they did, you would really get massive deterrence."

The most conspicuous sign of resentment over taxes is in outright noncompliance: a small but growing number of people are simply refusing to pay up. Many challenge the income-tax laws on various constitutional grounds—arguing, for example, that merely filling out the forms would tend to incriminate them and thus violate the Fifth Amendment. The IRS maintains with some exasperation that all such constitutional quibbles have been repeatedly turned down in the courts, but it may take four or five years to bring the rebels to heel—and during that time they tend to spread their gospel of resistance.

Others make liberal use of the tax exemption granted on church property. In Hardenburgh, N.Y., for instance, fully 184 of the town's 236 citizens have been "ordained" as ministers in the Universal Life Church, a California-based outfit that frankly sells ordination at $20 a certificate. As a result, 95 per cent of Hardenburgh's property is tax-exempt as church grounds, leaving the State of New York to battle the "ministers" in court.

BENDING THE LAW

More significantly, millions of regular taxpayers are challenging the system simply by becoming more aggressive—some critics say recklessly so—in what they deduct on their tax forms. "People try to bend the law a little more now," says one Boston tax expert. "People who used to dot the 'i' and cross the 't' are a little more liberal." Because of cheating, growing complexities in the codes, or both, the proportion of taxpayers underreporting taxes owed on their returns is on the increase, although Kurtz maintains that "the decline in voluntary compliance is relatively minor."

Beyond individual action, taxpayers are banding together for political tax relief—and in many cases, they're getting what they want. Efforts to impose ceilings on state spending, cut property taxes or both are blossoming in several states, but perhaps the hottest local or state tax issue in the nation right now is in California, where voters will cast ballots on June 6 for or against Proposition 13, the Jarvis-Gann initiative. Conceived by retired businessman Howard Jarvis and Paul Gann, a Sacramento manufacturer, the initiative proposes an effective 57 per cent cut in property taxes by limiting them to 1 per cent of fair market value. The proposition would also limit any increase in appraisals to 2 per cent a year and require a two-thirds vote of the state legislature to get any other changes in state taxes.

Jarvis-Gann supporters secured 1 million

signatures to get the initiative on the ballot—and while the best guess is that it will probably lose, California taxpayers will gain some tax relief anyway. To beat back Proposition 13, which opponents say would cost the state $7 billion a year and practically bankrupt a school system like Los Angeles', the California Establishment is backing an alternative Proposition 8 that would cut property taxes by $1.4 billion. If Jarvis-Gann fails, Proposition 8 will surely succeed.

All this doesn't yet add up to a full-fledged tax revolt, but Congress and the Administration are concerned far out of proportion to their current mailbag. "The revolt is happening here without any bonfires out there," says a staffer on the tax-writing House Ways and Means Committee. "These guys are stumbling all over themselves in an effort to mollify the taxpayer."

The biggest potential headache is still several months away. Late last year, Congress passed a bill to restore fiscal balance in social security by sharply raising taxes. Effective Jan. 1 next year the payroll tax will rise from 6.05 per cent to 6.13 per cent, by 1985. It will hit 7.05 per cent. More important for middle-class taxpayers, the taxable wage base will jump from $17,700 to $22,900 next year—and to nearly $40,000 by 1985. For a worker earning $25,000 a year, for instance, social-security taxes would rise from $1,070 in 1978 to $1,404 in 1979 and to $1,763 in 1985. Congress is already anticipating the squawks when taxpayers open their first pay envelopes next year—and a move is afoot to roll back the increase before then.

AN EXPLOSIVE MIX

Carter's own tax package would also increase the burden on the middle class. The President has proposed individual tax cuts totaling $17 billion, but practically all of the reduction would go to families earning less than $20,000; after adjusting for inflation and the social-security bite, most families over $25,000 would suffer a net tax increase. As a partial offset, Carter would end certain tax breaks for companies on foreign earnings, curb write-offs for company planes and yachts and restrict business entertaining, including a 50 per cent cut in the deduction for expense-account meals—the famed three-Martini lunch. But business will actually get a net tax cut, for Carter's legislation would also broaden the investment tax credit and lower the corporate-income-tax rate.

The President has also proposed major changes in the tax laws with his energy legislation. "It's really a tax bill," says Former Commissioner Cohen, who counted eight times too many references to the Treasury Secretary as to the Energy Secretary. Carter would provide a number of new tax credits and impose many new taxes. The most controversial is the crude-oil equalization tax (COET), which would raise roughly $11 billion a year by a wellhead tax on domestic crude oil. Carter wants to rebate all of the proceeds to consumers through an income-tax credit. But Senate Finance chairman Russell Long would like some portion of the total to be earmarked for energy companies for research. Now, there is even talk of using the money produced by COET to finance a partial rollback in the social-security increase

"A MARTINI AND A HALF"

On top of all that, Congress is also debating a tuition tax credit to provide middle-class taxpayers with a $250 income-tax credit for each child attending a private school or college. Many liberals oppose the measure on ground of equity, and the Administration has moved to pre-empt it with its own proposal to increase student aid. But the tax credit could well pass, forcing Carter into the unenviable position of vetoing it.

Given this explosive mix of proposals in an election year, it's clearly impossible to forecast precisely what will emerge. Carter plans to launch a grassroots campaign for support of his program this week, and the best guess now is that he will win some and lose some. "The three-Martini lunch?" says Long. "Oh, it may be whittled to a Martini and half." The crude-oil tax is still a slight favorite for Congressional approval, although Long will probably get his way on its disposition. Calling the play on social security is even dicier, but it's likely that Congress will roll back the rate base somewhat to ease the burden on hard-pressed middle-class taxpayers. In any event, the eventual outcome of all this will add up more to politics-as-usual than to tax reform as most people define it—and thus, the tax structure figures to remain a muddle.

RECIPE FOR FAIR PLAY

In truth, it may be impossible for the American tax system to be anything else, given the conflicting tugs inherent in the political process. Are liberals correct when they say gaping loopholes still favor the wealthy and ought to be closed? The conservatives and businessmen insist that removal of such "incentives" would cripple saving and capital investment and eventually lead to economic chaos. "It's a legend in our business that everyone else's tax break is a deplorable loophole," says former IRS commissioner Caplin, "but one's own is essential to the survival of the Republic." At bottom, most Americans would probably be content if their tax system provided three things: a trifle more simplicity, a reasonable sense of fair play and tangible value for the money they kick in to government coffers. To the extent those requirements aren't met, resentment is bound to build—and the danger is that the concept of voluntary compliance will eventually break down.

[From New England Ecomomic Review, Federal Reserve Bank of Boston, January and February 1978]

TAX INCREASE: THEIR IMPACT ON INVESTMENT DECISIONS AND THEIR COST TO THE TREASURY

(By Richard W. Kopcke and Richard F. Syron*)

The importance of investment to a healthy economy has stimulated wide interest in providing adequate incentives for capital formation. Traditionally attention has focused on the effect of investment incentives on the economy as a whole. Recently, however, interest has developed in the possibility of using this approach to stimulate particular geographic areas or even individual industries. The efficiency of alternative investment incentives may be quite different for these more narrowly defined purposes than for their traditional uses.

This article examines the relative efficiency of three different investment incentives designed to increase corporate cash flow: an interest rate subsidy, a supplemental investment tax credit, and a change in depreciation allowances.[1] Our purpose is twofold: first, to explain how investment incentives work; second, to examine the circumstances under which each type of incentive is likely to be most useful. Section I describes the role of investment incentives. tive is likely to be most useful. Section I vestment spending from the firm's viewpoint and describes how each of the three investments stimulates investment spending. Section III compares the cost to the Treasury of the three incentives for any given benefit to the firm and indicates under which circumstances each would be most cost effective. Section IV concludes that accelerated depreciation is likely to be a superior mechanism for temporarily stimulating investment in depressed areas[2] and for increasing the long-term share of investment in national output although extended investment tax credits may have some advantages for temporary economy-wide stimulus.

SECTION I: THE ROLE OF INVESTMENT INCENTIVES

Incentives for capital formation have had two principal goals: first, to increase the share of investment in total national output, thereby encouraging the modernization of plant and equipment; and second, to stimulate short-term economic activity by enhancing aggregate demand for goods and services. In 1954, 1962 and 1971, tax legislation permitted business to accelerate depreciation allowances in an attempt to permanently increase the Nation's capital stock. In addition, legislation in 1962 introduced investment tax credits based on purchases of producers' durable equipment. Unlike accelerated depreciation, the tax credit has had a volatile history because it has been used as a tool of demand management. Not only has it varied in size and coverage, but in 1966 and 1969 the credit was suspended to alleviate inflationary pressures. In both cases, the credit was subsequently reinstated to stimulate economic activity.

While investment incentives have been used almost exclusively as a tool of national economic policy, in recent years this approach has been discussed as a means of stimulating the economies of depressed cities or regions. Such targeted investment incentives would expand employment opportunities in the short run through increased construction activity and more importantly, would enhance an area's competitive position thereby improving longer-term employment opportunities.

In general, two different approaches could be used for investment incentives in depressed areas: a variant of national tax incentives, and subsidized financing.[3] Both tax incentives and financing incentives have the same objective, to reduce the relative cost of investing in depressed areas, although there is a significant difference in how they would accomplish this goal.

One advantage of tax inventives for stimulating investment in depressed areas is that administrative mechanisms for their use are already in place. Supplemental tax benefits for investments in eligible areas could be tied into existing national programs in the interest of simplicity. Firms investing in these areas could be granted an additional investment tax credit or allowed some further acceleration of depreciation schedules.

Financing subsidies could be provided through wider use of industrial revenue bonds, some form of development financing such as an Urban Bank, or a straightforward interest rate subsidy. Industrial revenue bonds lower the issuers' borrowing costs because their interest costs are exempt from Federal income taxation. Thus investors are willing to accept a considerably lower interest rate on these securities than they would on taxable bonds. However, research has indicated that tax exemption is an inefficient subsidy and that the benefit received by the firm issuing industrial revenue bonds is less than the loss in tax revenue to the Treasury.[4]

Numerous proposals have been made for creating development finance institutions. These development banks would either borrow from the Treasury directly or issue federally guaranteed securities in the open market and, in turn, make loans at a lower-than-market interest rate to eligible projects. There are a number of difficult questions about how such a development bank would decide which projects it should finance. If the Bank were to support all projects where conventional financing was unavailable, the associated risk would almost surely result in high costs due to loan losses.

Footnotes at end of article.

Moreover, the absence of a credit market test makes it difficult to judge which projects are creditworthy. For this reason, a tax rebate based on interest expenses is the simplest way to offer eligible investments lower borrowing costs. Financing decisions would be made according to conventional market tests but debt service costs would be reduced.

Because a direct interest rate subsidy can provide the same financing savings to firms as either industrial revenue bonds or a development bank and is administratively simpler, we have used the rate subsidy approach in making our calculations of the impact of financing incentives. An interest rate subsidy is essentially an investment tax credit which is extended over an asset's lifetime rather than concentrated at the start of the project's life. Unlike an investment tax credit, however, the value of an interest rate subsidy will vary with the proportion of investment which is financed by debt. Rate subsidies will be most substantial for highly levered ventures, and they will be least effective for projects relying heavily on internal funding.

SECTION II: INVESTMENT INCENTIVES AND THE FIRM

In deciding whether or not to undertake particular investments, business managers compare the present value of the project's return over its useful life with the price of acquiring the necessary plant and equipment. The more ample the stream of receipts relative to the price of capital goods, the more attractive is the investment project. If the present value of the project's cash flow exceeds the proposed facility's cost, a firm will ordinarily proceed with the investment.

The prospective cash flow earned by any project depends upon many factors. Foremost is the relatively uncertain flow of net operating revenues which management expects to realize from the proposed facility. However, three other factors also play a crucial role. First, capital expenditures may entitle the firm to receive investment tax credits, rebates against future tax liabilities. Second, tax laws recognize that capital goods are consumed by wear and tear in the production process, so investors are allowed to depreciate plant and equipment. Finally, because projects typically are not financed entirely by stockholders, investments obligate the firm to pay creditors debt service charges during much of the project's useful life. Variations in any of these three elements of cash flow will tend to either stimulate or deter capital formation independently of the outlook for net operating revenues.

Government fiscal policy can directly influence investment spending by offering higher investment tax credits, by accelerating depreciation allowances, or by subsidizing the interest expenses of business enterprises. However, these three options may not be equally efficient. For example, interest rates subsidies designed to spur capital formation might cost the Treasury more than an investment tax credit which provides the same amount of stimulus. Accordingly, selecting the most efficient policy requires two calculations. First, it is necessary to determine the relative magnitudes of the credits, allowances, and subsidies which are required to elicit the desired increase of investment spending. Then, the cost to the government of the different measures must be compared.

Investment tax credits entitle a firm to deduct from its Federal income tax liabilities a certain proportion of its expenses for equipment purchases. For a profitable enterprise, these credits—currently as high as 10 percent—provide a substantial contribution to the first year's return for many investment projects. Under existing Federal tax law, the credit does not reduce the prospective depreciation allowances on equipment. Thus the investment tax credit (ITC) is effectively a rebate paid by the government on the price of eligible capital goods. Because the ITC is a tax credit and not a deduction, its value is the same to all profitable firms. Accordingly, the ITC is a straightforward and direct device for stimulating capital spending.[5]

While an ITC increases the return on an investment project by giving a firm a Federal tax rebate, accelerated depreciation simply shifts tax deductions from the later stages of an asset's life toward earlier years. Although this acceleration does not increase the total depreciation deductions a firm can claim on an asset, the tax deductions are worth more to the firm because they may be taken earlier. By taking deductions sooner rather than later, investors may use the proceeds to repay loans or to purchase securities and other earning assets sooner. Accordingly, accelerated depreciation provides added income for eligible investment projects. The benefits of accelerated deductions will vary from project to project depending on a number of factors, including asset life, the tax rate, and the rate of return the firm can earn on the proceeds (the firm's after-tax discount rate).[6] For example, Table I compares the value of highly accelerated quadruple-declining balance depreciation allowances to the less accelerated straight-line allowances. At a 10 percent discount rate, the switch to accelerated depreciation is worth 6.3 cents per dollar of capital expenditure for a 5-year investment project. For a 10-year project, this acceleration of allowances is worth 8.9 cents per dollar of capital expenditure. At a discount rate of 15 percent, accelerated deductions are worth 8.2 cents per dollar of investment spending for a project with a 5-year lifetime. Therefore, faster writeoffs are most valuable for profitable businesses which possess high discount rates and invest in long-lived capital assets.

According to current tax codes, depreciation allowances for producers' durable equipment and nonresidential structures are calculated differently. Equipment can be depreciated in at least three different ways for tax purposes. Under the straight-line method, yearly deductions are constant throughout the asset's life. The two other formulas, sum of the years' digits and double-declining balances, allow a firm to depreciate a higher share of an asset's value earlier in its life. In general, assets which are eligible for the investment tax are also eligible for the most highly accelerated depreciation allowances.

Chart I (not printed in RECORD) graphs the profile of allowances for three different depreciation schemes. The horizontal line represents the flat profile of straight-line depreciation: a machine purchased for $10,000 with a statutory life of 10 years is depreciated by a constant amount, $1,000 in each year, assuming that its scrap value is nil. The dotted line represents the schedule of allowances for sum of the years' digits depreciation, the most rapid acceleration currently allowed by law. The total deduction for capital consumption after ten years is the same in both cases, but the sum of the years' digits formula reduces allowances in later years while increasing allowances in earlier years so that the profile of deductions is twisted. Quadruple-declining balance (QDB) depreciation, represented by the dashed line on the chart, is one approach for twisting the schedule of allowances even more. In our example of an asset with a ten-year life, QDB permits almost two-thirds of the total capital consumption deductions to be claimed in the first two years, whereas the sum of the years' digits requires more than four years to attain a similar writeoff, and straight-line depreciation requires more than six years.[7]

Footnotes at end of article.

TABLE I.—PRESENT VALUE OF DEPRECIATION ALLOWANCES (AFTER-TAX) RELATIVE TO THE PURCHASE PRICE OF DURABLE EQUIPMENT

[In percent]

	5-yr lifetime			10-yr lifetime			15-yr lifetime			20-yr lifetime		
After-tax discount rate	Straightline	Sum of the years' digits	Quadruple-declining balance	Straightline	Sum of the years' digits	Quadruple-declining balance	Straightline	Sum of the years' digits	Quadruple-declining balance	Straightline	Sum of the years' digits	Quadruple-declining balance
5.0	41.6	42.9	45.2	37.1	39.8	42.7	33.2	37.0	40.5	29.9	34.5	38.5
7.5	38.8	40.7	43.9	32.9	36.5	40.4	28.2	32.9	37.5	24.5	29.9	35.0
10.0	36.4	38.7	42.7	29.5	33.6	38.4	24.3	29.6	34.9	20.4	26.3	32.0
12.5	34.2	36.8	41.5	26.6	31.2	36.6	21.2	26.8	32.7	17.4	23.3	29.6
15.0	32.2	35.2	40.4	24.1	29.0	34.9	18.7	24.4	30.7	15.0	20.9	27.4
20.0	28.7	32.2	38.4	20.1	25.3	32.0	15.0	20.6	27.4	11.7	17.3	24.0

Note: This table assumes the scrap value is nil and that the corporate tax rate is 48 percent. Source: Technical Appendix.

As the schedule of depreciation allowances is accelerated, the present value of the deductions increases, as shown in Table I. For instance, if a firm's after-tax rate of discount is 10 percent, for equipment costing $10,000 with a ten-year lifetime, the switch from straight-line to the sum of the years' digits increases the present value of after-tax cash flow by $410; the switch from the sum of the years' digits to QDB is worth another $480. Each of these increases represents a 14 percent rise, approximately, in the present valve of depreciation allowances. Even though the total amount of deductions is unchanged, accelerated depreciation stimulates capital formation by permitting investors to claim allowances earlier, thereby increasing the present value of cash flow for eligible projects.

The last policy option, an interest subsidy, reduces debt service charges for the life of loans used to finance plant and equipment. Much like an ITC, this policy option boosts investment incentives by making direct contributions to business net receipts. However, unlike the ITC, the contributions are paid out over many years. In effect, then, the interest rate subsidy is similar to a series of investment tax credits extended over the lives of eligible assets.

TABLE II.—CHANGES IN INVESTMENT TAX CREDITS AND INTEREST RATE SUBSIDIES EQUIVALENT TO ADOPTING QUADRUPLE-DECLINING BALANCE DEPRECIATION ALLOWANCES

After-tax discount rates (percent)	5-yr lifetime		10-yr lifetime		15-yr lifetime		20-yr lifetime	
	Investment tax credit (percent)	Interest rate subsidy (basis points)	Investment tax credit (percent)	Interest rate subsidy (basis points)	Investment tax credit (percent)	Interest rate subsidy (basis points)	Investment tax credit (percent)	Interest rate subsidy (basis points)
5.0	2.3	108	2.9	76	3.5	64	4.0	58
7.5	3.2	159	3.9	111	4.6	96	5.1	87
10.0	4.0	209	4.8	150	5.3	124	5.7	112
12.5	4.7	259	5.4	182	5.9	154	6.3	141
15.0	5.2	300	5.9	216	6.3	182	6.5	164
20.0	6.2	392	6.7	282	6.8	236	6.7	209

Note: Assuming that the depreciation allowances on equipment are accelerated from sum of the years' digits to quadruple-declining balance, that the scrap value is nil, and that investment is 75 percent financed by amortized loans, this table shows the increase in the investment tax credit or the interest rate subsidy necessary to obtain a change in the present value of net revenues which matches that of the switch to accelerated depreciation.

Source: Technical Appendix.

Table II compares the effects of the ITC, accelerated depreciation, and interest subsidies as business investment incentives. This example assumes that a proposed investment project involves only the purchase of equipment with a lifetime of 10 years which is to be funded 75 percent by debt and 25 percent by equity. According to the table, at a discount rate of 10 percent, management would find an increase in the ITC of 4.8 percentage points, an interest rate subsidy of almost 3 percent, yielding an after-tax interest subsidy of 150 basis points, and permission to use QDB depreciation equally attractive—they all increase the present value of net cash flow by equal amounts.

While these particular magnitudes are appropriate only for this specific example, the table does illustrate a general rule: with lower discount rates, smaller increases in the ITC and interest rate subsidies are required to match the effect of switching to faster depreciation, and with higher discount rates, larger increases in the ITC and interest subsidies are necessary to match the value of QDB depreciation. The reason for this finding is simple. At low discount rates, the acceleration of depreciation deductions is worth relatively little, as is evident in Table I: future allowances are not discounted very heavily, so accelerating them adds relatively little to discounted cash flow. Consequently, small credits or subsidies are equally attractive. At high discount rates, accelerated depreciation is worth relatively more, because the firm values highly the increased cash flow available in the immediate future while it discounts heavily the loss of depreciation deductions during the asset's later years. In this case, more substantial increases in the ITC and interest subsidy are necessary to match the impact of accelerated depreciation.

From the viewpoint of business management investment tax credits, accelerated depreciation allowances, and interest rate subsidies can provide attractive investment incentives. In addition, it is clear that the after-tax rate of discount of business management is critical in determining how effective each policy option might be. By way of example, Table II shows what combinations of ITC, QDB depreciation, and interest rate subsidy management will find equally acceptable for several different discount rates. Given this information, the Treasury may choose the least expensive policy.

SECTION III: THE COST OF DIFFERENT INVESTMENT INCENTIVES TO THE TREASURY

Depending upon economic conditions, the need for government fiscal policy to enhance capital formation may be temporary or indefinite. Temporary tax incentives might be appropriate for stimulating a depressed region or a distressed industry if the objective is to provide a short-term boost rather than a permanent subsidy. For example, a firm might be granted incentives for investing in a particular area until its unemployment rate dropped below a critical level. Temporary tax incentives for investment might also be used as a device for stimulating the economy as a whole during a general slump. In the event that capital formation is chronically below acceptable levels, the appropriate fiscal stimulus may be maintained indefinitely.

From the government's viewpoint, the relative costs of a supplemental ITC, extended investment subsidies, and a more accelerated schedule of depreciation allowances depends on how they are used. If the stimulus is temporary, the relative costs of the three alternative incentives will depend on the difference, if any, between business and government discount rates. On the other hand, if the incentives are to be used in perpetuity, the relative costs may depend on the relative magnitudes of the long-term rate of growth of investment spending and business discount rates.

THE TEMPORARY STIMULUS CASE

The Treasury analyzes the cost of a policy much like business analyzes its benefit. A fiscal program which boosts a project's cash flow by a certain amount each year must reduce the government's net revenues by an equal amount. Therefore, just as business managers discount the stream of prospective credits or subsidies to assess their potential benefits, the Treasury discounts the net revenue losses to determine the cost of each policy option.

To reach a particular target for investment spending, the three alternative incentives must offer identical increases in discounted cash flow on prospective investment projects. If government and business discount rates are equal, not only would the three programs be equally attractive to investors, but they would be equally expensive for the Treasury as well. In this case, all the incentives are equally efficient. However, as discussed below, in some cases government and business discount rates may diverge. If the government's discount rate is less than that of business, accelerated depreciation is the most efficient investment stimulant.[8] On the other hand, if the government's discount rate is greater than that of business, an interest rate subsidy, or extended ITC, is the most efficient.

Table II illustrates this simple principle. For example, if the firm's discount rate is 10 percent, then, for a machine with a 10-year lifetime, any increase in the ITC less than 4.8 percentage points is less attractive than QDB accelerated depreciation. In other words, the government must offer the firm a supplemental ITC at least as large as 4.8 percent to stimulate investment spending as much as QDB depreciation.

If the government's discount rate is 5 percent, then any increase in the ITC exceeding 2.9 percentage points yields larger discounted revenue losses than offering investors QDB depreciation. Because a supplemental ITC of 2.9 percent is not sufficient to spur investment spending as much as QDB depreciation, and because any increase in the ITC exceeding 2.9 percentage points is more costly to the Treasury than QDB depreciation, accelerated depreciation is the more efficient tax incentive.

Clearly, the same analysis applies to interest rate subsidies as well, because they too must increase with the discount rate. Therefore, when the government's discount rate is less than that of business, accelerated depreciation is the most efficient investment stimulus.

If the positions are reversed so that the Treasury's discount rate is 10 percent and business discount rates average 5 percent, interest rate subsidies stimulate capital formation most efficiently. For business, a 2.9 percent supplemental ITC, an increase in interest rate subsidies of 76 basis points, and quadruple-declining balance depreciation allowances are equally attractive alternatives. Yet accelerated depreciation is so costly to the Treasury that the government would be willing to offer either a 4.8 percent point increase in the ITC or a 150 basis point interest subsidy instead. In this case, it is less expensive to offer business a 2.9 percent supplemental ITC than it is to offer accelerated depreciation but interest rate subsidies are even more economical.[9] The reason the debt service subsidy is so efficient is that the value of the subsidy, spread out over the 10-year life of the loans, is relatively high at low business discount rates, but the government's high discount rate shrinks the perceived revenue losses so that the cost of the program is relatively low. The ITC offers no similar opportunity for the Treasury to exploit the difference between its rate of discount and that of business; investment tax credits are paid too soon after investment takes place.

Although these illustrations depend on the specific example provided by Table II, the conclusion is general. The ITC and interest rate subsidy must rise with the discount if they are to remain as attractive as accelerated depreciation, and interest rate subsidies must increase faster than the ITC. Therefore, if the government's discount rate is less than that of business, accelerated depreciation allowances provide the most efficient investment stimulus. If the government's discount rate exceeds that of business, the interest rate subsidy, or extended ITC, is the most attractive policy. Finally, if government and business have equal discount rates, there is no difference in the cost of these programs.

If the investment stimulus program is to last indefinitely, for example the accelerated depreciation allowances established in the early 1960s are considered permanent, the Treasury maynot be able to select a policy simply by discounting future revenue losses If the growth rate of nominal investment spending is greater than the Treasury's discount rate, then the present value of revenue losses for any policy is infinite. In this case, the policies' relative costs per dollar of in-

Footnotes at end of article.

vestment spending must be compared. The alternative which requires the lowest revenue drain per dollar of spending in the long run is the most efficient option.

Accelerating depreciation allowances is the most efficient stimulus for investment spending when the growth rate of investment spending is less than the business after-tax discount rate; on the other hand, if the growth rate exceeds the business discount rate, an interest rate subsidy, or extended ITC, is most efficient. These conclusions are similar to those for the temporary stimulus, except that the growth rate of investment spending has replaced the Treasury's discount rate.

To see why the rate of growth of spending is so important compare the cost of tax incentives for slow investment growth with their cost for faster investment growth. Because accelerated depreciation does not alter the total depreciation allowances that can be claimed on a particular asset, higher deductions now are ultimately offset by lower deductions later. If the growth in investment spending is slow, the Treasury's revenue losses from higher allowances on new investment are largely offset by the lower allowances which firms are claiming on earlier investments. However, higher investment growth means that the difference between past and present levels of spending are much larger. In this case, the higher deductions allowed on current investment projects are offset less by the lower allowances being claimed on past projects.

Another way of understanding this idea is to consider the Treasury a lending facility; by allowing firms to use accelerated depreciation the Treasury is essentially granting them a loan, they pay less taxes now, more later. In the slow growth case, the revenue the Treasury recaptures from having old loans repaid offsets most of the cost of new commitments. However if investment spending is growing fast enough, the size of new commitments becomes so great that the repayments on old loans are not sufficient to offset it.

As the growth rate increases, the rising expense of accelerated depreciation justifies the government's offering higher investment tax credits and interest rate subsidies as alternatives. However, the cost of an ITC is linked to current levels of investment spending, whereas the cost of interest rate subsidies is linked, in part, to current spending, and, in part, to past levels of spending. As a result, interest subsidies can exploit the difference between past and present levels of investment spending to reduce government losses but ITCs cannot. Therefore, as the growth rate of investment increases, the Treasury will be willing to increase interest rate subsidies faster than the ITC.

Thus, the growth rate of investment spending becomes the government's "discount rate" weighting the revenue gains and losses entailed by each of the different incentives. Accordingly, a table describing the increases in the ITC and interest rate subsidies which are as costly as quadruple-declining balance depreciation would be identical to Table II except that the growth rate of investment replaces the government's discount rate. In this case the cheapest policy for the Treasury is accelerated depreciation if private firms discount rates exceed the nominal rate of growth of investment. If the converse is true, a rate subsidy is most economical.

WHAT ARE THE TREASURY'S AND BUSINESS'S RELATIVE DISCOUNT RATES?

Because both government and business represent a common constituency, the Nation's citizens and investors, economic theory suggests that the discount rates for both government and business should be equal, implying that all policies would be equally efficient. However, market imperfections or the risks associated with varying economic conditions can cause business discount rates to exceed the social discount rate. If the future is highly uncertain, prudent investors will discount prospective cash flows more severely than they might if they were more confident. Consequently, substantial risks perceived by investors cause business discount rates to exceed those which should guide public policy-makers, thereby depressing investment spending.

The divergence between government and business discount rates can apply to particular geographic regions or industries as well as the whole economy. Because growth does not occur at an even pace throughout the economy, some regions or industries may alternately experience periods of prosperity and periods of deterioration. To some extent, discrepancies in regional development are to be expected, but to the degree these discrepancies are caused by swings in business confidence whose momentum supports speculative over-investment or self-feeding neglect, social and private rates of discount may diverge. Private investors may "write-off" a region for lack of confidence. Consequently the same conditions which justify enacting regional or industrial investment incentives may cause relevant private discount rates to exceed those of society as a whole.

Accordingly, a temporary program to bring capital formation in disadvantaged geographical regions or industries more in step with the rest of the Nation should rely on accelerated depreciation allowances. At their lowest, business discount rates for investments in these areas could equal the government's, but it is far more likely that the relevant business discount rates are much higher than the rate which should guide public policy. Because the government's discount rate is less than or equal to the private rate in these circumstances, accelerated depreciation is the optimal policy for stimulating capital formation. In this vein, it is interesting to note that temporary investment incentives adopted during World War II and the 1950s permitted essential defense industries to use highly accelerated depreciation allowances.

The same reasoning may not be applicable when there is a need for a temporary, economywide investment stimulus during a recession. A general slump in economic activity could increase the government's discount rate as well as that of business. The relatively short planning horizon, often adopted for public policy on these occasions, suggests that the government's effective discount rate may even exceed that of investors. The increasing importance of investment tax credits in post-war stabilization policy may reflect such a high government discount rate. However, in this case, though the ITC is more efficient than accelerated depreciation, the extended investment subsidy is the most appropriate measure, providing maximal investment stimulus while postponing revenue losses to future, more prosperous years.

For the purposes of enhancing long-term capital formation, the choice of policy depends on a comparison of business discount rates with either the government discount rate or the growth rate of investment spending, whichever is greater. Since the second World War, public policy's exclusive reliance on accelerated depreciation allowances to enhance long-term capital formation is consistent with the time preference for business being generally greater than these other two quantities. This is not surprising because a continuing need to stimulate investment spending indicates that business assessments of future economic conditions tend to be relatively insecure, leading to relatively high discount rates. Consequently, a need to enhance long-term capital consumption apparently would warrant an additional acceleration of capital consumption allowances.

SUMMARY AND CONCLUSIONS

Government fiscal policy can increase capital formation by offering higher investment tax credits, by accelerating depreciation allowances, or by offering subsidies throughout the lifetime of investment projects. In the case of a temporary incentive, if the goal of public policy is to increase capital spending at the least cost to the Treasury, the choice among these three options is determined by the relative magnitudes of the government's after-tax discount rate and the after-tax discount rate of business. Because government's discount rate may be greater than, equal to, or less than that of business, it is not possible to select an optimal policy without considering the circumstances surrounding its use. For example, while accelerated depreciation is best suited for temporarily enhancing investment spending in disadvantaged regions, the extended investment subsidies may provide the most efficient economy-wide investment stimulus during a severe recession; and accelerated depreciation may be the most attractive long-term policy for increasing the Nation's capital stock.

Although this article used quadruple-declining balance formulas to represent accelerated depreciation allowances, the conclusions would not be altered if some other version had been used instead. In fact, the QDB formula is not the most efficient means of accelerating capital consumption deductions. Rather than simply twist the schedule of allowances, as in Chart I, the most efficient technique would truncate existing depreciation schedules, moving allowances from the tail of the schedule into the first year. Not only is this "first-year bonus depreciation" approach most efficient, it is also relatively flexible. By varying first-year depreciation deductions, the tone of policy may adjust to business conditions: large deductions provide a substantial investment stimulus through highly accelerated allowances, low deductions provide a more moderate incentive.

Just as the QDB formula was only one technique of accelerating depreciation allowances, an interest rate subsidy is only one among many methods providing business with tax credits over several years. Because it may be undesirable to link the stimulus to dependence on debt financing—near business cycle troughs, investment is heavily financed by stockholders, not by borrowing—a more appealing variant would provide an extended investment tax credit spread over the life of eligible capital goods.

This article concludes that in some circumstances, it is likely that government and business discount future cash flows differently, and this divergence is an important factor in determining which incentives will provide the greatest stimulus to investment at the least cost to the Treasury. However, national policy should not be decided on the basis of this definition of efficiency alone. Corporate tax laws should also be designed not to deter capital formation.

Depreciation allowances are currently based on the original acquisition prices of plant and equipment. Thus, capital consumption allowances reflect asset prices which may be significantly out of date after a period of inflation. As a result, profits are overstated and business tax rates are effectively increased. By shortening the time elapsed between acquiring an asset and writing it off for tax purposes, accelerated depreciation helps offset the distortion of inflation on capital consumption allowances. The faster writeoffs enacted in 1954, 1962 and 1971 partially compensated for the effect of price changes; nevertheless, recent increases in inflation have caused corporate depreciation allowances to fall at least $15 billion short of actual capital consumption expenses in 1977. This distortion not only hinders national capital formation, but it further ag-

gravates discrepancies in regional and industrial investment patterns.

Continued tinkering with credits, allowances, and subsidies is one solution to the problem. Another approach would link depreciation allowances to the current prices of capital goods. If investment has been depressed in recent years because prospective depreciation allowances are not sufficient to cover capital consumption expenses, price-level-adjusted depreciation would improve the incentives for long-term capital formation. From a microeconomic viewpoint, this elimination of tax distortions would also increase investment spending in regions or industries heavily dependent on long-lived plant and equipment.

By allowing firms to deduct the replacement value of capital consumed in production, price-level-adjusted depreciation would be an important first step toward eliminating the existing distortions in business taxation. At the same time, it would stimulate capital spending and provide a sound foundation upon which other investment incentives could build should they be needed.

DEPRECIATION METHODS NOW ALLOWED

The table below compares the amount of depreciation that can be taken each year under the three different depreciation approaches. The table assumes an asset has a depreciable value of $100 and a useful life of ten years.

Under the straight line basis the total depreciable value of the asset is simply prorated over the equipment's useful life, so 1/10 of the value or $10 is taken as depreciation each year.

In the double declining balance method 200 percent of the straight line rate may be applied to the asset's undepreciated value. This value declines every year because it equals the asset's original value less the accumulated depreciation. For example, $20 or 20 percent of the asset's fixed value is taken as depreciation in year one and $16 or 20 percent of the remaining $80 ($100–$20) asset value is taken in the second year.

Under the sum of the digits method a varying depreciation percentage is applied each year to the constant original cost of the asset. The rate used in each year is a fraction, the denominator of which is the sum of the digits representing each of the years in the asset's estimated life (10 + 9 + 8 etc. in our example) and the numerator is the current year. In our example the denominator is 55 so in the first year 10/55 or 18 percent of the asset's value is deducted; in the second year, 9/55 or 16 percent of the asset's value is the depreciation allowance.

Depreciation allowances for nonresidential structures may be computed by the straight-line method or by the 150 percent declining balance formula. Although 150 percent declining balance schedules accelerate depreciation allowances more than the straight-line approach, this method is not as liberal as sum of the years' digits.

Year	Straight line		Declining balance				Sum of the years' digits	
			Annual deduction		Cumulative cost recovered			
	Annual deduction	Cumulative cost recovered	150 percent	200 percent	150 percent	200 percent	Annual deduction	Cumulative cost recovered
1	$10	$10	$15	$20	$15	$20	$18	$18
2	10	20	13	16	28	36	16	34
3	10	30	11	13	39	49	15	49
4	10	40	9	10	48	59	13	62
5	10	50	8	8	56	67	11	73
6	10	60	6	7	62	74	9	82
7	10	70	6	5	68	79	7	89
8	10	80	5	4	73	83	5	94
9	10	90	4	3	77	86	4	98
10	10	100	3	3	80	89	2	100

Source: Clarence F. McCarthy, "The Federal Income Tax—Its Sources and Applications" (Englewood Cliffs, N.J.: Prentice-Hall, 1974), pp. 253–262.

FOOTNOTES

*Richard W. Kopcke is an Economist and Richard F. Syron is a Vice President and Economist, both at the Federal Reserve Bank of Boston.

[1] An important question is what the investment response of the frm would be to this increased cash flow. This article does not address that question directly; for a discussion of that issue see Richard W. Kopcke, "The Behavior of Investment Spending during the Recession and Recovery, 1973–76" and "The Outlook for Investment Spending to 1980," both in the *New England Economic Review*, November/December 1977.

[2] Defining depressed areas is a difficult issue. Many government programs use local unemployment rates to define economic distress but the reliability of these figures is questionable. Some proponents of regional incentives advocate a broader eligibility test possibly including such factors as the rate of employment growth. The geographic boundary for determining area eligibility must also be defined. While some programs use individual political jurisdictions, many economists prefer using Standard Metropolitan Statistical Areas.

[3] Although this article only compares the relative effectiveness of different investment incentives, a variety of other approaches could also be used to improve employment opportunities for residents of depressed areas such as wage subsidies, low state and local taxes on business in these areas, and finally migration allowances to help the disadvantaged move to areas experiencing stronger economic growth.

[4] A 1969 Treasury staff study estimated that interest savings of state and local governments on the outstanding stock of tax-exempt securities was about 67 percent of the lost Treasury revenue. See Joint Economic Committee of the U.S. Congress, *Hearings on the 1969 Economic Report of the President*, Ninety-first Congress, First Session, U.S. Government Printing Office (July 1972), p. 30. See also David J. and Attiat F. Ott, "The Tax Subsidy Through Exemption of State and Local Bond Interest," *The Economics of Federal Subsidy Programs*, Part 3, Joint Economic Committee of Congress, U.S. Government Printing Office, Washington, D.C. (July 1972), p. 305; Peter Fortune, "Tax Exemption of State and Local Interest Payments: An Economic Analysis of the Issues and an Alternative," *New England Economic Review*, May/June 1973, pp. 3–31.

[5] Currently the investment tax credit can be applied only to certain types of assets, primarily personal property with an economic life of three years or more. Buildings are not generally eligible for the credit. The amount of credit allowable in any year may not exceed $25,000 plus 50 percent of a firm's tax liability in excess of $25,000. However, any unused portion of the credit can be carried back three years and forward five.

[6] The present value of depreciation allowances must reflect not only the rate of return at which a firm may invest funds but also the risks associated with the prospective stream of receipts. For a profitable enterprise, management may confidently anticipate taking full advantage of potential depreciation deductions. For a less secure firm, management may not be able to claim depreciation allowances according to schedule. Accordingly, the second firm may add a "risk premium" to its discount rate when evaluating prospective depreciation allowances; this adjustment lowers the present value of these deductions.

[7] Of course, QDB is only one among many techniques for accelerating depreciation allowances. Even though we use QDB exclusively in our examples, the use of any other highly accelerated depreciation schedule would not alter our conclusions.

[8] It should be noted that in this context the most "efficient" policy for stimulating investment is simply the one which increases the public debt the least. So defined, an "efficient" policy does not necessarily increase the the Nation's productive capacity, real wealth, or living standards more than any other means of stimulating investment spending.

[9] Whereas the use of a supplement ITC instead of QDB depreciation would reduce the Treasury's discounted revenue losses by 40 percent in our example, interest subsidies reduce revenue losses by 49 percent. .40=(4.8–2.9)/4.8, and .49 (150–76)/150. For more detail, refer to the Technical Appendix.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that the tax impact study legislation which I am introducing today be referred to the Senate Finance Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATHAWAY. The intent of this legislation is to authorize the Department of the Treasury and Council of Economic Advisors to prepare an analysis of the impact of various types of taxes on people at differing income levels.

It is my hope that we can move immediately on my bill in order that the Congress have a comprehensive analysis of tax impacts as we legislate.

I understand that the chairman and the ranking minority member of the Banking Committee have no objection to this request. However, the chairman of the Banking Committee has indicated to me that waiving jurisdiction with respect to this legislation should not constitute a precedent with respect to future bills of a similar nature.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3268

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury and the Council of Economic Advisers shall study the impact of Federal, State, and local government taxation on the American economy, including, but not limited to, an analysis of—

(1) the distribution of the Federal, State, and local government tax burden by income classes for income taxes imposed on or with respect to wages, salaries, and other compensation, sales and excise taxes, property taxes, and other taxes, and

(2) the manner in which taxes imposed on income from, or with respect to the operations of, businesses affect the pricing of goods and services, the determination of wages, salaries, and other employee compensation, and the return on capital investment for holders of securities.

SEC. 2. The report required by the first section of this Act shall be submitted to the Congress by January 31, 1980. An interim report shall be submitted to the Congress by June 30, 1979.

SEC. 3. There are authorized to be appropriated, to the Secretary of the Treasury, and to the Council of Economic Advisers, such amounts as may be necessary to carry out the study required by the first section of this Act.

By Mr. MATHIAS (for himself, Mr. PELL, Mr. STAFFORD, Mr. JAVITS, Mr. CASE, Mr. MORGAN, Mr. CHAFEE, Mr. HEINZ, Mr. LEAHY, Mr. CRANSTON, Mr. MOYNIHAN, and Mr. RANDOLPH):

S.J. Res. 143. A joint resolution to initiate preliminary studies for the restoration and renovation of the Pension Building in Washington, District of Columbia, to house a Museum of the Building Arts; to the Committee on Environment and Public Works.

MUSEUM OF THE BUILDING ARTS

● Mr. MATHIAS. Mr. President, in April of this year I, along with Senators RANDOLPH, PELL, STAFFORD, CRANSTON, JAVITS, MOYNIHAN, HEINZ, CASE, MORGAN, CHAFEE, and MCCLURE, introduced legislation to establish a Museum of the Building Arts to be housed in the Pension Building here in Washington, a designated national landmark. Today we, along with several other colleagues who have joined in sponsoring the Building Arts Museum legislation, are taking the first step toward making that museum a reality. This resolution directs the General Services Administration, which owns the Pension Building, as well as the Smithsonian Institution, which operates the Nation's premier museums here in Washington, and the National Endowment for the Arts, which provides financial services to local and regional museums throughout the country, to begin the arithmetic of making such a museum financially feasible.

The GSA is to prepare cost estimates, preliminary drawings, and space arrangements for the Pension Building to house the Museum of the Building Arts. The architectural and historic integrity of the building is to be maintained in such estimates, which are to be presented to the Committee on Environment and Public Works by October 1 of this year.

The National Endowment for the Arts is charged with identifying non-Federal sources of financial support for the Museum and report back to the same Senate Committee by October 1.

And lastly, the Smithsonian is directed to report to us by October 1 on the likely visitation rates of such a museum and the probable space needs of such a museum for basic functions such as public and exhibition use, storage, research of the collections, and administrative staff. And, finally, the Smithsonian is to investigate what working relationships might be developed between the Smithsonian collections and their operations and the Building Arts Museum.

I think by October 1 we will have before us some basic information about space needs and proposed museum operations and costs to enable us to begin work on this legislation. This resolution would accomplish that purpose.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 143

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled. That (a) the Congress finds and declares that the Federal Building in the District of Columbia, operated and managed by the General Services Administration and known as the Pension Building is unique, historic, constitutes an architectural treasure belonging to the people of the United States, and should be restored and properly utilized.

(b) The Congress further declares that the Pension Building would most appropriately be dedicated to public use as the National Museum of the Building Arts, benefitting this and future generations.

SEC. 2. For the purpose of this joint resolution, the term—

(1) "building arts" includes all practical and scholarly aspects of architecture, landscape architecture, engineering, building, construction, urban planning, design, physical development, renewal, and historic preservation;

(2) "Administrator" means the Administrator of the General Services Administration;

(3) "Museum" means the National Museum of the Building Arts;

(4) "Chairman" means the Chairman of the National Endowment for the Arts;

(5) "Secretary" means the Secretary of the Smithsonian Institution; and

(6) "Committee" means the Committee for a National Museum of the Building Arts, Inc.

SEC. 3. (a) The Administrator is authorized and directed to prepare a study of the existing conditions of the Pension Building, located in the block bounded by Fourth Street, Fifth Street, "F" Street, Northwest, and "G" Street, Northwest, in the District of Columbia. After consultation with the Secretary, the Chairman, and the Committee, he shall prepare designs and plans, together with preliminary cost estimates thereof, for the restoration and renovation of the Pension Building, in its entirety, to house the National Museum of the Building Arts. Such designs and plans shall be consistent with and provide space for the functions and facilities proposed in the report of the Committee for a National Museum of the Building Arts, Incorporated, dated January 1978, and on file at the National Endowment for the Arts. Such designs and plans shall, as far as practicable—

(1) preserve, enhance, and restore the distinctive and historically authentic architectural character of the building;

(2) retain the usability of the central court of the building for activities associated with Presidential inaugurations;

(3) demonstrate energy-efficient standards of design; and

(4) include architectural modifications needed to assure that the Museum or part of the facility is readily accessible to and usable by handicapped persons.

(b) The Administrator shall provide the Advisory Council on Historic Preservation with adequate opportunity to comment on the designs and plans for the restoration and adaptation of the Pension Building. Such designs and plans, together with preliminary cost estimates thereof and the study on existing conditions, shall be submitted to the Committee on Public Works and Transportation of the House of Representatives, and to the Committee on Environment and Public Works of the Senate, not later than October 1, 1978.

SEC. 4. The Chairman, in cooperation with the Secretary and the Committee, shall report to the Committee on Public Works and Transportation of the House of Representatives, and to the Committee on Environment and Public Works of the Senate, not later than October 1, 1978, with respect to—

(a) identified potential sources of private financial support for Museum operations, including a preliminary estimate of the amount of such support which may reasonably be anticipated; and

(b) such other factors which, in his opinion, may contribute to the feasibility of the proposed Museum.

SEC. 5. The Secretary shall report to the Committee on Public Works and Transportation of the House of Representatives, and to the Committee on Environment and Public Works of the Senate, not later than October 1, 1978, with respect to—

(a) the potential visitation rate of the proposed Museum compared to visitation rates of Smithsonian museums in the ten-year period immediately preceding the date of the report;

(b) the potential for interaction between the proposed Museum and existing collections and programs of the Smithsonian; and

(c) the proportion of total space required for—

(1) public and exhibition use;

(2) the study of collections housed in the Museum;

(3) staff offices; and

(4) inactive storage.

SEC. 6. The Administrator shall insure that any occupants of the Pension Building during the period pending establishment and occupancy of the building by the National Museum of the Building Arts is temporary.

SEC. 7. (a) For the purposes of section 3 of this joint resolution, the Administrator is authorized and directed to expend an amount not to exceed $60,000 from funds available to him for the alteration and repair of buildings.

(b) For the purposes of section 4 of this joint resolution, the Chairman shall expend not more than $10,000 from funds available to him.

(c) For the purposes of section 5 of this joint resolution, the Secretary shall expend not more than $10,000 from funds available to him.●

ADDITIONAL COSPONSORS

S. 3160

At the request of Mr. GLENN, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 3160, a bill to provide for increased allied health

personnel in medically underserved urban and rural areas.

S. 3252

At the request of Mr. BROOKE, the Senator from New Hampshire (Mr. MCINTYRE) was added as a cosponsor of S. 3252, a bill to assure that, for purposes of the supplemental security income program, interest income received by an individual from a negotiated order of withdrawal account will be treated the same as an interest income received from an account on which interest is payable on a quarterly basis.

SENATE JOINT RESOLUTION 67

At the request of Mr. ABOUREZK, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of Senate Joint Resolution 61, the Voter initiative amendment, which calls for the establishment for an initiative process at the national level similar to the process that presently exists in 23 States and the District of Columbia.

SENATE JOINT RESOLUTION 134

At the request of Mr. BAYH, the Senator from Colorado (Mr. HART) was added as a cosponsor of Senate Joint Resolution 134, to extend the deadline for ratification of the equal rights amendment.

SENATE JOINT RESOLUTION 142

At the request of Mr. MARK O. HATFIELD, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of Senate Joint Resolution 142, to authorize and direct the Franklin Delano Roosevelt Memorial Commission to proceed with the construction of the Franklin Delano Roosevelt Memorial, and for other purposes.

SENATE CONCURRENT RESOLUTION 79

At the request of Mr. MCCLURE, the Senator from Delaware (Mr. BIDEN), the Senator from Oklahoma (Mr. BELLMON), and the Senator from Florida (Mr. STONE) were added as cosponsors of Senate Concurrent Resolution 79, disapproving proposed regulations of the Department of the Treasury requiring centralized registration of firearms and other matters.

SENATE RESOLUTION 477

At the request of Mr. CULVER, the Senator from Tennessee (Mr. BAKER) was added as a cosponsor of Senate Resolution 477, to disapprove the meat imports quota suspension.

AMENDMENT NO. 2176

At the request of Mr. LEAHY, he was added as a cosponsor of amendment No. 2176 intended to be proposed to S. 1500, a bill to designate certain lands in the State of Alaska as units of the National Park, National Wildlife Refuge, National Wild and Scenic Rivers, and National Wilderness Preservation Systems, and for other purposes.

At the request of Mr. DURKIN, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of amendment No. 2176 intended to be proposed to S. 1500, supra.

AMENDMENT NO. 3032

At the request of Mr. DOMENICI, the Senator from Michigan (Mr. RIEGLE), the Senator from Oklahoma (Mr. BELLMON), the Senator from Maine (Mr. HATHAWAY), the Senator from Alabama (Mr. SPARKMAN), the Senator from Delaware (Mr. BIDEN), and the Senator from Minnesota (Mrs. HUMPHREY) were added as cosponsors of amendment No. 3032, intended to be proposed to S. 3084, to extend eligibility to section 202 elderly and handicapped housing residents for congregate social services.

AMENDMENT NO. 3086

At the request of Mr. TOWER, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of amendment No. 3086 intended to be proposed to H.R. 2777, the National Consumer Cooperative Bank Act.

SENATE CONCURRENT RESOLUTION 93—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO SOVIET-CUBAN INTERVENTION IN AFRICA AND U.S. POLICY

Mr. BROOKE submitted the following concurrent resolution, which was referred to the Committee on Foreign Relations:

S. CON. RES. 93

Whereas the interests of the United States coincide with the desire of African countries to avoid domination by any outside power; and

Whereas passivity on the part of the United States in light of Soviet-Cuban "imperialism" in Africa would be interpreted as an act of weakness and as indifference to the fate of African peoples; and

Whereas the presence of Cuban military forces in Africa is a threat to the right of self-determination for the countries of that continent; and

Whereas the continued activities of the Cuban military forces in Africa are an impediment to the search for just resolutions of conflicts on that continent; and

Whereas such military forces act not only to serve Cuban ends but also as mercenaries promoting the expansion of Soviet imperialism; and

Whereas the presence of Cuban military forces in African states encourages the perpetuation of repressive dictatorial policies and lack of concern for internationally recognized human rights;

Now, therefore be it

Resolved, by the Senate (the House of Representatives concurring), that it is in the interest of the United States to undertake initiatives designed to increase opposition to Cuban and Soviet military adventures in Africa and to increase pressures for the withdrawal from that continent of Cuban military forces to their homeland. Such initiatives should include but should not be limited to the following:

(1) The United States should encourage African states individually, and collectively through the Organization of African Unity, to initiate activities designed to bring about the speedy withdrawal of Cuban military forces from Africa.

(2) The United States should indicate, through diplomatic channels and by public pronouncements, its intent to support, in a meaningful way, those African states which seek to preserve their right to self-determination and which evidence respect for basic human rights.

(3) The United States should suspend all efforts to normalize diplomatic and economic relations with Cuba until such time as the President certifies to the Congress that Cuban involvement in military actions in Africa has ceased and that the withdrawal of Cuban military forces from that continent has commenced in a meaningful way.

(4) The United States should immediately notify Cuba of its intent to withdraw the U.S. Interests Section from Havana no later than December 31, 1978 and of its intent to insist that the Cuban Interests Section be similarly withdrawn from Washington by that date unless substantive evidence exists that the Government of Cuba is willing to institute an immediate withdrawal of its military forces from the African continent.

(5) The United States should indicate to Moscow, by appropriate means, that continued Soviet imperialistic activities in Africa and elsewhere, aided and abetted by the use of military proxies such as the Cubans, will inevitably have a major impact on the willingness of the United States to enter into trade and arms control agreements with the Soviet Union.

SEC. 2. Resolved further, That a decision to renew efforts to normalize relations with Cuba, once that country has ended its military adventurism" in Africa, should be conditioned by

(1) A willingness on the part of the Cuban government to provide appropriate compensation for the expropriation of the property of nationals of the United States by such Government.

(2) The release from Cuban prisons of citizens of the United States held for political reasons and their repatriation to the United States.

(3) A willingness on the part of the Government of Cuba to take meaningful steps evidencing greater respect for the internationally recognized human rights of its own citizens.

(4) An agreement by the Cuban government to renew the anti-hijacking agreement between the United States and Cuba.

SEC 3. Appropriate officials of the Congress shall transmit a copy of this resolution to the President.

SOVIET AND CUBAN ACTIVITIES ON THE AFRICAN CONTINENT

● Mr. BROOKE. Mr. President, yesterday, during our consideration of the State Department authorization bill, an amendment was passed stating strong Senate opposition to the continued presence of Cuban troops in Africa. While certain concerns I had about the wording of the amendment required that I vote against it, I found myself in substantial agreement with its basic message. The United States cannot be indifferent to the aggressive activities of Cuba and the Soviet Union in Africa. The intent of those two countries is inimical to our ideals and interests. Their thrust into Africa threatens to destroy the ability of many African states to exercise their right to self-determination.

I am, today, introducing a concurrent resolution regarding the situation in Africa. In doing so I want to acknowledge that Senator BARTLETT's amendment of yesterday helped crystalize some of my thinking on the matter. While the emphasis of my resolution, as it relates to the reasons why the United States must be unequivocal in its opposition to Soviet-Cuban "adventurism" in Africa, is somewhat different than that of the initiative of Senator BARTLETT, I do believe we share the same intent; namely, that of assisting African states in their efforts to avoid domination by a foreign power.

The "whereas" clauses of the resolution state the following:

First. The interests of the United States coincide with the desire of African

countries to avoid domination by any outside power.

Second. U.S. passivity in light of Soviet-Cuban "imperialism" in Africa would be interpreted as an act of weakness and as indifference to the fate of African peoples.

Third. The presence of Cuban military forces in Africa is a long-term threat to the right of self-determination for the countries of that continent.

Fourth. The activities of such military forces in Africa are an impediment to the search for just resolutions of conflicts on that continent.

Fifth. Cuban military forces in Africa promote the expansion of Soviet imperialism.

Sixth. The presence of Cuban military forces in African states encourages the perpetuation of repressive dictatorial policies and lack of concern for internationally recognized human rights.

The "resolve" clauses call for the following actions:

First. The United States should encourage African States to act either individually or collectively through the Organization of African Unity to bring about the speedy withdrawal of Cuban military forces from Africa.

Second. The United States should indicate its intent to give meaningful support to those African States which seek to preserve their right to self-determination and which evidence respect for basic human rights.

Third. The United States should suspend all efforts to normalize diplomatic and economic relations with Cuba until such time that Cuban involvement in military actions in Africa has ceased and the withdrawal of Cuban forces from that continent has commenced in a meaningful way.

Fourth. The United States should notify Havana of its intent to withdraw the U.S. interests section from Cuba no later than December 31, 1978, unless a significant change in Cuban policy regarding involvement in Africa is evidenced in Cuban actions.

Fifth. The United States should indicate to Moscow that its continued imperialistic activities in Africa and elsewhere will inevitably have a major impact on the willingness of the United States to enter into trade and arms control agreements with the Soviet Union.

The "resolve" clauses also indicate that a resumption of efforts to normalize relations with Cuba, should Havana evidence a more responsible policy regarding Africa, should be conditioned by the following:

First. Cuban willingness to provide appropriate compensation for expropriated American properties.

Second. Release of U.S. citizens held in Cuban prisons for political reasons.

Third. Greater respect for human rights on the part of the Cuban Government.

Fourth. Cuban willingness to renew the anti-hijacking agreement between the United States and Cuba.

The measures advocated in the resolution are stark ones. They are recommended not to instigate a return to a "cold war" posture but to indicate the seriousness with which the United States views recent developments. Now is the time to indicate that the United States will not passively acquiesce to Soviet/Cuban thrusts for domination in Africa or elsewhere. The hope that some mysterious "invisible hand" will thwart "adventurism" on the part of the Moscow-Havana axis is a foolish one. I desperately desire for the African peoples the preservation of their right to make independent choices as nation-states, free from the coercive domination of militarily aggressive foreign powers. And I am convinced that they can only maintain that "right" if the United States and its allies are willing to provide countervailing influences to those of the Soviet Union and its proxies. Pious hopes cannot substitute for concrete actions.●

AMENDMENTS SUBMITTED FOR PRINTING

HEALTH PLANNING AMENDMENTS OF 1978—S. 2410

AMENDMENT NO. 3098

(Ordered to be printed and to lie on the table.)

Mr. HUDDLESTON (for himself and Mr. HATCH) submitted an amendment intended to be proposed by them, jointly, to S. 2410, a bill to amend titles XV and XVI of the Public Health Service Act to revise and extend the authorities and requirements under those titles for health planning and health resources development.

Mr. HUDDLESTON. Mr. President, when the Senate takes up its consideration of the health planning amendments legislation, S. 2410, probably during the first week after the Fourth of July recess, it is my intention to offer, on behalf of myself and the Senator from Utah (Mr. HATCH), who is a member of the Human Resources Committee, an amendment to preserve the right of our State legislatures to decide for themselves whether and to what extent so-called certificate of need requirements should be extended to providers of ambulatory, or nonhospital, health care.

It seems to me this sort of thing is essential if we are really serious about our pledge in Public Law 93-641 to leave such health planning judgments to the discretion of those State and local officeholders, best qualified to determine their policy desirability and appropriateness within their own jurisdictions. None of us can forget the outcry of our constituents over the "Federal mandate" character of the health planning guidelines published last fall—and I think we need to be very sensitive about any measure now which would directly preempt, and in many cases reverse, State decisions in this area.

In my State of Kentucky, for example, our legislature has exercised its prerogative on the very concept of expanding certificate of need to private medical care practitioners but has chosen to specifically exempt them. Indeed, 24 of the other 30 States to thus far address the same issue—more than 80 percent—have done likewise. Two States have discussed it without taking any action; 5 have not considered it one way or the other; and 12 have yet to enact even their initial CON law.

In spite of this rather convincing record of States saying they do not want to apply CON in any form to the noninstitutional setting, the human resources-reported bill would tell them they would have to do it for major medical equipment anyway. Moreover, it would further prohibit them from treating health maintenance organizations independently, forcing them instead to exempt HMO's from CON review for services, facilities, and organization unless they cover all other providers of ambulatory health care as well.

My amendment would protect the rights of our States to act in this area by doing two things: First, it would clarify that the requirements pertaining to HMO's need only be consistent with—or no more stringent than—those imposed on other ambulatory providers which the States choose to cover; second, it would continue the State option to elect whether and to what extent CON should be expanded beyond its present scope by limiting its mandatory application to "health care facilities," meaning institutional entities.

The question is not one of mandatorily excluding anyone from certificate of need requirements, Mr. President, for that would not be the effect of the amendment at all. Rather, it would just remove the mandatory inclusion feature for the private office setting and allow the States to retain that option. In my view, we owe them that confidence and trust.

Mr. President, I ask unanimous consent that the text of the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD.

AMENDMENT 3098

On page 62, line 25, insert after "other" the word "covered".

On page 65, line 13, insert after "acquired" the phrase "by a health care facility".

HEALTH MAINTENANCE ORGANIZATION ACT AMENDMENTS OF 1978—S. 2534

AMENDMENT NO. 3099

(Ordered to be printed and to lie on the table.)

Mr. HUDDLESTON (for himself and Mr. HATCH) submitted an amendment intended to be proposed by them, jointly, to S. 2534, a bill to revise and extend the provisions of title XIII of the Public Health Service Act relating to health maintenance organizations.

Mr. HUDDLESTON. Mr. President, provisions identical to those I have just discussed with respect to the health planning bill have also been incorporated into the text of the HMO legislation, S. 2534. Should that measure be brought up prior to S. 2410, it would be my intention to offer a similar amendment at that time instead.

I ask unanimous consent that such an amendment as it would modify S. 2534 also be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 3099

On page 31, line 4, insert after "acquired" the phrase "by a health care facility".

On page 32, line 21, insert after "other" the word "covered".

OFFICE OF HISPANIC AFFAIRS—S. 1066

AMENDMENT NO. 3100

(Ordered to be printed and referred to the Committee on Governmental Affairs.)

Mr. TOWER (for himself, Mr. DOLE, Mr. DOMENICI, Mr. DECONCINI, Mr. HASKELL, and Mr. CLARK) submitted an amendment intended to be proposed by him to S. 1066, a bill to establish an Office of Hispanic Affairs in the Executive Office of the President, and in various executive agencies, and for other purposes.

● Mr. TOWER. Mr. President, on behalf of Senators CLARK, DECONCINI, DOLE, DOMENICI, HASKELL, and myself, I am pleased to submit an important amendment to S. 1066, a bill to establish an Office of Hispanic Affairs in the Executive Office of the President.

Equal opportunities for Federal employment are of critical importance to citizens of the Hispanic American community.

Yet, Federal employment of Hispanic Americans continues to lag far behind that of other groups in our society.

One of the many reasons for this lag perhaps is best illustrated by the following example. It concerns recent recommendations by the Secretary of Health, Education, and Welfare which, if approved, would serve in effect to downgrade the Spanish-speaking program office in HEW.

The HEW Spanish-speaking program is responsible for employment, upward mobility, and other important actions designed to promote the interests and equal opportunities of Hispanic Americans within the agency.

The Secretary charged an equal employment opportunity study group with the full responsibility of reviewing his agency's equal employment program.

The study group's findings revealed that Hispanics comprises 2.9 percent of the agency's general scheduled employees. The EEO study group found that Hispanics were underrepresented in practically all job series and grade levels. Moreover, it also found that a disproportionate number were employees in the Social Security Administration (SSA).

When Social Security Administration figures were deleted from the review, Hispanic employment in HEW was seen to have remained unchanged from the 1974 level of only 1.7 percent. More troubling even was the fact that those same findings also revealed that there had been retrogression in some key areas.

In view of these findings, I was astounded to learn that the Secretary of HEW was in the process of approving the study group's recommendations to impose an added administrative layer between the Spanish-speaking program and the top policymaking levels in HEW. The effect of such action, in reality, would all but eliminate any hope on the part of Hispanic Americans of increasing their numbers and grade levels in Federal employment involving HEW.

Mr. President, I have called upon the Secretary of HEW to prevent this unjust crippling of the Spanish-speaking program. Unless he acts to prevent what could well mean the virtual elimination of meaningful equal employment opportunities for Hispanic Americans in HEW, it will surely be judged by many as a clear sign of this administration's unmasked insensitivity to the employment needs of the Hispanic American community.

Our amendment to S. 1066 is designed to protect and insure that equal opportunities for employment and upward mobility in the Federal Government are available to Hispanic Americans. It accomplishes this by bringing the existing network of Hispanic employment program coordinators and their functions under the Office of Hispanic Affairs. At present, these coordinators, numbering more than 2,100 full-time and part-time personnel, are under the Civil Service Commission. Among other responsibilities, their functions include: Recruitment, employment, placement, outreach, personnel management analysis, identification of possible systemic barriers to employment, and review of merit system practices and procedures.

In addition, this new mechanism will further provide for equal opportunities for Hispanic Americans by expanding the number of Federal agencies and departments to be linked together with the Office of Hispanic Affairs in the White House. Those additional agencies are the Department of Energy, General Services Administration, Equal Employment Opportunity Commission, Environmental Protection Agency, and the Postal Service.

It will also create a climate for improved advocacy efforts by State and local agencies that receive Federal grants-in-aid subject to the conditions of the Intergovernmental Personnel Act. Such a climate will be created in the following way.

The Bureau of Intergovernmental Personnel Programs. located in the Civil Service Commission, is responsible for the implementation of merit system standards by State and local central personnel agencies. The Civil Service Commission makes grants to these eligible recipients to improve the quality of their personnel administration. Equal employment opportunity is a merit system standard that comes under the Intergovernmental Personnel Act.

The Bureau of Intergovernmental Personnel Programs reviews the affirmative action plans of covered State and local governmental agencies. Its offices exist in each of the 10 regional offices of the Civil Service Commission. Under our amendment, the Bureau of Intergovernmental Personnel Programs will have a direct linkage with the Office of Hispanic Affairs in the White House. This amendment also has application in the private sector. Two Federal compliance agencies at present do not have programs for Hispanic Americans in private employment comparable to the Spanish-speaking program for Federal employees. One is the Equal Employment Opportunity Commission, and the other is the Office of Federal Contract Compliance Programs (OFCCP) in the Department of Labor.

Our amendment to S. 1066 will facilitate coordination of the equal opportunity program between EEOC and the Office of Federal Contract Compliance Programs in areas where Hispanic Americans comprise a significant percentage of the labor market.

S. 1066, as amended by our proposal, also will similarly provide the mechanism for greater coordination between the Office of Federal Contract Compliance Programs and the Employment and Training Administration—both of which are within the Department of Labor—in areas of significant Hispanic population.

It will clearly enhance opportunities for Hispanic Americans seeking jobs and training if, in fact, the responsibilities and efforts of these two offices within the Department of Labor, specifically the OFCCP and the Employment and Training Administration, are dovetailed—and our amendment provides the necessary authority to make that important coordination possible.

Mr President, S. 1066 is an excellent bill that offers a long overdue opportunity for the Senate to show its understanding and support for the aspirations of all Hispanic Americans. It will insure that the concerns of this minority community are heard at the highest levels in Government where new policies and decisions that affect our entire country are made

This amendment we are offering to S. 1066 is designed to improve upon that sound and timely legislative proposal in a way that will guarantee equal opportunities for Hispanic Americans in new policies and programs that are developed for our Nation. and also in employment throughout the Federal Government. Our amendment will similarly promote these opportunities in State and local agencies, where so many of our citizens are employed, and in the private sector as well.

We welcome our colleagues to join with us as cosponsors of this important legislation; and we especially welcome our colleagues to join with us to expedite the consideration and prompt approval by the Senate of S. 1066, as amended.

The progress and well-being of our entire society is fully dependent upon the steady and continuing progress of all of its elements. The Hispanic American community is an important and essential element, and it clearly merits the support of the U.S. Senate.

I ask unanimous consent that the text of this amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 3100

On page 2, strike out lines 15 and 16, and insert the following:

"(b) The Director may appoint such personnel as he deems desirable without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may pay such personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of

such title relating to classification and General Schedule pay rates.".

On page 4, line 7, insert "(1)" immediately after "(b)".

On page 4, between lines 12 and 13, insert the following new paragraph:

"(2) The Director shall utilize the Special Assistants for Hispanic Affairs established in each department or agency under section 9 to carry out the functions transferred under section 10.".

On page 4, line 24, strike out "Any" and insert "Each".

On page 5, strike out lines 3 and 4 and insert the following:

"(2) be approved either by the Committee on Government Operations of the House of Representatives or the Committee on Governmental Affairs of the United States Senate;".

On page 5, line 20, strike out "may" and insert "is authorized to".

On page 5, line 24, strike out "is authorized to" and insert "shall promptly".

On page 6, line 4, strike out "is authorized to" and insert "shall promptly".

On page 6, line 18, beginning with "the" strike out all through the period on page 7, line 5, and insert the following: "the following executive departments and agencies:

"(1) Department of State;
"(2) Department of the Treasury;
"(3) Department of Defense;
"(4) Department of Justice;
"(5) Department of the Interior;
"(6) Department of Agriculture;
"(7) Department of Commerce;
"(8) Department of Labor, including but not limited to the Office of Federal Contract Compliance Programs;
"(9) Department of Health, Education, and Welfare;
"(10) Department of Housing and Urban Development;
"(11) Department of Transportation;
"(12) Department of Energy;
"(13) Community Services Administration;
"(14) Veterans' Administration;
"(15) Civil Service Commission;
"(16) Federal Communications Commission;
"(17) Small Business Administration;
"(18) National Aeronautics and Space Administration;
"(19) National Science Foundation;
"(20) Federal Home Loan Bank Board;
"(21) Equal Employment Opportunity Commission;
"(22) Postal Rate Commission;
"(23) Environmental Protection Agency;
"(24) General Services Administration; and
"(25) United States Postal Service;
"(26) such other executive departments or agencies as the President may designate.".

On page 8, line 5, insert after the period the following new sentence: "The Special Assistant for Hispanic Affairs designated within each department or agency shall assist the Director in carrying out the functions transferred under section 10 within each department or agency.".

On page 8, between lines 5 and 6, insert the following new sections:

"TRANSFERS OF FUNCTIONS FROM THE CIVIL SERVICE COMMISSION

"SEC. 10. The functions of the Civil Service Commission under section 717 of the Civil Rights Act of 1974 and Executive Order No. 11478, issued August 8, 1969, which the Director of the Office of Management and Budget determines relate to equal employment opportunity for Hispanic individuals, commonly known as the Hispanic Employment Program, are transferred to the Director.

"TRANSFER OF PERSONNEL AND PROPERTY

"SEC. 11. (a) All personnel, liabilities, contracts, property and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function transferred under the provisions of this Act, are transferred to the Director.

"(b)(1) Except as provided in paragraph (2) of this subsection, personnel engaged in functions transferred under this Act shall be transferred in accordance with applicable laws and regulations relating to the transfer of functions.

"(2) The transfer of personnel pursuant to subsection (a) shall be without reduction in classification or compensation for one year after such transfer.

"TRANSFER MATTERS

"SEC. 12. (a) All laws relating to any office, agency, or function transferred under this Act shall, insofar as such laws are applicable, remain in full force and effect. All orders determinations, rules, and regulations made or issued in connection with any function transferred by the Act, and in effect at the time of the transfer, shall continue in effect to the same extent as if such transfer had not occurred, until modified, superseded, or repealed.

"(b) The provisions of this Act shall not affect any proceedings pending at the time this section takes effect before any agency, or part thereof, functions of which are transferred by this Act, but such proceedings to the extent that they relate to functions so transferred shall be continued before the Office.

"(c) No suit, action, or other proceeding commenced by or against any office or agency or any officer of the United States acting in his official capacity shall abate by reason of any transfer made pursuant to this Act, but the court on motion or supplemental petition filed at any time within 12 months after such transfer takes effect, showing a necessity for the survival of such suit, action, or other proceeding to obtain a settlement of the question involved, may allow the same to be maintained by or against the appropriate office or agency or officer of the United States.".

On page 8, line 7, strike out "Sec. 10." and insert "Sec. 13.".

On page 8, line 20, strike out "Sec. 11." and insert "Sec. 14."

On page 9, line 4, strike out "Sec. 12." and insert "Sec. 15.".

On page 9, line 13, strike out "Sec. 13." and insert "Sec. 16.".

On page 10, line 2, strike out "Sec. 14." and insert "Sec. 17.".

On page 10, after line 4, insert the following new section:

"EFFECTIVE DATE

"SEC. 18. The provisions of this Act shall take effect upon enactment, except that the provisions of sections 10 through 12 shall take effect upon the expiration of the first period of 60 calendar days following the date on which this Act is approved by the President, or on such earlier date as the President shall specify by Executive order.".●

● Mr. DOLE. Mr. President, I would like to join my distinguished colleagues, Senator TOWER from Texas and Senator DOMENICI from New Mexico in offering this amendment to S. 1066, a bill that would establish an Office of Hispanic Affairs in the Executive Office of the President.

Mr. President, the Senator from Kansas believes this amendment would improve the bill, which is of critical importance to Hispanic Americans, in the following way:

First. It would expand the number of Federal agencies to be brought under S. 1066 to include five agencies having significant involvement in Hispanic affairs—they are the Department of Energy, GSA, EEOC, EPA, and the Postal Service.

Second. It would bring Hispanic employment program coordinators, who play an important role in addressing serious Hispanic unemployment, under the jurisdiction of the Office of Hispanic Affairs.

Third. It would provide an important link between the Bureau of Intergovernmental Personnel Programs and the Office of Hispanic Affairs in improving advocacy efforts by State and local agencies that receive Federal grants-in-aid subject to the conditions of the Intergovernmental Personnel Act.

Fourth. It will facilitate coordination of the equal opportunity program between EEOC and the Office of Federal Contract Compliance Programs in areas where Hispanic Americans comprise a significant percentage of the labor market.

Fifth. This amendment would also provide greater opportunities for Hispanic Americans seeking employment and training by creating a mechanism for greater coordination between the Office of Federal Contract Compliance Programs and the Employment and Training Administration within the Department of Labor.

Mr. President, as with the original introduction of S. 1066, this amendment represents yet another important step in providing for Hispanic needs and perspectives to be meaningfully integrated into governmental decisionmaking. The Senator from Kansas believes the results will provide new opportunities for the same access to government that is already available to so many other Americans.

HEARINGS ON S. 1066

Mr. President, the Hispanic American community, as well as my distinguished colleagues, Senator TOWER from Texas, Senator DOMENICI from New Mexico, and Senator DECONCINI from Arizona, whom I recently joined in requesting hearings to be held on S. 1066, is counting on the Senate Governmental Affairs Committee for the opportunity to present firsthand testimony on its needs, as well as an insight into its aspirations as citizens of our society. Mr. President, I urge prompt consideration of this bill by the Senate Governmental Affairs Committee, as amended, and subsequent approval by the full Senate.●

U.S. PARTICIPATION IN THE IMB SUPPLEMENTARY FINANCING FACILITY—S. 2152

AMENDMENT NO. 3101

(Ordered to be printed and to lie on the table.)

Mr. SCHWEIKER (for himself, Mr. INOUYE, Mr. MAGNUSON, Mr. YOUNG, Mr. PROXMIRE, Mr. BROOKE, Mr. MUSKIE, and Mr. BELLMON) submitted an amendment intended to be proposed by them, jointly, to S. 2152, a bill which authorizes U.S. participation in the International Monetary Fund supplementary financing facility.

● Mr. SCHWEIKER. Mr. President, on behalf of myself, the Senator from Ha-

waii (Mr. INOUYE), the Senator from Washington (Mr. MAGNUSON), the Senator from North Dakota (Mr. YOUNG), the Senator from Wisconsin (Mr. PROXMIRE), the Senator from Massachusetts (Mr. BROOKE), the Senator from Maine (Mr. MUSKIE), and the Senator from Oklahoma (Mr. BELLMON), I submit an amendment to S. 2152, legislation which authorizes U.S. participation in the International Monetary Fund supplementary financing facility.

Mr. President, this amendment simply insures that the funds provided for the supplementary financing facility are subject to congressional approval of appropriations and is entirely consistent with the first budget resolution which was recently passed by Congress for fiscal year 1979. This amendment represents a continuing desire on the part of the cosponsors to insure that the Congressional Budget Act of 1974 remains a viable budget and fiscal instrument of the Congress. I greatly appreciate the support of the chairman of the Foreign Operations Appropriations Subcommittee and the chairmen and ranking members of the Committee on Appropriations, the Committee on Banking, Housing, and Urban Affairs, and the Budget Committee.

Mr. President, I hope that the managers of this legislation will be able to accept this amendment, thus speeding the enactment of this legislation which the administration has indicated is so vital.●

MILITARY PROCUREMENT AUTHORIZATIONS—S. 2571

AMENDMENT NO. 3102

(Ordered to be printed and to lie on the table.)

Mr. THURMOND submitted an amendment intended to be proposed by him to S. 2571, a bill to authorize appropriations during the fiscal year 1979, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, to authorize the military training student loads, and to authorize appropriations for civil defense, and for other purposes.

DEPARTMENT OF JUSTICE AUTHORIZATIONS—S. 3151

AMENDMENT NO. 3103

(Ordered to be printed and to lie on the table.)

Mr. HAYAKAWA (for himself and Mr. CRANSTON) submitted an amendment intended to be proposed by them, jointly, to S. 3151, a bill to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1979, and for other purposes.

SUSPENSION OF DUTY ON WOOL—H.R. 3946

AMENDMENT NO. 3104

(Ordered to be printed and to lie on the table.)

Mr. HOLLINGS (for himself, Mr. ABOUREZK, Mr. BELLMON, Mr. DOMENICI, Mr. MARK O. HATFIELD, Mr. EAGLETON, and Mr. BENTSEN) submitted an amendment intended to be proposed by them, jointly, to H.R. 3946, an act to suspend for a temporary period the rate of duty on wool not finer than 46s.

● Mr. HOLLINGS. Mr. President, later this session the Senate will consider H.R. 3946, legislation which provides tuition tax credit benefits. The House of Representatives has passed such a measure. I have long supported assistance in the form of tuition tax credits for higher education and intend to do so when the matter comes before the Senate. However, I strongly oppose any measure that is detrimental to or destructive of the public school system of America, and the provision of H.R. 3946 extending tuition tax credits to the parents of private and parochial school pupils would do exactly that. Accordingly Mr. President, I am today submitting an amendment that eliminates the extension of tuition tax credits to primary and secondary school students.

This provision would return us to a time of limited educational opportunity and foster the reestablishment of a multitude of class oriented and racially segregated schools that would, in my opinion, clearly overlook the educational needs of a high percentage of this country's children. We must not let this backsliding occur.

Our public school system is constantly confronted with the challenge of achieving the high expectations society demands of it. Congress should not add to the burdens by subsidizing the costly flight to private and parochial schools. This measure provides exactly that. It would pay citizens not to use a public service. It would result in a higher per pupil Federal expenditure for the approximately 5.6 million private and parochial school students at the direct expense of the Nation's over 44 million public school students. And with the certain demise of the public schools that would occur would come a public school system populated by students that are rejected by private schools, because they are handicapped, they are under achievers, they present disciplinary problems, or due to the fact they cannot afford the tuition even with the $500 the plan would provide. It will foster segregation of our schools and clearly limit equal educational opportunity.

Tuition tax credits for parents of private and parochial school students will launch an annual funding war and seriously restrict taxpayer support for the public school system. As more and more parents accept this incentive to remove their children from public schools there will be a corresponding reduction in taxpayer support for the schools and at the same time a cry for larger tax credits—all eventually to the detriment of the public schools. Hence the inferior public schools that do remain will be further shortchanged in the war for financing. As fewer taxpayers send their children to public schools fewer taxpayers will see the incentive to vote for the necessary local financing that is so critical to maintaining our school system. Likewise, since the Federal Government will be assuming a much higher cost for education through the tax credit plan there will be increasing reluctance at the Federal level to make up for this loss in local revenues, all at the public schools' expense. Current statistics on school-bond elections indicate dwindling public support. While the approval rate for school-bond elections has remained near the 50-percent mark there has been a significant dropoff in the number of elections and consequently the number of approvals. The lowest number of school-bond issues proposed since fiscal year 1962 occurred in 1976: 770. Also the lowest number of approvals since fiscal year 1962 occurred in fiscal year 1976: 391. This decrease indicates the possibility that many school districts are not even presenting bond issues to the voters for fear they will be rejected.

The plan, in the opinion of leading constitutional scholars, is unconstitutional as applied to sectarian elementary and secondary schools. The U.S. Supreme Court so indicated in the 1973 Nyquist opinion and subsequent decisions involving similar legislation. While it is true that the Court has not ruled on Federal legislation of this nature, I would hasten to point out that since the Everson opinion in 1947 it has been very consistent in rejecting all forms of tax assistance for parochial schools save welfare-oriented methods. I see this proposal as obviously conflicting with the establishment clause of the first amendment and feel the Court would reject it as unconstitutional.

The public school system is one of our Nation's basic institutions and the benefits it provides are innumerable. It provides a unifying force to our heterogeneous society. It is vital to providing the enlightened citizenry so necessary for the effective operation of our form of government. The challenge facing public education is to make American public schools into a system that will provide the foundation for preserving and advancing our way of life. We must educate the masses, not just the classes, and the public school system, with all its ills and shortcomings, has proven it can do that. To insure educational and economic opportunity we must preserve—not destroy as this measure provides—our public schools. In my opinion, to tamper with public education is to risk undermining an institution that has contributed much to America's greatness.

The tuition tax credit proposal has a detrimental impact on our public school system and the provision contained therein regarding primary and secondary school, private and parochial, should be deleted.

Mr. President, I ask unanimous consent that my amendment be printed in the RECORD.

There being no objection, the amend-

ment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 3104

On page 4, strike out lines 8 through 13.

On page 4, line 14, strike out "(B)" and insert in lieu thereof "(A)".

On page 4, line 22, strike out "(C)" and insert in lieu thereof "(B)".

On page 4, line 25, strike out "offered by an elementary or secondary school or".

On page 5, line 4, insert "postsecondary" before "vocational".

On page 6, strike out lines 1 and 2, and insert in lieu thereof the following:

"(C) education below the postsecondary level."

On page 6, line 10, after the semicolon, insert "or".

On page 6, line 11, insert "postsecondary" before "vocational" and strike out the semicolon and insert in lieu thereof a period.

On page 6, strike out lines 12 and 13.

On page 6, strike out lines 19 through 23 and insert in lieu thereof the following:

"(4) POSTSECONDARY VOCATIONAL SCHOOL—The term 'postsecondary vocational school' means an area vocational education school (as defined in subparagraph (C) or (D) of section 195(2) of the Vocational Education Act of 1963, as in effect on January 1, 1978) which is located in any State."

On page 6, beginning with line 24, strike out through line 22 on page 7.

On page 7, line 23, strike out "(6)" and insert in lieu thereof "(5)".●

NOTICES OF HEARINGS

SUBCOMMITTEE ON FOREIGN AGRICULTURAL POLICY

● Mr. STONE. Mr. President, the Senate Agriculture Subcommittee on Foreign Agricultural Policy will be holding its final day of hearings on the problems domestic winter vegetable producers face with imports on Wednesday, July 12, 1978. The hearing will begin at 9 a.m. in 324 Russell Senate Office Building. Dr. Glenn Meyers, author of "Centralized Planning of Mexican Winter Vegetable Exports and Its Impact on the U.S. Market and the Florida Industry" will be the leadoff witness. Additional witnesses will include representatives from the West Mexico Vegetable Distributors Association.●

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, on Monday, July 17, 1978, the Committee on Energy and Natural Resources will hold a hearing on incentives for commercialization of enhanced oil recovery techniques, including proposals embodied in S. 2623 and S. 2999. This hearing will commence at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

The committee will receive testimony from the administration and selected private witnesses. Questions about this hearing should be directed to Ben Cooper or James T. Bruce at 224-9894.●

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

● Mr. HARRY F. BYRD, JR. Mr. President, the Subcommittee on Taxation and Debt Management of the Senate Committee on Finance will hold a hearing on the administration's request to increase the public debt.

The Honorable W. Michael Blumenthal, Secretary of the Treasury, will testify on the public debt at 10 a.m., Tuesday, July 11, 1978, in room 2221, Dirksen Senate Office Building.

The permanent debt limitation under present law is set at $400 billion, with a temporary additional limit of $352 billion. This temporary debt limit of $352 billion is due to expire July 31, 1978.

The subcommittee would be pleased to receive written testimony from those persons or organizations who wish to submit statements for the record. Statements submitted for inclusion in the record should be typewritten, not more than 25 double-spaced pages in length and mailed with five copies by July 21, 1978, to Michael Stern, staff director, Committee on Finance, room 2227, Dirksen Senate Office Building, Washington, D.C. 20510.●

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

● Mr. HARRY F. BYRD, JR. Mr. President, the Subcommittee on Taxation and Debt Management of the Senate Finance Committee will hold hearings on July 14, 1978, on S. 1860 and H.R. 8333, the Roth-Kemp tax reduction proposals.

The hearings will be held on Friday, July 14, 1978, beginning at 9:30 a.m., in room 2221, Dirksen Senate Office Building.

S. 1860 and H.R. 8333, applicable to taxpayers generally, provide for permanent tax rate reductions for individuals of approximately 30 percent over the next 3 years, for a permanent reduction in corporate income tax rates from 48 to 45 percent over the next 3 years, and for a permanent increase in the corporate surtax exemption from $50,000 to $100,0000.

Persons who desire to testify at the hearings should submit a written request to Michael Stern, staff director, Committee on Finance, room 2227, Dirksen Senate Office Building, Washington, D.C. 20510, by no later than close of business on Monday, July 10, 1978.

The subcommittee would be pleased to receive written testimony from those persons or organizations who wish to submit statements for the record. Statements submitted for inclusion in the record should be typewritten, not more than 25 double-spaced pages in length and mailed wtih five copies by Friday, August 4, 1978, to Michael Stern, staff director, Committee on Finance, room 2227, Dirksen Senate Office Building, Washington, D.C. 20510.●

ADDITIONAL STATEMENTS

THE SUPREME COURT'S DECISION IN THE BAKKE CASE

● Mr. KENNEDY. Mr. President, yesterday, the Supreme Court handed down its long-awaited decision in the Bakke case on the validity of the special admissions program of the medical school of the University of California for minority groups.

The Court's decision is an important and complex one, and the six opinions of the Justices will be studied at length in the days to come.

In my view, the Court's ruling is not a license to dismantle the many vital civil rights programs created over the past decade to increase the participation of minority citizens in our society.

Although the Court invalidated the University of California's particularly rigid admissions quota, a majority of the Justices clearly left ample room under the Constitution and title VI of the Civil Rights Act for a broad range of reasonable and urgently needed affirmative action programs in education, employment, voting rights, and many other important areas. Indeed, the Court's opinions suggest that, if past discrimination had been proved, the result in the Bakke case itself might well have been different.

The likelihood is that the Court's decision will leave virtually intact the vast majority of programs already in effect, and thereby provide a strong constitutional underpinning for our ongoing effort to end the disgrace of racial discrimination in our society.

Mr. President, although the decision is a lengthy one, it is an historic one whose correct interpretation and understanding will be of great importance to Congress and to citizens throughout the Nation. I believe that the Court's opinions should be widely available to all Americans, and I therefore ask that they may be printed in the RECORD.

The material follows:

Supreme Court of the United States
Syllabus

REGENTS OF THE UNIVERSITY OF CALIFORNIA v. BAKKE

CERTIORARI TO THE SUPREME COURT OF CALIFORNIA

No. 76-811. Argued October 21, 1977—Decided June 28, 1978

The Medical School of the University of California at Davis (hereinafter Davis) had two admissions programs for the entering class of 100 students—the regular admissions program and the special admissions program. Under the regular procedure, candidates whose overall undergraduate grade point averages fell below 2.5 on a scale of 4.0 were summarily rejected. About one out of six applicants was then given an interview, following which he was rated on a scale of 1 to 100 by each of the committee members (five in 1973 and six in 1974), his rating being based on the interviewers' summaries, his overall grade point average, his science courses grade point average, and his Medical College Admissions Test (MCAT) scores, letters of recommendation, extracurricular activities, and other biographical data, all of which resulted in a total "benchmark score." The full admissions committee then made offers of admission on the basis of their review of the applicant's file and his score, considering and acting upon applications as they were received. The committee chairman was responsible for placing names on the waiting list and had discretion to include persons with "special skills." A separate committee, a majority of whom were members of minority groups, operated the special admissions program. The 1973 and 1974 application forms, respectively, asked candidates whether they wished to be considered as "economically and/or educationally disadvantaged" applicants and members of a "minority group" (blacks, Chicanos, Asians, American Indians). If an applicant of a minority group was found to be "disadvantaged," he would be rated in a manner similar to the one employed by the general admissions committee. Special candidates, however, did not have to meet the 2.5 grade point cut-off and were not ranked against candidates in the general admissions

process. About one-fifth of the special applicants were invited for interviews in 1973 and 1974, following which they were given benchmark scores, and the top choices were then given to the general admissions committee, which could reject special candidates for failure to meet course requirements or other specific deficiencies.

The special committee continued to recommend candidates until 16 special admission selections had been made. During a four-year period 63 minority students were admitted to Davis under the special program and 44 under the general program. No disadvantaged whites were admitted under the special program, though many applied. Respondent, a white male, applied to Davis in 1973 and 1974, in both years being considered only under the general admissions program. Though he had a 468 out of 500 score in 1973, he was rejected since no general applicants with scores less than 470 were being accepted after respondent's application, which was filed late in the year, had been processed and completed. At that time four special admission slots were still unfilled. In 1974 respondent applied early, and though he had a total score of 549 out of 600, he was again rejected. In neither year was his name placed on the discretionary waiting list. In both years special applicants were admitted with significantly lower scores than respondent's. After his second rejection, respondent filed this action in state court for mandatory injunctive and declaratory relief to compel his admission to Davis, alleging that the special admissions program operated to exclude him on the basis of his race in violation of the Equal Protection Clause of the Fourteenth Amendment, a provision of the California Constitution, and § 601 of Title VI of the Civil Rights Act of 1964, which provides, *inter alia*, that no person shall on the ground of race or color be excluded from participating in any program receiving federal financial assistance. Petitioner cross-claimed for a declaration that its special admissions program was lawful. The trial court found that the special program operated as a racial quota, because minority applicants in that program were rated only against one another, and 16 places in the class of 100 were reserved for them. Declaring that petitioner could not take race into account in making admissions decisions, the program was held to violate the Federal and State Constitutions and Title VI. Respondent's admission was not ordered, however, for lack of proof that he would have been admitted but for the special program. The California Supreme Court, applying a strict-scrutiny standard, concluded that the special admissions program was not the least intrusive means of achieving the goals of the admittedly compelling state interests of integrating the medical profession and increasing the number of doctors willing to serve minority patients. Without passing on the state constitutional or federal statutory grounds the court held that petitioner's special admissions program violated the Equal Protection Clause. Since petitioner could not satisfy its burden of demonstrating that respondent, absent the special program, would not have been admitted, the court ordered his admission to Davis.

Held: The judgment below is affirmed insofar as it orders respondent's admission to Davis and invalidates petitioner's special admissions program, but is reversed insofar as it prohibits petitioner from taking race into account as a factor in its future admissions decisions.

18 Cal. 3d 34, 553 P. 2d 1152, affirmed in part and reversed in part.

MR. JUSTICE POWELL concluded:

1. Title VI proscribes only those racial classifications that would violate the Equal Protection Clause if employed by a State or its agencies. Pp. 12–18.

2. Racial and ethnic classifications of any sort are inherently suspect and call for the most exacting judicial scrutiny. While the goal of achieving a diverse student body is sufficiently compelling to justify consideration of race in admissions decisions under some circumstances, petitioner's special admissions program, which forecloses consideration to persons like respondent, is unnecessary to the achievement of this compelling goal and therefore invalid under the Equal Protection Clause. Pp. 18–49.

3. Since petitioner could not satisfy its burden of proving that respondent would not have been admitted even if there had been no special admissions program, he must be admitted. P. 49.

MR. JUSTICE BRENNAN, MR. JUSTICE WHITE, MR. JUSTICE MARSHALL, and MR. JUSTICE BLACKMUN concluded:

1. Title VI proscribes only those racial classifications that would violate the Equal Protection Clause if employed by a State or its agencies. Pp. 4–31.

2. Racial classifications call for strict judicial scrutiny. Nonetheless, the purpose of overcoming substantial, chronic minority underrepresentation in the medical profession is sufficiently important to justify petitioner's remedial use of race. Thus, the judgment below must be reversed in that it prohibits race from being used as a factor in university admissions. Pp. 31–55.

MR. JUSTICE STEVENS, joined by THE CHIEF JUSTICE, MR. JUSTICE STEWART, and MR. JUSTICE REHNQUIST, being of the view that whether race can ever be a factor in an admissions policy is not an issue here; that Title VI applies; and that respondent was excluded from Davis in violation of Title VI, concurs in the Court's judgment insofar as it affirms the judgment of the court below ordering respondent admitted to Davis. Pp. 1–14.

POWELL, J., announced the Court's judgment and filed an opinion expressing his views of the case, in Parts I, III–A, and V–C of which WHITE, J., joined; and in Parts I and V–C of which BRENNAN, MARSHALL, and BLACKMUN, JJ., joined. BRENNAN, WHITE, MARSHALL, and BLACKMUN, JJ., filed an opinion concurring in the judgment in part and dissenting in part. WHITE, MARSHALL, and BLACKMUN, JJ., filed separate opinions. STEVENS, J., filed an opinion concurring in the judgment in part and dissenting in part, in which BURGER, C. J., and STEWART and REHNQUIST, JJ., joined.

[Supreme Court of the United States—No. 76–811]

REGENTS OF THE UNIVERSITY OF CALIFORNIA, PETITIONER, v. ALLAN BAKKE.

On Writ of Certiorari to the Supreme Court of California

(June 28, 1978)

MR. JUSTICE POWELL announced the judgment of the Court. This case presents a challenge to the special admissions program of of the petitioner, the Medical School of the University of California at Davis, which is designed to assure the admission of a specified number of students from certain minority groups. The Superior Court of California sustained respondent's challenge, holding that petitioner's program violated the California Constitution, Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d, and the Equal Protection Clause of the Fourteenth Amendment. The court enjoined petitioner from considering respondent's race or the race of any other applicant in making admissions decisions. It refused, however, to order respondent's admission to the Medical School, holding that he had not carried his burden of proving that he would have been admitted but for the constitutional and statutory violations. The Supreme Court of California affirmed those portions of the trial court's judgment declaring the special admissions program unlawful and enjoining petitioner from considering the race of any applicant.* It modified that portion of the judgment denying respondent's requested injunction and directed the trial court to order his admission.

For the reasons stated in the following opinion, I believe that so much of the judgment of the California court as holds petitioner's special admissions program unlawful and directs that respondent be admitted to the Medical School must be affirmed. For the reasons expressed in a separate opinion, my Brothers THE CHIEF JUSTICE, MR. JUSTICE STEWART, MR. JUSTICE REHNQUIST, and MR. JUSTICE STEVENS concur in this judgment.

I also conclude for the reasons stated in the following opinion that the portion of the court's judgment enjoining petitioner from according any consideration to race in its admissions process must be reversed. For reasons expressed in separate opinion, my Brothers MR. JUSTICE BRENNAN, MR. JUSTICE WHITE, MR. JUSTICE MARSHALL, and MR. JUSTICE BLACKMUN concur in this judgment.

Affirmed in part and reversed in part.

I †

The Medical School of the University of California at Davis opened in 1968 with an entering class of 50 students. In 1971 the size of the entering class was increased to 100 students, a level at which it remains. No admissions program for disadvantaged or minority students existed when the school opened, and the first class contained three Asians but no blacks, no Mexican-Americans, an no American Indians. Over the next two years, the faculty devised a special admissions program to increase the representation of "disadvantaged" students in each medical school class.[1] The special program consisted of a separate admissions system operating in coordination with the regular admissions process.

Under the regular admissions procedure, a candidate could submit his application to the medical school beginning in July of the year preceding the academic year for which admission was sought. Record 149. Because of the large number of applications,[2] the admissions committee screened each one to select candidates for further consideration. Candidates whose overall undergraduate grade point averages fell below 2.5 on a scale of 4.0 were summarily rejected. *Id.*, at 63. About one out of six applicants was invited for a personal interview. *Ibid.* Following the interviews, each candidate was rated on a scale of 1 to 100 by his interviewers and four other members of the admissions committee. The rating embraced the interviewers' summaries, the candidate's overall grade point average, grade point average in science courses, and scores on the Medical College Admissions Test (MCAT), letters of recommendation, extracurricular activities, and other biographical data. *Id.*, at 62. The ratings were added together to arrive at each candidate's "benchmark" score. Since five committee members rated each candidate in 1973, a perfect score was 500; in 1974, six members rated each candidate, so that a perfect score was 600. The full committee then reviewed the file and scores of each applicant and made offers of admission on a "rolling" basis.[3] The chairman was responsible for placing names on the waiting list. They were not placed in strict numerical order; instead, the chairman had discretion to include persons with "special skills." *Ibid.*

The special admissions program operated with a separate committee, a majority of whom were members of minority groups. *Id.*, at 163. On the 1973 application form, candidates were asked to indicate whether they wished to be considered as "economically and/or educationally disadvantaged" applicants; on the 1974 form the question was whether they wished to be considered as members of a "minority group," which the medical school apparently viewed as

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Footnotes at end of article.

"Blacks," "Chicanos," "Asians," and "American Indians." *Id.*, at 65–66, 146, 197, 203–205, 216–218. If these questions were answered affirmatively, the application was forwarded to the special admissions committee. No formal definition of "disadvantage" was ever produced, *id.*, at 163–164, but the chairman of the special committee screened each application to see whether it reflected economic or educational deprivation.[4] Having passed this initial hurdle, the applications then were rated by the special committee in a fashion similar to that used by the general admissions committee, except that special candidates did not have to meet the 2.5 grade point average cut-off applied to regular applicants. About one-fifth of the total number of special applicants were invited for interviews in 1973 and 1974.[5] Following each interview, the special committee assigned each special applicant a benchmark score. The special committee then presented its top choices to the general admissions committee. The latter did not rate or compare the special candidates against the general applicants, *id.*, at 388, but could reject recommended special candidates for failure to meet course requirements or other specific deficiencies. *Id.*, at 171–172. The special committee continued to recommend special applicants until a number prescribed by faculty vote were admitted. While the overall class size was still 50, the prescribed number was eight; in 1973 and 1974, when the class size had doubled to 100, the prescribed number of special admissions also doubled, to 16. *Id.*, at 164, 166.

From the year of the increase in class size—1971—through 1974, the special program resulted in the admission of 21 black students, 30 Mexican-Americans, and 12 Asians, for a total of 63 minority students. Over the same period, the regular admissions program produced one black, six Mexican-Americans, and 37 Asians, for a total of 44 minority students.[6] Although disadvantaged whites applied to the special program in large numbers, ee n. 5, *supra*, none received an offer of admission through that process. Indeed, in 1974, at least, the special committee explicitly considered only "disadvantaged" special applicants who were members of one of the designated minority groups. Record 171.

Allan Bakke is a white male who applied to the Davis Medical School in both 1973 and 1974. In both years Bakke's application was considered by the general admissions program, and he received an interview. His 1973 interview was with Dr. Theodore H. West, who considered Bakke "a very desirable applicant to [the] medical school." *Id.*, at 225. Despite a strong benchmark score of 468 out of 500, Bakke was rejected. His application had come late in the year, and no applicants in the general admissions process with scores below 470 were accepted after Bakke's application was completed. *Id.*, at 69. There were four special admissions slots unfilled at that time, however, for which Bakke was not considered. *Id.*, at 70. After his 1973 rejection, Bakke wrote to Dr. George H. Lowrey, Associate Dean and Chairman of the Admissions Committee, protesting that the special admissions program operated as a racial and ethnic quota. *Id.*, at 259.

Bakke's 1974 application was completed early in the year. *Id.*, at 70. His student interviewer gave him an overall rating of 94, finding him "friendly, well tempered, conscientious and delightful to speak with." *Id.*, at 229. His faculty interviewer was, by coincidence, the same Dr. Lowrey to who he had written in protest of the special admissions program. Dr. Lowrey found Bakke "rather limited in his approach" to the problems of the medical profession and found disturbing Bakke's "very definite opinions which were based more on his personal viewpoints than upon a study of the total problem." *Id.*, at 226. Dr. Lowrey gave Bakke the lowest of his six ratings, an 86; his total was 549 out of 600. *Id.*, at 230. Again, Bakke's application was rejected. In neither year did the chairman of the admissions committee. Dr. Lowrey, exercise his discretion to place Bakke on the waiting list. *Id.*, at 64. In both years, applicants were admitted under the special program with grade point averages, MCAT scores, and bench mark scores significantly lower than Bakke's.[7]

After the second rejection, Bakke filed the instant suit in the Superior Court of California.[8] He sought mandatory, injunctive, and declaratory relief compelling his admission to the Medical School. He alleged that the Medical School's special admissions program operated to exclude him from the school on the basis of his race, in violation of his rights under the Equal Protection Clause of the Fourteenth Amendment,[9] Art. I, § 21 of the California Constitution,[10] and § 601 of Title VI of the Civil Rights Act of 1964, 42 U. S. C. § 2000d.[11] The University cross-complained for a declaration that its special admissions program was lawful. The trial court found that the special program operated as a racial quota, because minority applicants in the special program were rated only against one another, Record 388, and 16 places in the class of 100 were reserved for them. *Id.*, at 295–296. Declaring that the University could not take race into account in making admissions decisions, the trial court held the challenged program violative of the Federal Constitution, the state constitution and Title VI. The court refused to order Bakke's admission, however, holding that he had failed to carry his burden of proving that he would have been admitted but for the existence of the special program.

Bakke appealed from the portion of the trial court judgment denying him admission, and the University appealed from the decision that its special admissions program was unlawful and the order enjoining it from considering race in the processing of applications. The Supreme Court of California transferred the case directly from the trial court, "because of the importance of the issues involved." 18 Cal. 3d 34, 39, 553 P. 2d 1152, 1155 (1976). The California court accepted the findings of the trial court with respect to the University's program.[12] Because the special admissions program involved a racial classification, the supreme court held itself bound to apply strict scrutiny. *Id.*, at 49, 553 P. 2d, at 1162–1163. It then turned to the goals the University presented as justifying the special program. Although the court agreed that the goals of integrating the medical profession and increasing the number of physicians willing to serve members of minority groups were compelling state interests, *id.*, at 53, 553 P. 2d, at 1165, it concluded that the special admissions program was not the least intrusive means of achieving those goals. Without passing on the state constitutional or the federal statutory grounds cited in the trial court's judgment, the California court held that the Equal Protection Clause of the Fourteenth Amendment required that "no applicant may be rejected because of his race, in favor of another who is less qualified, as measured by standards applied without regard to race." *Id.*, at 55, 553 P. 2d, at 1166.

Turning to Bakke's appeal, the court ruled that since Bakke had established that the University had discriminated against him on the basis of his race, the burden of proof shifted to the University to demonstrate that he would not have been admitted even in the absence of the special admissions program.[13] *Id.*, at 63–64, 553 P. 2d, at 1772. The court analogized Bakke's situation to that of a plaintiff under Title VII to the Civil Rights Act of 1964, 42 U.S.C. §§ 2000e–17, see, *e. g.*, *Franks* v. *Bowman Transportation Co.*, 424 U.S. 747, 772 (1976). *Ibid.* On this basis, the court initially ordered a remand for the purpose of determining whether, under the newly allocated burden of proof, Bakke would have been admitted to either the 1973 or the 1974 entering class in the absence of the special admissions program. Appendix A to Application for Stay, at 48. In its petition for rehearing below, however, the University conceded its inability to carry that burden. Appendix B to Application for Stay, 19–20.[14] The California court thereupon amended its opinion to direct that the trial court enter judgment ordering Bakke's admission to the medical school. 18 Cal. 3d, at 64, 553 P. 2d, at 1172. That order was stayed pending review in this Court. 429 U.S. 953 (1976). We granted certiorari to consider the important constitutional issue. 429 U.S. 1090 (1977).

II

In this Court the parties neither briefed nor argued the applicability of Title VI of the Civil Rights Act of 1964. Rather, as had the California court, they focused exclusively upon the validity of the special admissions program under the Equal Protection Clause. Because it was possible, however, that a decision on Title VI might obviate resort to constitutional interpretation, see *Ashwander* v. *TVA*, 297 U.S. 288, 346–348 (1936), we requested supplementary briefing on the statutory issue.

A

At the outset we face the question whether a right of action for private parties exists under Title VI. Respondent argues that there is a private right of action, invoking the test set forth in *Cort* v. *Ash*, 422 U.S. 66, 78 (1975). He contends that the statute creates a federal right in his favor, that legislative history reveals an intent to permit private actions,[15] that such actions would further the remedial purposes of the statute, and that enforcement of federal rights under the Civil Rights Act generally is not relegated to the States. In addition, he cites several lower court decisions which have recognized or assumed the existence of a private right of action.[16] Petitioner denies the existence of a private right of action, arguing that the sole function of § 601, see n. 11, *supra*, was to establish a predicate for administrative action under § 602, 42 U.S.C. § 2000d–1.[17] In its view, administrative curtailment of federal funds under that section was the only sanction to be imposed upon recipients that violated § 601. Petitioner also points out that Title VI contains no explicit grant of a private right of action, in contrast to Titles II, III, IV, and VII, of the same statute, 42 U.S.C. §§ 2000a–3(a), 2000b–2, 2000c–8, and 2000e–5(f).[18]

We find it unnecessary to resolve this question in the instant case. The question of respondent's right to bring an action under Title VI was neither argued nor decided in either of the courts below, and this Court has been hesitant to review questions not addressed below. *McGoldrick* v. *Compagnie Generale Transatlantique*, 309 U.S. 430, 434–435 (1940). See also *Massachusetts* v. *Wescott*, 431 U.S. 322 (1977); *Cardinale* v. *Louisiana*, 394 U.S. 437, 439 (1969). Cf. *Singleton* v. *Wulff*, 428 U.S. 106, 121 (1976). We therefore do not address this difficult issue. Similarly, we need not pass upon petitioner's claim that private plaintiffs under Title VI must exhaust administraitve remedies. We assume only for the purposes of this case that respondent has a right of action under Title VI. See *Lau* v. *Nichols*, 414 U.S. 563, 571 n. 2 (1974) (STEWART, J., concurring in the result).

B

The language of § 601, like that of the Equal Protection Clause, is majestic in its sweep:

"No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance."

Footnotes at end of article.

The concept of "discrimination," like the phrase "equal protection of the laws," is susceptible to varying interpretations, for as Mr. Justice Holmes declared, "[a] word is not a crystal, transparent and unchanged, it is the skin of a living thought and may vary greatly in color and content according to the circumstances and the time in which it is used." *Towne* v. *Eisner*, 245 U.S. 418, 425 (1918). We must, therefore, seek whatever aid is available in determining the precise meaning of the statute before us. *Train* v. *Colorado Public Interest Research Group*, 426 U.S. 1, 10 (1976), quoting *United States* v. *American Trucking Assns.*, 310 U.S. 534, 543–544 (1940) Examination of the voluminous legislative history of Title VI reveals a congressional intent to halt Federal funding of entities that violate a prohibition of racial discrimination similar to that of the Constitution. Although isolated statements of various legislators, taken out of context, can be marshaled in support of the proposition that § 601 enacted a purely color-blind scheme,[19] without regard to the reach of the Equal Protection Clause, these comments must be read against the background of both the problem that Congress was addressing and the broader view of the statute that emerges from a full examination of the legislative debates.

The problem confronting Congress was discrimination against Negro citizens at the hands of recipients of Federal moneys. Indeed, the color-blindness pronouncements cited in the margin at n. 19, generally occur in the midst of extended remarks dealing with the evils of segregation in federally funded programs. Over and over again, proponents of the bill detailed the plight of Negroes seeking equal treatment in such programs.[20] There simply was no reason for Congress to consider the validity of hypothetical preferences that might be accorded minority citizens; the legislators were dealing with the real and pressing problem of how to guarantee those citizens equal treatment.

In addressing that problem, supporters of Title VI repeatedly declared that the bill enacted constitutional principles. For example, Representative Celler, the Chairman of the House Judiciary Committee and floor manager of the legislation in the House emphasized this in introducing the bill:

"The bill would offer assurance that hospitals financed by Federal money would not deny adequate care to Negroes. It would prevent abuse of food distribution programs whereby Negroes have been known to be denied food surplus supplies when white persons were given such food. It would assure Negroes the benefits now accorded only white students in programs of higher education financed by Federal funds. It would, in short, *assure the existing right to equal treatment* in the enjoyment of Federal funds. It would not destroy any rights of private property or freedom of association." 110 Cong. Rec. 1519 (1964) (emphasis added).

Other sponsors shared Representative Celler's view that Title VI embodied constitutional principles.[21]

In the Senate, Senator Humphrey declared that the purpose of Title VI was "to insure that Federal funds are spent in accordance with the Constitution and the moral sense of the Nation." *Id.*, at 6544. Senator Ribicoff agreed that Title VI embraced the constiutional standard: "Basically, there is a constitutional restriction against discrimination in the use of federal funds; and title VI simply spells out the procedure to be used in enforcing that restriction." *Id.*, at 13333. Other Senators expressed similar views.[22]

Further evidence of the incorporation of a constitutional standard into Title VI appears in the repeated refusals of the legislation's supporters precisely to define the term "discrimination." Opponents sharply criticized this failure,[23] but proponents of the bill merely replied that the meaning of "discrimination" would be made clear by reference to the Constitution or other existing law. For example, Senator Humphrey noted the relevance of the Constitution:

"As I have said, the bill has a simple purpose. That purpose is to give fellow citizens —Negroes—the same rights and opportunities that white people take for granted. This is no more than what was preached by the prophets, and by Christ Himself. It is no more than what our Constitution guarantees." *Id.*, at 6553.[24]

In view of the clear legislative intent, Title VI must be held to proscribe only those racial classifications that would violate the Equal Protection Clause or the Fifth Amendment.

III

A

Petitioner does not deny that decisions based on race or ethnic origin by faculties and administrations of state universities are reviewable under the Fourteenth Amendment. See, *e.g.*, *Missouri ex rel. Gaines* v. *Canada*, 305 U.S. 337 (1938); *Sipuel* v. *Board of Regents*, 332 U.S. 631 (1948); *Sweatt* v. *Painter*, 339 U.S. 629 (1950); *McLaurin* v. *Oklahoma State Regents*, 339 U.S. 637 (1950). For his part, respondent does not argue that all racial or ethnic classifications are *per se* invalid. See, *e.g.*, *Hirabayashi* v. *United States*, 320 U.S. 81 (1943); *Korematsu* v. *United States*, 323 U.S. 214 (1944); *Lee* v. *Washington*, 390 U.S. 333, 334 (1968) (Black, Harlan, and STEWART, JJ., concurring); *United Jewish Organizations* v. *Carey*, 430 U.S. 144 (1977). The parties do disagree as to the level of judicial scrutiny to be applied to the special admissions program. Petitioner argues that the court below erred in applying strict scrutiny, as this inexact term has been applied in our cases. That level of review, petitioner asserts, should be reserved for classifications that disadvantage "discrete and insular minorities." See *United States* v. *Carolene Products Co.*, 304 U.S. 144, 152n.4 (1938). Respondent, on the other hand, contends that the California court correctly rejected the notion that the degree of judicial scrutiny accorded a particular racial or ethnic classification hinges upon membership in a discrete and insular minority and duly recognized that the "rights established [by the Fourteenth Amendment] are personal rights." *Shelley* v. *Kraemer*, 334 U.S. 1, 22 (1948).

En route to this crucial battle over the scope of judicial review,[25] the parties fight a sharp preliminary action over the proper characterization of the special admissions program. Petitioner prefers to view it as establishing a "goal" of minority representation in the medical school. Respondent, echoing the courts below, labels it a racial quota.[26]

This semantic distinction is beside the point: the special admissions program is undeniably a classification based on race and ethnic background. To the extent that there existed a pool of at least minimally qualified minority applicants to fill the 16 special admissions seats, white applicants could compete only for 84 seats in the entering class, rather than the 100 open to minority applicants. Whether this limitation is described as a quota or a goal, it is a line drawn on the basis of race and ethnic status.[27]

The guarantees of the Fourteenth Amendment extend to persons. Its language is explicit: "No state shall . . . deny to any person within its jurisdiction the equal protection of the laws." It is settled beyond question that the "rights created by the first section of the Fourteenh Amendment are, by its terms, guaranteed to the individual. They are personal rights," *Shelley* v. *Kraemer*, *supra*, at 22. Accord, *Missouri ex rel. Gaines* v. *Canada*, *supra*, at 351; *McCabe* v. *Atchison, T. & S. F. R. Co.*, 235 U.S. 151, 161–162 (1914). The guarantee of equal protection cannot mean one thing when applied to one individual and something else when applied to a person of another color. If both are not accorded the same protection, then it is not equal.

Nevertheless, petitioner argues that the court below erred in applying strict scrutiny to the special admissions programs because white males, such as respondent, are not a "discrete and insular minority" requiring extraordinary protection from the majoritarian political process. *Carolene Products Co.*, *supra*, at 152–153, n 4. This rationale, however, has never been invoked in our decisions as a prerequisite to subjecting racial or ethnic distinctions to strict scrutiny. Nor has this Court held that discreteness and insularity constitute necessary preconditions to a holding that a particular classification is invidious.[28] See, *e.g.*, *Skinner* v. *Oklahoma*, 316 U.S. 535, 541 (1942); *Carrington* v. *Rash*, 380 U.S. 89, 94–97 (1965). These characteristics may be relevant in deciding whether or not to add new types of classifications to the list of "suspect" categories or whether a particular classification survives close examination. See *e.g.*, *Massachusetts Bd. of Retirement* v. *Murgia*, 427 U.S. 307, 313 (1976) (age); *San Antonio Indep. School Dist.* v. *Rodriguez*, 411 U.S. 1, 28 (1973) (wealth); *Graham* v. *Richardson*, 403 U.S. 365, 372 (1971) (aliens). Racial and ethnic classifications, however, are subject to stringent examination without regard to these additional characteristics. We declared as much in the first cases explicitly to recognize racial distinctions as suspect:

"Distinctions between citizens solely because of their ancestry are by their very nature odious to a free people whose institutions are founded upon the doctrine of equality." *Hirabayashi*, 320 U.S., at 100.

". . . [A]ll legal restrictions which curtail the rights of a single racial group are immediately suspect. That is not to say that all such restrictions are unconstitutional. It is to say that courts must subject them to the most rigid scrutiny." *Korematsu*, 323 U.S., at 216.

The Court has never questioned the validity of those pronouncements. Racial and ethnic distinctions of any sort are inherently suspect and thus call for the most exacting judicial examination.

B

This perception of racial and ethnic distinctions is rooted in our Nation's constitutional and demographic history. The Court's initial view of the Fourteenth Amendment was that its "one pervading purpose" was "the freedom of the slave race, the security and firm establishment of that freedom, and the protection of the newly-made freeman and citizen from the oppressions of those who had formerly exercised dominion over him." *Slaughter-House Cases*, 16 Wall. 36, 71 (1873). The Equal Protection Clause, however, was "[v]irtually strangled in its infancy by post-civil-war judicial reactionism."[29] It was relegated to decades of relative desuetude while the Due Process Clause of the Fourteenth Amendment, after a short germinal period, flourished as a cornerstone in the Court's defense of property and liberty of contract. See, *e.g.*, *Mugler* v. *Kansas*, 123 U.S. 623, 661 (1887); *Allgeyer* v. *Louisiana*, 165 U.S. 578 (1897); *Lochner* v. *New York*, 198 U.S. 45 (1905). In that cause, the Fourteenth Amendment's "one pervading purpose" was displaced. See, *e.g.*, *Plessy* v. *Ferguson*, 163 U.S. 537 (1896). It was only as the era of substantive due process came to a close, see e.g., *Nebbia* v. *New York*, 291 U.S. 502 (1934); *West Coast Hotel* v. *Parrish*, 300 U.S. 379 (1937), that the Equal Protection Clause began to attain a genuine measure of vitality, see, e g., *Carolene Products*, *supra*; *Skinner* v. *Oklahoma*, *supra*.

By that time it was no longer possible to

Footnotes at end of article.

peg the guarantees of the Fourteenth Amendment to the struggle for equality of one racial minority. During the dormancy of the Equal Protection Clause, the United States had become a nation of minorities.[30] Each had to struggle [31]—and to some extent struggles still [32]—to overcome the prejudices not of a monolithic majority, but of a "majority" composed of various minority groups of whom it was said—perhaps unfairly in many cases—that a shared characteristic was a willingness to disadvantage other groups.[33] As the Nation filled with the stock of many lands, the reach of the Clause was gradually extended to all ethnic groups seeking protection from official discrimination. See *Strauder* v. *West Virginia*, 100 U. S. 303, 308 (1880). (Celtic Irishmen) (dictum); *Yick Wo* v. *Hopkins*, 118 U. S. 356 (1886) (Chinese); *Truax* v. *Raich*, 239 U. S. 33, 41 (1915) (Austrian resident aliens); *Korematsu*, *supra* (Japanese); *Hernandez* v. *Texas*, 347 U. S. 475 (1954) (Mexican-Americans). The guarantees of equal protection, said the Court in *Yick Wo*, "are universal in their application, to all persons within the territorial jurisdiction, without regard to any differences of race, of color, or of nationality; and the equal protection of the laws is a pledge of the protection of equal laws." 118 U. S. at 369.

Although many of the Framers of the Fourteenth Amendment conceived of its primary function as bridging the vast distance between members of the Negro race and the white "majority," *Slaughter-House Cases*, *supra*, the Amendment itself was framed in universal terms, without reference to color, ethnic origin, or condition of prior servitude. As this Court recently remarked in interpreting the 1866 Civil Rights Act to extend to claims of racial discrimination against white persons, "the 39th Congress was intent upon establishing in federal law a broader principle than would have been necessary to meet the particular and immediate plight of the newly freed Negro slaves." *McDonald* v. *Santa Fe Trail Transp. Co.*, 427 U.S. 273, 296 (1976). And that legislation was specifically broadened in 1870 to ensure that "all persons," not merely "citizens," would enjoy equal rights under the law. See *Runyon* v. *McCrary*, 427 U.S. 160, 192–202 (1976) (WHITE, J., dissenting). Indeed, it is not unlikely that among the Framers were many who would have applauded a reading of the Equal Protection Clause which states a principle of universal application and is responsive to the racial, ethnic and cultural diversity of the Nation. See, *e.g.*, *Cong.* Globe, 39th Cong., 1st Sess., 1056 (1866) (remarks of Rep. Niblack); *id.*, at 2891–2892 (remarks of Sen. Corness); *id.*, 40th Cong., 2d Sess., 883 (1868) (remarks of Sen. Howe) (Fourteenth Amendment "protect[s] classes from class legislation"). See also Bickel, The Original Understanding and the Segregation Decision, 69 Harv. L. Rev. 1, 60–63 (1955).

Over the past 30 years, this Court has embarked upon the crucial mission of interpreting the Equal Protection Clause with the view of assuring to all persons "the protection of equal laws," *Yick Wo*, *supra*, at 369, in a Nation confronting a legacy of slavery and racial discrimination. See, *e. g.*, *Shelley* v. *Kraemer*, 334 U.S. 1 (1948); *Brown* v. *Board Education*, 347 U.S. 483 (1954); *Hills* v. *Gautreaux*, 425 U.S. 284 (1976). Because the landmark decisions in this area arose in response to the continued exclusion of Negroes from the mainstream of American society, they could be characterized as involving discrimination by the "majority" white race against the Negro minority. But they need not be read as depending upon that characterization for their results. It suffices to say that "[o]ver the years, this Court consistently repudiated '[d]istinctions between citizens solely because of their ancestry' as being 'odious to a free people whose institutions are founded upon the doctrine of equality.'" *Loving* v. *Virginia*, 388 U.S. 1, 11 (1967), quoting *Hirabayashi*, 320 U.S. at 100.

Petitioner urges us to adopt for the first time a more restrictive view of the Equal Protection Clause and hold that discrimination against members of the white "majority" cannot be suspect if its purpose can be characterized as "benign." [34] The clock of our liberties, however cannot be turned back to 1868. *Brown* v. *Board of Education*, *supra*, at 492; accord, *Loving* v. *Virginia*, *supra*, at 9. It is far too late to argue that the guarantee of equal protection to all persons permits the recognition of special awards entitled to a degree of protection greater than that accorded to others.[35] "The Fourteenth Amendment is not directed solely against discrimination due to a 'two-class theory'—that is, based upon differences between 'white' and Negro." *Hernandez*, *supra*, at 478.

Once the artificial line of a "two-class theory" of the Fourteenth Amendment is put aside, the difficulties entailed in varying the level of judicial review according to a perceived "preferred" status of a particular racial or ethnic minority are intractable. The concepts of "majority" and "minority" necessarily reflect temporary arrangements and political judgments. As observed above, the white "majority" itself is composed of various minority groups, most of which can lay claim to a history of prior discrimination at the hands of the state and private individuals. Not all of these groups can receive preferential treatment and corresponding judicial tolerance of distinctions drawn in terms of race and nationality, for then the only "majority" left would be a new minority of White Anglo-Saxon Protestants. There is no principled basis for deciding which groups would merit "heightened judicial solicitude" and which would not.[36] Courts would be asked to evaluate the extent of the prejudice an consequent harm suffered by various minority groups. Those whose societal injury is thought to exceed some arbitrary level of tolerability then would be entitled to preferential classifications at the expense of individuals belonging to other groups. Those classifications would be free from exacting judicial scrutiny. As these preferences began to have their desired effect, and the consequences of past discrimination were undone, new judicial rankings would be necessary. The kind of variable sociological and political analysis necessary to produce such rankings simply does not lie within the judicial competence—even if they otherwise were politically feasible and socially desirable.[37] Moreover, there are serious problems of justice connected with the idea of preference itself. First, it may not always be clear that a so-called preference is in fact benign. Courts may be asked to validate burdens imposed upon individual members of particular groups in order to advance the group's general interest. See *United Jewish Organizations* v. *Carey*, 430 U.S. 144, 172–173 (BRENNAN, J., concurring in part). Nothing in the Constitution supports the notion that individuals may be asked to suffer otherwise impermissible burdens in order to enhance the societal standing of the ethnic groups. Second, preferential programs may only reinforce common stereotypes holding that certain groups are unable to achieve success without special protection based on a factor having no relationship to individual worth. See *DeFunis* v. *Odegaard*, 416 U.S. 312, 343 (DOUGLAS, J., dissenting). Third, there is a measure of inequity in forcing innocent persons in respondent's position to bear the burdens of redressing grievances not of their making.

By hitching the meaning of the Equal Protection Clause to these transitory considerations, we would be holding, as a constitutional principle, that judicial scrutiny of classifications touching on racial and ethnic background may vary with the ebb and flow of political forces. Disparate constitutional tolerance of such classifications well may serve to exacerbate racial and ethnic antagonisms rather than alleviate them. *United Jewish Organizations*, *supra*, at 173–174 (BRENNAN, J., concurring). Also, the mutability of a constitutional principle, based upon shifting political and social judgments, undermines the chances for consistent application of the Constitution from one generation to the next, a critical feature of its coherent interpretation. *Pollock* v. *Farmers Loan & Trust Co.*, 157 U.S. 429, 650–651 (1895) (White, J., dissenting). In expounding the Constitution, the Court's role is to discern "principles sufficiently absolute to give them roots throughout the community and continuity over significant periods of time, and to lift them above the level of the pragmatic political judgments of a particular time and place." A. Cox, The Role of the Supreme Court in American Government 114 (1976).

If it is the individual who is entitled to judicial protection against classifications based upon his racial or ethnic background because such distinctions impinge upon personal rights, rather than the individual only because of his membership in a particular group, then constitutional standards may be applied consistently. Political judgments regarding the necessity for the particular classification may be weighed in the constitutional balance, *Korematsu* v. *United States*, 323 U.S. 214 (1944), but the standard of justification will remain constant. This is as it should be, since those political judgments are the product of rough compromise struck by contending groups within the democratic process.[38] When they touch upon an individual's race or ethnic background, he is entitled to a judicial determination that the burden he is asked to bear on that basis is precisely tailored to serve a compelling governmental interest. The Constitution guarantees that right to every person regardless of his background. *Shelley* v. *Kraemer*, 334 U.S. 1, 22 (1948); *Missouri ex rel. Gaines* v. *Canada*, 305 U.S. 337, 351 (1938).

C

Petitioner contends that on several occasions this Court has approved preferential classifications without applying the most exacting scrutiny. Most of the cases upon which petitioner relies are drawn from three areas: school desegregation, employment discrimination, and sex discrimination. Each of the cases cited presented a situation materially different from the facts of this case.

The school desegregation cases are inapposite. Each involved remedies for clearly determined constitutional violations. *E.g.*, *Swann* v. *Charlotte—Mecklenburg Board of Education*, 402 U.S. 1 (1971); *McDaniel* v. *Barresi*, 402 U.S. 39 (1971); *Green* v. *County School Board*, 391 U.S. 430 (1968). Racial classifications thus were designed as remedies for the vindication of constitutional entitlement.[39] Moreover, the scope of the remedies was not permitted to exceed the extent of the violations. *E.g.*, *Dayton Board of Education* v. *Brinkman*, 433 U.S. 406 (1977); *Milliken* v. *Bradley*, 418 U.S. 717 (1974); see *Pasadena City Board of Education* v. *Spangler*, 427 U.S. 424 (1976). See also *Austin Indep. School Dist.* v. *United States*, 429 U.S. 990, 991–995 (1976) (POWELL, J., concurring). Here, there was no judicial determination of constitutional violation as a predicate for the formulation of a remedial classification.

The employment discrimination cases also do not advance petitioner's cause. For example, in *Franks* v. *Bowman Transportation Co.*, 424 U.S. 747 (1975), we approved a retroactive award of seniority to a class of Negro truck drivers who had been the victims of discrimination—not just by society at large, but by the respondent in that case. While this relief imposed some burdens on other employees, it was held necessary "'to make [the victims] whole for injuries suffered on

Footnotes at end of article.

account of unlawful employment discrimination.'" *Id.*, at 771, quoting *Albemarle Paper Co.* v. *Moody*, 422 U.S. 405, 418 (1975). The courts of appeals have fashioned various types of racial preferences as remedies for constitutional or statutory violations resulting in identified, race-based injuries to individuals held entitled to the preference. *E.g.*, *Bridgeport Guardians, Inc.* v. *Civil Service Commission*, 482 F. 2d 1333 (CA2 1973); *Carter* v. *Gallagher*, 452 F. 2d 315, modified on rehearing en banc, 452 F. 2d 327 (CA8 1972). Such preferences also have been upheld where a legislative or administrative body charged with the responsibility made determinations of past discrimination by the industries affected, and fashioned remedies deemed appropriate to rectify the discrimination. *E.g.*, *Contractors Association of Eastern Pennsylvania* v. *Secretary of Labor*, 442 F. 2d 159 (CA3), cert. denied, 404 U.S. 954 (1971);[40] *Associated General Contractors of Massachusetts, Inc.* v. *Altschuler*, 490 F. 2d 9 (CA1 1973), cert. denied, 416 U.S. 957 (1974; cf. *Katzenbach* v. *Morgan*, 384 U.S. 641 (1966). But we have never approved preferential classifications in the absence of proven constitutional or statutory violations.[41]

Nor is petitioner's view as to the applicable standard supported by the fact that gender-based classifications are not subjected to this level of scrutiny. *E. g.*, *Califano* v. *Webster*, 430 U. S. 313, 316–317 (1977); *e. g.*, *Craig* v. *Boren*, 429 U. S. 190, 211 n.* (1976) (POWELL, J., concurring). Gender-based distinctions are less likely to create the analytical and practical problems present in preferential programs premised on racial or ethnic criteria. With respect to gender there are only two possible classifications. The incidence of the burdens imposed by preferential classifications is clear. There are no rival groups who can claim that they, too, are entitled to preferential treatment. Classwide questions as to the group suffering previous injury and groups which fairly can be burdened are relatively manageable for reviewing courts. See *e. g.*, *Califano* v. *Goldfarb*, 430 U. S. 199, 212–217 (1977); *Weinberger* v. *Wiesenfeld*, 420 U. S. 636, 645 (1975). The resolution of these same questions in the context of racial and ethnic preferences presents far more complex and intractable problems than gender-based classifications. More importantly, the perception of racial classifications as inherently odious stems from a lengthy and tragic history that gender-based classifications do not share. In sum, the Court has never viewed such classification as inherently suspect or as comparable to racial or ethnic classifications for the purpose of equal-protection analysis.

Petitioner also cites *Lau* v. *Nichols*, 414 U. S. 563 (1974), in support of the proposition that discrimination favoring racial or ethnic minorites has received judicial approval without the exacting inquiry ordinarily accorded "suspect" classifications. In *Lau*, we held that the failure of the San Francisco school system to provide remedial English instruction for some 1,800 students of oriental ancestry who spoke no English amounted to a violation of Title VI of the Civil Rights Act of 1964, 42 U. S. C. § 2000d, and the regulations promulgated thereunder. Those regulations required remedial instruction where inability to understand English excluded children of foreign ancestry from participation in educational programs. *Id.*, at 568. Because we found that the students in *Lau* were denied "a meaningful opportunity to participate in the educational program," *ibid.*, we remanded for the fashioning of a remedial order.

Lau provides little support for petitioner's argument. The decision rested solely on the statute, which had been construed by the responsible administrative agency to reach educational practices "which have the effect of subjecting individuals to discrimination," *id.*, at 568. We stated: "Under these state-imposed standards there is no equality of treatment merely by providing students with the same facilities, textbooks, teachers and curriculum; for students who do not understand English are effectively foreclosed from any meaningful education." *Id.*, at 566. Moreover, the "preference" approved did not result in the denial of the relevant benefit—"meaningful participation in the educational program"—to anyone else. No other student was deprived by that preference of the ability to participate in San Francisco's school system, and the applicable regulations required similar assistance for all students who suffered similar linguistic deficiencies. *Id.*, at 570–571 (STEWART, J., concurring).

In a similar vein,[42] petitioner contends that our recent decision in *United Jewish Organizations* v. *Carey*, 430 U.S. 144 (1977), indicates a willingness to approve racial classifications designed to benefit certain minorities, without denominating the classifications as "suspect." The State of New York had redrawn its reapportionment plan to meet objections of the Department of Justice under § 5 of the Voting Rights Act of 1965, 42 U.S.C. § 1973c. Specifically, voting districts were redrawn to enhance the electoral power of certain "nonwhite" voters found to have been the victims of unlawful "dilution" under the original reapportionment plan. *United Jewish Organizations*, like *Lau*, properly is viewed as a case in which the remedy for an administrative finding of discrimination encompassed measures to improve the previously disadvantaged group's ability to participate, without excluding individuals belonging to any other group from enjoyment of the relevant opportunity—meaningful participation in the electoral process.

In this case, unlike *Lau* and *United Jewish Organizations*, there has been no determination by the legislature or a responsible administrative agency that the University engaged in a discriminatory practice requiring remedial efforts. Moreover, the operation of petitioner's special admissions program is quite different from the remedial measures approved in those cases. It prefers the designated minority groups at the expense of other individuals who are totally foreclosed from competition for the 16 special admissions seats in every medical school class. Because of that foreclosure, some individuals are excluded from enjoyment of a state-provided benefit—admission to the medical school—they otherwise would receive. When a classification denies an individual opportunities or benefits enjoyed by others solely because of his race or ethnic background, it must be regarded as suspect. *E.g.*, *McLaurin* v. *Oklahoma State Regents*, 339 U.S. 637, 641–642 (1950).

IV

We have held that in "order to justify the use of a suspect classification, a State must show that its purpose or interest is both constitutionally permissible and substantial, and that its use of the classification is 'necessary . . . to the accomplishment' of its purpose or the safeguarding of its interest." *In re Griffiths*, 413 U.S. 717, 722–723 (1973) (footnotes omited); *Loving* v. *Virginia*, 388 U.S. 1, 11 (1967); *McLaughlin* v. *Florida*, 379 U.S. 184, 196 (1964). The special admissions program purports to serve the purposes of: (i) "reducing the historic deficit of traditionally disfavored minorities in medical schools and the medical profession," Brief for Petitioner 32; (ii) countering the effects of societal discrimination; [43] (iii) increasing the number of physicians who will practice in communities currently underserved; and (iv) obtaining the educational benefits that flow from an ethnically diverse student body. It is necessary to decide which, if any, of these purposes is substantial enough to support the use of a suspect classification.

A

If petitioner's purpose is to assure within its student body some specified percentage of a particular group merely because of its race or ethnic origin, such a preferential purpose must be rejected not as insubstantial but as facially invalid. Preferring members of any one group for no reason other than race or ethnic origin is discrimination for its own sake. This the Constitution forbids. *E.g.*, *Loving* v. *Virginia*, *supra*, at 11; *McLaughlin* v. *Florida*, *supra*, at 196; *Brown* v. *Board of Education*, 347 U.S. 483 (1954).

B

The State certainly has a legitimate and substantial interest in ameliorating, or eliminating where feasible, the disabling effects of identified discrimination. The line of school desegregation cases, commencing with *Brown*, attests to the importance of this state goal and the commitment of the judiciary to affirm all lawful means towards its attainment. In the school cases, the States were required by court order to redress the wrongs worked by specific instances of racial discrimination. That goal was far more focused than the remedying of the effects of "societal discrimination," an amorphous concept of injury that may be ageless in its reach into the past.

We have never approved a classification that aids persons perceived as members of relatively victimized groups at the expense of other innocent individuals in the absence of judicial, legislative, or administrative findings of constitutional or statutory violations. See, *e.g.*, *Teamsters* v. *United States*, 431 U.S. 324, 367–376 (1977); *United Jewish Organizations*, 430 U.S., at 155–156; *South Carolina* v. *Katzenbach*, 383 U.S. 308 (1966). After such findings have been made, the governmental interest in preferring members of the injured groups at the expense of others is substantial, since the legal rights of the victims must be vindicated. In such a case, the extent of the injury and the consequent remedy will have been judicially, legislatively, or administratively defined. Also, the remedial action usually remains subject to continuing oversight to assure that it will work the least harm possible to other innocent persons competing for the benefit. Without such findings of constitutional or statutory violations,[44] it cannot be said that the government has any greater interest in helping one individual than in refraining from harming another. Thus, the government has no compelling justification for inflicting such harm.

Petitioner does not purport to have made, and is in no position to make, such findings. Its broad mission is education, not the formulation of any legislative policy or the adjudication of particular claims of illegality. For reasons similar to those stated in Part III of this opinion, isolated segments of our vast governmental structures are not competent to make those decisions, at least in the absence of legislative mandates and legislatively determined criteria.[45] Cf. *Hampton* v. *Mow Sun Wong*, 426 U.S. 88 (1976). Compare n. 41, *supra*. Before relying upon these sorts of findings in establishing a racial classification, a governmental body must have the authority and capability to establish, in the record, that the classification is responsive to identified discrimination. See, *e.g.*, *Califano* v. *Webster*, 430 U.S. 313, 316–321 (1977); *Califano* v. *Goldfarb*, 430 U.S. 199, 212–217 (1977). Lacking this capability, petitioner has not carried its burden of justification on this issue.

Hence, the purpose of helping certain groups whom the faculty of the Davis Medical School perceived as victims of "societal discrimination" does not justify a classification that imposes disadvantages upon persons like respondent, who bear no responsibility for whatever harm the beneficiaries of the special admissions program are thought to have suffered. To hold otherwise would be to convert a remedy heretofore reserved for violations of legal rights into a privilege that all institutions

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throughout the Nation could grant at their pleasure to whatever groups are perceived as victims of societal discrimination. That is a step we have never approved. Cf. *Pasadena City Board of Education* v. *Spangler*, 427 U.S. 424 (1976).

C

Petitioner identifies, as another purpose of its program, improving the delivery of health care services to communities currently underserved. It may be assumed that in some situations a State's interest in facilitating the health care of its citizens is sufficiently compelling to support the use of a suspect classification. But there is virtually no evidence in the record indicating that petitioner's special admissions program is either needed or greared to promote that goal.[46] The court below addressed this failure of proof:

"The University concedes it cannot assure that minority doctors who entered under the program, all of whom express an 'interest' in participating in a disadvantaged community, will actually do so. It may be correct to assume that some of them will carry out this intention, and that it is more likely they will practice in minority communities than the average white doctor. (See Sandalow, *Racial Preferences in Higher Education: Political Responsibility and the Judicial Role* (1975) 42 U. Chi. L. Rev. 653, 688). Nevertheless, there are more precise and reliable ways to identify applicants who are genuinely interested in the medical problems of minorities than by race. An applicant of whatever race who has demonstrated his concern for disadvantaged minorities in the past and who declares that practice in such a community is his primary professional goal would be more likely to contribute to alleviation of the medical shortage than one who is chosen entirely on the basis of race and disadvantage. In short, there is [sic] no empirical data to demonstrate that any one race is more selflessly socially oriented or by contrast that another is more selfishly acquisitive." 18 Cal. 3d, at 56, 553 P. 2d, at 1167.

Petitioner simply has not carried its burden of demonstrating that it must prefer members of particular ethnic groups over all other individuals in order to promote better health care delivery to deprived citizens. Indeed, petitioner has not shown that its preferential classification is likely to have any significant effect on the problem.[47]

D

The fourth goal asserted by petitioner is the attainment of a diverse student body. This clearly is a constitutionally permissible goal for an institution of higher education. Academic freedom, though not a specifically enumerated constitutional right, long has been viewed as a special concern of the First Amendment. The freedom of a university to make its own judgments as to education includes the selection of its student body. Mr. Justice Frankfurter summarized the "four essential freedoms" that comprise academic freedom:

"'. . . . It is the business of a university to provide that atmosphere which is most conducive to speculation, experiment and creation. It is an atmosphere in which there prevail 'the four essential freedoms' of a university—to determine for itself on academic grounds who may teach, what may be taught, how it shall be taught, and who may be admitted to study.'" *Sweezy* v. *New Hampshire*, 354 U.S. 234, 263 (1967) (Frankfurter, J., concurring).

Our national commitment to the safeguarding of these freedoms within university communities was emphasized in *Keyishian* v. *Board of Regents*, 385 U.S. 589, 603 (1967):

"Our Nation is deeply committed to safeguarding academic freedom which is of transcendent value to all of us and not merely to the teachers concerned. That freedom is therefore a special concern of the First Amendment. . . . The Nation's future depends upon leaders trained through wide exposure to that robust exchange of ideas which discovers truth 'out of a multitude of tongues, rather than through any kind of authoritative selection.' *United States* v. *Associated Press*, 52 F. Supp. 362, 372."

The atmosphere of "speculation, experiment and creation"—so essential to the quality of higher education—is widely believed to be promoted by a diverse student body.[48] As the Court noted in *Keyishian*, it is not too much to say that the "nation's future depends upon leaders trained through wide exposure" to the ideas and mores of students as diverse as this Nation of many peoples.

Thus, in arguing that its universities must be accorded the right to select those students who will contribute the most to the "robust exchange of ideas," petitioner invokes a countervailing constitutional interest, that of the First Amendment. In this light, petitioner must be viewed as seeking to achieve a goal that is of paramount importance in the fulfillment of its mission.

It may be argued that there is greater force to these views at the undergraduate level than in a medical school where the training is centered primarily on professional competency. But even at the graduate level, our tradition and experience lend support to the view that the contribution of diversity is substantial. In *Sweatt* v. *Painter*, 339 U.S. 629, 634 (1950), the Court made a similar point with specific reference to legal education:

"The law school, the proving ground for legal learning and practice, cannot be effective in isolation from the individuals and institutions with which the law interacts. Few students and no one who has practiced law would choose to study in an academic vacuum, removed from the interplay of ideas and the exchange of views with which the law is concerned."

Physicians serve a heterogenous population. An otherwise qualified medical student with a particular background—whether it be ethnic, geographic, culturally advantaged or disadvantaged—may bring to a professional school of medicine experiences, outlooks and ideas that enrich the training of its student body and better equip its graduates to render with understanding their vital service to humanity.[49]

Ethnic diversity, however, is only one element in a range of factors a university properly may consider in attaining the goal of a heterogeneous student body. Although a university must have wide discretion in making the sensitive judgments as to who should be admitted, constitutional limitations protecting individual rights may not be disregarded. Respondent urges—and the courts below have held—that petitioner's dual admissions program is a racial classification that impermissibly infringes his rights under the Fourteenth Amendment. As the interest of diversity is compelling in the context of a university's admissions program, the question remains whether the program's racial classification is necessary to promote this interest. *In re Griffiths*, 413 U.S. 717, at 721–722 (1973).

V

A

It may be assumed that the reservation of a specified number of seats in each class for individuals from the preferred ethnic groups would contribute to the attainment of considerable ethnic diversity in the student body. But petitioner's argument that this is the only effective means of serving the interest of diversity is seriously flawed. In a most fundamental sense the argument misconceives the nature of the state interest that would justify consideration of race or ethnic background. It is not an interest in simple ethnic diversity, in which a specified percentage of the student body is in effect guaranteed to be members of selected ethnic groups, with the remaining percentage an undifferentiated aggregation of students. The diversity that furthers a compelling state interest encompasses a far broader array of qualifications and characteristics of which racial or ethnic origin is but a single though important element. Petitioner's special admissions program, focused *solely* on ethnic diversity, would hinder rather than further attainment of geninue diversity.[50]

Nor would the state interest in genuine diversity be served by expanding petitioner's two-track system into a multitrack program with a prescribed number of seats set aside for each identifiable category of applicants. Indeed, it is inconceivable that a university would thus pursue the logic of petitioner's two-track program to the illogical end of insulating each category of applicants with certain desired qualifications from competition with all other applicants.

The experience of other university admissions programs, which take race into account in achieving the educational diversity valued by the First Amendment, demonstrates that the assignment of a fixed number of places to a minority group is not a necessary means toward that end. An illuminating example is found in the Harvard College program:

"In recent years Harvard College has expanded the concept of diversity to include students from disadvantaged economic, racial and ethnic groups. Harvard College now recruits not only Californians or Louisianans but also blacks and Chicanos and other minority students.

"In practice, this new definition of diversity has meant that race has been a factor in some admission decisions. When the Committee on Admissions reviews the large middle groups of applicants who are 'admissible' and deemed capable of doing good work in their courses, the race of an applicant may tip the balance in his favor just as geographic origin or a life spent on a farm may tip the balance in other candidates' cases. A farm boy from Idaho can bring something to Harvard College that a Bostonian cannot offer. Similarly, a black student can usually bring something that a white person cannot offer." See Appendix hereto.

* * * * *

"In Harvard college admissions the Committee has not set target-quotas for the number of blacks, or of musicians, football players, physicists or Californians to be admitted in a given year. . . . But that awareness [of the necessity of including more than a token number of black students] does not mean that the Committee sets the minimum number of blacks or of people from west of the Mississippi who are to be admitted. It means only that in choosing among thousands of applicants who are not only 'admissible' academically but have other strong qualities, the Committee, with a number of criteria in mind, pays some attention to distribution among many types and categories of students." Brief for Columbia University, Harvard University, Stanford University, and the University of Pennsylvania, as *Amici Curiae*, App. 2, 3.

In such an admissions program,[51] race or ethnic background may be deemed a "plus" in a particular applicant's file, yet it does not insulate the individual from comparison with all other candidates for the available seats. The file of a particular black applicant may be examined for his potential contribution to diversity without the factor of race being decisive when compared, for example, with that of an applicant identified as an Italian-American if the latter is thought to exhibit qualities more likely to promote beneficial educational pluralism. Such qualities could include exceptional personal talents, unique work or service experience, leadership potential, maturity, demonstrated compassion, a history of overcoming disadvantage, ability to communicate with the

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poor, or other qualifications deemed important. In short, an admissions program operated in this way is flexible enough to consider all pertinent elements of diversity in light of the particular qualifications of each applicant, and to place them on the same footing for consideration, although not necessarily according them the same weight. Indeed, the weight attributed to a particular quality may vary from year to year depending upon the "mix" both of the student body and the applicants for the incoming class.

This kind of program treats each applicant as an individual in the admissions process. The applicant who loses out on the last available seat to another candidate receiving a "plus" on the basis of ethnic background will not have been foreclosed from all consideration for that seat simply because he was not the right color or had the wrong surname. It would mean only that his combined qualifications, which may have included similar nonobjective factors, did not outweigh those of the other applicant. His qualifications would have been weighed fairly and competitively, and he would have no basis to complain of unequal treatment under the Fourteenth Amendment.[52]

It has been suggested that an admissions program which considers race only as one factor is simply a subtle and more sophisticated—but no less effective—means of according racial preference than the Davis program. A facial intent to discriminate, however, is evident in petitioner's preference program and not denied in this case. No such facial infirmity exists in an admissions program where race or ethnic background is simply one element—to be weighed fairly against other elements—in the selection process. "A boundary line," as Mr. Justice Frankfurter remarked in another connection, "is none the worse for being narrow." *McLeod* v. *Dilworth*, 322 U.S. 327, 329 (1944). And a Court would not assume that a university, professing to employ a facially nondiscriminatory admissions policy, would operate it as a cover for the functional equivalent of a quota system. In short, good faith would be presumed in the absence of a showing to the contrary in the manner permitted by our cases. See, *e.g.*, *Arlington Heights* v. *Metropolitan Housing Development Corp.*, 429 U.S. 252 (1977); *Washington* v. *Davis*, 426 U.S. 229 (1976); *Swain* v. *Alabama*, 380 U.S. 202 (1965).[53]

B

In summary, it is evident that the Davis special admission program involves the use of an explicit racial classification never before countenanced by this Court. It tells applicants who are not Negro, Asian, or "Chicano" that they are totally excluded from a specific percentage of the seats in an entering class. No matter how strong their qualifications, quantitative and extracurricular, including their own potential for contribution to educational diversity, they are never afforded the chance to compete with applicants from the preferred groups for the special admission seats. At the same time, the preferred applicants have the opportunity to compete for every seat in the class.

The fatal flaw in petitioner's preferential program is its disregard of individual rights as guaranteed by the Fourteenth Amendment. *Shelley* v. *Kraemer*, 344 U.S. 1, 22 (1948). Such rights are not absolute. But when a State's distribution of benefits or imposition of burdens hinges on the color of a person's skin or ancestry, that individual is entitled to a demonstration that the challenged classification is necessary to promote a substantial state interest. Petitioner has failed to carry this burden. For this reason, that portion of the California court's judgment holding petitioner's special admissions program invalid under the Fourteenth Amendment must be affirmed.

C

In enjoining petitioner from ever considering the race of any applicant, however, the courts below failed to recognize that the State has a substantial interest that legitimately may be served by a properly devised admissions program involving the competitive consideration of race and ethnic origin. For this reason, so much of the California court's judgment as enjoins petitioner from any consideration of the race of any applicant must be reversed.

VI

With respect to respondent's entitlement to an injunction directing his admission to the Medical School, petitioner has conceded that it could not carry its burden of proving that, but for the existence of its unlawful special admissions program, respondent still would not have been admitted. Hence, respondent is entitled to the injunction, and that portion of the judgment must be affirmed.[54]

APPENDIX

Harvard College Admissions Program[55]

For the past 30 years Harvard College has received each year applications for admission that greatly exceed the number of places in the freshman class. The number of applicants who are deemed to be not "qualified" is comparatively small. The vast majority of applicants demonstrate through test scores, high school records and teachers' recommendations that they have the academic ability to do adequate work at Harvard, and perhaps to do it with distinction. Faced with the dilemma of choosing among a large number of "qualified" candidates, the Committee on Admissions could use the single criterion of scholarly excellence and attempt to determine who among the candidates were likely to perform best academically. But for the past 30 years the Committee on Admissions has never adopted this approach. The belief has been that if scholarly excellence were the sole or even predominant criterion, Harvard College would lose a great deal of its vitality and intellectual excellence and that the quality of the educational experience offered to all students would suffer. Final Report of W. J. Bender, Chairman of the Admission and Scholarship Committee and Dean of Admissions and Financial Aid, pp. 20 *et seq.* (Cambridge, 1960). Consequently, after selecting those students whose intellectual potential will seem extraordinary to the faculty—perhaps 150 or so out of an entering class of over 1,100—the Committee seeks—variety in making its choices. This has seemed important . . . in part because it adds a critical ingredient to the effectiveness of the educational experience [in Harvard College] . . . *The effectiveness of our students' educational experience has seemed to the Committee to be affected as importantly by a wide variety of interests, talents, backgrounds and career goals as it is by a fine faculty and our libraries, laboratories and housing arrangements.* (Dean of Admissions Fred L. Glimp, Final Report to the Faculty of Arts and Sciences, 65 Official Register of Harvard University No. 25, 93, 104–105 (1968) (emphasis suppied).

The belief that diversity adds an essential ingredient to the educational process has long been a tenet of Harvard College admissions. Fifteen or twenty years ago, however, diversity meant students from California, New York, and Massachusetts; city dwellers and farm boys; violinists, painters and football players; biologists, historians and classicists; potential stockbrokers, academics and politicians. The result was that very few ethnic or racial minorities attended Harvard College. In recent years Harvard College has expanded the concept of diversity to include students from disadvantaged economic, racial and ethnic groups. Harvard College now recruits not only Californians or Louisianans but also blacks and Chicanos and other minority students. Contemporary conditions in the United States mean that if Harvard College is to continue to offer a first-rate education to its students, minority representation in the undergraduate body cannot be ignored by the Committee on Admissions.

In practice, this new definition of diversity has meant that race has been a factor in some admission decisions. When the Committee on Admissions reviews the large middle group of applicants who are "admissible" and deemed capable of doing good work in their courses, the race of an applicant may tip the balance in his favor just as geographic origin or a life spent on a farm may tip the balance in other candidates' cases. A farm boy from Idaho can bring something to Harvard College that a Bostonian cannot offer. Similarly, a black student can usually bring something that a white person cannot offer. The quality of the educational experience of all the students in Harvard College depends in part on these differences in the background and outlook that students bring with them.

In Harvard College admissions the Committee has not set target-quotas for the number of blacks, or of musicians, football players, physicists or Californians to be admitted in a given year. At the same time the Committee is aware that if Harvard College is to provide a truly heterogenous environment that reflects the rich diversity of the United States, it cannot be provided without some attention to numbers. It would not make sense, for example, to have 10 or 20 students out of 1,100 whose homes are west of the Mississippi. Comparably, 10 or 20 black students could not begin to bring to their classmates and to each other the variety of points of view, backgrounds and experiences of blacks in the United States. Their small numbers might also create a sense of isolation among the black students themselves and thus make it more difficult for them to develop and achieve their potential. Consequently, when making its decisions, the Committee on Admissions is aware that there is some relationship between numbers and achieving the benefits to be derived from a diverse student body, and between numbers and providing a reasonable environment for those students admitted. But that awareness does not mean that the Committee sets a minimum number of blacks or of people from west of the Mississippi who are to be admitted. It means only that in choosing among thousands of applicants who are not only "admissible" academically but have other strong qualities, the Committee, with a number of criteria in mind, pays some attention to distribution among many types and categories of students.

The further refinements sometimes required help to illustrate the kind of significance attached to race. The Admissions Committee, with only a few places left to fill might find itself forced to choose between A, the child of a successful black physician in an academic community with promise of superior academic performance, and B, a black who grew up in an inner-city ghetto of semi-literate parents whose academic achievement was lower but who had demonstrated energy and leadership as well as an apparently-abiding interest in black power. If a good number of black students much like A but few like B had already been admitted, the Committee might prefer B; and vice versa. If C, a white student with extraordinary artistic talent, were also seeking one of the remaining places, his unique quality might give him an edge over both A and B. Thus, the critical criteria are often individual qualities or experience not dependent upon race but sometimes associated with it.

FOOTNOTES

*MR. JUSTICE STEVENS views the judgment of the California court as limited to prohibit-

ing the consideration of race only in passing upon Bakke's application. *Post*, at 1–4. It must be remembered, however, that petitioner here cross-complained in the trial court for a declaratory judgment that its special program was constitutional and lost. The trial court's judgment that the special program was unlawful was affirmed by the California Supreme Court in an opinion which left no doubt that the reason for its holding was petitioner's use of race in consideration of *any candidate's* application. Moreover, in explaining the scope of its holding, the court quite clearly stated that petitioner was prohibited from taking race into account in any way in making admission decisions:

"In addition, the University may properly as it in fact does, consider other factors in evaluating an applicant, such as the personal interview, recommendations, character, and matters relating to the needs of the profession and society, such as an applicant's professional goals. In short, the standards for admission employed by the University are not constitutionally infirm except to the extent that they are utilized in a racially discriminatory manner. Disadvantaged applicants of all races must be eligible for sympathetic consideration, and no applicant may be rejected because of his race, in favor of another who is less qualified, as measured by standards applied without regard to race. We reiterate, in view of the dissent's misinterpretation, that we do not compel the University to utilize only 'the highest objective academic credentials' as the criterion for admission." 18 Cal. 3d 34, 54–55, 553 P. 2d 1152, 1166 (1976) (footnote omitted).

This explicit statement makes it unreasonable to assume that the reach of the California court's judgment can be limited in the manner suggested by MR. JUSTICE STEVENS.

†MR. JUSTICE BRENNAN, MR. JUSTICE WHITE, MR. JUSTICE MARSHALL, and MR. JUSTICE BLACKMUN join Parts I and V–C of this opinion. MR. JUSTICE WHITE also joins Part III–A of this opinion.

[1] Material distributed to applicants for the class entering in 1973 described the special admissions program as follows:

"A special subcommittee of the Admissions Committee, made up of faculty and medical students from minority groups, evaluates applications from economically and/or educationally disadvantaged backgrounds. The applicant may designate on the application form that he or she requests such an evaluation. Ethnic minorities are not categorically considered under the Task Force program unless they are from disadvantaged backgrounds. Our goals are (1) a short range goal in the identification and recruitment of potential candidates for admission to medical school in the near future, and (2) our long range goal is to stimulate career interest in health professions among junior high and high school students.

"After receiving all pertinent information selected applicants will receive a letter inviting them to our School of Medicine in Davis for an interview. The interviews are conducted by at least one faculty member and one student member of the Task Force Committee. Recommendations are then made to the Admissions Committee of the medical school. Some of the Task Force Faculty are also members of the Admissions Committee.

"Long-range goals will be approached by meeting with counselors and students of schools with large minority populations, as well as with local youth and adult community groups.

"Applications for financial aid are available only *after* the applicant has been accepted and can only be awarded after registration. Financial aid is available to students in the form of scholarships and loans. In addition to the Regents' Scholarships and the President's Scholarship programs, the medical school participates in the Health Professions Scholarship Program, which makes funds available to students who otherwise might not be able to pursue a medical education. Other scholarships and awards are available to students who meet special eligibility qualifications. Medical students are also eligible to participate in the Federally Insured Student Loan Program and the American Medical Association Education and Research Foundation Loan Program.

"Applications for Admissions are available from: Admissions Office, School of Medicine, University of California, Davis, California 95616," Record 195. The letter distributed the following year was virtually identical, except that the third paragraph was omitted.

[2] For the 1973 entering class of 100 seats, the Davis medical school received 2,464 applications. Record 117. For the 1974 entering class, 3,737 applications were submitted. *Id.*, at 289.

[3] That is, applications were considered and acted upon as they were received, so that the process of filling the class took place over a period of months, with later applications being considered against those still on file from earlier in the year. Record 64.

[4] The chairman normally checked to see if, among other things, the applicant had been granted a waiver of the school's application fee, which required a means test; whether the applicant had worked during college or interrupted his education to support himself or his family; and whether the applicant was a member of a minority group. Record 65–66.

[5] For the class entering in 1973, the total number of special applicants was 297, of whom 73 were white. In 1974, 628 persons applied to the special committee, of whom 172 were white. Record 133–134.

[6] The following table provides a year-by-year comparison of minority admissions at the Davis Medical School:

	Special admissions program				General admissions				
	Blacks	Chicanos	Asians	Total	Blacks	Chicanos	Asians	Total	Total
1970	5	3	0	8	0	0	4	4	12
1971	4	9	2	15	1	0	8	9	24
1972	5	6	5	16	0	0	11	11	27
1973	6	8	2	16	0	2	13	15	31
1974	6	7	3	16	0	4	5	9	26

Record 216–218. Sixteen persons were admitted under the special program in 1974, *ibid*, but one Asian withdrew before the start of classes, and the vacancy was filled by a candidate from the general admissions waiting list. Brief for Petitioner 4 n. 5.

[7] The following table compares Bakke's science grade point average, overall grade point average, and MCAT Scores with the average scores of regular admittees and of special admittees in both 1973 and 1974. Record 210, 223, 231, 234:

	MCAT (percentiles)						MCAT (percentiles)					
	SGPA	OGPA	Verbal	Quantitative	Science	General information	SGPA	OGPA	Verbal	Quantitative	Science	General information
Class entering in 1974:							Class entering in 1973:					
Bakke	3.44	3.51	96	94	97	72	Bakke	3.44	3.51	96	94	97	72
Average of regular admittees	3.36	3.29	69	67	82	72	Average of regular admittees	3.51	3.49	81	76	83	69
Average of special admittees	2.42	2.62	34	30	37	18	Average of special admittees	2.62	2.88	46	24	35	33

Applicants admitted under the special program also had benchmark scores significantly lower than many students, including Bakke, rejected under the general admissions program, even though the special rating system apparently gave credit for overcoming "disadvantage." Record 181, 388.

[8] Prior to the actual filing of the suit, Bakke discussed his intentions with Peter C. Storandt, Assistant to the Dean of Admissions at the Davis Medical School. Record 259–269. Storandt expressed sympathy for Bakke's position and offered advice on litigation strategy. Several *amici* imply that these discussions render Bakke's suit "collusive." There is no indication, however, that Storandt's views were those of the medical school or that anyone else at the school even was aware of Storandt's correspondence and conversations with Bakke. Storandt is no longer with the University.

[9] ". . . [N]or shall any State . . . deny to any person within its jurisdiction the equal protection of the laws."

[10] "No special privileges or immunities shall ever be granted which may not be altered, revoked, or repealed by the Legislature; nor shall any citizen, or class of citizens, be granted privileges, or immunities which, upon the same terms, shall not be granted to all citizens."

This section was recently repealed and its provisions added to Art. I, § 7 of the state constitution.

[11] Section 601 of Title VI provides as follows:

"No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance."

[12] Indeed, the University did not challenge the finding that applicants who were not members of a minority group were excluded from consideration in the special admissions process. 18 Cal. 3d, at 44, 553 P. 2d, at 1159.

[13] Petitioner has not challenged this aspect of the decision. The issue of the proper placement of the burden of proof, then, is not before us.

[14] Several *amici* suggest that Bakke lacks standing, arguing that he never showed that his injury—exclusion from the medical

school—will be redressed by a favorable decision, and that the petitioner "fabricated" jurisdiction by conceding its inability to meet its burden of proof. Petitioner does not object to Bakke's standing, but inasmuch as this charge concerns our jurisdiction under Art. III, it must be considered and rejected. First, there appears to be no reason to question the petitioner's concession. It was not an attempt to stipulate to a conclusion of law or to disguise actual facts of record. Compare *Swift & Co.* v. *Hocking Valley R. Co.*, 243 U.S. 281 (1917).

Second, even if Bakke had been unable to prove that he would have been admitted in the absence of the special program, it would not follow that he lacked standing. The constitutional element of standing is plaintiff's demonstration of any injury to himself that is likely to be redressed by favorable decision of his claim. *Warth* v. *Seldin*, 422 U.S. 490, 498 (1975). The trial court found such an injury, apart from failure to be admitted, in the University's decision not to permit Bakke to compete for all 100 places in the class, simply because of his race. Record 323. Hence the constitutional requirements of Art. III were met. The question of respondent's admission *vel non* is merely one of relief.

Nor is it fatal to Bakke's standing that he was not a "disadvantaged" applicant. Despite the programs purported emphasis on disadvantage, it was a minority enrollment program with a secondary disadvantage element. White disadvantaged students were never considered under the special program, and the University acknowledges that its goal in devising the program was to increase minority enrollment.

[15] See, *e. g.*, 110 Cong. Rec. 5255 (1964) (remarks of Sen. Case).

[16] *E. g., Boissier Parish School Board* v. *Lemon*, 370 F. 2d 847, 851–852 (CA5) cert. denied, 388 U.S. 911 (1967); *Natonabah* v. *Board of Education*, 355 F. Supp. 716, 724 (N. M. 1973); cf. *Lloyd* v. *Regional Transportation Authority*, 548 F. 2d 1277, 1284–1287 (CA7 1977) (Title V); *Piascik* v. *Cleveland Museum of Art*, 426 F. Supp. 779, 780 n. 1 (ND Ohio 1976) (Title IX).

[17] § 602 reads as follows:

"Each Federal department and agency which is empowered to extend Federal financial assistance to any program or activity, by way of grant, loan, or contract other than a contract of insurance or guaranty, is authorized and directed to effectuate the provisions of section 2000d of this title with respect to such program or activity by issuing rules, regulations, or orders of general applicability which shall be consistent with achievement of the objectives of the statute authorizing the financial assistance in connection with which the action is taken. No such rule, regulation, or order shall become effective unless and until approved by the President. Compliance with any requirement adopted pursuant to this section may be effected (1) by the termination of or refusal to grant or to continue assistance under such program or activity to any recipient as to whom there has been an express finding on the record, after oppportunity for hearing, of a failure to comply with such requirement, but such termination or refusal shall be limited to the particular political entity, or part thereof, or other recipient as to whom such a finding has been made and, shall be limited in its effect to the particular program, or part thereof, in which such noncompliance has been so found, or (2) by any other means authorized by law: *Provided, however*, That no such action shall be taken until the department or agency concerned has advised the appropriate person or persons of the failure to comply with the requirement and has determined that compliance cannot be secured by voluntary means. In the case of any action terminating, or refusing to grant or continues, assistance because of failure to comply with a requirement imposed pursuant to this section, the head of the Federal department or agency shall file with the committees of the House and Senate having legislative jurisdiction over the program or activity involved a full written report of the circumstances and the grounds for such action. No such action shall become effective until thirty days have elapsed after the filing of such report."

[18] Several comments in the debates cast doubt on the existence of any intent to create a private right of action. For example, Representative Gill stated that no private right of action was contemplated:

"Nowhere in this section do you find a comparable right of legal action for a person who feels he has been denied his rights to participate in the benefits of federal funds. Nowhere. Only those who have been cut off can go to court and present their claim." 110 Cong. Rec. 2467 (1964).

Accord, *id.*, at 7065 (remarks of Sen. Keating); *id.*, at 6562 (remarks of Sen. Kuchel).

[19] For example, Senator Humphrey stated as follows:

"Racial discrimination or segregation in the administration of disaster relief is particularly shocking; and offensive to our sense of justice and fair play. Human suffering draws no color lines, and the administration of help to the sufferers should not." 110 Cong. Rec. 6547 (1964).

See also *id.*, at 12675 (remarks of Sen. Allott); *id.*, at 6561 (remarks of Sen. Kuchel); *id.*, at 2494, 6047 (remarks of Sen Pastore). But see *id.*, at 15893 (remarks of Rep. MacGregor); *id.*, at 13821 (remarks of Sen. Saltonstall); *id.*, at 10920 (remarks of Sen. Javits); *id.*, at 5266, 5807 (remarks of Sen. Keating).

[20] See, *e.g.*, 110 Cong. Rec, 7064–7065 (1964) (remarks of Sen. Ribicoff); *id.*, at 7054–7055 (remarks of Sen. Pastore); *id.*, at 6543–6544 (remarks of Sen. Humphrey); *id.*, at 2595 (remarks of Rep. Donahue); *id.*, at 2467–2468 (remarks of Rep. Celler); *id.*, at 1643, 2481–2482 (remarks of Rep. Ryan); *H. Rep.* No. 914, 88th Cong., 1st Sess., Part II, 24–25 (1964).

[21] See, *e. g.*, 110 Cong. Rec. 2467 (remarks of Rep. Lindsay). See also *id.*, at 2766 (remarks of Rep. Matsunaga); *id.*, at 2731–2732 (remarks of Rep. Dawson); *id.*, at 2595 (remarks of Rep. Donahue); *id.*, at 1527–1528, (remarks of Rep. Celler).

[22] See, *e. g.*, 110 Cong. Rec. 12675, 12677 (1964) (remarks of Sen. Allott); *id.*, at 7064 (remarks of Sen. Pell); *id.*, at 7057, 7062–7064 (remarks of Sen. Pastore); *id.*, at 5243 (remarks of Sen. Clark).

[23] See, *e.g.*, 110 Cong. Rec. 6052 (remarks of Sen. Johnston); *id.*, at 5863 (remarks of Sen. Eastland); *id.*, at 5612 (remarks of Sen. Ervin); *id.*, at 5251 (remarks of Sen. Talmadge); *id.*, at 1632 (remarks of Rep. Dowdy); *id.*, at 1619 (remarks of Rep. Abernethy).

[24] See also 110 Cong. Rec. 7057, 13333 (remarks of Sen. Ribicoff); *id.*, at 7057 (remarks of Sen. Pastore); *id.*, at 5606–5607 (remarks of Sen. Javits); *id.*, at 5253, 5863–5864, 13442 (remarks of Sen. Humphrey).

[25] That issue has generated a considerable amount of scholarly controversy. See, *e.g.*, Ely, The Constitutionality of Reverse Racial Discrimination, 41 U. Chi. L. Rev. 723 (1974); Greenawalt, Judicial Scrutiny of "Benign" Racial Preferences in Law School Admissions, 75 Colum. L. Rev. 559 (1975); Kaplan, Equal Justice in an Unequal World: Equality for the Negro, 61 Nw. U.L. Rev. 363 (1966); Karst & Horowitz, Affirmative Action and Equal Protection, 60 Va. L. Rev. 955 (1974); O'Neil, Racial Preference and Higher Education: The Larger Context, 60 Va. L. Rev. 925 (1974); Posner, The DeFunis Case and the Constitutionality of Preferential Treatment of Racial Minorities, 1974 Sup. Ct. Rev. 1; Redish, Preferential Law School Admissions and the Equal Protection Clause: An Analysis of the Competing Arguments, 22 U.C.L.A. L. Rev. 343 (1974); Sandalow, Racial Preferences in Higher Education; Political Responsibility and the Judicial Role, 42 U. Chi. L. Rev. 653 (1975); Sedler, Racial Preference, Reality and the Constitution; Bakke v. Regents of the University of California, 17 Santa Clara L. Rev. 329 (1977); Seeburger, A. Heuristic Argument Against Preferential Admissions, 39 U. Pitt. L. Rev. 285 (1977).

[26] Petitioner defines "quota" as a requirement which must be met that can never be exceeded, regardless of the quality of the minority applicants. Petitioner declares that there is no "floor" under the total number of minority students admitted; completely unqualified students will not be admitted simply to meet a "quota." Neither is there a "ceiling," since an unlimited number could be admitted through the general admissions process. On this basis the special admissions program does not meet petitioner's definition of a quota.

The court below found—and petitioner does not deny—that white applicants could not compete for the 16 places reserved solely for the special admissions program. 18 Cal. 3d, at 44, 553 P. 2d, at 1159. Both courts below characterized this as a "quota" system.

[27] Moreover, the University's special admissions program involves a purposeful, acknowledged use of racial criteria. This is not a situation in which the classification on its face is racially neutral, but has a disproportionate racial impact. In that situation, plaintiff must establish an intent to discriminate. *Village of Arlington Heights* v. *Metropolitan Housing Devel. Corp.*, 429 U.S. 252, 264–265 (1977); *Washington* v. *Davis*, 426 U.S. 229, 242 (1976); see *Yick Wo* v. *Hopkins*, 118 U.S. 356 (1886).

[28] After *Carolene Products*, the first specific reference in our decisions to the elements of "discreteness and insularity" appears in *Minersville School District* v. *Gobitis*, 310 U.S. 586, 606 (1940) (Stone, J., dissenting). The next does not appear until 1970. *Oregon* v. *Mitchell*, 400 U.S. 112, 295 n. 14 (1970) (STEWART, J., concurring in part and dissenting in part). These elements have been relied upon in recognizing a suspect class in only one group of cases, those involving aliens. *E.g., Graham* v. *Richardson*, 403 U.S. 365, 372 (1971).

[29] Tussman & tenBroek, The Equal Protection of the Laws, 37 Calif. L. Rev. 341, 381 (1949).

[30] M. Jones, American Immigration 177–246 (1960).

[31] J. Higham, Strangers in the Land (1955); G. Abbott, The Immigrant and the Community (1917); P. Roberts, The New Immigration 66–73, 86–91, 248–261 (1912). See also E. Fenton, Immigrants and Unions: A Case Study 561–562 (1975).

[32] "Members of various religious and ethnic groups, primarily but not exclusively of eastern, and middle and southern European ancestry, such as Jews, Catholics, Italians, Greeks and Slavic groups [continue] to be excluded from executive, middle-management and other job levels because of discrimination based upon their religion and/or national origin." 41 CFR § 60–50.1 (b) (1977).

[33] *E.g.*, P. Roberts, The New Immigration 75 (1912); G. Abbott, The Immigrant and the Community 270–271 (1917). See generally n. 31, *supra*.

[34] In the view of MR. JUSTICE BRENNAN, MR. JUSTICE WHITE, MR. JUSTICE MARSHALL, and MR. JUSTICE BLACKMUN, the piable notion of "stigma" is the crucial element in analyzing racial classifications. See, *e.g., post*, at 38. The Equal Protection Clause is not framed in terms of "stigma." Certainly the word has no clearly defined constitutional meaning. It reflects a subjective judgment that is standardless. All state-imposed classifications that rearrange burdens and benefits on the basis of race are likely to be viewed with deep resentment by the individuals burdened. The denial to innocent persons of

equal rights and opportunities may outrage those so deprived and therefore may be perceived as invidious. These individuals are likely to find little comfort in the notion that the deprivation they are asked to endure is merely the price of membership in the dominant majority and that its imposition is inspired by the supposedly benign purpose of aiding others. One should not lightly dismiss the inherent unfairness of, and the perception of mistreatment that accompanies, a system of allocating benefits and privileges on the basis of skin color and ethnic origin. Moreover, MR. JUSTICE BRENNAN, MR. JUSTICE WHITE, MR. JUSTICE MARSHALL, and MR. JUSTICE BLACKMUN offer no principle for deciding whether preferential classifications reflect a benign remedial purpose or a malevolent stigmatic classification, since they are willing in this case to accept mere *post hoc* declarations by an isolated state entity—a medical school faculty—unadorned by particularized findings of past discrimination, to establish such a remedial purpose.

[35] Professor Bickel noted the self-contradiction of that view:

"The lesson of the great decisions of the Supreme Court and the lesson of contemporary history have been the same for at least a generation: discrimination on the basis of race is illegal, immoral, unconstitutional, inherently wrong, and destructive of democratic society. Now this is to be unlearned and we are told that this is not a matter of fundamental principle but only a matter of whose ox is gored. Those for whom racial equality was demanded are to be more equal than others. Having fund support in the Constitution for equality, they now claim support for inequality under the same Constitution." A. Bickel, The Morality of Consent 133 (1975).

[36] As I am in agreement with the view that race may be taken into account as a factor in an admissions program, I agree with my Brothers BRENNAN, WHITE, MARSHALL, and BLACKMUN that the portion of the judgment that woud proscribe all consideration of race must be reversed. See Part V, *infra*. But I disagree with much that is said in their opinion.

They would require as a justification for a program such as petitioner's, only two findings: (i) that there has been some form of discrimination against the preferred minority groups "by society at large," *post*, at 45 (it being conceded that petitioner had no history of discrimination), and (ii) that "there is reason to believe" that the disparate impact sought to be rectified by the program is the "product" of such discrimination: "If it was reasonable to conclude—as we hold that it was—that the failure of Negroes to qualify for admission at Davis under regular procedures was due principally to the effects of past discrimination, then there is a reasonable likelihood that, but for pervasive racial discrimination, respondent would have failed to qualify for admission even in the absence of Davis's special admission program." *Post*, at 41–42.

The breadth of this hypothesis is unprecedented in our constitutional system. The first step is easily taken. No one denies the regrettable fact that there has been societal discrimination in this country against various racial and ethnic groups. The second step, however, involves a speculative leap: but for this discrimination by society at large, Bakke "would have failed to qualify for admission" because Negro applicants—nothing is said about Asians, cf., *e. g., post*, at 50 n. 57—would have made better scores. Not one word in the record supports this conclusion, and the plurality offers no standard for courts to use in applying such a presumption of causation to other racial or ethnic classifications. This failure is a grave one, since if it may be concluded *on this record* that each of the minority groups preferred by the petitioner's special program is entitled to the benefit of the presumption, it would seem difficult to determine that any of the dozens of minority groups that have suffered "societal discrimination" cannot also claim it, in any area of social intercourse. See Part IV–B, *infra*.

[37] Mr. Justice Douglas has noted the problems associated with such inquiries:

"The reservation of a proportion of the law school class for members of selected minority groups is fraught with . . . dangers, for one must immediately determine which groups are to receive such favored treatment and which are to be excluded, the proportions of the class that are to be allocated to each, and even the criteria by which to determine whether an individual is a member of a favored group. [Cf. *Plessy* v. *Ferguson*, 163 U.S. 537, 549, 552 (1896).] There is no assurance that a common agreement can be reached, and first the schools, and then the courts, will be buffeted with the competing claims. The University of Washington included Filipinos, but excluded Chinese and Japanese; another school may limit its program to blacks, or to blacks and Chicanos. Once the Court sanctioned racial preferences such as these, it could not then wash its hands of the matter, leaving it entirely in the discretion of the school, for then we would have effectively overruled *Sweatt* v. *Painter*, 339 U.S. 629, and allowed imposition of a "zero" allocation. But what standard is the Court to apply when a rejected applicant of Japanese ancestry brings suit to require the University of Washington to extend the same privileges to his group? The Committee might conclude that the population of Washington is now 2% Japanese, and that Japanese also constitute 2% of the Bar, but that had they not been handicapped by a history of discrimination, Japanese would now constitute 5% of the Bar, or 20%. Or, alternatively, the Court could attempt to assess how grievously each group has suffered from discrimination, and allocate proportions accordingly; if that were the standard the current University of Washington policy would almost surely fall, for there is no Western State which can claim that it has always treated Japanese and Chinese in a fair and even-handed manner. See, *e.g., Yick Wo* v. *Hopkins*, 118 U.S. 356; *Terrace* v. *Thompson*, 263 U.S. 197; *Oyama* v. *California*, 332 U.S. 633. This Court has not sustained a racial classification since the wartime cases of *Korematsu* v. *United States*, 323 U.S. 214, and *Hirabayashi* v. *United States*, 320 U.S. 81, involving curfews and relocations imposed upon Japanese-Americans.

"Nor obviously will the problem be solved if next year the Law School included only Japanese and Chinese, for then Norwegians and Swedes, Poles and Italians, Puerto Ricans and Hungarians, and all other groups which form this diverse Nation would have just complaints." *DeFunis* v. *Odegaard*, 416 U.S. 312, 337–340 (1974) (Douglas, J., dissenting) (footnotes omitted).

[38] R. Dahl, A Preface to Democratic Theory (1956); Posner, The DeFunis Case and the Constitutionality of Preferential Treatment of Minorities, 1974 Sup. Ct. Rev. 1, 27; cf. Stewart, The Reformation of American Administrative Law, 88 Harv. L. Rev. 1683–1685, and nn. 64–67 (1975) and sources cited therein.

[39] Petitioner cites three lower court decisions allegedly deviating from this general rule in school desegregation cases: *Offermann* v. *Nitkowski*, 378 F. 2d 22 (CA2 1967); *Wanner* v. *County School Board*, 357 F. 2d 452 (CA4 1966); *Springfield School Committee* v. *Barksdale*, 348 F. 2d 261 (CA1 1965). Of these, *Wanner* involved a school system held to have been *de jure* segregated and enjoined from maintaining segregation; racial districting was deemed necessary. 357 F. 2d, at 454. Cf. *United Jewish Organizations* v. *Carey*, 430 U.S. 144 (1977). In *Barksdale* and *Offermann*, courts did approve voluntary districting designed to eliminate discriminatory attendance patterns. In neither, however, was there any showing that the school board planned extensive pupil transportation that might threaten liberty or privacy interests. See *Keyes* v. *School District No. 1*, 413 U.S. 189, 240–250 (1973) (POWELL, J., concurring in part and dissenting in part). Nor were white students deprived of an equal opportunity for education.

Respondent's position is wholly dissimilar to that of a pupil bused from his neighborhood school to a comparable school in another neighborhood in compliance with a desegregation decree. Petitioner did not arrange for respondent to attend a different medical school in order to desegregate Davis Medical School; instead, it denied him admission and may have deprived him altogether of a medical education.

[40] Every decision upholding the requirement of preferential hiring under the authority of Executive Order 11246 has emphasized the existence of previous discrimination as a predicate for the imposition of a preferential remedy. *Contractors Association, supra; Southern Illinois Builders Assn.* v. *Ogilvie*, 471 F. 2d 680 (CA7 1972); *Joyce* v. *McCrane*, 320 F. Supp. 1284 (N.J. 1970); *Weiner* v. *Cuyahoga Community College District*, 19 Ohio 2d 35, 249 N.E. 907, cert. denied, 396 U.S. 1004 (1970). See also *Rosetti Contr. Co.* v. *Brennan*, 408 F. 2d 1039, 1041 (CA7 1975); *Associated General Contractors of Massachusetts, Inc.* v. *Altschuler*, 490 F. 2d 9 (CA1 1973), cert. denied, 416 U.S. 957 (1974); *Northeast Const. Co.* v. *Romney*, 157 U.S. App. D.C. 381, 485 F. 2d 752, 754, 761 (1973).

[41] This case does not call into question congressionally authorized administrative actions, such as consent decrees under Title VII or approval of reapportionment plans under § 5 of the Voting Rights Act of 1965, 42 U.S.C. § 1973c. In such cases, there has been detailed legislative consideration of the various indicia of previous constitutional or statutory violations, *e.g., South Carolina* v. *Katzenback*, 383 U.S. 301, 308–310 (1966) (§ 5), and particular administrative bodies have been charged with monitoring various activities in order to detect such violations and formulate appropriate remedies. See *Hampton* v. *Mow Sun Wong*, 426 U.S. 88, 103 (1976).

Furthermore, we are not here presented with an occasion to review legislation by Congress pursuant to its powers under § 2 of the Thirteenth Amendment and § 5 of the Fourteenth Amendment to remedy the effects of prior discrimination. *Katzenback* v. *Morgan*, 384 U.S. 641 (1966); *Jones* v. *Alfred H. Mayer Co.*, 392 U.S. 409 (1968). We have previously recognized the special competence of Congress to make findings with respect to the effects of identified past discrimination and its discretionary authority to take appropriate remedial measures.

[42] Petitioner also cites our decision in *Morton* v. *Mancari*, 417 U.S. 535 (1974), for the proposition that the State may prefer members of traditionally disadvantaged groups. In *Mancari*, we approved a hiring preference for qualified Indians in the Bureau of Indian Affairs of the Department of the Interior (BIA). We observed in that case, however, that the legal status of BIA is *sui generis*. *Id.*, at 554. Indeed, we found that the preference was not racial at all, but "an employment criterion reasonably designed to further the cause of Indian self-government and to make the BIA more responsive to groups [,] . . . whose lives are governed by the BIA in a unique fashion." *Ibid.*

[43] A number of distinct sub-goals have been advanced as falling under the rubric of "compensation for past discrimination." For example, it is said that preferences for Negro applicants may compensate for harm done

them personally, or serve to place them at economic levels they might have attained but for discrimination against their forebears. Greenawalt, *supra*, n. 1, at 581–586. Another view of the "compensation" goal is that it serves as a form of reparation by the "majority" to a victimized group as a whole. B. Bittker, The Case for Black Reparations (1973). That justification for racial or ethnic preference has been subjected to much criticism. *E.g.*, Greenawalt, *supra*, at 581; Posner, *supra*, n. 25, at 16–17, and n. 33. Finally, it has been argued that ethnic preferences "compensate" the group by providing examples of success whom other members of the group will emulate, thereby advancing the group's interest and society's interest in encouraging new generations to overcome the barriers and frustrations of the past. Redish, *supra*, n. 25, at 391. For purposes of analysis these sub-goals need not be considered separately.

Racial classifications in admissions conceivably could serve a fifth purpose, one which petitioner does not articulate: fair appraisal of each individual's academic promise in the light of some cultural bias in grading or testing procedures. To the extent that race and ethnic background were considered only to the extent of curing established inaccuracies in predicting academic performance, it might be argued that there is no "preference" at all. Nothing in this record, however, suggests either that any of the quantitative factors considered by the Medical School were culturally biased or that petitioner's special admissions program was formulated to correct for any such biases. Furthermore, if race or ethnic background were used solely to arrive at an unbiased prediction of academic success, the reservation of fixed numbers of seats would be inexplicable.

[44] MR. JUSTICE BRENNAN, MR. JUSTICE WHITE, MR. JUSTICE MARSHALL, and MR. JUSTICE BLACKMUN misconceive the scope of this Court's holdings under Title VII when they suggest that "disparate impact" alone is sufficient to establish a violation of that statute and, by analogy, other civil rights measures. See *post*, at 39–45, and n. 42. That this was not the meaning of Title VII was made quite clear in the seminal decision in this area, *Griggs* v. *Duke Power Co.*, 401 U.S. 424 (1971):

"*Discriminatory preference* for any group, minority or majority, is precisely and only what Congress has proscribed. What is required by Congress is the removal of *artificial, arbitrary, and unnecessary barriers* to employment when the barriers operate invidiously to discriminate on the basis of racial or other impermissible classification." *Id.*, at 431 (emphasis added).

Thus, disparate impact is a basis for relief under Title VII only if the practice in question is not founded on "business necessity," *ibid.*, or lacks "a manifest relationship to the employment in question," *id.*, at 432. See also *McDonnell Douglas Corp.* v. *Green*, 411 U.S. 792, 802–803, 805–806 (1973). Nothing *in this record*—as opposed to some of the general literature cited by MR. JUSTICE BRENNAN, MR. JUSTICE WHITE, MR. JUSTICE MARSHALL, and MR. JUSTICE BLACKMUN—even remotely suggests that the disparate impact of the general admissions program at Davis Medical School, resulting primarily from the sort of disparate test scores and grades set forth in footnote 7, *supra*, is without educational justification.

Moreover, the presumption in *Griggs*—that disparate impact without any showing of business justification established the existence of discrimination in violation of the statute—was based on legislative determinations, wholly absent here, that past discrimination had handicapped various minority groups to such an extent that disparate impact could be traced to identifiable instances of past discrimination:

"[Congress sought] to achieve equality of employment opportunities and remove barriers that have operated in the past to favor an identifiable group of white employees over other employees. Under the Act, practices, procedures, or tests neutral on their face, and even neutral in terms of intent, cannot be maintained if they operate to 'freeze' the status quo of prior discriminatory employment practices." *Griggs*, *supra*, 429–430.

See, *e.g.*, H.R. Rep. No. 914, 88th Cong., 2d Sess., at 26 (1963). ("Testimony concerning the fact of discrimination in employment is overwhelming.") See generally Vaas, Title VII: The Legislative History, 7 B. C. Ind. & Com. L. Rev. 431 (1966). The Court emphasized that "the Act does not command that any person be hired simply because he was formerly the subject of discrimination, or because he is a member of a minority group." *Id.*, at 430–431. Indeed, § 703(j) of the Act makes it clear that preferential treatment for an individual or minority group to correct an existing "imbalance" may not be required under Title VII. 42 U. S. C. § 2000e-2(j). Thus, Title VII principles support the proposition that findings of identified discrimination must precede the fashioning of remedial measures embodying racial classifications.

[45] For example, the University is unable to explain its selection of only the three favored groups—Negroes, Mexican-Americans, and Asians—for preferential treatment. The inclusion of the last group is especially curious in light of the substantial numbers of Asians admitted through the regular admissions process. See also n. 37, *supra*.

[46] The only evidence in the record with respect to such underservice is a newspaper article. Record 473.

[47] It is not clear that petitioner's two-track system, even if adopted throughout the country, would substantially increase representation of blacks in the medical profession. That is the finding of a recent study by Sleeth & Mishell, Black Under-Representation in United States Medical Schools, New England J. of Med. 1146 (Nov. 24, 1977). Those authors maintain that the cause of black under-representation lies in the small size of the national pool of qualified black applicants. In their view, this problem is traceable to the poor premedical experiences of black undergraduates, and can be remedied effectively only by developing remedial programs for black students before they enter college.

[48] The president of Princeton University has described some of the benefits derived from a diverse student body:

". . . [A] great deal of learning occurs informally. It occurs through interactions among students of both sexes; of different races, religions, and backgrounds; who come from cities and rural areas, from various states and countries; who have a wide variety of interests and perspectives; and who are able, directly or indirectly, to learn from their differences and to stimulate one another to reexamine even their most deeply held assumptions about themselves and their world. As a wise graduate of ours once observed in commenting on this aspect of the educational process, 'People do not learn very much when they are surrounded only by the likes of themselves.'

* * * * *

"In the nature of things, it is hard to know how, and when, and even if, this informal 'learning through diversity' actually occurs. It does not occur for everyone. For many, however, the unplanned, casual encounters with roommates, fellow sufferers in an organic chemistry class, student workers in the library, teammates on a basketball squad, or other participants in class affairs or student government can be subtle and yet powerful sources of improved understanding and personal growth." Bowen, Admissions and the Relevance of Race, Princeton Alumni Weekly 7, 9 (Sept. 26, 1977).

[49] Graduate admissions decisions, like those at the undergraduate level, are concerned with "assessing the potential contributions to the society of each individual candidate following his or her graduation—contributions defined in the broadest way to include the doctor and the poet, the most active participant in business or government affairs and the keenest critic of all things organized, the solitary scholar and the concerned parent." Bowen, *supra*, n. 48, at 10.

[50] See Manning, The Pursuit of Fairness in Admissions to Higher Education, in Carnegie Council on Policy Studies in Higher Education, Selective Admissions in Higher Education 19, 57–59 (1977).

[51] The admissions program at Princeton has been described in similar terms:

"While race is not in and of itself a consideration in determining basic qualifications, and while there are obviously significant differences in background and experience among applicants of every race, in some situations race can be helpful information in enabling the admissions office to understand more fully what a particular candidate has accomplished—and against what odds. Similarly, such factors as family circumstances and previous educational opportunities may be relevant, either in conjunction with race or ethnic background (with which they may be associated) or on their own." Bowen, *supra*, n. 48, at 8–9.

For an illuminating discussion of such flexible admissions systems, see Manning, *supra*, n. 50, at 57–59.

[52] The denial to respondent of this right to individualized consideration without regard to his race is the principal evil of petitioner's special admissions program. Nowhere in the opinion of MR. JUSTICE BRENNAN, MR. JUSTICE WHITE, MR. JUSTICE MARSHALL, and MR. JUSTICE BLACKMUN is this denial even addressed.

[53] Universities, like the prosecutor in *Swain*, may make individualized decisions, in which ethnic background pays a part, under a presumption of legality and legitimate educational purpose. So long as the university proceeds on an individualized, case-by-case basis, there is no warrant for judicial interference in the academic process. If an applicant can establish that the institution does not adhere to a policy of individual comparisons, or can show that a systematic exclusion of certain groups results, the presumption of legality might be overcome, creating the necessity of proving legitimate educational purpose.

There also are strong policy reasons that correspond to the constitutional distinction between petitioner's preference program and one that assures a measure of competition among all applicants. Petitioner's program will be viewed as inherently unfair by the public generally as well as by applicants for admission to state universities. Fairness in individual competition for opportunities, especially those provided by the State, is a widely cherished American ethic. Indeed, in a broader sense, an underlying assumption of the rule of law is the worthiness of a system of justice based on fairness to the individual. As Mr. Justice Frankfurter declared in another connection, [j]ustice must satisfy the appearance of justice." *Offut* v. *United States*, 348 U. S. 11, 14 (1954).

[54] There is no occasion for remanding the case to permit petitioner to reconstruct what might have happened if it had been operating the type of program described as legitimate in Part V, above. Compare *Mt. Healthy City Bd. of Ed.* v. *Doyle*, 429 U. S. 274, 284–287 (1977). In *Mt. Healthy*, there was considerable doubt whether protected First Amendment activity had been the "but for" cause of Doyle's protested discharge. Here, in contrast, there is no question as to the sole reason for respondent's rejection—purposeful racial discrimination in the form of the special admissions program. Having injured respondent solely on the basis of an unlaw-

ful classification, petitioner cannot now hypothesize that it might have employed lawful means of achieving the same result. See *Arlington Heights* v. *Metropolitan Housing Devel. Corp.*, 429 U.S. 252, 265–266 (1977). No one can say how—or even if—petitioner would have operated its admissions process if it had known that legitimate alternatives were available. Nor is there a record revealing that legitimate alternate grounds for the decision existed, as there was in *Mt. Healthy*. In sum, a remand would result in fictitious recasting of past conduct.

[55] The statement appears in the Appendix to the Brief of Columbia University, Harvard University, Stanford University, and the University of Pennsylvania, as *Amici Curiae*.

[Supreme Court of the United States—No. 76–811]

REGENTS OF THE UNIVERSITY OF CALIFORNIA, PETITIONER, *v.* ALLAN BAKKE. ON WRIT OF CERTIORARI TO THE SUPREME COURT OF CALIFORNIA

(June 28, 1978)

MR. JUSTICE MARSHALL.

I agree with the judgment of the Court only insofar as it permits a university to consider the race of an applicant in making admissions decisions. I do not agree that petitioner's admissions program violates the Constitution. For it must be remembered that, during most of the past 200 years, the Constitution as interpreted by this Court did not prohibit the most ingenious and pervasive forms of discrimination against the Negro. Now, when a State acts to remedy the effects of that legacy of discrimination, I cannot believe that this same Constitution stands as a barrier.

I

A

Three hundred and fifty years ago, the Negro was dragged to this country in chains to be sold into slavery. Uprooted from his homeland and thrust into bondage for forced labor, the slave was deprived of all legal rights. It was unlawful to teach him to read; he could be sold away from his family and friends at the whim of his master; and killing or maiming him was not a crime. The system of slavery brutalized and dehumanized both master and slave.[1]

The denial of human rights was etched into the American colonies' first attempts at establishing self-government When the colonists determined to seek their independence from England, they drafted a unique document cataloguing their grievances against the King and proclaiming as "self-evident" that "all men are created equal" and are endowed "with certain unalienable Rights," including those to "Life, Liberty and the pursuit of Happiness." The self-evident truths and the unalienable rights were intended, however, to apply only to white men. An earlier draft of the Declaration of Independence, submitted by Thomas Jefferson to the Continental Congress, had included among the charges against the King that "[h]e has waged cruel war against human nature itself, violating its most sacred rights of life and liberty in the persons of a distant people who never offended him, captivating and carrying them into slavery in another hemisphere, or to incur miserable death in their transportation thither." Franklin 88.

The Southern delegation insisted that the charge be deleted; the colonists themselves were implicated in the slave trade, and inclusion of this claim might have made it more difficult to justify the continuation of slavery once the ties to England were severed. Thus, even as the colonists embarked on a course to secure their own freedom and equality, they ensured perpetuation of the system that deprived a whole race of those rights.

The implicit protection of slavery embodied in the Declaration of Independence was made explicit in the Constitution, which treated a slave as being equivalent to three-fifths of a person for purposes of apportioning representatives and taxes among the States. Art. I, § 2. The Constitution also contained a clause ensuring that the "migration or importation" of slaves into the existing States would be legal until at least 1808, Art. I, § 9, and a fugitive slave clause requiring that when a slave escaped to another State, he must be returned on the claim of the master. Art. IV, § 2. In their declaration of the principles that were to provide the cornerstone of the new Nation, therefore, the Framers made it plain that "we the people." for whose protection the Constitution was designed, did not include those whose skins were the wrong color. As Professor John Hope Franklin has observed. Americans "proudly accepted the challenge and responsibility of their new political freedom by establishing the machinery and safeguards that insured the continued enslavement of blacks." Franklin 100.

The individual States likewise established the machinery to protect the system of slavery through the promulgation of the Slave Codes, which were designed primarily to defend the property interest of the owner in his slave. The position of the Negro slave as mere property was confirmed by this Court in *Dred Scott* v. *Sandford*, 19 How. 393 (1857), holding that the Missouri Compromise—which prohibited slavery in the portion of the Louisiana Purchase Territory north of Missouri—was unconstitutional because it deprived slave owners of their property without due process. The Court declared that under the Constitution a slave was property, and "[t]he right to traffic in it, like an ordinary article of merchandise and property, was guaranteed to the citizens of the United States . . . ." *Id.*, at 451. The Court further concluded that Negroes were not intended to be included as citizens under the Constitution but were "regarded as beings of an inferior order . . . altogether unfit to associate with the white race, either in social or political relations; and so far inferior, that they had no rights which the white man was bound to respect . . . ." *Id.*, at 407.

B

The status of the Negro as property was officially erased by his emancipation at the end of the Civil War. But the long awaited emancipation, while freeing the Negro from slavery, did not bring him citizenship or equality in any meaningful way. Slavery was replaced by a system of "laws which imposed upon the colored race onerous disabilities and burdens, and curtailed their rights in the pursuit of life, liberty, and property to such an extent that their freedom was of little value." *Slaughter-House Cases*, 16 Wall. 36, 70 (1873). Despite the passage of the Thirteenth, Fourteenth, and Fifteenth Amendments, the Negro was systematically denied the rights those amendments were supposed to secure. The combined actions and inactions of the State and Federal Government maintained Negroes in a position of legal inferiority for another century after the Civil War.

The Southern States took the first steps to re-enslave the Negroes. Immediately following the end of the Civil War, many of the provisional legislatures passed Black Codes, similar to the Slave Codes, which, among other things, limited the rights of Negroes to own or rent property and permitted imprisonment for breach of employment contracts. Over the next several decades, the South managed to disenfranchise the Negroes in spite of the Fifteenth Amendment by various techniques, including poll taxes, deliberately complicated balloting processes, property and literacy qualifications, and finally the white primary.

Congress responded to the legal disabilities being imposed in the Southern States by passing the Reconstruction Acts and the Civil Rights Acts. Congress also responded to the needs of the Negroes at the end of the Civil War by establishing the Bureau of Refugees. Freedmen, and Abandoned Lands, better known as the Freedmen's Bureau, to supply food, hospitals, land and education to the newly freed slaves. Thus for a time it seemed as if the Negro might be protected from the continued denial of his civil rights and might be relieved of the disabilities that prevented him from taking his place as a free and equal citizen.

That time, however, was short-lived. Reconstruction came to a close, and, with the assistance of this Court, the Negro was rapidly stripped of his new civil rights. In the words of C. Vann Woodward: "By narrow and ingenious interpretation [the Supreme Court's] decisions over a period of years had whittled away a great part of the authority presumably given the government for protection of civil rights." Woodward 139.

The Court began by interpreting the Civil War Amendments in a manner that sharply curtailed their substantive protections. See, *e.g., Slaughter-House Cases, supra; United States* v. *Reese*, 92 U.S. 214 (1876); *United States* v. *Cruikshank*, 92 U.S. 542 (1876). Then in the notorious *Civil Rights Cases*, 109 U.S. 3 (1883), the Court strangled Congress' efforts to use its power to promote racial equality. In those cases the Court invalidated sections of the Civil Rights Act of 1875 that made it a crime to deny equal access to "inns, public conveyances . . . theatres, and other places of public amusement." According to the Court, the Fourteenth Amendment gave Congress the power to proscribe only discriminatory action by the State. The Court ruled that the Negroes who were excluded from public places suffered only an invasion of their social rights at the hands of private individuals, and Congress had no power to remedy that. *Id.*, at 24–25. "When a man has emerged from slavery, and by the aid of beneficient legislation has shaken off the inseparable concomitants of that state," the Court concluded, "there must be some stage in the progress of his elevation when he takes the rank of a mere citizen, and ceases to be the special favorite of the laws. . . ." *Id.*, at 25. As Justice Harlan noted in dissent, however, the Civil War Amendments and Civil Rights Acts did not make the Negroes the "special favorite" of the laws but instead "sought to accomplish in reference to that race . . .—what had already been done in every State of the Union for the White race—to secure and protect rights belonging to them as freemen and citizens; nothing more." *Id.*, at 61.

The Court's ultimate blow to the Civil War Amendments and to the equality of Negroes came in *Plessy* v. *Ferguson*, 163 U.S. 537 (1896). In upholding a Louisiana law that required railway companies to provide "equal but separate" accommodations for whites and Negroes, the Court held that the Fourteenth Amendment was not intended "to abolish distinctions based upon color, or to enforce social, as distinguished from political equality, or a commingling of the two races upon terms unsatisfactory to either." *Id.*, at 544. Ignoring totally the realities of the positions of the two races, the Court remarked:

"We consider the underlying fallacy of the plaintiff's argument to consist in the assumption that the enforced separation of the two races stamps the colored race with a badge of inferiority. If this be so, it is not by reason of anything found in the act, but solely because the colored race chooses to put that construction upon it." *Id.*, at 551.

Mr. Justice Harlan's dissenting opinion recognized the bankruptcy of the Court's reasoning. He noted that the "real meaning" of the legislation was "that colored citizens are so inferior and degraded that they cannot be allowed to sit in public coaches occupied by white citizens." *Id.*, at 560. He expressed his fear that if like laws were enacted in other States, "the effect would

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be in the highest degree mischevious." *Id.*, at 563. Although slavery would have disappeared, the States would retain the power "to interfere with the full enjoyment of the blessings of freedom; to regulate civil rights, common to all citizens, upon the basis of race; and to place in a condition of legal inferiority a large body of American citizens. . . ." *Id.*, at 563.

The fears of Mr. Justice Harlan were soon to be realized. In the wage of *Plessy*, many States expanded their Jim Crow laws, which had up until that time been limited primarily to passenger trains and schools. The segregation of the races was extended to residential areas, parks, hospitals, theaters, waiting rooms and bathrooms. There were even statutes and ordinances which authorized separate phone booths for Negroes and whites, which required that textbooks used by children and one race be kept separate from those used by the other, and which required that Negro and white prostitutes be kept in separate districts. In 1898, after *Plessy*, the Charlestown News and Courier printed a parody of Jim Crow laws:

"If there must be Jim Crow cars on the railroads, there should be Jim Crow cars on the street railways. Also on all passenger boats. . . . If there are to be Jim Crow cars, moreover, there should be Jim Crow waiting saloons at all stations, and Jim Crow eating houses. . . . There should be Jim Crow sections of the jury box, and a separate Jim Crow dock and witness stand in every court—and a Jim Crow Bible for colored witnesses to kiss." Woodward 68.

The irony is that before many years had passed, with the exception of the Jim Crow witness stand, "all the improbable applications of the principle suggested by the editor in derision had been put into practice—down to and including the Jim Crow Bible." Woodward 69.

Nor were the laws restricting the rights of Negroes limited solely to the Southern States. In many of the Northern States, the Negro was denied the right to vote, prevented from serving on juries and excluded from theaters, restaurants, hotels, and inns. Under President Wilson, the Federal Government began to require segregation in Government buildings; desks of Negro employees were curtained off; separate bathrooms and separate tables in the cafeterias were provided; and even the galleries of the Congress were segregated. When his segregationist policies were attacked, President Wilson responded that segregation was "not humiliating but a benefit" and that he was "rendering [the Negroes] more safe in their possession of office and less likely to be discriminated against." Kluger 91.

The enforced segregation of the races continued into the middle of the 20th century. In both World Wars, Negroes were for the most part confined to separate military units; it was not until 1948 that an end to segregation in the military was ordered by President Truman. And the history of the exclusion of Negro children from white public schools is too well known and recent to require repeating here. That Negroes were deliberately excluded from public graduate and professional schools—and thereby denied the opportunity to become doctors, lawyers, engineers, and the like—is also well established. It is of course true that some of the Jim Crow laws (which the decisions of this Court had helped to foster) were struck down by this Court in a series of decisions leading up to *Brown* v. *Board of Education of Topeka*, 347 U.S. 483 (1954). See, *e.g.*, *Morgan* v. *Virginia*, 328 U.S. 373 (1946); *Sweatt* v. *Painter*, 339 U.S. 629 (1950); *McLaurin* v. *Oklahoma State Regents*, 339 U.S. 637 (1950). Those decisions, however, did not automatically end segregation, nor did they move Negroes from a position of legal inferiority to one of equality. The legacy of years of slavery and of years of second-class citizenship in the wake of emancipation could not be so easily eliminated.

II

The position of the Negro today in America is the tragic but inevitable consequence of centuries of unequal treatment. Measured by any benchmark of comfort or achievement, meaningful equality remains a distant dream for the Negro.

A Negro child today has a life expectancy which is shorter by more than five years than that of a white child.[2] The Negro child's mother is over three times more likely to die of complications in childbirth,[3] and the infant mortality rate for Negroes is nearly twice that for whites.[4] The median income of the Negro family is only 60% that of the median of a white family,[5] and the percentage of Negroes who live in families with incomes below the poverty line is nearly four times greater than that of whites.[6]

When the Negro child reaches working age, he finds that America offers him significantly less than it offers his white counterpart. For Negro adults, the unemployment rate is twice that of whites,[7] and the unemployment rate for Negro teenagers is nearly three times that of white teenagers.[8] A Negro male who completes four years of college can expect a median annual income of merely $110 more than a white male who has only a high school diploma.[9] Although Negroes represent 11.5% of the population,[10] they are only 1.2% of the lawyers and judges, 2% of the physicians, 2.3% of the dentists, 1.1% of the engineers and 2.6% of the college and university professors.[11]

The relationship between those figures and the history of unequal treatment afforded to the Negro cannot be denied. At every point from birth to death the impact of the past is reflected in the still disfavored position of the Negro.

In the light of the sorry history of discrimination and its devastating impact on the lives of Negroes, bringing the Negro into the mainstream of American life should be a state interest of the highest order. To fail to do so is to ensure that America will forever remain a divided society.

III

I do not believe that the Fourteenth Amendment requires us to accept that fate. Neither its history nor our past cases lend any support to the conclusion that a University may not remedy the cumulative effects of society's discrimination by giving consideration to race in an effort to increase the number and percentage of Negro doctors.

A

This Court long ago remarked that "in any fair and just construction of any section or phrase of these [Civil War] amendments, it is necessary to look to the purpose which we have said was the pervading spirit of them all, the evil which they were designed to remedy . . . ." *Slaughter-House Cases*, 16 Wall., at 72.

It is plain that the Fourteenth Amendment was not intended to prohibit measures designed to remedy the effects of the Nation's past treatment of Negroes. The Congress that passed the Fourteenth Amendment is the same Congress that passed the 1866 Freedmen's Bureau Act, an act that provided many of its benefits only to Negroes. Act of July 16, 1866, ch. 200, 14 Stat. 173; see p. 4, *supra*. Although the Freedmen's Bureau legislation provided aid for refugees, thereby including white persons within some of the relief measures. 14 Stat., at 174; see also Act of Mar. 3, 1865, ch. 90, 13 Stat. 507, the bill was regarded, to the dismay of many Congressmen, as "solely and entirely for the freedmen, and the exclusion of all other persons . . ." Cong. Globe, 39th Cong., 1st Sess., 544 (1866) (remarks of Rep. Taylor). See also *id.*, at 634–635 (remarks of Rep. Ritter); *id.*, at App. 78, 80–81 (remarks of Rep. Chanler). Indeed, the bill was bitterly opposed on the ground that it "undertakes to make the negro in some respects . . . superior . . . and gives them favors that the poor white boy in the North cannot get." *Id.*, at 401, (remarks of Sen. McDougall). See also *id.*, at 319 (remarks of Sen. Hendricks); *id.*, at 362 (remarks of Sen. Saulsbury); *id.*, at 397 (remarks of Sen. Willey); *id.*, at 544 (remarks of Rep. Taylor). The bill's supporters defended it—not by rebutting the claim of special treatment—but by pointing to the need for such treatment:

"The very discrimination it makes between 'destitute and suffering' negroes and destitute and suffering white paupers, proceeds upon the distinction that, in the omitted case, civil rights and immunities are already sufficiently protected by the possession of political power, the absence of which in the case provided for necessitates governmental protection." *Id.*, at 75 (remarks of Rep. Phelps).

Despite the objection to the special treatment the bill would provide for Negroes, it was passed by Congress. *Id.*, at 421, 688. President Johnson vetoed this bill and also a subsequent bill that contained some modifications; one of his principal objections to both bills was that they gave special benefits to Negroes. VIII Messages and Papers of the Presidents 3596, 3599, 3620, 3623 (1866). Rejecting the concerns of the President and the bill's opponents, Congress overrode the President's second veto. Cong. Globe, at 3842, 3850.

Since the Congress that considered and rejected the objections to the 1866 Freedman's Bureau Act concerning special relief to Negroes also proposed the Fourteenth Amendment, it is inconceivable that the Fourteenth Amendment was intended to prohibit all race-conscious relief measures. It "would be a distortion of the policy manifested in that amendment, which was adopted to prevent state legislation designed to perpetuate discrimination on the basis of race or color." *Railway Mail Association* v. *Corsi*, 326 U. S. 88, 94 (1945), to hold that it barred state action to remedy the effects of that discrimination. Such a result would pervert the intent of the framers by substituting abstract equality for the genuine equality the amendment was intended to achieve.

B

As has been demonstrated in our joint opinion, this Court's past cases establish the constitutionality of race-conscious remedial measures. Beginning with the school desegregation cases, we recognized that even absent a judicial or legislative finding of constitutional violation, a school board constitutionally could consider the race of students in making school assignment decisions. See *Swann* v. *Charlotte-Mecklenberg Board of Education*, 402 U. S. 1, 16 (1971); *McDaniel* v. *Barresi*, 402 U. S. 39, 41 (1971). We noted, moreover, that a "flat prohibition against assignment of students for the purpose of creating a racial balance must inevitably conflict with the duty of school authorities to disestablish dual school systems. As we have held in *Swann*, the Constitution does not compel any particular degree of racial balance or mixing, but when past and continuing constitutional violations are found, some ratios are likely to be useful as starting points in shaping a remedy. An absolute prohibition against use of such a device—even as a starting point—contravenes the implicit command of *Green* v. *County School Board*, 391 U.S. 430 (1968), that all reasonable methods be available to formulate an effective remedy." *Board of Education* v. *Swann*, 402 U. S. 43, 46 (1971).

As we have observed, "[a]ny other approach would freeze the status quo that is the very target of all desegregation processes," *McDaniel* v. *Barresi*, *supra*, at 41.

Only last Term, in *United Jewish Organizations* v. *Carey*, 430 U.S. 144 (1977), we upheld a New York reapportionment plan that was deliberately drawn on the basis of

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race to enhance the electoral power of Negroes and Puerto Ricans; the plan had the effect of diluting the electoral strength of the Hasidic Jewish Community. We were willing in *UJO* to sanction the remedial use of a racial classification even though it disadvantaged otherwise "innocent" individuals. In another case last Term, *Califano* v. *Webster*, 430 U.S. 313 (1977), the Court upheld a provision in the Social Security laws that discriminated against men because its purpose was "'the permissible one of redressing our society's long standing disparate treatment of women.'" *Id.*, at 317, quoting *Califano* v. *Goldfarb*, 430 U.S. 199, 209 n. 8 (1977) (plurality opinion). We thus recognized the permissibility of remedying past societal discrimination through the use of otherwise disfavored classifications.

Nothing in those cases suggests that a university cannot similarly act to remedy past discrimination.[12] It is true that in both *UJO* and *Webster* the use of the disfavored classification was predicated on legislative or administrative action, but in neither case had those bodies made findings that there had been constitutional violations or that the specific individuals to be benefited had actually been the victims of discrimination. Rather, the classification in each of those cases was based on a determination that the group was in need of the remedy because of some type of past discrimination. There is thus ample support for the conclusion that a university can employ race-conscious measures to remedy past societal discrimination, without the need for a finding that those benefited were actually victims of that discrimination.

IV

While I applaud the judgment of the Court that a university may consider race in its admissions process, it is more than a little ironic that, after several hundred years of class-based discrimination against Negroes, the Court is unwilling to hold that a class-based remedy for that discrimination is permissible. In declining to so hold, today's judgment ignores the fact that for several hundred years Negroes have been discriminated against, not as individuals, but rather solely because of the color of their skins. It is unnecessary in 20th century America to have individual Negroes demonstrate that they have been victims of racial discrimination; the racism of our society has been so pervasive that none, regardless of wealth or position, has managed to escape its impact. The experience of Negroes in America has been different in kind, not just in degree, from that of other ethnic groups. It is not merely the history of slavery alone but also that a whole people were marked as inferior by the law. And that mark has endured. The dream of America as the great melting pot has not been realized for the Negro; because of his skin color he never even made it into the pot.

These differences in the experience of the Negro make it difficult for me to accept that Negroes cannot be afforded greater protection under the Fourteenth Amendment where it is necessary to remedy the effects of past discrimination. In the *Civil Rights Cases*, *supra*, the Court wrote that the Negro emerging from slavery must cease "to be the special favorite of the laws." 109 U.S., at 25; see p. 5. *supra*. We cannot in light of the history of the last century yield to that view. Had the Court in that case and others been willing to "do for human liberty and the fundamental rights of American citizenship, what it did . . . for the protection of slavery and the rights of the masters of fugitive slaves," *id.*, at 53 (Harlan, J., dissenting), we would not need now to permit the recognition of any "special wards."

Most importantly, had the Court been willing in 1896, in *Plessy* v. *Ferguson*, to hold that the Equal Protection Clause forbids differences in treatment based on race, we would not be faced with this dilemma in 1978. We must remember, however, that the principle that the "Constitution is color-blind" appeared only in the opinion of the lone dissenter, 163 U.S., at 559. The majority of the Court rejected the principle of color blindness, and for the next 60 years, from *Plessy* to *Brown* v. *Board of Education*, ours was a Nation where, *by law*, an individual could be given "special" treatment based on the color of his skin.

It is because of a legacy of unequal treatment that we now must permit the institutions of this society to give consideration to race in making decisions about who will hold the positions of influence, affluence and prestige in America. For far too long, the doors to those positions have been shut to Negroes. If we are ever to become a fully integrated society, one in which the color of a person's skin will not determine the opportunities available to him or her, we must be willing to take steps to open those doors. I do not believe that anyone can truly look into America's past and still find that a remedy for the effects of that past is impermissible.

It has been said that this case involves only the individual. Bakke, and this University. I doubt, however, that there is a computer capable of determining the number of persons and institutions that may be affected by the decision in this case. For example, we are told by the Attorney General of the United States that at least 27 federal agencies have adopted regulations requiring recipients of federal funds to take *"affimative action* to overcome the effects of conditions which resulted in limiting participation . . . by persons of a particular race, color, or national origin." Supplemental Brief for the United States as *Amicus Curiae* 16 (emphasis added). I cannot even guess the number of state and local governments that have set up affirmative action programs, which may be affected by today's decision.

I fear that we have come full circle. After the Civil War our government started several "affirmative action" programs. This Court in the *Civil Rights Cases* and *Plessy* v. *Ferguson* destroyed the movement toward complete equality. For almost a century no action was taken, and this nonaction was with the tacit approval of the courts. Then we had *Brown* v. *Board of Education* and the Civil Rights Acts of Congress, followed by numerous affirmative action programs. *Now*, we have this Court again stepping in, this time to stop affirmative action programs of the type used by the University of California.

FOOTNOTES

[1] The history recounted here is perhaps too well known to require documentation. But I must acknowledge the authorities on which I rely in retelling it. J. H. Franklin, From Slavery to Freedom (4th ed. 1974) (hereinafter Franklin); R. Kluger, Simple Justice (1975) (hereinafter Kluger); C. V. Woodward, The Strange Career of Jim Crow (3rd ed. 1974) (hereinafter Woodward).

[2] U.S. Dept. of Commerce, Bureau of the Census, Statistical Abstract of the United States 65 (1977) (table 94).

[3] *Id.*, at 70 (table 102).

[4] *Ibid.*

[5] U.S. Dept. of Commerce, Bureau of the Census. Current Population Reports, Series P–60, No. 107, at 7 (1977) (table 1).

[6] *Id.*, at 20 (table 14).

[7] U.S. Dept. of Labor, Bureau of Labor Statistics, Employment and Earnings, January 1978, at 170 (table 44)

[8] *Ibid.*

[9] U.S. Dept. of Commerce, Bureau of the Census, Current Population Reports, Series P–60, No. 105, at 198 (1977) (table 47).

[10] U.S. Dept. of Commerce, Bureau of the Census. Statistical Abstract of the United States 25 (table 24).

[11] *Id.*, at 407–408 (table 662) (based on 1970 census).

[12] Indeed the action of the University finds support in the regulations promulgated under Title VI by the Department of Health, Education, and Welfare and approved by the President, which authorize a federally funded institution to take affirmative steps to overcome past discrimination against groups even where the institution was not guilty of prior discrimination. 45 CFR § 80.3 (b) (6) (ii).

Supreme Court of the United States—No. 76–811

REGENTS OF THE UNIVERSITY OF CALIFORNIA, PETITIONER, v. ALLAN BAKKE, ON WRIT OF CERTIORARI TO THE SUPREME COURT OF CALIFORNIA

(June 28, 1978)

Separate opinion of Mr. JUSTICE WHITE.

I write separately concerning the question of whether Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d *et seq.*, provides for a private cause of action. Four Justices are apparently of the view that such a private cause of action exists, and four Justices assume it for purposes of this case. I am unwilling merely to assume an affirmative answer. If in fact no private cause of action exists, this Court and the lower courts as well are without jurisdiction to consider respondent's Title VI claim. As I see it, if we are not obliged to do so, it is at least advisable to address this threshold jurisdictional issue. See *United States* v. *Griffin*, 303 U.S. 226, 229 (1938).[1] Furthermore, just as it is inappropriate to address constitutional issues without determining whether statutory grounds urged before us are dispositive, it is at least questionable practice to adjudicate a novel and difficult statutory issue without first considering whether we have jurisdiction to decide it. Consequently, I address the question of whether respondent may bring suit under Title VI.

In *Lau* v. *Nichols*, 414 U.S. 563 (1974), we did adjudicate a Title VI claim brought by a class of individuals. But the existence of a private cause of action was not at issue. In addition, the understanding of MR. JUSTICE STEWART's concurring opinion, which observed that standing was not being contested, was that the standing alleged by petitioners was as third-party beneficiaries of the funding contract between the Department of Health, Education, and Welfare and the San Francisco United School District, a theory not alleged by the present respondent. *Id.*, at 571 n. 2. Furthermore, the plaintiffs in *Lau* alleged jurisdiction under 42 U.S.C. § 1983 rather than directly under the provisions of Title VI, as does the plaintiff in this case. Although the Court undoubtedly had an obligation to consider the jurisdictional question, this is surely not the first instance in which the Court has bypassed a jurisdictional problem not presented by the parties. Certainly the Court's silence on the jurisdictional question, when considered in the context of the indifference of the litigants to it and the fact that jurisdiction was alleged under § 1983, does not foreclose a reasoned conclusion that Title VI affords no private cause of action.

A private cause of action under Title VI would, in terms both of the Civil Rights Act as a whole and that title, not be "consistent with the underlying purposes of the legislative scheme" and contrary to the legislative intent. *Cort* v. *Ash*, 422 U.S. 66, 78 (1975). Title II. 42 U.S.C. § 2000a *et seq.*, dealing with public accommodations, and Title VII, 42 U.S.C. § 2000e *et seq.*, dealing with employment, proscribe private discriminatory conduct that as of 1964 neither the Constitution nor other federal statutes had been construed to forbid. Both titles carefully provided for private actions as well as for official participation in enforcement. Title III, 42 U.S.C. § 2000b *et seq.*, and Title IV, 42 U.S.C. § 2000c *et seq.*, dealing with public facilities and public education, respectively, authorized suits by the Attorney General to

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eliminate racial discrimination in these areas. Because suits to end discrimination in public facilities and public education were already available under 42 U.S.C. § 1983, it was, of course, unnecessary to provide for private actions under Titles III and IV. But each title carefully provided that its provisions for public actions would not adversely affect pre-existing private remedies. §§ 2000 b–2 and 2000c–8.

The role of Title VI was to terminate federal financial support for public and private institutions or programs that discriminated on the basis of race. Section 601, 42 U.S.C. § 2000d, imposed the proscription that no person, on the grounds of race, color or national origin, was to be excluded from or discriminated against under any program or activity receiving federal financial assistance. But there is no express provision for private actions to enforce Title VI, and it would be quite incredible if Congress, after so carefully attending to the matter of private actions in other titles of the Act, intended silently to create a private cause of action to enforce Title VI.

It is also evident from the face of § 602, 42 U.S.C. § 2000d–1, that Congress intended the departments and agencies to define and to refine, by rule or regulation, the general proscription of § 601, subject only to judicial review of agency action in accordance with established procedures. Section 602 provides for enforcement: every federal department or agency furnishing financial support is to implement the proscription by appropriate rule or regulation, each of which requires approval by the President. Termination of funding as a sanction for noncompliance is authorized but *only* after a hearing and after the failure of voluntary means to secure compliance. Moreover, termination may not take place until the department or agency involved files with the appropriate committees of the House and Senate a full written report of the circumstanecs and the grounds for such action and 30 days have elapsed thereafter. Judicial review was provided, at least for actions terminating financial assistance.

Termination of funding was regarded by Congress as a serious enforcement step, and the legislative history is replete with assurances that it would not occur until every possibility for conciliation had been exhausted.[2] To allow a private individual to sue to cut off funds under Title VI would compromise these assurances and short circuit the procedural preconditions provided in Title VI. If the Federal Government may not cut off funds except pursuant to an agency rule, approved by the President, and presented to the appropriate committee of Congress for a layover period, and after voluntary means to achieve compliance have failed, it is inconceivable that Congress intended to permit individuals to circumvent these administrative prerequisites themselves.

Furthermore, although Congress intended Title VI to end federal financial support for racially discriminatory policies of not only public but also private institutions and programs, it is extremely unlikely that Congress, without a word indicating that it intended to do so, contemplated creating an independent, private statutory cause of action against all private as well as public agencies that might be in violation of the section. There is no doubt that Congress regarded private litigation as an important tool to attack discriminatory practices. It does not at all follow, however, that Congress anticipated new private actions under Title VI itself. Wherever a discriminatory program was a public undertaking, such as a public school, private remedies were already available under other statutes, and a private remedy under Title VI was unnecessary. Congress was well aware of this fact. Significantly, there was frequent reference to *Simkins* v. *Moses H. Cone Memorial Hospital*, 323 F. 2d 959 (CA4 1963), cert. denied, 376 U.S. 938 (1964), throughout the congressional deliberations. See, *e.g.*, 110 Cong. Rec. 6544 (Sen. Humphrey). *Simkins* held that under appropriate circumstances, the operation of a private hospital with "massive use of public funds and extensive state-federal sharing in the common plan" constituted "state action" for the purposes of the Fourteenth Amendment. *Id.*, at 967. It was unnecessary, of course, to create a Title VI private action against private discriminators where they were already within the reach of existing private remedies. But when they were not—and *Simkins* carefully disclaimed holding that "every subvention by the federal or state government automatically involves the beneficiary in 'state action,'" *ibid.*[3]—it is difficult to believe that Congress *silently* created a *private* remedy to terminate conduct that previously had been entirely beyond the reach of feredal law.

For those who believe, contrary to my views, that Title VI was intended to create a stricter sense of color blindness than the Constitution itself requires, the result of no private cause of action follows even more readily. In that case Congress must be seen to have banned degrees of discrimination, as well as types of discriminators, not previously reached by law. A Congress careful enough to provide that existing private causes of action would be preserved (in Titles III and IV) would not leave for inference a vast new extension of private enforcement power. And a Congress so exceptionally concerned with the satisfaction of procedural preliminaries before confronting fund recipients with the choice of a cut-off or of stopping discriminating would not permit private parties to pose precisely that same dilemma in a greatly widended category of cases with no procedural requirements whatsoever.

Significantly, in at least three instances legislators who played a major role in the passage of Title VI explicitly stated that a private right of action under Title VI does not exist.[4] As an "indication of legislative intent, explicit or implicit, either to create such a remedy or to deny one," *Cort* v. *Ash*, 422 U.S. 66, 78 (1975), clearer statements cannot be imagined, and under *Cort*, "an explicit purpose to deny such cause of action [is] controlling." *Id.*, at 82. Senator Keating, for example, proposed a private "right to sue" for the "person suffering from discrimination"; but the Department of Justice refused to include it, and the Senator acquiesced.[5] These are not neutral, ambiguous statement. They indicate the absence of a legislative intent to create a private remedy. Nor do any of these statements make nice distinctions between a private cause of action to enjoin discrimination and one to cut off funds, as MR. JUSTICE STEVENS and the three Justices who join his opinion apparently would. See n. 26 of the opinion of MR. JUSTICE STEVENS. Indeed, it would be odd if they did, since the practical effect of either type of private cause of action would be identical. If private suits to enjoin conduct allegedly violative of § 601 were permitted, recipients of federal funds would be presented with the choice of either ending what the court, rather than the agency, determined to be a discriminatory practice within the meaning of Title VI or refusing federal funds and thereby escaping from the statutes jurisdictional predicate.[6] This is precisely the same choice which would confront recipients if suit was brought to cut off funds. Both types of action would equally jeopardize the administrative processes so carefully structured into the law.

This Court has always required "that the inference of such a private cause of action not otherwise authorized by statute must be consistent with the evident legislative intent and, of course, with the effectuation of the purposes intended to be served by the Act." *National Railroad Passenger Corp.* v. *National Association of Railroad Passengers*, 414 U.S. 453, 458 (1974). See also *Securities Investors Protection Corp.* v. *Barbour*, 421 U.S. 412, 418–420 (1975). A private cause of action under title VI is unable to satisfy either prong of this test.

Because each of my colleagues either has a different view or assumes a private cause of action, however, the merits of the title VI issue must be addressed. My views in that regard, as well as my views with respect to the equal protection issue, are included in the joint opinion of BRENNAN, WHITE, MARSHALL, and BLACKMUN, JJ.[7]

FOOTNOTES

[1] It is also clear from *Griffin* that "lack of jurisdiction . . . touching the subject matter of the litigation cannot be waived by the parties. . . ." 303 U.S. at 229. See also *Mount Healthy City Bd. of Educ.* v. *Doyle*, 429 U.S. 274, 278 (1977); *Louisville & Nashville R. Co.* v. *Motley*, 211 U.S. 149, 152 (1908); *Mansfield, Coldwater & Lake Michigan R. Co.* v. *Swan*, 111 U.S. 379, 382 (1884).

[2] "Yet, before that principle [that 'Federal funds are not to be used to support racial discrimination'] is implemented to the detriment of any person, agency, or State, regulations giving notice of what conduct is required must be drawn up by the agency administering the program. . . . Before such regulations become effective, they must be submitted to and approved by the President.

"Once having become effective, there is still a long road to travel before any sanction whatsoever is imposed. Formal action to compel compliance can only take place after the following has occurred; first, there must be an unsuccessful attempt to obtain voluntary compliance; second, there must be an administrative hearing; third, a written report of the circumstances and the grounds for such action must be filed with the appropriate committees of the House and Senate; and fourth, 30 days must have elapsed between such filing and the action denying benefits under a Federal program. Finally, even that action is by no means final because it is subject to judicial review and can be further postponed by judicial action granting temporary relief pending review in order to avoid irreparable injury. It would be difficult, indeed to concoct any additional safeguards to incorporate in such a procedure." 110 Cong. Rec. 6749 (Sen. Moss).

"[T]he authority to cut off funds is hedged about with a number of procedural restrictions. [There follows details of the preliminary steps.] In short, title VI is a reasonable, moderate, cautious, carefully worked out solution to a situation that clearly calls for legislative action." *Id.*, at 6544 (Sen. Humphrey). "Actually, *no action whatsoever* can be taken against anyone until the Federal agency involved has advised the appropriate person of his failure to comply with nondiscrimination requirements and until voluntary efforts to secure compliance have failed." *Id.*, at 1519 (Rep. Celler) (emphasis added). See also remarks of Sen. Ribicoff (*id.*, at 7066–7067); Sen. Proxmire (*Id.*, at 8345); Sen. Kuchel (*id.*, at 6562). These safeguards were incorporated into 42 U. S. C. § 2000d-1 (1970).

[3] This Court has never held that the mere receipt of federal or state funds is sufficient to make the recipient a federal or state actor. In *Norwood* v. *Harrison*, 413 U.S. 455 (1973), private schools that received state aid were held subject to the Fourteenth Amendment's ban on discrimination, but the Court's test required "tangible financial aid" with a "significant tendency to facilitate, reinforce, and support private discrimination." *Id.*, at 466. The mandate of *Burton* v. *Wilmington Parking Authority*, 365 U.S. 715, 722 (1961), to sift facts and weigh circumstances of governmental support in each case to determine whether private or state action was involved, has not been

abandoned for an automatic rule based on receipt of funds.

Contemporaneous with the congressional debates on the Civil Rights Act was this Court's decision in *Griffin* v. *School Board*, 377 U.S. 218 (1964). Tuition grants and tax concessions were provided for parents of students in private schools, which discriminated racially. The Court found sufficient state action, but carefully limited its holding to the circumstances presented: "closing the Prince Edward schools and meanwhile contributing to the support of the private segregated white school that took their place denied petitioners the equal protection of the laws." *Id.*, at 232.

Hence, neither at the time of the enactment of Title VI, nor at the present time to the extent this Court has spoken, has mere receipt of state funds created state action. Moreover, *Simkins* has not met with universal approval among the circuit courts of appeals. See cases cited in *Greco* v. *Orange Memorial Hospital*, 423 U.S. 1000, 1004 (1975) (WHITE, J., dissenting from denial of certiorari).

[4] "Nowhere in this section do you find a comparable right of legal action for a person who feels he has been denied his rights to participate in the benefits of Federal funds. Nowhere. Only those who have been cut off can go to court and present their claim." 110 Cong. Rec. 2467 (Rep. Gill). "[A] good case could be made that a remedy is provided for the State or local official who is practicing discrimination, but none is provided for the victim of the discrimination." *Id.*, at 6562 (Sen. Kuchel).

"Parenthetically, while we favored the inclusion of the right to sue on the part of the agency, the State, or the facility which was deprived of Federal funds, we also favored the inclusion of a provision granting the right to sue to the person suffering from discrimination. This was not included in the bill. However, both the Senator from Connecticut and I are grateful that our other suggestions were adopted by the Justice Department." *Id.*, at 7065 (Sen. Keating).

[5] *Ibid.*

[6] As Senator Ribicoff stated, "Sometimes those eligible for Federal assistance may elect to reject such aid, unwilling to agree to a nondiscrimination requirement. If they choose that course, the responsibility is theirs." *Id.* at 7067.

[7] I also join parts I, III–A, and V–C of Mr. JUSTICE POWELL's opinion.

[Supreme Court of the United States—No. 76–811]

REGENTS OF THE UNIVERSITY OF CALIFORNIA, PETITIONER, v. ALLAN BAKKE

On Writ of Certiorari to the Supreme Court of California

(June 28, 1978)

MR. JUSTICE STEVENS, with whom THE CHIEF JUSTICE, MR. JUSTICE STEWART, and MR. JUSTICE REHNQUIST join, concurring in the judgment in part and dissenting in part.

It is always important at the outset to focus precisely on the controversy before the Court.[1] It is particularly important to do so in this case because correct identification of the issues will determine whether it is necessary or appropriate to express any opinion about the legal status of any admissions program other than petitioner's.

I

This is not a class action. The controversy is between two specific litigants. Allan Bakke challenged petitioner's special admissions program, claiming that it denied him a place in medical school because of his race in violation of the Federal and California Constitutions and of Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d *et seq.* The California Supreme Court upheld his challenge and ordered him admitted. If the state court was correct in its view that the University's special program was illegal, and that Bakke was therefore unlawfully excluded from the medical school because of his race, we should affirm its judgment, regardless of our views about the legality of admissions programs that are not now before the Court.

The judgment as originally entered by the trial court contained four separate paragraphs, two of which are of critical importance.[2] Paragraph 3 declared that the University's special admissions program violated the Fourteenth Amendment, the State Constitution, and Title VI. The trial court did not order the University to admit Bakke because it concluded that Bakke had not shown that he would have been admitted if there had been no special program. Instead, in paragraph 2 of its judgment it ordered the University to consider Bakke's application for admission without regard to his race or the race of any other applicant. The order did not include any broad prohibition against any use of race in the admissions process; its terms were clearly limited to the University's consideration of *Bakke*'s application.[3] Because the University has since been ordered to admit Bakke, paragraph 2 of the trial court's order no longer has any significance.

The California Supreme Court, in a holding that is not challenged, ruled that the trial court incorrectly placed the burden on Bakke of showing that he would have been admitted in the absence of discrimination. The University then conceded "that it [could] not meet the burden of proving that the special admission program did not result in Bakke's exclusion."[4] Accordingly, the California Supreme Court directed the trial court to enter judgment ordering Bakke's admission.[5] Whether the judgment of the state court is affirmed or reversed, in whole or in part, there is no outstanding injunction forbidding any consideration of racial criteria in processing applications.

It is therefore perfectly clear that the question whether race can ever be used as a factor in an admission decision is not an issue in this case, and that discussion of that issue is inappropriate.[6]

II

Both petitioner and respondent have asked us to determine the legality of the University's special admissions program by reference to the Constitution. Our settled practice, however, is to avoid the decision of a constitutional issue if a case can be fairly decided on a statutory ground. "If there is one doctrine more deeply rooted than any other in the process of constitutional adjudication, it is that we ought not to pass on questions of constitutionality . . . unless such adjudication is unavoidable." *Spector Motor Co.* v. *McLaughlin*, 323 U.S. 101, 105.[7] The more important the issue, the more force there is to this doctrine.[8] In this case, we are presented with a constitutional question of undoubted and unusual importance. Since, however, a dispositive statutory claim was raised at the very inception of this case, and squarely decided in the portion of the trial court judgment affirmed by the California Supreme Court, it is our plain duty to confront it. Only if petitioner should prevail on the statutory issue would it be necessary to decide whether the University's admissions program violated the Equal Protection Clause of the Fourteenth Amendment.

III

Section 601 of the Civil Rights Act of 1964 provides:

"No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance."

The University, through its special admissions policy, excluded Bakke from participation in its program of medical education because of his race. The University also acknowledges that it was, and still is, receiving federal financial assistance.[9] The plain language of the statute therefore requires affirmance of the judgment below. A different result cannot be justified unless that language misstates the actual intent of the Congress that enacted the statute or the statute is not enforceable in a private action. Neither conclusion is warranted.

Title VI is an integral part of the far-reaching Civil Rights Act of 1964. No doubt, when this legislation was being debated, Congress was not directly concerned with the legality of "reverse discrimination" or "affirmative action" program. Its attention was focused on the problem at hand, "the glaring . . . discrimination against Negroes which exists throughout our Nation."[10] and, with respect to Title VI, the federal funding of segregated facilities.[11] The genesis of the legislation, however, did not limit the breadth of the solution adopted. Just as Congress responded to the problem of employment discrimination by enacting a provision that protects all races, see *McDonald* v. *Santa Fe Trail Transportation Co.*, 427 U.S. 273, 279,[12] so too its answer to the problem of federal funding of segregated facilities stands as a broad prohibition against the exclusion of *any* individual from a federally funded program "on the ground of race." In the words of the House Report, Title VI stands for "the general principle that *no person* . . . be excluded from participation . . . on the ground of race, color or national origin under any program or activity receiving Federal financial assistance." H.R. Rep. No. 914, Part I, 88th Cong., 1st Sess., 25 (1963) (emphasis added). This same broad view of Title VI and § 601 was echoed throughout the congressional debate and was stressed by every one of the major spokesmen for the Act.[13]

Petitioner contends, however, that exclusion of applicants on the basis of race does not violate Title VI if the exclusion carries with it no racial stigma. No such qualification or limitation of § 601's categorical prohibition of "exclusion" is justified by the statute or its history. The language of the entire section is perfectly clear; the words that follow "excluded from" do not modify or qualify the explicit outlawing of any exclusion on the stated grounds.

The legislative history reinforces this reading. The only suggestion that § 601 would allow exclusion of nonminority applicants came from opponents of the legislation and then only by way of a discussion of the meaning of the word "discrimination."[14] The opponents feared that the term "discrimination" would be read as mandating racial quotas and "racially balanced" colleges and universities, and they pressed for a specific definition of the term in order to avoid this possibility.[15] In response, the proponents of the legislation gave repeated assurances that the Act would be "colorblind" in its application.[16] Senator Humphrey, the Senate floor manager for the Act, expressed this position as follows:

"[T]he word 'discrimination' has been used in many a court case. What it really means in the bill is a distinction in treatment . . . given to different individuals because of their different race, religion or national origin. . . .

"The answer to this question [what was meant by 'discrimination'] is that if race is not a factor, we do not have to worry about discrimination because of race. . . . The Internal Revenue Code does not provide that colored people do not have to pay taxes, or that they can pay their taxes 6 months later than everybody else." 110 Cong. Rec. 5864.

"[I]f we started to treat Americans as Americans, not as fat ones, short ones, tall ones, brown ones, green ones, yellow ones or white ones, but as Americans. If we did that we would not need to worry about discrimination." 110 Cong. Rec. 5866.

Footnotes at end of article.

In giving answers such as these, it seems clear that the proponents of Title VI assumed that the Constitution itself required a colorblind standard on the part of government,[17] but that does not mean that the legislation only codifies an existing constitutional prohibition. The statutory prohibition against discrimination in federally funded projects contained in § 601 is more than a simple paraphrasing of what the Fifth or Fourteenth Amendment would require. The Act's proponents plainly considered Title VI consistent with their view of the Constitution and they sought to provide an effective weapon to implement that view.[18] As a distillation of what the supporters of the Act believed the Constitution demanded of State and Federal Governments, § 601 has independent force, with language and emphasis in addition to that found in the Constitution.[19]

As with other provisions of the Civil Rights Act, Congress expression of its policy to end racial discrimination may independently proscribe conduct that the Constitution does not.[20] However, we need not decide the congruence—or lack of congruence—of the controlling statute and the Constitution since the meaning of the Title VI ban on exclusion is crystal clear: Race cannot be the basis of excluding anyone from participation in a federally funded program.

In short, nothing in the legislative history justifies the conclusion that the broad language of § 601 should not be given its natural meaning. We are dealing with a distinct statutory prohibition, enacted at a particular time with particular concerns in mind; neither its language nor any prior interpretation suggests that its place in the Civil Rights Act, won after long debate, is simply that of a constitutional appendage.[21] In unmistakable terms the Act prohibits the exclusion of individuals from federally funded programs because of their race.[22] As succinctly phrased during the Senate debate, under Title VI it is not "permissible to say 'yes' to one person, but to say 'no' to another person, only because of the color of his skin." [23]

Belatedly, however, petitioner argues that Title VI cannot be enforced by a private litigant. The claim is unpersuasive in the context of this case. Bakke requested injunctive and declaratory relief under Title VI; petitioner itself then joined issue on the question of the legality of its program under Title VI by asking for a declaratory judgment that it was in compliance with the statute.[24] Its view during state-court litigation was that a private cause of action does exist under Title VI. Because petitioner questions the availability of a private cause of action for the first time in this Court, the question is not properly before us. See *McGoldrick* v. *Campagnie Generale Transatlantique*, 309 U.S. 430, 434. Even if it were, petitioner's original assumption is in accord with the federal courts' consistent interpretation of the Act. To date, the courts, including this Court, have unanimously concluded or assumed that a private action may be maintained under Title VI.[25] The United States has taken the same position; in its *amicus curiae* brief directed to this specific issue, it concluded that such a remedy is clearly available,[26] and Congress has repeatedly enacted legislation predicated on the assumption that Title VI may be enforced in a private action.[27] The conclusion that an individual may maintain a private cause of action is amply supported in the legislative history of Title VI itself.[28] In short, a fair consideration of petitioner's tardy attack on the propriety of Bakke's suit under Title VI requires that it be rejected.

The University's special admissions program violated Title VI of the Civil Rights Act of 1964 by excluding Bakke from the medical school because of his race. It is therefore our duty to affirm the judgment ordering Bakke admitted to the University.

Accordingly, I concur in the Court's judgment insofar as it affirms the judgment of the Supreme Court of California. To the extent that it purports to do anything else, I respectfully dissent.

FOOTNOTES

[1] Four Members of the Court have undertaken to announce the legal and constitutional effect of this Court's judgment. See opinion of JUSTICES BRENNAN, WHITE, MARSHALL, and BLACKMUN, *ante*, at 1–2. It is hardly necessary to state that only a majority can speak for the Court or determine what is the "central meaning" of any judgment of the Court.

[2] The judgment first entered by the trial court read, in its entirety, as follows:

"IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

"1. Defendant, the Regents of the University of California, have judgment against plaintiff, Allan Bakke, denying the mandatory injunction requested by plaintiff ordering his admission to the University of California at Davis Medical School;

"2. That plaintiff is entitled to have his application for admission to the medical school considered without regard to his race or the race of any other applicant, and defendants are hereby restrained and enjoined from considering plaintiff's race or the race of any other applicant in passing upon his application for admission;

"3. Cross-defendant Allan Bakke have judgment against cross-complainant, the Regents of the University of California, declaring that the special admissions program at the University of California at Davis Medical School violates the Fourteenth Amendment to the United States Constitution, Article 1, Section 21 of the California Constitution, and the Federal Civil Rights Act [42 U.S.C. § 2000d];

"4. That plaintiff have and recover his court costs incurred herein in the sum of $217.35." Appendix to Petition for Writ of Certiorari, at 120a.

[3] In paragraph 2 the trial court ordered that "plaintiff [Bakke] is entitled to have *his* application for admission to the medical school considered without regard to *his* race or the race of any other applicant; and defendants are hereby restrained and enjoined from considering *plaintiff's* race or the race of any other applicant in passing upon *his* application for admission." See n. 2, *supra* (emphasis added). The only way in which this order can be broadly read as prohibiting any use of race in the admissions process, apart from Bakke's application, is if the final "his" refers to "any other applicant." But the consistent use of the pronoun throughout the paragraph to refer to Bakke makes such a reading entirely unpersuasive, as does the failure of the trial court to suggest that it was issuing relief to applicants who were not parties to the suit.

[4] Appendix B to Application for Stay, at 19–20.

[5] 18 Cal. 3d 34, 64, 553 P. 2d 1152, 1172 (1976). The judgment of the Supreme Court of the State of California affirms only paragraph 3 of the trial court's judgment. The Supreme Court's judgment reads as follows: "IT IS ORDERED, ADJUDGED, AND DECREED *by the Court that the* judgment *"of the Superior Court County of* Yolo *"in the above-entitled cause,* is *hereby* affirmed insofar as it determines that the special admission program is invalid; the judgment is reversed insofar as it denies Bakke an injunction ordering that he be admitted to the University, and the trial court is directed to enter judgment ordering Bakke to be admitted.

"Bakke shall recover his costs on these appeals."

[6] "This Court . . . reviews judgments, not statements in opinions." *Black* v. *Cutter Laboratories*, 351 U.S. 292, 297.

[7] "From *Hayburn's Case*, 2 Dall. 409, to *Alma Motor Co.* v. *Timken-Detroit Axle Co.* and the Hatch Act case decided this term, this Court has followed a policy of strict necessity in disposing of constitutional issues. The earliest exemplifications, too well known for repeating the history here, arose in the Court's refusal to render advisory opinions and in applications of the related jurisdictional policy drawn from the case and controversy limitation. U.S. Const., Art. III. . . .

"The policy, however, has not been limited to jurisdictional determinations. For, in addition, 'the Court [has] developed, for its own governance in the cases confessedly within its jurisdiction, a series of rules under which it has avoided passing upon a large part of all the constitutional questions pressed upon it for decision.' Thus, as those rules were listed in support of the statement quoted, constitutional issues affecting legislation will not be determined in friendly, nonadversary proceedings; in advance of the necessity of deciding them; in broader terms than are required by the precise facts to which the ruling is to be applied; if the record presents some other ground upon which the case may be disposed of; at the instance of one who fails to show that he is injured by the statute's operation, or who has availed himself of its benefits; or if a construction of the statute is fairly possible by which the question may be avoided." *Rescue Army* v. *Municipal Court*, 331 U.S. 549, 568–569 (footnotes omitted). See also *Ashwander* v. *TVA*, 297 U.S. 288, 346–348 (Brandeis, J., concurring).

[8] The doctrine reflects both our respect for the Constitution as an enduring set of principles and the deference we owe to the Legislative and Executive Branches of Government in developing solutions to complex social problems. See A. Bickel, The Least Dangerous Branch, 131.

[9] Record, at 29.

[10] H.R. Rep. No. 94, Part I, 88th Cong., 1st Sess., 18 (1963).

[11] It is apparent from the legislative history that the immediate object of Title VI was to prevent federal funding of segregated facilities. See *e.g.*, 110 Cong. Rec. 1521 (remarks of Rep. Celler); *id.*, at 6544 (remarks of Sen. Humphrey).

[12] In *McDonald* v. *Santa Fe Trail*, the Court held that "Title VII prohibits racial discrimination against . . . white petitioners . . . upon the same standards as would be applicable were they Negroes . . . ." 427 U.S., at 280. Quoting from our earlier decision in *Griggs* v. *Duke Power Co.*, 401 U.S. 424, 431, the Court reaffirmed the principle that the statute "prohibit[s] '[d]iscriminatory preference for *any* [racial] group, *minority or majority.*'" 427 U.S., at 279 (emphasis in original).

[13] See, *e.g.*, 110 Cong. Rec. 1520 (remarks of Rep. Celler); *id.*, at 5864 (remarks of Sen. Humphrey); *id.*, at 6561 (remarks of Sen. Kuchel); *id.*, at 7055 (remarks of Sen. Pastore) (Representative Celler and Senator Humphrey were the House and Senate floor managers for the entire Civil Rights Act, and Senators Kuchel and Pastore were the minority and majority Senate floor managers for Title VI.)

[14] Representative Abernethy's comments were typical:

"Title VI has been aptly described as the most harsh and unprecedented proposal contained in the bill. . . . It is aimed toward eliminating discrimination in federally assisted programs. It contains no guideposts and no yardsticks as to what might constitute discrimination in carrying out federally aided programs and projects. . . . Presumably the college would have to have a 'racially balanced' staff from the dean's office to the cafeteria. . . . The effect of this title, if enacted into law, will interject race as a factor in every decision involving the selection of an individual. . . . The concept of 'racial imbalance' would hover like a black cloud over every transaction. . . ." 110 Cong. Rec. 1619. See also *e.g.*, *id.*, at 5611–5613 (re-

marks of Sen. Ervin); *id.*, at 9083 (remarks of Sen. Gore).

[15] *E.g.*, *id.*, at 5863, 5874 (remarks of Sen. Eastland).

[16] See, *e. g.*, 110 Cong. Rec. 8346 (remarks of Sen. Proxmire) ("[t]axes are collected from whites and Negroes, and they should be expended without discrimination"); *id.*, at 7055 (remarks of Sen. Pastore) ("[Title VI] will guarantee that the money collected by colorblind tax collectors will be distributed by Federal and State administrators who are equally colorblind"); and *id.*, at 6543 (remarks of Sen. Humphrey) ("[s]imple justice requires that public funds, to which all taxpayers of all races contribute, not be spent in any fashion which encourages, entrenches, subsidizes, or results in racial discrimination") (quoting from President Kennedy's Message to Congress, June 19, 1963).

[17] See, *e. g.*, 110 Cong. Rec. 5253 (remarks of Sen. Humphrey); and *id.*, at 7102 (remarks of Sen. Javits). The parallel between the prohibitions of Title VI and those of the Constitution was clearest with respect to the immediate goal of the Act—an end to federal funding of "separate but equal" facilities.

[18] "As in *Monroe* [v. *Pape*], we have no occasion here to 'reach the constitutional question whether Congress has the power to make municipalities liable for acts of its officers that violate the civil rights of individuals.' 365 U.S., at 191. For in interpreting the statute it is not our task to consider whether Congress was mistaken in 1871 in its view of the limits of its power over municipalities; rather, we must construe the statute in light of the impressions under which Congress did in fact act, see *Ries* v. *Lynskey*, 425 F.2d, at 175." *Moor* v. *County of Alameda*, 411 U.S. 693, 709.

[19] Both Title VI and Title VII express Congress' belief that, in the long struggle to eliminate social prejudice and the effects of prejudice, the principle of *individual* equality, without regard to race or religion, was one on which there could be a "meeting of the minds" among all races and a common national purpose. See *City of Los Angeles, Dept. of Power & Water* v. *Manhart*, 46 U.S.L.W. 4347, 4349 ("the basic policy of the statute [Title VII] requires that we focus on fairness to individuals rather than fairness to classes"). This same principle of *individual* fairness is embodied in Title VI.

"The basic fairness of Title VI is so clear that I find it difficult to understand why it should create any opposition. . . .

"Private prejudices, to be sure, cannot be eliminated overnight. However, there is one area where no room at all exists for private prejudices. That is the area of governmental conduct. As the first Mr. Justice Harlan said in his prophetic dissenting opinion in *Plessy* v. *Ferguson*, 163 U.S. 537, 559:

"Our Constitution is colorblind.

"So—I say to Senators—must be our government. . . .

"Title VI closes the gap between our purposes as a democracy and our prejudices as individuals. The cuts of prejudice need healing. The costs of prejudice need understanding. We cannot have hostility between two great parts of our people without tragic loss in our human values. . . .

"Title VI offers a place for the meeting of our minds as to Federal money." 110 Cong. Rec. 7063–7064 (remarks of Sen. Pastore). Of course one of the reasons marshaled in support of the conclusion that Title VI was "non-controversial" was that its prohibition was already reflected in the law. See *id* (remarks of Sen. Pell and Sen. Pastore).

[20] For example, private employees now under duties imposed by Title VII were wholly free from the restraints imposed by the Fifth and Fourteenth Amendments which are directed only to governmental action.

In *Lau* v. *Nichols*, 414 U.S. 563, the Government's brief stressed that "the applicability of Title VI does not depend upon the outcome of the equal protection analysis. . . . [T]he statute independently proscribes the conduct challenged by petitioners and provides a discrete basis for injunctive relief." Brief of the United States as *Amicus Curiae*, at 15. The Court, in turn, rested its decision on Title VI. MR. JUSTICE POWELL takes pains to distinguish *Lau* from the case at hand because the *Lau* decision "rested solely on the statute." *Ante*, at 33. See also *Washington* v. *Davis*, 426 U.S. 229, 238–239; *Allen* v. *State Board of Elections*, 393 U.S. 544, 588 (Harlan, J., concurring and dissenting).

[21] As explained by Senator Humphrey, § 601 expresses a principle imbedded in the constitutional *and moral* understanding of the times.

"The purpose of title VI is to make sure that the funds of the United States are not used to support racial discrimination. *In many instances* the practices of segregation or discrimination, which title VI seeks to end, are unconstitutional. . . . *In all cases*, such discrimination is contrary to national policy, and to the moral sense of the Nation. Thus, title VI is simply designed to insure that Federal funds are spent in accordance with the Constitution and the moral sense of the Nation." 110 Cong. Rec. 6544 (emphasis added).

[22] Petitioner's attempt to rely on regulations issued by HEW for a contrary reading of the statute is unpersuasive. Where no discriminatory policy was in effect, HEW's example of permissible "affirmative action" refers to "special recruitment policies." 45 CFR § 80.5(j). This regulation, which was adopted in 1973, sheds no light on the legality of the admissions program that excluded Bakke in this case.

[23] 110 Cong. Rec. 6047 (remarks of Sen. Pastore).

[24] Record, at 30–31.

[25] See, *e. g.*, *Lau* v. *Nichols*, 414 U. S. 563; *Bossier Parish School Board* v. *Lemon*, 370 F. 2d 847 (CA5 1967), cert. denied, 388 U. S. 911; *Uzzell* v. *Friday*, 547 F. 2d 801 (CA4 1977), opinion on rehearing en banc, 558 F. 2d 727, cert. filed ——; *Serna* v. *Portales*, 499 F. 2d 1147 (CA10 1974); cf. *Chambers* v. *Omaha Public School District*, 536 F. 2d 222, 225 n. (CA8 1976) (indicating doubt over whether a *money judgment* can be obtained under Title VI). Indeed, the government's brief in *Lau* v. *Nichols*, *supra* succinctly expressed this common assumption: "It is settled that petitioners . . . have standing to enforce Section 601 . . . ." Brief of the United States as *Amicus Curiae*, at 13 n. 5.

[26] Supplemental Brief for the United States as *Amicus Curiae*, at 24–34. The government's supplemental brief also suggests that there may be a difference between a private cause of action brought to end a particular discriminatory practice and such an action brought to cut off federal funds. *Id.*, at 28–30. Section 601 is specifically addressed to personal rights, while § 602—the fund cut-off provision—establishes "an elaborate mechanism for *governmental* enforcement by federal agencies." *Id.*, at 28 (emphasis added). Arguably, private enforcement of this "elaborate mechanism" would not fit within the congressional scheme, see separate opinion of Mr. JUSTICE WHITE, *ante*. But Bakke did not seek to cut off the University's federal funding; he sought admission to medical school. The difference between these two courses of action is clear and significant. As the Government itself states:

"[T]he grant of an injunction or a declaratory judgment in a private action would not be inconsistent with the administrative program established by Section 602 . . . . A declaratory judgment or injunction against future discrimination would not raise the possibility that funds would be terminated, and it would not involve bringing the forces of the Executive Branch to bear on state programs; it therefore would not implicate the concern that led to the limitations contained in Section 602." Supplemental Brief, *supra*, at 30 n. 25.

The notion that a private action seeking injunctive or declaratory judgment relief is inconsistent with a federal statute that authorizes termination of funds has clearly been rejected by this Court in prior cases. See *Rosado* v. *Wyman*, 397 U.S. 397, 420.

[27] See 29 U.S.C. § 794 (the Rehabilitation Act of 1973 (in particular, the legislative history discussed in *Lloyd* v. *Regional Transportation Authority*, 548 F. 2nd 1277, 1285–1286 (CA7 1977)); 20 U.S.C. §1617 (attorney fees under the Emergency School Aid Act); and 31 U.S.C. §1244 (private action under the Financial Assistance Act). Of course, none of these subsequent legislative enactments is necessarily reliable evidence of Congress' intent in 1964 in enacting Title VI, and the legislation was not intended to change the existing status of Title VI.

[28] Framing the analysis in terms of the four-part *Cort* v. *Ash* test, see 422 U.S. 66, 78, it is clear that all four parts of the test are satisfied. (1) Bakke's status as a potential beneficiary of a federally funded program definitely brings him within the "class for whose *especial* benefit the statute was enacted," *ibid.* (emphasis in original). (2) A cause of action based on race discrimination has not been "traditionally relegated to state law." *Ibid.* (3) While a few excerpts from the voluminous legislative history suggest that Congress did not intend to create a private cause of action, see opinion of MR. JUSTICE POWELL, *ante*, at 14 n. 18, an examination of the entire legislative history makes it clear that Congress had no intention to foreclose a private right of action. (4) There is ample evidence that Congress considered private causes of action to be consistent with, if not essential to, the legislative scheme. See, *e.g.*, remarks of Senator Ribicoff:

"We come then to the crux of the dispute—how this right [to participate in federally funded programs without discrimination] should be protected. And even this issue becomes clear upon the most elementary analysis. If Federal funds are to be dispensed on a nondiscriminatory basis, the only possible remedies must fall into one of two categories: First, action to end discrimination; or second, action to end the payment of funds. Obviously action to end discrimination is preferable since that reaches the objective of extending the funds on a nondiscriminatory basis. But if the discrimination persists and cannot be effectively terminated, how else can the principle of nondiscrimination be vindicated except by nonpayment of funds?" 110 Cong. Rec. 7065. See also *id.*, at 5090, 6543, 6544 (remarks of Sen. Humphrey); *id.*, at 7103, 12719 (remarks of Sen. Javits); *id.*, at 7062, 7063 (remarks of Sen. Pastore).

The congressional debates thus show a clear understanding that the principle embodied in § 601 involves *personal* Federal rights that administrative procedures would not, for the most part, be able to protect. The analogy to the Voting Rights Act of 1965, 79 Stat. 437, is clear. Both that Act and Title VI are broadly phrased in terms of personal rights ("no person shall be denied . . ."); both Acts were drafted with broad remedial purposes in mind; and the effectiveness of both Acts would be "severely hampered" without the existence of a private remedy to supplement administrative procedures. See *Allen* v. *State Board of Elections*, 393 U.S. 544, 556. In *Allen*, of course, this Court implied a private right of action under the Voting Rights Act.

[Supreme Court of the United States—
No. 76–811]

REGENTS OF THE UNIVERSITY OF CALIFORNIA, PETITIONER, v. ALLAN BAKKE, ON WRIT OF CERTIORARI TO THE SUPREME COURT OF CALIFORNIA

(June 28, 1978)

MR. JUSTICE BLACKMUN.

I participate fully, of course, in the opin-

ion, *ante*, p. ——, that bears the names of my Brothers BRENNAN, WHITE, MARSHALL, and myself. I add only some general observations that hold particular significance for me, and then a few comments on equal protection.

I

At least until the early 1970's, apparently only a very small number, less than 2%, of the physicians, attorneys, and medical and law students in the United States were members of what we now refer to as minority groups. In addition, approximately three-fourths of our Negro physicians were trained at only two medical schools. If ways are not found to remedy that situation, the country can never achieve its professed goal of a society that is not race conscious.

I yield to no one in my earnest hope that the time will come when an "affirmative action" program is unnecessary and is, in truth, only a relic of the past. I would hope that we could reach this stage within a decade at the most. But the story of *Brown* v. *Board of Education*, 347 U.S. 483 (1954), decided almost a quarter of a century ago, suggests that that hope is a slim one. At some time, however, beyond any period of what some would claim is only transitional inequality, the United States must and will reach a stage of maturity where action along this line is no longer necessary. Then persons will be regarded as persons, and discrimination of the type we address today will be an ugly feature of history that is instructive but that is behind us.

The number of qualified, indeed highly qualified, applicants for admission to existing medical schools in the United States far exceeds the number of places available. Wholly apart from racial and ethnic considerations, therefore, the selection process inevitably results in the denial of admission to many *qualified* persons, indeed, to far more than the number of those who are granted admission. Obviously, it is a denial to the deserving. This inescapable fact is brought into sharp focus here because Allan Bakke is not himself charged with discrimination and yet is the one who is disadvantaged, and because the Medical School of the University of California at Davis itself is not charged with historical discrimination.

One theoretical solution to the need for more minority members in higher education would be to enlarge our graduate schools. Then all who desired and were qualified could enter, and talk of discrimination would vanish. Unfortunately, this is neither feasible nor realistic. The vast resources that apparently would be required simply are not available. And the need for more professional graduates, in the strict numerical sense, perhaps has not been demonstrated at all.

There is no particular or real significance in the 84–16 division at Davis. The same theoretical, philosophical, social, legal, and constitutional considerations would necessarily apply to the case if Davis' special admissions program had focused on any lesser number, that is, on 12 or 8 or 4 places or, indeed, on only 1.

It is somewhat ironic to have us so deeply disturbed over a program where race is an element of consciousness, and yet to be aware of the fact, as we are, that institutions of higher learning, albeit more on the undergraduate than the graduate level, have given conceded preferences up to a point to those possessed of athletic skills, to the children of alumni, to the affluent who may bestow their largess on the institutions, and to those having connections with celebrities, the famous, and the powerful.

Programs of admission to institutions of higher learning are basically a responsibility for academicians and for administrators and the specialists they employ. The judiciary, in contrast, is ill-equipped and poorly trained for this. The administration and management of educational institutions are beyond the competence of judges and are within the special competence of educators, provided always that the educators perform within legal and constitutional bounds. For me, therefore, interference by the judiciary must be the rare exception and not the rule.

II

I, of course, accept the propositions that (a) Fourteenth Amendment rights are personal; (b) racial and ethnic distinctions where they are stereotypes are inherently suspect and call for exacting judicial scrutiny; (c) academic freedom is a special concern of the First Amendment; and (d) the Fourteenth Amendment has expanded beyond its original 1868 conception and now is recognized to have reached a point where, as MR. JUSTICE POWELL states, *ante*, p. 24, quoting from the Court's opinion in *McDonald* v. *Santa Fe Trail Transp. Co.*, 427 U.S. 273, 296 (1976), it embraces a "broader principle."

This enlargement does not mean for me, however, that the Fourteenth Amendment has broken away from its moorings and its original intended purposes. Those original aims persist. And that, in a distinct sense, is what "affirmative action," in the face of proper facts, is all about. If this conflicts with idealistic equality, that tension is original Fourteenth Amendment tension, constitutionally conceived and constitutionally imposed, and it is part of the Amendment's very nature until complete equality is achieved in the area. In this sense, constitutional equal protection is a shield.

I emphasize in particular that the decided cases are not easily to be brushed aside. Many, of course, are not precisely on point, but neither are they off point. Racial factors have been given consideration in the school desegregation cases, in the employment cases, in *Lau* v. *Nichols*, 414 U.S. 563 (1974), and in *United Jewish Organizations* v. *Carey*, 430 U.S. 144 (1977). To be sure, some of these may be "distinguished" on the ground that victimization was directly present. But who is to say that victimization is not present for some members of today's minority groups, although it is of a lesser and perhaps different degree. The petitioners in *United Jewish Organizations* certainly complained bitterly of their reapportionment treatment, and I rather doubt that they regard the "remedy" there imposed as one that was "to improve" the group's ability to participate, as Mr. JUSTICE POWELL describes it, *ante*, p. 35. And surely in *Lau* v. *Nichols* we looked to ethnicity.

I am not convinced, as MR. JUSTICE POWELL seems to be, that the difference between the Davis program and the one employed by Harvard is very profound or constitutionally significant. The line between the two is a thin and indistinct one. In each, subjective application is at work. Because of my conviction that admission programs are primarily for the educators, I am willing to accept the representation that the Harvard program is one where good faith in its administration is practiced as well as professed. I agree that such a program, where race or ethnic background is only one of many factors is a program better formulated than Davis' two-track system. The cynical of course, may say that under a program such as Harvard's one may accomplish covertly what Davis concedes it does openly. I need not go that far, for despite its two-track aspect, the Davis program, for me, is within constitutional bounds, though perhaps barely so. It is surely free of stigma, and, as in *United Jewish Organizations*, I am not willing to infer a constitutional violation.

It is worth noting, perhaps, that governmental preference has not been a stranger to our legal life. We see it in veterans' preferences. We see it in the aid-to-the-handicapped programs. We see it in the progressive income tax. We see it in the Indian programs. We may excuse some of these on the ground that they have specific constitutional protection or, as with Indians, that those benefited are wards of the Government. Nevertheless, these preferences exist and may not be ignored. And in the admissions field, as I have indicated, educational institutions have always used geography, athletic ability, anticipated financial largess, alumni pressure, and other factors of that kind.

I add these only as additional components on the edges of the central question as to which I join my Brothers BRENNAN, WHITE, and MARSHALL in our more general approach. It is gratifying to know that the Court at least finds it constitutional for an academic institution to take race and ethnic background into consideration as one factor, among many, in the administration of its admissions program. I presume that that factor always has been there, though perhaps not conceded or even admitted. It is a fact of life, however, and a part of the real world of which we are all a part. The sooner we get down the road toward accepting and being a part of the real world, and not shutting it out and away from us, the sooner will these difficulties vanish from the scene.

I suspect that it would be impossible to arrange an affirmative action program in a racially neutral way and have it successful. To ask that this be so is to demand the impossible. In order to get beyond racism, we must first take account of race. There is no other way. And in order to treat some persons equally, we must treat them differently. We cannot—we dare not—let the Equal Protection Clause perpetrate racial supremacy.

So the ultimate question, as it was at the beginning of this litigation, is: Among the qualified, how does one choose?

A long time ago, as time is measured for this Nation, a Chief Justice, both wise and far-sighted, said:

"In considering this question, then, we must never forget, that it is a *constitution* we are expounding" (emphasis in original). *McCulloch* v. *Maryland*, 4 Wheat. 316, 407 (1819).

In the same opinion, the Great Chief Justice further observed:

"Let the end be legitimate, let it be within the scope of the constitution, and all means which are appropriate, which are plainly adapted to that end, which are not prohibited but consist with the letter and spirit of the constitution, are constitutional." *Id.*, at 421.

More recently, one destined to become a Justice of this Court observed:

"The great generalities of the constitution have a content and a significance that vary from age to age." B. Cardozo, The Nature of the Judicial Process 17 (1921).

And an educator who became a President of the United States said:

"But the Constitution of the United States is not a mere lawyers' document; it is a vehicle of life, and its spirit is always the spirit of the age." W. Wilson, Constitutional Government in the United States 69 (1911).

These precepts of breadth and flexibility and ever-present modernity are basic to our constitutional law. Today, again, we are expounding a *Constitution*. The same principles that governed McCulloch's case in 1819 govern Bakke's case in 1978. There can be no other answer.

[Supreme Court of the United States—No. 76–811]

REGENTS OF THE UNIVERSITY OF CALIFORNIA, PETITIONER, v. ALLAN BAKKE, ON WRIT TO THE SUPREME COURT OF CALIFORNIA

(June 28, 1978)

Opinion of MR. JUSTICE BRENNAN, MR. JUSTICE WHITE, MR. JUSTICE MARSHALL, and MR. JUSTICE BLACKMUN, concurring in the judgment in part and dissenting.

The Court today, in reversing in part the judgment of the Supreme Court of California, affirms the constitutional power of Federal and State Government to act affirmatively to achieve equal opportunity for all. The difficulty of the issue presented—whether Government may use race-conscious programs to redress the continuing

effects of past discrimination—and the mature consideration which each of our Brethren has brought to it have resulted in many opinions, no single one speaking for the Court. But this should not and must not mask the central meaning of today's opinions: Government may take race into account when it acts not to demean or insult any racial group, but to remedy disadvantages cast on minorities by past racial prejudice, at least when appropriate findings have ben made by judicial, legislative, or administrative bodies with competence to act in this area.

THE CHIEF JUSTICE and our brothers STEWART, REHNQUIST, and STEVENS, have concluded that Title VI of the Civil Rights Act of 1964, 78 Stat. 252, as amended, 42 U.S.C. § 2000d *et seq.* (1970 ed. and Supp. V) prohibits programs such as that at the Davis Medical School. On this statutory theory alone, they would hold that respondent Allan Bakke's rights have been violated and that he must, therefore, be admitted to the Medical School. Our Brother POWELL, reaching the Constitution, concludes that, although race may be taken into account in university admissions, the particular special admissions program used by petitioner, which resulted in the exclusion of respondent Bakke, was not shown to be necessary to achieve petitioner's stated goals. Accordingly, these Members of the Court form a majority of five affirming the judgment of the Supreme Court of California insofar as it holds that respondent Bakke "is entitled to an order that he be admitted to the University." *Bakke* v. *Regents of the University of California*, 18 Cal. 3d 34, 64, 132 Cal. Rptr. 680, 700, 553 P. 2d 1152, 1172 (1976).

We agree with MR. JUSTICE POWELL that, as applied to the case before us, Title VI goes no further in prohibiting the use of race than the Equal Protection Clause of the Fourteenth Amendment itself. We also agree that the effect of the California Supreme Court's affirmance of the judgment of the Superior Court of California would be to prohibit the University from establishing in the future affirmative action programs that take race into account. See *ante*, at 1 n.*. Since we conclude that the affirmative admissions program at the Davis Medical School is constitutional, we would reverse the judgment below in all respects. MR. JUSTICE POWELL agrees that some uses of race in university admissions are permissible and, therefore, he joins with us to make five votes reversing the judgment below insofar as it prohibits the University from establishing race-conscious programs in the future.[1]

I

Our Nation was founded on the principle that "all men are created equal." Yet candor requires acknowledgment that the Framers of our Constitution, to forge the Thirteen Colonies into one Nation, openly compromised this principle of equality with its antithesis: slavery. The consequences of this compromise are well known and have aptly been called our "American Dilemma." Still, it is well to recount how recent the time has been, if it has yet come, when the promise of our principles has flowered into the actuality of equal opportunity for all regardless of race or color.

The Fourteenth Amendment, the embodiment in the Constitution of our abiding belief in human equality, has been the law of our land for only slightly more than half its 200 years. And for half of that half, the Equal Protection Clause of the Amendment was largely moribund so that, as late as 1927, Mr. Justice Holmes could sum up the importance of that Clause by remarking that it was "the last resort of constitutional arguments." *Buck* v. *Bell*, 274 U.S. 200, 208 (1927). Worse than desuetude, the Clause was early turned against those whom it was intended to set free, condemning them to a "separate but equal" [2] status before the law, a status always separate but seldom equal. Not until 1954—only 24 years ago—was this odious doctrine interred by our decision in *Brown* v. *Board of Education*, 347 U.S. 483 (1954) (*Brown I*), and its progeny,[3] which proclaimed that separate schools and public facilities of all sorts were inherently unequal and forbidden under our Constitution. Even then inequality was not eliminated with "all deliberate speed." *Brown* v. *Board of Education*, 349 U.S. 294, 301 (1955). In 1968 [4] and again in 1971,[5] for example, we were forced to remind school boards of their obligation to eliminate racial discrimination root and branch. And a glance at our docket [6] and at those of lower courts will show that even today officially sanctioned discrimination is not a thing of the past.

Against this background, claims that law must be "colorblind" or that the datum of race is no longer relevant to public policy must be seen as aspiration rather than as description of reality. This is not to denigrate aspiration; for reality rebukes us that race has too often been used by those who would stigmatize and oppress minorities. Yet we cannot—and as we shall demonstrate, need not under our Constitution or Title VI, which merely extends the constraints of the Fourteenth Amendment to private parties who receive federal funds—let color blindness become myopia which masks the reality that many "created equal" have been treated within our lifetimes as inferior both by the law and by their fellow citizens.

II

The threshold question we must decide is whether Title VI of the Civil Rights Act of 1964 bars recipients of federal funds from giving preferential consideration to disadvantaged members of racial minorities as part of a program designed to enable such individuals to surmount the obstacles imposed by racial discrimination.[7] We join Parts I and V–C of our Brother POWELL's opinion and three of us agree with his conclusion in Part II that this case does not require us to resolve the question whether there is a private right of action under Title VI.[8]

In our view, Title VI prohibits only those uses of racial criteria that would violate the Fourteenth Amendment if employed by a State or its agencies; it does not bar the preferential treatment of racial minorities as a means of remedying past societal discrimination to the extent that such action is consistent with the Fourteenth Amendment. The legislative history of Title VI, administrative regulations interperting the statute, subsequent congressional and executive action, and the prior decisions of this Court compel this conclusion. None of these sources lends support to the proposition that Congress intended to bar all race conscious efforts to extend the benefits of federally financed programs to minorities who have been historically excluded from the full benefits of American life.

A

The history of Title VI—from President Kennedy's request that Congress grant executive departments and agencies authority to cut off federal funds to programs that discriminate against Negroes through final enactment of legislation incorporating his proposals—reveals one fixed purpose: to give the Executive Branch of Government clear authority to terminate federal funding of private programs that use race as a means of disadvantaging minorities in a manner that would be prohibited by the Constitution if engaged in by government.

This purpose was first expressed in President Kennedy's June 19, 1963, message to Congress proposing the legislation that subsequently became the Civil Rights Act of 1964.[9] Representative Celler, the Chairman of the House Judiciary Committee, and the floor manager of the legislation in the House, introduced Title VI in words unequivocally expressing the intent to provide the Federal Government with the means of assuring that its funds were not used to subsidize racial discrimination inconsistent with the standards imposed by the Fourteenth and Fifth Amendments upon state and federal action.

"The bill would offer assurance that hospitals financed by Federal money would not deny adequate care to Negroes. It would prevent abuse of food distribution programs whereby Negroes have been known to be denied food surplus supplies when white persons were given such food. It would assure Negroes the benefits now accorded only white students in programs of higher education financed by Federal funds. It would, in short, assure the existing right to equal treatment in the enjoyment of Federal funds. It would not destroy any rights of private property or freedom of association." 110 Cong. Rec. 1519.

It was clear to Representative Cellar that Title VI, apart from the fact that it reached all federally funded activities even in the absence of sufficient state or federal control to invoke the Fourteenth or Fifth Amendments, was not placing new substantive limitations upon the use of racal criteria but rather was designed to extend to such facilities "the existing right to equal treatment" enjoyed by Negroes under those Amendments, and he later specifically defined the purpose of Title VI in this way:

"In general, it seems rather anomalous that the Federal Government should aid and abet discrimination on the basis of race, color, or national origin by granting money and other kinds of financial aid. It seems rather shocking, moreover, that while we have on the one hand the 14th amendment, which is supposed to do away with discrimination since it provides for equal protection of the laws, on the other hand, we have the the Federal Government aiding and abetting those who persist in practicing racial discrimination.

"It is for these reasons that we bring forth title VI. The enactment of title VI will serve to override specific provisions of law which contemplate Federal assistance to racially segregated institutions." *Id.*, at 2467.

Representative Celler also filed a memorandum setting forth the legal basis for the enactment of Title VI which reiterated the theme of his oral remarks: "In exercising its authority to fix the terms on which Federal funds will be disbursed . . ., Congress clearly has power to legislate so as to insure that the Federal Government does not become involved in a violation of the Constitution." *Id.*, at 1258.

Other sponsors of the legislation agreed with Representative Celler that the function of Title VI was to end the Federal Government's complicity in conduct, particularly the segregation or exclusion of Negroes, inconsistent with the standards to be found in the antidiscrimination provisions of the Constitution. Representative Lindsay, also a member of the Judiciary Committee, candidly acknowledged, in the course of explaining why Title VI was necessary, that it did not create any new standard of equal treatment beyond that contained in the Constitution:

"Both the Federal Government and the States are under constitutional mandates not to discriminate. Many have raised the question as to whether legislation is required at all. Does not the Executive already have the power in the distribution of Federal funds to apply those conditions which will enable the Federal Government itself to live up to the mandate of the Constitution and to require States and local government entities to live up to the Constitution, most especially the 5th and 14th amendments?" *Id.*, at 2467.

He then explained that legislation was needed to authorize the termination of funding by the Executive Branch because existing legislation seemed to contemplate the expenditure of funds to support racially segre-

Footnotes at end of article.

gated institutions. *Ibid.* The views of Representatives Celler and Lindsay concerning the purpose and function of Title VI were shared by other sponsors and proponents of the legislation in the House.[10] Nowhere is there any suggestion that Title VI was intended to terminate federal funding for any reason other than consideration of race or national origin by the recipient institution in a manner inconsistent with the standards incorporated in the Constitution.

The Senate's consideration of Title VI reveals an identical understanding concerning the purpose and scope of the legislation. Senator Humphrey, the Senate floor manager, opened the Senate debate with a section-by-section analysis of the Civil Rights Act in which he succinctly stated the purpose of Title VI:

"The purpose of title VI is to make sure that funds of the United States are not used to support racial discrimination. In many instances the practices of segregation or discrimination, which title VI seeks to end, are unconstitutional. This is clearly so wherever Federal funds go to a state agency which engages in racial discrimination. It may also be so where Federal funds go to support private, segregated institutions, under the decision in *Simkins* v. *Moses H. Cone Memorial Hospital*, 323 F. 2d 959 (C.A. 4, 1963), certificate denied, March 2, 1964. In all cases, such discrimination is contrary to national policy, and to the moral sense of the Nation. Thus, title VI is simply designed to insure that Federal funds are spent in accordance with the Constitution and the moral sense of the Nation." *Id.*, at 6544.

Senator Humphrey, in words echoing statements in the House, explained that legislation was needed to accomplish this objective because it was necessary to eliminate uncertainty concerning the power of federal agenies to terminate financial assistance to programs engaging in racial discrimination in the face of various federal statutes which appeared to authorize grants to racially segregated institutions. *Ibid.* Although Senator Humphrey realized that Title VI reached conduct which, because of insufficient governmental action, might be beyond the reach of the Constitution, it was clear to him that the substantive standard imposed by the statute was that of the Fifth and Fourteenth Amendments.

Senate supporters of Title VI repeatedly expressed agreement with Senator Humphrey's description of the legislation as providing the explicit authority and obligation to apply the standards of the Constitution to all recipients of federal funds. Senator Ribicoff described the limited function of Title VI:

"Basically, there is a constitutional restriction against discrimination in the use of federal funds; and title VI simply spells out the procedure to be used in enforcing that restriction." *Id.*, at 13333.

Other strong proponents of the legislation in the Senate repeatedly expressed their intent to assure that federal funds would only be spent in accordance with constitutional standards. See remarks of Senator Pastore (*id.*, at 7057, 7062); Senator Pell (*id.*, at 7064); Senator Clark (*id.*, at 5243); Senator Allott (*id.*, at 12675, 12677).[11]

Respondent's contention that Congress intended Title VI to bar affirmative action programs designed to enable minorities disadvantaged by the effects of discrimination to participate in federally financed programs is also refuted by an examination of the type of conduct which Congress thought it was prohibiting by means of Title VI. The debates reveal that the legislation was motivated primarily by a desire to eradicate a very specific evil: federal financial support of programs which disadvantaged Negroes by excluding them from participation or providing them with separate facilities. Again and again supporters of Title VI emphasized that the purpose of the statute was to end segregation in federally funded activities and to end other discriminatory uses of race disadvantaging Negroes. Senator Humphrey set the theme in his speech presenting Title VI to the Senate:

"Large sums of money are contributed by the United States each year for the construction, operation, and maintenance of segregated schools.

* * * * *

"Similarly, under the Hill-Burton Act, Federal grants are made to hospitals which admit whites only or Negroes only.

* * * * *

"In higher education also, a substantial part of the Federal grants to colleges, medical schools and so forth, in the South is still going to segregated institutions.

"Nor is this all. In several States, agricultural extension services, supported by Federal funds, maintain racially segregated offices for Negroes and whites. . . . Vocational training courses, supported with Federal funds, are given in segregated schools and institutions and often limit Negroes to training in less skilled occupations. In particular localities it is reported that Negroes have been cut off from relief rolls, or denied surplus agricultural commodities, or otherwise deprived of the benefit of federally assisted programs, in retaliation for their participation in voter registration drives, sit-in demonstrations and the like." *Id.*, at 6543–6544.

See also the remarks of Senator Pastore (*id.*, at 7054–7055); Senator Ribicoff (*id.*, at 7064–7065); Senator Clark (*id.*, at 5243, 9086); Senator Javits (*id.*, at 6050, 7102).[12]

The conclusion to be drawn from the foregoing is clear. Congress recognized that Negroes, in some cases with congressional acquiescence, were being discriminated against in the administration of programs and denied the full benefits of activities receiving federal financial support. It was aware that there were many federally funded programs and institutions which discriminated against minorities in a manner inconsistent with the standards of the Fifth and Fourteenth Amendments but whose activities might not involve sufficient state or federal action so as to be in violation of these Amendments. Moreover, Congress believed that it was questionable whether the Executive Branch possessed legal authority to terminate the funding of activities on the ground that they discriminated racially against Negroes in a manner violative of the standards contained in the Fourteenth and Fifth Amendments. Congress' solution was to end the Government's complicity in constitutionally forbidden racial discrimination by providing the Executve Branch with the authority and the obligation to terminate its financial support of any activity which employed racial criteria in a manner condemned by the Constitution.

Of course it might be argued that the Congress which enacted Title VI understood the Constitution to require strict racial neutrality or color blindness, and then enshrined that concept as a rule of statutory law. Later interpretation and clarification of the Constitution to permit remedial use of race would then not dislodge Title VI's prohibition upon race-conscious action. But there are three compelling reasons to reject such an hypothesis.

First, no decision of this Court has ever adopted the proposition that the Constitution must be colorblind. See *infra*, at 31–32.

Second, even if it could be argued in 1964 that the Constitution might conceivably require color blindness, Congress surely would not have chosen to codify such a view unless the Constitution clearly required it. The legislative history of Title VI, as well as the statute itself, reveals a desire to induce voluntary compliance with the requirement of nondiscriminatory treatment.[13] See § 602 of the Act, 42 U.S.C. § 2000d–1 (no funds shall be terminated unless and until it has been "determined that compliance cannot be secured by voluntary means"); H.R. Rep. No. 914, 88th Cong., 1st Sess., 25 (1963); 110 Cong. Rec. 13700 (Sen. Pastore); *id.*, at 6546 (Sen. Humphrey). It is inconceivable that Congress intended to encourage voluntary efforts to eliminate the evil of racial discrimination while at the same time forbidding the voluntary use of race-conscious remedies to cure acknowledge or obvious statutory violations. Yet a reading of Title VI as prohibiting all action predicated upon race which advserely affects any individual would require recipients guilty of discrimination to await the imposition of such remedies by the Executive Branch. Indeed, such an interpretation of Title VI would prevent recipients of federal funds from taking race into account even when necessary to bring their programs into compliance with federal constitutional requirements. This would be a remarkable reading of a statute designed to eliminate constitutional violations, especially in light of judicial decisions holding that under certain circumstances the remedial use of racial criteria is not only permissible but is constitutionally required to eradicate constitutional violations.

For example, in *North Carolina State Board of Education* v. *Swann*, 402 U.S. 43 (1971), the Court held that a statute forbidding the assignment of students on the basis of race was unconstitutional because it would hinder the implementation of remedies necessary to accomplish the desegregation of a school system: "Just as the race of students must be considered in determining whether a constitutional violation has occurred, so also race must be considered in formulating a remedy." *Id.*, at 46. Surely Congress did not intend to prohibit the use of racial criteria when constitutionally required or to terminate the funding of any entity which implemented such a remedy. It clearly desired to encourage all remedies, including the use of race, necessary to eliminate racial discrimination in violation of the Constitution rather than requiring the recipient to await a judicial adjudication of unconstitutionality and the judicial imposition of a racially oriented remedy.

Third, the legislative history shows that Congress specifically eschewed any static definition of discrimination in favor of broad language that could be shaped by experience, administrative necessity, and evolving judicial doctrine. Although it is clear from the debates that the supporters of Title VI intended to ban uses of race prohibited by the Constitution and, more specifically, the maintenance of segregated facilities, they never precisely defined the term "discrimination," or what constituted an exclusion from participation or a denial of benefits on the ground of race. This failure was not lost upon its opponents. Senator Ervin complained:

"The word 'discrimination,' as used in this reference, has no contextual explanation whatever, other than the provision that the discrimination 'is to be against' individuals participating in or benefiting from federally assisted programs and activities on the ground specified. With this context, the discrimination condemned by this reference occurs only when an individual is treated unequally or unfairly because of his race, color, religion, or national origin. What constitutes unequal or unfair treatment? Section 601 and section 602 of title VI do not say. They leave the determination of that question to the executive department or agencies administering each program, without any guideline whatever to point out what is the congressional intent." 110 Con. Rec., at 5612.

See also remarks of Representative Aber-

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nathy (*id.*, at 1619); Representative Dowdy (*id.*, at 1632); Senator Talmadge (*id.*, at 5251); Senator Sparkman (*id.*, at 6052). Despite these criticisms, the legislation's supporters refused to include in the statute or even provide in debate a more explicit definition of what Title VI prohibited.

The explanation for this failure is clear. Specific definitions were undesirable, in the views of the legislation's principal backers, because Title VI's standard was that of the Constitution and one that could and should be administratively and judicially applied. See remarks of Senator Humphrey (*id.*, at 5253, 6553); Senator Ribicoff (*id.*, at 7057, 13333); Senator Pastore (*id.*, at 7057); Senator Javits (*id.*, at 5606–5607, 6050).[14]

Indeed, there was a strong emphasis throughout Congress' consideration of Title VI on providing the Executive Branch with considerable flexibility in interpreting and applying the prohibition against racial discrimination. Attorney General Robert Kennedy testified that regulations had not been written into the legislation itself because the rules and regulations defining discrimination might differ from one program to another so that the term would assume different meanings in different contexts.[15] This determination to preserve flexibility in the administration of Title VI was shared by the legislation's supporters. When Senator Johnston offered an amendment that would have expressly authorized federal grantees to take race into account in placing children in adoptive and foster homes, Senator Pastore opposed the amendment, which was ultimately defeated by a 56–29 vote, on the ground that federal administrators could be trusted to act reasonably and that there was no danger that they would prohibit the use of racial criteria under such circumstances. *Id.*, at 13695.

Congress' resolve not to incorporate a static definition of discrimination into Title VI is not surprising. In 1963 and 1964, when Title VI was drafted and debated, the courts had only recently applied the Equal Protection Clause to strike down public racial discrimination in America, and the scope of that Clause's nondiscrimination principle was in a state of flux and rapid evolution. Many questions, such as whether the Fourteenth Amendment barred only *de jure* discrimination or in at least some circumstances reached *de facto* discrimination, had not yet received an authoritative judicial resolution. The congressional debate reflects an awareness of the evolutionary change constitutional law in the area of racial discrimination was undergoing in 1964.[16]

In sum, Congress' equating of Title VI's prohibition with the commands of the Fifth and Fourteenth Amendments, its refusal precisely to define that racial discrimination which it intended to prohibit, and its expectation that the statute would be administered in a flexible manner, compel the conclusion that Congress intended the meaning of the statute's prohibition to evolve with the interpretation of the commands of the Constitution. Thus any claim that the use of racial criteria is barred by the plain language of the statute must fail in light of the remedial purpose of Title VI and its legislative history. The cryptic nature of the language employed in Title VI merely reflects Congress' concern with the then prevalent use of racial standards as a means of excluding or disadvantaging Negroes and its determination to prohibit absolutely such discrimination. We have recently held that "'[w]hen aid to construction of the meaning of words, as used in the statute, is available, there certainly can be no "rule of law" which forbids its use, however clear the words may appear on "superficial examination"'" *Train* v. *Colorado Public Interest Research Group*, 426 U.S. 1, 10 (1976), quoting *United States* v. *American Trucking Assn.*, 310 U.S. 534, 543–544 (1940). This is especially so when, as is the case here, the literal application of what is believed to be the plain language of the statute, assuming that it is so plain, would lead to results in direct conflict with Congress' unequivocally expressed legislative purpose.[17]

B

Section 602 of Title VI, 42 U.S.C. § 2000d–1, instructs federal agencies to promulgate regulations interpreting Title VI. These regulations, which, under the terms of the statute, require Presidential approval, are entitled to considerable deference in construcing Title VI. See, *e.g.*, *Lau* v. *Nichols*, 414 U.S. 563 (1964); *Mourning* v. *Family Publications Service, Inc.*, 411 U.S. 356, 369 (1973); *Red Lion Broadcasting Co.* v. *FCC*, 395 U.S. 367, 381 (1965). Consequently, it is most significant that the Department of Health, Education, and Welfare (HEW), which provides much of the federal assistance to institutions of higher education, has adopted regulations *requiring* affirmative measures designed to enable racial minorities which have been previously discriminated against by a federally funded institution or program to overcome the effects of such actions and *authorizing* the voluntary undertaking of affirmative action programs by federally funded institutions that have not been guilty of prior discrimination in order to overcome the effects of conditions which have adversely affected the degree of participation by persons of a particular race.

45 CFR § 80.3(b)(6)(i) provides:

"In administering a program regarding which the recipient has previously discriminated against persons on the ground of race, color, or national origin, the recipient must take affirmative action to overcome the effects of prior discrimination."

45 CFR § 80.5(i) elaborates upon this requirement:

"In some situations, even though past discriminatory practices attributable to a recipient or applicant have been abandoned, the consequences of such practices continue to impede the full availability of a benefit. If the efforts required of the applicant or recipient under § 80.6(d), to provide information as to the availability of the program or activity and the rights of beneficiaries under this regulation, have failed to overcome these consequences, it will become necessary under the requirement stated in (i) of § 80.3 (b)(6) for such applicant or recipient to take additional steps to make the benefits fully available to racial and nationality groups previously subject to discrimination. This action might take the form, for example, of special arrangements for obtaining referrals or making selections which will insure that groups previously subjected to discrimination are adequately served."

These regulations clearly establish that where there is a need to overcome the effects of past racially discriminatory or exclusionary practices engaged in by a federally funded institution, race-conscious action is not only permitted but required to accomplish the remedial objectives of Title VI.[18] Of course, there is no evidence that the Medical School has been guilty of past discrimination and consequently these regulations would not compel it to employ a program of preferential admissions in behalf of racial minorities. It would be difficult to explain from the language of Title VI, however, much less from its legislative history, why the statute *compels* race conscious remedies where a recipient institution has engaged in past discrimination but *prohibits* such remedial action where racial minorities as a result of the effects of past discrimination imposed by entities other than the recipient are excluded from the benefits of federally funded programs. HEW was fully aware of the incongruous nature of such an interpretation of Title VI.

45 CFR § 80.3(b)(6)(ii) provides:

"Even in the absence of such prior discrimination, a recipient in administering a program may take affirmative action to overcome the effects of conditions which resulted in limiting participation by persons of a particular race, color, or national origin."

An explanatory regulation explicitly states that the affirmative action which § 80.3 (b)(6)(ii) contemplates includes the use of racial preferences:

"Even though an applicant or recipient has never used discriminatory policies, the services and benefits of the program or activity it administers may not in fact be equally available to some racial or nationality groups. In such circumstances, an applicant or recipient may properly give special consideration to race, color, or national origin to make the benefits of its program more widely available to such groups, not then being adequately served. For example where a university is not adequately serving members of a particular racial or nationality group, it may establish special recruitment policies to make its program better known and more readily available to such group, and take other steps to provide that group with more adequate service." 45 CFR § 80.5(j).

This interpretation of Title VI is fully consistent with the statute's emphasis upon voluntary remedial action and reflects the views of an agency [19] responsible for achieving its objectives.[20]

The Court has recognized that the construction of a statute by those charged with its execution is particularly deserving of respect where Congress has directed its attention to the administrative construction and left it unaltered. Cf. *Red Lion Broadcasting Co.* v. *FCC*, 395 U.S. 367, 381 (1968); *Zemel* v. *Rusk*, 381 U.S. 1, 11–12 (1965). Congress recently took just this kind of action when it considered an amendment to the Departments of Labor and Health, Education, and Welfare appropriation bill for 1978, which would have restricted significantly the remedial use race in programs funded by the appropriation. The amendment, as originally submitted by Represenative Ashbrook, provided that "[n]one of the funds appropriated in this Act may be used to initiate, carry out or enforce any program of affirmative action or any other system of quotas or goals in regard to admission policies or employment practices which encourage or require any discrimination on the basis of race, creed, religion, sex or age." 123 Cong. Rec. 6099. In support of the measure, Representative Ashbrook argued that the 1964 Civil Rights Act never authorized the imposition of affirmative action and that this was a creation of the bureaucracy. *Id.*, at 6106. He explicitly stated, however, that he favored permitting universities to adopt affirmative action programs giving consideration to racial identity but opposed the imposition of such programs by the Government. *Id.*, at 6099. His amendment was itself amended to reflect this position by only barring the *imposition* of race-conscious remedies by HEW:

None of the funds appropriated in this Act may be obligated or expended in connection with the issuance, implementation, or enforcement of any rule, regulation, standard, guideline, recommendation, or order issued by the Secretary of Health, Education, and Welfare which for purposes of compliance with any ratio, quota, or other numerical requirement related to race, creed, color, national origin, or sex requires any individual or entity to take any action with respect to (1) the hiring or promotion policies or practices of such individual or entity, or (2) the admissions policies or practices of such individual or entity." *Id.*, at 6106.

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This amendment was adopted by the House. *Ibid.* The Senate bill, however, contained no such restriction upon HEW's authority to impose race-conscious remedies and the Conference Committee, upon the urging of the Secretary of HEW, deleted the House provision from the bill.[24] More significant for present purposes, however, is the fact that even the proponents of imposing limitations upon HEW's implementation of Title VI did not challenge the right of federally funded educational institutions voluntrally to extend preferences to racial minorities.

Finally, congressional action subsequent to the passage of Title VI eliminates any possible doubt about Congress' views concerning the permissability of racial preferences for the purpose of assisting disadvantaged racial minorities. It confirms that Congress did not intend to prohibit and does not now believe that Title VI prohibits the consideration of race as part of a remedy for societal discrimination even where there is no showing that the institution extending the preference has been guilty of past discrimination nor any judicial finding that the particular beneficiaries of the racial preference have been adversely affected by societal discrimination.

Just last year Congress enacted legislation[22] explicitly requiring that no grants shall be made "for any local public works project unless the applicant gives satisfactory assurance to the Secretary that at least 10 per centum of the amount of each grant shall be expended for minority business enterprises." The statute defines the term "minority business enterprise" as "a business, at least 50 per centum of which is owned by minority group members or, in case of a publicly owned business, at least 51 per centum of the stock of which is owned by minority group members." The term "minority group members" is defined in explicitly racial terms: "Citizens of the United States who are Negroes, Spanish-speaking, Orientals, Indians, Eskimos, and Aleuts." Although the statute contains an exemption from this requirement "to the extent that the Secretary determines otherwise," this escape clause was provided only to deal with the possibility that certain areas of the country might not contain sufficient qualified "minority business enterprises" to permit compliance with the quota provisions of the legislation.[23]

The legislative history of this race-conscious legislation reveals that it represents a deliberate attempt to deal with the excessive rate of unemployment among minority citizens and to encourage the development of viable minority controlled enterprises.[24] It was believed that such a "set-aside" was required in order to enable minorities, still "new on the scene" and "relatively small," to compete with larger and more established companies which would always be successful in underbidding minority enterprises. 123 Cong. Rec. 1437 (Rep. Mitchell). What is most significant about the congressional consideration of the measure is that although the use of a racial quota or "set-aside" by a recipient of federal funds would constitute a direct violation of Title VI if that statute were read to prohibit race-conscious action, no mention was made during the debates in either the House or the Senate of even the possibility that the quota provisions for minority contractors might in any way conflict with or modify Title VI.

It is inconceivable that such a purported conflict would have escaped congressional attention through an inadvertent failure to recognize the relevance of Title VI. Indeed, the Act of which this affirmative action provision is a part also contains a provision barring discrimination on the basis of sex which states that this prohibition "will be enforced through agency provisions and rules similar to those already established, with respect to racial and other discrimination under Title VI of the Civil Rights Act of 1964." 42 U.S.C. § 6709. Thus Congress was fully aware of the applicability of Title VI to the funding of public works projects. Under these circumstances, the enactment of the 10% "set-aside" for minority enterprises reflects a congressional judgment that the remedial use of race is permissible under Title VI. We have repeatedly recognized that subsequent legislation reflecting an interpretation of an earlier act is entitled to great weight in determining the meaning of the earlier statute. *Red Lion Broadcasting Co.* v. *FCC*, 395 U.S. 367, 380–381 (1968); *Erlenbaugh* v. *United States*, 409 U.S. 239, 243–244 (1972). See also *United States* v. *Stewart*, 311 U.S. 60, 64–65 (1940).[25]

C

Prior decisions of this Court also strongly suggest that Title VI does not prohibit the remedial use of race where such action is constitutionally permissible. In *Lau* v. *Nichols*, 414 U.S. 563 (1974), the Court held that the failure of the San Francisco school system to provide English language instruction to students of Chinese ancestry who do not speak English, or to provide them with instruction in Chinese, constituted a violation of Title VI. The Court relied upon a HEW regulation which stipulates that a recipient of federal funds "may not . . . utilize criteria or methods of administration which have the effect of subjecting individuals to discrimination" or have "the effect of defeating or substantially impairing accomplishment of the objectives of the program as respect individuals of a particular race, color, or national origin." 45 CFR § 80.3(b)(2).

It interpreted this regulation as requiring San Francisco to extend the same educational benefits to Chinese speaking students as to English speaking students, even though there was no finding or allegation that the city's failure to do so was a result of a purposeful design to discriminate on the basis of race.

Lau is significant in two related respects. First, it indicates that in at least some circumstances agencies responsible for the administration of Title VI may require recipients who have not been guilty of any constitutional violations to depart from a policy of colorblindness and to be cognizant of the impact of their actions upon racial minorities. Secondly, *Lau* clearly requires that institutions receiving federal funds be accorded considerable latitude in voluntarily undertaking race-conscious action designed to remedy the exclusion of significant numbers of minorities from the benefits of federally funded programs. Although this Court has not yet considered the question, presumably, by analogy to our decisions construing Title VII, a medical school would not be in violation of Title VI under *Lau* because of the serious underrepresentation of racial minorities in its student body as long as it could demonstrate that its entrance requirements correlated sufficiently with the performance of minority students in medical school and the medical profession.[27] It would be inconsistent with *Lau* and the emphasis of Title VI and the HEW regulations on voluntary action, however, to require that an institution wait to be adjudicated to be in violation of the law before being permitted to voluntarily undertake corrective action based upon a good faith and reasonable belief that the failure of certain racial minorities to satisfy entrance requirements is not a measure of their ultimate performance as doctors but a result of the lingering effects of past societal discrimination.

We recognize that *Lau*, especially when read in light of our subsequent decision in *Washington* v. *Davis*, 426 U.S 229 (1976), which rejected the general proposition that governmental action is unconstitutional solely because it has a racially disproportionate impact, may be read as being predicated upon the view that, at least under some circumstances, Title VI proscribes conduct which might not be prohibited by the Constitution. Since we are now of the opinion, for the reasons set forth above, that Title VI's standard, applicable alike to public and private recipients of federal funds, is no broader than the Constitution's, we have serious doubts concerning the correctness of what appears to be the premise of that decision. However, even accepting *Lau's* implication that impact alone is in some contexts sufficient to establish a prima facie violation of Title VI, contrary to our view that Title VI's definition of racial discrimination is absolutely coextensive with the Constitution's, this would not assist the respondent in the least. First, for the reasons discussed *supra*, pp. 12–26, regardless of whether Title VI's prohibitions extend beyond the Constitution's, the evidence fails to establish, and, indeed, compels the rejection of, the proposition that Congress intended to prohibit recipients of federal funds from voluntarily employing race-conscious measures to eliminate the effects of past societal discrimination against racial minorities such as Negroes. Secondly, *Lau* itself, for the reasons set forth in the immediately preceding paragraph, strongly supports the view that voluntary race-conscious remedial action is permissible under Title VI. If discriminatory racial impact alone is enough to demonstrate at least a prima facie Title VI violation, it is difficult to believe that the Title would forbid the Medical School from attempting to correct the racially exclusionary effects of its initial admissions policy during the first two years of the School's operation.

The Court has also declined to adopt a "colorblind" interpretation of other statutes containing nondiscrimination provisions similar to that contained in Title VI. We have held under Title VII that where employment requirements have a disproportionate impact upon racial minorities they constitute a statutory violation, even in the absence of discriminatory intent, unless the employer is able to demonstrate that the requirements are sufficiently related to the needs of the job.[27] More significantly, the Court has required that preferences be given by employers to members of racial minorities as a remedy for past violations of Title VII, even where there has been no finding that the employer has acted with a discriminatory intent.[28] Finally, we have construed the Voting Rights Act of 1965, 42 U.S.C. § 1973, which contains a provision barring any voting procedure or qualification that denies or abridges "the right of any citizens of the United States to vote on account of race or color," as permitting States to voluntarily take race into account in a way that fairly represents the voting strengths of different racial groups in order to comply with the commands of the statute, even where the result is a gain for one racial group at the expense of others.[29]

These prior decisions are indicative of the Court's unwillingness to construe remedial statutes designed to eliminate discrimination against racial minorities in a manner which would impede efforts to obtain this objective. There is no justification for departing from this course in the case of Title VI and frustrating the clear judgment of Congress that race-conscious remedial action is permissible.

We turn, therefore, to our analysis of the Equal Protection Clause of the Fourteenth Amendment.

III

A

The assertion of human equality is closely associated with the proposition that differences in color or creed, birth or status, are

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neither significant nor relevant to the way in which persons should be treated. Nonetheless, the position that such factors must be "[c]onstitutionally an irrelevance," *Edwards* v. *California*, 314 U.S. 160, 185 (1941) (Jackson, J., concurring), summed up by the shorthand phrase "[o]ur Constitution is color-blind," *Plessy* v. *Ferguson*, 163 U.S. 537, 559 (1896) (Harlan, J., dissenting), has never been adopted by this Court as the proper meaning of the Equal Protection Clause. Indeed, we have expressly rejected this proposition on a number of occasions.

Our cases have always implied that an "overriding statutory purpose," *McLaughlin* v. *Florida*, 379 U.S. 184, 192 (1964), could be found that would justify racial classifications. See *e.g., ibid.; Loving* v. *Virginia*, 388 U.S. 1, 11 (1967); *Korematsu* v. *United States*, 323 U.S. 214, 216 (1944); *Hirabayashi* v. *United States*, 320 U.S. 81, 100–101 (1943). More recently, in *McDaniel* v. *Barresi*, 402 U.S. 39 (1971), this Court unanimously reversed the Georgia Supreme Court which had held that a desegregation plan voluntarily adopted by a local school board, which assigned students on the basis of race, was *per se* invalid because it was not colorblind. And in *North Carolina State Board of Ed.* v. *Swann*, 402 U.S. 43 (1971), we held, again unanimously, that a statute mandating colorblind school assignment plans could not stand "against the background of segregation," since such a limit on remedies would "render illusory the promise of *Brown* [*I, supra*]." 402 U.S., at 45–46.

We conclude, therefore, that racial classifications are not *per se* invalid under the Fourteenth Amendment. Accordingly, we turn to the problem of articulating what our role should be in reviewing state action that expressly classifies by race.

B

Respondent argues that racial classifications are always suspect and, consequently, that his Court should weigh the importance of the objectives served by Davis' special admissions program to see if they are compelling. In addition, he asserts that this Court must inquire whether, in its judgment, there are alternatives to racial classifications which would suit Davis' purposes. Petitioner, on the other hand, states that our proper role is simply to accept petitioner's determination that the racial classifications used by its program are reasonably related to what it tells us are its benign purposes. We reject petitioner's view, but, because our prior cases are in many respects inapposite to that before us now, we find it necessary to define with precision the meaning of that inexact term, "strict scrutiny."

Unquestionably we have held that a government practice or statute which restricts "fundamental rights" or which contains "suspect classifications" is to be subjected to "strict scrutiny" and can be justified only if it furthers a compelling government purpose and, even then, only if no less restrictive alternative is available.[30] See, *e.g., San Antonio Indep School Dist.* v. *Rodriguez*, 411 U.S. 1, 16–17 (1973); *Dunn* v. *Blumstein*, 405 U.S. 330 (1972). But no fundamental right is involved here. See *San Antonio, supra* at 29–36. Nor do whites as a class have any of the "traditional indicia of suspectness: the class is not saddled with such disabilities, or subjected to such a history of purposeful unequal treatment, or relegated to such a position of political powerlessness as to command extraordinary protection from the majoritarian political process." *Id.*, at 28; see *United States* v. *Carolene Products Co.*, 304 U.S. 144, 152 n. 4 (1938).[31]

Moreover, if the University's representations are credited, this is not a case where racial classifications are "irrelevant and therefore prohibited." *Hirabayashi*, 320 U.S., at 100. Nor has anyone suggested that the University's purposes contravene the cardinal principle that racial classifications that stigmatize—because they are drawn on the presumption that one race is inferior to another or because they put the weight of government behind racial hatred and separatism—are invalid without more. See *Yick Wo* v. *Hopkins*, 118 U.S. 356, 374 (1886);[32] accord, *Strauder* v. *West Virginia*, 100 U.S. 303, 308 (1879); *Korematsu* v. *United States*, 323 U.S., at 223; *Oyama* v. *California*, 332 U.S. 633, 663 (1948) (Murphy, J., concurring); *Brown I, supra; McLaughlin* v. *Florida*, 379 U.S., at 191–192; *Loving* v. *Virginia*, 388 U.S., at 11–12; *Reitman* v. *Mulkey*, 387 U.S. 369, 375–376 (1967); *United Jewish Organizations of Williamsburgh, Inc.* v. *Carey*, 430 U.S. 144, 165 (1977) (opinion of WHITE, REHNQUIST, and STEVENS, JJ.) (*UJO*); *id.*, at 169 (concurring opinion).[33]

On the other hand, the fact that this case does not fit neatly into our prior analytic framework for race cases does not mean that it should be analyzed by applying the very loose rational-basis standard of review that is the very least that is always applied in equal protection cases.[34] " '[T]he mere recitation of a benign, compensatory purpose is not an automatic shield which protects against any inquiry into the actual purposes underlying a statutory scheme.' " *Califano* v. *Webster* 430 U.S. 313, 317 (1977), quoting *Weinberger* v. *Weisenfeld*, 420 U.S. 636, 648 (1975). Instead, a number of considerations—developed in gender discrimination cases but which carry even more force when applied to racial classifications—lead us to conclude that racial classifications designed to further remedial purposes "must serve important governmental objectives and must be substantially related to achievement of those objectives.' " *Califano* v. *Webster, supra*, at 316, quoting *Craig* v. *Boren*, 429 U.S. 190, 197 (1976).[35]

First, race, like, "gender-based classifications too often [has] been inexcusably utilized to stereotype and stigmatize politically powerless segments of society." *Kahn* v. *Shevin*, 416 U.S. 351, 357 (1974) (dissenting opinion). While a carefully tailored statute designed to remedy past discrimination could avoid these vices, see *Califano* v. *Webster, supra; Schlesinger* v. *Ballard*, 419 U.S. 498 (1975); *Kahn* v. *Shevin, supra*, we nonetheless have recognized that the line between honest and thoughtful appraisal of the effects of past discrimination and paternalistic stereotyping is not so clear and that a statute based on the latter is patently capable of stigmatizing all women with a badge of inferiority. Cf. *Schlesinger* v. *Ballard, supra*, at 508; *UJO*, 430 U.S., at 174, and n. 3 (concurring opinion); *Califano* v. *Goldfarb*, 430 U.S. 199, 223 (1977) (STEVENS, J., concurring in the judgment). See also *Stanton* v. *Stanton*, 421 U.S. 7, 14–15 (1975). State programs designed ostensibly to ameliorate the effects of past racial discrimination obviously create the same hazard of stigma, since they may promote racial separatism and reinforce the views of those who believe that members of racial minorities are inherently incapable of succeeding on their own. See *UJO*, 430 U.S., at 172 (concurring opinion); *ante*, at 27 (opinion of POWELL, J.).

Second, race, like gender and illegitimacy, see *Weber* v. *Aetna Cas. & Surety Co.*, 406 U.S. 164 (1972), is an immutable characteristic which its possessors are powerless to escape or set aside. While a classification is not *per se* invalid because it divides classes on the basis of an immutable characteristic, see *supra*, pp. 31–32, it is nevertheless true that such divisions are contrary to our deep belief that "legal burdens should bear some relationship to individual responsibility or wrongdoing," *Weber, supra*, at 175; *Frontiero* v. *Richardson*, 411 U.S. 667, 686 (1973) (opinion of BRENNAN, WHITE, and MARSHALL, JJ.), and that advancement sanctioned, sponsored, or approved by the State should ideally be based on individual merit or achievement, or at the least on factors within the control of an individual. See *UJO*, 430 U.S., at 173 (concurring opinion); *Kotch* v. *Board of River Port Pilot Comm'rs*, 330 U.S. 552, 566 (1947) (Rutledge, J., dissenting).

Because this principle is so deeply rooted it might be supposed that it would be considered in the legislative process and weighed against the benefits of programs preferring individuals because of their race. But this is not necessarily so: The "natural consequence of our governing processes [may well be] that the most 'discrete and insular' of whites . . . will be called upon to bear the immediate, direct costs of benign discrimination." *UJO*, 430 U.S., at 174 (concurring opinion). Moreover, it is clear from our cases that there are limits beyond which majorities may not go when they classify on the basis of immutable characteristics. See, *e.g., Weber, supra*. Thus, even if the concern for individualism is weighed by the political process, that weighing cannot waive the personal rights of individuals under the Fourteenth Amendment. See *Lucas* v. *Forty-Fourth General Assembly*, 377 U.S. 713, 736 (1964).

In sum, because of the significant risk that racial classifications established for ostensibly benign purposes can be misused, causing effects not unlike those created by invidious classifications, it is inappropriate to inquire only whether there is any conceivable basis that might sustain such a classification. Instead, to justify such a classification an important and articulated purpose for its use must be shown. In addition, any statute must be stricken that stigmatizes any group or that singles out those least well represented in the political process to bear the brunt of a benign program. Thus our review under the Fourteenth Amendment should be strict—not " 'strict' in theory and fatal in fact,"[36] because it is stigma that causes fatality—but strict and searching nonetheless.

IV

Davis' articulated purpose of remedying the effects of past societal discrimination is, under our cases, sufficiently important to justify the use of race-conscious admissions programs where there is a sound basis for concluding that minority underrepresentation is substantial and chronic, and that the handicap of past discrimination is impeding access of minorites to the medical school.

A

At least since *Green* v. *County School Board*, 391 U.S. 430 (1968), it has been clear that a public body which has itself been adjudged to have engaged in racial discrimination cannot bring itself into compliance with the Equal Protection Clause simply by ending its unlawful acts and adopting a neutral stance. Three years later, *Swann* v. *Charlotte-Mecklenburg Board of Ed.*, 402 U.S. 1 (1971), and its companion cases, *Davis* v. *Board of School Comm'rs*, 402 U.S. 33 (1971); *McDaniel* v. *Barresi, supra;* and *North Carolina State Board of Ed.* v. *Swann, supra*, reiterated that racially neutral remedies for past discrimination were inadequate where consequences of past discriminatory acts influence or control present decisions. See, *e. g., Charlotte-Mecklenburg, supra*, at 28. And the Court further held both that courts could enter desegregation orders which assigned students and faculty by reference to race, *Charlotte-Mecklenburg, supra; Davis, supra; United States* v. *Montgomery County Board of Ed.*, 395 U.S. 225 (1969), and that local school boards could *voluntarily* adopt desegregation plans which made express reference to race if this was necessary to remedy the effects of past discrimination. *McDaniel*

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v. *Barresi, supra*. Moreover, we stated that school boards, even in the absence of a judicial finding of past discrimination, could voluntarily adopt plans which assigned students with the end of creating racial pluralism by establishing fixed ratios of black and white students in each school. *Charlotte-Mecklenburg, supra*, at 16. In each instance, the creation of unitary school systems, in which the effects of past discrimination had been "eliminated root and branch," *Green, supra*, at 438, was recognized as a compelling social goal justifying the overt use of race.

Finally, the conclusion that state educational institutions may constitutionally adopt admissions programs designed to avoid exclusion of historically disadvantaged minorities, even when such programs explicitly take race into account, finds direct support in our cases construing congressional legislation designed to overcome the present effects of past discrimination. Congress can and has outlawed actions which have a disproportionately adverse and unjustified impact upon members of racial minorities and has required or authorized race-conscious action to put individuals disadvantaged by such impact in the position they otherwise might have enjoyed. See *Franks* v. *Bowman, supra; International Brotherhood of Teamsters* v. *United States*, 431 U.S. 324 (1977). Such relief does not require as a predicate proof that recipients of preferential advancement have been individually discriminated against; it is enough that each recipient is within a general class of persons likely to have been the victims of discrimination. See *id.*, at 357–362. Nor is it an objection to such relief that preference for minorities will upset the settled expectations of nonminorities. See *Franks, supra*. In addition, we have held that Congress, to remove barriers to equal opportunity, can and has required employers to use test criteria that fairly reflect the qualifications of minority applicants vis-a-vis nonminority applicants, even if this means interpreting the qualifications of an applicant in light of his race. See *Albemarle* v. *Moody*, 422 U.S. 405, 435 (1975).[37]

These cases cannot be distinguished simply by the presence of judicial findings of discrimination, for race-conscious remedies have been approved where such findings have not been made. *McDaniel* v. *Barresi, supra; UJO, supra;* see *Califano* v. *Webster, supra; Schlesinger* v. *Ballard, supra; Kahn* v. *Shevin, supra*. See also *Katzenbach* v. *Morgan*, 384 U.S. 641 (1967). Indeed, the requirement of a judicial determination of a constitutional or statutory violation as a predicate for race-conscious remedial actions would be self-defeating. Such a requirement would severely undermine efforts to achieve voluntary compliance with the requirements of law. And, our society and jurisprudence have always stressed the value of voluntary efforts to further the objectives of the law. Judicial intervention is a last resort to achieve cessation of illegal conduct or the remedying of its effects rather than a prerequisite to action.[38]

Nor can our cases be distinguished on the ground that the entity using explicit racial classifications had itself violated § 1 of the Fourteenth Amendment or an antidiscrimination regulation, for again race-conscious remedies have been approved where this is not the case. See *UJO*, 430 U.S., at 157 (opinion of WHITE, BLACKMUN, REHNQUIST, and STEVENS, JJ.);[39] *id.*, at 167 (opinion of WHITE, REHNQUIST, and STEVENS, JJ.);[40] cf. *Califano* v. *Webster*, 430 U.S., at 317; *Kahn* v. *Shevin, supra*. Moreover, the presence or absence of past discrimination by universities or employers is largely irrelevant to resolving respondent's constitutional claims. The claims of those burdened by the race-conscious actions of a university or employer who has never been adjudged in violation of an antidiscrimination law are not any more or less entitled to deference than the claims of the burdened nonminority workers in *Franks* v. *Bowman*, 424 U.S. 747 (1976), in which the employer had violated Title VII, for in each case the employees are innocent of past discrimination.

And, although it might be argued that, where an employer has violated an antidiscrimination law, the expectations of nonminority workers are themselves products of discrimination and hence "tainted," see *Franks, supra*, at 776, and therefore more easily upset, the same argument can be made with respect to respondent. If it was reasonable to conclude—as we hold that it was—that the failure of minorities to qualify for admission at Davis under regular procedures was due principally to the effects of past discrimination, then there is a reasonable likelihood that, but for pervasive racial discrimination, respondent would have failed to qualify for admission even in the absence of Davis' special admissions program.[41]

Thus, our cases under Title VII of the Civil Right Act have held that, in order to achieve minority participation in previously segregated areas of public life, Congress may require or authorize preferential treatment for those likely disadvantaged by societal racial discrimination. Such legislation has been sustained even without a requirement of findings of intentional racial discrimination by those required or authorized to accord preferential treatment, or a case-by-case determination that those to be benefited suffered from racial discrimination. These decisions compel the conclusion that States also may adopt race-conscious programs designed to overcome substantial, chronic minority underrepresentation where there is reason to believe that the evil addressed is a product of past racial discrimination.[42]

Title VII was enacted pursuant to Congress' power under the Commerce Clause and § 5 of the Fourteenth Amendment. To the extent that Congress acted under the Commerce Clause power, it was restricted in the use of race in governmental decisionmaking by the equal protection component of the Due Process Clause of the Fifth Amendment precisely to the same extent as are the States by § 1 of the Fourteenth Amendment.[43] Therefore, to the extent that Title VII rests on the Commerce Clause power, our decisions such as *Franks* and *Teamsters, supra*, implicitly recognize that the affirmative use of race is consistent with the equal protection component of the Fifth Amendment and therefore of the Fourteenth Amendment. To the extent that Congress acted pursuant to § 5 of the Fourteenth Amendment, those cases impliedly recognize that Congress was empowered under that provision to accord preferential treatment to victims of past discrimination in order to overcome the effects of segregation, and we see no reason to conclude that the States cannot voluntarily accomplish under § 1 of the Fourteenth Amendment what Congress under § 5 of the Fourteenth Amendment validly may authorize or compel either the States or private persons to do. A contrary position would conflict with the traditional understanding recognizing the competence of the States to intitiate measures consistent with federal policy in the absence of congressional pre-emption of the subject matter. Nothing whatever in the legislative history of either the Fourteenth Amendment or the Civil Rights Acts even remotely suggests that the States are foreclosed from furthering the fundamental purpose of equal opportunity to which the Amendment and those Acts are addressed.

Indeed, voluntary initiatives by the States to achieve the national goal of equal opportunity have been recognized to be essential to its attainment. "To use the Fourteenth Amendment as a sword against such state power would stultify that Amendment." *Railway Mail Assn.* v. *Corsi*, 326 U.S. 88, 98 (Frankfurter, J., concurring).[44] We therefore conclude that Davis' goal of admitting minority students disadvantaged by the effects of past discrimination is sufficiently important to justify use of race-conscious admissions criteria.

B

Properly construed, therefore, our prior cases unequivocally show that a state government may adopt race-conscious programs if the purpose of such programs is to remove the disparate racial impact its actions might otherwise have and if there is reason to believe that the disparate impact is itself the product of past discrimination, whether its own or that of society at large. There is no question that Davis' program is valid under this test.

Certainly, on the basis of the undisputed factual submissions before this Court, Davis had a sound basis for believing that the problem of underrepresentation of minorities was substantial and chronic and that the problem was attributable to handicaps imposed on minority applicants by past and present racial discrimination. Until at least 1973, the practice of medicine in this country was, in fact, if not in law, largely the prerogative of whites.[45] In 1950, for example, while Negroes comprised 10% of the total population, Negro physicians constituted only 2.2% of the total number of physicians.[46] The overwhelming majority of these, moreover, were educated in two predominantly Negro medical schools, Howard and Meharry.[47] By 1970, the gap between the proportion of Negroes in medicine and their proportion in the population had widened: The number of Negroes employed in medicine remained frozen at 2.2%[48] while the Negro population had increased to 11.1%.[49] The number of Negro admittees to predominantly white medical schools, moreover, had declined in absolute numbers during the years 1955 to 1964. Odegaard 19.

Moreover, Davis had very good reason to believe that the national pattern of underrepresentation of minorities in medicine would be perpetrated if it retained a single admissions standard. For example, the entering classes in 1968 and 1969, the years in which such a standard was used, included only one Chicano and two Negroes out of 100 admittees. Nor is there any relief from this pattern of underrepresentation in the statistics for the regular admissions program in later years.[50]

Davis clearly could conclude that the serious and persistent underrepresentation of minorities in medicine depicted by those statistics is the result of handicaps under which minority applicants labor as a consequence of a background of deliberate, purposeful discrimination against minorities in education and in society generally, as well as in the medical profession. From the inception of our national life, Negroes have been subjected to unique legal disabilities impairing access to equal educational opportunity. Under slavery, penal sanctions were imposed on anyone attempting to educate Negroes.[51] After enactment of the Fourteenth Amendment the States continued to deny Negroes equal educational opportunity, enforcing a strict policy of segregation that itself stamped Negroes as inferior. *Brown, supra*, which relegated minorities to inferior educational institutions,[52] and which denied them intercourse in the mainstream of professional life necessary to advancement. See *Sweatt* v. *Painter*, 339 U.S. 629 (1950). Segregation was not limited to public facilities, moreover, but was enforced by criminal penalties against private action as well. Thus, as late as 1908, this Court enforced a state criminal conviction against a private college for teaching Negroes together with whites. *Berea College* v. *Kentucky*, 211 U.S. 45. See also *Plessy* v. *Ferguson, supra*.

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Green v. *County School Board, supra,* gave explicit recognition to the fact that the habit of discrimination and the cultural tradition of race prejudice cultivated by centuries of legal slavery and segregation were not immediately dissipated when *Brown I, supra,* announced the constitutional principle that equal educational opportunity and participation in all aspects of American life could not be denied on the basis of race. Rather, massive official and private resistance prevented, and to a lesser extent still prevents, attainment of equal opportunity in education at all levels and in the professions. The generation of minority students applying to Davis Medical School since it opened in 1968—most of whom were born before or about the time *Brown I* was decided—clearly have been victims of this discrimination. Judicial decrees recognizing discrimination in public education in California testify to the fact of widespread discrimination suffered by California-born minority applicants;[53] many minority group members living in California, moreover, were born and reared in school districts in southern States segregated by law.[54] Since separation of school children by race "generates a feeling of inferiority as to their status in the community that may affect their hearts and minds in a way unlikely ever to be undone," *Brown I,* 347 U.S., at 494, the conclusion is inescapable that applicants to medical school must be few indeed who endured the effects of *de jure* segregation, the resistance to *Brown I,* or the equally debilitating pervasive private discrimination fostered by our long history of official discrimination, cf. *Reitman* v. *Mulkey, supra,* and yet come to the starting line with an education equal to whites.[55]

Moreover, we need not rest solely on our own conclusion that Davis had sound reason to believe that the effects of past discrimination were handicapping minority applicants to the Medical School, because the Department of Health, Education, and Welfare, the expert agency charged by Congress with promulgating regulations enforcing title VI of the Civil Rights Act of 1964, see *supra,* pp. 18–19, has also reached the conclusion that race may be taken into account in situations where a failure to do so would limit participation by minorities in federally funded programs, and regulations promulgated by the Department expressly contemplate that appropriate race-conscious programs may be adopted by universities to remedy unequal access to university programs caused by their own or by past societal discrimination. See *supra,* p. 21, discussing 45 CFR §§ 80.3(b)(6)(ii) and 80.5 (j). It cannot be questioned that, in the absence of the special admissions program, access of minority students to the Medical School would be severely limited and, accordingly, race-conscious admissions would be deemed an appropriate response under these federal regulations. Moreover, the Department's regulatory policy is not one that has gone unnoticed by Congress. See *supra,* pp. 22–24. Indeed, although an amendment to an appropriations bill was introduced just last year that would have prevented the Secretary of Health, Education, and Welfare from mandating race-conscious programs in university admissions, proponents of this measure, significantly, did not question the validity of voluntary implementation of race-conscious admissions criteria. See *ibid.* In these circumstances, the conclusion implicit in the regulations—that the lingering effects of past discrimination continue to make race-conscious remedial programs appropriate means for ensuring equal educational opportunity in universities—deserves considerable judicial deference. See, *e.g.,* *Katzenbach* v. *Morgan,* 384 U.S. 641 (1966); *UJO,* 430 U.S., at 175–178 (concurring opinion).[56]

C

The second prong of our test—whether the Davis program stigmatizes any discrete group or individual and whether race is reasonably used in light of the program's objectives—is clearly satisfied by the Davis program.

It is not even claimed that Davis' program in any way operates to stigmatize or single out any discrete and insular, or even any identifiable, nonminority group. Nor will harm comparable to that imposed upon racial minorities by exclusion or separation on grounds of race be the likely result of the program. It does not, for example, establish an exclusive preserve for minority students apart from and exclusive of whites. Rather, its purpose is to overcome the effects of segregation by bringing the races together. True, whites are excluded from participation in the special admissions program, but this fact only operates to reduce the number of whites to be admitted in the regular admissions program in order to permit admission of a reasonable percentage—less than their proportion of the California population [57]—of otherwise under-represented qualified minority applicants.[58]

Nor was Bakke in any sense stamped as inferior by the Medical School's rejection of him. Indeed, it is conceded by all that he satisfied those criteria regarded by the School as generally relevant to academic performance better than most of the minority members who were admitted. Moreover, there is absolutely no basis for concluding that Bakke's rejection as a result of Davis' use of racial preference will affect him throughout his life in the same way as the segregation of the Negro school children in *Brown I* would have affected them. Unlike discrimination against racial minorities, the use of racial preferences for remedial purposes does not inflict a pervasive injury upon individual whites in the sense that wherever they go or whatever they do there is a significant likelihood that they will be treated as second-class citizens because of their color.

This distinction does not mean that the exclusion of a white resulting from the preferential use of race is not sufficiently serious to require justification; but it does mean that the injury inflicted by such a policy is not distinguishable from disadvantages caused by a wide range of government actions, none of which has ever been thought impermissible for that reason alone.

In addition, there is simply no evidence that the Davis program discriminates intentionally or unintentionally against any minority group which it purports to benefit. The program does not establish a quota in the invidious sense of a ceiling on the number of minority applicants to be admitted. Nor can the program reasonably be regarded as stigmatizing the program's beneficiaries or their race as inferior. The Davis program does not simply advance less qualified applicants; rather, it compensates applicants, whom it is uncontested are fully qualified to study medicine, for educational disadvantage which it was reasonable to conclude was a product of state-fostered discrimination. Once admitted, these students must satisfy the same degree requirements as regularly admitted students; they are taught by the same faculty in the same classes; and their performance is evaluated by the same standards by which regularly admitted students are judged. Under these circumstances, their performance and degrees must be regarded equally with the regularly admitted students with whom they compete for standing. Since minority graduates cannot justifiably be regarded as less well qualified than nonminority graduates by virtue of the special admissions program, there is no reasonable basis to conclude that minority graduates at schools using such programs would be stigmatized as inferior by the existence of such programs.

D

We disagree with the lower courts' conclusion that the Davis program's use of race was unreasonable in light of its objectives. First, as petitioner argues, there are no practical means by which it could achieve its ends in the foreseeable future without the use of race-conscious measures. With respect to any factor (such as poverty or family educational background) that may be used as a substitute for race as an indicator of past discrimination, whites greatly outnumber racial minorities simply because whites make up a far larger percentage of the total population and therefore far outnumber minorities in absolute terms at every socio-economic level.[59] For example, of a class of recent medical school applicants from families with less than $10,000 income, at least 71% were white.[60] Of all 1970 families headed by a person *not* a high school graduate which included related children under 18, 80% were white and 20% were racial minorities.[61] Moreover, while race is positively correlated with differences in GPA and MCAT scores, economic disadvantage is not. Thus, it appears that economically disadvantaged whites do not score less well than economically advantaged whites, while economically advantaged blacks score less well than do disadvantaged whites.[62] These statistics graphically illustrate that the University's purpose to integrate its classes by compensating for past discrimination could not be achieved by a general preference for the economically disadvantaged or the children of parents of limited education unless such groups were to make up the entire class.

Second, the Davis admissions program does not simply equate minority status with disadvantage. Rather, Davis considers on an individual basis each applicant's personal history to determine whether he or she has likely been disadvantaged by racial discrimination. The record makes clear that only minority applicants likely to have been isolated from the mainstream of American life are considered in the special program; other minority applicants are eligible only through the regular admissions program. True, the procedure by which disadvantage is detected is informal, but we have never insisted that educators conduct their affairs through adjudicatory proceedings, and such insistence here is misplaced. A case-by-case inquiry into the extent to which each individual applicant has been affected, either directly or indirectly, by racial discrimination, would seem to be, as a practical matter, virtually impossible, despite the fact that there are excellent reasons for concluding that such effects generally exist. When individual measurement is impossible or extremely impractical, there is nothing to prevent a State from using categorical means to achieve its ends, at least where the category is closely related to the goal. Cf. *Gaston County* v. *United States,* 395 U.S. 285, 295–296 (1969); *Katzenbach* v. *Morgan, supra.* And it is clear from our cases that specific proof that a person has been victimized by discrimination is not a necessary predicate to offering him relief where the probability of victimization is great. See *Teamsters, supra.*

E

Finally, Davis' special admissions program cannot be said to violate the Constitution simply because it has set aside a predetermined number of places for qualified minority applicants rather than using minority status as a positive factor to be considered in evaluating the applications of disadvantaged minority applicants. For purposes of constitutional adjudication, there is no

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difference between the two approaches. In any admissions program which accords special consideration to disadvantaged racial minorities, a determination of the degree of preference to be given is unavoidable, and any given preference that results in the exclusion of a white candidate is no more or less constitutionally acceptable than a program such as that at Davis.

Furthermore, the extent of the preference inevitably depends on how many minority applicants the particular school is seeking to admit in any particular year so long as the number of qualified minority applicants exceeds that number. There is no sensible, and certainly no constitutional, distinction between, for example, adding a set number of points to the admissions rating of disadvantaged minority applicants as an expression of the preference with the expectation that this will result in the admission of an approximately determined number of qualified minority applicants and setting a fixed number of places for such applicants as was done here.[63]

The "Harvard" program, see *ante*, at 43–47, as those employing it readily concede, openly and successfully employs a racial criterion for the purpose of ensuring that some of the scarce places in institutions of higher education are allocated to disadvantaged minority students. That the Harvard approach does not also make public the extent of the preference and the precise workings of the system while the Davis program employs a specific, openly stated number, does not condemn the latter plan for purposes of Fourteenth Amendment adjudication. It may be that the Harvard plan is more acceptable to the public than is the Davis "quota." If it is, any State, including California, is free to adopt it in preference to a less acceptable alternative, just as it is generally free, as far as the Constitution is concerned, to abjure granting any racial preferences in its admissions program. But there is no basis for preferring a particular preference program simply because in achieving the same goals that the Davis Medical School is pursuing, it proceeds in a manner that is not immediately apparent to the public.

IV

Accordingly, we would reverse the judgment of the Supreme Court of California holding the Medical School's special admissions program unconstitutional and directing respondent's admission, as well as that portion of the judgment enjoining the Medical School from according any consideration to race in the admissions process.

FOOTNOTES

[1] We also agree with MR. JUSTICE POWELL that a plan like the "Harvard" plan, see *ante*, at 43–47, is constitutional under our approach, at least so long as the use of race to achieve an integrated student body is necessitated by the lingering effects of past discrimination.

[2] See *Plessy* v. *Ferguson*, 163 U.S. 537 (1896).

[3] *New Orleans City Park Improvement Assn.* v. *Detiege*, 358 U.S. 54 (1959); *Muir* v. *Louisville Park Theatrical Assn.*, 347 U.S. 971 (1954); *Mayor of Baltimore* v. *Dawson*, 350 U.S. 877 (1955); *Holmes* v. *City of Atlanta*, 350 U.S. 879 (1955); *Gayle* v. *Browder*, 352 U.S. 903 (1956).

[4] See *Green* v. *County School Bd.*, 391 U.S. 430 (1968).

[5] See *Swann* v. *Charlotte-Mecklenburg Board of Ed.*, 402 U.S. 1 (1971); *Davis* v. *Board of School Comm'rs*, 402 U.S. 33 (1971); *North Carolina State Board of Ed.* v. *Swann*, 402 U.S. 43 (1971).

[6] See, *e.g.*, cases collected in *Monell* v. *Department of Social Services*, —— U.S. ——, —— n. 5 (1978).

[7] Title VI provides:

"No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance." 42 U.S.C. § 2000d.

[8] MR. JUSTICE WHITE believes we should address the private right of action issue. Accordingly, he has filed a separate opinion stating his view that there is no private right of action under Title VI. See *post*, p. ——.

[9] "Simple justice requires that public funds, to which all taxpayers of all races contribute, not be spent in any fashion which encourages, entrenches, subsidizes, or results in racial discrimination. Direct discrimination by Federal, State, or local governments is prohibited by the Constitution. But indirect discrimination, through the use of Federal funds is just as invidious; and it should not be necessary to resort to the courts to prevent each individual violation. Congress and the Executive have their responsibilities to uphold the Constitution also . . . .

"Many statutes providing Federal financial assistance, however, define with such precision both the administrator's role and the conditions upon which specified amounts shall be given to designated recipients that the amount of administrative discretion remaining—which might be used to withhold funds if discrimination were not ended—is at best questionable. No administrator has the unlimited authority to invoke the Constitution in opposition to the mandate of the Congress. Nor would it always be helpful to require unconditionally—as is often proposed—the withdrawal of all Federal funds from programs urgently needed by Negroes as well as whites; for this may only penalize those who least deserve it without ending discrimination.

"Instead of permitting this issue to become a political device often exploited by those opposed to social or economic progress, it would be better at this time to pass a single comprehensive provision making it clear that the Federal Government is not required, under any statute, to furnish any kind of financial assistance—by way of grant, loan, contract, guaranty, insurance or otherwise—to any program or activity in which racial discrimination occurs. This would not permit the Federal Government to cut off all Federal aid of all kinds as a means of punishing an area for the discrimination occurring therein—but it would clarify the authority of any administrator with respect to Federal funds or financial assistance and discriminatory practices." 109 Cong. Rec. 1161.

[10] See, *e.g.*, 110 Cong. Rec. 2732 (Rep. Dawson); *id.*, at 2481–2482 (Rep. Ryan); *id.*, at 2766 (Rep. Matsunga); *id.*, at 2595 (Rep. Donahue).

[11] There is also language in 42 U.S.C. § 2000d–5, enacted in 1966, which supports the conclusion that Title VI's standard is that of the Constitution. Section 2000d–5 provides that "for the purpose of determining whether a local educational agency is in compliance with [Title VI], compliance by such agency with a final order or judgment of a Federal court for the desegregation of the school or the school system operated by such agency shall be deemed to be compliance with [Title VI], insofar as the matters covered in the order or judgment are concerned." This provision was clearly intended to avoid subjecting local educational agencies simultaneously to the jurisdiction of the federal courts and the federal administrative agencies in connection with the imposition of remedial measures designed to end school segregation. Its inclusion reflects the congressional judgment that the requirements imposed by Title VI are identical to those imposed by the Constitution as interpreted by the federal courts.

[12] As has already been seen, the proponents of Title VI in the House were motivated by the identical concern. See remarks of Representative Celler (*id.*, at 2467); Representative Ryan (*id.*, at 1643, 2481–2482); H.R. Rep. No. 914, 88th Cong., 1st Sess., Additional Views of Seven Representatives, 24–25.

[13] See separate opinion of MR. JUSTICE WHITE, 4 n. 2.

[14] These remarks also reflect the expectations of Title VI's proponents that the application of the Constitution to the conduct at the core of their concern—the segregation of Negroes in federally funded programs and their exclusion from the full benefits of such programs—was clear. See *supra*, pp. 10–12; *infra*, p. 17 n. 17.

[15] Testimony of Attorney General Kennedy before the Senate Committee on the Judiciary on S. 1731 and S. 1750, Legislative History of the Civil Rights Act of 1964, at 398–399.

[16] See, *e.g.*, 110 Cong. Rec. 6544, 13820 (Sen. Humphrey); *id.*, at 6050 (Sen. Javits); *id.*, at 12677 (Sen. Allott).

[17] Our Brother STEVENS finds support for a colorblind theory of Title VI in its legislative history, but his interpretation gives undue weight to a few isolated passages from among the thousands of pages of the legislative history of Title VI. See 110 Cong. Rec. 6547 (Sen. Humphrey); *id.*, at 6047, 7055 (Sen. Pastore); *id.*, at 12675 (Sen. Allott); *id.*, at 6561 (Sen. Kuchel). These fragmentary comments fall far short of supporting a congressional intent to prohibit a racially conscious admissions program designed to assist those who are likely to have suffered injuries from the effects of past discrimination. In the first place, these statements must be read in the context in which they were made. The concern of the speakers was far removed from the incidental injuries which may be inflicted upon nonminorities by the use of racial preferences. It was rather with the evil of the segregation of Negroes in federally financed programs and, in some cases, their arbitrary exclusion on account of race from the benefits of such programs. Indeed, in this context there can be no doubt that the Fourteenth Amendment does command color blindness and forbids the use of racial criteria. No consideration was given by these legislators, however, to the permissibility of racial preference designed to redress the effects of injuries suffered as a result of one's color. Significantly one of the legislators, Senator Pastore, and perhaps also Senator Kuchel, who described Title VI as proscribing decisionmaking based upon skin color, also made it clear that Title VI does not outlaw the use of racial criteria in all circumstances. See *supra*, pp. 15–16; 110 Cong. Rec. 6562. See also *id.*, at 2494 (Rep. Celler). Moreover, there are many statements in the legislative history explicitly indicating that Congress intended neither to require nor prohibit the remedial use of racial preferences where not otherwise required or prohibited by the Constitution. Representative MacGregor addressed directly the problem of preferential treatment:

"Your mail and mine, your contacts and mine with our constituents, indicates a great deal of misunderstanding about this bill. People complain about racial 'balancing' in the public schools, about open occupancy in housing, about preferential treatment or quotas in employment. There is a mistaken belief that Congress is legislating in these areas in this bill. When we drafted this bill we excluded these issues largely because the problems raised by these controversial question are more properly handled at a governmental level close to the American people and by communities and individuals themselves. The Senate has spelled out our intentions more specifically." *Id.*, at 15893.

Other legislators explained that the achievement of racial balance in elementary and secondary schools where there had been no segregation by law was not compelled by Title VI but was rather left to the judgment of state and local communities. See, *e. g., id.*, at 10920 (Sen. Javits); *id.*, at 5807, 5266 (Sen. Keating); *id.*, at 13821 (Sens. Humphrey and Saltonstall). See also, *id.*, at 6562 (Sen. Kuchel); *id.*, at 13695 (Sen. Pastore).

Much the same can be said of the scattered remarks to be found in the legislative history of Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e–1 *et seq.*, which prohibits employment discrimination on the basis of race in terms somewhat similar to those contained in Title VI, see 42 U. S. C. § 2000e–2(a)(1) (unlawful "to fail or refuse to hire" any applicant "because of such individual's race, color, religion, sex or national origin. . . ."), to the effect that any deliberate attempt by an employer to maintain a racial balance is not required by the statute and might in fact violate it. See, *e. g.*, 110 Cong. Rec. 7214 (Sens. Clark and Case); *id.*, at 6549 (Sen. Humphrey); *id.*, at 2560 (Rep. Goodell). Once again, there is no indication that Congress intended to bar the voluntary use of racial preferences to assist minorities to surmount the obstacles imposed by the remnants of past discrimination. Even assuming that Title VII prohibits employers from deliberately maintaining a particular racial composition in their work force as an end in itself, this does not imply, in the absence of any consideration of the question, that Congress intended to bar the use of racial preferences as a tool for achieving the objective of remedying past discrimination or other compelling ends. The former may well be contrary to the requirements of the Fourteenth Amendment (where state action is involved), while the latter presents very different constitutional considerations. Indeed, as discussed *infra*, this Court has construed Title VII as requiring the use of racial preferences for the purpose of hiring and advancing those who have been adversely affected by past discriminatory employment practices, even at the expense of other employees innocent of discrimination. *Franks* v. *Bowman Transportation Co.*, 424 U. S. 747, 767–768 (1976). Although Title VII clearly does not require employers to take action to remedy the disadvantages imposed upon racial minorities by hands other than their own, such an objective is perfectly consistent with the remedial goals of the statute. See *id.*, at 762–770; *Albemarle Paper Co.* v. *Moody*, 422 U. S. 405, 418 (1975). There is no more indication in the legislative history of Title VII than in that of title VI that Congress desired to prohibit such affirmative action to the extent that it is permitted by the Constitution, yet judicial decisions as well as subsequent executive and congressional action clearly established that Title VII does not forbid race-conscious remedial action. See *infra*, pp. 29–31, and n. 28.

[18] HEW has stated that the purpose of these regulations is "to specify that affirmative steps to make services more equitably available are not prohibited and that such steps are required when necessary to overcome the consequences of prior discrimination." 36 Fed. Reg. 23494 (1971). Other federal agencies which provide financial assistance pursuant to Title VI have adopted similar regulations. See Supplemental Brief for the United States as *Amicus Curiae*, 16 n. 14.

[19] Moreover, the President has delegated to the Attorney General responsibility for coordinating the enforcement of Title VI by federal departments and agencies and has directed him to "assist the departments and agencies in accomplishing effective implementation." Executive Order No. 11764, 39 Fed. Reg. 2575 (1974). Accordingly, the views of the Solicitor General, as well as those of HEW, that the use of racial preferences for remedial purposes is consistent with Title VI are entitled to considerable respect.

[20] HEW administers at least two explicitly race-conscious programs. Details concerning them may be found in the 1977 Catalogue of Federal Domestic Assistance, pp. 205–206, 401–402. The first program, No. 13–375, "Minority Biomedical Support," has as its objectives:

"To increase the number of ethnic minority faculty, students, and investigators engaged in biomedical research. To broaden the opportunities for participation in biomedical research of ethnic minority faculty, students, and investigators by providing support for biomedical research programs at eligible institutions."

Eligibility for grants under this program is limited to (1) four-year colleges, universities, and health professional schools with over 50% minority enrollments; (2) four-year institutions with significant but not necessarily over 50% minority enrollment provided they have a history of encouragement and assistance to minorities; (3) two-year colleges with 50% minority enrollment; and (4) American Indian Tribal Councils. Grants made pursuant to this program are estimated to total $9,711,000 for 1977.

The second program, No. 13,880, entitled "Minority Access To Research Careers," has as its objective to "assist minority institutions to train greater numbers of scientists and teachers in health related fields. Grants under this program are made directly to individuals and to institutions for the purpose of enabling them to make grants to individuals.

[21] See Conference Report to accompany H.R. 7555, at 22; 123 Cong. Rec. 26188 (Aug. 2, 1977). Final passage of the bill has been delayed by the dispute over the funding of abortions.

[22] 42 U.S.C. § 6705(f)(2).

[23] 123 Cong. Rec. 7156 (Mar. 10, 1977); *id.*, at 5328 (Feb. 24, 1977).

[24] See *id.*, at 7156 (Mar. 10, 1977) (Sen. Brooke); *id.*, at 5328 (Feb. 24, 1977) (Rep. Biaggi).

[25] In addition to the enactment of the 10% quota provision discussed *supra*, Congress has also passed other acts mandating race-conscious measures to overcome disadvantages experienced by racial minorities. Although these statutes have less direct bearing upon the meaning of Title VI, they do demonstrate that Congress believes race-conscious remedial measures to be both permissible and desirable under at least some circumstances. This in turn undercuts the likelihood that Congress intended to limit voluntary efforts to implement similar measures. For example, § 7(a) of the National Science Foundation Authorization Act of 1977 provides:

"The Director of the National Science Foundation shall initiate an intensive search for qualified women, members of minority groups, and handicapped individuals to fill executive level positions in the National Science Foundation. In carrying out the requirement of this subsection, the Director shall work closely with organizations which have been active in seeking greater recognition and utilization of the scientific and technical capabilities of minorities, women, and handicapped individuals. The Director shall improve the representation of minorities, women, and handicapped individuals on advisory committees, review panels, and all other mechanisms by which the scientific community provides assistance to the Foundation." 42 U.S.C. § 1873.

Perhaps more importantly, the Act also authorizes the funding of Minority Centers for Graduate Education. The Act requires that these Centers:

"(A) have substantial minority student enrollment;

"(B) are geographically located near minority population centers;

"(C) demonstrate a commitment to encouraging and assisting minority students, researchers, and faculty;

* * * * *

"(F) will serve as a regional resource in science and engineering for the minority community which the Center is designed to serve; and

"(G) will develop joint educational programs with nearby undergraduate institutions of higher education which have a substantial minority student enrollment."

Once again, there is no indication in the legislative history of this Act or elsewhere that Congress saw any inconsistency between the race-conscious nature of such legislation and the meaning of Title VI. And once again, it is unlikely in the extreme that a Congress which believed that it had commanded recipients of federal funds to be absolutely colorblind would itself expend federal funds in such a race-conscious manner. See also the Railroad Revitalization Act of 1976, 45 U.S.C. § 801 *et seq.*, 49 U.S.C. § 1657 *et seq.*; the Emergency School Aid Act of 1972, 20 U.S.C. § 1601 *et seq.*

[26] Cf. *Griggs* v. *Duke Power Co.*, 401 U.S. 424 (1971).

[27] *Griggs* v. *Duke Power Co.*, 401 U.S. 424 (1971); *Albemarle Paper Co.* v. *Moody*, 422 U.S. 405 (1975).

[28] *Franks* v. *Bowman Transportation Co.*, 424 U.S. 747 (1976); *Teamsters* v. *United States*, 431 U.S. 324 (1977). Executive, judicial, and congressional action subsequent to the passage of Title VII conclusively established that the Title did not bar the remedial use of race. Prior to the 1972 amendments to Title VII (The Equal Employment Opportunities Act of 1972, Pub. L. 82–261) a number of courts of appeals approved race-conscious action to remedy the effects of employment discrimination. See, *e.g.*, *Local 53, International Assn. of Heat & Frost Insulators & Asbestos Workers* v. *Vogler*, 407 F. 2d 1047 (CA5 1969); *United States* v. *International Brotherhood of Electrical Workers, Local 38*, 428 F. 2d 144, 149–159 (CA6), cert. denied, 400 U.S. 943, 91 S. Ct. 245, 27 L. Ed. 2d 248 (1970); *United States* v. *Sheetmetal Workers Local 36*, 416 F. 2d 123 (CA8 1969). In 1965, the President issued Executive Order 11246, 30 Fed. Reg. 12319, as amended 32 Fed. Reg. 14303, which required federal contractors to take affirmative action to remedy the disproportionately low employment of racial minorities in the construction industry. The Attorney General issued an opinion concluding that the race consciousness required by Executive Order 11246 did not conflict with Title VII:

"It is not correct to say that Title VII prohibits employers from making race or national origin a factor for consideration at any stage in the process of obtaining employees. The legal definition of discrimination is an evolving one, but it is now well recognized in judicial opinions that the obligation of nondiscrimination, whether imposed by statute or by the Constitution, does not require and, in some circumstances, may not permit obliviousness or indifference to the racial consequences of alternative courses of action which involve the application of outwardly neutral criteria." 42 Op. AG No. 37 (1969), at 7.

The federal courts agreed. See, *e.g.*, *Contractors Assn. of Eastern Pa.* v. *Secretary of Labor*, 442 F. 2d 159 (CA3), cert. denied, 404 U.S. 854 (1971) (which also held, at 173, that race conscious affirmative action was permissible under Title VI); *Southern Illinois Builders Assn.* v. *Ogilvie*, 471 F. 2d 680 (CA7 1972). Moreover, Congress, in enacting

the 1972 amendments to Title VII, explicitly considered and rejected proposals to alter Executive Order 11246 and the prevailing judicial interpretations of Title VII as permitting, and in some circumstances requiring, race conscious action. See Comment, The Philadelphia Plan: A Study on the Dynamics of Executive Power 39 U. Chi. L. Rev. 732, 747–757 (1972). The section-by-section analysis of the 1972 amendments to Title VII undertaken by the Senate Subcommittee on Labor of the Senate Committee on Labor and Public Welfare reveals a resolve to accept the then (as now) prevailing judicial interpretations of the scope of Title VII:

"In any area where the new law does not address itself, or in any areas where a specific contrary intent is not indicated, it was assumed that the present case law as developed by the courts would continue to govern the applicability and construction of Title VII." Legislative History of Equal Employment Opportunities Act of 1972, at 1844.

[29] *United Jewish Organizations of Williamsburgh* v. *Carey*, 430 U.S. 144 (1977). See also *id.*, at 167–168 (opinion of WHITE, J.).

[30] We do not pause to debate whether our cases establish a "two-tier" analysis, a "sliding scale" analysis, or something else altogether. It is enough for present purposes that strict scrutiny is applied at least in some cases.

[31] Of course, the fact that whites constitute a political majority in our Nation does not necessarily mean that active judicial scrutiny of racial classifications that disadvantage whites is inappropriate. Cf. *Castaneda* v. *Partida*, 4300 U.S. 482, 499–500 (1977); *id.*, at 501 (MARSHALL, J., concurring).

[32] "[T]he conclusion cannot be resisted that no reason for [the refusal to issue permits to Chinese] exists except hostility to the race and nationality to which petitioners belong. . . . The discrimination is, therefore, illegal. . . ."

[33] Indeed, even in *Plessy* v. *Ferguson*, *supra*, the Court recognized that a classification by race that presumed one race to be inferior to another would have to be condemned. See 163 U.S., at 544–551.

[34] Paradoxically, petitioner's argument is supported by the cases generally thought to establish the "strict scrutiny" standard in race cases, *Hirabayashi* v. *United States*, 320 U.S. 81 (1943), and *Korematsu* v. *United States*, 323 U.S. 214 (1944). In *Hirabayashi*, for example, the Court, responding to a claim that a racial classification was rational, sustained a racial classification solely on the basis of a conclusion in the double-negative that it could not say that facts which might have been available "could afford no ground for differentiating citizens of Japanese ancestry from other groups in the United States." *Id.*, at 101. A similar mode of analysis was followed in *Korematsu*, see 323 U.S., at 224, even though the Court stated there that racial classifications were "immediately suspect" and should be subject to "the most rigid scrutiny." *Id.*, at 216.

[35] We disagree with our Brother POWELL's suggestion, *ante*, at 31, that the presence of "rival groups who can claim that they, too, are entitled to preferential treatment," *ibid.*, distinguishes the gender cases or is relevant to the question of scope of judicial review of race classifications. We are not asked to determine whether groups other than those favored by the Davis program should similarly be favored. All we are asked to do is to pronounce the constitutionality of what Davis has done.

But, were we asked to decide whether any given rival group—German-Americans for example—must constitutionally be accorded preferential treatment, we do have a "principled basis," *ante*, at 25, for deciding this question, one that is well-established in our cases: The Davis program expressly sets out four classes which receive preferred status. *Ante*, at 4. The program clearly distinguishes whites, but one cannot reason from this to a conclusion that German-Americans, as a national group, are singled out for invidious treatment. And even if the Davis program had a differential impact on German-Americans, they would have no constitutional claim unless they could prove that Davis intended invidiously to discriminate against German-Americans. See *Village of Arlington Heights* v. *Metropolitan Housing Corp.*, 429 U.S. 252, 264–265 (1977); *Washington* v. *Davis*, 426 U.S. 229, 238–241 (1976). If this could not be shown, then "the principle that calls for the closest scrutiny of distinctions in laws denying fundamental rights . . . is inapplicable," *Katzenbach* v. *Morgan*, 384 U.S. 641, 657 (1967), and the only question is whether it was rational for Davis to conclude that the groups it preferred had a greater claim to compensation than the groups it excluded. See *ibid.*; *San Antonio Indep. School Dist.* v. *Rodriguez*, 411 U.S. 1, 38–39 (1973) (appling *Katzenbach* test to state action intended to remove discrimination in educational opportunity). Thus, claims of rival groups, although they may create thorny political problems, create relatively simple problems for the courts.

[36] Gunther, The Supreme Court, 1971 Term—Foreword: In Search of Evolving Doctrine on a Changing Court: A Model for a Newer Equal Protection, 86 Harv. L. Rev. 1, 8 (1972).

[37] In *Albemarle*, we approved "differential validation" of employment tests. See 422 U.S., at 435. That procedure requires that an employer must ensure that a test score of, for example, 50 for a minority job applicant means the same thing as a score of 50 for a nonminority applicant. By implication, were it determined that a test score of 50 for a minority corresponded in "potential for employment" to a 60 for whites, the test could not be used consistent with Title VII unless the employer hired minorities with scores of 50 even though he might not hire nonminority applicants with scores above 50 but below 60. Thus, it is clear that employers, to ensure opportunity, may have to adopt race-conscious hiring practices.

[38] Indeed, Titles VI and VII of the Civil Rights Act of 1964 put great emphasis on voluntarism in remedial action. See *supra*, pp. 13–15. And, significantly, the Equal Employment Opportunities Commission has recently proposed guidelines authorizing employers to adopt racial preferences as a remedial measure where they have a reasonable basis for believing that they might otherwise be held in violation of Title VII. See 42 Fed. Reg. 64826 (1977).

[39] "[T]he [Voting Rights] Act's prohibition . . . is not dependent upon proving past unconstitutional apportionments. . . ."

[40] "[T]he State is [not] powerless to minimize the consequences of racial discrimination by voters when it is regularly practiced at the polls."

[41] Our cases cannot be distinguished by suggesting, as our Brother POWELL does, that in none of them was anyone deprived of "the relevant benefit." *Ante*, at 32; *id.*, at 33. Our school cases have deprived whites of the neighborhood school of their choice; our Title VII cases have deprived nondiscriminating employees of their settled seniority expectations; and *UJO* deprived the Hassidim of bloc voting strength. Each of these injuries was constitutionally cognizable as is respondent's here.

[42] We do not understand MR. JUSTICE POWELL to disagree that providing a remedy for past racial prejudice can constitute a compelling purpose sufficient to meet strict scrutiny. See *ante*, at 35–36. Yet, because petitioner is a university, he would not allow it to exercise such power in the absence of judicial, legislative, or administrative findings of constitutional or statutory violations. *Ibid.* While we agree that reversal in this case would follow a *fortiori* had Davis been guilty of invidious racial discrimination or if a federal statute mandated that universities refrain from applying any admissions policy that had a disparate and unjustified racial impact, see, *e.g.*, *McDaniel* v. *Barresi*, 402 U.S. 39 (1971); *Franks* v. *Bowman Transp. Co.*, 424 U.S. 747 (1976), we do not think it of constitutional significance that Davis has not been so adjudged.

Generally, the manner in which a State chooses to delegate governmental functions is for it to decide. Cf. *Sweezy* v. *New Hampshire*, 354 U.S. 234, 256 (1957) (Frankfurter, J., concurring). California, by constitutional provision, has chosen to place authority over the operation of the University of California in the Board of Regents. See Cal. Const. Art. IX, § 9(a) (1978). Control over the University is to be found not in the legislature, but rather in the Regents who have been vested with full legislative (including policymaking), administrative, and adjudicative powers by the citizens of California. See *ibid.*; *Ishmatsu* v. *Regents*, 266 Cal. App. 2d 854, 863–864, 73 Cal. Rptr. 753, 762–763 (1968); *Goldberg* v. *Regents*, 248 Cal. App. 2d 867, 874, 57 Cal Rptr. 463, 468 (1967); 30 Ops. Atty. Gen. Cal. 162, 166 (1957) ("The Regents, not the legislature, have the general rule-making or policy-making power in regard to the University.") This is certainly a permissible choice, see *Sweezy*, *supra*, and we, unlike our Brother POWELL, find nothing in the Equal Protection Clause that requires us to depart from established principle by limiting the scope of power the Regents may exercise more narrowly than the powers that may constitutionally be wielded by the Assembly.

Because the Regents can exercise plenary legislative and administrative power, it elevates form over substance to insist that Davis could not use race-conscious remedial programs until it had been adjudged in violation of the Constitution or an antidiscrimination statute. For, if the Equal Protection Clause required such a violation as a predicate, the Regents could simply have promulgated a regulation prohibiting disparate treatment not justified by the need to admit only qualified students, and could have declared Davis to have been in violation of such a regulation on the basis of the exclusionary effect of the admissions policy applied during the first two years of its operation. See *infra*, at 46.

[43] "Equal protection analysis in the Fifth Amendment area is the same as that under the Fourteenth Amendment." *Buckley* v. *Valeo*, 424 U.S. 1, 93 (per curiam), citing *Weinberger* v. *Weisenfeld*, 420 U.S. 636, 638 n. 2 (1975).

[44] *Railway Mail Association* held that a state statute forbidding racial discrimination by certain labor organizations did not abridge the Association's due process rights secured by the Fourteenth Amendment because that result "would be a distortion of the policy manifested in that amendment which was adopted to prevent state legislation designed to perpetuate discrimination on the basis of race or color." 326 U.S., at 94. That case thus established the principle that a State voluntarily could go beyond what the Fourteenth Amendment required in eliminating private racial discrimination.

[45] According to 89 schools responding to a questionnaire sent to 112 medical schools (all of the then-accredited medical schools in the United States except Howard and Meharry), substantial efforts to admit minority students did not begin until 1968. That year was the earliest year of involvement for 34% of the schools; an additional 66% became involved during the years 1969 to 1973. See C. Odegaard. Minorities in Medicine: From Receptive Passivity to Positive

Action, 1966–1976, at 19 (1977) hereinafter Odegaard). These efforts were reflected in a significant increase in the percentage of minority M.D. graduates. The number of American Negro graduates increased from 2.2% in 1970 to 3.3% in 1973 and 5.0% in 1975. Significant percentage increases in the number of Mexican American, American Indian, and Mainland Puerto Rican graduates were also recorded during those years. *Id.*, at 40.

The statistical information cited in this and the following notes was compiled by government officials or medical educators, and has been brought to our attention in many of the briefs. Neither the parties nor the *amici* challenge the validity of the statistics alluded to in our discussion.

[46] D. Reitzes, Negroes and Medicine XXVII, 3 (1958).

[47] Between 1955 and 1964, for example, the percentage of Negro physicians graduated in the United States who were trained at these schools ranged from 69.0% to 75.8%. See Odegaard, at 19.

[48] Minorities and Women in Health Fields, United States Dept. of Health, Education, and Welfare Pub. No. (HRA) 75–22, at 7 (May 1974).

[49] U.S. Bureau of the Census, 1970 Census, Vol. 1, Characteristics of the Population, Pt. 1, United States Summary, sec. 1, General Population Characteristics, 1–293 (Table 60) (1973).

[50] See *ante*, at 6 n. 6 (opinion of POWELL, J.).

[51] See, *e.g.*, R. Wade, Slavery in the Cities 90–91 (1964).

[52] For an example of unequal facilities in California schools, see *Soria* v. *Oxnard School Dist.*, 386 F. Supp. 539, 542 (C. D. Cal. 1974). See also R. Kluger, Simple Justice (1976).

[53] See, *e.g.*, *Crawford* v. *Board of Educ.*, 17 Cal. 3d 280, 130 Cal. Rptr. 724, 551 P. 2d 28 (1976); *Soria* v. *Oxnard School District*, 386 F. Supp. 539 (CD Cal. 1974); *Spangler* v. *Pasadena City Board of Educ.*, 311 F. Supp. 501 (CD Cal. 1970); C. Wollenberg, All Deliberate Speed: Segregation and Exclusion in California's Schools, 1855–1975, at 136–177 (1976).

[54] For example, over 40% of American born Negro males aged 20 to 24 residing in California in 1970 were born in the South, and the same statistic for females was over 48%. These statistics were computed from data contained in Census, *supra*, n. 49, pt. 6, California, sec. 2, Detailed Characteristics, 6–1146 (table 139), 6–1149 (table 140).

[55] See, *e.g.*, *O'Neil*, Preferential Admissions: Equalizing the Access of Minority Groups to Higher Education, 80 Yale L. J. 699, 729–731 (1971).

[56] Congress and the Executive have also adopted a series of race-conscious programs, each predicated on an understanding that equal opportunity cannot be achieved by neutrality because of the effects of past and present discrimination. See *supra*, pp. 24–26.

[57] Negroes and Chicanos alone comprise approximately 22% of California's population. This percentage was computed from data contained in Census, *supra*, n. 49, pt. 6, California, sec. 1, 6–4, and *id.*, sec. 2, 6–1146 to 6–1147 (Table 139).

[58] The constitutionality of the special admissions program is buttressed by its restriction to only 16% of the positions in the Medical School, a percentage less than that of the minority population in California, see *id.*, and to those minority applicants deemed qualified for admission and deemed likely to contribute to the medical school and the medical profession. Record 67. This is consistent with the goal of putting minority applicants in the position they would have been in if not for the evil of racial discrimination. Accordingly, this case does not raise the question whether even a remedial use of race would be unconstitutional if it admitted unqualified minority applicants in preference to qualified applicants or admitted, as a result of preferential consideration, racial minorities in numbers significantly in excess of their proportional representation in the relevant population. Such programs might well be inadequately justified by the legitimate remedial objectives. Our allusion to the proportional percentage of minorities in the population of the State administering the program is not intended to establish either that figure or that population universe as a constitutional benchmark. In this case, even respondent, as we understand him, does not argue that, if the special admissions program is otherwise constitutional, the allotment of 16 places in each entering class for special admittees is unconstitutionally high.

[59] See Census, *supra*, n. 49, Sources and Structure of Family Income, 1–12.

[60] This percentage was computed from data presented in B. Waldman, Economic and Racial Disadvantage as Reflected in Traditional Medical School Selection Factors: A Study of 1976 Applicants to U.S. Medical Schools 34 (Table A–15), 42 (Table A–23) Association of American Medical Colleges.

[61] This figure was computed from data contained in Census, *supra*, n. 49, pt. 1, United States Summary, sec. 2, 1–666 (Table 209).

[62] See Waldman, *supra*, n. 60, at 10–14 (Figures 1–5).

[63] The excluded white applicant, despite MR. JUSTICE POWELL's contention to the contrary, *ante*, at 47 n. 52, receives no more or less "individualized consideration" under our approach than under his.

DELAWARE PETITIONS CONGRESS ON A HUMAN LIFE AMENDMENT

● Mr. BIDEN. Mr. President, I submit for the RECORD Delaware's petition to Congress to call a constitutional convention for the purposes of considering a "human life amendment."

The petition follows:

HOUSE CONCURRENT RESOLUTION No. 9

Whereas, millions of abortions are alleged to have been performed in the United States since the decision on abortions by the United States Supreme Court on January 22, 1973; and

Whereas, the Congress of the United States has not proposed to date a "human-life amendment" to the Constitution of the United States.

Now therefore:

Be it resolved that the House of Representatives of the 129th General Assembly of the State of Delaware, the Senate concurring herein, applies to the Congress of the United States to call a convention to propose an amendment to the Constitution that would protect the lives of all human beings including unborn children at every stage of their biological development.

Be it further resolved that this application shall constitute a continuing application for such a convention pursuant to Article V of the Constitution of the United States until such time as the Legislatures of two-thirds of the States shall have made like applications and such convention shall have been called by the Congress of the United States.

Be it further resolved that copies of this concurrent resolution be presented to the President of the Senate of the United States, the Secretary of the Senate of the United States, the Speaker of the House of Representatives of the United States, the Clerk of the House of Representatives of the United States, and to each member of the Congress from Delaware attesting the adoption of this concurrent resolution by the 129th General Assembly of the State of Delaware.●

THE NATIONAL CONSUMER COOPERATIVE BANK ACT

● Mr. TOWER. Mr. President, one of the major concerns I have over enactment of H.R. 2777, the National Consumer Cooperative Bank Act, is the effect which loans from such a bank would have on small business firms. This issue was discussed during the hearings held by the Subcommittee on Financial Institutions, but unfortunately it was not given the serious consideration it deserves in the bill reported by the full committee.

I have introduced an amendment, in the nature of a substitute to H.R. 2777, which would provide for a pilot lending and technical assistance program for consumer cooperatives and a 2-year study of the needs of consumer cooperatives by an interagency task force. Under this amendment, the interagency task force would, among other things, be required to study and make recommendations regarding the effect which loans from a consumer cooperative bank would have on competition between consumer cooperatives and small business firms.

In order for the Members of this body to understand more fully the importance of this issue, I am placing in the RECORD today the statement presented by the National Federation of Independent Business during the Financial Institutions Subcommittee's hearings on this bill.

In that statement, James D. "Mike" McKevitt noted the following:

It is not difficult to understand small business opposition to this bill. Despite the contention of supporters of the bill that the Bank will enhance competition in business activities and geographic areas now dominated by a few large firms, the bill would, in fact, create subsidized competition in business activities—primarily retailing and non-professional services—now dominated by small firms.

I ask that the statement by the National Federation of Independent Business be printed in the RECORD.

The statement follows:

STATEMENT OF JAMES D. "MIKE" MCKEVITT, WASHINGTON COUNSEL, NATIONAL FEDERATION OF INDEPENDENT BUSINESS

Mr. Chairman, distinguished members of the Committee, I am Mike McKevitt, Washington Counsel for the National Federation of Independent Business (NFIB). In January, 1977, NFIB asked its one-half million small and independent business firms whether they favored or opposed enactment of the National Consumer Co-op Bank Act, H.R. 2777. The response was a resounding 93% in opposition. the second most lopsided vote of NFIB members in the last few years

It is not difficult to understand small business opposition to this bill. Despite the contention of supporters of the bill that the Bank will enhance competition in business activities and geographic areas now dominated by a few large firms, the bill would, in fact, create subsidized competition in business activities—primarily retailing and non-professional services—now dominated by small firms. Table 1 shows the distribution of small retail firms employing at least one person by number of employees in the first quarter of 1973. Passage of H.R. 2777 will not only seriously threaten the economic vitality of an entire strata of the small business community; it would require small firms to help pay part of the cost of subsidizing the very cooperatives that could put these firms out of business.

TABLE 1.—DISTRIBUTION OF RETAIL FIRMS BY SIZE OF EMPLOYMENT

	Number of employees per firm				
	1 to 3	4 to 7	8 to 19	20 to 49	50 or more
Percent of firms	44	25	20	8	3
Number of firms	464, 547	267, 068	209, 289	81, 995	33, 412
Percent of employees	7	11	20	20	42
Number of employees	860, 842	1, 389, 689	2, 472, 320	2, 458, 572	5, 196, 610

Source: U.S. Bureau of the Census, County Businesses Patterns, 1973, United States CBP-73-1, U.S. Government Printing Office Washington, D.C., 1974.

Existing cooperatives already enjoy a major, government-sanctioned competitive advantage over small business in the area of taxes—or, more appropriately, the lack of taxes. While small businesses are busy trying to earn enough money to support themselves, create jobs, and help finance the United States Government, cooperatives can reap the benefits of the marketplace without having to shoulder their fair share of the burden. For example, cooperatives are not required to pay income taxes on profits, so long as these profits are returned to the cooperative's owners as either a cash payment or as stock certificates. Incorporated and unincorporated businesses on the other hand, are required to pay income taxes on all of their profits.

Small business tax rates are bad enough; H.R. 2777 would add insult to injury by using tax dollars, a large portion of which is contributed by the nation's operating small businesses, to finance the Consumer Co-operative Bank. Equally important, the $250 million authorization provided in the bill may, in whole or in part, be lost by the taxpayer, since the difference between the government's cost of money and the repayment rate will have to be absorbed by the taxpayer. Finally, the additional administrative expenses involved in financing Federal borrowing and the bank itself must be taken into consideration.

What this means to small business is that their hard-earned tax dollars will be used to provide a significant portion of the funds needed to establish a bank that will subsidize their competition. Therefore, the only return small business can expect to receive from this misuse of their tax dollars is an uphill battle to stay in business, despite the government-given competitive edge of the cooperatives.

NFIB's members are not concerned about genuine efforts to increase or stimulate competition. We live with competition on a daily basis. Our objection to proposals such as H.R. 2777 arises from the conviction that government favoritism toward cooperatives (and big business, for that matter) is totally unjustified. What we need in the marketplace is fewer, not more, "sheltered" portions of our economy.

NFIB recognizes that the bill's proponents are fond of justifying H.R. 2777 by citing instances where cooperatives could increase competition in defined geographic areas. For example, they might point to a ghetto area where the only grocery store available is a Safeway. They also believe that this bill is essential to the revitalization of our urban neighborhoods by providing the impetus for people to work together to create a decent, thriving environment. NFIB takes issue with both claims.

If it is indeed the purpose to assist in establishing consumer cooperatives in defined geographic areas, why are there no eligibility limitations based on the competitive milieu a cooperative could enter? Why doesn't the bill specifically state that an eligible cooperative must intend to provide competition for defined geographic areas where no competition currently exists? If such safeguards are not included in the bill, what guarantees will there be that the bank would not be used to create cooperatives in relatively competitive areas?

Even if the bill is intended to provide competition where none currently exists, H.R. 2777 will be treating the symptom and not the disease. The reason is that the bill fails to address three very important questions: Why is there a lack of competition in the first place? Why should we assume that a cooperative will flourish where a business hasn't? and have we exhausted alternative methods to increase competition by using conventional business forms?

Let us consider these questions for a moment. Why is there no competition? If antitrust is the problem, the solution should be to enforce vigorously the antitrust laws now on the books, such as Robinson-Patman, rather than subsidize a form of business activity that often is not required to conform to the antitrust laws. NFIB strongly supports the full enforcement of our antitrust laws.

If, however, the problem is an unsufficient market for more than one outlet, how can we reasonably expect a cooperative to enter the market on a financially sound basis? Yet the bank is intended to assist commercially viable ventures. There is simply no reason to expect a cooperative to successfully enter a market when a business cannot. Cooperatives, like other forms of business activity, must have a favorable economic climate to succeed. Without adequate sales, reasonable capital expenditures, and the like, a cooperative has no better chance of succeeding than a traditional business. The greatest chance of success, therefore, lies in the nation's most lucrative market—suburbia. But there is already considerable business competition in suburban areas.

Making it possible for people to band together to own and operate a cooperative will not guarantee that the cooperative will be successful. Neither will it insure the revitalization of our inner city neighborhoods. Proponents of the bill continually compare the advantages of a neighborhood cooperative and the disadvantages of having a large business in control of the marketplace. What is not mentioned is the advantages of a healthy, thriving small business community. Small businesses are, after all, most often owned and operated by people who live and work in the same neighborhood. Small business employs 56 percent of the nation's private labor force, and small businessmen prefer to hire local people who know the people and the needs of the neighborhood. Most important, a successful small business community maintains a local tax base which can be used to provide services for the community as a whole. A cooperative, on the other hand, can be owned by local people, and can employ local people; it will not pay a proportionate share of the taxes needed to rebuild the community.

If we are serious about revitalizing our urban neighborhoods, eliminating government-mandated inherent advantages of large firms and cooperatives over small firms is an alternative worthy of consideration. There are, however, other alternatives besides antitrust enforcement or equity in tax laws. For example, low interest loans targeted specifically at small businesses entering non-competitive areas is one suggestion. Another is to give small businesses some tax advantages to equalize their position, relative to large firms and cooperatives, in the marketplace.

A third suggestion is to upgrade, coordinate, and focus the efforts of OMBE and minority programs in the Small Business Administration to insure adequate assistance to small entrepreneurs eager to establish businesses in disadvantaged areas. These are just some of the ways to focus on the problem by using conventional business forms.

Mr. Chairman, NFIB does not believe that H.R. 2777 will fulfill the purposes for which it is intended. Rather, it will only serve to create subsidized competition in already competitive sectors of our business economy. For this reason, we vigorously oppose enactment of H.R. 2777.●

EXPANDED ENERGY SOURCES IN THE UNITED STATES

● Mr. FORD. Mr. President, the U.S. Bureau of Mines recently released a comprehensive listing of future commercial fuel and energy projects for all areas of the United States.

One list covers 535 pending or planned energy projects in States east of the Mississippi River and the other covers 808 projects in the West.

Several conclusions which must be considered as we move forward in developing a national energy policy emerged from this data, and I would like to share them with my colleagues today.

First of all, and perhaps most significant, the report illustrates that coal, despite the absence of a firm national mandate, has emerged as the primary source to which this country has turned in meeting the present and near-term future energy needs. Moreover that policy is evolving without any guidance or direction on the part of the Federal Government.

The report, which is based on figures through July 1977, lists 535 future fuel-related projects in the 26 Eastern States. Of that total, 445 involve coal—either new mines, new electric generating plants or coal conversion facilities.

The trend toward coal in the West is equally significant, though not as great. Of the 808 anticipated new projects, 353—nearly half—relate to coal.

As far as the Eastern half of the Nation is concerned, coal has become the dominant source of energy. As a result of this trend to coal in the East, more than half of the future energy projects are concentrated in seven States.

Among the Eastern States, West Virginia heads the list with 71 new energy projects. Pennsylvania, with 51, is second, followed by my State of Kentucky with 43 projects. I am pleased to note that the five coal-conversion plants in my State are more than any other in the East and represent nearly a third of the total of 16 for the entire Eastern half of the Nation. Coal conversion is the critical element—the only way we can reduce the impact of energy shortfalls in the 1980's. An additional 27 coal conversion facilities are planned in the West, making a national total of 43.

That figure speaks for itself and indicates better than words what I consider the Federal Government's lack of commitment to coal research and the development of synthetic fuels. If the Government were serious about making the wisest and most productive use of coal, there would be 10 times as many coal conversion facilities planned.

A second point made clear by this study is that Eastern coal production continues to be deemphasized in favor of Western coal. Nearly 200 mines with an estimated annual production of more than 465 million tons are anticipated in the West. This compares with 189 mines east of the Mississippi, with a production capacity of 246 million tons.

One of the many problems to result from a production imbalance such as this would be a reduced net energy production because so much energy will be expended transporting the coal from the low population centers of the West to the high density areas of the East. A second consideration is that the lower Btu content of Western coal will require nearly twice as much production to equal the same amount of energy which could be realized from Eastern coal. This certainly is a factor which must be weighed as this nation tries to reach the President's increased production goals of 600 million tons by 1985.

In conclusion, Mr. President, let me just say that this study spells out what I have been saying all along—that coal is the one fuel resource on which we can rely to move us from the nonrenewable resource era to the renewable era. It is the answer to begin with now, not an answer to develop later. And that is why the time is past due to move aggressively in phasing into a medium-range, coal-oriented society.

Coal can be produced at an economically reasonable price in an amount sufficient to meet the transition period.

Coal requires less capital expenditure for production and use than any other competing transitional fuel.

Coal can cause fewer disruptions in energy supply, and, therefore, fewer economic consequences than any other transitional fuel.

Present pollution control techniques and health protection technologies will minimize the environmental impact of coal production.

And, finally, coal will be compatible with the method of energy use anticipated as the Nation's long-term renewable resource, which now appears to be solar energy.

This study clearly shows the people of this Nation are depending on coal more and more to satisfy energy needs. All this has occurred despite a fragmented approach to a national coal policy at the Federal level.

I ask that the summary of this study be printed in the RECORD and I urge my colleagues to carefully consider the points I have raised.

The summary follows:

PROJECTS TO EXPAND FUEL SOURCES IN EASTERN STATES—AN UPDATE OF INFORMATION CIRCULAR 8725

(By David C. Benson [1] and Frank J. Doyle [2])

ABSTRACT

This Bureau of Mines report is an update of IC 8725 and comprises tables listing the name, location, and other pertinent data concerning certain fuel-related projects. The tables include information on projects involving the proposed or planned development of fuel resources, as well as the development of storage, transportation, and conversion facilities; the report covers the 26 States east of the Mississippi River. Of the total 535 projects for which information is provided, 429 concern coal mines and electric generating plants (including Energy Supply and Environmental Coordination Act (ESECA) coal conversion notices).

INTRODUCTION

As the demand for energy increases, there is a greater need for comprehensive information regarding fuel resources and what is being done to develop them. The Bureau of Mines is continually assessing the Nation's mineral fuel resources from the standpoint of supply and demand. This report is an overview and update of how industry and Government plan to develop these resources into new or additional sources of energy; it includes information on projects proposed, planned, or under development. The report also includes information on the completion or cancellation of projects reported previously.[3] Information was collected and compiled for (1) coal mines, (2) electric generating plants, (3) coal conversion plants, (4) waste-to-fuel conversion plants, (5) pipelines, (6) terminal facilities, (7) oil refineries, (8) natural gas processing and storage facilities, (9) uranium enrichment facilities, and (10) electric generating plants receiving coal conversion notices. The information can be used to appraise the type and amount of fuel-related resource development that may be anticipated within the next several years. The data comprise information collected during last year's survey for IC 8725 (May–June 1976) and information made available up to July 1977 and covers the 26 States east of the Mississippi River.

There are two major limitations to the data in this updated report. (1) Only projects that have been publicly announced are listed; unannounced plans are not included because no direct survey of industry was conducted. (2) Some of the projects that have been proposed and listed may never come into being. Within these limitations, the information provides a view of current activities in the Eastern United States to increase the energy supplied by mineral fuels. The Bureau of Mines welcomes corrections or additions to the tables that follow. Please notify the Eastern Field Operations Center or the appropriate State Liaison Officer (addresses in appendix).

ACKNOWLEDGMENTS

Bureau of Mines State Liaison Officers and State Liaison Program Assistants gathered the majority of the data given in this report. The officers, program assistants, and the States for which they provided information are:

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Ronald C. Briggs, Wanda West (Wisconsin).

CHANGES IN REPORTING OF DATA

A comparison of this report with IC 8725 shows several changes in the method of reporting data and the addition of two information categories. The changes include (1) elimination of employment estimates, (2) listing all proposed units of an electric generating plant as one project, (3) listing only the destination State and origin for pipeline routes, (4) renaming "noncoal conversion" plants "waste-to-fuel conversion" plants, and (5) providing a list of data sources. The two additional information categories are (1) electric generating plants receiving preliminary ESECA coal conversion notices, and (2) previously reported energy development projects that were completed or canceled.

SUMMARY OF CERTAIN FUTURE FUEL-RELATED PROJECTS IN THE EASTERN UNITED STATES

As of July 1977, the Bureau of Mines had compiled a list of 535 future fuel-related projects in 26 Eastern States. The projects involve the proposed or planned development of resources, the development of storage, transportation, and conversion facilities, and electric generating plants required to convert to coal under ESECA notice. Projects on oil wells, oil shale, tar sand, or coal slurry pipelines are not reported here because plans for developing such projects in the Eastern United States have not been revealed.

Over half of the future projects are in seven States: Alabama, Illinois, Kentucky, New York, Ohio, Pennsylvania, and West Virginia. Table 1 indicates the number of projects in each of the Eastern States, while figure 1 is a summary by State and fuel-related category.

TABLE 1.—*Number of future fuel-related projects, by State*

State	*Number of projects*
Alabama	35
Connecticut	6
Delaware	4
Florida	23
Georgia	23
Illinois	32
Indiana	20
Kentucky	43
Maine	7
Maryland	20
Massachusetts	21
Michigan	20
Mississippi	6
New Hampshire	5
New Jersey	18
New York	26
North Carolina	9
Ohio	33
Pennsylvania	51
Rhode Island	4
South Carolina	8
Tennessee	11
Vermont	4
Virginia	20
West Virginia	71
Wisconsin	15
Total projects	535

Of the 535 projects for which information is provided, 429 concern coal mines and electric generating plants including ESECA coal conversion notices. The full distribution of

[1] Physical scientist (now with West Penn Power Company, Pittsburgh, Pa.).

[2] Supervisory physical scientist, Eastern Field Operations Center, Pittsburgh, Pa.

[3] Staff, Eastern Field Operations Center. Projects To Expand Fuel Sources in Eastern States. BuMines IC 8725, 1976, 114 pp.

projects by types of development is shown in table 2.

TABLE 2.—*Number of future fuel projects, by type of facility*

Type of facility:	Number of projects
Coal mines	189
Electric generating plants	208
Coal conversion plants	16
Waste-to-fuel conversion plants	9
Pipelines	19
Terminal facilities	18
Oil refineries	13
Natural gas processing and storage facilities	24
Uranium enrichment facilities	7
Electric generating plants ordered to convert to coal (ESECA notice)	32
Total projects	535

FIGURE 1.—SUMMARY OF FUTURE FUEL-RELATED PROJECTS IN THE EASTERN UNITED STATES

Number of projects—Eastern States

Future fuel-related project categories	Alabama	Connecticut	Delaware	Florida	Georgia	Illinois	Indiana	Kentucky	Maine	Maryland	Massachusetts	Michigan	Mississippi	New Hampshire	New Jersey	New York	North Carolina	Ohio	Pennsylvania	Rhode Island	South Carolina	Tennessee	Vermont	Virginia	West Virginia	Wisconsin	Total
Underground coal mines (169.5 million tons)	13					9	1	19		1								10	28			2		10	50		143
Surface coal mines (54.1 million tons)	6				5	6	4	5										2	2			1			12		43
Surface/underground coal/mines (23 million tons)								3																			3
Coal electric generating plants (53,120 MW)	2		1	5	3	6	8	7	1	1		7	2		1	3	2	5	4		2				2	8	70
Nuclear electric generating plants (134,410 MW)	3	1	1	2	2	4	2		1	5	2	4	2	1	6	8	6	3	3	1	3	4	1	2		2	69
Hydroelectric generating plants (17,445 MW)	1				5			1	3	1	1				2	3			1		1	2	1	2	1		25
Oil or gas electric generating plants (18,806 MW)			1	7	1	1		1	1	5	7	2			2	4			2	1			1			2	38
Solid waste electric generating plants (382 MW)											2				1	1		1					1				6
ESECA oil/gas to coal electric generating plants	1	3	1	1	2	1				4	4	1		1	3	4	1		1					3		1	32
Coal conversion plants						3		5			2							3	2						1		16
Waste-to-fuel conversion plants		1		1			1				1	1			1	1										2	9
Pipelines	1				1	2	1					1						4	5		1			2	1		19
Terminal facilities	3				1			2		1	1				2			3	1						4		18
Oil refineries	2	1		2					1	1			1	2		1				1				1			13
Natural gas processing facilities	3				2																	1					6
Natural gas storage facilities					1		3			1	1	4	1	1		1		1	2	1	1						18
Uranium enrichment facilities				5														1			1						7
Total projects	35	6	4	23	23	32	20	43	7	20	21	20	6	5	18	26	9	33	51	4	8	11	4	20	71	15	535

FUTURE COAL MINES

Information is provided for 189 mines: 43 surface mines, 143 underground mines, and 3 combination surface/underground mines. Included within this total are both entirely new developments and mines which are projected to significantly increase existing capacity. The listing does not include the hundreds of relatively small and short-term surface mines which will be opened (and closed) in the next several years in the Appalachian coalfield; these were considered normal startups of continuing operations, and therefore not pertinent to this report.

Table 3 indicates anticipated additional capacity and potential markets. Although added capacity is shown to be 247 million tons, realistically this should be reduced by an amount equal to production losses occasioned by mine closings caused by economic conditions, depletion, production problems, and other factors. About one-third of the indicated added capacity is slated for metallurgical use.

TABLE 3.—FUTURE COAL MINES, CAPACITIES AND MARKETS, BY STATE

State	Number of mines [1]	Capacity, million tons per year	Market: Steam, million tons per year	Market: Metallurgical, million tons per year
Alabama	19	24.5	8.3	[2] 16.2
Georgia	(5) 5			
Illinois	15	32.2	32.2	
Indiana	5	12.6	12.6	
Kentucky	(2) 27	45.7	39.9	5.8
Maryland	1	1.8	.9	.9
Ohio	12	[3] 21.7	19.2	
Pennsylvania	(2) 30	26.5	16.3	10.2
Tennessee	3	2.7		2.7
Virginia	10	8.9	3.1	[4] 5.8
West Virginia	62	70.0	22.6	47.4
Total	189	246.6	155.1	89.0

[1] Numbers in parentheses indicate the number of mines not included in capacity and market data.

[2] Total includes 6,000,000 tons to be exported to Japan.

[3] Includes production of 1 mine, 2,500,000 tons annually, to be used by a gasification plant.

[4] Total includes 1,200,000 tons to be exported to Romania.

FUTURE ELECTRIC GENERATING PLANTS AND EXPANSIONS

There are 208 generating plant projects consisting of 359 units listed in this report. As indicated in table 4, New York, New Jersey, North Carolina, Illinois, Tennessee, and Maryland account for about 43 percent of anticipated added capacity. Ultimate capacity of all projects is 224,163 megawatts. Of these 70 would depend on coal as an energy source and would yield 53,120 megawatts or about 24 percent of ultimate capacity. Proposed nuclear electric generating plants account for 60 percent of ultimate capacity (134,410 megawatts).

TABLE 4.—FUTURE ELECTRIC GENERATING PLANTS AND CAPACITIES, BY STATE

State	Sited projects	Capacity, megawatts	Unsited projects	Capacity, megawatts	Total projects	Total units	Total capacity, megawatts
Alabama	6	12,178			6	16	12,178
Connecticut	1	1,150			1	1	1,150
Delaware	3	1,970			3	3	1,970
Florida	14	9,211			14	20	9,211
Georgia	11	10,097			11	24	10,097
Illinois	11	14,569			11	22	14,569
Indiana	8	9,362	2	905	10	15	10,267
Kentucky	9	5,033			9	13	5,033
Maine	6	3,195			6	6	3,195
Maryland	12	14,108			12	18	14,108
Massachusetts	12	4,168			12	17	4,168
Michigan	13	10,019			13	19	10,019
Mississippi	4	6,460			4	8	6,460
New Hampshire	1	2,300			1	2	2,300
New Jersey	10	14,741	2	610	12	19	15,351
New York	17	15,585	2	6,340	19	32	21,925
North Carolina	6	12,851	2	2,230	8	15	15,081
Ohio	9	11,215			9	16	11,215
Pennsylvania	9	9,499	1	800	10	18	10,299
Rhode Island	2	2,314			2	6	2,314
South Carolina	6	8,366			6	20	8,366
Tennessee	6	14,433			6	12	14,433
Vermont	4	1,501			4	4	1,501
Virginia	4	7,744			4	13	7,744
West Virginia	3	3,552			3	4	3,552
Wisconsin	11	7,357	1	300	12	16	7,657
Total	198	212,978	10	11,185	208	359	224,163

FUTURE COAL CONVERSION PLANTS

Sixteen coal conversion plants are listed in this report. The total includes 11 gasification plants, 2 liquefaction plants, 2 combination gasification/liquefaction plants, and 1 project to produce solvent refined coal. Table 5 shows that the coal conversion facilities are now being developed on a small scale and proposed and planned projects

would yield relatively minor quantities of processed energy.

TABLE 5.—FUTURE COAL CONVERSION PLANTS AND CAPACITIES, BY STATE

State	Gasification		Liquefaction	
	Number of projects	Capacity (million cu ft/d)	Number of projects	Capacity (bbl/d)
Illinois	[1] 3	232		6,300
Kentucky	4	[2]	1	[2]
Massachusetts	2	[2]		
Ohio	2	113	1	2,600
Pennsylvania	[1] 1	[2]		
West Virginia	1	[2]		
Total	13	345	2	8,900

[1] Plants produce both gas and liquids.
[2] Not available.
[3] Does not include one proposed plant in Pennsylvania to produce solvent refined coal and chemical byproducts, capacity not available.

FUTURE WASTE-TO-FUEL CONVERSION PLANTS AND CAPACITIES

Waste-to-fuel conversion plants are not abundant in the Eastern States; however, increasing attention is being given to the concept. Table 6 indicates only nine projects are proposed at this time—none of which is of any appreciable size. The major assets of this type of energy source lie in its service as a disposal operation and its applicability as an alternate energy source to individual or small groups of industrial consumers.

TABLE 6.—FUTURE WASTE-TO-FUEL CONVERSION PLANTS AND CAPACITIES, BY STATE

State	Number of projects	Capacity (million cubic feet per day)
Connecticut	1	[1] 34.0
Florida	1	[2]
Indiana	1	60.0
Massachusetts	1	31.5
Michigan	1	[3]
New Jersey	1	125.0
New York	1	125.0
Wisconsin	2	[3]
Total	9	375.5

[1] Gas equivalent of solid fuel product.
[2] Solid fuel product—gas equivalent unknown.
[3] Waste mixed with coal.

FUTURE PIPELINES

Nineteen pipeline projects are identified; these include 10 intrastate lines and 8 interstate lines for a combined total length of 4,447.7 miles. Not included in the tabulation presented in table 7 is a 15-mile pipeline from Michigan to Ontario, Canada. These pipelines would carry gas, crude oil, and petroleum products; no coal slurry pipeline projects are reported for the Eastern States.

TABLE 7.—FUTURE PIPELINES, BY STATE

State	Intrastate pipelines	Total length, miles	Interstate pipelines		Total length, miles
			Number	Origin	
Alabama			1	Indiana	500.0
Georgia	1	105.0			
Illinois	2	147.0			
Indiana	1	7.0			
Ohio	2	56.0	2	West Canada	2,717.0
Pennsylvania	1	22.0	1	Virginia	190.0
Do			1	East Canada [1]	500.0
Do			2	New York	28.2
Tennessee	1	60.0			
Virginia	1	8.5	1	Maryland	87.0
West Virginia	1	20.0			
Total	10	425.5	[2] 8		4,022.2

[1] The origin of this interstate pipeline may be relocated in Maine (see Maine table).
[2] Not included is a 15-mi pipeline project from Sault Ste. Marie, Mich., to Sault Ste. Marie, Ontario, Canada (see Michigan table).

FUTURE TERMINAL FACILITIES

Terminal facilities of various types are summarized in table 8. Four of them involve unloading facilities for crude oil and liquefied natural gas; 14 projects would be concerned with coal handling facilities.

TABLE 8.—FUTURE TERMINAL FACILITIES, BY STATE

State	Number of projects	Type of facility
Alabama	3	Coal transloading (2), coal storage and transloading (1).
Georgia	1	Liquefied natural gas, offshore.
Kentucky	2	Coal transloading.
Maryland	1	Liquefied natural gas, offshore.
Massachusetts	1	Coal transloading.
New Jersey	2	Liquefied natural gas, offshore, crude oil unloading (deepwater port).
Ohio	3	Coal transloading (2), barge fleeting area.
Pennsylvania	1	Coal transloading.
West Virginia	4	Coal transloading (3), coal preparation plant.
Total	18	

FUTURE OIL REFINERIES

Thirteen new oil refineries or expansions are listed in this report. If completed, the planned refinery projects would result in additional throughput of 2.3 million barrels per day. Table 9 lists the number of projects and the capacity by State.

TABLE 9.—FUTURE OIL REFINERIES, BY STATE

State	Number of projects	Additional throughput (thousand barrels per day)
Alabama	2	35
Connecticut	1	400
Florida	2	265
Maine	1	425
Maryland	1	200
Mississippi	1	[1]
New Hampshire	2	414
New York	1	100
Rhode Island	1	250
Virginia	1	183
Total	13	2,272

[1] Capacity unavailable.

FUTURE NATURAL GAS PROCESSING AND STORAGE FACILITIES

Six future natural gas processing plants and 18 future storage projects have been identified in 14 States (table 10). Additional processing capacity would amount to the 475.5 million cubic feet of gas and 450,000 barrels of liquefied gas (either LNG or LPG); similarly, capacity expansions of 178.3 billion cubic feet of gas and 7,600 barrels of liquefied gas are planned for natural gas storage.

TABLE 10.—FUTURE NATURAL GAS PROCESSING AND STORAGE FACILITIES, BY STATE

State	Processing			Storage		
	Number of projects	Capacity, million cubic feet	Capacity, thousand barrels	Number of projects	Capacity, billion cubic feet	Capacity, thousand barrels
Alabama	3	119				
Georgia	2	350	450	1		450
Indiana				3	7.8	500
Maryland				1	5.0	
Massachusetts				1		974
Michigan				4	19.8	
Mississippi				1		3,000
New Hampshire				1		300
New York				1	22.0	
Ohio				1	115.0	
Pennsylvania				2	2.7	1,186
Rhode Island				1	6.0	
South Carolina				1		1,190
Tennessee	1	5.5				
Total	6	474.5	450	18	178.3	7,600

FUTURE URANIUM ENRICHMENT FACILITIES

Seven uranium enrichment plants are planned or are awaiting start up orders in the Eastern States. Five would be located in Florida, one in Ohio, and one has been completed in South Carolina and awaits a Federal decision as to final disposition of the facility.

ELECTRIC GENERATING PLANTS RECEIVING COAL CONVERSION NOTICES

Between June 30, 1975, and June 30, 1977, the Federal Energy Administration (FEA) in accordance with the Energy Supply and Environmental Coordination Act (ESECA), released lists of electric generating plants and units receiving coal conversion notices. Table 11 indicates that 32 plants (72 units) in 16 of the Eastern States are affected by these notices. Connecticut, Massachusetts, Maryland, New York, and Virginia account for 18 plants (43 units). A generating capacity of 12,802 megawatts with a potential annual demand of 29.1 million tons of coal is involved.

TABLE 11.—ELECTRIC GENERATING PLANTS RECEIVING COAL CONVERSION NOTICES BY STATE

State	Number of plants	Number of units	Total capacity affected, megawatts	Total additional coal demand, million tons/per year
Alabama	1	1	25	0.1
Connecticut	3	8	1,381	3.4
Delaware	1	4	357	.8
Florida	1	2	965	2.2
Georgia	2	5	351	.8
Illinois	1	4	28	.1
Maryland	4	8	2,064	4.4
Massachusetts	4	8	1,731	3.7
Michigan	1	1	358	.8
New Hampshire	1	2	100	.2
New Jersey	3	5	582	1.0
New York	4	9	1,367	3.3
North Carolina	1	3	646	1.5
Pennsylvania	1	1	392	1.1
Virginia	3	10	2,380	5.5
Wisconsin	1	1	75	.2
Total	32	72	12,802	29.1

PREVIOUSLY REPORTED ENERGY DEVELOPMENT PROJECTS WHICH ARE COMPLETED OR CANCELED

Table 12 indicates that of the 594 energy development projects listed in IC 8725, 87 were completed and 19 were canceled.

TABLE 12.—PREVIOUSLY REPORTED ENERGY DEVELOPMENT PROJECTS WHICH ARE COMPLETED OR CANCELED, BY STATE

State	Number of projects completed	Number of projects canceled	Total
Alabama	2		2
Connecticut	1		1
Delaware		1	1
Florida	9	3	12
Georgia	4	2	6
Illinois	8	1	9
Indiana	4		4
Kentucky	15	3	18
Maryland	2		2
Massachusetts		1	1
Michigan	5		5
Mississippi		1	1
New Jersey	3		3
New York	1		1
North Carolina	2		2
Ohio	1	1	2
Pennsylvania	8	2	10
South Carolina	2		2
Tennessee		2	2
West Virginia	19		19
Wisconsin	1	2	5
Total	87	19	106

LISTING OF FUTURE FUEL-RELATED PROJECTS IN THE EASTERN STATES

This section is an individual listing of fuel-related projects in the Eastern States (tables 13–149). The listing is segregated by State and by type of project. At the beginning of each State segment is an index map that indicates project locations (figs. 2–27). At the end of each State segment is a list of data sources.

PROJECTS TO EXPAND ENERGY SOURCES IN THE WESTERN STATES—AN UPDATE OF INFORMATION CIRCULAR 8719

(By Charles H. Rich, Jr.)[1]

ABSTRACT

This Bureau of Mines report is an expansion and update of Information Circular 8719 and comprises maps and tables listing the name, location, and other pertinent data concerning certain fuel-related projects. The maps show the locations of the planned or proposed facilities. The tables include information on projects involving the proposed or planned development of fuel resources, as well as the development of storage, transportation, and conversion facilities. The report covers the 24 States west of the Mississippi River including Alaska and Hawaii. Of the 808 projects for which information is provided, 219 concern coal mines, 246 concern electric generating plants, and 115 concern uranium mines; Energy Supply and Environmental Coordination Act coal conversion notices are also included.

Because of the dynamic nature of the energy industry, many uncertainties exist and some of the listed projects may never become realities. Also, no attempt has been made to determine the degree of certainty or viability of each project.

[1] Mining engineer, Department of Energy, Denver, Colo. (formerly with Intermountain Field Operations Center, Bureau of Mines, Denver, Colo.).

INTRODUCTION

The need for new energy sources is as critical today as when the energy crisis struck the country in 1973–74. As the President stated in his address to a joint session of Congress on April 20, 1977, "The heart of our energy problem is that we have too much demand for fuel that keeps going up too quickly, while production goes down. . . . Oil and natural gas make up about 75 percent of our consumption in this country, but they only comprise about 7 percent in our reserves. Our demand for oil has been rising by more than 5 percent each year, but domestic oil supplies have been dropping more than 6 percent." To reduce the magnitude of the scarce energy supply and the demand for energy, the President proposed a reduction in energy consumption, particularly oil and gas, an increase in coal production, and research in solar and nuclear forms of energy.

In response to the interest expressed not only by the President but by the private and public sectors of the country concerning energy-related projects, new or major expansions to existing facilities that are planned, proposed, or under construction, this Bureau of Mines study was conducted to expand and update Information Circular 8719, "Projects To Expand Fuel Sources in Western States," that was published in 1976.

This study has greatly expanded IC 8719 by including all States west of the Mississippi River including Alaska and Hawaii, and by adding additional types of energy-related projects.

In a study of this nature, certain limitations are inherent because of the many uncertainties concerning private company plans, public policy, and the outcome of existing and potential litigation and legislation. Information is presented on some projects that may not ever be developed and put online. No attempt was made to determine the viability, or the degree of certainty, for any of the projects.

A special effort was made to avoid exclusions and to reconcile any inconsistencies while using the most current information available. However, because of the dynamic nature of the projects, the use of many data sources, and the large amount of data collected, a few listings may be outdated or there may be a few omissions of projects.

The locations of the projects on the State maps are shown as close to the actual sites as practicable. Because of the information received, some projects are located on a county basis only. Projects where the site was unknown were given numbers in anticipation of more information becoming available in the future. These projects were not plotted on the individual State maps.

In certain cases, particularly under fuel consumption for electric generating plants, estimates were made to fill in data gaps. These estimates are marked on the tables for the States involved.

Pinpointing or forecasting new areas of oil and gas production was virtually impossible because of the large size and the dynamic nature of the exploration programs, the ratio of dry holes to successful holes, and the short time it takes to drill holes. Therefore, these areas of future oil and gas production have not been covered.

This report is divided into two parts. The first part is a general summary of future energy-related projects in the Western United States by type of project. The second part lists the projects by State and includes pertinent data such as company, location, capacity and/or consumption, current status, initial operating data, and other relevant information. Individual State maps are included with each project plotted thereon if possible. Data sources for the information given on each project are listed with the State concerned, and Energy Supply and Environmental Coordination (ESECA) coal conversion notices are included.

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SUMMARY OF ENERGY-RELATED PROJECTS, PLANNED, PROPOSED, OR UNDER CONSTRUCTION IN THE WESTERN UNITED STATES

As of August 1977, a total of 808 energy-related projects are planned, proposed, or under construction within the 24 States west of the Mississippi River including Alaska and Hawaii. These projects include not only new facilities but also facilities undergoing significant expansion. Projects covered are strip and underground coal mines; coal-fired, nuclear, and other types of electric generating plants; electric generating plants ordered to change to coal; coal conversion plants; waste-to-fuel conversion plants; oil shale projects; tar sands projects; geothermal facilities; uranium mines, mills, and enrichment facilities, natural gas processing and storage facilities; terminal facilities; oil refineries; railroads (related to energy development); and coal slurry, petroleum, and

natural gas pipelines. As shown in table 1, the States with over 50 projects are California (85), Colorado (141), New Mexico (53), Texas (81), Utah (80), and Wyoming (74).

TABLE 1.—*Number of future energy-related projects, by State*

State	Number of projects
Alaska	14
Arizona	9
Arkansas	6
California	85
Colorado	141
Hawaii	6
Idaho	6
Iowa	13
Kansas	15
Louisiana	28
Minnesota	15
Missouri	19
Montana	26
Nebraska	8
Nevada	23
New Mexico	53
North Dakota	18
Oklahoma	37
Oregon	20
South Dakota	15
Texas	81
Utah	80
Washington	16
Wyoming	74
Total	808

The distribution by type of project is shown in table 2. This table indicates that most of the projects are coal mines (219), electric generating plants (246), and uranium mines (115).

TABLE 2.—NUMBER OF FUTURE ENERGY-RELATED PROJECTS BY TYPE OF FACILITY

Type of facility	Number
Strip coal mines	126
Underground coal mines	93
Coal-fired electric generating plants	96
Nuclear electric generating plants	28
"Other" electric generating plants	118
Oil or gas to coal electric generating plants	4
Coal conversion plants	27
Waste-to-fuel conversion plants	6
Oil shale projects	10
Tar sands projects	2
Geothermal facilities	46
Uranium mines	115
Uranium mills and enrichment facilities	81
Natural gas processing and storage facilities	29
Terminal facilities	11
Oil refineries	40
Railroads (related to energy development)	10
Coal slurry pipelines	7
Petroleum and natural gas pipelines	22
Total	808

Table 3 lists the number of projects listed in IC 8719 that have been completed or canceled. Of the 515 projects listed, 101 were completed and 60 were canceled for various reasons. The remaining 354 projects are included with others in this report.

TABLE 3.—NUMBER OF ENERGY-RELATED PROJECTS AS REPORTED IN IC 8719 COMPLETED OR CANCELED, BY STATE

State	Number of completed projects	Number of canceled projects
Arizona	5	1
Arkansas	1	
California	7	
Colorado	4	19
Idaho		1
Iowa	4	4
Kansas	4	5
Louisiana	9	
Minnesota	1	1
Missouri	7	6
Nebraska	1	1
New Mexico	10	
North Dakota	5	3
Oklahoma	7	3
Oregon	2	1
South Dakota		1
Texas	29	3
Utah	2	5
Washington		2
Wyoming	3	4
Total	101	60

The following tables and descriptions contain a general summary of the future energy-related projects by type.

COAL MINES

As of August 1977, 219 future coal mines or expansions to existing mines were planned, proposed, or under development. Strip mines (table 4) account for 126 of these mines with 105 new mines and 21 expansions. Underground mines (table 5) include 88 new mines and 5 expansions for a total of 93 mines.

TABLE 4.—FUTURE STRIP COAL MINES AND CAPACITIES, BY STATE

[Production in million tons per year]

State	New mines		Expansions to existing mines		Total	
	Number	Annual production	Number	Annual production	Number	Annual production
Alaska	1				1	
Colorado	31	29.7			31	29.7
Montana	6	31.0	6	54.1	12	85.1
New Mexico	15	76.7	2	14.6	17	91.3
North Dakota	10	58.4	1	4.4	11	62.8
Oklahoma	12				12	
Texas	5	23.2	2	26.0	7	49.2
Utah	3	13.0			3	13.0
Washington			1	5.0	1	5.0
Wyoming	22	160.7	9	38.3	31	199.0
Total	105	392.7	21	142.4	126	535.1

[1] Production figure in some cases may include existing production as well as expansion production.

TABLE 5.—FUTURE UNDERGROUND COAL MINES AND CAPACITIES, BY STATE

[Production in million tons per year]

State	New mines		Expansions to existing mines		Total	
	Number	Annual production	Number	Annual production	Number	Annual production
Arkansas	1	0.2			1	0.2
Colorado	46	22.3			46	22.3
New Mexico	1		1	0.7	2	.7
Oklahoma	7	.5			7	.5
Utah	28	33.3	3	10.2	31	43.5
Wyoming	5	6.4	1	.2	6	6.6
Total	88	62.7	5	11.1	93	73.8

Estimated production from the future mines is incomplete at this time. Many of the mines are still in the exploration and negotiation stage with no firm estimates of production being made by the various companies. Total reported future production is 608.9 million tons per year with surface mines accounting for 535.1 million tons and underground mines accounting for 73.8 million tons. This could then be considered a low estimate of future production if all the mines were to come online as scheduled.

ELECTRIC GENERATING PLANTS

As shown in tables 6–9, there are 246 new, expanding, or converting electric generating plants totaling 511 individual units. If all these electric generating units were constructed, an additional 191,911 megawatts of generating capacity would be realized. Energy sources for the various plants include coal, oil, gas, nuclear, and hydropower. A few plants being planned as experimental at present, but which will go online if successful, are powered by wind and solar sources.

TABLE 6.—FUTURE COAL-FIRED ELECTRIC GENERATING PLANTS AND CAPACITIES, BY STATE

State	Total projects	Total units	Capacity, megawatts
Alaska	1		
Arizona	4	10	2,883
Arkansas	4	11	5,293
California	3	7	8,400
Colorado	6	13	5,295
Iowa	7	7	2,767
Kansas	3	7	3,686
Louisiana	3	6	3,220
Minnesota	4	5	3,700
Missouri	5	5	1,824
Montana	4	7	2,650
Nebraska	4	5	2,475
Nevada	2	6	2,500
New Mexico	4	9	3,684
North Dakota	3	6	2,680
Oklahoma	5	8	4,335
Oregon	1	1	30
South Dakota	5	5	1,240
Texas	17	33	18,503
Utah	6	16	7,670
Wyoming	5	8	3,490
Total	96	175	86,325

TABLE 7.—FUTURE NUCLEAR ELECTRIC GENERATING PLANTS AND CAPACITIES, BY STATE

State	Total projects	Total units	Capacity, megawatts
Arizona	1	3	3,705
Arkansas	1	1	950
California	12	26	33,168
Kansas	1	1	1,150
Louisiana	2	3	3,045
Missouri	1	2	2,300
Nebraska	1	1	1,000
Oklahoma	1	2	2,300
Oregon	1	2	2,520
Texas	4	7	7,896
Washington	3	7	8,656
Total	28	55	66,690

TABLE 8.—FUTURE "OTHER" ELECTRIC GENERATING PLANTS AND CAPACITIES, BY STATE

State	Total projects	Total units	Capacity (megawatts)
Arizona	2	4	273
California	50	128	24,211
Colorado	4	10	800
Hawaii	4	7	208
Idaho	3	3	338
Iowa	2	4	215
Kansas	4	7	654
Minnesota	5	5	823
Missouri	7	18	1,433
Montana	5	12	1,208
Nebraska	1	6	1,002
Nevada	1	4	280
New Mexico	2	3	323
Oklahoma	1	3	300
Oregon	2	3	206
South Dakota	4	4	74
Texas	7	9	1,227
Utah	4	4	134
Washington	9	47	5,622
Wyoming	1	1	4
Total	118	282	38,635

TABLE 9.—GENERATING PLANTS RECEIVING PRELIMINARY ESECA NOTICE TO CONVERT TO COAL

State	Total projects	Total units	Capacity, megawatts
Iowa	1	1	38
Missouri	2	2	194
Nebraska	1	1	29
Total	4	4	261

COAL CONVERSION PLANTS

Twenty-seven coal conversion projects under consideration or planned have been identified (table 10). Except for one liquefaction plant, all of these are gasification plants. Also, all of the plants will use coal except one which will use peat. There are many uncertainties concerning the number of plants that will be constructed.

TABLE 10.—FUTURE COAL CONVERSION PLANTS AND CAPACITIES, BY STATE

State	Total projects	Total units	Total gasification units	Total liquefaction units
Colorado	1	1	1	
Kansas	1	1	1	
Louisiana	1	1	1	
Minnesota	[1] 5	[1] 5	5	
Missouri	3	3	3	
Montana	4	7	6	1
New Mexico	2	5	5	
North Dakota	3	7	7	
South Dakota	1	1	1	
Utah	1	1	1	
Wyoming	5	8	8	
Total	27	40	39	1

[1] 1 project will use peat instead of coal.

WASTE-TO-FUEL CONVERSION PLANTS

Six waste-to-fuel conversion projects are planned in the West. Three of the plants are located in Oregon and one each in Louisiana, Oklahoma, and Utah.

OIL SHALE PROJECTS

Ten oil shale projects, seven in Colorado and three in Utah, have been identified. These projects represent a planned total capacity of 594,600 barrels of shale oil per day.

TAR SANDS PROJECTS

Although the outlook is not particularly promising at the present time, two tar sands projects are planned for Utah.

GEOTHERMAL FACILITIES

Forty-six areas, located in nine Western States, are now under lease or are being explored for geothermal resources. It must be emphasized that geothermal exploration and leasing will not necessarily lead to the development of geothermal resources of commercial quantity and quality. However, all of the areas are included in the report to illustrate the extent of geothermal resource exploration and the current status of the geothermal industry in the Western United States. Table 11 indicates the number of geothermal areas under lease or in the exploration stage by State.

TABLE 11.—FUTURE GEOTHERMAL FACILITIES, BY STATE

State	Total areas under exploration or development
California	8
Hawaii	1
Idaho	2
Louisiana	1
Nevada	20
New Mexico	2
Oregon	9
South Dakota	1
Utah	2
Total	46

URANIUM MINES, MILLS, AND ENRICHMENT FACILITIES

One hundred and fifteen new uranium mines, or expansions to existing mines, are planned in eight Western States. Eighteen new mills and enrichment facilities, or expansions to existing facilities, will be located in seven Western States. Table 12 provides a breakdown of the mines, mills, and enrichment facilities by State.

TABLE 12.—FUTURE URANIUM MINES, MILLS, AND ENRICHMENT FACILITIES, BY STATE

State	Total mines	Total mills or enrichment facilities
Colorado	30	8
Louisiana		1
New Mexico	12	2
Oregon	1	
South Dakota	1	1
Texas	34	1
Utah	21	
Washington	1	1
Wyoming	15	4
Total	115	18

OIL REFINERIES AND NATURAL GAS PROCESSING AND STORAGE FACILITIES

Plans for 40 new or expanding oil refineries and 29 new or expanding natural gas processing and storage facilities have been announced. The refineries will increase present throughput capacity by 1,385,309 barrels per day (bpd); the natural gas processing facilities will increase present capacity by 6,651,052 cubic feet per day (cfd). Table 13 lists the projects and the increase in capacity by State.

TABLE 13.—FUTURE OIL REFINERIES AND NATURAL GAS PROCESSING AND STORAGE FACILITIES WITH CAPACITIES, BY STATE

State	Oil refineries		Natural gas processing plants		Natural gas storage facilities	
	Total projects	Capacity, bpd	Total projects	Capacity, Mcfd	Total projects	Capacity, Mcf
Alaska	1	30,000	3	2,796,552		
California	7	47,500	1	100,000		
Colorado	3	9,988				
Hawaii	1	8,000				
Idaho					1	
Kansas	3	87,130			2	
Louisiana	10	641,000	3	2,790,000		
Nebraska					1	39,000
New Mexico	5	20,900	1	75,000		
Oklahoma	2	15,391	4	213,000		
Oregon	1	30,000	1	5,000	1	
South Dakota					1	400,000
Texas	4	485 000	6	551,000		
Utah			3			
Wyoming	3	10,400	1	120,000		
Total	40	1,385,309	23	6,651,052	6	439,000

TERMINAL FACILITIES

Seven States will increase their terminal facilities for importing and exporting oil and natural gas and for transshipment of coal. This includes both new and expanding facilities. Alaska, California, Iowa, and Louisiana are planning two facilities per State; while Missouri, Texas, and Washington are planning one facility each.

RAILROADS (RELATED TO ENERGY DEVELOPMENT)

Ten proposed railroad lines, either new or expanding, totaling 869 miles have been identified in seven States (table 14). No railroad lines less than 15 miles long are included. In some States the railroads are upgrading their lines, but because of many uncertainties, no estimate was made related to upgrading.

TABLE 14.—FUTURE RAILROADS (RELATED TO ENERGY DEVELOPMENT), BY STATE

State	Total projects	Total length, miles
Alaska	1	450
Arizona	2	68
Colorado	2	50
New Mexico	2	72
North Dakota	1	38
Utah	1	65
Wyoming	1	126
Total	10	869

COAL SLURRY, PETROLEUM, AND NATURAL GAS PIPELINES

As of August 1977, 7 coal slurry pipelines and 22 petroleum and natural gas pipelines are planned to originate and/or terminate in the Western United States. No pipeline with a total length of less than 20 miles is included in the report. The total length for the coal slurry pipelines is 4,803 miles, and for the petroleum and natural gas pipelines the total length is 9,246 miles. Table 15 gives a breakdown of the pipelines by State.

TABLE 15.—FUTURE COAL SLURRY, PETROLEUM, AND NATURAL GAS PIPELINES, BY STATE

State	Coal slurry pipelines		Petroleum and natural gas pipelines	
	Total projects	Total length, miles	Total projects	Total length, miles
Alaska			5	7,977
California			2	288
Colorado	1	820	2	123
Iowa			1	130
Kansas			1	32
Louisiana			4	185
Minnesota			1	99
Montana	1	1,260		
New Mexico	2	347		
Oklahoma			4	353
South Dakota			1	80
Utah	1	240	1	39
Wyoming	2	2,136		
Total	7	4,803	22	9,246

AFGHANISTAN

● Mr. GOLDWATER. Mr. President, since the fall of Afghanistan, I have not seen any remarks by the administration and particularly the State Department that would indicate there is any grave concern over this happening. Mr. Drew Middleton, a newspaper reporter has written in the New York Times about "How Afghans fit Into Soviet Global Strategy." This is a well-done piece and speaks of the effect this will have on friends of ours in that general area of the world. It will also, that is, the fall of Afghanistan, have a very strong effect on any interests we may have in the Indian Ocean, because all that is needed now is either an agreement with Pakistan or, failing in that, the actual moving across western Pakistan by the Soviet Union to give her a direct link with the Indian Ocean. This has long been a goal of the Soviet Union and I have spoken many times of this goal and the dangers in it. The Shah of Iran is particularly concerned about the problems this will pose to countries surrounding that ocean whose interests in the ocean are, naturally, great. I would hope that someone in the State Department, particularly the Secretary of State, and someone at the administration level, particularly the President, might point out to the American people what this fall of a country will mean to the United States. I think the American people deserve that, and I ask that Mr. Middleton's article be inserted in the RECORD.

The article follows:

[From the New York Times, June 24, 1978]

HOW AFGHANS FIT INTO SOVIET GLOBAL STRATEGY

(By Drew Middleton)

The establishment of a powerful Soviet military and political influence in Afghanistan is regarded by experienced analysis as more valuable strategically to Moscow than any of the Kremlin's gains in Africa.

"The Great Game is over and the Russians have won it," said one of the United States' most experienced students of Soviet policies during a high-level symposium conducted by the North Atlantic Treaty Organization's Atlantic Command.

He referred to the long duel, fought by espionage and diplomacy, between Russia and Britain in the last century for control of Afghanistan. Rudyard Kipling named it "the Great Game."

The installation of a pro-Soviet Government in Kabul and the impact of this on Iran, other Persian Gulf States and Pakistan is part of the rapid change in the strategic environment.

270 ATTEND 3-DAY SEMINAR

This change and its implications for America and its allies in NATO was studied by the symposium, which met for three days at Annapolis, Md. Called Sea Link, it attracted more than 270 senior generals, admirals, diplomats, scholars and officials.

The revolution in Afghanistan was one of many problems discussed.

The strategic result of the revolution is that Iran, the United States' closest ally in the area, now faces the possibility of an eastern neighbor that is not only armed with Soviet weapons—as Afghanistan has been for years—but that is also advised by Soviet officers.

Five years ago, one participant pointed out, the danger might have seemed remote. But Soviet expansionism, he argued, is moving faster today.

Pakistan, in the throes of an internal political struggle, must expect Afghan hostility to continue. The difference is that the Afghans may now have a claim on more advanced Soviet arms, which could conceivably be used should Afghanistan decide to help the dissident Baluchi tribesmen or reopen their territorial claims in the Khyber Pass area.

IMPACT ON THE GULF

For over a decade, the Afghans have been using Russian financial and technological help to build a multilane highway from the Soviet Union south to Kabul, Kandahar and Pakistan's northern frontier.

Three years ago the Shah of Iran and his military leaders were acutely concerned by the possible strategic impact of this program.

"If Pakistan should fall apart," one of the generals said, "the Russians would have a clear road to the Arabian Sea and the capability to build bases near the exit from the Persian Gulf through the Strait of Hormuz."

NATO military leaders, studying the impact of events in Afghanistan, Soviet progress in the Horn of Africa and the establishment of naval anchorages and facilities and air bases along the oil route around the Cape of Good Hope to Europe and North America, perceive a new and troubling element in the global strategic situation.

THE LIMITATIONS OF NATO

The long-term improvements in NATO's military stance in Central Europe, authorized at the alliance's Washington meeting in May, will not solve the problems raised by Russian penetration outside the NATO sphere, which is bounded on the south by the Tropic of Cancer.

A NATO senior official said it was "self-delusion" to believe that reinforcement in Europe would compensate for the implications of Soviet actions elsewhere.

The consensus at Sea Link was that the West can no longer afford to concentrate on scenarios for fighting a war in Europe but must find more effective means to cope with global Soviet power in the years ahead.

One example of the rapid changes in the strategic environment was the disclosure, by a highly placed source, that Moscow apparently has made a new attempt to obtain base rights at Cam Ranh Bay in Vietnam.

EFFECT ON NAVAL STRENGTH

A Soviet fleet operating from the base built by the United States during the Vietnam War would more than balance Chinese naval power to the north and, possibly, pose a threat to the Navy's base at Subic Bay in the Philippines.

Considering the scope and speed of Soviet military-political operations, European participants argued against any further reduction of American and allied naval strength. New cuts, they thought, would involve unacceptable risks.

Most naval leaders present could understand a flexible American naval building program if flexibility involved only a delay in construction to take advantage of new technologies. But flexibility that denies the Navy sufficient ships to deal with the Soviet sub-

marine fleet and modern surface combatants was regarded as unacceptable.

Soviet military and political policies and their supporting weaponry were discussed with special attention to what a participant called the "relentless' rise in arms levels.

One Kremlinologist said he thought the Central Intelligence Agency estimated too low in saying the Soviet Union spends 15 percent of its gross national product on defense.

SOVIET STRATEGIES

The pattern of Soviet military and political expansion laid before the conference included two complimentary strategies.

The first is to besiege Europe by severing its ties with the United States through submarine and air warfare, challenging NATO's capability to move reinforcements and supplies by sea across the North Atlantic. The second deals with the development of nuclear strategy.

One student of the Soviet Union said he believed that the Russians intended to create a strategic nuclear force that in a first strike would destroy so large a part of the American strategic force in position that the United States would not be tempted to launch a retaliatory strike.

United States strategy, he said, would be influenced in that situation by the knowledge that even if the second strike was launched, the Soviets would retain enough nuclear weapons to deliver a third nuclear attack.●

INDIAN MASSACRE IN GUATEMALA

● Mr. ABOUREZK. Mr. President, I was shocked to read of the modern day massacre of Indian men, women, and children in Guatemala as reported in the Washington Post, Saturday, June 24, 1978. Marlise Simons' "Army Killings in Indian Village Shock Guatemala" reported the awful story of the murder of dozens of innocent and unarmed people who simply wanted to preserve one of their most basic human rights—to live as they themselves choose, and in possession of their own land.

These murders are revolting and should not be overlooked by the people of the United States since our foreign policy has in large part originated the present regime and military there, and has, through developmental pressures, encouraged the policy of land grabbing that has proved to be so destructive to Indian people everywhere on this continent since 1492. But, I think we must especially note the recent Guatemalan murders with dismay at how closely they parallel our own actions against American Indians in the not-so-distant past. The similarities are striking.

For the interest and information of my colleagues, I ask that Marlise Simons' account be printed in the RECORD.

The article follows:

[From the Washington Post, June 24, 1978]

ARMY KILLINGS IN INDIAN VILLAGE SHOCK GUATEMALA

(By Marlise Simons)

GUATEMALA CITY.—It took just a few minutes of solid, frenzied gunfire for the Guatemalan Army to clear the village square at Panzos.

When the shooting stopped, bodies of children, women and men lay bleeding among the trees. Survivors, many of them wounded, had fled screaming down the sand roads. Five terror-stricken women holding babies had jumped into the nearby Polochic River and drowned.

It has become known as the "Panzos massacre," this bloodbath in a Nekchi Indian village, 80 miles northeast of here on the morning of May 29. A newspaper here called it Guatemala's Mylai.

As is so often the case when armed military, unarmed civilians and mass graves are involved, casualty figures were distrusted. The government said 38 people were killed and as many were wounded. Catholic church workers in the area prepared a provisional list of 114 dead. The Red Cross was unsure.

The army had kept out their ambulances until late afternoon. By then, recalled Juan Cus, whose father had been piled, lifeless, on a truck, "They had thrown all the dead into a big hole."

Guatemala, though perennially troubled by political violence and for three decades described as dangerously polarized," has been badly shaken by this mass killing of Indian families. Violent death usually comes in smaller numbers here, and preferably at night, when the assailants remain unidentified.

Land claims by the Indians triggered the massacre although it is only the climax to more than two years of tension, murders and evictions in the isolated provinces of Quiche and Alta Verapaz.

At stake are the lands inhabited by Kekchi and Quiche Mayan Indians for longer than they can remember. But their often communally held farms never got the titles by which Western society in the capital regulates property .

Then, a decade ago, these unappealing highlands and jungles proved to hold oil and nickel deposits. A nickel mine opened and the government brought in electricity and started building a highway.

In a country where 2 percent of the population already holds 62 percent of arable land, it was easy for wealthy people to move in and start buying up large tracts of land around the highway.

"The government made one great mistake there, it gave away or sold land titles to outsiders," said an official of the Agrarian Reform Institute. "It went to politicians, the rich, the military. They all grabbed what they could. There are large untouchable estates we call 'the zone of the generals'." Those new titles, he said, now made squatters of the illiterate, unsuspecting Indians.

The event at Panzos has brought tens of thousands of protesters out to rallies in Guatemala City. Students, members of religious groups, lawyers and unions shout, "cowards, assassins" in front of the government palace.

A week-long barrage of newspaper advertisements denounced the government's versions which alternately said the Indian peasants had "attacked the army garrison"—although Panzos has no military garrison—and that there had been a peasant uprising, instigated by leftist guerrillas, Fidel Castro and religious groups.

As pieced together from interviews with military spokesmen and Kekchi survivors, Panzos seems to be another clampdown on the country's Indian majority which is slowly starting to assert its rights. Over the last three years, the government has slightly eased the repression of peasant organizations, which brought bitter protests from the elite.

"The elite in Guatemala are not ordinary conservatives," a well-placed Western diplomat here commented, "they are close to neanderthals."

The week before the Monday massacre, wealthy landowners who had traditionally enjoyed government support called in the military, claiming Indian peasants were going to take over the Panzos village hall and invade lands.

The Indians wanted to discuss their lands tenure problems once again with the mayor. The mayor, not an Indian, reportedly told one of the Indian leaders to come "on Monday, but come in a large group, otherwise you may be attacked."

On Monday morning, some 700 Kekchi Indians from hamlets nearby gathered on the village square, the men carrying their tools, and the women holding babies.

"We did not go to attack, we would not have brought out women and children," said one of the Indian leaders, now hiding outside Panzos. "We were going to hand over a petition" to the mayor.

But instead of the mayor, the Kekchis found soldiers holed up in the town hall. There was some pushing and shoving at the door. Then the soldiers opened fire.

"The shooting came from everywhere—from the rooftops, the windows and from the houses around the square," recalled one Kekchi survivor, whose left elbow and knee were shattered by bullets.

Several embarrassed government officials have condemned the massacre. One is the brother of President Kjell Laugerud, who codirects the land reform institute and blamed the incidents on "the landowners' greed."

Among those here who support social and economic change, there is hope that Panzos has served to dramatize the plight of the country's Mayan descendants, who account for 3.5 million of Guatemala's 6.3 million population. Most of the Indians live on tiny patches of land or work in serflike conditions on huge estates, often for 25 cents a day According to government statistics, 80 percent of their children under five suffer malnutrition and most of the adults do not speak Spanish, let alone read or write.

But foreign development experts here have little hope that the country's small military and landed elite will tolerate much change. Gen. Romeo Lucas, who will take over the presidency on July 1, and comes from an area not far from Panzos, has promised to improve the Indians' lot.

State Department officials have said privately that Guatemala has one of the worst human rights records in this hemisphere.

"Violence has diminished somewhat in the last few years, but every month there are still 25 to 30 unexplained political deaths in Guatemala," one official said recently, "this does not come from the government per se, but from people in the intimidation business who are officially tolerated."

But rather than bringing a promise for a change, Panzos has served to illustrate the spiral of violence in which Guatemala is caught.

Last week, a mine was thrown into an army truck, killing 17 soldiers and wounding others. The Army of the Poor, a leftist guerillas group that has been active for more than a year, said they did it to revenge the peasants of Panzos. Longtime observers here fear that this country is still a long way from working out a way to bring social change peacefully.●

DO NOT IMPOSE OIL IMPORT FEES OR QUOTAS

● Mr. DURKIN. Mr. President, earlier this week I joined 48 of my colleagues to send a message to the administration: Do not impose oil import fees or quotas. We had sent that message twice previously, but it has not yet penetrated to the Oval Office. Perhaps it will now.

An oil import fee or quota would effectively declare economic war on New Hampshire, New England, and the rest of the east coast. The administration has yet to learn that in order to have a true national energy plan, it must seek regional solutions. That does not mean proposals such as an import fee which

would substantially harm the people of New Hampshire and the rest of the east coast who have already suffered too long because of poor energy policy decisions.

Today's New York Times carries a report concerning a Congressional Budget Office study which makes the idea of an oil import fee appear even more objectionable. According to the newspaper account of the report, CBO argues that an oil import fee would barely slow the inflow of imported oil. In other words, the fine energy economists available to the Congress have concluded that the oil import fee—which would create severe hardships for the people of New Hampshire and the East—would not even achieve its ostensible purpose of lowering this country's dependence on high-priced OPEC oil.

People in this country are fed up with high taxes, and with high-priced energy, especially when no benefits are to be seen. An oil import fee increases taxes and the price of energy with no clear benefit at all, according to the study CBO prepared. With that message, I would hope that Secretary of Energy Schlesinger will drop this foolishness of an oil import fee or quota and get about the business of developing true regional solutions to our national energy problems.

I ask that a copy of Mr. Richard Halloran's article from today's New York Times on the study by the CBO which finds against the oil import fee proposal, as well as the CBO study itself, be printed in the RECORD.

The material follows:

IMPORT FEE DISCOUNTED AS OIL CURB

(By Richard Halloran)

WASHINGTON, June 28.—An import fee on crude oil, now being considered by President Carter as a means of reducing imports, would barely slow the inflow of foreign petroleum, according to a Congressional study.

The report, by the Congressional Budget Office, argues that import fees on crude oil would cut the inflow by only 3.5 percent by 1985. The United States currently gets from abroad about 43 percent of its oil needs. This figure is expected to rise to 50 percent in the mid-1980's.

According to the report, a copy of which was made available to The New York Times, "the imposition of a crude oil import fee would have no more than a minor effect on the United States balance of payments, especially if fee revenues are rebated to the public." It would save only $3 billion in 1985, the report said.

The United States spent $14.77 billion more for imports than it earned with exports during the first five months of this year, an increase of 79 percent over the deficit for the same period last year. The total deficit last year was $26.5 billion.

Moreover, the Congressional report said, import fees would increase the price of gasoline to the consumer by 5 cents a gallon. In addition, it would add 0.5 percent to the rate of inflation from this year through 1980.

The report also asserted that "unemployment would rise by about 350,000 to 400,000, although this increase could be eliminated by rebating import fee revenues." Unemployment is currently slightly less than 6 million, so that 400,000 would be a 6.7 percent increase.

The analysis by the Congressional Budget Office assumed an import fee of $1 a barrel in 1978, $3 in 1979, and $5 in 1980 and thereafter. The office is a respected officially nonpartisan arm of Congress, whose duty is to advise Congress as the Office of Management and Budget advises the executive branch.

A CONTROVERSIAL ISSUE

Import fees on crude oil have become controversial, with the Senate voting yesterday to forbid the President to impose them. The provision, which was an amendment to an appropriations bill, has not been adopted by the House. Whether it will survive a conference of the two houses was unclear.

President Carter and Secretary of Energy James R. Schlesinger have warned that import fees may be imposed if the Congress does not approve the crude oil equalization tax proposed by the President in his national energy plan.

The tax, intended to raise domestic oil prices and to slow imports, is given little chance of passage this year by many members of Congress and their staff aides. They cite the shortage of time and what they perceive as a national tax revolt as reasons.

PRESIDENT UNDER PRESSURE

Beyond using import fees for political leverage in Congress, President Carter is under diplomatic pressure from Western Europeans and the Japanese to slow all imports, redress the deficiency in the balance of trade and strengthen the dollar, with which they finance much of their trade.

The Carter Administration has reportedly also considered imposing quotas on imports of crude oil, but seems to have pursued that idea less actively than the import fee. The Congressional study said quotas would be more effective than fees in reducing oil imports but would be more difficult to administer and more costly.

A quota intended to cut imports by 3 percent in 1985 would raise the average price of refined products, such as gasoline, by 4.5 cents a gallon, the report said. A quota designed to cut imports by 5 percent would raise such prices 8 cents a gallon, while a quota to reduce imports 8.5 percent would raise prices 14.5 cents a gallon.

MILD SUPPORT FOR TAX

The Congressional report, prepared at the request of the Senate Energy and Natural Resources Committee, which is headed by Senator Henry M. Jackson, Democrat of Washington, appeared to give mild support to the President's proposed crude oil equalization tax, known as COET.

"None of these three policies—fees, quotas, or COET—are inherently better at conserving oil," the report said. "The different levels of energy savings attributed to each are a product of the energy prices that would be attained under each policy."

"Yet COET can be seen as preferable to both fees and quotas in that it eliminates much of the bureaucratic effects of the entitlements program," the report said. That program is a complicated device under which refiners of more expensive imported crude oil are reimbursed by refiners of less expensive domestic oil so that their raw material costs are about the same.●

DIRECT FEDERAL ACTION ON OIL IMPORTS: AN ANALYSIS OF IMPORT FEES AND QUOTAS

PREFACE

Crude oil import fees and quotas are presently being considered as alternatives to the proposed Crude Oil Equalization Tax to reduce oil imports. This report examines a number of issues related to these policies, such as, potential import reductions, the extent of price increases, and the impact of these proposals on the overall economy.

Direct Federal Action Against Oil Imports was written by Everett M. Ehrlich of CBO's Natural Resources and Commerce Division, under the general direction of Richard D. Morgenstern and Raymond C. Scheppach. Patricia H. Johnston edited the manuscript, which was typed for publication by Misi Lenci. The report was prepared at the request of the Senate Energy and Natural Resources Committee. In accordance with CBO's mandate to provide objective and nonpartisan analysis, this paper contains no recommendations.

SUMMARY

The proportion of foreign petroleum used by the United States has increased steadily over the past decade so that about 45 percent of U.S. crude and refined petroleum products is now imported. This total is likely to move about 50 percent by the early 1980s. This steady growth in the proportion of crude oil imported into the U.S. is a product of both ever increasing levels of demand and declining domestic production, caused, in part, by lower prices for domestic crude oil.

Under the current system, the price of domestically produced crude oil is fixed at a level of $2/barrel (/bbl.) below the world market price of imported crude oil. So that this will not lead to a situation in which some refiners are in a much more advantageous position than others, a so called "entitlements system" attempts to reduce inequalities through a complex system of transfer payments among refiners. Refiners buying cheap domestic crude pay into a pool a per barrel fee that brings their total per barrel cost up to a predetermined average; buyers of expensive foreign crude receive a per barrel subsidy from the pool. The goal of this system, with some exceptions, is to equalize the cost per barrel of crude oil to all U.S. refiners.

Part of the National Energy Plan proposed by the Administration in 1977 is the elimination of this difference in domestic and imported oil prices, with the goals of energy conservation and reduced total payments for foreign petroleum. The crude oil equalization tax (COET) was proposed by the Administration and enacted by the House as a means of reaching these ends. Since the fate of COET is uncertain in the Congress, two alternative policies are now being considered—crude oil import fees and quotas.

Fees, quotas, and COET

Each of these three policies is designed to curb crude oil use, and hence imports, and does so through the mechanism of a higher average price for crude oil. Although these policies may differ as to levels, it is possible to design them so that each produces equivalent price increases and equivalent oil savings, (for example, an import fee of $3.09/bbl. in 1985 will raise prices as far as would COET in that year). Nevertheless, the three policies can be differentiated along the following lines:

A crude oil quota would directly curb oil imports. Both COET and import fees would reduce oil use, but would reduce imports by less than the total reduction in crude oil use. This is because of the effects of the entitlements system (see Appendix), and COET as well, which equalize the cost of crude to all refiners, leaving refiners, to a large extent, indifferent as to whether they use foreign or domestic oil.

COET, as opposed to both import fees and quotas, would eliminate the need for the entitlements system. This would occur because COET would raise the price to refiners of all crude oil to the world price. On the other hand, import quotas would represent a new regulatory and/or bureaucratic burden.

COET, in its present legislative form, contains provisions for the rebating of tax revenues. The disposition of revenues received from import fees or auction-type quotas is unclear, but would ultimately determine the redistributive pattern of higher energy prices.

It should be pointed out that, because it is the most widely discussed figure, a $5 import fee was used in the illustrative calculations in this study. The $5 fee has a

larger price and conservation effect than does COET. The levels of the crude oil import quotas analyzed herein vary below and above the levels of energy savings created by import fees. None of these three policies—fees, quotas, or COET—are inherently better at conserving oil. The different levels of energy savings attributed to each are a product of the energy prices that would be attained under each policy.

Import fees

The analysis of an assumed crude oil import fee of $1/bbl. in 1978, $3/bbl. in 1979, and $5/bbl. in 1980 and thereafter coupled with an equivalent fee on imported refined products of $2.20 in 1980, indicates the following:

Such a fee would produce energy savings of 400,000 barrels per day by 1985, (about 3.5 percent of imports) although this figure can be influenced by Congressional treatment of a corresponding fee for imported refined products.

Imposition of such an import fee would result in an increase of 5¢/gallon of gasoline. The fee would cause a 0.5 percent increase in the rate of inflation per year in 1978 through 1980. Unemployment would rise by about 350,000–400,000, although this increase could be eliminated by rebating import fee revenues.

Imposition of an import fee would erase the economic advantage currently enjoyed by U.S. refiners. Maintenance of this advantage through a special fee on products carries with it certain economic effects, including the costs of higher average prices which would be paid by U.S. consumers for both domestic and imported products, and the continued protection of some relatively inefficient domestic refinery capacity. Congress must determine the extent to which it chooses to protect domestic refineries as well as the manner in which they will be protected, for example, either through special tax treatment or price protection. It should be noted that U.S. refiners face higher operating costs, in part because of environmental regulation, and it might be desirable to protect domestic refiners to the extent that they are penalized by these particular restrictions.

A crude oil import fee would generate revenues of $110 billion by 1985. This estimate assumes an equivalent fee on imported refined products.

Unless specific steps are taken, a crude oil import fee would put upward pressure on the prices of Alaskan and stripper oils. Such increases would raise the price of crude oil further, and should they occur, energy savings could conceivably increase from the estimated 400,000 barrels per day to a range of 550,000–600,000 barrels per day. Price increases of Alaskan and stripper oils would result in a pretax windfall to producers of $29 billion between 1978 and 1985.

Imposition of a crude oil import fee would have no more than a minor effect on the U.S. balance of payments, especially if fee revenues are rebated to the public (although existing law does not provide for rebates). Should all of the crude oil savings resulting from a $5/bbl. import fee and corresponding product fee be translated into import reduction, then 1985 oil imports would be reduced by about $3 billion, although in the absence of new policies that channel energy savings into import reductions a lower figure is more likely.

Import quotas

Discussion of the imposition of import quotas has been tentative, since no specific scenario for implementation has been advanced. Quotas can be exercised in one of two possible ways. One is the "market" type of quota, in which crude users in the United States would bid for the right to secure some portion of the crude allowed into the country. Alternatively, some or all of the crude allowed to enter the United States could be allocated in a "non-market" fashion by the government. This arrangement could be used together with regulation to prevent the price increases that would ordinarily result from contrived shortages of crude oil. There would be severe administrative difficulties in accomplishing this end, however, particularly should quotas be incorporated into the present price control system. Assuming that permits to import restricted crude oil are auctioned, this analysis determined that:

A quota designed to reduce imports by 3 percent in 1985 (344,000 barrels per day) would raise the average price of all crude to refiners by $1.76/bbl. and the price of refined products by 4.5¢/gallon.

A quota designed to reduce imports by 5 percent in 1985 (572,000 barrels per day) would raise the average price of all crude to refiners by $3.02/bbl. and the price of refined products by 8¢/gallon.

A quota designed to reduce imports by 1,000,000 barrels per day (about 8.5 percent reduction) would raise the average price of all crude to refiners by $5.56/bbl. and the price of refined products by 14.5¢/gallon.

CHAPTER I. INTRODUCTION

The amount of foreign petroleum used by the United States has increased steadily over the past decade to the point that about 45 percent of U.S. crude oil and refined products is now imported. This total is likely to increase above 50 percent by the early 1980s. This steady growth in the proportion of crude imported into the U.S. is a product of both ever-increasing levels of demand and declining domestic production. Some see this increasing reliance on foreign crude as a dangerous trend for the U.S. economy, resulting in large outflows of U.S. dollars and in a potentially unreliable source of crude oil that could undermine the stability of the U.S. economy. On the other hand, critics of this view point out that a large proportion of the petrodollars are returned to the U.S. in one form or another, and that other industrialized nations, notably West Germany and Japan, are more dependent on energy imports than is the U.S.

Under current law, the price of domestically produced crude oil is fixed at a level substantially below the world market price of crude oil. So that this will not lead to a situation in which some refiners are in a much more advantageous position than others, a so-called "entitlements system" attempts to reduce inequalities through a complex system of transfer payments among refiners. Refiners buying cheap domestic crude pay into a pool a per barrel fee that brings their total per barrel cost up to a predetermined average; buyers of expensive foreign crude receive a per barrel subsidy from the pool. The goal of this system, with some exceptions, is to equalize the cost per barrel of crude oil to all refiners.

The National Energy Plan (NEP) of 1977 was proposed by the Carter Administration to promote conservation and conversion to alternative fuels in order to reduce the level of imports. One part of the NEP was the crude oil equalization tax (COET). Crude oil is now regulated according to "tiers" defined by production levels in 1972. The average daily production rate of any oil well in 1972 is termed the "base production control level" of the well. Current production up to this level is termed "old oil," and receives a wellhead price of about $5.29 per barrel (bbl.). Production in excess of this base production control level is assigned to the "new oil" tier, and receives a price of about $11.81/bbl. These two tiers, along with special classifications for Alaskan oil and stripper oil, are averaged to form a domestic "composite" price for domestic crude oil, which is now about $8.80/bbl. When the price of imports, transportation, brokerage, and handling costs are included, the average price of all crude to the refiner becomes $12.18. COET would tax the difference between the wellhead price of crude oil and the price of imported oil in order to promote conservation, and, in turn reduce imports. COET would thus set the price of domestic crude oil at its international "replacement level," and would do so without providing a windfall profit for all domestic oil producers.

The fate of this equalization tax in the Congress, however, is uncertain, and discussion is underway within the Administration to undertake some direct action against oil imports, either through the imposition of a fee on imported oil, or through the use of a quota. All three proposals are similar in that they raise the price of crude oil, inevitably bringing about reductions in the use of oil and its refined products. Import fees would push up the price of crude oil and cause a reduction in the rate of growth of petroleum consumption through either fuel substitution or conservation. The imposition of a quota would limit the amount of crude oil available at current prices. This would cause prices to rise, unless the market forces were circumvented by rationing or some other form of allocation. Thus, a fee or quota policy produces the benefit of reduced crude oil consumption (and hence, imports), to be weighed against the disadvantages of higher energy prices or the inefficiencies of non-market energy allocation (for example, long lines at gasoline stations).

Oil import fees and quotas differ in two fundamental respects: for one, quotas create uncertainty about how much import prices will increase, while creating certainty as to oil savings. Fees do the opposite: they present certain price increases, leaving the extent of conservation to be determined by the market. Yet their final impacts will most likely be similar in the long run, after the economy has adjusted to lowered crude usage. Secondly, quotas directly curb imports while fees curb total oil use, both imports and domestic. Thus, quotas are more effective than fees at reducing imports, per se.

These two policies differ from the imposition of COET in that both would retain the necessity for the entitlements system with its large bureaucratic burden and administrative complexity. Both fees and quotas would increase the average price of crude by raising the price of imports. COET would retain their classification, but by establishing a tax equal to the difference between the regulated price of each tier and the world old price, would eliminate the necessity of assuring all refiners equal access to different tiers of crude. Under COET, the prices to the refiners of different "types" of oil would equalize. Under quotas, they would diverge. It should also be noted that only COET would have an impact on supply. As presently specified, however, similar supply incentives could be adopted by administrative ruling for any other plan. COET specified that oil discovered after April 1977 would receive the real equivalent of the world oil price in that month. This higher price should encourage more exploration and result in more production.

Finally, all three policies could have the same macroeconomic distributive effects. This would depend on the disposition of revenues collected by the government under each policy. While rebating of oil tax revenues has only been formally advocated with reference to COET, it could be accomplished under a "market-type" quota system as well, or under a system of import fees. From an equity point of view, this may be necessary, since petroleum use is positively correlated with income. In addition, petroleum usage for home heating varies considerably by region of the country.

CHAPTER II. EFFECTS OF IMPORT QUOTAS ON THE PETROLEUM MARKET

Because discussion of the possible imposition of a quota has been tentative, a precise description of how a quota would be imposed, and at what levels, is difficult to specify. Thus, it is impossible to predict the precise effects of a potential quota until it is made clear how much oil will be allowed to enter the U.S. and under what conditions.

By restricting the physical volume of oil entering the country, quotas create contrived shortages of crude. These shortages induce potential buyers of crude to bid up the price for the crude they will purchase, in order to secure the desired level of crude oil. Especially because of the capital-intensive nature of refineries, there would be strong incentives to use higher prices in order to attract scarce crude and maintain production levels. Moreover, any quota must be accompanied by quotas for imported refined products. In the absence of product restrictions, such imports would incerase to replace the reduced supply of domestically refined products caused by scarce imported crude oil.

Market-type quotas

The upward pressure in price created by a quota can be resolved either by "market" or "non-market" types of quota implementation. The market type of quota is one in which the bidding process by crude oil purchasers is allowed to take place. Since, for all practical purposes, a large supply of oil is available at the present world price, a restriction on availability through a quota would force crude users to bid up the price of imported crude over the world price. The difference between the quota price and the world price would be tantamount to a "privilege fee," that is, a fee that represented the economic value of the privilege of importing crude oil despite the quota's imposed limitations. This fee, equal to the difference between the price of a barrel of oil to the user (less transportation and handling costs) and the revenues received for that same barrel by the producer, would be collected by the government.

Alternatively, the government could enforce a quota by instructing all crude oil importers to import a specified fraction of their previous year's volume. Under such an arrangement, however, the "privilege fee" would become a windfall to oil producers and importers.

One possible scenario would consist of having the government issue importing permits that would entitle the permit owner to import a given amount of crude oil. The sum of the barrels allowed under all permits issued would be the ceiling level of imports allowed under the quota, since all crude oil entering the country would require a permit. The government could auction all or some of these permits to potential crude buyers under a sealed bid arrangement, granting permits to those buyers offering the highest price until the available supply of permits was exhausted. Permit holders would then be free to make whatever arrangements they desired with crude sellers abroad for the quantities they would be permitted to import.

Alternative methods of implementing a quota could involve the government in the bargaining process with crude producers abroad (OPEC and other nations such as Mexico and Great Britain). Under this arrangement, the government would announce the total level of imports it would allow and then take bids from crude producing nations to fill that level. After signing contracts with foreign crude producers, the government would then auction off these contracts to domestic crude users, just as it auctioned off import permits in the first case. Such authority now exists under Sec. 456 of the Energy Policy and Conservation Act (EPCA) of 1975.

Presuming that the government employs a privilege fee system of quota implementation, the question arises as to what price level for crude could result for quotas aimed at different levels of import restriction. Should flows of crude be curtailed through a quota, the final price levels determined by the market would depend on crude users (principally refiners) willingness to bid for scarce supplies. This willingness could vary for several reasons, among them the state of the economy and the competitive position of foreign refiners. Thus, any estimate of the impact of a quota on crude prices is subject to a high degree of uncertainty.

Preliminary results of this analysis are depicted in Table 1. A quota that would restrict imports by 5 percent in 1985 (equal to savings of 572,000 barrels per day), would force up the market price of crude oil in the United States by approximately $3.02/bbl., the equivalent of a $5.39/bbl. import fee. A lesser target, that of a 3 percent import reduction, (344,000 barrels per day in 1985), would result in an average price increase of $1.76/bbl., the equivalent of a $3.14/bbl. fee on imports in 1985. A greater target, that of an import reduction of 1 million barrels per day by 1985, (about 8.5 percent), would result in an average price increase of $5.56/bbl., the equivalent of a $9.93 fee placed on each barrel of oil imported in 1985.*

TABLE 1.—*Average 1985 crude oil prices in the United States under alternative scenarios: In 1985 dollars per barrel*

Scenario	Price
Present policy	20.07
Quota:	
3 Percent Import Reduction	21.83
5 Percent Import Reduction	23.09
8.5 Percent Import Reduction	25.63
World price	22.21

NOTE.—These prices were obtained by applying an elasticity of .2 to the base volumes of oil announced in the National Energy Plan. These prices would represent refiner acquisition costs in 1985. The world price stated assumes a nominal 5.5 percent increase in each year.

A further question suggested by the imposition of import quotas is the effect of concommitant price increases on refined products. For the three hypothesized quota targets, 3 percent import reduction, 5 percent import reduction, and 8.5 percent import reduction, the average price of refined products will rise 4.5¢/gallon, 8¢/gallon, and 14.5¢/gallon, respectively, if U.S. refiners were able to pass along the full value of crude oil cost increases.

Non-market-type quotas

The alternative to market-based systems, in which restrictions on crude are allowed to be translated into higher prices, are non-market systems in which allocations of imported crude are determined by some form of administrative fiat as opposed to bidding by users. It is unclear what types of rules the government would promulgate, but a precedent exists in the mandatory crude oil allocation program, initiated in December 1973, to deal with the immediate consequences of the OPEC boycott. This scenario would depend on the use of an "allocation fraction," allowing each crude importer the same fraction of its prequota level of imports. In the case of a quota limiting imports by 10 percent, the allocation fraction would be nine-tenths.

Concurrently, it would be necessary to reimpose price controls and an allocation system on all refined products. Price controls would be needed to avoid profiteering by refiners, wholesalers, retailers, and/or end-users. An allocation system, including the establishment of a priority scheme, would be necessary to assume relatively equitable and efficient distribution of products like gasoline, distillate, residual oil, etc. A precedent for such action exists in the Emergency Petroleum Allocation Act (EPAA) of 1973.

CHAPTER III. THE EFFECTS OF AN IMPORT FEE ON THE DOMESTIC PETROLEUM MARKET

A wide variety of crude oil import fees can be constructed; the figures of $5/bbl. and $6/bbl. have been discussed. At the request of the Senate Energy Committee, this analysis concentrates on import fees, and addresses an import fee implemented according to the following schedule: $1/bbl. in 1978, $3/bbl. in 1979, and $5/bbl. thereafter. Given these rates and anticipated crude flows, this analysis indicates that prices for crude will rise to levels slightly higher than those that would have been reached under the crude oil equalization tax (COET) by 1985. These results are presented in Table 2.

Because the $5/bbl. import fee would push domestic prices above those forecast under COET, the reductions in consumption attributable to the import fee would be higher than those attributable to COET. Any estimate of final savings in crude oil consumption, however, will be sensitive to two critical assumptions: the elasticity of demand for crude oil, and the degree to which interaction between buyers and sellers of petroleum and its products allows the import fee to be passed through to consumers. This analysis estimates that the elasticity of demand for petroleum is in the range of .20–.22 for the time period extending to 1985, and that 85 percent of the fee will be passed through to final users.[1]

It is also assumed that the composite price of domestic crude oil will rise by the full 10 percent allowed by the Energy Policy and Conservation Act (EPCA) of 1975. Variations on this assumption, however, will cause only minor decreases in any estimate of energy savings. Under these assumptions, decreases in crude oil consumption should occur at a rate of about 400,000 barrels per day by 1985. Should this total decrease be translated into import reduction, this measure would reduce crude oil imports by about 3.5 percent by 1985. Crude oil savings under different assumption are depicted in Table 3.

*Computation of the relationship between oil prices and quantities is complex, and results are subject to a great deal of uncertainty. Part of the analytical difficulty stems from the fact that, with the assumed indefinite continuation of EPCA pricing regulations, the price paid by consumers is expected to rise independently of any new fees or quotas imposed on oil. The figures presented in this paper are based on a demand elasticity estimate of .2 for petroleum. This is a midrange estimate of the sensitivity of the demand for petroleum to its prices. It should also be noted that in comparing fees to average price increases, each dollar that import prices rise implies $0.56 (the proportion of imports in 1985) increase in the average price of oil.

[1] The percentage of passthrough, as will be discussed in a section below concerning refinery operations, is to some extent an outcome that Congress can determine by deciding on a fee level for imported refined products. The elasticity estimate is a midrange estimate of the sensitivity of demand for petroleum to its price, but it should be noted that it is generally agreed that the demand for petroleum is less sensitive to price changes than the demand for most other goods.

TABLE 2.—AVERAGE REFINER ACQUISITION COST OF CRUDE OIL UNDER ALTERNATIVE POLICIES: BY CALENDAR YEARS, IN CURRENT DOLLARS PER BARREL

Year	Present policy	COET [1]	Import fee
1978	12.18	12.83	12.59
1979	13.08	14.41	13.34
1980	14.12	16.46	16.32
1981	15.17	17.37	17.42
1982	16.28	18.28	18.58
1983	17.50	19.27	19.90
1984	18.76	20.30	21.21
1985	20.07	21.26	22.52

[1] The COET proposal set forth in the national energy plan would work as follows: In 1978, a tax of $3 per barrel would be placed on all "old" oil; in 1979, a tax that would bring all "old" oil to the "new" oil price level would be imposed, equal to $7.03 per barrel in 1979 dollars, given CBO's projection; and from 1980 on, a tax would be imposed on both old oil and new oil to bring their prices up to a level equal to that of "new-new" oil, or the world market price.

Note: Projections of the quantities of oil that are classified in each tier were taken from a July 15, 1977, White House announcement entitled "National Energy Plan: Oil and Gas Supply." The prices of each tier were extrapolated from an Aug. 16, 1977, announcement on pricing policy published in the Federal Register. The world price assumed was taken from a base price of $14.29 per barrel in 1977 and inflated by 5.5 percent per year. The volume of imports assumed was taken from the White House's NEP announcement of Apr. 29, 1977.

TABLE 3.—1985 CRUDE OIL SAVINGS RESULTING FROM IMPOSITION OF IMPORT FEE

[In thousands of barrels per day]

Percentage of import fee absorbed by final users	Sensitivity of demand for petroleum to price: High (elasticity=0.25)	Midrange (elasticity=0.20)	Low (elasticity=0.17)
100 percent (high estimate)	577	462	392
85 percent (midrange estimate)	495	[1] 396	337
70 percent (low estimate)	411	329	279

[1] The estimate of 396,000 reflects the midrange of both assumptions.

It should also be noted that these results are similar to those discussed in the analysis of import quotas, as one would expect. Similarly, both fees and quotas are similar to COET—that is, they vary notably as to price level and resulting energy savings. Yet COET can be seen as preferable to both fees and quotas in that it eliminates much of the bureaucratic effects of the entitlements program by eliminating the need continually to recalculate entitlements obligations.

Alaskan and stripper oils

Although all import fees would be collected by the government, producer revenues may still increase, because some forms of oil that compete with imports, notably Alaskan and stripper, sell at an unregulated price or at a price below their allowable ceiling. To understand how such price increases would come about, it is necessary to understand how the "entitlements" system of crude oil distribution operates.

The entitlements program attempts to reduce inequalities in the acquisition cost of crude oil to domestic refiners. It does so by entitling each refiner to an equal proportion of old-tier, new-tier and imported crude oil. Thus, an "entitlement" (possession of which gives a refiner access to one barrel of "old" oil) has a cash value that reflects the lower cost of old crude to the refiner. At present, the price of an entitlement (which is equal to the price of imports, less a 21c landing fee, minus the price of old oil) is $8.48, and the average entitlement benefit per barrel processed is $1.95. The entitlements system is explained in detail in Appendix A.

In 1977, 40 percent of crude oil processed by domestic refiners was imported. Thus should the cost to refiners of imported crude go up by a $5/bbl. fee, then the average acquisition price for all oil would increase by $5.00 × .40, or $2.00. This would also raise the value of an entitlement (the average saving per barrel of not using imports) from $1.95 to $3.95 per barrel, and would increase the savings realized by processing a barrel of old oil from $8.48 to $13.48.

The price of Alaskan oil is subject to two restrictions. First, the delivered price to refiners of Alaskan oil cannot exceed the world price because of the entitlements treatment they receive, and because of pressures of the competitive market. Second, the price of Alaskan oil at the wellhead cannot exceed the regulated price of new oil, currently $11.42. This second condition, however, is redundant in practice, because pipeline and transportation costs that make up the difference between the wellhead and delivered prices are greater by several dollars than the difference between the price of new-tier oil and the world price. Thus, the wellhead price of Alaskan oil has been traditionally far below its allowable ceiling. Raising the allowable ceiling of delivered prices through the imposition of an import fee would facilitate an increase in the wellhead price, now $5.32/bbl. Assuming a total shifting of the import fee, the price of Alaskan oil at the wellhead should rise to $10.32/bbl., once the full $5/bbl. fee is in place. This would result in a pretax windfall of $15.3 billion to producers of Alaskan oil in the period 1978–1985, of which about one-fourth, or $3.8 billion, would be paid to the State of Alaska in severance taxes. All of this, however, presumes that Alaskan oil will continue to get its present entitlements treatment, in which the buyer of Alaskan crude receives the price of an entitlement as a subsidy.

Stripper oil—oil produced from old wells yielding less than 10 bbl./day—is exempt from regulation under the terms of the EPCA (Section 8). At present, it earns approximately $14.00 bbl. Assuming a total shifting of the import fee, it is reasonable to assume that the price of stripper oil would rise by $5.00/bbl. This would result in increased (pretax) producer revenues of approximately $14 billion between 1978–1985. Unlike Alaskan oil, however, where current production is constrained by the physical capacity of the pipeline, the price rise of stripper is likely to increase production somewhat.

Increases in the prices of stripper and Alaskan crude can be anticipated and thwarted by administrative action in the entitlements program. This could be done by assigning Alaskan and stripper crude to a separate tier with a price equal to the world price without the imposed fee. From CBO's preliminary investigation, it appears that creation of a fourth tier is administratively possible under existing statutes for Alaskan oil, but not for stripper, which has been expressly deregulated. Nevertheless, the price of stripper may be controlled indirectly, by removing the entitlement benefits it currently earns.

In order to keep stripper at its present price of approximately $14/bbl. while imports rise to $19/bbl. because of the import fee, an entitlements obligation of about $5/bbl. could be established. This would imply paying about $5/bbl. to the entitlements pool for every barrel of stripper processed. Thus, if imported oil sells at $19/bbl., and if purchasing a barrel of stripper necessitates a $5/bbl. gross payment to the entitlements pool, then a refiner would not offer a crude producer more than $14/bbl. for stripper crude. Paying a producer $16/bbl. for stripper, for example, would make the real cost of the barrel of stripper equal to $21/bbl. (since $5/bbl. would be paid to the entitlements pool), a cost at which stripper would be undercut by imports. Thus, the entitlements obligation set for a barrel of stripper can influence its price without statutory creation of a new tier. At this writing, it is unclear as to whether the government has the authority to set such an obligation for stripper, although it is likely that it does. If it does not, then no policy tools exist to prevent the import fee from creating a windfall profit for owners of stripper wells.

Should these price increases in stripper and Alaskan oils occur, then the windfall obtained by Alaskan oil stripper producers will raise the average price of crude oil and increase the estimate of energy savings to the range of 550–600,000 barrels per day. It should also be noted that, while higher prices for stripper oil may bring about some new production from stripper wells, some producing wells may be retired so that they can be reclassified as stripper. This would make the total supply effect of an import fee negligible. It is possible, however, that higher prices for Alaskan oil would encourage further exporation and development in Alaska. The likelihood of this, however, is impossible to estimate.

Effect on refinery operations

The effect of an import fee on refinery operations is conditional upon the treatment of imported products (crude oil derivatives). Since the average cost of all crude oil acquired by domestic refiners in 1985 will rise by $2.45/bbl. in the event of a fee ($5/bbl. fee x 49 percent, the proportion of all crude coming from imports in 1985), the price of refined products must rise by slightly more than 5 cents/gallon to pass along these cost increases in full.

In the absence of a fee on imported products, the scale and competitiveness of the domestic refining sector could be affected. Without a fee placed on imported products, an increase in the average price of crude to refiners of $2.45/bbl. (the 1985 impact) might jeopardize U.S. refineries' position vis a vis refineries in Europe and the Caribbean.

Until the introduction of the entitlements system in 1973, the world refining sector generally operated at about an 85 percent level of capacity utilization. When OPEC price increases occurred in 1973 and 1974, U.S. refineries were partially insulated from the full impact of these higher costs by the entitlements system. Because crude imports are subsidized more than product imports,[2] U.S. refineries currently operate at a significant comparative advantage, illustrated by the present capacity utilization of U.S. refining (about 85 percent) compared to other refineries in the Western hemisphere and in Europe that export to the U.S. (about 60 percent). In the absence of an additional import fee on imported products, it is likely that the fee on crude oil alone would cause some shifting from U.S. refinery products to foreign ones. In South America and Western Europe, there is presently excess refinery capacity of over 3 billion bbl./year, about half of U.S. refining capacity. In addition, foreign refineries are generally given credit for having a pure competitive advantage because of lower operating costs and relative absence of environmental restrictions. If the domestic competitive advantage should cease, the potential for switching to imported products is considerable.

Moreover, as discussed earlier, the amount of a fee placed on imported products may

[2] The Administration has recently proposed, however, to give fully equivalent entitlements treatment to residual oil on the East Coast.

play a pivotal role in determining the extent to which a crude oil import fee is absorbed by domestic refineries or passed on to consumers. If a fee were imposed on crude oil, raising the price, most of this price increase would be borne by end-users of petroleum products. This passthrough is judged to be about 85 percent, reflecting the degree of dependency of the economy on petroleum. This estimate implies that refiners would have to absorb 15 percent of the fee, thereby lowering their profits. The final sharing of the fee between refiners and end-use consumers, however, would also depend on the price charged for imported refined products. If imported refined products were allowed to undercut domestic products (as they would if no fee were imposed), then refiners would be forced to absorb more than 15 percent of the fee. If imported products were forced to sell at a price higher than domestic products, then it is conceivable that all of the fee would be passed on to consumers. Thus, the fee set on imported products would affect the burden of the import fee in general and, in turn, final energy savings.

If the import fee on crude oil were imposed, it is not clear how large an import fee on refined products would be required to protect the American refinery industry from foreign competition. From CBO's survey of oil companies, estimates of the required fee on imported products range from a low of 42¢ per barrel to more than $2.50 per barrel. In analyzing this issue, however, several points must be addressed.

The basic question is how much protection does the United States government want to provide for the refining industry. While part of the higher operating costs of U.S. refiners is clearly because of such factors as stricter environmental standards, some may be caused by inefficiency associated with older plant and equipment. Is it desirable to protect all these relatively inefficient operations?

There is a wide variation among domestic refiners in the degree of protection they need to remain competitive with foreign refineries. In general, location is key in determining a refiner's competitive position. Some domestic refiners, both independents and those owned by multinational oil companies, have a geographic advantage that more than offsets their higher operating costs.

CBO's survey of refiners indicates that generally the smaller, independent refiners need more protection than the larger ones owned by multinational oil companies. The entitlements system, however, already extends protection to small refiners through the "small refiners bias."

If some small, independent refiners were adversely affected by the fee on crude imports, the likely beneficiaries would be the foreign refiners who, in turn, are partly owned by U.S. multinational oil companies.

In sum, the size of the import fee, if any, that should be placed on refined products is a complex issue. It depends on the extent to which the U.S. government seeks to protect American refineries—particularly smaller, independent refineries. Some fees, however, will be necessary if U.S. refiners are to avoid losses.

Energy savings and import reduction

This analysis estimates the savings resulting from the imposition of an import fee of $5/bbl. as amounting to 400,000 barrels of crude oil per day by 1985. Savings before the mid-1098s will probably be less than the 400,000 level, since reductions in crude oil use are more prone to take place in the long run, through replacement of energy-using devices, such as automobiles or boilers, with more efficient ones. This estimate assumes a tax equal to the increase in the price of crude to domestic refiners (about 5.7¢/gallon in 1980, and about 6.4¢/gallon in 1985), which is consistent with a passthrough of 85 percent as discussed above.

Although higher prices for crude oil inevitably translate into diminished use of crude, reduction in crude use need not translate one for one into reductions of imports, because of the effects of the entitlements system, discussed above. The entitlements system equalizes the acquisition cost of crude oil to refiners by granting each refiner access to the same proportion of oil from each regulatory tier, including the import category. By charging each refiner, in effect, the average cost of all crude, the refiner is virtually blind to the actual type of oil he uses. Thus, should a refiner cut back on crude purchases, it makes little difference to him whether he cuts back purchases of imported or domestic oil, although the entitlements program does have a slight built-in disadvantage for imports.

Certain circumstances mitigate this relative indifference. First, existing fees make imported crude oil 21¢/barrel more expensive to the refiner than domestic. Second, delivery systems and locational considerations make domestic crude oil easier to purchase. Thus, when conservation occurs, it is likely that, for every barrel of oil conserved, somewhat more than 49 percent of that barrel of reduced oil consumption will come from imports.[3]

As discussed above, failing to impose an equivalent tariff on imported refined products could lend to a shifting away from U.S. refineries. This substitution would exacerbate the problem of flows of imported oil into the U.S.

CHAPTER IV. EFFECTS OF IMPORT FEES ON THE ECONOMY AND BALANCE OF TRADE

Aside from directly affecting the domestic petroleum market, an import fee would affect the entire national economy, because of the pivotal role of petroleum. Included in these effects is a measure of the regional impacts of higher oil prices. In this chapter, the repercussions of an import fee on growth, employment, price stability, and trade balance are discussed. Measures of regional effects of higher oil prices and reduced supplies are also analyzed.

Macroeconomic impact

In order to gauge the impact on the economy of the proposed oil import fee discussed in Chapter III, CBO used a large econometric model of the U.S. economy to analyze the following four cases with respect to growth, employment, inflation, and balance of trade:

Base Case: Continuing present policy without the import fee.

Scenario I: Imposition of the import fee, with no compensatory policy.

Scenario II: Imposition of the import fee, with ensuing revenues disbursed through tax relief.

Scenario III: Imposition of the import fee, with ensuing revenues disbursed through tax relief, and compensatory monetary policy to prevent increases in interest rates.

The results of the analysis of these four scenarios are depicted in Table 4. As can be seen, the imposition of the import fee (Scenario I) decreases real GNP by 0.5 percent in 1979, and 1.2 percent in 1980, and raises the price level by about 0.5 percent in 1979 and 1980. Unemployment would rise by 0.2 percent in 1979 and 0.4 percent in 1980, a final difference of 380,000 jobs.

[3] Forty-nine percent is the fraction of crude oil estimated to come from foreign sources by 1985.

TABLE 4.—SHORT-TERM MACROECONOMIC EFFECTS OF IMPORT FEES, UNDER 4 SCENARIOS, CALENDAR YEARS 1979 AND 1980

	Real GNP (billions of 1972 dollars)		Unemployment rate (percent)		Percent change in GNP deflator	
	1979	1980	1979	1980	1979	1980
Base case	1,456	1,495	6.0	6.0	6.5	6.6
Scenario I	1,447	1,477	6.2	6.4	7.0	7.1
Scenario II	1,454	1,491	6.0	6.1	6.9	7.0
Scenario III	1,454	1,492	6.0	6.0	6.9	7.0

Source: CBO computer simulation using the Wharton Econometric Forecasting Associates Quarterly Model of the U.S. Economy.

Thus, an import fee would have an identifiable, but not major, effect on the domestic economy. Some of these negative effects could be mitigated, however, through compensatory policies. One such policy would be to rebate the revenues to the public on a one for one basis which would require new legislation. As indicated in Table 4 (Scenario II), a reimbursement to the public of all import fee revenues helps to restore GNP and unemployment levels to those that would have been achieved without an import tariff. The price level, however, would be 0.4 percent higher.

An additional compensatory policy would be the use of monetary policy to offset potential increases in interest rates brought on by the second-round effects of increased spending resulting from reimbursement of tariff revenues. Such a policy, however, seems to have little marginal effect in increasing growth, or in decreasing unemployment or the price level. It should be pointed out that, while the recessionary effect of import fees and the stimulatory effects of compensating macroeconomic policies are felt quickly, the conservation effect discussed in preceding chapters, takes place over the longer term.

Balance of trade and position of the dollar

One of the principal goals of the proposed import fee is to reduce imports so as to correct the U.S. trade balance, which has deteriorated over the past decade for a variety of reasons, oil imports among them. It is CBO's view that other variables—such as cyclical fluctuations, economic development in the Third World, relative technological progress in the United States and abroad, and bureaucratic restrictions on trade—play a more pivotal role in determining the balance of payments than oil imports.

Higher prices for crude oil affect the economy in two separate ways. The first is a price effect—higher prices cause a direct reduction in oil imports, which decreases the aggregate level of imports, thereby improving the trade balance. The second effect is macroeconomic—higher crude prices slow economic activity generally, and historically, the level of all imports decreases when the economy slows down. Thus, higher crude oil prices reduce the level of imports by more than the amount of the ensuing reduction in crude oil use. (An effect running in the opposite direction consists of higher crude prices leading to an increase in domestic inflation, which in turn makes U.S. exports less competitive abroad, worsening the balance of trade.) These two effects do not occur simultaneously. The macroeconomic effect is felt much sooner, because higher energy prices force some firms to curtail or cease production while consumers are immediately faced with less discretionary income to spend on other goods and services. The price effect—conservation—takes a while longer to occur, because most reductions in energy use require time and new equipment to achieve—

for example, fuel-saving cars, new coal-burning industrial boilers, etc.

The time factor of the two effects is important because there has been discussion of rebating the import fee revenues to the public through income tax or social security tax abatement. Such a rebate would counteract the recessionary macroeconomic effect of import fees, a policy that may be necessary to preserve adequate growth and employment. (As noted unemployment could rise by 380,000 by 1980 without a concommittant economic stimulus such as rebating import fee revenues.) However, such a macroeconomic stimulus could lead to an increased general level of imports as a consequence of renewed growth. Moreover, the increase in imports stemming from rebating import fee revenues may be as great as the reduction in imports obtained through the macroeconomic effect of imposing them, leaving the final position of the economy with respect to imports virtually unchanged. This was confirmed in model simulations.

TABLE 5.—REVENUES TO FEDERAL GOVERNMENT: ALTERNATIVE FEE SCENARIOS

Year	Estimated quantity of imported crude [1]	Imported crude fee schedule [2]	Subtotal: crude fee revenues [3]	Estimated quantity of imported refined products [1]	Equivalence fee schedule for imported refined products [2]	Subtotal: imported products equivalence fee revenues [4]	Total (cols. 3+6) [3]	Minimum protection fee schedule for refined products [2]	Subtotal imported products minimum protection fee revenues (col. 4×8) [5]	Total (cols. 3+9) [5]	Crude oil equalization tax revenues [5]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1978	6.164	1	2,250	2.046	0.45	336	2,586	0.84	627	2,877	3,830
1979	6.493	3	7,110	2.165	1.38	1,091	8,201	.87	687	7,797	8,316
1980	6.863	5	12,523	2.288	2.40	2,004	14,529	.93	777	13,991	15,077
1981	7.192	5	13,125	2.397	2.46	2,152	15,277	.99	866	13,991	14,837
1982	7.541	5	13,762	3.514	2.51	2,303	16,065	1.04	954	14,716	14,369
1983	7.890	5	14,399	2.631	2.62	2,516	16,915	1.10	1,056	15,455	13,842
1984	8.240	5	15,038	2.746	2.68	2,686	17,724	1.16	1,163	16,201	13,355
1985	8.589	5	15,675	2.863	2.68	2,801	16,476	1.22	1,275	16,900	12,959
Total			93,884			15,889	109,773		7,405	101,239	96,583

[1] Millions of barrels per day.
[2] Current cost per barrel.
[3] Millions of current dollars per day.
[4] Millions of current dollars per year.
[5] Millions of current dollars.

Thus the impact on the trade balance will be problematic for the first few years of the existence of the import fee. During this period, the redistributive and stimulative effect of rebating import fee revenues may increase all imports before reduction in actual crude oil imports occur. Inevitably, however, conservation induced by the import fee should override the stimulative effect and reduce total imports, although the ultimate improvement in the U.S. balance of payments position by 1985 will likely be minor, more so if the fee is rebated. In 1985, the fee would reduce oil imports by $3 billion if all induced conservation is translated into import reductions. In the absence of new policy, this figure will be less.

Revenue effects

The revenues that would be raised by a crude oil import fee are depicted in Table 5. Any estimate of these revenues depends on the treatment of imported refined products, discussed above. Two different assumptions were made to develop revenue estimates. First, it was assumed that products would be subect to a fee that was equal to the average increase in crude oil costs to the domestic refiner under an imported crude oil fee. This estimate is presented in column (6) of Table 5. Such a set of fees produces revenues of approximately $110 billion between 1978 and 1985. An alternative assumption is that products would be charged a fee that provides only minimum protection to domestic refineries. Such a fee would be equivalent, corrected for inflation, to 84¢/barrel in 1978 dollars. This set of fees produces revenues of approximately $101 billion between 1978 and 1985. For comparative purposes, COET revenues during this period are estimated to be about $96.5 billion.

Geographic distribution of the burden

Aside from its uses in the internal combustion engine and petrochemicals, petroleum affects the economy through its use as a heating fuel, and as the prime source of steam in electric power generation. This impact is felt to varying extents by the different geographic regions of the country. Petroleum is the pincipal heating fuel and source of electrical generation (in the forms of distillate and residual oils) for New England, New York, and New Jersey, and is used on the West Coast as the primary source of home heating. (Elsewhere in the United States, electricity is generated from coal, except in the natural gas producing regions of the south-central states. Nuclear power makes a strong secondary contribution in New England and California.) Because petroleum's use as a heating or generating fuel is regionally confined, any rise in the composite (average) price of crude oil would have an identifiable regional impact, as shown in Table 6.

TABLE 6.—EFFECTS OF $5 PER BARREL IMPORT FEE ON RESIDENTIAL HEATING COSTS

Department of Energy region	No fee [1]	$5 per barrel fee [1]	Percent increase
New England (Maine, New Hampshire, Vermont, Massachusetts, Connecticut, and Rhode Island)	$5.59	$6.06	8.5
New York/New Jersey	5.35	5.74	7.3
Mid-Atlantic (Pennsylvania, Maryland, Delaware, District of Columbia, Virginia, and West Virginia)	5.11	5.30	3.6
South Atlantic (Kentucky, Tennessee, North Carolina, South Carolina, Georgia, Alabama, Mississippi, and Florida)	5.34	5.46	2.4
Midwest (Ohio, Michigan, Indiana, Illinois, Wisconsin, and Minnesota)	3.88	3.98	2.8
Southwest (Louisiana, Arkansas, Oklahoma, Texas, and New Mexico)	$4.27	$4.31	1.0
Central (Missouri, Iowa, Kansas, and Nebraska)	3.73	3.79	1.5
North Central (North Dakota, South Dakota, Montana, Wyoming, Colorado, and Utah)	3.30	3.37	2.0
West (Arizona, Nevada, California, and Hawaii)	4.26	4.35	2.1
Northwest	3.52	3.65	3.9

[1] Average cost of 1,000,000 Btu.

The cost to the consumer of one million BTUs—heat equivalent to that contained in a thousand cubic feet of natural gas, or enough to heat the average home for a day and a half in January—is depicted in Table 6 with and without the import fee for each of the ten regions of the country, as defined by the Department of Energy (DOE).[1] The effect of an import fee was calculated by adding the full $5/bbl. fee into the composite price of all crude oil. The composition of fuels used to generate heat is depicted by region in Table 7.

To demonstrate the effects of the price increases depicted in Table 6, the annual home heating bills for selected cities are presented in Table 8. The East Coast generally pays more per unit of energy, although colder areas, such as the Midwest, pay higher total heating bills. The bills calculated are for a 1,200 square foot ranch house with heavy insulation, using a heating efficiency figure of 85 percent for oil, gas, and coal furnaces and 100 percent for electric-resistance heating. Each of these is an optimistic assumption, and hence, the estimated bills are low. Moreover, as the marginal cost of heating oil rises, the prices of alternative fuels, such as coal or intrastate gas may rise. This effect was not computed nor included in the analysis, but could prove significant if sympathetic upward price movements occurred in coal, natural gas, and uranium.

[1] The relative contributions of different fuel sources toward residential heating were obtained from the Project Independence Evaluation System Model, prepared by their Task Force.

TABLE 7.—COMPOSITION OF HOME HEATING FUELS BY REGION: IN PERCENTS

DOE region	Electricity	Distillate oil	Liquefied gas	Coal	Natural gas
New England (Me., N.H., Vt., Mass., Conn., R.I.)	14	60	03	00	23
New York/New Jersey	12	48	01	00	39
Mid Atlantic (Penn., Md., Del., D.C., Va., W. Va.)	20	29	02	03	46
South Atlantic (Ky., Tenn., N.C., S.C., Ga., Ala., Miss., Fla.)	41	15	10	01	32
Midwest (Ohio, Mich., Ind., Ill., Wis., Minn.)	14	18	06	02	60
Southwest (La., Ark., Okla., Tex., N. Mex.)	26	07	12	00	55
Central (Mo., Iowa, Kans., Nebr.)	16	09	15	00	60
North Central (N. Dak., S. Dak., Mont., Wyo., Colo., Utah)	14	10	10	01	65
West (Ariz., Nev., Calif., Hawaii)	20	02	02	00	76
Northwest	45	21	02	01	31

Source: Project Independence Energy Sector Model.

TABLE 8.—EFFECTS OF $5 PER BARREL IMPORT FEE ON ANNUAL HOME HEATING COSTS FOR SELECTED CITIES, 1978

City	Without fee	With fee
Atlanta	$56.91	$58.19
Boston	121.66	230.55
Charleston, S.C	44.59	45.59
Chicago	15.28	154.16
Detroit	165.89	170.17
Minneapolis	248.40	254.80
New York	161.74	172.19
St. Louis	111.47	113.26
Salt Lake City	124.79	127.43
San Francisco	22.75	23.22
Seattle	91.28	94.65
Washington, D.C.	116.13	120.45

APPENDIX

APPENDIX A.—*How the Entitlements System Works*

Crude oil is sold in the U.S. at a wide array of prices, because of a complicated system of price regulations and entitlement benefits. Imported crude oil is delivered to refineries at an average price of about $14.40 per barrel (/bbl.). Crude oil produced in the U.S. is classified by "tier," and each tier is allowed a different price. "Old" oil, that is, oil produced from wells that were in operation before 1972, is grouped in a "lower tier," and is delivered to refineries at an average price of about $5.70/bbl. "New" oil, that is, oil produced from fields that have commenced production since 1972, is classified as "upper tier," and is allowed a price of $12.25/bbl. Other types of domestic crude oil—Alaskan and stripper (oil from wells that produe 10 bbl./day or less)—are allowed rough equivalence to the price paid at the refinery gate for imported petroleum.

When the tier-system of price controls on crude oil was instituted under the Phase IV Regulatory Program in 1972,[1] it became clear that major integrated producers/refiners had an advantage over smaller, independent refiners, because of their greater access to old oil. A refiner processing old crude priced at $5.50/bbl., when compared to a refiner processing imported crude at $14.50/bbl., has a competitive edge equal to 23¢/gallon. Such an advantage could be eliminated by entitling each refiner to an equal percentage of old, new, and imported oil.

This was accomplished through the implementation of the entitlements system under the Energy Production and Allocation Act. An entitlement is the right to refine one barrel of old oil in a particular month. Refiners, therefore, must possess a quantity of entitlements each month equal to the amount of old oil they will process. The number of entitlements they will be issued by Department of Energy is based on a proportion of their total volume of crude, that proportion being equal to the percentage of all crude that is classified as lower tier, or old oil. For example, as of June 1978, about 22 percent of all oil processed by refiners is old oil. Thus, a refiner who processes 1,000,000 barrels per month will receive 220,000 entitlements. If the refiner in this example wished to process 230,000 barrels of old oil, he would have to find and purchase an additional 10,000 entitlements. If the refiner only had 200,000 barrels of old oil to process, he could sell his 20,000 extra entitlements to a refiner with excess old crude. Under this system, the value of an entitlement becomes equal to the difference in price between old oil and imports, since this difference is equal to the savings the refiner experiences by processing old oil instead of imports.

Thus, because they can be bought and sold, entitlements equalize the cost of the average barrel of crude oil processed by each refiner. Refiners processing more old crude oil than the national average must pay refiners processing less than the national average for their extra entitlements, thus eliminating the advantage created by processing more old crude than one's competitor. Moreover, this equalization is achieved on paper through the sale and purchase of entitlements through a common "entitlements pool," as opposed to the physical movement of different types of oil.

In 1975, the Energy Policy and Conservation Act modified the entitlements procedure. This was necessary because the world price had risen above the price allowed for new oil. Since there is now a $2.15/bbl. price difference to the refiner between new oil and imported oil ($12.25/bbl. vs. $14.40/bbl.) and a $8.50/bbl. difference between old oil and imports ($5.70/bbl. vs. $14.40/bbl. minus present 21¢/bbl. import fee), it has been determined that processing a barrel of new oil would require possession of 23 percent ($14.40 minus $12.25 minus the present import fee of 21¢, divided by $8.50) of an entitlement. Extra entitlements have been issued to all refiners so as to distribute equitably among them the cost advantages of both upper- and lower-tier oil over imported oil.

Table A-1 contains various examples of entitlements calculations corresponding to different possible treatment of Alaskan and stripper oil as described in Chapter III.

[1] This was the fourth, and final stage of the Nixon Administration's economic program to control inflation.

TABLE A-1.—ENTITLEMENTS CALCULATION EXAMPLES

Type of oil	Volume (millions of barrels per day)	Refinery acquisition cost	Entitlement price	Entitlement or credit	Nationwide adjusted refinery cost
Case 1 (present policy):					
Lower	3.35	$5.70	$8.50	[1] ($2.20)	$12.00
Upper	2.85	12.25	1.95	(2.20)	12.00
Stripper	1.05	14.40	0	(2.20)	12.20
Alaskan	1.10	14.40	0	(2.20)	12.20
Imports	6.85	14.40	0	(2.20)	12.20
Total	15.20				
Case 2 ($5 import fee but hold Alaskan and stripper down):					
Lower	3.35	5.70	13.50	[2] (4.95)	14.25
Upper	2.85	12.25	6.95	(4.95)	14.25
Stripper	1.05	14.40	4.80	(4.95)	14.25
Alaskan	1.10	14.40	4.80	(4.95)	14.25
Imports	6.85	19.40	0	(4.95)	14.45
Total	15.20				
Case 3 ($5 import fee and allow Alaskan and stripper to rise):					
Lower	3.35	5.70	13.50	[3] (4.95)	14.95
Upper	2.85	12.25	6.95	(4.25)	14.95
Stripper	1.05	19.40	0	(4.25)	15.15
Alaskan	1.10	19.40	0	(4.25)	15.15
Imports	6.85	19.40	0	(4.25)	15.15
Total	15.20				

[1] 14.40−5.70−.21=$8.50. 3.35+.23 (2.85)÷15.20×8.50=2.20.
[2] 19.40−5.70−.21=$13.50; 19.40−14.40−.21=$4.00; 19.40−12.25−.21÷$6.95. (3.35+.51 (2.85)+.36 (2.15)÷15.20×13.50=$4.95.
[3] Footnote not included.

Note: General notes to table A-1 appear following footnotes.

NOTES TO TABLE A-1

Nationwide Adjusted Refinery Cost = Refinery Acquisition Cost + Entitlement Price.

The entitlement price ($8.50 or $13.50 in these examples) represents the exact differential, as reported for a given month, between the weighted average per barrel costs to refiners of lower tier oil and of imported crude oil, less the sum of 21 cents. $14.40 − $5.70 − 21¢ = $8.50.

In order to determine the entitlement credit, it is first necessary to calculate the "entitlement fraction." An entitlement fraction is associated with each barrel of upper-tier crude oil. Adoption of the three-tier

price system in February 1976 made it necessary to assign a fractional entitlement to upper-tier oil in order to equalize it with imported crude oil. For any given month, the upper-tier fraction can be derived as follows: divide (the weighted average cost of imported crude oil, minus the weighted average cost of upper tier crude oil; minus 21¢) by the entitlement price. ($14.40 — 12.25 — 21¢) ÷ $8.50 = 23¢. If there are more than three tiers of prices, then there will be more than one entitlement fraction. The entitlement credit can be calculated as follows: entitlement price multiplied by the domestic oil supply ratio (DOSR). The DOSR is roughly equal to the percentage of old oil in total refinery runs. In the actual calculation, the amount of old oil is adjusted upward to account for the existence of the controlled upper tier or tiers using the entitlement fractions. The result is deemed old oil, which is equal to the volume of old oil plus the volume of upper tier multiplied by the entitlement fraction. The numbers are further adjusted to account for feedstock entitlements, residual fuel entitlements, the small refiner bias, and any special hardship exceptions. DOSR = (deemed old oil minus bias and exceptions) minus (refinery runs + residual entitlements).

The entitlements program includes a fixed disadvantage of 21¢ per barrel for imported crude oil. This is done in order to preserve an incentive for refiners to purchase domestic crude oil. Because stripper oil is treated as uncontrolled oil, it has the same 21¢ cost penalty as foreign crude.

Note that the above table is presented from the viewpoint of a marginal barrel of crude oil and the net entitlement position of that *barrel*. To determine the entitlement position of a particular *refiner* one would calculate a weighted average based on the proportions of crude types being run by that refiner, multiplied by the net entitlement position per barrel. The per barrel net positions shown in Table A–1 are:

Old oil: $8.50 — $2.20 = $6.30 (Buy).
New: $1.95 — $2.20 = $0.25 (Sell).
Imports: 0 — $2.20. — $2.20 (Sell).
Stripper: 0 — $2.20 = $2.20 (Sell).●

CATASTROPHIC HEALTH INSURANCE AND MEDICAL ASSISTANCE REFORM ACT OF 1978

● Mr. PERCY. Mr. President, I have long espoused the need for reform of this Nation's health care system. A viable program, national in scope, must be adopted, because the right to adequate medical attention should be available to every citizen: rich, poor, young, or old. Furthermore, relief must be provided to those threatened with financial disaster should a prolonged illness occur. S. 3105—the Catastrophic Health Insurance and Medical Assistance Reform Act of 1978—provides access to health care for low-income people and assures all Americans solid protection against the skyrocketing costs of medical care. I am proud to add my name to the distinguished list of cosponsors.

Destruction of a family's financial well-being due to the staggering health care costs resulting from prolonged illness has become an all too frequent occurrence. The financial obligations of hospitalization are becoming unmanageable even for hard-working middle-income Americans. The average citizen's personal health bill continues to increase faster than his wages.

A multitude of programs have been proposed to solve, to varying extents, the health care crisis. Although these programs have been idealistically hailed as the answer, we cannot pragmatically afford or administer them. New programs, however worthy, cannot be allowed to run up a budget deficit at a time when economic conditions call for financial restraint. Most Americans want an affordable plan, one that will retain the positive elements of current health care while rectifying existing shortcomings.

This plan offers a commonsense approach and carries a plausible, affordable price tag.

Title I provides for the protection of every American against the devastating costs of catastrophic illness by placing a ceiling on the maximum out-of-pocket expenses a family would have to pay for health care. Effective January 1, 1980 a family's medical cost would be assumed by the social security fund once it had incurred 60 days of hospital costs and/or $2,000 in medical bills. The benefits included under the program would be the same as those covered under the medicare program, however there would be no upper limits on hospital stays. An employer would have the option of obtaining a catastrophic plan in the private sector.

Title II replaces the costly, inefficient, and inequitable Federal-State medicaid programs with a uniform set of national eligibility standards. These will eliminate the variances between States and provide health care benefits for all low-income individuals and families whether they are on welfare or working. This plan would also save States millions of dollars by requiring them to pay only what they paid for medicaid in the year prior to enactment.

Title III encourages private insurance companies to devise and market reasonably priced policies for purchase by those Americans not eligible for the low-income plan. Three years after institution of this title any insurer not meeting standards devised by the HEW secretary would be ineligible to serve as a medicare carrier or intermediary. To minimize budgetary impact the bill provides for the program to be implemented in whole or in part, as funding becomes available.

This program will not solve all our needs but will go a long way toward providing the solid financial security Americans desire and deserve, at a cost this Nation can afford.●

A MESS AT EPA

● Mr. EAGLETON. Mr. President, for over 2 months I have tried unsuccessfully to obtain a simple answer from the Environmental Protection Agency on a pending lake restoration project application for St. Louis County, Mo. The frustrations I have encountered in pursuing this matter are an example of Government inefficiency at its worst. I cannot sit back any longer without publically voicing my disgust with the bureaucratic mess EPA has made of this application.

In May 1977, St. Louis County applied for an Environmental Protection Agency lake restoration grant request of $10.2 million to complete dredging of the Creve Coeur Lake. A year has passed since the application was filed. The State of Missouri requested that this project be placed first on its prioritized list, but it is still awaiting funding.

Creve Coeur Lake is one of the most important water recreation spots in St. Louis and annually serves more than 2 million metropolitan St. Louis residents. The county has committed $13 million over the past 9 years to improve this lake. The county's financial commitment more than speaks of its confidence in the lake project. The Environmental Protection Agency regional office has approved the project and urged that the dredging be completed. Yet, bureaucrats in Washington are still processing and paper shuffling. After a year of studies and countless replies by local officials to EPA questions about flooding and water quality, the best EPA could do was to propose to me on June 5, 1977 that perhaps funding could be obtained to conduct yet another study. Months ago, regional EPA urged the Washington office to finish this project. But someone in Washington cannot seem to make up his mind. I have suggested that EPA sit down with local and State engineers to resolve this tug of war. EPA after a month cannot even answer this request.

Mr. President, after this experience, it is not difficult to sympathize with the complaints of my constituents and I understand the feeling of some that EPA be abolished. I support the work of the Environmental Protection Agency and have through the years. But, even the best of programs can be subverted by this kind of bureaucratic runaround the people of St. Louis received in this case. I intend to have this experience in mind the next time EPA's budget is before the Senate.●

MR. AND MRS. JAMES E. CHARLET, SR.

● Mr. SASSER. Mr. President, two distinguished Tennesseans, Mr. and Mrs. James E. Charlet, Sr., of Clarksville, who have been involved in newspaper publishing for 38 years, are retiring today.

The name Charlet has come to represent excellence, fairness and wisdom in Tennessee journalism over the years. The Charlets have contributed much to newspaper publishing, having pioneered offset printing and central plant operations in middle Tennessee.

The Charlets have always held a special interest in a free press as mandated by our Bill of Rights. A free press is vital to our democracy, and Mr. and Mrs. Charlet have been diligent in their support of and concerned with the right of all Americans to free and open expression of their views.

Thomas Jefferson, in a letter to Colonel Edward Carrington on January 16, 1787, summed up best the examples Mr. and Mrs. Charlet have set when he said:

The basis of our government being the opinion of the people, the very first object should be to keep that right; and were it left to me to decide whether we should have a government without newspapers, or news-

papers without a government, I should not hesitate a moment to prefer the latter.

Mr. Charlet's role as president and publisher of the Clarksville Leaf-Chronicle is well known and well respected. His ability and hard work have made the Leaf-Chronicle a great institution. Beside him through the years has been his wife, whose business acumen and knowledge attests to her ability.

Apart from Mr. Charlet's contributions to journalism, he has contributed greatly to the growth and well being of his community. Mrs. Charlet has contributed equally to the success of the Leaf-Chronicle and other publishing ventures of the Charlets.

Mr. and Mrs. Charlet are leaving the active, daily management of the Leaf-Chronicle, but they are entering a richly deserved retirement. The name Charlet, however, will remain a symbol of excellence in Tennessee journalism. Their son, James E. Charlet, Jr., will continue leading the publishing venture the Charlets have overseen for these many years.

I want to wish Mr. and Mrs. Charlet a long life and much happiness in their retirement.●

S. 2152—THE WITTEVEEN FACILITY

● Mr. ABOUREZK. Mr. President, last February, Congressman HENRY REUSS, chairman of the House Banking Committee, participated in oversight hearings on U.S. participation in multilateral development institutions. One of the things he discussed was the Witteveen Facility, the supplementary financing facility of the International Monetary Fund and how the Harkin human rights language fits into that legislation. This is the identical legislation which Senator MARK HATFIELD and I will offer along with seven other cosponsors when the Witteveen Facility, S. 2152, reaches the Senate floor.

This exchange between Congressman REUSS and Richard N. Cooper, Under Secretary of State for Economic Affairs, will shed some light on why we need this important language in the Witteveen Facility bill and I ask that this portion of the hearings be printed in the RECORD.

The material follows:

Mr. REUSS. I want to thank you, Mr. Chairman, for holding these hearings, and also for inviting me. And I am willing to express my personal admiration, as great public servants, to both Mr. Cooper and Mr. Bergsten, who I've known for a long time, and are doing a splendid job.

Let me just present one case study of recent vintage, to get your ideas on it.

I was quite pleased the other day when the House, by a better than 2 to 1 vote, passed out the Witteveen Facility, when it looked a few days before according to our count that it was not going to pass it at all.

And one of the things I did in connection with the debate was to indicate that, as far as I was concerned, an amendment on human needs and human rights could well be adopted, without hurting the bill; and, in fact it was adopted.

And I think one of the reasons for the splendid performance of the House on the bill was because it was adopted. The State Department and the Treasury remained opposed to it to the bitter end.

In a nutshell, the human needs provision of the amendment offered, I believe, by Mr. Harkin of Iowa, provided that our Executive Director at the International Monetary Fund take a look at a specific stabilization program, and forced by the IMF as a condition of an emergency supplementary loan to that country, there should be strongly taken into account the need for not putting all of the burden of the stabilization program in a particular country on the poor people specifically.

An example I gave was: It wouldn't, in my judgment, have been a good idea for a country to have allowed unlimited oil exports so its oligarchy could have enough gas to run its Mercedes, while protein-rich soybeans at the other end of the chromatic scale were somehow prioritied out.

In fact, I know that in days gone by the IMF has shown a good deal of ice in its veins when it comes to these stabilization programs. It frequently seems to be the poor that take it on the chin when fiscal and monetary and import austerity is forced by the IMF on a country.

All that the amendment did was to ask the United States' Executive Director to crank these philosophical principles into his conspectus when he was talking to his colleagues and voting on a loan: "Why did you fellows oppose that?" "What is wrong with that?"

I think this states our difference: Have you searched your soul and asked yourself whether there isn't, in your position, a little bit of the "we know this better, and we don't need Congress telling us how to conduct ourselves" attitude?

Mr. COOPER. If I could try to answer that, Congressman Reuss—and perhaps Fred Bergsten would have something further to say—it is our feeling that, given our understanding of the way the International Monetary Fund operates at the formal level, that this kind of condition was completely inappropriate. Because the recommendations that are typically made by the IMF to a country on the stabilization program operate at a level of generalization above what you are talking about—these things like "the country should devalue its currency; the country must increase its fiscal revenues; or the country must cut back on its expenditures in order to close a budgetary gap which is inflationary and a source of the problem which has led that country to the IMF in the first place."

So there are generalized monetary fiscal policies. Of course they affect the sectors of the economy, just as they do in our own economy, but at that level of generalization at which the IMF we think appropriately operates, leaving the details of the implementation to the government itself. It is not wrong; it is just inappropriate to ask it to address these questions.

And as you will recall, there is a separate feature of the amendment which is on the Witteveen Facility as it was passed out, which asks reporting requirements ex post on tracing through the influence.

And as a social scientist by training, and by many years of practice before I came to government, I would just have to say that no honest person could do that reporting requirement as it is stated. Because the cause/effect linkages which are stipulated to be reported cannot be done with that kind of certitude.

Mr. REUSS. I don't have that much difficulty with the second, but I asked about the first. And you opposed the whole thing lock, stock, and barrel. And I'm suggesting that you could have been more discriminating.

You could have said "human needs, yes; reporting, no," and maybe gotten a better result. The word that the State and Treasury Departments usually use about this thing is "politicalization." You are against politicalization—that is there, anyway.

If the IMF lets a country that is oligarchy-run have a so-called "neutral program," you know who's going to take it on the chin: it is the poor people of that country. And the oligarchy is going to be home free.

So I think that there is politicalization in there anyway; and I really don't see anything wrong with our representative doing his best to see that the politicalization doesn't all fall on the back of the poor people who are going to be there anyway.

Mr. COOPER. Well, I would rest my main case on the statement that was made—that it does not go so much to politicalization as to the appropriateness or inappropriateness of this kind of condition.

Mr. REUSS. Of the reporting?

Mr. COOPER. No.

I made two points: One is the nature of policy recommendations which the IMF makes, which are the level of generalization. That is quite different from what you are now addressing.

The second point—quite different point—was on the ex post reporting. Recall that the U.S. itself has borrowed in the past from the IMF. We have tended to borrow in the lower credit tranches, so we haven't ourselves gotten into a major program; but a number of industrial countries have gotten into those programs now. And it is not ruled out, at some time in the distant future, that the U.S. might not only draw again, but actually draw into the higher credit tranches.

Now I think, looking at the thing that way, what the IMF in effect says to a country—the U.S., Britain, Italy—as it was in 1976, is: We are willing to help out in providing some finance for an adjustment period to bring your balance of payments back into line, but we want to be sure that you are taking the necessary macroeconomic policies in order to accomplish that.

It then sometimes gets into judgments on monetary policy, on exchange rates, and on taxes and expenditures. Its stabilization policies rarely go beyond that level of generalization. And it really does leave it to the government to choose.

And I think that, in the task, or in the role that the IMF was established to perform and has performed well over the years, it is inappropriate to go to the next level of generalization "down," as I would call it, and say "you've got to cut back your government expenditures, but you must do it in this area, and not in that area. You've got to raise taxes; or you've got to raise prices on government-supported commodities; or you have to do it in this area and not in that area."

That seems to me to call for a kind of expertise that the IMF does not have now, and a kind of judgment which is not appropriate for an institution like the IMF to make.

Mr. REUSS. Well, I do disagree with you. We must talk about it more, because I think the IMF, like everybody else, is living in the macroeconomic past where you could deal with these big boxcars and get somewhere. But I think in our own country, in our advice to Germany, in our attitude toward the international lending and financial institutions, we are macro-whacky, and we should make more with the "micro" and see what they are doing with these broad rubricks.

If all you do is sit still for macro, then you are a patsy for whatever inept government is the subject of the stabilization program. I'm not suggesting that we should get bumptious and say that we want to transform society in country "X" because we have a little leverage on them now that they've applied for an IMF loan; but if we don't do something about it, if we take refuge in simple vulgar, thoughtless, neo-

Keynesianism, you can be sure that the poor will get weaker.

And I don't think—and here is the gravamen of our difference—that there's a thing wrong with the United States Executive Director making just the point I'm making in the inner councils of the IMF, or these other lending agencies.

So, I wish the Department would give some thought to whether there isn't really a possibility of mixing a little "micro" with the "macro."

Mr. COOPER. I don't want to be misinterpreted in my remarks because you put the international lending agencies together.

I would draw a much sharper distinction than your remarks suggest, between the IMF on the one hand, and the others on the other.

The institutions we are talking about today, quite appropriately, get into the micro level, and there's no disagreement on that.

Mr. REUSS. It must not be thought that the IMF does not affect peoples lives; that it just deals with boxcar figures. It affects them enormously.

And if we tell a country that is pursuing wretched microeconomic policies that it can keep right on doing it—because we are only concerned with its macrofigures—you can be darn sure they are just going to keep on doing it.

And I think if we do it properly, we will win the respect of a lot of people and be able to make a measurable marginal impact.

Anyway, that is what our dispute is all about, and I think it is healthy to lay it all on the table.

Thank you, Mr. Chairman.●

THE MORALITY OF NUCLEAR POWER

● Mr. McCLURE. Mr. President, I recently received a copy of an article, "Nuclear Power—Is It Compatible With Christian Moral Principles?," written by Mr. Vic Uotinen of the Christian Nuclear Fellowship. The article contains one of the most useful discussions of nuclear power which I have seen. Mr. Uotinen has fully and accurately described the nature of nuclear power and the moral decisions concerning its use. Of particular significance, I believe, is his analysis of the nuclear weapon proliferation issue and its relationship to nuclear energy development.

Mr. President, so that our colleagues may have the opportunity to study Mr. Uotinen's article in detail, I ask that it and a newsletter of the Christian Nuclear Fellowship, dated June 1978, be printed in the RECORD.

The material follows:

NUCLEAR POWER—IS IT COMPATIBLE WITH CHRISTIAN MORAL PRINCIPLES?

(By Vic Uotinen)

We are living at a point in history when the world is rapidly depleting its natural resources. One vital aspect of our technological society that is being severely affected is that of energy-production. Our finite supplies of non-renewable energy-producing fuels (especially petroleum and natural gas) are being depleted at an alarming rate.

The threat of an impending energy crisis of serious magnitude has been a growing reality in the United States and the rest of the world for several years. The past two winters in this country, with their greater-than-average demand on energy, have demonstrated the reality and seriousness of this threat in tangible ways. Furthermore, the energy experts warn us that this is not a short-term crisis only. Rather, we as a nation (and other nations as well) are confronted with a long term challenge—that of assuring an adequate supply of energy to meet the needs of our people.

Our scientists and technologists have developed a source of energy—nuclear energy—that has the potential to alleviate the impending energy crisis, and indeed has the potential to supply our electric energy needs for many centuries.

However, various individuals and groups have expressed strong opposition to the use of nuclear power, and the issue has become the center of heated debate. This ongoing debate, like any other debate that vitally affects the world and its peoples, has some moral and ethical implications. These moral and ethical issues are discussed in this paper from the viewpoint of a Christian working in the nuclear industry.

In the twenty years since the first commercial nuclear power plant went into operation in the United States, nuclear power has become a rather widely accepted source of electric energy, contributing about 12% of the total U.S. electricity generation today, and as much as 40% in several heavily populated regions of the U.S. In about 300 reactor-years of commercial operation, the nuclear industry has had an impeccable safety record. There has not been a single nuclear-related injury to either reactor operators or the general public. In spite of this excellent record, the U.S. commercial nuclear industry has been under growing criticism and attack in recent years.

Some vocal opponents of nuclear power (for example, such well-known names as Ralph Nader, Margaret Mead and Amory Lovins) have recently begun to accuse nuclear power of being, among other things, "immoral". Their moral objections to nuclear power are based on a belief that nuclear power has such undesirable effects on the environment and on human life and health, that it would be immoral for us to use it. Thus, the development of nuclear power is being opposed with a moralistic devotion and zeal. In doing so, opponents are convinced that they are fighting for the "public interest" and indeed for the very survival of civilization. So powerful has their voice been that they have apparently been successful in persuading many religious leaders (for example the National Council of Churches) of the justness of their cause. It has been publicized that the staff of the NCC is expected to recommend a phase-out of nuclear power in a draft policy statement to be presented to the council's governing board this Spring.

Those of us who are Christians and who work in the nuclear field have been particularly aware of, and somewhat disturbed by these moralistic accusations. What these accusations imply is that we are employed in an industry that is somehow intrinsically immoral.

There are many of us (scientists, engineers, educators, administrators, etc.) in the nuclear field who have put our trust in Jesus Christ as Saviour and committed our lives to Him as Lord. In fact, several hundred of us have recently established a degree of communication through the Christian Nuclear Fellowship, an informal fellowship of committed Christians working in the nuclear community. As serious Christians, we want the Lordship of Christ to extend into every segment of our lives, including our professional activities.

In a time of national health crisis, the medical profession would bear a special moral obligation to develop and implement a solution to the crisis. Similarly, in a time of national energy crisis, we who work in the energy-producing professions have a moral obligation to develop and implement a solution to the crisis. In both cases, the moral obligation should be felt keenly by those professionals who are committed Christians. In addition, the solution—especially from the Christian's viewpoint—must be morally and ethically acceptable.

We are enjoined by Scripture to do everything in the name of Jesus Christ (Colossians 3:17). Furthermore, everything we do, we are told to do "heartily, as to the Lord" (Colossians 3:23). What this implies is that there can be no division of our lives into "secular" and "sacred" compartments. Rather, we are to live whole, unified lives in which Christ is Lord of everything. Thus, even what we do in our so-called "secular" vocations is to be done in His name and for His glory. Our secular occupations ought to in some way, directly or indirectly contribute to "promoting the good of all men, and helping to create the kind of society that will come as close to the ideal as is possible in this present evil world" (as was mentioned in a Christianity Today editorial of Dec. 9, 1977).

It is clear then, that as Christians we have no business devoting our time and energies to an activity such as nuclear power development, if indeed it is of questionable morality in that it is more harmful than helpful to man and his environment. Science and technology must be guided by moral principles. They must have a conscience. This must be especially true for Christians who are engaged in these fields.

It is from this viewpoint that I have been motivated to examine some of the moral/ethical issues involved in the nuclear power question. The purpose of this article is to present a discussion of some of these issues in terms of a few basic ethical principles that are straightforward, understandable, and at least to some degree measureable. In a sense, these thoughts represent my personal search for a justification of my continued involvement in the nuclear field. In addition, I trust this effort will contribute, at least in some small way, to a better understanding of the underlying issues in the nuclear debate among fellow Christians.

A fact that is not as widely known as it should be, is that an overwhelming majority of the nation's scientists and engineers have endorsed nuclear power. For example, the 18,000 member Power Engineering Society has endorsed nuclear power; so have the 10,000-member American Nuclear Society, the 69,000-member Society of Professional Engineers, the Energy Committee of the 170,000-member Institute of Electrical and Electronics Engineers, the Board of Directors of the 3,400-member Health Physics Society, and other professional societies. On the other side of the picture, nuclear power has been opposed by a relatively small, but very vocal minority of people in the sciences.

So it is fair to say that the overwhelming consensus of the knowledgeable scientific community is that nuclear power is an acceptable energy alternative. However, rather than simply accepting the opinion of the experts on the basis of their authority, it would be beneficial to discuss some of the issues in more detail.

To approach the subject in some systematic fashion, we will first of all discuss the use of nuclear power under the following broad, ethical categories:

A conservation ethic;

An environmental ethic;

A human life and health ethic.

A discussion on the basis of these categories seems particularly appropriate, since many of the attacks against nuclear power have been precisely in these areas.

In approaching this subject, we must realize that there are no absolute moral criteria for judging the goodness or badness of various alternative energy sources. We must also realize that all technologies affect the environment and human life to some degree. Therefore, judgments must be made on the basis of available facts, and on the basis of comparisons between the effects of alternative energy options. Furthermore, it is im-

portant that we make these comparisons on the basis of measurements that are made by applying the same yardstick to all of the alternatives.

The three ethical categories listed above will be addressed in terms of a comparison between coal and nuclear power. I believe this represents a realistic comparison that most people (even non-technical people) can relate to.

CONSERVATION ETHIC

From a conservation ethic viewpoint, man has a moral responsibility to be a good steward of the natural resources that God has entrusted to him. Wasting or misusing any of these resources (especially those that are rapidly being depleted) can be interpreted as immoral. In this context, we can point out the deplorable practice of simply burning away our valuable, finite resources of hydrocarbons (oil, coal and gas). As long as there are other acceptable ways for generating electricity, our hydrocarbons should be conserved, especially for future generations, for more essential and beneficial uses, such as, medicines, fertilizers, plastics, lubricants, etc. On the other hand, uranium has no other beneficial use than to be used to fuel reactors to generate electricity.

An integral part of the conservation ethic is the recycling of wastes. In a situation where our vital resources are being rapidly depleted, the reclamation and recycling of usable waste products must be considered as a virtue. When measured with this yardstick nuclear power appears highly desirable. Residual fissile materials can be reclaimed and recycled in present day light water reactors, thus extending the usefulness of our uranium resources by 30–40%. Furthermore, the utilization of the earth's vast supply of uranium-238 (which is strictly a waste product otherwise) in breeder reactors, would give us several centuries' worth of electric power.

It seems clear that from the viewpoint of a conservation ethic, nuclear is our preferable option, and that the breeder reactor, in particular, is a highly desirable, resource-conserving option.

ENVIRONMENTAL ETHIC

According to the environmental ethic, in our choice of energy alternatives we should aim at minimizing adverse impacts on the environment. This includes considerations such as land use requirements, waste generation and disposal, and routine emissions to the atmosphere from the operation of generating units.

Here again it is a question of responsible stewardship over the environment that God has placed us in. We all should be concerned about this question, and it needs to be addressed conscientiously. Recognizing that all of the alternatives affect the environment to a greater or lesser degree, we must judge them on a comparative basis.

Let's first look at land requirements for mining. The land required to support a single 1000 MWe coal-fired plant is about 12,000 acres. A nuclear plant of the same capacity requires only about 800 acres. This is a ratio of 15 to 1; and if the uranium were used in a breeder reactors the ratio would be better than 4000 to 1.

As for the quantities of waste to be disposed of, the total amount of waste (solids) from a year's operation of a single 1000 MWe coal-fired plant would fill over 12,000 railroad cars. By contrast, the total waste from a year's operation of a nuclear plant of the same capacity would partially fill a single railroad car.

Furthermore, it is planned that the part of the nuclear waste that is highly radioactive will be solidified, encapsulated, and buried safely thousands of feet underground in geologically stable salt or rock formations. Thus, man and his environment would be protected from these wastes to a far greater degree than he is protected from the much greater amount of randomly distributed, naturally-occurring radioactive materials in the earth's crust.

By contrast, the wastes from coal-fired plants (which include significant amounts of radioactive particulates and other carcinogens and toxic substances) are simply piled on the surface of the earth with no special safety procedures to isolate them from the environment. The plans for the safe disposal of nuclear wastes have been thought out carefully by the scientific community, whereas no such plans have been formulated for the disposal of coal plant wastes.

When we compare routine emissions, nuclear is again more favorable. This is true not only for the pollution resulting from combustion (millions of pounds per hour for coal, none for nuclear); it is true also for radioactive emissions. It is a fact, though not much publicized, that coal-fired plants emit more radioactivity (mainly in the form of thorium and radium) than do nuclear plants. However we need to acknowledge that even the amount emitted by coal-fired plants is negligible compared to normal background radiation from the earth and from cosmic rays. Thus, it is no cause for alarm.

From the above examples, it is clear that from the standpoint of an environmental ethic, one must conclude on the basis of a rational comparison, that nuclear power is again our more desirable option.

HUMAN LIFE AND HEALTH ETHIC

Let us now turn to comparisons on the basis of a "human life and health ethic". For every billion megawatt-hours of electricity consumed (about one year's total for the U.S.) there will be, on the average, about 1,300 occupational deaths in the case of coal-fired power, compared to about 25 for nuclear. This high ratio of about 50 to 1 is predictable on the basis of extensive statistics on black lung and mining deaths.

As for the health effects on the general public (non-occupational) the largest effects by far are those produced by chemical and particulate pollution from coal-fired plants. A recent study, under the auspices of the National Academy of Sciences, estimates that sulfur dioxide alone, from a single coal-fired plant in a metropolitan area, causes about 25 fatalities and 60,000 cases of respiratory disease annually.

Much publicity has been given in recent years to the risks to human life and health imposed by postulated "major reactor accidents" at nuclear power plants. This, too, needs to be put in perspective and compared with other risks using the same yardstick.

The most comprehensive scientific study to date on reactor safety, known as the "Rasmussen Report" for its principle author Norman Rasmussen, a professor at MIT, places these risks at levels that are orders of magnitude smaller than many other (non-nuclear) risks that society readily accepts. When we speak of a "major reactor accident" we must emphasize that this does not mean a nuclear explosion. Such an occurrence is scientifically absolutely impossible, because of the nature of the nuclear materials involved.

What we mean by a major reactor accident is the release of a large amount of radioactivity to the environment, as the result of a "core melt" accompanied by the simultaneous occurrence of several other low-probability events. The best professional estimates of the probability of such a core melt are minute—about 10,000 times smaller than for other accidents or natural disasters with large death tolls. Furthermore, the consequences of such an accident, in the highly unlikely event that it does happen, are small compared to the consequences of many other kinds of rather frequent accidents.

These very-low-probability events and their consequences need to be compared with such accidents as coal mining explosions and cave-ins, and gas and oil tank explosions, which occur quite frequently and have high death tolls.

In addition, studies have been performed to estimate the risks involved in other accepted non-nuclear industrial applications. For example, a study was referred to recently (in the September 1977 Journal of the Institution of Nuclear Engineers) which estimated the possibility of harming people through the transport of chlorine by road or rail tankers. The study concluded that several deaths would be expected to occur in a 30-year period, considering the present rate of such transport and the present safety records for such transportation modes.

The study, was based, as are all non-nuclear risk studies, on what is likely to occur, and what is reasonable to expect. However, in the nuclear case the industry is not being asked what is reasonable, but rather what is possible. If we were to determine the worst possible impacts of chlorine transportation accidents, or of oil and gas tank explosions, the risks on human life would be several orders of magnitude greater than the risks involved in the nuclear industry.

We need to remove the purely emotional factors and be sane enough, and ethical enough to apply the same yardstick to measure the various risks we are exposed to. To refuse to do so represents, in my estimation, a highly unethical approach to the whole question.

From the above discussion we see that a rational comparison on the basis of the effects on human life and health again clearly favors nuclear over fossil fuels.

In the foregoing discussion we have seen that on the basis of a conservation ethic, an environmental ethic, and a human life and health ethic, nuclear power is more benign than fossil power. This is not meant to imply that nuclear power has no dangers. It is not meant to imply that nuclear power is a panacea. Neither is the forgoing meant to be an argument against coal power. The fact is that in the foreseeable future we will need both coal and nuclear in order to avoid serious shortages. Furthermore, coal can be cleaned up considerably (although this will of course increase the cost of coal-fired power). The foregoing discussion merely attempts to put some of the ethical and moral issues in perspective, measuring them with the same yardstick. Since coal power is considered reasonably acceptable by the vast majority of citizens, nuclear power should be considered even more acceptable.

POTENTIAL PROLIFERATION OF NUCLEAR WEAPONS

Another major issue that has been raised as a moral objection to the peaceful use of nuclear power is the potential proliferation of nuclear explosives. The spread of nuclear weapons is not a trivial problem. It is a concern that should be shared by all concerned citizens. However, I feel that the perceived weapons proliferation risks connected with a civilian nuclear power program have been grossly distorted and exaggerated by some opponents of nuclear power. Furthermore, the proposed remedy (banning all nuclear power) represents an emotional overreaction to the actual situation, and indeed would not noticeably reduce the risk of nuclear weapons proliferation. The risks (and also the benefits) must be measured once again with the same yardstick that we use to measure other similar risks.

The moral objection related to the weapons proliferation risk is based on the fact that materials that can be used as reactor fuels (e.g., uranium-235, uranium-233, and certain kinds of plutonium) can also be made into nuclear explosives. These explosives can be used to destroy life. Therefore, these materials must be considered to be intrinsically evil, and we must ban their use.

However, I submit that nothing in nature (except perhaps man, in his fallen state) is intrinsically evil. After He created nature, God said it was very good (Genesis 1:31). Thus, the natural resources of the earth are basically good, and have been placed here for us to utilize in a responsible way for the good of all men. However, like so many other things in nature, our nuclear resources can be used by man either constructively or destructively. In this regard, uranium and plutonium are in principle no different from many other materials.

Using the same logic that is used to argue for banning nuclear power, one could argue that we should also ban the use of metals, because man can make swords (and other destructive implements) from metal. However, we reject this argument as simplistic, because we know that metals can also be used for making plowshares (and other constructive implements). The benefits are substantial, and we consider the risks worth taking.

Similarly, one could argue that we should ban the use of fire and dynamite because great destruction can be (and often is) caused by these agents. Once again, however, we reject this argument as simplistic because both fire and dynamite have many constructive uses as well.

One might then argue that what makes fissile nuclear materials intrinsically evil is the magnitude of destruction of life that can be inflicted by nuclear explosives. Conventional destruction devices can destroy only a limited number of people, but nuclear weapons, it is argued, can destroy so many more people. The risk is perceived to be so much greater than any other risk that man knows. Therefore, nuclear power is judged on a relative basis to be intrinsically immoral, and should be banned.

However, nuclear materials are by no means unique in their capacity for large-scale destruction of life. Many highly lethal materials (such as arsenic, barium, chlorine, phosgene, ammonia, etc.) are handled routinely in the United States in quantities that are sufficient to kill the entire U.S. population many times. Equally potent for mass destruction of life are the many bacteriological agents that exist in biological laboratories around the world. Let us not forget that military weapons capable of mass destruction of life have already been built from both chemical and bacteriological agents.

Yet, we recognize that in addition to being potential weapons for mass destruction of life, these materials also have substantial beneficial uses. Thus, society is willing to have these materials available for widescale use.

The scientific community certainly recognizes the dangers of nuclear weapons. However, I strongly feel that the risks of illicit nuclear weapons being formed as a spinoff from a civilian nuclear power program have been overemphasized compared to the risks inherent in the use of some of these other highly lethal materials. In an essay in which he referred very perceptively to "the bomb" as a "red herring," C. S. Lewis once wrote, "Bacterial war, not bombs, might ring down the curtain."

An additional consideration in this context is the greater ease with which a chemical or bacterialogical weapon could be prepared and delivered. Such a weapon could be produced rather cheaply and easily by any nation in the world. The technology required is not nearly as sophisticated as that required to produce a nuclear explosive. Furthermore, such a weapon would be far more destructive of life, and also much more reliable, than a nuclear weapon fabricated from "reactor-grade" plutonium (which is not an effective weapons material at all).

Thus, if materials are to be labeled "immoral" based on their ability and ease to be used for mass destruction of life, then we should ban all bacterialogical research, as well as the production and use of chlorine, ammonia, arsenic, barium, and a host of other very useful (but highly lethal) products.

Such action would, of course, be simplistic and ridiculous. The way to deter the destructive use of these highly lethal (but also very beneficial) materials, is not by banning their use altogether. Rather, it is by developing laws and international agreements to outlaw the use of these materials for destructive purposes, and by severe and strictly-enforced sanctions against any individual or nation who violates such laws or agreements. In addition, the production and sale of these materials should be regulated to a degree that gives adequate assurance of the public safety.

We have, in principle, the same situation with regard to fissile nuclear materials. They simply are not intrinsically evil. It is true that they can be used destructively, but they can be used constructively as well. In fact, if we were to make a serious commitment to develop and utilize the beneficial aspects of the world's nuclear resources, the world's energy crisis would essentially disappear. With breeder reactors, our known uranium reserves alone are sufficient to meet all our electric energy needs, including modest but necessary growth, for several centuries. In addition, the world's thorium resources can provide several additional centuries' worth of electric energy. This leaves ample time for the systematic development and implementation of other promising alternatives for electricity generation and distribution, such as solar power and fusion power.

I submit that with such benefits within our grasp, it can be considered immoral to prolong the current energy crisis by curtailing the orderly development of peaceful nuclear power. As Christians who believe in a sovereign God, we believe that the discovery of nuclear power in the middle of the twentieth century was not an accident. It was indeed providential, coming at just the right time to help alleviate the impending energy crisis brought about by the rapid depletion of our oil and natural gas supplies. Let's thank God for this, and let's use this new resource for the good of mankind.

At the same time (i.e., as we vigorously pursue the development of peaceful applications of nuclear power) we must do all we can to deter the destructive use of nuclear materials. This should be done, just as in the case of chemical and biological materials that have potential for mass destruction of life, by developing strong, international agreements, along with severe and strictly-enforced sanctions against any and all violators.

Any use of a nuclear weapon (or of a chemical or biological weapon for that matter), except perhaps in defense against a similar attack, should be considered as an open, flagrant declaration of war on all of humanity. It should be responded to accordingly—decisively and severely. There must be an unmistakable and unshakeable international understanding that such action will absolutely not be tolerated by the international world community.

In addition, in the nuclear case, there are some "technical fixes" that could be incorporated into international agreements, which would result in further reducing the potential for diversion of nuclear materials from commercial nuclear activities. These include suggestions such as "coprocessing" (in which plutonium is never present in pure, weapons-usable form), radioactively "spiking" fuel materials (to render attempted theft suicidal), and the building of safeguarded fuel cycle centers, perhaps even under international control, where all reprocessing and enriching of nuclear materials would be performed.

With the incorporation of such "technical fixes", the risk of illicit nuclear weapons proliferation would be further reduced, to a level far below the corresponding risk associated with other highly lethal materials. If deemed necessary, such measures could be made mandatory.

It is important also to realize that even if we wanted to, we could not erase the scientific and technological knowledge that makes nuclear power possible. We simply cannot do this, any more than we can erase the chemical and biological knowledge that makes lethal chemicals and biological agents possible. That knowledge is not the exclusive property of a few nations, but exists in the international scientific community. We must face reality. The knowledge is there, and it can be used either constructively or destructively. Furthermore, the knowledge and capability to produce nuclear weapons would still be there even if the commercial use of nuclear power were banned. Any nation that really wants to can launch into a scientific program (completely independent from a commercial nuclear power program) that could produce a nuclear weapon. Thus, the banning of nuclear power reactors would not noticeably reduce the threat of nuclear weapons proliferation; however, it would enormously increase the threat of electric power shortages of disastrous proportions. We must formulate our policies within this real-life framework.

MODEST GROWTH NEEDED

There is an element in our society that is advocating a drastic change to a no-growth economy. Those who advocate such a policy are most often also against nuclear power. Nuclear power is considered unnecessary since all growth is considered unnecessary. As a Christian, I cannot agree with such a policy, especially while there are still millions of people living on a level far below the economic level enjoyed by a majority of Americans. Growth in energy-generation is definitely needed if this situation is to be rectified.

However, this discourse is not meant to be a plea for unlimited, unnecessary growth of nuclear power, nor of electric power generation in general. One should expect (at least hope) that serious, effective conservation measures will begin increasingly to exert their effects in the U.S. over the next decade or two. We especially, as Christians, should not allow ourselves to be lured into the materialistic pursuit of increasingly more energy and an increasingly wasteful life-style.

For prudent planning, however, we should not base future energy plans on overly optimistic expectations regarding conservation. The effects of slightly overestimating future energy needs would be far more tolerable than the effects of underestimating those needs. In the one case we would simply have a slightly larger reserve (to allow us, for example, to weather an exceptionally cold winter without power shortages); in the other case shortages would lead to severe suffering and anguish for millions of citizens whose jobs, and indeed whose very lives depend on an adequate and uninterrupted supply of electric energy.

A modest growth is certaintly to be desired if we are to keep up with population growth, and if we are going to achieve such morally desirable goals as reduced unemployment, improved pollution control, and an improved standard of living for the underprivileged at home and abroad. And to the extent that growth will be needed, that growth (as well as future replacements of now-operating power plants) can be met by nuclear power in an economic, efficient, equitable and benign fashion.

CONCLUSION

No one (especially no professional in the nuclear field) supposes that nuclear power is free of inherent risks. The scientific community, more than anyone else, has recognized the risks from the start, and today we are more aware of those risks than ever

before. Thus, we must continue the insistence on safety that has characterized the nuclear industry throughout the years.

Measuring the risks and benefits of this and other energy sources with the same yardstick, we conclude that nuclear power must be considered an acceptable, indeed a desirable alternative. Furthermore, the very real threat of serious energy shortages in the years ahead, argues very strongly for allowing this God-given resource, along with other resources, to be used as necessary to prevent the wide-scale suffering and misery that such shortages would impose on the world's peoples.

Thus, nuclear power must be considered a desirable option. In no way is it intrinsically immoral. It is unquestionably more benign to the environment and to human life and health than other currently available, economic alternatives. It is also more harmonious with a conservation ethic. However, living in the present evil world, we recognize that like so many other materials in nature, it has the potential of being used destructively as well as constructively.

In this real-life situation, as Christians working in the nuclear field, we should consider it our moral responsibility to encourage and develop the constructive uses of nuclear energy for the good of mankind. In doing so, as responsible and conscientious professionals we must continue to insist on the high standards of safety that have become a hallmark of the nuclear industry.

At the same time we must work together in an international framework to discourage and deter its destructive uses. This should be done through appropriate international agreements and sanctions, and also by implementing appropriate technical fixes that would reduce even further the already small risks of nuclear weapons proliferation.

I believe this is a realistic and responsible course of action, which in no way is out of harmony with the basic moral and ethical principles of our Christian faith. As a Christian, I can dedicate myself to it with the knowledge that it will result in substantial benefits to mankind. It will indeed contribute to "promoting the good of all men and helping to create the kind of society that will come as close to the ideal as is possible in this present evil world."

CHRISTIAN NUCLEAR FELLOWSHIP NEWSLETTER

SAN DIEGO MEETING THIS JUNE

The Christian Nuclear Fellowship will be meeting for a time of fellowship, discussion and prayer in conjunction with the annual meeting of the American Nuclear Society which is to be held in San Diego this June. The CNF meeting will take place Monday evening June 19 at 7:30 P.M. in the Esquire Room of the Town & Country Hotel. If you are going to be in San Diego for the ANS meeting, plan to meet with us on Monday evening. Hope to see you there.

A REMINDER: GOD IS IN CONTROL

J. B. Phillips, in his book, *Making Men Whole*, gives us a powerful reminder of the fact that God is still in control of His world. The following quotation seems timely and appropriate to our confused and perplexing situation in the nuclear field today:

"Many Christians suffer today, more perhaps than in any preceding age, from a sense that the world is out of control. . . . We all need to be reminded that God is by no means baffled or bewildered by mankind's muddles and follies. . . . The world remains primarily God's responsibility, and the best we can do is to find out our own part in His vast purpose and make sure that we are fulfilling that to the limit of our ability. . . . This is His world and since he knows the end from the beginning, we can at all times be confident that at any given moment in the world's history there is, for those who will listen to His voice, a right way of meeting the complexities of the contemporary situation."

An awareness of this profound cosmic fact—that our sovereign God is indeed in control of His universe—should be a source of strength and assurance and encouragement to all of us. An awareness of God's sovereignty will free us from the sense of panic and frustration that so easily can grip us in the present confusing situation. However, it should not lead to complacency. Rather, realizing that we as His children are to be instruments through whom God accomplishes His will, we should be motivated to carry out our calling in this industry with determination and dedication, serving God and our fellow-men by performing our job "heartily, as unto the Lord". Let us seek our inspiration from Him, and trust Him to use our efforts to glorify His name and to accomplish His purposes for the contemporary situation.

A PERSONAL WORD FROM BILL HARMS (MEMBER OF CNF STEERING COMMITTEE)

Recently I have had the opportunity to participate in public discussions on the subject of energy choices and Christian ethics. I have attempted in these endeavors to concentrate on that which distinguishes, or should distinguish, the attitude and behavior of born-from-above Christians toward the energy crisis vis-a-vis those proponents of other religions. In this brief note I would like to share with you one specific portion of an interesting scenario through which I was led in this pursuit, and the inevitable "bottom line" that developed out of it all.

Included in the background material I have reviewed are recent statements on energy choices by the World Council of Churches which, in my view, has adopted a relatively responsible position—in contrast, for example, to that of the National Council of Churches—with respect to nuclear energy. Recognizing "the necessity of retaining nuclear power as one of several options for the future in view of current uncertainties over the maintenance of energy supplies," the WCC has refused to say an absolute "yes" or "no" on this important issue. Along with this position comes the oftenquoted and now "buzzy" WCC conviction that "Pandora's box cannot be closed; we cannot live as though nuclear energy has not been discovered." Curiously, it was while revisiting the Greek myth of Pandora's box that I was led to insights on the uniqueness of the Christian view.

According to this well known myth, the mysterious box (or jar) given to the "first woman", Pandora, by the high God Zeus was opened out of curiosity, and from it flowed all—and nothing but—the evils, woes, ills, sorrows, vices, and troubles which have inflicted mankind ever since. (One version makes the box contain all the blessings of the gods, which were lost to mankind when the box was opened.) Thus, the Pandora's box analogy for nuclear energy obviously is incorrectly taken, by the WCC or anybody else, since it recognizes only the curse (the bomb) and not the blessing, that is the provision afforded to a responsible society for an essentially inexhaustible supply of energy. Be that as it may, however, the myth goes on to state the "good news", namely, that the box was shut in time to prevent the escape of hope, which remained "both to cheer and to cheat mortals." It occurred to me that this empty, fatalistic type of "hope" that remained is a "you win a few and you lose a few" kind of hope that cheers or cheats depending on the whims of some pagan gods, or, for that matter, some human beings who think they are in charge of their own as well as others' destiny.

I was reminded that our hope as Christians is on an entirely different basis: the incarnation and the completed work of redemption. Indeed, we have the blessed hope of Our Lord's return, and we can be sure of this because our faith, as manifested in our oneness with Him through Christ, is the assurance of things hoped for (Hebrews 11:1). As stated in Romans 5:2-5, "Through our Lord Jesus Christ we have obtained access to this grace in which we stand, and we rejoice in the (assured) hope of sharing the glory of God. More than that, we rejoice in our sufferings, knowing that suffering produces endurance, and endurance produces character, and character produces hope; and (our) hope does not disappoint us, because God's love has been poured into our hearts by the Holy Spirit which has been given to us."

So herein lies the uniqueness of the Christian view. It involves genuine good news, and this is so simply because of the particular positional relationship that is afforded to us by the atonement. And through this relationship we are privileged to approach the throne of grace boldly to seek and to find God's will for mankind at this important turning point in the course of history, a crisis of energy. The basis for our hope is set forth in II Chronicles 7:14—"If my people, which are called by my name, will humble themselves and pray, and seek my face, and turn from their wicked ways, then I will hear from Heaven and will forgive their sins and heal their land." Through Jesus Christ, and Him alone, this promise can now possibly be fulfilled. To Him be the glory forever.

A CALL TO PRAYER

We also should keep in mind that God has so ordained things in His world that one of the most important means by which His will is implemented in the affairs of men is PRAYER. John Wesley once said, "God will do nothing but in answer to prayer." E. M. Bounds has said, "God shapes the world by prayer."

This being so, we need to commit ourselves seriously to prayer. Furthermore, we need to allow the Lord to expand the scope of our prayers—from personal and family needs, to church and community needs, and on to national and international concerns. We should pray, of course, for the nation's (and the world's) spiritual needs. We should pray that the gospel of Jesus Christ would penetrate the hearts of more and more people, thus giving them the hope that Bill Harms wrote about above, "which hope we have as an anchor . . . sure and steadfast" (Hebrews 6:19). But beyond that, we should expand our prayer horizons to include other vital national and international issues, for which we want to find His solutions.

In the light of both our sure hope and God's sovereignty, and acknowledging that God has invited us to present our petitions to Him boldly in prayer, we call on all the readers of the Christian Nuclear Fellowship newsletter to focus sincere, fervent prayer on our national leaders and on some of our great national concerns. God has called us to serve Him in the nuclear power field. With this in mind, let us pray especially for our Nation's energy policy and for those who are shaping it. Listed below are some specific suggested prayer concerns:

Pray for our national leaders by name, that they will be given divine wisdom to discern between good and bad advice.

Pray that our national energy policy will be based not on wishful thinking and nonrealistic, risky assumptions, but on a realistic and prudent assessment of energy needs and resources.

Pray that our Nation's energy policy will incorporate a proper balance between implementation of already developed options to meet near term needs, and development of those options that show promise for the long term.

Pray also that more people will come to appreciate the need for good energy steward-

ship—to see the importance of more efficient use of energy and of reducing the wasteful use of energy.

At the same time, however, pray that our national policy will aim by all means to avoid energy scarcity, which would make energy so expensive that only the rich could afford it.

Pray that our national policy will instead aim at an abundance of energy by developing all available resources, so that there can truly be a more equitable distribution of energy among all peoples.

Pray that decisions regarding nuclear energy will be made on the basis of facts rather than on the basis of preconceived ideas, irrational fears, distorted views or half-truths.

Pray that where there are questionable and deceptive motives on either side of the nuclear debate, these would be exposed so that the Nation can reach decisions in an atmosphere of sincerity and openness.

Pray that the hostility that so often is present on both sides will give way to a spirit of cooperation that can lead to meaningful solutions.

Pray that decisions will be made, not to satisfy only the demands of special interest groups, but rather to satisfy the needs of the vast majority of citizens.

Pray that workable technical and institutional solutions will be demonstrated and implemented expeditiously in connection with the nuclear waste disposal issue and other fuel cycle issues.

Pray that spurious and superficial reasons will not be permitted to delay the construction and/or operation of important energy-related projects.

Pray that increasing numbers of people—in industry, in government, in environmental organizations, in churches, and in the general public—will seek God's creative solutions, so that His "right way of meeting the complexities of the contemporary situation" will emerge as our national policy.

When we pray, may we also listen, and as the Lord impresses us let us get involved in whatever constructive activism He leads us into, to do our part in implementing His solutions to these pressing problems.

PRAYER GROUPS

We request that the many prayer groups that are active within the nuclear community join us in praying for the concerns listed above, as well as for other related concerns. If you are not involved in a prayer group at your place of employment, we strongly recommend that you get involved. If no such group exists where you work, why not pray about starting one? It can be a source of great strength and encouragement to you as you serve God on your job. It can also open the doors for the Lord to use you to encourage fellow-Christians who are your coworkers.

The compilation of a list of prayer/study/sharing groups that are active in the nuclear community is continuing. Please contact Joe McCrosson at Savannah River Laboratory concerning this.

NEWS AND COMMENT FROM WESTINGHOUSE

The following excerpts are taken from a letter received from Edward J. Kreh, Jr., Manager of Product Assurance, PWR Systems Division, Westinghouse Electric Corporation:

"Thanks for your note and for the CNF Newsletter. . . . In support of your Newsletter area of concern for the Christian acceptability of Nuclear Power, may I say that the Lord has told me 'stay where you are' and has in many ways confirmed the acceptability of our work in His vineyard. He has blessed my work with Christian fellowship in the office. He has given me assurance that He wants me doing the work He has placed me in, and that in fact the work I am doing is a direct answer to prayer. May He give me the grace to follow His guidance and to work in His vineyard as He directs each day of my life. . . . Here at work (Penn Center) we have a noon prayer meeting each Thursday from 12 to 1 o'clock. (There is a similar meeting at the Nuclear Center on Wednesday.) . . . . May the Love and Peace of our Lord Jesus Chirst be with you and may His blessing be upon you and upon the work of our hands and our minds."

LOOKING AHEAD

The Christian Nuclear Fellowship will be meeting again in November in conjunction with the Winter Meeting of the ANS in Washington, D.C. It was at the 1976 winter meeting in D.C. that the CNF was formed, and we are looking forward to meeting there once again. We ask for your prayers concerning plans and arrangements for the Washington meeting. Pray above all that the glory of Jesus Chirst will be proclaimed boldly by all of our activities. Make your plans now to come to Washington and to participate in the CNF activities.

FEEDBACK REQUESTED

We welcome your comments and questions regarding CNF and its activities. In this issue of the Newsletter we have attempted to offer a few comments, from a Christian perspective, on our complex and somewhat frustrating energy situation. We would especially like to receive comments regarding the items mentioned in this issue. In addition, news and comments concerning Christian activities at your organization, as well as suggested topics for future newsletters would be appreciated. The only way we have of assessing the usefulness of this Newsletter is by receiving feedback.

The Christian Nuclear Fellowship is an informal, interdenominational fellowship of evangelical Christians who work in the nuclear field. Its purposes are: (1) to provide a focal point for fellowship among committed Christians who work in the nuclear community; (2) to promote and encourage each other in our witness for Christ both within and outside our professional community; (3) to encourage and promote the formation of prayer/study/sharing groups; and (4) to encourage discussion, from a Christian perspective, concerning how we can best use our talents to glorify God and serve our fellow-men. Members of the CNF Steering Committee are: W. O. Harms of ORNL, John Kenton of EPRI, E. J. Kreh of Westinghouse (PWR Systems Division), R. H. Lewis of Babcock & Wilcox (R&D Division), R. L. Long of Univ. of New Mexico; F. J. McCrosson of SRL, A. Squire of Westinghouse-Hanford, and V. O. Uotinen, Coordinator, of Babcock & Wilcox (Nuclear Power Generation Division.

(Newsletter published by Vic Uotinen. Mailing address: 9102 Oakland Cir., Lynchburg, VA 24502).●

INDIAN LAND CLAIMS

● Mr. ABOUREZK. Mr. President, the front page of the comment section of last Sunday's (June 25, 1978) Washington Star contained what I consider to be the most clear and comprehensive article yet published on the subject of the controversial Indian land claims in several Eastern States. The article, written by Peter Kovler, a free-lance writer in Washington, includes a brief explanation of the legal basis for the Indian land claims, as well as a history of the court battles tribes have waged, and are still waging, in efforts to regain their aboriginal lands—court battles they consistently lost until the last few years.

Mr. Kovler brings to the article a basic understanding of the Federal Government's special trust relationship with regard to Indian tribes. He exposes the demagoguery, which unfortunately can be heard these days within these very Halls of Congress that threatens the progress that has been made recently both toward righting two centuries of thievery against Native Americans and toward upholding the laws of this Nation which guarantee the unique rights of Indian people.

The article accurately points out the hypocrisy endemic in criticism of the Indians' assertion of their legal rights, noting that the very elements within our society that have pleaded with discontented minority groups to work within the legal system would now change the rules of the game to protect their own interests.

Mr. Kovler sees the Indan land claims exactly for what they are: "* * * a distinct American battle for equality."

Mr. President, I ask that the following article be printed in the RECORD.

The article follows:

LOCALS RESTLESS, BUT INDIANS ONLY SEEK THEIR DUE

(By Peter Kovler)

Now that a dozen American Indian tribes are suing—or threatening to sue—land and property owners in Maine, Massachusetts, Rhode Island, Connecticut, New York, and South Carolina, whites in many eastern states are beginning to express a sort of anti-Indian anger that, heretofore, had belonged in the verbal repertoire of the Wild West redneck.

In many cases the federal government has examined the suits and, in its role as trustee for Native Americans, has agreed to be part of the prosecution. In addition, the federal courts have issued several rulings that favor the tribes.

The combined effects of these two developments have bolstered the claims of the tribes; caused a good deal of economic uncertainty in the disputed areas; and established a division—in a way that immediately recalls the 1950s civil rights courtroom battles in the South—between the federal government, allied with the "minority group," and the states with their cause of states' rights.

The claims by the tribes are based on one simple but neglected law, the Indian Non-Intercourse Act of 1790. This act states that "no sale of lands made by any Indians or any nation or tribe of Indians within the United States shall be valid to any person or persons, or to any state, whether having the right of pre-emption to such lands or not, unless the same shall be made and duly executed at some public treaty, held under the authority of the United States.' While subsequent acts have slightly amended the original, the essential meaning remains unchanged: all land transactions between the tribes and non-Indians must be supervised by the federal government and ratified by Congress.

The gravamen of the tribes' charges is that states and individuals took Indian lands without the approval of the federal government; hence, all deals are off and the land should go back to its real owners.

Reliance on the Non-Intercourse Act may seem odd in these cases, for it is an extremely old and obscure law. But its advantage to the Native Americans lies precisely in the fact that it can easily be established that the law's technical requirements were often not met. The Non-Intercourse Act is based on an approach which implies that

Native Americans ought to be wards of the federal government—an approach which the Indians themselves increasingly reject. Nevertheless, they view the courts' applications of this law as a legal avenue that may offer the quickest and most feasible way to restore the Indians' identity and regain the territories they often lost through theft or chicanery.

For years (in the case of the Oneida Tribe vs. the State of New York, 80 years) tribes have tried to convince the federal government that it had the duty to litigate for them. Also, tribes have tried to make the courts adjudicate. But these cases have been considered quixotic. New York's assistant attorney general in charge of Indian affairs, Jeremiah Jochnowitz, points out, "these cases would have been laughed out of court if they were brought 30 years ago."

Finally, within the past five years, the courts have turned around. Decisions at district, appellate, and Supreme Court levels have favored Native Americans. As a consequence, although none of the cases has been finally and irrevocably decided, Indian claims are suddenly looking realistic.

It is impossible to determine at this point what the outcome will be. Each case is unique. Each of the tribes once possessed a reservation and then lost it through questionable transactions; however, the sizes of the claims, the histories of the tribes, and the contemporary situation of each tribe vary greatly. Equally important, the reactions of the white landowners and the states have been extremely diverse. In some situations state officials are conciliatory and out-of-court agreements seem certain. In others, however, ambitious politicians have been trying to take advantage of ignorant citizens and have acted demagogically. In these states, the mood is tense.

If any case can be labeled exemplary, it would be that of the Oneida tribe against the State of New York. The Oneidas claim 246,000 acres of land that they say is located in the heart of their aboriginal territory and that was confirmed as theirs in the 1794 United States Treaty with the Six Nations of the Iroquois Confederacy. One year later, the State of New York—then in conflict with the new federal government over authority to negotiate Indian land purchases—began to take title to the lands. Possession of nearly all the 246,000 acres was taken by New York State, say the Oneidas, through a series of illegal transactions—25 unratified treaties (all signed between 1795 and 1842).

Instead of suing for all the acreage, the Oneidas filed a test suit in 1970 for 100,000 acres as well as for damages resulting from the use and occupancy of the land during 1968 and 1969. At first the case seemed doomed when the District Court and the Court of Appeals ruled that the federal courts did not have jurisdiction. But in 1974 the Supreme Court reversed those decisions, declaring that the federal courts do have the duty to judge such cases. The Oneidas brought the suit last year, and on July 12 the District Court made its ruling:

"Although the present owners of the 100,000 acres may have acted in good faith when acquiring their property, such good faith will not render good a title otherwise not valid for failure to comply with the Non-Intercourse Act. Although it may appear harsh to condemn an apparently good-faith use as a trespass after 90 years of acquiescence by the owners, we conclude that an even older policy of Indian law compels this result."

Lest anyone think it was a rain dance that is bringing instant relief to the tribe, it should be pointed out that for 80 years the Oneidas have tried to persuade the courts. In a case that is as complicated as something out of Dickens, the tribe has persisted and, at least partially, overcome. In this way, they are not exceptional for on the whole, East Coast tribes are among the most determined litigants of our time.

Above all, the tribes have had to overcome the perceptions held by most whites that the tribes want to be treated like super-citizens. At first glance most people see the tribes' attempt as ploys to get something for nothing, as a means of stealing land from small land owners and the states, and of robbing money from the federal treasury. Particularly because we live in an era of recession and unemployment, the Indians are viewed as thieves.

But what few know is that most small home and land owners have been exempted from the suits; that these East Coast states acted shamefully, did cheat the Indians and did abuse the law; and that the federal government and Indians have always had a special relationship where Washington has the obligation to represent Native Americans.

Moreover, anybody who believes that Indians are now being treated royally is either terribly misinformed or a bigot. A recent congressional report said: "On the average the American Indian has the highest infant mortality rate, the lowest longevity rate, the lowest level of educational attainment, the lowest per capita income and the poorest housing and transportation in the land."

The tribes have had to overcome great resentment because they are neither white nor wealthy. It hardly causes a stir when other American groups or associations sue for millions or billions of dollars. If IBM or Xerox or Westinghouse were involved in litigation against the states, no one would be alarmed. By some twisted logic, in our country that is normal and that is fair. But the moment that such un-American looking types as the Indians enter a court and advocate their position, people are appalled. Is it really fair to ask the tribes to stay away from the American judicial process when everybody else is free to participate?

If for some reason in the near future the tribes would be denied their legal right, it would make a mockery of the judicial process. If that occurs, the American eagle should be replaced with a kangaroo. The tribes have played the judicial game, observing faithfully all the rules. For the Congress or the states or for anyone else to allege that the courts could be ignored is unconscionable.

Worse, it is hypocritical. For years American society, feeling badgered and unnerved by the dissidence of "minority" groups, has told the tribes that they have to abide by the law and give full consideration to order. The tribes are now espousing law and order as loudly as any group since the Republican Party of 1968. If, now that the law is on their side, there are attempts to contravene it, we would have a classic case of "changing the rules in the middle of the game." No decent society should contemplate such manipulations.

In addition, the tribes are facing a society that is increasingly suspicious of lawyers and of complicated legal cases. Few want to hear about complex events that happened 200 years ago, even if they might directly affect their lives. The claims are "non-sensical," says Democrat Jim Hanley of New York who represents a district which has land in dispute. Mostly, the claims are seen as loopholes that have been taken advantage of by sinister Indian lawyers.

But as much as people wish the theft of Indian land had never occurred and wished that lawyers and historians had never been involved, it has happened. To try to shunt the claims aside because the events occurred so long ago is as illogical as the idea of ignoring the Declaration of Independence or the Constitution because they were written "before our lifetimes."

Many easterners are also alarmed because they view the suits as just one more intervention by a distant and uncaring federal government. The Indians would have never pushed their way through the courts, so this argument runs, unless the feds had been behind them. But, again, such beliefs are based on ignorance. Most important, it should be known that in a couple of the cases, particularly Maine, the tribes had to sue to simply get the federal government to perform its legal duty. If anything, the Department of Interior and Justice had been against the tribes. It was only after a Federal District Court and a Court of Appeals ruled in favor of the tribes that they had the benefit of federal help.

The eastern tribes are basically trying to prove that in this country might is not always right. Their pursuit of justice, through the messy legal process, is testimony to their belief in the integrity of the American way of deciding what is just. Does the United States really want to ignore or crush such upright behavior?

Perhaps most fundamentally, however, these suits are a distinct American battle for equality. Will the wisdom and judgment of the courts be obeyed as they would be if the courts had ruled in favor of the states? Will the fact that the apparent winners are Native American men and women, instead of large corporations, alter or impede the implementation of the courts' decision? In short, is our society ready to permit this sort of double standard?●

PROPOSITION 13

● Mr. BELLMON. Mr. President, fever is nothing new to Washington. Indeed, this city has long been renowned in medical circles as the sole source of a peculiar malady which moves otherwise normal people to lust for personal power and authority. But these past few weeks, Washington has been reeling from the effects of a new disease almost the opposite of Potomac fever, the new fever has originated in California and has swept across the country with unprecedented speed and force, leaving in its wake a mixture of confusion, speculation, excitement and fear. It is called tax revolt fever.

In adopting proposition 13 by an almost 2-to-1 margin, and thereby slashing property taxes some 60 percent, California voters have touched a political raw nerve. Few subjects capture more fully the angers and frustrations of the American people than taxes, and in an effort to placate the aroused masses, politicians have rushed headlong and headstrong into the controvesy, making grandiose proclamations and calling for a variety of measures designed to placate taxpayers.

Undeniably, the California vote has implications for public servants at all levels of government, for it draws our attention to serious problems that too often have not been given the consideration that they deserve. But before we succumb to this fever and run the risk of taking quick action—however, well-intended—that the country might later regret, it is imperative that we analyze more carefully the precise questions at hand. What is this tax revolt? What does it really mean? What can Congress do to most effectively accomplish the will of the American people?

It is enlightening first to look at the situation in California that gave rise to proposition 13, the greatest symbol of the taxpayer's refusal to take it any more.

To begin with, California has long relied more heavily than other States on the property tax not only to finance fire, police, and schools, but also for welfare, medicare, and medicaid. In 1975, for example, local governments in California carried 42.4 percent of that portion of the public welfare burden financed with revenue raised at the State and local levels. This contrasts with the national average of 21.8 percent. (See table I.)

Moreover, the California property tax, which constitutes some two-thirds of all locally collected revenue, has been spiraling. In 1942, it amounted to $33 for every $1,000 of personal income in the State, only 89 percent of the national average. By 1976, however, it had leaped to $63 or 140 percent of the national norm, contributing to the third highest overall State and local tax burden in the United States. (See table II.)

In the last 2 years, the lid has blown off. Largely due to skyrocketing property values, Californians have been experiencing average real-estate tax hikes of 100 percent to 150 percent.

To make voters more infuriated, while local taxes were going out of sight, the State government was accumulating a budget surplus of regal magnitude. Now estimated at around $5 billion, it was projected to grow an additional $2 billion per year, and few substantive steps were being taken to put that huge fortune to work for the people of California or to reduce taxes. Aside from talk of Governor Brown's desire to launch a space satellite that the Golden State could call its very own and vague speculation about possible tax relief and expansion of social services, Californians had little reason to doubt that they were being robbed.

Mr. President, it is all too clear that the situation faced by taxpayers in California is not typical. I ask that several tables illustrating the differences be printed in the RECORD.

The tables follow:

TABLE I.—*Local portion of State and local public welfare expenditures from own revenue sources (percent)*[1]

	1975	1966	1957	1942
California	42.4	25.1	32.5	62.1
United States	21.8	24.3	28.2	38.6
Oklahoma	2.9	2.9	2.6	11.8

[1] Advisory Commission on Intergovernmental Relations, *Significant Features of Fiscal Federalism, Vol. II*, March 1977.

TABLE II.—*State and local property tax per $1,800 of personal income*[1]

	1975		1967		1957		1942	
	Dollar amount	Percent of U.S. average	Dollar amount	Percent of U.S. average	Dollar amount	Percent of U.S. average	Dollar amount	Percent of U.S. average
California	63	140	62	138	44	119	33	89
United States	45	100	45	100	37	100	37	100
Oklahoma	26	58	34	76	28	76	30	81

[1] Advisory Commission on Intergovernmental Relations, *Significant Features of Fiscal Federalism, Vol. II*, March 1977.

TABLE III.— *Gallup poll: Opinions of sample on proposals to limit property taxes—even if it means service deductions or other tax increases*[2]

[In percent]

Strongly favor	45
Favor	12
Oppose	15
Strongly oppose	15
Don't know	13

[2] Newsweek, June 19, 1978.

TABLE IV.—*Gallup poll: Opinions of sample on the level of their own communities' spending for local services*[2]

[Percent]

	Too much	Too little or right amount
Public schools	25	68
Fire department	5	83
Police department	12	80
Road repair	14	80
Local library	7	77
Parks & Recreation	16	73
Sanitation	9	77
Public hospitals	15	59
Social services	42	47

[2] Newsweek, June 19, 1978

TABLE I–4.—*Government employment and population, 1949–79*

Fiscal year	Government employment				Population	
	Federal executive branch[1] (thousands)	State and local governments (thousands)	All governmental units (thousands)	Federal as percent of all governmental units	Total United States (thousands)	Federal employment per 1,000 population
1949	2,075	3,906	5,981	34.7	149,767	13.9
1950[2]	1,934	4,078	6,012	32.2	152,271	12.7
1951[2]	2,456	4,031	6,487	37.9	154,878	15.9
1952	2,574	4,134	6,708	38.4	157,553	16.3
1953	2,532	4,282	6,814	37.2	160,184	15.8
1954	2,382	4,552	6,934	34.4	163,026	14.6
1955	2,371	4,728	7,099	33.4	165,931	14.3
1956	2,372	5,064	7,436	31.9	168,903	14.0
1957	2,391	5,380	7,771	30.8	171,984	13.9
1958	2,355	5,630	7,985	29.5	174,882	13.5
1959	2,355	5,806	8,161	28.8	177,830	13.2
1960[2]	2,371	6,073	8,444	28.1	180,671	13.1
1961[2]	2,407	6,295	8,702	27.7	183,691	13.1
1962	2,485	6,533	9,018	27.6	186,538	13.3
1963[3]	2,490	6,834	9,324	26.7	189,242	13.2
1964[3]	2,469	7,236	9,705	25.4	191,889	12.9
1965	2,496	7,683	10,179	24.5	194,303	12.8
1966	2,664	8,259	10,923	24.4	196,560	13.6
1967	2,877	8,730	11,607	24.8	198,712	14.5
1968	2,951	9,141	12,092	24.4	200,706	14.7
1969[4]	2,980	9,496	12,476	23.9	202,677	14.7
1970[2]	2,944	9,869	12,813	23.0	204,878	14.4
1971[2]	2,883	10,257	13,140	21.9	207,053	13.9
1972	2,823	10,640	13,463	21.0	208,846	13.5
1973	2,775	11,065	13,840	20.0	210,410	13.2
1974	2,847	11,463	14,310	19.9	211,901	13.4
1975	2,848	12,025	14,873	19.1	213,540	13.3
1976	2,832	12,410	15,242	18.6	215,078	13.2
1977 (act.)[5]	2,789	12,286	15,075	18.5	217,329	12.8
1978 (est.)	2,805	(6)	----------	17.8	219,068	12.8
1979 (est.)	2,803	(6)	----------	17.3	220,821	12.7

[1] Covers total end-of-year employment in full-time permanent, temporary, part-time, and intermittent employees in the executive branch, including the Postal Service, and, beginning in 1970, includes various disadvantaged youth and worker-trainee programs.

[2] Includes temporary employees for the decennial census.

[3] Excludes 7,411 project employees in 1963 and 406 project employees in 1964 for the public works acceleration program.

[4] On Jan. 1, 1969, 42,000 civilian technicians of the Army and Air Force National Guard converted by law from State to Federal employment status. They are included in the Federal employment figures in this table starting with 1969.

[5] Data for 1949 through 1976 are as of June 30; for 1977 through 1979, as of Sept. 30.

[6] The percentages shown for these years are consistent with reasonable estimates based on recent trends in State and local government.

Mr. BELLMON. Mr. President, given those irksome cirmumstances, Californians responded by passing proposition 13, which will remove an estimated $7 billion from local government coffers. If we here in Washington are to gain an accurate and useful perspective of the "tax revolt," we must try to understand the true meaning of the California vote.

What were the California taxpayers really telling us? Might it be that local government is too big and too independent? A table published on page 210 of the Special Analysis of the U.S. Budget for Fiscal Year 1979 shows that whereas the number of Federal employees has gone down from 2,980,000 to 2,789,000 between 1969 and 1977 the number of State and local employees went up from 9,496,00 to 12,286,000. (See table V.)

Could they be telling us that they want local governments to provide them with fewer services? Apparently, this is not the answer either, for a Los Angeles Times poll taken after the balloting showed that 70 percent of those who supported proposition 13 thought they would get by with no reduction in services. And a recent Gallup poll taken nationwide indicated that, while 45 percent "strongly favor" property tax limitations in their States, when asked about specific services, the vast majority thought that their communities were spending the right amount or too little—not too much—on those services.

If not that, could it represent a judgment that a property tax reduction is the optimum way to give individual taxpayers relief, while preserving service levels? This does not seem likely either, for several reasons. First, of the $7 billion in reduced property taxes, only a third will go to homeowners, the remainder going to owners of rented residential property and industrial and commercial property. In fact, the State's 10 largest utilities and railroads alone will benefit by half a billion dollars. Second, forecasts are that only $2 billion of the $7 billion will remain in California—about $2 billion going directly to Washington in increased Federal income taxes due to reduced property tax deductions, and the other $3 billion benefiting out-of-State property owners. Third, the reduced tax revenue is likely to cost California an additional $5 billion in Federal matching grants, which are distributed on the basis of a State's own tax efforts.

In effect, then, the California taxpayers are buying $2 billion in real tax relief at a cost in total State and local revenue losses of over $10 billion.

But if the taxpayers are telling us none of these things, what does the passage of proposition 13 really mean?

Viewed narrowly, it indicates that California voters were incensed at the exorbitant property tax burden they were charged with carrying, and that they rejected that burden through the surest means available. To the extent that their situation was atypical, that proposition 13 will reduce the tax burden to acceptable levels, and that they are willing to pay the price of their "relief," the problem has been confronted and dealt with. Here is no general revolt, merely a decisive battle, fought entirely inside the boundaries of California.

To adopt this view is to relieve the Federal Government of any on-going role. The will of the California people prevailed. They made their choice and it is not the responsibility of the Federal Government to interfere. For the Congress to endorse increasing aid to California, whether excused by the matching grants foregone, the "windfall" Federal income tax revenues, or simple sympathy would be unjustifiable and inequitable.

It would be unjustifiable, because we in Washington cannot be so smug as to assume that Californians were anything but well informed about the choices they were asked to make and the consequences of any particular course of action. Indeed, our federal system is predicated on the principle that each level of government has its own sovereign responsibilities, which no other jurisdiction has a right to intrude upon or violate.

Likewise, it would be inequitable. The California people freely chose to reduce their tax effort, which forms the basis for the matching grant program. To continue dispensing such aid now would be to discriminate against those States which never so coveted Federal aid that they were willing to increase their own revenue-raising effort.

Clearly, this narrow view is not the stuff that "fevers" are born of. But there is another much broader interpretation of the meaning of proposition 13: That the California voters were protesting far more than their own unique situation; that their overwhelming support for proposition 13 is a general statement of dissatisfaction with the costs and performance of government—not just local, but also State and Federal; that the voters in California share with taxpayers the country over a conviction that government has grown aloof and unresponsive; that it is fraught with waste and inefficiency, and that the American people will tolerate it no more.

This view is the germ of the "tax revolt" epidemic, and it rightfully demands the strictest attention of the Federal Government. But we must keep in mind that the cry is for a genuine cure that will bring all of us one step nearer the kind of life we truly desire and not for a quick fix that might ultimately cause even greater problems—like loss of public services which people really desire or greater Federal control over local governments which no one wants.

As with all such ills, a real cure for the "tax revolt fever" can only be devised if we take a cautious, reasoned approach. We must avoid measures that arbitrarily alter and constrain Federal spending and revenue policies. We must not endorse the placement of rigid limitations on the ability of the Federal Government to weigh national priorities and to act in accordance with the will of the American people.

Across-the-board spending cuts and constitutional requirements of an immediate and perpetually balanced budget demand no responsibility and little discipline. They might make it possible to avoid the difficult questions of national priorities and fiscal policy that often plague us but which are in our best interests to confront.

For example, we could balance the budget as early as fiscal year 1979, if that were our primary government objective. In fact, there is a variety of means to that end. We could raise taxes some $50 billion to the level of our expected outlays. But this would mean an average tax increase of 12.5 percent. Or, we could cut spending down to the level of expected revenues. But this would necessitate an average cut of 22.5 percent in all Federal nonentitlement programs including defense, or a cut of 42.6 percent in all nonentitlement programs excluding defense.

All of these are possible, but obviously they are only possible if we raise taxes or make enormous cuts in many other Government services and functions—services and functions which, it must be recognized, have been championed throughout the years as passionately as tax reform is today. As the Gallup poll referred to earlier indicates, the American people demand a great deal from Government. In many instances they want more services, not less. But at the same time they want to reduce the taxes which pay for those services.

Some tradeoffs, therefore, are necessary. And it falls to Congress to make those choices—to be responsive to the often-conflicting desires and frustrations of the American taxpayer.

But we must be responsible as well as responsive, and this demands that we systematically review Federal priorities and policies and eliminate the waste while preserving the substance. That substance is composed of a number of different things—a strong national defense, programs to aid the disadvantaged, reliable transportation systems, programs to insure that Americans remain among the best fed and sheltered people on Earth.

As my record indicates, I have long advocated Federal belt-tightening. I be-

lieve it is very much in our national interest to reduce Federal spending and taxes. I also believe that the budget must be balanced at the earliest feasible time, and that we must begin making those difficult budget decisions now. Further, I believe that we must recognize the inflationary problems created by many Federal spending and regulatory actions. Finally, I am convinced that it is possible to accomplish these goals while at the same time we preserve the substance in Government and maintain stability in our economy.

We have in Congress several procedures, some established and some proposed, to aid us in this challenging task. We need not randomly slash essential Federal programs. We can and must closely examine the range of Federal activities and eliminate waste wherever it is found, whether it be waste in the form of fraud, administrative inefficiency, or simply unbeneficial or outmoded programs.

Through the congressional budget process, we have an opportunity to analyze and order our national priorities, to assess and balance the many demands on our limited Federal resources. With responsible action, we can plan not only for next year but for the next 5, to insure that future needs can be met.

Through innovations like sunset legislation and zero-based budgeting, we could develop a strong capacity for ridding the taxpayers of burdensome programs that have outlived their usefulness, or for eliminating waste in programs that we wish to maintain.

And most importantly, through responsible action by Members of Congress in the authorization and appropriation processes we could head off the most significant threat to lean, efficient Government—the relentless pursuit of one-shot solutions to specific problems, without regard for the larger, more general dangers that we are tempted to ignore.

We must recognize that not all of our problems can be cured through "dollar therapy." The random commitment of billions of dollars is not the answer.

Perhaps that is the greatest lesson we as legislators can learn from "tax-revolt fever." We have gone too far in trying to cure various ills with tax dollars—so far, in fact, that the tax burden and the very size and complexity of our Federal Government have emerged as serious concerns of the American people.

Mr. President, I am confident that the Members of this body will measure up to this challenge. But in doing so, we must avoid hasty arbitrary actions that will strike at the substance in Government and reduce the flexibility which Congress needs to best fulfill its duties to all Americans.●

SOVIET ARRESTS OF AMERICAN REPORTERS

● Mr. CHAFEE. Mr. President, last night, in the Senate's consideration of the State Department authorization bill, we discussed the current state of Soviet-American relations—particularly regarding cultural exchange programs.

Mr. President, probably the most important of our exchanges—the American reporters that are in the Soviet Union and their counterparts in the United States—is outside the bounds of any formal program. I say it is probably the most important because there is no more fundamental concept underlying what America is all about than the concept of a free press. Equally, the Soviet Government-controlled press represents the Soviet way of life.

Therefore, it is an intolerable affront to all that we believe in for the Soviet Government to haul into court two American news reporters for stories they wrote concerning the "confession" of a Soviet dissident. Perhaps the Soviets do not realize the importance that Americans attach to freedom of the press and that the action that they have taken is anathema to every American citizen. How can Americans justify to themselves continuing cordial exchanges in a climate where not only Soviet citizens are treated in a way that is counter to American principles of human dignity, but also when members of the American working press are harassed, intimidated, and now arrested? The action of arresting the two reporters seems to be an ominous signal.

Mr. President, I ask that a copy of a Times editorial, which I think is an excellent commentary on this subject, be printed in the RECORD.

The editorial follows:

AN ACT OF SOVIET INSECURITY

If "slander" in the Soviet sense of the word is now going to hang as a legal sword over the heads of Western correspondents in the Soviet Union, fair and full reporting on Soviet society will soon become impossible. And if the Soviet Government has really thought through the implications of this new policy, then even more serious speculation is in order about the present course of that society.

To threaten correspondents with fines and jail for what they write—for non-Soviet readers—is to attempt to extend the laws of Soviet totalitarian society to the free institutions of the West. Forget Helsinki and all the pious pledges about facilitating the flow of information and ideas. This kind of bullying will make reporting from Moscow either wholly suspect or useless. It will invite retaliation against Soviet correspondents. It will ruin other forms of communication. It will further endanger relations.

Our concern goes beyond The Times' obvious interest in this matter. One of our correspondents in Moscow, Craig Whitney, and Harold Piper of The Baltimore Sun, were summoned to a civil court yesterday morning by the State Committee for Radio and Television to face a suit for "slander." The charge, as they understand it, is that they bear responsibility for the views of persons they interviewed during a visit to Soviet Georgia. Those persons challenged the authenticity of a televised confession by a convicted Georgian political dissenter and the state committee presumably feels officially libeled. It seeks relief by a published retraction as well as punishment of the correspondents.

Suits of this kind cannot be brought in the Soviet Union without the knowledge and consent of the highest Government authorities. Those authorities have been particularly aggrieved in recent years by the access that Western reporters have had to political dissenters, who have risked severe punishment for the chance to air their grievances to the world.

It is conceivable that these dissenters are in fact the intended targets of the Soviet action and that the new policy of intimidation strikes only incidentally at Western reporters. But whatever its motives, this Soviet move is a step backward toward the darkest hours of the cold war. It is an act of fear and insecurity by a global power that purports to be unafraid of peaceful competition, which surely includes the most elementary contact with the rest of the world. Let us hope it is all a mistake.●

PRESENTATION OF THE GAVEL AWARD TO SENATOR ROBERT C. BYRD

● Mr. CANNON. Mr. President, on the evening of June 22 in the city of New York our distinguished majority leader, the junior Senator from West Virginia, was signally honored at the 16th annual dinner of the Air Force Judge Advocate General's Department Reserve of New York City. Senator BYRD was guest of honor and guest speaker at this gathering of leaders of the New York bar, including nationally prominent judges and lawyers who have maintained their ties as Air Force JAG reservists as well as regular Air Force JAG officers on active duty.

Among those present were former New York Mayor Robert F. Wagner, Jr., first president of the New York JAG chapter; the Honorable Donald S. Dawson of Washington, Maj. Gen. USAFR, honorary member of the chapter; Maj. Gen. Walter D. Reed, the Judge Advocate General of the Air Force; Maj. Arthur Levitt, Jr., USAFR, chairman of the board, American Stock Exchange, current president of the chapter; Col. Arthur Gerwin, USAFR, senior vice president of the chapter; and many others.

Senator BYRD was presented with the Gavel Award which, in the words of General Reed, "recognizes national figures who have made significant contributions to the strength of the United States."

Over the years this recognition has been accorded to several of our present and former colleagues in the Senate as well as to distinguished Members of the other body, including Senators Sam J. Ervin, Jr.; STROM THURMOND; JAMES O. EASTLAND; and Representatives Theodore Roosevelt Kupferman, Felix Edward Hébert; and William Leonard Hungate.

I was myself deeply honored to be chosen as the 1972 recipient of the Gavel Award.

Mr. President, I ask that General Reed's introduction of Senator BYRD, as well as the inspiring address delivered by the Senator on this occasion, be printed in the RECORD.

The remarks follow:

REMARKS BY MAJ. GEN. WALTER D. REED

Thank you, Colonel Gerwin.

Honorable Judges, Distinguished Guests, and Gentlemen: It is indeed a great pleasure for me to be here this evening and participate in this most impressive function sponsored by the Air Force Judge Advocate General's Department Reserve of New York City. It is my belief that one of the most important factors in the strength of America is the quality of its leadership. Over the years this country has had the benefit of strong and wise civilian leadership that has supported those values of patriotism and

liberty. It has been a civilian leadership that has provided for the protection of those values by maintaining adequate military forces—both Regular and Reserve.

The Reserve Forces of the United States has its strength and its roots in civilian support. The tradition of the Reserve Forces is as old as this country and goes all the way back to Lexington and Concord. It was the Reserve Forces that protected those values of liberty and patriotism before there were any Regular Armed Forces of the United States.

The Judge Advocate General's Department Reserve plays an important role in the mission of the total force which includes both Regulars and Reserves. JAG Reservists are not only trained and skilled in military law, but more importantly, they are ready to serve. The Judge Advocate General's Department Reserve of New York City epitomizes those qualities of service, readiness, and professionalism. In addition, it is a group whose dedication, loyalty, and citizenship extend far beyond the requirements for reserve duty in the Armed Forces. It is that dedication, loyalty, and citizenship that led this group to establish the "Gavel Award."

The Gavel Award recognizes national figures who have made significant contributions to the strength of the United States. It recognizes those who have practiced the cooperation between the civilian leadership of this country and its Armed Forces. The Gavel is an appropriate token of those qualities. It symbolizes law and order. It symbolizes leadership in a democracy that is tempered with full regard for individual fairness. It symbolizes authority which recognizes individual rights. And in my view, it stresses the ties between the military forces and the civilian leadership. The recipients of this award in prior years include many famous Americans—Senator Sam Ervin, Senator Cannon, Senator Eastland, Representative Hébert, and Senator Thurmond.

The recipient this year brings another career of excellence to the distinguished company of prior recipients of the Gavel Award. Our recipient has spent a lifetime of public service. He has held more elective offices than any other person in the history of West Virginia. He was voted the West Virginian of the Year for 1974, and the Outstanding West Virginian for 1975.

He came to the U.S. Congress in 1952 and served three terms in the House of Representatives. He was elected to the United States Senate in 1958 and is now serving in his fourth term. His popularity and his reputation and record for professional excellence in his home state were clearly demonstrated when in 1976 he was re-elected to the United States Senate without opposition in either the primary or general elections, and this is the first time that has occurred in the history of West Virginia since the 17th Amendment was passed providing for the election of senators by popular vote. Perhaps this shouldn't have come as any surprise because it is noted that in 1970 he was re-elected to the United States Senate by the highest percentage of popular vote ever achieved by any candidate to any public office in the State of West Virginia. His popularity and the recognition of his leadership abilities were clearly shown when he was chosen by his colleagues in January 1977 to be the Senate Majority Leader. His is a truly outstanding career of service to his country, and dedication to preserving the strength of the United States. On behalf of The Judge Advocate General's Department Reserve of New York City I am pleased and proud to present the Gavel Award to the Honorable Robert C. Byrd, United States Senator from West Virginia.

SPEECH BY U.S. SENATOR ROBERT C. BYRD

Thomas Carlyle wrote of man, "We are the miracle of miracles, the great inscrutable mystery of God." That inscrutability and mystery have occupied our greatest philosophers, poets, and scientists for centuries. Some have seen man as "little less than the angels," while others have portrayed him only slightly above the beasts.

Political scientists have been exercised for several generations by the problem of man, as well. In the later years of the twentieth century, two general concepts of man have emerged to vie for dominance in the world. Both are cast in terms of citizenship.

The one views man as the master of the state and the arbiter of his own destiny; the other reverses these roles and values the individual primarily as the servant of the state. Taken in these two lights, the idea of citizenship emerges with diametrically opposite interpretations.

Prior to the American Revolution, the concept of citizenship was an abstract idea that had been enjoyed by only a handful of people in the history of the world. Some of the residents of ancient Athens had been citizens, and many of the residents of the Roman Empire had been granted the privilege of Roman citizenship.

But for most of recorded time, the vast majority of the men and women who lived on earth were subjects, not citizens. Their lives were attended by the burdens and obligations laid on them by kings, potentates, and chieftains. They had little to contribute to the shaping of their own lives or the destinies of their own nations.

That phenomenal band of men from the thirteen original colonies, whom we now call the founding fathers, were nurtured in a different tradition, however. Finding themselves in virtually a new world, they forged a new role for the residents of the new nation they established.

American citizenship was, and is, one of the most unique and vital characteristics fostered by our constitution. The founding fathers did not explicitly record all that comprised their idea of citizenship. But their idea of citizenship is an integral element of every part of the constitution.

Based on their own experience, the founding fathers believed in the potential of the individual to capitalize on challenges and opportunities if left unfettered by arbitrary, oppressive, or capricious restraints. Moreover, they believed in the ability of free people to accept responsibility for their own affairs and the well-being of their own communities and nation, if accorded the opportunity.

The fulfillment of this vision of American citizenship is, I believe, one of the most important factors in the continuing strength of the United States of America. Other nations have been blessed with vast expanses of territory and immense reserves of natural resources. But no nation or civilization in the history of the world has achieved the stature that this country has, in just a little more than two centuries.

Our success as a nation is largely the result of the efforts of an aggregate of men and women throughout our history who have taken their citizenship seriously, and have laid hold of the opportunities given them in America. In every generation, these individuals understood that the privilege of American citizenship combines rights and liberties with duties and responsibilities. Within a structure providing them with nearly infinite freedom and the challenges of responsibility, the sons and daughters of serfs, refugees, and bondsmen on foreign shores rose to the full stature of American citizenship and gave human dignity a new meaning.

Juxtaposed to this ideal of citizenship is a concept that casts man as the servant of the State. In one totalitarian nation after another, dictatorships of a variety of stripes have reduced their citizens once again to the level of subjects.

We read with horror of massive arbitrary murders carried on by the govenment of one African Nation against its own citizens, a massacre that may have exceeded a quarter-million deaths in only a few years. In other nations, religious liberties, the right of private ownership, unrestricted travel by citizens, the free choice of one's own vocation, and even artistic expression are proscribed by law and force. It is interesting to recognize that the borders of most communist states are rimmed by barbed wire and stone walls, the primary function of which is to keep their citizens from escaping, rather than merely to keep intruders from entering.

Because of the unique nature of American citizenship, as opposed to totalitarian subjection, the strength of America is the responsibility of all of us. History is rarely coincidental, and nation-building is too important to be left to chance. We are the current custodians of a tradition that is one of the youngest in the world. Self-government and personal independence are among the most recent and most revolutionary ideals known to mankind. It was but 216 years ago that Rousseau wrote in the *Social Contract* that, "Man is born free, and everywhere he is in chains." This observation would be at home even today, for Communism is but the latest name for the tyranny that has kept men in one form of thraldom or another since the dawn of history.

Some have claimed that this generation of Americans has lost its nerve: that we are more interested in the pursuit of material comfort and trivia than we are in any American mission in the world, or the further advancement of our nation.

Perhaps it is possible that some Americans have lost a comprehension of the unparalleled nature of the American way of life. But we are the keepers of a flame that we dare not quench, and the tenders of a lamp that we cannot allow to be extinguished. If the American dream fades, who knows how many more centuries it will take for men to capture it again?

The United States of America is today being challenged around the world in a manner in which it has never been challenged before. This challenge is not just military and ideological in nature. It is also commercial, industrial, intellectual, and cultural.

The nations of Europe and, to a lesser extent, Asia, have recovered from the devastation of two enormous wars in this century. A new generation of men and women has arisen to replenish the unbelievable losses exacted from the nations of those continents in World Wars I and II. Many of these individuals have studied our technology and adapted our methods of business and manufacturing to their own needs. Moreover, many underdeveloped countries desire to grow faster, and they are sometimes willing to pay a great price, even freedom, to achieve their goals. The meaning of international competition has taken a new definition.

There are many practical symptoms of this new era of competition. The international position of the dollar, the decline of many of our industries, and the chronic trade deficit, are but a few of the examples of this situation that confronts us.

Our greatest asset for meeting the challenges before us still lies within us, I believe. Alexis de Toqueville, the great French social commentator of the Nineteenth Century, wrote in the 1830's, "America is a land of wonders, in which everything is in con-

stant motion and every change seems an improvement . . . no natural boundary seems set to the efforts of man, and in [the eyes of the American] what is not yet done is only what he has not yet attempted to do."

Let us not mistake de Toqueville's observation as evidence of an inherent "pollyannaism" in the American psychology. The generation of men about whom de Toqueville wrote, was largely the first generation of real Americans. They were not just former residents of several colonies. They had been born into the rights and duties of American citizenship. Their parents weaned them on tales of the American revolution and the struggle for liberty. They knew the price of citizenship and the cost of nationhood.

That same generation of Americans forged highways, built bridges, erected factories, and established some of the towns and cities in which you and I were born or grew up. In but a century, they conquered a continent.

Later generations of Americans led us to the pinnacle of world leadership. It was natural around the world to assume that, if any great deed was accomplished, or any new breakthrough made in science and industry, an American would be the most likely one to do it.

The realization of the concept of American citizenship was largely responsible for this. A man knew that, in America, he had the freedom to grow to his full stature, and that he had the right to enjoy the fruits of his own efforts. The hope of American citizenship became a magnet that drew the most courageous and adventurous individuals from all over the world by the millions.

We must endeavor to preserve and enhance this great and unmatched tradition. We must encourage excellence of workmanship, of leadership, and of citizenship at every level of our national life. We should ensure that American industry, American goods, American defense, and the American economy are second to none in the world. Above all, we should preserve the precious concept of American citizenship, which balances rights against responsibilities.

Man is, indeed, in Carlyle's words, "the miracle of miracles." And the American is probably the most miraculous man of all. But let us never grow complacent about our place in the world or in history. Let us remember the canny warnings of the poet Edwin Markham:

THE FEAR FOR THEE, MY COUNTRY

In storied Venice, where the night repeats
The heaven of stars down all her rippling streets,
Stood the great bell tower, fronting seas and skies—
Fronting the ages, drawing all men's eyes;
Rooted like teneriffe, aloft and proud,
Taunting the lightning, tearing the flying cloud.

It marked the hours for Venice: all men said
Time cannot reach to bow that lofty head:
Time, that shall touch all else with ruin, must
Forbear to make this shaft confess its dust.
Yet all the while, in secret, without sound,
The fat worms gnawed the timbers underground.

The twisting worm, whose epoch is an hour,
Caverned his way into the mighty tower;
Till suddenly it shook, it swayed, it broke,
And fell in darkening thunder at one stroke.
The strong shaft, with an angel on the crown,
Fell ruining: a thousand years went down!

And so I fear, my country, not the hand
That shall hurl night and whirlwind on the land;
I fear not Titan traitors who shall rise
To stride like brocken shadows on our skies;
These we can face in open fight, withstand
With reddening rampart and the sworded hand.
I fear the vermin that shall undermine Senate and citadel and school and shrine—
The worm of greed, and fatted worm of ease,
And all the crawling progeny of these—
The vermin that shall honeycomb the towers
And walls of state in unsuspecting hours.●

YOUNG CITIZENS OF UTAH

● Mr. GARN. Mr. President, I would like to make the following statement on behalf of my colleague, Senator HATCH, and myself:

Mr. President, as young people in our country complete their high school education and assume the responsibilities of adult life, we feel that they need to know that we support them, we look to them for the continued success of our country, we look to them for our future leaders and hope that they will have more opportunities and success than we have enjoyed.

Utah has the reputation as a State full of people who are honest, thoughtful, and hard working. We have a work force who likes to work and who is highly trained. The average educational attainment in Utah is 12.5 years, which is the highest level of any State in the Nation. Utahans are also actively involved in their own government, which can be observed by their high voter turnout in Presidential elections. In addition, 60 percent of the total population is registered to vote. These statistics indicate that Utahans have established themselves as honest, responsible citizens and are proud of the reputation they have earned. The values of our young people are not unaffected by responsible citizenship. For example, we are encouraged over the incredible number of young people involved in the various scouting programs. Enrollment of eligible boys in the Boy Scout program is as high as 90 percent in some Utah councils. Eagle Scout Awards are more commonly earned in Utah than in any other State and Utah is always well represented by her scouts at national and international jamborees.

Utah's young people also have a high percentage of voter registration. This is due partly to some of the citizen participation programs that are sponsored through Utah State University and through its extension service, the 4–H program.

For example, the voter awareness program, sponsored by USU, takes clinics to the high schools and educates seniors concerning their responsibilities as citizens. The clinics explain the role of elected officials and the responsibility citizens have to elect them. The results are significant. Over 7,000 students in Utah have been reached by one of the clinics. In one clinic area voter registration improved by over 300 percent. In another area 100 percent of the participating seniors registered to vote in the next election. The citizenship interest goes beyond voting. Young Republican and young Democrat groups have undertaken voter awareness drives on their own.

Our young people today are living up to the responsibilities of our great Nation. We are optimistic about the future of our country in the hands of our youth. They have already demonstrated their leadership abilities. May we extend to every young adult our confidence in their ability to successfully contribute to the building of our Nation and offer our encouragement for continued participation in the political process.●

SOVIET DEFENSE SPENDING

● Mr. HATCH. Mr. President, earlier this week a report submitted to the Joint Economic Committee by the CIA outlined some very sobering facts. The report indicated that Soviet defense spending will continue to increase during the next decade with or without a new SALT Treaty. The report states "all of the evidence available to us on Soviet defense programs underway and planned suggests that the long-term upward trend" in military spending "is likely to continue into the 1980's." The report further stated that:

Conclusion of a SALT II agreement along the lines currently being discussed would not, in itself, slow the growth of Soviet defense spending significantly.

This report was prepared by the CIA to present to the Joint Economic Committee a concise report that would project what Soviet spending would be in the coming years. Based on data collected through a wide variety of intelligence methods, the CIA has endeavored to collect, analyze, and interpret information that would bring them to an accurate projection.

Mr. President, in a short time this body will take up the Department of Defense Appropriations bill and I am sure that there will be considerable debate over the total cost to the American people. This debate will take place in face of the fact that the Soviets will continue to increase their expenditures for defense. The arguments against such expenditures will include the suggestion that the people of this Nation do not want to spend this amount of money on defense. Yet in three distinct public opinion polls during the time of the 95th Congress, the average percentage of those who felt the United States should have military strength greater than the Soviet Union was 88 percent. This included a low of 79 percent from a DMI poll of last year, and a high of 94 percent from a poll conducted in the early months of this year by the American Security Council. To me the evidence is overwhelming; the American people do not want to become second to the Soviet Union, and therefore are willing to support increased defense spending to accomplish this goal. If there is any doubt about that conclusion, I point out that these same polls also asked the question: "Let's assume for a moment that we learned that Russia had gained military superiority over the United States and that it would cost $20 billion a year more for the United States to regain superiority. Would you favor spending the extra $20 billion a year?" Once again the response was overwhelmingly in favor of such action. Here the average for such an increase was 83 percent, with a low of 71 percent and a high of 92 percent.

Mr. President, the current administration has taken a course of action that has led to the cancellation of the B–1 Bomb-

er, delayment of the MX, and delayment of the neutron bomb, all under the philosophy that such actions would prompt similar cuts from the Soviets. To this date, we have not seen any reciprocal cuts, but rather have seen a continuance of the Soviet rush toward military and strategic superiority. The report states:

Given the broad scope of new weapons development and deployment programs now under way, outlays for new military hardware are likely to become a more important determinant of Soviet defense spending in the 1980's. Military RDT & E programs include potentially costly systems for all of the Soviet armed services. In the strategic froces, new ICBM's are being developed, as are new strategic naval missiles.

The report lists other systems that are being developed by the Russians, yet we continue to remain passive.

Mr. President, these matters are important to every American. I think that this timely report by the CIA warrants the attention of all my colleagues. I submit this report for the RECORD:

PREFACE

This report presents estimates of Soviet spending for defense in rubles during the 1967–77 period and describes what we believe to be the prospects for the next five years.

The estimates are expressed in rubles to reflect our understanding of the costs of military equipment and activities in the USSR. Such estimates allow us to assess the impact of defense on the Soviet economy, the resource considerations confronting Soviet defense planners, and the relative priorities assigned to the forces and activities that make up the defense effort. Constant prices are used so that the estimates reflect only real changes in defense activities, not the effects of inflation. The use of 1970 prices permits comparison of estimated defense expenditures with other CIA estimates of Soviet economic performance, which also use that price base.

The estimates are based on a detailed identification and costing of the activities and components that make up the Soviet defense program for each year. A description of our methodology and our confidence in the estimates can be found in the appendix.

This report complements our dollar cost comparison of Soviet and US defense activities.[1] It is the basis for the testimony the Director of Central Intelligence presented to the Joint Economic Committee of the Congress in June 1978.

ESTIMATED SOVIET DEFENSE SPENDING: TRENDS AND PROSPECTS

SOVIET SPENDING FOR DEFENSE

Estimates of total defense spending

We do not know precisely how the Soviets define defense spending. This report uses two definitions: one corresponds to that used in the United States; the other is broader and includes additional costs the Soviets are likely to classify as spending for defense. These additional costs include expenditures for internal security troops, certain civil defense activities, military stockpiling, foreign military assistance, and space programs that are operated by the military in the USSR but by the National Aeronautics and Space Administration in the United States.

Defined to correspond to US accounts, estimated Soviet spending for defense increased from 35–40 billion rubles in 1967 to 53–58 billion rubles in 1977, measured in 1970 prices. According to the broader definition, estimated spending grew from 40–45 billion rubles in 1967 to 58–63 billion rubles in 1977. Under the narrower definition, for which the estimates are more detailed and precise, estimated Soviet defense spending increased at an average annual rate of about 4 to 5 percent for the period as a whole. Growth rates varied from year to year, however, reflecting primarily fluctuations in procurement spending for aircraft and strategic missiles.

Economic considerations

Although no single measure adequately describes the economic impact of the Soviet defense effort, defense spending's share of GNP is often used for this purpose. During the 1967–77 period, defense spending according to the narrow definition accounted for 11 to 12 percent of Soviet GNP, and, according to the broader definition, for 12 to 13 percent.[2] In comparison, Soviet spending for investment in the economy during this period accounted for approximately 26 percent of GNP, and spending for health and education accounted for 6 to 7 percent.

Another perspective is provided by comparing our estimate of Soviet defense spending with the size of the total Soviet state budget. In 1970, the year in which our defense spending estimate (stated in constant 1970 rubles) is directly comparable to Soviet state budget data (published in current rubles), spending for defense under the narrow definition was over one-quarter the size of total budget expenditures. According to the broader definition, it was nearly one-third.

Another indication of the economic impact of defense is provided by examining defense's share of crucial industrial output and economic resources. During the 1967–77 period, defense consumed approximately one-third of the final product of machinebuilding and metalworking, the branch of Soviet industry that produces civilian investment goods as well as military hardware. In ruble cost terms, about two-thirds of the aircraft and over two-thirds of the ships and boats produced in the Soviet Union went to the defense sector.

During the period, 65 to 75 percent of the males reaching draft age were conscripted into the Soviet armed forces. Uniformed military servicemen and civilians working for the Ministry of Defense constituted between 3 and 4 percent of the total Soviet labor force. The Soviet armed forces accounted directly for a relatively small share of total Soviet energy consumption—less than 5 percent of the refined petroleum and less than 5 percent of the heat and electricity consumed by the Soviet economy.

To the extent that these measures fail to take qualitative considerations into account, they tend to understate the impact of defense programs on the Soviet economy. Defense takes a large share of the economy's best scientific, technical, and managerial talent and draws heavily on the output of science and high-quality materials, components, and equipment.

SPENDING BY RESOURCE CATEGORY

A useful way of analyzing Soviet defense spending is to break it down into three principal resource categories—investment, operating, and RDT&E (research, development, testing, and evaluation).[3] Investment, which includes spending for the procurement of new equipment and major spare parts as well as for the construction of facilities, reflects the flow of new equipment and facilities into the military forces. Operating expenditures are those associated with the day-to-day functioning of the military. RDT&E expenditures, associated with exploring new technologies, developing advanced weapons, and improving existing weapons, provide some indication of plans for future force modernization.

During the 1967–77 period, Soviet expenditures for investment averaged a little over one-half of defense spending, while expenditures for operating averaged over one-quarter. The share of defense expenditures going to RDT&E—the fastest growing category—increased from less than one-fifth in 1967 to nearly one-fourth in 1977.

Investment

Between 1967 and 1977, more than 90 percent of Soviet investment spending was for procurement, and most procurement spending was for acquisition of weapons. The bulk of the weapons acquisition outlays went for aircraft, missiles, and ships. Spending for aircraft and missiles grew most rapidly. Spending for land armaments grew at a somewhat slower pace, while spending for naval ships grew little during the period.

Expenditures for the investment category as a whole grew at an average rate of about 4 percent per year during the period, although growth rates varied from year to year. The growth pattern for investment was determined, for the most part, by procurement cycles for aircraft and missiles.

Operating

Operating expenditures, which are associated with maintaining current forces, can be divided into personnel costs and operation and maintenance costs. Between 1967 and 1977, personnel spending—military pay and allowances, food, personal equipment, medical care, travel, and military retirement—averaged about 60 percent of operating expenditures and approximately one-sixth of total spending for defense. An approximately 20-percent increase in the total number of Soviet uniformed military personnel, along with increased food rations and higher spending for military retirement pay, caused these expenditures to grow during the period at a rate of 2 to 3 percent per year. The growth in personnel spending was most rapid between 1967 and 1972—during the height of the Soviet buildup along the Chinese border.

Operation and maintenance expenditures—for the maintenance of equipment and facilities, the purchase of petroleum, lubricants, and utilities, the hiring of civilian personnel, and the leasing of communications—were consistently lower than personal expenditures but grew at approximately twice the rate.

RDT&E

The estimate for Soviet RDT&E outlays is the least reliable of our estimates. Because the estimate is based on highly aggregated and uncertain data, we cannot speak with confidence, nor in detail, about the allocation of this category of defense spending among the services or among missions. Nevertheless, the information on which the estimate is based—published Soviet statistics on science, statements by Soviet authorities on the financing of research, and evidence on particular RDT&E projects—suggests that military RDT&E expenditures are large and growing. We estimate that outlays for RDT&E currently account for almost one-quarter of total Soviet defense spending. As

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[1] SR 78–10002, *A Dollar Cost Comparison of Soviet and US Defense Activities, 1967–77*, January 1978.

[2] Because defense spending grew at approximately the same rate as the economy as a whole, there was little change in the share of GNP going to defense.

[3] The analysis presented here is based on the narrow definition of defense, corresponding to that used in the United States. However, in breaking down Soviet defense spending into resource categories, we use a wider definition of investment, and a narrower definition of operating, than employed in U.S. defense accounts. These different definitions, which are consistent with our understanding of Soviet accounting procedures, assign a greater share of spending for spare parts and repair to investment, and a lesser share to operating, than the U.S. definitions.

with the investment category, we believe that the growth in Soviet RDT&E spending varied from year to year.

SPENDING BY SERVICE

The Soviet armed forces are organized into five services—Ground Forces, Air Forces, Navy, National Air Defense Forces, and Strategic Rocket Forces (SRF). Our direct-costing approach enables us to estimate the allocation of much of defense spending among these services. We cannot, however, estimate how the costs of RDT&E or of certain command, rear service, and other support functions are allocated The analysis that follows excludes RDT&E and assigns the command and support [4] functions to a separate category. Again, the analysis is based on the narrower and more detailed definition of spending for defense.

Overview

During the 1967–77 period, the Ground Forces and the Air Forces each claimed a little over one-fifth of total investment and operating expenditures. While the Ground Forces' share remained relatively constant throughout the period, the share allocated to the Air Forces grew from one-sixth in 1967 to about one-quarter in the early 1970s before declining slightly near the end of the period. The Navy's share averaged one-fifth and declined slightly during the period. The share going to the National Air Defense Forces, which averaged one-eighth during the period, fluctuated and was smaller in 1977 than in 1967. Outlays for the SRF, which averaged well under one-tenth of total spending for investment and operating between 1967 and 1977, constituted the smallest and most widely fluctuating share. The portion assigned to the command and support category averaged one-sixth during the period.[5]

Ground Forces

Total investment and operating spending for the Ground Forces grew throughout the period at approximately the same rate as total defense spending. With the exception of 1968—the year the Soviets invaded Czechoslovakia—spending for the Ground Forces did not change abruptly from year to year. A major factor in the growth was an increase in manpower from over 1.2 million uniformed personnel in 1967 to over 1.7 million in 1977. Another was the long and steady procurement programs for the principal Ground Forces weapons and equipment.

Investment consistently took a little over 50 percent of spending for the Ground Forces—the smallest share for any military service. Procurement spending, which accounted for 90 percent of Ground Forces investment, was driven, in large part, by the purchase of tanks and mobile tactical surface-to-air missiles and to a lesser extent by spending for armored personnel carriers and artillery. Operating expenditures took over 40 percent of spending for the Ground Forces, and the share for personnel, which averaged 30 percent, was higher than that for any other service.

Ground Forces expenditures between 1967, and 1977 were spurred by the addition of divisions along the Sino-Soviet border and by the modernization of units in the western Soviet Union and Eastern Europe. Expansion of ground forces opposite China proceeded at a vigorous pace between 1967 and 1972, when the Soviets doubled the number of divisions along the border. Throughout the 1967–77 period the Soviets modernized Ground Forces units by introducing a number of new, more expensive weapon systems, by increasing the number of tanks, armored personnel carriers, and artillery pieces in maneuver units, by providing more helicopter support, and by increasing the number of men assigned to tank and motorized rifle divisions. These changes gave the Soviets more balanced and operationally flexible ground forces with improved capabilities for conventional as well as theater nuclear war.

Air forces

Between 1967 and 1977, spending for the Air Forces increased more rapidly than spending for any other military service. From 1969 to 1973 it grew at over three times the rate for defense spending as a whole. After 1973 it declined slightly but remained at a high level.

Investment expenditures for the Air Forces averaged about 80 percent of total spending for the service, and more than 90 percent of investment spending was for procurement. Expenditures for operation and maintenance and for personnel each averaged about 10 percent of the total. Air Forces manpower increased slowly throughout the period and totaled over 500,000 in 1977.

Spending for both Long Range Aviation and Military Transport Aviation grew somewhat in absolute terms, but by far the largest increase in Air Force spending between 1967 and 1977 was for Frontal Aviation. Major investment expenditures for Frontal Aviation caused that component's share of Air Forces spending to rise from less than 60 percent in 1967 to over 70 percent in 1977.

The number of tactical aircraft in the Frontal Aviation inventory increased by about 50 percent over the period. The increase was most evident along the Chinese border, where the number of tactical aircraft grew more than fivefold.

The Soviets also improved the quality of the force. By 1977 over 60 percent of the fighters in Frontal Aviation were aircraft that entered production after 1969. These new aircraft were initially introduced in large numbers into units in the European USSR and Eastern Europe. They began to appear in large numbers along the Sino-Soviet border after 1975.

The expansion and modernization of Frontal Aviation paralleled the modernization within the Ground Forces and provided the Soviet theater forces with a better capability to wage both conventional and theater nuclear war.

Navy

Between 1967 and 1977 the Navy ranked third in total investment and operating spending behind the Ground Forces and the Air Forces. During the period, spending for the Navy grew at a rate slightly slower than that for defense as a whole. Spending for ballistic missile submarines grew at a rapid pace between 1967 and 1974, at the same time spending for general purpose naval forces declined. These trends were reversed after 1974.

During the 1967–77 period, investment spending constituted over 80 percent of total spending for the Navy. Procurement expenditures comprised over 90 percent of investment and over three-quarters of total spending for the Navy. Operating expenditures absorbed about 20 percent and were about evenly divided between operation and maintenance and personnel. In 1977, uniformed Navy manpower totaled about 400,000—over 10 percent higher than in 1967.

Trends in naval procurement spending during the period indicate a Soviet emphasis on forces associated with strategic attack, open-ocean antisubmarine warfare (ASW), and open-ocean antiship missions. The bulk of expenditures for combat ships and naval aircraft went for weapon systems associated with these missions. Expenditures for procurement of systems associated with the ASW mission showed a marked increase in 1967 that was maintained throughout the period. Less emphasis was placed on forces for coastal defense, amphibious warfare, mine warfare, and interdiction of sea lines of communication. Also evident was a preference for submarines. Between 1967 and 1977, approximately two-thirds of naval ship procurement spending was for ballistic missile and attack submarines.

Major procurement programs during the period included Y- and D-class ballistic missile submarines, which have a strategic attack mission; the C–I and C–II nuclear attack submarines, associated primarily with the open-ocean antiship mission; and V–I and V–II nuclear attack submarines, whose primary mission is open-ocean ASW. Major surface ship procurement programs included Kresta I, Kresta II, and Kara guided-missile cruisers and the Kiev-class ASW carrier—all having either open-ocean ASW or open-ocean antiship missions. Soviet Naval Aviation's antiship capabilities were enhanced by the procurement of Backfire bombers.

National Air Defense Forces

Between 1967 and 1977 the Soviet National Air Defense Forces ranked fourth among the services in terms of spending for operating and investment, with an average share of about one-eighth. During this period, spending for these forces grew at a slower pace than defense spending as a whole. Overall spending for the service peaked in 1969, when expenditures for air defense interceptor aircraft and the Moscow antiballistic missile (ABM) system reached their highest levels. With a reduction in spending for the ABM system, surface-to-air missiles, and interceptor aircraft, outlays declined through 1973. The increase in spending for the National Air Defense Forces after 1975 is primarily the result of procurement of a large number of new interceptors.

Investment spending consistently absorbed over two-thirds of overall spending for these forces, and over 90 percent of investment expenditures went for procurement. Expenditures for operation and maintenance of the National Air Defense Forces averaged 10 percent of the total, while spending for personnel accounted for about 20 percent. Uniformed manpower increased by about 10 percent during the period, to a total of almost 600,000 in 1977—ranking the service second, behind the Ground Forces, in number of men.

Outlays for the National Air Defense Forces exhibited a shift toward interceptor aircraft, and away from SAMs and ABMs, over the period. Spending for interceptor aircraft increased by one-third, while spending for SAMs and ABMs decreased by over one-quarter.

Strategic rocket forces

During the period, spending for the SRF grew at a slower pace than total defense spending. Of the five Soviet services, the SRF received the smallest and most widely fluctuating share of investment and operating spending. Primarily responsible for the fluctuations were deployment cycles for ICBMs. In 1967, at the height of deployment for third-generation ICBMs, the SRF accounted for about 10 percent of total investment and operating expenditures. By 1972 the share had fallen to about 5 percent. Outlays have grown steadily since then with the acquisition of fourth-generation ICBMs and the SS–20 intermediate-range ballistic missile, and in 1977 spending for the SRF rose above its 1967 level for the first time in this period. As a result, the SRF's share of total investment and operating spending increased to about 8 percent.

Investment outlays declined through the early 1970s with the completion of deployment of third-generation ICBMs and rose sharply during the mid-1970s with deployment of fourth-generation ICBMs. Operating costs remained relatively stable, however, as

[4] This category should not be confused with command, control, and communications, the costs of which are distributed among the services in this analysis.

[5] This estimate assigns the command and support category a smaller share of defense spending than our previous estimate because it allocates to the individual services costs for a number of functions which were previously allocated to the command and support category.

the SRF shifted to systems that were more complex but had lower manpower requirements. In 1977, uniformed military personnel assigned to the service numbered over 300,000, a figure slightly lower than the total in 1967.

Most of the spending for the SRF was allocated to ICBM forces. These forces consistently accounted for over three-quarters of spending for the service. Spending for medium- and intermediate-range ballistic missile forces associated with the peripheral attack mission accounted for less than one-quarter of spending for the SRF.

Command and support

Some costs are not allocated to a specific combat branch because they relate to general support provided by the Ministry of Defense apparatus. Other costs cannot be allocated to the combat branches because we lack the information. We assign both types of expenditures to a category called command and support. This category includes rear services, salaries of Ministry of Defense employees, space programs that in the United States would be managed by the Department of Defense, border guards, material for nuclear weapons, and military retirement pay. During the 1967–77 period, spending for command and support grew at about the same rate as total defense spending and claimed approximately one-sixth of total operating and investment expenditures.

SPENDING FOR INTERCONTINENTAL AND REGIONAL FORCES

The direct-costing methodology also permits us to assess Soviet spending for forces assigned to specific missions and provides a basis for estimating spending for forces assigned to various geographic regions. This section discusses spending for three sets of forces of particular concern to U.S. policymakers—intercontinental attack forces subject to strategic arms limitation, the tactical air and ground forces stationed in the NATO Guidelines Area of Eastern Europe, and the theater forces opposite China. This analysis is intended to provide insights into the priorities the Soviets assigned to these forces during the past decade. While we are not certain that Soviet policymakers are supplied with budgetary data on these particular forces, it is reasonable to assume that they have a general understanding of the levels and trends of resources assigned to each.

The spending estimates presented here include costs of investment for and operation of these forces, as well as a proportional share of command and support costs. RDT&E costs are not included; if they were, the totals would, of course, be higher than shown.

Intercontinental Attack Forces subject to SALT II limitations

During the 1967–77 period as a whole, the Soviet allocated a little over 10 percent of total defense spending to intercontinental attack forces subject to SALT II limitations.[6] Spending for these forces fluctuated from year to year according to investment cycles for ICBMs and ballistic missile submarines, reaching peaks in the late 1960s and the mid-1970s. Spending was lowest in the early 1970s, during the transition from third-generation to fourth-generation ICBMs and the changeover from production of Y-class to D-class ballistic missile submarines. Between 1967 and 1977, spending for intercontinental attack forces grew at a slower pace than defense spending as a whole, and, as a result, claimed a smaller share of defense spending in 1977 than in 1967.

Soviet Forces in NATO guidelines area

The NATO Guidelines Area (NGA) includes East Germany, Poland, and Czechoslovakia. The spending figures discussed here cover spending for Soviet Frontal Aviation and Ground Forces units stationed within these East European countries. These data reflect Soviet efforts to improve forces positioned in Eastern Europe, but do not reflect improvements to other Soviet forces which have been assigned missions against NATO.

During the period, spending for Soviet forces within the NGA constituted less than 10 percent of Soviet defense spending but grew at approximately twice the rate of total defense spending. Growth was particularly high after 1973 when the Soviets introduced large numbers of new tactical aircraft into Frontal Aviation units within the NGA. Between 1967 and 1977 the Soviets increased the number of tactical aircraft within the NGA by 20 percent. In 1977 over 80 percent of the Soviet tactical aircraft inventory in the NGA consisted of modern aircraft produced since 1969. These improvements to Frontal Aviation in the NGA enchanced the Soviets capabilities to wage conventional and theater nuclear war in Central Europe.

Spending for Ground Forces units in the NGA grew at a slower pace than spending for Frontal Aviation but reflected Soviet efforts to increase the size and combat ability of these forces. The deployment of five Soviet divisions to Czechoslovakia in 1968 and 1969, and increases in the number of men assigned to divisions, increased the total of Ground Forces personnel in the NGA by about one-third between 1967 and 1977. At the same time, Ground Forces units in the NGA were modernized with additional artillery pieces, rocket launchers, tanks, and mobile air defense weapons.

Forces along the Sino-Soviet border

The bulk of the Soviet buildup along the Sino-Soviet border, which began in 1964, occurred between 1967 and 1977. During this period, Soviet forces along the Sino-Soviet border accounted for a little over 10 percent of total defense spending and their cost grew at a rate more than twice that of defense as a whole.[7]

Growth was rapid between 1967 and 1972—when the Soviets doubled the number of Ground Forces divisions along the Sino-Soviet border and increased the tactical aircraft inventory fivefold. (Most of these aircraft were older models.) The buildup of forces opposite China proceeded at a slower pace after 1972. High levels of spending in 1976 and 1977 reflected the introduction of new-generation aircraft.

PROSPECTS

Factors affecting future defense programs

Soviet leaders must weigh a number of factors in formulating future defense programs. These surely include the leaders' perceptions of foreign military threats, their assessment of the utility of military power in advancing Soviet foreign policy goals, and internal political factors—including the influence of institutions and personalities supporting individual defense programs—as well as economic considerations.

The present Soviet leaders appear to share a broad consensus on defense policy. Over the past decade, defense spending has risen each year. Defense activities have been well-funded, even during periodic economic setbacks, and follow-through on key programs has been strong. However, there are forces at work, both at home and abroad, that could make it more difficult to maintain this consensus. These factors—which include gloomy economic prospects, an unsettled strategic environment, and a coming political succession—will assume particular importance over the next year or so, as Soviet plans for defense programs in the first half of the 1980s are formulated.

Economic outlook

Soviet economic growth has been slowing during the 1960s and the 1970s, and we forecast a further reduction in the 1980s. Recent announcements on plan fulfillment by the Central Statistical Administration confirm that Soviet economic growth in the 1976–77 period was lower than in any other period since World War II, and the situation is likely to worsen. The Soviet economy probably will grow at about 4 percent a year through 1980, but average growth from 1981 through 1985 probably will fall to between 3 and 3.5 percent. These projections reflect the likely impact of the declining growth rate in the Soviet labor force and continuing Soviet inability to achieve offsetting growth in productivity.

While the Soviet leaders are clearly concerned about present and impending economic problems, there is no indication that they are contemplating major changes in defense policy. They will assess future Soviet defense programs, however, against the backdrop of an increasingly troubled economy, and rivalry among major claimants for resources—both civilian and military—almost certainly will intensify.

While there may be pressure to constrain defense spending to promote economic growth, even sizable changes in defense resource allocation policy would not in themselves solve the USSR's economic ills. In part, this is due to the fact that defense is a relatively small and highly specialized sector of the economy. In addition, Soviet economic problems are such that even sizable transfers of resources would have little impact on overall economic growth unless accompanied by major improvements in productivity. The fundamental reforms in the Soviet system that would be required to effect such improvements are unlikely over the next few years, though modest alterations in the system of economic incentives and bolder action in critical areas such as energy use and production are probable. We do not believe that shifts in incentives and priorities are likely to oust defense from its privileged position in the Soviet economy.

The international environment

Despite the considerable increase of their military power, the Soviets remain concerned about the dynamism of Western military programs and the potential threat from China. The uncertainly with which they view the future strategic environment argues for Soviet prudence in planning military forces and discourages measures to reverse the upward trend in defense spending.

The political succession

Over the next five years, several of the top Soviet political leaders will almost certainly pass from the scene. No heir apparent to Brezhnev has been identified. While we cannot discount the possibility that a strong single leader—or group of leaders—will come to power and implement major policy changes, such an eventuality seems less likely in the period through the early 1980s than a continuation of current policies under a caretaker regime.

Under these conditions, we believe that abrupt changes in defense spending trends are unlikely. The political influence of institutions and leaders who support defense programs—the uniformed military, managers and overseers of defense and related industries, and party and government leaders

[6] Spending for intercontinental attack, as defined here, includes expenditures for ICBMs, heavy bombers, and those ballistic missile submarines assigned intercontinental attack missions. It does not include spending for the Backfire bomber, which the Soviets contend is not subject to the SALT II limit on the aggregate number of strategic nuclear delivery vehicles.

[7] Soviet spending for forces along the Chinese border, as defined here, includes spending for Frontal Aviation, Ground Forces, Military Transport Aviation, Border Guards, and National Air Defense units along the border, and Soviet military forces stationed in Mongolia.

whose constituents depend heavily on defense production—would be likely to remain substantial.

Problems in projecting defense spending

In part because of these economic, strategic, and political uncertainties, our projections of Soviet spending for defense are less certain than our estimates of spending in past years. In addition, our ability to forecast Soviet defense spending is hampered by uncertainties concerning the size of future forces, the numbers and types of new weapons to be deployed, and their physical and technical characteristics. Even greater uncertainties surround estimates of the costs of future weapon systems, which are closely related to technical characteristics. The difficulties inherent in forecasting the future Soviet RDT&E effort compound the uncertainty in our estimates.

Despite these difficulties, the trends revealed by our estimates of past Soviet defense spending, the evidence gathered in preparing them, and our understanding of the factors the Soviet leaders consider in making their decisions on resource allocation provide a reasonable basis for an assessment of the future. We believe that we can forecast trends in defense spending for the next year or two with high confidence, and for up to five years with moderate confidence. Beyond that, we have low confidence in such projections because of the difficulties inherent in projecting both individual defense programs and the complex political and economic situations which the Soviets will face in the 1980s. The discussion that follows, therefore, focuses on the period from now through the next five years.

Defense spending through the early 1980s

All of the evidence available to us on Soviet defense programs under way and planned suggests that the long-term upward trend in allocation of resources to defense is likely to continue into the 1980s. There is no indication that economic problems are causing major changes in defense policy. The atmosphere in Moscow with regard to the economy, however, is one of concern, and the Soviet leaders could be considering modest alterations in military force goals. But even if such alterations were undertaken, the overall rate of growth of defense spending over the next five years or so probably would slow only marginally.

This view is based on several trends in Soviet defense programs—the large number of weapons development and deployment activities under way, the continuing investment in the defense industries, and the increasing costs of new military hardware.

Given the broad scope of new weapons development and deployment programs now under way, outlays for new military hardware the likely to become a more important determinant of Soviet defense spending in the 1980s. Military RDT & E programs include potentially costly systems for all of the Soviet armed services. In the strategic forces, new ICBMs are being developed, as are new strategic naval missiles. Air defense programs for improving surveillance and control and for new fighters and low-altitude surface-to-air missiles are being pursued. ABM research and development is also continuing. Still other systems are being developed for the air, ground, and naval forces. Not all of the systems under development will be deployed, but many will enter production by the early 1980s, continuing to shift the weapons acquisition mix toward more expensive systems. Even if procured at a slower pace than their predecessors, these systems will drive weapons acquisition and maintenance costs upward.

The Soviets have committed capital resources for development and production of new weapons in the 1980s. Some of this investment is related to weapons development programs and some apparently is designed to enhance production capacity. Much is at facilities associated with the production of strategic missiles, naval ships, and aircraft—those costly systems that have been driving procurement and maintenance costs upward.

Finally, in the Soviet Union, as in the United States, the increasing complexity of new weapons has resulted in escalating development, production, and maintenance costs. Such cost escalation is evident in most of the new systems entering the forces in the 1970s—particularly in aircraft, ballistic missiles, and naval ships.

Economic difficulties notwithstanding, we believe that Soviet defense spending will continue to grow over the next five years. For the next two or three years, growth in defense spending probably will be slightly lower than the long-run average, as the fourth-generation ICBM and current fighter aircraft and D-class ballistic missile submarine programs wind down. This marginal reduction in the growth of defense spending is not related directly to economic difficulties. Such cycles have occurred several times in the past—for example, in the early 1970s when deployment of third-generation ICBMs tapered off before that of the fourth-generation systems reached high levels—and do not signal changes in resource allocation policy.

During the early 1980s we expect the Soviets to begin testing and deploying a number of the new weapon systems under development—including the next generation of strategic missiles, new aircraft, and new ballistic missile and attack submarines. This probably will cause the annual rates of growth in defense spending to increase to a pace more in keeping with the long-term growth trend of 4 to 5 percent a year.

This projection of defense spending is based on the assumptions that a SALT II agreement will not be reached and that the current state of relations between the United States and the Soviet Union will continue. However, a SALT II agreement along the lines currently being discussed would not, in itself, significantly alter this projection. Such an agreement would probably reduce the rate of growth of total Soviet defense spending by only about 0.2 of a percentage point per year. The resulting savings would amount to less than 1.5 percent of total defense spending projected through the early 1980s in the absence of an agreement.

Impact on the services

Each of the Soviet services will gain from a continuation of the upward trend in defense spending over the next five years. We expect the shares of investment and operating spending allocated to each service to be roughly the same as in the 1967–77 period, although some shifts in emphasis are likely.

Modernization is likely to continue within the Ground Forces, as the Soviets increase the firepower, mobility, and air defense capabilities of these forces with new equipment and weapons. New weapons currently being procured include tanks, self-propelled artillery guns, and tactical ballistic and surface-to-air missile systems. Several major weapons for the Ground Forces are under development. Many of these will enter production by the early 1980s.

Within the Air Forces, spending for Frontal Aviation will probably decline, and expenditures for Long Range Aviation and Military Transport Aviation are likely to rise and consume an increasing share of Air Forces spending into the 1980s. Production of transport aircraft probably will increase, as may production of Backfire medium bombers. During the next five years we expect the Soviets to introduce into the Air Forces several systems currently under development, including the AN–72 jet short-takeoff-and-landing transport. The Soviets may also be developing a new long-range bomber. If such a bomber were to be deployed, it could be introduced into Long Range Aviation units by the early 1980s. The Soviets will undoubtedly make incremental improvements to one or more of the new tactical aircraft currently in production. These could include improved target acquisition and weapons delivery systems, navigation and bombing radars, and tactical air-to-surface missiles.

The Navy's share of Soviet defense investment probably will increase slightly. A new class of large ballistic missile submarines should reach operational status during the greater priority to the open-ocean ASW mission and to increasing production of nuclear-powered attack submarines. Continued production is likely for a variety of surface combatants, including frigates, guided-missile destroyers, guided-missile cruisers, and at least one guided-missile ASW aircraft carrier. Continued procurement of the Backfire bomber is also likely, and introduction of a new long-range ASW aircraft is possible.

Continuing concern with low-altitude air defense, and with defense against cruise missiles in particular, probably will prompt the Soviets to increase investment in the National Air Defense Forces. By the early 1980s we expect deployment of new low-altitude SAMs and one or more modified interceptors designed to engage low-flying targets. In addition, the Soviets will probably deploy new ground-based air surveillance radars and airborne warning and control aircraft.

Several new or modified ICBM systems are currently under development for the SRF. Some of these systems will be flight-tested and deployed by the early 1980s.

Forecasting future RDT&E activities is more difficult than forecasting future operating and investment activities. Nevertheless, a number of factors lead us to conclude that the resources allocated to the Soviet military RDT&E effort will continue to grow into the 1980s. The rising trend in Soviet expenditures for science as a whole, the high level of activity at Soviet design bureaus and test facilities, the large number of strategic and tactical weapon systems currently under development, and our estimate of Soviet force requirements and objectives all indicate increased funding for military RDT&E.

APPENDIX: METHODOLOGY AND CONFIDENCE IN THE ESTIMATES

METHODOLOGY

In the USSR, information on defense spending is a closely guarded state secret. Only one statistic—a single-line entry for "defense" in the published state budget—is reported each year. This figure is uninformative because its scope is not defined and its size appears to be manipulated to suit Soviet political purposes. (Changes in the announced defense figure do not reflect the changes we have observed in the level of military activities.)

To provide information which the official "defense" entry does not, CIA periodically estimates the cost of Soviet defense activities. Our estimates begin with a detailed identification and listing of the activities and physical components which make up the Soviet defense program for a given year. By a variety of methods that data base is converted into two value estimates, one in rubles, the other in dollars. For some components, such as military personnel, the data are costed directly, using available ruble prices and costs and dollar prices and costs. For other components, conversions are made from one value base to the other by applying dollar-to-ruble and, to a much more limited degree, ruble-to-dollar conversion factors. Where possible, the ruble estimates derived from this direct-costing technique are checked for reasonableness against other intelligence information or Soviet statistics.

For two of the main components of defense spending—investment and operating

expenditures—prices and quantities are estimated separately for each major element. We cannot, at present, apply this approach to the remaining component—RDT&E. The cost of military RDT&E is estimated by another method—analysis of Soviet information on expenditures for science.

CONFIDENCE IN THE ESTIMATES

The estimates presented in this paper reflect a continuing effort to acquire more and better data and to improve our methods. During the past year we have improved further our understanding of the ruble prices of Soviet military equipment and of Soviet pricing policy and inflation in the Soviet economy. New information and new costing methodologies led to improvements in our estimates of the costs of Soviet military hardware, supplies, and activities—especially petroleum, oil, and lubricants, equipment maintenance, and RDT&E. This effort has increased our confidence in the estimates. Even so, they have a margin of error which could be substantial for some items.

We have the most confidence in the estimates for the aggregate total and the investment category. Moreover, because the direct-costing methodology reflects the actual changes observed in Soviet defense activities over time, we are confident that the upward trend in these estimates is correct. We think it unlikely that the rate of growth in Soviet defense expenditures, in real terms, is significantly higher or lower than the 4 to 5 percent we estimate.

Our confidence in the estimates at the lower levels of aggregation varies from category to category. We have high confidence in our estimates for procurement of major naval ships. Reasonable confidence can be assigned to the estimates of spending for pay and allowances of uniformed military personnel and for strategic missile and aircraft systems. We have less confidence in our cost estimates for operation and maintenance of weapon systems and for procurement of smaller items such as general purpose vehicles and some ground force weapons.

We are least confident of the estimates for Soviet military RDT&E, which are derived in the aggregate using a methodology less certain than those for either investment or operating spending. The level and trend of these estimates, however, are consistent with the judgment, made with high confidence, that the Soviet military RDT&E effort is large and growing.●

PROPOSITION 13

● Mr. GOLDWATER. Mr. President, ever since June 6, we have been hearing and reading the opinions of assorted newsmen, politicians, social workers, and almost evervone else involved in public affairs on the meaning of proposition 13. For myself, I have not the slightest doubt that the overwhelming vote to slash property taxes in that Western State was merely one massive display of nationwide public disgust at the extravagance and waste involved in government services.

It seems that some officials of the Carter administration indulged their wishful thinking in the belief that proposition 13 merely reflected special local conditions and had slight importance outside the State of California. This was patently untrue on its face. But just to prove the point, let me cite from the latest poll taken by the New York Times and CBS news. It shows that the rest of the country is even more eager than California for a reduction of government services. By a margin of 2 to 1, the poll showed that Americans of voting age supported a proposition 13 measure for their own community. What is more, the poll which was conducted from June 19 to June 23, showed widespread pessimism about the course of the economy and continuing unhappiness with President Carter's policy. Approval of administration measures was down to 28 percent from 32 percent in early April.

Mr. President, because of the importance of this whole question, I ask to have printed in the RECORD a story by the New York Times News Service on the results of the Times-CBS poll.

The article follows:

NON-CALIFORNIANS EAGER TO CUT TAX, POLLSTERS REPORT

(By Adam Clymer)

NEW YORK.—Contrary to the belief of President Carter and some government specialists that California's June 6 vote to slash property taxes reflected special local conditions, the rest of the country is more eager for such cuts than California is even if they result in reduction of local government services, according to the latest poll by The New York Times and CBS News.

In results that may help the efforts of anti-tax advocates for similar measures elsewhere, the poll showed that of 1,093 Americans of voting age outside California, 51 percent supported a Proposition 13 measure for their local communities, 24 percent were opposed and the others were undecided.

Of the 163 respondents in New York, New Jersey and Connecticut, the split was 49 percent to 24.

In California, the percentages were 53 percent to 34, almost the same ratio as that in the June 6 referendum.

But while some California groups, such as blacks and those with public employees in the family, were opposed, and others such as Democrats, liberals, women and the poor, narrowly split, the support elsewhere held steady across all demographic lines.

The poll, conducted from June 19 to 23, showed widespread pessimism about the course of the economy and continuing unhappiness about Carter's policies. Approval of his policies is down to 28 percent from 32 in early April and from 27 percent in January.

The findings reflected a series of angry, not always consistent, public reactions against government. Seventy-eight percent of those polled felt that government wasted "a lot of the money we pay in taxes," and 62 percent singled out the federal government as the most wasteful.

Overwhelmingly, the respondents cited welfare and social services as their preferred target for the service cuts that they felt a reduction in property taxes would cause.

That preference was probably connected to the feeling of 31 percent of those polled (62 percent disagreed) that "almost all welfare services paid for by the government could be eliminated" and to the view of 68 percent that welfare costs made up a "big part" of their locality's expenses.

In fact, welfare costs are borne mostly by federal and state governments; except in New York, where localities pay 25 percent of the cost of Aid to Families with Dependent Children. In the fiscal year 1976, the federal authorities paid 62 percent, states 31 percent and localities 7 percent of the nation's $30.4 billion welfare bill.

With New York City excluded, 56 of the 57 largest cities put only 4.1 percent of their local budgets into public welfare in the year ended June 30, 1975.

Despite a feeling in California and elsewhere that property taxes were the unfairest taxes and despite a preference for sales taxes, there was no sentiment for raising the "fairer" taxes. Californians and the others strongly favored cutting back services instead of adding new taxes to make up for lost revenue from property taxes. In California, the finding was 61 percent to 25; elsewhere, 61 percent to 19.

The one consistent chord of doubt about a Proposition 13 measure was a refusal to back it "if it meant that a lot of public employees would lose their jobs."

Outside California, the percentages were 60 to 32; in the state, where that concern has been a major part of the public debate, the percentage was 56 to 34. In the New York-New Jersey-Connecticut regions, it was 67 to 27.

There was no evidence that Californians had greatly changed their minds about the issue since June 6. However, another CBS News poll that day found that voters were skeptical, 50 to 42 percent, that services would have to be reduced.

The Times CBS poll, after two weeks of state maneuvering on how to cut services, found that 56 percent of Californians believed that services were indeed being reduced, and 33 percent did not believe it.

Outside California, 57 percent thought a reduction in services would follow, and 34 percent did not. But both groups still wanted the change.

The June 6 vote in California fixed a ceiling of 1 percent of market value, as established in 1975–76 fiscal year, as a limit on property taxes, with a maximum of a 2 percent annual increase except when the property was sold, when it would be taxed at the new sale price.

The overall effect was to reduce by almost 60 percent the total property tax taken in by local governments in California.

President Carter, in views echoed by such experts as John Shannon, assistant director of the Advisory Commission on Intergovernmental Relations, cited rapid increases in property taxes repeated higher assessments and the large state surplus as factors singular to California.

"These factors would be unlikely to prevail in other states of the nation at this time," Carter said.●

ZAIRE AND THE WAR POWERS ACT

● Mr. JAVITS. Mr. President, the decision of President Carter to use U.S. military aircraft and personnel to transport French and Belgian materiel and troops into Zaire, in connection with the recent French-Belgian intervention against the invasion of Shaba Province by dissident Katangas based in Angola, raised a number of questions concerning the applicability of the War Powers Act and the President's accountability to the Congress in that regard. As the principal Senate author of the War Powers Act, I had an exchange of correspondence with Herbert J. Hansell, legal adviser of the State Department, about those issues. As legal adviser, Mr. Hansell is responsible for advising the Secretary of State as to the applicability of the War Powers Act to the movement of U.S. Armed Forces in circumstances which trigger the provisions of the War Powers Act.

I believe that my colleagues in the Senate, and all concerned parties, will find this exchange of correspondence to be of interest and enlightening on a subject of great continuing interest to myself and all Members of Congress. Accordingly, I ask that my exchange of

correspondence with Mr. Hansell be printed in the RECORD.

The correspondence follows:

THE LEGAL ADVISER,
DEPARTMENT OF STATE,
Washington, D.C., June 20, 1978.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: In accordance with our conversation last Saturday in Panama, enclosed is a memorandum explaining why the War Powers Resolution did not apply to the Zaire Airlift.

I would be delighted to discuss this issue further with you at any time.

With sincere regards,

Cordially,

HERBERT J. HANSELL.

THE LEGAL ADVISER,
DEPARTMENT OF STATE,
Washington, D.C., June 16, 1978.

MEMORANDUM

This memorandum explains why the War Powers Resolution did not apply to the May, 1978, United States airlift of foreign military personnel and equipment into Zaire.

During the period May 19–23, 1978, the United States Air Force flew approximately thirty missions into Zaire, transporting Belgian and French materiel and some French military personnel to secure staging areas in Zaire which were more than 100 miles from the side of hostilities at Kolwezi. The foreign personnel and materiel were transported from these secure areas to the combat area without involvement or participation of United States personnel. United States personnel were engaged solely in the operation of the transport aircraft and the loading, unloading and handling of cargo. They were not equipped for combat.

The Office of the Legal Adviser, Department of State, and the Office of General Counsel, Department of Defense, concluded that a report to Congress of these circumstances was not required under the War Powers Resolution (Public Law 93–148, 50 U.S.C. 1543).

Section 4(a) of the War Powers Resolution provides as follows:

"In the absence of a declaration of war, in any case in which United States Armed Forces are introduced—

(1) into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances;

(2) into the territory, airspace or waters of a foreign nation, while equipped for combat, except for deployments which relate solely to supply, replacement, repair, or training of such forces, or

(3) in numbers which substantially enlarge United States Armed Forces equipped for combat already located in a foreign nation;

the President shall submit within 48 hours to the Speaker of the House of Representatives and to the President pro tempore of the Senate a report, in writing, setting forth—

(A) the circumstances necessitating the introduction of United States Armed Forces;

(B) the constitutional and legislative authority under which such introduction took place; and

(C) the estimated scope and duration of the hostilities or involvement."

The above-quoted provision clearly is not applicable to the Zaire airlift. United States forces involved in the airlift were not introduced into hostilities or into any situation where their "imminent involvement in hostities [was] clearly indicated by the circumstances", and were not equipped for combat.

That conclusion is not altered by section 8(c) of the War Powers Resolution, which provides as follows:

"For purposes of this joint resolution, the term 'introduction of United States Armed Forces' includes the assignment of members of such armed forces to command, coordinate, participate in the movement of, or accompany the regular or irregular military forces of any foreign country or government when such military forces are engaged, or there exists an imminent threat that such forces will become engaged, in hostilities."

The purpose of the provision which later became section 8(c) was described as follows by Senator Javits in the Senate debate of July 18, 1973:

"The purpose of this provision is to prevent secret, unauthorized military support activities and to prevent a repetition of many of the most controversial and regrettable actions in Indochina. The ever deepening ground combat involvement of the United States in South Vietnam began with the assignment of U.S. 'advisors' to accompany South Vietnamese units on combat patrols; and in Laos, secretly and without congressional authorization, U.S. 'advisors' were deeply engaged in the war in northern Laos." 119 Cong. Rec. 24541, 93rd Cong., 1st Sess.

The same explanation was given in the report of Senate Foreign Relations Committee. S. Rept. No. 220, 93rd Cong., 1st Sess., (1973).

The effect of section 8(c) is that the War Powers Resolution applies to United States Forces participating in the movement of or accompanying foreign military forces when the foreign forces are, or there exists an imminent threat that such forces will become, engaged in hostilities; but the Resolution is not applicable to United States participation with or accompaniment of foreign forces occurring when the foreign forces are not, and do not face an imminent threat of becoming, engaged in hostilities. Section 8(c) does not change the Resolution's requirement of a report to Congress when United States (not foreign) personnel are introduced into hostilities or into situations indicating imminent involvement in hostilities; its purpose is to clarify that the Resolution encompasses such introductions of United States personnel occurring when accompanying or participating with foreign forces engaged in or threatened with hostilities.

Since the Zaire airlift deposited the airlifted foreign forces in secure areas far from a combat zone, the airlift was not brought within the Resolution by section 8(c) because the United States forces involved in the airlift did not participate in movement of or accompany the airlifted foreign forces "when such military forces [were] engaged, or there exist[ed] an imminent threat that such forces will become engaged, in hostilities."

Congress in enacting the War Powers Resolution desired to assure that it would be informed, and given an opportunity to act, whenever United States forces are introduced into situations of actual or imminent hostilities. The Zaire airlift, a limited operation that did not present any threat of United States involvement in hostilities, was not such a situation, and the Resolution did not apply to it.

HEBERT J. HANSELL,
Legal Adviser.

WASHINGTON, D.C., *June 27, 1978.*

Hon. HERBERT J. HANSELL,
The Legal Advisor,
Department of State,
Washington, D.C.

DEAR MR. HANSELL: Thank you for your letter dated June 20, 1978 enclosing a memorandum explaining the legal reasoning of the Administration in deciding that a report to the Congress concerning the Zaire airlift was not required under the War Powers Resolution.

I have read your memorandum carefully and have noted that you gave consideration to the interrelationship between Section 8 (c) and Section 4 (a). The question is important and I would have resolved the doubt in favor, at least, of consultation under Section 3.

I have taken note of your description of the landing area for the airlift as being "secure areas", and as being "more than 100 miles from the site of hostilities at Kolwezi." I would hope that those in the Administration charged with legal interpretations of the applicability of the War Powers Resolution will not, as a matter of precedent and practice, apply mechanical "distance" formulae, and that some agreed guidelines will be developed if the criteria of "secure areas" is to be used as a yardstick for legal interpretation of the law's applicability.

Finally, I would like to suggest that the Administration in the future should apply a more expansive reading to the consultation requirements in Section 3. I do not believe that there would be any necessary inconsistency in deciding that consultations are called for under Section 3 even though a report in a given case may not turn out to be required under Section 4 (a), read in conjunction with Section 8 (c).

With best regards,

Sincerely,

JACOB K. JAVITS,
U.S. Senator.●

LT. COMDR. THOMAS PATRICK ANDERSON, USN

● Mr. HATCH. Mr. President, a young naval aviator lost his life in the line of duty in the Mediterranean last week. In the course of naval operations which involve flying high performance aircraft from the decks of aircraft carriers in all kinds of weather over the oceans of the world, it is sadly inevitable that men who represent the finest and best of our country make sacrifices which are part of the hazards of their profession.

Lt. Comdr. Thomas Patrick Anderson, U.S. Navy, made that sacrifice a week ago when his aircraft plunged into the sea during a dive-bombing exercise designed to maintain the high state of readiness of the forward-deployed U.S. 6th Fleet. In choosing the demanding profession of naval aviator, Commander Anderson added to a distinguished family tradition established by his father, brother, and three other members of his family. His father, Adm. George Anderson, is a former commander of the 6th Fleet and retired from the Navy after a distinguished appointment as Chief of Naval Operations.

Commander Anderson established during his naval career an impressive and heroic record which, in brief recounting, will clearly show the kind of man and the kind of American he was. A veteran of 200 combat missions, he held the Silver Star, Distinguished Flying Cross, 19 Air Medals, three awards of the Navy United Commendation and two awards of the Vietnamese Cross of Gallantry. The capability, skill, and courage which are reflected by these high military decorations are some of our greatest national assets. There is no form of financial compensation which can be paid to a man for undertaking the mortal danger and personal sacrifice willingly undertaken by Thomas Patrick Anderson as part of his profession. The rewards of service which involve such great risk, and which contribute so very much to

the security and continued existence of a free America, are found deep within the men who take such great responsibilities upon themselves. They are men we can point out to our children as worthy of example, and who we can remember ourselves as upholding the most cherished traditions of service to country and the freedom of mankind. As do his family, friends, and shipmates we grieve the loss of Commander Anderson. In his young life, he has given more to our country than most of our countrymen will ever be asked to give. So long as our Nation produces men of such high values, courage, and dedication, I am confident that the ideals which our country represents and which all Americans hold so dear will survive and prosper.●

S. 1874—THE ANTITRUST ENFORCEMENT ACT OF 1978

● Mr. LAXALT. Mr. President, on May 25, 1978, the Judiciary Committee reported S. 1874, the so-called Antitrust Enforcement Act of 1978, by a 9-to-7 margin. I opposed the bill in the committee because, although I believed its supporters were well intentioned, it was apparent that the adverse consequences of the legislation, particularly relating to the small businessman, would far outweigh its benefits. In a nutshell, the intent of the bill is to permit indirect purchasers as well as direct purchasers to sue antitrust violators in Federal court, and to once again permit the so-called pass-on defense. The bill has the effect of overturning two U.S. Supreme Court cases, the case of *Illinois Brick Co.* v. *Illinois* 431 U.S. 720 (1977), and *Hanover Shoe Inc.* v. *United Machinery Corp.*, 382 U.S. 481 (1968).

When S. 1874 was first introduced in July of 1977, I agreed with the concept which the drafters of the bill were trying to achieve, believing that if certain undesirable consequences of the bill could be eliminated, passage would enhance antitrust enforcement generally and would give plaintiffs who had ostensibly been injured by antitrust violators at least the opportunity to prove their case in court. The process in finally determining that I had to oppose the bill was both difficult and disappointing, since I concluded that the undesirable consequences which the bill seemed to create could not be resolved.

In March of this year, before the additional hearings were held but after the date for final markup had been set, I sent a letter to the other members of the Judiciary Committee expressing to them some of the concerns that I had regarding the passage of S. 1874. I pointed out that as I studied the implications of the bill more fully, I became increasingly concerned about the attempt to legislate an area as difficult as this, and realized that there is a great deal of inherent wisdom in our system of common law.

I pointed out further that I realized that the courts are much better able to decide questions such as this than are we as legislators, particularly because of their expertise in law and their ability to listen to legal arguments, read legal briefs, and particularly have the time to carefully examine the facts presented to them. I concluded that letter by saying that it may well be that this problem, aside from preserving parens patriae, might not be susceptible to legislative solution, and that perhaps we should leave the problem to the courts to decide on a case-by-case basis.

Various of my colleagues on the committee and I, and our respective staffs, attempted to find ways in which we could permit indirect purchasers to sue while still limiting some of the adverse impact heretofore set forth. We examined many different proposals, including amending the bill to only overrule Illinois Brick and to allow Hanover Shoe to stand, amending the bill to limit class actions to cases where significant relief was probable, amending the bill to limit indirect cases to those involving aggregate purchases exceeding $10,000 by the plaintiff, and amending the bill to limit indirect cases to those where plaintiffs had purchased goods which remain in the same form as they were in when sold by the defendant. Each of those proposals, however, seemed to carry with it more problems than it solved, and as uncomfortable as I was with the Illinois Brick case itself, I felt that any of the conceivable solutions which had been proposed was worse than allowing Illinois Brick to stand.

We also carefully examined the legislative proposals and report of the American Bar Association's antitrust section task force on legislative alternatives to the Illinois Brick case. That task force was specially set up to deal with the Illinois Brick problem, and resulted in a minority and majority report, together with two different legislative proposals. The legislation drafted by the ABA task force is very complex, and in essence attempting to find a way to bring all possible parties, both direct and indirect purchasers, together into one forum at one time, so that all the disputes could be resolved by one judge and at the same time. Finally, after reviewing their own proposals, the task force adopted the following resolution:

> The reports of the Task Force do not provide a workable solution to the considerations of judicial administration which we believe caused the Supreme Court to decide Illinois Brick in the way it did, and the efforts of the Task Force demonstrate that such a workable solution is not apparent.

I thus concluded that all of the proposed solutions were worse than the problems we were trying to solve and that passage of S. 1874 would be premature and ill-advised. Instead, this issue should be decided by the courts, and in fact is apparently being decided by the courts already on a case-by-case basis.

When this bill comes to the Senate floor I will actively work for its defeat.●

U.S. FOREIGN POLICY

● Mr. HART. Mr. President, I wish to explain briefly why I voted against the State Department authorization bill yesterday.

My vote was a protest against a number of amendments attached to the bill during its passage. It was not a vote against the Department of State which does a commendable job of carrying out U.S. foreign policy in a difficult world. Nor was it a vote against the administration's foreign policy, which I support to the degree possible consistent with my own strong convictions.

Frankly, I cannot comprehend nor can I support the way in which the Senate casually legislated foreign policy while passing the State Department bill. Prohibiting diplomatic, trade, or aid relations with certain countries and mandating the severance of relations with others are foreign policy acts of great magnitude with major consequences for our entire foreign policy.

For example, how can we demand that the President end all relations with Cuba, including the withdrawal of our interest sections when no hearings at all were held on this question? Is our Government not best served by its ability to pursue directly with the Castro government matters such as the reunification of families, protests over Cuban action in Africa, the freeing of American crews that stray into Cuban air and sea space, and the like?

I believe we commit a grave mistake when we do not permit measures, such as breaking all ties with Cuba, to receive the close scrutiny of the Foreign Relations Committee where all their consequences can be fully considered before they are brought to the floor of the Senate.

In good conscience I could not vote for a bill which contained so many ill-considered matters.●

THE LAW OF CRIMINAL PROCEDURE

● Mr. HATCH. Mr. President, the law of criminal procedure, as it has emerged in the past 20 years, now surrounds the accused criminal with a shield of procedural safeguards. These procedures, among which are those requiring police to obtain search and arrest warrants, prohibiting the admission of illegally seized evidence, and endowing the accused the right to hear the now famous "Miranda Warning," insure that all American citizens enjoy the full benefits and privileges accorded them in the 4th, 5th, 6th, 7th, 8th, and 14th amendments. Because of the nature of the criminal sanction, resulting in the near-complete suppression of the convicted felon's civil liberties and freedom—and in some cases the taking of his very life, it is absolutely crucial that the criminal procedural safeguards be continually and conscientiously enforced.

Mr. George H. Spencer, in an editorial published in the June 28 edition of the Washington Post, has brought to light a completely unacceptable situation in this regard. I think the article illustrates the results of the lack of continued vigilance in this important area.

The editorial describes the conviction for murder of an accused felon. Prior to the sentencing hearing, and in the privacy of his own prison cell, the convict solicited the murder of his own wife from a man who he thought was an attorney.

Only at the sentencing hearing did the felon learn that the man in whom he had confided was not a lawyer, but a deliberately placed disguised police officer.

That the murder and the solicitation to kill were reprehensible actions, there can be no doubt. But I am disturbed, as I am sure my colleagues in the Senate will be, that the policeman's masquerade was neither condemned nor censured by the presiding judge. I cannot too strongly condemn these types of deceptive practices which clearly invade, at least, the attorney-client privilege, if not other guaranteed rights. I would hope that this body would consider appropriate steps to protect these constitutional guarantees. I request that Mr. Spencer's editorial be printed in the RECORD.

The editorial follows:

[From the Washington Post, June 28, 1978]

WHEN POLICEMEN MASQUERADE AS LAWYERS

(By George H. Spencer)

The Washington Post recently reported that an inmate in the Prince George's County detention center offered a policeman $40,000 to kill the inmate's wife. This solicitation took place when the officer visited the inmate. The story does not say whether the officer was in uniform at the time, but I'm inclined to doubt it because he told the inmate that he was a lawyer. A few days later, the inmate was in court—he was being sentenced to prison for life for a previous murder—and it was there that he learned that the supposed attorney was a captain in the Maryland State Police. This time there was no disguise: the prosecutor introduced the captain and told the court that the officer had been posing as an attorney. Very clever of the captain—and no one seemed to find anything wrong with the play-acting.

Murder is bad; solicitation for murder is bad. But what is also not exactly good is a police officer's posing as a lawyer when he visits an inmate in jail. I'm not expressing sympathy for someone who solicits someone else to commit murder and then finds that the person to whom he has been talking is a policeman. I am, however, aghast at finding that apparently no one found anything wrong about a policeman's seeking to obtain information from a prisoner by posing as a lawyer. I doubt whether the police officer expected to be solicited to murder someone, but why did he pose as a lawyer in the first place? Did he expect to learn things from the inmate that the inmate would not have told to anyone other than his lawyer?

It is difficult to believe that the incident is the first and only time a policeman has held himself out as a lawyer to ingratiate himself with an inmate, and it doesn't take much imagination to think how easily the rights of someone in jail can be violated by this artifice. Obviously, a prisoner, and especially a not particularly sophisticated prisoner, can easily be hoodwinked into believing that a reasonably well-dressed person who makes the right sounds is a lawyer. So the prisoner is set up to confide to the sham lawyer. The encounter not only demolishes the protection afforded to one seeking right to counsel; it also opens up a Pandora's box of possible other violations of the prisoner's rights.

Policemen have, since time immemorial, sought to obtain information from those in their power. Physical force and clever and even tricky questioning are nothing new. Brutality is now officially discouraged, at least in this country, and while we appear to have passed the high-water mark insofar as the rights of an accused are concerned, there are still many rules that the police must observe, many points beyond which they may not go, and many rights that they must respect. One of those rights is the accused's right to counsel, and to make it possible for the accused to avail himself of that right, he has to know when he is talking to a lawyer. If the police pose as lawyers, even those prisoners who wish to communicate freely with their lawyers will hesitate to do so, for they will never know whether they're speaking to the real thing or whether their confidences will be betrayed. When a police officer elicits information from a prisoner by posing as an attorney, able to receive in confidence the prisoner's side of a story, he makes a mockery of the judicial process, for how is a prisoner to protect himself against phony lawyers, particularly when the tactic appears to be sanctioned by the police, the prosecutors, the courts?

There is, of course, nothing wrong with the police collecting information by any constitutional means. However, improper searches and seizures and forced confessions have no place in a free society, nor do we yet approve searching a prisoner's mind by drugging him with a "truth serum." But if a police officer poses as an attorney for the purpose of tricking a prisoner into confiding otherwise privileged information—that is nothing but another form of a mind search, which, I believe, is just as reprehensible as any other illegal search.

When you get right down to it, letting a police officer masquerade as a lawyer is in the same league as bugging the cell in which the prisoner talks to his real lawyer. Fortunately, that practice has been outlawed, and it's high-time that the cop-as-counsel act likewise disappears.

Of course, I hope it won't be replaced by the cop-as-clergyman or cop-as-shrink act.●

EDUCATION DAY, U.S.A.

● Mr. PELL. Mr. President, on April 13, of this year, Congress passed and sent to the President House Joint Resolution 770, authorizing the President to issue a proclamation designating April 18, 1978 as "Education Day, U.S.A." On April 17, President Carter issued the proclamation called for by House Joint Resolution 770.

House Joint Resolution 770 was cosponsored by 220 Members of the House, and I was pleased to introduce a companion measure in the Senate on April 6, Senate Joint Resolution 125, along with my colleagues Senators KENNEDY and WILLIAMS. In addition to honoring the importance of education to America and its citizens, this resolution marked the 76th birthday of a world leader of Jewry and a force for education throughout the world, Rabbi Menachem M. Schneerson. Rabbi Schneerson heads the worldwide Lubavitch Hasidic Movement which has its headquarters in Brooklyn, N.Y., and which also conducts educational activities at more than 60 centers in 28 States and 20 foreign countries.

More than 100 representatives of the Lubavitch Movement from all over the United States came to Washington April 17, for a joyous reception with Members of the House and Senate in the House caucus room to celebrate passage of House Joint Resolution 770. Vice President MONDALE served as chairman of this memorable gathering and celebration. The Vice President opened his remarks to the gathering by saying:

I am delighted to join in the two joyous occasions which bring us together today, the Lubavitcher Rebbe's 76th birthday and the resolution proclaimed officially by the Congress proclaiming Education, U.S.A. It is fitting that Education Day be proclaimed on the birthday of Rabbi Schneerson, who is a great Talmuldic scholar dedicated to the education of Jewish people throughout the world.

The Honorable Robert J. Lipshutz, Counsel to the President, brought the good wishes of President Carter to the gathering.

Following are the text of House Joint Resolution 770 and excerpts from an address of Rabbi Schneerson in which he responded to the passage of House Joint Resolution 770 by the Congress.

I submit these items for the RECORD.

The material follows:

H.J. RES. 770

Whereas the Congress recognizes a need for the Nation to set aside on the calendar a day devoted to the importance of education to the lives of its citizens and to the general well-being of the Nation; and

Whereas the Lubavitch Movement, which conducts educational activities at more than sixty centers in twenty-eight States as well as around the world, is especially committed to the advancement of education and has proposed the establishment of an "Education Day, U.S.A."; and

Whereas world Jewry marked in 1977 the seventy-fifth birthday of the revered and renowned Jewish leader, the head of the worldwide Lubavitch Movement, Rabbi Menachem Mendel Schneerson, who proclaimed on that occasion a "Year of Education"; and

Whereas the seventy-sixth birthday of this celebrated spiritual leader will occur on April 18, 1978, thus concluding the year of Lubavitch Movement activities dedicated to the "Year of Education" and the Lubavitcher Rebbe's milestone birthday: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating April 18, 1978, as "Education Day, U.S.A.".

EXCERPTS FROM ADDRESS BY RABBI MENACHEM M. SCHNEERSON

On this auspicious occasion, in the month of Nissan and on the eve of the Festival of Pesach, the Festival of Liberation, it is particularly pertinent to begin with an expression of gratitude to the Almighty for His infinite kindnesses to each and all of us gathered here, and elsewhere in many places in various parts of the world.

Indeed, Hakoras ha-tov—recognition and appreciation of any kindness or benevolence, whether it is received directly from G-d or through the agency of a fellow human being—is one of the basic teachings of the Torah. It is also the underlying basis of many of the Divine precepts of the Torah, beginning with the first of the Ten Commandments ("I am the L-rd thy G-d, who brought thee out of the land of Egypt, from the house of bondage"), and including such an elementary obligation as "Honor thy father and thy mother."

In honoring one's parents, one must remember to honor also, and especially the third "partner," namely, our Heavenly Father, who not only gives life to the newborn child, but also to the other two partners, the child's parents. And if honoring one's parents means gratifying their wishes and making them justly proud of their offspring, how much more so it is incumbent upon everyone to order one's daily life and conduct in accord with the Divine Will. Hence the rule, "Know Him in all your ways" (Prov. 3:6), meaning that awareness of G-d

must pervade every aspect and detail of the everyday life. Maimonides, Code, Section De'ot 3:3)

All our festivals, beginning with Pesach, commemorating the liberation of our people from bondage to Pharoah, and the prelude to our receiving the Torah at Sinai, giving us also true freedom spiritually, are occasions for expressing our gratitude to G-d. So are many precepts in the Torah—such as Bikkurim, the offering of the First Fruits, as well as tithes and gifts to the poor, etc. expressions of our gratitude to G-d for His benevolence and bounties.

In keeping with the principle of Hakoras ha-tov I wish to express my appreciation and gratitude to all the wellwishers who came to participate in this gathering and in similar gatherings in various parts of the United States, especially in the Nation's Capital, as well as overseas; no less also to all those who were kind enough to send me messages of greeting and blessing on the occasion of my birthday.

I gratefully acknowledge all these felicitations as expressions of affinity with the movements which I am privileged to head, and as tributes to it in recognition of its services to the lands and peoples hosting its educational, cultural and philanthropic institutions.

Mindful of the exhortation, "Seek the peace of the city (and land) whither I have caused you to be exiled, and pray unto the L-rd for it; for in the peace thereof shall you have peace" (Jer. 29:7), we are particularly grateful for the freedom and conducive atmosphere prevailing in these great and blessed United States where my revered predecessor, my father-in-law of saintly memory, transplanted the headquarters of our movement in 1940, under whose leadership, in the last decade of his dedicated life, the movement took root and flourished, and has borne fruits and fruits of fruits, "like a spring flowing with ever-growing vigor."

I heartily reciprocate all the good wishes in the words of our Sages, "He who blesses others is blessed by G-d Himself in a most generous measure" (Talmud B. Sotah 38b; Yerushalmi, Ber. 8:5)—in accordance with the Divine blessing to our Patriarch Abraham, "I will bless them that bless thee" (Gen. 12:3)

"EDUCATION DAY, U.S.A."

Most deserving of our very profound appreciation is one of the most meaningful actions by the U.S. Congress who, in a joint resolution, carried by a two-thirds majority in the House of Representatives and by unanimous vote in the Senate, authorized and requested the President of the United States to proclaim this day as "Education Day, USA," which the President graciously signed into law.

While the timing of this action was conceived as a tribute to our movement, which sees in education the cornerstone not only of Jewish life, but of humanity at large, and has been dedicated to this vital cause ever since its inception more than two hundred years ago—it is a fitting and timely tribute to the cause of education in general, focusing attention on what is surely one of the Nation's top priorities.

Moreover, this enactment by the U.S. Congress and after that by the President of the United States gives it the force of dina d'malchusa, "Law of the Government," which, according to the Halacha (Jewish Law), becomes part of the Jewish Law. [Shulchan Aruch (Code of Jewish Law) Part 4, chapter 369, Para. 2, 7, 8, 9].

It is fitting indeed that the U.S.A. has shown, through a forceful example, to the world that it places education among its foremost priorities. It is also to be hoped that "Education Day" will become a permanent institution, especially since, by reason of the pervasive nature of education, it would lend further significance to other "Days" such as Father's Day and Mother's Day and similar institutions which have become part of American life.

The proclamation of "Education Day, USA" is of extraordinary significance in impressing upon all citizens the importance of education, both in their own lives as well as, and even more so, for the young generation in the formative years—particularly in the present day and age.

IN RETROSPECT AND PROSPECT

We have now concluded the "Year of Education" proclaimed last year on this day. This calls for review and introspection. In all humility we can say that with G-d's help it has been a very successful year for education, with the addition of numerous educational facilities on all levels in the U.S.A. and in many parts of the world; a substantially increased enrollment; and upgrading the quality of education. However, needless to say, as long as there is still one child that does not receive an adequate education, we can neither be satisfied nor slacken our efforts. On the contrary, the successful "Education Campaign" should spur us to even greater efforts in the ensuing year. It is human nature that ambition grows with achievement. If this is so in regard to material riches, how much more so in regard to real and eternal values. Moreover, since this trait of the human nature to strive for ever greater spiritual advancement has been given to every human being by the Creator, as a commendable factor, it is self understood that the Creator provides, at the same time, the capability and opportunities to translate it into tangible results, for "G-d requests of people only according to their powers (that He has given them)" (Midrash Bamidbar 13:3). Thus, in the final analysis, it is mainly a matter of one's own will and determination. And let no one be satisfied with just a little greater effort for the cause of education, but—in keeping fully with human nature as cited above—double and redouble one's efforts for so vital a cause.

Education, in general, should not be limited to the acquisition of knowledge and preparation for a career, or, in common parlance, "to make a better living." And we must think in terms of a "better living" not only for the individual, but also for the society as a whole. The educational system must, therefore, pay more attention, indeed the main attention, to the building of character, with emphasis on moral and ethical values. (Need one be reminded of what happened in our own lifetime in a country that ranked among the foremost in science, technology, philosophy, etc.?)

Education must put greater emphasis on the promotion of fundamental human rights and obligations of justice and morality, which are the basis of any human society, if it is to be truly human and not turn into a jungle.

"FOREIGN AID" TO EDUCATION

The United States of America has a long-standing policy of foreign aid to developing countries, through direct grants and through U.N. agencies. Economic aid to foreign countries includes also cultural aid for the promotion and support of cultural programs, etc.

It is generally recognized—at any rate among the free and democratic nations—that each nation is a member of the Family of nations, and all must live together in "one world"—which is like one organism. When any part of an organism ails, it affects the whole body; strengthening any part of the body, strengthens the whole.

The record of this Nation's foreign aid is unexcelled in the annals of history—which is as it should be for a Nation so generously blessed by the Almighty. One would wish, however, for more affirmative action in the area of cultural, particularly educational programs.

Economic aid given to a developing country is meant to be used most efficiently and productively. While the conditions attached to such aid must necessarily be limited and circumspect, there are certain conditions which are considered prerequisites. To cite a recent example, President Carter has taken a courageous stand on Human Rights, dismissing the notion that it is an "internal matter," and he has made it also a condition of Foreign Aid. It is to the President's credit that he has not only raised this issue, but has succeeded in arousing the world's "interest" in behalf of this cause. "Unofficially," however, there is a great deal more that the U.S. government can do to make foreign aid even more productive.

This Nation, with a healthy intuition, indeed, conviction, recognizes that its economic system must not be based on crass materialism. Nothing expresses this idea more eloquently and forcefully than the motto on the American Dollar—"In God We Trust."

In giving out billions of dollars in foreign aid, many discreet ways can be found to have the beneficiaries take a look and ponder on this inscription, with a view to encouraging them to recognize the importance of Trust in G-d, of appropriate education, with particular emphasis on moral values and general humanitarian principles, as mentioned above.

Carrying this train of thought further brings us also to the question of military aid.

Ideally, education should lead to a world state where "Nation shall not lift up sword against Nation, neither shall they train for war" (Isaiah 2:4). Until such an ideal state is reached, there will be a need—in the Nation's own interest—to provide friendly, democratic nations with military aid for self-defense, but not to provide military aid to nations that will use it to start war. It would surely be in the best interests of those countries themselves, as well as of the United States and the world at large, if, instead, goodwill and benevolence towards them were expressed in terms of economic and cultural aid, to help them raise a new generation free from hatred and violence and bent on channeling their youthful energies and ambitions towards all that is good, good for them and for their countries, and for the common good of humanity, both materially and spiritually.

In light of all that has been said above, it is most gratifying indeed that President Carter, Vice-President Mondale, and the eminent members of the United States Congress, G-d bless each and all of them, have thoughtfully and graciously initiated and associated themselves with the Proclamation of "Education Day, U.S.A." It augurs well for the vital cause of education in the United States. It will, we hope and pray, also have a beneficial impact on education in all countries which look up to the United States of America for leadership and inspiration in all vital matters that transcend national boundaries, and conduce to a better human society and a better world.●

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. CHILES). The Chair on behalf of the Vice President appoints the following Senator as a congressional adviser to the SALT talks in Geneva for 1978: The Senator from Iowa (Mr. CULVER).

The Chair, on behalf of the Vice President appoints the following Senators to the delegation to the U.S.S.R. parlia-

mentary visit in Moscow, November 1978: The Senator from Connecticut (Mr. RIBICOFF) chairman and the Senator from Oklahoma (Mr. BELLMON) vice chairman.

ORDER FOR EXTENSION OF REFERRAL

Mr. HARRY F. BYRD, JR. Mr. President, the unanimous-consent request I am about to make has been cleared with the majority leader, the minority leader, the Senator from Indiana (Mr. BAYH) of the Intelligence Committee, Senator GOLDWATER, and Senator STENNIS.

I ask unanimous consent that the referral of S. 2939, the intelligence authorization bill, now before the Armed Services Committee, be continued in that committee for another 10 days that the Senate is in session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR EXTENSION OF TIME TO REPORT S. 2640

Mr. ROBERT C. BYRD. Mr. President, on behalf of Senator RIBICOFF, I ask unanimous consent that the Governmental Affairs Committee have until 4 p.m. tomorrow to report the bill S. 2640, and until 4 p.m. on July 10 to file the report thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, this request having been cleared with the distinguished minority leader and other Senators, that at such time as the following bills are called up, there be the following time agreements:

On Calendar No. 754, S. 2617, the domestic volunteer service authorization, 1 hour on the bill, to be equally divided between and controlled by Mr. CRANSTON and Mr. JAVITS, 30 minutes on any amendment, and 15 minutes on any debatable motion, appeal, or point of order, if such is submitted to the Senate; and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on S. 3085, the child nutrition bill, there be a time limitation of 2 hours, to be equally divided between and controlled by Mr. MCGOVERN and Mr. DOLE, with 30 minutes on any amendment, and 15 minutes on any debatable motion, appeal, or point of order, if such is submitted to the Senate; and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Calendar Order No 768, S. 2534, dealing with health maintenance organizations, there be a time limitation of 1 hour on the bill, to be equally divided between and controlled by Mr. KENNEDY and Mr. SCHWEIKER, with a limitation of 30 minutes on any amendment, and 15 minutes on any debatable motion, appeal, or point of order if such is submitted to the Senate; and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that on Calendar No. 726, H.R. 2777, the consumer co-op bank bill, there be a limitation of 2 hours on the bill, to be equally divided between and controlled by Mr. MCINTYRE and Mr. TOWER, with 1 hour on any amendment in the first degree, except that there be a limitation of 2 hours on an amendment by Mr. TOWER, and a limitation of 30 minutes on any amendment in the second degree, debatable motion, or point of order, if such is submitted to the Senate; and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. On Calendar Order No. 801, S. 3084, the housing authorization bill, I ask unanimous consent that there be a time limitation of 4 hours on the bill, to be equally divided between and controlled by Mr. PROXMIRE and Mr. BROOKE, with a limitation of 1 hour on any amendment in the first degree and 30 minutes on any amendment in the second degree, debatable motion, appeal, or point of order, if such is submitted to the Senate, except for a limitation of 2 hours on an amendment to be offered by either Mr. PROXMIRE, Mr. MUSKIE, or Mr. CHILES; and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, I rise only to ask the majority leader if it is intended that these bills be sequenced in the order of procedure of the Senate following the four bills on which a sequence was ordered on yesterday.

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. And if the majority leader intends to include that in his request.

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. I thank the majority leader. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that following S. 2899, the endangered species bill, on which a sequence was established yesterday with respect to other measures, that being the last in the sequence, the Senate proceed, in sequence, to the consideration of the following measures: Calendar No. 754, S. 2617; S. 3085; Calendar No. 768, S. 2534; Calendar No. 726, H.R. 2777; and Calendar No. 801, S. 3084.

The PRESIDING OFFICER. Without objection, it is so ordered.

The texts of the agreements follow:

Ordered, That when the Senate proceeds to the consideration of S. 2617 (Order No. 754), a bill to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, to amend such act to facilitate the improvement of programs carried out thereunder, and for other purposes, debate on any amendment shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill, and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 15 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided,* That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the bill, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the Senator from California (Mr. CRANSTON) and the Senator from New York (Mr. JAVITS): *Provided,* That the Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

Ordered, That when the Senate proceeds to the consideration of S. 3085 (Order No.), the so-called Child Nutrition Amendments, debate on any amendment shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill, and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 15 minutes, to be equally divided and controlled, by the mover of such and the manager of the bill: *Provided,* That in the event the manager of the bill is in favor of any amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from South Dakota (Mr. MCGOVERN) and the Senator from Kansas (Mr. DOLE): *Provided,* That the Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

Ordered, That when the Senate proceeds to the consideration of S. 2534 (Order No. 768), a bill to revise and extend the provisions of title XIII of the Public Health Service Act relating to health maintenance organizations, debate on any amendment shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill, and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 15 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided,* That in the event the manager of the bill is in favor of any amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the bill, debate shall be

limited to 1 hour, to be equally divided and controlled, respectively, by the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Pennsylvania (Mr. SCHWEIKER): *Provided,* That the Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

Ordered, That when the Senate proceeds to the consideration of H.R. 2777 (Order No. 726), an act to provide for consumers a further means of minimizing the impact of inflation and economic depression by narrowing the price spread between costs to the producers and the consumer of needed goods, services, facilities, and commodities through the development and funding of specialized credit sources for, and technical assistance to, self-help, not-for-profit cooperatives, and for other purposes, debate on any amendment in the first degree (except on to be offered by the Senator from Texas (Mr. TOWER), on which there shall be 2 hours) shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill, and debate on any amendment in the second degree, debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided,* That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from New Hampshire (Mr. MCINTYRE) and the Senator from Texas (Mr. TOWER): *Provided,* That the Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

Ordered, That when the Senate proceeds to the consideration of S. 3084 (Order No. 801), a bill to amend and extend certain Federal laws relating to housing, community, and neighborhood development and preservation, and related programs, and for other purposes, debate on any amendment in the first degree (except an amendment to be offered either by Senator PROXMIRE, Senator MUSKIE, or Senator CHILES, on which there shall be 2 hours) shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill, and debate on any amendment in the second degree, debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided,* That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the bill, debate shall be limited to 4 hours, to be equally divided and controlled, respectively, by the Senator from Wisconsin (Mr. PROXMIRE) and the Senator from Massachusetts (Mr. BROOKE): *Provided,* That the Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

HUMAN RIGHTS VIOLATIONS IN PARAGUAY UNDERSCORE NEED FOR THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, during the past few weeks, it has been gratifying to observe this Government's renewed concern about human rights violations throughout the world.

On this floor, several of my distinguished colleagues have recently expressed their own outrage, and the outrage of all Americans, at the ongoing atrocities in Cambodia and Uganda.

A month ago, legislation was introduced in the House calling for an American trade embargo against Uganda.

Finally, last week, President Carter reemphasized his strong commitment to human rights in an address before the foreign ministers of Latin America at the annual meeting of the Organization of American States.

The attention paid to the situation in Uganda and Cambodia has received much publicity, and justifiably so. Reports have been streaming in from those two nations indicating mass murder on a gigantic scale.

President Carter's speech, however, provided a necessary reminder that Uganda and Cambodia have by no means a monopoly on genocidal acts. Amid all the recent publicity generated by Idi Amin and the Khmer Rouge, many people have neglected to investigate the human rights violations that are a daily occurrence in parts of Latin America.

One Latin American nation has been particularly successful in eluding public scrutiny. Mr. President, I am speaking about Paraguay, a place we would do well to examine more closely in the future. It is one of the least known and most impoverished countries in the Western Hemisphere, whose biggest claim to fame may be its reputation as one of the world's best protected sanctuaries for Nazi war criminals.

But there is another, even more sinister dimension of life in Paraguay. It consists of the systematic destruction of gentle Indian tribes to clear the way for various high-priced construction projects.

The most glaring example of this kind involves the construction of an all-weather road across the country's forested northeast to the Brazilian border. To clear the land for this project, the corrupt government of Gen. Alfredo Stroessner is systematically killing off the peaceful Ache Indians, native inhabitants who are said to "stand in the way of progress" by continuing to live in their traditional villages.

According to Prof. Richard Arens, author of "Genocide in Paraguay," who visited there last year:

As a matter of official policy the Ache have been hunted like animals; the survivors of these manhunts have been sold into slavery or forced onto reservations. Anthropologists agree that the Ache, now numbering less than 1,000, are on the verge of extinction.

Mr. President, hardly a day passes without more evidence of the genocide that is being suffered in various parts of the world. I certainly think it is high time we not only call attention to these horrors, but punish them as well. The Genocide Convention, one of the first documents adopted by the United Nations General Assembly in 1948, makes such crimes punishable under international law.

Thirty years later, however, the United States still has failed to ratify the Convention. We are the only major nation, except the People's Republic of China, that has not joined in condemning the heinous crime of genocide. In fact, all of our major NATO and SEATO allies have acceded to the treaty. We stand alone among free Western nations.

Today, contradictions within the Carter human rights policy continually undermine our diplomacy. Last September, for example, the President gave General Stroessner a place of honor as senior Latin American head of state at the White House celebration marking the signing of the Panama Canal treaties.

We cannot allow such contradictions to persist. We cannot continue to behave like moral hypocrites. We can make a change. We can ratify the Genocide Convention without delay.

Mr. President. I yield the floor.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

AUTHORIZATION TO RECEIVE MESSAGES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to receive messages from the other body and the President during the holiday, and that they may be appropriately referred, and that the Vice President, President pro tempore, and the Acting President pro tempore be authorized to sign all duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL MONDAY, JULY 10, 1978, AT 11 A.M.

Mr. ROBERT C. BYRD. Mr. President, I move, in accordance with the provisions of House Concurrent Resolution 654, as amended, that the Senate stand in recess until the hour of 11 o'clock a.m. on Monday, July 10, 1978.

The motion was agreed to; and at 3:56 p.m. the Senate recessed until Monday, July 10, 1978, at 11 a.m.

EXTENSIONS OF REMARKS

CONVICTION OF VLADIMIR SLEPAK AND IDA NUDEL

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. WAXMAN. Mr. Speaker, the conviction of Vladimir Slepak and Ida Nudel on June 21 is the latest Soviet outrage in its campaign to utterly destroy the Soviet Jewish refusenik movement. Vladimir Slepak, a chemical engineer, and his wife, Maria, had waited longer—8 years—than any other Soviet citizens to emigrate. Ida Nudel's application had been pending for 7 years. Maria, who is seriously ill with bleeding ulcers, will be placed on trial in the very near future. There is little doubt that she, too, will be sentenced to several years in internal exile in Siberia.

The Slepaks and Ida Nudel were arrested on June 1 when, out of desperation after having been refused permission to leave for so many years, they hung banners out of their windows demanding the right to emigrate. For this they were charged with "malicious hooliganism."

As with the trial of Yuri Orlov, the Slepak and Nudel trials were travesties of justice. They were conducted in complete secrecy. The courtrooms were closed to relatives and friends. Ida Nudel had to be forcibly carried inside. Vladimir Slepak was not permitted to either testify or present witnesses in his defense. The authorities turned a fire-hose on associates gathered outside. The sentences were unbelievably harsh: 5 years in Siberia for Slepak, 4 for Nudel.

The message from the courtrooms could not be clearer for those in the Soviet Union who wish to emigrate. The state is saying: "Your cause is hopeless; we will smash you."

The Soviet Government must not be permitted to act with impunity. Every fiber of our Government, all citizens who are concerned about freedom, must let the Soviets know that their conduct is barbarous and intolerable, that we view it with revulsion, and that we condemn it completely.

Although press accounts of the trial, by virtue of its secrecy, are sketchy, they graphically relate the nightmare in Moscow. They are attached for the benefit of my colleagues:

[From the Washington Post, June 22, 1978]

DISSIDENT GOT CARTER'S BACKING IN 1976—SLEPAK SENTENCED TO 5-YEAR EXILE

(By Kevin Klose)

Moscow—Vladimir Slepak, who for eight years sought to emigrate to Israel, was convicted of malicious hooliganism in a closed trial yesterday and sentenced to five years' exile in a remote region of the Soviet Union.

His struggle to obtain an exit visa has attracted wide attention abroad, including the first personal message of support Jimmy Carter sent to a Soviet dissident. Partly as a result of the notoriety, Slepak has emerged as a focal point of much of the Jewish activism both here and in the West.

The 50-year-old Slepak also was one of the founding members of the unofficial Helsinki committee in Moscow, a group attempting to monitor Soviet compliance with the human rights provisions of the 1975 Helsinki accord.

The prolonged plight of the Slepak family was publicly singled out by Carter as an example of human rights violations in the Soviet Union. On Oct. 21, 1976, Carter sent the following telegram to Slepak:

"I have read with great interest about the treatment you and some of your colleagues suffered recently. As you know, I have spoken out on this matter as governor and during this campaign and have referred to your case by name. I want you to know of my deep personal interest in the treatment that you and your colleagues receive."

But last week, when President Carter was asked at a news conference about his reaction to the June 1 arrest of Slepak and his wife, the president restated his general position without mentioning Slepak by name or addressing the specific issue of his arrest.

Another Jewish activist, Ida Nudel, was also tried and convicted yesterday in a separate court on charges of malicious hooliganism and sentenced to four years' internal exile.

It was not announced where the Slepaks and Nudel would be sent. Normally those convicted are sent to small, isolated hamlets in Siberia.

[In Washington, the State Department termed the sentences "unduly harsh and clearly incompatible with the letter and spirit of" the Helsinki accord and President Carter called it "a matter of serious concern."]

Observers here noted that both Slepak and Nudel could have received up to five years in prison on the charge. Hence yesterday's sentences, while not signaling any change in the Kremlin's crackdown on dissent, may nevertheless be seen as reflecting Moscow's intention to soften its image on the issue. Last month there was considerable international outcry over the maximum sentence of seven years in prison and five of internal exile handed down last month against Yuri Orlov, another key dissident figure.

Slepak and his wife, Maria, were arrested when they held up a large placard on the balcony of their apartment overlooking busy Gorky Street, the city's most fashionable shopping area a few blocks from the Kremlin. It took police more than an hour to break into the apartment and arrest the two.

Since the jailing last year of such key dissidents as Orlov, Alexander Ginzburg and Anatoli Scharansky, Slepak, an electronics engineer, has moved to the forefront of the struggling human rights movement here, contacting Western journalists about activists' press conferences and sometimes acting as an interpreter.

He himself is the son of an ardent Bolshevik who returned to Russia from the United States to fight for the Reds, in the Civil War after the revolution. Angered by his son's criticism of the regime, the father has disowned the son whom he named for Vladimir Lenin.

The trials of Ginzburg and Scharansky are expected to be held this summer. Arina Ginzburg said yesterday her husband is ill and she presumes this is the reason his trial in Kaluga on charges of anti-Soviet propaganda has not yet begun. Scharansky reportedly faces the capital crime of treason. The Soviets have accused him of having connections with the Central Intelligence Agency, a charge which Carter has personally denied.

Nudel, a 47-year-old economist, held a demonstration similar to the Slepaks' at her apartment in another part of Moscow the same day. She, too, was arrested but not held in pretrial detention. Mrs. Slepak, a 51-year-old physician, was arrested with her husband but later released and sent to a hospital for treatment of pancreatitis. She is still hospitalized and is to be tried later.

One of the couple's sons, Alexander, 26, emigrated to Israel last year. Another, Leonid, who also has applied to emigrate to Israel, has been in hiding since last November when he received a draft notice.

Yesterday's trials were barred to Western correspondents and a representative of the U.S. Embassy, First Secretary Raymond Smith, as well as to friends of the two defendants.

Nudel, being tried in a court in the Volgogradsky district of the city, refused to enter the courtroom without her friends. But she was eventually taken forcibly by police and plainclothesmen into the courtroom at the order of the presiding judge.

As Slepak was taken away by police following the trial, someone on the courthouse grounds turned a high-pressure hose on reporters and dissidents talking outside the building. The group was soaked but no one was hurt.

The official Soviet news agency Tass said after Slepak's arrest that he had "zealously" violated public order during the placard protest, which was witnessed by several hundred Russians and some tourists who gathered below.

[From the New York Times, June 22, 1978]

SOVIET SENTENCES TWO JEWISH ACTIVISTS TO EXILE IN SIBERIA

Moscow, June 21.—Soviet courts sentenced two Jewish dissidents today to long terms of exile in Siberia for hanging banners from their Moscow apartments pleading for permission to emigrate to Israel.

Vladimir Slepak, a 50-year-old engineer who was active in the small dissident human rights movement here, was convicted after a short trial at which no defense witnesses were allowed to appear and sentenced to spend five years in exile in a remote area. His brother-in-law, Zinovy Rashkovsky, was allowed into the courtroom only to hear the verdict.

Ida Nudel, a 47-year-old economist, was convicted on the same charge, "malicious hooliganism," in a separate trial and sentenced to four years in exile.

Mr. Slepak's wife, Mariya, was charged with her husband after they locked themselves into their downtown Moscow apartment on June 1 and briefly hung a banner from the balcony saying "Let us join our son in Israel" Mrs. Slepak is in a hospital with a bleeding ulcer and her case was severed from her husband's.

SON IS IN ISRAEL

Mr. Slepak has been trying to emigrate since 1970, and has been without work since he applied. One son did emigrate to Israel; the other is now a fugitive from the draft and is in hiding in the Soviet Union. "And so that is how they plan to finish off the Slepak family," Mrs. Slepak said just before she was hospitalized a week ago.

Miss Nudel, who hung a sign from her balcony, also on June 1, saying, "K.G.B., give me my visa," was tried in another court today. She has been seeking permission to leave for Israel since 1971.

At both trials, plainclothes police agents or informers kept friends and relatives of the defendants and reporters under surveillance. All were barred from attendance, as were representatives sent by the American Embassy.

Jewish friends and reporters whom Miss Nudel tried to invite into the courtroom were forcibly ejected by the police, who then literally carried her off to face trial.

Outside the court where Mr. Slepak was tried, a water hose was briefly turned on the small crowd that gathered on the sidewalk after Mr. Rashkovsky was summoned to hear the vedict. There were 10 prosecution witnesses. Mr. Slepak was not permitted to call any in his defense and he refused the services of a court-appointed lawyer.

BLOW TO DISSIDENT GROUP

The exile of Mr. Slepak will deal a heavy blow to the small and fragmented group of Jewish "refuseniks" here. "We're afraid that now the K.B.G. thinks that they can do this to every one of us," said one, Irina Brailovsky. "Vladimir was active for all the last eight years," she said, "and only now they have done what they wanted to do. 'Human rights' are just words now."

Despite the tension it causes in relations with the United States, Moscow seems determined to show no clemency in its treatment of those who have sought to expose what they see as violations of human rights here.

After the trial and harsh seven-year prison term imposed on Yuri F. Orlov last month for "anti-Soviet agitation," the authorities seem about to begin a second major trial of a dissident. Aleksandr I. Ginzburg. According to his wife, Mr. Ginzburg, who was imprisoned in February 1977 for administering an illegal fund for Soviet political prisoners with foreign currency, is now ill with tuberculosis in a prison in Kaluga, 110 miles south of Moscow. But she expects his case to be heard any day.

The case most damaging to Soviet-American relations is expected to be that of Anatoly F. Shcharansky, a dissident who has been accused of spying for the Central Intelligence Agency, a charge President Carter has personally denied.

RELATIVE OF SLEPAKS GETS WORD AT WAILING WALL

(By Christopher S. Wren)

JERUSALEM, June 21.—Genrietta Orlovsky unsteadily observed her fourth day of an outdoor hunger strike today near the Wailing Wall in east Jerusalem. A hand-lettered sign pinned to her makeshift tent pleaded: "Save the Slepak family—my sister Mariya, her husband Vladimir and their son Leonid—from a Soviet prison."

A friend pushed through a sympathetic cluster of Soviet Jewish immigrants to break the news that had been announced on the radio. Vladimir Slepak had just been sentenced in Moscow to five years of internal exile on charges of malicious hooliganism.

The frail Mrs. Orlovsky, supporting herself on a blanket-covered cot, hid her haggard face and burst into sobs. "He wasn't a hooligan," she cried out in Russian. "It was concocted by the K.G.B."

The small crowd pressed forward, but no one spoke. As if reading their minds, Mrs. Orlovsky said, "If we weren't able to do anything before, I don't know what can happen now."

IT IS A NEW POLICY

A young woman with a small child in her arms remarked: "Slepak was Slepak. They didn't touch him for nine years, and now this. It's a new policy they have adopted for Jewish refuseniks."

Mr. Slepak, who has been trying to get permission to move to Israel with his family for eight years, was arrested on June 1 after he hung a banner from his central Moscow apartment demanding that he be allowed to leave. His wife, Mariya, who is Mrs. Orlovsky's sister, also faces trial on the charge of malicious hooliganism. She is now hospitalized in Moscow with a bleeding ulcer.

A VERY BAD SIGN

Though Mr. Slepak will not go to prison, his supporters here found the sentence of internal exile excessively severe. An older man said that the sentence dashed any hopes for the Slepaks' emigrating. Others blamed the United States and Israel for not being tougher with the Soviet Union.

A woman remarked softly that the sentence was "a very bad sign" for Mr. Slepak's friend, Anatoly F. Shcharansky, who has been in jail for 15 months awaiting trial on charges of spying for the United States Central Intelligence Agency.

The crowd, as if at a wake, turned to reminiscences of the Slepaks. One woman, Rivka Aleksandrovich, who moved to Israel from Latvia in 1971, told the others: "When we used to come to Moscow for our demonstrations, we had no place to stay, but their doors were always open. You knew that the Slepaks would give you something to eat or find you a place to sleep. Why should they be punished so severely?"

Passers-by gathered around the tent as Mrs. Orlovsky explained in Hebrew what internal exile meant in the Soviet Union. "They usually send them very, very far away," she said.

OUR FOREIGN POLICY SHOULD BE DEBATED

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. STEERS. Mr. Speaker, in recent weeks, the future course of American foreign policy has been a matter of much discussion. I think that a broad debate on this subject is very important.

I would like to, at this time, insert the following letter of a constituent of mine to the editors of the Washington Post that expresses a concern that deserves the attention of my colleagues.

THE EDITOR,
The Washington Post
1150 15th Street N.W.
Washington, D.C.

DEAR SIR: As a strong Carter supporter, I find it extremely troubling to hear the same strident anti-communist hysteria that led us into Vietnam sounding once again from the White House. It has been said again and again of Vietnam that the American people permitted their leaders to coerce them down a path they would not knowingly have chosen. Can we prevent this from happening again?

When a Brzezinski casts verbal thunderbolts and rattles sabres, one would hope there would be a public outpouring of questioning and opposition. These charges he and the President (unconscionably) are hurling about are from the rhetoric of the old global chess game that infatuated Kissinger. The Soviet communists are not devil-figures requiring feuds to the death and holy wars. The Cuban state contains much that is worthy of study before we decide to drum it out of the international body politic. The most dismaying allegations are that the winds of change in Africa and the tragic attendant violence could have been largely generated by machiavelian outside communist powers.

We must keep our sense of balance. We must recall our own covert (and very destabilizing) initiatives in Angola. Our intervention in the ongoing controversy in Rhodesia and South Africa is becoming more and more extensive. Do we for some reason need a whipping boy, so we ourselves can have an excuse to militarize the Indian Ocean or become covert partners in destabilizing certain chosen African regimes as we did in South America?

In an administration that started out forswearing the cold war ideology, it is doubly dismaying to hear these simplistic and dangerous allegations. If some of our leaders have succumbed to the heady aura of power in the "war games" rooms, it is incumbent upon us as individuals, and through our legislators, to raise our voices against this. We in the United States have the wisdom and the societal strength to pursue a much more constructive and self-respecting path in international affairs than this.

Respectfully yours,

ANNE KNIGHT.●

WEST NEEDS YOUR HELP

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

Mr. SANTINI. Mr. Speaker, tomorrow the House will consider a piece of legislation designed to make an important change in our Nation's public lands policy. H.R. 10587 would, for the first time since the enactment of the Taylor Grazing Act, commit the Federal Government to a program which will improve the quality of our Nation's range resources. This kind of program will not only benefit those livestock grazers who are economically dependent on those resources. It will also enhance our national commitment to wildlife preservation. It will provide the tools which the Bureau of Land Management needs in order to meet the goals Congress gave in the Federal Land Policy and Management Act of 1976.

I think that the following list of groups who have indicated their support for this legislation demonstrates the support this bill has. In addition to various industry groups from throughout the Nation, this list includes groups from the West who are concerned with wildlife, wilderness, and other natural values. I hope that the Members of Congress will join with these organizations in support of this significant piece of legislation:

ORGANIZATIONS SUPPORTING H.R. 10587

Wyoming Outdoor Council.
American Farm Bureau Federation.
Wyoming Sierra Club.
Northern Great Plains Regional Sierra Club.
Western Environmental Trade Association.
Society for Range Management.
Montana Stockgrowers Association.
National Association of Conservation Districts.

National Cattlemen's Association.
Public Lands Council.
Oregon Rangeland Committee.
California Farm Bureau Federation.
Oregon Farm Bureau Federation.
New Mexico Farm and Livestock Bureau.
Wyoming Fish and Game Commission.
National Environmental Development Association.
National Woolgrowers' Association.
Louisiana Cattlemen's Association.
Mississippi Cattlemen's Association.
Arkansas Cattlemen's Association.
New York Cattlemen's Association.
Florida Cattlemen's Association.
Wisconsin Cattlemen's Association.
Minnesota Cattlemen's Association.
Montana Women in Farm Economics.
Wyoming Wilderness Society.
All western states cattlemen's associations.

PHILADELPHIA IS FIRST ON HOMEOWNERS' PROGRAM

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. EILBERG. Mr. Speaker, I am pleased to inform my colleagues that the city of Philadelphia is the first in the Nation to launch a program designed to give advice to moderate-income persons planning to buy a home for the first time.

This federally funded project—called HOME, for home ownership made easier—will provide home buying guidebooks and voluntary group and individual counseling services at no charge. Counseling will be provided to eligible households by the Philadelphia Housing Development Corp.

Irene Goodwin, director of counseling for PHDC, reports that the principal purpose of the program is to test the effectiveness of prepurchase counseling in assisting home buyers in the $8,000 to $20,000 income range to find, purchase and retain their first homes. This research is being funded by the U.S. Department of Housing and Urban Development.

Philadelphia's experience, together with that of Atlanta and Phoenix, will be used as a basis to determine the value of prepurchase counseling in other cities, according to Ms. Goodwin.

The program will provide important information to first-time homeseekers on topics that will better prepare them for successful homeownership. Covered in the materials and counseling that participants will receive are such topics as:

How much you can afford to pay for a house; things to consider in choosing a neighborhood; how to use the services of real estate brokers; how to inspect a house and be sure you're getting what you paid for; what steps are involved in actually buying a house; how to go about getting a mortgage; what you need to know about home maintenance and repair; and where to get help if you run into problems.

The HOME program has been endorsed by the Philadelphia Board of Realtors, the Philadelphia Mortgage Bankers Association, the Philadelphia Mortgage Plan, the Delaware Valley Savings and Loan Association, and the HUD/FHA Philadelphia area office.

A BILL AMENDING THE ENDANGERED SPECIES ACT

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. YOUNG of Alaska. Mr. Speaker, today I am introducing a bill that would amend Public Law 93-205, the Endangered Species Act.

The intent of the act as it was enacted in 1973 was to provide protection for species in danger of extinction. Since its enactment, several hundred species have been classified as either endangered or threatened and were protected by the act, thus preventing their extinction. The act has been effective in 'his sense.

However, the act has not been effective in solving the problems that arise when the needs and activities of man endanger or threaten the existence of another species. The act addresses only one aspect of the conflict—protection of the endangered species. In rushing to protect a species endangered by man, the act fails to recognize that the needs of man are as legitimate as those of the endangered species, and that the needs of both species must be satisfied if they are to exist and thrive. The act lacks a mechanism that would balance enforcement of the act in such a way that an endangered species can be protected while man is allowed to satisfy his needs—and, where necessary, that would help determine whether protection of the endangered species or satisfaction of man's needs is of the greater importance. Consequently, when man's activities endanger another species, that species is fully and immediately protected regardless of the fact that by doing so man is often prohibited from satisfying his needs.

My bill seeks to establish this balancing mechanism. It states that if the construction or operation of any dam, any industrial facility used in the production or processing of goods such as energy, or any tract used in farming or ranching has a potentially harmful effect on an endangered species, the Secretary of the Interior must determine whether the affected wild species is of such importance to the Nation that the detrimental effects of halting the project are justified by the benefit derived from the species. Suspension of any project must be approved by concurrent resolution of the House and Senate. However, the Secretary is allowed, if he so desires, to relocate the species affected by the project to another habitat suitable for the continued healthy existence of that species.

My bill also provides for an annual review and revision where necessary of the endangered species list. The lack of such a provision has resulted in an unnatural overabundance of some formerly "endangered" species due to continued protection is no longer necessary.

I am as concerned as anyone with the protection of endangered species. No one, least of all myself, feels that more species should follow the dodo bird and the carrier pigeon into oblivion. However, I am equally concerned that man's needs are being denied at present through enforcement of the act. Man is one of many species that share this planet; we are not, as some would have us believe, alien intruders bent on the destruction of the environment and the slaughter of wildlife. If man is to survive and thrive, he needs to use the resources of the land and the environment around him—as must all species. We must attempt to protect endangered species rationally, so that neither man or an endangered species will be denied the opportunity to fulfill its needs. Man can, and must, live side by side with wildlife. I feel that these amendments will help insure that we can continue to do so.

I include the bill to be printed in the RECORD:

H.R. —

A bill to amend the Endangered Species Act of 1973 to provide for an annual review of species listed as endangered species or threatened species, to provide for the relocation of endangered or threatened species in certain cases, to provide a method for determining in certain cases whether the operation or construction of certain projects affecting endangered or threatened species should be suspended or halted, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Endangered Species Act Amendments of 1977".

SEC. 2. Section 3 of the Endangered Species Act of 1973 (16 U.S.C. 1532; 87 Stat. 885) is amended—

(1) by striking the period at the end of paragraph (4) and inserting instead: "; *Provided:* that any member of an endangered species born in captivity in the United States or held in captivity in the United States on the date of enactment of this Act shall be considered a threatened species.";

(2) by redesignating paragraphs (10) through (16) as paragraphs (11) through (17) respectively; and

(3) by inserting after paragraph (9) the following new paragraph:

"(10) The term 'project' means—

"(A) any factory or industrial facility used in the production of energy, or in the production or processing of goods, including any material used in the production of energy;

"(B) any man-made dam, storage facility, or tract of land used in the management, distribution, or conservation of water;

"(C) any tract of land used in agriculture, forestry, aquaculture, or the raising of livestock; or

"(D) any highway, including Federal-aid highways, as defined under 23 USC 101."

SEC. 3. Section 4(c) of the Endangered Species Act of 1973 (16 U.S.C. 1533(c); 87 Stat. 887) is amended by inserting at the end thereof the following new paragraph:

"(4) The Secretary shall—

"(A) conduct an annual review of all species determined by him to be endangered species or threatened species and listed in any list published pursuant to paragraph (1) of this subsection; and

"(B) determine on the basis of such review whether any such species should—

"(i) be removed from such list; or

"(ii) be changed in status from an endangered species to a threatened species.

Each determination required by this paragraph shall be made in the manner prescribed by subsections (a) and (b) of this section."

SEC. 4. Section 5 of the Endangered Species Act of 1973 (16 U.S.C. 1534; 87 Stat. 889) is amended—

(1) in subsection (a), by striking out "To carry out" and all that follows down through "vested in him.";

(2) in subsection (b), by redesignating such subsection as subsection (d) and by striking out "subsection (a)" and inserting in lieu thereof "subsection (a) or (b)"; and

(3) by inserting after subsection (a) the following new subsections:

"(b) Relocation.—If the continued existence within any geographical area, as determined by the Secretary of the Interior, of any species which is listed as an endangered species or a threatened species pursuant to section 4 of this Act is or will be jeopardized by the operation or construction of a project, the Secretary of the Interior may, to the extent he considers necessary, relocate members of any such species to another geographical area, as determined by him, which he considers conducive to the continued healthy existence of such species. Such action will not be considered a major Federal action as defined by the National Environmental Policy Act (42 U.S.C. 4321 et. seq.).

"(c) Authority to Acquire Land.—To carry out the program under subsection (a) of this section or any relocation under subsection (b) of this section, the Secretary of the Interior—

"(1) shall utilize the land acquisition and other authority under the Fish and Wildlife Act of 1956, as amended, the Fish and Wildlife Coordination Act, as amended, and the Migratory Bird Conservation Act, as appropriate; and

"(2) is authorized to acquire by purchase, donation, or otherwise, lands, waters, or interest therein, and such authority shall be in addition to any other land acquisition authority vested in him."

SEC. 5. Section 7 of the Endangered Species Act of 1973 (16 U.S.C. 1536; 87 Stat. 892) is amended—

(1) by inserting "(a) General.—" before "The Secretary";

(2) by inserting ", subject to subsection (b)," before "by taking such action"; and

(3) by adding at the end thereof the following new subsections:

"(b) Special Rules.—(1) If any Federal department or agency authorizes, funds, or carries out the construction or operation of any project which jeopardizes the continued existence of an endangered or threatened resident species listed pursuant to section 4 of this Act or which may result in the destruction of habitat of such species determined by the Secretary of the Interior to be critical, the Secretary of the Interior shall determine whether the continued existence of such species is of such benefit to the United States or to any geographical area affected by the project, as determined by the Secretary, that the economic and social costs to the United States and to such geographical area of suspending or halting the operation or construction of such project, which would result from ceasing such authorization, funding, or carrying out of such project, are justified. Any such authorization, funding, or carrying out of the construction or operation of any project by a Federal department or agency shall be prohibited under this section only if—

"(A) the Secretary of the Interior determines, pursuant to this subsection, that such social and economic costs of suspending or halting the operation or construction of such project by such Federal department or agency are so justified and transmits such determination, together with the reasons in writing for such determination, to both Houses of the Congress; and

"(B) the cessation of such authorization, funding or carrying out of the construction or operation of such project by such Federal department or agency is approved by both Houses of the Congress by concurrent resolution.

"(2) The Secretary of the Interior shall make determinations required by this subsection on the basis of the best scientific and commercial data available to him and after consultation, as appropriate, with the affected States, interested persons and organization, and other interested Federal departments and agencies.

"(3) Any such determination may be made only after the Secretary of the Interior has—

"(A) published notice in the Federal Register and notified the Governor of each affected State that such determination is contemplated;

"(B) allowed each affected State 90 days after notification to submit its comments and recommendations, except to the extent that such period may be shortened by agreement between the Secretary of the Interior and the Governor or Governors concerned; and

"(C) published in the Federal Register a summary of all comments and recommendations received by the Secretary of the Interior which relate to such proposed determination."

"(c) Major Federal Actions.—Any action taken pursuant to this section shall not be deemed a major Federal action as defined by the National Environmental Policy Act (42 USC 4321 et. seq.)."

SEC. 6. The amendments made by the preceding sections of this Act shall take effect on date of enactment.●

REORGANIZATION PLAN NO. 3 OF 1978

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. SKELTON. Mr. Speaker, I would like to record my support for Reorganization Plan No. 3 of 1978.

Although I have some concerns, which I will discuss below, I favor Reorganization Plan No. 3 of 1978 as prepared by the President and transmitted to the Congress on June 19, 1978, pursuant to the provisions of chapter 9 of title 5 of the United States Code.

Reorganization Plan No. 3 which pertains exclusively to Federal Emergency Preparedness, is, in my opinion, badly needed. It would merge five agencies from the Departments of Defense, Commerce, HUD, and GSA into one new agency to be called Federal Emergency Management Agency. It is my opinion that merger is necessary before the proper unification between the various emergency agencies can be accomplished. I am told by Civil Defense officials from my home district as well as officials from here in Washington that the present agencies are not consolidated and the Nation's emergency preparedness system must be coordinated. Right now, according to information given me by Civil Defense Officials, it is splintered. There is also much duplication of services.

However, there is one concern that I have. It deals with the Federal Disaster Assistance Agency. I would not like to see this agency become absorbed by the proposed Federal Emergency Management Agency so much so that it loses its compactness and ability to act quickly when called upon during emergencies. My home district was struck by tornadoes and floods last year that did millions of dollars worth of damage. However, because of the high degree of efficiency of the FDAA regional offices in Kansas City, the suffering of many people in my district was considerably lessened.

In conclusion, I feel Reorganization Plan No. 3 is not only good, but I believe it is necessary. Right now, the various emergency preparedness agencies are too often going in different directions and working against each other. If they are combined into the proposed Federal Emergency Management Agency, I believe there will be the necessary coordination.●

PHILADELPHIA AIMS TO CUT ENERGY WASTE

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. EILBERG. Mr. Speaker, as part of its ongoing effort to help residents conserve energy, the city of Philadelphia has embarked on a program of free home surveys to identify cool-air loss this summer.

The city's Department of Licenses and Inspection is offering this service to homeowners in an effort to identify energy waste and give advice on how to correct problem spots in the home.

I commend this program to the attention of my colleagues, because it is an outstanding example of how local government can work with its residents to save energy.

Mayor Frank L. Rizzo has launched the program following this past winter's successful winter-proofing project, which aided more than 1,000 homeowners with suggestions on how to save on heating bills.

By calling the city, residents can arrange for a trained energy surveyor to visit their home by appointment. The surveyor will provide the homeowner with a free analysis and a cool-air-saving profile, and will propose ways to stop energy losses.

Philadelphia's Licenses and Inspections Commissioner Dominic Sabatini reports that the most recommended energy tip deals with installation or upgrading of insulation.

Mr. Sabatini notes that the L & I energy surveyors have been given training by the Federal Energy Administration regarding practical suggestions to make homes comfortable during the summer months and to save energy costs at the same time.

A home-profile checklist will be left with the homeowner showing the summer energy survey recommendations and instructions. Additional assistance will be provided by telephone if questions arise following the survey visit.

A free set of instructions showing how to do various energy-saving projects on a do-it-yourself basis is also available from the Licenses and Inspection Department.●

ABORTIONS

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. WHITEHURST. Mr. Speaker, George F. Will, who I regard as one of the more incisive analysts in journalism today, had a commentary in the Sunday, June 25, 1978, edition of the Washington Post which I think deserves reprinting in the RECORD.

In all of the debates that we have had on the abortion issue, the perceptions reflected in George Will's column have been missing. Before my colleagues vote again on this matter, I hope that they will take the opportunity to read Mr. Will's column, which I include at this point in the RECORD.

Thank you, Mr. Speaker.

ABORTIONS AS COMMODITY, NOT MEDICINE

(By George F. Will)

A few years ago a woman had a healthy breast removed surgically because it interfered with her golf swing. The interesting question is not whether what she did was censurable, but whether what the surgeon did was medicine. The distinction between true and false ends of medicine is germane to the annual debate about public funding (primarily through Medicaid) of abortions.

Opponents of funding for most abortions have a decisive argument that is logically independent of views about the general morality of abortion. The argument is that few abortions are, properly speaking, medical procedures, and so should not be subsidized by funds appropriated for medical programs.

Dr. Leon Kass of the University of Chicago argues for what he calls "the old-fashioned view" that health is the true goal of the physician's art. If his argument is correct (and it is not easily assailed), most abortions are not acts of medicine, properly understood. The vast majority of abortions are non-therapeutic, in that they are not performed to ensure the health of the woman (who surely should not be called a "patient"). Although they are performed by persons licensed to practice medicine, they serve not the pursuit of health, but rather the woman's desire for convenience, absence of distress—in a word, happiness.

Kass gives other examples less bizarre than that of the woman golfer, of physicians' skills put to non-medical purposes. Amniocentesis, a diagnostic technique that reveals many feal disorders, also reveals the sex of the fetus, and abortions have been performed because the fetus was not of the desired sex. Some doctors specialize in pharmacologically induced "peace of mind," and dispense amphetamines to physically healthy but discontented people seeking mood "elevations."

Such doctors are not practicing medicine—the pursuit of health—any more than are narcotics peddlers. Doctors who perform artificial insemination may be doing good; they are not doing medicine, any more than are practitioners of the "cosmetic surgery" that corrects other than inborn or acquired abnormalities.

Such practices, says Kass, "the worthy and the unworthy alike, aim *not* at the patient's health but rather at satisfying his, albeit in some cases reasonable, wishes." They are acts not of medicine but of gratification: for consumers, not patients.

Another false goal of medicine is "behavior modification," using physicians' skills to produce "social adjustment." Kass warns that biological manipulation (such as psychosurgery or sophisticated drugging for violent people) is apt to increase as more is learned about the biological contribution to behavior. But even if such manipulation by "biobehavioral conditioners" has "socially useful" outcomes it is not medicine

Kass notes that when medicine's powers were fewer, its goal—health—was clearer. And the World Health Organization has muddied things by defining "health" as "a state of complete [sic] physical, mental and social [sic] well-being." That means that happiness is a medical commodity; happiness is the doctor's business. That, in turn, means almost everything is the doctor's business, so "medicine" becomes a classification that excludes nothing, and hence does not classify.

What Kass calls "creeping medical imperialism" is encouraged by a definition of medicine that is not properly related to health or, more precisely, is related to an overbroad definition of health that includes "happiness" and "contentment" and "good citizenship."

From the fact that physicians have a monopoly on the right to perform surgery, it does not follow that surgery is always medicine. Non-therapeutic abortion is the second most common surgical procedure, after circumsion. Most abortions are "birth control of last resort" or, more accurately, of first resort.

Most women seeking abortions are unmarried and neither they nor the man attempted contraception. According to one study, 1.7 million of the "sexually active" teen-age women do not use any contraceptives. Most abortions are measures of relief from the consequences of pleasure pursued irresponsibly.

Supporters of subsidized abortions argue that such relief is not only a social good, but also is an individual right that must, as a matter of equity, be subsidized for those who cannot afford it. But no such argument can establish the propriety of using funds appropriated for medical services to promote such a goal, which, whether defensible or indefensible, is not a true goal of medicine. Most abortions have no more to do with medicine than did the golfer's mastectomy.●

THE EVILS OF REDLINING

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. ZEFERETTI. Mr. Speaker, I want to take this opportunity to bring to the attention of my colleagues a major problem that continues to afflict this Nation's urban centers, and that is the practice of redlining.

For those of you who are unfamiliar with redlining, it is the practice by which urban financial institutions freeze entire communities out of the mortgage market. These banking institutions refuse to grant housing loans in certain neighborhoods they consider to be unstable or risky for investment purposes. Community residents deposit money in their neighborhood banks, but these funds are reinvested elsewhere, outside of the area.

These institutions do not even consider individual applications on their own merit, but make a "blanket" assessment by rejecting all loan applications in that area. This method of freezing out entire communities has also been termed "zip code redlining."

This refusal to grant mortgage loans often signals the death knell for our urban neighborhoods. It is the initial step in a cycle of events that ultimately leads to the deterioration and decay of the community. The lack of mortgage capital leads to structure deterioration, building abandonment and a middle-class exodus, ultimately resulting in the decay of the community.

Fortunately, a group of concerned citizens in Brooklyn have initiated community action against these institutions, making the practice of redlining a well-publicized issue. Their involvement has resulted in a greater sensitivity on the part of bank officials to the needs of the area, and I applaud this community-based effort. However, the redlining epidemic is a nationwide problem, and the Federal Government must take the proper steps to curtail the practice.

The Federal Government provides many benefits to these financial institutions, including deposit insurance, access to low-cost credit, limited competition and a limited rate of interest. In return for these benefits, these banks and savings institutions are required to serve the "convenience and needs" of their communities. I interpret the "needs" of the community to include credit services as well as deposit services. The Federal deposit facility approval process can and should be used to reward those institutions with a good record of community services. Those that do not should be penalized.

In addition, urban dwellers are the victims of another form of discrimination through the redlining policies of insurance companies. Insurance companies practicing redlining base their decisions on arbitrary factors, such as the racial composition of the area, the economic class of the neighborhood's residents or merely the geographic location of the area within the city.

These property owners, denied insurance coverage by the companies, are forced to turn to the State FAIR plans for insurance, which were originally designed to provide insurance at rates comparable to those of the private sector. However, the cost of insurance in the FAIR plans of many States is substantially higher than would normally be available from insurance companies. In fact, the New York State FAIR plan rates are many times higher than insurance rates for other properties.

Fortunately, we will have the opportunity to correct this inequity during consideration of the Housing and Community Development Amendments of 1978, H.R. 12433, which is scheduled to come to the House floor today. Section 307(b) would require that insurance premium

rates in FAIR plans be no higher than rates in the regular insurance market. This provision would aid both urban and rural areas, and I strongly urge my colleagues to support it and vote against any attempt to delete this section of the bill.

It is time that the Federal Government realize the important role our older existing buildings play in our urban revitalization efforts. Too often in the past, urban planners have placed far too much emphasis on the razing of our neighborhoods to make room for urban renewal projects. While their intentions were certainly well-meaning, the end result has been less than successful in preserving the character and spirit of our communities. Our urban property owners should be encouraged to maintain and upgrade their structures, but this can only be achieved if they are offered reasonable mortgage loans and affordable insurance policies.

Redlining is perhaps the single most important factor contributing to the deterioration and decay of our urban communities, and I urge my colleagues to keep this fact in mind during consideration of the bill before us today and in future legislation.●

TAXES

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. ANDERSON of Illinois. Mr. Speaker, in the wake of the overwhelming support that the property-tax-limiting proposition 13 received earlier this month in California, the notion of Government-sponsored tax cuts has received increasingly widespread attention and support. But long before the recent notoriety and new-found popularity of tax cuts were discovered by the press and many of our colleagues across the aisle, Republicans were pressing for substantial tax revisions for American wage-earners. The two prominent leaders of this GOP initiative have been Congressman JACK KEMP and Senator WILLIAM ROTH. Their proposal—the Roth-Kemp bill—is aimed at promoting employment, encouraging production, and spurring economic growth by reducing individual taxes an average of 30 percent over 3 years, reducing the corporate tax from 48 percent to 45 percent over a 3-year period, and immediately increasing the corporate surtax exemption for small businesses from $50,000 to $100,000.

The need for a tax cut is immediate and demonstrable. As Congressman KEMP has eloquently pointed out before, "when one takes into consideration the effects of inflation and the tax increases proposed by President Carter for Social Security and energy conservation, the income tax buden on the American people will almost triple by 1982."

Mr. Speaker, the July 3, 1978 issue of U.S. News and World Report features a highly informative interview with Congressman KEMP. At this point, I would like to include the article in the RECORD, so that it can be shared with my distinguished colleagues:

SLASH EVERYONE'S TAX 30 PERCENT—A HOTLY DEBATED IDEA

Q. Representative Kemp, what is the purpose of your plan for big, automatic cuts in federal income taxes?

A. The whole purpose of reducing all tax rates across the board is to help restore incentive to every taxpayer in the American economy, to bring about job creation and economic growth—and without inflation.

Inflation produces economic stagnation in the United States and the world today by moving people into higher and higher tax brackets as their nominal income increases, and by taxing business on nonexistent profits. The reward declines for work, saving, investment and production. And as reward after taxes declines, you get the type of stagnation that we see today. Our tax-rate cuts are a modest—but I think dramatic—step in finding an answer to the dilemma of the trade-off between inflation and unemployment.

Q. Your proposal calls for a 10 percent decrease for three consecutive years. Is this for rich and poor alike?

A. It is for everyone—across the board. It reduces all individual tax rates by about 30 percent over three years, lowers the corporate rate from 48 percent to 45 percent and doubles the surtax exemption for small businesses to generate capital—raising it from $50,000 to $100,000.

Q. Would your plan give relief to people with low incomes?

A. For sure. We lower all the rates, bringing the top rate down from 70 to 50 percent and reducing the 14 percent rate down to 8. So we do get a sharper percentage cut in the lower rates. But we get the top rates down enough so that you get a tremendous increase in the after-tax reward for non-tax-sheltered investing and saving.

That's the key: Expand saving and investment as well as lower the bottom rates to reduce the tax wedge between salary paid by the firm and the after-tax take-home pay. Today, there's a tremendous gap between the two. By lowering the tax wedge on the employes' income, you can raise the employes' take-home pay while lowering the cost of hiring to the firm.

And our plan is not just a straight 30 percent across-the-board rate cut. It is a little more at the bottom, because the inner-city poor have a tremendous tax on their first dollar of earned income if they are on welfare. There is now a disincentive to go off welfare. We create an incentive to get off welfare by reducing the tax rate at the low-income level.

Q. The Carter administration's tax-cut plan would offer even more relief to the lower brackets—

A. The Carter tax-reform package, which has been in large part gutted by the House Ways and Means Committee, wasn't really a tax-rate reduction but a redistribution of income. President Carter wants to increase the progressivity of the tax code by lowering taxes for people under $17,000 income and raising them for people over $17,000. This is then worsened by inflation operating on progressivity. This will, in fact, hurt a lot of people below $17,000 because they will soon be earning above $17,000—either because of real pay raises or inflation.

I contend, as do other people who are involved in this effort, that the President's tax reform would contribute to a more steeply progressive tax schedule that already has operated disastrously on the economy of our nation. The same progressivity has led to terrible consequences in Sweden and in Britain.

Q Wouldn't indexing the tax brackets accomplish the same thing as your proposal?

A. I have been a longtime supporter of indexing the tax rates. But I don't think that's enough. We've got to get the tax rates down to a point at which we'll get a better investment and work climate in the economy, and then index them. The Kemp-Roth plan is designed to increase the output of the economy and create jobs that produce tax revenues instead of consuming them. It worked in this country in the 1920s, and it worked under President Kennedy in the early 1960s; it worked in Germany and Japan after World War II, and it can work again today.

Q. In terms of revenue loss, how much money are you talking about over the three-year period?

A. By 1981, there would be a gross tax reduction of 80 billion dollars if you take the static effects. If you don't consider any change in behavior or any incentive, there would be a loss of 80 billion dollars.

But we're not going to lose 80 billion. By lowering the tax rate on work, saving and investment, we encourage expansion of revenues with lower tax rates on higher production. Today we have high tax rates and low production.

I think it would generate enough growth to offset the revenue loss. Economists from left to right are debating how much feedback there would be. Some say it is dangerously inflationary. Others say it is going to gut government.

Let me say I have no desire to gut government, although some cutbacks are clearly in order. I'm not out to hurt social programs, social services or to harm national defense. I think there's reason for spending money in our nation by government—but not wasting it. The greatest threat today to social programs is the slow growth of our economy, the stagnation of our tax base, the outrage of taxpayers.

Q. How much economic growth do you project that your tax-cut plan would bring?

A. That's like trying to say how many angels can dance on the head of a pin. There isn't an econometric model in America to project all the incentive effects.

However, Dr. Norman Ture and Chase Econometrics estimate that national saving would so expand that we could more than finance any short-term deficit without money creation or inflation or crowding out. The question I'm often asked is: "Isn't it risky?" I believe it is a risk worth taking because it is obvious the Keynesian stop-and-go economics are not working. The idea of trying to stop inflation by slowing down the economy or fighting unemployment with inflation has caused this country and the world to go through disastrous economic consequences in the past 10 years.

The purpose of this proposal is not to simply throw money into the economy so more television sets and automobiles can be purchased, although I believe that letting people spend their own money is a fundamental right. But as you increase the reward for investment and saving, according to Prof. Michael Boskin at Stanford, investment and saving increase. So what we're trying to do is affect behavior on the supply side of the economy. I consider this to be sound economics as well as good politics.

Q. If automatic tax cuts work as you say they do, why not keep right on cutting and generating more revenue?

A. We should do that. I want to start a movement in this country to get tax rates down to about 25 percent at the top and 5 percent at the bottom, get the capital-gains tax down to 25 percent as Representative Steiger is trying to do—or abolish it even—and get the estate taxes down.

I think we're only operating today at about 50 percent of our national potential. If we get the tax rates down, we encourage not just quantity growth but quality growth in

our economy. I'm talking about technological and quality improvements in energy and all other areas of our economy.

Q. Doesn't your plan fly in the face of all the economic theories the government has been following for years?

A. Absolutely. Look where those theories have brought us. The Keynesians keep telling us we can never have inflation and recession at the same time. Well, we've got it. The experts have spent all their time working on the demand side of the economy without considering the incentive or supply side.

Q. What about the traditional Republican cry for balancing the federal budget?

A. My constructive criticism of my party is that we've put the balanced budget ahead of the type of economic growth that leads to a balanced budget. We've always said we were the party of lower tax rates, but we added that we couldn't lower them until we balanced the budget. So we've become, in effect, the tax collectors for Democratic spending programs. We came across as being negative, as more interested in dollars and budgets than people.

The Democrats offer the voters a banquet menu of soup, salad, nuts, wine and beef—and you know you're going to pay for it through the nose interms of inflation and taxes. But the Republicans have said: "Come to our table, and we'll tighten your belt. You can have a bone and crumbs, but someday we'll have a good meal for you if you can just hold on." That is not a very appetizing menu—and I want to change it.

Q. What are the realistic chances for your tax plan, with a Democratic Congress and Democratic President?

A. Better than you might think. When I offered it as an amendment to the Humphrey-Hawkins bill earlier this year, we got 196 votes. A switch of 11 votes would have carried it. We got 20 percent of the Democrats.

Since Proposition 13 in California and Jeff Bell's victory in New Jersey, I've had a good many Democratic friends tell me they'd like to take another look at what President Kennedy did in 1963 with his 30 percent tax-rate cut, and what we're trying to do today. Momentum is slowly and gradually building in the Senate, too.

One of the things that is holding up a tax bill in Congress right now is fear that Jack Kemp and Bill Roth and Bill Steiger are going to get a bill passed through the Democratically controlled House and Senate to lower the tax rates.

Q. Is the current tax revolt restricted to property taxes, or is it a protest against all taxes?

A. It is against all taxes, but it is directed more at the rise in taxes coming from inflation—moving property and incomes into higher and higher tax brackets. Some people in California wouldn't even paint their front doors for fear it would increase their assessed valuation and taxes.

All this has created a tremendous barrier between effort and reward in this country—and the barrier keeps growing daily. I'm convinced that our plan for automatic tax-rate cuts will turn things around.

Q. Will you describe the "Laffer curve" that stimulated your tax-cut idea?

A. Arthur Laffer teaches business economics at the University of Southern California, and his curve amounts to a chart illustrating that tax revenue obeys the law of diminishing returns. There are two points on the curve at which taxes do not gain any revenues: zero and 100 percent tax rates. At 100 percent, production ceases. This is nearly what's happening to some people and businesses in some countries in Europe, where the No. 1 sport is not soccer but escaping the tax collectors.

Of course, at zero taxes you get zero revenue. As you raise taxes from zero, you gain revenue because production and industry are only slightly discouraged and taxes will be paid. And as you lower taxes from 100 percent to 99 or 85 or whatever, you get a pickup in production. Increased revenues are then fed into the treasuries of government at the federal, state and local levels.

The thrust of the Laffer curve is to help find the equilibrium point between zero and 100 percent tax rates where people are willing to maximize their output and still pay their taxes. I think that is somewhere around 25 percent in peacetime. When tax rates go beyond 25 percent—as they have in America and particularly in New York State—revenues are lost, since production diminishes and people are laid off. Layoffs lead to more government spending for assistance payments, and so you have more spending and thus even higher taxes in the future.

In America, we tax work, savings, thrift, investment and enterpreneurship—and we subsidize nonwork, unemployment, leisure, debt, spending and mediocrity.●

EDUCATION DAY, U.S.A.

HON BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. ROSENTHAL. Mr. Speaker, on April 13 of this year Congress passed and sent to the President House Joint Resolution 770, authorizing the President to issue a proclamation designating April 18, 1978, as "Education Day, U.S.A." On April 17 President Carter issued the proclamation called for by House Joint Resolution 770.

House Joint Resolution 770 was cosponsored by 220 Members of the House, and I was pleased to be among them. In addition to honoring the importance of education to America and its citizens, this resolution marked the 76th birthday of a world leader of Jewry and a force for education throughout the world, Rabbi Menachem M. Schneerson. Rabbi Schneerson heads the worldwide Lubavitch Hasidic Movement which has its headquarters in Brooklyn, N.Y., and which also conducts educational activities at more than 60 centers in 28 States and 20 foreign countries.

More than 100 representatives of the Lubavitch movement from all over the United States came to Washington April 17 for a joyous reception with Members of the House and Senate in the House Caucus Room to celebrate passage of House Joint Resolution 770. Vice President Mondale served as chairman of this memorable gathering and celebration. The Vice President opened his remarks to the gathering by saying:

I am delighted to join in the two joyous occasions which bring us together today, the Lubavitcher Rebbe's 76th birthday and the resolution proclaimed officially by the Congress proclaiming Education Day, U.S.A. It is fitting that Education Day be proclaimed on the birthday of Rabbi Schneerson, who is a great Talmudic scholar dedicated to the education of Jewish people throughout the world.

The Honorable Robert J. Lipshutz, Counsel to the President, brought the good wishes of President Carter to the gathering.

Following are the text of House Joint Resolution 770 and excerpts from an address of Rabbi Schneerson in which he responded to the passage of House Joint Resolution 770 by the Congress and the proclamation issued by the President:

HOUSE JOINT RESOLUTION

To authorize and request the President to issue a proclamation designating April 18, 1978, as "Education Day, U.S.A.".

Whereas the Congress recognizes a need for the Nation to set aside on the calendar a day devoted to the importance of education to the lives of its citizens and to the general well-being of the Nation; and

Whereas the Lubavitch Movement, which conducts educational activities at more than sixty centers in twenty-eight States as well as around the world, is especially committed to the advancement of education and has proposed the establishment of an "Education Day, U.S.A."; and

Whereas world Jewry marked in 1977 the seventy-fifth birthday of the revered and renowned Jewish leader, the head of the worldwide Lubavitch Movement, Rabbi Menachem Mendel Schneerson, who proclaimed on that occasion a "Year of Education"; and

Whereas the seventy-sixth birthday of this celebrated spiritual leader will occur on April 18, 1978, thus concluding the year of Lubavitch Movement activities dedicated to the "Year of Education" and the Lubavitcher Rebbe's milestone birthday: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating April 18, 1978, as "Education Day, U.S.A.".

EXCERPTS FROM ADDRESS BY RABBI MENACHEM M. SCHNEERSON

On this auspicious occasion, in the month of Nissan and on the eve of the Festival of Pesach, the Festival of Liberation, it is particularly pertinent to begin with an expression of gratitude to the Almighty for His infinite kindnesses to each and all of us gathered here, and elsewhere in many places in various parts of the world.

Indeed, *Hakoras ha-tov*—recognition and appreciation of any kindness or benevolence, whether it is received directly from G-d or through the agency of a fellow human being—is one of the basic teachings of the Torah. It is also the underlying basis of many of the Divine precepts of the Torah, beginning with the first of the Ten Commandments ("I am the L-rd, thy G-d, who brought thee out of the land of Egypt, from the house of bondage"), and including such an elementary obligation as "Honor thy father and thy mother."

In honoring one's parents, one must remember to honor also, and especially the third "partner," namely, our Heavenly Father, who not only gives life to the newborn child, but also to the other two partners, the child's parents. And if honoring one's parents means gratifying their wishes and making them justly proud of their offspring, how much more so it is incumbent upon everyone to order one's daily life and conduct in accord with the Divine Will. Hence the rule, "Know Him in all your ways" (Prov. 3:6), meaning that awareness of G-d must pervade every aspect and detail of the everyday life. (Maimonides, Code, Section De'ot 3:3)

All our festivals, beginning with Pesach, commemorating the liberation of our people from bondage to Pharoah, and the prelude to our receiving the Torah at Sinai, giving us also true freedom spiritually, are occasions for expressing out gratitude to

G-d. So are many precepts in the Torah—such as *Bikkurim*, the offering of the First Fruits, as well as tithes and gifts to the poor, etc.—expressions of our gratitude to G-d for His benevolence and bounties.

In keeping with the principle of *Hakoras ha-tov* I wish to express my appreciation and gratitude to all the wellwishers who came to participate in this gathering and in similar gatherings in various parts of the United States, especially in the Nation's Capital, as well as overseas; no less also to all those who were kind enough to send me messages of greeting and blessing on the occasion of my birthday.

I gratefully acknowledge all these felicitations as expressions of affinity with the movement which I am privileged to head, and as tributes to it in recognition of its services to the lands and peoples hosting its educational, cultural and philanthropic institutions.

Mindful of the exhortation, "Seek the peace of the city (and land) whither I have caused you to be exiled, and pray unto the L-rd for it; for in the peace thereof shall you have peace" (Jer. 29:7), we are particularly grateful for the freedom and conducive atmosphere prevailing in these great and blessed United States, where my revered predecessor, my father-in-law of saintly memory, transplanted the headquarters of our movement in 1940, under whose leadership, in the last decade of his dedicated life, the movement took root and flourished, and has borne fruits and fruits of fruits, "like a spring flowing with ever-growing vigor."

I heartily reciprocate all the good wishes in the words of our Sages, "He who blesses others is blessed by G-d Himself in a most generous measure" (Talmud B. Sotah 38b; Yerushalmi, Ber. 8:5)—in accordance with the Divine blessing of our Patriarch Abraham, "I will bless them that bless thee" (Gen. 12:3)

* * * * *

EDUCATION DAY, U.S.A.

Most deserving of our very profound appreciation is one of the most meaningful actions by the U.S. Congress who, in a joint resolution, carried by a two-thirds majority in the House of Representatives and by unanimous vote in the Senate, authorized and requested the President of the United States to proclaim this day as "EDUCATION DAY, USA," which the President graciously signed into law.

While the timing of this action was conceived as a tribute to our movement, which sees in education the cornerstone not only of Jewish life, but of humanity at large, and has been dedicated to this vital cause ever since its inception more than two hundred years ago—it is a fitting and timely tribute to the cause of education in general, focusing attention on what is surely one of the Nation's top priorities.

Moreover, this enactment by the U.S. Congress and after that by the President of the United States gives it the force of *dina d'malchusa*, "Law of the Government," which, according to the Halacha (Jewish Law), becomes part of the Jewish Law. [Shulchan Aruch (Code of Jewish Law) Part 4, chapter 369, Para. 2, 7, 8, 9].

It is fitting indeed that the U.S.A. has shown, through a forceful example, to the world that it places education among its foremost priorities. It is also to be hoped that "Education Day" will become a permanent institution, especially since, by reason of the pervasive nature of education, it would lend further significance to other "Days" such as Father's Day and Mother's Day and similar institutions which have become part of American life.

The proclamation of "Education Day, USA" is of extraordinary significance in impressing upon all citizens the importance of education, both in their own lives as well as, and even more so, for the young generation in the formative years—particularly in the present day and age.

* * * * *

IN RETROSPECT AND PROSPECT

We have now concluded the "Year of Education" proclaimed last year on this day. This calls for review and introspection. In all humility we can say that with G-d's help it has been a very successful year for education, with the addition of numerous educational facilities on all levels in the U.S.A. and in many parts of the world; a substantially increased enrollment; and upgrading the quality of education. However, needless to say, as long as there is still one child that does not receive an adequate education, we can neither be satisfied nor slacken our efforts. On the contrary, the successful "Education Campaign" should spur us to even greater efforts in the ensuing year. It is human nature that ambition grows with achievement. If this is so in regard to material riches, how much more so in regard to real and eternal values. Moreover, since this trait of the human nature to strive for ever greater spiritual advancement has been given to every human being by the Creator, as a commendable factor, it is self understood that the Creator provides, at the same time, the capability and opportunities to translate it into tangible results, for "G-d requests of people only according to their powers (that He has given them)" (Midrash Bamidbar 13:3). Thus, in the final analysis, it is mainly a matter of one's own will and determination. And let no one be satisfied with just a little greater effort for the cause of education, but—in keeping fully with human nature as cited above—double and redouble one's efforts for so vital a cause.

Education, in general, should not be limited to the acquisition of knowledge and preparation for a career, or, in common parlance "to make a better living." And we must think in terms of a "better living" not only for the individual, but also for the society as a whole. The educational system must, therefore, pay more attention, indeed the main attention, to the building of character, with emphasis on moral and ethical values. (Need one be reminded of what happened in our own lifetime in a country that ranked among the foremost in science, technology, philosophy, etc.?)

Education must put greater emphasis on the promotion of fundamental human rights and obligations of justice and morality, which are the basis of any human society, if it is to be truly human and not turn into a jungle.

* * * * *

FOREIGN AID TO EDUCATION

The United States of America has a long-standing policy of foreign aid to developing countries, through direct grants and through U.N. agencies. Economic aid to foreign countries includes also cultural aid for the promotion and support of cultural programs, etc.

It is generally recognized—at any rate among the free and democratic nations—that each nation is a member of the Family of nations, and all must live together in "one world"—which is like one organism. When any part of an organism ails, it affects the whole body; strengthening any part of the body, strengthens the whole.

The record of this Nation's foreign aid is unexcelled in the annals of history—which is as it should be for a Nation so generously blessed by the Almighty. One would wish, however, for more affirmative action in the area of cultural, particularly educational, programs.

Economic aid given to a developing country is meant to be used most efficiently and productively. While the conditions attached to such aid must necessarily be limited and circumspect, there are certain conditions which are considered prerequisites. To cite a recent example, President Carter has taken a courageous stand on Human Rights, dismissing the notion that it is an "internal matter," and he has made it also a condition of Foreign Aid. It is to the President's credit that he has not only raised this issue, but has succeeded in arousing the world's "interest" in behalf of this cause. "Unofficially," however, there is a great deal more that the U.S. government can do to make foreign aid even more productive.

This Nation, with a healthy intuition, indeed, conviction, recognizes that its economic system must not be based on crass materialism. Nothing expresses this idea more eloquently and forcefully than the motto on the American Dollar—"In G-d We Trust."

In giving out billions of dollars in foreign aid, many discreet ways can be found to have the beneficiaries take a look and ponder on this inscription, with a view to encouraging them to recognize the importance of Trust in G-d, of appropriate education, with particular emphasis on moral values and general humanitarian principles, as mentioned above.

Carrying this train of thought further brings us also to the question of military aid.

Ideally, education should lead to a world state where "Nation shall not lift up sword against nation, neither shall they train for war" (Isaias 2:4). Until such an ideal state is reached, there will be a need—in the Nation's own interest—to provide friendly, democratic nations with military aid for self-defense, but not to provide military aid to nations that will use it to start war. It would surely be in the best interests of those countries themselves, as well as of the United States and the world at large, if, instead, goodwill and benevolence towards them were expressed in terms of economic and cultural aid, to help them raise a new generation free from hatred and violence and bent on channelling their youthful energies and ambitions towards all that is good, good for them and for their countries, and for the common good of humanity, both materially and spiritually.

* * * * *

In light of all that has been said above, it is most gratifying indeed that President Carter, Vice-President Mondale, and the eminent members of the United States Congress, G-d bless each and all of them, have thoughtfully and graciously initiate and associated themselves with the Proclamation of "EDUCATION DAY, U.S.A." It augurs well for the vital cause of education in the United States. It will, we hope and pray, also have a beneficial impact on education in all countries which look up to the United States of America for leadership and inspiration in all vital matters that transcend national boundaries, and conduce to a better human society and a better world.●

TURKEY'S INSENSITIVITY TO HUMAN RIGHTS—X

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. SAWYER. Mr. Speaker, the plight of Americans incarcerated in Turkish jails continues to receive attention from a wide range of concerned individuals. In recent days I have suggested a prisoner exchange treaty between the United States and Turkey should precede lifting of the Turkish arms embargo. The latest information I have reviewed describing the abhorent condition of pris-

ons in Turkey, makes it absolutely necessary that the U.S. Department of State take firm and deliberate steps to expedite a prisoner exchange treaty similar to the "European Convention on the Validity of Criminal Judgments," to which Turkey is already a party.

For the information of my colleagues, I include a chilling article by columnist Jack Anderson entitled "Turkey's Prisons: Heartbreak Houses", from the Washington Post of June 27, 1978. I urge your sympathetic consideration of this tragic episode.

The article follows:

TURKEY'S PRISONS: HEARTBREAK HOUSES

(By Jack Anderson)

President Carter's move to lift the U.S. arms embargo against Turkey has a special urgency for five Americans now interned in Turkish prisons. If Congress can be persuaded to end the embargo, the five might be sent home to finish their sentences in the United States.

For several months, American and Turkish diplomats have been discussing a prisoner exchange treaty, similar to the pacts recently negotiated with Mexico and Canada. The Turks have been acutely sensitive about the idea, because it implies that their treatment of prisoners is less than humane. Given the strain in Turkish-American relations over the arms embargo, there is little chance the Turks would give up the five Americans.

Over four months ago, U.S. officials gave the Turks a draft of the proposed prisoner exchange treaty with Bolivia and suggested it be studied as a model for an American-Turkish pact. But a confidential source said: "There has been little feedback. They are really dragging their feet." Added another insider: "If the embargo is lifted, things could get better."

At the urging of the Turkish government, I sent my associate Joe Spear to Turkey. The Turks promised that Spear would be permitted to visit a Turkish prison.

The penal institutions in Turkey, Spear determined, fully deserve their notorius reputations. The food is barely edible; sanitation conditions would fail flophouse standards in the United States; brutality by prison guards is an accepted, if unofficial, way of life. A favored form of punishment, said confidential sources, is flailing recalcitrant prisoners mercilessly on the soles of their bare feet with long sticks.

Even worse than the guards are the surly, ruthless Turkish hoods who belong to the "Turkish mafia." Armed with guns and knives smuggled in, and aided by informers, they control the prison population and run the rackets behind prison walls.

The mafia also trafficks in hashish and heroin. "The stuff comes over the walls at night," said one former prisoner. "The authorities try to control it, but they just can't do it."

In fairness to the Turkish authorities, they give preferential treatment to foreign prisoners, especially Americans. In each institution, the foreigners are assigned to a special area called the "tourist section." The Turks also take pains to locate American prisoners in prisons where U.S. consular officers can visit them conveniently.

In Ankara, Spear interviewed the director of Turkish prisons, Dr. Mustafa Yucel, who earned his Ph.D. in law at New York University. The gruff but likable Yucel apparently had done his homework before the meeting. He began by pointing a finger at Separ and declaring: "I know all about you!"

He then launched into a tirade about the negative stories that have been published about Turkish prisons. He pulled a book from a shelf and slammed it down on his desk, "Lies! All lies!" he shouted.

The book was "Midnight Express," written by Billy Hayes, a young American who spent five years in Turkish prisons and finally made a daring dash for freedom. Snorted Yucel: "They say the prisons are schools for criminals. But this book," he said, stabbing it with his finger, "is proof that Turkish prisons are schools for writers."

With Yucel's permission, Spear flew to Istanbul and drove out to Sagmalcilar prison, whose grey stone eminence looms over a grimy industrial suburb known as Bayrampasa. The institution holds about 3,000 inmates, some 150 of whom are "political prisoners" detained for shooting or bombing people who don't share their ideologies.

His institution, said the director, was built in 1968 and was "the most modern prison in the Middle East." Prisoners are served two meals a day, he said, but can purchase extra food in a canteen if they have the money. There are also "common rooms," he said, containing TV sets, refrigerators, foreign newspapers and books.

Spear visited with Michael Ray, a native of Little Rock, Ark., who has spent five years in Turkish prisons. A wiry, dark-complexioned man in his mid-30s, Ray looked Turkish and, indeed, spoke the language fluently.

He had been arrested near the Syrian border in 1973, he said, with a half-ton of hashish in his possession. "I am a capitalist," he shrugged. "I was trying to make some money." He took the rap for his girlfriend, who accompanied him. His sentence: 101 years.

This has now been reduced to 24 years—leaving him, he said, with a wry smile, "only 18 years to go." He served time in several Turkish prisons, "from the worst to the best. The worst are awful. This is the best."●

AN OLD WASHINGTON HAND RETIRES

HON. FRANK E. EVANS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. EVANS of Colorado. Mr. Speaker, this week marks the retirement from the Washington scene of a former resident of my home town, Pueblo, Colo., who in the finest sense of the term can truly be called "an old Washington hand."

Clifford Guest, a vice president of Hill & Knowlton, the public relations firm has been serving his clients as a monitoring and listening post on Washington for the past 29 years. During that time he has earned the respect and admiration of not only his colleagues and business relations, but from those who have served in Congress, Government agencies and the journalism profession as well. To all, he has been an open, honest and effective communicator.

Prior to joining Hill & Knowlton, Inc., Mr. Guest was managing editor for American Aviation Daily in Washington—1943–1949—and before that he was the administrative assistant to former Representative J. Edgar Chenoweth (R-Colo.).

It is, however, his roots in Colorado that bring pride to our State for the rich and rewarding experiences that he carried with him to Washington. In 1912, at the age of 12, Cliff Guest crossed the prairie from Phoenix to Rocky Ford, Colo., in a covered wagon with his family. There he received his high school education while he helped his family run a farm. Through high school he worked as a stringer for the Pueblo Chieftain and following graduation became a reporter and subscription salesman to outlying towns at $10 a week. Thus, Cliff Guest began a career with the Chieftain that lasted from 1928 until 1939, and ended with an editorship.

Those who know Cliff Guest, I am sure join me in wishing him and his wife Marge the most pleasant retirement and thank him for his many years of professional service both in and out of Washington.●

TURKEY ARMS EMBARGO

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. ZABLOCKI. Mr. Speaker, soon after the House returns from the Fourth of July recess, Members will be considering legislation authorizing international security assistance for fiscal year 1979. An important feature of the bill, H.R. 12514, is a provision to remove the embargo on military assistance and sales to our NATO ally, Turkey.

Because of the interest of Members in this matter, I am placing in the RECORD the following letter received from Gen. Alexander Haig, Jr., Supreme Allied Commander, Europe.

SHAPE, BELGIUM,
June 24, 1978.

Hon. CLEMENT J. ZABLOCKI,
Chairman, Committee on International Relations, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: In response to the request of the members of the Subcommittee on Europe and the Middle East, it is a pleasure to furnish to the Committee my views as Supreme Allied Commander Europe and US Commander-in-Chief Europe concerning the importance of Turkey's full and active participation in the Atlantic Alliance.

Since the Second World War, Turkey has served as the West's strong democratic bastion on the Southern flank of Europe. In its key location Turkey guards the strategic chokepoints of the Dardanelles and Bosporus, constraining Soviet naval movements from warm water ports in the Black Sea to the Mediterranean and Indian Ocean. As a land buffer to the Soviet Union, Turkey serves also as the northern guardian of the Middle East and Africa to restrict Soviet access by air and land to these strategically significant areas. Turkey also provides for the United States intelligence sites of unique, irreplaceable value.

Equally significant to me as Supreme Allied Commander is Turkey's central role in the complex and demanding task of defending the Southern Region, where there are four interrelated but separate security challenges which must be solved; they are the defense of (1) the Italian peninsula, (2) Greek and Turkish Thrace, (3) Eastern Turkey, and (4) the maritime area of the Mediterranean. The key to the defense of three of these four areas rests ultimately on Turkey's geostrategic contributions.

Of particular relevance in the context of the current debate is the importance of Turkey to the defense of Greece and Grecian Thrace. So long as Turkey remains within the Alliance, any Warsaw Pact attack on Greece would be a highly risky adventure,

while without Turkey's support the defense of Greece is vastly more difficult.

Nor is the significance of Turkey to NATO limited to its key position on the Southern flank, for if the flanks of the Alliance are neutralized by political or military action, the center must bear the full weight of the adversary's efforts.

Thus, whole-hearted participation of this proudly democratic nation in the affairs of the Alliance is indispensable to our own security as well as that of Greece and other NATO allies.

From the perspective of their vital security interests, the impact of the arms embargo has been grievous. The disruption of military supplies, on which Turkey was totally dependent, has converged with the wall of obsolescence resultant from Turkey's World War II vintage equipment to render Turkish forces less than capable of meeting potential Soviet aggression in the area; at the same time the embargo has disrupted the broader aspects of Turkey's relationships with the West.

Prompt action designed to normalize an increasingly estranged military relationship and assure for the West the full contribution of this valued ally is essential. Time has run out.

Warm regards,

ALEXANDER M. HAIG, Jr.,
General, United States Army
Supreme Allied Commander.

CONGRESSIONAL PUBLIC FINANCING

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. ANDERSON of Illinois. Mr. Speaker, public financing of congressional campaigns is both a topical and much-discussed subject. In the May 24, 1978 CONGRESSIONAL RECORD on page 15,378, I attempted to clarify some of the statements made by the U.S. Chamber of Commerce in a memo sent to individuals in my district. Since many may be confused when public financing is described as a "taxpayer subsidy" or using "public funds," I have, in several instances, sought to make clear that the matching money used to finance campaigns comes from the voluntary checkoff. It should be stressed that the entire system is based on freedom of choice. Candidates are free to participate or refrain from participating in the system. Taxpayers are free to check off or to refrain. At this point, I insert Mr. Davis' reply to my earlier letter.

CHAMBER OF COMMERCE
OF THE UNITED STATES,
Washington, D.C., June 14, 1978.

Hon. JOHN B. ANDERSON,
House of Representatives,
Washington, D.C.

DEAR MR. ANDERSON: This is in response to your letter of May 24, concerning my memorandum of May 5 to certain National Chamber members about the expected effort in the House to pass legislation that would provide taxpayer subsidies for congressional election campaigns.

Incidentally, I appreciate your placing my memo in the Congressional Record. Although it was intended for our members, I welcome the opportunity for more Members of Congress to learn of our opposition to the scheme for using tax dollars to subsidize their election campaigns. Many, of course, already share our distaste for this scheme. Unfortunately, you and some others do not.

You say my memo contains "several misstatements and misunderstandings," and so you thought I would "appreciate learning more about the amendment from one of its authors." Well, I always appreciate hearing from authors, because I figure I need all the help I can get to understand some of the things proposed in Congress. But, I've read and reread both your letter and my memo, and I still don't recognize the "misstatements and misunderstandings" you mentioned.

Obviously, we're looking at the same thing—but seeing it in an entirely different way. And I guess that isn't too surprising. More and more, there seem to be sharp differences in the attitudes of those who are *in* government and those who are *out*. The so-called "tax revolt" is the most recent example. That, by the way, should help make clear to you and your allies that the American people are more than a little disturbed by their increasing tax burdens, and hardly in a frame of mind that would tolerate your plan for still another way to spend their taxes.

Although we are probably locked in disagreement over this issue, let me take this opportunity to emphasize some of our views on the subject.

The National Chamber and its over 74,000 members are in complete agreement with the laudable goals of perfecting the American electoral process through encouraging greater public participation in campaigns, raising the level of political competition, and enhancing the integrity of our democratic system of government and private enterprise—with the concomitant increase of greater public confidence in American institutions.

However, we are convinced that these goals would not be achieved by limiting the private system of campaign finance and launching a plan for government collection and disbursement of campaign dollars. That is nothing more than increased government control and regulation of the political process. We have confidence in the American people to support viable and attractive candidates, and in a public policy predicated upon the time-honored and tested tradition of private financing of election campaigns.

The American people are opposed to changing the present system. In the most recent public opinion poll on the question, over 67 percent of respondents disapproved of a proposal to use public funds to pay the costs of congressional campaigns. Academic review by professors from highly regarded universities ensured the validity of this measurement of public sentiment. This poll could be cross referenced with the results of the tax checkoff for Presidential races. No more than 27 percent of federal taxpayers have ever checked off, whereas 40 percent or more have actively opposed it by checking the "no" box on the tax form. If you add the negatives to those checking neither box, nearly three-fourths of the taxpayers have demonstrated they do not want campaign subsidies. Clearly, most Americans want to continue to make up their own minds about whose campaign to support.

In a democratic system, the incentive to contribute arises from the desire of voters to assist in the election of candidates in whom they believe. Americans would have no respect for a system in which they would have to finance, even indirectly, the barnstorming of a proliferation of non-serious candidates, or candidates whose stand on issues is contrary to theirs.

Public finance is not only an unacceptable goverment intrusion into American political life; it is potentially a very expensive one. With minimum competition of two qualifying candidates per House seat, it could cost the treasury $43.5 million per election. Assuming subsidies for Senate candidates as well, the total would be far greater than that. We can find no excuse for diverting such sums from general revenues intended to fund the federal government—which faces a debt that is already $700 billion and growing larger each day.

Yet, these huge estimates of the cost of "partial" public financing do not represent the total cost to the taxpayer. A large addition to the staff of the Federal Election Commission would be required to administer the program. Consider the 1976 Presidential campaign experience: Fifteen Presidential candidates submitted voluminous paperwork that occupied 15 percent of the Commission staff and budget in 1976 and 1977. If only two candidates run for each House seat, the FEC would have to administer matching funds for 870 contestants. FEC Commissioner Stabler has estimated that at least 200 more auditors would have to be hired. The increase in the size of this bureaucracy would be staggering.

This expensive financing plan which most Americans resist is illusory as a reform of the election sytem. In fact, it would be destructive of our democratic process because it would probably translate into less real competition for House seats. The campaign expenditures ceiling would make it very difficult for a successful challenge to be mounted against an incumbent.

From 1968 to 1974, 89.6 percent of incumbents seeking reelection were successful. In 1976, 96 percent were reelected. The advantage of incumbency—office space, staff, the frank, etc.—worth well over a half million dollars in an election year, is a clear reason why it is difficult to mount a successful challenge. To offset this advantage virtually requires that a challenger out-spend the incumbent. But under your proposal, both challenger and incumbent are held to the same expenditure limitation. That's about as fair as a contest between the New York Yankees and the Bad News Bears. It's no wonder that those who have really thought through your plan consider it an "Incumbents Protection Act."

For such reasons as these, we cannot support the proposal for subsidizing congressional election campaigns. And I continue to be disappointed that you do.

Inasmuch as you placed your letter to me in the Congressional Record, I would appreciate your doing the same with this reply.

Cordially,

HILTON DAVIS,
Vice President, Legislative Action.●

TRIBUTE TO PATRICK J. GRIMES—LEADER OF IRISH-AMERICAN COMMUNITY IN NEW YORK

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. BIAGGI. Mr. Speaker, it is with a sense of profound personal loss that I pay tribute to a giant of the New York Irish American community, Patrick J. Grimes who passed away on June 19 at the age of 88.

Mr. Grimes was involved in Irish American affairs for some 75 years. His career began in 1911 the very first year he arrived in America after emigrating from Knockbarron, Kinnitty County Offaly in Ireland. In that year Patrick

Grimes joined the first of many organizations he would lend his talents and energies to, the Clan- na Gael of New York where he was able to continue his interest in hurling. Patrick Grimes excelled in the sport of hurling and he achieved his best fame as a member of the renowned Offaly teams of the 1920's which competed both nationally and abroad.

Patrick Grimes served his Nation with distinction as a member of the U.S. Army during World War I. He served with an Army unit which was attached to the French Army. During his Army career he was the recipient of nine battle stars.

One of Patrick Grimes' greatest contributions to the Irish American community was his instrumental role as one of the founding members of the New York Association of the Gaelic Athletic Association which was established in 1914. From 1927 to 1940 Pat Grimes operated Innisfail Park in the Bronx which was the site where many GAA games were played. He was active in the New York GAA all his life. He served as president of the association in 1923, 1924, 1929, and 1956. He made countless other contributions to the success of the New York association which enjoys a good reputation around the Nation and in Ireland.

In 1920, Patrick Grimes entered the business world with a flourish when he founded what was to become the world famous Grimes Travel Agency located at Columbus Circle in Manhattan. In his more than half century in the travel business Pat Grimes gained a reputation as a dedicated and innovative businessman. In 1947 he instituted the Flight of the Gaels in which thousands of Americans were able to travel by air to Ireland for the first time. His business was always successful and constantly expanding and by 1961, Pat Grimes had to open a second Grimes travel agency in White Plains.

In 1956, Patrick Grimes acquired the Irish Echo newspaper. Here again providing leadership, energy, and initiative techniques, he transformed the Echo into the leading Irish American newspaper. As publisher, Pat Grimes converted the paper from standard to tabloid size, increased advertising and presented a wide variety of features ranging from news and commentary to entertainment to sports. Some of the best writers from Ireland were constant contributors to the Irish Echo. The famous Green Irish Echo masthead was known to millions of Irish Americans across the Nation.

As one who has been actively involved with the Northern Ireland problem throughout my 10 years in the Congress, I have always admired the objectivity and fairness of the Irish Echo. I also recognize how influential it is to the Irish American community as well as members of the government in Ireland. The leadership, the inspirations and the dynamism of the Irish Echo was provided by Patrick Grimes.

A number of Irish-American organizations boasted Patrick Grimes as a member. He was a founding member of the Offaly Social and Athletic Club. He was a member of the American Irish Historical Society and Bronx Division 7 of the Ancient Order of Hibernians. He was also a member of the Westchester Friendly Sons of St. Patrick.

It seems logical that a man of the caliber of Patrick Grimes would be the recipient of many awards. In addition to serving as president of the New York Association of the GAA, Pat Grimes also served as president of the United Irish Counties Association in 1945 and 1946.

The highest honor accorded this outstanding man came in 1971 when he was elected grand marshal of the New York St. Patrick's Day parade. Many consider this the highest and most visible honor given to an Irish American, for on St. Patrick's Day the grand marshal is the leader for the millions of Irish real or adopted who come to participate in this world famous event. The date March 17, 1971, was one of Patrick Grimes' finest hours.

Pat Grimes was an immigrant but like so many others, he came and contributed to a better America. He was a tireless worker, a man of innovation, dedication, and compassion. He prided himself on his values. Within the large Irish-American community, Pat Grimes was a leader of the highest order. He championed the unique Irish spirit in all his endeavors and was a hero to many Irish Americans.

Patrick Grimes was a totally dedicated family man. He was married to the late Beatrice Cassidy of Blacklion, County Cavan. He is survived by two sons, Patrick H. and John as well as a daughter Mary (Mrs. Thomas F.) Farrell, a sister Kate in Ireland and eight grandchildren. To all the Grimes' family I extend my sincere condolences on their loss and assure them it is shared by many thousands.

Champion athlete, successful businessman, respected publisher, active civil and ethnic leader, this was Patrick J. Grimes. These attributes, combined with his strong personal stature and compassion for his fellow man, made Patrick Grimes an exemplary human being. He will be missed but his legacy will endure for many years to come.

I now wish to insert into the RECORD the lead editorial in his beloved Irish Echo entitled "Patrick J. Grimes 1889–1978":

PATRICK J. GRIMES 1889–1978

Publisher, Businessman, Soldier, Athlete, Irish Community Leader.

Founding member New York Gaelic Athletic Association, 1914.

Member U.S. Army forces in Europe, World War I, 1917–1919.

President, New York Gaelic Athletic Association, 1923, 24, 29 and 56.

President, United Irish Counties Association, 1945 and 46.

Founder-President, Grimes Travel Agency, 1920–1978.

Publisher-President, Irish Echo Newspaper Corporation, 1956–1978.

Grand Marshal, New York St. Patrick's Day Parade, 1971.

Friend, Advisor, supporter to scores of Irish American organizations.●

A REPORT ON THE ECONOMY OF SPAIN

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent to insert in the RECORD a most interesting article concerning the economic development of Spain.

The article was written by Mr. W. R. Morrish, Editor and Publisher of the LaPorte (Indiana) Herald-Argus.

The article follows:

SPAIN SEEKS BALANCE GROWTH

(By W. R. Morrish)

MADRID.—Long treasured by artist, historian and tourist alike for her rich cultural heritage, Spain has recently fascinated the whole world with a new and paradoxical spectacle: a return, after 40 years of authoritarian rule, to parliamentary democracy under a Bourbon king.

But Spain means more to us than the elegant Goyas and El Grecos in the Escorial and the Prado, more than the Oriental splendor of the Alhambra, certainly more than her playgrounds for the rich along the Costa del Sol and the Costa Bravo. More even than the drastic political reorientation, the "reforma sin ruptura," reform without a break with the past, currently being undertaken by her handsome young monarch, Juan Carlos I, and her equally telegenic young premier, Adolpho Suarez.

To Hoosiers and other Americans Spain means soybeans and shoes and other items of import and export. And U.S. investments, not just in an overseas naval base and air bases, but in automobile and farm implement plants.

And as part of the world's economic community, Spain—how she prospers or fails to prosper—holds significance for all men and women everywhere on this shrinking planet. For Spain is the world's tenth, or eleventh, national economy, depending upon how calculated. Population: 40 million. With a gross national product (GNP) of 118 billion dollars. Compared to the U.S. GNP of two thousand billion this may not sound like much. But it remains a sizable piece in the mosaic of the western European economy. And it has potential for growth.

To examine that potential the writer interviewed two knowledgable young people here in Spain's capital. They were Mark J. Platt, first secretary and financial economist for the American embassy, and Srta. Pilar Garcia Donoro, of the Spanish Economics Ministry, first assistant to Anselmo Calleja, Director-General of Economic Forecasting.

BOOM IN THE 1960'S

Spain in the 1960s enjoyed an economic boom, unprecedented since the gilded days of her American empire, moving dramatically toward a modern consumer economy as her chronic unemployment was temporarily relieved by the short-term exodus of a million-plus Spaniards to work in the burgeoning industries of northern Europe.

Then came the worldwide recession, triggered by the Arab oil embargo and the fourfold increase in the price of crude. And with the recession the return of hundreds of thousands of the temporary emigrants whose fat paychecks translated into remittances home, along with tourism, had built for Spain an extraordinarily favorable balance of payments.

Added to these burdens was the long final illness and death in 1975 of "El Caudillo,"

Gen. Francisco Franco, and the political uncertainty which the resultant national trauma implied—discouraging business investment from abroad and at home alike.

The formal accession of Juan Carlos as king, and the election in June 1977, of the first freely chosen Cortes (parliament) in more than half a century, did not solve the economic problem. In fact, the heady experience of political freedom distracted from its growing seriousness as the balance of payments turned negative, industry languished, jobs vanished and inflation soared to a debilitating annual rate (in 1977) of 26.5 percent.

But it is a tribute to the resilience and realism seemingly built into the Spanish character over the centuries that all major elements of Spanish society boldly addressed themselves to the economic problem at an historic series of meetings in mid-1977. And at a time when Spaniards' energies were still absorbed in the second phase of the delicate political transition leading to the drafting of a new constitution!

SIGNING OF THE PACTS

The result: the so-called "Moncloa Pacts," in October, 1977, named for the little palace which is Premier Suarez's official residence—a kind of combination social contract and master economic plan, including short-term austerity measures and long-term reforms aimed at restoring market competition and redistributing job opportunities throughout Spain's several regions.

While Franco's corporate state (modeled after Mussolini's) actually pre-empted the private sector less than the takeovers instigated by many so-called social-democratic western European governments, it was nonetheless stultifying in that it dominated key industries. And manufacturing was heavily concentrated in Madrid, Barcelona, Valencia and the northwest at the expense of underdeveloped agricultural Andalusia to the south.

All this is to change under Moncloa. Paralleling the political bow to home rule for restive regions like Catalonia, the national economy is to be decentralized as much as feasible. Manufacturing is to be encouraged wherever it is logical as a means of generating employment.

And agriculture is not to be neglected. In 1960 42 percent of the Spanish labor force was on the farms and in the vineyards producing 24 percent of the national GNP. In 1977 20 percent was engaged in agriculture turning out 10 percent of the GNP. Spain, which should, like France, be able to feed itself, remains a net importer of foodstuffs. Under Moncloa, Spanish farming is to be modernized. Although other European Economic Community (EEC) nations profess to fear competition of cheap Spanish agricultural exports if Spain comes into the Common Market, as she aspires to—EEC economists have told Spain she must increase her production of cereals and dairy products if she is to successfully participate in the Common Market. This means farm implements which Spain can ill afford to import but must probably manufacture at home.

A sidelight on Spain's agricultural dilemma involves soybeans (an Indiana export), which she insisted be exempted from the General Agreement on Tariffs and Trade (GATT) for fear of competing with her vital olive oil processing industry. As protectionist sentiment against importing relatively inexpensive but quality Spanish-made shoes mounts in the U.S., the soybean exemption from GATT is increasingly cited.

DEVALUATION OF THE PESETA

Facing up to her balance of payments deficit, Spain's first act in July, 1977, even before Moncloa, was to devalue the peseta. Even so this was done in moderation and the peseta stands in today's currency markets as neither particularly "hard" nor particularly "soft." Tourism is still a prime source of foreign exchange and is being promoted vigorously (although, from the writer's personal observation, a little more emphasis on logistics and maintenance in the hotels might help).

Although Spain has coal in the northwest, fuelling her well-established steel industry, coal, they say, is not the key to energy self-sufficiency. Three nuclear-powered electricity generating plants are in operation. Five are under construction. Moncloa calls for ten within the next decade. For the time being though Spain is painfully dependent on imported oil. Gasoline sells in Spain for $1.80 per gallon. (In neighboring Portugal it is $3.00 a gallon!)

What then have the sophisticated managers of Spain's New Economic Policy, aided by the Moncloa Pacts, accomplished to date?

First and foremost, they have reduced the inflation rate to an annual rate of 15 to 17 percent. And 17 percent was their modest goal. Remember, it was 26.5 percent in 1977.

The unemployment rate remains at seven to eight percent—a formidable figure for Spain because of the "ripple effect" it has for underemployment here and in view of the fact that Spanish unemployment insurance remains in its infancy.

But there is hope.

Foreign exchange reserves are up again—at an all-time high in fact—giving promise of means to import vitally needed capital goods, modern technology to generate jobs.

FOREIGN INVESTORS CONFIDENT

Caterpillar and John Deere are already in Spain, ready to expand production as the market may require.

Citroen is here and the Fiat-built Spanish-model SEATS are rolling off the production lines and onto the highways in impressive numbers. Chrysler has been making cars here for some time. And Ford is coming into Valencia with a $500,000,000 assembly plant to build the popular Fiesta. There are hard-headed businessmen who predict that Spain will soon become one of the major automobile manufacturing centers in Europe.

The Spanish government expects to finance its modest deficit through foreign borrowing—not through the World Bank or other such lending sources smacking of "foreign aid," but through Triple-A bonds. (Spain has never defaulted on its bonds, the proud Spaniards point out.) The prestigious First Boston Corporation is here now, preparing a detailed economic analysis which the Spanish hope will gain the coveted Moody's and Standard & Poor's rating for their bonds.

Spain hopes to go first class into the future. Let us hope she can.

Meanwhile, Spain projects a GNP growth this year of one to two percent.

This would mean, as Mr. Platt and Srta. Donoro point out, Spain had definitely "turned the corner."

All things considered, that in itself would be a considerable achievement.●

SAUDI ARABIA CONTRIBUTES $200,000 TO THE UNITED NATIONS FUND FOR DRUG ABUSE CONTROL

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. GILMAN. Mr. Speaker, on June 23, the Ambassador of the Kingdom of Saudi Arabia delivered to me a check in the sum of $200,000 representing that nation's contribution to the United Nations Fund for Drug Abuse Control (UNFDAC). The check, which has now been submitted to our State Department for transmittal to UNFDAC, constitutes the largest cash contribution made by the Arab community since the fund was established in 1971 and it represents one of the largest cash contributions to the fund by any nation. Only the United States, Norway, the Netherlands, Sweden, Denmark, Japan (including a substantial private donation), and the Federal Republic of Germany have equaled or surpassed the Saudi contribution.

In February of 1977, along with the gentleman from New York (Mr. SCHEUER), on behalf of the House Select Committee on Narcotics Abuse and Control, I participated in the 27th session of the United Nations Commission on Narcotic Drugs held in Geneva, Switzerland, and argued in the plenary session that "too many nations, including some of the world's largest nations, are conspicuous by their absence from the list of contributors" to UNFDAC's budget, that too many nations, including nations from the Arab community, contributed only token amounts to the fund, and that "a more equitable assumption of the fiscal responsibilities of the world's narcotic problems" is urgently needed if mankind is going to win the "war" on narcotics trafficking and drug abuse.

Subsequent to the Geneva conference, I discussed the problems of drug abuse prevention and control with many leaders throughout the world. In January of 1978, along with the Committee on International Relations, I visited the Middle East and had the opportunity to personnally discuss with the Saudi Arabian Crown Prince and First Deputy Prime Minister Fahd ibn Abd al-Aziz Al Saud and other Saudi officials the problems of narcotic trafficking and abuse. From our discussions, it became obvious that Saudi Arabia desired to intensify its efforts in waging "war" on drug abuse.

According to Mathea Falco, senior adviser to the Secretary of State and Coordinator of International Narcotics Matters, Saudi Arabia's recent contribution is "a dramatic demonstration to support for UNFDAC and for increased international cooperation in combating drug abuse." The contribution is also a substantive departure from its previous sparing financial commitment to the fund. In 1971, the year that UNFDAC was established, Saudi Arabia contributed $2,000; in 1974, it contributed $5,000; in 1975, $25,000; and in 1976, $50,000. The Saudi contribution of $200,000, which is more than twice the $82,000 contributed during the 7-year period from 1971–77, is a fourfold increase from its 1976 contribution to the fund. Hopefully, this outstanding example set by Saudi Arabia will be an inspiration to other nations, especially within the Arab community, to follow the Saudi leadership by contributing to UNFDAC or by increasing their contributions.

To date, for its 1978 budget, UNFDAC has received pledges or receipts amounting to only $6,361,000, with the United

States pledging $3 million, Norway $2.4 million, Sweden $511,000, Saudi Arabia $200,000, and the rest of the international community, including nations from Europe, the Middle East, Asia, and Latin America, a paltry $250,000.

From January 1 through December 7, 1977, 38 nations contributed a total of $8,051,000 to UNFDAC, of which the United States contributed nearly 50 percent to the fund's total budget. Norway contributed $1,448,000; the Netherlands, $500,000; Sweden, $496,000; Denmark, $428,778; Japan, $365,176 (including $160,000 from the Japanese Shipbuilding Industry Foundation); and the Federal Republic of Germany, $215,376. Thirty-three nations contributed only $962,000 or an average of $29,153 per nations, with many nations making miniscule contributions or no contributions at all.

Mr. Speaker, if the "war" on drugs is to be won, then clearly it requires the money, manpower, equipment, and the awareness that preventing and controling drug abuse is a global problem affecting all of mankind. And if leaders throughout the world truly mean what they say, then they will join with the nations who have committed themselves to providing the vital resources for combating the sophisticated criminal organizations engaged in narcotics trafficking and whose operations reach into every corner of the world, profiting from the human misery of drug addiction.

Mr. Speaker, I applaud Saudi Arabia for its significant contribution to UNFDAC and hope that other nations will soon follow its lead by increasing their support of this international effort to stamp out drug trafficking.●

HIS EXPERIENCE IN BOY SCOUTING IS JUST GOLDEN

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. KILDEE. Mr. Speaker, I would like to draw the attention of my colleagues in the U.S. House of Representatives to a recent newspaper article in the Flint Journal of Flint, Mich., about a close friend and constituent of mine who has been honored for a half century in scouting. For 50 years Edward R. Kapp, Jr., has given unselfishly of himself for the benefit of generations of boys in the Flint area. He is one of scouting's very few 50-year veterans. The newspaper article gives a summary background of Mr. Kapp's accomplishments that I wish to have printed here in the CONGRESSIONAL RECORD:

HIS EXPERIENCE IN BOY SCOUTING IS JUST GOLDEN

The richest account of the Tall Pine Council's history may rest in the head of Edward R. Kapp Jr., one of Boy Scouting's few 50-year veterans.

A council spokesman calls Kapp an inspiration to other adult leaders.

Kapp's Scouting history goes back to 1924, when at the age of 12 he joined Troop 33, sponsored by the Flint Masonic Temple.

Except for an interruption of about three years to serve in the Navy during World War II, Kapp has been in Scouting ever since.

He says the highlight of it all was in 1930, when he served as an aide to the late great march composer, John Philip Sousa. Sousa was in Flint to judge a national band contest. Kapp keeps a note that Sousa wrote to him afterwards.

"It gave me such feeling of importance, of belonging," Kapp said.

He calls Scouting "a wonderful organization in what it does for boys."

In 1929, he got a Life award, the second highest available to a Boy Scout. The Eagle award, a Boy Scout's highest, was not to come until 30 years later. Kapp made sure of that.

He wanted to get his Eagle when he had a son get one, so he put off getting the last badge. He and his son, Roger, became Eagles together in 1959. Roger is now a Scouting executive in the Chicago area.

Kapp's Eagle was presented by his first scoutmaster, Dr. Benjamin F. Miller, a Flint dentist who died in 1969.

Kapp has provided leadership to three Flint troops. During the 1930s, he was assistant scoutmaster of Troop 14 at Whittier Junior High School. During the 1950s, he was master of Troop 186 at Pierce School, and during the 1960s master of Troop 29 at First Presbyterian Church.

He received the Silver Beaver award, the highest a Scout council can give for volunteer service, in 1965.

Kapp has been merit-badge councelor for six badges; swimming, lifesaving, boating, canoeing, sailing and first aid. They are all focused on the great interest of his life: safety.

He spent much of his career as full-time director of safety programs for the local Red Cross chapter. Kapp was the second person to hold that post, and he developed a broad local Red Cross first-aid and water-safety program. He had been volunteer chairman of the chapter's disaster preparedness committee.

He left the post in 1965 to work for the Michigan Heart Association. He still does volunteer work for the association, teaching cardiopulmonary resuscitation.

Kapp is a descendant of auto pioneers. His father, who died in 1961, had an industrial career that included jobs with the old Weston-Mott Co., Buick, AC Spark Plug Division and General Motors Institute.

His mother, Cornelia Bassett Kapp, was the sister of a president of Buick. She died in 1968.

Kapp, approaching his 66th birthday, looks back on a life of community service with no regrets, he said.

He is still with the Tall Pine Council, as a member at large. He describes himself as a veteran Scout "who just won't give up the ghost."

At the council's appreciation banquet this spring Kapp was given his 50-year award, and the council believes that it has only two others who have received that.

Kapp said that a Scout leader should have these qualifications:

The love of working with young people.

Many skills.

The ability to motivate boys.●

ESTONIAN SCOUTING JAMBOREE

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. FORSYTHE. Mr. Speaker, one of the most remarkable events to be held in our country this year is about to occur next month in Jackson Township, N.J. The worldwide Estonian Scouting Jamboree "Koguja II" will take place July 6 to 17, bringing together from all over the world young scouts of Estonian descent.

Just 28 years ago, Soviet Russia occupied Estonia, and has yet to relinquish its control. Among other tragic consequences of this occupation was the end of Estonian scouting. In 1940, the Estonian scouting organization was liquidated by the Soviet authorities and many scout leaders were among the tens-of-thousands of Estonians arrested, imprisoned, and sent to Siberian labor camps. Scouting in Estonia continues to be outlawed today by the Soviets.

The strong determination and pride of the Estonians exiled from their homeland provides inspiration for all of us. A particularly important manifestation of this strength is the Koguja jamboree. The name "Koguja" means "one who gathers," an appropriate name for a Scouting jamboree which brings together Estonian youths from all over the globe in a testament to the strength and permanence of the Estonian culture.

Activities planned for the week include hikes, skills competitions, sporting events, and campfires. Among the special events are a day dedicated to the celebration and appreciation of Estonian culture, a day commemorating Estonian Youth Year, and numerous field trips. A Visitors' Day will end with the "Suurloke" (Great Campfire).

During the week, representatives will visit the Veterans' Memorial in Jackson Township, the All Wars Memorial, and the Legion of Estonian Liberation Memorial in Lakewood, N.J. During these visits, wreaths will be placed at these sites to honor those who sacrificed their lives in the fight for freedom.

I am particularly proud that this gathring of Estonian Scouts will be located in Ocean County. The Estonian Scouts, in carrying on the traditions both of international scouting and of a distinguished and enduring culture, will provide a stirring example to the rest of us observing their celebration.●

PUBLIC RANGE LANDS IMPROVEMENT ACT OF 1978

HON. TENO RONCALIO

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. RONCALIO. Mr. Speaker, on Thursday, the House will consider H.R. 10587, the Public Range Lands Improvement Act of 1978. This bill is vital to the interests of the Western States, and I urge my colleagues to vote for passage. Of particular interest is the broad based support which has emerged for the bill in Wyoming—especially the important cooperation and alliance formed between Wyoming environmental and ranching interests. This new formed alliance was evidenced in an April 25 telegram which I ask be reprinted here:

DEAR REPRESENTATIVE RONCALIO: Representatives of the major Wyoming agricul-

tural and environmental groups met in Casper, Wyoming on April 11 to discuss H.R. 10587, at that time called the Public Grazing Lands Improvement Act. At the meeting we were in general support of its provisions but unanimously agreed that sections of the bill which tried to differentiate between "environmental impact improvements" and "non-environmental impact improvements" did not provide an adequate solution for a serious problem. Subsequent language changes and amendments to H.R. 10587, presently called the Public Range Lands Improvement Act, have clarified the legislative intent of how to deal with certain complex and important issues of public range land managegment.

We wish to express our support of H.R. 10587 and its provisions, and offer a suggestion for its improvement.

We approve of the section which deals with "environmental impact improvements" but feel that existing language pertaining to "non-environmental impact improvement" is still not adequate from an environmental and range land ecosystem management point of view.

We recommend, on page 13, line 18–22, striking the words "such non-environmental impact improvements shall not be considered a major federal action requiring a detail statement pursuant to section 4332(c) of title 42 of the United States Code:"

We recommend insertion of the following language in lieu thereof: "Such non-environmental impact improvements shall not require completion of the documents required by subparts (1 through 4) of subsection (F) of this section, unless the Secretary determines through the environmental analysis review (EAR) process that they will have a significant environmental impact, or, if the Secretary determines they are of such a minor nature as to not require an environmental analysis review (EAR):"

We hope this expression of our unified support for H.R. 10587 will contribute to its acceptances as a means to improve the quantity and quality of proper multiple use range land management practices on our public lands.

Wyoming Environmental-Agricultural Coalition, Wyoming Sierra Club, Laney Hicks; Wyoming Outdoor Council, Colleen Kelly; Northern Great Plains Regional Sierra Club, Bruce Hamilton; Wyoming Wilderness Society, Bart Koehler; Wyoming Public Lands Council, Tye Moore; Wyoming Stock Growers Association, Walt Reynolds; and Wyoming Wool Growers Association, Jim Magagna.

The changes requested by the signers of the telegram have been made, and H.R. 10587 now represents a truly balanced approach to the problems of improving the western range. I hope my colleagues will consider this in casting a strong "yea" vote for H.R. 10587 on Thursday.●

ERA RATIFICATION PERIOD

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. HAGEDORN. Mr. Speaker, in the debate over extension of the time period for ratification of the equal rights amendment, it has been assumed by both sides that the House joint resolution which accompanied the equal rights amendment, and which specified the ratification period, was easily severable from the proposed amendment itself.

An extremely interesting study done by a Washington University (St. Louis) law professor, Jules B. Gerard, has recently concluded that this is simply not the case. In a majority of States that have thus far ratified the amendment, the resolution specifying the time limit was a "material consideration," according to Professor Gerard. In my own State of Minnesota, for example, where I served as a State legislator at the time of ratification, the provisions of the joint resolution became an explicit part of what was being ratified.

I would like to bring to the attention of my colleagues Professor Gerard's findings contained in a letter to the distinguished chairman of the House Judiciary Committee (Mr. RODINO). Although I have no illusions that they will do this, these findings should permanently lay to rest the case for extending the ERA's ratification period.

WASHINGTON UNIVERSITY,
St. Louis, Mo., June 14, 1978.

Hon. PETER W. RODINO, Jr.,
Chairman, House Judiciary Committee,
House Office Building,
Washington, D.C.

DEAR CHAIRMAN RODINO: Before your committee votes on H.J. Res. 638, I believe it is crucial to call to the attention of you and the other committee members that extending the period for ratification of ERA is likely to invalidate the ratifications of at least 24 states. The reasons are discussed in this letter.

At the hearings on H.J. Res. 638 before the Subcommittee on Civil and Constitutional Rights, everyone assumed that states had ratified only the proposed amendment, not the time limit under which it was submitted, and further that the time limit had played no major role in the ratification decisions. Both of these assumptions, it turns out, are demonstrably incorrect. Since submitting a short letter to Congressman Edwards' subcommittee, I have looked into the matter in some detail, with the following results.

(1) Many of the states stated explicitly in ratification documents that their ratifications are conditioned upon the time limit. For instance, Ohio's ratification reads, "whereas, Both Houses of the Ninety-second Congress . . . made a proposition to amend the Constitution of the United States in the following words, to wit: [reciting the journal resolution]." Other states that ratified in identical, or substantially identical, terms are: Connecticut, Maine, Michigan, Montana, New Hampshire, New Mexico, North Dakota, Wisconsin, and Wyoming. This is a total of 10 states. If one adds Idaho and Nebraska, which since have rescinded their ratifications, the total is 12.

(2) Eight other states ratified as follows, quoting from the California document: "whereas, the 92nd Congress . . . has adopted House Joint Resolution No. 208 . . . proposing an amendment to the Constitution of the United States, in the following words, to wit: [reciting the joint resolution]." Besides California, these states are: Colorado, Indiana, Kansas, Massachusetts, Minnesota, Washington, and West Virginia. It is perfectly obvious that these eight states acted on the basis that the language of the joint resolution was an essential part of what they were ratifying. The joint resolution, of course, included the seven-year limitation.

(3) Two states explicitly recite the time limit as a separate inducement persuading them to ratify. They are Oregon and Vermont.

(4) Two other states explicitly state that what was submitted to them for a vote was the joint resolution containing ERA, *not* ERA independent of the joint resolution. They are Iowa and South Dakota.

As with all enrolled legislation, these documents speak for themselves. It is unthinkable to suggest that Congress may alter the wording of a ratification, or pick what it chooses to accept and ignore the rest.

Any fair reading of these 24 ratification documents will lead one inevitably to the conclusion that the time limit was a material consideration to all of these states and that it is impermissible to presume that they would have ratified without it. The correctness of this conclusion is bolstered substantially by the fact that four states—Maryland, New Jersey, Pennsylvania, and Rhode Island—clearly ratified ERA without adverting in any way to the time limit contained in the joint resolution. In other words, since a state obviously is capable of ratifying without mentioning the time limitation, it must be presumed that those who did mention it did so deliberately. In any event, the language of the 24 ratifications plainly includes the time limit.

If one adds to the 24 states that clearly conditioned their ratifications on the time limit those 4 states—Delaware, Hawaii, New York, and Texas—which mention the time limit without indicating a reason for doing so, the number of ratfications that would be placed in jeopardy by extending the time limit increases to 28.

To summarize: if the time limit is extended, (a) it is clear that only four ratifications will be incontestably valid; (b) it is equally clear that twenty (paragraphs (1) and (2)) will be incontestably invalid, and four more (paragraphs (3) and (4)) will be probably invalid; and (c) the ratifications of the other four are in jeopardy. (I was unable to locate the documents from Kentucky and Tennessee in preparing this statement.)

I have taken the liberty of sending copies of this letter, with the attachments, to all members of the Committee.

Sincerely yours,

JULES B. GERARD,
Professor of Law.

PROTECTING FARMERS AGAINST NATURAL HAZARDS

HON. MAX BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. BAUCUS. Mr. Speaker, during the coming months Congress will consider proposals to protect farmers and ranchers from crop losses beyond their control. The Conservation and Credit Subcommittee of the House Agriculture Committee intends to hold hearings on various crop insurance and disaster protection proposals in late July. At this time I would like to submit information explaining the need for crop insurance and other financial protection, describing current programs, and explaining possible new options, including the one proposed by the administration.

NEED FOR FINANCIAL PROTECTION

Farming and ranching have always been high-risk occupations. Many of the factors involved in successful crop and livestock production are beyond the direct control of producers. Farmers are at the mercy of weather which can aid or ruin crop production. Extemes of heat and cold, hail, violent windstorms, and other unpredictable natural hazards

such as insect invasion and crippling diseases can seriously damage or wipe out crops and livestock. In fact, about 1 out of 12 acres planted each year never reach harvest.

Some farmers and ranchers prefer to bear their own risks. But because of the complexity of modern agriculture, crop insurance and other forms of financial protection have become accepted necessities.

Modern farming and ranching requires large investments of capital and land, buildings, machinery, livestock, and annual production inputs. Fixed costs are high and risks, too, are high every year when the farmer puts in his crops. Many farmers have to borrow money to plant their crops. The loss of that investment can mean the inability to pay not only that loan, but carrying charges on fixed assets.

CURRENT PROGRAMS TO PROTECT FARMERS

Presently production protection is offered by four Federal programs: Crop insurance; low-yield disaster payments from the Agricultural Stabilization and Conservation Service; emergency loans from USDA's Farmers Home Administration; and emergency loans from the Small Business Administration.

First. The Federal Crop Insurance Corporation (FCIC) is an agency of the U.S. Department of Agriculture that administers a program of actuarially sound, all-risk crop insurance. The program has gradually been expanded since 1938 and now covers 26 crops in 1,522 counties in the United States. Administrative costs of the program are absorbed by the Federal Government.

Unfortunately, half of the counties in the United States and numerous crops are not included in this program. The coverage offered is below the cost of production—50 to 60 percent of total costs, including land, for producers of major crops with maximum coverage—As a result, only 14 percent of the eligible corp acreage is insured annually.

Second. The disaster payments program (DPP) was first implemented in 1974. The program is administered by the Agricultural Stabilization and Conservation Service (ASCS) of the USDA. The 1977 Farm Act modified the disaster payments program and extended it through 1970 to allow a new program to be developed.

The disaster program provides about $450 million annually to producers. However, only producers of six major crops—wheat, corn, barley, sorghum, rice, and cotton—are eligible for benefits. Losses must be greater than 25 percent of normal production for cotton and rice and 40 percent for other crops. Level of protection is only 30 percent of total production costs.

Third. The emergency loan program of the Farmers Home Administration is available to producers who suffer losses in designated disaster areas. This program has been continuously modified by legislation since its conception in 1918. FmHA's emergency loan program generally offers subsidized interest rates, and, at times, grants. Currently, loans of up to $250,000 are provided at 3 percent interest; interest is 5 percent for loans above that amount.

Emergency loan volume has varied greatly from year to year. As a result of widespread drought in the United States last summer, loans for 1978 are expected to be between $2 billion and $3 billion. Protection ranges up to 100 percent of production losses, and average repayment period is 7 years.

Loans have helped keep some producers out of bankruptcy. But many producers are ineligible because they cannot meet the required tests that credit be unavailable elsewhere. Other producers have suffered losses but could not apply for loans because their areas were not designated.

Fourth. The emergency loan program of the Small Business Administration is a new program for farmers, offered only since 1976. It is more liberal than the FmHA program in many ways. However, lack of SBA experience and capability for making and evaluating agricultural loans has resulted in confusion and discontent in recent months.

In addition to these four types of Federal Government programs, each year the private insurance industry offers about $8 billion of hail insurance to farmers for about $325 million in premiums. Because of the random nature of hail losses, private insurers can sell protection at rates that are both attractive to crop producers and profitable to themselves. About 25 percent of eligible acreage is covered by hail insurance.

POLICY OPTIONS

We in Congress might consider a wide range of options for new legislation to protect farmers from natural disasters. We can simply extend current programs. Or, we might eliminate the disaster program and expand Federal crop insurance. We might encourage the private insurance industry to offer multiperil crop insurance. We might amend the disaster program provisions to make the protection more in line with the needs of producers and to remove some of its unsound programs. And, we might extend the emergency loan program offered by FmHA to reach more producers.

Current programs provide reasonable income production to producers of wheat, feed grain, cotton, and rice. However, there is a much lesser level of coverage for producers of other commodities. Also, there is some overlap among the current programs.

Elimination of disaster payments with no offsetting changes would substantially reduce the Federal role in assuming a proportion of economic risks of losses from natural hazards. Producers of major crops would have a much more difficult time dealing with the financial problems of crop disasters. During the past year, many farmers in drought areas were able to stay in business only because of the disaster payments they received.

Expansion of Federal crop insurance could be of great assistance in helping producers to adjust to the uncertainty of natural hazards. However, current participation in crop insurance programs is too low to make the alternative viable. Two methods for increasing participation are increased sales activity and a premium subsidy.

Private insurance coverage might be expanded, but this would probably require Federal assistance in the area of subsidies, reinsurance assistance, or both. Private insurance companies have found that it is difficult for them to maintain reserves large enough to cover the risks of writing all-risk crop insurance. The large number of insurance companies and independent agents that sell other types of insurance to agricultural producers gives the private sector access to many potential buyers.

An expanded emergency loan program might help farmers reduce income instability. However, producers with low equity and income—particularly small farmers and those just starting in the business—are often so hard pressed that additional loans will not help. An expanded loan program would be more equitable than current policy in terms of availability of assistance. Participation would not be universal because some producers would be unable to carry additional debt.

THE ADMINISTRATION PROPOSAL

The administration has proposed a crop insurance reform bill which spokesmen say would provide better protection for farmers than present programs at no additional cost to the Government. The proposed Farm Production Protection Act could consolidate the four present disaster assistance programs into one comprehensive, share-the-cost program. Coverage would be provided the first year for 18 crops which account for 89 percent of all cropland acreage. The program has potential for expansion to eventually cover all farm products including livestock.

Each farmer who participates in the proposed program would pay a premium on the level of protection he chooses and the risk involved in his farming operation. The cost of the insurance would be shared between the farmer and the government.

Under the program, each producer could choose from three levels of insurance coverage—50, 70, and 90 percent of normal crop production. The farmer would pay about half the actual cost of insurance for the minimum 50-percent protection. If he chose the 70-percent protection, he would pay for most of the cost of the additional 20 percent of protection. The farmer would pay all the cost for the final 20 percent of protection at the 90-percent level. These three levels might vary for different crops.

The insurance would be marketed through private insurance agencies and county ASCS offices. The program would be funded through USDA's Commodity Credit Corporation.

The proposed program would not eliminate all disaster programs. Those that cover land and building damage, flood damage to farms and commodities, and small business losses would remain.

The 18 crops initially covered by the proposal are wheat, cotton, corn, barley, grain sorghum, rice, sugar cane, sunflowers, citrus, dry beans, soybeans, oats, flax, peanuts, tobacco, raisins, sugar beets, and rye.

SUMMARY

Mr. Speaker, farmers need programs to protect them from the uncertainties of nature. The economic risks of loss are too great for individual producers to bear alone. Failure on the part of the Federal Government to assume some portion of these risks will contribute to disinvestment, declining farm production, and higher consumer prices. As we study various crop insurance proposals during the coming months, we must insure that they will adequately protect farmers, that they are flexible enough to adapt to the widely varying conditions in our Nation's complex agricultural system, and that they treat producers equitably.

We need a better, more comprehensive program to provide protection for farmers against factors of production that are beyond their control. I intend to work with agricultural interests and my colleagues in Congress to develop such a program this year.●

WHY THE HOUSE COMMITTEE ON INTERNAL SECURITY SHOULD BE RESTORED

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. McDONALD. Mr. Speaker, pending before the Rules Committee is House Resolution 48, introduced by my distinguished colleague from Ohio (Mr. ASHBROOK) and me and which now has a total of 177 cosponsors. This resolution would restore the Committee on Internal Security which would have the authority to investigate threats of terrorism and subversion, develop necessary corrective legislation for our Federal law enforcement and intelligence agencies to meet these threats, and carry out oversight functions in these areas.

I ask those of my colleagues who have not yet cosponsored House Resolution 48 to do so at once and to join with us in urging the Rules Committee to report this resolution out for a vote before the end of this session.

A young college student, Stewart D. McLaurin, of Birmingham, Ala., who will be a sophomore at the University of Alabama this fall, has written an analysis of the need to restore the House Committee on Internal Security. Stewart McLaurin has worked this summer in my office under a program organized by Washington Workshops; his analysis reflects credit on the ability of the Washington Workshops to select excellent and well-informed students for their program, and also on his university and high school, Sades Valley High School, in Birmingham. I understand that Stewart's career goal is to be an attorney, certainly the manner in which he performed duties and conducted himself in my office indicate that he will bring considerable credit to the profession of law.

Stewart McLaurin has been able to comprehend something that many of my liberal colleagues seem to miss: That if we are killed by a terrorist bomb or are intimidated by an organization of totalitarian thugs, we lose all our civil and human rights. Knowledge of the plans of the enemies of freedom does not destroy freedom, it protects it. I offer for my colleagues consideration, Mr. McLaurin's article. His article without the appendixes follows:

WHY THE HOUSE COMMITTEE ON INTERNAL SECURITY SHOULD BE RESTORED

During the last few years there has been a largely successful movement to weaken the preventive capabilities of law enforcement agencies. Intelligence files have been destroyed and the observation of violence-oriented groups has been eliminated. The House Committee on Internal Security (HCIS) has been abolished. Along with this, there has been a substantial increase in terrorist activity by factions which seek to attain their political goals by use of force and violence. As a result, innocent people are increasingly coming under attack, (i.e. being terrorized, held hostage and murdered), while restoration of the abolished HCIS would provide Congress with the data necessary to create legislation to deal with the growing threat to our security jeopardized by terrorist factions and their subversive supporters. Such action would enable the Federal Bureau of Investigation, and organizations like it, to resume their responsibilities in this field, and could prompt local law enforcement agencies to rebuild their intelligence-gathering capacities.[1] Restoration of the HCIS would be an appropriate and intelligent means of coping with the rising flood of terrorism and subversion which has resulted from the nearly total collapse of America's intelligence and internal security defenses. The need has never been more manifest.[2] Through its years of existence, the HCIS served to uncover and disclose several efforts to undermine the high principles of the United States. Its history of uncovering conspiracies, etc. speaks for itself and for its need today. Legislatively, the HCIS served to report on hundreds of bills and amendments which later proved to be cornerstones of American domestic preservation and protection.[3] To re-establish this committee could only serve to create a stronger national fortress against alien intelligence forces which plague our country like a cancer.

To give a comprehensive history of the HCIS would begin with its initial creation in 1938 as the Special Committee on Un-American Activities, in 1969 changed to the Committee on Internal Security. Then, through a party whim, the HCIS was abolished in 1975. "The House of Representatives did not have the opportunity to vote on abolition which was achieved by a parliamentary maneuver. In 1974, the House voted to reject an attempt to abolish the Committee.[4] "

As for the specific function of the Committee, it had an official mandate directing it to:

". . . make investigations from time to time of (1) the extent, character, objectives, and activities within the United States of organizations or groups, whether of foreign or domestic origin, their members, agents and affiliates, which seek to establish, or assist in the establishment of, a totalitarian dictatorship within the United States, or to overthrow or alter or assist in the overthrow or alteration, the form of government of the United States or any state thereof, by force, violence, treachery, espionage, sabotage, insurrection, or any unlawful means, (2) the extent, character, objectives, and activities within the United States of organizations or groups, of their members agents and affiliates, which incite or employ acts of force, violence, terrorism, or any unlawful means, to obstruct or oppose the lawful authority of the Government of the United States in the execution of any law or policy affecting the internal security of the United States, and (3) all other questions, including the administration and execution of any law in the United States, or any portion of the law, relating to the foregoing that would aid the Congress or any committee of the House in any necessary remedial legislation." [5]

Contributions made by the HCIS during its existence were not small in the least. Many investigations, reports and testimonies revealed significant problems within the United States concerning terrorism, subversion and espionage.

Among some of its more significant discoveries were:

"Extensive investigations into Soviet espionage: A major Soviet spy ring exposed by the Committee included high State Department officials such as Alger Hiss, officials in the Treasury Department, as well as other highly placed agents. Hiss was convicted of perjury as a result of the Communist Party, USA, the Committee found many links between the Party and Soviet espionage apparatus.

"Extensive investigations into the Communist Party, USA, revealed substantial Communist penetration into such sensitive areas of American society such as education, labor and communications. The committee's investigation of Communist penetration into the labor movement was substantially aided by members and officials of the American Trade Union Movement. As early as 1938, leaders of the American Federation of Labor appeared before the Special Committee on Un-American Activities to present evidence of Communist infiltration and subversion. In 1949, the Congress of Industrial Organizations relied heavily on the Committee's investigations and expelled a number of affiliated unions that had fallen under Communist domination.

"In more recent years, the Committee investigated violence oriented groups such as the Students for a Democratic Society and the Black Panther Party. The Committee reported to Congress on the activities of such groups as they escalated their violence from street riots to terrorism. Remedial legislation, as well as action by the Executive Branch was based in part on the Committee's findings.

"During the last two years of the Committee, an extensive investigation was conducted on domestic and international terrorism. Much of the information now in the public record concerning this problem is based on the hearings and reports of the Committee." [6]

Now in 1978 we are confronted with issues demanding the same action, but the hands of American intelligence services are tied by their own regulations. In addition, they are blinded by the lack of enforcement ability.

Radical Leftists launched a successful campaign to destroy American internal security and have succeeded to the point of reducing the number of subversive cases investigated by the F.B.I. from 4,800 in 1976 to 214 in 1977. The number of Iron Curtain intelligence personnel working in the U.S. under diplomatic cover alone is close to 2,000.[7] There is, at the present time, no existing defense against internationally coordinated terrorist actions and threats. The resurrected House Committee on Internal Security would be a powerful factor in purging America of alien conspiracies. A revised Committee on Internal Security

Footnotes at end of article.

would be a bare minimum of what is now needed to arrest further infiltration.

The bureaucracy has such departments as the Federal Bureau of Investigation, the Central Intelligence Agency, and the National Security Agency, but these organizations do not possess the Constitutional authority to issue laws against subversive activity and provisions for those convicted of attemping to undermine the U.S.A.

One year after taking the oath of office as President of the United States, Jimmy Carter signed Executive Order 12036 which turned over U.S. intelligence services to a group of young academic Leftists who operate out of the Old Executive Office Building under the authority of Zbigniew Brzezinski, Director of the National Security Council. Such an array of executive intelligence agencies raise banners proclaiming to be the supreme authority, the immaculate expert, and the ultimate power when it comes to United States intelligence. None have the backing of the people or the Constitutional basis on which to function in such a way as to dictate American intelligence policy. Therefore, a source of intelligence investigation should arise out of our representative forces in Congress and cry out by action and with the voice of the people, that terrorism and subversive activity cannot and will not be tolerated. Bureaucratic machines dominate the international and domestic intelligence skyline, feeding themselves on their own quest for supreme jurisdiction.

A copy of the Attorney General's Domestic Security Guidelines, which have been made public, is attached. This guideline provides a form of investigation for such groups as the F.B.I. Also attached are the "content" pages of the annual reports of the House Committee on Internal Security (1969–1974). These reflections of content give evidence as to the myriad of issues once investigated by the much needed HCIS. (See Appendix A & B)

Congressman Gilman (R–N.Y.) stated in the Congressional Record on September 21, 1976:

"This country must take stronger steps in conjunction with other nations to deny a safe haven to terrorists and to establish sanctions against states which aid them or fail to prosecute or extradite them. I have long supported measures to put a stop to internal terrorism. . . . Unless we can protect those fundamental lines of government communication, terrorism will continue to threaten the very foundation of international relations. The impact of these acts are magnified as governments are forced to stand aside, appearing helpless or heartless and unable to protect their own officials and citizens." [8]

In agreement with the Congressman, I believe his testimony gives all the more reason to restore this necessary Committee. It would be detrimental to the U.S. to do away with the House Committee on International Relations; in that respect, how can one rationalize the demolition of a Committee that guards against alien intelligence infiltration and successful movements, plots, conspiracies and schemes.

Eleven bills have thus far been introduced in the U.S. House of Representatives, 95th Congress, which seek to restore the House Committee on Internal Security as a standing committee. Unfortunately, as of March 7, 1978 none had been reported. These bills include:

House Resolution 15 by Mr. Ashbrook (R-Ohio).

House Resolution 48 by Mr. McDonald (D-Georgia) and others.

House Resolution 497 by Mr. McDonald and others.

House Resolution 517 by Mr. McDonald and others.

House Resolution 536 by Mr. McDonald and others.

House Resolution 555 by Mr. McDonald and others.

House Resolution 572 by Mr. McDonald and others.

House Resolution 599 by Mr. McDonald and others.

House Resolution 749 by Mr. McDonald and others.

House Resolution 828 by Mr. McDonald and others.

House Resolution 912 by Mr. McDonald and others.

Currently 177 co-sponsors for these have been secured.

This further illustrates that it is an issue which has generated a great deal of concern, interest, and support over the last few months.

Justice Goldberg once stated that "The Constitution is not a suicide pact." Therefore, the First Amendment, pertaining to freedom of speech, was not designed to protect covert movements which are helping clandestine operations. It was, however, instituted to provide a means to speak out for or against the government. In light of this, the HCIS would not be any violation of the First Amendment.

Revival of the House Committee on Internal Security has a purpose, a need, and generous support. The only thing it lacks now is action by the Left wing liberals who sit perched on the lofty pedestals of Congressional seniority. Deterioration of the power to check alien intelligence cannot continue too much longer before we, as a country, will have hung ourselves with a noose of red tape from a bureaucratic limb. In light of this potential consequence, Congress must give close consideration to the recommendations presented that, the HCIS be restored as a standing committee in Congress and that the web of bureaucratic intelligence forces be restricted before America succumbs to a systematic takeover by foreign intelligences and powers.

FOOTNOTES

[1] Larry P. McDonald, M.C., "Dear Colleague" letter, U.S. House of Representatives, March 18, 1977.

[2] John Rees, "Security," *The Review of the News*, July 20, 1977, pp. 31–40. (Introduction).

[3] Herb Romerstein, "Fact Sheet on the House Internal Security Committee," 1977, pp. 1–3.

[4] Romerstein, p. 1.

[5] Romerstein, p. 1.

[6] Romerstein, p. 1 & 2.

[7] Rees, p. 35.

[8] Benjamin Gilman, M.C., *Congressional Record*, Sept. 21, 1976, p. 31584.

[9] Bill Digest; 95th Congress, pp. H–2, H–4, H–26, APP 8–25, H–28, APP 8–27, APP 8–28, APP 8–29, APP 8–36, APP 8–40, APP 8–44.

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UNITED STATES MUST PROTEST RUSSIAN SENTENCING OF VLADIMIR SLEPAK AND IDA NUDEL

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. LENT. Mr. Speaker, a new and heavy blow has fallen on the cause of human rights. The cruel action of the Soviet Union in sentencing Vladimir Slepak and Ida Nudel to long years in exile is an outrageous violation of their human rights. This official action of the Soviet Government is also a blunt message to the world that the U.S.S.R. will totally ignore the guarantee of human rights in the Helsinki Accords which Chairman Brezhnev signed with such ceremony in 1975. It is obvious the Soviet Government, concerned about the world protest to its policy of oppression, is making a ruthless attempt to crush all efforts of Soviet citizens to call attention to Soviet violations of the human rights section of the Helsinki Accords.

Mr. Speaker, we must not let this brutal challenge to human rights go unanswered. We must protest in the strongest terms to the Soviet leaders who are so blatantly ripping apart the solemn commitments they made in Helsinki nearly 3 years ago. We must unite in demonstrating our deep concern. I am sending a letter to Leonid Brezhnev denouncing this act of oppression, and pointing out the serious effects it could have on relations between the Soviet Union and our Nation. I urge my colleagues to join with me in such action.

Further, I am writing President Carter urging him to send a personal message to Chairman Brezhnev as a formal protest to the action taken against Slepak and Nudel, and recalling that in the Presidential campaign of 1976 Mr. Carter sent a telegram to Vladimir Slepak expressing personal interest in Slepak's human rights activities. If the President would follow up that interest with a formal protest, the cause of human rights would be given most significant support.

Such action would send a vital message throughout the world that the President of the United States will not ignore flagrant disregard for a solemn international agreement. It would serve notice on the Soviet leaders that their new campaign against human rights activists within the Soviet Union cannot stifle the will to freedom.

Moreover, such action would do much to strengthen the resolution of those courageous Soviet Jews who, despite the brutal Soviet tactics of suppression and oppression, continue to press for the freedom to emigrate to Israel.

Mr. Speaker, Vladimir Slepak and Ida Nudel have demonstrated the greatness of the human will for freedom in refusing to bow down to the Soviet authorities. For years, despite threats and deliberate acts of persecution, they continued to work, not only for themselves, but for all Soviet Jews who seek freedom.

They deserve all the support we can give them.

Working together, Mr. Speaker, we can help their cause by focusing greater attention on the brutal, inhuman violation of human rights which has sent them into exile.●

THE SOVIET UNION IS THE MALICIOUS HOOLIGAN

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. STEERS. Mr. Speaker, the Soviet Union has once again demonstrated that it has little intention of living up to the Helsinki accords signed in 1975 by the Soviet Union and several other countries. On June 21, after a closed kangaroo-type proceeding, Vladimir Slepak and Ida Nudel were sentenced to extremely harsh sentences for the "crime" of trying to leave the Soviet Union to be reunited with their families.

According to Soviet law, their crime was malicious hooliganism. Webster's 3d International Dictionary defines a hooligan as either a "ruffian" or "a person that as a representative of some special interest—as a political or racial philosophy—attempts to override the legal and human rights of other people." I think these definitions accurately describe the Soviet Government whose actions seem bent on subjecting Jews in the Soviet Union to relentless oppression. Who other than a hooligan would pour boiling water on the wife of Vladimir Slepak—who will go on "trial" in the near future—while she and her husband courageously hung a banner outside their window that said simply, "Let us out to our son in Israel." This hooligan act was committed by Soviet internal security agents.

The irony of this situation is far outweighed by the personal suffering of the Slepaks and Ida Nudel, and all of the refuseniks in Russia. These people have applied to emigrate from the Soviet Union and have been refused. As a result of their actions, these people lose their jobs, often their housing, and they become social outcasts under the surveillance of Soviet KGB agents. The Soviets make it almost impossible for Jews to live in Russia; at the same time they prevent Jews from leaving.

If the Soviet Union can approach the matter of human dignity and basic human rights in such a callous and pernicious manner, with total disregard for an international agreement, it reflects poorly on the entire spectrum of United States-Soviet relations. In order to establish the necessary international climate for a peaceful world, there must be a feeling of mutual understanding at least at a basic level. This vicious official state act would seem to indicate that at the present time, this basic level cannot be reached.●

IRISH LABOUR PARTY LEADER VISITS UNITED STATES

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. EDWARDS of California. Mr. Speaker, Mr. Frank Cluskey, T.D., leader of the Irish Labour Party, was recently in the United States and met with a number of American leaders in Washington, D.C., on June 14. After his meetings, Mr. Cluskey made a statement in which he expressed the great concern of his party as well as that of the Opposition Party Fine Gael and the Irish Prime Minister over the continued violence in Northern Ireland. It is a fine statement and one which I believe my colleagues will find of great interest. The statement follows:

On the occasion of my visit to the United States I would like to associate myself with the statements on the question of violence in Northern Ireland made by the Taoiseach (Irish Prime Minister) Jack Lynch T.D. when he recently visited the United States. I share Mr. Lynch's view that the use of violence in Northern Ireland is not alone morally reprehensible but is a major obstacle to the unity of the Irish people and to political progress in Northern Ireland. As leader of the Irish Labour Party I join with the Irish Prime Minister Mr. Lynch, and indeed with the leader of the other Opposition Party Fine Gael, Dr. Garret FitzGerald, in comdemning the activities of the Irish Northern Aid Committee and the Irish National Caucus. These Organizations thus stand condemned by the entire spectrum of Irish political leadership.

The cause of human rights is a basic goal of my Political Party. That cause will not be helped if it is abused by those who have or who have had a public identification with the cause of violence. It is for this reason that I am concerned to learn of efforts being made to arrange Congressional hearings under the auspices of persons in the United States who have had an association with violence. Hearings under such auspices would not alone provide a platform for those who are destroying Irish lives but would create an impression, which would be tragic, that the cause of violence enjoys considerable political influence in the Capital of this great country.

Mr. Cluskey said that when in meeting American leaders he had expressed the gratitude of his party particularly to Speaker O'NEILL and Senator KENNEDY for their activities in support of a peaceful solution. He also indicated that his party warmly welcomed President Carter's policy statement on Northern Ireland of August 30, 1977, as a significant encouragement to those who are seeking a political solution in Northern Ireland by agreement which would involve participation by the elected leaders of the two sections of the community.

Mr. Cluskey told American leaders with whom he spoke that he saw the need for British active support for a power-sharing solution as imperative. Mr. Cluskey said that all the energies of those political leaders who wished to help bring about a solution in Northern Ireland should be concentrated specifically on the promotion of power sharing, and the apparent lack of political will by the British Government in pursuing their own declared policy with regard to power sharing was potentially extremely dangerous and could in fact undermine the position of those people in Northern Ireland particularly from the minority group who have been endeavoring, under very difficult and dangerous circumstances, to engage in rational politics over the years. The preoccupation of the British Government with their own internal political difficulties is obviously a major factor in the lack of progress on the political front in Northern Ireland and one which persons concerned with the preservation of human life in Northern Ireland must find deeply disturbing.●

THE ART OF GOVERNMENT

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. HAGEDORN. Mr. Speaker, while it is the multi-billion-dollar expenditures that do them the most damage, it is frequently the petty indignities heaped upon taxpayers by many public officials that most infuriate them. A recent example is the case of the 257 "unlocated" works of art that have been loaned out by the National Collection of Fine Arts to various executive offices.

According to a report by Dom Bonafede in the National Journal, at least 257 original works of art, purchased with tax dollars for the enjoyment of the public, and loaned primarily to Presidential aides, are likely never to be recovered. While no total value has been placed on these works, it is worth noting that only the highest quality art work is ever accepted or purchased by the collection in the first place.

This bipartisan thievery, and there is no other name for it in my opinion, typifies the lack of respect, manifested in so many other ways, that too many public officials have for taxpayer dollars. I would like to bring to the attention of my colleagues the complete list of these missing paintings. While I doubt it, I would hope that some of their current "possessors" would be shamed into returning their stolen property.

The list follows:

THE TREASURE HUNT FOR 257 WORKS OF ART

(The following are the "unlocated" works of art, by artist and the year and agency to which they were loaned:)

W. H. Holmes, "A Md. Meadow, Watt's Branch, Near Rockville," 1/25/46, President Truman.

Houdon, "Thomas Jefferson," 12/3/46, White House.

Houdon, "George Washington," 12/3/46, White House.

A. P. Barney, "Village Street," 9/18/53, OMB.

A. P. Barney, "Bar Harbor," 9/18/53, OMB.

Hal Denton, "The Right Honorable Winston Churchill," 9/26/57, OMB.

Sidney L. Smith, "The Hon. Theodore Roosevelt," 9/26/57, OMB.

R. F. Seymour, "Tree Study," 2/1/61, OMB.
R. F. Seymour, "The Rough Camp," 2/1/61, OMB.
W. A. Sherwood, "Pecheurs de Crevettes," 2/1/61, OMB.
A. Thayer, "Male Wood Duck," 8/8/62, President's Committee on Equal Employment Opportunity (defunct).
H. L. Doolittle, "From the High Sierras," 3/1/63, OMB.
F. F. Dodge, "A Ravine," 3/1/63, OMB.
F. F. Dodge, "Old Bridge, Jackson Park," 3/1/63, OMB.
Gustaf Dalstrom, "Cloudy Day," 3/1/63, OMB.
Beatrice S. Levy, "Rain in the Hills," 3/1/63, OMB.
B. E. Jacques, "Hampstead Heath, London," 3/1/63, OMB.
B. E. Jacques, "Cabin in the Wilderness," 3/1/63, OMB.
B. E. Jacques, "Venice Fisherman," 3/1/63, OMB.
B. E. Jacques, "Mill in Delft," 3/1/63, OMB.
Dahlgreen, "Evening Shadows," 3/1/63, OMB.
Dahlgreen, "Morning Shadows," 3/1/63, OMB.
Dahlgreen, "Winter Shadows," 3/1/63, OMB.
Dahlgreen, "Snowbound Creek," 3/1/63, OMB.
Dahlgreen, "The Rail Fence," 3/1/63, OMB.
J. H. Euston, "Pines along the Shore," 7/17/63, OMB.
J. H. Euston, "Spens in the Snow," 7/17/63, OMB.
J. H. Euston, "Verdugo Woodland," 7/17/63, OMB.
J. H. Euston, "San Gabriel Divide," 7/17/63, OMB.
Tallmadge, "Poplar Trees on the Dunes," 7/17/63, OMB.
R. Thompson, "Afternoon," 7/17/63, OMB.
Thompson, "The Watcher," 7/17/63, OMB.
Zella de Milhau, "Sand Dunes, Southampton, Long Island, N.Y.," 7/17/63, OMB.
Hurley, "Kentucky Backyard," 7/17/63, OMB.
H. M. Hobbs, "Tower, Belgian Village, A Century of Progress," 7/17/63, OMB.
H. M. Hobbs, "The Cottage," 7/17/63, OMB.
H. M. Hobbs, "Church in the Belgian Village," 7/17/63, OMB.
E. T. Hurley, "City Towers," 7/17/63, OMB.
H. M. Hobbs, "Chimney Pots of Old Brest," 7/17/63, OMB.
B. E. Jacques, "Mountain Ash," 7/17/63, OMB.
B. E. Jacques, "May Cherries," 7/17/63, OMB.
B. E. Jacques, "Castor Bean," 7/17/63, OMB.
F. Leslie Thompson, "Autumn Days," 7/17/63, OMB.
R. W. Wolceske, "Winter's Mirror," 7/17/63, OMB.
A. Hutty, "Guardian Oaks," 7/17/63, OMB.
H. Winslow, "Wood Monsters," 7/17/63, OMB.
C. F. Gaertner, "Gravel, Fish and Soya Beans," 8/23/63, OMB.
W. H. Holmes, "Study of a Bridge," 1/18/65, White House.
W. H. Holmes, "Maryland Dirt Rd," 1/18/65, White House.
A. S. Pennoyer, "Top of the Ridge," 3/29/65, OMB.
F. C. Kirk, "Rue Petit, St. Michelle, Montreal," 3/29/65, OMB.
F. C. Kirk, "Industry," 3/29/65, OMB.
F. C. Kirk, "Harbor at Rockport," 3/29/65, OMB.
Philip Kappel, "Crossed Trails," 8/30/65, OMB.
Gerand K. Geerlings, "Black Magic," 8/30/65, OMB.
G. K. Geerlings, "Inland Islands," 8/30/65, OMB.
L. O. Griffith, "The County Seat, Broun County," 8/30/65, OMB.
Philip Kappel, "A Marine Pathway," 8/30/65, OMB.
Gene Kloss, "Taos Indian Gift Dance," 8/30/65, OMB.
Philip Kappel, "Lobsterman at Dawn," 8/30/65, OMB.
Henri de Kruif, "Gander Realm," 8/30/65, OMB.
Charles B. King, "Notre Dame," 8/30/65, OMB.
B. E. Jacques, "Spider Lake, Wisconsin," 8/30/65, OMB.
Henri de Kruif, "Dragon Mesquite," 8/30/65, OMB.
B. E. Jacques, "Palazzo Minelli, Venice." 8/30/65, OMB.
B. E. Jacques, "Thames Shipping," 8/30/65, OMB.
B. E. Jacques, "Volendam," 8/30/65, OMB.
B. E. Jacques, "Boats on Delft Canal," 8/30/65, OMB.
M. Hardie, "Low Tide," 8/30/65, OMB.
E. T. Hurley, "Memories of the Fair," 8/30/65, OMB.
K. Holmes, "Venice," 8/30/65, OMB.
Hobbs, "Notre Dame, Paris," 8/30/65, OMB.
Haberer, "Hill Top," 8/30/65, OMB.
A. Hutty, "Northern Pines," 8/30/65, OMB.
J. E. Allen, "Connectors." 8/30/65, OMB.
George C. Aid, "Les Deux Ponts, San Remo," 8/30/65, OMB.
George C. Aid, "La Maison de la Blanchisseuse," 8/30/65, OMB.
Charles B. Keeler, "Old Houses, Place Terra au Duc, Quimper," 8/30/65, OMB.
C. F. Sahlin, "Salascos, Ecuador," 9/29/65, OMB.
C. F. Sahlin, "Araucanions-Chile," 9/29/65, OMB.
C. F. Sahlin, "Santiago de Atitlan-Guatemala," 9/29/65, OMB.
C. F. Sahlin, "Shaleko Dancers," 9/29/65, OMB.
E. Kelly, "Abstraction," 10/20/65, White House.
John Sloan, "Hondo Reservoir," 12/10/65, White House.
F. W. Stokes, "Poi-du-neh," 3/66, OMB.
F. W. Stokes, "Gh-Lee-Eskimo Boy," 3/66, OMB.
F. W. Stokes, "Ung-Meh-Duk-Toe, Eskimo Man," 3/66, OMB.
F. W. Stokes, "Ko-Lo-Ting-wah, Eskimo Man," 3/66, OMB.
F. W. Stokes, "Meh-soh-neh, Young Eskimo Boy," 3/66, OMB.
F. W. Stokes, "Au-ring-ah-doh, wife of O-to-ne-ah, Eskimo Woman," 3/66, OMB.
C. Gilbert, "Arch of Titus," 3/66, OMB.
C. Gilbert, "Pont du Gard, France," 3/66, OMB.
C. Gilbert, "Bridge at Moret, France," 3/66, OMB.
C. Gilbert, "Baths of Caracalla, Rome," 3/66, OMB.
C. Gilbert, "Santa Maria della Salute," 3/66, OMB.
C. Gilbert, "Porta San Paulo, Rome," 3/66, OMB.
Ernest C. Peixotto, "Quaker Meeting House," 3/66, OMB.
Ernest C. Peixotto, "Park Overlooking Brooklyn," 3/66, OMB.
Ernest C. Peixotto, "Lake Scene," 3/66, OMB.
Ernest C. Peixotto, "Philadelphia, Independence Hall, Chestnut St.," 3/66, OMB.
M. Citron, "Horses," 6/67, Office of Economic Opportunity.
Walter Bohl, "Irish Setter," 6/67, Special Representative for Trade Negotiations (STR).
Roland Clark, "Sundown," 6/67, STR.
A. Gatti, "Untitled, (Officers Reading Map)," 6/67, STR.
C. Gilbert, "Carcassonne" 6/67, STR.
C. Gilbert, "Church at Segovia," 6/67, STR.
C. Gilbert, "Compton Castle," 6/67, STR.
C. Gilbert, "Laon Cathedral," 6/67, STR.
C. Gilbert, "On the Canal, Bruges," 6/67, STR.
C. Gilbert, "Tower at San Francisco Romano," 6/67, STR.
Delancey Gill, "Landscape," 6/67, STR.
Gordon Grant, "Hauling the Nets," 6/67, STR.
B. Jacques, "Duneland," 6/67, STR.
B. Jacques, "Winterberries," 6/67, STR.
J. C. Young, "Tranquility," 6/67, STR.
Charles Culver, "Pelican with Gull on His Head," 7/67, OMB
L. Macouillard, "Looking Past San Francisco, Calif.," 11/67, White House.
David Hayes, "Untitled," no date, White House.
Charles Culver, "Kingbirds at Nest with Eggs," no date, Camp David.
F. Palmer, "Catskill Mountains," no date, Council of Economic Advisers.
G. Antreasian, "New Mexico II," no date, CIA.
J. Ross, "Farm," no date, CIA.
G. Antreasian, "Shield," 10/27/77, CIA.
N. Azuma, "Calm" no date, CIA.
Bill Moss, "Oyster Shell Mounds, Crystal, Fla.," 1/69, White House.
James Rosenquist, no name, 1/69, White House.
D. Thompson, "New Orleans," 2/69, White House.
G. Catalano, "The Canal," 2/69, White House helicopters.
L. Sturges, "Spring," 2/69, White House helicopters.
R. Crosman, "Cook Tower, Rouen," 2/69. White House helicopters.
G. E. Burr, "Winter Evening," 2/69, White House helicopters.
E. T. Thompson, "Acadian Fishing Village," 2/69, White House helicopters.
John Bellamy, "E Pluribus Unum," 2/69, White House.
Rex Brandt, "Surf Boarders, La Jolla, Calif.," no date, OMB.
Edward Reep, "Panorama of Farmers Market, L.A.," no date, OMB.
James Twitty, "Old North Road," no date, White House.
Richard Brough, "Houseboating on Rainy Lake," no date, OMB.
H. G. Wegner, "Ghost Town of Fossil, Wyoming," no date. OMB.
E. Fulwider, "Harpers Ferry, W. Va.," no date. OMB.
R. Brough. "Winter Landscape near Scooba, Miss.," no date. OMB.
Dwight Shepler, "Cabin on Mt. Adams, New Hampshire," no date. OMB.
Unknown, "Twin Frame Houses," 3/69, White House.
Unknown, "J. Jacob Astor's Former Residence," no date, White House.
N. Smith, "Tippecanoe County Court House," no date, White House.
G. O'Connell, "Madison Series No. 2," 2/69, President's Commission on White House Fellowships.
S. Moy, "Refuge," no date, President's Commission on White House Fellowships.
Sonia Gechtoff, "Drawing D," no date OMB.
R. L. Crawford, "Scene near Beaufort, S.C.," 4/69, White House.
K. Appel, "Wild Horserider," 4/69, White House.
J. B. A. Guillemet, "Landscape," 5/69, White House.
L. M. Desire-Lucas, "Village Scene," 5/69, White House.
C. Leich, "New England Farm," 6/69, President's Advisory Council on Executive Organization (defunct).
G. Corneille, "La Soleil Rouge," 5/69, White House.

W. H. Holmes, "A Storm Beaten Coast," 6/69, White House.
Oldenburg, "Scissor Obelisk," 7/69, White House.
P. R. Denby, "Valley Near Cades Cove, Tenn.," 7/69, White House.
A. Warhol, "Flowers," 9/69, White House.
T. Stamos, "Abstraction," 9/69, White House.
Anonymous, "The Park," 10/69, White House.
C. Hunt, "The Falls of Niagara," 10/69, White House.
R. Havell, "Panoramic View of N.Y. from the East River," 10/69, White House.
W. Auerbach-Levy, "Quai Grande Augustine," 10/69, White House.
J. H. Moser, "Untitled" 12/69, Office of Former Presidents.
Currier & Ives, "The Bewildered Hunter," 1/70, Camp David.
Currier & Ives, "Indian Town," 1/70, Camp David.
Currier & Ives, "The Trout Pool," 1/70, Camp David.
Currier & Ives, "Blue Fishing," 1/70, Camp David.
Currier & Ives, "Wood Ducks," 1/70, Camp David.
Currier & Ives, "Ruffed Grouse," 1/70, Camp David.
Currier & Ives, "The Washington Columns," 1/70, Camp David.
Currier & Ives, "The Rocky Mountains," 1/70, Camp David.
Currier & Ives, "Looking Down the Yosemite," 1/70, Camp David.
Currier & Ives, "Silver Creek, Calif.," 1/70, Camp David.
Currier & Ives, "On the Coast of Calif.," 1/70, Camp David.
Currier & Ives, "The Home of the Deer," 1/70, Camp David.
Currier & Ives, "Peytona and Fashion," 1/70, Camp David.
Currier & Ives, "Going to the Trot," 1/70, Camp David.
Currier & Ives, "The Celebrated Four," 1/70, Camp David.
K. Inukai, "Force Field," 3/70, White House.
F. C. Fiquet, "General Lafayette," 3/70 White House.
F. C. Fiquet, "George Washington," 3/70, White House.
Frank Skinner, "A Picardy Orchard," 5/70, White House helicopters.
Paul Manship, "Patriotism," 6/70, White House.
J. Hnizdovsky, "The Cat," no date, White House.
B. Jacques, "Sumac," 7/70, OMB.
B. Jacques, "Dandelion in Grass," 7/70, OMB.
W. Drewes, "Arizona Evening," 7/70, OMB.
W. Drewes, "Canyon Entrance," 7/70, OMB.
W. Drewes, "Summer Bouquet," 7/70, OMB.
W. Drewes, "Cherries," 7/70, OMB.
W. Drewes, "March Forest," 7/70, OMB.
Charles Culver, "Elk," no date, Camp David.
W. Warder, "Sandia Mountains," no date, Camp David.
F. Petrie, "Stevensburg Bridge," no date, Camp David.
F. Petrie, "Gloucester Boat," no date, Camp David.
F. Petrie, "Garrett Mountain," no date, Camp David.
R. Thompson, "Deer Family," no date, Camp David.
B. Jacques, "Madonna Lilies," no date, Camp David.
B. Jacques, "Anemones," no date, Camp David.
B. Jacques, "Magnolia Blossoms," no date, Camp David.
K. Matsubara, "A Young Couple," no date, Camp David.
C. Heil, "Young Blue Jay," no date, Camp David.
J. Allen, "Wood Ibis," no date, Camp David.
K. Marek, "Flight to the Moon," no date, Camp David.
P. Giddens, "Port of Calvi, Corsica," no date, White House.
Gernand, "Flowers," no date, White House.
C. F. Sahlin, "Macumbe Ceremony," 7/70, OMB.
C. F. Sahlin, "Mayas of Yucatan," 7/70, OMB.
W. H. Holmes, "Landscape," no date, Camp David.
W. H. Holmes, "On the Coast of Calif.," 8/71, Camp David.
R. Wilvers, "Country Church, Kettle Moraine Area, Wis.," 12/71, President's Commission on White House Fellowships.
David Glines, "Winter Triptych," 12/71, President's Commission on White House Fellowships.
Mitchell Jamieson, Untitled, 1/72, White House.
W. H. Holmes, "Maryland Wheat Fields," 5/72, President Nixon.
Charles Culver, "Ducks," 6/72, Camp David.
A. Philbrick, "Sloop at Anchor," 6/72, Camp David.
Paul Smith, "Pirates Alley," 6/72, Camp David.
E. Y. Soderberg, "Leaping Ahead," 6/72, Camp David.
E. Fulwider, "Highway to Lewis & Clark . . .," 6/72, Camp David.
Ivan Summers, "Old Senate House, Kingston," 6/72, Camp David.
Ted Kautsky, "Tidewater Creek, Oregon," 6/72, Vice President Agnew.
Unknown, "A Scouting Party," no date, Camp David.
Unknown, "The Advance of the Cavalry Skirmish Line," no date, Camp David.
Unknown, "A New Map of Va. & Md. & Improved Pars . . .," no date, Camp David.
Unknown (after C. G. Bush), "The Ceremonies of Dedication of the Nat'l Cemetery . . .," no date, Camp David.
Unknown, "Pictorial Map of the Seat of War, Showing Partist . . .," no date, Camp David.
Unknown (after E. Forbes), "Battle of Antietam," no date, Camp David.
Unknown (after E. Forbes), "Invasion of Md., 1864, Driving off Cattle," no date, Camp David.
Unknown (after A. R. Waud), "Reminiscences of the Md. Campaign," no date, Camp David.
Unknown (after C. E. Bonwill), "General Buford's Engagement . . .," no date, Camp David.
Unknown (after E. Forbes), "The War in Md.," 8/72, Camp David.
Unknown (signed J. K. Naot), "The Rebel Army Crossing . . .," 8/72, Camp David.
Unknown, "Grand Review of Gen. Thomas' Brigade in Western Md. . . .," 8/72, Camp David.
Unknown, "View of Md. Heights," 8/72, Camp David.
Unknown, "View on the James River Canal," 8/72, Camp David.
Unknown (after Theodore R. Davis), four sketches, 8/72, Camp David.
Unknown (after Johua Fry & Peter Jefferson), "A Map of the Most Inhabited Part of Va.," 8/72, Camp David.
J. Dalrymple, "Map of N.J., Md., Pa., Va.," 8/72, Camp David.
Kurz & Allison, "Battle between the Monitor & The Merrimac," 8/72, Camp David.
D'Arcangelo, "Landscape II," 5/73, White House.
Sam Francis, "List Poster," 10/73, White House.
Cleve Gray, Untitled, 10/74, White House.
George Story, "Abraham Lincoln," 1/75, White House.
Charles Henry, "Landscape," 12/74, President's Commission on White House Fellowships.
Sir Aston Webb, "Locksmith's Shop," 12/74, President's Commission on White House Fellowships.
I. Kerr, "Dogs & Sled . . .," 12/74, President's Commission on White House Fellowships.
L. Ochtman, "A Morning in Summer," 3/75, Vice President Rockefeller.
Arthur T. Hill, "After a Storm, Amangansett," 3/75. Vice President Rockefeller.
W. Granville Smith, "Grey Day," 10/75, Vice President Rockefeller.
Minerva Chapman, "Garden at the Tuileries, Paris," 6/75, White House-Vice President Rockefeller.
George Catlin, "Wife of Bear Catcher," 3/76, White House.
C. Moorepart, "Water," 9/67, CIA.
W. P. Robins, "Old Shoreham Cottage," 9/67, CIA.
C. Stuever, "Old Houses in Bavaria," 9/67, CIA.
E. D. MacKinnon, "Chelsea," no date, no location.
John Rosenfield, "Ill., Small Town on the Miss. River," 2/69, OMB.
Paul Sample, "An American Road in Winter," 2/69, OMB.●

JUSTICE IN EVERYDAY LIFE

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. BRADEMAS. Mr. Speaker, I had the privilege on May 1, 1978 of having heard the Law Day address for the St. Joseph County Bar Association in South Bend, Ind., in the district I am honored to represent in Congress.

The address on this occasion was delivered by Thomas L. Shaffer, professor of law at the University of Notre Dame and former dean of the Notre Dame Law School.

Professor Shaffer addressed himself on this occasion to the meaning of justice.

I think that his remarks on this occasion will be read by every Member of the House of Representatives and Senate with great interest and, indeed, benefit.

I insert at this point in the RECORD the text of Professor Shaffer's remarks.

JUSTICE IN EVERYDAY LIFE

One problem with the idea of justice is that it is too important. It is, like the ideas of patriotism and love of neighbor, functionally inaccessible, because we respect it too much.

A scholar is not free to criticize the idea of justice, but he may be free to break it down and look at it in some of its simpler forms. The idea might in that way become more accessible.

Breaking the idea of justice down into a simpler form is somewhat like what Sigmund Freud did to the idea of psychological health in his book "The Psychopathology of Everyday Life."

Freud was the founder of modern medical psychology. He spent his life laboring to cure those who were disabled by manias and hysteria. Some of them were paralyzed. Some couldn't talk or sleep or eat. Freud used hypnosis to find the causes of these disabilities. He invented psychoanalysis as a way to lead his patients to the discovery of the causes.

His career was among abnormal people. He noticed this, and noticed that his work led him to ignore the oddities, curious events, and foulups which make ordinary life uncomfortable and interesting.

"The Psychopathology of Everyday Life"

was about the ordinary and the normal in the way our minds work. It's a nice book, as books on psychology go, because it uncovers reasons for ripples in the routine:

Freud left his umbrella at a friend's house, and tried to figure out why, and realized that he left it because he liked being at his friend's house; he hated to leave, and he left a bit of himself—his umbrella—behind.

I am summoned to a meeting I don't want to attend. I say "I'll be glad to come." But when I go, I forgot to bring papers I need for the meeting. Did I really "forget" them? Didn't I really leave them because I'm telling myself something about boring meetings? I am fighting, but haven't admitted it.

Freud told about a patient of his whose wife had given him a book. Patient and wife weren't getting along. The patient lost the new book before he had a chance to read it. He looked everywhere; he could not find the book.

Six months later, when the patient and his wife were getting along better, the patient found the book, in an obvious place in his desk.

That's the "Psychopathology of Everyday Life." Freud's conclusion was that ordinary accidents and incidents of absentmindedness are not accidents at all.

There is also justice in everyday life, which is to cases in courts what Freud's lost umbrella was to psychoanalysis.

ORDINARY JUSTICE OF EVERY DAY LIFE

Ordinary justice is what we people give one to another because we hope to be able to live together. This justice is a quiet, everyday thing. Our access to justice is quiet and ordinary, too—as quiet and ordinary as the psychopathology of everyday life.

Contracts are an example. Law students study complex cases of disputed contracts. Hollywood even makes movies about law students studying contract disputes. The courts in one Indiana county may decide a hundred lawsuits this month and which involve contracts. But today, in the same county, tens of thousands of contracts will be performed without dispute—everything from two neighbors who agree to share the cost of repairing common driveway to a term loan agreement to finance a new factory at the edge of town.

For every lawsuit over a will which is tried in our courts, hundreds of wills are opened, read, and quietly carried out.

For every criminal case which goes to trial, hundreds of violations of the law are resolved or avoided by police officers, public officials, and such ingenious institutions as the night prosecutor's office in St. Joseph County.

All of this happens because most of us are willing to give justice to one another. We are willing, even, to give more than justice; we are willing to pay a little extra as an investment in order and mutual confidence and a peaceful community.

And so, if we are wise enough, we don't demand all our rights. The mortgage company takes a late payment. The man next door throws my son's ball back over the fence. The police officer takes more abuse than he should have to take from a drunk or a cocky teenager.

That is the justice of everyday life, and everyday life is our main access to justice. Everyday justice is not an accident, anymore than the psychopathology of everyday life is an accident.

JUSTICE IS A VIRTUE

The justice of everday life depends on good will, but the good will on which everday justice depends is not good will at large. It is not a matter of my extending kindness when I feel like being kind. The good will on which justice depends is more disciplined than that. This good will has been built on habit—the habit of justice under law. That's what we mean when we say justice is a virtue. That it is a habit. Virtues are good habits.

One reason tens of thousands of contracts are being performed today, without dispute, is that we expect one another to keep promises. And every year hundreds of lawyers and other citizens work those rules over, not to create lawsuits, but to prevent lawsuits.

Lawyers and legislators in Indiana have been revising the rules on probate of wills, almost continuously, since 1953—not so there will be more wills in court, but so that there will be fewer wills in court.

For most people, justice is not a matter of going to court. It is a matter of habit. It is a matter, first, of a personal good habit. Justice is also a social good habit; the social good habit is what we call government under law.

Justice is not a gift of the government. If it is a gift at all, it is a gift we give one another. Before justice is anything else, it is our willingness to work things out together. And then it is our willingness to work out rules for one another to follow. This willingness to work out the rules is what we mean by "justice under law." Our access to justice is an assurance that most of us, most of the time, will keep our promises, will follow what our relatives say in their wills, and will give decent respect to police officers.

JUSTICE AND THE LAW

Law comes into this at the point at which we begin to expect things from one another. Law is the conversation we have when we try to work out those expectations. If my neighbor and I cannot agree on who should fix the driveway, we are going to have to turn somewhere for a settlement of our disagreement. What we turn to is the experience of the community on fixing driveways. This includes our own experience, and our own attempt to make sense of our experience.

This is not a turning away from the virtue of justice, but it is turning away from reliance solely on good will. Good will is not necessarily a habit; it is not as dependable as a habit. But justice is a habit; it is more dependable than good will. The virtue of justice is involved when my neighbor and I disagree on repairing the driveway because the experience of the community on fixing driveways backs up to an idea about what a just person, a virtuous person, should do in the circumstances. In this way, law backs up to a challenge to our better selves. When it is any good at all, law is a challenge to our better selves.

When my neighbor and I turn to the experience of the community, we are likely to end up consulting what a virtuous person should do, whether we realize it or not. That's what happens when people turn to the law. Law is what we have decided together to expect of one another. As my colleague and friend, Professor Stanley Hauerwas says, law is the space God gives us to work things out for ourselves.

Of course, force is involved. Part of the idea of law is that force will be used, if necessary, to enforce the rules we have decided to have. Justice under law is a noble idea, but it is also a sad truth. We have found out that we cannot get along with good will alone. We have to work out rules. And we have to enforce the rules.

But government under law means that the rules come before the force. The rules we have worked out together come first; then the force, if force is necessary—and it is usually not necessary: For every broken law there are a million instances of law obeyed. The justice in everyday life, dispenses, for the most part, with any need for force.

It is as important as anything can be not to confuse justice with force. Force comes from the government, but justice does not come from the government. Justice is the gift we give one another as we go about living under the law, and as we go about making the law fit our lives. Our truthfulness in doing this is where justice comes from.

Justice is not the result of power. It is not the result of force. The idea that governments provide goodness—that power provides justice—is where tyranny begins.

THE ADMINISTRATION OF JUSTICE

We lawyers should be sober and watchful about the horrors of what people have done to one another in the name of the law. These horrors occur when people begin to believe that good can be achieved with power. The holocaust is one example. The crucifixion is another.

The S.S. officer in "The Holocaust" did not set out to do evil. He did evil because he set out to do good with force and came to believe that force was the way to goodness. The same process is related in St. John's Gospel. Jesus was tortured to death because his raising Lazarus from the dead caused civil disturbance. Those responsible for civil tranquility in and around Jerusalem said, "If we leave him alone like this the whole population will believe in him. Then the Romans will come and sweep away our temple and our nation. . . . it is more to your interest that one man should die for the people, than that the whole nation should be destroyed." (John 11:48–51.) It is probably a good thing for a nation to be saved, but it is corrupt and fatal to suppose that power can save a nation.

We lawyers have to be careful about that corrupt and fatal notion in our everyday lives. We may begin otherwise to believe that what we call "the administration of justice" is some sort of dispensary. It is not a dispensary. The courts in which we work are places where citizens come to live out their gift of justice to one another. We don't dispense justice there; we are privileged to contemplate a few small examples of our fellow citizens dispensing justice. (The best examples are not in courtrooms.)

We obey the law, in this access to justice in everyday life, because of hope. A little of our hope is in governments and courts and lawyers, but most of it is a hope in one another. We have hope for law because we have this hope for what we can do together. My favorite text for that hope is not from Dr. Freud, but from a stern 18th century Scots Presbyterian from Pennsylvania named James Wilson. He was one of the founding fathers, a colonial and revolutionary lawyer who became one of the first judges on the federal Supreme Court: "The state, I cheerfully admit, is the noblest work of man," he said. "But man himself, free and honest . . . is the noblest work of God."●

NATION'S BIRTHDAY

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. YOUNG of Florida. Mr. Speaker, as we all look forward to the celebration of our Nation's birthday, I would like to share with my colleagues information on efforts made by Mr. Matthew T. Booker of St. Petersburg, Fla., to commemorate this important day and salute America:

HONOR AMERICA WEEKS JUNE 14–JULY 4

Quoting Mr. Hope from our nationally circulated bulletin of June 8, 1970: "Mr. Bob Hope, co-chairman of a national committee to Honor America, called on Americans to join in a big celebration to help us Americans put some starch back into our own backs and rekindle the American spirit of patriotism and respect for the individual liberties that made this country great . . .

"We want the world to see that Americans are proud of our country and welcome this opportunity to honor America. We want the

world to see that Americans can put aside their honest differences and rally around the flag to show national unity . . .

"At the same time, our committee is hoping for enough support to enable us to provide tie-in materials for local groups all over the country who want to schedule 'Honor America' observances in their local communities, large and small."

Honor America Weeks challenge of the century: To all citizens interested in aiding our cause: We, the undersigned, hereby commit ourselves to the promotion of safety and to the development of better citizenship among members of the youth community; and as a part of this commitment, we wish to assist any civic, service, fraternal, or religious organization by establishing "teen-teams" of youth-adult groups of no more than twelve members, striving for the joint accomplishment of similar objectives without regard for the affiliation of other members of the group; and we therefore wish to promote the acceptance of the challenge of the Twenty-One Day Salute to America and the development of the Appreciate America Decade, all of which will contribute to better understanding of what it really means to be an American.

Remember the Challenge of the Century—Twenty-One Day Salute to America. ●

CONGRESSIONAL SALUTE

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. ROE. Mr. Speaker, this coming Independence Day weekend, June 30 to July 4, 1978, the Diocese of Paterson, State of New Jersey will be the focal gathering place for approximately 2,000 visitors from throughout our Nation to join with the Rev. Albert Gorayeb, pastor, and members of the congregation of the host church, St. Ann's Byzantine Melkite Church, West Paterson, N.J., to attend the 19th Annual Melkite Convention of the Byzantine Melkite Rite of the Catholic Church.

At the outset may I commend to you the dedication, diligence and hard work that is being extended by the clergy, officers and members of St. Ann's Byzantine Melkite Church and the 19th Annual Melkite Convention committee who have been working with the Melkite Diocese of Newton and other leading citizens throughout the State in devising an outstanding program and seeking full citizens participation in this most important commemorative program. The roster of these exemplary community leaders and highly reputable citizens of New Jersey is, as follows:

PARISH ORGANIZATION

The Honorable: Reverend Albert Gorayeb, Pastor; Basil Samra, Deacon; Norman and Laura Dikdan, Trustees; Raymond and Marilyn Shenekji, Trustees; William and Barbara Rabbat, Trustees; Sam and Evelyn Kaspar, Trustees; Louis Iandoli, President, Parish Council; George Betar, Vice-President, Parish Council; Lucille Bsales, Secretary, Parish Council.

CHAIRPERSONS 19TH ANNUAL MELKITE CONVENTION COMMITTEE

The Honorable: William Rabbat, Boat Committee; Bud Peterson, Communications; Sam Tahmoosh, Convention Journal; Anne Shaker, Entertainment; William and Regina Siouffi, Friday Hafli, Charles Joseph, Financial; Gladys Santo, Hospitality.

Sandy Foster and Pat Rowek, Hospitality Gifts; Barbara Rabbat, Hotel Reservations; Raymond Yabroudy, Liturgical Committee; Barbara Mendillo, Mahrajan Committee; Blanche Hartaphilis, Mahrajan Committee; Anthony Liantonio, Mahrajan Committee; Joan Elia, Mahrajan Committee; Ann Hallock, Mahrajan Committee; Haymond Bsales, Mahrajan Committee; Sam Kaspar, Printing.

Luch Ilaria, Raffles; Barbara Ablahani, Reception-Registration; Albert Kahwaty, Security; Gene Ciccone, Theatrical Production; George Betar, Transportation; Louis Iandoli, Transportation; George Ged, Travel; Mary Baylouny, Workshops.

Philip Azoon, Workshops; Amy Berdetta, Mailings; Marie Dolling, Publicity; Norman and Laura Dikdan, VIP Hospitality; Marion Yabroudy, Secretary; Gladys Santo, Secretary; Dolores Gennaro, Secretary.

Mr. Speaker, it is important to note that according to the Melkite Diocese of Newton, Archbishop Joseph Tawil has appointed St. Ann's Byzantine Melkite Catholic Church as the official host parish of the convention and the theme of this year's convention is: "Take Life From the Light that Never Dies," a combination that bespeaks the richness of the heritage in faith, love and tradition that binds the Melkite Christian Community in America. Workshops geared toward enlightenment and reenforcement of Eastern Catholic tradition, especially in Scripture and liturgy, will highlight the convention's educational endeavors. Daily liturgies with guest bishops as homilists will be provided for meditation and reflection. Social activities will include a grand ball, a moonlight cruise around Manhattan, an all-day Middle East Festival and a dinner-theater evening. Patriach Maximos V. Hakim of Antioch, Alexandria and Jerusalem is the spiritual leader of the Rite and has been invited to attend. Pope Paul VI will send his Apostolic blessing as he customarily does each year as spiritual father of the Catholic Church, both Eastern and Western.

Mr. Speaker, with your permission, I would like to insert at this point in our historic journal of Congress a brief history and background of the Melkite Catholic Christian Community as related to me by Pastor Gorayeb, as follows:

HISTORY AND BACKGROUND, MELKITE CATHOLIC CHRISTIAN COMMUNITY

The Melkite Catholic Christian Community is scattered throughout the United States, and has its origins in the countries of the Middle East. They use the Byzantine Rite for their worship and theology. Their Christian ancestory grows out of the ancient cities of Jerusalem, Antioch and Alexandria. In the Ecumenical Council of Chalcedon in 451 A.D., those who followed the king (Melak) who was faithful to the united Catholic faith at that time, were nicknamed Melkites.

In the 11th century, when the church was divided between East and West, the predominent Rite used in the East was the Byzantine Rite. In the 18th century, several Bishops retaining their Eastern theology and striving for unity of the separated churches, created a union with the See of Rome.

Melkites in the United States of America number about 23,000 with approximately 3500 Melkites scattered through New Jersey. There are 27 Melkite Churches throughout the United States.

Shortly after the turn of the century, large numbers of Syrian immigrants began to arrive in the United States, mostly from Aleppo, Damascus and Lebanon. They were attracted to this area, the then textile center of the world, to pursue employment in their ancient craft, weaving and textile merchandising.

With a constant devotion to their ancestry and tradition they were served in the early days of their migration by visiting Melkite priests who held services in Paterson and in Union City and this status continued until December of 1919.

At that time, a young priest, Father Cyril Anid, who had just arrived in New York from Lebanon, was invited to serve the Christmas liturgy in Paterson. He celebrated the first Divine Liturgy for them in the Chapel of Saint John's Church, which is now the present Cathedral of the Paterson Diocese.

The success of this early mission was apparent, when, within a very short time, the facilities at St. John's Chapel proved inadequate to accommodate the crowds that responded to this unique "ritual pattern" of the Eucharisic Liturgy of St. John Chrysostom. The Reverend Father Carlo Cianci, then the Pastor of Saint Michael's (Italian) Parish, apprised of the situation, graciously offered the use of his Church and the emerging Melkite Community began to meet here for worship in January of 1920.

The first census showed 350 families—200 belonged to the Melkite Rite, and the other 150 to the Armenian, Syrian, and Maronite Rites. The need for a more permanent house of worship arose and a committee was delegated to undertake the responsibility of establishing a formal parish in the City of Paterson. The Most Reverend John O'Connor, then Bishop of Newark, consented to appoint Father Anid as permanent pastor and the new Parish of Saint George's Melkite Rite was launched, and concurrently, immediate plans were undertaken for the construction of a church of their own.

Mr. Speaker, it is also significant to note the leadership endeavors of the Pastor of St. Ann's Melkite Catholic Church, the host parish of the convention and I would like to insert at this point a brief profile of this distinguished clergyman, good friend and community leader, whose standards of excellence in service to God and to our people have brought great pride and inspiration to all who have had the good fortune to know him. The biography of Rev. Albert Gorayeb is, as follows:

BIOGRAPHY OF REVEREND ALBERT GORAYEB, PASTOR OF SAINT ANN'S MELKITE CATHOLIC CHURCH

Rev. Albert Gorayeb, was born in Brooklyn, New York and attended St. John's Prep School and College, New York; St. Anselm College, Manchester, New Hampshire; and St. Basil Oriental Institute of Sacred Studies, Methuen, Massachusetts. He was ordained in Methuen, Massachusetts on June 9, 1963 and pursued advanced courses in Eastern Christian studies at Fordham University.

Rev. Gorayeb has been involved in the scientific field of Parapsychology since 1971, and holds a Doctorate Degree in Psychorientology from the Psychorientology Institute, Laredo, Texas. He is a Certified Instructor, currently receiving a Ph. D., in the Silva Method of Mind Control, and a highly esteemed educator and national lecturer on this advanced study discipline.

Rev. Gorayeb's special field in the area of religion comes within the sphere of Eastern Christian Spirituality—the development and progress of the early churches of the East; the various Rites in Christianity, both Ortho-

dox and Catholic, and the current teachings and practices of Eastern Rite Catholics. He has served as Director of Youth Activities for 2 years in the Melkite Diocese of the United States, and on the Diocesan Pastoral Council, and currently is in charge of the Clergy Retirement Program for the Melkite Diocese.

Rev. Albert Gorayeb's first assignment was at St. Joseph's Melkite Church in Lawrence, Massachusetts; then transferred to St. Ann's in Paterson, New Jersey. He served as Associate Pastor for 12 years, then appointed Pastor of St. Ann's in March 1976. He has held positions as part-time chaplain at St. Joseph's Hospital; served as member of the Ecumenical Association of the Paterson Diocese; Moderator of the Catholic Alumni Club of Northern New Jersey; District Moderator for the Paterson Hawthorne Catholic Youth Organization; Professor of Theology at Tombrock College, West Paterson; and Assistant Professor of History at Fairleigh Dickinson University, Wayne, New Jersey.

Mr. Speaker, I appreciate the opportunity to call this most noteworthy annual event to the attention of you and our colleagues and seek this national recognition of the Melkite Catholic Christian Community. As a Nation of people of all nationalities and religious beliefs, the observance and commemoration of the 19th Annual Melkite Convention of the Byzantine Melkite Rite of the Catholic Church helps assure all of us that the faith, courage, and perseverance inherent in the original settlers of our land is still infused in the hearts and minds of the families of today's society where man's religious beliefs and aspirations tend to seem obscured by the modern and so-called sophisticated world of time and space.

We do indeed extend our heartiest congratulations and best wishes to Reverend Albert Gorayeb and all of the clergy and members of the Melkite Rite and St. Ann's Byzantine Melkite Church on the outstanding contribution they are making, in service to God and to our people, toward the spiritual, cultural and educational endeavors of our community, State and Nation—so vitally important to the quality of life and way of life here in America.●

BUBBLE GUM RAISES MONEY FOR MUSCULAR DYSTROPHY

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. ANDERSON of Illinois. Mr. Speaker, children are the future of our country and muscular dystrophy is the torment of that future. We all know about the ravages of the disease, its crippling effects, the sorrow and the hardships it incurs in the lives of many families. It strikes down the energetic and carefree in the midst of their happiest days. Despite those setbacks, the children, who are fighting back to lead normal lives, display an optimism and courage that is an inspiration to everyone who sees it.

The Muscular Dystrophy Association has played a big role in the past to help strong-willed youth stand up to the disease. This year Jerry Lewis and the M.D.A. are working hard once again to help these children. I am proud to cite one Rockford, Ill., company for joining the fight this year.

The American Chicle Division of Warner-Lambert is cosponsoring a bubble-blowing contest to raise money for research in muscular dystrophy. I find this effort particularly fitting as a celebration of the 50th anniversary of bubble gum considering the long bond with the youth of America that the bubble gum industry has enjoyed. I cannot think of a more sensitive and human way for a uniquely American company to say "thank you" to its supporters of the past half century and I am proud that the 16th District of Illinois is offering its services to help conquer this disease.●

A SPECIAL TRIBUTE TO DIARIO LAS AMERICAS

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. PEPPER. Mr. Speaker, I am pleased to call the attention of the Congress to the forthcoming 25th anniversary of one of the great newspapers of the Americas, whose silver anniversary appropriately falls on the Fourth of July, the birthday of our free and freedom-loving multinational, multiracial, and multicultural Nation and people.

Throughout the Latin American communities of the United States, Diario Las Americas is a major source of information about United States, Latin, and world affairs, and under the careful guidance of Drs. Horacio and Francisco Aguirre it has become an active force for human freedom and enlightenment in non-Latin governmental, business, and diplomatic communities, not only in our own Capital, but in the capitals of Latin America as well. For those who are concerned with inter-American affairs, Diario Las Americas is an invaluable informant and faithful guide to events affecting Latin Americans throughout the Western Hemisphere.

"Diario," as it is fondly known, is Florida's only Hispanic daily newspaper and I am particularly proud that a daily journal of such outstanding quality and influence is headquartered in my congressional district. It is invaluable to me, as it is to our community, as I seek to serve one of the leading bilingual communities of the United States.

"Diario" is a labor of love for two outstanding men, brothers, trained lawyers, dedicated journalists, and devoted servants of freedom—Drs. Horacio and Francisco Aguirre. Their lifelong dedication to the cause of human rights, the principles of democracy, and the pursuit of justice goes back to their youth in Nicaragua. It grew in strength during their legal careers and first flowered in the field of journalism through Dr. Horacio Aguirre's experiences as editorial writer for El Panama America in Panama from 1948 to 1953.

Diario Las Americas represents the full blooming of the careers of two great and dedicated men. Their devotion to human freedom and dignity, their outrage at repression and inhumanity, became a fire in their souls which has lighted the pages of Diario Las Americas since its founding in 1953. Thus Diario has become a beacon of hope for those who have been subjected to injustice and tyranny, and particularly to those who have seen the beautiful island of Cuba subjected to the most ruthless and pervasive tyranny of mind and spirit in the history of the Western Hemisphere.

The respect which the Aguirre brothers have earned for their support of the cause of Cuban freedom has been reinforced in our area and wherever Diario is read by their solid reputation for editorial integrity and their active support for the aspirations and interests of all Hispanic Americans in the United States and throughout the world.

Thus, Mr. Speaker, we can take great pride in sharing our Nation's day of independence with the 25th anniversary of a great journal devoted to the cause of human liberty. I congratulate Drs. Horacio and Francisco Aguirre and the dedicated members of the staff of Diario Las Americas for their contribution to the people of my district, of the State of Florida, the United States, and the cause of freedom everywhere. I ask our colleagues to join here in applauding this great journal and all the people who have made it such a respected and, I am sure, enduring institution in the service of freedom for all mankind.

THREE EAGLE SCOUTS NAMED IN HIGHLAND PARK, MICH.

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. CONYERS. Mr. Speaker, there are few honors for young Americans who demonstrate special achievements in community service that rival membership in the Eagle Scouts. It requires a 3-year effort for a young man to become an Eagle Scout, including 23 merit badges and a record of community service.

I am proud to report that on June 11 three young men in the First Congressional District of Michigan which I serve, became Eagle Scouts. They are Bradley Watkins who is a student at Cass Tech, and Jim and Tom Doran who attend the University of Detroit High School. They have become members of the Eagle Scout Troupe 1284.

The membership ceremony and dinner took place at St. Benedict Church in the city of Highland Park. The master of ceremonies was Dick Conlin, a member of the Highland Park School Board and an official in the Highway Department of the State of Michigan. Mr. Thomas F. Metevier, manager of urban affairs at

the Chrysler Corp., was a guest speaker. Among the other participants were Rev. Basilo David, pastor of St. Benedict Church, Jesse P. Miller, mayor of Highland Park, Tremon McDermott, clerk of Highland Park, and myself. Congratulatory messages arrived from President Carter, Governor William Milliken, Senators DON RIEGLE and ROBERT GRIFFIN, and Mayor Coleman Young of Detroit.

Bradley, Jim, and Tom having accomplished a great deal already, I am sure as Eagle Scouts, will accomplish even more as citizens of the Highland Park and Detroit communities.●

THE CONSERVATIVE FARMER: WILL HE SURVIVE?

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. SYMMS. Mr. Speaker, I want to share the article written by Mr. Nathan H. Gellert of Boise, Idaho, which is a history lesson for all of us on how the Government has compromised the farmer until he now finds himself on the edge of bankruptcy. I believe it is up to all of us to put a stop to rampant Government spending otherwise our businesses and economy will cease to be effective and our freedom will be endangered.

The article follows:

THE CONSERVATIVE FARMER. WILL HE SURVIVE?

(By Nathan H. Gellert)

"Fifty Year's Experience Challenges the Future". A brave motto for this Convention. Will the farmers of tomorrow take their lessons from the 50 years that have just passed, or will they subscribe to the popular notion that past experience is no longer a guide to the future because of the new technology, the new morality and the new economics?

A good question! Some of us have already forgotten what we learned just last year. What we learned ten or fifteen years past we now struggle to recall. Twenty or more years ago we were busy avoiding the knowledge that we could have acquired from our parents. Before that it all seems like history, and historians, we suspect, are not very reliable, anyway.

Fifty years ago our country was in the midst of a credit inflation that was to drop us into the so-called "great" depression. Today credit inflation, amplified by expansion of government borrowings, is robbing equity and subsidizing debt. Inflation is transferring claims against future production from the hands of savers into the hands of borrowers, without the consent or participation of the savers.

As a result of this punishment of thrift and frugality, conservative farmers are being forced into debt in order to make the capital investment necessary for survival. As equity ratios drop in the farming industry, overhead rises, and the ability of each farmer to stay above the marginal line in impaired. The advantage which once accrued to conservative farmers is being eroded.

Farm debt in the United States has doubled in the past eight years, according to an article in Forbes Magazine of May 1, 1978. The ratio of farm debt to gross annual income, as calculated from U.S. Department of Agriculture sources, stood at 140 percent in 1970, improved to the even hundred mark in 1973, then rose sharply and is now climbing through the 180 percent level in 1978.

What has happened to the conservative farmer, the grower who keeps his debt ratio low, who holds a store of liquid assets as a protection against the inevitable fall in the cycle of farm price movements? Either he has lost his conservatism and has joined the ranks of high-overhead farmers, or he has watched his precious store of dollar assets decline in value so that they no longer offer the protection they were designed to provide.

In 1974, instead of holding on to the dollars earned from the prosperous year of 1973 and decreasing their ratio of debt to equity, many farmers rushed to exchange them for assets deemed more durable.

This may explain why, in 1974 and the years following, farmers reduced their liquid capital, assumed debt and purchased land, buildings and equipment. First, it appeared that fixed assets might well hold value better than dollar assets, and second, declines in the value of currencies have historically favored the debtor at the expense of the creditor.

The farmer is really in an almost impossible dilemma. If he keeps cash and fails to expand, his cash will decline in value and he will then be unable to expand. If he exchanges the cash for land or other productive assets and stays out of debt, he may be forced into debt when prices drop, because then he will have no dollar reserve.

If he rides the inflationary wave, counting on the decline of the dollar to benefit him as debtor at the expense of the creditor, he will find himself with debt service to pay even when revenues are inadequate. And should the credit bubble collapse, or inflation be finally conquered, with a consequent drop in prices, he will be obligated to pay off his debt in dollars of higher value. The debtor's advantage will have been lost, since deflation will be favoring the creditor.

Farmers can't be sure they are protecting the value of their assets by engaging in that time-honored custom, the purchase of land. When he seeks to buy buildings or equipment, the farmer faces only normal market forces. But when he goes into the market to purchase land he bids not only against other farmers who may desire to purchase the same land, but also against investors and speculators whose principal aim is not to increase the production of farm commodities, but to preserve the value of their assets.

The demand for farm land, then, is stimulated by fear of the decline of the dollar. In relatively inflexible supply, land, sought by ever-increasing dollars, must rise in price. Foreign investors are eyeing American farm land, too. Government's unwise policies too numerous to tabulate here have resulted in excessive dollar holdings abroad.

Foreigners must either find a place to spend and invest dollars, or consider them worthless. So, dollars that Americans have exchanged for foreign goods now seek value in the U.S. and find farm land more attractive than American-made merchandise or American-grown products. Farmers, then, are competing, not only against U.S. investors and speculators, but against foreign holders of U.S. dollars who may have no more sinister motive than the protection of their own legitimate assets.

Neither the farmer, nor any of the rest of us, is able to determine how much of the increase in the price of land is due to worldwide demand for food, how much is due to pure inflation (that is, the increase of the money supply by the U.S. Government and its agents, the banks), and how much is due to fear in the minds of investors, whether farmers or others, that the value of the dollar will continue to decline.

That much may be uncertain, but one thing is certain. As the price of farm land increases more rapidly than the price of the goods that the land produces, farmers will face an ever tightening squeeze between costs and revenue. This constraint, added to a high burden of debt, could force foreclosures that none of us want to think about.

The farmers of this country may turn to government for the solution to their financial problems, and in doing so they are not aiming at the wrong target. The government is the primary cause of the farmer's trouble, but not as some of us might suppose. It is not the lack of tariffs or of subsidies, nor the absence of parity payments or of any other politically structured farm program that is causing the farmer's troubles. It is the ceaseless attrition of his savings through dilution of the money supply. The result is the transfer of the value of farmers' savings to others in society. This is the element of government intervention that must be stopped if the conservative farmer is to survive. Without him, farming could approach mere speculation, and the buying and selling of farms seem more important than the production of food.

Farmers can be popular or unpopular depending on what kind of political pressure they apply. If they request programs, tariffs and subsidies to compensate for the damage they have suffered from past government actions, they will not only be unpopular, they will prolong the problems that now threaten their ability to produce. But if they join others in weeding out the root of the problem, namely, the decline of the dollar, they may become both popular and effective, and to the extent they succeed, we will all benefit, farmers included.

How do we fight the decline of the dollar? Not by price controls and rationing; not by "jawboning" big business; not by whipping the oil companies; not by blaming the Arabs; not by ranting against "obscene" profits.

Then how? By insisting that the money paid out by the federal government be matched by income that represents real earnings by real people, not just by IOU's that the government decrees we must accept as money; by demanding that the percentage of the national income now preempted by government be cut, so that private persons and firms will have control of more of the decisions in our economy; by supporting a balanced federal budget; by opposing give-away programs, grants to special interests and low interest loans; by requiring that welfare payments and food stamps be relegated to a "subsistence aid" category rather than a legal right; in short, by encouraging a smaller, less intrusive, more frugal National Government.

"Fifty Year's Experience (some of it bad) Challenges the Future". The farmer of tomorrow will have to sift the right from the wrong, the true from the untrue. Here's wishing him success.●

IN SEARCH OF A GLOBAL STRATEGY

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. CRANE. Mr. Speaker, recently there has been renewed interest in the strategic position of the United States vis-a-vis the Soviet Union. This resurgence of emphasis is welcome, though coming somewhat late in the game.

It is difficult for most Americans to appreciate the concept of global strategy,

a subject considered complex, abstract, and limited to discussion by professors and officials of the administration; it is not a subject thought to impact upon most of our daily lives. To the contrary, it is a topic of immense importance to the continued existence of the country, a reality of the highest order.

The perceived erosion of our national will and power, as well as our ability to demonstrate it, is worrisome. The recent Soviet exploitation of African situations and the confused and weak U.S. response indicates a trend we cannot allow to continue. The problem is that our strategy is not clearly defined. The necessary emphasis on national objectives is lacking. The Soviet's, by contrast, have never waivered in their strategy. They perceive and approach détente differently. They have maintained their resolve, their purpose, while we have allowed ours to slip.

Adm. Thomas H. Moorer, former Chairman of the Joint Chiefs of Staff, has written an excellent article on the subject. It was printed in the New York Times, June 8, 1978. For the benefit of my colleagues, I submit the article, in its original, unedited form:

COUNTERING SOVIET GLOBAL AIMS

A general erosion in our commitment to fundamental national security objectives has been brought about in part by the perception that the competition between the U.S.S.R. and the U.S. for dominance in world affairs is over. While the U.S. has in recent years backed away from such competition, there is no evidence that the Soviets have departed from their plan to attain a position of dominance. Many see detente as Soviet willingness to retreat, but Moscow openly describes it simply as one more approach in their plan. While the U.S. seems lacking in resolve, the Soviets remain committed to their national strategies which include the following:

Avoidance of a major confrontation, or nuclear conflict, with the West until the outcome favors the Soviet Union;

Development of the capability to win an Atlantic alliance-Warsaw Pact conflict;

Creation of an environment in the Third World countries conducive to Soviet orientation and alignment;

Exploitation of wars of liberation and "anti-colonialism" against "Capitalist" nations;

Development of the means to isolate the United States through denying Sea Lines of Communication;

Creation of an environment of debilitating competition among Western nations, fostering dissension among them.

The Soviet Union underwrites its objectives militarily and politically by doing the following:

Accelerating its development of intercontinental ballistic missiles and submarine-launched ballistic missiles;

Maintaining a massive military force opposing NATO in Europe;

Developing naval forces for projection of power and acquisition of base rights in the Indian Ocean, the Mediterranean, and the Caribbean;

Supporting uprisings, mostly recently in Angola, Afghanistan, and the Horn of Africa;

Deploying a Navy capable of threatening our access to sea lines of communication in a crisis;

Creating an environment of increased competition for scarce resources in the West, particularly with Middle East oil.

If we are to counter these Soviet objectives, we must be visibly committed to our own. Objectives critical to our national security must be underwritten with explicit strategies and with the deployment of effective military forces. To underwrite those objectives, our political statements and commitments must be orchestrated with the deployment and posture of our forces. We must strive to ensure that no situation becomes critical—that each area of concern remains stable. Our emphasis is on decisive actions to deter events which might lead to a crisis rather than reacting after the situation is out of hand. In recent years we have supported the following four national objectives:

We deter a Soviet attack on our cities by the threat of U.S. reprisal attacks against theirs, military forces in the form of the nuclear triad—submarines, land-based missiles and airplanes—are maintained to underwrite this strategy;

We deter nuclear attack on our forces by threat of reprisal, and by basing our forces and targeting them against both Soviet nuclear and conventional forces so that they perceive no net advantage in an initial attack;

We deter aggression against NATO by an overall military conventional and nuclear capability to contain such attacks, coupled with a firm commitment that any attack on our allies involves the United States. This objective is underwritten by the deployment of our Army and Air Force units in allied territory, by the presence of our Navy units on the Southern and Northern flanks of NATO, and by the maintenance of U.S. Navy forces worldwide to protect the sea lanes to Europe.

We maintain a military presence in the Western Pacific to keep Japan and South Korea aligned with us, and to prevent the Soviets from coercing the Peoples Republic of China into an alignment against us. Also, the present alignment of the Peoples Republic of China draws Soviet divisions from the European front.

Recent events underwrite what should be a fifth national objective equally critical to our national security, and a major component of a viable global strategy:

Preventing the Soviet Union from creating an environment in the Middle East, the Persian Gulf, and the Horn of Africa which could result in denial of oil to the United States, NATO and Japan; and deterring the Soviets from any overt action against either Iran or Saudi Arabia.

There is a consensus that an uninterrupted flow of oil from the Persian Gulf is essential to the well-being of most Western nations. Interruption in the flow of oil, if prolonged, would have a debilitating effect during peacetime; a devastating effect during wartime. Oil from the Gulf could be denied to the West as a result of destruction of the oil fields or through a takeover of the producing countries. However, it is far more likely that the flow of oil would be disrupted as a result of Soviet coercion.

Through actions such as those in Ethiopia and Afghanistan, the Soviets can create the perception that the U.S. is impotent to respond and unreliable as an ally. In the presence of this environment, Saudi Arabia and Iran (long enjoying a special relationship to the United States) may be forced to decide that their national interests are best served by making substantial concessions to the Soviets.

The United States must proceed now to develop a clearly understood and fully supported strategy—both political and military—which underwrites the fifth objectives. Admonitions and verbal commitments will not suffice. Neither is it appropriate to adopt the attitude that we should wait and see what happens, that the situation is "not critical yet." Both Saudi Arabia and Iran are deeply concerned by the gathering storm and are distressed by our seeming lack of concern and commitment.

In particular, I would urge that we do the following:

Insure that the President is under no constraint that would prevent him from exercising his authority to counter Soviet initiatives promptly and decisively.

Make arrangements with the Governments of Iran and Saudi Arabia for the intermittent deployment of two carrier forces to the Eastern African littoral and Arabian Sea, conducting selected exercises inside the Persian Gulf on a random basis. Since we lack land bases of any kind in that region, the carriers would provide a visible presence and timely manifestation of United States resolve;

Revitalize the bilateral security agreement of 1959 with Iran and explore the possibility of similar bilateral arrangements with Saudi Arabia;

Explore with our allies (NATO and Japan) joint guarantees and military pacts which adequately reflect our common responsibility for maintaining stability in the region and for the security of the sea routes to oil-producing nations;

Exempt Saudi Arabia and Iran from quota restrictions on the transfer of military equipment, explicitly recognizing that they are as important to our national security as the other nations which enjoy this privilege.

Formally arrange for the periodic conduct of joint United States-Allied-Saudi-Iranian exercises involving all branches of the armed services—directed at possible *external* threats—in the Persian Gulf region.

Stability in the Perisian Gulf is critical to the United States, our NATO allies, and Japan. Our security is threatened if any of these three power centers does not remain strong. The Soviets are engaging in actions that give a clear message as to their aspirations. The Saudi Arabians and Iranians are very concerned; they cannot avoid questioning our commitment, our reliability, and the wisdom of maintaining their alignment with the United States. We must demonstrate our commitment by following an explicit political and military strategy. We must do this *now* lest we be faced *very soon* with a fatal and unsolvable problem.●

IMRE NAGY—20TH ANNIVERSARY OF HIS DEATH

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. HORTON. Mr. Speaker, with the current trend increasing toward improved relations with the People's Republic of Hungary, I think it is important for those who advocate rapproachement with the Kadar regime to remember a brutal event which signaled forever an end to a brief moment of freedom in Hungary. I am referring to the tragedy that is Imre Nagy's execution on June 17, 1958.

A little more than 20 years ago, the world listened as both Radio Moscow and Budapest announced that Imre Nagy, former Prime Minister of Hungary, had been tried and executed for, according to his accuser, Janos Kadar, ". . . of not only undermining the party from within out of preparing its destruction from without, in alliance with the dark forces of reaction." Whatever the bogus charges levelled at Nagy, the circumstances sur-

rounding those charges, the trial and subsequent execution remain cloaked in absolute secrecy. This secrecy, indeed the court which allegedly tried Imre Nagy, and his death, were all in violation of existing Hungarian law and legal precedent. Those of us who have followed this case are well aware of these blatant, though not surprising violations of law and legal rights by the Soviet-installed regime still in power.

What we must also remember, and never forget, is the treachery of the man who now, as in June of 1958, heads the Hungarian Government, Janos Kadar. I use the word "treachery" with care because this word, better than any other, describes the duplicity so masterfully employed by Kadar.

According to the Hungarian newspaper, Nepszabadsag, on November 14, 1956, Janos Kadar told a delegation of Hungarian workers, "Imre Nagy is not under arrest. He left the Parliament Building of his own free will and neither the government nor the Soviet troops wish to restrict his freedom of movement. It depends entirely on him whether or not he participates in politics." Kadar reiterated this position on the 27th of November when he said, "We have promised not to start any punitive proceedings against Imre Nagy, and we shall keep our word." Less than a year later, following a series of denounciations by Kadar, and others speaking for the regime, Imre Nagy was executed.

While Kadar attacked Imre Nagy because he ". . . violated his oath of office and instead of defending constitutional order, he exploited his post of Prime Minister. . . ." it is clear that it was Kadar who was, and is, the interloper.

One of Hungary's leading and most respected sons, Joseph Cardinal Mindszenty, who died 4 years ago, stated at the time, and again in his memoirs:

Although Kadar was also a member of the Nagy government, I consider the government of Imre Nagy to be the sole legal Government of Hungary. Kadar was installed by foreigners; I reject him and his illegal government.

The words of this great Hungarian, symbolizing as he did during his years of asylum in the American Embassy in Budapest the hopes, fears, and dedication to freedom, are echoed by others with whom responsible men would not quarrel. Dr. E. Ronald Walker, on July 14, 1958, in his capacity as acting rapporteur for United Nation's Special Committee on the Problem of Hungary, reported:

Moreover, although Mr. Kadar is reported as recently as 1 July 1958 as having denied that the Hungarian Government had broken its word, the record clearly shows that the action of the Hungarian Government in bringing Imre Nagy to trial was contrary to solemn assurances which Mr. Kadar, on behalf of the Hungarian Government, had previously given . . .

To whom did Kadar give such assurances? Its neighbor to the north, the Government of the Federal People's Republic of Yugoslavia.

The record is still incomplete because Hungarian and Soviet authorities have refused to cooperate with any international organizations most notably the Special Committee on the Problem of Hungary. Undoubtedly, it is their intention to forever remain silent about the manner in which Nagy was tried and found guilty. We know, as do the Soviet and Hungarians, that to reveal the truth would be an admission of Kadar's treachery and, therefore, the lies upon which his power is derived.●

VETERAN'S WIDOW COMPENSATION

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. WHITEHURST. Mr. Speaker, on January 11, 1977, I introduced H.R. 1744 to amend title 38 of the United States Code to provide that the remarriage of the widow of a veteran after the age of 60 would not result in the termination of dependency and indemnity compensation.

I have learned that this bill is favored by the Veterans' Administration, and I am pleased to introduce a copy of the VA's report at this point in the RECORD. I hope that it will be possible to act on this bill this year, since it would mean so much to a number of older surviving spouses.

VETERANS' ADMINISTRATION,
OFFICE OF ADMINISTRATOR OF
VETERANS' AFFAIRS,
Washington, D.C., May 18, 1978.

Hon. RAY ROBERTS,
Chairman, Committee on Veterans' Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: We are pleased to respond to your request for a report on H.R. 1744, 95th Congress.

The bill would amend section 103 of title 38, United States Code, "to provide that remarriage of the widow of a veteran after age 60 shall not result in termination of dependency and indemnity compensation."

Prior to the enactment of Public Law 91–376, effective January 1, 1971, the remarriage of a widow(er) constituted a permanent bar to the payment of Veterans' Administration gratuitous benefits. The law (38 U.S.C. § 103 (d), as amended by Public Law 91–376) allows the Veterans' Administration to restore those benefits when the spouse's remarriage terminates or is dissolved, absent fraud by either party or collusion. The veteran's spouse may therefore enter into a second marriage without fear of economic deprivation, should the second marriage prove to be short-lived. This provision of the current law proves especially beneficial to older surviving spouses who tend to marry men or women of advanced years.

The purpose of H.R. 1744 is to extend the liberalization provided by Public Law 91–376 to the dependency and indemnity compensation program for surviving spouses.

When a surviving spouse of advanced age remarries, termination of dependency and indemnity compensation may impose severe financial hardship. The new spouse, similarly advanced in age, is generally preparing for or already retired. Such new spouse faces a reduction in income and may be unable, because of age or disablement, to augment it. The remarried, aged surviving spouse also in many instances is precluded from employment to supplement the loss of dependency and indemnity compensation. H.R. 1744 would provide remedial action to retain for surviving spouses, age 60 or over, entitlement to dependency and indemnity compensation at an economic level at least comparable to that which existed prior to the remarriage.

We observe that the bill employs the term "widow" of a veteran. We believe that, if further consideration is given to this measure, a technical correction may be required to change the term "widow" to "surviving spouse," in order to conform with other recent enactments attempting to eliminate any reference to the gender of a surviving spouse.

Assuming an effective date of October 1, 1978, the estimated 5-year cost of H.R. 1744, if enacted, is as follows:

Fiscal year:	*Cost (in thousands)*
1979	$1,556
1980	1,646
1981	1,716
1982	1,801
1983	1,887

In view of the foregoing, the Veterans' Administration favors enactment of H.R. 1744.

This will also serve as a report on H.R. 2893, 95th Congress, an identical measure.

Advice has been received from the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

MAX CLELAND,
Administrator.●

CHANGING OF THE GUARD—REPUBLICAN 94TH CLUB

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. MOORE. Mr. Speaker, on June 21, 1978, the Republican 94th Club met for perhaps the last time, with all of its members. The 94th Club was elected in the year of Watergate which shall become known to many as the "Republican Watergate holocaust." This valiant band of 18 Members of Congress is the third smallest number of Republican freshmen in recent history.

We met in sincere camaraderie on that day to elect new officers of our rather exclusive club and to wish well those members who of their own volition will not be with us in the next Congress. The newly elected officers are: the gentleman from Louisiana, W. HENSON MOORE as president; the gentleman from Pennsylvania, WILLIAM F. GOODLING as vice president; and the gentlelady from Nebraska, VIRGINIA SMITH as Secretary-treasurer.

At that meeting, we also paid tribute to our immediate past president, the gentleman from Florida, RICHARD KELLY; who served our class during the first term of the 95th Congress. He served with great distinction and was the source of inspiration for the meeting on June 21. He did much to give expression to our class and help distinguish as a readily

identifiable group within our beloved House. We presented to him a plaque in grateful memory of his stewardship.

At that evening's meeting, we also initiated a tradition that we sincerely hope is not often repeated. We presented plaques to the departing members of our class. Plaques were presented to the gentleman from Texas, Ron Paul who did not return to the 95th Congress; the gentlelady from California, SHIRLEY N. PETTIS who is retiring at the end of this Congress and who has our love, esteem, and well wishes for the future; the gentleman from Pennsylvania, GARY A. MYERS who has admirably put family first and is retiring at the end of this Congress to return to private enterprise and the rearing of his family; the gentleman from South Dakota, LARRY PRESSLER who is not seeking reelection to the House in order to seek a seat in the other body from his State who also has our well wishes and expressions of success; and the gentleman from Wisconsin, ROBERT W. KASTEN, JR., who is also not seeking reelection to the House in order to offer himself to the people of his great State as its Governor. Again, we all wish him every success.

Of our original band of 18, there may be at the beginning of the next Congress only 13 remaining. For those who stay on, we pledge to do the best we can to continue the work begun almost 4 years ago when we came together to this great place with every expectation in our hearts of serving this Nation as best we can. To those who are leaving us, we shall sincerely miss them, but our thoughts and prayers shall be with them in their new endeavors. We should also like them to know they will always be members of our 94th Club and welcome to rejoin us professionally or socially at any time.●

PHILANTHROPY UNDER SEIGE

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. CARTER. Mr. Speaker, some time ago I became aware that the administration cost containment bill for hospitals, if enacted in the proposed form, would have seriously undermined philanthropic giving to hospitals, and perhaps destroy their endowment base. Over $4 billion is now given by the public to hospitals and medical research. and if that is stopped, these funds would have to be made up with Federal tax dollars, and an important spirit of public participation in community institutions would have been lost.

Consequently I introduced an amendment protecting philanthropic giving, which was accepted by the Subcommittee on Health and Environment on which I serve, and subsequently it was adopted by the Subcommittee on Health of the Ways and Means Committee, and I am informed that the Senate Finance Committee is now considering that language for their bill.

Recently I received an award, which I treasure greatly, given to me by the National Association for Hospital Development, which was given for my work protecting philanthropy, and my work on this amendment. In my acceptance talk, I spoke of the vital importance of preserving philanthropy. Many of my views given then were similar to a recent Time magazine essay by former Secretary of HEW John Gardner. He tells about how philanthropy is threatened by still another legislative proposal, which comes to us under the rubric of "tax reform." I urge my colleagues to read this excellent essay, and take it into consideration when such legislation comes before us:

THREAT TO AN AMERICAN TRADITION

"These Americans are a peculiar people. If, in a local community, a citizen becomes aware of a human need which is not being met, he thereupon discusses the situation with his neighbors. Suddenly a committee comes into existence. The committee thereupon begins to operate on behalf of the need and a new community function is established. It is like watching a miracle, because these citizens perform this act without a single reference to any bureaucracy, or any official agency."

Just so, 150 years ago, Tocqueville described a unique feature of the American system. It is the spontaneous working of a creative public spirit. Out of this fundamental national trait have come such vitally important institutions as libraries, museums, civic organizations, great universities, the United Way, the Little Leagues, the Salvation Army symphony orchestras, garden clubs, historical societies, adoption services, hospitals, religious organizations, Alcoholics Anonymous, the 4-H clubs. Indeed, this American spirit reaches into almost every field of human interests. Tied to another powerful American tradition—that of private giving for public purposes—the volunteer spirit has released incredible human energy and commitment in behalf of community all over the country.

Yet in the next two or three years the Federal Government may destroy this feature of the American system. The destruction could be accomplished silently and invisibly—in the name of tax reform. The threat lies in proposals that would reduce, directly and indirectly, the charitable contributions Americans itemize as deductions from taxable income. And there are even those who, with the intent of simplifying the tax code, would eliminate such deductions entirely. With due respect to the reformers, the alarm should be shouted: Our tradition of private giving for public purposes is endangered by some of their good intentions.

Up until now, Government tax policy has deliberately fostered that tradition. The deductibility of charitable gifts is based on the idea that it is good for a great many people, independently, privately, to contribute to charitable, religious, scientific and educational activities of their choice. Such giving supports the American pluralism that allows all kinds of people to take the initiative in all kinds of activities. In reality, the tradition that has produced the innumerable institutions that are sometimes called the nonprofit sector lies at the very heart of our intellectual and spiritual strivings. The deductibility of charitable donations has been only an expression of that larger philosophy.

Now, there is a new school of thought with a very different view. It holds that a deductible dollar donated, say, to a school for blind children, would have found its way into the federal treasury—if it had not been deductible. That dollar is therefore to be regarded as Government money—and labeled a "tax expenditure." This new doctrine began innocently enough with a concern about the multiplicity of existing tax loopholes. It made sense to calculate the amount of benefits granted by the Government through allowable deductions—as, say, certain industrial tax credit. So the term "tax expenditure" was invented as a convenient way to describe such an amount. Some tax-simplification theorists just have not given much thought to the implications of applying that term to voluntary charitable donations. But there is another type of theorist we have to cope with: the Government-knows-best type, who positively resents the freedom of the tax-deductible gift. His argument is to eliminate the deductibility of that dollar given to the school for the blind, take the money into the treasury and, if the school needs money, let Congress and the federal agencies appropriate it.

Such a doctrine makes the head ache. The American people have been remarkably resourceful in launching activities to serve their communities. They freely give $30 billion a year and contribute God knows how many billion more in nonmonetary services. Now Americans are told that Congress and the Government bureaucracies could do a better job.

Somehow the available evidence on Government efficiency (speaking with the respect of one who served two tours of duty in Government) does not drive one toward that conclusion. But apart from the question of efficiency, if Government preempted "charitable" functions, what outlet would be left for personal caring and concern? Can anyone believe that a manual of regulations from Washington would unlock the miraculous energy which has been so impressive since the days of Tocqueville?

The truth is that the present charitable deduction is not adequate to bring out the best of which Americans are capable. Even recent increases in the standard deduction—five in the last eight years—decreased the number of taxpayers itemizing deductions from almost 50 percent in 1970 to less than 25 percent today. The result damaged the voluntary sector. Contributions to public charities decreased, with losses recently estimated at $5 billion. In 1977 alone, greater use of the standard deduction could cost voluntary American institutions some $1.3 billion. It is estimated that only 16 percent of taxpayers will itemize deductions (and thus have an added incentive to make charitable donations) if the Carter Administration's tax reform proposals are enacted.

What would result if the new antideduction doctrine ever were in force is not pleasant to contemplate. As it is, the trend is already running against voluntarism. The only way to reverse this trend is to amend the tax code to allow all taxpayers to deduct charitable gifts whether they itemize or not. This change alone would eliminate a twofold danger: first, that denying most Americans any encouragement to give will bring more Government into their lives; second, that charitable giving will become the province of only the wealthy.

The Government will best contribute to the health of the society if it actively furthers the vitality of the private, voluntary sector. We must wake up to the fact that the government of a gigantic, tumultuous society cannot be administered entirely by a conventional, centralized, top-down governmental hierarchy. Local levels of government and local private institutions are going to have to figure out how they can collaborate to make things work in the community. The old American trait of voluntary activity and giving is indispensable to that end.

Finally, it is not easy to make a blanket defense of private giving; after all, it consists of so many unrelated, unofficial, un-

classifiable activities. Yet that diversity is one of the qualities that make it beautiful. It is an area in which freedom survives and flourishes. Let's keep it that way.●

DR. ELKINS TO RETIRE

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mrs. SPELLMAN. Mr. Speaker, I cannot let the day go by without saying a few words about Dr. Wilson H. Elkins, who retires Friday, June 30, after more than two decades as president of the University of Maryland.

In the 24 years since Dr. Elkins took Maryland's helm, the College Park-based university has undergone tremendous growth, both in enrollment and academics. This combination, improving academic standards while also undergoing rapid growth in enrollment, is no small achievement for a State institution, and most of the credit for Maryland's success through this period must go to Dr. Elkins.

Born on a Texas farm some 70 years ago, Dr. Elkins excelled in virtually every category in his own undergraduate career at the University of Texas. A Phi Beta Kappa in the classroom, "Bull" Elkins, as he was known in those days, also earned eight varsity athletic letters. In his final year, he captained the school basketball team while also serving as president of the student government. He was graduated in 1932 with both a B.A. and M.A. degree.

After graduation, Dr. Elkins traveled to Oxford as a Rhodes Scholar. He earned a Ph. D. in 1936 and returned to the University of Texas to teach history for 2 years before being named president of San Antonio Junior College.

In 1949, he was appointed president of Texas Western College, a post he held until becoming the 21st president of Maryland University in 1954.

At College Park, Dr. Elkins found a school with a good reputation for athletics, but in danger of losing its accreditation. He moved immediately to strengthen the school's academic standing.

Under Dr. Elkins' leadership, Maryland's enrollment grew from 15,000 to 78,000. The first budget he administered was $23 million, the last $316.8 million.

Academically, Maryland today is recognized by both the Association of American Universities and Phi Beta Kappa. In research, it is among the top 30 institutions in the Nation.

Dr. Elkins guided Maryland through the rapid growth years of the late 1950s and early 1960's and through the turbulence of the Vietnam war era when dissent and violence wracked so many of our educational institutions. Through it all, Dr. Elkins and Maryland University survived in fine form.

To be sure, there were times of stress. There were demonstrations and a takeover of the administration building. Unlike other schools, however, there were no students injured at College Park. That may tell you something about the administration of Wilson Elkins.

New challenges face Maryland University today. A continued push for academic excellence is underway and enrollment still is rising. The current era is one of growing demands and ever more scarce educational dollars.

But if Maryland can count in the years ahead on the kind of leadership it has had under Dr. Wilson Elkins, we need not worry about its future. It will be in good hands.

The residents of Maryland owe Dr. Elkins a debt of thanks for his efforts over the past 24 years and we all wish him and his most gracious wife, Vivian, every success in whatever new endeavors they undertake.●

SINGLAUB'S CHALLENGE TO CARTER

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. SYMMS. Mr. Speaker, I was very disturbed to read an article by Mr. Brownfeld regarding the President's foreign policy decisions and the military's lack of involvement in those decisions. Retired Army officer General Singlaub is quite alarmed about this pattern in our Government. Singlaub points out that the Joint Chiefs of Staff have not been contacted by the President when crucial decisions are made." I have personal knowledge that they have been ignored, that they were never consulted." The military which is such an essential part of our foreign policy outlook should never be left out of the decisions. I believe that the pattern which is developing is not in the best interest of the country, and I urge all my colleagues to read this article.

The article reads as follows:

[From the Lima News, June 11, 1978]

SINGLAUB'S CHALLENGE TO CARTER

(By Allan C. Brownfeld)

Major General John K. Singlaub, who was forced into retirement after twice criticizing President Carter, made his first public appearance as a civilian on June 2 and charged that the Carter administration was making major defense decisions without consulting military leaders.

The general, who retired from the Army after more than 35 years in the military, said that President Carter had failed to consult the Joint Chiefs of Staff in deciding to defer production of the neutron bomb and on plans to slow the withdrawal of American combat troops from South Korea.

"I have personal knowledge that they have been ignored, that they were never consulted," said the 56-year-old general.

Singlaub reported that President Carter had told him, in a meeting attended by Defense Secretary Harold Brown, that the White House decision to withdraw combat troops from South Korea came after military advisers recommended the move and the Joint Chiefs of Staff agreed. "I gave the Secretary a cold stare," General Singlaub said. "The Chief of Staff had not been consulted." When he was asked if the president had been untruthful in his statement, the general said, "Yes."

The Singlaub case is properly causing a major stir in Washington. At issue is not only the substance of the general's serious charges—but whether a military leader even has the right to express his own views—even when specifically asked for them. The latest incident which caused trouble for the general was the question and answer period after a talk to Georgia Tech ROTC students. Singlaub was asked his personal view of the president's neutron bomb decision. He responded that, in his view, the decision was "militarily unsound."

The dilemma for President Carter seems to have been somewhat ignored in the discussion of the Singlaub case. The president once told the American people he would "never lie" to them. Would he have a general in the U.S. Army, when asked his personal view of a military matter, lie to the students who asked the question? Evidently he would, for General Singlaub was forced to retire shortly after giving an honest answer to an honest question. The president should carefully consider what he means when, in the future, he speaks of "morality" and "truthfulness" in government.

Discussing Singlaub's willingness to express his views—when other military leaders prefer to remain silent and advance in the ranks—Sen. Barry Goldwater, R-Ariz., declared: . . . what we have here is a brave and courageous man willing to stand out alone among his fellow officers and declare what he feels to be right."

The American Conservation Union—which General Singlaub now has agreed to assist in the preparation of a film on the SALT talks—states that the forced retirement of the general for disagreeing with certain administration policies shows a "double standard" on the part of the president. ". . . the president has consistently tolerated outrageous statements by Andrew Young which have been both inaccurate and antagonistic toward our allies. General Singlaub's remarks, on the other hand, have been neither. It also must be kept in mind that in the most recent incident, the general was responding to questions from a group of future military leaders. . . . For him to have given them anything but an honest appraisal would have been in conflict with the principle of integrity so vital to the officer corps."

Singlaub properly insists that be believes in civilian control of the military. He notes, however, that, "One of the key issues here is that a professional officer has to be able to distinguish between proper and improper dissent and between proper and improper support. Blind, unquestioning obedience to decisions on military matters which were made without reference to the nation's military advisers may not be in the best long-term interests of the U.S."

What kind of government makes military decisions without reference to the advice of military experts? If the American people suspect amateurishness in the conduct of government by the Carter administration, the charges of General Singlaub bolster that feeling.

Our friends abroad are equally mystified by the decision-making process—or lack of it—now evident in Washington. General Singlaub notes, "Our allies simply do not understand U.S. policy. When they ask me for an explanation, I cannot give it because I don't understand it myself. Many of our allies have expressed some concern that we do not live up to our obligations as the leader of the free world. Our actions have spoken louder than our rhetoric."

General Singlaub has made serious charges against the President and his conduct of policy. Thus far, there is no evidence that he is either wrong or overstating his case.●

FLORIDA DRUG ENFORCEMENT

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. WOLFF. Mr. Speaker, I would like to commend the Washington Post for its June 21 editorial on "Drug Running in the Southeast." The editorial calls attention to legal restrictions in current drug laws which are hampering enforcement efforts in Florida and other Southern States.

The Post also recognizes and applauds the involvement of drug officials in overcoming the limitations imposed by Federal statutes and international treaties. One effort in this direction has been the creation of a White House Review Group. Formed at the urging of the Select Committee on Narcotics Abuse and Control, the Review Group has been studying the situation in south Florida.

The committee awaits with great interest their forthcoming report on future and current Federal efforts to assist south Florida.

The editorial follows:

[From the Washington Post, June 21, 1978]

DRUG RUNNING IN THE SOUTHEAST

A legal loophole is complicating efforts by drug-enforcement officials to staunch the flow of marijuana and cocaine from Latin America into the southeastern United States. That region has become the major channel of the drug traffic since enforcement efforts focused on California and the Southwest began to take hold. Most of the drugs reaching the area are being transported by seagoing cargo ships to locations outside the 12-mile limit of U.S. territorial waters. There they load their illicit cargo aboard small, fast "courier" boats for transport ashore. Federal officials can and do intercept these boats as they head toward shore. But, obviously, it would be more effective to confiscate the drugs before they leave the mother ship and to arrest the crews.

That effort, however, has been hampered not only by the need for international cooperation in combatting drug smuggling, but by a serious omission in U.S. drug laws. Because of the omission, it is no crime now for a U.S. citizen or a U.S.-registered ship *outside* territorial waters to have illegal drugs aboard. Civil statutes allow the drugs and the ship to be confiscated. But there can be no criminal prosecution of the people (whether American or foreign nationals) involved unless intent to smuggle the drugs into the United States can be proved. The huge amounts of money involved in even a single large drug transaction reduce the practical effects of the loss of one cargo ship to almost nothing. Thus, the deterrent effect—prosecution of the drug runners—is lacking.

Drug officials are urging a revision of federal statutes and international treaties to amend that oversight. In our view, that's a good idea. They've also begun applying a federal law, originally enacted during Prohibition, that allows the Coast Guard to board any vessel outside territorial waters if it can prove that U.S.-registered boats have tried to smuggle some of the ship's cargo ashore. A White House task force also is studying other ways—including closer cooperation with other countries and the use of military radar planes to track suspicious cargo ships on the high seas—of combatting seaborne drug smuggling. These are welcome actions. They show that drug officials have learned well a lesson of the past decade: The pervasive, corrupting effects of the drug trade make it imperative to respond quickly whenever it makes a new appearance.●

REAL TEST OF U.S. PRINCIPLES

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. SYMMS. Mr. Speaker, the role of the United States in South Africa, specifically Namibia is reaching a crucial point. In a recent article by Allan Brownfield, he outlines our situation, "Do we believe in majority rule, or in conquest by terror?" Our role is very important in this area of the world and should not be overlooked by the Congress. I urge all of my colleagues to read this article.

The article follows:

[From the Lima News, June 8, 1978]

REAL TEST OF U.S. PRINCIPLES

(By Allan C. Brownfeld)

WINDHOEK, South West Africa.—One would not imagine, here in Windhoek, that South West Africa/Namibia is one of the centers of world attention. The city reflects the German character of those who built it when, in 1884, Germany, in the midst of the Western scramble for Africa, occupied the territory. Even now, this writer could book a hotel room only for a single night—because the city was preparing for a carnival and people from all over the territory were coming to celebrate.

While terrorists continue to attack across the Angolan border, here in Windhoek men and women of all races—white, black, brown—eat together in the hotels, dance together at the discotheques, and mingle in the streets. Although everyone knows this is a period of dramatic political transition, Windhoek itself is the picture of calm.

South West Africa has been administered by the Republic of South Africa since the defeat of Germany in World War I. The South African government has now agreed in principle to leave the territory and allow it to become independent—agreeing to a Western plan calling for free elections. One would suspect that the West would welcome this decision by the government in Pretoria. Unfortunately, the black terrorist group, the Southwest Africa Peoples Organization (SWAPO), wants control of the territory—and doubts that it can win a free election.

Just as the South Africans agreed to the Western plan, SWAPO stepped up its terrorism. One of the leading black moderates in Namibia, Chief Clemens Kapuuo—a man who could win a free election—was murdered. The West made almost no protest. Then, when South African troops crossed into Angola to destroy the terrorist camps from which SWAPO raids had come, the West did protest—vocally, denying South Africa the internationally recognized right of "hot pursuit."

Among the documents captured by South Africa during the raid in early May were detailed assassination plans and official congratulations for the killing of Chief Kapuuo and Ovambo Minister of Health, Toivo Shiyagaya, SWAPO leader Sam Nujoma has not hesitated to proclaim his belief in a one party, Marxist state and has shown nothing but contempt for the idea of free elections.

Professor M. Wieckers of the University of South Africa, an expert in Namibian affairs expressed dismay at the role played by the U.S. He said: "The U.S. has sent observers to South West Africa but while there they spoke only with representatives of SWAPO, not of the Democratic Turnhalle Alliance." A. H. Du Plessis, the leader of the National Party in South West Africa, stated:

"We can't understand the U.S. attitude . . . If Nujoma and SWAPO were convinced they could win an election, they would accept the terms of the Western proposal. If SWAPO finally rejects the plan, it seems to me that the five Western powers would be under strong moral obligation to stick to their guns."

One of the leading non-white members of the Democratic Turnhalle Alliance, L. Barnes, told this writer of a meeting he had with Rep. Charles Diggs, D-Mich. He said: "Diggs wanted us to turn our country over to SWAPO. He knows almost nothing about Namibia. There is, unfortunately, a great lack of communication between my country and people and your government. SWAPO has become nothing but a Communist front. It has been murdering people who oppose it for years. How can the U.S. with a highly developed foreign affairs department be fooled by SWAPO?

"We now have found a democratic formula which can work and can move toward real majority rule. Ninety-five percent of apartheid already has been removed. If anyone told me we would have such progress five years ago, I would have called him a liar."

Those who have been working so hard for a non-racial, democratic Namibia cannot understand why the U.S. continues to advocate the participation of the terrorists of SWAPO. Former Windhoek mayor Ernst Kashik asked: "We have agreed to universal elections—1 man, 1 vote. What else can we do?"

There is every reason to feel optimistic about Namibia's future. It is one of the least densely populated countries in the world with only 762,184 inhabitants spread over 317,827 square kilometers. More than 150 delegates from the nation's 11 black, brown and white population groups met Sept. 1, 1975 in the historic Turnhalle in Windhoek to discuss the constitutional future of Namibia. While there is disagreement about many specifics of their proposal, the democratic formulation is wholly consistent with the Western plan.

Now, the U.S. and the other Western nations must face the test of their principles: Do we believe in majority rule, or in conquest by terror? Peace-loving Namibians of all races want to know the answer.●

IGOR VYACHESLAVOVICH OGURTSOV—A CHRISTIAN PRISONER OF COMMUNISM

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. McDONALD. Mr. Speaker, no one knows the exact number of citizens of the U.S.S.R. who are in forced labor camps, but, it is generally agreed that the number is growing under the leadership of Brezhnev. One of these who is wasting away in camp is Igor Ogurtsov, who is not well known in Western circles. Like thousands of others, he is dying the slow death of the camps caused by overwork, limited rations and nonexistant medical care. It is murder by degrees, started by Lenin, perfected by Stalin and now carried on by Brezhnev. It is the Soviet

Union's unique contribution of a step backwards for civilization.

Ogurtsov's major crime was the founding of a religious organization called the All-Russian Social-Christian Union for the Liberation of the People. This organization was based upon the Russian Orthodox religion and was both nationalistic and slavophile in its outlook. Its avowed goal was the overthrow of the Soviet dictatorship. The organization VSKhSON, an abbreviation based upon its Cyrillic lettering, set up a program to abolish all vestiges of the Soviet police state and to provide for some private ownership of land and production facilities, and representative government. It was to be a state founded on Social Christianity. The organization itself was founded in 1964 and grew slowly until 1967, when a member betrayed the organization to the KGB. The leaders of VSKhSON were all arrested and tried in 1967, while the rank and file of the organization were arrested in 1968.

The leader Ogurtsov appears to be a most remarkable person. He was born on August 22, 1937, in the city of Volgograd (then Stalingrad). At an early age his family moved to Leningrad. His father was a naval officer and a party member. His mother was a pianist. And, contrary to the usual practice in the U.S.S.R., his family did not abandon him when he was arrested, but, supported efforts to free him. A fellow Russian dissident, who also served time in the forced labor camps, for his work on SAMIZDAT, Vladimir Osipov, said the following of Ogurtsov:

Igor Ogurtsov. is an exceptional and unusual person. From childhood on, he continually honed his will, was merciless toward his own weaknesses, led an ascetic mode of existence, neither smoked nor drank, slept virtually on boards. An enormous strength of will, high intelligence erudition, a knowledge of several foreign languages, skill at writing, an excellent knowledge of music and, at the same time, moral purity and a sensitivity toward those around him—all of this sharply singled Ogurtsov out wherever he happened to be: at home, at work, in the organization. A vegetarian, Ogurtsov did not eat meat, refused everything that smacked of luxury. At the same time, he used to pull drunks out of ditches, would never pass by a beggar without contributing, suffered at the sight of the unfortunate. Ogurtsov was a Christian and a convinced Russian patriot. A decisive influence on his world-view . . . was exerted by the great Russian thinker Nikolai Aleksandrovich Berdiaev.[1]

In the above description, students of Russian history can certainly see that the Russian strain of religious mysticism and nationalism is alive and well within the confines of the present day U.S.S.R. For his pains, Igor Ogurtsov was tried and sentenced to 15 years imprisonment in 1967 to be followed by 5 years exile. Ogurtsov's health is reported to be very bad, but, his spirit is undaunted. He has reportedly lost his teeth, his hair, has high blood pressure and is completely emaciated. This is not the new "Soviet man" the Central Committee talks about. Whether he will live to see exile at all is doubtful but, his example to the dissident movement in the U.S.S.R. will live on. One can only hope that Brezhnev, in a fit of remorse over his lack of compliance with the Helsinki Agreements will relent and release this man to live out the rest of his days, but, mercy is not a Communist trait.●

[1] "The New Russian Revolutionaries," John B. Dunlop. (Belmont, Mass.: Nordland, 1976), pp. 20–21.

THE ROLE OF WOMEN IN DEVELOPMENT

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mrs. BURKE of California. Mr. Speaker, some of the objectives of the United Nations Decade for Women (1976–85) concern the equality of men and women, and increased involvement of women in the development of friendly relations between states. It is estimated that by the year 2000, almost 87 percent of the world's population will live in underdeveloped countries. This brings the development of Third World countries into the prime focus of all Western states. It has been found that the educational levels of women in Third World countries is a fairly accurate indicator of the number of children they will bear. Increased education of women in these countries represents not only a decrease in birth rates, but also increased opportunities for equality and involvement in society. Agricultural problems relating to deficits and malnutrition can also be reduced with the increased involvement and education of women in these countries.

The goals of the United Nations Charter are "to promote the fundamental human rights of every individual, the dignity and worth of every person, the equal rights of men and women and social progress and better standards of living, everywhere on earth." To fulfill these goals, more persons must become aware of the problems concerning Third World development—especially the problems of women in these countries.

The following article, by Agency for International Development Director John J. Gilligan, addresses these problems and the enormous potential of women in the Third World. It appeared in the Washington Post editorial page recently and I highly recommend it to my colleagues:

[From the Washington Post, June 24, 1978]

WOMEN AND THEIR IMPORTANCE TO THE THIRD WORLD

(By John J. Gilligan)

In the year that I have been administrator of the agency for International Development, two facts have become more and more apparent to me. The first is that the economic and social development of two-thirds of humanity may well depend on women—far more than it will depend on men. And second is that the success of women in expediting the development of Third World countries will very significantly affect our own future security and well-being.

Let me supply some of the background that has led me to those conclusions:

In the next 25 years, the world's population will increase from 4 billion to 6 billion people. Most of that increase will be in developing countries: By the year 2000, 87 percent of the world's population will be living in the less developed countries—the "LDCs."

By the year 2000 there will be a food deficit of 100 million tons in the Third World. That deficit can be made up only if the developing countries increase their agricultural production 3 to 5 times.

Most of the people of the LDCs are unhealthy. . . . Major components of disease are inadequate nutrition and sanitation. 100 million children under the age of five are always hungry. Fifteen million children die each year from a combination of infection and malnutrition.

There are 800 million illiterates in the world; nearly two-thirds of them are women. The number of illiterate men rose by 8 million between 1960 and 1970. The number of illiterate women increased by 40 million, bringing the total number of women unable to read or write to half a billion.

Once upon a time the people of this country might have supposed that, grim as life was in the Third World, the problems were theirs, not ours. But if that belief was ever true, it is so no longer. What happens in that half of the world now has impact directly on our lives and on our future. . . .

As a result of record population growth in the last two decades, people in many countries are entering the job market faster than the economy can absorb them. Unemployment in many of LDCs run from 25 to 45 percent. This trend is increasing, and it is estimated that by the year 2000 at least 800 million more people will lack a means of making a living. . . .

The United States has already begun to experience the result of excessive Third World population growth and lagging economic development. Today there are an estimated 6 million to 8 million undocumented aliens from Latin America and Mexico in the United States. . . . Many of these immigrants have taken jobs that might be filled by Americans. Many have migrated to our cities, adding to overcrowded housing and welfare rolls. Mexico has one of the highest population growth rates in the world—3.4 percent annually. With 46 percent of the population under 15 years of age, the potential for increased migration to the United States is enormous.

A key to the resolution of the problem of excessive Third World population growth, of course, is family planning, and the key to that is women.

Twenty-five years of accumulated knowledge and experience have told population experts two things:

First, fertility rates begin to decline when a woman is able to nourish her children properly and keep them healthy, thus ensuring that they survive to adulthood. Only then do couples in poor countries begin to understand that they dare limit the number of their children, who traditionally have been perceived as extra labor on the land and support in old age.

And second, fertility rates begin to decline when the educational level of parents rise. The educational level of the father is important. But that of the mother is more so. In almost every country, the more education women have, the fewer children they bear. For example, in a 1972 study from Jordan of women aged 30–34, illiterate women were found to have an average of 6.4 children while those with a primary school education averaged 5.9. For secondary school graduates, the average was 4.0 and for university degree holders, only 2.7 children. In

Latin America, studies indicate that women who have completed primary school will average about two children fewer than those who have not.

The message is clear: If population growth rates are to be reduced . . . the education of the women in developing countries is an urgent imperative.

Third World food production is also directly related to U.S. prosperity and security—and to the role of women.

. . . We must face the prospect that by 1985—seven years from now—there will be a global food deficit of 100 million tons in developing countries, directly attributable to population growth outstripping agricultural production. It is most unlikely that the food-producing countries of the West will be able to make up this deficit. Even if they tried, the cost of achieving that additional production would be so high that food prices would rise astronomically everywhere.

The only possible solution to this problem is for the less developed countries to increase their own agricultural production to 3 to 5 times their present levels. The people who will have to do this job are the millions of subsistence farmers who scratch out precarious livings on small plots of arid and barren land. . . .

It so happens that those farmers are mostly women. Forty to 70 percent of Third World agricultural labor is female. Depending on the traditions and customs of a particular country, they plant the seed, haul the water, till the soil, harvest the crops, market the produce, tend the animals and strive to keep their families alive by growing the village vegetable gardens.

Today more and more women are being forced into those roles. The lure of the city and cash-producing work is drawing the men away from the farms, leaving the women behind. It is estimated that some 30 percent of rural families in the Third World are now headed by women. . . . If those women—in their interests and ours—are significantly to increase food production, they must learn the use of new fertilizers, irrigation systems and power machinery. They must have roads to get their produce to market, and they must have transportation on those roads. They must have provision for food processing and storage and understand how to use it, and they must have simple economic structures to provide them with credit.

Women have been handicapped in their efforts to get more from the land they work because of their generally "inferior" social position. They have often been barred from owning or inheriting land, obtaining credit or receiving agricultural inputs from development programs. Even when they have been left behind on the family plot as their men have migrated, they have found their situation difficult because control over economic resources and land was left in the hands of male relatives who have not migrated.

In nearly all developing countries, agricultural training—such as it has been—has been given only to male farmers. Wives, daughters and hired female laborers have been largely ignored. Until very recently, women frequently have not benefitted from projects designed to assist farmers because Western development experts simply assumed that farmers were male. . . .

The conclusion is only too clear: If agricultural production and productivity are to increase, development planning in the Third World must give an equal place to women. . . .

In recent years there has been a growing awareness of a fact that women everywhere have always known: That women played the major role in determining the health of their families in acquiring and preparing food for them.

In some cases, because of the depths of their poverty, there is little they can do to improve their nutrition. But in many cases, malnutrition is the result of ignorance. Without any changes in food supplies, miracles can be wrought with simple changes of diet and food habits if women only had the knowledge to make these changes.

Nutrition specialists in Africa, for example, have found that in most villages women could find the right food for their families, or the right combinations of food, if they knew what to look for. A combination of wild greens, a few beans and an occasional egg, mixed and prepared so it can be spoonfed and fed daily, can save a child's life.

Public health workers in Malaysia noticed that Chinese children were surviving and Malaysian children were dying despite the fact that the same food was available to both. When the situation was investigated it was discovered that Chinese mothers understood the importance of diet—particularly of protein—and the Malaysian women did not.

In respect to health, the story in the Third World is much the same. Knowledgeable women could make an enormous difference to the health of the people, for the single major cause of disease in developing countries is related to the failure to observe elementary household and village sanitation. If a woman lacks that knowledge—if she does not understand how or why disease occurs or how it is transmitted—she has no understanding of the importance of keeping food covered or water clean. If she has no notion of what viruses or bacteria are, she has little incentive to observe even the most elementary sanitation precautions.

The critical word in all the foregoing, of course, is "knowledge," meaning education—and especially education for women. If population growth rates are to be reduced, in the interests of all of us; if food production is to be increased, in the interests of all of us; if the health and nutrition of 87 percent of the world's people is to be improved, in the interests of all of us, the women of developing countries must be educated. The enhancement of their status is critical.●

TANIA MARIA WELLS

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. FORD of Tennessee. Mr. Speaker, I rise today to call to the attention of my colleagues in the House a distinguished constituent of mine, Ms. Tania Maria Wells. She is the daughter of Mr. and Mrs. Theodore Wells, 1562 Crider Street, and an active member of the Ward Chapel A.M.E. Church, Memphis, Tenn.

Tania is very unique in that this is the first time in the history of Memphis that anyone has ever participated on a high school level in international competition in Europe. Youths from the ages of 8 to 18 will participate in the events. It is felt that she will definitely aspire for the 1980 Olympics.

Tania is characterized as being unselfish, and "never rings her own bell." She is an above average student at Melrose High School.

I would like to take this opportunity to share with you an article taken from the June 28, 1978, Commercial Appeal on Tania:

MEMPHIAN WELLS EARNS SPOT ON AAU TEAM

Tanya Wells' second-place finish in the 1,500-meter run Sunday in Bloomington, Ind., won her a position on the U.S. AAU Women's Junior Track team, which begins its international tour Friday.

The men's and women's teams will leave from New York for a week in Russia and West Germany and a final week in Great Britain before returning home July 13.

For the Melrose High School senior, her qualifying finish in the Junior Women's Nationals ended a four-year goal.

Wells finished third last year and sixth the year before.

"Tanya has been working for this trip ever since she's been running track," her father Ted Wells said. "The girl that won first place only beat Tanya by a fraction of a second. It was more of a leaning-type victory."

However, Wells says that Tanya's finish wasn't too surprising.

"She had already told all the people she knew that she would be making the trip this year," he said. "I think she felt she was going to win."

Another Memphian, Judy Poldon, came close to making the team, with a second place in the 400-meter hurdles. However, the hurdles are not an international event.

Former Memphian Billy Hill, now head trainer at Ohio State, will serve as the team's trainer.

For Tanya, these international meets are just the beginning of a busy summer.

She will attend a training camp in Colorado Springs at the end of July and then journey to Squaw Valley, Calif., for a National Olympic Committee camp.

At Squaw Valley, Tanya's running will be evaluated to determine her strengths and weakensses.

"Tanya has a pretty full summer as you can see," her father said. "But I think the international trip made her very happy. She's not very emotional, but I know she was happy on the inside." ●

TRIBUTE TO ANTHONY J. DeLORENZO

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. DODD. Mr. Speaker, I would like to take this opportunity to honor the memory of one of Connecticut's truly great citizens, Anthony J. DeLorenzo, a United Auto Workers official, who died yesterday in New Britain, Conn., after four decades of service to his State and the labor movement.

We, in Connecticut, who knew him and relied on his sound and compassionate advice, are proud to pay this tribute to a man whose life was rich with selfless dedication and concern for others.

He was a man of many accomplishments. At the time of his death, he was special assistant to UAW president Douglas Frazier in Detroit. He had formerly served as a member of Connecticut's Mediation Board and was a past president of UAW Local 626.

Known as a tough negotiator, he was awarded in 1973 the Eugene Debs Award by the Connecticut Socialist Party for "progressive community and labor leadership." On receiving the award, he commented:

I am pleased to accept this award. I have put my whole life in the labor movement and in things I believe to be right.

Serving as a member of the Bristol Board of Finance, Mr. DeLorenzo was instrumental in increasing benefits and improving working conditions for city employees. Considered by many to be an authority on parliamentary procedure, he was appointed as a layman to a statewide committee which produced a legal practice book for probate judges. He also was a past director of Bristol Hospital.

In addition Mr. DeLorenzo has been active in Connecticut politics since 1950 when he became a member of the Bristol Democratic Town Committee. Later he rose to the position of Democratic town chairman and twice served as a delegate to the Democratic National Convention.

The announcement of his death yesterday brought words of tribute from citizens and public leaders alike. While it had been widely known that Mr. DeLorenzo had been ill, his death nevertheless leaves a void that can never be filled. I wish to express my deepest sympathies to his family and especially his wife, Alice. Many share her sorrow today and will long remember the great contribution made by Anthony J. DeLorenzo to the quality of life of many of Connecticut's citizens.●

ANTHONY PISANO—LEADER IN COMMERCIAL FISHING

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. ANDERSON of California. Mr. Speaker, on July 8, 1978, the commercial fishing industry of the San Pedro area will pay tribute to a man whose leadership and foresight have played an important role in its continued success and development. Anthony Pisano, general manager of the Fishermen's Cooperative Association of San Pedro, will be honored by his colleagues in the industry for his many contributions over the years.

Born in Ischia, Italy on September 25, 1919, Tony—as he is known to his many friends in the San Pedro community—received his elementary and preparatory education in his native island of Ischia. Anthony emigrated to the United States in August of 1938, and came to San Pedro, Calif.

At that time, fishing was one of the town's major industries, with many Americans of Italian and Yugoslav descent providing the experience, knowledge, and impetus leading to the growth of the industry. So it was only natural for Tony Pisano to become a deckhand on the *Claremont* upon his arrival in southern California.

Ten years after entering the San Pedro commercial fishing fleet as a deckhand, Anthony Pisano became a boatowner with the purchase of the *Saint George*. He served as captain and general manager of the craft until 1956, when he purchased a larger vessel, the *Saint George H*. He operated this craft until 1966, during which time he also bought the *Saint Jude*.

Tony Pisano's affiliation with the Fishermen's Cooperative began in 1955, when he joined the association. He was active on the board of directors, and served as president of the San Pedro Fishermen's Cooperative Association for 4 years, 1962 to 1963 and 1965 to 1966. During this time, Anthony Pisano was especially involved in the association's fish marketing and legislative programs.

In December of 1966 Tony Pisano became general manager of the Fishermen's Cooperative Association of San Pedro, a position he has held to this day. His many years as a fisherman, including crew member, captain, manager, and owner have given him the experience needed to help the association's members maintain the commercial fishing industry as a vital part of the San Pedro community.

Commercial fishing is a chancy business—it can be very good or very bad, because it depends on the availability of natural resources, the skill of the captain and crew, and to a growing extent on international law. Tony's many years of experience in the industry, combined with his total devotion to the men and women who depend on the industry for a living, have made him a widely known and respected expert in the field. His penchant for hard work, combined with unquestionable honesty, have made him a trusted figure by all those involved in commercial fishing.

Tony has served as an advisor to a number of bodies involved in fisheries resource management, including the U.S. section of the Inter-American Tropical Tuna Commission; the Fish and Game Department of California; and the Pacific Regional Fishery Management Council on Anchovy and Mackerel Fisheries.

In addition, Anthony Pisano is a member of Los Angeles Mayor Tom Bradley's Citizens Planning Advisory Committee for the Los Angeles Harbor Area, and is a member of the Department of Commerce Ad Hoc Committee on Commercial Fishing Vessel Insurance.

Mr. Speaker, Anthony Pisano is a man whose personal integrity, abilities, and knowledge have earned him the respect and high regard not only of the fishing industry, but of the community he has made his home since he arrived from Ischia in 1938. My wife, Lee, joins me in congratulating him on his many achievements, and in wishing him well in the years to come.

We would also like to express our best wishes to his lovely wife, Eva, and their children: Chris, Tony, Philomena, Terry, Camela, and Antoinette.●

ON REWRITING HISTORY: PBS AND THE ROSENBERG CASE

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. DORNAN. Mr. Speaker, recently, I addressed this distinguished House on the abortive attempt to rehabilitate Alger Hiss, Stalin's agent, who managed to pilfer Government secrets and deliver them to the Soviet Union. As I mentioned, this attempt to vindicate Hiss was wrecked on the shoal's of Allen Weinstein's research, published under the title "Perjury: The Hiss-Chambers Trial." But the attempt to resurrect "demons," it seems, never stops.

Now we come to the Rosenberg case. Nothing could have been more vicious than the deliverance of vital military secrets to a totalitarian power, information which could give the Soviet Union the capability to aim nuclear death upon millions of Americans. This is the crime for which the Rosenbergs were convicted and sentenced to death. Judge Irving Kaufmann, who passed sentence, described their crime as one of the most hideous crimes in recorded history.

Radical, pro-Communist, and Communist spokesmen have attempted to make the Rosenberg case a cause celebre. Helen Sobell, wife of convicted Soviet spy Morton Sobell, Dave Dellinger, a self-professed Communist sympathizer and a supporter of the Communist regime in Vietnam, were recently joined by Russell Means, leader of the American Indian Movement and Ron Kovic, a disabled Vietnam veteran who is now a leftwing political activist in sponsoring a "Tribute to Ethel and Julius Rosenberg." To such a band, I suppose the question of whether or not the Rosenbergs were guilty is beside the point. To them, the United States is guilty, and no punishment of the American Republic could possibly be too severe. To the "Hate America" crew, espionage means little or nothing. For the antipatriotic, patriotism is itself a crime.

Then, there is a more subtle attempt at rehabilitation, sowing the seeds of doubt by slanting the historical evidence, by picking and choosing one set of facts to the exclusion of others. In academia, this is dishonest scholarship. In journalism, it is dishonest reporting. In either case, it is an attempt to rewrite history. Recently, the PBS aired a program entitled, "The Unquiet Death of Julius and Ethel Rosenberg." Great numbers of the television audience were once again treated to a classic example of historical distortion. Once again, Americans were presented with a rehash of an old controversy, slanted to fit the preconceptions of liberal ideologues.

The mind of the ideologist is closed, encased in steel, locked up like a strong box in the Bank of London. His narrow vision focuses like a laser beam on his private little "Truth" which he protects and defends against the inevitable assaults of reason. When his theory does not fit the facts, he simply changes the facts. So it is with the Rosenberg case.

Keep in mind that Lee Harvey Oswald began his deadly affair with the radical-left after reading a pro-Rosenberg pamphlet of lies.

I was privileged to receive a copy of recent communication from Mr. Reed Irvine to Mr. Lawrence Grossman, president of the Public Broadcasting Service, dated June 14, 1978, on the PBS presen-

tation of the Rosenberg affair. With Mr. Irvine's permission, I am happy to bring it to the attention of my colleagues:

ACCURACY IN MEDIA, INC.,
Washington, D.C., June 14, 1978.

Mr. LAWRENCE K. GROSSMAN,
President, Public Broadcasting Service, Washington, D.C.

DEAR MR. GROSSMAN: In your recent correspondence about the Joris Ivens' films you emphasized the dedication to PBS of the highest standards of professionalism in journalism.

Permit me to call to your attention a program that you are planning to distribute for airing on June 19 that raises some serious questions about whether or not your organization is engaging in journalism or propaganda.

I refer to the program called "The Unquiet Death of Julius and Ethel Rosenberg."

This program was aired over WETA on December 13, 1975. The program was a thinly disguised effort to present the theories that the Communist Party has been pushing for a quarter of a century about the Rosenberg case. Note, for example, the extensive attention given to Miriam and Walter Schneir and their book, *Invitation to an Inquest*. They do not have the reputation of being objective researchers like Allen Weinstein, to say the least. After using them to impugn Harry Gold's testimony, the narrator notes that Harry Gold left behind a lengthy rebuttal of the Schneirs. The viewers are not given a single sentence from that rebuttal. They are told instead that Gold "had difficulty separating fantasy from reality."

I shall not go into a detailed analysis of the numerous flaws in the original program here.

What interests me now is the so-called up-date of this documentary in light of the documents that the Rosenberg partisans obtained under the Freedom of Information Act.

After these documents were released, a story in The Washington Star on December 8, 1975 (prior to the broadcast of this documentary), said: "The tens of thousands of pages of government documents on the case now available to the public have revealed little to indicate the jury was misled a quarter of a century ago when it found Julius and Ethel Rosenberg and Morton Sobell guilty in an espionage conspiracy."

One of the documents that was released was an FBI report about statements made by Jerome Tartakow, a prisoner in the same jail as Julius Rosenberg. Tartakow told the FBI that Rosenberg had given him rather detailed information about his spying activities. One of the documents indicates that Rosenberg hoped to enlist Tartakow as a spy.

According to Tartakow, Rosenberg said there were two spy units operating in the New York area, one headed by Rosenberg and the other by two men. Rosenberg told Tartakow of some of his espionage exploits, including the photographing of some "terriffic" material allegedly removed from secret files at Columbia University by a protege of one of the top scientists in aerodynamics. The FBI found that the man in question had signed a receipt for 24 documents at Columbia on the day before Rosenberg spent 17 hours in his apartment photographing this "terriffic" material for the Soviets.

Another document revealed that Ethel Rosenberg's mother told the FBI after her daughter's execution that she believed Ethel "was guilty and a soldier of Stalin."

In addition to these U.S. documents, some further information has come from a Czech, Karel Kaplan, who escaped from Czechoslovakia with a large archive of official Czech documents. According to a story in Time magazine of May 9, 1977, Kaplan "claimed that Czech intelligence documents described Julius Rosenberg . . . as 'our agent.'"

I wondered why no mention was made of the documents released under FOIA when the program was originally broadcast in December 1975, since, as I recall, the producer appeared live to comment on the documentary. But I thought that perhaps the release was too recent to permit the kind of analysis he wanted to make.

When I heard that you were airing an update prepared by Mr. Goldstein on June 19, I naturally assumed that this would include information about the evidence found in the FBI files, such as the Tartakow reports, that confirmed the guilt of the Rosenbergs. I thought that Karel Kaplan might even be interviewed.

To my amazement, I found that Goldstein's script says this

"In struggling to penetrate the murky grey veil surrounding this remnant of our Cold War past, I attempted to gain access to government files on the case. They were not available in the America of Watergate. Now an estimated ten percent, one hundred thousand FBI pages, have been released. For the most part they are filled with the minutiae of hearsay FBI investigation. They do not settle the vexing questions. They neither confirm nor deny the guilt, or innocence, of the Rosenbergs and Morton Sobell. They seem to reveal more about the FBI, its methods, and our justice system, than about justice itself.

"Throughout this case, the government's prosecutors claimed there was 'evidence, not usable in court, showing the Rosenbergs were the head and center of an espionage ring.' We searched the newly released files for that evidence. In Julius Rosenberg's FBI file: no new evidence to support that claim. In the Ethel Rosenberg file: no new evidence. In the Morton Sobell file: no new evidence.

What we did find, however, suggests that the judge who sentenced the Rosenbergs to death was not detached."

Goldstein then launches into a discussion of some of that "minutiae" in the files. But he mentions only the "minutiae" that might be construed as casting doubt on the fairness of the judge or the validity of the evidence against the Rosenbergs.

Not a single word is said about any of the material found in those files, such as the Tartakow reports and the statement of Ethel Rosenberg's mother which support the findings of the jury that the Rosenbergs were guilty!

Is this not dishonest journalism?

Moreover, I do not recall that in the original program any mention was made of prosecution claims that the case against the Rosenbergs would be strengthened if they could use other evidence in the files. I do recall that for years the people who were contending that the Rosenbergs were unjustly convicted were claiming that the files, when opened, would show that they were railroaded.

That is why they made such a determined effort to get those files released. Mr. Goldstein engages in some sleight of hand in suggesting that he searched those files for evidence that would buttress the government's case and could not find it. The fact is that he and those who were out to prove the innocence of the Rosenbergs were searching for evidence that they were railroaded. They did not find it, but he does not say that.

If this were honest journalism, he might at least have said as The Washintgon Star did on December 8, 1975, that those thousands of pages of documents "revealed little to indicate that the jury was misled." That, after all, was the big news that came out of the examination of those documents. That was the big disappointment. He might at least have mentioned Karel Kaplan's statement. He didn't.

Since the documents have failed to provide the ammunition that the apologists for the Rosenbergs hope to find, they have switched their attack. The emphasis now is not so much a contention that the evidence shows the Rosenbergs were innocent. Rather they are attacking Judge Kaufman. That line emerged in June 1976, two years ago. It was fully discussed in the press at that time.

What possible justification can there be for taking time and money two years later to rehash these old charges?

Well, it so happens that the Communist Party and assorted fellow travelers are planning a big demonstration to commemorate the 25th anniversary of the execution of these "soldiers for Stalin." That is the occasion for a replay of this propaganda production over public television.

You will perhaps disclaim any association with that political rally, but I note that the press release about your program that was issued by WETA on May 19, 1978, specifically mentions this demonstration. One might even say that it is a "plug."

Mr. Grossman, since you say that you uphold the highest standards of professional journalism and recognize your responsibility to live up to the fairness requirements imposed on public broadcasting, please tell me what you plan to do to see that the broadcast on June 19 of the "up-date" of this Rosenberg propaganda program at least informs the public of the fact that the FBI files did turn up documents that confirmed the guilt of the Rosenbergs.

Please tell me if you will insist that the audience be informed that the opening of the archives proved to be a vast disappointment to those who had hoped to find evidence that the Rosenbergs were innocent or that the government manufactured the evidence that helped convict them.

If you cannot do this on the program in question, will you tell me what plans you have to see that a more accurate update is provided to the same audience at a later date?

Sincerely yours,

REED IRVINE.●

PHILANTHROPY UNDER SEIGE

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. CARTER. Mr. Speaker, some time ago I became aware that the administration cost containment bill for hospitals, if enacted in the proposed form, would have seriously undermined philanthropic giving to hospitals, and perhaps destroyed their endowment base. Over $4 billion is now given by the public to hospitals and medical research, and if that is stopped, these funds would have to be made up with Federal tax dollars, and an important spirit of public participation in community institutions would have been lost.

Consequently I introduced an amendment protecting philanthropic giving, which was accepted by the Subcommittee on Health and Environment on which I serve, and subsequently it was adopted by the Subcommittee on Health of the Ways and Means Committee, and I am informed that the Senate Finance Com-

mittee is now considering that language for their bill.

Recently I received an award, which I treasure greatly, given to me by the National Association for Hospital Development, which was given for my work protecting philanthropy, and my work on this amendment. In my acceptance talk, I spoke of the vital importance of preserving philanthropy. Many of my views given then were similar to a recent Time magazine essay by former Secretary of HEW John Gardner. He tells about how philanthropy is threatened by still another legislative proposal, which comes to us under the rubric of "tax reform." I urge my colleagues to read this excellent essay, and take it into consideration when such legislation comes before us.

The article follows:

THREAT TO AN AMERICAN TRADITION

("These Americans are a peculiar people. If, in a local community, a citizen becomes aware of a human need which is not being met, he thereupon discusses the situation with his neighbors. Suddenly a committee comes into existence. The committee thereupon begins to operate on behalf of the need and a new community function is established. It is like watching a miracle, because these citizens perform this act without a single reference to any bureaucracy, or any official agency.")

Just so, 150 years ago, Tocqueville described a unique feature of the American system. It is the spontaneous working of a creative public spirit. Out of this fundamental national trait have come such vitally important institutions as libraries, museums, civic organizations, great universities, the United Way, the Little Leagues, the Salvation Army, symphony orchestras, garden clubs, historical societies, adoption services, hospitals, religious organizations, Alcoholics Anonymous, the 4-H clubs. Indeed, this American spirit reaches into almost every field of human interest. Tied to another powerful American tradition—that of private giving for public purposes—the volunteer spirit has released incredible human energy and commitment in behalf of community all over the country.

Yet in the next two or three years the Federal Government may destroy this feature of the American system. The destruction could be accomplished silently and invisibly—in the name of tax reform. The threat lies in proposals that would reduce, directly and indirectly, the charitable contributions Americans itemize as deductions from taxable income. And there are even those who, with the intent of simplifying the tax code, would eliminate such deductions entirely. With due respect to the reformers, the alarm should be shouted: Our tradition of private giving for public purposes is endangered by some of their good intentions.

Up till now, Government tax policy has deliberately fostered that tradition. The deductibility of charitable gifts is based on the idea that it is good for a great many people, independently, privately, to contribute to charitable, religious, scientific and educational activities of their choice. Such giving supports the American pluralism that allows all kinds of people to take the initiative in all kinds of activities. In reality, the tradition that has produced the innumerable institutions that are sometimes called the nonprofit sector lies at the very heart of our intellectual and spiritual strivings. The deductibility of charitable donations has been only an expression of that larger philosophy

Now there is a new school of thought with a very different view. It holds that a deductible dollar donated, say, to a school for blind children, would have found its way into the federal treasury—if it had not been deductible. That dollar is therefore to be regarded as Government money—and labeled a "tax expenditure." This new doctrine began innocently enough with a concern about the multiplicity of existing tax loopholes. It made sense to calculate the amount of benefits granted by the Government through allowable deductions—as, say, certain industrial tax credit. So the term "tax expenditure" was invented as a convenient way to describe such an amount. Some tax-simplification theorists just have not given much thought to the implications of applying that term to voluntary charitable donations. But there is another type of theorist we have to cope with: the Government-knows-best type, who positively resents the freedom of the tax-deductible gift. His argument is to eliminate the deductibility of that dollar given to the school for the blind, take the money into the treasury and, if the school needs money, let Congress and the federal agencies appropriate it.

Such a doctrine makes the head ache. The American people have been remarkably resourceful in launching activities to serve their communities. They freely give $30 billion a year and contribute God knows how many billion more in nonmonetary services. Now Americans are told that Congress and the Government bureaucrats could do a better job.

Somehow the available evidence on Government efficiency (speaking with the respect of one who served two tours of duty in Government) does not drive one toward that conclusion. But apart from the question of efficiency, if Government pre-empted "charitable" functions, what outlet would be left for personal caring and concern? Can anyone believe that a manual of regulations from Washington would unlock the miraculous energy which has been so impressive since the days of Tocqueville?

The truth is that the present charitable deduction is not adequate to bring out the best of which Americans are capable. Even recent increases in the standard deduction—five in the last eight years—decreased the number of taxpayers itemizing deductions from almost 50 percent in 1970 to less than 25 percent today. The result damaged the voluntary sector. Contributions to public charities decreased, with losses recently estimated at $5 billion. In 1977 alone, greater use of the standard deduction could cost voluntary American institutions some $1.3 billion. It is estimated that only 16 percent of taxpayers will itemize deductions (and thus have an added incentive to make charitable donations) if the Carter Administration's tax reform proposals are enacted.

What would result if the new antideduction doctrine ever were in force is not pleasant to contemplate. As it is, the trend is already running against voluntarism. The only way to reverse this trend is to amend the tax code to allow all taxpayers to deduct charitable gifts whether they itemize or not. This change alone would eliminate a twofold danger: first, that the denying most Americans any encouragement to give will bring more Government into their lives; second, that charitable giving will become the province of only the wealthy.

The Government will best contribute to the health of the society if it actively furthers the vitality of the private, voluntary sector. We must wake up to the fact that the government of a gigantic, tumultuous society cannot be administered entirely by a conventional, centralized, top-down governmental hierarchy. Local levels of government and local private institutions are going to have to figure out how they can collaborate to make things work in the community. The old American trait of voluntary activity and giving is indispensable to that end.

Finally, it is not easy to make a blanket defense of private giving; after all, it consists of so many unrelated, unofficial, unclassifiable activities. Yet that diversity is one of the qualities that make it beautiful. It is an area in which freedom survives and flourishes. Let's keep it that way.●

THE REAL ROBERT F. KENNEDY

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. EILBERG. Mr. Speaker, this month marks the 10th anniversary of the death of Robert F. Kennedy.

His assassination cut short a public life which was devoted to calling attention to the problems which plague our society. The Senator was a champion of people who were too poor, too young, too old, or too weak to wage their battles alone, and his is a voice which has been sorely missed.

A recent edition of the Philadelphia Inquirer carried the following personal account of Robert F. Kennedy. The column was authored by Edwin Guthman, who served as press secretary to the Senator, and who is now editor of the Inquirer. I commend this piece to the attention of my colleagues, because it captures the essense of a man who has become recognized as a very special person in our Nation's recent political history:

RFK DREAMED DREAMS THAT NEVER WERE

(By Edwin Guthman)

From the day in 1954 when he almost came to blows with the late Sen. Joseph McCarthy's chief counsel, Roy Cohn, during the Army-McCarthy hearings, Robert Kennedy was controversial and still is. Mention of his name now—a decade after his death—provokes an argument in almost any gathering.

Many who battled against him on the political hustings, in court or across the counsel table use adjectives like "ruthless", "power-hungry", "opportunistic" and "little— — — — —" in describing him. Those who knew him well and worked with him, remember him as "brave", "gentle", "wise" and "responsible."

Who was the real Robert Kennedy? Well, for one thing he wasn't "little." He was 5 feet, 10 inches tall, weighed about 165 pounds and had muscular forearms and thighs. Wiry best described his appearance although it was his eyes—perceptive and blue—set in a craggy, weatherbeaten face that caught one's attention, not his build.

I knew Robert Kennedy for 12 years. We met first in the fall of 1956 when he arrived in Seattle under an assumed name—"Mr. Rogers"—to ask me and another Seattle Times reporter for help. For eight years, we had been investigating Seattle's most prominent citizen, Dave Beck, then international president of the Teamsters Union. Kennedy was chief counsel of the Senate Investigations Subcommittee, about to embark on a sweeping investigation of labor racketeering.

A Washington reporter who was familiar with our work suggested to Kennedy that Beck's activities were a ripe place to start the probe and called me to ask if we'd see a "young lawyer" from the committee.

"Who is he?" I asked.

"Bob Kennedy," the reporter said. When I didn't respond, he continued, "You know, he's Senator Kennedy's brother."

"That's fine," I said, "but can you trust him?"

In 1956 the name "Kennedy" did not mean much 3,000 miles from Massachusetts and Washington, D.C., and the question of trusting "a young lawyer" from a Senate committee in the wake of the McCarthy era and in the face of Beck's power was very real. Trusting Kennedy also involved giving him sensitive information, but we took a chance after questioning him because we had hit a stonewall that only some official agency with the power to subpoena records could break down.

We never regretted our decision for he kept his word to us absolutely, while bringing to public attention the extent of Beck's dishonesty and abuse of power, forcing Beck out of office. And something else caused us to regard him highly: He took responsibility for the accuracy of witnesses' testimony before the committee.

That was the beginning of our relationship which he would characterize eight years later in an inscription on a drawing of the Department of Justice: "We few, we happy few, we band of brothers."

For a public man, he was remarkably shy and introspective. Though he had a marvelous sense of humor and could be outgoing, he often was laconic and restrained and thus, he did not make friends easily. It was necessary to go through some difficult experience with him—to test and be tested—but once formed, the bond of friendship persisted regardless of the passage of time or a change in circumstances. He would go to great lengths to help a friend or someone he respected, particularly if they were in trouble.

There was about him a presence of command. Had he chosen a military career, he would have been the rare platoon leader or regimental commander whom infantrymen would follow into combat believing that no harm could come to them as long as he was with them. But neither that nor his strong sense of loyalty were what drew people to him. It was his honesty, his commitment to freedom and justice, his concern for the underdog and his ability to act effectively to change conditions which he saw as being "unacceptable."

It was this last-mentioned quality that was so unique. He could not see or become aware of something wrong and not act, whether it was an injured bird or a crying child or abuse of public office or ghetto poverty. Others might stand around or make speeches. He had to act.

When the white officials of Prince Edward County, Va., closed public schools rather than accept court-ordered integration in the early 1960s, the white children went to private schools but about 1,500 black children were simply cast adrift. When all efforts failed to persuade the Prince Edward officials to reopen the schools, Kennedy, then attorney general, established the Prince Edward County Free School. Outstanding teachers came from around the country, and the black children received a better education than they ever could have hoped for in Southside Virginia. That 1,500 children could not go to school was unacceptable.

When a meeting bogged down, he would say in a low, slightly irritable voice: "Don't keep telling me what I can't do, tell me what I can do." He would take risks for what he believed was right, but took responsibility for his decisions.

When a riot developed at the University of Mississippi in 1962 over the admission of a black student, James Meredith, and 300 U.S. Marshals were under siege and 29 had been wounded by gunfire, he refused to order them to fire back, avoiding a certain bloodbath. He was 35 years old and he made that decision on the spot.

Six months later, in planning to deal with any eventuality when Alabama Gov. George Wallace would "stand in the doorway" to prevent two black students from entering the University of Alabama, Army generals urged him to leave the decision to open fire, if it became necessary, to the commander on the scene.

"No," he said. "I have to decide if troops are sent in and if anyone is killed, it will be my responsibility."

Fortunately, troops were not needed, but when students were shot and killed at Kent State, Peoples Park in Berkeley and in other demonstrations, I remember Robert Kennedy. No other political figure took responsibility for actions of the lawmen they sent to quell riotous demonstrations, particularly as to when weapons would be fired.

As the years passed, particularly after President Kennedy was assassinated, many writers perceived a great transformation in his character—more compassion and tolerance—and in his outlook—more liberal and more dissatisfied with the status quo. There was more truth that his outlook changed than that his character changed. He had an inexhaustible curiosity that drove him to seek ever more knowledge and his views broadened incredibly with each new experience.

His family and friends will gather at sundown Tuesday at his grave in Arlington Cemetery. Ten very long years have passed, yet he remains vividly alive in our memories. I hear him now, saying, as he did so many times:

"Some men see things as they are and say why?

"I dream things that never were and say why not?"

That was the real Robert Kennedy.●

PRUSSIANS IN AFRICA

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. DORNAN. Mr. Speaker, the Moscow-Havana Axis continues its bloodletting in Africa, while the U.S. African policy flounders in a mire of self-deception, indecision, and hyprocrisy. No aid or support of Africans resisting this new imperialism appears forthcoming. But the fleeting strategic opportunity to turn the tides is surely there. Cuban casualties have been getting unpleasantly heavy, and Dr. Castro's wounded are being cleverly spirited off to hospitals in East Germany.

Good, stolid, obedient clients, these East Germans. I suppose their leaders, like a previous generation before them, still know how to obey orders. It is a rare feat to train, discipline, and equip a whole army of border guards to shoot their fellow countrymen in the back. But somehow they have been able to do it.

Mr. Speaker, I think we may rightfully expect that these obedient clients of the Soviet Union will do their part as Russia's partners in advancing the cause of "proletarian internationalism" in Africa. Already, East Germany has supplied advisors to their Cuban comrades in Angola, and, allegedly, they showed up in Mozambique and Guinea-Bissau. I wonder if anyone in the administration is going to lose sleep over it. Perhaps our esteemed Ambassador to the United Nations has convinced Hamilton Jordan to tell Amy to tell the President that the East Germans would be "a stabilizing influence" in Guinea-Bissau. After all, East Germans probably think that there is really nothing wrong with Africa that a little Communist discipline would not cure.

A British analyst, Mr. Ian Greig of the Foreign Affairs Research Institute of London provides us with a penetrating analysis of the impressive possibilities for agents of proletarian democracy in the African bush country. I beg your indulgence of his observations.

The analysis follows:

INDIRECT AGGRESSION BY WARSAW PACT AND CUBAN FORCES IN THE THIRD WORLD

(By Ian Greig)

The Commander-in-Chief of Cuba's Revolutionary Armed Forces is the Prime Minister, Dr. Fidel Castro. He is assisted in this role by his brother Mr. Raul Castro, who holds the post of Minister of the Revolutionary Armed Forces and he is also a Vice-Premier and Second Secretary of the Cuban Communist Party.

The total strength of the full time forces is put at 189,000 of whom 160,000 are in the army, 9,000 in the navy and 20,000 in the air force. There is a period of compulsory military service of three years. Soviet military aid began to arrive in Cuba in 1960 and by the early 1970s had reached an estimated annual inflow valued at $150 million each year. Several thousand Soviet instructors serve in Cuba under the command of a lieutenant general and senior Cuban officers frequently attend courses in the Soviet Union. Since early 1978 some Soviet pilots appear to have been flying routine defence patrols in Cuban aircraft, presumably because of the fact that many Cuban pilots are now serving in Africa and elsewhere.

Cuba has a defence and mutual assistance treaty with the Soviet Union. Although it is not formally a member of the Warsaw Pact, hints have been dropped by Moscow that it might be invited to join should Spain join NATO. 34% of the country's trade is with the Soviet Union and in addition to purchasing almost all the island's sugar crop at prices nearly double the world average, the Soviet Government also provides subsidies running at the rate of $2 million a day. Since 1972, Cuba has been a member of the Council for Mutual Economic Assistance or COMECON, the Soviet bloc economic alliance. One point sometimes forgotten when the question of Cuba's independence of action is raised, is that in addition to subsidies, the Soviet Union has for some time provided Cuba's entire requirements of oil supplies including the aviation spirit so vital to sustain the airlifts which form such an essential part of its foreign ventures.

It was estimated in 1971, that Cuban defence spending was then running at about $150 million a year or about 6% of the country's GNP. The Cuban Army consists of 15 infantry "divisions" whose strength approximates more to that of a brigade in most other armies, three armored regiments, and some independent regiments or battalion groups. Its equipment includes over 600 Soviet-made tanks. The navy has nearly 50 fast patrol craft, obtained from the Soviet Union. The air force now has 210 combat aircraft. The regular army reserve has a strength of about 90,000 men and there is also a well armed People's Militia about 200,000 strong which has home guard and internal security duties as well as forming a fallback reserve for the army. Internal security is further strengthened by the existence of a force of about 13,000 state security troops. In addition, support for the regime is ensured by the existence of a network of Committees for the Defence of the Revolution (CDRs) to which it has been estimated that probably 75% of the adult population belong and which organise both political education programmes

and "voluntary" work tasks in aid of the state.

45,000 CUBANS IN AFRICA

A congress of representatives of CDR's held in the autumn of 1977 committed all members to serve overseas if needed, with the priority for the time being given to African tasks. In the same month, the Central Committee of the Cuban Communist Party reaffirmed Cuba's decision to give all possible aid to the cause of "proletarian internationalism" despite difficulties which distance and other factors might provide. Current Western estimates of the numbers of Cubans now serving in Africa show considerable variation, but, if as would seem probable, a recent State Department estimate of a total of 45,000 (including approximately 39,000 combat troops) is roughly correct then it would seem that one Cuban in every 250 is already serving in Africa, as compared with one American in every 400 during the height of the Vietnam war. 5,000 reservists are known to have been called up in January to replace regular troops serving in Africa.

Cuban troops in considerable numbers also continue to be stationed in the People's Republic of Democratic Yemen (South Yemen) and an aid mission to Laos reportedly includes a military element whilst an "international builder's brigade" from Cuba serves in Vietnam.

Relatives of military personnel who become casualties whilst serving overseas are informed of the fact, but it would seem that the total number of casualties suffered by the various Cuban expeditionary forces is not made public. However, Western estimates reckon that the Cuban forces have suffered some 4,000 casualties in Angola since 1975. It has been reported that some Cuban wounded have been sent for treatment to the Soviet Union and East Germany, so as not to risk lowering home morale by their presence in Cuba.

In an article in The Times of 16 August 1977, Mr. Herbert Marchant, a former British Ambassador to Cuba, recorded that in March of that year, Dr. Castro had himself admitted that it was not possible for Cuba to both enjoy a high standard of living and support large scale military and other operations overseas. The course of events since then, would seem to have indicated only too clearly where Dr. Castro's priorities lie. An article in the British Communist Party's newspaper The Morning Star of 3 August 1977 gave an interesting insight into the latter's reasons for seeing Africa as a particularly tempting field in which to indulge in foreign adventures. The author quoted Dr. Castro as having said a few weeks previously that "Africa is the weakest link in the chain of imperialism." In Latin America, Dr. Castro continued, the middle class, "that bastion of fascism", had impeded revolutionary progress, but Africa had no middle class, and it was, therefore, possible for the people to be led directly from tribalism to socialism.

CUBA'S INTELLIGENCE SERVICES

The Cuban Government's policy of granting vigorous aid to the cause of revolution in a growing number of areas of the world is prosecuted, not only through its armed forces and civil aid, but also by means of the operations of its very active intelligence services. The chief of these, the Direccion General de Inteligencia or DGI was reorganized with the help of the KGB in 1971, and, since then, its operations have to a very large degree been controlled by the Soviet service. An interesting summary of its activities have been given by Mr. Brian Crozier in his recent study, The Surrogate Forces of the Soviet Union.[1] He states that the DGI is the only Communist intelligence service known to have received financial support from the Soviet Union for the specific purpose of extending its foreign operations. A special organisation known as the National Liberation Directorate has also been established to handle the execution of subversive operations in the Third World and elsewhere.

More than 50 Cuban intelligence officers currently receive training in the Soviet Union each year. As many as 10% of these may be recruited during their training to work as KGB agents within the Cuban intelligence apparatus.

The present Cuban Ambassador in Angola Mr. Oscar Oliver, is known to be an experienced DGI officer who previously served as Ambassador to Equitorial Guinea, Mali, and Guinea. It is also thought that a percentage of the Cuban soldiers serving as soldiers in such countries as Congo-Brazzaville and Guinea are in fact DGI agents.

AN INCREASING ROLE FOR EAST GERMANY

With just over one quarter of the Cuban regular army's total strength now serving in Africa, there is an increasing strain on the social services of the island (the total population of which is smaller than that of the Greater London Area). It may very well soon become apparent that Cuba's trained manpower resources are no bottomless well. Should the Soviet Union continue with its forward policy in Africa, as at present seems likely, and should in particular this lead to a large scale military campaign developing in Southern Africa, the Soviet Union will quite possibly increasingly have to look to additional surrogate forces on which to draw. It would seem probable that one of the first to which it will turn in this event will be East Germany.

The East German Army is smaller than that of Cuba having a strength of 105,000 men but is reputed to be highly efficient. Its fighting formations include two armoured divisions and four motorised infantry divisions, plus an airborne battalion which has received special training in infiltration and sabotage techniques. It has about 2,000 tanks and is backed by a reserve force of some 200,000 men. Internal security is catered for by the existence of a workers militia about 500,000 strong and by over 70,000 border guards and security troops. The airforce has 460 combat aircraft whilst the navy includes a force of about 3,000 marines.

East Germany has already established a record for itself as being probably only second to the Soviet Union amongst the Warsaw Pact countries, as far as both civil and military activity in African countries is concerned.

Mr. Crozier has, for instance, recorded that several hundred East German military advisers are known to have aided the MPLA and Cuban forces in Angola. That campaign had not been long over when the West German newspaper Die Welt carried an article on 9 November 1976 in which the Rhodesian Army's Director of Operations, General Peter Wali, was quoted as saying that a sizeable detachment of officers and non-commissioned officers of the East German Army (NVA) had arrived in Mozambique.

Most of them were said to be assault pioneers who specialized in training guerrillas from Rhodesia in planting mines, blowing up bridges, power lines and railway tracks, etc. Others were communications specialists, some of whom were working on airbases in the south of the country whilst a smaller contingent gave instructions on radio operating to guerrillas in base camps near the Rhodesian border. The same article described NVA pioneers as being engaged upon various military construction tasks in Guinea-Bissau and Angola, whilst a party of East German military advisers had also begun work in Libya.

In the Algerian Army, Colonel Messali Muhammed, commanding the Hamada district of Algeria, was said to have expressed thanks to NVA experts for their aid in constructing a supply airbase designed to bring aid to POLISARIO guerrillas operating in extremely difficult country on the borders of Moroccan Sahara.

One West German expert, Mr. Hemming Lowis, has estimated that by 1977 the East German Government was spending about 200 million marks a year on military aid to guerrilla movements in Africa and the Middle East. The East German intelligence service of MFS is known to be heavily involved in assisting the new governments of Angola and Mozambique in establishing efficient security services and reportedly also in the setting up of special camps for political prisoners. The presence of East German security advisers engaged upon similar tasks has also been reported from Uganda and Ethiopia.

They have certainly played a major role in the People's Republic of Democratic Yemen where as many as 2,000 East German advisers of various kinds are at work. The West German Newspaper Bild Zeitung has reported the presence of a training camp for Palestinian terrorists near East Berlin and in a recent incident on the border of Namibia, a NVA officer was killed by South African security forces whilst accompanying a party of SWAPO guerrillas. A company of NVA assault pioneers is reported to have given support to the Ethiopian Army during the recent fighting in the Ogaden.

The importance which the East German Government gives to events in Africa was illustrated by a statement broadcast over its radio station "Voice of the GDR" on 19 March 1977 that: "The African continent, which lay so long in chains, has become the burning point of the world revolutionary process". Three months later a senior member of the East German Politburo, Mr. Ernest Lamberz, arrived in Lusaka in the course of a tour of Africa and held discussions with Mr. Joshua Nkomo and other representatives of the Patriotic Front and also with members of the South African National Congress

ASPECTS OF SOVIET BLOC MILITARY AID

One aspect of the large scale training facilities now being offered by the Soviet bloc to both the regular forces and guerrilla movements of the Third World is the very considerable degree of "political education" which forms an inseparable part of all military training in Communist countries. Current Soviet regulations insist that each non-commissioned member of the armed forces must receive two two-hour periods of instruction in Marxist-Leninist theory per week, and one hour per week Marxist interpretation of current events as a basic minimum. Further troops in the field during major exercises receive special talks on such subjects which sometimes last up to three hours in length.[2] In addition to supervising such activities, all officers have to receive up to 50 hours of special instruction per year. Defectors from various foreign armies and movements who have attended courses in the Soviet bloc have frequently spoken of encountering similar indoctrination. Mr. Crozier has pointed out that although trainees who go for instruction in such countries probably do not absorb all the political indoctrination they receive, some of it seem bound to stick and makes them at the very least more receptive to pro-Communist or anti-Western propaganda.

A report produced by the Senior Specialists Division of the U.S. Congressional Research Service for the Committee on International Relations of the House of Representatives[3] stated that over the period 1955–1974 over 33,000 Third World trainees received mili-

[1] "The Surrogate Forces of the Soviet Union." By Brian Crozier, Institute for the Study of Conflict, 12/12A Golden Square, London W1R 3AF. £2 or $4.50.

[2] "The Soviet War Machine." Salamander Books, London 1976, pp. 34–36.

[3] "The Soviet Union and The Third World: A Watershed in Great Power Politics?" May 1977.

tary instruction in the Soviet Union and that the numbers were increased each year. In 1974, some 3,000 trainees were under instruction in that country whilst nearly 7,000 Soviet advisers and military technicians were stationed in Third World countries.

The same report noted that the amount of material military aid given by the Soviet Union to the Third World had reached a level double in value to that of the former's civil aid programme. An American expert was quoted as estimating that the Soviet Union's supply of arms to the Middle East alone during the years 1955–74 probably accounted for as much as 6%–9% of the USSR's total arms production. The authors made the point that the process of breaking free of dependence on Soviet supplies of arms once a country's forces had become used to receiving them was often a complicated and slow one. It has, for instance, been estimated that it will take the Egyptian Army from between 5–10 years to become entirely equipped and trained with weapons from non-Soviet sources.

According to a published CIA report released last autumn, the Soviet Union concluded arms supply agreements with Third World countries valued at about $2.34 billion during 1976 and actually delivered arms worth $2.25 billion as compared with deliveries of non-military aid worth $900 million. The report said that the number of Soviet advisers and technicians in Third World countries had increased by 10% during the year whilst the presence of those of Communist China had decreased by 30%.

The use of surrogate forces by the Soviets is clearly designed to refute charges that Moscow is undermining detente by itself engaging in dangerous military adventures overseas. Possibly also the nuclear alert ordered by President Nixon when the Soviet Government threatened to use its own airborne forces to intervene in the Arab-Israeli war of 1973 is still a major factor in the minds of Soviet planners. It was a reminder that the day has not yet come when the West can be challenged too openly and with immunity. However, the use of surrogate forces taken in conjunction with the obtaining of a considerable degree of influence over the military establishments of Third World countries through the granting of lavish military aid; the achieving of a very real dominance over the high command of "liberation movements" by the same means, and the greatly enhanced capacity of the Soviet Union to move large quantities of men and material over long distances in a very short space of time, is enabling the Soviet Union to use indirect aggression against the West strategically by proxy in certain countries under the overall cover of detente.●

FREEDOM FOR LITHUANIANS

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. EILBERG. Mr. Speaker, this month marks the 38th anniversary of the forcible invasion and occupation of Lithuania by the Soviet Union. June 15, 1940, marked the beginning of the deportation of many thousands of Lithuanians to Siberia, and the subsequent deprivation of basic human rights of Lithuanians.

Soviet oppression in this former Baltic nation, Mr. Speaker, has reached even greater heights in recent years. "Show" trials and harsh sentences are used to intimidate and silence the nationalist movement, and to crush religious freedom. Today, many hundreds of Lithuanian dissidents find themselves imprisoned for exercising basic human rights which are supposedly guaranteed by international treaties signed by the U.S.S.R.

I commend to the attention of my colleagues the following four examples of Lithuanians who are now in prison because of their courageous activities on behalf of the Lithuanian nationalist movement:

PRISONERS OF CONSCIENCE

Name: Balys Gajauskas. Born: 1927—Kaunas, Lithuania. Background: Gajauskas was first arrested in 1948 as a Lithuanian partisan and sentenced to twenty-five years in Soviet labor camps. Released in 1973 he was denied validation of his internal passport, constantly is harassed and interrogated. His aged and sick mother was fined several times for harboring an "illegal resident."

Gajauskas has distributed money to Lithuanian political prisoners and their families from the Solzhenitsyn fund. On December 23, 1974, the KGB searched his apartment and found religious literature, personal notes, 50 pages of a Lithuanian translation of Solzhenitsyn's "Gulag Archipelago," a list of 135 political prisoners and some money from the Solzhenitsyn fund. Following the search, Gajauskas was picked up, interrogated for three days and finally released.

On April 20, 1977, Gajauskas was picked up again by the KGB as a witness in a case involving the underground publication "Chronicle of the Catholic Church in Lithuania." His apartment was again searched, and valuable documents confiscated. Among that documentation was historical data about the 1944–52 Lithuanian resistance movement, some documents of the United Democratic Resistance and the Lithuanian Freedom Movements.

Gajauskas was detained at the KGB Isolation Prison in Vilnius until his trial in April 1978.

On April 14, 1978 Gajauskas was sentenced to 10 years in Soviet special regime labor camp and 5 years of exile for alleged anti-Soviet agitation and propaganda (paragraph 68 part II of the Criminal Code of Soviet Lithuania).

Name: Viktoras Petkus.

Born: 1929 in Lithuania.

Background: Petkus is a member of the Lithuanian Public Group to promote the implementation of the Helsinki Agreements, (a five member group formed in Vilnius on November 25th, 1976).

Petkus was first arrested in 1947 for his activities in the Catholic Youth Organization, and after serving six years, he was released in 1953. He completed high school and then attended the University of Vilnius where he studied literature.

Petkus was arrested again in 1957, this time for possession of anti-Soviet literature—a collection of poems by Jurgis Balrusaitis. These poems were published five years before the revolution in 1912, and were included among the "Anti-Soviet literature". He was not released until 1965. Since that time, while working as a hospital attendant, and then as a church sextant, Petkus became an expert in Lithuanian literature and had collected a massive bibliography on Lithuanian poets. He attracted a wide circle of young Lithuanians, who were constantly shadowed by the KGB and questioned about Petkus. These statements may be used in a forced to sign false statements concerning Petkus. These statements may be used in a pending trial against him.

Petkus was arrested on August 23rd, 1977 and his apartment was searched in connection with the case of Balys Gajauskas. Among the items seized in that search were Documents 3–12 of the Lithuanian Helsinki Group, three (3) copies of "Act of the Establishment of the Supreme Committee of the National Movement of Estonia-Latvia-Lithuania", issues 1–4 of the underground periodical "Dievas ir Tevyne" (God and Country), some other underground publications, and two portable typewriters.

Viktoras Petkus is still in prison, but has not been tried.

Last known address: Vilnius, Lithuania SSR, Gavelio G–VE 16, Apt. 4, Viktoras Petkus.

Name: Petras Plumpa.

Born: 1939 Rokiskis Raion, Lithuania.

Background: Petras Plumpa grew up, and was educated under the Soviet system but he refused to accept the Russians as his masters.

At the age of 19, Petras was arrested. The Soviet authorities charged him with taking up and circulating petitions, and with having hoisted the Lithuanian national flag in Petrasiunai, a town in Lithuania. For this, he was sentenced to 7 years under strict security.

On November 19, 1973, Petras Plumpa was arrested again and was held without trial until December 2, 1974. This time he was charged with having printed the Chronicle of the Lithuanian Catholic Church (Articles 68 and 70 of the Penal Code of the Lithuanian Soviet Socialist Republic). The trial was conducted behind closed doors, the charges were never proven and evidence was produced that the fingerprints on the Chronicle were not Plumpa's. Nevertheless, he was sentenced to 8 years' imprisonment, to be served in strict regime camps.

Plumpa accepts his imprisonment in a deeply Christian spirit, forgiving even those who persecuted and betrayed him. He asks only for prayers. His current address is: District of Permie 618263, Cusovoj Kraj, Kuchino. vs 389/36–2, U.S.S.R.

Plumpa will be able to receive food packages only after 4 years. He is allowed to write only two letters per month.

Name: Sarunas Zukauskas.

Born: 1950 Kaunas, Lithuania.

Background: Sarunas Zukauskas had an exemplary academic record, and by the time he was in his last semester at Kaunas Medical Institute, he was considered to be among the outstanding students of his graduating medical class.

However, after undergoing a program of intense Russification in the schools and youth organizations to which he belonged, as well as witnessing the repression of Lithuanian heritage and cultures by the Soviet communist regime, Sarunas Zukauskas sought to combat the injustices in Lithuania and joined the dissident movement.

Just prior to graduation, he was betrayed by one of his colleagues and placed under arrest. He was held under Article 70 (Anti-Soviet agitation and propaganda) and Article 72 (forming an anti-Soviet organization) of the criminal code of the Russian SFSR.

In March 1973, Sarunas Zukauskas was convicted and sentenced to six (6) years of strict regime labor camp. His mother, Birute, had lost her job upon his arrest, and by the time of Sarunas' trial she had been hospitalized for severe ill health. His brothers continue to be harassed, taunted and discriminated against in school, at work and at home.

Sarunas has already served five years of his sentence, is in poor health—suffering from severe malnutrition—and in need of medical attention, which is consistently denied him.

He is denied his right to family visits and correspondence. Corrpendence to him from relatives in the USA is returned without explanation.●

POLICE, FIREMEN, AND URBAN REVITALIZATION

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. FLORIO. Mr. Speaker, I would like to commend to the attention of my colleagues the following article by Mr. Paul Pulitzer, president of the Union, N.J., based National Institute for Environmental Communications.

Mr. Pulitzer writes of the demoralizing effect crime is having on efforts to rehabilitate our inner cities, and of the valuable services provided by our public safety officers to reverse this trend.

We often forget, however, that police officers and firefighters are subject to excessive stress and responsibility, which sometimes results in marital difficulties or other personal problems. Mr. Pulitzer points out the significant results achieved by the New Jersey-based Disabled Police and Firemen of America, an independent, nonprofit rehabilitative counseling service, in providing confidential counseling to public safety officers in its first year of operation.

I would like to commend the officers and members of the Disabled Police and Firemen of America for their innovative work and urge that attention be given to Mr. Pulitzer's commentary.

POLICE, FIREMEN, AND URBAN REVITALIZATION

Economic experts testifying recently before Senator Lloyd Bentsen's (D.-Texas) Congress Joint Economic Subcommittee on Economic Growth urged that "unless violence and thefts diminish, blighted cities and neighborhoods are not likely to recover, regardless of how much money the federal government might spend for jobs, housing, or transportation." This consensus of opinion suggests that, before federal funds allocated for urban rehabilitation can be invested with some assurance of reconstructive effectiveness, local police and firemen, who are already over-burdened and over-harassed, will be called upon to pave the way for it by bringing crime, arson, and vandalism under acceptable control. Unfortunately, however, such expectations cannot be realized unless some present restrictions upon law enforcement and fire protection capabilities are lifted and a change in public opinion and apathy attained.

The long, thin, blue line of defense standing between the law-abiding citizenry and criminal anarchy in urban centers is under increasing assault by rising incidents of crime, arson, and vandalism. Concentrated efforts to contain this vicious onslaught have been consistently neutralized by the dispensation of "revolving door" criminal justice, "do-gooder" interventionism, media subjectivity, and organized abuse. These exercises in irresponsible citizenship have been nourished by public indifference. Consequently, police and firemen are forced to labor under a state of demoralization. Therefore, it can be assumed that the obstacles impeding urban revitalization cannot be removed from the path of progress unless the wage-earning, tax-paying, and law-abiding citizenry are first made aware of the linkage between the effectiveness of local police and firemen, the reduction and control of urban criminality, and the rehabilitation of blighted urban areas. It can also be suggested that this problem should be recognized as an environmental issue warranting immediate attention and action.

AN UNREALIZED SOURCE OF POLLUTION

Mental, moral, and spiritual deterioration attributable to socio-economic conditions, which must be recognized as another root cause of accelerating criminality and a contributory factor in urban degeneration, is just as hazardous to the health of the human and urban environments as are contaminated air, water, soil, and food. In fact, unless this aspect of the overall environmental problem is taken into serious consideration, it is not likely that federal and state programs designed to bring pollution under control will ever attain the level of success envisioned.

Because police and firemen are constantly exposed to the lethal fallout from mental, moral, and spiritual pollution, they, too, have become susceptible to its bacillus. Yet, even though this lethal source of environmental degradation exerts an adverse human and economic impact upon all federal and state efforts to uplift the quality of life in America and does, indeed, inhibit the full employment of police and firemen capabilities to cope with criminality, it remains excluded from urban rehabilitation and environmental protection programs. It seems that promulgators of legislation and appropriators of funds have overlooked the fact that the unemployed, the underemployed, and the economically disadvantaged, as well as the criminally inclined, could not care less about urban rot, the "greening of America", or environmental pollution. Yet, people cause urban decay and environmental degradation and, when it comes to the bottom line, people will have to stop it. For them to do so will require a change for the better in mental, moral, and spiritual attitudes. Such an improvement, of course, would help to reduce and control crime, arson, and vandalism.

Obviously, an error in judgment on federal and state levels has been unintentionally committed, and it must be rectified to assure cost-benefit effectiveness. But corrective action must be predicated upon the acceptance of some harsh realities.

URBAN DECAY BREEDS CRIMINALITY

Urban ghettos are the breeding beds of crime, arson, and vandalism. This contaminated source exports its end product to suburban areas and to other crime-free areas. Consequently, unless federal, state, county, and municipal plans for the reconstruction and economic stabilization of urban centers include a comprehensive program designed to bring criminality under control, costs will be much greater than benefits and the seed of crime, arson, and vandalism will be planted nationwide. Moreover, such programs of urban rehabilitation must take into account that it is almost impossible to cure blight while urban-center dwellers, most of whom are unemployed, underemployed, or economically disadvantaged, are also obliged to live in a state of criminal siege. It must also be taken into consideration that business and industry, which provide jobs and are the economic pipeline of any urban community, cannot be expected to remain in a dangerous environment or be lured back into it by monetary inducements or promises of peace and tranquility.

In order to create an urban climate in which people can live in peace and in dignity, it follows that local police and firemen will have to be called upon to spearhead the implementation of rehabilitative programs. However, the mental, moral, and spiritual decline affecting these vital occupations must be reversed before they can be relied upon to open the route towards urban revitalization.

THE STATE OF THE POLICE AND FIREMEN ENVIRONMENTS

What has happened to police and firemen employed in urban areas is not generally known or, if known, almost totally ignored. But the time has come when it must be exposed in the public sector and must no longer be swept under the rug by those who are aware of it. Particularly, because the problem concerns not only police and firemen, but also every man, woman, and child in America, whether urban, suburban or rural resident.

Because of the abnormal physical, mental, moral and spiritual stresses and strains under which police and firemen must carry out their assigned duties, both of these vital occupations have become vulnerable to outbreaks of violence and brutality, emotional disturbances, family breakups and divorce, drug addiction, alcoholism, and suicide. Exacerbating this susceptibility, is the "us against them" syndrome caused by public apathy and many incidences of organized abuse orchestrated by certain elements to discredit the integrity of police in particular. Most Americans, of course, have yet to become knowledgeable of these serious job-related problems affecting police and firemen's efficiency, or about how budgetary cutbacks, judiciary weaknesses, and journalistic subjectivity have impacted what were once honorable and respected professions. Nor do most Americans realize what this deterioration represents in terms of personal or individual security and cost.

In a recent study, for example, the International Conference of Police Associations (ICPA), comprised of 425 local police unions and about 200,000 police officers, learned that, among the 20,000 white, male police officers interviewed, 37 percent responded that, among their five closest "brothers", there were serious marital problems; 36 percent, serious health problems; 23.4 percent, alcohol problems; 21 percent, problems with their children and neighbors; and about 10 percent, serious drug problems. These appalling statistics should shatter public apathy because, on a nationwide level, they indicate that society's barrier against rampaging criminality is beginning to crumble.

Dr. Edward Shev, the well-known psychiatric consultant to the Sausalito (California) Police Department and those of many other major cities infected by criminality, recently reported that "police have a suicide rate six times that of the general population" and that "at least 40 percent of all police don't receive help with their problems and half of those will assault their wives and children, and about 10 percent to 20 percent of that half will either kill or be killed by family members." Other just as reliable sources of information, clearly indicated that, while firemen may not be exposed to such a high rate of job-related hazards, nevertheless the rate of incidents are still far too high to be accepted with equanimity by the general public.

ATTEMPTS TO COPE WITH THE PROBLEM

Federal, state, and county law enforcement agencies, local police and fire departments, and other concerned sectors are, of course, well aware of the serious job-related problems confronting some of their rank and file, and some major cities (New York, Boston, Chicago, Los Angeles, Dallas, etc.) have already established counselling services. However, the reason why most of these efforts have failed to achieve significant breakthroughs is due to the fact that many deeply troubled police officers, as well as firemen, are reluctant to expose their personal problems to departmental authorities for fear of tarnishing their performance records and jeopardizing their pension benefits. A unique pilot project set up in New Jersey, however, may be the nationwide answer to this situation.

Founded by a disabled police officer, the New Jersey-based "Disabled Police and firemen of America" has achieved remarkable results in the first year of its existence. An independent, nonprofit organization, this agency provided free, confidential, rehabilitative counselling services for more than one thousand police and firemen during its first twelve months in operation and anticipates handling more than two thousand cases during its second year. It has also counselled many wives, widows, and children of police and firemen, and expects to handle many more such cases.

Begun on a county level with a staff of volunteer experts in every possible problem area, the Disabled Police and Firemen of America has now expanded its services statewide and has established cooperative relationships with available state agencies concerned with vocational rehabilitation programs. It is also planning to extend its concept nationwide.

THE PUBLIC AND THE PROBLEM

The rising cost of crime, arson, and vandalism is paid for by every wage-earner, taxpayer, and law-abiding citizen in America. The amount of the bill paid in human suffering and degradation, as well as the cost of insecurity, cannot be tabulated. Suffice to suggest that this situation is a national disgrace, and one that can no longer be tolerated. Nor can the American people continue ignoring the job-related problems hindering the efficiency of police and firemen or remain indifferent towards their appeal for help and support.

It cannot be denied that most of the American people have so many things to worry about that it is difficult for them to concentrate upon or be motivated into positive action by any one, single problem. They are concerned with inflation, unemployment, urban rot, criminality, taxation, education, and even about who will push the button somewhere to blow the world into oblivion. Concentrating upon these problem areas, however, is paradoxical in a sense because, if crime, arson, and vandalism were brought under control, the tax-dollars saved, which could amount to billions, would go a long way towards helping to solve other domestic headaches, while creating the kind of peaceful, human environment needed in which to achieve construction goals.

If the wage-earning, tax-paying, and law-abiding sector of American society really hopes to see an improvement in law enforcement capabilities in order to achieve a significant breakthrough in urban revitalization, they will have to begin supporting their local police and firemen. For police and firemen need the American people and the American people need them more than they now think.●

LEGISLATION TO CORRECT SOCIAL SECURITY PROBLEM FOR ELDERLY

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. CONABLE. Mr. Speaker, today I am introducing legislation to correct a problem for retired persons which arose as a result of the Social Security Amendments of 1977. Joining me as cosponsors are the gentleman from Tennessee, Mr. DUNCAN, and the gentleman from Wisconsin, Mr. STEIGER.

Before enactment of the 1977 amendments, a monthly measure of the social security retirement test (or earnings limitation) was applied prior to application of an annual measure. Thus, a beneficiary could have earned income, in excess of the earnings limit, in 1 month only, and still draw benefits for the other 11 months of the year.

A provision of the 1977 amendments repealed the monthly measure of the retirement test generally, but with the exception that the monthly measure would continue to be applied in the year in which a covered worker began drawing benefits. The new statutory language was not specific, however, as to application of the change in 1978. The administration chose to interpret the law to mean that anyone who had begun drawing benefits before 1978 would have the annual measure applied in 1978. Many retired persons—notably the self-employed and particularly those engaged in farming—felt the law should have been interpreted to mean that 1978 is, in effect, a "grace year", that beneficiaries should be allowed to have the monthly measure applied this year, because they had planned their retirements accordingly, and the annual measure should not be applied mandatorily until 1979.

The legislation which I am introducing is designed to achieve that end; that is, to permit those who had begun receiving benefits before 1978 to continue having the monthly measure of the retirement test applied during 1978. I regard this as a reasonable and equitable course.●

VIETNAM VETERANS EMPLOYMENT

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mrs. HECKLER. Mr. Speaker, today the distinguished gentleman from New York, Mr. WOLFF, and I are introducing the Vietnam Veterans Employment and Training Delimiting Date Extension Act of 1978.

As ranking members of the Committee on Veterans' Affairs, my distinguished colleague and I introduce this legislation to permit Vietnam veterans who are pursuing or entering a program of apprenticeship, on the job or cooperative training, to complete their training notwithstanding the 10-year time period normally limiting use of such veterans' benefits.

This legislation would enable those Vietnam veterans who were discharged during the height of the Vietnam era to acquire meaningful employment and viable career training through their earned G.I. bill entitlements.

Because of our limited fiscal resources, the Congress must address the Vietnam veterans most critical readjustment need: a good career, one that is commersurate with their aspirations and abilities and at a wage sufficient to support their wives and families.

Enactment of this legislation is imperative if we are to meet the needs of those veterans who bore the brunt of the fighting in Vietnam, and who bear the burden of unemployment and underemployment at home.

I urge the Congress to support this effort to alleviate one of our Nation's last remaining responsibilities to the combat veterans of the Vietnam era.●

EXPORT OF HAZARDOUS INDUSTRIES

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. OBEY. Mr. Speaker, the export of hazardous industries is a potentially serious problem for the United States and the world, and a survey by my office of U.S. and international agencies indicates that we are all but totally unprepared to deal with this threat.

Simply put, the problem is that as we learn more and more about the health hazards which certain manufacturing processes pose for workers and the general public, there is apparently a growing trend toward moving such manufacturing to countries where knowledge of the health hazards is limited or where concern about worker and public health is secondary to economic development goals. The result is that citizens of foreign countries sacrifice their health, U.S. workers lose their jobs and ethical businessmen who go to the expense of implementing needed safeguards are undercut by those who knowingly poison foreign workers and their communities in order to gain competitive advantage.

Unfortunately, we know very little about the extent to which such relocations have occurred or which industries have been affected by them. We do know that in some instances, manufacturers apparently have chosen to relocate outside of the United States and other developed countries in order to avoid the cost of installing equipment that would prevent human exposure to toxic substances. We also know that our technical capacity to identify hazardous industrial chemicals is expanding rapidly, and that in the years ahead, public concern about cancer, respiratory diseases, nervous disorders and other health problems that can result from exposure to such chemicals will force many more industries to invest in antipollution and worker protection equipment, thereby increasing the possibility that such industries will relocate in the Third World.

This is an issue in which our Government clearly has a major stake. We should be prepared to act to protect our businesses, our workers and the health of workers abroad from those who would relocate rather than clean up their factories. Right now, however, the Federal Government is doing very little to understand the dimensions of this problem, let alone respond to it.

I am inserting in the RECORD an abridged version of what is probably the first major study ever conducted of the export of hazardous industries. The author, Barry I. Castleman, is a young chemical engineer who lives in Washington. Over the last 3 years, he has performed most of the research for this project without any outside assistance. Mr. Castleman is to be commended for

his energy and for the service he has performed in bringing this important issue into clearer focus. This report raises a number of questions which must be addressed:

THE EXPORT OF HAZARDOUS FACTORIES TO DEVELOPING NATIONS

INTRODUCTION

In the next decade, the export of hazards from the U.S. to Third World Countries is likely to increase. Banning of unsafe consumer products, foods, drugs, and pesticides here has often led to the subsequent export of these products. Similarly, U.S. pollution control laws and occupational health standards may soon lead to wholesale exodus in major industries, as manufacturers move to avoid the large costs imposed here while continuing to sell their products in the United States.

Typically, several years elapse from the time of the discovery that a high-volume chemical causes serious disease at low levels of exposure until the time that appropriate regulations are implemented to protect workers and communities. In many of our most polluting and hazardous industries, many of the existing plants are very old and incapable of being made safe by adding on control devices. These plants need to be redesigned and rebuilt, not just fitted with exhaust fans. Faced with this reality, some manufacturers find it economically attractive to move hazardous manufacturing plants to less-restrictive locales rather than stay where they are and meet tough regulations. Today, "runaway hazardous shops" are leaving the United States, whereas in the past they only crossed state boundaries within the country.

Of course, there is not usually a one-for-one correspondence between plants closed in the U.S. and foreign sources of supply opened. Nor are all foreign plants that export to the U.S. from non-regulating countries owned by multinational firms. However, the economy of hazard export is emerging as a driving force in new plant investment in many hazardous and polluting industries.

The following table compiled from McGraw-Hill annual surveys shows that pollution control costs are much higher in the U.S. than outside the U.S. American industrial companies are spending twice as much for air and water pollution control in the U.S. as they spend "overseas," in terms of pollution control expenditures as a percent of capital spending. These figures are actually a conservative indication of the true disparity, since worker protection, solid waste disposal, and land reclamation (mining) are counted in the non-pollution-control share of capital spending.

It is inescapable that, as manufacturers in industrial nations are forced to absorb the economic burdens of preventing and compensating occupational and environmental diseases caused by their operations, pressures favoring hazard export will increase. National efforts to implement environmental controls for hazardous industries may have to be complemented by measures that prevent the mere displacement of killer industries to "export platforms" in non-regulating countries. Poverty and ignorance make communities in many parts of the world quite vulnerable to the exploitation implicit in hazard export.

ASBESTOS TEXTILES AND FRICTION PRODUCTS

Occupational and environmental exposure to asbestos in this century has been the cause of a monumental tragedy whose full extent is not yet known. In the U.S., the number of people now living who worked with asbestos and will someday develop cancer as a result has been conservatively estimated at 400,000. In the past 5 years, the asbestos industry has faced increasing regulation of workplace exposure and pollution. The regulations show no sign of abating, following as they do a steadily growing body of knowledge about the effects and prevalence of "low-level exposure."

Historically, asbestos manufacturing has been done in industrial nations, and the U.S. has been a world leader. Now that industrial nations are applying increasingly costly controls, some of their asbestos manufacturing industries are declining. Three years ago, the National Institute for Occupational Safety and Health (NIOSH) noted that the U.S. asbestos textile industry faced mounting competition from imports:

"Foreign facilities, which may be owned by domestic companies, typically have a competitive advantage over domestic producers since they do not have to pay for environmental controls capable of meeting the OSHA [Occupational Safety and Health Administration] standards. Consumers are already turning to foreign suppliers for dry processed asbestos products which have been discontinued by domestic producers in order to comply with OSHA standards."

The earliest runaway hazardous shops jumped state borders, as noted previously. Jones reported that asbestos manufacturing firms were forced to pay very high rates for worker's compensation insurance in 1935 in New York State. Private insurers, some of whom had refused to sell life insurance to asbestos workers as long ago as 1918, were turning down the asbestos firms as unacceptable risks for worker's compensation insurance.

"As a consequence of these very high rates and the inability of some industries to get any kind of insurance at a price that permits continuance of operations, many establishments are laying off workmen and either closing down or sending their hazardous work out of the state . . ."

Brodeur's book, *Expendable Americans*, describes an extremely hazardous asbestos insulation plant that was moved from New Jersey to Texas in 1954. Follow-up of former plant workers in New Jersey has shown that an excessive incidence of fatal lung cancer has occured in men employed there for one month and less. By 1965, it was established that cancer rates among asbestos workers were extremely high; moreover, even family members of asbestos workers and neighbors of asbestos plants were dying of asbestos cancers.

The current U.S. workplace asbestos standard took effect on July 1, 1976. However, it was a scheduled reduction in the standard issued June 7, 1972; in other words, the Occupational Safety and Health Administration (OSHA) gave U.S. manufacturers four years to lower the asbestos dust levels in their plants from 5 million to 2 million fibers per cubic meter of air. Perceiving that further reductions were necessary to reduce asbestos workers' cancer risk, OSHA proposed on October 9, 1975 to lower the standard to 500,000 fibers per cubic meter. This was followed at the end of 1976 with a recommendation by NIOSH to lower the standard still further to the lower limit of detection by optical microscopy, 100,000 fibers per cubic meter. NIOSH acknowledged that there is probably still an increased risk of cancer at that level of exposure.[1] OSHA will promulgate the new standard late this year.

The asbestos industry responded to OSHA's 1975 proposal by submitting a consultant report that said the asbestos textile industry and many other asbestos manufacturing industries would be unable to comply with the proposed 500,000 fiber limit. The report concluded that even with implementation of best available technology, the achievement of an exposure limit of 500,000 fibers per cubic meter would not be feasible for 65 percent of the manufacturers' processing steps. The consultant forecasted that the already depressed domestic asbestos textile industry would suffer an accelerated decline with mounting imports from countries with weaker regulations. Foreign competition is intense, and imports already supply 35 percent of U.S. demand, the report noted.

Penetration of the domestic asbestos friction products industry (brake linings, etc.) was also predicted, if the proposed OSHA standard is implemented. The report said that the U.S. has already begun to import asbestos friction products from Korea. The friction products industry in the U.S. employs more workers than any other asbestos manufacturing industry. Raybestos-Manhattan, a leading manufacturer of asbestos textiles and friction products, declared in its 1976 Annual Report that the NIOSH recommendation to OSHA was "so extreme as to be totally unrealistic and impractical." The report went on to say:

"The escalating costs associated with handling this raw material and the uncertain consequences of future government asbestos regulations . . . have necessitated our decision to work toward the elimination of asbestos from all our friction products and this eventuality has become an essential part of our long term product and manufacturing plans." [2]

Most of the company's business is in friction products.

In Cork, Ireland, Raybestos has just built a plant to produce 10 million disc brake pads a year for export primarily to countries in the European Economic Community. This plant apparently conforms to all existing (if not all pending) U.S. standards of control. As the $8 million plant was completed, the local community held a large meeting and set up an investigating committee. Early last year, the residents' committee issued a report declaring that the factory "constitutes a major health risk to the local population which we regard as totally unacceptable." The residents were alarmed about hazards to the community from the plant's air pollution and solid waste dumping, as well as hazards to workers. The residents now appear to be equally divided on whether to accept the 30 to 100 jobs the plant would provide if allowed to open. Citizens have challenged government approvals of the plant and dump sites in the courts.

Abex Corporation, a U.S. subsidiary of the British-based firm Imperial Chemical Industries, recently built an asbestos friction products plant in Madras, India. In 1976, the plant was covered by over $1 million in political risk insurance by the Overseas Private Investment Corporation (OPIC), an agency of the U.S. government. OPIC, whose mission is to promote needed U.S. industrial investment in developing nations, made no effort to obtain an accounting of measures that would be taken to protect workers in the design and operation of the plant. Abex replied to OPIC's perfunctory question on ecological effects by simply saying, "The company will comply with government regulations regarding wastage disposal."

The torrent of health-related regulations for U.S. asbestos manufacturers could have been anticipated at the outset of this decade, with the passage of the Occupational Safety and Health Act and the Clean Air Amendments of 1970. There is no end yet in sight;

[1] The workplace standards apply only to the largest airborne fibers, since the fibers are counted using light microscopes. Duplicate sample analyses with electron microscopy has typically shown that for every other seen with a light microscope, there are 100 more "submicroscopic" sized fibers present. Unfortunately, electron microscopy is very costly and few labs are equipped for it. So it is not suitable for routine monitoring of compliance with workplace standards.

[2] This company does not have asbestos mining properties, and thus does not have the commitment to stay with asbestos that some other firms do.

in March 1977, the Environmental Protection Agency announced that asbestos would be one of 15 substances targeted for priority attention under the Toxic Substances Control Act of 1976. In addition to workers' compensation premiums and numerous environmental control regulations, the asbestos industry incurs the expense of high wages in the U.S., where by regulation asbestos workers must be informed of the mortal hazards of asbestos, given regular medical examinations, and monitored to assure that their exposure does not violate the standard.

U.S. imports of asbestos textiles have soared since 1970. Prior to 1970, over 99 percent of U.S. asbestos textile imports came from Canada, Europe and Japan. Imports from these "regulating countries" stayed at around 3 million pounds per year in the years 1970–1976, while total imports from Mexico, Taiwan and Brazil shot up to nearly 4.5 million pounds in 1976.

The Asbestos Textile Institute reports that its membership included seven U.S. primary producers in 1972, and currently there are only three U.S. primary asbestos textile producers who are member companies of the organization. Fiber consumption reported by the U.S. asbestos industry fell precipitously after 1974. The depressed state of the U.S. industry is further indicated by the steep drop in U.S. imports of textile grade asbestos fiber after 1974. Despite the fact that there were major strikes at the Canadian mines in 1975 and general economic conditions were poor that year, the continued depressed level of textile fiber imports in 1976 signifies that the U.S. asbestos textile industry has diminished in size. In 1976, one of the remaining U.S. manufacturers, Southern Asbestos, closed one plant and consolidated all operations at its other textile facility.

Amatex, a firm based in Norristown, Pennsylvania, closed a new (opened 1967) asbestos yarn mill in Milford Square, Pennsylvania, in 1973. Amatex has operated an asbestos textile plant in Agua Prieta, a small town just across the Mexican border from Douglas, Arizona, since 1969. The company owns another asbestos textile plant in Ciudad Juarez, across the border from El Paso, Texas. In December 1974, Amatex began to import asbestos textiles into the U.S. from the Juarez plant. Amatex "imported" about two million pounds of asbestos textiles from its Mexican border plants in 1975, about one fourth of U.S. imports from the entire world in that year. The asbestos fiber used by the Amatex mills in Mexico comes from Canada; there are no asbestos mines in Mexico. Workers are paid the minimum wage.

In March 1977, a reporter from the Arizona Daily Star and a prominent industrial health specialist, Dr. William Johnson, visited the Agua Prieta plant. They saw part of the interior of the plant, and the reporter gave the following account of conditions:

"Asbestos waste clings to the fence that encloses the brick plant and is strewn across the dirt road behind the plant where children walk to school.

"Inside, machinery that weaves yarn into industrial fabric is caked with asbestos waste and the floor covered with debris. Workers in part of the factory do not wear respirators that could reduce their exposure to asbestos dust."

The Arizona Daily Star story was reprinted in Spanish in an Agua Prieta newspaper, and the workers in the plant called for an investigation, which was started by Sonora (state) health officials.[3] Workers must now wear uniforms to cover their street clothes and leave them at the plant, so their families will not be endangered. However, none of the workers have quit, and due to the scarcity of jobs the union reportedly pressured the workers to be silent. The union, which is known for its alliance with management, has threatened workers with loss of their jobs if the complaints continue. Since publication of the first news article, the factory exterior has been cleaned regularly so there are no longer threads of asbestos clinging to the fence behind the building. However, Dr. Johnson said the company's improvements were "cosmetic," pointing out that clumps of asbestos fiber could still be seen on the road behind the plant and shrubs in nearby lots.

In September 1977, a Texas television team visited the 3-year-old Amatex plant in Juarez. A worker, whose identity was concealed, said he had not been warned that he could develop a fatal disease from breathing asbestos. He went on to describe the plant as having no dust controls in the dustiest parts, and said no provisions were taken by management to provide workers with functioning respiratory protection or a change of clothes for work. Dust levels in the plant were not monitored; in its U.S. plants, Amatex had been required to monitor fiber levels in the workplace air at least twice a year, and make the data available to workers, since 1972. Despite repeated atttempts the television reporter was unable to get Amatex President and principal stockholder, John Rainey, to submit to an interview.

Mexico does not have specific regulations to protect workers from asbestos. The 1945 Regulations on Work Health have general provisions that workplaces using toxic or suffocating substances must display posters warning workers of the dangers to which they are exposed, and they must provide adequate protective means to the workers. The fine for not having warning posters and protective equipment may be no more than 1,000 pesos ($45), up to 2,000 pesos for a failure to take corrective action within the specified timetable. Mexico does not have specific regulations for control of asbestos air and water pollution. By contrast, the State of California began this year to implement its Occupational Carcinogens Control Act of 1976, which provides fines of $1,000 for violations and $5,000 for repeated violations of carcinogen standards at least as stringent as OSHA's. California also authorized $1 million for the first 6 months of 1977 to assure that the law would be enforced. OSHA has in the past assessed smaller fines, but under the law could fine employers up to $1,000 for serious violations and up to $10,000 for repeated or willful violations.

The Amatex plant in Meredith, New Hampshire, was until late 1977 unable to comply with the OSHA standard promulgated in 1972. This plant has just attained the degree of control required by OSHA as of July 1976. It is possible that Amatex, with its long record of repeated and serious OSHA violations, would close in New Hampshire rather than meet the further reductions of the OSHA standard recently proposed.

Raybestos-Manhattan, on the other hand, has invested $11 million in a modern wet process for making asbestos yarn in the U.S. in compliance with OSHA standards. In its 1975 report to stockholders, Raybestos acknowledged that foreign competition from non-regulating countries is a serious threat to domestic asbestos textile manufacturers. In 1974, Raybestos bought a 47 percent share of an asbestos textile plant in Venezuela. John Marsh, Raybestos' chief of environmental affairs, says that the Venezuelan plant operates at airborne asbestos levels lower than the peak level allowed by the current OSHA standard in the U.S.[4]

One of the U.S. customers of the Venezuelan plant had been Standco Industries. In 1975, Standco turned to two plants in Spain for over 400,000 pounds of asbestos textiles. In 1976, statistics on overall imports by country suggest that Standco, a Texas firm, is now buying most of its asbestos textiles from Mexico.

Taiwan and South Korea have been displacing Japan as a source of asbestos textiles for the U.S., as this industry has come under regulation in Japan. The plant in Taiwan and one of the plants in South Korea exporting to the U.S. are owned by the Japanese firm, Nippon Asbestos. In 1976, Taiwan shipped 1 million pounds of asbestos textiles to the U.S. The U.S. importer of record for asbestos textiles from Taiwan and Korea is the Japanese global trading company, Mitsui. These asbestos textiles may also be made largely from Canadian asbestos fiber. There are no specific health regulations for asbestos in Taiwan and South Korea.

Brazil is the other country that supplies large quantities of asbestos textiles to the U.S. There, a 1965 law established a scheme of hazard-pay increments for various industries. The law provides for three levels of wage premiums to be paid in a number of industries, determined by the official hazard class for each industry.[5] The maximum hazard-pay increment is 40 percent of the minimum wage, which might be a 20 percent increase over base pay for a typical worker. If the labor courts find that the hazard has been eliminated or controlled, the pay increases are discontinued accordingly.

By making hazardous work economically attractive and by making workers suffer pay cuts in exchange for improved working conditions, the law undermines all efforts to improve working conditions in hazardous industries. Management has the choice of taking steps to protect workers or paying them extra for losing their health, and presumably does whichever costs less. The concerned worker has little choice but to accept management's terms or look elsewhere for a job. This law is fertile soil for the growth of hazardous industries.

Mexico, Brazil, Taiwan, and South Korea are among the developing nations that recently have been declared "beneficiary countries" under the generalized preference system for tariffs on U.S. imports. Some of the asbestos textiles from these countries enter the U.S. duty-free, and the standard 4 percent duty is charged for the rest.

The Johns-Manville Corporation is the leading producer of asbestos fiber in the Western Hemisphere. Johns-Manville sales policy includes the following statement:

"We will reserve the right to refuse to sell asbestos fibers to customers who fail to meet applicable governmental regulations on asbestos exposure and thereby endanger the health of their employees, and expose J-M to unwarranted liability. In countries where there are no governmental regulations on asbestos exposure, accepted industrial hygiene practice shall apply."

The effect of this policy so far has been to assist J-M customers in complying with government standards, primarily in the U.S. J-M officials do not make a point of

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[3] It would be surprising if any of the Aqua Prieta workers have already developed symptoms of asbestosis. Asbestosis rarely appears until 10 years or more after the onset of exposure. Cancer rarely appears until more than 20 years have elapsed since the onset of exposure, even in cases of continuous exposure.

[4] Nonetheless, it appears that housekeeping in this plant leaves something to be desired. A photo of a new yarn-making facility at the plant, included in the firm's 1976 Annual Report, shows most of the floor area blanketed with white dust.

[5] Asbestos textile manufacture is not even listed among the scheduled hazardous industries. Asbestos brake shoe and asbestos cement product manufacture are rated as medium among hazardous industries.

visiting many of their far-flung customer plants around the world, however. J-M has dropped out of the asbestos textile business and is now producing only enough material to support the firm's needs for its other product lines.

The U.S. has long been a world leader in manufactured asbestos products, with manufacturing plants in the eastern U.S. drawing fiber from the large asbestos mines in Quebec. Little asbestos is mined in the U.S. Consumption of asbestos textiles for the U.S. economy is believed to have declined slightly in recent years, owing to the loss of some older markets to substitute materials and failure to develop new markets. However, no figures are available.

ARSENIC AND REFINED COPPER FROM PRIMARY SMELTERS

On January 21, 1975, OSHA proposed to lower the workplace limit for airborne arsenic exposure from 500 micrograms per cubic meter of air to 4 micrograms per cubic meter, in light of mounting reports on carcinogenicity of inorganic arsenic. NIOSH recommended that OSHA adopt a standard of only 2 micrograms per cubic meter. In June 1976, OSHA released an Inflationary Impact Statement on its proposed standard, which would have its most severe impact on non-ferrous smelters, especially copper smelters. Arsenic is present in copper ores, and a few copper smelters are designed to recover arsenic trioxide ("white arsenic") as a by-product from high-arsenic ores.

The only U.S. producer of arsenic is Asarco's copper smelter in Tacoma, Washington. OSHA determined that this plant, which has supplied about half of domestic arsenic demand, would alone incur a $9.9 million annual cost to meet the standard. OSHA estimated that even if the workplace standard is set as high as 50 micrograms per cubic meter, Asarco's annual compliance cost would be $7.4 million. At hearings held in Washington in September 1976, Asarco representatives said they would close the plant rather than achieve the proposed 4 microgram limit, at a cost, they said, of more than $15 million per year. The final standard of 10 micrograms per cubic meter was issued by OSHA on May 3, 1978.

Asarco's Tacoma smelter is also a major source of community exposure to arsenic air pollution. The application of available technology for the improved control of arsenic air pollution would put Asarco to considerable additional expense. Epidemiologist at the National Cancer Institute reported that in the period 1950–1969, mortality for lung cancer in U.S. countries with copper, lead and zinc smelting and refining was significantly higher than other countries: the researchers believed that arsenic air pollution was a contributing cause to the high lung cancer rate. Previous reports have demonstrated excess rates of lung cancer among smelter workers and workers exposed to arsenical pesticides. Community exposures to inorganic arsenic near the Tacoma smelter are within an order of magnitude of the limit proposed by OSHA for the workplace, and high urinary arsenic levels in children who live near the smelter have been reported. Soils for miles around non-ferrous smelters are ruined permanently from years of being rained on with metallic pollutants, and road dust and playgrounds are likewise contaminated. It is likely that before 1980 EPA will promulgate rules requiring best available technology for the control of arsenic air pollution from smelters.

Asarco's Tacoma smelter is now in violation of sulfur oxide air pollution standards. The maximum degree to sulfur oxide control achieved by existing equipment is only 51 percent. A consultant has determined that any EPA requirements for additional sulfur oxide controls, coupled with the expected workplace arsenic standard, would make continued operation of the smelter unprofitable. EPA is trying to determine whether to approve Asarco's request for a 5-year variance from complying with the sulfur oxide standards.

The smelter will probably not be allowed to operate as it does now for much longer. Alerady, Asarco has taken steps to reduce the amount of arsenic processed at the plant. In early 1976, Asarco terminated its agreements with other companies to accept high-arsenic residues from their non-ferrous smelters. As a result, Anaconda's Montana copper smelter has been stockpiling high-arsenic dusts such as those recovered by air pollution dust collectors. Anaconda has also given money to support university research on what to do to process the dusts. Asarco/Tacoma still takes the Asarco Montana lead smelter's "speiss," which is 20 percent arsenic and 50 to 60 percent copper.

Two thirds of the copper produced at Tacoma is made from ore mined in the southwestern United States and scrap. This ore is low in arsenic. Asarco could alleviate its principal problem at Tacoma if it is able to shift further in the direction of using low-arsenic raw materials. However, this would have the effect of selectively exporting the production of arsenic by-product to copper smelters in other countries.

The remaining sources of raw materials processed at Tacoma are high-arsenic copper ore concentrates from the Philippines and Peru. Due to Asarco's unwillingness to renew its contract for Philippine ore, Lepanto Consolidated Mining Company has started constructing a copper smelter in the Philippines that will produce 8,800 tons per year of by-product arsenic trioxide, beginning in 1980. In 1973, over 60 percent of the arsenic trioxide produced at Tacoma came from Philippine ores. The high-arsenic concentrates from Peru are from a marginal mining venture owned entirely by Asarco.

Asarco might be pleased to divert some of its arsenic business to Mexico. Asarco retains a 34 percent interest in a metal and coal mining and refining company called Industrial Minera Mexico (IMM). IMM's copper smelter, formerly Asarco Mexicana, is in San Luis Potosi, about 500 miles from Laredo, Texas. This smelter has been a steady source of arsenic trioxide for the U.S. market, and is the sole source of arsenic trioxide from Mexico. In 1976, 89 percent of U.S. imports of arsenic trioxide came from the IMM smelter. This smelter is designed to handle high-arsenic raw materials, and its arsenic output could be increased without any expansion of copper capacity if the plant receives "dirtier" raw materials in the future than it has in the past. It could process residues from U.S. smelters and high-arsenic ore concentrates from Peru, to produce more arsenic for the US. market.

A newer source of arsenic is Namibia (South West Africa), where the U.S. mining firm Amax owns 30 percent of a non-ferrous mining and smelting complex. This operation, Tsumeb, supplied 8 percent of U.S. arsenic imports in 1975.

In Sweden, workplace and pollution controls were cited as a reason for reduced production of arsenic in 1975 compared with 1974. The Swedish government approved expansion of the Boligen smelter in 1975, so increased output of arsenic may accompany increased copper output. The expansion plan includes $40 million worth of environmental controls.

Thus, it appears that even if Asarco does not close the Tacoma smelter, this sole U.S. source of arsenic will have to reduce its output. High-arsenic residues from other U.S. smelters may be shipped to Mexico for refining, with re-importation of the arsenic trioxide. Imports of arsenic from the Philippines can be expected after 1980, along with increased imports from traditional suppliers (Mexico, France, Sweden), and perhaps from other new sources.

There may also be shifts in manufacturing by firms seeking to escape the New OSHA arsenic regulations. Arsenic is used to make pesticides, herbicides, wood preservatives, and soda-lime glass.

Though U.S. arsenic imports have steadily declined since 1973, domestic demand for arsenic, particularly for making pesticides used on the cotton crop, is again on the increase. In long term forecasts by the Bureau of Mines, both U.S. and world arsenic consumption are slated to increase slightly by the year 2000, with U.S. consumption remaining at roughly half of world consumption.

In a report from the Secretary of Commerce to the President in 1975, the cost of sulfur oxide air pollution controls for copper smelters in the U.S. was compared with the corresponding costs in Canada and in South America (Peru, Chile). The pollution control costs were computed at a cost increase of 6.6 cents per pound of copper in the U.S., 2.5 cents per pound of copper in Canada, and 0.5 cents per pound of copper in South America. As the price of copper then was about 65 cents per pound, the report concluded that control costs would "impair the industry's ability to finance new productive capacity and compete in an expanding world market with relatively unencumbered foreign competitors." In its calculations, the Department of Commerce did not take account of additional control costs for particulate air pollutant emissions, occupational exposure to arsenic, and water pollution—which are substantial in the U.S.

EPA closed a Kennecott copper smelter in Nevada in 1976 after rejecting the company's plans for meeting air emission standards. The plant was not reopened until 6 months later, after a preliminary injunction against the EPA ruling was granted by a federal district judge.

The Bureau of Mines considered the effect of air pollution regulations a critical factor in limiting U.S. smelter output during a period of high demand for copper.

"The 1972 and 1973 shortage of capacity to process available concentrates at several smelters appeared to be partly due to a curtailment of maximum operation to comply with existing pollution control regulations and to delays in expansion of facilities owing to uncertainties regarding resolution of the pollution problem."

Smelted copper is called blister copper. It is further processed into refined copper. A small but growing amount of copper is produced directly from ores in electrolytic refineries. Some copper is also reclaimed from scrap. However, in order to assess U.S. dependence on foreign sources of copper smeltered from ore, the best indicator is net imports of refined plus blister copper. This indicator peaked at 392 thousand tons in 1974, 2 to 3 times the volumes recorded in preceding years. Recovering from the economic downturn of 1975, net U.S. imports of refined and blister copper reached over 300 thousand tons in 1976. That year, one third of record U.S. imports of refined copper, 120 thousand tons, came from Zambia. It is too early to say whether there is any trend toward increased U.S. dependence on foreign copper smelters, however.

One nickel-copper mining and smelting complex in Botswana, partly owned by the U.S.-based Amax, is now being expanded. Amax's 25 percent share is backed with political risk insurance from the Overseas Private Investment Corporation. Careless initial planning has led to costly delays in the project, extended shutdown of the sulfur recovery unit, and unanticipated heat stress among workers mining the chemically unstable ore. The Botswana government had to go to great expense to build the infrastructure (roads and a town) needed to operate this smelter at its remote location. The position of the new town relative to the smelter was designed to minimize the potential

air pollution hazard to the town. Unfortunately, this planning, which was done by the World Bank and the U.S. Agency for International Development, utilized wind direction data from a place 80 miles away—where the winds were not the same as the winds at the smelter location. The result is that in late 1977, the town was needlessly exposed to air pollution from the smelter, whose sulfur recovery unit was still not working.

MERCURY MINING

Pollution control regulations have led to a worldwide reduction in demand for mercury, increased recycling of the metal, and a steep decline in price. Between 1969 and 1976 the number of producing mercury mines in the U.S. went from 109 to 4. Domestic demand for mercury refined from ore bottomed out in 1972, was carried down by the economic downturn of 1975, but is rising again. Extremely depressed prices probably account for the shift in sources of U.S. imports since 1974, away from Canada and Mexico where large reserves exist. Most of the imports for 1975 and 1976 were from Italy, Algeria, Yugoslavia, and Spain. Industries in most if not all of these countries are nationalized and have accumulated stockpiles while operating at a loss. In 1976, though domestic mine output was spurred by the opening of a large new mine in Nevada, imports accounted for 69 percent of domestic consumption.

In the U.S., mercury was designated as a hazardous air pollutant in 1971, and national emission standards for mercury ore-processing plants were promulgated in 1973. Small mercury producers, once numerous, are not expected to expend the capital costs necessary to control their air pollution, and barring major price increases for mercury, small producers in the U.S. will never again be an important factor in the market.

LEAD SMELTERS AND BATTERY PLANTS

The major U.S. lead industries will experience a great economic impact after OSHA promulgates and enforces its new standard (expected in early 1978). Primary smelters (extraction of metal from ores), secondary smelters (scrap recycling/refining), and lead acid battery plants are mostly old, and many cannot even achieve compliance with the existing workplace standard.

NIOSH surveys in late 1975 at the Bunker Hill lead and zinc smelting complex revealed widespread violation of existing workplace standards for lead and cadmium. A clinical study of workers in two Indianapolis secondary lead smelters (NL Industries and RSR Quemetco) in 1976 revealed that most of the workers had a history of elevated blood lead levels and many had taken chelation drugs to be able to work at all. Lead poisoning has also been reported among children of lead-exposed workers, caused by household contamination by dust brought home on workers' clothes and shoes.

In January 1976, the State of California fined a Prestolite auto battery plant $45,000, prompting the firm's attorney to tell the New York Times that the company "is within half an inch" of leaving the state. Since then, the fine was reduced and the firm spent about $500,000 to achieve compliance with the state standard. Of 40 lead acid battery plants visited in 1975–76 by southern California health authorities, 28 (including all of the large plants) exceeded state standards. In general, these plants are trying to comply with the state standards, but are not so well controlled that they could meet the standard proposed by OSHA.

The California lead standard (maximum allowable lead concentration in workplace air) adopted in 1975 is 50 percent higher than the national limit proposed by OSHA in October 1975. The standards are: OSHA, 200 micrograms per cubic meter of air; California, 150; and OSHA proposed, 100. It is apparent from the medical literature on lead that even the limit proposed by OSHA will eventually have to be replaced by a still stricter standard. The standard for lead in the workplace air has been 50 micrograms per cubic meter for many years in Japan and Czechoslovakia. The 1966 Soviet Union standard is 10 micrograms per cubic meter; however, it is widely doubted that the USSR actually enforces its stringent workplace standards.

In its January 1976 response to OSHA's lead proposal, the Lead Industries Association claimed the proposed standard is not feasible and would have an adverse effect on the U.S. economy. The trade group noted that industry members already face "enormous" financial burdens in complying with other health-related standards, and many companies would be forced out of business if the proposed OSHA standard is adopted. The standard would encourage investment by U.S. companies in lead smelters in foreign countries, contribute to general inflation, adversely affect competition, cause severe local unemployment problems, and adversely affect the U.S. balance of payments, the industry claimed. On the other hand, the United Steelworkers' health representative, George Becker, has criticized the proposed OSHA lead standard as inadequate, noting that even half the proposed limit would endanger the health of large subgroups of the workforce that are especially susceptible to the toxicity of lead.

"A survey of smelters by EPA in 1973 found that the Bunker Hill smelter complex exposed its neighbors in Kellogg, Idaho, to high levels of lead and arsenic air pollution. The Asarco El Paso lead smelter's air pollution has been cited by the Center for Disease Control as a cause of neuropsychological dysfunction in community children. Asarco was forced to spend $60 million for control and new process equipment now being installed. On December 14, 1977, EPA proposed an ambient air standard for lead of 1.5 ug/cm, taken as a continuous monthly average measurement. This standard, if adopted, would require stringent control for lead air pollution at lead smelters and other major sources that are not already well controlled. EPA estimated that the cost of installing the necessary controls would be $600 million.

The U.S. has about 35 percent of the world's known lead reserves. Net annual imports of refined lead have been declining through 1976, with imports furnishing 10 to 15 percent of domestic consumption. Major foreign sources are Canada, Mexico, and Peru. Domestic consumption has been increasing, along with increasing supplies from primary and secondary U.S. smelters. Most lead is used in storage batteries. U.S. production of storage batteries has been adequate to supply domestic demand through 1976.

The cost of transporting lead ores out of the U.S. for refining and battery manufacture would severely limit the geographic choices of firms seeking to use U.S. lead ores and still escape U.S. regulations. However, some shift in smelting and battery manufacture to Mexico and Canada may occur in the future. Facilities in these and other countries may be able to supply refined lead and batteries to the U.S. from locally available ores and scrap at lower prices than some plants in the U.S. can offer.

PRIMARY REFINED ZINC

The Bureau of Mines notes that although U.S. demand has increased for zinc metal over the past 10 years, U.S. metal-producing capacity declined almost 50 percent from 1968–1975. "Plants closed because they were obsolete, could not meet environmental standards, or could not compete for concentrate feed. Consequently, metal has replaced (ore) concentrates as the major import form."

In 1976, imports of zinc metal exceeded domestic production (714,000 tons against 536,000 tons). Canada has been the main supplier of both ores and zinc metal imports, and Canada will be refining more of its own ores in the future. Second behind Canada's 313,000 tons of zinc metal shipments to the U.S. was Mexico, at 63,000 tons, for 1976. Zaire joined traditional suppliers West Germany, Belgium, Yugoslavia, Finland, Australia, and Italy in the 30–50,000 ton range. Spain began to export significant amounts of zinc metal to the U.S. in 1975 and has continued to do so in 1976 (30,000 tons). Japan, a major supplier as late as 1974, apparently no longer has excess capacity to refine zinc for export to the U.S.

Industrial Minera Mexico negotiated loans from a consortium of U.S. banks in 1975 to construct a new electrolytic zinc refinery at San Luis Potosi. New Jersey Zinc is constructing a smelter near its subsidiary's zinc mine in Thailand. About half of the product will be exported. Smelters being built by the governments of Bolivia and Peru have relatively low capital cost: capacity ratios, suggesting that there may have been minimal outlays for pollution and workplace controls.

The Bureau of Mines expects U.S. zinc smelting capacity to increase slightly between 1974 and 1980. A new zinc refinery complex is being built in Tennessee by New Jersey Zinc, "the first totally new zinc plant to be constructed in the U.S. since 1941." U.S. zinc mining is expected to fall short of demand for the rest of this century, through smelting capacity is expected to increase sufficiently to process mine production between 1980 and 2000.

MINERAL INDUSTRIES IN GENERAL

Mining as well as refining of ores is economically attractive in countries with lax environmental and workplace regulations. In the U.S. mining is subject to standards governing air and water pollution, worker health and safety, solid waste disposal, and land reclamation. In many cases, an environmental impact analysis is required before a permit to undertake mining can be granted by the government. There is increasing pressure on the U.S. government to restrict mineral exploitation on certain public lands, such as the national parks. Competing demands for land use raise formidable obstacles to mining: in the western states with large coal reserves, large areas now used for raising cattle and sheep will be ruined for that permanently if coal mining is allowed.

The refining of most minerals presents major additional problems for mining companies, as the preceding chapters indicate. It is illustrative to compare the sections on domestic and foreign investments in Asarco's 1975 report to stockholders. The section on U.S. smelters is densely packed with figures for pollution control and worker health expenses being forced on the company. The part of foreign investments, in contrast, mentions only the construction of two tall stacks for the expansion of a smelter in Peru.

Due to the risky nature of the mining business, it is dominated by global corporations that can spread their risk over many projects and raise the large sums needed to finance mineral development. Though mineral exploration has until now been concentrated mainly in developed nations, this is bound to change shortly.

Relatively expensive environmental controls in the U.S. may be crucial in discouraging global mineral companies and banks from exploiting some mineral deposits in the U.S. Already, the day of building smelters in the U.S. to refine imported ore is nearly over. There are no increased transportation costs for refining foreign ore near the mine rather than near the market. Many mineral-rich

nations today have embarked on programs to develop their own refining capacities, and some accept or ignore substantial worker health hazards and pollution as the price of economic development.

PESTICIDES

The manufacture of pesticides by U.S.-based firms has generally been done in the U.S., although in some cases the manufacture of pesticides for export has caused widespread central nervous system disease among U.S. chemical workers and death among foreign users.

The pesticide kepone was manufactured in Virginia until 1975 for Allied Chemical Corporation by Life Science Products Company for sale to banana growers in Latin America, Africa, and Asia. This pesticide has caused sterility and apparently permanent nervous disorders among 75 Life Science employees, has severely polluted the James River and wreaked havoc on the local seafood industry. Allied and Life Science were indicted for over 1,000 violations of federal water pollution control laws, and criminal charges were filed against Life Science owners. Employees and their families sued Allied for over $150 million. EPA and the Corps of Engineers have estimated that clean-up of the James River will cost $50 to $100 million. Allied was fined $13.2 million, the maximum fine allowed by law, in federal court. After Allied set up an $8 million fund to clean up the James River, the fine was reduced to $5 million, still the largest criminal penalty ever levied in a federal pollution case. In 1976, the National Cancer Institute reported that kepone caused excessive rates of liver cancer in rats and mice in lifetime feeding studies.

Another pesticide, leptophos, was manufactured until 1976 by Velsicol Chemical Company in Texas. It was granted a tolerance by EPA for residues on tomatoes and lettuce, but in May 1975, EPA announced its intention to revoke the tolerance. EPA apparently was alarmed by an article about water buffalo deaths and human injuries associated with the use of the pesticide in Egypt. When Velsicol appealed the decision, EPA appointed a panel of experts to review the matter. The panel asked Velsicol whether any of its employees manufacturing leptophos were showing signs of nerve diseases. Despite a subsequent attempt by Velsicol to drop its appeal to retain the tolerance for leptophos on crops, the investigation was followed through and serious nerve damage was discovered among Velsicol's Texas workers. One former supervisor at the plant who quit in protest over unsafe working conditions told of seeing a man with leptophos in his mustache eating a sandwich.

The revocation of leptophos tolerances in November 1976 caused consternation in Mexico, where the pesticide was used on tomatoes grown for export to the U.S. Residues of leptophos were found on some shipments of Mexican tomatoes.

The next development in the story was the revelation that, as part of U.S. foreign assistance programs, the Agency for International Development (AID) had sent tons of loptophos to Indonesia and other countries in recent years. Other pesticides that were either banned or were being banned in the U.S. that AID had shipped to developing countries include heptachlor, chlordane, and DDT.

The U.S. pesticide industry is a $2.6 billion-a-year business, and is growing rapidly, despite increased costs for pre-market research and declining numbers of firms that are still developing new products. The industry produces 1 billion pounds per year of pesticides for domestic use and 600 million pounds for export. The global market for these chemicals is a $7 billion-per-year business. Since 1957, AID has financed the export of over $500 million worth of pesticide chemicals.

AID was sued by a coalition of environmental groups in 1975, and in early 1976 announced that it would no longer sponsor the export of pesticides that are not allowed to be used in the U.S. for health or environmental reasons. In May 1977, AID went on to announce that its basic pesticide policies would be reversed. Less money would be given to developing countries to buy U.S. pesticides, and instead AID would help end indiscriminate use of pesticides. AID may have been influenced by a 1976 tragedy when malathion, incorrectly applied to Pakistan crops, caused 5 deaths and illness in 2,900 people.

Dibromochloropropane (DBCP) is a soil fumigant that has been produced and formulated for field applications since the mid-1950s, at about 80 U.S. plants. In 1977, the Oil, Chemical and Atomic Workers Union discovered that many of the operators in Occidental Chemical Company's DBCP formulation plant had become sterile. This finding was widely publicized, and the State of California ordered a halt to DBCP production and formulation. Sterility was soon found also at plants producing DBCP in Alabama (Shell Chemical) and Arkansas (Dow Chemical). Federal health officials estimated that as many as 3,000 DBCP workers may have become sterile or nearly sterile. Dow announced a worldwide recall of distributors' stocks. At the urging of the union, OSHA established a stringent emergency workplace standard for DBCP. In addition, other U.S. regulatory agencies suspended the use of DBCP on 19 food crops and banned the sale of foods containing residues of DBCP.

Research done by Dow and Shell at the time they introduced DBCP, which was published in 1961, showed that the pesticide caused damage to sperm cells, as well as other effects, when administered to test animals. Some workers have sued these firms for damages, in light of the companies' failure to inform them of and protect them from the documented sterility hazard.

OSHA's emergency standard for DBCP was the first U.S. workplace standard for a pesticide. Cessation of kepone and leptophos production had obviated the need for worker protection rules for those pesticides. OSHA has announced that a general practice standard will be issued this year for formulators of all pesticides. The rules will cover medical monitoring, safe work practices, engineering controls, and informing workers of potential hazards. OSHA will also be writing standards for specific pesticides that will include numerical limits for worker exposure.

EPA has responsibility for the way new pesticides are applied. In September 1977, EPA proposed that some or all uses of 23 pesticide ingredients—most of them important to farmers and ranchers—be restricted to those users who have completed state-administered training on safe use, storage, and disposal. Pesticides containing these ingredients will continue to be freely exported, however.

Pesticides thus present a range of potential "hazard export" problems. However, the new policy of AID, coupled with OSHA's regulations and EPA's attempts to re-register pesticides, are likely to have the effect of displacing pesticide manufacture from the U.S. to developing nations, where incidents as bad or worse than those discovered in the U.S. might occur. It certainly cannot be ruled out that unscrupulous firms might move some of their more questionable pesticide-for-export operations to non-regulating countries, or even manufacture pesticides for the U.S. market at plants in non-regulating countries.

BENZIDINE DYES

The manufacture of dyes from benzidine has been banned in a number of countries, including Sweden, England, Italy, Japan, and Switzerland, due to the extremely high rate of cancer of the bladder observed in benzidine workers since before the turn of the century. A retrospecitve study of Allied Chemical benzidine dye workers showed that by the time of follow-up, 17 out of 76 workmen (22%) had developed bladder cancer. In Italy, 13 families of dead and sick workers recently charged a dye plant's management with multiple manslaughter, claiming that 132 workers had died from confirmed or suspected bladder cancer over the past 20 years. Three plant owners, the general manager, and the company doctor were jailed for terms of 3 to 6 years each.

Benzidine dyes are still made in the U.S. only by a small firm called Fabricolor. However, about three-fourths of the benzidine dyes made in the U.S. until recently were made by Allied Chemical, and Allied discontinued operations in 1976. Some of Allied's former customers may have switched to substitutes for benzidine dyes; others may have turned to GAF and Fabricolor, increasing output by these domestic firms. But it is apparent that some of the textile, paper, and leather firms formerly supplied by Allied have turned to foreign sources of these dyes. U.S. imports of 3 benzidine dyes discontinued by Allied rose five-fold in 1976, and will in all likelihood be higher in 1977. Romania supplied half of the imported material, followed by Poland and India.

GAF Corporation had been second to Allied Chemical in U.S. production of benzidine dyes. Yet Allied's withdrawal did not leave GAF a lucrative business. GAF announced in July 1977 that, as part of a move to eliminate the company's less profitable enterprises, the firm's dye works would be put up for sale. Later that year, GAF stopped making benzidine dyes. It is now obvious that any firm that wants to make benzidine dyes in the U.S. will be expected to provide lifetime medical follow-up for every worker.

One result of a shift from domestic to foreign sources of benzidine dyes may be increased workplace and pollution dangers in U.S. dye-using industries. Allied and GAF used process controls to limit the amount of free benzidine[6] in their benzidine dyes to less than 20 parts per million (ppm). Benzidine dyes from other countries have been analyzed as having 500 ppm free benzidine content.

A large, new benzidine dye plant in South Korea reportedly supplies Europe with popular Direct Black 38 dye. Attempts to identify the ownership of this plant and major markets for its products have been unsuccessful.

In 1965, Dr. R. A. M. Case of England noted that England had stopped making benzidine but was importing it instead. He proposed that benzidine be manufactured in extremely well-designed plants under international agreements. England still imports textiles colored with benzidine dyes, and most likely imports the dyes themselves, though not the deadly intermediate benzidine.

Dr. D. B. Clayson expressed the opinion that benzidine can eventually be replaced by safer substitutes in all its applications, but he seemed to think that it would be a long time before industrial use of benzidine would be abandoned worldwide. At an occupational cancer conference in March 1975, he said:

"[O]nly recently has the British chemical industry been able to relinquish completely the manufacture and use of this chemical. The Italian chemical industry has introduced a range of alternatives to benzidine dyes for cotton. They are more expensive than the dyes they replace, but not excessively so (Saffiotti, personal communication). I have no information on how carefully the toxicology of these alternatives has been studied."

[6] Free benzidine is the unconverted benzidine remaining in the dyes.

The U.S. chemical industry has felt the pressure of imports in the general category of benezenoid dyes and pigments, of which benzidine-based colors are a sub-class. Months before a fire precipitated Allied's decision to stop making benzidine dyes, a spokesman for five U.S. chemical industry trade associations asked the International Trade Commission to exempt foreign producers of benzenoid dyes and pigments from "most favored nation" tariff preference. The industry also requested a rule to deny duty-free status to any article that increases in quantity imported by 5 percent or more over the previous year, unless an affirmative decision is made to continue favored trade status for the article:

"Such a rule would give the domestic industry time to adjust to increased import penetration and would stem under-developed countries being used as pollution havens by corporations seeking to evade the anti-pollution laws of the U.S. and other industrialized nations.

About 8 million pounds of benzidine dyes were used in the U.S. in 1976. Use of these dyes has been steadily declining, and U.S. consumption was probably 50 percent more in 1972 than in 1976. Roughly half of the benzidine dye produced is Direct Black 38.

Current research by NIOSH and the National Cancer Institute suggest that pure benzidine dyes are themselves carcinogenic. These findings should lead to increased regulation of industries using benzidine dyes, and a further drop in the market for benzidine dyes in industrial nations. At the same time, benzidine dye production and use may even increase in other countries that make cotton goods for export to industrial nations.

Beta-naphthylamine, benzidine's notorious cousin, is also a potent bladder carcinogen once widely used as a dye intermediate. Fortunately, routes of dye synthesis have been developed that do not require beta-naphthylamine. The manufacture of this chemical was discontinued in Switzerland in 1938 and its use was banned in Great Britain in 1967 and in the United States in 1972. However, dyes are still made from beta-naphthylamine in India.

Benzidine dyes formerly manufactured by Allied Chemical in the U.S.

Acid Red 85.
Acid Orange 45.
Direct Orange 1.
Direct Orange 8.
Direct Red 1.
Direct Red 13.
Direct Red 28.
Direct Red 37.
Direct Blue 2.
Direct Blue 6.
Direct Green 1.
Direct Green 6.
Direct Brown 2.
Direct Brown 31.
Direct Brown 74.
Direct Brown 95.
Direct Brown 154.
Direct Black 4.
Direct Black 38.

U.S. imports of these dyes

Principal sources*

	1974	1975	1976
Direct black 38--	0	0	70,053
Direct blue 2----	0	11,023	38,478
Direct brown 2--	0	2,205	24,251
The 16 others---	20,353	12,520	15,906
Total ----	20,353	25,748	149,388

*Romania, Poland, India, and France.

SOURCE: U.S. International Trade Commission.

VINYL CHLORIDE INDUSTRIES

In 1974, when B. F. Goodrich Company announced that vinyl chloride has caused liver cancer in workers exposed to the gas, it was claimed that workplace and pollution control regulations would cause the closing of plants and the curtailment of expansion of the industry in the U.S. However, despite initial industry claims that the OSHA standard promulgated in October 1974 was not feasible, compliance with the standard was achieved in virtually all plants.

There are three types of plants where vinyl chloride (VC) is present: VC manufacture; polymerization of VC gas to make polyvinyl chloride (PVC) resin; and fabrication of PVC resins into various consumer products. Production of VC would be cheaper in non-regulating countries, but added costs and difficulties in shipping VC from abroad might offset any advantage in production cost of the flammable gas. The U.S. Department of Transportation is preparing to write regulations for packaging and shipping of carcinogens, and increased costs and limitations on VC are likely.

For PVC operations to escape U.S. regulations, the polymerization as well as the fabrication would have to be done abroad. In order to comply with the 1974 OSHA standard in polymerization plants, manufacturers employed improved stripping in polymerization reactors. This lowered the amount of residual VC that remained in the polymer leaving the reactors. Improved stripping not only reduced VC concentrations throughout polymerization plants, but also produced PVC resins with much lower residual VC content than had previously been the case. The U.S. customers of the PVC producers, thousands of PVC fabrication plants, also had to meet the OSHA standard of not more than 1 part per million of VC in workplace air. Now that these plants, which melt the PVC resins and cast them into records, garden hose, and hundreds of other products, were able to buy resins with 10 ppm and less of residual VC, they were able to comply with the OSHA standard without installing expensive ventilation and monomer capture equipment.[7] Fabrication plants making PVC food packaging were especially concerned about getting the resins with the lowest possible residual VC content. As a result, domestic PVC fabricators were forced to continue to buy resins from domestic polymerization plants rather than turn to imports from non-regulating countries. Resins made in plants without improved stripping would be too high in residual VC content to be attractive to domestic PVC fabricators.

Recent promulgation of long-expected EPA regulations on vinyl chloride air pollution have been calmly accepted by domestic manufacturers of PVC resins; much of the cost of air pollution controls had already been incurred on improved stripping and control of fugitive emissions in PVC plants to meet the OSHA standard.

U.S. production of VC and PVC has recovered from a weak year in 1975, and the "OSHA problem" has been "solved . . . without inflating production costs to the point where PVC's growth might be stunted," in the words of Chemical Week. A Chemical Week article of September 15, 1976 tells of major new plant investment in domestic VC and PVC production. The industry looks for a 5–11 percent annual growth rate in the years ahead. Domestic capacity is expected to be adequate to meet demand, as it has in the past. The U.S. consumption of 5 billion pounds per year of VC dwarfs exports and imports, and the U.S. petrochemical industry has been a net seller of VC and PVC to other countries. In the future, as more countries develop petrochemical industries, U.S. producers will become less dominant in some export markets.

The possibility that VC and PVC manufacturing will be displaced by health-related regulations is greater elsewhere in the world than in the U.S. The U.S., unlike many other industrial nations, has vast domestic petroleum resources. It is more likely that VC and PVC industries will be stunted in some petroleum-poor industrial countries, as they import increasing amount of VC-based plastic products from non-regulating countries.

STEEL INDUSTRY

Steelmaking is a highly polluting industry. Making coal into coke for blast furnaces is one of the most polluting steel-making processes. It has been well documented that coke oven workers incur excessive rates of lung and kidney cancer. On October 22, 1976, OSHA issued a standard for occupational exposure to coke oven emissions. The estimated annualized cost to the steel industry to comply with the standard was $200 million to over $1 billion, and the industry immediately went to court to challenge the standard. However, implementation of the rules would only increase the price of coke 1 to 3 percent, and control costs would at most amount to only 2 to 3 percent of planned capital expenditures by the domestic steel industry over the next 8 years.

In 1973, U.S. supply of coke was "curtailed by the inability of producers to meet environmental standards," according to the Bureau of Mines, so that it was exceeded by the enormous domestic demand in that year. But because of the high price and poor quality of imported coke, the fragility of coke to powdering in transit, and the fact that both the deposits of coking coal and markets for the coke are abundant in the U.S., it is unlikely that there will be any long term trend to ship more coke in from abroad. There might be far more favorable conditions for the export of coke production to non-regulating countries from other industrial nations where coke is now made from imported coal.

In Japan, the high density of polluting industries has already led to pollution export. Several years ago, Kawasaki Steel attempted to expand production at its steel mill in the polluted city of Chiba, Japan. Faced with opposition from local citizens, Kawasaki decided to build a new blast furnace in Chiba and build a sintering plant to serve it in Mindanao, in the Philippines. The sintering plant, which has just started to operate, converts iron ore dusts from Australia and Brazil to larger iron pellets in a process using coke and limestone. This product is shipped to the blast furnaces at Chiba. Pollutants from the process include trace element impurities from the ore as well as coke and iron ore dust and gases which are predominantly oxides of sulfur and nitrogen. Particulate emissions from part of the process are controlled to some extent by cyclone collectors, and there are no controls for the gases. There are no pollution standards and the government does not monitor the pollution from the plant.

A Manila newspaper responded favorably when the agreement between Kawasaki and the Philippine government was being negotiated:

"This is a case of a "dirty' industry that can no longer be located in Japan because of pollution concerns. But the Philippine authorities have no objection to its installation in the under-polluted southern island."

Reportedly, 1,500 families were displaced to make way for this plant and its 6 kilometer "pollution zone." The farmers and fishermen displaced by the plant were not hired to construct it, because they were considered too unskilled and uneducated. The plant employs 600–700 workers.

OTHER CASES

On July 10, 1976, a chemical reaction went out of control and the products vented to the

[7] Prior to 1974, PVC resins with as much as 1,000 ppm of residual VC were common.

atmosphere included one of the most toxic and teratogenic of manmade substances—2,3,7,8-tetrachlordibenzo-p-dioxin (TCDD). The resulting contamination in Seveso, Italy, led to the evacuation of 700 plant neighbors, many of whom may never be able to return to their homes. About 90 pregnant women who were exposed to the toxic release had abortions, despite stern opposition by the Catholic Church. The plant manufactured trichlorophenol, which was sent to Switzerland and the U.S. for the manufacture of the antibacterial product, hexachlorophene. The Italian, Swiss, and the U.S. plants were all owned by the Swiss-based Givaudan Corporation, a subsidiary of the giant pharmaceutical firm, Hoffman-LaRoche.

It was well known that TCDD was a contaminant in the process of making trichlorophenol, and that the amount of TCDD formed increases at high reaction temperatures. The formation of TCDD in this process was a recognized hazard in the event of a runaway reaction, an accident in which there is an excessive build-up of heat in the reactor, usually leading to an explosion. Such accidents had occurred in a number of countries since 1949, and in the U.S. a heat control mechanism and a holding tank back-up system are standard safety features. The Seveso plant did not have these safety devices. The workers in the plant were not even told about dioxin hazards. The Seveso incident was the first TCDD explosion to expose plant neighbors, in previous accidents the contamination had been confined to within the plants. TCDD has penetrated the soil to a depth of 12 inches in Seveso.

The Seveso disaster led local journalists to refer to the dense, mostly foreign-owned, chemical industry in northern Italy as "the Italian Colony." It is highly doubtful that this Swiss-owned plant would have been allowed to operate in Switzerland. It is certain that no one from the headquarters of Hoffman-LaRoche will ever be sent to an Italian jail. And it is possible that a similar accident might occur again, as long as there are places where trichlorophenol plants are still designed like dioxin time bombs.

There have been street demonstrations in Tokyo against several Japanese companies that were charged with exporting pollution: Toyama Chemical over closing a mercurochrome plant in Japan and planning to move to South Korea; Nihon Kagaku over shifting chromium refining and plating to South Korea, following a long history of severe chromium air pollution and high worker lung cancer mortality in Japan; and Asahi Glass over water pollution from its mercury cell chloralkali plant in Thailand.[8]

It is not known how much mercury-cell alkali Japan imports from Thailand or other countries. However, in some industries, like rayon manufacture, mercury cell alkali is preferred over alkali from the other conventional process (the diaphragm cell process). Japan has suffered the great Minamata disaster and leads the world in regulating mercury water pollution. These regulations may have displaced mercury cell alkali production that serves the Japanese economy to other nations.

Over the past three years in the U.S., there have been mounting reports that foundation stones for our rubber, plastics, and other chemical industries are causes of occupational diseases. Frightening human and animal data have recently emerged on carcinogenicity of chromates, chloroform, trichloroethylene, benzene, acrylonitrile, cutting oils, 2-nitropropane, 4,4-diaminodiphenylmethane, ethylene dibromide, beryllium, and cadmium. NIOSH has urged that an emergency workplace standard be used for chromium. On May 3, 1977, OSHA published an emergency standard for benzene, lowering the standard 10-fold to 1 ppm, in response to reports of leukemia among benzene-exposed workers. An emergency standard for acrylonitrile was issued January 17, 1978, reducing the allowable workplace limits 10-fold to 2 ppm. The permanent standard for this widely used carcinogen will probably be lower than 1 ppm. The emergency standards for benzene and acrylonitrile had been demanded by U.S. labor unions. More emergency standards were promised by Dr. Eula Bingham, the new OSHA Administrator. Similarly, stringent air and water pollution control standards for newly-recognized carcinogens will also be issued by EPA in the next few years.

Obvious analogies between the chemical structures of some of the newly established carcinogens and other commonly used substances cast a shadow over large segments of the chemical industry. Epidemiological and experimental reports continue to reveal the carcinogenic properties of many high-volume, industrial chemicals. In a short time, many chemicals will have to be far more carefully handled in the U.S. than they are today. Some export of hazardous manufacturing must be anticipated in the affected industries.

WHAT SHOULD BE DONE ABOUT HAZARD EXPORT, AND WHY?

Peter Bommarito, International President of the United Rubber Workers, has said that it is the basic right of every worker and every union to be informed about the health hazards on the job. Workers have the right to a full explanation of the job hazards they face and means they can use to minimize those hazards, and this warning should be issued at the time of hire. That way, a worker has the chance to reject hazardous employment before jeopardizing his health or that of his family, and before becoming economically dependent on the job. Those employed in hazardous work have the right to at least be warned from time to time about job hazards and means available for their control. These warnings should be expressed in language the workers can understand.

Governments in industrial nations as well as many developing nations find it necessary to require more than just employee notification, where hazardous substances are handled. New plants may be held to higher standards than existing plants since process control is cheaper and more efficient in the design of a new plant than in the retrofit of an existing plant.

There is also increasing emphasis on environmental appraisal before permits are granted for plants to be built. The host country may be quite committed to a new industrial project, financially and politically, by the time a plant is constructed. Once a plant has opened and families depend on it for their livelihood, once the workers have already incurred considerable risk of cancer or other serious diseases from working under hazardous conditions—at this stage, there may be little that can be done for those people.

Clearly, all nations need to develop expertise in toxic substances control, so that they are prepared to protect their people from the time that new industrial projects are planned, as well as later, in the course of their operation. Unfortunately, few nations have so far set up regulatory agencies with sufficient resources, expertise, and authority to provide much protection to workers and communities from the dangers of operating plants. This underlines the need for careful analysis prior to construction of new plants. Requiring good process control in the design of a plant is crucial to assure that it can and will be safely operated.

There is urgent need for ongoing and competent appraisal of the worldwide movements of hazardous industries. This hazard export information service would have to be run by a respected international organization. Its goals would be:

1. to disseminate current knowledge about health risks and their control to industrial workers everywhere, directly and through governments and unions;
2. to assist interested governments and affected individuals in appraising industrial project plans and setting standards;
3. to gather and distribute knowledge about the movements of hazardous industries around the world; and
4. to keep track of other aspects of hazard export, primarily the movements of banned foods, drugs, consumer products and pesticides to other nations from the nation where they were banned.

Further details on how this hazard export information service would operate are contained in the Appendix.

Trade unionists have taken stock of the high toll of occupational disease and accidents, and the prevailing view now is that the abatement of job hazards is preferable to "hazard pay." The International Metalworkers' Federation has attached top priority to seeking, through both laws and collective bargaining, to ensure that workers are guaranteed the right to refuse hazardous work without reprisal. The trade unions have called for regulations to protect workers' health to the same degree everywhere, "[in order to prevent employers] from gaining competitive advantages at the cost of workers' lives."

The moral and medical arguments for worldwide standards to protect humans from toxic substances are persuasive, but they pale before the bleak alternatives to hazardous work in much of the world today. The establishment of international standards is a lofty goal, but it will not be within reach until a serious, widespread effort is made to turn away from historic dependence on discredited technologies. The growing awareness of the need for clean, simple technologies, appropriate for local needs and capabilities, offers hope that models for development will arise that discriminate against polluting, hazardous industries to the extent possible.

Dr. R. A. M. Case of England, noting that his country was importing benzidine as a result of domestic plant closings in 1965, said:

"Now I think that most humane men will agree that it is obviously improper to expect men in other countries to face a risk which a firm considers unacceptable in its own factories; but, on the other hand, if the substances concerned are really vital to human well-being, then the solution might be to have one extremely well-designed plant which could serve the world demand, and so reduce the risk to an absolute minimum."

Benzidine dye manufacture, which is widely banned and of no military importance, would be a good candidate for the implementation of a multilateral agreement as outlined by Dr. Case.

The fundamental objection to the idea of controlling hazard export is the claim that very poor people are better off with hazardous factories and goods than they would be without these things. It is of utmost importance to respect the right of people and their governments to choose what is best for them, and to recognize that in some cases they would accept recognized mortal risks with full knowledge, and with full justification. It would seem to follow that all that needs to be done to justify hazard export is to assure from the outset that all parties involved are told and are able to understand what is at stake. Once this is done, it follows that hazard export becomes a legitimate way of distributing the world's hazards and resources to places where they are "needed."

[8] A chlor-alkali plant manufactures chlorine and sodium hydroxide from salt as the starting material. Sodium hydroxide is also called alkali, lye, and caustic soda.

This line of reasoning rests on the assumptions that the recipients of hazard export would be fully informed, and that they would be able to fully understand the nature of the hazards—these are both highly questionable, as a practical matter, at least in today's world. But there are other disturbing questions raised by the notion that hazard export with informed consent is a legitimate way to do business. For example, what's at stake may be the destruction of the environment's capacity to continue to bring forth food that is not poisoned, and a starving man might accept a polluting factory even at great peril to future generations of man and other living things. He could hardly be blamed for that, but can the same be said for those who wish to profit from his misery to the extent that they will offer him no better a bargain for putting food in his mouth? And might the hazard exporters offer the poor man more if the course of hazard export was barred?

The long term prospects for following this line of reasoning are ominous. Industrial nations are increasingly confronted with discoveries that existing technologies are far more hazardous to workers and the environment than was ever imagined. If industry is to be expected to develop innovative solutions to these problems, if banks are to be expected to finance a new generation of technologies, something will have to be done to make exporting the hazards of current technology less attractive. Worldwide, the pollution and worker health hazard problems posed by asbestos, benzidine, mercury, and the like are largely determined by price. As long as hazardous processes can operate without the expense of controls, their products will be cheap to manufacture and will remain competitive with other products made by safer processes. Demand for the hazardously-manufactured product will remain high, rather than declining in favor of safer alternatives. The resulting pollution and worker disease will be concentrated in the hazard-importing countries, it will not be evenly distributed around the world.

We are at a crossroads. At this time, some manufacturers are trying to hold on to established markets and develop improved technologies. Other manufacturers have gotten out of certain hazardous businesses, because they cannot compete with plants using hazardous technologies in non-regulating countries. Still others have essentially gone into the hazard export business, recognizing that there is money to be made by exploiting the disparity in pollution and worker health regulations around the world. Meanwhile, developing nations are seeking ways to utilize their resources and choose technologies that will provide their people with needed goods, employment, education, and a healthful environment. The class of problems called hazard export constitutes a growing threat to the world environment, health, and international relations.

The United States is in a good position to provide conditions for the development of safe, clean technologies. The U.S. can improve its import-export and securities record-keeping so that hazard export components of its economy can be monitored. The U.S. can see to it that its direct foreign assistance programs do not export workplace and environmental hazards to other nations. The U.S. can, through its representatives, insist that thorough environmental assessments be made by international organizations that finance development projects with U.S. aid.[9] The U.S. can provide sanctions to make the hazard export business less attractive to the directors of U.S.-based firms. The U.S. can also play a leading role in setting up a world information service on hazard export, and in seeking international solutions such as the one suggested 12 years ago by Dr. Case.

U.S. Secretary of Labor Ray Marshall has recently proposed that nations' relative workplace health and safety standards be used as a factor in negotiating international trade agreements. However, it would take much more information than anyone has today to develop the terms for trade agreements.●

[9] Development financing institutions have a long way to go, when it comes to giving competent evaluations of environmental impact. See *Multilateral Aid and the Environment/A Study of the Environmental Procedures and Practices of Nine Development Financing Agencies*, International Institute for Environment and Development, Washington, D.C., 1977.

FOREIGN OWNERSHIP OF AMERICAN FARMLAND—AGRICULTURAL LAND: OUR NATION'S MOST VALUABLE RESOURCE

HON. JOHN KREBS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. KREBS. Mr. Speaker, more than ever, present decisions regarding land ownership have the capacity to shape our society and determine our Nation's productive capacity for generations to come. Daniel Webster once said, "Let us never forget that the cultivation of the Earth is the most important labor of man." It is in this spirit that we today discuss the future care of our Nation's most valuable resource, agricultural land.

The control of this resource has been at the heart of the world's great revolutions, and in this country, has led to tremendous controversy throughout our history, from the land rushes of the 18th century to the current debate over reclamation law. Most likely, land controversies will only intensify as the true value of farmland is realized and as our Nation increases its reliance on the agricultural system to supply essential commodities for domestic consumption and international trade.

There are 12,000 acres in Illinois, 10,000 acres in Texas, 23,000 acres in Wyoming, and 5,500 acres in California * * * these are but a few of the much-publicized sales of farmland to foreign interests that have filled our newspaper recently and heralded new controversy over agricultural land. While hard data is difficult to obtain, some real estate sales people in California now estimate that 40 percent or more of their sales are being made to foreigners. In the San Joaquin Valley's delta region, over 17,000 acres of farmland have been purchased by foreign buyers since June 1976. These include purchases of 5,500 acres for $6.8 million by French interests and 5,000 acres for $12 million by Italian investors. In the latter case, the purchase price was around $2,400 per acre, generally considered to be some $600 and $800 above the market price. This works out to a 25- to 50-percent increase over current market rates. Surely, such sales prices have contributed to the 13 percent overall increase in the price of California farmland which occurred during the past year.

Are these isolated cases of foreign investment in our Nation's 340 million acres of farmland? Or, do they represent only the most visible signals of a significant shift now occurring in the control of a vital resource? As those most familiar with the issue will probably admit, there is no definitive answer to these questions.

IMPACT OF FOREIGN INVESTMENT ON AGRICULTURE

Even more perplexing, however, is the possible impact such investment may have on American agriculture. Some argue that foreign investment is beneficial since it provides new sources of capital for the expansion of farm operations, helps reduce the U.S. balance of payments problem, and allows for the creation of a true world economic order.

Others contend such investment poses several serious problems for farmers and rural communities. The question of increasing land prices immediately comes to mind. On one hand, agricultural land is a limited resource, with only 3 percent of the total coming onto the market every year. At the same time, foreign buyers, often assisted by tax breaks and attracted by relatively high rates of return on a secure investment, are willing to pay prices above market rates. The result? Inflated land prices that fuel the existing trend of ever increasing farmland values.

In turn, these prices force sharply higher property taxes and reduce the ability of young farmers to purchase farmland and existing family farm operations to expand. These factors are bound to disrupt the traditional owner-operator relationship which has been such an integral part of our family farms. As land prices escalate, farm ownership will be replaced by leasing. This will increase the danger of abstentee landownership and contribute to even more concentrated farm operations in the hands of the few.

There are additional dangers as foreign ownership increases. The fiber of rural communities will necessarily suffer as rents from land ownership leave this country. Also, foreign investors would most likely have little incentive to participate in land conservation programs, so essential to the long-term productivity of our soils.

Finally, there is a real danger that concentrated investment could permit foreign interests to have a controlling voice in the production and marketing of specialized crops with a small geographical growing range and limited production, such as raisins, walnuts, olives, and almonds. One study, conducted by USDA agricultural economist Charles V. Moore, indicated that a foreign investment fund of only $100 million could buy 41 percent of all California farmland sold in 1 year. Thus, the implications for certain commodities are indeed ominous.

Certainly, these arguments raise serious and complex questions that require sophisticated analysis. However, our ability to proceed with such an analysis is based upon one key input: reliable data on the ownership of farmland by foreign interests.

INFORMATION GAP

As the title of the June 12, 1978, General Accounting Office report indicates, foreign ownership of U.S. farmland—much concern, little data, there is a sig-

nificant lack of information concerning foreign investment in American agricultural land. Unfortunately, every existing source of information on foreign ownership provides data that is either unreliable, inadequate, or untimely.

Supposedly, the most useful data may be found in county land records. An investigation of these records in numerous States has indicated that this information source is misleading, difficult to interpret, inaccessible, and noncomprehensive. First, even though nearly all land purchasers presently have their property transfers recorded, the laws of most States do not require them to do so. Second, since county land records do not require purchasers to reveal their citizenship, such information is generally not included in the records. Third, sales prices are usually not recorded on the property deeds, thereby making it difficult to determine property values. Fourth, the documents generally do not show the names, addresses, or residences of stockholders or beneficiaries, information which is essential in determining foreign ownerhip. Worse still, the local land records can even be misleading as to the actual owner of the land. For example, in the case of a corporation that has been taken over by another entity, the original name would remain since those maintaining the county records would have no reason or means to identify and record such changes unless specific notification were given.

Even if the information supplied by county land records were reliable, it would still be quite inaccessible, being locked up in each county courthouse throughout the Nation. Furthermore, the GAO has commented that if it were not for the tips received from other sources, it would have been nearly impossible to identify foreign sales in the nearly overwhelming mass of county records. For all these reasons, the GAO concluded that checking the county records to determine foreign ownership "was not a feasible or productive approach".

Other sources of information, such as tax assessors, Agricultural Stabilization and Conservation Service, Federal land banks, private agencies, and corporate reports all possessed information on foreign ownership that was deficient and undependable. There are a few States which do have reporting requirements providing data on foreign interests, but various definitions of foreign ownership are used and, as the GAO reported, "there is little or no assurance that the data is complete and reliable."

At the Federal level, the Agricultural Census conducted every 5 years does not seem suitable as a timely reporting instrument since results take several years to be tabulated and many farmers simply refuse to supply requested information. Finally, there are several foreign investment surveys being conducted by both the Department of Agriculture and Commerce Department. However, the USDA admits that its sampling is quite limited and the Commerce Department has not been willing to isolate agricultural land for special study or specifically analyze the impact of foreign investment on farmland.

It is, therefore, quite understandable that following its investigation of existing reporting systems, the GAO concluded that:

There is virtually unanimous agreement among persons at all levels of government and in the private sector that, currently, there is no reliable data on the amount of U.S. farmland owned by nonresident aliens or on recent trends of such ownership.

NECESSITY OF A NEW APPROACH: NATIONAL REGISTRATION

Clearly, there is a need for a comprehensive, reliable inexpensive reporting system if we are to fully understand the degree of foreign investment in agricultural land. Consequently, Representatives NOLAN, GRASSLEY, and myself have sponsored a bill which will meet these goals. H.R. 13128 and H.R. 13132 (identical bills) establish a nationwide registration system for foreign owners of U.S. agricultural land. I was pleased to note that the GAO has recently completed an investigation of alternative reporting systems and has concluded that such a system would be "the most feasible and simplest approach" in obtaining much-needed data on foreign investment in agricultural land.

Essentially, the bill would require that all nonresident aliens, or "foreign persons", who hold, acquire or transfer interests in American farmland to file a report with the Secretary of Agriculture within 90 days of purchase, sale, or transfer. "Foreign persons" would include foreign individuals, governments, and corporations, as well as American corporations which are "substantially controlled" by foreign interests. Also, any foreign investor holding an interest in agricultural land on the day before the date of enactment of the legislation would have 6 months to submit a report to the Secretary of Agriculture. Consequently, we will have data on all foreign land ownership, from the date this legislation is enacted and into the future.

Rather than requiring annual land ownership reports, the legislation reduces redtape by requiring that a report only be submitted if ownership of the land is transferred. The filed document would include the legal name, citizenship, and address of the landholder, the nature of the interest held, the location and price paid for the land, and any other information the Secretary of Agriculture determines necessary. In addition, the legislation empowers the Secretary of Agriculture to go beyond the veil of corporate control to seek detailed information on the actual ownership by foreign interests.

Failure of foreign interests to report land ownership would result in stiff penalties of up to 25 percent of the fair market value of the interest held in the property. These percentage penalties would provide strong incentives for both small and large foreign landholders to register.

Finally, the legislation requires the Secretary of Agriculture to submit annual reports to the Congress which would provide data on land ownership by foreigners as well as an analysis of the impact of such ownership on our Nation's farms and rural communities. In addition, an interim report will be required 9 months after enactment of the legislation, thereby providing an immediate picture of foreign control of agricultural land.

I believe this bill will establish a low-cost, comprehensive system of reporting that will not require an expensive Federal bureaucracy to administer. No burden will be placed on local governments and the Secretary of Agriculture will be given discretion to make decisions in several significant areas. Furthermore, the system is flexible enough to be coordinated with results obtained from the USDA feasibility study of alternative methods for collecting nationwide data on land ownership, as well as the Commerce Department's current survey of foreign investment.

In conclusion, I believe this legislation will provide the hard data needed to make the difficult policy decisions regarding the future of our agricultural land.

Mr. Speaker, I include at this point in the RECORD the legislation to which I have just referred:

H.R. 13356 AND H.R. 13357

A bill, to require foreign persons who acquire, transfer, or hold interests in agricultural land to report such transactions and holdings to the Secretary of Agriculture and to direct the Secretary to analyze information contained in such reports and determine the effects such transactions and holdings have, particularly on family farms and rural communities, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Agricultural Foreign Investment Disclosure Act of 1978".

REPORTING REQUIREMENTS

SEC. 2. (a) Any foreign person who acquires or transfers any interest, other than a security interest, in agricultural land shall submit a report to the Secretary of Agriculture not later than 90 days after the date of such acquisition or transfer. Such report shall be submitted in such form and in accordance with such procedures as the Secretary may require and shall contain—

(1) the legal name and the address of such foreign person;

(2) in any case in which such foreign person is an individual, the citizenship of such foreign person;

(3) in any case in which such foreign person is not an individual or a government, the country in which such foreign person is created or organized and the principal place of business of such foreign person;

(4) the type of interest in agricultural land which such foreign person acquired or transferred;

(5) a legal description of such agricultural land;

(6) the purchase price paid for, or any other consideration given for, such interest;

(7) in any case in which such foreign person transfers such interest, the legal name and the address of the person to whom such interest is transferred and—

(A) in any case in which such transferee is an individual, the citizenship of such transferee; and

(B) in any case in which such transferee is not an individual or a government, the country in which such transferee is created or organized and the principal place of business of such transferee; and

(8) such other information as the Secretary may require by regulation.

(b) Any foreign person who holds any interest, other than a security interest, in agricultural land on the day before the date of the enactment of this Act shall submit a report to the Secretary not later than 180 days after the date of the enactment of this Act. Such report shall be submitted in such form and in accordance with such procedures as the Secretary may require and shall contain—

(1) the legal name and the address of such foreign person;

(2) in any case in which such foreign person is an individual, the citizenship of such foreign person;

(3) in any case in which such foreign person is not an individual or a government, the country in which such foreign person is created or organized and the principal place of business of such foreign person;

(4) the type of interest in agricultural land which is held by such foreign person;

(5) a legal description of such agricultural land;

(6) the purchase price paid for, or any other consideration given for, such interest; and

(7) such other information as the Secretary may require by regulation.

(c) (1) With respect to any foreign person, other than an individual or a government, who is required to submit a report by subsection (a) or (b), the Secretary may, in addition, require such foreign person to submit a report to the Secretary containing—

(A) the legal name and the address of each person who holds any interest in such foreign person;

(B) in any case in which the holder of such interest is an individual, the citizenship of such holder; and

(C) in any case in which the holder of such interest is not an individual or a government, the country in which such holder is created or organized and the principal place of business of such holder.

(2) With respect to any person whose legal name is contained in any report submitted under paragraph (1), the Secretary may take such actions as the Secretary considers necessary to determine—

(A) the legal name and the address of any person who holds any interest in any person whose legal name is contained in such report;

(B) in any case in which the holder of such interest is an individual, the citizenship of such holder; and

(C) in any case in which the holder of such interest is not an individual or a government, the country in which such holder is created or organized and the principal place of business of such holder.

(3) (A) The Secretary shall not require any foreign person to submit any information in any report under paragraph (1) if the submission of such information is prohibited by the laws of the country involved.

(B) The Secretary shall not take any action under paragraph (2) if such action is prohibited by the laws of the country involved.

CIVIL PENALTY

SEC. 3. (a) Whoever violates any provision of section 2(a), 2(b), or 2(c)(1) of this Act shall be subject to a civil penalty imposed by the Secretary. The amount of any such civil penalty shall be determined in accordance with the provisions of subsection (b) of this section. Any such civil penalty shall be recoverable in a civil action brought by the Attorney General of the United States in an appropriate district court of the United States.

(b) With respect to any person who violates any provision of section 2(a), 2(b), or 2(c)(1), any civil penalty imposed by the Secretary shall not exceed 25 percent of the fair market value, on the date of the assessment of such penalty, of the interest in agricultural land with respect to which such violation occurred.

REPORTS

SEC. 4. (a) In accordance with the schedule set forth in subsection (b), the Secretary shall—

(1) with respect to each period set forth in such subsection, analyze information obtained by the Secretary under section 2 and determine the effects of foreign persons' acquiring, transferring, and holding agricultural land, particularly the effects of such acquisitions, transfers, and holdings on family farms and rural communities; and

(2) transmit to the President and each House of the Congress a report on the Secretary's findings and conclusions regarding each analysis and determination made under paragraph (1).

(b) An analysis and determination shall be made, and a report on the Secretary's findings and conclusions regarding such analysis and determination transmitted, pursuant to subsection (a)—

(1) with respect to information obtained by the Secretary under section 2 during the 6-month period following the date of the enactment of this Act, within 9 months after such date of enactment;

(2) with respect to information obtained by the Secretary under section 2 during the 12-month period following the date of the enactment of this Act, within 15 months after such date of enactment; and

(3) with respect to each calendar year following the 12-month period referred to in paragraph (2), within 90 days after the end of such calendar year.

DEFINITIONS

SEC. 5. For purposes of this Act—

(1) the term "agricultural land" means any land used for agricultural purposes as determined by the Secretary under regulations to be prescribed by the Secretary;

(2) the term "foreign country" means any country other than the United States;

(3) the term "foreign person" means—

(A) any individual who is not a citizen of the United States and who has not been lawfully admitted for permanent residence under the Immigration and Nationality Act;

(B) any person, other than an individual or a government, which is created or organized under the laws of a foreign country or which has its principal place of business in a foreign country;

(C) any person, other than an individual or a government, which is created or organized under the laws of a State of the United States, the District of Columbia, or a territory, possession, or commonwealth of the United States and which, as determined by the Secretary under regulations to be prescribed by the Secretary, is substantially controlled by any individual referred to in subparagraph (A), any person referred to in subparagraph (B), any government of a foreign country, or any combination of such individuals, persons, or governments; and

(D) any government of a foreign country;

(4) the term "person" includes any individual, corporation, company, association, firm, partnership, society, joint stock company, trust, estate, or any other similar organization;

(5) the term "Secretary" means the Secretary of Agriculture; and

(6) the term "United States" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Marianas, Guam, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.●

FOREIGN INVESTMENT IN U.S. FARMLAND

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. GRASSLEY. Mr. Speaker, on Wednesday, June 14, two of my colleagues and I—the gentleman from California (Mr. KREBS) and the gentleman from Minnesota (Mr. NOLAN), chairman of the Family Farms, Rural Development and Special Studies Subcommittee on which I serve as ranking minority member, introduced legislation to require reporting of foreign ownership, acquisition, or transfer of U.S. agricultural land.

These two bills, H.R. 13128 and H.R. 13132, would make it necessary for foreign individuals, partnerships, corporations, trusts, or other groups who own, acquire, or transfer U.S. farmland or an interest in such farmland, to report their holdings and transactions to the Secretary of Agriculture.

The Secretary would, in turn, analyze this information to determine the effects of such holdings, acquisitions, and transfers, especially on family farms and rural communities, and report his findings to the President and the Congress.

We hope that this kind of reporting requirement will give us the information we presently lack on the extent of current foreign ownership of farmland and the rate at which our farms are going into the hands of foreign buyers.

Although a number of States have imposed various types of restrictions and reporting requirements on foreign ownership and purchase of farmland, and others are in the process of considering legislation, our biggest handicap right now in dealing with this whole issue is that there are no solid statistics on a nationwide basis to give us a good picture of what is actually happening across the country.

This lack of information—both as to the scope and the impact of foreign ownership—was underscored by witnesses at our Family Farms Subcommittee hearing on this subject on Tuesday, June 20. Many questions were raised for which few answers are available.

Today, I am pleased to join in the reintroduction of H.R. 13128 and H.R. 13132 with cosponsors. On Wednesday, July 19, our Family Farms Subcommittee will hold another hearing on this issue. This time we will narrow our focus to the relative merits of H.R. 13128, H.R. 13132, and other legislation dealing with foreign investment in U.S. farmland. We hope to determine from this hearing just what legislative approach is most feasible and appropriate under the present circumstances.

We need to know what is happening before we can deal intelligently with it, and that is the basic purpose of the legislation we have introduced. We are hopeful that enactment of legislation of this type will put the whole issue of foreign

investment in U.S. farmland into better perspective.●

CIVIC LEADERSHIP AWARD TO WILLIAM MATTHEWS

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. FORD of Tennessee. Mr. Speaker, on June 12, 1978, I had the privilege of presenting the first annual Memphis Business, Labor, and Civic Leadership Award to Mr. William Matthews, chairman of the board of the Union Planters National Bank. This award, which I initiated on behalf of better business, will be presented annually to an outstanding member of the community who has exhibited unusual leadership qualities and abilities in the furtherance of civic efforts.

I was particularly pleased to present this precursor award to Mr. Matthews in light of significant contributions he has made to the city of Memphis during the past year, primarily in his work in downtown redevelopment. As you may know, Memphis has recently poured its energies into this downtown project—renovating old, wornout buildings, encouraging businesses, and culminating with the $7 million Mid-America Mall, the longest of its kind in the United States. As an active member of the Memphis Development Foundation, Mr. Matthews has been instrumental in getting financial support from Union Planters for downtown restoration. Because of his interest, Memphis has successfully restored its oldest existing theater, now the Orpheum Theater, which, once again, renders a broad range of entertainment (arts and music) in an effort to encourage people to come back downtown. With congressional interest currently turned toward urban redevelopment, as evidenced in the Housing and Community Development Act amendments (H.R. 12433), it is important that we express our appreciation to business leaders such as Mr. Matthews, who not only encourage urban growth, but plan the development process and stand behind important decisions.

As a member of the Citizens Energy Study Committee, Mr. Matthews has led Union Planters in an awareness campaign to inform and educate the Memphis community on individual means of energy conservation. Via television, radio and newspaper advertisements, they have dispersed tips throughout the community on how individuals can help to save energy. Also, through the awareness campaign, a $1,000-a-week drawing has been initiated, the winner of which must use the money to purchase energy-saving devices, that is, storm windows.

Mr. Matthews is to be commended for work he has done in addressing the prevailing problem of discrimination. Under his leadership, Union Planters has placed priority on affirmative action in its hiring policies to insure equal pay, equal working conditions, and unbiased hiring policies.

Mr. Matthews is to be commended for his interest in national, as well as community problems. He has expressed consternation with the country's deficit trade problem and has plans for Memphis' future as the hub of international trade.

Mr. Speaker, I am sure you agree that any community would profit by a citizen such as Mr. William Matthews. I am glad that you were present to see the first annual presentation of this award to such a fine individual.●

NUCLEAR FUEL REPROCESSING—WHY NOBODY IS FOLLOWING THE LEADER

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. GOLDWATER. Mr. Speaker, earlier this month our distinguished colleague from Illinois, Representative JOHN B. ANDERSON, wrote to President Carter to express his concern over the administration's policy on nuclear fuel reprocessing. JOHN ANDERSON is uniquely qualified to comment on the successes or failure of our policy in this area and the President should heed his advice. He points out that the present hard-line policy by the administration against reprocessing has accelerated the spread of national reprocessing plants, rather than slowed it down as intended. In the process, we have increased the risk of nuclear proliferation rather than reduced it. Other nations are clearly not following our misguided lead.

Mr. Speaker, I have been calling attention to the failure of this nonpolicy for over a year now. Fortunately, congressional leaders in the House and Senate have recently become more aware that we must carry out domestic reprocessing activities if we are to influence international decisions or nuclear safeguards and waste management. In addition, it is becoming more evident that reprocessing represents an important energy resource, one which our Nation can ill afford to ignore. For example:

The spent fuel discharged by each nuclear reactor per year, if reprocessed, would provide an additional energy content equivalent to approximately 6-million barrels of oil.

One reprocessing plant, which can handle the needs of 50 nuclear reactors, can provide the equivalent of about 300 million barrels of oil each year in the form of fresh nuclear fuel.

The energy content in all U.S. spent fuel through the year 2000 will be equivalent to 19-billion barrels of oil. The free world's spent fuel over the same period will be equivalent to 97-billion barrels, or six times the free world's oil production in 1975.

It is inconceivable to me, as I believe it is to Representative ANDERSON, that the United States can ignore this domestic energy resource, which is worth hundreds of billions of dollars. Yet that is exactly what our present policy entails. This policy is all the more ironic when one considers that the United States has a largely completed reprocessing plant sitting idle in South Carolina, but which is not permitted to operate because it conflicts with the "moral" code on energy followed by this administration. I, for one, fail to see the morality, let alone the commonsense, in letting this vast energy resource go to waste.

For this reason, I am in complete sympathy with the arguments presented in JOHN ANDERSON's letter to the President, and commend this letter to my colleagues. The text of the letter follows:

JUNE 16, 1978.

Hon. JIMMY CARTER,
President of the United States,
The White House, Washington, D.C.

DEAR MR. PRESIDENT: I am writing to convey my concern over the Administration's policy on nuclear fuel reprocessing and its implications overseas.

The purpose for your April 7, 1977, statement of deferral was, as I understand it, to get other nuclear nations to pause in their programs while the International Nuclear Fuel Cycle Evaluation (INFCE) proceeded and certain institutional safeguard mechanisms were put into place. As you are well aware, this pause from our foreign friends has not been forthcoming. Rather, we are seeing an accelerated movement to gain reprocessing technology, capacity, and services in a number of countries.

I believe the reason for this accelerated movement is obvious. Although the current stated U.S. position is one of indefinite deferral. Administration spokesmen are interpreting this policy to mean that reprocessing should be abolished. Domestically, much to my alarm, your policy is having a serious impact. For instance, the owners of the Barnwell plant have publicly stated they see no prospect for commercial operation. Also, other potential entries into the commercial reprocessing field have withdrawn. This development poses a serious barrier to effective involvement of the U.S. in the INFCE since Barnwell is the only facility in the world which could be effectively utilized by the INFCE or any international body to test and prove proliferation-resistant fuel cycle technologies on a commercial scale.

Because of this inflexible, hard-line position, foreign nations have lost faith that they will ever get any reprocessing services from us or any serious commitment to implementing positions agreed to by the INFCE. This attitude could be changed if it were made clear by the Administration that we have not completely ruled out reprocessing at some future date, probably under multigovernment auspices or under conditions designed to implement the results of the INFCE. Such a statement of clarification should also reflect a more open attitude toward the possibility of using Barnwell in some mode, at some future date.

I firmly believe that the more open policy just described would cause foreign nations to observe your pause and work with us rather than against us. Such a pause overseas might also cause recent commitments to be reevaluated in light of the clarification of U.S. policy as one of flexibility rather than rigidity and rejection of reprocessing forever.

I would be pleased to discuss these matters with you and other senior Administration officials if you determine that is desirable.

Very truly yours,

JOHN B. ANDERSON,
Member of Congress.●

H.R. 11986—A BILL TO CHANGE TAXES ON AIR TRAVEL TO PROVIDE PORTIONS OF SUCH TAXES FOR THE RETROFIT OR REPLACEMENT OF NOISY AIRCRAFT

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. GEPHARDT. Mr. Speaker, fast approaching consideration by the full House is H.R. 11986, the Noisy Aircraft Revenue and Credit Act of 1978. If passed, it will divert more than $3 billion over 5 years from the Airport and Airways Trust Fund to private airlines to assist them in meeting Government-imposed noise regulations. I am addressing you today because I feel this bill has not caught the attention and concern of enough Members. It is a bad bill. It is unwise and dangerous legislation which, if passed, would constitute bad tax policy and reflect poorly upon the House.

Here are four reasons why I oppose this bill:

First. If enacted, the bill would set a bad precedent which could potentially haunt us in years to come. This would be the first instance where the Federal Government would impose regulations on an industry for environmental reasons, then levy a tax on industry-users for the purpose of helping the industry itself comply with the regulations. Specifically, the taxes collected in this bill are passed through to the private airline for the retrofit of engines, new engines, or entirely new airplanes as they see fit—an arrangement few airlines will turn down. And there is no reason to believe that this disturbing precedent may not be applied to other industries as well. For instance, General Motors could argue that part of the Highway Trust Fund should be passed through to them to be used as they see fit to comply with Government-imposed auto emission regulations. The purpose for establishing the Airport and Airway Trust Fund or the Highway Trust Fund or other similar trust funds was to raise revenues to be spent by Government entities for publicly owned and operated facilities, not for private use. Truly, this bill would set a dangerous precedent.

Second. The bill is impractical and even arbitrary in its actual benefit to the aviation industry. The tax mechanism allocates funds without regard to the actual number of noisy aircraft which must be modified or replaced in order to meet the FAA regulations; there is no formula to distribute dollars to equitably meet the needs. To the contrary, under title III, each airline is entitled to spend no more than the total amount of tax revenues it has generated. Hence, moneys would be allocated on the basis of an airlines share of the market—its popularity—and not its contribution to the noise problem. Impracticality is compounded when one considers that the oldest and noisest planes are owned in disproportionately high numbers by American, TWA, and United. Their planes constitute 40 percent of the U.S. fleet, and 68 percent of the noisiest aircraft; yet, title III would raise for them only 40 percent of the fund. It fails to recognize that some airlines are more unsuccessfully meeting noise standards than others. The bill is impractical.

Third. Inflation must be a consideration in this bill and clearly, this measure is inflationary. It requires a 2-percent tax on airline tickets. Without this program there is every reason to believe that this tax would disappear and the cost of air travel would drop by a like amount. This would be beneficial both to the traveler, who would be paying less, and to the airlines, which would probably find once again that lower fares result in higher load factors and ultimately, greater profits. This bill is inflationary.

Fourth. The public is demanding accountability in our actions—requiring us to investigate the real necessity of any Federal action. On that premise, it is difficult to agree with the argument that there is a clear need in the airline industry for this legislation. First, when the FAA imposed the new antinoise regulations in 1976, the FAA made a specific finding that the new regulations were economically feasible. Obviously, airlines do not share that opinion but it today remains the official position of the Federal Government. There is substantial factual support for such an opinion when one reflects on the fact that airline industry sources say that better than $2½ billion of the money provided would be used to replace aging 707's and DC–8's which are already, on average, more than 11 years old, and will be 18 years old by the time the noise regulations are fully effective in 1985. It is hard to believe that any airline which intends to remain in business in 1985 would not already be planning to replace 18-year-old equipment by that time for other good reasons. It is even harder to believe that we would pass a bill to allow the airlines the use of this money not only for quieter engines, but also for the remaining components of their planes. I remain unconvinced that our prospering airlines cannot comply with these Federal regulations without the Federal Government footing much of the bill. This bill is unnecessary.

Aircraft noise is a serious problem and the noise regulations are needed. Airports do need assistance to help them create a quieter environment for the people who live and work around them. But H.R. 11986 is a bad bill. It sets a bad precedent; it is impractical in its nature; it is inflationary; and it is unnecessary. Please join me in opposing the Noisy Aircraft Revenue and Credit Act of 1978.●

TEACHING FREE ENTERPRISE

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. ABDNOR. Mr. Speaker, each year the South Dakota Stockgrowers Association sponsors an economics essay contest for youth between the ages of 14 and 18.

The 1978 first place winner is Dayton S. Sloat of Highmore, S. Dak., and policymakers would do well to heed his excellent thoughts:

The essay follows:

WHY THE FREE ENTERPRISE SYSTEM SHOULD BE TAUGHT IN SCHOOL

(By Dayton S. Sloat)

Throughout the history of the United States, the basis for its economy has been the free enterprise system. This system employs the practical application of the belief that each person knows what is best for himself or herself, and that the freedom to practice this knowledge produces the best economic system for everyone. In such a system people must decide for themselves how they will earn and spend their money. They also possess the freedom to raise themselves above their original financial status.

The founding fathers of our nation recognized the importance of the concept of a free economy from its use in England and the colonies. They incorporated this system into the cornerstone of the new nation's economy. Although not a pure free enterprise system, the United State's system of economy and government gave more freedoms and liberties than any system before. Our nation's history is full of examples of great men who used the freedom given them in the constitution to start and operate businesses and gain great wealth. Because of such examples, our land was given the nickname, "The Land of Opportunity."

As more and more people were attracted to the United States, the nation grew, both in size and population. The original thirteen colonies began to grow into a continent spanning the nation. The driving force behind the great western expansion was the opportunity and possibility of getting rich in the new lands to the west. The nation's free enterprise system survived the Gold Rush, the Civil War, and eventually the depression. When poor investments and unwise economic practices produced the great stock market crash of 1929, the Federal Government had to step in with gigantic public works projects and massive stimulations.

The economy fully recovered only after the outbreak of World War II, but the free enterprise system never again regained as large a degree of independence from governmental control as it had before the depression. Nonetheless, it has survived and proved to be a durable and practical servant for the United States throughout the years.

America's free enterprise system affects each and every one of her citizens every day of their lives. Everyone who buys food, clothing, and manufactured goods, is participating in the principles of the free enterprise system. Every worker and employer is operating under its influences. It affects our career choices, our working conditions and our costs of living. As workers, Americans use the system to get demands for better working conditions, better pay and fairer markets for their products. Organized labor, if truly reflecting the needs and the desires of the working men it represents, is a valuable tool for protecting and preserving the freedom of choice needed in the free enterprise system.

Currently, two major and historic work forces are striking for better economic treatment. This proves that the principles behind free enterprise are alive and well today. Principles, being what they may, the economy of the system isn't as healthy and vibrant right now as it could be. Inflation, though not as rampant as it once was, is still on the rise at an almost constant rate. The stock market has steadily been dropping in prices and interest rates have recently jumped. Perhaps the most alarming indicator however, is the American dollar's swift and distressing devaluation in comparison to foreign currencies. This devaluation comes at a time when the world economy can ill afford it.

Fortunately, indications are not completely bad. The economy is growing, however sluggishly, employment rates are up, unemployment down, and the first steps to bolster the sagging dollar have been taken. The new governmental budget includes plans for correcting the trade deficit which is almost directly responsible for the dollar's devaluation. New tax cuts are in the works, and stimulations for American businesses are planned.

In spite of its good aspects, this budget also takes a larger portion of each American's paychecks. This record-setting budget is also running up a record-breaking deficit. Paramount in contributing to this huge American debt are Social Security payments, unemployment benefits and aid to businesses in the form of subsidies. In the ideal capitalistic system, the average working man wouldn't be footing the bill for people on welfare, but we must achieve the delicate balance between the general welfare of all the citizens of the United States, and the free enterprise system.

Achieving this balance, and thus preserving the free enterprise system so essential to our society would be made much easier if the free enterprise system were taught in our public schools. In addition, education of the free enterprise system would accomplish many other benefits. It would increase our understanding of our country. Because of the inherent role this system played in the formation of our country and society, it is imperative to possess an understanding of it, to begin to understand our nation and its history. The formative role of the free enterprise system continues today and is evident in today's society.

Thus, an understanding of the system and its role in our lives as consumers, workers, employers, and providers is necessary to prepare today's youth for their later adult lives.

It could give students the knowledge that they will need to cope with all intricate aspects of our economic system of supply and demand and of their future roles to play in the system. Such an understanding could help young adults to make the right decisions so important to them early in life. Such choices as occupations and careers, investments and future security could be made with more confidence if students had an adequate understanding of the free enterprise system. Such a study will also help them with the all-too-vital decisions concerning governmental control over their wages and jobs, the control of overseas trade, the control of inflation, and other decisions affecting them and their nation. They must learn that, as consumers, they have a powerful voice, and they must be taught to use it constructively.

The basis for the free enterprise concept and the basis for our society is the voice of the public. When the people are given the freedom and the power to make their own decisions, as they are in America, it is foolish not to also teach them how to make these decisions wisely. They must be taught the wisdom of seeking employment and fulfillment rather than seeking welfare benefits and government handouts.

Given the wisdom of how to use and preserve the free enterprise system, the youth of today can make the world of tomorrow a brighter place. By teaching them the free enterprise system today, we can help them to find their place in that future.●

A TRIBUTE TO CENTELLA MAIESE

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1978

● Mr. FLORIO. Mr. Speaker, I would like to join the Winslow Township Southern New Jersey Democrat Club in honoring Centella Maiese for her dedication to her community. As wife of Winslow Township's Mayor Dominic Maiese, Centella has maintained an active profile through both the church and club, to the benefit of many others. Certainly, an outstanding woman such as this deserves recognition. As such, I would like to join her family and friends on June 30 in honoring her. May Centella continue to succeed in all her endeavors.●

THE NEED FOR INTERNATIONAL EMERGENCY FOOD RESERVES

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. GILMAN. Mr. Speaker, recently the House Committee on Agriculture and the House Committee on International Relations completed hearings on legislation to establish an international emergency food reserve.

Among those proposals considered by the committees was legislation I have introduced, H.R. 11439, which would amend the Agricultural Trade and Development Assistance Act of 1954, Public Law 480, by providing for a 6-million metric ton reserve stock which may be used when sufficient quantities of these commondities are not otherwise available to carry out Public Law 480 agreements.

Since it is anticipated that in the near future these committees will be recommending legislation establishing an emergency food reserve, I wish to share with my colleagues my thoughts and findings concerning the exigent need to pass legislation for the purpose of establishing and maintaining a Public Law 480 administered international emergency food reserve.

Accordingly, I request that my testimony of June 13, 1978, before the House Committee on Agriculture and the House Committee on International Relations be inserted at this point in the RECORD:

STATEMENT BY REP. BENJAMIN A. GILMAN, 26TH DISTRICT N.Y.

Mr. Chairman, I welcome this opportunity to appear today before the House Committee on Agriculture and the House Committee on International Relations during these joint hearings on legislation to establish an International emergency food reserve.

During these hearings several measures have been discussed which, while differing in terms of what amounts and what types of commodities should be included in the reserve, and in what administrative framework should characterize the reserve, all seek to fulfill the increasingly apparent need to create a system of reserve stocks for responding to emergency food needs abroad.

Among these proposals is legislation I have introduced, H.R. 11439, which would amend the Agricultural Trade and Development Assistance Act of 1954 (PL–480) by providing for a six million metric ton reserve stock which may be used when sufficient quantities of these commodities are not otherwise available to carry out PL–480 agreements.

In essence, this measure plugs into PL–480, thus providing a backup within our existing food aid administrative system, for meeting current and future PL–480 commitments.

Before turning to a more detailed examination of this legislation I wish to first briefly survey those conditions giving rise to the exigent need to establish an international emergency food reserve.

In testimony before the House Committee on International Relations on February 23, 1978, Secretary Bob Bergland asserted:

A priority concern for U.S. policy the past year has been to develop a workable reserves program—one that would avoid any repetition of 1974, when a U.S. crop shortfall caught us with storage bins already depleted by the 1972 world crop failure.

Indeed, many of us have recognized that if emergency food relief efforts are to be as successful in times of widespread crop shortfalls as in times of abundant food production, a food reserve must be established with commodities available to be targeted to areas of urgent need when other sources of these commodities are exhausted.

However, before the early 1970's, discussions of food aid reserves were largely academic, given the lack of an international agreement on the subject, the market distortions of commodity prices due in part to the absence of an international agreement—and the relative availability of stocks which could be incorporated as needed into such a reserve.

The calamitous world food production shortfalls of 1973–74, however, reduced U.S. and world food stocks to minimal levels, with the estimated 75 days of world consumption carry over, sharply falling to just over 40 days by 1975. The UN Food and Agriculture Organization estimates that the grain stock carry over of 19 percent in the crop year ending in 1972, was reduced to 12 percent by the end of 1975.

Those long arguing for emergency food reserves as a hedge against the inherent vicissitudes of world crop production were bolstered in their efforts by the official recognition of a myriad of governments that if the world food assistance program was not to be found again with "bare shelves" when faced with a global food crisis, exacerbating the already grim plight of hundreds of millions of the world's hungry and malnourished, determined deliberations to establish such reserves was an urgent priority of the highest concern.

Since 1974, reserves of one form or another have been high on the agenda in a number of international fora, including the 1974 World Food Conference and subsequent meetings of its executive body the World Food Council, the Seventh Special Session of the UN General Assembly, the United Nations Conference on Trade and Development (UNCTAD), and the International Wheat Council.

The Seventh Special Session and the World Food Council called for an emergency grain reserve of 500,000 tons, to which 350,000 tons have been pledged, including a U.S. commitment of 125,000 tons. Presently, International Wheat Council negotiations have progressed to the stage where previously termed insurmountable problems appear closer to being resolved as negotiating efforts to establish an emergency grain reserve intensify.

Thus, while we still lack an international emergency reserve system, recent developments encourage us to anticipate that a reserve system convention might soon be concluded. And while we are still without a national emergency food reserve, recent Senate hearings, as well as these we are undertaking in the House on legislation to establish such reserves, underscores Congressional concern for creating these reserves.

As I indicated earlier, there are several measures authorizing establishment of an international food reserve. One of these

measures, H.R. 12087, introduced at Administration request by our distinguished Chairman of the International Relations Committee, the gentleman from Wisconsin, Mr. Zablocki, authorizes establishment of an international emergency wheat reserve of up to six million metric tons, but which could be increased if the President deemed it necessary. A second bill, H.R. 9573, introduced by my neighbor and fellow New Yorker, Matt McHugh, would authorize a reserve of various agricultural commodities in an amount of no less than two million tons and no greater than six million tons. I am a cosponsor of Mr. McHugh's bill, and I commend both gentlemen for their deep and sincere concern for combatting hunger and malnutrition and for their diligent work on behalf of establishing a much needed emergency reserve.

In weighing the merits of both measures, however, I deemed it both appropriate and necessary to provide for consideration at these hearings of a proposal somewhat operationally different from the two bills to which I have referred.

Precisely stated, my measure would become an integral part of this nation's existing food assistance program, providing a backstop, as it were, for those various agricultural commodities currently comprising our PL 480 commitments. While I recognize the arguments in support of a reserve consisting solely of wheat because this commodity is widely traded and easy to store, I nevertheless believe that our PL 480 experiences have taught us that wheat is not universally suitable to all emergency relief operations.

I am hopeful that by plugging this reserve into the existing administrative framework of Public Law 480, the concept of an emergency food reserve can more quickly become a reality than if our task were establishing new and more complicated institutional apparatus to administer such a reserve.

My measure also anticipates the possible emergence from the current International Wheat Council talks of a wheat agreement calling for the establishment of an international wheat reserve. Contained in the legislation I am proposing, is a provision affording the United States the opportunity to initially fulfill its commitment to this international reserve following Congressional approval of the international agreement.

PL–480 is a comprehensive food assistance program which for twenty-four years has enabled this nation to assist millions of hungry and malnourished throughout the world. It has provided us a common framework enabling the Congress and the President to build a responsible food assistance program responding to the needs of new international environments by incorporating within the PL–480 framework, forward-looking proposals which will best assist us in effectively meeting the food needs of millions.

While other proposed emergency food reserve legislation envisions working in conjunction with the PL–480 program, it is my contention that any such reserve initially should be incorporated into the tested administrative framework of the PL–480 system.

If my proposal seems on the surface more modest than those measures offered by my colleagues, it is not because I do not share with them to the utmost their commitment to the concept of an emergency reserve as a vitally necessary tool to combat world hunger and malnutrition. My concern, however, turns also on the realization that such a reserve is a new undertaking for this nation and thus, our initial efforts should be as circumspect as possible so that our early endeavors will provide us a successful experience, with the wisdom of lessons learned incorporated into future reserve proposals if market conditions and an atmosphere of international cooperation promise their feasibility.

I recall here these words of the 1974 World Food Conference held in Rome which bravely declared that by 1985, "No child will go to bed hungry. . . . no human being's future and capacities will be stunted by malnutrition." Unfortunately, there are already those summarily rejecting the claim that this ambitious goal can be achieved.

I admit that there are few—if any—who would predict with any degree of certainty whether this supremely commendable goal can be achieved. I submit, however, that all responsible efforts in that direction will in any event, put us closer to realizing the ago old hope of all civilized men that the scourge of hunger and malnutrition will be eradicated.

We currently enjoy a propitious opportunity to erect our strategy for securing this noble goal. It is my hope that we can take the necessary initial steps to assure that during this period of relative abundance our food stocks will be such that unanticipated shortfalls in the future will not spell the magnitude of calamity they have in the past.

Thank you Mr. Chairman for this opportunity to present this statement in support of legislation I have proposed establishing an emergency international food reserve. I am hopeful that both the House Committee on Agriculture and the House Committee on International Relations will act favorably on this legislation.●

FLORIDA LEGISLATURE URGES FREEDOM FOR SOVIET JEWS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. LEHMAN. Mr. Speaker, I would like to take this opportunity to share with my colleagues a resolution introduced by Senator William G. Zinkil, Sr., in the Florida State Senate, and passed by that body and the Florida House of Representatives this month.

Senate Memorial No. 738 urges Congress to use every peaceful means available to seek freedom for Jews being held against their will in the Soviet Union. I applaud this commendable action taken by the Florida Legislature on behalf of the many Soviet Jews who have endured the hardships brought by applying for emigration:

SENATE MEMORIAL NO. 738

A memorial to the Congress of the United States, urging the use of all available peaceful means to seek freedom of Jews being held against their will in the Soviet Union

Whereas, we as Americans have an interest in the human rights of all people, and

Whereas, the Soviet Union endorsed the United Nations declaration of human rights in 1966, which allowed for immigration to country of origin of any of its citizens, and

Whereas, Soviet citizens of Greek extraction were allowed to return to Greece, of Polish extraction to Poland, of Korean extraction to Korea, of Spanish extraction to Spain and many other nationalities to their homelands, and

Whereas, the U.S.S.R. was a party to the Helsinki Agreement (1975) which, among other things, allowed for the human rights of all people, and

Whereas, the Jewish people of the U.S.S.R. have not been allowed to return to their homeland, and

Whereas, the Jewish people in Florida, and the Jewish population throughout the United States, have demonstrated their good faith to the United States Constitution and have formed public opinion which has been for the well-being of our country in the eyes of the world, now, therefore,

Be It Resolved by the Legislature of the State of Florida:

That the Congress of the United States is requested to use all available peaceful means to seek the freedom of Jews being held against their will in the U.S.S.R.

Be it further resolved that copies of this memorial be dispatched to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of the Florida delegation to the United States Congress.

HOUSE SUMMARY

Requests the United States Congress to use all available peaceful means to seek the freedom of Jews being held against their will in the Soviet Union.●

GREGORY HYDROELECTRIC DAM AND RESERVOIR

HON. LARRY PRESSLER

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. PRESSLER. Mr. Speaker, I wish to commend my South Dakota colleague, Representative JAMES ABDNOR, for his efforts to get an authorization for the construction of a pumped-storage hydroelectric facility along the Missouri River in Gregory County, S. Dak.

This project, if authorized, would provide for the construction of a much-needed hydroelectric dam and reservoir in Gregory County. In light of President Carter's water policy statement which urged the construction of hydroelectric facilities, I believe Congress should support projects like the Gregory County unit.

I strongly support the development of the Gregory County pumped-storage hydroelectric project, and as a measure of my support I am today introducing a measure calling for the authorization of this facility. I testified along with Congressman ABDNOR in support of this measure. I have been and will continue to contact Members in support of it. I want this body to know how strongly I support this legislation.

H.R. —

The bill follows:

A bill to authorize construction of the Gregory pumped-storage hydroelectric dam and reservoir

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Pick-Sloan Missouri basin program, authorized by the Flood Control Act of 1944 (58 Stat. 887) as amended, is hereby further amended to authorize the Secretary of the

Army, acting through the Chief of Engineers, to construct and to hydraulically, electrically and financially integrate with the existing Missouri River basin Federal power system for operation and marketing of power, an adjacent-type pumped-storage hydroelectric facility with an estimated total capacity of 1,180 megawatts as part of the Fort Randall Dam-Lake Francis Case project, South Dakota, with multiple-purpose use of forebay waters under conditions which the Secretary of the Army may subsequently determine, at an estimated cost of $257,900,000.●

HONORING OUR COLLEAGUE TIMOTHY E. WIRTH

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. DODD. Mr. Speaker, I would like to join in a tribute to our colleague, TIMOTHY E. WIRTH of Colorado, in recognition of his service as chairman of the 94th Caucus. It gives me great pleasure to associate myself with the expression of appreciation in the statement of our former chairmen OTTINGER, HUBBARD, MINETA, AMBRO, RICHMOND, BEDELL, and PATTISON.

Their statement follows:

This week, our distinguished colleague, Timothy E. Wirth of Colorado, completes a six-month term as Chairman of the 94th Caucus. We would like to take this opportunity to express our respect and appreciation for his outstanding service to his 94th colleagues and to the House of Representatives.

Tim was an early leader among the Class of 1974. He took the initiative to organize the Democratic Members-elect during the November and December before the convening of the 94th Congress. Temporary staff and offices were arranged in Washington and channels of communication developed so that, when we arrived for the organizing sessions of the Democratic Caucus, we could immediately begin working together for the promotion of our mutual interests. It was largely as the result of these early foundation-building activities that the Class of 1974 developed its group identity and remains active in working for our common goals.

Last January, Tim was elected to serve as Chairman of the 94th Caucus. The numerous activities he has initiated and the benefits for all of us are difficult to summarize. In January, he put together an "Intersession Seminars" program—two days of sessions on legislative priorities and economic issues. Included were meetings with President Carter and Speaker O'Neill and seminars with leading economists representing various perspectives. Throughout his tenure, Tim has continued meetings with Administration officials, Congressional leaders and issue experts to expand our knowledge and working relationships and roundtable discussions to improve our effectiveness as individual Members and, collectively, as a legislative body.

As past chairmen of the 94th Caucus, we can especially appreciate Tim's efforts. A dynamic, bright and effective Congressman, Tim is a leader and a model among our Class. For years to come, we shall all benefit from his contributions to the 94th Caucus and to the House of Representatives.●

THE SIGNIFICANCE OF PROPOSITION 13

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. GOLDWATER. Mr. Speaker, a great deal has been written on the ramifications of proposition 13 in California. In that the sentiments expressed by the voters of my district and the State are apparently spreading nationwide, a complete and thorough understanding of the significance of this measure seems valuable. It is becoming increasingly clear that the furor over wasteful Government spending is not a passing fad, but a definite trend in American attitudes toward an ever-enlarging Government. Thus, I am taking this opportunity to submit Mr. Kristol's article on proposition 13 into the CONGRESSIONAL RECORD:

[From the Wall Street Journal, June 28, 1978]

THE MEANING OF PROPOSITION 13

(By Irving Kristol)

Having just spent a couple of weeks in a California suburb, I had a ringside seat from which to observe the turmoil created by the passage of Proposition 13. It was a fascinating experience. For the first time one could witness a direct confrontation between middle-class Americans and the politicians who preside over the ever-expanding public sector. The politicians, utterly confident they had been riding the "wave of the future," lost badly and gracelessly. They still cannot understand why or how it happened.

I also find, on returning to New York, that many of our professional interpreters of the social scene don't quite understand it either. They see little more than a self-serving rebellion of the "affluent" against government spending which favors the poor and unfortunate. But that is not what Proposition 13 was about at all.

To begin with, it is ridiculous to talk as if all government services were of primary benefit to the poor. Summer schools, for instance, now closed in California, may be useful to some poor kids, but they are no less useful to children of the middle class, and they are beyond all doubt profitable to middle-class teachers. There are precious few social programs that do not massively benefit middle-class professionals of all kinds—which is hardly surprising, since it is these professionals who devised those programs in the first place.

WHO IS 'POOR'?

Moreover, there are far fewer truly poor people in this country than the conventional statistics suggest. The greatest distortion results from neglecting the factor of age. A couple of married graduate students who are "making do" on an income, say, of $4,000 a year may frequently be broke, but they are in no sense "poor"—nor do they so regard themselves. Poverty in a society such as ours is not merely a function of money income. Prospects are at least equally important.

And so are what might be called "retrospects." An elderly couple on Social Security is not necessarily poor. They may have modest savings which they can draw on to supplement Social Security. They may own a house, mortgage-free, on which they can borrow. Or, and above all, they may have children who contribute to their support. This last is a possibility that liberals regard as distasteful, since they see it as a private usurpation of a public responsibility. But not all children or parents are of this opinion.

Similarly, a household with an income of $30,000–$40,000 a year, as a result of husband and wife both working, is not necessarily "affluent." There are taxes to be paid, mortgage payments to make, two cars to support, and perhaps a child (or two or three) who is going (or will soon go) to college. Such a household has to struggle to make ends meet. That is not what "affluence" is supposed to mean.

Having said that, one must quickly add that there are indisputably people in this country who can fairly be called "rich" or "poor." But their combined electoral significance is negligible. The overwhelming majority of Americans are—actually, prospectively or retrospectively—middle class. And the reason Proposition 13 was passed so enthusiastically, in a state with a liberal governor and legislature, is because the politicians, bemused by fantasies of "small is beautiful" or "fair shares for the underprivileged," forgot that home ownership is a central passion of this middle class.

Most Californians (like most Americans) own their own homes or aspire to do so as soon as possible. But inflation, combined with a series of "no-growth" measures by the state and various localities, have sent real estate values soaring. The ironic, indeed absurd result was that Californians found themselves so house-rich that they could no longer afford to live in their own homes!

It worked this way. A house purchased for $45,000 10 years ago might today, as a result of inflation, have a marketable value of $125,000. Real estate taxes, based on current valuation (as they should be), will have increased from $1,000 annually to $3,000. But the after-tax income of the homeowner has surely not trebled—the progressive income tax, Federal and State, plus increased Social Security taxes, see to that. So what is the homeowner to do?

From a purely "economic" point of view, the rational thing for him to do is to sell his house, realize his capital gain, and live elsewhere more cheaply. But where is elsewhere? It is not in California, where he can no more afford to buy (or rent) than he could support his original residence. He can, it is true, migrate along with his money to South Dakota, where real estate values are much lower. But for some reason or other Californians seem strongly disinclined to move to South Dakota. They prefer something like Proposition 13.

In a sense, then, Proposition 13 was a vote against inflation—and especially the unholy alliance of inflation, deficit spending and increased taxation. A cynic would note that, had specific cuts in government spending been defined, that majority could easily have fallen apart. But the voters knew that well enough—which is why they left it to the politicians to make the hard and controversial decisions. Isn't that what politicans are for?

What is really astonishing is that California's state government did not see this tax rebellion coming or do something to forestall it. It was sitting on a $5 billion surplus, after all, so it was in a comfortable position to cut the income tax, or the sales tax, or the property tax, or some combination of all three. It had plenty of time to contemplate a more "finely-tuned" tax cut than Proposition 13. But there was little talk of tax cuts—only of new ways of "distributing" the surplus to this group or that program. If there was going to be any tax cut at all, it was evident that only a "meat ax" could do the job.

Once passage of Proposition 13 became a possibility, politicians reacted with a fury matched by their own demagogy. Dismissal notices were sent to all teachers, contingent on the outcome of the referendum. Libraries and hospitals put up closing notices, with the same contingency clause. Rarely has there been such a disgusting episode in American state politics—one in which politicians, fighting for control over their constituents' money, lied and threatened and lobbied without scruple. It was a new kind of class war—the people as citizens versus the politicians and their clients in the public sector. And the people won.

Now that Proposition 13 is law and the politicians are having to live with it, it is becoming clear that the effects will not be nearly as painful as had been predicted. The welfare population will be but minimally affected, suffering only the loss of a cost-of-living increase to welfare rates that are the nation's highest. The major groups that will be adversely affected are the public employes, whose unions had been granted high wages and exceedingly generous pension agreements. (Half of Los Angeles real estate taxes go to pay for such pensions.) There is no way in which the politicians could be persuaded to stand up to those unions without something like Proposition 13 to provide the necessary backbone. There will be some turmoil, even a few strikes—but if the money simply isn't there, the politicians cannot spend it.

CHANGING THE CLIMATE OF OPINION

In the end, there is the most important possible effect of all: a change in the climate of opinion affecting the issue of economic growth. One has to put the matter in so qualified a way because an awful lot of important people in California who don't like the idea of economic growth believe that Californians would all be happier if only existing "affluence" were more equally shared. As a consequence, there will certainly be efforts to raise taxes on business, to "compensate" local governments for lost revenues. San Francisco has already moved in this direction—which will hasten the decline that city is already experiencing, and be a further stimulus to now-booming Reno, not far across the state border.

The enemies of growth—in high office and out—are still well entrenched in California. They will work very hard to nullify the intent of Proposition 13, since they see larger political and ideological implications in it, with further efforts to restrict the size of the public sector along with further efforts to encourage private savings and investment. I think they are right about this, if about nothing else. That is indeed what Proposition 13 was ultimately about: economic growth in a free society vs. the allocation of income and wealth by government in a stagnant economy.●

A MAJORITY IN HOUSE SUPPORTS HOUSE JOINT RESOLUTION 963

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I am very pleased to report that House Joint Resolution 963 has received the required number of cosponsors in order to be considered by the Post Office and Civil Service Committee. As of this moment, House Joint Resolution 963, which would designate July 18, 1979, as "National POW–MIA Recognition Day," has received 228 cosponsors. I would like to take this opportunity to express my gratitude to those of my fellow Members who agreed to join with me in this resolution. I believe that a "National POW–MIA Recognition Day" is important because it will honor those American veterans of all wars who made special sacrifices on behalf of their country, sacrifices which, in this time of peace, are perhaps not appreciated to the extent they should. A "National POW–MIA Recognition Day," as a one-time observance, would rekindle the memory of these sacrifices and symbolize America's continuing indebtedness to her POW's and MIA's.

I welcome any of my fellow Members who would like to cosponsor this resolution to do so. House Joint Resolution 963 will be introduced once more shortly after the recess and any Member interested in cosponsoring should notify me or Norm Shapiro of my staff at x52301. ●

THE AGRICULTURAL FOREIGN INVESTMENT DISLOSURE ACT

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. NOLAN. Mr. Speaker, I am pleased to join with my colleagues on the Agriculture Committee, my good friend from California, Mr. KREBS, and Mr. GRASSLEY, of Iowa, ranking minority members of the Subcommittee on Family Farms and Rural Development, which I am privileged to chair, in cosponsoring the Agriculture Foreign Investment Disclosure Act. This legislation deals with a critical issue, the ownership of American farmland, a subject of long-standing concern to the subcommittee.

Thomas Jefferson once cautioned our new Republic that, "the small landowners—are the most precious part of the State." In truth, the American family farm system has been the backbone of American society. It has been both a social and economic system where the vast natural resources of our Nation were equitably distributed to the maximum possible number of our citizens. Small towns and rural America thrived and were well served by this institution.

It is my personal opinion, however, and perhaps the opinion of a growing number of others as well, that we have virtually ignored the plight of the small family farmer in the last few decades. By failing to support his economic position in the marketplace, we have forced his costs beyond his earnings and driven him from the land.

For the farmers who remain, the only way to reduce relative costs per acre and remain solvent is to buy more land. The advent of large-scale capital intensive technology and generous tax incentives have heightened the competitive advantages of the larger farming enterprises and have accelerated this trend. Without continuing to expand in size, the large farm of yesterday is the small farm of today and is soon overtaken by rising per acre production costs.

This increased competition for land has propelled the market price for land by 300 percent in the last 5 years. Assuming no major reforms in our Nation's basic price-support system, we can expect the continued low market, cost-price squeeze to force farmers to expand and keep land competition and farmland prices very high for years to come. Farmland, as a scarce raw material, has therefore, become a very good investment at this time.

American corporations, wealthy nonfarm professionals, and other outside investors have recently entered the farm real estate market at an ever-growing rate. It is estimated that nearly 12 percent of all current farm sales nationally go to nonfarm investors.

In the last few months, we have seen the advent of a new class of nonfarm investor, the nonresident alien. Foreign investment, principally from Western European nations, has by varying estimates accounted for 20 to 50 percent of land sales in certain parts of this country.

The concern that has arisen throughout the rural sector to this development has brought national attention. Recent hearings on this issue by the subcommittee I chair was widely covered in the national news media and especially in the agriculture press. The lack of substantial and reliable statistics on the extent and source of foreign investment clearly emerged from those hearings as the single most critical impediment to a reasoned and rational government response. The Agricultural Foreign Investment Disclosure Act will address this issue in a manner I believe is thorough, efficient, and timely.

In the final analysis, no one knows what the impact of rising foreign investment will be on the American family farm. Prime Minnesota-Iowa farmland now sells for less than half of the price of similar land in Western Europe, and therefore as an international commodity is underpriced and most likely to rise dramatically. American investors may also recognize this trend and are likely to sizably increase their investment activity in years to come.

Without a similar increase in farm prices and farmer income, very few farmers will find they are able to acquire additional farmland, and still fewer new farmers will be able to get started in agriculture. Consolidation of farmland holdings and an emerging new class of tenant farmers may forever change the face of agriculture and the viability of the family farm.

In the process, small rural communities will suffer greatly. It has been shown that as farmland investment increases in a local community, a greater portion of the wealth from the land is passed on to absentee landowners and bypasses the local community economy. With fewer farm families, less wealth per family, fewer nonfarm employment opportunities and less local capital for investment, the future of many small towns will be in great jeopardy.

The Congress needs to take a very, very close look at the impact of these emerging trends in farmland ownership. Foreign investment is a critical feature of this trend, and the need for accurate and timely data is unquestioned. I urge my colleagues to support and urge early adoption of the Agriculture Foreign Investment Disclosure Act of 1978.

Thank you.●

CHANGES NEEDED

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. ABDNOR. Mr. Speaker, on June 19, it was my privilege to join several of my colleagues from the Select Committee on Aging in testimony before the House Ways and Means Committee.

We urged an expansion of home health care as a means of cutting medicare costs and preserving the independence and dignity of elderly Americans.

My statement before the committee follows:

STATEMENT OF REPRESENTATIVE JAMES ABDNOR

Mr. Chairman: I appreciate the opportunity to appear before the committee today.

Last Friday's Washington Post carried this headline: "Shortage of Space in Nursing Homes Plagues Elderly."

The article pointed out the plight of elderly citizens in the District of Columbia who are occupying hospital beds unnecessarily because they cannot be accommodated in nursing homes. Statistics were cited comparing the costs of such hospital care, with the cost of care in local nursing homes. It is foolish to believe the situation in Washington is an isolated instance.

Mr. Chairman, a similar article might be written concerning the number of elderly now residing in nursing homes who might otherwise still be living in their own homes if only some of our Medicare-Medicaid regulations were revised and if appropriate health services were available.

We are all familiar with the Report of the Comptroller General stating: "Until older people become greatly or extremely impaired, the cost for home services, including the large portion provided by families and friends, is less than the cost of putting these people in institutions."

The cost of home care versus nursing home care cannot be measured in terms of dollars alone. There are few in nursing homes today who would not prefer, by far, to be in their own homes if they had a little help.

Mr. Chairman, I heartily endorse the resolution of the Select Committee on Aging reiterating its support for expansion of home health benefits as an alternative for institutionalization and calling on this Committee to consider legislation addressing these goals.

Such legislation could help assure those elderly truly needing nursing home care a bed in the home rather than in the hospital. Such legislation also could forestall—perhaps indefinitely—the need for institutional care for many, who today have little choice but to seek nursing home care in their later years.

Mr. Chairman, we have here a rare opportunity to be both compassionate and economical.●

KEEP TITLE I SCHOOL AID FOR THE NEEDY

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. MARKEY. Mr. Speaker, I would like to call the attention of my colleagues to a lead editorial which appeared in the Boston Globe this week. This thoughtful editorial opposes the anticipated effort to undermine the $400 million concentration program endorsed by the House Education and Labor Committee, to aid school districts with a heavy concentration of poor children. The proposed amendment would shift funds from the poorest urban and rural areas to districts with little or no poverty. As the editorial dramatizes, such an amendment has great political appeal, but it would constitute bad national policy. Educational problems are most acute in districts with heavy concentrations of poor children, and those districts are the least able to provide extra services from a tax base, which is meager and which is overburdened by other services. In my own district, Chelsea has one of the highest tax rates in the State—three times the statewide average—and its poor children represent an astounding 42 percent of its total student population.

The committee's proposal would effectively target funds to such needy impoverished districts. Chelsea, for example, could draw upon a $3 million allocation from the county. By contrast, the amended formula would slash the funds available to that county almost in half.

If the Congress is serious about eliminating illiteracy, youth crime, and structural unemployment, it would follow the wise advice of the Globe editorial and should rebuff any attempt to amend the concentration program in the Elementary and Secondary Education Act (ESEA):

SCHOOL AID OR POLITICAL AID

While the general unemployment rate has gradually but steadily dropped over the last year and a half, the persistence of pockets of extremely high joblessness—particularly among inner-city youths—remains one of the nation's most troubling social problems. In the short run, it can be attacked by sharply focused public-job programs and hiring incentives for private industry. Over the long haul, however, the remedy lies in part in upgrading the educational programs offered to the children of poor families concentrated in the nation's cities. As the skills required for even entry-level jobs rise, the need to impart basic skills increases concurrently.

It is therefore essential that the House defeat a move that has substantial momentum behind it to dilute a proposal by President Carter to target an extra $400 million of federal aid to school districts with a high concentration or a high number of poor children.

As the proposal was approved by the House Education and Labor Committee, the money would go to school systems in which either 20 percent of the students or 5000 students are from poverty-level families. However, Rep. John Ashbrook, the arch-conservative from Ohio, has promised to lead a fight on the House floor early next month to send that money to any school district in which at least 2 percent of the students are from poor families. The measure has considerable political appeal because virtually every school district in every congressional district would qualify. Six Massachusetts congressional districts that would get no money under the Carter plan would receive aid under the Ashbrook formulation. Urban districts would, by contrast, lose. Boston's share of the $400 million would drop from $3 million to $1.9 million.

Certainly much of the current taxpayer frustration is due to the failure of government programs to consistently produce the desired results. That is in part because programs have either been ill-conceived or oversold; but in part it is because the original objectives have been undercut by political considerations.

The House vote on the Elementary and Secondary Education Act this summer will be a measure of whether Congress now wishes to address the long-range problems of the urban poor or only the immediate politics of re-election.●

SLEEP, SOLDIER BOY

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. WINN. Mr. Speaker, in May I had the honor of speaking at the Memorial Day services at the Johnson County Memorial Gardens. Liberty, I said, is not something that can be taken for granted. Many brave men and women died to preserve our freedom. Without their valiant efforts and those of the POW's and MIA's, the United States might not be at peace today.

I paid tribute to these courageous individuals and their families on Memorial Day, and I would like to do so again now. "Sleep, Soldier Boy," a song sung by Ms. Peggy Whipple at the Memorial Day services, illustrates the great sacrifices made by these individuals and their families. Her touching rendition of this VFW Memorial Song was a strong reminder of the cost of liberty. I would like to share the words written by Dorothy Alexander with my colleagues. "Sleep, Soldier Boy" is dedicated to those who served on land or sea:

SLEEP, SOLDIER BOY

The battle's o'er and peace is all around you,
Sleep soldier boy sleep on the cannon's roar,
Can never more disturb you,
Sleep soldier boy sleep on
Your journey is ended your work here is done
Sleep soldier boy and rest,
Your flag you defended, the vict'ry you won
Sleep on among the blest.
The sun's gone down and darkness has enclosed you,
Sleep soldier boy sleep on
A mother's arms, are waiting to enfold you
Sleep soldier boy sleep on,
The time is not long when the bugle will sound forth must 'ring you back again,
You'll wake with the dawning, and answer to roll call,
Sleep soldier boy till then.

TAPS

Sleep in peace soldier boy till the bugle calls you with the dawn,
Sleep and rest, God is nigh, soldier boy.●

COST CONTAINMENT IN THE HEALTH CARE INDUSTRY

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. CONABLE. Mr. Speaker, as you know the Congress is very concerned with the problem of how to control the rapidly rising rate of hospital costs. Various proposals have been suggested focusing on heavy regulation. On the other hand, a number of efforts are being made in the private sector to reduce hospital costs through such alternatives as shared group services and cooperation between institutions.

One of the endeavors in this area that I am familiar with is the effort of the Joint Purchasing Corp., an affiliate of the Federation of Jewish Philanthropy, which is located in New York City. The assistant director of the Joint Purchasing Corp., Barry Novick, has prepared a policy statement concerning shared group services that I would like to share with my colleagues at this time. The statement follows:

POLICY STATEMENT

Cost containment in the health care industry has become a necessity. Shared group services are a major catalyst to effectuating economies in health care.

Health Care Institutions, as we know them today, cannot sustain themselves in a vacuum and must take the necessary voluntary steps to insure they will remain independent. The American Hospital Association's cost containment efforts have, at best, been mild stimuli. Individual institutions still tend to operate in this area with little concern for the ultimate consequences of more stringent regulations that could possibly have deleterious long term effects on the quality of health care to the patient.

Institutions must continue to help with regionalization efforts and direct their energies to services that are presently available.

Third party payers have already indicated that cost associated with shared group services are reimbursable, and that these costs are negligible compared to the potential total dollars that can be saved, not so much on an individual basis, but on the basis of the industry as a whole. Regionalization, as a concept, has traditionally been mandated through legislation, and although it has been demonstrated to be effective, the result has largely been due to the voluntary efforts rather than the legislative approach.

The estimated inflation rate of the health care industry is more than twice that of the United States. True commitment to shared services demonstrates the concern of the voluntary health care system and that affirmative action rather than passive resistance is what is needed to protect the integrity of the health care industry. Large and small institutions must work together to help each other maximize their effectiveness and efficiency.

Group purchasing is one area of shared services that meets this requirement. There is a not-for-profit group purchasing program in effect in the New York metropolitan area that is already servicing most of the voluntary health care institutions on the same geographic basis as the New York City Health Systems Agency.

While it has not been an easy undertaking, this group has learned through many years of experience that good cooperative purchasing takes more than a few Directors of Purchasing getting together on a somewhat regular basis. Group purchasing entails constant evaluation of programs, a continuous flow of data to the various committees involved in advising the group, as well as a forum where the group can meet to exchange ideas and information.

The Joint Purchasing Corp. was organized over 50 years ago under the auspices of the Federation of Jewish Philanthropies. It was intended as another benefit to the community through economical purchasing of services and commodities for the member agencies. Four years ago they opened their doors to all voluntary institutions at the request of The Greater New York Hospital Association. Joint Purchasing Corp. has successfully initiated joint contracts that have effectuated large economies to hospitals and simultaneously serves as a conduit for information and a "think tank" for new ideas and programs.

Occasionally, highly qualified purchasing professionals, in an expression of independence and competence, need to prove their ability to "beat" the group contract on specific items. Rather than joining forces with the other institutions and lending their expertise to the group, they felt that by reinventing the wheel, they would bring themselves the recognition they felt they deserved, but in doing so detracted from the group's total impact for future programs. Good planning dictates that the system is more important than an individual, and that each individual must lend his talents and resources to the group to effectuate economies and maintain consistency. What is called for is not increased expenditures or competition between individuals and groups, but cooperation and commitment to the group purchasing concept.

Commitment to agreements, rather than using them for individual leverage, is a necessity. That is what shared group services exemplifies.

Individuals and institutions who adopt a *laissez faire* attitude toward shared services, and specifically toward group purchasing, escalate inflationary tendencies not only to the health care industry, but to the economy as a whole. Thus, a snow-balling effect is created and the cost to the consumer/patient reflects this trend.●

H.R. 1609, THE COAL PIPELINE ACT OF 1978

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. UDALL. Mr. Speaker, yesterday, June 28, 1978, the Rules Committee granted a rule to H.R. 1609, the Coal Pipeline Act of 1978. This bill had been jointly referred to the Interior and Insular Affairs Committee and the Public Works and Transportation Committee, both of which reported the bill favorably earlier this year. The rule granted makes in order a substitute printed in the CONGRESSIONAL RECORD of June 28, 1978, page 19434, which I will offer, and which will be read as an original bill for the purpose of amendment.

This substitute is a consensus bill agreed on between myself, as chairman of the Interior Committee, and Representative JOHNSON of California, as chairman of the Committee on Public Works and Transportation. Joining with me in offering this substitute are Mr. JOHNSON of California, Mr. WRIGHT, Mr. ECKHARDT, Mr. BREAUX, Mr. LAGOMARSINO, and Mr. LUJAN.

I urge my colleagues to study this issue carefully in the next 2 weeks, and I encourage their support of a bill to make available an alternative, supplemental technology for the transport of coal. H.R. 1609 would allow those carriers of coal by pipeline certified by the Secretary of the Interior to be in the national interest to exercise the power of eminent domain. H.R. 1609 is important to the energy and transportation needs of this country, as I think my colleagues will agree.●

THE BIA AND THE DEPARTMENT OF EDUCATION

HON. MICHAEL T. BLOUIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. BLOUIN. Mr. Speaker, today, I am pleased to cosponsor with my colleague from Texas, the Honorable JACK BROOKS, chairman of the House Government Operations Committee, legislation calling for the creation of a separate Department of Education.

I believe in a Department of Education and have been a proponent of its creation for some time. Mr. Speaker, my purpose in addressing my colleagues today, is not to state the various reasons why such a Department is needed—and there are many—but rather, to call to the attention of the Members, a concern, an observation, if you will—on one of the components which will make up the new Department, that being, the Department of the Interior's Bureau of Indian Affairs educational programs.

My comments are meant to bring to the attention of both the Members of the House and Government Operations Committee, of which I am a member, the fact that the question of whether the Bureau of Indian Affairs education functions should be included in the proposed Department of Education should be fully evaluated and any transfer should be handled with extreme caution.

At this point in time, Mr. Speaker, I am opposed to a precipitate transfer and I make that statement with the confidence of knowing that I have a working knowledge of the Bureau of Indian Affairs educational functions. I say this because I do not think all of the ramifications of such a transfer have been considered, and because I feel that unless time and care are taken in this matter, great and irrevocable harm may be done.

My knowledge of Indian education is based upon the work I have done over

the last 16 months as chairman of the Advisory Study Group on Indian Education, a task force created by the Committee on Education and Labor, to conduct research into, and propose needed legislation for, the field of Indian education. Over the last 16 months, we have visited over 104 public, Bureau of Indian Affairs, and tribally controlled schools serving Indian students in all parts of the country, including Alaska.

I could go on at great length over the legislative work of the Advisory Study Group, but let me just say that we have done much to provide a meaningful structure for the Bureau of Indian Affairs educational component, as currently there is no question that the present BIA educational program is in need of overhaul. My major concern and that which must be emphasized as the bottom line—the real question to be raised in any discussion over the creation of a Department of Education—is that the political relationship which now exists between the Federal Government and the governments of federally recognized Indian tribes must be maintained. The trust relationship which now exists within the Department of the Interior/Bureau of Indian Affairs—which is very much understood by that Department, and which is perceived by Indian tribes of this country to reside in that Department—must, and I wish to emphasize this point, must be recognized by the Department of Education. And in addition, that contracting authority as granted in Public Law 93-638—the Indian Self-Determination and Education Assistance Act—must be transferred intact to the new Department of Education.

Mr. Speaker, as I said at the outset, at this point in time I seriously question the wisdom of the transfer of the Department of the Interior/Bureau of Indian Affairs education programs to the new Department. My reasons for concern are based on the above and on the perception of these points by the administration, Office of Management and Budget, and others supporting the inclusion of the BIA education programs into the new Department of Education.

Underlying all my concerns is the fact that I want to improve the education of Indian children as I do all of our Nation's population. I do feel a Department of Education will improve the quality of education for the Nation as a whole. I also believe that the legislation embodied in H.R. 15, the reauthorization bill for elementary and secondary education, in particular title XI of that legislation, will improve the education of Indian children. What is contained in title XI is certainly not incompatible with a new Department of Education. My only concern, and I apologize, Mr. Speaker, for being repetitive, is that what is incompatible is the fact that, at the present, I seriously question whether those who would administer and develop the structure of the new Department of Education fully comprehend the tribal perception of their relationship with the Department of the Interior/Bureau of Indian Affairs. Until the tribes of this Nation feel that the trust relationship is reflected in the Department of Education structure and goals, I will continue to question the transfer and oppose any precipitate action.●

JACKSON CITIZEN-PATRIOT COMMENTS ON SOLZHENITSYN

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. CARR. Mr. Speaker, when we think of the great national newspapers we think of such big city publications as the New York Times and the Washington Post. In most cases, we can count on "prestige" publications such as these to provide the most well-informed and well-written commentary on the events of the day, whether we agree with them or not.

Ladies and gentlemen of the House, I have a surprise for you. In my opinion, the most perceptive commentary on Mr. Solzhenitsyn's Harvard speech was written, not by any of these eminent organs, but by the Jackson Citizen-Patriot, a small but, as you will see, highly capable publication based in my Sixth District of Michigan.

I suggest the Citizen-Patriot has hit the nail on the head, and done it in an eminently literate manner. Mr. Solzhenitsyn is one of the world's greatest authorities on the defects of Soviet Government and society. But he appears to be one of the world's least knowledgeable people on any question involving the operation of a free society.

He wishes not only to transform the Soviet Union from one form of dictatorship into another form of dictatorship, but also to transform the United States into this second type of dictatorship which appears to be one in which autocratic rulers justify their acts by divine right: more or less what we were revolted by and revolted against in 1776.

While Sozhenitsyn's security precautions may be neurotic and bizarre, I do not fault him for keeping to himself. I understand he is writing 7 or 8 hours a day, working on his account of the Russian Revolution. This is his finest work, it has earned him his place in history. If he wants to closet himself away, ignoring the swirl of free life around him, so be it.

But the very fact that his eyes have seen little beyond his typewriter keys and some television commercials disqualifies him as a commentator on American life and American Government. This is particularly true since he has never participated in a free society and approaches the question with zero background.

Perhaps at some point he will feel the need to take a sabbatical from his writing. If he should then learn our language, dismiss his retinue, mix with his Vermont neighbors, and travel around the United States for a few years relating to Americans on a one-to-one basis, I for one would be very interested in his observations. Perhaps he could become a second de Tocqueville. But at present, it is impossible to see why anyone should take seriously his observations on matters about which he knows nothing.

I insert in the RECORD, the editorial titled "Advice Lacks Understanding," from the Jackson Citizen-Patriot of June 13, 1978.

The editorial follows:

ADVICE LACKS UNDERSTANDING

When Soviet author Alexander Solzhenitsyn wrote the "The Gulag Archipelago," the denunciation of the Russian political prison system, he did so with first-hand knowledge.

The book won him the 1970 Nobel Prize for literature, the enmity of the Soviet bosses and a one-way trip out of Russia

When the same Alexander Solzhenitsyn spoke to the Harvard graduating class last week, he lacked the expertise on which he based his denunciation of the United States system.

After leaving Russia, Solzhenitsyn lived in near-seclusion in Switzerland. Since coming to this country, he has spent most of his time in self-imposed isolation behind high fences on a Vermont estate.

His words at Harvard clearly indicate he cannot relate to a free society.

The West, he said, over-emphasizes individual rights. "The defense of those rights," he said, "has reached such extremes as to make society as a whole defenseless against certain individuals (terrorists)."

Western politicians are cowardly, said the Nobel winner. "A decline in courage may be the most striking feature which an outside observer notices in the West these days," he said.

The most striking feature of Solzhenitsyn's criticism sems to be a lack of knowledge of the subject.

He has peered through fences that protect him and had bodyguards at his side when he ventures out, so his major contact with life in these United States is the television of which he thinks so little, and a selection of books, magazines and newspapers.

There's nothing inherently wrong with newspapers, magazines, books or TV. However, they are only reflections of life. They contain no blood of their own, no brain cells, no original emotions.

It takes more than a view of life through a fence or hedge-row to understand it. It also takes more than association with a small group of friends who can pass security and language barriers.

The approach Solzhenitsyn takes is not unlike the group of blind men who examined an elephant for the first time. Each touched a different portion and decided the whole animal was just like that part.

Liberty, freedom of all kinds, is foreign to Solzhenitsyn. He obviously is having a difficult time grasping the ramifications.

If he's read the Declaration of Independence and Constitution, the latter with its unparalleled Bill of Rights, he obviously cannot translate those words into a life-style because he remains conditioned to the totalitarian methods.

That is not an unusual state of mind for new arrivals to these shores. Things which we take for granted (and shouldn't) are almost beyond the ability of many newcomers to grasp.

After all, we've had the Bill of Rights since 1791 and as late as last week, the U.S. Supreme Court was telling us what a portion of it means.

What Solzhenitsyn overlooked in telling us we paid too much attention to individual rights is that they are the building blocks upon which our whole form of government is constructed.

His remarks made flamboyant reading, but little else.●

NATIONAL TAXPAYERS UNION ENDORSES KEMP-ROTH TAX RATE REDUCTION ACT IN MAJOR PRESS CONFERENCE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. KEMP. Mr. Speaker, I wish to bring to the attention of our colleagues, today's endorsement of the Kemp-Roth Tax Rate Reduction Act by the National Taxpayers Union. That endorsement constitutes a welcomed advance in the most important grassroots movement in America today—the movement to lower the people's tax rates and help restore incentive to the economy for working, saving, and investing Americans.

The National Taxpayers Union is the Nation's largest taxpayer organization and certainly one of the most active, visible, and effective in Washington and the State capitals around the country. The organizational support their endorsement brings to the campaign to enact Kemp-Roth this year adds greatly to that likelihood, for the NTU is represented in every State and every congressional district through its 65,000 members.

This is the people's cause. People should not be working for government. We must make government work for the people.

What we are seeing today is a chain reaction of the American people's rejection of ever-increasing, inflation-stimulated tax increases at the Federal, State and local levels. It is also a reflection of their impatience with congressional and White House procrastinations on enactment of meaningful tax rate reductions.

As we made clear at the press conference this afternoon with Charles S. Crawford, the NTU's director, the endorsement by this nonpartisan, nonprofit group is another illustration that this movement for permanent tax rate reductions is neither a Republican nor a Democrat issue, nor is it a liberal or conservative issue. I fully share the sentiments of Senator SAM NUNN of Georgia, who recently said the Federal Government must not only put the brakes on the growth of Federal taxes but must also reverse them.

The Tax Rate Reduction Act now has 176 cosponsors in Congress—151 in the House and 25 in the Senate.

Mr. Speaker, although I recently announced the incorporation of a national, nonprofit, section 501(c)(4) structured organization, called the Coalition for Economic Growth, I see no reason why the NTU, the coalition, and many other organizations cannot work in tandem to achieve the mutually shared objective here. We must all work together if we are to persuade the country's opinion leaders of the necessity of reducing Federal income tax rates to help restore real growth and jobs to the national economy.

Mr. Speaker, the American people are interested in which Members are for lower tax rates and which are for higher, we plan to give them more opportunity to see who is on the side of the people.●

REFLECTIONS ON U.N. DISARMAMENT SESSION

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. CONYERS. Mr. Speaker, today the Special United Nations Session on Disarmament, the first one in 46 years, concludes. During the past month 16 heads of state and Prime Ministers and 22 Foreign Ministers participated. Regrettably, the President made the decision, apparently at the last minute, not to address the session. There is general agreement that as a result, the spirit in which discussion occurred was thwarted.

Another unfortunate result of the rather passive and nonconstructive position of the United States was that the media, following the example of the administration, also avoided dealing with the issues that the Disarmament Conference raised. One bit of news coverage during the period that the Conference met illustrates the rather incredible inattention of the media to what surely has to be an overriding concern of us all. When the first gambling casino on the east coast opened in Atlantic City, the story became front page news. Yet the far greater gambling story—the gamble over life and death that is involved in the more than $400 billion arms race this year—hardly received attention at all.

The story of the arms race and the urgent need to reverse it before it is too late ought to have received front page attention. Why? Because it, indeed, represents the biggest gamble that humankind is involved in. The gamble involves the following and much more:

The 50,000 strategic and tactical nuclear weapons that we and the Russians possess, a number that has more than doubled in the past 8 years.

The 7 nations that already possess a nuclear capability and the 20 or so that will in the new decade.

The 18 tons of plutonium that already exist as the by-product of nuclear processes and the estimated 450 tons that will exist by 1990 which we know of no way to dispose of.

The 36 million men under arms worldwide, and the additional 21 million in reserves.

The $70 billion that Third World countries now spend on armaments, which is a 700-percent increase in 20 years.

The current world expenditure of $400 billion on weaponry, a figure that has doubled in the last 8 years.

Mr. Speaker, we all really need to be brought to our senses about the urgency of putting a stop to the arms race. It is for this reason that, as the U.N. Disarmament Session draws to a close, many of us are saddened that another extraordinary opportunity was missed to confront this issue honestly and constructively.

On June 13 Adm. Gene R. La Rocque, retired rear admiral of the U.S. Navy, addressed the U.N. Disarmanent Assembly. Admiral La Rocque was an assistant director of strategic planning in the Office of Chief of Naval Operations and a member of the staff of the Joint Chiefs of Staff. In his years of service, which included the command of nuclear ships, he became a specialist in nuclear strategy. Currently, director of the Center for Defense Information, his remarks to the disarmament session deserve close reading, and I commend them to my colleagues.

The address follows:

SPEECH DELIVERED BY REAR ADM. GENE R. LA ROCQUE

It is an honor to address this unprecedented gathering of the world community on the most urgent issue of our time: survival. The United Nations' Special Session on Disarmament is taken seriously by all who are aware of the menacing turn the arms race is taking. I congratulate those nations and individuals who persevered in bringing this session about.

Nuclear war is an unrelenting and growing threat to hundreds of millions of people. World War III with nuclear weapons *can* happen and almost certainly *will* happen unless all governments confront this most uncomfortable reality.

I am a citizen of the United States and a career military officer. I served in the Navy of my country for thirty-one years. I have fought in combat and held command posts at sea and on land and participated in strategic and nuclear planning. I have experienced at first hand the impact nuclear weapons have had on military affairs.

Since retiring from active duty, I have been the director of a non-governmental research organization, the Center for Defense Information. We are a source of independent, objective analysis of military developments. Our Center is particularly active in providing factual information about the nuclear arms race and the consequences of nuclear war.

The traditional role of the military in all countries, in case of war, is to win. The military profession, to be blunt, has always sought superiority. Military men tend to be uncomfortable with notions of military balance or equilibrium. We military men constantly seek to strengthen the defense of our countries and maintain our advantages. I believe the military in all countries share this impulse. We are not diplomats; we are soldiers, sailors and airmen. We feel reassured by big military establishments, we believe the security of our people is enhanced by spending for additional war-fighting and war-winning capabilities.

There may be places in the world where warfare can occur on a limited scale without threatening wider destruction. But those areas are few and shrinking. My experience in the United States military has convinced me that nuclear weapons have changed the traditional rules of warfare. To use an American phrase, "it's a whole new ball game."

I am, of course, speaking primarily of the relationship between the United States and the Soviet Union and their respective military alliances. Despite the constant friction and conflicts of interest that have occurred over many decades, there has never been a war between our two countries. But today as irrational as it may seem, Soviet and American leaders are planning and arming for nuclear war.

A recent top level U.S. government study concluded that, at a minimum, 140 million people in the U.S., and 113 million people in the U.S.S.R. would be killed in a major nuclear war. Almost three-quarters of their economies would be destroyed. In such a conflict, the analysis concluded, "neither side could conceivably be described as a winner."

Nor would those in the rest of the world

be safe. Radiation would poison vast stretches of the planet not directly involved in the war. And the threat of ozone damage and ecological disruption leaves us no assurance that the earth would remain habitable for life as we know it.

Despite this, the United States and the Soviet Union continue to approach the accumulation of military power in the nuclear age very much as they have in the past. Both countries constantly seek to improve their nuclear and conventional forces.

Many of us are shocked and sobered by the mad nuclear scramble of the superpowers. It seems so obvious that they have diminished their own security in the nuclear competition. We all know that a balance of terror provides a precarious peace.

The Soviet Union and the United States are, in part, victims of modern military technology. Advances in weaponry, particularly better delivery systems, have dramatically compressed time and space. Thus, military leaders believe they must maintain large forces on a close-to-war status. In a nuclear war, each nation could destroy the other in 30 minutes. Nuclear missiles launched from submarines could land within 15 minutes. There is no defense, regardless of who strikes first.

The prospect of immediate mass destruction seems to compel high states of military readiness; this situation inspires mutual suspicion and rhetorical harshness.

The continuation of the nuclear arms race is also made possible by widespread apathy about the danger of nuclear war. Many people believe nuclear weapons will never be used. But as someone who has been directly involved in U.S. nuclear planning, I can tell you my country has plans and forces for actually fighting nuclear war. Our military field manuals detail the use of nuclear weapons. Our troops, airmen, and navy men train and practice for nuclear war. Nuclear war is an integral part of American military planning and the U.S. is prepared to use nuclear weapons anywhere in the world. I believe the Soviet Union is as nuclear-oriented in its military preparations as the United States. The military in both countries see nuclear weapons as a central instrument of military power. They are prepared to use them right now in many contingencies.

As a citizen of the United States, I do not hesitate to point out that my country has generally taken the lead in the nuclear arms race. The United States is a rich country with vast technological resources. We have been, on the average, five years ahead of the Soviet Union in introducing new nuclear weapons. We were the first to develop the atomic bomb, the hydrogen bomb, the intercontinental bomber, effective intercontinental ballistic missiles, modern nuclear-powered strategic submarines, and multiple-warheads (MIRVs) for missiles. The United States continues to maintain, as President Carter recently asserted, a significant edge over the Soviet Union in the effectiveness of our strategic weapons as measured by such factors as missile accuracy and numbers of nuclear weapons.

In recent years, the United States has not been sitting on its hands in the nuclear competition. The U.S. has added more nuclear weapons to its arsenal than the Soviet Union, going from 4,000 strategic nuclear weapons in 1970 to 9,000 in 1978. During this same period, the Soviet Union increased from 1,800 to 4,500 strategic nuclear weapons. The U.S. has maintained a two-to-one edge in deliverable nuclear weapons throughout the period 1970 to 1978.

This discrepancy in numbers, however, makes no difference as each country can obliterate the entire urban and industrial complex of the other regardless of who strikes first. The United States has 35 strategic nuclear weapons for every Soviet city over 100,000. The Soviet Union has 28 strategic weapons for every U.S. city over 100,000.

U.S. Secretary of Defense Harold Brown asserted in his annual report on the fiscal 1979 military budget that U.S. nuclear war plans include "destruction of a minimum of 200 major Soviet cities." [1]

The greater danger is that both countries are moving toward a first strike. Improvements in the accuracy of missiles, particularly land-based missiles, stimulate fears about the adequacy of existing nuclear forces in the Soviet Union and the United States.

If everyone, including military officials, were more conscious of the tremendous destructive potential of nuclear weapons we might stop worrying about questions of "advantage" in the nuclear arms race. For example, two U.S. Poseidon submarines which carry 320 nuclear weapons can destroy all the 200 major Soviet cities with the destructive potential of 1,000 Hiroshima size weapons.

Today the U.S., with 41 strategic submarines, has more than 21 such submarines at sea constantly. The U.S. now maintains round-the-clock some 3,000 strategic nuclear weapons at sea in submarines off the coast of the Soviet Union. The Soviet Union, normally deploying far fewer strategic submarines at sea, keeps a formidable force of approximately 200 sea-based nuclear weapons constantly targeted on the U.S.

The U.S. is now deploying a more powerful warhead, the Mark 12A, on its Minuteman III land-based missiles. Just one of these missiles will contain the destructive power of 80 Hiroshima size weapons. Individual Soviet missiles contain an even larger destructive potential.

Both the United States and the Soviet Union are now stepping up their nuclear weapons developments. The Soviet Union, following the path of the United States, is substantially increasing its intercontinental nuclear weapons by putting more than one nuclear weapon on its strategic missiles.

Under the present U.S. administration, funding for the production of new nuclear warheads has risen 70 percent, to produce warheads for Trident missiles, Minuteman III missiles, air-launched cruise missiles, artillery shells, and other nuclear weapons. Military secrecy in the Soviet Union prevents us from knowing the new weapons that may be planned in that country.

The recital of the details of the nuclear competition could go on endlessly. It can be numbing. It is certainly depressing. However, no serious disarmament measures can take place in the absence of full information about military forces. There is widespread ignorance by both citizens and government officials about world military activity. I have often been struck by the lack of awareness even on the part of military officers of the enormous size of nuclear arsenals.

This matter of information brings me to the suggestions which I would offer for consideration by this Special Session. What should be done? I cannot offer a broad-scale program of action, nor the magic solution to the nuclear maze. I do have a few thoughts about practical steps that can be taken.

U.N. INFORMATION ROLE

First, the role of the United Nations as a repository of information on world military activity should be strengthened. All governments should submit a report each year on their military spending and force levels, and the U.N. should publish this information in an annual military yearbook. The U.N. Centre for Disarmament Studies could be the appropriate agency to collect and publish this material.

[1] Accordingly, the 201st largest Soviet city of Mayok might be "safe" while the city of Chirchik, with only 1,000 more inhabitants, would be targeted for destruction.

Article 47 of the U.N. Charter charges the U.N. Military Staff Committee to "advise and assist the Security Council on all questions relating to . . . the regulation of armaments, and possible disarmament." This Committee, with a more representative membership, could serve as a source of information and analysis of disarmament efforts. As a beginning the Military Staff Committee should report to this Fall's General Assembly on its performance to date in fulfilling the Charter's charge.

STOPPING NUCLEAR EXPANSION

Secondly, both the United States and the Soviet Union should adopt measures that are crucial to the control of nuclear proliferation. Peventing the spread of nuclear weapons is essential for the survival of the U.S. and the Soviet Union. It has been estimated that in twenty years, 100 countries will possess the materials and the knowledge necessary to produce nuclear weapons. By the year 2000, the total plutonium produced as a by-product of global nuclear power will be the equivalent of 1 million atomic bombs.

They should pledge their commitment never to use nuclear weapons against non-nuclear states. I can think of no military utility in the use of nuclear weapons by the superpowers against non-nuclear countries.

Stopping production of fissionable materials for weapons has been proposed by previous U.S. administrations and is more feasible today than ever. The United States and the Soviet Union have enormous stocks of nuclear weapons and weapons material and have no military need to continue the production of fissionable material. They now have more than they will ever need. This step could be followed by a complete moratorium on all manufacture of nuclear weapons, as both the U.S. and the U.S.S.R. now have more weapons than they will ever need.

The ending of all nuclear weapons testing is feasible right now. The U.S. has tested more than 600 nuclear weapons. The U.S.S.R. has tested more than 350 nuclear weapons. Both should now have learned all that is necessary. This Special Session should urge all nations to stop producing fissionable material, stop making nuclear weapons, and stop testing nuclear weapons.

NUCLEAR WEAPONS OFF SURFACE SHIPS

Third, without significantly reducing their military capabilities, the U.S. and U.S.S.R. could eliminate most, if not all, nuclear weapons from their naval surface ships. With the ships of both navies roaming the far reaches of the world's oceans, the potential for nuclear war rising out of naval incidents grows. Both navies are extensively nuclearized, with several thousand nuclear weapons aboard surface ships of the U.S. Navy.

The military need for nuclear weapons on surface ships has been much diminished in recent years because both the Soviet and U.S. navies have more accurate missile systems which can use high explosive rather than nuclear warheads.

SCRAPPING ICBM'S

Fourth, we should begin reducing the huge strategic nuclear arsenals of the United States and the Soviet Union by dismantling over a 5 year period land-based missiles (ICBM's).

The U.S. has about 1,000 ICBMs and the U.S.S.R. has about 1,400. Scrapping ICBMs would solve many of the problems that presently preoccupy the military and the press, particularly in the United States. Both the U.S. and the Soviet Union are becoming increasingly worried about the vulnerability of their ICBMs. I consider such attacks to be implausible in the extreme, but by giving up the traditional attachment to ICBMs, both countries would feel safer. It seems clear that ICBMs are today causing more trouble than they are worth.

Elimination of ICBMs is easier for the U.S. than for the Soviet Union, as the Soviet

Union today has a much smaller proportion of its strategic weapons on bombers and submarines. However, it is expected that the Soviet Union will shortly begin putting multiple warheads on its many sea-based missiles and will become much less reliant on ICBMs. Nuclear deterrence can be accomplished without ICBMs.

CONCLUSION

In conclusion, the Special Session on Disarmament with 149 countries present demonstrates the realization on the part of all countries that their territory could provide the spark that could ignite nuclear war. Knowledgeable military men are aware that there will be world-wide consequences from a nuclear war. There is no defense and nowhere to hide.

The governments of the United States and the Soviet Union have carelessly let their relations deteriorate to an alarming extent. Political leaders must take control of events and not permit the military or technology to control them. The non-nuclear countries can act as the burr under the saddle to push the nuclear powers in the direction of reason. There can be no excuses for failure to make immediate and substantial progress in stopping the nuclear arms race.

If we are to survive on this planet, the arms race must be slowed, stopped, and reversed. The time to start is now.●

THE SOVIET BEAR SHOWS ITS MUSCLE

HON. SIDNEY R. YATES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. YATES. Mr. Speaker, as the cat and mouse games between Moscow and Washington continue, the Soviet Union has again proved that it can flagrantly ignore international agreements, and international public opinion at whatever costs to its own citizens. Within a few hours, the Soviet authorities tried and sentenced Moscow Jewish "refuseniks" Ida Nudel and Vladimir Slepak in two separate courtrooms on the absurd charge of "malicious hooliganism." For those unfamiliar with such a "vicious crime"—which carries with it a sentence of 5 years internal exile for Slepak and 4 years for Nudel—the two "hooligans" had the audacity to plead with the Soviet Government, in the only desperate way left them, to grant their simple request to rejoin their son and husband in Israel. Mr. Slepak, who has been struggling for 8 years to live with his son again, hung a banner outside his Moscow apartment asking that the authorities "Let Us Go To Our Son In Israel"—a "crime" the Soviets obviously greatly feared, because the police immediately broke into their apartment, tore the banner into pieces, and arrested both Mr. and Mrs. Slepak. Mr. Slepak will now remain out of sight for 5 years so he can no longer perpetuate such treacherous actions as asking for rights guaranteed in several international agreements the Soviet Union has signed or ratified. Mrs. Nudel is guilty of the same treachery. Frustrated by the 7 long years she has continually been refused exit permission to reunite with her husband and sister in Israel, Ida Nudel participated in a demonstration with other "refuseniks" asking for their right to emigrate. When the demonstration was quickly stifled by the police, Ms. Nudel reportedly hung a protest poster outside her window and was immediately arrested and charged with "malicious hooliganism."

If "humanitarianism" is what the Helsinki Accord's Third Basket is all about, these malicious Soviet actions only reconfirm Soviet intentions to ignore any shred of humanitarianism and any commitments they have promised to uphold. While the Helsinki Accord pledges its signatories to respect human rights, to "confirm the right of the individual to know and act upon his rights," and to "deal in a positive and humanitarian spirit with the applications of persons who wish to be reunited with members of their family," the Soviet Government has continually and capriciously refused Mr. Slepak's and Ms. Nudel's request to emigrate to their family, and has banished them to Siberia for daring to ask publicly that their requests be met.

If the Soviets want to show the world how tough they are in defying domestic and world opinion, they have succeeded; and I and my colleagues only hope that others do not have to suffer again just to prove that childish point.●

FINANCIAL DISCLOSURE OF REPRESENTATIVE ELIZABETH HOLTZMAN FOR 1977

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Ms. HOLTZMAN. Mr. Speaker, I believe deeply that elected officials must observe the highest standards of honesty.

One of the best ways of insuring integrity in government is to provide the voters with the facts regarding each Representative's financial dealings—so that the voters can prevent dishonesty and conflict of interest when they go to the polls.

For this reason, I am making the following financial disclosure, as I have done each year since first being elected in 1973. I believe it will help enable the voters of my district to judge how I have discharged my public trust.

I also want to add that I resigned from my law practice before I took my seat in Congress. I have not resumed law practice since that time and will not do so while I am a Representative.

The material follows:

FINANCIAL STATUS

NONCONGRESSIONAL INCOME

In 1977 my income from noncongressional sources in lecture fees was $16,600 from colleges and other educational institutions, temples, and eleemosynary organizations.

UNSECURED LOANS

I had no unsecured debts in 1977.

NONCONGRESSIONAL REIMBURSEMENTS

Reimbursements to me for expenditures in excess of $50.00 other than from the U.S. Government in 1977 totalled $1,507.08. These reimbursements were for out-of-pocket expenses incurred in connection with speaking engagements and incurred in connection with attending meetings of the Harvard University Board of Overseers of which I am a member.

SECURITIES

I own no stocks and bonds with a value of more than $25.00.

INCOME TAXES

The personal income taxes I paid for 1977—contained in my tax returns as filed on June 14, 1978—totalled $30,891.00 and were divided as follows: U.S. Government, $21,438.00; New York State, $7,281.00; New York City, $2,172.00.

BUSINESS AFFILIATES

During 1977 I did not serve as a director, officer, or partner—or adviser or manager—of any business entity, foundation or professional organization of a noneleemosynary or noneducational nature.●

HOUSE COLLEAGUES FINDLEY AND WHITEHURST HONORED BY THE FEDERAL REPUBLIC OF GERMANY

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. FRASER. Mr. Speaker, at a ceremony held at Ambassador Berndt von Staden's residence, June 22, 1978, our distinguished colleagues, the gentleman from Illinois (Mr. FINDLEY) and the gentleman from Virginia (Mr. WHITEHURST) were honored by the Federal Republic of Germany. They were presented with the commander's Cross of the Order of Merit for their work in behalf of close relations between the United States and West Germany.

In his remarks of presentation, Ambassador von Staden noted that—

Without a strong Western defense alliance, which NATO stands for, a policy or détente and cooperation would be unthinkable.

I share the Ambassador's view. NATO is our most important military alliance.

In his remarks, Ambassador von Staden catalogs the efforts of our colleagues to strengthen the Western alliance and to make our relations with West Germany fruitful.

The United States-West Germany relationship determines, to a considerable extent, what sort of organization NATO is. It is for their efforts to maintain a close and meaningful relationship between the United States and West Germany that our colleagues were honored by the West German nation.

Ambassador von Staden's remarks at the awards ceremony follow:

AMBASSADOR VON STADEN'S REMARKS

Ladies and Gentlemen: It is a great honor and pleasure for me to present two prominent members of the Congress of the United States the Commander's Cross of the Order of Merit bestowed on them by the President of the Federal Republic of Germany in recognition of their outstanding merits for the relations between the Federal Republic of Germany and the United States of America.

My dear Congressman Findley, in order of seniority I should like first to address you.

As a Member of the House of Representatives since 1960, you have devoted much dedication and personal effort to the further improvement of the relation between your great country and Europe of which Germany is a part, as well as to the more specific problems of the Atlantic Alliance. At the time I was in Washington as political counselor from 1963 to 1968 dealing with NATO-questions, I already learned that among your

colleagues you were considered one of the most active proponents of idea of Atlantic partnership and within the framework of close cooperation between the United States and Germany.

During the very first years of your congressional activity, you became a member of your party's working group for questions relating to NATO. From 1965 to 1968 you chaired the Republican Committee on Western Alliances. You were one of the regular participants of the many conferences of NATO-parliamentarians and up to this day you are a member of the American delegation of the North Atlantic Assembly. In the course of the regular meetings between delegations of American and European parliamentarians, you have been playing an ever increasing active and positive role. Your regular participation at the "Wehrkundetagung" in Munich has repeatedly been noted with great satisfaction by my government.

For your personal commitment to the Atlantic Alliance we feel the deepest gratitude. NATO remains the basis of our security and freedom and a cornerstone of peace in our changing world. Without a strong Western defense alliance, which NATO stands for, a policy of detente and cooperation would be unthinkable. No country could be more aware of this, than the Federal Republic with its geographic situation at the crossroads of Europe.

In honoring you today Congressman Findley, we honor an outstanding American citizen who has always fully understood the German political and military position, its specific problems like the Berlin question, who has always been helpful in widening this understanding within his own country and who has significantly contributed to the furthering of American-German friendship.

My dear Congressman Whitehurst, in turning to you, I should like to recall first that your district in Virginia happens to be the home of NATO's naval headquarters SACLANT. Problems related to NATO and to maritime defense have always been one of your major preoccupations. Congressman Whitehurst has unfailingly been working for strengthening the effectiveness of our Alliance. In doing so he furthered American-German relations in vital fields of our common interest. As ranking Republican Member in the Subcommittee on "Military Installations and Facilities", you have been active since many years for a deeper understanding of NATO's problems. In this context your interest for and your understanding of the particular problems of the Northern flank of NATO as well as of the Germany Navy, your readiness to give your whole support to an ever closer cooperation between the naval forces of our two countries is recognized with satisfaction and gratitude in the Federal Republic. As a member of the North Atlantic Assembly, you entertain very close personal contacts to its German members, which is in many ways the key to solving difficult problems.

In honoring you today, Congressman Whitehurst, we honor an outstanding citizen of your country who for many years has significantly contributed to the strengthening of the friendship between our two countries and to the cooperation between them in fields of vital common interest.●

TRIBUTE TO THE DELAWARE VALLEY SYMPHONIC BAND

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. EDGAR. Mr. Speaker, I would like to bring to the attention of my colleagues the outstanding achievements of the 80-member Delaware Valley Symphonic Band. These young people, all students ranging in age from junior high school to college level, have been chosen through placement auditions for their exceptional talent and their willingness to devote long hours to study and practice Since 1974, they have brought the pleasure of beautiful sound to the people of Delaware Valley.

Under the dedicated leadership of Miss Bonnie Strang who is known throughout the Delaware Valley for her stage bands, the group will, for a second time, carry their musical talents abroad. On July 11, the Delaware Valley Symphonic Band begins its second goodwill concert tour of Europe under the auspices of the American Youth Symphony and Chorus. In addition to a full 3-week schedule of performances in England, the Netherlands, Germany, Austria, and Switzerland, these young ambassadors will study the culture, history, and art of the countries they will be visiting.

The power of music to move, to enchant and to communicate across the boundaries of nations and the barriers of languages has long been recognized. William Shakespeare in "A Midsummer Night's Dream" noted that "the rude sea grew civil at her song; and certain stars shot madly from their spheres; to hear the sea-maid's music." While I do not wish to suggest that the Delaware Valley Symphonic Band is likely to calm the Atlantic or cause cosmic cataclysm, I am delighted that these young people will be applying the power of music to the cause of international goodwill and understanding.

I am proud and happy to invite my colleagues to join me in congratulating this talented group of young musicians and in wishing them a rewarding and successful tour.●

VIOLATIONS OF HUMAN RIGHTS IN LITHUANIA

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. MURPHY of Illinois. Mr. Speaker, for the last 38 years, Lithuania has been denied its freedom and independence by the Soviet Union. This deprivation of human rights began with the Soviet Union's invasion and occupation of that country in June 1940. Today, even after the Helsinki and Belgrade Conferences, Soviet repression continues. Lithuanians who attempt to exercise their basic human rights are still thrown into Soviet prisons. While these prisoners of conscience number in the thousands, only a few of their names ever reach the West.

I would like to cite just four of these prisoners of conscience.

Balys Gajauskas, age 51. Gajauskas was first arrested in 1948 as a Lithuanian partisan and was sentenced to 25 years in Soviet labor camps. Released in 1973, he was subject to constant harassment and interrogation.

On April 20, 1977, Gajauskas was picked up by the KGB as a witness involving the underground publication "Chronicle of the Catholic Church in Lithuania." His apartment was searched, and valuable documents were confiscated. Among the documents was historical data about the 1944–52 Lithuanian resistance movement. Gajauskas was detained at the KGB Isolation Prison until his trial in April 1978. That month Gajauskas was sentenced to 10 years in labor camp and 5 years of exile for alleged anti-Soviet agitation and propaganda.

Sarunas Zukauskas, age 28. Zukauskas, an outstanding student at Kaunas Medical Institute, joined the dissident movement to combat the injustices in Lithuania. Just prior to his graduation, he was betrayed by one of his colleagues and was arrested for allegedly agitating against the Soviet Union and forming an anti-Soviet organization.

In March 1973, Zukauskas was convicted and sentenced to 6 years in a strict regime labor camp. After 5 years of imprisonment, he suffers from severe malnutrition, and is consistently denied the medical attention he needs. Zukauskas is not allowed to have his family visit him, and letters from his U.S. relatives are returned without explanation.

Viktoras Petkus, age 49. Petkus is a member of the Lithuanian Public Group to promote the implementation of the Helsinki Agreements. He was arrested in August 1977 in connection with the case of Balys Gajauskas. Petkus is still in prison, but has not been tried.

Petras Plumpa, age 39. Plumpa was arrested in November 1973 and was held without trial until December 1974. He was charged with having printed the "Chronicle of the Lithuanian Catholic Church." At his trial, which was conducted behind closed doors, evidence was produced that the fingerprints on the "Chronicle" were not Plumpa's. Nevertheless, he was sentenced to 8 years in strict regime prison camps.

Plumpa accepts his imprisonment in a genuinely Christian spirit, forgiving those who have persecuted and betrayed him. He asks only for prayers. Plumpa will not be allowed to receive food packages until he has served 4 years of his sentence. He is permitted to write only two letters a month.

Mr. Speaker, I call on the State Department and the U.S. delegation at the United Nations to publicly deplore these violations of human rights in Lithuania. Our country must not forget these prisoners of conscience, nor the goals of freedom and independence for which these Lithuanians are fighting.●

THE FRADKINS: STILL NO EXIT VISAS

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. UDALL. Mr. Speaker, early last month I brought to the attention of the

House the issue of Jewish immigration from the Soviet Union, and specifically highlighted the case of the Fradkins. My concern is that the Soviets are making minor concessions in the increase in the number of Jews allowed to emigrate. It is my impression, supported by numerous reports, that the number of recent emigrants actually represents only a small fraction of those seeking to leave the U.S.S.R., and that the Soviet Union is continuing its basic policies of persecution toward Jews and other emigrants.

In my last statement I concentrated on the case of the Fradkins. Daniel and Sarah Fradkin and their two children (Shosse Revoluts No. 45, Flat 140, Leningrad, R.S.F.S.R., U.S.S.R.) who have been trying to emigrate since 1972. I regret to report that their position has remained unchanged.

Mr. Fradkin is a mathematician by profession, but because of his efforts to leave the country, he now is forced to work as a postman. The Fradkins' applications have been turned down numerous times on the grounds that Mr. Fradkin had "access to secret documents" in 1963. This reasoning is obviously merely a cover for harrassment, for secrets of such a dated nature would have little value, even if Mr. Fradkin was closely involved with them. But, in fact, he was only peripherally involved with the problems he helped to solve.

Mr. Fradkin's father has already been allowed to leave. Rabbi Abraham Fradkin now lives in Israel, and would like to be reunited with his son, and with his son's family.

Especially relevant to this unfortunate case is the section of the Helsinki Accords concerning human rights. In that section, the signatory nations pledge to "* * * facilitate freer movements and contacts * * *" among persons and groups in their respective countries. In addition, those nations agreed to "* * * deal in a positive humanitarian spirit with the applications of persons who wish to be reunited with members of their family * * *"

The Fradkins have obviously not been treated in a "positive humanitarian spirit," as is true of others who have applied for exit permits. The Fradkins' case if only the most recent one of a number of disturbing cases about which I have been approached. All of my colleagues are involved in similar cases where rights guaranteed in the Helsinki Accords have been willfully and deliberately violated.

The Soviet Union was not coerced into signing those accords back in 1975, was not tricked into signing agreements against its will. But it is obvious that the Soviet leaders calculated that only those provisions dealing with boundary settlements and guarantees in Eastern Europe would be taken seriously, and that "human rights" would be quickly and unceremoniously swept under the rug. Now that the Soviet Union is asked to live up to its promises, it declares that this area is "an internal matter."

My contacts with the Soviet Government on this case have been something less than rewarding. Although I did receive confirmation that my message to the emigration authorities in Moscow was received, the letter I wrote to the Fradkins has apparently been lost or deliberately misrouted.

This case is a gross violation of the provisions of the Helsinki Accords and a travesty of human rights. I cannot stress enough the unacceptable status of Soviet immigration policies, and I am most disturbed at recent event in the Soviet Union which concern both American and Soviet citizens. The recent trial of Vladimir Slepak reinforces my prior unfavorable impression of Soviet intentions, and the announcement that two American reporters will actually be put on trial for letting the world know what is happening in the U.S.S.R. will certainly not improve Soviet-American relations. Such actions are an affront to world opinon, and are part of a flagrant campaign to continue the denial of the basic rights of the citizens of the Soviet Union.●

THE 42D COMMENCEMENT OF U.S. MERCHANT MARINE ACADEMY

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. WOLFF. Mr. Speaker, it is with great pleasure that I commend to my colleagues the address which was delivered by the Honorable Juanita M. Kreps, Secretary of Commerce, to the graduating class of 1978 of the U.S. Merchant Marine Academy, Kings Point, N.Y., on the occasion of its 42d commencement exercises on June 26, 1978.

The Merchant Marine Academy, located within my congressional district, is ably headed by its superintendent, Rear Adm. Arthur B. Engel, USCG (Ret.). I would like to take this opportunity to congratulate this outstanding class of midshipmen and to express my confidence that they will soon take their places as leaders in the vital U.S. maritime industry.

Secretary Kreps' address follows:

ADDRESS BY SECRETARY OF COMMERCE JUANITA M. KREPS

It is a great pleasure to be with you today on this happy occasion.

After four years of hard study and strenuous training, you who are graduating today have reached a major milestone in your lives. Few celebrations can match today's feeling of achievement.

It is a particular joy, too, to note that this year's graduating class has been the target of the heaviest recruitment effort launched by the maritime industry in the past ten years. This suggests that you are embarking on your careers at a propitious time.

At the beginning of this decade the American-flag fleet was in a precarious condition. Two-thirds of the fleet's ships were twenty-five or more years of age. This put us at a disadvantage in competing against the more modern ships of other nations.

Today, an expanded shipbuilding program, stimulated by the Merchant Marine Act of 1970, is rejuvenating our fleet. New generations of larger, faster, more efficient ships have been coming off the ways to replace our overaged vessels.

For example, the new classes of containerships, barge-carrying vessels and roll-on/roll-off vanships have elevated the United States to world leadership in intermodal ships, with 136 now flying the American flag.

Within the next two years the United States fleet will boast more liquefied natural gas carriers than any other fleet. Three of these highly sophisticated vessels are already in service, and an additional fifteen are under construction.

The U.S. flag tanker fleet has been enlarged and upgraded in recent years by the addition of new vessels ranging in size up to 265,000 deadweight tons. Among the tankers currently under construction are three mammoth vessels of 390,000 tons.

In contrast to the depressed condition of the world tanker fleet, which currently has 353 ships laid up for lack of demand, the U.S. tanker fleet is virtually fully employed, with only two of our 242 tankers presently idle.

In short, by historical standards, and in comparison with the rest of the world, the outlook for the industry is bright.

You have, therefore, every reason to be optimistic about your future. But your optimism should be tempered with the knowledge that shipping depends on trade, and that trade volumes and patterns shift—witness our large current deficits.

Because your future will be so closely tied to it, you will be interested to know that the administration has already taken a step toward boosting American trade. For the first time in our history, the Federal Government has made a firm commitment to develop a national export policy. Our intention is to expand the export consciousness of American industry and remove the barriers to trade that have been raised inadvertently through our regulatory and tax policies. The national export policy should result in a significant expansion of U.S. sales abroad.

A second step is also needed: We should reexamine our system of deliberate barriers to trade—that is our system of export controls.

As Secretary of Commerce, I am charged with administering export restrictions for reasons of national security, foreign policy and short supply. We in the department are working to ensure that these controls protect our national interests with a minimum of interference in the commercial process. I am concerned, therefore, with what I perceive to be a growing tendency for the United States to deny trade as a political gesture—concerned particularly about those instances where availability of the product from alternative sources means that our own producers are those most hurt.

Today, with the Nation running a huge trade deficit, we must ask whom our trade restrictions actually harm and what interest they serve. In some cases their effect has been the transfer of economic opportunity and jobs from this country to our international competitors. This was never a good bargain; today, it is one we can ill afford.

Trade, most of you would agree, fosters closer cultural and political ties between countries. It is clear, for example, that trade has been a positive influence in our mutual efforts to normalize relations with the People's Republic of China. It is far less clear that anything has been gained for either side

as a result of the long absence of commercial relations between our two countries.

Commerce is the common language of the world's peoples. Where ideologies divide, commerce unites. You have chosen for yourselves a career which, in this respect, is a potential force for world unity. For a world of expanding trade and growing economic interdependence, you have selected wisely.

I join you today in looking to a bright future for yourselves and a prosperous growth in world trade.

My congratulations and good wishes to each of you.●

A SALUTE TO LUNENBURG

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. DRINAN. Mr. Speaker, the town of Lunenburg, Mass., celebrates this year the 250th anniversary of its incorporation. Over the past two and one-half centuries, Lunenburg has emerged as an annually self-reliant and beautiful community whose citizens can be justifiably proud of their town.

Because they have a keen sense that the town's history must be recorded and preserved, the people of Lunenburg have supported and sustained the work of the Lunenburg Historical Society. In commemoration of the anniversary of incorporation, the historical society has published a most enjoyable and instructive volume, Lunenburg, The Heritage of Turkey Hills 1718–1978. This publication is available for purchase through the town clerk's office or at the Ritter Memorial Library. It contains many eloquent passages, including the following description of 19th century Lunenburg:

The scope and bustle of all this early industry reflects the energetic fledgling nation in its exuberant youth. The rivers ran fast and clean. The mill wheels turned. The work was done. The land and buildings changed hands and occupations. Disasters struck and building began again. Like the water wheels that supplied the power for these early mills, turning, turning, endlessly through time until as the water lessened and the era passed, a new source of power began to appear. Electricity took the place of the mill wheels.

That sense of dynamic optimism and adaptability has lived on in Lunenburg. It is a town where the work ethic has flourished. It is a community at once scenic, vibrant, and alive.

In honor of the 250th anniversary of incorporation, a special committee, chaired by Ray MacCracken and comprised of many other distinguished citizens of the town, has planned a series of events. Many of these activities have already taken place. Among the events scheduled for the future are Old Home Week, which will take place during the first week of August. Old Home Week will be marked by band concerts, tours, a slide show about the town, fireworks, a town luncheon, a block dance, a pageant, and musical entertainment. Throughout the week an information booth set up in the Ritter Memorial Library will provide a rundown on the programs available for all Lunenburg citizens.

Then, on October 1, a parade for the entire town will provide another celebration of the anniversary.

Mr. Speaker, I would like to take this occasion to salute the people of Lunenburg for their splendid tradition of community involvement, for the spirit of generosity and selfless participation in voluntary organizations which characterizes the town. Citizens of Lunenburg can be proud not only of the beautiful homes and land which surround them but also of the schools and library and cultural and athletic pursuits to which so many adults and young people contribute in meaningful ways.

Two hundred fifty years after its incorporation, Lunenburg stands as a shining example of the creative possibilities of self-government.●

NGO'S SPEAK OUT FOR DISARMAMENT

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. LEHMAN. Mr. Speaker, I hope that during the past several days, my colleagues have had the opportunity to read some of the statements made by the nongovernmental organizations on June 12 at the U.N. Special Session on Disarmament. We cannot afford to ignore the message which these statements have attempted to convey. Disarmament, in particular nuclear disarmament, is essential to our very survival.

Today I am concluding with the address of Mr. Mihaly Simai of the World Federation of United Nations Associations.

The address follows:

WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS

Mr. SIMAI (World Federation of United Nations Associations): The World Federation of United Nations Associations is a world-wide organization composed of 80 member associations in all the continents of the world and in countries of all social and political systems and stages of economic development. We constitute a people's movement for the United Nations dedicated to achieving the goals of the United Nations.

As a people's movement for the United Nations, we consider it one of our greatest tasks to support and strengthen the world Organization so that it may become a more efficient instrument of global peace, security and co-operation. These designs are interrelated with other vital issues of our age: the elimination of mass poverty, backwardness and the economic consequences of colonialism.

Recognition of this interrelationship was reflected also in the message of the twenty-sixth plenary assembly of our World Federation to this special session of the United Nations, which represented the consensus of all the delegates to our plenary assembly.

We are convinced that the improvement of the international climate, the cessation of the arms race and effective disarmament measures not only would strengthen international security but would allow mankind to deal, on a larger scale and in a more practical way, with the problem of development and to satisfy the acute economic, social and cultural needs of all peoples, particularly in the developing countries.

Therefore we strongly support the efforts of the United Nations system and its Member States, endorsed by world public opinion, to strengthen and extend détente, to expand its geographical scope and to settle disputes and conflicts between States by peaceful means. We welcome also such limited achievements as the Non-Proliferation Treaty and the Convention on the Prohibition of Military or any other Hostile Use of Environmental Modification Techniques, and we urge their signature and implementation by all States.

The message of the twenty-sixth plenary assembly of the World Federation expresses great concern that the vast accumulation of nuclear and other weapons of mass destruction constitutes a growing danger to the human race which, through error of judgment, miscalculation, madness or dictatorial ambition, may cause a world holocaust, and recognizes that a new international economic order and the global arms race are incompatible, that disarmament and development are closely interrelated and that neither can achieve their final goals without the other.

Therefore, we express our profound conviction that further progress towards the elimination of international tensions and towards disarmament would create more favorable conditions for broader and closer economic co-operation among nations, for the fuller use of scientific and technological advances for the purpose of development, and for the restructuring of international economic relations on a just and democratic basis.

May I reaffirm here our fundamental commitment to general, complete and verified disarmament and may I welcome the tenth special session of the United Nations General Assembly devoted to disarmament as an important and constructive initiative. At the same time, may I express the hope of the overwhelming majority of our member associations that a world disarmament conference and other similar initiatives will contribute to further progress towards general and complete disarmament, which should remain a primary concern of the United Nations. That can only be effectively achieved, however, through a series of specific steps, and in this connection we urge a speedy conclusion of the negotiations for the SALT II treaty and the conclusion of a SALT III treaty which will reduce and not merely limit the scale of armaments.

On behalf of the twenty-sixth plenary assembly of our World Federation, I should like to call on the United Nations and its Member States to intensify their efforts to achieve speedy and decisive progress towards disarmament and an end to the arms race, the prohibition of all nuclear and other weapons of mass destruction, including such new additions to military arsenals as enhanced radiation warheads—for example, neutron bombs—extremely accurate missiles and other destabilizing weapons, and the complete and general prohibition of tests of nuclear weapons and the non-proliferation of nuclear weapons, as well as towards the reduction of armed forces, conventional armaments and national military expenditure, with a view to achieving the ultimate goal, general and complete disarmament under strict and effective international control.

We strongly support the idea of general and complete disarmament, and in this context the progress towards the establishment of a permanent United Nations peace-keeping force to maintain and promote international security in a disarming and disarmed world, and the idea of a moratorium on all

research and development projects on all new weapons of any kind, and we urge all scientists to disassociate themselves from inhuman research and development projects.

We are also aware that, even without a new world war which threatens all nations, the economic consequences of the arms race have a devastating effect on the whole of mankind. No country, group or individual can disregard or isolate itself from the global dangers. The aggravation of the existing global problems and the emerging new problems can be solved only by eliminating the greatest waste, the arms race, and by devoting the funds, energies and talents to peaceful purposes. Therefore, we call on the United Nations, its Member States and the bodies involved in the preparation of the international development strategy for the Third Development Decade to be declared in 1980 to submit proposals at the same time for an international disarmament strategy, making explicit provision for linking the two strategies and ensuring that both strategies should contribute to the establishment of a new international economic order.

This task could be considered to be one of the most important joint considerations of the United Nations Disarmament Centre and other United Nations organs to the issues of development and international cooperation, and it should receive more moral and financial support from the Member States. The research and publications activities, however, should be better coordinated within the United Nations system and use should be made of the important channels of communication to the public represented by non-governmental organizations, including the World Federation of United Nations Associations.

Disarmament, being a vital issue, is not an end in itself. The end is human survival, security and progress. After many decades of the arms race it is evident that the true guarantee of these aims for every nation of the world is not the spiralling of new weapons but political détente and a sound and democratic world economy. We are all responsible for the achievements of these goals for the benefit of the future generations. The tasks are not insurmountable. We are sure, however, that they cannot be achieved sponstaneously or at no cost. The World Federation of United Nations Associations is ready to share responsibilities and efforts in the common struggle for human survival, security and progress. Important as the special session is in itself, I am sure that everyone recognizes that it will be the follow-up of the special session which will be of vital importance in achieving the goals to which we are addressing ourselves. In recognition of that, in the future programs of the World Federation, we shall give priority to projects on an international scale which will promote further and meaningful progress in the field of disarmament. We shall recommend that our member associations disseminate more information on the disarmanent activities of the United Nations, prepare educational materials, organize meetings and use the mass media in their respective countries to enhance general public support for the follow-up of the special session. We are convinced that in the world, together with all the peace-loving forces, we have the power and the will to achieve our common goals and to ensure that the opportunities for human survival will not be lost.●

LILLIAN AND BEN AVRECH

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. MINETA. Mr. Speaker, with the fast pace of the competitive business world in our times, it is hard to find individuals who can combine a successful business enterprise with a fullfilling family life and service to the community. It gives me great pleasure to rise today to honor two such individuals, Ben and Lillian Avrech of San Jose, Calif., who will celebrate their golden wedding anniversary July 2.

I have known Ben Avrech since the days of my participation on the San Jose Human Relations Commission in the early 1960's, when Ben served as its chairman. He was instrumental in creating the commission's forerunner, the mayor's committee on human relations in 1957, the first such city commission in California. Due in large part to the activities of this commission, San Jose was awarded the All-American City designation and remained relatively calm during the turbulent 1960's.

Ben and Lillian Avrech came to San Jose in 1937, and in 1945, Ben became proprietor of the Mayfair department store in East San Jose, a position he held until his retirement in 1971.

In addition to his service on the Human Relations Commission, Ben has served on the advisory committee to the president of San Jose College, as director of the San Jose Medical Research Foundation, and on the board of governors of the Santa Clara County chapter of the National Conference of Christians and Jews. Both Mr. and Mrs. Avrech have long been active in the City of Hope and the Anti-Defamation League of B'nai B'rith. Lillian Avrech is also active in the San Jose Women's Coordinating Council.

When Ben closed the Mayfair store in 1971, our local San Jose newspaper, the Mercury, noted that "his list of personal awards reflects both his many contributions to improving San Jose as an official to his intense desire to make the world around him a better place for everyone." All of us who have been active in San Jose's civic affairs appreciate this sense of dedication displayed by the Avrechs.

Ben and Lillian Avrech will be joined this weekend by their son, Norman, from Washington, D.C., and by their daughters, Joyce, now living in Massachusetts, and Gloria, of Pasadena. Mr. Speaker, I ask my colleagues to join me today in congratulating Mr. and Mrs. Ben Avrech on their 50th wedding anniversary and to thank them for their fine contributions to the San Jose community.●

THE NEW JERSEY MARINE SCIENCES CONSORTIUM A DECADE OF ACCOMPLISHMENT IN MARINE RESEARCH AND EDUCATION

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. HUGHES. Mr. Speaker, within a few months, the New Jersey Marine Sciences Consortium will be observing its 10th anniversary. The Marine Sciences Consortium is a remarkable organization with roots in New Jersey and a program benefiting all America. At this time, I would like to pay tribute to the consortium and to the contributions to it made by many private donors, the State of New Jersey and the Federal Government.

The consortium consists of 21 colleges and universities in New Jersey and 1 in Pennsylvania engaged in a cooperative program with the objective of constructively developing and using our marine resources for the benefit of all. To carry out this mission, the consortium and its member institutions engage in three kinds of activity.

The first is to conduct research projects that increase the store of knowledge about our marine and coastal environments and develop ways to apply this knowledge beneficially. The second is to develop and offer educational programs at many levels to make students and the public more knowledgeable about marine affairs and to prepare students for marine-related careers. The third is to provide advisory services that broaden public awareness and interest about our marine resources and supply information and answers to questions asked by those who make their living from our waters and coastal areas or who enjoy the recreational advantages they afford.

The academic members of the consortium currently are: Atlantic Community College, Mays Landing; Brookdale Community College, Lincroft; Cumberland County College, Vineland; Essex County College, Newark; Fairleigh Dickinson University, Rutherford, Glassboro State College, Glassboro; Jersey City State College, Jersey City; Kean College of New Jersey, Union; Lehigh University, Bethlehem, Pa.; Monmouth College, W. Long Branch; Montclair State College, Upper Montclair; New Jersey Institute of Technology, Newark; Princeton University, Princeton; Ramapo College, Mahwah; Rider College, Lawrenceville; Rutgers University, New Brunswick; Seton Hall University, South Orange; Stevens Institute of Technology, Hoboken; Stockton State College, Pomona; Trenton State College, Trenton; Union College, Cranford; William Paterson College, Wayne.

The consortium has its headquarters at Princeton, N.J. It also operates two field stations for broad-scope research and educational purposes. In addition, it recently received the gift of an island, Leaf Cay, in the Bahamas which affords additional valuable research and educational opportunities.

One field station is at Seaville in Cape May County, in the Second Congressional District of New Jersey, which I am privileged to represent in the Congress. The property for the Seaville station was deeded to the consortium by the Federal Government in 1974 in recognition of the organization's achievements up to that time and its vast promises for advancing marine science and education.

The second station is at Fort Hancock, Sandy Hook, N.J., overlooking the entrance to New York Harbor and the New York Bight. The facilities there also have been made available to the consortium by the Federal Government since 1972.

The Marine Sciences Consortium concept for New Jersey was proposed in 1968

and the consortium was formally organized in 1969 to fill a need for more effective education and research in the burgeoning marine science disciplines.

The founders recognized that no one institution had all the essential requirements to conduct a full-scale marine sciences program and that by pooling their physical and intellectual resources they collectively could accomplish more than the sum of their separate efforts. Marine teaching and research programs demand scholars, seaside, and campus laboratories, boats, complex scientific instrumentation to use on water or land, a marine science library and aquaria for preserving specimens for experimental purposes.

The founders of the consortium were: Donald W. Zalusky, Roger Raimist, Robert Renlund, and Joseph Waring, all of Glassboro State College; Robert Ramsdell, of Montclair State College; A. Lee Meyerson, of Newark State College; Albert Eble, of Trenton State College; Thomas A. Henry, of Cumberland County College; and William A. Taylor, a manufacturer.

It was this group of founders, together with some additional early associates, whose magnificent efforts and sacrifices kept the consortium in existence through its first few years. It was only their unstinting devotion of time and talent, without financial compensation, that overcame a series of setbacks and discouraging developments that the organization encountered during that period.

The consortium not only looks at the formal marine sciences and engineering disciplines but also examines practical problems pertaining to commercial and recreational fishing, safe boating, protection of our coast lines and river valleys, and the development of the sea and its energy resources.

The consortium receives annual funding from the Federal Government for acting as manager of the sea grant program of the National Oceanic and Atmospheric Administration for the State of New Jersey. This designation as sea grant manager for the entire State is a signal recognition of the organization's accomplishments and its scholarly resources. For fiscal 1977–78, these grants totaled $340,000 and were supported by non-Federal matching funds of $223,000 provided by the participating institutions.

The State of New Jersey also provides very important support to the consortium through annual appropriations and contracts with the consortium for specific services and projects.

For the year beginning March 1, 1978, 18 research and service projects have been authorized under the sea grant program. These are being conducted by investigators from Brookdale Community College, College of Medicine and Dentistry—New Jersey Medical School, Kean College, Montclair State College, New Jersey Institute of Technology, Princeton University, Rutgers University, Stevens Institute of Technology, and by members of the consortium's own research staff.

The consortium's field stations, boats, and special equipment for marine research play a major role in the conduct of these sea grant projects, which include:

The extraction of heparin, now obtained from hogs and cattle, from marine sources such as fish wastes and so-called trash fish. Heparin is the standard blood-clotting agent widely used in medical and surgical procedures. This study holds promise of reducing the cost of heparin, increasing the sources of income of fishermen and alleviating waste disposal problems and pollution.

Detailed analysis of the growth rates, life spans, and natural mortality of a valuable food resource, the ocean quahog clam, to produce information essential for the scientific managing of the rate of harvesting of these claims so as to safeguard their abundance against a growing fishing intensity. This has practical significance because of surf clams along the Middle Atlantic coast, which have been the backbone of the clam canning industry, are rapidly being depleted and are being replaced by quahogs. The project involves the reading of the growth lines found in clam shells, which can provide chronological and climatological data similar to that produced by the study of tree rings.

Use of extracts derived from skeletal wastes of shrimp and crabs to produce chitosans, which are wound healing substances, antitumor agents, and possible useful food additives.

Development of binding agents that will reduce the cost and increase the efficiency of the commercial feed pellets used in domestic shrimp farming.

A study of the life cycles of a certain group of organisms called dinoflagellates that produce the sporadic, notorious "red tides" along our coasts. The objective is to identify both the inner changes within the organisms themselves and the effect of environmental conditions that may trigger their explosive growth, so that the prediction and control of these outbreaks may become possible.

A massive study, involving seven principal investigators and five major projects, of the sources and effects of pollution in Newark Bay to produce information required for an intensive cleansing program of this body of water, the most polluted estuary in New Jersey.

Since early in 1977, the consortium activities have been directed by a distinguished scientist and educational administrator, Dr. Robert H. Ellis, a microbiologist. Before joining the consortium, Dr. Ellis had served as president of the Travelers Research Center and the Center for Environment and Man, Inc. of Hartford, Conn., and as assistant to the president of the Hartford Graduate Center, affiliated with Rensselaer Polytechnic Institute. He also recently completed a term as a member of the National Sea Grant Advisory Panel.

The director of the New Jersey sea grant program and the Sandy Hook Research Station is one of the Nation's most eminent marine scientists, Dr. Lionel A. Walford. He had long service with the Federal Government and is the author of many scientific and popular publications on fish and fishing.

The consortium has an excellent and hard-working board of trustees, composed primarily of representatives of the member institutions, all with outstanding reputations as researchers. Five of the original nine founders continue as trustees. The current officers are Professor Thomas A. Henry, a geneticist, president; Dr. Albert Eble, a biologist, vice president; Dr. Robert Ahlert, an engineer, secretary; and Dr. Lois Luedemann, a geochemist, treasurer.

Mr. Speaker, I am very proud that the heart of this splendid organization can be found at the Seaville field station in my congressional district. From that point and from the college and university laboratories throughout New Jersey, are coming many new discoveries, such as those I described earlier. Some will advance medical science, some will make our seas, seacoasts, and inland waters more valuable natural resources, creating new wealth and new employment opportunities that will benefit all our citizens and our commercial fishing industry. Others will make our waters cleaner and safer, promoting tourist and recreational businesses and protecting and improving the year-round environment enjoyed by those of us who live close or gravitate to the ocean or waterways.

The Seaville and Sandy Hook stations have been developed as important educational centers, drawing students not only from New Jersey, but from other States as well. These schools-by-the-sea hold the promise of becoming not only intellectual, but also valuable economic assets for their neighboring areas.

The stores of useful knowledge and the vast resources that remain to be wrested from our seas and inland waters are numberless. They must be equal to the number of drops of water that an ocean holds. Neither a shortage of brainpower or determination is restraining the consortium fram attacking all aspects of the tasks and opportunities before it. The limiting factor is money. Funds are needed to provide boats, laboratory, research equipment, and financial support for research professionals, educators, and students.

The consortium is by no means relying solely on funds from public sources to pay for the work it is doing. Because the private sector is the primary beneficiary of the results of its operations, the consortium actively seeks and is obtaining essential support from individuals, corporations, and foundations. From individuals this comes in the form of both cash and gifts in kind—boats, real estate, and equipment which it can either employ in the work of its researchers or convert into cash to purchase badly needed equipment. As the organization and its programs expand, the consortium members are being forced to seek private funds ever more urgently or allow golden opportunities to be wasted.

At the same time, those in this House—and I am proud to be one of them—who are supporters of the sea grant program can derive the greatest satisfaction from returns that are and will be forthcoming from our foresight. This program is creating jobs, putting additional money in the pockets of our constituents who make their living from the sea and bringing into being new, more useful or less costly products for use in

commerce and medicine. It is also helping to protect our waters from many kinds of pollution and danger, both natural and manmade. It is producing a new, larger, and better-prepared generation of marine scientists capable of ever-greater accomplishments in this field of study and discovery that is so important to our Nation.

As the New Jersey Marine Sciences Consortium approaches the end of its first decade, I salute its record. I hope that all my colleagues in this House will join me in giving their full support to the productive marine research and educational programs throughout the land that parallel the pathfinding work of the New Jersey Marine Sciences Consortium.●

FOURTH OF JULY REFLECTIONS ON CHANGING TIMES IN CONGRESS

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. FARY. Mr. Speaker, as the Fourth of July draws near, I would like to direct my fellow colleagues' attention to the numerous similarities that exists between the Congress that courageously adopted our Declaration of Independence in 1776 and today's 95th Congress.

Getting a measure through Congress today is not an easy task—nor was it in 1776. When Delegate Richard Henry Lee of Virginia introduced his bold resolution on June 7 demanding "That these United Colonies are, and of right ought to be, free and independent States," about half of the Colonies were in favor of it. The issue was most controversial. So, Congress postponed a decision, and later recessed for 3 weeks.

Delegate Thomas Jefferson, meanwhile, was commissioned to draft a declaration of independence in case it should be needed. The four pages of this draft that we see today in Statuary Hall of the U.S. Capitol is Jefferson's original draft bearing the corrections made by Benjamin Franklin and John Adams.

However, before the Congress could consider Jefferson's proposed Declaration of Independence, Delegate Lee's Resolution of Independence had to be resolved. Like we do today, the Congress then debated and argued the issue.

After many amendments and after the most momentous and critical debate ever in the history of the Congress, the Resolution of Independence was passed on July 2, 1776. Our bonds with Great Britain were severed. Independence was a fact, and our Nation was born.

However, before the Resolution of Independence could pass, several opponents chose not to attend Congress on July 2 when the critical vote was taken. The result was that 12 States voted in favor, with New York abstaining.

The delegates in the 1776 Continental Congress had to justify their actions to their constituents, to the world, and to future generations. So, with the essential question of independence settled, Congress immediately began to debate Jefferson's proposed Declaration of Independence.

After long hours of debating, arguing, defending, and amending the Declaration, Congress voted in the late afternoon of July 4 to adopt it. The vote again was 12 States for the adoption of the Declaration of Independence. New York was still abstaining while awaiting for instructions from their State's authorities.

Just as there is today, there was division and differing of opinion in the United States in 1776. What we enact here in Congress never meets with the complete approval of the American people. Our daily mail reflects that fact. Such was the case with the issue of independence in 1776.

Delegate John Adams in 1776 thought that a third of the colonial population supported the revolution and independence; another third opposed it; and the remaining third tried to be neutral. Of the third that supported independence, about a third of that small group actively got involved. So, even in 1776, congressional actions did not meet with universal approval.

When we vote in Congress, our votes and comments are a matter of public record. The 56 delegates to the Congress in 1776 who signed the Declaration of Independence on August 2 did not have their names released for close to 5 months in fear of reprisals for their actions. Today, in 1978, we are accountable for all votes immediately after they are cast.

The delegates in 1776, in justifying their actions, set forth in the Declaration of Independence, certain principles that are the basis for our Government today. The Declaration makes clear that the Government exists to safeguard the rights of the people. As Jefferson, in the Declaration stated, all people have certain basic rights—namely, "life, liberty, and the pursuit of happiness." The Bill of Rights later went on to expand these basic rights. Today, much of the legislation we pass, or fail to pass, often affects these basic rights of the American people.

Thomas Jefferson clearly points out in the Declaration that the people, not the Government, are the sovereigns. We here in Congress only represent the people who elect us.

We are here for a period of time only, and we are answerable to the electorate. It is they who pass the judgment on what we do. We renew our mandate to represent the people of our districts every 2 years. When our time is up in Congress, we step aside. This is the basis of our republican form of government.

Perhaps one of the strongest lines Jefferson wrote came as a warning to future generations as well as a reflection on past history:

> That whenever any Form of Government becomes destructive to these Ends, it is the Right of the People to alter or to abolish it, and institute new Government.

We have seen numerous applications of this principle during the past 202 years of history in other nations. Yet in our own Nation, we have seen changes made in our own institutions to reflect constantly changing needs.

The Bill of Rights added to our Constitution was to protect and to enhance the rights of man. The remaining 16 constitutional amendments reflect the changing demands in each era. The laws enacted by the previous 94 Congresses reflect the needs and changes demanded by the various periods of our history.

Today, we explain our votes and positions to our constituents in a variety of ways—the media, news releases, constituent mail, and in personal meetings with our constituents.

In 1776, the communications media was limited. The delegates in Congress did not have a staff to assist them in communicating. Congress had to wait 1 day before they could get the first complete printed text of the Declaration of Independence they adopted. This first printing, the Dunlap broadside, had to be dispatched to the various States and armies in the field, before it made its way to the newspapers and the public bulletin boards. Congressional news was sent to the States by horse and by ship. Eventually, the people in the Thirteen Colonies received the news of independence in days or weeks, rather than in minutes.

Mr. Speaker, the times have greatly changed for us in Congress since the days of 1776. But despite the changes these similarities and problems remain.

Now, in 202 years, Congress has changed its priorities. We have since settled our continent and have now turned our vision to the limits of the universe.

We are a rich nation—rich in the diversity of our people whose roots spring from every nation on Earth. We, the representatives of the people in Congress, reflect that diversity just as the delegates did in the Congress of 1776.

We are fortunate to have been born and in this great Nation. Here citizens have the opportunity to endeavor to achieve, through diligence and hard work, whatever position or station he or she may desire. Nowhere in the world do human beings have the freedom that we Americans possess. So it is fitting on the Fourth of July, that we take a moment to be thankful for our blessings.

Therefore my distinguished colleagues, may I beg your indulgence by reading to you a lovely poem written by my close friend, the late poet James J. Metcalfe, who phrased it so solemnly and beautifully:

GLORIOUS FOURTH

Today is Independence Day
And all throughout the land
The stars and stripes are flying high
And folks are feeling grand
It is the time to celebrate
Our glory in the sun
From all the fights for human rights
That we have waged and won
We are entitled to be proud
Of every victory
And all our efforts in behalf
Of peace and liberty
By land and sea, and in the air
Against whatever blow
Our good and great United States
Have never ceased to grow
So let us now salute the flag
And cheer the roaring guns
And pray that God will always bless
Our fathers and our sons.●

BAKKE TO SCHOOL

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. MARTIN. Mr. Speaker, the U.S. Supreme Court, faced with a major test of judgment in the case of Allan Bakke versus the California Medical School at Davis, has produced a fair and balanced decision. It was, in fact, precariously balanced—upon a series of shifting 5 to 4 votes. The issues, therefore, could have come down too far on either side but for the careful and correct judgment of Mr. Justice Powell, whose course stayed in the safe midchannel, clear of the shoals on both sides.

By definition he was constitutionally correct; by instinct he was also politically correct. Few Americans will deny that black, Indian, Chicano, and other ethnic minorities have been at a historical disadvantage gaining admission to medical schools, graduate schools, and other institutions of higher learning. Most Americans would endorse efforts to secure fair treatment for minorities; to recruit, motivate, and prepare candidates from varied ethnic and cultural backgrounds into the mainstream of higher education—and into the responsibilities for service that derive from it. Most will support fair play for minorities.

On the other hand, efforts to disqualify students solely because they are white, or come from a dominant ethnic or cultural tradition will not be regarded as being fair play, but as being reverse discrimination. It would amount to self-flagellation for a majority to support denial of civil and other rights of the majority. It would also be unconstitutional for such reverse discrimination to be based on race. To hold otherwise would be to indulge in judicial fantasy.

This is precisely why most Americans not only favor desegregation, to remove statutory racial barriers against civil rights of education and property ownership, but also oppose that other extreme known as "forced busing." When a false civil right is claimed to compel someone else's children to attend a more distant school clear across the county, for no other reason but race, few regard that as fair or equal treatment, or as being granted by the real Constitution.

The High Court now has rejected quotas which discriminate against an applicant based on race. Those whose political coalitions have advocated racial quotas must now stand aside until they can change the balance of the U.S. Supreme Court.

Meanwhile, admissions committees may continue to consider racial factors among others, such as motivation, leadership, scholarship, one's intended major, and athletic prowess or musical talent. They may continue to look at all that each candidate can bring and contribute to the society on campus as well as to society at large.

In the Bakke case, the Supreme Court has found a better balance than it did in the Charlotte-Mecklenburg School busing case. It has now held 5 to 4 that the rights of those in the majority are also protected by the Constitution.●

NATION'S HOUSING PROBLEM

HON. DAVID W. EVANS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. EVANS of Indiana. Mr. Speaker, I think all of us in this Chamber are familiar with the geometric axiom "the whole is equal to the sum of its parts." This profound statement appropriately underscores the nature of our Nation's present housing problem. There are many areas of neglect that contribute to our overall housing or homeownership crisis. Taken individually they appear rather incidental; added together they become quite significant.

Today, I would like to call your attention one such area or part. I am referring to the Department of Housing and Urban Development's continued refusal to implement the loan maturity terms for FHA insured multisection mobile homes—so-called double or triple wides.

You will recall that last year the Congress enacted housing legislation, H.R. 6655, which included provisions for raising both the dollar amounts and loan maturity terms for FHA insured mobile homes. These maximum amounts were increased to $16,000 for single unit homes and to $24,000 for double unit homes. In addition, loan maturity terms were extended to 23 years for the double unit homes.

These increases were seriously considered during debate on the housing bill, both on the floor of the House, as well as in the conference committee. There should be little question, then, as to the "intent" of the Congress in this area.

To date, HUD has seen fit only to come forth with a proposed rule which would increase the maturity period for a "single-wide" mobile home loan from 12 years and 32 days to 15 years and 32 days. The Department still has not announced a proposal on increasing the loan maturity terms on multisection or "double-wide" mobile home loans.

Apparently, the Department of Housing and Urban Development did not get Congress message. Let me refresh HUD's memory: The Congress wants the extension of loan maturity terms for not only FHA-insured "single-wide" mobile homes, but also for multisection or "double-wides" as well. The Congress will not tolerate any regulation or rule which blatantly ignores the needs of lower income families who may look to the manufactured housing industry as a means to homeownership.

Why has not HUD extended the loan maturity terms for multisection houses? Their reasoning centers on the perpetual myth that the multisection unit mobile home will not last for 23 years. I find this position by HUD to be both shocking and ludicrous, especially since all mobile homes are now built to HUD's own standards. Is the Congress to be told now that the Department has implemented such poor construction standards that multisection homes cannot last for the 3 additional years authorized in the housing legislation?

In an extensive HUD-commissioned study of the mobile home industry, conducted by the Massachusetts Institute of Technology, Prof. Arthur D. Bernhardt summarized the situation. He said:

> Extensive nationwide interviews . . . suggest that the economic life of a mobile home is considerably longer than is commonly assumed and that it may be close to the life of a conventional home.

Data based on research into the question of durability is scarce. However, there is strong evidence that the mobile home structure does have a useful life approaching that of conventional housing.

For example, according to information supplied by the Department of Defense, at a site in North Dakota, the Air Force has 111 mobile homes which have been in use for dependent housing since 1947 and which the Air Force intends to use until at least 1980.

Data drawn from the Bureau of the Census' 1974 "Annual Housing Survey" provides substantial evidence concerning the durability of mobile home structures. According to the survey, there are at least 6,000 mobile homes currently in use as housing which were constructed in 1949 or earlier. While total industry production for the year 1949 was approximately 46,000 units, it must be borne in mind that, at that time, most such units were travel trailers and nothing like the mobile homes of today. Indeed it was not until the 1960's that the industry divided into two separate industries to produce mobile homes (dwellings) and recreational vehicles (travel). Therefore, it appears safe to assume that a substantial portion of units produced in 1949 and earlier, for housing rather than travel trailers, are still in use today.

Last week HUD Secretary Patricia Roberts Harris released the final report by the Task Force on Housing Costs. Among other things, the task force concluded that the price of a newly constructed single-family home is now beyond the reach of most American families. If HUD has such a deep concern for the provision of adequate and affordable shelter for low- and moderate-income American families, then it certainly has a strange method of showing it. By raising FHA dollar ceilings but keeping maturity terms low, the Department is imposing higher monthly payments on those families who can least afford it. The result would be that the families HUD seeks to help are in reality being denied affordable housing by the Government's own policies.

I think it is time that HUD carry out the expressed goals and intent of the Congress by issuing implementing regulations for not only extension of the loan maturity terms for FHA-insured "single-wide" mobile homes, but for multisection homes as well. ●

SOVIET ATTEMPTS TO CENSOR AMERICAN NEWS

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. FASCELL. Mr. Speaker, the civil suit brought this week against two American correspondents in Moscow is a clear indication of Soviet attempts to intimidate all Western correspondents there and prevent them from transmitting full reports of news in the Soviet Union. Harold Piper of the Baltimore Sun and Craig Whitney of the New York Times have now joined the roster of American journalists who over the past 2 years have been subject to intensified harassment by the Soviet authorities because of Soviet displeasure over their contacts with and reports about human rights activists. This time, the Soviets have taken the new and particularly alarming tactic of filing a defamation suit in a Soviet court against the two correspondents for articles they had written in American newspapers which only a handful of privileged people in the Soviet Union may even see. In initiating the absurd civil suit against Messrs. Piper and Whitney, the Soviet authorities have again demonstrated the disdain in which they hold the pledges they signed in the Helsinki Final Act.

Despite the Final Act's promise "to facilitate the freer and wider dissemination of information of all kinds," the Soviet Government still maintains it holds a monopoly over "true" information and may therefore censor through harassment those who do not print the Soviets' exclusive version of what is true. Despite the Final Act's reaffirmation "that the legitimate pursuit of their professional activity will neither render journalists liable to expulsion nor otherwise penalize them," foreign journalists in Moscow must live with the constant fear of arbitrary reprisals against them. And despite the Final Act's pledge to "increase the opportunities for journalists of the participating States to communicate personally with their source," the Soviets have, for the last 2 years, mounted a coordinated campaign to interrupt all unofficial contacts and thus stifle the voices of dissent in their own society.

Such a crude form of censorship is anathema to Western reporting which relies on the freedom to write and the freedom to contact all types of sources. It is also contrary to the basic principles of confidence and mutual understanding on which the tenuous structure of superpower détente rests. A society which closes itself to inquiry from the outside says to the world that it fears impartial scrutiny and is not fit to take part in the global search for a stable peace.

If the case brought against the two correspondents is actually heard in a Moscow court, the outside world will be watching the fairness of the proceedings. Will the defendants be permitted to mount a real, expert, well-advised defense? Will they be given the time they need to prepare their case and a full hearing of their side? Will they be held accountable for the veracity of sources whose views they reported in good faith? Or will their trial, like the ugly spectacles we have already seen this year in the trials of Yuri Orlov, Vladimir Slepak, Pyotr Vins, Mykola Matusevych and other Helsinki watchers, be a drumhead tribunal?

It is not Mr. Piper and Mr. Whitney who are on trial: it is the Soviet Union—the fairness of its judiciary system, the decency of its laws, and the spirit of its international undertakings.

Many American newspapers have already commented on this unprecedented and alarming case. Recent editorials in the Baltimore Sun, the New York Times, and the Washington Post are included below and should be of interest to all of us:

[From the Baltimore Sun, June 28, 1978]

A CIVIL SUIT IN MOSCOW

With police state perversity, the Soviet Union seems to be in the process of turning a post-Stalinist liberalizing revision of its legal code into an instrument for harassing American reporters.

Hal Piper of The Sun, the senior U.S. correspondent in Moscow, and Craig R. Whitney, of the New York Times bureau, have been summoned to appear in Kalanchevskaya City Court today. The charge is one of slander probably arising from stories both wrote last month challenging the credibility of a television broadcast in which a well-known Georgian dissident, Zviad Gamsakhurdia, recanted his criticisms of the Soviet system.

The press department of the Soviet Foreign Ministry has informed Mr. Piper and Mr. Whitney that the civil suit has been brought by Gosteleradio, the state television and radio administration, evidently on the ground that it had been defamed. If the situation were not so outrageous, it would be laughable.

According to American experts in Soviet law, a civil slander provision was included in the 1961 fundamental principles of civil law in order to give aggrieved Soviet citizens a chance to sue the state-controlled press. Before, none had recourse against published but unproven condemnations.

Two years ago Alfred Friendly, Jr., then a correspondent for Newsweek magazine, cited this statute in a suit filed against the Moscow Literary Gazette for alleging he was an agent of the Central Intelligence Agency. The suit was not pursued to its conclusion, but the gesture must have rankled.

In the middle of May, according to Mr. Piper's dispatches, Tass quoted Mr. Gamsakhurdia as saying that Mr. Friendly, with whom he was acquainted, had produced "an adverse effect" on him. Then came the nationwide TV program in which the Georgia dissident allegedly confessed his supposed crimes and mistakes. Shortly after, Mr. Piper and Mr. Whitney were in Tbilisi, the Georgia capital, where friends of the dissident noted his changed appearance in the broadcast and speculated the program had been spliced together.

The Sun, of course, deplores this harassment of its Moscow correspondent. Mr. Piper is a careful, probing, highly professional journalist whose work for four years has been relatively free of Soviet attack. Indeed, President Leonid Brezsnev said last October that The Sun's reporting on the new Soviet constitution was "more or less" objective.

It is sad to see the Kremlin converting a liberal provision in its civil code into a bludgeon against the Western press. This not only defies protections for journalists in the Helsinki accords but damages detente. Soviet authorities would be well advised to stop the whole travesty and get on with more positive activities.

[The New York Times, June 29, 1978]

AN ACT OF SOVIET INSECURITY

If "slander" in the Soviet sense of the word is now going to hang as a legal sword over the heads of Western correspondents in the Soviet Union, fair and full reporting on Soviet society will soon become impossible. And if the Soviet Government has really thought through the implications of this new policy, then even more serious speculation is in order about the present course of that society.

To threaten correspondents with fines and jail for what they write—for non-Soviet readers—is to attempt to extend the laws of Soviet totalitarian society to the free institutions of the West. Forget Helsinki and all the pious pledges about facilitating the flow of information and ideas. This kind of bullying will make reporting from Moscow either wholly suspect or useless. It will invite retaliation against Soviet correspondents. It will ruin other forms of communication. It will further endanger relations.

Our concern goes beyond The Time's obvious interest in this matter. One of our correspondents in Moscow, Craig Whitney, and Harold Piper of The Baltimore Sun, were summoned to a civil court yesterday morning by the State Committee for Radio and Television to face a suit for "slander." The charge, as they understand it, is that they bear responsibility for the views of persons they interviewed during a visit to Soviet Georgia. Those persons challenged the authenticity of a televised confession by a convicted Georgian political dissenter and the state committee presumably feels officially libeled. It seeks relief by a published retraction as well as punishment of the correspondents.

Suits of this kind cannot be brought in the Soviet Union without the knowledge and consent of the highest Government authorities. Those authorities have been particularly aggrieved in recent years by the access that Western reporters have had to political dissenters, who have risked severe punishment for the chance to air their grievances to the world.

It is conceivable that these dissenters are in fact the intended targets of the Soviet action and that the new policy of intimidation strikes only incidentally at Western reporters. But whatever its motives, this Soviet move is a step backward toward the darkest hours of the cold war. It is an act of fear and insecurity by a global power that purports to be unafraid of peaceful competition, which surely includes the most elementary contact with the rest of the world. Let us hope it is all a mistake.

[From the Washington Post, June 29, 1978]

SPIRAL OF SHIN-KICKING

We are angered as journalists and troubled as citizens by the Soviet Union's apparently unprecedented decision to bring civil slander charges against two American correspondents in Moscow—for reporting they had been told that a dissident's televised "confession" to a charge of anti-Soviet agitation had been falsified. It is an escalation in kind of the "normal" intimidation practiced on the foreign press. It represents an evident effort at censorship. It is a plain violation of the Soviet government's Helsinki pledge to permit journalists to do their professional work. Further, it substantially adds to the queasiness many people feel over Moscow's hosting of the 1980 Olympics. Just what controls do the Russians plan to impose on the Olympic press?

That is, unfortunately, not all. When the

United States last month arrested and held on high bail two Soviet spy suspects (rather than simply expelling them in the usual manner), the Kremlin tersely stated that "two can play at this game" and locked up an American businessman in Moscow. Quiet diplomacy has since gotten all three of these men out of jail, perhaps as prelude to a swap that, however distasteful from a legal standpoint, has a certain political rationale. Just as American officials were hoping that this upward spiral of shin-kicking had been halted, however, the suits were filed against the correspondents of the Baltimore Sun and The New York Times. Between the announcement of the suits on Tuesday and the actual bringing of them Wednesday, Secretary of State Cyrus Vance raised the matter with the Soviet ambassador. The Soviet government nontheless chose to proceed.

Protests are important but, we fear, inadequate. Timely reciprocal action to protect the integrity of the American news-gathering process in Moscow is called for. There should be no action taken against Soviet correspondents for what they write: That is not the American way and, anyway, the American judicial system does not lend itself to the Soviet sort of political manipulation. But retaliatory action should be taken to restrict the ability of Soviet journalists in Washington to do their professional work. For journalistic and other reasons. Moscow values the license to rub shoulders and roam that its correspondents enjoy amply here. While the specter of judcial intimidation hovers over American journalists in the Soviet Union, that license for Soviet press representatives in America should be abridged.●

BILL TANSILL RETIRES FROM LIBRARY OF CONGRESS

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. WON PAT. Mr. Speaker, the Congress is about to lose the service of one of the greatest research specialists the Library of Congress has ever employed: Mr. William R. Tansill who is to retire soon.

In an atmosphere of many talents, Bill Tansill stands alone in my judgment for his unfailing professionalism and superb skills. It has been my pleasure and privilege to use the research material provided by Bill Tansill for many years and in each instance his work was invaluable to me and my constituents.

I first encountered Bill in 1950 when he wrote the initial review of Guam by the Library of Congress. Since that time, his interest in all of the territories has remained highly active. As a result, there today exists in the Library a wealth of information about the islands, their development, both economic and political. The contribution he has made to history and a better understanding of the events that transpired between the islands and the Federal Government from 1950 to now will be deeply appreciated by scholars for many decades.

Because no one has a more thorough memory of Federal regulations with all of the territories than has Bill Tansill, his unique abilities will be deeply missed. While I am confident that others who follow Bill at the Library will be of highest qualifications, it has been comforting to know that he was always close at hand to institute some original research and carry it out with an unbeatable degree of expertise.

There is a time, however, when even the most dedicated of workers must find time to enjoy themselves. More than most, Bill Tansill has richly earned his moment in the sun. I wish him every happiness in his retirement and pray that good health will follow him forever. He is one of a kind and may he find retirement as rewarding to his interests as we have found his skills to ours.

Thank you.●

1977 LEGISLATIVE EXPENSE DISCLOSURE

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. FRENZEL. Mr. Speaker, the following figures show what amounts were authorized and spent by expense classification for my legislative duties during 1977.

Recently, the House began publishing actual expenses as vouchered for each Member. The House publication, however, is difficult to understand. I hope the figures below will be more meaningful.

I am not an unrestrained fan of personal disclosures, but I think that discolosure of expenditures of the taxpayers' money is both appropriate and necessary.

Frenzel office expenses, 1977

Allowances	
Communications	$5,000.00
Computer	----------
Equipment lease	9,000.00
District office rent	12,701.25
Official expenses	2,000.00
Postage	211.00
Stationery	6,500.00
Travel	9,101.00
Telecommunications	10,041.67
Subtotal	54,554.92
Transfer from clerk hire	14,540.00
Total	69,094.92
Expenses	
Communications:	
Allowance	5,000.00
Transfer in	4,150.00
Expenses	(9,019.73)
Balance	130.27
Computer:	
Transfer in	8,274.00
Expenses	(6,810.68)
Balance	1,463.32
Equipment lease:	
Allowance	9,000.00
Transfer in	4,266.00
Expenses	(11,454.07)
Balance	1,811.93
District office rent:	
Allowance	12,701.25
Expenses	(11,269.01)
Balance	1,432.24
Official expenses:	
Allowance	$2,000.00
Transfer in	6,100.00
Expenses	(7,573.10)
Balance	526.90
Stationery:	
Allowance	6,500.00
Transfer out	(2,000.00)
Expenses	(3,230.75)
Balance	1,269.25
Telecommunications:	
Allowance	10,041.67
Transfer out	(4,550.00)
Expenses	(5,324.20)
Balance	167.47
Travel:	
Allowance	9,101.00
Transfer out	(1,700.00)
Expenses	(6,288.30)
Balance	1,112.70
Postage:	
Allowance	211.00
Expenses	(130.00)
Balance	81.00
Total allowance	69,094.92
Total expenses	61,099.84
Balance from 1977	7,995.08●

WHY BIG BROTHER IS SUCH AN EXPENSIVE RELATIVE

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. BONKER. Mr. Speaker, now that proposition 13—or, rather soothsaying about what it all means—has become the latest national pastime, anyone with a burp or hiccup about government spending gets into the papers. Among the more intelligent pieces on fiscal responsibility I have seen appear recently in the Seattle newspaper, the Weekly, written by two members of the Washington State Legislature. I commend the article to my colleagues since it points to "a cultural dichotomy between individual support for personal services and government guarantees, and collective outrage and rebellion at the cumulative cost."

I believe the article may overstate the outrage at the level of taxation compared to the growing suspicion among citizens that they are not getting what they pay for. Justified or not, many citizens feel that the more we spend, the worse things get. There is a prevailing feeling among Americans that there must be a lot of waste somewhere in the interstices of government. It is this belief which allows citizens logically to want to cut taxes overall at the same time they want to maintain services.

The lesson I read is not that we must simply cut taxes and services, but that we absolutely must do a better job designing and overseeing programs. People have not turned against govern-

ment, but they certainly have turned a critical eye toward government.

I include the article, "Why Big Brother Is Such an Expensive Relative," in the RECORD at this point:

WHY BIG BROTHER IS SUCH AN EXPENSIVE RELATIVE

(By Helen Sommers and Will Knedlik)

"What government gives, government must first take away."

Few Americans consciously face up to this simple truism. Most citizens willingly accept the myriad government services offered; many expect more; and some actively and effectively demand greater benefits. At the same time, almost all complain about the growing costs of government.

Government has become the greatest of the big spenders. Despite increasing outrage by the paying public, the cost goes up and up. Federal, state, and local spending as a per cent of gross national product has nearly *tripled* since 1930, when it was 12.4 per cent: today it is 32.8 per cent.

Why this upward spiral? Federal, state, and local budgets show that increased costs come from new and expanding programs for the public welfare—programs developed on a vast scale and in an imaginative variety of ways. In 1960, social services were 23 per cent of the federal budget; today the percentage is almost double, or about 45 per cent.

Our general theory of why government costs so much is derived from observation of an evolving "social ethic," or rules of conduct for government.

Government "obligations" now extend far beyond such basics as providing a fair civil code, maintaining order, and protecting against foreign threat. Since 1937, government has increasingly been expected to perform as the grand humanitarian and ultimate provider; to act as the final employer; and to insure against virtually all risks of living.

These are not startling ideas, but rather reflect the dominant cultural and social beliefs of our time. Americans, by and large, do support higher social security benefits, better nursing care for the aged, special education for the mentally and physically handicapped, jobs for the unemployed, and help for the farmer struck by bad weather. This value system has been incorporated in a multitude of laws and programs. Americans like to think of Uncle Sam as a rugged individualist, but we now expect him to demonstrate the pervasive protective characteristics of a "Jewish mother."

Although Americans have developed the attitude that government is responsible for individual and personal welfare, increasingly we are unwilling to pay the price. We have developed a cultural dichotomy between individual support for personal services and government guarantees, and collective outrage and rebellion at the cumulative costs.

Tax rebellion is now turning from rhetoric to action. Within the last two years, several states have imposed lids on spending. New Jersey, Colorado, and Tennessee have enacted such limits. More states will follow in coming months. Last year Washington state voters repealed the sales taxes on food that had been imposed for decades. California voters have just drastically slashed property taxes. Yet if the taxpayer views politicians as rabid spenders the politician may hold an equally caustic view of the citizen. To the elected official, the citizen frequently appears to be the individual who votes for those politicians who promise the most, and then threatens impeachment when the bill is sent.

Rising standards and expectations are also the rule of our society. Consider the example of our changing requirements for housing. The average new house in the 1950s had 900 square feet of floor space, one bath, two bedrooms, a carport, and few kitchen extras. The average house in the 1970s has 1,500 square feet of floor space; two baths; wall-to-wall carpeting; dishwasher, disposal, and frost-free refrigerator; a two-car garage; and probably, air conditioning.

So it is with our expectation of government services. For example, the American concept of taxpayer-funded education has expanded rapidly—and expensively—in the last few decades. California early developed an extensive state system of higher education and the philosophy of a college degree within the reach of all. In the last 15 years, most states have established community college systems offering two years of college work and self-help courses ranging from basket-weaving to stock-market investments.

The community college system enjoys especially strong citizen support. Communities are proud of their colleges and the status and opportunities they afford. But of course they constitute a major new demand for tax money. It is illuminating, for example, to note that in Washington the community college system was developing during the same period that the state's percentage contribution toward total expenditures for the public schools was falling, and the schools were becoming increasingly dependent on local tax levies.

We are next embarking on another new era of education that illustrates both our heightened humanitarianism and our rising expectations of government.

Few new programs involve as much human emotion and genuine compassion as education for the handicapped. In 1971, the Washington State Legislature passed the "Education for all Act," providing specifically for the excess costs of educating the handicapped. The estimated biennial cost of the program ranged between $10 and $20 million. These estimates proved to be absurdly low. State funding for education to the handicapped has grown to $80 million in the present budget.

It is our observation that citizens believe that assisting the handicapped to develop to the best of their ability is an appropriate and long-neglected responsibility of society. But such programs add considerably to the rising cost of government against which those citizens, *as taxpayers*, are rebelling.

In the last decade, federal public employment programs have become another new major element in both state and local budget.

A Treasury Department study shows that federally funded workers now make up 16 per cent of employment in 48 major cities. The Comprehensive Employment and Training Act (CETA) is only five years old, but its annual cost has jumped from $2 billion to $11 billion. Millions of unemployed persons have benefited from these programs, but the addition to the annual tax burden is now $54.30 per capita. Congress would add to present legislation on guaranteed employment if it passed the Humphrey-Hawkins bill now under consideration.

Agriculture is another major example of taxpayer-funded guarantees with government playing the role of guarantor. Subsidies to farmers provide an especially ironic illustration of the conflict between vociferous support for individual benefits and outrage at the cumulative price, since farmers are frequently vocal critics of government costs. Farmers are also effective at reducing their own tax burden. Agriculture, although a major sector of the Washington economy, is totally exempt from the state business tax and enjoys very favorable property tax treatment and a rash of sales tax exemptions.

Agriculture is the one sector of our economy where individual producers openly demand that government guarantee against their personal business risks. The demand for government guarantees has intensified in recent months. Threatening a nationwide strike, farmers have staged tractor parades in states ranging from Florida to Washington and from Texas to Maryland. The taxpayers' burden for farm subsidies is growing: from $575 million in 1975 to more than $7 billion this year. These estimated subsidies will add $33.60 to the tax burden of every man, woman, and child in the country in 1978, all part of the cumulative cost of government causing the collective outrage.

Litigation has played still another key role in making government into the ultimate provider. Within the last decade, a wave of lawsuits brought by civil rights groups and government-funded public defender and legal aid offices has resulted in a pattern of judicial decisions mandating social services to be funded by the taxpayer. Further, some of the resulting judicial orders have added a precedent-setting twist to public charity by writing into case law and bureaucratic mentality the concept that government is liable whether it has the money or not.

Many of these cases have focused on jail services, especially medical services. The most dramatic—and costly—example of a lawsuit over such medical services occurred in San Francisco, where a group of citizen activists charged that inadquate services for prisoners constituted cruel and unusual punishment. In 1973, the group won judgment in the local federal district court. The cost of care for prisoners increased tenfold—from $300,000 per year to $3 million.

Threaded through such judicial mandates to government is an emerging philosophy about taxpayer responsibility: availability of financial resources is not relevant. Judges-turned-budget-writers are saying that the response of "We don't have the money," just doesn't matter.

In March of this year, a King County Superior Court decision directed the Washington State Department of Social and Health Services to provide elective surgery to low-income persons—whether or not the department had the funds available. The court asserted that the right to government-provided surgery to alleviate, prevent, or correct a medical condition is based on both the federal and state constitutions. If requested, even "elective" surgery may not be denied for fiscal reasons.

Newspapers and television also contribute in building the ethic of government's "duty" to provide for the less fortunate. This influence takes different forms, sometimes overt editorializing, but more frequently through focusing on misfortune and, especially on television, a 60-second dramatization of pathos.

Examples abound; flood victims, drought victims, the handicapped, the aged in substandard nursing homes, the poor in subsidized housing. All of these properly appeal to our humanitarian instincts. They are also a message to both bureaucrats and elected officials to do their duty—to provide.

The Seattle-area press has recently urged higher payments for nursing-home care of the aged, improved prison facilities, money for emergency medical services, more funds for education of the handicapped, increased public assistance grants, additional subsidized housing, more money for payments to crime victims, more money for the zoo, and more dog catchers.

A Tacoma daily newspaper raked local legislators for failing to act to expand higher education programs in Pierce County, despite the fact that the state's college and universities already have excess capacity. The paper's editorial policy is vehemently anti-spending and anti-taxes ordinarily, but it ignored questions of expenditure justification in demanding increased programs for its own area.

In this state, the voters themselves have directly created new programs. Exercising initiative powers, which allow citizen-written statutes to be approved at the polls, Wash-

ington voters have imposed additional obligations on government.

A "Shorelines Management Act," significantly expanding land-use management duties at the state and local levels, was approved in 1970. That same year the voters initiated a litter control program, with management and clean-up responsibility imposed on the state. In 1972 citizens wrote a public disclosure law and set up a new state commission charged with collecting vast amounts of data on political campaigns, watchdogging campaign financing, and reviewing the use or abuse of government property. And in 1977 the voters established a program of restrictions on water permits—more administrative work for the state.

How to deal with the rising costs? How to deal with the dichotomy of individual demands and collective refusal to pay?

A visible relationship between costs and benefits is essential as a first step. Few mechanisms now exist to assist taxpayers in this way. Earmarking of taxes has serious drawbacks because it becomes outdated so fast. Nonetheless, we believe that judicious use of earmarking—to tie major program costs to benefits—needs to be reexamined as a possible method to assist taxpayers to better evaluate both what they want and what they are willing to pay for. Our present Social Security system and the proposed national health insurance are programs especially suited to this kind of cost/benefit linkage.

Another mechanism to illustrate the costs of programs is to describe those costs in per capita terms. Would it help voters, and politicians, to better judge the worth of CETA if it were common knowledge that this job program costs each of us $54.30 this year? And how do we feel about farm subsidies adding $33.60 to each and every tax bill?

We also believe that politicians have a major responsibility to continuously inform the public, and to remind the media, that it is the assumption of new responsibilities and the proliferation of programs that are adding to their tax bill. It is estimated that medical costs are 8.8 per cent of GNP. But no advocate of national health care points out this potential addition to the tax level would bring government spending to over 40 per cent of GNP.

Why then does government cost so much?

It costs so much because Americans have changed the rules of conduct for government. We have expanded government responsibilities. We have designated government as the great humanitarian provider of social services, and as a guarantor against risks. And we have applied our rising level of expectations to government services as well as private circumstances. Waste also adds to the cost, of course, but more attention must be directed at increased services as the greatest factor in the rising tax burden.

In all of this, we do not mean to criticize development of the humanitarian ethic about the role of government. No judgment is intended, of right or wrong, helpful or harmful, appropriate or inappropriate. Our purpose is to describe an evolving concept and to draw attention to the inconsistency of "free lunch" expectations. It is our further purpose to stimulate discussion, to invite dialogue and critique. The problem is how to formulate a social ethic that taxpayers can live with, both emotionally and financially.●

BEST WISHES TO MR. AND MRS. JOSEPH C. LYNCH

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. RUSSO. Mr. Speaker, as the years go by the institution of marriage does not appear to fare as well as it once did. When a couple reaches a wedding anniversary of 50 years, surely we must commend them. Yesterday, Mr. and Mrs. Joseph C. Lynch, currently residing in West Hyannisport, Mass., achieved this milestone.

Joseph was born on March 1, 1903, while his wife, the former Alice M. Coyle, was born on January 22, 1904. They were married in the Sacred Heart Church in their hometown of Taunton, Mass., on this day in 1928. They have lived in various localities over the years, spending many years in the State of Connecticut.

This Saturday, their daughter, Margaret, is having an anniversary party for them at the Dunphy's resort in Hyannis, Mass. Members of the family will be coming from near and far to attend, including their two granddaughters. Best wishes to the Lynches on a most cherished wedding anniversary—the golden one.●

AN UNSUNG HERO OF THE BATAAN DEATH MARCH

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. FARY. Mr. Speaker, I would like to take this opportunity to bring to the attention of my distinguished colleagues the inspiring story of Mr. Nicholas F. Fryziuk, one of the heroic survivors of the infamous Bataan Death March of World War II. His undying spirit and sense of loyalty under the most trying conditions warrant special recognition, especially on the occasion of the upcoming Fourth of July, when this Nation's attention is focused on patriotic sentiment.

Nick's military service began in 1940, when he enlisted in the Illinois National Guard and was assigned mechanical duties due to prior experience as a maintenance mechanic and millwright at Corn Products Refining Co. in his hometown of Argo, Ill. Later, that same year, Nick became federalized and started training at the First Armored Division School at Fort Knox, Ky. There, he graduated from his training class within 1 week, due to his expertise in advanced mechanical maintenance and was then assigned to B Company of the 192d Tank Battalion with the rank of first-class mechanics specialist.

In 1941, Nick had the honor of being nominated for Officer's Candidate School because of his fine service record and in view of his unique ability to speak numerous foreign languages, such as Polish, Russian, and Ukrainian, which qualified him for intelligence assignments. However, Nick had to refuse the Army's offer since he desired to return to civilian life upon his discharge, which was only 18 months away.

Later, that same year, Nick's life underwent traumatic and turbulent changes in that he was transferred to the Philippine Islands and stationed at Clark Air Field prior to the Japanese air attack on that facility on December 8, 1941. After this initial attack, he was sent to North Luzon to prepare for the impending Japanese invasion. While defending the island, Nick was wounded four times in less than 4 months. Against overwhelming odds, American forces finally fell before the might of the Imperial Japanese Army. Nick himself was captured at Bataan and forced to make the grueling death march, in which many men lost their lives, to Camp O'Donnell, the first POW camp set up by the Japanese.

Nick Fryziuk survived that march and the 3½ years of imprisonment that followed. But he did much more than survive. He carried on the struggle against his Japanese captors by sabotaging and harassing the enemy in every way possible, even though he knew that, should he be caught, the penalty was death.

The following are sworn testimonials from men Nick served with and their stories speak clearly of his brave acts:

William A. Hauser, 192nd Tank Battalion: "On April 12, 1942, while on the Death March, I was wounded by a fragment of a shell Corrigidor had fired at the Japanese batteries dug in at Cabcaben field. Fryziuk, who was walking alongside of me at the time, stopped to give me first aid with bandages and medications he had hid from the Japanese. The guards not only made threats to those who stopped but also to those who went to their aid. The danger of these threats were very real because time and time again I witnessed the killing of those who were hurt or sick and instances where men were killed who attempted to help them."

William A. Hauser: "Late in 1942 and a good part of 1943, Fryziuk was on a work detail driving trucks out of Ft. McKinley. These truckers were supplying Japanese troops as far north as Bagio. With his usual talent, Fryziuk was soon able to accumulate extra food stuffs, petrol and some ammunition. These supplies he managed to smuggle out to guerrilla forces north of Manila. Confirmation of this activity was given to me by a Col. Shia Sheng, whom I met in Manila in 1967. During the war, he was a commissioned officer in the Chinese Army, who had been sent to the Philippines prior to the war to organize the Chinese community into a guerrilla movement if and when the Japanese started a war. They operated in Manila and in the vicinity of Mt. Arat and Clark Air Field."

Sgt. Robert V. Parr (POW), 192nd Tank Battalion, Co. B: "I was in the same unit with Nick Fryziuk in the Philippines on the island of Luzon at the start of World War II in Company B, 192nd Tank Battalion. We were among the first units to engage the Japanese after their landing at Linguen Gulf. I was with units of Company B at the Carmen River, Northern Luzon when Sergeant Fryziuk was wounded by enemy rifle fire as he made repairs on disabled tanks. These tanks would have been lost if emergency repairs had not been made. Although wounded, Sergeant Fryziuk continued to do his duty, rather than go away to safety and medical attention. His devotion to the maintenance of the 192nd Battalion tanks continued during our army's retreat from Northern Luzon and later during the Battle of Bataan.

"I was wounded in the stomach and back, prior to the surrender of Bataan and forced to make the Death March. I would not have survived the ordeal without the aid and assistance of Sergeant Fryziuk, who literally carried me at times. When the other sick and wounded faltered and could not longer go on, the Japanese guards shot or bayonet-

ted them. I escaped that fate, thanks to the courage of Nick Fryziuk.

"Arriving at San Fernando, Pampanga, we were crammed into railroad cattle box cars. Sergeant Fryziuk not only continued to help me, but he also saved another member of our company (Kenneth A. Heinrich), overcome by the heat and lack of water. Sergeant Fryziuk kept us from being crushed and gave us water he had. When we arrived at Capas (illegibile), Nick continued to help me make the march to the POW camp (O'Donnell)."

Ralph W. Cherry, Platoon Sgt., USMC Retired, 4th Marines: "I was sent on quite a few details by the Japanese as a POW. On October 22, I was sent to Camp McKinley in Manila with 69 other Americans. Here I was put as Number 1 in charge. This detail was with the Quartermaster of the Japanese. Our job was to haul supplies to the Japanese units in the Manila area. Here is where I got to know Sgt. Fryziuk, as we were on several details together. I also got to see things Sgt. Fryziuk did in helping the geurrillas, such as dumping supplies at pre-arranged sites where they could pick them up. Nick would do things to the truck so we would break down and while the Japanese were fixing it, he would be dumping food, fuel and anything that would help the guerrillas against the Japanese. If we were caught, we knew we would be in trouble and our lives could end very quickly.

"However, Sgt. Fryziuk would keep his war going against the Japanese just the same. After we accomplished this detail, half of us were sent to the port area in Manila, where we were joined by 400 other Americans under the command of Lt. Cmdr. George G. Harrison, USN. Here, we were on details loading and unloading ships with all kinds of supplies. Sgt. Fryziuk picked up his operations again. We made tools which would help us sabotage equipment of the Japanese. One was a tool to open caps on 55 gallon drums of gas, so when we loaded them, we could turn them upside down so they would leak. By doing this, two ships (tankers) blew up in the harbor after pulling away from the dock.

"Also Sgt. Fryziuk served as a corpsman in helping Lt. Cmdr. Harrison return to health after he was confined to Sandago dungeon for 89 days. When the Japanese let Harrison out, he was so weak he couldn't feed or bathe himself. With the aid of Sgt. Fryziuk, Lt. Comdr. Harrison returned to health and gradually regained his strength.

"At all times, Sgt. Fryziuk knew if he were caught, his punishment would be very hard but this did not stop him from carrying out his missions."

Nick Fryziuk remained a prisoner of the Imperial Japanese Government until August 16, 1945, when he and eight other men escaped and made their way to Yokohama, Japan, where they had the pleasure of meeting, Gen. Douglas MacArthur and his staff, prior to the final peace being signed aboard the U.S.S. *Missouri* on September 2, 1945.

After treatment in various hospitals and returning home to the United States, Nick Fryziuk was honorably discharged on May 4, 1946. He then returned to work for his former employer, Corn Products Refining Co., where he worked his way through the ranks to become first line supervisor, overseeing eight foreman in the production of Mazola corn oil and cattlefeed.

In 1973, Nick was forced to retire, due to war wounds and prison camp disabilities. He has been active in numerous organizations, including the American Legion, Veterans of Foreign Wars, Disabled Veterans, Ex-Prisoners of War, Bataan-Corregidor, and the Alhambra Group for Retarded Children. Civilian honors include his selection as North Central regional director of Ex-POW's and commander of the Veterans of Foreign Wars. Post 6863, of Summit, Ill.

Mr. Speaker, many of the dangerous and herioc acts Nick undertook demanded courage above and beyond the call of duty. Some of these acts have been officially recognized, as is evident by his receipt of the following decorations:

(1) Distinguished Unit Badge with 1st and 2nd Bronze Oak Leaf Clusters.
(2) Army Commendation Ribbon.
(3) Philippine Defense Ribbon with 1 Bronze Battle Star.
(4) Asiatic Pacific Theater Ribbon with 1 Bronze Battle Star.
(5) American Defense Service Ribbon with Bronze Star.
(6) Purple Heart Medal with 1st Bronze Oak Leaf Cluster.
(7) Good Conduct Medal.
(8) Victory Medal.
(9) American Theater Ribbon.
(10) Service Stripe.
(11) Seven overseas service bars.
(12) Army of Occupation Medal (Japan).

But, without a doubt, the highest recognition given this unsung hero comes not from the Department of the Army, but from the men Nick served with, for I should like to point out that the testimonies related here were sworn to and freely given by Nick's former comrades, who felt that, despite his numerous decorations, sufficient recognition had not been granted this extraordinary soldier and patriot.

Therefore, S. Sgt. Nicholas F. Fryziuk, on the behalf of your former commrades in arms and from the people of the Illinois Fifth Congressional District, I say to you, "Well done."●

ROCHESTER RALLIES AGAINST AMERICAN NAZI PARTY

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. HORTON. Mr. Speaker, it was my privilege to participate on Sunday, June 25, in a program with many of my fellow Rochesterians who rallied at Rochester's Liberty Pole to exercise our inalienable right of free speech. I am speaking, of course, about a rally which coincided with similar demonstrations across the country expressing our solidarity with men and women of different religious, national, and ethnic origins. This rally, which took place on a day designated by the Congress as National Brotherhood Day, was our way of telling the world that although the Constitution recognizes the right of all Americans to exercise free speech, it does not advocate the kind of hatred, ridicule, and vulgarity which American Nazis spewed forth on Saturday.

During the Liberty Pole Rally, two very poignant speeches were delivered by men long admired and respected by Rochesterians, Rabbi Judea Miller and Canon St. Julian Simpkins, Jr. Their remarks, which echoed my feelings that we must help unite our country and not tear it apart, follows:

STATEMENT OF THE REV. CANNON ST. JULIAN A. SIMPKINS, JR.

The demonstrations of the American Nazi Party are not only a flaunting of our basic principles of liberty, justice and freedom, but they repudiate all that we, a free people, lived and died for.

The Bill of Rights, of free speech and assembly, were designed by our founding fathers to protect the rights and liberties of every freedom loving citizen, not to give license to hate groups, to spread their venomous bigotry and their cancerous intolerance and hatred.

The American Nazi Party is as repugnant to our system of values as it is destructive. It is as dehumanizing and as destructive of human life and liberty as colonial slavery was dehumanizing on those slaves in the 18th and 19th centuries. The Judeo-Christian ethic which undergirds the tradition of our democracy, the deep moral and spiritual traditions which fashioned us into one great people, are too great to be destroyed by the self seeking of a demented hate group. The American system of democracy abhors the very existence of this group among us.

Any system which would attempt to wantonly destroy 6 million of God's created—is not only repugnant to our creed, but must be tenaciously fought by us and destroyed, for the price of liberty is eternal vigilance.

Give me your tired, your poor
Your huddled masses yearning to be free.
The wretched refuse of your teeming shore.
Send these, the homeless, tempest-tossed to me.
I lift my lamp beside the golden door.

Declaration of Independence:

"We hold these truths to be self evident that all men are created equal; that they are endowed by their creator with certain inalienable rights; that among these are life, liberty and the pursuit of happiness. That to secure these rights, governments are instituted among men, desiring their just powers from the consent of the governed."

Whenever any form of government becomes destructive of these ends, it is the right of the people to alter or abolish it.

Only our vigilance will rid us of this debauchery.

STATEMENT OF RABBI JUDEA B. MILLER

In a bizarre, absurd way, the Nazis in Chicage have done us a service. Because they reminded us. A generation has grown up since the days of the Holocaust and the Second World War. A generation has arisen that remembers not Hitler and his mad hordes of killers, who murdered one out of every three Jews in the world—six million! Even the numbers are numbing. For how can one mourn six million? Each was a universe of love and joy: children for the sake of whose smiles it seemed as though the sun itself would shine; gray-headed elders who deserved to complete their days more gently.

Who knows how many potential Mendelsohns, or Gershwins or Copelands or Ernest Bloch were snuffed out before the world could hear their song? How many Marc Chagalls or Sigmund Freuds or Albert Einsteins had their lives brutally ended before giving the world the blessing of their talents? Who knows whether the Jewish child who could have grown up to rid the world of the scourge of cancer, had his life snuffed out prematurely in the Nazi camps of anni-

hilation? The loss to the human spirit is incalculable.

The loss of each was a personal tragedy, unfathomable. Their blood cries out too silently from the earth. So we have not heard. From the ghettoes and camps of slaughter arose the cries of victims. The world did not want to hear then, it tries not to remember now.

All who are born must die, but how shall we compare the slow passage of our time with the callous slaughter of the innocent, cut off before their time? They lived with faith. Not all, but many. And surely many died with faith; faith in God, in life, in the goodness that even flames cannot destroy. They have left their lives to us.

But we tried to forget. Memory is painful. So these Nazi hoodlums in Chicago have done us a service. For they have provoked us to remember. No doubt many of the young, born after the Holocaust have not known; or being told, they did not believe. They thought we exaggerated those grim days. It could not have happened, so they thought. Now they know. These sadistic hoodlums in storm trooper uniforms with swastika armbands and their spiritual bloodbrothers bedecked in white sheets of the KKK and with crosses afire—whether in Skokie or Marquette Park or in Tupelo, Mississippi—they have risen like a shadow from a bygone day, an ugly echo from the past, a nightmare from a dream half-forgotten—to remind us. Yes, it did happen and it can happen again. The victim may again be the Jew or he may be the Black or Chicano, or the Biafran or Cambodian. But it can happen again. And it may happen if we do not remember. The dreadful, hate-filled Amaleks are still with us and we must be alert.

For where ever and when ever a fellow human being is disesteemed because of the color of his skin, or the faith in which he worships, or for the birthplace of his forefathers, there Nazism still stalks the earth. We dare not forget the pain of yesterday, nor ignore the pain of today. For if there is goodness at the heart of life, then its power, like the power of evil, is real.

Which will prevail? Moment by moment we choose between them. If we choose rightly, and often enough, the broken fragments of our world will be restored to wholeness. That is why we are here today at this hour, the hour originally selected by the Nazis to march in Skokie. That they have decided the last moment not to march this day in Skokie is irrelevant. Because they will march another day in another Skokie or in Marquette Park or someplace else to broadcast their hate, to spread their venom and to terrorize the survivors of the last Holocaust, or the potential victims of some possible future Holocaust.

Our response is to reaffirm now our dedication to the humane ideals of our nation, the ideals of equality and respect for people of all races and all religions. This is our way of indicating our support to the people of Skokie and to Holocaust survivors everywhere and to state once and for all that we will never again permit the degradation and massacre of people because of their race or religion.

Even the profoundest truths become dead dogmas if they are not fearlessly and frequently exclaimed. The American goal is to achieve equality and universal human rights for all. In defense of these values, half a million American lives were sacrificed fighting against Nazism in the Second World War. We come together to affirm that those sacrifices were not in vain and to rededicate ourselves to the truths of America.

Recently we observed the Bicentennial of America, the two hundred years of our founding as an independent nation. This gathering here today is in large measure the real Bicentennial observance, the sort of observance that is worthy of an America that is great. For we are reaffirming our dedication to the humane values of a democratic, free society where all may live out their lives with dignity and freedom from fear. We dare not forget.●

CONCERNS ABOUT THE MAGNETIC FUSION PROGRAM

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. HOLLENBECK. Mr. Speaker, I am concerned about the administration's policy on the magnetic fusion program in the Department of Energy. Magnetic containment is the most promising avenue to harnessing the tremendous power locked in the nucleus of the hydrogen atom. The program is entering a critical phase wherein large facilities now being built may demonstrate "burn" which is the first big proof-of-concept step for magnetic fusion. The major facility aimed at demonstrating scientific feasibility is the Tokamak fusion test reactor (TFTR) now under construction by the Department of Energy at the Princeton Plasma Physics Lab. The TFTR authorization was completed in our energy research and development administration bill for fiscal year 1978.

Recently the Department of Energy has considered everything from "no-growth" to massive cuts in the magnetic fusion program. As a member of the Science and Technology Committee and ranking minority member on the Science Research and Technology Subcommittee I am deeply concerned about the direction in which the administration is headed. In the light of the President's attempt to kill the Clinch River breeder project it is particularly puzzling that they would pull back on our most viable long-term alternative for energy supply.

The distinguished ranking minority member of the Science and Technology Committee, Mr. JOHN WYDLER of New York, stated his apprehension about DOE's policy on fusion in a recent letter to Mr. Dale Myers, the Undersecretary. I recommend this letter to my colleagues since it articulates several of my own concerns about this technology development program and puts the administration on continuing notice that the Congress is serious about energy supply:

COMMITTEE ON
SCIENCE AND TECHNOLOGY,
Washington, D.C., June 6, 1978.

Hon. DALE MYERS,
Undersecretary, Department of Energy, Washington, D.C.

DEAR DALE: Several matters have come to my attention on the Magnetic Fusion program which I believe are cause for concern.

First of all, I have heard rumblings that the program may receive large cuts via FY 79 reprogramming and reductions in the FY 80 budget request which will set it back at least five years in technology development. This seems to me ill-advised and coupled with the Administration's continued reluctance to press breeder development it raises questions about our long-term energy options.

I have kept a close eye on the Magnetic Confinement program in the Tokamak area partly because of the vital involvement of Grumman Aerospace in the TFTR Project. I had been heartened by the move toward increasing industry involvement which is the only way to ensure that the technology becomes commercial. Grumman's key involvement in TFTR is already facing major cutbacks because of the recent decision to opt for a level-of-effort approach to program funding. These major cutbacks being contemplated now will destroy industry involvement in the program and delay commercialization by at least a decade.

Secondly, there has been some discussion of the possibility that the Magnetic Fusion program would be transferred into the Office of Energy Research under Dr. Deutch. I cannot imagine a clearer signal to the industrial participants that DOE is no longer serious about moving magnetic fusion through technology development into engineering systems activity. I'm certain that this transfer would also impact the level of interest by the Electric Power Research Institute (EPRI). The MFE program has been blessed by early utility interest but this would certainly receive a setback if DOE tells the entire fusion community that they should merely "mark time."

Even if large cuts are not made in Magnetic Fusion, I have concern with the use of resources at the current pace of the MFE program. The TFTR activity must now phase down and Grumman forces the serious problem of retaining 150 or so key people in whom the nation has made considerable investment. These engineers and scientists developed great expertise in advanced technology via aerospace R&D and have gotten their "feet wet" in fusion for over two years with TFTR. I think this sad circumstance raises a question about planning of the technology development program so that principal contractors' resources are used in a more optimum fashion and "valleys" in manpower are avoided. There is a national investment in these groups and, just as for the skilled plasma physicists at the universities, the program planning should consider retaining at least valuable core groups. In this manner, bits of the "corporate memory" so vital to the progress of technology development can be retained.

Dale, I appreciate the range of institutional and programmatic problems you are confronted with now. However, I trust you will retain the MFE program under Bob Thorne and protect it from "near-sighted" massive cuts which will most certainly cripple the program and discourage industry participation. I would be happy to discuss all aspects of this problam at your earliest convenience.

With all best wishes,
Sincerely,

JOHN W. WYDLER,
Ranking Minority Member.●

PERSONAL FINANCIAL STATEMENT

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. KASTEN. Mr. Speaker, the following is my 1977 consolidated financial statement which describes my assets, liabilities, net worth, income, and taxes paid in 1977. Again this year, I am pleased to insert this personal financial

statement in the RECORD for review by my constituents:

CONSOLIDATED FINANCIAL STATEMENT OF CONGRESSMAN BOB KASTEN, JANUARY 15, 1978

ASSETS

Savings account	$988.34
Checking account	1,354.07
Automobile (1975 Ford Granada)	3,675.00
Real estate-Residential (Washington, D.C.)	75,000.00
Common Stock:	
Genesco, Inc.—1,000 shares	4,250.00
Household goods and other personal property	15,000.00
U.S. Civil Service Retirement Fund	11,293.77
Town and Country Shop	20,000.00
Life Insurance (Cash Value)	4,274.13
Total assets	135,835.31

LIABILITIES

Mortgage on real property (Washington, D.C.)	53,901.30
Unsecured loan	6,800.00
Automobile loan	952.80
Total liabilities	61,654.10
Net worth	74,107.08

INCOME

Salary	54,275.00
Honoraria	500.00
Interest (Savings Account)	48.18
Dividend Income	83.97

TAXES PAID

Federal	7,218.00
State of Wisconsin	2,976.64
Other	805.00

●

CAPITAL PUNISHMENT

HON. JAMES R. MANN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. MANN. Mr. Speaker, the Subcommittee on Criminal Justice has been working for some time now on the recodification of the Federal criminal laws. We have devoted considerable effort to this project, holding extensive hearings at which we received testimony from over 100 witnesses. Markup of legislation is well underway.

The subject of sentencing has emerged as a focal point of much of our work, and a great deal of testimony and commentary was received about it. A major sentencing issue, of course, concerns capital punishment. Although several current provisions of Federal criminal law permit imposition of capital punishment, only one of these provisions appears to meet the constitutional standards described by the U.S. Supreme Court in its decisions in Furman against Georgia and subsequent cases.

Capital punishment legislation, as we are all aware, raises sensitive issues and generally proves to be quite controversial. Previous experience with recodification legislation indicates that the inclusion of capital punishment provisions constitutes a serious impediment to its enactment. On the other hand, a thorough consideration of a modernized criminal code requires confronting the issue of capital punishment.

The Senate's approach, and one which strikes the Subcommittee on Criminal Justice as being sound, has been to deal separately with the issue of capital punishment. This permits the recodification legislation to be considered on its own merits, without attention being deflected to the more controversial issue of capital punishment. At the same time, it allows for expedited consideration of capital punishment legislation. The Senate Judiciary Subcommittee has reported a capital punishment bill, S. 1382, which the Senate Judiciary Committee is expected to take up shortly.

The Subcommittee on Criminal Justice, therefore, will deal separately with capital punishment. I am introducing today a bill to provide procedures for the imposition of the death penalty. The bill has been drafted in order to meet constitutional standards described by the U.S. Supreme Court in such decisions as *Furman* v. *Georgia*, 408 U.S. 238 (1972), *Gregg* v. *Georgia*, 428 U.S. 153 (1976), *Proffitt* v. *Florida*, 428 U.S. 242 (1976), *Jurek* v. *Texas*, 428 U.S. 262 (1976), and more recently in *Coker* v. *Georgia*, 433 U.S. 584 (1977).

This bill will be the subject of hearings by the Subcommittee on Criminal Justice on Wednesday, July 19. Markup of it will begin the following week.●

JOURNEY TO CHINA, PART 4

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. MICHEL. Mr. Speaker, at this point I would like to insert in the RECORD the fourth installment of C. L. Dancey's "Journey to China" as printed in the Peoria Journal Star.

THE SCHOOL: VINCE LOMBARDI HAS BEEN HERE?

More than anything else in China—the Great Wall was tame by comparison—the thing that knocked us visitors absolutely flat was "the school."

The series of schools made a deep impression but the special school at Taiyuan knocked us right out of our bus seats as we arrived, stunned us again as we went through the program, and finished us completely when we left. Some Americans were crying in their tea when we started out and a good many had tears in their eyes when we left.

Partly it was the staging.

But mostly it was the kids.

The school, like most areas in China, is a large compound behind a 10-foot brick wall, with a great gate. When we swung through the gate, what hit us was a large band playing, dancing little girls waving fans, groups in bright costumes all over the place, hundreds of kids, and all of it a giant "Welcome to our American friends."

In short, instead of treating us like an ordinary bunch of American tourists, they treated us like a delegation of visiting dignitaries.

"I felt like I was the President of the United States!" said Bob Smith of St. Louis.

Most of the group were, naturally, veterans of tour groups in many countries all over the world. They never had been received like this . . . and taken as a showing of friendship for ordinary Americans, it brought tears to the eyes.

It was only the beginning.

We went into the classrooms of this special after-school school for talented youngsters brought there from all the regular schools of Taiyuan for special instruction in their talent—athletic, artistic, or whatever.

A group played unusual Chinese instruments as we entered. A group of kids were painting watercolors in another class, and proudly performing for us. In another room, the violinists were practicing.

"We had very short notice of your coming," said the Wise Director of the school, "but two days ago we started learning an American song."

The violins poured out with "My Darling Clementine." Somebody started singing. There we were, the Chinese kids playing the music and the American oldsters singing:

"You are lost and gone forever,
Oh, my darling, Clementine."

And the Wise Director laughed out loud and clapped his hands.

We saw kids making models of ships and helicopters (almost all military models)—fashioning the parts, first, from blueprints, then fitting them together. And we saw some striking drawings on the drawing boards of a group of youngsters, sitting around sculpture busts of various people and drawing them.

This was the one demonstration that could have been "set up"—if good partial drawings were on hand to be set on the boards—and some suspected as much. They were that good.

There was no way to fake the dance class, spectacular in its style and youth, and all girls.

Nor was the table tennis faked, although there was a sense of staging. When we entered the kids were not really playing but were executing a drill—hitting the ball back and forth, hard, with rhythmic speed but always to the same spot.

I took a paddle and played a little pigtailed girl.

She was murder.

She was also all business, a fierce competitor. She butchered me from the start, as I was getting "warmed up." The Wise Director intervened to give me a chance to tune up.

Then, she butchered me again as I experimented to see if she could do anything besides slam the ball back and forth to a predetermined spot as in the drill.

She could. She could kill with lightning speed, forehand or backhand, anything that was two inches too high. And she knew "strategy."

In the third phase of the game, when I started playing for my life, I managed to fool her a couple of times—but not twice with the same surprise.

And she really sizzled with obvious anger once, when I got a sharp cut on a hard hit to her backhand. She took a killing swing at where she thought the ball would be and missed it a mile.

Not once did she crack a smile—but when the game was over, it was like throwing a switch. She was all glowing with warmth, as if we shared something. She was beaming with eyes alight as we shook hands.

The kids finally put on a big show on stage, a kind of variety show, and it was most impressive. (It also clearly had a policy message.)

But perhaps the most unbelievable thing about the performance were the "bunnies" seated just across the aisle from me. These were tiny, nursery-age kids. Through the whole show, not one of them got off his chair, squirmed, or poked his neighbor.

But don't get a picture of them sitting like automatons. They watched the show, looked around between acts, grinned at me watching them, and applauded with animation when acts ended.

The teachers among us were impressed, but with the obvious mixed reactions.

"The discipline is incredible," said one in a general comment on the performance of the youngsters.

"But kind of frightening," said another.

We saw other ordinary schools and a number of nurseries. We saw teachers shouting out questions, and the class shouting out the answers in unison—loudly.

Tiny tots chanted welcome to the "American friends" and sang songs to us—always loudly with full participation.

It seems obvious that much of Chinese education is what we might regard as the old rote system, a great deal of repetition and chorus answers, a great deal of step-by-step repetitive drill.

The results, it would seem, are total participation, high levels of skill at early ages in many things, tremendous discipline and—part and parcel of that—the habit of responding to instruction.

You can certainly find fault with that level of "non-think" training, but you cannot be there and find fault with the results in terms of the very young getting a real "head start" in a positive attitude toward school and future learning, in acquiring solid knowledge and skills early in the game—also as tools to future learning.

And when the discipline is turned off the kids won our hearts, again and again. They were wonderfully spontaneous, alive with excitement, warm and friendly. Totally charming.

The payoff came when we left. In addition to the colorful panorama of class activities in the schoolyard, behind their own big brick wall, kids poured out of the classrooms along with staff.

Tiny tots on each side grabbed the hands of many tourists and escorted them with big smiles and obvious excitement to our bus while the crowds of kids everywhere set up a smiling chorus of handclapping.

Maybe you had to be there, but if you were, there was no way you could go through it without some emotion—and for some of our group, it was almost more than they could stand. They were overcome, between elation and tears.

For myself, I think Vince Lombardi, late of the Green Bay Packers, has been reincarnated as Chinese and is in charge of education.

The discipline is there—and the same passion for perfection.

"I DON'T KNOW WHAT I ATE, BUT IT WAS GOOD"

(By Nina Dancey)

What about the food in China?

"Could you eat the food?" . . . "Got plenty sick of that food, I'll bet." Such questions have been high on the list.

The food? Marvelous! In abundance. We really like it, and we're not Chinese-food buffs.

A few in our tour group ate "Chinese" three meals a day, but most of us had "Western" breakfasts which meant eggs, meat, wonderful homemade bread toast with real butter and jam, coffee or hot tea. Often yogurt.

In some hotels they would bring fried eggs (sometimes three on a plate), scrambled eggs or boiled eggs in a bowl, but if you wished them prepared in a different way, they would. If you wanted oatmeal ("porridge") instead of eggs, they would substitute without charge.

But . . . those Chinese meals! What a pleasant memory. Every meal they brought a big bowl of rice (the sticky kind) which was passed around and we each put some in a small bowl. Then they usually brought a plate of almost appetizers—dried fish, raw vegetables, pickled some-thing-or-other. (There were a lot of those something-or-others, believe me!)

The markets provided us with a better idea of what we were really eating than the dining table!

Then began the arrival of the hot dishes—five or six steaming bowls of vegetables—cabbage, celery, peppers, beans, onions, and a lot of vegetables we never ate before—all crisp cooked, many with meat or fish or chicken or eggs or a combination of such. They were delicious.

My favorite was a cabbage dish—simply marvelous. We were many times served plates of meat without vegetables . . . pork prepared in countless ways . . . chicken and fish.

They all came piping hot, and you dished them up with serving spoons and ate them with your chopsticks from your small plate as they arrived in turn.

When the huge soup tureen was placed in the middle of the table with a large china serving spoon, you knew no more dishes would arrive.

The Chinese conclude each meal with soup. The soup (with one exception that I recall) was always a very clear, thin (almost tasteless, really) soup with a very few vegetable leaves or a mushroom slice or two floating in it. It was usually taken in the rice bowl and eaten with a smaller, decorated china spoon.

No desserts at lunch or dinner. Strangely enough, desserts were served at breakfast. In the Pingyao Hotel at Taiyuan, there was a marvelous pastry chef. We were served tiny pastries shaped in the form of little birds which were filled with too-sweet brown sugar and nut filling.

Another intricate one was like a many-petaled blossom with pink and yellow sugar in the center. I saved mine, dried them on the window ledge together with some steamed bread rolls.

I dried them so they wouldn't mold, sprayed them with hairspray, wrapped them in toilet paper and packed them carefully in whatever kind of box I could find and brought them all the way home in (almost) perfect condition.

Most people didn't like the steamed rolls which are made from yeast dough, but aren't baked. They steam them, somehow, so they are kind of doughy. I liked them very much.

Water was never served with our meals. Warm beer and soda pop (a lemony and orangey kind—not very good) were plentiful, and that is what most of us drank. If you insisted, they would bring you water—bottled.

I should mention that bottled water was always in our rooms to drink and use for teeth brushing. Also in our rooms in every hotel, every day was an extra-large super Thermos-like bottle filled with scalding hot water for the tea they expected us to brew in the lovely, covered teacups which were in every room we had. Also, every room had a plate of fruit with knives and plates. A thoughful thing to do.

We ate, I figure, at least 125 different dishes in the Chinese meals we had—maybe more! Really. Such variety! In Peking, we went to the Nationality restaurant for a Peking duck dinner. Sixteen courses!

When we arrived in the upstairs, private dining room, two small wine glasses were waiting at each place. Into one was poured a very good "Chinese red" wine—not sweet, but not dry, either—a light red. Into the other glass was poured a thimble of colorless Chinese fire! Not many could drink that white liquor—it would blister your tongue!

What a happy memory! Everyone was in an especially festive mood. The chef proudly entered the room and with a great flourish—displayed the beautiful ducks while we applauded. He exited to carve . . . and we looked at one another.

Three ducks for 50 people! That's right. Three ducks. Many marvelous, mysterious dishes were passed and puzzled over—and then came the duck platters. They had carved those three ducks into many tiny, tiny slices—not shredded—just small slices about the size of a nickle or no larger than a quarter.

You placed a crepe-like pancake on your small plate, picked up a tiny piece of duck with your chopsticks, dipped the slice of duck into a marvelous sweetish sauce and put it onto the crepe—repeating it as many times as you wished. Then, deftly (ha!) you rolled the crepe and tucked in the ends, picked the package up with your chopsticks and ate it! Excellent!

Those three ducks served 50 people beautifully.

There was one comic aside. A fellow in the party told us later: "My New York friends sitting at my table were saying, 'This isn't really Peking Duck!'

"How about that? Here we are in Peking, China, eating duck and they say it isn't Peking Duck! What those New Yorkers are used to is Manhattan Duck!"

I can't finish talking about food without mentioning once more the tea which is served many, many times a day. Every factory, commune, household, farm, hospital—every place we went—we were served wonderful, hot, jasmine tea.

They brew it with loose tea in each cup, and it's a little tricky to drink when you don't have a strainer or time to let it sink to the bottom of the cup, but it is a friendly drink.

Even at a basketball game—they brought tea to the team—in cups—during time outs, and the officials drank tea at their own table.

Incidentally, I had always been told—always brew tea in an earthen or china pot—never metal. I dunno . . . on the Chinese airplanes and in the rail stations they poured it into our beautiful cups from large, old (sometimes dented) aluminum tea kettles! (The one on the airplane had the knob broken off the lid.)

Remember the old expression: "I wouldn't do that for all the tea in China!"?

Believe me, that's a bunch!●

FOREIGN INVESTMENT IN U.S. AGRICULTURAL LANDS

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. NOLAN. Mr. Speaker, the House Subcommittee on Family Farms, Rural Development, and Special Studies held hearings on Tuesday, June 20, to determine the impact of foreign investment in U.S. farmland on our agricultural economy.

Witnesses from the Departments of State, Commerce, Treasury, and Agriculture told the subcommittee members that they did not see foreign investment as a problem or something we should be concerned about. When asked about the scope of investment by foreign nationals, none of the agencies had any meaningful information. They acknowledged that the responsibility for collecting such information was theirs, but made little if any attempt to do so.

Yet, a syndicated columnist, Jack Anderson, and one investigative reporter were able to uncover far more significant and important information on the scope of foreign investment than all the Federal agencies, with all their bureaucracies, and all their staff. Anderson gave the subcommittee example after example of thousands of acres of foreign purchases, and called the potential far more staggering given world political instability and devaluation of the American dollar.

I wish to share Mr. Anderson's informative testimony with my colleagues. The statement follows:

TESTIMONY OF JACK ANDERSON ON FOREIGN INVESTMENT IN U.S. AGRICULTURAL LANDS

Mr. Chairman and Members of the Committee:

I am appearing before you today, not as a muckraking reporter but as a concerned American—concerned about an influx of foreign dollars that is subtly but surely changing our national farm scene.

International investment capital is presently being funneled into the purchase of U.S. farm lands at a flow unequalled since the turn of the century. Farm leaders charge that this injection of foreign dollars is driving up some land prices beyond the reach of American farmers. In President Carter's state of Georgia, for instance, foreign investment companies are openly advertising for land at above market prices.

In a number of areas, small farmers are finding it nearly impossible to get banks to lend them money to buy this high priced land. The returns they could expect from future harvests wouldn't be enough to pay off their bank loans.

In response to concerns expressed to us by farmers from California, Utah and Georgia, my staff and I have conducted an investigation of the situation since last March. We found a sharp increase in foreign purchase of American farms.

Here are some examples:

In my home state of Utah, Dutch investors purchased 6,000 acres of prime farmland. The land was sold to them by Mountain Valley Realty of Logan. A spokesman told my office that the Dutchmen are actively shopping for another 4,000 acres in the state. He said that the Utah farmers were forced to sell because they were unable to keep up their loan payments and have no operating capital.

In Hillsdale, Michigan, 650 acres of small family farms were purchased by a Netherlands Antilles agent representing other unknown foreign investors. The agent then set to work lobbying the local county council to rezone the land for residential development so that 350 high-priced suburban housing units could be built.

In Albuquerque, New Mexico, the Albuquerque Journal reported a Panamanian corporation bought 3,000 acres of farmland, then handed over the deed of sale to Geneva bankers who, in turn, leased the farm to a Swiss firm.

The Agriculture Department estimates that up to 21 percent of farm sales in 1977 were made to foreigners. Gerald Jackson, president of the American Real Estate Exchange Association, told my office that in some areas of California and the South, at least 40 percent of all sales were to foreign purchasers.

It is impossible to get accurate figures on the overall amount of foreign investment in U.S. farms. The General Accounting Office, after three months of intensive investigation, found that information on the subject is still "fragmentary and limited."

Two major forces appear to be behind the recent surge in foreign investment. First is the rising political instability in Europe and South America. Italian aristocrats, whose wealth has been traditionally linked to the land, are casting nervous eyes at the powerful Italian Communist Party and surreptitiously transferring some of their cash assets out of the country. Much of this money is being used to buy U.S. farm land. For example, the Stockton Record reports that 5,500 acres of California row crop land were sold to Italian investors who used a Lichtenstein corporation as a front. The Italian government is now investigating this purchase for possible violations of its tax laws.

Argentine industrialists, upset by the violence and kidnappings in their country, have also shelled out dollars for U.S. farms. They are aware that the U.S. would not expropriate their land.

The decline of the U.S. dollar is the second driving force behind the foreign investment boom. The Arabs have flooded the European money markets with devalued oil dollars and European investors are finding in turn that one of the best places to plant this money is in our farm land.

European and U.S. banks now compete for foreign capital to invest in American farm land. The U.S. Ambassador to Switzerland actually arranged a special meeting to introduce American real estate dealers to international banks and buyers. Some of the biggest banks in New York and Chicago have established special farm investment subsidiaries with branch offices in Switzerland to lure foreign capital into their accounts.

Gerald Jackson's American Real Estate Exchange has pioneered some innovative new techniques to get American farm land on the international auction block. Not long ago, his exchange sponsored a conference in Zurich, Switzerland, to promote foreign interest in American real estate. Billed as a conference for "confidential discussions," it attracted hundreds of buyers and sellers. On the buyers' side were Arabs and Europeans; on the sellers' side were real estate dealers, property owners, private lending institutions and banks.

One American developer, for example, went in search of foreign capital to develop former Texas ranch lands. He found plenty of development money through a Swiss bank representing Kuwaiti clients.

But there are other routes through which foreign capital can quietly find its way into U.S. agriculture. The Hillsdale, Michigan, farms mentioned earlier were bought by investors based in the Caribbean Islands of the Netherland Antilles. The Dutch Government has created a booming tax haven by refusing to tax the earnings of corporations who set up shop on the islands. Italian, German, French, Swiss, and U.S. investors, some with unreported income, have formed straw corporations in the islands to shelter their earnings.

The United States government has actually tried to attract this capital by signing a tax treaty with the Netherlands Antilles, granting its investors special tax treatment when they invest money in this country. A Department of Agriculture official, who closely studied the treaty, says it gives a foreign investor "an advantage over the situation he would face if he were taxed as an ordinary citizen." On the other end of the stick, a farmer who scrupulously reports all his income could end up paying higher taxes than the Netherland Antilles investors.

A tax treaty with England is being considered by the U.S. Senate which could further attract foreign investment in farm land. The treaty would throw major legal road blocks into state government efforts to tax foreign investors.

What kind of changes is this foreign money invasion causing in the structure of American agriculture? In some areas, such as California's San Joquin Valley, foreign investors are finding it convenient to simply lease back the land to its original owners.

But the losers in the California foreign investment boom appear to be the small farmers who want to expand their operations and young people who want to begin a farming career.

Those working for land reform in California are dismayed by these events and are fighting to curb the foreign investment. George Ballis of the Fresno-based National Land for People organization discovered that 1,380 acres of land in the Westland Water District, which is supposed to be reserved for small family farmers ended up in the hands of a Netherlands Antilles company. This acreage was secretly sold to the foreigners for speculative purposes.

In Georgia, foreign investment is having a different impact. The purchase of at least 17,000 acres of land in south Georgia by an international investment corporation called Transatlantic, has aroused considerable hostility. The average size of a Georgia farm is 350 acres. Georgia farmers charge that Transatlantic's front man, Phillip Beegle, is using foreign capital to underwrite his own corporate takeover of Georgia family farms.

Transatlantic's tactics provide disturbing examples of the way international real estate investors can operate behind a screen. "Front" corporations are set up to hide the identities of the European investors. Beegle and his partners install themselves as officials of the corporations. Sometimes a European investor might be named an official of the corporation, but Beegle manages the farms for the absentee landlords.

We were able to document, through the Georgia Secretary of State's office, the existence of at least seven different Transatlantic front corporations. One front, for example, called Southeastern Cotton Industries, Inc., bought 1,291 acres in Johnson County and then placed a European as president. Another front corporation, called Soybean Hill, bought a 100 acre tract in Jefferson County and named Transatlantic official Ferdinand Seefried as president.

Increased foreign investment flow is entering Georgia at a time when its small farm fortunes are at a low ebb. They were hard hit last year by low grain prices, high petrochemical fertilizer costs and a mid-summer drought.

Even Leonard Wright, President Carter's former tenant farmer in Plains, was unable to make ends meet. Earlier in the season, with corn selling at $2.75 a bushel, he decided to plant much of his land in this old standby and purchased high priced liquid nitrogen fertilizer to insure a good yield. But by harvest time, what was left of his drought-stricken corn was selling for a ruinous $1.45 a bushel.

Wright went into debt at the bank last year and it will take a couple of good harvest years in a row to bail him out. To pay off the bank loans, Leonard Wright and many other Georgia farmers applied for farm disaster assistance loans from the federal government.

But some farmers, when confronted with farm debts like Leonard Wright's, have chosen to sell to Transatlantic. Others, like Tommy Kersey, have spurned the company's advances, and joined the Farm Strike Movement.

Attempts to introduce legislation to monitor foreign investment didn't even come to a vote in the last session of Georgia's general assembly. Governor George Busbee refused to endorse the bills. He worried that they might scare off all types of foreign investment in the state.

Legislative efforts in other states have met with more success. In Missouri, a bill was passed which will prohibit almost any foreign investment in farmland. Twenty-five states have some restrictions on foreign ownership of farmland. Only nine states have effective legislation on the books and even this is proving hard to enforce.●

HUMAN RIGHTS IN PARAGUAY—PART II

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. FRASER. Mr. Speaker, Thursday I reported that a number of prisoners at

Emboscada jail in Paraguay began a hunger strike on June 11 protesting their imprisonment and demanding knowledge of the fate of other prisoners. Many in Emboscada have not been arraigned for trial. Also, at least five prisoners disappeared from police custody in September 1976 when a large number of political prisoners were transferred to Emboscada jail. The whereabouts of the five are still uncertain.

I have received news that the hunger strike continues. There have been some encouraging developments. Archbishop Ismael Rolon of Ascuncion has intervened, and talks between him and government officials concerning the strike have taken place. The Minister of Interior visited the jail. However, with obvious implications, he ordered released another prisoner who was not participating in the strike.

Today I am continuing a review of the human rights situation in Paraguay. Below is an analysis of the judicial system and the impact of human rights activities on the Stroessner government.

THE JUDICIAL SYSTEM

HOW MANY PRISONERS?

Amnesty International reported in 1976 that over the preceding ten years, the number of political prisoners in Paraguay had remained fairly constant, between 100 and 300. Waves of arrests, however, "periodically enlarge the prison population for short periods." For example, Amnesty International reported that in April 1976 about 350 persons were detained including peasants and active members of the Roman Catholic Church.[1] In an August 1977 update, Amnesty estimated that the 1976 wave had totaled about 1,000 arrests. Chartrain and Corneveaux, representing the International Movement of Catholic Lawyers, had calculated 1,900—nearly double the Amnesty figure.[2] The impossibility of confirming the number of arrests makes assessments and comparisons difficult; in a January 1978 wave which was clearly calculated and publicized by the police for maximum intimidating effect, press estimates are as low as 20–30, and only about a dozen names are known.

These waves are more useful for intimidation purposes than are long detentions; a few hours of interrogation and threats is more than enough to discourage popular participation in independent organizations. There is also less need for justification before international public opinion, which is primarily concerned with the "running balance" of political prisoners.

The Stroessner government has quietly acceded to international concern by releasing prisoners, singly and in groups, throughout 1977 and so far in 1978. From 1–2 thousand prisoners in mid-1976, and over 600 in September 1976, the Emboscada population has declined slowly to between 50 and 60 in June 1978. The decline has not affected the intimidating power of police repression, but it stands as silent tribute to the effectiveness of quiet human rights efforts by Paraguayan institutions, the diplomatic community, and international organizations.

LAW 209: SOME CASE EXAMPLES OF ITS IMPLEMENTATION

Thirteen prisoners associated with the opposition Febrerista Party (though not all were members) were the first defendants under Law 209. Judge Carlos Baez Rehnfeldt, who was new to the bench and to the case, set an ominous precedent when he declared all 13 guilty in April 1977. The verdict was based entirely on the police report, which Baez called a "sufficient basis for conviction",[3] only passing mention was made of the defendants' declarations and their lawyers' arguments before the court.

Charges were brought against 46 of the 1976 detainees in the October, 1976 case of "Carlos Brañas and others"; 3 more defendants were added in 1977 and another 4 after the January, 1978 wave of arrests. By April 30, 1978, only 35 of the 53 defendants had been called for the *declaraciones indagatorias* or hearings, which represent the defendant's only chance to answer the charges in person outside the police station: an average of about 2 per month. However, 37 defendants had also been released, some by executive order and some by the courts after their hearings.

The 19 labor leaders charged in the wake of a meeting at the Catholic retreat center in Ypacarai, in December 1977, were all brought to court and released in February 1978. Their case had brought pressures from the international labor movement which led the Minister of Justice and Labor to say publicly that there seemed to be no evidence against them, so their acquittal came as no surprise; but it too was clearly based on factors having nothing to do with the courts.

The government's mixed motives and the judges' uncertainty in political trials, carried out in response to international pressure and under the gentle scrutiny of the Paraguayan press, are clearly reflected in the somewhat spastic progress of these cases. The Paraguayan system of *justica ordinaria* was simply not prepared to deal with political cases.

JUSTICE BY TELEFONAZO

In August 1977, the approximately 180 Emboscada prisoners who had not yet been charged let it be known that they too wanted to go to trial. This was a major change of attitude; for years it had been assumed that a prisoner's best hope was to be released as he was arrested, by executive order.

However, none of the prisoners who made the request have yet been arraigned, although many were subsequently released. No action has been taken on others still in jail.

A common description of Paraguayan justice is "justice by telefonazo": decisions ordered in telephone calls from top government officials. The problem is rooted in the 1967 Constitution: judges are named by the President for a five year term that coincides with his. "Reappointment depends on how their judicial performance is evaluated by executive authority";[4] if the telefonazo does not come, decisions are long delayed and it is finally up to the judge—often in consultation with other magistrates—to divine the executive will, knowing that an error of judgment at this point may cost him his job.

Last year a group of Paraguayan lawyers protested this state of affairs in a note addressed to their bar association:

"Out of respect for [judicial] independence there should be an end to the practice by some magistrates of 'consulting' the opinion of their superiors, in order to assure the 'confirmation' of their verdicts. We should assume that the judges are sufficiently competent to decide in accordance with the law and their own loyal knowledge and understanding."[5]

"There are also magistrates," the Paraguayan lawers said, "who do not respect the turn system and intervene in cases which are notoriously outside their own competence." They were referring to the system by which the six criminal judges in Asuncion are assigned new cases on a rotating basis. In 1977, all cases which carried significant political connotations were assigned to Dr. Bernabe Valdez Martinez; some of these were later transferred.

The Stephansky and Helfield report cited the regular harassment of lawyers during prison visits, and the withholding of the all-important police report, but concluded that Paraguayan lawyers "have been faithful to the highest ideals of their profession and in so doing have made possible a spirited defense of human rights."

One discouraging precedent was set in the case of Dr. Carlos A. Vasconcellos, a lawyer who challenged the impartiality of the judge hearing his case. The judge accused Dr. Vasconcellos under Law 323, which protects judges from "molestation" as a result of judicial actions. Judge Bernabe Valdez Martinez presided over the suit and ordered Dr. Vasconcellos imprisoned; the appeal was heard by Dr. Carlos Baez Rehnfeldt, who declared the penalty fulfilled and released him. The lawyers' note to the bar association commented on the case:

". . . this experience leads our association to the conviction that a sort of judicial terror is being imposed."[6]

The Stephansky-Helfeld visit and other pressures have resulted in some improvement with respect to attorneys' visits in Emboscada; however, the harassment of lawyers is largely a matter of the guards' own attitudes, especially class resentment. Even a serious effort to limit the harassment would be hampered by factors not altogether under the control of either the government or the courts.

IV. HUMAN RIGHTS ACTIVITIES: A NEW DYNAMIC

There are signs that human rights attention has had more permanent, significant effects in Paraguay. It will be many months before those indications can be evaluated.

Paraguayan institutions

In the universities and professions there are parallel membership organizations, one affiliated with the Colorado Party (government party) and the other(s) highly vulnerable to infiltration and persecution. The previously suppressed Independent University Movement was a principal target of the July 1977 arrests; the Colorado Student Association provided a public sounding board for Chief of Investigations Pastor Coronel during the January 1978 repression, when he urged them to "collaborate in the care of order and peace."[7] One particularly independent professional association is the Colegio de Abogados, or bar association, which lodged a public protest when some of its members encountered unusual delays in the renewal of their registration early in 1977.

The Paraguayan Workers' Confederation (CPT) began as a branch of the Colorado Party, but enjoyed a brief period of autonomy in the 1950's. For the past two decades the CPT has avoided competing with President Stroessner's image as single-handed protector of the working class; it was finally expelled from the ILO and from ORIT, the Latin American labor federation. Meanwhile, two independent groups developed links with the Catholic-sponsored Latin American Workers' Union (CLAT), which is not officially recognized in Paraguay.

The two CLAT organizations sponsored the December 1977 meeting at Ypacarai which was raided by police, with 19 members imprisoned on subversion charges. The CPT sent a protest note to Minister of Justice and Labor Saul Gonzalea;[8] all 19 were released after two months' imprisonment. It is early yet to predict whether the CPT will become a regular participant in the defense of labor and political rights.

The Paraguayan Commission for the Defense of Human Rights was founded in Asuncion, Paraguay on June 17, 1967, for the purpose of serving the needs of victims of human rights abuses and building awareness of their condition among indifferent or fearful fellow Paraguayans. The first meeting was held in the home of Mrs. Carmen de Lara Castro and her husband, Dr. Mariano

Footnotes at end of article.

Luis Lara Castro; the latter enjoyed parliamentary immunity at the time as a member of the National Constituent Assembly (representing the opposition Radical Liberal Party). From 1968 to 1978 Mrs. Lara Castro was a member of the Paraguayan Chamber of Deputies and therefore also enjoyed parliamentary immunity.

Other members of the Commission, lacking such protection from persecution, have been victimized for their activities. They include: Dr. Geronimo Irala Burgos (president of the Christian Democratic Party); Dr. Jose Maria Bonin (Commission legal counsel and former judge); Prof. Alcides Molinas; Dr. Miguel Angel Martinez Yaryes (professor of medicine); Prof. Luis Alfonso Resk (ex-president of the Christian Democratic Party who has been arrested over 50 times and tortured); Dr. Jorge R. Lara Castro (also tortured, now in exile); Dr. Juan Felix Bogado Gondra (now serving a prison term for alleged subversive activities) and his brother Basilio Bogado Gondra (now in exile); Ing. Gustavo Vargas, Dr. Francisco de Vargas.

Over the years, the Paraguayan people's most supportive institution has always been the Roman Catholic Church. The Church is by far the largest single, politically independent institution in Paraguay.

The repeated repression of Catholic programs in the early 1970's stimulated unprecedented social action and ecumenical concern in some Protestant groups. A human promotion program sponsored by the Christian Church (Disciples of Christ) was one of the principal targets of the 1976 repression. That wave also led to the formation of the Interchurch Committee for Emergency Aid, in June 1976 sponsored by Catholic, Disciples and German Evangelical churches. The Committee began by providing material aid to prisoners and their families; when arraignments began it moved toward an advocacy role and assembled a team of highly qualified defense lawyers.

The executive director of the Interchurch Committee is a Spanish Jesuit priest, Father Jose M. Blanch. Its programs are as follows: Program I provides supplementary food and medicines to political prisoners; Program II assists the families of prisoners, many of whom lost not only their breadwinners but property, equipment and crops in the police raids; and Program III provides legal assistance to those who have been brought to trial. In recent months the Interchurch Committee has extended its concern to include not only political prisoners but those accused of "common crimes," who in many cases are even more harshly abused than the political detainees.

One international delegation after another was allowed to visit Paraguay. Two U.S. executives from the Christian Church (Disciples of Christ) went in May 1976; Chartrain and Corneveaux went in June, Stephansky and Alexander in July; a four-man team from U.S. and European ecumenical councils in October; Paulo Evaristo Cardinal Arns from Brazil in February 1977; Stephansky and Helfeld in June. Their reception at high government levels varied, but none of the visitors were personally harassed. Each team returned with reliable information, and some succeeded in getting a message across to the Paraguayan government.

The Inter-American Commission on Human Rights has not succeeded in establishing an on-site investigation. The government extended a formal invitation in November 1977, which was still being reported as news the following January,[9] but the Commission's efforts to negotiate terms and conditions for the visit have been met with silence

OAS Secretary General Alejandro Orfila and U.S. Assistant Secretary of State Terence Todman both visited Paraguay in 1977. In both cases there were public hints that human rights had been discussed.

President Stroessner visited Washington in September 1977, to witness the signing of the Panama Canal treaties; there too human rights is said to have been on the agenda.

FOOTNOTES

[1] Amnesty International Briefing: Paraguay. July, 1976, p. 3; update, August 1977.
[2] Francois Chartrain and Alain Corneveaux, in Convergence (International Movement of Catholic Students), Nos. 3–4, 1976, p. 9.
[3] ABC Color, April 6, 1977. (Paraguay newspaper)
[4] Stephansky and Helfeld, p. 30.
[5] El Radical, opposition weekly, third week in September, 1977.
[6] Hoy, March 9, 1978.
[7] ABC Color, January 25, 1978.
[8] ABC Color, January 25, 1978.
[9] The Washington Post, January 10, 1978, and Paraguayan newspapers.●

CARTER'S AFRICAN POLICY: BASICALLY IMMORAL

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. HYDE. Mr. Speaker, one of journalisms most respected foreign correspondents is Georgie Anne Geyer. Her dispatches from all over the globe have established her reputation as a fair and exceptionally well informed writer on the often confusing and complex issues of foreign policy.

Where she criticizes this Democratic administration, her views are especially credible, since she admits supporting it from the beginning.

Last Monday's Chicago Sun-Times carried a most important article of hers on President Carter's African policy. For those who sincerely believe in intellectual honesty in foreign affairs, it is indispensable reading:

[From the Chicago Sun-Times, June 26, 1978]

CARTER'S AFRICAN POLICY: BASICALLY IMMORAL

(By Georgie Anne Geyer)

WASHINGTON.—President Carter said in his recent speech before the Southern Baptists that he had never "detected" or "experienced any conflict between God's will and my political duty." People who found moral choices in the real world rather more complicated said, "Yes, indeed. At least he's a moral man."

Yet the last, sad week in Washington showed in the starkest relief the basic immorality of the Carter administration. It is, incredibly, an immorality which is quite willing to sell out millions of black people in the name of expediency, which claims self-righteously to talk about majority rule when it really means black power, and which particularly fools itself about its grand moral postures.

I am referring to the "forward-looking and positive" policy toward Africa which Sec. of State Cyrus Vance outlined last week. In one more "restatement of American policy," Vance now says we want to work with the Marxist Angolan MPLA government "in more normal ways."

This elevates to policy United Nations Ambassador Andrew Young's arguments that we should trade a promise by Angola to stay away from Zaire's Shaba Province for our probable diplomatic recognition of the minority MPLA government. This government is kept in power by some 20,000 Cuban troops, and if their are modern-day black echoes of a Munich-like sell-out of Czechoslovakia, this is it.

What is so astonishing about all this is its immorality. Forget for a moment the Cubans' role or nonrole in Shaba. Intelligence sources tell me that now approximately 2,000 black Rhodesians have just crossed from Angola, where they were trained by Cubans, to join Joshua Nkomo's army in Zambia which is trying to impose—not win through the vote—Nkomo as leader of Rhodesia.

Then, forget that for a moment and consider the revolutionary situation in Angola. I know of no analyst of Angola who does not conclude that 90 per cent of the black people of Angola are with the anti-MPLA, pro-Western movements, in particular Jonas Savimbi's UNITA in the south.

With almost no money or weapons, these courageous people are still waging a brutal war against the highly equipped Cubans. Only two weeks ago, Zbigniew Brzezinski, the other side of Carter's conscience, was trying to find ways to aid UNITA. But that was two weeks ago.

If it were only Angola, however, I suppose one could argue for Vance's and Young's propositions.

In March, Young was quoted in the Zambian press as saying he would look favorably upon military aid to the front-line states: Zambia, Mozambique, Angola and Tanzania. Indeed, at the core of the problem is that he has placed our policy under their whims, all in the name of "majority rule for Rhodesia, Namibia and South Africa." Yet, two of these are Marxist and total failures economically; one is a totally subsidized "socialist" failure; the other is simply a sloppy economic failure. Not one has elections or will have.

All actively and militarily oppose the internal settlement in Rhodesia, which is going ahead with elections to turn the country over to black majority rule.

Yet, in both places, we are supporting these revolutionary movements and not those who would bring real majority rule. In both places we come out (1) in opposition to free elections, (2) in opposition to free enterprise and our own economic interests, (3) in support of further, all-out civil war in which countless blacks will be killed and (4) in favor of the final despotism and economic failure of the one-party states that surround them.

I have tried to be fair about this administration, which I supported from the beginning, but I am finally disgusted.●

CARTER'S TOUGH TALK ON SPENDING NOT MATCHED BY HIS ACTIONS

HON. DELBERT L. LATTA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. LATTA. Mr. Speaker, the recent addition of a $50,000 a year public relations man to the White House staff at least means more publicity for President Carter. Most every newspaper and news broadcast in the country has reported how Mr. Carter wants to hold down Federal spending. Well, all this tough talk just does not mesh with the President's actions. He may say that he wants to cut back on spending, but that is just another empty promise when compared with what he has been doing.

Typical of this "watch what I say not what I do" public relations ploy is the President's trip to Texas over the weekend. After telling the hard working and

conservative voters of Texas that "somebody has to hold the line on spending," he then had the U.S. Army stage a $1 million war games spectacle in the afternoon. He tells us that his budget for next year—that is 1980—will be "lean and tight" and that he plans to veto excessive spending bills. But remember he said exactly—I repeat, exactly—the same thing this time last year and look what he gave us: a half-trillion dollar budget with the second highest deficit ever and an 11-percent increase in spending. He called that budget "lean and tight" too. And President Carter did not see fit to veto a single major spending bill. So much for all that budget cutting rhetoric. To the American people, action speaks louder than words, and when it comes to spending, Mr. Carter is the biggest spender of them all. Look at the record:

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Immediately after his inauguration he added $6.2 billion to the fiscal year 1977 budget even though the year was almost half over. He then increased President Ford's budget for 1978 an additional $19.4 billion, a boost of 12 percent over the previous year in total spending.

His "lean and tight" budget for 1979 actually camouflaged major social welfare spending increases—15 to 20 percent in most areas—by deliberately cutting such programs as agriculture, veterans, and disaster assistance when he knew full well Congress would have to restore these unrealistic cuts.

By the time fiscal year 1979 is over, here is what Mr. Carter has accomplished since he was elected:

First. Federal spending will have grown by $132 billion since President Ford left office. That amounts to 36 percent and is the biggest 3-year increase in peacetime history.

Second. The national debt will have grown by $213 billion, or 34 percent, to $849.1 billion. For each man, woman, and child in this country that amounts to $2,860, or an increase of $968 per person just since Mr. Carter became President.

Third. Next year, Federal taxes alone will consume nearly $1 out of every $5 this Nation produces. This, too, is an all-time high rate of taxation in peacetime. And even with this record, back-breaking tax burden Mr. Carter cannot balance the budget because he is increasing spending even faster.

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What happened this year when the voters made it clear they wanted a lower deficit? Did the President cut spending? Absolutely not. He first reduced the size of next year's promised tax cut from $25 billion to $20 billion, and now I read he has shaved it another $5 billion.

Our tight-fisted President wants to eliminate nine water projects approved by the House on the grounds that is excessive spending, but turns around and demands funding for five water projects of his own choosing not in the original House bill.

On Monday the President announces national health insurance will have to be delayed because it is too costly, but an hour later is telling supporters of socialized medicine that he will probably send up a bill after all.

The President tells us we have to fight inflation which has risen from less than 5 percent before he took office to over 10-percent today. But look at some of things he has been doing:

Demands the biggest boosts ever in the minimum wage—an increase of 32 percent overall—but rejects efforts to set a youth differential in order to reduce teenage unemployment;

Supports common situs picketing and cargo preference legislation;

Settles coal strike with an inflationary 39-percent wage package;

Gives in to OSHA's inflationary cotton dust standards against advice of his economic advisers;

Presides over the collapse of the U.S. dollar abroad; and

Allows taxes to rise to all time highs, then wants to force them up another $15 billion or more a year with big new taxes on gasoline and heating oil.

The big spenders in the House have not stood idly by while Mr. Carter was saying one thing while doing another. They too have been talking tough about cutting spending while doing exactly the opposite.

When the first budget resolution was in committee, I proposed a 5-percent reduction in spending which was rejected by every committee Democrat but one.

Many amendments to cut spending have pased on the House floor recently only to be undone by the strong-arm tactics of the majority leadership in getting Members to change their votes after all voting time had expired. For example:

May 3: The Holt amendment to reduce total spending in the first budget resolution for fiscal year 1979 was actually approved within the specified voting period, but subsequently defeated when the leadership made seven Democrats change their votes from "aye" to "nay."

May 9: An amendment to cut spending by 2 percent only after 16 Democrats had their arms twisted and ended up reversing their votes, again well after the 15-minute recorded voting period was over.

May 17: The conference report on the first budget resolution with its $50 billion deficit managed to pass only after the voting time had ended and two Democrats were "coaxed" into changing their minds.

The same pattern has been continued on votes to reduce appropriations bills. Recall that on:

June 14 an amendment to the State-Justice_Commerce appropriations which would have cut only $30 million from the Legal Services Corp. budget failed when six Democrats switched their votes in the well.

On June 22 the leadership managed to change the outcome of two votes on amendments to the Agriculture appropriations bill by arm twisting at the conclusion of the voting period. In one case five Democrats changed their votes and killed an amendment to reduce food stamp spending by 2 percent; then an attempt to reduce all controllable expenditures by 2 percent was beaten when 10 Democrats reversed themselves.

For every example I could give 10 more. The point is this: For all his tough talk about cutting spending and balancing the budget, President Carter is actually doing the exact opposite. Talk is cheap, but the programs and proposals at the heart of President Carter's legislative agenda are the most expensive ever encountered by the taxpayers of this country.

Yes, there is a taxpayers' revolt going on. They want immediate and substantial tax relief and they want spending at all levels of Government cut back. If the millions and millions of taxpayers who are a part of this revolt really want a Government responsive to their needs, then starting right now I urge them to watch what their elected officials do, not what they say. A good place to start is in the White House.●

PROF. ROBERT BORK OF YALE LAW SCHOOL QUESTIONS FOREIGN INTELLIGENCE BILL

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. McCLORY. Mr. Speaker, in connection with the proposed Foreign Intelligence Surveillance Act (H.R. 7308), the House Judiciary Subcommittee on Courts, Civil Liberties, and Administration of Justice received important testimony today from Prof. Robert H. Bork of the Yale Law School and former Solicitor General. He outlined, quite vividly and objectively, the extremely serious problems which this piece of legislation entails.

Professor Bork observed first that existing executive branch guidelines adequately protect the constitutional rights of the American people. Therefore, while being both historically unprecented and constitutionally questionable, the requirement in H.R. 7308 that the judicial branch be responsible for the authorization of foreign intelligence electronic surveillance is unnecessary to correct any existing problems.

Inasmuch as judicial warrant requirement would add no substantive fourth amendment protections, and because of the great potential for irreversible harm to our national security posed by the involvement of a third branch of government, this bill is unwise and should certainly not be passed in its present form.

Mr. Speaker, for the benefit of my colleagues in the House who in the near future may be addressing on the floor the issues presented by this bill, I would like at this time to have Mr. Bork's prepared statement entered in the RECORD, as follows:

STATEMENT OF ROBERT H. BORK

JUNE 29, 1978.

I am pleased to be here at the invitation of the Subcommittee to discuss certain constitutional and policy questions in connection with H.R. 7308, the proposed Foreign Intelligence Surveillance Act of 1978.

The impulse behind H.R. 7308 is an understandable one. Given past intelligence abuses, it is natural to consider legislation.

But I believe that the plan of bringing the judiciary, a warrant requirement, and a criminal violation standard into the field of foreign intelligence is, when analyzed, a thoroughly bad idea, and almost certainly unconstitutional as well.

I will urge upon you, briefly, five propositions:

(1) The bill meets no need since existing protections of constitutional freedoms are as good as this law would be;

(2) The proposed law would damage, perhaps severely, our foreign intelligence capacity at a time when it needs to be strengthened;

(3) The proposed law would damage the federal judiciary;

(4) The law would weaken Congress' oversight function and make the intelligence community less accountable; and

(5) The law is very probably a violation of both Articles II and III of the Constitution.

EXISTING PROTECTIONS OF CONSTITUTIONAL RIGHTS ARE AS STRONG AS THIS LAW WOULD BE

What is forgotten in discussions of measures like H.R. 7308 is that past abuses were uncovered and rectified, without a law like this, by processes of investigation and law already in existence. The possibility of future abuses has been greatly lessened because of that exposure. We have established a new set of expectations, a new tradition, about how we want our intelligence agencies to behave. It ought to be remembered that we now call abuses actions which a few years ago we wanted our agencies to take. Moral standards have changed, and, as a result, the conduct of the agencies has been greatly altered. This suggests that our intelligence agencies, by and large, behave as the American people expect and want them to.

But there is much more protection for constitutional freedoms than that. In response to this problem, Attorney General Edward Levi promulgated detailed regulations governing foreign intelligence electronic surveillance. I chaired the committee that prepared drafts for his consideration. These regulations state the cause necessary to initiate or continue a surveillance, locate responsibility in named officers, require reconsideration at periodic intervals, minimize surveillance to what is actually required by the cause stated, require that less intrusive means be used if possible, and closely limit the persons who may have access to the information developed and the use they may make of that information.

As I understand it, those regulations, or ones very like them, remain in force, and it is impossible to imagine a President and an Attorney General who would be so foolhardy as to materially weaken their provisions.

These executive branch regulations are so sensitive to Fourth Amendment protections against unreasonable searches and seizures, and to First Amendment protections against inhibitions of free speech, as the bill before you is. The regulations are also likely to be as effective. The intelligence officer or Attorney General reckless enough to ignore those regulations and thus subject himself to criminal liability would be reckless enough to bypass the warrant requirements of the proposed statute.

THE PROPOSED LAW WOULD DAMAGE OUR FOREIGN INTELLIGENCE CAPABILITY

This law would almost certainly increase unauthorized and damaging disclosures of sensitive information and secret technologies because it would greatly widen the circle of people with access to it. In some cases, as many as thirteen judges, their clerks, and secretaries would share the knowledge. If judicial opinions—required only when warrants are denied—are circulated, or if the judges consult one another in an effort to produce a more or less uniform body of rulings, a minimum of 26 judges and support personnel will have top-secret information. Leaks are inevitable. Security problems have in the past arisen with federal courts, and now this bill would for the first time give foreign intelligence agencies reason to concentrate on our judicial system.

Disclosures of secret information are not merely intelligence calamities; they may create foreign relations debacles as well. Electronic surveillance is known to exist by everyone in the diplomatic community, but public disclosure of it or of particular pieces of information may be hard to ignore, just as Khrushchev could ignore the U–2, until it was shot down.

Problems such as these may lead the intelligence agencies not to seek electronic surveillance in cases where our national security indicates they should.

Most troublesome in this respect is the role to be created for the judiciary. There are and there can be no judicial criteria for making decisions about the needs of foreign intelligence. Judges would be asked to play a role that is essentially managerial. We might as well put a sitting judge in charge of all intelligence activities to make sure that no constitutional right is abridged.

Under this proposed law the judges could behave in one of two ways, neither of them satisfactory. The judge, who has no expertise in the complex field of foreign intelligence, might defer to the expertise of the intelligence community, in which case he would provide no constitutional protection but would be merely a symbol, a false reassurance to the public. To provide real protection, and also to take account of the circumstances upon which the application of constitutional guarantees depend, the judge would have to be drawn deep into the foreign intelligence operation. He would have to know about available technologies, alternative means of gathering the information sought, the relevance and importance of the information in the total intelligence picture, and what the client agencies intend to do with the intelligence.

Doubtless, different judges would behave differently. Some would defer to the intelligence community and the Attorney General, thus providing little more than new opportunities for the compromise of the information. Others would plunge eagerly into intelligence work and begin to run the operation.

No one should underestimate the strength of the tendency displayed by the judiciary in recent years to take over both legislative and executive functions. Judge Wright's plurality opinion in the Zweibon case, though it did not command a majority of the en banc Court of Appeals for the District of Columbia, explicitly argued for a foreign intelligence warrant requirement on the ground that judges possess the analytical ability and sensitivity of foreign affairs necessary to evaluate recommendations for electronic surveillance. He said a federal judge with lifetime tenure could presumably develop an expertise in the field of foreign affairs.

We should not ask or allow judges to decide foreign affairs and foreign intelligence questions for us in the guise of passing on warrant applications. There could be no clearer case of what is coming to be known as "judicial imperialism," and this bill invites just that. It will be bad for foreign intelligence, for national security, for the judiciary, and for the preservation of our constitutional arrangements.

This law is also seriously defective in that it requires for the surveillance of a United States person a determination that his intelligence activities on behalf of a foreign power "involve or may involve a violation of the criminal statutes of the United States." If a United States person is knowingly engaging in clandestine intelligence activities on behalf of a foreign power that person ought to be under surveillance whether or not there is reason to think a crime may be committed. It is important to know who is working undercover for foreign governments and to know what networks exist.

The criminal violation requirement either hampers essential intelligence work or else is another example of symbolism without substance because it will be interpreted to mean that if the work is clandestine there is always a chance that a crime will be committed. One of these alternatives is true, and both are bad.

THE PROPOSED LAW WOULD DAMAGE THE FEDERAL JUDICIARY

I have already mentioned an important injury to the federal judiciary that would flow from this law: thrusting them into the management of intelligence matters, which is a statement by Congress to the judiciary, and one that some judges are eager to hear, that the federal courts are competent to run more and more of this country's business under the guise of interpreting the Constitution.

Related to that concern is the very troubling element of judicial secrecy. Because it reverses our entire tradition, it is difficult to think of secret decisions as "law." The assertion that this bill would ensure that foreign intelligence electronic surveillance is conducted according to "the rule of law" is, therefore, seriously misleading. The bill pretends to create a real set of courts that will bring "law" to an area of discretion. In reality, it would set apart a group of judges who must operate largely in the dark and create rules known only to themselves. Whatever that may be, it debases an important idea to call it the rule of law. It is more like the uninformed, unknown, and uncontrolled exercise of discretion. The insertion of a judge into foreign intelligence does not solve all problems, and only those who confuse the "cult of the robe" with the rule of law could imagine that it does.

Finally, this law would present judges with an impossible legal and moral dilemma. Suppose that the Supreme Court splits, say, five to four, in granting a warrant. If the dissenting Justices are convinced that the decision and others it presages deny the basic constitutional rights of Americans, what are those Justices to do? Should they confine themselves to writing a dissent that will be classified top secret and stored in a locked vault? Must they remain stoically silent about what they believe to be the secret destruction of rights they are sworn to uphold? Should they publish a full opinion and damage national security? Or should they perhaps state publicly from the bench that constitutional freedoms are being destroyed but they are not at the moment at liberty to explain what they are talking about?

This bill would give the dissenting judge or Justice anywhere in the special court system a choice between behavior that is dishonorable or fatuous. That is an intolerable moral and constitutional position in which to place judges. It cannot but damage the morale and the virtue of the Federal judiciary.

THE LAW WOULD SERIOUSLY WEAKEN CONGRESS' OVERSIGHT FUNCTION AND MAKE THE INTELLIGENCE AGENCIES LESS ACCOUNTABLE

The law seems certain to diminish the responsibility and accountability of the Executive Branch. To take a not improbable case, if even one judge proves excessively tolerant, the government can go to him in all doubtful, or even improper cases. Since there is no adverse party to appeal the grant of a warrant, the "rule of law" will turn out to be the temper of one district judge, unknown to the other judges and the Supreme Court.

But suppose it is merely true that some of the judges do not want to become full-time experts on foreign intelligence and foreign relations and, for that reason, defer to the

superior knowledge and expertise of the intelligence community. What can Congress do if it comes to think the surveillance power it granted is being abused? Can the House Permanent Select Committee on Intelligence or the House Judiciary Subcommittee on Courts and Civil Liberties summon before it for explanation the judges, perhaps including some members of the Supreme Court, who approved the warrants? I should think certainly not. Can we expect successful criminal or civil actions against the Executive Branch personnel who, following statutory procedures, obtained warrants from the judges? That, too, seems impossible.

This statute has the effect of immunizing everyone, and sooner or later that fact will be taken advantage of. It would not be the first time a regulatory scheme turned out to benefit the regulated rather than the public.

THE STATUTE WOULD PROBABLY VIOLATE ARTICLES II AND III OF THE CONSTITUTION

Presidential power to conduct foreign intelligence arises under the President's Article II powers as commander in chief and as the officer of government primarily responsible for foreign affairs. The power to conduct warrantless electronic surveillance for foreign intelligence purposes has been asserted by every President at least since Franklin Roosevelt. The only two courts of appeals to pass upon that claim have upheld it.

This is not to say that Congress has no role to play with respect to the war power or the power over foreign affairs, including foreign intelligence. It is to say that, as in the exercise of the war power, Congress' constitutional role is largely confined to the major issues, issues such as whether or not to declare war and how large the armed forces shall be. Congress makes the large decisions; it may not dictate the President's tactics in an area where he legitimately leads.

This bill does just that, prescribing numerous details of the conduct of foreign intelligence surveillance, imposing the warrant requirement and intruding the judiciary into the process of foreign affairs and national security, and forcing upon the President the wholly inopposite requirement that a federal criminal law be about to be violated before he may defend the nation's interests. This President may be willing to accept such an invasion of the office's power, but future presidents should not. Nevertheless, this law, unconstitutional and unwise as it is, will prove a serious embarrassment to them, and they may find it politically unwise to challenge it. If so, a grave disservice will have been done the nation.

Article III, the judiciary article of the Constitution, is violated because in the application for a foreign intelligence warrant there is no "case" of controversy" to give the federal court jurisdiction. The government attorney appears in a secret session before a special judge. There is nobody present to oppose the issuance of the warrant. Warrants obtained for purposes of criminal prosecution do not have this defect because they are expected to become known and the subject of litigation. The criminal law standard inserted in this bill does not meet the "case" or "controversy" requirement—not if we really intend to conduct foreign intelligence—because it is a subterfuge. Foreign intelligence must often be done in cases where, whether or not there is a violation of the federal criminal code, no prosecution is intended and there will never be litigation over the warrant's validity.

The problem cannot be solved by making these special courts into Article I courts. Not only are these Article III judges, but a writ of certiorari lies to the Supreme Court of the United States, and I do not suppose anyone proposes to have the Supreme Court sit as an Article I court.

Nor is there a solution in providing a government attorney to oppose the warrant, some sort of devil's advocate. Such a lawyer is not a representative of a party who is not even informed that he is in court, is not informed he has a lawyer, and will never find those things out. That is a toy "case" or "controversy", not a real one.

For all of these reasons, I believe H.R. 7308 to be a thoroughly misguided venture, adding no protections but doing substantial damage to vital interests. I would prefer no legislation, but if there must be legislation, Congressman McClory's substitute is infinitely preferable to this. ●

TRIBUTE TO FRED T. ALLEN

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. McKINNEY. Mr. Speaker, on Tuesday, July 5, 1978, Fred T. Allen, one of Fairfield County's most distinguished industrialists and citizens, will observe his 40th anniversary with Pitney Bowes of Stamford, Conn. As chairman of the board and president, Fred Allen is a distinguished leader in American business and a good neighbor.

Like Pitney Bowes, Fred Allen has come to full fruition in Stamford, earning recognition not only for skillful guidance of the business and retail systems company to national and international prominence, but also for his compassionate awareness of human causes and of the issues which shape the quality of human lives.

This past May 17, Fred was honored by the Stamford Area Commerce and Industry Association (SACIA) with its highest honor, the Walter H. Wheeler, Jr. Leadership Award, for outstanding community service. As 1975 chairman of SACIA, Fred Allen launched "Critical Choices," a 5-year goals program for our region and implemented the Stamford economic base study. He has for many years played an active role in key community projects, setting an example for the people of Pitney Bowes which has strengthened and sustained their sense of responsibility for their community.

Addressing the American Chamber of Commerce in Zurich, Switzerland in 1975, Fred Allen was among the very first to issue a call for a renewed commitment in ethics in American business. As chief executive of a prominent American multinational industry, he spoke out against kickbacks and questionable payments abroad which were then marring the reputations of leading American industries and, by inference, American business as a whole. In dozens of speeches over the next few years, Fred Allen called for adherence to the highest level of ethics in industry and for a high standard of behavior to restore public confidence in business and its leadership.

Fred Allen's commitment to Stamford and Fairfield County is second only to his commitment to Pitney Bowes. He has worked to attract the many companies now making their new corporate headquarters in Stamford and has sought tirelessly to upgrade housing and other social welfare and equal-opportunity programs in the area.

In his 40th year with Pitney Bowes, Fred Allen can look back to his company's early struggle to establish the revolutionary new concept of metered postage for business mail. Pitney Bowes is one of the Nation's leading business equipment industries, with products and technology branching well beyond the postage meter and the metered mail system which have long set the standard for U.S. business mailing. In the meantime, the Fairfield County company has not lost the sense of public responsibility born with its fundamental charge: the collection and securing of postal revenue by means of the postage meter. Fred Allen, schooled for 40 years in honorable traditions, has left his imprint on Pitney Bowes.●

LIBERATED LADIES WHO POUT IN PRINT

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. HYDE. Mr. Speaker, in these days of heightened public consciousness concerning the feminist movement, hardly a day goes by that does not see our news media carrying columns of opinion on the disadvantages of being a woman. Of course invidious discrimination exists against women, minorities, the elderly, the handicapped and others. Of course our efforts should be directed toward eliminating such wrongful discrimination—but sometimes people of good will can disagree on the nature and extent of the problem, and how best to resolve it.

Unfortunately, only one side of the controversy gets much coverage. Once in a while, however, a column is written which finds its way into print that speaks of the other side of this argument. Such a column appeared in the June 26, 1978 Chicago Tribune, written by Pat Somers Cronin, a former reporter and mother of 10 children. She is lighthearted, articulate, and not at all unhappy being a housewife and mother.

Her column is well worth reading:

LIBERATED LADIES WHO POUT IN PRINT

(By Pat Somers Cronin)

By George, I think I've got it, I really think I've got it!

Here I am at the point in life when a woman can reasonably expect to pour a second cup of coffee and settle down with the morning Tribune, assured that her family is off to a secure and well-fed start and that she has earned a few minutes' repose.

Then on they come, nagging and nipping, those hoards of younger women, publishing prolifically, talking interminably, all urging me out of the house and back into the market place to find fulfillment. Stridently aggressive, and with intense fervor, they insist that I be free and liberated on *their* terms, not mine.

But now, finally, I'm on to it, and it's so simple I should have guessed it long ago. They have, you see, and almost to a woman—The Tribune's own Sunday columnist, Jane O'Reilly, included—been attending their 20th college class reunions. And that has given them pause, and a chance to recollect . . . publicly, of course.

What they are recollecting is that they were unfairly programmed from the start to be good little wives and mothers, to keep the old IQ hidden away, to abstain from anything remotely scholarly, and to realize the great American dream *ad nauseam:* the good suburban life.

Achieve it they did, these golden gals, and then too late found out the dream was dust; they who were given so much woke up to wonder where life went.

That might be the end of the story except that it happened to so many of them at precisely the same time, and in so many of our Eastern schools; so now they do indeed represent a valid and obviously vocal segment of society. The world, you see, owes them not only a living but a brand new shiny dream as well.

By the merest coincidence, as their hymns of regret for the past appeared in print on their 20th anniversaries, my alma mater sent out notices for our 30th class reunion, and that's when it hit me.

I've got to be at least 10 years older than Jane O'Reilly and her chums and not once, not ever, did anyone say to me cool it kid, settle down, don't let the old brains show—you'll only get married some day so who needs an education anyway?

What someone, namely my father, said to me was, "I'll put you through college, which won't mean a thing to an employer. After that, go into nursing, teaching, or business, so that you, kid, can support yourself."

That seemed reasonable and I elected business, which led to writing, and eventually to reporting, with no regrets and no sour grapes. That I later met someone who made me think marriage, home, and family could also be fun, maybe even challenging, maybe even more worthwhile than a fascinating career, was a happy and very fortunate circumstance.

What is the difference between the classes of '48 and '58? For us, life and the marketplace were real; we knew we had to get out there and struggle for our share of the pie. Nor did we worry about who got to the top, male or female; from what we observed, those who worked harder, studied more, gave more to the job, ended up with the promotion . . . or got out and went somewhere else.

Ten years later, women college graduates, instead of being grateful for the privilege of education and the years in academia, have turned into professional crybabies, and when things don't go their way they pout in print and call it consciousness-raising. They seem to have arrived in the real world with ego-padded expectations and built-in chips on the shoulders.

At our 30th, by the way, I sat next to a friend who is divorced and the mother of three, all of whom she is putting through college.

"Well," she said matter-of-factly, "I soon realized I couldn't do it on a secretary's salary . . . so I went to law school and just passed the bar."

Take that, Jane O'Reilly! No sad songs, just a creative, successful solution.

So now, you see, when I pour that second cup of coffee and dip into the paper only to find the touchy tantrums of the class of '58, I am neither impressed nor convinced. Why, with all their advantages, are they so dumb? ●

TRIBUTE TO DR. WILSON H. ELKINS

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mrs. SPELLMAN. Mr. Speaker, the poet Alfred Lord Tennyson once said, "Knowledge comes, but wisdom lingers." In just a few days, many colleagues, associates, admirers, and friends will be honoring a man whose wisdom, dedication, and vision will remain with us as a treasured legacy for years to come. That man is Dr. Wilson H. Elkins.

Dr. Elkins will be retiring Friday, June 30, after more than two decades as president of the University of Maryland. And in that span of time, he has guided the university to an unprecented level of academic excellence while nurturing an expansion of curricula and enrollment. Most of the credit for the university's success through this period of progress goes to Dr. Elkins, and his achievement is even more significant when one realizes that the University of Maryland is a State institution.

We wish we could claim Dr. Elkins as "Maryland's own," but as some of my colleagues would tell you, the next best thing is to be born in Texas, which he was some 70 years ago. Even during his formative years, his activities and achievements were harbingers of future successes, for he excelled in virtually every category in his own career at the University of Texas. A Phi Beta Kappa in the classroom, "Bull" Elkins, as he was known in those days, earned eight varsity athletic letters, as well, combining brains with brawn. And in his final year, he captained the school basketball team while also serving as president of the student government, thus combining clout with politics. Indeed, his training ground for the future was well founded and complete. Dr. Elkins graduated in 1932 with both a B.A. and an M.A. degree, and after graduation he was recognized for his academic excellence by being selected a Rhodes Scholar in Oxford. He earned a Ph. D. in 1936 and returned to his alma mater, the University of Texas, to teach history for 2 years before being named president of San Antonio Junior College. He has then appointed president of Texas Western College, a post he held until becoming the 21st president of my own State's university in 1954.

Upon arriving at College Park, Dr. Elkins found a school with a good reputation in athletics, but one in danger of losing its accreditation. He moved immediately to strengthen the school's academic standing. Under his leadership, Maryland's enrollment grew from 15,000 to 78,000. The first budget he administered was $23 million, the last $316.8 million. Academically, Maryland today is recognized by both the Association of Maryland Universities and Phi Beta Kappa. In research, it is among the 30 top institutions in the Nation. There are those who would tell us that big is not necessarily better, but the growth of the University of Maryland has in no way diminished its effectiveness in serving so well each individual student.

During the turbulence of the Vietnam war era, and the unrest on the campuses across the Nation during the 1960's when so many of our educational institutions were wracked with dissent and violence, Maryland University emerged unscathed. Dr. Elkins' understanding, patience, and guidance provided the even hand which kept our school intact. To be sure, there were times of stress, times when demonstrations led to the takeover of the administration building, but unlike other schools, there were no students injured and destruction was minimal. That tells us a lot about the respected administration of Wilson Elkins.

New challenges face Maryland University today. The current era is one of growing demands and even more scarce educational dollars—all coupled with an impatient taxpaying public. But I know that if Maryland can count, in the years ahead, on the kind of leadership it has had under Dr. Wilson Elkins, we need not worry about its future. It will not only survive, but will continue to thrive and provide the kind of progressive and practical learning which has been its hallmark for so long.

Mr. Speaker, as we gather in honor of Dr. Elkins on Friday evening, I know the Members of this House join me in extending a deep and heartfelt expression of appreciation to him for his efforts on behalf of Maryland residents for the past 24 years. Wilson and his gracious wife, Vivian, have told me that they plan to remain in their College Park home, but I venture to say, it will not be in retirement. The enthusiasm and energy which they both possess will lead them to new and challenging pursuits, and I wish them every success in whatever endeavor they undertake. ●

INSURANCE BROKERS SUPPORT SELF-INSURANCE OPTION FOR PRODUCT LIABILITY

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. STEERS. Mr. Speaker, last year I joined with CHUCK WHALEN and several of our colleagues to introduce the Product Liability Insurance Tax Equity Act, H.R. 7711. That legislation pioneered the concept that companies or individuals with product or professional liability risk should be allowed to self-insure for all or part of that risk.

This is not a terribly novel idea. But it is necessary to change the Internal Revenue Code to facilitate self-insurance, and our bill was the first proposal offered in the House to that effect. In the year since we introduced H.R. 7711, several other Members have introduced variations of our original proposal, over 100 Members have become sponsors of one or more of the bills, dozens of trade and professional associations have endorsed the legislation, and the Commerce Department has recommended that the President support the concept of facilitating self-insurance for product liability.

Thus far, the only organized resistance to the self-insurance option has come from the insurance companies that offer product liability policies. In the June 15 issue of the CONGRESSIONAL RECORD, CHUCK WHALEN presented a detailed rebuttal of the arguments being expounded by the American Insurance Association, which represents most of the companies that write product liability policies.

Mr. WHALEN accurately summed up his statement when he said:

The case against the self-insurance option is weak. The arguments of self-insurance opponents are easily refuted.

One argument in particular is especially easy to refute. The material put out by the AIA would have us believe that there is no way that a self-insured could possibly cope with all the details of running an insurance program. This is nonsense.

Many of the really big manufacturing firms in the United States have had self-insurance programs for years. Some call it retained risk and others simply take very large deductibles. Increasingly, big businesses are creating their own captive insurance companies. Often, these large companies have their own in-house personnel to handle their insurance needs. The Risk and Insurance Management Society is currently composed of several thousand individuals who earn their livings as in-house experts on insurance.

The object of H.R. 7711 is to make the benefits of self-insurance available to the smaller companies, those that cannot afford to set up a captive insurance firm. And for these smaller companies it may not be feasible to contemplate having a full-time risk management or insurance expert on the payroll. But this is not a serious problem.

There are thousands of insurance brokers and consultants in this country who are not only ready but eager to help firms that want to self-insure. Last fall it was my privilege to address a meeting of the National Association of Insurance Brokers. They told me then that they thought our proposal to facilitate self-insurance was long overdue.

Mr. Speaker, the NAIB publishes a weekly news bulletin and commentary, entitled the "Friday Flash." While it is not on the required reading list for Members of Congress, as a former State insurance commissioner I do read it from time to time.

In the June 2, 1978, issue of the Friday Flash, the NAIB takes issue with recent reports that the "insurance industry" opposes our tax equity proposals. They say that while the AIA and its member insurance companies may oppose the legislation, the insurance brokers—the portion of the industry that is closest to the consumers with insurance problems—support our effort to revise the tax code to facilitate self-insurance

In the June 2 *Friday Flash*, in a section labeled "Commentary," the editor says:

In the debate about pending "tax equity" legislation—bills to permit businesses a tax deduction for contributions to a self-insurance trust—we read with considerable annoyance that "the insurance industry" opposes it; that "the insurance industry" doesn't want the competition; that "the industry" is concerned about losing business to self-insurance. For the record, the nation's commercial insurance brokers are part of that all-encompassing and usually misleading phrase, "the insurance industry." Contrary to that sold-front imagery, NAIB endorses "tax equity. . . We don't buy assertions by insurance company spokesmen that there's no problem and no need. Tax equity legislation is no panacea but we think it will help. Our part of "the insurance industry" will continue to support it, and let nobody be misled about that.

There are other signs, too, that the insurance industry is not 100 percent united in its opposition to self-insurance proposals. For the time being, though, I merely wish to bring to my colleagues' attention the foregoing quote from the National Association of Insurance Brokers' publication. The members of the NAIB labor long and hard to help their clients obtain needed insurance protection and I think we should recognize their support for legislation that will further help these companies and individuals that are experiencing liability insurance problems.●

TURKEY'S INSENSITIVITY TO HUMAN RIGHTS XI

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. SAWYER. Mr. Speaker, as the vote on the repeal of the Turkish arms embargo approaches, Katherine Zenz and JoAnn McDaniel continue to languish in a Turkish prison. The two girls, from Oregon and Wisconsin, have served 5 years of a 24-year nonparolable sentence for the alleged possession of hashish.

As I have repeatedly reported to you over the past weeks, it is my desire to see a prisoner exchange treaty established with the government of Turkey. Such a treaty, like the ones already established with Canada and Mexico, would be in the best interest of both nations. As we have deemed human rights to be a major concern of not only our own Nation but also in our dealings with all nations we, especially, cannot neglect our own citizens who are being held, under deplorable conditions, in foreign prisons.

In an effort to achieve this much needed treaty, I have written a letter to President Carter, urging his prompt attention to this matter and asking him to take whatever measures he deems necessary to hasten the completion of such a treaty. I have asked my colleagues to join me in this letter and I have been very pleased with the response I have received. Inserted, herewith, in the RECORD is the letter to President Carter. This letter, supported by so many individuals, should be a sign to both the U.S. Government and the Turkish Government of the deep concern over this fundamental human rights issue.

The letter and cosigners follow:

CONGRESS OF THE UNITED STATES,
Washington, D.C.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We have learned of the plight of two young American women, JoAnn McDaniel of Oregon, and Katherine Zenz of Wisconsin. These girls are presently serving a 24-year nonparolable sentence in Turkey for the alleged possession of hashish. Having already been in prison for five years, it would seem to us that consideration should be given by the Turkish government to the establishment of a prisoner exchange treaty with the United States so that these two women can be promptly returned home. The provision that both nations agree to such an exchange is basic, and, of course, necessary.

The girls' parents are elderly and without the means to travel to Turkey to visit their daughters, and may never have the opportunity to see JoAnn and Kathy again unless a treaty is negotiated.

As you know, the United States has a prisoner exchange treaty with both Canada and Mexico. The implementing legislation in the form of Public Law 95–144 is already in effect, and many prisoners have already been exchanged.

We are advised that the government of Turkey has a similar prisoner exchange treaty with the European Council, and that they have expressed an interest in entering into such a treaty with the United States because their treaty is already in force, and is broad enough to accommodate subsequent treaties with other countries. We are also advised that the State Department is studying this proposal, and we think that negotiations could be completed promptly so JoAnn and Kathy could serve the remainder of their sentences in the United States.

We are exceedingly sympathetic with the situation of these women, and we urge you to do all that you can to encourage prompt action on this matter of great concern.

Sincerely,

HAROLD S. SAWYER.

COSIGNERS

Les AuCoin, Anthony Beilenson, Mario Biaggi, Michael Blouin, William Broomfield, Phil Burton, John Conyers, Laurence Coughlin, Joseph McDade and Edward Derwinski.

Robert Edgar, Don Edwards, Joshua Eilberg, John Erlenborn, Millicent Fenwick, Hamilton Fish, Bill Frenzel, Willis Gradison, William Green, and Tennyson Guyer.

George Hansen, Marjorie Holt, Elizabeth Holtzman, Henry Hyde, Barbara Jordan, Robert Kastenmeier, Martha Keys, Robert Krueger, Robert Lagomarsino, and Norman Lent.

Ron Marlenee, Norman Mineta, Ron Mottl, Richard Nolan, Richardson Preyer, Joel Pritchard, Carl Pursell, James Quillen, Frederick Richmond, and Robert Roe.

Richard Ottinger, Keith Sebelius, Ted Weiss, Doug Walgren, Paul Trible, Gene Taxler, Dave Stockman, Newton Steers, Charles Thone, and Louis Stokes.●

TIME FOR A CYPRUS SETTLEMENT

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. FRASER. Mr. Speaker, two British editorial comments on the present impasse over Cyprus were recently called to my attention. I would like to share them with my colleagues.

One, "Time for a Cyprus Settlement," was published in the Guardian, June 5, 1978. The second headed, "Carter, NATO, and Cyprus," from the May 26, 1978, New Statesman notes that—

The triangle which is formed by Ankara, Athens and Nicosia will not cease to be a source of instability until there is a just political settlement in Cyprus.

This is quite true. This is why many of us are reluctant to modify the restrictions on sales of arms to Turkey at this

time, because there is no just political settlement on the horizon.

The editorials follow:

[From the London, England, New Statesman, May 26, 1978]

CARTER, NATO, AND CYPRUS

The latest NATO declarations on the Cyprus question provide almost a *locus classicus* of how not to conduct a foreign policy. They display just that combination of strategic special pleading and political naivete which led to the Cyprus catastrophe in the first place. What the NATO ministers are saying in effect is that Turkey should not be inconvenienced at all for her unauthorized use of American weapons in the 1974 invasion, and should be allowed to annex as much of the island as she wishes without any apparent demurral from the West. This, of course, because she is an ally, and because of the stratgic importance of the Bosphorus. Exactly this kind of approach was demonstrated by NATO leaders when they excused seven years of repulsive military dictatorship in Athens—a dictatorship culminating in the very aggression against Cyprus which made the Turkish invasion inevitable. Only then, of course, the strategic importance of Piraeus harbour to the Sixth Fleet was being invoked. (One wonders why it is not being invoked now.)

Because Dr. Kissinger had deceived Congress so thoroughly over the 1974 events, and because his policy in the area achieved the remarkable triple feat of alienating Greeks, Turks and Cypriots all at the same time, the Cyprus issue became something of a test case in the fight for open government in foreign policy. That, and not the activism of the 'Greek lobby', is the reason for the tenacity of certain Senators in upholding the embargo on arms to Turkey which NATO has said should be removed. One of the advantages of the Carter policy to date has been its reluctance to excuse piratical behaviour on the grounds that it is conducted by 'allies'. The condemnation of Israel's use of cluster bombs has been a case in point. Now Carter is contradicting this policy as it applies to Cyprus, in order to appease its powerful foes in the military and defence establishments. It has been found a mistake in the past to treat Cyprus as if it was uninhabited; it will be found so again.

NATO has called for a relaxation of pressure on Turkey just at a time when her pretexts for occupying the island are dissolving. There are increasing signs of Turkish-Cypriot discontent with the forces of the 'peace-keeping' contingent, illustrated forcibly by large demonstrations in Turkish Nicosia on May Day, when slogans against partition and colonisation were raised. Turkey still stands condemned at the United Nations for its policy towards Cyprus, and, although the report has not been published, at the European Commission on Human Rights as well. Negotiations between Turkey and the EEC are also impeded by the issue. But the hope of a settlement is being frustrated by the very group of intransigent military men whose bluff NATO is so eager not to call.

The triangle which is formed by Ankara, Athens and Nicosia will not cease to be a source of instability until there is a just political settlement in Cyprus. It is therefore absurdly short-sighted of the West to use one aspect of that instability—the unrest among Turkish generals—as an excuse to postpone a policy which could bring a settlement closer. The scare-mongering about Russian influence in Turkey just will not wash. Not only is the Turkish high command the most resolutely anti-Communist in NATO, but opportunities for Russian meddling in the area multiply precisely because Cyprus is such a source of division.

It might have been hoped that NATO, two of whose armies participated in the dismemberment of Cyprus, would accept some responsibility. But apparently its sole concern is to inter the issue as swiftly as possible, to get Turkey off the hook and to act as if strategy and politics existed on different planes. This stance, which involves conceding the right of one country to acquire the territory of another by force, is wrong in principle and foolhardy in practice. A Labour government should have no part in it.

[From the London, England, Guardian, June 5, 1978]

TIME FOR A CYPRUS SETTLEMENT

There is something about the long-running Cyprus tragi-comedy which encourages experienced players to mistime their entrances, muff their lines, and exit on banana skins. Already this year President Carter, Mr. Ecevit of Turkey, President Kyprianou and Dr. Kurt Waldheim have tripped over each other's feet in farcical fashion. As a result the Cyprus problem looks to be more completely deadlocked than it has for some time. Yet this week in New York Dr. Waldheim launches a new round of informal contacts designed to see if a settlement is possible. If his ability to chew Turkish delight and walk at the same time has improved there is a possibility that he will succeed in picking up the pieces he and the other participants so recently spilled on the ground. President Carter appealed to Congress to lift the Turkish arms embargo shortly before the Turks completed their peace proposals. Emboldened, the Turks toughened up those proposals quite unreasonably at the last moment. Distressed by the loss of American support and genuinely horrified by the ruthless nature of the modified Turkish plan, President Kyprianou labelled it unacceptable "in substance and philosophy" and indicated that it would be impossible to amend the plan in any way acceptable to (Greek) Cyprus. Whereupon Dr. Waldheim, who had just welcomed the Turkish plan without studying it or the likely Cypriot reaction to it, backtracked rapidly. His enthusiasm for the plan apparently did not mean he thought it an appropriate basis for negotiation. Which did nothing for his reputation either in Ankara or Nicosia. Final Catch-22: President Carter has discovered (mainly as a result of the hard line taken by Turkey since he proposed the end of the arms embargo) that Congress will almost certainly reject his proposal.

Even so there are signs for hope. At the NATO summit Mr. Ecevit made it clear that there would be no friction with Greece engineered in the Aegean this summer. And, though Turkey will continue to rock the NATO boat, he does not intend to leap overboard. More than that—all Turkish sources now insist that there is massive give in the Turkish position if only the Greeks would agree to negotiate. (Six weeks back there were merely vague nods and winks about possible, marginal, shifts.) The industrial and political unrest in the Turkish sector of Cyprus and the bitter confirmation by Dr. Kutchuk in the opposition press, that the mainland Turkish army has secretly shipped in more than 40,000 illegal and highly unpopular immigrants from the mainland all suggest that Turkish Cypriots would welcome a reasonable settlement and an end to meddling by the 25,000-strong Turkish "peacekeeping force."

Dr. Waldheim's task, with a little help from the Americans, is to get substantial improvments on the public record in advance of talks. Specifically the Turks should offer —as an opening bid—to return at least a quarter of the occupied North to the Greek Cypriots. That would enable perhaps two-thirds of the 180,000 refugees to return to their own homes and fields and still leave the Turks with far more than their fair share of land. Next the Turks' mis-named "federal" proposals (two defense forces with no joint command, two assemblies which do not normally meet jointly, two currencies and two central banks—two mini-states free to negotiate separate international treaties) should be re-jigged to look a lot more like what the rest of the world knows as federalism. It is inevitably going to be a weak federation at first. But there is no reason to build deadlock and dissolution into it from the start. Finally the Turks must make some concession towards (phased?) freedom of movement and compensation or resettlement for the remaining refugees, Turkish as well as Greek. If Dr. Waldheim can get that far the Greek Cypriots would be well advised to swallow their pride and get back to the conference table. Four years is a long time in politics and the Greek Cypriot tragedy is no longer at the top of international compassion tables. Tough as the present mainland Turkish regime is, the next (possibly military) could well be tougher. And, with the cold war getting colder, the strategic significance of Turkey looks significantly more strategic than that of Cyprus and Greece combined. One way and another a speedy—but not inherently unworkable—solution to the Cyprus problem is in the interest of all Cypriots, Greek and Turkish alike.●

AMERICA'S FIRST FOREIGN WAR DEAD TO RETURN

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. HOLLENBECK. Mr. Speaker, on the night of September 4, 1804, the U.S.S. *Intrepid* crept slowly into the harbor at Tripoli, in what is now Libya. The fledgling United States was engaged in its first foreign war, fighting to maintain freedom of the seas for American ships against the Barbary Pirates. The mission of the 13 officers and men, commanded by Captain Richard Somers, of Atlantic County, N.J., was to turn their small ship into a floating torch, destroying as much enemy shipping as possible in the crowded harbor. No sooner had the *Intrepid* entered the harbor than it was fired on by Tripolitan gunboats. At 9:47 p.m. the *Intrepid* blew up. Many historians believe that Captain Somers and his men deliberately destroyed the ship and its load of gunpowder to keep it from falling into the hands of the pirates. Two days later, the bodies of Captain Somers and his men were recovered, mangled beyond recognition. The remains were buried in five graves in a small cemetery in Tripoli. They were the first casualties in America's first foreign war.

Now, it is time to bring them home. A bill just introduced by me directs the Navy to bring the bodies home for burial in Arlington National Cemetery. The problem was brought to my attention by members of the Sergeant Clendenon Newell Post No. 1 of the American Legion, Leonia, N.J. That post, incidentally, was the first in New Jersey.

First of all, these men were the first men to die for the United States in a foreign war. Second, they died while per-

forming their duties above and beyond the call of duty, and in the highest traditions of American servicemen. Third, the war with the Barbary Pirates is one of the only wars from which have not honored an unknown soldier. I think we owe it to these men, to American men and women in uniform everywhere, and to ourselves as a nation, to pay tribute to the heroism and patriotism these men displayed.

The men are buried in a foreign cemetery rather than in an American military cemetery overseas, and the graves receive little of the attention accorded to those buried in the military cemeteries. The *Intrepid* sailors are a special case which calls for returning the men to American soil.

I hope the bill can be enacted in time for the men to be laid to rest in Arlington National Cemetery on Veterans' Day and I ask the Carter administration to support the bill. ●

CONGRESSIONAL SALUTE TO ST. ANN'S PARISH, CINCINNATI, OHIO, ON THEIR 25TH ANNIVERSARY

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. LUKEN. Mr. Speaker, on Sunday, July 2, members of St. Ann's Parish in my congressional district will celebrate the 25th anniversary of their founding with a Mass of Thanksgiving, followed by a reception and dinner.

As part of this national tribute to St. Ann's, I urge my colleagues to join with me in offering our heartiest congratulations to this pround parish.

St. Ann's was founded on July 2, 1953. The founding pastor was Father James Lunn. The first masses were held in the Groesbeck Community Hall on Colerain Avenue. When St. Ann's started in 1953, half of the building was a hall and the other half housed the Groesbeck Fire Department. Sunday masses were held in the hall at that time, and weekday masses and confessions in the chapel in the farmhouse located on St. Ann's property. Of course, it involved parishioners setting up for mass on Saturday nights after dances were held in the hall, and cleaning up after the masses on Sunday, but it was all done with a spirit of joy and thanksgiving.

When the school building was finished in September of 1954, mass then took place in the north side of the building, which would later be converted into four schoolrooms. The front area where the altar was situated could be closed off with a folding door. The rest of the area served as seating for mass, meeting room, and hall for dances, card parties, and so forth.

Finally, the present church facility was completed and a special mass of dedication was held on June 28, 1959. Since that time there have been very few physical changes. Following Vatican II, the altar was turned to face the people. Baptisms now take place in the sanctuary as those being baptized are welcomed into the church. The former baptism room has been converted into a room for reconciliation.

Many special masses have taken place in this church: First masses for Father Wayne King, Father Ed Williams, Father John Kummer, and Father Harry Kist; farewell mass for Father Lunn when he retired; installation mass for Father Bill Dorrmann and Father Dave Brinkmoeller, our copastors; and for many of the parishioners, weddings and funerals of loved ones.

Mr. Speaker, I am privileged and honored to seek this recognition for St. Ann's parish. I am proud to represent this parish as they have and continue to be a vital part of this community. I also hope that their concern for others is rewarded by continued success in all their endeavors. May we wish them a happy 25th anniversary.●

PIPELINE SHIPMENTS TO CHILE

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. STARK. Mr. Speaker, I am today introducing a resolution of inquiry regarding U.S. arms shipments to Chile, with my colleagues JOHN BURTON, PHILLIP BURTON, TOM HARKIN, MICHAEL HARRINGTON, GEORGE MILLER, and TOBY MOFFETT. Last week the matter of "pipeline" shipments to Chile became a matter of national concern when members of local No. 10 of the ILWU courageously refused to load shipments of bomb parts destined for Chile.

In 1976 Congress passed important legislation terminating U.S. arms sales and military assistance to Chile. Those of us who voted for this legislation expected that, in fact, the United States would cease to supply arms to the Pinochet regime—a government which is notorious for its consistent repression and denial of the most basic human and legal rights of the people of Chile. Two years later, the Chilean armed forces and police continue to receive U.S. arms, ammunition, and military equipment—an estimated $57 million worth in 1977 alone. The military hardware shipped to Chile since the arms cutoff includes aircraft engines, transport planes, naval search radars, and high explosive artillery shells.

The spirit, if not the letter, of the arms embargo is repeatedly violated because the United States has been willing to fill those orders for military equipment made by Chile prior to June 30, 1976, the effective date of the arms cutoff.

The resolution we are introducing today requests information regarding all agreements to sell arms to Chile which were not fully executed as of that effective date. I include a copy of this resolution for the RECORD, as it will enumerate our questions on this matter. Congress must know what items have been delivered since the ban took effect, and what items are yet to be delivered under this arrangement. It is well within the President's power to discontinue the delivery of these pipeline sales. Failure to do so makes a mockery of the congressional ban and totally undermines the administration's stated human rights policy.

Despite the announced "reforms" and the "program of liberalization," the Pinochet government persists in a policy of aggressive disregard for the internationally recognized rights of its citizens. Union elections, strikes, and collective bargaining are outlawed—as are political parties. 1,500 persons have disappeared after being seized by the police, and the government has failed—despite repeated promises to families and loved ones—to account for these persons. The most significant impact of the government's recently announced "amnesty" is that it has closed the court cases of those police officers who were under investigation for involvement in the disappearances. There have been no substantive improvements in the human rights situation in Chile.

Last Friday, June 23, the Department of State recalled Ambassador Landau from Santiago and announced that all pipeline shipments to Chile would discontinue, pending review of the human rights situation in that country. On that day I joined with many of my colleagues in applauding the administration's actions in this regard. Again, today, as I introduce this resolution of inquiry, I commend President Carter for this decision and urge him not to resume these shipments. I believe, however, that the information requested in this resolution regarding pipeline shipments is vital if we are to carry out the will of Congress as articulated in the legislation prohibiting U.S. arms shipments to Chile.

The resolution follows:

H. Res. —

Resolved, That not later than 30 days after the date of adoption of this resolution, the Secretary of State shall furnish to the House of Representatives the following information, if such information is known by the Secretary or is within the possession of the Secretary:

(1) A list of all agreements to sell defense articles or defense services to Chile which were entered into under the Foreign Military Sales Act before June 30, 1976, and which were not fully executed as of that date, such list to include with respect to each such agreement—

(A) the date on which the agreement was entered into;

(B) a listing of any defense articles or defense services delivered under the agreement between June 30, 1976, and the date of adoption of this resolution;

(C) a listing of any defense articles or defense services scheduled for delivery under the agreement after the date of adoption of this resolution; and

(D) a listing of any defense articles or defense services which have been ordered under the agreement as of the date of adoption of this resolution but which have not yet been scheduled for delivery.

Each such listing shall identify the defense articles or defense services and shall specify the quantity of defense articles or defense services delivered or to be delivered, their agreement price, the date on which they were ordered, and the date of delivery where known.

(2) A list of all licenses for the export to Chile of commercially sold arms, ammuni-

tion, or implements of war, including technical data relating thereto, which were issued under section 414 of the Mutual Security Act of 1954 before June 30, 1976, and which were still in effect on that date, such list to include with respect to each such license—

(A) the date on which the license was issued;

(B) a listing of any arms, ammunition, or implements of war, including technical data relating thereto, delivered under the license between June 30, 1976, and the date of adoption of this resolution;

(C) a listing of any arms, ammunition, or implements of war, including technical data relating thereto, scheduled for delivery under the license after the date of adoption of this resolution; and

(D) a listing of any arms, ammunition, or implements of war, including technical data relating thereto, which have been ordered for delivery under the license as of the date of adoption of this resolution but which have not yet been scheduled for delivery.

Each such listing shall identify the arms, ammunition, or implements of war, including technical data relating thereto, and shall specify the quantity thereof delivered or to be delivered, their contract price, the date on which they were ordered, and the date of delivery where known.●

TURKEY'S INSENSITIVITY TO HUMAN RIGHTS—X

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. SAWYER. Mr. Speaker, I commend to the attention of my colleagues a chilling column by Jack Anderson which confirms the absolutely abhorent conditions which Americans are experiencing while incarcerated in Turkish prisons. This article, entitled "Turkey's Prisons: Heartbreak Houses," demonstrates the urgent need for the United States to rapidly conclude negotiations with the Government of Turkey on a prisoner exchange treaty which would allow American citizens to serve their sentences in the United States.

The idea of a prisoner exchange is not new to the Turks as they are participants in a similar agreement among Council of Europe nations. Therefore, I strongly urge our own State Department and the Government of Turkey to begin deliberate and serious negotiations to promptly reach mutual agreement on a much needed prisoners exchange treaty.

The article, taken from the Washington Post of June 27, 1978, follows:

TURKEY'S PRISONS: HEARTBREAK HOUSES

(By Jack Anderson)

President Carter's move to lift the U.S. arms embargo against Turkey has a special urgency for five Americans now interned in Turkish prisons. If Congress can be persuaded to end the embargo, the five might be sent home to finish their sentences in the United States.

For several months, American and Turkish diplomats have been discussing a prisoner exchange treaty, similar to the pacts recently negotiated with Mexico and Canada. The Turks have been acutely sensitive about the idea, because it implies that their treatment of prisoners is less than humane. Given the strain in Turkish-American relations over the arms embargo, there is little chance the Turks would give up the five Americans.

Over four months ago, U.S. officials gave the Turks a draft of the proposed prisoner exchange treaty with Bolivia and suggested it be studied as a model for an American-Turkish pact. But a confidential source said: "There has been little feedback. They are really dragging their feet." Added another insider: "If the embargo is lifted, things could get better."

At the urging of the Turkish government, I sent my associate Joe Spear to Turkey. The Turks promised that Spear would be permitted to visit a Turkish prison.

The penal institutions in Turkey, Spear determined, fully deserve their notorious reputations. The food is barely edible; sanitation conditions would fail flophouse standards in the United States; brutality by prison guards is an accepted, if unofficial, way of life. A favored form of punishment, said confidential sources, is flailing recalcitrant prisoners mercilessly on the soles of their bare feet with long sticks.

Even worse than the guards are the surly, ruthless Turkish hoods who belong to the "Turkish mafia." Armed with guns and knives smuggled in, and aided by informers, they control the prison population and run the rackets behind prison walls.

The mafia also trafficks in hashish and heroin. "The stuff comes over the walls at night," said one former prisoner. "The authorities try to control it, but they just can't do it."

In fairness to the Turkish authorities, they give preferential treatment to foreign prisoners, especially Americans. In each institution, the foreigners are assigned to a special area called the "tourist section." The Turks also take pains to locate American prisoners in prisons where U.S. consular officers can visit them conveniently.

In Ankara, Spear interviewed the director of Turkish prisons, Dr. Mustafa Yucel, who earned his Ph.D. in law at New York University. The gruff but likable Yucel apparently had done his homework before the meeting. He began by pointing a finger at Spear and declaring: "I know all about you!"

He then launched into a tirade about the negative stories that have been published about the Turkish prisons. He pulled a book from a shelf and slammed it down on his desk, "Lies! All lies!" he shouted.

The book was "Midnight Express," written by Billy Hayes, a young American who spent five years in Turkish prisons and finally made a daring dash for freedom. Snorted Yucel: "They say the prisons are schools for criminals. But this book," he said, stabbing it with his finger, "is proof that Turkish prisons are schools for writers."

With Yucel's permission, Spear flew to Istanbul and drove out to Sagmalcilar prison, whose grey stone eminence looms over a grimy industrial suburb known as Bayrampasa. The institution holds about 3,000 inmates, some 150 of whom are "political prisoners" detained for shooting or bombing people who don't share their ideologies.

His institution, said the director, was built in 1968 and was "the most modern prison in the Middle East." Prisoners are served two meals a day, he said, but can purchase extra food in a canteen if they have the money. There are also "common rooms," he said, containing TV sets, refrigerators, foreign newspapers and books.

Spear then visited with Michael Ray, a native of Little Rock, Ark., who has spent five years in Turkish prisons. A wiry, dark-complexioned man in his mid-30s, Ray looked Turkish and, indeed, spoke the language fluently.

He had been arrested near the Syrian border in 1973, he said, with a half-ton of hashish in his possession. "I am a capitalist," he shugged. "I was trying to make some money." He took the rap for his girlfriend, who accompanied him. His sentence: 101 years.

This has now been reduced to 24 years—leaving him, he said, with a wry smile, "only 18 years to go." He served time in several Turkish prisons, "from the worst to the best. The worst are awful. This is the best."●

FINANCIAL DISCLOSURE OF CONGRESSMAN TOBY MOFFETT

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. MOFFETT. Mr. Speaker, as has been my practice in the past, I am again submitting for the public record a listing of my assets and liabilities, as well as my 1977 income taxes.

I firmly believe that this kind of voluntary disclosure, although not required by law, helps counter the shockingly low degree of public confidence in Government which we have seen reflected in recent opinion polls.

It also gives the public a better basis upon which to determine whether their Representatives in fact view their position as a "public trust," rather than a service to some special interest.

I also wish to note that, as a matter of principle, I rejected the most recent congressional pay raise, amounting to $12,900 a year. I do not feel that a sitting Congress should have anything to do with giving itself a raise—if it is going to vote a raise, it should at least make that raise effective for the next Congress, thus giving an opportunity to the public to judge its actions before the raise takes effect. Additionally, the Government ought to reflect some sensitivity to the burdens imposed on the public during difficult economic times.

Consequently, although my salary is listed at $54,275, I did not accept the raise, using it instead to aid my area's emergency fuel banks and to expand and improve Sixth District services.

1977 ASSETS

Savings account	$53
Checking account	852
(Escrow account, from salary—rejected pay raise)	(1,510)
1965 Dodge Dart	75
1975 Ford Mustang	3,000
Stocks	none
Bonds	none
House in Washington, D.C.	43,000
House in Washington, D.C.	53,500
House in Unionville, Conn.	34,000

1977 LIABILITIES

Mortgage on house in Washington, D.C. (as of December, to be paid)	47,842
Mortgage on house in Washington, D.C. (as of December, to be paid)	54,559
Mortgage on house in Unionville, Conn. (as of December, to be paid)	31,924
Personal loan	13,200
Personal loan	3,131
Auto (Ford) loan	3,217
Home improvement loan	2,630

1977 FEDERAL TAXES

Federal	$13,383

1977 INCOME (LOSS)

Salary	54,275
Interest (incl. escrow account)	86
Dividends	none
Business income	none
Honoraria	1,950
Medical reimbursements	none
Rental income (loss)	(−3,179)

RACIAL QUOTAS

HON. ROBERT S. WALKER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. WALKER. Mr. Speaker, the Washington Post of June 18, 1978 excerpted Mr. Thomas Sowell's contribution to the June issue of Commentary in an article entitled, "Racial Quotas Achieve Nothing—At Great Cost." Mr. Sowell is a professor of economics at UCLA and the author of several books including, "Black Education: Myths and Tragedies."

In this article Mr. Sowell examines the assumption that the statistical "representation" of a group—in jobs, schools, and so forth, shows and measures discrimination, which is at the center of the controversy surrounding preferential admissions and hiring policies.

His examination of this assumption provides strong evidence that discrimination and injustice, brought about by the use of quotas, can never be used to eliminate discrimination or do away with past injustices because the only thing produced is more discrimination and injustice. In light of the Supreme Court's decision in the Bakke case, I commend Mr. Sowell's article to my colleagues' attention:

RACIAL QUOTAS ACHIEVE NOTHING—AT GREAT COST

(By Thomas Sowell)

Race has never been an area noted for rationality of thought or action. Almost every conceivable form of nonsense has been believed about racial or ethnic groups at one time or another.

Theologians used to debate whether black people had souls (today's terminology might suggest that *only* black people have souls). As late as the 1920s, a leading authority on mental tests claimed that test results disproved the popular belief that Jews are intelligent. Since then, Jewish IQs have risen above the national average and more than one-fourth of all American Nobel Prize winners have been Jewish.

Today's grand fallacy about race and ethnicity is that the statistical "representation" of a group—in jobs, schools, etc.—shows and measures discrimination. This notion is at the center of such controversial policies as affirmative-action hiring, preferential admissions to college and public-school busing.

But despite the fact that far-reaching judicial rulings, political crusades and bureaucratic empires owe their existence to that belief, it remains an unexamined assumption. Tons of statistics have been collected, but only to be interpreted in the light of that assumption, never to test the assumption itself. Glaring facts to the contrary are routinely ignored. Questioning the "representation" theory is stigmatized as not only inexpedient but immoral. It is the noble lie of our time.

THE AGE AND EDUCATION FACTORS

"Representation" or "underrepresentation" is based on comparisons of a given group's percentage in the population with its percentage in some occupation, institution, or activity. This might make sense if the various ethnic groups were even approximately similar in age distribution, education and other crucial variables. But they are not.

Some ethnic groups are a whole decade younger than others. Some are two decades youngers. The average age of Mexican Americans and Puerto Ricans is under 20, while the average of Irish Americans or Italian Americans is over 30—and the average age of Jewish Americans is over 40. This is because of large differences in the number of children per family from one group to another. Some ethnic groups have more than twice as many children per family as others. Over half of the Mexican American and Puerto Rican population consists of teenagers, children and infants. These two groups are likely to be underrepresented in any adult activity, whether work, or recretion, whether controlled by others or entirely by themselves, and whether there is discrimination or not.

Educational contrasts are also great. More than half of all Americans over 35 of German, Irish, Jewish or Oriental ancestry have completed at least four years of high school. Less than 20 percent of all Mexican Americans in the same age bracket have done so. The disparities become even greater when you consider quality of school, field of specialization, postgraduate study and other factors that are important in the kind of high-level jobs on which special attention is focused by those emphasizing representation.

Those groups with the most education—Jews and Orientals—also have the highest quality education, as measured by the rankings of the institutions from which they receive their college degrees, and specialize in the more difficult and remunerative fields, such as science and medicine. Orientals in the United States are so heavily concentrated in the scientific area that there are more Oriental scientists than there are black scientists in absolute numbers, even though the black population of the United States is more than 20 times the size of the Oriental population.

Attention has been focused most on high-level positions—the kind of jobs people reach after years of experience or education, or both. There is no way to get the experience or education without also growing older in the process, so when we are talking about top-level jobs, we are talking about the kind of positions people reach in their 40s and 50s rather than in their teens and 20s. Representation in such jobs cannot be compared to representation in a population that includes many 5-year-olds—yet it is.

The general ethnic differences in age become extreme in some of the older age brackets. Half of the Jewish population of the United States is 45 years old or older, but only 12 per cent of the Puerto Rican population is that old. Even if Jews and Puerto Ricans were identical in every other respect, and even if no employer ever had a speck of prejudice, there would still be huge disparities between the two groups in top-level positions, just from age differences alone.

Virtually every underrepresented racial or ethnic group in the United States has a lower than average age and consists disproportionately of children and inexperienced young adults. Almost invariably these groups also have less education, both quantitatively and qualitatively. The point here is not that we should "blame the victim" or "blame society." The point is that we should, first of all, talk sense. "Representation" talk is cheap, easy and misleading; discrimination and opportunity are too serious to be discussed in gobbledygook.

DO PREFERENCES HELP?

The idea that preferential treatment is going to "compensate" people for past wrongs flies in the face of two hard facts:

1. Public opinion polls have repeatedly shown most blacks opposed to preferential treatment either in jobs or college admissions. A Gallup Poll in March 1977, for example, found only 27 percent of nonwhites favoring "preferential treatment" over "ability as determined by test scores," while 64 percent preferred the latter and 9 percent were undecided. (The Gallup breakdown of the U.S. population by race, sex, income, education, etc. found that "not a single population group supports affirmative action.")

How can you compensate people by giving them something they have explicitly rejected?

2. The income of blacks relative to whites reached its peak before affirmative-action hiring and has declined since. The median income of blacks reached a peak of 60.9 percent of the median income of whites in 1970—the year before "goals" and "timetables" became part of the affirmative-action concept. "In only one year of the last six years," writes Andrew Brimmer, "has the proportion been as high as 60 percent."

Before something can be a "compensation," it must first be a benefit.

The repudiation of the numerical or preferential approach by the very people it is supposed to benefit points out the large gap between illusion and reality that is characteristic of affirmative action. So does the cold fact that there are few, if any, benefits to offset all the bitterness generated by this heavy-handed program The bitterness is largely a result of a deeply resented principle, galling bureaucratic processes and individual horror stories. Overall, the program has changed little for minorities or women. Supporters of the program try to cover up its ineffectiveness by comparing the position of minorities today with their position many years ago. This ignores all the progress that took place under straight equal-treatment laws in the 1960s—progress that has not continued at anywhere near the same pace under affirmative action.

WHO PUSHES FOR PREFERENCES?

If blacks are opposed to preferential treatment and whites are opposed to it, who then is in favor of it, and how does it go on? The implications of these questions are even more far reaching and more disturbing than the policy itself. They show how vulnerable our democratic and constitutional safeguards are to a relative handful of determined people.

Some of those people promoting preferential treatment and numerical goals are so convinced of the rightness of what they are doing that they are prepared to sacrifice whatever needs to be sacrificed—whether it be other people, the law or simple honesty in discussing what they are doing (note "goals," "desegregation," and similar euphemisms).

Other supporters of numerical policies have the powerful drive of self-interest as well as self-righteousness. Bureaucratic empires have grown up to administer these programs, reaching into virtually every business, school, hospital or other organization. The rulers and agents of this empire can order employers around, make college presidents bow and scrape, assign schoolteachers by race, or otherwise gain power, publicity and career advancement—regardless of whether minorities are benefited or not.

While self-righteousness and self-interest are powerful drives for those who have them, they can succeed only insofar as other people can be persuaded, swept along by feelings, or neutralized. Rhetoric has accomplished this with images of historic wrongs, visions of social atonement and a horror of being classed with bigots. These tactics have

worked best with those most affected by words and least required to pay a price personally: nonelected judges, the media and the intellectual establishment.

The "colorblind" words of the Civil Rights Act of 1964, or even the protections of the Constitution, mean little when judges can creatively reinterpret them out of existence. It is hard to achieve the goal of an informed public when the mass media show only selective indignation about power grabs and a sense of pious virtue in covering up the failures of school integration.

Even civil libertarians—who insist that the Fifth Amendment protection against self-incrimination is a sacred right that cannot be denied Nazis, Communists or criminals—show no concern when the government routinely forces employers to confess "deficiencies" in their hiring processes, without a speck of evidence other than a numerical pattern different from the government's preconception.

Preferential admissions to colleges and universities are "justified" by similar rhetoric and the similar assumption that statistical underrepresentation means institutional exclusion. Sometimes this assumption is buttressed by notions of "compensation" and a theory that (1) black communities need more black practitioners in various fields; and that (2) black students will ultimately supply that need.

The idea that the black community's doctors, lawyers, etc. should be black is an idea held by white liberals, but no such demand has come from the black community, which has rejected preferential admissions in poll after poll. Moreover, the idea that an admissions committee can predict what a youth is going to do with his life years later is even more incredible—even if the youth is one's own son or daughter, much less someone from a wholly different background.

These moral or ideological reasons for special minority programs are by no means the whole story. The public image of a college or university is often its chief financial asset. Bending a few rules here and there to get the right body count of minority students seems a small price to pay for maintaining an image that will keep money coming in from the government and the foundations. When a few thousand dollars in financial aid to students can keep millions of tax dollars rolling in, it is clearly a profitable investment for the institution. For the young people brought in under false pretense, it can turn out to be a disastrous and permanently scarring experience.

The most urgent concern over image and over government subsidies, foundation grants and other donations is at those institutions which have the most of all these things to maintain—that is, at prestigious colleges and universities at the top of the academic pecking order. The Ivy League schools and the leading state and private institutions have the scholarship money and the brand-name visibility to draw in enough minority youngsters to look good statistically. The extremely high admissions standards of these institutions usually cannot be met by the minority students—just as most students in general cannot meet them. But in order to have a certain minority body count, the schools bend (or disregard) their usual standards. The net result is that thousands of minority students who would normally qualify for good, non-prestigious colleges where they could succeed, are instead enrolled in famous institutions where they fail.

For example, at Cornell during the guns-on-campus crisis, fully half of the black students were on academic probation, despite easier grading standards for them in many courses. Yet these students were by no means unqualified. Their average test scores put them in the top quarter of all American college students—but the other Cornell students ranked in the top 1 percent. In other words, minority students with every prospect of success in a normal college environment were artificially turned into failures by being mismatched with an institution with standards too severe for them.

When the top institutions reach further down to get minority students, then academic institutions at the next level are forced to reach still further down, so that they too will end up with a minority body count high enough to escape criticism and avoid trouble with the government and other donors. Each academic level, therefore, ends up with minority students underqualified for that level, though usually perfectly qualified for some other level. The end result is a systematic mismatching of minority students and the institutions they attend, even though the wide range of American colleges and universities is easily capable of accommodating those same students under their normal standards.

Proponents of "special" (lower) admissions standards argue that without such standards no increase in minority enrollment would have been possible. But this blithely disregards the fact that when more money is available to finance college, more low-income people go to college.

The GI Bill after World War II caused an even more dramatic increase in the number of people going to college who could never have gone otherwise—and without lowering admissions standards. The growth of special minority programs in recent times has meant both a greater availability of money and lower admissions standards for black and other designated students. It is as ridiculous to ignore the effect of double standards on their maldistribution among institutions. It is the double standards that are the problems, and they can be ended without driving minority students out of the system. Of course, many academic hustlers who administer special programs might lose their jobs, but that would hardly be a loss to anyone else.

As long as admission to colleges and universities is not unlimited, someone's opportunity to attend has to be sacrificed as the price of preferential admission for others. No amount of verbal sleight-of-hand can get around this fact. None of those sacrificed is old enough to have had anything to do with historic injustices that are supposedly being compensated. Moreover, it is not the offspring of the privileged who are likely to pay the price. It is not a Rockefeller or a Kennedy who will be dropped to make room for quotas; it is a De Funis or a Bakke. Even aside from personal influence on admissions decisions, the rich can give their children the kind of private schooling that will virtually assure them test scores far above the cut-off level at which sacrifices are made.

Just as the students who are sacrificed are likely to come from the bottom of the white distribution, so the minority students chosen are likely to be from the top of the minority distribution. In short, it is a forced transfer of benefits from those least able to afford it to those least in need of it.

In some cases, the loose term "minority" is used to include individuals who are personally from more fortunate backgrounds than the average American. Sometimes it includes whole groups, such as Chinese or Japanese Americans, who have higher incomes than whites. One-fourth of all employed Chinese in this country are in professional occupations—nearly double the national average. No amount of favoritism to the son or daughter of a Chinese doctor or mathematician today is going to compensate some Chinese of the past who was excluded from virtually every kind of work except washing clothes or washing dishes.

The past is a great unchangeable fact. Nothing is going to undo its sufferings and injustices, whatever their magnitude. Statistical categories and historic labels may seem real to those inspired by words, but only living flesh-and-blood people can feel joy or pain. Neither the sins nor the sufferings of those now dead are within our power to change. Being honest and honorable with the people living in our own time is more than enough moral challenge, without indulging in illusions about rewriting moral history with numbers and categories.

THE LEGACY OF BUSING

It is chilling to hear parents say that the worst racists they know are their own children. Yet such statements have been made by black and white parents, liberals and conservatives, and without regard to geographical location. It is commonplace to hear of integrated schools where no child of either race would dare enter a toilet alone. The fears and hatreds of these schoolchildren are going to be part of the American psyche long after the passing of an older generation of crusading social experimenters. It is quite a legacy to leave.

The ringing principles of equal rights announced in the 1954 Supreme Court decision in *Brown* v. *Board of Education* have been transformed by 20 years of political and judicial jockeying into a nightmare pursuit of elusive statistical "balance." The original idea that the government should not classify children by race was turned around completely to mean that the government must classify children by race. The fact that the racial integration of youngsters from similar backgrounds has worked under voluntary conditions was seized upon as a reason for forcing statistical integration of schoolchildren, without regard to vast contrasts of income, way of life, or cultural values. Considerations of cost, time, feelings or education all give way before the almighty numbers.

The civil rights establishment has a similar investment of ego and self-interest to protect. The NAACP Legal Defense Fund now insists that the issue is not "educational" but "constitutional." This might be an understandable position for an academic association of legal theorists, but not for an organization claiming to speak in the name of flesh and blood black people—people who reject busing in nationwide polls and who reject it by large majorities in cities where it has been tried. The head of the NAACP Legal Defense Fund brushes this aside by saying that they cannot ask "each and every black person" his opinion before proceeding, but the real question is whether they can consistently go counter to the majority opinions of the very people in whose name they presume to speak.

However futile the various numerical approaches have been in their avowed goal of advancing minorities, their impact has been strongly felt in other ways. The message that comes through loud and clear is that minorities are losers who will never have anything unless someone gives it to them.

The destructiveness of this message—on society in general and minority youth in particular—outweighs any trivial gains that may occur here and there. The falseness of the message is shown by the great economic achievements of minorities during the period of equal-rights legislation before numerical goals and timetables muddied the waters. By and large, the numerical approach has achieved nothing and has achieved it at great cost.●

"INDOCHINESE REFUGEES"

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. STARK. Mr. Speaker, today I am introducing legislation to provide for 1

additional year of full Federal support of the Indochina Refugee Assistance Program.

The Indochina Refugee Assistance Program, known by its acronym as IRAP, currently provides 100 percent Federal reimbursement to State and local governments for the cash and medical assistance, as well as the social services made available to the refugees. Under legislation enacted by Congress last year, the extent of Federal support of this program will be limited to not more than 75 percent of the fiscal year 1978 costs in fiscal year 1979, 50 percent in fiscal year 1980, 25 percent in fiscal year 1981, and it will terminate thereafter.

At the time Congress approved this legislation, it was assumed the number of refugees to be served by IRAP would remain around 150,000. However, the Attorney General has recently granted parole authority for an additional 25,000 refugees. They will be in addition to the 22,000 refugees previously paroled and expected to enter the United States during the current year. The enactment of refugee-admission legislation or the approval of additional parole authority could result in the further admission of as many as 12,500 additional Indochinese in the coming year. In total, it is possible that 59,000 more Indochinese refugees may reach our shores by the end of fiscal year 1979, increasing the population to 220,000.

Clearly, the assumption on which we based the phase-down of IRAP, that is that the refugee population would remain around 150,000, has been rendered invalid by virtue of the administration's actions. As a result, the State and local share of IRAP may be more than 50 percent larger than anticipated by Congress last year. I strongly believe that we should not force our State and local governments to bear the brunt of these Federal actions.

IRAP has been highly successful in enabling refugees to obtain self-sufficiency and integrate into the mainstream of American life. An additional year of full Federal funding will insure that assistance is extended to the refugees soon to enter our country without working undue hardship on the localities in which they settle. This extension, adding very little to the overall cost of the program—perhaps $27 million, would constitute an important step in maintaining the resettlement effort.

This proposal, introduced in the Senate by Mr. CRANSTON and Mr. KENNEDY, has strong bipartisan support as well as the backing of the Coalition for the Effective Resettlement of Indochinese Refugees, the National Association of Counties, plus numerous voluntary agencies, State and local officials involved in the resettlement effort. I urge my colleagues in the House to give it their serious consideration.●

AGE DISCRIMINATION MYTH

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1978

● Mr. FINDLEY. Mr. Speaker, since I introduced the first bill to end the pernicious practice of mandatory retirement in 1974. I have noticed at times an almost automatic, unthinking opposition on the part of a few. It has seemed to be based on an uncritical acceptance of the assumption that as people get older they lose effectiveness. Nothing could be further from the truth, as the examples of so many successful persons over age 65 illustrate. Fortunately the majority have seen through the myth. The House voted 359 to 4 this year in favor of a bill to raise the mandatory retirement age from 65 to 70.

But the recent improvement in the law is just a first step, and I have introduced legislation to outlaw mandatory retirement completely. I hope the 96th Congress will take that final step so it will be effective when those now 65 reach 70.

A recent book published by Doubleday enhances the prospects for success. Entitled "It Takes a Long Time To Become Young," and written by Garson Kanin, it focuses on the concept that judgments about individual job performance should be made on merit, not age. One cannot help but be impressed with the book's inspiration, quality of expression and with the evidence used. Thus I would hope that my colleagues would ponder the ideas in the book, and for their consideration I would like to include in the RECORD a copy of the review of the book printed in the Los Angeles Times of April 9, 1978.

KANIN IN METHUSELAH'S CORNER

(By Ben Irwin)

One thinks of him ordinarily as a writer of witty, graceful, amiable prose, unfailingly entertaining. It is something of a surprise, therefore, to discover that in "It Takes a Long Time to Become Young," his latest book, Garson Kanin is serious, provocative and thoroughly angry. On second thought, make that furious.

Kanin was made so initially by a CBS–TV editorial defending the right of the State of Massachusetts to force mandatory retirement on one Robert Murgia at the age of 50. Murgia, a policeman, promptly filed suit to protest the law. Kanin asked CBS for air time to answer their editorial. He was accorded 80 seconds, not exactly a time framework in which to make telling arguments. Yet he did just that and superbly.

"Of all the 'isms' that have plagued this century," he said, "ageism is the most stupid." He went on to add: "It's time to declare war on the mindless Youth Cult that has our time in its grip, demoralizing our people, weakening our system . . . wasting our experience, betraying our democracy and blowing out our brains."

Strong words.

The response to these words was overwhelming. Among those responding was Doubleday, urging Kanin to expand his views into a book. After some slight hesitation, he agreed. The result is this valuable work, the author's personal and spirited contribution to the battle against compulsory retirement.

The derivation of the light-hearted title is this: some years ago Picasso was having a retrospective exhibit. An admirer approached him, commenting that what astonished her was that Picasso's early efforts were so "solemn" while his later work was so "wild." How did he explain it? "Easily," the genius artist answered. "It takes a long time to become young."

Kanin's book documents the observation, adding his own conclusion that talent or ability does not automatically disappear or even diminish at age 65 but may, in fact, flourish.

We are given an impressive list of people who had or have productive and even brilliant careers long after the age of "retirement." Included are such a varied cross-section as R. Buckminster Fuller, in his 80s and still producing new inventions; Benjamin Spock in his mid-70s; Marshall Tito, 85; Georgia O'Keefe, painting daily at 90; and, of course, the author's own wife of over 35 years, Ruth Gordon.

Kanin goes on to give us a long list of the famous who registered their most notable accomplishments late in life. He makes his point with total effectiveness, although after he has presented the 20th talent on his list we are tempted to cry: "Enough already. We're convinced."

And so we are. Or should be.

This book will find its natural public among older citizens but many not in that group will find pleasure and wisdom in its pages.

Time and again Kanin reminds us that those people who find or continue in useful work in their vintage years have a foothold on longer life. Witness the indestructible George Burns who said recently: "I can't die. How can I? I'm booked.●

SENATE—*Monday, July 10, 1978*

(Legislative day of Wednesday, May 17, 1978)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by Hon. ROBERT C. BYRD, a Senator from the State of West Virginia.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, Creator of this world and all things in it, Ruler of men and nations, bless this land with honorable industry, sound learning, and pure manners. May the United States find its rightful place among the nations and fulfill the purpose Thou hast for it. Endue with the spirit of wisdom those to whom, in Thy name, we entrust the authority of government, that we may be unafraid of any challenge, strong and wise in every response.

As we resume our labor in this place we beseech Thee to keep us under the authority, discipline, and wisdom of Thy higher kingdom.

Through Him who lives and reigns above all men and nations. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 10, 1978.

To the Senate:

Under the provisions of rule I, section 3 of the Standing Rules of the Senate, I hereby appoint the Honorable ROBERT C. BYRD, a Senator from the State of West Virginia, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. ROBERT C. BYRD thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The acting Republican leader (Mr. STEVENS) is recognized.

THE JOURNAL

Mr. STEVENS. Mr. President, I ask unanimous consent that the Journal of proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. STEVENS. Mr. President, I ask unanimous consent that Eileen Murkowski of my staff, be granted the privileges of the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. STEVENS. Mr. President, are there any special orders for today?

The ACTING PRESIDENT pro tempore. There are no special orders. The majority leader relinquishes his time under the standing order.

Does the acting Republican leader wish to relinquish his time?

Mr. STEVENS. Mr. President, will we have morning business following relinquishment of time?

The ACTING PRESIDENT pro tempore. There is no order for morning business.

Mr. STEVENS. Mr. President, I have a request for time by the Senator from Kansas. I am informed he is on his way to the Chamber now. If we are not to have morning business, I suggest the absence of a quorum with the time to be charged against my time under the standing order.

The ACTING PRESIDENT pro tempore. The time will be charged against the majority leader's time, which is restored.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. HUMPHREY). Without objection, it is so ordered.

ALASKA D-2 LANDS

Mr. STEVENS. Madam President, this statement will continue my series of statements regarding the so-called Alaska d–2 lands issue. As you know, this issue deals with the designation of nearly 125 million acres of Federal public lands in Alaska as additions to the national parks, wildlife refuges, wild rivers, forests, and wilderness systems. The tremendous size and implications of this congressional decision are hard to imagine, and Congress must truly strike a balance to insure that all Americans are well served by its final deliberations.

A distinguished journalist and well-known American who is very familiar with Alaska has recently commented on the decision before Congress. In a by-line editor's report carried by various newspapers throughout the country last month, William Randolph Hearst, Jr., warned that the House-passed legislation does not serve the national interests. Mr. Hearst is one of America's most distinguished journalists and has been familiar with Alaska since its battle for statehood over 20 years ago. I urge my colleagues to read Mr. Hearst's comments and study them carefully. He is a man well qualified to judge the importance of this issue to Americans and should be closely listened to. Mr. President, I ask unanimous consent that Mr. Hearst's comments be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ALASKA: NO TRESPASSING
(By William Randolph Hearst Jr.)

NEW YORK.—Mention of Alaska hardly conjures up thoughts of torrid heat. Yet as Congress approaches its deadline for deciding once and for all how much acreage in the state to set aside in wilderness areas, national parks and national forests, the subject gets hotter and hotter.

In fact there is sufficient heat in these discussions right now to melt the permanent snows off Mt. McKinley.

Environmentalists and conservationists want to set aside as wilderness—meaning it can never be lived in by man—an area that is five times bigger than all other wilderness areas in the other 49 states.

President Carter says his administration's "highest environmental priority" is conserving "large amounts" of Alaskan land.

Alaska's Legislature is debating sending its entire 60-member delegation to Washington to protest what they are calling the great land grab.

A serious independence movement is reported to be gaining support in Anchorage and Fairbanks as more and more Alaskans protest that the price of statehood is too high.

Enormous tracts in Alaska, which would be in the instantly created wilderness areas, have never been explored for oil, gas or minerals. Indeed, tens of millions of acres have never been visited by man.

It is no secret to readers of this column that I am a devoted friend of Alaska. I admire Alaskans for their ruggedness, their fierce independence and their close comradeship with nature. I like the way most of them think. I am a fan of their breathtakingly beautiful country.

Since I wear my heart on my sleeve when I'm in Alaska or with Alaskans, I want to help them restore order and common sense to this situation.

No one wants to turn all of the virgin land over to the developers.

No one wishes to encourage a gold rush fever. Yet no one except an extremist wants to reserve all of that starkly beautiful country for the grizzlies and the roaming caribou. Man has to fit into the picture, too.

It is not a question of "winner take all." It is a question of working out a compatability between those who wish to protect the land from the ravages of man and those who wish to utilize the land, both on and beneath its surface.

All of this started because Alaska, until its statehood legislation was passed in 1958, was a federal territory. When statehood was granted, Congress put in some conditions. Of the 375 million acres in Alaska, the government granted 104 million acres to the state and 44 million acres to native peoples—Aleuts, Eskimos and Indians—to settle their claims. That left the government holding 227 million acres of Alaska, much more than one half the acreage in the area we think of as the state of Alaska.

The claims settlement legislation directed Congress to decide by Dec. 18 of this year how much of the remainder to preserve in the national interest.

By a whopping 277–31 vote, the House of Representatives passed a bill last month which would "preserve" 102 million acres, an area larger than California. Ten new national parks would be created and three existing national parks would be enlarged. This would double the nation's national park system.

The legislation would set aside other vast areas as national forests, wildlife refuges and wild and scenic rivers, all subject to varying restrictions on their use.

In addition, the bill designated 66 million acres as wilderness, barring any permanent structures, commercial enterprises, roads and motor vehicles—including seaplanes.

Thus the fireworks hit the fan. More than 2,000 concerned Americans, representing one point of view or the other, already have been heard by representatives of the House.

It seems to me the environmentalists, who always accuse the commercial world of gluttony in its use of the environment, have practiced a bit of it themselves in this case. However, there are many things to be said for taking a cautious approach in distributing the land for varying uses.

Alaska may well provide the last large area in the United States where virgin land may be preserved in its pristine form and where we can profit from the mistakes we made when our nation was young.

It is also possible to accept the fact that the Arctic caribou herd requires a range of 190,000 square miles, and that it takes as much as 100 square miles in the Brooks Range to support one grizzly bear.

However, setting aside millions of acres as wilderness which may never be entered except by backpackers and canoeists of the ruggedest kind may be a luxury that we cannot afford.

This is especially so when millions of other acres will be restricted in use and may not even be explored by geologists who wish only to survey certain portions.

I can hardly believe that Alaska is going to be "paved over." The Alaskan pipeline, for instance, has become famous for its lack of environmental impact. The caribou manage to live with it, being hardier and smarter than the environmentalists gave them credit for. (And incidentally, caribous survive well in eastern Canada, Maine and New Hampshire, all of which are "developed" much more than Alaska wishes to be.)

But as my long-time friend H. A. "Red" Boucher, former lieutenant governor of

Alaska, says, it boils down to a matter of state's rights. Alaskans don't feel that Congress should be legislating land use in Alaska any more than it should in Massachusetts or Texas or California.

Alaska needs some development. Without it, the state cannot prosper and it will be unable to sustain its citizens, even though they are among the hardiest on the continent.

Alaskans can be trusted to develop their own state properly. They wouldn't have chosen to live in this far-out area if they didn't love and respect nature. But it doesn't have to be an "either or" situation when it comes to development and preservation of natural beauty. It must be borne in mind, it seems to me, that man, too, is a part of nature and has his place, along with the grizzly and the caribou. Man must not be legislated into being a trespasser on his own planet.

What is needed is some form of cooperative management of Alaska's uncommitted acres jointly managed by state and federal governments.

But first, all of Alaska—our last frontier—should be surveyed and checked for oil, gas and mineral potential, for it may house the greatest underground riches in the world.

If we move ahead without doing that and decree the carving up of this unexplored land, it may—indeed and at last—wind up being "Seward's Folly."

Mr. STEVENS. Madam President, I yield the remainder of my time to the Senator from Kansas (Mr. DOLE).

SENATE RESOLUTION 506—SUBMISSION OF A RESOLUTION WITH RESPECT TO THE SCHARANSKY-GINZBURG TRIALS

Mr. DOLE submitted the following resolution, which was referred to the Committee on Foreign Relations:

S. RES. 506

Whereas Anatoly Scharansky and Alexander Ginzburg, two Soviet dissidents, are scheduled to go on trial today in the Soviet Union;

Whereas Yuri Orlov, a prominent Soviet scientist, was convicted by the Government of the Soviet Union of selling "slanderous material to the West" after a trial in which he was denied the representation of his choice and the right to call witnesses on his own behalf;

Whereas during the trial of Yuri Orlov, the family of Yuri Orlov was harassed and abused by Soviet authorities, and Mrs. Orlov was denied the right to visit her husband;

Whereas Valdimir Slepak and Ida Nudel, two Soviets requesting the right to emigrate, were tried and given maximum sentences of imprisonment and exile; and

Whereas the history of Soviet justice portends ill for the future of Scharansky and Ginzburg, and news reports suggest repression of the human rights movement in the Soviet Union will be increased in the near future: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President should—

(1) begin an intensive effort aimed at suspending all bilateral scientific and cultural exchanges with the Union of Soviet Socialist Republics,

(2) reevaluate the participation of the United States in the Final Act of the Conference on Security and Cooperation in Europe, also known as the Helsinki Accords,

(3) suspend indefinitely the strategic arms limitation talks (SALT) with the Union of Soviet Socialist Republics,

until the President determines that the Government of the Union of Soviet Socialist Republics has demonstrated by its actions its willingness to comply with the provisions on human rights of the Final Act of the Conference on Security and Cooperation in Europe, also known as the Helsinki Accords.

THE SCHARANSKY-GINZBURG TRIALS

Mr. DOLE. Madam President, in a statement issued last week, the Carter administration said that the outcome of the Scharansky-Ginzburg trials must be treated as an important indicator of American-Soviet relations. In full agreement with the President's statement, I am submitting today a resolution directing the President to begin an intensive effort aimed at suspending all bilateral, scientific, and cultural exchanges with the Soviet Union, reevaluating our participation in the Helsinki agreement, and suspending indefinitely SALT negotiations until the outcome of the trials of the Soviet dissidents is known.

Six weeks ago, following the conviction of Yuri Orlov for selling slanderous material to the West, I introduced a Senate resolution condemning the abortion of justice and the unconscionable personal abuse of Orlov's wife and family by the Soviet authorities. As disgusting as the Orlov trial was, in my statement to the Senate I warned my colleagues that Orlov's trial would pale in comparison to the trials being prepared for Scharansky and Ginzburg. And to avert still another travesty, I urged that the Senate call on President Carter to begin an intensive and careful evaluation of international conferences and exchanges of scientists with the Soviet Union—and such an evaluation should continue until the Government of the Soviet Union expresses its willingness to comply with the human rights provisions of the Helsinki Accords.

I cannot claim that my proposal aroused a great deal of support in the administration and elsewhere. The Washington Post, for example, objected to my resolution, feeling it was not the time to bring the U.S. Government into the act.

On June 28, less than 2 weeks ago, on the floor of the Senate, I again pointed out that time was running out for Scharansky and Ginzburg, that our attempts to reason with the Soviet Union in the area of human rights are falling on deaf ears, that the time has come for the United States to respond decisively in terms the Soviets could understand.

In light of the campaign of terror directed at so many Soviet scientists, I felt it was time for us to put the Soviets on notice that the scientific exchanges it values so highly are in jeopardy. In an amendment to the authorization bill for the National Science Foundation, I proposed that scientific collaborative activities with the Soviet Union and other countries should not be subsidized by the NSF with taxpayers' dollars when the human rights of potential participants are known to have been violated. Under the circumstances, I saw no reason for our Government to sponsor these bilateral exchanges when it is well known that we give away so much and receive so little.

Although I knew the amendment had little chance of passage, I wanted to bring these issues to the attention of the Senate. By introducing the amendment, I hoped to raise the sensitivity of all Americans to the plight of Scharansky and Ginzburg and all the oppressed peopel in the Soviet Union.

I was shocked to learn of the intensive efforts of the administration to defeat the amendment. Without knowing the specific contents of the amendment and without attempting to contact my office, the White House Science Adviser mounted a large-scale campaign opposing the amendment. The next day, on the desk of each Senator, there appeared a letter signed by Dr. Frank Press, in which he expressed his personal opposition to the measure, arguing that it would preclude contacts between Soviet dissidents and visiting U.S. scientists. Additional opposition to the amendment, I learned, was coming from segments of the organized scientific community as well as agencies of the Government, including the NSF and NIH.

Naturally I was disappointed that several agencies of the Government and part of the scientific community did not support the amendment. Respecting the views of the distinguished Senator from New York (Mr. JAVITS) and the distinguished Senator from Connecticut (Mr. RIBICOFF) that the measure would be counterproductive to the interests of the Soviet dissidents, I withdrew the amendment.

Here we are, less than 2 weeks later, witnessing the culmination—or perhaps the commencement—of the Soviet Union's calculated policy directed at trampling the very existence of a small band of men, women, and children, many of whom are of Jewish ancestry, whose only crime has been to express unpopular opinions or to ask to emigrate.

Now moved by the horror of the Scharansky-Ginzburg trials, the administration has finally begun to take a definitive position. Indeed, as I understand it, the administration is implementing the very policies I advocated 6 weeks ago. Two scientific visits, including one by Dr. Press, have been canceled by the Secretary of State. And, we are told, the administration is initiating a review of all bilateral agreements with the Soviet Union.

While I strongly support the administration's action, I cannot help but wonder if, 6 weeks ago, we had clearly spelled out for the Soviets the repercussions of their human rights violations, the atrocity we are now witnessing could have been averted. Probably not, but we will never know.

History has taught us the futility of failing to deal directly with oppression. In the past, we have been reluctant to become involved with events that, at first blush, appear not to affect us directly, for fear of intervening in the internal affairs of another country. But I say to you that, so long as there is such blatant disregard of human rights, none of us can hide behind national borders. The holocaust was a case in point. Today, in

the Soviet Union, we are witnessing another such event.

Today in Lebanon, there is abundant evidence of the senseless slaughter of civilian Lebanese Christians by occupying Arab forces. The response of the Israelis to this massacre should not go unnoticed. For 6 days last week, defenseless Christians in Beirut were subjected to unrelenting shelling as the free world was quietly watching the events unfold. Unable to find a single country willing to speak out in opposition to these useless killings, Israel, risking its very existence, demonstrated graphically that it would not stand by and watch its Christian brothers slowly eliminated. Is the United States going to bear silent witness to the demise of the courageous dissidents in their hour of need?

To turn away from the suffering of the unfortunate dissidents in the Soviet Union, in their greatest moment of need, is to defile the memory of those who have perished for similar acts of courage. Now is the moment to register our revulsion in no uncertain terms. To those who say now is not the time to jeopardize détente, I say, "If not now, when?" History will judge us more by our actions than by our words.

SEABROOK NUCLEAR REACTOR: REGULATORY CONFUSION

Mr. DOLE. Madam President, the Seabrook nuclear powerplant has been surrounded by controversy and bureaucratic bungling from its inception. Over 5 years ago, the Public Service Co. of New Hampshire submitted an application to the Nuclear Regulatory Commission for permission to build the nuclear reactor at Seabrook, N.H. The reactor would be cooled with ocean water, which would then be discharged back into the sea. Three years after the initial application, the NRC approved the start of construction. This approval was predicated, in part, upon the initial favorable review which the project received from the regional administrator of the Environmental Protection Agency.

REGULATORY OVERKILL

A few months after the approval, the EPA reversed its position on the facility, citing the dangers which the cooling system posed to marine life; 3 months later the NRC suspended the construction permit. In June 1977, the head of the EPA overruled the regional administrator's finding. Shortly thereafter, the NRC concluded that no alternative site for the project was preferable and the permit was reinstated. Last February, however, a Federal court struck down the EPA Director's overruling of his regional administrator's conclusion on procedural grounds. Now, for the second time, the Nuclear Regulatory Commission has told the Public Service Co. of New Hampshire that they must suspend construction of the Seabrook nuclear facility.

GOVERNOR THOMSON

I had an opportunity to discuss this matter last week with Meldrim Thomson, the Governor of New Hampshire. It is his belief that this regulatory overkill is having a disastrous effect on his State. The Seabrook plant is not a partisan issue. It does not matter whether you favor or oppose the development of nuclear power. That is not the question. The question is whether this kind of irresponsible, misguided, and costly regulation is justifiable.

COSTLY DELAYS

Because of Government regulation, it now takes 10 to 12 years to license and construct a nuclear plant in the United States, roughly twice the length of time it takes in other countries. Over 10 years, the loan interest and cost escalation on a facility the size of the Seabrook reactor can add 53 percent to the price tag. Each year's delay, according to the best estimates, adds $120 million to the cost of a nuclear plant. The administration reports that a reduction in licensing and construction time from 11 years to 8 years would reduce the average family's electric bill by $40 per month over the life of the reactor. It is estimated that the cost of delaying construction at Seabrook due to interest, inflation, and energy replacement costs, will reach $15 million per month.

The Public Service Company of New Hampshire cannot afford these costs, their customers cannot afford these costs, and the American people cannot afford the costs brought on by this regulatory waffling. In an editorial in yesterday's paper, the New York Times accurately called Seabrook "the regulatory debacle of the decade—a monument to the Nation's paralysis on vital energy questions."

ECONOMIC BURDEN

The confusion so remarkably highlighted in the Seabrook case is just one example of the regulatory morass which ties the hands of not just our country's energy sector, but virtually every segment of private industry. A new study indicates that between 1970 and 1975 the number of economic regulatory agencies in the Federal Government increased by 25 percent, and their budgets by 157 percent. The costs to Americans in forgone jobs, in taxes, and in economic expansion are incredible.

I believe that the Seabrook issue should be settled once and for all. I ask unanimous consent that the article from the New York Times and a similar editorial appearing in the Washington Post be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times, July 9, 1978]

DEBACLE AT SEABROOK

Whether it is ever actually built or not, the nuclear plant at Seabrook, N.H., will surely stand as the regulatory debacle of the decade—a monument to the nation's paralysis on vital energy questions.

After five years of hearings, demonstrations, regulatory rulings and judicial decisions, the entire project is back in limbo—with a utility company still seeking approval to build on a site on which it is already in fact building. The Nuclear Regulatory Commission has now suspended further construction until the suitability of the site can be finally determined. As many as 1,800 workers may be laid off and each day of delay may add $500,000 to the cost of a project on which $400 million has already been spent. Yet if work were allowed to continue, the construction would soon be too far along to be stopped even for the best of reasons. So while Governor Thomson of New Hampshire is understandably crying "asinine," it is not the latest ruling that should upset him. What led up to the present situation was akin to madness.

The Public Service Company of New Hampshire, the project's main sponsor, wanted to cool the nuclear plant with ocean water and then discharge the hot water back into the sea. A regional administrator of the Environmental Protection Agency tentatively approved this scheme despite the chance that the heated water might be harmful to marine life. On the basis of this approval, a nuclear licensing board thereupon allowed construction to begin, with the company running the risk of subsequent reviews. After holding hearings, however, the regional administrator reversed himself and withdrew his approval, only to have it reinstated by the *national* E.P.A. administrator. But then a Federal court reversed the reversal, because the E.P.A. had used a faulty procedure in reaching its judgment. So now the E.P.A. has been forced to hold new hearings, the question being—if you can remember—whether to allow ocean-water cooling.

If the answer turns out to be no, the utility would have to relocate the plant or resort to closed-cycle cooling towers, which pose an altogether different environmental threat. They might exude a fog that obscures visibility or a salty rain that injures plants. But the alternative is itself shrouded in fog. A licensing board initially found that cooling towers were unacceptable at the Seabrook site but it was overruled by an appeals board that found that judgment poorly supported. The licensing board then took another look and approved cooling towers for Seabrook, only to have the same appeals board reject this conclusion as well on the ground that it was "infected with serious error." So now Seabrook is not approved for either cooling system, yet construction has proceeded fitfully and is about 10 percent completed.

We don't know what the Nuclear Regulatory Commission could have done except to call a halt until the regulatory system regains its sanity. We do think that someone in government might begin to think seriously about sharing the financial risks of such confusions. Presumably utilities are allowed—or encouraged—to begin construction at their own risk because society has some stake in the early production of more power. If government, too, bore some of this risk it might be more diligent about its procedures.

In any case, this sad saga adds urgency to an Administration proposal for new legislation, now pending in Congress. It would provide for the approval of potential nuclear-plant sites far in advance of construction. Until now, even when they proceed at their own risk, utilities have tended to build at breakneck speed precisely to make later reversals more difficult. Neither utilities nor regulators should have to play this kind of roulette. The start of construction might, of course, be held up to even later stages of the review process—but that would slow competition. As in most difficult matters, there is no substitute for fair procedure and intelligent decision in the first place.

[From the Washington Post, July 9, 1978]

THE SEABROOK REACTOR

As an example of reasonable and orderly public policy, the case of the Seabrook nuclear reactor is ludicrous. Now, two years after

it issued the construction permits, the Nuclear Regulatory Commission has querulously suspended them, again, while it considers, again, whether the plant is being built in the right place. It's more than just bad administration. The procedural tangle indicates deep indecision on basic energy issues throughout the government and the country. Officials who don't like the substantive questions are fighting guerrilla warfare through the procedural thickets. The country is not moving toward a consensus regarding nuclear power but rather, if we are right in taking Seabrook as an indicator, the differences of opinion are becoming deeper.

Seabrook, a large plant under construction on the New Hampshire coast, is far from unique. There are more than two dozen nuclear stations of the same or larger scale under construction, or even in operation, throughout the country. For reasons that are local as well as general, Seabrook has become a symbol.

It was more than five years ago that the builder, the Public Service Company of New Hampshire, submitted its application to the Nuclear Regulatory Commission. The NRC issued construction permits in mid-1976. But in November 1976, the Environmental Protection Agency's regional director reversed himself and withdrew his previous approval of a cooling system using seawater. That reopened the question of the site, because none of the site reviews had contemplated any other cooling system. In February 1977, the NRC suspended the construction permits. Through the spring and summer, incidentally, there were large protest demonstrations at the site.

In June 1977 the head of the EPA, Douglas Costle, overruled his regional director and approved seawater cooling. In July, the NRC's licensing board arrived at a finding that no alternative site was preferable. The NRC then reinstated the construction permits. But there was a court challenge to the Costle decision, and last February a federal court of appeals overturned it on procedural grounds. In April an appeals board within the NRC found that the licensing board's review of the site issue had been inadequate. And that—if you are still with us—has led the NRC to suspend the construction permits a second time. There the matter will presumably rest while Mr. Costle makes up his mind once again, by an improved procedure, and the divided NRC undertakes still another site review.

The Carter administration wants legislation to speed up the nuclear-licensing process. But the licensing of a large nuclear reactor is properly a long and arduous process. It is right for the regulators to set very wide limits on the inquiry and to review health and environmental questions with care. The fault in the present procedure is not merely that it is slow, but that it also seems not to produce firm decisions.

The NRC last year said that the Seabrook case "has been widely depicted as a serious failure of governmental process to resolve central issues . . . a paradigm of fragmented and uncoordinated government decisionmaking on energy matters and of a system strangling itself and the economy in red tape." The NRC repeated that description in its latest decision, acknowledging unhappily that it remains valid today. It remains valid, we might add, as a description of wider areas of American energy policy than nuclear licensing alone.

Mr. STEVENS. Madam President, I yield back the remainder of my time, if any.

COMMITTEE MEETING

Mr. McINTYRE. Madam President, I ask unanimous consent that the Subcommittee on Energy Conservation and Regulation of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to hold oversight hearings on the oil entitlements program.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEFENSE PROCUREMENT AUTHORIZATIONS, 1979

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 2571, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (S. 2571) to authorize appropriations during the fiscal year 1979, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active component and of the Selected Research of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, to authorize the military training student loads, and to authorize appropriations for civil defense, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Department of Defense Appropriations Authorization Act, 1979".

TITLE I—PROCUREMENT

SEC. 101. Funds are hereby authorized to be appropriated during the fiscal year 1979 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, as authorized by law, in amounts as follows:

Aircraft

For aircraft: for the Army, $939,400,000; for the Navy and Marine Corps, $4,163,500,000; for the Air Force $6,994,500,000.

Missiles

For missiles: for the Army $669,900,000; for the Navy $1,573,600,000; for the Marine Corps, $23,100,000; for the Air Force, $1,626,500,000.

Naval Vessels

For naval vessels: for the Navy, $5,602,700,000.

Tracked Combat Vehicles

For tracked combat vehicles: for the Army, $1,264,000,000; for the Marine Corps, $21,700,000.

Torpedoes

For torpedoes and related support equipment: for the Navy, $364,100,000.

Other Weapons

For the other weapons: for Army, $125,400,000; for the Navy, $74,100,000; for the Marine Corps, $28,000,000; for the Air Force, $300,000.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 201. Funds are hereby authorized to be appropriated during the fiscal year 1979 for the use of the Armed Forces of the United States for research, development, test, and evaluation, as authorized by law, in amounts as follows:

For the Army, $2,727,340,000;

For the Navy (including the Marine Corps), $4,555,194,000;

For the Air Force, $4,343,500,000, of which $10,000,000 may be obligated and expended only for the North Atlantic Treaty Organization Airborne Warning and Control System (AWACS) program, but such $10,000,000 may not be obligated or expended until at least one member country of the North Atlantic Treaty Organization (other than the United States) enters into a contract to purchase the AWACS aircraft; and

For the Defense Agencies, $904,200,000, of which $27,600,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

SEC. 202. None of the funds authorized to be appropriated by this Act may be obligated or expended in connection with the continued advanced development of the extremely low frequency (ELF) communications system unless the President certifies to the Congress in writing that the use of funds for such purpose is in the national interest, that a site has been elected for the deployment of such system, and that the President has approved such site for the deployment of such system.

SEC. 203. The Secretary of Defense shall, not later than September 30, 1978, report to the Committee on Armed Services of the Senate and the House of Representatives the decision of the executive branch regarding full scale development of a mobile intercontinental ballistic missile system. In the event that no final decision regarding such matter has been reached by the executive branch by such date, the Secretary of Defense shall—

(1) notify such committees on or before such date that no final decision has been reached and the reasons why such decision has not been made;

(2) inform such committees of the technical, political, or other considerations necessitating a delay in making such decision;

(3) indicate the date the Secretary believes a final decision will have been made with respect to such matter; and

(4) submit a report to such committees once every 30 days on the status of the decision on such matter (including in each such report information relating to the matters contained in clauses (2) and (3) of this section) until a final decision by the executive branch has been made and such committees have been informed of such decision.

TITLE III—ACTIVE FORCES

SEC. 301. For the fiscal year beginning October 1, 1978, and ending September 30, 1979, each component of the Armed Forces is authorized an end strength for active duty personnel as follows:

(1) The Army, 775,800;

(2) The Navy, 521,700;

(3) The Marine Corps, 190,000;

(4) The Air Force, 566,400.

SEC. 302. (a) Section 1079 of title 10, United States Code, is amended by adding at the end thereof the following new subsection:

"(h) Payment of a charge for physician services for which a claim is submitted under a plan contracted for under subsection (a) may be denied because the charge is in excess of a predetermined charge level based upon customary charges made for similar services in the same locality only to the extent that such charge is in excess of the charge level that, on the basis of statistical data and methodology acceptable to the Secretary of Defense, in consultation with the Secretary of Health, Education, and Welfare, is equivalent to the 90th percentile of the customary charges made for similar services in the same locality during the last preceding calendar year elapsing before the start of the twelve month period (beginning July 1 of each year) in which the claim for the payment is submitted.".

(b) Section 1086 of such title is amended by adding at the end thereof the following new subsection:

"(f) The provisions of section 1079(h) of this title shall apply to payments for physician services under a plan contracted for under subsection (a).".

(c) The amendments made by this section shall apply with respect to claims submitted for payment for services provided on or after the first day of the first calendar year beginning after the date of enactment of this section.

TITLE IV—RESERVE FORCES

SEC. 401. (a) For the fiscal year beginning October 1, 1978, and ending September 30, 1979, the Selected Reserve of each Reserve component of the Armed Forces shall be programed to attain an average strength of not less than the following:

(1) The Army National Guard of the United States, 361,400;

(2) The Army Reserve, 194,800;

(3) The Naval Reserve, 87,000;

(4) The Marine Corps Reserve, 33,000;

(5) The Air National Guard of the United States, 91,900;

(6) The Air Force Reserve, 52,950;

(7) The Coast Guard Reserve, 11,700.

(b) The average strength prescribed by subsection (a) of this section for the Selected Reserve of any Reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year; and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the average strength prescribed for such fiscal year for the Selected Reserve of such Reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

TITLE V—CIVILIAN PERSONNEL

SEC. 501. (a) For the year beginning October 1, 1978, and ending September 30, 1979, the Department of Defense is authorized an end strength for civilian personnel as follows:

(1) The Department of the Army, 360,100;

(2) The Department of the Navy, including the Marine Corps, 313,300;

(3) The Department of the Air Force, 249,100; and

(4) Activities and agencies of the Department of Defense (other than the military departments), 76,600.

(b) In computing the authorized end strength for civilian personnel there shall be included all direct-hire and indirect-hire civilian personnel employed to perform military functions administered by the Department of Defense (other than those performed by the National Security Agency) whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth such as the stay-in-school campaign, the temporary summer aid program, and the Federal junior fellowship program and personnel participating in the worker-trainee opportunity program. Whenever a function, power, duty, or activity is transferred or assigned to a department or agency of the Department of Defense from a department or agency outside of the Department of Defense, or from another department or agency within the Department of Defense, the civilian personnel end strength authorized for such departments or agencies of the Department of Defense affected shall be adjusted to reflect any increases or decreases in civilian personnel required as a result of such transfer or assignment.

(c) When the Secretary of Defense determines that such action is necessary in the national interest, he may authorize the employment of civilian personnel in excess of the number authorized by subsection (a) of this section but such additional number may not exceed one-half of 1 percent of the total number of civilian personnel authorized for the Department of Defense by subsection (a) of this section. The Secretary of Defense shall promptly notify the Congress of any authorization to increase civilian personnel strength under the authority of this subsection.

TITLE VI—MILITARY TRAINING STUDENT LOADS

SEC. 601. (a) For the fiscal year beginning October 1, 1978, and ending September 30, 1979, each component of the Armed Forces is authorized an average military training student load as follows:

(1) The Army, 51,062; in addition, there is authorized a student load of 16,881 to be utilized solely for One Station Unit Training.

(2) The Navy, 57,996;

(3) The Marine Corps, 21,324;

(4) The Air Force, 44,410;

(5) The National Guard of the United States, 11,793;

(6) The Army Reserve, 5,959;

(7) The Naval Reserve, 991;

(8) The Marine Corps Reserve, 3,074;

(9) The Air National Guard of the United States, 2,471;

(10) The Air Force Reserve, 1,184.

(b) The Secretary of Defense shall adjust the average military training student loads for the Navy and Marine Corps authorized in subsection (a) of this section for the fiscal year ending September 30, 1979, consistent with the manpower strengths authorized in titles III, IV, and V of this Act.

TITLE VII—DEFENSE CIVIL PREPAREDNESS AGENCY

SEC. 701. Funds are hereby authorized to be appropriated during the fiscal year 1979 for carrying out the purposes of the Federal Civil Defense Act of 1950, as amended, for the Defense Civil Preparedness Agency, in the amount of $96,500,000.

TITLE VIII—GENERAL PROVISIONS

SEC. 801. The last sentence of section 6015 of title 10, United States Code, is amended to read as follows: "However, women may not be assigned to duty on vessels or in aircraft that are engaged in combat missions nor may they be assigned to other than temporary duty on vessels of the Navy except hospital ships, transports, and vessels of a similar classification not expected to be assigned combat missions.".

SEC. 802. (a) Section 305 of title 37, United States Code, is amended by—

(1) amending the catchline to read as follows:

"§ 305. Special pay: while on duty at certain places";

(2) amending subsection (a) to read as follows:

"(a) Except as provided by subsections (b) and (c) of this section, under regulations prescribed by the President, an enlisted member of a uniformed service who is entitled to basic pay may be paid, while on duty at a designated place outside the 48 contiguous States and the District of Columbia, special pay at the following monthly rates:

"Pay grade	*Monthly rate*
E–9	$22.50
E–8	22.50
E–7	22.50
E–6	20.00
E–5	16.00
E–4	13.00
E–3	9.00
E–2	8.00
E–1	8.00";

and

(3) adding at the end of such section a new subsection as follows:

"(c) A member receiving pay under section 305a of this title may not receive pay under this section for the same period of service.".

(b) Chapter 5 of title 37, United States Code, is further amended by adding after section 305 a new section as follows:

"§ 305a. Special pay: career sea pay

"(a) Under regulations prescribed by the President, an enlisted member of a uniformed service who is in pay grade E–4 or above and who is entitled to basic pay is entitled to career sea pay, while on sea duty, at the following rates:

"Prior cumulative years of sea duty	*Monthly rate*
Over 3	$25
Over 5	35
Over 7	45
Over 9	55
Over 10	65
Over 11	75
Over 12	100".

"(b) No career sea pay shall be paid to a member for the first three years of sea duty. In determining the rate of career sea pay to which any enlisted member is entitled, the Secretary concerned shall credit a member for all periods of time the member served in a sea duty status prior to the effective date of this subsection.".

(c) The table of sections at the beginning of chapter 5 of such title is amended by striking out

"305. Special pay: while on sea duty or duty at certain places."

and inserting in lieu thereof

"305. Special pay: while on duty at certain places.

"305a. Special pay: career sea pay.".

(d)(1) If an enlisted member of the uniformed services (as defined in section 103(3) of title 37, United States Code) was entitled to special pay under section 305(a)(1) of title 37, United States Code, on the day before the effective date of this section, but on the effective date of this section is not entitled to special pay under section 305a of that title (as added by this section), such member shall continue to be entitled to the rate of special pay to which entitled on the day before the effective date of this section until such member initially becomes entitled to special pay under section 305a of such title (as added by this section) unless sooner permanently detached from the assignment which authorized entitlement to such special pay on the day before the effective date of this section or from an immediately succeeding assignment which would have entitled such member to special pay for sea duty under section 305(a)(1) but for the amendment made by this section; but in no case shall any enlisted member of the uniformed services be entitled after September 30, 1979, to receive special pay for sea

duty under any provision of law other than section 305a of title 37, United States Code.

(2) For the purposes of this subsection, any member who, on the day before the effective date of this section, was assigned to a ship undergoing overhaul or repair, or was temporarily away from such member's assigned ship while on temporary duty or while on leave or while hospitalized, shall not be considered to have been entitled to special pay under section 305(a)(1) of title 37, United States Code, on the day before the effective date of this section.

(e) This section shall become effective October 1, 1978.

SEC. 803. (a) The first sentence of section 5231(b) of title 10, United States Code, is amended by striking out "the active list of the Navy" and inserting in lieu thereof "active duty".

(b) Section 5232(b) of such title is amended by striking out "the active list of the Marine Corps" and inserting in lieu thereof "active duty".

SEC. 804. (a)(1) Clause (2) of section 2132 (a) of title 10, United States Code, is amended by striking out "1977" and inserting in lieu thereof "1978".

(2) Paragraph (2) of section 2132(b) of such title is amended by striking out "1977" and inserting in lieu thereof "1978".

(3) Section 2135 of such title is amended by striking out "1978" and inserting in lieu thereof "1979".

(b)(1) Subsection (g) of section 308b of title 37, United States Code, is amended by striking out "1978" and inserting in lieu thereof "1979".

(2) Section 403(b) of the Department of Defense Appropriation Authorization Act, 1978 (91 Stat. 331) is amended by striking out "1977" and inserting in lieu thereof "1978".

(c) The amendments made by this section shall become effective October 1, 1978.

SEC. 805. (a) Subsection (c) of section 264 of title 10, United States Code, is repealed.

(b)(1) Section 279 of such title is repealed.

(2) The table of sections at the beginning of chapter 11 of such title is amended by striking out

"279. Training reports.".

SEC. 806. (a)(1) There is hereby established a commission to be known as the Naval Shipbuilding Commission (hereinafter in this title referred to as the "Commission").

(2) The Commission shall be composed of five members appointed by the President, by and with the advice and consent of the Senate.

(3) Persons shall be appointed to the Commission who are qualified to carry out the duties of the Commission by virtue of their background, education, training, and experience in business and management.

(4) No person may be appointed to the Commission who is an active or retired member of the Armed Forces of the United States or who is an officer, employee, or director of any company which is a prime contractor for the construction of United States Navy ships.

(5) The President shall designate one of the members to serve as Chairman of the Commission.

(6) Three members of the Commission shall constitute a quorum. Any vacancy in the Commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made.

(b)(1) It shall be the duty of the Commission to conduct a comprehensive study and review of the current policies and procedures utilized by the Navy in the procurement of naval vessels, to consider how such policies and procedures can be modified to bring about more efficient and cost-effective means of providing the Navy with the ships necessary to fulfill its mission, and to report its findings and recommendations to the President and the Congress. In carrying out its study and review under this section, the Commission shall devote special attention to—

(A) the procedures followed by the Navy in the design and funding of ships after the general mission and overall requirements for such ships have been decided upon by the Navy;

(B) the contracting procedures followed by the Navy and consideration of alternative ways of structuring shipbuilding procurement contracts;

(C) the program management process of the Navy for ship procurement;

(D) the present capabilities and future potential of public and private shipyards in the United States;

(E) the general shipbuilding techniques followed by foreign shipbuilders and the advisability of adapting any such procedures to shipbuilding in this country; and

(F) the need or desirability for special incentives to insure the growth and vitality of the private shipbuilding industry in the United States.

(2) The Commission shall not study or review matters relating to the Navy force structures or long-range naval needs, but shall direct its full attention to matters directly related to the Navy process of ship design and production, specifically including the matters described in paragraph (1) of this section.

(c)(1) The Commission or, on the authorization of the Commission, any subcommittee or member thereof may, for the purpose of carrying out the provisions of this section, hold such hearings and sit and act at such times and places as the Commission or such subcommittee or member may deem advisable.

(2) The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics for the purposes of this section. Each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the Chairman or Vice Chairman.

(3) The Commission shall establish appropriate measures to insure the safeguarding of all classified information submitted to or inspected by it in carrying out its duties under this section.

(d) Each member of the Commission shall receive an amount equal to the daily rate paid a GS–18 under the General Schedule contained in section 5332 of title 5, United States Code (including traveltime), during which such member is engaged in the actual performance of his duties as a member of the Commission. Members of the Commission shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

(e)(1) The Commission shall appoint an executive director and such other personnel as it deems advisable without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall fix the compensation of such personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates; but personnel so appointed may not receive compensation in excess of the rate authorized for GS–18 by section 5332 of such title 5.

(2) The Commission is authorized to procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code, but at rates not to exceed the daily rate paid a person occupying a position at GS–18.

(3) The Commission is authorized to enter into contracts with public agencies, private firms, institutions, and individuals for the conduct of research and surveys, the preparation of reports, and other activities necessary to the discharge of its duties.

(f) The Administrator of the General Services Administration shall provide administrative services for the Commission on a reimbursable basis.

(g) The Commission shall submit to the Congress and to the President, not later than February 1, 1980, a final report containing the results of its study and review under this section together with such recommendations as it deems appropriate.

(h) The Commission shall cease to exist sixty days after the submission of its final report.

(i) There are authorized to be appropriated to the Commission such sums as may be necessary to carry out the provisions of this title.

SEC. 807. Title VIII of the Department of Defense Appropriations Authorization Act, 1975 (88 Stat. 408), is hereby repealed.

SEC. 808. (a) Notwithstanding any other provision of law, no action may be taken by the Navy, except for advance planning and the purchase of long lead items, in connection with the conversion, overhaul, or repair of any vessel under the Service Life Extension Program (SLEP) or the program for modernizing DUG–2 class guided missile destroyers in either public or private shipyards, including any action of hiring additional personnel for, or the transfer of personnel to, any public shipyard as a part of the necessary buildup of manpower for performing either such program, until after—

(1) the Secretary of the Navy has conducted a comprehensive study (A) comparing the costs of performing such programs in public and private shipyards, and (B) evaluating other factors the Secretary of the Navy determines should be taken into account in assigning conversion, modernization, overhaul or repair of vessels to public or private yards, and

(2) a written report containing the results of such study has been submitted to the Committees on Armed Services of the Senate and the House of Representatives, and

(3) not less than sixty days of continuous session of the Congress have expired following the day on which such report was submitted to such committees.

(b) For purposes of this section, the continuity of a session of Congress is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of such sixty-day period.

Mr. ROBERT C. BYRD. Madam President, on behalf of Mr. STENNIS, I yield myself 2 minutes.

I ask unanimous consent that when S. 2571 has been advanced to third reading, the Senate then immediately proceed to the counterpart of that bill, H.R. 10929; that only one amendment be in order, that being to strike out all after the enacting clause and insert the language of the Senate bill as amended, if amended; that the House bill then be advanced to third reading without further debate, amendment, or motion; that the Senate

proceed to passage without further debate or motion; and that any motion to reconsider be limited to the same time strictures as are included in the agreement pertaining to the Senate bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Madam President, I ask unanimous consent that if any rollcall votes are ordered today prior to the hour of 4 o'clock p.m., they not occur until the hour of 4 o'clock p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Madam President, I suggest the absence of a quorum and I ask unanimous consent that the time be charged equally against both sides on the bill.

The PRESIDING OFFICER. Before the Senator does that, the Chair would like to state the time on the bill.

Mr. ROBERT C. BYRD. Madam President, I withdraw my request.

The PRESIDING OFFICER. The time for debate on this bill is limited to 10 hours, to be equally divided and controlled by the Senator from Mississippi (Mr. STENNIS) and the Senator from Texas (Mr. TOWER), with 2 hours on any amendment in the first degree, with 1 hour on any amendment in the second degree, and with 20 minutes on any debatable motion, appeal, or point of order.

Mr. ROBERT C. BYRD. Madam President, I suggest the absence of a quorum and I ask unanimous consent that the time be charged equally against both sides on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Madam President, I ask unanimous consent that Ernie Garcia and Bob Downing of Mr. DOLE's staff be granted privilege of the floor during the debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Madam President, I suggest the absence of a quorum under the previous arrangement, the time charged to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Madam President, what is the pending order of business, please?

The PRESIDING OFFICER. S. 2571.

Mr. STENNIS. I thank the Chair.

Madam President, I shall refer first to some of the details of the work that already has been done on this bill by our committee, in what I think is a crucial year—a turning point, so to speak—in our military preparedness legislation and appropriations.

I see the Senator from Texas in the Chamber. He is the very valuable ranking member of our committee. I am glad to yield to him.

Mr. TOWER I thank the distinguished chairman.

I thought that before the chairman commences his remarks, we perhaps can have a unanimous-consent agreement as to the appropriate staff to be on the floor.

Mr. STENNIS. Yes.

Mr. TOWER. Madam President, I ask unanimous consent that the following staff members have the privilege of the floor during the entire consideration of S. 2571, as well as votes thereon: Robert Q. Old, Rhett B. Dawson, Edward B. Kenney, and Kenneth W. Fish.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Madam President, in connection with S. 2571, the fiscal year 1979 Military Procurement Authorization bill, quite a number of our professional staff members from the committee worked on different parts of this bill. There may be brief times when we need more than the normal number of assistants on the floor, including minority members of the staff. Also, additional members of the staff need to be present.

Therefore, I ask unanimous consent that the following members of the staff be permitted the privilege of the floor during the deliberations on the bill, and I emphasize that we will not need all on the floor at the same time:

Francis J. Sullivan, John C. Roberts, Don Lynch, Charles J. Conneely, Charles Cromwell, George Foster, E. George Riedel, Larry Smith, George Travers, John T. Ticer, Louise R. Hoppe, Phyllis Bacon, Donald R. Cotter, James C. Smith, James R. Locher, Christine E. Cowart, and Marie F. Dickinson.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Madam President, as I have said, this bill is for a crucial year in our military preparedness program, to meet events not only of the current time but also in the 10, 12, and 15 years ahead. It has been gone into most thoroughly by the entire membership, and 18 members of the Armed Services Committee, following a very careful analysis and perusal by staff members who I think are above the average.

During the many meetings of our subcommittees and the full committee, we have put together a bill that is so balanced that even though there is a difference of opinion, to some degree, among the membership, all the members of our committee voted for the bill in the final motion to report it.

That vote was not just a gesture of unanimity. I believe the debate will disclose that, based on facts that were available then, this bill is exactly or in the neighborhood of what the members wanted, what they thought was sound, was best, and was necessary.

This year, we have had 54 sessions of our full committee and subcommittees to which parts of this bill were referred—most of those were up to the time this bill was reported and had to do with the bill.

Certainly that shows one of the most thorough studies and considerations by the membership that I know anything about. In fact, such a consideration is necessary before a bill can represent the true opinion, conclusions, and recommendations of the membership. I wish to further put this matter in perspective by referring to some of the significant issues concerning our Nation's future that came to a head this year and emphasize again that the crucial issues in this matter were vigorously debated before this overall consensus was reached.

Each of our subcommittee chairmen have been asked to be ready, and they will report in detail on the recommendations as to programs within their jurisdiction.

As I said, much of the hard work on this bill is done by members of the subcommittees, and I would like to especially recognize the work done by the chairmen—Senator CANNON of the Tactical Air Subcommittee, Senator MCINTYRE of the Research and Development Subcommittee, Senator NUNN of the Manpower and Personnel Subcommittee and Senator CULVER of the General Legislation Subcommittee. As he did last year, Senator TOWER, our ranking minority member, contributed importantly to the smooth running of this process, and I thank him again, as I have privately, for his fine cooperation and for his splendid work. This year again Senator HART has taken a special interest in the shipbuilding portions of this bill, as have others, but I mention him because all his recommendations, even though he worked on them hard, were not adopted for this year, but I think some of them are part of the future.

SOVIET MILITARY TRENDS

Reading the newspapers these days makes one increasingly anxious about Soviet intentions in the world. The trends in the buildup of Soviet strategic and conventional forces that our committee has been carefully monitoring in the last few years are continuing. Without question, the Soviets are devoting a larger proportion of their national wealth to defense needs than we are. That is not overwhelmingly alarming, but it certainly does show their continued intentions. The Department of Defense estimates that they are now spending between 20 percent and 40 percent more than we are on an annual basis. I do not know how accurate that is, but the indications are that they are now spending more.

Of course, heretofore, we spent a great deal more, and made much better headway. I do not subscribe one bit to any of this talk about a second-rate military power. We are certainly not second rate.

We do not expect to be in the future. But we will be if we neglect to do now what is necessary to prepare for our future 12 and 15 years from now, and the procurement part of this bill relates to those future years.

Of course, we will have to continue to closely follow the acts and intentions, as far as we can, of the Soviets, and I think frankly that what they do or are prepared to do in the Pacific area and the Indian Ocean area is of more demanding, immediate concern to us than what might be the situation in the NATO area.

We are proud of the record of NATO, and we have every indication of continuing to support it. In our enthusiasm for NATO and the large forces that we have put there, including great numbers of dependents, let us not let that run away with us and forget other problems in other areas of the world where we do not have the advantage as we do in NATO of having effective allies that have the ability to help in responding to the military threat.

I refer to that situation in other parts of the world, and I am not making any big recommendation for those areas, but I will refer to that later in our remarks.

As is always true, the more important part of our bill here each year lies in the research and development section of the bill. One thing that runs that figure so high is that the dollar figures include a great deal of the very expensive part of the development part of the new weapons, and that sometimes carries with it the idea of building one, two, three, four, five or even six of the weapon itself.

THE STRATEGIC BALANCE

A major part of our consideration is Soviet program that relates to their buildup of their strategic forces. Improvements in Soviet strategic weapons places great pressure on the United States to continue to improve its Triad of nuclear forces—air breathing, submarine launched and land based. Since we last debated the military authorization bill here, the President has made a decision not to proceed with the production of the B–1 bomber and instead to place greater reliance on cruise missiles for the bomber leg of the Triad. While the committee continues to believe that our strategic deterrent is adequate to protect us from attack, we must be concerned about long-term trends in this strategic deterrence. We must protect and improve all three legs of the Triad in future years to maintain this security. Some hard decisions lie ahead as they have in the past, and it will continue to be a great challenge.

I would like to reiterate that our committee supports realistic and equitable limits on strategic arms, so that both countries can reduce the great expenditures they make on strategic weapons without jeopardizing their security. But in the meantime we must continue a strong and innovative strategic program so as to convince the Soviets that we are determined to maintain today's posture of rough equivalence in deterrent forces.

Madam President, let me say with emphasis, too, that no one in our group proposes seriously, a disarmament or the abolition of weaponry or anything approaching complete disarmament or semidisarmament. The talk is about limitations, particularly in the field of strategic arms, partciularly nuclear weapons and, more particularly, long-range nuclear weapons.

It is agreed by everyone who is knowledgeable that something ought to be done, if possible, toward a ceiling in this field. Both sides have already reached the saturation point in that they virtually can destroy the other if they set out to do so, and there being no effective defensive weapons yet, neither side has effective defensive weapons of realistic value to wipe out the consequences of an attack. We have had this on the floor many times, and I do not think anyone has any vision of such a situation developing any time soon.

On arms limitation, putting a ceiling on this kind of weapon is always desired, and the big barrier there, as I see it, is the matter of being able one to check on the other. Does the agreement carry with it provisions that will permit a checking by each side on the other? Does it include the visibility or knowledge as to what the other one has and what it is doing? I am not talking about a voluntary disclosure by both sides, but that the agreement itself be confined within limits that do permit a surveillance over the other party with strong reasonable satisfaction that you know what they are doing.

NAVAL FORCES

Now, Madam President, as in previous years we have problems concerning our naval forces for the future. There is no doubt about our naval strength now being superior and adequate to meet almost anything that could develop tomorrow or in the near future. But the great concern relates to where will we be 10, 12, and 15 years from now unless we make some far-reaching decisions of consequence now, and it is in that field of uncertainty and doubt that we have to decide in favor of strength. We have to favor strength to erase and make up for uncertainty and doubt. So again we have certain naval items in this bill that relate to those years ahead and, we have some that relate to new initiatives that are really due and should be started to some extent at least this year.

Some of the most important initiatives in this bill are in the area of naval forces; again this year the committee spent many long hours trying to analyze the situation and recommend a course of action for the future. Last year we recommended keeping several types of options open, especially those relating to sea-based air power, and this year we have recommended a start toward modernizing the Navy.

Our Navy continues to be vital to our security. Our major allies are separated from us by the two oceans, and our Navy has multiple responsibilities in helping to maintain the security of the United States in the nuclear age. It must be strong and it must be flexible. The committee believes that this multimission Navy must be preserved, and now is the time to make some major decisions concerning the Navy of the future. We have provided in this bill for another large-deck nuclear carrier to preserve our sea-based striking power into the 1990's, and have also recommended initiatives designed to speed the development of V/STOL aviation in the future. Since shipbuilding is a very time-consuming process, we must be forward-looking in our naval planning. The ships we authorize this year will still be the mainstays of the fleet after the year 2000. That is a good long ways off. But work done in this bill, in the disposition of this bill, and the money will be the foundation on which our fleet in the year 2000 will be standing, in great part.

Controversy swirls around the Navy, from shipbuilding claims to larger questions about its role in future wars. The committee has attempted to cut through these problems to a program which will maintain a strong and balanced Navy for the future. We must not give up the naval superiority that is one of the bulwarks of our security. I think it is, perhaps, the main bulwark. It is not necessary to try to separate one from the other. It cannot be done anyway. But the superiority we have, particularly through these carriers, and these nuclear attack submarines. These carriers are floating air bases, carrying their own materiel, their own supplies, their own fuel, carrying their manpower and supplies for those men. They can make breakneck speeds for hour after hour after hour and arrive at the scene of battle, should there be one, ready for action without any replenishment of fuel or manpower. These carriers are one of the marvels of our time, nothing else like it in the world. That within itself, I think, is the greatest single deterrent we have.

NATO ISSUES

Our committee has given a great deal of attention in recent years to our NATO posture. Last year we recommended a number of measures to improve readiness and to generally strengthen the alliance militarily. We should be pleased that the administration has responded, and has included in the fiscal year 1979 budget a number of programs to improve our NATO defenses. Nonetheless, a number of vexing problems remain for the United States and its allies in Europe, and the large Soviet buildup of conventional forces continues. We face a continuation of our large responsibility to NATO for the foreseeable future—we have committed 300,000 men and women to the defense of Europe, about two-thirds of our overseas deployed forces. But we should also expect that our allies in Europe will carry a fair share of the burden of protecting their territory. The committee believes that recent European commitments in this respect are welcome ones, but they must be sustained along with our own commitment if we are to preserve the alliance.

Mr. President, before leaving that matter, and this is not said in derogation one bit of our allies: They are powerful, they are knowledgeable, and they are mostly willing; but I want to make it clear now to them and to the American people that it is not our purpose nor within our possibilities to furnish, on and on and on, a greater and greater percentage of the necessary manpower for the ground troops for the protection of Western Europe. I hear people say and see newspaper columns written about the superiority of the Soviets over these Western Europe ground forces, as if to say that that is our fault. Certainly we are doing more than our part in that field. But we cannot send a million men over there in ground forces, and we have there now far, far more than were ever contemplated.

I say this trying to emphasize the importance and the necessity of the allies there being certain that they are doing and supporting their part. I am in a position to continue to emphasize that, because I could do it here when strong winds were blowing to greatly reduce the number of troops we had there. I remember one amendment filed here to a major military bill—and I do not say this in criticism—that, a few years ago, carried the signatures of 44 Members of this body who favored a very sizable withdrawal of our troops from that area. That amendment never did pass; it had the strongest kind of support in addition to the mere numbers, and it would have passed except for some very strong assurances by our allies, that have been carried out by them. But at the same time I get a little tired of the constant harping on a claim that we are not doing enough, particularly in that field, when we are doing far more than was originally intended, and far more now, I think, than our rightful share. But I am willing that we do that so as to buy more time to tide this matter over.

As I have said before, Mr. President, we have been far more successful in our post-World War II alliances, as I see it, in the NATO and European area of the world than we have in the Pacific, though that is no discredit to what we have done there. But the outcome of success has certainly not been equal to what it has been in the NATO area.

KOREA

Last year the President announced that he intended to withdraw U.S. ground combat troops from Korea over a period of years. The Armed Services Committee in its report has recommended that no further withdrawals be made until the Secretary of Defense provides a report detailing the effects of such withdrawal on the delicate deterrent balance in Korea and on the political and military situation in the Far East. There are a number of unresolved problems in the President's withdrawal plan, and the committee is greatly concerned that they have not yet been fully analyzed. It therefore recommends that a very cautious approach be taken.

This is an executive function, but it is also a highly important legislative function, particularly as it pertains to a treaty that has been made years ago and approved by this body. And when we say Korea, I am thinking in terms of the entire Pacific area—the entire Pacific problem, so to speak—where we have found that, with the situation being left open, the Communists very rapidly come in, and we have had these two wars, now, since the end of World War II, in that area of the world. Unless we intend to really quit, withdraw, and come out and stay out, I am not willing, in my judgment, to go to withdrawing our troops until some provision is made to have the effect, the deterrent effect of our presence there, and in other areas of the Pacific also. Personally, I do not know of a better place to keep them now than in Korea. We have limited this matter and about whittled it down to that point. I have not been shown any facts whereby we could better our position or save any money, really, by withdrawing those forces from Korea.

I do not want them to be over there for the fun of it. We have been there a long time. But it is not just protecting South Korea. It is the deterrent effect that our presence there with ground forces has. The withdrawal of a few is not going to be fatal, but the withdrawal of all those forces there, I think, would be grave error. There is no way to tell what price we might have to pay. It would be grievous, I am sure.

Other areas of the Pacific world would be affected that have been our allies and friends, to some degree. I feel that our presence in South Korea symbolizes our willingness to claim a place in the future of these Pacific countries. If we should ever withdraw from all that area, God save them, because I do not believe they could save themselves.

ALL VOLUNTEER FORCE

Now, Madam President, just a word about our All Volunteer Forces. I say this with all deference to anyone who is in those forces, and to the members of our present services who are trying to make this pattern work: Frankly, I believe that the problems grow rather than become less, and I view with some alarm the attrition among the new recruits, which is still at a very high level. Our Reserve forces face current, serious problems. The part of the Reserve organized into units on which we depend for augmentation of our Active Forces in an emergency is over 47,000 below authorized strength. The individual Ready Reserve—the pool of trained individuals for replacement and augmentation in an emergency is about 300,000 below mobilization levels for the Army alone. Additionally, the current so-called deep standby status of the Selective Service System—with no registration or classification of any kind—means that a draft could only begin to provide personnel in limited numbers for initial assignments some 7 months after mobilization.

These facts raise serious questions about manpower problems in a mobilization—especially if these personnel are needed quickly. Given economic and population trends, recruiting problems may get worse in future years. We must avoid arriving at a point where our only choices are huge increases in manpower costs or limiting needed efforts for our national security because of manpower shortages.

In the committee's view, the time has come to seriously consider our alternatives. The committee report requires that the Secretary of Defense assess the costs and consequences of alternatives to current All Volunteer Force policies including: Those changes needed in the Selective Service law to improve its effectiveness and fairness should it be used; changes in policies needed for an effective standby draft for Active and Reserve force; and ways to improve recruiting.

(Mrs. ALLEN assumed the chair.)

Mr. STENNIS. As I say, a great deal of effort has been made in recruiting. The services as a whole, in my judgment, have tried hard and they have been successful so far as the system permits, but I just do not believe it is going to prove out. We will have to supplement it with some other program that will get in enough men. I like the idea of having some specialized forces, but the thoughts of the military men do not seem to want to go in that direction. When I say specialized forces, the Marines are a specialized force. I am referring to that hard core of talented manpower that can be induced to stay with it as a career. I believe that the cost, if nothing more, will make it necessary to have specialized units.

Also, I would swap some of the numbers of the Regular services. We would spend the same amount of money on fewer men and give more duties to these reserve units. Some Reserve units are just excellent, just splendid. They include a lot of talented men and women who are willing to be members of the Reserve and give part of their time, but who do not want a military career exclusive of everything else.

I am not just arguing for them, but I believe we will finally swing around to the utilization of that great talent found in every community of the country to some degree, training them, utilizing them, keeping them prepared to a rather high degree, but on a part-time basis, for military service. If I were going to try to write a plan of redirecting this manpower to get away from this massive number, over 2 million in total strength in the Regular services, I would direct it toward the Reserve units and hold those Reserve units down to only those which would really have the strength and be able to deliver.

OVERALL IMPACT OF COMMITTEE BILL

The Carter budget request for the national defense function for fiscal year 1979 was for $128.4 billion in budget authority. Of this, $35.5 billion was requested in the authorization of funds for procurement, research and development, and civil defense. These are the funds directly authorized in the bill.

The bill, as reported by the committee, would increase the overall budget request by $596 million. This net impact includes the funds recommended for pro-

curement, research and development, and civil defense which total $36.1 billion, or an increase of $614 million over the President's request.

Most of this is accounted for by increases in the shipbuilding budget. This increase is offset by savings of about $18 million which result from reductions in the manpower strengths requested and other legislative items in the bill.

Once again this year, the committee bill was acted upon before the final passage of the budget resolution. I understand that the budget target of $128.7 billion assumes certain financing arrangements on the forthcoming pay raise and spending rates. The committee bill is, therefore, completely in line with the budget target of $128.7 billion.

The Congressional Budget Office estimate of the budget impact of the bill is included in the committee report. However, those estimates assume a higher pay raise than in the President's budget and in contrast to the lower rates assumed by our Budget Committee. It seems to me that congressional estimates should be consistent. Unfortunately, the Congressional Budget Office estimate on personnel costs is not very useful as presented.

Mr. President, I believe this bill represents a good compromise between our urgent defense needs and the need to maintain fiscal austerity. It provides for a prudent increase over the President's request, but represents a close and searching analysis of the request, and many specific reductions in marginal programs.

I will now touch on the highlights of the bill and then turn the floor over to the subcommittee chairmen who will go into the specifics.

NAVY SHIPBUILDING

In the field of shipbuilding, there are two significant differences between our bill and that requested by the administration. One is that we put in a nuclear-powered carrier of the *Nimitz* type to supplement our carrier fleet, which is the most formidable force in the world, or the most formidable of all recorded history. It is lacking particularly one carrier of this type, and a nuclear-powered carrier is recommended, though there is a difference of opinion on that.

We did defer one of the Trident submarines requested. We did not take it out with any words of condemnation but rather with commendation for its future need as well as the committee's willingness to favor it later. It was merely lifted out for 1 year because there is an actual delay in the building schedule that will make very little difference in the delivery date whether it is authorized and appropriated for this year or next year. I would expect it to be in the budget next year and to be approved.

For the past several years, I have reported to the Senate on the need for an improved Navy force structure and shipbuilding program. Last year in particular the committee did not feel that adequate information was available to determine what kind of ship design would be best for keeping airpower at sea. The committee requested the Department of Defense to conduct a comprehensive evaluation of the costs and effectiveness of sea-based aircraft platforms for both the short- and long-term period. This evaluation included alternative designs of large-deck nuclear aircraft carriers (CVN), new design medium aircraft carriers (CVV), and various other air platforms designed for V/STOL aircraft, including the VSS and an air-capable derivative of the DD–963. So in effect the Congress gave the administration a choice of what would be the best means of keeping aircraft at sea.

In response to a study which was requested by the Congress, this study being the one completed in February 1978 and transmitted to the Congress, in summarizing the findings Mr. Claytor made the following observations:

> Our study found, with certain variations and updated data, what most previous ones have found: ship for ship the CVN is the more survivable and effective platform, but it is also the more expensive, by a ratio of about three to two. Given the budgetary constraints we will continue to face our need for more rather than fewer ships, my own preference continues to be for the CVN.

That means that he favors the carriers but budgetary constraints cause him to prefer the conventional-powered carrier, the medium-top type, rather than the nuclear-powered carrier of the large-top type.

Those are matters of opinion. It has been argued over and over again for years, with the growing conviction, however, that after all is said and done the payoff for a nuclear-powered carrier—and this will mean we will only have four if we have this one—it has more reliability, if I may use that term, saving more time due to its speed and its readiness at the time of arrival. Therefore, in this stage of our carrier needs and for the future Navy we are talking about, we recommended the nuclear-powered carrier.

Furthermore, we have been in a stalemate as to what type of ships to buy. We have had a very unhappy experience, as every businessman has had and every military procurement program has had to some degree, of overruns in cost, and having to pay additional amounts, with these taking the form of claims.

We have come along now for 2 years, accumulating authorizations and money to pay off those claims so that a new shipbuilding program could go further. Our committee centralized on that. We recognized it was necessary to settle them some way before we could get into an effective new shipbuilding program. It is not my purpose to praise any individual, but now, we have a Secretary of the Navy, a former businessman, successful in that field, who has worked for 18 months, now, with able assistance of the Assistant Secretary of the Navy, as well as Secretary Brown and those in the Navy uniform. They have come up with a figure that they are recommending that these claims be settled for.

I never have mentioned and never will mention any dollar amount about any claim. I do not know, but for my part, I have urged the Navy to go on and work hard and settle these claims. It is a roadblock on a necessary shipbuilding program. Now, this outstanding man, and these outstanding assistants and coworkers of his, under their responsibility to their oath and to this body, particularly, and to the President, have intelligently gone through all these claims and they have a recommendation. I hope it will be approved by Congress. That matter will come before our committee.

It is not in this bill, but I am going into it here now because I already have knowledge of it and it is relevant to every Navy dollar in the bill that pertains to ships as a whole. I have looked into it after they reached a figure and I am satisfied that they have done an outstanding job. That will be brought up in the proper way before this body, I judge. I bring it up now, voluntarily, because it is so relevant to the contents of the bill.

Extensive testimony was presented to the committee addressing the question of whether the next aircraft carrier should be of the CVN or CVV design. The Chief of Naval Operations reiterated his testimony of earlier years and stated his personal preference for the construction of a fourth nuclear-powered aircraft carrier of the *Nimitz*-class design.

The committee fully supports a force of 12 large-deck carriers and recognizes that for such a force to be maintained 1 additional large-deck aircraft carrier must be constructed. The committee agreed that if one additional large-deck carrier is to be procured such a carrier should be a nuclear-powered vessel of the *Nimitz*-class design. In addition to its operational superiority, the *Nimitz*-class carrier is a known product whereas the CVV or medium carrier is at best now a paper concept, making estimates of what it will cost to build and operate it highly speculative. Therefore, the committee is recommending the addition of $1.9 billion for a *Nimitz* nuclear-powered carrier.

It is something that will have to be faced for the future and I do not hesitate to face it, making a start now. But the committee recommended that now we go back to this nuclear-powered carrier for this bill.

Someone asked me, what about any more like this? Well, we do not know. How can we make a judgment now on what the facts may be in future years? I do not know whether I would favor over one now. But certainly we have to leave those facts in.

The committee is also recommending an addition of $45 million for the conversion of an existing LPH amphibious ship to a light carrier for use with V/STOL aircraft. That is a new type of aircraft. Others will go into that. This initiative will be a beginning for getting more air capability at sea, and for test-

ing of the V/STOL concept that many feel is so promising for the Navy of the future.

That concept now is being used, to some degree, by others.

One additional LHA will satisfactorily make up the shortfall in amphibious lift created by the LPH conversion and make a start toward modernizing our amphibious shipping. Therefore, the committee is recommending $70 million in long-lead funding for a sixth LHA.

The final committee change in the administration's shipbuilding request is deferral of $1.1 billion for the Trident submarine program due to construction delays. The committee, however, is recommending $55 million in advance procurement. This will permit two Tridents to be authorized in fiscal year 1980 should the situation warrant such a decision.

To summarize the committee's shipbuilding program, a total authorization of $5.6 billion is recommended. This is a $890 million increase to the request of $4.7 billion. Construction of 15 new ships is recommended—1 *Nimitz* carrier, 1 attack submarine, 8 combatant ships, and 5 support ships.

The committee approved the administration's request for the following ships: $325.6 million for an SSN–688 nuclear submarine and $107.4 million in advance procurement; $128 million for DDG–2 modernization; $318 million for an AD destroyer tender; $1,533 million for eight FFG guided missile frigates; $98 million for three TAGOS SURTASS ships that will be used for ocean surveillance; and $191 million for a TARC cable layer that will be used as a cable repair ship.

There are three other provisions in the bill relating to shipbuilding. One amendment will require the Secretary of the Navy to conduct a comprehensive study comparing the costs of overhauls and repair of Navy ships in public versus private shipyards.

Also in the shipbuilding area, the committee again recommends the repeal of title VIII of Public Law 93–965—nuclear-powered Navy. This action should not be interpreted as a rejection of nuclear power for ships. Rather, it will remove an impediment to the President in determining the proper nuclear/conventional mix for our naval forces.

That area is thought by many to be an unnecessary, at times, mischiefmaking deterrent on the Chief Executive in approving the final recommendations for the Navy. Certainly, the repeal of it would not restrict Congress or the President either. But we leave those things open as they are now as to most items.

The committee approved an amendment that would create a special Commission on Navy Shipbuilding to study and review the current policies and procedures for procuring ships and to recommend ways of modifying these procedures in order to improve efficiency and cost effectiveness.

GENERAL PROCUREMENT

The General Procurement Subcommittee, which I chair, reviewed approximately one-third of the $23 billion authorization request for the procurement of military weaponry.

Significant programs reviewed by the General Procurement Subcommittee and revisions recommended by the committee include:

Tanks: The committee's action on the Army tank program will provide the Army 1,070 quality XM–1 and M–60A3 tanks at less cost than the Army's fiscal year 1979 program of 810 tanks. This would be done by fully modernizing and upgrading M–60A1 tanks that would retire from the active inventory to M–60A3's rather than procurement of new M–60A3 tanks. A total authorization of $797.4 million is recommended.

The highly important one, one that is of interest to everyone, has been gone into thoroughly. There has been some disagreement on some phases of it, but all were for a very strong tank program. I think we have fighting tanks and effective materiel out of a lesser figure than we recommended—a figure less than the budget. These matters will be explained.

CH–47 helicopter: The committee recommends deferral of the request of $78.4 million for 16 CH–47 helicopters because the CH–47 procurement planned for fiscal year 1979 would not incorporate the major modifications underway currently for this helicopter.

Cruise missiles: The committee recommends deletion of $18 million from the request of $174.9 million for the air-launched cruise missile (ALCM) based on the current management situation and recommends the addition of $20 million for the sea-launched cruise missile (SLCM). Approval of the request of $40 million for the ground-launched cruise missile (GLCM) is recommended.

In other words, Madam President, the committee had a full examination and recommended the full amount. We requested management conditions existing as of the time of hearing rather than early last fall, when the budget request was really made up. So in this entirely important field of cruise missiles, that was given an added prominence because of the President's decision to delete the procurement of the B–1 bomber. All these types of cruise missiles have been funded here, according to all the evidence available.

Roland missile: The committee recommends deletion of $103.3 million for procurement of the Roland missile, which is to be procured in common with our NATO allies. We made certain changes here for the Roland missile, which goes primarily with the NATO forces. It was not a matter of deleting it. It is an important program for NATO standardization. The amount we reduced this matter was more because of new methods necessary in connection with the production. We recommended $11 million in research and development for the purpose of correcting errors in production.

TACTICAL AIR

The Tactical Air Subcommittee, chaired by the Senator from Nevada, Mr. CANNON, reviewed research and development and procurement for tactical aircraft and missile programs totaling $10 billion.

Senator CANNON will make a ful report on the tactical air portion of the bill, but I will briefly discuss some of the committee's recommendations in this area.

The tactical air section, of course, will be covered by that committee, which was explained in detail in my overall explanation of it here. It would just relate to the figures and the number of planes and the dollar amounts involved with reference to present purchases.

These items, of course, like others, are very expensive. But there is nothing that others have that begin to compare with our capability and our capacity here in these fields.

There is some debate that further amendments will relate to some of the aircraft here, and that would call for a full explanation. I will have something more to say then.

NAVY/MARINE CORPS FIGHTER/ATTACK AIRCRAFT

The committee recommends the addition of $59.7 million for four aditional F–14's in fiscal year 1979 and an addition of $37.4 million for advance procurement of 36 F–14's in fiscal year 1980 for a total increase of $97.1 million. This addition will provide for an F–14 production rate of 36 a year.

The committee recommends the addition of $117.6 million for four additional F/A–18's in fiscal year 1979 and $16.4 million for advance procurement of 30 F/A–18's in fiscal year 1980 for a total increase of $134 million. The committee recommends deletion of the request of $116.9 million for the procurement of 18 A–4M aircraft and recommends the addition of $87.4 million in research and development funds for the V/STOL AV–8B for the Marine Corps.

AIR FORCE FIGHTER/ATTACK AIRCRAFT

The committee recommends approval of the request for $1.2 billion for 78 F–15's; $1.3 billion for 145 F–16's; and $839 million for 162 A–10's. For the Air National Guard, the committee recommends the addition of $195 million for 21 combat-capable, two-seat A–7D trainer aircraft.

Our Air Force fighter, which is an attack aircraft, has been given the same attention as the rest with some relatively small additions here for the benefit of the Air National Guard. Many of its units continue doing an outstanding job in this field, which is one of the main things that convinced me what a fine return we do get from our Reserve units that are really given an opportunity, given the material, the forces, the equipment that is needed to make effective military units out of them.

I am not here waving a flag for any of them. But I think we must put some more of our talented military thinking into planning these Reserve units of the future that will be given the broad role that I have already referred to.

All these items, for the information of anyone who is interested, are included and the reasons given. I am just referring to them in passing.

The matter of the MX missile has been gone into with the greatest emphasis and detail. We even had an amendment here calling for an additional report.

But our Subcommittee on Research and Development, went into those and related matters, and the full amount in that important field will also be given.

There has been something in the news, perhaps in the last day or two about some of these items that will be brought up to date this afternoon.

Our entire military provisions have been gone into again for about the fifth year by a subcommittee headed by the Senator from Georgia (Mr. NUNN). They have a complete and rather elaborate report and recommendations, all of which I think were adopted by the committee.

There might have been some adjustments there on some of the figures, but all of them were considered and were adopted in substance.

There is not any great reduction this year in the personnel, either military or civilian. That is due to the fact that we have gone over this matter with a fine-tooth comb, I think in an outstanding way for 4 or 5 years now, have gotten a great deal of adjustment made with reference to this manpower problem.

There is one matter that came up during our discussion of this bill and that was survivors benefit provisions that we did not take up. We very properly left it out of this bill, but with the understanding there would be hearings that some subcommittee will have, and the full committee will pass on it and get that matter back in some form before this body if the majority of the committee sees fit.

I hope amendments that are really not directly related to the overall concept of this procurement bill and overall authorization bill will not be hung on it as floor amendments, which greatly hamper and hinder us in conference, timewise and otherwise, and to the neglect of more far-reaching decisions in the field of weapons.

This bill relates to planes and submarines and ships, all kinds of missiles and hardware, the overall numbers of personnel and other far-reaching policy provisions. With the increasing amount of work necessary on each Member of this body, there being no more hours now in a day than there were 10 years ago, the work is almost three times as much for the membership of this body to try to get to and to have knowledgeable information with respect thereto. It is getting to where it is almost impossible to cover these subject matters as they should be.

So that is another reason we are not running from the idea of having to consider these matters, but let them come at least in an orderly way and let this bill move along.

That is the request, not saying what we must do. We cannot make an appropriation at all until this bill is settled, or largely settled, and it will be followed promptly by an appropriation bill when we get it settled.

RESEARCH AND DEVELOPMENT

The Research and Development Subcommittee, chaired by the Senator from New Hampshire, Mr. MCINTYRE, reviewed over 800 line items in this most technical portion of the bill. He will present a full statement on the subcommittee's work.

The committee recommends an authorization of $12.53 billion for research, development, test, and evaluation, an increase of $57 million from the requested $12.47 billion. This provides an increase of 3 percent in real growth over the $11.4 billion appropriated for fiscal year 1978.

Significant actions in the research and development section of the bill include:

INFANTRY FIGHTING VEHICLE (IFV)

The committee recommends approval of the $29 million requested for research and development and directed that the Army move forward with this program by adding $39 million to begin the initial production of this vehicle.

120-MM TANK GUN

The committee recommends the addition of $38 million to accelerate the Army's program for the 120-mm German tank gun to be placed on the U.S. XM–1 tank.

SURFACE EFFECT SHIP

The committee recommends the addition of $30 million for the high-speed surface effect ship in order to continue its development through fiscal year 1979. This addition will provide an option for increasing the ability of the surface fleet to attack and kill submarines.

EXTREMELY LOW FREQUENCY (ELF)

The committee recommends a reduction of $6.4 million to the request of $40.5 million for the ELF communications system (formerly known as Seafarer) and recommends an amendment requiring that no funds be obligated until the President certifies to the Congress that the system is in the national interest and that a site had been selected and approved by him.

ADVANCED ICBM TECHNOLOGY

The committee recommends approval of the $158 million requested and recommends an amendment requiring a report by September 30 1978, by the Secretary of Defense on the decision to go into full-scale development of the M–X missile.

CRUISE MISSILES AND CRUISE CARRIER

The committee recommends the requested amount of $152 million for the sea-launched cruise missile, $238 million for the air-launched cruise missile, and $41 million for the cruise missile carrier.

MANPOWER

The Manpower and Personnel Subcommittee, chaired by the Senator from Georgia, Mr. NUNN, has examined thoroughly our military personnel requirements for the Active and Reserve forces and the civilian personnel requirements for the Department of Defense and military departments. Senator NUNN will elaborate on these recommendations.

ACTIVE MILITARY FORCES

The committee recommends an active duty end strength of 2,053,900—4,900 above the request. This addition is the result of accounting changes in the classifications of reservists on full-time active duty. A total of 4,100 spaces in the Army Guard and Reserve, and 800 spaces in the Air Guard and Reserve will be transferred from the reserve account to the active account. The actual active strength of the four services was 2,059,700 on December 31, 1977.

The committee recommends four legislative changes relating to military service, pay and medical benefits. They are:

A provision authorizing the Secretary of the Navy to assign women on certain Navy ships. I want to note here that this provision is not intended in any way to change current policies excluding women from combat assignments.

A provision to increase and restructure the rate of special pay for sea duty.

An amendment to increase the ceiling for payments to physicians under CHAMPUS from the 75th to the 90th percentile of the customary changes made for similar services in the same locality.

A provision making technical amendments to the authorization of Navy admirals and Marine Corps generals.

RESERVE FORCES

The committee recommends an average end strength of 832,750—31,350 or a 4-percent increase above the request. The committee recommends the requested levels for Selected Reserve personnel except an addition of 35,600 for the Naval Reserves and adjustment for the accounting changes to transfer full-time active duty personnel in the Reserve personnel authorization to the active personnel authorization.

The committee recommends two legislative changes relating to the Reserve forces. They are:

A provision to extend for 1 year an educational assistance program for enlistment in the selected reserve and a reenlistment bonus to assist in retention in the selected reserve.

A provision to repeal an annual reporting requirement on Reserve forces.

DEFENSE CIVILIANS

The committee recommends a civilian end strength of 999,100—8,400 or 1 percent below the request. The committee recommendation is based on reductions in support including base support, research and development, headquarters and general schedule civilians and increases in aircraft and maintenance and training. The committee believes the reduction in civilians can be accommodated through attrition.

The committee recommends an amendment to allow the Secretary of Defense to exceed the congressional ceiling on Defense civilians by one-half of 1 percent of the civilians authorized. This had been the authorization previously until it was increased to 1¼ percent in last year's authorization bill. The committee believes that the one-half of 1 percent discretion is sufficient and that higher levels do not encourage careful planning of civilian manpower needs and erode congressional control over the levels of civilians.

Rather than read each of these totals, I ask unanimous consent that tables outlining the manpower recommendations of the committee be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

	Fiscal year 1979 request	Committee approved	Change from request
Active forces (end strength):			
Army	771,700	775,800	+4,100
Navy	521,700	521,700	0
Marine Corps	190,000	190,000	0
Air Force	565,600	566,400	+800
Total	2,049,000	2,053,900	+4,900
Reserve forces (average strength):			
Army National Guard	363,000	361,400	−1,600
Army Reserve	196,700	194,800	−1,900
Navy Reserve	51,400	87,000	+35,600
Marine Corps Reserve	33,000	33,000	0
Air National Guard	92,400	91,900	−500
Air Force Reserve	53,200	52,950	−250
Coast Guard Reserve	11,700	11,700	0
Total	801,400	832,750	+31,350
Civilian employment (end strength):			
Army	365,400	360,100	−5,300
Navy/Marine Corps	313,900	313,300	−600
Air Force	249,200	249,100	−100
Defense agencies	79,000	76,600	−2,400
Total	1,007,500	999,100	−8,400

CIVIL DEFENSE

Mr. STENNIS. Madam President, the General Legislation Subcommittee, chaired by the Senator from Iowa, Mr. CULVER, reviewed the request of the Defense Civil Preparedness Agency for civil defense. The committee recommends the approval of the request of $96.5 million.

Mr. SPARKMAN. Will the Senator yield?

Mr. STENNIS. I am glad to yield to the Senator from Alabama for a question.

Mr. SPARKMAN. I do want to get some information.

First of all, there is nothing in this bill that would in any way interfere with the continuation of the SALT discussions, is there?

Mr. STENNIS. No; not at all.

There is concern, as I said, about it, but we did not try to put limitations on it.

Mr. SPARKMAN. That is true. But I think I am an optimist by nature.

Mr. STENNIS. Yes.

Mr. SPARKMAN. I believe we can feel some confidence in the progress that has been made in the SALT talks and that a continuation may bring us the very thing we are looking for.

The second thing is that, as I understand, with reference to environmental impacts, there will be included certain requirements with reference to public works.

Now, what about private works?

I have a case that was called to my attention today, for instance, where there is a very large and very fine development in a certain area, private, and there is a feeling that some impact study might be needed, particularly with respect to the effect it might have upon the Tennessee Tombigbee development. Will that be required?

Mr. STENNIS. The Senator from Alabama has made a very timely inquiry. This bill does not carry anything in that field.

Mr. SPARKMAN. No, but the public policy is to require that, and certain works are provided for here.

Mr. STENNIS. Yes, there are a great many things provided for here that will be affected by the law, with reference to ecology and endangered species, and all those items. Of course, that law applies to private enterprise works as well as public. I think there will be some amendments applying to private works as well as public works.

Mr. SPARKMAN. I thank the Senator.

Mr. STENNIS. I thank the Senator from Alabama for his interest.

Madam President, the Senator from Texas has rendered highly valuable service to our committee this year in this military procurement bill. I want to thank him publicly for the very fine spirit in which he aproaches this matter and our dealings. We have a good many matters which we have to work on and pass on together. I hope he will seek the floor and be heard on the bill.

I yield the floor.

Mr. TOWER. I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Madam President, first, I thank my distinguished chairman for his very generous remarks. It has been a great pleasure to serve and work with him in my capacity as the ranking minority member of the committee.

I think we have been able to perform as a team and keep our focus on the goal of maintaining a defense capability that is second to none. The chairman has done a very skillful job of moving this bill through the committee. A number of matters were controversial and still are, for that matter.

The chairman always has been willing to hear all sides of an issue, to discuss these matters thoroughly in committee, and what has emerged from the committee is a bill that reflects the spirit of debate and thorough consideration of all aspects of what we are required to do.

Madam President, I support S. 2571, the fiscal year 1979 Department of Defense Appropriation Authorization Act, as reported by the Senate Armed Services Committee on May 10, 1978. The total recommended for authorization for major procurement, R.D.T. & E., and civil defense is $36,098 million, which is $614 million over the President's request.

The bill also authorizes manpower end strengths for fiscal year 1979 for a total of 3,885,800, which by category is as follows: Military active duty, 2,053,900; selected reserve, 832,800; and DOD civilians, 999,100.

The bill also authorizes $96.5 million for the Defense Civil Preparedness Agency, and the total of this bill, to be applied against budget function 050, is approximately $81.7 billion.

Madam President, while I voted to report out this bill, and I reiterate that I think the chairman did a splendid job on it—I do not believe it contains the real growth required to assure that our forces are properly able to meet the growing Soviet threat. The procurement portion of this budget only provides for about a 2-percent real growth factor, which I feel is inadequate.

During our committee debate prior to making our recommendation to the Budget Committee for the national defense category, the minority had recommended an additional 4.5 percent real growth as being the minimum necessary to cope properly with the increasing Soviet threat as we saw it. However, after considerable discussion, the recommendation was rejected.

In this regard, the CIA reports that at $130 billion, the estimated cost of Soviet defense activities for 1977 was about 40 percent higher than the U.S. outlay of $90 billion. The agency also reports that for the 1967–77 period as a whole, the estimated dollar cost of Soviet military investment was about 20 percent greater than U.S. outlays for military investment programs.

However, the trend is really more dramatic of late, because of our lack of investment after Vietnam. After 1970, Soviet military investment began to exceed ours by an increasing margin, and since 1975 it has been about 75 percent greater. For the 1970–77 period, the Soviet total was almost 50 percent greater than for the United States.

It is also clear from the report that the Soviets are investing substantially more in research and development. The CIA reports that Soviet R.D.T. & E. expenditures exceed ours by about 30 to 40 percent, or more.

Madam President, these data come from a report prepared by the Central Intelligence Agency National Foreign Assessment Center in January 1978. I have not just grabbed these figures "out of the air," so to speak, in order to deliberately overstate the case. The case speakes for itself and does not need to be overstated, since the facts are available for those who would care to make use of them.

In real terms this defense budget, despite the relatively small increase made by the committee, is the lowest since before 1964 and is, therefore, a high risk budget.

President Ford's last 5-year defense program projected a requirement for $8.4 billion more than is contained in this year's total defense budget request. By that measurement, the bill we are debating today should be about $2.0 billion higher.

These additional funds for defense are available, and the administration could have requested them. For example, in referring now to the entire Federal budget, over half of the $40 billion increase in the Federal budget request is for the Department of Health, Education, and Welfare. I also note that the Labor Department's request provides for a 44-percent increase, while the Department of Transportation request is up by 28 percent.

Madam President, to me this indicates a misplacing of priorities, in that nondefense spending will result in severe fiscal constraints being placed on national security programs. By limiting real growth in the procurement area to 2 percent, the administration must delay and cut corners in too many defense programs.

Let me turn now to the $614 million the committee recommends be added to the administration request. That is ac-

counted for primarily by the $1.9 billion added for a CVN-*Nimitz* nuclear aircraft carrier, other adjustments to the Navy shipbuilding program, adjustments in the procurement accounts of the services, and additional funds for the R.D.T. & E. accounts of the three services.

Madam President, I also have some brief recommendations the committee is making on some specific systems.

For the Army, the committee recommends the denial of $192 million and 240 of the 480 M–60A3 tanks requested, a recommendation that I did not support. The committee argues that the M–60A3 tank requirement can be met quickest by modifying M–60A1 tanks to the A3 configuration. I think this is a very acceptable thing to do with the, possibly, obsolescent M–60A1, but that course of action will not help fill the Army's total tank requirement. The end result, if pursued, will be that M–60A3 production will be reduced and the Army would continue to have a shortfall in its total tank inventory.

For the Navy, the committee recommended the deferral of one Trident submarine, plus advanced procurement funding, for a total of $1,131.7 million, and I support that recommendation as being a proper one considering the current construction delays in the Trident program. In part, the funds deleted here can help support the committee's recommendation to add a *Nimitz-class* nuclear aircraft carrier.

The committee recommends for authorization only one of the two requested advanced tanker cargo aircraft, a production line DC–10 aircraft that will be modified to provide an air refueling capability and a cargo carrying capability.

Although the committee deferred one of the aircraft requested until further design and engineering effort of the modification and support equipment is completed, I believe the program is well enough defined to proceed as requested. The ATCA is a necessary and needed addition to our tactical forces, and I believe the administration was correct in asking to proceed with two aircraft this year.

Madam President, I make special note of the 21 TA–7D aircraft and the 8 C–130H aircraft the committee has recommended in support of the Air National Guard and Air Reserve. Contrary to DOD's pronouncements about its support of our Reserve forces, its budget requests seldom include the systems needed to modernize our Reserve and Guard forces. The committee recognized the long-standing requirement of the Air National Guard for these aircraft, and I was happy to sponsor the amendment to add the TA–7D's and to support the C–130H amendment.

In summary, this bill leaves a lot to be desired, and it does not provide the real growth I think is necessary. The House bill contains an increase of $3 billion in procurement over the administration request, primarily in the naval vessels.

So it does appear that the final bill will be higher than this one, and that will help.

But despite what I consider to be its deficiencies I do hope that the Senate will accept this bill, that certainly it will not reduce the amount that is authorized in the bill because, as I noted earlier, this is a high-risk authorization, and I think that should we do violence to it with amendments that would tend to reduce funding for important systems we might be thrust far behind the Soviet Union in terms of trying to maintain a modern military force that is at least the rough equivalent of that of the Soviet Union.

Again, I commend the chairman for his very fine job in moving this bill through the committee and for his indulgence of me and many of the requests and proposals that I had in connection with this bill, and I hope that the Senate will act on it with dispatch.

Mr. McINTYRE addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Madam President, I yield to the Senator from New Hampshire 30 minutes or more if he desires.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. McINTYRE. I thank my chairman.

Madam President, as chairman of the Research and Development Subcommittee of the Armed Services Committee, it is my privilege to speak in support of S. 2571, a bill to authorize appropriations for the Department of Defense for fiscal year 1979.

This bill is the product of many hours of dedicated work by the entire committee and it has my wholehearted support. No one worked harder on this bill than our chairman, and once again the leadership of Senator STENNIS has been an inspiration to us all.

Madam President, I will confine my remarks primarily to title II of the bill, that section authorizing funds for research, development, test, and evaluation. As chairman of the Research and Development Subcommittee I want to acknowledge the fine support and hard work of the other members of the subcommittee, Senators CULVER, ANDERSON, BARTLETT, and GOLDWATER.

I give special recognition to the work of Senator BARTLETT as the ranking minority member of the subcommittee. He has devoted many hours to studying the issues and many of the changes in the R.D.T. & E. portion of this bill are his work. Senator BARTLETT is retiring after this session of Congress and his departure will be keenly felt by the Research and Development Subcommittee, the Armed Services Committee, and the entire Senate. His intelligence, his patience, his deep sincerity, his quiet, enlightened patriotism, his willingness to seek common ground have made him a model of senatorial service to us all. The Nation is in his debt and we shall miss his wise counsel and leadership next year.

OVERALL R.D.T. & E.

Madam President, the military strength of this country has been, in the past, and will continue to be a combination of trained, dedicated people manning weapons which capitalize on the unmatched level of technology in this country. If we are to sustain our military strength in the years ahead, we must continue to make large investments in technology.

The request by the Department of Defense for R. & D. funds for fiscal year 1979 was $12,473,412,000, a real increase of about 3 percent over that appropriated in fiscal year 1978. In my judgment an increase of 3 percent is reasonable in light of the continuing pressure by the Soviet Union both in research and development and in forces deployed in the field. It is clear that should the United States and our allies have to fight a conventional war against the Soviet Union that they would have to rely on the qualitative edge provided by our superior technology to overcome the Soviet quantitative advantage in numbers of forces. This is not a new observation just discovered by the Armed Services Committee. It has been the basis of our planning for many years and will continue to be the basis of our planning for years to come.

This is not to suggest that the committee blindly accepted the Department of Defense budget request as presented. In fact, 14 hearings were held, and hours of careful study were given to the R. & D. budget by the subcommittee members and staff. This resulted in nearly 70 specific changes in the R.D.T. & E. program as presented by the administration. The net result was an addition of $56 million to the Department of Defense request. So the committee recommends an authorization of $12,530,234,000, reflecting our concern that we must be willing to make a continuing investment in research and development if we are to maintain our military superiority.

Let me now turn to some of the major parts of the fiscal year 1979 R.D.T. & E. budget and program.

TECHNOLOGY BASE

The technology base portion of the R.D.T. & E. program provides funds for basic research and exploratory development of promising technologies. This portion of the Department of Defense program is the essential investment in our long-term technical vitality. Investments made in years past have provided the advances in electronics, in precision guided weapons, in aircraft engines, and structures which enable us to have the weapons we have today.

Over the past several years, the Department of Defense, with the support of our committee, has been rebuilding the technology base program that suffered during the Vietnam era. For the past several years, we have provided a real annual growth in this program of about 5 percent. That trend is continuing this year with the Department of Defense request for nearly $2 billion. The committee recommends full funding for the technology base portion of the Department of Defense budget.

(Mr. BAYH assumed the chair.)

TACTICAL PROGRAMS

Mr. McINTYRE. Let me now turn to tactical forces. This category contains the programs in the three services that are most familiar to laymen. They include almost all of the Army weapons, the Air Force tactical and airlift forces,

and the Navy surface, subsurface, and land-based air forces, as well as the Marine Corps. The tactical programs consume about 40 percent of the total R.D.T. & E. request. The request this year is for slightly over $5 billion. The committee recommends a slight increase in the tactical programs of $58 million, giving a total of $5.1 billion. The adjustment results in changes in the 42 separate tactical programs which shows that although the net dollar figure did not change very much, the internal makeup of the proposed program was carefully reviewed.

Let me review for you some of the major changes. First, let us look at the Army and its efforts to improve our armored forces. There are two programs which, when completed, will give our Army greatly improved armored capability. They are the XM–1 tank and the infantry fighting vehicle (IFV).

Progress on the XM–1 has been most encouraging, and with the resolution of the main gun issue, the Army appears now ready to field a first-rate main battle tank. The decision to equip the XM–1 tank with the 120-mm gun should improve the interoperability of our tank forces with those of our NATO allies. Since the decision to equip the XM–1 with the 120-mm gun was made after the budget was submitted in January, it is necessary to add $37.5 million to the budget so that the Army can start deploying tanks with the 120-mm gun as soon as possible.

The other new system is the infantry fighting vehicle (IFV), formerly called the MICV, mechanized infantry combat vehicle. The IFV has had a very tortuous development history and the present version is not without its critics. The criticisms derive from how modern infantry should interact with tanks. It is clear that the tank needs to be supported by the infantry. Similarly, the tank improves the effectiveness of infantry. The tough problem is to determine the proper types and mix of infantry and tanks on the battlefield. However, with regard to the IFV, one point stands out very clearly; it is far superior to the current armored carrier, the M–113 and we should get it to our forces as soon as possible. In order to start production of the IFV, the committee recommends the addition of $39 million to the Army procurement budget.

Approval of this $39 million does not mean endorsement of the total IFV program of 7,000 vehicles as now envisioned by the Army. The committee expects the Army to propose improved vehicle designs that will allow transition from the current IFV to a better one in years ahead. No question is of greater importance to the Army than the composition of its armored forces.

The committee stands ready to support well-thought out improvements but urges the Army to continue to study this issue and present the results of its study in the years ahead.

Let me turn now to the Navy. The attack submarine is one of the most effective weapons U.S. technology has produced. However, it clearly illustrates the problem most associated with high technology systems, that is, cost. In fiscal year 1977, a new *Los Angeles* class SSN–688 cost $308 million. The request for this year is for $411 million per submarine. The estimate for the early 1980s is about $650 million per submarine. While inflation has dulled our sensitivity to large numbers and cost growth, it is clear to me that if the attack submarine is not to price itself out of the market, similarly to the large carrier, then we must take steps now to reverse the cost growth trend in attack submarines. Unfortunately, there does not seem to be a clear policy direction in the Navy that would lead to the reversal of this cost growth trend.

The R. & D. Subcommittee has identified six major programs which will contribute to the development of a new attack submarine. To be fair about it, some of these programs are aimed at providing less costly submarines, but some would move only in the direction of larger, more expensive submarines. I feel that it is time for a commitment to a policy of reversing this cost growth trend. Testimony by Navy witnesses indicates it is possible to do this. What seems to be lacking is a sense of integration among the various R. & D. programs that clearly point to reversing the cost growth of submarines.

Therefore, the committee has recommended that the Congress and the Department of Defense adopt a policy to reverse the cost growth trend, so we will be able to afford the number of submarines needed to cover the Navy's wide area of responsibility. Furthermore, we are directing the Navy to submit with their fiscal year 1980 budget, an integrated plan showing how submarine R. & D. efforts contribute to this policy. And, in order to make sure we get the Navy's attention, and to avoid getting too far down the road on divergent courses, we recommend a 10-percent reduction in those programs related to future attack submarines.

Let me turn to another aspect of Navy programs, that is, the status of our ASW weapons. We have made great strides in our ability to locate enemy submarines, and programs now in development will give even better results in the years ahead. However, our ability to attack and kill submarines has not kept pace with the improvement of our ability to locate them.

There are two possible solutions to this problem. The first is the LAMPS Mark III program. This is a program that will use helicopters to fly from surface ships and attack and kill enemy submarines. The successful completion of the LAMPS Mark III program would be a large step in improving our ASW capability.

However, the LAMPS Mark III program has been plagued by serious mismanagement. Since last year at this time, costs of this program have gone up nearly 70 percent. The schedule has slipped by nearly 18 months and the program has 6 more years before development is completed. History says that these 6 years will produce more cost increase and schedule slippage. The result, most probably, will be that the LAMPS Mark III system will become so expensive that we cannot afford to buy adequate numbers to put on all the surface combatants that we would like to. Here again is the classic problem of keeping technology within reasonable cost bounds.

The committee has directed the Navy to find ways of reducing the cost of the LAMPS Mark III program. The most obvious is to confine it to the ASW mission ignoring the antisurface mission now also planned for the LAMPS. It is abundantly clear that the submarine threat is a far, far greater threat than the Soviet surface fleet. And if a choice must be made, it is clear that we must choose to provide ASW capability.

A second program which could be quite useful in chasing and attacking submarines is the surface effect ship. However, even if we were to proceed in an expeditious way, this ship would not be deployed until the late 1980's or early 1990's. The administration, however, chose not to fund this program in fiscal year 1979. The committee feels that the surface effect ship does have potential and has added $30 million to continue development of the 3,000-ton ship.

Turning briefly to the Air Force, I would like to cite one program, the advanced medium STOL transport. (AMST). Tactical airlift has played a major role in every war dating back to World War II. It is a premium form of transportation which provides a theater commander flexibility not available in the cheaper forms of land and sea transportation.

Information provided to the committee by the Air Force indicates that significant improvements can be made in our tactical airlift force for little added cost over the next 20 years, because of the improved performance possible in the AMST. Whereas now the tactical airlift force consists of over 600 aircraft requiring 41,000 people to operate and maintain them, a force of about 275 AMST's would provide the same bulk cargo movement capability but would require only about 11,000 people to operate and maintain. With the growing cost in manpower, certainly this has to be considered an attractive investment.

In addition, the AMST will be able to carry nearly all pieces of Army combat equipment. In light of the apparent economic attraction, as well as the added capability for combat maneuver provided by the AMST, the committee recommends the addition of $25 million for the R. & D. budget to complete the evaluation of the candidate aircraft.

Let me touch on one more subject before I close my discussion of tactical programs. Each year, we are told of the severe and growing threat posed by Soviet chemical and biological forces. Each year, over the past several years, we have inquired as to the adequacy of our defensive capabilities. Last year, the authorization conference report asked for a report on the measures necessary for the protection, decontamination, and utilization of aircraft, ground forces equipment, ships and personnel in Europe in the event of chemical attacks. The report was to accompany the fiscal year 1979 budget presentations. The re-

port was received after markup on this bill was completed and is an inadequate report.

The report shows what equipment is being procured and when it will be in the hands of the troops. However, it gives no indication as to the adequacy of this equipment, and what plans there are for training our troops on using the equipment.

This is very frustrating in that what the Congress is saying is: tell us what you need to provide for the protection of our forces and we will provide it. The Department of Defense, on the other hand, seems to be saying we would rather keep this as a live issue to harangue Congress with than to join with Congress in meeting the needs of our forces and providing the proper leadership and training. It is unclear to me whether we have made any progress at all over the past several years in improving the defensive capability of our forces, because the rhetoric regarding this issue sounds the same each year. Once and for all the committee is saying to the Department, join with us in providing the necessary training and equipment so our forces can operate to the best of their ability in a chemical and biological environment.

STRATEGIC PROGRAMS

Let me turn now to a discussion of the strategic programs. Since a comprehensive description of strategic and theater nuclear R. & D. programs supported by this bill is available to Senators elsewhere, such as in the hearing record, the posture statement, and the report itself, I will try today to highlight only a few items of special interest, including some important initiatives which the committee incorporated into the bill at the R. & D. Subcommittee's recommendation.

Let me first discuss each of the legs of the Triad and then describe some space and theater nuclear R. & D. initiatives.

THE SEA-BASED DETERRENT

Our sea-based deterrent continues to be substantially superior to the Soviets because of the technological achievements of our R. & D. programs. This superiority is sustained by the remarkably successful development of the Trident I missile which is about to complete its R. & D. Although the Trident I has received little publicity, it is making history in missile technology. It will fit in the same space as a Poseidon missile but will deliver the same payload at the same accuracy to twice the range. Despite this formidable technical challenge, the Trident I missile flight test program has been substantially more successful than its important predecessors, the Polaris and Poseidon missiles. Moreover, authoritative testimony to our R. & D. Subcommittee made it clear that both the Trident I, and its component technologies—micro electronics, guidance, and solid propellants—are significantly advanced over any available in the Soviet Union. At a time when there is much anxiety regarding the strategic balance, I know all my colleagues share my pride in this program's success and significance.

The technical achievements of the Trident I program will enable us to make deliberate decisions about whether it will be necessary to proceed with a Trident II. Although this bill contains $15 million to support some preliminary design work on such a "next-after-next" SLBM, it is unclear at this point what it will look like. There are at least three useful ways we could improve the Trident I and at least eight different approaches to a Trident II design. What is clear, from testimony this spring, is that all the Trident II designs will be very expensive, indeed. It would cost about $6 to $7 billion just to develop a Trident II missile. And it would cost a total of $19 to $24 billion to develop and buy a useful force of Trident II's. I can assure the Senate that the R. & D. Subcommittee regards future decisions about Trident II development to be of the first order of importance and we will, therefore, continue to monitor this program very carefully.

The technical status of our new Trident submarine is also good, and its leap forward in propulsion technology will likely widen the already impressive advantage we have in submarine quietness which is, as the Senate well knows, the key to the survivability of our strategic submarines.

Nevertheless, production problems of the Trident submarine has caused the program to exceed both time and cost estimates. The slip in the delivery date of the first Trident submarine is well hedged militarily and will not hurt the Trident missile production program, because the Department of Defense fortunately adopted a suggestion of our R. & D. Subcommittee which was at first intensely opposed by the Navy, that the Trident I missile be backfitted into Poseidon submarines.

The cost growth of the Trident submarine, however, remains a serious problem. The original estimate of unit cost was over $600 million in R. & D. and procurement. Now, one Trident submarine is likely to cost about twice that. If this high unit cost means that an all Trident force would be composed of 20 or less submarines—compared to the current Polaris/Poseidon fleet of 41—we might be able to put only a few SSBN's on patrol at any one time and the Soviet ASW force would have substantially fewer targets to locate. Although I doubt the Soviets could succeed, our ability to keep them from doing so is of supreme importance.

For these reasons the R. & D. subcommittee recommended the addition of $16 million to the bill to support initial design studies of an SSBN which would incorporate modern propulsion and missile technology, would be smaller and cheaper than the Trident, and could be deployed in larger numbers. We would not expect this to be a substitute for the Trident submarine but a complement to it in a hi-lo mix. We are not asking the Department of Defense to commit itself to such a program, we are simply asking them to consider it carefully, particularly since Navy witnesses told us that there had been no serious consideration of a smaller SSBN in the 4 years since Secretary Schlesinger first proposed it to the Congress.

The bill also incorporates an important initiative by the committee on the difficult problem of ELF—extremely low frequency—communications to our submarines. Although a discussion of the history of this program can be found on pages 89 and 90 of the committee report, I know that some of my colleagues have a special interest in the matter, and I want to make sure that our intent is clear.

Even though the technical disputes about environmental effects of an ELF system have been authoritatively resolved, the selection of a site for such a system continues to be controversial. The committee has, therefore, tried for the last several years to define a process of decision which would be fair to all interested parties. In particular, we have insisted on two premises:

First. The program should not enter full-scale development until after a site had been selected.

Second. The selection of the site is the proper initial responsibility of the executive branch, ultimately the President, subject, of course, to review by Congress.

Despite our efforts to urge the President to make clear his recommendation about a site this spring, his advisers apparently persuaded him not to do so in time to inform this bill. Therefore, the committee deleted, as we have in previous years, all the money requested for the full-scale development, including all money or all funds related to any particular site. Further, we wrote into the bill, as a matter of law, that none of the remaining $34.1 million can be obligated unless the President certifies to the Congress that to continue with the program is in the national interest and unless the President certifies to the Congress that to continue with the program is in the national interest and unless he selects a site.

This approach insures that the program will not continue to spin its wheels as it has for 10 years, waiting for a political decision about site selection.

It also insures that even if the President notifies the Congress where he wishes an ELF system to be located in order to use the $34 million we will have authorized in this bill, he still cannot begin work on any specific site during fiscal year 1979 because the bill provides no money or authority to do so. So it further insures that the Congress will be able to review his recommendation of a site which will have to be incorporated in the fiscal year 1980 defense bill. Any Senator who may disagree with the President's site selection will be able to act on his objections in the consideration of next year's bill.

Most important, it insures that the President decide whether the national security requires an ELF communication or not. If he decides that it is politically impossible to choose a site, then this approach will permit the program to expire quietly next winter.

THE MIXED BOMBER FORCE

The Senate will recall that in the wake of the B–1 decision the R. & D. Subcommittee proposed that the Nation commit itself to a mixed bomber force, composed of cruise missiles as well as penetrating bombers. I am pleased to report that the DOD has adopted this concept and this year's R. & D. programs are designed to implement it.

The air launched cruise missile, a central component of such a mixed force, continues to realize its promise technically. It flies, penetrates, and meets its specifications in accuracy, as hoped. Two principal technical challenges remain—to reduce further its observables so that it will assuredly be able to pentrate future air defenses—and to wed the weapon to an aircraft as an operational military system. Given the importance of this weapon, we are prudently hedging any uncertainties by supporting two competitive designs through full scale development.

Although the technical news is good regarding the ALCM, I must report to the Senate that we have seen some disturbing signs of cost and management troubles as it enters the difficult transition from development to production. Therefore, the committee's report puts the DOD on notice that we expect these deficiencies to be corrected quickly and decisively.

With the demise of the B–1, the penetrating bomber part of a mixed force will be composed of improved B–52's for some years, and there are substantial R. & D. programs in this bill to do that. To the same end, the committee has directed that the $105.5 million requested to complete B–1 R. & D. be used to validate advanced component technologies—such as electronic counter measures, engines, and nuclear hardening—which will help us to understand how the B–52's could be further improved and which will add to the technology base from which any post B–52 penetrator in a mixed bomber force will draw.

ICBM'S

Our most important R. & D. program for the ICBM leg of our Triad, the M–X, is rather troubled.

The challenges here are not so much of high technology. Our ICBM technology has been for years, and continues to be, superior to the Soviets. And we now have extraordinary advanced technologies available which are product of the genius of our R. & D. community and of the nearly third of a billion dollars we have devoted directly or in support of the M–X program during the last 4 years.

The central problem we face is how we can utilize these technologies to resolve what seem to be devilish dilemmas in system definition and policy.

I regret to report to the Senate that the uncertainties facing the Department of Defense regarding the selection of a specific multiple aim point basing scheme which will insure the survivability of our ICBM's are greater now than they were a year ago. Then the Department of Defense seemed to be converging on a "continuous trench" as the preferred way to protect our ICBM's. Since last fall, this alternative has been rejected as vulnerable and/or too costly. Although there are now recurrent stories that elements of the national security community have found a new preferred approach, namely a "vertical shelter"—which looks very much like a silo—in fact there are at least four alternatives under serious consideration and it is still quite unclear whether any of these will command enough mature confidence to justify entering into full-scale development soon.

Similarly, there is greater uncertainty now about missile selection than a year ago. Then, there seemed to be a clear movement by the Department of Defense to a new, large missile called the M–X. Even last February I was informally told that it still seemed to be the preferred alternative. Now, however, two other alternatives are also under serious consideration—the Minuteman III—modified for multiple aim point basing, and a new missile which would be larger than a Minuteman III but smaller than the M–X and which could be used both as a new SLBM and a new ICBM. In other words, a new common missile.

The Armed Services Committee reviewed these basing and missile developments with great care. The committee unanimously recommends that all of the funds requested be authorized—that is, $158.2 million for the M–X program and $80 million in other R. & D. programs in support of the M–X.

Authoritative testimony made it clear that additional money would not accelerate the program or stimulate a decision to move into full-scale development. Indeed, the witnesses made it clear that there are still great cost uncertainties, so that any additional money could not be allocated to a specific program design or cost schedule.

I regret that these difficulties in sorting out an effective course of action by the Department of Defense has drawn what I believe to be unfounded criticism. Given the military and financial stakes, it is imperative that we be right. It is critical that we select a survivable basing approach, if one can be defined. General Slay, who led the Air Force's R. & D. team since 1976, has consistently testified to our committee that the basing decision is an extremely important one. He said, "we want to make absolutely sure that for this expenditure of dollars, which is significant, that we have the right basing scheme."

Let me point out that if the Department of Defense had been permitted to move into full scale development as was proposed about a year and a half ago, we would likely have disastrously plunged ahead with the now discredited continuous trench scheme before its vulnerabilities had been understood. The disruption of an orderly program would have been even more severe. Most important, uncertainties about public acceptability of a costly, widely disbursed multiple aim point based ICBM force would have been greatly intensified.

Therefore, let me gently remind those who have been quick to complain that this administration has not moved the M–X into full scale development, that if we had followed their counsel a year and a half ago we would likely now be painfully backing out of a blind alley with compounded cost and consternation. It seems to me to be a proper time for humility on all sides.

Let me also respectfully suggest to senior officials in this administration who may find themselves currently hustled by enthusiasts for a particular MAP solution, please take enough time and care to be sure. I, for one, feel that the size, quality and redundancy of our strategic force amply provide us the time it will take to resolve the dilemmas we face.

Despite the problems I have described, I can report that there are some encouraging signs that we, as a government, are concentrating our full attention on the problem and are taking the necessary steps to make a sound, deliberate decision.

First, Dr. Perry and the Department of Defense have agreed with a procedural approach that the R. & D. Subcommittee has offered for some years, namely, that the M–X should be properly conceived as two quite separate families of technologies—missile and basing—and each of these turn on a quite independent cluster of policy considerations.

Second, I have been assured that national strategic policy will not be defined by ICBM technology as I had feared some years ago, but that instead any decision to move into full scale development will be directly based on a comprehensive executive branch review of ICBM requirements defined by national strategic policy and that the President himself will certify that this represents national policy.

Third, despite its difficulties, this program continues to be led at the technical and management level by superior civilian and military talent.

Finally, to insure that the Department of Defense sharply focus on the problem, the committee added a provision to our bill requesting the Secretary of Defense to report by September 30 of this year any decision regarding full scale development and to report regularly if no final decision has been made by that date.

SPACE DEFENSE

In addition to the programs in the bill which will enable us to upgrade our triad of strategic forces, the bill also includes R. & D. programs which will enhance the survivability to U.S. space-based systems against Soviet antisatellite capabilities and which could lead to a U.S. antisatellite capability.

As the Senate is aware, there have been preliminary discussions between the Soviet Union and our Government regarding a possible treaty which would limit antisatellite weapons. I, for one, hope and pray that these discussions will lead to a secure agreement which will protect our own security interests and help us to avoid the threat of a real space war.

The R. & D. Subcommittee conducted a particularly rigorous hearing of our space defense programs. The transcript was not printed because of its level of classification, but we can arrange for any Senator to review it upon request. These investigations led us to add $15 million to accelerate our efforts to increase U.S. satellite survivability.

THEATER NUCLEAR FORCES

The R. & D. Subcommittee also held systematic hearings on our R. & D. programs designed to enhance our theater nuclear forces.

We recommend that $2 million be added to this bill to initiate design studies of a mobile, medium range ballistic missile for the NATO theater. We have had the technical ability to build this class of a missile for probably a decade, but have chosen not to do so. Now, as the Senate knows, the Soviets are deploying such a missile, the SS–20. Our recommendation, along with our development of the ground launched cruise missile, will provide us with two technical approaches to the mission of reaching targets well within the Soviet Union with surface-to-surface missiles based in Western Europe, if we decide later to acquire this capability.

CONCLUSION

Mr. President, let me conclude my review of the R. & D. portion of this bill with two personal comments.

First, I am proud to report to the Senate that the Department of Defense R. & D. efforts is led by a superb, fresh talent, Dr. William Perry, Under Secretary of Defense for Research and Engineering. He has impressed us all at the Armed Services Committee with his energy, his integrity, and his ability to compress complex technical subjects into lucid, logical lay language. Dr. Perry and his colleague, Dr. Gerald Dinneen, Assistant Secretary of Defense for Command, Control, and Intelligence, are among the most important talents that Secretary Brown and the President have recruited for this administration. Fully supported by Secretary Brown and the President, as I know they are and will continue to be, these men will serve our Nation with distinction and ensure that we have a strong, creative military R. & D. program.

Second, the recommendations of the R. & D. Subcommittee which are contained in the bill were unanimous. Our subcommittee continues, as it has for the 10 years of its existence, to operate in a nonpartisan, nonpolitical way which is a source of great pride to me and, I am sure, to the Senate.

PROJECT ELF

● Mr. NELSON. Mr. President, as reported by the Senate Armed Services Committee, the fiscal year 1979 military procurement bill contains $34.1 million for research and development of the Navy's submarine communications system, known variously over the years as project Sanguine, Seafarer, and, most recently, ELF. By the use of extremely low-frequency radio waves, this land-based system is designed to provide assured communications with our strategic and attack submarines at operational depths and speeds.

Project ELF has been beset by controversy ever since its inception more than a decade ago, and continues to be challenged over questions concerning its biomedical/ecological impact, physical placement, and necessity for national security. The Navy has spent well over $150 million already on the project.

Controversy intensified and sharpened when in its budget submission for fiscal year 1977, the Navy, for the first time, requested congressional approval to advance from the research and development phase to the full-scale development of the ELF project, which is in fact the first stage of actual construction.

Congress denied the Navy its request in fiscal year 1977, and again in fiscal year 1978, drawing on specific criteria fashioned by the Senate Armed Services Committee in 1976. In its consideration that year of H.R. 12438, the fiscal year 1977 military procurement bill, the committee laid down three conditions precedent to its approval of full-scale development (Senate Report 94–978):

(1) Completion of studies of the environmental and biological impact of the Seafarer system and the conclusion that the system poses no unacceptable environmental or biological hazards;

(2) Selection by the Navy of a candidate site; and

(3) A firm plan including a schedule to begin installation of the system at the selected site.

The House Armed Services Committee concurred in the establishment of this framework (Conference Report 94–1004), as did the Appropriations Committees. As the House Appropriations Committee noted—

Approval of (Full Scale Development) could imply Congressional acceptance of the SEAFARER concept, and the Committee is not prepared to make that commitment until all of the environmental impact, site selection and cost questions are definitely resolved.—House Report 94–1231.

The legislative history shows that the Senate has consistently adhered to this formula. After the Armed Services Committee deleted full scale development funds from the Navy's fiscal year 1978 budget request, the chairman of the Research and Development Subcommittee, Mr. MCINTYRE, and I engaged in the following colloquoy on the Senate floor:

Mr. NELSON. Last year's conference report on H.R. 12438, the Fiscal Year 1977 military authorization bill, contained very specific criteria governing the sequence of events that must be followed by the Navy before the Congress will authorize Full Scale Development . . . Am I correct in assuming that when the Committee voted to delete the requested funding for Full Scale Development for FY 78 it was simply underscoring and re-emphasizing this procedure?

Mr. MCINTYRE. The Senator from Wisconsin is quite correct. The Committee's position on that central point this year is identical to its reasoning last year.

The Navy has come back to the Congress this year, again seeking funding ($6.3 million) to commence engineering development—this year's terminology for "Full Scale Development"—in fiscal year 1979. Again, the Armed Services Committee has disapproved these funds on the basis of the prerequisites to approval Congress mandated in 1976. I commend the wisdom of the Armed Services Committee for its responsible and consistent approach to the resolution of the project's future, and trust the Senate will affirm its action.

A review of the Navy's limited compliance with the clear congressional mandate reveals the correctness of the committee's action:

First, it is not at all clear that the system "poses no unacceptable environmental or biological hazards." Although the National Academy of Sciences has filed its biomedical/ecological review of Project ELF, serious concerns remain. The Academy recommended that certain studies be completed and reviewed by an appropriate agency, before construction of an ELF system. These include:

The demonstration of a "reliable procedure for rapid detection of cable faults (insulation failure)";

"The development of final detailed specifications for ground-terminal design * * * that will alleviate shock hazards near the ground terminals;"

"A more extensive and site-specific set of measurements of the spatial and temporal variations in soil conductivity, as a prerequisite to the ground-terminal specification;"

"The installation of at least one vertical ground terminal in a test facility, to permit evaluation of this alternative ground-terminal design;"

"A baseline study using radar tracking of bird navigational patterns among migrating species in the vicinity of the proposed installation * * *;" and

"Baseline studies to determine which of the species of fish that live in the area proposed for the antenna are sensitive to weak electric fields at Seafarer frequencies. These studies should determine the extent to which external Seafarer fields might interfere with the normal behavior of such fish, as well as any observable adaptation to such fields."

These recommended studies are not yet complete. In my judgment, Congress should prohibit any initial construction work until the academy's recommendations are implemented and independently validated.

Second, although the Navy has made a preliminary site selection, the final siting decision remains in the President's hands, and he has so far refused to give his approval to the Navy's choice.

Third, the Navy has supplied no site development plan or schedule to the Congress.

Finally, Mr. President, only after the Navy has unequivocally satisfied congressional concerns over these issues can the Congress engage in a reasoned and informed debate over the national security need for the extremely low frequency communication system as currently configured. Congress must, in my view, fully explore the conflicting analyses in this area, and work its collective judgment, prior to a construction decision.

The House Armed Services Committee, in particular, has posed nagging questions to the proponents of this project. In the main they concern the accuracy with which the Pentagon has defined the perceived threat to our submarines as a result of their present communication procedures. On the one hand are those who believe the Pentagon has underestimated the threat, and that the ELF system is too primitive to meet it; on the other are many who consider the antisubmarine warfare danger quite remote, and the system thus superfluous.

Mr. President, any attempt to initiate the full scale development of Project ELF

without the information required by the Congress would be, in my judgment, premature and ill-advised. Because the Armed Services Committee has reaffirmed its commitment to resolving all the environmental, national security, and siting questions before taking that step, I have no objection to the funds authorized in the fiscal year 1977 military procurement bill for ELF research and development.●

The PRESIDING OFFICER. Who yields time?

Mr. HART. Will the Senator yield me 20 minutes on the bill?

Mr. McINTYRE. I understand there is plenty of time, so I am happy to yield 20 minutes, if I have that right.

The PRESIDING OFFICER. In the absence of the Senator from Mississippi, the request of the Senator from Colorado is granted.

Mr. HART. I thank the Chair.

Mr. President, I should like to address my remarks to the portion of the authorization bill which covers the Navy and the shipbuilding program.

As the Senate knows, the Navy has been the subject of a great deal of attention in our committee, in Congress, and among the press and the public at large in the last couple of months. In this Senator's judgment, this bill takes some very important steps to resolve what has become known as the Navy controversy in an efficient and effective way.

The first step our committee has taken is to fully recognize the importance of naval power for the United States.

The United States is by geography, by trading patterns, and by diplomatic commitments a naval power. In terms of geography, over 60 percent of our border is shoreline. Over 70 percent of our foreign trade goes overseas, not overland to Canada or Mexico. Our major allies in Europe and Asia must be militarily supported primarily by sea. In all, our position is very similar to Great Britain's in earlier years.

Today, our secure use of the seas is challenged by the rise of the Soviet Navy. This represents one of the most unexpected developments since World War II: the rise of the Soviet Union as a naval power. The challenge is very real: today the Soviet Union—traditionally a land power—has the world's largest surface and submarine naval fleets, the largest ocean research and fishing fleets, and one of the world's largest merchant marines, all supported by an extensive shipbuilding industry and technology base.

At this point, Mr. President, I ask unanimous consent to have printed in the RECORD a story which appeared in this morning's Washington Post, entitled "Soviet Pacific Fleet Worries Japan and United States." This article, taken from the London Observer, datelined Tokyo, indicates that Japanese and American military planners are deeply concerned about the continued buildup of the Soviet Pacific fleet.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOVIET PACIFIC FLEET WORRIES JAPAN AND UNITED STATES

(By Mark Murray)

TOKYO.—Japanese and American military planners are deeply concerned about the continuing buildup of the Soviet Pacific fleet.

Military sources in Tokyo say the quality and fighting capability of the Soviet vessels now roaming the Pacific and Indian oceans is leading to a serious strategic imbalance.

The Chinese are also deeply concerned about the threat, and are reported to be ready to tolerate an increased Japanese and even American naval presence.

Analysts in Tokyo say the Soviets are now using nuclear-powered submarines, their latest missile-carrying destroyers and a number of large ships, along with a sophisticated backup fleet of oilers and other supply vessels to keep the fleet at sea indefinitely.

The Soviet Pacific fleet has shown its flag over large expanses of the Pacific and Indian oceans. It has strayed toward Hawaii on occasions, and has just completed war games near the strategically located Japanese island of Okinawa which is a key American military outpost.

Before 1975, the Soviet fleet—one of four the Soviet Union maintains globally—exercised exclusively in the Sea of Japan, a narrow stretch of water between Japan and the Korean peninsula. But as the Soviets develop their interests in Africa, especially the areas that control access to the major oil suppliers in the Middle East, the Indian Ocean will assume more importance.

The Soviet Pacific Fleet has 750 ships, spread between three Far East ports. There are 10 cruisers, 125 submarines, at least 50 of them nuclear-powered, 80 destroyers, about 300 smaller fighting ships and a support unit of 240 vessels.

The supply ships are the critical element of the growing Soviet naval challenge. Only 15 years ago, there were only 95 supply ships, which kept the fleet well anchored to northern Asian waters. Now the fighting ships can range as far as Africa without having to rely on port calls.

With their growing commitment in Africa, the Soviets are reportedly strengthening the flotilla for regular patrolling off the Gulf of Aden. It has backup ports in Iraq, South Yemen and anchorages off the Seychelles Islands.

Japan is particularly concerned about this buildup because of the threat it poses to Japanese trade lifelines. Japanese industry guzzles so much oil that the country has a convoy of supertankers to carry the supplies from the Middle East. Tokyo is now working on a 4-month emergency stockpile with an eye to the Soviet ability to quickly sever the sea pipeline.

Despite a steady buildup of its navy, Japan would have no chance to protect its ocean-going merchant fleet in the event of war. Reliant on America for defense at sea, Japan is concerned at the thin spread of the U.S. Pacific Fleet over two oceans.

Admiral James L. Holloway, chief of naval operations, told Congress that the United States used to have overwhelming control of the Sea of Japan but that control now has been lost.

Mr. HART. Mr. President, the Soviets have based their strength on a fleet designed to their own needs—not a copy of ours, or a product of naval traditionalism, they have expanded on the World War II German concept of a submarine navy and taken advantage of relative improvements of submarine over antisubmarine technology. They have taken advantage of missile technology to deploy powerful anticarrier forces. They continue to stress new technologies and innovation. They have VSTOL carriers and aircraft at sea today, while our Navy debates this possibility for the 1990's.

Mr. President, our committee was not able to accept the view of the Defense Department that the United States should cut back our naval strength, and adopt what some have called a "continental strategy." We do not question the importance of our current commitment to NATO; but we are not exclusively a European land power. We are, for military purposes, an island, not a European land nation. We have global interests, which require adequate naval power to support them. NATO itself would be gravely at risk if the Soviet Union could obtain control of the sea.

For these reasons—the fact that the United States is by nature a sea power, the Soviet naval challenge, and the incorrectness of a "continental strategy" for the United States—it was necessary to increase the ship construction budget above that requested by the Defense Department. The Senate bill provides $5,602,700,000, which is $890,000,000 more than requested by the Defense Department. At the same time, it is $200,000,000 less than the shipbuilding budget last year.

If we examine each increase and reduction, it is clear that they are prudent, responsible, and necessary.

The aircraft carrier package: The aircraft carrier is currently the basis for the entire surface fleet. Its importance, plus the high cost of large carriers, makes it the most prominent item in any bill.

The committee believed that the Soviet naval challenge required an increase in aircraft carrier strength. The most difficult question was what kind of carrier or carriers to buy. There appeared before us three alternatives:

A *Nimitz*-class nuclear-powered carrier (CVN). It is a ship of 96,000 tons, with a cost of about $2.1 billion.

The second alternative is a medium-sized conventionally powered carrier (CVV), of about 65,000 tons with costs that are presently uncertain.

A third alternative, Mr. President, and one this Senator strongly favors, is the so-called light carrier. This carrier would be used for helicopters and VSTOL aircraft, would range somewhere between 19,000 and 25,000 tons. The cost for new construction of a 25,000-ton light carrier was estimated to be about $700 million.

Taking each of these alternatives in turn, we should examine both the advantages and disadvantages.

First of all, as to the *Nimitz* class, 95,000-ton, nuclear-powered carrier, it is, by Defense Department estimates, individually the most survivable of all the three types of aircraft carriers I have described. It certainly carries more aircraft than either of the other two alternatives. It has a proven design. We know how to build it and, roughly, what its cost will be. It also represents the lowest cost per aircraft space of the three alternatives.

At the same time, Mr. President, this large carrier has certain disadvantages.

First of all, we can only afford a small number of these carriers at a time when every individual ship of every type has become much more vulnerable.

Second, a nuclear-powered carrier is used to justify overly expensive nuclear escorts, which are not effective ships and not cost-effective investments.

Third, and finally, a large carrier is enormously expensive.

What about the middle-size option, the CVV, a conventionally powered ship in the 50,000- to 65,000-ton range?

With regard to its advantages, it supposedly will cost less than the *Nimitz*-class carrier. Current estimates are about $1.5 billion per ship.

But as to its disadvantages, first of all, those costs are highly uncertain. Given our recent experiences in naval ship procurement and the Navy's doubtful ability to control costs of new-design ships, particularly those in the past that have been nuclear powered, that number could easily rise and, in fact, might end up costing as much as, if not more than, the *Nimitz*-class carrier.

Also, since only one more large carrier of any type will be built, in all probability, there is no chance to amortize the high design and lead ship costs over a number of ships of this class in the future.

In addition, like the *Nimitz*, this ship is individually so expensive that we cannot afford adequate numbers of them. It represents a higher cost per aircraft space than the *Nimitz* and is less effective than the *Nimitz* because fewer aircraft can be carried on it.

With respect to the light carrier, this carrier, in my judgment, represents the only way to gain survivability by dispersing our aircraft onto more carriers. and the only way to avoid having all of our eggs in too few baskets. That is because it is the only ship which is inexpensive enough to be affordable in larger numbers.

In addition, it has other advantages. It is the best carrier for antisubmarine warfare, which is, perhaps, one of the biggest tasks our fleet will face in the future.

It obtains certain operational advantages from V/STOL aircraft. They can operate at higher sortie rates. They do not need intact decks.

In addition, we can build this ship in more shipyards, thus avoiding some shipbuilding problems.

Of course, it has disadvantages, as well.

It is individually less capable than the *Nimitz*, or the conventionally powered, middle-sized carrier, the CVV, and because the V/STOL aircraft are not equal in performance to the F–14, it is a complement to big carriers rather than a short-term or mid-term replacement of them.

Mr. President, what our committee has done is adopt a carrier package. We have taken no single alternative of those which I have outlined because we found none of them by themselves adequate. But we have adopted a combination which we felt was clearly necessary: That is, the construction of one more of the large *Nimitz*-class carriers, plus rapid movement ahead on a light carrier program which, in my judgement, is absolutely necessary for the Navy.

The committee approved and recommends to the Senate construction of the final *Nimitz*, the final large carrier. The cost, as I have already indicated, is just under $2.2 billion, of which over $268 million is prior year funding.

It also recommends a conversion of one LPH amphibious ship to a light carrier, at a cost of $45 million in the fiscal year 1979 authorization.

It also authorizes long lead of $70 million for an LHA, a large amphibious ship. This ship will make up the amphibious lift short fall caused by the conversion of the LPH.

Finally, there is research and development funding for a new design light carrier at the cost of $25 million.

The conversion of an LPH amphibious ship will give us our first light carrier very soon, in about one year, or no more than two. The needed near-term improvement to the fleet's carrier capability represented by this ship is substantial and, as I said before, our committee supports that.

The additional procurement, long lead, of $70 million for an additional LHA is needed to make up for the cut in amphibious lift. It should permit the conversion of a second LPH to a light carrier when the LHA enters service.

The light carrier research and development will hopefully permit authorization of the first new construction light carrier next year.

I would note, Mr. President, that as to cost effectiveness of the LPH conversion and construction of an additional LHA, for a total of $860 million we will get two light carriers, $430 million apiece, against $700 million for new construction ships, plus modernization of amphibious lift in the form of the one additional LHA. This approach will also give us these light carriers in service much sooner.

In summary, Mr. President, the committee action was not merely to approve one more large carrier, but to adopt a package, and our action represents a real beginning of alternatives to the large carriers.

With regard to other ship construction, particularly our strategic nuclear submarine program, the committee has deferred action on an additional Trident for a reduction of $1.2 billion.

We did so because delays in the construction of Tridents already authorized make initiation of construction of this requested boat impossible in fiscal 1979.

In addition, the committee added $16 million to begin concept and design studies for smaller, less expensive nuclear submarines.

Our report states as follows:

> The objective of this program is to investigate the feasibility of replacing some of the Polaris/Poseidon submarines with an SSBN which would have a lower initial acquisition cost than the Trident.

This, of course, could result in substantial future savings for the American taxpayers.

With regard to the attack submarine program, the committee approved the Defense Department request for one nuclear-powered attack submarine of the SSN–688 class, for a cost in fiscal 1979 of $411,400,000.

Recognizing that the very high cost of the SSN–688's will make it difficult to maintain adequate numbers of submarines, the committee acted to create future options. Our report states as follows:

> The committee is concerned that the high cost of the SSN–688 class attack submarine, coupled with probable fiscal constraints, will cause a decline in the submarine force level as older attack submarines are retired at the end of their service lives. If the submarine force level is to be maintained, it would appear necessary to adopt a "high-low" mix approach to the attack submarine force, in which SSN–688 class submarines are complemented in some missions by less capable, less expensive submarines.
>
> Therefore, the committee requests the Navy, in cooperation with the Office of the Secretary of Defense, to prepare and submit to the Congress no later than February 1, 1979, a comprehensive study and evaluation of all options and alternatives for maintaining an attack submarine force level of not less than 90 submarines. This study shall include evaluations of lower cost lower capability nuclear propelled submarines and the use of non-nuclear submarines for some missions, in combination with submarines of the SSN–688 class. The question of the impact of various options on submarine building capacity should be addressed.

Mr. President, this study could permit a far more effective submarine program, building more submarines at less cost per sub. If the nuclear power advocates in the Navy do not turn this study into a justification for current approaches to nuclear submarine construction, a possibility which I think the Congress and our committee must guard against, then I think this study could prove very useful to the Senate, helping us determine which way we should go in terms of construction of more submarines in the future.

Mr. President, with regard to the action of our committee on escort ships and support ships, our committee approved the Navy's request for eight FFG–7 class frigates, plus some support ships, the major one being a destroyer tender.

My own view on this is to question the effectiveness of the FFG–7 class. It is materially slower than modern Soviet nuclear attack submarines. It has very short-range sonar. Its antiaircraft capability is adequate only for self defense, and its only effective systems seem to be the two LAMPS ASW helicopters.

I believe we need new approaches to escort ships: small aircraft platforms, surface effect ships, and hydrofoils. I find continuation of the traditional frigate program a major disappointment and a major example of the absence of needed new thinking in the Navy and the Defense Department.

Mr. President, the committee took these other actions with regard to the Navy:

In report language, we urged the Navy to examine a series of new concepts and technologies to provide more effective

forces at reduced costs, especially in relation to support forces.

We have urged revision of Navy ship design procedures to reduce changes in ships under construction, thereby reducing shipyard problems and cost overruns.

We have urged a review of the whole ship acquisition process, and we set up a special commission of outside experts to review shipbuilding policies and procedures.

In total, Mr. President, the committee recommendations provide a positive, forward-looking response to the Soviet naval challenge. It is not a whitewash of inefficient Navy practices and outdated Navy concepts. It represents a real move forward on key fronts, including V/STOL carriers, less expensive submarines, and less costly support ships.

I urge the Senate to follow the committee's recommendations in this regard.

Mr. President, I yield to the committee chairman.

Mr. STENNIS. I yield myself 1 minute.

Mr. President, I appreciate very much the remarks of the Senator from Colorado. He has labored long and faithfully on this bill and has brought some fine ideas to it. I did not hear his entire speech, but I am going to read it.

Mr. President, I also commend and thank the Senator from New Hampshire for the fine work he has done on the bill. He has given an accounting of his stewardship as well as that of the other members of the fine subcommittee which has rendered the Senate far more service than is generally realized. There are billions and billions of dollars here in research and development that has been gone into almost microscopically. I do not think that is done in any other subcommittee in Congress, although work is done on it, of course, in addition to this subcommittee. Year after year, it has proved of tremendous value.

Mr. President, is the Senator from Nevada ready to proceed now?

Mr. CANNON. I am.

Mr. STENNIS. I yield to the Senator from Nevada.

Mr. CANNON. Mr. President, today I will report the recommendations of the Tactical Air Subcommittee, as approved by the full committee, on the programs in the fiscal year 1979 budget request that are in the scope of our subcommittee's purview.

That scope is unchanged from a year ago. We review the tactical aircraft programs, which in Tac Air divide into "combat" and "combat support" aircraft. The combat aircraft are the air superiority fighters (F–14, F–15, F–18), the all-weather attack planes (F–111, A–6E), and the light attack dive bombers (F–16, A–10, A–18). The combat support airplanes fill five functions: radar warning and control (E–3A AWACS, E–2C), electronic warfare (EF–111, EA–6B), reconnaissance (RF–4C, RF–14), aerial refueling tankers (KC–135, KA–6D), and airlift (C–130, C–2A, or US–3A). The last category, airlift, we review only from a force structuring standpoint; the procurement of tactical airlift programs is under the cognizance of the General Procurement Subcommittee.

Other programs that we examine are the Army's combat helicopters; the attack helicopters and scouts. We also look at tactical electronic warfare and reconnaissance/electronic intelligence programs; air-to-air missiles, air-to-ground ordnance, and surface-to-air missiles for the Navy's shipboard air defense and Army air defense—except for SAM–D/Patriot and Roland, which the R. & D. Subcommittee reviews. Finally, we cover the Navy V/STOL R. & D. program every year as a natural adjunct to our combat and combat support program.

How do we accomplish this? This year we held 11 hearings, starting March 3 and ending on April 12. We began with our annual DIA update on Soviet tactical air force structure, modernization, and R. & D. Also included this year were a look at the Middle East area air order of battle and capabilities, and also the Soviet *Kiev* carrier progress in the last year. I believe that all of us are generally familiar with the pace of the Soviet tactical air modernization programs, where they are building Mig-25 Foxbats, SU–19 Fencer all-weather bombers, and SU–17 Fitter C swing wing ground attack bombers at an annual total production of about 1,100 airplanes. Also the Mig-21 still is in production in its latest version, the Mig-21N for air superiority air defense.

The *Kiev* carrier is still in a shakedown status, as the Soviets experiment with carrier aviation. The YAK–36 Forger V/STOL aircraft, roughly equivalent to the AV–8 Harrier, is operating off of this carrier and is more in a testing phase than what we would consider to be in a fully operational status. Nevertheless, the Soviets are demonstrating progress with their at-sea operations with the *Kiev*, as they operate under progressively more realistic operational conditions.

TACTICAL AIR FORCE STRUCTURE

Looking now at our own Service force structures, there are no significant changes since last year. The Air Force still is projecting a build-up to 26 fleshed-out wings, or 26 times 72 U.E. (1872 U.E. total) operating tactical fighter aircraft. This year, as last, the U.E. will be 1680; a force structure increase has been delayed 1 year due to diverting aircraft to the Guard/Reserves for more rapid modernization, according to Air Force testimony.

The Navy force structuring is based on 12 carriers operating 12 carrier air wings. Each carrier air wing operates 24 fighters, 24 light attack planes, 10 to 12 all-weather heavy attack planes, 4 radar warning, 4 ECM, 3 reconnaissance, 4 tankers, 16 ASW aircraft and helicopters, and some airlift for a total complement of about 90 planes per carrier. Marine air force structuring is based on 3 air wings to support the 3 ground divisions. The Army Tac Air Force structure is based on providing attack helicopters to each division, on the basis of 21 AH–1S per attack helicopter company or 9 per air cavalry troop, with the companies and troops allocated to the divisions on varying bases.

In summary, this year's procurement program works toward filling out the modernization of existing force structures, and not additions to the basic force structure. The Air Force is buying F–15's, F–16's, and A–10's in the combat aircraft category, buying E–3A AWACS radar warning planes, and modifying EF–111 support jammers in the combat support category. The Navy is buying F–14's, F/A–18's, and A–6E's in the combat aircraft category and E–2C radar warning and EA–6B support jammers in the combat support category. The Army is buying new AH–1S attack helicopters and modifying old Huey Cobras to the AH–1S TOW missile-firing configuration. Most of these programs appeared satisfactory to the subcommittee; I will comment later on where we recommend changes to the budget program as submitted.

AIR-TO-AIR MISSILES

Turning now to the air-to-air missile program, I can report that this is an area which we feel is in reasonably good shape at this point in time. The AIM–9L version of the Sidewinder dogfight missile has had excellent test results and will be in volume production to fill inventory shortfalls under the current budget plan. A product improved model, the AIM–9M, now is in development and will be ready for production in fiscal year 1981. The medium-range Sparrow is progressing well, with the improved monopulse version scheduled to enter production in the second half of the fiscal year 1980 buy. There have been some production problems with the current AIM–7F that have slowed deliveries but these appear resolvable. Finally, the improved and more reliable Phoenix long-range missile is well on its way. Overall it is a very encouraging picture.

Let me dwell for a moment on the Aimval-Aceval tests that were run in 1977 at Nellis to test future missile concepts. The press has reported that these tests showed that small, simple, unsophisticated airplanes (F–5E's in the test to stimulate Mig-21's) were as lethal as F–14's and F–15's when armed with a good dogfight missile (the AIM–9L). We called the pilots who flew these tests up to testify before the subcommittee, and they reported that those reports are not correct. The F–14 and F–15 defeated the threat by about a 2–1 margin in Aceval, the tests using actual fighter tactics, and the pilots said that the winning margin was due to the radar weapons system—the radar and Sparrow missile—in the F–14 and F–15. They also said that the tests were not representative of real combat in their opinion, due to artificialities of the test scenario, and they felt that wartime kill ratios would be even higher in favor of the F–14 and F–15. The pilots also reported that they believed that Aimval-Aceval had been well worth the roughly $40 million cost because it had identified problems with the F–14 and F–15 that should be corrected and also had demonstrated the need for an AMRAAM missile to replace the Sparrow series as well as leading to a joint operational requirement for a Sidewinder follow-on.

AIR-TO-GROUND WEAPONS

By contrast the air-to-ground weapons programs are nowhere near as prom-

ising. In this modern era of cruise missile technology, the services have not been able to define an operational requirement for an overland, powered, standoff air-to-surface missile. We have the PLSS system in development for the Air Force to provide fast and accurate emitter locations and give missile guidance, yet the only standoff weapon now in development to strike those targets is the GBU–15 glide bomb. This has limited range and in addition is slow and presents a large radar target to the defenses. Yet there is no defined program at this time to correct this very apparent deficiency.

EF–111

The EF–111 is the Air Force's high-powered tactical support-jamming airplane. Its mission is to jam enemy radars from either a standoff or a penetrating mission profile. The resulting confusion and degradation in the enemy's radar command and control networks allows tactical aircraft a better chance to penetrate enemy SAM envelopes and still survive. The EF–111 has been found to have a synergistic defense suppression effect when combined with Wild Weasel SAM-killing airplanes. A high-powered support jammer of the EF–111 type is an absolutely mandatory part of a modern strike warfare team.

Unfortunately, the Air Force reported to us a major overrun for the production phase of this program when we reviewed this year's budget request. The production cost had increased from $592 million up to $902 million for a $310 million or 60-percent increase. A small part of this was due to adding 2 more production airplanes to the program, increasing the total buy from 40 to 42 planes. Nevertheless, the bulk of the increase was due to woefully inadequate cost estimating by the Air Force. When we looked into the reasons for this during our hearings, it was brought out that the Air Force program manager at Wright Field had done an early cost estimate based on parametric cost techniques and had not updated his early estimate during the course of the R&D program. The Air Force had not done any independent analyses of the EF–111 costs. The basic cost errors finally were discovered when the Air Force did do an independent analysis, one made outside of the program manager's office.

This is but another example in a series of mistaken estimates by Air Force program managers in the last few years, the F–15 and F–16 being two pertinent examples. It seems apparent that a change in cost estimating methodology needs to be made within the Air Force, such that centralized and independent cost estimating teams are allowed to price out these major programs, rather than vesting the responsibility solely in the program office.

Despite this major cost increase, we still are recommending that this program move forward. The flight testing has shown it to be a very excellent jamming system. Although expensive at roughly $20 million per copy, the EF–111 total program still is less costly for the Air Force than if that service bought the Navy's comparable EA–6B jamming airplane, and the EF–111's speed and performance are more suited to Air Force mission needs. I am informed that a major effort within the Air Force to reduce this cost growth already has resulted in a reduction of $40 to $50 million in the total program, and we encourage efforts to reduce the cost still further.

NAVY FIGHTERS

The committee's recommendations on the Navy fighter programs, the F–14 and F–18, reflect a concern with the inadequate procurement rate for both of these airplanes. We have recommended an increase in procurement of the F–14's to maintain their production rate at 36 a year, rather than decreasing down to 24 a year as proposed in the budget. For the F–18 we are recommending holding procurement at the originally planned rate of 9 this year and 30 in fiscal year 1980, rather than the proposed halving of that rate down to 5 and then 15.

The Navy's combat support airplane programs and inventories are in reasonably good shape (E–2C, EA–6B, and KA–6D), and the A–6E inventory requirement is filled, but it is important that the fighter modernization program proceed at a satisfactory rate. The Navy and Marines should be replacing their F–4's and A–7's as rapidly as possible in the 1980s, as both of these planes are not up to modern combat capabilities.

We also have recommended that the Navy reexamine its mix of F–14's and F/A–18's planned for the aircraft carriers. Current planning is based on having 6 of the carriers equipped with 24 F–14's (two 12-plane squadrons) and the other 6 being equipped with 12 F–14's and 12 F–18's. In addition, all 12 of the carriers would have 24 A–18's dedicated, or at least designated, as attack planes. We see two shortcomings to this planning. First, there should be an equal quantity of F–14's on each of the 12 carriers, since they all face the same basic threat and have the same basic air defense requirement. Second, the F–18 and A–18 are an identical airplane with an excellent air-to-air capability to complement the F–14. Therefore, we have recommended that the Navy reexamine the issue of what would be the optimum mix of F–14's and F/A–18's for each carrier, giving consideration to the complementary character of these two excellent airplanes.

F–18 PROGRAM

Mr. President, the F–18 program is making excellent progress and promises to deliver an outstanding fighter-attack airplane to replace the Marine Corps' F–4's and the Navy's A–7's. We heard testimony in this year's hearings from three pilots who flew the F–18 prototype and all gave glowing praise to the potential for this airplane. A Navy attack pilot said it was a quantum improvement in performance over the A–7E and in his opinion would be much more survivable because of this improved performance. A Navy fighter pilot and a Marine fighter pilot both flew it against Navy F–14's and defeated them handily in close-in dogfighting combat.

Mr. President, I ask unanimous consent that the pilots' testimony and their flight reports be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CANNON. Mr. President, despite excellent technical progress, the F–18 program apparently will suffer an overrun in the fiscal year 1979 first production run for nine airplanes. The committee staff was informed by the Navy in May and June of this overrun, with the Navy's initial estimate that it was $95 million. The Navy program management subsequently has identified a series of cost savings and some equipment deferrals that reportedly can reduce this overrun to $8 million in fiscal year 1979. The Navy still is analyzing the proposal from the prime contractor, McDonnell-Douglas, to determine the causes of this overrun, but the Chief of Naval Operations has written me that the eventual program increase will be less than 2 percent. While any increase is deplorable, and I certainly encourage the Navy to attempt to hold the F–18 program within cost, we do not have any further definitive information at this time and will not apparently until the endof this month. All in all, considering the excellent technical performance of the F–18, a 2-percent cost growth does not appear to be adequate reason for terminating this program.

NAVY V/STOL

A final area I will discuss today is the Navy's V/STOL program. We held a comprehensive review of this program in a hearing on April 12, which in my mind reinforced the warning that I have given in prior years: V/STOL is no panacea. Let me review the salient findings from that hearing.

First, the Navy has experimented with sea-based V/STOL using Marine Harriers on the carrier *Roosevelt* for a 6-month Mediterranean deployment in late 1976 and early 1977. Those tests demonstrated significant operational flexibility advantages for V/STOL aircraft as compared with conventional (CTOL) airplanes. The Harriers were able to takeoff from the *Roosevelt*'s angle deck with a short take-off run, but without catapult assist. This was a much faster operation than the catapult launching process for CTOL planes.

Also, the Harriers landed vertically and basically could pick any empty spot on the deck, as opposed to requiring the angle deck to be completely open as with the CTOL's, the F–4's, A–7's, and other planes in the *Roosevelt's* air wing. This flexibility divorced Harrier operations from the rigid launch-and-recovery cycle of the CTOL aircraft, where the ship has to steam into the wind once every hour and a half to allow planes to take off and land.

The Harriers also demonstrated the capability to land on helicopter ships, the LPH *Guam* and LPD *Trenton*. These ships were not equipped with spares, support equipment, or ordnance for the Harrier's so these were merely demonstrations of a "cross-decking" capability. The Harriers also were transferred, along with spares and support, to the

U.S.S. *Guam* to participate in an air show at Nairobi, Kenya.

These operational flexibility advantages of V/STOL must be weighed against some very practical disadvantages and constraints that were brought out in our hearing. First of all, V/STOL designs inherently pay a penalty in size, weight, and cost as compared to CTOL airplanes of equal operational capability. For subsonic airplanes, this penalty is on the order of 50 percent in weight and 30 percent in cost. For supersonic fighter airplanes this penalty is on the order of 20 percent in weight and 40 percent in cost. These new figures are more pessimistic than those used in the recent carrier study and represent more recent information.

Another factor explored in the hearing is that the Navy has not defined an operational concept for using V/STOL in the fleet. One of the early ideas was that V/STOL airplanes would be dispersed over a wide number of ships, operating off destroyers' and cruisers' helicopter landing platforms as well as small VSS carriers. These ships would be spread out over loose formations covering several hundred miles in order to make an enemy's targeting problems more difficult. On the other hand, these dispersal concepts would create severe logistics problems in supporting the V/STOL airplanes on the smaller ships, and in addition some Navy analyses have indicated that spreading out the ship formations makes them vulnerable to rollback tactics by an enemy, who can pick off the ships one by one because they no longer can give mutual overlapping self-defense fire support from their SAM missiles.

Another problem area discovered by the Navy is that the V/STOL type A subsonic airplanes originally were envisioned as being a single basic design to do the missions of ASW, radar warning, aerial refueling tanker, Marine assault, and airlift, but it was found that there was a severe weight and size penalty from attempting a multimission design. A single type A does not appear practical, although further study is desired by the Navy.

The original V/STOL design studies that caused the early enthusiasm have been determined to have been way too optimistic. Whereas in 1975 it was thought that a V/STOL A would weigh 35,000 pounds, current estimates are that it will be between 45,000 to 50,000 pounds. These larger sized aircraft are too big to fit into a helicopter hangar on a destroyer-sized ship (DD-963), which raises further questions about the overall concept.

In summary, we recommend that the Navy continue the V/STOL, study plan as outlined to the subcommittee in the hearing, and the Navy should be provided with funding to obtain aircraft industry design studies of V/STOL, and CTOL alternatives, in fiscal year 1979. These should help to resolve the issues of what is the V/STOL operational concept, is it cost-effective, and is it technically feasible? We are recommending that these industry studies come after the initial Navy in-house studies, rather than concurrently as was planned. Also, we recommend a funding of $50.4 million in fiscal year 1979 as opposed to the $72.4 million requested. This level of funding should help resolve the basic questions about V/STOL before any expensive prototype program is started.

SUMMARY

In summary, I believe we have reviewed this budget request carefully. We have recommended several significant additions in funding to speed modernization of the tactical fighter/attack inventory. At the same time we have identified significant areas of savings. On balance I believe we have proposed a responsible budget recommendation.

Mr. President, I ask unanimous consent that the Tactical Air Subcommittee's summary be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

TACTICAL AIR SUBCOMMITTEE SUMMARY

1. A-4M, $116.9 million.

The budget request is for $116.9 million for 18 aircraft. This is the first of a four-year buy of 72 A-4Ms and will require restarting the production line for this airplane. OSD added this procurement to offset the effect of their delay of the AV-8B Harrier development and production program. It is recommended that this procurement be deleted if the AV-8B program is accelerated.

2. ALQ-131 PODS, $61.5 million.

The budget request is for procurement of 100 ECM PODS. Due to technical problems in the OT&E tests, the FY '78 production contract has slipped to the second quarter FY '79, and the FY '79 buy will slip to FY '80. This request can be deferred to FY '80.

3. Maverick Missile, $7.6 million.

The budget request is for $34.5 million for procurement of missile launchers and depot overhaul equipment. The depot overhaul equipment is not needed until shelf-life problems occur with the missiles now in storage. At this time there is no evidence of such problems. It is recommended that the $7.6 million for depot overhaul equipment be deferred. (The full R&D requests is recommended for approval.)

4. Sparrow Missiles, $24.7 million.

The Air Force request is for 1600 Sparrow missiles for $134.9 million. This quantity represents an increase over last year's planning figure of 1300 missiles. Since the improved Monopulse version of Sparrow will be ready for production in the last half of FY '80, it is recommended that the production of the current version be held to last year's planned quantity of 1300.

5. Navy V/STOL, $22.0 million.

The budget request is for a total of $72.4 million. This year's hearings have shown that the Navy has not yet defined an operational concept for V/STOL and also has not demonstrated that V/STOL is cost effective. Studies planned for calendar 1978 will attempt to resolve these questions. Funded contractor analyses of V/STOL designs, and CTOL alternatives, will slip at least three months during the year.

6. AV-8B, +$87.4 million.

Budget request: P.E. 6.3211, $50.0 and P.E. 6.4214, $35.6.

The request is for $85.6 million for R&D on the AV-8B. The Marines had requested $173.0 million, but funding was halved by OSD. It is recommended that the AV-8B be fully funded, provided the prototypes meet the required performance goals, and the A-4M be deleted. No funding is recommended for the AV-8B+ version.

7. A-6E, —$18.2 million.

The request is for $167.9 million for 12 A-6Es, $6.3 million for initial spares, and $18.2 million for advance procurement for 12 A-6Es in FY 80 (total amount $192.4). The Navy's inventory requirement is for 310 A-6Fs. When the A-6Es bought in FY 1978 are delivered, the Navy will have approximately 330 on hand and will be storing some in the desert. Since annual attrition is 5 to 6 planes, the recommendation is to buy the 12 planes in this request as an attrition reserve but delete advance procurement for FY '80. The recommendation will be to shut down the A-6 line and restart when annual losses have depleted the attrition reserve.

8. Single Seat Attack, —$19.0 million.

The request is for $11.9 million in P.E. 6.4709F and $10.0 in P.E. 6.32499F, to develop a night attack FLIR pod for the F-16 and A-10. The A-7E already has a FLIR pod in production, and the Navy has a second generation FLIR pod in development for the F-18. The recommendation would provide $2.9 million for the Air Force to join the F-18 pod program and adapt the F-18 FLIR pod for its use.

9. Navy/Air Force Dogfight Missiles, —$6.2 million.

The request is for $12.0 million, $6.0 million each for the Air Force and Navy, to begin development of a new missile to replace the Sidewinder. It is recommended that each service be provided $1.0 million to support basic R&D as recommended in Aimval/Aceval testing. Also the Sidewinder product improvement is underfunded by $3.8 million in FY 79, and $3.8 million should be added to the AIM-9L product improvement program.

10. Navy Shipboard Missiles, —$17.4 million.

There are four programs included in this category. It is recommended that the SIRCS program request of $14.5 million to develop a new missile, radar, and fire control system be reduced by the $4.9 million associated with developing a new missile (AMRAAM commonality should be pursued). It is recommended that the Long Range Dual Mode missile request of $8.1 million be reduced by $6.0 million, as the system concept needs more study before major funding is provided. It is recommended that the NATO Sea Sparrow request of $8.0 million be reduced by the $2.5 million associated with developing a new warhead. It is recommended that the Standard missile improvement request of $49.1 million be reduced by $4.0 million, which apparently is not needed in FY 79.

11. A-6E Radar Improvement, —$1.1 million.

It is recommended that the request for $1.1 million to develop a new radar and stand-off missile guidance be deleted. This program would cost $117 million, and there is no associated missile system under development or planned.

12. RPV Developments, —$7.2 million.

The request is for $14.2 million to support 6 RPV R&D projects. It is recommended that the $3.8 million for the Harassment drone and the $3.4 million for the Near Real Time Reconnaissance demonstration be deleted. The Harassment drone, a defense suppression weapon, was deleted last year because of questionable operation value. The FRG has supported the project in the interim and could fund the whole development program (particularly since the Germans do not buy other defense suppression systems such as F-4G Wild Weasel, EF-111, and PELS). The Near Real Time Recce demonstration would add a Flir-type sensor and a data link to an RPV to show a capability similar to the RF-4C Pave Tack real time reconnaisance system. The value of the latter is the man-in-the-loop operator of the Flir sensor, which would not be present in the RPV.

13. E-2C Radar, +$5.7 million.

The request is for $0.7 million to begin a product improvement program for the E-2C.

The original budget program was for $6.4 million, but OMB cut $5.7 million in the December 1977 last-minute budget reductions and essentially slipped the program a year. The primary effort is for a new "low side lobe" antenna, which will increase the ECM resistance of the E–2C. It is recommended that the program be restored to the original schedule.

14. F–18, +4 aircraft, +$159.0 million.

The request is for 5 production airplanes for $311.2 million, advance procurement of $38.6 million for 15 F–18s in FY 1980, and R&D of $473.6 million. The program schedule last year was for 9 F–18s this year and 30 in FY 1980, but it was reduced during the variations in the budget cycle in the Fall of 1977. The R&D program was reduced $25 million in the December 1977 budget scrub. It is recommended that the program be restored to the original schedule directed by Congress last year. This adds $117.6 million for 4 F–18s, $16.4 million advance procurement to support 30 in FY 1980, and $25.0 million in R&D for a total of $159.0 million.

15. F–14, +4 aircraft, +$59.7 million.

The request is for 24 F–14s for $524.0 million plus advance procurement for 24 in FY 1980 for $108.2 million. The F–14 production line will run at a 36 per year rate after the last Iranian F–14 is delivered (FY '76 funded) until the FY 1979 buy reduces the rate to 24. Since 8 F–14s were added last year (44 total), it would be possible to combine those 8 with 4 funded this year and maintain F–14 production at 36 for another year. It is recommended that 4 more F–14s be funded for an additional $59.7 million, and that advance procurement be increased by $37.4 million to support 36 F–14s in FY 80.

16. Wide Area Attack Munition, —$20.5 million.

The request is for $26.0 million for R&D on the WAAM, an air launched tank killing munition intended to destroy multiple targets per pass. The level of funding in FY '78 is $5.1 million, a 7% addition is recommended in FY '79 to $5.5 million. The requested level of effort represents too extreme an increase in funding for a project where the technology is still under development and the operational concept has not been defined. (Note that there is $21.0 million in other program elements to support technology advancement which has not been reduced.)

17. GBU–15, —$12.0 million.

The request is for $26.0 million to continue development efforts on various versions of the GBU–15 glide weapons. The planar wing weapon in particular has experienced development problems and production has been delayed indefinitely. The level of funding requested has not been adequately justified; a reduction of $12.0 million is recommended.

18. Air Defense Suppression Missile, —$5.0 million.

The Army requested $5.0 million to begin development of a new seeker for the Hellfire missile, one which would give a launch-and-leave capability. The total development cost is estimated as $120 million, and the Army has not yet selected the operational concept or guidance mode to be used. It is recommended that the request be deleted.

19. FAC–X, —$1.0 million.

The request is for $1.0 million to begin development of a new FAC airplane. Due to questionable survivability of FAC aircraft on the modern battlefield, it is recommended that this request be deleted.

20. Common NATO Munitions, —$17.2 million.

The budget request is for $20.2 million for two projects. $10.3 is for a demonstration of anti-armor systems of the WAAM/Assault Breaker type. It is recommended that this be deleted. The other project is for $9.9 million for NATO munitions development. $3.0 million for Certification of NATO Weapons appears to be justifiable; the $5.0 million for the 30mm gun pod and $1.9 million for Skyflash testing are recommended for deletion.

21. TA–7D, +21 airplanes, +$194.6 million.

The Air National Guard has requested funding for a program for 42 two-seat TA–7Ds. Twelve would be for the initial pilot training squadron and 30 would be provided, two per squadron, to the 15 A–7D units. This addition would provide the first increment of a two year buy of 42 TA–7Ds.

22. Vulcan Phalanx CIWS, —$55.7 million.

The budget request is for 45 CIWS radar-guided machine guns for shipboard defense against cruise missiles, for $109.3 million. The delivery period for these systems stretches six months into the FY 1980 contract period, and 26 of the units could be funded next year. The reduction defers funding these units until next year.

23. TENCAP, —$17.7 million.

The budget request is for $37.3 million to continue development of this Army program to make intelligence data available to field commanders on a more rapid basis. The Intelligence Committee recommends a reduction of $17.7 million this year and the Tactical Air Subcommittee concurs with this recommendation.

24. NATO AEW.

The budget request is for $10.0 million for R&D on the NATO AWACS program. It is recommended that the request be approved but that restrictive language be added in the bill, similar to last year, to provide that the funds may not be spent unless at least one other NATO country agrees to buy AWACS.

EXHIBIT 1

F–18 PILOT TESTIMONY

Admiral TURNER. All right, sir. We are very pleased with the progress on the F–18. The Marines and the Navy are planning intensely right now to introduce the airplane jointly. We have today with us three young men who have flown the prototype recently. I thought you might appreciate hearing a few comments from people who have flown it. We have three officers, one an attack pilot, one a Marine pilot, one a fighter pilot. I am sure the Marine would say he is both a fighter and an attack pilot.

First, Commander Coward, to be followed by Lieutenant Commander Morgenfeld, and followed by Major Lucas.

Commander Coward?

ATTACK PILOT BRIEFING

Commander COWARD. Good morning, Mr. Chairman. I flew the aircraft last August from Edwards Air Force Base. I am an attack pilot, and my charter when I flew the aircraft was to exercise it in the air-to-ground arena. Consequently I did little to no air-to-air work.

I found it overall to be an outstanding aircraft. To start with, the flying qualities are such that it produces a high confidence level more rapidly than any aircraft I have flown—and I have flown just about everything the Navy has. After about 15 minutes in the air on the first flight, devoting a large portion of that to high angle attack, stall type testing, you rapidly feel that you can take the aircraft any place and do just about anything with it, which is a unique feeling that I have never experienced before.

That also translates directly to the ease of pilot training, particularly with your young pilots, whose confidence will be—should be outstanding, and it also should translate directly to safety of flight in that an aircraft that handles like that and has the benign stall characteristics of this one which we have not had in previous generation aircraft, is going to be lot less prone to pilot error accidents.

I noticed very minimal problems in any flying qualities, all of which have been addressed in the translation of the YF–17 to the F–18 design, and I don't foresee any problem there. It is a superb handling aircraft, and I guess that wraps it up from that standpoint.

The performance levels, to me, were almost mindboggling compared to aircraft I have flown before. When I initially started flying it, I quickly discovered that I was flying tactics and maneuvers, missile evasion maneuvers, dive bombing maneuvers, low-altitude ingress maneuvers, pop-up deliveries, et cetera, that we are using today. I am an A–7 pilot right now, and I rapidly learned that I was degrading the airplane with my own carryover of old air tactics to the new aircraft. The greatest problem I had in the three flights was finding how far I could go in the development of new ideas and ways to efficiently use the airplane.

I flew it twice with no bombs on the aircraft. The third flight I flew it with two 2,000 pound bombs, 4,000 pounds of external stores, and the degradation in performance, I felt was minimal. Basically, the aircraft opened up a whole new arena of tactics and applications which I think are going to greatly increase survivability of the aircraft in the fleet. They say in the fleet "speed is life," and it would be very nice to have an aircraft that has the kind of performance that you feel you can go into that kind of combat arena and come back out again.

F/A–18 COMPARISONS WITH A–7E

Senator CANNON. How much flying time have you had in the A–7E?

Commander COWARD. About 1,400 hours, sir. I have been flying it for about 4 years.

Senator CANNON. And when you flew this prototype with the 4,000 pound bomb load, how did that compare with the A–7E?

Commander COWARD. There is no comparison. It is an order of magnitude better in this area.

Senator CANNON. Does that include all areas, speed, rate of climb, maneuverability?

Commander COWARD. Yes, sir. It is like night and day. That is the thing that I was most impressed with about the aircraft. You just don't see the performance degradation that you see in the A–7E. There are certain areas in the A–7, it is a fine machine and I really enjoy flying it, but when it is really loaded down with ordnance, your maneuverability is really restricted, and you are pretty much committed to pointing your nose at where you want to go and take your lumps. This aircraft, I think, will give us the agility and acceleration and pop-up capability, et cetera, that will really make us competitive in the future arenas.

Senator CANNON. Do you think that will also contribute markedly to the survivability of the aircraft?

Commander COWARD. I would certainly hope so, sir. The answer to that question is yes. Any kind of performance is going to equate directly to survivability. We will be able to do things with that aircraft that we would like to do but just cannot do.

INTERNAL FUEL IN F/A–18

Senator CANNON. There has been some criticism leveled at the A–18 by some that it should have another 2,000 pounds of internal fuel. On the other hand, a single 300-gallon drop tank will carry that much fuel also.

What is your feeling on that?

Commander COWARD. I think any attack pilot would like to have almost unlimited fuel because we translate fuel directly to range. I think the overall impact of that on two different kind of airframes would probably do us a disservice in the future. I feel that the aircraft without external fuel will have a range comparable, equal, probably, with the A–7, and with the carriage of a single centerline, that we could extend the

range further, and that would be a tradeoff we could make. Obviously to carry anything external, that is one less store you have for weapons carriage. But even with that, I am happy with the range, and I think we will be able to use the aircraft very nicely.

AFTERBURNER USAGE

Senator CANNON. Would you anticipate the need to use the afterburner on the production A–18, or do you feel that the performance should be adequate so that it will not be required in most cases?

Commander COWARD. I would anticipate that in the vast majority of cases, sir, that in the attack role, that we will probably not use the afterburner. I like having it there in the event that we do need it for some kind of a last ditch maneuver or missile evasion or presuming that you were to jump an enemy fighter or something, but in the course of a normal mission I don't think that we would use it. In the three flights that I flew, I made one afterburner takeoff just to check the difference between that and intermediate. At no time during any of the dive bombing or any ingress runs, or missile evasion maneuvers did I use the afterburner. It was comforting to me to note that I didn't have to, to get the performance that I wanted.

FLEET ATTITUDE TOWARD F/A–18

Senator CANNON. What is the current overall attitude of the current A–7 pilots as to the A–18?

Commander COWARD. I think it is very positive, sir. I was on the advisory panel for the aircraft for 18 months and was the operations officer in a readiness training squadron on the west coast, and I have had the opportunity to speak to almost all the pilots on the west coast. I recently transferred to the east coast. And the gents that I have talked to were very enthusiastic about the aircraft and are looking forward to its arrival.

AIRCRAFT PERFORMANCE COMPARISONS

Senator CANNON. We have from your tests a table showing A–18 performance under certain conditions. I wonder if it would be possible for you to make that a comparative chart, a side-by-side on that for the A–7 that we could put into the record.

Commander COWARD. Yes, sir.

[The information follows:]

The following table comparing A–7/F–18 prototype performance is submitted for the record. The YF–17 data were recorded during flight. The A–7 data are taken from technical manuals and adjusted to the conditions encountered during flight.

Takeoff performance: [1]	
YF–17 takeoff roll:	
Fighter [2] (feet)	1,500
Attack [3] (feet)	2,400
A–7 takeoff roll:	
Fighter (feet)	4,500
Attack (feet)	6,400
Climb performance: [4]	
YF–17 time-to-climb:	
Fighter (minutes)	2+05
Attack (minutes)	2+35
A–7 time-to-climb:	
Fighter (minutes)	4+00
Attack (minutes)	5+18
Split-S performance: [5]	
YF–17 (altitude loss):	
Fighter (feet)	3,500
Attack (feet)	4,200
A–7 (altitude loss):	
Fighter (feet)	([6])
Attack (feet)	8,000
Pop-up performance: [7]	
Ventry:	
2 Sidewinder—YF–17	550
2 Sidewinder—A–7	485
Time-to-climb:	
2 Sidewinder—YF–17 (seconds)	17
2 Sidewinder—A–7 (seconds)	28
Von top:	
2 Sidewinder—YF–17	350
2 Sidewinder—A–7	300
N_z available:	
2 Sidewinder—YF–17	4.0
2 Sidewinder—A–7	2.0

[1] 90°; elevation 2,200 ft.; thrust was intermediate (YF–17) and military (A–7).

[2] Altitude (2,000 to 20,000) thrust was intermediate (YF–17) and military (A–7).

[3] Fighter configuration—2 Sidewinder AIM-missiles.

[4] Attack configurations—2 MK–84 bombs.

[5] Ventry equals 450 KIAS; 90 percent rpms; 4 g.

[6] Data not available.

[7] 30° climb; altitude (5,000 to 15,000); thrust was intermediate (YF–17) and military (A–7).

Senator CANNON. All right, thank you, Commander.

Admiral TURNER. All right, sir. We have two other pilots.

The next one is Lieutenant Commander Morgenfeld, from VX–4.

VX–4 PILOT BRIEFING

Commander MORGENFELD. Good morning, Mr. Chairman. As Admiral Turner said, I am in VX–4, the Navy's Operational Test and Evaluation Squadron for fighter airplanes, equipment and armament.

I flew three flights in the YF–17, the first on November 8 last year and two on December 10. All three flights involved air combat maneuvering and performance comparisons with F–14A airplanes. As part of a test which was limited in scope, we felt this was the best way to evaluate the airplane, certainly the F–14 is everybody's benchmark for a fighter right now.

My impressions of the F–18 prototype were that it was far and away the nicest airplane I have ever flown. As Commander Coward stated, the handling qualities are superior to any airplane that any of us have ever flown, I am sure. The cockpit environment is likewise superior to any airplane I have ever flown. Seat position and seating position of the pilot are most comfortable, and I felt I was better able to sustain a high G environment with the feet elevated in that airplane than I have any other airplane I have flown previously.

COMPARISONS WITH F–14

We did some initial performance comparison work and I found that as a rule of thumb, the F–18 prototype, in intermediate power is roughly equivalent in acceleration to an F–4J in full afterburner, and slightly less than the F–14A in full afterburner. When the F–18 selected maximum power, there was little to no comparison in acceleration.

Senator CANNON. It was what?

Commander MORGENFELD. There was little to no comparison, sir. The F–18 was much superior at maximum power.

We did some turning comparisons at 22,000 feet. The F–14 in trail on the F–18 prototype, did an increasing G level turn until one of the two of us could no longer maintain altitude. At that point the F–14 was the first one that could no longer maintain the turn, and the F–18 prototype at that point was still maintaining a stabilized 5½-G turn in intermediate power at 22,000 feet. The F–14 could not maintain that radius turn in full afterburner.

We did some pitch rate comparisons because we feel it is an important parameter in fighter airplanes, and the F–14 is a superior pitching machine. Pitch rates, pure pitch rates, and by that I mean the angular rate of change of the aircraft's longitudinal axis, are basically comparable between the F–14 and the F–18. The F–18 prototype, however, retained much more energy in the maneuvers and was able to complete them with a higher airspeed, and therefore, we concluded that the pitching performance of the F–18 prototype was superior to the F–14.

In air combat maneuvering, we did several engagements with the F–14 in an initial position of advantage, neutral starts, and with the F–18 in initial position of advantage. All fights ended the same, with the F–18 gaining an offensive position, and reaching a simulated weapon launch position.

There was little or no trouble in doing this due to the superb handling qualities of the airplane, and the performance margin in that arena.

We felt that probably the most noteworthy factor in air combat maneuvering are the—not the performance of the airplane but rather handling qualities and engine handling qualities. To check this out we went to 40,000 feet at roughly 34 degrees angle of attack, which corresponded to about 100 knots in the airplane, and did throttle bursts from idle to full afterburner, idle to intermediate power, intermediate power to afterburner and back to idle, and the engine responded normally, no tendency to stall, positive burner lights enabled us to be able to fly the airplane, fight the fight, and never look inside the cockpit except for checks of gas.

The airplane is—if I have to describe the airplane in one word, I would say it is the most comfortable airplane I have ever flown. It is comfortable not only in seating and in cockpit environment, it is comfortable to fly ACM, and has a very comfortable performance margin over any other airplane I have ever flown.

If you have any questions, I would be more than happy to answer.

FUEL USAGE IN DOGFIGHTS

Senator CANNON. I was particularly impressed by the fuel economy of the F–18 in the dogfight arena. Your flight report says "In completely dominating all engagements, the F–18 prototype used only 20 percent of the fuel used by the F–14A."

How much fuel did you use in each fight and how much did the F–14 use?

Commander MORGENFELD. Well, sir, off the tapes, between 400 and roughly 700 pounds in the 2- to 3½-minute engagement, and the F–14 in the meantime was going through 2,000 to about 3,000 pounds in the same timeframe.

Senator CANNON. What configuration F–14?

Commander MORGENFELD. A block 90 F–14, which basically means they have automatic maneuvering flaps and slats.

F–14 PILOTS REACTION

Senator CANNON. And was the F–14 crew an equally trained crew with yourself?

Commander MORGENFELD. The two primary ACM hops that we did, the second and third flights, yes, sir, I would consider the pilots to be of equal ability.

Senator CANNON. What was their reaction to the F–18?

Commander MORGENFELD. Frustrated, sir, in ACM. They had never—both pilots had never been beaten so solidly so quickly they said. They tried, and we never had various game plans of fighting the airplanes fast, slow, track different maneuvers, and whatever the F–14 did, the F–18 prototype was able to counter.

Senator CANNON. What did the F–14 pilots think of the relative performance?

Commander MORGENFELD. They were very impressed with the performance of the air-

plane, sir, particularly with the F–14 in position of advantage, which is roughly inside three-quarters of a mile, the F–18 ahead and the F–14 at six. The turning performance of the YF–17 or the F–18 prototype is probably the most impressive thing they saw.

F–18 COCKPIT VISIBILITY

Senator CANNON. What is the visibility like in the airplane?

Commander MORGENFELD. It is excellent, sir. I thought that the aft visibility particularly was superb. I could look right down the spine of the airplane, over either shoulder, and it enabled me to maintain the sight of the F–14 at all times. It is slightly better than the F–14. The F–14 visibility is very good, sir.

USE OF AFTERBURNER

Senator CANNON. How many times did you use the afterburner?

Commander MORGENFELD. I used the afterburner roughly three times in all the ACM engagements. One time I have to admit that it was pilot error to do so. Every airplane I have flown before, primarily the F–8 and F–4 airplanes, we always felt that if it did well at military power, it did better in afterburner. So I was spring loaded, as we say, to the afterburner position. I found out that I didn't need it. It caused an amount of overshoot. From then on I used the afterburner twice, and that was mainly to close nose to tail.

FIGHTS WITH F–4

Senator CANNON. Did you fight the F–4 on the same flight as the F–14?

Commander MORGENFELD. I did. At the time after the third flight we had a bit of gas left, after the F–14 left, so we did some performance comparison and two—I'm sorry, one engagement versus an F–4, an F–4J, and that was basically as we had predicted. There was no contest at all between the two airplanes.

Senator CANNON. How much fuel does the prototype carry?

Commander MORGENFELD. As I remember, sir, 6,100 pounds, internally.

Senator CANNON. How much fuel will the production F–18 carry?

Commander MORGENFELD. Well, I have to ask Captain Lenox.

Captain LENOX. 10,860 pounds, sir.

PRODUCTION AIRPLANE COMPARISONS WITH PROTOTYPE

Senator CANNON. And how will the production airplane compare in performance with the prototype?

Captain LENOX. The combat performance that has just been described will be comparable, Mr. Chairman. While the F–18 aircraft will have more fuel, it will be a heavier aircraft and will also have more thrust in the engine. The bottom line is that the YF–17 is slightly more maneuverable than the F–18 is expected to be. This is, in general, true in the area of interest in the air combat maneuvering; in the upper left hand corner of the envelope, as we say, the high altitude, slow speed arena. Overall, the performance of the aircraft is going to be very comparable.

Senator CANNON. Have you worked up any comparison data between the two such that you could put a chart in the record for us?

Captain LENOX. Yes, sir, I do have a chart that shows excess power comparisons with the YF–17 and the F–18 that I could put in the record.

Senator CANNON. All right, if you would just supply that for the record.

F–18 COMBAT SYSTEMS

Senator CANNON. Commander, have you flown the F–18 simulator to evaluate the operation of the weapons system?

Commander MORGENFELD. Yes, sir. I flew roughly 18 hours in the MACS–3 simulator in St. Louis. My particular area of concern was the fighter or the air-to-air systems. I have little to no experience with the air-to-ground systems.

Senator CANNON. What is your opinion of the airplane as a combat system?

Comander MORGENFELD. Right now, sir, I feel that if we can come through with an airplane of the same level of performance as the YF–17 and continue to smooth the weapons systems as I observed it in the simulator, I think we are going to have a very fine fighting machine. As with any new system, there are still some spots I feel need smoothing over in the air-to-air weapon system, but by and large it is still head and shoulders above any airplane I have flown.

Senator CANNON. All right, thank you very much.

Admiral?

Well, excuse me. Just a moment, Commander.

MISSION COMPARISON TO F–14

Mr. OLD. Commander, have you flown the F–14?

Commander MORGENFELD. Yes, sir, I have limited experience on it, about 65 to 70 hours on the F–14.

Mr. OLD. Could you give us a comparison between the F–14 and the F–18, related to your experience of flying the F–14? Would you rather get in an air-to-air combat situation in the F–18 or the F–14?

Commander MORGENFELD. That is a difficult question, sir, because basically—this is my personal opinion—the two are entirely different airplanes. The F–14 is more of an interceptor. Certainly everybody knows the capabilities of the AWG–9 radar. I would almost have to ask you to qualify what kind of an engagement we are talking about, but basically, if you want my opinion of a turning fight, a small, close-in fight, yes, the F–18 is a superior aircraft.

Mr. OLD. Is it really fair to compare these two systems? Aren't they really designed to do two different things, optimized, maybe, optimized to perform two different missions?

Commander MORGENFELD. Yes, sir. I tried to stress in my report that the scope of what I did was extremely limited, and it takes the F–14 out of its element, basically. The F–14 is designed to run the AWG–9 weapon system. Certainly no F–14 pilot would ever get himself into the type of situation intentionally that we started those flights from.

Mr. OLD. However, I flew with the Navy in an F–14 in November of last year, and I was very impressed with its capability against the F–5E.

Commander MORGENFELD. Yes, sir.

Mr. OLD. So I guess that the F–18 prototype must be that much better than the F–5E, because the F–14 whipped the F–5 very soundly two times running.

Commander MORGENFELD. I don't doubt that one bit. The F–18 prototype is a quantum level above anything I have flown before in the ACM turning environment.

Mr. OLD. Thank you.

F–18 COMPLEMENTS THE F–14

Senator CANNON. Of course, the F–18 is intended to complement the F–14 because they do have two different roles. Each has a different role, basically.

Commander MORGENFELD. Absolutely, sir. That is exactly what I said in my report. I feel that the airplanes would complement each other very well.

Senator CANNON. All right. Thank you again.

Admiral TURNER. The last pilot we have this morning is Major Lucas, executive officer of the Marine fighter attack squadron.

MARINE PILOT BRIEFING

Major LUCAS. Good morning, Mr. Chairman. As Admiral Turner stated, the Marines are interested primarily in both fighter and attack, and as such, we took a look at both of them, but in the two times that I flew the aircraft in November, it was simply in the fighter role. The first thing I would echo primarily what Lieutenant Commander Morgenfeld said. It was against an F–14 as a comparison. The next day it was against an A–4 in comparison with it.

There are several considerations and major factors I would just like to mention. The handling characteristics were unlike anything that I have ever flown, especially in the slow speed regime. It is truly an aircraft, I feel, that we in the Marine Corps can stick a second lieutenant in and he will do extremely well after a very limited time in the aircraft, and he will be able to devote his entire time in the aircraft in learning the weapon system. He won't have to take the time to learn to fly the aircraft unlike the F–8 and the F–4 aircraft to some extent, where it takes quite a while to get a nugget up to speed.

The second factor is fuel. In all the engagements, again I have to echo Lieutenant Commander Morgenfeld. In most cases I cannot foresee, against the threat aircraft we have today, having to use the afterburner in a one versus one engagement. A multithreat engagement, of course, is a different story, but that will be identified at a later time.

Another item is engine response. With its reliability at exceedingly high angles of attack at a slow airspeed you can slam the throttles around from idle to full power, back and forth with absolutely no compressor stall and no adverse characteristics at all.

The aircraft performance is such that I think it has significant capability in the STOL arena, that is, essentially off of highways and, I think, very narrow highways. With a short run you're airborne, in a fighter role again, after something in the neighborhood of 1,000 feet. With the antiskid brakes, you're back on the ground in a little bit more, 2,000 to 3,000 feet on a very short prepared surface. I think it has a great capability in the future years of our operations.

And other than that, sir, I would be echoing what Lieutenant Commander Morgenfeld said in most cases.

CHECKOUT IN F–18

Senator CANNON. What is your flying background, Major Lucas?

Major LUCAS. Primarily F–4, F–8, and A–4.

Senator CANNON. How much of a checkout was required to prepare for flying the prototype?

Major LUCAS. The checkout at Hawthorne on the day before I flew at the Northrop plant was approximately 2 to 2½ hours of lectures. However, I had been on the same panel as the rest of these gentlemen here, and it was all essentially a review there. The actual briefing by Mr. Chouteau, the Northrop chief test pilot, took about as long as I have spoken here, and that was it.

My questioning to him was there must be something else to fly this, and his answer to that was, don't pull over 9 G's, nothing else. Just jump in and go fly.

COMPARISON WITH F–4

Senator CANNON. How does the F–18 performance compare with the Marine Corps F–4's?

Major LUCAS. Well, I did not have the F–4 flying up there. I had the A–4's and F–14's, and I would have to say there is not much comparison.

Senator CANNON. But I mean in your own flight experience, how is the comparison? Is it superior in every arena?

Major LUCAS. The area I saw was very limited. I did not have the opportunity to look at the weapons systems or anything of that nature. I have some opinions based on probably 40 hours, flown in the simulator, but that would have to be identified at a later time. I cannot fairly answer the question.

Senator CANNON. Well, was it better in terms of takeoff rate or climb, acceleration, maneuverability, visibility?

Major LUCAS. Yes, sir, in all those areas it was.

DOGFIGHTS WITH F-14

Senator CANNON. How many engagements did you have against the F-14, and what was your starting and finishing condition?

Major LUCAS. The initial situation was tracking with the F-14. Once you are back there he is not going to shake you. Some attacks were from the 9 o'clock position with the F-14 and also the 6 o'clock position. In either case, maneuvering either vertically or horizontally, and in a very short period of time, the end result was the same with the F-18 prototype being in a very offensive position.

Senator CANNON. And you did that without using the afterburner.

Major LUCAS. Except for one case. Like Lieutenant Commander Morgenfeld, I was spring loaded to the full burner position, and once I realized I didn't need it, I backed out.

USE FOR FIGHTER AND ATTACK ROLES

Senator CANNON. Now, the Marines use their F-14's as fighters with a secondary attack role. Do you feel that this F-18 airplane will be a good F-4 replacement in both of those roles?

Major LUCAS. Oh, yes, sir, most definitely.

REACTION TO REPORTS

Senator CANNON. General Miller and Admiral Turner, what is your reaction after hearing the reports?

Admiral TURNER. Well, we are very pleased with the results, they confirm our hopes and expectations about the fine design of the aircraft, the roles for which it was produced and optimized. Clearly it is a preeminent dogfighter, ACM adversary, as these gentlemen have illustrated. It looks like it is also going to be a very safe airplane. Stalls and departures from stable flight have been a concern to us for modern aircraft. This one looks like it is going to be a jewel in that regard, in terms of safety.

I think you have heard reports from probably three of the finest pilots we have in the Department of the Navy. These are the skilled cream of the corp, and I wouldn't detract from what they have said in one instance. They are absolutely the best, and obviously they are very enthusiastic about it, and so are we.

In fact, we have distilled what they said and made a press release to the very same effect, and it has just come out in the Navy Times here. I would like to put it in the record, if I may, about how strongly we feel about the results obtained by thre three of them.

Senator CANNON. We would be glad to have it put in the record.

[The information follows:]

YF-17 PASSES EVALUATION BY NAVY PILOTS

WASHINGTON.—An evaluation of the YF-17, the prototype of the Navy's F-18 and A-18 Hornet aircraft, has strongly indicated that the Hornet will be able to perform its missions effectively.

Accordingly to Navy sources, the YF-17 was evaluated after a series of December 1977 flights by Navy test pilots at Point Mugu, Calif.

The group of pilots, called the Aircrew Systems Advisory Panel, was formed at the outset of F/A-18 development to evaluate the plane's cockpit and overall weapons systems design.

The Navy sources said the test pilots commented favorably on the flying qualities and performance of the YF-17 and reported that the aircraft "demonstrated superb handling characteristics, particularly at high angles of attack."

Also, said the sources, "Engine responsiveness, combined with remarkable performance at intermediate power, was most impressive during a number of successful simulated air combat engagements . . . and the YF-17 fulfilled expectations as a highly maneuverable and agile fighter."

Although the YF-17 was flown alongside the F-14 Tomcat during three of the test flights, the sources said, the evaluation was not intended to test one aircraft against the other. The F-14 "has demonstrated an outstanding capability in the long-range air threat as well as in close-in maneuvering, while the F/A-18 is intended as a close-in escort fighter and to perform the strike/interdiction missions," the sources noted.

During the close-in maneuvering evaluation, it was noted that the YF-17 and the F-14 "were similar in some areas," the source said. "The YF-17 was primarily more agile and did not dissipate energy as quickly during maneuvering. The F-14 is faster and can disengage from a head-on intercept if desired."

The Navy sources also said that the tests were intended as "a qualitative and subjective analysis" and that no formal report on the evaluation will be issued.

PILOT FLIGHT REPORTS

[Enclosure 1]

From: Lieutenant Commander Asbury COWARD IV, USN.
To: Captain G. W. LENOX, USN.
Subject: YF-17 Informal Flight Report.

1. Background.—Three flights totaling 2.7 flight hours were flown from Edwards AFB on 5-6 August 1977. The first two flights were flown in the fighter configuration (2 AIM-9 missiles), the third in the attack configuration (2 AIM-9 missiles + 2 pylons + 2 MK-84 bombs). Primary emphasis was devoted to exercising the aircraft in the attack arena performing mission oriented maneuvers. Little attempt was made to quantify performance data other than as an indicator of mission capability.

2. Ground handling.—The only notable characteristic was excessive idle thrust resulting in uncomfortably high taxi speeds. Hopefully this will be alleviated by the ground idle function of the 404 engine.

3. Flying qualities.—Overall, flying qualities were outstanding. The YF-17 was the easiest jet aircraft I've flown. The interaction of superior handling qualities and benign stall/high AOA characteristics rapidly produced a confidence level which made me feel I could take the aircraft to virtually any flight conditions without concern. It was a distinct (and unique) pleasure to fly an aircraft aggressively in the upper left hand corner of the V-N envelope with no concern about the consequences. Buffet levels under high g conditions were light and caused no degradation of gunsight tracking ability in either air-to-air or air-to-ground environments. Control force harmony was excellent with the exception of inadequate rudder forces which made it easy to inadvertently induce sideslip. Three deficiencies were noted which should be corrected in F-18 design. These were:

(*a*) reduced roll performance in the low altitude, high-speed environment.

(*b*) noticeable adverse yaw while performing lateral target tracking corrections in dive bombing runs.

(*c*) inadequate horizontal tail effectiveness. There were occasions when it was obvious the aircraft had more performance available, but it was unobtainable due to reaching the aft stick limit.

Additionally I felt that the aircraft was very "speed sensitive" in configuration PA. The combination of a relatively flat approach altitude, extremely clean aircraft and outstanding thrust response made it very easy to vary airspeed significantly (±10-15 kts) without intent during landing approaches. Recognizing my recent experience is with an aircraft (A-7E) with marginal thrust response, I nonetheless feel this is an area which should be watched closely in A/F-18 design/flight test.

4. Performance.—I can only describe YF-17 performance as superb. The inherent capability of the aircraft is an order of magnitude greater than the A-7E. Particularly noticeable, and impressive, were performance levels with 2 MK-84 bombs. The degradation in performance resultant from bomb carriage was minimal and yielded a tactical capability which will greatly increase survivability. Examples are shown in Tables 1 through 4 below.

TABLE 1.—*Take-off Performance (1):*

Configuration and take-off roll:
Fighter, 1,500 feet.
Attack, 2,400 feet.
(1) 90° F Hp 2,200 ft., Mil Thrust.

TABLE 2.—*Climb Performance (1):*

Configuration and time-to-climb:
Fighter, 2 + 05.
Attack, 2 + 35.
(1) 2-20K Hp, Mil Thrust.

TABLE 3.—*Split-S Performance (1):*

Configuration and Hp (altitude loss):
Fighter, 3,500 feet.
Attack, 4,200 feet.
Ventry 450 KIAS, 90% N2 RPM, 4g.

TABLE 4.—*Pop-up Performance (1):*

Configuration, ventry, time to climb, V on top, and Nz avail:
Fighter, 550, 17 secs, 350, 4.0.
Attack, 520, 28 secs, 320, 3.5.
(1) 30° climb, 5-15K Hp, Mil Thrust.

The only performance deficiency noted was inadequate speed effectiveness.

5. Summary.—The YF-17 represents a superb performance/flying qualities package. It's carryover into A/F-18 design will give the Navy an aircraft which is survivable and competitive in any air-to-air or- air-to-ground arena. It was a distinct pleasure to fly, I only wish we had it now.

Very Respectfully

A. COWARD IV, LCDR, USN.

[Enclosure 2]

Subject: F-18 prototype flight evaluation

1. Background.—As part of the F-18 ASAP (Aircrew Systems Advisory Panel) work, I was afforded the opportunity to fly a three flight evaluation in the F-18 Prototype airplane. One flight was made on 8 November 1977 and two were made on 10 December 1977 for a total of 2.5 hours. The airplane was evaluated in the fighter role with performance comparisons and one versus one ACM with a Block 90 F-14A airplane. The F-18 was configured with two dummy AIM-9L missiles and ballasted to simulate full gun ammo on all flights. Wherever possible, the remarks in this report will reflect only F-18 oriented items. Items unique to the F-18 Prototype (YF-17A) will not be discussed unless considered significant.

2. Cockpit.—The cockpit provided an extremely pleasant working environment for the pilot. Cockpit dimensions allowed sufficient room for all pilot activity without being excessively large. In particular, control stick and throttle positioning and ranges of travel were excellent. The Stencil SIIIS-3 ejection seat was most comfortable. This was primarily because of the excellent support it provided through the lower back and hip regions. Also the overall seating position (seat back tilted, feet elevated) was very comfortable particularly under G loads. External field of view was likewise excellent. Rearward visibility was particularly good. The leading edge extensions did not interfere with the field of view as anticipated.

3. Ground handling.—The only notable deficiency in the airplane's ground handling characteristics was its high residual thrust at idle power. After landing, intermittent braking was required to maintain reasonably slow taxi speeds, even with one engine shut

down. In spite of this, the wheels never gave any indication of overheating. Wheel brake feel and effectiveness were superb.

(a) Nosewheel steering.—the nosewheel steering mechanization was worthy of note as it enhanced ground handling greatly. With the throttles at idle, the nosewheel steering switch operated on a PUSH-ON, PUSH-OFF mode. With the throttles advanced to take off, the switch operated in a PUSH AND HOLD-ON, RELEASE-OFF mode. This freed the pilot's hands during taxi while minimizing switch operations on takeoff role. System operation was natural and did not require a Nosewheel Steering Engaged advisory light as the F–18 will.

4. Takeoff.—All takeoffs were performed by running the engines up to 85 percent RPM against the wheel brakes. After brake release the throttles were advanced to the desired power setting. The rudders became effective at about 30 KIAS and directional control was easy to maintain. At 110 KIAS the airplane was rotated to the takeoff altitude. No tendency to overrotate was observed. The airplane broke ground cleanly at about 125 KIAS. A slight pitch trim transient was noted on landing gear retraction. This was attributed to the following actuator unparking and running to its commanded position. Takeoff ground rolls were estimated at about 2,000 ft. at intermediate power and about 1,000 ft. at maximum power. Overall the takeoff phase was comfortable and easy to perform.

5. Flying qualities.—The flying qualities of the F–18 Prototype were outstanding. In the cruise configuration the follow-up trim system provided essentially neutral longitudinal static stability. Dynamic stability about all three axes was qualitatively evaluated as excellent. Damping of all induced oscillations was essentially deadbeat. Stick forces remained light and pleasant throughout all phases of flight. The combination of light stick forces with excellent control feel created a low pilot workload situation, even during hard maneuvering. It was significant that this level of flying qualities was achieved without the use of artificial angle of attack or G limiters in the flight control system. Perhaps the best measure of the level of flying qualities of the F–18 Prototype was that the pilot was performing full blown ACM with confidence after only twenty minutes in the airplane.

(a) High angle of attack flight.—The most remarkable feature of the airplane's flying qualities was its handling characteristics at high angles of attack. One G stalls were performed at 20,000 ft. MSL and idle power. The stall was actually defined by full aft stick deflection. At that point the controls were still effective about all three axes. At no time did the airplane exhibit a tendency to depart controlled flight. Stall speed was about 100 KIAS and 34° angle of attack. Recovery was easily effected by either lowering the nose or adding power. Altitude loss during recovery was minimal. The airplane was also flown to 30 KIAS at 36,000 ft. MSL at the top of a zoom maneuver. At that point the controls were still effective about all three axes. With intermediate power selected, the nose was lowered to the horizon under complete control and the airplane accelerated away in essentially level flight.

(b) CAS (control augmentation system) off flying qualities.—In order to evaluate the backup flight control system the airplane was flown in both cruise and power approach configurations with the CAS off. In both cases the handling qualities were satisfactory.

(1) Cruise configuration.—In the cruise configuration at 35,000 ft. MSL and 0.7 TMN the airplane remained easy to fly with the CAS off. It was still satisfactorily damped in pitch. Rudder doublets induced a lightly damped Dutch roll oscillation however it was easily damped through pilot control inputs.

(2) Power approach configuration.—The CAS was secured at 15,000 ft. MSL in the cruise configuration. The airplane was then transitioned to the power approach (landing) configuration and slowed to an on-speed indication at about 135 KIAS. The airplane was still moderately well damped about all axes. Although pilot workload was higher with the CAS off, the flying qualities were acceptable.

6. Engine handling.—Another exceptional feature of the F–18 Prototype was its engine handling characteristics. Throughout all phases of flight the engines performed in a stable and trouble free manner. Throttle bursts from idle to intermediate and idle to maximum power were performed at 40,000 ft. MSL and 34° angle of attack (100 KIAS). Engine acceleration was normal with no tendency to stall. All afterburner lights were rapid and positive with no engine instabilities noted. At no time were either engine smoke or afterburner puffs observed.

7. Performance.—The overall performance of the F–18 Prototype was excellent. The following areas were noteworthy:

(a) Roll Rates. The airplane exhibited a marked decrease in roll rate at high speed. Even at the relatively slow airspeed of 300 KIAS the roll rate was not impressive. Full deflection aileron rolls caused the pilot to sense slight side forces but they were not obtrusive. Roll rates should be increased in the production F–18.

(b) Speed brake.—The speed brake was inadequate at speeds above about 300 KIAS. At no time did speed brake extension or retraction cause noticeable trim changes. Speed brake effectiveness should be improved in the production F–18.

(c) Acceleration.—The airplane performed very well in acceleration tests. Of particular note was the high level of performance it exhibited at intermediate power. Side-by-side acceleration comparisons showed that the F–18 Prototype in intermediate power accelerated from 200 to 450 KIAS at about the same rate as an F–4J in full afterburner. When performing the same comparison with an F–14A, that airplane in zone 5 afterburner was only slightly quicker than the F–18 Protoype in intermediate power. In maximum power accelerations the F–18 Prototype was greatly superior to both the F–4J and F–14A.

(d) Pitch rate.—Pitch rate comparisons with an F–14A were made at 20,000 ft MSL at speeds of 350, 300, and 200 KIAS. The test was performed by stabilizing the airplanes side-by-side at the test airspeed. At the chase airplane's call, full alt stick was applied and intermediate power selected. In all cases both airplanes appeared to pitch at approximately the same rate. A major difference between the airplanes was noted however. In all cases the F–18 Prototype retained its energy much better than the F–14A. This resulted in the F–18 Prototype building up significant vertical separation and having a higher terminal airspeed than the F–14A. This effect became more pronounced as initial airspeed decreased. At 200 KIAS the F–14A pitched with the F–18 prototype up to about 60° pitch angle. At that point the F–14A reached 0 KIAS and the pilot had to recover. The F–18 Prototype however, retained sufficient energy to continue on overhead in a looping maneuver. In other words, while the F–14A and F–18 Prototype appear to have comparable instantaneous pitch rates, the F–18's ability to retain energy makes it far superior in overall pitching performance.

(e) Turning performance.—Turning performance was evaluated by positioning the F–14A in a one-half mile trail on the F–18 Prototype at 350 KIAS and 22,000 ft MSL. The F–18 then entered a level turn, increasing G until the F–14 could no longer maintain position. This happened with the F–18 sustaining at 5.5 G level turn at 250 KIAS and 22,000 ft MSL. At that point the F–14A was in zone 5 afterburner while the F–18 Prototype was still at intermediate power.

8. One vs one ACM.—Throughout all phases of the ACM evaluation there was no doubt as to the ultimate outcome of any engagement, regardless of the tactics used by the F–14A.

(a) Neutral starts. Six engagements were commenced from a neutral start at medium altitude. In every case the F–18 quickly gained an advantage and made a simulated kill.

(b) F–18 prototype starting defensive.—Two engagements were commenced with the F–14A at the F–18's six o'clock position at about ½ to ¾ mile. In both cases the F–18 Prototype quickly negated the F–14's attack and reversed the advantage soon thereafter.

(c) F–18 prototype starting offensive.—Two more engagements were commenced with the F–18 Prototype ½ mile in trail on the F–14A. This was done to evaluate gunsight tracking and to examine the effect of various last ditch maneuvers by the F–14A.

At no time was the F–14A able to prevent the F–18 Prototype from maintaining its offensive position. Several times it was noted that full aft stick was selected by the F–18 pilot and that, while the resulting pitch rates were acceptable, more pitch authority at slow speeds would be helpful. Airplane performance, stability and control, and handling qualities all combined to make gunsight tracking relatively easy. During this test the F–18 Prototype flew through the F–14's jetwash several times at close range. Contrary to expectations, the airplane did not get thrown about violently nor did the engines show any sign of unstable operation.

(d) Energy package.—Perhaps the most important result of the ACM evaluation was that the F–18 Prototype was able to accomplish all of the above virtually without the use of afterburner. While the F–14A made liberal use of afterburner throughout, the F–18 Prototype used afterburner briefly on only three occasions during the entire ACM evaluation. One time afterburner was not required but rather was selected through pilot habit. The other two times it was selected purely to close nose-to-tail to gain a firing opportunity. The ability of the airplane to retain energy coupled with the engine's excellent performance at intermediate power resulted in unheard of economy in the ACM arena. In completely dominating all engagements, the F–18 Prototype used only 20% of the fuel used by the F–14A. Total fuel consumption for the F–18 Prototype ranged from about 400 to 700 pounds of fuel per engagement while the F–14A used between about 2000 and 3500 pounds. Engagement varied from two to three and one-half minutes. On the two primary ACM flights, the F–18 Prototype forced the F–14A to bingo first. This economy of operation, while still maintaining a high level of performance, should be a major tactical advantage to the F–18.

(e) Pilot workload. Throughout all engagements it was noted that pilot workload was quite low. To be sure, no system operation was required however that observation was made purely with respect to maneuvering tasks. The low workload was the result of several factors. Excellent field of view from the cockpit enabled the pilot to maintain sight of his opponent throughout the engagement, a very important advantage. Cockpit comfort itself added significantly to the pilot's performance. The F–18 Prototype's superb flying and engine handling qualities similarly induced low pilot workloads in that the airplane could be maneuvered hard without the fear of departing or inducing unstable engine operation. Consequently this allowed the pilot to devote virtually all his concentration on solving the ACM problem. Lastly, the performance advantage the F–18 Prototype over the F–14A gave the pilot room to commit small errors

without jeopardizing the outcome of the engagement. All these factors combined to make the pilot extremely comfortable in all engagements.

9. Landing. A total of five landings were performed. One of those landing was a CAS off touch and go. A single engine approach and waveoff was also performed. The airplane was flown at 10° angle of attack (about 130–135 KIAS) on each pass. A most useful feature of the F–18 Prototype was its automatic flap extension with landing gear extension. This made the checklist very easy to perform and lowered pilot workload considerably.

(a) Normal landings.—The airplane behaved very well in the landing pattern. Wind conditions varied from calm to winds gusting from 25 to 32 knots 20° from runway heading (9 to 11 knot crosswind component). The airplane's most noticeable characteristic was that, on the glideslope, power changes seem to affect airspeed directly vice rate of descent. A slight pitch attitude correction was required for every power change in order to maintain the proper angle of attack. The effect made the airplane seem similar to but more controllable than the F–8 and appeared to be the result of the airplane's relatively flat pitch attitude on final. As no optical landing system was available, no simulated carrier approaches were flown however it was easy to land the airplane at a pre-planned point. View over the nose was excellent throughout all approaches.

(b) Single engine approach and waveoff.—One single engine approach was flown with the "failed" engine at idle. Except for a slight increase in RPM required on the working engine, the approach characteristics were identical to those noted above. A waveoff was initiated at 200 ft. AGL by selecting intermediate power on the working engine and simultaneously retracting the speed brake. The asymmetric yawing moment was easily controlled by slight rudder application. Altitude loss during the waveoff was negligible.

(c) CAS off approach.—One CAS off touch and go was performed. The CAS was turned at about 250 KIAS in the cruise configuration. The landing checklist was then completed and a touch and go landing was performed using normal procedures. Crosswind components of 9 to 11 knots were experienced during the landing. Although pilot workload was higher than normal, the airplane remained easy to control throughout the landing. The back-up flight control system was satisfactory for field landings.

10. Summary.—In summary, the F–18 Prototype was a most impressive airplane. If the production F–18 can combine performance at or near the prototype's level with a well integrated weapon system it should be an excellent complement to the F–14A in the fighter role and a superb strike airplane in the force protection role. The following are lists of the significant strengths and weaknesses observed during this evaluation.

(a) Weaknesses.—The following weaknesses were noted:

(1) Inadequate roll rate, particularly at high speed (7.a.);

(2) Inadequate speed brake effectiveness (7.b.); and

(3) Reduced pitch authority, particularly at slow speeds. (8.c.)

(b) Strengths.—The following strengths were noted:

(1) Excellent flying qualities, particularly at high angles of attack;

(2) Excellent engine handling characteristics;

(3) Excellent combination of performance and fuel economy at intermediate power; and

(4) Low pilot ACM workload created by combination of an excellent cockpit environment with the above factors.

Very respectfully,

THOMAS A. MORGENFELD,
LCDR, U.S.N.

[Enclosure 3]

DEAR CAPTAIN LENOX: First of all, I'd like to express my sincere appreciation for your support enabling me the opportunity to fly the two YF–17 orientation flights out of Edwards AFB on the 8th and 9th of November 1977.

As you know, the undersigned is not the typical Patuxent River type; in fact has no background in flight test whatsoever. Thus, the text of this "report" will be as seen from a basic "stick-and-rudder actuator" (F–4, F–8, A–4, Topgun Grad, Squadron XO) and hopefully void of voluminous—superfluous B.S that is meaningless to the average fighter pilot. Hopefully the "Gee Whiz" is also eliminated.

For those critics who might read this, yes I realize I did not fly the F–18, but the F–18 prototype. The F–18 will be better.

The morning of 7 November 1977 was spent at the Northrop plant in Hawthorne, California. Briefs were given to Tom Morgenfeld and myself on YF–17 general flight characteristics and flight controls followed by a tour of the plant facilities and flight equipment fittings. The briefs were essentially a review since we'd been intimately involved with the F–18 through the F–18 ASAP (Aircrew Systems Advisory Panel) for over a year. At 1300 I departed for Lancaster, California by subsonic Volkswagen.

At 0900, 8 November we met with Hank Chouteau at the Northrop facility, Edwards AFB, for a flight briefing. Through a coin flip or whatever, it was determined that I would fly the first flight of the day. Flight test cars were provided as a "guide" (really from which to deviate) and were explained in approximately 10 minutes. Another 10 minutes were spent on Edwards course rules. At the conclusion of the brief one had the feeling there has to be more to it. The only restriction Hank gave me was "don't pull over 9 G's", nothing on out-of-control, anti-spin, etc. I was shortly to understand why.

Start/Post—Start checks are accomplished in about the time it takes to write this sentence. Finding the duty runway at Edwards takes considerably longer.

A military takeoff on this first flight and climb to 20K was uneventful until you realized that it's like an F–4 takeoff and climb in full afterburner!

Slow flight characteristics were explored in both clean and P. A. configurations at extremely high angles of attack. Thus, after only ten minutes into the flight and prior to the TA–4 chase plane catching up I discovered why MCAIR hadn't planned on a dedicated AOA gauge in the F–18. You don't need one!! You literally don't have to worry about airspeed or angle of attack. Specifically, in excess of 60 degrees AOA and at 40 knots you can turn left either by using left rudder or left aileron, with absolutely no adverse characteristics. A nugget can learn the weapons system. He doesn't have to learn how to fly.

Through the graces of VX–4, XF–34 entered the working area for some flight performance comparisons. Step #5 on the flight test card was now somewhat modified in that comparisons were now being done with an F–14 vice a TA–4.

Suffice to say that there is no comparison in level acceleration to 20K in either basic engine or max A/B. The YF–17 simply runs away from the F–14 with both commencing at 250 knots. In max A/B, the YF–17 was at 500 knots throttling back as XF–34 called 400 knots. In fairness to the F–14 however, acceleration comparisons were ceased at 500 knots.

Gunsight tracking was explored, further substantiating the positive handling characteristics of the YF–17. At five g's the pilot can smoothly hold the pipper precisely where he wants it, i.e. on the canopy, at what appeared to be moderate maneuvering by the F–14 in both military and A/B. Once in-the-saddle, the YF–17 is there to stay a position I'll have to admit I'm not used to seeing from an F–14, especially considering that the YF–17 needed no afterburner.

"Escape" maneuvers with the F–14 starting at 6:00 approximately ½ to ¾ of a mile were performed in both the pure vertical and the horizontal; both commencing at approximately 350 knots. The exceptional aft visibility in the YF–17 is worthy of mention.

In the vertical, whereas initial pitch rate appeared equal, the YF–17 in basic engine maintained its energy over the top, with the F–14 in full A/B rapidly bleeding energy and falling off. A simple pull on the pole negates an attack and quicky allows you to take the offensive.

In the horizontal, A/B was initially selected (through force of F–4 habit) although quickly deselected. An overshoot is immediately realized, with the end result predictable. The YF–17 has no problem negating the F–14's attack and quickly gains the offensive (and stays there). The major lesson learned is that you have to force yourself into realizing you don't need afterburner.

Photos of the F–14/YF–17 in formation were then taken prior to RTS, where a normal roll-out full-stop landing was made. The YF–17 is every bit as stable and responsive in the landing configuration. The "g" meter read only 5½ at the end of flight one.

Flight two on 9 November 1977 was initially planned to further explore F–14 versus YF–17 maneuvering. The F–14 was not however available. Thus the engineering flight test card was actually followed.

A max power take-off (in approximately 1000') and climb to 40K was accomplished. One had better be ready to fly when you light both burners on take-off roll.

Supersonic flight characteristics to include transonic pitch-up (very mild) were explored. Handling characteristics are exceptionally stable with no adverse effects noted.

Engine response/afterburner reliability was checked at 43K, in excess of 60 degrees AOA and less than 50 knots. You can literally slam the throttles from idle to max A/B to idle, etc., with no adverse effects. The A/B's lit each time. Response time was immediate with no tell-tale burner puff.

Dash capability was looked at: acceleration from 182 knots to 500 knots in 14 seconds at 20K.

High "g" (7–8) turns at 30K were accomplished requiring the stick full aft against the stop.

Maneuvering with the TA–4 chase plane was totally uneventful and doesn't even warrant discussion.

Return to Edwards for a full-stop utilizing anti-skid brakes (approximately 2000' landing roll) emphasizes the fact that the YF–17 is truly a STOL aircraft: one that will be at home on either an expeditionary airfield or on the narrowest highway.

To set the record straight for these proponents, exponents, opponents, etc., I add the following "opinions":

1. YF–17 versus F–14 maneuvering in this limited scope is certainly not all indicative/inclusive. Pilot versus pilot proficiency/experience, etc., is not addressed. Bear in mind however, this YF–17 pilot had perhaps a total of 15 minutes flight time in the airplane at commencement of the maneuvering against an experienced F–14 pilot.

2. Handling characteristics of the YF–17 are such that a CO could put any "plumber" in the air with no trepidations whatsoever. I can see no reason for having a RAG in the Marine Corps. If the decision is made at higher levels that the F–18 will be a single seat fighter, then there is no reason to build a dedicated two-seat trainer. You simply don't need a "safetypilot" in an aircraft with handling characteristics like the YF–17.

3. Current generation fighter pilots will be pleasantly surprised to find that you shouldn't need to use afterburner in a one-

versus-one engagement, at least against aircraft up to and including the F–14. Given an advertised cruise fuel flow at 30K, M=0.75 2900#/hr total with 10,800# internal fuel, the F—18 should stay on station as long as is normally required.

4. Whereas the YF has a slightly higher thrust/weight than the initial F–18, the F–18 also will have less drag, resulting in an overall higher projected PS for the F–18. General Electric "sources" indicated growth potential for the F–404 engine may be as high as 20,000#, approximately 4000# more thrust than in the first F–18.

5. The YF–17 speedbrake is inadequate. In fact I did not even notice it was out for approximately five minutes at one point. Increased area and increased actuator capability in the F–18 should solve the problem.

6. Roll performance in the YF–17 could have been better. Increased differential tail authority in the F–18 should solve the problem.

7. Increased horizontal tail deflection of the F–18 will significantly increase the already tremendous pitch rate capability to the point where it will take what little parity the F–14 driver might have completely away. Attack drivers can certainly live with a 7½ "g" capability with a full load of bombs and not have to jettison them.

In summary, I'd like to once again thank you for the opportunity to fly the prototype and hope that some of the decision making critics can read between the lines in a more positive manner than is generally the case. The flying qualities of the YF–17 speak for themselves. In the F–18 the words Fighter and Attack will become synonymous!

Very respectfully,

JAMES L. LUCAS,
Major, USMC.

Mr. CANNON. Mr. President, I suggest the absence of a quorum.

SEVERAL SENATORS addressed the Chair.

Mr. TOWER. Mr. President, will the Senator withhold that request?

Mr. CANNON. I withhold that request.

Mr. TOWER addressed the Chair.

Mr. JACKSON. I will defer to the Senator.

Mr. GOLDWATER. I am happy to yield to the Senator from Washington.

Mr. JACKSON. I am going to speak for only 10 minutes. The Senator was ahead of me. He may go ahead.

Mr. GOLDWATER. I will not speak that long.

Mr. TOWER. Mr. President, I yield to the Senator from Arizona such time as he may require.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.) The Senator from Arizona may proceed.

Mr. GOLDWATER. I thank the distinguished Senator from Texas and also my friend from Washington who is perfectly welcome to the floor if he wishes to use it.

But before I start my remarks, Mr. President, I see the distinguished Senator from New Hampshire, Senator MCINTYRE, in the Chamber. I listened to his report this morning, and as one who served on his committee I commend him for the exceedingly fine job he has done down through the years since he took on research and development.

It is a pleasure to serve with him. He is a man willing to admit when he is wrong, which is very seldom, but because of him I think our position in research and development in this country has been greatly enhanced.

Mr. President, I support my distinguished colleague, Senator HOWARD CANNON, who as chairman of the Tactical Air Subcommittee has again this year done such a magnificent job in reviewing the tactical air portion of the DOD bill.

As the ranking minority member of that subcommittee, I am pleased to be able to make a few remarks in support of our recommendations.

Chairman CANNON has covered the major details of what the committee is recommending in the bill, so I will try not to duplicate him in that regard. I think it will be most helpful if I make a few comments to my colleagues on some of the testimony that our Tactical Air Subcommittee received this year on the increasing Soviet capability in its general purpose forces.

For the past several years, it has been the custom of the Tactical Air Subcommittee to begin its annual hearings by a briefing from the Defense Intelligence Agency on its assessment of the Soviet general purpose forces capability. Having listened very closely to these briefings, the one predominant thing that stands out is the increasing Soviet capability to mount a conventional attack with its general purpose forces.

For a number of years, generally speaking, we have been told that in most categories the Soviet/Warsaw Pact forces outnumber the United States/NATO forces. We were, however, told not to worry because the quality of our systems, and technological superiority of our systems, was such that even though we were outnumbered, we could still win.

However, it is my observation from the testimony received this year that the Soviet forces are beginning to approach, in fact in some areas they may have already reached, the quality of our own United States/NATO forces. From the testimony, as it has been given these past several years, I am forced to conclude that we may have reached the po'nt where in a NATO conventional conflict we can no longer expect to fight outnumbered and win.

Mr. President, I might say that I have been in disagreement with the Secretary of Defense in this general area because I am convinced that the Russians have passed us in everything but the quality of the members of our forces who fly aircraft and maintain them for combat. But even this exceptional experience that we find in our forces cannot forever overcome a growing outnumbering in their fighters against ours.

During our Tactical Air Subcommittee hearings this year, the Defense Intelligence Agency told us that over the past 10 years the quantity of Soviet tactical air forces frontal aviation attack aircraft increased over 40 percent, while the quality of these aircraft has improved significantly.

The DIA also told us that since 1969 the Soviets have had underway a full-scale equipment and weapons modernization program for their frontal aviation forces, with the addition of such aircraft as the Fitter–C and the Fitter–D. The agency also said this modernization program is progressing at a rate faster than DIA had previously predicted.

Consequently, this frontal aviation force now has the technical capability to conduct offensive counterair and deep interdiction operations well beyond the battlefield area. This means that all U.S. and NATO bases, depots, logistics centers, transportation centers, communication networks, and various headquarters will be subject to attack by Soviet aircraft. In the defensive role, the Soviet counterair force is now reported to have a high percentage of late model aircraft with an all-weather capability and it can also be employed in an air-to-ground war. During the past 2 years, its air-to-air capability has been enhanced with the introduction of two new air-to-air missiles.

This qualitative improvement of the Soviet force, coupled with its expanded capability, means that during any conflict with Soviet forces, our ground forces will be subject to continuous attack and harassment by Soviet aircraft. This will not be something our ground forces in past wars have generally been subjected to. For the most part, our ground forces have always been able to operate free from enemy air attack and, consequently, were able to concentrate their entire effort against the enemy ground forces. If and when the Soviets attack in NATO, this will not be the case.

Mr. President, I would also point out to my colleagues the increasing capability of the Soviet attack helicopter force.

I might comment, Mr. President, that up until just a few years ago the Soviets rather laughed at our use of helicopters in support of ground forces or even in engaging targets of opportunity. They did not believe the helicopter could be survivable in any theater in which they might find themselves engaged.

But this is no longer the story. They have two new ones, the HIP and the HIND helicopters, and their assault regiments represent a very formidable attack force, and have the ability to carry both troops and armaments. In other words, the HIP and the HIND can provide great troop mobility on the battlefield, while at the same time being able to attack a ground target as required. Frankly, we have no comparable system. As a matter of information for my colleagues, the HIP–E is reported to be the most heavily armed helicopter in the world and is capable of providing this firepower in a ground support role. It has been identified as operational in some Soviet and national air units in the frontal area.

Turning now to our own forces, for the Army the committee is recommending 78 AH–1S Cobra/Tow attack helicopters and 129 UH–60A Blackhawk assault helicopters, the number requested by the Army. The committee also supports the continued development of the advanced attack helicopter, which is urgently needed for the modernization of our Armed Forces.

For the Navy, the committee recommended 28 F–14 fighters, which is four more than requested by the administration. This addition by the committee will keep the annual production rate at 36, which in my opinion is the economical minimum. The committee also recommended nine F–18's rather than the four requested by the administration, with

the purpose being to maintain a higher production rate buildup over the next several years. These particular F–18's will be used for operational test and evaluation and are not scheduled for fleet inventory. But I would report to my colleagues also that during the course of July recess it was my opportunity to visit the Northrop plant and to see the sections that are being built for the F–18 and the A–18, and listen to a detailed briefing on both of these aircraft.

Since the hearings the Air Force has shown a particular desire for the land based version of the A–18 as a replacement for the aging A–7. The Navy's A–18 will give us extremely high speed, an extremely heavy load ability, and the nice thing about this aircraft is that it is pretty well staying within its cost estimates.

It is a twin-engine airplane which the forces and the services are now leaning more to than the single-engine type.

I was very impressed with this briefing, and I hope that the Navy will go ahead with its F–18 and the Air Force eventually request the land-based version because we have to remember, Mr. President, that by the middle of the 1980's we will probably have only two aircraft, two fighter aircraft, being made. One will be the F–16 and one will be the F/A–18.

It is really sad for me to say that this bill only contains 28 operational fighter aircraft for the Navy, a rate, in my opinion, far below that needed. In fact, I have commented publicly, Mr. President, that in my opinion President Carter is going to have to supply at least $3 billion more for this effort next year, and if he wants to see us start on the road to becoming equal to the Soviets.

For the Air Force, the picture is better because the F–16 production rate is beginning to build quite well, and the bill includes the 145 F–16's requested by the administration. We are also recommending 78 F–15's and 162 A–10's.

The A–10, of course, is the ground support aircraft the Air Force has been getting for about a year now.

The committee also took the step this year of adding 21 TA–7D's and eight C–130H's to the bill for the Air National Guard and Air Reserve Forces. For too long, in my opinion, the DOD has been giving lipservice to the needs of our Reserve Forces without making any tangible effort to provide equipment where needed. If we are to believe and take stock in the statements that have been made by our Secretaries of Defense since the early Nixon days, the Reserve and the Guard will be the backbone of our services in time of emergency. But, Mr. President, they cannot be the backbone of any service if they do not have modern equipment and are not allowed to train in these pieces of modern equipment. That is why we are giving them the A–7's and the C–130's. These aircraft will greatly improve the combat capability and mission capability of our Reserve Forces, and I strongly recommend their approval.

In summary, Mr. President, I believe the DOD is going to have to request more aircraft annually than has been the case recently. We are beginning to become outnumbered and the situation is made more serious due to the qualitative improvement of the Soviet forces. Gen. Robert J. Dixon, then commander, tactical air command, told our committee—and this is distressing—that, "The Soviets build three new fighters every day of every week of every month of every year," and that "They have been doing it for 4 years and it looks as if they will do it for 4 more."

I urge my colleagues to support the bill as presented. It contains, in my opinion—well, I will have to change that a bit—it does not contain the bare minimum, it does not quite reach it, in my opinion. I think the administration with which we are working through their Secretaries will have to realize that if we really mean it when we say we are going to meet up to the requirements of our NATO commitments, they are going to have to spend a little more money whether they like it or not.

Unfortunately, the cost of weapons has gone up probably faster than the cost of food, which is going up faster than some of our fighters will climb.

So, Mr. President, I hope that this bill can get through without crippling amendments. I hope the way we pass this bill, the vote, will indicate to the House that we will be in accord with them when we are talking about the need for equipment to strenghen our forces.

I do not think at this time in our Nation's history or the history of the world and the condition of the world today that we can allow our forces to get any weaker than they are. They are at a dangerously low point now, and it is time we start to build them up.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, I yield the Senator from Washington—how much time?

Mr. JACKSON. Ten minutes.

Mr. STENNIS. I yield the Senator 10 minutes.

Mr. JACKSON. Mr. President, first off, I would like to express my appreciation to the distinguished chairman of our committee, the Senator from Mississippi (Mr. STENNIS), for the tremendous patience, time, and effort that he has put into the pending authorization bill; and I would like also to express my appreciation to Senator TOWER, the ranking minority member on the committee, for his strong bipartisan support. The various subcommittee chairmen have made important contributions: Senator McINTYRE, who has probably one of the most difficult subcommittees to chair, Research and Development; Senator CANNON on the Tactical Air Subcommittee; Senator NUNN on the Manpower Subcommittee, as well as the ranking minority members. Senator HART was helpful on the Navy issues.

I must say that the committee has demonstrated the kind of teamwork that has made it possible for us to bring in a bill that I would say carries virtually the unanimous support of the committee.

DEFENSE AND EAST-WEST POLICY

Mr. President, the Senate today considers the defense authorization bill at a time of great uncertainty in the policy of the Carter administration toward the Soviet Union. The administration's approach to East-West relations is confused, uncertain, and often contradictory.

The confusion arises from the contradiction between administration words and actions. The words of President Carter's Annapolis speech, for example, reflect a growing understanding that the Soviet Union is a repressive, totalitarian state that seeks to expand its influence through a massive military buildup and the use of Cuban troops supported by Soviet arms, logistic and financial support.

Yet, the action that ought to flow from that understanding—a firmer, decisive bargaining stance across the whole range of United States-Soviet relations and negotiations—has been notably missing.

Administration policies reflect anything but hard bargaining. Negotiations between Washington and Moscow have been marked by a one-way flow of concessions—from West to East—and an alarming tendency to appease the Russians by accepting their terms on such crucial matters as a new strategic arms (SALT) treaty and arms control in Europe.

In his Annapolis speech, Mr. Carter, while challenging the Russians to choose between cooperation and confrontation, offered just more of the same; more of the same in SALT negotiations, in MBFR, in Indian Ocean force talks, and in other issues of arms control; more of the same in trade and cultural exchanges. The tough talk was offset by weak action.

Mr. President, this seems to be a pattern. Over the weekend Secretary Vance neutralized his statement on the outrageous Shcharansky and Ginzburg trials by just more of the same approach to SALT.

Strong American foreign and defense policies are the sensible course for dealing with the Soviet Union, especially now when the Russians are, under the cover of détente, seeking to exploit American forbearance in Africa, in the Middle East, and in negotiations concerning conventional and strategic weapons.

Mr. President, strong and appropriate policies need not be aggressive or extravagant. They should have the simple purpose of achieving understandings with the Soviets based on reciprocity—on genuine equivalence. It is high time we stopped the dangerous practice of entering into unequal deals with Moscow in the misguided notion that Soviet leaders will reward our generosity with restraint in international affairs.

Why, for example, should we sign a SALT treaty that will permit the Russians to have more than 300 large, modern intercontinental missiles while we are allowed none?

Why should all our strategic bombers count in the treaty—even those that have been disassembled and mothballed, while

the new Soviet Backfire bomber, of which they can have some 400 during the life of the treaty, does not count at all?

Why should a U.S. cruise missile in Europe with a range of 400 miles be prohibited, while a Soviet ballistic missile in Europe with a range of 4,000 kilometers is permitted—and in unlimited number?

An American willingness to enter into such a manifestly unequal agreement is certain to persuade the Russians that we are weak, however strident the rhetoric in the Presidential speeches.

How are the Russians interpreting the administration's proclivity for one-way concessions and one-sided retreats? It is clear that the Soviet leaders are increasingly confident that they can bully us and get away with it. They are becoming bolder in their policies and more prepared to take risks.

It is time to take action that would give real meaning to the President's claim that "we will not be pushed around."

Until we insist on equality in the Strategic Arms Limitation Talks (SALT)—and in other areas—the Russians will continue to believe that they can shrug off the tough words because they are able to drive a tough bargain. And to the leaders in the Kremlin, that is what counts.

There are Soviet commercial ships operating from some dozens of U.S. ports—while we use only four Soviet ports. It is time to pare down the list to equal numbers on each side.

There are exchange programs in technical areas—like space research—in which we get little and the Russians get a great deal. Perhaps some should be canceled or cut back.

There are licenses that enable the Russians to purchase our high technology—they can be rescinded or cancelled or turned down.

I hope the Senate will support the Armed Services Committee's recommendation that $1.930 billion be authorized for a fourth *Nimitz*-class carrier. The Navy needs this highly survivable and cost-effective ship to help meet its commitments to support the NATO flanks, to maintain the freedom of the seas and the supply lines to our friends and allies in Europe, the Middle East and the Pacific. The 13-carrier force of our Navy is the foundation for our capability to protect and assure the sources and transportation of the free world's oil supplies into the next century.

This move to build the fourth *Nimitz* carrier is the kind of determined signal the Soviets can understand.

An adequate level of defense procurement is essential to maintaining our position in the world. This year's recommendation is a modest one, but a necessary step. We in the Congress can vote to provide the President with the military strength he needs to cope with the Soviet Union. We cannot, unfortunately, insure that the executive branch will effectively marshal our strength on behalf of a sensible, credible foreign policy.

I would add only one further thought: it would be a tragic mistake if the administration were to give away at the negotiating table the strength that bills like this are intended to place at the disposal of the United States and its allies. I for one do not intend to let that happen.

Mr. McINTYRE. Mr. President, will the distinguished Senator from Washington yield for a question?

Mr. JACKSON. Yes.

Mr. McINTYRE. Why is the Senator so troubled and so impatient with a SALT treaty that we do not have at hand? Why does the Senator from Washington come out here on the Senate floor and talk about the provisions of a treaty not yet completed? Why should not the Members of the Senate not have a chance, without all of this prejudgment, to judge for ourselves whether or not the treaty, if it ever comes to a treaty, is one that is deserving of our approval or not deserving of our approval?

Why does the Senator seem to carp, and has been carping for some time now, seeking to beat down this treaty, before we have the treaty in its full four corners in front of us?

I think the Senator from Washington would agree with me that if we can get a meaningful SALT treaty with the Russians, it is to our advantage, and in favor of our national security.

So today when we are discussing our military bill for this next fiscal year, why does the Senator feel constrained to come down here and put up all of these alarm signals that we are giving away our security when, in fact, we do not know what the agreement is?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. STENNIS. Mr. President, I yield the Senator 5 additional minutes.

Mr. JACKSON. First, I would say to my good friend from New Hampshire that what I referred to, as the Senator knows, are SALT items that our side has already agreed to, including these relating to the heavy missiles and the cruise missile. They have been made public.

Does the Senator from New Hampshire have the idea that a strategic arms proposal and agreement has no relevance to the budget we have before us? Is that his position?

Mr. McINTYRE. That is not the Senator's position. I tried to pose the question to the distinguished Senator from Washington, why is it that he feels this is the time and place to raise this issue—since he agrees with this budget and he is not adding any money to it? And why is he down on the floor of the Senate carping about a treaty we have not seen yet in the full four corners of the document?

Mr. JACKSON. The Senator used the word "carping." I am not carping. I will say to the Senator that I cannot think of anything more relevant to a defense budget than a SALT proposal.

Let me ask the Senator this question: Is the Senator for giving the Russians heavy missiles while we are not entitled to heavy missiles? Is the Senator for putting limitations on the U.S. cruise missile, while there are no limitations on the Soviet side for their SS–20? Is that the Senator's position?

Mr. McINTYRE. I am not here on the floor to argue the merits of the SALT Treaty when all I have seen is parts of it. When I have seen the whole picture, I will be able to determine, as other Senators will, whether this is a meaningful treaty or not. The Senator is prejudging the SALT Treaty which is not in existence. That is my objection to the Senator's remarks.

Mr. JACKSON. What I am giving is open information. I will ask the Senator, is it not a fact that we have agreed to give to the Soviets some 308 heavy missiles that we are not entitled to have?

Mr. McINTYRE. As far as I am concerned——

Mr. JACKSON. I ask the Senator.

Mr. McINTYRE. There is nothing in the treaty that is firmed up as the agreement. All of these things are being considered.

Mr. JACKSON. Have we agreed to that proposal? I ask the Senator that question.

Mr. McINTYRE. Tentatively, I believe we have. But it is tentative.

Mr. JACKSON. Does the Senator agree with that provision?

Mr. McINTYRE. No, he does not agree with it until he has seen the whole treaty. I do not know what we are getting. I am not here to argue the treaty as we see it in its partial form. I am asking, why is it that people like the distinguished Senator from Washington will not allow this treaty to come before us as a finished package, but instead try to knock it down and defeat it in the eyes of the people before we have a chance to see it?

Mr. GOLDWATER. Will the Senator yield?

Mr. JACKSON. Mr. President, let me say we are considering in this bill strategic items of tremendous importance. I would point out that reference to the SALT agreement, as it is shaping up in the negotiations, is absolutely crucial in any analysis and study of the defense budget. What I have said here I think points clearly to the need to have a strong defense budget.

I yield.

Mr. GOLDWATER. I can understand the feelings of the Senator from New Hampshire, and to some extent I share them and agree with him. But I would add that I am apprehensive about this, not so much as what we might get finally in a four square treaty, but I do not have the feeling that our negotiators are negotiating strongly with the Soviets. I will give one example. We gave up the B–1 bomber without asking that they give up anything. They have the Backfire bomber. It is not as good as the B–1, but they are making three a month, and two of those go to the Navy. With those land bases they have available to them around the Mediterranean, it is going to be almost impossible for our Sixth Fleet to survive the Mediterranean against that land-based bomber. I think when President Carter made up his mind to do away with the B–1, he should have said to his team, Mr. Warnke and others, "All right, get them to give up the Backfire."

That is what bothers me, and I believe it bothers the Senator from Washington.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. STENNIS. Mr. President, I yield 5 additional minutes.

Mr. HART. Will the Senator yield?

Mr. McINTYRE. I want to conclude my remarks in the time we have.

I am very hopeful that we will get a meaningful agreement with the Russians that will do much to add to our national security. My trouble here today is that the distinguished Senator—and he is a distinguished Senator—from Washington is down here approving our budget, which has many strategic items, items where we have clear superiority over the Russians, but takes the opportunity to deride a treaty that is now trying to be put together by the administration. The judgment on that treaty should be made when we see the full four corners of the document before us and can decide what we get and what we do not. For example, the Senator from Washington does not say anything about the tentative agreement that would require the Russians to destroy some 300 of their launchers.

All I am saying is to give the SALT treaties a chance before the American people. Must we beat it to death before we get it?

I yield.

Mr. HART. The Senator heard the Senator from Washington talk about the U.S. negotiators giving the Soviet Union the heavy missiles.

We did not give them the missiles in this treaty, as I understand it. It does not give the Soviet Union anything. We made some basic strategic decisions back in the fifties.

We structured our strategic forces in a Triad, placing a lot of our nuclear capability at sea and in the air. The Soviets decided to go a different way. We could have built those missiles but we did not build them. We are not giving the Soviets anything. They made some decisions and we made some decisions.

Mr. JACKSON. I would point out to my good friend from Colorado, Mr. President, that under the proposal as it has been tabled the Soviets and the Soviets alone have the right to have the heavy missiles—the 308 which are grandfathered under the SALT I agreement. It is not a case of what our strategic decision may have been. The facts are that we are not permitted to have those heavy missiles. I am sure the Senator from Colorado is aware of that.

Mr. HART. Will the Senator yield for a question?

Mr. JACKSON. Yes.

Mr. HART. Will the Senator tell us which defense strategists are advocating that we construct heavy missiles?

Mr. JACKSON. I think the answer to the Senator's question is that we should get the Soviets to cut back on these missiles that are indeed destabilizing. Is the Senator from Colorado not concerned about the Soviet development of huge missiles that can only be used for counterforce? As the Senator knows, based on public statements, the Soviets will have a capability with those 308 of having more than enough RV's to destroy our Minuteman force with just those 308, leaving them some 1,500 missiles in reserve.

We do not have any such capability and we are not permitted to have that capability under the portions of the treaty agreed to.

Does the Senator agree, for example—and our side has agreed to this—that the Soviets will be permitted to deploy as many SS–20 missiles as they like—each with 3 warheads and a range of 4,000 kilometers. We and our allies will not be permitted to deploy any ground or sea-launched cruise missiles with a range over 600 statute miles for the period of the protocol?

Mr. HART. In answer to the Senator's question, it is this Senator's understanding, based on the news reports alone and on some briefings and hearings, that the only prohibition on this country is contained in the protocol, which is temporary prohibition.

The PRESIDING OFFICER. The additional time has expired.

Mr. HART. Will the Senator yield additional time?

Mr. STENNIS. Mr. President, I yield 5 additional minutes for this colloquy.

Mr. HART. We could not develop any new missile system, including a giant silo-buster missile, in that 3-year period. Then all bets are off after that 3-year protocol. So we are not prohibited from doing anything.

We can go forward with research and development. We cannot produce and deploy missiles. If we choose to go in that direction, taking more money away from construction of ships and other needed systems, we can choose to do so.

Second, if we want to open up the question of the SS–20, I am sure the Soviets will be glad to talk about our forward-based defense systems in Europe, which they have chosen not to do.

Mr. JACKSON. We do not have a counterpart to the SS–20, and the Senator knows it. It is a mobile missile, with a 4,000-kilometer range. What missile do we have that can compare with that capability on the part of the Soviets? Is the Senator talking about the Pershing, an in-field weapon? Of course we do not have a counterpart to the SS–20.

The Senator said nothing about the situation with reference to the Backfire bomber. We even have to count, Mr. President, in our bomber force, the mothballed B–52's down in Arizona. Those are hard facts.

All I am saying, and I have thought this from the very beginning, is that we need to have equivalence. We need to have equal numbers and equal throwweight.

I took the position earlier that a SALT agreement, to be effective, must have a constraining effect. We know now, there is no dispute about it, that in the 1972 SALT agreement, there was no constraint on the Soviets. What we gave them is what they could produce during that period. Now, that is a fact. And there is no meaningful constraint on the Soviets in this new agreement.

I would want to see, and I have strongly advocated, a substantial cutback of strategic arms on both sides. The proposal that we have been looking at ever since the President backed away from his March 1977 proposal has been a build-up. I prefer a build-down.

Mr. President, it gets down to very simple arithmetic: You do not have to be a strategic arms expert to know that what is being proposed, the bottom line, is that the Soviets get more than we get. It is unequal. What I have raised here today is totally relevant to our defense budget.

You cannot talk intelligently about a defense budget unless you talk about what kind of strategic arms agreement you are going to have. And it seems to me that this is the kind of discussion that is useful in trying to inform our colleagues of the importance of having an adequate defense posture during the time of negotiation, and thereby not sending false signals to the Soviets.

There are too many of those false signals emanating from high places. I hope that the Secretary of State will keep in mind, at a time when the Soviets are doing so much to provoke us, that there are two sides to this picture. And this is the time for us to let the Russians know that we can play the game, too.

Denial today of basic human rights entered into by international accord—the Shcharansky and Ginzburg trials, flagrantly violating the accords at Helsinki, flagrantly violating the 1948 Declaration of Human Rights, flagrantly violating the two international conventions, treaties, Mr. President, that the Soviets voluntarily signed—I think that is very relevant to what can be expected of the Soviets in connection with the SALT agreement.

I think the American people understand that even if others do not understand it. They do not like this trend, and I think for us to speak out in a sensible and restrained way makes a lot of sense.

Mr. President, my views on the Soviet Union have been known for a long time. I have not used intemperate language. I have not used rough language on the Soviet Union. I have called them as I saw them at the time. My remarks have been and continue to be far more temperate than what was said at Annapolis and at South Carolina. I think we need to speak with restraint. But when we speak, I hope that we will back it up with more than just loud rhetoric. I do not think that accomplishes anything. I think it is destabilizing, and I think that, in the long run, it injures American foreign policy.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. STENNIS addressed the Chair.

Mr. HART. Will the chairman yield me 1 minute?

Mr. STENNIS. The Chairman wants to make an announcement of general interest; then I shall yield to the Senator.

Mr. President, I yield myself 3 minutes.

Mr. President, the committee as a whole, certainly including the chairman and manager of the bill, fully recognizes the right for anyone to offer amendments and really welcomes amendments. That is all right. We had a lot of amendments around the table when we wrote this bill up. We passed on them. A Senator is not a member of the

committee is certainly not shut off or put in any disadvantaged position to offer such amendments as he wants.

I do have a plea now, though, and I hope it is agreeable to the membership, that we can proceed on consideration of amendments, particularly this afternoon, if possible, to get some of the voting started, and we can have general debate on the bill later. Certainly, all the remarks that have been made have been relevant, it is true. I was hoping there was a matter here of machinery or operation so that we could get into voting.

I understood the Senator from Colorado might have an amendment that he would want to take up this afternoon, an amendment of importance, with a considerable dollar figure tied to it. We had an understanding that we would not vote until 4 o'clock. If the Senator contemplated about an hour's debate or a little more, if it is agreeable, we could start on that amendment now and, by 4 o'clock, I understand, if not all Senators are here, a very high percent of them will be here. I just mention that in passing.

A number of questions have come to me about voting this afternoon. I do not have in mind any particular amendment to be voted on this afternoon, except what I said about the Senator from Colorado. Many inquiries have come about an amendment concerning the carrier. I do not know of any amendment concerning the carrier. The committee worked on that a long time and was pretty well generally satisfied, I think. Certainly, we will be ready—I mean it will be open to voting beginning at 4 o'clock.

I say to the Senator from Colorado that I am not trying to pressure him in any way on this. If he wants to proceed, it will be time for it this afternoon.

With that explanation of the general progress of the bill, there is plenty of time also on the bill as a whole, on matters of policy or anything of that kind. I yield now to the Senator from Colorado, who had an original request. How much time did he wish?

Mr. HART. I just need 1 minute, Mr. Chairman.

Mr. STENNIS. I yield 2 minutes.

Mr. HART. I wanted to comment briefly on the closing remarks of the Senator from Washington.

I am sure it is not his intention and will not be, once we get to debating a signed SALT treaty. To say that anyone in this Chamber, of either political party, has a corner on toughness with the Russians, nor that one is qualified to speak on strategic matters according to how many statements one has made in the past about how strong we should be in opposing the Russians. I know that is not his position. It certainly should not be the position of any of us on a matter of such seriousness.

We all have our views on this administration's foreign policies. We can talk about them at great length. But I do not think it is a question of if you are tough enough on the Russians then you are qualified to speak on an arms limitation agreement. I am as concerned as the Senator from Washington, and I think any other Member of this body, about Soviet advancement in various areas. I think one way to choke those is to have enough money in the Treasury to buy the kind of conventional weaponry we need, including a sound Navy, and not put all our funds into the nuclear forces. I think that would weaken us as much as what the Senator from Washington is concerned about in the prospective SALT agreement.

If the chairman is agreeable, I am prepared to bring up my amendments on tactical aircraft tomorrow. I thought I sent that message to the chairman.

Mr. STENNIS. I have no special preference. The Senator is entitled to a shot at his choice, anyway.

Mr. President, I see that the Senator from Georgia is present. He has handled an important segment of this bill. I hope he is ready to proceed and ask for the floor.

How much time does the Senator want?

Mr. NUNN. Mr. President, I imagine it would take about 20 minutes.

Mr. STENNIS. I yield the Senator 25 minutes, Mr. President.

Mr. NUNN. Mr. President, I support the committee's recommendations for the fiscal year 1979 military authorization bill.

Our distinguished chairman has already emphasized the continuing quantitative and qualitative expansion of military power by the Soviet Union. I do not intend to restate these disurbing trends at this point but it is clear that the United States must maintain a strong defense posture and, together with our allies, must work to fulfill our commitment to maintain a military balance in the world.

The committee recommendations would increase procurement and research and development by over $600 million above the requested level, primarily for general purpose forces to support the modernization of our existing forces and force structure improvements. As I have emphasized before, the quantities of equipment and material to be purchased are not large—418 Air Force aircraft and 17 new Navy ships, for example, are scarcely sufficient to replace normal attrition in the ship and aircraft inventories.

The problem has been caused by two factors: First, rising manpower costs over the last 10 or 15 years, particularly the last 8 or 10, and other operating costs have taken up more and more of the Defense budget; second, the unit cost of individual weapons systems is rising rapidly. The committee, in this bill, continues its efforts to arrest these trends. However, while some small savings in manpower are possible and necessary, we are no longer at the point where large military manpower reductions are possible.

As chairman of the Subcommittee on Manpower and Personnel, I will highlight the committee's recommendations on the manpower and related items authorized in the bill.

OVERSEAS TROOP DEPLOYMENTS

Part of our review of the current and needed defense posture includes hearings on the Defense force structure—the number of divisions, air wings and ships—for which manpower and budget dollars are authorized, and hearings on overseas troop deployments. The committee recommendations support the Department of Defense's proposed level of 495,000 overseas troops for fiscal year 1979 as a strong, credible and critical part of America's defense and commitments. This recommended level of overseas troops takes into account the President's decision to defer the scheduled withdrawal of combat troops in Korea. The Department of Defense now plans for the withdrawal of one battalion of ground combat troops of the 2d Division from South Korea by December 1978. The committee has expressed concern in its report on the possible risks to the current military balance of any further withdrawals and directs the Secretary of Defense to provide a specific analysis to the committee before any future withdrawal of ground combat troops.

OVERALL MANPOWER RECOMMENDATIONS

The committee recommends an active duty military end strength of 2,053,900 for fiscal year 1979 which includes approval of the active duty strengths requested with some reallocations within this total strength, and an accounting change of 4,900 to provide for the authorization of reservists on full-time active duty for recruiting and certain other functions under active duty strengths instead of Reserve strengths. The committee recommends a net reduction of 8,400 from the fiscal year 1979 requested civilian end strength of 1,007,500. The reductions are all in support areas. The committee also recommends an increase of 31,350 to requested Reserve strengths, reflecting increased reliance on Naval Reserve manpower. A number of amendments related to manpower were also adopted by the committee. The effect of these actions would save about $110 million per year in future years which can be used to increase weapon inventories and the readiness of our current forces.

THE ALL-VOLUNTEER FORCE

Before discussing the recommendations on manpower for each service, I should emphasize the Armed Services Committee's concern about the ability to sustain the All-Volunteer Force in the future. The active forces are straining in their efforts to attract current numbers of recruits. Attrition rates have risen sharply so that about 40 percent of enlisted personnel now fail to complete their first term. This turbulence is costly, increases the total manpower needed on active duty, and takes an unfortunate toll on young people who fail in the military system.

The Reserve Forces are encountering even greater problems. To date, the All-Volunteer Force has been a dismal failure for the Reserve components. The Selected Reserve—the units that would augment active military forces in a mobilization—are over 47,000 below authorized levels.

The Individual Ready Reserve, the primary source of trained individuals for replacement and augmentation in an emergency, is almost 300,000 below mobilization levels for the Army alone.

There are critical shortages of doctors and certain other skilled personnel in both active and Reserve components.

It should be clearly understood that the All-Volunteer Force is a peacetime concept that is not now providing sufficient numbers of Reserve personnel and would be hard pressed to provide additional active Reservists should the national security require an expansion of active levels. In addition, the current inactive Selected Service System could only begin to provide draftees for initial assignment to units some 7 months after mobilization.

The committee emphasizes in its report that alternatives to the current structure of the all-volunteer force must be explored. The committee, in its report, requires that the Secretary of Defense submit, by December 31, 1978, a study assessing the costs and consequences of alternatives to current policies including changes in existing Selective Service laws, changes needed for an effective standby draft and alternative ways to increase recruiting.

The inability to attract a sufficient number of physicians is a major problem of the all-volunteer force. This shortage results in less medical care available for active duty dependents and retired personnel and also raises problems for mobilization. The committee report contains several recommendations on military medical programs. The committee recommends an increase of 100 active military to reinstate the training programs for Army physician assistants. Studies indicate physician assistants can perform equally well as physicians in outpatient clinics when dealing with a selected group of general medical problems. The committee also adopted an amendment to increase the CHAMPUS reimbursement level from the 75th percentile to the 90th percentile of customary and prevalent medical fees in a local area. This will not change the cost sharing provisions between the Government and the individual under CHAMPUS. It will increase the acceptable charge level to that which 90 percent of the doctors in the area charge.

With regard to Reserve forces, the committee adopted an amendment to extend the authority for 1 year for reenlistment bonuses and educational assistance for the Selected Reserve. This authority is contained in current law but will expire at the end of this fiscal year. The Department is now conducting a test of a reenlistment bonus. The committee recommends that this authority should be used to continue a test program at a funding level of $5 million. To the extent that Reserve strengths fall below funded levels, the committee believes that money should be reprogramed into these incentives, assuming incentives demonstrate that they can and will work.

Current Department of Defense practice restricts the payment of drill pay to new reservists to 90 days before graduation from high school or to certain other periods. The committee feels that extending this period may be a very cost-effective way of reducing current attrition problems in the Reserves. The committee recommends that the Secretary of Defense, using current authorizations, design and conduct a pilot test program of up to $250,000 to pay new reservists drill pay for longer periods before they complete initial active duty for training and report to the committee next year on the results of the program.

ARMY

For the Army, the committee recommends approval of an active duty end strength of 775,800 for fiscal year 1979 which includes approval of the requested military end strength with certain reallocations of manpower and an accounting change of 4,100 military. The committee recommends approval of 360,100 civilians—a decrease of 5,300.

The Army request for research and development manpower would increase military manpower about 1,000 over the current actual levels. The Army civilian changes reflect decreases in workload and no changes were made to this request. The committee recommends denying half of the proposed increase in military R. & D. manpower. I have already referred to the recommended increase of 100 military to renew the training programs for Army physician assistants.

The Army manpower request for training, including both support and students, reflects a large decline from that requested last year. Much of this is a result of the revised manpower program submitted by the Army last year after action by the Senate. That revised program reduced adverse attrition and increased retention planned for fiscal years 1978 and 1979 reflecting the concerns of the committee. As a result, training needs are lower. The request also increases one-station unit training from that originally planned and this more efficient method of training also saves training manpower and money.

The committee supports this training concept and the expansion of one station unit training including the full implementation of infantry one station unit training in fiscal year 1979. The subcommittee adopted an authorized student load of 16,900 to be utilized solely for one station unit training. The Army request does propose some additional decreases in support and training developments staffs. The committee supports further efficiencies in training but believes that further reductions must be phased in gradually and recommends an increase of 400 military and 400 civilians in training.

The Army requested an increase of 400 civilians for personnel support in Europe. This increase represents a 50 percent increase in civilians for gyms, recreation center activities, libraries, child care and financial counselors. The committee recommends denying all but 100 of this proposed increase. The 100 additional personnel could be used for additional financial counselor programs for junior enlisted personnel who are seriously affected by the changing value of the dollar.

The committee also recommends denial of an increase of 700 civilians due to increases in support of foreign military sales. Manpower for foreign military sales is poorly identified and we have had many different estimates of the manpower involved. Thus, it is difficult to justify granting this requested increase. However, I want to emphasize that this reduction is not intended to curtail the specific construction projects involved. Rather, there is not sufficient justification to increase total Army civilian strength because of individual projects.

In addition, the committee recommends additional reductions of 4,700 white collar civilians. Manpower costs total $64 billion in the fiscal year 1979 request. This represents 56 percent of the defense budget compared to 47 percent in fiscal year 1964. Within this increase, civilian pay now consumes 17 percent of the defense budget compared to 15 percent in fiscal year 1964. About one-half of this increase is due to grade creep. If the civilian grade structure were the same now as in 1964, we could save over $1 billion per year.

In light of these escalating costs and grade creep problems, the Congress last year enacted specific reductions in the white collar sector of DOD civilians that could be accommodated through normal attrition. Civilian reductions have been disproportionately applied to blue collar employees in the Defense Department and efforts are needed to reduce this trend and lessen the increase in manpower costs driven by keeping the higher grades overstaffed.

The accounting change for military manpower I referred to reflects the concerns expressed last year by the committee over the increasing practice of bringing reservists on full-time active duty, primarily for recruiting, but not including these full-time active duty personnel in the authorized end strengths. Instead these personnel have been placed on "active duty for training" although they are not involved in training. We believe that all full-time active duty personnel should be included in the congressionally authorized active duty end strength. Consequently, we recommend an accounting change that would add 4,100 spaces to the Army active end strengths.

This level supports the requested level for reserve recruiters and has no other effect on active military personnel. Nor would this accounting change have any organizational impact on the Reserves.

For the Army National Guard and Army Reserve, the committee recommends the authorization of the level requested in the budget except for the corresponding accounting changes to transfer full-time active duty personnel from the reserve authorization to the active duty authorization.

NAVY

For the Navy, the subcommittee recommends approval of the military end strength requested of 521,700 with some

reallocation of manpower within this total.

The Navy continues to face serious personnel problems. Actual strength for fiscal year 1977 fell some 10,000 below the authorized level. Shortages in critical skills remain. As the number of Navy ships needed to be manned increases, these shortages become very important. Navy desertion and AWOL rates are at the highest point in history. The budget proposes a decrease in Navy recruit training from 8 weeks to 6.7 weeks. The committee has supported reductions and efficiencies in training in the past but feels that such a severe reduction at a time when the Navy faces very serious personnel problems may not be wise and must be approached gradually. The committee recommends an addition of 1,500 spaces in training. The Navy should have the flexibility of using these additional training spaces in areas other than recruit training.

In assigning the actual number of military people, the Navy chose to man the fleet and to underman support activities because of the manpower shortage. The committee believes this was the proper choice. In order to ease the pressure on recruiting numbers of people, and to facilitate use of an increased Naval Reserve strength, the committee recommends denial of 1,600 of the proposed increases in base support and research and development positions above current actual strengths. A small training decrease would be associated with this decrease.

Although the total military strength requested for the Navy declines by 10,600, the number of Navy officers requested would increase 500. The committee recommends denial of 400 of this proposed increase for officers in management headquarters and central support such as public affairs, finance centers, and other staff groups.

The committee recommends a level of 87,000 for the Naval Reserve. This is an increase of 35,600 over the President's budget and would provide for stability in the Naval Reserve at the current actual strength levels and at the level authorized last year. These additional personnel include manpower in high-priority missions and technical skills. I still believe there is a need for new and meaningful missions for the Naval Reserve. There are 5,200 reservists in base support functions which should be used to support the active Navy since the Navy is short in these positions. The committee also recommends an addition of 700 active-duty personnel for support of the Naval Reserve.

For civilians, the subcommittee recommends a reduction of 1,600 white-collar employees through attrition which is similar to the reduction proposed for the Army and recommended by the committee last year.

The committee also recommends an increase of 1,100 civilians in aircraft maintenance which were proposed for elimination in the budget.

While the number of Navy aircraft is declining, the reduction in maintenance personnel and workload will also result in a decline in the operational readiness rate of Navy aircraft. This readiness decline reflects in part the increased sophistication of Navy aircraft but also the need for productivity improvements in maintenance operations. The committee recommends adding these personnel back to the budget because of our concern over readiness rates, but we are also concerned about current efforts to measure and improve productivity; and we hope to see improvement in this area by the Navy and by the Department of Defense.

The committee also adopted an amendment proposed by Senator BYRD of Virginia to require the Secretary of the Navy to conduct a comprehensive study comparing the costs of performing the first carrier service life extension program (SLEP) and the modernization of DDG–2 class guided missile destroyers in public and private shipyards and reporting the results of that study to the committee before taking any action in connection with these programs.

MARINE CORPS

The committee recommends approval of the requested Marine Corps active duty strengths of 190,000. For civilians, the committee recommends a reduction of 100 from the fiscal year 1979 request in base support, an area where the Marines have not reduced manpower to the extent possible in such areas such as base administration and personnel services.

The budget also includes a proposed reduction in Marine recruit training from 11 weeks to 9 weeks. There have been significant improvements in Marine Corps personnel policies over the past few years. By emphasizing quality, and through positive leadership, there have been dramatic declines in Marine Corps indiscipline rates since 1975. However, Marine Corps desertion and AWOL rates are still higher than any other Service. As with our recommendations on the Navy, the committee supports training efficiencies but its concerned that the proposed reduction in training may be too severe in light of Marine Corps personnel problems. Therefore, the committee recommends an addition of 1,300 military spaces in training to be offset by reductions in other areas of Marine Corps manpower.

The committee recommends approval of the requested Marine Corps Reserve strength.

AIR FORCE

For the Air Force, the committee recommends approval of the military manpower request of 565,000 with an addition of 800 full-time Guard and Reserve recruiters not now carried under authorized active strengths. This is the same accounting adjustment as proposed for the Army.

For civilians, the committee recommends a reduction of 100 from the requested level.

This represents denial of an increase of 500 civilians in support of foreign military sales and a recommendation that 400 civilians proposed for reduction in aircraft maintenance be added back. Like the Navy, the budget projects a decrease in aircraft operational readiness rates which concerns the committee.

The committee recommends approval of the Air Force Reserve and Air National Guard strengths as requested, adjusted for the accounting change to authorize full-time active duty recruiters under the active strengths.

DEFENSE AGENCIES

For Defense agencies, the committee recommends a reduction of 2,400 civilians in Command/Headquarters and in other whitecollar employees. Here the Defense agencies have not reduced manpower over the years to near the extent the committee believes is possible. These reductions, as with all civilian reductions proposed, can easily be accomplished through normal attrition.

COAST GUARD RESERVE

The committee also recommends approval of the requested strength for the Coast Guard Reserve.

SEA PAY PROPOSAL

The committee accepted, with one change, an Administrative proposal to restructure sea pay. Current law provides sea pay for all enlisted personnel on sea duty at monthly rates ranging from $8 for an E–1 to $22.50 for an E–9 regardless of years of sea service.

The new pay proposal provides sea pay for pay grades E–4 through E–9 with 3 years of sea service, at monthly rates ranging from $25 for a member with 3 years of sea service to $100 for a member with 12 years of sea service. Under the proposal, members in pay grades E–1, E–2, and E–3 would not be eligible for sea pay nor would members in higher grades who do not have at least 3 years of sea service.

The committee, however, did adopt a save pay provision of 1 year, as opposed to 3 years in the administration recommendation, for those who are on sea duty at date of enactment and who would be ineligible under the new proposal. The save pay provision would permit these members to receive their current rate of sea pay for 1 year. Intervening pay raises would more than offset the loss in sea pay for some after 1 year.

The Navy strongly supports the new proposal as a more effective way of using sea pay dollars since it provides higher rates of sea pay for those with greater years of sea service.

AUTHORITY TO EXCEED CONGRESSIONAL CEILING ON DEFENSE CIVILIANS

The committee adopted an amendment to allow the Secretary of Defense to exceed the congressional ceiling on Defense civilians by one-half of 1 percent of the civilians authorized. This had been the authorization previously until it was increased to 1¼ percent in last year's authorization bill. This year's budget states a plan to exceed the ceiling by one-quarter of 1 percent in fiscal year 1978. Defense has never exceeded the ceiling by this much before. The committee believes that the one-half of 1 percent discretion is sufficient and that higher levels do not encourage careful planning of civilian manpower needs and erode congressional control over the level of civilians.

WOMEN ON NAVY SHIPS

The committee also adopted an amendment, in the form recommended by the

Navy, to remove restrictions in law which now have the effect of prohibiting from being assigned to any duty aboard Navy ships.

Mr. President, with this review of the manpower authorizations and related actions recommended by the committee, I urge support of the overall bill.

I particularly thank the distinguished Senator from Virginia, Senator HARRY F. BYRD, JR., who is in the Chamber at this time; his colleague, Senator SCOTT, the ranking minority member of our committee; as well as Senator CULVER, Senator HATFIELD of Montana, Senator BARTLETT, and Senator HELMS, all of whom have had a very large part to play in the detailed analysis and report by the subcommittee which was adopted in large part by the full Armed Services Committee.

Mr. SCHMITT. Mr. President, will the Senator yield for a question?

Mr. NUNN. I am glad to yield for a question.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. NUNN. The chairman has the time. I do not know whether the time has expired.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. STENNIS. Yes.

I yield 2 additional minutes, if that is sufficient, to the Senator from Georgia.

The PRESIDING OFFICER. The Senator is recognized for 2 additional minutes.

Mr. SCHMITT. Mr. President, I first of all wish to compliment the Senator, his subcommittee, and the full committee for their increased emphasis on personnel matters relative to defense authorizations and appropriations.

I think it is extremely critical that the country recognize and the Department of Defense recognize, as the Senator does, that the reserve forces, both the National Guard and the Reserve, are the backbone of our personnel establishment, and I think the Senator has taken some major steps in encouraging the maintenance and hopefully the increase in the quality and size of that reserve.

Does the Senator foresee over the next budget cycle, or two, additional steps that must be taken in this area to make sure that we have a citizen soldier force that can respond rapidly and with appropriate motivation to defense crises?

Mr. NUNN. I say to my good friend from New Mexico that I share his concern as to the future of our reserve forces. As I pointed out in my statement and as the committee pointed out, the all-volunteer force as far as our reserve forces are concerned has been a dismal failure. It simply has not worked. One can argue a good deal about the active duty volunteer force. Certainly it has worked much better than the reserve voluntary force. But if the reserves truly are part of our total force structure, as has been said over and over again by DOD, by this administration and by previous administrations, then some rather substantial changes have to be made in the overall personnel procurement, particularly for the reserve.

The committee has several initiatives in this bill which we hope will improve the situation, but I will have to be frank with my colleague and state that there is nothing in this bill in my opinion that is going to cure the problems of the reserves.

We do have a mandate to the DOD to come up with alternatives to the current volunteer force recruitment policies.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. STENNIS. I yield one additional minute.

The PRESIDING OFFICER. The Senator is recognized for one additional minute.

Mr. NUNN. We do have provisions in this bill, which I think are very important, perhaps the most important part of the bill as far as manpower is concerned, which mandate that the Department of Defense begin to study alternatives to the all-volunteer force.

Immediately some people will say this means going back to the draft. I do not agree with that assessment. I think there are other alternatives. At some point a draft may be necessary, but we are a long way from that point at this time. We do not even have a selective service system that would allow a draft to go back into operation if we had to have a mobilization tomorrow.

So I think one of the first steps that needs to be taken is a DOD commitment to a vital, effective, and efficient selective service system which we do not have now. That might have a collateral effect on the reserves themselves in getting the people to volunteer for the reserves.

But, in summary, there is nothing in this bill that I see that is going to cure the problems of the reserve. If we want the reserves, we are going to have to see initiatives from the executive branch of the Government in that regard, and we think we have given them a mandate to come up with those initiatives in terms of the report that we request here.

Mr. SCHMITT. I thank the Senator for his clear answer to my question.

I concur that something additional is going to be required. I also concur that it does not necessarily mean a reinstitution of the draft.

As I have conversed and examined the reserve and National Guard forces in my own State of New Mexico and observed them also elsewhere in the country, there seemed to be a number of factors other than a draft that can motivate and increase the effectiveness of a reserve force. Good equipment——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SCHMITT. Mr. President, will the Senator yield additional time?

Mr. STENNIS. Mr. President, I yield, if the Senators wish, 5 minutes between them. I yield 5 additional minutes.

Mr. SCHMITT. That will be more than sufficient.

The PRESIDING OFFICER. The Senator from Georgia is recognized for an additional 5 minutes.

Mr. NUNN. I yield to the Senator from New Mexico.

Mr. SCHMITT. Mr. President, just to continue, some of the elements that appear to be most important in the quality of the reserve forces in my own State are, first, good equipment, modern equipment; second, good training; third, an identifiable mission or series of missions within the State as well as within the military forces; and, fourth, as the Senator has well recognized, the appropriate pay and other incentives that are necessary to attract quality men and women to the reserve forces.

I would only add to the Senator's statement that if we do not attract and maintain trained men and women in our reserve as well as active forces then we are paying an additional cost every time we must recruit a new untrained person.

So whatever incentives we do offer have to be balanced against, very clearly balanced against, the cost of training new personnel on a regular basis.

So again without further interruption of the debate I would just like to compliment the committee for its emphasis on personnel, and hope we can all work together over the next budget cycle or two to find, along with the Department of Defense and the executive branch, a means to emphasize the citizen soldier, make sure that traditional concept of the American military is maintained and expanded. It does, in fact, form the backbone, of which he is speaking, of our establishment.

I thank the distinguished Senator from Georgia and I also thank the chairman of the Armed Services Committee.

Mr. NUNN. I thank the Senator from New Mexico.

I would also point out another significant problem, regarding manpower if we have to have a mobilization. The committee has asked the Department of Defense to submit recommendations on any alternatives to the current policy, which would improve the Ready Reserve, including any needed legislative authority for direct enlistment into the Ready Reserve.

So we are giving attention to the problem. Frankly there was no one who gave any clear testimony before the committee as to what alternatives can work. The great problem right now is for the Department of Defense to realize the seriousness of this problem and the seriousness of some of the critical problems facing our Reserve forces, particularly if we had to have a mobilization.

I certainly appreciate the words of the Senator from New Mexico, and I commend him on his interest in this very critical area.

Mr. SCHMITT. I thank the Senator again. I know the issue is in good hands. I just hope we can get the attention of the executive branch with respect to the issues.

Mr. FORD. Mr. President, I ask unanimous consent that Jane Matthias of my office be granted privileges of the floor during the debate and votes on S. 2571.

The PRESIDING OFFICER (Mr. RIEGLE). Without objection, it is so ordered.

Mr. FORD. Mr. President, I rise today in support of S. 2571, the military procurement authorization bill for fiscal year 1979, but would like to congratulate Chairman STENNIS and the Armed Serv-

ices Committee particularly for their recommendations to help alleviate the severe shortage of military doctors each of our Armed Forces is experiencing.

This problem is having serious and far-reaching effects in my State of Kentucky. Last year Fort Knox's loss of over 20 doctors resulted in a cutoff of outpatient services to retirees and their dependents. Thousands of military retirees and their families have settled permanently around Fort Knox and are reliant upon Ireland Army Hospital. The civilian health care sector cannot begin to absorb these people as they are forced to look elsewhere for medical help and the strain upon local doctors and the county hospital is unbelievable. This year the curtailment will go one step further: Services in some departments will be available only to active duty personnel, thus making their dependents, too, reliant upon the already overburdened civilian sector.

If such a thing is possible, Fort Campbell appears to be in worse shape. Fort Campbell is operating with 35 out of an authorized 51 physicians, and I have been informed that even active duty personnel, those with the highest medical priority, will experience a curtailment of some services this year.

Mr. President, what once was a seasonal shortage due to reassignments has now become permanent. The Department of Defense simply cannot compete with the salaries and amenities of the civilian sector, and efforts to recruit and retain physicians for military service have been, in a word, a failure.

That is why I applaud the Armed Services Committee for recommending:

That the Army reinstitute the training of physician assistants;

That the services consider contracting some hospital care to the private sector where possible and then reassigning military doctors to other hospitals where there are shortages;

That interservice management and cooperation in medical care and current physician assignment problems be improved; and

That the hiring of civilian doctors by the Department of Defense should continue to be pursued.

We cannot have a strong defense if our uniformed personnel are not given the very best of health care, and it is clear that they are not and that corners are being cut. Additionally, although military retirees and their dependents are promised medical care subject to its availability, I think we owe it to those who have given their time and their health to their country to provide, at the very least, adequate out-patient service.

I thank the Senator from Georgia very much.

Mr. STENNIS. Mr. President, I yield myself 3 minutes, and I will have something to say about the probable progress of the bill this afternoon.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. STENNIS. First, I want to thank the Senator from Georgia and the members of his subcommittee for their usual very fine, high-quality work they have done on this bill in this manpower field, which is very intricate and very difficult. In the years they have gone into it, they have made an outstanding contribution in solving or starting to solve a good number of the problems in this field.

It is the first time since I have been here that these matters were fully gone into by an Armed Services Committee. But it always had been left until these few years ago to the Appropriations Committee which just does not have enough time to get into it in depth and with special studies that they make.

I, too, want to thank the Senator from Nevada (Mr. CANNON) for his very fine services as the chairman of our Subcommittee on Tactical Air, who has left the floor now, but who made his presentation a few minutes ago, which reflects the fine work that he and that subcommittee have done.

Mr. President, if I may add one more comment with reference to what has been said here in the field of Reserves, I just cannot think that the mere pouring of more money and a little at a time into the Reserve program to induce enlistment is going to do the job. I believe it is better to just go on and meet the situation and assign these Reserve units that showed the capacity to take on additional duties. Give them more of the equipment, the weaponry, the other things that go with weaponry, as an inducement to appeal to them and to their pride and even at the expense of some of the manpower figures we now have in the regular services. I do not think there is anything magic in the numbers. We are looking for quality and an interest and a desire.

I find more and more throughout the villages, little towns, county areas, and the cities, throughout America, that there are a lot of fine American citizens of talent who have a yen, to a degree, of wanting to serve in the military units. Even if they do not see fit to make it a career, I believe we can capitalize, with a slow beginning, and utilize that talent by giving more meaningful units things to do and things to do them with, and have these units to be really near ready for service should the whistle blow.

Mr. President, the committee would welcome now any amendments being offered for disposition. We can dispose of some maybe by voice vote, some on a division vote or some on a rollcall vote. We have plenty of time—yes, all right.

I have mentioned the F–18, which is a very major amendment. The author of the amendment could not be ready this afternoon. He agreed to be ready in the morning, so he is not going to call up his amendment on the F–18 until tomorrow morning, by which time we hope to have an agreement of a certain limited time for that amendment as well as two or three more where debate will proceed under the agreements and rollcalls had.

Mr. President, I will be glad to yield the floor if the Senator will seek recognition. We would be glad to yield to him.

Mr. MOYNIHAN. Mr. President, I thank the distinguished chairman.

Mr. STENNIS. Mr. President, before I yield, we have a technical situation here that was not covered in the beginning, and I call this to the attention of the Chair and the Parliamentarian.

I ask unanimous consent that the committee amendment in the nature of a substitute be adopted, and that the bill as so amended be considered original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection; the committee amendment is agreed to, and the bill is considered original text for the purpose of further amendment.

UP AMENDMENT NO. 1393

Mr. STENNIS. Mr. President, I have two technical amendments to offer on behalf of the committee and I ask that they be accepted. They are to correct errors from the Printing Office in the final printing of S. 2571. They do not represent substantive changes but rather restore the bill to the form intended by the committee. They are minor, and it would just save expense to skip the idea of a star print.

I ask unanimous consent that they be considered also as original text for purposes of amendment.

The PRESIDING OFFICER. The clerk will state the amendments.

The assistant legislative clerk read as follows:

The Senator from Mississippi (Mr. STENNIS) proposes an unprinted amendment numbered 1393:

On page 18, after the word "The" in line 16, insert "Army".

On page 22, line 22, strike out the word "not".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Mississippi.

The amendment was agreed to.

Mr. STENNIS. I thank the Senator and I yield him how much time he desires.

Mr. MOYNIHAN. Mr. President, I believe the Senator from Connecticut would like the floor for a unanimous-consent request.

Mr. RIBICOFF. I thank my distinguished colleague. I ask unanimous consent that Mr. Stuart Brahs of my staff be granted the privileges of the floor during the debate and votes on the military procurement authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from New York yield for a similar request?

Mr. MOYNIHAN. With great happiness I yield to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that Chris Lehman of my staff be granted the privileges of the floor during the debate and votes on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1394

Purpose: To Provide Assistance to 1980 Olympic Winter Games

Mr. MOYNIHAN. Mr. President, for myself and Senator JAVITS, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. MOYNIHAN), for himself and Mr. JAVITS proposes an amendment.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

Notwithstanding any other provision of law, the Secretary of Defense is authorized—

(1) to provide logistical support and personnel services, including medical services, transportation, communications, course preparation, and security, to the XIII Olympic winter games and the required pre-Olympic events to be held in 1979;

(2) to lend and provide equipment to officials of the Lake Placid Olympic Organizing Committee; and

(3) to provide such other services as the Lake Placid Olympic Organizing Committee may consider necessary and the Secretary may consider advisable.

Mr. MOYNIHAN. Mr. President, this is a small matter but one of great interest to the Nation. It is an amendment which would authorize the Secretary of Defense to provide certain limited types of assistance to the Lake Placid Organizing Committee's efforts for the 13th winter Olympics, which are to be held in 1980 at Lake Placid, and also to assist the committee during pre-Olympic events, which would be held in 1979, also in Lake Placid.

The amendment Senator JAVITS and I submit provides for essential assistance that the Lake Placid Olympic Organizing Committee simply cannot provide with its limited resources. The assistance would include medical services, transportation, communications, course preparation, and security.

This is a matter, Mr. President, that comes only infrequently to the United States. The winter Olympics are to be held here at Lake Placid, N.Y. The last time they were held in Lake Placid was a generation ago in 1932. This is a remote area of New York State, difficult of access, served by several roads and one railroad, with some good air service, of course, but it is simply not a place where the normal local infrastructure, if you will, is of a kind that could support the extraordinary numbers of people who will be coming from around the world for the occasion, to provide them the kind of services which the world has come to expect.

We are asking for military assistance only with respect to functions that cannot be performed, or performed as well, by civilian organizations. I hesitate to say this, and I shall only touch upon it, but we know from the Munich games of 1972 of the potential for terrorist activities at such occasions. We fully expect that they will not recur. The New York State police will be very much involved in seeing that they do not, and the New York State National Guard are going to be involved in traffic control and such matters. But we do feel that this back-up support from the Armed Forces will be necessary if the Olympics are to succeed. We think it is in the national interest that they do, and I would hope that the committee might be willing to accept this amendment.

Mr. STENNIS. Mr. President, my reaction is that I really have not had a chance to know about this amendment. I did not know about it until it was read out. I certainly would want to accommodate the Senator from New York, if it were just that, for the winter Olympics.

We have a lot of requests in the course of a year for the military services to come in and render certain civilian services. I do not think it does much good to the personnel themselves. Almost uniformly we have opposed such matters when presented to us.

I understand, I will say to the Senator from New York, that this is in the House bill, and we certainly readily agree to look into it between now and conference time, and try to weigh the matters that are involved. Otherwise, I feel compelled, under the present circumstances, to oppose it. But we could give it factual consideration between now and then, and proper consideration at the time.

The Senator from Texas and I have not had a conference about it. We just looked at it together. I would be glad to yield to him; he has time under his control to respond.

Mr. TOWER. I thank my colleague from Mississippi.

May I ask the Senator from New York, since the amendment was not read, is it identical to the provision in the House bill?

Mr. MOYNIHAN. It is my understanding that it is identical, yes. That was our purpose.

Mr. TOWER. That is a pretty broad charter. It says:

Notwithstanding any other provision of law, the Secretary of Defense is authorized—

(1) to provide logistical support and personnel services, including medical services, transportation, communications, course preparation, and security, to the XIII Olympic winter games and the required pre-Olympic events to be held in 1979;

(2) to lend and provide equipment to officials of the Lake Placid Olympic Organizing Committee; and

(3) to provide such other services as the Lake Placid Olympic Organizing Committee may consider necessary and the Secretary may consider advisable.

I might point out that the Secretary of Defense is opposing the adoption of this amendment. The Defense Department has opposed it for the following reasons:

First. There is already a shortage of medical personnel to support military medical requirements. The detail of medical units to Lake Placid would further reduce Defense capability to provide care for military personnel.

Second. The use of military resources for transportation and communications for the XIII Olympic games would place the Department of Defense in competition with private enterprise. Not only would privately owned equipment be displaced, private earnings and private job opportunities would be reduced.

Third. The use of active duty military for insuring civil security is undesirable and contrary to the spirit of posse comitatus.

Of course, the Senator knows what that means.

Mr. MOYNIHAN. Yes; it is a well-known electric spirit that spills from the highest peaks of the Adirondacks.

Mr. TOWER. And further, that the provision of military personnel for course preparation—that is, shoveling and tramping snow—would serve no military purpose and would place the military in competition with the private sector for jobs.

These are the reasons why DOD opposes the amendment.

Mr. MOYNIHAN. We have a very large industry in the Adirondacks who do this themselves. I do not think the Army would wipe them out. I am sure they would be there the following year, shoveling.

Let me say to my distinguished chairman and the ranking Republican member that I was under the impression that the staff of the committee was familiar with and receptive to this measure, and perhaps they are, but clearly that has not been communicated to the committee members.

I think that the distinguished chairman's suggestion is highly agreeable to me, if the matter has been accepted by the House, if the Committee on Rules may think it acceptable, or may wish to change it, or not to agree to it at all.

I was not involved in the decision to have the winter Olympics at Lake Placid. It seems to me that if we are going to do these things, we ought to do them in a generous spirit. If we do not want the Olympics, let us not have them. Life will go on. But I would hope that when we ask people from around the world, they would meet with some reasonable reception. With respect to the matter of terrorism, they are real, and I think we ought to be responsible about them.

If we do not want to do this thing at all, Mr. President, New York will not complain, except that it seems to me that we have committed ourselves as a nation, and we ought somehow to carry out a commitment in a large spirit rather than a minor one.

We are not asking for another naval base in the Adirondacks. We are asking for assistance in the winter Olympics, and if the committee finds it possible to provide that, we will be appreciative, and if not, we will understand.

Mr. NUNN. If the Senator will yield, I have also seen this amendment, which I believe has been filed with the committee.

Mr. MOYNIHAN. Yes.

Mr. NUNN. There has been a brief opportunity for the staff to study it. I might add one point. I would agree with the chairman's assessment at this point in time. But in 1960, when California had the Olympics, there was an amendment which had a limited authorization of $500,000 for California in assisting them. I think there are some proper ways the Department of Defense can assist. Also, though, we ought to make a little clearer exactly what they are going to be doing, particularly regarding security. Security is something that can be open ended, and the question of where the State responsibility ends and the

Armed Forces responsibility begins is a very interesting question which needs some thought.

Also, there is the doctor situation. We have a critical doctor shortage in the military right now, and, of course, the authorization could not mandate that. It is an authorization, but when it gets to the Appropriations Committee, they would have to appropriate the money specifically. I think this matter should be taken under advisement. I would certainly be happy to work with the distinguished Senator from Texas to try to work something out for the Senator from New York.

Mr. MOYNIHAN. If that understanding is agreeable to the chairman and the ranking minority member, I would be happy to withdraw the amendment pending their consideration.

Mr. STENNIS. If the Senator could have the amendment read to the Senate, that would be helpful. There has been no amendment read.

Mr. MOYNIHAN. I regret that. I thought that it had been read. Mr. President, I ask that the amendment be read to the Senate.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

At the appropriate place, insert the following:

Notwithstanding any other provision of law, the Secretary of Defense is authorized—

(1) to provide logistical support and personnel services, including medical services, transportation, communications, course preparation, and security, to the XIII Olympic winter games and the required pre-Olympic events to be held in 1979;

(2) to lend and provide equipment to officials of the Lake Placid Olympic Organizing Committee; and

(3) to provide such other services as the Lake Placid Olympic Organizing Committee may consider necessary and the Secretary may consider advisable.

Mr. STENNIS. Mr. President, I did not understand that the Senator from Texas agreed to that language in the amendment. We will be glad to consider this matter under the conditions we have discussed. I believe, however, we will have to discuss this situation with the committee because it is a different kind of Army than we had in 1960. They may not like the idea of providing this type of logistical support and personnel services. I would want the Army to be heard on this point.

Mr. MOYNIHAN. Will the chairman yield?

Mr. STENNIS. I yield.

Mr. MOYNIHAN. I have on more than one occasion commented that if we look at the geographic distribution of the Army bases in this country, we have to conclude that our Armed Forces are preparing for their next war to be against Nicaragua, as they are almost all located in the more salubrious regions of the Sun Belt, and that the idea that there are places in the world where it sometimes freezes and even snows, is one that has rather been lost in the military mind.

There are circumstances in which it occurred to me that it might be an altogether desirable thing not only for some of the enlisted men to whom these chores fall, but even for the colonels occasionally to find there are places in the world, and some of them even in the United States, where it gets cold, where you have to manage to do difficult things.

It might be the only training in the frost belt they will receive this decade unless they are successful in getting Camp Drum provided for the return of the armored divisions from Korea. I yield to the Senator from Connecticut.

Mr. NUNN. Before the Senator leaves with that enlightening remark, historically the wars in this country have been fought on southern soil. I imagine the Senator would agree with that. It is a regrettable fact of history but nevertheless it is true.

Mr. MOYNIHAN. It is a regrettable fact of recent history, but it is of some concern to the State of New York that the majority of the battles of the Revolutionary War were fought on New York soil.

Mr. NUNN. And I must add our most recent wars were fought in the South.

Mr. CHAFEE. Mr. President, I have a unanimous-consent request.

Mr. STENNIS. Mr. President, has the amendment been withdrawn?

Mr. MOYNIHAN. Mr. President, I ask that the amendment be withdrawn.

The PRESIDING OFFICER. The Senator has that right. The amendment is withdrawn. Who yields time?

Mr. TOWER. I yield to the Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I ask unanimous consent that Kip Hawley, of my staff, be granted the privileges of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection——

Mr. STENNIS. Reserving the right to object, Mr. President, and I certainly do not want to object, we cannot just let this Chamber fill up with people for the rest of the consideration of the bill. I see that developing from time to time. I do not object to this request but I reserve the right to object on others.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the request is granted.

Mr. STENNIS. Mr. President, I now yield 10 minutes to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I rise to support the legislation now pending. There are certain aspects on which I would like to comment. First, I commend the chairman of the committee, the Senator from Mississippi, and the ranking minority member, the Senator from Texas, for the leadership which both Senator STENNIS and Senator TOWER have given to the Armed Services Committee.

I also commend the patience each have shown to the committee as a whole. I think the bill that has been developed by the Armed Services Committee is about as good a bill as could be brought before the Senate under the existing circumstances.

There is one comment I would like to make: The total defense authorization is $126 billion, but of that total only 28 percent is available for research and development and for the procurement of weapons systems. Only 28 percent of that total figure, or $36 billion is available to purchase the necessary weaponry to protect the United States and for the research and development, which is such a vital part of any military program.

That suggests that the largest percentage of our total defense budget, in round figures 60 percent, goes for personnel and personnel-related costs.

To my way of thinking that is too high. The Russians, for example, spend about 20 percent of all of their expenditures for personnel. That puts the United States at a great disadvantage, vis-a-vis the Soviet Union.

When we talk about personnel then we get into another subject which I think is of great consequence. The Senator from Georgia mentioned it in his comments and the Senator from Mississippi mentioned it in his opening statement.

That is the question of attrition and reinlistment rates.

I do not think it is generally realized by Congress that of every 100 individuals taken into the armed services, only 20 of those reenlist.

The attrition rate now is 40 percent. To phrase it another way, of every 100 persons going into the services, 40 of those will not complete their initial enlistment. Of that 40, most will leave because they do not have the minimum standards—either minimum standards of conduct or minimum standards in other areas.

To me, that is a cause of great concern. I want to say frankly that I am not too much impressed with what the services have done to rectify this.

We get a lot of talk by high officials who come before the Committee on Armed Services, but I have not seen a great deal of action. This high attrition rate and the fact that only 20 out of every 100 individuals reenlist, mean that the Government is being put to a tremendous cost. In addition, the cost will go on through the years.

Once a person has been in the armed services for 6 months and 1 day, that individual, generally speaking—there will be exceptions—becomes eligible for almost every benefit available to those who have been in and left the armed services. Of course, that does not apply to retirement, but it does apply to the multitude of benefits which are available to ex-service personnel.

So there is every reason, particularly from the point of view of the taxpayer, that the armed services—the Army, the Navy, the Marine Corps, and the Air Force—take firm steps to reduce the very high attrition rates. The Air Force is the least offender of all, but even with the Air Force, the rate is high.

I think it is not helping the services and certainly is not helping the taxpayers, not helping our defense requirements, for the recruiters to be bringing into the service individuals a very high percentage of whom are not capable or not willing even to finish their original enlistment.

I hope that the Department of Defense will give highest attention to what

to this Senator, seems to be a very important matter. Over the years it will be very costly to the American taxpayer if it is not connected.

An attrition vote of 40 percent is much too high.

Except for that, Mr. President, it seems to me that this legislation is basically an appropriate piece of legislation. I think the figures totaling $36 billion for procurement and research and development are about what can be expected under the conditions existing today.

I am prepared to yield back the remainder of my time.

Mr. NUNN. Mr. President, will the Senator from Virginia, before he yields back his time, yield to me for one brief comment?

Mr. HARRY F. BYRD, JR. I yield to the distinguished Senator from Georgia.

Mr. NUNN. I certainly share the Senator's expressed concern over the attrition rate, particularly in the Army. The Senator from Virginia has been doing an outstanding job and played a key role in our deliberations for the last 2 years.

As the Senator knows, the committee came down very hard on the Army, which was planning to attrite even more individuals. The Army then came up with a very different program than they initially proposed, one which has a very high rate of attrition, but much less than it would have been under the original proposal.

Interestingly enough, attrition is one of the areas that the Gates Commission anticipated the volunteer force would save money in. That is, they expected the all volunteer force would cut down attrition. That was supposed to be one of the savings to offset the increased pay, increased benefits, and so forth.

Of course, that just has not happened. The reverse has happened. We in effect have what I have called the revolving door policy. They are taking in a lot of people and flushing a lot of people out very early in their military careers.

It goes back to the question of recruiting to a large extent, but there are other complications here also. I thank the Senator from Virginia for pointing out one of the areas of great concern.

Mr. HARRY F. BYRD, JR. I thank the Senator from Georgia. Had it not been for the committee of which he is the able chairman, I am sure the attrition rates would be even higher than they are now.

There is another aspect of it, and I sought this information some weeks ago—maybe even months ago. Some new information came to my office at the end of last week, so this might be amongst that. I sought the information as to how many of these people who are being attrited received enlistment bonuses. My belief is—and I do not have evidence at the moment to back it up, though I hope to get the evidence either to refute what I am going to say or to substantiate it.

My own feeling is that some of the recruiters will go into an area and offer a young individual a big bonus to get into the service, a bonus that sounds so good that the individual will take it without regard to his qualifications and the recruiter, wanting to meet the number that he has been asked to attain, will take the individual regardless of qualifications.

I think it is important to know what part the enlistment bonus is playing in the matter of a 40-percent attrition rate.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, the minority leader is temporarily out of the Chamber. How much time does the Senator want?

Mr. DOLE. I think about 10 minutes.

Mr. STENNIS. I ask unanimous consent that I may allow 20 minutes to the Senator from Kansas for the minority leader.

The PRESIDING OFFICER. Is there objection?

Mr. STENNIS. This is on an amendment, right?

Mr. DOLE. It is to have a colloquy with the distinguished Senator from Georgia (Mr. NUNN). I think it will take 10 or 15 minutes.

Mr. STENNIS. All right. Let us make it 15 minutes on the bill, then.

The PRESIDING OFFICER. The Senator from Kansas is recognized for 15 minutes.

Mr. NUNN. I want to ask the Senator from Mississippi a question, if the Senator from Kansas will yield for just a brief moment.

Mr. DOLE. I yield to the Senator from Georgia.

Mr. NUNN. If I could have the attention of the Senator from Mississippi for a brief moment, I understand the Senator from Kansas has some questions concerning the committee report language and the position on the Korean withdrawal. It is an extremely important subject. I think the Senator has, from what I understand, some very penetrating questions. I certainly hope the chairman will listen closely to any answers the Senator from Georgia might give and make any corrections along this line, because it is a subject of rather great importance—at least in my view.

Mr. DOLE. Mr. President, first, I ask unanimous consent that John Haddow of Senator HATCH's staff may have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, before entering into colloquy, I have about a 5-minute statement; then I am prepared to ask some questions of the Senator from Georgia.

AMERICAN POLICY TOWARD SOUTH KOREA

Mr. President, our country has had strong ties and commitments with the Republic of Korea for many years now. Despite concern about "Koreagate" and repressiveness in South Korea, the nature of our interest in Korea has not altered. It is important to remember that the United States is in Korea because of its importance to our own strategic interests, as well as to the security of the Pacific. Many Americans spilled their blood in Korea to defend these interests. This is a strong tradition, which many of us feel is now being threatened by a program which fails to give proper consideration to potential adverse consequences.

As we consider this Department of Defense authorization bill, every aspect and consequence of this program—the administration's proposal to withdraw some 32,000 American troops now stationed in South Korea by 1982—should be kept clearly in mind. This is a program which has serious implications for the military and political stability of the countries of the Far East, for the security of American interests in the Pacific area, and ultimately for the security of the United States itself.

IMPORTANCE OF SOUTH KOREA

There are sound strategic reasons for the United States to continue to insure that South Korea has a strong deterrence and defense capability. South Korea is, of course, a key to Japanese stability and security. So long as South Korea is not threatened, Japan will have no military reason to question its alliance with the United States or to hasten its rearmament. Furthermore, so long as South Korea retains its deterrence capacity, the Soviet Union will have no incentive to encourage North Korean military adventures, and there will be little possibility that Communist China might somehow be dragged into support of North Korean action.

Finally, it should be remembered that the President's policy of withdrawing all American ground forces in South Korea affects not only the military stability in the region, but reflects upon American credibility and resolve as well. Because South Korea is a critical link in our Pacific defense perimeter, involving the security of Japan, the Philippines, Indonesia, and Australia, our actions will necessarily suggest the strength of our continuing commitment to our allies in the Far East and elsewhere.

NORTH KOREAN BUILDUP

In military terms, the impact of a complete American troop withdrawal could take on highly dangerous proportions. Korea is generally recognized as the most volatile spot in Asia. At the moment, the North Koreans enjoy a definite military advantage over the South, which is offset only by the presence of American forces and weapons support. Our own intelligence sources indicate that North Korea has a massive superiority in armor and artillery, has nearly a 2-to-1 numerical lead in combat aircraft, and has a significant lead in antiaircraft weapons, and in combat ships.

During the past decade, North Korea has steadily built up its own troop strength, and has spent some 40 percent more on military forces during this period than South Korea.

There is no question that the withdrawal of American troops from South Korea will create a power vacuum in the South which the North Koreans could hardly ignore. The continued presence of the American forces has long served as a disincentive to North Korean aggression, and the significance of this deterrence should not be underestimated.

It is significant that last April a subcommittee of the House Armed Services

Committee released a report suggesting that the administration's intention to withdraw all American combat forces "has already contributed to instability in Asia, has damaged our cooperative defensive relationship with Korea and has had a measurable impact on our relations with our other Pacific allies." The report continued:

Withdrawal of these troops will greatly impair the deterrent with almost no discernible gain . . . America can ill afford to run the risks that a preset timetable for withdrawal of American troops would entail.

Of course, the program has stirred the open concern of many of our own leading military officers. Maj. Gen. John K. Singlaub is only one of the more noted critics of the proposal, declaring that this program will undoubtedly lead to an outbreak of war in Korea. Just as important is his suggestion that the policy decision was made without proper consultation with the Joint Chiefs of Staff and was based on outdated information concerning the military capabilities of the North Koreans. Whether or not one subscribes to the theory that the pullout will necessarily lead to war, the potential hazards of the action certainly cannot be discounted.

At present, North Korea continues its aggressive activity. I understand that it has moved its artillery forward so that it is just north of the demilitarized zone, and has moved airfields forward to extend the range of their aircraft into South Korea. Furthermore, the North Koreans continue tunneling operations and infiltration of agents into the islands on the coast of South Korea—none of which can be considered purely defensive.

FURTHER EVALUATION NEEDED

I commend the Senate Armed Services Committee for its recommendation that no further troop withdrawals should be made until the Secretary of Defense has provided a careful analysis of several significant aspects of the program. Given the weight of the factors which are involved, I believe it would be foolish to even consider continuation of this program until such time as the full impact has been meticulously evaluated and considered. It is for that reason that I have provided the committee with some additional points for analysis by the Secretary, and I trust that his report will be widely disseminated and carefully studied on Capitol Hill.

I do believe that the transfer of American military equipment to South Korea should be considered only in the context of the political-military needs of the area and should not be obstructed by tangential issues. The long-range commitments and political alinements of the United States and the Far East simply cannot be jeopardized by short-term, short-sighted political consideration here at home.

Before the President proceeds with his plan to withdraw all 32,000 U.S. ground forces from Korea, it is important that Congress perform an advisory role in the subject. This is why it is important to receive a detailed report from the Secretary of Defense on critical aspects of the program, and its likely implications for the military balance in the region. I hope to study that report carefully when it is issued, in anticipation of further congressional debate on the withdrawal plan.

However, submission of the Secretary's report, by itself, does not constitute a mandate from this Congress to proceed. Indeed, it should simply signal the first stage in serious consultation between the President and Congress on this important matter. Only 1 year ago—on June 16 of last year—the majority leader countered efforts here on the Senate floor to oppose implementation of the President's Korea plan. The majority leader reassured the Members that "the policy with respect to withdrawal would be a policy that would be implemented through joint consultation between the President and Congress." The majority leader said he wanted to "assure Senators that any decision with respect to the withdrawal or reduction of troops in Korea will be arrived at by joint decision of the President and the Congress."

The Senator from Kansas hopes that this pledge will be honored. To date, I am not aware of any significant congressional input into this policy decision—certainly, none by Congress as a whole. The need for genuine consultation—and for effective congressional input—is vital.

Furthermore, I feel that, if the proposed withdrawal plan proceeds, it should be accompanied by full consultation between the United States and our East Asian allies, prior to each phase of the program. For the sake of our own credibility and their security, this factor is essential.

In the meantime, we should not lose sight of efforts to defuse the volatility of the situation, through diplomacy. The United States must make a major diplomatic effort to encourage the leaders of both North and South Korea to agree to arms control levels, to agree to mutual troop withdrawals from the demilitarized zone, and to agree to work toward a non-aggression pact. Every effort should be made to reduce the present state of hostility.

In the meantime, we should continue to encourage progress in the area of political and civil rights within South Korea, always bearing in mind that this criticism of the South Korean political system must be kept in proper perspective. It should be remembered that there are at least 35 million South Koreans who are not directly involved in abuses of political power, and who do hope for improved civil conditions once tensions in the area are reduced or eliminated.

With all of these considerations in mind, U.S. policy toward South Korea must be carefully evaluated and periodically reviewed during the course of the next decade. This is essential not only to the welfare of South Korea, but to our own welfare and vital interests as well.

Mr. President, based on that brief statement, which I think probably reflects the views of the majority of those in the Senate, I would like to propound a series of questions, which I believe the distinguished Senator from Georgia has a copy of.

Does the Senator have a copy?

Mr. NUNN. Yes.

(Mr. HODGES assumed the chair).

Mr. DOLE. I will read the questions. As I said in my statement, I commend the committee for their efforts and their language in the report. The questions I will propound in no way are intended to be critical of the committee. They are just to clarify what I hope and believe to be the intent of the committee.

First, the committee report states clearly that committee members are "concerned about possible risks to the current military balance of any further withdrawal of American ground forces, particularly if it appeared to encourage aggression by North Korea." That is certainly a concern which the Senator from Kansas shares, and which I think troubles a good number of Americans. Would the chairman of the subcommittee agree that the complete withdrawal of all American ground forces from South Korea within the next 5 years creates a "power vacuum" in the area that might well tempt aggression from the north?

Mr. NUNN. That certainly is a concern of the Senator from Georgia.

Different people might well define a "power vacuum" in different ways. It is clear that there are serious risks and concerns involved in a troop withdrawal.

One of the principal reasons for the proposed withdrawal is to eliminate the prospect of automatic U.S. involvement in a future Korean conflict. But even after the proposed withdrawal, some 14,000 U.S. troops would remain—virtually guaranteeing immediate and substantial U.S. casualties in the event of another conflict on the Korean peninsula.

It is also true that South Korea faces a substantial military threat by a country hostile to the United States and with a history of military adventurism.

To assure that any withdrawal does not encourage aggression and is considered in the light of other U.S. policies, it is important that the relevant issues be addressed. That is why the committee, in its report, directs the Secretary of Defense to provide an analysis to the committee before any future withdrawal of ground combat troops. That analysis should consider at least:

The effect of any proposed withdrawal on preserving deterrence in Korea;

The reaction anticipated from North Korea;

A consideration of the effect of the plan on increasing incentives for South Korea to develop an independent nuclear deterrent;

The effect on our long-term military and economic partnership with Japan;

The effect on U.S.-China and U.S.-Soviet military balance; and

The possible implications on the Soviet-Chinese military situation.

The committee is not trying to prevent any withdrawal at any time in the future but is trying to raise the issues that need to be analyzed before any additional withdrawals are made.

Mr. DOLE. The second question:

How many U.S. ground forces have already been withdrawn from Korea under the President's "phased withdrawal" program? What is the present force

level? What is the anticipated force withdrawal during calendar year 1979?

Mr. NUNN. The latest information the committee has indicates that on December 31, 1977, there were about 40,000 U.S. military personnel in Korea, including 32,000 Army troops.

The original plan proposed the withdrawal of 6,000 ground troops by December 1978 and the withdrawal of the remaining ground combat units over the next 4 or 5 years. Of that 6,000 about 2,600 are in combat service support activities and have already been withdrawn or are scheduled to be withdrawn this summer or fall. The principal concern was over 3,400 troops scheduled for withdrawal in December 1978, including a brigade of ground combat Army troops of the 2d Division.

In April of this year, the President announced his decision of defer the scheduled withdrawal of U.S. combat troops in Korea except for one battalion. That means 800 troops in one combat battalion will be withdrawn by December 1978. DOD current plans would have the withdrawal of the 2,600 troops in the two combat battalions, the brigade headquarters and miscellaneous other units withdrawn during 1979. However, the analysis directed by the committee would be submitted before any future withdrawal, including any in 1979.

The administration has not announced a change to the overall plan of withdrawing the remaining ground combat troops over the next 4–5 years.

Mr. DOLE. Question 3:

In its report on the military procurement authorization bill, the committee directs the Secretary of Defense to provide an analysis of likely strategic and political consequences of the force reductions, before any further withdrawal of ground combat troops is undertaken.

I certainly agree with that approach, as I think the entire program needs to be more carefully evaluated for all its potential implications. Is the chairman confident that the executive branch will comply with that directive from the committee without a more specific legislative mandate such as an amendment to this bill?

Mr. NUNN. I say to my colleague from Kansas that I am confident that the Department of Defense will comply with the committee directive. I do not know what they will come back with in terms of the words of the report.

I am not certain that our committee or the subcommittee or the Senator from Kansas or the Senator from Georgia will be entirely satisfied with the report, but I am confident that they will at least comply with the directive and give us an answer.

As part of its recommendations on active duty military personnel strength, our committee must review overseas troop deployment plans, and the committee is indicating that this analysis is essential if any of these plans include a withdrawal of ground combat troops from Korea.

Mr. DOLE. I think it should be clear on the record that the Senate as a whole expects the executive branch to comply with the directives, insisting upon a thorough analysis before additional troops are withdrawn.

The Senator from Kansas would be prepared to offer a specific amendment to this effect; and I believe—although I am not certain—we would have the votes to approve it. Based on the assurance of my colleague, who is chairman of the subcommittee, I believe such an amendment will be unnecessary.

The PRESIDING OFFICER. The Senator's 15 minutes have expired.

Mr. STENNIS. Mr. President, I yield 5 additional minutes.

Mr. DOLE. I hope other members of the committee share that view. I am confident that the Department of Defense will comply with the request.

Question No. 4:

It is my understanding that, among other things, the Defense Department analysis which has been requested will consider the following points: the anticipated reaction from North Korea; possible effects on our long-term military and economic partnership with Japan; and potential impacts on the U.S. military balance with both Communist China and the Soviet Union. If it is acceptable to the chairman, the Senator from Kansas would like to submit a short list of some additional points which I feel should be covered in the report prepared by the Secretary of Defense.

I shall include those points following the response of the Senator from Georgia to this question.

Mr. NUNN. The Senator is correct as to the items he has detailed.

In addition to the items he just mentioned, the analysis will consider the effect of any proposed withdrawal in preserving deterrence in Korea; the effect of the plan on increasing incentives for South Korea to develop an independent nuclear deterrent; and the possible implications on the Soviet-Chinese military situation.

I ask the Senator from Kansas whether he has any further suggestions along this line and, if so he will let us know at this time.

Mr. DOLE. In addition to those which are clearly set out and have been requested, I hope the Senator might also consider the following:

A detailed assessment of the current military balance between North Korea and South Korea;

A review of U.S. consultations with our Asian allies, including Taiwan and Japan, about the President's troop withdrawal plan and its potential consequences for Asian security;

The extent of the United States' long-term commitment to South Korean defense, and the clarity of our intention to return in the event of North Korean attack;

Efforts which are being made to bring the two states together to negotiate political and military differences;

The effects of normalization of relations between the United States and the People's Republic of China on military relations between the two Koreas;

An unclassified description of plans to transfer military hardware, and to provide additional military assistance to South Korea during the next decade.

Mr. NUNN. I say to the distinguished Senator from Kansas that the Armed Services Committee does not have jurisdiction over all those matters. We try to pinpoint primarily the military analysis, but the only way that military analysis can be arrived at is by considering the items that the Senator from Kansas has enumerated in terms of our foreign policy.

I anticipate that DOD would be ready to answer those questions or, if not, the State Department would be ready to answer those questions when the report is submitted, or at the appropriate hearings of the Armed Services Committee or the Foreign Relations Committee.

Let me add that I am particularly concerned, as an individual Senator, as to the North Korean reaction to the announced U.S. withdrawal plans.

I am interested in the North Korean reaction to the withdrawal which has already occurred and the withdrawal which will occur this year.

As the Senator from Georgia has already enumerated, approximately 2,600 troops have been withdrawn.

I am not personally opposed to withdrawing some troops from South Korea, but I am gravely concerned there is no quid pro quo involved in this situation. I am gravely concerned that the North Koreans may not react as we would hope they would react. If they, for instance, were to undertake a military buildup while we were withdrawing, then I certainly think that is a relevant matter for Congress and hopefully the executive branch to consider in determining whether the plans will be completed and carried out. If they were to begin a reduction of their military forces, then that would put the matter in an entirely different light.

So all these matters certainly are very relevant in terms of making a rational determination of the future as to a congressional response to whatever the administration's plan may evolve into.

Mr. DOLE. Finally, Mr. President, when does the committee anticipate that the DOD report will be filed? Can we be assured that, once the report is filed, it will be made available to all Members of this body as soon as possible, for the purposes of further discussion and consideration?

Mr. NUNN. I would say to the Senator from Kansas that our language is directed to any further withdrawals after 1978. We anticipate that the withdrawals that I have already enumerated, the 2,600 and 800, are going to take place. But before any further withdrawals take place of any nature the committee has mandated this complete analysis and report by DOD. The time will be uncertain, but it would be a condition precedent to any further withdrawals other than the ones that have been enumerated in this dialog between the Senator from Kansas and the Senator from Georgia.

Mr. DOLE. The Senator from Kansas would emphasize that completion of this

study alone will not eliminate all concerns about the troop withdrawal program. But with that analysis in hand, Congress should proceed with further advice to the President on the wisdom of this plan. In the opinion of this Senator and, I hope, that of the committee, submission of the Secretary's report alone should not be considered a "go-ahead" to the Department of Defense from Congress; in other words, that they say, "Here is the report, thank you very much, and now we are going to continue to withdraw troops out of South Korea whether you like it or not."

I recall vividly in this Chamber slightly over a year ago a very intense debate on this whole issue and the assurance from the Senate majority leader, which I am certain he meant, that there would be consultation between Congress and the executive branch.

I hope that this is part of that consultative process, that the committee in response to its own concerns and the concerns of other Members has asked for the analysis, and once the analysis is received then we will have a chance to have additional input.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. DOLE. May I have 1 additional minute?

Mr. STENNIS. I yield an additional minute to the Senator.

Mr. NUNN. Will the Senator yield 2 additional minutes?

Mr. STENNIS. All right. I yield 3 additional minutes, Mr. President.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. I only say, finally, that I know of the subcommittee chairman's excellent work in this field of manpower and personnel.

I read just today in Newsweek magazine a very excellent and I think a very accurate article concerning the work of the distinguished Senator from Georgia, not only in this area but across the board as far as armed forces and defense preparedness are concerned, and I congratulate the Senator.

Mr. NUNN. I thank my colleague from Kansas, and I might say, in closing this dialog, I think the points that have been made here by the Senator from Kansas will add to the overall interest of the committee report in expressing our grave concern in this area and in requesting detailed analysis by the executive branch before further moves are made.

I think the debate last year in the Chamber made absolutely clear that Congress and the Senate particularly expects to be a partner in this decision and does not expect unilateral actions without complete consultation with this body, and I believe this dialog and the committee report will further that overall legislative intent.

Mr. DOLE. Mr. President, I thank my colleague.

● Mr. HATCH. Mr. President, "He who fails to heed the errors of history is destined to repeat them." We are, it seems, about to revalidate this truth by following the same path in Korea that gave us 50,000 coffins in the 1950's.

I applaud the decision by the Armed Services Committee to direct the Secretary of Defense to submit an analysis of the current military balance to the committee before taking such action. The committee has enumerated several points that must be covered in such an analysis, a list that I feel covers the interests of the United States and the possible effect upon the overall strategic balance between the East and West.

Mr. President, the United States has a firm, long standing commitment to the defense of those free nations in Asia. South Korea, notwithstanding the recent scandal that has shaken Congress, has been a consistent ally of the United States in this area of the world. Should the United States withdraw its ground forces to a level below what could be expected to normally defend this area, it would serve as an open invitation to the Communist Government of North Korea to reinvade South Korea.

I point out to my colleagues the number of incidents that have taken place in recent years with the North Koreans which should demonstrate the true intentions of this nation toward the sovereign state which lies below. It is incidents like this that should strengthen our resolve to maintain our commitment to Korea. In the other direction is the symbolic commitment that Korea means to our other allies in the Orient. In February of 1977, Prime Minister Takeo Fududa states that the "Korean situation deeply affects the peace and stability of East Asia, including Japan." While other nations in this area of the world seem to be disinterested, all are aware of the tremendous impact a U.S. withdrawal would have on the future security of every nation in Asia.

Mr. President, as I mentioned earlier, the intentions of the Government of North Korea are evident to all. As further evidence I offer the information provided by the U.S. military command:

North Korea's decision to produce and import massive numbers of offensive weapons such as tanks, APC's and mobile artillery.

North Korea is thought to store enough supplies to sustain an attack on the South for from 30 to 90 days without resupply from the U.S.S.R. or China, depending on the duration and intensity of the war.

North Korean divisions along the DMZ are in an attack posture which allows them to attack without additional preparations.

North Korea has constructed forward hardened airfields.

North Korea now has significant amounts of river-crossing equipment.

I could cite further evidence, but I think that it would only serve to belabor the point. The North Koreans are ready to attack and would do so should they perceive an advantage in their favor. Withdrawal of U.S. troops would be just such an advantage.

In conclusion, I mention the material included in PRM-10 which concerns the Korean situation. Most of the publicity about this controversial document went to the repercussions this strategy would have on the nations in Europe. Also included was the recommendation that the United States withdraw ground forces from Korea. This would then permit the United States to exercise the option of intervening with ground forces in the event of an invasion by North Korean forces. Such a philosophy is not conducive to the strengthening of U.S. relationships with its allies.

I express my appreciation to Senators NUNN and DOLE for bringing this critical matter to the attention of the Senate and wish to associate myself with their remarks. I feel very strongly that the United States should honor its commitments around the world and to rid itself of the concessionist cloak which seems to have surrounded us in recent years. By honoring this particular commitment, we reaffirm our resolve to defend the nations of Asia against any aggressor which would seek to restrict the freedoms they now enjoy.●

Mr. DOLE. Mr. President, I yield whatever time I have remaining.

Mr. STENNIS. Mr. President, I have no special comment here. I think this colloquy between the two Members adds to a good discussion of the subject matter. I think the report itself speaks clearly and emphatically in this field. That was the way the matter was settled by the committee as far as they were concerned and this whole colloquy does not change that. Certainly it does not weaken that language any. I am glad they had this discussion.

We could have just had a colloquy here and the manager of the bill say only four or five Senators heard the colloquy. I do not think that changes anything of any real substance.

So, we can go too far and try to change things, but I do not think this was intended to make a change. This is my interpretation of it.

Mr. President, the bill is, of course, open to further amendment.

Mr. TOWER. Mr. President, I might suggest the Senator from Kansas has an amendment. He looks as if he is all primed.

Mr. DOLE. I have an amendment in the spirit of proceeding with the bill.

The PRESIDING OFFICER. The Senator from Kansas.

UP AMENDMENT NO. 1539 (SUBSEQUENTLY NUMBERED AMENDMENT NO. 3105)

(Purpose: To increase the strength of the Naval Reserve to 95,900)

Mr. DOLE. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an unprinted amendment numbered 1395:

On page 15, line 14, strike out "87,000" and insert "95,900".

Mr. DOLE. Mr. President, I am certain my colleagues will recognize this amendment. It is just like the one I offered last year, and the vote on that amendment was 44 to 46. The Senator from Kansas did not prevail. It was offered

last year during the consideration of the military procurement authorization for fiscal year 1978.

I do not think it is going to take long to discuss the amendment. It is very simple.

The purpose of this amendment is to restore the authorized strength of Naval Reserve billets to 95,900, a strength which has been justified time and time again in studies conducted by the Department of Defense, the last one being directed by the Senate.

Mr. President, the turnover in the Naval Reserve has been of much concern to many of us during the past several years.

I might say at this point, for the first time in memory, in the latest CBS-New York Times poll the American people believe for the first time that the Soviets are stronger than America, and this in itself I think should be a cause for great concern. It is not an excuse to spend more and more money if it is not needed for military expenditures. But it is an indication of the depth and the feeling among the American people, certainly as we look at what is happening in the Soviet Union today with the Ginzburg and Scharansky trials for doing what—for virtually doing nothing but disagreeing with Soviet leaders and trying to express their rights, their basic human rights in that closed society.

I do not raise those points as any justification for this amendment.

I raise it in the overall sense that it is time we take a look, a hard look, at the Naval Reserve and what has been happening over the past few years.

ANNUAL CONCERN

Mr. President, the turmoil in the Naval Reserve has been of much concern to many of us during the past several years. We, in fact, have been fighting this annual Naval Reserve cutback proposal for the past 5 years. Since 1973 we have seen the Naval Reserve strength steadily decrease from 129,000 to the current strength of 87,000. For the past 2 years the Presidents' budget has requested a totally inadequate level of 52,000. This year, fiscal year 1979, it was even further reduced to a level of 51,400. It appears, Mr. President, that the administration, particularly the OSD/OMB budget analysts, will never understand or listen to what Congress has said regarding this matter, for they continue to ignore congressional recommendations in establishing and maintaining an effective and combat-ready Naval Reserve.

Mr. President, this marks the fourth year in a row that the Senator from Kansas has stood up urging his colleagues to fight the demise of the Naval Reserve and to support a stable strength of this very valuable and economic asset. The Senator from Kansas believes that the Naval Reserve cannot continue to take more of the uncertainty and disruption of the past 5 years without losing its effectiveness.

CUTS MUST CONTINUE

The Senator from Kansas will be the first to admit that there will always be close scrutiny and cuts in the defense budget, and there should be. This year the Senator Budget Committee reduced defense outlays from $117.8 billion proposed by the administration, to $116.6 billion. Undoubtedly there is still some fat in the defense budget which needs to be removed, and I assume we will all have an opportunity at some time to make that gesture. But we must be careful to distinguish between fat and muscle to protect those budget expenditures which make us the military power this country and our friends throughout the world need.

RESERVES ROLE IN PEACE

The benefits of a strong defense are greater now than ever before—in many parts of the world there lies the potential outbreak of hostility and our foreign policy can be no stronger than our defense posture.

Additionally, at a time when military manpower costs are the biggest costs of the defense budget and also one of the fastest growing parts, we need to retain and make the best possible use of this cost-effective Reserve force. Without the combined strength of our Active and Reserve forces working together to form a total force concept, as it is called, we would be weakened beyond any acceptable level. The total force concept, as it is called, was developed to insure the safety of this country through the maintenance of a reduced active duty force and a strengthened Reserve force with the capability of responding on short notice to any hostile threat.

This has made sense for two reasons—it effectively reduced the cost of our military operations and it provided us with the means of keeping our American defense position strong, by giving increased readiness to our reserve community. Unfortunately, however, we have seen a continuous reduction in both our Active and Reserve strength at an ever-increasing rate. Hopefully we have reached a realization that we cannot continue to cut the muscle out of our defense and still expect to respond to a hostile threat. That is why I have introduced my amendment to restore the Naval Reserve strength to the justified level of 95,900 billets.

95,900 BILLETS STILL JUSTIFIED

Mr. President, this amendment proposes a strength authorization of 95,900 Naval Reserve billets. It is based on a study conducted by the Department of Defense at the request of Congress, initiated by the distinguished Senator from Georgia, Senator NUNN.

This number has been justified by the Department of Defense in the last three studies. The last study, which was completed in February 1977, shows that 95,900 reservists are essential to sustain any kind of combat operation by the Navy during the first 90 days of a national emergency.

Mr. President, despite the convincing debate throughout the last several years and the several studies conducted by DOD, the current administration, as well as past administrations, refuses to accept these facts. Last year the Department of Defense announced that they were conducting a comprehensive review to determine if the most recent DOD analysis justifying the 95,900 figure—the third such study—is really valid. The Senator from Kansas understands that this study which was to be completed last year, has not yet been completed and that there is question as to when it can be expected.

Mr. President, it is beyond my understanding why we should believe this new study—which is almost a year overdue—will be any more credible than the last three that have justified the number of Naval Reserve billets to be at a level of 95,900.

I, for one, am very concerned with the foot-dragging and half-stepping we have witnessed in following the advice of not only one but three studies that have repeatedly shown that the number of Naval Reserve billets I am proposing in my amendment is the minimum requirement in maintaining an effective and combat-ready Naval Reserve.

COMMITTEE ACTION

Mr. President, my distinguished colleague from Georgia, (Mr. NUNN), and members of his committee are to be commended for taking the first step in the right direction in bringing the number of Naval Reserve billets from a totally unacceptable level of 51,400 as proposed by the current administration, to the current level of 87,000.

In a recent statement, I expressed my pleasure in the committee's action on the Naval Reserve matter, however, the Senator from Kansas believes the committee did not go far enough in restoring the Naval Reserve to an effective manpower level. I am deeply convinced, as I was last year, that the 95,900 level, which has had the benefit of the DOD analysis, is what is needed to maintain an effective and combat-ready Naval Reserve force.

TIMES HAVE CHANGED

Mr. President, last year during the debate on my amendment to restore the Naval Reserve strength to 95,900, the distinguished Senator from Georgia, (Mr. NUNN), raised several points as to why my amendment did not have his support. As I recall, my distinguished colleague (Mr. NUNN) opposed my amendment because he felt the Naval Reserves did not have a mission and because he felt that the additional cost could be better utilized, better spent, and more effectively and efficiently used in the interests of the taxpayers and in the interest of our national defense.

I would say to the Senator from Georgia (Mr. NUNN) who is a distinguished colleague, particularly in this area, and certainly he has more expertise and more knowledge than probably any other Senator on this floor—this number has been justified by the Department of Defense in several studies.

I would say to the distinguished Senator from Georgia (Mr. NUNN) and to others who may still share those concerns, that the fact is that all those reservists provided under this amendment for 95,900 are vitally essential. This number has been justified by the Department of Defense in several studies. The Department of Defense, supported by the Navy, has shown that this level is essen-

tial to sustain any kind of combat operation by the Navy during the first 90 days of a national emergency. It is true that some of these billets are of a support nature. But they are nonetheless, essential if we are to expect the Naval Reserve to respond immediately in the time of crisis.

At a time when the regular Navy is having to contend with a serious personnel decrease of 10,000 below the fiscal year 1977 authorized level, it has made a choice to man the fleet and to underman some support activities. The Senator from Kansas believes this undermanned support function could be effectively addressed by the Naval Reserve, truly a vital mission in the overall defense of this Nation.

In addition to the increased potential effective use of the Naval Reserves, I would point out that since the debate on this matter a year ago, times have changed such as to further substantiate establishing and maintaining a strong naval reserve. Mr. President, I am talking about the unsettling trends in our Armed Forces and in the rapidly shifting balance of military powers throughout the world which we have witnessed in recent times. In the past year we have witnessed the greatest erosion of Western security in any year since 1945. Recently, the military coup in Afghanistan that overthrew President Mohammed Daud represents a victory for the Soviet Union that would have been unthinkable 2 years ago. We have experienced the self-denial of major weapons such as with the neutron bomb decision, the cancellation of the B–1 bomber production, curtailment of full-scale development of the M–X missile, problems with the All-Volunteer Army, a Selective Service System that could not respond effectively in the time of a crisis, the list goes on.

Mr. President, there is simply no prevailing rationale for the second-rate defense we are beginning to see in this country. The polls clearly show that the American people are greatly concerned. Overall congressional additions to the fiscal year 1979 defense bills and debates on the floor show clearly that Congress is greatly concerned.

Mr. President, I would only conclude, as I started, by commending the Subcommittee on Manpower and Personnel. It seems to me one way to make certain that we will have the strength we need in this particular area is by the adoption of this amendment.

Mr. President, I ask unanimous consent that the distinguished Senator from New Jersey (Mr. WILLIAMS), the distinguished Senator from California (Mr. HAYAKAWA), and the distinguished Senator from North Carolina (Mr. MORGAN) be added as cosponsors.

The PRESIDING OFFICER (Mr. STONE). Without objection, it is so ordered.

Mr. DOLE. I would say, finally, we are just where we were a year ago. It is the same amendment. I am not certain the feelings have been changed. At that time we had a rollcall vote. I certainly have no quarrel with the distinguished chairman of the committee, the ranking Republican, or the distinguished chairman of the subcommittee. But it would seem to me there is justification for this very slight increase. I think the House version contains the figure of 87,000 which would mean, I suggest, probably in conference if we add the figure of 95,900, that somewhere between those two points we would end up with around 92,000.

I think it is a question of whether we want to increase the strength, as indicated, that is desirable and necessary or whether we want to stick with the 87,000 the committee has included.

Mr. President, if we are to maintain the freedom in this country, if we are to make meaningful progress in expanding freedom throughout the world, we must remain strong and vigilant. America's voice must be strong, our commitment to national strength unquestionable. We must fight for policies which keep America militarily strong so that the time will never come when we will no longer be able to negotiate with our adversaries, but only agree to the terms presented to us.

Mr. President, once again, I want to commend the distinguished Senator from Georgia (Mr. NUNN) and the members on his committee for their efforts in what appears to be a new positive trend in addressing the Naval Reserve issue. I believe the Senator from Georgia (Mr. NUNN) has been one of the strongest advocates of increasing the utilization of the Naval Reserve and I hope he and my other colleagues will support my amendment which will renew our efforts to obtain an even greater utilization of the Naval Reserve.

Mr. NUNN. Mr. President, I say to the Senator from Kansas that we have had quite a bit of discussion over the Naval Reserve, both in committee and on the floor of the Senate, during the last 3 years. As the Senator knows, this year the President requested a strength of 51,400 in the Naval Reserve. The committee added 35,600, which is one of the largest items we added in the personnel area, to the President's budget, to bring the level up to 87,000, the same level the Naval Reserve is now, at an additional cost of $41 million.

The reason for the committee's action is that the committee believed such action was necessary in order to maintain critical types of units such as deployment related units, ship and aircraft maintenance, construction units, and highly technical and professional skill units.

One of the reasons for the action is that this would stabilize the strength of the Naval Reserve. It would make it clear that we expected these units to be assigned meaningful missions related to our national security. The committee continues to believe that new or augmented missions can be developed whereby the Naval Reserve can be more closely affiliated with the operational tasks and responsibilities of the active fleet.

One of the things that is closely related, and I asked the Senator from Kansas' attention on this, is that, as the Senator has already said, the support units in the Naval Reserve are necessary. There are a good many support units in this 87,000 figure we have now. We have suggested strongly that the Navy use some of the Naval Reserve support personnel to augment the active forces, because there are manpower shortages on shore. The committee has been moving in a direction to make sure that, first of all, they fill the slots on the ships. Two or three years ago the Navy was beefing up shore establishments at the expense of personnel on ships. We have tried to move them in the direction of manning the ships first, and they are now doing that. In doing so, they have caused some shortages of support personnel. We are strongly urging them, this year, to shift the Naval Reserve support personnel to the augmentation of the active duty personnel, which has caused some shortages in the support shore establishments.

So there is a close interrelationship here, and I would say to the Senator from Kansas that at some point in the future, the Senator from Georgia might very well support an increase in the Naval Reserve. They have some excellent people and excellent units. But we have been fighting for 4 years to get the Navy and the Department of Defense to properly utilize the units we already have.

What we do not want to do this year is add additional units, when we already have a real challenge for the DOD to utilize the number we have authorized. DOD wanted to cut the reserve strength to 51,400, indicating there are some 35,600 they have no meaningful mission for now. We believe there are meaningful missions for the Naval Reserve. If we provide for additional active duty personnel, I think we will not be turning this into a viable challenge to the Navy. For that reason, I oppose the amendment of the Senator from Kansas, but I believe the House and the Senate would be wise to stabilize the Naval Reserve, to give every indication we can to the Department of Defense and the Navy that we expect them to come up with meaningful missions for these people, and to take another look at the situation next year.

Mr. STENNIS. Mr. President, I yield myself 3 minutes. It is well to give attention to these matters, and it is well for the Senator to offer his amendment, but let us look at the figures again.

The budget request was for 51,400. The committee has increased that figure to 87,000, which is almost—well, it is a 35,600 increase, at a cost of $41 million, as related here by the Senator from Georgia.

Now it is proposed to add 8,900 extra men to that, which would make it possible for the Navy to draw from the Appropriations Committee the additional money to cover the 8,900, and that money would lie there in the Treasury, and perhaps would be transferred to something else. It would never be used for these additional 8,900 naval reservists.

I hope and I believe the vote would be virtually unanimous here to reject this amendment, with all deference to its author. The House committee has passed on and set the figure at 87,000. The Senate subcommittee and the full committee have passed on it, by unanimous vote, at 87,000. Certainly for this year that ought to be enough. I believe we can dis-

pose of this matter, Mr. President, perhaps, by an oral vote.

Mr. DOLE. Mr. President, I appreciate the remarks of the chairman as I have the highest regard for the distinguished Senator from Mississippi.

The amendment would cost an estimated $18 million.

I note that the House and the Senate are pretty well where they were last year, at 87,000. I commend the committee for having the wisdom to stick with the 87,000, especially when the administration has requested 51,400, which is 600 less than requested last year.

This has been going on for a long time, in other administrations as well, perhaps with some justification. I do not stand here and suggest that it ought to be 102,000 or 112,000 based only on information, but based on reviews and studies.

I do not think there is any need to prolong the matter, but I would like, at the appropriate time, to have a record vote. I think it is a very simple question. If the Senate rejects it, which I hope it will not, I will certainly accept it. I would hope that we could agree to have a vote on it sometime tomorrow. I am prepared to yield back the remainder of my time.

Mr. STENNIS. Mr. President, if the Senator will yield, that is entirely all right with the manager of the bill, to have a rollcall vote and have it tomorrow.

Mr. NUNN. Certainly that is entirely satisfactory to the Senator from Georgia. I would, of course, ask the Senator from Kansas to think overnight about the message that might be given if his amendment were to be rejected. It might indicate some negative connotations to the Naval Reserve, the Navy, and the Department of Defense. We are trying to give them a strong signal that we do intend for them to stabilize this force and give them meaningful missions, and I would certainly hate to see that signal erased by a vote on this amendment.

I would not, of course, anticipate how the Senate might vote. I would urge Senators not to approved the Senator's amendment, but, by rejecting the amendment, I am afraid that some negative connotations might grow out of the vote that would keep this matter in limbo as far as DOD and the Navy are concerned, and they have to be given a strong signal that Congress intends for them to fully utilize the Naval Reserve.

I would ask the Senator from Kansas to ponder that between now and the rollcall vote tomorrow morning.

Mr. DOLE. Mr. President, if the Senator will yield, I appreciate that suggestion. I have no desire to confront the committee with an amendment that I think perhaps they have studied carefully and used their best judgment on. I would take that under advisement, and perhaps at an appropriate time either ask for the yeas and nays or a voice vote. Mr. President, is it appropriate to ask for the yeas and nays at this time?

Mr. STENNIS. Mr. President, I suggest that we have been working on an agreement that we have some further debate tomorrow, and then vote on all four.

Mr. ROBERT C. BYRD. Mr. President, with the Senator yield?

Mr. STENNIS. I yield to the majority leader.

TIME-LIMITATION AGREEMENTS

Mr. ROBERT C. BYRD. Mr. President, I understand that the following time limitations have been agreed upon by the manager of the bill, the ranking minority member, and the authors of the amendments. I, therefore, ask unanimous consent that the Senate, tomorrow morning at 9 o'clock a.m., proceed to resume its consideration of the bill authorizing appropriations for military procurement, and that at that time the amendment by Mr. HART on the F–18 aircraft program begin running; that there be a total of 1½ hours on that amendment, to be equally divided, 45 minutes to a side.

Do you want a vote to occur then, or back up the votes?

Mr. STENNIS. Well, I think it is better to have a vote on that then, and then have the others back to back.

Mr. ROBERT C. BYRD. And that the vote then occur on that amendment. That upon the disposition of the F–18 aircraft amendment, Mr. HART's amendment on the Navy AV–8B plus aircraft then be called up, that there be a 40-minute time limitation on that amendment, 20 minutes to the side, to be equally divided in accordance with the usual form; that upon the expiration of the time on Mr. HART's second amendment that Mr. HART will call up his amendment on the Navy R. & D. package, that there be a 40-minute time limitation on that amendment, 20 minutes to each side, to be equally divided in accordance with the usual form; provided further, Mr. President, that the votes occur at that point on the disposition of the AV–8B plus aircraft amendment and the Navy R. & D. package amendment in that order; that upon the disposition of those amendments the amendment by Mr. DOLE then again be debated with a 10-minute time limitation to be equally divided, 5 minutes to Mr. DOLE and 5 minutes to Mr. STENNIS, and that a vote then occur on the amendment by Mr. DOLE, and that in every case the division and control of time be in accordance with the usual time.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object, I wonder, since according to my quick calculations that will carry us to about 12:45, and I know there are certain commitments that the Senators on this side of the aisle want to keep at 12:30, if there will be objection to changing the three votes to have two of them occur back to back and two of them be 10 minute votes and one a 15-minute vote.

Mr. ROBERT C. BYRD. I include that as a proviso, Mr. President.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 8 A.M. TOMORROW—SPECIAL ORDERS FOR TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 8 a.m. tomorrow, and that immediately after the prayer Mr. GRAVEL be recognized for not to exceed 15 minutes, to be followed by Mr. NUNN for not to exceed 15 minutes, to be followed by Mr. MCINTYRE for not to exceed 15 minutes, to be followed by Mr. ROBERT C. BYRD for not to exceed 15 minutes, but in no event shall the time run beyond 9 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow morning if Mr. GRAVEL needs more time than his 15 minutes, that the time allotted to Mr. NUNN, Mr. MCINTYRE and to myself be allotted to Mr. GRAVEL.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEFENSE PROCUREMENT AUTHORIZATIONS, 1979

The Senate continued with the consideration of the bill.

Mr. STENNIS. Mr. President, as manager of the bill, with one exception those are the only amendments we can think of which can be disposed of this afternoon, unless the leadership wishes to proceed with further consideration. The Senator from South Carolina said he had a very minor amendment he felt could be adopted by a voice vote. That was the one to which I referred. I understand that his request is that no rollcall vote be had this afternoon.

Mr. ROBERT C. BYRD. If the Senator will yield, Mr. President, I have no such request. It is perfectly agreeable to me for rollcall votes to occur today. Have rollcall votes been ordered on these amendments?

Mr. STENNIS. No.

Mr. ROBERT C. BYRD. I ask unanimous consent that it be in order at any time, and with one show of seconding, if necessary, to have rollcall votes on each and/or all of the amendments that have been ordered in sequence for tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I call for the yeas and nays.

Mr. ROBERT C. BYRD. Mr. President, Mr. STENNIS calls for the yeas and nays on each of the four amendments.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. STENNIS. The Senator from Georgia also has an amendment which he thinks can be disposed of with a voice vote. I am ready to proceed, as far as I am concerned.

Mr. DOLE. What is the pending business, Mr. President?

The PRESIDING OFFICER. The Dole amendment is still pending.

Mr. STENNIS. Which amendment?

The PRESIDING OFFICER. The Dole amendment.

Mr. STENNIS. It has been disposed of by unanimous consent.

The PRESIDING OFFICER. It has not been disposed of unless the Senators

yield back all but the 10 minutes allotted for tomorrow.

Mr. DOLE. I yield back all but the 5 minutes of my time.

Mr. STENNIS. I yield back all time of the committee except the 5 minutes allotted for tomorrow.

The PRESIDING OFFICER. In that case, the bill is open to further amendment.

The Senator from South Carolina.

AMENDMENT NO. 3102

(Purpose: To reduce the amount for procurement of torpedoes)

Mr. THURMOND. Mr. President, I call up my amendment No. 3102 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from South Carolina (Mr. THURMOND) proposes an amendment numbered 3102:

On page 11, line 12, strike out "$364,100,000" and insert in lieu thereof "$335,400,000".

Mr. THURMOND. Mr. President, this amendment reduces the Navy torpedo account from $364.1 million to $335.4 million, a total of $28.7 million.

The proposed reduction involves the deletion of $27 million from the MARK–46 torpedo modification account and $1.7 million from the support equipment account for a total reduction of $28.7 million. These reductions apply to kits which provide equipment sufficient to improve the old MARK–46 torpedoes to an extent this weapon is greatly improved and its lifetime extended.

Mr. President, an unusual circumstance has prompted this amendment. Earlier this year the Navy awarded a contract for production of the MARK–46 modification kits called NEARTIP based on fiscal year 1978 funding.

It was learned at that time the Navy cost estimates were too high, and since the same costing procedures were used for the fiscal year 1979 budget, it was obvious some money could be saved.

Funding for this program in the fiscal year 1979 request was based upon cost estimates in a fully competitive market and could not assume a contractor already in production would be awarded the contract.

That is exactly what happened. The winning contractor was producing Mark–46 torpedoes for foreign sales. and thus the originally estimated initial production line and tooling expenditures were not needed.

Furthermore, the Navy estimates envisioned a higher profit clause than that negotiated.

Mr. President, this is one of those happy times when we can reduce a cost without reducing the military hardware so badly needed by our forces. I ask that my amendment be adopted by the full Senate.

Mr. STENNIS. Mr. President, I yield myself 1 minute.

As I understand, this matter came up after the bill was marked up. The Navy says they cannot use the $28.7 million as planned and have agreed to a reduction. Is that correct?

Mr. THURMOND. That is correct.

Mr. STENNIS. Mr. President, I think we are unanimous that the amendment be agreed to.

Mr. TOWER. I am certainly prepared to accept the amendment of the Senator from South Carolina. It is a timely amendment.

Mr. THURMOND. Mr. President, it is not very often that we can offer amendments to reduce expenditures for defense. We are usually doing the opposite, the distinguished chairman, the distinguished ranking member, and myself, too. But this is a happy occasion when we can do this.

Mr. TOWER. May I suggest the Senator yield back his time?

Mr. THURMOND. Mr. President, I am pleased to yield back the remainder of my time.

Mr. STENNIS. I yield back the committee's time.

The PRESIDING OFFICER (Mr. JOHNSTON). All time is yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was adopted.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1396

(Purpose: To prohibit use of funds for the development of a cruise missile carrier aircraft until an arms control impact statement has been submitted to the Congress)

The PRESIDING OFFICER. Who yields time?

Mr. GOLDWATER. Mr. President, I call up my amendment to S. 2571 relating to the cruise missile carrier aircraft program, and ask that the clerk read it and read the cosponsors attached thereto.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Arizona (Mr. GOLDWATER) for himself, Mr. MCINTYRE, and Mr. TOWER, proposes an unprinted amendment numbered 1396:

On page 13, between lines 19 and 20, insert a new section as follows:

SEC. 204. None of the funds authorized to be appropriated by this Act may be obligated or expended for the development of a cruise missile aircraft until the Arms Control and Disarmament Agency has prepared and submitted to the Congress an arms control impact statement on such aircraft.

Mr. GOLDWATER. Mr. President, the bill recommends authorization of $41.2 million for the cruise missile carrier aircraft program. The primary fiscal year 1979 effort would be to examine the use of various wide-bodied jet aircraft, that is, 747, DC–10, or L–1011, which could carry up to 60 or more cruise missiles.

My amendment requires that none of these funds may be expended or obligated until the administration has filed the required arms control impact statement (ACIS) with the Congress pursuant to section 36 of the Arms Control and Disarmament Act.

I believe that my colleagues will find a copy of the joint committee print on the fiscal year 1979 arms control impact statement so they will have a better idea of what we mean.

Let me stress that the amendment does not delete funds for the cruise missile carrier aircraft.

By way of background, in 1975 the Arms Control and Disarmament Act was amended to include section 36 requiring the executive branch to provide arms control impact statements to the Congress with requests for authorization or appropriation for certain defense and nuclear programs.

The cruise missile carrier program qualifies under the provisions of section 36 and, therefore, an arms control impact statement is required in order to comply with the law.

My colleagues may recall that the first request for cruise missile carrier funds was in the fiscal year 1978 supplemental authorization request. At that time the administration, after having cancelled the B–1, requested $50 million to proceed with the cruise missile carrier program.

After review of this program by the Congress, the appropriation ended up at $15 million. That is the amount that has been provided for the cruise missile carrier to date. Of that $15 million, there remains about $9 million that the administration has not yet obligated.

The Congress in agreeing to section 36, envisioned that the statements would be of considerable value in executive branch and congressional decisionmaking and would promote a more informed public discussion of the arms control aspects of U.S. national security policy. It is my personal belief that they are not all that useful, but the issue here is whether or not the administration is going to comply with the law.

Technically, in my judgment, the administration was in violation of the law when it submitted the fiscal year 1978 supplemental request on the cruise missile carrier without including the ACIS. Our committee gently prodded the administration, asking where the statement was, and we eventually succeeded in geting a statement of questionable value and not very complete. It could be argued that it did not comply, but I will not argue the point today.

Certainly, there has been adequate time to prepare the ACIS for the CMC fiscal year 1979 submissions which should have been received last January. Consequently, I believe the Congress should not allow the expenditure or obligation of any of these requested funds until the law has been complied with.

Let me stress that my amendment applies only to the fiscal year 1979 funds. It does not affect the fiscal year 1978 appropriation.

In a parallel case, my distinguished colleague (Mr. CULVER) of our Armed Services Committee, submitted an amendment in committee that deleted, without prejudice, funds for the nuclear warhead for the SM–2 Navy missile, because the request for that missile was not accompanied by an arms control impact statement as required by law.

He also amended, in committee, the

energy authorization bill requiring the same thing, since that bill contained the nuclear warhead funds for the SM–2 missile.

Mr. President, in summary, while the cruise missile carrier program is not one that I support, since I believe there is a better way to accomplish this particular strategic mission, I am not opposing the funds requested in the bill. I am only asking that the administration adhere to the law as required. If the required statement is submitted by October 1, 1978, then there will be no impact whatsoever on the moneys in this particular bill.

Mr. President, I hope that the chairman and the ranking Republican member will see fit to accept this.

Mr. McINTYRE. Mr. President, I am happy to join my good friend and distinguished colleague Senator GOLDWATER in sponsoring this amendment.

The law unambiguously requires that an arms control impact statement should have been submitted on this program. The law says "that any request to the Congress for authorization or appropriations for * * * any program of research, development * * * with respect to military vehicles designed or intended primarily for the delivery of nuclear weapons * * * shall include a complete statement analyzing the impact of such program on arms control and disarmament policy and negotiations."

The arms control impact statements for fiscal year 1979 contained no such analysis of the cruise missile carrier program. Instead, the following assertion was made as part of the statement submitted on behalf of a variety of air launched cruise missile programs:

> Since cruise missile carrier studies are just underway, this topic will be addressed in future arms control impact statements as the carriers' potential is better understood and tentative decisions are taken.

There are at least three substantial issues under discussion at SALT—which relate directly to a wide-bodied cruise missile carrier:

The definition of a heavy bomber on which long range ALCM's would be permitted. Will the definition permit wide bodied cruise missile carriers?

Can a cruise missile carrier, which is meant to be counted under SALT, be distinguished in a verifiable way from an aircraft of the same class which is not a cruise missile carrier—for example, a civilian 747?

Should there be a limit on the number of ALCM's that can be deployed per aircraft? A B–52 cruise missile carrier would carry no more than 20 as a practical matter. A wide-bodied cruise missile carrier, which is the subject of this program, could carry 50 or 60.

These are important issues and the Congress has a right, under the law, to understand the impact of this program on them.

This amendment would have no practical effect in limiting orderly progress of the cruise missile carrier program provided that the executive branch will file an arms control impact statement by October 1, the beginning of the fiscal year.

I understand that, although the executive branch would prefer not to have to file such a statement, they will be able to do so and will, if this amendment is adopted.

I support this program. In the absence of the B–1, our future mixed bomber force will require that we begin now to investigate second generation cruise missile carriers. I also want to make clear that I, for one, was never particularly enthusiastic about the arms control impact legislation. But the law is the law, and there is no question that it should be complied with. Senator GOLDWATER'S amendment gives the administration, who has made a good faith effort to comply with the law in general, to file a statement on this program and thereby be able to proceed with this important R. & D. effort.

I urge our chairman to look with a benign countenance upon this amendment. I think it should be accepted.

Mr. GOLDWATER. I thank my friend from New Hampshire.

Mr. President, I ask unanimous consent to amend my amendment on page 2, line 3, starting with the last word, "Arms," and line 4, "Control and Disarmament Agency." Strike those words and substitute the word "President," because I believe there is some question as to whether or not the law is specific in this. There is no question that the President can submit to Congress an arms control impact statement. Will the Senator from New Hampshire agree with me?

Mr. McINTYRE. I agree with the modification of the amendment.

Mr. GOLDWATER. I ask unanimous consent that it be so modified.

The amendment was modified.

Mr. GOLDWATER. I hope my good friends, the chairman and the ranking Republican, see fit to take this amendment.

Mr. STENNIS. Mr. President, I think it is an important matter that all clearances and so on should be agreed to. I am prepared to accept the amendment.

Mr. TOWER. I agree to the amendment.

Mr. GOLDWATER. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment as modified.

The amendment as modified was agreed to, as follows:

> On page 13, between lines 19 and 20, insert a new section as follows:
>
> SEC. 204. None of the funds authorized to be appropriated by this Act may be obligated or expended for the development of a cruise missile aircraft until the president has prepared and submitted to the Congress an arms control impact statement on such aircraft.

Mr. GOLDWATER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise in support of S. 2571.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. How much time does the Senator need?

Mr. STENNIS. Mr. President, may I inquire, does the Senator have an amendment?

Mr. THURMOND. About 8 minutes.

Mr. TOWER. I yield 8 minutes to the Senator.

Mr. STENNIS. May I inquire, does the Senator have an amendment?

Mr. THURMOND. This is not an amendment. It is a statement I want to make on the bill.

Mr. STENNIS. I do not object to the statement, but Senators have been waiting.

Mr. TOWER. Would the Senator from South Carolina withhold?

Mr. STENNIS. Well, that is all right.

Mr. NUNN. I have an amendment, it will probably take about 3 or 4 minutes.

Mr. THURMOND. Go ahead.

The PRESIDING OFFICER. Who yields time?

Mr. NUNN. Will the Senator from Mississippi allow me 4 minutes?

Mr. STENNIS. I am glad to yield to the Senator.

UP AMENDMENT NO. 1397

(Purpose: To make available, but not to compel, military training for women in military colleges)

Mr. NUNN. Mr. President, this Nation has a long tradition of fine military colleges that maintain military training for a corps of cadets in a curriculum of military studies and military discipline.

At this point in time, there are four colleges that fit into this category: North Georgia College, VMI, the Citadel, and Norwich College in Vermont.

These private and public colleges have provided many fine officers in addition to those officers trained in the service academies.

In order to be designated a military college, the school's curriculum for military studies and organization must meet standards set by the Secretary of Defense. Those standards are set out in Part 32 of the Code of Federal Regulations, and provide that military students be organized as a corps of cadets under constantly maintained military discipline, that such students be habitually in uniform when on campus, and that all physically fit male undergraduate students participate in military training.

Some 3 years ago, in an apparent attempt to eradicate unnecessary sexist language from Federal regulations, the requirement of military training for male students was changed by the Office of Secretary of Defense to apply to all students. There is no indication that this was meant as a specific policy change to require female students be compelled to take military training. Not only was the change not published in the Federal Register so that the schools involved would receive notice, but the Army was not informed of the change and so did not change its implementing instructions to the military colleges.

Because of the organization of the schools involved, the only effect of this change would be to significantly alter the organization and character of North Georgia College in Dahlonega, Ga. North Georgia College now has a corps of cadets of about 450 students. Some women are enrolled in the corps of cadets, but over 400 attend the school, live on campus, and have not chosen military training.

My amendment would simply make it clear that any female students that are enrolled at North Georgia College and other military colleges must be afforded the opportunity for military training in the corps of cadets, but should not be compelled into military training. I urge the adoption of the amendment.

Mr. NUNN. Mr. President, I send the amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Georgia (Mr. NUNN) proposes an unprinted amendment numbered 1397:

At the end of title VI of the bill, add a new section as follows:

"SEC. 603. Notwithstanding any other provision of law, military colleges must make military training available to qualified undergraduate female students under regulations established by the Secretary of Defense, but the Secretary shall not make such military training of female students compulsory."

Mr. NUNN. Mr. President, this simply makes clear that women shall be entitled to military training if they exercise that option, but they shall not be compelled into military training at the military colleges so designated by the Department of Defense.

This will only affect North Georgia College based on current practices, but would have general application to all military colleges as far as making sure the women are entitled to take ROTC if they should so choose.

I hope the amendment will be accepted.

Mr. STENNIS. Mr. President, I am sorry, I have to say to the Senator from Georgia, that I was diverted on matters here.

The Senator and I had talked a little about the amendment. As I understand it, he merely seeks an eligibility here with this institution?

Mr. NUNN. There has been a change in the regulations that the Army did not pick up. Basically, the change has been interpreted by some people at DOD that women who attend a military college—there are only four military colleges in the United States, one of them is North Georgia College—would be compelled to take ROTC. Males are compelled to take ROTC.

It is the intention of this amendment that women are permitted to take ROTC at the military colleges, but are not compelled to take ROTC.

I believe this is the intention of Congress. I also believe it was previously the intention of DOD. But there is some vagueness now and it is being interpreted that about 400 female students have to take it when they do not want to.

Mr. STENNIS. As always, the Senator from Georgia is very alert to these new situations. I think he has made a good point.

This has been the uniform custom anyway, heretofore.

Mr. NUNN. That is right. It has been the custom.

Mr. STENNIS. If the Senator from Texas agrees with it, I would certainly agree.

Mr. TOWER. I have no objection to the amendment.

Mr. NUNN. Mr. President, I ask that the amendment be accepted.

The PRESIDING OFFICER. Is all time yielded back?

Mr. STENNIS. Yes.

Mr. NUNN. Yes.

The PRESIDING OFFICER. The question is on agreeing to unprinted amendment numbered 1397.

The amendment was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STENNIS. Mr. President, may I inquire, are there other amendments to the pending bill?

Otherwise, I suggest that the bill go over, under the agreements, until tomorrow.

Mr. TOWER. Mr. President, I suggest the absence of a quorum and I ask unanimous consent that the time be equally charged.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I yield 10 minutes to the Senator from South Carolina.

Mr. THURMOND. I thank the distinguished Senator from Texas.

Mr. President, I support S. 2571, the military authorization bill for fiscal year 1979. This legislation provides authorizations for spending in the amount of $36 billion.

S. 2571 reflects expenditures of about one-fourth of the $125.6 billion sought in the national defense category budget authority by the President. This portion of the larger request applies specifically to military procurement, research and development, and civil defense.

Mr. President, this bill actually exceeds the administration request for the items covered by about $614 million. This is roughly 2 percent more than that sought by President Jimmy Carter.

REPORT JUSTIFIES BILL

It will not be my purpose today to justify each of these expenditures as the committee report provides such support and the various subcommittee leaders will cover the specifics.

However, I would like to comment on two significant changes made by our committee.

NUCLEAR CARRIER

First, the committee added $1.9 billion to buy a fourth *Nimitz*-class nuclear aircraft carrier. This step will enable us to obtain this important vessel at a cost of about 25 percent more than the conventional carrier scheduled by the Carter administration in fiscal year 1980.

The advantages of nuclear propulsion are great in these times of shrinking oil supplies. Further, the nuclear carrier provides much greater combat capabilities due to its size. These facts, plus many others, persuaded the committee members Congress should take this action on its own initiative.

GUARD AND RESERVE

Second, the committee once again added items to support the Guard and Reserve by including funds for 21 two-place A–7D attack aircraft and eight C–139 transport aircraft.

Last year my own efforts led to inclusion in the military bill funds for the Guard two-place A–7D. The Air Force was slow to move out on this program, but the action of this Congress fully vindicates my initial proposal.

Mr. President, I would like now to turn my comments to the broader issues. These involve the policies of the current administration relative to our strategic posture vis-a-vis the Soviet Union.

WEAK STRATEGIC POLICIES

In the last 12 months we have witnessed the spectacle of the President lobbying Congress to stop production on the world's finest strategic bomber, the B–1. By a narrow vote, Congress ended our long-held Triad policy by canceling B–1 production. Unfortunately, the B–1 was killed without any concession from the Soviets. Furthermore, the Soviets are producing the Backfire strategic bomber at a steady rate and may shortly unveil a new strategic bomber of B–1-type capability.

With this dismal affair only recently concluded, we read daily of continued Soviet strategic advances, including deployment of new land-based intercontinental missiles and the 4,000-mile range Delta sub, comparable to our yet to be deployed Trident.

DANGER IN 1980'S

Most experts predict the massive Soviet weapons modernization, involving new ICBM's missile submarines, bombers, satellite weapons, and the like, will give them a clear superiority in the early 1980's.

This will occur when the Backfire bomber force reaches a size and strength clearly superior to our aging B–52's and when Soviet missile accuracy makes our fixed site, land-based Minuteman missiles vulnerable to a first strike.

Even the Congressional Budget Office, controlled by the President's own party, warned 2 years ago about the Soviet military programs. The CBO said:

Earlier estimates of Soviet defense spending were off by nearly 100 percent.

MX PROGRAM SLOWED

Like our bomber force, our land-based missiles are aging. While the Soviets ICBM's the current administration is dragging its feet on development of our new ICBM, known as the MX, or missile experimental. Such delays are very risky as complex and costly strategic systems take years to develop and build. We cannot just buy them when they are needed.

These policies of reduction and restraint will surely lead to a position of weakness and danger for the United States by the mid-1980's. While the administration assures us of our military strength today, it is the strength of 5 to 10 years hence that policies of today determine.

Many predict an oil crisis in the mid-1980's. The industry on which we depend for our military and economic strength is fired largely by oil. Our economic as well as our military strength may depend on whether we possess in the 1980's the strategic power to protect our national interests. Today, our strategic policies are in disarray, and the needed production or even development of new systems is lacking.

DANGER SEEN IN 1980'S

In my judgment, this bill does not adequately anticipate the realities our people will face in the mid-1980's. Unless we come to grips with these problems quickly, our military weakness in 1985 could cost us dearly. Military strength today is the result of good judgment 5 to 10 years ago. Military weakness in 1985 will come if we fail to exercise that same good judgment today.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, with Senators permitted to speak for up to 5 minutes each during that period, the period not to extend beyond 30 minutes, and with the call of the calendar not to be automatic.

The PRESIDING OFFICER. Without objection it is so ordered.

IMPORT RELIEF ACTION ON STAINLESS STEEL TABLE FLATWARE—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 189

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers, which was received on June 30, 1978, during the recess of the Senate, under authority of the order of June 29, 1978, which was referred to the Committee on Finance:

To the Congress of the United States:

In accordance with section 203(b)(2) of the Trade Act of 1974, enclosed is a report to the Congress setting forth my determination that import relief for the U.S. stainless steel table flatware industry is not in the national economic interest, and explaining the reasons for my decision.

JIMMY CARTER.

THE WHITE HOUSE, *June 30, 1978.*

REPORTS ON HIGHWAY SAFETY AND NATIONAL TRAFFIC AND MOTOR VEHICLE SAFETY—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 190

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying reports, which was received July 5, 1978, during the recess of the Senate, under authority of the order of June 29, 1978, which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

The 11th annual reports on the administration of the Highway Safety and National Traffic and Motor Vehicle Safety Act of 1966 are transmitted for your consideration. The volume on motor vehicle safety contains the reporting requirements of the Motor Vehicle Information and Cost Savings Act of 1972. Also included are highlights from the second annual report to the Congress on automotive fuel economy. The highway safety document describes developments in those aspects of traffic safety in which Congress expressed special interest in the Highway Safety Acts of 1973 and 1976.

Since 1967, research has advanced the state-of-the-art of traffic safety. Safety devices have been perfected and incorporated in most automobiles on the road today. Highways have been designed and built with safety in mind, and traffic systems are better controlled. Even so, the traffic safety problem remains serious. In 1977, 46,880 of our citizens died on the Nation's highways, and the number of injured ran into the millions. The direct economic cost is estimated at $43 billion annually. Had there been no traffic safety effort, and had the 1967 traffic fatality rate held constant, the 1977 toll might have been 77,000 dead and the direct economic costs would have risen to $76 billion a year.

The fact remains that the fatality rate (deaths per 100 million miles of travel) has declined steadily since 1967, as the various automotive and highway standards and programs have taken effect. The drop was especially noticeable following imposition, in January 1974, of the 55-mph national maximum speed limit, which has proven to be the single most effective safety measure instituted in this country. Cumulatively, the saving in lives since 1967 exceeds 150,000.

Despite the advances that have been made since 1967, motor vehicle accidents have remained the sixth leading cause of death in the United States. It is a national calamity that the penalties fall disproportionately on the very young and on those in their most productive years. In every age bracket from 5 to 34 years, motor vehicle accidents are either the leading or the second cause of death; among the 15 to 19-year-olds, traffic fatalities claim 38 percent of total deaths.

Persistent obstacles remain to further rapid or easy progress in reducing fatalities. Average speeds are increasing gradually. Seat belts are a simple, effective safety device, but are used by less than 20 percent of all motorists. The growing popularity of small cars, light trucks and vans increases the weight disparity within the vehicle mix and adversely affects the severity of accidents. Alcohol continues to be a contributing cause in half of all fatal accidents. Rulemaking has focused primarily on passenger cars, and many of the standards have been found to be inapplicable to light trucks and vans. Some States have repealed their motorcycle helmet laws; some have reduced or eliminated penalties for infractions of the 55-mph speed limit.

Further progress in traffic safety is feasible, but will require the dedication and cooperation of Federal, State and local governments, the automotive industry and, above all, the motoring public whose lives are at stake.

JIMMY CARTER.

THE WHITE HOUSE, *July 5, 1978.*

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States received on June 30, July 5, and July 6, 1978, during the recess of the Senate, pursuant to the order of June 29, 1978, which were referred to the appropriate committees.

(The nominations received during the recess are printed at the end of today's proceedings of the Senate.)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

SPECIAL REPORT ON MULTILATERAL EXPORT CONTROLS—MESSAGE FROM THE PRESIDENT—PM 191

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which, together with an accompanying report, was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

I hereby transmit the "Special Report on Multilateral Export Controls," pursuant to section 117 of Public Law 95-52, the Export Administration Amendments of 1977.

JIMMY CARTER.

THE WHITE HOUSE, *July 10, 1978.*

PROPOSED JUSTICE SYSTEM IMPROVEMENT ACT OF 1978—MESSAGE FROM THE PRESIDENT—PM 192

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred to the Committee on the Judiciary:

To the Congress of the United States:

I am today sending to Congress the "Justice System Improvement Act of 1978," which will make significant changes in programs now being administered by the Law Enforcement Assistance

Administration ("LEAA") and will revitalize our efforts to help State and local governments improve their justice systems.

For the past 10 years, Federal efforts to control crime through LEAA have been uncoordinated and ineffective. In providing financial assistance to State and local governments, the LEAA program has never been as efficient or effective as originally intended. A complex bureaucratic structure has enveloped the Federal effort involving State and local law enforcement officials in excessive regulation, complexity, and mountains of red tape—rather than providing them with needed financial and technical assistance. Compliance with procedural guidelines has often overshadowed substantive accomplishments. Further, Federal research and statistics programs have not provided the types of information needed for sound management decisions by those involved in controlling crime and improving our justice system.

With the counsel and assistance of State and local officials and of Congressional leaders, particularly Senator Kennedy and Congressman Rodino, we have devoted more than a year to an intensive, thorough review of the LEAA program. Through that review, we sought to remedy the deficiencies in the LEAA program, while at the same time building upon the program's basic strengths. The Act which I am proposing today meets that goal: it effectively addresses LEAA's weaknesses and furthers our efforts, enhanced by our urban policy, to develop an effective partnership among the Federal government, State and local governments and community organizations.

Enactment of this bill will be a major step forward in our nation's efforts to control crime and improve the administration of justice. The bill contains the following major initiatives:

—It will streamline and redirect the LEAA program
by simplifying the grant process and eliminating unnecessary paperwork;
by targeting funds to areas of greatest need;
by eliminating wasteful uses of LEAA funds;
by strengthening the role of local governments; and
by increasing community and neighborhood participation in program decisions.

—It will also consolidate within the Department of Justice
civil and criminal research efforts in a new National Institute of Justice
civil and criminal statistical programs in a new Bureau of Justice Statistics.

LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

ELIMINATING PAPERWORK

The current statute authorizing LEAA imposes 25 broad planning requirements. Implementation of these requirements has resulted in annual State plans of uncertain value and extraordinary length. Each year, State plans total about 55,000 pages often filled with needless and repetitive narrative. Over the program's history, about 500 plans filling some one-half million pages have been submitted to LEAA. Countless staff time has been devoted to plan development and review at the Federal, State and local level.

My proposal will reverse this trend. Statutorily mandated requirements regarding content of plans will be reduced from 25 to 8. Annual State plans—now averaging about 1,000 pages—will be replaced by simplified applications submitted once every three years. This change alone will decrease paperwork by as much as 75 percent.

In addition, under the Act, major local government units will be able to submit single applications for funding of all projects covering a 3-year period. The impact of this change will be significant. Presently, cities like Atlanta, Denver, Detroit, Chicago, Los Angeles and Newark fill out on the average 40 project applications each year. Under the Act, they will be required to complete only one.

TARGETING FUNDS

Under the existing statute, LEAA funds are distributed to States solely on the basis of population. There is no requirement that funds be distributed according to an area's need to fight crime.

Under the Act, a priority will be placed on focusing funds to the areas with the most severe crime problems, in line with the Administration's general policy of targeting funds from government programs to areas of greatest need.

At present, 17 States have about 55 percent of the nation's serious crime and about 45 percent of the total population. Under our proposals, those 17 States would receive additional funds to distribute to their local areas with the greatest crime problems.

WASTEFUL USE OF FUNDS

The existing LEAA statute does not place any meaningful limits on how funds are to be used, or incentives for efficient use. In recent years, it has become obvious that some LEAA funds have been wasted on useless equipment, hardware, projects and programs.

To avoid future wasteful use, and to insure that LEAA funds are spent in the most productive ways, my proposal contains reasonable limits on the use of LEAA funds.

Strict limitations will be placed on the use of funds for equipment, hardware, administrative expenses, and general salary expenses. These limitations should result in additional LEAA funds for programs which will directly impact on the fight against crime and which will improve our judicial system.

LOCAL GOVERNMENTS

Under the current LEAA statute, local crime prevention and control efforts have frequently been undercut by uncertainty about funding levels, as well as by disagreements over State and local roles and responsibilities.

My proposal will eliminate the uncertainty concerning the funding level for local governments and will more clearly establish the relationship between State and local governments. Rather than having to file innumerable applications with their State governments, my proposal will enable municipalities of over 100,000 population and counties of over 250,000 population for the first time to receive a fixed allocation of LEAA funds each year.

In addition, decisions regarding funding are now made at the State level, often without adequate local consultation. Under my proposal, these cities and counties will be given greater discretion to select projects and programs particularly suited to their own crime reduction and criminal justice needs.

COMMUNITY AND NEIGHBORHOOD PARTICIPATION

All too often, a wide gulf separates law enforcement officials from the communities and people they protect. This has been particularly true of the LEAA program.

My proposal recognizes that crime prevention and justice system improvement are not solely the tasks of government or justice agencies. Private citizens and neighborhood and community organizations will have a vital role to play. The participation of neighborhood and community groups in the development and approval of State and local applications will be assured. Not only will public hearings be required before State and local LEAA funding decisions are made, but those groups will be fully represented on the State and local advisory boards that will be established to determine how LEAA funds are spent locally. These actions will reenforce the neighborhood anticrime proposal announced recently in our urban policy.

NATIONAL INSTITUTE OF JUSTICE

Although the Federal, State and local governments spend billions of dollars each year in their effort to combat crime and improve their criminal justice systems, we do not have adequate tools to assess the impact of these dollars in reducing crime or improving our justice system.

To date, Federal leadership in developing the necessary tools has been uncoordinated, fragmented, and has generally lacked focus.

My proposal will remedy this problem by creating a National Institute of Justice within the Justice Department. The Institute will replace two existing units, the National Institute for Law Enforcement and Criminal Justice and the National Institute of Corrections, and part of a third unit, the Institute of Juvenile Development and Research. The National Institute of Justice will be authorized to undertake basic and applied research, and to conduct evaluations and sponsor demonstrations in the civil and criminal justice areas.

It will centralize the Federal effort to determine how the Federal, State and local governments can most effectively attack the crime problem and strengthen their justice system.

To ensure the independence and integrity of the Institute's efforts, its Director will have final authority for all grants and contracts made by the Institute.

An advisory board to the Institute will be composed of a broadly based group of academic experts, State and local officials, neighborhood and community leaders and citizens. The board will have

authority to develop, in conjunction with the Director, policies and priorities for the National Institute of Justice.

BUREAU OF JUSTICE STATISTICS

One of the most valuable services provided by the Federal government in the criminal justice area is the compilation of statistics. However, the Federal effort here has also lacked a central focus and direction.

Under my proposal, a Bureau of Justice Statistics will be created in the Department of Justice. The Bureau will be authorized to collect, analyze and disseminate statistics on criminal and civil justice matters. As a result, the Federal government will be able to provide crime statistics which are reliable to uniform.

An advisory board to the Bureau will consist of researchers, statisticians, State and local officials and citizens. The board would have authority to recommend to the Director policies and priorities for the Bureau of Justice Statistics.

To coordinate the operation of the streamlined LEAA, the National Institute of Justice and the Bureau of Justice Statistics, the Department of Justice will establish the Office of Justice Assistance, Research and Statistics. That Office will be responsible for ensuring that each of these three organizations attacks our criminal and civil justice problems in a focused and complementary way.

The "Justice System Improvement Act of 1978" lays the foundation for an effective Federal program of financial assistance, research and statistics and is vitally important to assist States, local governments and citizens groups in combating and improving the quality of the justice programs. I urge the Congress to give this proposal prompt and favorable consideration.

JIMMY CARTER.

THE WHITE HOUSE, *July 10, 1978.*

PRESIDENTIAL APPROVALS

A message from the President of the United States stated that on June 29, 1978, he approved and signed the following act:

S. 2973. An Act authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes.

The message also announced that on June 30, 1978, he approved and signed the following acts and joint resolution:

S. 2033. An Act to provide for conveyance of certain lands in the Wenatchee National Forest, Washington, by the Secretary of Agriculture.

S. 2351. An Act to designate the proposed new Veterans' Administration hospital in Little Rock, Arkansas, as the "John L. McClellan Memorial Veterans' Hospital", and for other purposes.

S.J. Res. 128. A joint resolution designating July 1, 1978, as "Free Enterprise Day".

MESSAGE FROM THE HOUSE

At 11:02 a.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed S. 1582, an act relating to the settlement between the United States and the Ak-Chin Indian community of certain water right claims of such community against the United States, with an amendment in which it requests the concurrence of the Senate.

The message also announced that the House agrees to the amendment of the Senate to H.R. 10822, an act to improve the operations of the national sea grant program, to authorize appropriations to carry out such program for fiscal years 1979 and 1980, and for other purposes, with amendments in which it requests the concurrence of the Senate.

At 1:16 p.m., a message from the House of Representatives delivered by Mr. Hackney announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 10587. An Act to improve the range conditions of the public grazing lands.

At 3:25 p.m., a message from the House of Representatives delivered by Mr. Hackney announced that the House disagrees to the amendment of the Senate to H.R. 12426, an act to authorize the Secretary of the Treasury to provide financial assistance for the city of New York; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. REUSS, Mr. MOORHEAD of Pennsylvania, Mr. BLANCHARD, Mr. VENTO, Mr. ROSTENKOWSKI, Mr. COTTER, Mr. STANTON, Mr. MCKINNEY, and Mr. CONABLE were appointed as managers of the conference on the part of the House.

The message also announced that the House disagrees to the amendment of the Senate to H.R. 12598, an act to authorize appropriations for fiscal year 1979 for the Department of State, the International Communication Agency, and the Board for International Broadcasting, to make changes in the laws relating to those agencies, to make changes in the foreign service personnel system, to establish policies and responsibilities with respect to science, technology, and American diplomacy, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. ZABLOCKI, Mr. FASCELL, Mr. DIGGS, Mr. WOLFF, Mr. RYAN, Mrs. MEYNER, Mr. DANIELSON, Mr. BROOOMFIELD, Mr. BUCHANAN, and Mr. BURKE of Florida were appointed managers of the conference on the part of the House.

HOUSE BILL REFERRED

The following bill was referred twice by title and referred to the Committee on Energy and Natural Resources:

H.R. 10587. An Act to improve the range conditions of the public grazing lands.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-3885. A communication from the Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, on the budget for the ensuing fiscal year transmitted to the Congress by the President in January 1978; to the Committee on the Budget and the Committee on Appropriations, jointly, by unanimous consent.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a communication transmitted by the Director of the Office of Management and Budget, relative to section 201 of the Budget and Accounting Act of 1921, be referred jointly to the Committee on the Budget and the Committee on Appropriations.

The PRESIDING OFFICER. Without objection, it is so ordered.

EC-3886. A communication from the Chairman and Executive Director, Pension Benefit Guaranty Corporation, transmitting, pursuant to law, a report which examines the feasibility of establishing a Contingent Employer Liability Insurance (CELI) program; to the Committee on Finance and the Committee on Human Resources, jointly, by unanimous consent.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a communication transmitted by the Chairman and Executive Director of the Pension Benefit Guaranty Corporation, relative to establishing a contingent employer liability insurance program, be referred jointly to the Committee on Finance and the Committee on Human Resources.

EC-3887. A communication from the Chairman and Executive Director, Pension Benefit Guaranty Corporation, transmitting, pursuant to law, a report on an employer plan termination insurance program established by Title IV of the Employee Retirement Income Security Act of 1974; to the Committee on Finance and the Committee on Human Resources, jointly, by unanimous consent.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a communication transmitted by the Chairman and Executive Director of the Pension Benefit Guaranty Corporation, relative to multiemployee pension plans, be referred jointly to the Committee on Finance and the Committee on Human Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

EC-3888. A communication from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on rescissions and deferrals, July 1978; to the Committee on the Budget, the Committee on Appropriations, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Armed Services, the Committee on the Judiciary, the Committee on Foreign Relations, the Committee on Governmental Affairs, the Committee on Banking, Housing, and Urban Affairs, the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, the Committee on Human Resources, the Committee on Finance, and the Committee on Environment and Public Works, jointly, pursuant to order of January 30, 1975.

EC-3889. A communication from the Assistant Secretary, International Affairs and Commodity Programs, Department of Agriculture, reporting, pursuant to law, on Title I, P.L. 480, Country Commodity Allocations, June 30, 1978; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3890. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend Section 1445(b) of the Food and Agriculture Act of

1977 to modify the formula for the distribution of funds authorized thereunder; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3891. A communication from the Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Department of the Treasury for "Accounts, Collection and Taxpayer Service," Internal Revenue Service for the fiscal year 1978 has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriations; to the Committee on Appropriations.

EC–3892. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), reporting, pursuant to law, on five construction projects to be undertaken by the U.S. Army Reserve; to the Committee on Armed Services.

EC–3893. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), reporting, pursuant to law, on three construction projects to be undertaken by the Naval and Marine Corps Reserve; to the Committee on Armed Services.

EC–3894. A communication from the Deputy Assistant Secretary of Defense (Administration), reporting, pursuant to law, that the Department of the Army intends to exercise the provision for exclusion of the clause concerning examination of records by the Comptroller General; to the Committee on Armed Services.

EC–3895. A communication from the Assistant Secretary of the Navy (Manpower, Reserve Affairs and Logistics), transmitting, pursuant to law, a report for fiscal year 1977 showing proceeds returned to installations through the Defense Logistics Agency (DLA); to the Committee on Armed Services.

EC–3896. A communication from the Assistant Secretary of the Air Force (Manpower, Reserve Affairs and Installations), transmitting a draft of proposed legislation to amend chapter 61 of Title 10, United States Code, to extend certain authority related to the separation or retirement of members of the armed forces who are unfit to perform their duties because of physical disability; to the Committee on Armed Services.

EC–3897. A communication from the Chairman, Securities and Exchange Commission, transmitting, for the information of the Senate, a report on the Accounting Profession and the Commission's Oversight Role; to the Committee on Banking, Housing, and Urban Affairs.

EC–3898. A communication from the Chairman, Civil Aeronautics Board, reporting, pursuant to law, on a request for public comments on a tentative compliance plan relating to Executive Order 12044, Improving Government Regulations; to the Committee on Commerce, Science, and Transportation.

EC–3899. A communication from the Chairman, Federal Maritime Commission, reporting, pursuant to law, on the progress of efforts to implement the provisions of Executive Order 12044, "Improving Government Regulations"; to the Committee on Commerce, Science, and Transportation.

EC–3900. A communication from the Chairman, National Transportation Safety Board, transmitting, pursuant to law, its report for calendar year 1977 activities; to the Committee on Commerce, Science, and Transportation.

EC–3901. A communication from the Chairman, U.S. Consumer Product Safety Commission, transmitting, pursuant to law, a report on its efforts to comply with the provisions of Executive Order 12044, "Improving Government Regulations"; to the Committee on Commerce, Science, and Transportation.

EC–3902. A communication from the Chairman, National Advisory Committee on Oceans and Atmosphere, transmitting, pursuant to law, the Seventh Annual Report of the National Advisory Committee on Oceans and Atmosphere; to the Committee on Commerce, Science, and Transportation.

EC–3903. A communication from the Acting Secretary of Agriculture, transmitting a draft of proposed legislation to designate the segment of the Dolores River and its tributary the West Dolores as a component of the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Energy and Natural Resources.

EC–3904. A communication from the Administrator, Energy Information Administration, Department of Energy, transmitting, pursuant to law, a quarterly report for the period of January through March 1978 concerning imports of crude oil, residual fuel oil, refined petroleum products, natural gas, and coal; reserves and production of crude oil, natural gas, and coal; refinery activities; and inventories; to the Committee on Energy and Natural Resources.

EC–3905. A communication from the Administration Energy Information Administration, Department of Energy, transmitting, pursuant to law, on petroleum market shares, sales of refined petroleum products, March 1978; to the Committee on Energy and Natural Resources.

EC–3906. A communication from the Administrator, Energy Information Administration, Department of Energy, transmitting, pursuant to law, a report on changes in the market shares of the statutory categories of retail gasoline marketers; to the Committee on Energy and Natural Resources.

EC–3907. A communication from the Acting Assistant Secretary, Department of the Interior, reporting, pursuant to law, that the Secretary of the Interior has determined that certain lands in the States of Idaho and Colorado are considered not suitable for disposal under the provisions of the Unintentional Trespass Act (UTA) of September 26, 1968 (43 U.S.C. 1431); to the Committee on Energy and Natural Resources.

EC–3908. A communication from the Acting Assistant Secretary, Department of the Interior, transmitting, pursuant to law, financial statements of the Colorado River Storage Project and Participating Projects for the transitional quarter (July 1 through September 30, 1976) and the fiscal year ended September 30, 1977; to the Committee on Energy and Natural Resources.

EC–3909. A communication from the Acting Administrator, United States Environmental Protection Agency, transmitting, pursuant to law, a report on Wastewater Treatment Contracting and Bid Shopping; to the Committee on Environment and Public Works.

EC–3910. A communication from the Chairman, United States International Trade Commission, transmitting, pursuant to law, the fourteenth quarterly report on trade between the United States and the nonmarket economy countries; to the Committee on Finance.

EC–3911. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the annual report of the Social Security Administration; to the Committee on Finance.

EC–3912. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties into by the United States within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC–3913. A communication from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, reporting, pursuant to law, justification of an increase in the funding level of the proposed FY '78 program in Morocco; to the Committee on Foreign Relations.

EC–3914. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC–3915. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Examination of the Bureau of Engraving and Printing Fund's Financial Statements for the 15 Months Ended September 30, 1976, and for Fiscal Year 1977," July 5, 1978; to the Committee on Governmental Affairs.

EC–3916. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Unwarranted Delays by the Department of Transportation to Improve Light Truck Safety," July 6, 1978; to the Committee on Governmental Affairs.

EC–3917. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Job Training Need More Effective Management," July 7, 1978; to the Committee on Governmental Affairs.

EC–3918. A communication from the Assistant Secretary for Conservation, Research, and Education, Department of Agriculture, reporting, pursuant to law, proposed establishment of a new system of records entitled "Poultry Workers Job Satisfaction Study, USDA/SEA–9"; to the Committee on Governmental Affairs.

EC–3919. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Federal Government Should Establish and Meet Energy Conservation Goals," June 30, 1978; to the Committee on Governmental Affairs.

EC–3920. A communication from the Deputy Assistant Secretary of Defense, reporting, pursuant to law, on a Department of the Army proposal for four new systems of records; to the Committee on Governmental Affairs.

EC–3921. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Savings Available by Contracting for Medicaid Supplies and Laboratory Services," July 6, 1978; to the Committee on Governmental Affairs.

EC–3922. A communication from the Chairman, Occupational Safety and Health Review Commission, transmitting, pursuant to law, a report on the progress the Review Commission has made toward greater clarity and simplicity in government regulations pursuant to Executive Order No. 12044; to the Committee on Human Resources.

EC–3923. A communication from the Chairman, National Labor Relations Board, reporting, pursuant to law, relating to Executive Order 12044; to the Committee on Human Resources.

EC–3924. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the first report on the National Health Service Corps Scholarship Program; to the Committee on Human Resources.

EC–3925. A communication from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, notice of final funding criteria, Clinical Law School Experience Programs; to the Committee on Human Resources.

EC–3926. A communication from the Secretary of Labor, transmitting, pursuant to law, a report on the administration of special veterans provisions; to the Committee on Human Resources.

EC–3927. A communication from the Chairman, National Labor Relations Board, transmitting, pursuant to law, a report on cases heard and decided by the Board for the fiscal year ending September 30, 1977, and during

the transition quarter of July-September 1976; to the Committee on Human Resources.

EC-3928. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Can Health Maintenance Organizations be Successful?—An Analysis of 14 Federally Qualified HMO's," June 30, 1978; to the Committee on Human Resources.

EC-3929. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a report of conditional entry activities for the period covering January 1, 1978 through May 31, 1978; to the Committee on the Judiciary.

EC-3930. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders in the cases of aliens who have been found admissible to the United States under the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-3931. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders entered in 705 cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of such aliens; to the Committee on the Judiciary.

EC-3932. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, order suspending deportation as well as a list of the persons involved; to the Committee on the Judiciary.

EC-3933. A communication from the General Counsel, National Council on Radiation Protection and Measurements, transmitting, pursuant to law, a report entitled "Financial Statements and Supplemental Schedules for the Year Ended December 31, 1977 and Auditors' Opinion"; to the Committee on the Judiciary.

EC-3934. A communication from the General Counsel, National Council on Radiation Protection and Measurements, transmitting, pursuant to law, a report entitled "Financial Statements and Supplemental Schedules for the Year Ended December 31, 1977 and Auditors' Opinion"; to the Committee on the Judiciary.

EC-3935. A communication from the Under Secretary of Defense, transmitting, pursuant to law, a report of the Department of Defense Procurement from Small and Other Business Firms for October 1977; to the Select Committee on Small Business.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on June 30, 1978, he presented to the President of the United States the following enrolled bill:

S. 2401. As Act to amend the Consumer Product Safety Act to establish an interim consumer product safety rule relating to the standards for flame resistance and corrosiveness of certain insulation, and for other purposes.

ORDER FOR STAR PRINT OF EXECUTIVE REPORT NO. 95-21

Mr. NELSON. Mr. President, as in executive session, I ask unanimous consent that a star print be made of Executive Report No. 95-21, on the nomination of Milton D. Stewart to be Chief Counsel for Advocacy of the Small Business Administration.

The PRESIDING OFFICER. Without objection, it is now ordered.

REPORTS OF COMMITTEES SUBMITTED DURING RECESS

Under the authority of the order of Thursday, June 29, 1978, the following reports of committee were submitted on July 5, 1978:

By Mr. JACKSON, from the Committee on Energy and Natural Resources, with an amendment:

S. 2692. A bill to authorize appropriations for the civilian programs of the Department of Energy for fiscal year 1979, and for other purposes (together with additional views) (Rept. No. 95-967).

By Mr. STENNIS, from the Committee on Armed Services, without amendment:

S. Res. 504. An orginal resolution authorizing additional expenditures by the Committee on Armed Services for routine purposes. Referred to the Committee on Rules and Administration.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JACKSON, from the Committee on Energy and Natural Resources, without amendment:

S. Res. 505. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2692. Referred to the Committee on the Budget.

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 2403. A bill to consent to certain amendments to the New Hampshire-Vermont interstate School Compact, approved by Public Law 91-21 (Rept. No. 95-968).

By Mr. RIBICOFF, from the Committee on Governmental Affairs, with an amendment:

S. 2640. A bill to reform the civil service laws (together with additional and minority views) (Rept. No. 95-969).

Mr. RIBICOFF. Mr. President, in connection with S. 2640, which the Committee on Governmental Affairs is reporting today, I request that the printing of the report on this bill be postponed to midnight Wednesday, July 12, 1978, so that any additional or minority views may be included in the report.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. SPARKMAN, from the Committee on Commerce, Science, and Transportation, and the Committee on Foreign Relations, jointly, with amendments:

S. 2236. A bill to effect certain reorganization of the Federal Government to strengthen Federal programs and policies for combating international and domestic terrorism (Rept. No. 95-970). Referred to the Select Committee on Intelligence, pursuant to the provisions of S. Res. 400, 94th Congress, 2d Session, to be reported back not later than Wednesday, August 9, 1978.

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, without amendment:

H.R. 3489. An Act to amend section 216(b) of the Merchant Marine Act, 1936, to entitle the Delegates in Congress from the District of Columbia, Guam, and the Virgin Islands to make nominations for appointments to the Merchant Marine Academy, and for other purposes (Rept. No. 95-971).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. McINTYRE:

S. 3269. A bill for the relief of Raojibhai D. Patel and Kalendu Patel; to the Committee on the Judiciary.

By Mr. KENNEDY (for himself, Mr. ANDERSON, Mr. DECONCINI, Mr. EASTLAND, Mr. GLENN, Mr. HATCH, Mr. JAVITS, Mr. LAXALT, Mr. METZENBAUM, and Mr. THURMOND):

S. 3270. A bill to restructure the Federal Law Enforcement Assistance Administration, to assist State and local governments in improving the quality of their justice system and for other purposes; to the Committee on the Judiciary.

By Mr. TALMADGE (by request):

S. 3271. A bill to amend the Food Stamp Act of 1977 to extend the operation of the workfare pilot projects; to the Committee on Agriculture, Nutrition, and Forestry.

S. 3272. A bill to amend the Packers and Stockyards Act, 1921, to authorize value based tariffs; to the Committee on Agriculture, Nutrition, and Forestry.

By Mrs. HUMPHREY:

S.J. Res. 144. A joint resolution authorizing the President to proclaim October 24 of each year "National Dignity of Mankind Day"; to the Committee on the Judiciary.

By Mr. STONE:

S.J. Res. 145. A joint resolution to authorize and request the President to proclaim January 28, 1979, as "Day of Marti, Apostle of Liberty"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KENNEDY (for himself, Mr. ANDERSON, Mr. DECONCINI, Mr. EASTLAND, Mr. GLENN, Mr. HATCH, Mr. JAVITS, Mr. LAXALT, Mr. METZENBAUM, and Mr. THURMOND):

S. 3270. A bill to restructure the Federal Law Enforcement Assistance Administration, to assist State and local governments in improving the quality of their justice system, and for other purposes; to the Committee on the Judiciary.

JUSTICE SYSTEM IMPROVEMENT ACT OF 1978

Mr. KENNEDY. Mr. President, today I join a bipartisan group of colleagues in introducing comprehensive legislation, supported by the administration, to reauthorize and restructure the Federal Law Enforcement Assistance Administration. This legislation constitutes a major undertaking, of critical importance to the American people, concerned with the ever-present problem of crime in America. LEAA is the major Federal vehicle to assist localities in their struggle against crime; the "Justice System Improvements Act" is designed to make the LEAA program more effective and efficient in assisting these localities. The legislation has broad bipartisan support in both the Senate and the House, has beens personally endorsed by both President Carter and Attorney General Bell and is the result of an extraordinary spirit of constructive cooperation among LEAA, the Department of Justice, and the Institute of Law and Social Research. The Attorney General, his very able staff, the Office of General Counsel of LEAA and the dedicated analysts at the Institute have played a particular influential role in the development of the bill.

This legislation is the culmination of lengthy discussions between the Department of Justice, LEAA, and myself. Its roots go back to the early 1970's when steps were first proposed to improve the functioning of the LEAA program. For too long the Congress has been unable or unwilling to confront the structural and administrative defects in the LEAA program; the Justice System Improvements Act is designed to deal with these and other problems which have plagued the agency and limited its effectiveness and impact. In 1970, 1973, and again 1976 various amendments were made to the program in an effort to improve it; but these amendments, although important and constructive, were largely band-aid reforms, aimed at particular LEAA defects. Major surgery was left for another day. The legislation I introduce today attempts to provide that type of comprehensive reform which has not taken place during the last decade. I believe this bill will go a long way in making LEAA the type of Federal agency contemplated by the Congress when it enacted the LEAA program in 1968.

During the past 10 years I have been a vocal critic of LEAA, questioning, not the concept of Federal assistance to aid localities in the war on crime, but, rather, the nature and administration of that assistance. Since 1968, LEAA has authorized expenditures totaling over $6 billion, and yet many, including myself, question how this money has been spent. I am, of course, aware that crime is primarily a local problem and that LEAA's role is, by necessity, limited. But the issue is not whether LEAA can cure the Nation's crime problem—it cannot—but whether LEAA can be altered and restructured in order to make a more meaningful contribution. I believe it can.

The Justice System Improvements Act is not a palliative; it offers comprehensive reforms and gives LEAA an opportunity—long overdue—to make a more meaningful contribution to the local struggle against crime. The bill is designed to assure that the American taxpayer will receive a better return on his or her investment in the war on crime than on the $6 billion spent so far. We owe it to the public to put this agency in order and to restore the confidence of the people that we are making progress in dealing with the problem of crime in America.

I. SUMMARY

The Justice System Improvements Act restructures, reorganizes, and reauthorizes the 10-year-old Law Enforcement Assistance Administration program. It significantly alters the current LEAA statute and is designed to deal with the major criticisms directed at the current program: Poor priorities; excessive redtape; lack of clearly delineated Federal, State, and local crime-fighting roles; excessive State control of the program at the expense of the cities and counties; poor internal LEAA structural organization; absence of effective research and evaluation components; lack of clearly understandable purposes and goals; poor targeting of block grant funds; failure of "comprehensive planning."

The Justice System Improvements Act would reauthorize the program for an additional 4 years at a cost of $3.3 billion—$825,000,000 per year. The act is divided into four major new sections: Reorganization, formula grants, priority grants, and discretionary grants—additional parts deal with administration, funding, law enforcement training, police death benefits and transition.

II. LEAA REORGANIZATION

In the area of reorganization, the bill adopts in large part suggestions made by the Attorney General's LEAA task force. It creates a separate National Institute of Justice (NIJ) and Bureau of Justice Statistics (BJS) within the Justice Department — and outside of LEAA—and places both of them, in addition to LEAA, under a new umbrella Office—the Office of Justice Assistance, Research, and Statistics (OJARS). The entire structure is under the control of the Attorney General. OJARS oversees LEAA, NIJ, and BJS. There are various goals underlying this reorganization:

Improve the quality of justice research by taking NIJ out of LEAA—where it was unable to perform effective research;

Separate completely the research (NIJ) and financial grant (LEAA) functions;

Improve the quality of criminal justice statistics through the establishment of an independent office for that purpose (BJS);

Establish a new agency—OJARS—to coordinate all activities under the new act and set priorities for priority and discretionary grants after receiving input from both LEAA, NIJ and local officials;

Expand the NIJ research effort to include both civil and criminal justice research—an idea long advocated and championed by the American Bar Association.

The structure of LEAA would appear as follows:

Attorney General.

Office of Criminal Justice Assistance, Research and Statistics—OJARS.

Advisory Board:

Law Enforcement Assistance Administration—LEAA.

National Institute of Justice—NIJ.

Bureau of Justice Statistics—BJS.

Office of Community Anticrime.

III. Formula grants ($450,000,000) (70 percent of available action money).

The sweeping changes in the Law Enforcement Assistance Administration block grant program are designed to make the act more effective and efficient. The significant features of this new part include:

The elimination of the annual comprehensive plan requirement and its attendant redtape, one of the most persistent criticisms leveled at the current act;

The replacement of State planning agencies with criminal justice councils having a fixed proportion of city and county representatives, to coordinate—but not plan—under the new program;

Prohibitions on the expenditure of LEAA funds for equipment and hardware unless such expenditures are a necessary part of a larger innovative program—this issue is still perceived to be a problem by many critics, although in recent years LEAA has gone a long way in altering its spending priorities;

Special recognition of judicial needs and programs and the continuation of Judicial Planning Committees—a feature of the 1976 amendments to the current act;

Prohibitions on the use of LEAA funds for construction, since there is simply not enough money for such efforts;

Direct financial assistance to larger cities and counties;

Increased local control of Federal LEAA funds;

A provision giving LEAA authority, after public notice, to declare certain programs ineligible for further LEAA funding if shown, through evaluation, to be ineffective or wasteful;

An end to all earmarking of funds—except for juvenile delinquency maintenance of effort—19.15 percent—thus allowing more local flexibility to deal with unique local problems;

Greater community and neighborhood involvement in choosing local priorities; and

New criminal justice formulas designed to target funds to local areas of greatest need.

The bill contemplates the submission of a simple 3-year application to LEAA—as opposed to the annual complex "plans" of current law, thus avoiding much of the current needless paperwork. Annual updates are required. The 3-year application—still prepared by the State—must reflect an analysis of the crime problems in the State and must include designated priorities for addressing these problems. Formula comprehensive planning is eliminated and is replaced by those criminal justice priorities established by the State after consultation with local governments and representatives of the various components of the criminal justice system.

Under the bill, the State council would prepare those portions of the 3-year application which relate to State government and to cities under 100,000 population and counties under 250,000 population, that is as to the State and smaller units of government, the State continues to control the distribution of funds. The reason for this is apparent—the LEAA authorization of $825 million is simply insufficient to permit a direct distribution of funds to all units of government, regardles of size. There is simply not enough money to allow this. The result would be widespread, ineffectual dispersion of funds without effective targeting.

The State courts, through judicial coordinating Committees, would continue to prepare a comprehensive application for local court funding. The larger cities and counties prepare their own applications, which are then integrated into the State application, which is then submitted to LEAA for ultimate approval. Neighborhood involvement in the preparation of the applications is mandated.

Unlike the State applications and proj-

ect applications from the smaller units of government, State review of these applications from larger cities and counties would be very limited. They could only be reviewed for: First, compliance with Federal requirements and State law; second, duplication with other projects; and third, inconsistencies with State priorities. Any disagreements between a State and large unit of local government would be resolved through the innovative approach of binding arbitration—with one arbitrator being chosen by the State, one by the unit of local government and a third by agreement or, failing this, by LEAA. Thus, the State would no longer have absolute veto power over applications from large cities and counties. Resolution of most disputes would occur at the local level.

Block grant funds would be distributed by LEAA to the State on the basis of a two-track alternate formula. Whichever track is chosen by a State, however, a "hold harmless" provision assures that no State receives less than its block grant share under the current Act.

The alternate two-tracks are as follows:

Distribution based on population (the current law); or

A complex "crime" formula, reflecting both criminal justice need—i.e. extent of crime among a particular jurisdiction's population—plus effort—criminal justice expenditures at the State level weighted by the nature and extent of that jurisdiction's tax effort. Under this approach 16 States (New York, California, Arizona, Colorado, Alaska, Michigan, Delaware, Hawaii, District of Columbia, Massachusetts, New Jersey, Oregon, Maryland, Washington, Florida, and Nevada—receive additional funds. However, a 10-percent ceiling is placed on the funds awarded these 16 States to prevent funding aberrations. For example, under this formula, the District of Columbia would receive 76 percent more than it would receive under a population formula. This is unacceptable given the limited LEAA authorization level and requires that a statutory ceiling be imposed to prevent such aberrations.)

Larger cities—over 100,000 population—and counties—over 25,000 population—receive a fixed entitlement of funds from this total State share. The amount of funds received by such cities and counties would also be determined by formula and not, as under the current act, at the discretion of the State. It is important to point out, however, that these larger cities and counties would not be receiving extra funding at the expense of the State and the rest of the smaller localities within the State; these provisions go only to the method of distributing funds to localities—direct entitlement for larger localities; funding competition among the smaller units of Government—again, this is necessitated by the limited amount of available funds.

The formula for determining the allocations to local government is complex. It is based on local criminal justice expenditures; 70-percent of the money is distributed on the basis of total criminal justice expenditures within the State; the remaining 30-percent is distributed on the basis of local criminal justice expenditures broken down by four specific functions—police, courts, corrections, and criminal justice alternatives—for example, counseling, alternatives to judicial resolution, et cetera. The impact of this 30-percent breakdown is crucial; it provides badly needed additional funding for county and State governments, where the bulk of court and corrections funding occurs. This formula also assures better targeting of available LEAA funds to those geographical subdivisions most responsible for soldiering the bulk of the local crime fighting effort.

The 3-year applications are to be updated annually, with the State performing the evaluation and monitoring functions. An annual performance report is to be submitted to LEAA each year. LEAA will review this performance report; if it determines that the funds are not being used effectively, it can suspend all funds to that jurisdiction or can suspend funds targeted to such ineffective programs or projects.

The larger local governments receiving LEAA funds must establish advisory boards at the local level to designate local priorities.

In a major alternation of the current program, none of these block grant formula funds need be matched at the local level—current law requires a 10-percent match at the local level. This reflects the fact that under the current law many localities are simply unable to meet their match obligations and are forced to forgo worthwhile projects.

Mr. President, a printout prepared by the Institute of Law and Social Research and its very capable Senior Economic Analyst, Jeffrey A. Roth, demonstrates how the formula grant authorization of $450,000,000 will be approximately distributed among the various States and localities.

I ask unanimous consent that the table be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows.

Justice system improvements bill—Part D formula grant applications

(NOTE.—Sub-State amounts may not add to the State total due to rounding error.)

Alabama total	$7,637
State Government	3,141
Mobile County	218
Jefferson County	433
Huntsville	147
Birmingham	536
Montgomery	196
Mobile	253
Others	2,712
Alaska total	847
State Government	659
Anchorage, City and Borough of	76
Others	112
Arizona total	5,169
State Government	1,409
Maricopa County	928
Pima County	654
Phoenix	901
Tucson	325
Others	951
Arkansas total	4,450
State Government	2,031
Pulaski County	223
Little Rock	204
Others	1,992
California, total	$49,259
State, Government	12,569
San Diego County	1,441
Fresno County	440
Santa Clara, County	1,052
Alameda County	1,362
San Mateo County	601
Orange County	1,269
Ventura County	457
Contra Costa County	673
San Joaquin County	324
Los Angeles County	8,216
Santa Barbara County	332
Sacramento County	851
Kern County	411
Riverside County	653
Monterey County	307
San Bernardino County	793
Garden Grove	63
Oakland	395
Stockton	106
Berkeley	90
Sacramento	247
Los Angeles	3,888
Sunnyvale	50
Fremont	63
Santa Ana	162
Glendale	81
San Jose	392
Torrance	118
San Diego	478
Fresno	162
Huntington Beach	110
Pasadena	110
San Bernardino	92
Long Beach	450
Riverside	100
Anaheim	149
San Francisco	1,524
Others	8,676
Colorado total	5,765
State government	2,358
El Paso County	117
Jefferson County	97
Colorado Springs	191
Aurora	93
Pueblo	98
Denver	1,140
Lakewood	121
Others	1,549
Connecticut total	6,548
State government	3,510
Waterbury	131
Bridgeport	244
Hartford	264
Stamford	156
New Haven	206
Others	2,038
Delaware total	1,290
State government	906
New Castle County	130
Others	254
District of Columbia total	1,653
State government	1,653
Others	0
Florida total	18,958
State government	7,815
Orange County	334
Dade County	1,545
Pinellas County	325
Broward County	369
Palm Beach County	372
Hillsborough County	332
Polk County	177
Jacksonville	738
Fort Lauderdale	232
Orlando	219
Hialeah	110
Tampa	308
Hollywood	176
St. Petersburg	263
Miami	563
Others	5,082
Georgia total	10,415
State government	3,845
Fulton County	646
De Kalb County	491
Savannah	123

Justice system improvements bill—Part D formula grant applications—Continued

Georgia—Continued	
Macon	$104
Columbus	290
Atlanta	924
Others	3,991
Hawaii Total	2,018
State government	962
Honolulu County	779
Others	277
Idaho Total	1,719
State government	779
Others	940
Illinois total	23,867
State government	7,605
Du Page County	204
Cook County	3,417
Will County	96
Lake County	167
Kane County	102
St. Clair County	103
Peoria	151
Chicago	6,060
Rockford	116
Others	5,846
Indiana total	11,213
State government	4,318
Lake County	545
Allen County	250
Evansville	178
Gary	260
Fort Wayne	187
Indianapolis	1491
Hammond	143
South Bend	149
Others	3,692
Iowa total	6,042
State government	2,430
Polk County	340
Des Moines	293
Cedar Rapids	108
Others	2,872
Kansas total	4,815
State government	2,215
Sedgwick County	222
Topeka	142
Wichita	275
Kansas City	173
Others	1,788
Kentucky total	7,155
State government	3,211
Jefferson County	613
Lexington-Fayette	356
Louisville	742
Others	2,233
Louisiana total	8,034
State government	3,160
Jefferson Parish	447
Shreveport	173
New Orleans	1,264
Baton Rouge Metro	468
Others	2,522
Maine total	2,234
State government	1,185
Others	1,049
Maryland total	9,304
State government	4,948
Prince George's County	632
Baltimore County	517
Anne Arundel County	239
Montgomery County	561
Baltimore	1,784
Others	623
Massachusetts total	13,235
State government	3,729
Plymouth County	191
Essex County	311
Worcester County	281
Bristol County	149
Middlesex County	550
Hampden County	282
Norfolk County	195
Springfield	171
Fall River	122
Boston	2,403
New Bedford	110
Cambridge	151
Worcester	204
Others	$4,386
Michigan total	20,220
State government	5,532
Macomb County	361
Ingham County	185
Wayne County	1,944
Genesee County	385
Oakland County	551
Kent County	251
Lansing	165
Flint	227
Detroit	3,171
Warren	149
Livonia	96
Grand Rapids	217
Ann Arbor	107
Others	6,879
Minnesota total	8,271
State government	2,543
Ramsey County	493
Hennepin County	783
St. Paul	387
Minneapolis	638
Others	3,427
Mississippi total	4,948
State government	2,257
Jackson	283
Others	2,409
Missouri total	10,074
State Government	3,190
Jackson County	503
St. Louis County	812
Springfield	97
Kansas City	983
Independence	91
St. Louis	1,820
Others	2,578
Montana total	1,576
State Government	692
Others	884
Nebraska total	3,260
State Government	1,355
Douglas County	274
Lincoln	190
Omaha	443
Others	998
Nevada total	1,371
State Government	386
Clark County	415
Las Vegas	156
Others	415
New Hampshire total	1,715
State Government	684
Others	1,031
New Jersey total	16,186
State Government	4,274
Passaic County	263
Camden County	290
Union County	322
Bergen County	356
Middlesex County	433
Burlington County	175
Hudson County	370
Morris County	142
Essex County	997
Monmouth County	150
Mercer County	260
Ocean County	133
Trenton	161
Newark	814
Elizabeth	126
Jersey City	388
Paterson	170
Others	6,364
New Mexico total	2,463
State Government	1,273
Bernalillo County	119
Albuquerque	434
Others	637
New York total	41,994
State government	10,628
Onondaga County	314
Erie County	504
Suffolk County	1,620
Albany County	140
Rockland County	125
Nassau County	2,185
Westchester County	550
Monroe County	410
Oneida County	$67
Syracuse	154
Albany	107
Yonkers	202
Rochester	251
Buffalo	410
New York	19,848
Babylon Town	5
Tonawanda Town	38
Smithtown Town	3
Amerst Town	43
Huntington Town	4
North Hempstead Town	29
Brookhaven Town	11
Cheektowaga Town	38
Islip Town	9
Hempstead Town	36
Oyster Bay Town	10
Others	4,256
North Carolina total	11,493
State government	6,610
Wake County	54
Guilford County	124
Mecklenburg County	316
Charlotte	340
Winston-Salem	224
Raleigh	164
Durham	156
Greensboro	230
Others	3,274
North Dakota total	1,358
State government	496
Others	862
Ohio total	22,674
State Government	6,704
Cuyahoga County	1,735
Summit County	227
Lucas County	616
Hamilton County	514
Montgomery County	401
Franklin County	315
Mahoning County	103
Lorain County	196
Stark County	174
Akron	298
Toledo	447
Columbus	858
Dayton	421
Cleveland	1,903
Youngstown	167
Cincinnati	986
Canton	124
Others	6,484
Oklahoma total	5,726
State Government	2,637
Oklahoma County	199
Tulsa County	205
Oklahoma City	570
Tulsa	415
Others	1,700
Oregon total	5,144
State Government	2,052
Multnomah County	565
Portland	444
Others	2,083
Pennsylvania total	25,057
State Government	9,067
Lancaster County	139
Bucks County	254
Westmoreland County	140
Allegheny County	829
Luzerne County	113
Delaware County	392
York County	112
Berks County	126
Lehigh County	112
Chester County	198
Montgomery County	317
Erie County	160
Allentown	89
Pittsburgh	516
Philadelphia	6,837
Erie	93
Others	5,565
Rhode Island, total	1,967
State government	1,147
Providence	190
Others	630

South Carolina, total	$5,947
State government	2,854
Greenville County	273
Charleston County	198
Columbia	142
Others	2,480
South Dakota, total	1,442
State government	684
Others	758
Tennessee, total	8,816
State government	3,317
Shelby County	653
Hamilton County	220
Knox County	158
Memphis	957
Chattanooga	254
Nashville-Davidson	887
Knoxville	230
Others	2,140
Texas, total	25,862
State government	8,124
El Paso County	163
Bexar County	483
Tarrant County	424
Dallas County	1,033
Harris County	1,725
Travis County	268
San Antonio	868
Waco	111
El Paso	296
Fort Worth	535
Garland	94
Amarillo	131
Beaumont	122
Austin	387
Dallas	1,360
Corpus Christi	219
Houston	2,100
Arlington	111
Irving	75
Lubbock	144
Others	7,086
Utah, total	2,540
State government	1,119
Salt Lake County	392
Salt Lake City	282
Others	747
Vermont, total	997
State government	726
Others	271
Virginia total	10,519
State Government	5,104
Fairfax County	643
Norfolk	400
Alexandria	223
Virginia Beach	265
Hampton	152
Richmond	494
Chesapeake	191
Portsmouth	141
Newport News	298
Roanoke	152
Others	2,457
Washington total	7,505
State Government	2,658
Snohomish County	170
King County	816
Spokane County	192
Pierce County	277
Spokane	141
Seattle	935
Tacoma	195
Others	2,121
West Virginia total	3,800
State Government	1,830
Others	1,970
Wisconsin total	9,668
State Government	3,177
Milwaukee County	850
Dane County	235
Waukesha County	121
Madison	198
Milwaukee	1,253
Others	3,834
Wyoming total	795
State Government	377
Others	418

IV. APPLICATION FUNDS

Mr. KENNEDY. Mr. President, the bill authorizes each State to receive $300,000 for application preparation and administration. From this $300,000 the State must provide at least $50,000 to the State Judicial Coordinating Committee on a match-free basis. Of the remaining $250,000, $150,000 is match-free and $100,000 must be matched on a 50–50 basis.

In addition, the State receives an amount equal to 7.5 percent of its total block grant D allocation for application preparation and administration. Of this amount, each eligible jurisdiction must get an amount equal to 7.5 percent of its own block grant entitlement—$25,000 is match-free, with the remainder to be matched on a 50–50 basis. Whatever is left of this amount must be matched by the State.

The goal of this part is to restrict needless and wasteful overhead absent some form of local commitment toward planning. It is important to point out that if the State and eligible units of local government provide the matching funds required, the total amount made available for these purposes will be approximately 52 million dollars—virtually the same total as is found in current law. The crucial difference of course, is the requirement of increased local spending.

None of these application or administration funds come out of the formula grants appropriation.

IV. NATIONAL PRIORITY GRANTS ($128,000,000) (20% OF AVAILABLE ACTION MONEY)

The national priority grants are a major innovation.

Under the priority grant provisions, the Office of Justice Assistance, Research and Statistics is directed, after consultation with the National Institute, Bureau of Criminal Justice Statistics, State and local governments, representatives of the various components of the criminal justice system, and others, to establish voluntary programs and projects for funding, which programs have shown, through research, demonstration or evaluation, to be particularly effective in improving the justice system and/or reducing crime. The priorities are established for up to 3 years but are subject to annual review. Local jurisdictions or organizations voluntarily may apply for financial assistance under this part and may be awarded up to 50 percent of the cost of the priority program or project from LEAA priority grant funds. The other 50 percent can come from block grant funds, general revenue sharing funds, State and local appropriations, or any other sources of funds available—thus, there is a 50-percent match but the match need not come from State or local sources. National priority grants will be awarded on a competitive basis and can be awarded for a maximum 3-year period.

Mr. President, this innovative approach to LEAA spending is designed to strike a careful balance between those advocating greater local control of LEAA moneys and those still desirous of more Federal leadership. The priority grants approach is, I believe, a worthy model for other revenue-sharing programs. It is purely voluntary; it is competitive—thus assuring funding of the most qualified applications; and, above all, it provides for the type of Federal leadership too long absent from the program. Model LEAA projects—such as the career criminal program and witness assistance program—are encouraged and are assured of continued funding and support.

VI. DISCRETIONARY GRANTS

Discretionary grants are also a significant feature of the new bill. These funds are to be used primarily to fund programs for improving the justice system, which programs might not otherwise be undertaken under the block grant or priority grant programs. These grants are made at the discretion of LEAA. There is no matching requirement and the grants may fund projects for up to 3 years—with an additional 2-year funding period allowed if the locality subsequently picks up 50 percent of the cost, that is, a 50-percent match for the additional 2-year period only.

VII. AUTHORIZATION LEVEL

Mr. President, the authorization level in this legislation is $825 million per year for fiscal year 1980, 1981, 1982, and 1983—$3.3 billion total. It is, of course, possible that actual appropriations will not rise to the $825 million dollar level—currently the LEAA appropriation is only $641 million. If the appropriation does not exceed current fiscal 1979 levels, all States will be held "harmless" at their 1979 levels—in the event that the appropriation actually falls below current levels, all States will receive assistance on the basis of a population formula only, as they do now.

I frankly question the relatively limited amount of this statutory authorization but have reluctantly agreed to the request of Office of Management and Budget to hold the line at $825 million. The fact is, Mr. President, that neither the executive branch nor the Congress have, in recent years, given LEAA the financial support necessary to make the program effective. I am aware that such reluctance can be traced to LEAA's questionable past performance record and the lack of faith, held by many, concerning the program. But if the Justice System Improvements Act is, indeed, to part company with the past and provide new directions and improvements it is essential that it not be stopped at the outset with a limited, barebones appropriation. It is ironic that the LEAA program has. perhaps, the broadest mandate of any Federal financial assistance program—criminal justice improvement—yet receives less funding than any of these other programs.

Indeed, if history provides any indication, even the statutory authorization of $825 million is in jeopardy. Mr. President, I offer the following table to demonstrate the vast discrepancy between LEAA amounts authorized and actually appropriated, and I ask unanimous consent that the table be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

LEAA AUTHORIZATIONS AND APPROPRIATIONS, 1969-88
[Thousands omitted]

Fiscal year	Amount authorized	Amount appropriated [1]	Percent [2]
1969	$100,111	$63,000	
1970	300,000	268,119	325.59
1971	650,000	529,000	97.30
1972	1,150,000	698,919	32.12
1973	1,750,000	855,597	22.42
1974	1,000,000	870,675	1.76
1975	1,000,000	895,000	2.79
1976	1,250,000	809,638	(9.54)
Transition quarter [3]	220,000	204,960	
1977	880,000	753,000	[4] (7.00)
Total	8,300,111	5,947,908	

[1] Includes appropriati ns under the Juvenile Justice and Delinquency Prevention Act of 1974.
[2] Percent increase or decrease in appropriations from year to year.
[3] July 1 to Sept. 30, 1976.
[4] Compared to fiscal year 1976.

Mr. KENNEDY. Mr. President, the Justice System Improvements Act simply cannot work if the amounts appropriated do not closely approximate—at a minimum—the amounts authorized. If necessary, I will recommend, after hearings on the bill, an increase in the authorization to assure adequate funding of the program.

Mr. President, I believe that this legislation is a major forward step in the Federal Government's commitment to help States and units of local governments in the war against crime. The bill can still be improved, and I look forward with anticipation to the hearings and debate over the next few months because I believe that we can do an even better job. What is needed during the months ahead is the valuable input of those manning the front line in the battle against crime—the police, members of the judiciary, corrections officials, district attorneys, and the defense bar. I also hope to hear from the Governors, mayors, county officials, criminal justice planners and all those who have a very real, dedicated interest in seeing the LEAA program work. Initial responses to the act have been quite favorable; I believe that the Senate hearings on the bill will serve to strengthen the proposal even further.

I am convinced that a point has now been reached where effective reform of the Federal Law Enforcement Assistance Administration is nearing reality after more than a decade of waiting. The Justice System Improvements Act makes the fundamental changes necessary if LEAA is to wage a more effective war on crime. It attempts to answer the critics by structuring and refining the Federal role in combating crime. It incorporates structural and administrative changes I and others have long urged.

Mr. President, despite past LEAA failures I do not believe that we should abandon the potential for leadership that the Federal Law Enforcement Assistance program holds. We need LEAA.

Rather than throwing out the good with the bad; rather than sacrificing LEAA's potential for achievement and success on the basis of a past record of poor performance in some areas; rather than simply throwing up our hands about the Nation's crime problem and saying—like we do about the weather—while we care, there is not much that we can do, we must reshape and restructure LEAA to fulfill the country's objectives and expectations. LEAA needs to be reformed, and the Justice System Improvements Act goes a long way in achieving that reform. I urge its enactment.

Mr. President, I ask unanimous consent that the Justice System Improvements Act and the accompanying section-by-section analysis be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 3270

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Justice System Improvement Act of 1978".

SEC. 2. Title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, is amended to read as follows:

Title I—Justice System Improvement

The Congress finds and declares that the high incidence of crime in the United States is detrimental to the general welfare of the Nation and its citizens, and that criminal justice efforts must be better coordinated, intensified, and made more effective and equitable at all levels of government.

Congress further finds that juvenile delinquency constitutes a growing threat to the national welfare requiring immediate and comprehensive action by the Federal Government to reduce and prevent delinquency by developing and implementing effective programs to improve the quality of juvenile justice in the United States.

Congress further finds that there is an urgent need to encourage basic and applied research, to gather and disseminate accurate and comprehensive justice statistics, and to evaluate methods of preventing and reducing crime.

Congress further finds that although crime is essentially a local problem that must be dealt with by State and local governments, the financial and technical resources of the Federal Government should be made available to support such State and local efforts.

Congress further finds that the future welfare of the Nation and the well-being of its citizens depend on the establishment and maintenance of viable and effective justice systems which require: (1) systematic and sustained action by Federal, State and local governments; (2) greater continuity in the scope and level of Federal assistance; and (3) continuing efforts at all levels of government to streamline programs and upgrade the functioning of agencies responsible for planning, implementing and evaluating efforts to improve justice systems.

It is therefore the declared policy of the Congress to aid State and local governments in strengthening and improving their systems of criminal justice by providing financial and technical assistance with maximum certainty and minimum delay. It is the purpose of this title to (1) authorize funds for the benefit of States and units of general local government to be used to strengthen their criminal justice and juvenile justice systems: (2) develop and find new methods and programs to enhance the effectiveness of criminal justice agencies; (3) support the development of city, county and Statewide priorities and programs to meet the problems confronting the justice system; (4) reduce court congestion and trial delay; (5) support community anti-crime efforts; (6) improve and modernize the correctional system; (7) encourage the undertaking of innovative projects of recognized importance and effectiveness; (8) encourage the development of basic and applied research directed toward the improvement of civil, criminal and juvenile justice systems and new methods for the prevention and reduction of crime and the detection, apprehension and rehabilitation of criminals; (9) encourage the collection and analysis of statistical information concerning crime, juvenile delinquency, civil disputes and the operation of justice systems; and (10) support manpower development and training efforts. It is further the policy of the Congress that the Federal assistance made available under this title not be utilized to reduce the amount of State and local financial support for criminal justice activities below the level of such support prior to the availability of such assistance.

PART A—LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

SEC. 101. There is hereby established within the Department of Justice under the direct authority of the Attorney General, a Law Enforcement Assistance Administration (hereinafter referred to in this title as the "Administration"). The Administration shall be under the direction of an Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate, and such other Deputy Administrators as may be designated by the Attorney General. The Administrator shall have final authority over all grants, cooperative agreements, and contracts awarded by the Administration. The Administrator shall report to the Director of the Office of Justice Assistance, Research and Statistics established under Section 801 of this title.

SEC. 102. The Administrator shall—

(a) provide funds to eligible States and units of local government pursuant to Part D of this title in order to finance programs approved in accordance with the provisions of this title;

(b) recognize national criminal justice priorities established by the Office of Justice Assistance, Research and Statistics in accordance with Parts E and F of this title, inform States and units of local government concerning such priorities and award and allocate funds among the eligible States, units of local government, and public and private nonprofit organizations according to the criteria and on the terms and conditions determined by the Administration to be consistent with Parts E and F of this title;

(c) publish and disseminate information on the condition and progress of the criminal justice system and establish and carry on a specific and continuing program of cooperation with the States and units of local government designed to encourage and promote consultation and coordination concerning decisions made by the Administration affecting State and local criminal justice priorities;

(d) cooperate with and render technical assistance to States, units of legal government and other public and private organizations or international agencies involved in criminal justice activities;

(e) exercise the powers and functions set out in Part H;

(f) exercise such other powers and functions as may be vested in the Administrator pursuant to this title.

SEC. 103. (a) There is established in the Law Enforcement Assistance Administration the Office of Community Anti-Crime Programs (hereinafter in this section referred to as the "Office"). The Office shall be under the direction of the Administrator and shall—

(1) provide appropriate technical assistance to community and citizens groups to enable such groups to—

(A) apply for grants which encourage community and citizen participation in crime prevention and criminal justice activities; and

(B) participate in the formula grant application process pursuant to Section 402(f) of this title;

(2) coordinate its activities with ACTION and with other Federal agencies and programs, including the Community Relations Service of the Department of Justice, which are designed to encourage and assist citizen participation in criminal justice activities;

(3) provide information on successful programs of citizen and community participation to citizen and community groups;

(4) review, at its discretion, formula grant applications submitted under Section 403 of this title in order to assure that the requirements for citizen, neighborhod and community participation in the application process have been met; and

(5) make recommendations, after consultation with citizen, neighborhood and community organizations, to the Director of the Office of Justice Assistance, Research and Statistics for the designation of effective community anti-crime programs for funding as National Priority Grants under Part E and Discretionary Grants under Part F.

(b) The Administration is authorized to make grants to be administered by the Office of Community Anti-Crime Programs—

(1) for the encouragement of neighborhood and community participation in crime prevention and public safety efforts and for program development and technical assistance designed to encourage such participation;

(2) for the development of comprehensive and coordinated crime prevention programs; and

(3) for technical assistance designed to encourage neighborhood and community participation in crime prevention and public safety efforts.

(c) In carrying out the functions under this part the Administrator shall make appropriate provision for coordination among neighborhoods and for consultation with locally elected officials.

PART B—NATIONAL INSTITUTE OF JUSTICE

SEC. 201. It is the purpose of this part to establish a National Institute of Justice, which shall provide for and encourage research and demonstration efforts for the purpose of—

(a) improving Federal, State and local criminal, civil and juvenile justice systems;

(b) preventing and reducing crimes and unnecessary civil disputes; and

(c) insuring citizen access to appropriate dispute-resolution forums. The Institute shall have authority to engage in and encourage research and development to improve and strengthen criminal, civil and juvenile justice systems and to disseminate the results of such efforts to Federal, State, and local governments, to develop alternatives to judicial resolution of disputes, to evaluate the effectiveness of programs funded under this title, to develop new or improved approaches and techniques, to improve and strengthen the administration of justice, and to identify programs or projects carried out under this title which have demonstrated success in improving the quality of justice systems and which offer the likelihood of success if continued or repeated.

SEC. 202. (a) There is established within the Department of Justice, under the direct authority of the Attorney General, a National Institute of Justice (hereinafter referred in this part as the "Institute").

(b) The Institute shall be headed by a Director appointed by the President by and with the advice and consent of the Senate. The Director shall have had experience in justice research. The Director shall have final authority over all grants, cooperative agreements, and contracts awarded by the Institute. The Director shall not engage in any other employment than that of serving as Director; nor shall the Director hold any office in, or act in any capacity for, any organization, agency, or institution with which the Institute makes any contract or other arrangement under this Act. The Director shall report to the Director of the Office of Justice Assistance, Research and Statistics established under Section 801 of this title.

(c) The Institute is authorized to:

(1) make grants to, or enter into cooperative agreements or contracts with, public agencies, institutions of higher education, private organizations, or individuals to conduct research, demonstrations, or special projects pertaining to the purposes described in this part, and provide technical assistance and training in support of tests, demonstrations, and special projects;

(2) conduct or authorize multi-year and short term research and development concerning all parts of the civil, criminal and juvenile justice systems in an effort (i) to identify alternative programs for achieving system goals, (ii) to provide more accurate information on the causes and correlates of crime, (iii) to improve the functioning of the criminal justice system and (iv) to develop new methods for the prevention and reduction of crime, the detection and apprehension of criminals, the expeditious, efficient, and fair disposition of criminal cases, the reduction in the need to seek court resolution of civil disputes, and the development of adequate corrections facilities and effective programs of correction. In carrying out the provisions of this subsection the Institute may request the assistance of both public and private research agenices;

(3) evaluate the effectiveness of projects or programs carried out under this part;

(4) evaluate, where appropriate, the programs and projects carried out under this title to determine their impact upon the quality of criminal, civil and juvenile justice and the extent to which they have met or failed to meet the purposes and policies of this title, and disseminate such information to State agencies and, upon request, to units of general local government;

(5) make recommendations for action which can be taken by Federal, State, and local governments and by private persons and organizations to improve and strengthen civil, criminal, and juvenile justice systems;

(6) provide research fellowships and clinical internships and carry out programs of training and special workshops for the presentation and dissemination of information resulting from research, demonstration, and special projects including those authorized by this part;

(7) collect and disseminate information obtained by the Institute or other Federal agencies, public agencies, institutions of higher education, or private organizations relating to the purposes of this part;

(8) serve as a national and international clearinghouse of the exchange of information with respect to the purposes of this part;

(9) submit a biennial report to the President and Congress on the state of justice research. This report shall describe significant achievements and identify areas needing further study. Other Federal agencies involved in justice research shall assist, upon request, in preparation of this report;

(10) after consultation with appropriate agencies and officials of States and units of local government, make recommendations to the Director of the Office of Justice Assistance, Research and Statistics for the designation of programs or projects which will be effective in improving the functioning of the criminal justice system, for funding as National Priority Grants under Part D and Discretionary Grants under Part F; and

(11) encourage, assist and serve in a consulting capacity to Federal, State and local justice system agencies in the development, maintenance and coordination of criminal, civil and juvenile justice programs and services.

(d) To insure that all civil, criminal, and juvenile justice research is carried out in a coordinated manner, the Director is authorized to:

(1) utilize, with their consent, the services, equipment, personnel, information and facilities of other Federal, State, local and private agencies and instrumentalities with or without reimbursement therefor;

(2) confer with and avail itself of the cooperation, services, records and facilities of State or of municipal or other local agencies;

(3) request such information, data, and reports from any Federal agency as may be required to carry out the purposes of this section, and the agencies shall provide such information to the Institute as required to carry out the purposes of this part;

(4) seek the cooperation of the judicial branches of Federal and State Government in coordinating civil, juvenile, and criminal justice research and development; and

(5) exercise the powers and functions set out in Part H.

SEC. 203. A grant authorized under this part may be up to 100 per centum of the total cost of each project for which such grant is made. The Institute shall require, whenever feasible, as a condition of approval of a grant under this part, that the recipient contribute money, facilities, or services to carry out the purposes for which the grant is sought.

SEC. 204. (a) There is hereby established a National Institute of Justice Advisory Board (the "Board"). The Board shall consist of twenty-one members who shall be appointed by the Attorney General. The members shall represent the public interest and should be experienced in the civil, criminal or juvenile justice systems, including but not limited to representatives of States and units of local government, representatives of police, courts, corrections and other components of the justice system at all levels of government, members of the academic and research community, officials of neighborhood and community organizations, and the general public. The Board, by majority vote, shall elect from among its members a chairman and vice-chairman. The vice-chairman is authorized to sit and act in the place and stead of the chairman in the absence of the chairman. The Director shall also be a member of the Board but shall not serve as chairman or vice-chairman. Vacancies in the membership of the Board shall not affect the power of the remaining members to execute the functions of the Board and shall be filled in the same manner as in the case of the original appointment. The chairman shall be provided by the Institute with at least one full-time staff assistant to assist the Board. The Administrator of the Law Enforcement Assistance Administration, the Administrator of the Office of Juvenile Justice and Delinquency Prevention, and the Director of the Bureau of Justice Statistics shall serve as ex officio members of the Board but shall be ineligble to serve as chairman or vice-chairman.

(b) The Board, after appropriate consultation with representatives of State and local governments, may make such rules respecting its organization and procedures as it deems necessary, except that no recommendation shall be reported from the Board unless a majority of the Board assents.

(c) The term of office of each member of the Board appointed under subsection (a) shall be three years except that any such member appointed to fill a vacancy occurring prior to the expiration of the term for which his or her predecessor was appointed shall be

appointed for the remainder of such term. Terms of the members appointed under subsection (a) shall be staggered so as to establish a rotating membership according to such method as the Attorney General may devise. The members of the Board appointed under subsection (a) shall receive compensation for each day engaged in the actual performance of duties vested in the Board at rates of pay not in excess of the daily equivalent of the highest rate of basic pay set forth in the General Schedule of Section 5332(a) of title 5, United States Code, and in addition shall be reimbursed for travel, subsistence, and other necessary expenses. No member shall serve for more than two consecutive terms.

(d) The Board shall—

(1) review and make recommendations to the Institute on activities undertaken by the Institute and develop in conjunction with the Director the policies and priorities of the Institute;

(2) recommend to the President at least three candidates for the position of Director of the Institute in the event of a vacancy; and

(3) undertake such additional related tasks as the Board may deem necessary.

(e) In addition to the powers and duties set forth elsewhere in this title, the Director shall exercise such powers and duties of the Board as may be delegated to the Director by the Board.

PART C—BUREAU OF JUSTICE STATISTICS

SEC. 301. It is the purpose of this part to provide for an encourage the collection and analysis of statistical information concerning crime, juvenile delinquency, civil disputes said the operation of civil, juvenile, and criminal justice systems; and to support the development of information and statistical systems at the Federal, State, and local levels to improve the efforts of these levels of government to measure and understand the levels of crime, juvenile delinquency, and civil disputes and the operation of the civil, juvenile, and criminal justice systems.

SEC. 302. (a) There is established within the Department of Justice, under the direct authority of the Attorney General, a Bureau of Justice Statistics (hereinafter referred to in this part as "Bureau").

(b) The Bureau shall be headed by a Director appointed by the President by and with the advice and consent of the Senate. The Director shall have had experience in statistical programs. The Director shall have final authority for all grants, cooperative agreements, and contracts awarded by the Bureau. The Director shall not engage in any other employment than that of serving as Director; nor shall the Director hold any office in, or act in any capacity for, any organization, agency, or institution with which the Bureau makes any contract or other arrangement under this Act. The Director shall report to the Director of the Office of Justice Assistance, Research, and Statistics established under section 801.

(c) The Bureau is authorized to—

(1) make grants to, or enter into cooperative agreements or contracts with, public agencies, institutions of higher education, private organizations, or private individuals for purposes related to this part; grants shall be made subject to continuing compliance with standards for gathering justice statistics set forth in rules and regulations promulgated by the Director;

(2) collect and analyze information concerning criminal victimization and civil disputes;

(3) collect and analyze data that will serve as a continuous and comparable national social indication of the prevalence, incidence, rates, extent, distribution, and attributes of crime, juvenile delinquency and civil disputes, and other statistical factors related to crime, juvenile delinquency and civil disputes, in support of national, State and local justice policy and decision making;

(4) collect and analyze statistical information, concerning the operations of the criminal, juvenile, and civil justice systems at the Federal, State and local levels;

(5) collect and analyze statistical information, concerning the prevalence, incidence, rates, extent, distribution, and attributes of crime, juvenile delinquency, and civil disputes at the Federal, State and local levels;

(6) analyze the correlates of crime, juvenile delinquency and civil disputes by the use of statistical information, about criminal, juvenile and civil justice systems at the Federal, State and local levels, and about the extent, distribution and attributes of crime, delinquency and civil disputes in the Nation and at the Federal, State and local levels;

(7) compile, collate, analyze, publish, and disseminate uniform national statistics concerning all aspects of justice, crime, juvenile delinquency, civil disputes, criminal offenders, and juvenile delinquents in the various States;

(8) establish national standards for justice statistics and for insuring the reliability and validity of justice statistics supplied pursuant to this title;

(9) maintain liaison with the judicial branches of the Federal and State Governments in matters relating to justice statistics, and cooperate with the judicial branch in assuring as much uniformity as feasible in statistical systems of the executive and judicial branches;

(10) provide information to the President, the Congress, the judiciary, State and local governments and the general public on justice statistics;

(11) conduct or support research relating to methods of gathering or analyzing justice statistics;

(12) provide financial and technical assistance to the States and units of local government relating to collection, analysis, or dissemination of justice statistics;

(13) maintain liaison with State and local governments and governments of other nations concerning justice statistics;

(14) cooperate in and participate with national and international organizations in the development of uniform justice statistics;

(15) insure conformance with security and privacy regulations issued pursuant to Section 820; and

(16) exercise the powers and functions set out in Part H.

(d) To insure that all justice statistical collection, analysis, and dissemination is carried out in a coordinated manner, the Director is authorized to:

(1) utilize, with their consent, the services, equipment, records, personnel, information and facilities of other Federal, State, local and private agencies and instrumentalities with or without reimbursement therefor;

(2) confer with and avail itself of the cooperation, services, records and facilities of State or of municipal or other local agencies;

(3) request such information, data, and reports from any Federal agency as may be required to carry out the purposes of this title, and the agencies shall provide such information to the Bureau as required to carry out the purposes of this section; and

(4) seek the cooperation of the judicial branch of the Federal Government in gathering data from civil, juvenile, and criminal justice records.

(e) In establishing standards for gathering justice statistics under this section, the Director shall consult with representatives of State and local government, including where appropriate, representatives of the judiciary.

SEC. 303. A grant authorized under this part may be use to 100 per centum of the total cost of each project for which such grant is made. The Bureau shall require whenever feasible as a condition of approval of a grant under this part, that the recipient contribute money, facilities, or services to carry out the purposes for which the grant is sought.

SEC. 304. (a) There is hereby established a Bureau of Justice Statistics Advisory Board (the "Board"). The Board shall consist of twenty-one members who shall be appointed by the Attorney General. The members shall represent the public interest and should include representatives of States and units of local government, representatives of police, courts, corrections and other components of the justice system at all levels of government, members of the academic, research and statistics community, officials of neighborhood and community organizations, and the general public. The Board, by majority vote, shall elect from among its members a chairman and vice-chairman. The vice-chairman is authorized to sit and act in the place and stead of the chairman in the absence of the chairman. The Director shall also be a member of the Board but shall not serve as chairman or vice-chairman. Vacancies in the membership of the Board shall not affect the power of the remaining members to execute the functions of the Board and shall be filled in the same manner as in the case of the original appointment. The chairman shall be provided by the Bureau with at least one full-time staff assistant to assist the Board. The Administrator of the Law Enforcement Assistance Administration, the Administrator of the Office of Juvenile Justice and Delinquency Prevention, the Director of the National Institute of Justice, and the Director of the Bureau of Justice Statistics shall serve as ex officio members of the Board but shall be ineligible to serve as chairman or vice-chairman.

(b) The Board, after appropriate consultation with representatives of State and local governments, may make such rules respecting its organization and procedures as it deems necessary, except that no recommendation shall be reported from the Board unless a majority of the Board assents.

(c) The term of office of each member of the Board appointed under subsection (c) shall be three years except that any such member appointed to fill a vacancy occurring prior to the expiration of the term for which his or her predecessor was appointed shall be appointed for the remainder of such term. Terms of the members appointed under subsection (a) shall be staggered so as to establish a rotating membership according to such method as the Attorney General may devise. The members of the Board appointed under subsection (a) shall receive compensation for each day engaged in the actual performance of duties vested in the Board at rates of pay not in excess of the daily equivalent of the highest rate of basic pay set forth in the General Schedule of Section 5332(a) of title 5 United States Code, and in addition shall be reimbursed for travel, subsistence, and other necessary expenses. No member shall serve for more than two consecutive terms.

(d) The Board shall—

(1) review and make recommendations to the Bureau on activities undertaken by the Bureau and formulate and recommend to the Director policies and priorities for the Bureau;

(2) recommend to the President at least three candidates for the position of Director of the Bureau in the event of a vacancy; and

(3) carry out such additional related functions as the Board may deem necessary.

(e) In addition to the powers and duties set forth elsewhere in this title, the Director shall exercise such powers and duties of the Board as may be delegated to the Director by the Board.

PART D—FORMULA GRANTS

DESCRIPTION OF PROGRAM

SEC. 401. It is the purpose of this part to assist States and units of local government in carrying out programs to improve and strengthen the functioning of the criminal justice system. The Administration is authorized to make grants under this part to States and units of local government for the purpose of—

(a) Combating crime by:

(1) establishing or expanding community and neighborhood based programs that enable citizens to undertake initiatives designed to reduce the rate of local neighborhood crime; and

(2) developing programs or projects to improve and strengthen law enforcement agencies.

(b) Developing and implementing programs and projects designed to improve court administration, prosecution and defense, including but not limited to programs and projects to:

(1) reduce the time between arraignment and disposition;

(2) reform existing procedures and rules;

(3) develop innovative institutions, procedures and programs, including juvenile programs; and

(4) promote Statewide standards and improvement of State court systems.

(c) Developing and implementing programs and projects designed to improve correctional services and practices, including but not limited to programs and projects to encourage advanced practices, the operation and renovation of correctional institutions and facilities, programs to deal with the special needs of drug dependent offenders, including community-based halfway houses and other community-based rehabilitation centers for initial preconviction or post-conviction referral of juvenile and other offenders.

(d) Devising effective alternatives to the criminal justice system, including but not limited to pretrial diversion programs and such other projects as will reduce congestion in the courts without violating civil and constitutional rights of individuals, and the rate at which defendants, including juvenile defendants, reappear in court.

(e) That portion of any Federal grant made under this section may be up to 100 per centum of the cost of the program or project specified in the application for such grant.

ELIGIBILITY

SEC. 402. (a) The Administration is authorized to make financial assistance under this part available to an eligible jurisdiction to enable it to carry out all or a substantial part of a program or project submitted and approved in accordance with the provisions of this title. An eligible jurisdiction shall be—

(1) a State, as defined in Section 901 (a) (2) of this title but shall not include the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands;

(2) a municipality which has a population of 100,000 or more persons on the basis of the most satisfactory current data available on a nationwide basis to the Administration;

(3) a county which has a population of 250,000 or more persons on the basis of the most satisfactory current data available on a nationwide basis to the Administration;

(4) any combination of contiguous units of local government which has a population of 250,000 or more persons on the basis of the most satisfactory current data available on a nationwide basis to the Administration; or

(5) a unit of local government, or any combination of such contiguous units without regard to population, which are otherwise ineligible under the other paragraphs of this subsection.

(b) (1) Each State shall establish or designate and maintain a Criminal Justice Council (hereinafter referred to in this title as the "Council") for the purpose of—

(A) analyzing the criminal justice problems within the State based on input from all eligible jurisdictions, State agencies and the judicial coordinating committee and establishing priorities for expenditure of funds based on the analysis;

(B) preparing, developing, and reviewing a comprehensive State application reflecting the priorities;

(C) receiving, reviewing, and approving (or disapproving) applications or amendments submitted by State agencies, the Judicial Coordinating Committee and units of local government, or combinations thereof, as defined in Section 402(a) (5) of this title, pursuant to Section 405(a) (5) of this title, and providing financial assistance to these agencies and units according to the criteria of this title and on the terms and conditions established by such Council at its discretion;

(D) receiving, coordinating, reviewing and monitoring all applications or amendments submitted by State agencies, the Judicial Coordinating Committee, units of local government, and combinations of such units pursuant to Section 403 of this title, recommending ways to improve the effectiveness of the programs or projects referred to in said applications, assuring compliance of said applications with Federal requirements and State law and integrating said applications into the comprehensive State application;

(E) preparing an annual report for the governor and the State legislature containing an assessment of the criminal justice problems and priorities within the State; the adequacy of existing State and local agencies, programs and resources to meet these problems and priorities; the distribution and use of funds allocated pursuant to this part and the relationship of these funds to State and local resources allocated to crime and justice system problems; and the major policy and legislative initiatives that are recommended to be undertaken on a Statewide basis;

(F) assisting the governor, the State legislature, and units of local government upon request in developing new or improved approach policies or legislation designed to improve criminal justice in the State;

(G) developing and publishing information concerning criminal justice in the State;

(H) providing technical assistance upon request to State agencies, the Judicial Coordinating Committee, and units of local government in matters relating to improving criminal justice in the State;

(I) assuring fund accounting, auditing, and evaluation of programs and projects funded under this part to assure compliance with Federal requirements and State law.

(b) (2) The Council shall be created or designated by State law and shall be subject to the jurisdiction of the chief executive of the State who shall appoint the members of the Council, designate the chairman, and provide professional, technical, and clerical staff to serve the Council. The Council shall be broadly representative and include among its membership:

(A) Representatives of eligible jurisdictions as defined in Section 402(a) (2), (3), and (4), who shall comprise at least one-third of the membership of the Council where there are such eligible jurisdictions in the State and where they submit applications pursuant to this part;

(B) Representatives of the smaller units of local government defined in Section 402 (a) (5);

(C) Representatives of the various components of the criminal justice system, including representatives of agencies directly related to the prevention and control of juvenile delinquency;

(D) Representatives of the general public including representatives of neighborhood and community-based organizations of the communities to be served under this part; and

(E) Representatives of the Judiciary including, at a minimum, the chief judicial officer or other officer of the court of last resort, the chief judicial administrative officer or other appropriate judicial administrative officer of the State, and a local trial court judicial officer; if the chief judicial officer or chief judicial administrative officer cannot or does not choose to serve, the other judicial members and the local trial court judicial officer shall be selected by the chief executive of the State from a list of no less than three nominees for each position submitted by the chief judicial officer of the court of last resort within thirty days after the occurrence of any vacancy in the judicial membership; additional judicial members of the Council as may be required by the Administration shall be appointed by the chief executive of the State from the membership of the Judicial Coordinating Committee.

Individual representatives may fulfill the requirements of more than one functional area or geographical area where appropriate to the background and expertise of the individual.

(b) (3) (A) Applications from eligible jurisdictions as defined in Section 402(a) (2), (3), and (4) may, at the discretion of such eligible jurisdiction, be in the form of a single application to the State for inclusion in the comprehensive State application. Applications or amendments should conform to the overall priorities, unless the eligible jurisdiction for good cause determines that such priorities are inconsistent with their needs. Such application or amendment shall be deemed approved unless the Council, within 90 days of the receipt of such application or amendment, finds that the application or amendment:

(i) Is in noncompliance with Federal requirements or with State law or regulations;

(ii) Is inconsistent with priorities and fails to establish, under guidelines issued by the Administration, good cause for such inconsistency; or

(iii) Conflicts with or duplicates programs or projects of another applicant under this title, or other Federal, State or local supported programs or applications.

Where the Council finds such noncompliance, inconsistency, conflict or duplication, it shall notify the applicant in writing and set forth its reasons for the finding.

(B) The applicant shall, within 30 days of receipt of written findings of the Council pursuant to (A) submit to the Council a revised application or state in writing the applicant's reasons for disagreeing with the Council's findings.

(C) A revised application submitted under (B) shall be treated as an original application except that the Council shall act on such application within 30 days.

(D) If an applicant states in writing a disagreement with the Council's written findings as specified in (b) (3) (A) (i), (ii), and (iii), the disagreement shall be submitted to binding arbitration under procedures established by the Administration. Such procedures shall include a panel composed of one member selected by the Council, one member selected by the eligible jurisdiction, and one member selected by the mutual agreement of the Council and eligible jurisdictions. Where the Council and the eligible jurisdiction cannot agree on a third panel member, the Administration shall designate such member. The panel shall examine the factual and legal basis for the action of the Council and the eligible jurisdiction and shall approve the

action of the Council or the action of the eligible jurisdiction. The decision of the panel will not be final on matters of Federal law or policy. In cases where the Council's action is not supported by clear and convincing evidence or where the Council acted arbitrarily and capriciously, the panel hearing the matter may direct the Council to approve the application or amendment.

(E) Approval of the application of such eligible local jurisdiction shall result in the award of funds to such eligible jurisdiction without requirement for further application or review by the Council.

(b)(4) Applications from State agencies and eligible jurisdictions as defined in Section 402(a)(5) must be in the manner and form proscribed by the Council. Where the Council determines under Section (b)(1)(C) and (D) that an application or amendment from a State agency or an eligible jurisdiction as defined in Section 402(a)(5):

(A) Is in noncompliance with Federal requirements or with State law or regulation;

(B) Is inconsistent with priorities, policy, organizational or procedural arrangements, or the crime analysis; or

(C) Conflicts with or duplicates programs or projects of another applicant under this title, or other Federal, State, or local supported programs or applications.

The Council shall notify the applicant in writing of the finding and the reasons for the finding and may deny funding or recommend appropriate changes. Appeal of the Council's action shall be in accord with procedures established by the Council for such matters.

(c) The chief executive(s) of an eligible jurisdiction as defined in Section 402(a)(2), (3) and (4) shall create or designate an office for the purpose of preparing and developing the jurisdiction's application to be submitted to the Council pursuant to Section 403 of this title. Each eligible jurisdiction shall establish or designate a Local Criminal Justice Advisory Board (hereinafter referred to in this title as the "Board") for the purpose of:

(1) advising the Council on priorities;

(2) advising the chief executive of the eligible jurisdiction pursuant to this title;

(3) advising on applications or amendments by the eligible jurisdiction; and

(4) assuring an adequate allocation of funds for court programs as defined in Section 401(b) based upon that proportion of the eligible subgrant jurisdiction's expenditures for court programs which contributes to the subgrant jurisdiction's eligibility for funds and which take into account the court priorities recommended by the judicial coordinating committee. Such Board shall be established or designated by the chief executive of the eligible jurisdiction and shall be subject to the jurisdiction of the chief executive who shall appoint the members and designate the chairman.

Such Board shall be broadly representative of the various components of the criminal and juvenile justice system and shall include among its membership representatives of neighborhood and community-based organizations. In the case of an eligible jurisdiction as defined in Section 402(a)(4) of this title, the membership of the Board shall be jointly appointed in such manner as the chief executive of each unit of local government shall determine by mutual agreement. Decisions made by the Board pursuant to this subsection may be reviewed and either be accepted or rejected by the chief executive of the eligible subgrant jurisdiction, or in the case of an eligible jurisdiction as defined in Section 402(a)(4) of this title in such manner as the chief executive of each unit of local government shall determine by mutual agreement. Where an eligible jurisdiction as defined in Section 402(a)(2) or (3) chooses not to combine pursuant to Section 402(a)(4) and chooses not to exercise the powers of this subsection, it shall be treated as an eligible jurisdiction under Section 402(a)(5).

(d) The court of last resort of each State may establish or designate a Judicial Coordinating Committee (hereinafter referred to in this title as the "Committee") for the preparation, development, and revision of a three year application or amendments thereto reflecting the needs and priorities of the courts of the State. For those States where there is a judicial agency which is authorized by State law on the date of enactment of this subsection to perform this function and which has a statutory membership of a majority of court officials (including judges and court administrators), the judicial agency may establish or designate the Judicial Coordinating Committee. The Committee shall—

(1) establish priorities for the improvement of the various courts of the State;

(2) define, develop and coordinate programs and projects for the improvement of the courts of the State;

(3) develop, in accordance with Part D of this title, an application for the funding of programs and projects designed to improve the functioning of the courts and judicial agencies of the State.

The Committee shall submit its three year application or amendments to the Council. The Committee shall review for consistency with the court priorities, applications or amendments from any jurisdiction which has incurred expenditures for court services from its own sources. The Council shall approve and incorporate into its application in whole or in part the application or amendments of the Committee unless the Council determines that such Committee application or amendments are not in accordance with this title, are not in conformance with, or consistent with, their own application made pursuant to Section 403 of this title or do not conform with the fiscal accountability standards of this title.

(e)(1) The Council will provide for procedures that will insure that all applications or amendments by units of local government or combinations thereof or judicial coordinating committees shall be acted upon no later than 90 days after being first received by the Council. Final action by the Council which results in the return of any application or amendments to an applicant must contain specific reasons for such action within 90 days of such receipt. Any part of such application or amendments which is not acted upon shall be deemed approved for the purposes of this title. Action by the Council or any application or part thereof shall not preclude the resubmission of such application or part thereof to the Council at a later date.

(2) The Council, the Judicial Coordinating Committee and local offices, established pursuant to Section 402(c), shall meet at such times and in such places as they deem necessary and shall hold each meeting open to the public, giving public notice of the time and place of such meeting, and the nature of the business to be transacted if final action is to be taken at the meeting on the State application or any application for funds or any amendment thereto. The Council, the Judicial Coordinating Committee and local offices, pursuant to Section 402(c), shall provide for public access to all records relating to their functions under this title, except such records as are required to be kept confidential by any other provision of local, State, or Federal law.

(3) The Council shall, at a time designated in regulations promulgated by the Administration, submit its application made pursuant to this part to the Administration for approval. Its application shall include funding allocations or applications which were submitted by State agencies, the Judicial Coordinating Committee, and units of local government, or combinations thereof, and which were first reviewed and approved by the Council pursuant to Section 402(b)(3) or Section 402(b)(4) as appropriate.

(f) To be eligible for funds under this part all eligible jurisdictions shall assure that participation of citizens, neighborhood and community organizations, in the application process. No grant may be made pursuant to this part unless the application or amendments thereof submitted to the Council or the Administration pursuant to Section 403 of this title shall provide satisfactory assurances that, prior to submission of said application or amendments thereof, the applicant has:

(1) provided citizens and neighborhood and community organizations with adequate information concerning the amounts of funds available for proposed programs or projects under this Act, the range of activities that may be undertaken, and other important program requirements;

(2) held public hearings after advance public notice to obtain the views of citizens and neighborhood and community organizatons concerning the merits of the proposed programs or projects to be set forth in the application or amendments;

(3) provided citizens and neighborhood and community organizations an adequate opportunity to participate in the development of the proposed programs or projects by sponsoring neighborhood and community meetings;

(4) provided for full and adequate participation of units of local government in the performance of the analysis and the establishment of priorities required by Section 402(b)(1)(A).

(5) provided an opportunity for all affected criminal justice agencies to participate in the development of the proposed programs or projects prior to the preparation of the application.

The Administrator, in cooperation with the Office of Community Anti-Crime Programs, may establish such rules, regulations and procedures as are necessary to assure that citizens and neighborhood and community organizations will be assured an opportunity to participate in the application process.

APPLICATIONS

SEC. 403. No grant may be made pursuant to part D of this title unless the application sets forth criminal justice programs and projects covering a three-year period which meet the objectives of section 401 of this title. This application must be amended annually if new programs or projects are to be added to the application or if the programs or projects contained in the original application are not implemented. The application must include:

(1) an analysis of the crime problems and criminal justice needs within the relevant jurisdiction and a description of the services to be provided and performance goals and priorities, including a specific statement of how the programs or projects are expected to advance the objectives of section 401 of this title and meet the problems and needs of the jurisdiction;

(2) an indication of how the programs or projects relate to other similar State or local programs or projects directed at the same or similar problems;

(3) an assurance that following the first fiscal year covered by an application and each fiscal year thereafter, the applicant shall submit to the Administration, where the applicant is a State, and to the Council where the applicant is a State agency, the Judicial Coordinating Committee, or a unit or combination of units of local government—

(i) a performance report concerning the activities carried out pursuant to this title; and

(ii) an assessment by the applicant of the impact of those activities on the objectives

of this title and the needs and objectives identified in the applicant's statement.

(4) a certification that Federal funds made available under this title will not be used to supplant State or local funds, but will be used to increase the amounts of such funds that would, in the absence of Federal funds, be made available for criminal justice activities;

(5) an assurance that there is an adequate share of funds for courts, prosecution, and defense programs;

(6) a provision for fund accounting, auditing, monitoring, and such evaluation procedures as may be necessary to keep such records as the Administration shall prescribe to assure fiscal control, proper management, and efficient disbursement of funds received under this title;

(7) a provision for the maintenance of such data and information and for the submission of such reports in such form, at such times, and containing such data and information as the Administration may reasonably require to administer other provisions of this title;

(8) a certification that its programs or projects meet all the requirements of this section, that all the information contained in the application is correct, and that the applicant will comply with all provisions of this title and all other applicable Federal laws. Such certification shall be made in a form acceptable to the Administration and shall be executed by the chief executive officer or other officer of the applicant qualified under regulations promulgated by the Administration.

REVIEW OF APPLICATIONS

SEC. 404. (a) The Administration shall provide financial assistance to each State applicant under this part to carry out the programs or projects submitted by such applicant upon determining that—

(1) the application or amendment thereof is consistent with the requirements of this title;

(2) the application or amendment thereof was made public prior to submission to the Administration and an opportunity to comment thereon was provided to citizens and neighborhood and community groups; and

(3) prior to the approval of the application or amendment thereof the Administration has made an affirmative finding in writing that the program or project is likely to contribute effectively to the achievement of the objectives of section 401 of this title.

Each application or amendment made and submitted for approval to the Administration pursuant to section 403 of this title shall be deemed approved, in whole or in part, by the Administration within 90 days after first received unless the Administration informs the applicant of specific reasons for disapproval. Subsequent to approval of the application or amendment, the amount of the grant may be adjusted by the Administration in accordance with the provisions of this title.

(b) The Administration shall suspend funding for an approved application in whole or in part if such application contains a program or project which has failed to conform to the requirements or statutory objectives of this Act as evidenced by—

(1) the annual performance reports submitted to the Administration by the applicant pursuant to section 802(b) of this title;

(2) the failure of the applicant to submit annual performance reports pursuant to section 802(b) of this title;

(3) evaluations conducted pursuant to section 802(b); and

(4) evaluations and other information provided by the National Institute of Justice.

The Administration may make appropriate adjustments in the amount of grants in accordance with its findings pursuant to this subsection.

(c) Grant funds awarded under part D shall not be used for:

(1) the purchase of equipment or hardware, or the payment of personnel costs unless the cost of such purchases or payments is incurred as an incidental and necessary part of an improvement program or project. In determining whether to apply this limitation, consideration must be given to the extent of prior funding from any sources in that jurisdiction for substantially similar activities;

(2) the payment of general salary increases for employees or classes of employees within an eligible jurisdiction;

(3) construction projects; or

(4) programs or projects which, based upon evaluations by the National Institute of Justice, Law Enforcement Assistance Administration, Bureau of Justice Statistics, State or local agencies, and other public or private organizations, have been demonstrated to be ineffective. Such programs must be formally identified by a notice in the Federal Register after opportunity for comment.

(d) The Administration shall not finally disapprove any application submitted to the Administrator under this part, or any amendments thereof, without first affording the applicant reasonable notice and opportunity for a hearing and appeal pursuant to section 803 of this title.

ALLOCATION AND DISTRIBUTION OF FUNDS

SEC. 405. (a) Of the total amount appropriated for Parts D, E, and F of this title in any fiscal year, seventy per centum shall be set aside for Part D and allocated to States, units of local government and combinations of such units as follows:

(1) Funds shall first be allocated among each of the participating States as defined in Section 402(a)(1) according to one of the following two formulas, whichever formula results in the larger amount:

(A) Of the total amount to be allocated pursuant to this part:

(i) Twenty-five percent shall be allocated in proportion to the relative population within the State as compared to the population in all States;

(ii) Twenty-five percent shall be allocated in proportion to the relative number of index crimes (as documented by the Department of Justice) reported within the State as compared to such numbers in all States;

(iii) Twenty-five percent shall be allocated in proportion to the relative amount of total State and local criminal justice expenditures from their own sources within the State as compared to such amounts in all States; and

(iv) Twenty-five percent shall be allocated in proportion to the relative population within the State, weighted by the share of State personal income paid in State and local taxes, as compared to such weighted populations in all States; or

(B) The total amount to be allocated pursuant to this part shall be allocated in proportion to the relative population within the State as compared to the population in all States;

except that no State which receives financial assistance pursuant to Section 405(a)(1)(A) shall receive an amount in excess of one hundred and ten percent of that amount available to a State pursuant to Section 405(a)(1)(B).

(2) If the fund allocation to each of the States pursuant to Section 405(a)(1) results in a total amount in excess of the amount appropriated for the purposes of this part, additional funds shall be allocated by the Administration from Parts E or F to the States for purposes consistent with those parts so that the total amount equals the total amount allocated under Section 405(a)(1). No State shall receive an allocation pursuant to Section 405(a)(1) which is less than the block grant allocation received by such State for fiscal year 1979 pursuant to Parts C and E of the Omnibus Crime Control and Safe Streets Act as amended (42 U.S.C. 3701, et seq.), except that if the total amount appropriated for Part D for any fiscal year subsequent to fiscal year 1979 is less than the total block grant appropriation for Parts C and E during fiscal year 1979, the States shall receive an allocation according to their respective populations.

(3) From the amount made available to each State pursuant to subsection (1) and (2), the Administration shall determine basic allocations to be made available to the State, to eligible jurisdictions as defined in Section 402(a)(2), (3) or (4) and to eligible jurisdictions as defined in Section 402(a)(5). Such allocation shall be determined:

(A) by distributing 70 percent of available funds allocated under subsections (1) and (2) to the State and those eligible units of local government within the State as defined in Section 402(a) in a proportion equal to their own respective share of total State and local criminal justice expenditure from all sources; and

(B) by equally dividing the remaining 30 percent of available funds allocated under subsections (1) and (2) among the four purposes specified in Section 401 of this title and distributing to the State and to those eligible units of local government within the State as defined in Section 402(a) in four shares in amounts determined as follows:

(i) for combating crime as specified in Section 401(a), a proportion of the available funds equal to their own respective share of total State and local expenditures for police services from all sources;

(ii) for improving court administration as specified in Section 401(b), a proportion of the available funds equal to their own respective share of total State and local expenditures for judicial, legal and prosecutive, and public defense services from all sources;

(iii) for improving correctional services as specified in Section 401(c), a proportion of the available funds equal to their own respective share of total State and local expenditures for correctional services from all sources; and

(iv) for devising effective alternatives to the criminal justice system as specified in Section 401(d) a proportion of the available funds equal to their own respective share of total State and local expenditures from all sources.

(4) All allocations under subsection (3) shall be based upon the most accurate and complete data available for such fiscal year or for the most recent fiscal year for which accurate data are available. Eligible jurisdictions as defined in Section 402(a)(4) may not receive an allocation based upon the population of eligible cities and counties as defined in Section 402(a)(2) and (3) unless such cities and counties participate in activities under this title as part of a combination of units of local government as defined in Section 402(a)(4). In determining allocations for the eligible units as defined in Section 402(a), an aggregate allocation may be utilized where eligible jurisdictions as defined in Section 402(a) combine to meet the population requirements of Section 402(a)(4).

(5) The amount made available pursuant to subsection (3) to eligible units of local government within each State, as defined in Section 402(a)(5) and to eligible jurisdictions as defined in Section 402(a)(2) or (3) which choose not to combine pursuant to Section 402(a)(4) and choose not to exercise the powers of Section 402(c), shall be reserved and set aside in a special discretionary fund for use by the Council pursuant to Section 402 of this title, in making grants (in addition to any other grants which may be made under this title to the same entities or for the same purposes) to such units of local government or combinations thereof

The Council shall allocate such funds among such local units of government or combinations thereof which make application pursuant to Section 403 of this title, according to the criteria of this title and on the terms and conditions established by such Council at its discretion. If in a particular State, there are no eligible units of local government, as defined in Sections 402(a)(2), 402(a)(3) or 402(a)(4) of this part, the amount otherwise reserved and set aside in the special discretionary fund shall consist of the entire amount made available to local units of government, pursuant to this section.

(b) At the request of the State legislature while in session or a body designated to act while the legislature is not in session, general goals, priorities and policies of the Council shall be submitted to the legislature for an advisory review prior to its implementation by the Council. In this review the general criminal justice goals, priorities and policies that have been developed pursuant to this part shall be considered. If the legislature or the interim body has not reviewed such matters forty-five days after receipt, such matters shall then be deemed reviewed.

(c) No award of funds that are allocated to the States, units of local government or combinations thereof under this part shall be made with respect to a program or project other than a program or project contained in an approved application.

(d) If the Administration determines, on the basis of information available to it during any fiscal year, that a portion of the funds allocated to a State, unit of local government or combination thereof for that fiscal year will not be required, or that the State, unit of local government or combination thereof will be unable to qualify or receive funds under the requirements of this part or Section 1003 of this title, such funds shall be available for reallocation to the States, or other units of local government and combinations thereof within such State, as the Administration may determine in its discretion.

(e) A State may award funds from the State allocation to private nonprofit organizations. Eligible jurisdictions as defined in Section 402(a)(2) through (5) may utilize the services of private nonprofit organizations for purposes consistent with this title.

(f) Prior to the initial allocation under Section 405(a), no more than $1,000,000 shall be allotted among Guam, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands and the Commonwealth of the Northern Mariana Islands for purposes of this title in accordance with their respective programmatic and administrative needs and based upon such terms and criteria as the Administration may adopt.

(g) In order to receive formula grants under the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, a State shall submit a plan for carrying out the purposes of that Act in accordance with the provisions of this title and Section 223 of that Act. Such plan may at the direction of the Administrator be incorporated into the State application to be submitted under this part.

(h) Eligible jurisdictions which choose to utilize regional planning units shall utilize, to the maximum extent practicable, the boundaries and organization of existing general purpose regional planning bodies within the State.

PART E—NATIONAL PRIORITY GRANTS

SEC. 501. It is the purpose of this part, through the provision of additional Federal financial aid and assistance, to encourage States and units of local government to carry out programs which, on the basis of research, demonstration or evaluations by the National Institute of Justice, by State or local governments, or by other public or private organizations, have been shown to be effective in improving and strengthening the administration of justice.

SEC. 502. Of the total amount appropriated for Parts D, E and F of this title in any fiscal year, twenty percent shall be reserved and set aside pursuant to this part as funding incentives for use by the Administration in making National Priority Grants (in addition to any other grants which may be made under this title to the same entities or for the same purpose) to States and units of local government.

SEC. 503. (a) The Office of Justice Assistance, Research and Statistics shall periodically designate national priority programs and projects which through research, demonstration, or evaluation have been shown to be effective or innovative and to have a likely beneficial impact on criminal justice. Such national priorities may include programs and projects designated to improve the comprehensive planning and coordination of State and local criminal justice activities. Priorities established by the Office of Justice Assistance, Research and Statistics shall be considered priorities for a period of time determined by the Office of Justice Assistance, Research and Statistics but not to exceed three years from the time of such determination. Such priorities shall be designated by the Office of Justice Assistance, Research and Statistics according to criteria, and on such terms and conditons, as the Office of Justice Assistance, Research and Statistics may determine.

(b) The Office of Justice Assistance, Research and Statistics shall annually request the National Institute of Justice, the Bureau of Justice Statistics, the Law Enforcement Assistance Administration, State and local governments, and other appropriate public and private agencies to suggest national priority programs and projects. The Office of Justice Assistance, Research and Statistics shall then, pursuant to regulation it promulgates annually, publish proposed national priority programs and projects pursuant to this part and invite and encourage public comment concerning such priorities. Such priority programs and projects shall not be established or modified until the Office of Justice Assistance, Research and Statistics has provided at least sixty days advance notice for public comment and shall encourage and invite recommendations and opinion concerning such priorities from appropriate agencies and officials of State and units of local government. After considering any comments submitted during such period of time, the Office of Justice Assistance, Research and Statistics shall establish priority programs and projects for that year (and determine whether existing priority programs and projects should be modified). The Office of Justice Assistance, Research and Statistics shall publish in the Federal Register the priority programs and projects established pursuant to this part prior to the beginning of fiscal year 1981 and each fiscal year thereafter for which appropriations will be available to carry out the program.

SEC. 504. (a) No grant may be made pursuant to this part unless an application has been submitted to the Administration in which the applicant—

(1) identifies the priority program to be funded and describes how funds allocated pursuant to this part and pursuant to part D will be expended to carry out the priority program;

(2) describe specifically what percentages of funds allocated for the upcoming fiscal year pursuant to part D of this title will be spent on priority programs and projects pursuant to this part;

(3) describes specifically the priority programs and projects for which funds are to be allocated pursuant to part D of this title for the upcoming fiscal year;

(4) describes what percentage of part D funds were expended on national priority projects during the preceding fiscal year and

(5) describes specifically the priority programs and projects for which funds were allocated pursuant to part D of this title during the preceding fiscal year and the amount of such allocation.

(b) Each applicant for funds under the part shall certify that its program or project meets all the requirements of this section, that all the information contained in the application is correct, and that the applicant will comply with all the provisions of this title and all other applicable Federal laws. Such certification shall be made in a form acceptable to the Administration.

SEC. 505 (a) The Administration shall after appropriate consultation with representatives of State and local governments and representatives of the various components of the justice system at all levels of government, establish reasonable requirements consistent with this part for the award of National Priority Grants. Procedures for awards of National Priority Grants shall be published in the Federal Register and no National Priority grant shall be made in a manner inconsistent with these procedures. The Administration in determining whether to award a priority grant to an eligible jurisdiction shall give consideration to the criminal justice needs and efforts of eligible jurisdictions, to the need for continuing programs which would not otherwise be continued because of the lack of adequate Part D funds and to the degree to which an eligible jurisdiction has expended or proposes to expend funds from Part D or other sources of funds including other Federal grants, for priority programs and projects. No jurisdiction shall be denied a priority grant solely on the basis of its population.

(b) Grants under this part may be made in an amount equal to 50 percent of the cost of the priority program or project for which such grant is made. The remaining costs may be provided from Part D funds or from any other source of funds, including other Federal grants, available to the eligible jurisdiction.

(c) Amounts reserved and set aside pursuant to this part in any fiscal year, but not used in such year, may be used by the Administration to provide additional financial assistance to priority programs or projects of demonstrated effectiveness in improving the functioning of the criminal justice system, notwithstanding the provisions of Section 505(b) of this title.

(d) The Administration may provide financial aid and assistance to programs or projects under this part for a period not to exceed three years. Grants made pursuant to this part may be extended or renewed by the Administration for an additional period of up to two years if an evaluation of the program or project indicates that it has been effective in achieving the stated goals. The Administration shall assure that the problems and needs of all of the States are taken into account in distributing funds under this part among the States.

PART F—DISCRETIONARY GRANTS

SEC. 601. It is the purpose of this part through the provision of additional Federal financial assistance, to encourage States, units of local government, combinations of such units, or private nonprofit organizations to—

(a) undertake programs and projects to improve and strengthen the criminal justice system;

(b) improve the comprehensive planning and coordination of State and local criminal justice activities; and

(c) provide for the equitable distribution of funds under this title among all segments and components of the criminal justice system.

SEC. 602. Of the total amount appropriated

for parts D, E, and F of this title in any fiscal year ten per centum shall be reserved and set aside pursuant to this part in a special discretionary fund for use by the Administration in making grants (in addition to any other grants which may be made under this title to the same entities or for the same purposes) to States, units of local government, combinations of such units, or private nonprofit organizations, for the purposes set forth in section 601 of this title. The Administrator shall assure that funds allocated under this subsection to private nonprofit organizations shall be used for the purpose of developing and conducting programs and projects which would not otherwise be undertaken pursuant to this title including programs and projects—

(1) to stimulate and encourage the improvement of justice and the modernization of State court operations by means of financial assistance to national nonprofit organizations operating in conjunction with and serving the judicial branches of State governments;

(2) to provide national education and training programs for State and local prosecutors, defense personnel, judges and judicial personnel and to disseminate and demonstrate new legal developments and methods by means of teaching, special projects, practice, and the publication of manuals and materials to improve the administration of criminal justice. Organizations supported under this subsection will assist State and local agencies in the education and training of personnel on a State and regional basis; and

(3) to support community and neighborhood anti-crime programs.

SEC. 603. (a) The Office of Justice Assistance, Research and Statistics shall periodically establish discretionary programs and projects for financial assistance under this part. Such programs and projects shall be considered priorities for a period of time not to exceed three years from the time of such determination.

(b) The Office of Justice Assistance, Research and Statistics shall annually request the National Institute of Justice, the Bureau of Justice Statistics, the Law Enforcement Assistance Administration, State and local governments and other appropriate public and private agencies to suggest discretionary programs and projects. The Office of Justice Assistance, Research and Statistics shall then, pursuant to regulations, annually publish the proposed priorities pursuant to this part and invite and encourage public comment concerning such priorities. Priorities shall not be established or modified until the Office of Justice Assistance, Research and Statistics has provided at least sixty days advance notice for such public comment and it shall encourage and invite recommendations and opinion concerning such priorities from appropriate agencies and officials of State and units of local government. After considering any comments submitted during such period of time and after consultation with the Attorney General and appropriate agencies and officials of State and units of local government, the Office of Justice Assistance, Research and Statistics shall determine whether existing established priorities should be modified. The Office of Justice Assistance, Research and Statistics shall publish in the Federal Register the priorities established pursuant to this part prior to the beginning of fiscal year 1981 and each fiscal year thereafter for which appropriations will be available to carry out the program.

SEC. 604. (a) No grant may be made pursuant to this part unless an application has been submitted to the Administration in which the applicant—

(1) sets forth a program or project which is eligible for funding pursuant to this part;

(2) describes the services to be provided, performance goals and the manner in which the program is to be carried out;

(3) describes the method to be used to evaluate the program or project in order to determine its impact and effectiveness in achieving the stated goals and agrees to conduct such evaluation according to the procedures and terms established by the Office of Justice Assistance, Research and Statistics; and

(4) indicates, if it is a private nonprofit organization, that it has consulted with appropriate agencies and officials of State and units of local government to be affected by the program and project.

(b) Each applicant for funds under this part shall certify that its program or project meets all the requirements of this section, that all the information contained in the application is correct, and that the applicant will comply with all the provisions of this title and all other applicable Federal laws. Such certification shall be made in a form acceptable to the Administration.

SEC. 605. The Administration shall, in its discretion and according to the criteria and on the terms and conditions it determines consistent with this part, provide financial assistance to those programs or projects which most clearly satisfy the priorities established by the Office of Justice Assistance, Research and Statistics. In providing such assistance pursuant to this part, the Administration shall consider whether certain segments and components of the criminal justice system have received a disproportionate allocation of financial aid and assistance pursuant to other parts of this title, and, if such a finding is made, shall assure the funding of such other segments and components of the criminal justice system as to correct inequities resulting from such disproprotionate allocations. Federal funding under this part may be up to 100 per centum of the cost of the program.

SEC. 606. The Administration may provide financial aid and assistance to programs or projects under this part for a period not to exceed three years. Grants made pursuant to this part may be extended or renewed by the Administration for an additional period of up to two years if—

(a) an evaluation of the program or project indicates that it has been effective in achieving the stated goals; and

(b) the State, unit of local government, or combination thereof and private nonprofit organizations within which the program or project has been conducted agrees to provide at least one-half of the total cost of such program or project from part D funds or from any other source of funds, including other Federal grants, available to the eligible jurisdiction.

PART G—TRAINING AND MANPOWER DEVEOPMENT

SEC. 701. It is the purpose of this part to provide for and encourage training, manpower development and new personnel practices for the purpose of improving the criminal justice system.

SEC. 702. (a) The Administration is authorized to establish and support a training program for prosecuting attorneys from State and local agencies engaged in the prosecution of white collar and organized crime. The program shall be designed to develop new or improved approaches, techniques, systems, manuals, and devices to strengthen prosecutive capabilities against white collar and organized crime.

(b) While participating in the training program or traveling in connection with participation in the training program, State and local personnel may be allowed travel expenses and a per diem allowance in the same manner as prescribed under Section 5703(b) of title 5, United States Code, for persons employed intermittently in the Government service.

(c) The cost of training State and local personnel under this section shall be provided out of funds appropriated to the Administration for the purpose of such training.

SEC. 703. (a) The Administration is authorized—

(1) to assist in conducting local, regional or national training programs for the training of State and local criminal justice personnel, including but not limited to those engaged in the investigation of crime and apprehension of criminals, community relations, the prosecution, defense, or adjudication of those charged with crime, corrections, rehabilitation, probation and parole of offenders. Such training activities shall be designed to supplement and improve rather than supplant the training activities of the State and units of general local government and shall not duplicate the training activities of the Federal Bureau of Investigation. While participating in the training program or traveling in connection with participation in the training program, State and local personnel may be allowed travel expenses and a per diem allowance in the same manner as prescribed under Section 5703(b) of title 5, United States Code, for persons employed intermittently in the Government service;

(2) to carry out a program of planning, development, demonstration and evaluation of training programs for State and local criminal justice personnel;

(3) to assist in conducting programs relating to recruitment, selection, placement and career development practices of State and local law enforcement and criminal justice personnel, and to assist State and local governments in planning manpower programs for criminal justice; and

(4) to carry out a program of planning, development, demonstration and evaluation of recruitment, selection and placement practices.

(b) The amount of a grant or contract under this section may be up to 100 per centum of the total cost of a program, but the total financial support may not exceed 80 per centum of the total operating budget of any funded institutions or programs.

(1) Institutions funded under this section shall assure that to the maximum extent feasible efforts shall be made to increase the non-Federal share of the total operating budgets of such institutions or programs with the objective of becoming self-sustaining.

(2) To the greatest extent possible funds appropriated for the purposes of this section shall not be utilized to provide per diem or subsistence for State and local officials receiving such training.

SEC. 704. (a) The Director of the Federal Bureau of Investigation is authorized to—

(1) establish and conduct training programs at the Federal Bureau of Investigation National Academy at Quantico, Virginia, to provide, at the request of a State or unit of local government, training for State and local criminal justice personnel;

(2) develop new or improved approaches, techniques, systems, equipment, and devices to improve and strengthen criminal justice; and

(3) assist in conducting, at the request of a State or unit of local government, local and regional training programs for the training of State and local criminal justice personnel engaged in the investigation of crime and the apprehension of criminals. Such training shall be provided only for persons actually employed as State police or highway patrol, police of a unit of local government, sheriffs, and their deputies, and other persons as the State or unit may nominate for police training while such persons are actually employed as officers of such State or unit.

(b) In the exercise of the functions, powers, and duties established under this section the Director of the Federal Bureau of Investigation shall be under the general authority of the Attorney General.

SEC. 705. (a) Pursuant to the provisions of subsections (b) and (c) of this section, the Administration is authorized, after appropriate consultation with the Commissioner of Education, to carry out programs of academic educational assistance to improve and strengthen criminal justice.

(b) The Administration is authorized to enter into contracts to make, and make payments to institutions of higher education for loans, not exceeding $2,200 per academic year to any person, to persons enrolled on a full-time basis in undergraduate or graduate programs approved by the Administration and leading to degrees or certificates in areas directly related to criminal justice or suitable for persons employed in criminal justice, with special consideration to police or correctional personnel of States or units of general local government on academic leave to earn such degrees or certificates. Loans to persons assisted under this subsection shall be made on such terms and conditions as the Administration and the institution offering such programs may determine, except that the total amount of any such loan, plus interest, shall be canceled for service as a full-time officer or employee of a criminal justice agency at the rate of 25 per centum of the total amount of such loan plus interest for each complete year of such service or its equivalent of such service, as determined under regulations of the Administration.

(c) The Administration is authorized to enter into contracts to make, and make payments to institutions of higher education for tuition, books and fees, not exceeding $250 per academic quarter or $400 per semester for any person, for officers of any publicly funded criminal justice agency enrolled on a full-time or part-time basis in courses included in an undergraduate or graduate program which is approved by the Administration and which leads to a degree or certificate in an area related to criminal justice or an area suitable for persons employed in criminal justice. Assistance under this subsection may be granted only on behalf of an applicant who enters into an agreement to remain in the service of a criminal justice agency employing such applicant for a period of two years following completion of any course for which payments are provided under this subsection, and in the event such service is not completed, to repay the full amount of such payments on such terms and in such manner as the Administration may prescribe.

(d) Full-time teachers or persons preparing for careers as full-time teachers of courses related to criminal justice or suitable for persons employed in criminal justice, in institutions of higher education which are eligible to receive funds under this section, shall be eligible to receive assistance under subsections (b) and (c) of this section as determined under regulations of the Administration.

(e) The Administration is authorized to make grants to or enter into contracts with institutions of higher education, or combinations of such institutions, to assist them in planning, developing, strengthening, improving, or carrying out programs or projects for the development or demonstration of improved methods of criminal justice education, including—

(1) planning for the development or expansion of undergraduate or graduate programs in law enforcement and criminal justice;

(2) education and training of faculty members;

(3) strengthening the criminal justice aspects of courses leading to an undergraduate, graduate, or professional degree; and

(4) research into, and development of, methods of educating students or faculty, including the preparation of teaching materials and the planning of curriculums. The amount of a grant or contract may be up to 75 per centum of the total cost of programs and projects for which a grant or contract is made.

(f) The Administration is authorized to enter into contracts to make, and make payments to institutions of higher education for grants not exceeding $65 per week to persons enrolled on a full-time basis in undergraduate or graduate degree programs who are accepted for and serve in full-time internships in criminal justice agencies for not less than eight weeks during any summer recess or for any entire quarter or semester on leave from the degree program.

(g) The functions, powers and duties specified in this section to be carried out by the Administrator shall be transferred to the Secretary of the Department of Education upon its establishment by an Act of Congress.

PART H—ADMINISTRATIVE PROVISIONS

SEC. 801. (a) There is established within the Department of Justice, under the authority of the Attorney General, an Office of Justice Assistance, Research and Statistics. The chief officer of the Office of Justice Assistance, Research and Statistics shall be a Director appointed by the President by and with the advice and consent of the Senate.

(b) The Office of Justice Assistance, Research and Statistics shall directly provide staff support to, set broad policy guidelines for, and coordinate the activities of the National Institute of Justice, the Bureau of Justice Statistics, and the Law Enforcement Assistance Administration.

(c) There is hereby established a Justice Assistance, Research and Statistics Advisory Board (the "Board"). The Board shall consist of twenty-one members who shall be appointed by the Attorney General. The members shall represent the public interest and should be experienced in the civil, criminal or juvenile justice systems, including but not limited to representatives of States and units of local government, representatives of police, courts, corrections and other components of the justice system at all levels of government, members of the academic and research community, officials of neighborhood and community organizations, and the general public. The Board, by majority vote, shall elect from among its members a chairman and vice-chairman. The vice-chairman is authorized to sit and act in the place and stead of the chairman in the absence of the chairman. The Director shall also be a member of the Board but may not serve as chairman or vice-chairman. Vacancies in the membership of the Board shall not affect the power of the remaining members to execute the functions of the Board and shall be filled in the same manner as in the case of the original appointment. The Administrator of the Law Enforcement Assistance Administration, the Administrator of the Office of Juvenile Justice and Delinquency Prevention, the Director of the Bureau of Justice Statistics, and the Director of the National Institute of Justice shall serve as ex officio members of the Board but shall be ineligible to serve as chairman or vice-chairman.

(1) The Board, after appropriate consultation with representatives of State and local governments, may make such rules respecting its organization and procedures as it deems necessary, except that no recommendation shall be reported from the Board unless a majority of the Board assents.

(2) The term of office of each member of the Board appointed under subsection (c) shall be three years except that any such member appointed to fill a vacancy occurring prior to the expiration of the term for which its predecessor was appointed shall be appointed for the remainder of such terms. Terms of the members appointed under subsection (c) shall be staggered so as to establish a rotating membership according to such method as the Attorney General may devise. The members of the Board appointed under subsection (c) shall receive compensation for each day engaged in the actual performance of duties vested in the Board at rates of pay not in excess of the daily equivalent of the highest rate of basic pay set forth in the General Schedule of Section 5322(a) of title 5, United States Code, and in addition shall be reimbursed for travel, subsistence, and other necessary expenses. No member shall serve for more than two consecutive terms.

SEC. 802. (a) The Office of Justice Assistance, Research and Statistics, the Law Enforcement Assistance Administration, the Bureau of Justice Statistics, and the National Institute of Justice are authorized, after appropriate consultation with representatives of States and units of local government, to establish such rules, regulations, and procedures as are necessary to the exercise of their functions, and are consistent with the stated purpose of this title.

(b) The law Enforcement Assistance Administration shall, after consultation with the National Institute of Justice, the Bureau of Justice Statistics, State and local governments and the appropriate public and private agencies, establish such rules and regulations as are necessary to assure the continuing evaluation of the programs or projects conducted pursuant to Parts D. E, and F of this title, in order to determine—

(1) whether such programs or projects have achieved the performance goals stated in the original application;

(2) whether such programs or projects have contributed or are likely to contribute to the improvement of the criminal justice system and the reduction and prevention of crime;

(3) their cost in relation to their effectiveness in achieving stated goals;

(4) their impact on communities and participants; and

(5) their implication for related programs. In conducting the evaluations called for by this subsection, the Law Enforcement Assistance Administration shall, when practical, compare the effectiveness of programs conducted by similar applicants and different applicants, and shall compare the effectiveness of programs or projects conducted by States and units of local government pursuant to Part D of this title with similar programs carried out pursuant to Parts E and F of this title. The Law Enforcement Assistance Administration shall require applicants under Part D of this title to submit an annual performance report concerning activities carried out pursuant to Part D of this title together with an assessment by the applicant of the effectiveness of those activities in achieving the objectives of Section 401 of this title and the relationship of those activities to the needs and objectives specified by the applicant in the application submitted pursuant to Section 403 of this title. The Administration shall suspend funding for an approved application under Part D of this title if an applicant fails to submit such an annual performance report.

(c) The procedures established to implement the provisions of this title shall minimize paperwork and prevent needless duplication and unnecessary delays in award and expenditure of funds at all levels of government.

SEC. 803. (a) Whenever, after reasonable notice and opportunity for a hearing on the record in accordance with Section 554 of title 5, United States Code, either the National Institute of Justice, the Bureau of Justice Statistics, or the Law Enforcement Assistance Administration finds that a recipient of their respective assistance under this title has failed to comply substantially with—

(1) any provision of this title;

(2) any regulations or guidelines promulgated under this title; and

(3) any application submitted in accord-

ance with the provisions of this title, or the provisions of any other applicable Federal act, they, until satisfied that there is no longer any such failure to comply, shall:

(i) terminate payments to the recipient under this title;

(ii) reduce payments to the recipient under this title by an amount equal to the amount of such payments which were not expended in accordance with this title; or

(iii) limit the availability of payments under this title to programs, projects or activities not affected by such failure to comply.

(b) If a State grant application filed under Part D or if any grant application filed under any other part of this title has been rejected or a State applicant under Part D or an applicant under any other part has been denied a grant or has had a grant, or any portion of a grant, discontinued, or has been given a grant in a lesser amount than such applicant believes appropriate under the provisions of this title, the National Institute of Justice, the Bureau of Justice Statistics, or the Law Enforcement Assistance Administration, as appropriate, shall notify the applicant or grantee of its action and set forth the reason for the action taken. Whenever such an applicant or grantee requests a hearing, the National Institute of Justice, the Bureau of Justice Statistics, the Law Enforcement Assistance Administration or any authorized officer thereof, is authorized and directed to hold such hearings, or investigations, including hearings on the record in accordance with Section 554 of title 5, United States Code, at such times and places as necessary, following appropriate and adequate notice to such applicant; and the findings of fact and determinations made with respect thereto shall be final and conclusive, except as otherwise provided herein.

(c) If such recipient is dissatisfied with the findings and determinations of the Law Enforcement Assistance Administration, the Bureau of Justice Statistics, or the National Institute of Justice, following notice and hearing provided for in subsection (a) of this section, a request may be made for rehearing, under such regulations and procedures as the Office of Justice Assistance, Research and Statistics may establish, and such recipient shall be afforded an opportunity to present such additional information as may be deemed appropriate and pertinent to the matter involved.

SEC. 804. In carrying out the functions vested by this title in the Law Enforcement Assistance Administration, the Bureau of Justice Statistics, or the National Institute of Justice, their determinations, findings and conclusions shall, after reasonable notice and opportunity for a hearing, be final and conclusive upon all applications, except as otherwise provided herein.

SEC. 805. (a) If any applicant or recipient is dissatisfied with a final action with respect to Section 803 or Section 804 of this part, such applicant or recipient may, within sixty days after notice of such action, file with the United States Court of Appeals for the circuit in which such applicant or recipient is located, or in the United States Court of Appeals for the District of Columbia, a petition for review of the action. A copy of the petition shall forthwith be transmitted by the petitioner to the Law Enforcement Assistance Administration, the Bureau of Justice Statistics, or the National Institute of Justice and the Attorney General of the United States, who shall represent the Federal Government in the litigation. The Law Enforcement Assistance Administration, the Bureau of Justice Statistics, or the National Institute of Justice, as appropriate, shall thereupon file in the court the record of the proceeding on which the action was based, as provided in Section 2112 of title 28, United States Code. No objection to the action shall be considered by the court unless such objection has been urged before the Law Enforcement Assistance Administration, the Bureau of Justice Statistics or the National Institute of Justice as appropriate.

(b) The Court shall have jurisdiction to affirm or modify a final action or to set it aside in whole or in part. The findings of fact by the Law Enforcement Assistance Administration, the Bureau of Justice Statistics, the National Institute of Justice, or the Office of Justice Assistance, Research and Statistics, if supported by substantial evidence on the record considered as a whole, shall be conclusive, but the court, for good cause shown, may remand the case to the Law Enforcement Assistance Administration, the National Institute of Justice, the Bureau of Justice Statistics, or the Office of Justice Assistance, Research and Statistics to take additional evidence to be made part of the record. The Law Enforcement Assistance Administration, the Bureau of Justice Statistics, the National Institute of Justice, or the Office of Justice Assistance, Research and Statistics may thereupon make new or modified findings of fact by reason of the new evidence so taken and filed with the court and shall file such modified or new findings along with any recommendations it may have for the modification or setting aside of its original action. All new or modified findings shall be conclusive with respect to questions of fact if supported by substantial evidence when the record as a whole is considered.

(c) Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Law Enforcement Assistance Administration, the Bureau of Justice Statistics, the National Institute of Justice, or the Office of Justice Assistance, Research and Statistics or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon writ of certiorari or certifications as provided in Section 1254 of title 28, United States Code.

SEC. 806. The Office of Justice Assistance, Research and Statistics, the National Institute of Justice, the Bureau of Justice Statistics, or the Law Enforcement Assistance Administration may delegate to any of their respective officers or employees such functions as they deem appropriate.

SEC. 807. In carrying out their functions, the Office of Justice Assistance, Research and Statistics, the National Institute of Justice, the Bureau of Justice Statistics, or the Law Enforcement Assistance Administration, or upon authorization, any member thereof or any hearing examiner or administrative law judge assigned to or employed thereby shall have the power to hold hearings and issue subpoenas, administer oaths, examine witnesses, and receive evidence at any place in the United States they may designate.

SEC. 808. Section 5314 of title 5, United States Code, is amended as follows:

(a) by adding at the end thereof—

"( ) Director, Office of Justice Assistance, Research and Statistics."

(b) by deleting—

"(55) Administrator of the Law Enforcement Assistance Administration."

SEC. 809. Title 5, United States Code, is amended as follows:

(a) Section 5315(90) is amended by deleting "Deputy Administrator for Policy Development of the Law Enforcement Assistance Administration" and by adding at the end thereof—

"( ) Administrator of Law Enforcement Assistance.

"( ) Director of the National Institute of Justice.

"( ) Director of the Bureau of Justice Statistics."

(b) Section 5316 of title 5, United States Code, is amended by deleting at the end thereof the following:

"(133) Deputy Administrator for Administration of Law Enforcement Assistance Administration."

(c) Section 5108(c)(10) is amended by deleting the word "twenty" and inserting in lieu thereof the word "twenty-two".

SEC. 810. Subject to the Civil Service and classification laws, the Office of Justice Assistance, Research and Statistics, the National Institute of Justice, the Bureau of Justice Statistics, and the Law Enforcement Assistance Administration are authorized to select, appoint, employ, and fix compensation of such officers and employees as shall be necessary to carry out their powers and duties under this title and are authorized to select, appoint, employ, and fix compensation of such hearing examiner or administrative law judge or to request the use of such administrative law judges selected by the Civil Service Commission pursuant to Section 3344 of title 5, United States Code, as shall be necessary to carry out their powers and duties under this title.

Sec. 811. The Office of Justice Assistance, Research and Statistics, the National Institute of Justice, the Bureau of Justice Statistics, and the Law Enforcement Assistance Administration are authorized, on a reimbursable basis when appropriate, to use the available services, equipment, personnel and facilities of Federal, State and local agencies to the extent deemed appropriate after giving due consideration to the effectiveness of such existing services, equipment, personnel and facilities.

Sec. 812. In carrying out the provisions of this title, including the issuance of regulations, the Office of Justice Assistance, Research and Statistics shall consult with other Federal departments and agencies and State and local officials.

Sec. 813. (a) The Office of Justice Assistance, Research and Statistics, the National Institute of Justice, the Bureau of Justice Statistics, and the Law Enforcement Assistance Administration may arrange with and reimburse the heads of other Federal departments and agencies for the performance of any of its functions under this title.

(b) The National Institute of Justice, the Bureau of Justice Statistics, the Law Enforcement Assistance Administration, and the Office of Justice Assistance, Research and Statistics in carrying out their respective functions may use grants, contracts or cooperative agreements in accordance with the standards established in the Federal Grant and Cooperative Agreement Act of 1977 (41 U.S.C. Section 501).

Sec. 814. (a) The Office of Justice Assistance, Research and Statistics, the National Institute of Justice, the Bureau of Justice Statistics, and the Law Enforcement Assistance Administration may procure the services of experts and consultants in accordance with Section 3109 of title 5, United States Code, at rates of compensation for individuals not to exceed the daily equivalent of the rate authorized for GS–18 by Section 5332 of title 5, United States Code.

(b) The Office of Justice Assistance, Research and Statistics, the National Institute of Justice, the Bureau of Justice Statistics, and the Law Enforcement Assistance Administration are authorized to appoint, without regard to the civil service laws, technical or other advisory committees to advise them with respect to the administration of this title as they deem necessary. Members of those committees not otherwise in the employ of the United States, while engaged in advising them or attending meetings of the committees, shall be compensated at rates to be fixed by the Offices but not to exceed the daily equivalent of the rate authorized for GS–18 by Section 5332 of title 5 of the United States Code and while away from home or regular place of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by Section 5703 of such title 5 for persons in the Government service employed intermittently.

SEC. 815. (a) Nothing contained in this title or any other Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over any police force or any other criminal justice agency of any State or any political subdivision thereof.

(b) Notwithstanding any other provision of law nothing contained in this title shall be construed to authorize the National Institute of Justice, the Bureau of Justice Statistics, or the Law Enforcement Assistance Administration—

(1) to require, or condition the availability or amount of a grant upon the adoption by an applicant or grantee under this title of a percentage ratio, quota system, or other program to achieve racial balance in any criminal justice agency; or

(2) to deny or discontinue a grant because of the refusal of an applicant or grantee under this title to adopt such ratio, system, or other program.

(c)(1) No person in any State shall on the ground of race, color, religion, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under or denied employment in connection with any programs or activity funded in whole or in part with funds made available under this title.

(c)(2)(A) Whenever there has been—

(i) receipt of notice of a finding, after notice and opportunity for a hearing, by a Federal court (other than in an action brought by the Attorney General) or State court, or by a Federal or State administrative agency (other than the Office of Justice Assistance, Research and Statistics under subparagraph (ii)), to the effect that there has been a pattern or practice of discrimination in violation of subsection (c)(1); or

(ii) a determination after an investigation by the Office of Justice Assistance, Research and Statistics (prior to a hearing under subparagraph (F) but including an opportunity for the State government or unit of general local government to make a documentary submission regarding the allegation of discrimination with resepct to such program or activity, with funds made available under this title) that a State government or unit of general local government is not in compliance with subsection (c)(1);

the Office of Justice Assistance, Research and Statistics shall, within ten days after such occurrence, notify the chief executive of the affected State, or the State in which the affected unit of general local government is located, and the chief executive of such unit of general local government, that such program or activity has been so found or determined not to be in compliance with subsection (c)(1), and shall request each chief executive, notified under this subparagraph with respect to such violation, to secure compliance. For purposes of subparagraph (i) a finding by a Federal or State administrative agency shall be deemed rendered after notice and opportunity for a hearing if it is rendered pursuant to procedures consistent with the provisions of subchapter II of chapter 5, title 5, United States Code.

(c)(2)(B) In the event the chief executive secures compliance after notice pursuant to subparagraph (A), the terms and conditions with which the affected State government or unit of general local government agrees to comply shall be set forth in writing and signed by the chief executive of the State, by the chief executive of such unit (in the event of a violation by a unit of general local government), and by the Office of Justice Assistance, Research and Statistics. On or prior to the effective date of the agreement, the Office of Justice Assistance, Research and Statistics shall send a copy of the agreement to each complainant, if any, with respect to such violation. The chief executive of the State, or the chief executive of the unit (in the event of a violation by a unit of general local government) shall file semiannual reports with the Office of Justice Assistance, Research and Statistics detailing the steps taken to comply with the agreement. Within 15 days of receipt of such reports, the Office of Justice Assistance, Research and Statistics shall send a copy thereof to each such complainant.

(c)(2)(C) If, at the conclusion of ninety days after notification under subparagraph (A)—

(i) compliance has not been secured by the chief executive of that State or the chief executive of that unit of general local government; and

(ii) an administrative law judge has not made a determination under subparagraph (F) that it is likely the State government or unit of local government will prevail on the merits; the Office of Justice Assistance, Research and Statistics shall notify the Attorney General that compliance has not been secured and caused to have suspended further payment of any funds under this title to that program or activity. Such suspension shall be limited to the specific program or activity cited by the Office of Justice Assistance, Research and Statistics in the notice under subparagraph (A). Such suspension shall be effective for a period of not more than one hundred and twenty days, or, if there is a hearing under subparagraph (G), not more than thirty days after the conclusion of such hearing, unless there has been an express finding by the Office of Justice Assistance, Research and Statistics after notice and opportunity for such a hearing, that the recipient is not in compliance with subsection (c)(1).

(c)(2)(D) Payment of the suspended funds shall resume only if—

(i) such State government or unit of general local government enters into a compliance agreement approved by the Office of Justice Assistance, Research and Statistics and the Attorney General in accordance with subparagraph (B);

(ii) such State government or unit of general local government complies fully with the final order or judgment of a Federal or State court, or by a Federal or State administrative agency if that order or judgment covers all the matters raised by the Office of Justice Assistance, Research and Statistics in the notice pursuant to subparagraph (A), or is found to be in compliance with subsection (c)(1) by such court; or

(iii) after a hearing the Office of Justice Assistance, Research and Statistics pursuant to subparagraph (F) finds that noncompliance has not been demonstrated.

(c)(2)(E) Whenever the Attorney General files a civil action alleging a pattern or practice of discriminatory conduct on the basis of race, color, religion, national origin, or sex in any program or activity of a State government or unit of local government which State government or unit of local government receives funds made available under this title, and the conduct allegedly violates the provisions of this section and neither party within forty-five days after such filing has been granted such preliminary relief with regard to the suspension or payment of funds as may be otherwise available by law, the Office of Justice Assistance, Research and Statistics shall cause to have suspended further payment of any funds under this title to that specific program or activity alleged by the Attorney General to be in violation of the provisions of this subsection until such time as the court orders resumption of payment.

(c)(2)(F) Prior to the suspension of funds under subparagraph (C), but within the ninety-day period after notification under subparagraph (C), the State governor or unit of local government may request an expedited preliminary hearing on the record in accordance with Section 554 of title 5, United States Code, in order to determine whether it is likely that the State government or unit of local government would, at a full hearing under subparagraph (G), prevail on the merits on the issue of the alleged noncompliance. A finding under this subparagraph by the administrative law judge in favor of the State government or unit of local government shall defer the suspension of funds under subparagraph (C) pending a finding of noncompliance at the conclusion of the hearing on the merits under subparagraph (G).

(c)(2)(G)(i) At any time after notification under subparagraph (A), but before the conclusion of the one hundred and twenty-day period referred to in subparagraph (C), a State government or unit of general local government may request a hearing on the record in accordance with section 554 of title 5, United States Code, which the Office of Justice Assistance, Research and Statistics shall initiate within sixty days of such request.

(ii) Within thirty days after the conclusion of the hearing, or, in the absence of a hearing, at the conclusion of the one hundred and twenty-day period referred to in subparagraph (C), the Office of Justice Assistance, Research and Statistics shall make a finding of compliance or noncompliance. If the Office of Justice Assistance, Research and Statistics makes a finding of noncompliance, the Office of Justice Assistance, Research and Statistics shall notify the Attorney General in order that the Attorney General may institute a civil action under subsection (C)(3), cause to have terminated the payment of funds under this title, and, if appropriate, seek repayment of such funds.

(iii) If the Office of Justice Assistance, Research and Statistics makes a finding of compliance, payment of the suspended funds shall resume as provided in subparagraph (D).

(c)(2)(H) Any State government or unit of general local government aggrieved by a final determination of the Office of Justice Assistance, Research and Statistics under subparagraph (g) may appeal such determination as provided in Section 805 of this title.

(c)(3) Whenever the Attorney General has reason to believe that a State government or unit of local government has engaged or is engaging in a pattern or practice in violation of the provisions of this section, the Attorney General may bring a civil action in an appropriate United States district court. Such court may grant as relief any temporary restraining order, preliminary or permanent injunction, or other order, as necessary or appropriate to insure the full enjoyment of the rights described in this section, including the suspension, termination, or repayment of such funds made available under this title as the court may deem appropriate, or placing any further such funds in escrow pending the outcome of the litigation.

(c)(4)(A) Whenever a State government or unit of local government, or any officer or employee thereof acting in an official capacity, has engaged or is engaging in any act or practice prohibited by this subsection, a civil action may be instituted after exhaustion of administrative remedies by the person aggrieved in an appropriate United States district court or in a State court of general jurisdiction. Administrative remedies shall be deemed to be exhausted upon the expiration of sixty days after the date the administrative complaint was filed with the Office of Justice Assistance, Research and Statistics or any other administrative enforcement agency, unless within such period there has been a determination by the Office of Justice Assistance, Research and Statistics or the agency on the merits of the

complaint, in which case such remedies shall be deemed exhausted at the time the determination becomes final.

(c)(4)(B) In any civil action brought by a private person to enforce compliance with any provision of this subsection, the court may grant to a prevailing plaintiff reasonable attorney fees, unless the court determines that the lawsuit is frivolous, vexatious, brought for harassment purposes, or brought principally for the purpose of gaining attorney fees.

(c)(4)(C) In any action instituted under this section to enforce compliance with section 816(c)(1), the Attorney General, or a specially designated assistant for or in the name of the United States, may intervene upon timely application if he certifies that the action is of general public importance. In such action the United States shall be entitled to the same relief as if it had instituted the action.

SEC. 816. On or before March 31 of each year, the Director of the Office of Justice Assistance, Research and Statistics shall report to the President and to the Committee on the Judiciary of the Senate and the House of Representatives on activities pursuant to the provisions of this title during the preceding fiscal year. Such report shall include—

(1) a description of the progress made in accomplishing the objectives of this title;

(2) a description of the national priority programs and projects established by the Office pursuant to part E of this title;

(3) the amounts obligated under parts D, E, and F of this title for each of the components of the criminal justice system;

(4) the nature and number of jurisdictions which expended funds under part D of this title on national priority programs or projects established pursuant to part E of this title, and the percentage of part D funds expended by such jurisdictions on such programs or projects;

(5) a summary of the major innovative policies and programs for reducing and preventing crime recommended by the Administration during the preceding fiscal year in the course of providing technical and financial aid and assistance to State and local governments pursuant to this title;

(6) a description of the procedures used to audit, monitor and evaluate programs or projects to insure that all recipients have complied with the Act and that the information contained in the applications was correct;

(7) the number of Part D applications or amendments approved by the Administration without recommending substantial changes;

(8) the number of Part D applications or amendments in which the Administration recommended substantial changes, and the disposition of such programs or projects;

(9) the number of programs or projects under Part D applications or amendments with respect to which a discontinuation, suspension, or termination of payments occurred together with the reasons for such discontinuation, suspension or termination; and

(10) the number of programs or projects under Part D applications or amendments which were subsequently discontinued by the jurisdiction following the termination of funding under this title.

SEC. 817. (a) Each recipient of funds under this Act shall keep such records as the Office of Justice Assistance, Research and Statistics shall prescribe, including records which fully disclose the amount and disposition by such recipient of the funds, the total cost of the project or undertaking for which such funds are used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(b) The Office of Justice Assistance, Research and Statistics or any of its duly authorized representatives, shall have access for purpose of audit and examination of any books, documents, papers, and records of the recipients of funds under this title which in the opinion of the Office of Justice Assistance, Research and Statistics may be related or pertinent to the grants, contracts, subcontracts, subgrants or other arrangements referred to under this title.

(c) The Comptroller General of the United States or any of his duly authorized representatives, shall, until the expiration of three years after the completion of the program or project with which the assistance is used, have access for the purpose of audit and examination to any books, documents, papers and records of recipients of Federal funds under this title which in the opinion of the Comptroller General may be related or pertinent to the grants, contracts, subcontracts, subgrants, or other arrangements referred to under this title.

(d) Within one hundred and twenty days after the enactment of this subsection, the Office of Justice Assistance, Research and Statistics shall review existing civil rights regulations and conform them to this title. Such regulations shall include—

(1) reasonable and specific time limits for the Office of Justice Assistance, Research and Statistics to respond to the filing of a complaint by any person alleging that a State government or unit of general local government is in violation of the provisions of Section 816(c) of this title; including reasonable time limits for instituting an investigation, making an appropriate determination with respect to the allegations, and advising the complainant of the status of the complaint; and

(2) reasonable and specific time limits for the Office of Justice Assistance, Research and Statistics to conduct independent audits and reviews of State governments and units of general local government receiving funds pursuant to this title for compliance with the provisions of Section 816(c) of this title.

(e) The provision of this section shall apply to all recipients of assistance under this Act, whether by direct grant, cooperative agreement, or contract under this Act or by subgrant or subcontract from primary grantees or contractors under this Act.

SEC. 818. Section 204(a) of the Democratic Cities and Metropolitan Development Act of 1966 is amended by inserting "law enforcement facilities," immediately after "transportation facilities,".

SEC. 819. (a) Except as provided by Federal law other than this title, no officer or employee of the Federal Government, nor any recipient of assistance under the provisions of this title shall use or reveal any research or statistical information furnished under this title by any person and identifiable to any specific private person for any purpose other than the purpose for which it was obtained in accordance with this title. Such information and copies thereof shall be immune from legal process, and shall not, without the consent of the person furnishing such information, be admitted as evidence or used for any purpose in any action, suit, or other judicial, legislative or administrative proceedings.

(b) All criminal history information collected, stored, or disseminated through support under this title shall contain, to the maximum extent feasible, disposition as well as arrest data where arrest data is included therein. The collection, storage, and dissemination of such information shall take place under procedures reasonably designed to insure that all such information is kept current therein; the Office of Justice Assistance, Research and Statistics shall assure that the security and privacy of all information is adequately provided for and that information shall only be used for law enforcement and criminal justice and other lawful purposes. In addition, an individual who believes that criminal history information concerning him contained in an automated system is inaccurate, incomplete, or maintained in violation of this title, shall, upon satisfactory verification of his identity, be entitled to review such information and to obtain a copy of it for the purpose of challenge or correction.

(c) Any person violating the provisions of this section, or of any rule, regulation, or order issued thereunder, shall be fined not to exceed $10,000 in addition to any other penalty imposed by law.

SEC. 820. The Office of Justice Assistance, Research and Statistics, the National Institute of Justice, the Bureau of Justice Statistics, and the Law Enforcement Assistance Administration are authorized to accept and employ, in carrying out the provisions of this Act, voluntary and uncompensated services notwithstanding the provisions of Section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)). Such individuals shall not be considered Federal employees except for purposes of Chapter 81 of title 5 with respect to job-incurred disability and title 28 with respect to tort claims.

SEC. 821. The Office of Justice Assistance, Research and Statistics is authorized to select, employ, and fix the compensation of such officers and employees, including attorneys, as are necessary to perform the functions vested in it and to prescribe their functions.

SEC. 822. (a) All programs concerned with juvenile delinquency and administered by the Administration shall be administered or subject to the policy direction of the office established by Section 201(a) of the Juvenile Justice and Delinquency Prevention Act of 1974.

(b) The Director of the National Institute of Justice and the Director of the Bureau of Justice Statistics shall work closely with the Administrator of the Office of Juvenile Justice and Delinquency Prevention in developing and implementing programs in the juvenile justice and delinquency prevention field.

SEC. 823. No funds under this title shall be used for land acquisition.

SEC. 824. Notwithstanding any other provision of this title, no use will be made of services, facilities, or personnel of the Central Intelligence Agency.

SEC. 825. Where a State does not have an adequate forum to enforce grant provisions imposing liability on Indian tribes, the Administration is authorized to waive State liability and may pursue such legal remedies as are necessary.

PART I—DEFINITIONS

SEC. 901. (a) As used in this title—

(1) "Criminal justice" means activities pertaining to crime prevention, control or reduction or the enforcement of the criminal law, including, but not limited to, police efforts to prevent, control, or reduce crime or to apprehend criminals, including juveniles, activities of courts having criminal jurisdiction, and related agencies (including but not limited to prosecutorial and defender services, juvenile delinquency agencies and pretrial service or release agencies), activities of corrections, probation or parole authorities and related agencies assisting in the rehabilitation, supervision, and care of criminal offenders, and programs relating to the prevention, control, or reduction of narcotic addiction and juvenile delinquency;

(2) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands.

(3) "Unit of local government" means any city, county, township, town, borough, parish, village or other general purpose political subdivision of a State, and Indian tribe which performs law enforcement functions as determined by the Secretary of the Interior, or, for the purpose of assistance eligibility, any agency of the District of Columbia government or the United States Govern-

ment performing law enforcement functions in and for the District of Columbia, and funds appropriated by the Congress for the activities of such agencies may be used to provide the non-Federal share of the cost of programs or projects funded under this title.

(4) "Construction" means the erection, acquisition, or expansion (but not including renovation, repairs or remodeling) of new or existing buildings or other physical facilities, and the acquisition or installation of initial equipment therefor.

(5) "Combination" as applied to States or units of local government means any grouping or joining together of such States or units for the purpose of preparing, developing, or implementing a law enforcement program or project.

(6) "Public agency" means any State, unit of local government, combination of such States or units, or any department, agency, or instrumentality of any of the foregoing.

(7) "Correctional institution or facility" means any place for the confinement or rehabilitation of offenders or individuals charged with or convicted of criminal offenses.

(8) "Comprehensive" means that the application must be based on a total and integrated analysis of the criminal justice problems, and that goals, priorities, and standards for methods, organization, and operation performance must be established in the application.

(9) "Criminal history information" includes records and related data, contained in an automated or manual criminal justice informational system, compiled by law enforcement agencies for the purpose of identifying criminal offenders and alleged offenders for maintaining as to such persons records of arrests, the nature and disposition of criminal charges, sentencing, confinement, rehabilitation and release.

(10) "Evaluation" means the administration and conduct of studies and analyses to determine the impact and value of a project or program in accomplishing the statutory objectives of this title.

(11) "Neighborhood or community-based organizations" means organizations which are representative of communities or significant segments of the communities.

(12) "Chief Executive" means the highest official of a State or local jurisdiction.

(13) "Municipality" means—

(i) any unit of local government which is classified as a municipality by the United States Bureau of the Census; or

(ii) any other unit of local government which is a town or township and which, in the determination of the Administration—

(a) possesses powers and performs functions comparable to those associated with municipalities;

(b) is closely settled; and

(c) contains within its boundaries no incorporated places as defined by the United States Bureau of the Census.

(14) "Population" means total resident population based on data compiled by the United States Bureau of the Census and referable to the same point or period in time.

(15) "Attorney General" means the Attorney General of the United States or his designee.

(16) The term "court of last resort" means that State court having the highest and final appellate authority of the State. In States having two or more such courts, court of last resort shall mean that State court, if any, having highest and final appellate authority, as well as both administrative responsibility for the State's judicial system and the institutions of the State judicial branch and rulemaking authority. In other States having two or more courts with highest and final appellate authority, court of last resort shall mean the highest appellate court which also has either rulemaking authority or administrative responsibility for the State's judicial system and the institutions of the State judicial branch. Except as used in the definition of the term "court of last resort" the term "court" means a tribunal recognized as a part of the judicial branch of a State or of its local government units.

(17) "Institution of higher education" means any such institution as defined by section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)), subject, however, to such modifications and extensions as the Administration may determine to be appropriate.

(b) Where appropriate, the definitions in subsection (a) shall be based, with respect to any fiscal year, on the most recent data compiled by the United States Bureau of the Census and the latest published reports of the Office of Management and Budget available ninety days prior to the beginning of such fiscal year. The Administration may by regulation change or otherwise modify the meaning of the terms defined in subsection (a) in order to reflect any technical change or modification thereof made subsequent to such date by the United States Bureau of the Census or the Office of Management and Budget.

(c) One or more public agencies, including existing local public agencies, may be designated by the chief executive officer of a State or a unit of general local government to undertake a program or project in whole or in part.

PART J—FUNDING

SEC. 1001. There are authorized to be appropriated for the purposes of carrying out the functions of the Bureau of Justice Statistics and the National Institute of Justice $50,000,000 for the fiscal year ending September 30, 1980; $50,000,000 for the fiscal year ending September 30, 1981; $50,000,000 for the fiscal year ending September 30, 1982; and $50,000,000 for the fiscal year ending September 30, 1983. There is authorized to be appropriated for Parts, D, E, F, G, H, J, and L, and for the purposes of carrying out the remaining functions of the Law Enforcement Assistance Administration and the Office of Justice Assistance, Research and Statistics $750,000,000 for the fiscal year ending September 30, 1980; $750,000,000 for the fiscal year ending September 30, 1981; $750,000,000 for the fiscal year ending September 30, 1982; and $750,000,000 for the fiscal year ending September 30, 1983. Funds appropriated for any fiscal year may remain available for obligation until expended.

SEC. 1002. In addition to the funds appropriated under Section 261(a) of the Juvenile Justice and Delinquency Prevention Act of 1974, there should be maintained from appropriations for each fiscal year, at least 19.15 percent of the total appropriations under this title, for juvenile delinquency programs.

SEC. 1003. (a) The Law Enforcement Assistance Administration shall allocate $250,000 to each of the States as defined in Section 402(a)(1) for the purpose of establishing or designating and operating a Criminal Justice Council pursuant to this title and an additional amount of at least $50,000 shall be made available by the Law Enforcement Assistance Administration for allocation by the State to the Judicial Coordinating Committee. Of these sums, $200,000, including at least $50,000 for Judicial Coordinating Committees, shall be available without a requirement for match. The remaining $100,000 shall be matched by the State in an amount equal to any such amount expended or obligated.

(b) The Law Enforcement Assistance Administration shall allocate additional funds to a State for use by the State and its units of local government in an amount that is not more than 7½ percent of the total Part D allotment of such State. Any of the additional funds which are expended or obligated by the State shall be matched in an amount equal to any such expended or obligated amount. An amount equal to at least 7½ percent of the Part D allocation of an eligible jurisdiction as defined in Section 402(a)(2), (3), or (4) must be made available by the State to each such jurisdiction from these additional funds. The eligible jurisdiction shall match the amounts passed through in an amount equal to any such amount expended or obligated by the eligible jurisdiction for all Federal funds in excess of $25,000. The match requirements of this section shall apply to each State in the aggregate.

(c) Any funds allocated to States or units of local government and unexpended by such States or units of local government for the purposes set forth above shall be available to such States or units of local government for expenditure in accord with part D. The funds allocated to the States and other eligible jurisdictions under this section shall be in addition to the funds allocated to the States and other eligible jurisdictions under parts D, E, and F of this title.

(d) When an eligible jurisdiction is part of a combination of units of local government, as defined in section 402(a)(4), funds required to be made available to the eligible jurisdictions under this section shall be made available to the combination.

(e) The State may allocate at its discretion to units of local government or combinations of such units which are not eligible jurisdictions as defined in section 402(a)(2), (3), and (4) funds provided under this section.

SEC. 1004. There are authorized to be appropriated for the purposes of carrying out the functions of the Office of Community Anti-Crime Programs $25,000,000 for the fiscal year ending September 30, 1980; $25,000,000 for the fiscal year ending September 30, 1981; $25,000,000 for the fiscal year ending September 30, 1982; and $25,000,000 for the fiscal year ending September 30, 1983.

PART K—CRIMINAL PENALTIES

SEC. 1101. Whoever embezzles, willfully misapplies, steals, or obtains by fraud or endeavors to embezzle, willfully misapply, steal or obtain by fraud any funds, assets, or property which are the subject of a grant or contract or other form of assistance pursuant to this title, whether received directly or indirectly from the Law Enforcement Assistance Administration, the National Institute of Justice, the Bureau of Justice Statistics, or the Office of Justice Assistance, Research and Statistics, or whoever receives, conceals, or retains such funds, assets, or property with intent to convert such funds, assets, or property to his use or gain, knowing such funds, assets, or property has been embezzled, willfully misapplied, stolen, or obtained by fraud, shall be fined not more than $10,000 or imprisoned for not more than five years, or both.

SEC. 1102. Whoever knowingly and willfully falsifies, conceals, or covers up by trick, scheme, or device, any material fact in any application for assistance submitted pursuant to this title or in any records required to be maintained pursuant to this title shall be subject to prosecution under the provisions of section 1001 of title 18, United States Code.

SEC. 1103. Any law enforcement or criminal justice program or project underwritten, in whole or in part, by any grant, or contract or other form of assistance pursuant to this title, whether received directly or indirectly from the Law Enforcement Assistance Administration, the National Institute of Justice, or the Bureau of Justice Statistics shall be subject to the provisions of section 371 of title 18, United States Code.

PART L—PUBLIC SAFETY OFFICERS' DEATH BENEFITS

PAYMENTS

SEC. 1201. (a) In any case in which the Administration determines, under regulations issued pursuant to this part, that a

public safety officer has died as the direct and proximate result of a personal injury sustained in the line of duty, the Administration shall pay a benefit of $50,000 as follows:

(1) if there is no surviving child of such officer, to the surviving spouse of such officer;

(2) if there is a surviving child or children and a surviving spouse, one-half to the surviving child or children of such officer in equal shares and one-half to the surviving spouse;

(3) if there is no surviving spouse, to the child or children of such officer in equal shares; or

(4) if none of the above, to the dependent parent or parents of such officer in equal shares.

(b) Whenever the Administration determines, upon a showing of need and prior to taking final action, that the death of a public safety officer is one with respect to which a benefit will probably be paid, the Administration may make an interim benefit payment not exceeding $3,000 to the person entitled to receive a benefit under subsection (a) of this section.

(c) The amount of an interim payment under subsection (b) of this section shall be deducted from the amount of any final benefit paid to such person.

(d) Where there is no final benefit paid, the recipient of any interim payment under subsection (b) of this section shall be liable for repayment of such amount. The Administration may waive all or part of such repayment, considering for this purpose the hardship which would result from such repayment.

(e) The benefit payable under this part shall be in addition to any other benefit that may be due from any other source, but shall be reduced by—

(1) payments authorized by section 8191 of title 5, United States Code; or

(2) payments authorized by section 12(k) of the Act of September 1, 1916, as amended (D.C. Code, Sec. 4–531(1)).

(f) No benefit paid under this part shall be subject to execution or attachment.

LIMITATIONS

SEC. 1202. No benefit shall be paid under this part—

(1) if the death was caused by the intentional misconduct of the public safety officer or by such officer's intention to bring about his death;

(2) if voluntary intoxication of the public safety officer was the proximate cause of such officer's death; or

(3) to any person who would otherwise be entitled to a benefit under this part if such person's actions were a substantial contributing factor to the death of the public safety officer.

DEFINITIONS

SEC. 1203. As used in this part—

(1) "child" means any natural, illegitimate, adopted, or post-humous child or stepchild of a deceased public safety officer who, at the time of the public safety officer's death, is—

(i) eighteen years of age or under;

(ii) over eighteen years of age and a student as defined in section 8101 of title 5, United States Code; or

(iii) over eighteen years of age and incapable of self-support because of physical or mental disability;

(2) "dependent" means a person who was substantially reliant for support upon the income of the deceased public safety officer;

(3) "fireman" includes a person serving as an officially recognized or designated member of a legally organized volunteer fire department;

(4) "intoxication" means a disturbance of mental or physical faculties resulting from the introduction of alcohol, drugs, or other substances into the body;

(5) "law enforcement officer" means a person involved in crime and juvenile deliquency control or reduction, or enforcement of the criminal laws. This includes, but is not limited to, police, corrections, probation, parole, and judicial officers;

(6) "public agency" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States, or any unit of local government, combination of such States, or units, or any department, agency, or instrumentality of any of the foregoing; and

(7) "public safety officer" means a person serving a public agency in an official capacity, with or without compensation, as a law enforcement officer or as a fireman.

ADMINISTRATIVE PROVISIONS

SEC. 1204. (a) The Administration is authorized to establish such rules, regulations, and procedures as may be necessary to carry out the purposes of this part. Such rules, regulations, and procedures will be determinative of conflict of laws issues arising under this part. Rules, regulations, and procedures issued under this part may include regulations governing the recognition of agents or other persons representing claimants under this part before the Administration. The Administration may prescribe the maximum fees which may be charged for services performed in connection with any claim under this part before the Administration, and any agreement in violation of such rules and regulations shall be void.

(b) In making determinations under Section 1201, the Administration may utilize such administrative and investigative assistance as may be available from State and local agencies. Responsibility for making final determinations shall rest with the Administration.

PART M—TRANSITION—EFFECTIVE DATE—REPEALER

SEC. 1301. (a) All orders, determinations, rules, regulations, and instructions of the Law Enforcement Assistance Administration and the National Institute of Corrections which are in effect at the time this Act takes effect shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked by the President, the Attorney General, the Director of the Office of Justice Assistance, Research and Statistics, or the Director of the Bureau of Justice and the Administrator of the Law Enforcement Assistance Administration with respect to their functions under this Act or by operation of law.

(b) The Director of the National Institute of Justice may award new grants, enter into new contracts or cooperative agreements or otherwise obligate previously appropriated unused or reversionary funds for the continuation of research and development projects in accordance with the provisions of title I of the Omnibus Crime Control and Safe Streets Act, as in effect prior to the date of enactment of this Act, based upon applications received under that Act prior to the effective date of this Act or for purposes consistent with provisions of this Act.

(c) The Director of the National Institute of Justice may award new grants, enter into new contracts or cooperative agreements or otherwise obligate previously appropriated unused or reversionary funds for the continuation of research and development projects in accordance with the provisions of 18 U.S.C. 4351 to 4353 as in effect prior to the date of enactment of this Act based upon applications received under that Act prior to the effective date of this Act or for purposes consistent with provisions of this Act.

(d) The Director of the Bureau of Justice Statistics may award new grants, enter into new contracts or cooperative agreements or otherwise obligate previously appropriated unused or reversionary funds for the continuation of statistical projects in accordance with the provisions of the Omnibus Crime Control and Safe Streets Act, as amended, prior to the date of enactment of this Act and the provisions of 18 U.S.C. sections 4351 to 4353, based upon applications received under these Acts prior to the effective date of this Act or for purposes consistent with provisions of this Act.

(e) The Administrator of the Law Enforcement Assistance Administration may award new grants, enter into new contracts or cooperative agreements, approve comprehensive plans for the fiscal year beginning October 1, 1979, and otherwise obligate previously appropriated unused or reversionary funds or funds appropriated for the fiscal year beginning October 1, 1979, for the continuation of projects in accordance with the provisions of 18 U.S.C. sections 4351 to 4353 and of title I of the Omnibus Crime Control and Safe Streets Act of 1968, as written in law prior to the date of enactment of this Act or for purposes consistent with provisions of this Act.

(f) The provisions of this statute shall not affect any suit, action, or other proceeding commenced by or against the Government prior to the effective date of the Act.

(g) Nothing in this Act would prevent the utilization of funds appropriated under this Act for all activities necessary or appropriate for the review, audit, investigation, and judicial or administrative resolution of audit matters for those grants or contracts that were awarded under the Omnibus Crime Control and Safe Streets Act of 1968, as amended, or under 18 U.S.C. sections 4351 to 4353. The final disposition and dissemination of program and project accomplishments with respect to programs and projects approved in accordance with the Omnibus Crime Control and Safe Streets Act as written in law prior to the date of enactment of this Act and 18 U.S.C. sections 4351 to 4353 and which continue in operation beyond the effective date of this Act may be carried out with funds appropriated under this Act.

(h) Except as otherwise provided in this Act, the personnel employed on the date of enactment of this Act by the Law Enforcement Assistance Administration and the National Institute for Corrections are transferred to the Office of Justice Assistance, Research and Statistics, the Law Enforcement Assistance Administration, the National Institute of Justice, or the Bureau of Justice Statistics as appropriate considering the function to be performed by these organizational units and the functions previously performed by the employee. The transfer pursuant to this title of full-time personnel (except special government employees) and part-time personnel holding permanent positions shall not cause any such employee to be separated or reduced in grade or compensation as a result of such transfer.

(i) Any funds made available under parts B, C, and E of title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, prior to the effective date of this Act which are not obligated by a State or unit of local government, may be used to provide up to 100 per centum of the cost of any program or project.

(j) Notwithstanding any provision of this title all provisions of title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, which were in effect prior to the effective date of this Act and which are necessary to carry out the provisions of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, remain in effect for the sole purposes of carrying out the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, and the State Criminal Justice Council established under this Act shall serve as the State planning agency for the purposes of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended.

(k) The functions, powers, and duties specified in this title to be carried out by State Criminal Justice Councils or by local offices may be carried out by agencies previously established or designated as State, regional, or local planning agencies, pursuant to the Omnibus Crime Control and Safe Streets Act of 1968, as amended, provided that they meet the representation requirement of section 402 of this Act within two years of the effective date of this Act.

(l) Title 18 of the United States Code is hereby amended by deleting section 4351, 4352, and 4353.

SECTION-BY-SECTION ANALYSIS

Section 2—Title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, is amended in its entirety as follows:

The Declaration and Purpose Clause sets out justice system improvement as the overall purpose of the new title. The clause provides that the policy of Congress is (1) to provide financial and technical assistance with maximum certainty and minimum delay; (2) to support community anti-crime efforts; (3) to encourage development of basic and applied research in the civil, criminal, and juvenile justice systems; and (4) encourage the collection and analysis of statistical information concerning crime and the operation of justice systems.

PART A—LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

Section 101—Section 101 of Part A retains within the Department of Justice, under the direct authority of the Attorney General, a Law Enforcement Assistance Administration. The office is under the direction of an Administrator who reports to the Director of the Office of Justice Assistance, Research and Statistics established in Part H.

Section 102—Section 102 sets out the duties and functions of the Administrator.

Section 103—Section 103 retains within the Law Enforcement Assistance Administration the Office of Community Anti-Crime Programs. This office is authorized to encourage community and citizen participation in crime prevention, to coordinate its activities with ACTION and other Federal programs designed to increase citizen participation, and to provide grants and technical assistance for such purposes.

PART B—NATIONAL INSTITUTE OF JUSTICE

Sections 201 and 202—These sections establish within the Department of Justice, under the direct authority of the Attorney General, a National Institute of Justice. The Institute is to be headed by a Director who will report to the Director of the Office of Justice Assistance, Research and Statistics.

Section 202(c)—Section 202(c) sets out the authority of the Institute. This authority includes: (1) making grants and entering into cooperative agreements and contracts to conduct research, demonstrations, or special projects; (2) conducting or authorizing multi-year and short term research in civil, criminal, and juvenile justice systems; (3) conducting evaluations; (4) providing research fellowships and internships; (5) serving as a national and international clearinghouse; (6) serving in a consulting capacity to Federal, State, and local justice systems.

Section 202(d)—Section 202(d) sets out the functions and authority of the Director of the Institute.

Section 203—Section 203 provides that grants under Part B may be up to 100 per centum of the total cost of each project.

Section 204—Section 204 establishes a 21 member National Institute of Justice Advisory Board consisting of researchers, criminal justice practitioners, State and local elected officials, and members of the general public. The Board develops research policy for the National Institute of Justice.

PART C—BUREAU OF JUSTICE STATISTICS

Sections 301 and 302—Sections 301 and 302 establish within the Department of Justice, under the direct authority of the Attorney General, a Bureau of Justice Statistics. The Bureau is to be headed by a Director who will report to the Director of the Office of Justice Assistance, Research and Statistics.

Section 302(c)—Section 302(c) sets out the authority of the Bureau. This authority includes: (1) making grants and entering into cooperative agreements and contracts for the purpose of gathering justice statistics; (2) collecting and analyzing data concerning the criminal, juvenile, and civil justice systems at the Federal, State, and local levels; (3) publishing uniform national statistics; (4) establishing national standards; (5) providing financial and technical assistance to State and units of local governments relating to collection, analysis, or dissemination of justice statistics; (6) cooperating with national and international organizations in the development of uniform justice statistics.

Section 303—Section 303 provides that grants under Part C may be up to 100 per centum of the total cost of each project.

Section 304—Section 304 establishes a 21 member Bureau of Justice Statistics Advisory Board consisting of researchers, statisticians, criminal justice practitioners, State and local officials, and members of the general public. The Board recommends to the Director policies and priorities for the Bureau.

PART D—FORMULA GRANTS

Section 401—Section 401 sets out the purposes and funding authority of the formula grant program to be administered by the Law Enforcement Assistance Administration.

Section 402(a)—Section 402(a) authorizes the Administration to make financial assistance available under Part D to State and local units of government.

Section 402(b)—Section 402(b) requires that each State establish or designate a Criminal Justice Council to (1) analyze criminal justice problems and establish priorities; (2) prepare a comprehensive application for funding; (3) receive and approve applications from State agencies and eligible jurisdictions; (4) receive, coordinate, monitor, evaluate, and audit applications received from State agencies, courts, and units of local government; (5) provide technical assistance. The Council must be under the jurisdiction of the chief executive and must have specified membership representation, including representatives of units of local government. The subsection also sets out the process of incorporating an eligible jurisdiction's application into the comprehensive State application and a system for dispute resolution. The process provides cities of over 100,000 population and counties or regions over 250,000 population with authority to identify the programs and projects they will implement with funds received from the State. An eligible jurisdiction is authorized to submit a single application to be included in the comprehensive State application. The subsection sets out the criteria to be used by the Council in reviewing the application which must contain sufficient information upon which the State can make a determination that the criteria are met. A mechanism for binding arbitration is provided if there is disagreement between the Criminal Justice Council and the eligible jurisdiction regarding the application. Where applications received from State agencies and jurisdictions with populations less than 100,000 for cities and 250,000 for counties are denied by the Council, appeal of the Council's action will follow procedures to be established by the Council.

Section 402(c)—Section 402(c) requires that the chief executives of cities of over 100,000 population and counties or regions over 250,000 population create or designate an office to prepare and develop the jurisdiction's application. A local Criminal Justice Advisory Board is to be established to advise the Council, act on applications or amendments by the eligible jurisdiction and assure an adequate allocation of funds for court programs where appropriate. The Board must be broadly representative of the criminal and juvenile justice system, including citizens and community organizations.

Section 402(d)—Section 402(d) provides that the court of last resort of each State may establish or designate a Judicial Coordinating Committee to develop a three-year application reflecting the needs of the courts of the State.

Section 402(e)—Section 402(e) requires that the Council provide procedures to expedite actions taken on applications submitted by local governments and judicial coordinating committees. This subsection also requires open meetings by the council, local offices, and judicial coordinating council, and public access to records relating to this title.

Section 402(f)—Section 402(f) requires that all eligible jurisdictions assure the citizen and community participation in the application process.

Section 403—Section 403 sets out the specific elements which must be included in an application submitted under Part D.

Section 404(a)—Section 404(a) describes how applications are to be reviewed by the Administration prior to approval.

Section 404(b)—Section 404(b) describes when the Administration must suspend funding for an approved application.

Section 404(c)—Section 404(c) limits the expenditure of funds for equipment or hardware and prohibits the expenditure of funds for general salary increases, construction, or programs found, after evaluation and notice and opportunity for public comment, to be ineffective and thus to be ineligible for funding with LEAA funds. Under the hardware and equipment limitation, a police department or a city could not substitute LEAA funds for the purchase of hardware or equipment which they have routinely paid for from other fund sources under the rubric that the hardware or equipment is being used for an improvement program.

Section 404(d)—Section 404(d) provides that applicants be afforded hearing and appeal rights prior to final disapproval of any Part D application submitted to the Administration.

Section 405(a)—Section 405(a) provides for allocation and distribution of formula funds to the States and local jurisdictions. Seventy percent of the funds appropriated for Parts D, E, and F programs will be used for formula distribution. The funds are first allocated among the States and then allocated within the State. In allocating funds among the States, each State will receive the greater of: (1) its population share; (2) a share not to exceed 110 percent of the population share determined on the basis of a formula that considers population, criminal justice expenditures, number of index crimes, and population weighted by the share of State personal income paid in State and local taxes; or (3) a "hold harmless" amount equal to the block awards to the State in FY 79. In allocating funds within the State, seventy percent of the funds are distributed according to the State and eligible local jurisdictions' respective share of total criminal justice expenditures from all sources, excluding duplicative expenditures. The remaining 30 percent is split among the State and local jurisdictions according to a formula which utilizes police, court, correctional, and total criminal justice expenditures.

Section 405(b)—Section 405(b) provides that the Council shall submit for State legislature review, upon request, the general goals, priorities, and policies developed by the Council.

Section 405(c)—Section 405(c) prohibits the award of funds allocated to eligible jurisdictions for anything but a program or project contained in an approved application.

Section 405(d)—Section 405(d) provides that where any funds allocated to an eligible jurisdiction are not required by an eligible jurisdiction, or where a jurisdiction is unable to qualify for the funds, the funds shall be available for reallocation by the Administration.

Section 405(e)—Section 405(e) provides that a State may award grants from the State allocation to private nonprofit organizations and that eligible units of local government may utilize the services of private nonprofit organizations.

Section 405(f)—Section 405(f) sets out a single formula allocation to Guam, Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, and Commonwealth of the Northern Mariana Islands to be used for administrative and programmatic purposes.

Section 405(g)—Section 405(g) requires a State to submit a plan to receive formula grants under the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, to be in accord with this title and Section 223 of that Act.

Section 405(h)—Section 405(h) provides that where regional planning units are used, that boundaries of existing general purpose regional planning be used to the maximum extent feasible.

PART E—NATIONAL PRIORITY GRANTS

Section 501—Section 501 provides that the purpose of this part is to encourage State and local governments to carry out programs of proven effectiveness.

Section 502—Section 502 provides that 20 percent of the total funds appropriated for Parts D, E, and F shall be used to make National Priority Grants.

Section 503—Section 503 directs the Office of Justice Assistance, Research and Statistics to designate National Priority programs and projects and describes the procedures for making such designation, including consultation with the National Institute of Justice, Bureau of Justice Statistics, the Law Enforcement Assistance Administration, State and local governments, and other public and private groups. The Office of Justice Assistance, Research and Statistics must annually publish for public comment the proposed National Priority programs, consider the comments received, and establish priority programs and projects for each fiscal year beginning with FY 1981.

Section 504—Section 504 sets out the required elements which must be contained in an application for funding under the part.

Section 505(a)—Section 505(a) describes the criteria to be used by the Administration to award National Priority Grants. These criteria require the Administrator to consider the amount of funds that are available to a jurisdiction from Part D and other sources.

Section 505(b)—Section 505(b) provides that the Administration will make a grant for up to 50 percent of the cost of the program, the remaining amount to be provided by the eligible jurisdiction. The remaining amount can be from any other source including Part D funds.

Section 505(c)—Section 505(c) provides that the Administration may use unobligated fiscal year Part E funds to provide financial assistance above the 50 percent Federal cost established under subsection (b).

Section 505(d)—Section 505(d) provides that National Priority Grants will be awarded for up to a three-year period and may be extended for an additional two years if found effective in achieving stated goals.

PART F—DISCRETIONARY GRANTS

Section 601—Section 601 sets out the purposes for providing financial assistance under this part.

Section 602—Section 602 provides that 10 percent of the total funds appropriated for Parts D, E, and F each year are to be set aside to make grants under this part to States, units of local government, or private nonprofit organizations. Such grants to private nonprofit organizations must be for programs which would not otherwise be undertaken pursuant to this title.

Section 603(a)—Section 603(a) directs the Office of Justice Assistance, Research and Statistics to establish discretionary programs and projects.

Section 603(b)—Section 603(b) describes the procedures to be utilized in designating discretionary program priorities. These procedures include consultation and publication in the Federal Register.

Section 604—Section 604 provides for minimal elements of an application.

Section 605—Section 605 provides that the Administration consider whether certain elements of the criminal justice system have received a disproportionate allocation of financial aid under other parts of the Act and, if an inadequate share has been received, use the discretionary funds to correct the inequities. Funds under this part may be up to 100 percent of the cost of the program

Section 606—Section 606 limits funding to a three-year period except that a program or project may be extended for an additional two years if the evaluation shows that it has been effective in achieving goals and the grantee provides one half the total cost.

PART G—TRAINING AND MANPOWER DEVELOPMENT

Section 701—Section 701 sets out the purpose of this part to be the encouragement of training, manpower development, and new personnel practices.

Section 702—Section 702 continues the authority provided under the prior section 407 of the Omnibus Crime Control and Safe Streets Act of 1968, as amended. Training to strengthen prosecutive capabilities against white collar crime as well as organized crime is now included.

Section 703—Section 703 authorizes the LEAA to (1) assist in conducting training programs for State and local criminal justice personnel and programs related to recruitment, selection and career development, and (2) to plan, develop, demonstrate, and evaluate such programs.

Section 704—Section 704 continues the authority under the prior section 404 of the Omnibus Crime Control and Safe Streets Act of 1968, as amended. This provision authorizes the FBI to conduct training programs at Quantico, Virginia.

Section 705—Section 705 continues the authority under the prior section 406 of the Omnibus Crime Control and Safe Streets Act of 1968, as amended. This provision authorizes student grants and loans under the Law Enforcement Education Program (LEEP). The section also provides that the authority shall be transferred to the Secretary of the Department of Education, upon establishment of such Department.

PART H—ADMINISTRATIVE PROVISIONS

Section 801(a)—Section 801(a) establishes within the Department of Justice an Office of Justice Assistance, Research and Statistics.

Section 801(b)—Section 801(b) provides that the office will provide staff support, set broad policy, and coordinate the activities of the National Institute of Justice, the Bureau of Justice Statistics, and the Law Enforcement Assistance Administration.

Section 801(c)—Section 801(c) establishes a 21 member Justice Assistance, Research and Statistics Advisory Board consisting of a broadly based group experienced in the civil, criminal, or juvenile justice systems, members of the academic and research community, officials of State and local government, community organizations, and the general public.

Section 802(a)—Section 802(a) provides rulemaking authority for the Office of Justice Assistance, Research and Statistics, the Law Enforcement Assistance Administration, the Bureau of Justice Statistics, and the National Institute of Justice.

Section 802(b)—Section 802(b) sets forth the elements to be considered by the Law Enforcement Assistance Administration in evaluating programs or projects conducted under Parts D, E, and F. This provision also requires applicants under Part D to submit an annual performance report which LEAA must evaluate.

Section 802(c)—Section 802(c) requires that all procedures used to implement this title minimize red tape, unnecessary delays, and needless duplication.

Sections 803, 804, and 805—Sections 803, 804, and 805 continue the authority of the prior sections 509, 510, and 511 of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, relating to hearings and appeals. The Bureau of Justice Statistics and the National Institute of Justice, as well as the Law Enforcement Assistance Administration, are now authorized to hold hearings as to their respective funding determinations.

Section 806—Section 806 provides authority for the Office of Justice Assistance, Research and Statistics, the National Institute of Justice, the Bureau of Justice Statistics, and the Law Enforcement Assistance Administration to delegate functions to their respective employees.

Section 807—Section 807 provides the Law Enforcement Assistance Administration, Bureau of Justice Statistics, National Institute of Justice, or Office of Justice Assistance, Research and Statistics the power to hold hearings, sign and issue subpoenas, administer oaths, examine witnesses and receive evidence any place in the United States.

Section 808—Section 808 amends section 5314 of Title 5, United States Code, to provide for the schedule of compensation of the Director, Office of Justice Assistance, Research and Statistics at an executive level III position, and deletes the position of the Administrator, Law Enforcement Assistance Administration from the level III appointments.

Section 809—Section 809 amends section 5315 of Title 5, United States Code, to provide for the schedule of compensation of the Administrator, Law Enforcement Assistance Administration, and the Directors of the National Institute of Justice, and the Bureau of Justice Statistics at executive level IV positions. This section also deletes the positions of the former Deputy Administrators of LEAA from the executive schedule.

Section 810—Section 810 authorizes the Office of Justice Assistance, Research and Statistics, Law Enforcement Assistance Administration, National Institute of Justice, and Bureau of Justice Statistics, subject to the civil service and classification laws, to select, appoint, employ and fix compensation of officers, employees and hearing examiners or administrative law judges. This section also provides authority to request the use of administrative law judges pursuant to section 3344 of Title 5, United States Code.

Section 811—Section 811 authorizes the Office of Justice Assistance, Research and Statistics, Law Enforcement Assistance Administration, National Institute of Justice, and Bureau of Justice Statistics on a reimbursable basis, to use the available services, equipment, personnel, and facilities of Federal, State and local agencies, as appropriate.

Section 812—Section 812 provides for consultation with other Federal departments and State and local officials in carrying out the provisions of the title.

Section 813—Section 813 provides authority to reimburse heads of other Federal departments for the performance of any functions under this title. The action also authorizes the use of grants, contracts, or cooperative agreements in accordance with

standards established by 41 United States Code, section 501.

Section 814—Section 814 authorizes procurement of the services of experts and consultants in accordance with Title 5, United States Code, section 3109, authorizes the appointment of advisory committee members, and makes provision for compensation and travel allowances.

Section 815(a)—Section 815(a) continues the provision of prior section 518(a) of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, prohibiting Federal control over any law enforcement agency of any State or political subdivision of the State.

Section 815(b)—Section 815(b) continues the provision which has been in the LEAA Act since 1968 of prior section 518(b). This provision prohibits requiring an applicant or grantee under the title to adopt a percentage, ratio, quota system, or other program to achieve racial balance in any criminal justice agency but does not prevent the government from requiring grantees to adopt affirmative action programs.

Section 815(c)—Section 815(c) continues the provision of the prior section 518(c) of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, prohibiting discrimination on the ground of race, color, religion, national origin or sex in the programs funded under this title. This subsection also places the civil rights enforcement authority in the Office of Criminal Justice Assistance, Research and Statistics.

Section 816—Section 816 requires a report to the President and Committees of the Judiciary of the Senate and House of Representatives and sets out the data to be included in the report.

Section 817—Section 817 continues in effect the provisions of the prior recordkeeping provisions of section 521 of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, except that it places the audit authority in the Office of Justice Assistance, Research and Statistics.

Section 818—Section 818 continues in effect the provisions of the prior section 522 of the Omnibus Crime Control and Safe Streets Act, as amended, regarding section 204(a) of the Demonstration Cities and Metropolitan Development Act of 1966.

Section 819(a)—Section 819(a) continues in effect the provisions of the prior section 524(a) of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, as it concerns confidentiality of research and statistical information funded under this title. The provision has been broadened to include immunity from legal process of all such information whether in written form or not, and to provide that such information cannot be used in legislative proceedings as well as judicial or administrative proceedings.

Section 819(b) and (c)—Section 819(b) and (c) continue in effect the provisions of prior section 524(b) and (c) of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, concerning security and privacy of criminal history information and sanctions for violations.

Section 820—Section 820 authorizes the Office of Justice Assistance, Research and Statistics, National Institute of Justice, Bureau of Justice Statistics, and the Law Enforcement Assistance Administration to accept volunteer services. The section also provides that for the purposes of Chapter 81, of Title 5, with respect to job incurred disability, and Title 28, of the United States Code, with respect to tort claims, such individuals will be considered Federal employees.

Section 821—Section 821 authorizes the Office of Justice Assistance, Research and Statistics to select, employ and fix compensation of employees, including attorneys, as are necessary to perform its functions.

Section 822(a)—Section 822(a) continues in effect the provisions of the prior section 527 of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, concerning the administering of juvenile delinquency programs. All juvenile delinquency programs administered by LEAA must be administered by or subject to the policy direction of the Office of Juvenile Justice and Delinquency Prevention.

Section 822(b)—Section 822(b) directs the Directors of the National Institute of Justice and Bureau of Justice Statistics to work closely with the Administrator of the Office of Juvenile Justice and Delinquency Prevention in developing and implementing juvenile Justice programs.

Section 823—Section 823 prohibits use of funds for land acquisition.

Section 824—Section 824 continues the prior provisions of section 508 which prohibits the use of CIA services, facilities, or personnel.

Section 825—Section 825 authorizes waiver of State liability where a State does not have an adequate forum to enforce grant conditions in grants to an Indian Tribe.

PART I—DEFINITIONS

Section 901(a)—Section 901(a) defines, as used in this title, the following terms: "Criminal justice," "State," "Unit of local government," "Construction," "Combination," "Public agency," "Correctional institution or facility," "Comprehensive," "Criminal history information," "Evaluation," "Neighborhood or community-based organization," "Chief Executive," "Municipality," "Population," "Attorney General," "Court of last resort," "Institution of higher education."

Section 901(b)—Section 901(b) provides that the definitions be based on the most recent data compiled by the U.S. Department of Census and the latest available reports of the Office of Management and Budget.

Section 901(c)—Section 901(c) provides that one or more public agencies may be designated by the chief executive to undertake a program or project.

PART J—FUNDING

Section 1001—Section 1001 authorizes $50,000,000 to be appropriated for each fiscal year from fiscal year ending September 30, 1980, through fiscal year ending September 30, 1983, for the functions of the Bureau of Justice Statistics and National Institute of Justice. Also authorized to be appropriated is $750,000,000 for each fiscal year from fiscal year ending September 30, 1980, through September 30, 1983, for the purposes of Parts D, E, F, G, H, J, and L, and remaining functions of the Law Enforcement Assistance Administration and the Office of Justice Assistance, Research and Statistics.

Section 1002—Section 1002 provides that at least 19.15 percent of the total appropriations under this title be maintained for juvenile delinquency programs.

Section 1003—Section 1003 provides administrative funds to each State to establish a Criminal Justice Council and local criminal justice offices. An additional amount is made available for the Judicial Coordinating Committee activities. The State receives $300,000 plus an amount equal to 7½ percent of its total Part D allocation. From this amount, each eligible local jurisdiction must be allocated at least an amount equal to 7½ percent of its individual Part D allocation. The State receives $200,000 match free while each eligible local jurisdiction receives $25,000 match free. The remaining funds are 50–50 match. Any funds not used for administrative purposes may be used for action programs.

Section 1004—Section 1004 authorizes funds to be appropriated for the Office of Community Anti-Crime Programs.

PART K—CRIMINAL PENALTIES

Sections 1101, 1102, and 1103—Sections 1101, 1102, and 1103 continue in effect the prior sections 651, 652, and 653 of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, relating to criminal penalties. Penalties for misuse of funds received from the National Institute of Justice, Bureau of Justice Statistics, and Office of Justice Assistance, Research and Statistics have been added to these sections.

PART L—PUBLIC SAFETY OFFICERS' DEATH BENEFITS

Sections 1201, 1202, 1203, 1204—Sections 1201, 1202, 1203, and 1204 continue in effect without change the provisions of prior sections 701, 702, 703, and 704 of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, as they pertain to the Public Safety Officers' Death Benefits.

PART M—TRANSITION-EFFECTIVE DATE-REPEALER

Section 1301(a)—Section 1301(a) continues in effect all orders, determinations, rules, regulations, and instructions of the Law Enforcement Assistance Administration and the National Institute of Corrections until modified, terminated or superseded.

Section 1301(b) and (c)—Section 1301(b) and (c) provide for continuance of research and development programs in effect prior to the date of enactment of this Act and authorizes the Director of the National Institute of Justice to award new grants, enter into contracts or cooperative agreement with previously appropriated unused or reversionary funds.

Section 1301(d)—Section 1301(d) provides the Director of the Bureau of Justice Statistics with the same type of authority given the Director of the National Institute of Justice under section 1301(b) and (c).

Section 1301(e)—Section 1301(e) authorizes the Administrator of the Law Enforcement Assistance Administration to award new grants, enter into new contracts or cooperative agreements, and approve comprehensive plans for the fiscal year beginning October 1, 1979, and otherwise obligate previously appropriated unused or reversionary funds.

Section 1301(f)—Section 1301(f) provides that the provisions of this statute shall not affect any suit, action, or other proceeding brought against the government before its effective date.

Section 1301(g)—Section 1301(g) provides that funds under this Act may be used for the activities of review, audit, investigation, and judicial or administrative resolution of audit matters concerning awards made prior to this statute under the Omnibus Crime Control and Safe Streets Act of 1968, as amended, or to the National Institute of Corrections under 18 U.S.C. § 4351, *et seq.*

Section 1301(h)—Section 1301(h) provides for the transfer of Federal personnel employed in connection with the prior Omnibus Crime Control and Safe Streets Act provisions and by the National Institute of Corrections to the appropriate organizational unit at current grade and compensation.

Section 1301(i)—Section 1301(i) provides that unobligated funds available under the Omnibus Crime Control and Safe Streets Act of 1968, as amended, prior to the enactment of this Act may be used to provide 100 percent of the cost of a program or project.

Section 1301(j)—Section 1301(j) keeps in effect all prior provisions of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, which are necessary for the purpose of carrying out the Juvenile Justice and Delinquency Prevention Act of 1974, as amended.

Section 1301(k)—Section 1301(k) provides that the activities of the State Criminal Justice Councils or local offices may be carried out by planning agencies established under prior provisions of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, if such agencies within two years meet the representation requirement of this Act under section 402.

Section 1301(l)—Section 1301(l) repeals 18 U.S.C. 4351 through 4353, which established the National Institute of Corrections.

● Mr. BIDEN. Mr. President, I rise today to congratulate the Senator from Massachusetts on the introduction of the Justice Systems Improvement Act of 1978. With the introduction of this legislation Senator KENNEDY culminates many months of work on a problem which will be our greatest challenge in the coming year, his first year as chairman of the Judiciary Committee. In this legislation he and other of my colleagues on the committee propose to restructure and renovate the Law Enforcement Assistance Administration.

I am not a cosponsor of this legislation. In not joining my friends on the committee in this legislation, I do not necessarily take issue with them on how this troublesome program should be improved. As one of two Members of the Senate who voted against the reauthorization of LEAA in 1976, I felt it would be hypocritical to endorse such legislation without considerable more study on my part. Furthermore, as chairman of the subcommittee of the Judiciary Committee which will handle this legislation, my decision not to cosponsor should be interpreted merely as an indication of my commitment to insure objective treatment of this legislation by the Criminal Laws Subcommittee which I chair.

Let there be no doubt about it, I believe that the Kennedy bill should and will serve as the focus of and vehicle for hearings. I hope that the hearings will build a record that can pursuade me and the rest of this Congress that a program similar to the existing one, along the lines of the Kennedy bill should be reauthorized. I will, however, give equal time to those who believe that a radically different program should be considered.

In the end proponents of the existing program, or variations upon it such as the approach set out in this bill, should be required to carry the burden of pursuasion. They should carry that burden because LEAA is generally perceived to be a failure. For example a 1975 survey of 350 State and local officials found that less than 8 percent believed LEAA grants were a great success in combating crime.

However, if proponents carry that burden, which I believe they well might do, they will have served their purpose more so than have the pro forma hearings which this matter has received in the past.

I am reminded of what Senator KENNEDY himself said at the opening of the last hearings by the Senate Judiciary Committee on LEAA reauthorization in the fall of 1975. He argued then, as I do today, for hearings which would—

Signal the beginning of a broad, comprehensive inquiry into the structure, methods and goals of LEAA. Such a comprehensive inquiry was denied the Senate when LEAA was reauthorized in 1973. At that time this subcommittee held but two days of hearings; just three weeks thereafter the reauthorization bill cleared the full Judiciary Committee and reached the Senate floor for a vote.

To my mind Senator KENNEDY must have been disappointed again that year, because the committee simply did not engage in that kind of fundamental inquiry and did not develop a record that justified spending several more billion dollars. That simply cannot happen again.

In the late 1960's, Congress created LEAA because it, along with everyone else, was greatly concerned about the alarming and deteriorating crime problem. It felt that the Federal Government should expand its involvement in the criminal justice system. It was Congress' intention that LEAA would be the Federal Government's single most important instrument for providing financial and technical assistance to State and local governments in their efforts to control crime. In addition to its assistance to law enforcement agencies, LEAA has attempted to improve courts' functioning, to increase understanding of criminal justice issues through research and data accumulation, to encourage community involvement, to upgrade correctional facilities, and to respond to the high proportion of crimes committed by juveniles. From an initial appropriation of $63 million in fiscal year 1969, annual appropriations reached a high of $895 million in 1975. For 1978 they are about $647 million. Since 1968, LEAA has been appropriated about $6.6 billion. In 1978, Federal, State, and local expenditures for criminal justice purposes will be about $17 billion.

Unfortunately, the crime problem that now confronts the Nation is still utterly intolerable. Indexed crime increased 56.7 percent between 1968 and 1975. Opinion polls show that crime is consistently one of Americans' greatest concerns. In 1976, the crime rate (seven "indexed" crimes reported to police per 100,000 people) was 5,266, up over 180 percent from 1960.

It would be mistaken to expect LEAA to prove its worth by causing an immediate reduction in crime rates. So many administrators have headed LEAA in the past 10 years that it has scarcely had the opportunity to acquire an institutional focus. Indeed the succession of administrators could not agree on whether reducing the crime rate is a realistic goal for LEAA. LEAA expenditures now amount to only about 4 percent of total expenditures in the criminal justice system. It is estimated that since 1975 there has been an inflation adjusted decrease of 57 percent in Federal anticrime action funds. Apart from these expenditures figures, however, lie the facts that the roots of criminal behavior are many and complex and that most of these reach beyond LEAA's scope.

Nevertheless, over its 10-year history LEAA has borne intense criticism on many points. Not all this criticism concerns the infamous Dick Tracy wristwatches, the armored personnel carriers, or the training courses for police officers in the Virgin Islands, although these are hardly exemplary uses of scarce Federal dollars. There are at least five areas in which LEAA consistently stands open to criticism.

First, LEAA funds are not always distributed to the areas of greatest need. Between 1969 and 1975, cities received only 52 percent of LEAA's block grants even though they had 83 percent of the reported crime for that period. It is very possible that a too large proportion of LEAA funds is diffused among too many ill-conceived and unexamined projects instead of being wisely concentrated in a few well developed ones large enough to make an impact in the areas of greatest need.

Second, LEAA has grown to a large bureaucracy spending an increasingly larger percentage of its budget on administrative costs, yet remaining unable to respond to the needs of local criminal justice systems. There are 4,000 personnel employed in the LEAA mechanism at Federal, State, and local levels. The running cost for LEAA in 1978 is estimated to be $77 million. Furthermore planning requirements imposed on State and local planning bodies have created great problems of redtape without achieving their goal of intergovernmental and functional coordination. GAO and Justice Department studies found that State planning bodies plan mainly for their grants from LEAA but make little effort to integrate their projects into a statewide system.

Third, the National Institute of Law Enforcement and Criminal Justice, the research branch of LEAA, has compiled a disappointing record. A 1977 National Academy of Science study said that the Institute in its present form is not likely to become a significant and quality-oriented research agency. Few of the projects reviewed "deserved high ratings for usefulness," and little of the Institute's work is used by State planners or practitioners. The study also found that the Institute neglects its responsibility to develop knowledge through long-term projects in favor of short-term research and "quick fixes."

Fourth, LEAA's performance in the analysis and evaluation of LEAA-funded projects has been unsatisfactory. LEAA is accused of throwing large sums of money at the crime problem and then making no or inadequate attempts to evaluate the outcomes of projects. This has been a central problem with LEAA since its beginning. A 1976 GAO study found that of the 3,821 projects it reviewed only 649 (17 percent) had been evaluated. Of the 61 percent of these evaluations reviewed by GAO only 16 percent were considered to assess adequately the project's outcome or progress toward a goal. A January 1978 GAO study still found that evaluation projects generally did not meet needs, were inadequate in number, and of questionable quality. In 1976, LEAA allocated less than 60 percent of the amount recommended for evaluation purposes by LEAA's own 1974 task force on evaluation.

In the light of these fundamental criticisms about LEAA's organizational and operational record it seems clear that more than slight modifications are called for. If LEAA has distributed funds too diffusely and with too little sense of a unifying purpose, then it is futile for Congress simply to tune the present apparatus without a more thoroughgoing reorganization of structure and specification of goals. It would be inadequate for Congress only to rearrange current organizational entities and to modify existing funding practices.

In the past Congress has exercised insufficient oversight over LEAA and, consequently, fallen short in providing effective Federal assistance to States and localities' efforts in crime control. LEAA is the Federal Government's chief instrument for meeting the needs of the criminal justice system. Once we put such a complex and costly organization in place Congress ability to alter or improve it is severely restricted. Therefore it is vitally important that Congress now decide on the best form of assistance of which it is capable. Although LEAA appropriations are large, they are not so large that we can afford to disperse them among high numbers of impotent and ill-thought-out projects.

Is the Federal Government now utilizing its tremendous technical and financial resources to provide the most effective assistance possible? Would the crime problem be less, and the security of citizens' property and ways of life greater, if the Federal Government's anticrime role were different? The proposed Kennedy bill provides a vehicle for Congress to find answers to these questions. But considering their great importance, it is essential that Congress submit both the bill and LEAA to intense scrutiny.●

By Mr. TALMADGE (by request):

S. 3271. A bill to amend the Food Stamp Act of 1977 to extend the operation of the workfare pilot projects; to the Committee on Agriculture, Nutrition, and Forestry.

WORKFARE PILOT PROJECTS

● Mr. TALMADGE. Mr. President, I am introducing a bill requested by the administration that will extend the final reporting date established for the food stamp workfare demonstration project.

The Food Stamp Act of 1977 mandates the Secretary of Agriculture and the Secretary of Labor to jointly conduct a workfare project, involving the performance of work in a public service capacity, in exchange for food stamp benefits and submit a final report on the feasibility of such a project to Congress by March 29, 1979.

Commencement of the workfare project has been delayed, because other provisions of the program are being revised such as the elimination of the purchase requirement and the new benefit levels. Final regulations are scheduled to be in effect by late summer, and actual State agency implementation of the new provisions should commence by January 1979. In order to maintain the timetable for the final workfare report, both project operation and evaluation, would have to take place during the first 3 months of 1979. Therefore, The project would have only a few months of operation. It is impossible to have any meaningful test in so short a period of time.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3271

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last sentence of section 17(b)(2) of the Food Stamp Act of 1977 is amended to read as follows: "The Secretary and the Secretary of Labor shall jointly issue interim reports before October 2, 1978, and October 2, 1979, to the appropriate committees of Congress on the progress of such pilot projects, and shall issue a final report describing the results of such pilot projects before October 2, 1980.".●

By Mr. TALMADGE (by request):

S. 3272. A bill to amend the Packers and Stockyards Act, 1921, to authorize value based tariffs; to the Committee on Agriculture, Nutrition, and Forestry.

VALUE BASED TARIFFS

● Mr. TALMADGE. Mr. President, I am introducing at the request of the administration a bill to amend the Packers and Stockyards Act, 1921, to authorize valued based tariffs.

The bill would authorize the use of value based or percentage tariffs by firms selling livestock on a commission basis. There are some 2,560 firms subject to the Packers and Stockyards Act that sell livestock on a commission basis at 1,990 posted stockyards. Approximately 900 of the selling agencies currently use value based tariffs when establishing the selling costs for the consignors' livestock. As a general guideline, value based tariffs range from 3 to 5 percent of the gross sales price of the livestock. Such tariffs are used in most States.

Section 305 of the Packers and Stockyards Act provides that all rates and charges for stockyard services shall be "just, reasonable, and nondiscriminatory." A few years ago administrative actions were instituted in which the validity of value based tariffs; that is, tariffs based upon percentages of the gross sales prices of the livestock—under the current provisions of the act was challenged. The judicial officer of the Department of Agriculture has held that such tariffs are inherently discriminatory since different rates are charged for the same services and that the current provisions of the act require the prescription of rates and charges on a per head basis. The decisions and orders of the judicial officer were upheld by courts of appeals.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3272

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Packers and Stockyards Act, 1921, is amended as follows:

(a) Section 305 of the Act (7 U.S.C. 206) is amended by inserting immediately before the period at the end thereof the following: ": *Provided,* That rates and charges based upon percentages of the gross sales prices of livestock shall not be prohibited merely because they are based upon such percentages rather than on a per head basis"; and

(b) Section 310 of the Act (7 U.S.C. 211) is amended by—

(1) striking out "unjust, unreasonable, or discriminatory" in the introductory paragraph of that section and inserting in lieu thereof "violative of sections 304, 305, or 307";

(2) amending subsection (a) to read as follows:

"(a) May in accordance with the standard set forth in section 305 determine and prescribe what will be the rate or charge, or both to be charged, and what regulation or practice is or will be just, reasonable, case observed as the maximum or minimum or rates or charges, to be thereafter in such and nondiscriminatory to be thereafter followed: *Provided,* That the Secretary shall prescribe the rate or charge, or rates or charges, on a percentage or per head basis at the election of the stockyard owner or market agency, or on any other basis elected by the stockyard owner or market agency unless the Secretary finds such other basis to be violative of section 305; and"; and

(3) striking out "more or less than the rate or charge" in subsection (b) and inserting in lieu thereof "other than the rate or charge or rates or charges".●

By Mrs. HUMPHREY:

Senate Joint Resolution 144. A joint resolution authorizing the President to proclaim October 24 of each year "National Dignity of Mankind Day"; to the Committee on the Judiciary.

NATIONAL DIGNITY OF MANKIND DAY

Mrs. HUMPHREY. Mr. President, I am pleased to reintroduce a joint resolution that was originally introduced by my husband in the 94th Congress, to designate a "National Dignity of Mankind Day." This has been of particular interest to one of my constituents, Mr. Art Breecher of Savage, Minn., and I am pleased to be supportive of his efforts in this way.

Mr. President, I ask unanimous consent that the text of the resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 144

Whereas the United States of America is a nation conceived by our forefathers in liberty and justice, with special emphasis on the dignity and worth of each individual;

Whereas the strength of our Nation reflects the contributions of citizens of all national origins to achieving progress in all fields of knowledge and endeavor for the betterment of mankind;

Whereas it is appropriate to recognize the spirit of human dignity which has been the foundation of our development through the centuries;

Whereas the citizens of our Nation remain committed to the inalienable rights of all people to life, liberty, and the pursuit of happiness and to sharing the benefits of our progress in promoting the general welfare of all mankind;

Whereas we now rededicate ourselves to the principles that all men are created equal and that dignity manifests itself in every act of human kindness, and invite other peoples to join in a common effort to preserve this legacy of human dignity for future generations: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating October 24 as "National Dignity of Mankind day," and calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

By Mr. STONE:

Senate Joint Resolution 145. A joint resolution to authorize and request the President to proclaim January 28, 1979,

as "Day of Marti, Apostle of Liberty"; to the Committee on the Judiciary.

DAY OF MARTI, APOSTLE OF LIBERTY

Mr. STONE. Mr. President, the United States has profited immensely, in fact has achieved greatness in large part through, the contributions of the successive waves of immigrants who have provided our Nation with diversity, richness, and a desire to perpetuate and strengthen our institutions of liberty.

I am introducing a joint resolution to honor the many hundreds of thousands of Cuban refugees in the United States and the man whose efforts secured independence for their homeland: Jose Julian Marti.

Although Cuba is small in size and population, her people's heroic struggles for independence fill the pages of history with heroism, courage, and determination. Both old and young, black and white, rich and poor fought side by side to achieve their liberty.

This small island was the birthplace of Jose Marti, one of the great figures of Latin American history and culture. Marti dedicated his life to the cause of Cuban independence and ultimately died a martyr's death. He is remembered by Cubans as their "Apostle," and the message he preached of equality, democracy and justice will be remembered in the hearts of freedom-loving men forever.

It is proper that we remember Jose Marti's birthplace, January 28, as the national "Day of Marti, Apostle of Liberty."

ADDITIONAL COSPONSORS

S 1571

At the request of Mr. MCINTYRE, the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of S. 1571, a bill to grant the National Ski Patrol System a Federal corporate charter.

S. 1967

At the request of Mr. ROBERT C. BYRD, the Senator from Texas (Mr. TOWER) was added as a cosponsor of S. 1967, to amend section 218 of the Social Security Act to require that States having agreements entered into thereunder will continue to make social security payments and reports on a calendar-quarter basis.

S. 1975

At the request of Mr. DOLE, the Senator from Arkansas (Mr. BUMPERS) was added as a cosponsor of S. 1975, to provide coverage for the services of optometrists.

S. 2640

At the request of Mr. RIBICOFF, the Senator from Missouri (Mr. EAGLETON), and the Senator from Minnesota (Mrs. HUMPHREY) were added as cosponsors of S. 2640, a bill to reform the civil services laws.

S. 3007

At the request of Mr. DOLE, the Senator from California (Mr. HAYAKAWA) was added as a cosponsor of S. 3007, a bill to disregard certain changes in the treatment of individuals as employers, for purposes of certain taxes imposed by the Internal Revenue Code of 1954 with respect to employees.

S. 3058

At the request of Mr. HEINZ, the Senator from Alabama (Mrs. ALLEN), and the Senator from Utah (Mr. HATCH) were added as cosponsors of S. 3058, a bill to promote steel trade negotiations under the Trade Act of 1974.

S. 3115

At the request of Mr. KENNEDY, the Senator from Minnesota (Mrs. HUMPHREY) was added as a cosponsor of S. 3115, a bill to establish a comprehensive disease prevention and health promotion in the United States.

S. 3116

At the request of Mr. KENNEDY, the Senator from Minnesota (Mrs. HUMPHREY) was added as a cosponsor of S. 3116, a bill to amend the Public Health Service Act to provide assistance through formula and project grants for preventive health programs, and for other purposes.

S. 3117

At the request of Mr. KENNEDY, the Senator from Minnesota (Mrs. HUMPHREY) was added as a cosponsor of S. 3117, a bill to amend the Food, Drug, and Cosmetic Act to require nutritional labeling of all foods, and for other purposes.

S. 3118

At the request of Mr. KENNEDY, the Senator from Minnesota (Mrs. HUMPHREY) was added as a cosponsor of S. 3118, a bill to create programs designed to promote health through smoking deterrence.

S. 3180

At the request of Mr. BAYH, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 3180, to prohibit the use of live animals in the training of greyhound race dogs.

S. 3205

At the request of Mr. KENNEDY, the Senator from California (Mr. HAYAKAWA) was added as a cosponsor of S. 3205, a bill to amend the Indochina Migration and Assistance Act of 1975.

S. 3222

At the request of Mr. DOLE, the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of S. 3222, to secure and protect the freedom of individuals from unwarranted intrusions by persons acting under color of law.

S. 3230

At the request of Mrs. HUMPHREY, the Senator from South Dakota (Mr. ABOUREZK) was added as a cosponsor of S. 3230, the Spousal Retirement and Survivors' Benefits Rights Act.

SENATE RESOLUTION 502

At the request of Mr. DOLE, the Senator from California (Mr. CRANSTON), the Senator from Colorado (Mr. HASKELL), and the Senator from South Dakota (Mr. MCGOVERN) were added as cosponsors of Senate Resolution 502, to commend the native Americans participating in the longest walk.

SENATE RESOLUTION 503

At the request of Mr. ROBERT C. BYRD, the Senator from New Jersey (Mr. CASE) was added as a cosponsor of Senate Resolution 503, condemning the harassment of Western journalists by the Soviet Union.

AMENDMENT NO. 2449

At the request of Mr. KENNEDY, the Senator from Oregon (Mr. PACKWOOD), the Senator from Ohio (Mr. METZENBAUM), and the Senator from Arkansas (Mr. HODGES) were added as cosponsors of Amendment No. 2449, intended to be proposed to S. 2850, the National Home-Delivered Meals Act of 1978.

AMENDMENT NO. 3068

At the request of Mr. THURMOND, the Senator from Oklahoma (Mr. BARTLETT), the Senator from Kentucky (Mr. FORD), the Senator from Texas (Mr. BENTSEN), the Senator from Minnesota (Mr. ANDERSON), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Arizona (Mr. GOLDWATER), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from Texas (Mr. TOWER) were added as cosponsors of Amendment No. 3068 intended to be proposed to S. 2571, the Defense Department Appropriations Authorizations Act, 1979.

AMENDMENTS SUBMITTED FOR PRINTING

MILITARY PROCUREMENT AUTHORIZATIONS, 1978—S. 2571

AMENDMENT NO. 3105

(Ordered to be printed.)

Mr. DOLE proposed an amendment to S. 2571, Department of Defense Appropriations Authorizations Act, 1979.

AMENDMENTS NOS. 3106 THROUGH 3108

(Ordered to be printed and to lie on the table.)

Mr. HART submitted three amendments intended to be proposed by him to S. 2571, supra.

AMENDMENTS NOS. 3109 THROUGH 3111

(Ordered to be printed and to lie on the table.)

Mr. EAGLETON submitted three amendments intended to be proposed by him to S. 2571, supra.

AMENDMENT NO. 3112

(Ordered to be printed and to lie on the table.)

Mr. SCHMITT submitted an amendment intended to be proposed by him to S. 2571, supra.

SENATE RESOLUTION 505—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. JACKSON, from the Committee on Energy and Natural Resources, reported the following original resolution, which was referred to the Committee on the Budget:

S. RES. 505

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 2692. Such waiver is necessary because S. 2692, the Department of Energy Civilian Program Authorization Act for Fiscal Year 1979, authorizes appropriations for Fiscal

Year 1979 for the civilian programs of the Department of Energy.

The authorizations contained in S. 2692 are consistent with March 15, 1978, recommendations of the Committee on Energy and Natural Resources to the Committee on the Budget pursuant to Section 301(c) of the Congressional Budget and Impoundment Control Act of 1974.

Compliance with the Congressional Budget Act of 1974 was not possible by May 15, 1978, with respect to these authorizations because of the large numbers of matters that needed to be considered by the Committee on Energy and Natural Resources. Extensive hearings and markup sessions were necessary for full consideration of the President's first proposed budget for the new Department of Energy. As approved by the Committee on Energy and Natural Resources, S. 2692 reflects the decisions of the Senate-House conference on the National Energy Act bills, H.R. 4018, H.R. 5037, H.R.5146, and H.R. 5289. Adjustments were made in S. 2692 as reported so as to be within the Fiscal Year 1979 Federal budget target for the energy function as approved in the First Concurrent Budget Resolution.

SENATE CONCURRENT RESOLUTION 94—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO THE TRIAL OF ANATOLY SHARANSKY

Mr. RIBICOFF submitted the following concurrent resolution, which was referred to the Committee on Foreign Relations:

S. CON. RES. 94

Whereas the Soviet Union in 1975 signed the Helsinki Final Act, which stipulated the observation of basic human rights, including the right to "leave any country;" and

Whereas Anatoly Sharansky has since 1973 been denied permission by the Soviet authorities to emigrate to Israel; and

Whereas Mr. Sharansky now faces trial because he dared to protest this denial and to monitor the compliance of the Soviet Union with the international human rights guarantees of the Helsinki Agreement; and

Whereas the formal charge of treason against Mr. Sharansky is without legal basis and has been repudiated by the Government of the United States; and

Whereas the United States takes seriously its commitment to the Helsinki Agreement and especially to the human rights provisions thereof; and

Whereas the trial of Anatoly Sharansky constitutes a gross violation of the Helsinki Final Act and minimum universal standards of humanity and justice: Now, therefore be it

Resolved by the Senate (the House of Representatives concurring), That—

(1) Congress hereby condemns the trial of Anatoly Sharansky and calls upon the Soviet Union to comply with the Helsinki Agreement by immediately releasing Mr. Sharansky and permitting him to emigrate to Israel; and

(2) conviction of Anatoly Sharansky, in contradiction of international human rights guarantees which the Soviet Union has pledged to uphold, can only adversely affect relations between the United States and the Soviet Union.

NOTICES OF HEARINGS

HEARINGS ON THE SUSAN B. ANTHONY DOLLAR COIN ACT

Mr. PROXMIRE. Mr. President, the Committee on Banking, Housing, and Urban Affairs will commence hearings on S. 3036, the Susan B. Anthony Dollar Coin Act, at 10 a.m. on July 17, 1978, in room 5302 of the Dirksen Senate Office Building.

All persons wishing to testify should contact Marion R. Mayer, room 5300, Dirksen Senate Office Building—telephone: 224–7391.

SUBCOMMITTEE ON ADMINISTRATIVE PRACTICE AND PROCEDURE

● Mr. ABOUREZK. Mr. President, I wish to announce that the Subcommittee on Administrative Practice and Procedure of the Committee on the Judiciary, will continue hearings on the FBI charter concerning informants and other investigative techniques, on July 12, 1978, at 10 a.m., in room 2228 Dirksen Building.●

SUBCOMMITTEE ON THE CONSTITUTION

● Mr. BAYH. Mr. President, I would like to announce that the Subcommittee on the Constitution will hold another day of hearings on the legislation concerning the implications of the Zurcher against Stanford Daily decision on July 13, 1978, at 10 a.m. in room 318, Russell Senate Office Building.

Anyone wishing to submit testimony for the hearing record should send his or her statement to, or contact Kevin O. Faley, Subcommittee on the Constitution, 102–B Russell Building, Washington, D.C. 20510.●

COMMITTEE ON THE BUDGET

● Mr. MUSKIE. Mr. President, I wish to announce that the Senate Budget Committee will hold a hearing to examine the HUD task force report on housing costs at 10 a.m. on Friday, July 14, 1978, in room 6202, Dirksen Senate Office Building.

The committee will explore the recommendations of the task force and the HUD response. Close analysis of this report will provide a representative example of the impact of inflation and other factors in the rising costs of production. This information will greatly aid the work of the Budget Committee in identifying inflationary factors in the private sector and their impact on the economy as a whole.

Witnesses will include the Honorable Jay Janis, Undersecretary of the Department of Housing and Urban Development; Herman Smith, vice president of the National Association of Home Builders; and Mary C. Newhauser, former mayor of Iowa City, Iowa.

The committee has also scheduled a set of hearings on the second concurrent resolution on the budget for fiscal year 1979 on July 25, 26, and 27 in room 6202 of the Dirksen Senate Office Building. All hearings will begin at 10 a.m.

The purpose of these hearings is to permit the Senate Budget Committee to review economic and legislative developments since the adoption of the first budget resolution on May 15. This review will permit the committee to assess the need for any modifications or revisions in the budget totals recommended in May. The committee will then formulate the second budget resolution which will set the binding ceilings for congressional spending and a floor for revenue legislation for fiscal year 1979 which begins on October 1, 1978.

On Tuesday, July 25, The witness will be the Honorable JAMES T. MCINTYRE, director of the Office of Management and Budget.

On Wednesday, July 26, the committee will hear from Dr. Charles Schultze, the chairman of the Council of Economic Advisors and Dr. Alice Rivlin, director of the Congressional Budget Office.

On Thursday, July 27, the committee will hear from three distinguished economists from the private sector: Dr. Herbert Stein, former chairman of the Council of Economic Advisers under President Nixon; Dr. Michael Evans, president of Chase Econometrics and Lawrence Chimerine, manager of U.S. Economic Research, International Business Machines Corp.

For further information, contact John McEvoy, staff director of the Senate Budget Committee at 224–0535.●

S. 2910, ADOLESCENT HEALTH, SERVICES, AND PREGNANCY PREVENTION AND CARE ACT OF 1978

● Mr. WILLIAMS. Mr. President, I wish to announce that the Senate Committee on Human Resources will hold a second day of hearings on S. 2910, the Adolescent Health, Services, and Pregnancy Prevention and Care Act of 1978, on July 12 at 10 a.m., in room 4232 of the Dirksen Senate Office Building.

For further information on this matter, please contact Ms. Patricia Markey at 224–0325.●

SUBCOMMITTEE ON FEDERAL SPENDING PRACTICES AND OPEN GOVERNMENT

● Mr. CHILES. Mr. President, the Subcommittee on Federal Spending Practices and Open Government has canceled the oversight hearing on the Government in the Sunshine Act (Public Law 94–409) previously scheduled for Tuesday, July 11, at 10 a.m.●

DEPARTMENT OF EDUCATION MARKUP

● Mr. RIBICOFF. Mr. President, the Committee on Governmental Affairs will hold a markup session on S. 991, legislation to create a separate, Cabinet-level Department of Education in the Federal Government.

The meeting will begin at 10:30 a.m. in room 3302 of the Dirksen Senate Office Building.●

ADDITIONAL STATEMENTS

RUBIN M. HANAN DELIVERS JULY 4 MESSAGE AT MONTGOMERY OBSERVANCE

● Mrs. ALLEN. Mr. President, the 1978 Fourth of July celebration at Riverside Park in Montgomery, Ala., was treated to an emotional address on Americanism and on America delivered by Mr. Rubin M. Hanan.

Mr. Hanan is head of the Aging Citizens League of Alabama, and has endeared himself to Alabamians over a period of many years for his strong advocacy of the American way of life.

Mr. President, I feel that all Americans will benefit from Mr. Hanan's patriotic

message, and I ask that it be printed in the RECORD.

The address follows:

RUBIN M. HANAN REMARKS AT THE RIVER SIDE PARK

Ladies and Gentlemen: Today, on the occasion of the joyous American holiday of the Fourth of July, the gift of God has bonded us into a unified nation.

It is the source of our strength which enables Whites and Blacks, Christians and Jews, Young and Old, cemented togther to be able to endure and face all trials and tribulations throughout the hundreds of years of our great history.

Two months ago, I had the opportunity to visit the land of my birth, the Island of Rhodes, Greece, with my sweet wife and wonderful sons and daughters . . . in search of our roots.

There, in this tiny Island of the Aegean sea, we were surprised to see an old Greek gentleman who was strolling in the Airport of Rhodes wearing a small American flag on his lapel.

Seeing our Country's Flag under such unusual circumstances naturally incited our curiousity.

We spoke to him, saying we were Americans and we wondered why he was wearing this precious symbol of liberty.

He was surprised, as we were, but he responded with certain gestures and a few genuine tears.

He said, "I lived in America many, many years ago and worked in the restaurants and I peddled ice cream in the streets, after which I returned to Greece at my seventieth birthday to retire to a little farm a few miles away from here, to live out my remaining years."

"Greece is now free," he said, "Because America makes it possible for some small countries in Europe to exist, and if America disappeared, the Greek people would be as in a deep mine with the lights out and no spare candles to light."

He said, "This Flag is a symbol to remind myself and my friends what a great country the U.S.A. is—without which we would all be slaves, or in bondage, or dying in some concentration camp."

Greece can keep going and trying as long as America flies this Flag of Freedom high.

He reminded us ". . . that the Americans of today are the Immigrants of the yesterday."

Today, as I look out from our car window across the way,
I see the freedom flag from the Capitol dome sway,
And I wonder then, as I've wondered before,
How many years will it fly, how many more?
It seems we've lost the spirit that once was so great.
And I wonder, if with you and me, it is now too late?
To restore freedom and liberty, coupled with duty and toil . . .
Is it too late—or do we have the time after all?
If only we think deeply for a moment, and pause,
We know what we need today is not just a matter of laws.
But faith in the system our forefathers fashioned.
What matters is whether for these, our hearts are impassioned.
As the stars and stripes wave high and ever furled,
My freedom flag speaks—o'er all the world.
We fought and won—'tis our right to say
What majesty is in our hearts today.

IN CONCLUSION

May I remind you again?

That America is the land of true democracy and brotherhood. . . .

You cannot see it—
Neither can you hear it or taste it . . .
But you can feel it a hundred times a day.
A brotherhood not of words but of acts and deeds.
Raise your voices high! Declare your given birthright.
To freely speak, to worship as you please;
Affirming laws made for and by the people.
In this land of Freedom's birth, we hold the keys of true brotherhood.
Let's remember that it takes both the white and black Keys of the piano to play, "God Bless America."
Let us stand up, blacks and whites, young and old, Christians and Jews—
And sing, "God Bless America";
To let the world know that we are proud to be Americans!●

THE HEROIC ACT OF JOANNE BETTS

● Mr. ZORINSKY. Mr. President, upon my return to Nebraska for the Fourth of July recess, I learned of the untimely death of a young lady from my hometown of Omaha. I would like to share with my colleagues the heroic act of Joanne Betts, a 14-year-old girl who gave her life to save another human being.

Joanne was entrusted with the responsibility of caring for a young friend. The two decided to go bicycle riding. While under Joanne's supervision, her friend was attacked and stabbed several times. Without hesitation, Joanne realized her responsibilities, and defended her companion, providing an opportunity for the younger girl to escape. It has been said that there is no greater love than for a man to lay down his life for a friend. Because of her actions, Joanne made this ultimate sacrifice.

The courage which Joanne Betts displayed is inspirational. For a young girl of only 14 years to have realized the situation and accepted the responsibility for the welfare of her friend, is truly an act worthy of recognition. I hope that you will join me in extending our deep felt sympathies to the Betts family. My only wish is that the sorrow her family and friends are experiencing is lessened by the courageous and altruistic actions shown by Joanne. I am truly proud of Joanne, as I am sure her family must be. It is my only hope that Joanne will always be remembered for her kindness, compassion, and her love for others.●

CHILD NUTRITION PROGRAMS SHOULD BE TRANSFERRED TO THE DEPARTMENT OF EDUCATION

Mr. RIBICOFF. Mr. President, the Committee on Governmental Affairs begins markup tomorrow on S. 991, legislation to create a separate, Cabinet-level Department of Education in the Federal Government.

I have spoken often of the need for the separate Department. The Department we create should address the total developmental needs of our students. Education is a broad, all-encompassing process which should not be limited solely to the classroom. And, perhaps most importantly, the Department of Education should represent a giant step toward achieving effective consolidation of most of the Federal Government's widely-scattered education programs.

S. 991 provides for the consolidation of more than 160 Federal education programs. The transfer of each of these will go a long way toward building a broadly based Department of Education.

One proposed transfer, particularly the child nutrition and school lunch programs now in the Department of Agriculture, has stirred my interest.

I have studied this proposed transfer carefully and objectively. It is certainly one of the most important the Committee on Governmental Affairs will have to consider. During the committee's extensive hearings, we heard testimony from many nutrition, education, and agricultural authorities.

After weighing the pros and the cons, I believe the child nutrition programs should be transferred to the new Department.

I realize these are emotional times for American farmers. During this year, we have witnessed the rise of the American Agricultural Movement, and the push for parity in farm prices.

But the transfer of child nutrition programs should not be interpreted by the agricultural community as a diminution of the Department of Agriculture. Neither is it an attempt to decrease the importance of agriculture and food as a vital national resource.

Rather, the question we should be asking ourselves is simply, "Where will these programs best operate and serve our Nation's children?" They are our primary concern.

If the Department of Education is to meet all the developmental needs of children, then nutrition should be an important component of that Department. Good nutrition is integrally related to children's growth and learning. A hungry or malnourished child does not learn, grow, nor develop well.

Education and nutrition are inextricably linked—but not now in the Federal Government. Today, both the child nutrition and the education programs lack status, priority, or visibility. They are miles apart and are rarely coordinated. They are submerged in bureaucracy, which stifles opportunities for innovation and proper development.

The Department of Education offers a chance to upgrade these two national efforts into national priorities. The Secretary of Education will become a highly visible, high-ranking official for education. Likewise for the child nutrition programs, presently buried five layers deep in the USDA structure, I am advocating the post of Assistant Secretary for Child Nutrition be created in the new Department to give them prominence.

Establishing the position of Assistant Secretary for Child Nutrition will go far toward building in an institutional guarantee for strengthening the relationship between education and nutrition. It will also drastically underscore the importance we, as a nation, attach to nutrition and development.

Unfortunately, the child nutrition and school lunch programs have had a troubled history in USDA. Previous administrations have been hostile to the programs. Congress has labored hard to

restore funds cut back by USDA. The Assistant Secretary for Child Nutrition will be a position of strength, and a position of advocacy within the executive branch.

Administratively, it makes little sense to exclude child nutrition programs from the Department of Education. On the State and local levels, these programs are administered by the education agencies. The delivery system is the educational system. The Secretary of Education will be the Federal official having direct daily contact with this delivery system. I think most of my colleagues will agree the closer a Federal program is to the delivery system, the more efficiently it operates.

The data and accounting requirements, funding cycles, compliance procedures, and eligibility standards of these programs all differ from those of Federal education programs. The result is States and localities carry a tremendous burden in coping with costly, time-consuming, and duplicative paperwork and regulations. The Council of Chief State School Officers estimate significant savings in time and money will result by the proposed transfer. These top State education officials say the two Federal agencies requiring the most paperwork of them are USDA and the Office of Education.

Parallel administration of child nutrition and school lunch programs on the Federal, State, and local levels will foster coordination and standardization. A recent Ford Foundation study found the isolation of the school feeding programs from education on the Federal level creates many difficulties. School food service personnel, according to the study, say one result of this isolation is that USDA requires a tremendous amount of unnecessary administrative energy to maintain a program.

Locating the child nutrition programs in the Department of Education will provide more opportunities for coordinating these programs with a sizeable number proposed for transfer which already have nutrition components. The Congressional Research Service has identified more than 15 programs alone in the Office of Education that have nutrition responsibilities. These include titles I and IV of the Elementary and Secondary Education Act, vocational education, consumer education, environmental education, and community education.

In the committee's consideration of this transfer, I have talked with many nutritionists and school lunch experts about the importance of weaving good dietary habits in our children's daily lives. I am very much concerned about the rising popularity of "junk" foods with our youth.

Consistently, these nutritionists believed the key to better dietary understanding is an effective nutrition education program. I agree. Nutrition education should be a priority.

While Agriculture Secretary Bob Bergland has made great advances in our Nation's food and nutrition effort, traditionally the Department of Agriculture has not been receptive to developing nutrition education in our schools.

Nutrition education needs more direction and leadership. The Department of Education will be in a better position to develop and broadly disseminate a nutrition education program. An Education Department will be more familiar with the science of constructing curricula in our schools. Greater integration of nutrition education with health education and other life sciences is likely.

Mr. President, I have outlined some of the persuasive arguments on why the child nutrition and school lunch programs should be transferred to the Department of Education.

The concerns regarding the transfer can be addressed. Many argue educators are hostile to child feeding programs. According to the USDA, however, while the total number of schools in the United States since the programs' beginning in 1946 have dropped nearly 40 percent, the number of schools participating in the school lunch program has more than doubled. This is 90 percent of all school children. The number of children participating in the program has steadily increased from 6 million in 1946 to more than 25 million today. These figures do not seem to indicate any "hostility" on the part of educators toward child nutrition.

If anything, the transfer of nutrition programs to a Department of Education should emphasize the fact even more that nutrition is not only accepted, but also needed, in the educational system. The child nutrition programs will find themselves "at home" in the Federal Education Department.

Lastly, critics of this transfer argue it will jeopardize the distribution of surplus agricultural commodities to the Nation's schools.

This proposed transfer will not affect the commodity program. As it works now, the Food and Nutrition Service (parent agency for child nutrition programs) buys surplus commodities from two other USDA agencies—the Agricultural Marketing Service and the Agricultural Stabilization and Conservation Service. There is absolutely no reason why these same types of financial arrangements—basically check-writing procedures—could not be continued if the transfer were made. Similar arrangements now exist for the nutrition feeding program for the elderly in the Department of Health, Education, and Welfare, and for other feeding programs in the Federal Government.

The committee will include language in S. 991 which will provide for this transfer of funds from the Education Department to USDA for the purchase of surplus commodities. This will insure these free foodstuffs will continue to flow to the schools in an efficient manner. The cost of school lunches will remain low.

Some have suggested there may be "pressures" in the Department of Education to give cash in lieu of commodities. This seems highly unlikely, given that not a single educational organization, the administration, nor the authorizing committees in Congress favor eliminating the commodity program.

In any reorganization of the Federal Government, there are difficult and complex organizational issues that must be considered. On its merits, the transfer of child nutrition programs to the Department of Education is a wise one. On balance, the school lunch programs fit more appropriately into the mission of the Education Department. The transfer offers opportunities to erect a uniform administrative chain between Federal, State, and local governments.

If the Department of Education is to adequately serve the 46 million Americans involved directly in the educational system, then its structure must contain the components of that system. Nutrition is a very necessary function in our Nation's schools.

Mr. President, the issue of whether child nutrition programs should be transferred to the Department of Education has been fully analyzed by the Office of Management and Budget. I submit for the RECORD a letter from OMB Director James McIntyre stating the administration's position on this issue. Also, I have received many letters from chief State education officials in support of the transfer. I submit some of them for the RECORD.

The material follows:

OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C.

HON. ABRAHAM RIBICOFF,
Chairman, Governmental Affairs Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: As you approach committee mark-up on S. 991, the bill to create a Department of Education, I want to emphasize the Administration's concern that the school lunch and related child nutrition programs be included in the new department and to make our reasons for this clear.

Although currently located in the U.S. Department of Agriculture, child nutrition programs are funded and administered through State education agencies and, for the vast bulk of these programs, through local education agencies. Locating these programs in the Federal Department of Education will create a uniform administrative chain (Federal-State-local education agencies) that will facilitate responsive and efficient policy development and implementation. This location will also increase the opportunities to simplify and standardize administrative requirements among education and related programs. Child nutrition programs and education programs that will be in the new department now have different funding cycles, different accounting requirements, different eligibility requirements, different data requirements and different compliance mechanisms. Standardizing these requirements, where appropriate, will help reduce the costly paperwork and red tape burden that these differences impose on State and local administering agencies.

In addition, the child nutrition programs will add important breadth to the new department. It is crucial that the Department of Education not be narrowly focused on just those activities that go on in the classroom. Nutrition and other developmental services are important responsibilities of schools and the scope of the new department must reflect that fact.

Nutrition education is an element of all the child feeding programs and the single focus of a new $26 million program enacted last fall. This program will derive special benefit from location in the Department of Education. Development and dissemination of nutrition education curricula will be greatly facilitated by the resources available in the new department, and the Department of

Education will be in a far better position than the Department of Agriculture to stimulate the emphasis that educators give to nutrition.

These are the principal reasons why we believe that the child nutrition programs are important components of the proposed Department of Education. Their importance is such that we have recommended that they comprise an office that reports directly to the Secretary of Education, an arrangement which will give these programs far greater organizational prominence than they have now in the Department of Agriculture.

Several concerns, all of which we carefully considered before making our decision on the programmatic content of the proposed department, are now being raised with regard to the transfer of the school lunch and related programs. Most of these concerns involve questions as to whether transfer of the programs will impair continued Department of Agriculture administration of the programs' commodity support components or will lead to a termination or cash-out of this commodity support.

As I have stated previously in testimony before the Committee on Governmental Affairs, the Administration is firmly committed to commodity support and will oppose any effort to cash-out this support. Commodity support for the child nutrition programs provides important stability to the agricultural sector of the economy. Moreover, the prospects for commodity support continuing under future Administrations should not be diminished with the programs in the Department of Education. As the historical record shows, the only attempt to cash-out commodity support came from officials of the Department of Agriculture in the previous Administration. The attempt was unsuccessful and helps demonstrate that the will of the Congress and of the Administration—not the departmental locus of the child nutrition programs—determines whether commodity support continues.

Transferring the child nutrition programs to the Department of Education, while maintaining the commodity distribution functions in the Department of Agriculture, will in no way impair administration of the programs or these commodity functions. This arrangement for the child nutrition programs will be virtually identical to the arrangement that Congress recently mandated for the elderly feeding program, under which general program administration is provided by the Administration on Aging of HEW while commodity support is provided by the Department of Agriculture.

Another concern that has been raised about the child nutrition transfer is that the programs will be overseen by education officials, who some feel have not been sufficiently supportive of these programs. The school lunch program is available to over 90 percent of the school children in the Nation, a figure that could not have been achieved without active support from education officials. The school breakfast program has been growing rapidly and is now available to over 20 percent of school children—in a program permanently authorized less than three years ago. While there is still room for expansion of the programs, the Department of Education will be in a far better position than the Department of Agriculture to marshall the support of educators for the programs.

One other concern that has been raised with regard to the child nutrition transfer is that this transfer proposal presages the dismantlement of the Department of Agriculture. This concern is without basis. The President is committed to a strong Department of Agriculture. The recommendation to transfer the child nutrition programs—which account for less than 1 percent of the department's staff—reflects no diminution of that commitment but rather a pragmatic concern for efficient and effective administration of Federal programs.

For Federal reorganization to succeed it is crucial that each proposal be considered on its merits. We believe that the proposal to transfer the school lunch and related feeding and nutrition education programs to the Department of Education is in the best interest of these programs, of their administrators, of the Department of Education, of the Federal Government as a whole and—most important—of the millions of school children who benefit from these programs. We hope that you will support the inclusion of child nutrition programs in the Department of Education.

Sincerely,

JAMES T. MCINTYRE, Jr.

MINNESOTA STATE
DEPARTMENT OF EDUCATION,
St. Paul, Minn., June 15, 1978.

Hon. ABRAHAM RIBICOFF,
U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR RIBICOFF: We applaud efforts now underway to establish a Federal Department of Education. This new structure could contribute significantly toward effectively and efficiently delivering educational services. However, if federal programs such as child nutrition—which is unquestionably educational in nature—are not transferred into the proposed Department, the administrative and management benefits of this change would be seriously undermined. We, therefore, urge you to support transfer of administrative responsibility for child nutrition programs from the United States Department of Agriculture to the proposed Federal Department of Education.

Such transfers constitute the essential administrative logic underlying proposals to create a Cabinet-level Department of Education. Child nutrition programs, for example, are currently administered by state education agencies. Consequently, administrative responsibility for child nutrition at the federal level should reside within a Department of Education. For in order to develop coordination in management, which will, in turn, foster efficiency and effectiveness in providing educational services, parallel administration of education and education related programs at state and federal levels is required. It is a recognized principle of public administration that, to the extent feasible, federal and state government structures should parallel one another.

If we are to realize the full administrative management benefits of governmental reorganization, the responsibilities of a Federal Department of Education must include major programs such as child nutrition, which significantly affect our nation's schools.

Therefore, we hope that you will support the transfer of child nutrition programs into the proposed Federal Department of Education.

Sincerely yours,

HOWARD B. CASMEY,
Commissioner of Education.

DEPARTMENT OF EDUCATION,
Denver, Colo., June 7, 1978.

Hon. ABRAHAM RIBICOFF,
Senator, U.S. Congress, Chairman, Senate Governmental Affairs Committee, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR RIBICOFF: The Colorado Department of Education wishes to commend you for your leadership in proposing the creation of a Federal Department of Education. It is our understanding that the Governmental Affairs Committee, which you chair in the Senate, will soon begin a mark-up for such a bill.

We are concerned about the unfavorable publicity associated with placing the administration of the child nutrition program in the proposed new Department of Education. It appears to us that there is an unnecessary concern since, in Colorado as in other states, the State education department is already administering the program, and having a similar arrangement at the Federal level should aid in the coordination of this program with other existing education-related programs at both the State and Federal levels.

In our State department of education, we have cooperative endeavors taking place between health, child nutrition programs, and our instructional units. This should also be possible at the Federal level.

Since a prime goal in establishing a separate Department is to develop more efficient and effective educational delivery services to school children, it makes sense to us that the child nutrition program should not be exempt from such a thrust.

Transferring the child nutrition and school lunch programs from the Department of Agriculture to the proposed Department of Education would enhance cooperative and interrelated educational programs.

We urge your continued support of the establishment of a new Department of Education with the units included which you and the administration have proposed.

Sincerely,

CALVIN M. FRAZIER,
Commissioner of Education.

DEPARTMENT OF EDUCATION,
Nashville, Tenn., June 8, 1978.

Senator ABRAHAM RIBICOFF,
Senate Governmental Affairs Committee, U.S. Senate, Washington, D.C.

DEAR SENATOR RIBICOFF: It has been brought to my attention that the Senate Government Affairs Committee will begin action on the Federal Department of Education this month. As you are aware, the Chief State School Officers already support this proposal.

There has been some opposition expressed to the transfer of the Child Nutrition Programs from the Department of Agriculture to the new Department of Education. Since the main purpose of the new department is to create a more effective and efficient system for delivering all educational services to children, it is certainly logical that the Child Nutrition Program should be included. These programs are presently administered by the state departments of education and parallel administration of programs fosters coordination.

I would appreciate your support for the proposed new Department of Education and for the inclusion of the Child Nutrition Programs in the Department.

Sincerely,

SAM H. INGRAM,
Commissioner.

DEPARTMENT OF EDUCATION,
Sacramento, Calif., June 23, 1978.

Hon. ABRAHAM A. RIBICOFF,
Chairman, Committee on Governmental Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Let me first express my appreciation to you, and to the members of your Committee, for moving ahead with the proposal to create a Federal Department of Education. I am convinced that such a Department could provide the kind of national leadership which is presently lacking and which is needed to insure that the people of our country will receive the maximum possible return on their very substantial investment in education.

However, let me also express my concern about the proposal that child nutrition programs remain outside the new Department of Education. Child nutrition has been an integral part of the California Department of Education for over 30 years. We now have the largest child nutrition program in the nation, with over 2½ million children being

served a school lunch daily. Our Department administers all six federally funded child nutrition programs including school lunches, breakfasts, school milk, child care food, summer food, and equipment assistance.

Our experience in California leads us to believe very strongly that child nutrition programs are naturally and effectively a part of the overall education program. In our Department these programs receive the necessary priority and attention to insure a high level of professionalism in not only delivering nutritious food but also in educating students about food nutrition. The close relationship between these two elements of a food nutrition program was recently reinforced by Public Law 95–166 which amended the National Lunch Act to provide the first comprehensive nation-wide nutrition education and training program.

Retention of child nutrition programs under the aegis of education insures that proper nutrition information and actions reach a wide spectrum of children in a coordinated manner. Just a simple matter, such as the coordination of the timing, format and procedures for the issuance of program regulation, becomes needlessly complicated and complex when the regulations governing nutrition programs are established by a department separate from those governing nutrition education programs.

Keeping child nutrition programs separate from the new Department can only create unnecessary complexity and duplication. I am convinced it is in the best interest of child nutrition to be included in the new Department.

I trust that your Committee will be able to report S. 991 favorably, and that passage by the Senate will follow in the near future.

With my best regards and all good wishes,

Sincerely,

WILSON RILES.

DEPARTMENT OF EDUCATION,
Juneau, Alaska, June 15, 1978.

Hon. TED STEVENS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR STEVENS: I urge your favorable consideration of the transfer of Child Nutrition programs to the new Federal Department of Education.

We recommend that these programs be accorded full Assistant Secretary status in order to give them high priority and visibility, and to indicate the new Department of Education's commitment to the Child Nutrition programs.

Some specific advantages to be derived from this change would be to assure the identification of school-based nutrition programs with other educational programs. Child Nutrition should be an integral part of the total education process. School food service personnel prefer to be considered in this light rather than as a "support activity."

It is assumed that the Senate Agriculture Committee would retain jurisdiction over the Child Nutrition programs; that commodity distribution would remain in the USDA, and that the new Department of Education would have access to the resources of the USDA Agricultural Research Service for its scientific nutrition knowledge.

Thank you for your continued interest.

Sincerely,

MARSHALL L. LIND,
Commissioner of Education.

SALT LAKE CITY, UTAH,
June 22, 1978.

Hon. ABRAHAM RIBICOFF

DEAR SENATOR RIBICOFF: As chief State school officer for the State of Utah I urge your support for the transfer of Child Nutrition programs to the proposed new Department of Education. Child nutrition and nutrition are deep concerns to this office. I believe the program will be enhanced with a parallel administration at both the National and State level. It would be a mistake to leave this program that effects the lives of most school children out of the new Department. Once again I urge your support for the transfer.

WALTER D. TALBOT,
State Superintendent of Public Instruction for the State of Utah.

CHEYENNE, WYO., *June 23, 1978.*

Hon. ABRAHAM RIBICOFF,
Chairman, Senate Governmental Committee, Washington, D.C.:

I understand that the mark-up on the separate Department of Education bill is scheduled for Monday, June 26, 1978. Since most State Departments of Education are organized to receive and manage school lunch, student nutrition, and commodity programs and coordinate them with other health and nutrition program responsibilities, I would support and favor the inclusion of those programs in the proposed separate Department of Education at the Federal level.

ROBERT G. SCHRADER,
Wyoming State Superintendent of Public Instruction.

HONOLULU, HAWAII, *June 22, 1978.*

SENATOR ABRAHAM RIBICOFF,
Chairman, Senate Governmental Committee, Russell Office Building, Washington, D.C.

DEAR SENATOR RIBICOFF: We request your support in the transfer of the child nutrition programs from USDA to the proposed new Department of Education. This transfer will assist development of more efficiently coordinated Health Education programs in our schools.

CHARLES D. CLARK,
Superintendent of Education, Hawaii.

ATLANTA, GA., *June 22, 1978.*

Senator ABRAHAM RIBICOFF: Removal of child nutrition program from Cabinet level Department of Education as created by S. 991 would be great disservice to children of our Nation. Will appreciate your efforts to retain this vital function in S. 991.

CHARLES MCDANIEL,
State Superintendent of Schools, Atlanta, Ga.

ARDEN, ALA., *June 23, 1978.*

Hon. ABRAHAM RIBICOFF,
U.S. Senate,
Washington, D.C.:

We commend you for your efforts to make education a Cabinet level department. We urge you to include the child nutrition program in the new department. It is and should be a vital part of our school program.

WAYNE TEAGUE,
State Superintendent of Education, Alabama Department of Education.

CHARLESTON, W. VA., *June 23, 1978.*

Hon. ABE RIBICOFF,
Washington, D.C.:

I strongly urge your support of provisions of Senate Bill 991 for transfer of child nutrition programs from the Department of Agriculture to the proposed Department of Education.

DANIEL B. TAYLOR,
State Superintendent of Schools, State of West Virginia.

MARYLAND STATE DEPARTMENT OF EDUCATION,
BALTIMORE, MD., *July 5, 1978.*

Hon. ABRAHAM A. RIBICOFF
U.S. Senate, Washington, D.C.

DEAR SENATOR RIBICOFF: I want to associate myself with the comments on S. 991 made before your committee by my colleague from Iowa, Dr. Robert Benton, concerning the inclusion of Child Nutrition programs in the proposed Department of Education.

I strongly support placing those programs within the Department. In my view, they are educational programs, both because of the obvious relationship between good nutrition and learning and because the programs are a laboratory through which children and their families can develop important nutritional understanding and habits. As you know, the programs now are administered in each state by the State Department of Education.

I appreciate your personal efforts to include these programs in the new Department and hope you are successful.

Sincerely,

DAVID W. HORNBECK,
State Superintendent of Schools.

STATE OF NEW HAMPSHIRE,
DEPARTMENT OF EDUCATION,
CONCORD, N.H., *July 5, 1978.*

Hon. ABE RIBICOFF
Chairman Senate Governmental Affairs Committee, Washington, D.C.

DEAR SENATOR RIBICOFF: The purpose of this letter is to express my strong support for transferring administrative responsibility for nutrition programs from the Department of Agriculture to the proposed Federal Department of Education.

My reasons for requesting your support are:

1. School nutrition programs and school lunch programs are administered at the State level by State Departments of Education. Administrative requirements and duplication of paperwork could be reduced by having Federal and State structures administered by educational agencies.

2. Coordination between the newly enacted nutrition education program administered by the U.S. Office of Education and Food Service Programs would be enhanced. As an example, at the present time, we have the potential for the nutrition program to advocate using certain foods or snacks and having USDA disallow their use in lunch programs. This type of conflict should be eliminated.

Sincerely,

Dr. ROBERT L. BRUNELLE,
Commissioner of Education.

NATIONAL ENQUIRER CHAMPIONS GROWING TAX REVOLT

● Mr. HATCH. Mr. President, I would like to call the Senate's attention to the fact that a national newspaper, the National Enquirer, with a circulation in the millions, has taken up the cause of the overburdened taxpayer. In the July 11 issue the Enquirer announces that it intends to champion the cause of tax reduction. It sends a message to the big spending politicians which says, "cut taxes by November or you're fired."

As one who has helped lead the cause for tax reduction, and as one who has fought against the attempt to tax the fringe benefits of hard-working Americans, and as one who has fought against the inflation tax, I welcome the support and the leadership of the National Enquirer in the cause of tax reduction. We in the Congress have simply got to stop punishing the productive people or we will be fired. Helping the poor does not mean punishing the productive. The only way we can help the poor in the long-run is to remove the tax barriers to economic success. The American people want economic opportunities, not Gov-

ernment handouts, and opportunities come as a result of economic growth. The economy cannot grow when effort, saving, and investment are tax punished.

The National Enquirer knows this, the people know it, and it is time the Congress learned it. The Congress cannot continue to expand its spending constituencies at the expense of the people who do the work, the saving, and the investing. The National Enquirer has served notice on the opponents of tax reduction. Those who support higher taxes will no longer go unnoticed by the people.

The Enquirer points out that if taxes keep increasing at the same rate as they did over the 1973–77 period, the tax burden per family in 1987 will be $12,592. That is what spending our way to prosperity means to the American taxpayer—a tax burden of $12,592 per family in 9 years. Some future to look forward to.

I submit the articles from this historic July 11 issue of the National Equirer for the RECORD.

The articles follow:

SHOCKING FACTS!

(By Dick Robinson)

The average American family paid a back-breaking $7,737 in federal, state and local taxes in 1977, according to the Tax Foundation Inc., and that figure will go even higher in 1978.

Despite these shocking facts, high rollers in Washington will spend $177 billion more than they collect in taxes during the three-year period of 1976–78—more money than it took to run the country from 1789 to 1941.

If these figures boggle your mind, look at it this way: The federal tax burden for 1978 will amount to $1,784 for every man, woman and child in the U.S.—and that adds up to more than 215 million people.

It might not be so bad if federal spend-thrifts were all the taxpayer had to cope with—but state and local politicians also have their hands in his pocket.

According to the Tax Foundation Inc., every cent the average man earns between January 1 and May 6 each year goes to pay federal, state and local taxes. To put it another way—34 cents out of every dollar you earn goes to the federal, state or local government. Or look at it this way: For every eight hours you work, 2 hours and 45 minutes are spent earning money to pay taxes.

Compare this to the 2 hours and 32 minutes you must work to pay for food and housing combined.

Between 1967 and 1977, state and local income taxes skyrocketed 392 percent; state and local nonproperty taxes—including sales taxes—jumped 222 percent, and property taxes shot up 139 percent.

Wasteful spending is partly to blame for the colossal tax increases, but another reason is the ever-increasing number of government employees. The Tax Foundation Inc. says that the number of federal, state and local government employees climbed from 13.1 million in 1966 to 15.4 million in 1976, while their salaries shot up from $78 billion to $187 billion during the same period.

HEW SPENDS MORE THAN ALL BUT U.S. AND RUSSIA

The Dept. of Health, Education and Welfare's (HEW) colossal $182 billion budget is the third largest in the world, according to U.S. Rep. Steven D. Symms (R.-Idaho).

Symms says the only budgets larger than HEW's are those of the entire U.S. government and the entire Russian government.

If that's too mind-boggling to comprehend, try this—HEW's mammoth $182 billion budget is larger than the combined operating expenses of the governments of all 50 U.S. states, according to Symms.

HELP FORCE CONGRESS TO PASS BILL SLASHING INCOME TAX UP TO NINETY PERCENT

(By Thomas Kuncl)

Fed up with the federal income tax rip-off? Join The Enquirer's Cut Unfair Taxes (CUT) crusade, and your income tax could be slashed from 33 to 90 percent.

Under the Roth-Kemp bill, the long-suffering American taxpayer would finally get a break. Starting next year, each income earner would have his tax rate cut by an equal amount for three years, until nearly everybody's taxes are reduced at least 33 percent. (See chart at end of story.)

Coupled with California's history-making Proposition 13, the measure could become the second half of a powerful one-two punch that will kayo high taxation, stop waste—and put more dollars back into your pocket.

"When fully effective," said Sen. William V. Roth Jr. (R-Del.), coauthor of the tax-cutting measure, "it would reduce the tax burden of a family of four earning $8,000 by 90 percent; a family earning $10,000 by 51 percent; a family earning $15,000 by 39 percent, and a family earning $20,000 by 36 percent."

Only a tiny number of taxpayers, those in the highest income brackets, would get a tax reduction of less than 33 percent.

Last March 15, the measure was voted on by the House of Representatives and got 194 votes, failing by only a slim margin. If only 12 congressmen had switched their votes to "yes," it would have passed.

This summer, the tax-cut measure comes up for another vote—and this time you can put the heat on the blood-sucking politicians who've been throwing your hard-earned dollars down the government-waste rathole.

Let's give those tax-crazy fat cats some incentive to vote for the Roth-Kemp proposal—let them know that you demand a tax cut NOW, by becoming a fighting member of The Enquirer's CUT crusade.

"This is a people's crusade—demand relief from this tax oppression," Rep. Jack Kemp (R.-N.Y.), coauthor of the measure, urged The Enquirer's vast family of readers.

In a future issue of The Enquirer, we will publish the names of all congressmen who vote for and against the tax-cut amendment. Then you can do your part—by throwing out of office in November the political hacks who voted against giving Americans a much-needed tax break.

IMPACT OF ROTH-KEMP AMENDMENT ON FAMILY OF 4

Income before deductions	Tax after average standard deductions		Tax cut	Percent cut
	Present	Proposed		
$8,000	$120	$12	$108	90
$10,000	446	218	228	51
$12,500	917	539	378	41
$15,000	1,330	811	519	39
$17,500	1,745	1,092	653	37
$20,000	2,180	1,388	792	36
$25,000	3,150	2,047	1,103	35
$30,000	4,232	2,781	1,451	34
$35,000	5,464	3,589	1,875	33
$40,000	6,848	4,512	2,336	33

GOVERNMENT BUDGET CAN BE CUT SAFELY, SAY TOP SENATORS

(By Maury M. Breecher)

Our runaway federal budget could be drastically cut without causing hardship or hunger for a single American—and without throwing our economy into chaos, declare ranking U.S. Senators.

"There are many ways in which cuts could be achieved," Sen. Harry Byrd (Ind.-Va.) said. "We can eliminate waste, inefficiency and extravagance that exist in virtually all agencies.

"We can reduce spending by reducing the number of government employees, by cutting foreign aid 75 percent—and by a general belt-tightening in government. We must stop going into new programs and we must eliminate those that are outdated, outmoded or aren't serving their purpose."

And Sens. Carl Curtis (R.-Nebr.) and Robert Dole (R.-Kans.) add that no one would suffer—and the nation's defenses would still be solid—if the fat were chopped from the budget.

"Officials in government bureaus have always been saying our budget is uncontrollable. But the budget can be cut," Sen. Curtis insisted.

Added Sen. Dole: "You can cut it without doing any real harm to services that Americans need and want."

Only a fool could fail to see how the spend-thrifts in power are blowing the billions they take in. Last year, The ENQUIRER alone exposed a whopping $23 billion in government waste—including $14 billion in just one federal agency, the Army Corps of Engineers.

That $23 billion amounts to $310.39 for every one of America's 74.1 million households—and $310.39 can buy a lot of groceries.

Your tax money is being squandered in such ludicrous ways that it's almost unbelievable. For example, bureaucrats blew a staggering $60,100 on a study to find out why Philadelphians talk differently. Since the average middle-income family pays about $2,200 in federal income taxes with standard deductions, it would take them about 27 years to pay for that one stupid grant—and thousands of such asinine expenditures are being made.

But Sen. Curtis says that if taxpayers gripe loudly, Congress will be forced to act to slash the monstrous waste. "If they don't, the voters have a remedy at the ballot box."

LEADERS PRAISE ENQUIRER'S TAX REVOLT CAMPAIGN

(By Tom Smith)

Spokesmen for taxpayer organizations and members of Congress heaped praise on The Enquirer's crusade to carry the torch of tax revolt across America.

"Hooray for the Enquirer!" exclaimed Howard Jarvis, co-leader of California's Proposition 13 movement.

"I like The Enquirer's idea—to get politicians to push through a tax amendment bill before November, or else get voted out of office," said Jarvis, of Los Angeles. "It's them or us."

"The Enquirer campaign can take it right to Congress' doorstep and tell them: 'Do something, or you're going to be out!' "

Sen. Robert Dole (R.-Kans.) declared: "I think The Enquirer is performing a service not only for the American people, but also for those of us in government who are given the responsibility to deal with this problem."

Another member of Congress agreed. "I fully support what The National Enquirer is doing," said Rep. Jim Mattox (D.-Tex.). "Keep the pressure on. Hold the public officials' feet to the grindstone."

William Bonner, executive director of the National Taxpayers Union, based in Washington, D.C., added: "I urge everyone to get behind The Enquirer's movement. Politicians should be made aware that the public demands that taxes be cut—if they want to remain in office."●

PROPOSED ARMS SALES

● Mr. SPARKMAN. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in ex-

cess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I submit for the RECORD at this point the notification I have just received.

The notification follows:

DEFENSE SECURITY ASSISTANCE AGENCY
Washington, D.C., June 29, 1978.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 78-56, concerning the Department of the Navy's proposed Letter of Offer to Sweden for major defense equipment, as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $57.8 million and support costs of $36.4 million for a total estimated cost of $94.2 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director, Defense Security Assistance Agency.

Attachments.

TRANSMITTAL NO. 78-56

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL CONTROL ACT

(i) Prospective Purchaser: Sweden.

(ii) Total estimated value:

Major defense equipment *, $57.8 million. Other, $36.4 million. Total, $94.2 million.

(iii) Description of articles or services offered:

One hundred (100) Harpoon missiles and twelve (12) shipboard canister launch systems and support, and Harpoon weapons maintenance station.

(iv) Military Department: Navy.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: June 29, 1978.●

* As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

SOVIET VIOLATIONS OF LITHUANIAN HUMAN RIGHTS

● Mr. HEINZ. Mr. President, 38 years ago the Soviet Union forcibly occupied the independent State of Lithuania and began to persecute its residents. The immediate consequence of the Soviet invasion was the deportation of tens of thousands of Lithuanians to Siberia. Since then the Soviets have continued to abridge the rights of the Lithuanians. We in the United States cannot imagine the pain of forced separation from family, of extended periods of isolation in spartan prison cells, of long hours of intensive interrogation for supporting the implementation of policies which would insure the protection of rights to which every human is entitled. As a citizen of a nation which identifies the assurance of human rights in its founding documents, I feel it my duty to protest the gross injustice which the Soviets perpetuate through tactics of terror against individuals to whom they are responsible.

The signing of the Helsinki and Belgrade accords, which has encouraged Lithuanians to seek to exercise their basic human rights, has not altered favorably Soviet behavior. They have continued to employ "show trials" and harsh sentences to intimidate and silence these brave people. This is but another reason that we who are free to express our opinions must denounce the activities of the Soviet Union.

Several examples will serve to illustrate the nature and the degree of Soviet repression:

Last year I brought the arrest of Viktoras Petkus by Soviet authorities to the attention of this Chamber. Petkus, a member of the Lithuanian Public Group to promote the implementation of the Helsinki accords, has been detained since August 1977 because of a possible connection with the Gajauskas case to which I will refer later. This treatment clearly violates the Helsinki accord, the implementation of which is the goal of the Lithuanian group.

Petkus has been active in the promotion of the observance and fulfillment of the humanitarian articles of the final act of the Conference on Security and Cooperation in Europe, as well as the dissemination of Lithuanian literature on which he is an expert. These pursuits merit praise, not persecution; however, the Soviets have arrested Petkus three times since he was 18 and imprisioned him for a total of 16 years. Such flagrant disregard for basic human rights is intolerable.

Today, I also wish to mention the case of Balys Gajauskas who has spent more than half of his 51 years in Soviet prisons. On April 14, 1978, Gajauskas was sentenced to 10 years at a Soviet strict regime labor camp and 5 years in exile for alleged Anti-Soviet agitation and propaganda—a catch-all statute that is cited as the basis for many of the lengthy prison terms received by prisoners of conscience.

In this particular instance, Gajauskas was incarcerated because of an innocent association with Petras Plumpa, a deeply religious advocate of Lithuanian independence. Plumpa allegedly printed the Chronicle of the Lithuanian Catholic Church, hardly a vicious crime. During the course of his trial, however, evidence was presented that proved that the fingerprints on the Chronicle, the only link between it and Plumpa demonstrated by the Soviets, were not Plumpa's. Nonetheless, Plumpa has been sentenced to eight years of strict regime.

The goal that these men seek and for which they are punished is the realization of fundamental human rights and basic freedoms, including freedom of thought, conscience, religion, and belief. Freedoms on which our forefathers established this great Nation. We cannot ignore the Soviet Union's blatant violation of the rights of its citizens and maintain our responsibility to the Helsinki accord and the more than 1 million Americans of Lithuanian heritage. We cannot remain silent—we must vigorously protest the gross injustice perpetrated by the Soviet Union.●

YOUTH CAMP SAFETY

Mr. RIBICOFF. Mr. President, we are well into another July and millions of children are attending youth and summer camps throughout the country. Tragically, the majority of these youngsters are potential victims of the lack of adequate camp safety and health standards.

It is a curious fact that, later this week, the Senate will consider authorizing over $25 million to protect hundreds of endangered and threatened species of animals and plants yet we fail to provide adequate protection for children who attend summer camps. Although legislation I have authored to provide meaningful camp safety and health safeguards has been pending for some 11 years, far too many boys and girls attending camps this year will be unprotected.

Last month the Hartford Courant published a very timely and perceptive editorial on the pending camp safety legislation and various factors which have prevented its enactment. Also, a very objective and well-written article on safety in summer camps recently appeared in the Boston Sunday Globe's "New England Magazine." I submit these articles for the RECORD.

The articles follow:

[From the Hartford Courant, June 19, 1978]

CAMP SAFETY STILL UNCERTAIN

Although the safety of children might seem to be a universal goal, Congress has still not passed the proposed Youth Camp Safety bill, after a dozen years of trying. Powerful camping lobbies have managed to thwart all efforts to provide children and concerned parents with a guideline for states to use to assure uniform camp personnel qualifications, equipment requirements and sanitation regulations, wherever the camp may be.

Thus once again, this summer some 12 million youngsters will go to camps where operators are mostly free to run things their own way. Two basic tenets—states' rights and religious freedom—have been used to delay a nationwide bill.

If states wanted to do so and camp owners supported such regulations, several more states now would have them. Connecticut and only three other states have comprehensive camp safety laws. The legislatures of Rhode Island, Maryland and Massachusetts this year dropped their proposed youth camp safety laws rather than water them down to comply with camp operators' wishes. A North Carolina proposal was dropped after some legislators tried to exclude church and scout camps. Maine killed a proposed canoe safety rule.

The fundamentalist church camp lobby campaigns against the bill by charging it would rob them of freedom to teach religion. The fact is that nothing in the bill's regulations or provisions concerns ideology. All it deals with is safety.

Behind all the opposition is fear of rising costs. If there had to be fewer campers per counselor, many camps would have to hire more personnel. If qualified waterfront supervision were the rule, training and maturity would raise the pay scale. If each person in a canoe had to have a life vest, and every vehicle used for transportation had to be routinely checked and driven by a qualified driver, and camps had better living ac-

commodations, camps would be more expensive to run.

Thus the pressure by camp operators continues and makes the chances of passing a federal law this year as slim as ever. In years past there seemed to be some hope—when Gerald Ford, sponsor of Michigan's state bill, became president. His support immediately disappeared behind the cost issue. When Jimmy Carter was elected to the White House, the proposal again seemed about to succeed because his vice president had been a sponsor of the Senate's bill. However, Mr. Carter firmly opposed the measure as it stood and asked that it be tabled by the House subcommittee which already had overwhelmingly approved it.

The version promoted by the Carter administration deletes an advisory committee which would oversee the guidelines, and eliminates the enforcement provisions. Either deletion renders the act entirely ineffective.

[From the Boston Globe, July 2, 1978]

HOW SAFE ARE SUMMER CAMPS?

(By Mike Sheridan and Nancy Lawton)

For too many children, the stay away at camp will end in tragedy, yet only 13 States have meaningful camp safety regulations, according to Sen. Abraham Ribicoff.

An estimated 10 million American youngsters will attend summer camps this year.

For most, the experience will prove enriching and rewarding, enabling them to learn new skills and crafts, as well as adapting to new surroundings and challenges.

But it will be far from beneficial for an estimated 250,000 young campers who will be involved in camp accidents this year. About 100 of them will die from their injuries.

Mitchell Kurman, of Westport, Conn., is one parent who knows the threat to youngsters enrolled at summer camps. His only son, 15-year-old David, died in 1965 while boating at a summer camp outing. The camp counselor later told Kurman the youth drowned when his boat overturned in whitewater rapids of Maine's Penobscot River—dangerous waters which had earlier prompted a warning to the counselor from a forest ranger.

The boat carrying him and other youngsters did not even have life preservers, said Kurman, a 57-year-old furniture salesman. "It was a senseless, stupid death. But some camps hire inexperienced counselors and then give them too much responsibility. The result is often tragic. And unless something is done to protect our children, senseless deaths like David's will continue to happen."

Since his son's fatal accident, Kurman has become an outspoken one-man lobby for camp safety legislation. Deaths such as David's are not isolated incidents, Kurman argues. He says there have been too many others.

A 9-year-old boy attending a basketball camp in North Carolina drowns in a swimming pool. Camp counselors in charge of the pool were not certified lifeguards; one could only swim the "dog-paddle."

A 14-year-old counselor at a western Massachusetts camp is left in charge of a 2-year-old girl as she romps in a wading pool. While the teenaged counselor is watching 10 other charges, the 2-year-old drowns.

And seven children enrolled in a Pennsylvania day camp are killed and 52 injured when a bus carrying them skids on a rain-soaked highway and plunges down a 50-foot embankment. A subsequent investigation reveals that the bus's two rear tires lacked treads and that the bus driver had a record of nine motor vehicle accidents, five license suspensions and six traffic violations.

The potential horrors at summer camps range from unsafe or improperly operated vehicles to improperly supervised hazardous activities. Youthful campers have been killed, permanently injured, sexually abused and have suffered accidents requiring varying degrees of medical attention, Kurman said.

Yet despite the deaths and maiming injuries, governments at the state and federal level have been inexorably slow to act on protecting unsuspecting campers. Even after more than a decade of determined efforts by concerned citizens, some camping groups and politicians, there are still no federal regulations governing youth camps, according to US Sen. Abraham A. Ribicoff, a Connecticut Democrat who has been in the forefront of the fight for such legislation.

"It is a sad and curious commentary that Congress enacts legislation to protect eagles and other bird species, wild horses and burros," Ribicoff said, shaking his head. "Yet we fail to provide substantive safeguards for the millions of boys and girls—our children and grandchildren—who attend summer camps."

Only 13 states have meaningful health and safety regulations concerning camps, Ribicoff said. Forty-five states have no regulations that apply to camping personnel, or cover out-of-camp trips; 35 states do not regulate day camps.

Mrs. Theresa Phinney, executive director of the New England Camping Assn., argues that at least some state laws concerning camps are needed. "There are too many camps that are not being inspected," she said. "The problem is that you need people to inspect the camps—and most states don't have the needed personnel."

Most states, including New Hampshire, Vermont, Maine and Massachusetts, have camp regulations pertaining only to water supplies, food services and sanitation conditions. But these laws regulate neither the caliber of camp personnel nor kinds of camp activities.

Inspection of youth camps in New Hampshire, for example, is conducted often on an informal basis, say officials, and most of the violations found concern problems such as sewage and water temperature in dishwashers.

In Massachusetts, camps must comply with state sanitation codes and licenses are issued by the 320 municipal boards of health—but none of the communities has regulations that take stock of camping activities or personnel qualifications.

In some camps, according to the safety-crusading Kurman, counselors are put in charge of activities, such as target practice, without an iota of background knowledge.

"They really don't know how to handle a rifle, and yet these counselors are instructing others," said Kurman. "Then an accident happens. In most states, camp counselors aren't required to demonstrate proficiency."

Howard Wensley, director of regional operations for the Massachusetts Department of Public Health, said his staff is in the midst of preparing "strong" regulations governing youth camps. The proposals, which are now in draft form, will be reviewed and acted upon within the next year. They call for a minimum age of 18 for counselors and 25 for the director of a residential camp.

The proposed regulations also require counselors to show proficiency in their areas of endeavor, Wensley continued. "We're looking for the combination of age and experience. Right now, no such requirement exists in Massachusetts."

Another problem in Massachusetts, Wensley said, is a lack of staffing by the enforcing agencies. "We just don't have the manpower to go out and inspect the camps," he said. "We'll go out after a complaint has been registered, but that's not too often."

For instance, last year the department received three complaints about the estimated 600 summer camps in the Bay State, according to Wensley. Those complaints basically involved medical facilities and deteriorating buildings. There were probably worse problems, he conceded, but they were not brought to the attention of the department.

"The camps season lasts eight weeks," he said. "You blink your eyes and it's gone. If you inspect a camp at the beginning of the season, there's no way of telling what shape it will be in by the middle of the season."

Connecticut, he said, has some of the strongest camp safety laws in New England.

Enforced by the state Health Department's Environmental Health Services Division, the eight-year-old Connecticut statutes regulate both day and residential camp facilities, personnel qualifications, and in general require a camp staff consisting of a director, activities specialists, counselors and maintenance personnel. Qualified staffing is required for swimming and special sporting activities such as riflery. Each camp must have a water safety instructor and there must be at least one counselor over 16 for every six campers under 8 years of age.

David C. Wiggin, director of the state's Environmental Health Services Division, said each of Connecticut's 240 camps are inspected in July. If major violations are found—such as an unqualified staff member—they must be corrected immediately. Camps with major violations are then re-inspected before the end of the summer.

If laws regulating summer camps may save lives or prevent injuries, why don't more states pass such legislation? One reason, said Michael Rossetti, who works in Wiggin's division, is the oppositon of camp owners.

"They don't want to be regulated," said Rossetti of owners in other states. "In addition, regulation will probably cost them money; who wants to spend the money if they don't have to?"

Additionally, some legislators—especially at the federal level—question the need for a national law, voicing reservations about a mushrooming federal bureaucracy.

Alan J. Stolz, of the American Camping Assn., who testified before congressional committees on the bills, said officials of the Carter Administration are worried about the price tag of federal youth camp safety legislation, estimated to be about $7.5 million. "That amount is peanuts in Washington, and I'm not trying to be funny," he said. "Also, and I don't mean it to sound cold, but many congressmen feel camp safety laws are a minimal concern."

Stolz is the association's national legislative chairman as well as director of Camp Cody for boys, a private New Hampshire camp. The association is a non-profit professional organization founded in 1910 to achieve professional practices in organized camps. It represents some 60 percent of the nation's 10,500 camps, and conducts its own inspection program, Stolz said. Last year, about 20 percent of the 950 camps failed to gain accreditation.

"The problem is that, say you have a kid who wants to go to camp in Utah," explained Stolz. "A Massachusetts resident doesn't know a thing about whether or not there are camp safety laws in Utah. Sure, the camp sends you a fancy brochure—but does it tell you factually that the drinking water is safe to drink?"

Both proponents and opponents of camp safety legislation cite statistics compiled by the US Department of Health, Education and Welfare four years ago. The agency sent a questionnaire to 8000 camps and received about 3500 replies.

The camps responding reported that 25 campers were killed that year, 1445 campers were injured and 1223 youths had become seriously ill.

Opponents said the figures showed how safe contemporary camps were, while advocates argued that since 4500 camps did not

respond to the questionnaire, the national tolls of death and injuries must be higher.

"The 250,000 figure people mention is injuries that take into account every Band-Aid and bellyache, every bruise and headache," Stolz said. "People get worried when they hear that figure and believe it to mean 250,000 drownings."

Opponents say camp safety legislation is up to the states, while proponents—noting only 13 states have regulations—say many states haven't adopted legislation.

"One of the interesting statistics is that 49 percent of the children going to camp do so in the states having camp safety laws," Stolz said. "The others have no protection at all."

A bill introduced by Sen. Ribicoff proposed that HEW establish minimum standards for the operations of safe and sanitary camp facilities, to be developed in cooperation with an advisory council on children and youth camp safety.

Under Ribicoff's plan, states would have three choices: to enforce their own regulations (which must be at least equal to federal guidelines); to accept and enforce the federal standards or to grant HEW the authority to enforce the federal requirements. Up to 80 percent in matching funds would be available to states choosing to enforce the program themselves under the plan.

Although supported by various camping groups, the proposal met resistance from summer camp interests and from the Department of Health, Education and Welfare, which was working on a proposal of its own.

The HEW proposal was a watered-down version of the Ribicoff bill, setting "model" standards for youth camp safety, but making no provisions for federal enforcement.

In defending HEW's position, Dr. Joyce C. Lashoff, deputy assistant secretary for health, explained that the potential bureaucracy resulting from Ribicoff's proposal would be "substantial."

"We especially believe that enforcement of youth camp safety standards in those states without approved plans is not an appropriate federal function or an appropriate use of federal resources," she said.

One vehement congressional opponent of camp safety, US Rep. Bud Shuster (R-Penn.), argues that the evidence fails to support the assumption that operators of day and summer camps are negligent in protecting children in their charge from injury.

"In fact," Shuster contended, "the opposite is true. Children are safer when they are under the kind of supervision found in a camp situation than they are on our city streets and oftentimes in their own backyards. Yet nobody in this Congress has proposed setting up a national backyard safety corps to make sure parents are supervising their children properly—so why summer and day camps?"

The nation is still without a national youth camp safety law, and congressional sources say no approval of a law is expected this year.

In the absence of uniform camp safeguards, what can parents do to protect their children this summer?

Officials in the New England region advise parents to visit the camp before enrolling their child and to minimize risks by discussing summer activities with camp personnel.

"Be sure to read carefully the camp's brochure," said Connecticut's Wiggin. "Be particularly aware of any out-of-camp trips which may be offered. These trips should have skilled staff and personnel accompanying the campers."

In addition, parents should consult carefully with one of the most important persons involved in camping: the camper. Each youngster should be asked what he expects of camp, how long he wants to stay, and what activities he is interested in, Wiggin said.

"Taking these simple precautionary steps can help assure safe, rewarding and enjoyable summer camp experiences for all youngsters," he continued.

And camp safety supporters like Mitchell Kurman and Abraham Ribicoff will keep lobbying for camp safety legislation both at the state and federal level.

"If you had 100 kids die in one camping accident, everyone would be hollering and then you'd see some legislation," Kurman said. "But most of the deaths are not publicized, and when one hits the papers, camp counselors say it was an 'isolated case.' If one life is saved through legislation, then the fight is worth it."

THE NEED TO MECHANIZE THE MARINE CORPS

● Mr. HART. Mr. President, I would like to bring to the attention of my colleagues an excellent article from the Marine Corps Gazette on a most serious issue: The need to mechanize the Marine Corps.

This article, "It's Time to Mechanize Amphibious Forces," by Capt. Stephen W. Miller, U.S. Marine Corps, correctly points out that we cannot think of modern, mechanized warfare as something we might have to fight in Europe, while old-fashioned foot infantry will be adequate in the rest of the world. Many Third World states are fielding modern, mechanized forces, some with equipment more modern than our own. Today, Egypt has has about 2,000 tanks, Iran has 2,000, Syria has 2,600, Iraq has 1,500, Afghanistan has 700, and Peru has over 500, to give some examples of Third World nations which have mechanized their forces. In contrast, the U.S. Marine Corps today has only 406 tanks.

The Armed Services Committee has expressed its concern with the failure of the Marine Corps to field mechanized units. In its fiscal year 1978 report, the committee stated:

The committee notes the continued retention in the Army and the Marine Corps of a level of non-mechanized infantry which seems excessive in view of the alteration in mission priorities which has taken place since the termination of the conflict in Southeast Asia and the decreasing utility of non-mechanized infantry on the modern battlefield . . . The committee hopes that efforts to convert additional non-mechanized infantry to formations more attuned to altered mission requirements and the demands of the modern battlefield will be made, even if modest reductions in end-strength should be required to provide the necessary funding for conversion.

In September of this year, the Marine Corps will begin testing a mobile task force at 29 Palms, Calif. I hope the Senate will watch these tests with interest, and with the intention to insure that mechanization is fully explored by the Marine Corps. If we are to maintain a genuinely effective Marine Corps, it is clear that, as Captain Miller so well argues, we must move toward mechanization.

Mr. President, I ask that the article titled "It's Time to Mechanize Amphibious Forces," be printed in the RECORD.

The article follows:

IT IS TIME TO MECHANIZE AMPHIBIOUS FORCES

(By Capt. Stephen W. Miller)

Amphibious operations provide a means of extending sea power across an exposed coastline into an enemy's vulnerable land areas. Yet, in the light of modern weapons technology, is the amphibious assault feasible? This has been a subject for recurring debate for decades. In 1915 at Gallipoli, the amphibious operation seemed doomed. But landing operations from 1941 to 1945 proved that with improved techniques of execution, the amphibious option could be made viable despite the advanced weapons and techniques available to a defender.

Today, faced with the style of fluid, mobile warfare which prevails throughout the world, an opposed landing executed as at Okinawa or Inchon might be as disastrous as at Gallipoli. Yet, sea launched and supported land forces have the potential for having their most decisive impact in this mobile type warfare. As J. F. C. Fuller contended in 1918, the mobility imparted by sea power will enable a modern aviation/mechanized amphibious team to penetrate an enemy's extended and, therefore, exposed coastal flanks, reaching into those vital yet vulnerable logistics and command areas far behind the forward combat elements. This force, using flexibility, speed and surprise to maximum effect, will in the destruction of these facilities (like a pebble thrown into a pool of water), create a ripple of calamity of ever increasing magnitude and effect.

The key to the viability of any doctrine is its adaptability to changes in the environment in which it must operate. Thus, the techniques of amphibious operations must be constantly reviewed and adapted to ensure the validity of the accompanying doctrine. The United States Marine Corps has led the world in the formulation and validation of amphibious warfare techniques since 1922. And since 1945 amphibious warfare has become the accepted and assigned raison d'etre for the Marine Corps. It is still the Corps' mission to evaluate the anticipated combat environment, adapt the tactics and adopt the means to continue to project sea power ashore. The concepts that will continue to make this possible in the future are mobility, superior firepower and surprise through speed. The means is a mechanized amphibious force.

Through analysis of the degree of slope or gradient and type and density of vegetation, it is possible to classify the world into three categories as related to mechanized suitability. For our purposes, these may be called: optimum armor terrain, marginal armor terrain and restricted armor terrain. Although the use of armor cannot be totally excluded in almost any terrain, optimum armor terrain is that terrain where mechanized forces have their maximum employment potential with minimum restrictions to mobility; where mechanized forces would likely dominate over an enemy dependent upon foot mobility. These plains, tablelands and plateaus have gentle gradients covered primarily with grasslands or scattered tree and shrub formations, which are largely open and provide unlimited observation. This terrain comprises more than 40 per cent of the world's total land area.

Another 40 per cent can be classified as marginal armor terrain where, although gradients are favorable, the predominance of forests limits the trafficability of armor and other mechanized forces, thus reducing their flexibility. The use of mechanized forces can still be decisive when properly employed, but they may not dominate the entire battle area. The remaining 20 per cent of the world consists of rough lands, steep sloped hills, jungles, swamps and mountains (restricted armor terrain) which limits

armor to almost exclusive usage of roads, passes, cultivated area and clearings. Here the foot soldier may dominate, because the flexibility and mobility of large armor formations are most severely curtailed.

Thus, we find that armor/mechanized forces have the potential of governing combat over 80 per cent of the world and of predominating in up to 40 per cent. It should also be recalled from combat history that because of psychological impact, often the introduction of even a small amount of armor in seemingly impossible terrain will provide a decisive combat advantage in excess of numbers.

The combat lessons of World War II and more recently of the Middle East have not been lost on the emerging Third World nations. Military mechanization has become a marketable product. Third World countries see in it the optimum way of increasing the effectiveness of their armed forces. Almost every Third World country of significance has embarked through foreign purchase or aid or internal production on a program of equipping its armed forces with a modern armored and air defense capability. This growing trend is evidenced in not only high level intelligence reports but also the public news media. Some of the countries that have developed or are developing a respectable capability are: Argentina, Brazil, Chile, Peru, Venezuela, Pakistan, India, Afghanistan, Yemen, most of those in the Middle East, Somalia, Tanzania, Mozambique, Algeria, North Korea and the Peoples Republic of China.

Although it may be expected that the degree of training and competence with which the armed forces of such countries may be used will vary, the inherent mobility imparted to them by mechanization provides them with an important advantage over the currently configured Marine force afloat much akin to that enjoyed by the Boers over the British in 1900. The sophisticated weaponry with which we have tended to equip our forces as a counter to this threat has become only an extra burden to the already overloaded foot Marine restricting still further his limited mobility.

In the 1950's and particularly during the Vietnam War, the helicopter came into its own. The mobility of the vertical envelopment in that time and under those circumstances was feasible and effective. But the battlefield has changed. The threat posed by highly accurate, mobile, and numerous surface-to-air missiles and antiaircraft gun systems has effectively ended our unchallenged air supremacy. The mobility imparted by the helicopter may have become a "one way" mobility—that is, once disembarked a unit's high mobility departs with the helicopters. A unit in contact may have little opportunity to use air mobility as it will likely fall under the enemy's air defense belt. Equally serious is that, by the nature of the terrain, in the 40 per cent of the world in which mobility is essential (optimum armor terrain), the vulnerability of helicopters to air defense weapons is also the greatest.

The Yom Kippur War demonstrated the high cost that will be incurred in any attempt at penetrating the air defense belt of a modern army. According to some experts, high losses can be expected even to an air force using proper evasive techniques. Although the Israeli's found the helicopter useful in night insertions, they recognized the vulnerability of the inserted forces and, therefore, planned for their early link up with armor to include the organic mechanized carriers of the inserted force. The fluidity of a modern battlefield requires a minimum capability of which is beyond the capability of a force dependent upon the helicopter.

Europe as the focal point of America's foreign interests must be of prime concern to this country's Armed Forces. Yet, a Marine Corps force as currently trained and structured would be of little effect committed into a European war scenario. But this same force configured as a high mobility mechanized force with a substantial antiarmor and antiair capability, used in a high speed amphibious assault could have a pronounced impact on that same battlefield. By bypassing the forward concentration of forces which the Soviets strive for in the offensive, a Marine mechanized force could exploit the critical vulnerability of the Soviet rear and flanks. Operations could be in conjunction with attacks launched by other NATO forces or as independent mechanized sweeps or large scale raids deep into the Soviet rear. Surprise would be possible through the use of high speed landing vehicles launched beyond the horizon from an amphibious task force at sea (outside of the helicopter we don't have such a vehicle now), mobility and self-sufficiency of the mechanized force and elimination of a static beachhead logistical area.

By it's very nature a logistical base ashore would impede the required high mobility essential to the success and survival of the mechanized Marine force. It also would provide the enemy with a target and require some of the already scarce combat assets to provide for its protection. The alternative provides a new freedom to the commander: resupply from a seaborne base using terrain flying helicopters. Inserted beyond the troop, tank and AAA/SAM concentrations of the Soviet main effort, this force with its organic aviation could have greater impact than a comparable unit committed alongside the U.S. Army in a conventional manner. Both survivability potential and impact would increase on a geometric scale commensurate with the confusion, shock and surprise generated by the penetrating Marine force.

Beyond the actual combat potential of such a force is its political and deterrent effect. The very knowledge that such a force exists and the threat it would pose must be anticipated by the Soviets. They would have to draw off forces to protect the coastal flanks, thereby leaving fewer for the main effort, thereby reducing their capability for a preemptive attack. This force might also act as an additional concern of other Warsaw Pact countries with an assailable coastline in deterring their participation in a westward offensive. Paradoxically, the greater the Soviet success in achieving high rates of advance and battlefield fluidity the greater will become the threat to their rear presented by a poised mechanized amphibious force.

The capability that a mechanized Marine amphibious force can offer is of such a unique value that to liken it to the standard mechanized unit and thus permit its prolonged commitment to the general land war would be both a tactical and strategic blunder of serious and far reaching magnitude. The mechanized amphibious force should be employed on a limited mission basis. Upon accomplishment of that mission, it must be free to withdraw to sea from where it came or to conduct itself as the situation might demand. The temptation to view it as just another fighting outfit must be resisted.

In a conflict in which the Marine Corps may be required to respond outside of Europe, the necessity for the amphibious force to have the mobility, firepower and speed inherent in mechanization may be even more vital. Intrinsic to commitment into a "limited war" are the need to confine it, preclude its escalation and provide for its end as rapidly as possible. The only force with the attributes to provide a quick, decisive single blow or rapid succession of blows possibly at depth, would be a mechanized amphibious force. The mobility, firepower and speed of such a force would offer the capability for effective employment throughout most of the world. Even when opposed by a numerically superior mechanized force, the element of surprise coupled with air-ground team work, training and flexible tactics provide a high probability of success.

Confronted with budget constraints and manpower ceilings, many within the Marine Corps view mechanization with financial awe. All Free World nations face these same constraints, but through advanced technology, we can get the most combat power for the least money. This technology permits a unit of smaller size, given mobility, to exercise a combat power in excess of its numbers. The mobility imparted by mechanization not only increases the responsiveness of the force but also decreases its dependence upon continuous resupply. Each vehicle can carry sufficient additional ammunition, rations, water and arms to enhance survivability and effectiveness. The less critical that resupply is, the more flexibility is afforded by the force in the combat environment. On today's battlefield, that flexibility is a precondition to success.

Indeed, mechanization will provide more flexibility at all levels. Should the situation or mission require a higher density of antitank weapons or a large number of mines, for example, a commander could provide these in quantity sufficient to ensure the mission's accomplishment without excessive concern for overloading his personnel. Beyond unit mobility organic vehicles would provide fire support, a base of operations, increased communication and surveillance capability, protection during movement and in the assault and greater small unit independence and flexibility.

Of prime consideration is the strategic mobility of the mechanized amphibious force. There are limited numbers of amphibious ships. Air transport of additional or reaction forces must also be feasible. A portion of the solution to embarking the mechanized force is the reduction of the logistical tail required by providing a shipboard logistics base using a helicopter resupply link to the landing force. Additional savings may be found in the reduction in unit size possible through mechanization. The principal element in ensuring embarkation supportability will be the selection of the vehicles that will make up the mechanized force.

Prior to a discussion of vehicle requirements, two premises must be established: first, that weight is the prime determinant of air transportability and volume the limitation on ship stowage, and second, that of the three functions of armor, mobility is the most decisive in battle followed by firepower and lastly protection. The history of warfare bears this out from the campaigns of Alexander the Great to the recent Middle East struggles. For example, when mobility was lost in 1914, the war stalemated. Yet in 1940, German formations, although outnumbered and using tanks of inferior quality (outgunned and lightly protected), were able to vanquish in rapid order the superior Allies by using mobility and combined arms.

Using weight, volume and mobility as parameters, it is evident that a comparatively small, light-weight vehicle with a high horsepower per ton ratio, limited protection and acceptable cross country mobility is the ideal. Any such vehicle must also offer high reliability and low maintenance. Finally, the necessity of providing mobility to all accompanying elements of the mechanized force prescribes versatillity and adaptability.

Tracked vehicles should not be explored exclusively. Through advancements in technology, the wheeled armored carrier has become in many respects the equal or superior of the full tracked vehicle. With a weight of up to 75 per cent less, a lower maintenance requirement, high reliability and considerable potential for modification, the wheeled vehicle has an overall mobility nearly equal to its tracked cousin. Current families of all-wheeled military combat vehicles include the French VAB and Panhard series, the Ameri-

can Commando and Swiss MOWAG. In addition, some countries have attempted to combine the tracked vehicle's mobility and low silhouette with some of the more desirable qualities of armored cars: low weight, agility, simplicity of design and lower cost. The British Scorpion and Argentine TAM/VCI are products of these efforts.

The world is in a time of change, and warfare will change to fit the world. The Marine Corps must adapt itself to these changes and maintain a viable amphibious capability in the face of the combat environment that results. The key point is that a Marine amphibious force, once it has crossed the beach successfully, is faced with the same battlefield and enemy capability as any other force. Although the amphibious assault can provide an important advantage, the initiative, this advantage can be lost if speed and flexibility are not maintained. A mechanized amphibious force provides a larger array of options and an increased capability in pursuing those options. In future wars the Marine Corps can only accomplish its mission of amphibious operations, if it adopts total mechanization of its arms, complete integration of its air in support of the ground units and an openness of thought to see the required changes through to their logical conclusion.●

SENATOR STEVENSON'S ADDRESS TO THE INTERNATIONAL CONFERENCE ON TRADE AND INVESTMENT

● Mr. HEINZ. Mr. President, on June 19, Senator STEVENSON delivered the keynote address at the International Conference on Trade and Investment, which he cosponsored in conjunction with the National Journal. His comments at that time sum up the international economic situation so precisely, that I want to bring his remarks to the attention of other Senators.

Senator STEVENSON accurately sums up current international monetary and trade problems and warns both of the dangers of protectionism as well as those of unfair trade, as countries seek to bend international rules to their short-term advantage. In reviewing these problems, the Senator from Illinois makes a compeling case for a vigorous American export promotion policy, a case I fully endorse. The Senator's International Finance Subcommittee, on which I serve, has held extensive hearings this year on export problems and had assembled a large body of evidence that underscores the need for our Government to move more aggressively in this area. With Senator STEVENSON's thoughtful leadership, as evidenced by these remarks, I am confident we will begin to take a more coherent approach to international economic decisionmaking.

Mr. President, I submit for the RECORD the text of Senator STEVENSON's address:

KEYNOTE ADDRESS BY SENATOR STEVENSON AT THE INTERNATIONAL CONFERENCE ON TRADE AND INVESTMENT, WASHINGTON, D.C., JUNE 19, 1978

The failure of the United States to offer economic leadership in the late 20's invited world depression—and depression, with all the inadequacies of the First War's settlement, led to the next War. In the late 40's the United States responded as it had not twenty years earlier. It led the rebirth of the free world. More than any other nation, the United States created the institution of trade and finance which brought the world a measure of sustained peace and prosperity.

Now the world is again at a watershed. World population may increase in the next twenty-five years by more than in all the previous years of human existence. Already much of mankind is living close to the margins of existence, as sources of food and fuel are depleted. Nations dependent on each other for markets and supplies are moved by economic expediencies and animosities spawned by history and ideology to seek independence. The invisible hand of Adam Smith has become the visible hand of governments subsidizing exports and restricting imports. Cartels and other interests stand the laws of supply and demand on their head at will. The price mechanism can't even redress the balance of payments deficits, as was confidently predicted by the theoreticians when the dollar was unlinked from gold.

Economic growth lags behind the most conservative projections. Western Europe had a two percent growth rate last year. Inflation and unemployment continue unabated in nearly every market country. World trade is stagnant when inflation is taken into account. International debt has quintupled since the oil price hikes in 1973. The credit requirements of nations and industries exceed the resources of official and commercial credit facilities. Investment in productive enterprise and innovation is flagging. And payments deficits mount as the world's failure to conserve energy and expand energy supplies continues.

That is a somber keynote for this conference—but it is my way of suggesting that this conference is overdue. You come from many disciplines. You all have much to offer—and there is much to be done.

The familiar fundamentals of global recovery are sound, and they are challenged. The orthodoxies of the Keynesians, the monetaries and Marxists are too often unchallenged. The fundamentals of free trade, a stable monetary order and adequate investment deserve a word.

A free trading system allocates resources efficiently. It rewards efficiency and stimulates innovation. And the competition is therapeutic. Indeed, in this age of oligopoly and administered prices, foreign competition is something the only effective competition. And that, of course, is one reason elements of industry and labor seek protection from it.

Now a new wave of competition looms from LDCs combining high technology, low labor costs and priorities that rank social welfare benefits and environmental protection far behind development. Six of the most advanced developing countries had already increased their share of world manufacturing exports from 1.5 percent in 1963 to five percent in 1976. U.S. trade with these nations is now in deficit. This competition generates more pressure for protection. The LDCs are themselves among the most protectionist of nations. They restrict imports and subsidize exports—and, while seeking trade preferences, they invite protection from nations already defending themselves against cheap textiles, shoes and steel.

Trade negotiations are vital to all countries. The industrial countries alone would gain $125 billion in trade by a forty percent tariff cut. The United States would gain 120,000 export jobs. Reductions in barriers to agricultural trade and reduction of insidious non-tariff barriers would add hundreds of billions of dollars more in economic benefits for all participating countries.

International restraints on export subsidization seem to be violated with frequency and impunity. The export subsidy competition must be addressed at the highest levels—above the pressures of commercial interests which always subordinate posterity for the sake of a cash sale.

The suggestions that technology and capital transfers abroad be arrested should be faced for what they are—protectionist and unworkable. Technology moves in the winds, and so does money. The United States is now dependent on foreign sources of both.

This battle of reciprocal advantage versus reciprocal disadvantage will never end. When the Tokyo round is completed it will be time for the next. More nations must be brought into the negotiations—and more items of commerce, too.

The world will benefit far more from open trading practices than from so-called "organized" trading arrangements. But it lacks the institutional means of disciplining itself through review of complaints, disclosure of trading practices and enforcement.

The most effective way to defeat protectionism is to relieve the pressure for it. Instead of protecting themselves from foreign competition, nations should set out to meet it and benefit from it. But a nation's competitiveness avails it little if the world is insolvent. And if the international medium of exchange is of uncertain value, levels of commerce in the world will be depressed. All this is taking place. The dollar has declined erratically. Nations with the most appreciated currencies run the largest trade surpluses. The unhinged dollar is not redressing the U.S. trade balance; it is causing inflation. And nations everywhere are faced with chronic and deepening current account deficits. They struggle to pay the oil bill and the other costs of internal development and human survival by promoting exports, restricting imports, and borrowing. But credit resources are limited. The few proposals for constructive action upon this arcane and vital subject of monetary reform and credit are not implemented by the U.S.

The reform of the international monetary system began with a burst of American leadership at Bretton Woods; that leadership needs to be renewed. For the long term the objective ought to be a monetary system with a monetary fund involving all nations, including the OPEC surplus countries and nonmarket countries, in a process which brings down artificial barriers between East and West, brings in OPEC surpluses, and moves the world toward freely convertible currencies and a truly international medium of exchange. Such an objective is more realizable than our limited vision permits us to understand.

For the short term Congress should approve U.S. participation in the Witteveen Facility, and it will. The additional resources available to the IMF will finance current account deficits and assist with the correction of structural dislocations in the borrowing countries. This facility will bring in some OPEC surplus countries. It is critical to short-term financing requirements and a step toward a universal monetary system.

The role of the SDR as a reserve asset should be expanded as another such intermediate step. Reliance upon the dollar or any other national currency exposes the world to excessive fluctuations in the standard of value and unit of account to the detriment of all. In addition, policies appropriate to the special reserve status of the dollar may not always be appropriate to the internal growth and employment objectives of the United States.

Finally, there is a fundamental need for capital investment in sectors which can produce raw materials and manufactures for the world.

The World Bank's new program to stimulate energy research and production in the developing countries is a step in the right direction. The United States could join with other nations in new institutional means of investing capital and technology world wide in the production of energy. It is, however, preoccupied with an illusory independence.

The World Bank and the regional development associations together with bilateral aid programs are helping increase agricultural

productivity. But the Congress has not appropriated the full U.S. share for these bodies.

We might with more vision complement the demand management policies of the past with global supply management policies for the future and come to grips with the dominant causes of inflation. Contrary to the logic of demand management, inflation accompanies unemployment—with some imagination and innovation, growth might be associated with stable prices. It is encouraging to note in this regard that the OECD ministers recently placed more emphasis on structural policies. Investment in the production of essential goods and services is a more promising means of controlling inflation than decreasing demand for them. But the phychosis of protection rears its head again. It resists foreign investment.

Many U.S. multinationals and foreign companies are moving production into the United States as foreign labor costs rise and the dollar depreciates. Foreign investors should be welcome, as they have been traditionally, especially when they build factories, buy stocks and bonds and bring new technologies to the U.S.

In the U.S. conventional wisdom attributes the trade deficit to oil imports. And obviously an oil bill of $40 billion is a major cause of that deficit. But other nations more dependent on foreign sources of raw materials, including fuels, run trade surpluses. And if you eliminate the U.S.-OPEC trade deficit, you find that United States trade is still in deficit. Dependence on foreign oil will grow. And so will foreign competition.

What should we do in the U.S.? Instead of complaining about foreign competition, the United States should beat it. The opportunities are large, but the vision and the will are short. The Congress reacts with a Humphrey-Hawkins bill which contains no word about trade and the competitive position of the United States in the world. Labor seeks protection. Business seeks more export subsidies. The Administration seeks to take them away. And only the farmers seem aware of the global dimension to the market—and they would price themselves out of it.

The U.S. is asleep. You might ponder what it could do if it awoke. It would be a more credible negotiator in trade talks if it demonstrated that it was not only prepared to protect its own markets from unfair trade—but also prepared to penetrate foreign markets with its exports.

Exports are the province of the largest American corporations, though the benefits trickle down. Small corporations are left out, except as suppliers to the large. Already there is scarcely an American product that is any longer unique in the world. The quality of American products is sometimes inferior. Our global marketing is often weak, especially when compared to the Japanese trading companies and German chambers of commerce. American productivity is weighted down by unnecessary transactional and societal costs. Our rate of productivity gain is lower than in most industrialized countries. Foreign governments go all out to pay the oil bill and beat us with barriers to our imports, subsidies for their exports, and support for development of export industries. And in the United States the efforts to develop a comprehensive export policy are only now beginning.

The effort is hindered by the consuming notion that every affliction of mankind can be cured by another law or withholding American patrimony from errant nations. The Congress has difficulty resisting the temptation to legislate the conduct of foreign policy for which it is neither competent nor intended by the Constitution. Thus, U.S. participation in the World Bank and regional development banks is subject to well-intentioned but mischievous human rights restrictions. The IMF is similarly threatened, as is the EXIM Bank. MFN and credits for nonmarket countries are linked to assurances with respect to their emigration policy. Now environmentalists are seeking to subject EXIM-supported exports to foreign environmental impact statement requirements.

The efforts to condition U.S. participation in world commerce upon the extraterritorial reach of U.S. laws and social priorities and the all-out opposition imply that the economic, political and moral purposes of the U.S. do not coincide. A more hopeful and ultimately more humane basis from which to proceed is to recognize that such interests can converge. The anti-boycott law while not altogether popular on either side, effectively reconciled the protection of American sovereignty and American neutrality with a recognition of its economic interests in the Middle East. It is imprudent for one side to go all out to beat the other. One side and, therefore, at least one interest of the United States is likely to be defeated. In the Senate Banking Committee we have recommended a procedural alternative to ad hoc Congressional determination of eligibility for EXIM Bank credits. It requires a periodic review by the President of U.S. interests in all nations. Eligibility would be determined by the President according to broad criteria, subject to Congressional disapproval of his list of eligible countries. That procedure is a workable alternative to the Congressional formulation of policy with respect to individual issues and countries. Such methods, and such an outlook, are necessary if we are to stop inflicting damage to our inseparable economic and strategic interests.

The EXIM Bank's lending authority will be increased this year to $40 billion. It will be authorized to offer concessionary terms to meet foreign competition. That authority will strengthen the U.S. bargaining position with respect to export subsidies.

The Commodity Credit Corporation should be authorized to extend intermediate term credits to support agricultural exports and the development of storage and port facilities abroad. These facilities would assure more constant supply and price levels. The authority is needed for Poland and other customers which are credit worthy but face some bunching of short-term credit or debt over the next several years. Again we must match the credit terms available from competitors.

It would be imprudent at present to repeal tax incentives for exporters, including DISC. The repeal of DISC should be part of another negotiated effort to reduce export subsidies. For similar reasons, Congress should carefully consider the export benefits associated with deferral of income earned before taking any action which could further weaken export marketing and our negotiating position.

In the name of competition, U.S. antitrust laws sometimes prevent competition in the global marketplace. We should consider trading companies which could represent small as well as large American businesses throughout the world, absorbing exchange rate fluctuations and a day-to-day basis, meeting foreign competition everywhere.

The United States should package large export transactions including everything from nuclear power plants to caterpillar tractors. Trading companies with government cooperation facilitated by a department of trade could help put such packages together. A department of trade consolidating international trade and investment responsibilities would help centralize accountability and elevate the job to one of prominence and authority—as it is in other nations.

Agricultural policy should be reviewed. Instead of paying American farmers to decrease the production of food, they should be encouraged to increase it. We react to last year's surplus instead of tomorrow's hunger, and price ourselves out of markets.

The U.S. must make a larger and wiser investment in research and development. The investment is declining in relation to other countries, and evidence indicates that U.S. industry is shifting from innovation to product improvement. In the 1960s hundreds of small technology-oriented companies were formed each year in the U.S. By 1977 the number had reached zero. To retain our technological preeminence requires tax incentives for capital formation and R&D and cooperative technology efforts by government and industry. Indeed, the adversarial relationship between industry and government could be put behind us. While the Japanese Government is combining its electronic data processing industry and subsidizing its development and its operations, the United States is trying to break up IBM which next year will encounter the fourth generation of computers from Japan.

A recommitment by government to basic science and industrial innovation, including the commercialization of new technology, on a selective basis is essential if the United States is to compete and benefit mankind where best it can.

It is time the U.S. awoke, put its house in order and gave the world the leadership of which it is capable.

We have wandered, like Gulliver, into the land of Lilliputia and are tied down by strands of minutiae, reorganization plans, webs of regulations, and zero base budgets. This conference can help the U.S. recover its vision of a world at peace with itself and get moving again.

The capacity of democratic governments evreywhere to act is in doubt. The governments of most western nations are weak. The political extremes of right and left are menacing. The temptation to look no farther than the national border is strong. Economic statesmanship is a commodity in short supply. This conference can help produce it.●

TRUCK SAFETY

● Mr. KENNEDY. Mr. President, Senator MAGNUSON, Senator PERCY, and I want to inform our colleagues of our intention to offer an amendment to the Federal-Aid Highway Act of 1978 when it comes up for Senate consideration in the near future. This amendment, if adopted, would vastly improve truck safety on the Nation's highways by requiring States to set the actual dimensions of trailer length for trucks, independent and irrespective of the length of the tractor.

We can no longer ignore the unsafe conditions faced by the over-the-road truck driver. In 1974, when Congress allowed a weight increase to a gross total of 80,000 pounds for trucks operating on interstate highways, the change created a strong economic incentive for motor carriers to purchase the longest cargo-carrying trailers possible. Overall length limitations prescribed by the States, however, have forced tractor size to be sacrificed in the trade-off for longer trailers and increased payloads.

These conflicting industry and State objectives have fostered a generation of truck designs which have quite literally squeezed truck cabs into the smallest configurations imaginable. Cabs are being placed on top of their engines, adversely affecting both driver comfort and engine accessibility. New designs even have cabs suspended underneath their

trailers, only inches above the road surface. This dangerous problem was inadvertantly created by congressional action and we must act now to remedy it. No businessman should be forced to choose profit over safety.

The new truck designs have—according to many in the industry—reduced the ability of drivers to control their vehicles, to remain alert at the wheel, and most importantly, to avoid and survive accidents. A longer trailer necessitates a shorter wheel base for the cab, and places increased loads on the critical front steering axle. A lengthened trailer also moves the tractor-trailer coupling device, known as the fifth wheel, as much as 10–12 inches forward of its ideal location.

This move upsets the steering dynamics and critically hinders a driver's steering control. The combination of a shortened wheelbase with an overloaded front steering axle has led to greater difficulty in maintaining vehicle stability, and proved hazardous to surrounding vehicles as well. The tendency of longer trailers to push the tractor through curves, degrade ride quality, and increase the frequency of dangerous front tire blowout accidents all result from the structural conditions imposed by longer trailers and shortened cabs. In a November 1977 article by Robert Sherrill in the New York Times Magazine, tire failure was cited as one of the top killers in truck accidents caused by mechanical failure; two-thirds of these accidents are blowouts of the front tires.

We are offering the following amendment in an effort to alleviate the dangerous conditions caused by shortened cabs, while preserving States discretion in setting truck length. Currently, jurisdiction over size and weight regulation is shared by the Federal and State governments. States are required to comply with authorized truck weight and width limitations as amended in the Federal-Aid Highway Act in order to participate in the Federal highway program. However, States exercise traditional authority to set truck lengths. This amendment to the Federal-Aid Highway Act will insure that States retain authority to set the actual dimensions of truck length, but require that these be geared primarily to trailer length. If however, a State desires to set overall truck length limitations, then the amendment provides that the overall length must exceed by 15 feet or more the length of the cargo-carrying portion. A carrier would no longer be forced to weigh the inhuman trade off between longer trailers and higher profitability, and accident fatalities. The amendment we propose would remedy many of these dangers which contribute to unsafe highway conditions.

The need to establish laws that allow separate trailer lengths and longer cabs was endorsed in the Interagency Study of Post-1980 Goals for Commercial Vehicles in July 1976. In March 1977, the National Highway Safety Advisory Committee recognized just this need in its report to the Secretary of Transportation. The report suggests that the Department of Transportation seek model length limitations that would not create an economic incentive for longer trailers at the expense of tractor length. It further concludes that appropriate State authorities should specifically establish length limitations for trailers alone, rather than an overall truck length. The findings of a March 1977 study conducted by the Highway Safety Research Institute of the University of Michigan also support the necessity for the proposed amendment. Among the report's conclusions is the finding that the safest tractor ride is achieved when the fifth wheel is placed over the tractor rear axle, reducing the load on the front steering axle. The study further concludes that a reduction of front axle loads reduces the tendency for the trailer to "push" the tractor, or cause it to understeer, affording the driver enhanced steering capability and greater maneuverability.

A longer cab permitting a longer wheel base would also aid in reducing one of the most feared truck accidents: the jackknife. Since no braking system for heavy trucks designed to aid in the prevention of jackknifes is being enforced, a longer wheel base and cab is a step toward reducing these frightening accidents. A less cramped cab would also provide safer and easier ingress and egress for the truck driver, in addition to greater ride comffort. Since trucks are used routinely for long travel distances, ride comfort is a serious issue, and an improvement in the ride environment for truck drivers improves highway safety for all motorists.

We have received widespread support from numerous groups favoring a trailer length proposal, and the National Transportation Safety Board has stated that "increased attention is necessary with respect to truck design and its effect on drivers and safety." Organizations supporting the amendment include the International Brotherhood of Teamsters, the Professional Drivers Council (PROD) Teamsters for a Democratic Union, the Independent Truckers Association, and the National Independent Truckers Unity Council. The proposal has also been endorsed by Fleet Owners magazine.

Trucks play an integral role in today's transportation system and are one of our most efficient means of transporting finished consumer goods. I urge the Senate to adopt this amendment, for it is incumbent upon us to ensure a safer environment not only for truck operators, but for all who use the Nation's highways.

The amendment would add the following language between the first and second paragraphs of Section 127, Title 23, U.S. Code:

Funds authorized to be appropriated for any fiscal year under section 108(b) of the Federal-Aid Highway Act of 1956 shall only be apportioned to any State within the boundaries of which vehicle length limitations of tractor and semi-trailer combinations or tractor, semi-trailer and trailer combinations used on the Interstate System apply exclusively to the semi-trailer, trailer or combinations thereof.

Provided, however, that any State may limit the overall length of any such combination if such overall length limitation exceeds by fifteen feet or more the length limitation designated for semi-trailers, trailers, or combinations of semi-trailers and trailers.

UNITED STATES-ROMANIA TRADE STATUS

● Mr. KENNEDY. Mr. President, I am pleased to learn that the Finance Committee has scheduld hearings this week on the President's proposal to maintain Romania's most-favored-nation trading (MFN) status. I fully support the President's proposal, and I hope the committee will act favorably upon it—as it did last year following useful hearings.

I believe it is important that we keep a proper focus on the trade issue with Romania, as part of our evolving relations, and not allow extraneous matters to distract our attention from the importance of strengthening United States-Romanian relations and cooperation in the economic field. The progress that has been made over the years in improving United States-Romanian relations has been advantageous to our two countries, to Europe, and to East/West relations as a whole.

With the new, longer term trade agreements signed between our two countries, it is important that we consider moving from single year to longer term most-favored-nation treatment for Romania.

Another important factor in United States-Romanian relations is the American concern over general humanitarian matters. In this connection, I was pleased that during President Ceausescu's April visit, the question of reunification of families and emigration was discussed in detail. In the Joint Declaration issued on April 13, which I placed in the RECORD, President Carter and President Ceausescu pledged "to cooperate in the settlement of humanitarian issues, including family reunification, in the spirit of mutual understanding and goodwill."

I am gratified that the constructive dialog on these matters between the United States and Romania continues—for the past dialog has been fruitful and many humanitarian issues have been resolved. Hopefully, this process will further facilitate the emigration of family reunion and marriage cases and dual nationals.

Mr. President, I commend the President for his recommendations to continue MFN treatment for Romania, and I am confident the Senate will see ample justification for his proposal.●

DEAN LOUIS H. POLLAK, NOMINEE FOR FEDERAL JUDGESHIP

● Mr. KENNEDY. Mr. President, 2 weeks ago the Senate Judiciary Committee held hearings on Dean Louis Pollak's nomination to become a Federal judge for the eastern district of Pennsylvania.

It is very satisfying to see Lou Pollak on the verge of becoming a Federal judge. Lou Pollak will be an extraordinary judge.

Justice Benjamin Cardozo once wrote that a great judge is half-historian and half-prophet. That statement, written many years ago, is still true today. Its truth is at the heart of the promise that

Lou Pollak holds for our Federal judiciary.

Dean Pollak is an accomplished historian of our legal and constitutional system, a first rate student of America's constitutional development. His legal scholarship is well known. Its acuity ranks high among those qualities which have brought him positions as Dean of the law schools of both Yale and the University of Pennsylvania.

As a teacher and practitioner of law, Lou Pollak knows the importance of precedent, continuity and predictability in a legal system. But he has also demonstrated his knowledge that the law must grow and change as it seeks to further a greater continuity, the search for a more just society. That large vision led Lou Pollak to challenge laws which served as barriers to racial and economic justice.

In the 1950's, he passed up the lucrative private practice of law to work for economic justice as counsel to the Amalgamated Clothing Workers.

And in the early 1960's he placed his commitment on the line through active participation in the struggle of black Americans for their civil rights. He argued for racial justice from the courthouses of Alabama to the Supreme Court of the United States.

Lou Pollak's measured voice is truly half that of a historian, half that of a visionary. And since judicial decisionmaking in its highest reaches is not discovery but creation, a process requiring both an understanding of the past and a vision of where decisions will and should lead in the future, Dean Pollak will be an exceptional judge.●

NOTICE CONCERNING NOMINATIONS BEFORE THE COMMITTEE ON THE JUDICIARY

● Mr. EASTLAND. Mr. President, the following nominations have been referred to and are pending before the Committee on the Judiciary:

Anthony Bertoni, of Michigan, to be U.S. marshal for the eastern district of Michigan for the term of 4 years vice Anthony E. Rozman, deceased.

Robert E. Hauberg, of Mississippi, to be U.S. attorney for the southern district of Mississippi for the term of 4 years (reappointment).

Clinton T. Peoples, of Texas, to be U.S. marshal for the northern district of Texas for the term of 4 years (reappointment).

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Monday, July 17, 1978, any representations or objections they may wish to present concerning the above nominations with a further statement whether it is their intention to appear at any hearing which may be scheduled.●

WE MUST RATIFY THE GENOCIDE TREATY TO REGAIN OUR MORAL LEADERSHIP

Mr. PROXMIRE. Mr. President, one of the roles which our country has come to play in the context of international affairs has been that of moral leader. Because of our belief in freedom and democracy at home and our long history of intervention abroad for humanitarian reasons, we have long been a symbol to many less powerful nations. We have always viewed the safeguarding of human rights as a responsibility.

But in recent years we may have begun to abdicate our moral leadership. Our standing in the world community and our reputation as the strongest guardian of human liberties is subject to question.

Representatives of this Nation here in the Senate have waited three decades to go on record in support of the prevention and punishment of the crime of genocide.

Mr. President, genocide is not just any crime. It is the most vicious, the most barbarous, the most despicable act an individual or a nation can commit. It is an action which is so clearly immoral and contemptible that I am ashamed to admit that this country has not agreed to outlaw it throughout the globe.

When former Secretary of State Dean Rusk came before the Foreign Relations Committee in 1950, he vigorously called for ratification of the Genocide Treaty on the grounds of human justice and moral leadership. "It is an inescapable fact that other nations of the world expect the United States to assert moral leadership in international affairs," he declared. Dean Rusk went on to say:

> If we can offer this leadership, we will see a continuing consolidation of mankind behind these principles and through that contribute greatly to the interest, the peace, and the well-being of the American people.

If we are to regain our position of moral leadership and our respectability in the community of nations, we must act responsibly now and join with other countries in declaring genocide an international crime. I urge the Senate to advise and consent to the articles of the Genocide Convention.

Mr. President, I ask unanimous consent that an excerpt from Secretary Rusk's testimony before the Senate Foreign Relations Committee in their 1950 hearings be printed in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

MORAL LEADERSHIP OF THE UNITED STATES

It is an inescapable fact that other nations of the world expect the United States to assert moral leadership in international affairs. The United States has a record of humanitarian diplomacy, beginning with the early days of the Republic when President John Quincy Adams expressed the public sympathies of the American people with the Greeks in their struggle for independence from Turkish rule. The United States Government has remonstrated more than once with other governments regarding their persecution of the Jews: with Rumania in 1902 and with Tzarist Russia in 1891 and 1904. In addition, the United States has also intervened diplomatically with other governments for the protection of Christians, not only on behalf of American missionaries but also on behalf of converts. For example, it is interesting to note that in the treaty of October 8, 1903, between China and the United States, the Chinese Government specifically agreed not to persecute teachers of Christian doctrine nor to molest Chinese converts in the peaceable practices of Christianity. This Government has also intervened diplomatically on behalf of native Christians, in the case of the Armenian population of Turkey.

Finally, it should be recalled that the United States intervened in Cuba in 1898, in the cause of humanity and to put an end, to quote the joint resolution of April 20, 1898, to—

> the abhorrent conditions which have existed for more than 3 years in the island of Cuba, * * * have shocked the moral sense of the people of the United States, have been a disgrace to Christian civilization * * *

It is a familiar role, therefore, for the United States to take the lead in raising moral standards of international society. And, prevailing international conditions make it imperative that the United States continue to play this role. We all know too well that millions of human beings are still subjected to the domination of ruthless totalitarian regimes, and that the specter of genocide still haunts mankind. It should be made clear to such governments that the United States and other civilized countries do not condone such conduct now any more than in the past.

The Genocide Convention has been signed on behalf of 43 states and has been ratified on behalf of Australia, Ecuador, Guatemala, Iceland, Norway, and Panama. There can be no doubt that the other nations of the world will be tremendously influenced by the action of the United States Senate.

The United States took a leading part in the United Nations in the international effort to outlaw this shocking crime of genocide. I can only express, on behalf of the State Department, our earnest hope that the Senate of the United States, by giving its advice and consent to the ratification of this convention, will demonstrate to the rest of the world that the United States is determined to maintain its moral leadership in international affairs, and to participate in the development of international law on the basis of human justice.

In conclusion, Mr. Chairman, there will be some criticisms offered on this convention, first on the ground that it is too bold and then on the ground that it is too tender. We believe that it is of the utmost importance to our foreign relations to be bold about the principles involved in this proposed convention. We have tried to put it on rational, reasonable, and solid constitutional grounds, and we believe that the convention is solidly founded. But here in the twentieth century we have found a revival not only of man's ability to destroy himself in great numbers through ordinary violence, but a revival as a matter of policy of the principle of destroying large groups of our fellow humans, and if the history of the twentieth century is to record that that policy of degeneration has occurred, we would also like to see that the history of the twentieth century record that the United States took an active, early, and immediate leadership to try to stop that sort of thing.

A PART OF THE STRUGGLE TO BUILD A FREE WORLD

Also we are engaged in a very fundamental struggle in our foreign relations between the forces that are trying to build up a free world and the forces that are trying to tear it down. We have committed considerable material resources to that struggle. The attempt to build is a difficult attempt. It is not easy to get an economic system in order or to get an international collective security system in order. It is fairly easy to tear it down. On the physical side the odds are strongly against us. The bridge which cost $1,000,000 in Greece was destroyed by a $25 bomb.

We are in this fight against enormous odds on the physical side because of the nature of the opposition and the opportunities being offered to the opposition for destruction.

We therefore must turn to the field in which we have enormous advantages, that is, to the moral, political, and spiritual field, in order to mobilize mankind around these basic measures of freedom and try to offset, thereby, some of the disadvantages on the physical side.

Therefore we look upon this Genocide Convention as a major element in the attempt to mobilize the moral and spiritual resources of mankind in the interest of our common objectives as written in the United Nations, and we believe that if we can offer this leadership we will see a continuing consolidation of mankind behind these principles and through that contribute greatly to the interest, the peace, and the well-being of the American people.

DEPARTMENT OF JUSTICE AUTHORIZATIONS, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 847, S. 3151, which has been cleared on the other side of the aisle.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 3151) to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1979, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. TOWER. It is my understanding the Senator from California wanted to be notified on this.

Mr. ROBERT C. BYRD. Yes. He has been notified and is in the Chamber. Both he and Mr. KENNEDY will have something to say.

Mr. TOWER. I see. All right.

UP AMENDMENT NO. 1398

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. EASTLAND I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD) for Mr. EASTLAND proposes an unprinted amendment numbered 1398:

On page 6, line 22, strike the words "Controlled Substances Act" and insert in lieu thereof the words "Comprehensive Drug Abuse Prevention and Control Act of 1970, as amended".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Mississippi.

The amendment was agreed to.

Mr. KENNEDY. Mr. President, today this Chamber is undertaking major new responsibility. For the first time in this Nation's history, we are considering a measure which will authorize the appropriations of the Department of Justice.

Mr. President, let there be no mistake as to the significance of this occasion. The act of authorizing the appropriation of the Department of Justice provides this Chamber with a unique opportunity to participate in the formulation of policy and program direction concerning this Nation's most pressing criminal and civil justice problems. To be a partner in setting funding level authorization for each of the Department's functions not only affords this Chamber the opportunity to collaborate in Justice policy formulation, but, more importantly, it permits our participation in identifying those areas where the Federal emphasis and priority in criminal and civil justice is most appropriate.

The Department of Justice was created by act of Congress in 1870. The legislative jurisdiction over a preponderance of the Department's activities rests within the Judiciary Committee. Yet the Department, prior to fiscal year 1979, has never been required to come before that committee nor the Congress for funding authorization.

In 1976, the Congress enacted Public Law 94–503. Title II of that act provides that, beginning with fiscal year 1979, no sums shall be deemed to be authorized to be appropriated for the Department of Justice unless specifically authorized by act of Congress. Under these terms, specific authorizing legislation is now required before the Congress can appropriate funds for the Department.

The Congress enacted this requirement because it believed that it could not effectively meet its oversight responsibilities without the control of funding level authorization for the Department of Justice. Rigorous oversight by the Congress cannot occur without a formal congressional review made possible by the authorization process. If the credibility and confidence of our public institutions are to be maintained, authorization must play a key role in the congressional oversight process.

Mr. President, on January 26, 1978, the Department of Justice submitted to the Committee on the Judiciary the President's authorization request for fiscal year 1979 in the total amount of $2,464,302,000. This represented an increase of only 3.9 percent over the appropriation for fiscal year 1978. The committee conducted an exhaustive 2-month analysis of the Department's programs, policies and directions as reflected in that request.

Prior to the hearings which the committee held, the committee requested that the Department furnish detailed program and budgetary information to aid it in its study and deliberation of the request. The committee requested that the documentation for each Justice organization place special emphasis on: First, a clear definition of the organization's major policy thrusts, especially policy changes or methods of financing that are necessary to carry out legislative intent; second, an adequate appraisal of its program implementation and past performance; third, an assessment of anticipated benefits of current or proposed programs as they will impact on the general public, the economy, or the environment; fourth, a fair appraisal of the program levels required to fulfill legislative intent, including the appraisal of viable alternatives; and fifth, a credible justification for all current and new programs.

Commencing on March 22, 1978, the Committee on the Judiciary held 10 days of hearings on the authorization request. The committee heard testimony from the Attorney General, various assistant attorneys general responsible for major divisions, the Director of the Federal Bureau of Investigation, the Director of the Bureau of Prisons, the Commissioner of the Immigration and Naturalization Service, and the Administrator of the Drug Enforcement Administration. After these hearings, additional study and analysis were undertaken. When this work was completed, the committee held 3 days of markup sessions and gave detailed consideration both to the programs and policies of the Department and to its budgetary needs to carry out its mission and mandate in fiscal year 1979. On May 25, 1979, the committee reported to the Senate S. 3151, the "Department of Justice Appropriation Authorization Act, fiscal year 1979."

Mr. President, S. 3151 reflects the concerns of the Committee on the Judiciary in a number of important Department of Justice program and policy areas. I would like to take just a few more minutes of my colleagues' time to discuss how some of these concerns are illustrated by changes which the committee has made.

ANTITRUST DIVISION

The Antitrust Division of the Department of Justice has initiated an investigation of the activities of multinational oil companies operating in the Persian Gulf in order to determine whether the antitrust laws have been violated. Assistant Attorney General John Shenefield conceded that the pace of the investigation has been delayed for want of adequate funds. Therefore, the committee authorized the appropriations of an additional $703,000 for this effort.

CRIMINAL DIVISION

Because the committee approved the FBI's requested increase of 337 positions for the organized crime effort and 182 positions for the white collar crime effort, the committee felt that the Criminal Division, the prosecuting arm of the Department, should have a corresponding increase in personnel if the expanded effort against organized crime and white collar crime were to result in adequate enforcement. Therefore, as explained on page 4 of the committee report, additional authority for 78 attorneys, 31 clerical and 23 paralegal at a total cost of $3,331,000 was added.

WITNESS SECURITY PROGRAM

Related to the increased effort against organized crime was the committee's action of increasing the authorization for the U.S. Marshals Service witness security program by $1.6 million. As my colleagues know, the witness security program is designed to provide protection from retribution or retaliation for persons who agree to testify in certain high priority organized crime cases. The U.S. Marshals Service protects these witnesses, and in some instances the witness is given a new identity and relocated in

a different city. A Judiciary subcommittee held hearings on this subject over a 9-month period and recommended the increase to the committee. Since both the FBI and the Criminal Division will be giving a higher priority to organized crime cases, this increased authorization clearly seems to be justified.

CIVIL RIGHTS DIVISION

At the hearings, it was disclosed that the Office of Management and Budget had severely reduced the Civil Rights Division's request for increased staff and funds in order to meet the increased workload of that Division. The Division has the primary responsibility for enforcement of our civil rights laws in a number of areas such as employment, housing, voting rights, Indian rights, and education. Even though the workload has increased greatly, the staff and resources have increased only moderately since 1973.

It is also expected that the recent Bakke decision will result in increased work for this division. In order to prevent cutbacks or delay in civil rights enforcement, the committee approved an authorization for this activity which increased the total amount by $2,266,000.

FEDERAL BUREAU OF INVESTIGATION

An example of the committee's concern with priorities is shown in the committee action on the FBI's request for authorization of $556,750,000, which was a half of 1 percent increase over 1978. The FBI submitted a proposal for various increases and decreases in personnel which resulted in a net decrease of 497 positions as compared to fiscal year 1978. Among the decreases were 202 positions assigned to the bank robbery squads. The committee was reluctant to approve a decrease in personnel since it might indicate to the criminal element a decreased effort in the bank robbery program. Therefore, the committee restored authority for the 202 positions and $5,438,000 for the forcible crimes against banks program.

The Committee on the Judiciary, at the request of the Select Committee on Intelligence, added $2,000,000 authority for appropriations for the domestic terrorism program, half of which is for headquarters management and coordination of activities to combat domestic terrorism and half of which is for criminal investigation of specific terrorist acts that violate Federal laws.

Thus, the committee added $7,438,000 which would authorize a total of $564,188,000, which is less than a 2 percent increase in the Bureau's 1978 appropriation.

BUREAU OF PRISONS

The Bureau of Prisons has had a problem with overcrowding at various penal institutions as well as with the operations of antiquated facilities. The Bureau, with some prodding from the committee and from private organizations, has been negotiating with the military authorities for the use of surplus military facilities for the confinement of prisoners of a type appropriate to the particular facility. Because the Bureau is close to reaching an agreement for the use of three military facilities, the committee added $5 million authority for appropriations necessary to take over and start up these facilities. The three facilities under negotiation are:

First, Fort Dix, N.J., where there is an unused facility with 450 cells suitable for a medium security type of institution.

Second, the former Webb Air Force Base at Big Spring, Tex., where barracks can be used to house 500 inmates in a minimum security facility.

Third, at Boran, Calif., adjacent to Edwards Air Force Base, barracks could be used to house 250 inmates in a minimum security facility.

However, the committee, at the same time, deleted $2,600,000 for planning and site acquisition for a 500-person West Coast adult correctional institution because the total impact on budgets in fiscal years from 1980 onward was uncertain, and the total construction and operational costs were not available at the time of the committee action.

Thus, the committee added a total of $20,338,000 to the Department's authorization in order to facilitate the work of the Justice Department in carrying out the activities in accordance with the priorities and policies that have been set by the Department and urged by the committee. This increase of approximately eight-tenths of 1 percent of the total requested, although small by comparison, is very necessary to reflect the emphasis which the Committee on the Judiciary believes the Congress should place upon the specific areas which I have discussed.

Last, Mr. President, there is one other part of the bill which must be explained. It relates to the probability that the Senate and House conferees will reach an agreement on S. 113, the omnibus judgeship bill. This bill was passed by the Senate in May 1977; a conference committee was composed in February 1978, and it has been meeting in an effort to resolve a total of 27 differences. The conferees have already agreed on the creation of urgently needed new judgeships: 117 for the district courts and 35 for the circuit courts. If this legislation is finally enacted there will be a need for additional U.S. attorneys to try Government cases before the new judges, and for additional U.S. marshals to provide security.

While the Department of Justice requested $36.5 million for these purposes, the committee has authorized only $30 million because it anticipates some delay in the nomination, confirmation, and appointment of the new judges. Since the United States is the primary litigant in the Federal courts, this increase in authorized expenditures cannot be avoided.

Finally, Mr. President, the increases in S. 3151 in the total amount of $50,338,000 do not jeopardize the congressional budget procedure. In its March 15, 1978, report to the Senate Budget Committee, the Committee on the Judiciary anticipated increases of $127 million in the authorization for the Department of Justice in the categories or functions covered by S. 3151. Moreover, the Senate Budget Committee reported favorably on the waiver resolution (S. Res. 467) which was approved by the Senate on June 19, 1978.

Mr. President, the program funding levels authorized by this bill are equitable and sound. They reflect a proper balance between the Nation's criminal and civil justice requirements and the taxpayer's proper concern over excessive Federal spending.

Mr. President, I urge the adoption of this measure.

The PRESIDING OFFICER. The Senator from California.

Mr. HAYAKAWA. Mr. President, will the distinguished majority leader yield?

Mr. ROBERT C. BYRD. I yield.

Mr. HAYAKAWA. Mr. President, today I had planned, along with my colleague from California Senator CRANSTON, to introduce an amendment to S. 3151 to authorize funds for a badly needed metropolitan correctional center (MCC) in Los Angeles. With the assurances of the distinguished floor manager (Mr. KENNEDY) that he will support the House authorization for the Los Angeles MCC in conference committee, I have agreed, and Senator CRANSTON has concurred, to lay our printed amendment aside.

The need for this holding facility in Los Angeles is critical, and has been well documented in hearings held by subcommittees of both the House and Senate Judiciary Committees. It is virtually the unanimous view of all persons directly involved in the prosecution, defense and trial of Federal criminal charges in the central judicial district of California that a Federal metropolitan correctional center is required, would not result in unnecessary or increased incarcerations and, on the contrary, would result in substantial improvements in the well-being and fair treatment of Federal detainees awaiting trial. In addition, we are satisfied that in the central judicial district all available alternatives to the detention and housing of Federal prisoners have been exhausted.

It has been my pleasure to work with Senator KENNEDY, manager of this bill, and my California colleague, Senator CRANSTON, in support of this needed authorization. I thank them and my Senate colleagues for their support.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. I move the passage of the bill.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 3151

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Justice Appropriation Authorization Act, Fiscal Year 1979".

SEC. 2. Funds are hereby authorized to be appropriated for fiscal year 1979, to carry out the activities of the Department of Justice (including any bureau, office, boards, division, commission, or subdivision thereof), in amounts as follows:

(a) For General Administration including hire of passenger motor vehicles and miscel-

laneous and emergency expenses authorized or approved by the Attorney General, or the Associate Attorney General or the Assistant Attorney General for Administration; $28,996,000.

(b) For General Legal Activities, including miscellaneous and emergency expenses authorized or approved by the Attorney General, or the Deputy Attorney General, or the Associate Attorney General or the Assistant Attorney General for Administration; not to exceed $20,000 for expenses of collecting evidence, to be expended under the direction of the Attorney General and accounted for solely on his certificate; and advance of public monies pursuant to law (31 U.S.C. 529); $98,081,000.

(c) For the Antitrust Division, $47,080,000.

(d) For United States Attorneys and Marshals, including purchase of firearms and ammunition; lease and acquisition of law enforcement and passenger motor vehicles without regard to the general purchase price limitation for the current fiscal year; supervision of United States prisoners in non-Federal institutions; and bringing to the United States from foreign countries persons charged with crime; $228,336,000.

(e) For Fees and Expenses of Witnesses, including expenses, mileage, compensation and per diems of witnesses in lieu of subsistence, as authorized by law; including advances of public moneys: *Provided*, That no part of the funds authorized for appropriation shall be used to pay any witness more than one attendance fee for any one day; $20,144,000.

(f) For Support of United States Prisoners in non-Federal institutions, including necessary clothing and medical aid, payment of rewards, and reimbursements to Saint Elizabeths Hospital for the care and treatment of United States prisoners, at per diem rates as authorized by law (24 U.S.C. 168a); $25,100,000.

(g) For the Community Relations Service, $5,353,000.

(h) For the Federal Bureau of Investigation for expenses necessary for the detection and prosecution of crimes against the United States; protection of the person of the President of the United States and the person of the Attorney General; acquisition, collection, classification and preservation of identification and other records and their exchange with, and for the official use of, the duly authorized officials of the Federal Government, of States, cities, and other institutions, such exchange to be subject to cancellation if dissemination is made outside the receiving departments or related agencies; and such other investigations regarding official matters under the control of the Department of Justice and the Department of State as may be directed by the Attorney General; including purchase for police-type use without regard to the general purchase price limitation for the current fiscal year and hire of passenger motor vehicles; acquisition, lease, maintenance and operation of aircraft; firearms and ammunition; payment of rewards; benefits in accordance with those provided under 22 U.S.C. 1136 (9) through (11) and 22 U.S.C. 1157, under regulations prescribed by the Secretary of State; and not to exceed $70,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General, and to be accounted for solely on his certificate: *Provided*, That none of the funds appropriated for the Federal Bureau of Investigation shall be used to pay the compensation of any Civil Service employee: *And provided further*, That none of the additional funds authorized to be appropriated for criminal investigations and management direction shall be reprogramed to the Domestic Terrorism Intelligence Program; $564,188,000.

(i) For the Immigration and Naturalization Service, including advance of cash to aliens for meals and lodging while en route; payment of allowances to aliens, while held in custody under the immigration laws, for work performed; payment of expenses and allowances incurred in tracking lost persons as required by public exigencies; payment of rewards; not to exceed $70,000 to meet unforeseen emergencies of confidential character, to be expended under the direction of the Attorney General and accounted for solely on his certificate; purchase for police-type use without regard to the general purchase price limitation for the current fiscal year and hire for passenger motor vehicles; acquisition, lease, maintenance and operation of aircraft; firearms and ammunition, attendance of firearms matches; operation, maintenance, remodeling and repair of buildings and the purchase of equipment incident thereto; refunds of maintenance bills, immigration fines, and other items properly returnable, except deposits of aliens who become public charges and deposits to secure payment of fines and passage money; payment of interpreters and translators who are not citizens of the United States and distribution of citizenship textbooks to aliens without cost to such aliens; acquisition of land as sites for enforcement fence and construction incident to such fence; benefits in accordance with those provided under 22 U.S.C. 1136 (9) through (11) and 22 U.S.C. 1157 under regulations prescribed by the Secretary of State; research related to immigration enforcement which shall remain available until expended; $298,019,000.

(j) For the Drug Enforcement Administration to hire and acquire law enforcement and passenger motor vehicles without regard to the general purchase price limitation for the current fiscal year; pay in advance for special tests and studies by contract; pay in advance for expenses arising out of contractual and reimbursable agreements with State and local law enforcement and regulatory agencies while engaged in cooperative enforcement and regulatory activities in accordance with section 503a(2) of the Controlled Substances Act; pay expenses not to exceed $70,000 to meet unforeseen emergencies of a confidential character to be expended under the direction of the Attorney General, and to be accounted for solely on his certificate; pay rewards; pay for publication of technical and informational material in professional and trade journals; purchase chemicals, apparatus, and scientific equipment; pay for necessary accommodations in the District of Columbia for conferences and training activities; acquire, lease, maintain, and operate aircraft; research related to enforcement and drug control to remain available until expended; employ aliens by contract for services abroad; benefits in accordance with those provided under 22 U.S.C. 1136 (9) through (11) and 22 U.S.C. 1157, under regulations prescribed by the Secretary of State, such sums as authorized by section 709(a) of the Controlled Substances Act, as amended (21 U.S.C. 904 (a)), for the fiscal year ending September 30, 1979, for the activities authorized by the Comprehensive Drug Abuse Prevention and Control Act of 1970, as amended.

(k) For the Federal Prison System $364,902,000 including:

(1) For the administration, operation, and maintenance of Federal penal and correctional institutions, including supervision and support of United States prisoners in non-Federal institutions; purchase of and hire of law enforcement and passenger motor vehicles; compilation of statistics relating to prisoners in Federal penal and correctional institutions; assistance to State and local governments to improve their correctional systems; firearms and ammunition; make payments of medals and other awards; payment of rewards; purchase and exchange of farm products and livestock; construction of buildings at prison camps; and acquisition of land as authorized by section 4010 of title 18, United States Code; transfer to the Health Services Administration such amounts as may be necessary, in the discretion of the Attorney General, for the direct expenditures by that Administration for medical relief for inmates of Federal penal and correctional institutions; making such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Act, as amended, as may be necessary in carrying out the program set forth in the budget for the current fiscal year for Federal Prison Industries, Incorporated.

(2) For carrying out the provisions of sections 4351–4353 of title 18, United States Code, which established a National Institute of Corrections, to remain available until expended.

(3) For planning, acquisition of sites and construction of new facilities and constructing, remodeling, and equipping necessary buildings and facilities at existing penal and correctional institutions, including all necessary expense incident thereto, by contract or force account, to remain available until expended; utilize the labor of United States prisoners for work performed under the authorization and appropriation.

SEC. 3. (a) None of the funds authorized by this Act may be used to pay the compensation of any person hereafter employed as an attorney (except foreign counsel employed in special cases) unless such person shall be duly licensed and authorized to practice as an attorney under the laws of a State, territory, or the District of Columbia.

(b) Authorizations made in this Act which are available for expenses of attendance at meetings shall be expended for such purposes in accordance with regulations prescribed by the Attorney General.

(c) Sums authorized to be appropriated by this Act may be used for the purchase of insurance of motor vehicles operated in official government business in foreign countries.

(d) Authorizations made in this Act for salaries and expenses shall be available for services as authorized by 5 U.S.C. 3109.

(e) Funds are authorized to be appropriated to the Department of Justice for official reception and representation expenses in accordance with distributions, procedures, and regulations established by the Attorney General.

(f) The Attorney General is authorized to contract with the proper authorities of any State, territory or political subdivision thereof, for the imprisonment, subsistence, care and proper employment of such persons as provided by 18 U.S.C. 4002.

(g) Sums authorized to be appropriated by this Act may be used for (1) expenses of primary and secondary schooling for dependents of personnel stationed outside the continental United States at cost not in excess of those authorized by the Department of Defense for the same area, when it is determined by the Attorney General that schools available in the locality are unable to provide adequately for the education of such dependents, and (2) transportation of said dependents, between their place of residence and schools serving the area which they would normally attend when the Attorney General, under such regulations as he may prescribe, determines that such schools are not accessible by public means of transportation.

(h) There is authorized to be appropriated such amounts as may be necessary for the increase in salary, pay, retirement, and other employee benefits authorized by law, and for other nondiscretionary costs.

SEC. 4. The last sentence of section 1001(a) of the Civil Rights Act of 1964 (78 Stat. 267; 42 U.S.C. 2000g) is deleted.

SEC. 5. (a) The Act of June 10, 1938, as amended (22 U.S.C. 263(a)), is further amended by deleting the last sentence.

(b) The Attorney General is authorized to pay to the International Criminal Police organization the unpaid balance of the dues for calendar years prior to 1978 and such sums as may be necessary are authorized to be appropriated to carry out the provisions of this subsection.

SEC. 6. Section 5108(c)(8) of title 5, United States Code, is amended by deleting "32" and inserting in lieu thereof "92".

SEC. 7. (a) The Attorney General will perform periodic evaluations of the overall efficiency and effectiveness of the Department of Justice programs and any supporting activities funded by appropriations made to the Department of Justice and annual specific program evaluations of selected subordinate organizations' programs, as determined by priorities set either by the Congress or the Attorney General.

(b) The evaluations will be performed by the appropriate Department level program review staff.

(c) Subordinate Department of Justice organizations and their officials will provide all necessary assistance and cooperation to the Department level program review staff in the conduct of the evaluation, including full access to all information, documentation and cognizant personnel as required.

(d) Completed evaluations shall be made available to the Committee on the Judiciary of the Senate and House of Representatives upon request.

SEC. 8. Each organization of the Department of Justice through the appropriate office within the Department of Justice will notify in writing the chairman and ranking minority member of the House and Senate Judiciary Committees a minimum of fifteen days prior to—

(a) reprogramming of funds in excess of $150,000 or 10 per centum, whichever is less, between the programs within the offices, divisions, and boards as defined in the Department of Justice's program structure submitted to the Committee on the Judiciary of the Senate and House of Representatives;

(b) reprogramming of funds in excess of $500,000 or 2 per centum, whichever is less, between programs within the Bureaus as defined in the Department of Justice's program structure submitted to the Committees on the Judiciary of the Senate and House of Representatives;

(c) The committees will be notified of reprogramming actions which are less than the amounts specified in subsection (a) and (b) if such actions would have the effect of significant program changes and committing substantive program funding requirements in future years;

(d) increasing personnel or funds by any means for any project or program for which funds or other resources have been restricted;

(e) creation of new programs or significant augmentation of existing programs;

(f) reorganization of offices or programs; and

(g) significant relocation of offices or employees.

SEC. 9. The Attorney General shall have authority for the supervision and support of all persons charged with offenses against the United States including authority to contract with State and local authorities for the safekeeping, care, subsistence, and medical aid of prisoners.

SEC. 10. (a) Title 28 of the United States Code is amended by inserting immediately after chapter 37 the following new chapter:

"Chapter 39.—SPECIAL PROSECUTOR

"SEC.

"591. Applicability of provisions of this chapter.
"592. Application for appointment of a special prosector.
"593. Duties of the division of the court.
"594. Authority and duties of a special prosecutor.
"595. Reporting and congressional oversight.
"596. Removal of a special prosecutor; termination of office.
"597. Relationship with Department of Justice.
"598. Termination of effect of chapter.

"§ 591. Applicability of provisions of this chapter

"(a) The Attorney General shall conduct an investigation pursuant to the provisions of this chapter whenever the Attorney General receives specific information that any of the persons described in subsection (b) of this section may have violated any Federal criminal law other than a violation constituting a petty offense.

"(b) The persons referred to in subsection (a) of this section are—

"(1) The President or Vice President.

"(2) Any individual serving in a position listed in section 5312 of title 5.

"(3) Any individual working in the Executive Office of the President and compensated at a rate not less than the rate provided for level IV of the Executive Schedule under section 5315 of title 5.

"(4) Any individual working in the Department of Justice and compensated at a rate not less than the rate provided for level III of the Executive Schedule under section 5314 of title 5; any assistant attorney general involved in criminal law enforcement; the Director of Central Intelligence; the Deputy Director of Central Intelligence; and the Commissioner of Internal Revenue.

"(5) Any individual who held any office or position described in any of paragraphs (1) through (4) of this subsection during the term of the President in office on the date the Attorney General receives the information under subsection (a) (hereafter in this subsection referred to as the 'incumbent President') or during the period during which the President immediately preceding such incumbent President held office, if such preceding President was of the same political party as the incumbent President.

"(6) A national campaign manager or chairman of any national campaign committee seeking the election or reelection of the President.

"(7) For the purposes of section 592(i) of this title, a Representative or Senator in the Congress of the United States.

"§ 592. Application for appointment of a special prosecutor

"(a) The Attorney General, upon receiving specific information that any of the individuals described in section 591(b) may have violated any Federal criminal law other than a violation constituting a petty offense, shall conduct, for a period not to exceed ninety days, such preliminary investigation of the matter as the Attorney General deems appropriate. The Attorney General, upon notifying in writing the division of the court specified in section 593(a) (hereinafter referred to as the 'division of the court') of the need for additional time to complete a preliminary investigation and the reasons why additional time is needed, shall have thirty days to complete such preliminary investigation.

"(b)(1) If the Attorney General, upon completion of the preliminary investigation, finds that the matter is so unsubstantiated that no further investigation or prosecution is warranted, the Attorney General shall so notify the division of the court and the division of the court shall have no power to appoint a special prosecutor.

"(2) The notification by the Attorney General of the division of the court shall be by memorandum containing a summary of the information received and a summary of the results of any preliminary investigation.

"(3) Such memorandum shall not be revealed to any individual outside the court or the Department of Justice without leave of the division of the court.

"(c)(1) If the Attorney General, upon completion of the preliminary investigation, finds that the matter warrants further investigation or prosecution, or if ninety days (one hundred and twenty days in the case of an extension) elapse from the receipt of the information without a determination by the Attorney General that the matter is so unsubstantiated as to not warrant further investigation or prosecution, then the Attorney General shall apply to the division of the court for the appointment of a special prosecutor.

"(2) Each application for the appointment of a special prosecutor shall contain sufficient information to enable the division of the court to select a special prosecutor and to define that special prosecutor's prosecutorial jurisdiction.

"(3) Such application shall not be revealed to any individual outside the court or the Department of Justice without leave of the division of the court.

"(d)(1) If—

"(A) after the filing of a memorandum under subsection (b) of this section, the Attorney General receives additional specific information about the matter to which such memorandum related; and

"(B) the Attorney General determines, after such additional investigation as the Attorney General deems appropriate, that such information warrants further investigation or prosecution;

then the Attorney General shall, not later than ninety days after receiving such additional information, apply to the division of the court for the appointment of a special prosecutor.

"(2) Each application for the appointment of a special prosecutor shall contain sufficient information to enable the division of the court to select a special prosecutor and to define that special prosecutor's prosecutorial jurisdiction.

"(3) Such application shall not be revealed to any individual outside the court or the Department of Justice without leave of the division of the court.

"(e)(1) For the purpose of this section, a conflict of interest or the appearance thereof is deemed to exist whenever the continuation of an investigation or the outcome thereof may directly and substantially affect the partisan political or personal interests of the President, the Attorney General, or the interests of the President's political party.

"(2) Whenever it reasonably appears that a conflict of interest, as defined in paragraph (1), exists, with respect to an investigation of specific information that an individual may have violated any Federal criminal law other than a violation constituting a petty offense, the Attorney General shall conduct a preliminary investigation as required by subsection (a).

"(3)(A) If the Attorney General, upon completion of the preliminary investigation, finds that the matter is so unsubstantiated that no further investigation or prosecution is warranted, the Attorney General shall so notify the division of the court pursuant to subsection (b).

"(B) If the Attorney General, upon completion of the preliminary investigation, finds that the matter warrants further investigation or prosecution or if ninety days (one hundred and twenty days in the case of an extension) has elapsed from the time of the Attorney General's finding in paragraph (2) without a determination by the Attorney General that the matter is so unsubstantiated as not to warrant further investigation or prosecution, then the Attorney General shall—

"(i) apply to the division of the court for the appointment of a special prosecutor pursuant to subsection (c); or

"(ii) submit a memorandum to the division of the court setting forth the reasons

why a special prosecutor is not required under the standard set forth in paragraph (1) of this subsection.

"(C) If the Attorney General concludes that appointment of a special prosecutor is not required under the standard set forth in paragraph (1) of this subsection, the division of the court shall review the information provided by the Attorney General with respect to whether a conflict, as described in paragraph (1), exists. Upon request of the division of the court, the Attorney General shall make available to the division all documents, materials, and memorandums as the division finds necessary to carry out its duties under this subsection. If the division finds that continuing the investigation by the Department of Justice would create a conflict of interest, or the appearance thereof, as defined in paragraph (1), the division shall appoint a special prosecutor.

"(f) Any determinations or applications required to be made under this section by the Attorney General shall be made by the Director of the Office of Government Crimes if the information or allegations involve the Attorney General.

"(g) The Attorney General's determination under subsection (c), (d), or (e) to apply to the division of the court for the appointment of a special prosecutor shall not be reviewable in any court.

"(h) Documents, materials, and memorandums supplied to the court by the Department of Justice under this subsection shall not be revealed to any individual outside the court or the Department of Justice without leave of the division of the court.

"(i)(1) Notwithstanding any other provision of this title, the Attorney General shall, upon enactment of this title, conduct for a period not to exceed ninety days, a preliminary investigation into whether there has been since 1970 improper or illegal conduct on the part of any Representative or Senator in the Congress of the United States with respect to the receipt or acceptance of any valuable consideration from representatives of any foreign government in order to influence legislation or other Government action.

"(2)(A) If the Attorney General, upon completion of the preliminary investigation, finds that the matter is so unsubstantiated that no further investigation or prosecution is warranted, the Attorney General shall so notify the division of the court pursuant to subsection (b).

"(B) If the Attorney General, upon completion of the preliminary investigation, finds that the matter warrants further investigation or prosecution or if ninety days has elapsed from the time of enactment of this title without a finding by the Attorney General that the matter is so unsubstantiated as not to warrant further investigation or prosecution, then the Attorney General shall apply to the division of the court for the appointment of a special prosecutor pursuant to subsection (c).

"§ 593. Duties of the division of the court

"(a) The division of the court which is referred to in this chapter, and to which functions are given by this chapter, is the division established under section 49 of this title.

"(b) Upon receipt of an application under subsection (c), (d), (e), or (f) of section 592, the division of the court shall appoint an appropriate special prosecutor and shall define the jurisdiction of that special prosecutor. The court may define such jurisdiction to extend to related matters. A special prosecutor's identity and prosecutorial jurisdiction shall be made public upon request of the Attorney General or upon the determination of the division of the court that disclosure of the identity and prosecutorial jurisdiction of such special prosecutor would be in the best interest of justice. In any event the identity and prosecutorial jursdiction of such prosecutor shall be made public when any indictment is returned.

"(c) The division of the court, upon request of the Attorney General, may assign new matters to an existing special prosecutor or may expand the prosecutorial jurisdiction of an existing special prosecutor to include related matters. Such request may be incorporated in an application for the appointment of a special prosecutor under this chapter.

"(d) The division of the court may not appoint as a special prosecutor any person who holds or recently held any office of profit or trust under the United States.

"§ 594. Authority and duties of a special prosecutor

"(a) Notwithstanding any other provision of law, a special prosecutor appointed under this chapter shall have, with respect to all matters in such special prosecutor's prosecutorial jurisdiction established under this chapter, full power, and independent authority—

"(1) to conduct proceedings before grand juries and other investigations;

"(2) to participate in court proceedings and engage in any litigation, including civil and criminal matters, as he deems necessary;

"(3) to appeal any decision of a court in any case or proceeding in which such special prosecutor participates in an official capacity;

"(4) to review all documentary evidence available from any source;

"(5) to determine whether to contest the assertion of any testimonial privilege;

"(6) to receive appropriate national security clearances and, if necessary, contest in court, including, where appropriate, participation in in camera proceedings, any claim of privilege or attempt to withhold evidence on grounds of national security;

"(7) to make applications to any Federal court for a grant of immunity to any witness, consistent with applicable statutory requirements, or for warrants, subpenas, or other court orders, and for purposes of sections 6003, 6004, and 6005, of title 18, a special prosecutor may exercise the authority vested in a United States Attorney or the Attorney General;

"(8) to inspect, obtain, or use the original or a copy of any tax return, in accordance with the applicable statutes and regulations, and for purposes of section 6103 of title 26, and the regulations issued thereunder, a special prosecutor may exercise the powers vested in a United States Attorney or the Attorney General;

"(9) to initiate and conduct prosecutions in any court of competent jurisdiction, frame and sign indictments, file informations, and handle all aspects of any case in the name of the United States; and

"(10) to exercise all other investigative and prosecutorial functions and powers of the Department of Justice, the Attorney General, and any other officer or employee of the Department of Justice, except that the Attorney General shall exercise direction or control as to those matters that specifically require the Attorney General's personal action under section 2516 of title 18.

"(b) A special prosecutor appointed under this chapter shall receive compensation at a per diem rate equal to the rate of basic pay for level IV of the Executive Schedule under section 5315 of title 5.

"(c) For the purposes of carrying out the duties of the office of special prosecutor, a special prosecutor shall have power to appoint, fix the compensation, and assign the duties of such employees as such special prosecutor deems necessary (including investigators, attorneys, and part-time consultants). The positions of all such employees are exempted from the competitive service. No such employee may be compensated at a rate exceeding the maximum rate provided for GS–18 of the General Schedule under section 5332 of title 5.

"(d) If requested by a special prosecutor, the Department of Justice shall provide to such special prosecutor assistance which shall include full access to any records, files, or other materials relevant to matters within his prosecutorial jurisdiction, and providing to such special prosecutor the resources and personnel required to perform such special prosecutor's duties.

"(e) A special prosecutor may ask the Attorney General or the division of the court to refer matters related to the special prosecutor's prosecutorial jurisdiction. A special prosecutor may accept referral of a matter by the Attorney General, if the matter relates to a matter within such special prosecutor's prosecutorial jurisdiction as established by the division of the court. If such a referral is accepted, the special prosecutor shall notify the division of the court.

"(f) To the maximum extent practicable, a special prosecutor shall comply with the written policies of the Department of Justice respecting enforcement of the criminal laws which have been promulgated prior to the special prosecutor's appointment.

"§ 595. Reporting and congressional oversight

"(a) A special prosecutor appointed under this chapter may from time to time make public, or send to the Congress, statements or reports on the activities of such special prosecutor. These statements and reports shall contain such information as that special prosecutor deems appropriate.

"(b)(1) In addition to any reports made under subsection (a) of this section, a special prosecutor appointed under this chapter shall, at the conclusion of such special prosecutor's duties, submit to the division of the court a report under this subsection.

"(2) Such report shall set forth fully and completely a description of the work of the special prosecutor, including the disposition of all cases brought, and the reasons for not prosecuting any matter within the prosecutorial jurisdiction of such special prosecutor which was not prosecuted. The report shall be in sufficient detail to allow determination of whether the special prosecutor's investigation was thoroughly and fairly completed.

"(3) The division of the court may release to the Congress, the public, or to any appropriate person, without comment on the contents of the report, such portions of a report made under this subsection as the division deems appropriate. The division of the court shall make such orders as are appropriate to protect the rights of any individual named in such report and prevent undue interference with any pending prosecution. The division of the court may make any portion of such report available to any individual named in such report for the purposes of receiving, within a time limit set by the division of the court, any comments or factual information that such individual may submit. Such comments and factual information, in whole or in part, may, in the discretion of such division, be included as an appendix to such report.

"(c) A special prosecutor may advise the House of Representatives of any substantial and credible information which such special prosecutor receives that many constitute grounds for an impeachment of the President, Vice President, or a justice or judge of the United States. Nothing in this chapter or section 49 of this title shall prevent the Congress or either House thereof from obtaining information in the course of an impeachment proceeding.

"(d) A majority of majority party members or a majority of all nonmajority party members of the judiciary committee of either House of the Congress may request in writing that the Attorney General apply for the appointment of a special prosecutor under

section 592(e) of this chapter. Not later than thirty days after the receipt of such a request, or not later than thirty days after the completion of the preliminary investigation conducted pursuant to section 592(e), whichever is later, the Attorney General shall provide written notification of any action he has taken under this chapter in response to such request. If no application for the appointment of a special prosecutor has been made to the division of the court, the Attorney General shall explain the specific reasons why a special prosecutor is not required under the standard set forth in section 592(e). Such written notification shall be sent to the committee on which the persons making the request serve, and shall not be revealed to any third party, except that such committee may, either on its own initiative or upon the request of the Attorney General, make public such portion or portions of such notification as will not in the committee's judgment prejudice the rights of any individual.

"§ 596. Removal of a special prosecutor; termination of office

"(a) A special prosecutor may be removed from office, other than by impeachment and conviction, by the personal action of the Attorney General only for extraordinary improprieties, for malfeasance in office, for willful neglect of duty, for permanent incapacitation, or for any conduct constituting a felony. An action may be brought in the division of the court to challenge the action of the Attorney General under this subsection by seeking reinstatement or other appropriate relief. The division of the court shall cause such an action in every way to be expedited. If a special prosecutor is removed from office, the Attorney General shall promptly submit to the judiciary committees of the Senate and the House of Representatives a report describing with particularity the grounds for such action. The committees shall make available to the public such report, except that each committee may, if necessary to avoid prejudicing the legal rights of any individual, delete or postpone publishing such portions of the report, or the whole report, or any name or other identifying details.

"(b)(1) An office of special prosecutor shall terminate upon the submission by the special prosecutor of written notification to the Attorney General that the investigation of all matters within the prosecutorial jurisdiction of such special prosecutor, or accepted by such special presecutor under section 594(e), and any resulting prosecutions, have been completed or so substantially completed that it would be appropriate for the Department of Justice to complete such investigations and prosecutions. No such submission shall be effective to terminate such office until after the completion and filing of the report required under section 595(b) of this title.

"(2) The division of the court, either on its own motion or upon the personal recommendation of the Attorney General, may terminate an office of special prosecutor at any time on the ground that the investigation of all matters within the prosecutorial jurisdiction of the special prosecutor, or accepted by such special prosecutor under section 594(e), and any resulting prosecutions, have been completed or so substantially completed that it would be appropriate for the Department of Justice to complete such investigations and prosecutions. At the time of termination, the special prosecutor shall file the report required by section 595(b) of this title.

"§ 597. Relationship with Department of Justice

"(a) Whenever a matter is in the prosecutorial jurisdiction of a special prosecutor or has been accepted by a special prosecutor under section 594(e), the Department of Justice, the Attorney General, and all other officers and employees of the Department of Justice shall suspend all investigations and proceedings regarding such matter, except as otherwise required by section 594(d) of this title, and except insofar as the special prosecutor agrees in writing that such investigations or proceedings may be continued by the Department of Justice.

"(b) The Attorney General or the Solicitor General may, to the extent provided under existing law, make a presentation to any court as to issues of law raised by any case or proceeding in which a special prosecutor participates in an official capacity, or any appeal of such a case or proceeding.

"§ 598. Termination of effect of chapter

"This chapter shall cease to have effect five years after the date on which it takes effect, except as to the completion of then-pending matters, which in the judgment of the division of the court require this chapter's continuance in effect, with respect to which matters this chapter shall continue in effect until such division determines that such matters have been completed.".

(b) The tables of chapters for title 28 of the United States Code and for part II of such title 28 are each amended by inserting immediately after the item relating to chapter 37 the following new item:

"39. Special prosecutor.".

(c) There are authorized to be appropriated for each fiscal year such sums as may be necessary, to be held by the Department of Justice as a contingent fund for the use of any special prosecutors appointed under chapter 39 (relating to special prosecutor) of title 28 of the United States Code in the carrying out of functions under such chapter.

ASSIGNMENT OF JUDGES TO DIVISION TO APPOINT SPECIAL PROSECUTORS

SEC. 11. (a) Chapter 3 of title 28 of the United States Code is amended by adding at the end the following new section:

"§ 49. Assignment of judges to division to appoint special prosecutors

"(a) Beginning with the two-year period commencing on the date chapter 39 of this title takes effect, five judges or justices shall be assigned for each successive two-year period to a division of the United States Court of Appeals for the District of Columbia to be the special panel of the court for the purposes of chapter 39 of this title.

"(b) Except as provided in subsection (f) of this section, assignment of the division established in subsection (a) of this section shall not be a bar to other judicial assignments during the term of such division.

"(c) In assigning judges or justices to sit on the division established in subsection (a) of this section, priority shall be given to senior retired circuit judges and senior retired justices.

"(d) The chief judge of the United States Court of Appeals for the District of Columbia shall make a request to the Chief Justice of the United States, without presenting a certificate of necessity, to designate and assign, in accordance with section 294 of this title, five circuit court judges or justices, one of which shall be a judge of the United States Court of Appeals for the District of Columbia, to the division established under subsection (a) of this section. Not more than one judge or justice or retired judge or justice may be named to the panel from a particular court.

"(e) Any vacancy in the division established under subsection (a) of this section shall be filled only for the remainder of the two-year period in which such vacancy occurs and in the same manner as initial assignments to the division were made.

"(f) No judge or justice who, as a member of the division established in subsection (a) of this section, participated in a function conferred on the division under chapter 39 of this title involving a special prosecutor shall be eligible to participate in any judicial proceeding concerning a matter which involves such special prosecutor while such special prosecutor is serving in that office or which involves the exercise of such special prosecutor's official duties, regardless of whether such special prosecutor is still serving in that office.".

(b) The table of sections for chapter 3 of title 28 of the United States Code is amended by adding at the end the following item:

"49. Assignment of judges to division to appoint special prosecutors.".

DISQUALIFICATION OF OFFICERS AND EMPLOYEES OF THE DEPARTMENT OF JUSTICE AND OFFICE OF GOVERNMENT CRIMES

SEC. 12. (a) Chapter 31 of title 28 of the United States Code is amended by adding at the end the following:

"§ 528. Disqualification of officers and employees of the Department of Justice

"The Attorney General shall promulgate rules and regulations which require any officer or employee of the Department of Justice, including a United States Attorney or a member of his staff, to disqualify himself from participation in a particular investigation or prosecution if such participation may result in a personal, financial, or political conflict of interest, or the appearance thereof. Such rules and regulations may provide that a willful violation of any provision thereof shall result in removal from office.

"§ 529. Office of Government Crimes

"(a)(1) There is established within the Department of Justice an Office of Government Crimes, which shall be headed by a director. The Director of the Office of Government Crimes shall be appointed by the President with the advice and consent of the Senate. The Attorney General shall determine the organizational placement of the office within the Department and shall be kept periodically informed of its activities.

"(2) A person shall not be appointed director of the Office of Government Crimes if he has at any time during the five years preceding such appointment held a high-level position of trust and responsibility on the personal campaign staff of, or in an organization or political party working on behalf of, a candidate for any elective Federal office.

"(b)(1) The Attorney General shall, except as provided in paragraph (2) and except as to matters referred to a special prosecutor pursuant to chapter 39 of this title, delegate to the Office of Government Crimes jurisdiction of (1) criminal violations of Federal law by any individual who holds or who at the time of such possible violation held a position, whether or not elective, as a Federal Government officer, employee, or special employee, which alleged violation related directly or indirectly to such individual's Government position, employment, or compensation; (2) criminal violations of Federal laws relating to lobbying, conflicts of interest, campaigns, and election to public office committed by any person except insofar as such violations relate to matters involving discrimination or intimidation on the grounds of race, color, religion, or national origin; (3) the supervision of investigations and prosecutions of criminal violations of Federal law by any individual who holds or who at the time of such possible violation held a position, whether or not elective, as a State or local government officer or employee, which alleged violation related directly or indirectly to his government position, employment or compensation; and (4) such other matters as the Attorney General may deem appropriate.

"(2) A matter described in paragraph (1) of this subsection may be delegated by the Attorney General exclusively or concurrently to the United States Attorneys or other units of the Department of Justice. The Director shall be kept apprised of the progress of any investigation or prosecution so delegated. This section shall not limit any authority

conferred upon the Attorney General, the Federal Bureau of Investigation, or any other department or agency of government to investigate any matter.

"(c)(1) At the beginnig of each regular session of the Congress, the Attorney General shall report to the Congress on the activities and operation of the Office of Government Crimes for the preceding fiscal year.

"(2) such report shall specify the number and type of investigations and prosecutions subject to the jurisdiction of such unit and the disposition thereof, but shall not include any information which would impair an ongoing investigation, prosecution, or proceeding, or which the Attorney General determines would constitute an improper invasion of personal privacy.".

(b) The table of sections for chapter 31 of title 28 of the United States Code is amended by adding at the end the following:

"528. Disqualification of officers and employees of the Department of Justice.
"529. Office of Government Crimes.".

(c) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(114) Director, Office of Government Crimes, Department of Justice.".

SEPARABILITY

SEC. 13. If any part of this title is held invalid, the remainder of the title shall not be affected thereby. If any provision of any part of this title, or the application thereof to any person or circumstance, is held invalid, the provisions of other parts and their application to other persons or circumstances shall not be affected thereby.

LEADING PARTISAN ROLE IN THE ELECTION OF A PRESIDENT

SEC. 14. An individual who has played a leading partisan role in the election of a President shall not be appointed Attorney General or Deputy Attorney General. Individuals holding the position of national campaign manager, national chairman of the finance committee, chairman of the national political party, or other comparable high level campaign role involved in electing the President should be those considered to have played a leading partisan role.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

BUDGET ACT WAIVER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 896, Senate Resolution 451. This has been cleared on both sides.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read as follows:

Resolved, That the provisions of section 402(a) of the Congressional Budget Act of 1974 are waived with respect to H.R. 11445, an Act to amend the Small Business Act and the Small Business Investment Act of 1958.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 451) was considered and agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

STANDARD REFERENCE DATA AUTHORIZATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 11232.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendments of the Senate to the bill (H.R. 11232) entitled "An Act to authorize appropriations to carry out the Standard Reference Data Act", with the following amendments:

1. Page 1, line 3, strike out "$4,000,000", and insert: $3,575,000
2. Page 1, line 4, strike out "$5,000,000", and insert: $4,375,000
3. Page 1, line 6, strike out "$6,000,000", and insert: $5,250,000
4. Page 2, lines 9 and 10, strike out "1979, 1980, and 1981", and insert: 1979 and 1980.

Resolved, That the House agree to the amendment of the Senate to the title of the bill.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate concur in the House amendments to the Senate amendments to the House bill.

The motion was agreed to.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the subcommittee on nuclear regulation of the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Wednesday, July 12, and Thursday, July 13, to hold hearings on S. 2775, the nuclear powerplant siting and licensing bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Resource Protection of the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Tuesday, July 11, to hold hearings on S. 3077, the Export Import Bank Bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the subcommittee on Regional and Community Development of the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Wednesday, July 12, and Thusrday, July 13, to hold hearings on S. 3186, the Labor Intensive Public Works bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

FIRST FOR FREEDOM—A SUPERB HISTORICAL OUTDOOR DRAMA IN HALIFAX, N.C.

Mr. HELMS. Mr. President, this past week, on the evening of July 4, I had the privilege of attending a superb outdoor drama at Halifax, N.C. This year marks the third season for "First for Freedom," presented in an impressive amphitheater named for Joseph Montfort, one of the most prominent men of early Halifax.

The chairman of the Drama Administrative Board which supervises the "First for Freedom" presentations is my good friend, James R. Twisdale, Jr. One of the founders of the project was another good friend, now deceased, Mr. Rom B. Parker, of Enfield, Mr. Parker's brother, R. Hunt Parker, served as Chief Justice of North Carolina until his death several years ago. And for 2 years, Rom Parker, Jr., was a member of my legislative staff.

Mr. President, "First for Freedom" is a highly enjoyable dramatic portrayal of the adoption of the Halifax Resolves by the Fourth Provincial Congress on April 12, 1776. The Halifax Resolves constituted one of the most important documents in our Nation's history.

"First for Freedom" was written by Maxville Burt Williams of Enfield, N.C. Mr. Williams is a splendid writer, and his talents are evident in his book, "First for Freedom," published 2 years ago.

Mr. President, history was etched into the archives in the thriving riverport town of Halifax on April 12, 1776. On that day a group of spirited colonial revolutionaries met and drafted a document pledging independence from Great Britain. It was the first official step made by an American colony for freedom from England's tyrannical rule.

The Halifax Resolves, as the document was labeled, initiated a legislative movement in Colonial America that led to adoption of the unifying Declaration of Independence at Philadelphia 3 months later. Thirteen Colonies banded together and declared themselves a new free and independent nation. The United States of America was born.

The outdoor drama "First for Freedom" recreates the pervading spirit of determination that planted the seed of independence in Colonial Halifax. "First for Freedom" is a dramatization of events leading to the Halifax Resolves that was adopted at the meeting of the Fourth Provincial Congress at Halifax. The resolves is recognized as one of the most significant documents of the American Revolutionary period.

Built during the 1976 American bicentenary as a project of the Halifax County Historical Association, the Joseph Montfort Amphitheatre is named for one of the most prominent men of early Halifax.

Joseph Montfort, born in England, came to North Carolina in 1750. He was appointed clerk of court in Edgecombe Precinct in the day before Halifax County was carved out of Edgecombe in 1758. Montfort served in that capacity when the seat of precinct government was at Enfield.

Montfort was named first clerk of court in Halifax County and he also served on the Halifax town commission as well as five terms in the colonial assembly. He was colonel of the Halifax militia prior to the outbreak of the American Revolution. Montfort is known as one of the chief landowners in colonial Halifax.

He was appointed provincial grand master of Masons of and for America and he served in that post until his death in March 1776. His grave, moved from near the old jail in 1911, is located on the grounds of the Royal White Hart Lodge No. 2 in Halifax.

The 650-seat outdoor theater is situated in a natural setting of pines and hardwoods. It was donated to the State by the historical association.

The theatre was designed by outdoor theater consultants at the North Carolina Institute of Outdoor Drama in Chapel Hill. L. E. Harris of Enfield was theater construction coordinator and Ralph Klinger of Enfield was construction foreman. The late Rom B. Parker of Enfield was theater project chairman.

The amphitheater is maintained by the State Department of Cultural Resources and is available for use by community groups. The April 12 Halifax Day ceremonies take place in the Montfort theater each year.

Needless to say, Mr. President, I am very proud of all who have participated in the creation of "First for Freedom." The young people from East Carolina University, citizens from the Halifax area, students at Halifax Community College—all have displayed refreshing talent and dedication. And Rev. Felix Arnold, pastor emeritus of Enfield Baptist Church, is excellent in his role as John Hamilton.

Others include Wrenn Phillips of Scotland Neck, a history teacher at Weldon High School; Bill Crew of Roanoke Rapids, an employee of Choanoke Area Development Association; the lovely Mrs. Mary Daniel of Weldon, whose late husband was a prominent attorney and judge; Henry Copley of Virginia Electric & Power Co. in Roanoke Rapids; Seward Dickens of Halifax, a rural mail carrier; Frank Simmons of Gulfport, Miss., who is stationed at the Roanoke Rapids Air Force Station.

Still others include Mike Lucas, operations manager of a truckstop near Roanoke Rapids; Larry Stone, commander of the 632d Radar Squadron at Roanoke Rapids Air Force Station; David Birdsong, who teaches at Northwest Halifax High School; Larry Warren, who teaches at Gaston School in Northampton County; and Kate Mackie Allen of Weldon, who has had a distinguished career as an educator and as a member of the editorial staff of the fine newspapers at Winston-Salem.

The delightful young people add zest to the cast. Craig Perkins is a student at North Carolina Wesleyan College in Rocky Mount. The East Carolina University students include Paige Weaver, Tom Simpson and Terry Blakeslee. Mary Ellen Temple and Tom Watson have ties to Halifax Community College—Mary Ellen as a counselor and Tom as a former student there.

Mrs. Peggy Phillips of Halifax is production coordinator; B. N. Capel of Weldon is business manager of the drama. For 40 years, Mr. Capel was a leader in production credit in North Carolina. David Downing, Jack Wimer, Lee Hansley and Cheryl Earp carry important responsibilities with "First for Freedom."

I wish I could pay my respects to the many others who have worked to make this outdoor drama a success. I do want to pay special tribute to the director of the production, Del Lewis.

Mr. Lewis came to Halifax to direct "First for Freedom" in its third season with a long list of acting, directing and production credits including 10 plays at Madison (Wisconsin) Civic Repertory Theatre, four at the University of Wisconsin Theatre, one for the National Theatre Company in New York, one for the York Players in New York and a production for the U.S. Department of the Army.

The Texas native is an associate professor of drama at East Carolina University in Greenville. He earned a master of fine arts degree in directing in 1976 from the University of Wisconsin at Madison and holds a bachelor of music in voice and choral directing from Midwestern University.

Mr. Lewis has taught at the University of Wisconsin at Madison and was an instructor at the Valley Studio for the Wisconsin Mime Company. He has held summer acting workshops in Texas and has conducted workshops at the Madison Civic Repertory Theatre where he served as artistic director for three seasons before taking his present position at East Carolina University.

NEW GOVERNOR OF NORTH CAROLINA'S GIRLS STATE

Mr. HELMS. Mr. President, at a time when so many complex problems beset our country, I continually receive a large measure of encouragement from the young people with whom I meet.

A proud father and prominent citizen of my State, Mr. James L. Cresimore, said recently of his daughter, "She has her head screwed on right." Mr. President, this very properly describes the awareness that I detect among young people with whom I visit all over the country. They know much more about what is being done to them than some among us in the Congress seem to think. They are disturbed that some among us are willing to mortgage their future in order to pay for the mistakes of this and past generations.

Mr. President, Jim Cresimore has every right to be proud of his daughter, Jennifer. I share his pride. She is an outstanding example of the responsible young adult of today. She was recently elected governor of Girls State in North Carolina. This is a distinguished honor, coming from her peers and being a part of such a respected annual program, sponsored by the American Legion Auxiliary.

In a newspaper interview following her election, Miss Cresimore said:

> Maybe some of us will be able to make a difference in the state. I know that I want to be able to.

I join this exceptional young lady in this objective, and I ask unanimous consent that an article about Jennifer Cresimore, published in the Greensboro Daily News, be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

N.C. GIRLS STATE GOVERNOR HEADED INTO JOURNALISM

(By Steve Gilliam)

The new governor of the 39th annual Tar Heel Girls State is Jennifer Cresimore, a 17-year-old who admits her career plans have been running in the same direction since she was in the fifth grade—and that's toward journalism.

"I guess you could say that I've got my career mapped out pretty well right now," she said in an interview. "I love writing, interviewing, putting pages together, and it's the one thing I've been interested in the longest and enjoyed the most."

And when Girls State lets out this afternoon, she won't have too much time to spend at home before she's off for Northwestern University in Evanston, Ill., for seven weeks of learning how to put out her high school newspaper as editor.

Cresimore became the 39th governor of Girls State by defeating Monica Malpass of High Point in Friday's election at UNC–G, site of the week-long event.

She and two other winning candidates were members of the Nationalist Party. Jill Stenstrom of Hendersonville defeated Sandy Mull of Shelby for the secretary of state post. Stephanie Cox of Asheville defeated Karen Starnes of Charlotte for the position of attorney general.

The lone Federalist Party winner was Rhonda Hensley of Marion, who defeated Jana Green of High Point in the race for lieutenant governor.

Cresimore, who was installed Friday night by N.C. Secretary of State Thad Eure, succeeds Sandy Ellis of Smithfield as Girls State governor.

The aspiring journalist has her sights set on turning out "the best high school newspaper in the state" when she returns as editor of the "Sandscript" this fall at Raleigh's Sanderson High School.

"This past year I had to write an editorial to stick up for our school when the local papers ran some stories that weren't very nice to our school," she said. "It didn't get a lot of attention, but I felt like someone had to stick up for the school—so I did."

Last year she served as feature and copy editor for the "Sandscript" and was chosen as editor in the school's spring elections, a ballot which also gave her a post as a member of the school's class governing body.

At Girls State, the easy-going rising senior said the "only campaigning I did was just being myself and being open. People are the same no matter how old or young they are, and if they think you're being phoney, then that's how they'll remember you."

A pensive person who has given a lot of thought to her career, she says she likes journalism because it "has the ups and downs, the slow and busy periods that I'd like to have in my life. I'm a person of extremes, and I like to be busy and outgoing sometimes and then relaxed and quiet at other times."

As a member of the Nationalist Party, she said she supported that party's platform which favored North Carolina's competency testing program, supported the State's local option approach to liquor by the drink and expressed concern for the developing new sources of energy.

On the issue of the liquor by the drink, which received final approval from the N.C. Senate this week, she said, "The issue was misrepresented because the bill gives communities the right to decide for themselves

whether they want it. Cities and counties should have that right."

Her party's platform also supported the decriminalization of marijuana but not its legalization, improvement of medical and mental health facilities, an improved system of juvenile justice, more comprehensive child abuse laws and support of the state's right-to-work laws.

"These are things that we considered to be important in making the state a better place," she said. "This week has been a learning experience as far as the give and take of politics is concerned.

"Maybe some of us will be able to make a difference in the sta e. I know that I want to be able to."

Girls State, sponsored by the American Legion Auxiliary, will conclude today with the election of Outstanding Citizens and two senators to Girls Nation.

Mr. HELMS. I thank the Chair.

LIFT THE EMBARGO

Mr. HAYAKAWA. Mr. President, apropos the vote on the amendment to the foreign relations authorization bill offered by my distinguished colleague from North Carolina, Senator JESSE HELMS, to permit the lifting of U.S. economic sanctions against Rhodesia on September 30, 1979, and an amendment which was tabled by the distinguished Senator from South Dakota, tabled by a vote of 48 to 42, I call attention of my colleagues to an editorial by William Randolph Hearst, Jr., editor-in-chief of the Hearst newspapers which appeared in member newspaper of that chain, including the San Francisco Examiner in the edition of Sunday, July 9.

I ask unanimous consent that excerpts of the editorial be printed in the RECORD.

There being no objection, the editor's report was ordered to be printed in the RECORD, as follows:

LIFT THE EMBARGO

(By William Randolph Hearst, Jr.)

NEW YORK.—It is encouraging to note there is a growing awareness in Congress that the time has come for a change in the Carter administration's incredible policy toward Rhodesia.

Even President Carter's chief representative in the Senate, Majority Leader Robert Byrd, has abandoned that policy and voted against it.

In a remarkable display of independence, integrity and sense of justice, the West Virginia senator voted to support a move in the Senate to lift, temporarily at least, the U.S. economic sanctions against Rhodesia.

Opposed by the White House and the State Department, this move fell only six votes short of victory. It may be brought up again before the summer recess and, if so, I hope, as the United States has given its word and in the name of justice, it will succeed.

It is becoming apparent to an increasing number of senators and members of the House of Representatives that the Soviet-backed leaders of the misnamed Patriotic Front guerrilla organization—Joshua Nkomo and Robert Mugabe—are determined to prevent the black and white population of Rhodesia from voting on the settlement that provides for gradual transition of political power from the white minority to the black majority.

The recent barbaric massacres of blacks and whites in rural areas of Rhodesia is the heinous method being used by the front to block the elections the moderate black and white transition governments are endeavoring to organize. The fiends who slaughtered 12 whites, including five women and four little children, in a missionary school, proudly proclaimed they belonged to Nkomo's guerrilla terrorists.

Despite the clear evidence that Nkomo and Mugabe do not want free elections in Rhodesia, nor democratic black majority rule, but, instead, a black Marxist dictatorship, the Carter Administration persists in trying to impose the two foreign-based terrorist leaders on the settlement. It fears that without their participation there will be prolonged civil war, with the Soviets and Cubans supporting the guerrilla forces. Nkomo and Mugabe have been invited by the transition government to join the settlement and participate in the elections, providing they renounce terrorism. They have rejected the offer because they know they cannot gain power through free elections.

Realization of this situation prompted strong Senate support for the resolution to lift the trade embargo against Rhodesia, and thus encourage implementation of the interim settlement that Prime Minister Ian Smith reached with the three moderate black leaders. Co-sponsored by four senators, the resolution—after lively debate—was tabled by a vote of 48 to 42 on the motion of Sen. George McGovern.

Naturally, the liberal from South Dakota sided with the Moscow-oriented terrorist leaders, as he has sided with the Communist cause in Vietnam and Cambodia, and more recently with Castro against President Carter on the question of Cuban support for the Angola-based invasion of Zaire.

Regular readers of this column will be familiar with my feeling that we should support the sensible compromise settlement that Prime Minister Smith reached with the moderate black leaders, providing for free elections, gradual transition to black majority rule and protection of white minority rights. Thus, it was gratifying to find this view shared by some of the most highly respected members of the U.S. Senate, and I bring to your attention the following remarks they made during the Senate debate.

Sen. Jesse Helms, R-N.C., who introduced the resolution to lift the American trade embargo for a period of 15 months.

"As everyone now knows—everyone, apparently, except the State Department—the principal leaders of Rhodesia, representing both the white populations and at least 80 percent of the black populations, signed an agreement on March 3, 1978, thereby initiating a transitional government to full majority rule by Dec. 31, 1978.

"Despite certain evitable tensions, that transitional government has been functioning fairly smoothly. Few would assert that any parties concerned have failed to make a good faith effort to see that the internal settlement works, and that it leads to peace and prosperity for all residents of Rhodesia, black and white.

"Nevertheless . . . terrorist attacks from guerrillas based in neighboring countries have continued to devastate both white and black communities. Furthermore, the economic situation has continued to deteriorate because of the refusal of the outside world to lift economic sanctions against the Rhodesian economy.

". . . The carefully crafted plan of the internal settlement, by contrast, is reasonable, humane, and just to all parties. It is based upon traditional Western concepts of equity and justice. It was proposed in good faith. It should be given a chance."

Sen. S. I. Hawakaya, R-Calif., a co-sponsor of the resolution, has just recently returned from a visit to Rhodesia, South Africa, Botswana, Zambia and Kenya:

"Those two leaders (Nkomo and Mugabe) are harassing the villagers, killing hundreds and hundreds of blacks as well as whites in order to persuade them not to support the Salisbury government.

"From the Patriotic Front, we can see no hopes for an emerging democracy or any emerging interracial cooperation. We should give that group which is making groping steps towards interracial harmony and democracy a fighting chance to survive."

Arizona Sen. Barry Goldwater, former Republican presidential candidate:

"I think the attitude of the United States toward parts of Africa that we seem to be interested in is going to cause the biggest bloodshed in the history of man if we do not change our tune. I think we have been completely wrong there."

I suggest Prime Minister Ian Smith and the black leaders who share power with him in the transition government should be allowed to come to Washington to present their side of the problem. At present they are forbidden to enter our country.

Nkomo and the presidents of Zambia and Tanzania, neither of whom permit majority rule in their own dictatorially-run countries, have all been invited here to promote the terrorist cause.

Let Congress and the American people hear directly from those who are striving to solve the Rhodesian problem in a sane and peaceful manner. It is shameful that the State Department denies visas to Prime Minister Smith and his black partners of the Salisbury government, while the enemies of freedom are welcomed.

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I wish to change the order for the convening tomorrow. I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, immediately after the prayer Mr. GRAVEL will then be recognized under the order previously entered, and the other orders for which permission is given be consummated as ordered, and at 10 o'clock tomorrow the Senate then resume its consideration of the military procurement bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, will the Senator yield for a question?

Mr. ROBERT C. BYRD. Yes.

Mr. TOWER. That means on the amendments and votes previously agreed to they would occur in the same sequence except an hour later than was originally scheduled; is that correct?

Mr. ROBERT C. BYRD. Exactly.

Mr. President, let me make sure we have this as we intended. I ask unanimous consent that at 10 a.m. the Senate proceed to the consideration of the amendment by Mr. HART on which there is a 1½ hour time limitation; and that upon the expiration of that time or at such time as the remaining time is yielded back, the vote occur with respect to the disposition of this amendment.

Following that, the second Hart amendment dealing with the AV-8B plus aircraft become the pending busi-

ness. There is a 40-minute time limitation on that one.

I ask unanimous consent that at the time the 40 minutes expire, or if the time is yielded back, the vote then occur with respect to the disposition of that amendment, it being understood that each of those two rollcall votes will be a 15-minute vote.

I ask unanimous consent that the third amendment by Mr. HART dealing with the Navy R. & D. factors then become the pending business, on which there is a 40-minute time limitation, but that the vote not occur on that amendment at the expiration of that time, but that the Senate then proceed to the amendment by Mr. DOLE on which there is a 10-minute limitation, and that those votes occur back to back, they being 10-minute rollcall votes under the order previously entered, and that they begin at the hour of 2 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, if there is a lag in time between the expiration of the time allotted to each of those two amendments, to wit, Mr. HART'S amendment and Mr. DOLE'S amendment, I ask unanimous consent that they may be set aside temporarily and that any Senator may call up an amendment for debate during that time, with such vote occurring after the vote on the Dole amendment, but not necessarily back-to-back, depending upon how much time is needed on it. Is that agreeable?

Mr. TOWER. In no case shall there be an intervening vote between the second Hart amendment and the third Hart amendment.

Mr. ROBERT C. BYRD. Precisely.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations on the Executive Calendar beginning with "New Reports," beginning on page 2 and extending through page 7.

The PRESIDING OFFICER. Without objection, it is so ordered.

U.S. AIR FORCE, U.S. ARMY, U.S. NAVY, AND U.S. MARINE CORPS AND NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, ARMY, NAVY, AND MARINE CORPS

Mr. ROBERT C. BYRD. Mr. President, I revise my request to eliminate for the moment nominatons under "The Judiciary" on page 6.

The PRESIDING OFFICER. Without objection, it is so ordered.

The assistant legislative clerk proceeded to read sundry nominations in the U.S. Air Force, the U.S. Army, the U.S. Navy, and the U.S. Marine Corps; and nominations placed on the Secretary's desk in the Air Force, Army, Navy, and Marine Corps.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered en bloc and confirmed en bloc, beginning with "New Reports" on page 2 and extending through page 7, excluding nominations under "The Judiciary."

The PRESIDING OFFICER. Without objection, the nominations under "New Reports," except for "The Judiciary," are considered and confirmed en bloc.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to move en bloc to reconsider the vote by which the nominations were confirmed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I make that motion.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Now, Mr. President, as I understand, all the nominations beginning under New Reports on page 2 and running through the nominations on page 7, with the exception of three nominations under The Judiciary, have been confirmed?

The PRESIDING OFFICER. That is correct; the Senator is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

(All nominations confirmed today are printed at the end of the Senate proceedings.)

THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of the nominations under The Judiciary.

The PRESIDING OFFICER. Without objection, it is so ordered.

The assistant legislative clerk read the nomination of Santiago E. Campos, of New Mexico, to be a U.S. district judge for the district of New Mexico.

Mr. TOWER. Mr. President, I ask unanimous consent that a statement by Senator DOMENICI on the nomination of Mr. Campos be included in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

● Mr. DOMENICI. Mr. President, today is an historic day for the State of New Mexico, for the Nation, and for our Federal judiciary. Today we confirm as a U.S. district judge for the district of New Mexico, Santiago E. Campos. What makes this confirmation so meaningful is that Judge Campos becomes the first Federal judge of Hispanic descent in our State and one of the few Spanish-Americans in the Federal judicial system.

I should also point out to my colleagues that this is the first Federal judge selected for our State under the new New Mexico Federal Judicial Selection Commission, which my colleague, Senator SCHMITT, the New Mexico State Bar Association, and I established in order to insure meritorious candidates for Federal judge, U.S. attorneys, and U.S. marshals for our district. I must compliment President Carter and Attorney General Griffin Bell for their enthusiastic endorsement of this commission and their demonstrated willingness to abide by its recommendations for these critical positions.

Judge Campos has had a distinguished career in our State, both as a private attorney and as district judge, division III, first judicial district, Santa Fe, N. Mex. He has the kind of wide-ranging, practical experience that serves as one of the finest backgrounds for a Federal judge. In temperament, training, and talent, my friend Santiago Campos is uniquely suited to his well-deserved appointment today.●

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The assistant leigslative clerk read the nominations of Louis H. Pollak, of Pennsylvania, to be a U.S. district judge for the eastern district of Pennsylvania, and Robert H. McFarland, of Mississippi, to be a U.S. district judge for the district of the Canal Zone for a term of 8 years.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the two nominations be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to move en bloc to reconsider the vote by which the nominations were agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I so move.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask that the President of the United States be immediately notified of the confirmation of all nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 9 o'clock tomorrow morning.

The motion was agreed to; and at 5:49 p.m. the Senate recessed until Tuesday, July 11, 1978, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate June 30, 1978, pursuant to the order of the Senate of June 29, 1978:

THE JUDICIARY

Edward S. Smith, of Maryland, to be an associate judge of the U.S. Court of Claims, vice Byron G. Skelton, retired.

DEPARTMENT OF JUSTICE

Robert J. Cindrich, of Pennsylvania, to be U.S. attorney for the western district of Pennsylvania for the term of 4 years, vice Blair A. Griffith.

Eugene Madden, Jr., of New York, to be U.S. marshal for the northern district of New York for the term of 4 years, vice Frank M. Dulan, term expired.

FEDERAL MARITIME COMMISSION

Thomas F. Moakley, of Massachusetts, to be a Federal Maritime Commissioner for the term expiring June 30, 1983 (reappointment).

IN THE COAST GUARD

The following temporary officers of the U.S. Coast Guard for promotion to chief warrant officer, W–2:

Robert C. Perry
Dean W. Kutz
Robert E. Lassiter
Robert A. Strong
Ronald E. Chapman
Peter Mason
Richard O. Cobb

The following temporary chief warrant officers, W–2 of the U.S. Coast Guard to be permanent chief warrant officers:

William S. Merchant
Thomas E. Hurd
Franklin C. Watling
Lyle R. Nelson
William B. Fox, III
Roland E. Shafranek
Montell R. Jensen
Harold J. Wise
Robert M. White
Richard H. Ross
Leighton H. Tripp
Marshall S. Wills
Jerry J. Varvel
Robert C. Tice
Galen W. Chiasson
Robert E. Jones
Fred A. Siegel, Jr.
William E. Lorenz
Ralph A. Hemenway
Kenneth W. Hammond
Raymond A. Lake, III
Billy J. Perry
Glenn L. Ishler
Cornelius Vanzwaluwenburg
Lawrence L. Geisz
Kenneth L. Betchel
David A. Brooks
George M. Dooty
Virgil L. Mathewson
Douglas O. Pine
Donald U. Davis
George A. Sutherland
Donald V. Bennett
Robert S. Halton
George T. Miller
Donald H. Shinpaugh
James D. Bryan
Thomas J. Eldridge
William E. Jones
Roger L. Pfeiffer
Melvin A. Pulsifer
William Rumley, III
Alex C. McMahan, Jr.
Thomas J. Libus
Maurice O. Robillard
Charles M. Tomarchio
Dennis E. Williams
Ronald A. Gillette
Frederick T. Armstrong
Robert L. Racette
Reginald D. Conarton
Richard C. Dewaal
Lonnie R. Harding
Edward D. Huechiker
Richard N. Harrison, Jr.
John C. Cottle
Robert L. Smith
William A. Shoolbred, Jr.
Larry J. Bilski
Gerald E. Chambers
William B. Stevens, Jr.
Ernest E. Marzoline
Allan D. Haven
Robert N. Landry
Robert S. Pullinger
Donald G. Jones
Nicholas J. Cassara
James L. Hampton
Allan J. Calta
William C. Lundine
Sherman D. Acord
David C. Graham
Allan J. Coates
Leo J. McGuire
Eugene Nadeau
William J. Savage
Robert W. Irving
Kenneth D. Lacy
Johnnie L. Register
Thomas E. Gledhill
Kenneth E. Matz
Michael G. Sowden
Carl R. Bailey
Melvin W. Herman
Thomas A. Schmidt
Glenis R. Shadrick
Richard O. Oldershaw
Melvin W. Davis
Michael W. Butler
Donald A. Meier
Joseph C. Burns
Richard B. Milne
Robert W. Pryor
James R. Moon
Robert R. Schmidt
Stephan P. Ashbaugh
James C. Hutson
Thomas G. Moore
David M. MacKenzie
Neal D. Shadix
Robert L. Chandler
Delmas R. Price
Jennings D. Morgan
Werner W. Splettstoesser
James B. Curlis
George H. Bassett, Jr.
James C. Herman
Byron F. Baty
Loren W. Anderson
James W. Coburn
Anthony Barcellos
Douglas I. Posner
John P. Kilgore
Gary P. Daniels
Harrison B. Showell
Henry J. Styron, Jr.
Charles W. Davenport
Roy T. Keel
Dennis P. McTigue
Arthur F. Dick, Jr.
Louis E. Miller, Jr.
Andrew A. Andrusko
John S. Miller
Andrew H. McClary
Alfred A. Campolongo, Jr.
Edmond T. Magnan
Richard D. Weir
Silbestre F. Borja
Dewey S. Nicholls
William D. Emmett
Bobby C. Wetherington
Reginald W. Hempeck
John D. Tuckwood
Arthur J. Brown
Albert L. Suiter
Oke S. Thorngren, Jr.
Harold B. Cole
Eugene C. Jay
Daniel F. Daneker
Steven W. Day
Darrell R. Sadler
Charles F. Slavin
Donald J. Oglesby
Charles C. Purin
Wayne C. Hill
Jack R. Reid
Theodore Y. Kitagawa
Fred C. Goodwin
Jose A. Franco
Nathan L. Willis
Thomas A. Hiller
Douglas J. Taylor
Daniel Rebkovich
Anthoney J. Perszyk
Don A. Smith
Thomas K. Bender
George Noell, III
Theron H. Turner
Byron W. Weaver
Melvin L. Mazza
James E. Thompson
Harold D. Morrison, Jr.
Lex N. May
Walter L. Morelan
Don E. Jacobs
William R. Mosley
Burton W. Waid
Harice G. Ogle
Carl W. Beal
Lawrence E. Jackson
Thomas H. Stevens
John K. Makaokalani
Lyle E. Barnard
David C. Orolfo
Ernest J. Andrews
George F. Hart
Larry G. Nelson
Robert L. York
Tommy R. Ballard
William J. Reetz
Samuel L. Rowe
Ethan S. Davis, III
Raymond E. Palm
Derhl H. O'Neal
Kurt S. Freyer
James E. Merrill
Donald F. Littel

The following temporary chief warrant officers, W–3 of the U.S. Coast Guard to be permanent chief warrant officers:

Robert J. Rhoads
Duayne J. Roberts
Kenneth A. McFelea
Robert B. Dunn
John F. Bischoff
John A. Haldeman, III
Russell W. Evans
Herbert L. Wills
Larry A. Barker
Fred A. Ross
James E. McDevitt
Carroll F. Schroeder, Jr.
Edwin A. Gardner
Howard A. Fregetto
Heber M. Kern
James L. Taylor
Wilber F. Ball
Thomas E. Mediwether
David B. Sterling
Donald D. Blackmon
Gerald D. Schott
Wilton R. Meekins
Leroy G. Seier
Raymond Spradlin
Gerald D. Huskey
Charles D. Dryden
Antonio N. Braz, Jr.
George K. Lloyd
Friend J. Cornell
Wilbur A. Coe
Herman L. Clark
James R. Lindeblad
John Wiggins
Stanley J. Bibby
Dan T. Markum
William J. Kaszubski
Richard E. Moore
Donald G. Brauer
Jerome W. Cooney
George R. Sinnett
John E. Marshall
John G. Burkee
Dean G. Wheet
Gale E. Zable
Karl E. Adkison
Harold R. Fee
Vicente B. Agor
Fernando L. Tuano
Deaneys W. Weeks
Clarence W. Veasy, Jr.
James G. Taube
William E. Brindle
Francis J. Dougherty
William L. Demetropolos
Charles L. Boyle
Robert E. Johnson
Francis A. Crabb, Jr.
Jerry D. Murdock
Van B. Midgette, Jr.
Alan V. Naber
Larry W. Duncan
Frederick M. Carpenter
Joseph T. Cook
Hiram E. Brooks
Billy J. Bush
Richard Pierce
Hudean R. O'Neal
Robert J. Landefeld
Gary L. Rhodes
Ronald C. Morrill
David E. Hagberg
Laurence H. Robbins
Carl H. Olsen
Fred M. Baker
Earl H. Leyda
James W. Ellison
George A. Barnum
Robert L. Lewis
Wayne G. Gretencord
Andrew J. Gregorich
Robert J. Barker
Peter A. Brunk
James E. Rivera
John W. Stephens
Frank X. Stople
Morris A. Lance
Joseph H. Williams, III
James E. Hipp
Eugene V. Bowles
Thomas S. Mitchell
Richard D. Richardson
Edward Hall
Lonnie M. Padgett
Alfred Fearing, Jr.
Peter S. Hughes
Theodore E Burton
Charles A. Kelley
James E. Shafer
Claude G. Gillikin, Jr.
John P. MacDonald
Robert O. Briggs
Antonio G. Espejo
Carlton F. Spooner, Jr.
Robert S. Samuelson
Roy L. Delia
Donald L. Keon
Robert W. Goodridge
Charles R. Hammond
William L. Woods
William C. Goforth
Edmond J. Brady
Howard H. Hudgins
Peter J. Kellerman
John C. Crawford, II
Donald L. Schouten
William K. Collier
Robert N Graves
George C. Roath
Richard T. Burgoyne
Bruce A. Angus
Donald G. Magill
Roger D. Gilliver

The following temporary officers of the U.S. Coast Guard for promotion to chief warrant officer, W–4:

Lionel F. Crossman
James A. Shepard
Johnnie L. Hair
Joseph E. DeCosta

The following temporary chief warrant officers, W–4 of the U.S. Coast Guard to be permanent chief warrant officers:

Wayne L. Terpstra
Walter C. Parker
Jack Lee
Loomis P. Gibson
Russell E. Grose
Melvin J. Girardin
Max H. Hinkley
Paul A. Roberts
Perry E. Crosson
Joseph F. Croghan
Donald R. Boyd

The following-named officer to be a member of the permanent commissioned teaching staff of the Coast Guard Academy as an instructor in the grade of lieutenant:
Benjamin B. Peterson

IN THE NAVY

Rear Adm. Carlisle A. H. Trost having been designated for commands and other duties of great importance and responsibility in the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment while so serving.

Executive nominations received by the Senate July 5, 1978, pursuant to the order of the Senate of June 29, 1978:

IN THE ARMY

The following-named officers for appointment in the Regular Army of the United States to the grade indicated, under the provisions of title 10, United States Code, sections 3284 and 3306:

To be brigadier general

Brig. Gen. James M. Thompson, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Clyde W. Spence, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Grayson D. Tate, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Mary E. Clarke, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. James C. Pennington, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Edward B. Atkeson, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Robert W. Sennewald, [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. Thomas P. Lynch, [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. Harold F. Hardin, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. James F. Cochran, III, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Thomas D. Ayers, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Walter F. Ulmer, Jr., [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Richard X. Larkin, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Robert L. Wetzel, [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. Joseph N. Jaggers, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Edmund R. Thompson, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Frank P. Ragano, [redacted], Army of the United States (colonel, U.S Army).

Maj. Gen. William J. Livsey, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. Alan A. Nord, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Robert C. Gaskill, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Alton J. Delaune, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Robert L. Moore, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Robert B. Solomon, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. David K. Doyle, [redacted], Army of the United States (colonel, U.S. Army).

IN THE ARMY

The following-named officers for temporary appointment in the Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 3442 and 3447:

To be major general

Brig. Gen. Thomas D. Ayers, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Walter F. Ulmer, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Robert L. Wetzel, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Jerry R. Curry, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Elton J. Delaune, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Fred K. Mahaffey, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Brig. Gen. Robert B. Solomon, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. John D. Bruen, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Robert W. Sennewald, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Richard X. Larkin, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Joseph T. Palastra, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Mary E. Clarke, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Edward B. Atkeson, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Elvin R. Heiberg, III, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Richard D. Lawrence, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Grayson D. Tate, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Clyde W. Spence, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. James C. Pennington, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Robert L. Moore, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Howard F. Stone, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Brig. Gen. James J. Lindsay, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. John C. Bard, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Richard D. Boyle, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Robert C. Gaskill, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. David K. Doyle, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. James M. Thompson, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Frank P. Ragano, [redacted], Army of the United States (colonel, U.S. Army).

Executive nomination received by the Senate July 6, 1978, pursuant to the order of the Senate of June 29, 1978:

THE JUDICIARY

Jose A. Gonzalez, Jr., of Florida, to be U. S. district judge for the southern district of Florida, vice Charles B. Fulton, retired.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 10, 1978:

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be General

Lt. Gen. James Arthur Hill, [redacted], U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Gerald Joseph Post, [redacted], U.S. Air Force.

The following officers for temporary appointment in the U.S. Air Force to the grades indicated, under the provisions of chapter 839, title 10 of the United States Code:

To be major general

Brig. Gen. Richard Carr, [redacted] (colonel, regular Air Force, Chaplain), U.S. Air Force.

To be brigadier general

Col. Jeremiah J. Rodell, [redacted] (colonel, Regular Air Force, Chaplain), U.S. Air Force.

Lt. Gen. LeRoy J. Manor, U.S. Air Force, (age 57), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10 United States Code, section 8962.

Lt. Gen. George E. Schafer, U.S. Air Force, (age 56), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

The following officer for appointment as Surgeon General of the Air Force in the grade of lieutenant general under the provisions of section 8036, title 10 of the United States Code:

Maj. Gen. Paul W. Myers, [redacted] (brigadier general, Regular Air Force, Medical), U.S. Air Force.

Gen. George S. Brown, U.S. Air Force, (age 59), for appointment to the grade of general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Edward Michael Flanagan, Jr., [redacted] (age 56), Army of the United States (major general, U.S. Army).

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Woodrow Wilson Vaughan, [redacted] (age 59), Army of the United States (major general, U.S. Army).

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. DeWitt Clinton Smith, Jr., [redacted] (age 57), Army of the United States (major general, U.S. Army).

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Kenneth Banks Cooper, [redacted] (age 54), Army of the United States (major general, U.S. Army).

IN THE NAVY

Vice Adm. Patrick "J" Hannifin, U.S. Navy (age 55), for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

Vice Adm. James B. Wilson, U.S. Navy (age 53), for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

Rear Adm. Charles E. McDowell, Judge Advocate General's Corps, U.S. Navy, to be Judge Advocate General of the Navy with the rank of rear admiral, for a term of 4 years.

Vice Adm. Pierre N. Charbonnet, Jr., U.S. Navy (age 58), for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

Vice Adm. Donald D. Engen, U.S. Navy (age 53), for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

Vice Adm. Parker B. Armstrong, U.S. Navy (age 59), for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

Vice Adm. Robert B. Baldwin, U.S. Navy, for appointment as Chief of Naval Personnel in the Department of the Navy for a term of 4 years pursuant to title 10, United States Code, section 5141.

Vice Adm. Alfred J. Whittle, Jr., U.S. Navy, having been designated for commands and other duties of great importance and responsibility commensurate with the grade of admiral within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of admiral while so serving.

Rear Adm. Albert J. Baciocco, Jr., U.S. Navy, for appointment as Chief of Naval Research in the Department of the Navy for a term of 3 years in accordance with title 10, United States Code, section 5150.

IN THE MARINE CORPS

Lt. Gen. Robert L. Nichols, U.S. Marine Corps, (age 56), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

The following-named officer under the provisions of title 10, United States Code, section 5232, to be assigned to a position of importance and responsibility designated by the President, in grade as follows:

To be lieutenant general

Maj. Gen. Kenneth McLennan, [redacted], U.S. Marine Corps.

IN THE AIR FORCE

Air Force nominations beginning Ernest Z. Adelman, to be lieutenant colonel, and ending Charles R. Mitchell, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 22, 1978.

Air Force nominations beginning Richard R. Barth, to be second lieutenant, and ending John B. Sturges III, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 22, 1978.

IN THE ARMY

Army nominations beginning Robert W. Berry, to be colonel, and ending Thomas C. Wood, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 15, 1978.

Army nominations beginning Clarence Peterson, to be captain, and ending William R. Steele, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 13, 1978.

Army nominations beginning Herbert D. Beckman, to be captain, and ending Phillip B. Benoit, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 13, 1978.

IN THE NAVY

Navy nominations beginning Robert P. Aitken, to be chief warrant officer, W–3, and ending Ralph K. Zimmerman, to be chief warrant officer, W–4, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 15, 1978.

Navy nominations beginning Gary W. Aaron, to be commander, and ending Carvel L. Zwingle, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 22, 1978.

Navy nominations beginning Robert J. Lauderdale, to be ensign, and ending Thomas J. Humphries, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 22, 1978.

IN THE MARINE CORPS

Marine Corps nominations beginning Ronald E. Ablowich, to be lieutenant colonel, and ending Steven H. Mattos, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 15, 1978.

Marine Corps nominations beginning Penelope L. Alvarez, to be second lieutenant, and ending Reginald J. Ghiden, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 13, 1978.

THE JUDICIARY

Robert H. McFarland, of Mississippi, to be U.S. district judge for the district of the Canal Zone for a term of 8 years.

Santiago E. Campos, of New Mexico, to be U.S. district judge for the district of New Mexico.

Louis H. Pollak, of Pennsylvania, to be U.S. district judge for the eastern district of Pennsylvania.

HOUSE OF REPRESENTATIVES—*Monday, July 10, 1978*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore (Mr. WRIGHT).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
July 10, 1978.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore for today.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

God is love, and he who abides in love abides in God and God abides in him.—I John 4: 16.

Eternal God, who art the refuge of Thy people in every age and our strength in this present hour, make Thyself known to us as we lift our hearts unto Thee. Help us to realize anew our constant need of Thy guidance, Thy strength, and Thy love. May we realize that Thou art with us and that with Thee we can be made ready for our tasks and equal to the demands made upon us.

We pray that peace may come to our world and that good will may come to life in the hearts of people. Bless our Members of Congress and direct them in their work. May they be wise with Thy wisdom, strong in Thy Spirit, and faithful to their faith in Thee. Lead the people of our land to higher realms of moral conduct that our Nation may be a blessing to other nations and to all mankind. To Thee be the praise now and forevermore. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On June 26, 1978:

H.J. Res. 944. Joint resolution making urgent grain inspection supplemental appropriations for the Department of Agriculture, Federal Grain Inspection Service, for the fiscal year ending September 30, 1978;

H.R. 1436. An act for the relief of William H. Klusmeier, publisher of the Austin Citizen, of Austin, Tex.;

H.R. 5493. An act to extend until October 1, 1980, the appropriation authorizations for the Great Dismal Swamp and San Francisco Bay National Wildlife Refuges; and

H.R. 10884. An act to authorize appropriations to the Council on Environmental Quality for fiscal years 1979, 1980, and 1981.

On June 29, 1978:

H.R. 5176. An act to lower the duty on levulose until the close of June 30, 1980; and

H.R. 10823. An act to amend the National Advisory Committee on Oceans and Atmosphere Act of 1977 to authorize appropriations to carry out the provisions of such act for fiscal year 1979, and for other purposes.

On June 30, 1978:

H.J. Res. 995. Joint resolution to designate Sunday, June 25, 1978, as "National Brotherhood Day";

H.R. 11465. An act to authorize appropriations for the U.S. Coast Guard for fiscal year 1979, and for other purposes;

H.R. 11778. An act to direct the Secretary of Agriculture to carry out forest and rangeland renewable resources research, and for other purposes; and

H.R. 11779. An act to provide for an expanded and comprehensive extension program for forest and rangeland renewable resources.

On July 1, 1978:

H.R. 11777. An act to authorize the Secretary of Agriculture to provide cooperative forestry assistance to States and others, and for other purposes; and

H.R. 12571. An act to amend the Fishery Conservation Zone Transition Act in order to give effect to the Reciprocal Fisheries Agreement for 1978 between the United States and Canada.

On July 4, 1978:

H.R. 11713. An act to create a solar energy and energy conservation loan program within the Small Business Administration, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 12598. An act to authorize appropriations for fiscal year 1979 for the Department of State, the International Communication Agency, and the Board for International Broadcasting, to make changes in the laws relating to those agencies, to make changes in the foreigr service personnel system, to establish policies and responsibilities with respect to science, technology, and American diplomacy, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 12598) entitled "An act to authorize appropriations for fiscal year 1979 for the Department of State, the International Communication Agency, and the Board for International Broadcasting, to make changes in the laws relating to those agencies, to make changes in the Foreign Service personnel system, to establish policies and responsibilities with respect to science, technology, and American diplomacy, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SPARKMAN, Mr. CASE, Mr. MCGOVERN, Mr. BIDEN, Mr. PELL, Mr. PERCY, and Mr. BAKER to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 957. An act to promote commerce by establishing a national goal for the development and maintenance of effective, fair, inexpensive, and expeditious mechanisms for the resolution of consumer controversies, and for other purposes.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C., *June 30, 1978.*

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR Mr. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 2:28 p.m. on Friday, June 30, 1978, and said to contain a message from the President wherein he transmits a report of his determination concerning the U.S. stainless steel table flatware industry.

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

REPORT OF DETERMINATION CONCERNING U.S. STAINLESS STEEL TABLE FLATWARE INDUSTRY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 95-364)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Ways and Means and ordered to be printed:

To the Congress of the United States:

In accordance with section 203(b)(2) of the Trade Act of 1974, enclosed is a report to the Congress setting forth my determination that import relief for the U.S. stainless steel table flatware industry is not in the national economic interest, and explaining the reasons for my decision.

JIMMY CARTER.

THE WHITE HOUSE, *June 30, 1978.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
July 5, 1978.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR Mr. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 12:40 p.m. on Wednesday, July 5, 1978, and said to contain a message from the President wherein he transmits the 11th annual reports on the administration of the Highway Safety and National Traffic and Motor Vehicle Safety Act of 1966.

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

ELEVENTH ANNUAL REPORTS ON THE ADMINISTRATION OF THE HIGHWAY SAFETY AND NATIONAL TRAFFIC AND MOTOR VEHICLE SAFETY ACT OF 1966—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Public Works and Transportation and the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

The 11th annual reports on the administration of the Highway Safety and National Traffic and Motor Vehicle Safety Act of 1966 are transmitted for your consideration. The volume on motor vehicle safety contains the reporting requirements of the Motor Vehicle Information and Cost Savings Act of 1972. Also included are highlights from the second annual report to the Congress on automotive fuel economy. The highway safety document describes developments in those aspects of traffic safety in which Congress expressed special interest in the Highway Safety Acts of 1973 and 1976.

Since 1967, research has advanced the state-of-the-art of traffic safety. Safety devices have been perfected and incorporated in most automobiles on the road today. Highways have been designed and built with safety in mind, and traffic systems are better controlled. Even so, the traffic safety problem remains serious. In 1977, 46,880 of our citizens died on the Nation's highways, and the number of injured ran into the millions. The direct economic cost is estimated at $43 billion annually. Had there been no traffic safety effort, and had the 1967 traffic fatality rate held constant, the 1977 toll might have been 77,000 dead and the direct economic costs would have risen to $76 billion a year.

The fact remains that the fatality rate (deaths per 100 million miles of travel) has declined steadily since 1967, as the various automotive and highway standards and programs have taken effect. The drop was especially noticeable following imposition, in January 1974, of the 55-mph national maximum speed limit, which has proven to be the single most effective safety measure instituted in this country. Cumulatively, the saving in lives since 1967 exceeds 150,000.

Despite the advances that have been made since 1967, motor vehicle accidents have remained the sixth leading cause of death in the United States. It is a national calamity that the penalties fall disproportionately on the very young and on those in their most productive years. In every age bracket from 5 to 34 years, motor vehicle accidents are either the leading or the second cause of death; among the 15- to 19-year-olds, traffic fatalities claim 38 percent of total deaths.

Persistent obstacles remain to further rapid or easy progress in reducing fatalities. Average speeds are increasing gradually. Seat belts are a simple, effective safety device, but are used by less than 20 percent of all motorists. The growing popularity of small cars, light trucks, and vans increases the weight disparity within the vehicle mix and adversely affects the severity of accidents. Alcohol continues to be a contributing cause in half of all fatal accidents. Rulemaking has focused primarily on passenger cars, and many of the standards have been found to be inapplicable to light trucks and vans. Some States have repealed their motorcycle helmet laws; some have reduced or eliminated penalties for infractions of the 55-mile-per-hour speed limit.

Further progress in traffic safety is feasible, but will require the dedication and cooperation of Federal, State, and local governments, the automotive in-

dustry and, above all, the motoring public whose lives are at stake.

JIMMY CARTER.

THE WHITE HOUSE, *July 5, 1978.*

PERMISSION FOR SUBCOMMITTEE ON ECONOMIC STABILIZATION OF COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS TO SIT PAST 10 A.M., ON WEDNESDAY, JULY 12, 1978

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I ask unanimous consent that the Subcommittee on Economic Stabilization of the Committee on Banking, Finance and Urban Affairs may be permitted to sit past 10 a.m., on Wednesday, July 12, 1978, in order to conduct a hearing on the administration's anti-inflation program.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

HUMAN RIGHTS IN LITHUANIA

(Mr. LEDERER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEDERER. Mr. Speaker, I would like to take this opportunity to bring to the attention of my colleagues the sad state of human rights in Lithuania.

Mr. Speaker, Lithuania, historically, has been a proud nation, proud of its culture, way of life, and freedom. This summer marks the 38th year of Soviet dominance of that Baltic State. During this time, Lithuanians have been, through tactics of fear and force, separated from that which they love so dearly, their way of life and their freedom.

Mr. Speaker, the Yalta Agreement was supposed to guarantee freedom and self-determination to the liberated lands of Eastern Europe. Instead, countries like Lithuania have languished under Communist oppression. Life under the Communist flag has not led to the utopia promised by Lenin, but instead that flag has come to signify a life as cruel and cold as like under the Fascist flag. In particular, Lithuania has suffered. Tens of thousands of her people have been deported to camps in Siberia, thousands more have spent long years in harsh prisons. For these people, there is no joy in life, no dignity in being alive. There is only the hope that someday all the suffering and pain will end, hope that someday in the not too distant future, Lithuania will again be a free nation.

Mr. Speaker, the Soviet Union in good faith signed the Helsinki Agreement. It was in good faith that the rest of the world took the Soviets at their word and believed that they would honor the principle of that agreement. The facts speak differently. It is obvious that the condition of human rights in Lithuania is deplorable, and is not getting better.

Mr. Speaker, I ask my colleagues to join with me in protesting the Soviet actions in Lithuania and to applaud the actions of those brave Lithuanians who dare to stand up for their freedom.

GEN. GEORGE S. BROWN

(Mr. SIKES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SIKES. Mr. Speaker, one of the great military leaders of this age, one of the last of those still on active duty who had earned their rank in combat, has retired.

Gen. George S. Brown, Chairman of the Joint Chiefs of Staff, knew warfare from World War II to the present. Few have enjoyed greater responsibility in military service or acquitted themselves with more distinction. America is indebted to George Brown for his outstanding contributions to the defense and the security of our Nation.

General Brown began his rise to Chairman of the Joint Chiefs of Staff with an appointment to West Point in 1937. After graduation in 1941, he entered flight training and received his pilot wings in 1942.

His participation and leadership in the low-level bombing raids against oil refineries at Ploesti, Romania, on August 1, 1943, won him the Distinguished Service Cross in that now famous action. Out of the over 170 planes participating in that raid, 53 planes were shot down or otherwise crashed. But then Maj. George Brown was able to deliver his armaments and lead the battered 93d Bombardment Group back to Bengasi.

Throughout his career General Brown has shown the same dedication to duty and resolve he demonstrated that day long ago.

He has held many command positions. He has been decorated many times. He has demonstrated leadership time and again. His service worldwide has led from Ploesti to Southeast Asia where he effectively commanded America's great air effort, an effort which achieved outstanding results despite the limitations imposed upon its use by the administrations in power.

As time and retirement leave their stamp on the Armed Forces, there soon will be none left who held high command in wartime or who led in battle, but the essentiality for dedicated men and women in uniform does not change. Aspiration to serve our country as well as George Brown may well be one of the most vital assets instilled in men and women of the Armed Forces of the United States. George Brown's active duty to the Armed Force has ended but the inspiration of his service is still with us.

My best wishes go with this man who has served us so well and with his family.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. SIKES. I yield to the distinguished gentleman from Arizona.

Mr. RHODES. I thank the gentleman for yielding.

Mr. Speaker, I want to associate myself with the remarks of the gentleman from Florida (Mr. SIKES) concerning Gen. George Brown.

I have known General Brown since he was a bird colonel in command of Williams Air Force Base in Arizona. He has been a tremendous airman all the way through his career and, in my opinion, he has done an outstanding job as a member of the Joint Chiefs of Staff and its Chairman. I am pleased to associate myself with the laudatory remarks of the gentleman from Florida.

Mr. SIKES. Mr. Speaker, I appreciate my distinguished colleague's contribution.

FEDERAL BUDGET IS OUT OF CONTROL

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERWINSKI. Mr. Speaker, like many Members, I have just returned from a district work period, and I wish to report on the view reflected by my constituents on the status of our Nation's economy.

The public is properly placing most of the blame for economic conditions on the Federal Government. I could just as properly have said the Carter administration and congressional Democrats, but this is not intended as a partisan commentary, and, therefore, I will emphasize the Federal Government.

It is obvious that the Federal budget is out of control. Despite growing public criticism, Government spending cannot be reduced without voting out programs and built-in spending increases. Even with the antispending momentum in the Nation, too few officials are willing to stand up against organized special interest groups.

Inflation is accelerating strongly because of past and present Government spending. We still have massive budget deficits, which means the Federal Reserve must print new money to cover the Government's overspending.

The public recognizes that there must be a relationship between wage increases and productivity, that taxes at all levels add to the cost of the products they purchase, and that Federal deficits and the huge national debt contribute to inflation.

Therefore, we owe the public a conscientious effort to reduce the size and cost of the Federal Government, we must reduce the tax bite, we must emphasize the positive nature of our free enterprise system and the employment opportunities and standard of living it has brought people rather than the costly burden of Government paternalism.

With the budget process now in our hands, we have the time and the vehicle to slash Federal spending, aim for a balanced budget and reduce taxes, thus overcoming inflation.

CALL OF THE HOUSE

Mr. CHARLES H. WILSON of California. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 518]

Alexander	Flowers	Ottinger
Ambro	Ford, Tenn.	Patten
Anderson, Ill.	Fountain	Pettis
Andrews, N.C.	Fraser	Pickle
Archer	Frey	Pike
Armstrong	Fuqua	Pritchard
Ashley	Garcia	Railsback
Barnard	Gibbons	Rangel
Baucus	Gilman	Richmond
Beard, R.I.	Goldwater	Roberts
Biaggi	Gonzalez	Rodino
Bingham	Guyer	Roe
Boggs	Harrington	Rose
Boland	Harsha	Santini
Bolling	Heckler	Sarasin
Bowen	Huckaby	Sawyer
Broyhill	Ichord	Scheuer
Burke, Fla.	Jeffords	Shipley
Burlison, Mo.	Johnson, Colo.	Shuster
Burton, Phillip	Jones, Okla.	Skubitz
Butler	Jones, Tenn.	Slack
Byron	Jordan	Solarz
Cederberg	Kasten	Staggers
Chappell	Le Fante	Steed
Chisholm	Leggett	Symms
Cleveland	Lent	Taylor
Conyers	Long, La.	Teague
Cornell	Lott	Thone
Cotter	Luken	Traxler
de la Garza	Lundine	Tsongas
Delaney	McCloskey	Udall
Dent	McDonald	Walker
Diggs	McEwen	Watkins
Dingell	McKay	Wiggins
Dodd	Mann	Wilson, Tex.
Drinan	Martin	Winn
Duncan, Oreg.	Milford	Wirth
Edwards, Calif.	Moakley	Wolff
Edwards, Okla.	Moss	Wright
English	Murphy, Ill.	Young, Mo.
Evans, Colo.	Murphy, N.Y.	Zeferetti
Evans, Del.	Nowak	
Evans, Ga.	Obey	

The SPEAKER pro tempore (Mr. MURTHA). On this rollcall 305 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

APPOINTMENT OF CONFEREES ON H.R. 12426, NEW YORK CITY FINANCIAL ASSISTANCE ACT OF 1978

Mr. REUSS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 12426) to authorize the Secretary of the Treasury to provide financial assistance for the city of New York, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the distinguished gentleman from Wisconsin (Mr. REUSS) describe to us why we are using this procedure of unanimous consent to have the House send this New York guarantee bill to conference?

Mr. REUSS. Mr. Speaker, if the gentleman will yield, this is the regular order and the usual procedure for the appointment of conferees. The conferees will then go to conference and come back to this body with whatever agreement can be reached.

I might add that the Senate version considerably stiffens the version that passed in this body some weeks ago.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, I understand that the Senate version stiffens the requirements and also reduces the guarantees, I understand, to $1.5 billion, is that not correct?

Mr. REUSS. That is correct.

Mr. ROUSSELOT. Have the potential House conferees had any conversations as to what their position will be as it relates to this bill going into the conference?

Mr. REUSS. The answer to that is "Yes," there has been an informal caucus of those who, if chosen by the Speaker as conferees, would act as conferees. In general I can report to the gentleman from California (Mr. ROUSSELOT) that their sentiment is that the tightening up provisions of the Senate by and large are in the public interest and make what we thought was a good tight bill a little tighter. So that there is a disposition to be sympathetic with those provisions in the Senate bill. At the same time the Senate version set $1.5 billion plus interest and the House version, as the gentleman well remembers, set $2 billion including interest. Obviously an accommodation will have to be sought on that, and my guess is that the will of both the Senate and the House can be achieved, because one included the interest and the other did not.

Mr. ROUSSELOT. Further reserving the right to object, Mr. Speaker, I appreciate the gentleman's explanation. Have my colleagues from this side, the gentleman from Connecticut (Mr. MCKINNEY) and the gentleman from Ohio (Mr. STANTON) both been consulted on this issue?

Mr. REUSS. If the gentleman will yield further, they were members of an informal group of those who had some expectancy and hope of being appointed by the Speaker as conferees. We conferred informally this morning, and I think I am speaking generally for the conferees. The gentleman will recall that the gentleman from Ohio (Mr. STANTON) did not favor the House version.

Mr. ROUSSELOT. I remember that very well. I thank the gentleman for his explanation, and I hope he will revise and extend his remarks and include an additional explanation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin? The Chair hears none, and, without objection, appoints the following conferees: Messrs. REUSS, MOORHEAD of Pennsylvania, BLANCHARD, VENTO, STANTON, MCKINNEY, ROSTENKOWSKI, COTTER, and CONABLE.

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 12598, FOREIGN RELATIONS AUTHORIZATION ACT FOR FISCAL YEAR 1979

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 12598) to authorize appropriations for fiscal year 1979 for the Department of State, the International Communication Agency, and the Board for International Broadcasting, to make changes in the laws relating to those agencies, to make changes in the Foreign Service personnel system, to establish policies and responsibilities with respect to science, technology, and American diplomacy, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin? The Chair hears none, and, without objection, appoints the following conferees: Messrs. ZABLOCKI, FASCELL, DIGGS, WOLFF, RYAN, Mrs. MEYNER, Messrs. DANIELSON, BROOMFIELD, BUCHANAN, and BURKE of Florida.

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b) or rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated, and after those motions to be determined by nonrecord votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

NATIONAL GRANDPARENTS DAY

Mr. LEHMAN. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 613) to authorize and request the President to issue annually a proclamation designating the first Sunday of September after Labor Day of each year as "National Grandparents Day," as amended.

The Clerk read as follows:

H.J. RES. 613

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the first Sunday of September after Labor Day *in 1978* as "National Grandparents Day", and calling upon the people of the United States and interested groups and organizations to observe such day with appropriate ceremonies and activities.

The SPEAKER pro tempore. Is a second demanded?

Mr. ROUSSELOT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Florida (Mr. LEHMAN) will be recognized for 20 minutes, and the gentleman from California (Mr. ROUSSELOT) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Florida (Mr. LEHMAN).

Mr. LEHMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this joint resolution (H.J. Res. 613) was introduced by the gentleman from Georgia (Mr. FLYNT) with 400 signatories as cosponsors to establish the Sunday after Labor Day as National Grandparents Day.

Mr. Speaker, I reserve the remainder of my time.

Mr. ROUSSELOT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I supported this resolution in the committee. I support it now, primarily because of the blandishments of my colleague, the gentleman from California (Mr. JOHN BURTON), who is the major lobbyist for this resolution. Mr. FLYNT also has persisted in asking for the passage of House Joint Resolution 613.

Mr. Speaker, House Joint Resolution 613 authorizes the President to proclaim the first Sunday in September after Labor Day of this year as "National Grandparents Day." This joint resolution, cosponsored by over 218 Members of the House, was unanimously reported by the Post Office and Civil Service Committee on June 21.

As ranking minority member of the Subcommittee on Census and Population which has legislative jurisdiction over commemorative proposals, I am pleased to support House Joint Resolution 613 and urge its passage by this body. This bill has no budgetary or inflationary impact; it simply honors a group of noncontroversial, deserving Americans. House Joint Resolution 613 calls on our country to recognize the contributions made by grandparents and the responsible and valuable role they play as a positive force in American life.

The industrial revolution, the growth of the suburbs, and the increased mobility of Americans has diluted and weakened the traditional nucleus family which was the backbone of our Nation during the early days. Grandparents are frequently separated from their children and grandchildren by many miles, if not the entire continent. However, grandparents remain an important force in the family and in the growth and development of the grandchildren. Grandparents reinforce the values and traditions of the past and provide a stability essential in this time of rapid change.

The resolution before us today offers an opportunity to express our thanks and appreciation to our own grandparents and grandparents everywhere. Thanks for the hours of babysitting; for taking a little boy fishing; for passing down memories of how things used to be; for baking cookies; for soothing hurts and mending toys; and for all the things grandparents do and are.

I urge my colleagues to favorably consider and pass House Joint Resolution 613.

Mr. Speaker, I reserve the balance of my time.

Mr. LEHMAN. Mr. Speaker, I yield such time as I may consume to the gentleman from Georgia (Mr. FLYNT).

Mr. FLYNT. Mr. Speaker, I support House Joint Resolution 613, which would authorize the President to proclaim the first Sunday in September after Labor Day in 1978, as National Grandparents Day.

In order to explain the procedure taken here today, let me review this matter briefly. The Senate unanimously passed a parallel measure to House Joint Resolution 613 in October of last year. However, as passed by the Senate, the resolution does not specify the year of 1978, as does the version reported to the House by the Post Office and Civil Service Committee. Whatever final action is taken will be satisfactory to me and to many, perhaps all, of the cosponsors. Hopefully, final action will be taken in sufficient time to permit the proclamation to be effective during 1978.

As one of the primary sponsors of the National Grandparents Day resolution, I am pleased at the support displayed by my colleagues in the House for the prospect of setting aside a special commemorative day to honor the grandparents of our Nation. At last count we had over 400 cosponsors for National Grandparents Day.

I trust that all of you will share in my enthusiasm in the appropriateness of formally recognizing the immeasurable contributions which all of our grandparents have made and will continue to make to our life in this country as we know it today, and I feel that this special commemorative day set aside to honor all grandparents is a small way, indeed, to express our respects, our admiration, and our eternal gratitude to an outstanding generation of Americans.

Mr. LEHMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. JOHN L. BURTON).

Mr. JOHN L. BURTON. Mr. Speaker, I rise in support of this legislation.

I, for one, would hope that every year we do not have to go around getting 400 signatures of House Members just to set aside a day for grandparents and would hope that we might be able to accede to the Senate bill that does this in perpetuity.

I cannot speak for any other Member but myself, but I can think of 393 Members who would just as soon not have me bug them next year about Grandparents Day.

Mr. Speaker, I would like to commend the gentleman from Florida (Mr. LEHMAN), the chairman of the subcommittee, and the gentleman from Georgia (Mr. FLYNT) who introduced the original bill.

Mr. Speaker, I will be happy to yield to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Speaker, I just want the record to show, speaking as one Member, I was very glad to discuss this with the gentleman from California and I would like to be bugged on this again.

Mr. JOHN L. BURTON. The gentleman would? That makes me feel better already, and I am sure it also does the gentleman from California (Mr. ROUSSELOT).

I would say to those persons who did not see fit to cosponsor this legislation, those names will be spread upon the record for the whole world to see. Four of them are retiring this year, but the others will have to face not only their constituents, but themselves.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. JOHN L. BURTON. I am happy to yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Speaker, I thank my colleague for yielding.

I hope it will not be considered as a special interest on my part as one who has nine grandchildren, but I rise in support of this very fine resolution.

Mr. JOHN L. BURTON. Mr. Speaker, I thank the gentlewoman.

I would like to state that the chairman of the Committee on Standards of Official Conduct has issued a report that neither grandparents nor grandchildren who cosponsored this resolution would be in a conflict-of-interest situation.

Mr. DICKS. Mr. Speaker, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Speaker, I want to congratulate the gentleman in the well for the outstanding job he did in going around and gathering these signatures.

Mr. Speaker, I heartily join my colleagues today in supporting this resolution to establish a National Grandparent's Day.

My keen interest in this legislation was prompted by a letter from a young constituent of mine, Anne Tillery, who felt that her grandfather deserved a special day of appreciation. Consequently, I introduced House Joint Resolution 629 designating a National Grandparent's Day on the last Sunday of April. Since that time, I have joined other Members who had introduced similar bills, in an effort to secure the necessary support to have this measure considered on the House floor. Our efforts have now proved successful, and I am hopeful that we can enact this resolution in time to celebrate the first Grandparent's Day this September.

All of us who have been blessed with the opportunity to learn from and be loved by our grandparents know the appropriateness of this resolution. Their contribution to the strength of this country is incalculable.

I, frankly, am puzzled that we have not provided this recognition of the contribution of grandparent's in our lives before. Mr. Speaker, it is high time we do provide this modest tribute to their role and I commend its speedy approval by the House.

Mr. Speaker, I want to commend not only the gentleman from California (Mr. JOHN L. BURTON) but the gentleman from Georgia (Mr. FLYNT), who originally introduced this legislation in committee.

Mr. JOHN L. BURTON. Mr. Speaker, I thank the gentleman from Washington (Mr. DICKS), and I would also like to commend him for his initial interest and ongoing support of our efforts in gathering the signatures.

Mr. PEPPER. Mr. Speaker, as chairman of the Select Committee on Aging, I would like to speak in support of House

Joint Resolution 613, which will proclaim a "National Grandparents Day."

I believe we are living in a time in which all Americans should be striving to make older Americans sense that they are valued and appreciated in this all too frequent youth-centered society. Unfortunately, we live in a time in which many older Americans can easily feel insignificant and forgotten, when instead they should feel that they are cherished members of this society since they are, indeed, part of this Nation's strength and history. For years grandparents have offered a special love and wisdom to their families and have not as yet been recognized in their somewhat unique, often influential and inspiring, role. It is the grandparents in this country who nurtured much of the Nation's present population, working to develop people who are capable of accomplishing this country's goals, during our time and in the future.

In this light, it is most appropriate to recognize, specifically, the grandparents in this country by proclaiming 1 day of this year "National Grandparents Day." Such a holiday would encourage young Americans and their families, as well as other groups and organizations, to take the time to honor grandparents, and hopefully all Americans will begin to understand the accomplishments, capabilities, difficulties, and hopes of older Americans.

On this special Sunday, it is my hope that grandmothers might have the time to instill in the younger members of her family the recipes for her homemade apple pie, chicken soup, spaghetti sauce, or turkey dressing. Grandfathers might divulge that secret of what kind of bait he uses to hook "those big ones," or he might get the chance to tell his grandchildren about what his first car looked like. On the less traditional side, grandma and granddad might challenge the younger generation to a heated tennis match, and perhaps prove that one cannot judge a book by its cover, or more simply, one cannot always judge a tennis player by his age.

On this special day, it is my hope that grandsons and granddaughters might have the chance to tell their grandparents what they have been learning in school, or what their new friends are like, or what they are doing in their scout troop. Perhaps grandparents will get the chance to hear that piano piece their grandchild has been working on. In short, National Grandparents Day will be a time for family members both young and old, to gather together and share their lives. Certainly there could be no better reason for a family to come together than to learn about and honor their "roots."

National Grandparents Day will help improve the self-image of older Americans by allowing them to share their knowledge and wisdow with their families and by making them feel needed and appreciated. Also, as the youth of America get to know their grandparents better on this national holiday, hopefully some of the stereotypic images of old-age will be diminished.

I hope my colleagues will join me in voting in favor of National Grandparents Day, which will serve to distinguish older Americans, making them feel as important as they actually are for the health and welfare of this Nation.●

● Mr. STAGGERS. Mr. Speaker, I am pleased to speak on behalf of House Joint Resolution 613 which designates the first Sunday after Labor Day as "National Grandparents Day."

The annual event will provide a unique opportunity to recognize and pay tribute to the significant role that grandparents play in our American way of life.

The family is the very fabric of our society and, very often, grandparents are the thread that keeps a family together.

I was delighted to cosponsor this resolution and I hope that Grandparents Day will become a popular event such as Mothers Day or Fathers Day.

Mothers Day was begun in Grafton, W. Va., thanks to the efforts of Anna Jarvis many years ago. The roots of this resolution also began with a West Virginia woman, Mrs. Marian McQuade of Oak Hill.

For years, Mrs. McQuade has worked tirelessly to establish Grandparents Day. She has been instrumental in Grandparents Day designations in 25 States as well as a resolution that has already been approved by our colleagues in the Senate. All of us who are now grandparents, and those who will be in the future, owe Mrs. McQuade a debt of gratitude.●

Mr. LEHMAN. Mr. Speaker, I have no further requests for time.

Mr. ROUSSELOT. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. LATTA).

(By unanimous consent, Mr. LATTA was allowed to speak out of order.)

INVESTIGATIONS INTO RECENT DEATHS OF TWO ARMY RECRUITS

Mr. LATTA. Mr. Speaker, on June 29, 1978, two young Army recruits, on their first day of basic training, died at Fort Jackson, S.C. One of these recruits, Wayne A. Krassow, 18, was from Cygnet, Ohio, which is located in my district. The other recruit was Lester T. Watts, 17, of York, S.C. Both were fine young men.

Since both of these recruits were in their first day of training, it is natural that the Army should investigate their deaths and the investigation is now going forward. I have been promised a report from the Army some time today.

I have asked the chairman of the Committee on Armed Services, the gentleman from Illinois, Mr. MEL PRICE, to also investigate their deaths and the activities of their company which immediately preceded the same. At this point in time we are not certain as to what happened to cause these two young men to collapse and die on their first day of training. We must have such an independent investigation in order to establish the cause of their deaths beyond any doubt whatsoever.

The chairman of the committee has assured me that the Committee on Armed Services will undertake such investigation of its own and I thank the chairman for this assurance.

Mr. ROUSSELOT. Mr. Speaker, I yield back the balance of my time.

Mr. LEHMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. LEHMAN) that the House suspend the rules and pass the joint resolution (H.J. Res. 613) as amended.

The question was taken.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3 of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

ASIAN-PACIFIC AMERICAN HERITAGE WEEK

Mr. LEHMAN. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 1007) authorizing the President to proclaim a week, which is to include the 7th and 10th of the month, during the first 10 days in May of 1979 as "Asian/Pacific American Heritage Week" as amended.

The Clerk read as follows:

H.J. RES. 1007

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue during the first ten days of May of 1979, which is to include the seventh and tenth days of the month, a proclamation designating the seventh day beginning on May 4, 1979, as "Asian/Pacific American Heritage Week" and calling upon the people of the United States especially the educational community to obselve such week with appropriate ceremonies and activities.

The SPEAKER pro tempore. Is a second demanded.

Mr. ROUSSELOT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Florida (Mr. LEHMAN) will be recognized for 20 minutes, and the gentleman from California (Mr. ROUSSELOT) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Florida (Mr. LEHMAN).

Mr. LEHMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Joint Resolution 1007 has over 235 signatures. It was introduced by the gentleman from California (Mr. MINETA).

Mr. ROUSSELOT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Joint Resolution 1007 which authorizes the President to proclaim a week, to include the 7th and 10th of the first 10 days of May 1979, as "Asian/Pacific American Heritage Week." House Joint Resolution 1007 was reported unani-

mously by the Post Office and Civil Service Committee on June 21.

This resolution is consistent with previous resolutions which have recognized the contributions of black Americans and those of Spanish heritage.

The 7th and 10th of May are especially significant in the history of Asian/Pacific Americans as they represent accomplishments and contributions to this country.

First. May 7, 1979, will be the 136th anniversary of arrival of the first Japanese who immigrated to America; and

Second. May 10, 1979, will be the 110th anniversary of the driving of the Golden Spike, signifying the contribution of the Chinese to the building of the first trans-America railroad.

Asian/Pacific Americans have contributed significantly to communities all over this Nation. In California their hard work and dedication are recognized throughout the State. Over 1.4 million people in America trace their ancestors to various parts of the Pacific an it is appropriate that this group and its achievements should be suitably honored

I will support House Joint Resolution 1007 and urge my colleagues to do the same.

Mr. Speaker, I yield 3 minutes to my colleague, the gentleman from New York (Mr. HORTON).

Mr. HORTON. Mr. Speaker, I rise in support of House Joint Resolution 1007, a resolution calling upon the President of the United States to proclaim a week during the first 10 days in May to honor Americans of Asian/Pacific heritage.

Mr. Speaker, over 2 million Americans can trace their ancestry to Asian/Pacific areas of the world. Their contribution to the growth of the United States has been an example for all Americans.

One year ago, Congressman NORMAN MINETA and I set about obtaining the necessary 218 cosponsors of the resolution in order to comply with the rules of the Post Office and Civil Service Committee. We would like to express our gratitude to the 231 Members of the House who supported us.

I would also like to express our deepest appreciation to Jeanie F. Jew, chairperson of the National Coalition for an Asian/Pacific American Heritage Proclamation and to Ruby G. Moy, chairperson of the Asian/Pacific Congressional Caucus, for their enthusiastic and herculean contributions in making this proclamation a reality.

While this resolution is geared to the year 1979, we are hopeful that the President will see fit to proclaim such a week in subsequent years. For the 2 million Americans of Asian/Pacific heritage, such a commemoration is a most welcome recognition.

Mr. Speaker, one of the greatest elements of our society has been its ability to accommodate socially, politically, and culturally, the millions of people who have come to our land from all over the world. I am pleased and proud to be associated with this resolution recognizing our Asian/Pacific brothers and sisters and urge the House to adopt the resolution.

Mr. LEHMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. MINETA).

Mr. MINETA. Mr. Speaker, I wish to express my strong support for House Joint Resolution 1007, a resolution urging the President to proclaim a week in May 1979 recognizing the contribution of over 4 million Americans of Asian/Pacific heritage.

Mr. Speaker, I also thank the chairman of this subcommittee, the gentleman from Florida (Mr. LEHMAN), and the gentleman from California (Mr. ROUSSELOT), the ranking member, for their effort in helping us to get this resolution through.

Mr. Speaker, America has been called the melting pot of the world. While we have opened our Nation in an unprecedented fashion to the people from throughout the world, the free society of which we are all a part has permitted a continuation of the cultural and social heritage of our citizens' ancestral homes. So, rather than "the melting pot of the world," this country is really more like tapestry with yarns of different fabrics and colors, interwoven to bring strength to the total tapestry of our country and yet with its differing colors—vivid and strong, signifying the cultural and social heritage of our citizens' ancestral homes.

Since the earliest days of our Republic, Asian/Pacific families have contributed to the growth, prosperity, and stability of the United States. It is fitting and appropriate that this contribution be recognized.

Mr. Speaker, I wish to join with my very distinguished colleague, the gentleman from New York, Mr. FRANK HORTON, in thanking the 231 Members of the House who cosponsored this resolution and urge the adoption of the resolution. To my colleague, the gentleman from New York (Mr. HORTON), let me express my very deep gratitude for his strong help on this measure. I would also like to join him in recognizing the very capable assistance of Mrs. Jeanie F. Jew, chairperson of the National Coalition for an Asian/Pacific American Heritage Proclamation, who encouraged the enthusiastic support from national organizations, which we have received for this bill, and to Ruby G. Moy, chairperson of the Asian/Pacific Congressional Caucus, who guided our efforts.

● Mr. DERWINSKI. Mr. Speaker, I am happy to support this worthwhile legislation which focuses attention on an often forgotten minority—Asian/Pacific Americans. While we are a culturally pluralistic society, we often have failed to recognize the contributions and specific problems of Asian/Pacific Americans.

As a result of a dramatic change in our immigration patterns, significant numbers of Asian/Pacific Americans can be found in all of our major cities. While their assimilation into American society has not been pain free, it has been a mutually beneficial experience. Their presence and contributions have resulted in a stimulating cross-fertilization of cultures which makes itself evident in art, music, literature, poetry, education, science, and research.

On the west coast Chinese architects have designed residential and nonresidential structures for a biracial clientele. Americans of Japanese background have made similar contributions to our Nation's growth and development. Yasuo Kuniyoshi is represented in all the major museums and art collections in America. Sessue Hayakawa was one of the few big names in "silent movies" to make the successful transition to "talkies." Other Asian/Pacific American communities have produced doctors, lawyers, social workers, and businessmen.

The assimilation of Asian/Pacific Americans into our society deserves the special recognition provided for in this legislation. It is a positive step toward ethnic cohesiveness and understanding. House Joint Resolution 1007 deserves overwhelming support.●

Mr. LEHMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. ROUSSELOT. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. LEHMAN) that the House suspend the rules and pass the joint resolution, House Joint Resolution 1007, as amended.

The question was taken.

Mr. RUSSO. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

NATIONAL PORT WEEK

Mr. LEHMAN. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 773) authorizing and requesting the President of the United States to issue a proclamation designating the 7 calendar days beginning September 17, 1978, as "National Port Week."

The Clerk read as follows:

H.J. RES. 773

Whereas United States coastal and inland ports make a direct and significant contribution to our national economic well-being; and

Whereas much of the history of the United States has been shaped by its ports and interconnecting inland waterways and greatly influenced the growth of various communities; and

Whereas ports, in serving United States waterborne commerce, generate significant employment and direct dollar income to the local and regional economies they serve, as well as have a major impact on employment and production in areas far distant from their location; and

Whereas United States ports provide a wide variety of services and activities essential to the smooth and efficient conduct of foreign trade and have a direct impact on our balance of payments; and

Whereas American ports are a vital asset in maintaining a strong posture in national security: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America

in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating the seven-day period beginning September 17, 1978, as "National Port Week and to invite the Governors of the several States, the chief official of local governments, and the people of the United States to observe such week with appropriate ceremonies and activities.

The SPEAKER pro tempore. Is a second demanded?

Mr. ROUSSELOT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Florida (Mr. LEHMAN) and the gentleman from California (Mr. ROUSSELOT) will be recognized for 20 minutes each.

The Chair recognizes the gentleman from Florida (Mr. LEHMAN).

Mr. LEHMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this legislation has 222 cosponsors, and is without opposition to my knowledge.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. ROUSSELOT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Joint Resolution 773 authorizes and requests the President to proclaim the week beginning September 17, 1978, as "National Port Week." This resolution, with 222 cosponsors, was unanimously reported by the Committee on Post Office and Civil Service on June 21, 1978.

No cost or inflationary impact would result from the enactment of this resolution; on the contrary, we are recognizing the positive contribution made by our ports toward maintaining the vital transportation network of this great trading Nation.

In California, our numerous seaports—San Diego, Long Beach, Los Angeles, Oakland, Oxnard, Redwood City, Richmond, and San Francisco—combine with our inland ports at Sacramento and Stockton to serve both the defense of the Nation and the transportation needs of the busy commercial and industrial centers surrounding them.

I urge passage of this resolution in tribute to the past contributions and future potential of our national ports.

● Mr. ANDERSON of California. Mr. Speaker, I rise in support of this legislation which authorizes the President to proclaim the week of September 17 to 23 as "National Port Week."

I represent the ports of Los Angeles and Long Beach—two harbors that contribute much to the economic development of the surrounding communities.

Nationally, a recent study completed for the Maritime Administration—Department of Commerce—showed that the total impact of U.S. ports on the economy averaged about $153 million per day during last year.

The study also found that the port industry was directly and indirectly responsible for: 1,046,800 jobs, or one job in the national economy for each 600 tons of foreign waterborne commerce handled through ports; personal income of $19.2 billion; business income totaling $7.4 billion; Federal taxes of $10.4 billion; and State and local taxes amounting to $4 billion.

Thus, our Nation's ports, in their role of transshipping cargo, contribute jobs, income, and tax revenues to their communities and the Nation. I am happy to cosponsor this resolution which honors them.●

● Mr. JOHNSON of California. Mr. Speaker, I rise in strong support of the bill before the House of Representatives giving formal Federal recognition to the demonstration of National Port Week beginning September 17 of this year. The ports of this Nation have played a very important role in its history from its earliest days to the present. Over 98 percent of our foreign commerce leaves the United States through our ports. This to me is just one small example of the very significant part that our ports play.

With coasts on three sides of our Nation, many of our major cities have a significant maritime industry. National Port Week would serve to call to the attention of all of us the essential role that the ports play. They provide employment for over 1 million Americans. They contribute over $5 billion a year in customs revenue. They also make an important contribution to our international balance of payments.

Mr. Speaker, the driving force behind this special recognition for our ports is our esteemed colleague, the cochairman of the port caucus and chairman of our House Committee on Merchant Marine and Fisheries, JOHN MURPHY. I commend him for his efforts on behalf of this legislation and more specifically on behalf of our Nation's ports and maritime industry.

The congressional port caucus, which I have the honor of cochairing with JOHN, has overwhelmingly endorsed this legislation. The caucus now consists of over 130 Members of Congress and demonstrates to the Nation and to the Congress the wide recognition which our ports need and deserve.

I urge that the House of Representatives adopt this legislation authorizing and requesting the President of the United States to issue a proclamation designating National Port Week.●

● Mr. MURPHY of New York. It is my pleasure to speak here today in support of the House joint resolution which authorizes the President to proclaim the week of September 17 to 23 as "National Port Week." The purpose of the resolution is to give our ocean and inland ports the attention they rightly deserve. Throughout this Nation's great history our ports have established efficient and economical transfers of cargo that have made us the world's greatest trading nation. Of this trade, 98 percent is comprised of waterborne imports and exports. Through this trade, our ports provide employment for well over 1 million Americans. They stimulate a direct dollar income to the local and regional communities around which they serve. Overall, our ports have pulled more than their fair share in contributing to our Nation's annual GNP.

In addition to the vital force that our ports have served in contributing to our national economic development, "National Port Week" will recognize the importance that our ports have played in serving as a focal point in our Nation's defense. In time of war or other national emergency, the ports, which represent a vital link in the national transportation system, would immediately put into effect a plan for Federal port control for efficient operation and utilization of port facilities, equipment, and services.

In setting aside a week where attention may be focused on our ports, all Americans may be proud of the important contributions that our four seacoasts and inland waterways have made to the welfare and vitality of our American way of life.●

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. LEHMAN) that the House suspend the rules and pass the joint resolution (H.J. Res. 773).

The question was taken.

Mr. ROSTENKOWSKI. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. LEHMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and to include extraneous matter, on the three joint resolutions just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

PUBLIC TELECOMMUNICATIONS FINANCING ACT OF 1978

Mr. VAN DEERLIN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 12605) to amend the Communications Act of 1934 to extend and improve the provisions of such act relating to long-term financing for the Corporation for Public Broadcasting and relating to certain grant programs for public telecommunications, and for other purposes, as amended.

The Clerk read as follows:

H.R. 12605

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—CONSTRUCTION AND PLANNING OF FACILITIES

DECLARATION OF PURPOSE

SEC. 101. Section 390 of the Communications Act of 1934 is amended to read as follows:

"DECLARATION OF PURPOSE

"SEC. 390. The purpose of this subpart is to assist (through matching grants) in the planning and construction of public telecommunications facilities in order to achieve

the following objectives: (1) extend delivery of public telecommunications services to as many citizens of the United States as possible by the most efficient and economical means, including the use of broadcast and nonbroadcast technologies; (2) increase public telecommunications services and facilities available to and owned by minorities and women; and (3) strengthen the capability of existing public television and radio stations to provide educational and cultural services to the public.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 102. Section 391 of the Communications Act of 1934 is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 391. There are authorized to be appropriated $40,000,000 for each of the fiscal years 1979, 1980, and 1981, to be used by the Secretary of Commerce to assist in the planning and construction of public telecommunications facilities as provided in this subpart. Sums appropriated under this subpart for any fiscal year shall remain available until expended for payment of grants for projects for which applications approved by the Secretary of Commerce pursuant to this subpart have been submitted within such fiscal year. Sums appropriated under this subpart may be used by the Secretary to cover the cost of administering the provisions of this subpart.".

CONSTRUCTION AND PLANNING

SEC. 103. (a) Section 392 of the Communications Act of 1934 is amended to read as follows:

"GRANTS FOR CONSTRUCTION AND PLANNING

"SEC. 392. (a) For each project for the construction of public telecommunications facilities there shall be submitted to the Secretary of Commerce an application for a grant containing such information with respect to such project as the Secretary may require, including the total cost of such project, the amount of the grant requested for such project, and a five-year plan outlining the applicant's projected facilities requirements and the projected costs of such facilities and requirements. Each applicant shall also provide assurance satisfactory to the Secretary that—

"(1) the applicant is (A) an entity which is eligible to be licensed or is licensed by the Federal Communications Commission as a noncommercial educational broadcast station; (B) a system of public broadcast stations; (C) a nonprofit foundation, corporation, institution, or association organized primarily for educational or cultural purposes; or (D) a State or local government (or any agency thereof), or a political or special purpose subdivision of a State;

"(2) the operation of such public telecommunications facilities will be under the control of the applicant;

"(3) necessary funds to construct, operate, and maintain such public telecommunications facilities will be available when needed;

"(4) such public telecommunications facilities will be used only for noncommercial educational or cultural purposes;

"(5) the applicant has participated in comprehensive planning for such public telecommunications facilities in the area which the applicant proposes to serve, and such planning has included an evaluation of alternate technologies; and

"(6) the applicant will make the most efficient use of the grant.

"(b) Upon approving any application under this section with respect to any project for the construction of public telecommunications facilities, the Secretary of Commerce shall make a grant to the applicant in the amount determined by the Secretary, except that such amount shall not exceed 75 per centum of the amount determined by the Secretary to be the reasonable and necessary cost of such project.

"(c) The Secretary of Commerce may provide such funds as the Secretary deems necessary for the planning of any project for which construction funds may be obtained under this section. An applicant for a planning grant shall provide such information with respect to such project as the Secretary may require and shall provide assurances satisfactory to the Secretary that the applicant meets the eligibility requirements of subsection (a) to receive construction assistance.

"(d) Any studies conducted by or for any grant recipient under this section shall be provided to the Secretary of Commerce, if such studies are conducted through the use of funds received under this section.

"(e) The Secretary of Commerce shall establish such rules and regulations as may be necessary to carry out this subpart, including rules and regulations relating to the order of priority in approving applications for construction projects and relating to determining the amount of each grant for such projects.

"(f) In establishing criteria for grants pursuant to section 393 and in establishing procedures relating to the order of priority established in subsection (e) in approving applications for grants, the Secretary of Commerce shall give special consideration to applications which would increase minority and women's ownership of, and participation in, public telecommunications entities. The Secretary shall take affirmative steps to inform minorities and women of the availability of funds under this subpart, and the localities where new public telecommunications facilities are needed, and to provide such assistance and information as may be appropriate.

"(g) If, within ten years after completion of any project for construction of public telecommunications facilities with respect to which a grant has been made under this section—

"(1) the applicant or other owner of such facilities ceases to be an agency, institution, foundation, corporation, or association described in subsection (a)(1); or

"(2) such facilities cease to be used only for noncommercial public telecommunications purposes (unless the Secretary determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner from the obligation to do so),

the United States shall be entitled to recover from the applicant or other owner of such facilities the amount bearing the same ratio to the value of such facilities at the time the applicant ceases to be such an entity or at the time of such determination (as determined by agreement of the parties or by action brought in the United States district court for the district in which such facilities are situated), as the amount of the Federal participation bore to the cost of construction of such facilities.

"(h) recipient of assistance under this subpart shall keep such records as may be reasonably necessary to enable the Secretary of Commerce to carry out the functions of the Secretary under this subpart, including records which fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project supplied by other sources, and such other records as will facilitate an effective audit.

"(i) The Secretary of Commerce and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of any recipient of assistance under this subpart that are pertinent to assistance received under this subpart.".

(b) The provisions of section 392(g) of the Communications Act of 1934, as added by subsection (a), shall apply to any grant made under section 392 of such Act before, on, or after the date of the enactment of this Act. Any authority and responsibilities of the Secretary of Health, Education, and Welfare regarding the administration of such grants are hereby transferred to the Secretary of Commerce.

CRITERIA FOR APPROVAL AND EXPENDITURES BY SECRETARY OF COMMERCE

SEC. 104. Section 393 of the Communications Act of 1934 is amended to read as follows:

"CRITERIA FOR APPROVAL AND EXPENDITURES BY SECRETARY OF COMMERCE

"SEC. 393. (a) The Secretary of Commerce, in consultation with the Corporation for Public Broadcasting, noncommercial telecommunications entities, and as appropriate with others, shall establish criteria for making construction and planning grants. Such criteria shall be consistent with the objectives and provisions set forth in this subpart, and shall be made available to interested parties upon request.

"(b) The Secretary of Commerce shall base determinations of whether to approve applications for grants under this subpart, and the amount of such grants, on criteria developed pursuant to subsection (a) and designed to achieve—

"(1) the provision of new telecommunications facilities to extend service to areas presently unserved by public broadcasting;

"(2) the expansion of the service areas of existing public telecommunications entities;

"(3) the development of public telecommunications facilities owned by and available to minorities and women; and

"(4) the improvement of the capabilities of existing public broadcast stations to provide educational and cultural services.

"(c) Of the funds appropriated pursuant to section 391 for any fiscal year, not less than 75 per centum shall be available for the creation of new noncommercial telecommunications entities and for the expansion of the service areas of existing noncommercial telecommunications entities, and preoperational expenses associated with such creation and expansion. In choosing among applicants for grants, the Secretary shall compare the advantages of alternate technologies on the basis of costs and benefits.

"(d) Of the funds appropriated pursuant to section 391 for any fiscal year, not less than 25 per centum shall be available for the expansion and development of noncommercial radio broadcast station facilities.".

LONG-RANGE PLANNING FOR FACILITIES

SEC. 105. Section 394 of the Communications Act of 1934 is amended to read as follows:

"LONG-RANGE PLANNING FOR FACILITIES

"SEC. 394. (a) The Secretary of Commerce, in consultation with appropriate parties, shall develop a long-range plan to accomplish the objectives set forth in section 390. Such plan shall include a detailed five-year projection of the broadcast and nonbroadcast public telecommunications facilities required to meet such objectives, and the expenditures necessary to provide those facilities.

"(b) The plan required in subsection (a) shall be updated annually, and a summary of the activities of the Secretary of Commerce, in implementing the plan, shall be

submitted concurrently to the President and the Congress.".

MISCELLANEOUS PROVISIONS

SEC. 106. (a) The heading for part IV of title III of the Communications Act of 1934 is amended to read as follows:

"PART IV—ASSISTANCE FOR PUBLIC TELECOMMUNICATIONS FACILITIES; TELECOMMUNICATIONS DEMONSTRATIONS; CORPORATION FOR PUBLIC BROADCASTING".

(b) The heading for subpart A of part IV of title III of the Communications Act of 1934 is amended to read as follows:

"Subpart A—Assistance for Public Telecommunications Facilities"

(c) The position of Deputy Assistant Secretary of Commerce for Communications and Information, established in Department of Commerce Organization Order Numbered 10-10 (effective March 26, 1978), shall be compensated at the rate of pay in effect from time to time for level V of the Executive Schedule under section 5316 of title 5, United States Code.

TITLE II—TELECOMMUNICATIONS DEMONSTRATIONS

ASSISTANCE FOR DEMONSTRATION PROJECTS

SEC. 201. Part IV of title III of the Communications Act of 1934 is amended by striking out section 395, by redesignating subpart B and subpart C as subpart C and subpart D, respectively, and by inserting after subpart A the following new subpart:

"Subpart B—Telecommunications Demonstrations

"ASSISTANCE FOR DEMONSTRATION PROJECTS

"SEC. 395. (a) It is the purpose of this subpart to promote the development of nonbroadcast telecommunications facilities and services for the transmission, distribution, and delivery of health, education, and public or social service information. The Secretary is authorized, upon receipt of an application in such form and containing such information as he may by regulation require, to make grants to, and enter into contracts with, public and private nonprofit agencies, organizations, and institutions for the purpose of carrying out telecommunications demonstrations.

"(b) The Secretary may approve an application submitted under subsection (a) if he determines—

"(1) that the project for which application is made will demonstrate innovative methods or techniques of utilizing nonbroadcast telecommunications equipment or facilities to satisfy the purpose of this subpart;

"(2) that demonstrations and related activities assisted under this subpart will remain under the administration and control of the applicant;

"(3) that the applicant has the managerial and technical capability to carry out the project for which the application is made; and

"(4) that the facilities and equipment acquired or developed pursuant to the application will be used substantially for the transmission, distribution, and delivery of health, education, or public or social service information.

"(c) Upon approving any application under this subpart with respect to any project, the Secretary shall make a grant to or enter into a contract with the applicant in an amount determined by the Secretary not to exceed the reasonable and necessary cost of such project. The Secretary shall pay such amount from the sums available therefor, in advance or by way of reimbursement, and in such installments consistent with established practice, as he may determine

"(d) Funds made available pursuant to this subpart shall not be available for the construction, remodeling, or repair of structures to house the facilities or equipment acquired or developed with such funds, except that such funds may be used for minor remodeling which is necessary for and incidental to the installation of such facilities or equipment.

"(e) For purposes of this section, the term 'nonbroadcast telecommunications facilities' includes, but is not limited to, cable television systems, communications satellite systems and related terminal equipment, and other modes of transmitting, emitting, or receiving images and sounds or intelligence by means of wire, radio, optical, electromagnetic, or other means.

"(f) The funding of any demonstration pursuant to this subpart shall continue for not more than three years from the date of the original grant or contract.

"(g) The Secretary shall require that the recipient of a grant or contract under this subpart submit a summary and evaluation of the results of the demonstration at least annually for each year in which funds are received pursuant to this section.

"(h)(1) Each recipient of assistance under this subpart shall keep such records as may be reasonably necessary to enable the Secretary of Health, Education, and Welfare, to carry out the Secretary's functions under this subpart, including records which fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(2) The Secretary of Health, Education, and Welfare and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purposes of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under this subpart.

"(i) The Secretary is authorized to make such rules and regulations as may be necessary to carry out this subpart, including regulations relating to the order of priority in approving applications for projects under this subpart or to determining the amounts of grants for such projects.

"(j) The Federal Communications Commission is authorized to provide such assistance in carrying out the provisions of this subpart as may be requested by the Secretary. The Secretary shall provide for close coordination with the Federal Communications Commission in the administration of his functions under this subpart which are of interest to or affect the functions of the Commission. The Secretary shall provide for close coordination with the Corporation for Public Broadcasting in the administration of his functions under this subpart which are of interest to or affect the functions of the Corporation.

"(k) There are authorized to be appropriated $1,000,000 for the fiscal year ending September 30, 1979, to be used by the Secretary of Health, Education, and Welfare to carry out the provisions of this subpart. Sums appropriated under this subsection for any fiscal year shall remain available for payment of grants or contracts for projects for which applications approved under this subpart have been submitted within one year after the last day of such fiscal year.".

TITLE III—CORPORATION FOR PUBLIC BROADCASTING

DECLARATION OF POLICY

SEC. 301. Section 396(a) of the Communications Act of 1934 is amended to read as follows:

"SEC. 396. (a) The Congress hereby finds and declares—

"(1) that it is in the public interest to encourage the growth and development of public radio and television broadcasting, including the use of such media for instructional, educational, and cultural purposes;

"(2) that expansion and development of public telecommunications and diversity of its programming depend on freedom, imagination, and initiative on both local and national levels;

"(3) that the encouragement and support of public broadcasting, while matters of importance for private and local development, are also of appropriate and important concern to the Federal Government;

"(4) that it furthers the general welfare to encourage public broadcast programming which will be responsive to the interests of people both in particular localities and throughout the United States, and which will constitute an expression of diversity and excellence;

"(5) that it is necessary and appropriate for the Federal Government to complement, assist, and support a national policy that will most effectively make public broadcasting available to all the citizens of the United States;

"(6) that it is in the public interest to encourage the growth and development of nonbroadcast telecommunications technologies for the transmission of noncommercial educational and cultural programs and services; and

"(7) that a private corporation should be created to facilitate the development of public telecommunications and to afford maximum protection from extraneous interference and control.".

CHAIRMAN OF THE BOARD

SEC. 302. Section 396(d)(1) of the Communications Act of 1934 is amended by striking out "President shall designate one of the members first appointed to the Board: thereafter the".

COMPENSATION OF OFFICERS AND EMPLOYEES

SEC. 303. Section 396(e)(1) of the Communications Act of 1934 is amended by inserting after the first sentence the following new sentence: "No officer or employee of the Corporation may be compensated by the Corporation at an annual rate of pay which exceeds the rate of pay in effect from time to time for level I of the Executive Schedule under section 5312 of title 5, United States Code.".

PURPOSES AND ACTIVITIES OF CORPORATION

SEC. 304. Section 396(g) of the Communications Act of 1934 is amended to read as follows:

"Purposes and Activities of Corporation

"(g)(1) In order to achieve the objectives and to carry out the purposes of this subpart, as set out in subsection (a) of this section, the Corporation may—

"(A) facilitate the full development of public telecommunications in which programs of high quality, diversity, creativity, excellence, and innovation, which are obtained from diverse sources, will be made available to public television or radio broadcast stations and noncommercial telecommunications entities, with strict adherence to objectivity and balance in all programs or series of programs of a controversial nature;

"(B) assist in the establishment and development of one or more interconnection systems to be used for the distribution of public television or radio programs so that all public television or radio broadcast stations and noncommercial telecommunications entities may disseminate the programs at times chosen by the stations or entities;

"(C) assist in the establishment and development of one or more systems of public broadcast stations and noncommercial telecommunications entities throughout the United States; and

"(D) carry out its purposes and functions and engage in its activities in ways that will most effectively assure the maximum freedom of the public television or radio broadcast systems and local stations and noncommercial telecommunications entities from interference with, or control of, programs content or other activities.

"(2) In order to carry out the purposes set forth in subsection (a) of this section, the Corporation may—

"(A) obtain grants from and make contracts with individuals and with private, State, and Federal agencies, organizations, and institutions;

"(B) contract with or make grants to national, regional, and other systems of public broadcast stations, public broadcast stations, noncommercial telecommunications entities, and independent producers and production entities for the production or acquisition of public television or radio programs for national or regional noncommercial distribution, except that (i) to the maximum extent possible, proposals for the provision of assistance by the Corporation in the production or acquisition of programs or series of programs shall be evaluated on the basis of comparative merit by panels of outside experts, representing diverse interests and perspectives, appointed by the Corporation; and (ii) nothing in this subparagraph shall be construed to prohibit the exercise by the Corporation of its prudent business judgment with respect to any contract or grant to assist in the production or acquisition of any program or series of programs recommended by any such panel;

"(C) make payments to existing and new public broadcast stations and noncommercial telecommunications entities to aid in financing noncommercial television and radio programing costs of such stations and entities, particularly innovative approaches thereto, and other costs of operation of such stations and entities;

"(D) establish and maintain a library and archives of public television or radio programs and related materials and develop public awareness of, and disseminate information about, public television or radio services by various means, including the publication of a journal;

"(E) arrange, by grant to or contract with appropriate public or private agencies, organizations, or institutions, for interconnection facilities suitable for distribution and transmission of educational and cultural television or radio programs and services to public broadcast stations and noncommercial telecommunications entities;

"(F) hire or accept the voluntary services of consultants, experts, advisory boards, and panels to aid the Corporation in carrying out the purposes of this subpart;

"(G) conduct (directly or through grants or contracts) research, demonstrations, or training in matters related to public television or radio broadcasting and the use of nonbroadcast communications technologies for the dissemination of noncommercial educational and cultural television or radio programs;

"(H) make grants or contracts for the use of nonbroadcast telecommunications technologies for the dissemination of noncommercial television or radio programs, except that any such contracts entered into shall be effective only to the extent or in such amounts as are provided in advance in appropriation Acts; and

"(I) take such other actions as may be necessary to accomplish the purposes set forth in subsection (a) of this section.

"(3) To carry out the foregoing purposes and engage in the foregoing activities, and consistent with the provisions of this subpart, the Corporation shall have the usual powers conferred upon a nonprofit corporation by the District of Columbia Nonprofit Corporation Act, except that the Corporation is prohibited from—

"(A) owning or operating any television or radio broadcast station, system, or network, community antenna television system, interconnection system or facility, program production facility, or any public telecommunications entity, system, or network; and

"(B) producing, acquiring, scheduling, or distributing programs.

"(4) All meetings of the Board of Directors of the Corporation shall be open to the public under such terms, conditions, and exceptions as are set forth in subsection (k)(4) of this section.

"(5)(A) The Corporation, in consultation with public broadcast stations, shall undertake a study to determine the manner in which the personal services of volunteers should be included in determining the level of non-Federal financial support pursuant to subsection (k)(2)(A). The study shall include an examination of any fiscal, administrative, or other factors which should be taken into account in determining the manner in which such services should be so included.

"(B) The Corporation shall submit a report to the Congress containing the results of such study no later than 120 days after the effective date of this paragraph.

"(6) The Corporation, in consultation with interested parties, shall create a five-year plan for the development of public television and radio programs and services. Such plan shall be updated annually by the Corporation.".

INTERCONNECTION SERVICE

SEC. 305. Section 396(h) of the Communications Act of 1934 is amended to read as follows:

"Interconnection Service

"(h)(1) Nothing in this Act, or in any other provision of law, shall be construed to prevent United States communications common carriers from rendering free or reduced rate communications interconnection services for public television or radio services, subject to such rules and regulations as the Federal Communications Commission may prescribe.

"(2) Public telecommunications entities shall have priority for the use of interconnection systems for which funds authorized in this part are expended. Capacity remaining after such priority use shall be made available to other persons for the transmission of noncommercial educational and cultural programs, and information relating to such programs to public telecommunications entities. The Corporation, in consultation with the persons responsible for managing the interconnection systems, shall establish reasonable terms and conditions governing the use of the interconnection systems by persons other than public telecommunications entities, except that (A) no such person shall be denied access whenever sufficient capacity is available; and (B) any charge made for such use shall not exceed any cost which is directly attributable to transmitting the material.".

ANNUAL REPORT TO CONGRESS

SEC. 306. Section 306(i) of the Communications Act of 1934 is amended to read as follows:

"Report to Congress

"(i)(1) The Corporation shall submit an annual report for the preceding fiscal year ending September 30 to the President for transmittal to the Congress on or before the 31st day of December of each year. The report shall include—

"(A) a comprehensive and detailed report of the Corporation's operations, activities, financial condition, and accomplishments under this subpart and such recommendations as the Corporation deems appropriate;

"(B) a comprehensive and detailed inventory of funds distributed by Federal agencies to public broadcasting and noncommercial telecommunications entities during the preceding fiscal year; and

"(C) the summary of the annual report provided to the Secretary of Health, Education, and Welfare pursuant to section 393(b)(4).

"(2) The officers and directors of the Corporation shall be available to testify before appropriate committees of the Congress with respect to such report, the report of any audit made by the Comptroller General pursuant to section 396(1), or any other matter which such committees may determine.".

FINANCING; OPEN MEETINGS AND FINANCIAL RECORDS

SEC. 307. Section 396(k) of the Communications Act of 1934 is amended to read as follows:

"Financing; Open Meetings and Financial Records

"(k)(1)(A) There is hereby established in the Treasury a fund which shall be known as the Public Broadcasting Fund (hereinafter in this subsection referred to as the 'Fund'), to be administered by the Secretary of the Treasury.

"(B) There is authorized to be appropriated to the Fund, for each of the fiscal years 1978, 1979, and 1980, an amount equal to 40 per centum of the total amount of non-Federal financial support received by public broadcasting entities during the fiscal year second preceding each such fiscal year, except that the amount so appropriated shall not exceed $121,000,000 for fiscal year 1978, $140,000,000 for fiscal year 1979, and $160,000,000 for fiscal year 1980.

"(C) There is authorized to be appropriated to the Fund, for each of the fiscal years 1981, 1982, and 1983, an amount equal to 50 per centum of the total amount of non-Federal financial support received by public broadcasting entities during the fiscal year second preceding each such fiscal year, except that the amount so appropriated shall not exceed $180,000,000 for fiscal year 1981, $200,000,000 for fiscal year 1982, and $220,000,000 for fiscal year 1983.

"(D) Funds appropriated under this subsection shall remain available until expended.

"(2)(A) The funds authorized to be appropriated by this subsection shall be used by the Corporation, in a prudent and financially responsible manner, solely for its grants, contracts, and administrative costs, except that the Corporation may not use any funds appropriated under this subpart for purposes of conducting any reception, or providing any other entertainment, for any officer or employee of the Federal Government or any State or local government. The Corporation shall determine the amount of non-Federal financial support received by public broadcasting entities during each of the fiscal years referred to in paragraph (1) for the purpose of determining the amount of each authorization, and shall certify such amount to the Secretary of the Treasury, except that the Corporation may include in its certification non-Federal financial support received by a public broadcasting entity during its most recent fiscal year ending before September 30 of the year for which certification is made. Upon receipt of such certification, the Secretary of the Treasury shall make available to the Corporation, from such funds as may be appropriated to the Fund, the amount authorized for each of the fiscal years pursuant to the provisions of this subsection.

"(B) Funds appropriated and made available under this subsection shall be disbursed by the Secretary of the Treasury on a quarterly basis, in such amounts as the Corporation certifies will be necessary to meet

its financial obligations in the succeeding quarter.

"(3)(A) The Corporation shall reserve for distribution among the licensees and permittees of public television and radio stations an amount equal to (i) not less than 40 per centum of the funds disbursed by the Corporation from the Fund under this section in each fiscal year in which the amount disbursed is $88,000,000 or more, but less than $121,000,000; (ii) not less than 45 per centum of such funds in each fiscal year in which the amount disbursed is $121,000,000 or more, but less than $160,000,000; and (iii) not less than 50 per centum of such funds in each fiscal year in which the amount disbursed is $160,000,000 or more.

"(B)(i) The Corporation shall establish an annual budget according to which it shall make grants and contracts for production of public television or radio programs by independent producers and production entities and public telecommunications entities, for acquisition of such programs by public telecommunications entities, for interconnection facilities and operations, for distribution of funds among noncommercial telecommunications entities, for provision of assistance to public telecommunications entities to improve management and train personnel, for engineering and program-related research, and for the enhancement of instructional and educational television and radio services. A significant portion of funds available under the budget established by the Corporation under this subparagraph shall be used for funding the production of television and radio programs. Of such portion, a substantial amount shall be reserved for distribution to independent producers and production entities for the production of programs.

"(ii) All funds contained in such budget shall be distributed to entities outside the Corporation and shall not be used for the general administrative costs of the Corporation, the salaries or related expenses of Corporation personnel and members of the Board, or for expenses of consultants and advisers to the Corporation. During each of the fiscal years 1981, 1982, and 1983, such budget shall consist of not less than 95 percentum of the funds made available to the Corporation pursuant to paragraph (1)(C) of this subsection.

"(iii) In determining the amount of funds which shall be made available for radio programing and operations under this subparagraph, the Corporation shall take into account the increased financial needs relating to radio programing and operations resulting from the expansion and development of noncommercial radio broadcast station facilities through the use of funds made available pursuant to section 393(d).

"(C) In fiscal year 1981, the Corporation may expend an amount equal to not more than 5 per centum of the funds made available during such fiscal year pursuant to paragraph (1)(C) of this subsection for those activities authorized under subsection (g)(2) which are not among those grant activities described in subparagraph (B).

"(D) In fiscal years 1982 and 1983, the amount which the Corporation may expend for activities authorized under subsection (g)(2) which are not among those grant activities described in subparagraph (B) shall be 105 per centum of the amount derived for the preceding fiscal year.

"(4) Funds may not be distributed pursuant to this subsection to the Public Broadcasting Service or National Public Radio (or any successor organization), or to the licensee or permittee of any public broadcast station, unless the governing body of any such organization, any committee of such governing body, or any advisory body of any such organization, holds open meetings preceded by reasonable notice to the public. All persons shall be permitted to attend any meeting of the board, or of any such committee or body, and no member of the public shall be required, as a condition to attendance at any such meeting, to register his or her name or to provide any other information. Nothing contained in this paragraph shall be construed to prevent any such board, committee, or body from holding closed sessions to consider personnel matters, pending or proposed litigation, labor negotiations, contract negotiations, the development of proposed or pending competitive proposals for grants or contracts, trade secrets, or commercial or financial information obtained from a person on a privileged or confidential basis. If any such meeting is closed pursuant to the provisions of this paragraph, the organization involved shall make available to the public a written statement containing—

"(A) an explanation of the reasons for closing the meeting, including a general description of the subject matter of the meeting; and

"(B) a list of the individuals who attended the meeting, including an identification of any organization represented by any such individual.

"(5) Funds may not be distributed pursuant to this subsection to the licensee or permittee of any public broadcast station that does not maintain for public examination copies of the annual financial and audit reports submitted to the Corporation pursuant to subsection (1)(3)(B).

"(6)(A) The Corporation, in consultation with public television and radio licensees, shall establish and review annually the percentage of funds reserved pursuant to paragraph (3)(A), and the criteria and conditions regarding the division and distribution of such funds among public television and radio stations.

"(B) The funds reserved for public broadcast stations pursuant to paragraph (3)(A) shall be divided into two portions, one to be distributed among radio stations and one to be distributed among television stations. The Corporation shall make a basic grant from the portion reserved for television stations to each licensee and permittee of a public television station that is on the air. The balance of the portion reserved for television stations and the total portion reserved for radio stations shall be distributed to licensees and permittees of such stations in accordance with eligibility criteria that promote the public interest in public broadcasting, and on the basis of criteria designed to—

"(i) provide for the financial needs and requirements of stations in relation to the communities and audiences such stations undertake to serve;

"(ii) maintain existing, and stimulate new, sources of non-Federal financial support for stations by providing incentives for increases in such support;

"(iii) assure that each eligible licensee and permittee of a public radio station receives a basic grant;

"(iv) encourage innovative approaches, both technical and programming, to reaching new audiences;

"(v) encourage responsiveness to the community served by each station;

"(vi) encourage cost efficiencies, particularly in increasing programming expenditures in relation to administrative costs;

"(vii) encourage programs to train women and minorities and to increase their participation in public broadcasting; and

"(viii) encourage the use of volunteers by stations.

"(7) No distribution of funds pursuant to this subsection shall exceed, in any fiscal year, 50 per centum of a licensee's or permittee's total non-Federal financial support during the fiscal year second preceding the fiscal year in which such distribution is made.

"(8) The funds distributed to each public television and public radio station pursuant to paragraph (3)(A) may be used at the discretion of the recipient for purposes relating to the provision of public television and radio programming, including, but not limited to—

"(A) producing, acquiring, broadcasting, or otherwise disseminating public television or radio programs;

"(B) procuring national or regional programs distribution services that make public television or radio programs available for broadcast or other dissemination at times chosen by stations;

"(C) acquiring, replacing, or maintaining facilities, and real property used with facilities, for the production, broadcast, or other dissemination of public television and radio programs; and

"(D) developing and using nonbroadcast communications technologies for public television or radio programming purposes.

"(9)(A) Any public broadcast station which desires to receive funds under this subpart shall establish a community advisory board. The membership of the board shall, to the maximum extent feasible, be composed of individuals who are representative of the communities served by the station.

"(B) The board shall be permitted to review the programming goals established by the station, the service provided by the station, and the significant policy decisions rendered by the station. The Board may also be delegated any other responsibilities, as determined by the governing body of the station. The board shall advise the governing body of the station with respect to whether the programming and other policies of such station are meeting the specialized educational and informational needs of the communities served by the station, and may make such recommendations as it considers appropriate to meet such needs.

"(C) The role of the board shall be solely advisory in nature, except to the extent other responsibilities are delegated to the board by the governing body of the station. In no case shall the board have any authority to exercise any control over the daily management or operation of the station.

"(D) In the case of any public broadcasting station in existence on the effective date of this paragraph, such station shall comply with the requirements of this paragraph with respect to the establishment of a community advisory board not later than 180 days after such effective date.

"(10) Funds may not be distributed pursuant to this subsection to the Public Broadcasting Service or National Public Radio (or any successor organization) unless assurances are provided that no officer or employee of the Public Broadcasting Service or National Public Radio (or any successor organization), as the case may be, will be compensated at an annual rate of pay which exceeds the rate of pay in effect from time to time for level I of the Executive Schedule under section 5312 of title 5, United States Code.".

FINANCIAL MANAGEMENT AND RECORDS

SEC. 308. Section 396(l)(3) of the Communications Act of 1934 is amended to read as follows:

"(3)(A) The Corporation, in consultation with the General Accounting Office, the Financial Accounting Standards Board, and as appropriate with others, shall develop a uniform system of accounts which shall be used by all public broadcast licensees or permittees receiving funds under this subpart. Such system shall be designed to account fully for all funds received and expended for public broadcasting purposes by such licensees or permittees. Nothing contained in this para-

graph shall prevent the Corporation from adopting different classes of accounting systems that may be appropriate to different classes of licensees or permittees.

"(B) Each noncommercial broadcast licensee or permittee receiving funds under this subpart shall be required—

"(i) to keep its books, records, and accounts in such form as may be required by the Corporation;

"(ii) to undergo an annual audit by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State, which audit shall be in accordance with auditing standards developed by the Corporation, in consultation with the General Accounting Office; and

"(iii) to furnish annually to the Corporation a copy of the audit report required pursuant to clause (ii), as well as such other information regarding financial operations that the Corporation may require.

"(C) Any recipient of assistance by grant or contract under this section, other than a fixed price contract awarded pursuant to competitive bidding procedures, shall keep such records as may be reasonably necessary to disclose fully the amount and the disposition by such recipient of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(D) The Corporation or any of its duly authorized representatives shall have access for the purpose of audit and examination to any books, documents, papers, and records of any recipient of assistance that are related to assistance received under this section. The Comptroller General of the United States or any of his duly authorized representatives shall also have access thereto for such purpose during any fiscal year for which Federal funds are available to the Corporation.".

EQUAL EMPLOYMENT OPPORTUNITY

SEC. 309. Section 398 of the Communications Act of 1934 is amended to read as follows:

"FEDERAL INTERFERENCE OR CONTROL PROHIBITED; EQUAL EMPLOYMENT OPPORTUNITY

"SEC. 398. (a) Nothing contained in this part shall be deemed (1) to amend any other provision of, or requirement under, this Act; or (2) except to the extent authorized in subsection (b), to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over public telecommunications, or over the Corporation or any of its grantees or contractors, or over the charter or bylaws of the Corporation, or over the curriculum, program of instruction, or personnel of any educational institution, school system, or public telecommunications entity.

"(b)(1) Equal opportunity in employment shall be afforded to all persons by all public telecommunications entities receiving funds pursuant to subpart C (hereinafter in this subsection referred to as 'recipients'), and no person shall be subjected to discrimination in employment (including discrimination in connection with appointments to governing or advisory bodies) by any such recipient on the grounds of race, color, religion, national origin, or sex.

"(2) The Secretary of Health, Education, and Welfare is authorized and directed to enforce this subsection and to prescribe such rules and regulations as may be necessary to carry out the Secretary's functions under this subsection.

"(3)(A) The Corporation shall incorporate into each grant agreement or contract with any recipient entered into on or after the effective date of the rules and regulations prescribed by the Secretary of Health, Education, and Welfare pursuant to paragraph (2), a statement indicating that, as a material part of the terms and conditions of the grant agreement or contract, the recipient will comply with the provisions of paragraph (1) and the rules and regulations prescribed pursuant to paragraph (2). Any public or noncommercial telecommunications entity which desires to receive funds under subpart C shall, before receiving any such funds, provide to the Corporation any information which the Corporation may require to satisfy itself that such entity is affording equal opportunity in employment in accordance with the requirements of this subsection.

"(B) If the Corporation is not satisfied that such entity is affording equal opportunity in employment in accordance with the requirements of this subsection, the Corporation shall notify the Secretary, and the Secretary shall review the matter and make a final determination regarding whether such entity is affording equal opportunity in employment. In any case in which the Secretary conducts a review under the preceding sentence, the Corporation shall make funds available to the entity involved pursuant to the grant application of such entity (if the Corporation would have approved such application but for the finding of the Corporation under this paragraph) pending a final determination of the Secretary upon completion of such review. The Corporation shall monitor the equal employment opportunity practices of each recipient throughout the duration of the grant or contract.

"(4) Based upon its responsibilities under paragraph (3), the Corporation shall provide an annual report for the preceding fiscal year ending September 30 to the Secretary of Health, Education, and Welfare on or before the 31st day of December of each year. The report shall contain information in the form required by the Secretary in order to determine whether recipients are in compliance with paragraph (1). The Corporation shall submit a summary of such report to the President and the Congress as part of the report required in section 396(i). The Corporation shall provide other information in the form and with any analysis which the Secretary may require in order to carry out the Secretary's functions under this subsection.

"(5) Whenever the Secretary of Health, Education, and Welfare makes a final determination, pursuant to the rules and regulations which the Secretary shall prescribe, that a recipient is not in compliance with paragraph (1), the Secretary shall, within 10 days after such determination, notify the recipient in writing of such determination and request the recipient to secure compliance. Unless the recipient within 120 days after receipt of such written notice—

"(A) demonstrates to the Secretary that the violation has been corrected; or

"(B) enters into a compliance agreement approved by the Secretary;

the Secretary shall direct the Corporation to reduce or suspend any further payments of funds under this part to the recipient and the Corporation shall comply with such directive. Resumption of payments shall take place only when the Secretary certifies to the Corporation that the recipient has entered into compliance agreement approved by the Secretary. A recipient whose funds have been reduced or suspended may apply at any time to the Secretary for such certification.".

TITLE IV—GENERAL PROVISIONS

DEFINITIONS

SEC. 401. Section 397 of the Communications Act of 1934 is amended to read as follows:

"DEFINITIONS

"SEC. 397. For the purposes of this part—

"(1) The term 'construction', as applied to public telecommunications facilities, means acquisition (including acquisition by lease), installation, and modernization of public telecommunications facilities and planning and preparatory steps incidental thereto.

"(2) The term 'Corporation' means the Corporation for Public Broadcasting authorized to be established in subpart C of this part.

"(3) The term 'interconnection system' means any system of interconnection facilities used for the distribution of programs (which may include the selection and scheduling of programs for such distribution) to public telecommunications entities.

"(4) The term 'meeting' means the deliberations of at least the number of members of a governing or advisory body, or any committee thereof, required to take action on behalf of such body or committee where such deliberations determine or result in the joint conduct of disposition of the governing or advisory body's business, or the committee's business, as the case may be, but only to the extent that such deliberations relate to public broadcasting.

"(5) The terms 'noncommercial educational broadcast station' and 'public broadcast station' mean a television or radio broadcast station which (A) under the rules and regulations of the Federal Communications Commission in effect on the date of the enactment of the Public Telecommunications Financing Act of 1978 is eligible to be licensed by the Commission as a noncommercial educational radio or television broadcast station and which is owned and operated by a public agency or nonprofit private foundation, corporation, or association; or (B) is owned and operated by a municipality and which transmits only noncommercial programs for educational purposes.

"(6) The term 'noncommercial telecommunications entity' means any enterprise which (A) is owned and operated by a State, a political or special purpose subdivision of a State, a public agency or nonprofit private foundation, corporation or association; and (B) has been organized primarily for the purpose of distributing noncommercial educational or cultural audio or video programs by means of television or radio or other telecommunications technology, including, but not limited to, coaxial cable, optical fiber, broadcast translators, cassettes, discs, microwave, or laser transmission through the atmosphere.

"(7) The term 'nonprofit', as applied to any foundation, corporation, or association, means a foundation, corporation, or association, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

"(8) The term 'non-Federal financial support' means the total value of cash and the fair market value of property and services (including, to the extent provided in the second sentence of this paragraph, the personal services of volunteers) received—

"(A) as gifts, grants, bequests, donations, or other contributions for the construction or operation of noncommercial educational broadcast stations, or for the production, acquisition, distribution, or dissemination of educational television or radio programs, and related activities, from any source other than (i) the United States or any agency or establishment thereof; or (ii) any public broadcasting entity; or

"(B) as gifts, grants, donations, contributions, or payments from any State, or any educational institution, for the construction or operation of noncommercial educational broadcast stations or for the production, acquisition, distribution, or dissemination of educational television or radio pro-

grams, or payments in exchange for services or materials respecting the provisions of educational or instructional television or radio programs.

Such term includes the fair market value personal services of volunteers but only with respect to such services provided to public telecommunications entities and only, with respect to such an entity in a fiscal year, to the extent that the value of the services does not exceed 5 percent of the total non-Federal financial support of the entity in that fiscal year.

"(9) The term 'pre-operational expenses' means all nonconstruction costs incurred by new telecommunications entities before the date on which they begin providing service to the public, and all nonconstruction costs associated with expansion of existing entities before the date on which such expanded capacity is activated, except that such expenses shall not include any portion of the salaries of any personnel employed by an operating broadcasting station or other telecommunications entity.

"(10) The term 'public broadcasting entity' means the Corporation, any licensee or permittee of a public broadcast station, or any nonprofit institution engaged primarily in the production, acquisition, distribution, or dissemination of educational television or radio programs.

"(11) The term 'public telecommunications entity' means any enterprise which (A) is a public broadcasting station or a noncommercial telecommunications entity; (B) receives funds from the Corporation under section 396(k); and (C) distributes public television or radio program services to the public.

"(12) The term 'public telecommunication facilities' means apparatus necessary for production, interconnection, captioning, broadcast, or other distribution of programming, including, without limitation, studio equipment, cameras, microphones, audio and video storage or reproduction equipment or both, signal processors and switchers, towers, antennas, transmitters, translators, microwave equipment, mobile equipment, satellite communications equipment, instructional television fixed service equipment, subsidiary communications authorization transmitting and receiving equipment, cable television equipment, video and audio cassettes and discs, optical fiber communications equipment, and other means of transmitting, emitting, storing, and receiving images and sounds, or intelligence, except that such term shall not include the buildings to house such apparatus, with the exception of small equipment shelters which are part of satellite earth stations, translators, microwave interconnection facilities, and similar facilities.

"(13) The term 'public telecommunications services' means noncommercial educational and cultural radio and television programs, and, in addition, other noncommercial instructional or informational material that may be transmitted by means of electronic communications.

"(14) The term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

"(15) The term 'system of public broadcast stations' means any two or more public television or radio stations acting cooperatively, on a formal or informal basis, either to produce, acquire, or distribute programs, or to undertake programming and related activities.".

CANDIDATES FOR POLITICAL OFFICE

SEC. 402. Section 399 of the Communications Act of 1934 is amended to read as follows:

"CANDIDATES FOR POLITICAL OFFICE

"SEC. 399. No public telecommunications entity may support or oppose any candidate for political office.".

EFFECTIVE DATES

SEC. 403. The provisions of this Act, and the amendments made by this Act, shall take effect on October 1, 1978, except that the amendments made by sections 102 and 201, and the provisions of section 396(k)(1) of the Communications Act of 1934 (as amended by section 307), shall take effect on the date of the enactment of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. MOORE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. VAN DEERLIN) will be recognized for 20 minutes, and the gentleman from Louisiana (Mr. MOORE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. VAN DEERLIN).

Mr. VAN DEERLIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill before us today is an outgrowth of legislation that was proposed by President Carter last fall. The bill was reported unanimously by both the subcommittee and the full committee, and has the complete support of the administration. For this reason, Chairman STAGGERS and I requested that the bill be considered under suspension of the rules.

The major purpose of the Public Telecommunications Financing Act of 1978 is to continue and increase the funding for our Nation's public broadcasting system. In 1967, Congress made its first major commitment to fund public broadcasting. As a result, the system has grown dramatically, both in terms of the number of stations on the air and the non-Federal contributions to the stations. The need for increased Federal funding to insure continued growth has been clearly demonstrated.

I should note that there has been some concern expressed that there are provisions in this bill that would threaten the independence of the system. I would point out to these critics that public support carries with it public responsibilities. After lengthy study, the subcommittee decided that provisions relating to equal employment opportunity, financial accountability, and public participation were necessary since the system's record in these areas was far from adequate. The members of the full committee agreed with this assessment in voting the bill unanimously to the floor.

As a former broadcast journalist, I am most sensitive to any measures that might lead to Government interference in programing decisions and I can assure you that H.R. 12605 contains no such measures. But we should not confuse increased public participation with government interference. An open system of public broadcasting will be stronger and better able to withstand political pressure whether it comes from Congress, the White House, or the State house.

The legislation has six primary purposes:

First. Continue and increase (through the Corporation for Public Broadcasting) long-term Federal funding (5-year advance authorization, 2-year advance appropriation) for noncommercial public telecommunications;

Second. Encourage the growth and development of nonbroadcast telecommunications technologies for the delivery of noncommercial educational and cultural radio and television programs, and other related noncommercial informational and instructional services to the public;

Third. Assist (through the Commerce Department's new National Telecommunications and Information Administration) in the planning and construction of public telecommunications services to as many citizens of the United States as possible by the most efficient and economical means;

Fourth. Assist (through the Department of Health, Education, and Welfare) in demonstration projects designed to assess the effectiveness of various telecommunication technologies in the delivery of health, education, and social services;

Fifth. Provide greater accountability to the public by recipients of funds from the Corporation for Public Broadcasting (including open board meetings, open financial reports, and strengthened audit requirements);

Sixth. Increase the availability of public telecommunications services to minorities and women, as well as stimulate efforts to expand ownership and employment opportunities for women and minorities in public telecommunications.

Mr. MOORE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support H.R. 12605 as does our colleague, Mr. FREY, the ranking minority member on the Communications Subcommittee. Although he is unable to be here today, he has asked to have noted his support of our subcommittee chairman, Mr. VAN DEERLIN's efforts on this legislation.

Despite comments to the contrary you may have heard, we do not believe this bill is an encroachment by the Federal Government on the first amendment freedoms of public broadcasters. With the acceptance of Federal funds there are always Federal requirements and guidelines to insure proper use of the taxpayers' funds. If public broadcasting does not want CPB to establish a uniform accounting system, does not want to conduct open board meetings, does not want to comply with EEO requirements and restrictions on the use of funds for lavish entertainment of public officials, then it should no longer seek Federal funds.

On the other hand, if public broadcasting and other forms of public telecommunications are to be all that they have promised this country, then Federal funding is necessary for at least the next 5 years. We would all hope that someday no Federal funding will be needed.

This bill extends the authorization of appropriations through 1983 with moderate increases each year to account for inflation. The authorizations are not extremely large amounts but taken together with a matching arrangement of two non-Federal dollars for each Federal dollar, they provide the necessary incentive to public broadcasting to perform as it was envisioned over a decade ago.

Mr. Speaker, I urge the suspension of the rules of the House and passage of H.R. 12605.

Mr. ROBINSON. Mr. Speaker, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from Virginia (Mr. ROBINSON).

Mr. ROBINSON. Mr. Speaker, I rise to express my concern as to the consideration of this bill under suspension of the rules, and as to several of the substantive provisions of the bill.

This measure, H.R. 12605, would make major changes in the administration and financing of public broadcasting across the Nation. In the form in which it has come to the floor from the full committee, according to my understanding, it includes significant changes from the version approved by the subcommittee which developed it. These changes have produced questions from the affected programing organizations and individual stations. The bill should have been scheduled for consideration pursuant to a rule making it open to amendment.

Public broadcasting is an important and growing force in Virginia, Mr. Speaker, and I hope it may be permitted to grow under reasonable ground rules which emphasize the freedom of individual stations to tailor their programming to the varied needs and desires of their service areas. I realize that this is one of the objectives of the bill under consideration, but it includes mechanisms which could hamper the effort and make administration more costly.

Virginia public broadcasters have been in touch with me to urge adoption of several amendments, including Dr. G. Tyler Miller, president of the board of directors of Shenandoah Valley Television Corp., operator of station WVPT, Harrisonburg, Va., for whose judgment I have the highest regard.

Dr. Miller expressed particular concern about provisions of this bill which, in his view, and as I read the bill, would link the level of programming financial support to subjective judgments within the Corporation for Public Broadcasting as to the programming performance characteristics of a station.

Additionally, the requirements as to the creation of community advisory boards appear to many station licensees to be unduly cumbersome and likely to inhibit and delay programing and other operational decisions without giving promise of improving these decisions appreciably over the currently accepted practices in the matter of community input.

The fear is understandable, I think, that the mandated advisory boards could represent the beginning of governmental management of program content. Perhaps the fear could be allayed by modifying amendments, but there is no opportunity here, today, to offer appropriate changes.

It is important, Mr. Speaker, that we look ahead with public broadcasting and provide this major public service with well-considered changes in its charter of taxpayer support. It is not a matter, though, which should be dealt with by this House on a hurried take-it-or-leave-it basis.

Mr. VAN DEERLIN. Mr. Speaker, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from California.

Mr. VAN DEERLIN. Mr. Speaker, I thank the gentleman for yielding. I would ask the gentleman from Virginia (Mr. ROBINSON) if the gentleman is aware that the CPB, the PBS and National Public Radio all support the bill?

Mr. ROBINSON. Mr. Speaker, will the gentleman yield further?

Mr. MOORE. I yield further to the gentleman from Virginia (Mr. ROBINSON).

Mr. ROBINSON. Mr. Speaker, I have in my possession, may I say to the gentleman from California (Mr. VAN DEERLIN), a representation from the annual meeting of the Board of Directors of the Public Broadcasting Service in which these reservations are expressed, which I will make a part of the RECORD. It is for that reason that I take the floor at this particular time.

They also express, of course, a concern with regard to the fact that the Carnegie Commission's report, which is forthcoming, has not yet been reported, and my particular people express a willingness to hold off on this additional authorization until such time as that report would be available.

Mr. VAN DEERLIN. If the gentleman would yield still further for one more moment, I acknowledge that there were these reservations when they met in Dallas but their final determination was that they would rather not ask for a vote against the public broadcasting bill. Rather, they recommended that this bill be taken up so that their interests might be represented in conference with the Senate at a later time.

Mr. ROBINSON. If the gentleman will yield still further, I acknowledge that that was the stand that the people took in Dallas. However, this was the request and the general impression that was given by the people that present public television in Virginia and in my district. For that reason I made the statement that I have made.

Again I thank the gentleman for yielding.

Mr. DEVINE. Mr. Speaker, will the gentleman yield?

Mr. MOORE. I yield to the distinguished ranking minority member of the full committee, the gentleman from Ohio (Mr. DEVINE).

Mr. DEVINE. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, again reiterating what the gentleman from Virginia (Mr. ROBINSON) has said, and not going into the merits of the legislation but merely upon the process under which the House is now considering the legislation, I would state that I understand that it is part of our procedure to permit the suspension of the rules under certain circumstances, normally when it is a noncontroversial matter and clearly one that will slide through without a lot of arguments or amendments.

It seems to me, Mr. Speaker, however, that anything as important and as widespread and having such an impact on the telecommunications media that we should bring this up under the regular rules and not under suspension of the rules, in order that a full debate may be had, so that the merits can be gone into and an opportunity to offer amendments to the legislation.

Therefore, Mr. Speaker, not necessarily on the merits of the legislation but because it is being brought up under suspension of the rules, I will vote against the legislation.

Mr. MOORE. Mr. Speaker, I would simply reply to the comments that have been made by my colleagues that I likewise share the concern of the two gentlemen who have just spoken over the fact that this bill comes up under a suspension of the rules. However, we are working under a time restraint that requires that we bring up the matter now, and it was not done by the subcommittee chairman, the gentleman from California (Mr. VAN DEERLIN), or myself in order to circumvent the offering of amendments because on that point we had thought we had taken care of those in the subcommittee and in the full committee and we thought the bill was ready to be taken up on the floor. We did so because we believed that if we did not do it now that there might not be sufficient time for it to pass in the House and then go over to the other body and be passed there and then get to the President for his signature.

But I repeat, I also share the concern of the gentlemen over taking matters such as these up under suspension of the rules.

Mr. COLLINS of Texas. Mr. Speaker, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from Texas.

Mr. COLLINS of Texas. Mr. Speaker, I would like to expand just a little bit on what the gentleman from Virginia (Mr. ROBINSON) and the gentleman from Ohio (Mr. DEVINE) have said, and that is that there are many of us in the House who are concerned about certain provisions in this legislation, one of the worst being that we are putting the Government in the position of advising the media on how to operate its business.

First, Congress is getting involved in business economics. The situation of this Government and especially Congress itself, as regards economics, has been one of utter failure. Back home today, if you ask people what is the biggest problem in our country, most of them will tell you it is inflation and it is mostly due to the way the Government manages our economy. The Government is the major cause of national inflation. Here we are putting Congress back in another economics situation. Think about the time when the Government got into business. That was in the post office,

and we all know the post office is the poorest managed business operation in the country. So we should oppose the Government in any way getting involved, and stop telling these broadcast people how to run their business.

Another part that disturbs me is the fact that here we are controlling the media, and we all realize television and radio have a strong impact on the public. We know that in Russia the government does tell the media how to run their business. The government in Russia runs the media. This is the first time we have had an occasion where the Government is coming in and setting up guidelines, standards, or whatever one wants to call them, and Congress is actually getting into the broadcast business. It is a terrible mistake as a legislative policy. It is a precedent that is bad. What it is going to lead to is a negative backward movement for all creative public broadcasting.

I think we should all consider the bill carefully. It would be better to turn it down on suspension and let us work it over in the Committee of the Whole where we would have a complete bill subject to amendment.

Mr. MOORE. I would simply state that many of the things our subcommittee put into this bill were not an effort to tell CPB or PBS how to run their operations. It was to prevent or help them not to get into problems, and to tell them how not to run their operations, involving very reasonable things that I think we owe the taxpayers of this country—such things as requiring an established uniform accounting system. One reason to this is we allow them credit for their volunteer time for the first time to gain matching Federal funds. There has got to be some way we can turn to the taxpayers and say we have a uniform system to guarantee one station does not get more credit than another and everybody is living by the same system.

Second, regarding the salaries of officers, I think the taxpayers of our country would like to see some control by the people in this House of where their money is going into salaries. This is something we have done for many agencies that have received funds from the Federal Government.

Third, we require them to hold open board and advisory committee meetings. I cannot understand how any station or system would oppose that. If we are going to use and spend taxpayers' money, the taxpayers have the right to see it being done.

The EEO requirements are going to be enforced by HEW. We say that has to be done in the bill and require the CPB to see to it that these things are carried out in their pregrant certification and monitoring activities. If they are going to use Federal funds, there must be no discrimination in hiring minorities, females, or in any other way. If they are going to use Federal funds, we think they should live by the same rules everybody else who uses Federal funds live by.

Lastly, we have actually withdrawn Government. We took away a ban on editorializing by Public Broadcasting stations, so actually we have withdrawn Government interference on how they actually operate over the air and have simply put some restrictions on that the taxpayers would like to see us put on as to how they use their funds.

Mr. Speaker, I do not think we have done anything to get greater Government involvement than is called for in the use of Federal funds. I am sorry we could not have brought this bill up to allow amendments to be offered, but I am not sure what amendments would be offered that we have not taken care of in committee anyway.

Mr. VAN DEERLIN. Mr. Speaker, I yield 5 minutes to the gentleman from Tennessee (Mr. GORE).

Mr. GORE. Mr. Speaker, I thank the chairman. I will not take the full 5 minutes.

Mr. Speaker, I would like to ask the distinguished chairman of the subcommittee a couple of questions about the provision on matching funds for volunteer in-kind services. We added a provision saying that the Corporation for Public Broadcasting would conduct a study to determine the manner in which to include the value of the volunteer services while it was being implemented. Is it not correct, I will ask the chairman, that the purpose of this study is to determine the appropriate procedures for implementing this provision and that no further action is required by the committee or the Congress before this change in the law takes effect?

Mr. VAN DEERLIN. The gentleman is correct. In-kind contributions of volunteer time could be counted up to a maximum of 5 percent of the total non-Federal credit that the stations receive. This would begin on the day of the enactment of this legislation.

The purpose of the study, as the gentleman notes, which has been limited to 120 days, is to make certain that the procedures used and the credits that are given are uniform from station to station, and that we have a systematic arrangement for making these credits which will withstand the scrutiny of public attention.

Mr. GORE. I want the record we are making today to reflect the fact that there was a very strong majority on the committee that felt that those who cannot afford to make a large cash contribution to support their public stations or their notions of what public broadcasting should be in their community should, nevertheless, have an opportunity to show their support by working vigorously in behalf of their stations and that the Federal Government ought to place a value on their contribution as well and that it should be eligible for matching requirements up to the 5-percent ceiling, and that no further action is required on the part of the committee or the House before this change in the law is effected.

Mr. Speaker, this bill will provide increased, assured funding for the public broadcasting system for the next 5 years.

Public broadcasting has made invaluable contributions to our society by providing greater diversity in cultural, entertainment, educational, and public affairs programing than is provided by the commercial broadcasting industry. As a member of the Communications Subcommittee, I support this bill because it will strengthen the public broadcasting system by providing increased Federal financial support. At the same time, this bill continues to recognize the importance of insulating public broadcasting from political pressures.

As a representative from a largely rural area, much of which is not now served by public radio or television, I was especially interested in the provisions relating to the need to expand the coverage of public broadcasting. Public broadcasting should be available to all Americans. This bill directs the Corporation for Public Broadcasting to develop a long-range plan to insure that this goal is realized.

This bill also eases to some extent the problems caused by the need for local broadcast stations to raise funds in order to receive matching Federal grants. I have been discontented with the extent of on-the-air fundraising by public broadcast stations in recent years. I think it is unbecoming for public stations to have to conduct too many carnivals and auctions on the air when they should be providing more quality programing. I think it is troublesome for public broadcasting to have to depend to the extent that it does on corporate underwriting for some of its best programs. I think it is disturbing for the public broadcasting system to have to turn to foreign-produced programs because it does not have the financial resources to support production of those programs here in our own country.

This bill increases the Federal financial support for public broadcasting and, by reducing the matching requirements from 2½-to-1 to 2-to-1, alleviates some of the fundraising problems for local licensees. This bill also contains a provision, which I introduced during the subcommittee's markup, to allow individual stations a credit for the value of volunteer services donated to the station.

Volunteers play a vital role in public broadcasting, and this provision will recognize their role. It will encourage greater public participation at the local level. And it will enable middle- and low-income viewers to contribute their time and energy to public broadcasting stations, knowing that their contribution will benefit the stations very directly by counting as part of their matching requirement.

I would like to conclude, Mr. Speaker, by expressing my thanks to the gentleman and the other members of the subcommittee for the work they have done and the work of the staff. I think we have turned out a quality bill that will improve public broadcasting in this committee. I am proud to have served on the gentleman's subcommittee while we put it together.

Mr. PERKINS. Mr. Speaker, will the gentleman yield?

Mr. VAN DEERLIN. Mr. Speaker, I yield such time as he may consume to the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Speaker, I am troubled by the shift from using just

three essentially objective criteria for the distribution of community service grants, to the addition of five potentially subjective criteria.

I think everyone would agree that each new criterion is a worthwhile goal, but it is the broader implications and their functional effects that concern me.

Was it the intent of the committee to establish a discretionary system which would give the Corporation for Public Broadcasting increased functional control over the individual station's operations and policies?

Mr. VAN DEERLIN. Well, surely not. The criteria that are in the present law for these grants have primarily encouraged fundraising by the stations. The only real incentives that are provided under the present law relate to the size of the community served and the amount of non-Federal income that is raised. As a result, the rich get richer and the poor get poorer.

In adopting the amendment to which the gentleman refers, which was offered by the gentleman from Colorado (Mr. WIRTH), the subcommittee expressed its view that the Corporation should provide incentive grants for non-fund-raising activities; such as encouraging cost efficiency, minority training, and community responsiveness.

Mr. PERKINS. Mr. Speaker, I understand that the committee report emphasizes that significant coverage of public affairs should qualify the station for additional CSG funds. This appears to be a program-related matter. Is it the intent of the committee to require and authorize such involvement in programing?

Mr. VAN DEERLIN. The committee report, I will say to the gentleman from Kentucky (Mr. PERKINS), makes clear that the Corporation is to quantify each new criterion, so there is no interference in programing decisions of the stations. Should such interference occur, we stand ready to clarify that intent even further; but it is our view that this should not prevent Congress from providing some direction as to the purposes of the Federal funding.

Mr. PERKINS. Mr. Speaker, another criterion "encourages innovative approaches both technical and programing, * * * to reach new audiences."

How can this be applied without a CPB involving itself in deciding on the suitability of program categories or the determination of what is or is not innovative programing?

Mr. VAN DEERLIN. Mr. Speaker, the criterion to which the gentleman refers in his question involves mainly technical steps to reach larger audiences. By that I mean that we should utilize new technologies. In districts like that of the gentleman's, for example, a translator may have to be built in order to reach a distant part of the region. This might be the means by which we get to that audience. It would have nothing to do with the nature of the program or with the translator. Our only emphasis is on trying to expand the technology.

Mr. PERKINS. Mr. Speaker, I have one more question.

Has the delicate balance between insulated Federal funding and Government control through the power of the purse been altered to the detriment of local autonomy?

Mr. VAN DEERLIN. No, because the CPB is not the Federal Government.

The whole emphasis in this legislation is to encourage and to foster local autonomy, as, for example, with the establishment of community advisory boards, under an amendment offered by the gentlewoman from Marvland (Ms. MIKULSKI), which would provide for the involvement of local communities.

Mr. PERKINS. What safeguard is there to prevent the CPB from using these criteria to coerce uniformity by rewarding those who parrot the CPB's policy and function to set up a centrally controlled public network?

Mr. VAN DEERLIN. Mr. Speaker, I will respond to the gentleman's question by saying the best safeguard I know of is that which I find in himself, in me, and in 533 other Members of Congress.

Mr. PERKINS. Mr. Speaker, let me thank the gentleman for his explanations.

Mr. VAN DEERLIN. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. WAXMAN), a member of the committee.

Mr. WAXMAN. Mr. Speaker, I am pleased to join my subcommittee chairman, Mr. VAN DEERLIN, in supporting the Public Telecommunications Financing Act of 1978. Although it is by no means a comprehensive restructuring of public broadcasting, this legislation represents over 2 years' study of the system, and is designed to address its most pressing and obvious deficiencies.

We tried to accomplish what was possible. We were aided by the fact that, for the first time in 10 years, a relatively complete understanding of how public broadcasting was working coincided with a major policy initiative from the administration and increased public awareness by virtue of public television's growing audience and the interest of the Carnegie Commission.

This is a progressive bill, which greatly strengthens public broadcasting.

We have doubled the Federal commitment of funds to public broadcasting.

The system's administrative and bureaucratic overhead, which has strangled the creative process, and eaten up scarce programing funds, has been limited in this bill.

We have placed the highest priority on the development of programing at the national level by providing fully $50 million per year for programing by 1983.

Independent producers who have experienced such frustration in obtaining access to the system are at last recognized for their significant contributions to public broadcasting, and accorded a substantial amount of the programing funds.

The ability of political influences to intrude on programing judgments has been narrowed, by requiring CPB to form independent peer review panels to evaluate all programing proposals.

Public radio is finally recognized as an important medium in its own right, and granted substantial funding increases to extend the reach of its signals and improve its programing operations.

The muzzling of public broadcasters—the prohibition in current law which prevents them from editorializing—has been partially lifted, enabling them to speak out on matters of concern to their communities.

The meetings and books of the stations are required to be open to the public, making the stations more responsive to the needs of their audiences, and more careful with their expenditure of public funds.

What we have endorsed is an interim measure, designed to see the system through the next 5 years while the subcommittee and the next Congress act on the chairman's sweeping revision of the Communications Act of 1934.

The most important feature of this bill is that it continues the concept of advanced funding, with authorizations extended through 1983. Maintenance of such a policy is essential if public broadcasting is to be insulated from the political demands of returning annually to the Congress for more money with each visit carrying with it the opportunity for intrusion on programing judgments.

Held in abeyance, to be considered with the rewrite, are the report and recommendations of the Carnegie Commission; the design and operation of a truly insulated and generous funding system for programing; and the management structure of the system.

Although there are fundamental concerns, we took several steps to meet the most pressing problems:

First, the underfunding of the system. Public broadcasting cannot hope to consistently produce programs of excellence when its total revenues are only half of what each network spends alone each season for programing. The shortage of money is critical, and we have doubled, by 1983, the amount of Federal funds committed to the system. We have, moreover, made it easier for the stations to raise money, by lowering the matching fund requirement from 2.5 to 1 to 2 to 1. Therefore, not only will there be more Federal dollars, but they will be within easier reach of the stations.

Second, the funding of the programs themselves. PCB has no rational system for deciding programing grants. PBS is prohibited from program production. The stations are more intent on doing in-house production than accepting the most exciting product offered by independent producers. We have taken several steps to ease this confusion. CPB is directed to spend a significant portion, at least 25 percent, of its budget on programing. A substantial amount of that money, at least 50 percent, is to go to independent producers. We have made clear to everyone in public broadcasting, including the stations, our concern that the system's mandate for excellence, diversity, and innovation in programing not be unnecessarily impaired by weak or inefficient management and we expect the system to respond accordingly.

Third, insulation of programing from political pressure. The CPB Board, which is composed of political appointees, is directly involved in programing decisions even though its job is to prevent politics from intruding into this area. Accord-

ingly, we have required CPB to remove its Board from the programing business by forming peer review panels which will evaluate funding proposals. This will substantially reduce the potential for abuse which currently exists.

Fourth, the system's bureaucracy. It is growing at a frightening rate, and eating up increasing amounts of scarce programing funds. We have placed a 5-percent cap on administrative expenses, thereby guaranteeing that more money will be available for other purposes.

Fifth, the commitment of the stations to be responsive to their communities. Public broadcasting is for and by the public which is seeking the highest degree of performance from their stations. It is a trend that should be welcomed, for the more viewers and listeners feel a part of their stations, the greater their support—in dollars and audience size. We received extensive testimony that too often the stations are closed to the public. We have, therefore, required open meetings of the stations' boards of directors and committees, and the formation of advisory committees, broadly representative of the community, who are to give informal guidance to the stations. These two provisions will guarantee public involvement and station accountability, and will strengthen the stations' ties to their communities.

Sixth, the stations' first amendment rights. Even though broadcasters do not enjoy the same extent of first amendment freedoms as the print media, public broadcasters are even more limited than commercial licenses as they are prohibited from editorializing. This has prevented them from speaking out on issues of pressing concern to their viewers and listeners—to the detriment, I feel, of an informed public. To partially remedy this inequitable situation, we have repealed the ban on editorializing except on the matter of endorsing candidates for public office. I wanted to completely eliminate any restrictions whatsoever, but the formula we adopted commanded the support of the committee. Should this provision be retained by the conferees, I am certain the experience over the next 5 years will warrant the grant, by the Congress, of complete editorial freedom for these stations.

Seventh, public radio. After 10 years, it remains the stepchild of public broadcasting, even though it is the most versatile, exciting, and local medium we have. Forty percent of the American people are still beyond the reach of its signals, compared to 20 percent for public television, and only 2 percent for commercial broadcasting. Public radio cannot hope to prosper if its audience cannot hear it.

We have, therefore, tripled the amount of money—up to $10 million per year—available to build new radio stations and expand existing ones. And we have doubled the amount of money CPB is to give the stations to support their operations.

Eighth, the stations' management. The GAO has found in many instances a distressing inability to fully account for the expenditure of public funds. This is intolerable. Not only should scarce resources be spent efficiently, but the public has a right to know whether or not this is being done. This is a problem which has persisted for years and is apparently growing. To end it, we have required CPB to develop a uniform system of accounts, to which the stations must adhere. Further, the stations are to be audited every year, with the audits made public.

These are merely prudent business practices which will insure the discovery and correction of waste, mismanagement, and inefficiency.

Mr. Speaker, all these provisions guarantee that public broadcasting will be more visible and audible, more open, more rational, and more accountable. Most importantly, this legislation reiterates that the system's highest priority is programing and it provides the money and guidance necessary to insure that this commitment will be met.

I wish to extend my congratulations and thanks to the chairman for his leadership on this legislation. His commitment to the strongest possible system of public broadcasting in this country is unquestioned, and these proposals reflect his dedication. The President, in his message to the Congress last fall, also gave the strongest encouragement to the subcommittee. Our work combined the best of the proposals before us. All can be satisfied with what we have done.

Mr. Speaker, I would like to take this opportunity to engage the chairman of the subcommittee in a colloquy regarding the intent of his amendment adopted in the subcommittee to section 396(k) of the Communications Act.

Mr. Speaker, the chairman's amendment required that, of the funds appropriated for CPB, a significant portion must be used for programing, and a substantial portion of those funds are to be reserved for distribution to independent producers and production entities for the production of programs.

Mr. VAN DEERLIN. If the gentleman will yield, the gentleman is correct.

Mr. WAXMAN. Mr. Speaker, I supported the amendment in subcommittee, and I wanted to clarify one aspect of it on which the legislative history is silent.

In adopting this amendment, the subcommittee was being sensitive to the criticisms that the system has not been fully responsive to the independents' need for access.

In subcommittee discussion of this amendment, it was asked what was meant by the requirement that "a substantial amount" of CPB's programing funds be reserved for independents.

It was agreed that the subcommittee intended that this requirement be interpreted by the Corporation for Public Broadcasting as meaning at least 50 percent of such funds be so reserved.

Mr. VAN DEERLIN. If the gentleman will yield further, I will respond very quickly to that.

The purpose of the amendment was to insure that the Corporation expends a major portion of its programing funds on assisting productions by independent producers.

I would agree with the gentleman that 50 percent seems a good figure to aim at, and the legislative history should reflect that intent.

Mr. WAXMAN. I thank the chairman.

Mr. VAN DEERLIN. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Speaker, I would like to follow through with an added colloquy with the chairman of the subcommittee, along the same line as discussed by the gentleman from Kentucky (Mr. PERKINS).

The people who operate the public broadcasting system in my district, KLRN, are disturbed about some of the eligibility requirements. They are asking for information more than they are stating their objections. When we get into such categories as encouraging innovative approaches, both technical and programing, to reaching new audiences, does that mean that funds could or could not be withheld based upon whether they have these "innovative" approaches?

Mr. VAN DEERLIN. If the gentleman will yield, the Corporation for Public Broadcasting is the arm that hands out the money. This is the buffer between the Government and the stations. And, of course, they will use some judgment.

Mr. PICKLE. Who makes the determination whether the station is making the innovative approach?

Mr. VAN DEERLIN. It will be the proper determination of the 15 members of the Corporation for Public Broadcasting.

Mr. PICKLE. I would hope that as this bill moves forward and as it goes to conference, we might have further discussions or interpretation to have a better understanding of these requirements; that is, exactly what is meant.

The station in my district is not complaining, but there is deep concern that if there is too rigid an interpretation, that station, which I believe is considered to be one of the better Public Broadcast stations in the country, would like to be heard. They have genuine concern. I am going to insert in the record some of the objections or fears that my people have expressed, and I hope the chairman will be able to respond to these questions and that when we go to conference I hope we will be able to reach a clearer understanding of these apprehensions.

I had a meeting with representatives of my local broadcasting station in central Texas. They have several concerns. First, as mentioned earlier "innovative approaches to new programing."

Their second concern is that Federal programing funds could be cut off at any time during a program season based upon the failure of a licensee to satisfy governmental requirements of ethnic balance in work force or boards. I have a letter from a person who served on the nominating committee of the Public Broadcasting System board this year who says:

> I am proud to say we increased the number of women and minorities on the PBS board by substantial percentages. Although it will be obvious that in the case of elected members of an organization such as the Congress or the PBS Board it is difficult to arrive at complete balance. I believe, however, that we can be there in a few years. The program service should not be jeopardized by arbi-

trary actions on issues which are so complex and difficult.

Obviously that station is concerned as to the criteria that would be used, not that it should not be a factor, but to what degree it would be required. Here again, Mr. Speaker, great progress is being made and the stations have accepted the challenge, but I would hope there would be a better understanding of the board as to how to carry it out.

Without a clear understanding of the criteria that would be used there is a great deal of apprehension about the new bill. I know that my station is doing a good job and would not like to feel that an arbitrary rule would cause it not to receive funds when they have overall an excellent record.

Mr. VAN DEERLIN. I thank the gentleman.

Mr. Speaker, I yield 1 minute to the gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. Mr. Speaker, this is a very important bill and a very large bill and very controversial in some parts. I just want to know why it was put on the Suspension Calendar.

Mr. VAN DEERLIN. If the gentleman will yield, in my opening remarks I explained that the fact that the bill was reported unanimously out of both the subcommittee and the committee suggested to us that it was not all that controversial. I think perhaps we will find that as of this week it is not as controversial as it was a week ago.

Mr. GLICKMAN. I thank the gentleman.

Mr. VAN DEERLIN. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. KREBS).

Mr. KREBS. Mr. Speaker, I want to commend the chairman on the work which his subcommittee has done on this bill. However, I do have a question.

I notice the ban on editorializing has been lifted. Left in the bill, however, is a ban on the endorsement of candidates.

My question is, Does this ban also include a prohibition on endorsements of propositions, such as the proposition which we have had in our State of California?

The SPEAKER pro tempore. The time of the gentleman from California (Mr. VAN DEERLIN) has expired.

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I rise in support of H.R. 12605, the Public Telecommunications Financing Act of 1978, even though I am opposed to section 307 which amends section 396(K)(6)(B), to include eligibility criteria which the Corporation for Public Broadcasting is instructed to consider when distributing its funds to the public broadcasting licensees.

I feel that these eight criteria would permit undue interference by CPB into the programing functions and decision-making processes of the individual licensees.

CPB was set up to act as a buffer between the Federal Government and the licensees. These new criteria would open the door to Federal involvement in programing decisions. Though I feel the intent behind these criteria is laudable this particular approach I feel could result in Federal interference in programing and we must devise alternative means to achieve these ends.

I hope that as this legislation proceeds through the legislative process that section 307 can be deleted. ●

Mr. MOORE. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. VAN DEERLIN) that the House suspend the rules and pass the bill H.R. 12605, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. VAN DEERLIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the Public Telecommunications Financing Act of 1978.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

SUBSTITUTE TREASURY CHECKS

Mr. MITCHELL of Maryland. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 13087) to authorize the issuance of substitute Treasury checks without undertakings of indemnity, except as the Secretary of the Treasury may require.

The Clerk read as follows:

H.R. 13087

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 3646 of the Revised Statutes of the United States, as amended (31 U.S.C. 528(a)), is further amended by striking out "upon receipt and approval by the Secretary of the Treasury of an undertaking to indemnify the United States, in such form and amount and with such surety, sureties or security, if any, as the Secretary of the Treasury may require;".

SEC. 2. Subsection (b) of section 3646 of the Revised Statutes of the United States, as amended (31 U.S.C. 528 (b)), is further amended to read as follows:

"(b) The Secretary of the Treasury, may, before issuance of a substitute check, require from the owner or holder of the check an undertaking to indemnify the United States, in the form and amount and with the surety or security the Secretary believes necessary.".

The SPEAKER pro tempore. Is a second demanded?

Mr. HANSEN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Maryland (Mr. MITCHELL) will be recognized for 20 minutes, and the gentleman from Idaho (Mr. HANSEN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this legislation was introduced by the distinguished chairman of the Banking Committee, Mr. REUSS, last October. The legislation would authorize the Treasury to issue substitute checks which are lost, stolen, destroyed, mutilated, or defaced without the undertaking of indemnity by the payee, except as the Secretary of the Treasury may require. My subcommittee held a hearing on the legislation on June 6. The full Banking Committee favorably reported it on June 20 by a vote of 30 ayes and no nays. The administration supports it.

Under current law, for amounts exceeding $200, before the substitute check can be issued payees must undertake indemnity, that is, they must promise to repay the Treasury if both the original and substitute checks are lawfully cashed. According to the testimony we heard in subcommittee from Treasury witnesses, the current statutory requirement "unnecessarily delays for weeks, or even months, the settlement of proper claims from the public for relatively small amounts of money." The hardship that this works on many claimants, who have an urgent and pressing need of the money due them, is cruel as well as unnecessary. H.R. 13087 provides an appropriate remedy.

Treasury estimates that, if the legislation is passed, about 12,000 claimants each year would be relieved of having to undertake indemnity before their claims can be settled and that the average time it now takes to deliver their substitute checks would be cut in half. And that they and Treasury also would be relieved of unnecessary paperwork. Treasury estimates that it will save about $20,000 per year in costs related to preparing and handling the undertakings. Finally, because the Secretary will retain discretionary authority to require undertakings of indemnity, the legislation will not endanger the Government's financial interests. Treasury plans to safeguard against possible losses by focusing on high risk, large checks on a case-by-case basis in requiring undertakings of indemnity.

Mr. HANSEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill before us is a simple and straightforward matter. One of the effects of inflation has been to push up the nominal amounts of recurring payments made by the Treasury under the social security, railroad retirement, and other Government programs. Under present law, if a Treasury check is lost, the payee must indemnify the Government before a substitute can be issued. There are some exceptions in the law, notably if the check is for less than $200. For some years, Treasury and the Social Security Administration have been making progress in reducing greatly the delay and consequent hardship on recipients when a check for less than $200 is stolen or lost. But as benefits are scaled up to adjust for inflation, more and more people run into the statutory requirement that they indemnify the Government be-

fore a substitute check for more than $200 can be issued.

The indemnifcation is merely a certification by the recipient that he will make restitution to the Government if he finds the original and cashes it as well as the substitute check. It came out in testimony that this adds nothing to the Government's rights or remedies to secure a refund if both checks are cashed—which is, by the way, a rare event. We also received persuasive testimony that this ritual of securing redundant indemnification adds an average of 3 weeks' delay to the time it takes to issue a substitute check if the amount is greater than $200.

This bill would simply make the requirement of indemnification discretionary with the Secretary of the Treasury, and so it could be waived for these relatively small, recurring benefit payments. The Government will save some clerical and postage expenses, it will lose no legal rights, and many hardships for benefit recipients will be reduced. This is a small matter on the scale of Federal Government affairs, but for many individuals, the 3 weeks we save them will mean an awful lot on the more humane scale of private affairs. I am delighted to be a cosponsor of this measure, I congratulate the chairman of the Subcommittee on Domestic Monetary Policy for holding hearings and moving the bill along, and I join in urging our colleagues to vote with me to suspend the rules and pass H.R. 13087, so that it may become law as expeditiously as possible.

Mr. MITCHELL of Maryland. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Maryland (Mr. MITCHELL) that the House suspend the rules and pass the bill, H.R. 13087.

The question was taken.

Mr. RUSSO. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. MITCHELL of Maryland. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extent their remarks on the bill, H.R. 13087.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

TRANSPORTATION SAFETY BOARD AUTHORIZATIONS

Mr. ANDERSON of California, Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 12106) to amend the Independent Safety Board Act of 1974 to authorize additional appropriations, as amended.

The Clerk read as follows:

H.R. 12106

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 309 of the Independent Safety Board Act of 1974 (49 U.S.C. 1907) is amended by adding at the end thereof the following new sentence: "There are authorized to be appropriated for the purpose of this Act not to exceed $16,420,000 for the fiscal year ending September 30, 1979.".

The SPEAKER pro tempore. Is a second demanded?

Mr. SHUSTER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. ANDERSON) will be recognized for 20 minutes, and the gentleman from Pennsylvania (Mr. SHUSTER) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. ANDERSON).

Mr. ANDERSON of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill, as amended, merely provides a 1-year authorization in the amount of $16,420,000 for the National Transportation Safety Board. The National Transportation Safety Board, created by the Department of Transportation Act of 1966, was established as an independent Federal agency by the Independent Safety Board Act of 1974. That act broadened the responsibilities of the Board in the investigation and prevention of transportation accidents.

Among the responsibilities assigned to the Board are first, investigating certain aviation, highway, railroad, pipeline, and marine accidents; reporting on the facts, conditions, and circumstances and the probable causes of such accidents; making recommendations to Federal, State, and local transportation Safety agencies, and initiating and conducting special transportation safety studies and investigations.

I know of no controversy surrounding this measure. The Subcommittees on Aviation, and Surface Transportation held hearings in April. Chairman STAGGERS of the Interstate and Foreign Commerce Committee, to whom the bill was jointly referred, has written us a letter concurring in the Public Works and Transportation Committee's action.

I urge adoption of this measure.

Mr. SHUSTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the measure before us today, authorizing fiscal year 1979 appropriations for the National Transportation Safety Board, reflects a serious concern and a certain amount of justified skepticism on the part of the Public Works Committee over the willingness and ability of the Safety Board to follow congressional mandates.

The 1-year authorization of $16.4 million contains an additional million dollars to pay for a beefed-up highway safety program, which this Congress directed the board to do 2 years ago.

Our committee rejected the Board's request for a 2-year extension when we learned that the board totally ignored the directives of our committee and the Congress in two different areas.

First, as alluded to previously, 2 years ago, our committee was concerned about the Board's capabilities in the highway safety area, which has suffered under a poor cousin syndrome at the Board which, as an outgrowth of the CAB, is highly aviation oriented. Despite the fact that nearly 50,000 people lose their lives on our highways every year while less than 2,000 are killed in all types of aviation accidents, the Board was dedicating 44 percent of its staff and budget to aviation and only 5 percent to highways.

Accordingly, the committee recommended and the Congress agreed to increase the Board's authorization by $700,000 for each of fiscal years 1977 and 1978 and directed that these funds be used to hire an additional 21 persons to investigate and evaluate highway accidents.

This was not done. Not only were the 21 additional personnel never hired, but the Board never even requested the additional $700,000 from the Appropriations Committee.

Our committee learned in hearings that this was a deliberate decision by the former Board Chairman to ignore the congressional mandate, clearly stated in committee and in a colloquy on the floor.

This is an affront to the Congress which cannot and will not be tolerated.

The second area in which the guidance of the Congress was ignored dealt with the Board's oversight responsibilities. During hearings in 1976, our committee was told that pursuant to the Board's statutory mandate to assess the safety consciousness and effectiveness of other Federal agencies in preventing accidents, the programs of the National Highway Traffic Safety Administration (NHTSA) were right at the top of the Board's list for an overall evaluation. This was again clearly understood by the committee, and once again, totally ignored by the Board.

Mr. Speaker, our criticism of the National Transportation Safety Board is not intended to reflect on the Board's new Chairman, James D. King, who has been in the job for only a few months. Moreover, the committee was favorably impressed with Chairman King's desire to be guided by congressional directives and his prompt attention to our request for an outline of what he intends to do to comply with the 2-year-old mandate.

Nevertheless, we were in precisely the same situation 2 years ago when the previous chairman was new to the job—and we were burned.

We shall not be burned again.

Therefore, this measure extends the authority of the Board for only 1 year, during which the Board's activities, particularly in the highway safety and oversight areas, will be carefully reviewed by our committee.

In addition, the Board has indicated that the funding will be sufficient to permit the Board to evaluate the effectiveness of activities and programs at NHTSA in accordance with its statutory mandate.

The limitation of this authorization to 1 year, Mr. Speaker, will provide an early occasion for further review of the Board's success in responding to more explicit guidance from the Congress.

I urge adoption of this measure.

● Mr. SNYDER. Mr. Speaker, as ranking minority member of the Aviation Subcommittee, I have nothing much to add to the remarks of the gentleman from California (Mr. ANDERSON) on the pending bill. As he stated, it simply authorizes $16,420,000 for the National Transportation Safety Board (NTSB) for fiscal year 1979.

NTSB was established by the Congress to bring about a greater measure of transportation safety for the benefit of our people. We have reason to believe that progress is being made—but it also is evident that much remains to be accomplished in this vital area.

Mr. Speaker, of all the various transportation modes, aviation seems to be enjoying far and away the best safety record—by whatever yardstick we choose. This is the direct result of intensive efforts over the years by the Federal Government, the air transportation industry, and various aviation organizations. Safety has been recognized from the start as the key component in air travel. It is a simple fact that aviation safety has been accorded the highest priority—and the results speak for themselves.

It is essential, in my view, that safety be assigned the same high priority in the other modes of transportation, as well. We have made a beginning at the Federal level—and the programs underway and envisioned by the various agencies with surface and marine transportation safety responsibilities will bring results in due course, I am sure. Our colleague from Pennsylvania (Mr. SHUSTER) has spoken to the need for accelerated efforts along this line—and I fully share his views as to the urgency involved and the need for effective remedial action.

NTSB surely will play an increasingly significant role in the surface and marine transportation areas during the years to come. Congress has mandated that the board do so—and I trust that NTSB Chairman James B. King and his colleagues will move with dispatch to comply with the intent of the Congress in this regard.

I urge my colleagues to support the pending bill.

Thank you, Mr. Speaker.●

● Mr. JOHNSON of California. Mr. Speaker, H.R. 12106 is a bill which authorizes $16,420,000 for fiscal year 1979 for the National Transportation Safety Board.

The purpose of the authorization is to fund the operations of the Board for 1 year. Principally, the Board's operations are involved in the area of transportation safety. More specifically, its responsibilities pertain to, but are not limited to, investigation of accidents in the aviation and surface transportation modes. After completion of those investigations, the Board makes appropriate recommendations to the various Federal and State agencies and to transportation related agencies or groups.

Throughout its history the Board has emphasized its role in the aviation industry. In recent years more focus has been aimed at its responsibilities in the area of surface transportation.

After completing hearings on H.R. 12606, the Committee concluded that more emphasis should be placed on its activities in the field of surface transportation. Accordingly, the Committee increased the authorization level for fiscal year 1979 by $1 million. The additional sums are to be utilized by the Board to increase its capabilities in surface transportation activities. At the new funding level, the Board should be able to carry out more fully its statutory mandate to effectuate increased safety in the surface transportation modes and systems, and to continue its work in the field of aviation.

I urge the House to take favorable action on this bill.●

GENERAL LEAVE

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this bill (H.R. 12106).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ANDERSON of California. Mr. Speaker, I have no further requests for time.

Mr. SHUSTER. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. ANDERSON) that the House suspend the rules and pass the bill H.R. 12106, as amended.

Mr. VOLKMER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER pro tempore. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion on which further proceedings were postponed, in the order in which that motion was entertained.

Votes will be taken in the following order:

H.J. Res. 613, by the yeas and nays.
H.J. Res. 1007, by the yeas and nays.
H.J. Res. 773, by the yeas and nays.
H.R. 13087, by the yeas and nays.
H.R. 12106, by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic votes after the first such vote in this series.

NATIONAL GRANDPARENTS DAY

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the joint resolution (H.J. Res. 13) as amended.

The Clerk read the title on the joint resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. LEHMAN) that the House suspend the rules and pass the joint resolution (H.J. Res. 613) as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 362, nays 8, not voting 62, as follows:

[Roll No. 519]

YEAS—362

Abdnor	Drinan	Lent
Addabbo	Duncan, Tenn.	Levitas
Akaka	Early	Livingston
Alexander	Eckhardt	Lloyd, Calif.
Ambro	Edgar	Lloyd, Tenn.
Ammerman	Edwards, Ala.	Long, La.
Anderson, Calif.	Edwards, Calif.	Long, Md.
	Eilberg	Lott
Andrews, N.Dak.	Emery	Lujan
	Erlenborn	Lundine
Annunzio	Ertel	McClory
Applegate	Evans, Del.	McCloskey
Archer	Evans, Ind.	McCormack
Ashbrook	Fary	McDade
Aspin	Fascell	McDonald
AuCoin	Fenwick	McEwen
Badham	Findley	McFall
Bafalis	Fish	McHugh
Baldus	Fisher	McKinney
Baucus	Fithian	Madigan
Bauman	Flippo	Maguire
Beard, R.I.	Flood	Mahon
Beard, Tenn.	Flynt	Markey
Bedell	Foley	Marks
Benjamin	Ford, Mich.	Marlenee
Bennett	Ford, Tenn.	Marriott
Bevill	Forsythe	Martin
Biaggi	Fowler	Mathis
Blanchard	Fraser	Mattox
Blouin	Frenzel	Mazzoli
Boland	Gammage	Meeds
Bolling	Garcia	Metcalfe
Bonior	Gaydos	Meyner
Bonker	Gephardt	Michel
Brademas	Giaimo	Mikulski
Breaux	Gibbons	Mikva
Breckinridge	Ginn	Miller, Calif.
Brinkley	Glickman	Miller, Ohio
Brodhead	Goldwater	Mineta
Brooks	Gonzalez	Minish
Broomfield	Goodling	Mitchell, Md.
Brown, Calif.	Gore	Mitchell, N.Y.
Brown, Mich.	Gradison	Moakley
Brown, Ohio	Grassley	Moffett
Broyhill	Green	Mollohan
Buchanan	Gudger	Montgomery
Burgener	Hagedorn	Moore
Burke, Calif.	Hall	Moorhead, Calif.
Burke, Mass.	Hamilton	
Burleson, Tex.	Hammer-schmidt	Moorhead, Pa.
Burlison, Mo.		Moss
Burton, John	Hanley	Mottl
Burton, Phillip	Hannaford	Murphy, Ill.
Butler	Hansen	Murphy, Pa.
Caputo	Harkin	Murtha
Carney	Harris	Myers, John
Carr	Harsha	Myers, Michael
Carter	Hawkins	Natcher
Cavanaugh	Heckler	Neal
Cederberg	Hefner	Nedzi
Chisholm	Heftel	Nichols
Clausen, Don H.	Hightower	Nolan
	Hillis	O'Brien
Clawson, Del	Holland	Oakar
Clay	Hollenbeck	Oberstar
Cleveland	Holt	Panetta
Cochran	Holtzman	Patten
Cohen	Horton	Patterson
Coleman	Howard	Pattison
Collins, Ill.	Hubbard	Pease
Collins, Tex.	Hughes	Pepper
Conable	Hyde	Perkins
Conte	Ireland	Pickle
Corcoran	Jacobs	Poage
Corman	Jenkins	Pressler
Cornell	Jenrette	Preyer
Cornwell	Johnson, Calif.	Price
Cotter	Jones, N.C.	Pursell
Coughlin	Jones, Tenn.	Quayle
Crane	Jordan	Quie
Cunningham	Kastenmeier	Quillen
D'Amours	Kazen	Rahall
Daniel, Dan	Kelly	Railsback
Daniel, R. W.	Kemp	Regula
Danielson	Keys	Reuss
Davis	Kildee	Rhodes
Dellums	Kindness	Rinaldo
Derrick	Kostmayer	Risenhoover
Derwinski	Krebs	Robinson
Devine	Krueger	Rodino
Dickinson	LaFalce	Roe
Dicks	Lagomarsino	Rogers
Diggs	Latta	Roncalio
Dodd	Leach	Rooney
Dornan	Lederer	Rosenthal
Downey	Lehman	Rostenkowski

Rousselot	St Germain	Walgren
Roybal	Staggers	Walker
Rudd	Stangeland	Walsh
Runnels	Stanton	Wampler
Ruppe	Stark	Waxman
Russo	Steers	Weaver
Ryan	Steiger	Weiss
Satterfield	Stockman	Whalen
Sawyer	Stokes	White
Scheuer	Stratton	Whitehurst
Schulze	Studds	Whitley
Sebelius	Stump	Whitten
Seiberling	Taylor	Wiggins
Sharp	Thompson	Wilson, Bob
Shipley	Thone	Wilson, C. H.
Shuster	Traxler	Wright
Sikes	Treen	Wydler
Simon	Trible	Wylie
Sisk	Tucker	Yates
Skelton	Udall	Yatron
Skubitz	Ullman	Young, Alaska
Slack	Van Deerlin	Young, Fla.
Smith, Iowa	Vander Jagt	Young, Mo.
Smith, Nebr.	Vanik	Young, Tex.
Snyder	Vento	Zablocki
Spellman	Volkmer	
Spence	Waggonner	

NAYS—8

Ashley	Evans, Colo.	Ottinger
Beilenson	Myers, Gary	Schroeder
Dingell	Obey	

NOT VOTING—62

Anderson, Ill.	Frey	Pike
Andrews, N.C.	Fuqua	Pritchard
Armstrong	Gilman	Rangel
Barnard	Guyer	Richmond
Bingham	Harrington	Roberts
Boggs	Huckaby	Rose
Bowen	Ichord	Santini
Burke, Fla.	Jeffords	Sarasin
Byron	Johnson, Colo.	Solarz
Chappell	Jones, Okla.	Steed
Conyers	Kasten	Symms
de la Garza	Le Fante	Teague
Delaney	Leggett	Thornton
Dent	Luken	Tsongas
Duncan, Oreg	McKay	Watkins
Edwards, Okla.	Mann	Wilson, Tex.
English	Milford	Winn
Evans, Ga.	Murphy, N.Y.	Wirth
Florio	Nix	Wolff
Flowers	Nowak	Zeferetti
Fountain	Pettis	

The Clerk announced the following pairs:

Mr. Santini with Mr. Gilman.

Mrs. Boggs with Mr. Anderson of Illinois.

Mr. Richmond with Mr. Dent.

Mr. Le Fante with Mrs. Pettis.

Mr. Delaney with Mr. Luken.

Mr. Chappell with Mr. Armstrong.

Mr. Byron with Mr. Milford.

Mr. Bingham with Mr. Jeffords.

Mr. Fuqua with Mr. Guyer.

Mr. Teague with Mr. Frey.

Mr. Murphy of New York with Mr. Watkins.

Mr. Nix with Mr. Symms.

Mr. Nowak with Mr. Sarasin.

Mr. Wolff with Mr. Winn.

Mr. Zeferetti with Mr. Pritchard.

Mr. Roberts with Mr. Pike.

Mr. Rose with Mr. Steed.

Mr. Rangel with Mr. Thornton.

Mr. Harrington with Mr. Evans of Georgia.

Mr. Duncan of Oregon with Mr. Fountain.

Mr. Charles Wilson of Texas with Mr. de la Garza.

Mr. Wirth with Mr. Burke of Florida.

Mr. Bowen with Mr. Barnard.

Mr. Florio with Mr. Andrews of North Carolina.

Mr. Flowers with Mr. English.

Mr. Conyers with Mr. Edwards of Oklahoma.

Mr. Ichord with Mr. Huckaby.

Mr. Jones of Oklahoma with Mr. Johnson of Colorado.

Mr. Mann with Mr. Kasten.

Mr. McKay with Mr. Solarz.

Mr. Leggett with Mr. Tsongas.

Mr. BRODHEAD and Mr. BROWN of Michigan changed their vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution, as amended, was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A joint resolution to authorize and request the President to issue a proclamation designating the first Sunday of September after Labor Day in 1978 as "National Grandparents Day."

A motion to reconsider was laid on the table.

ASIAN-PACIFIC AMERICAN HERITAGE WEEK

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the joint resolution (H.J. Res. 1007) as amended.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. LEHMAN) that the House suspend the rules and pass the joint resolution (H.J. Res. 1007) as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 360, nays 6, answered "present" 1, not voting 65, as follows:

[Roll No. 520]

YEAS—360

Abdnor	Burlison, Mo.	Eilberg
Addabbo	Burton, John	Emery
Akaka	Burton, Phillip	Erlenborn
Alexander	Butler	Ertel
Ambro	Caputo	Evans, Del.
Ammerman	Carr	Fary
Anderson, Calif.	Carter	Fascell
Andrews, N. Dak.	Cavanaugh	Fenwick
Annunzio	Cederberg	Findley
Applegate	Chisholm	Fish
Archer	Clausen, Don H.	Fisher
Ashbrook	Clawson, Del	Fithian
Ashley	Clay	Flippo
Aspin	Cleveland	Flood
AuCoin	Cochran	Florio
Badham	Cohen	Flynt
Bafalis	Coleman	Foley
Baldus	Collins, Ill.	Ford, Mich.
Baucus	Collins, Tex.	Ford, Tenn.
Bauman	Conable	Forsythe
Beard, R.I.	Conte	Fowler
Beard, Tenn.	Corcoran	Fraser
Bedell	Corman	Frenzel
Beilenson	Cornell	Gammage
Benjamin	Cornwell	Garcia
Bennett	Cotter	Gaydos
Bevill	Coughlin	Gephardt
Biaggi	Crane	Giaimo
Blanchard	Cunningham	Gibbons
Blouin	D'Amours	Gilman
Boland	Daniel, Dan	Ginn
Bolling	Daniel, R. W.	Glickman
Bonior	Danielson	Goldwater
Bonker	Davis	Gonzalez
Brademas	Dellums	Goodling
Breaux	Derrick	Gore
Breckinridge	Derwinski	Gradison
Brinkley	Devine	Grassley
Brodhead	Dickinson	Green
Brooks	Dicks	Gudger
Broomfield	Diggs	Hagedorn
Brown, Calif.	Dodd	Hall
Brown, Mich.	Dornan	Hamilton
Brown, Ohio	Downey	Hammerschmidt
Broyhill	Drinan	Hanley
Buchanan	Duncan, Tenn.	Hannaford
Burgener	Early	Hansen
Burke, Calif.	Eckhardt	Harkin
Burke, Mass.	Edgar	Harris
Burleson, Tex.	Edwards, Ala.	Harsha
	Edwards, Calif.	Hawkins
Heckler	Mikulski	Sawyer
Hefner	Mikva	Scheuer
Heftel	Miller, Calif.	Schulze
Hightower	Miller, Ohio	Sebelius
Hillis	Mineta	Sharp
Holland	Minish	Shuster
Hollenbeck	Mitchell, Md.	Sikes
Holt	Mitchell, N.Y.	Simon
Holtzman	Moakley	Sisk
Horton	Moffett	Skelton
Howard	Mollohan	Skubitz
Hubbard	Montgomery	Slack
Hughes	Moore	Smith, Iowa
Hyde	Moorhead, Calif.	Smith, Nebr.
Ireland	Moorhead, Pa.	Snyder
Jacobs	Motti	Spellman
Jenkins	Murphy, Ill.	Spence
Jenrette	Murphy, Pa.	St Germain
Johnson, Calif.	Murtha	Staggers
Jones, N.C.	Myers, John	Stangeland
Jones, Tenn.	Myers, Michael	Stanton
Jordan	Natcher	Stark
Kastenmeier	Neal	Steiger
Kazen	Nedzi	Stockman
Kelly	Nichols	Stokes
Kemp	Nolan	Stratton
Keys	O'Brien	Studds
Kildee	Oakar	Stump
Kindness	Oberstar	Taylor
Kostmayer	Ottinger	Thompson
Krebs	Panetta	Thone
Krueger	Patten	Thornton
LaFalce	Patterson	Traxler
Lagomarsino	Pattison	Treen
Latta	Pease	Trible
Leach	Pepper	Tucker
Lederer	Perkins	Udall
Lehman	Pickle	Ullman
Lent	Poage	Van Deerlin
Levitas	Pressler	Vander Jagt
Lloyd, Calif.	Preyer	Vanik
Lloyd, Tenn.	Price	Vento
Long, La.	Pursell	Volkmer
Long, Md.	Quayle	Waggonner
Lott	Quie	Walgren
Lujan	Quillen	Walker
Lundine	Rahall	Walsh
McClory	Railsback	Wampler
McCloskey	Regula	Waxman
McCormack	Reuss	Weaver
McDade	Rhodes	Weiss
McDonald	Richmond	Whalen
McEwen	Rinaldo	White
McHugh	Risenhoover	Whitehurst
McKinney	Robinson	Whitley
Madigan	Rodino	Wiggins
Maguire	Roe	Wilson, Bob
Mahon	Rogers	Wilson, C. H.
Markey	Roncalio	Wright
Marks	Rooney	Wydler
Marlenee	Rosenthal	Wylie
Marriott	Rostenkowski	Yates
Martin	Rousselot	Yatron
Mathis	Rudd	Young, Alaska
Mattox	Runnels	Young, Fla.
Mazzoli	Ruppe	Young, Mo.
Meeds	Russo	Young, Tex.
Metcalfe	Ryan	Zablocki
Meyner	Satterfield	Zeferetti
Michel		

NAYS—6

Dingell	Myers, Gary	Schroeder
Evans, Colo.	Obey	Seiberling

ANSWERED "PRESENT"—1

Moss

NOT VOTING—65

Anderson, Ill.	Frey	Pike
Andrews, N.C.	Fuqua	Pritchard
Armstrong	Guyer	Rangel
Barnard	Harrington	Roberts
Bingham	Huckaby	Rose
Boggs	Ichord	Roybal
Bowen	Jeffords	Santini
Burke, Fla.	Johnson, Colo.	Sarasin
Byron	Jones, Okla.	Shipley
Carney	Kasten	Solarz
Chappell	Le Fante	Steed
Conyers	Leggett	Steers
de la Garza	Livingston	Symms
Delaney	Luken	Teague
Dent	McFall	Tsongas
Duncan, Oreg.	McKay	Watkins
Edwards, Okla.	Mann	Whitten
English	Milford	Wilson, Tex.
Evans, Ga.	Murphy, N.Y.	Winn
Evans, Ind.	Nix	Wirth
Flowers	Nowak	Wolff
Fountain	Pettis	

The Clerk announced the following pairs:

Mrs. Boggs with Mr. Frey.
Mr. Santini with Mr. Luken.
Mr. Shipley with Mrs. Pettis.
Mr. Le Fante with Mr. Winn.
Mr. Carney with Mr. Symms.
Mr. Delaney with Mr. Jeffords.
Mr. Duncan of Oregon with Mr. Guyer.
Mr. Nix with Mr. Anderson of Illinois.
Mr. Charles Wilson of Texas with Mr. Dent.
Mr. Steed with Mr. Evans of Georgia.
Mr. Roberts with Mr. Armstrong.
Mr. Rangel with Mr. Kasten.
Mr. Solarz with Mr. Livingston.
Mr. Whitten with Mr. Teague.
Mr. Bowen with Mr. Steers.
Mr. Byron with Mr. Sarasin.
Mr. Fountain with Mr. Pritchard.
Mr. Fuqua with Mr. Ichord.
Mr. McFall with Mr. Leggett.
Mr. Murphy of New York with Mr. Milford.
Mr. Nowak with Mr. Flowers.
Mr. Wolff with Mr. Edwards of Oklahoma.
Mr. Wirth with Mr. Barnard.
Mr. Roybal with Mr. Andrews of North Carolina.
Mr. Rose with Mr. Harrington.
Mr. Jones of Oklahoma with Mr. Huckaby.
Mr. Evans of Indiana with Mr. McKay.
Mr. de la Garza with Mr. English.
Mr. Chappell with Mr. Watkins.
Mr. Tsongas with Mr. Pike.
Mr. Mann with Mr. Burke of Florida.
Mr. Bingham with Mr. Conyers.

So (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution, as amended, was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: "joint resolution authorizing and requesting the President to proclaim the 7-day period beginning on May 4, 1979, as 'Asian/Pacific American Heritage Week'."

A motion to reconsider was laid on the table.

NATIONAL PORT WEEK

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the joint resolution (H.J. Res. 773).

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. LEHMAN) that the House suspend the rules and pass the joint resolution on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 363, nays 11, answered "present" 1, not voting 57, as follows:

[Roll No. 521]

YEAS—363

Abdnor	Bauman	Broomfield
Addabbo	Beard, R.I.	Brown, Calif.
Akaka	Beard, Tenn.	Brown, Mich.
Alexander	Bedell	Brown, Ohio
Ambro	Benjamin	Broyhill
Anderson, Calif.	Bennett	Buchanan
	Bevill	Burgener
Andrews, N. Dak.	Biaggi	Burke, Calif.
	Blanchard	Burke, Mass.
Annunzio	Blouin	Burleson, Tex.
Applegate	Boland	Burlison, Mo.
Archer	Bolling	Burton, John
Ashbrook	Bonior	Burton, Phillip
Ashley	Bonker	Butler
Aspin	Brademas	Caputo
AuCoin	Breaux	Carney
Badham	Breckinridge	Carr
Bafalis	Brinkley	Carter
Baldus	Brodhead	Cavanaugh
Baucus	Brooks	Cederberg
Chisholm	Holt	Pressler
Clausen, Don H.	Holtzman	Preyer
	Horton	Price
Clawson, Del	Howard	Pursell
Clay	Hubbard	Quayle
Cleveland	Hughes	Quie
Cochran	Hyde	Quillen
Cohen	Ireland	Rahall
Coleman	Jacobs	Railsback
Collins, Ill.	Jenkins	Regula
Collins, Tex.	Jenrette	Reuss
Conte	Johnson, Calif.	Rhodes
Corcoran	Jones, N.C.	Richmond
Corman	Jones, Tenn.	Rinaldo
Cornell	Jordan	Risenhoover
Cornwell	Kastenmeier	Robinson
Cotter	Kazen	Rodino
Coughlin	Kelly	Roe
Crane	Kemp	Rogers
Cunningham	Keys	Roncalio
D'Amours	Kildee	Rooney
Daniel, Dan	Kindness	Rosenthal
Daniel, R. W.	Kostmayer	Rostenkowski
Danielson	Krebs	Rousselot
Davis	Krueger	Roybal
Dellums	LaFalce	Rudd
Derrick	Lagomarsino	Runnels
Derwinski	Latta	Ruppe
Devine	Leach	Russo
Dickinson	Lederer	Ryan
Dicks	Lehman	Satterfield
Diggs	Lent	Sawyer
Dingell	Levitas	Scheuer
Dodd	Livingston	Schulze
Dornan	Lloyd, Calif.	Sebelius
Downey	Lloyd, Tenn.	Sharp
Drinan	Long, La.	Shipley
Duncan, Tenn.	Long, Md.	Shuster
Early	Lott	Sikes
Eckhardt	Lujan	Simon
Edgar	Lundine	Sisk
Edwards, Ala.	McClory	Skelton
Edwards, Calif.	McCloskey	Skubitz
Eilberg	McCormack	Slack
Emery	McDade	Smith, Iowa
Erlenborn	McDonald	Smith, Nebr.
Ertel	McEwen	Snyder
Evans, Del.	McFall	Spellman
Evans, Ind.	McHugh	Spence
Fary	McKinney	St Germain
Fascell	Madigan	Staggers
Fenwick	Maguire	Stangeland
Findley	Mahon	Stanton
Fish	Markey	Stark
Fisher	Marks	Steers
Fithian	Marlenee	Steiger
Flippo	Marriott	Stockman
Flood	Martin	Stokes
Florio	Mathis	Stratton
Flynt	Mattox	Studds
Foley	Mazzoli	Stump
Ford, Mich.	Meeds	Taylor
Ford, Tenn.	Metcalfe	Thompson
Forsythe	Meyner	Thone
Fowler	Michel	Thornton
Fraser	Mikulski	Traxler
Frenzel	Mikva	Treen
Gammage	Miller, Calif.	Trible
Garcia	Miller, Ohio	Tucker
Gaydos	Mineta	Udall
Gephardt	Minish	Ullman
Giaimo	Mitchell, Md.	Van Deerlin
Gibbons	Mitchell, N.Y.	Vander Jagt
Gilman	Moakley	Vanik
Ginn	Moffett	Vento
Glickman	Mollohan	Volkmer
Goldwater	Montgomery	Waggonner
Gonzalez	Moore	Walgren
Goodling	Moorhead, Calif.	Walker
Gore		Walsh
Gradison	Moorhead, Pa.	Wampler
Grassley	Mottl	Waxman
Green	Murphy, Ill.	Weaver
Gudger	Murphy, Pa.	Weiss
Hagedorn	Murtha	Whalen
Hall	Myers, John	White
Hamilton	Myers, Michael	Whitehurst
Hammer-schmidt	Natcher	Whitley
	Neal	Whitten
Hanley	Nedzi	Wiggins
Hannaford	Nichols	Wilson, Bob
Hansen	Nolan	Wilson, C. H.
Harkin	O'Brien	Wright
Harris	Oakar	Wydler
Harsha	Oberstar	Wylie
Hawkins	Panetta	Yates
Heckler	Patten	Yatron
Hefner	Patterson	Young, Fla.
Heftel	Pattison	Young, Mo.
Hightower	Pease	Young, Tex.
Hillis	Pepper	Zablocki
Holland	Perkins	Zeferetti
Hollenbeck	Pickle	

NAYS—11

Ammerman	Myers, Gary	Schroeder
Bellenson	Obey	Seiberling
Conable	Ottinger	Young, Alaska
Evans, Colo.	Poage	

ANSWERED "PRESENT"—1

Moss

NOT VOTING—57

Anderson, Ill.	Fountain	Nowak
Andrews, N.C.	Frey	Pettis
Armstrong	Fuqua	Pike
Barnard	Guyer	Pritchard
Bingham	Harrington	Rangel
Boggs	Huckaby	Roberts
Bowen	Ichord	Rose
Burke, Fla.	Jeffords	Santini
Byron	Johnson, Colo.	Sarasin
Chappell	Jones, Okla.	Solarz
Conyers	Kasten	Steed
de la Garza	Le Fante	Symms
Delaney	Leggett	Teague
Dent	Luken	Tsongas
Duncan, Oreg.	McKay	Watkins
Edwards, Okla.	Mann	Wilson, Tex.
English	Milford	Winn
Evans, Ga.	Murphy, N.Y.	Wirth
Flowers	Nix	Wolff

The Clerk announced the following pairs:

Mr. Bingham with Mr. Anderson of Illinois.
Mrs. Boggs with Mr. Frey.
Mr. Wolff with Mr. Armstrong.
Mr. Santini with Mr. Sarasin.
Mr. Chappel with Mr. Pritchard.
Mr. Delaney with Mrs. Pettis.
Mr. Duncan of Oregon with Mr. Symms.
Mr. Flowers with Mr. Wynn.
Mr. Fountain with Mr. Luken.
Mr. Le Fante with Mr. Leggett.
Mr. Murphy of New York with Mr. Kasten.
Mr. de la Garza with Mr. Jeffords.
Mr. Byron with Mr. Guyer.
Mr. Roberts with Mr. English.
Mr. Rangel with Mr. Evans of Georgia.
Mr. Solarz with Mr. McKay.
Mr. Charles Wilson of Texas with Mr. Milford.
Mr. Wirth with Mr. Huckaby.
Mr. Fuqua with Mr. Pike.
Mr. Ichord with Mr. Tsongas.
Mr. Harrington with Mr. Watkins.
Mr. Jones of Oklahoma with Mr. Edwards of Oklahoma.
Mr. Mann with Mr. Dent.
Mr. Rose with Mr. Burke of Florida.
Mr. Steed with Mr. Andrews of North Carolina.
Mr. Teague with Mr. Barnard.
Mr. Bowen with Mr. Conyers.
Mr. Nowak with Mr. Nix.

So (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

SUBSTITUTE TREASURY CHECKS

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 13087.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Maryland (Mr. MITCHELL) that the House suspend the rules and pass the bill, H.R. 13087) on which the yeas and nays are ordered.

The vote was taken by electronic de-

vice, and there were—yeas 375, nays 0, not voting 57, as follows:

[Roll No. 522]

YEAS—375

Abdnor	Dodd	LaFalce
Addabbo	Dornan	Lagomarsino
Akaka	Downey	Latta
Alexander	Drinan	Leach
Ambro	Duncan, Tenn.	Lederer
Ammerman	Early	Lehman
Anderson, Calif.	Eckhardt	Lent
	Edgar	Levitas
Andrews, N. Dak.	Edwards, Ala.	Livingston
	Edwards, Calif.	Lloyd, Calif.
Annunzio	Eilberg	Lloyd, Tenn.
Applegate	Emery	Long, La.
Archer	Erlenborn	Long, Md.
Ashbrook	Ertel	Lott
Ashley	Evans, Colo.	Lujan
Aspin	Evans, Del.	Lundine
AuCoin	Evans, Ind.	McClory
Badham	Fary	McCloskey
Bafalis	Fascell	McCormack
Baldus	Fenwick	McDade
Baucus	Findley	McDonald
Bauman	Fish	McEwen
Beard, R.I.	Fisher	McFall
Beard, Tenn.	Fithian	McHugh
Bedell	Flippo	McKinney
Bellenson	Flood	Madigan
Benjamin	Florio	Maguire
Bennett	Flynt	Mahon
Bevill	Foley	Markey
Biaggi	Ford, Mich.	Marks
Blanchard	Ford, Tenn.	Marlenee
Blouin	Forsythe	Marriott
Boland	Fowler	Martin
Bolling	Fraser	Mathis
Bonior	Frenzel	Mattox
Bonker	Gammage	Mazzoli
Brademas	Garcia	Meeds
Breaux	Gaydos	Metcalfe
Breckinridge	Gephardt	Meyner
Brinkley	Giaimo	Michel
Brodhead	Gibbons	Mikulski
Brooks	Gilman	Mikva
Broomfield	Ginn	Miller, Calif.
Brown, Calif.	Glickman	Miller, Ohio
Brown, Mich.	Goldwater	Mineta
Brown, Ohio	Gonzalez	Minish
Broyhill	Goodling	Mitchell, Md.
Buchanan	Gore	Mitchell, N.Y.
Burgener	Gradison	Moakley
Burke, Calif.	Grassley	Moffett
Burke, Mass.	Green	Mollohan
Burleson, Tex.	Gudger	Montgomery
Burlison, Mo.	Hagedorn	Moore
Burton, John	Hall	Moorhead, Calif.
Burton, Phillip	Hamilton	
Butler	Hammer-schmidt	Moorhead, Pa.
Caputo		Moss
Carney	Hanley	Mottl
Carr	Hannaford	Murphy, Ill.
Carter	Hansen	Murphy, Pa.
Cavanaugh	Harkin	Murtha
Cederberg	Harris	Myers, Gary
Chisholm	Harsha	Myers, John
Clausen, Don H.	Hawkins	Myers, Michael
	Heckler	Natcher
Clawson, Del	Hefner	Neal
Clay	Heftel	Nedzi
Cleveland	Hightower	Nichols
Cochran	Hillis	Nolan
Cohen	Holland	O'Brien
Coleman	Hollenbeck	Oakar
Collins, Ill.	Holt	Oberstar
Collins, Tex.	Holtzman	Obey
Conable	Horton	Ottinger
Conte	Howard	Panetta
Corcoran	Hubbard	Patten
Corman	Hughes	Patterson
Cornell	Hyde	Pattison
Cornwell	Ireland	Pease
Cotter	Jacobs	Pepper
Coughlin	Jenkins	Perkins
Crane	Jenrette	Pickle
Cunningham	Johnson, Calif.	Poage
D'Amours	Jones, N.C.	Pressler
Daniel, Dan	Jones, Tenn.	Preyer
Daniel, R. W.	Jordan	Price
Danielson	Kastenmeier	Pursell
Davis	Kazen	Quayle
Dellums	Kelly	Quie
Derrick	Kemp	Quillen
Derwinski	Keys	Rahall
Devine	Kildee	Railsback
Dickinson	Kindness	Regula
Dicks	Kostmayer	Reuss
Diggs	Krebs	Rhodes
Dingell	Krueger	Richmond
Rinaldo	Skelton	Vanik
Risenhoover	Skubitz	Vento
Robinson	Slack	Volkmer
Rodino	Smith, Iowa	Waggonner
Roe	Smith, Nebr.	Walgren
Rogers	Snyder	Walker
Roncalio	Spellman	Walsh
Rooney	Spence	Wampler
Rosenthal	St Germain	Waxman
Rostenkowski	Staggers	Weaver
Rousselot	Stangeland	Weiss
Roybal	Stanton	Whalen
Rudd	Stark	White
Runnels	Steers	Whitehurst
Ruppe	Steiger	Whitley
Russo	Stockman	Whitten
Ryan	Stokes	Wiggins
Santini	Stratton	Wilson, Bob
Satterfield	Studds	Wilson, C. H.
Sawyer	Stump	Wright
Scheuer	Taylor	Wydler
Schroeder	Thone	Wylie
Schulze	Thornton	Yates
Sebelius	Traxler	Yatron
Seiberling	Treen	Young, Alaska
Sharp	Trible	Young, Fla.
Shipley	Tucker	Young, Mo.
Shuster	Udall	Young, Tex.
Sikes	Ullman	Zablocki
Simon	Van Deerlin	Zeferetti
Sisk	Vander Jagt	

NAYS—0

NOT VOTING—57

Anderson, Ill.	Fountain	Nowak
Andrews, N.C.	Frey	Pettis
Armstrong	Fuqua	Pike
Barnard	Guyer	Pritchard
Bingham	Harrington	Rangel
Boggs	Huckaby	Roberts
Bowen	Ichord	Rose
Burke, Fla.	Jeffords	Sarasin
Byron	Johnson, Colo.	Solarz
Chappell	Jones, Okla.	Steed
Conyers	Kasten	Symms
de la Garza	Le Fante	Teague
Delaney	Leggett	Thompson
Dent	Luken	Tsongas
Duncan, Oreg.	McKay	Watkins
Edwards, Okla.	Mann	Wilson, Tex.
English	Milford	Winn
Evans, Ga.	Murphy, N.Y.	Wirth
Flowers	Nix	Wolff

The Clerk announced the following pairs:

Mr. Bingham with Mr. Anderson of Illinois.
Mr. Rangel with Mrs. Pettis.
Mr. Roberts with Mr. Symms.
Mr. Thompson with Mr. Wynn.
Mr. Wolff with Mr. Luken.
Mrs. Boggs with Mr. Kasten.
Mr. Byron with Mr. Jeffords.
Mr. Chappell with Mr. Harrington.
Mr. Duncan of Oregon with Mr. Guyer.
Mr. Le Fante with Mr. Armstrong.
Mr. Tsongas with Mr. Frey.
Mr. Wirth with Mr. Andrews of North Carolina.
Mr. Ichord with Mr. Burke of Florida.
Mr. Fuqua with Mr. Dent.
Mr. Fountain with Mr. Edwards of Oklahoma.
Mr. Nowak with Mr. Watkins.
Mr. Murphy of New York with Mr. Teague.
Mr. Evans of Georgia with Mr. Sarasin.
Mr. English with Mr. Steed.
Mr. Conyers with Mr. Pritchard.
Mr. Barnard with Mr. Pike.
Mr. Bowen with Mr. Flowers.
Mr. McKay with Mr. Jones of Oklahoma.
Mr. Charles Wilson of Texas with Mr. Leggett.
Mr. Rose with Mr. Mann.
Mr. Solarz with Mr. Milford.
Mr. Nix with Mr. Huckaby.
Mr. Delaney with Mr. de la Garza.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

TRANSPORTATION SAFETY BOARD AUTHORIZATIONS

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 12106, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Californa (Mr. ANDERSON) that the House suspend the rules and pass the bill H.R. 12106, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 340, nays 32, not voting 60, as follows:

[Roll No. 523]

YEAS—340

Abdnor	Coughlin	Holt
Addabbo	Cunningham	Holtzman
Akaka	D'Amours	Horton
Alexander	Daniel, Dan	Howard
Ambro	Daniel, R. W.	Hubbard
Anderson, Calif.	Danielson	Hughes
	Davis	Hyde
Andrews, N. Dak.	Dellums	Ireland
	Derrick	Jacobs
Annunzio	Derwinski	Jenkins
Applegate	Dickinson	Jenrette
Archer	Dicks	Johnson, Calif.
Ashbrook	Diggs	Jones, N.C.
Ashley	Dingell	Jones, Tenn.
Aspin	Dodd	Jordan
AuCoin	Dornan	Kastenmeier
Badham	Downey	Kemp
Bafalis	Drinan	Keys
Baldus	Duncan, Tenn.	Kildee
Baucus	Early	Kindness
Bauman	Eckhardt	Kostmayer
Beard, R.I.	Edgar	Krebs
Beard, Tenn.	Edwards, Ala.	Krueger
Bedell	Edwards, Calif.	LaFalce
Bellenson	Eilberg	Lagomarsino
Benjamin	Emery	Leach
Bennett	Erlenborn	Lederer
Bevill	Ertel	Lehman
Biaggi	Evans, Colo.	Lent
Blanchard	Evans, Del.	Levitas
Blouin	Fary	Livingston
Boland	Fascell	Lloyd, Calif.
Bolling	Fenwick	Lloyd, Tenn.
Bonior	Findley	Long, La.
Bonker	Fish	Long, Md.
Brademas	Fisher	Lott
Breaux	Fithian	Lujan
Breckinridge	Flood	Lundine
Brinkley	Florio	McClory
Brodhead	Flynt	McCloskey
Brooks	Foley	McCormack
Broomfield	Ford, Mich.	McDade
Brown, Calif.	Ford, Tenn.	McEwen
Brown, Mich.	Forsythe	McFall
Broyhill	Fowler	McHugh
Buchanan	Fraser	McKinney
Burgener	Frenzel	Madigan
Burke, Calif.	Garcia	Maguire
Burke, Mass.	Gaydos	Mahon
Burlison, Mo.	Gephardt	Markey
Burton, John	Giaimo	Marks
Burton, Phillip	Gibbons	Marriott
Butler	Gilman	Martin
Caputo	Ginn	Mathis
Carney	Glickman	Mazzoli
Carr	Goldwater	Meeds
Carter	Gonzalez	Metcalfe
Cavanaugh	Goodling	Meyner
Cederberg	Gore	Michel
Chisholm	Gradison	Mikulski
Clausen, Don H.	Grassley	Mikva
	Green	Miller, Calif.
Clawson, Del	Gudger	Miller, Ohio
Clay	Hagedorn	Mineta
Cleveland	Hamilton	Minish
Cochran	Hanley	Mitchell, Md.
Cohen	Hannaford	Mitchell, N.Y.
Coleman	Harkin	Moakley
Collins, Ill.	Harris	Mollohan
Conable	Harsha	Moore
Conte	Hawkins	Moorhead, Calif.
Corcoran	Heckler	
Corman	Hefner	Moorhead, Pa.
Cornell	Hillis	Moss
Cornwell	Holland	Murphy, Ill.
Cotter	Hollenbeck	Murphy, Pa.

Murtha	Roncalio	Studds
Myers, Gary	Rooney	Thompson
Myers, John	Rosenthal	Thone
Myers, Michael	Rostenkowski	Thornton
Natcher	Roybal	Traxler
Neal	Ruppe	Treen
Nedzi	Russo	Trible
Nichols	Ryan	Tucker
Nolan	Santini	Udall
O'Brien	Satterfield	Ullman
Oakar	Sawyer	Van Deerlin
Oberstar	Scheuer	Vander Jagt
Obey	Schroeder	Vanik
Ottinger	Schulze	Vento
Panetta	Sebelius	Walker
Patten	Seiberling	Walsh
Patterson	Sharp	Wampler
Pease	Shipley	Waxman
Pepper	Shuster	Weaver
Perkins	Sikes	Weiss
Pickle	Simon	Whalen
Pressler	Sisk	White
Preyer	Skubitz	Whitehurst
Price	Slack	Whitten
Pursell	Smith, Iowa	Wiggins
Quayle	Smith, Nebr.	Wilson, Bob
Quie	Snyder	Wilson, C. H.
Quillen	Spellman	Wright
Rahall	Spence	Wydler
Railsback	St Germain	Wylie
Regula	Staggers	Yates
Reuss	Stangeland	Yatron
Rhodes	Stanton	Young, Alaska
Richmond	Stark	Young, Fla.
Rinaldo	Steers	Young, Mo.
Robinson	Steiger	Young, Tex.
Rodino	Stockman	Zablocki
Roe	Stokes	Zeferetti
Rogers	Stratton	

NAYS—32

Ammerman	Hansen	Risenhoover
Burleson, Tex.	Heftel	Rousselot
Collins, Tex.	Hightower	Rudd
Crane	Kelly	Runnels
Devine	Latta	Skelton
Evans, Ind.	McDonald	Stump
Flippo	Marlenee	Taylor
Gammage	Mattox	Volkmer
Hall	Montgomery	Waggonner
Hammer-schmidt	Mottl	Walgren
	Poage	Whitley

NOT VOTING—60

Anderson, Ill.	Fountain	Nix
Andrews, N.C.	Frey	Nowak
Armstrong	Fuqua	Pattison
Barnard	Guyer	Pettis
Bingham	Harrington	Pike
Boggs	Huckaby	Pritchard
Bowen	Ichord	Rangel
Brown, Ohio	Jeffords	Roberts
Burke, Fla.	Johnson, Colo.	Rose
Byron	Jones, Okla.	Sarasin
Chappell	Kasten	Solarz
Conyers	Kazen	Steed
de la Garza	Le Fante	Symms
Delaney	Leggett	Teague
Dent	Luken	Tsongas
Duncan, Oreg.	McKay	Watkins
Edwards, Okla.	Mann	Wilson, Tex.
English	Milford	Winn
Evans, Ga.	Moffett	Wirth
Flowers	Murphy, N.Y.	Wolff

The Clerk announced the following pairs:

Mrs. Boggs with Mr. Anderson of Illinois.
Mr. Bingham with Mr. Frey.
Mr. Roberts with Mrs. Pettis.
Mr. Wolff with Mr. Pritchard.
Mr. Chappel with Mr. Guyer.
Mr. Byron with Mr. Brown of Ohio.
Mr. Bowen with Mr. Jeffords.
Mr. Fuqua with Mr. Sarasin.
Mr. Fountain with Mr. Armstrong.
Mr. Nix with Mr. Andrews of North Carolina.
Mr. Nowak with Mr. Symms.
Mr. Steed with Mr. Wynn.
Mr. Tsongas with Mr. Burke of Florida.
Mr. Charles Wilson of Texas with Mr. Dent.
Mr. Mann with Mr. Edwards.
Mr. Murphy of New York with Mr. Milford.
Mr. Duncan of Oregon with Mr. Teague.
Mr. Delaney with Mr. Pike.
Mr. Conyers with Mr. Harrington.
Mr. Jones of Oklahoma with Mr. Kasten.
Mr. Ichord with Mr. Leggett.
Mr. Rose with Mr. McKay.
Mr. Watkins with Mr. de la Garza.
Mr. Wirth with Mr. Flowers.
Mr. English with Mr. Solarz.
Mr. Evans of Georgia with Mr. Luken.
Mr. Barnard with Mr. Moffett.
Mr. Rangel with Mr. Kazen.
Mr. Le Fante with Mr. Huckaby.
Mr. Pattison of New York with Mr. Johnson of Colorado.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

SPECIAL REPORT ON MULTILATERAL EXPORT CONTROLS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations:

To the Congress of the United States:

I hereby transmit the "Special Report on Multilateral Export Controls," pursuant to section 117 of Public Law 95–52, the Export Administration Amendments of 1977.

JIMMY CARTER.

THE WHITE HOUSE, *July 10, 1978.*

JUSTICE SYSTEM IMPROVEMENT ACT OF 1978—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 95–365)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, without objection, referred to the Committee on the Judiciary and ordered to be printed:

To the Congress of the United States:

I am today sending to Congress the "Justice System Improvement Act of 1978," which will make significant changes in programs now being administered by the Law Enforcement Assistance Administration ("LEAA") and will revitalize our efforts to help State and local governments improve their justice systems.

For the past 10 years, Federal efforts to control crime through LEAA have been uncoordinated and ineffective. In providing financial assistance to State and local governments, the LEAA program has never been as efficient or effective as originally intended. A complex bureaucratic structure has enveloped the Federal effort, involving State and local law enforcement officials in excessive regulation, complexity, and mountains of redtape—rather than providing them with needed financial and technical assistance. Compliance with procedural guidelines has often overshadowed substantive accomplishments. Further, Federal research and statistics programs have not provided the types of information needed for sound management decisions by those involved in controlling crime and improving our justice system.

With the counsel and assistance of State and local officials and of Congressional leaders, particularly Senator Kennedy and Congressman Rodino, we have devoted more than a year to an intensive, thorough review of the LEAA program. Through that review, we sought to remedy the deficiencies in the LEAA program, while at the same time building upon the program's basic strengths. The Act which I am proposing today meets that goal: it effectively addresses LEAA's weaknesses and furthers our efforts, enhanced by our urban policy, to develop an effective partnership among the Federal government, State and local governments and community organizations.

Enactment of this bill will be a major step forward in our nation's efforts to control crime and improve the administration of justice. The bill contains the following major initiatives:

—It will streamline and redirect the LEAA program by simplifying the grant process and eliminating unnecessary paperwork;
by targeting funds to areas of greatest need;
by eliminating wasteful uses of LEAA funds;
by strengthening the role of local governments; and
by increasing community and neighborhood participation in program decisions.

—It will also consolidate within the Department of Justice
civil and criminal research efforts in a new National Institute of Justice; and
civil and criminal statistical programs in a new Bureau of Justice Statistics.

LAW ENFORCEMENT ASSISTANCE ADMINISTRATION ELIMINATING PAPERWORK

The current statute authorizing LEAA imposes 25 broad planning requirements. Implementation of these requirements has resulted in annual State plans of uncertain value and extraordinary length. Each year, State plans total about 55,000 pages often filled with needless and repetitive narrative. Over the program's history, about 500 plans filling some one-half million pages have been submitted to LEAA. Countless staff time has been devoted to plan development and review at the Federal, State and local level.

My proposal will reverse this trend. Statutorily mandated requirements regarding content of plans will be reduced from 25 to 8. Annual State plans—now averaging about 1,000 pages—will be replaced by simplified applications submitted once every three years. This change alone will decrease paperwork by as much as 75 percent.

In addition, under the Act, major local government units will be able to submit single applications for funding of all projects covering a three-year period. The impact of this change will be significant. Presently, cities like Atlanta, Denver, Detroit, Chicago, Los Angeles and Newark fill out on the average 40 project applications each year. Under the

Act, they will be required to complete only one.

TARGETING FUNDS

Under the existing statute, LEAA funds are distributed to States solely on the basis of population. There is no requirement that funds be distributed according to an area's need to fight crime.

Under the Act, a priority will be placed on focusing funds to the areas with the most severe crime problems, in line with the Administration's general policy of targeting funds from government programs to areas of greatest need.

At present, 17 States have about 55 percent of the nation's serious crime and about 45 percent of the total population. Under our proposals, those 17 States would receive additional funds to distribute to their local areas with the greatest crime problems.

WASTEFUL USE OF FUNDS

The existing LEAA statute does not place any meaningful limits on how funds are to be used. or incentives for efficient use. In recent years, it has become obvious that some LEAA funds have been wasted on useless equipment, hardware, projects and programs.

To avoid future wasteful use, and to insure that LEAA funds are spent in the most productive ways, my proposal contains reasonable limits on the use of LEAA funds.

Strict limitations will be placed on the use of funds for equipment, hardware, administrative expenses, and general salary expenses. These limitations should result in additional LEAA funds for programs which will directly impact on the fight against crime and which will improve our judicial system.

LOCAL GOVERNMENTS

Under the current LEAA statute, local crime prevention and control efforts have frequently been undercut by uncertainty about funding levels, as well as by disagreements over State and local roles and responsibilities.

My proposal will eliminate the uncertainty concerning the funding level for local governments and will more clearly establish the relationship between State and local governments. Rather than having to file innumerable applications with their State governments, my proposal will enable municipalities of over 100,000 population and counties of over 250,000 population for the first time to receive a fixed allocation of LEAA funds each year.

In addition, decisions regarding funding are now made at the State level, often without adequate local consultation. Under my proposal, these cities and counties will be given greater discretion to select projects and programs particularly suited to their own crime reduction and criminal justice needs.

COMMUNITY AND NEIGHBORHOOD PARTICIPATION

All too often, a wide gulf separates law enforcement officials from the communities and people they protect. This has been particularly true of the LEAA program.

My proposal recognizes that crime prevention and justice system improvement are not solely the tasks of government or justice agencies. Private citizens and neighborhood and community organizations will have a vital role to play. The participation of neighborhood and community groups in the development and approval of State and local applications will be assured. Not only will public hearings be required before State and local LEAA funding decisions are made, but those groups will be fully represented on the State and local advisory boards that will be established to determine how LEAA funds are spent locally. These actions will reenforce the neighborhood anti-crime proposal announced recently in our urban policy.

NATIONAL INSTITUTE OF JUSTICE

Although the Federal, State, and local governments spend billions of dollars each year in their effort to combat crime and improve their criminal justice systems, we do not have adequate tools to assess the impact of these dollars in reducing crime or improving our justice system.

To date, Federal leadership in developing the necessary tools has been uncoordinated, fragmented, and has generally lacked focus.

My proposal will remedy this problem by creating a National Institute of Justice within the Justice Department. The Institute will replace two existing units, the National Institute for Law Enforcement and Criminal Justice and the National Institute of Corrections, and part of a third unit, the Institute of Juvenile Development and Research. The National Institute of Justice will be authorized to undertake basic and applied research, and to conduct evaluations and sponsor demonstrations in the civil and criminal justice areas.

It will centralize the Federal effort to determine how the Federal, State and local governments can most effectively attack the crime problem and strengthen their justice system.

To ensure the independence and integrity of the Institute's efforts, its Director will have final authority for all grants and contracts made by the Institute.

An advisory board to the Institute will be composed of a broadly based group of academic experts, State and local officials, neighborhood and community leaders and citizens. The board will have authority to develop, in conjunction with the Director, policies and priorities for the National Institute of Justice.

BUREAU OF JUSTICE STATISTICS

One of the most valuable services provided by the Federal government in the criminal justice area is the compilation of statistics. However, the Federal effort here has also lacked a central focus and direction.

Under my proposal, a Bureau of Justice Statistics will be created in the Department of Justice. The Bureau will be authorized to collect, analyze and disseminate statistics on criminal and civil justice matters. As a result, the Federal government will be able to provide crime statistics which are reliable and uniform.

An advisory board to the Bureau will consist of researchers, statisticians, State and local officials and citizens. The board would have authority to recommend to the Director policies and priorities for the Bureau of Justice Statistics.

To coordinate the operation of the streamlined LEAA, the National Institute of Justice and the Bureau of Justice Statistics, the Department of Justice will establish the Office of Justice Assistance, Research and Statistics. That Office will be responsible for ensuring that each of these three organizations attacks our criminal and civil justice problems in a focused and complementary way.

The "Justice System Improvement Act of 1978" lays the foundation for an effective Federal program of financial assistance, research and statistics and is vitally important to assist States, local governments and citizens groups in combating and improving the quality of the justice programs. I urge the Congress to give this proposal prompt and favorable consideration.

JIMMY CARTER.

THE WHITE HOUSE, *July 10, 1978.*

GENERAL LEAVE

Mr. PHILLIP BURTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks with reference to the debate on the bill H.R. 12536, and that I may be permitted to revise and extend my remarks, and to include extraneous matter, on the bill, H.R. 12536.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

NATIONAL PARKS AND RECREATION ACT OF 1978

Mr. PHILLIP BURTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 12536) to provide for increases in appropriations ceilings, development ceilings, land acquisition, and boundary changes in certain Federal park and recreation areas, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. PHILLIP BURTON).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 12536, with Mr. THORNTON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Monday, June 26, 1978, all time for general debate had expired, and the Clerk had read through line 24 on page 168 of the bill.

Are there any amendments to sections 1, 2, or 3, or title I?

AMENDMENTS OFFERED BY MR. PHILLIP BURTON

Mr. PHILLIP BURTON. Mr. Chairman, I offer a series of amendments to various titles of the bill, and I ask unanimous consent that I may be permitted to offer them at this time notwithstanding the fact that some of the titles have not yet been read.

Mr. Chairman, I also ask unanimous consent that the amendments may be considered en bloc, considered as read, and printed in the RECORD.

I might also add, Mr. Chairman, that I offer these amendments on behalf of myself and the gentleman from Kansas (Mr. SEBELIUS).

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. DON H. CLAUSEN. Mr. Chairman, reserving the right to object, do we have copies of all these amendments?

Mr. ROUSSELOT. Mr. Chairman, reserving the right to object, will the gentleman tell us how many amendments are involved?

Mr. PHILLIP BURTON. Mr. Chairman, if the gentleman will yield, a number of the amendments are offered to reduce the present development ceilings pursuant to estimates given to us by the Park Service. We are going to delete one unit in the Guam section, that relating to the Guam National Seashore. We are going in some instances to reduce the acquisition amounts and the development ceilings pursuant to conversations I have had with concerned colleagues.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, how many separate amendments are included in this block amendment?

Mr. PHILLIP BURTON. If we take it literally and include all the technical amendments, a great number of which are just that, there are some 70 amendments.

Mr. ROUSSELOT. Seventy amendments?

Mr. PHILLIP BURTON. Yes.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman tell us, does these 70 amendments apply to all eight titles?

Mr. PHILLIP BURTON. Yes. I am sure that I can assure the gentleman this has been cleared with the ranking minority member and the staff. These amendments, essentially, in thrust, reduce the overall cost of the bill by some $200 million.

Mr. ROUSSELOT. Further reserving the right to object, I certainly do not object to saving money—especially $200 million. Seventy amendments are quite a few, even though some of them may be technical. Do any of these amendments relate to the Mineral King situation?

Mr. PHILLIP BURTON. No.

Mr. ROUSSELOT. The gentleman can assure me that?

Mr. PHILLIP BURTON. I can assure the gentleman that.

Mr. ROUSSELOT. Further reserving the right to object, I would like to yield to my distinguished colleague, the gentleman from Kansas (Mr. SEBELIUS). Does the gentleman understand all of these 70 amendments, technical or otherwise?

Mr. SEBELIUS. Technical or otherwise. There was one matter, and I was just checking, to be sure, with the gentleman from California (Mr. DON H. CLAUSEN). I have gone over them all for an hour and a half this morning with the gentleman from California (Mr. PHILLIP BURTON).

Mr. ROUSSELOT. Further reserving the right to object, these amendments, then, do not substantially change what the committee did; is that correct?

Mr. PHILLIP BURTON. I think not. I think they refine what the committee has done. They do eliminate some potential misunderstanding of some cost. I can give the gentleman an illustration. We allocated $10 million a year for studies for future park sites. The Office of Management and Budget said this cost $40 million. We have no such sum, so we deleted that $10 million a year and made it clear that there is only $5 million that can be made available. There are a number of such items that merely treat questions posed by the Executive or some of my colleagues which do no violence to our product but do eliminate concern.

Mr. ROUSSELOT. Further reserving the right to object, the gentleman is confident that, by taking these en bloc, we will not in any way circumvent what members of the committee attempted to do in committee?

Mr. PHILLIP BURTON. I can give the gentleman my absolute flat assurance in that respect.

There are some amendments, such as the amendment discussed by the gentleman from California (Mr. MCFALL), subsection (4) of the wild and scenic rivers bill, about which there was some concern. We are deleting the entire section. We could debate the matter for an hour and a half and end up deleting it. It was a point we thought we were well advised to heed.

Mr. ROUSSELOT. Further reserving the right to object, the gentleman can assure us that, by taking these en bloc, we are in no way kind of pushing something through which more thorough or seperate consideration might change?

Mr. PHILLIP BURTON. No. I can give the gentleman my full assurance in that respect.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman's colloquy on this subject.

Further serving the right to object, I will yield to my colleague, the gentleman from California (Mr. MCFALL).

Mr. MCFALL. Mr. Chairman, further referring to section 765, which is the whole section, does the gentleman intend to knock out the whole section or just subsection (4)?

Mr. PHILLIP BURTON. Subsection (4). I might say the balance of that would be subject to amendment in due course if the gentleman wished to pursue it.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. Further reserving the right to object, I yield to my colleague, the gentleman from New Jersey (Mr. THOMPSON).

Mr. THOMPSON. Mr. Chairman, I am not certain of the parliamentary situation, and that is why I asked the gentleman from California (Mr. ROUSSELOT) to yield, so that I may address a question to the Chairman. Is the effect of this unanimous-consent request to open the bill any further than the description which the gentleman has made?

Mr. PHILLIP BURTON. No. In further assurance to the gentleman, this in no way affects the Delaware River issue in any respect.

Mr. THOMPSON. Mr. Chairman, if the gentleman will yield further, I have two amendments relating to the Delaware River, which really constitute one.

Would the gentleman find it possible to yield at the appropriate time for consideration of the two amendments en bloc?

Mr. PHILLIP BURTON. I would say, in the interest of debating the issue once rather than twice, the answer to that question would be "yes."

Mr. THOMPSON. I thank the gentleman.

Mr. Chairman, if the gentleman will yield further, I inform the chairman that those amendments en bloc would be on pages 194 and 313; but they relate to exactly the same subject matter.

Again, Mr. Chairman, I thank the gentleman.

Mr ROUSSELOT. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. DERWINSKI. Reserving the right to object, Mr. Chairman, I trust that the gentleman from California (Mr. PHILLIP BURTON) can clarify this question for me: The 70 amendments, we trust, would not preclude any Member, including the gentleman from New Jersey (Mr. THOMPSON) and others who have already signaled their interest, from offering any amendment that the Member might have; is that correct?

Mr. PHILLIP BURTON. If the gentleman will yield, Mr. Chairman, that is correct.

It would be my assurance to my colleagues that if these amendments clarifying the bill were adopted, I would not attempt to preclude any Members with respect to any parliamentary rights that may exist additionally because of this action.

Mr. DERWINSKI. Further reserving the right to object, Mr. Chairman, do any of these amendments, technical or otherwise, deal with the restoration of the *Sequoia* or an equivalent ship?

Mr. PHILLIP BURTON. No.

Mr. DERWINSKI. May I ask the gentleman why not.

Mr. PHILLIP BURTON. The gentleman from Oklahoma and the gentleman from Maryland (Mr. BAUMAN) presented a very clear and convincing statement that that is an idea whose time has not yet arrived.

Mr. DERWINSKI. Could we at least get the President into a rowboat?

Mr. PHILLIP BURTON. On this particular section I suspect that an amendment might be in order to consider that matter.

Mr. DERWINSKI. With that assurance Mr. Chairman, I withdrew my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. ROGERS. Reserving the right to object, Mr. Chairman, I have discussed with the chairman my concern and the concern of people in my area about Mara-Lago. I know that the gentleman was kind enough to hold a hearing on this, but no action has as yet come from that.

It is my understanding that the chair-

man desires to go down and look at the property; is that correct?

Mr. PHILLIP BURTON. If the gentleman will yield further, that is correct.

Mr. ROGERS. Would the gentleman be able to give us some assurance that the subcommittee, after his trip, will take action this year on that bill so as to make some judgment? It would be helpful if that could be done.

Mr. PHILLIP BURTON. I would assure the gentleman that we will make a gentleman's request. Perhaps the subcommittee could be somewhat subject to criticism for not having processed this item. However, we found that we had rather a full plate this year, and we simply were not able to get to it.

I do have a view as to a possible solution, which I advanced to the gentleman from Florida (Mr. ROGERS). That view has not yet ripened into specific statutory language; and I am reluctant at this time to treat with the matter until we have had an opportunity to talk with the trustees and are sure that which we seek is fair and just, not only to the trustees of the estate, but to the American taxpayers as well.

Mr. ROGERS. Further reserving the right to object, would the gentleman be able to do that this year? Could we do that this year?

Mr. PHILLIP BURTON. If the gentleman will yield further, as I see it, we will reach a definitive judgment on that matter this year.

Mr. ROGERS. And action could be taken this year?

Mr. PHILLIP BURTON. I shall proceed with more than due diligence to achieve that result. We will get a decision of some kind out of our subcommittee and, hopefully, out of the full committee this year—and I can assure the gentleman that he will be totally pleased with our action—through some rational balancing of the interests, of the public interest, on one hand, and of the interest of the estate and the communities, on the other, which is a result that I am determined to seek and which I hope we will achieve.

Mr. ROGERS. Further reserving the right to object, Mr. Chairman, and I do not want to put the chairman in an uncomfortable position, I would hope that the decision could be made this year and that he can visit the area, because the Committee on Appropriations has already made the judgment that we should not put more funds into this area.

As the gentleman knows, the Park Service has recommended that it be turned back to the trustees. The trustees are agreeable to having it turned back. The people of our area desire it to be turned back so that it can go on the tax rolls.

Mr. Chairman, with the assurances which the gentleman has given me that he will make a definitive judgment and that action will be taken by the subcommittee this year, I will withdraw by reservation of objection.

Mr. PHILLIP BURTON. I thank the gentleman, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from California (Mr. PHILLIP BURTON)?

There was no objection.

The CHAIRMAN. There being no objection, the amendments will be considered en bloc, considered as read and printed in the RECORD.

The amendments are as follows:

Amendments offered by Mr. PHILLIP BURTON: Page 163, strike lines 1 and 2, and insert in lieu thereof: "000 for development.', and by deleting '(March 1969 prices), for development, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuation in construction costs as indicated by engineering cost indices applicable to the types of construction involved herein.' ".

Page 163, strike line 22, and insert in lieu thereof: "to '$1,373,000 for development.', and by deleting 'for development, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved herein.' ".

Page 164, line 2, change "$1,962,000" to "$1,662,000".

Page 164, strike lines 3 through 6, and renumber succeeding paragraphs accordingly.

Page 165, strike lines 4 and 5, and insert in lieu thereof: "(July 1971 prices)' to '$2,075,000 for development.', and by deleting 'for development, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuation in construction involved herein.' ".

Page 165, line 9, change the period to a comma, and add the following at the end thereof: "and by adding the following new sentence at the end of the section: 'No funds appropriated for development purposes pursuant to this Act may be expended for improvements incompatible with wilderness management within the corridor of the park leading to the summit of Guadalupe Peak.' ".

Page 165, line 13, change "$25,224,000" to "$24,224,000".

Page 165, strike lines 14 and 15, and insert in lieu thereof: " '(June 1970 prices) for development, plus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering costs indices applicable to the types of construction involved herein.', and inserting in lieu thereof 'for development.' ".

Page 166, line 9, change "$2,185,000" to "$1,285,000".

Page 167, strike line 2, and insert in lieu thereof: "1971 prices)" to '$682,000 for development.', and by deleting 'of the area, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indices applicable to the types of construction involved herein.' ".

Page 167, strike line 24, and insert in lieu thereof: "to '$1,571,000', by changing the comma following 'development' to a period, and by deleting the remainder of the sentence following said period.".

Page 168, line 4, change "$34,000,000" to "$24,000,000".

Page 168, strike line 24 and insert in lieu thereof: " '1969 prices),' to '$5,640,000.', and deleting the remaining portion of the sentence following the period.".

Page 169, lines 8 and 9, change "$4,250,000" "$5,250,000", and change "$5,750,000" to "$6,750,000".

Page 169, following line 24, insert the following new section:

"SEC. 203. With respect to those areas of the national park system as they existed prior to the convening of the Ninety-fifth Congress, it is the express intent of Congress that all land acquisition be completed, subject to any specific statutory limitation on the method of acquisition applicable to any individual area, within four complete fiscal years following the effective date of this Act: *Provided, however*, That this sentence shall not apply to any such area established prior to January 1, 1960, for which the total value of private lands and improvements remaining to be acquired exceeds $8,000,000 as of September 30, 1976."

Page 170, following line 19, insert the following new paragraph, and renumber succeeding paragraphs accordingly:

"(3) City of Refuge National Historical Park Hawaii: To add approximately two hundred and four acres as generally depicted on the map entitled 'Boundary Map, City of Refuge National Historical Park, Hawaii', numbered 415–20,007–C, and dated May, 1978: $7,400,000.".

Page 171, line 14, change "$235,000" to "$170,000".

Page 172, after line 23, insert the following new paragraph, and renumber succeeding paragraphs accordingly:

"(12) Manassas National Battlefield Park, Virginia: To add approximately one thousand eight hundred acres as generally depicted on the map entitled 'Boundary Map, Manassas National Battlefield Park', dated May 1977, and numbered 379–80004–D: $8,500,000; *Provided*, That the total area of such park shall not exceed four thousand nine hundred acres; *Provided further*, That the Secretary shall not acquire fee simple title to any lands identified on such map as 'scenic easement' unless he determines that to do so is necessary, desirable, and in the public interest and in such event he may acquire the fee simple title only with the consent of the owner; *Provided further*, That the Secretary may, any provision of law to the contrary notwithstanding, negotiate and consummate arrangements with appropriate officials for the removal and rerouting of any roads now within the park so as to reduce adverse impacts on park values.".

Page 178, line 20, following "303", insert "of this Act".

Page 181, after line 11, insert the following:

"(b) Section 2(d) of such Act is amended by deleting the period at the end of the last sentence and inserting: 'and the Secretary is authorized to grant, in accordance with such terms and conditions as he deems necessary and consistent with the purposes of this Act, easements and rights-of-way to the Commonwealth of Massachusetts or any political subdivision thereof including the Boston Redevelopment Authority for purposes of the vehicular, pedestrian and utility access to that portion of the Boston Navy Yard outside the boundaries of the Park. Such grants of easements and rights-of-way shall be upon the express condition that the grantee convey to the United States the property known as Building No. 107, being a part of the Boston Navy Yard and owned by the Boston Redevelopment Authority.' ".

Page 193, line 18, change "$26,000,000" to "$13,220,000".

Page 197, lines 1 through 3, delete all of subsection (b), and renumber succeeding subsections accordingly.

Page 199, line 6, change "January" to "October".

Page 200, line 13, strike the quotation marks and the period at the end thereof, and following line 13, insert the following:

" '(f) Notwithstanding any other provisions of law, in the administration of those parcels of property known as Haslett Warehouse, Cliff House Properties and Louis' Restaurant, the Secretary shall credit any proceeds from the rental of space in the aforementioned properties to the appropriation, if any, bearing the cost of their administration, maintenance, repair and related expenses and also for the maintenance, repair and related expenses of the vessels and the adjacent piers comprising the Mari-

time Historic Park, for major renovation and park rehabilitation of those buildings included in the Fort Mason Foundation Cooperative Agreement, and for a coordinated public and private access system to and within the recreation area and other units of the national park system in Marin and San Francisco Counties: *Provided*, That surplus funds, if any, will be deposited into the Treasury of the United States: *Provided, further*, notwithstanding any other provision of law, in the administration of said parcels the Secretary may, if he deems appropriate, enter into a contract for the management of said parcels of property with such terms and conditions as will protect the Government's interest, with excess funds being used as set forth above.' "

Page 200, following line 13, insert the following new subsection:

"(g) Section 5(b) of such Act is amended by changing the word 'fifteen' to 'seventeen'.".

Page 203, line 16, strike "within the seashore" and insert in lieu thereof: "added to the seashore by action of the 95th Congress".

Page 204, strike line 20 and insert in lieu thereof: "(1970 prices) for development, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indices applicable to the types of construction involved herein.' to '$22,000,000 for development.' ".

Page 204, line 23, change the period to a colon, and add the following: *"Provided, however*, That such additions shall not include any properties located between 30th Street and Thomas Jefferson Street in the northwest section of the District of Columbia.".

Page 207, lines 9 through 11, strike the phrase "and the Secretary shall acquire such property only with the consent of the owner or owners thereof,".

Page 208, line 7, strike "(1)", and line 10, insert quotation marks at the end thereof.

Page 208, strike lines 11 through 15.

Page 210, line 9, following "subsection", insert the numeral "1", and line 10, following the phrase "as amended", insert a comma.

Page 210, line 22, following the phrase "within the", insert "national seashore and, in addition, the waters surrounding said area to".

Page 212, following line 12, insert the following:

"(c) Section 7(b) of such Act is amended by striking the phrase 'Brookhaven town park at', and inserting in lieu thereof: 'Ocean Ridge portion of'."

Page 212, following line 12, insert the following new section:

"CUMBERLAND ISLAND NATIONAL SEASHORE

"SEC. 324. Section 1 of the Act of October 23, 1972 (86 Stat. 1066), is amended by changing the phrase 'numbered CUIS–40,-000B, and dated June 1971,', to read 'numbered CUIS–40,000D, and dated January 1978,'."

In section 401, strike from page 212, line 20, through page 213, line 4, and renumber succeeding paragraphs accordingly.

Page 215, line 3, following "Glacier", insert "National Park".

Page 219, line 1, following "Glacier", insert "National Park".

Page 219, line 14, change the phrase "P–09–80,001–A and dated May 1978" to "P–09–80,-001–B and dated June 1978".

Page 220, line 25, after the period, add a new sentence as follows: "The plan shall include a review of lands adjacent or related to the seashore, as well as the recommendations of the Secretary for any adjustments in the boundaries of the seashore.".

Page 221, lines 19 and 20, change the phrase "$10,000,000 for acquisition of land and interests in land and", to "such sums as may be necessary to carry out the purposes of this section, but not more than".

Page 243, lines 3 and 4, change "$34,750,000" to "$25,000,000".

Page 248, line 21, strike "certifies" and insert in lieu thereof: "determines that the lands were acquired for purposes which further the national interest in protecting the area and".

Page 249, line 12, following "facility", insert: "and shall be excused from payment for any use of the land and facilities on the site prior to the enactment of this Act".

Page 249, lines 18 and 19, delete the phrase "in connection with the description of the boundaries of the recreation area,".

Page 249, line 20, change "such boundaries" to "the recreation area".

Page 261, line 25, change "$50,000,000" to "$25,000,000".

Page 262, strike line 1, and insert in lieu: "for fiscal year 1979, $50,000,000 for fiscal year 1980, and $50,000,000 for fiscal year 1981, such".

Page 262, line 6, following the period, insert the following: "For the authorizations made in this subsection, any amounts authorized but not appropriated in any fiscal year shall remain available for appropriation in succeeding fiscal years.".

Page 265, after line 20, insert:

"FRIENDSHIP HILL NATIONAL HISTORIC SITE

"SEC. 512. (a) the Secretary is authorized to establish the Friendship Hill National Historic Site in the State of Pennsylvania, including the former home of Albert Gallatin, as depicted on the map entitled 'FRHI–80000' dated February 1978. Said map shall be on file and available for public inspection in the offices of the Director, National Park Service, Washington, District of Columbia. The Secretary is authorized to acquire such land and improvements thereon by donation, purchase with donated or appropriated funds, or exchange.

"(b) Pending establishment of the site and thereafter the Secretary shall administer property acquired pursuant to this section in accordance with the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1, 2–4,) as amended and supplemented, and the Act of August 21, 1935 (49 Stat. 666; 16 U.S.C. 461–467), as amended.

"(c)(1) There are hereby authorized to be appropriated for the fiscal year ending September 30, 1979, and for succeeding fiscal years, such sums as may be necessary to carry out the purposes of this section.

"(2) For the development of essential facilities there are authorized to be appropriated for the fiscal year ending September 30, 1979, and for succeeding fiscal years, such sums as may be necessary to carry out the purposes of this section, but not to exceed $100,000. Within three years from the effective date of this section, the Secretary shall develop and transmit to the Committee on Interior and Insular Affairs of the House of Representatives and to the Committee on Energy and Natural Resources of the Senate a general management plan for the use and development of the site consistent with the purposes of this section, indicating—

"(A) the lands and interests in lands adjacent or related to the site which are deemed necessary or desirable for the purposes of resource protection, scenic integrity, or management and administration of the area in furtherance of the purposes of this section and the estimated cost thereof;

"(B) the number of visitors and types of public use within the site which can be accommodated in accordance with the protection of its resources; and

"(C) the location and estimated cost of facilities deemed necessary to accommodate such visitors and uses.

"THOMAS STONE NATIONAL HISTORIC SITE

"SEC. 513. (a) The Secretary is authorized to acquire by donation, exchange, or purchase with donated or appropriated funds, the Thomas Stone home and grounds, known as Habre-de-Venture, located on Rose Hill near La Plata in Charles County, Maryland, for establishment as the Thomas Stone National Historic Site.

"(b) The national historic site shall be established by the Secretary by the publication of notice to that effect in the Federal Register at such time that he determines he has sufficient ownership to constitute an administrable unit. After such publication, the site shall be administered by the Secretary pursuant to the provisions of this section and the provisions of the Act of August 25, 1916 (39 Stat. 535), as amended and supplemented (16 U.S.C. 1 et. seq.), and the Act of August 21, 1935 (49 Stat. 666; 16 U.S.C. 461–467).

"(c) To carry out the purposes of this section, there is hereby authorized to be appropriated not to exceed $600,000 for the acquisition of lands and interests therein and not to exceed $400,000 for development.

"MAGGIE L. WALKER NATIONAL HISTORIC SITE

"SEC. 514. (a) The Secretary is authorized to establish the Maggie L. Walker National Historic Site (hereinafter in this section referred to as the "historic site") in the city of Richmond, Virginia.

"(b) The historic site shall comprise the area extending east from the western boundary of the Maggie L. Walker House at 113 East Leigh Street in Richmond, Virginia, to Third Street and extending north from an east-west line which coincides with the front property line of such house to an east-west line which coincides with the north side of the alleyway immediately at the rear of such house. Following timely notice in writing to the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate of his intention to do so, the Secretary may make minor revisions in the boundaries of the historic site by publication of a map or other revised boundary description in the Federal Register.

"(c) Within the boundaries of the historic site, the Secretary may acquire lands and interests therein by donation, purchase with donated or appropriated funds, exchange, or transfer from any other Federal agency. Any property within such boundaries owned by the State of Virginia or any political subdivision thereof may be acquired only by donation.

"(d) When the Secretary determines that lands and interests therein have been acquired in an amount sufficient to constitute an administerable unit, he shall establish the historic site by publication of a notice to that effect in the Federal Register. Pending such establishment and thereafter, the Secretary shall administer the historic site in accordance with the Act of August 25, 1916 (39 Stat. 535), as amended and supplemented (16 U.S.C. 1, 2–4), and the Act of August 21, 1935 (49 Stat. 666), as amended (16 U.S.C. 461 et seq.). Funds available for the historic site shall be available for restoration and rehabilitation of properties therein in accordance with cooperative agreements entered into pursuant to section 2(e) of the Act of August 21, 1935, supra.

"(e)(1) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, but not more than $795,000 for acquisition of lands and interests in land and not more than $500,000 for the development of essential facilities.

"(2) Within three complete fiscal years from the date of enactment of this section, the Secretary shall develop and transmit to the Committees referred to in subsection (b) a general management plan for the his-

toric site consistent with the purposes of this section. Such plan shall indicate—

"(i) facilities needed to accommodate the health, safety, and educational needs of the public;

"(ii) the location and estimated cost of all facilities; and

"(iii) the projected need for any additional facilities."

Strike page 265, line 22, through page 268, line 10, and insert in lieu thereof:

SEC. 551. The National Trails Systems Act (82 Stat. 919; 16 U.S.C. 1241), as amended, is further amended as follows:

(1) In section 2(a) after "promote" insert "the preservation of,"; and after "outdoor areas" insert "and historic resources".

(2) In section 2(a) delete "(ii)" and the remainder of the sentence and insert "(ii) secondarily, within scenic areas and along historic travel routes of the Nation, which are often more remotely located.".

(3) In section 2(b) delete "and scenic" and insert ", scenic and historic".

(4) In section 3 redesignate subsection "(c)" as "(d)", and insert a new subsection (c) as follows:

"(c) National historic trails, established as provided in section 5 of this Act, which will be extended trails which follow as closely as possible and practicable the original trails or routes of travel of national historic significance. Designation of such trails or routes shall be continuous, but the established or developed trail, and the acquisition thereof, need not be continuous onsite. National historic trails shall have as their purpose the identification and protection of the historic route and its historic remnants and artifacts for public use and enjoyment.".

(5) In the new section 3(d) delete "or national scenic" and insert ", national scenic or national historic".

(6) Change the title of section 5 to read "NATIONAL SCENIC AND NATIONAL HISTORIC TRAILS".

(7) In section 5(a), insert in the first sentence after the word "scenic" the words "and national historic" and change the second sentence to read: "There are hereby established the following National Scenic and National Historic Trails:".

(8) In section 5(a)(1), in the first sentence, after the word "Appalachian", insert "National Scenic", and in section 5(a)(2), in the first sentence, after "Pacific Crest", insert "National Scenic".

(9) In section 5(a), delete paragraph (3) and insert in lieu the following new paragraphs:

"(3) The Oregon National Historic Trail, a route of approximately two thousand miles extending from near Independence, Missouri, to the vicinity of Portland, Oregon, following a route as depicted on maps identified as 'Primary Route of the Oregon Trail 1841–1848', in the Department of the Interior's Oregon Trail study report dated April 1977, and which shall be on file and available for public inspection in the office of the Director of the National Park Service. The Trail shall be administered by the Secretary of the Interior.

"(4) The Mormon Pioneer National Historic Trail, a route of approximately one thousand three hundred miles extending from Nauvoo, Illinois, to Salt Lake City, Utah, following the primary historical route of the Mormon Trail as generally depicted on a map, identified as, 'Mormon Trail Vicinity Map, figure 2' in the Department of the Interior Mormon Trail study report dated March 1977, and which shall be on file and available for public inspection in the office of the Director, National Park Service, Washington, D.C. The trail shall be administered by the Secretary of the Interior.".

"(5) The Continental Divide National Scenic Trail, a trail of approximately thirty-one hundred miles, extending from the Montana-Canada border to the New Mexico-Mexico border, following the approximate route depicted on the map, identified as 'Proposed Continental Divide National Scenic Trail' in the Department of the Interior Continental Divide Trail study report dated March 1977 and which shall be on file and available for public inspection in the office of the Director, National Park Service, Washington, D.C. The Continental Divide National Scenic Trail shall be administered by the Secretary of Agriculture in consultation with the Secretary of the Interior. Notwithstanding the provisions of section 7(c), the use of motorized vehicles on roads which will be designated segments of the Continental Divide National Scenic Trail shall be permitted in accordance with regulations prescribed by the appropriate Secretary.".

"(6) The North Country National Scenic Trail, a trail of approximately thirty-two hundred miles, extending from eastern New York State to the vicinity of Lake Sakakawea in North Dakota, following the approximate route depicted on the map identified as 'Proposed North Country Trail-Vicinity Map' in the Department of the Interior 'North Country Trail Report', dated June 1975. The map shall be on file and available for public inspection in the office of the Director, National Park Service, Washington, D.C. The trail shall be administered by the Secretary of the Interior.".

(10) In section 5(b) after "national scenic" wherever it appears insert "or national historic"; in the first sentence after the phrase "Secretary of the Interior," insert "through the agency most likely to administer such trail,"; delete the third sentence; and delete that portion of the fourth sentence which precedes the numerical listing, and insert in lieu the following: "The studies listed in subsection (c) of this section shall be completed and submitted to the Congress, with recommendations as to the suitability of trail designation, not later than three complete fiscal years from the date of enactment of their addition to this subsection, or from the date of enactment of this sentence, whichever is later. Such studies, when submitted, shall be printed as a House or Senate document, and shall include, but not be limited to:".

(11) In section 5(b)(3) after the semicolon add "and in the case of national historic trails the report shall include the recommendation of the Secretary of the Interior's National Park System Advisory Board as to the national historic significance based on the criteria developed under the Historic Sites Act of 1935 (49 Stat. 666; U.S.C. 461);".

(12) In section 5(b)(8) delete the word "and" at the end of the sentence; in section 5(b)(9) change the period at the end of the sentence to a semicolon; and at the end of section 5(b) add the following new paragraphs:

"(10) the anticipated impact of public outdoor recreation use on the preservation of a proposed national historic trail and its related historic and archeological features and settings, including the measures proposed to ensure evaluation and preservation of the values that contribute to their national historic significance; and

"(11) to qualify for a designation as a national historic trail, a trail must meet all three of the following criteria:

"(A) It must be a trail or route established by historic use and must be historically significant as a result of that use. The route need not currently exist as a discernable trail to qualify, but its location must be sufficiently known to permit evaluation of public recreation and historical interest potential. A designated trail should generally accurately follow the historic route, but may deviate somewhat on occasion of necessity to avoid difficult routing through subsequent development, or to provide some route variation offering a more pleasurable recreational experience. Such deviations shall be so noted on site. Trail segments no longer possible to travel by trail due to subsequent development as motorized transportation routes may be designated and marked onsite as segments which link to the historic trail.

"(B) It must be of national significance with respect to any of several broad facets of American history, such as trade and commerce, migration and settlement, or military campaigns. To qualify as nationally significant, historic use of the trail must have had a far-reaching effect on broad patterns of American culture. Trails significant in the history of native Americans may be included.

"(C) It must have significant potential for public recreational use or historical interest based on historic interpretation and appreciation. The potential for use is generally greater along roadless segments developed as historic trails, and at historic sites associated with the trail. The presence of recreation potential not related to historic appreciation is not sufficient justification for designation under this category.".

(13) In section 5(c), add the following at the end thereof:

"(20) Overmountain Men Victory Trail, extending from the vicinity of Elizabethton, Tennessee, to Kings Mountain National Military Park, South Carolina.".

(14) In section 5 delete subsection (d), and insert a new section 5(d) to read as follows:

"(d) The Secretary charged with the administration of each respective trail shall, within one year of the date of the addition of any national scenic or national historic trail to the System, and within sixty days of the enactment of this sentence for the Appalachian and Pacific Crest National Scenic Trails, establish an advisory council for each such trail, each of which councils shall expire ten years from the date of its establishment. The appropriate Secretary shall consult with such council from time to time with respect to matters relating to the trail, including the selection of rights-of-way, standards for the erection and maintenance of markers along the trail, and the administration of the trail. The members of each advisory council, which shall not exceed thirty-five in number, shall serve for a term of two years and without compensation as such, but the Secretary may pay, upon vouchers signed by the chairman of the council, the expenses reasonably incurred by the council and its members in carrying out their responsibilities under this section. Members of each council shall be appointed by the appropriate Secretary as follows:

"(i) a member appointed to represent each Federal department or independent agency administering lands through which the trail route passes, and each appointee shall be the person designated by the head of such department or agency;

"(ii) a member appointed to represent each State through which the trail passes, and such appointments shall be made from recommendations of the Governors of such States;

"(iii) one or more members appointed to represent private organizations, including corporate and individual landowners and land users, which in the opinion of the Secretary, have an established and recognized interest in the trail, and such appointments shall be made from recommendations of the heads of such organizations: *Provided*, That the Appalachian Trail Conference shall be represented by a sufficient number of persons to represent the various sections of the country through which the Appalachian Trail passes; and

"(iv) the Secretary shall designate one member to be chairman and shall fill vacancies in the same manner as the original appointment.".

(15) In section 5 add a new subsection (e) as follows:

"(e) Within two complete fiscal years of the date of enactment of legislation desig-

nating a trail as part of the system, and within two complete fiscal years of the date of enactment of this subsection for the Pacific Crest and Appalachian Trails, the responsible Secretary shall, after full consultation with affected Federal land managing agencies, the Governors of the affected States, and the Appalachian Trail Conference in the case of the Appalachian Trail, submit to the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate, a comprehensive plan for the acquisition, management, development, and use of the trail, including but not limited to, the following items:

"(1) specific objectives and practices to be observed in the management of the trail, including the identification of all significant natural, historical, and cultural resources to be preserved (along with high potential historic sites and high potential route segments in the case of national historic trails), details of anticipated cooperative agreements to be consummated with other entities, and an identified carrying capacity of the trail and a plan for its implementation;

"(2) an acquisition or protection plan, by fiscal year, for all lands to be acquired by fee title or lesser interest, along with detailed explanation of anticipated necessary cooperating agreements for any lands not to be acquired; and

"(3) general and site-specific development plans, including anticipated costs.".

(16) In section 6 in the first sentence delete "National Scenic Trails" and insert national scenic or national historic", and in the second sentence delete "or scenic" and insert ", national scenic, or national historic".

(17) In section 7(a) in the first sentence delete "National Scenic Trails" and insert "national scenic and national historic trails"; in two instances in subsection (b), and in the first sentence of subsection (c), after "scenic", insert "or national historic"; in the fourth sentence of subsection (c), after "trail", insert "and within any high potential historic sites and high potential route segments of any national historic trail"; in subsection (c) in the second proviso, after "recreation" delete "or scenic" and insert ", national scenic, or national historic"; and in the fifth sentence after "recreation" delete "and scenic" and insert ", national scenic, and national historic"; in subsection (d) after "recreation" delete "or scenic" and insert ", national scenic, or national historic"; in subsection (e) after "scenic" in both instances where it appears insert "or national historic"; in subsection (h) in the first sentence after "recreation" delete "or scenic" and insert ", national scenic, or national historic", and in the second sentence after "scenic" insert "or national historic"; in subsection (i) after "recreation" delete "or scenic" and insert ", national scenic, or national historic".

(18) In section 7(c) at the end of the fourth sentence insert the following: "Where a national historic trail follows existing public roads, developed rights-of-way or waterways, and similar features of man's nonhistorically related development, approximating the original location of a historic route, such segments may be marked to facilitate retracement of the historic route, and where a national historic trail parallels an existing public road, such road may be marked to commemorate the historic route.".

(19) In section 7(e), in the first proviso, delete "within two years".

(20) In section 7(g), delete the second proviso entirely.

(21) At the end of subsection 7(g) add the following new sentence: "For national historic trails, direct Federal acquisition for trail purposes shall be limited to those areas indicated by the study report or by the comprehensive plan as high potential route segments or high potential historic sites.".

(22) In section 8 in the first sentence of subsection (a) after "establishing park, forest, and other recreation" insert "and historic"; and after "administered by States, and recreation" insert "and historic"; and at the end of the first sentence insert the following: "The Secretary is also directed to encourage States to consider, in their comprehensive statewide historic preservation plans and proposals for financial assistance for State, local, and private projects submitted pursuant to the Act of October 15, 1966 (80 Stat. 915), as amended, needs and opportunities for establishing historic trails.".

(23) In section 10, insert "(a)" preceding the first sentence; delete "(a)" in the second sentence and substitute "subsequent fiscal years" for "the subsequent fiscal year"; strike paragraph numbered (2) and subsection (b) in their entirety, and insert in lieu the following:

"(2) The Oregon National Historic Trail and the Mormon Pioneer National Historic Trail, not to exceed $5,000,000.

(3) The Continental Divide National Scenic Trail, not to exceed $3,000,000.

(4) The North Country National Scenic Trail, not to exceed $3,000,000."

"(b) Until the entire acquisition program for the Appalachian Trail is completed, the Secretary of the Interior shall request the Appalachian Trail Conference to transmit a report at the close of each fiscal year to him, the Committee on Energy and Natural Resources of the Senate and to the Committee on Interior and Insular Affairs of the House of Representatives which shall include but not be limited to comments on—

"(A) the manner in which negotiations for the acquisition program are being conducted for every section of the trail;

"(B) the attitudes of the landowners with whom negotiations have been undertaken; and

"(C) whether in any case larger interests in land are being acquired than are necessary to carry out the purposes of this Act.

"(c) For the purposes of Public Law 95–42 (91 Stat. 210), the lands and interests therein acquired pursuant to subsection (a) (1) of this section shall be deemed to qualify for funding under the provisions of section 1, clause 2, of said Act.".

Page 270, line 25, following the period, add " ".

Page 271, line 7, preceding "$1,000,000", insert "and".

Page 271, lines 8 and 9, change the semicolon following "1980" to a period, and delete "$1,500,000 in fiscal year 1981; $1,500,000 in fiscal year 1982; and $1,500,000 in fiscal year 1983.".

Page 271, line 13, insert "and" preceding "$3,000,000", change the semicolon at the end of the line to a period, and delete the remainder of the sentence on lines 14 and 15.

Page 273 line 7 delete "$10,000,000 annually" and insert in lieu: "$5,000,000".

Page 274, line 2, change "$3,000,000" to "$1,000,000".

Page 274, following line 5, insert the following new paragraph, and renumber succeeding paragraphs accordingly:

"(2) In section 9, change "eleven" to "thirteen".

Page 275, line 24, add the following sentence at the end thereof: "Such study shall take into acount existing patterns of use and activities in the area and the possible adverse impacts a National Monument designation in the area would have on multiple use activities important to the local economy.".

Page 276, line 22, change "SEC. 609." to "SEC. 609. (a)" and on page 277, after line 14, insert the following new subsection (b):

"(b) Nothing in this Act shall be deemed to enlarge or expand the authorities, responsibilities, or functions of the Heritage Conservation and Recreation Service and no funds authorized or appropriated pursuant to this or any other Act shall be made available by the Secretary of the Interior to enlarge, expand, or otherwise alter the functions or administrative responsibilities of such agency unless a full disclosure of such revised authority is transmitted to the Committees on Interior and Insular Affairs of the House of Representatives and Energy and Natural Resources of the Senate at least 120 legislative days prior to their implementation."

Page 282, lines 2 through 5, delete the following:

"Such criteria shall be based upon the minimum standards for physical and economic distress established for the Department of Housing and Urban Development's Urban Development Action Grants."

Page 287, lines 19 and 20, strike "$150,000,000 for each of the fiscal years 1979 through 1983," and insert in lieu: "$50,000,000 for fiscal year 1979, and $150,000,000 for each of the fiscal years 1980 through 1983,".

Page 288, line 3, following the period, insert: "For the authorizations made in this subsection, any amounts authorized but not appropriated in any fiscal year shall remain available for appropriation in succeeding fiscal years.".

Page 288, line 9, following "May", insert "only".

Page 288, strike lines 15 through 19.

Page 290, line 24, following the word "no", insert "direct operating".

Strike page 291, line 1 through page 297, line 6 inclusive, and insert the following in lieu thereof:

"HIGHWAY OF FLAGS SERVICEMENS MEMORIAL

"SEC. 615. The Secretary, acting through the Director, National Park Service, is authorized to enter into cooperative agreements to provide technical and financial assistance to ensure the continued operation and maintenance of the 'Highway of Flags Servicemens Memorial,' Indiana. In furtherance of the provisions of such agreement, the Secretary is authorized to expend funds appropriated for the administration of the Indian Dunes National Lakeshore. The cooperative agreements may contain specific provisions which outline the extent of the participation by the Secretary in assisting in the maintenance of the memorial, provisions which will ensure the permanent nature of the memorial and the participation by other than federal parties for maintenance and operation.

"THEODORE ROOSEVELT NATIONAL PARK

"SEC. 616. The area formerly known as the 'Theodore Roosevelt National Memorial Park', established by the Act of April 25, 1947 (61 Stat. 52), shall henceforth be known as the 'Theodore Roosevelt National Park'.

"ALBERT EINSTEIN MEMORIAL

"SEC. 617. The Secretary of the Interior is authorized to convey for nominal consideration to the National Academy of Sciences, U.S. Reservation 332A, located on the south side of Square No. 88 between 21st Street, 22nd Street and Constitution Avenue in the District of Columbia to erect and maintain a Memorial to Albert Einstein. The title to said property shall remain with the National Academy of Sciences so long as the property is used for access. At such time as the property is no longer used for memorial purposes or public access is restricted, title to said property shall revert to the United States.

"PEARSON-SKUBITZ BIG HILL LAKE

"SEC. 618. The project for flood protection on Big Hill Creek, Kansas, authorized by the Flood Control Act of 1962, Public Law 87–874, shall hereafter be known and designated as the 'Pearson-Skubitz Big Hill Lake'.

Any reference in a law, map, regulation, document, or record, or other paper of the United States to such project shall be held to be a reference to the 'Pearson-Skubitz Big Hill Lake'."

"SEVERABILITY

"SEC. 619. If any provision of this Act is declared to be invalid, such declaration shall not affect the validity of any other provision hereof."

Page 297, line 24, following the period, insert the following: "Any development or management plan prepared pursuant to subsection (b) shall include provisions for the dissemination of information to river users and regulation of recreational and other uses of the river as necessary to protect its scenic, historic, and scientific values.".

Page 323, line 19, change "Dee" to "Deer".

Page 324, line 18, change "Fram" to "Farm".

Page 324, after line 19, insert:

"DESIGNATION OF RED RIVER FOR STUDY

"SEC. 739. Sec. 5(a) of the Wild and Scenic Rivers Act is amended by adding the following paragraph at the end thereof:

'(77) Red, Kentucky: The segment from Highway No. 746 (also known as Spradlin Bridge) in Wolf County, Kentucky, downstream to the point where the river descends below seven hundred feet above sea level (in its normal flow) which point is at the Menifee and Powell County line just downstream of the iron bridge where Kentucky Highway No. 77 passes over the river.'."

Page 324, line 21, change "Sec. 739." to "Sec. 740.".

Page 325, lines 2 and 9, strike "(76)" and insert "(77)" in lieu thereof.

Page 325, line 5, change "Sec. 740." to "Sec. 741.".

Page 326, strike lines 6 through 9, and renumber the succeeding subsection accordingly.

Page 327, line 13, following the word "sentence", insert a comma.

Page 330, add quotation marks followed by a period at the end of line 18, delete lines 19 through 24, and on page 331, delete lines 1 and 2.

Page 331, following line 11, insert:

"(c) Section 16(b) of such Act is deleted in its entirety, and section 16(a) is renumbered as section 16.".

Page 332, following line 11, add the following new title:

"TITLE VIII

CHATTAHOOCHEE NATIONAL RECREATION AREA

SEC. 801. The Congress finds the natural, scenic, recreation, historic, and other values of a forty-eight-mile segment of the Chattahoochee River and certain adjoining lands in the State of Georgia from Buford Dam downstream to Peachtree Creek are of special national significance, and that such values should be preserved and protected from developments and uses which would substantially impair or destroy them. In order to assure such preservation and protection for public benefit and enjoyment, there is hereby established the Chattahoochee River National Recreation Area (hereinafter referred to as the "recreation area"). The recreation area shall consist of the river and its bed together with the lands, waters, and interests therein within the boundary generally depicted on the map entitled "Chattahoochee River National Recreation Area", numbered CHAT–20,000, and dated July 1976, which shall be on file and available for public inspection in the office of the National Park Service, Department of the Interior. Following reasonable notice in writing to the Committee on Interior and Insular Affairs of the United States House of Representatives and to the Committee on Energy and Natural Resources of the United States Senate of his intention to do so, the Secretary of the Interior (hereinafter referred to as the "Secretary") may make minor revisions in the boundary of the recreation area by publication of a revised map or other boundary description in the Federal Register, except that the total area, exclusive of the river and its bed, within the recreation area may not exceed six thousand three hundred acres.

SEC. 802. (a) Within the recreation area the Secretary is authorized to acquire lands, waters, and interests therein by donation, purchase with donated or appropriated funds, or exchange. Property owned by the State of Georgia or any political subdivision thereof may be acquired only by donation.

(b) When a tract of land lies partly within and partly without the boundaries of the recreation area, the Secretary may acquire the entire tract by any of the above methods in order to avoid the payment of severance costs. Land so acquired outside the boundaries of the recreation area may be exchanged by the Secretary for non-Federal land within such boundaries, and any portion of the land not utilized for such exchanges may be disposed of in accordance with the provisions of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.)

(c) Except for property which the Secretary determines to be necessary for the purposes of administration, development, access, or public use, an owner of improved property which is used solely for noncommercial residential purposes on the date of its acquisition by the Secretary may retain, as a condition of such acquisition, a right of use and occupancy of the property for such residential purposes. The right retained may be for a definite term which shall not exceed twenty-five years or, in lieu thereof, for a term ending at the death of the owner of the death of the spouse, whichever occurs later. The owner shall elect the term to be retained. The Secretary shall pay the owner the fair market value of the property on the date of such acquisition, less the fair market value of the term retained by the owner.

(d) Any right of use and occupancy retained pursuant to this section may, during its existence, be conveyed or transferred, but all rights of use and occupancy shall be subject to such terms and conditions as the Secretary deems appropriate to assure the use of the property in accordance with the purposes of this title. Upon his determination the property, or any portion thereof, has ceased to be so used in accordance with such terms and conditions, the Secretary may terminate the right of use and occupancy by tendering to the holder of such right an amount equal to the fair market value, as of the date of the tender, of that portion of the right which remains unexpired on the date of termination.

(e) As used in this section, the term "improved property" means a detached, year-round noncommercial residential dwelling, the construction of which was begun before January 1, 1975; together with so much of the land on which the dwelling is situated, the said land being in the same ownership as the dwelling, as the Secretary shall designate to be reasonably necessary for the enjoyment of the dwelling for the sole purpose of noncommercial residential use, together with any structures accessory to the dwelling which are situated on the land so designated.

SEC. 803. (a) The Secretary shall administer, protect, and develop the recreation area in accordance with the Act of August 25, 1916 (39 Stat. 535); and in accordance with any other statutory authorities available to him for the conservation and management of historic and natural resources, including fish and wildlife, to the extent he finds such authority will further the purposes of this title. In developing and administering the recreation area, the Secretary shall take into consideration applicable Federal, State, and local recreation plans and resource use and development plans, including, but not limited to, the Atlanta Regional Commission Chattahoochee Corridor Study, dated July 1972.

(b) The Secretary is authorized and encouraged to enter into cooperative agreements with the State of Georgia or its political subdivisions whereby he may assist in the planning for and interpretation of non-Federal publicly owned lands within or adjacent or related to the recreation area to assure that such lands are used in a manner consistent with the findings and purposes of this title.

(c) In planning for the development and public use of the recreation area, the Secretary shall consult with the Secretary of the Army to assure that public use of adjacent or related water resource development or flood control projects and that of the recreation area are complementary.

(d) In administering the recreation area, the Secretary may permit fishing in waters under his jurisdiction in accordance with applicable State and Federal laws and regulations. The Secretary, after consultation with the appropriate State agency responsible for fishing activities, may designate zones where, and establish periods when, fishing shall be permitted and issue such regulations as he may determine to be necessary to carry out the provisions of this subsection. Except in emergencies, such regulations shall be put into effect only after consultation with the appropriate State agency.

SEC. 804. (a) The Federal Power Commission shall not license the construction of any dam, water conduit, reservoir, powerhouse, transmission line, or other project works under the Federal Power Act (16 U.S.C. 791a et seq.), on or directly affecting the recreation area, and no department or agency of the United States shall assist by loan, grant, license, or otherwise in the construction of any water resources project that would have a direct and adverse effect on the values for which such area is established, except where such project is determined by the State of Georgia to be necessary for water supply or water quality enhancement purposes and authorized by the United States Congress. Nothing contained in the foregoing sentence, however, shall preclude licensing of, or assistance to, developments upstream or downstream from the recreation area or on any stream tributary thereto which will not invade the recreation area or unreasonably diminish the scenic, recreational, and fish and wildlife values present therein on the date of approval of this title; and nothing in the foregoing sentence shall preclude the upgrading, improvement, expansion or development of facilities or public works for water supply or water quality enhancement purposes if such action would not have a material adverse effect on the values for which the recreation area is established.

(b) No department or agency of the United States shall recommend authorization of any water resources project that would have a direct and adverse effect on the values for which such area is established, as determined by the Secretary, nor shall such department or agency request appropriations to begin construction of any such project, whether heretofore or hereafter authorized, without at least sixty days in advance, (a) advising the Secretary in writing of its intention to do so and (b) reporting to the Committee on Interior and Insular Affairs of the United States House of Representatives and to the Committee on Energy and Natural Resources of the United States Senate the nature of the project involved and the manner in which such project would conflict with the purposes of this title or would affect the recreation area and the values to be protected by it under this title. It is not the intention of Congress by this title to require the manipulation or reduc-

tion of lake water levels in Lake Sidney Lanier. Nothing in this Act shall be construed in any way to restrict, prohibit, or affect any recommendation of the Metropolitan Atlanta Water Resources Study as authorized by the Public Works Committee of the United States Senate on March 2, 1972.

(c) The Secretary is directed to proceed as expeditiously as possible to acquire the lands and interests in lands necessary to achieve the purposes of this title.

SEC. 805. (a) From the appropriations authorized for fiscal year 1978 and succeeding fiscal years pursuant to the Land and Water Conservation Fund Act (78 Stat. 897), as amended, not more than $73,000,000 may be expended for the acquisition of lands and interests in lands authorized to be acquired pursuant to the provisions of this title.

(b) Effective on October 1, 1978, there are authorized to be appropriated not to exceed $500,000 for the development of essential public facilities.

(c) Within three years from the effective date of this title, the Secretary shall, after consulting with the Governor of the State of Georgia, develop and transmit to the Committee on Interior and Insular Affairs of the United States House of Representatives and to the Committee on Energy and Natural Resources of the United States Senate a general management plan for the use and development of the recreation area consistent with the findings and purposes of this title, indicating:

(1) lands and interests in lands adjacent or related to the recreation area which are deemed necessary or desirable for the purposes of resource protection, scenic integrity, or management and administration of the area in furtherance of the purposes of this title, the estimated cost of acquisition, and the recommended public acquisition agency;

(2) the number of visitors and types of public use within the recreation area that can be accommodated in accordance with the full protection of its resources; and

(3) the facilities deemed necessary to accommodate and provide access for such visitors and uses, including their location and estimated cost."

Mr. PHILLIP BURTON. Mr. Chairman, the amendments before us, in addition to clarifying a number of questions posed by my colleagues with reference to various items of the bill, also do produce a saving over estimates forwarded to the committee, as follows:

In title I, the saving is some $12,200,000; in title III, some $5,445,000; in title V, some $45,455,000; and in title VI, some $158,850,000, or a total grand net decrease over estimates advanced to the committee as a result of these amendments of $221,900,000.

A fair amount of this reduction is after consultation with the Park Service on how much study money they did and did not need, as contrasted to the authorized amounts provided in the bill and evaluated by the OMB. We found ourselves in the rather ludicrous position of it being assumed that we intended some expenditure under some stated scenario of some $60 to $70 million for studies just in the next 4 years.

To eliminate any problem in that respect, we have brought down that amount to something on the order of a total of $8 or $10 million. We also have revised our estimates on development ceilings, and reduced those development ceiling amounts by some $12.2 million.

I must hasten to note that it was our intention, once a management plan had been developed for a national park area, to provide the authorization to implement the management plan. I have been troubled about the notion of piecemeal authorizations, but the net effect of what we are doing in these amendments is to bring our numbers down exactly to finish three areas, and in the fourth area to permit the implementation of the plan on Ellis Island for 3 to 5 years, but not beyond. Therefore, that item will have to be before the Congress again in about 4 years.

With reference to title III, in addition to an added boundary change in Hawaii, we decided that we would have some $12.8 million to fully implement the matching plan of the Cuyahoga River. I myself have a national recreation area that consists of—I am not sure, but I believe the figure is 120,000 acres. We adopted the proposal 6½ years ago, and have not yet spent $1 million on development.

So, it occurred to me that rather than implementing the whole plan, we will only implement that phase of the plan that will permit the Cuyahoga development to go ahead at the predicted cost for the next 5 years. I am not particularly thrilled with this, but on the other hand I am certainly not troubled by that fact.

Further, in order to get a better handle on future escalation in development ceilings, we have eliminated the cost of living index in any area where we have provided any additional authorization, on the thesis that if added moneys are authorized, we ought to have a firm handle on renewed requests by requiring them to come back to the authorizing committees.

We do not ascribe any real or phoney savings to that matter, but it is easy enough to project, if people have a desire to so do.

In title V we have eliminated all the private land acquisitions of the Guam National Seashore, and restricted the legislation entirely to preservation.

We have eliminated entirely any private land acquisition because the priority consideration was essentially that of protecting the now publicly owned coral reef and preventing damage to that reef until some decision is made with reference to the Guam National Seashore. So we delete entirely and there is not authorized to be any land or interest in land acquired for the Guam National Seashore.

For Kaloko-Honokohau National Historical Park, one of the most precious areas in Hawaii, we have deleted $9,750,000 based on information given to us by those in the field.

We similarly, much to the discomfort of some of my colleagues in the Los Angeles area, to eliminate some of the misunderstanding with reference to the Santa Monica Mountains National Recreation area, have reduced by $25 million the authorized payments for the purchase of land acquisition in that respect.

We also combined the Oregon Trail bill which the House has previously passed and sent to the Senate with the new trails designated in the bill. The Oregon Trail and the Mormon Pioneer Trail have an almost identical route, so we have reduced the cost by almost $3 million because of the combination of those two trails.

In addition we authorized two national historical sites, one in the State of Maryland and one in the State of Virginia, which we think should be added to our system, but the net decrease in title V is $45,450,000.

In title IV we included the bill by our distinguished colleague, the gentleman from Florida (Mr. BENNETT), which authorized a 5-year extension for historical and archeological salvage. That apparently gave the OMB a near heart attack, and they would prefer that we only provide a 2-year authorization extension. So that means that 2 years from now we will be back reauthorizing this program. Since we are taking the 2-year bill rather than the 5-year bill, we save $2.5 million.

We reduced $35 million off the funding estimate by OMB for studies generally, and by doing that we save, by the OMB measurements, $35 million.

Also, we have critical new area—section 8—studies that are made by the National Park Service pursuant to mandate of the earlier Congress. We have reduced our amount for those studies to the lowest the department indicated they could handle, and therefore, we have reduced our authorization by $8 million.

We took a look at the urban park and recreation recovery program and realized they would not be able to come within the normal appropriation cycle for fiscal year 1979, and it would be fraudulent and deceptive for us to contend that we have $150 million to spend this coming October 1, when all commonsense dictates that in starting up this program we cannot come on full bloom and full blown. We have cut back $100,000,000 in the first year, recognizing the realities of the development of this new initiative of the administration. Therefore, we have facilitated the appropriation process and at the end of the authorization time frame the unappropriated moneys are still available for future appropriation.

Finally, pursuant to the request of the gentleman from California (Mr. PANETTA), who has shown great interest in the form of conservation and the environment, we deleted $350,000 for a study of the Big Sur in California, a marvelous and beautiful part of our environment. We have done this with the thought that we should have some local involvement before the Federal Government went ahead with their studies.

Mr. Chairman, I believe I have touched upon most of the amendments we have in the bill There are some other items.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. SEBELIUS, and by unanimous consent, Mr. PHILLIP BURTON was allowed to proceed for 5 additional minutes.)

Mr. SEBELIUS. Mr. Chairman, will the gentleman yield?

Mr. PHILLIP BURTON. I yield to the gentleman from Kansas.

Mr. SEBELIUS. Mr. Chairman, I just want to comment that the gentleman from California (Mr. PHILLIP BURTON), the chairman of our subcommittee, has tried, by these amendments, to accom-

plish the reductions that were necessary. Some of them we did not agree with. Some of them like Ellis Island I hated to see, but we know that along the line somewhere we will be able to preserve all of these things, but to do so in an orderly manner.

So, Mr. Chairman, I want to commend the gentleman from California (Mr. PHILLIP BURTON) for doing this in the best possible way so as to work them out for what we conceive to be in the best interests of our country toward preserving a beautifully balanced and broad spectrum of so many things for the generations yet unborn.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. PHILLIP BURTON. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Mr. Chairman, I would ask the gentleman from California (Mr. PHILLIP BURTON) if he has an accumulative total of the amendments as offered in the form of reductions?

Mr. PHILLIP BURTON. Yes. It is over $200 million based on the information furnished to the committee. I might say that some of the estimates on costs bore no real relevance as far as we understood them but we tried to eliminate any possibilities that there could be some overstatement as to what we have in mind. But I would note that this would produce over the estimates advanced to our committee more than a 10-percent savings. I might say that I thought several of the estimates were too high, and I guess that is enough said, but I felt that since our committee has always produced responsible and bipartisan legislation, that we take upon ourselves the responsibility to make these tough judgments and we have done so and I think we have done it well.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. PHILLIP BURTON. I yield to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, I thank the gentleman for yielding, and I want to commend the gentleman from California (Mr. PHILLIP BURTON) for trying to do such a careful and precise job of fine tuning. I was perfectly willing to accede to the cut in development funds for the Cuyahoga Valley National Recreational Area because I think that the amount remaining in the bill is adequate to carry on the next cycle, so that we can get a start on the development of the recreation area.

I would like to ask the gentleman from California (Mr. PHILLIP BURTON) one thing. While home over the recess, I made a trip to the national recreational area, and in looking at some of the land, I noticed, to my surpirse, an area of approximately 100 acres—and I will have to get the precise amount—was inadvertently left off the map of additions to the area. I do not think we would have to require any addition to the authorized money, but there may be a necessity of correcting the map and I wondered if that is something that would require a special amendment?

Mr. PHILLIP BURTON. Mr. Chairman, I thank the gentleman from Ohio (Mr. SEIBERLING) for mentioning that to me and would say to the gentleman that we now know about that and are concerned with that, and I already have a note that when it goes to the Senate, we should correct that oversight.

Mr. SEIBERLING. I thank the gentleman for looking into that matter.

Mr. PANETTA. Mr. Chairman, will the gentleman yield?

Mr. PHILLIP BURTON. I yield to the gentleman from California.

Mr. PANETTA. Mr. Chairman, I want to take this opportunity to thank the distinguished chairman of the subcommittee for his cooperation in the matter regarding the proposed study of Big Sur.

One of the amendments contained in the committee proposals is an amendment which I have recommended, to withdraw a proposal for a federally funded study of this area in my district in lieu of a voluntary study being conducted by the residents of the area.

I am convinced that there is a need for improved planning and coordination in the effort to preserve the magnificent and unique Big Sur coastline. Those who live there and those who visit there know that the beauty of this rugged coastline must be protected.

But the uniqueness of the Big Sur area lies not only in its physical features. It is also evident in the independent and individualistic breed of person that resides there. These people have brought a certain frame of mind to the area—an attitude of self-reliance and independence and dedication to the quiet beauty that abounds there.

Like other scenic areas in our country, Big Sur has been beseiged by various study efforts at every level of government, and there are presently a cross section of jurisdictions that have some impact on this lovely area. When I first proposed this study, it was intended to provide some necessary coordination to this mix of efforts, but the most important aspect was to give the local residents the primary input into the future planning for Big Sur. The most important aspect of any such effort must be the support and participation of the residents themselves.

Following the approval of the proposed study by the Interior Committee, the residents and I have continued to review this proposed effort to insure that it indeed had the broad support of the people and met their present needs. After a series of meetings and public hearings, along with a personal survey of the views of local residents through a postal patron mailing, it is, I believe, the consensus of the residents that they would prefer to conduct this study on a local and voluntary basis, using local citizen advisory groups.

There are two primary reasons for this consensus: first, the residents believe that they must have control over the study and its planning with no domination by participating Federal agencies; and second, at a time of obvious cost consciousness on the part of all people regarding Government expenditures, the sense of the residents is they would prefer to do a study on a voluntary basis without Federal funds or a paid staff or expensive reporting requirements.

Since the purpose of this effort is to protect not only the quality of the landscape but the quality of daily life in this area, it is necessary that we in Government listen to the concerns of those who truly make up that quality of life.

For these reasons, I have asked the committee and the House to respect the wishes of the people of this area and withdraw the proposal for a federally funded study at this time to allow the citizens the time and opportunity to work together in a voluntary effort to develop an approach for the future.

Hopefully, with the support of State and Federal agencies in a cooperative effort with local groups, the residents can develop a plan for the future that will be respected by government at all levels, that will be accomplished in the true spirit of independence and self-reliance that is what Big Sur is all about, and that will result in preserving this magnificent area and the rustic way of life of its people.

I again thank the gentleman for his understanding and cooperation.

Mr. BAUMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I, too, want to compliment the distinguished chairman of our subcommittee on which I have the privilege of serving. He has done an excellent job of melding together all the competing interests that are involved in any legislation of this broad scope. I certainly want to express my appreciation for the assistance that he and the staff have given me in preserving the Thomas Stone Historical Site in Charles County, Md.

Mr. Chairman, included in the pending amendment at my request is the following new section which will be added to the bill:

"THOMAS STONE NATIONAL HISTORIC SITE

"SEC. 513. (a) The Secretary is authorized to acquire by donation, exchange, or purchase with donated or appropriated funds, the Thomas Stone home and grounds, known as Habre-de-Venture, located on Rose Hill Road near La Plata in Charles County, Maryland, for establishment as the Thomas Stone National Historic Site.

"(b) The national historic site shall be established by the Secretary by the publication of notice to that effect in the Federal Register at such time that he determines he has sufficient ownership to constitute an administrable unit. After such publication, the site shall be administered by the Secretary pursuant to the provisions of this section and the provisions of the Act of August 25, 1916 (39 Stat. 535) as amended and supplemented (16 U.S.C. 1 et seq.), and the Act of August 21, 1935 (49 Stat. 666; 16 U.S.C. 461–467).

(c) To carry out the purposes of this section, there is hereby authorized to be appropriated not to exceed $600,000 for the acquisition of lands and interests therein and not to exceed $400,000 for development.

Mr. Chairman, last week on the recent Fourth of July I had the honor to speak at ceremonies at Habre-de-Venture in

Charles County, Md., the home of Thomas Stone, one of the Maryland's four signers of the Declaration of Independence. Constructed in 1771, this manor is one of the few remaining homes of the signers still in its original state. On New Year's Day, 1977, a fire destroyed part of this most impressive colonial residence and steps have been taken to temporarily preserve and protect the remaining wings which have not been damaged.

By the House's action today we have approved acquisition and repair of the Thomas Stone home by the National Park Service which already has designated Habre-de-Venture as a National Historic landmark. This site could easily be restored to its full beauty and operated as a working colonial residence and farm, much as is done by the National Park Service at the birthplace of George Washington, "Wakefield" in Westmoreland County, Va. Its nearness to Metropolitan Washington, D.C., would make it a prime attraction for many visitors and at the same time preserve the rural character of an area which is undergoing extensive development.

Mr. Chairman, Thomas Stone was born in 1743 and died in 1787. In addition to being one of Maryland's four signers of the Declaration, he served in the Continental Congress from 1775 to 1778, in the Maryland State Senate, 1776–1784, and again in the Continental Congress during 1783 and 1784 when he also served as Chairman of the Congress. A distinguished lawyer of his day, Stone was elected to the Maryland Constitutional Convention in 1787, but declined to serve because of ill health. He died suddenly in Alexandria, Va., in 1787 while on his way to visit England. He and his wife, the daughter of President Washington's personal physician, are both buried at Habre-de-Venture where Washington often visited Stone.

Mr. Chairman, Habre-de-Venture has been described by my good friend and neighbor Henry Chandlee Foreman, one of the foremost experts on the architecture of early American homes, in his book, "Early Manor and Plantation Houses in Maryland" as unique in many respects. The Georgian brick and frame building has a rare five part gambrel roof with an unusual semi-circular design. Some years ago the Baltimore Museum of Art acquired and now displays the entire wood paneling from the main living room of the house in its exhibits of outstanding rooms of the period.

It is my hope that the other body will approve this section of the bill and that once it becomes law, the Park Service will proceed with the necessary acquisition. Otherwise an important part of our colonial and revolutionary history could be lost forever.

Mr. Chairman, I would also like to express my appreciation to Gen. Orwin C. Talbot of the Maryland Historical Trust as well as Mr. Watson Perrygo who heads the Charles County Historical Society and Mr. James Ward for their interest and assistance in preserving this great house for future generations.

Mr. GRADISON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendments offered by the gentleman from California (Mr. PHILLIP BURTON) and in particular want to thank the gentleman for including a segment of the Red River in Kentucky—the so-called Red River Gorge—for study as a scenic and wild river. This area—about 17½ miles in length—is often referred to as the "Grand Canyon of the East," an environmental and wilderness treasure. Going forward with the study is an essential step toward permanent protection of this area. My interest in this measure is based not only on the large number of residents of the Cincinnati area who visit the gorge, but also on my own experiences camping, hiking, and canoeing in the Red River area. I have discussed this study proposal with the gentleman from Kentucky (Mr. PERKINS) in whose district the Red River Gorge is located, and he has indicated he has no objection to the inclusion of this study in the bill before us.

The CHAIRMAN. The question is on the amendments offered by the gentleman from California (Mr. PHILLIP BURTON).

The amendments were agreed to.

The CHAIRMAN. Are there further amendments to title I?

Mr. UDALL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of H.R. 12536, the National Parks and Recreation Act of 1978 and congratulate the gentleman from California and the gentleman from Kentucky.

This comprehensive piece of legislation seeks to tie together in one bill the various programs of the Department of Interior in the recreation and preservation fields.

Mr. Chairman, the American people take great pride in our tremendous system of national parks, historical sites, national trails, and wild and scenic rivers. Hundreds of millions of Americans visit these areas each year; to vacation, to relax, to have some plain old fun. In the legislation before the House today, these programs are expanded and rounded out geographically to best meet the needs of the recreating public. Included in this bill are provisions to allow for sorely needed development in many units of the National Park System, increased acquisition authority for other NPS units, and certain boundary adjustments in still others. The legislation also establishes 11 new units of the national park system, 4 new units of the national trails system, 8 new additions to the Wild and Scenic Rivers Systems and 18 other rivers proposed for study under the same act. Another significant aspect of the legislation is the urban recreation section which will bring much needed recreation dollars to where they are most needed, the cities.

I am particularly pleased with the inclusion of deserving Arizona areas in the bill. Four of Arizona's most beautiful rivers, the Salt, Gila, Verde, and San Francisco, have been proposed for study under the Wild and Scenic Rivers Act of 1968. The purpose of that act is to preserve outstanding examples of this Nation's rivers and streams in a free-flowing state.

There are, however, important ongoing resource management practices in portions of these rivers vital to the needs of the citizens of central Arizona. The Wild and Scenic Rivers Act (Public Law 90–542) does not preclude such ongoing activities as riparian vegetation control and vehicular access to stream gaging stations during the length of the study. Therefore, reasonable watershed management practices of this type will be allowed during the length of the studies on these rivers.

Arizona is blessed with tremendous natural beauty and diversity.

Arizonans are justifiably proud of this heritage; there are more units of the National Park System in Arizona than in any other State. I was therefore pleased to offer an amendment in committee to study two other lovely areas presently in public ownership for possible later designation as national monuments. These two highly scenic areas, the "redrock" country north of Sedona and "Cochise Head" immediately adjacent to the existing Chiricahua National Monument will be subjected to a 1-year study by representatives of the Department of Interior and units of local government to see what the best future use of these areas ought to be.

The "redrock" country north of Sedona, Ariz., is a beautiful part of my State. Congressman BOB STUMP, who has the honor of representing this lovely part of the State, is concerned that the national monument study I am proposing for this area as contained in section 608 of the legislation might interfere with current and future multiple-use activities. The amendment I am offering to section 608 is intended to alleviate those fears. The amendment will insure that the present level and patterns of use in the area will continue unchanged during the study period and that any final recommendation as to the suitability or nonsuitability of establishing a national monument in the area takes into account onging multiple-use activities important to the local economy.

Mr. Chairman, we need look no further than Yellowstone, Yosemite, or Gateway East or West on a hot July day to realize how important these programs of the Department of Interior are to the American people. In this legislation, we will provide recreational opportunities for all Americans, for the young and the old, for inner city children, and rural inhabitants from the east coast to the west coast. I urge my fellow colleagues to vote favorably for this much needed measure.

Mr. STUMP. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Arizona.

Mr. STUMP. I thank the gentleman for yielding.

Mr. Chairman, I would like to thank Congressman UDALL for including this new language into section 608 of this legislation. I support this new language and am confident that the amendment will insure that the level of use in the Oak Creek-Sedona area will continue at the present level during the study period. The recommendation as to desirability of establishing a national monument in the Oak Creek-Sedona area will take into account the ongoing multiple-use activities which are important to the economy of the area.

Mr. UDALL. Mr. Chairman, I urge the committee to approve this legislation.

I yield back the remainder of my time.

Mr. SEBELIUS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. I would take a minute just to ask a question or two perhaps of the Chairman. First of all, I have a little recommendation. When one is considering purchasing land or transferring land in a congressional district where the Congressman has not asked for that favor, it would be a good idea to check with him to see whether the barrel can take any more pork. I am referring primarily, of course, to the Eisenhower Memorial Historical Site. It is not a favor to me when people purchase one additional drop of land for the Gettysburg Battlefield or for the Eisenhower Park. I have to fight this battle constantly. There is not much land left for the farmers to farm or for anybody to build on, or anything else.

I specifically would like to know about the National Park Foundation. I do not really understand it, but as I understand it the National Park Foundation purchases land with the expressed hope that some day the National Park Service will have money to purchase that land from them. Is that the purpose of the National Park Foundation?

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from California.

Mr. PHILLIP BURTON. I thank the gentleman for yielding.

That is one among a number of things they do. We have no structured arrangement at all with these private groups.

One of our pieces of unfinished business is to look at that whole problem and see whether we should have some more clearly stated ground rules and understandings. I am unaware of any commitment that runs to the National Park Foundation out of our committee which would guarantee purchase of an area not authorized by law.

Mr. GOODLING. For instance, if we do not purchase new land from them, what happens to that land? Are they permitted then to sell the land if they make a profit?

Mr. PHILLIP BURTON. A nongovernmental agency would own it and we have no rights of alienation.

Mr. GOODLING. At the present time is that land that they own on the tax records of local governments?

Mr. PHILLIP BURTON. I am sorry. Would the gentleman restate that?

Mr. GOODLING. The land they own which we are talking about purchasing from them, is it not now land that is on the local tax records? Is it land that is tax exempt?

Mr. PHILLIP BURTON. I am led to believe if they are federally chartered, that land may not be on the local tax rolls; but I would not want to make that representation. It may well be dependent upon the laws of each particular jurisdiction with taxing authority.

Mr. SEBELIUS. Mr. Chairman, if the gentleman will yield, I think that depends on the local law, except for nationally chartered organizations.

Mr. GOODLING. In other words, they would have the right to sell this land if, in fact, the Government does not purchase it?

Mr. PHILLIP BURTON. That is my understanding of the situation. I am not in this particular area satisfied with my own level of experience and understanding. It is an area we should pursue, because we might be able to improve one way or another what these understandings are. There are no ground rules, as far as I know, no understandings and I am not sure we should leave it in that fuzzy condition.

Mr. GOODLING. I would agree, because we are talking about two portions of land one of which does not really border, because there is a road that goes between.

Second, as I understand it there is no commitment at the present time that anything would be left there by Mrs. Eisenhower that would make anyone want to come to the farm to visit in the first place. There is no written agreement whatsoever. All that would be there is the farm and the house and a couple pieces of farm equipment. It gets to be a rather expensive purchase.

I would hope the committee would look very closely at outfits like the National Park Foundation, because it appears that they are really going ahead purchasing land, perhaps encouraged by the Park Service and, in turn, the Park Service hopes someday to get the money to purchase that land, which puts additional pressure on us.

Mr. PHILLIP BURTON. Mr. Chairman, I appreciate the gentleman's observation.

The CHAIRMAN. Are there further amendments to title I? If not, the Clerk will read.

The Clerk read as follows:

TITLE II—ACQUISITION CEILING INCREASES

ACQUISITION CEILINGS

SEC. 201. The limitations on appropriations for the acquisition of lands and interests therein within certain units of the National Park System are amended as follows:

(1) Apostle Islands National Lakeshore, Wisconsin: Section 8 of the Act of September 26, 1970 (84 Stat. 880), is amended by changing "$,250,000" to "$,750,000".

(2) Big Cypress National Preserve, Florida: Section 8 of the Act of October 11, 1974 (88 Stat. 1258), is amended by changing "$116,000,000" to "$156,700,000".

(3) Buffalo National River, Arkansas: Section 7 of the Act of March 1, 1972 (86 Stat. 44), is amended by changing "$30,071,500" to "$39,048,000".

(4) Cumberland Island National Seashore, Georgia: Section 10 of the Act of October 23, 1972 (86 Stat. 1066), is amended by changing "$10,500,000" to "$28,500,000".

SAWTOOTH NATIONAL RECREATION AREA

SEC. 202. Section 13 of the Act of August 22, 1972 (86 Stat. 612), is amended by changing "$19,802,000" to $47,802,000".

Mr. PHILLIP BURTON (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PHILLIP BURTON. Mr. Chairman, I am not aware of any contention on this title.

The CHAIRMAN. Are there any amendments to title II? If not, the Clerk will read.

The Clerk read as follows:

TITLE III—BOUNDARY CHANGES

REVISION OF BOUNDARIES

SEC. 301. The Secretary is authorized to revise the boundaries of the following units of the National Park System, and there are authorized to be appropriated not in excess of the amounts specified in the following paragraphs for acquisition of lands and interests in lands within areas added by reason of such revisions:

(1) Bent's Old Fort National Historic Site, Colorado: to add approximately six hundred and twenty-two acres as generally depicted on the map entitled "Boundary Map, Bent's Old Fort National Historic Site, Colorado", numbered 417-80,007-A, and dated June 1976: $842,000.

(2) Chiricahua National Monument, Arizona: To add approximately four hundred and forty acres as generally depicted on the map entitled "Boundary Map, Chiricahua National Monument, Arizona", numbered 145-80,002, and dated August 1977: $294,000.

(3) Coronado National Memorial, Arizona: To add approximately three thousand and forty acres and delete approximately twelve hundred acres as generally depicted on the map entitled "Land Status Map 01, Coronado National Memorial, Cochise County, Arizona", numbered 8630/80,001, and dated October 1977: $1,410,000

(4) Eisenhower National Historic Site, Pennsylvania: To add approximately one hundred ninety-five and eighty-three one hundredths acres as generally depicted on the map entitled "Boundary Map, Eisenhower National Historic Site, Adams County, Pennsylvania", numbered 446-40,001B, and date April 1978: $166,000.

(5) Fort Caroline National Memorial, Florida: To add approximately ten acres as generally depicted on the may entitled "Boundary Map, Fort Caroline National Memorial, Florida", numbered 5310/80,000-A, and dated April 1978: $235,000.

(6) George Washington Birthplace National Monument, Virginia: To add approximately one thousand sixty-five acres as generally depicted on the map entitled "Boundary Map, George Washington Birthplace National Monument", numbered 332-20,000-A, and dated May 1975: $2,800,000.

(7) Great Sand Dunes National Monument, Colorado: To add approximately one

thousand one hundred and nine acres as generally depicted on the map entitled "Boundary Map, Great Sand Dunes National Monument, Colorado", numbered 140–80,001–A, and dated November 1974: $166,000.

(8) Gulf Islands National Seashore, Mississippi-Florida: To add approximately six hundred acres as generally depicted on the map entitled "Boundary Map, Gulf Islands National Seashore, Mississippi-Florida" numbered 20,006, and dated April 1978: $300,000.

(9) Hawaii Volcanoes National Park, Hawaii: To add approximately two hundred sixty-nine acres as generally depicted on the map entitled "Boundary Map, Hawaii Volcanoes National Park, Hawaii", numbered 80,000, and dated August 1975: $562,000.

(10) John Day Fossil Beds National Monument, Oregon: To add approximately one thousand four hundred and eleven acres, and to delete approximately one thousand six hundred and twenty acres as generally depicted on the map entitled "Boundary Map, John Day Fossil Beds National Monument, Oregon", numbered 177–30,000–B, and dated May 1978: $3,500,000. The Act of October 26, 1974 (88 Stat. 1461), which designates the John Day Fossil Beds National Monument is amended by deleting the second proviso of section 101(a)(2).

(11) Monocacy National Battlefield, Maryland: To add approximately five hundred and eighty-seven acres as generally depicted on the map entitled, "Boundary Map, Monocacy National Battlefield", numbered 894–40,001, and dated May 1978: $3,500,000.

(12) Montezuma Castle National Monument, Arizona: To add approximately thirteen acres, and to delete approximately five acres as generally depicted on the map entitled "Montezuma Castle National Monument, Arizona", numbered 20,006, and dated April 1978.

(13) Oregon Caves National Monument, Oregon: To add approximately eight acres as generally depicted on the map entitled "Oregon Cave, Oregon", numbered 20,000, and dated April 1978: $107,000.

(14) Tumacacori National Monument, Arizona: To add approximately seven acres, and delete approximately eleven-hundredths of an acre as generally depicted on the map entitled "Boundary Map, Tumacacori National Monument, Arizona", numbered 311–80,009–A, and dated March 1978: $24,000.

(15)(A) Tuzigoot National Monument, Arizona: To add approximately seven hundred and ninety-one acres as generally depicted on the map entitled "Master Proposal, Tuzigoot National Monument", numbered 378–30,000D, and dated January 1973: $1,350,000.

(B) The Secretary is authorized to acquire by donation, purchase with donated or appropriated funds, exchange or otherwise and subject to such terms, reservations, conditions applied to the acquired lands as he may deem satisfactory, the lands and interests in lands that are included within the boundaries of the Tuzigoot National Monument as revised by this paragraph. When so acquired, they shall be administered in accordance with provisions of law generally applicable to units of the National Park System, including the Act of August 25, 1916 (39 Stat. 535).

(C) In exercising his authority to acquire such lands and interests in lands by exchange, the Secretary may accept title to any non-Federal property within the boundaries of the national monument and in exchange therefor he may convey to the grantor of such property any federally owned property under his jurisdiction in the State of Arizona. The values of the properties so exchanged either shall be approximately equal, or if they are not approximately equal the values shall be equalized by the payment of cash to the grantor or to the Secretary as the circumstances require.

(16) White Sands National Monument, New Mexico: To add approximately three hundred and twenty acres, and delete approximately seven hundred and sixty acres as generally depicted on the map entitled "Boundary Map, White Sands National Monument, New Mexico", numbered 142/20,010–A, and dated November 1973.

(17) William Howard Taft National Historic Site, Ohio: To add approximately three acres as generally depicted on the map entitled "Boundary Map, William Howard Taft National Historic Site, Ohio", numbered 448–40,021, and dated January 1977.

(18) Wind Cave National Park, South Dakota: To add approximately two hundred and twenty-eight acres as generally depicted on the map entitled "Boundary Map, Wind Cave National Park, South Dakota", numbered 108–80,008, and dated July 1977: $227,000.

MAPS AND DESCRIPTIONS

SEC. 302. Within twelve months after the date of the enactment of this Act, the Secretary shall publish in the Federal Register a detailed map or other detailed description of the lands added or excluded from any area pursuant to section 301.

ACQUISITION AND DISPOSAL OF LANDS

SEC. 303. (a) Within the boundaries of the areas as revised in accordance with section 301, the Secretary is authorized to acquire lands and interests therein by donation, purchase with donated or appropriated funds, exchange, or transfer from any other Federal agency. Lands and interests therein so acquired shall become part of the area to which they are added, and shall be subjected to all laws, rules, and regulations applicable thereto. When acquiring any land pursuant to this title, the Secretary may acquire any such land subject to the retention of a right of use and occupancy for a term not to exceed twenty-five years or for the life of the owner or owners. Lands owned by a State or political subdivision thereof may be acquired only by donation.

(b)(1) Lands and interests therein deleted from any area pursuant to section 301 may be exchanged for nonFederal lands within the revised boundaries of such area, or transferred to the jurisdiction of any other Federal agency or to a State or political subdivision thereof, without monetary consideration, or be administered as public lands by the Secretary, as the Secretary may deem appropriate.

(2) In exercising the authority contained in this section wth respect to lands and interests therein deleted from any such area which were acquired from a State, the Secretary may, on behalf of the United States, transfer to such State exclusive or concurrent legislative jurisdiction over such lands, subject to such terms and conditions as he may deem appropriate, to be effective upon acceptance thereof by the State.

(c) It is the established policy of Congress that wilderness, wildlife conservation, and park and recreation values of real property owned by the United States be conserved, enhanced, and developed. It is further declared to be the policy of Congress that unutilized, underutilized, or excess Federal real property be timely studied as to suitability for wilderness, wildlife conservation, or park and recreation purposes. To implement this policy, the Secretary, the Administrator of General Services, and the Director of the Office of Management and Budget shall establish a system with appropriate procedures to permit the Secretary full and early opportunity to make such studies and propose appropriate recommendations to disposing agencies for consideration in connection with determinations of further utilization or disposal of such property under existing law. Each affected executive agency is authorized and directed to provide to the Secretary such advice and information relating to such studies as the Secretary may request.

OTHER AUTHORITIES

SEC. 304. The authorities in this title are supplementary to any other authorities available to the Secretary with respect to the acquisition, development, and administration of the areas referred to in section 301.

NAME CHANGE; CITY OF REFUGE NATIONAL HISTORICAL PARK

SEC. 305. The Act of July 21, 1955 (69 Stat. 376) is hereby amended to redesignate the City of Refuge, National Historical Park as the Puuhonua o Honaunau National Historical Park.

BLACK HAMMOCK ISLAND

SEC. 306. The lot on Black Hammock Island, identified by warranty deed numbered 70–56903, recorded among the land records of Duval County, Florida, on November 23, 1970, owned by the Government, shall, pursuant to the Act of December 18, 1967 (81 Stat. 656; 16 U.S.C. 19g, 19h), be deeded to the National Park Foundation to be sold at fair market value. The proceeds of such sale shall be remitted to the National Park Service for land acquisition and development of the Fort Caroline National Memorial.

ALLEGHENY PORTAGE RAILROAD NATIONAL HISTORIC SITE AND JOHNSTOWN FLOOD NATIONAL MEMORIAL

SEC. 307. (a) The Secretary is authorized to revise the boundaries of the Allegheny Portage Railroad National Historic Site and the Johnstown Flood National Memorial in Pennsylvania to add approximately five hundred and twenty-six acres and sixty-seven acres respectively. Sections 302 and 303 shall be applicable to such boundary revision.

(b) In addition to amounts otherwise available for such purposes there are authorized to be appropriated not more than $2,743,000 for land acquisition and $4,280,000 for development to carry out the purposes of this section.

FORT LARAMIE NATIONAL HISTORIC SITE

SEC. 308. (a) The first section of the Act entitled "An Act to revise the boundaries and change the name of the Fort Laramie National Monument, Wyoming, and for other purposes", approved April 29, 1960 (74 Stat. 83), is amended to read as follows: "That in order to preserve the sites of historic buildings and roads associated with Fort Laramie, the boundaries of the Fort Laramie National Historic Site shall hereafter comprise the area generally depicted on the map entitled 'Boundary Map, Fort Laramie National Historic Site,' numbered 375–90,001, and dated September 1977. The map shall be on file and available for public inspection in the office of the National Park Service, Department of the Interior".

(b) The first sentence of section 2 of such Act is amended by inserting between the words "boundary" and "described" the phrase "as depicted on the map.".

FORT UNION TRADING POST NATIONAL HISTORIC SITE

SEC. 309. (a) The first section of the Act entitled "An Act to authorize establishment of the Fort Union Trading Post National Historic Site, North Dakota and Montana, and for other purposes", approved June 20, 1966 (80 Stat. 211), is amended by deleting "located in Williams County, North Dakota, and such additional lands and interests in lands in Williams County, North Dakota, and Roosevelt County, Montana," and inserting in lieu thereof "located in the States of North Dakota and Montana," and by deleting "400 acres" and inserting in lieu thereof "570 acres as generally depicted on the map entitled 'Fort Union Trading Post, Montana-North Dakota', numbered 436–80,025, and dated February 1977".

(b) Section 4 of such Act is amended by deleting "$613,000 for the acquisition of lands and interests in lands and for the development" and inserting in lieu thereof "$280,000 for the acquisition of lands and $4,416,000 for development".

ADDITION OF DORCHESTER HEIGHTS TO THE BOSTON NATIONAL HISTORICAL PARK

SEC. 310. (a) Section 2(a) of the Boston National Historical Park Act of 1974 (88 Stat. 1184) is amended—

(1) in paragraph (6) by striking out "and" at the end thereof;

(2) in paragraph (7) by striking out the period and inserting in lieu thereof "; and"; and

(3) by inserting at the end thereof the following new paragraph:

"(8) Dorchester Heights, Boston.".

(b) Section 3(a) of such Act is amended—

(1) in paragraph (3) by inserting "and" after the semicolon;

(2) by striking out "(4) Dorchester Heights; and"; and

(3) by striking out "(5)" and inserting in lieu thereof "(4)".

(c) There are authorized to be appropriated such sums as may be necessary for the acquisition of lands or interests in lands designated by the amendment made by subsection (a) as a component of the Boston National Historical Park, and for the development of such component.

ADDITION OF SAILORS SNUG HARBOR TO GATEWAY NATIONAL RECREATION AREA

SEC. 311. (a) The property known as Sailors Snug Harbor consisting of approximately eighty acres, located in and owned by the city of New York, shall be included in, and be administered as, part of the Gateway National Recreation Area.

(b) The Secretary of the Interior is authorized to enter into cooperative agreements with the city of New York and the Snug Harbor Cultural Center, Incorporated, to provide protection and technical assistance for the area designated under subsection (a).

(c) The provisions of this section shall take effect only upon donation by the city of New York to the United States of the property referred to in subsection (a).

ADAMS NATIONAL HISTORIC SITE, MASSACHUSETTS

SEC. 312. (a) In order to preserve for the benefit, education, and inspiration of present and future generations the birthplaces of John Adams and John Quincy Adams, the Secretary is authorized to accept the conveyance, without monetary consideration, of the property known as the John Adams Birthplace at 133 Franklin Street, and the property known as the John Quincy Adams Birthplace at 141 Franklin Street, in Quincy, Massachusetts, together with such adjacent real property as may be desirable, for administration as part of the Adams National Historic Site in Quincy, Massachusetts. Together with, or following such conveyance, without monetary consideration, of furnishings and personal property relating to such birthplaces, after consultation with appropriate officials of the city of Quincy and with the owner or owners of such furnishings and personal property.

(b) The Secretary shall administer the properties acquired pursuant to the first section of this Act as part of the Adams National Historic Site in accordance with this section and the provisions of law generally applicable to national historic sites, including the Act of August 25, 1916 (39 Stat. 535) and the Act of August 21, 1935 (49 Stat. 666).

ADDITION OF EPPES MANOR TO PETERSBURG NATIONAL BATTLEFIELD

SEC. 313. (a) The Secretary is authorized to acquire not more than twenty-one acres, which shall include the historic Eppes Manor, and such other lands adjacent thereto as he deems necessary, for addition to the Petersburg National Battlefield, as generally depicted on the map entitled "Petersburg National Battlefield, Virginia", numbered APMA 80,001, and dated May 1978.

(b) There are hereby authorized to be appropriated not to exceed $2,200,000 to carry out the purposes of this section.

ADDITION OF MINERAL KING VALLEY TO SEQUOIA NATIONAL PARK

SEC. 314. (a) It is the purpose of this section to—

(1) assure the preservation for this and future generations of the outstanding natural and scenic features of the area commonly known as the Mineral King Valley and previously designated as the Sequoia National Game Refuge and

(2) enhance the ecological values and public enjoyment of such area by adding such area to the Sequoia National Park.

(b)(1) In order to add to the Sequoia National Park (hereinafter in this section referred to as the "park") a certain area known as Mineral King Valley possessing unique natural and scenic values, there is hereby established as part of such park all lands, waters, and interests therein, constituting approximately sixteen thousand two hundred acres designated before the date of the enactment of this Act as the Sequoia National Game Refuge and as depicted on the drawing entitled "Boundary Map, Sequoia-Kings Canyon National Park", numbered 102-90,000 and dated April 1975. A copy of such drawing shall be on file and available for public inspection in the office of the Director, National Park Service, Department of the Interior. After advising the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United Sttaes Senate in writing, the Secretary is authorized to make minor revisions of the boundaries of the park when necessary by publication of a revised drawing or other boundary description in the Federal Register.

(2) The Sequoia National Game Refuge is hereby abolished and the Secretary of Agriculture shall transfer, without consideration, to the administrative jurisdiction of the Secretary, the area constituting such refuge, and any unexpended funds available for purposes of management of the refuge shall be available for purposes of management of the park.

(c)(1) Within the boundaries of the area added to the park pursuant to this section, the Secretary may acquire lands and interests in lands by donation, purchase with donated or appropriated funds, exchange, or transfer from other Federal departments or agencies.

(2) Where the private use of any property acquired pursuant to this subsection would, in the judgment of the Secretary, be compatible with the purposes of this section, the Secretary may, as a condition of such acquisition, permit the owner or owners of such property to retain for themselves and their successors or assigns rights of use and occupancy. Such rights of use and occupancy shall be for not more than twenty-five years or for a term ending at the death of the owner or his or her spouse, whichever is later. The owner shall reserve such rights and elect the term to be reserved on the date of acquisition of the property. Except for so much of the property as is donated, the Secretary shall pay to the owner the fair market value of the property on the date of its acquisition, less the fair market value on that date of the right retained by the owner.

(3) A right of use and occupancy retained pursuant to paragraph (2) may be terminated by the Secretary upon his determination that the property or any portion thereof is being used in a manner which is incompatible with the purposes of this section. Such right shall terminate by operation of law upon notification by the Secretary to the holder of the right of such determination and tendering to him the amount equal to the fair market value of that portion which remains unexpired as of the date of such tender. In the case of any property which was used for noncommercial purposes during the ten calendar years immediately preceding the enactment of this Act, the commercial use of such property subsequent to the enactment of this Act shall be treated as incompatible with the purposes of this section. In the case of any property which was used for commercial purposes at any time during the ten calendar years immediately preceding the enactment of this Act, any substantial change or expansion of such commercial use subsequent to the enactment of this Act without the express approval of the Secretary shall be treated as incompatible with such purposes.

(4) In exercising his authority to acquire property under this section, the Secretary shall give prompt and careful consideration to any offer made by an individual owning property within the park to sell such property if such individual notifies the Secretary that the continued ownership of such property is causing, or would result in, undue hardship. Nothing in this section, or in any other provision of law, shall prevent the Secretary from exercising his authority to acquire property referred to in this subsection at any time after the date of the enactment of this Act.

(5) If any individual tract or parcel of land acquired is partly inside and partly outside the boundaries of the park the Secretary may, in order to minimize the payment of severance damages, acquire the whole of the tract or parcel.

(6) If the management plan prepared under subsection (e) provides for improved access to the area added to the park under this section, the Secretary is authorized to acquire, by donation, purchase with donated or appropriated funds, exchange or transfer from other Federal departments or agencies, the area comprising the road from State Route 198 to, and within, the Mineral King Valley together with a right-of-way for such road of a width sufficient to include improvements to the road and all bridges, ditches, cuts, and fills appurtenant thereto, but not exceeding a maximum average width of two hundred feet. No property may be acquired under this paragraph from a State or political subdivision thereof without the consent of the State or political subdivision, as the case may be. With regard to routes of access to and within the Mineral King Valley, the Secretary shall take such measures as are necessary to protect against the effects of siltation on the ecosystem of the park.

(7) The Secretary shall report to the committees of the Congress named in subsection (b)(1) the action taken by him pursuant to this subsection. Such report shall contain information sufficient to inform such committees of—

(A) the acquisitions made by him pursuant to this subsection during the period covered by such report;

(B) his reasons why all of such property authorized to be acquired and not so acquired as of the date of such report, if any, have not been acquired; and

(C) his schedule of a timetable for the acquisition of such property referred to in subparagraph (B).

Such report shall be submitted before the expiration of the second fiscal year beginning after the date on which the comprehensive management plan is submitted to the committees of Congress pursuant to subsection (e).

(d)(1) The area added to the park by this section shall be administered in accordance

with this section and the provisions of law generally applicable to units of the National Park System including the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. and following) and the Act of September 25, 1890 (26 Stat. 478; 16 U.S.C. 41 and following). Any other statutory authority available to the Secretary for the conservation and management of wildlife, wildlife habitat, and natural resources may be utilized to the extent he finds such authority will further the purposes of this section.

(2)(A) Except in the case of a lease or permit which the Secretary determines to be incompatible with the administration of the park pursuant to this section, any lease or permit on Federal land within the area added to the park under this section which is in effect immediately before the enactment of this Act shall continue in effect pursuant to its terms and conditions following the expansion of the park under this section.

(B) In the case of a lease or permit which is continued under subparagraph (A), upon notice to the Secretary by the lessee or permittee of his intention to seek renewal or extension of such lease or permit, the lease or permit shall be reviewed by the Secretary, and may be renewed or extended for an additional period of five years. Any such lease or permit shall be reviewed at the end of such renewal or extension period and may also be renewed or extended in the same manner for additional five-year periods thereafter. Any renewals or extensions of leases or permits shall be granted only to those persons who were lessees or permittees of record on the date of enactment of this Act, and any such lease or permit shall provide that the lease or permit may be terminated by the Secretary at any time if the Secretary determines that such lease or permit is incompatible with the administration of the park pursuant to this section or that the land is needed for park purposes.

(3) The Act of December 14, 1974 (88 Stat. 1660) is amended by inserting the following new section after section 4:

"SEC. 5. Notwithstanding any other provision of law, any federally owned lands incorporated within the boundaries of Sequoia National Park subsequent to the date of enactment of this Act, which entail project works, developments, lands, or facilities which are components of Federal Power Commission Project Numbered 298, shall be subject to all provisions of this Act.".

(e)(1) Within two years from the date of enactment of this Act, the Secretary, in cooperation with the State of California, shall develop and submit to the Committee on Interior and Insular Affairs of the United States House of Repesentatives and the Committee on Energy and Natural Resources of the United States Senate, a comprehensive management plan for the area added to the park under this section. In the preparation of such plan, the Secretary shall give appropriate consideration to the need for the development of additional recreational opportunities and other public uses which are consistent with sound environmental management of the area and the policies of the National Park Service.

(2)(A) In preparing the comprehensive management plan required by this subsection and in preparing any subsequent revision of such plan, the Secretary shall provide for full public participation and shall consider the comments and views of all interested agencies, organizations, and individuals.

(B) For purposes of insuring such full public participation, the Secretary shall provide reasonable advance notice to State and local governments, interested Federal agencies, private organizations, and the general public of hearings, workshops, meetings, and other opportunities available for such participation. Such notice shall be published in newspapers of general circulation in the localities affected by the development and management of the park, published in the Federal Register, and communicated by other appropriate means. The Western Regional Advisory Committee of the National Park Service (or a subcommittee thereof) shall also be utilized for purposes of facilitating public involvement.

(C) The Secretaries or Directors of all Federal departments, agencies, and commissions having a relevant expertise are hereby authorized and directed to cooperate with the Secretary in his development of such plan and to make such studies as the Secretary may request on a cost reimbursable basis.

(D) In preparing the comprehensive management plan required by this subsection, the Secretary shall consider technical information and other pertinent data assembled or produced by field studies or investigations conducted separately or jointly by the technical and administrative personnel of the Federal and State agencies involved in order to insure the permanent conservation of wildlife within the area added to the park by this section. Except in emergencies, rules and regulations pertaining to the management of wildlife within the area added to the park by this section shall be put into effect only after consultation with the State of California.

(f) There are hereby authorized to be appropriated such sums as may be necessary for the acquisition of land and interests therein described in this section.

(g) Effective upon the transfer referred to in subsection (b)(2), Public Law 85–648 (72 Stat. 604; 16 U.S.C. 45a–3) and section 6 of the Act of July 3, 1926 (44 Stat. 821; 16 U.S.C. 688) are hereby repealed. The repeal of such section 6 shall not be construed to prohibit or prevent the Secretary from exercising any authority applicable to the national parks respecting the protection of birds, game, or other wild animals.

CUYAHOGA VALLEY NATIONAL RECREATION AREA

SEC. 315. (a) Section 2(a) of the Act of December 27, 1974, entitled "An Act to provide for the establishment of the Cuyahoga Valley National Recreation Area" (88 Stat. 1784) is amended by striking out "Boundary Map, Cuyahoga Valley National Recreation Area, Ohio, numbered 90,000–A, and dated September 1976," and inserting in lieu thereof "Boundary Map, Cuyahoga Valley National Recreation Area, Ohio, numbered 90,001–A, and dated May 1978,".

(b) Section 6(a) of such Act is amended by striking out $41,100,000" and inserting in lieu thereof "$70,100,000".

(c) The first sentence of section 6(b) of such Act is amended to read as follows: "For the development of the recreation area, including improvements of properties acquired for purposes of this Act, there is authorized to be appropriated not more than $26,000,000".

(d) Section 2(e) of such Act is amended by adding the following at the end thereof: "In applying this subsection with respect to lands and interests therein added to the recreation area by subsection (a) of section 315 of the National Parks and Recreation Act of 1978 the date 'January 1, 1978,' shall be substituted for the date 'January 1, 1975,' in each place it appears.".

(e) Section 4(f) of such Act is amended by inserting "(or intergovernmental organization)" after "local government" in each place it appears and by adding the following new sentence at the end thereof: "Assistance under this subsection may include payments for technical aid.".

DELAWARE WATER GAP NATIONAL RECREATION AREA

SEC. 316. Section 2(a) of the Act entitled "An Act to authorize establishment of the Delaware Water Gap National Recreation Area, and for other purposes", approved September 1, 1965 (79 Stat. 612) is amended by adding the following at the end thereof: "Beginning on the date of the enactment of the National Parks and Recreation Act of 1978, the Secretary of the Interior is authorized to acquire for purposes of the recreation area established under this Act all lands and interests therein within the exterior boundaries of the area depicted on the drawing referred to in this subsection (including any lands within such exterior boundaries designated for acquisition by the Secretary of the Army in connection with the project referred to in this subsection). In exercising such authority, the Secretary of the Interior may permit the retention of rights of use and occupancy in the same manner as provided in the case of acquisitions by the Secretary of the Army under subsection (d). On the date of enactment of the National Parks and Recreation Act of 1978, the acquisition authorities of any other Federal agency contained in this subsection shall terminate and the head of any other Federal agency shall transfer to the Secretary of the Interior jurisdiction over all lands and interests therein acquired by said agency under the authority of this Act, or any other authority of law which lands are within the exterior boundaries of the area depicted on the drawing referred to in this subsection. On the date of enactment of the National Parks and Recreation Act of 1978, all unexpended balances available to any other Federal agency for acquisition of land within the exterior boundaries referred to in the preceding sentence shall be transferred to the Secretary of the Interior to be used for such purposes. In carrying out his acquisition authority under this section the Secretary shall give priority to the following:

"(1) completion of acquisition of lands for which condemnation proceedings have been started pursuant to the authorization of the project referred to in this subsection;

"(2) acquisition of lands of beneficial owners, not being a corporation, who in the judgment of the Secretary would suffer hardship if acquisition of their lands were delayed;

"(3) acquisition of lands on which, in the judgment of the Secretary, there is an imminent danger of development that would be incompatible with the purposes of the recreation area;

"(4) acquisition of lands of beneficial owners, not being a corporation, who are willing to sell their lands provided they are able to continue to use it for noncommercial residential purposes for a limited period of time which will not, in the judgment of the Secretary, unduly interfere with the development of public use facilities for such national recreation area, pursuant to the authorization for such area;

"(5) acquisition of scenic easements when, in the judgment of the Secretary, such easements are sufficient to carry out the purposes for which such national recreation area was authorized; and

"(6) acquisition of lands necessary to preserve the integrity of the recreation area.".

GOLDEN GATE NATIONAL RECREATION AREA

SEC. 317. (a) Subsection 2(a) of the Act of October 27, 1972 (86 Stat. 1299), as amended (16 U.S.C. 459), is further amended to read as follows: "(a) The recreation area shall comprise the lands, waters, and submerged lands generally depicted on the map entitled 'Revised Boundary Map, Golden Gate National Recreation Area', numbered NRA–GG–80,003–J and dated May 5, 1978.".

(b) Section 3(e) of such Act is amended by deleting "forty-five" and inserting "one hundred and fifteen" in lieu thereof.

(c) Section 3(i) of such Act is amended to read as follows:

"(i) New construction and development

within the boundaries described in section 2(a) on lands under the administrative jurisdiction of a department other than that of the Secretary is prohibited, except that improvements on lands which have not been transferred to his administrative jurisdiction may be reconstructed or demolished. Any such structure which is demolished may be replaced with an improvement of similar size, following consultation with the Secretary or his designated representative, who shall conduct a public hearing at a location in the general vicinity of the area, notice of which shall be given at least one week prior to the date thereof. The foregoing limitation on construction and development shall not apply to expansion of those facilities known as Letterman General Hospital or the Western Medical Institute of Research.".

(d) Subsection 3(j) of such Act is amended to read as follows:

"(j) The owner of improved residential property or of agricultural property on the date of its acquisition by the Secretary under this Act may, as a condition of such acquisition, retain for himself and his or her heirs and assigns a right of use and occupancy for a definite term of not more than twenty-five years, or in lieu thereof, for a term ending at the death of the owner or the death of his or in lieu thereof, for a term ending at the death of the owner or the death of his or her spouse, whichever is later. The owner shall elect the term to be reserved. Unless the property is wholly or partly donated to the United States, the Secretary shall pay to the owner the fair market value of the property on the date of acquisition minus the fair market value on that date of the right retained by the owner. A right retained pursuant to this section shall be subject to termination by the Secretary upon his or her determination that it is being exercised in a manner inconsistent with the purposes of this Act, and it shall terminate by operation of law upon the Secretary's notifying the holder of the right of such determination and tendering to him or her an amount equal to the fair market value of that portion of the right which remains unexpired. Where appropriate in the discretion of the Secretary, he or she may lease federally owned land (or any interest therein) which has been acquired by the Secretary under this Act, and which was agricultural land prior to its acquisition. Such lease shall be subject to such restrictive covenants as may be necessary to carry out the purposes of this Act. Any land to be leased by the Secretary under this section shall be offered first for such lease to the person who owned such land or who was a leaseholder thereon immediately before its acquisition by the United States.".

(e) In subsection 3(k) of such Act, following "June 1, 1971," insert "or, in the case of areas added by action of the Ninety-fifth Congress, January 1, 1978,"; and at the end of the subsection, add the following new sentence: "The terms 'agricultural property' as used in this Act means lands which are in regular use for agricultural, ranching, or dairying purposes as of January 1, 1978, together with residential and other structures related to the above uses of the property as such structures exist on said date."

(f) Section 3 of such Act is amended by adding the following at the end thereof:

"(n) The Secretary shall accept and shall manage in accordance with this Act, any land and improvements adjacent to the recreation area which are donated by the State of California or its political subdivisions. The boundaries of the recreation area shall be changed to include such donated lands.

"(o) In acquiring those lands authorized by the Ninety-fifth Congress for the purposes of this Act, the Secretary may, when agreed upon by the landowner involved, defer payment or schedule payments over a period of ten years and pay interest on the unpaid balance at a rate not exceeding that paid by the Treasury of the United States for borrowing purposes."

(g) Section 4 of such Act is amended by adding the following at the end thereof:

"(e) No fees or admission charges shall be levied for admission of the general public to the recreation area except to portions under lease or permit for a particular and limited purpose authorized by the Secretary. The Secretary may authorize reasonable charges for public transportation and, for a period not exceeding five years from the date of enactment of this legislation, for admission to the sailing vessel Balclutha.".

POINT REYES NATIONAL SEASHORE

SEC. 318. (a) Section 2(a) of the Act of September 13, 1962 (76 Stat. 538) as amended (16 U.S.C. 459) is further amended as follows:

"SEC. 2. (a) The Point Reyes National Seashore shall consist of the lands, waters, and submerged lands generally depicted on the map entitled 'Boundary Map, Point Reyes National Seashore', numbered 612–80,008–E and dated May 1978.

"The map referred to in this section shall be on file and available for public inspection in the Offices of the National Park Service, Department of the Interior, Washington, District of Columbia. After advising the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate in writing, the Secretary may make minor revisions of the boundaries of the Point Reyes National Seashore when necessary by publication of a revised drawing or other boundary description in the Federal Register.".

(b) Section 5(a) of such Act is amended to read as follows:

"SEC. 5. (a) The owner of improved property or of agricultural property on the date of its acquisition by the Secretary under this Act may, as a condition of such acquisition, retain for himself and his or her heirs and assigns a right of use and occupancy for a definite term of not more than twenty-five years, or, in lieu thereof, for a term ending at the death of the owner or the death of his or her spouse, whichever is later. The owner shall elect the term to be reserved. Unless the property is wholly or partly donated to the United States, the Secretary shall pay to the owner the fair market value of the property on the date of acquisition minus the fair market value on that date of the right retained by the owner. A right retained pursuant to this section shall be subject to termination by the Secretary upon his or her determination that it is being exercised in a manner inconsistent with the purposes of this Act, and it shall terminate by operation of law upon the Secretary's notifying the holder of the right of such determination and tendering to him or her an amount equal to the fair market value of that portion of the right which remains unexpired. Where appropriate in the discretion of the Secretary, he or she may lease federally owned land (or any interest therein) which has been acquired by the Secretary under this Act, and which was agricultural land prior to its acquisition. Such lease shall be subject to such restrictive covenants as may be necessary to carry out the purposes of this Act. Any land to be leased by the Secretary under this section shall be offered first for such lease to the person who owned such land or was a leaseholder thereon immediately before its acquisition by the United States."

(c) In subsection 5(b) of such Act, following "September 1, 1959," insert "or, in the case of areas added by action of the Ninety-fifth Congress, May 1, 1978,"; and at the end of the subsection, add the following new sentence: "The term 'agricultural property' as used in this Act means lands which were in regular use for, or were being converted to agricultural, ranching, or dairying purposes as of May 1, 1978, together with residential and other structures related to the above uses of the property.".

(d) Section 5 of such Act is amended by adding the following new subsection (c) to read as follows:

"(c) In acquiring those lands authorized by the Ninety-fifth Congress for the purposes of this Act, the Secretary may, when agreed upon by the landowner involved, defer payment or schedule payments over a period of ten years and pay interest on the unpaid balance at a rate not exceeding that paid by the Treasury of the United States for borrowing purposes.".

(e) Section 8 of such Act is renumbered section 9 and the following new section is inserted after section 7:

"SEC. 8. The Secretary shall cooperate with the Bolinas Public Utilities District to protect and enhance the watershed values within the seashore. The Secretary may, at his or her discretion, permit the use and occupancy of lands within the seashore by the utilities district for water supply purposes, subject to such terms and conditions as the Secretary deems are consistent with the purposes of this Act.".

ANTIETAM NATIONAL BATTLEFIELD

SEC. 319. (a) In furtherance of the purposes of the Act entitled "An Act to provide for the protection and preservation of the Antietam Battlefield in the State of Maryland", approved April 22, 1960 (74 Stat. 79), and other Acts relative thereto, the Secretary is hereby authorized to acquire interests in additional lands as generally depicted on the map entitled "Boundary Map Antietam National Battlefield, Washington County, Maryland," numbered 302–80,005–A and dated June 1977. The acquisition of such interests in land shall be limited to scenic easements only.

(b) The Antietam National Battlefield Site established pursuant to such Act of April 22, 1960, including interests in land acquired by the Secretary pursuant to subsection (a) of this section, is hereby redesignated the "Antietam National Battlefield". The boundaries of such battlefield are hereby revised to include the area generally depicted on the map referenced in subsection (a) of this section, which shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior.

CHESAPEAKE AND OHIO CANAL NATIONAL HISTORICAL PARK

SEC. 320. (a) Section 8(b) of the Act of January 8, 1971 (84 Stat. 1978), is amended by changing "$20,400,000" to "$28,400,000" and by changing "$17,000,000 (1970 prices)" to "$22,000,000 (October 1978 prices)".

(b) The boundaries of the Chesapeake and Ohio Canal National Historical Park are revised to include approximately 600 additional acres.

VIRGIN ISLANDS NATIONAL PARK

SEC. 321. (a)(1) The first paragraph of section 1 of the Act of October 5, 1962 (76 Stat. 746; 16 U.S.C. 398c), is amended by adding a comma after the words "adjoining lands, submerged lands, and waters" and inserting "and Hassel Island located in Saint Thomas Harbor and adjoining lands, submerged lands, and waters,".

(2) Such section 1 is further amended by inserting immediately before the last paragraph, the following:

"HASSEL ISLAND

"The area known as Hassel Island in Saint Thomas Harbor consisting of approximately one hundred and thirty-five acres, together with such adjoining lands, submerged lands, and waters as the Secretary of the Interior deems appropriate, but the boundaries shall

not, in any event, extend beyond one hundred yards from the mean high water mark of the island.".

(b) Section 2 of such Act is amended by—

(1) inserting "(a)" after "SEC. 2";

(2) adding at the end of the first sentence thereof the following: "In acquiring such lands, up to 6.6 acres, the Secretary may, when agreed upon by the landowner involved, defer payment or schedule payments over a period of ten years and pay interest on the unpaid balance at a rate not exceeding the current prevailing commercial rate."; and

(3) adding the following at the end thereof:

"(b) The Secretary is authorized and directed to the maximum extent feasible to employ and train residents of the Virgin Islands to develop, maintain, and administer the Virgin Islands National Park.

"(c) Subject to continued protection and use of Hassel Island for park and recreation purposes and such other conditions as the Secretary may deem appropriate, the Territory of the Virgin Islands may, within but not after five years after the date of the enactment of this subsection, by duly enacted legislation acquire all interests of the United States in Hassel Island by reimbursing the United States in an amount equal to the amount actually expended by the United States for the acquisition of lands and interests in lands and for the costs of construction of permanent improvements, if any.

"(d)(1) Except for property deemed necessary by the Secretary of the Interior for visitor facilities or administration of the park, any owner or owners of improved property on Hassel Island on the date of its acquisition, may retain for themselves a nontransferrable right of use and occupancy of the property for noncommercial residential purposes, for twenty-five years, or, in lieu thereof, for a term ending at the death of the owner or the owner's spouse, whichever is later. The owner shall elect the term to be reserved. The Secretary shall pay to the owner the fair market value of the property on the date of such acquisition, less the fair market value on such date of the right retained by the owner. The authority of the Secretary to acquire the property commonly known as the Royal Mail (hotel) by condemnation shall be suspended for ten years from the date of enactment and the Secretary shall acquire such property only with the consent of the owner or owners thereof, if such owner or owners agree, in writing, within ninety days after the enactment of this subsection to grant to the United States the right of first refusal to purchase such property at a purchase price not exceeding the fixed value of said property on July 1, 1978.

"(2) As used in subsection (d)(1), 'improved residential property' means a single-family dwelling, the construction of which began January 1, 1977, together with such lands as are in the same ownership and appurtenant buildings located thereon.

"(3) The Secretary may terminate a right of use and occupancy retained pursuant to subsection (d)(1) upon his determination that such use and occupancy is being, or may be, exercised in a manner inconsistent with the purposes for which they were included within the park and upon tender to the holder of such right of the amount equal to the value of that portion of the right which remains unexpired on the date of termination.".

(c) Section 3 of such Act is amended by inserting "(a)" immediately after "SEC. 3." and by adding the following new subsection at the end thereof:

"(b)(1) Notwithstanding any provision of law to the contrary, no fee or charge shall be imposed on any permanent resident of the Virgin Islands for entrance or admission into the Virgin Islands National Park.

"(2) Notwithstanding any provision of law to the contrary, no fee or charge shall be imposed on any United States military personnel or dependents of such personnel for entrance or admission into the Virgin Islands National Park.".

(d) Section 4 of such Act is amended to read as follows:

"SEC. 4. Effective October 1, 1978, there are authorized to be appropriated such sums as may be necessary for the acquisition of lands and interests in lands within the Virgin Islands National Park. For purposes of this section, acquisitions of land on Hassel Island shall be deemed to be acquisitions qualifying for payment under the provisions of paragraph (2) of the Act of June 10, 1977 (Public Law 95-42; 91 Stat. 210). In addition to such sums as may have heretofore been appropriated for development of public facilities within the Virgin Islands National Park, effective October 1, 1978, there are authorized to be appropriated not more than $1,000,000 for restoration and rehabilitation of historic structures and for development of public facilities on Hassel Island: *Provided*, That not more than $500,000 of such amount may be paid to the Territory of the Virgin Islands for its use in furthering projects undertaken pursuant to the Land and Water Conservation Fund Act, the Historic Preservation Act, or other comparable programs upon the transfer of title to the United States of all properties held by the Territory on Hassel Island.".

(e) Section 2(c) of the Act entitled "An Act to authorize the establishment of the Virgin Islands National Park, and for other purposes" (70 Stat. 940; 16 U.S.C. 398) is amended by adding the following sentence at the end thereof: "Notwithstanding the acreage limitations and boundary designations contained in this section, the Secretary may, for administration as part of the park, also acquire, with the consent of the owner or by donation, real and personal property which is not within the defined boundaries of the park.".

ALIBATES FLINT QUARRIES AND TEXAS PANHANDLE PUEBLO CULTURE NATIONAL MONUMENT

SEC. 322. (a) The first section of the Act of August 31, 1965 (79 Stat. 587) is amended by adding at the end thereof the following: "The national monument shall comprise the area generally depicted on the map entitled 'Boundary Map, Alibates Flint Quarries', numbered 432-80,021, and dated November 1976. Minor boundary adjustments may be made from time to time by the Secretary.".

(b) Section 3 of such Act is amended by deleting "$260,000" and inserting "$2,250,000" in lieu thereof.

FIRE ISLAND NATIONAL SEASHORE

SEC. 323. (a) Subsection (b) of the Act of September 11, 1964 (78 Stat. 928), as amended to read as follows:

"(b) The boundaries of the national seashore shall extend from the easterly boundary of the main unit of Robert Moses State Park eastward to Moriches Inlet and shall include not only Fire Island proper, but also such islands and marshlands in the Great South Bay, Bellport Bay, and Moriches Bay adjacent to Fire Island as Sexton Island, West Island, Hollins Island, Ridge Island, Pelican Island, Pattersquash Island, and Reeves Island and such other small and adjacent islands, marshlands, and wetlands as would lend themselves to contiguity and reasonable administration within the distances of one thousand feet in the Atlantic Ocean and up to four thousand feet in Great South Bay and Moriches Bay and, in addition, mainland terminal and headquarters sites, not to exceed a total of twelve acres, on the Patchogue River within Suffolk County, New York, all as delineated on a map identified as 'Fire Island National Seashore', numbered OGP-0004, dated May 1978. The Secretary shall publish said map in the Federal Register, and it may also be examined in the offices of the Department of the Interior.".

(b) Section 2 of such Act is amended by—

(1) striking out "with one exception,"

(2) striking out "the sole exception" and substituting "an exception," and

(3) adding the following new subsection at the end thereof:

"(g) Notwithstanding the limitations of subsection (e)—

"(1) the authority of the Secretary to condemn undeveloped tracts within the Dune District as depicted on map entitled 'Fire Island National Seashore' numbered OGP-0004 dated May 1978, is suspended so long as the owner or owners of the undeveloped property therein maintain the property in its natural state. The Secretary is authorized to acquire developed properties within the Dune District when there is storm damage to improvements on the property in excess of 50 per centum of the fair market value of such improvements or when the owner or owners of such property undertake exterior improvements which are other than routine maintenance activities; and

"(2) in the event of catastrophic storm damage within any of the delineated communities, the Secretary is authorized to condemn improved and unimproved properties when ninety percent or more of all structures within a community are destroyed and damage to each structure to be acquired is in excess of fifty percent of its fair market value. Structures damaged less than 50 per centum of fair market value remain as inholdings exempt from condemnation.".

Mr. PHILLIP BURTON (during the reading). Mr. Chairman, I ask unanimous consent that title III be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. SYMMS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee of the Whole appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The pending business is the unanimous-consent request of the gentleman from California (Mr. PHILLIP BURTON) that title III be considered as read, printed in the RECORD, and open to amendment at any point.

Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Are there amendments to title III?

AMENDMENTS OFFERED BY MR. THOMPSON

Mr. THOMPSON. Mr. Chairman, I offer amendments.

I ask unanimous consent that the amendment which is to page 194 and the amendment which is to page 313 be considered en bloc, since they relate to the same subject matter.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. THOMPSON: Page 194, strike out line 8 and all that follows down through line 17 on page 196, renumber the following sections accordingly, and make the necessary conforming changes in the table of contents.

Page 313, strike out line 22 and all that follows down through line 19 on page 314, renumber the following sections accordingly, and make the necessary conforming changes in the table of contents.

Mr. PHILLIP BURTON (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey (Mr. THOMPSON) that the amendments be considered en bloc?

Mr. PHILLIP BURTON. Mr. Chairman, reserving the right to object—and I do not intend to object—I would like to obtain the assurance of the gentleman in the well that in the interests of resolving this matter, because it is completely related as a unity, I think the gentleman's request that they be considered en bloc is a valid one. But, once it is disposed of, presumably we will not have a rerun in a later title.

In other words, I suggest that we get it done now, and not come back and do it in a later title.

Mr. THOMPSON. Mr. Chairman, I can assure the gentleman that there will not be a duplicate in another title.

Mr. PHILLIP BURTON. My point is, I think the matter ought to be decided en bloc. It would lend itself more to that, but not be considered in a later title. I do not want to rerun the same issue even with a variant. It is for that reason that I agreed to facilitate the consideration en bloc. The understanding, of course, would be that the matter will be discussed thoroughly, at this time, but that once the committee works its will, that will be the end of it.

Mr. THOMPSON. I can assure the gentleman that the gentleman from New Jersey, as far as he is concerned, rests on the disposition of these amendments en bloc.

Mr. PHILLIP BURTON. And will join with me if a further variation is brought up that will go beyond the parameters of our understanding with respect to this item?

Mr. THOMPSON. I am not sure I understood that.

Mr. PHILLIP BURTON. I have enormous respect for the political intelligence, skill, and commitment to matters environmental of my distinguished colleague. I just want to be sure that I do not allow too much room for a reevaluation of this assurance by providing that someone else offers the amendments. I know the gentleman does not control anyone else.

Mr. THOMPSON. I have the same faith in the gentleman that he has in me, I assure him.

Mr. PHILLIP BURTON. I will accept the gentleman's word, as I would have given it to him.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The CHAIRMAN. The gentleman from New Jersey (Mr. THOMPSON) is recognized for 5 minutes in support of his amendment.

Mr. THOMPSON. Mr. Chairman, I thank the gentleman from California very much, and sincerely, for agreeing to the unanimous-consent request. As I stated to him, the two amendments do go to the same thing. I want also to commend the gentleman not only for the amendment which has been adopted, but—except where I disagree in this area and in one other area—I think that a splendid job has been done with this bill.

The posture which I find myself in has been imposed on me to a very large extent by two factors: First of all, at least with reference to the part of the bill which I consider very similar, there have been no public hearings. There is no public record, no printed record, to sustain the attack of a number of those who call themselves environmentalists, as I call myself, on the Tocks Island Reservoir project as being a pork barrel.

Now, the gentleman in the well was born and raised right on the Delaware River. I learned to fish in it; I learned to swim in it; I could walk across the street and go to it all of the first 21 years of my life; and I live within a block of it right now.

I have watched that river flood and I have watched it drop down to dangerously low levels in the 1960's because of drought. It is not my fault. It is not the fault of the opponents of this amendment. It is not the fault of the environmentalists, who seem so exercised over this legislation. Literally hundreds and hundreds of homes have been built on the flood plain of the Delaware on the New York and the New Jersey and the Pennsylvania sides since 1955, when we had a flood which did literally billions of dollars worth of damage on the Delaware, the Lehigh, and the tributaries of the Delaware. Since then those who would say: "Protect this wild and scenic river," have totally ignored the zoning and planning, or the lack of zoning and planning, which dumps effluents into the river, and they have totally ignored zoning and planning of municipalities along the river—and incidentally, little valuable land except in terms of homebuilding has been used.

I have seen no thorough discussion of the Supreme Court decree of June 1954 allocating the waters of the Delaware River under which the city and State of New York are allocated a diversion of 800 million gallons a day, one-half of the necessary water for the people of New York City, but with a condition.

Mr. Chairman, I would ask unanimous consent that I may revise and extend my remarks and include extraneous matter, and I will include that Supreme Court decision in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey to revise and extend his remarks?

There was no objection.

Mr. THOMPSON. Mr. Chairman, the Supreme Court decision is as follows:

AMENDED DECREE

No. 5, Original, October Term, 1950. NEW JERSEY v. NEW YORK ET AL.

The Court, having considered the amended petition of the City of New York, joined by the State of New York, to which is appended the consent of the State of New Jersey, the answer filed by the State of New Jersey seeking affirmative relief and the answers filed by the Commonwealth of Pennsylvania and the State of Delaware, the evidence and exhibits adduced by the parties, the report of Kurt F. Pantzer, Esquire, Special Master, and statements from all the parties addressed to the Court expressing the intention of the parties not to file exceptions or objections to the report, and being fully advised in the premises, now enters the following order:

I. REPORT OF SPECIAL MASTER APPROVED. The "Report of the Special Master Recommending Amended Decree," filed May 27, 1954, is in all respects approved and confirmed.

II. 1931 DECREE SUPERSEDED. The decree of this Court entered May 25, 1931 (283 U.S. 805) is modified and amended as hereinafter provided and, upon the entry of this amended decree, the provisions of the decree of May 25, 1931, shall be of no further force and effect.

III. DIVERSIONS BY THE CITY OF NEW YORK ENJOINED EXCEPT AS HEREIN AUTHORIZED. The State and City of New York are enjoined from diverting water from the Delaware River or its tributaries except to the extent herein authorized and upon the terms and conditions herein provided.

A. *Authorized Diversions.*

1. *440 M. G. D.* The City of New York may divert from the Delaware River watershed to its water supply system the equivalent of 440 million gallons daily (m. g. d.) until the City completes and places in operation its reservoir presently under construction on the East Branch of the Delaware River.

2. *490 M. G. D.* After the completion and commencement of operation of the East Branch reservoir, the City may divert the equivalent of 490 m. g. d. until the completion of its proposed dam and reservoir at Cannonsville on the West Branch of the Delaware River, provided, however, that in the event of an abnormal or unforeseeable interruption of its facilities, the City may divert in excess of the equivalent of 490 m. g. d. to meet its emergency requirements, but in no event shall such diversion impair the obligation of the City to make the releases hereinafter specified.

3. 800 M. G. D. After the completion of the Cannonsville reservoir, the City may divert the equivalent of 800 m. g. d.

4. Computation of Diversion. At no time during any twelve-month period, commencing June 1, shall the aggregate total quantity diverted, divided by the number of days

elapsed since the preceding May 31, exceed the applicable permitted rate of diversion.

B. Conditions and Obligations Imposed in Connection With Diversions and Releases by City. The diversions and releases by the City of New York from the Delaware River shall be made under the supervision and direction of the River Master, hereinafter appointed, and shall be subject to the following conditions and obligations:

1. Compensating Releases—The Montague Formula. The City shall release water from its reservoirs as follows:

(a) Until the East Branch reservoir is completed and placed in operation, on the day following each day in which the average flow in the Delaware River falls short of 0.50 cubic feet per second per square mile (c. s. m.), either at Montague, New Jersey (below the mouth of the Neversink River), or at Trenton, New Jersey (0.50 c. s. m. being equivalent to a flow of 1740 cubic feet per second (c. f. s.) at Montague and 3400 c. f. s. at Trenton), the City shall release water from the Neversink reservoir at an average of 0.66 c. s. m. or 61.38 c. f. s.

(b) Upon the completion and placing in operation of the Neversink and East Branch reservoirs, the City shall release water from one or more of its storage reservoirs in the upper Delaware watershed. Such releases shall be in quantities designed to maintain a minimum basic rate of flow at the gaging station of the United States Geological Survey (U. S. G. S.) at Montague of 1525 c. f. s. (985.6 m. g. d.) until the Cannonsville project is completed and its reservoir first filled to the extent that 50 billion gallons above the lowest outlet are available for diversion and release, and of 1750 c. f. s. (1131.1 m. g. d.) thereafter. Compliance by the City with directions of the River Master with respect to such releases shall be considered full compliance with the requirements of this subsection (b).

(c) At the commencement of the calendar year following the completion and placing in operation of the Neversink and East Branch reservoirs and of each calendar year thereafter, the City of New York shall estimate and report to the River Master the anticipated consumption of water during such year to be provided for by the City from all its sources of supply. The City shall, as hereinafter provided, release in the aggregate from all its storage reservoirs in the upper Delaware watershed, in addition to the quantity of water required to be released for the purpose of maintaining the then applicable minimum basic rate of flow as hereinabove provided, a quantity of water equal to 83 percent of the amount by which the estimated consumption during such year is less than the City's estimate of the continuous safe yield during such year of all its sources obtainable without pumping. In any such year the City's estimate of anticipated consumption shall not exceed by more than 7¼ billion gallons the actual consumption in any previous calendar year; and its safe yield in any such year, obtainable without pumping, shall be estimated at not less than 1355 m. g. d. after the Neversink and East Branch reservoirs are put into operation; and at not less than 1665 m. g. d. after the Cannonsville reservoir is put into operation. If, at any time after the completion of the Cannonsville reservoir and prior to the year 1993, the continuous net safe yield for water supply of all of the City's sources of water supply, obtainable without pumping, is increased by the development of additional sources, such greater safe yield shall be used in determining the excess releases.

(d) The City of New York shall release the excess quantity provided for in subsection (c) at rates designed to release the entire quantity in 120 days. Commencing with the fifteenth day of June each year, the excess releases shall continue for as long a period, but not later than the following March 15, as such additional quantity will permit. Such period is hereinafter referred to as the "seasonal period." The excess quantity required to be released in any seasonal period shall in no event exceed 70 billion gallons. In releasing the excess quantity specified for any seasonal period, the City shall not be required to maintain a flow at Montague greater than the applicable minimum basic rate plus the excess quantity divided by 120 days, or in any event greater than 2650 c. f. s., nor to release at rates exceeding the capacity of its release works. The City shall in each seasonal period continue its excess releases until March 15 or until the aggregate quantity of the flow at Montague in excess of the basis rate or in excess of such higher rates as are not the result of the City's prior releases, is equal to the total specified excess quantity.

(e) The terms and conditions provided in subsections (b), (c) and (d) hereof shall continue to be applicable in all respects in the event that the U. S. G. S. gaging station at Montague shall be relocated at a point below the confluence of the Neversink River with the Delaware River.

2. *Minimum Capacity of Release Works at Reservoirs of City.* In constructing the Cannonsville reservoir, the City shall install release works of such capacity as will provide a minimum aggregate release capacity from all its reservoirs in the Delaware River watershed of not less than 16000 c. f. s. under conditions of maximum reservoir depletion.

3. *Releases to be Continued in Spite of Interference.* In the event that any works hereafter constructed by public or private interests in the watershed of the Delaware River outside of the State of New York shall prevent the proper operation of the U. S. G. S. gaging station at Montague or interfere with the effective operation of the above release requirements by diverting water past the station or by intercepting the natural flow and storing it in reservoirs with an aggregate storage capacity in excess of 25 billion gallons, the City of New York shall continue to make the releases above specified which would be required in the absence of such interference, and appropriate gaging stations shall be established for that purpose.

4. *Inspection Permitted.* The States of New Jersey and Delaware and the Commonwealth of Pennsylvania, through accredited representatives, and the River Master, shall at all reasonable times have the right to inspect the dams, reservoirs and other works constructed by the City of New York, to inspect the diversion areas and the inflow, outflow and diverted flow of such areas, to inspect the meters and other apparatus installed by the City of New York and to inspect all records pertaining to inflow, outflow and diverted flow.

IV. TREATMENT OF PORT JERVIS SEWAGE. The effluent from the sewage treatment plant at the City of Port Jervis, New York, shall be treated so as to effect a reduction of 85 per cent in the organic impurities and shall be treated with a chemical germicide, or otherwise, so that the B. coli originally present in the sewage shall be reduced by 90 per cent. Untreated industrial waste from plants in the City of Port Jervis shall not be allowed to enter the Delaware and Neversink Rivers. The treatment of such industrial wastes shall be such as to render the effluent practically free from suspended matter and nonputrescent. The treatment of both sewage and industrial waste shall be maintained so long as any diversion is made from the Delaware River of its tributaries.

VI. TREATMENT OF PORT JERVIS SEWAGE. The UNDER SPECIFIED CONDITIONS.

A. *Authorized Diversions.* The State of New Jersey may divert outside the Delaware River watershed, from the Delaware River or its tributaries in New Jersey, without compensating releases, the equivalent of 100 m.g.d., if the State shall not, prior to July 1, 1955, repeal Chapter 443 of the New Jersey Laws of 1953, and if, when the Commonwealth of Pennsylvania accepts the conditions as specified in Section 19 of that Chapter, the State of New Jersey shall join with the Commonwealth of Pennsylvania in requesting the consent of Congress to the agreement embodied in Chapter 443 of the New Jersey Laws of 1953 and an Act of the Commonwealth of Pennsylvania accepting the conditions of such New Jersey Act.

B. *Conditions and Obligations Imposed in Connection with Diversions by New Jersey.* The diversions by New Jersey from the Delaware River shall be made under the supervision of the River Master and shall be subject to the following conditions and obligations:

1. Until the State of New Jersey builds and utilizes one or more reservoirs to store waters of the Delaware River or its tributaries for the purpose of diverting the same to another watershed, the State may divert not to exceed 100 m.g.d. as a monthly average, with the diversion on any day not to exceed 120 million gallons.

2. If and when the State of New Jersey has built and is utilizing one or more reservoirs to store waters of the Delaware River or its tributaries for the purpose of diversion to another watershed, it may withdraw water from the Delaware River or its tributaries into such impounding reservoirs without limitation except during the months of July, August, September and October of any year, when not more than 100 m.g.d. as a monthly average and not more than 120 million gallons in any day shall be withdrawn.

3. Regardless of whether the State of New Jersey builds and utilizes storage reservoirs for diversion, its total diversion for use outside of the Delaware River watershed without compensating releases shall not exceed an average of 100 m.g.d. during any calendar year.

VI. EXISTING USES NOT AFFECTED BY AMENDED DECREE. The parties to this proceeding shall have the right to continue all existing uses of the waters of the Delaware River and its tributaries, not involving a diversion outside the Delaware River watershed, in the manner and at the locations presently exercised by municipalities or other governmental agencies, industries or persons in the Delaware River watershed in the States of New York, New Jersey and Delaware and the Commonwealth of Pennsylvania.

VII. RIVER MASTER.

A. *Designation.* Subject to the concurrence of the Director of the U.S. Geological Survey, the Chief Hydraulic Engineer of the U.S. Geological Survey, or such other engineer of the U.S. Geological Survey as shall at any time be designated by the Chief Hydraulic Engineer, is hereby designated as River Master.

B. *Duties.* The River Master shall either in person or through his assistants possess, exercise and perform the following duties and functions:

1. *General Duties.*

(a) Administer the provisions of this decree relating to yields, diversions and releases so as to have the provisions of this decree carried out with the greatest possible accuracy;

(b) Conserve the waters in the river, its tributaries and in any reservoirs maintained in the Delaware River watershed by the City of New York or any which may hereafter be developed by any of the other parties hereto;

(c) Compile and correlate all available data on the water needs of the parties hereto;

(d) Check and correlate the pertinent stream flow gagings on the Delaware River and its tributaries;

(e) Observe, record and study the effect of developments on the Delaware River and its tributaries upon water supply and other necessary, proper and desirable uses; and

(f) Make periodic reports to this Court, not less frequently than annually, and send copies thereof to the Governors of Delaware, New Jersey, New York and Pennsylvania, and to the Mayor of the City of New York.

2. *Specific Duties with Respect to the Montague Release Formula.* In connection with the releases of water which the City of New York is required to make under Par. III–B–1 (b) of this decree, the River Master, in co-operation with the City of New York, shall, by appropriate observation and estimates, perform the following duties:

(a) Determine the average times of transit of the flow between the release works of the several reservoirs of the City and Montague and between the release works of other storage reservoirs in the watershed and Montague;

(b) Make a daily computation of what the average flow observed on the previous day at Montague would have been, except for that portion previously contributed by releases of the City or as affected by the contributing or withholding of water at other storage reservoirs, for the purpose of computing the volume of water that would have had to be released in order to have maintained precisely the basic rate on that day;

(c) Take account of all changes that can be anticipated in the flow from that portion of the watershed above Montague not under the City's control and allow for the same by making an appropriate adjustment in the computed volume of the daily release; and

(d) After taking into consideration (a), (b) and (c), direct the making of adjusted daily releases designed to maintain the flow at Montague at the applicable minimum basic rate.

C. *Distribution of Costs.* The compensation of, and the costs and expenses incurred by, the River Master shall be borne equally by the State of Delaware, State of New Jersey, Commonwealth of Pennsylvania, and the City of New York.

D. *Replacement.* In the event that for any reason the Chief Hydraulic Engineer of the U.S.G.S. or his designee cannot act as River Master, this Court will, on motion of any party, appoint a River Master and fix his compensation.

VIII. NO PRIOR APPROPRIATION NOR APPORTIONMENT. No diversion herein allowed shall constitute a prior appropriation of the waters of the Delaware River or confer any superiority of right upon any party hereto in respect of the use of those waters. Nothing contained in this decree shall be deemed to constitute an apportionment of the waters of the Delaware River among the parties hereto.

IX. DECREE WITHOUT PREJUDICE TO THE UNITED STATES. This decree is without prejudice to the United States. It is subject to the paramount authority of Congress in respect to commerce on navigable waters of the United States; and it is subject to the powers of the Secretary of the Army and Chief of Engineers of the United States Army in respect to commerce on navigable waters of the United States.

X. RETENTION OF JURISDICTION; NO ESTOPPEL. Any of the parties hereto, complainant, defendants or intervenors, may apply at the foot of this decree for other or further action or relief, and this Court retains jurisdiction of the suit for the purpose of any order or direction or modification of this decree, or any supplemental decree that it may deem at any time to be proper in relation to the subject matter in controversy. The fact that a party to this cause has not filed exceptions to the report of the Special Master or to the provisions of this decree shall not stop such party at any time in the future from applying for a modification of the provisions of this decree, notwithstanding any action taken by any party under the terms of this decree.

XI. COSTS OF THIS PROCEEDING. The costs of this proceeding shall be paid by the parties in the following proportions: State of New Jersey, 26⅔ per cent, City of New York, 26⅔ per cent, State of New York, 10 per cent, Commonwealth of Pennsylvania, 26⅔ per cent, and State of Delaware, 10 per cent.

Theodore D. Parsons, Attorney General of New Jersey, *Robert Peacock*, Deputy Attorney General, and *Kenneth H. Murray* for complainant.

Nathaniel L. Goldstein, Attorney General, *Wendell P. Brown*, Solicitor General, and *Edward L. Ryan*, Assistant Attorney General, for the State of New York; and *Denis M. Hurley, John P. McGrath, Jeremiah M. Evarts, James J. Thornton, Richard H. Burke* and *John Suglia* for the City of New York, defendants.

Frank F. Truscott, Attorney General, *George G. Chandler, Bernard G. Segal, Wm. A. Schnader* and *Harry F. Stambaugh* for the State of Pennsylvania; and *H. Albert Young*, Attorney General, and *Vincent A. Theisen*, Chief Deputy Attorney General, for the State of Delaware, intervenors.

Mr. THOMPSON. Mr. Chairman, that decision requires that the State of New York, at 347 U.S. 995, in times of drought, to compensate for the water which it takes out to supply the people of the city of New York with 400 million gallons a day. In the fifties when we had a severe flood, New York used their full allotment every day and made no compensation Saline water came up to within 2 or 3 miles of the water intakes in Wilmington, Del., and Camden, N.J., and Philadelphia, and had an adverse effect and threatened the wells of the city of Camden, N.J., which is south of the area which we are talking about.

The situation now is that the Commonwealth of Pennsylvania is about to start suit to enforce its rights under the 1954 decision, but I have not seen any reference to that.

The only thing I hear is that it is going to be a pork-barrel project and that it will cost $1 billion. Yet all of the records of the Government—the records of the Department of the Interior and the Corps of Engineers—all show that this cost would be up to $400 million or $450 million, and not $1 billion.

The CHAIRMAN. The time of the gentleman from New Jersey (Mr. THOMPSON) has expired.

(By unanimous consent, Mr. THOMPSON was allowed to proceed for 5 additional minutes.)

The CHAIRMAN. The Chair will advise the gentleman from New Jersey that his request to revise and extend was granted but he must obtain consent in the House to include extraneous matter.

Mr. PHILLIP BURTON. Mr. Chairman, if the gentleman would yield, I did earlier obtain unanimous consent, before we went into the committee, for all Members to have that right to include extraneous matter.

Mr. THOMPSON. Mr. Chairman, I thank the gentleman. I do remember that.

I hardly consider it to be a pork-barrel project when the opponents of it for a number of years have said, we can have alternatives. There have been studies of this project and there are funded studies now extant which are to be completed, and yet this project would be deauthorized.

And I might say the method of deauthorization is one to which I take exception in that the deauthorization appears in the Wild and Scenic Rivers bill. Why this legislation was not sequentially referred to the committee of original jurisdiction, the Committee on Public Works, is beyond my understanding, except for possibly a political matter.

Mr. PHILLIP BURTON. Mr. Chairman, if the gentleman will yield, I can enlighten the gentleman in that respect, and I am sure this will come as a startling revelation and that is that if we deauthorized it would then have been sequentially referred, and therefore we did not.

Mr. THOMPSON. I see, and I thank the gentleman. That was very kind. We will try to settle the whole matter here today.

The fact of the matter is that with 15 million people depending on a flood control water supply and a minimal amount of public power, which would have to be in the form of pumped storage, that the alternatives which have so often been spoken about, have yet to be developed. The reports are incomplete, and those which are partial do not even provide for any compensating flow in times of drought.

So it can be said, "Keep the beauty of the river." I would like to do that. I would like to see an alternative which I can support. I am not locked in forever to a dam at Tocks Island. I am locked in, however, unless and until there are viable and provable alternatives, at which time I would be the first one to put in a deauthorization bill. But they have not come forward, not since 1954 when the Supreme Court decision came down.

That Supreme Court decision said that pending the completion of New York certain dams, which have to be completed, that New York would have to have 50 billion gallons stored in order to exercise its 880 million gallon per day diversion right.

Some of the industries in New Jersey, which do not count as much, apparently, as some other things, are totally dependent upon the New Jersey diversion already, which is only 100 million gallons a day.

I submit the following information in this respect:

CURRENT WATER SALES CONTRACTS—DELAWARE AND RARITAN CANAL, BUREAU OF WATER FACILITY OPERATIONS, DIVISION OF WATER RESOURCES, SUMMARY AS OF NOV. 4, 1977

Application No.	Contract No.	Purchaser name and location	Purpose of supply	MGD contract allocation
DR-13Aa	C-16:563	(1) East Brunswick Township	Public	4.0
DR-4A	C-12:562	Elizabethtown Water Co., Elizabeth	do	15.0
DR-9A	C-12:562	do	do	7.5
DR-8	C-16:305	(2) Johnson & Johnson, New Brunswick	Industrial	2.326
DR-3A	F-2:154	Lambertville Quarry Co., (1st contract).	do	.06
DR-37A	C-5:791	Lawrence Hose Co., Lawrence Township	Industrial standby	.3
DR-11A	F-3:662	Lambertville Water Co., Lambertville.	Public	.2
DR-27	C-16:773	Middlesex Water Co	do	10.0
DR-5A	C-16:563	City of New Brunswick, N.B	do	7.5
DR-13A	C-16:563	do	do	3.0
DR-15A	C-10:670	North Brunswick, North Brunswick Township.	do	8.0
DR-31A	C-8:568	Princeton Nurseries, Princeton	Irrigation and standby.	.3
DR-18	C-7:552	Princeton University (Forrestal), Princeton.	Industrial nuclear energy research	1.0
DR-17A	C-7:667	Princeton Water Co., (1st contract), Princeton.	Public	1.0
DR-30A	C-7:721	Princeton Water Co., (2d contract), Princeton.	do	2.0
DR-36A	C-7:802	Princeton Water Co., (3d contract), Princeton.	do	3.0
DR-1B	C-4:90	Public Service, Trenton	Industrial	1.6
DR-32B	C-12:712	Steve Selody & Sons, Inc	Irrigation and standby.	.1
DR-12A	C-6:666	Shell Chemical Co	Industrial	1.250
DR-21C	C-11:151	Somerset Rubber, East Millstone	do	.05
DR-24B	C-5:690	Thickol Corp., Trenton	Fire (standby)	2.0
DR-38	C-13:534	Union Carbide, Bound Brook	Industrial	3.0
DR-33A	C-6:770	Vaccaro Bros	Irrigation and standby.	.2

If this deauthorization is achieved without the alternatives, which do not presently exist, and if there is a flood, then the thousands of people who have built on a flood plain will be wiped out. If there is a drought then millions will be without water.

This approach at this time to deauthorize, through this back door process, in my view is unconscionable—especially in light of the fact that the Tocks Dam cannot and will not be built unless the studies which have been appropriated for are completed. Until they are completed and until the moneys are appropriated, there is no foreseeable danger.

Now, what is the alternative if there is deauthorization, if it becomes wild and scenic, as my friend the gentleman from Pennsylvania (Mr. KOSTMAYER) would have it? We would have to go through the entire process again of reauthorization, more studies and millions and millions of dollars before the planning could proceed.

The CHAIRMAN. The time of the gentleman has again expired.

(On request of Mr. FORSYTHE, and by unanimous consent, Mr. THOMPSON was allowed to proceed for 1 additional minute.)

Mr. FORSYTHE. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from New Jersey (Mr. FORSYTHE).

Mr. FORSYTHE. Mr. Chairman, I would like to join my colleague, the gentleman from New Jersey, in support of his amendment. I would associate myself with his remarks in this area because I truly believe that the demands for flood protection and water supply for so much of New Jersey and Pennsylvania are totally dependent upon the solution to the Delaware River, that to go a long mile back and deauthorize, as my colleague says, realty through a backdoor method would be very, very disastrous if we were to experience either the flood or the drought condition which he so well describes.

Furthermore, I have another interest in the reason for which I make this statement, and that is that already there are rumors that to supply this water to other areas of northern New Jersey, they are thinking of coming into the pine lands of south Jersey, and to destroy a water aquifer there which is so very important to south Jersey and the future of south Jersey. Therefore, I hope this amendment is accepted.

Mr. THOMPSON. I thank the gentleman. The pines are included, and I shall support that legislation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. EILBERG. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of these amendments to delete sections 316 and 706 of this bill. If they are retained, the future water supply of the middle and lower Delaware River Basin would be jeopardized.

More importantly, unilateral congressional action on these two sections would abrogate the water rights of the citizens of Philadelphia, Pa., and the entire Delaware Valley, and their ability to deal effectively with their resource needs.

The Delaware River Basin Commission was created by interstate-Federal compact in 1961. It established a system for planning, management, and protection of the water resources of the Delaware River. In 1975, the Delaware Basin Governors voted to defer immediate construction of the dam. However, they did so only because more information and technical studies were needed before a final determination on the dam could be made. These studies are currently underway.

Again in its most recent annual report, the commission stressed the need to delay any final decision on the Tocks project pending the evaluation of the several studies underway.

There are limited water resources on the Delaware River. Water shortages will continue to grow without an adequate water supply—a supply which can be assured by the Tocks Island project.

Because of the frequency of drought, many areas in Chester, Montgomery, and Bucks Counties must rely on the Delaware River for their water supply because their ground supplies are overpumped. The ground water can barely sustain existing populations in these suburban counties. In addition, the ground water cannot be replenished during the average precipitation year. The public water suppliers in these counties will be unable to depend on existing sources of supplies such as wells and local streams, but will have to go to the main stream of the Delaware to meet their needs. These needs can be guaranteed only with a major impoundment such as Tocks Island.

If sections 316 and 706 are accepted, several smaller reservoirs and dams will have to be built to assure adequate water supplies which could result in higher costs.

The city of Philadelphia has a special interest in the abundant water supply which Tocks would supply. In addition to future drinking water, we need it for future industrial and economic growth and stability. We need it to insure the vitality of the city.

The designation of the Middle Delaware as a wild and scenic river would have serious implications for Philadelphia.

Without adequate flow during dry summers, saline intrusions migrate up the river from the estuary. This creates problems for industrial users, and threatens the Philadelphia and Camden, N.J., public water systems. It also severely impacts the estuary fisheries and ecosystems. For example, in the mid 1960's, as a result of insufficient flows into the estuary, the water supplies of Philadelphia and Camden were very close to temporary contamination and permanent saline pollution.

Since 1965, the area has relied on the projected availability of augmented flows from the Tocks Island project in its planning process.

The quality of the water supply is also important to Philadelphia. In contemplation of Tocks, the city has invested $460 million in pollution abatement work predicated on a minimum assured water flow to be provided by the Tocks Island Dam. This minimum assured flow is needed to clean up industrial pollution and municipal waste.

Finally, the development of Tocks Island Resource would provide the citizens of the area with outdoor recreational opportunities—swimming, freshwater boating, hiking, and camping.

All of these considerations I have mentioned—adequate water supply, outdoor recreational opportunities, and pure drinking water—are important to the cit-

izens of the Delaware River Basin. Before we turn our backs on Tocks, we must at least assure that there will be alternatives to meet these needs.

Congressional action now to prevent impoundment on the Delaware would be premature.

I urge my colleagues to vote to delete these sections.

Mr. KOSTMAYER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendments.

Mr. Chairman, there is no Member of this House who I am more reluctant to disagree with than the gentleman from New Jersey. The gentleman is a friend of mine. The gentleman has been a political hero of mine for all my life. We disagree on very little, but we disagree on this and we disagree strongly.

I would like to respond specifically to the things the gentleman said. No. 1, the gentleman from New Jersey said that no public hearings had been held on this issue. Public hearings were held in 177 in my congressional district when the National Parks Subcommittee came to New Hope, Pa., and held 2 days of hearings.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I would be happy to yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Chairman, would the gentleman be kind enough to provide us with a copy of those hearings?

Mr. KOSTMAYER. I would be more than happy to do so.

Mr. THOMPSON. Are those in print?

Mr. KOSTMAYER. Those hearings were held in my district in 1977. I thought the gentleman was aware those hearings were held.

No. 2, the Interior Department stated that in its opinion sufficient studies had been held. Secretary Andrus strongly favors this legislation and has written me to this effect.

No. 3, flood control; 10.8 percent of the cost benefits are for flood control and by far the largest benefits or 44 percent go for recreation. Flood control has never been a major consideration of the Tocks Island project. According to the Corps of Engineers, at the very most the greatest benefits we would accrue from Tocks Island project are 44 percent, 44 percent for recreation; so flood control has never been a major consideration of the Tocks Island project.

Almost 50 percent of the land flooded in 1955, of which the gentleman speaks so eloquently, is now under flood control management.

The possibility of flooding and the damage it would do has been greatly diminished by flood control insurance and by flood control management.

In 1955, 9,000 acres were flooded in Pennsylvania and New Jersey. The Tocks Island Dam would flood 12,000, an additional 3,000 acres.

In the flood of 1955 and 1956 of which the gentleman speaks, not one single death occurred on the main stem of the Delaware River, where we seek to stop this billion dollar project, not one single death. Every death and most of the major flooding which occurred did not occur on the main stem of the Delaware, as the gentleman from New Jersey knows. The flooding and the deaths and the damage and destruction occurred on the Lehigh and Schuylkill and the other tributaries.

Now, as far as New York City is concerned, the Supreme Court in 1954 guaranteed in a decree that the city of New York would receive 800 million gallons of Delaware River water per day, as the gentleman has pointed out. Nothing in this legislation, nothing in the bill would change that.

I read to you a letter from the Honorable Robert Herbst who is in the Department of the Interior. I quote from a letter of June 23:

> Nevertheless, it is our opinion that nothing in H.R. 12536 or the Administration's proposal would conflict with the Supreme Court decree—nothing.

The Supreme Court did not condition water diversion rights on a dam actually being built or upon Congress giving its consent. In fact, the Court decree recognizes that the United States was not a party to the litigation and that the decree was subject to the paramount authority of the Congress.

I want to make reference also to the remarks of the gentleman from Pennsylvania (Mr. EILBERG). The gentleman talked about the problem of salinity. There are two answers to the problem of salinity. Essentially, what this means, when the water supply from the North is reduced, if a drought were to occur, the salinity line from the South, from the Delaware Bay, would intrude up into Philadelphia, into the water supply as far as the Torresdale intake station.

There are two answers. Simply move the intake station north.

Mr. EILBERG. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentleman from Pennsylvania.

Mr. EILBERG. Mr. Chairman, does the gentleman know where the Tocks Island intake plant is, how close it is to the Bucks County line?

Mr. KOSTMAYER. Yes; it is just below the Bucks County line.

Mr. EILBERG. What spot is available that they could go any closer to where the river is located?

Mr. KOSTMAYER. The plant could be located on any point north of the river.

Mr. EILBERG. Into Bucks County?

Mr. KOSTMAYER. Or further north.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. KOSTMAYER) has expired.

(On request of Mr. PHILLIP BURTON, and by unanimous consent, Mr. KOSTMAYER was allowed to proceed for 5 additional minutes.)

Mr. KOSTMAYER. Mr. Chairman, during the drought of 1955 and 1956 the salinity rate per liter of water reached 60 milligrams. That is 60 milligrams of salinity per liter of water. The EPA definition of the danger point is 250. In Philadelphia it reached 60.

So I do not understand the alarm of the gentleman who is from Philadelphia or any of my other good colleagues from Philadelphia—all four of them—when they express this concern. The point at which it could be a problem, according to the EPA, is 250 milligrams, and even at the height of the drought it reached only 60.

No. 4, the gentleman from New Jersey mentioned that the Governor of Pennsylvania has filed suit. The Governor of Pennsylvania has done that. Both the Democratic candidate for Governor of Pennsylvania this year and the Republican candidate for Governor this year have stated publicly they will support my efforts.

The Governor of New Jersey is opposed to the Tocks Island project, the Governor of Delaware is opposed to the Tocks Island project, the Governor of New York is opposed to the Tocks Island project, and only the Governor of Pennsylvania, who has only 5 months to go in office, remains committed to this project. Whoever the next Governor of my State is, whether he be a Democrat or a Republican, has committed himself to a withdrawal of the suit. So the suit is not relevant, and the Governors concerned should not feel intimidated because that suit will be withdrawn within 5 months.

Mr. PATTEN. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentleman from New Jersey.

Mr. PATTEN. Mr. Chairman, I was in our State house in the 1950's, and I will show the Members pictures of the floodwaters of the Delaware 30 feet and more at the foot of our State capitol.

Flood control has always been one of the prime issues, I can tell the Members, of the Delaware Valley Development Corp. It has always been an important concern. If they ever get the rains that Scranton and Wilkes-Barre got and those waters that developed during the hurricane season, the effects would be felt 110 miles away and Philadelphia and Camden would be inundated.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Chairman, I would like to take a few moments to express my own evaluation and give my opinion on this issue.

First, I think the record should reflect the fact that I do not think any Member of this House has demonstrated any more commitment generally to the environment and, for that matter, to national environmental policy than our distinguished colleague, the gentleman from Pennsylvania, (Mr. KOSTMAYER).

When we first had our hearings, I leaned to the view that perhaps this matter might not be soluble because the range of opinion among affected communities might not sustain such an effort. I changed my view in that respect during the course of those hearings and during the course of my questioning one or another of the great number of witnesses that we had.

In any event, I have never been any more impressed in my years in the Congress than I was with the diligence, the commitment to the public good, and the

effective work brought to this important problem by our distinguished and esteemed member of our Committee on Interior and Insular Affairs.

Mr. Chairman, this is an idea whose time has come. This is a solution that not only is desirable from an environmental point of view, but which will also produce now some 60,000 or more acres for public recreation for the people of these communities where millions upon millions of people are living literally stacked like cordwood, if you will, in the crowded areas of Pennsylvania, New York, and New Jersey.

The inevitable consequence of rejecting the amendment offered by the gentleman from New Jersey (Mr. THOMPSON) and supporting the efforts of the gentleman from Pennsylvania (Mr. KOSTMAYER) is to produce an immediate national recreation area, a recreation area that is in the traditon of the bill, I might note, and which is supported not only by the Department of the Interior, but by the Corps of Engineers. And I might say for the benefit of those who are cost conscious that there is much money to be saved in putting to an end this Tocks Island proposal.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. KOSTMAYER) has expired.

(On the request of Mr. PHILLIP BURTON and by unanimous consent, Mr. KOSTMAYER was allowed to proceed for 5 additional minutes.)

Mr. PHILLIP BURTON. If the gentleman will yield further, there is more money, or about as much money, over the lifetime of the projects to be saved by rejecting this amendment as would have been saved, about, in the amendment offered by the gentleman from Pennsylvania (Mr. EDGAR) to the public works bill here a few weeks ago. So we have not only a most desirable environmental vote, also consistent with the administration and the OMB position, but the vote of itself will result in the reduction of potential outlays of roughly $500 million.

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Chairman, I would like to associate myself with the remarks of the gentleman in the well, and I would like to compliment the gentleman for very adequately answering several of the points that were made, in terms of salinity, flood control, and water supply.

I would like to just share with the gentleman a comment that I discovered was made by Carmen F. Guarino, who is the water commissioner for the city of Philadelphia. Back in 1973, in July, he made the following comment:

> It can readily be shown that no federally funded reservoirs are necessary on the Delaware River to insure adequacy of supply to the City of Philadelphia because the annual average natural stream flow of the Delaware at Trenton, New Jersey, with no reservoirs, Federal or otherwise . . . .

And I think that this kind of comment from the water commissioner of the city of Philadelphia demonstrates it is not a question of water supply, it is not a question of flood control, it is not even a question of flat water recreation. It is a question of how best to utilize the water, the land, the area.

I think the gentleman in the well makes the good point that this ought to be part of the Wild and Scenic River legislation, it ought to be put to that kind of creative recreational use, and the options ought to be there for alternative uses of this area, and not to build the large Tocks Island project.

So I commend the gentleman for his leadership, and I hope that the other members of the committee will recognize that this is not only an important step in the right direction, but in the long run I think it will save a lot of aggravation, time, and commitment to a project which should have been deauthorized several years ago.

Mr. EILBERG. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentleman from Pennsylvania.

Mr. EILBERG. I thank the gentleman for yielding.

The gentleman stated that three present Governors and the Governor-to-be of Pennsylvania are unanimous in opposition to the dam project. According to the information I have, the latest record available, Governor Byrne opposes construction but is opposed to deauthorization. Governor duPont is opposed. Governor Shapp, of course, is strongly in favor of construction. So I think the gentleman's statement is in error.

Mr. KOSTMAYER. My statement is not in error. I will repeat. Three out of four Governors voted, through their representatives at the Delaware River Basin Commission, in opposition to the Tocks Island project. Not only that, but the Governor of Delaware, Mr. duPont, a former Member of this body, was a cosponsor of the legislation to deauthorize this dam when he served in the House.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentleman from New Jersey.

Mr. THOMPSON. I thank the gentleman for yielding.

Mr. Chairman, the gentleman is correct with respect to the Governors' attitude on deauthorization. However, the Governors, all four, have opposed the designation of wild and scenic. They want the authorization through the normal process without the wild and scenic.

Mr. KOSTMAYER. The gentleman could not be more incorrect. As the gentleman from New Jersey knows, there was pending before the Delaware River Basin Commission, which is made up of Governors of four States and the designee of the Secretary of the Interior, a resolution in opposition to my original bill, H.R. 6403, to designate the middle Delaware as wild and scenic. There was an effort to get the Governors to vote for that resolution, and it failed. Only Governor Shapp was willing to do that. The resolution was withdrawn because the votes were not there.

If I can just complete my response to the gentleman from New Jersey (Mr. THOMPSON) regarding the fifth and the last point I would like to make regarding the compensating flow in times of drought. This is a serious problem. We need to do something about the flow of water downriver for the city of Trenton, the city of Philadelphia, and the other cities lying downriver.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. KOSTMAYER) has expired.

(By unanimous consent, Mr. KOSTMAYER was allowed to proceed for 3 additional minutes.)

Mr. KOSTMAYER. Mr. Chairman, we can do that by building a series of smaller, less expensive, less environmentally damaging dams on the tributaries.

I agree that we need to resolve the problem of increasing and decreasing or controlling the flow of water on the main stem of the Delaware. Obviously, we need to do that for flood control and water supply and for the salinity problem. We can do that by building dams on the tributaries of the river and by regulating the flow in that way. It is not necessary to build a $1 billion dam across the main stem of the Delaware.

My second point, Mr. Chairman, is that the Environmental Protection Agency has said the amount of water which will have to be withdrawn from the Delaware will be reduced by 80 percent by the year 2000 because of water conservation methods.

Third, Mr. Chairman, as far as the city of New York is concerned, it is estimated that because of the antiquated system used to get the water from the Delaware River to the city of New York, a large portion of that water is lost in transit—again, because of the antiquated water system.

Mr. EILBERG. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentleman from Pennsylvania.

Mr. EILBERG. Mr. Chairman, the gentleman stated that as a substitute for Tocks Island, there could be a half dozen other smaller dams. He must be referring to the Madigan report which indicates various alternatives. I suggest to the gentleman that none of these alternatives have been evaluated or studied as to whether they are environmentally sound or feasible from a cost standpoint.

Would the gentleman care to respond to that?

Mr. KOSTMAYER. Absolutely. The Department of the Interior has said that these dams will amount to a preferable alternative and that these alternatives are reasonable.

Mr. EILBERG. Is it not a fact that one of the studies now taking place is with respect to the cost of the seven-cities project? Is that not one of the studies now underway?

Mr. KOSTMAYER. As the gentleman from Pennsylvania knows, these studies began in 1962 and are still going on. I say to the gentleman that it is possible to study any issue, including this one, ad infinitum. Sooner or later, however, the studies must stop, and we must make a decision. At this point this project is estimated to cost $1 billion. Let us make a decision on it here today.

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Chairman, I thank the gentleman for yielding. I will just make one comment. The Committee on Public Works and Transportation has a Subcommittee on Water Resources. That subcommittee has the responsibility of looking at alternatives.

I think that particular committee should come before the House with a plan and a strategy for the rebuilding of tributary dams after looking carefully at the Madigan study. I think it can do that even with the passage of this legislation designating what is wild and scenic. That committee has that power and responsibility, and I would hope that it would do it.

I still support the gentleman's language in the bill, however.

Mr. KOSTMAYER. I hope our colleagues will do so as well.

Mr. Chairman, let me say in conclusion that we have not dealt here with charges of pork barrel. We have not invoked the so-called bunny rabbit lovers. We have dealt with the specific technical responses to the arguments, water supply, recreation, flood control, salinity, the problems of New York City, and the suit filed by my own Governor in Pennsylvania.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. KOSTMAYER) has expired.

By unanimous consent, Mr. KOSTMAYER was allowed to proceed for 2 additional minutes.)

Mr. KOSTMAYER. To continue, Mr. Chairman, we have responded in a logical and reasonable way to each of these problems.

Finally, Mr. Chairman, I repeat, three of the four Governors are opposed to this project. The Corps of Engineers, the ultimate dam builders, are opposed to this project. OMB, on fiscal grounds, is opposed to this project. The Department of the Interior and the Secretary of the Interior are opposed to this project. The President of the United States is opposed to this project. The Subcommittee on National Parks, which held hearings in Pennsylvania, is opposed to this project. The full Interior Committee is opposed to this project.

Mr. Chairman, when this project began in 1962, the estimated cost was $90 million. Then it went to $450 million. Today the estimated cost is $1 billion, making it one of the largest public works projects in the history of the United States, a project about which there is great cynicism and great doubt.

Mr. EILBERG. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentleman from Pennsylvania.

Mr. EILBERG. Mr. Chairman, the gentleman from Pennsylvania (Mr. EDGAR) has stated that the Committee on Public Works and Transportation is the proper committee to deauthorize.

Why is the gentleman in the well, the gentleman from Pennsylvania (Mr. KOSTMAYER), so anxious to deauthorize here on this matter, without going through the normal process?

Mr. KOSTMAYER. I am not interested in procedural gymnastics. I am interested in the waste of the taxpayers' money and in the assault on the river, the largest-free flowing river in the Eastern United States. I do not care what committee the matter comes out of. I do not think the American people are concerned with whether it is the Committee on Interior and Insular Affairs, the Committee on Public Works and Transportation, or any other committee.

That is not relevant. Let us not have any parliamentary gymnastics. Let us resolve the issue and stop the dam and save the taxpayers of this country $1 billion. That is the issue.

Mr. EILBERG. And deny the Public Works Committee the power?

Mr. KOSTMAYER. God forbid that we should deny the Public Works Committee anything.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

(By unanimous consent Mr. KOSTMAYER was allowed to proceed for 1 additional minute.)

Mr. KOSTMAYER. Like the gentleman from New Jersey (Mr. THOMPSON), I grew up on the Delaware River. I grew up less than a half mile from the Delaware River. This river is one of the loveliest free-flowing rivers in the Eastern United States. There is great question and great doubt about this project. I hope the Members of the House will stand by the committee, will stand by the river, and will defeat the amendment offered by the gentleman from New Jersey.

PARLIAMENTARY INQUIRY

Mr. PHILLIP BURTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PHILLIP BURTON. Mr. Chairman, I would try to resist, but may not succeed, the impulse to withhold unanimous-consent requests to extend time if any Members wants to speak beyond the 5-minute limit. I thought the prime sponsor, the gentleman from New Jersey, and the gentleman from Pennsylvania, because of their background and expertise in the matter, would need more time, but I would urge my colleagues, if they can, to try to make their arguments in the 5 minutes traditionally indicated.

The CHAIRMAN. The Chair is unable to rule on the parliamentary inquiry.

Mr. McDADE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendments.

Mr. Chairman, my colleagues, I rise in opposition to the amendment offered by my good friend from New Jersey. I do have sympathy for him and for my colleagues who want to go through the Public Works Committee and have a full hearing on this. I understand their position, because what we are faced with here really is a decision that is judgmental for all of us. I recognize that my colleagues who are downstream and who are looking at this as a water resource project or a flood control project, that that is their interest to protect. That is normal, so it should not be surprising to us that they would want to go through normal procedures.

But, what we have to recognize is that this is a judgmental question of what we do as a nation with our Wild and Scenic Rivers System. I have waited patiently to speak all day, but I must tell the Members that I have been working on this for 15 of the 16 years I have been in Washington. This whole system we are talking about happens to be in my congressional district.

I sit on the Appropriations Committee that handles the appropriations for it, and I know some of the growing pains this area has had. It was first authorized way back in 1962—imagine that. It was made a national recreation area in 1965—imagine that. I had to get an authorization bill through this House in 1972 to increase the authorization levels in order to try to keep the national recreation area alive.

What has been going on in the meantime? We have had tens of thousands of innocent citizens with the heavy hand of the Federal Government, of condemnation, hanging over their heads; waiting for this Congress and this Government to make a decision about what is going to be done. We have had 15 years of study, alternatives, and changing values. A few years ago, we had a battle in the Appropriations Committee that was perhaps the most difficult I was ever engaged in as a member of that committee.

It was because no administration requested money to construct this dam. Not one Member—I did not—not one Senator, or anybody I could find in the area, requested the money to construct this dam. But, guess what—the money went into the bill. Strange proceedings. How many of us go up to the Appropriations Committee to try to get money in a bill, and we plead to do so? I have done it many times. In this instance, without a budget request, without any Member asking for it, lo and behold, here came the money.

I will tell the Members why. It was because some people found out that the Delaware River Basin Commission, which controls this, was going to say, "Don't build it." It is the policy of the Corps of Engineers that if the Governors of the States say, "We don't want it," not to build it. But, after the time comes when construction starts, then nobody stops it.

So, the fight was made in the Appropriations Committee some years ago, and believe me, I have some bruises to prove it. My friend from New Jersey will recall the argument we had at the time. The view prevailed, the environmental impact statement was not even finished—was not even finished—and the money came out of the appropriations bill. What we are trying to do today with this bill, is to bring some symmetry to what has been a death struggle for an awful lot of people for almost 20 years.

We are trying to say: "Now you, Mr. Secretary of the Interior, are in charge of this fantastic wilderness area, 75,000 acres within an hour's drive of 30 percent of the people of the Nation. We are saying to you, Mr. Secretary of the Interior, you manage this property. You wear the hat. We are not going to have the corps over here and you over there.

You are going to have to pull it together and you are going to have to make it work the way it should have worked 15 years ago when we started appropriating money for this project."

Let me tell the Members how much we have appropriated to date out of the land and water fund money—and all the Members are interested in this. The Park Service has condemned 33,000 acres of private property at a cost of $61.7 million. The Corps of Engineers through its particular accounts, acting as land agent, has condemned 16,800 acres at a cost of $52.6 million. So we have got $114.5 million invested in the area after 15 years of shilly and shally and back and forth. Today does give us a chance to say: "Enough of that."

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. McDADE) has expired.

(By unanimous consent, Mr. McDADE was allowed to proceed for 1 additional minute.)

Mr. McDADE. Mr. Chairman, that does give us a chance to say that we are going to preserve for every generation to come a magnificent river, an ecological system that, believe me, is essential if this area, which is so close to all these metropolitan areas, is to retain its character. Take away this and we will lose the last really green spot in an area we affectionately call the Pocono Mountains along the Delaware River, one of the biggest tourist attractions in the world.

The only power on Earth that can keep it clean, the only power on Earth that can keep it beautiful, the only power on Earth that can keep it magnificent is this bill and the Federal Government.

So I hope we will vote down the amendment offered by my dear friend, the gentleman from New Jersey, and vote for the amendment offered by the gentleman from Pennsylvania.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. McDADE) has again expired.

(On request of Mr. GILMAN, and by unanimous consent, Mr. McDADE was allowed to proceed for 2 additional minutes.)

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. McDADE. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New Jersey (Mr. THOMPSON) and in support of the omnibus parks and recreation bill, (H.R. 12536), and wish especially to commend the distinguished chairman of the Subcommittee on National Parks (Mr. PHILLIP BURTON) for the stellar work by his subcommittee, and the full committee, in the preparation and submission of this final legislation, which included portions of legislation introduced and cosponsored by some 202 Members of the House.

I especially urge all Members to join in supporting section 705 of this bill, which was originally cosponsored in the House by my distinguished colleagues from New York (Mr. McHUGH) and Pennsylvania (Mr. McDADE) and myself. This section would make the Delaware River "wild and scenic" for a 75-mile stretch from Hancock, N.Y., to Sparrowsbush, N.Y., a proposal which has met with substantial approval by local public officials, sportsmen's clubs, conservationists, and residents of the area. It is extremely important that this area be protected by including it within the Wild and Scenic Rivers System, so that future generations can continue to enjoy the natural beauty of the scenic upper Delaware.

Since that clause is not controversial, I hope that we can all join in supporting its inclusion.

But far more controversial is section 706, which would extend the "wild and scenic" designation down to the Delaware Water Gap. I was led to understand that the original intent of this proposal was to "deauthorize" the proposed Tocks Island Dam project, a matter of considerable controversy in the three States affected. I was originally hesitant to lend my support to the measure because, quite frankly, I doubted if this was the proper means by which deauthorization could and should be brought about.

I have since received information which verifies my original hesitance. I understand that the passage of this section would not deauthorize Tocks for the following reasons:

First. This legislation does not repeal the Flood Control Act of 1962, which authorizes the Army Corps of Engineers to construct the Tocks Island Dam.

Second. If passed, the legislation would require the Corps of Engineers to report to Congress on the effect dam construction would have on the river before any funds could be appropriated.

Third. In previous cases where a "wild and scenic" designation affected a previously authorized project, specific legislation was introduced to deauthorize the project. No such legislation has been introduced in this case, thus leaving the question open for the future.

In summary, this legislation would not deauthorize Tocks, but would force Congress to take a long, hard look at the practicality of the Tocks Island project. * * * I have consistently supported another look at the Tocks Island proposal, and hope that within the passage of this legislation that such a review will be forthcoming.

In the meantime, the middle Delaware segment remains in a limbo, under the jurisdiction of the National Park Service. The land has been cleared of all residents, and currently no development is taking place either toward the establishment of a park or resale to private ownership. This legislation would clarify the situation, and would officially classify the land, already under Federal ownership, as a "wild and scenic" river. This legislation is needed to end the uncertainty over the status of this stretch of the river.

Accordingly, Mr. Chairman, I ask that all Members join in supporting the committee language on this important omnibus legislation, and refrain from supporting any amendments which would delete portions of this bill due to misinformation.

Mr. McDADE. Mr. Chairman, I want to thank the chairman of the committee and my friend, the gentleman from New York; and my friend, the gentleman from Kansas; and also the gentleman from New York (Mr. McHUGH); and also my retiring friend, the gentleman from Wyoming (Mr. RONCALIO), for the marvelous work they have done on the Upper Delaware River, which is not in controversy, which is a scenic river that is like a wild Western river, and it is a miracle that it exists as it does. It is in the bill. The Upper Delaware will be a monument to this Congress and other Congresses and I am glad we have been able to cooperate in a bipartisan way to achieve that.

Mrs. MEYNER. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, there are few people in this House I admire, respect, and love more than the gentleman from New Jersey, Mr. FRANK THOMPSON, who has been a friend for 20 years. When I was a freshman he led me by the hand through the complicated maze of parliamentary procedures and rules and regulations of the House. I will never forget his kindness to me. I value our friendship enormously.

But, Mr. Chairman, I do indeed rise in strong opposition to the gentleman's amendment. We have a marvelous opportunity today to save the middle section of the Delaware River, one of the most stunning and historic valleys in the Eastern United States.

Now this river, the part we want to save, runs along the border of my district. My constituents in northwestern New Jersey are virtually unanimous in their opposition to the Tocks Island Dam and they realize that political support for the project has dissolved. Three of the four States, as has been pointed out several times today during the discussion, in the Delaware River Basin, oppose the dam, and the gubernatorial candidates of Pennsylvania have come out strongly against the dam as a wasteful and inefficient project. Likewise, all of the local governments in the affected area have registered their objections to the Tocks Island Dam.

Certainly the last thing we need is another hearing, another meeting, another report on the Tocks Island Dam. There has been more ink spilled over this issue than would fill any lake created by the dam. The issue of wild and scenic status for the Middle Delaware has been addressed at congressional hearings, as my good friend the gentleman from Pennsylvania (Mr. KOSTMAYER) pointed out, not only in his district in Pennsylvania, but also here in Washington. All shades of opinion have been expressed and have been reviewed by committee members. The result is the excellent bill we have before us today.

There are dozens of persuasive arguments against the dam, but let us consider why we should preserve the Middle Delaware and accord it wild and scenic protection.

If you will look at the maps and the photographs my staff have so kindly

prepared and which are displayed before you, they show you a priceless natural resource which serves as the Western border of my congressional district.

The Middle Delaware is rooted in the history of our Nation. Long before the arrival of the Europeans, the Lenni Lenape, or Delaware Indians, populated one of the great Indian tribal centers in the Delaware Valley, leaving behind priceless artifacts and history.

During the 17th-century Dutch colonists built the Old Mine Road to service copper mines near the Delaware Water Gap. That road, over 100 miles long, is probably the earliest road of any great length in this country. It would be lost forever if we dam the Delaware.

New Jersey is the most densely populated State in the Nation, and that fact makes our remaining farmland and woodland all the more precious.

New Jersey is the most urban State in the Nation, as the gentleman from New Jersey (Mr. THOMPSON) knows, and as my good friend the gentleman from New Jersey (Mr. PATTEN) knows, and we must preserve our natural wonders. We must retain what little natural beauty is left in New Jersey.

Anyone who has canoed or swum in the Delaware knows that there is good reason to protect it from a project that would lead to massive choking of the stream by algae and unhealthy levels of bacteria. The Tocks Island dam would cover a 12,000-acre valley of history and beauty with water consisting mainly of mud and silt.

Mr. Chairman, we must not consign our heritage to the bottom of a putrid lake.

The arguments on behalf of saving the Delaware are overwhelming.

The facts clearly show that naming the Middle Delaware to the Wild and Scenic Rivers System would impair neither water supply nor flood control in the Middle Atlantic region.

The gentleman from Pennsylvania (Mr. KOSTMAYER) and I have sent extensive material to our colleagues supporting this view, a view which is shared by environmentalists, scientists and editorialists. Yet there remain a handful who will not be satisfied until they have built their billion dollar dam and destroyed the Delaware—and that is the real reason they have offered this amendment.

But they will not succeed because there are a number of choices other than Tocks Island open to us as the $1.5 million Madigan-Praeger study pointed out. By giving wild and scenic status to the Middle Delaware we can reaffirm our commitment to environmental protection and exploring reasonable alternatives for water supply and flood control.

Mr. Chairman, a billion dollar dam is anything but a reasonable alternative, and I hope that my colleagues will agree with that view. I believe that I speak for many Members when I say that we are willing to explore the real choices open to us.

Congress established the Delaware River Basin Commission as a forum for discussion, investigation and action consistent with the will of Congress. Let us work together to find solutions which will unite rather than divide our region, will meet the needs of our residents and will preserve that natural beauty which makes life worth living.

Generations may not remember us if we do, but they will most surely remember us if we do not. Please vote against this amendment and save a great river for all time.

Please save the last great free flowing river in the Northeast by voting against this amendment.

Mr. PHILLIP BURTON. Mr. Chairman, I ask unanimous consent that all debate conclude in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. PATTEN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. PHILLIP BURTON. The gentleman from New Jersey suggested 12 minutes

Mr. PATTEN. Twelve minutes. We have not had a chance to talk yet. Give us time to tell the whole story.

Mr. EVANS of Delaware. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New Jersey. I do so reluctantly as my friend, the gentleman from Pennsylvania (Mr. KOSTMAYER), does, but perhaps for different reasons. We are not necessarily political allies, but we are friends, and I believe the gentleman from New Jersey (Mr. THOMPSON) is a man of integrity and a man of concern, and he is my friend.

Nevertheless, I think we should look at the assets as well as the liabilities. In any ledger sheet that we look at, we have got to look at both sides of that sheet. The proponents of the Tocks Island Dam, discuss recreation; they discuss flooding; they discuss inadequate drinking supplies; and they discuss jobs. I think those are the four issues.

Let me just briefly offer my own opinion in each of these four areas. First of all, as far as recreation, 15 percent of the total population of the United States lives within a 100-mile radius of the Delaware River Basin and the Delaware River. The Corps of Engineers said that the Tocks Island Dam could create by siltation within one generation a massive mosquito hole, and I do not believe that any of us want a massive mosquito hole. It might help the bass, but I do not think it is going to help much else, and it would be destroying one of the most beautiful areas in the world, which is unrivaled in its scenic beauty.

The second issue is the chronic problem of flooding. I am familiar with the flooding of 1955. The Delaware River, though, is not the problem. My friend, the gentleman from Pennsylvania (Mr. KOSTMAYER) points out it is the tributaries into the Delaware River that are the problem. A proper alternative, a reasonable alternative, would be the construction of smaller dams on the tributaries where the actual cause of the flooding is taking place.

The third issue is the issue of drinking water. I know that the Tocks Island Dam would provide almost 200 million gallons of water a day to northern New Jersey; but the cost would be 20 percent greater than the alternative. That is why Governor Byrne of New Jersey opposed the amendment.

As a matter of fact, every State affected, with the exception of the "lame duck" Governor of Pennsylvania, Mr. Shapp, opposes the amendment.

Both Mr. Flaherty and Mr. Thornberg, the candidates for Governor in Pennsylvania, have gone on record as opposing this amendment.

If this is passed, we will be shoving a $1 billion boondoggle down the throats of the affected States and the American taxpayer.

The fourth issue is the question of jobs. I do not argue with the fact that over the interim period that the building of the Tocks Island Dam would provide some interim-type jobs. But so would filling Yellowstone Park with concrete provide some interim-type jobs. Look, however, at the permanent jobs that could be affected along the Delaware River: The fishing industry, the oyster industry, the clamming industry. Jobs could be lost in these industries forever.

If my friend, the gentleman from New Jersey (Mr. THOMPSON) would like to go fishing with me in the Delaware River and Bay, and I hope the gentleman will soon, if the gentleman's amendment passes, if the gentleman does not get any dib nibbles from trout and croaker, do not blame me.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Delaware. I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Chairman, if I accept the gentleman's invitation, whose boat will we use and whose life preserver will we get?

Mr. EVANS of Delaware. If the gentleman would yield back, perhaps we could find a neutral boat controlled half by Democrats and half by Republicans and we might enjoy the afternoon.

Mr. THOMPSON. The gentleman says that the *Sequoia* is still available.

Mr. EVANS of Delaware. If we get it out of mothballs, but I do not think it is a fishing boat.

Clearly, I do not think the facts support the gentleman's amendment from an environmental standpoint or from a fiscal standpoint. I hope this House will preserve a very beautiful river and an historic spot.

Mr. LEDERER. Mr. Chairman, I move to strike the requisite number of words. I rise in favor of the amendment.

Mr. Chairman, I rise today in support of Mr. THOMPSON's amendment because it is vital to the water planning of my city, my State, and the entire region which depends on the Delaware River Basin and the planning of the Delaware River Basin Commission. Section 706 of the bill would designate the middle portion of the river as wild and scenic. This would end studies and plans for the Tocke Island Water Reservoir project in that area and, indeed, any water resource planning for the river, and the future.

The waters of the Delaware River

Basin are the environmental and economic lifeblood of eastern Pennsylvania. The main stem of the river is the primary public water supply source for nearly 2 million citizens of Philadelphia and neighboring communities, as well as many self-supplied industries, farmers, and power facilities. At the same time, the city of New York and communities in New Jersey take large quantities of water out of the basin, thereby diminishing the flows reaching the lower Delaware. Disagreements between these States over the apportionment of the basin water supply have twice gone to the U.S. Supreme Court. In 1954, the States entered a consent decree establishing a carefully balanced and interwoven arrangement of authorized diversions to New York and New Jersey with provisions for Pennsylvania to undertake specified projects to protect the water interests of southeastern Pennsylvania and the lower basin. Several of these projects and alternatives are located in or affect the middle Delaware River.

The decree, in turn, is part of the Delaware River Basin Compact, a solemn agreement between the States of Pennsylvania, New York, New Jersey, and Delaware, and the United States of America. Together, these parties form the Delaware River Basin Commission, speaking for the four States, endorsed the designation of the "Upper River" in the wild and scenic systems. However, they specifically recommended that the "Middle River" not be included in the the wild and scenic system because it would effectively terminate the Tocks Island Reservoir project.

In May of this year, the Department of the Interior presented to the Congress a plan to designate as "wild and scenic" the middle portion of the Delaware River from Port Jervis, N.Y., to the Delaware Water Gap. This was done without consultation with the State of Pennsylvania and without the approval of the Delaware River Basin Commission of which the Federal Government is a party.

The State of Pennsylvania, and, I believe, the Members here who support the Thompson amendment support the Upper River designation of "wild and scenic." This designation stretches from Hancock, N.Y., to Port Jervis. It was studied and evaluated as required and formally supported by the parties to the basin compact. The Middle River proposal has not been studied or evaluated with the parties to the basin compact and, indeed, is inconsistent with the comprehensive plan adopted by the Delaware River Basin Commission with the unanimous vote of the basin States and the U.S. representative. In fact, the commission is just today holding hearings on the impact of the designation of the Middle River and the position of the commission in response to this proposal

The enactment of section 706 would have very serious effects on the water situation in both Pennsylvania and southern New Jersey. The water problems of this basin are not hypothetical. They have been experienced in real life as underscored by the 1961 to 1965 drought and a history of repeated floods.

During the 1960's drought, there was an insufficient flow of water into the Delaware River estuary feeding southern Pennsylvania and New Jersey. The water supplies of Philadelphia and Camden were perilously close to destruction by salinity intrusion from the sea water backflowing into the Delaware Bay. Many private supplies below Philadelphia were, in fact, severely injured.

Mr. Chairman, if I may just interrupt my line of thought for a minute, I recall that the gentleman from Pennsylvania (Mr. KOSTMAYER) gave us some percentages on salinity. Thank the Almighty, the salinity range stopped where it did, because if it had not, the Campbell Soup Co. in Camden, N.J., would not have had to put any salt in its soup.

Mr. Chairman, to maintain State or Federal water quality standards, even with the best available treatment, we must have a minimum flow of water into the lower basin from the rivers. Such flows cannot now be sustained during seasonal dry periods or moderate to severe droughts, particularly if New York and New Jersey retain the right to divert waters out of the basin. If anything, the water picture in the basin has deteriorated since the 1960's drought as New York and New Jersey have increased their uses while increased demands have simultaneuosly been placed by users on the lower basin.

The Middle River designation also takes away from the States the right to plan for their water needs and directly abrogates the agreement now in force under the Supreme Court decree of 1954 which apportions the water flow and established the water resource planning for Tocks Island and alternative projects.

The failure of the Interior Department to consider the real impacts of this proposal was underscored in a letter to the State 2 weeks ago from the Office of the Interior Department Solicitor. This letter essentially argues that the Federal Government has an absolute right to abrograte Pennsylvania's water rights in the Delaware, both under the 1954 decree and the basin compact, a compact to which the United States is a signatory party. In effect, the Interior Department officials have taken the position that they can take away the vital water supplies of southeastern Pennsylvania and literally sell the citizens of the lower basin down the river without so much as consulting with the affected States or considering the consequences to the health, safety, and environment of Pennsylvania citizens.

For the past several years, the basin States have been engaged in an extensive effort costing millions of dollars of taxpayers' funds to find realistic, effective, and implementable alternatives to Tocks which are adequate to protect the interests of all the States. There are currently under way several studies by the Delaware River Basin Commission, the basin States and appropriate Federal agencies to explore land resources alternatives and to develop a proper management plan for water and related land resources of the Delaware River Basin. These include: First, a Comprehensive plan by the Delaware River Basin Commission and cooperating Federal and States agencies to examine existing and future water-related needs and alternative structural and nonstructural solutions; second, State water planning studies by New Jersey and Pennsylvania to refine estimates of existing and future needs and problems and to assess alternative solutions; third, studies by the Delaware River Basin Commission and Army Corps of Engineers of salt water movement and concentrations in the Delaware estuary and the impact of salinity intrusion on municipal and industrial water supplies and estuary aquasystems; fourth, studies by the Army Corps of Engineers on nonstructural flood control alternatives which might be implemented in place of the substantial flood protection which would be provided by a main stem impoundment; and fifth, studies by the States and designated regional planning agencies, pursuant to section 208 of the Federal Water Pollution Control Act, developing area-wide waste treatment management plans to identify the municipal and industrial waste treatment facilities and methods to control nonpoint sources of pollution to protect water quality in the Delaware River Basin.

An intelligent, considered decision on any action affecting the middle Delaware and the water rights of Pennsylvania must await the outcome of these efforts. Section 706, without study or assessment, bars not only the Tocks project, but several of its prime alternatives, and in a stroke, the years of planning and agreement by the four States.

On Friday, June 30, the Commonwealth of Pennsylvania and the city of Philadelphia filed a joint suit in the U.S. District Court for the Eastern District of Pennsylvania against President Carter, Secretary of the Interior Cecil B. Andrus, Assistant Secretary Robert L. Herbst, and several subordinate officers of the U.S. Department of the Interior. The joint complaint seeks declaratory and injunctive relief to abate the defendant's violation of the Federal-Interstate Delaware River Basin Compact, the National Wild and Scenic Rivers Act, and the National Environmental Policy Act in proposing designation of the middle Delaware River as a National Wild and Scenic River without first, prior consultation with the Basin States and approval by the Delaware River Basin Commission, second, preparation of a proper eligibility study and management plan for the middle Delaware, and third, submission of an environmental impact statement detailing the impacts on the middle Delaware and other parts of the Delaware River Basin engendered by this important resource management decision.

The relief requested in the lawsuit will force the Interior Department to follow the legal procedures laid down by Congress designed to preclude such irresponsible actions.

I wish to emphasize one final point. The issue here is not forcing the construction of the Tocks Island project or any other project, nor is it the environmental needs of the region. The questions turn on the States' protection of their water supply in agreement with the Federal Government and the abro-

gation of those plans and agreements by this hasty legislative action.

The Philadelphia Inquirer reported today that residents of Philadelphia now pay $13 for a cubic foot of drinking water while residents of Salt Lake City, Utah, in the middle of a desert, pay only $2.10 for the same water. This is an outrageous paradox. If the Middle River is impounded we will be paying even more money for our water.

I ask all my colleagues to consider the impact this legislation has on the region and the ill-conceived manner in which it would do away with the plans and years of work of the States under the Court sanction. For all these reasons, I ask my colleagues to support Chairman THOMPSON's amendment.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. LEDERER) has expired.

(By unanimous consent, Mr. LEDERER was allowed to proceed for 3 additional minutes.)

Mr. LEDERER. Mr. Chairman, coming in this morning, I had an opportunity to look at the Philadelphia Inquirer, which seems to be jumping all over the fence on this issue. There was an article in this issue written by a man by the name of Neal Peirce. The article is headlined: "Water Policy Is Now Up to the States." There is one paragraph in the article I would like to quote, and it says as follows:

One result: Philadelphia residents pay $13 per cubic foot of drinking water; residents of Salt Lake City (in the midst of a desert) pay as little as $2.10 for the same amount.

Mr. Chairman, the entire article is as follows:

PUT UP THE MONEY—WATER POLICY IS NOW UP TO THE STATES

(By Neal Peirce)

WASHINGTON.—If former governors Jimmy Carter and Cecil Andrus have their way, a day will soon dawn to which state governments, for the first time, will have a strong say over which water projects, from big dams to flood control projects, the Federal Government builds within their borders.

But it will cost them some money—either 5 or 10 percent of the cost, depending on the nature of a particular project. The funds would have to be committed "up front" before the President and Congress would consider the proposal.

Water projects are a big-ticket item for the Federal Government: Currently there are 783 under way, at a cost to taxpayers of over $20 billion. To his political sorrow, President Carter has learned how hard it is to hold back the sluice gates.

An "iron triangle" of congressmen, water users and Federal construction agencies works to promote water projects, often with little concern for taxpayer expense, environmental damage, or how many people may benefit.

The system has become incredibly overloaded. Congress' list of "authorized" projects awaiting financing now numbers 497, the great majority in the South and West. And now Northeastern states have begun to press for federal help to repair their antiquated municipal water systems.

It's clear there needs to be some priority selection of which projects are really necessary and cost-effective. Congressmen, anxious to prove they've "brought home the bacon" at election time and prone to log-rolling to satisfy mutual political needs, are ill-equipped to make that selection on their own.

Enter the state cost-sharing element of President Carter's national water policy, announced last month. The idea, conceived by Andrus, now Interior Secretary, has prompted more yawns than fervent support. But congressional approval would be a big step toward a more equitable and less wasteful federal water budget.

Cost-sharing, Andrus told me, would bring the water project debate "into the appropriations act of the various states, which means there have to be public hearings, which means the state legislators themselves have to look at the various projects. This alone gives the public a forum at the local level whereby poor projects will never survive."

Andrus, in short, wants Uncle Sam to fund worthwhile projects with broad local support, but "to separate out the dogs." Critics say many projects would have difficulty mustering a financial commitment in their state legislatures because they involve benefits only to a select few.

Under the Carter-Andrus policy, Congress would still have the final say on water projects, subject to presidential veto—but only after the state government had approved the project and guaranteed is funding share.

States would contribute 10 percent of costs for projects with "vendible outputs," such as hydroelectric power or water for farmers or municipalities.

States would receive revenue from completed projects in proportion to their contributions. For non-revenue generating projects such as flood control, the state share would be 5 percent.

To relieve small state concerns, Andrus agreed to place a cap on state participation in each project at one-fourth of one percent of a state's annual tax revenues.

Would cost-sharing place an undue burden on states? Andrus thinks not: "President Carter comes from the gubernatorial ranks. So do I. The big complaint I always had was that the 'feds' were always doing things to us and not with us. Here's an opportunity to be in the decision-making process. The expense would not bother me as a governor at all. I would quickly trade that for the right to determine which projects should or should not be built in my state."

In time, cost-sharing and better planning may also illuminate the fact that water resources are not exclusively Western concerns. During the past months' water policy debate, Northeastern states, led by Massachusetts Environmental Affairs Secretary Evelyn Murphy, lobbied in Washington for the first time for help to rehabilitate aged and deteriorating Northeastern water systems.

The administration turned a deaf ear on the Northeasterners' immediate plea for federal aid, but suggested they use their planning funds to prove their need more definitively.

Eastern states, if they offer cost-sharing for projects they want, might eventually compete on much more even footing with Westerners than ever before.

The National Wildlife Federation charges Washington spends six times more money developing water resources in the Southern and Western United States than in the Northeast and Upper Midwest.

One result: Philadelphia residents pay $13 per cubic foot of drinking water; residents of Salt Lake City (in the midst of a desert) pay as little as $2.10 for the same amount.

So far, however, debate over the Carter-Andrus program has not been cast in East vs. West terms, and Andrus notes Westerners help subsidize many urban relief measures of chief benefit to older Eastern cities.

Carter's severe political problems in the West (stemming in part from "hit list" of vulnerable Western water projects) clouds the outlook for his water policy in Congress.

Yet the interest of states in all regions, both for sound water planning and gaining more control over water projects, should have generated more than the tepid endorsement so far evidenced by the National Governors' Association—particularly in view of Andrus' close, year-long consultation with the governors in formulating the policy.

Even worse, the National Conference of State Legislatures, which constantly harps on states' rights themes, has come out against cost-sharing. Some day the states will have to learn that power, influence and independence from Washington don't come on the cheap—that the supplicant at the gates of the U.S. Treasury remains just that.

Mr. Chairman, the gentleman from California (Mr. BURTON) stated his opinion earlier. I happen to know the area involved, and I will just take another 30 seconds to say this: I have been very active in environmental affairs and projects all my life, and I have held every position the Boy Scouts of America offers. I live in the inner city. I live only a half block from the Delaware River, and I am very concerned about recreation.

But even more so, I am concerned about people working. That is the name of the game.

Therefore, Mr. Chairman, I ask my colleagues to support the amendment offered by the gentleman from New Jersey (Mr. THOMPSON).

Mr. EILBERG. Mr. Chairman, will the gentleman yield?

Mr. LEDERER. I yield to the gentleman from the city of Philadelphia, Pa.

Mr. EILBERG. Mr. Chairman, I will ask my dear friend and colleague from Philadelphia if it is not true that the Department of Environmental Resources of the Commonwealth of Pennsylvania, in a report issued in February of this year, commented on the drought of the summer of 1965 and referred to the salt line coming in from the ocean, and that had we not been lucky enough to have that salt line stop at the levels of salinity as it did, far in excess of the amounts identified by medical studies as being a real threat to the people of Philadelphia would have been experienced? Is that not true?

Mr. LEDERER. That is true. It is also true that the city of Philadelphia was giving water to some of our suburban counties at that time.

Mr. Chairman, I yield back the balance of my time.

Mr. PATTEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, in 1937 I was mayor of Perth Amboy and head of the water department. For 40-some years I have waited for my county to get some water out of the Delaware. We are now turning down industry. We cannot proceed at all in many of the areas. There is no washing of cars, water is turned off at midnight.

I want to tell some of our colleagues from north Jersey who forget, it was only a few years ago we had Secretary of the Interior Udall declaring a national crisis in New Jersey, where the reservoirs were empty throughout the entire metropolitan area and the whole Northeast. It is a shame to tie up our water supply with the provisions of this bill today. They say it is a port bill. Any study I have ever seen made indicates this project is self-

liquidating. There are recreational and other benefits. This will not cost the taxpayers one penny. This will be absolutely irreparable injury if we do not support the Thompson amendment. I would say, by all means, let us all support the amendment offered by our colleague, the gentleman from New Jersey (Mr. THOMPSON), and let us treat this the way it should be and not through the back-door approach.

Mrs. FENWICK. Mr. Chairman, I move to strike the requisite number of words.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Chairman, would this be an appropriate time to try to reinvoke, possibly, the 10-minute debate limitation?

The CHAIRMAN. Does the gentlewoman from New Jersey (Mrs. FENWICK) yield for the purpose of putting that question?

Mrs. FENWICK. Absolutely, Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto conclude in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The gentlewoman from New Jersey (Mrs. FENWICK) is recognized for 5 minutes.

Mrs. FENWICK. Mr. Chairman, I will not take 5 minutes. I think all the good arguments have been made. We can talk here forever. I think we know what we are doing. We are either going to preserve one of the last great rivers of the East, or we are not going to preserve it. We are either going to leave it free flowing for future generations or we are not.

Perhaps we think we are going to do something because we know better than nature, and I do not think we do. I think the moment has come when we have to leave that river alone. The industries in Middlesex County can get water. We have reservoirs. Every good argument has been made, concerning salinity, flood control, water supply.

Mr. Chairman, I went to the hearing in Pennsylvania when the gentleman from Pennsylvania (Mr. KOSTMAYER) and the gentleman from California (Mr. PHILLIP BURTON) asked me to. We have heard the gentleman from Pennsylvania (Mr. MCDADE), our fine Representative on the other side of the river from us in New Jersey and we know what we are dealing with here. We are trying to save a river so that we will have something for our children. As one of my constituents wrote me:

> I cannot afford to go to the Grand Canyon of the Colorado. I am a working man with a lot of kids. I cannot afford to take my whole family on a trip. Where can I go when we want to see something grand if I cannot go to the Delaware?

The CHAIRMAN. At the time that the unanimous-consent request was granted, the gentleman from Pennsylvania (Mr. DENT) and the gentleman from California (Mr. PHILLIP BURTON) were observed standing, with 2½ minutes being allotted to each.

The Chair recognizes the gentleman from Pennsylvania (Mr. DENT) for 2½ minutes.

Mr. DENT. Mr. Chairman, I question that decision on 2½ minutes each out of 10 minutes. The gentlewoman had already been awarded her time of 5 minutes before the request was made. In my view, Mr. Chairman, normally, the time is added onto the time when the person already on the floor had a 5-minute time request granted.

The CHAIRMAN. The Chair will state that the Chair had recognized the gentlewoman from New Jersey (Mrs. FENWICK) for 5 minutes at the time that the unanimous-consent request limiting the total amount of time to 10 minutes was made, which meant that there was a 5-minute request beyond the time during which the gentlewoman had already been recognized.

Mr. DENT. Mr. Chairman, I never saw anything exactly like that before in my life.

Mr. PHILLIP BURTON. Mr. Chairman, I ask unanimous consent to supplement my earlier unanimous-consent request so as to make it for 7½ rather than 5 minutes in order that my dear friend, the distinguished gentleman in the well, may have more time.

Mr. DENT. I do not want it. I only want to say a few things.

The CHAIRMAN. The gentleman from Pennsylvania (Mr. DENT) is recognized.

Mr. DENT. Mr. Chairman, I was born on the Schuylkill River. I cannot remember a day from the time when I was born and lived on that river that we did not have a flood or water flowing everywhere. We built a series of dams and corrected that situation.

What happened in the meantime? Floods drove out the only two industries that we had at the time. One was a coal mine that got flooded regularly. The other was a brickyard and a clay yard which got flooded regularly.

I remember one summertime when I was a youngster. Because of the dust from the clay mine, our town looked like it was winter. The white clay dust was all over it. In the wintertime when the white snow fell, we would have the coal dust all over the snow so it would look black.

The seasons changed, but we had men working; we had schools; we had grocery stores, stations, railroads; we had everything.

Go back to that town now. It will be just like some people want this country to be, really environmentally sound, but with nothing there at all.

I went out to that old town 10 years ago and dug up the cornerstone of the old school and put it in a home I was building. It is a dead town now. There are many along that river which died at the same time and have never been revived.

Mr. Chairman, people have to work. Industry has to be built along the courses of rivers. Cities have to be built along the courses of rivers. There is more pollution from human waste than there ever was or ever will be from industrial waste.

I remember taking a boat in Philadelphia and going out to wait for a ship to leave, and I saw the Schuylkill River boiling because of the pollution in it.

When I was a member of the legislature, I served on the boards which created the study of the Tocks Island Dam. We have been spending money in Pennsylvania for 40 years, on the Tocks Island project.

I have been all over this country, and dams have been the things which make industry possible in so many places. Dams have not only made industry possible, but they have made possible the cities of this great Nation of ours, and flood control to try to see to it that homes are not washed out and thousands of lives lost year after year after year.

Mr. Chairman, this Tocks Island Dam is a sound principle. We do not ruin anyone below the dam. We do not take away the so-called sportsman's paradise which some Members talk about, on the Delaware, and which, incidentally, I have never been able to find.

Mr. Chairman, what I am referring to is the hundreds of thousands of jobs which we have already lost and which we are going to continue to lose without the dam.

I would like my colleagues who want to see this portion of the Delaware River designated "scenic" to take a trip down the Yucatan Peninsula. There it is plain to see that the damage wreaked by nature can be just as devastating as any wreaked by man. We, at least, have the ability to exercise some control.

(By unanimous consent, Mr. PHILLIP BURTON yielded his time to Mr. MAGUIRE.)

Mr. MAGUIRE. Mr. Chairman, this debate, of course, has gone on for a number of years. I think for a while there were a number of us who felt that there were some pretty tough issues with respect to flood control, with respect to water supply, with respect to the generating of electricity, and so on, and that the answers were not altogether clear. I think, however, that in the last couple of years those answers have become more apparent as more work has been done.

The Madigan-Praeger study, for example, gives us in great detail what the alternatives are, and shows that those alternatives can be achieved at far less cost. It also indicates, interesting enough, that if Tocks Island goes forward, only some 500 jobs will be created for each year of an 8-year period, and that alternatively, if we are concerned only about the issue of jobs—which is, of course, extremely important—any intelligent combination of structural and nonstructural alternatives to the Tocks Island Dam would provide many more jobs.

In July 1975, as more of the analytical work was being done on what the alternatives actually might be, even Russell Train, the EPA Administrator in the previous administration, said the following:

> The water supply benefits of the Tocks Island Dam can be satisfied by a number of alternatives with less severe impact than the Tocks Island project.

The Madigan-Praeger study lists 10 alternatives that could generate at least

300 million gallons per day, and generate it more efficiently than Tocks Island. I urge support of the original bill.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. PHILLIP BURTON. Mr. Chairman, I ask unanimous consent to yield my remaining time to the gentleman from New Jersey.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MAGUIRE. So, in sum, it seems that after the careful analyses have been made of what appear at first to be conflicting, disputable goals, it is not as complex as it might seem. We get better and cheaper flood control with the original bill and without Tocks Island. We get better and cheaper water supply. We have alternative energy sources. We get real recreation instead of muddy flats and algae and motorboats, and we even get more jobs.

Mr. Chairman, I urge support of the Burton bill.

The CHAIRMAN. The question is on the amendments offered by the gentleman from New Jersey (Mr. THOMPSON).

The question was taken.

RECORDED VOTE

Mr. PHILLIP BURTON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 110, noes 275, not voting 47, as follows:

[Roll No. 524]

AYES—110

Addabbo	Flynt	Oberstar
Alexander	Ford, Mich.	Patten
Anderson, Calif.	Ford, Tenn.	Perkins
	Forsythe	Poage
Annunzio	Frenzel	Price
Ashbrook	Gaydos	Reuss
Badham	Gonzalez	Rhodes
Beard, R.I.	Hall	Rogers
Bevill	Harsha	Rose
Bolling	Hawkins	Rostenkowski
Bowen	Holland	Rudd
Brademas	Howard	Runnels
Breaux	Hubbard	Satterfield
Breckinridge	Jenrette	Shipley
Brooks	Johnson, Calif.	Sisk
Burgener	Jones, Okla.	Slack
Burke, Mass.	Jones, Tenn.	Snyder
Burleson, Tex.	Jordan	Spence
Burlison, Mo.	Lederer	St Germain
Butler	Livingston	Stangeland
Carney	Long, La.	Stokes
Carter	Lujan	Stump
Cederberg	McDonald	Taylor
Clausen, Don H.	McFall	Thompson
	McKay	Udall
Clay	Madigan	Ullman
Cotter	Marks	Van Deerlin
Davis	Mathis	Waggonner
Dent	Moorhead, Pa.	Wampler
Dickinson	Moss	Whitten
Diggs	Murphy, Pa.	Wilson, C. H.
Dingell	Murtha	Wright
Duncan, Tenn.	Myers, John	Young, Alaska
Eilberg	Myers, Michael	Young, Mo.
Evans, Colo.	Natcher	Young, Tex.
Evans, Ind.	Nedzi	Zablocki
Fary	Nichols	
Flippo	Nix	

NOES—275

Abdnor	AuCoin	Biaggi
Akaka	Bafalis	Bingham
Ambro	Baldus	Blanchard
Ammerman	Baucus	Blouin
Andrews, N. Dak.	Bauman	Boland
	Beard, Tenn.	Bonior
Applegate	Bedell	Bonker
Archer	Beilenson	Brinkley
Ashley	Benjamin	Brodhead
Aspin	Bennett	Broomfield
Brown, Calif.	Hannaford	Ottinger
Brown, Mich.	Hansen	Panetta
Brown, Ohio	Harkin	Patterson
Broyhill	Harris	Pattison
Buchanan	Heckler	Pease
Burke, Calif.	Hefner	Pepper
Burton, John	Heftel	Pickle
Burton, Phillip	Hightower	Pressler
Byron	Hillis	Preyer
Caputo	Hollenbeck	Pursell
Carr	Holt	Quayle
Cavanaugh	Holtzman	Quie
Chisholm	Horton	Quillen
Clawson, Del	Hughes	Rahall
Cleveland	Hyde	Railsback
Cochran	Ireland	Regula
Cohen	Jacobs	Richmond
Coleman	Jeffords	Rinaldo
Collins, Ill.	Jenkins	Robinson
Collins, Tex.	Jones, N.C.	Roe
Conable	Kastenmeier	Roncalio
Conte	Kazen	Rooney
Corcoran	Kelly	Rosenthal
Corman	Kemp	Rousselot
Cornell	Keys	Rovbal
Cornwell	Kildee	Ruppe
Coughlin	Kindness	Russo
Crane	Kostmayer	Ryan
Cunningham	Krebs	Sawyer
D'Amours	Krueger	Scheuer
Daniel, Dan	LaFalce	Schroeder
Daniel, R. W.	Lagomarsino	Schulze
Danielson	Latta	Sebelius
Dellums	Leach	Seiberling
Derrick	Lehman	Sharp
Derwinski	Lent	Shuster
Devine	Levitas	Sikes
Dicks	Lloyd, Calif.	Simon
Dodd	Lloyd, Tenn.	Skelton
Dornan	Long, Md.	Skubitz
Downey	Lott	Smith, Iowa
Drinan	Lundine	Smith, Nebr.
Early	McCory	Solarz
Eckhardt	McCloskey	Spellman
Edgar	McCormack	Staggers
Edwards, Ala.	McDade	Stanton
Edwards, Calif.	McEwen	Stark
Edwards, Okla.	McHugh	Steers
Emery	McKinney	Steiger
Erlenborn	Maguire	Stockman
Ertel	Mahon	Stratton
Evans, Del.	Markey	Studds
Fascell	Marlenee	Symms
Fenwick	Marriott	Thone
Findley	Martin	Thornton
Fish	Mattox	Traxler
Fisher	Mazzoli	Treen
Fithian	Meeds	Trible
Flood	Metcalfe	Tucker
Florio	Meyner	Vander Jagt
Foley	Michel	Vanik
Fowler	Mikulski	Vento
Fraser	Mikva	Volkmer
Gammage	Miller, Calif.	Walgren
Garcia	Miller, Ohio	Walker
Gephardt	Mineta	Walsh
Glaimo	Minish	Waxman
Gibbons	Mitchell, N.Y.	Weaver
Gilman	Moakley	Weiss
Ginn	Moffett	Whalen
Glickman	Mollohan	White
Goldwater	Montgomery	Whitehurst
Goodling	Moore	Whitley
Gore	Moorhead, Calif.	Wiggins
Gradison		Wilson, Bob
Grassley	Mottl	Wilson, Tex.
Green	Murphy, Ill.	Wydler
Gudger	Myers, Gary	Wylie
Hagedorn	Neal	Yates
Hamilton	Nolan	Yatron
Hammer-schmidt	O'Brien	Young, Fla.
	Oakar	Zeferetti
Hanley	Obey	

NOT VOTING—47

Anderson, Ill.	Fuqua	Pike
Andrews, N.C.	Guyer	Pritchard
Armstrong	Harrington	Rangel
Barnard	Huckaby	Risenhoover
Boggs	Ichord	Roberts
Burke, Fla.	Johnson, Colo.	Rodino
Chappell	Kasten	Santini
Conyers	Le Fante	Sarasin
de la Garza	Leggett	Steed
Delaney	Luken	Teague
Duncan, Oreg.	Mann	Tsongas
English	Milford	Watkins
Evans, Ga.	Mitchell, Md.	Winn
Flowers	Murphy, N.Y.	Wirth
Fountain	Nowak	Wolff
Frey	Pettis	

The Clerk announced the following pairs:

On this vote:

Mr. Roberts for, with Mr. Chappell against.

Mr. Wirth for, with Mr. Wolff against.

Mrs. LLOYD of Tennessee, Messrs. RUSSO, ASHLEY, O'BRIEN, THONE, BOLAND, QUILLEN, PICKLE, EARLY, ZEFERETTI, CUNNINGHAM, and DERRICK, changed their vote from "aye" to "no."

Messrs. DERRICK, McDONALD, and LIVINGSTON changed their vote from "no" to "aye."

So the amendments were rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments to title III?

AMENDMENT OFFERED BY MR. OBERSTAR

Mr. OBERSTAR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OBERSTAR: Page 212, after line 12, insert:

VOYAGEURS NATIONAL PARK

SEC. 324. (a) The Secretary is authorized to enter into an agreement with the State of Minnesota for the transfer to the State of so much of the lands and waters in the Voyageurs National Park as are within the area commonly known as Black Bay and for the transfer by the State to the United States of State lands which are—

(1) contiguous to the park,

(2) determined by the Secretary to be suitable for inclusion in the park, and

(3) of comparable value to the interest transferred to the State by the United States under such agreement.

(b) The lands transferred to the United States under an agreement entered into under the authority of this section shall be added to, and included within, the Voyageurs National Park.

(c) No agreement entered into under the authority of this section may provide for a change in the acreage of the Voyageurs National Park in excess of 1,000 acres.

Amend the table of contents by inserting the following new item immediately after the item relating to section 323:

Sec. 324. Voyageurs National Park.

Mr. PHILLIP BURTON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. ROUSSELOT. Mr. Chairman, reserving the right to object—and I do not think I will object—will the gentleman from California assure us that there will be no attempt to preemptively cut off debate on this amendment?

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from California.

Mr. PHILLIP BURTON. No, there will be no such attempt.

As I understand the amendment from the hearings, it merely cuts out a few thousand acres of parkland. I see no reason to have the amendment read. The gentleman in the well will explain the amendment, and I intend to oppose it and urge a vote on it.

Mr. ROUSSELOT. Mr. Chairman, I withdrew my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The gentleman from Minnesota (Mr. OBERSTAR) is recognized for 5 minutes in support of his amendment.

Mr. OBERSTAR. Mr. Chairman, the amendment I offer here does not, as the gentleman from California (Mr. PHILLIP BURTON), the chairman of the subcommittee, incorrectly stated, delete any land from the Voyageurs National Park. It merely authorizes the Secretary of the Interior to engage in discussions with the State of Minnesota for the purpose of land exchange to correct a boundary mistake that was made in establishing Voyageurs National Park in 1970.

The original boundary line for Voyageurs National Park was drawn back in 1960 when the then-Director of the National Park Service, Conrad Wirth, first toured the area and drew a boundary line for the park. That boundary line was somehow mistaken years later to include the part of Black Bay addressed by my amendment. The total land area involved is about 60 acres.

I do not know whether the State of Minnesota will want to exchange property. I believe, however, we should at least provide the Service with the authority to implement this alternative.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I will be glad to yield to the chairman of the subcommittee.

Mr. PHILLIP BURTON. Mr. Chairman, I regret the fact that, despite the fact that we have this issue under consideration for some time, we did not have this map before us. If we had, it is possible this might have been worked out.

So I would view this vote today without prejudice, because if there is some way to treat this narrow problem properly, we might review it with favor. I think the gentleman will admit that this matter had never been brought to our attention, at least to my knowledge.

Mr. OBERSTAR. Mr. Chairman, I would say that the bill went through the committee with such expedition it was difficult to have a hearing even on those parts of the bill that were controversial, let alone those that are not controversial. It should not disturb the chairman of the subcommittee that there was no hearing held on one section of the bill involving one small issue when there were no hearings on many others that were controversial.

Mr. PHILLIP BURTON. Mr. Chairman, let me assure the gentleman that I speak in all friendship, and I view this amendment that is being presented to the House today without prejudice. I would not consider this with any prejudice, and it is without irony that I make this observation.

Mr. OBERSTAR. Mr. Chairman, I do think this is an amendment that should be adopted. It is one that has been recommended by a resolution passed by the citizens' committee on Voyageurs Park established by the State of Minnesota. This is a committee legally constituted by the State to serve as an advisory board on Voyageurs National Park, and its members unanimously recommended this authority on July 1, 1978.

The significance of the amendment is that a master plan for Voyageurs National Park is very near completion. That master plan includes, in the hearing process, a number of alternatives in the boundaries, and without this legislative authority the State and the Federal Government can offer only hypothetical options and alternatives to the people when this master plan is offered for public comment in the very near future.

It would seem to me that if the committee and the chairman will be understanding, this amendment simply provides authority to enter into discussions and enter into negotiations for land exchange. It does not mandate a land exchange. It simply authorizes.

Furthermore, the land exchange that might be involved here was recommended in 1976 by then Minnesota Commissioner of Natural Resources, Robert L. Herbst, who is now the Assistant Secretary of the Interior for Fish and Wildlife and Parks. He recommended an outright deletion, which I am not proposing here. I propose providing the legislative authority so that a boundary change could be made at some later date when the negotiations for a land exchange are completed.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Chairman, I would like to offer this suggestion, if I may, in all good faith: I would think this amendment would be in order at the end of the bill. That would give the staff overnight and the gentleman from Minnesota some opportunity to see if we can deal with some of the reservations we have.

The argument the gentleman has made does not necessarily preclude it, as it may be construed by the sheer language of the bill, and there may be a way to treat the gentleman's argument and have the language passed. In all good faith, I would urge the gentleman to consider withdrawing the amendment, and then we can see if we can sort out a way to achieve this objective.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. OBERSTAR) has expired.

(On request of Mr. FRENZEL and by unanimous consent, Mr. OBERSTAR was allowed to proceed for 2 additional minutes.)

Mr. OBERSTAR. Mr. Chairman, relying on the chairman's assurances that I will not be prevented from offering the amendment at a later time, and to work with the committee further on this amendment, I will be glad to accommodate the chairman.

Mr. PHILLIP BURTON. I thank the gentleman.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from Minnesota.

Mr. FRENZEL. I thank the gentleman for yielding.

Mr. Chairman, I think the gentleman has an excellent amendment. I am glad that the distinguished chairman of the subcommittee has made this suggestion, and I hope the gentleman will be able to work it out.

Mr. PHILLIP BURTON. Mr. Chairman, if the gentleman will yield, I want to say that I did misstate the nature of the gentleman's amendment when I first stood up. I do not like to make misstatements, and I apologize for that. Upon reading all of the language of the bill, trying to hear the gentleman's representation and his aspirations, I do think it is prudent to follow this course because I think some problems will be solved.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

Mr. Chairman, my understanding is that the reason for this amendment is that, when boundaries were set up, the State was not adequately consulted as to where the boundaries would be drawn.

Mr. OBERSTAR. The gentleman states the situation correctly.

Mr. ROUSSELOT. The amendment is simply an effort to straighten out that defect.

Mr. OBERSTAR. That is correct.

Mr. ROUSSELOT. Mr. Chairman, it seems like a reasonable proposal. I do not want to argue in any way with my distinguished chairman, the gentleman from California, who is an expert in these matters, but if there is no great controversy I do not see why we just cannot put it in this appropriate title. The amendment as drawn leaves it to negotiations between the State and the Federal Government and limits the number of acres that could be taken back by the State.

Mr. PHILLIP BURTON. If the gentleman will yield, I am sure the gentleman from Minnesota is well able to protect his rights and his interests. I have given him my assurance in this respect.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. OBERSTAR) has again expired.

(On request of Mr. ROUSSELOT and by unanimous consent, Mr. OBERSTAR was allowed to proceed for 3 additional minutes.)

Mr. ROUSSELOT. If the gentleman will yield further, I will again ask my distinguished colleague, the gentleman from California (Mr. PHILLIP BURTON), who is very expert in most of these matters, is this not the appropriate title in which to include this language?

Mr. PHILLIP BURTON. If the gentleman will yield, I think this lends itself to this kind of miscellaneous section. This is having authority for the Secretary. I think that is self-evident.

I commend the gentleman for his forebearance in giving the staff time on a bipartisan basis to see if we can reach an accommodation on this matter.

Mr. ROUSSELOT. Mr. Chairman, is the gentleman satisfied that this matter could be handled more appropriately at a later point in the bill?

Mr. OBERSTAR. I thank the gentleman for his concern. I rely on the chair-

man's word, which is his bond in a matter of this kind.

Mr. ROUSSELOT. His word is certainly his bond.

Mr. OBERSTAR. Mr. Chairman, I ask unanimous consent to withdraw my amendment, reserving my right to offer it at a later point in the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The CHAIRMAN. Are there any other amendments to title III?

Mr. SISK. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I appreciate the opportunity to speak. I will take a very brief time.

Simply for clarification, I wish to have a brief discussion, particularly with my colleague, the gentleman from California (Mr. KREBS), regarding the language in connection with the Mineral King acquisition or the proposal to place the Mineral King Valley in the National Park System, having to do with the language on pages 68 and 69 dealing with the possible uses of that valley.

I would like to comment in particular in connection with the language at the top of page 69 stating "the management plan for Mineral King should address," and it goes on through one, two, and three.

I ask my colleague, the gentleman from California (Mr. KREBS), what his interpretation, as a member of the committee, was as to really what, in good faith, is proposed here by the purposes of this hearing?

Mr. KREBS. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to my colleague, the gentleman from California, for purposes of comment.

Mr. KREBS. Mr. Chairman, I thank the gentleman for yielding.

A part of the record of the hearings that we had on this particular legislation, which, incidentally, extended over 2 days, is a letter from the Assistant Secretary of the Interior dated February 27, 1978, in which he specifically sets forth a number of alternatives that are being considered in connection with the formulation of the plan for additional recreational opportunities in the Mineral King Valley.

With respect to these various alternatives, alternative No. 4, among others, refers to the alternatives of some downhill skiing development.

This letter, I might say, resulted from a conference between the staff of the Secretary of the Interior, specifically, Mr. Herbst, and representatives of the senior Senator from California, Senator CRANSTON, and myself. In the course of that conference we tried to make it very clear that we want downhill skiing to be considered as one of the alternatives. This is exactly what this letter which I referred to a minute ago states; and as I said before, it is part of the record of the hearings of the subcommittee.

Mr. SISK. Mr. Chairman, I appreciate very much the comments of my colleague, the gentleman from California (Mr. KREBS), as he and I have discussed this matter over a period of some considerable time.

I basically, of course, have opposed the transfer of this area to the National Park System, believing that it would better serve the public to remain in the Forest Service and, for example, possibly be developed by Disney or someone else in connection with a ski resort.

However, I recognize and certainly understand the fact that there are differences of opinion. The area is in the district of my colleague, the gentleman from California (Mr. KREBS); and on that basis I simply would appreciate an understanding here which I think the people out in the area have in that there will be a substantial hearing and the public will be given an opportunity to discuss these various aspects and that, in fact, we are not here hedging this about in such a way that there could not be, let us say, a ski-resort development, for example, in that area, as I understand it.

Mr. KREBS. If the gentleman will yield further, Mr. Chairman, I point out to my colleague that the legislation specifically provides for public input which would be involved in a number of hearings that are going to be held, hearings that the bill specifically provides for, which are going to be preceded, if you will, by adequate notice. I think the bill goes into as much length as any bill can in spelling out the process which will make this type of maximum public input possible.

Mr. SISK. Mr. Chairman, I appreciate the comment of my colleague, the gentleman from California.

Mr. SYMMS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, today we are considering the fate of Mineral King and whether or not the Forest Service will be allowed to develop the area as has been planned for years. The two bills which address themselves to Mineral King are: H.R. 1771 which transfers Mineral King from the Forest Service to the National Park Service and would mean more preservation than multiple use and H.R. 6143, introduced by the late William Ketchum, which calls for the transfer of jurisdiction of the upper Kaweah River addition from the Park Service to the Forest Service so that access by highway can be privided to Mineral King.

Hearings which were held before the Subcommittee on National Parks and insular affairs brought out a varied response. The most interesting was the testimony given by Assistant Secretary of Agriculture Rupert Cutler which was given on behalf of the administration. What is so interesting is that Dr. Cutler did a case study of Mineral King while attending Michigan State and concluded that multiple use management was favorable to the area. However, the views of the administration, which recently changed. favor H R. 1771. It appears as though there might be a conflict of ideas between Dr. Cutler and the administration.

The Mineral King conflict has been going on for several decades. There is about a 70-year history which has been oriented towards development of the area. An example of this is the award made to Disney Productions so that a ski area could be constructed. Disney Productions has spent over $1.3 million in preliminary planning. Walt Disney himself studied the Mineral King area to insure that there were environmental constraints. He wanted to avoid over development of the area. An example of his extreme care can be seen in the design of Disney World in Florida.

Many individuals argue that this area should be included in the park system because of its scenic beauty. However, I believe that it should remain under the Forest Service jurisdiction so that individuals can enjoy the scenic beauty as well as its recreational potential. If it is put under the Park Service, there is little chance of ever realizing development for recreational purposes.

The past history of Mineral King reveals a pro multipurpose use stand and I believe this concept should be adopted.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I would be happy to yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague yielding to me. I too am disappointed that our colleague, Mr. Ketchum, is not here to offer the amendment that he would have offered had it been possible for him to do so. We disagreed with the committee on this issue to transfer the authority to the Park Service, and strongly, for several good reasons.

Now, on the environmental issue, the people who wish to develop this area for recreation, the Disney group, have been through a process of well over 15 years of going through every kind of environmental study, that we could possibly put anybody through. It has been suggested to me that I not offer the amendments that Mr. Ketchum would have offered because, "You will lose anyway," this kind of thing. None of us could make the case as passionately as he could.

I am not sure that is really right, or that the committee itself is right. I agree with my colleague from Idaho—and I realize he has other projects in this bill. So it is difficult to try to countermand what the committee has done—but I am not sure that makes it right either.

My disappointment is that our colleague from the Kern County area is not here to present his case as to why this jurisdiction should remain in the Forest Service, which has dealt with this issue far longer than the Park Service.

The CHAIRMAN. The time of the gentleman from Idaho (Mr. SYMMS) has expired.

(On request of Mr. ROUSSELOT, and by unanimous consent, Mr. SYMMS was allowed to proceed for 4 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, in terms of the issues that my colleague from Bakersfield had intended very much to present through his amendment, I

regret the majority of the members of the committee have asked that we not debate this issue. That we somehow now should let it drop into obscurity. I am not sure that is the correct thing to do.

I do realize that my colleague, the gentleman from California (Mr. SISK) and my colleague, the gentleman from Idaho (Mr. SYMMS) have tried to obtain from the chairman of the committee and from the gentleman from California (Mr. KREBS) some assurance that if Park Service jurisdiction is assumed, that they will continue the effort to give appropriate consideration that a portion of this 16,000 acres be utilized as a ski area and potentially other recreational activities. But frankly I am not sure these efforts will be enough.

So I wish to state that since my colleague, the gentleman from Idaho, is very actively interested in this issue. But I know has another critical area of interest in this bill and therefore does not want that knocked out because he had the audacity to offer the amendment that my colleague, the gentleman from California (Mr. KETCHUM), would have offered. I find it rather disappointing that we cannot at least discuss that amendment that my colleague, the gentleman from California, Mr. Ketchum, would have offered which would have been as follows:

Beginning on page 183, line 15 and ending on page 192, line 25, strike section 314 in its entirety and insert in lieu thereof the following:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all lands, waters, and interests of the United States, consisting of approximately sixty-five thousand acres as depicted on a map entitled "Upper Kaweah River Addition, Sequoia National Forest, California, March 1977" which is on file and available for public inspection in the office of the Chief, Forest Service, Department of Agriculture, are hereby added to and made a part of the Sequoia National Forest in the State of California.

(b) As soon as practicable after this Act takes effect, the Secretary of Agriculture shall file a map and a legal description of the area added to the Sequoia National Forest by this Act with the Committee on Energy and Natural Resources of the United States Senate and the Committee on Interior and Insular Affairs of the United States House of Representatives. The map and description shall have the same force and effect as if included in this Act: *Provided, however,* That correction of clerical and typographical errors in such map and description may be made.

(c) The area added to the Sequoia National Forest by this Act shall be administered by the Secretary of Agriculture in accordance with all applicable laws relating to the National Forest System.

(d) Within the boundaries of the area added to the Sequoia National Forest by this Act, the Secretary of Agriculture may acquire lands, waters, and interests therein using any authority available to him for that purpose.

And I would like to elaborate a little on some of the issues which should have received the benefit of full debate.

In terms of the balance between public lands in California devoted to "environmental" and "developmental" interests, the scale is heavily tipped in favor of the environment. Of the 49 million acres of public lands, 1.7 million are designated as wilderness. Another 800,000 acres are primitive areas scheduled as potential wilderness additions. Ten percent of the national forest lands are classified as wilderness. In contrast only 15,000 acres are devoted to developed recreational use such as the Mineral King proposal.

With this perspective, how serious will the environmental effects of the proposed development be as based on the Department of Agriculture's Final Environmental Statement issued in 1976? That plan, incidentally, is premised on the original expanded development plan, not the scaled down current plan which should reduce impacts. (Particularly if some 11,000 acres are designated as wilderness).

Withdrawal of mineral entry will continue.

Soil and sediment erosion will be short term and minimized by required soil prevention and control plans; by limitations on gradation of slopes and time to complete work, and by water monitoring plans.

Carbon monoxide levels will increase by only 0.2 percent.

Ninety percent of all water used for the project will be returned to the hydraulic systems.

Road sections above the Giant Sequoia will be designed and constructed to minimize disruption of the trees' water supplies.

Rare plants will be mapped prior to construction.

Revegetation will be conducted in undeveloped areas.

Impact to most animals is not considered significant. Access to deer fawning areas will be restricted and the population is expected to increase due to better browse and edge areas. Trout fishing should remain unchanged.

A small contribution to the cumulative encroachment on the possible range of 3 endangered and 2 rare species will occur. The species include the California condor which does not inhabit the area but occasionally flies over; peregrine falcon which is not known to inhabit the area but lives 8 miles away in the Sequoia Park; the southern bald eagle, which lives in the Terminus Reservoir area outside the development zone; the rare wolverine which may suffer some loss of habitat; and the rare California big horn sheep last seen in the area in 1920.

Weighing all this, it is clear that yes, there will be some environmental damage but it will be slight compared to the benefits gained to the local economy and the increased recreation opportunities to the people. It is time we recognized that not all Americans are canoeist and backpackers. Mineral King has been identified as one of the best, if not the best, ski potential areas in North America. It should be enjoyed by more than a few.

Whenever we debate the issues of public land use, there always seems to be more than adequate data available on what the impact to the environment will be. In the case of the Mineral King area, that data indicates that adverse impacts can be kept to a minimum especially if the development is properly supervised by the Federal Government.

To put things in proper perspective, I believe it is also important to examine the economic impacts of our decision along with the environmental concerns, especially in light of recent passage of proposition 13 in California.

The development of Mineral King as a year round recreation site will give a new source of reserves to surrounding units of local government which are desperately looking for new funds.

It is estimated that the project will create some 1,500 new jobs, 500 in Tulare County alone. At least $44 million will be spent annually by users of the new area. The agricultural base of Tulare County will be diversified and strengthened. The county is expected to receive between $18 and $27 million annually. Assessed property values should increase by about $25 million or 3 percent. Countywide revenues are expected to exceed costs by about 40 percent.

Income in the Three Rivers area will increase substantially, and the Three Rivers Union Elementary School will realize about $1 million in additional revenues for a 5-year period with no additional costs. (The school can handle additional students within current capacity.)

The Three Rivers Service District will realize some $93,000 despite increased service levels. All other special government districts affected are predicted to receive additional sources of income with no expected additional costs.

Benefits will also accrue to restaurants, gas stations, grocery stores, and other service establishments along the primary access routes from Los Angeles and San Francisco. About one-third of the trip costs benefit this segment.

In addition, 25 percent of Forest Service receipts go to units of local governments for schools and roads (16 U.S.C. 500). Under current payments, Tulare County receives about $700,000. Due to lease revenues and users fees, this amount would be substantially increased.

In contrast, if the area transfers to the Park Service, the likelihood of any meaningful development is virtually nonexistent despite provisions for the development of a management plan which could include skiing. The provisions of 16 U.S.C. 500 would no longer apply as they relate only to Forest Services lands and entitlements for State and local communities would be made under the payment in lieu of taxes provisions. (31 U.S.C. 1601 et. seq.) At 75 cents per acre for approximately 16,000 acres in the Mineral King area, the total payment would amount to $12,000. (Other calculation methods under the in lieu of taxes law would not produce a higher figure, for example, population or 10 cent straight line.)

Clearly, the economic benefits to be gained or lost by our action are significant, especially in light of proposition 13.

Mr. SEBELIUS. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Kansas (Mr. SEBELIUS).

Mr. SEBELIUS. Mr. Chairman, I appreciate the gentleman yielding.

I share the concern of the gentleman from California and the gentleman from Idaho. In the committee I stood with the gentleman from Idaho in opposing the transfer and I was very disappointed when the Assistant Secretary of Agriculture came forward to say that his plan on which he did his doctoral thesis had been changed. However, the decision of the committees has been made and they have the votes to transfer it.

But I did join the gentleman from California, Mr. Ketchum—naturally we all mourn his being gone—but I do not think there is anything we can do here today to pay tribute to his memory. There will be other bills and other places where we can do that—but I would hope that the Mineral King Park can be held open for a variety of uses.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from California (Mr. SISK).

Mr. SISK. Mr. Chairman, I sympathize to some extent with the statement made by my colleague, the gentleman from California (Mr. ROUSSELOT). However, having worked with the committee and with my colleague, the gentleman from California (Mr. KREBS)—and it is in the district of Mr. KREBS—I traditionally had a position against this transfer for a great many years, and Bill Ketchum and I worked on this matter together many years ago and we had opposed it. However, the ranking gentleman from California (Mr. PHILLIP BURTON) and the gentleman from California (Mr. KREBS) have worked out the making possible of the kind of study here which at least keeps it open as to what finally may be the development.

I regret some things about it, but that is beside the point. But that is the reason why I say to my colleague, the gentleman from California (Mr. ROUSSELOT), that we have probably gotten from our friends about as good a deal as we might be able to hope for here.

Again, out of respect, certainly, to Mr. Ketchum, and his strong feelings, I understand the concern of my colleague, and I would hope we might go forward and that this might work out to be in the best interests of everyone concerned.

The CHAIRMAN. Are there further amendments to title III? If not, the Clerk will read.

The Clerk read as follows:

TITLE IV—WILDERNESS

DESIGNATION OF AREAS

SEC. 401. The following lands are hereby designated as wilderness in accordance with section 3(c) of the Wilderness Act (78 Stat. 890; 16 U.S.C. 1132(c)), and shall be administered by the Secretary in accordance with the applicable provisions of the Wilderness Act:

(1) Big Bend National Park, Texas, wilderness comprising approximately five hundred and thirty-eight thousand two hundred and fifty acres, and potential wilderness additions comprising approximately forty-four thousand seven hundred and fifty acres, depicted on a map entitled "Wilderness Plan, Big Bend National Park, Texas", numbered 155–20,004–D and dated January 1978, to be known as the Big Bend Wilderness.

(2) Buffalo National River, Arkansas, wilderness comprising approximately ten thousand five hundred and twenty-nine acres and potential wilderness additions comprising approximately twenty-five thousand four hundred and seventy-one acres depicted on a map entitled "Wilderness Plan, Buffalo National River, Arkansas", numbered 173–20,036–B and dated March 1975, to be known as the Buffalo National River Wilderness.

(3) Carlsbad Caverns National Park, New Mexico, wilderness comprising approximately thirty-eight thousand acres and potential wilderness additions comprising approximately three hundred and twenty acres, depicted on a map entitled "Wilderness Plan, Carlsbad Caverns National Park, New Mexico," numbered 130–20,003–C and dated May 1978, to be known as the Carlsbad Caverns Wilderness.

(4) Crater Lake National Park, Oregon, wilderness comprising approximately one hundred and twenty-seven thousand five hundred acres, depicted on a map entitled "Wilderness Plan, Crater Lake National Park, Oregon", numbered 106–20,0006–F and dated May 1978, to be known as the Crater Lake Wilderness.

(5) Cumberland Gap National Historical Park, Kentucky, Tennessee, Virginia, wilderness comprising approximately twelve thousand seven hundred acres and potential wilderness additions comprising approximately one thousand nine hundred acres, depicted on a map entitled "Wilderness Plan, Cumberland Gap National Historical Park, Tennessee, Virginia, Kentucky", numbered 380–20,026—D and dated May 1978, to be known as the Cumberland Gap Wilderness.

(6) Everglades National Park, Florida, wilderness comprising approximately one million two hundred and ninety-six thousand five hundred acres and potential wilderness additions comprising approximately eighty-one thousand nine hundred acres, depicted on a map entitled "Wilderness Plan, Everglades National Park, Florida", numbered 160–20,011 and dated June 1974, to be known as the Everglades Wilderness.

(7) Glacier National Park, Montana, wilderness comprising approximately nine hundred and twenty-seven thousand five hundred and fifty acres and potential wilderness additions comprising approximately three thousand three hundred and sixty acres, depicted on a map entitled "Wilderness Plan, Glacier National Park, Montana", numbered 117–20,010–A and dated March 1974, to be known as the Glacier Wilderness.

(8) Guadalupe Mountains National Park, Texas, wilderness composing approximately fifty-eight thousand acres and potential wilderness additions comprising approximately seven hundred acres, depicted on a map entitled "Wilderness Plan, Guadalupe Mountains National Park, Texas", numbered 166–20,006–D and dated May 1978, to be known as the Guadalupe Mountains Wilderness.

(9) Gulf Islands National Seashore, Florida, and Mississippi, wilderness comprising approximately one thousand eight hundred acres and potential wilderness additions comprising approximately two thousand eight hundred acres, depicted on a map entitled "Wilderness Plan, Gulf Islands National Seashore, Mississippi, Florida", numbered 635–20,018–A and dated March 1977, to be known as the Gulf Islands Wilderness.

(10) Hawaii Volcanoes National Park, Hawaii, wilderness comprising aproximately one hundred and twenty-three thousand one hundred acres and potential wilderness additions comprising approximately seven thousand and eight hundred and fifty acres, depicted on a map entitled "Wilderness Plan, Hawaii Volcanoes National Park, Hawaii", numbered 124–20,020 and dated April 1974, to be known as the Hawaii Volcanoes Wilderness.

(11) Organ Pipe Cactus National Monument, Arizona, wilderness comprising approximately three hundred and twelve thousand six hundred acres and potential wilderness additions comprising approximately one thousand two hundred and forty acres, depicted on a map entitled "Wilderness Plan, Organ Pipe Cactus National Monument, Arizona", numbered 157–20,001–A and dated January 1978, to be known as the Organ Pipe Cactus Wilderness.

(12) Theodore Roosevelt National Memorial Park, North Dakota, wilderness comprising approximately twenty-nine thousand nine hundred and twenty acres, depicted on maps entitled "Theodore Roosevelt National Memorial Park, North Dakota" (North Unit and South Unit) numbered 387–20,007–E and dated January 1978, to be known as the Theodore Roosevelt Wilderness.

MAP AND DESCRIPTION

SEC. 402. A map and description of the boundaries of the areas designated in this title shall be on file and available for public inspection in the office of the Director of the National Park Service, Department of the Interior, and in the Office of the Superintendent of each area designated in this title. As soon as practicable after this Act takes effect, maps of the wilderness areas and descriptions of their boundaries shall be filed with the Committee on Interior and Insular Affairs of the House of Reresentatives and the Committee on Energy and Natural Resources of the United States Senate, and such maps and descriptions shall have the same force and effect as if included in this Act: *Provided*, That correction of clerical and typographical errors in such maps and descriptions may be made.

CESSATION OF CERTAIN USES

SEC. 403. All lands which represent potential wilderness additions, upon publication in the Federal Register of a notice by the Secretary that all uses thereon prohibited by the Wilderness Act have ceased, shall thereby be designated wilderness. Lands designated as potential wilderness additions shall be managed by the Secretary insofar as practicable as wilderness until such time as said lands are designated as wilderness.

ADMINISTRATION

SEC. 404. The areas designated by this Act as wilderness shall be administered by the Secretary of the Interior in accordance with the applicable provisions of the Wilderness Act governing areas designated by that Act as wilderness, except that any reference in such provisions to the effective date of the Wilderness Act shall be deemed to be a reference to the effective date of this Act, and, where appropriate, any reference to the Secretary of Agriculture shall be deemed to be a reference to the Secretary of the Interior.

SAVINGS PROVISIONS

SEC. 405. (a) Nothing in this title shall be construed as altering in any way any rights or claims which the Blackfeet Tribe of Indians may have within or in the vicinity of Glacier National Park. The second proviso of section 1 of the Act of May 11, 1910 (36 Stat. 354; 16 U.S.C. 161) is repealed.

(b) Nothing in this title shall be construed to diminish the authority of the Coast Guard, pursuant to sections 2 and 81 of title 14 United States Code and title 1 of the Ports and Waterways Safety Act of 1972 (33 U.S.C. 1221), or the Federal Aviation Administration to use the areas designated wilderness by this Act within the Everglades National Park, Florida; and the Gulf Islands National Seashore, Florida and Mississippi, for navigational and maritime safety purposes.

(c) Nothing in this title shall be construed as altering in any way the authority granted to the International Boundary Commission under the treaties between the United States and Great Britain of April 11, 1908 (35 Stat.

2003; 12 Bevans 297) and February 24, 1925 (44 Stat. 2102; 6 Bevans 7) as related to lands within the Glacier Wilderness as designated by section 401 of this Act.

Mr. PHILLIP BURTON (during the reading). Mr. Chairman, I ask unanimous consent that title IV be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

● Mr. McDADE. Mr. Chairman, I rise in support of the national parks and recreation bill, H.R. 12536, and to urge its passage by the House. I am especially indebted to the gentleman from California (Mr. PHILLIP BURTON) and the ranking member from Kansas (Mr. SEBELIUS) for their leadership and their counsel to those of us with an interest in its passage. Two sections of the bill have direct impact upon the residents of my congressional district, sections 705 and 706, designating portions of the Delaware River for inclusion in the National Wild and Scenic Rivers System.

Section 705 designates the upper Delaware River from Hancock, N.Y., to a point near Sparrow Bush, N.Y., for inclusion in the system. It is the legislative product of nearly a decade of study, negotiation, compromise, and legislative revision. It is a provision that our people in the bistate area affected can support with enthusiasm. It is a work product that reflects great credit upon two Members of this House, the gentlemen from New York (Mr. MCHUGH and Mr. GILMAN) both of whom have worked long and tirelessly in countless work sessions here and at home to produce this section of the bill.

Indeed, it is a far cry from the position of the Federal Government initially when the heavy hand of the bureaucracy suggested that 75,000 acres of private land be acquired as part of the wild river designation for the region. The residents of the five-county area viewed this section with great and justifiable alarm. They saw the spectacle of another tremendous Federal land grab similar to, and resulting in, problems such as those which accompanied the Tocks Island Dam project on the middle Delaware.

At that time, I intervened with the Bureau of Outdoor Recreation to urge an alternate course of action. Under the direction of the Bureau's regional director, Maurice R. Arnold, the result has become what I believe to be a model relationship between the Federal Government and the local citizenry. We developed a mechanism that will allow for maximum local input in developing zoning guidelines that will supersede the necessity for a massive land acquisition. Instead of the 75,000 acres originally scheduled for acquisition is now reduced to not more than 450 acres. In addition, this bill contains a provision which the committee included at my request to enable local governments to enter into cooperative agreements with the National Park Service to provide money for garbage collection, cleanup, and law enforcement assistance. This provision will be an invaluable aid to help our local governments meet the increased costs that this bill will bring to them.

There will be a sufficient number of representatives of all affected residents of the area sitting upon the Upper Delaware Citizens Advisory Council to insure that maximum citizen's input will be provided when the river management plan is completed. This represents a tremendous opportunity for the people directly affected by this legislation to shape how they want their river to be managed.

The combination of citizen input, funds for cleanup and law enforcement, local zoning guidelines, limited Federal land acquisition, all have been provided for in this legislation. It gives a framework under which we can develop a sound plan to preserve the Upper Delaware for future generations to come. Its passage will reflect great credit upon the Members of this House.●

● Mr. FRENZEL. Mr. Chairman, I do not want to vote for construction of the Tocks Island Dam. I have voted against the dam in the past, and would do so in the future.

But I have a local interest in this bill. My complaint is that no hearings have been held on a wild river extension in my State. The Thompson amendment does not address an identical situation, but there is a procedural question. One of our committees is deauthorizing a project authorized by a different committee.

A little jurisdictional larceny will not make the world stop turning, but it does raise questions. A proper deauthorization would seem to require a determination of an alternative solution to problems of water supply, salinity, flood control, et cetera.

I would support such a deauthorization, but I am relucant to support this irregular procedure. I think a full solution requires more than an end run of the normal processes.

The Tocks Island Dam does not seem to me to be the best solution for the water problems of the area, but before we lay it finally to rest, we ought to be sure we have worked the problem through to a responsible decision.●

● Mr. HARRIS. Mr. Chairman, for more than 3 years since coming to Congress, I have been working to expand and protect the boundaries of the Manassas National Battlefield Park which is located in Prince William County, Va., in my district. A bill to do this has been approved by the House twice: H.R. 8207 (incorporated in H.R. 14934) in the 94th Congress, September 29, 1976, and H.R. 2347 in the 95th Congress on June 6, 1977. Throughout this time I have met many times with individuals in the community, organizations, and the Prince William County Board of Supervisors in an effort to work on a bill that is satisfactory to all concerned.

RESPONDING TO COMMUNITY CONCERNS

In recent months, many fears have been voiced, and on June 12, I participated in a public hearing in Prince William County held by the county board.

The hearing was very helpful to me, and I appreciate the many citizens who came out to express their opinions and get their questions answered. As a result of these many meetings and discussions, I believe my bill, now awaiting action by the Senate Subcommittee on Parks and Recreation should be modified. It is my earnest hope that this modification will respond to those concerns that have been raised.

First. In section 1 on page 2, the Secretary's authority to make minor changes in the park boundary should be deleted.

Second. The total acreage for the park, as revised by my proposed changes in the bill, should reflect precisely the actual land to be acquired.

Third. The Sudley Church property, designated for easement, should be deleted entirely from the bill.

Fourth. The Stonewall Memory Gardens property should be deleted from the bill.

Fifth. The western boundary of the Brawner farms should be moved east to the power line, as it was in the bill reported by the House Interior Subcommittee on National Parks.

Sixth. Inholders in the current park should be designated for scenic easement.

Seventh. The property owned by Mr. and Mrs. Oswald Robinson should be added to the bill, in accordance with their wishes.

Mr. Chairman, I believe these modifications will address the questions that have been brought to my attention. Since homeowners, the Manassas Branch of the Northern Virginia Community College, and several businesses border the park, there have been many concerns about the Secretary's authority to make minor changes in the park boundaries. I believe that completely eliminating this authority will remove the possibility of changing the boundaries in a way that will affect private property owners.

Similarly, with the increase in the total acreage limitation, those homeowners who have been within the park boundaries since 1954, when the last revision was made, fear that their properties might be affected. By authorizing an easement on their properties, if the Department elects to seek one, these homeowners will have protections they do not have now. The bill clearly prohibits the Department from purchasing areas designated for easement unless the owner consents.

By removing totally from the bill Sudley Church and Stonewall Memory Gardens, a private cemetery, the properties clearly cannot be touched by the Department.

By moving the western boundary to the power line, land will be available for the Route 234 bypass which is felt to be very important by Prince William County local officials.

By revising the total acreage of the park to reflect precisely what could be in, there should be no question about what the Department can and cannot acquire.

It is important to understand that H.R. 2437 does not mandate any purchases of property or negotiation of easements of those areas designated to be within the boundaries. Rather, the bill

authorizes the Department of the Interior to purchase those properties and easements if the Department wishes to. The bill requires the Department to pay owners the fair market value of the property on the purchase date and gives owners who sell to the Department the right to choose to stay on the property for 25 years or the death of the owner or spouse, whichever is later.

WIDESPREAD SUPPORT

My efforts to protect the park have received widespread support in the Congress and the Nation. I originally introduced the legislation at the urging of the Prince William Historical Commission. The bill was cosponsored by 25 Democrats and Members of Congress of both parties, including Virginia Congressmen CALDWELL BUTLER, DAN DANIEL, JOSEPH FISHER, PAUL TRIBLE, and WILLIAM WHITEHURST. It was approved by the House Interior Committee on May 24, 1977, on a unanimous bipartisan vote and by the House on June 6, 1977, without dissent.

The following organizations have expressed support for preservation of the park: American Association of University Women (national, Virginia, Manassas, and Reston), the American Legion, Battlefield Civic Association, Civil War Round Table Associates, Eastern Prince William County Chamber of Commerce, Fairfax County Board of Supervisors, Prince William Federation of Civic Associations, Prince William League for the Protection of Natural Resources, and United Daughters of the Confederacy, Virginia division and Manassas chapter.

Additionally, the bill has received editorial endorsement from the Washington Post, the Washington Star, and the two local community newspapers, the Manassas Journal-Messenger and the Potomac News.

Mr. Chairman, while I am well aware of the concerns of private property owners who could be affected by the bill, I want to emphasize that I have made every effort to address those concerns. I have held eight meetings in the community to talk with local citizens, and I have met with the local board eight times. I have attempted over the last 3 years to make modifications in the bill to protect the rights of property owners and meet the objections that have been brought to my attention. I believe that the compromise I am suggesting today to the Senate should lay to rest all the concerns that have been voiced. I sincerely hope that the Senate will make these changes and approve the bill along the lines I have suggested.

Approval of the Manassas National Battlefield Park expansion grows more urgent each day. Most of the properties are in agricultural or residential use, but since some border Interstate 66, development and growth pressures are strong. One of the farms designated for acquisition is being held, to be sold to the park. Several properties are for sale. It will soon be too late.

A NATIONAL LANDMARK

Only a half-hour drive from the Nation's Capital, the park is a national landmark attracting 1 million visitors a year. It is the scene of the first and second battles of Bull Run, important engagements of the Civil War.

These additions are of tremendous historical significance. The old Stone Bridge in Fairfax County is still standing intact and is where Union troops made a diversionary attack that began the first land battle of the war. One wooded area still has trees imbedded with Civil War shrapnel and is the site of the beginning skirmishes of the second battle and is the place where Gen. Stonewall Jackson made his decision to fight. Another parcel contains the only surviving building of the village of Groveton and another is the site of Portici, General Johnson's headquarters during the first battle. The historic Conrade House, used as a field hospital during both battles, is located on one piece of land included in the bill. The park is one of the few remaining in the Nation where visitors can view the natural terrain on which these engagements occurred. It is a major historical preserve.

PRESERVING VIRGINIA'S HERITAGE: A VIRGINIA TRADITION

I am honored to follow in the footsteps of two fine Virginians who preceded me in the Congress and worked to preserve these historic lands. In 1935, former Senator Harry F. Byrd, Sr., wrote the Secretary of the Interior, Harold L. Ickes as follows:

> I am writing to express the hope that the proposal to establish a national military park on the Bull Run Battlefield in Prince William County, Virginia, may be approved. The citizens of Prince William County are most anxious that this project be established. I shall certainly appreciate any consideration you may give the matter and I hope very much that it may have your approval.

Similarly, former Congressman J. Howard Smith took important steps to preserve these historic lands.

Mr. Chairman, it is time to act before it is too late. I believe the changes I am suggesting today will address the questions raised in the community and preserve for all time this precious page in our Nation's history. I urge the Senate to approve the bill promptly.●

● Mr. BENJAMIN. Mr. Chairman, I rise in support of this bill and as amended by the gentleman from California, the distinguished chairman of the Subcommittee on National Parks and Insular Affairs, Mr. PHILLIP BURTON.

Mr. BURTON'S amendment, amongst other things, in item 62 by adding section 615 to H.R. 12536 will authorize the Secretary of the Interior to enter into cooperative agreements to provide technical and financial asistance for the continued operation and maintenance of the "Highway of Flags Servicemen's Memorial" in Highland, Ind. The provision will insure the permanent nature of the memorial and the participation by other than Federal parties for maintenance and operation.

This amendment was prompted by the untiring efforts of Mrs. Mary Lou Kieswetter from Munster, Ind., and the National Council for the Encouragement of Patriotism, of which she is the founder.

The council was founded on January 17, 1968, in an effort to instill a better sense of patriotism among our citizens. Its accomplishments symbolize what citizens can do when endowed with a firm dedication of purpose and unyielding determination.

In the few short years of its existence, the council has caused the States of Michigan, Wisconsin, Illinois, Indiana, Tennessee, Kentucky, Georgia, and Florida to proclaim U.S. Highway 41 as the Highway of Flags—a tribute to our Nation's banner and to our servicemen and women.

The council gave the Nation a memorable Bicentennial program in having two American flags hand-carried the distance of U.S. 41 from its northernmost boundary to the southernmost tip by citizens from each of the eight States the highway crosses.

In addition, the council has received five George Washington Honor Medals awards from Freedoms Foundation at Valley Forge and were commended by numerous service clubs.

Finally, the National Council for the Encouragement of Patriotism, under the guidance of Mrs. Kieswetter, built the Highway of Flags Servicemen's Memorial located at the crossroads of U.S. 41 and U.S. 6 in Highland, Ind., strictly through the donations and volunteer efforts of citizens who share the same flame of patriotism. From the memorial, the flags of the eight States the highway crosses, fly.

The Highway of Flags Servicemen's Memorial was built at a time in our Nation's history when it was not always popular to proudly wave our American flag. The negative reaction of some of our Nation's citizens to an unpopular war made the building of a memorial to U.S. armed service men and women of even greater import.

Not only is this monument a tribute to the servicemen and women who so unselfishly served their country, but the flags flown there represent the eight States along Highway 41. Many Americans use this heavily traveled highway and pass by this monument. If it is not properly maintained, I believe the memorial would be a blemish on our national heritage.

I supported the amendment and ask all House Members to join with me in support of the bill. I feel the bill's passage will stimulate all citizens to rededicate themselves to the American heritage, to remember and honor our heroes, our institutions, and our national achievement. It will serve to strengthen and perpetuate the American way of life by involving all citizens. It will provide perpetual recognition of a valiant lady and the valiant men and women whom she has given so much of her life to.

I thank the gentleman for his work on this amendment and his thoughtfulness.●

● Mr. OTTINGER. Mr. Chairman, the middle section of the Delaware River deserves, along with the upper section, to be designated as a wild and scenic river, as the House Interior Committee has seen fit to do.

Aside from my own longstanding opposition to the Tocks Island Dam as unnecessary, destructive, nonproductive of

water for supply purposes and lacking benefits commensurate with the costs, the wild and scenic river status for the Delaware would not prevent construction of Tocks, should the need for the dam ultimately be proven.

Any threats, veiled or otherwise, that New York City will somehow run out of water during a future drought as a result of this designation are ill advised and inappropriate. Not only is there adequate streamflow now in the Delaware to assure New York its legitimate withdrawals, and still maintain supply for downstream users, but there are many steps which can and should be taken within the New York City system to improve its own performance. Two obvious steps are water-metering and repair of leaks.

It is my own conviction that the Corps of Engineers should be enabled by statute to repair and restore existing systems, rather than only being able to construct new ones. If the corps' charter were changed, then New York City's system could be repaired. The nice thing about this approach is that this could be accomplished at much less cost to the taxpayers than either Tocks Island Dam or the skimming boondoggle the corps has proposed to take water from far up the Hudson River and pipe it to New York City.

In short, the Delaware River and those millions who enjoy its beauty and recreational value will be best served by designating the upper and middle sections as wild and scenic. The taxpayers will be better served by not having to spend millions of dollars building ill-advised, unneeded dams. I urge support of the committee bill, and defeat of the amendment by the gentleman from New Jersey.●

Mr. PHILLIP BURTON. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. WRIGHT, having assumed the chair, Mr. THORNTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee, having had under consideration the bill (H.R. 12536) to provide for increases in appropriations ceilings, development ceilings, land acquisition, and boundary changes in certain Federal park and recreation areas, and for other purposes, had come to no resolution thereon.

POLITICAL TRIALS IN THE SOVIET UNION

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRADEMAS. Mr. Speaker, I must express my great alarm at the decision of the Soviet Union to bring to trial two well-known Russian dissidents, Anatoly F. Scharansky and Alexandr I. Ginzburg.

Mr. Scharansky's apparent "crime" was simply his desire to emigrate from the Soviet Union while Mr. Ginzburg managed a fund to aid the families of Soviet political prisoners.

These two political trials, scheduled to begin this week, constitute a serious setback to human rights in the Soviet Union and threaten major damage to United States-Soviet relations as well.

I wish to commend Secretary of State Vance for having made clear to Soviet officials that future ties between our two nations can only be harmed by this sort of behavior on their part.

These trials remind us, Mr. Speaker, if reminders were necessary, of the tragedy of totalitarianism as practiced in the Soviet Union—a nation in which people can neither live free, nor feel free to leave.

I join all Americans committed to the defense of human rights throughout the world in the hope that reason will prevail in these two tragic cases and that true justice will triumph.

PROHIBITIVE TAX RATES AND THE INNER CITY: WHY THE POOR ARE STILL POOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

● Mr. KEMP. Mr. Speaker, in the past decade unprecedented amounts have been spent at all levels of government to improve the relative economic position of inner-city residents and racial minorities. Yet, indicators show the actual economic position of nonwhites has dropped further behind that of whites.

This apparent paradox arises from the fact that, good intentions notwithstanding, our social architects have all but eliminated economic incentives for inner-city inhabitants. For example, due to taxes and means tests, low-income families of four in Los Angeles, in effect, face marginal tax rates on labor earnings ranging from 60 percent to over 100 percent.

Elimination of these repressive effective marginal tax rates would tap a sadly underutilized sector of the economy whose human potential is being lost to society. Moreover, this reduction in the transfer wedge would lead to a healthier economy, lower unemployment, lower inflation, and higher stock prices.

The effect of prohibitive tax rates upon those living in our inner cities is the focus of a new study by H. C. Wainwright & Co. in Boston, and I offer it as a framework for Congress rethinking its approach to resolving the problems of the inner city and its poor.

PROHIBITIVE TAX RATES AND THE INNER-CITY: A RATIONAL EXPLANATION OF THE POVERTY TRAP

Over the past decade, a tragedy of immense proportions has been unfolding in America. Non-whites are falling further and further behind their white counterparts in the economic areas of jobs, participation in the labor force, unemployment and earnings. This relative deterioration in the position of non-whites results not from the exceptional economic performance of whites, but has occurred in spite of poor white performance. While white performance has been discouraging, non-white performance has been even worse. All this has happened at just the time when federal, state and local efforts to rectify inequalities have been expanded at historically unprecedented rates.

To those immersed in the political rhetoric of our times, such a contradiction must appear virtually incredible. To a trained economist, however, these results are a fully predictable consequence of the dramatically increased effective incidence of economic disincentives due to U.S. welfare programs. As detailed below, income security programs are explicitly structured (via means tests) to penalize recipients who work and earn income. Over the past decade, the increased incidence of disincentives has been exceptionally pronounced in the inner city and among minority groups.

DIMENSIONS OF RACIAL ECONOMIC DISPARITY

While the numbers vary from month to month, a direct comparison of non-whites and whites in 1968 and 1976 illustrates the trends. Table I below lists white and nonwhite unemployment rates for males by age category.

TABLE 1.—MALE UNEMPLOYMENT RATES BY AGE AND RACE
[In percent]

Age	White		Nonwhite	
	1968	1976	1968	1976
16 to 17	12.3	19.7	26.6	37.7
18 to 19	8.2	15.5	19.0	34.0
20 to 24	4.6	10.9	8.3	20.7
25 to 34	1.7	5.6	3.8	11.0
35 to 44	1.4	3.7	2.9	7.3
45 to 54	1.5	3.7	2.5	7.2
55 to 64	1.7	4.0	3.6	6.2
65 plus	2.4	4.8	4.0	9.3
Unweighted average	4.2	8.6	8.8	16.5
All ages combined	2.6	6.4	5.6	12.7

Source: Department of Labor, "Handbook of Labor Statistics, 1977."

As shown, the unweighted average of nonwhite unemployment rates has risen 7.7 percentage points compared to only a 4.4 percentage point increase for whites. In every age group, the probabilities of being among the unemployed for non-whites has increased dramatically relative to whites across the eight-year period. A similar picture holds for female unemployment rates when whites and non-whites are compared.

Unemployment rates display only part of the deterioration. Not only have non-whites incurred increased unemployment relative to whites, but they have shown a disturbing tendency to withdraw from the labor force. In contrast, white participation rates have, on average, remained constant. In Table 2 below the fall in non-white participation rates relative to white participation rates is apparent at each and every age category for males. Similar results can be just as easily shown for females.

TABLE 2.—MALE PARTICIPATION RATES BY AGE AND RACE
[In percent]

Age	White		Nonwhite	
	1968	1976	1968	1976
16 to 17	47.7	51.8	37.9	30.2
18 to 19	65.7	73.5	63.3	55.6
20 to 24	82.4	86.2	85.0	78.4
25 to 34	97.2	95.9	95.0	90.6
35 to 44	97.6	96.0	93.4	90.6
45 to 54	95.4	92.5	90.1	83.4
55 to 64	84.7	75.4	79.6	65.7
65 plus	27.3	20.3	26.6	19.7
Unweighted average	74.2	74.0	71.4	64.3
All ages combined	80.4	78.4	77.6	70.7

Source: Department of Labor, "Handbook of Labor Statistics, 1977."

The third link in the chain also shows a deficient picture. Over the past decade, earnings of blacks have grown faster than earnings of whites in percentage terms. But, in absolute dollars, the income gap between

black and white males has widened. Table 3 below again displays the data only for males. For females the results are reversed: in each age category black females have narrowed the gap in median earnings between 1968 and 1975.

TABLE 3.—MEDIAN INCOME OF MALES EMPLOYED YEAR ROUND BY AGE AND RACE

Age	White			Black		
	1968	1975	Increase	1968	1975	Increase
20 to 24	$5,803	$8,692	$2,889	$4,481	$7,231	$2,750
25 to 34	8,081	12,982	4,921	5,718	10,383	4,665
35 to 44	9,054	15,161	6,067	5,687	10,905	5,218
45 to 54	8,586	15,182	6,596	5,841	10,289	4,408
55 to 64	7,820	13,874	6,254	4,965	9,833	4,868
Unweighted average	7,869	13,178	5,345	5,338	9,728	4,382
All ages combined	8,047	13,459	5,502	5,370	9,848	4,478

Source: Bureau of the Census, "Current Population Report."

To summarize, the median earnings of black males employed year round have not risen by as much as those of whites. Additionally, the proportion of blacks employed or seeking employment has fallen dramatically when compared to whites. And finally, for those blacks who are participants in the labor force, unemployment rates have increased substantially compared to whites.

While black performance in the market place was rapidly deteriorating relative to white performance, social welfare expenditures on federal, state and local levels were expanding at unprecedented rates. In conjunction with the rapid increase in welfare outlays, other measures such as increases in the minimum wage were being adopted. Most of these initiatives had the specific objective of alleviating the suffering of the disadvantaged. But, they have had just the opposite result.

INEFFECTIVENESS OF WELFARE PROGRAMS

In 1965, total social welfare expenditures were just over $77 billion, or 11.7 percent of gross national production. By 1968, these programs totaled almost $114 billion or 13.7 percent of GNP. As of 1975, total social welfare expenditures nearly reached $290 billion, or almost 20 percent of GNP. By far the fastest increases occurred at the federal level. By 1975, federal expenditures on social welfare were over four times what they had been in 1965. As a share of GNP, federal expenditures had doubled. In 1965, state and local expenditures on social welfare were slightly greater than federal expenditures. In spite of the doubling of state and local expenditures, by 1975 federal expenditures exceeded state and local expenditures by over $45 billion.

In the persistent effort to achieve parsimony in conjunction with fairness and equity, social welfare programs have adopted stringent criteria for welfare recipients. For social security recipients there is the "retirement" test which reduces the tax free benefits allowed as earned income for the retired rises above $4,000 per year. Similar "means and income" test strictures apply to recipients of food stamps, housing subsidies, aid for dependent children, unemployment compensation, etc. These criteria of eligibility were designed to ensure that only the truly needy would receive the help they so desperately lacked. Excluding people in progressively higher income groups meant that funds would not be squandered on those who were less in need.

While these "means", "retirement", "incomes", "unemployment" and other "needs" tests may be rationalized on both moral and budget grounds, they have markedly perverse effects on the economic incentives of the poor. At the same time, all sorts of governmental licensing, environmental safety and code requirements have reduced economic incentives for employing the poor. It is difficult enough for a well-educated suburbanite to comply with codes, taxes and licensing requirements. For an inner-city, poorly-educated individual, these barriers border on being insurmountable. In my own personal experience on the South Side of Chicago, I have observed the deleterious effects of building codes, minimum wages, state and federal tax filing requirements, business extortion gangs and other impediments on businesses owned and operated by blacks. These impediments alone are so great as to raise the question: why is the inner-city doing as well as it is? Yet, still we hear people asking the reverse: given what is spent, why isn't the black community doing better? One look at the difficulty inner-city minority residents have in merely filling out driver's license forms, immigrant visas, etc., puts an entirely different perspective on the true issues.

MAGNITUDE OF ECONOMIC DISINCENTIVES

The net effects on spendable income of the combination of "needs" tests and taxes for an inner-city family of four in Los Angeles are calculated below. The family is assumed to have two adults, one of whom is either disabled or unemployed. In addition, we have assumed the family avails itself of the maximum city, county, state and federal welfare benefits to which it is entitled given its income.

The impact of incremental increases in gross wages of $100 per month has been calculated up to $1,000 per month. The wage figure is the total cost to the firm for employing one person. The income figures thus include employer contributions to social security and a maximum level of employment insurance contributions.

Several biases exist cutting in a number of directions but the central point is obvious. Marginal tax rates for inner-city inhabitants are prohibitively high (Table 4).

TABLE 4.—EFFECTS OF INCOME AND TAXES ON FAMILY SPENDABLE INCOME FROM WAGES AND WELFARE BENEFITS

Monthly gross wages [1]	Net family spendable income	Increase in spendable income	De facto marginal tax rate (percent)
0	$718.33	NA	NA
$100	759.43	$41.10	58.9
$200	780.53	21.10	78.9
$300	810.57	30.04	70.0
$400	815.80	5.23	94.5
$500	794.58	−21.22	121.2
$600	794.58	0	100.0
$700	794.58	0	100.0
$800	809.92	15.34	84.7
$900	832.49	22.57	77.4
$1,000	858.58	26.09	73.9

[1] Including employment taxes paid by employer.
NA—Not applicable.

Note: Applies to a family of 4 in Los Angeles, 1 member of whom is unemployed or disabled.

Source: Arthur B. Laffer and Christopher R. Petruzzi, University of Southern California.

Over the entire range from no wages to $1000 per month (equivalent to a gross paycheck of about $900 per month), the family has at its disposal an additional $140.25 per month. This corresponds to an average tax "wedge" of 86 percent. For incomes between $400 and $800 per month, the family's ability to buy goods and services actually falls the more it earns. This corresponds to marginal tax rates of more than 100 percent. (Further explanation of the above calculations is provided in the Appendix.)

PRESIDENT CARTER'S URBAN POLICY

After some ten years of growing federal involvement and expenditures aimed at the inner-city, the new initiatives embodied in the current administration's urban program, by and large, will exacerbate, not alleviate problems created by government programs. Bigger federal subsidies have been proposed to stem the fiscal deterioration of the cities; and indefinite continuation of special unemployment benefits and new employment tax incentives to business have been proposed to support the unemployed and to offset the pernicious effect of the minimum wage law. Additional construction of public housing—which is free of property taxes—has been proposed to replace the housing stock being abandoned by the private sector.

But, as this report shows, programs that ignore the enormous disincentives to supply work effort in the inner-city now imposed by government programs are doomed to failure. Excessive effective tax rates on low income families have distorted the economy of the inner-city and produced a poverty trap. Only after this wedge is reduced will the economy of the inner-city and the economic standing of the disadvantaged reach their full potential.

IMPLICATIONS

Individuals respond to incentives. People do not work for fun; nor do firms produce as a matter of social conscience. The supply of work effort is literally the demand for goods. Without a correspondence between work efforts and more goods, work effort fades away and, simultaneously, so does the supply of goods.

The good intentions of our social architects have all but eliminated economic incentives for one of our most disadvantaged groups—inner-city inhabitants. As is fully predictable from economics, the performance of the inner-city sector of the economy has been abominable. Until incentives are restored the prognosis for this sector of our economy and society remains bad however much is spent. At the very least, the debilitating effects of minimum wage laws, regulations and "needs" tests must be mitigated before substantial improvements can be envisioned.

APPENDIX

(Tax and Welfare Disincentives Incurred by the Working Poor (1977).—Applies to a family of four in Los Angeles, one member of whom is unemployed or disabled).

1. Employer taxes. 5.85 percent employer's share of Social Security plus 3.2 percent unemployment insurance contribution plus contribution to mandatory workmen's compensation. Total: 10.75 percent of gross wages paid.

2. Employee Social Security tax. 5.85 percent of gross wages.

3. State and Federal income taxes. Increasing progressively to about 10 percent of gross wages.

4. Aid to Families with Dependent Children (AFDC). $423 per month, reduced progressively by 35–50¢ for each dollar of gross wages.

5. Rent subsidy (Los Angeles Housing Authority). Maximum amount payable toward family rental cost for a 3-bedroom apartment in an elevator building, $273 per month, reduced progressively to $110 per month at a gross wage income of $1000.

6. MediCal. Private insurance premium equivalent of California provided medical benefits, $96.33 per month if wage income is less than $567.

7. Food Stamps. Value of stamps received minus cost of stamps, $48 per month, reduced progressively to zero at an income of $500.●

BANKING COMMITTEE APPROVES LEGAL LOANSHARKING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, countless homeowners may be facing interest rates as high as 12 to 15 percent if an amendment passed by the House Banking, Finance and Urban Affairs Committee becomes law.

The amendment to the Financial Institutions Reform Act would allow federally chartered savings and loans for the first time to offer variable rate mortgages (VRM's), a financing plan by which interest rates fluctuate with the economy. The amendment would affect 17 States across the country, plus the District of Columbia.

Mr. Speaker, I find this amendment very ironic in two respects. One, that this legislation would come under the guise of reform of our financial institutions. Second, that it would come in the wake of California's vote on proposition 13 and overwhelming signals from consumers that they are fed up with the spiraling costs of homeownership.

One of the States this amendment will affect is California, and it is a sad paradox that this amendment could put the high costs California residents voted down last month back to the consumers in another form. California residents may be saving money on property taxes, but this amendment could well make up those savings to many consumers if the savings and loans begin charging higher and higher interest rates.

And not only will California feel the pinch of higher interest rates under this plan but 16 additional States, plus the District of Columbia, are covered under this amendment. They are: Maine, Massachusetts, New Hampshire, Vermont, Connecticut, New Jersey, North Carolina, Ohio, Indiana, Wisconsin, Missouri, Iowa, Louisiana, Nebraska, Kansas, and Washington.

Mr. Speaker, I vigorously opposed this amendment in the committee markup and will do all I can to see this amendment defeated when the bill reaches the House floor. With the higher interest rates that are bound to result if this legislation becomes law, I can only view this amendment as a sanction of legal loan sharking.

Under the VRMs, the interest rate is increased or decreased periodically depending on the state of the economy. Anyone who reads the papers these days knows that interest rates are rising and expected to continue rising. The only hope many consumers have of containing these costs are through interest rates which are fixed throughout the life of the loan. Homeowners then know what they are agreeing to, what they can afford or cannot afford.

Under VRMs, consumers do not have this security and are at the mercy of fluctuating rates. They may begin a loan with a 9 percent interest rate, which they can afford, only to have that interest rate climb out of the reaches of their budgets.

Of course, VRMs loans are not mandatory under the legislation, but I cannot help but predict it will only be a matter of time until a move would be made to convert all mortgages to the higher rate.

Consumers are sick and tired of the rules being changed in the middle of the game. The overwhelming approval of proposition 13 was a signal to the Nation's lawmakers that homeowners will not tolerate spiraling property taxes. For this Congress to approve a system which could easily result in spiraling interest rates is in blatant disregard of what the people of our country want from their government.●

THE "DANIEL JAMES MEMORIAL CENTER FOR PREVENTIVE HEALTH EDUCATION ACT"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. STOKES) is recognized for 15 minutes.

● Mr. STOKES. Mr. Speaker, on February 25, 1978, America lost a great leader, Gen. Daniel "Chappie" James, Jr., the first black American to hold four-star rank in the Armed Forces of the United States. Today I am introducing legislation which will authorize funds to construct a lasting tribute to his memory.

General James was born February 11, 1920, as the youngest of 17 children. He attended Tuskegee Institute in Tuskegee, Ala., where he received a bachelor of science degree in physical education. There he joined the campus branch of the Army Air Corps aviation cadet program and was commissioned an officer. At that time, the Air Corps flight training was segregated. However, General James along with other black airmen staged a sit-in at the officer's club helping to bring an end to Jim Crow in the Armed Services. Thus, while climbing the military ranks, he assisted in paving the road to equality in the military and continued to struggle for racial equality at home and abroad.

General James served with distinction and flew over 200 combat missions in World War II, the Korean war, and the Vietnam war. His heroism is evidenced by the many decorations he won for combat and leadership, including the Department of Defense Distinguished Service Medal—the highest noncombat award which can be presented to a member of the Armed Forces—the Air Force Distinguished Service Medal with one oak leaf cluster, the Legion of Merit with one oak leaf cluster, the Distinguished Flying Cross with two oak leaf clusters, and the Air Force Outstanding Unit Award with three oak leaf clusters. Additionally, he became the Commander in Chief of the North American Air Defense Command (NORAD), a binational military command consisting of the United States and Canadian Air Defense Forces; and Commander in Chief of the U.S. Air Force Aerospace Defense Command (ADCOM), the U.S. element of NORAD. In this dual capacity, General James was responsible for surveillance and air defense of North American airspace and for providing warning and assessment of hostile attack on the continent from bombers or missiles.

While General James was known worldwide for his military achievements, he will also be remembered for his community service for which he was awarded several civilian awards including the George Washington Freedom Foundation Medal, the United Nations' Service Medal, Veterans of Foreign Wars (VFW) Commander in Chiefs' Gold Medal Award and Citation, and the United Negro College Fund's Distinguished Service Award. And he was awarded an honorary doctor of laws degree from several universities including the University of West Florida, the University of Akron, Virginia State College, and St. Louis University.

Mr. Speaker, Gen. Daniel "Chappie" James was obviously a man of strong character and profound beliefs. In reaching his goal, he withstood the imperfections of the American society without losing his faith in the democratic system or Government. As Defense Attorney Brown stated. "We are wiser, more tolerant and stronger because of Chappie."

I believe that Gen. Daniel "Chappie" James should be ranked among the most notable men in American history. His achievements were for himself, his family, for Tuskegee Institute, for blacks, and for the U.S. Air Force. More important, however, were his achievements for America. Thus, for America, Gen. Daniel James should be tangibly memorialized for posterity.

Because of the personality and the character of the man, the Daniel James monument should be a functional facility. Thus, a very fitting monument would be the establishment of "the Daniel James Memorial Preventive Health Education Center" at Tuskegee Institute.

This monument should be at Tuskegee Institute for several reasons. First, it was the ROTC program at Tuskegee Institute that pointed General James in the direction of the Air Force and provided the basic fundamental training. Second, it was Tuskegee Institute that established

the first pilot training that sent him on his admirable performance in three wars. And finally, Tuskegee Institute has already been recognized as a national resource, as evidenced by its being designated a National Historic Site/District. (During the fiscal year, the Tuskegee Institute National Historic Site attracted 35,000 visitors and it is conceivable that this number will increase when this center, which would be erected adjacent to these historic structures, is completed.)

In America, when the word "health" is used, it customarily evokes images of hospitals, clinics, physicians, technicians, cobalt machines, and a multiplicity of high-level professional skills and expensive technologies. All of these elements, together with the almost sacred image of the research scientist with his test tubes turning out a marvelous array of new drugs and "cures," are seen—quote correctly—as epitomizing the best medical care available in the world. Only recently and prodded by the staggering costs of attempting to provide these sophisticated services and technologies to the broader American populace, have we paused to recognize that these resources are in fact designed for after the fact intervention in disease processes, many of which are preventable.

For example, consider lung cancer and arteriosclerotic heart disease—two major killers in America. Both usually arise after decades of abuse to the body, with years of heavy smoking, drinking, high carbohydrate and fatty diets, obesity, and lack of regular exercise playing a major role. We have begun to face the fact that nothing that can emerge from a clinic or a test tube can do as much to moderate such self-inflicted diseases as the adoption of self-imposed health changes in the way that people live.

Thus, by contrast to our highly advanced technological methods for detecting disease and coping with its effects on the organism, our national concepts and national experience in the principles of effective health maintenance are still embryonic. This is particularly true in the area of health education where the existing models are few and of unproven effectiveness. Health and the elaboration of functional mechanisms for promoting and maintaining it will gradually become a primary national focus over the next several decades. This will be paralleled by a relative deemphasis of disease curative procedures based on prohibitively expensive technology. This swing of the pendulum will not be dramatic, abrupt, or revolutionary, but it has already been set into motion by health planners at the Federal level.

I believe the leadership in this movement should come from the higher education sector and that an important facet of that leadership should and must come from those relatively few institutions that are firmly rooted by mission, by tradition, and by proven effectiveness in the service of those disadvantaged populations who currently bear the brunt of inequitable access to the high technology curative system of medical are—populations that, accordingly, have the most to gain from the effective introduction of health education and health maintenance systems. Tuskegee Institute is a prime example and might with some justification even be considered prototypical of those few truly unique institutions of higher learning.

Given the above factual base and major opportunity for leadership in a nationally important area, Tuskegee Institute proposes a bold new kind of health education center—a facility that architecturally, philosophically and in the programmatic activities that it will support, will provide a major new focus on those categories of activities designed to promote and reinforce those behaviors that lead to the optimum state of physical and mental well-being that we recognize as "health."

The following is an outline of the key program components and related concepts that will be served in the health education facility:

A. PHYSICAL EDUCATION

Physical fitness is but one aspect of physical health; however, it is a very important one and one that is generic to the concept of the optimally healthy person. Exercise is an essential element achieving physical fitness. Strength, stamina, endurance and other desirable physical qualities are best developed through vigorous activity. Colleges and universities have a responsibility to their student bodies to provide programs and facilities that permit all students—men and women—to achieve and maintain adequate fitness levels. The President's Council on Fitness for leadership has made structured suggestions for colleges and universities in this area. These recommendations include:

1. Provide for student health appraisals, interpretation of results and counseling of students.

2. Require all students to demonstrate or acquire a satisfactory knowledge of sound health practices.

3. Use physical achievement tests to assess student needs and measure progress. Provide special help for physically underdeveloped students.

4. Require students to demonstrate or develop proficiency in swimming, conditioning exercises in several forms of sport, dance and other activities.

5. Provide leadership, programs and facilities which will encourage students and faculty members to maintain a high level of physical fitness at all times.

The preventive importance of physical fitness is well known and centers on cardiovascular capacity, an increase in which is an observable and predictable benefit of exercise training. It is proposed that the health education facility would greatly enhance the capability of the institute to provide a structured physical education and physical fitness program. And, in keeping with one of the basic concepts outlined above, the facility would also serve in this regard as a center where individuals in the immediate and outreach communities may be instructed in and participate in such programs.

B. RECREATION

Recreation may be conceived at two levels, both of which would be served by the health education facility. First, the availability of and participation in a wide variety of social, creative, cultural and related general activities arranged for the broad community. At the second and more precise level, recreation can be therapeutically prescribed to meet specific needs of specific individuals and/or groups. Tuskegee Institute currently sponsors activities at both these levels, including the preclinical training of students in the field of recreational therapy. Both will be strongly augmented by the availability of the health education facility as designed.

C. CORE CURRICULUM FOR THE HELPING PROFESSIONS

There is a basic core of concepts, principles and information about the human condition that should be shared by all those entering the helping professions. It is envisioned that the Health Education Center would serve structurally as the focus for the conduct of special courses, seminars and other teaching-learning activities that would make up such a core curriculum.

D. HEALTH EDUCATION AND INFORMATION

At regional community health educational materials center will be an important function of the health education center. Selected categories among the 30,000 volumes and 300 journals and serials that make up the Tuskegee Institute Health Sciences Library collection would be housed at the center to support the structured educational activities to be conducted in the center.

E. COMMUNICATIONS

Since effective use of mass communication media for health education is a still relatively unexplored potential in health education, it is planned that future on-campus radio, television or other related communications training programs could profitably be conducted utilizing the Health Education Center as a functional base.

F. HEALTH MAINTENANCE

In one sense, all of the above activities are relevant to the promotion and maintenance of health; however, there are important specific and discrete functions that should be included in the facility. One of these is physical assessment. Certain cardio-respiratory tests are fundamental to the understanding of an individual's "physical fitness" and/or prerequisites for the subsequent evaluation of an individual's progress in a health maintenance program. This type of assessment is sometimes carried out in traditional medical care settings; but more appropriately should be seen as part and parcel of a health maintenance offering. Such assessment should be an ongoing part of the health center's program and its utilization should be encouraged broadly in the campus and outreach communities.

There are two basic concepts underlying and buttressing the development of this facility and health education center:

1. The center is conceived as serving not only the 3500 young men and women who constitute the institute's student body at any given time, but shall serve as a major active interface between the institute and the local community, as well as between the institute and that broader "community" constituency that represents a major segment of the Alabama Black Belt. This concept has significant architectural ramifications. While a strong institute-community interface is a prominent feature of Tuskegee Institute, the specific community needs and institute programs that make up this health education center interface can be expected to change many times over the anticipated 40–70 year life span of the proposed facility. Spatial flexibility and adaptability to multiple purposes are hallmark features of the facility

2. The facility should not only provide for new programmatic thrusts in the health education and health maintenance arena, but should augment the much needed integration of a number of the substantial and

important existing programs that fall naturally under the health maintenance enterprise.

In conclusion, this center will have local, regional, national and international significance. It will provide an atmosphere for educational and cultural enrichment to numerous students, local citizens, and visitors. Tuskegee Institute is well "positioned" in its history and in experience to assume a key leadership role in a major new thrust in American life—that is, the promotion and maintenance of the health of our citizenry as opposed to the cure and remediation of diseases engendered by "unhealthy" attitudes and behaviors that constitute an important component of the American "lifestyle." The assumption of this leadership role, with its prerequisite pulling together of the institution's already substantive but fragmented programs and activities relative to health education and health maintenance, will necessitate a new facility having the characteristics and capabilities described in this concept paper.

The investment in such a facility promises tremendous returns over the next several decades in terms of the strong health orientation of the thousands of Tuskegee Institute students who will graduate during that period and bring these positive influences to bear tertiarily in those communities nationwide and worldwide where they do their life's work. A successful program thrust can, through the institute-community interface in health education, more directly affect the "health" of a significant segment of the outreach population in the black belt.

It is only proper that such an edifice, to house this innovative idea in health should be constructed at Tuskegee Institute, which provided physical education and Air Force training to Gen. Daniel "Chappie" James, Jr., who in return, gave so much to this country. He believed in this country and the democratic ideals for which she stands. In a 1967 letter that merited the Freedom Foundation's George Washington Honor Medal, he stated:

I am a citizen of the United States of America. I am not a second-class citizen and no man here is unless he thinks like one, reasons like one, or performs like one. This is my country, and I believe in her, and I believe in her flag, and I'll defend her, and I'll fight for her and serve her. . . .

Mr. Speaker, I ask my colleagues to join me in passing this legislation which will authorize funds to erect a lasting memorial to this outstanding military leader and great American, Gen. Daniel "Chappie" James, Jr.●

SUBCOMMITTEE ON CRIME TO CONTINUE ITS HEARINGS ON WHITE-COLLAR CRIME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

● Mr. CONYERS. Mr. Speaker, the Subcommittee on Crime of the House Committee on the Judiciary will continue its series of hearings on the subject of "white-collar crime" on July 12, 1978, in room 2237, Rayburn House Office Building, at 9 a.m. We will hear testimony on that date from Deputy Attorney General Benjamin Civiletti.

Those wishing further information should address their requests to the House Committee on the Judiciary, Subcommittee on Crime, 207–E Cannon House Office Building, Washington, D.C. 20515.●

A BILL TO AUTHORIZE THE LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 5 minutes.

● Mr. RODINO. Mr. Speaker, the administration has recently sent to Congress a proposal which presents a new approach to crime control for State and local governments in the form of the Justice Improvement Act of 1978. I am proud to be the sponsor of this bill along with my colleague in the Senate Judiciary Committee, Senator KENNEDY.

I am most pleased to see a sincere effort on the part of this administration to recognize the seriousness of the crime problem in this country and at the same time to correct defects in the criminal justice functions of the Federal Government so as to address the problem. We must do something to make our communities and neighborhoods safe from crime. We must make available to State and local police, court and correctional systems the most innovative and successful techniques to combat crime. I think also we must recognize that the Federal Government cannot do everything. Probably the most important thing we can do is encourage individual families and neighborhoods to take an active interest in crime prevention.

In 1968, we created the Law Enforcement Assistance Administration to assist State and local governments in their efforts to understand the causes of crime and to prevent it. In 1968, the problems facing the Nation were different than they are now, yet LEAA has remained essentially static. Until now I have been afraid that it was in danger of becoming institutionalized in its present form. It is heartening that the administration can foresee major structural changes in the agency at this time and that this bill to reauthorize LEAA proposes such changes. In fact, the timing of this bill is very important.

The bill I am introducing today represents months of planning and an enormous amount of input from Congress, the community, scholars, and criminal justice practitioners. The process from which the bill evolved is unique. Last April, the Attorney General constituted a study group to review the structure and programs of the Law Enforcement Assistance Administration and to prepare a report suggesting change. In June, the report was issued and distributed to hundreds of interested members of the criminal justice system for comment. On November 21, 1977, Attorney General Bell sent a letter to the President outlining his proposal to restructure LEAA. The Subcommittee on Crime of the House Committee on the Judiciary held a hearing on March 1 to review the proposal.

At the same time that the study group was preparing their analysis, a staff group of the President's reorganization project was working diligently to determine a role for criminal justice research in the Federal Government. Their proposal, a National Institute of Justice, has been included in the bill I bring before you today.

I recite this history to you to show how pleased I am that the administration and Congress have taken the time to analyze and recommend change for the agency well before the authorization period lapses. We all recognize that a lot of work needs to be done between now and next May to rejuvenate LEAA.

It is imperative that LEAA have a responsible, Presidentially appointed leader to direct it toward success. Concurrent with the submission of this proposal to Congress, the Justice Department has begun a careful investigation and recruiting process to find the right person to manage LEAA. A combination, then, of new congressional authority for LEAA and a strong and responsible administrator should be of great assistance to the States in their fight against crime.

I bring this bill to the House as a first step. There are several other legislative proposals in existence which will be considered by the committee in its deliberations, but I expect the Justice Improvement Act of 1978 will be the vehicle for change. While I cannot personally and unequivocally support each and every section of the proposal, I do heartily endorse the concepts embodied in the bill, in particular, the creation of the independent National Institute of Justice and the national priority program which would subsidize projects and programs which have been designated as successful by the agency. I am supporting the sections which create an expanded role for the office of community anticrime programs to make grants to encourage neighborhood and community participation in crime prevention and public safety efforts. In fact, the abovementioned initiatives in the new bill are a natural outgrowth of the 1976 congressional amendments to the Safe Streets Act which my committee reported.

There are sections of this bill, however, which deserve careful scrutiny. The proposed new formula for distribution of funds to State and local governments is very complex and may require some adjustments before we are finished. The ambitious allocation of one-fifth of the discretionary grant fund to a private group representing the State courts should be reviewed as a possibly danger-

ous precedent. The independence of the National Institute of Justice must be statutorily assured. The incorporation of civil justice programs in a criminal justice agency must be accompanied by additional funding or else crime fighting funds will be spread too thin.

Most importantly, Congress must show a commitment to LEAA. I feel that commitment very strongly and will spend the rest of this Congress and the next legislative session encouraging further and full funding for LEAA. The only way the new proposal will work is if the appropriations for the agency do not fall below the present authorization level. This agency needs a minimum of $825 million to operate. The past OMB cutback in LEAA funds showed a mistrust of the agency accompanied by no positive proposal for change. We have here a vehicle for a restructuring of the agency and that progress should not be undermined by a lack of financial support from Congress or from the administration. The current practice of administration authorization requests mirroring the actual appropriations recommendation from OMB, as is reflected in this proposal, needs to be changed. It does not permit nor allow for the deviations always shaped by the respective authorization and appropriations committees. I would suggest an even higher authorization figure. If the appropriation level were to be the same as that proposed for fiscal year 1979, all of the State shares of the funds will be proportionately reduced below their level under current law. One could rightfully ask, "If the States get less money, why create massive changes in the agency?" It is only fair, when creating an essentially new operation to have that agency receive adequate funding to carry on its stated purpose.

Now, Mr. Speaker, on behalf of the administration and all of those concerned with combating crime and the fear of crime and studying the causes of crime and authorizing a Government agency to do something about it, I introduce the Justice Improvements Act of 1978.●

CONGRESSIONAL SENIOR CITIZEN'S INTERNSHIP PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland (Ms. MIKULSKI) is recognized for 5 minutes.

● Ms. MIKULSKI. Mr. Speaker, it is with great pleasure that I express my wholehearted support today for the congressional senior citizen intern program.

This program admirably accomplishes several goals. It allows Congress to benefit from the skills of some of our community's most talented members, our senior citizens. In addition, it gives senior citizens the opportunity to experience, firsthand, the workings of our Government. Interns can use this knowledge to help solve some of the problems that many of our elderly Americans experience today.

The senior citizen internship program further serves as an information channel. Through our senior citizen interns, my colleagues and myself become more familiar with the problems and concerns of the elderly. Our interns keep us in touch with the needs of the elderly in our own districts.

Senior citizen interns also carry back to the districts their knowledge of the legislative process. They can use this knowledge to help effect change on behalf of the elderly. Finally, they can continue to serve by helping to keep their Representative informed on issues concerning the elderly after the internship program has ended.

My staff and I had the good fortune of working with Mrs. Eleanor Diehlman, our senior citizen intern from the Third District in Maryland. Mrs. Diehlman was both a great asset to my staff and a joy to work with. After her 2-week stay in Washington, Mrs. Diehlman is now actively working in the Third District on issues concerning the elderly. She continues to be an asset both to me in my legislative work and to the Third District community at large.

Again, I want to express my strong support for the congressional senior citizen internship program. I encourage my colleagues to take advantage of this program, and to lend it their support in the future.●

HELSINKI COMMISSION TO HOLD HEARING ON DISSIDENT TRIALS IN THE U.S.S.R.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FASCELL) is recognized for 5 minutes.

● Mr. FASCELL. Mr. Speaker, this week, the Soviet Union is undertaking a massive crackdown on those brave men and women who took it upon themselves to monitor their government's compliance with the human rights provisions of the Helsinki Final Act. In three cities in the U.S.S.R., no less than five members of associates of the Public Groups To Promote Observance of the Helsinki Agreement in the U.S.S.R. will be brought to trial this week. Of the Moscow Group, three trials commenced today. Anatoly Scharansky, the computer scientist and Jewish refusenik who has become an international cause celebre, is being tried in a closed courtroom on charges of treason which carries a possible death sentence. Aleksandr Ginzburg, a long-time human rights activist who has previously spent a total of 7 years in prison, is being tried in Kaluga on charges of "anti-Soviet agitation and propaganda" and faces a maximum sentence of 10 years in prison followed by 5 years in exile. The wife of exiled Moscow Group member, Vladimir Slepak, also goes on trial today in Moscow for the same offense of which her husband was convicted last month. Maria Slepak faces a possible 5-year prison term for expressing her family's desire to emigrate to Israel to join their son, a desire which has not abated despite 8 years of refusals.

Unfortunately, the crackdown is not confined to the Moscow Group. One of the founding members of the Lithuanian Group, Viktoras Petkus, who has spent nearly 16 years in the Soviet Gulag for his activism, is being charged with the same offense as Ginzburg—"anti-Societ agitation and propaganda." Aleksandr Podrabinek, the courageous young man who formed the group affiliate, the Working Commission to Investigate the Abuse of Psychiatry for Political Purposes, will apparently be tried later this week on charges of "anti-Soviet slander" and, if convicted, faces a 3-year prison term.

This blatant, systematic repression on the part of the Soviet Government aimed at the Helsinki monitors must be protested. The Commission on Security and Cooperation in Europe, which I chair, will hold a public hearing to do just that tomorrow at 9 a.m. in room 2255, Rayburn House Office Building. Mrs. Aleksandr Solzhenitsyn, wife of the exiled author and a founding member of the Aleksandr Ginzburg Defense Committee, will testify before the Helsinki Commission. Joining her will be Mrs. Lyudmila Alekseeva, a founding member of the Moscow Group and a spokesman for the group in the West, Deputy Assistant Secretary of State for European Affairs William Leurs, a number of my colleagues in the Congress, Dr. William Korey of B'nai B'rith, and Mr. Jerry Goodman of the National Conference on Soviet Jewry. The hearing is open to the press and the public●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. FOUNTAIN (at the request of Mr. WRIGHT), for this week, on account of official business.

To Mr. WOLFF (at the request of Mr. WRIGHT), until further notice, on account of official business.

To Mr. CHAPPELL (at the request of Mr. SIKES) for Monday, July 10, 1978, on account of urgent business requiring personal presence.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MARLENEE), to revise and extend their remarks, and to include extraneous matter to:)

Mr. KEMP, for 15 minutes, today.

Mr. GOLDWATER, for 5 minutes, today.

(The following Members (at the request of Mr. IRELAND) and to revise and extend their remarks and include extraneous matter:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. STOKES, for 15 minutes, today.

Mr. PEPPER, for 5 minutes, today.

Mr. VANIK, for 5 minutes, today.

Mr. BINGHAM, for 5 minutes, today.

Mr. CONYERS, for 5 minutes, today.
Mr. RODINO, for 5 minutes, today.
Ms. MIKULSKI, for 5 minutes, today.
Mr. FASCELL, for 5 minutes, today.
Mr. GIAIMO, for 60 minutes, on July 11.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. MARLENEE), and to include extraneous matter:)

Mr. MICHEL in two instances.
Mr. DERWINSKI in three instances.
Mr. COLLINS of Texas in two instances.
Mr. LENT.
Mr. COHEN.
Mr. STEERS.
Mr. GOLDWATER.
Mr. GILMAN.
Mr. CORCORAN of Illinois.
Mr. MCCLORY in two instances.
Mr. SAWYER.
Mr. MARTIN in three instances.
Mr. LAGOMARSINO.
Mr. ASHBROOK in two instances.

(The following Members (at the request of Mr. IRELAND), and to include extraneous matter:)

Mr. D'AMOURS in two instances.
Mr. FRASER.
Mr. BYRON in 10 instances.
Mr. ROSENTHAL in 10 instances.
Mr. SISK.
Mrs. LLOYD of Tennessee in five instances.
Mr. ANNUNZIO in six instances.
Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. BROWN of California in 10 instances.
Mr. HAMILTON in 10 instances.
Mr. PEPPER in five instances.
Mr. HOLLAND in five instances.
Mr. BINGHAM in 10 instances.
Mr. SOLARZ.
Mr. MAZZOLI in five instances.
Mr. SIMON in four instances.
Mr. BENNETT in two instances.
Mr. WOLFF.
Mr. MCHUGH.
Mr. WAXMAN.
Mr. MAGUIRE.
Mr. MCDONALD in five instances.
Mr. VENTO.
Mr. BAUCUS in two instances.
Ms. MIKULSKI.
Mr. ROE in two instances.
Mr. MOORHEAD of Pennsylvania in three instances.
Mr. FLOWERS.
Mr. CONYERS.
Mr. BRECKINRIDGE in two instances.
Mr. CARR.
Mr. LLOYD of California.
Mr. WEISS.
Mr. TEAGUE.
Mr. ROBERTS.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 957. An act to promote commerce by establishing a national goal for the development and maintenance of effective, fair, inexpensive, and expeditious mechanisms for the resolution of consumer controversies, and for other purposes; to the Committees on the Judiciary and Interstate and Foreign Commerce.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on June 29, 1978, present to the President, for his approval, bills of the House of the following titles:

H.R. 3447. To amend chapter 83 of title 5, United States Code, to grant an annuitant the right to elect within one year after remarriage whether such annuitant's new spouse shall be entitled, if otherwise qualified, to a survivor annuity, and to eliminate the annuity reduction made by an unmarried annuitant to provide a survivor annuity to an individual having an insurable interest in cases where such individual predeceases the annuitant;

H.R. 3755. To provide for the reinstatement of civil service retirement survivor annuities for certain widows and widowers whose remarriages occurred before July 18, 1966, and for other purposes;

H.R. 10730. To authorize appropriations to carry out the Marine Mammal Protection Act of 1972 during fiscal years 1979, 1980, and 1981;

H.R. 10882. To authorize appropriations to carry out conservation programs on military reservations and public lands during fiscal years 1979, 1980, and 1981; and

H.R. 12571. To amend the Fishery Conservation Zone Transition Act in order to give effect to the Reciprocal Fisheries Agreement for 1978 between the United States and Canada.

ADJOURNMENT

Mr. IRELAND. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 53 minutes p.m.), the House adjourned until tomorrow, Tuesday, July 11, 1978, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4476. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend section 1445(b) of the Food and Agriculture Act of 1977 to modify the formula for the distribution of funds authorized thereunder; to the Committee on Agriculture.

4477. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a supplemental summary of the budget for fiscal year 1979, pursuant to section 201 of the Budget and Accounting Act of 1921, as amended (H. Doc. No. 95–366); to the Committee on Appropriations and ordered to be printed.

4478. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of July 1, 1978, pursuant to section 1014(e) of Public Law 93–344 (H. Doc. No. 95–367); to the Committee on Appropriations and ordered to be printed.

4479. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation to the Department of the Treasury for "Accounts, Collection and Taxpayer Service," Internal Revenue Service, for fiscal year 1978 has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriations, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

4480. A letter from the Acting Assistant Secretary of Defense (Comptroller), transmitting a report that no use was made of funds appropriated in the Defense Appropriation Act, 1978, and the Military Construction Appropriation Act, 1978, during the period October 1, 1977 through March 31, 1978, to make payments under contracts in foreign countries except where it was determined that the use of foreign currencies was not feasible, pursuant to section 834 and 109 of the respective acts; to the Committee on Appropriations.

4481. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken by the U.S. Army Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

4482. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken by the Naval and Marine Corps Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

4483. A letter from the Assistant Secretary of the Air Force (Manpower, Reserve Affairs and Installations), transmitting a draft of proposed legislation to amend chapter 61 of title 10, United States Code, to extend certain authority related to the separation or retirement of members of the armed forces who are unfit to perform their duties because of physical disability; to the Committee on Armed Services.

4484. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Navy's proposed sale of certain defense equipment to Sweden (transmittal No. 78–56), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

4485. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain defense equipment to Kuwait (transmittal No. 78–62), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

4486. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Navy's proposed sale of certain defense equipment to Saudi Arabia (transmittal No. 78–63), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

4487. A letter from the president and chairman, Export-Import Bank of the United States, transmitting a statement describing a proposed transaction exceeding $60 million with the Societe Nationale pour la Recherche la Production, le Transport, la Transformation et la Commercialisation des Hydrocarbures (SONATRACH) of Algeria, pursuant to section 2(b)(3)(i) of the Export-Import

Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

4488. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final funding criteria for clinical law school experience programs, pursuant to section 431(d) of the General Education Provisions Act; to the Committee on Education and Labor.

4489. A letter from the Chairman, National Labor Relations Board, transmitting a list of cases heard and decided by the Board during the transition quarter and fiscal year 1977, pursuant to section 3(c) of the Labor Management Relations Act of 1947; to the Committee on Education and Labor.

4490. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of proposed new records systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4491. A letter from the Assistant Secretary of Agriculture for Conservation, Research, and Education, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4492. A letter from the Comptroller General of the United States, transmitting a report on the examination of financial statements of the Bureau of Engraving and Printing Fund for the 15 months ended September 30, 1976, and for fiscal year 1977 (GGD–78, 67, July 5, 1978), pursuant to section 6 of the act of August 4, 1950; to the Committee on Government Operations.

4493. A letter from the Acting Assistant Secretary of the Interior, transmitting the financial statements of the Colorado River storage project and participating projects for the transition quarter and fiscal year 1977, pursuant to section 6 of the Colorado River Storage Project Act of 1956; to the Committee on Interior and Insular Affairs.

4494. A letter from the Acting Assistant Secretary of the Interior, transmitting notice of the Secretary's determination that certain lands in the States of Idaho and Colorado are not suitable for disposal under the provisions of the Unintentional Trespass Act, pursuant to section 214(b) of Public Law 94–579; to the Committee on Interior and Insular Affairs.

4495. A letter from the Acting Secretary of Agriculture, transmitting a draft of proposed legislation to designate the segment of the Dolores River and its tributary the West Dolores as a component of the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Interior and Insular Affairs.

4496. A letter from the Chairman, Indian Claims Commission, transmitting the Commission's final determination in Docket No. 18–U, *Minnesota Chippewa Tribe, et al., on behalf of the Chippewas of Lake Superior, plaintiffs,* v. *the United States of America, defendant,* pursuant to section 21 of the Indian Claims Commission Act; to the Committee on Interior and Insular Affairs.

4497. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of Australia for permission to transfer certain U.S.-origin defense equipment to the United Kingdom Government, pursuant to section 3(a) of the Arms Export Control Act; to the Committee on International Relations.

4498. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Mary S. Olmsted, and by members of her family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

4499. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting a report on the programing and obligation of funds for relief and rehabilitation assistance to Romanian earthquake victims, pursuant to section 495D(e) of the Foreign Assistance Act of 1961, as amended (91 Stat. 48); to the Committee on International Relations.

4500. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting the justification for a proposed increase in the funding level of the agency's fiscal year 1978 program in Morocco, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended (88 Stat. 1801); to the Committee on International Relations.

4501. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on International Relations.

4502. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on International Relations.

4503. A letter from the Secretary of the Treasury, transmitting a report on the status of the foreign contingent liabilities of the U.S. Government as of December 31, 1977, pursuant to section 634(f) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

4504. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment to Sweden (transmittal No. 78–56), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

4505. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Kuwait (transmittal No. 78–62), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

4506. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment to Saudi Arabia (transmittal No. 78–63), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

4507. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Saudi Arabia (transmittal No. 78–64), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

4508. A letter from the Secretary of Health, Education, and Welfare, transmitting the first report on the National Health Service Corps scholarship program, pursuant to section 751(i) of the Public Health Service Act, as amended (90 Stat. 2281); to the Committee on Interstate and Foreign Commerce.

4509. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting a report on changes in market shares of the statutory categories of retail gasoline marketers, covering the months of September 1977, through January 1978, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

4510. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting a report on changes in market shares for refined petroleum products during March 1978, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

4511. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting a quarterly report for the period January–March 1978 on imports of crude oil, residual fuel oil, refined petroleum products, natural gas and coal; reserves and production of crude oil, natural gas, and coal; refinery activities; and inventories; together with data on exploratory activity, exports, nuclear energy, and electric power, pursuant to section 11(c)(2) of Public Law 93–319, as amended; to the Committee on Interstate and Foreign Commerce.

4512. A letter from the Executive Director, Federal Communications Commission, transmitting a report on the backlog of pending applications and hearing cases in the Commission as of January 31, 1978, pursuant to section 5(e) of the Communications Act, as amended; to the Committee on Interstate and Foreign Commerce.

4513. A letter from the Chairman, Securities and Exchange Commission, transmitting a report on the Commission's oversight role on the accounting profession; to the Committee on Interstate and Foreign Commerce.

4514. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Indochina Migration and Refugee Assistance Act of 1975 to provide for assistance to new refugees; to the Committee on the Judiciary.

4515. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting a report on the facts in each application for conditional entry of aliens into the United States under section 203(a)(7) of the Immigration and Nationality Act for 6-month period ending May 31, 1978, pursuant to section 203(f) of the act; to the Committee on the Judiciary.

4516. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

4517. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212(a)(28)(I)(ii) of the Immigration and Nationality Act; to the Committee on he Judiciary.

4518. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

4519. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(1) of the Immigration and Nationality Act, together with a list of the persons involved, pursuant to section 244(c) of the act; to the Committee on the Judiciary.

4520. A letter from the Chairman, Civil Aeronautics Board, transmitting a report on progress toward greater clarity and simplicity in the Board's regulations and rulemakings; to the Committee on the Judiciary.

4521. A letter from the Chairman, Consumer Product Safety Commission, transmitting a report on progress toward greater clarity and simplicity in the Commission's regulations and rulemakings; to the Committee on the Judiciary.

4522. A letter from the Chairman, Federal Maritime Commission, transmitting a report on progress toward greater clarity and simplicity in the Commission's regulations and rulemakings; to the Committee on the Judiciary.

4523. A letter from the Chairman, Federal Reserve System, transmitting a report on progress toward greater clarity and simplicity in the agency's regulations and rulemakings; to the Committee on the Judicary.

4524. A letter from the Chairman, Interstate Commerce Commission, transmitting a report on progress toward greater clarity and simplicity in the Commission's regulations and rulemakings; to the Committee on the Judiciary.

4525. A letter from the Chairman, National Labor Relations Board, transmitting a report on progress toward greater clarity and simplicity in the Board's regulations and rulemakings; to the Committee on the Judiciary.

4526. A letter from the Chairman, Occupational Safety and Health Review Commission, transmitting a report on progress toward clarity and simplicity in the Commission's regulations and rulemakings; to the Committee on the Judiciary.

4527. A letter from the General Counsel, National Council on Radiation Protection and Measurements, transmitting the audited financial statements of the Council for calendar year 1977, pursuant to section 14(b) of Public Law 88–376; to the Committee on the Judiciary.

4528. A letter from the Chairman, National Advisory Committee on Oceans and Atmosphere, transmitting the committee's seventh annual report, pursuant to section 4 of Public Law 95–63; to the Committee on Merchant Marine and Fisheries.

4529. A letter from the Acting Administrator, U.S. Environmental Protection Agency transmitting, a report on wastewater treatment contracting and bid shopping; to the Committee on Public Works and Transportation.

4530. A letter from the Under Secretary of Defense (research and engineering); transmitting a report on Department of Defense procurement from small and other business firms for October 1977, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

4531. A letter from the Secretary of Health, Education, and Welfare, transmitting the annual report of the Social Security Administration for fiscal year 1977, pursuant to sections 704, 1875(b), and 1611(e)(3)(B) of the Social Security Act, and section 426(b) of Public Law 91–731; to the Committee on Ways and Means.

4532. A letter from the Chairman, U.S. International Trade Commission, transmitting the 14th quarterly report on trade between the United States and the nonmarket economy countries, pursuant to section 410 of the Trade Act of 1974; to the Committee on Ways and Means.

4533. A letter from the Comptroller General of the United States, transmitting a report on Defense Department management of software during development and acquisition of major weapon systems (PSAD–78–112, July 10, 1978); jointly, to the Committees on Government Operations, and Armed Services.

4534. A letter from the Comptroller General of the United States, transmitting a report on the need for reforming the disability provisions of Federal and District of Columbia Employee retirement systems (FPCD–78–48, July 10, 1978); jointly, to the Committees on Government Operations, the District of Columbia, and Post Office and Civil Service.

4535. A letter from the Comptroller General of the United States, transmitting a report on how the Department of Labor is implementing the Comprehensive Employment and Training Act of 1973 (HRD–78–96, July 7, 1978); jointly, to the Committees on Government Operations, and Education and Labor.

4536. A letter from the Comptroller General of the United States, transmitting a report on the initiatives some States have taken to reduce their medicaid costs through competitive procurement of services and supplies (HRD–78–60, July 6, 1978); jointly, to the Committees on Government Operations, and Interstate and Foreign Commerce.

4537. A letter from the Acting Comptroller General of the United States, transmitting a report on the need to discontinue the second-career training program for air traffic controllers (CED–78–131, June 29, 1978); jointly, to the Committees on Government Operations, Post Office and Civil Service, and Public Works and Transportation.

4538. A letter from the Acting Comptroller General of the United States, transmitting a report on delays by the Department of Transportation in improving the safety of light trucks (CED–78–119, July 6, 1978); jointly, to the Committees on Government Operations, and Public Works and Transportation.

4539. A letter from the Attorney General, transmitting a draft of proposed legislation to restructure the Federal Law Enforcement Assistance Administration, to assist State and local governments in improving the quality of their justice systems, and for other purposes; jointly, to the Committees on the Judiciary, and Education and Labor.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on June 29, 1978, the following report was filed on July 7, 1978*]

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 13340. A bill to amend the Fishery Conservation and Management Act of 1976 in order to regulate the acquisition by foreign fishing vessels, for processing at sea, of fish harvested by U.S. fishing vessels, and for other purposes (Rept. No. 95–1334). Referred to the Committee of the Whole House on the State of the Union.

Mr. LEHMAN: Committee on Post Office and Civil Service. House Joint Resolution 1007. Joint resolution authorizing the President to proclaim a week, which is to include the 7th and 10th of the month, during the first 10 days in May of 1979 as Asian/Pacific American Heritage Week; with amendment (Rept. No. 95–1335). Referred to the House Calendar.

Mr. FOLEY: Committee on Agriculture. H.R. 1464. A bill to amend the Federal Meat Inspection Act for purposes of requiring that meat inspected and approved under such act be produced only from livestock slaughtered in accordance with humane methods; with amendment (Rept. No. 95–1336). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. H.R. 9482. A bill to amend the Packers and Stockyards Act of 1921; with amendment (Rept. No. 95–1337). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. H.R. 10584. A bill to strengthen the economy of the United States through increased sales abroad of American farm products; with amendment (Rept. No. 95–1338, Pt. I). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ULLMAN:

H.R. 13385. A bill to provide for a temporary increase in the public debt limit; to the Committee on Ways and Means.

By Mr. ANDERSON of California (for himself and Mr. EVANS of Indiana):

H.R. 13386. A bill to amend title 38 of the United States Code in order to provide for the payment of service pensions to veterans of World War I and for certain surviving spouses and certain children; to the Committee on Veterans' Affairs.

By Mr. ANDERSON of California (for himself, Mr. JOHNSON of California, Mr. HARSHA, and Mr. SNYDER):

H.R. 13387. A bill to amend the Federal Aviation Act of 1958, relating to aircraft piracy, to provide a method for combating terrorism, and for other purposes; jointly, to the Committees on International Relations, the Judiciary, and Public Works and Transportation.

By Mr. BAFALIS (for himself, Mr. CEDERBERG, Mr. IRELAND, Mr. MURPHY of Illinois, Mr. NEDZI, Mr. ROE, Mr. PRICE, Mr. ST GERMAIN, and Mr. CHARLES WILSON of Texas):

H.R. 13388. A bill to amend the Internal Revenue Code of 1954 to eliminate the adjusted gross income limitation on the credit for the elderly, to increase the amount of such credit, and for other purposes; to the Committee on Ways and Means.

By Mr. CARTER (for himself and Mr. MADIGAN):

H.R. 13389. A bill to amend the Internal Revenue Code of 1954 to clarify the exclusion from gross income of National Research Service Awards made under section 472 of the Public Health Service Act by providing that such awards shall be excludable from gross income to the same extent as other scholarships and fellowship grants; to the Committee on Ways and Means.

By Mr. DERWINSKI (for himself, Mr. UDALL, and Mr. BOB WILSON):

H.R. 13390. A bill to authorize the construction and maintenance of the General Draza Mihailovich Monument in Washington, District of Columbia, in recognition of the role he played in saving the lives of approximately 500 U.S. airmen in Yugoslavia during World War II; to the Committee on House Administration.

By Mr. FRENZEL:

H.R. 13391. A bill to amend title XIX of the Social Security Act to permit States to provide outpatient medicaid coverage for certain individuals covered presently only while in nursing homes in order that they might return to their homes; to the Committee on Interstate and Foreign Commerce.

By Mr. JEFFORDS:

H.R. 13392. A bill to amend the Anadromous Fish Conservation Act to include fish in Lake Champlain that ascend streams to spawn; to the Committee on Merchant Marine and Fisheries.

By Mr. JEFFORDS (for himself, Mr. RUPPE, Mr. CEDERBERG, and Mr. CONYERS):

H.R. 13393. A bill to require a refund value for certain beverage containers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of California (for himself and Mr. DON H. CLAUSEN):

H.R. 13394. A bill to authorize Federal participation in stream rectification, Trinity River Division, Central Valley Project, California, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. QUIE:

H.R. 13395. A bill to authorize construction of a project for flood control and other purposes on the South Fork Zumbro River at Rochester, Minn., to the Committee on Public Works and Transportation.

H.R. 13396. A bill to modify the project for flood protection at Winona, Minn., to the Committee on Public Works and Transportation.

By Mr. RODINO (for himself, Mr. MAZZOLI, and Mr. MCCLORY):

H.R. 13397. A bill to restructure the Federal Law Enforcement Assistance Administration, to assist State and local governments in improving the quality of their justice systems, and for other purposes; to the Committee on the Judiciary.

By Mr. SNYDER (for himself and Mr. ANDERSON of California):

H.R. 13398. A bill to amend section 401 of the Federal Aviation Act to insure the provision of air service by holders of certificates of public convenience and necessity; to the Committee on Public Works and Transportation.

By Mr. STOKES:

H.R. 13399. A bill to authorize the Commissioner of Education to make a grant for the purpose of constructing a building at Tuskegee Institute in memory of Gen. Daniel "Chappie" James, Jr.; to the Committee on Education and Labor.

By Mr. WHITEHURST (for himself and Mr. BURGENER):

H.R. 13400. A bill to amend the Internal Revenue Code of 1954 to provide tax-saving incentives for savings accounts established for the purpose of purchasing a home; to the Committee on Ways and Means.

By Mr. GREEN:

H.R. 13401. A bill to amend the Animal Welfare Act to prohibit the use of live animals as visual lures in dog racing and training, and for other purposes; to the Committee on Agriculture.

H.R. 13402. A bill to provide for loans for the establishment and/or construction of municipal, low-cost, nonprofit clinics for the spaying and neutering of dogs and cats, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HANLEY:

H.R. 13403. A bill to amend section 107 of the Energy Reorganization Act of 1974 (42 U.S.C. 5817) to provide that any site within a State selected by the Department of Energy for a radioactive waste storage shall be subject to review and disapproval by the legislature of such State; jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

By Mr. KREBS:

H.R. 13404. A bill to amend the Federal reclamation laws to promote the establishment of viable family farms on Federal reclamation projects, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. TRAXLER:

H.R. 13405. A bill to amend the Internal Revenue Code of 1954 to treat the conducting of certain games by tax-exempt organizations as not being an unrelated trade or business and to provide similar treatment for the conducting of such games by political organizations; to the Committee on Ways and Means.

By Mr. ANDERSON of California (for himself and Mr. PREYER):

H.J. Res. 1054. Joint resolution to provide for the designation of a week as "National Lupus Week"; to the Committee on Post Office and Civil Service.

By Mr. DRINAN:

H. Con. Res. 657. Concurrent resolution condemning the trial of Anatoly Sharansky; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII memorials were presented and referred as follows:

447. By the SPEAKER: A memorial of the Legislature of the State of California, relative to farmland inventory; to the Committee on Agriculture.

448. Also, memorial of the Legislature of the State of Nebraska, requesting that Congress propose an amendment to the Constitution of the United States limiting Federal spending; to the Committee on the Judiciary.

449. Also, memorial of the Legislature of the State of Louisiana, relative to the need for a major study on flood control and protection for the State of Louisiana; to the Committee on Public Works and Transportation.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. HARRINGTON introduced a bill (H.R. 13406) for the relief of James Mabiho Rwabuhinga; which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER: Petition of the National Association of Secretaries of States, Santa Fe, N. Mex., relative to reimbursement to the States for maintaining Federal candidate campaign reports; to the Committee on House Administration.

487. Also, petition of the Maryland Pharmaceutical Association, Baltimore, relative to pharmaceutical services for Members of Congress; to the Committee on House Administration.

488 Also, petition of Arthur Wilkowski, Toledo, Ohio, relative to the Ohio high speed rail passenger proposal; to the Committee on Interstate and Foreign Commerce.

489. Also petition of Vivian J. Arsenault, Tacoma, Wash., relative to Federal contracting with minority businesses; to the Committee on the Judiciary.

490. Also, petition of County Council of Howard County, Ellicott City, Md., relative to the extension of the equal rights amendment; to the Committee on the Judiciary.

491. Also, petition of Dr. Americo Mosca, Turin, Italy, relative to extending the expiration date of a patent he holds; to the Commitee on the Judiciary.

492. Also, petition of the North Central District of the National Association of Negro Business and Professional Women's Club, Inc., Battle Creek, Mich., relative to social security payments; to the Committee on Ways and Means.

493. Also, petition of Jane Boofter, Des Moines, Iowa, relative to a General Accounting Office audit of the Iowa Public Broadcasting Network; jointly, to the Committees on Government Operations, and Interstate and Foreign Commerce.

494. Also, petition of the American Federation of Musicians, AFL–CIO, Spokane, Wash., relative to national health insurance; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 15

By Mr. ROBERT W. DANIEL, JR.:

—Page 346, strike out lines 10 through 12 and insert in lieu thereof the following:

(3) Section 408 of such Act is further amended by redesignating subsections (b) and (c) as subsections (c) and (d), respectively, and by inserting immediately after subsection (a) the following new subsection:

"(b) The administrative head of an education agency shall ensure that, in contracting under the authority of this section for the services of independent persons in the competitive review of grant applications, all such persons are qualified, by education and experienced to perform such services. The qualifications of such persons and the terms of such contracts, other than information which identify such person, shall be readily made available to the public.

(4) Section 408(d) of such Act (as redesignated by paragraph (3) of this subsection) is amended by striking out "For the purposes of this section" and inserting in lieu thereof "For the purposes of this title".

H.R. 11392

By Mr. CONTE:

—Page 19, immediately after line 8, insert the following new subsection:

(c) No funds appropriated pursuant to this Act may be expended to enforce the small refiner bias program pursuant to section 4 of the Emergency Petroleum Allocation Act of 1973 or to carry out the Puerto Rican naphtha program.

H.R. 11392

By Mr. WRIGHT:

—Amend title II, Section 201 of the amendment in the nature of a substitute being read as an original bill by adding a new subsection (e) as follows:

(e) Section 122 of the Energy Conservation and Production Act is amended by adding at the end thereof the following new paragraph:

"(10) by adding at the end thereof the following new subsection:

"'(k)(1) The first sale of deep stripper well crude oil shall be exempt from the regulation promulgated under section 4(a) of this Act.

"'(2)(A) For purposes of this subsection, 'deep stripper well crude oil' means crude oil produced and sold from a property whose maximum average daily production of crude oil per well during any consecutive twelve-month period beginning after December 31,

1975, exceeds ten barrels but does not exceed—

"'(i) twenty barrels from an average producing depth greater than two thousand feet but not greater than four thousand feet;

"'(ii) twenty-five barrels from an average producing depth greater than four thousand feet but not greater than six thousand feet;

"'(iii) thirty barrels from an average producing depth greater than six thousand feet but not greater than eight thousand feet; and

"'(iv) thirty-five barrels from an average producing depth greater than eight thousand feet.

"'(B) To qualify for the deep stripper well crude oil exemption under this subsection, a property must be producing crude oil at the maximum feasible rate throughout the twelve-month qualifying period and in accordance with recognized conservation practices.

"'(3) For purposes of this section, the President shall include in the computation of the actual weighted average first sale price of crude oil produced in the United States in any month subsequent to the month of enactment of this subsection, the actual volume of deep stripper well crude oil and such actual volume shall be deemed to have been sold at a first sale price which equals the average price for which such crude oil would have been sold if the exemption under this subsection had not been in effect.

"'(4) The provisions of this subsection shall take effect on the first day of the first full month which begins after the date of enactment of this subsection.'"

H.R. 12536

By Mr. BUTLER:

—Page 320, line 10, strike out "and the South Fork from Front Royal to Waynesboro."

H.R. 12536

By Mr. RONCALIO:

On page 332 after line 11 add:

TITLE VIII

SEC. 801. (a) There is hereby established The Jackson Hole Scenic Area Commission (hereinafter referred to as the "Commission"). The Commission shall be composed of nine members, as follows: (A) the Secretary of the Interior or his representative; (B) the Secretary of Agriculture or his representative; (C) the Governor of Wyoming or his representative; (D) a member of the Teton County Board of County Commissioners to be chosen by the County Commission; (E) the Mayor or a member of the Town Council of the Town of Jackson, to be selected by the Town Council; and (F) four civilian members-at-large selected from among the residents of Teton County by the County Commissioners, to be representative of a broad spectrum of community interests, and at least one of whom shall own commercial agricultural or ranch land within Teton County and shall be actively engaged in agricultural or ranching operations for commercial purposes.

(b) The representative of the Teton County Board of County Commissioners shall act as Chairman until a Chairman is elected by vote of the Commission.

(c) Unless otherwise required by this Title, the Commission shall act by affirmative vote of the majority of its nine members. Voting by proxy shall not be allowed.

(d) The frequency, time, and place of meetings shall be determined by the Commission, all meetings shall be open to the public.

(e) The Commission shall have the power to appoint and fix compensation of such additional personnel and such temporary and intermittent services as may be necessary to accomplish the purposes of this Title without regard to the provisions of the civil service laws and the Classification Act of 1949.

(f) The Commission shall have the power to hold hearings and administer oaths, and make such rules consistent with the provision of this Title as are necessary for the operation of the Commission.

(g) Civilian Commission members shall receive not more than $100 per day plus reasonable travel and other expenses incurred in the course of Commission business, reimbursed at current Federal rates.

SEC. 802. (a) The Commission shall develop a proposed Jackson Hole Scenic Area Plan (hereinafter referred to as the "Plan") which shall consider all privately owned lands in Teton County, except those private lands situated within Grand Teton National Park, as generally indicated on map dated July, 1978, which shall be on file and available for public inspection in the offices of the governmental agencies and entities which are members of the Commission. The Plan shall include:

(1) a description of the lands within the Area;

(2) an evaluation and identification of the values present in such lands, with particular attention to the identification of areas of important scenic, wildlife, ecologic, hydrologic, and agricultural concern;

(3) a determination of land uses incompatible with the values of the above areas of concern;

(4) identification, mapping, and designation of all lands, the acquisition of which, or of interest therein, should principally be the concern of: (i) the National Park Service and United States Fish and Wildlife Service as "Interior Department Interest Areas"; and (ii) the United States Forest Service as "Agriculture Department Interest Areas" (hereinafter referred to as "Interest areas");

(5) designation of the remainder of the Area as "State and Local Interest Area" within which the acquisition of lands, or interest therein, should be the concern of State and local agencies which have authority to acquire or hold lands on behalf of the public;

(6) recommendations for the immediate emergency acquisition of lands, or interests in lands, on which a proposed land use action is incompatible with, and poses an immediate threat to, the values identified in the Plan;

(7) recommendations for the acquisition of lands, or lesser interests therein, within the various Interest Areas identified, mapped, and designated pursuant to this title, or for regulatory controls which should be adopted by State or local government with respect to the use of such lands; and

(8) recommendations for procedures for updating and amending the Plan after its approval by the Congress, and for assuring coordinated administration of the Scenic Area.

(b) Prior to adoption of the proposed Plan, the Commission shall hold at least one public hearing within the County of Teton for the purpose of receiving public comment on the proposed Plan. Notice of the date, time and location of such hearing shall be published in a local newspaper of general circulation at least once a week for two consecutive weeks, and shall contain information as to where a copy of the proposed Plan may be inspected. The proposed Plan shall not be adopted until at least thirty days after the last hearing.

(c) The Commission shall, upon adoption of the proposed Plan by a two-thirds vote of the entire Commission, submit the proposed Plan concurrently to the Secretary of the Interior and the Secretary of Agriculture (hereinafter referred to as the "Secretaries") for their review and approval or rejection. If neither Secretary has informed the Commission of his disapproval within sixty days from the date of submittal, the Plan shall be deemed to have been approved. If either Secretary disapproves the proposed Plan, he shall advise the Commission of the reasons therefor, together with his recommendations for revisions. The Plan shall be resubmitted by the Commission within sixty days. This process shall be repeated until a Plan is approved by both Secretaries and by a two-thirds vote of the entire Commission.

(d) Without regard to any other provisions of this Title, it shall be the duty of the Commission to submit the Plan, together with any recommendations for additional legislation, to the Congress not later than one year from the effective date of this Act.

SEC. 803. The Commission shall be dissolved—

(a) upon submission of the Plan to the Congress, or

(b) upon expiration of a one year period commencing on the effective date of this Act, whichever occurs first.

SEC. 804. There are authorized to be appropriated not to exceed $250,000 to defray the expenses of the Commission, including salaries and costs incident to preparation of the Plan.

SEC. 805:

(a) Pursuant to the intent of this Title, the Secretary of the Interior and the Secretary of Agriculture, as they may jointly agree, are authorized, after consultation with the Commission, to acquire lands, or interests in lands, within Jackson Hole which are manifestly of critical scenic or ecological importance in their relationship to Federally owned lands, and which are demonstrably threatened by a change in land use which is incompatible with the purposes of this Title. Any lands or interests in lands so acquired shall be managed by the Secretary in a manner appropriate to conserve, protect, and enhance the scenic and natural resource values of such lands until such time as he believes it in the best interests of proper management to transfer such lands or interests therein to a qualified state or local agency which will manage such lands or interests therein in accordance with the purposes of this Title.

(b) For the purpose of acquiring lands or interests in lands described in this section, there are authorized to be appropriated not to exceed $5,000,000. Acquisition may commence only after written notice of intention to do so, with detailed justification therefor, has been made by either Secretary to the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate, and written concurrence has been received by such Secretary from both Committees.

H.R. 12931

By Mr. WAXMAN:

—Insert after line 16 on page 13: "None of the funds appropriated or made available pursuant to this Act shall be used to finance the use of the herbicide paraquat to eradicate marijuana fields under programs of international narcotics control."

EXTENSIONS OF REMARKS

BUREAUCRATIC DELAYS NEED OUR ATTENTION

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. SIMON. Mr. Speaker, recently Mr. R. L. Gardner, the county superintendent of highways in Monroe County, Ill., came to me and said that they need to go ahead on two bridges that are badly needed in Monroe County, and it looks like it will take 4 or 5 years before they get the paperwork done on the bridges.

I found that incredible.

I asked a member of my staff, Nick Penning, to check into it, and he gave me the attached report:

DELAYS IN BRIDGE AND HIGHWAY CONSTRUCTION

I checked with DOT liaison about Mr. R. L. Gardner's problem in getting a couple of bridges built.

Apparently the big problems began occurring after the passage of the Environmental Policy Act. Until that time the average time it took to go through the process was 1 year. Now the average is 3–4 years.

The big hangup is the environmental impact statement. If the project is minor and non-controversial, the time required may be reduced to 1 year. But if there's any controversy at all—over such things as land use, air quality, or conflicting state priorities—the project could easily require the full 4 years.

DOT said Congressman Shuster succeeded in getting a project in his district singled out as a demonstration project to speed up these red tape requirements. So far it's working and has cut the time to 1 year. But DOT doesn't know whether the speedup could be applied across the country in all cases.

Often the tie-up is not the fault of federal rules, but is caused by a local conflict with the state DOT. US-DOT says Illinois is one of their problem areas when it comes to this state-local conflict.

I asked about whether a mandatory time period for a report and decision on the red tape requirements would do any good. DOT seemed to think it would be difficult to overrule any of the other acts that now apply to road and bridge construction. So even if a speed up law were passed, you'd still have to go through the hearings and reports to make sure local citizens and the environment are protected.

Perhaps between my able colleagues, Congressman JIM HOWARD and Congressman "BUD" SHUSTER, something can be done to straighten this thing out.

I am for an environmental impact statement. But it should not be so complicated and so cumbersome that someone cannot complete it in a reasonable amount of time.

To delay a needed bridge for even a year seems to me to be totally unreasonable.

From the time the final plans for a bridge are drawn until the authorization for that bridge is granted, should not be more than 6 months at the very most.

Obviously, delays beyond that are highly inflationary.

I hope some of the committees involved can get together to work out some sensible accommodations for our citizens.●

FEAR LOSS OF PRIVACY

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. GOLDWATER. Mr. Speaker, as we move closer to 1984, Americans are becoming increasingly concerned over invasions of their privacy. The elements of computerized recording systems and the growing distrust of Government have led to a feeling that it is virtually impossible to keep personal information private. Efforts to radically alter this situation must be constant and persistent if we are to avoid the prophecies of George Orwell.

A recent Harris Poll indicated that 71 percent of all Americans feel that they surrender their privacy "the day they open their first charge account, take out a loan, or apply for a credit card." In 1974, only 48 percent felt the same way. The rapid growth and use of easy access computer systems has no doubt served to increase public fears. Regulations on such systems are difficult to enforce and easy to get around.

The growing disenchantment over Government effectiveness goes hand in hand with concerns over the lack of privacy. The same poll indicated that Americans believe that the use of social security numbers as identification is often unwarranted and exploitive. Further, 61 percent of all Americans feel that the IRS is not keeping individual tax returns confidential. As Government enlarges, the files it maintains and distributes increases. Without exacting restrictions, the proliferation of unnecessary and dangerous files on private citizens will continue.

Although in recent months public concerns seem to have shifted to other areas, concern over the right to privacy remains vital. Establishing effective guidelines and regulations on the use of personal records can only help to ease the distrust of Government which in itself contributes to increasing concern over the violations of privacy.

For the convenience of my colleagues, I am including the following article from the Chicago Tribune, June 15, 1978, reporting the results of the Harris Poll on privacy:

FEAR LOSS OF PRIVACY

(By Louis Harris)

There is rapidly growing concern among Americans about the invasion of their privacy. By 71 to 24 per cent, a majority agrees that "Americans begin surrendering their privacy the day they open their first charge account, take out a loan, buy something on the installment plan or apply for a credit card." In 1974, only a narrow 48 to 43 per cent plurality feel the same way.

An 85 per cent majority believes that "illegal wiretapping and other forms of electronic surveillance" are "probably" or "surely" going on in America.

A 61 per cent majority believes that "the Internal Revenue Service is not keeping individual tax returns confidential."

A 79 per cent majority is convinced that "credit businesses are selling information about an individual's credit standing."

A 71 per cent majority also holds the view that "employers are sharing information from their employes' personnel or medical records."

According to this recent Harris Survey of 1,458 adults nationwide, majorities of Americans feel that other common invasions of privacy are unsolicited sales phone calls, unsolicited mail advertising bank and loan companies asking personal questions when someone applies for a loan, and the use of one's Social Security number as identification.●

MAGGIE McKNIGHT APARTMENTS

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. BROWN of Ohio. Mr. Speaker, it was my pleasure to dedicate the Maggie McKnight Apartments in Xenia, Ohio, on May 7, 1978. They were named in honor of the woman who contributed greatly to the success of the Greene County Opportunities Industrialization Center and the Greene Metropolitan Housing Authority.

Mrs. McKnight was instrumental in establishing the Xenia OIC, allowing many black and white disadvantaged persons to acquire skills in reading, writing, and arithmetic, as well as vocational training. Through Maggie's leadership, the OIC became a prime example of a community working together to meet a community need.

The completion of this apartment building is a tribute to Maggie's contributions. As a home for the elderly and handicapped, the Maggie McKnight Apartments are designed to follow the traditions of Maggie and the OIC—to "help persons help themselves."

All who were fortunate enough to have known Maggie were saddened by her death in 1970. It is to her memory that I submit this poem, written by Thomas E. Kelley, the purchasing manager of Central State University, Wilberforce, Ohio:

MAGGIE MCKNIGHT APARTMENTS

Today we are doing
That which we know to be right;
For we are honoring a great person
The Honorable Maggie McKnight,

A broad beaming face
With a heart of pure gold;
On poor peoples problems
Maggie was definitely sold,

For she asked those who had
To give to the needy and poor;
She took her work so seriously
She knocked on many a door,

In all kinds of weather
Whether by day or night;
She could not sit down and rest
This was Maggie McKnight,

Color and position no bar
She delighted in talking with all;
Lifting a helping hand
At the slightest beck and call,

So today we honor Maggie
In armor a shining McKnight;
Who gave her very own life
As a part of her sharing fight,

May the people in these very fine homes
Know why they are here;
Because of a very fine soul
Maggie McKnight was oh! so dear.●

A TRIBUTE TO FRANK HOOD

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. ROBERTS. Mr. Speaker, I do not need to tell Members of the House how competent and dedicated most civil service employees are. We deal with them daily and, thus, get daily proof that our Government is blessed with executives of fine mind and character.

One of the finest is Director of the Veterans Administration's Information Service. I am sure many of our colleagues know Frank Hood. He grew up on an Iowa farm. The physical, mental, and emotional qualities he acquired working beside his father in the fields made him an all-American athlete at Iowa State and a three-letter man. He later became a distinguished journalist for the Kansas City Star and the Associated Press, then went on to become head football and basketball coach at Rockhurst College in Kansas City before entering service during World War II.

Learning that Frank Hood was celebrating his 20th anniversary in his position at the VA, I sent him a letter that I would like to share with other Members of the House:

JUNE 29, 1978.

Mr. FRANK HOOD,
Director, Information Service, Veterans' Administration, Washington, D.C.

DEAR FRANK: I have been reminded that you were appointed Director of the Veterans' Administration Information Service on this date twenty years ago. It gives me great pleasure to join the multitude of your friends in congratulating you on this splendid record of service.

You have earned a high place of honor within government and among members of the press with whom you deal. Acknowledging your outstanding professional skills, they also know you as an individual of integrity and unquestioned honesty. Your performance day by day constitutes an example that elevates all those who practice the profession of public relations.

Apart from your professional talents, your steadfast dedication to America's veterans and the agency that serves them is an inspiration to all of us concerned with veterans affairs. No matter how intense the pressures, you have always been able to keep a level head and your eye on the ball.

As you were once an All-American athlete, you have been a champion public servant. When the name "Frank Hood" comes up the comment inevitably follows, "He's one of the world's true gentlemen." I know of no higher praise, and I heartily concur in it.

Sincerely,

RAY ROBERTS, *Chairman.*●

ERA EXTENSION OF REMARKS

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. MAGUIRE. Mr. Speaker, yesterday we saw tens of thousands of women, men, and children united across party, geographic, ethnic, and economic lines, marching to proclaim their support for the extension of the equal rights amendment.

Today, as National ERA Lobby Day progresses we have all been visited by many of our constituents, and by lobbyists groups who seek our support on the extension resolution.

The ERA, as you are all aware, is designed to eradicate the discriminatory loopholes in statutes as they currently stand. I have found that there are 800 laws on both Federal and State levels which systematically discriminate against women. These include inheritance tax statutes, scholarship and fellowship availability, employment opportunity laws, and penal code provisions.

The ratification of the equal rights amendment is not merely a symbolic act, or an empty gesture; it is a real and necessary measure which must be passed now, if we are to achieve the equality in life and law for which we all strive.

Unfortunately, the amendment is in peril of dying if the extension resolution is not passed. We cannot let it die. Currently, 35 of the 38 States necessary for the ratification of ERA have approved it, but the time limitation placed on the measure at its inception in 1972 will run out as of March 22, 1978—a mere 6 months away.

When the 92d Congress sent the ERA to the States for ratification, and arbitrarily decided 7-year "deadline" was included with the amendment. The 7-year time limit was imposed before many of us joined this congressional body.

This Congress has the absolute and unrevocable authority to prescribe or determine the time within which State legislatures may effectively ratify a proposed constitutional amendment.

We face a great moral dilemma if the extension resolution is not acted upon favorably. Thirty-five State legislatures, representing two-thirds of the population of the United States have ratified the ERA. We, as elected representatives, would do a grave disservice, not only to ourselves, but to all the American people if we allow the equal rights amendment to fail.

On behalf of all those thousands who came to Washington yesterday to show their support, I urge my colleagues, especially those who serve on the Judiciary Committee, to vote in favor of the extension resolution for the ratification of the equal rights amendment.●

LUCILLE EARL: AN OUTSTANDING NEVADAN

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. SANTINI. Mr. Speaker, the city of Las Vegas has recently lost one of her most appreciated and talented citizens with the passing of Lucille Earl.

Her musical talents and her many contributions to the betterment of life in our city will not be forgotten. Her talents and her interests were vigorously invested in her family, church, and community.

From her South Ninth Street home, my family and I were fortunate enough to have personally known Mrs. Earl and to have enjoyed her friendship and musical talent. She was a family fixture and friend for many years. She will be sorely missed by all those whose lives she touched.

At this point, I want to share with you the editorial comment in the Las Vegas Review-Journal, which elaborates on the contributions and accomplishments of this outstanding Nevadan:

LUCILLE EARL—THE MUSIC LINGERS ON

The voice of Lucille Earl has been stilled, but three generations of Las Vegans will remember her beautiful contralto, trained in one of the finest music schools in the nation and the contribution she made to the culture of Las Vegas at a time when musical opportunities were almost as barren as the desert surrounding the town.

Mrs. Earl died last Saturday at the age of 78, after being a Las Vegas resident for 50 years. When she came to Las Vegas as the bride of Marion B. Earl, attorney and former justice of the peace, she started sharing her musical ability and training with the community.

The First Ward of the LDS Church was her medium of expression, but the Singing Mothers she trained and directed performed not only for church congregations, but for community programs as well. Perhaps even more widely known was the LDS Sextet, which often was called upon for public performances and civic programs. Appearing with her for more than two decades were Nelda Adams, Mildred Ashworth, Norma Cram, Maude Empey, and Evelyn Gamett. They were widely known for their Christmas programs. She also fostered interest in the Community Concert Association annual concerts.

By training, Mrs. Earl was well qualified for the role she played in Las Vegas. She had studied for three years at the Julliard School of Music in New York City and also was a graduate of the University of Utah. She had a brief career as a teacher in Moapa Valley before her marriage in 1924.

The musical background of Mrs. Earl went back even further. She was the granddaughter of Joseph Ridges, who designed and built the famous organ in the Mormon Tabernacle in Salt Lake City. A native of England, he had been apprenticed as an organ maker in London before emigrating to Australia. Converted to the Mormon faith in Australia, he boarded a sailing vessel in the early 1860s to cross the Pacific Ocean to San Pedro. From there he joined a wagon train to travel from California to Salt Lake City via Las Vegas.

Ridges carried with him a portable organ which he had made while in Australia. As the wagon train stopped at the Big Springs in Las Vegas to rest for a few days, he would take the organ from the wagon and play it beside the campfire at night. Paiute

Indians living here were attracted to the music and joined the circle of travelers to listen to Ridges, whom they named the "man with the wooden music box." In 1924, when Mr. and Mrs. Earl met Helen J. Stewart, the pioneer rancher who had sold the land for the townsite of Las Vegas, she recalled that the Indians had told her the story of the musicmaker after she came here in the 1880s, although Ridges had been in the valley two decades earlier.

When Ridges arrived in Salt Lake City, his special talent was recognized by the great church leader, Brigham Young, who asked him to design and build an organ worthy of the Tabernacle, then under construction.

Ridges drew the design for the facade, which still remains exactly as he planned although in later years the hand bellows were replaced and more pipes added. The music master searched the state of Utah and finally located the straight-grain, soft white pine lumber suitable for use in making the pipes. Cut in Pine Valley, Utah, the logs were hauled to Salt Lake City, where they were fashioned into the organ pipes.

When Ridges' daughter was born, she was named Claribel, for a soprano stop on the organ. She was the mother of Mrs. Earl and fulfilled her father's name for her by becoming a soprano soloist in the Tabernacle choir.

In Mrs. Earl's life, history, music and religion played important roles, and she fostered all three interests, not only for her own enjoyment and satisfaction, but for the benefit of many others. Her contribution to Las Vegas cultural development will remain as a memorial to her always.

A DAY TO LOVE AMERICA

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. DERWINSKI. Mr. Speaker, like most Members, I was home in my district over the Fourth of July weekend and had the privilege of participating in numerous Independence Day festivities. We, as Americans, can be justifiably proud of our country, and the Fourth of July holidays give us an opportunity to reflect on the virtues of our land.

As the Members return to Washington, I appropriately commend their attention to a very eloquent and touching editorial appearing in the June 28th Suburban Life Citizen, an outstanding local paper serving my district. The editorial follows:

[From Suburban Life Citizen, June 28, 1978]

A DAY TO LOVE AMERICA

America begins to move into her third century of history and farther away from the grand scale observances that marked the bicentennial year.

Celebrations, although not as grand as two years ago, are scheduled in some communities which offer residents the opportunity to recall the history that shaped a great nation.

The Fourth of July should be a time for remembering the Declaration of Independence, announcing the goals and beliefs of a nation conceived in liberty and equality.

The people of this country need to rekindle the old fashioned patriotism that showed an American's pride in the rights of man. Demonstrating a pride in the principles of our nation is one reason behind all the parades, picnics and fireworks of the holiday.

It may not be a milestone Independence Day, but that's no reason for celebrating with less gusto.

By participating in celebrations, residents will help expand the spirited patriotism so badly needed in our country. There's nothing wrong with flag waving.

The Fourth of July offers Americans the chance to reflect on where our nation has been, where it is now and where it will be in the years ahead. It isn't just a day off from work or a break in routine.

It is an appropriate time to dedicate ourselves to the principles of freedom and justice and to renewed efforts to improve and support the government designed to ensure such freedom and justice for all Americans.

America is a country to be cherished, with majestic forests, fertile plains, magnificent coastlines and commanding mountains; she is the most beautiful fortress of freedom.

Celebrating the Fourth is a time to renew faith in the doctrines of the Great Experiment begun by the founding fathers. Let's all fly the flag, participate in the holiday with neighbors and be proud of our liberty.

QUALITY OF LIFE IN MINNESOTA

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. FRASER. Mr. Speaker, occasionally I think a Member may be accorded a moment for expression of pride in his or her State.

For that reason, I would like to share with my colleagues a June 23 essay by Harold Chucker, associate editor of the Minneapolis Star. This article examines the process executives go through in contemplating a move from the snowbelt to the sunbelt. Economic factors are of course very important in this decision. But so are "quality of life" factors—some of them economic and measureable, some of them intangible.

For many years, Minnesota had the reputation of a cold, green-in-the-summer, white-in-the-winter land of farms, trees, lakes, and butter. Minnesota has much more to offer, as illustrated in the following article:

MINNESOTA'S "COMPETITION" WITH SIX SUNBELT STATES

(By Harold Chucker)

When a business outgrows its plant or corporate headquarters, the decision to move to another state or expand at home can be made in two ways.

A study can be commissioned comparing Minnesota and other states, listing all the plusses and minuses for staying or moving. Or the chief executive officer can make a personal, "seat of the pants" decision: He elects to stay because he's a snowmobile addict, or he has a lakeshore home he doesn't want to leave, or he likes the short commute between home and office. Or maybe he decides to move because he dislikes long winters and wants to play golf year-round.

A large Minnesota corporation was faced with that expansion decision recently. It went about its planning scientifically, paying for a study to compare the business climate and quality of life in Minnesota with those in six sunbelt states—Texas, Alabama, Florida, Georgia North Carolina and Tennessee. Those six states were picked because the company does considerable business in that region, as it does in the Upper Midwest. A move to any of those states could make good corporate sense.

The study was not difficult to put together. Statistics and rankings of the states were found in reports published by the Bureau of the Census, the Labor Department, the FBI, the National Education Association, etc.

As expected, the study found Minnesota ranking very high on quality of life questions. According to a 1976–77 compilation, the state spent $1,564 per pupil on education, putting it $100 above the national average, and $200 above Florida, its nearest "competitor" in the study. Texas, spending $1,075 per pupil, ranked 46th among all states in spending for education, and was at the bottom of the seven-state list.

Over a five-year period, according to 1970 figures, Minnesota spent $7.86 per capita on recreational development, ranking it eighth nationally in this category. In the "competition," Florida was next best, with $6.73, and North Carolina was at the bottom, with $1.37.

On the rate for violent crimes per 100,000 population, Minnesota, with 207 in 1976, ranked far better than any of the other six states. Second was Texas, with 390.6, and last was Florida, with 688.5.

Minnesota also received "excellent" ratings in other quality of life categories—vocational education spending per capita, number of physicians per 100,000 persons, and number of hospital beds per 1,000 persons.

But the business climate comparisons—those a chief executive officer will look at to determine their effect on his company's profit statement—were another matter entirely.

Labor costs are certain to be lower in the sunbelt states. All six of the Southern states considered in this study have right-to-work laws, meaning unions are discouraged. Minnesota is well organized by unions, and wage rates are considerably higher, as is the level of benefits for workers.

Texas shines on corporate income tax comparisons, because it levies none. Minnesota ranks sixth on the list, getting 9.7 percent of its total tax collection—according to 1976 figures—from corporate incomes. Only Tennessee, which gets 11 percent, was lower.

Texas and Florida, which levy no personal income tax, led the pack on lowest personal income tax payments as a percent of personal income. It's no surprise that Minnesota, with 38 percent according to 1975 figures, ranked at the bottom of that comparison.

Minnesota also ranked at the bottom in a comparison of per capita property taxes, with $231.18, according to 1974–75 statistics. This was about $10 below the national average, but considerably below the No. 1 state in the comparison—Alabama, with $52.95 per capita.

On per capita state taxes—all taxes levied by the state—Minnesota, with $515, again scraped botton in a comparison of 1975 figures. The U.S. average was $377. Among the seven states looked at, Tennessee ranked first, with a per capita collection of $275.

The list goes on, but it's enough to say that Minnesota ranks at the bottom of the seven states in camparison of these other business climate factors: state and local government payrolls per capita, spending per capita on public assistance, local per capita taxes, unemployment compensation tax rates and state and local debt per capita.

If the sum of all these business climate rankings is figured, Minnesota comes out at the bottom. Alabama is first and Texas second.

The study also considered "higher budget" cost of living figures for a family of four, comparing Minneapolis with nine other metropolitan areas in the states studied. It cost the Minneapolis family on that kind of budget $26,118 last fall, the highest amount on the list. Dallas was the "cheapest," requiring a budget of $22,500 for presumably the same needs.

A hard-nosed business executive, after taking a long look at those comparisons and figuring what a move to one of the six sunbelt states would do to his balance sheet,

could be expected to bark out this order: "We go."

But an even harder-nosed executive would think a little longer and crank some other factors into his decision-making apparatus. He might ask himself these questions: What will it cost to build a new corporate headquarters in one of those states and move there, and how long would it take to recover those costs? What will it cost to move those employees we would want to take with us? And what would it cost in severance pay when we leave behind all the others?

At the same time, Minnesota's quality of life cannot be ignored as a factor in the decision. Education, recreation, health care—all these are intangibles and do not carry fixed dollar signs. But they are important, nonetheless.

This was not a fictional case history. The Minnesota corporation was indeed pondering a move, and the outcome, for most concerned, was a happy one. The chief executive, who is hard-nosed and pragmatic, weighed all the factors and concluded that building a new corporate headquarters in this state would be more advantageous, in the long run, than moving south.

ERA EXTENSION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. MAZZOLI. Mr. Speaker, House Joint Resolution 638, extending the time period for ratification of the equal rights amendment (ERA), has been approved by the House Judiciary Subcommittee on Civil and Constitutional Rights and will be taken up by the full Judiciary Committee soon.

I call to the attention of my colleagues the following editorials from the New York Times—April 11, 1978, the Washington Post—November 16, 1977, and the Washington Star—May 21, 1978, which analyze the question of extending the time period for ratification of ERA.

The editorials follow:

[From the New York Times, Apr. 11, 1978]

THE PERILS OF ERA

The Equal Rights Amendment is in trouble. After more than six years of battle to win ratification, E.R.A. is still three states short of the necessary 38. Fearing failure, some proponents are pressing Congress to postpone the March 1979 deadline and give them another seven-year try at ratification. They point out that the original deadline was set by Congress, not by the Constitution, and therefore can be reset by Congress. Although the last seven constitutional amendments have all passed easily under a seven-year deadline, some boosters contend that E.R.A. is too complex and controversial to be decided upon in a mere seven years.

We have long warmly supported the Equal Rights Amendment. A statement that sex may no longer be a barrier to equality belongs in the Constitution of a nation that promises equal rights to all but does not grant them to women. Such an amendment would reduce the costly, time-consuming, case-by-case battles necessary now to win an end to discrimination based on sex. Despite our deep commitment to E.R.A., however, we cannot accept the idea of extending the deadline for ratification.

There is in fact little guidance from the authors of the Constitution on the process of amendment, except that it is not to be easy or casual; it requires the approval of three-fourths of the state legislatures, not merely of a majority. In 1917, in an effort to assure that a vote would take place in timely fashion, Congress set a seven-year limit that has since become traditional. More time than that has never been necessary for ratification.

We would not tamper lightly with this tradition. Seven years offers a reasonable period for discussion, and it is the period that E.R.A. originally was granted for its ratification test. The argument that the proposed 27th Amendment is somehow too complex or divisive to be ratified by the states in seven years does not hold up. When E.R.A. was born in 1972, its proponents thought it would be quickly ratified. Its complexity has not multiplied; only the opposition to it has. But that is not reason enough to change the deadline.

There is another, practical argument against extension. Four of the 35 states that have so far endorsed E.R.A. voted later to rescind that endorsement. In one state the recision was vetoed by the acting governor in a move now under challenge in court. Although constitutional scholars dispute the validity of recisions, a case can be made that none of them should be counted against E.R.A. in the tally next March. However, if the ratification period is extended, the recisions could multiply, and the courts would surely find it difficult to extend until 1986 the right of states to switch their votes to support the amendment while denying them the right to switch against it.

Finally, there is a tactical reason to reject the idea of extension. Too much energy has gone into the fight for passage of the amendment and not enough into battling for other issues, particularly the right to abortion, which may be more critical to women than E.R.A. Much of what the amendment would achieve can be won other ways, though more slowly and less thoroughly. We hope and believe that the amendment will some day prevail. But it should not prevail at too high a cost.

[From the Washington Post, Nov. 16, 1977]

RATIFYING THE ERA

Time is running out on the Equal Rights Amendment, and a move is afoot in Congress to give it a longer lease on life. A resolution now before the House Judiciary Committee would extend from March 22, 1979, until 1986 the deadline by which the amendment must be ratified or die. It is a resolution that has much appeal: The ERA ought to be ratified by the states, and it has suffered mightily from the barrage of misinformation fired by its opponents. But tinkering with the legislation under which it was sent to the states five years ago does not seem to us to be the way to handle the problem.

Amending the Constitution is serious business, the most serious in which Congress and the states engage. And the placing of deadlines by which amendments must be ratified is an important part of that business. A Constitution and its amendments represent a prevailing national consensus. And the creation of a deadline defines the period in which Congress believes that consensus can reasonably be expected to crystalize. This is a practice Congress came upon a half-century ago after noting that five amendments it had proposed, two of them in the 18th century, were still pending before the states. Changing deadlines, once created to define such time periods, is not just changing technical rules but fundamentally altering the process by which the nation expresses itself on constitutional issues.

There is another troubling aspect to this question of the timeliness of national concensus. That is the rule that denies to a state the power to withdraw its ratification once it has acted affirmatively. By ratifying an amendment, a state tells the others that it is prepared to join in this particular change in the nation's basic charter and that they are entitled to rely on its judgment in forming their own. But if Congress is going to give more time for reconsideration by those states that have expressed themselves, in a sense, by not doing anything about the ERA, it should, in fairness, offer an equal opportunity for reconsideration by those states that have acted affirmatively.

We think the Department of Justice is right in arguing that it has power to extend the period in which states can ratify the ERA. But we would argue that Congress ought to do so only if it is prepared to grant to those states that have already ratified the amendment the right to withdraw their assent. Only in this way could a timely period of national consensus be preserved.

Even that, however, seems to us to be unwise. The proponents of the Equal Rights Amendment have been quite properly outraged at some of the methods used to delay or defeat its ratification. For the Virginia House of Delegates to refuse even to consider the amendment, for example, or for the Illinois legislature to invoke a rule requiring more than a majority vote, mocks the spirit, if not the letter of the ratification process. By changing the rules in mid-game, as is now suggested on Capitol Hill, proponents of the amendment run the risk of being accused by the public of the same kind of rule-breaking employed by their opponents.

We understand the motivation that lies behind the effort to extend the ERA's life. It has been a hard, and not very clean, fight. But the battle is not over. There are 16 months—and only three states—to go. We urge the amendment's friends to focus on getting the job done within the existing timetable instead of trying to change the rules. At the very worst, if that effort should fall short, there will still be nothing to prevent the Congress from starting over two years from now.

[From the Washington Star, May 21, 1978]

ERA EXTENSION AND FAIR PLAY

Ms. Phyllis Schlafly, scourge of the Equal Rights Amendment, is probably wrong when she calls a proposal to stretch the time limit for ratification "an unfair attempt to tamper with the Constitution."

Unfair it may be. As for "tampering" with the Constitution, however, Article V, the amending article, sets no limit to the time states may dawdle over constitutional amendments. Congress has submitted some proposed amendments with deadlines, some without. The matter is entirely at congressional discretion.

Granted, Chief Justice Hughes did once interpret an earlier Supreme Court opinion as taking the view "that nothing was found in Article V which suggested that an amendment once proposed was to be open to ratification for all time . . . that there was a strong suggestion to the contrary . . . that there is a fair implication that ratification must be sufficiently contemporaneous in the required number of states to reflect the will of the people in all sections at relatively the same period of time." But the issue he addressed (in *Coleman v. Miller*, 1939) was not the one now before a Judiciary subcommittee of the Senate. In the judgment of most scholars aware that the Court has tended to treat amendment controversies as "political questions," the will of Congress is likely to prevail.

But that isn't to say that Congress is free to cavalirely revoke a legislated understanding with which the ERA ratification fight began six years ago. There may not be a constitutional issue. There is, however, an issue of consistency and fair play—of legislative morality, if you will.

By next March, every state will have had seven years in which to weigh and act on the amendment. The deadline was known to

all from the outset. To extend the deadline now, merely because it has become inconvenient, would set a frivolous precedent.

Homely analogies offend those who view ERA as a crusade and are to be avoided here. But if Congress extends the ERA ratification deadline, will it also decide that when a baseball team is three runs down in the sixth inning of a seven-inning game it will be in order for the umpires to add another seven innings?

A weightier consideration for Congress is the point made by Chief Justice Hughes about the spirit of Article V. Amending the Constitution is not a game, and assent to a constitutional change of incalculable importance should be "sufficiently contemporaneous in the required number of states to reflect the will of the people . . . at relatively the same period."

It's pertinent to recall that no successful amendment has taken more than four years to achieve ratification. Most have taken considerably less. There is, then, some measure, in historical practice, of how long "relatively the same period" should be. The failure of ERA to achieve ratification in six years leads one to wonder whether a consensus is there. There is indeed a national consensus on the onus of sex discrimination. There may not be a consensus that ERA is a proper or even necessary way to end it.

And would an ERA ratified by three more states under an extended deadline show "contemporaneous" assent? That arguably depends on whether states having second thoughts, and wishing to reconsider earlier ratification, also enjoy the benefit of these additional innings of play. The ERA's advocates recoil from that reciprocity and their instinct is probably right. If Congress allowed more time for both ratification and rescission of ratification, the result after another seven years might be just as inconclusive.

Under the original 1972 enabling legislation, the supporters of ERA have almost a year to make their case to the holdouts. They should make the best of that time and not press Congress to change the rules so late in game.●

VIOLET PACKING CO.

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. FLORIO. Mr. Speaker, I would like to share with my colleagues a brief history of an outstanding food processing plant located in Williamstown, N.J.

Violet Packing Co. (formerly the J. V. Sharp Co.) has been operating at its present site since 1883, making it one of New Jersey's oldest food processing plants in continuous operation.

Since the 1945 Sclafani brothers (James, Joseph, Dominick, William, Leo, and cousin James J.) have owned this enterprise.

Not only has Violet Packing Co. been able to exist as a highly successful business, but they have managed to become a community involved enterprise. This fine company has always had a personal interest in its employees and has made special efforts to recognize them for their achievements and accomplishments.

Surely, the Violet Packing Co. which has made outstanding contributions to the community and its citizens and as such, should be commended.●

GOVERNMENT SALARIES

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. COLLINS of Texas. Mr. Speaker, folks back home keep asking—Does the Government pay higher salaries?

I have wondered. When people come by my office in Washington and ask about employment, I suggest department stores, office work, or construction. In nearly every case, they make it plain they want to go to work for the Government. Most of them seem to feel that they are going to make more money by working for the Government than they can make in private industry.

Today we are interested in balancing the budget. We should also stabilize civil service and not increase its size.

We want to keep Government wages in line but it may be that the full pay package in the Government is substantially more than the private sector.

Another evidence of this is the fact that so few people leave the Government for other jobs. And when we check to see why they left, we find that many senior employees are leaving because they are able to draw early retirement from the Government and then go out and take a job in private industry in addition.

There are other advantages to Government employment. The chances of being fired in the Government are practically impossible. This means you have permanent job security.

I was interested in a report by Ms. Sharon Smith that was reported in the Washington Post. Ms. Smith had published a book last year by Princeton University where she made an in depth study of the Washington pay schedule.

The Smith report was furnished to the OMB and to congressional staff. Her report deserves public hearings. The fact that it gives the public's position is essential for fair evaluation.

I have contacted Ms. Smith and asked for a summary of her report so that we could make it part of the CONGRESSIONAL RECORD. If public employee salaries are above the private sector, it is a basic concern to all of us.

The summary follows:

ABSTRACT OF EQUAL PAY IN THE PUBLIC SECTOR: FACT OR FANTASY

(By Sharon P. Smith)

This study was undertaken to evaluate the success of government attempts to establish equitable pay scales for government workers while enabling government employers to obtain desired manpower at minimum cost. An examination of the relationships between the pay of comparable public- and private-sector workers provides the basis for this analysis. This is an entirely different perspective from that of most of the studies undertaken by the agencies charged with responsibility for setting pay rates for government workers. The basis for comparison in those studies is a specific job requiring similar skills and responsibilities in the two sectors. Such a procedure raises difficulties because many jobs are unique to a particular sector and the determination of skills and responsibilities for a particular job is often highly subjective.

To be complete, an analysis of the relative positions of workers in different sectors to evaluate equity from the worker's perspective and cost from the employer's perspective should consider all forms of compensation and not wages alone. But, just as the pay processes in government largely ignore differences in nonwage compensation between public and private sectors when setting comparable pay rates, this study ignores such differences in analyzing pay relationships between the two sectors. Unfortunately, information on total compensation is unavailable in the data used here so that attention has of necessity been limited to public/private pay differentials. Nor could consideration be given in this study to differences between the sectors in such amenities as stability of employment or intensity of work effort.

This study has shown that the two most important factors determining the direction of the public/private pay relationship are the level of government and the sex of the worker. It appears that federal workers, on average, receive pay that is at least similar and is usually superior to that of comparable private-sector workers. Analyses of this relationship made at several points over a fifteen-year interval, analogous to snapshots, indicate that this pattern is not solely a consequence of the comparability legislation of the 1960's. Rather, it was present before these legislative reforms were enacted. However, this legislation probably has helped to maintain the federal/private differential.

The estimates of wage advantage enjoyed by the average federal worker over a private-sector worker of comparable characteristics vary greatly by race, sex, and point in time. In particular, there appears to have been some decrease in the average net differential (i.e., the wage differential unattributable to differences in characteristics between workers) in recent years because of the adverse effects of inflation on federal workers, whose pay schedules make no allowances for changes in cost of living, and of the growing resistance to further government pay increases among voters and taxpayers who are not government workers. Nevertheless, the federal wage advantage was estimated to be at least 13 percent and possibly as much as 20 percent in 1975.

Further analysis of the federal/private pay differential indicated that it varies by pay system for both sexes. Postal workers appear to enjoy the largest relative wage advantage, especially in recent years. This is probably a consequence of both the cost-of-living clause present in their contracts since 1973 and the system of pay setting, with which Congress and the President are not directly involved. Although the federal/private pay differential varies also by occupation and location, none of the estimates presented here indicates a negative relationship. Among females, the differential is always significantly positive.

These empirical observations on public/private pay differentials can be explained by both the conceptual problems in pay determination in the public sector and the technical problems of implementing the comparability wage policies. Pay determination in the public sector is strongly influenced by two related factors unique to government: (1) government, by definition, is not a profit-making institution and thus is insulated from the incentive effects of market forces; (2) instead, every decision in government reflects its political implications. Thus, any wage policy for government must take into consideration the influence of political factors.

This wage advantage of government workers over comparable private-sector might never have grown large without the changes in the pay policies begun in the 1960's. Although these were intended to assure equal pay for comparable jobs in the public and

private sectors, this study has shown that for a number of technical reasons the procedures instituted to establish comparable pay rates in government employment actually impart an upward bias to the comparison and thereby assure government workers of a wage advantage based on their sector of employment.

At the same time, the comparability policies do not take into consideration the effects of government's insulation from the market and the political influences on its decisions. Rather, they have been formulated on the assumptions that the wage paid for any particular job in the private sector is the appropriate wage for a job requiring those skills and entailing those responsibilities, that it is possible to match these jobs in the private sector with those in the public sector, and that the wage set will then be a "fair" wage, with no further checks necessary to reevaluate it. If government pay policies remain unchanged, the general patterns observed here for the public/private pay differentials will continue.●

NO. 1 AMERICAN DRUG KILLER

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. EDWARDS of California. Mr. Speaker, I would like to draw my colleagues' attention to the recent editorial which appeared in the July 10, 1978, issue of the Los Angeles Times.

The article's focus is on the homemade drug 1-phencyclohexyl, more commonly known as PCP, and the terrible danger it presents to many of our country's young people.

In my opinion, PCP is the most dangerous drug on the streets of our city today. An increasing number of young people are experimenting and/or continually using this drug each day. While many experts differ over the effects of marihuana and cocaine, there is no dispute over the serious health effects the use of PCP will have on any individual who continues to use this drug.

I hope my colleagues will take the time to read this informative editorial.

THE ULTIMATE LOW

"Angel dust" has no heavenly qualities. Narcotics officers call it the most dangerous drug on the street today. It is an anesthetic with hallucinogenic properties. Even heavy drug users shy away from it. But "angel dust"—also known as PCP, for 1-(1-phencyclohexyl) piperidine—is relatively cheap and easy to make. It is therefore popular, and alarmingly popular among teenagers seeking the ultimate high.

"We've had people in our clinic who have to physically climb up on a scale on their hands and knees when we asked them to get weighed. They literally don't know up from down," said a San Franciscan who is an expert on the drug. "They're glassy-eyed, and they have trouble telling you their names."

Worse, they may die while under the influence of PCP. Water attracts PCP users because they like the way it feels, but, not knowing which way they're swimming, they've been known to drown even in shallow water.

PCP users can become extremely violent. They may resist arrest vehemently and get shot doing so.

Recorded use of PCP has increased 268 percent in the last two years. Federal drug officials say that 7 million people in the United States may use it occasionally and that 1 million may use it at least once a week. Already this year, the Los Angeles police have made 1,600 PCP-related arrests, compared with 2,538 for all of last year and 839 the year before. PCP-related cases currently comprise 38 percent of all LAPD drug arrests. Indeed, Los Angeles ranks with Washington, D.C., New York and Detroit as cities where PCP is most readily available.

Last year, 15 deaths in Los Angeles County directly involved PCP, usually in combination with some other drug. The coroner's office reports that traces of PCP were found in the bodies of 51 other people, but it could not clearly determine whether the drug caused the deaths. So far this year the coroner's office has found that 54 people had been using PCP at the time of death. Some drowned, one jumped from an 18-story window, another jumped off a viaduct onto the Hollywood Freeway, another leaped from a moving car, another sped recklessly off a highway.

Why would anyone fool with a virtual poison?

"It's heaven and it's hell," one user said. "I can laugh and be goofy. I can be up and be down and in between, and I can be spaced out."

PCP is the "in" drug with which to experiment. Kids are under pressure from their friends to try it. One study shows that the average age at first use has dropped from 19 to 14½ in the last two or three years. LAPD narcotics experts say that PCP is everywhere in the city but may be concentrated in poor communities because the drug is cheaper than marijuana or cocaine.

PCP is also easy to make with a little knowledge of chemistry. The fear is that it may be only the first in a series of "homemade" drugs, harder to police because they don't involve smuggling or require complex chemicals and apparatus to make.

Three approaches for action to curb PCP use commend themselves: federal legislation requiring registration of purchases of piperidine, one of the chemical ingredients; state legislation stiffening penalties for making, selling or possessing PCP, and increased local drug education.

The Senate subcommittee on juvenile delinquency has held hearings on a measure sponsored by Sen. Lloyd Bentsen (D-Tex.) to require that anyone purchasing piperidine furnish positive identification and register his name and address with the supply house, which would furnish a list of its customers to the Drug Enforcement Administration. Piperidine is legitimately used in curing rubber and in making the PCP employed by veterinarians as an anesthetic for animals. Bentsen expects the subcommittee to report the bill favorably within the week. Unfortunately, there is no counterpart measure in the House.

Assemblywoman Maxine Waters (D-Los Angeles) has a bill before the Legislature that would roughly double existing penalties for the manufacture, sale or possession of PCP. Her legislation passed the Assembly, 74 to 1 last month and has gone to the Senate.

Stiffer controls and penalties, especially for manufacturers and dealers, are only part of the answer. If ever an effective drug-education program were called for, this is the case. Former users may be the best teachers. Hearing those who have come through PCP's horrors should demythify the drug rather than glorify it.

In the end, only when young people become convinced that the drug is no longer cool will they drop it, with any luck for something less dangerous. In the meantime, action is needed to reduce the number of lives that are ruined and even lost.●

AMERICAN MILITARY CEMETERIES IN FRANCE

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. TEAGUE. Mr. Speaker, those who served America in the Armed Forces during dangerous days when the military forces of other nations threatened us are never far from my thoughts. They were cheered into battle by the same editorialists who now write essays against veterans benefits. The soldier learns quickly upon returning to civilian life that he does not remain a hero for long. He becomes an embarrassment to some of his fellow citizens the farther away the danger of war recedes.

We know all that. It is one of the less attractive aspects of the human mind. It is the reason we codify into law a system of veterans benefits. Although I deplore the fact that our fellow citizens forget the sacrifices of those who risked their lives for them, it no longer surprises me.

I was taken by surprise, however, Mr. Speaker, by a proposal whose callous disregard for America's fallen heroes is incredibly shocking. The U.S. Ambassador to France, Arthur A. Hartman, has proposed that seven World War I American military cemeteries now maintained by the American Battle Monuments Commission be turned over to the supervision of foreign nationals rather than being maintained by American personnel. The object, apparently, is to alleviate the deficit in our balance of payments.

The annual operating budgets of these cemeteries as they are now maintained range from a low of $100,679 at Suresnes at St. Germain to a high of $434,650 at Meuse Argonne in France. There is some question that there would be any appreciable cut in this amount by employing foreign nationals, but even if the budgets were wiped out entirely that would hardly justify compromising the high standards of excellence that have been upheld by the American Battle Monuments Commission.

Mr. Speaker, many of our colleagues have had the opportunity of viewing these magnificient shrines. The beauty and serenity that envelopes the visitor to them is beyond my descriptive powers. Many of us have had the moving experience of seeing American families search for the final resting place of a relative. In their hands are bouquets of flowers for the grave and their voices are hushed. They have journeyed far to express their love and gratitude to these dead who, although often unknown to them in life, represent something unutterably precious.

We cannot expect foreign national personnel to maintain these shrines to America's heroes with the same loving devotion that has been given them by Americans. How could they understand what they mean to us? The proposal made by our Ambassador does not even require English-speaking personnel.

I categorically oppose it and, as a member of the House Committee on Vet-

erans' Affairs, will do everything in my power to keep the cemeteries under the jurisdiction of the American Battle Monuments Commission. Rather than countenance placing custody of the remains of our dead heroes under foreign supervision, I recommend that adequate funds be provided to continue the excellent quality of maintenance that now prevails.

I can only feel pity and wonder, Mr. Speaker, for individuals so devoid of reverence for our heritage that they would make such a recommendation.●

INVESTORS AND INDIAN CLAIMS

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. COHEN. Mr. Speaker, during the past 18 months, I have received many inquiries concerning the effect of the current land claims by the Penobscot and Passamaquoddy Indian Tribes in Maine. In addition to the validity of the Indians' claims to vast tracts of land, these questions have focused on the method for extinguishing Indian title, should a valid claim exist. Should the State of Maine foot the bill? Should private landowners be required to contribute to a settlement? Should the Federal Government be asked to lend its assistance?

But aside from these questions lies the matter of the localities, innocent parties in this dispute which are bearing the brunt of the uncertainty surrounding the land claims. I am referring, of course, to the problems Maine's municipalities have had recently in marketing their securities due to the uncertainty of local land titles. The following Associated Press article of June 28 which I will print in the RECORD, should be a reminder to all of the dangers of unnecessary delay in the judicial and legislative handling of the Indian land claims:

INVESTORS GETTING WORRIED AGAIN OVER INDIAN CLAIMS

(By Peter Slocum)

AUGUSTA.—Financial investors are getting worried again about the Maine Indian land claims case, and this renewed concern is threatening local government access to the money markets.

Within the last two weeks, two city governments got only one bid each on municipal offerings, and some bidders pulled out at the last minute.

The legal cloud that hangs over the state because of the Indian claims to 60 percent of Maine's territory is not now causing any financial crunch. But banking officials interviewed in Maine and in Boston, center of the New England investment market, say doubt will remain until the case is settled by a court or by Congress.

"That black eye aspect," is the way a vice president of one major underwriter in New England phrase it.

"As underwriters, that was the issue on which we made our decision not to bid" on the two recent sales, said the Boston banker, who asked not to be named.

Late in 1976 the bond market closed almost entirely to Maine local governments because investors could not be assured that the Indian suit wouldn't affect local government's ability to make good on the borrowings. That fiscal crisis encouraged President Carter to step into the dispute by appointing retired Judge George Williams Gunter to mediate the case.

Gunter's efforts came to naught, however, and follow-up negotiations have gone nowhere.

The U.S. Justice Department, which is committed to suing the state on behalf of the Passamaquoddy and Penobscot tribes, will ask a federal judge Monday for more time to try again for an out-of-court settlement, according to a department official.

But even before any trial begins, the money markets are getting jittery again.

"It's the Indian land claim, and that's the reason we got only one bidder," Earle Stevens, Brewer city manager said this week. His city offered bond anticipation notes for $1 million on Monday and only one of the three regular bidders offered to buy.

Across the river in Bangor, the city got only one bidder last Thursday on $3.260 million for public works improvements. "Luckily, one Midwest bank apparently didn't get the message," said city fiscal director Theodore Jellison.

Northern Trust Co. of Chicago bought the bonds, at an interest rate of 5.8 percent.

Bankers pointed out that the entire market for tax free municipals is in a downturn right now. And that factor makes it even more difficult for banks to market bonds with a "black eye aspect."

The Maine Municipal Bond Bank, which sells umbrella bonds for groups of localities, and which was closed out of the market last year, is not having any trouble now. The bond bank just closed an $8.6 million sale last week with E. F. Hutton, said Alfred Plourde, chairman of the bond bank's commissioners.

"It (the land case) was never even brought up," he said.

However, the bond bank is selling bonds for a variety of localities, most of them out of the claims area. Also, the much respected investment counsel being used by Bangor and Brewer—the Boston law firm Ropes and Gray—is taking a more cautious approach than is the New York firm of Hawkins, Delafield and Wood, whose opinion is employed by the bond bank.

Robert Witham, an official at Bangor's Merchants National Bank, explained that his bank did not bid on the two offerings because it could not count on lining up bigger banks out of state to help with the sizeable investments.

"When we go out of state, we run into trouble," he said. Maine banks are not large enough to handle $3 million packages on their own, he said, so they must rely on larger institutions out of state.

Out-of-state normally means Boston, and the bankers there say they can't be sure of being able to market the bonds.

"It's like selling anything in a difficult market," said the investment banker at one of Boston's largest buyers of tax free bonds. "Those items that appear to be tarnished are less likely to sell."

Warren Carley, senior partner with Ropes and Gray, stressed that his firm's qualified bond opinion does not predict that the Indians would win a court suite and wind up with any land. "The only qualification we've stated is that a suit is pending which could affect, depending on the outcome, the ability to pay off bonds," he said.

Carley would not predict what would happen if negotiations break off finally and a court trial begins.

"Congress is the only body, aside from the courts, which can extinguish aboriginal title," he said. "Until it does, or the court acts, it's almost impossible to tell what the ultimate outcome will be." ●

THE UNITED STATES NEED NOT BE THE 10TH CIVILIZATION TO FALL

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. McDONALD. Mr. Speaker, Mr. Frank Flick, president of the Flick-Reedy Corp., recently wrote an article which appeared in Iron Age magazine for June 5, 1978. In Mr. Flick's article common threads run through the fall of each of the civilizations he describes—moral decay and oppressive taxation by government. In view of today's events, this article makes for particularly interesting reading. The item follows:

THE UNITED STATES NEED NOT BE THE 10TH CIVILIZATION TO FALL

(By Frank Flick)

"Now a State chiefly prospers and flourishes by morality, well-regulated family life, by respect for religion and justice, by the moderation and equal distribution of public burdens, by the progress of the arts and of trade, by the abundant yield of the land—by everything which makes the citizens better and happier."—Rerum Novarum Pope Leo XIII.

These words, though written 87 years ago, still retain their powerful force and deep wisdom. I italicize *"morality"*, because, to me, it pinpoints the basic cause for the troubles our civilization faces today and will continue to face.

Nine great civilizations before ours rose, flourished, decayed and died. Why? Each of the nine reached its peak in about 200 years. Each one seemed invincible yet crumbled in face of competing civilizations.

FALLEN CIVILIZATION NO. 1: BABYLON

Around 4,000 years before Christ, old Babylon flourished in Asia. Its capitol city was said to have been built by Nimrod, grandson of Noah. Renowned for astrology, astronomy, the duodecimal number system, measures of length and weight, the sun dial and an early calendar, Babylon was brought down by oppressive taxes, political in-fighting and moral decay.

FALLEN CIVILIZATION NO. 2: EGYPT

From the fertile Nile delta, Egypt dominated the known world. The Pharoahs built lasting monuments such as the great Giza pyramid 3,000 years before Christ. Cultural achievements included astronomy, mathematics, medicine and the arts. But corrupt factions fought each other instead of Northern barbarians and again moral decay brought disaster.

FALLEN CIVILIZATION NO. 3: ASSYRIA

Ruled all of Western Asia with merchants and traders dominant everywhere. Built the world's first roads, constructed aqueducts and irrigation canals. Used cotton for garments, invented the postal system and coinage. But government became too large and crushed the people with taxes. Wars sapped economic strength and internal revolts began. Finally, Indo-Europeans looted all, including the glittering capitol, Ninevah. Moral decay had weakened all defenses.

FALLEN CIVILIZATION NO. 4: EGYPT

In the era just preceding the birth of Christ, Egypt again rose and conquered many nations. Art, architecture, literature and science flourished until internal dissention and oppressive taxes caused by moral decay took their inevitable toll about 1150 B.C.

New Babylon (No. 5), Phoenicia (No. 6) and the Persian Empire (No. 7) rose and fell victims to moral decay in the same way.

FALLEN CIVILIZATION NO. 8: GREECE

The ancient Greek city-states of Athens and Sparta emerged as the first models of democratic and of totalitarian governments. In Athens, the first constitution was written about 600 B.C. All free men could vote and hold office. In Sparta, children belonged to the state as did almost everything else.

The city-states turned into imperialistic bureaucracies and taxed the people heavily. Upon the death of Alexander, internal warfare sparked by moral decay made the rise of Rome inevitable.

FALLEN CIVILIZATION NO. 9: ROME

A world-wide civilization rose to provide *Pax Romana* for centuries. But Rome began to weaken when politicians resorted to bribery and subsidies to win power, and decadent pleasures replaced individual industry. Handouts of bread and circuses for entertainment of the masses became the order of the day. Finally, barbarians could be held off no longer and morally decayed Rome was sacked, leading to 1,000 years of the Dark Ages.

The details may differ but the underlying reason for the fall of all nine civilizations is clear. All of them suffered from moral decay which led to political, economic and social decay.

I know of only one antidote for moral decay—individual moral responsibility—taken early enough and in good-sized doses.

When individual moral responsibility declines, so does civilization. When you no longer can trust your government and leaders, your community or your fellow man, to be moral, to do right, to be fair, to have integrity, to tell the truth and to be responsible—then you are truly living in a dark age.

When the sense of individual moral responsibility disappears, leaders succumb to a tyranny of the majority. To please the people and to win re-election, politicians do what is popular instead of what is right. They propose easy, short-range solutions to problems requiring statesmanlike vision and personal courage. They follow public opinion polls rather than the Constitution and their consciences.

The people find it easier to accept handouts than to act with self-reliance and soon begin to fight among themselves to get the largest share.

The people increasingly turn over more and more power and personal freedom to the government in return for subsidies. As government bureaucracies grow, everyone increasingly comes under their control.

Consider the words of Alexander Fraser Tytler, a noted Scottish historian some 200 years ago. "A democracy cannot exist as a permanent form of government. It can only exist until the voters discover that they can vote themselves largess from the public treasury. From that moment on, the majority always votes for the candidate promising the most benefits from the public treasury, with the result that a democracy collapses over loose fiscal policy . . . always followed by a dictatorship."

James Madison in his essay No. 10, Federalist Papers, spoke out for a Republic over a Democracy saying, ". . . a pure democracy . . . can admit of no cure for the mischiefs of faction. A common passion or interest will, in almost every case, be felt by a majority of the whole; a communication and concert result from the form of government itself; and there is nothing to check the inducements to sacrifice the weaker party or an obnoxious individual. Hence it is that such democracies have ever been found incompatible with personal security or the rights of property; and have in general been as short in their lives as they have been violent in their deaths."

Individual incentive, creativity and motivation decline as influence becomes more important than excellence as "something-for nothing" replaces individual self-reliance.

The basic problem of the rest of this century, I believe, is how to regenerate the sense of individual moral responsibility in our private and public lives. It is clear that the way to improve society is to improve the individuals who make up that society and not vice versa.

To me, this means turning once again to the only source of knowledge, meaning and strength that endures—our faith in God and the Judeo-Christian tradition.

The principle of individual moral responsibility is the wellspring of honesty, integrity, self-respect, true compassion and charity which results in less suffering and greater happiness for the greatest number.

Reversing the trend toward moral decay will end our drift toward economic and political decay because the vast majority of men and women will exercise moral responsibility.

In the final analysis, the fate of nations and empires is determined by how each individual lives his or her life.

I invite businessmen, leaders and all concerned with the survival of our civilization to join in a "new crusade" to restore the moral health of our people, our nation and the world.

As Alexis De Tocqueville said about 150 years ago: "America is great because she is good, and if America ceases to be good, America will cease to be great."●

SOVIET "JUSTICE"—HOOLIGAN STYLE

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. SIMON. Mr. Speaker, once again I wish to call the attention of my colleagues to a deplorable spectacle of Soviet justice at work. On June 21, 1978, two Soviet judges in Moscow handed down harsh sentences on Soviet Jewish activists Vladimir Slepak and Ida Nudel. Mr. Slepak will spend the next 5 years in internal exile in some remote corner of Siberia. Ida Nudel was told that it will be at least 4 years before she can see her husband in Israel, as she will be forced to live in internal exile in a distant village of Siberia.

And for what crime are Slepak and Nudel sent away to Siberia? For something called malicious hooliganism. And what hooligan acts did they perform maliciously? They organized a public protest demonstration to plead their emigration cases. Such demonstrations are perfectly legal under the Soviet constitution. One may well ask whose actions were more malicious and hooligan in nature—those of the accused or those of the accusers. A fair man can only reach one verdict: Soviet justice stands accused of malicious hooliganism.

Not only has Slepak been a Jewish activist, but he has been a member of the Moscow Group to Promote Observance of the Helsinki Accords in the U.S.S.R. In the court of world opinion, the record of Soviet implementation of the human rights provisions of the Helsinki Final Act is not what it should be.●

THE ECONOMIC IMPACT OF KAISER STEEL CORP. ON THE SOUTHERN CALIFORNIA ECONOMY

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. BROWN of California. Mr. Speaker, how many of us have wondered what the economic impact on our home districts is of a given industry or company? How many times would this information by helpful to Federal, State, and local officials in making the difficult decisions affecting local economies? Kaiser Steel Corp. of Oakland, Calif., has provided such information, at its own expense, for a number of years and has recently issued an update of the company's impact on the southern California economy.

I was quite pleased to find that Kaiser Steel, through its Fontana and Eagle Mountain facilities, provides $1 billion in primary and secondary economic benefits to southern California. The economic impact report details the benefits by community, allowing the formulation of a useful profile to be used in local planning efforts. I commend Kaiser Steel for its initiative and insert the following summary release of the study:

SAN BERNARDINO, CALIF.—Kaiser Steel Corporation is worth a billion dollars to the economy of Southern California, according to a report done for the company by Urbanomics Research Associates.

The comprehensive study of Kaiser Steel's economic impact was introduced today by Mark T. Anthony, the company's president and chief executive officer, in a talk sponsored by Inland Action, Inc.

The report shows that Kaiser Steel's Fontana facilities employed an average of 7600 employees during 1977 and had a payroll of about $165 million. Average wage paid to a Fontana employee during that year was approximately $20,000.

The Fontana facilities include the Fontana Steel Manufacturing Works and three Fabricated Products Group facilities nearby. The Urbanomics report also covers Kaiser Steel's iron ore mine at Eagle Mountain, CA. It does not cover coal mines in Utah and New Mexico, several other Fabricated Products Group plants or subsidiaries and affiliates.

Kaiser Steel spent more than $524 million in direct expenditures in the local economy during 1977, the report says. When the $74 million primary economic impact of the company's Eagle Mountain, CA, iron ore mine is added and the unemployment, income and spending multipliers of these direct expenditures are calculated, Urbanomics concludes that Kaiser Steel is the foundation of a $1 billion industry in Southern California.

The report, entitled "The Economic Impact of Kaiser Steel Corporation on the Southern California Economy," is the third done by Urbanomics Research Associates. The first was issued in March 1973 and updated in 1975. The current report is based on 1977 data.

Anthony told the group that Kaiser Steel's spending on new facilities and equipment has increased dramatically in recent years, reaching about $109 million in 1977. "During the one year, 1977, we spent almost a third of what we've spent for new facilities and equipment over the past 12 years," he said.

"To any of you who've driven by the Fontana Works lately, that won't come as much of a surprise," Anthony said. "That 20-story-

high steelmaking shop we're building there is the main reason we spent that $109 million in 1977 and that we'll spend about $120 million more on new facilities and equipment in 1978," he said.

"Our decision to build the new steelmaking facilities was largely motivated by the improved emission control that we can get from this brand new, modern equipment," Anthony said. "But we also expect substantial cost savings and efficiencies from this new shop. So much so that I personally think that the new facilities represent the future of Kaiser Steel."

Anthony described the company's expenditures on pollution control equipment—about $100 million since its beginning in 1942. And he described the company's current commitments under agreements with the environmental regulatory agencies for estimated expenditures of $105 million for air control programs. Of this amount, $36.5 million had been spent by the end of 1977. $37.2 million is expected to be spent this year and $31.2 million is forecasted to be spent over the following four years.

"When you consider that Kaiser Steel reported a pretax loss of $46 million in 1977 and $13.5 million, principally from steelmaking operations, in the first quarter of this year, the amount of money we're spending on the modernization and other pollution control commitments is staggering," Anthony said.

Anthony also told the group about the heavy impact of the flood of low-priced foreign steel being sold on the West Coast. He pointed out that more than half the steel sold in the West during the first four months of 1978 came from foreign sources.

"This glut of cheap foreign steel—often priced, we believe, below production costs—has kept us from making a profit on our steelmaking operations and has kept substantial numbers of our people out of work," he said.

"Kaiser Steel has taken a very active role in trying to get this problem solved," Anthony said. "We feel that we have to take such a role because our survival is at stake."

"All of you, I think, can see that heavy industry has a value to Southern California far beyond the fundamental impact of the direct expenditures the report has detailed," Anthony said.

"We need action from the federal government on imports. We need to work out a long-term, reasonable agreement with the environmental regulatory agencies. And we need the support of the communities around us," he concluded.●

PERSONAL EXPLANATION

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. CORCORAN of Illinois. Mr. Speaker, due to my recent illness, I was unable to be present to cast my vote in the House of Representatives on several important issues. In order that my positions on these issues will be a part of the public record, I insert the following voting record for June 28 and 29 in today's RECORD:

JUNE 28

Rollcall No. 498: On a motion to approve the Journal of the proceedings of Monday, June 26, 1978, "yea."

Rollcall No. 499: On a motion to refer the veto message to the bill H.R. 3161, Basic Workweek of Firefighters, to the House Post Office and Civil Service Committee, "yea."

Rollcall No. 500: On a motion ordering the second to the motion to suspend the rules and pass H.R. 11886, Veterans' Disability Compensation and Survivors Benefits Act of 1978, "yea."

Rollcall No. 501: On a motion ordering the second to the motion to suspend the rules and pass H.R. 11888. Increased Compensation for Disabled Veterans, "yea."

Rollcall No. 502: On a motion ordering the second to the motion to suspend the rules and pass H.R. 12841, Taxation of Fringe Benefits, "yea."

Rollcall No. 503: On a motion ordering the second to the motion to suspend the rules and pass H.R. 12589, International Investment Survey Act Amendments, "yea."

Rollcall No. 504: On a motion ordering the second to the motion to suspend the rules and pass H.R. 12874, Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978, "yea."

Rollcall No. 505: On suspending the rules and passing H.R. 11886, "yea."

Rollcall No. 506: On suspending the rules and passing H.R. 11888, "yea."

Rollcall No. 507: On suspending the rules and passing H.R. 10173, Veterans and Survivors' Pension Improvement Act of 1978, "yea."

Rollcall No. 508: On suspending the rules and passing H.R. 12841, "yea."

Rollcall No. 509: On suspending the rules and passing H.R. 12589, "yea."

Rollcall No. 510: On suspending the rules and passing H.R. 12874, "yea."

Rollcall No. 512: On an amendment by Mr. HAGEDORN to H.R. 12433 (Housing and Community Development Act Amendments), Paired For.

JUNE 29

Rollcall No. 513: On a motion to approve the Journal of the proceedings of Wednesday, June 28, 1978, "yea."

Rollcall No. 514: On a motion to resolve into the Committee of the Whole House on the State of the Union for the further consideration of H.R. 12433, "yea."

Rollcall No. 515: On an amendment by Mr. BROWN of Michigan to H.R. 12433, Paired For.

Rollcall No. 516: On an amendment by Mr. RUSSO to H.R. 12433, "yea."

Rollcall No. 517: On final passage of H.R. 8099, Water Rights for Ak-Chin Indians, "nay."●

THE FEDERAL EMPLOYEE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. DERWINSKI. Mr. Speaker, the Federal Times is well-known and respected for its coverage of subject matter of special interest to Federal employees. I believe that their lead editorial in the July 3 edition merits special review.

The editorial lends support to the position of Chairman Alan Campbell of the Civi Service Commission in opposition to a requirement that any civil service employee pay a representation fee to the union against his or her will.

As I share the position stated by Chairman Campbell and am especially pleased that the Federal Times saw fit to support this view editorially, I wish to insert the editorial at this time:

RIGHT, THIS TIME

As is probably well known to readers of this newspaper, Federal Times frequently does not agree with Alan Campbell, chairman of the Civil Service Commission.

But in reference to a "representation fee" for federal employees who are not union members but who are in units where federal unions have exclusive representation rights, we think Campbell is right.

As he explained the administration's view to Congress recently:

"We do not feel that federal employees should be compelled to financially support the union, if as a matter of their own free choice, they choose not to join a union. In this respect, we do not believe that continuation in a federal job should depend upon required financial contribution to a union or to any other external source. The public nature of civil service employment would be diminished by externally applied conditions to holding such employment."

We are most familiar with the views of the other side on this matter. But, this time, we agree with Dr. Campbell.

A civil servant should not be required to pay union dues or a "representation fee" if he or she chooses not to be a union member. It's as simple as that.

The United States government is not, nor should it be, a closed shop. And, in principle, what's the big difference between paying union dues or a union "representation fee"?

ESSENTIAL GLUE

The first paragraph in a Postmasters Gazette editorial (June edition) by Hal Hemmingsen, the magazine's editor and postmaster at Glendale, Calif., is surely worthy of reprint and is quoted here:

"Recently, I gave a speech to a postmasters' group—a very restrained speech, I thought. But I did mention that I believed the postal service under reorganization had veered far from the path set for it by the founding fathers of this nation. Their goal for the postal service was succinctly and eloquently repeated in the Postal Reorganization Act. 'The Postal Service shall have as its basic function the obligation to provide postal service to bind the nation together through the personal, educational, literary and business correspondence of the people. [Ben Franklin couldn't have beamed more broadly.] It shall provide prompt, reliable, and efficient service to patrons [how I love that word] in all areas and shall render postal service to all communities. The costs of establishing and maintaining the Postal Service shall not be apportioned to impair the overall value of such service to the people' [emphasis mine]."

A provocative paragraph, we think, as well as a timely reminder of what the United States mail is—or ought to be—all about.

And, to add some emphasis of our own, we stress that line about "to bind the nation together. "Despite the mighty telephone, mail is the glue that binds people in this democracy together. And as the price of the first class letter goes up and up—right now it is 15 cents but how long it will remain there is anybody's guess—fewer people in this nation will bind together.

The postal service is, and must remain, a public service not a business. Postal workers deserve a living wage, to be sure, and if Congress must continually increase its subsidies to the postal service to assure that it remains a public service available to all of the people and not merely to the affluent, then such must be done.

We think now, as ever, that when Congress passes out our money, first things should come first. And one of the first things we, the people, need is the mail at reasonable cost. Fifteen cents for a letter to Aunt Abigail is not reasonable, we say, and anything higher will be intolerable even in this age of inflation when a dollar stopped being a dollar a long time ago. (Would you believe a dollar for a head of lettuce? Well, that's what we found in a Washington grocery store the other day.)

How much higher can a first class stamp go? Will the federal government soon have

to give stamp stamps as well as food stamps to the disadvantaged?

As we have said in this space before, subsidies that Congress gives to the postal service must go to serve the 77 million homes where first class mail is the important thing, not all that junk mail that clutters up the mailbox. Our money, doled out by Congress, should be used to help the individual first class "patron," not to subsidize business mailers.

Communication is the name of the game in a democracy and mail is what enables us to communicate and be a nation, not merely a collection of people hither and yon talking to one another over the telephone, if they can afford to do that. The spoken word cannot replace the written word in business, in government, in law, nor in personal matters. Who can cherish and keep words spoken over the telephone?

As the Postal Reorganization Act of 1970 read: "The costs of establishing and maintaining the postal service shall not be apportioned to impair the overall value of such service to the people."

TOP HEAVY

When Congress ordered the Defense Contract Audit Agency to cut senior grade jobs by six percent, the agency set up an "ad hoc group on organization review" to study the problem.

According to James R. Brown, DCAA's deputy assistant director for programs, the study group has come up with "a more logical distribution" of GS–13 and above grades. It calls for a 50 percent increase in supergrades, a 75 percent increase in GS–15's and the loss of 28 GS–14 and 15 GS–13 jobs.

Brown explains that "the increase in GS–15's and . . . in supergrades increases the promotional opportunities for GS–14's."

You can't argue with that logic unless you're one of the GS–13's or GS–14's who gets canned.

Critics of the DCAA plan may use ugly words like grade creep and, in truth, the new organizational silhouette does seem decidedly top heavy.

PERSONAL NOTE

When the press was the press and not—God forbid—the media, and long before "journalism" was a subject for higher learning in universities, writers such as Henry Louis Mencken and William Allen White occasionally wrote personal essays presented as editorials.

Such is frowned upon today. That's gauche, they say, because an editorial is the opinion "voice" of a newspaper.

Still, we all know that newspapers don't write themselves even in this our computer age. People write newspapers, and editors write editorials.

With this in mind, a personal note involving the feelings of the editor of this newspaper: Feelings of joy, luck, gratitude.

After receiving the latest complimentary copy of a most popular news weekly, with the face of someone called Princess Caroline on the cover, he began to read the accompanying P. R. blurb that began like so: "Next week, barring the fickleness of royal cupid, Princess Caroline of Monaco and Philippe Junot, an international investment banker and playboy 17-years her senior, will be married. But Caroline's union to the playboy-next door is hardly the first encroachment on royal thrones. In Holland, Sweden, and Jordan, members of the royal family have married commoners. More importantly . . ." [And on and on, and on].

Does anyone really care about such stuff? Maybe so.

In any event, the editor of this newspaper, who happens to like and enjoy his work despite a number of persistent and infuriating problems, is always renewed with joy and happiness when he reads such garbage, knowing that his area of activity does not involve such major stories.

So, he counts his blessings.

Just lucky, I guess, he says.●

THE FOREIGN AID ORPHAN

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. McHUGH. Mr. Speaker, last week the Washington Post carried an excellent column by Marquis Childs on the foreign aid bill. In his column Mr. Childs points out that foreign aid is an orphan on Capitol Hill because it lacks a constituency and is therefore especially subject to the prevailing mood to reduce spending brought on by the passage of proposition 13.

I hope that those who may not have seen this column will take a few minutes to read it. We all recognize that the United States cannot withdraw from world affairs. It must play an important and constructive role, and in order to do so we need an effective foreign aid program.

The article follows:

[From the Washington Post, July 4, 1978]

THE FOREIGN-AID ORPHAN

(By Marquis Childs)

Forty years ago, Henry Wallace was laughed out of court on the allegation that he proposed to give a quart of milk to every Hottentot. It was a rude way of ridiculing the idea of foreign aid, which Wallace, a compassionate New Dealer, was proposing.

The ridicule may be more restrained, but foreign aid is still an orphan. After all, the Hottentots do not vote in American elections.

President Carter gets marks for proposing an aid program of $8.4 billion, which the House Appropriations Committee promptly cut by 8 percent. The game in Congress is to see who can take the biggest gouge and yet leave the semblance of an aid program. With one-third of the earth's population living at the bare margin of existence, it is a disgraceful game.

It is shocking above all in short-changing the multilateral programs that go through the World Bank and other international agencies. This country had not a little to do at an earlier stage with bringing those agencies into being.

By way of contrast, I have just been in Sweden, which is the only country that meets the avowed goal of appropriating 1 percent of its gross national product for foreign aid. That level was maintained by the right-of-center government that came to power two years ago, despite the fact that Sweden has suffered from the recession and the quadrupling of oil prices.

Norway and Holland come close, with between 0.7 and 0.8 percent. The United States stands near the bottom, with 0.22 percent. West Germany, the money king of the moment, is little better with 0.3 percent.

Ola Ullsten, Sweden's deputy prime minister and minister for foreign aid, says that if all the Western developed nations could reach a level of 0.7 percent of GNP it would mean dramatic progress in the Third World with the development of industry and a rapid growth of trade. Short of great increase in the near future, the continuing stagnation of poverty and hunger is likely to result in food riots and a general breakdown.

With so much of Carter's program foundering in the congressional mire, to lament the fate of foreign aid may seem a futile exercise. But in the period after World War II America's unprecedented generosity gave Western Europe a new lease on life. At the time of the Marshall Plan, 3 percent of GNP went into aid.

The AID administrator, John J. Gilligan, former governor of Ohio, points out that while the war had done great damage, Europe still had railways, ports and highways on which recovery could be built. In the Third World no such infrastructure exists, and that is one reason that the volume of aid seems minuscule in terms of the need.

The triumph of Proposition 13, cutting property taxes by $7 billion to $10 billion, has sent the budget cutters on a wild rampage. They are playing cops and robbers, firing on anything that pokes its head around the budgetary corner.

It is hardly necessary to add that the Jarvis amendment has nothing to do with foreign aid. Aid is just one of the targets in the political shooting gallery. As evidence of how the stampede has taken hold, by last count 47 amendments cutting foreign assistance were floating around the House of Representatives.

Chairman Clarence Long (D-Md.) of the sub-committee handling aid is whetting his knife to lop off appropriations for the international agencies. He would whack $876 million off the multilaterals, which would reduce the amount available to the World Bank by nearly half.

That a rebellion against property taxes in California should explode into a rancorous attack on the duties and responsibilities of the federal government is hard to understand. California had a surplus of more than $5 billion, which Gov. Jerry Brown has now, in cooperation with the legislature, agreed to turn over to cities and counties suffering reductions in vital services. At the federal level there is only a yawning deficit.

In the present assault on foreign aid, there is one more reason to mourn the loss of Hubert Humphrey. Again and again in the past he was a valiant and effective champion of the orphan. Another such champion is sorely needed.●

WILLIAM R. COTTER TESTIMONY ON SOUTH AFRICA

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. SOLARZ. Mr. Speaker, on June 27, 1978, the House Subcommittees on Africa and International Trade and Economic Policy began joint hearings on H.R. 12463, a bill that I and 29 cosponsors introduced this spring. H.R. 12463 would terminate all new investments and loans in South Africa by any American corporation and require U.S. corporations to comply with a fair employment code of conduct.

Among the witnesses at the June 27 hearing was William R. Cotter, the president of the African-American Institute. Mr. Cotter presented a cogent and well-informed position on the matter, and I ask that this statement be included in the RECORD.

The statement follows:

TESTIMONY OF WILLIAM R. COTTER

The Subcommittees have asked me to comment on what impact the passage of H.R. 12464 might have on United States relations

with South Africa and on that country's apartheid policies. I would like to emphasize at the outset that I appear here in my individual capacity since The African-American Institute is not a position-taking organization.

As one who has been deeply involved in the study of U.S.-South African relations for the past eight years, I do support the Bill. I support it because it calls for two rather moderate, but potentially effective steps: (1) to prohibit any new investment by U.S. firms in South Africa; and (2) to require fair employment practices with respect to U.S. firms already operating in the Republic.

The freeze on new investment ranks first on a list of "mild" economic options regarding South Africa which were proposed by Professor Clyde Ferguson and me in the January issue of Foreign Affairs. A copy of that article is attached to this statement simply for your information. Because of its length, I do not ask that it be reprinted in the record.

The steps proposed in the Bill are moderate in the sense that they fall far short of the usual demands for total economic disengagement. This Bill would not require any company to withdraw its operations from South Africa, nor does it in any way inhibit trade between the two countries. Thus, the United States would still have access to South Africa's minerals and would continue to have a very substantial corporate presence in South Africa. It is also moderate because it would probably not greatly upset the American business community which, for sound business reasons, is reluctant to expand its present commitment in South Africa. Further, by signing the so-called "Sullivan Principles", many companies have already pledged themselves to begin to move in the direction of equal employment opportunity.

Indeed, many of my African and American friends who are deeply concerned with apartheid in South Africa would characterize this Bill as a "weak" or even "token" response to the increasing repression evident in South Africa. Some, in fact, would find it counterproductive, particularly since it would seem to acquiesce in current South African laws which sanction blatantly unfair employment practices.

Nevertheless, I do support this Bill because it would be a first signal to the South African Government that our relations with them have, in fact, begun to deteriorate because of their political intransigence. Vice President Mondale warned Mr. Vorster in May of 1977 that, unless he undertook "a progressive transformation" of his white supremacist policies, the relations between our two countries would worsen. In the intervening 12 months, the Vorster government has only stepped up its repression of black opposition groups and there is no sign that it is willing to enter into a constructive dialogue with representative blacks in South Africa to seek a formula for power sharing under which the security of all groups would be guaranteed. Since Pretoria has not heeded this specific warning from our Vice President, but rather has banned black organizations and detained their leaders instead of entering into a dialogue with them, it is now time for us to take some first step signifying that the Vice President's warning was not an idle threat.

The passage of this Bill would mark such a first step. It is well drafted in that it contains, at the same time, both a carrot and a stick. The freeze on further investment constitutes a stick; the power of the President to "unfreeze" new investment contained in Section 2 of the Bill constitutes the carrot. The President can recognize substantial progress toward full participation by all groups in the social, political and economic life in that country and thereby reward the South African Government for any such positive steps. The Bill, therefore, gives the President power to prod and to reward—both essential ingredients in successful diplomacy.

The section of the Bill which calls for mandatory fair employment practices by U.S. firms in South Africa remains a potentially important contribution which U.S. business can make to the welfare of some black employees in South Africa. In my testimony before the Africa Subcommittee in May, 1971, I argued that vigorous action by American companies of the kind envisioned in the present Bill could have a profound impact on the general climate of race relations in South Africa and eventually on the political system itself. I no longer have much hope that fair employment practices will have an impact on the political process, although the recognition by American firms of free labor unions certainly might. However, black labor unions have no legal standing in South Africa and I assume that this Bill would not require U.S. companies to bargain with true labor unions as we know them in the United States.

Nevertheless, while I no longer believe that moderate changes begun in the workplace would, in fact, lead to eventual political power sharing, I still support the Bill's call for fair employment practices on the part of American companies which remain in South Africa. Principles of corporate responsibility virtually demand such a posture and this, undoubtedly, accounts for the large number of signatories to the Sullivan guidelines. However, American companies only employ some 80,000 black South Africans and while improvement of their working conditions is important to them individually, this will have little impact on the lives of the other 19 million blacks.

It is for this reason that I view the first section of the Bill, which calls for a freeze on new investment, as the most important feature of this proposed legislation. To date, neither the South African Government nor the white population, as a whole, has felt any direct economic pressures from the United States or our Western allies. The anti-South African rhetoric has escalated during the past 18 months but, our economic and diplomatic relations with South Africa remain as strong as ever.

Our demands for movement toward power sharing will only be credible once we begin to take steps which put pressure on the whites. Such pressures might help them to realize, for the first time, that there are direct costs which result from their political intransigence. I should hasten to add that I also favor carrots which can be held out to them as rewards for movement toward full political and economic participation for all groups. However, as Professor Ferguson and I concluded in our Foreign Affairs article, it is unlikely that the white government will consider moves toward genuine power sharing unless pressures compel them to do so.

Domestic pressures from the blacks in South Africa and increasing guerrilla activities are the most important forces at work for political change. While these two factors are paramount, foreign economic pressures can also play a role to convince the South Africans that their economic relations with the West may be further jeopardized by their continuing oppression of black political leaders.

None of us can be sure that a freeze by the United States on a new investment would be copied by other Western powers, although the Scandinavian countries have, in the past, proposed such a freeze. If our lead were not followed by other countries, then the impact on South Africa would be considerably weakened. Moreover, even if the West were united on withholding new investment, it is not clear that coordinated Western pressure would force the Vorster government to change its current policy. Nevertheless, there is a chance that these pressures would bring about a more flexible attitude on the part of the white government. This is not just my view. A rather wide range of black and white South Africans, including Afrikaners who are members of the Nationalist Party, have, privately, advocated economic pressures. They cannot publicly do so because they would face criminal prosecution under the Terrorism Act.

Even if a freeze by the United States on new investment were not followed by parallel actions by our Western allies or even if a general freeze by the West failed to bring about positive change on the part of the South African Government, I would still favor that we take this first step toward economic disengagement for six reasons: (1) it would increase the cost of Afrikaner intransigence; (2) it would support the internal efforts of blacks; (3) it might cause moderate whites in the society to reduce their near unanimous support for current government policies; (4) it would make good the threat which Vice President Mondale made over a year ago; (5) it would increase our standing with Black Africa where our most important economic and political interests lie; and (6) it would begin to distance us from our close economic and diplomatic embrace with South Africa which, over the long run, can only become a more unstable and embarrassing ally for the West.

If Mr. Vorster persists in his current policies, his government will inevitably face increasing black unrest and stepped-up military pressures on its borders. If Pretoria were willing to explore positive avenues of power sharing, the chance for peaceful change is still real. But if the whites do not soon launch an intensive dialogue on sharing power, they will later find themselves with drastically reduced bargaining power and hardened attitudes on the other side. As President Kennedy said, "Those who make peaceful revolution impossible will make violent revolution inevitable."

Thank you, Mr. Chairman.●

CHANGE OF COMMAND REMARKS BY ADM. J. L. HOLLOWAY III, USN

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. BENNETT. Mr. Speaker, on Saturday, July 1 at the Naval Academy in Annapolis Adm. James L. Holloway III, was relieved by Adm. Thomas B. Hayward as Chief of Naval Operations.

During the 4 years that Admiral Holloway has served as Chief of Naval Operations he has provided strong and effective leadership for the Navy. I do not think we have ever had a finer Chief of Naval Operations than Admiral Holloway has been. He has been fair, thoughtful, kind and considerate and he has fought vigorously for a strong national defense of our country. He follows the tradition in the Navy. He has greatly concerned himself with the Navy shipbuilding program but even more concerned about the people who man the ships. Admiral Holloway showed a high sense of purpose and dedication for the needs of the Navy and was always frank and fair in his dealings with the Members of Congress.

At this time, I would like to welcome Admiral Hayward as Chief of Naval Operations. I look forward to working with him as I did with Admiral Holloway. I am sure he will do an outstanding job.

I think it most appropriate, Mr. Speaker, that Admiral Holloway's final message to the Navy should be presented in full at this point in the RECORD together with the remarks which Admiral Hayward opened his service as the Chief of Naval Operations.

I ask unanimous consent that both speeches be put in the RECORD at this point.

CHANGE OF COMMAND REMARKS BY ADM. J. L. HOLLOWAY III, USN

Each of us needs certain anchors in our lives; anchors that offer a reminder of our beginnings, and a haven to which we can return during the all-too-swift passage of the years. As with so many of my fellow officers, the United States Naval Academy has been that haven in my life. As an apprehensive plebe 39 years ago, as a twenty year old wartime ensign graduating three years later, as a four-star officer about to become Chief of Naval Operations, and now as a retiring CNO prepared to turn over command of the Navy to Admiral Tom Hayward, I have come to Annapolis.

Today though, I admit to a great sense of nostalgia for the years so quickly gone, but I stand here with an enormous sense of satisfaction that so splendid an officer has been chosen as my successor.

Seventeen years ago one of my most distinguished predecessors, Admiral Arleigh Burke, recalled from this platform that the greatest lesson drawn from his own experience was that there is no escape from change. Reaching back into the past four years during which I served under three Presidents and three Secretaries of Defense, I can fully appreciate that comment. The pressure for change from the national and world environment in which we live can be relentless. In spite of these almost inexorable demands for change, I have come to realize the fundamental truth in the expression, "plus ça change, plus c'est la même chose—the more things change, the more they remain the same."

These times are no exception. From the tumultuous Vietnam years, our country has entered a period of relative peace and stability, a period when as a nation we have naturally sought respite from military involvement overseas, our focus has been inward, toward healing the wounds caused by our Southeast Asia experience and addressing domestic needs. These shifting concerns have led to the rhetorical question: Has the mission of the Navy changed? Will there be less need and a smaller fleet in the future?

Let me assure you all that the mission of the Navy has not changed. It is today and will remain into the foreseeable future: To maintain maritime superiority for the United States. To question our need for maritime superiority is to question the future of the nation itself. Geography will not change.

If we are to remain a major power, this country will continue to have allies, trading partners and adversaries overseas.

If we are to continue to be the leader of the free world, then we must be able to support our allies, have access to the major sources of energy and raw materials, and defend ourselves closer to an enemy's borders than to ours.

All of this requires a Navy second to none, because regardless of the political makeup of the world of the future, our friends, our adversaries, our trade will be mostly abroad; only Canada and Mexico share this continent with us.

Maritime superiority provides the means to use the oceans of the world as barriers in our defense and avenues for maintaining our influence abroad, whenever and wherever required by our national interests. This means we must have an ability to defeat any threat to our continued free use of the seas.

In the years following World War II, the supremacy of the U.S. Navy at sea was uncontested. The fleets of our enemies had been decimated in battle, the navies of our allies reduced in the priorities on post war recovery. But all that has changed in recent years. We have been witness to the emergence of a new naval power, the Soviet Union. In an effort unparalleled in modern military history, the Russians have in the span of less than two decades, transformed a coastal defense force to the second most powerful navy in the world. To meet this threat demands a balanced fleet, one which can hopefully deter, but if need be defeat the Soviet Navy, which is a force steadily growing in its capability to conduct coordinated air, surface, and submarine operations in ocean areas more and more remote from its homeland as the USSR has become an increasingly formidable force throughout the world.

No matter how strong our desire to ease the burdens of defense, as a rational people concerned with our responsibilities to those who follow us, we must recognize and be prepared to meet, on better than even terms, the threat President Carter described here at the Naval Academy less than one month ago.

Today we have maritime superiority; our fleet is the finest in the world. However, we must be concerned with the future. The emergence of the Soviet Union as a maritime power is a change of deepest significance. It represents a powerful trend in Soviet strategy which demands a response on our part, if we are to maintain the balance of maritime superiority in our favor into the future. The force structure of navies takes time to alter. For a major warship, the capital investment is large, and its useful is long. More than 40 percent of the ships in today's active force or undergoing construction, will still be in the fleet in the year 2000.

It requires a commitment now to insure that the fleet of the future can successfully contest the growing naval power of the Russians in the years to come.

Naval capability is a complex thing. Too often the naval balance is described in terms of comparative numbers. Clearly this is an oversimplification. There are 458 ships in the active force of the U.S. Navy today, and more than 1,600 of the same categories in the Soviet Navy. Yet in our collective judgment, our Navy is superior to that of the Soviet Union. Clearly, naval capability must be measured by something more than just the size of the fleet.

Quality must be considered—quality in terms of individuals ship capability, and of the character of the people who man the fleet.

The margin of superiority of our Navy over the Soviet's today is quality.

The individual capability invested in our ships and the superior quality of our people gives our Navy an open ocean war fighting superiority that in the aggregate offsets the higher number of Russian ships. I think the Soviets have come to recognize the importance of this balance between numbers and quality, because Soviet naval trends projected through the next decade show a decline in the total numbers of ships in their fleet, as the older units are replaced with fewer but significantly more capable ships. The Russians, too, are transitioning to a qualitative improvement in their naval force structure, but with only a modest decline in numbers.

To me the challenge is clear, the issues uncomplicated: We must maintain our margin of maritime superiority. We cannot match the Russians in numbers. We must maintain our lead in quality. As a matter of fundamental principle, it would be most unwise to surrender the quality of our Navy, the advantage we hold over the Soviets that permits the balance of maritime power to reside in our favor, a quality representing the unparalleled product of American technology and industry.

Quality is more than the technological capability of individual ships, aircraft and weapon systems. It also relates to the people in the Navy; to the personal dedication and professional proficiency that in the final analysis determine the real capabilities of any military organization.

I have emphasized many times during these past four years that no matter how new the ships, modern the aircraft, or advanced the weapon systems, the Navy can never realize its full potential without the committed and competent people to operate and maintain them to the limits of their design capability.

The importance of people and the intangibles of morale and esprit to the success of a military organization has proved to be impervious to the passage of time. Those human characteristics of dedication, integrity, and courage have remained unchanged throughout recorded history and have not lost one shred of their meaning or their value.

Today the fleet is by any means of measure at as high a level of readiness, in my view, as at any previous peacetime period in history. We are at this point today because of the people in the Navy. You have repeatedly proven that you are more than equal to your task, and because of your ability and willingness to get the job done, our Navy remains preeminent in the world today.

Coming off eight years of intense operational deployments with inadequate opportunities for proper maintenance, the burden of restoring the fleet to a high degree of material readiness was placed squarely on your shoulders. In the all volunteer force environment, during a period marked by the prevailing egocentric "do your own thing" attitude, you were called on to work long hours and undergo rigorous training in a massive effort to bring the fleet up to the highest standards of material and personnel readiness. The simplest way I can describe your response to that call is to assure the American people that, in spite of the rapid growth of the Soviet fleet, their United States Navy remains number one.

To those ever present cynics who despair about the youth of today, I would say, "Take a look at the fleet." Those who operate and maintain the most sophisticated weapons systems the Navy has ever had are volunteers, volunteers who are passing into the career force at the highest rate experienced since before World War II.

What do we offer our people? Adventure? To be sure. Excitement? Absolutely. These always have been and always will be a part of Navy life. But also unique to the Navy is the fact that we ask the average sailor in a seagoing rating to spend 12 out of his 20 years in sea assignments, during which he is absent from his homeport about 60 percent of the time. He works long hours—with no overtime pay—and while in port, spends every fourth night aboard ship in a duty status. And although we place great emphasis on the quality of life for our crews, few would claim we can offer the comforts of a civilian pursuit. The people who are willing to serve their fellow countrymen under conditions that would be unthinkable to many, deserve our unwavering support and gratitude—and by "our" I mean those of us in leadership positions in the Navy, those in Congress, those in the Executive branch of our Government and the American public with whose safety they are entrusted.

Whenever action in the interest of the American people is clearly called for, our national leadership has never been hesitant to turn to the Navy. During my watch, our sailors have participated in evacuations of Cyprus, Phnom Penh, Saigon and Lebanon; in the novel show of support for Kenya; and in the inspiring recovery of the crew of the United States merchant ship SS *Mayaguez*.

To those who take for granted the precision, measured and professionally executed

response to crisis the United States Navy offers our decision makers, I would counsel reflection on the ingredients required for such a response. Highly trained and motivated people manning a balanced force of capable ships, which are perceived by a potential adversary as a credible deterrent to actions harmful to American interests, are not produced instantly. If such a force is allowed to deteriorate to a degree that it can no longer respond swiftly and effectively, our reaction to world crises will change, followed very closely by changes in our national strategy.

From the intense public discussion of the future of the U.S. Navy over the past several months we have discovered a vast reservoir of support and appreciation for the Navy's role in our National Defense. I urge that all present here today and Navy people scattered throughout the world never take that support for granted. It exists today because of past Navy performance. It will continue only as long as we earn the confidence of the American people through our integrity, courage and service.

As I conclude my active duty naval career today, I turn again to our Navy people, officer, enlisted and civilian, and say simply, "thank you." You make the whole thing work. I am proud to have served with you.

To my family and friends here today, your love, affection and friendship have been the other mooring point in my life, and I am grateful to you beyond words.

Admiral Hayward, the fleet is manned and ready. The days ahead will be turbulent. But you were selected because of your superior qualifications to be chief of naval operations. I wish you good luck and godspeed.

REMARKS BY: ADM. THOMAS B. HAYWARD, U.S.N., AT THE CHIEF OF NAVAL OPERATIONS CHANGE OF COMMAND

When John Masefield wrote, "I must go down to the sea again, to the lonely sea and the sky," he reached out and touched the very soul of every sailor—capturing the essence of what the Naval Service is all about—going to sea. For the past three years I have had the very best of that Navy life—three years with the sailors and marines of the Pacific Fleet. It has been my joy, like so many others here today, to awaken to the shrill of the bosun's pipe, react to the clanging of the general quarters alarm, enjoy the focs'l in the evening sun, and see the world as a sailor is wont to do. It has been an inspirational, satisfying experience.

Though life at sea remains tough and demanding, oft times dirty and rugged work, yet it still possesses that unique romanticism which characterizes the naval profession. Just this past year sailors of the fleet I have left travelled widely throughout the Pacific and Indian oceans, making port calls in Acapulco; Papeete; Suva; Pago Pago; Dunedin; Hobart; Rabaul; Reunion; Surabaja, and literally dozens of other new and fascinating sites.

So somewhat reluctantly, I now face the fact that those experiences are behind me. But, they have left their mark, for I want you to know I arrive in Washington ready to assume the responsibilities of the Chief of Naval Operations with an enthusiastic optimism about the state of our Navy today. Let me tell you, the United State Navy today is a great Navy. It's a sophisticated, and modern Navy (as it very well must be). It's a capable Navy; and a ready Navy. It has been superbly led over the past four years by our Chief of Naval Operations, Admiral Jim Holloway. He has given us a clear course to steer by and the confident conviction that our course has been right. And during his tenure we have made great strides toward halting the trend of declining naval strength. Furthermore, today our fleets are manned by thousands upon thousands of impressive men and women—young and old—sailors and marines.

In this audience today are the master chief petty officers of the Navy and the fleets. I have spent time with most of them over the past many months, travelled extensively with one of them, and have met hundreds of their peers. What do they say about the state of the Navy today? "Admiral, I've never seen the Navy in better shape—not during my career." I smile at that—particularly when I consider the pessimistic pontifications of the arm-chair naval strategists who seem to abound in our society today. There is only one concern you should have about our Navy. You should constantly challenge, is it strong enough to qualify in the future as an adequate "insurance policy" to address the risks we will face in the oceans of the world?

I can assure you, our sailors understand the challenge that is before them. They are acutely aware of who their major adversary is likely to be. They are ready, and if put to the test, you will find them every bit as capable as any group of Americans recorded in our Nation's proud history.

Our sailors are not about to be inundated by the swells of negative thinking that prevail in some circles today. They know that for as long as they have reason to care, navies will continue to roam the seas; that sailors will continue to find adventure and satisfaction in being part of a sea going tradition; that our great Nation will continue to rely upon the world's oceans as a primary means of commerce; that in the best interests of all, the waters of the world must remain tranquil and secure; and that such security will be possible only if we maintain a strong and capable naval force.

So as your new Chief of Naval Operations, it will be my firm resolve to fight for a Navy able to meet these expectations and to perpetuate in our naval personnel. . . .

The highest sense of ethical propriety,

An uncommon perseverance to meet the challenges ahead,

A positive, affirmative outlook on the future, and

A staunch determination to ensure that your Navy remains second to none.●

TUITION TAX-CREDIT AND DESEGREGATION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. MAZZOLI. Mr. Speaker, many oppose the tuition tax-credit proposal now before Congress because they believe such allowances will benefit only middle-class families who can afford private school tuition and will not help financially disadvantaged families. Further, some opponents have suggested that a tax-credit would impede this country's move towards full school desegregation.

In rebuttal to these allegations, sociologist James S. Coleman of the University of Chicago, an early national leader in the fight for school desegregation, stated recently that the tax-credit will help minority and disadvantaged parents to send their children to the private or parochial school of their choice. And, Mr. Coleman observes that a large number of minority students already attend inner-city parochial schools. A tax-credit will serve to enhance this educational opportunity.

Mr. Coleman's perspective is encouraging for all of us who support school desegregation as well as tuition tax-credits. Following is a newspaper account of Mr. Coleman's recent comments on tuition tax-credits:

[From the Washington Post, June 20, 1978]

DESEGREGATION EXPERT BACKS TUITION CREDIT

(By Lawrence Feinberg)

Sociologist James Coleman, who headed a massive influential study favoring school desegregation in the mid-1960's, yesterday strongly supported a tuition tax credit to aid parents of private and parochial school pupils.

Coleman, a professor at the University of Chicago, said he favors the tax credit—which has been voted by the House but is bitterly opposed by the Carter administration—because it would "increase the range of choice of low-income black parents."

Particularly in big cities, Coleman said, where large-scale public school desegregation is unlikely, a tax credit "would increase the opportunity of black parents to escape from schools that they think hurt their children."

Opponents of the measure have contended it would promote segregation, hurt public schools and mainly benefit middle- and upper-income groups.

But Coleman said that because of the relatively modest size of the proposed credit, $100 to $500 per student, "the principal effect would be on lower-income families" sending their children to relatively low-priced schools.

He said "a very large number of black children" already attend low-tuition Catholic schools in big cities, such as Chicago, New York and Washington, with generally positive educational results.

Coleman spoke at a forum on desegregation attended by about 60 persons at Georgetown Day School, 4530 MacArthur Blvd., NW. The forum was sponsored by the Black Student Fund, which during the past decade has aided more than a thousand black students to attend private schools in the Washington area.

He was introduced warmly by Alice M. Rivlin, director of the Congressional Budget Office, who later asked him to deal with the "accusation" that programs to help blacks attend private schools are "detrimental" to public education.

"That's not a valid argument," Coleman rejoined. "Anything that allows for an individual to have greater opportunity can't be bad for the country."

Besides favoring a tuition credit on federal income taxes, Coleman said he supported proposals to give vouchers to parents to use for tuition at public or private schools.

"Parents and children have a better sense of what's a good school context for them," Coleman said, "than do professionals who must deal with a very large number of children. I trust the parents and children more than the professionals.

"I think the stronger the private schools are the better it will be for the public schools because the public schools will be forced to be better to stay in business."

Overall, Coleman said, school desegregation since 1954 has had "no effect" on educational achievement of black students.

"In the absence of turmoil," Coleman said, "there seems to be an achievement increase." But so far, he said, this has been counterbalanced by reduced black achievement in places where desegregation was accompanied by conflict and fear and "distraction from study."

In general, he said, integration has been most successful in well-disciplined schools headed by strong principals.

Coleman stressed that the main finding of his 1966 report, issued by the U.S. Office of Education, was that black students had higher achievement in mostly white schools not because of the skin color of their class-

mates but because of the middle-class background and "educational resources" that the white children brought from home.

"Increasingly, class is less correlated with race than it was 10 years ago," Coleman said.

Widespread desegregation, he said, has been "enormously beneficial" to the South by aiding its transformation from a backward region to a thriving "Sun Belt."

But he repeated his view, which has attracted controversy for the past three years, that desegregation programs requiring "instant racial balance" through compulsory busing have caused "very serious harm" by speeding the exodus of whites from big cities.●

GENERAL SINGLAUB BLASTS CARTER ON MUZZLING

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. McDONALD. Mr. Speaker, it has become increasingly clear in the ruckus over General Singlaub that President Carter and his civilian advisers are bypassing military advice. As General Singlaub has revealed, in the case of Korea, the military were given the choice of three different withdrawal plans. They were not given the option of staying in South Korea. The same was true in the case of the Panama Canal treaties and the decision on the neutron bomb. This trend is increasing dangerous as it will tend to float "yes" men to the top of the military, who will be excellent bureaucrats, but, who will be poor combat leaders. Can we afford this as a nation? I think not, I, therefore, commend the recent article on this matter by M. Stanton Evans in Human Events of June 24, 1978 to the attention of my colleagues. The article follows:

GENERAL SINGLAUB BLASTS CARTER ON MUZZLING

(By M. Stanton Evans)

The Carter Administration is making major strategy decisions in the Cold War without input from military leaders, then cracking down on those who dare to voice their disagreement with its policies.

This is the somber message conveyed to the American public in recent days by Maj. Gen. John K. Singlaub (U.S.A., Ret.), former chief negotiator with the North Koreans. Singlaub in the past 12 months has twice been subjected to official reprisals for excessive cando: last year when he dissented from the projected withdrawal of U.S. forces in Korea, this year when he said the neutron bomb should not be canceled without some concessions from the Soviets. The latter episode brought about his early forced retirement from the service.

In heavily attended meetings in the Nation's Capital, sponsored by the American Security Council and the American Conservative Union, Singlaub accused the Carter regime of deceiving both the South Koreans and the American people concerning troop withdrawals from Korea. He was cashiered from his Korean command for allegedly disagreeing with an "announced position" of the U.S. government when he told an interviewer, "if we withdraw our ground forces on the schedule suggested it would lead to war." The impression was conveyed that Singlaub had committed an act of blatant insubordination.

In fact, the general said, there was no official "announced position" when he made his statement, and the first time he was told the policy had been set in concrete was when the wrath of the White House descended on him. The official view as it had been given to him, he said, was that the matter of troop withdrawal was still an open question. He noted that this point was especially stressed to the South Koreans, who were told there would be "honest to goodness" consultations with them before a policy was arrived at.

In other words, one policy for the South Koreans, another for the inner circle at the White House—an exercise that was torpedoed by Singlaub's comments. The backlash against him, Singlaub asserted, made it plain that "we were not being completely honest with the South Koreans." Nor, apparently, with the U.S. Joint Chiefs of Staff. Singlaub said the chiefs "were given three unsatisfactory withdrawal plans and told to choose among them." There was no authentic military input concerning the decision to withdraw as such.

As for the withdrawal itself, Singlaub is still against it. The North Koreans, he observed, have military forces stronger than the South Korean and United Nations (U.S.) forces put together—a fact presumably unknown to candidate Carter when he brought up the subject in 1976, but readily accessible to President Carter in 1978. (It's estimated North Korea has roughly a 2-to-1 advantage over South Korea in artillery, armor, combat aircraft and other indices of firepower.)

Equally important, Singlaub said, is the aggressive deployment of North Korean forces: "I refer specifically to their continued infiltration of agents through the demilitarized zone and by the sea into the islands on the coast of South Korea. They have conducted tunneling operations which are obviously only for offensive activity. The North Koreans have moved their artillery forward so that they are now just north of the demilitarized zone. They have moved their airfields forward to extend the range of their aircraft into South Korea."

Singlaub also accused the Carter regime of ignoring military opinion on the neutron bomb. Once more, he charged, the Joint Chiefs were denied a realistic input—this time on a weapon which could counter the Communist advantage in Europe in tanks and other mechanized military forces. "The cancellation of that great hope of NATO," he said, "appeared to me to be unsound on the basis of military considerations. I consider, and have expressed the view, that to cancel it without receiving any compensating concession from the Soviets is throwing away a trump card. I have expressed the view, and feel rather strongly, that the cancellation of the B–1 bomber is in somewhat the same category."

Making matters worse, Singlaub concluded, is the Administration's unwillingness to hear dissent once such decisions have been made. His own experience is the most vivid example, but not the only one. In the case of the Panama Canal treaties, he noted, it was made clear to the Joint Chiefs of Staff that "they could feel free to disagree with these treaties—and to resign if they do."

Asked if this weren't a policy of "systematic muzzling" of the military, Singlaub responded: "Let's just say that speaking out has not been particularly popular."

* * *.●

NEW YORK RESOLUTION HONORING ARTHUR AND BETTE BECKER

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. WOLFF. Mr. Speaker, I rise today to bring to the attention of this House a resolution by the New York State Legislature honoring Arthur and Bette Becker who will be celebrating their 50th wedding anniversary on August 10 of this year. This event is not only a milestone in their own lives, but is an inspiration to all who value enduring affections and fidelity to commitment. As the sponsor of legislation to establish a White House Conference on the Family, I have been keenly aware of the need for guidance for those individuals who enter marriage. Psychologists, sociologists, and clergy can help to provide this guidance. Arthur and Bette Becker have already provided the model.

The resolution follows:

RESOLUTION

Assembly Resolution congratulating and honoring Mr. and Mrs. Arthur Becker of Long Beach, New York on the occasion of their Fiftieth Wedding Anniversary to be celebrated August tenth, nineteen hundred seventy-eight.

Whereas, Arthur and Bette Becker will celebrate the Fiftieth Anniversary of their marriage on the tenth day of August, nineteen hundred seventy-eight in the company of family and friends; and

Whereas, This devoted husband and wife are the proud parents of a daughter, Rhoda who is the wife of Julius Golden and the joyous grandparents of two delightful grandsons, Spencer Golden and Todd Golden; and

Whereas, These Golden Jubilarians are longtime residents of Long Beach, New York and are active in the affairs of their community and their concern for local issues is a natural extension of the prior service of Mr. Becker who served with distinction on the Long Beach City Council; and

Whereas, Presently Arthur Becker is the Administrative Director of the New York State Assembly Committee on Ways and Means to which prestigious post he has brought his considerable knowledges, skills and abilities which have been well-developed and tested in his prior service as Councilman and in his former legislative position as Clerk to the New York State Assembly's Committee on Corporations, Authorities and Commissions; and

Whereas, It is the sense of this Legislative Body that when a celebration of such an enduring and blessed marriage is brought to our attention, that the same should be memorialized by this Body for the emulation and edification of others; now, therefore, be it

Resolved, That this Legislative Body pauses in its deliberations and jubilantly congratulates Mr. and Mrs. Arthur Becker on this auspicious occasion of their Golden Wedding Anniversary and wishes this devoted couple continued marital bliss and well-being; and be it further

Resolved, That a copy of this resolution, suitably engrossed, be transmitted to Mr. and Mrs. Arthur Becker.

RETIRED ADMIRAL POINTS TO ARMS DANGERS

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. SIMON. Mr. Speaker, there were a number of statements made at the U.N. Disarmament Session which were of significance.

Certainly one of the finest was that by a retired former rear admiral of the U.S. Navy, Gene R. LaRocque.

He is now associated with the Center for Defense Information.

I am inserting his statement in the RECORD in the belief that he brings a perspective that we all should pay some attention to.

One sentence struck me particularly as he made his presentation, "I have often been struck by the lack of awareness even on the part of military officers of the enormous size of nuclear arsenals."

I am sure there are those in the military who will find points to disagree with, but I am also sure that his statement is one that we should weigh carefully.

The statements follow:

STATEMENTS BY RETIRED REAR ADM. GENE R. LAROCQUE

It is an honour for me to address this unprecedented gathering of the world community on the most important issue of our time—survival. The United Nations special session on disarmament is taken seriously by all those who are aware of the menacing turn the arms race is taking. I congratulate those nations and individuals that persevered in bringing this session about.

Nuclear war is an unrelenting and growing threat to hundreds of millions of people. A third world war, with nuclear weapons, can happen and almost certainly will happen unless all Governments confront this most uncomfortable reality.

I am a citizen of the United States and a career military officer. I served in the Navy of my country for 31 years. I have fought in combat and held command posts at sea and on land and participated in strategic and nuclear planning. I have experienced at first hand the impact that nuclear weapons have had on military affairs.

Since retiring from active duty, I have been the director of a non-governmental research organization, the Center for Defense Information, a project of the Fund for Peace. We are a source of independent, objective analysis of military developments. Our Center is particularly active in providing factual information about the nuclear arms race and the consequences of nuclear war.

The traditional role of all military in all countries, in case of war, is to win. The military profession, to be blunt, has always sought superiority. Military men tend to be uncomfortable with notions of military balance or equilibrium. We military men constantly seek to strengthen the defense of our countries and maintain our advantages. I believe that the military in all countries share this impulse. We are not diplomats; we are soldiers, sailors and airmen. We feel reassured by big military establishments; we believe that the security of our people is enhanced by spending for additional war-fighting and war-winning capabilities.

There may be places in the world where warfare can occur on a limited scale without threatening wider destruction. But those areas are few and shrinking. My experience in the United States military has convinced me that nuclear weapons have changed the traditional rules of warfare. To use an American phrase, "It's a whole new ball game".

I am, of course, speaking primarily of the relationship between the United States and the Soviet Union and their respective military alliances. Despite the constant friction and conflicts that have occurred over many decades, there has never been a war between our two countries. But today, as irrational as it may seem, Soviet and American leaders are planning and arming for nuclear war.

A recent top-level United States Government study concluded that, at a minimum, 140 million people in the United States, and 113 million people in the Soviet Union would be killed in a major nuclear war. Almost three quarters of the economy of each country would be destroyed. In such a conflict, the analysis concluded, "neither side could conceivably be described as a winner".

Nor would the rest of the world be safe. Radiation would poison vast stretches of the planet not directly involved in the war. And the threat of ozone damage and ecological disruption leaves us no assurance that the earth would remain habitable for life as we know it.

Despite this, the United States and the Soviet Union continue to approach the accumulation of military power in the nuclear age very much as they have in the past. Both countries constantly seek to improve their nuclear and conventional forces.

Many of us are shocked and sobered by the mad nuclear scramble of the super-Powers. It seems so obvious that they have diminished their own security in the nuclear competition. We all know that a balance of terror provides a precarious peace.

The Soviet Union and the United States are, in part, victims of modern military technology. Advances in weaponry, particularly better delivery systems, have dramatically compressed time and space. Thus, military leaders believe they must maintain large forces on a close-to-war status. In a nuclear war, each nation could destroy the other in 30 minutes. Nuclear missiles launched from submarines could land within 15 minutes. There is no defense, regardless of who strikes first.

The prospect of immediate mass destruction seems to compel high states of military readiness, and this situation inspires mutual suspicion and rhetorical harshness.

The continuation of the nuclear-arms race is also made possible by widespread apathy about the danger of nuclear war. Many people believe nuclear weapons will never be used. But as someone who has been directly involved in United States nuclear planning, I can tell representatives that my country has plans and forces for actually fighting nuclear war.

Our military field manuals detail the use of nuclear weapons. Our troops, airmen, and navy men train and practice for nuclear war. Nuclear war is an integral part of American military planning and the United States is prepared to use nuclear weapons anywhere in the world. I believe Soviet Union is as nuclear-oriented in its military preparations as in the United States. The military in both countries see nuclear weapons as a central instrument of military power. They are prepared to use them right now in many contingencies.

As a citizen of the United States, I do not hesitate to point out that my country has generally taken the lead in the nuclear-arms race. The United States is a rich country with vast technological resources. We have been, on the average, five years ahead of the Soviet Union in introducing new nuclear weapons. We were first to develop the atomic bomb, the hydrogen bomb, the intercontinental bomber, effective intercontinental ballistic missiles, modern nuclear-powered strategic submarines, and multiple warheads (MIRVs) for our missiles.

The United States continues to maintain, as President Carter recently asserted, a significant edge over the Soviet Union in the effectiveness of our strategic weapons as measured by such factors as missile accuracy and numbers of nuclear weapons.

In recent years, the United States has not been sitting on its hands in the nuclear competition. The United States has added more nuclear weapons to its arsenal than has the Soviet Union, going from 4,000 strategic nuclear weapons in 1970 to 9,000 in 1978. During this same period, the Soviet Union increased its strategic nuclear weapons from 1,800 to 4,500. The United States has maintained a two-to-one edge in deliverable nuclear weapons throughout the period 1970 to 1978.

This discrepancy in numbers, however, makes no sense and no difference, as each country can obliterate the entire urban and industrial complex of the other regardless of who strikes first. The United States has 35 strategic nuclear weapons for every Soviet city of over 100,000 inhabitants. The Soviet Union has 28 strategic nuclear weapons for every United States city of over 100,000 inhabitants.

The United States Secretary of Defense Harold Brown asserted in his annual report on the fiscal 1979 military budget that United States nuclear war plans include "destruction of a minimum of 200 major Soviet cities".

The greater danger is that both countries are moving towards a first strike. Improvements in the accuracy of missiles, particularly land-based missiles, stimulate fears about the adequacy of existing nuclear forces in the Soviet Union and the United States.

If everyone, including military officials, were more conscious of the tremendous destructive potential of nuclear weapons we might stop worrying about questions of "advantage" in the nuclear-arms race. For example, just two United States Poseidon submarines which carry 320 nuclear weapons can destroy all the major Soviet cities, with the destructive potential of 1,000 Hiroshima-size weapons.

Today the United States, with 41 strategic submarines, has more than 21 such submarines at sea constantly. The United States now maintains round-the-clock some 3,000 strategic nuclear weapons at sea in submarines off the coast of the Soviet Union. The Soviet Union, normally deploying far fewer strategic submarines at sea, keeps a formidable force of approximately 200 sea-based nuclear weapons constantly targeted on the United States.

The United States is now deploying a more powerful warhead, the Mark 12A, on its Minuteman III land-based missiles. Just one of these missiles will contain the destructive power of 80 Hiroshima-size weapons. Individual Soviet missiles contain an even larger destructive potential.

Both the United States and the Soviet Union are now stepping up their nuclear weapons developments. The Soviet Union, following the path of the United States, is substantially increasing its intercontinental nuclear weapons by putting more than one nuclear weapon on its strategic missiles.

Under the present United States Administration, funding for the production of new nuclear warheads has risen 70 per cent to produce warheads for Trident missiles, Minuteman III missiles, air-launched cruise missiles, artillery shells and other nuclear weapons. Military secrecy in the Soviet Union prevents us from knowing the new weapons that may be planned in that country.

The recital of the details of the nuclear competition could go on endlessly. It can be numbing. It is certainly depressing. However, no serious disarmament measures can take place in the absence of full information about military forces. There is widespread ignorance on the part both of citizens and of Government officials about world military activity. I have often been struck by the lack of awareness even on the part of military officers of the enormous size of nuclear arsenals.

This matter of information brings me to the suggestions which I would offer for consideration at this special session. What should be done?

I cannot offer a broad-scale programme of action or a magic key to the nuclear maze, but I do have a few thoughts about practical steps that can be taken.

First, the role of the United Nations as a repository of information on world military activity should be strengthened. All Govern-

ments should submit a report each year on their military spending and force levels and the United Nations should publish that information in an annual military yearbook. The United Nations Centre for Disarmament Studies could be an appropriate agency to collect and publish that material.

Article 47 of the United Nations Charter charges the United Nations Military Staff Committee to:

". . . advise and assist the Security Council on all questions relating to . . . the regulation of armaments, and possible disarmament."

The Military Staff Committee, with a more representative membership, could serve as a source of information and analysis of disarmament efforts. As a beginning, that Committee should report to this year's session of the General Assembly on its performance to date in fulfilling the Charter's charge.

Secondly, both the United States and the Soviet Union should adopt measures crucial to the control of the proliferation of nuclear weapons. Preventing the spread of nuclear weapons is essential for the survival of the United States and the Soviet Union. It has been estimated that in 20 years a hundred countries will possess the materials and the knowledge necessary to produce nuclear weapons. By the year 2000, the total amount of plutonium produced as a by-product of global nuclear power will be the equivalent of a million nuclear bombs.

Both countries should pledge themselves never to use nuclear weapons against non-nuclear States—I really wish they would pledge themselves never to use nuclear weapons at all. I can think of no military utility, though, in the use of nuclear weapons by the Super-Powers against non-nuclear countries.

Stopping production of fissionable materials for weapons has been proposed by previous United States administrations and is more feasible today than ever before. The United States and the Soviet Union have enormous stocks of nuclear weapons and weapons material and have no military need to continue the production of fissionable material. They now have more than they will ever need. The halting of production could be followed by a complete moratorium on all manufacture of nuclear weapons, since both the United States and the Soviet Union now have more weapons than they will ever need.

The ending of all nuclear-weapons testing also is feasible right now. The United States has tested more than 600 nuclear weapons; the Soviet Union has tested more than 350. Both should now have learnt all that is necessary. This special session should urge all nations to stop producing fissionable material, stop making nuclear weapons and stop testing nuclear weapons.

Thirdly, without significantly reducing their military capabilities the United States and the Soviet Union could eliminate most, if not all, nuclear weapons from their naval surface ships. With the ships of both navies roaming the far reaches of the world's oceans, the potential for nuclear war arising out of naval incidents increases. Both navies are extensively nuclearized, with several thousand nuclear weapons aboard surface ships of the United States Navy.

Fourthly, a start should be made on the reduction of the huge nuclear arsenals of the United States and the Soviet Union by the dismantling, over a five-year period, of all land-based Intercontinental Ballistic Missiles (ICBMs). The United States has about 1,000 ICBMs and the Soviet Union about 1,400. The scrapping of ICBSs would solve many of the problems that at present preoccupy the military and the press, particularly in the United States. Both the United States and the Soviet Union are becoming increasingly worried about the vulnerability of their ICBMs. I consider the attacks they fear to be unlikely in the extreme, but giving up the traditional attachment to ICBMs would make both countries feel safer.

The elimination of ICBMs would be easier for the United States than for the Soviet Union, since the Soviet Union today has a much smaller proportion of its strategic weapons on bombers and on submarines. However, it is expected that the Soviet Union will shortly begin to put multiple warheads on its many sea-based missiles and become much less reliant on ICBMs. Nuclear deterrence can be accomplished without ICBMs.

In conclusion, this special session devoted to disarmament, with 149 countries present, demonstrates the realization on the part of all countries that their territory could provide the spark that could ignite nuclear war. Knowledgeable military men are aware that there would be world-wide consequences from a nuclear war. There is no defence, nowhere to hide.

The Governments of the United States and the Soviet Union have carelessly let their relations deteriorate to an alarming extent. Political leaders must take control of events and not permit the military, or technology, to control them. The non-nuclear countries can act as the burr under the saddle to push the nuclear Powers in the direction of reason. If we are to survive on this planet, the arms race must be slowed, stopped and reversed, and the time to start is now.●

FLOWERS AMENDMENT TO THE DEPARTMENT OF ENERGY AUTHORIZATION BILL, H.R. 12163

HON. WALTER FLOWERS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. FLOWERS. Mr. Speaker, I am including in the RECORD today the text of my compromise amendment to the Department of Energy authorization bill. I plan to offer this amendment when the bill is considered on the floor so that the U.S. breeder option is preserved by undertaking an accelerated design effort for a larger plant which will build on what has been learned in the Clinch River project.

The amendment follows:

AMENDMENTS TO TEAGUE AMENDMENTS

On page 10, lines 16 and 17, strike the amount "$465,301,000" and substitute in lieu thereof "$306,401,000."

On page 14, line 17, strike the words beginning on line 17 through page 15, line 16, and insert in lieu thereof the following:

"Sec. 204. (a) Section 106 of Public Law 91-273, as amended, is further amended by adding at the end thereof the following new subsection:

"(d)(1) With respect to the Clinch River Breeder Reactor Project, the Secretary of Energy is authorized and directed only to complete systems design and to complete and test such selected components as are necessary and appropriate for the purposes of paragraphs (2) and (4) of this section.

(2) The Secretary shall conduct a conceptual design study on an advanced breeder reactor facility utilizing the uranium/plutonium and uranium/thorium fuel cycles. Such study shall use conceptual planning and systems design studies to serve as the design basis for a large demonstration facility, and shall address such factors as size and cost of such a facility, as well as generic environmental, technical, and safety issues.

(3) The Secretary shall furnish to the House Committee on Science and Technology and the Senate Committee on Energy and Natural Resources progress reports on the study described in paragraph (2) commencing one year after the date of enactment of this section and each succeeding six months thereafter. The final report by the Secretary on the study shall be transmitted to the said committees no later than March 31, 1981. Such final report shall include recommendations with regard to conceptual plant design, and timing for such a facility (including estimates of time necessary to definitize design, license, construct and place such a facility in operation), and estimates of plant costs. The report shall also include a discussion of possible alternatives for industry and utilities involvement in definitive design, construction and operation of a large plant.

(4) The Secretary shall also prepare a detailed program plan for the Liquid Metal Fast Breeder Reactor Base Technology Program with particular emphasis on the sodium components development and test program, which integrated program plan shall be transmitted to the Congress contemporaneously with the final report required under paragraph (3)."

(b) The Secretary of Energy is hereby directed to take such action with respect to contractual instruments entered into in connection with the Clinch River Breeder Reactor Project as in his judgment are necessary or appropriate to carry out section 106 of Public Law 91-273, as amended by subsection (a) of this section.

(c) There is authorized to be appropriated for Fiscal Year 1979 the sum of $55,000,000 to carry out this section and in addition the unexpended portion of any appropriations heretofore made for the Clinch River Breeder Reactor Project is authorized to be available instead to carry out the purposes of this section, as provided for in appropriation acts.".●

IMPACT AID

HON. NORMAN E. D'AMOURS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. D'AMOURS. Mr. Speaker, an amendment will be offered to the Impact Aid title of H.R. 15 which would phase out coverage of nonmilitary "B" children whose parents live or work on tax exempt Federal property.

This amendment would have a devastating effect on over 4,300 school districts across the Nation. It would place an increased burden on local property taxes. It would withdraw benefits from over 1¾ million pupils.

The following chart lists the amount of money each State will lose if this amendment is adopted, and the proportion of each State's impact aid students who will no longer be eligible for benefits:

State:	(1)	(2)
Alabama	$10,903,497.69	82.50
Alaska	4,170,634.48	34.96
Arizona	3,709,998.95	35.05
Arkansas	2,580,327.37	71.21
California	40,834,108.94	60.85
Colorado	8,033,156.26	64.08
Connecticut	3,871,052.93	69.63
Delaware	697,445.12	73.37
District of Columbia	5,958,759.28	92.35
Florida	10,761,840.09	57.33

State:	(1)	(2)
Georgia	12,474,317.77	78.34
Hawaii	3,885,387.22	48.86
Idaho	2,427,454.42	72.48
Illinois	15,583,304.33	85.55
Indiana	2,970,743.56	84.25
Iowa	1,074,936.62	87.93
Kansas	2,945,730.37	59.63
Kentucky	4,131,378.57	85.70
Louisiana	5,202,347.12	75.00
Maine	1,271,442.48	58.91
Maryland	27,810,458.85	81.84
Massachusetts	6,442,772.63	81.36
Michigan	4,138,481.17	70.12
Minnesota	2,595,684.51	75.83
Mississippi	2,761,192.77	65.54
Missouri	5,785,912.72	75.13
Montana	1,347,036.30	39.48
Nebraska	979,731.06	29.05
Nevada	2,009,170.03	64.04
New Hampshire	1,798,505.92	73.83
New Jersey	13,753,169.10	83.50
New Mexico	5,939,250.22	53.49
New York	58,327,928.29	90.10
North Carolina	8,441,355.19	64.29
North Dakota	1,111,253.73	41.43
Ohio	12,960,367.33	85.54
Oklahoma	6,179,664.99	54.92
Oregon	2,645,377.54	78.49
Pennsylvania	16,678,593.68	93.51
Puerto Rico, V.I.	14,788,010.61	95.95
Rhode Island	1,370,527.05	72.03
South Carolina	4,525,494.62	55.94
South Dakota	1,049,763.35	35.39
Tennessee	10,217,238.59	86.71
Texas	21,033,940.71	64.01
Utah	7,323,268.79	86.07
Vermont	256,791.94	92.15
Virginia	27,763,023.61	58.78
Washington	9,287,462.47	62.84
West Virginia	785,666.46	87.42
Wisconsin	1,730,342.36	74.94
Wyoming	1,988,302.46	70.15

[1] Estimated fiscal year 1979 payment for non-military B students.

[2] Non-military B students as a percent of total Impact Aid students.

This data was prepared by the Congressional Research Service of the Library of Congress and shows the estimated fiscal year 1979 payment through tier II under the provisions of H.R. 15 as reported from the House Education and Labor Committee.●

SOVIET AND THIRD WORLD MOVE AGAINST THE FREE PRESS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. McDONALD. Mr. Speaker, the International Organization of Journalists (IOJ), a front controlled by the Soviet Union with headquarters in Prague, has joined with the government-controlled news agencies of Cuba—Prensa Latina—and Yugoslavia—Tanjug—the two mainstays of the so-called "nonalined" news pool organized in 1975, in supporting formation of a government-controlled news and information cartel for Africa, tentatively called the Pan African News Agency (PANA), which is intended to end the activities of news reporters and journalists from the free world press in that region.

Despite the development of this move to close Africa and other areas of the Third World to Western journalists, little concern has been expressed by the U.S. media either in articles and editorials or in the journalism reviews.

For the past 3 years, the Soviet bloc and its Third World allies have spearheaded, through their control of UNESCO, a campaign for a "new international information order." Objecting to the reporting in the foreign free press of "derogatory" information on these governments particularly in the areas of corruption, mismanagement, and human rights abuses, the plan calls for the setting up of regional "news" pools provided with "positive" material from the information departments of member governments.

Under the banner of "decolonization of information," Western news agencies such as AFP, EFE, UPI, and Reuters and Western newspapers with their own foreign correspondents would be required, as outlined in a proposal drafted in Kampala last November which is to be submitted to the upcoming meeting of the Organization of African Unit (OAU), "to subscribe only to PANA for African news."

The rationale for the "new international information order" was recently spelled out in the misnamed IOJ journal, Democratic Journalist, by Ernesto Vera, an IOJ vice-president who is also general secretary of the Cuban Union of Journalists. According to this Cuban Communist, the Western "imperialist mass media" reports on disasters, famines, corruption, inadequacies, human rights, and political affairs and protests. The result of such reporting, asserted Vera, is to perpetuate the differences between rich and poor countries.

The Soviet Unions' efforts to impose a worldwide control on the press via a UNESCO declaration of guidelines on the world press appear to be near their goal. The Soviet bloc and Third World demand for government-controlled "developmental journalism," as they term it, was a topic at a UNESCO meeting in Stockholm last April which was chaired by Sean MacBride, formerly chief of staff of the terrorist Irish Republican Army (IRA).

UNESCO's secretary-general selected Kaarle Nordenstreng, head of the Finnish IOJ section and an open admirer of the Soviet Union in a country whose general public despises the U.S.S.R. for its heavy-handed domination of Finnish affairs since the Red Army stole Finnish land for Stalin in the 1939 war, as one of the two people to produce a new draft declaration proclaiming the so-called "right" of governments to control the press and the activities of news reporters in the name of "decolonization of information." The IOJ operates several training centers for Third World journalists in Czechoslovakia and other Eastern European countries at which indoctrination and intelligence recruitment functions are also carried out. It is well known from the reports of former Soviet and Eastern European officials that the International Organization of Journalists, like the World Peace Council and other Soviet-dominated international fronts, operates under the direction of the International Department of the Communist Party of the Soviet Union (CPSU) and of the KGB. At least one-half of the IOJ budget is reportedly covertly supplied by the Soviet Union.

A number of promoters of the "new international information order" have established a base in Western countries. For example, the former socialist government in the Netherlands gave support and funding to a number of dubious organizations and conferences involved with the campaign against the Western news media; but, although the government has changed, these groups have been able to use their contacts with bureaucrats to continue to draw their government subsidies. One of these projects, Fugitive Films, is making a move about Cuban "trade union cooperatives" with the assistance of the Cuban film agency. There is little doubt that the product of that collaboration will not be an exposé of the slave labor conditions of Cuban working men and women or of the fake trade unions run by the Cuban Communist dictatorship.

Another interesting operation is the Interpress news agency originally established in Rome, Italy, with financial support from the Christian Democratic Party. In recent years, Interpress has veered sharply to the left of the Christian Democrats and now is cooperating with the so-called nonaligned news pool operated by Prensa Latina and Tanjug. The boss of the Interpress office in Rome is Roberto Savio, a leader and activist in the IOJ, who is currently organizing a new training center for Third World journalists in Sofia, Bulgaria. At an IOJ meeting in Budapest in 1968, when members of a number of Communist parties criticized the Soviet Union's blatant resort to military invasion against the Communist government of Czechoslovakia, Savio's criticism was of Western press coverage of the Soviet invasion.

The head of the Interpress operation in England is Philip Kelly, a close collaborator with CIA defector and admitted "revolutionary socialist" Philip Agee. Kelly and another member of the Agee apparat in Britain, U.S. citizen Mark Hosenball who was deported, as was Agee, from England in May 1977, were the coauthors of an article in the first edition of a radical magazine called the Leveller which identified alleged British intelligence agents. The Leveller was designed to follow the path of Counter-spy magazine in this country with which Agee and other revolutionaries worked.

Philip Kelly's bias in favor of the Soviet Communists was revealed in an interview in which he was asked whether or not he would expose KGB operations in Britain. Kelly replied that he was not interested in exposing KGB operations because "there is nothing wrong with Russian foreign policy. And anyway, the KGB only operates internally to repress subversive elements."

Events related to the Agee apparat in Britain have resulted in the prosecution of the Leveller, another radical magazine, Peace News, and the publication of the National Union of Journalists for violation of Britain's Official Secrets Act by printing the name of a British intelligence officer, Col. Hugh Johnstone, granted anonymity as "Col. B" when he appeared in court last November to testify about the seriousness of the actions against intelligence operations by members of Agee's network.

It will be recalled that Agee and Mark Rosenball were deported from Britain in May of 1977, after all their appeals were exhausted. Three other members of the Agee apparat, former British intelligence officer John Berry and writers Crispin Aubrey and Duncan Campbell, were charged with violation of the Official Secrets Act.

Hosenball had written an article published in the radical Time Out magazine on the British Signals Intelligence—SIGINT—program which identified the location of its headquarters at Cheltenham in western England, and strongly implied that SIGINT was monitoring the wave lengths used by the terrorist Provisional Irish Republican Army (IRA) for the detonators of their radio-triggered bombs. During 1976 so many IRA terrorists died in premature explosions of their own bombs that their Libyan and Palestinian comrades could not give away, let alone sell radio-triggered detonators.

Colonel Johnstone was the head of the British SIGINT program for 3 years until last October. At the November 1977 hearing to commit for trial Campbell and Berry, charged under the espionage provisions of the Official Secrets Act, and Aubrey, accused of aiding and abetting Campbell, Colonel Johnstone stated that:

> Identification plus location plus knowledge of the tasks must provide a target or potential enemy with a very great stimulus to take countermeasures. * * * From SIGINT's point of view, at best, this will probably mean more men being required to extract the same amount of intelligence or, at worst, it may result in the total loss of intelligence.

Several Labour Party Members of Parliament then revealed the Colonel's identity. Despite warnings not to further publish the name from the Public Prosecutor's office, the three magazines decided to defy the Officials Secrets Act and are now being prosecuted.

Meanwhile, IOJ activist and Interpress boss Roberto Savio attended an Amsterdam conference on "international communications" in which the Institute for Policy Studies' Transnational Institute (IPS/TNI) was heavily involved, and which was sponsored by the Latin American Institute of Transnational Studies (ILET) (based in Mexico City and run by a Marxist Chilean exile formerly associated with IPS/TNI director and KGB agent of influence Orlando Letelier named Juan Somavia. ILET and IPS/TNI have collaborated on previous projects and the continuing association of IPS/TNI with Soviet-sponsored international projects demonstrates the fact that the subversive network directed by Letelier continues under new management.

ILET chief Somavia violently attacked Western news reporters serving as foreign correspondents as "foreign entities" acting as "agents of fundamental social influence" even though often their stories are not published in the country where they work. Meanwhile comrade Savio of Interpress used his attendance at the ILET/TNI conference to get in touch with the Dutch news agency, ANP, via a top Dutch Government official and persuade ANP to pay Interpress almost $1,000 for a subscription to the Interpress news briefing service. According to foreign press accounts, ANP's subscription to Interpress is being refunded quietly by the Dutch Ministry of Overseas Development under an arrangement made by the former Labor government.

Two "news" services similar to Savio's Interpress are operating in the United States. They are Pacific News Service (PNS), funded via the Institute for Policy Studies' San Francisco affiliate, the Bay Area Institute; and the Berkeley, Calif., based International Bulletin. Pacific News Service and the International Bulletin are both operated by veterans of the North American Congress on Latin America (NACLA), a Castroite self-admitted "anti-imperialist" group who "not only favor revolutionary change in Latin America, but also take a revolutionary position toward their own society." Philip Agee openly credited NACLA and agencies of the Cuban Government for providing him with documentation for his anti-CIA smear book.

Those of my colleagues who recall the text of the documents of Orlando Letelier published in the CONGRESSIONAL RECORD on June 23, 1977 [20618–20624], remember the letter from NACLA to staffer Elizabeth Farnsworth to Letelier introducing one of NACLA's secret contacts in the U.S. Department of the Treasury, economist Richard Feinberg, who subsequently left the Treasury Department and was immediately hired by Tony Lake as a policy planning staff member. Farnsworth and other NACLA staffers write frequently for Pacific News Service and International Bulletin.

Increasingly we find the mass media picking up propaganda and, mistaking it for news, becoming the unwitting dupes of Communist disinformation specialists. As this assault on our media continues to escalate, my veteran research staff report that it is now, more necessary than previously, to trace the propaganda lines from the Soviet and Communist controlled media abroad to our own radio and television stations, magazines, and newspapers. The monitoring undertaken by my staff of the foreign and Communist press has established a pattern of Soviet disinformation that appears increasingly to have a major impact on domestic issues in our country, and on our national defense, and on foreign policy.

Clearly the propaganda and disinformation mills directed from Moscow, Havana, and Prague show no indication of lessening the attack on the free press and its foreign correspondents even as they attempt to slander and undermine the Free World's other source of information, its intelligence agencies.●

PITTSBURGH GIRL WINS MARBLE TOURNEY

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, the domination of the National Marbles Tournament by Pittsburgh area youngsters has continued this year as 13-year-old Diane Bertosh, a constituent of mine from Pittsburgh's Lawrenceville community, captured first place in the girls division of the competition.

Pittsburgh area young people have won either the boys or girls championship in several of the recent annual contests.

Diane's only loss in this year's event was to another Pittsburgher, Denise Ricci, who was runner-up in the girls division.

I wish to congratulate Diane and the other young people for their performance and the sponsors of the "Big Blue Marble" tournament for their interest in young people.

The Pittsburgh Press of Friday, June 30, carried an article about Diane's victory.

[From the Pittsburgh Press, June 30, 1978]

LAWRENCE GIRL CHAMP IN NATIONAL MARBLES TOURNEY

WILDWOOD, N.J.—Diane Bertosh has extended the Pittsburgh district's long tradition of bringing home a championship by capturing first place in the girls' division of the 55th annual national marbles tournament.

The 13-year-old sharpshooter from Pittsburgh's Lawrenceville district finished last night with a record of eight victories and one defeat in the title round.

Diane's only loss was to second-place winner Denise Ricci, 13, of Pittsburgh's South Side, who ended up with a 7-2 record.

Mark Zupsic, 14, and Chuckie Bosiljevac, 14, both of Lawrenceville, took second and third places, respectively, in the boys' division, losing to Dean Feinauer, 13, of Reading.

Allegheny County team coach Walter Lease said, "We lost the boys' champions three times by one marble."

He added, "We couldn't do any better except to win. I was proud of the girls and just as proud of the boys."

The tournament was a close one, Lease said, adding that Dean tied both Chuckie and Mark, then beat them five games out of nine. Dean's record in the finals was 11–10.

The girls were also close contestants, Lease said. Denise and Diane "cut each other's throats all week long," he said.

The champions of the "Big Blue Marble" tournament receive a $600 scholarship, trophies and will appear on the Mike Douglas show.●

SOLZHENITSYN AND AMERICAN INDEPENDENCE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for May 24, 1978, into the CONGRESSIONAL RECORD:

ALEXANDER SOLZHENITSYN AND AMERICAN INDEPENDENCE

Alexander Solzhenitsyn, the well-known Russian novelist who has written so forcefully of the terror of Soviet prison camps, is saying some harsh words about America these days. His recent commencement address at Harvard University has stirred uncommon interest. It has been much on my mind as we celebrate another anniversary of our national independence.

In his address Mr. Solzhenitsyn castigates the West for its failing courage and its "cult of material well-being." Since the constant search for "still more things" blocks spiritual development, he calls for our spiritual awakening. He also decries the lack of voluntary self-restraint in the West and denounces its "moral mediocrity." In no uncertain terms this famous writer makes it known that he does not approve of our living habits, our television stupor or our intolerable music. In fact, he believes that we live in a "perishing society." With the forces of evil beginning their decisive offensive, "what," he asks, "is the joy about?" As strange as it may seem, Mr. Solzhenitsyn thinks that his native land provides a healthier moral environment than does the West. Behind his view is the idea that suffering leads to virtue and prosperity to decadence.

Although we are not accustomed to being so strongly condemned, we have a duty to listen to a man like Mr. Solzhenitsyn. He is a prophet, a mystic and a Nobel Prize winner. He has told one of the most important human rights stories of our time—the struggle of the Russian people against their Communist masters. As a man who has experienced brutal persecution first hand, Mr. Solzhenitsyn says much that should be carefully heeded. His insight and his emphasis on spiritual values must not be ignored. He speaks some uncomfortable truths about our society.

Even so, Mr. Solzhenitsyn's blistering attack on the West makes me worry that his valuable message may not be heard. It also makes me wonder whether he appreciates the basic ideas and realities of his adopted country. This renowned author seems to see the free world through a lens clouded by his past. His hatred of communism is understandable, but it distorts his perception of democracy and private enterprise. He appears determined to lecture us rather than help us solve our problems. I confess that I am puzzled by Mr. Solzhenitsyn's one-sided attitude. He is an intelligent man, and surely he must be aware that he could speak as freely as he does only in a free society. The very fact that he is not censored, harassed or arrested for what he says should show him that he is partly wrong, unless he believes that his words are unimportant.

I have the feeling that Mr. Solzhenitsyn has not really made much of an effort to learn about America. Living as he does in his secluded home in Vermont, he may be getting his impressions of American life from television or books, not from direct contact with people. My guess is that he would not find much of the "moral mediocrity" he deplores if he spent a few weekends with me in Southern Indiana. It may also be that Mr. Solzhenitsyn does not want to learn about America. He is not an advocate of individual liberty and he has no confidence in what he calls "the way of western pluralistic democracy." Maybe he thinks that human nature is too corrupt to be free of political controls. Perhaps he favors a benevolent authoritarianism. Whatever the case may be, I find his ideas about democracy primitive and curious.

In all of this Mr. Solzhenitsyn can be contrasted with the Founding Fathers of our nation, whose contribution we remember this week. They chose a free system of government, despite its confusion and untidiness, over an authoritarian system. Reading the Harvard speech made me think again that no one in this country or the world can afford to be ignorant of the faith in ordered liberty and constitutional government that animated our remarkable predecessors. Such an ignorance is Mr. Solzhenitsyn's problem. For all his brilliance, he simply does not know how the democratic process works or why its primary concern is the individual. He does not recognize the importance of the consent of the governed.

Contrary to what Mr. Solzhenitsyn says, America is not on a downhill course. It is a nation of vital people and awesome resources which seeks a better way and strives for a more perfect union. The magnitude and complexity of our problems and the voices of gloom, like Mr. Solzhenitsyn's, must not overwhelm us. It is essential that we keep faith with the country that nurtured us in prosperity and allowed us to be trusted with freedom. We must get on with the job of facing the challenges that lie ahead. America is by no means an achieved state. It is rather, as Woodrow Wilson said, a living tissue, always a'building and a'making.

It is a worthwhile experience for all Americans to hear Mr. Solzhenitsyn. His provocative words force us to examine ourselves and our society. He is close enough to the truth and he delivers his judgments with such eloquence that we cannot neglect him. But even if his books are among the milestones of literature, his political commentaries mark him as unschooled in the ways of free people. He is a man to listen to and learn from, but not to follow.●

JOURNEY TO CHINA, PART 5

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. MICHEL. Mr. Speaker, at this point I would like to insert in the RECORD the fifth installment of C. L. Dancey's "Journey to China" as printed in the Peoria Journal Star.

The article follows:

THE HOSPITAL: "AN APPLE A DAY . . ."

If our somewhat celebrated palmist at Delavan had happened to read mine and tell me that this spring I would be tossing a Frisbee in the courtyard of the Pingyao hotel in Taiyuan, the capital of Shansi province, northwest China, I would probably have said: "Not likely, but in this crazy world—perhaps it could be!"

However, if she had told me that I would be getting any kind of medical treatment in the center of a Red Army compound at a major hospital of the People's Liberation Army of China, I would have said: "Ridiculous! No way!"

Actually, both things happened—and there was a relationship between the two.

I couldn't resist sticking a Frisbee into my flight bag, and during the morning exercises and badminton playing in the court of the Pingyao hotel seemed a likely time to stage a Frisbee demonstration.

It was fun, and attracted—as intended—a good bit of attention.

But I got foolish, as we old men will, and went for a high throw from Larry Martin of North West Airline—and fell to the rough asphalt. (I also missed the Frisbee.) Result, a few nail-head size gouges in the heels of my hands where I had caught myself.

As luck would have it, our managers were taking us to a hospital that very day . . . and it turned out to be, of all things, the Norman Bethune Hospital of the People's Army. (It was probably chosen because Norman Bethune was a Canadian communist who served as a physician with Mao's troops in the early days against the Japanese and died a hero's death—from infection—and there was a great statue of this mustached white man, and a kind of memorial museum with huge quotes on the wall in English as well as Chinese.)

The hospital was not a building but a large complex, and as always—but especially with army installations—surrounded by a huge wall. Everybody was in the greenish PLA uniform with the red star on the cap and red tabs on the collar, including two pretty little girls who parted a kind of beadreed curtain at the door to let us enter the main building.

It was a curious scene, the massive, modern, plain hospital building, and this curtain of strips with a scenic design across it parted at the center by two lovely young women giving it the classic oriental flavor.

There were soldiers everywhere, many of them in the fields inside the compound where they not only had a herb garden (for medicinal uses) but vegetable gardens, wheat fields, and orchards.

We entered the usual meeting room for tea and an introduction from the tiny woman who was the director of the hospital. There were the usual teacups, each with its matching china cover (which is great functional idea as well as decorative) but also little pyramids of apples along the table.

After introducing some of the doctors, etc., she smiled and waved a hand, saying, "Have an apple. They are grown here on the hospital grounds, and—you know—an apple a day keeps the doctor away."

I don't know what we saw other than soldiers being treated for various ailments with acupuncture (sometimes with a burning substance attached to the top of the needles) and a device for soreness or pain—usually of the back it, seemed—whereby they heated a small globe and then stuck it on the skin. As it cooled, of course, it sucked up flesh into the globe . . . a drawing effect.

Beyond that there was a widespread use of herbal medicines, and the doctor among us reminded us that many of our own widely used drugs had a herbal base or origin, and cited several of the herbs being used and their relationship to medicines we use.

However, there was no escaping the primitive levels of treatment, the paucity of equipment and the somewhat squalid conditions, generally, in the wards behind the impressive exterior of the modern structure.

The director advised us that acupuncture involves a series of treatments, usually, to be effective, and further that: "If you don't believe in it, it doesn't work."

The Chinese say their major effort it preventive—which fits the old system where you paid the doctor regularly as long as you were well, and quit paying him if you got sick—until he got you well again.

From what we saw, and western examples of which we have heard, the degree of attention and tender, loving care you get in a

Chinese hospital goes a long way toward helping you recover—and some actually have said they prefer it, with all its shortcomings, because of the caring approach.

My "wounds" were not serious enough to judge either.

Madame Chin cornered me, after obviously talking to somebody in authority there, and a young soldier came and whisked me away from the group, down a long corridor, to a door. It didn't open. But it was unlocked from inside, and we entered just as a man was putting a mop back in the rack.

In came a tall doctor with a medical mask who carefully and ceremoniously removed the bandaids from my hands, took gauze-like cotton with a tweezers and very gently washed out the red gaps in the skin of my palms, and laid across the wounds a yellowish (treated) ragged strip of gauze-like cloth. (It had a wider "grid" of threads with open squares between.)

He then treated a lady from our party who arrived right after me under similar escort, and who really did have an injury. She had ripped her finger badly on a metal catch trying to open a window—and it was bloody, ragged and deep. He took no stitches, but tightly bound the injured finger and put on it what we used to call a "finger stall."

He then returned to me, removed the treated strips, examined the wounds again, washed them again, and then gently laid on them—with tweezers—a similar square of the wide gauze, but this time red in color; also treated with something, obviously. He laid square bandages over the top of the treated strips, and attached them with strips of tape.

When we left, we went down the long corridor to a side door. It was locked. They rushed around to get the key, and let us out, still escorted by the young soldier.

We returned to the group in the original meeting room, and shortly after departed via the charming reed curtain held by the smiling woman soldiers.

What does it mean?

I don't know. That's the way it was.

The locked doors, in each case, when we moved outside the group program at the hospital intrigued me more than anything.

At our hotel, the Pingyao, there were not even keys for our rooms—much less chain locks. We just came and went—and worried not about our things. Nor did we need to.

P.S. Oh yeah, the hands are fine. I can hold a golf club as good—and swing as bad—as ever. After all, my gravest injury were the wisecracks of fellow travelers and "Marine blood shed in China."●

AFRICAN POLICY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. DERWINSKI. Mr. Speaker, in her column in the Chicago Sun-Times of June 26, Georgie Anne Geyer discusses in a most timely and practical fashion the African policy of the Carter administration. In my judgment, Ms. Geyer presents a most objective and accurate analysis of the administration's foreign policy approach in Africa. The article follows:

CARTER'S AFRICAN POLICY: BASICALLY IMMORAL

(By Georgie Anne Geyer)

WASHINGTON—President Carter said in his recent speech before the Southern Baptists that he had never "detected" or "experienced any conflict between God's will and my political duty." People who found moral choices in the real world rather more complicated said, "Yes, indeed. At least he's a moral man."

Yet the last, sad week in Washington showed in the starkest relief the basic immorality of the Carter administration. It is, incredibly, an immorality which is quite willing to sell out millions of black people in the name of expediency, which claims self-righteously to talk about majority rule when it really means black power, and which particularly fools itself about its grand moral postures.

I am referring to the "forward-looking and positive" policy toward Africa which Secretary of State Cyrus Vance outlined last week. In one more "restatement of American policy," Vance now says we want to work with the Marxist Angolan MPLA government "in more normal ways."

This elevates to policy United Nations Ambassador Andrew Young's arguments that we should trade a promise by Angola to stay away from Zaire's Shaba Province for our probable diplomatic recognition of the minority MPLA government. This government is kept in power by some 20,000 Cuban troops, and if there are modern-day black echoes of a Munich-like sell-out of Czechoslovakia, this is it.

What is so astonishing about all this is its immorality. Forget for a moment the Cubans' role or nonrole in Shaba. Intelligence sources tell me that now approximately 2,000 black Rhodesians have just crossed from Angola, where they were trained by Cubans, to join Joshua Nkomo's army in Zambia which is trying to impose—not win through the vote—Nkomo as leader of Rhodesia.

Then, forget that for a moment and consider the revolutionary situation in Angola. I know of no analyst of Angola who does not conclude that 90 percent of the black people of Angola are with the anti-MPLA, pro-Western movements, in particular Jonas Savimbi's UNITA in the south.

With almost no money or weapons, these courageous people are still waging a brutal civil war against the highly equipped Cubans. Only two weeks ago, Zbigniew Brzezinski, the other side of Carter's conscience, was trying to find ways to aid UNITA. But that was two weeks ago.

If it were only Angola, however, I suppose one could argue for Vance's and Young's propositions.

In March, Young was quoted in the Zambian press as saying he would look favorably upon military aid to the front-line states: Zambia, Mozambique, Angola and Tanzania. Indeed, at the core of the problem is that he has placed our policy under their whims, all in the name of "Majority rule for Rhodesia, Namibia and South Africa." Yet, two of these are Marxist and total failures economically; one is a totally subsidized "socialist" failure; the other is simply a sloppy economic failure. Not one has elections or will have.

All actively and militarily oppose the internal settlement in Rhodesia, which is going ahead with elections to turn the country over to black majority rule.

Yet, in both places, we are supporting these revolutionary movements and not those who would bring real majority rule. In both places we come out (1) in opposition to free elections, (2) in opposition to free enterprise and our own economic interests, (3) in support of further, all-out civil war in which countless blacks will be killed and (4) in favor of the final despotism and economic failure of the one-party states that surround them.

I have tried to be fair about this administration, which I supported from the beginning, but I am finally disgusted.●

REPRESENTIVE GIBBONS CAUTIONS ON TRADE RESTRICTIONS

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. SIMON. Mr. Speaker, there is no question but that a "protectionist" mood exists in Congress today.

And there are ways in which we should be providing greater protection for our industries and for our wokers.

But the other side also must be heard so that we do not do somethings that are politically appealing but seriously damage our economy.

Recently our colleague, Congressman SAM GIBBONS, had an article in the American Legion magazine about the dangers of curbing imports.

I am taking the liberty of inserting that into the RECORD at this point, and I hope my colleagues who did not see it in the magazine will read it here:

STATES CURB IMPORTS?

Show me an import restriction and I'll show you higher consumer prices or adverse effects on some American workers. All too often, the adverse effects will outweight any benefits, and import restrictions will mean a weaker U.S. economy.

Earlier this year, the President announced that he would restrict foreign steel imports coming into this country and would give government aid to the ailing U.S. basic steel industry. Having watched several big steel companies fail to modernize and also move into other lines of business over the years, I was skeptical about this effort, but I decided to see what would happen.

Higher prices for U.S. consumers are what has happened. Since the President's announcement, U.S. steel companies have raised their prices twice. The second increase announced by the country's largest steel producer was $10.50 a ton. That was more than twice what the Council on Wage and Price Stability calculated was needed to cover the company's increased costs. Only after severe pressure was exerted on the company did it roll back that price increase to some extent.

You can imagine how much those restrictions on foreign steel imports are going to cost us. Certainly billions of dollars a year in higher prices. They are also going to hurt workers in those industries that use steel as a raw material.

Beware the call to "keep out those cheap imports." American companies and workers are among the most competitive in the world, but imports help keep them that way. Where would we be today if the homely little VW Beatle had been kept out of the U.S. car market? Probably still driving those huge American gas guzzlers.

I'm not asking that we let all foreign products into our markets, but only that we look critically at any call for import restrictions. Imports are often made the scapegoat for other problems, and needless import restrictions can build crippled industries by letting them get by for a while without adjusting to changing conditions.

The fact is that we already have some pretty stiff limits on many imports, including steel, shoes, textiles, wearing apparel, color TVs, and CB radios, just to name a few. Congress has also established procedures to restrict other imports, especially if they threaten to result in injury to American workers or firms.

We do desperately need to curb our foreign

oil imports, which cost us $45 billion last year and significantly weakened the dollar in world markets. We also need better treatment from some countries for our exports, which now provide jobs for one in every eight U.S. manufacturing workers. Finally, we desperately need to control inflation. As the Congressional Joint Economic Committee has said, "One of the best ways to slow domestic inflation is to avail ourselves of inexpensive supplies of foreign goods." ●

RESULTS OF POLL

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. MICHEL. Mr. Speaker, in June I mailed questionnaires to voters of the 18th Congressional District of Illinois in order to ascertain their views on ten questions of national interest. The results of that poll are now in and I would like to take this opportunity to insert them in the RECORD.

Approximately 18,000 individuals responded to the survey and a number of constituents returned the questionnaire with letters containing additional comments on these and other issues. All in all, this survey offers as good a cross-section of opinion in the 18th district as you are likely to see anywhere.

I want to add that constituents were most definite in their opinion on whether the Congress should extend the period of time allowed for the ratification of the equal rights amendment to the Constitution. Those responding were against the extension of the 7-year deadline by 77.2 to 19.8 percent, with 3 percent having no opinion.

At this time I would like to insert the results of the poll into the RECORD:

RESULT OF THE ANNUAL SURVEY OF OPINION, 1978

1. Should we require all federal, state and local employees to be included in the Social Security program? Yes, 62.2; no, 32.3; no answer, 5.5.

2. Do you favor tuition tax credits for families sending their children to non public schools? Yes, 35.4; no, 62.2; no answer, 2.4.

3. Do you favor a law prohibiting any and all abortions? Yes, 25.5; no, 71.5; no answer, 3.0.

4. Should the federal government pay for abortions for those who cannot afford them? Yes, 31.8; no, 64.8; no answer, 3.4.

5. Do you favor more rapid development of nuclear power for energy? Yes, 70.9; no, 24.2; no answer, 4.9.

6. Do you favor a mandatory national health insurance program for everyone? Yes, 21.8; no, 74.7; no answer, 3.6.

7. Do you favor a federal no-fault automobile liability insurance program? Yes, 41.3; no, 51.1; no answer, 7.5.

8. Do you favor public financing of congressional and senatorial elections? Yes, 22.4; no, 72.0; no answer, 5.6.

9. Do you favor normalization of our relations with China even if it requires scrapping our mutual defense treaty with Taiwan? Yes, 27.0; no, 62.4; no answer, 10.6.

10. If you are a farmer, are you satisfied with the current farm program? Yes, 18.3; no, 81.6; no answer, 0.●

A REASONABLE REQUEST: EXTEND THE TIME FOR THE ERA DEBATE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. BROWN of California. Mr Speaker, this week we will all be seeing another exercise in grassroots lobbying for an issue that some consider controversial. However, unlike most lobbying efforts, the women and men who are asking us to extend the time for States to consider the equal rights amendment do not want a major new Federal program created, nor do they ask us for more Federal funds. They are simply asking the Congress to allow more time for consideration of a proposal that has been approved by 35 of our 50 States.

It is a mystery to me why this simple statement of equality has not been unanimously approved long before now. I have heard many credible explanations, but they all indicate that there has been misunderstanding and confusion about what the equal rights amendment actually means. As one of the speakers at yesterday's rally stated, the ERA has caused division and confusion in some places, and the only cure for division and confusion is time.

This Congress should support efforts to reduce division, and remove confusion. A time extension for the ERA would be such a constructive step.

At this time, I wish to insert a recent editorial by the Los Angeles Times supporting the ERA time extension.

The editorial follows:

[From the Los Angeles Times, July 9, 1978]

ERA, BY THE NUMBERS

Three months from now, the Equal Rights Amendment may effectively be dead.

To be sure, the deadline for its ratification by three more states is March 22, some eight months off. Too few Americans are aware that no state legislature that has demonstrated repeated recalcitrance is likely to pass the measure before them. And any election campaigns to knock out of office key anti-ERA legislators will bear fruit only after November, if then.

Many ERA advocates, ourselves among them, believe that the deadline for ratification must be extended. We are not persuaded by the argument that extending the deadline would jeopardize uniform procedures for amending the Constitution. The Constitution is a living document that imposes restraints but not a straitjacket on attempts to change it. Congress would only be deciding that its original deadline was arbitrary. ERA is too important to simple equality—not just symbolically but also in terms of gaps in coverage by other laws—to crash on a roadblock that Congress can and should remove.

Measures to extend the deadline are pending in the House and Senate Judiciary committees. But Congress will go home for the elections early in October. When a new Congress is elected, the process must start all over. It is always difficult to pass any measure at the beginning of a session.

So mathematics dictate three more months for action. To underscore those numbers with their own numbers, thousands of men and women are marching in Washington today. They insist that the time to place women in the U.S. Constitution has come, and must not pass. We are with them.●

OPPOSITION TO COAL SLURRY PIPELINE LEGISLATION

HON. MAX BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. BAUCUS. Mr. Speaker, later this week the House of Representatives will consider H.R. 1609, the Coal Pipeline Act of 1978. I have opposed similar legislation in the past and I will continue to oppose this bill when it is considered by the House.

I oppose H.R. 1609 because I have serious reservations about whether the bill should be enacted at all. I am still not convinced that there is a basic need for the legislation or that this specific bill represents sound public policy.

H.R. 1609 is not necessary to insure that there will be adequate capacity to ship the great volumes of coal this Nation needs to meet its energy needs in the next decade and beyond.

IMPACT ON RAIL INDUSTRY

A report of the Office of Technology Assessment on Coal Slurry Pipelines concludes that there will be adequate rail capacity to keep pace with coal production:

> The capacity of rail systems can be expanded faster than can coal mining or electric power generation using coal, provided the necessary investments in local rail facilities is made (p. 17). The choice between transportation modes will not be determined by their respective capacity limitations. (p. 17)

This refutes the often made argument by proponents of coal pipelines that H.R. 1609 is necessary because railroads will not be able to provide adequate capability to meet the Nation's coal transportation demands.

The Upper Midwest Council in its study, "Northern Great Plains Coal: Conflicts and Options in Decision Making," concludes in its examination of coal transportation that:

> Experience has shown that existing rail systems moving coal from the Northern Great Plains can expand services significantly. In 1974, Burlington Northern, Inc., shipped nearly 19 million tons of coal from the West; in 1975, about 29 million tons. By 1980, Burlington Northern projects it will move more than 142 million tons of coal from the West.

The council's report concludes:

> Even if the rail industry could not do the job potentially demanded of it, this would not, in itself, lay a strong base for developing slurry pipelines . . .

Coal slurry advocates maintain that pipeline will provide a more economical method of transporting coal than the railroads can, thereby implying that the ultimate consumers of electrical power or coal for industrial use will pay less. This assumption is certainly open to question.

It also makes little economic sense to

create, at the consumers' expense, a duplicate, one commodity—one point transportation system.

Granted that increased freight rates charged by the railroads will be paid by the consumer, but not to the extent of having to pay for an entirely new transportation system, capable of serving only a limited number of customers. What else can a slurry line transport—grain, timber, barbed wire, cattle, tractors, trucks?

Where there are alternatives to the slurry system—rail and transmission lines—and no demonstrated need for another competing transportation system, the potential risks, economic, social and environmental, are simply too great to justify the possible benefits.

SCARCE WATER

Pipelines are a water-intensive means of transporting coal. The use of surface water or the disruption of groundwater for this purpose may have secondary and cumulative impacts beyond the geographic area affected by the pipeline.

Water is the key to the continued development and prosperity of our Western States. Agriculture, additional energy resource development, industrial development, maintenance of natural resources and recreational areas all demand a reliable and stable supply of water. The same OTA study concluded:

In each of the potential coal slurry pipeline areas, except Tennessee, demand projected for the 1985–2000 period exceeds the legally available supply." (p. 90)

I would point out that the same OTA study falls short of being an objective, all-inclusive study of the overall effects of such pipelines originating in the semi-arid regions of the West. The report fails to recognize that agriculture is and will continue to play a vital role in the economies of the affected States, not to mention providing the major portion of the Nation's wheat, cattle and small grains supply.

If it were only one pipeline we were dealing with, the problems of water utilization and availability could possibly be overcome, but we are not talking about one pipeline. The OTA study itself identifies five potential lines: The ETSI line from Gillette, Wyo., to Arkansas and Louisiana; the Montana to Houston line; the Colorado to Houston line; the Nevada power line from Alton, Utah, to Las Vegas, Nev., and a line from Gillette to the Oregon/Washington region.

The cumulative effect of these five lines would require at a minimum an estimated 150,000 acre feet of water annually.

Energy development, normal agricultural uses and population growth will require vast amounts of water. It is not sound public policy to use water to transport coal when railroads can handle the job without using water.

EMINENT DOMAIN

Recently, the U.S. District Court in Wyoming ruled in Energy Transportation Systems, Inc., against Union Pacific Railroad Company that although the railroad was granted exclusive use of the surface, it did not get fee simple absolute title to the land within certain rights-of-way and could not prevent the granting of an easement to a slurry pipeline under such right-of-way.

This case could have a substantial effect on the ability of a coal slurry pipeline to cross a particular State in which railroads hold this type of grant because the main lines of several railroads may cross an entire State with grants under the Pacific Railroad Acts of 1872 and 1864.

Developers of slurry pipelines should look to the States for eminent domain authority. The network of interstate oil pipelines (with one exception) together with ammonia fertilizer pipelines and railroads have been built with only State eminent domain authority.

Unless and until there is a demonstrated public need for Federal sanctioning of the construction of coal slurry pipelines, the right of these lines to be granted Federal eminent domain power must be withheld.

CONCLUSION

There are, of course, other areas of concern which must be taken into account when considering the effects of construction of slurry pipelines, and many of these cannot be measured from a cost/benefit standpoint. For example, there are social implications, employment implications, and serious environmental impacts centering around this legislation.

I urge my colleagues to seriously consider the points I have stressed today concerning coal slurry legislation. There is no reason, at this time, to enact this legislation from either a transportation standpoint, an energy standpoint, and certainly not from an equity standpoint.●

MORE BACKDOOR ASSISTANCE TO VIETNAM

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. ASHBROOK. Mr. Speaker, the Carter administration is continuing a policy of backdoor assistance to Communist Vietnam. Despite the overwhelming opposition of the American people and clear congressional directives to the contrary, millions of U.S. tax dollars are being indirectly channeled to Vietnam through various international lending institutions.

The latest announcement came from the International Monetary Fund. It will provide Vietnam with $28 million in economic assistance. This brings total IMF aid to that country to the $57 million mark.

I have offered amendment after amendment to prevent taxpayers money from being used in Vietnam. My amendments have included a specific prohibition on indirect aid as well as direct aid. When the foreign assistance bill for 1978 recently came before the House, I once again was successful in adding language prohibiting U.S. tax dollars from going directly or indirectly to Vietnam.

Unfortunately the Carter administration has worked to destroy what we were trying to accomplish. It was kept the indirect aid prohibition from going into effect. The administration then shuffles U.S. tax dollars to international agencies so they can do indirectly what cannot be done directly.

This situation is an outrage to the American taxpayer. It is time we ended the game where direct aid to Vietnam is prohibited but millions of dollars are indirectly given to that nation.

Following is an article on the IMF assistance to Vietnam from the July 7 Washington Post:

IMF Is Planning To Lend Vietnam $28 Million for Economic Recovery

(By John M. Goshko)

The International Monetary Fund yesterday announced that it will lend Vietnam approximately $28 million to assist its economic recovery from the long years of fighting that ended in 1975 with the victory of the communist side.

Although the loan is not the first made by the IMF to Vietnam, it could provoke protests in Congress and elsewhere in the United States from opponents of aiding the Vietnamese regime.

Since the United States provides approximately 20 per cent of the IMF's funds, critics of U.S. aid could argue that the loan constitutes a "back door" means of channeling U.S. assistance to Vietnam.

Efforts already have been made in Congress to prohibit the use of U.S. contributions to international lending institutions like the IMF and the World Bank in aiding certain communist nations and other countries that are alleged violators of human rights.

However, the Carter administration has resisted such moves on the grounds that they constitute a political interference that would prevent these institutions from performing their specifically assigned economic missions.

Since Carter became president, the United States has used its votes in some international lending agencies like the World Bank and the Inter-American Development Bank for political purposes, specifically in instances involving human-rights considerations.

But, U.S. sources say, the administration has refrained from using its vote in the IMF politically. As a result that agency has made loans recently not only to communist countries like Vietnam but also to nations like Chile, Zaire and South Africa that have been attacked for their poor human-rights records.

The purpose of the 131-nation IMF is to help member countries overcome financial problems caused by balance of payments problems. Bank sources said that, as a member, Vietnam qualifies for such aid, provided the IMF's directors determine it is taking the necessary steps to overcome its payments problems.

The loan announced yesterday brings the total of IMF aid to Vietnam to approximately $57 million. The IMF said the newest loan is intended to ease the drain on Vietnam's foreign exchange reserves caused by its need to import large amounts of food in the past year.

In a related development, a Japanese newspaper yesterday quoted a Vietnamese official as saying his country is willing to resume talks with the United States on normalizing relations without any preconditions.

In an interview with the Mainichi Shimbun, Vice Foreign Minister Phan Hien said: "We are prepared to resume talks with the United States. We believe normalization of relations between Vietnam and the United States will be of benefit to all of Southeast Asia."

Past U.S.-Vietnamese talks on establishing diplomatic ties have made no progress. Vietnam has insisted that the United States follow through on its pledge to make large financial contributions to rebuilding the country, and the United States has demanded more information about Americans missing in Vietnam.

State Department spokesman Hodding Carter said yesterday that he had no comment on the Phan Hien statements. He reiterated past U.S. statements about Washington's willingness to discuss the diplomatic-recognition question with Hanoi, but added that he was not aware of any talks "being imminent."

U.S. and Vietnamese representatives are scheduled to meet soon in Hawaii to discuss methods of identifying and returning the bodies of Americans in Vietnam.●

UNITED STATES-TURKEY PRISONER EXCHANGE TREATY MOVES AHEAD

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. SAWYER. Mr. Speaker, I take this opportunity to inform my colleagues of the announcement today by the U.S. Department of State marking an historic agreement on the negotiation of a prisoner exchange treaty with the Government of Turkey.

The treaty would allow prisoners of either nation to return to their country to serve out the remainder of their imposed sentences.

In recent weeks I have spoken out on the urgent need to conclude negotiations of a prisoner exchange treaty in order to transfer five Americans now serving harsh sentences in Turkish jails under distressing prison conditions. On June 29, I was joined by a bipartisan group of 53 of my colleagues in urging President Carter to quickly move forward with negotiations on a prisoner exchange treaty.

I am gratified with this announcement of active negotiations and am heartened by the positive action which has been given by the United States and the Government of Turkey in response to congressional concern and the fundamental human rights of the five Americans.

Regarding the plight of the two young American women, JoAnn McDaniel of Oregon, and Katherine Zenz of Wisconsin who have already served 5 years of a 24-year nonparolable sentence in Turkish prison, I believe today's action will bring encouragement and hope. On their behalf, and their elderly parents and many friends, I will not cease any endeavors until a final treaty is concluded, ratified, and American citizens are returned home.

The complete text of the Department of State press release follows:

DEPARTMENT OF STATE,
July 10, 1978.

UNITED STATES-TURKEY ANNOUNCE NEGOTIATIONS ON PRISONER TRANSFER TREATY

The United States and Turkey have agreed to commence negotiations at an early date on a prisoner transfer treaty, providing for the return of citizens imprisoned in one state to their own country to serve out the remainder of the sentences imposed. The treaty will be based upon the European Convention on the International Validity of Criminal Judgments, with necessary modifications to reflect the situations of the parties and their constitutional and legal requirements.●

THE ANATOLY SCHARANSKY TRIAL

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. WEISS. Mr. Speaker, not since the purges of the Stalin era has the Soviet Government launched such a violent attack on human rights as it has in the past year culminating with the bringing to trial of Jewish dissident Anatoly Scharansky. As today's New York Times stated,

No case against a human rights advocate has been seen as such a vivid indicator of the direction in which Soviet policy, both domestic and foreign, is headed.

Just over a year ago, Scharansky was imprisoned on charges of treason. But his real crimes are that he has spoken out against the Soviet Union's repressive emigration policies and has repeatedly tried to join his wife in Israel, where she was forced to emigrate the day after their marriage. His arrest is a chilling reminder of the oppressiveness of the Soviet regime. The message to Soviet Jews who wish to leave the Soviet Union is that they risk branding as traitors, imprisonment and perhaps even death.

The Soviet Government's insistence on bringing Scharansky to trial is an ominous sign that the Soviet Union is reverting to the closed, intolerant society it had seemed to be moving away from during the growth of détente. This trial, in fact, will be construed by many to be as much of an attack on détente as it is on Scharansky and the causes he symbolizes.

By ignoring Western appeals for Scharansky's release and timing the trial so that it coincides with an arms limitation meeting between Secretary of State Vance and Soviet Foreign Minister Gromyko, the Soviet Government has made it clear that it wants to limit the boundaries of détente to arms control. But the Soviet Government is totally misguided if it does not understand that the people of the United States will inevitably consider Soviet conduct in relation to human rights when arms control comes up from consideration.

Although there may be no direct connection between the two issues, it is perfectly logical to ask "If the Russians find it so easy to break their word on the Helsinki Agreement can they be trusted to keep it on SALT?"

Soviet obtuseness in this regard endangers not just détente but the very survival of civilization itself.●

NCOA LEGISLATIVE GOALS

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. BENNETT. Mr. Speaker, recently, the Noncommissioned Officers Association of the United States of America (NCOA) held its 17th Annual International Convention in Las Vegas.

In addition to selecting their officers for the coming year and adopting certain applicable resolutions of importance to the association and its more than 150,000 members, the delegates assembled unanimously adopted the following legislative goals for 1978-79.

I call these to the attention of my colleagues particularly those dealing with a defense posture second-to-none and military personnel policies and programs. In the latter instance, NCOA delegates asked for the continuation of the present military retirement system but reducing the percentage of retired pay received for every year under 30 years of combined service that is in excess of 20 or more years of active duty. For example: If a Sergeant First Class retires with 20 years of active service but no reserve time, his retired pay will be reduced by 1½ percent per year for every year under 30, or 15 percent until the 30th year of combined service is attained. At that time, his pay will be increased to its original amount plus any CPI adjustments made under present law.

This is important for Members of Congress to think about during the remaining months of 1978. When the 96th Congress convenes next January, there will be more talk to change the military retirement system. I think we should listen to these men and women of the NCOA. Almost 87 percent of them are noncommissioned and petty officers serving on active duty with the U.S. Armed Forces. They are career professionals. Their thoughts on this matter are certainly worth our careful and thorough consideration.

Their legislative goals follow:

LEGISLATIVE GOALS, 1978–79

PREAMBLE

The recorded history of Noncommissioned and Petty Officers in the United States armed forces has been one of loyal and dedicated assignment to the Nation's defenses. The pages of their journals are replete with heroic exploits and distinguished ministry given freely in honor of their Country and their military service. During the Vietnam conflict, for example, more than one-half of the coveted Medals of Honor for bravery above and beyond the call of duty were awarded to Noncommissioned and Petty Officers.

For almost 200 years career professionals wearing the proud stripes of their military grade have concerned themselves almost exclusively with the tasks before them. On land, at sea, and in the air, United States Army, Navy, Marine Corps, Air Force and Coast Guard Noncommissioned and Petty Officers dedicated their daily lives to the training and general well-being of the junior enlisted personnel under their leadership. Many others guided younger officers through

the trials and tribulations of early command authority and responsibility. Others kept, and also taught their successors to keep the guns firing, the ships going, the tanks moving and the planes flying.

Their devotion to duty, dedication and "can do" spirit earned their rank the title of "Backbone of the Military Service."

Today the authority of Noncommissioned and Petty Officers is no less than it was at the birth of our great Nation. It is no less than it was in the great wars our country fought to maintain freedom for itself and its friends abroad. Instead, it has extended itself beyond the military installation and into the civilian sector. More and more Noncommissioned and Petty Officers are involved in projects developing community relations, civic actions, charitable programs, and services to the handicapped, the elderly, the orphans, veterans and others.

This new feeling of civic pride and the desire to voluntarily assist the civilian community has developed an awareness of the State of the Union. What many see, they do not like. Some became so concerned with the future of the Nation and its military forces that they banded together so that their voices might one day be heard throughout this great land.

These dedicated and devoted Noncommissioned and Petty Officers formed the Non Commissioned Officers Association of the U.S.A. (NCOA) some 18 years ago and through the years have added more than 150,000 to their initial membership.

With responsibility to that membership, the Association today renews its faith and allegiance to the United States of America and to its Constitution, its people, and its armed forces.

On this 18th day of June, 1978, the delegates assembled in Las Vegas, Nevada, for a 17th Annual NCOA International Convention rededicate themselves to the common defense of our beloved Nation and to their fellow comrades-in-arms—the Noncommissioned and Petty Officers of the United States Armed Forces, on active duty, retired, in the reserve or national guard, or in a veterans' status; and to the men and women who are serving, have served, or will serve these United States as members of the Army, Navy, Marine Corps, Air Force or Coast Guard.

With this pledge we, the members of the Non Commissioned Officers Association of the United States of America (NCOA), offer our devotion, loyalty, and honor toward the fulfillment of these goals, and petition the International Board of Directors to memorialize the President of the United States of America and the Congress that the goals contained herein have been adopted by the Association's delegates in convention this date.

NATIONAL DEFENSE

In the preceding year, little if any progress was made in establishing a common ground for determining strategic and conventional forces limitations between the two most powerful nations on earth—the United States of America (USA) and the Soviet Union (USSR).

The USSR continues to arm itself both strategically and conventionally far beyond its most confectural defense requirement. The amassment of greater strengths in conventional forces dwarfs the slower progress of the United States and its NATO forces in matching that of the Soviet Union in either numbers or in quality. In fact, Defense spokesmen have warned the United States that:

"Our friends in Europe, while contributing to our collective security, are no longer comparable powers. Further, with technological advances in (Soviet) weaponry, the United States has lost the luxury of time in which to mobilize forces, adapt industry to war production, learn from the mistakes of others, and step into the conflict when prepared. Today, no one can hold an enemy at the gates long enough to permit a leisurely U.S. mobilization. With modern technology, that day has passed. There is no alternative but to be prepared and thereby to deter."

In assessing the nation's primary goals, the Non Commissioned Officers Association of the U.S.A. (NCOA) believes that national defense is today the most important issue facing the citizens of the United States. The Association has witnessed the emasculation of the country's military manpower and its demise as the world's strongest and most powerful military entity. It is now second to the Soviet Union.

Immediate congressional action is needed to insure that the United States recovers its losses and returns soon to its proper place as the greatest military power on earth. Otherwise, it is of further belief that the USSR will thrust its tentacles in every direction so as to exert influence over the nations that can be of great economic value to the United States of America.

Therefore, let it be resolved that the Non Commissioned Officers Association of the U.S.A. (NCOA) will actively lend its support to the restructuring of United States military and civil defense forces so that they are superior to those of the Soviet Union.

MILITARY PERSONNEL

Weapons and people are the main elements of a strong U.S. defense posture. One without the other is the same as having nothing at all. Yet, we, the members of the Non Commissioned Officers Association of the U..S..A. (NCOA) are not certain that this country and its people are totally committed to a strong national defense when many continue to support an All Volunteer Force that is not working and hire civilians to do jobs that cannot be filled through military accessions.

We do not argue the costs of maintaining a large standing army of volunteers as opposed to one having a draft environment simply because there may be little if any sizeable dollar differences. What is debatable is whether or not the United States under the All Volunteer Force concept has sufficient military manpower to do the job if and when needed.

The Association also agrees with a recent article appearing in U.S. News & World Report, March 27, 1978; entitled "Russia Closing Technology Gap with U.S." It read:

"From America's top defense scientist comes a sobering message: The U.S. no longer can count automatically on superior technology to offset Russia's impressive numerical advantage in weaponry and combat manpower."

"Combat manpower" are the key words. The United States has today less male volunteers on active duty than it did in 1955.

The U.S. also is short in its reserve and national guard strengths. Its Individual Ready Reserves (IRR) is a disaster and the Selective Service System is totally inadequate to fulfill any sudden manpower requirement demanded by a national emergency.

Although Defense Secretary Brown says: "Now we must increase our investment in defense if we are to stay abreast," the United States will not meet that challenge in the next year. And it is far removed from a point of preparedness—regardless of what our top civilian and military leaders proclaim. Of course, the United States is ready with what it has, but it does not have what it takes to be at the ready.

As with all programs problems do exist. Those prevailing in or with the All Volunteer Force weigh heavily on the morale and discipline of personnel. These hard-to-define postures can insure the United States that it either has a force willing to fight—or one that has no stomach for duty in a combat environment.

At the present, the situation might be leaning further toward the latter side. There is a definite lack of quality leadership in the military forces and morale is at an alarming low level. Uniformed personnel are tired of being used as public servants whose price can be haggled over in the same manner as that of a bonded slave.

Since the advent of the All Volunteer Force, vocal federal executive and legislative officials have continually argued that military personnel are receiving "comparable" or, "competitive" pay. Service members' salaries have been greatly expanded to reflect pots-of-gold-at-the-end-of-the-rainbow images. Even the U.S. Senate has come up with "hypothetical" incomes that make the highest paid government official appear to be poor in comparison. But the truth is the truth. Currently the average enlisted member of the armed forces is earning $9,300 in salary, housing allowances, moving expenses, subsistence, clothing maintenance, and miscellaneous pay. This compares to an annual average salary of $18,000 for each DoD federal employee.

The membership realizes the difficulty the President and the Congress must have in establishing priorities. But it should not have any problem identifying the Nation's No. 1 requirement—that of having a strong defense posture. In preparing for a strong defense posture, the United States must not overlook its military people and their needs. They are important—so important that success or defeat rests in their hands.

As an Air Force commander said in September 1977 when appearing before a public hearing of the President's Commission on Military Compensation:

"If I were allowed only one statement in the testimony today, it would be this request; as you wrestle with what we owe the troops and how to compensate them in their special, unique, way of life, please understand what we're asking of them, how important what they do day in and day out is, and how much they need and deserve stable, adequate compensation."

Therefore, let it be resolved that the non-Commissioned Officers Association of the U.S.A. (NCOA) will actively pursue legislative or other means to support or oppose the following personnel programs:

1. To support an increase in military manpower strengths to at least pre-Vietnam (1964) levels by:

(a) seeking better recruitment and retention programs, including the adoption of necessary incentives beneficial to the attainment of more men and women for the regular, reserve and national guard components, and

(b) urging the renewal of registration and classification of eligible American males by the Selective Service System, and to reestablish a universal military training program for qualified males so that the individual Ready Reserve (IRR), Selective Reserve and National Guard Forces will have sufficient numbers available for emergency mobilization.

2. To support active duty, reserve and national guard by:

(a) opposing any attempt to eliminate or diminish their benefits or those of their dependents or survivors now provided by law or regulation,

(b) seeking a "Bill of Rights" for all members of the uniformed services,

(c) seeking severance pay for enlisted personnel, authorization for enlisted personnel to credit reserve time when computing retired pay and to recalculate their retired pay to reflect later active duty periods, retention of enlisted personnel beyond the 18th year of active service until qualified for retired pay,

(d) seeking continued subsidies for military commissaries, the necessary funds to transport post exchange merchandise overseas, impact aid for school districts having military dependent children enrolled, financial federal assistance for nonappropriated funds (NAF) activities, and to oppose any adverse changes to the Buck Act and the Soldiers' and Sailors' Civil Relief Act particularly involving taxation of military personnel by a state jurisdiction other than their own, or for the purpose of obtaining tax money on sales of merchandise in military post exchanges and/or commissaries,

(e) urging the continuation of the present military retirement system with these changes:

(1) Equitable computation of retired pay,

(2) Reduction of 1½ percent for every year less than 30 years when computing retired pay based on minimum of 20 years eligibility with full pay restored at 30 years

(3) No social security offset

(4) Apply "grandfather" provision for those in service on date of any change to present retirement system

(5) No transfer of retired pay from military departments to other governmental agencies,

(f) seeking removal of employment restrictions imposed on military musicians, authorization for military personnel to establish Individual Retirement Accounts (IRA), changes to "Status of Forces" agreements that will provide adequate protection and eliminate indiscrimination for active and retired military personnel serving or living in foreign nations, and to oppose any attempt to unionize the members of the uniformed services,

(g) urging the improvement and upgrading of the military medical and dental systems—including CHAMPUS, to permit military retirees to voluntarily choose CHAMPUS or MEDICARE on attaining age 65, and to oppose any move by the federal government to transfer military health care to another governmental department or agency,

(h) seeking increased fundings for better military housing and quarters, funds for travel and transportation allowances for junior enlisted personnel, equitable travel and transportation allowances for moving mobile homes, increases in amounts of household goods to be shipped to and from overseas stations, and equal per diem payments for enlisted personnel assigned to temporary duties,

(i) opposing adverse changes to the present Dual Compensation Act, and seeking recomputation of retired pay for certain military retirees, equitable and necessary changes to the Uniformed Services Survivors Benefit Plan, enactment of a similar Survivors Benefit Plan for the reserve and guard, equitable benefits for surviving widows and dependent children and/or parents, tax benefits for certain military disabled retired personnel, extention from one to three years the period a member has following his or her retirement to select a home for purposes of travel and transportation allowances, continued payment of federal unemployment insurance concurrently with retired pay, and the payment of federal employment compensation and veterans compensation concurrently with the receipt of retired pay under certain conditions,

(j) seeking an equitable system of payment for incentive and/or hazardous duty pay and oppose any attempt to weaken the present provisions in law relating to the garnishment of military pay,

(k) seeking comparable protection of tenure of service under honorable conditions for enlisted personnel, authority to permit noncommissioned and petty officers to accept administrative discharges rather than stand trial by court-martial for certain offenses as now provided commissioned officers, authority for enlisted members retired or released from active duty without pay for physical disability to request review of his or her case up to 15 years from date of retirement or separation, and authority to permit enlisted members completing a term of enlistment—if the service has been honorable and the separation involuntarily—to receive payment for the unexpired period of the enlistment if not entitled to separation or readjustment pay under any other existing law or regulation.

VETERANS AFFAIRS

Realizing its debt to American veterans of the wars in which the Nation has participated, the membership of the Non Commissioned Officers Association of the U.S.A. (NCOA) rededicates itself to the protection of the honorably-discharged veterans of service in the Armed Forces of the United States.

To our fellow countrymen, the NOCA echoes the words of former President Theodore Roosevelt:

"No other citizen deserves so well of the Republic as the veterans. They did the one deed, if left undone, that would have meant that all else in history went for nothing. But for their steadfast promise, all our annals would be meaningless, and our great experience in popular freedom and self-government would be a gloomy failure."

Therefor, let it be resolved that the Non Commissioned Officers Association of the U.S.A. (NCOA) will through legislative or other proper means continue to provide assistance to the Nation's veterans by supporting or opposing the following issues:

1. oppose further attempts to legalize general amnesty for Vietnam veterans or any veterans with less than honorable discharges, or to upgrade "bad paper" discharges under general provisions of law, or to provide veterans benefits to recipients of upgraded discharges under governmental proclamations,

2. support amendments to the Dependents Indemnity Compensation (DIC) program that provides for equitable payments to widows of military personnel who die on active duty or veterans who die of 100 percent service-connected disabilities, and cost-of-living increases for recipients of DIC and Veterans Administration (VA) Compensation payments,

3. support improvements in the veterans' home loan and loan guarantee program,

4. oppose adverse changes to the Veterans' Preference Act of 1944, support federal veterans employment programs, and oppose any provisions of Department of Labor programs that afford equal opportunity to less-than-honorably discharged veterans,

5. support Veterans education and rehabilitation prgorams, oppose any attempt to transfer VA education and rehabilitation programs to other governmental agencies, seek extention of delimiting dates for use of the GI Bill, and support cost-of-living increases in VA education, vocational and rehabilitation payments,

6. support improvements in the VA veterans' cemetery and burial programs, oppose efforts to decrease or deter federal veterans' death payments and benefits if the deceased is entitled to other burial benefits, and oppose any move to transfer the Department of Army's operational authority of the Arlington National Cemetery to the Veterans Administration,

7. oppose any attempt to transfer the VA hospital system from the direct supervision and operational control of the Veterans Administration, and support continued improvements in the Veterans Administration health care programs,

8. support the appointment of more career military enlisted personnel to advisory boards, commissions and committees in the Veterans Administration, and

9. support the actions necessary to have the NCOA participate with the President, the Executive Branch, Congress, federal agencies, and others toward the fulfillment of these resolves.

GENERAL

The membership assembled commits the Association to also continue its efforts in behalf of previous conventions' legislative goals and resolutions that are active and necessary for the well-being of the membership, the Non Commissioned and Petty Officers of the U.S. Armed Forces, the enlisted men and women of the U.S. Armed Forces, and the military and veterans' communities.

Further, the Association shall have the mandate of this assembly to actively support or oppose any legislation, where convenient and necessary, but not in competition with priority commitments, that is or is not in the best interests of the Association, its membership, and/or the military and veterans' communities.●

AFTER BAKKE

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. CONYERS. Mr. Speaker, Bill Greider of the Washington Post reports the news with a grasp of essentials and a thoroughness that is even the more remarkable because of the generally high caliber of journalism in Washington. His report more than a year ago on concentration and power in the oil industry first alerted me to his considerable talents. His subsequent series on urban issues and civil rights 10 years after the Kerner Commission have also excelled. It was in this light that I read with expectation his recent commentary on the Supreme Court's decision on Bakke, which appeared in the Washington Post's Outlook section on July 2. I was not disappointed.

He examines the Bakke decision as social history and discovers, not surprisingly, a great many ironies built into the Supreme Court decision. Chief among them is that in the mid-1950's white males graduated from public high schools like himself were for years the beneficiaries of quota-like considerations such as geographical balance and diversity, irrespective of grades and achievement test scores. When he entered Princeton there were, however, three black undergraduates among 2,800 students. The Court citation of Harvard College as an example of the right kind of affirmative action Greider points to as yet another exceptional irony.

The crux of the Greider commentary is that in the aftermath of the Court's relaxation of affirmative action standards, a major issue becomes the means by which minority students can finance their higher education. As the costs of education climb, school budgets contract, pressures grow to cut Federal aid to education, university administrators might be encouraged to select students who possess among other attributes the

means to support their own education. In the past decade Federal student aid programs proved effective as incentives to recruit minority students. The question arises whether after Bakke—after the relaxation of rigorous affirmative action standards—institutions of higher learning can be relied on for their good intentions alone, or will they have as well the financial incentives in the form of substantial Federal student aid that will encourage them to actively recruit and enroll students from minority communities.

The William Greider commentary that follows, "After Bakke, Financial Incentives Are the Issue," should be priority reading, and I commend it strongly to my colleagues:

AFTER BAKKE, BLACKS NEED FUNDS, NOT GOOD INTENTIONS

(By William Greider)

In the matter of Bakke, I have a personal interest, one which is shared anonymously by millions of other Americans who are now older than young.

To put it crudely, I was a "quota kid" in an era before that ugly phrase was invented, long before anyone thought of special admissions programs for racial minorities. I was among the lucky chosen, in part, for reasons other than our individual merits.

This personal history is relevant to Bakke, I think, if only to demonstrate the profound hypocrisy with which the country—and now the Supreme Court—has addressed this question of preferential treatment in college admissions, not to mention the other arenas of jobs and promotion where the idea of "affirmative action" is also under assault.

The civil rights lawyers, reading the legal opinions, are proclaiming victory. Or, at least, not much was lost. At another level, however, the social message embedded in the Bakke decision is much more threatening to the future interests of blacks and other minorities trying to get through the gates.

Bakke says, after a generation of struggle to confront questions of racial inequality in the most direct terms, let us back off a bit. Be discreet, private, fluid in our decisions about who gets in, who gets excluded. Let us rely upon the good intentions of institutions, not those direct and provocative approaches which stir so much envy and distemper in the society.

What Bakke does not say is that those good intentions of colleges and universities have been helped along by the goodly sums of federal financial aid that have been following minority students into their classrooms, or that much of that financial incentive is currently threatened. Will colleges and universities have as strong consciences if the money flow ebbs?

Justice Thurgood Marshall interpreted the Bakke message in the gloomiest terms. He was before the bench a generation ago, as an NAACP lawyer, when the Supreme Court ratified and empowered the great social struggle for racial equality; now, as a justice himself, Marshall sees his neo-conservative colleagues turning it off.

The last decade has produced extraordinary progress in opening the gates of higher education for blacks, the cruical step in determining income, class, even social status in America. Black enrollment has tripled, approaching proportional parity with whites though still short of it. Among whites 18 to 24 years old, 27 percent were in college in 1976, compared with 20 percent of blacks.

The question which haunts civil rights advocates now is whether this new social attitude will turn off the progress and blacks will find themselves slipping back to the old rung on the ladder, the bottom. History provides blacks with grim precedent for that fear, and the Bakke decision is another alarm bell. The legal impact is still not fully defined, but the social meaning is already threatening.

My alma mater was a footnote in Bakke. Justice Powell, whose swing vote makes his distinctions so important to how Bakke influences the nation, cited Harvard and Princeton and a few other prestigious universities as the examplars of how one should take race into account when deciding on admissions. This surely will make the neo-conservatives gag—they have been railing at those elite institutions almost as strenuously as they have been opposing "affirmative action." Others may find it ironic, surely, that the justice finds in these places—gatekeepers for the highest rungs in our society—the paragon for equity which the rest of the nation should emulate.

I thought it was kind of funny. When I applied to Princeton in the mid-1950s, I had several things going for me—special qualities which had nothing to do with my College Boards scores (okay but unspectacular) or grades (likewise). I was, above all, ,white and male. The university at that time had three black undergraduates among 2,800. There were, of course, no women.

No one spoke of "quotas" in those days, but the university was quite explicit, even proud, of the way it "balanced" its admissions. This was to insure diversity and other educational goals, just as Justice Powell mentioned in his opinion.

So I had several other advantages. I was graduating from a public high school, as opposed to a private prep school. In those days, Princeton was balancing 50–50 between public and private, which meant necessarily passing over many kids from Exter and Andover et al, who had better scores, to pick others from high schools.

I was from Ohio, which gave me another notch up, since the university was balancing on a regional basis. I had, therefore, a distinct edge over boys graduating from public high schools in New Jersey or New York or Connecticut. Princeton easily could have filled its classes from the East, but chose to spread the precious slots around. The Midwest "quota," if one may use that odious term, was never precisely stated, but everyone agreed that there was one.

Now I had another, more delicate preference working in my behalf. This was a very small high school and, as it happened, one of my high school classmates was the son of an alumnus, an active and important man who cared deeply about Princeton. My friend's record, his grades and scores, was somewhat less distinguished than mine. A delicate question: Could Princeton take him and pass over me? Princeton took both of us.

Were we qualified? Both of us managed to garduate, without distinction, but both of us also nearly flunked out at several points. I can offer comfort to those black students who hear the whispers and shouts about how inferior they are as students, how they are watering down standards. They said the same thing about my friend and me and all high school graduates at Princeton 20 years ago.

In a general way, it was true. We were inferior. Except for the wizards, the high school graduates were atrociously unprepared compared with their classmates from the best prep schools. There were periodic storms of protest from alumni at this injustice. Princeton discerned, however, that high school kids tended to be hungrier, studied harder out of necessity (some of us were notable exceptions to this).

But another complaint was more fundamental: Jewish students, graduates of those high schools in the East, complained that, in addition to these other selection factors, there was a "Jewish quota." The university always denied this, and I always believed the university. I still do. But it is obvious now that the balancing act of geography and talents and alumni sons and all the rest works to include some and exclude others. To take a medium-speed high school kid from Ohio meant rejecting a Jewish kid from Brooklyn, who probably had higher College Board scores. One man's luck was another's injustice.

Princeton, like many other institutions in America, has changed dramatically since the 1950s. Despite stormy objections from alumni, the university opened its admissions to women nine years ago. Now its undergraduate enrollment is approximately 35 percent female.

Without government coercion, the university introduced race into the many factors important to its self-balancing. Last fall, there were 340 black students, about 8 percent of total enrollment, and 300 other minority students.

The old balance between high school and prep school, once so sensitive, is less so now, with about 65 percent of the students coming from public schools. The preference for alumni offspring is still strong, however. The university will accept 40 to 45 percent of the alumni children who apply, compared with only 20 percent of all others.

A cynic might say that there is a genetic theory of educational quality in those patterns, a redundancy of class. The real explanation, of course, is that universities need alumni, for money, for continuity, for tradition.

William G. Bowen, Princeton's president, led the university through these changes, catching heavy flak from reactionary alumni and outlasting their assaults. The system has no fixed numbers, Bowen explains, but Princeton's admissions officers have a pretty clear idea of where they want to come out. The selection may be flexible, but someone must decide when there are enough football players, enough Midwesterns, enough wizards, enough women, enough blacks.

The admissions director, Bowen says, "may have a rough sense that, if we wound up way over here or way over there, that would be bad. That doesn't mean you think 17 percent or 24 percent. There's no magic number. It is ultimately subjective."

Yet the numbers do not vary widely from year to year. Bowen adds, because the same people are making the up-or-down decisions and the same forces are at work—the university's objectives of balance and the pool of qualified applicants.

The important point is this: Discrete "quotas" or something operating very much like "quotas" have always been at the center of selective admissions. These rules and judgments will continue to operate in the future, the Supreme Court notwithstanding. It is inevitable, so long as there are too many qualified applicants for limited spaces.

The legal debate over Bakke succeeded in evading this reality or cloaking it in euphemisms. But it is hypocritical to pretend that "quotas" began with the civil rights movement. Grading and sorting, selecting and rejecting, by class, by region, by family, by other extrinsic factors, is as American as Eli Yale, Old Nassau and the Harvard Crimson.

This is not to imply that a Harvard or a Princeton will now retreat from the goals of social equity which they have pursued in the last decade. The crucial and disturbing message, however, is that public institutions may now rely upon their own private and autonomous good intentions, rather than rigorous public standards.

Be fair. Do good. But do it out of sight, where the public won't be aroused by clumsy quotas like the California plan, where aggrieved minorities will find it more difficult to establish equity and demand redress.

Black people know that "good intentions" have been a fragile guarantee in the long, uneven struggle for racial equality. Thurgood

Marshall felt compelled in his opinion on Bakke to remind everyone of that troubled history, the stops and starts in America's past and long spells in between when blacks made little progress. That history says rather clearly that good intentions are an unreliable mechanism for insuring social change.

Every institution, one assumes, has good intentions. But every institution, ultimately, will also seek results which are in its self-interest. If survival requires taking more alumni children, or more sons and daughters of famous millionaires or more black and Hispanic children, these colleges and universities will balance their selection factors toward those ends.

To put the matter more crassly, the future progress or retrogression of black admissions will depend on money, not just good intentions. This is the battleground now and, while the outlook in one sense is encouraging for black aspirations, future progress is also threatened.

Colleges and universities everywhere face a bleak and unavoidable future of scaling down. This may affect the Harvards and Princetons least of all, but state-financed institutions simply must cut back over the next decade. In 1976, there were 4.2 million 18-year-olds in America. By 1985, there will be only 3.6 million of them. By 1994, there will be 3.1 million.

Colleges are going to lose one-fourth of their potential clients and the game of colleges admissions is already becoming a buyer's market. The black college-age population will decline, too, after a peak in the early 1980s, but the black share will still be somewhat larger. Blacks are now 13.5 percent of 13-year-olds; they will be 15.6 percent in 1990. Other non-whites will also increase their numbers and share.

These demographic facts argue strongly that blacks and other minorities should continue to increase their college enrollments in the years ahead. As Princeton president Bowen explains: "As the total population falls off, the competition among colleges to enroll students is going to become keener . . . Anything that reduces the general competitiveness among applicants is going to help minorities."

For these minority students, kids who are now 8 or 10 years old, however, the crucial factor will still be money. If the Federal Government turns off the spigot of student aid, blacks and other minorities are in big trouble.

Lois Rice, vice president of the College Entrance Examination Board, explains the strong connection:

"More than 40 percent of the largest Federal student aid program—that for Basic Education Opportunity Grants—went to minority students in 1976 . . . [this] undoubtedly has been a strong incentive for institutions to enroll racial minorities.

"This is not surprising since minority students are a very disproportionate share of the low-income population for which the program was designed. About 65 percent of black students in higher education are from families with incomes below $10,000.

"If you substitute a tuition tax credit for the student aid program—which is the current threat—you unquestionably will eliminate a large part of the financial incentive for higher-education institutions to enroll minority students."

While the Supreme Court muddles through *Bakke*, Congress is considering precisely what Rice fears: reducing the direct Federal dollars which accompany so many minority students to college, the money which encourages good intentions. If this aid is replaced by a tuition tax credit, more beneficial to middle- and upper-income families, that might hurt twice—by encouraging colleges to raise their tuitions to take advantage of the tax subsidy. Without substantial aid, black applicants might indeed suffer disproportionately as colleges and universities scale back their budgets and enrollments.

In short, if white America wants to back away from this struggle, if it is sufficiently angry and tired of pursuing racial equality, then the *Bakke* decision certainly offers a spiritual blessing for retreat. The next question is whether Congress will also provide a financial incentive.●

TRIALS OF SOVIET DISSIDENTS ARE MOCKERY OF JUSTICE

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. BINGHAM. Mr. Speaker, today in the Soviet Union the campaign of repression against members of the Helsinki Watch Groups has reached its pinnacle. The trials of no less than four—possibly five—group members begins this week. Two founding members of the Moscow group—Anatoly Scharansky, and Aleksandr Ginzburg—and the wife of another Moscow group member, Mariya Slepak, started today. Scharansky, a Jewish refusenik who has been separated from his wife in Israel for over 4 years, is charged with treason which carries the maximum penalty of death. Ginzburg is being charged with "anti-Soviet agitation and propaganda" for his activities as a Helsinki monitor and administrator of the Solzhenitsyn Fund for the Aid of Families of Political Prisoners. Because Ginzburg had been convicted earlier for his human rights activism, he faces a possible 10-year prison term to be followed by 5 years in exile. Mrs. Slepak is being charged with "malicious hooliganism" for hanging a banner outside her Moscow apartment which proclaimed her family's desire to emigrate to Israel to join their son. Last month her husband, Vladimir Slepak, was sentenced to 5 years internal exile for this so-called offense. The Slepaks, who have already waited over 8 years for exit visas, will probably be forced to serve their sentences separately in remote areas of Siberia.

This incredible repression is not limited to the Moscow group. In Lithuania, Viktoras Petkus, a founding member of the Helsinki Watch Group there, is being tried under the same charges facing Ginzburg. He, too, faces an especially harsh sentence of 10 years in prison followed by 5 in exile because of a former conviction. Aleksandr Podrabinek, the young founder of the subgroup on psychiatric abuse, is also scheduled to be tried later this week in Moscow on charges of "anti-Soviet defamation and slander" which carries a maximum sentence of 3 years.

It is clear, Mr. Speaker, that the Soviet Union, by harassing, arresting, and convicting the members of the Public Groups To Promote Observance of the Helsinki Agreement in the U.S.S.R., is directly violating the pledge it made at Helsinki confirming "that organizations and persons have a relevant and positive role to play in contributing toward the achievement" of the final act provisions. Furthermore, the Soviet Union specifically agreed to "respect human rights and fundamental freedoms" and confirmed "the rights of the individual to know and act upon his rights." It is evident that the Soviet Union has no intention of honoring these commitments. This behavior calls into question the intention of the U.S.S.R. to adhere in good faith to any international treaties and agreements. I vehemently protest the trials of the members of the Helsinki groups and urge that my colleagues in the Congress do so. The Soviet Government must be made to understand that their treatment of men and women like Scharansky, Ginzburg, Slepak, Petkus, and Podrabinek, profoundly affects the future of U.S.-Soviet relations.●

PEOPLE OF GOOD WILL SHOCKED

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. DRINAN. Mr. Speaker, the trial of Anatoly Scharansky which began today in the Soviet Union has shocked people of good will around the world.

Clearly Mr. Scharansky is being punished only for his attempt to emigrate to Israel and his attempt to monitor Soviet compliance with the Helsinki agreement.

To register a serious protest by the Congress against the Soviet Union's treatment of Anatoly Scharansky, Senator RIBICOFF and I have introduced today the following resolution:

Whereas the Soviet Union in 1975 signed the Helsinki Final Act, which stipulated the observation of basic human rights, including the right to "leave any country"; and

Whereas Anatoly Scharansky has since 1973 been denied permission by the Soviet authorities to emigrate to Israel; and

Whereas Mr. Scharansky now faces trial because he dared to protest this denial and to monitor the compliance of the Soviet Union with the international human rights guarantees of the Helsinki Agreement; and

Whereas the formal charge of treason against Mr. Scharansky is without legal basis and has been repudiated by the government of the United States; and

Whereas the United States takes seriously its commitment to the Helsinki Agreement and especially to the human rights provisions thereof; and

Whereas the trial of Anatoly Scharansky constitutes a gross violation of the Helsinki Final Act and minimum universal standards of humanity and justice: Now, therefore be it

Resolved by the House of Representatives (the Senate concurring), That—

(1) Congress hereby condemns the trial of Anatoly Scharansky and calls upon the Soviet Union to comply with the Helsinki Agreement by immediately releasing Mr. Scharansky and permitting him to emigrate to Israel; and

(2) conviction of Anatoly Scharansky, in contradiction of international human rights guarantees which the Soviet Union has pledged to uphold, can only adversely affect relations between the United States and the Soviet Union.●

BALANCE(S) OF POWER SERIES

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. BRECKINRIDGE. Mr. Speaker, during the last session of Congress, I was privileged to insert a series of articles in the CONGRESSIONAL RECORD, detailing in part the major shift in "The Balance(s) of Power" underway between the Soviet Union and the United States.

The purpose of The Balance(s) of Power series is to present to the Congress, the administration, and the American people through the libraries across the Nation containing the CONGRESSIONAL RECORD, a carefully documented, discussion-provoking set of views prepared by current leading thinkers in the field of national defense, so designed as to stimulate thinking about military trends and where we are headed if the Congress, the administration, and the American people do not take the necessary steps to turn us around.

Mr. Speaker, book I of this continuing series, appearing in the March 17, 1976, to December 15, 1977, issues of the CONGRESSIONAL RECORD, included articles relating to seven broad areas: First, U.S. Strategic Situation; second, A Panoramic Perspective; third, Strategic Offensive Balance; fourth, Strategic Defensive Balance; fifth, Armed Forces Balance; sixth, Naval Forces Balance; and seventh, Tac Air Balance. A list of these articles detailing the number, author, date, and subject matter is provided at the conclusion of my December 15, 1977, remarks.

In the coming months before the end of the 95th Congress, I shall be presenting in the CONGRESSIONAL RECORD books II and III—the conclusion of my Balance(s) of Power series. These selections will actually comprise three themes to be followed concurrently.

The first theme, book II of the series, looks beyond the military balance presented in book I and will examine the nonmilitary elements of national power; it is entitled, simply, The Strategic Balance." This book will consist of a comparison of U.S. and Soviet strategic strengths and weaknesses along the following outline:

A. Geopolitics and Soviet Power
B. The United States and the Maritime Alliance
C. National Resources
D. Industrial Capacity
E. Technology and Research
F. Population Trends and Distribution
G. National Character
H. Political Culture
I. National Morale
J. Nature and Quality of Diplomacy
K. Nature and Quality of Government
L. Psychological Warfare and Propaganda

On alternate days, Book III will address those developments of concern for U.S. security interests presented worldwide, not by Soviet activities alone, as in book I, but by the full range of international changes which create points of potential friction between the superpowers. This look at trends in respective regional balances of power, entitled "The Global Compass," will detail significant military developments in the following areas:

A. NATO's Center Core and the Germanies
B. NATO's Northern and Southern Flanks
C. The Eastern Mediterranean
D. The Horn of Africa
E. Sub-Saharan Africa
F. Southern Africa
G. Northeast Asia
H. Asian Rimlands
I. Pacific Basin
J. Indian Ocean
K. South America

Finally, a related and concurrent series of writings will be added on the subject of Soviet doctrines and intentions. Because differences in assumptions, goals, attitudes and ethics between United States and Soviet approaches to national security problems create asymmetries which underlie every element of the balance of power, it is appropriate to raise these neglected questions as this 3-year series concludes.

Mr. Chairman, it is my hope that by directing attention to these critical issues this series may contribute in some measure to a better-informed and more clear-minded debate over the challenges to be met by the U.S. national defense effort, and how best to proceed.

Most importantly, and urgently, Mr. Chairman, are the constraints in time imposed upon our decisionmaking processes in an open and democratic society in the light of acknowledged Soviet momentum and intentions.●

ISRAEL'S ANNIVERSARY

HON. JIM LLOYD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. LLOYD of California. Mr. Speaker, recent events in the Mideast suggest new efforts to find a negotiated peace. These negotiations must take the form of protecting Israel's unique position in the Mideast, while guaranteeing a lasting cease-fire and, hopefully, a genuine peace.

I was fortunate to visit Israel last year, and review the situation first hand. As the first U.S. Congressman to fly with the Israeli Air Force, I was impressed by the professionalism and commitment on the part of these skilled pilots. I was shown dramatically the Israeli defense posture in the Golan Heights and the West Bank from the air. From this view it is obvious that Israel has a valid defense requirement in occupied lands. Any resolution of the Mideast crisis must recognize this fact.

Israel has consistently maintained a strong democracy and sense of freedom under difficult circumstances. She has been a strong friend for three decades through uneasy times. We have a commitment to Israel not only as an ally, but as a frontier of freedom in the Mideast.

We need to continue aiding Israel not only because it is the right thing to do, but because it is the necessary thing to do—necessary not only to Israel's survival, but to the survival of a close U.S. ally in an area of extreme strategic importance.●

PITTSBURGH CELLIST WINS TCHAIKOVSKY COMPETITION

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, classical music lovers everywhere, and especially those in Pittsburgh, were elated with the news that Nathaniel Rosen, principal cellist with the Pittsburgh Symphony, won first prize in the Tchaikovsky Music Competition which is held every 4 years in Moscow.

Mr. Rosen's feat was the first time an American instrumentalist has won the coveted gold medal for excellence since Van Cliburn won 20 years ago.

Mr. Rosen's victory in a string competition, a category usually dominated by Russian and Eastern European musicians, emphasizes the significance of his win.

Mr. Rosen, who has been with the Pittsburgh Symphony since 1977, has competed and won other international contests. He has studied the cello for 25 years.

I wish to congratulate Mr. Rosen on his achievement and I hope that the patrons of the Pittsburgh Symphony can enjoy his works for many years to come.

I would like to insert in the RECORD at this time an article from the Pittsburgh Press detailing Mr. Rosen's prize-winning performance:

MOSCOW HONORS CITY CELLIST

Nathaniel Rosen, first cellist with the Pittsburgh Symphony Orchestra, outplayed 52 other cellists from 22 other countries to win the world's most valued musical prize—a Tchaikovsky gold medal—in competition in Moscow.

Rosen is the first American to win a gold medal at the competition in 12 years since singer Jane Marsh's victory in 1966.

The last American instrumentalist to win the prestigious award was pianist Van Cliburn in 1958.

The 30-year-old cellist, who joined the Pittsburgh orchestra this season, said he wants to further his career as a soloist and at the same time bring a little more recognition to an instrument he says has followed the piano and violin in popularity.

In addition to the gold medal he won Saturday, Rosen also received a cash prize of $2,500. The honor meant instant fame for Van Cliburn 20 years ago, and Rosen clearly is looking for the same kind of acceptance.

"My goal has always been to be a cello soloist and my victory in this contest will give me a boost in that direction," he said.

Rosen's climb has not been an easy one since he first began to play the cello when he was 6 years old.

He left his home in southern California after meeting his wife, Jennifer, and went to

London, New York, and finally Pittsburgh where he became first cellist under conductor Andre Previn.

Along the way, he went to the Tchaikovsky competitions of 1966, and with a stunning appearance by an 18-year-old musician he made the finals but did not win the prize.

During the past year in Pittsburgh, he had devoted his time to practice, training and development of style that separates the superior performer from the competent ones.

Rosen, in an interview in his suite in the Rossiya Hotel in Moscow, admitted the pressure was "extreme."

He said this year's competition has been a strain.

He said there were three weeks of appearances before a highly developed audience but he was inspired by the intensity of attention by that audience at the performances.

Rosen will remain in Russia until he completes a 10-day tour then return to the United States to join the Pittsburgh Symphony Orchestra.

He and his wife live in Gateway Towers, Downtown.

Rosen made his debut in California with the Redlands Symphony at 12, and started studying with Gregor Piatigorsky of the Berlin Philharmonic a year later. He became Piatigorsky's assistant at the University of Southern California.

In an earlier interview he called Piatigorsky "a great person, a large soul. I learned everything from him, not only music but an attitude toward life. In music he said it was important to express one's self, not to hold back. When I bog down in practice, it helps if I imagine he is there playing it."

Rosen, who is 5 feet 8 and weighs 145 pounds, has large hands but says size doesn't determine who will be a fine cellist.

"It is the attitude toward the instrument that counts. A big man can play small," he said.

His wife also is a cellist whom he met in Piatigorsky's classes. Mrs. Rosen is active as a soloist in the Affiliate Artists program and teaches at Carnegie-Mellon University.●

GENERAL STILWELL VOICES OBJECTIONS TO FOREIGN INTELLIGENCE SURVEILLANCE ACT

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. McCLORY. Mr. Speaker, the zeal which is being displayed by several of our Members in behalf of speedy enactment of a Foreign Intelligence Electronic Surveillance Act should nevertheless not mislead Members into a belief that this measure is without its opponents.

A communication directed to the chairman of the House Judiciary Subcommittee on Courts, Civil Liberties and Administration of Justice from Gen. Richard G. Stilwell, president of the Association of Former Intelligence Officers, points out the defects and inherent dangers in this legislation.

Mr. Speaker, some proponents of the Senate-passed bill contend that virtually all of the intelligence community is in support of this legislation. Those holding appointments under President Carter may, indeed, be supporting the Carter administration position. This is understandable. However, General Stilwell, is speaking in behalf of 2,500 members of the Association of Former Intelligence Officers—former intelligence professionals who have helped protect our national security and have provided vital information for our Nation in its conduct of foreign affairs. These former intelligence officers deserve to be listened to and their recommendations are entitled to our respect and support.

Mr. Speaker, I am attaching hereto the communication from General Stilwell for the edification of my colleagues:

JUNE 26, 1978.

Hon. ROBERT W. KASTENMEIER,
Chairman, Subcommittee on Courts, Civil Liberties and the Administration of Justice, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: As President of the Association of Former Intelligence Officers (AFIO), I have honor to present the views of our Association on H.R. 7308, the "Foreign Intelligence Surveillance Act of 1978" on which your Subcommittee is presently holding hearings.

We vigorously oppose this bill insofar as it requires a judicial warrant to obtain foreign intelligence by use of electronic surveillance of a "foreign power" or "agent of a foreign power." The provisions which so require run contrary to the national interest. They correct no known abuse, greatly inhibit foreign intelligence activities, create substantial new security hazards, afford no additional safeguards for rights of Americans, and are inconsistent with the Constitution as repeatedly interpreted by the Supreme Court. It is frankly incredulous that the Congress and the Executive should be joining hands in this bill—and its Senate counterpart—to strip the President of his Constitutional prerogatives in the pursuit of no known constructive purpose and at the price of major reduction of effectiveness of intelligence.

The full substance of our position is set forth in my 15 June testimony before the Senate Select Committee on Intelligence with respect to S. 2525; and I therefore attach a copy of that testimony. Incorporated therein is the statement of John S. Warner, Legal Advisor to this Association, before the House Permanent Select Committee on Intelligence on January 17, 1978. His testimony is fully consistent with the dissenting views of that Committee in its report on H.R. 7308 (Report 95-1283, Pt. I, dated June 8, 1978). I want to place on the record the position of AFIO as further endorsing both these dissenting views and the substitute bill sponsored by Mr. McClory, subject to the latter's modifications as outlined hereinafter.

We note the Committee amendments to H.R. 7308 which now permit two classes of surveillance without a judicial warrant. The report noted the fact that civil rights of Americans were not affected and "when weighed against even the incremental risk to security by including courts in the approval process . . . the benefits of a warrant requirement were outweighed by its potential risks." We maintain that this justification applies equally to those surveillances involving "foreign powers" and "agent(s) of a foreign power." The sole difference is that in the latter cases there may be an inadvertent overhearing of a "United States person." But the same inadvertent overhearing can and undoubtedly will occur where a judicial warrant has issued. The protection of the rights of Americans is afforded under the "minimization procedures" which should be applied with or without a warrant. It is such procedures which provide the safeguards, not the warrant.

There are two additional serious flaws in H.R. 7308 and which are not corrected in Mr. McClory's substitute bill. The first point concerns lack of recognition of the opportunity to collect valuable positive foreign intelligence in the United States from foreigners. The definitions exclude officers and employees of a foreign power not so acting in the United States. Why should our policymakers be denied valuable positive foreign intelligence by barring collection from a visiting foreign minister on holiday? Or, for that matter, from a scientist, businessman or any other foreigner in the United States known to possess information of value to the United States? We know of no other country which so limits its intelligence capabilities; and, in fact, we do not so limit our capabilities abroad. This limitation does not protect the rights of Americans; what it does is hobble the nation's efforts to give our policy-makers the best possible intelligence. At any given time there are hundreds of thousands of foreigners in the United States. Limiting collection efforts only to employees of foreign powers and others who may engage in clandestine intelligence activities essentially constrains such U.S. collection to counterintelligence and abandons the equally vital area of positive foreign intelligence.

The second point involves the definitions also. I refer to Sec. 101(b)(7)(B) which defines "agent of a foreign power" to be a foreigner (i.e., other than a United States person) acting for a foreign power which engages in clandestine intelligence activities in the United States contrary to the interests of the United States. The definition continues by requiring a judgment that "the circumstances of such person's presence in the United States indicate that such person may engage in such activities in the United States". As the members of your Subcommittee are certainly aware, the intelligence process is extremely complex. Information comes in fragments, some subject to differing interpretations and some time sensitive. Rarely is the matrix built from fragments ever complete and thus the perennial challenge is to fill the gaps. The judgment that electronic surveillance is the appropriate means in any given case can only be made by those with requisite expertise and data base. It cannot be made by judges of Special Courts who have neither the expertise or background knowledge.

But our principal concern relates to the standards themselves. Not only must it be shown that the foreign power engages in clandestine activities in the United States, it must also be shown that such activities are contrary to the interests of the United States. If a foreign power is conducting intelligence activities in secret in the United States—and it would not be prudent to assume that any foreign power is not—surely no one would believe that the motivation for such activity is benevolence towards the United States. The universally accepted meaning of "clandestine intelligence activities," is espionage, pure and simple. The convoluted words in the report which attempt to explain this statutory standard result in a distortion of the generally understood meaning of words. The requirement as stated in the report that the Government must "show that the foreign power has demonstrated some pattern or practice of engaging in clandestine intelligence activities in the United States contrary to the interests of the United States" is far too restrictive and far too harsh. In effect, it says you can't collect the first or second time such activities occur, but only if there is a pattern or practice. How many times does it take to establish a pattern or practice? We believe this is absurd. Even if it is the first time, let intelligence collect!

The wording with respect to these two matters creates inflexibility and denies opportunities. Such wording should never be in a statute. We believe the collection of intelligence from foreigners should not be regulated in detail by law so long as the rights of Americans are safeguarded. We do not believe the Constitution requires the Executive to forego collection of needed intelli-

gence from foreigners in the United States. The Congress should have the wisdom not to limit the Executive unduly, having in mind the vast responsibility placed on the President by the Constitution in the field of foreign relations and national security. If there is any balance to be struck in this area, surely it should be struck in favor of the President, permitting him to have flexibility and to seize opportunities to fulfill his awesome responsibilities.

Just a word concerning the Constitutional issue. The injection of the Judiciary into the foreign intelligence arena, as this bill does, raises profound issues bearing on basic Constitutional concepts to which the Supreme Court has addressed itself many times. This legal history is reviewed in the attachment to this letter and in the dissenting views on the House Intelligence Committee Report on H.R. 7308. We are aware that many witnesses have discussed this area. Therefore, we shall not dwell on this except to say that to give the Judiciary approval, or disapproval, authority relating to intelligence collection activities conducted by the Executive against foreigners is simply not consistent with the Constitution.

AFIO stands ready to testify on this most serious matter and will be glad to answer any specific questions the Subcommittee may have. The more than 2,500 members of AFIO are former intelligence professionals. Included are officers thoroughly familiar with all aspects of intelligence activities and many who have spent careers in applying and interpreting the law with respect to such activities. One such is Mr. John S. Warner, former General Counsel of the Central Intelligence Agency who provided the substance of this letter. AFIO offers you its full cooperation and assistance.

Sincerely,

RICHARD G. STILWELL,
General, U.S. Army, Retired, President.●

INNER CITY BANKING BUSINESS

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. MARTIN. Mr. Speaker. I am proud to call your attention to a first in American banking.

I am proud because this innovation was born in the Ninth Congressional District of North Carolina. It is a program in line with President Carter's desires to halt the decay in our inner city areas. It is a program which has enthusiastic support in our community.

I call to your attention articles from the April 14 edition of the Charlotte Observer and the April 20 edition of the Charlotte News. Also, please note an editorial from the Charlotte Observer pertaining to this first in the banking and finance industry.

[From the Charlotte Observer, Apr. 14, 1978]

BANK'S NEW BUSINESS—THE INNER CITY

(By Nancy Brachey)

North Carolina National Bank (NCNB) said Thursday it is setting up a new company—the first of its kind in the United States—to help revitalize inner-city residential neighborhoods.

NCNB President Hugh McColl said the new subsidiary's first efforts will be in Charlotte's 4th Ward redevelopment area.

Under federal regulations, national banks and their subsidiaries generally can't develop real estate. The NCNB subsidiary was authorized by John Heimann, U.S. comptroller of the currency, under a new interpretative ruling.

Subsidiary profits must be reinvested for additional development or used for loans or grants to nonprofit organizations.

Heimann said the NCNB plan fits in with President Carter's call for more private investment in inner-city improvements.

In his written announcement, McColl said the subsidiary, NCNB Community Development Corp., plans to acquire and renovate or develop properties and then lease, manage or sell them. Projects could also be undertaken in other parts of Charlotte and in other cities.

The project will be launched with $250,000 in capital and a line of credit from NCNB, the state's largest and the nation's 26th largest bank.

"One of our prime objectives," McColl said, "will be to promote additional private investment and development in the 4th Ward that is consistent with the city's urban renewal and historic district plans."

The 4th Ward, northwest of Trade and Tryon streets in downtown Charlotte, was the city's finest residential area at the turn of the century. The 78-acre area is being restored primarily for residential use by public and private investments.

"We believe that 4th Ward represents an unusual opportunity to restore a neighborhood that affects the quality of life for our whole community," McColl said.

Initial efforts will focus mainly on developing middle-income housing to generate money for future projects for low- and moderate-income families, he said.

"We believe that developing housing units for middle-income people as provided by the urban renewal plan, will attract private investment in neighborhood shopping amenities for central-city residents of all income levels."

He cited theaters, art centers, restaurants and stores as the kinds of development he hopes the subsidiary will stimulate.

The subsidiary will be governed by a board of directors, including representatives of the bank, the public and 4th Ward property owners. The first project will be selected after the board has been named.

NCNB was allowed to create and invest in the subsidiary on the conditions that projects undertaken be mainly of civic, community or public interest, that the investment not exceed specified limits and that the investments be accounted for appropriately.

McColl quoted Comptroller Heimann saying, "This is a dramatic illustration of the partnership President Carter is seeking in his recently announced national urban policy. Only by government and industry working together nationally and locally will we begin to come to grips with the problems of our cities."

NCNB and other Charlotte banks also have provided low-interest mortgage money through the City of Charlotte for persons who want to buy and live in 4th Ward homes.

[From the Charlotte News, Apr. 20, 1978]

NCNB NAMES RASH TO LEAD INNER-CITY PLAN

(By Whitney Shaw)

J. Dennis Rash, dean of students at the University of North Carolina at Charlotte since 1970, has been named president of the newly formed NCNB Community Development Corp.

Rash will step down as dean May 1, but will become an adjunct assistant professor in geography.

The North Carolina National Bank subsidiary was formed to promote revitalization of inner-city residential neighborhoods. It will concentrate initially on Charlotte's Fourth Ward, a neighborhood bounded by W. Trade and N. Church streets, the Southern Railway tracks and the Brookshire Expressway.

Rash and his wife Marsha live in Fourth Ward.

"I have been involved in Fourth Ward at virtually all levels," Rash said. "It is very much a new challenge for me. I'm very gratified to see community acceptance of Fourth Ward. I will miss the daily contact with the university community, however."

North Carolina National Bank president Hugh L. McColl, Jr., said Rash was chosen because of his ties to Fourth Ward and "proven leadership abilities.

"It is essential that NCNB Community Development Corp. succeed in its efforts and provide incentive for additional private investment and development in the Fourth Ward," McColl said. "We believe that, under Dennis's leadership, it can accomplish that."

Rash said the NCNB subsidiary is "a good deal more visionary and a bolder step than I would have visualized two years ago.

"It's designed to fill in between the private individual and the government."

He said the subsidiary's goals are "not chiseled in stone and concrete yet."

A board of directors will be selected soon.

The subsidiary, the first of its kind in the nation's banking industry, was launched with $250,000 in capital and a line of credit.

Initial efforts will concentrate on developing middle-income housing to get money for low- and moderate-income housing projects.

The first project hasn't been selected.

Rash, who holds a bachelor of arts degree from the University of North Carolina at Chapel Hill, practiced law in Charlotte for five years after graduating from the University of Virginia Law School.

He is on the board of directors of the Historical Preservation Society of North Carolina and is chairman of the City of Charlotte Housing Task Force. Rash was named Young Man of the Year by the Mecklenburg County Jaycees in 1975.

UPTOWN ACTIVITY—BANK'S PLAN QUICKENS IT

The Charlotte skyline is impressive, but the center of the city is not as bustling as it might seem from afar. A pedestrian who wanders off Tryon and Trade streets quickly discovers an abundance of vacant land and an absence of pedestrians.

The uptown area still lacks the concentrations of people and variety of activities needed to make it a thriving, vibrant place. It needs people who not only work downtown, but who live there, take their recreation there and raise children there.

That's why North Carolina National Bank's announcement that it plans to form a subsidiary corporation to promote inner-city residential development was especially heartening. It promises to go quickly to the heart of what has been a difficult problem.

Until now, downtown residential development has been something of a chicken-and-egg dilemma. The housing and amenities needed to interest people in living downtown have awaited the financing needed to develop them. But the financing to develop them has awaited stronger indications that there was a reliable market for such housing and amenities.

As one developer once put it: "Everybody's hanging back, waiting to be the second guy to build downtown residential property."

Officials at NCNB sense that the time for waiting may be over. With the rebirth of 4th Ward, prospects for a downtown neighborhood are much stronger. The old houses being restored there form a nucleus around which other types of residential units—apartments, townhouses, efficiency units, even high rises—might be developed for people in all economic levels.

Once under way, such units should stimulate other investment opportunities for more grocery stores, theaters, barber and beauty shops, hardware stores and all the other amenities that people in an in-town residential area would need. The NCNB subsidiary would make money available for those opportunities, too.

Normally, federal regulations sharply restrict a bank's ability to develop real estate. NCNB applied for and got federal authority to go beyond those restrictions. The stipulations are that the NCNB subsidiary be a public-interest corporation. Any profits it makes must be reinvested in additional inner-city development or in loans to nonprofit organizations. The subsidiary may develop property on its own or in conjunction with other groups, public or private.

Though plans for the NCNB venture were being drawn long before President Carter announced his national urban policy, the bank's aims fit comfortably within the goals the President suggested.

If the project brings about a renewed interest in downtown opportunities by other commercial interests, people in significant numbers may move back into the central city faster than anyone thought possible. Then, perhaps, activity at the heart of the city will again match the drama of the skyline.●

JAMES McCOY, JR.

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, recently the army of citizens dedicated to equal rights for all Americans lost one of its bravest and most compassionate soldiers.

Pittsburgh's James McCoy, Jr., was an eloquent spokesman for the cause of equal opportunity. He was a black unionist who used his position to assist untold thousands as a labor activist and as a member of several community-based self-help organizations.

Jim McCoy's involvement in the civil rights movement spanned three decades. He was a man I was proud to call my friend and he is somebody who will be missed greatly by the Pittsburgh community.

I would like to include in the RECORD at this time an article noting his death, which appeared in the Pittsburgh Post Gazette:

JAMES McCOY, JR., LEADER IN CIVIL RIGHTS, LABOR

James McCoy, Jr., a prominent voice in the civil rights movement in Pittsburgh in the 1960s, died Monday night in West Penn Hospital.

Mr. McCoy, 58, of 7261 Lemington Ave. had been ill since he suffered a stroke in October 1976.

Dedicated to the cause of equal opportunities for blacks in jobs and housing throughout his life, he was best known as the founder of the United Black Protest Committee, an umbrella group of civil rights organizations here, and of Freedom House Enterprises Inc.

Mr. McCoy became involved in the civil rights struggle in the late 1940s and in 1952 he was elected to the board of the Greater Pittsburgh Improvement League.

Although he remained committed to the philosophy of nonviolent protest, co-workers in the movement remembered him yesterday as an aggressive leader, deliberate yet eloquent of speech.

In the mid-1950's he was named chairman of employment for the Pittsburgh branch of the National Association for the Advancement of Colored People. Later he helped organize the Pennsylvania NAACP Labor and Industry Committee and served as its chairman.

His efforts to expand the civil rights movement led to a meeting of local black leaders in 1963 who coalesced under the United Negro Protest Committee (later changed to United Black Protest Committee) umbrella.

Still unsatisfied with progress toward job opportunities for blacks, he later founded Freedom House Enterprises in 1967. Freedom House was chartered as a private, nonprofit tax-exempt organization to build up the economic base in the black community by creating black-owned businesses.

With a grant from the Ford Foundation and the Department of Labor, Mr. McCoy's Freedom House founded an ambulance service that supplied otherwise unavailable service to the Hill District and employed 40 blacks.

Mr. McCoy also served as board member of the Greater Pittsburgh Civic League, Community Release Agency and Council House Inc. and was vice president of Allegheny County Industrial Development Authority.

Mr. McCoy also had a career in the labor movement for more than 30 years.

A native of Houston, Texas, he moved to Pittsburgh when he was 17 and got his first job in a brickyard in Lawrenceville. Within a couple of years he was working at Continental Rolling Steel Foundries in Coraopolis, where he became union shop steward and later president of Local 1904 of the United Steelworkers.

In 1948 he was appointed USW staff representative of District 20, a post he served in until his death.

At a dinner in his honor sponsored by the NAACP last August, he was awarded a citation of merit by the county Board of Commissioners and also received a personal letter of commendation from President Carter.

Mr. McCoy is survived by his wife, Rose; a son James Douglas McCoy of Brooklyn, N.Y.; a daughter, Patricia Ann Goodnight of Wheaton, Md.; and four grandchildren.

Friends will be received at George A. Warden Funeral Home, 1100 N. Homewood Ave., Homewood, from 2 to 4 and 7 to 9 p.m. today and tomorrow.

Mass of Christian burial will be celebrated at 11 a.m. Friday in Corpus Christi Church, 1550 Lincoln Ave., with the Rev. Donald McIlvane officiating.

Burial will be in Mount Carmel Cemetery, Penn Hills.●

THE EMBARGO STALEMATE

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues an editorial which appeared in the Los Angeles Times June 26, 1978. This editorial is of interest because it summarizes the benefits which would follow from congressional repeal of the arms embargo against Turkey. The repeal of the embargo would pave the way for a just settlement of the Greco-Turkish conflict over Cyprus, and would serve U.S. strategic interests by bolstering NATO's southern flank; thereby, establishing an impediment to Soviet incursions in Africa and the Middle East.

The editorial follows:

THE STALEMATE MUST BE BROKEN

The House of Representatives is expected to vote this week on President Carter's proposal to lift the arms embargo against Turkey. A Senate vote will probably come after the July 4 recess.

Both houses should approve the request. The removal of the arms ban is in the interests of the United States and its allies, including Greece—which, despite its unhappy history of conflict with Communist insurgency, vigorously supports an embargo that weakens Western defenses against a Communist military alliance led by Russia.

A full resumption of American arms supplies to Turkey would open the way for a just settlement of the Greco-Turkish conflict over Cyprus. As such, the ban's removal would serve a humanitarian purpose by providing an opportunity for permanent settlement of the 200,000 Greek-Cypriots and the 35,000 Turkish-Cypriots uprooted by the Turkish invasion of Cyprus in 1974 to crush a quixotic move by some Greeks to join the island to Greece.

Carter has termed the removal of the arms ban, imposed in 1974, "the most immediate and urgent foreign-policy decision to be made by the current legislative session . . ." A good place for Congress to test the aptness of that remark would be on a map of Southern Europe and the Middle East; the embargo, though partly lifted since 1975, has dangerously weakened a once-stalwart Western ally in one of the most volatile areas of the world.

The continuing deterioration of Turkish support for NATO because of failure to lift the embargo, dramatized by Turkish Premier Bulent Ecevit's visit to Moscow to cement closer relations with Russia, could have serious effects throughout the region.

Turkey's drift toward Third World neutralism, or possibly even into the Soviet orbit, could be detrimental to both Israel and Saudi Arabia, and to other moderate Arab states. Turkey provided considerable assistance to the American military supply effort to Israel during the 1973 Arab-Israeli war. And U.S. surveillance stations in Turkey, shut down by Ankara in retaliation for the embargo, provided vital information on what the Russians were up to during the war.

A reduction of Western influence in the region through further deterioration of Turkey's NATO role poses a threat to the vital oil supply lines in the Middle East, and may embolden the Soviet Union to try further adventures in Africa.

If such strategic considerations cannot convince Congress to lift the embargo, its members should consider other implications of Carter's request.

Turkey did indeed violate agreements prohibiting recipients of U.S. military aid from using such aid for other than defensive purposes. A number of other recipients have done the same—including Pakistan in the 1971 Pakistan-Indian war, Israel in its invasion of Lebanon, France in Algeria and in Indochina, and Britain and France in the 1956 Suez fiasco.

Yet Turkey is the only country to be embargoed for its misuse of American weapons. That embargo was imposed by Congress to pressure Turkey into surrendering territory that it had conquered in the Cyprus invasion.

Such pressure has been clearly counterproductive; there has been no significant movement toward a Cyprus settlement.

In the face of growing Soviet military might and adventurism, the West can no longer afford the consequences of the Greco-Turkish stalemate over Cyprus. That stalemate must be broken, and the place to start breaking it is through removal of the arms embargo against Turkey.●

LET US KEEP OUR PERSPECTIVE

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. LENT. Mr. Speaker, I would like to call to the attention of my colleagues an editorial which appeared recently in the Merrick Life and several of its associate weeklies on Long Island, including the Bellmore Life and the Wantagh-Seaford Citizen. The editorial is a gentle but very important reminder that we live in a wonderful country. Sometimes we tend to forget that, when we are too preoccupied with our own problems, or too worried about this or that domestic or international crisis. I commend the editors and publishers of the Merrick Life and associated newspapers for reminding us that with all of our problems, Americans can take pride in their accomplishments and can count many, many blessings.

The editorial follows:

KEEPING THE PERSPECTIVE

It is nice to be away, but nicer to get home, people often say. After visiting five countries during the month of May, we are tempted to join in that chorus. For all its shortcomings, the United States, as we all know, has a lot to recommend it.

That goes for material wealth. Americans have every reason to feel that taxes are going up too fast. Yet, when all is said and done, the same oppressed taxpayers live better than most others and better than in the U.S.A. 25 years ago. So, while it is desirable to work to keep taxes down, we are still way ahead in living standards. A trip abroad can help put things in perspective. Yes, there are things here that should be improved and yes, public bodies should avoid waste like the plague, but, in the final analysis, Americans have used their natural resources, their labor and ingenuity to pretty good advantage—and been able to help others in the process.

The United States also comes out well when we consider human conditions. This country does not have political prisoners or detainees. Other countries do, and we saw newspaper editorials explain that the issue is not so simple, that it is not realistic to expect a general amnesty. The fact of the matter is that while most countries do have some sort of an elected legislative body, its influence is sometimes limited and the election process questionable.

All the countries we visited seemed to have a flourishing press, although we could only read the limited number of English language newspapers. Several countries have a multitude of relatively small newspapers, circulationwise, rather than the morning and evening newspaper setup, now found in so many U.S. cities. The freedom of the press is sometimes in question. We noticed lively letters to the editor expressing strong opinions, and editorials that were critical of governmental bodies, but mostly limited to criticism of bureaucratic waste. The tendency to wastefulness must be universal! In Iran, such an editorial opened deferentially with a bow to the Shah who was said to have initiated a campaign for greater prudence in governmental spending. Criticism of government policies, such as is commonplace in the United States, was limited, judging from our brief sampling. Perhaps our lawmakers and administrators would like a little less criticism. The fact that it is freely exercised, however, mounts up to a big plus for the United States.

One also learns to appreciate the wide-open spaces in the United States. Some of the places we visited were uncomfortably crowded, their people living much too close to each other in the cities, and their farmers trying to raise a crop on dwarf-size plots. Flying overhead one also is impressed with the vast areas of barren land. Parts of the American West come in that category, but most of this country can be cultivated and is well-timbered.

Small wonder foreigners like to visit this country and come away with many favorable impressions. We Americans have reason to be pleased, but to stay ahead we must also concentrate on what needs improvement.●

CONGRESSIONAL SALUTE TO THE PASSAIC COUNTY COMMUNITY COLLEGE, PATERSON, N.J.

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. ROE. Mr. Speaker, on Saturday, July 15, residents of my congressional district, State of New Jersey, will assemble for the dedication of the new educomplex of the Passaic County Community College, a young, thriving academic facility in our State which was chartered a decade ago, accepted its first students in October 1971, graduated its first class in June 1973, and this past month achieved full accreditation of the Commission on Higher Education of the Middle States Association.

At the outset let me commend to you the diligence, foresight, and hard work that has been extended by the board of chosen freeholders of Passaic County and the board of trustees of Passaic County Community College under the able direction of the Honorable Gustavo A. Mellander, president of the college in extending the highest standards of excellence which has enabled them to achieve distinguished academic recognition in the world of established and respected colleges and universities. The current roster of these exemplary community leaders and highly reputable citizens of our State is, as follows:

BOARD OF CHOSEN FREEHOLDERS

The Honorable: Edward G. O'Byrne, Director, Joseph L. Bubba, Louise Friedman, S. M. Terry La Corte, James W. Roe, Joseph R. Russo, Cyril Yannarelli, and Ralph P. Gambatese, Clerk of the Board.

BOARD OF TRUSTEES

The Honorable: Manuel F. Lagos, Chairman, Arthur M. Zuckerman, Vice Chairman, Dr. Gustavo A. Mellander, Secretary, Ronald J. Frederick, Alexander J. Krenicki, Marion Mitchell, William J. Pascrell, Jr., Frank A. Pecci, Gustave F. Perna, Joseph A. Russo, and Francis R. Giardiello, Counsel.

Mr. Speaker, it is my firm belief that the cultural, historical, and economic achievements, even the basic health, well-being, and longevity of a State and Nation depend in a large measure upon how well we educate each generation charged with the trust of carrying out its responsibilities and traditions. Since its inception the Passaic County Community College has sought to provide a substantive learning experience for our young people through a most comprehensive community college offering associate degree and certificate programs and off-campus courses in the municipalities of Passaic, Pompton Lakes, Wayne, and West Milford, N.J. The completion of the new educomplex will provide a theater, gymnasium, an academic building, an expanded library, food services area, and a student activity area on campus. This new era in the annals of the college will also include six new programs in marketing, retailing, banking/finance, data processing, child care, and police science. Current enrollment totals 1,500 students.

In observance of the expansion of its facilities and plateau of achievement in the college's history, the administrators, faculty, and students have been busily engaged in devising an outstanding program and seeking full citizens participation in the dedication of the new educomplex. This week the campus is the center of a beehive of activities in commemoration of the college's historic beginnings and outstanding achievements to date. I am proud and honored to have been selected to share in this most exciting event and have my name inscribed on the permanent dedication plaque in recognition of my participation in the establishment of the Passaic County Community College. With your permission, I would like to insert at this point in our historic journal of Congress the program setting forth the festivities that are planned in observance of the dedication of the new educomplex, as follows:

DEDICATION WEEK ACTIVITIES

Monday, July 10—Guided tours, Art Exhibit, Career Day Display.

Tuesday, July 11—Martial Arts Club, "An Exhibition of the Martial Arts": Art Exhibit, Career Day Display.

Wednesday, July 12—Learning Theater "Anansi Looks for Trouble," Guided tours, Dance Theater Ensemble of Passaic County Community College, "4 Woman: Dance Interpretation," "The Wiz-Finale" Dance, "The Feeling We Once Had" Song.

Friday, July 14—Concert dedicated to Passaic County Board of Chosen Freeholders; Ars Nova Chorale & Orchestra, John Caprio conducting. Beethoven's "First Symphony in C Major," "Dedication"—Richard Lane.

DEDICATION DAY PROGRAM, SATURDAY, JULY 15

National Anthem.

Invocation—Father Paul Knauer, Our Lady of Victories Church.

Welcome—Dr. Gustavo A. Mellander, President, Passaic County Community College:

Remarks—The Honorable Edward G. O'Byrne, Freeholder Director, Passaic County.

The Honorable Manuel F. Lagos, Chairman, Board of Trustees, Passaic County Community College.

The Honorable Frank X. Graves, Jr., New Jersey State Senator.

The Honorable Lawrence F. Kramer, Mayor of Paterson.

The Honorable Robert A. Roe, Member of Congress.

Musical Selection—William Hardy.

Dedication Address—Dr. Edward D. Goldberg, Director, Community College Programs, N.J. Department of Higher Education.

Benediction—Rev. Albert P. Rowe, Calvary Baptist Church.

Mr. Speaker, I appreciate the opportunity to call this most historic event that is taking place in my congressional district to the attenion of you and our colleagues and know you will want to join

with me in extending our heartiest congratulations and best of wishes to Dr. Mellander, the freeholders, the trustees, the faculty and students of Passaic County Community College. As they dedicate the expansion of their prestigious "place of learning," we do indeed salute the Passaic County Community College in its constant quest to provide the highest standards of education which has and will continue to enrich the quality of life and way of life for all of our people.●

THE NATIONAL ENQUIRER; "ONLY PEOPLE CAN DECIDE WHERE WE ARE ON THE LAFFER CURVE"

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. KEMP. Mr. Speaker, one of the debates raging in the economic community today—in the wake of the overwhelming victory of the Jarvis-Gann amendment, proposition 13, in California last month—is whether the people are really being taxed too heavily.

Economists who oppose tax reductions say that the people are not being taxed too much. They say Americans have one of the lowest rates of taxation of any of the industrialized countries. When the question comes up, are we in such a high range of taxes that revenues to government are actually in a decline, they say we are not.

I have an answer to that. Let us let the people decide where they are on the Laffer Curve, the curve which shows the relationship between the rates of taxation and the extent of revenue collected by various levels of government.

I believe in what Abraham Lincoln said, that this must be a Government of the people, by the people, and for the people.

Why should our national policies be fashioned by economists?

Why should our national policies be fashioned by politicans who are out of step with people?

I think the people should decide whether they are being taxed too much as in fact they do. That is why I was pleased to learn of the National Enquirer's decision to help lead the national fight to show what the people think about their present and future tax burdens.

According to a two-page article in its July 11 edition, the Enquirer is going to champion America's growing tax revolt. The Enquirer is one of the largest circulation publications in the United States. It is read weekly by millions. It is read in every State and in every congressional district.

The Enquirer is gearing up a petition campaign directed at elected officials at all levels—including the President and the Congress. We can rest assured that we will be deluged with these petitions. And we can rest assured we had better have an answer.

As one who has been in the forefront of the tax reduction campaign for years, offering a general way to proceed and a specific bill to accomplish it, I support what these people, our working Americans, are trying to do.

I hope they are successful in showing our elected officials that taxes, especially tax rates, must be reduced and permanently.

The Enquirer's announcement of their intentions, as well as supporting evidence for why we need tax reductions, follows:

ENQUIRER WILL CHAMPION AMERICA'S GROWING TAX REVOLT

When Californians voted overwhelmingly in favor of Proposition 13, they triggered a tax revolt that is blazing across America.

And the Enquirer is charging right to the forefront of the onslaught.

Beginning with this issue, we will arm you with facts, figures and articles to help in your assault against insane taxes, vicious inflation and wild government spending. We will even plot an ongoing battle plan of action. One of our first tactics is for you to sign the Enquirer's petition which will be delivered right to the doors of government.

In the coming weeks you'll learn in our pages how grass roots groups have successfully organized drives that cut taxes and influenced politicians. We'll give you a state-by-state report of how the tax revolt is faring. Where can you go to join the movement? We'll tell you. Who are your friends and enemies in Congress? We'll list the names of the congressmen voting for tax cuts and those voting against.

And there'll be so much more to read.

Throughout this growing tax revolt, the Enquirer will be fighting on all fronts with a barrage of hard-hitting, eye-opening articles.

HELP FORCE CONGRESS TO PASS BILL SLASHING INCOME TAX UP TO 90%

(By Thomas Kunci)

Fed up with the federal income tax ripoff? Join the Enquirer's Cut Unfair Taxes (CUT) crusade, and your income tax could be slashed from 33 to 90 percent.

Under the Roth-Kemp bill, the long-suffering American taxpayer would finally get a break. Starting next year, each income earner would have his tax rate cut by an equal amount for three years, until nearly everybody's taxes are reduced at least 33 percent. (See chart at end of story.)

Coupled with California's history-making Proposition 13, the measure could become the second half of a powerful one-two punch that will kayo high taxation, stop waste—and put more dollars back into your pocket.

"When fully effective," said Sen. William V. Roth Jr. (R.-Del.), coauthor of the tax-cutting measure, "it would reduce the tax burden of a family of four earning $8,000 by 90 percent; a family earning $10,000 by 51 percent; a family earning $15,000 by 39 percent, and a family earning $20,000 by 36 percent."

Only a tiny number of taxpayers, those in the highest income brackets, would get a tax reduction of less than 33 percent.

Last March 15, the measure was voted on by the House of Representatives and got 194 votes, failing by only a slim margin. If only 12 congressmen had switched their votes to "yes," it would have passed.

This summer, the tax-cut measure comes up for another vote—and this time you can put the heat on the bloodsucking politicians who've been throwing your hard-earned dollars down the government-waste rathole.

Let's give those tax-crazy fat cats some incentive to vote for the Roth-Kemp proposal—let them know that you demand a tax cut NOW, by becoming a fighting member of The Enquirer's Cut crusade.

"This is a people's crusade—demand relief from this tax oppression," Rep. Jack Kemp (R.-N.Y.), coauthor of the measure, urged the Enquirer's vast family of readers.

In a future issue of the Enquirer, we will publish the names of all congressmen who vote for and against the tax-cut amendment. Then you can do your part—by throwing out of office in November the political hacks who voted against giving Americans a much-needed tax break.

Impact of Roth-Kemp Amendment on Family of Four

Income before deductions	Present tax after average standard deductions	Proposed tax after average standard deductions	Tax cut	Percent cut
$8,000	$120	$12	$108	90
$10,000	446	218	228	51
$12,500	917	539	378	41
$15,000	1,330	811	519	39
$17,500	1,745	1,092	653	37
$20,000	2,180	1,388	792	36
$25,000	3,150	2,047	1,103	35
$30,000	4,232	2,781	1,451	34
$35,000	5,464	3,589	1,875	33
$40,000	6,848	4,512	2,336	33

SHOCKING FACTS!

(By Dick Robinson)

The average American family paid a back-breaking $7,737 in federal, state and local taxes in 1977, according to the Tax Foundation Inc., and that figure will go even higher in 1978.

Despite these shocking facts, high rollers in Washington will spend $177 billion more than they collect in taxes during the three-year period of 1976–78—more money than it took to run the country from 1789 to 1941.

If these figures boggle your mind, look at it this way: The federal tax burden for 1978 will amount to $1,784 for every man, woman and child in the U.S.—and that adds up to more than 215 million people.

It might not be so bad if federal spendthrifts were all the taxpayers had to cope with—but state and local politicians also have their hands in his pocket.

According to the Tax Foundation Inc., every cent the average man earns between January 1 and May 6 each year goes to pay federal, state and local taxes. To put it another way—34 cents out of every dollar you earn goes to the federal, state or local government. Or look at it this way: For every eight hours you work, 2 hours and 45 minutes are spent earning money to pay taxes.

Compare this to the 2 hours and 32 minutes you must work to pay for food and housing combined.

Between 1967 and 1977, state and local income taxes skyrocketed 392 percent; state and local nonproperty taxes—including sales taxes—jumped 222 percent, and property taxes shot up 139 percent.

Wasteful spending is partly to blame for the colossal tax increases, but another reason is the ever-increasing number of government employees. The Tax Foundation Inc. says that the number of federal, state and local government employees climbed from 13.1 million in 1966 to 15.4 million in 1976, while their salaries shot up from $78 billion to $187 billion during the same period.

GOVERNMENT BUDGET CAN BE CUT SAFELY, SAY TOP SENATORS

(By Maury M. Breecher)

Our runaway federal budget could be drastically cut without causing hardship or hunger for a single American—and without throwing our economy into chaos, declare ranking U.S. senators.

"There are many ways in which cuts could be achieved," Sen. Harry Byrd (Ind.-Va.) said. "We can eliminate waste, inefficiency and extravagance that exist in virtually all agencies.

"We can reduce spending by reducing the number of government employees, by cutting foreign aid 75 percent—and by a general belt-tightening in government. We must stop going into new programs and we must eliminate those that are outdated, outmoded or aren't serving their purpose."

And Sens. Carl Curtis (R.-Nebr.) and Robert Dole (R.-Kan.) add that no one would suffer—and the nation's defenses would still be solid—if the fat were chopped from the budget.

"Officials in government bureaus have always been saying our budget is uncontrollable. But the budget can be cut," Sen. Curtis insisted.

Added Sen. Dole: "You can cut it without doing any real harm to services that Americans need and want."

Only a fool could fail to see how the spendthrifts in power are blowing the billions they take in. Last year, The ENQUIRER alone exposed a whopping $23 billion in government waste—including $14 billion in just one federal agency, the Army Corps of Engineers.

That $23 billion amounts to $310.39 for every one of America's 74.1 million households—and $310.39 can buy a lot of groceries.

Your tax money is being squandered in such ludicrous ways that it's almost unbelievable. For example, bureaucrats blew a staggering $60,100 on a study to find out why Philadelphians talk differently. Since the average middle-income family pays about $2,200 in federal income taxes with standard deductions, it would take them about 27 years to pay for that one stupid grant—and thousands of such asinine expenditures are being made.

But Sen. Curtis says that if taxpayers gripe loudly, Congress will be forced to act to slash the monstrous waste. "If they don't, the voters have a remedy at the ballot box."

THE BUDGET DOLLAR

(Fiscal year 1979, estimated)

Where it comes from:

Personal income taxes, 38 cents.

Social security and unemployment taxes, 28 cents.

Corporation and business income taxes, 13 cents.

Sale of government bonds and securities, 12 cents.

Excise taxes (gasoline, alcohol, airport taxes), 5 cents.

Other (import duties, estate and gift taxes), 4 cents.

Where it goes:

Payments to taxpayers (Social Security, unemployment, Medicare, Medicaid, food stamps, housing), 37 cents.

National defense (Department of Defense, Atomic Energy Commission, military retirement), 24 cents.

Federal grants (airports, highways, urban mass transit, natural resources, environmental protection), 17 cents.

Federal obligations (internal revenue, medical research, FHA, foreign aid), 14 cents.

Interest on public debt, 8 cents.

YOU CAN CUT UNFAIR TAXES

You're mad as hell.

You're up against the wall, helpless as mounting taxes slowly break your back.

And you couldn't do a damn thing about it—until now.

Now you are going to stop the insane, vicious tax spiral—stop wild government spending.

You—and the Enquirer—are going to send the politicians a simple message: Cut our taxes . . . Cut spending . . . and do it before the November elections, or: "You're fired!"

It's a message that's been long overdue. It's as loud and clear as the message Californians sent their state officials with Proposition 13.

Now you are going to put a scare into the bloodsucking politicians.

You are giving fair warning to the fat cats who begged for your votes—then bleed you dry—that come November, you're going to cut their political throats.

You can do it. Believe it . . . just as you believe in this great country of ours.

So get scared, Mr. Politican. Cut . . . Cut . . . Cut . . . or we'll give your job to somebody else.

Because now you're facing a nationwide ground swell of popular opinion called "Cut"—cut unfair taxes.

It's the Enquirer's drive to weld millions of Americans into an unstoppable juggernaut of good old political clout.

"Cut" will collect the signatures of millions of Americans—and wave them right under the politicians' noses. And every Enquirer reader—and their friends—will be sending a vote to cut taxes and spending when they sign the petition coupon on the facing page.

Come on, fellow Americans. We're not asking you to get mad. You are mad. And here's your chance to show the big spenders that they're not going to drain our lifeblood anymore. Your signature is a black-and-white message that says:

"Cut" by November—or You're fired!

LEADERS PRAISE ENQUIRER'S TAX REVOLT CAMPAIGN

(By Tom Smith)

Spokesmen for taxpayer organizations and members of Congress heaped praise on the Enquirer's crusade to carry the torch of tax revolt across America.

"Hooray for the Enquirer!" exclaimed Howard Jarvis, co-leader of California's Proposition 13 movement.

"I like the Enquirer's idea—to get politicians to push through a tax amendment bill before November, or else get voted out of office," said Jarvis, of Los Angeles. "It's them or us.

"The Enquirer campaign can take it right to Congress' doorstep and tell them: 'Do something, or you're going to be out!' "

Sen. Robert Dole (R.-Kans.) declared: "I think the Enquirer is performing a service not only for the American people, but also for those of us in government who are given the responsibility to deal with this problem."

Another member of Congress agreed. "I fully support what the National Enquirer is doing," said Rep. Jim Mattox (D.-Tex.). "Keep the pressure on. Hold the public officials' feet to the grindstone."

William Bonner, executive director of the National Taxpayers Union, based in Washington, D.C., added: "I urge everyone to get behind the Enquirer's movement. Politicians should be made aware that the public demands that taxes be cut—if they want to remain in office."●

INTERNATIONAL INVESTMENT SURVEY ACT

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. BRECKINRIDGE. Mr. Speaker, on June 28 the House voted, with my support, 344 to 54, to pass H.R. 12589, the International Investment Survey Act Amendments of 1978.

Two years ago, Mr. Speaker, on September 21, 1976, I supported the original bill, S. 2839, the International Investment Survey Act, which passed the House by a large majority, 330 to 18, which was designed to assist the President to collect data on a comprehensive and regular basis on international investment, to conduct periodic surveys of both foreign direct investment in the United States, including agricultural land and other real property.

Mr. Speaker, the 1978 amendments incorporated in H.R. 12589 would, among other provisions, extend the deadline for submission by the Department of Agriculture of its study on the feasibility of establishing a permanent system to monitor foreign investment in U.S. real estate to October 1979 from October 1978 with only an interim report required in October 1978.

I am keenly interested in this provision of the bill in light of the June 20 public hearings conducted by the Subcommittee on Family Farms, Rural Development and Special Studies of the House Agriculture Committee on which I serve, regarding implications of foreign investment on U.S. family farms and rural communities. The witnesses we heard that day all agreed that there is a distinct lack of data regarding the extent of foreign investment in the United States.

Accordingly, and in order to expand the range of public debate, I introduced a draft bill on June 19, H.R. 13128, with remarks in the CONGRESSIONAL RECORD, designed to prohibit future foreign investment in U.S. agricultural land and require present foreign investors to report and register their investments. I understand from the subcommittee staff that mark up of this and similarly related bills will begin on July 20.

I wish to point out that over 5 million acres are lost each year to nonagriculture uses. One million is prime farmland lost to urban sprawl, highway and water development and other developmental, nonagricultural uses; blacktop

and cement coverage of prime farmland. The United States has only 111 million acres of high- to medium-quality land available to add to the approximately 400 million acres now forming cropland base. Of the 111 million acres, only about 24 million acres could be immediately brought into production, leaving 87 million acres in need of significant conservation practices before production could begin.

In addition, nine States—Connecticut, Indiana, Kentucky, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, and Oklahoma—have laws that generally prohibit, or restrict in a major way, individual alien investors residing outside the United States from owning real estate in their names. Most of these States have some exceptions to the general provisions on nonresident aliens, and some have limitations on ownership of land by resident aliens. Twenty-five States have no restrictions on alien ownership of U.S. farmlands.

My home State of Kentucky permits only those aliens who have declared their intention to become U.S. citizens to acquire land in any manner, but they may lose their right to the land if they do not become citizens within 8 years. Apparently, other aliens, including nonresident aliens, may acquire land only by inheritance and may hold it for only 8 years. An alien who resides in Kentucky may take and hold land for the purpose of a residence or business for a period not to exceed 20 years. This can be found in our Kentucky revised statutes annotated, sections 381.290, 290, 300, 310, 320, 330 and 2.71 A.705(1).

I therefore commend the Congress in voting for H.R. 12589 as indicating its strong desire to finally discover the true extent of foreign investment in U.S. agricultural land.●

FIGHTING COST-PUSH INFLATION

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. CARR. Mr. Speaker, I am inserting in the RECORD at this time a very thoughtful article by Walter Adams, a professor of economics at. and former president of, Michigan State University. This article appeared in both the Lansing State Journal and the Washington Post on Sunday, June 4, 1978.

Professor Adams notes that our current inflation is cost-push rather than demand-pull, so that traditional fiscal policies, whether conservative or liberal, can do nothing to fight it. Rather, he states that we must turn our attention toward mobilizing the forces of market competition. To that end, he argues that we should remove artificial restraints on import competition, overhaul those regulatory structures which shield firms from competition, and vigorously enforce our antitrust laws.

I am pleased to bring this fine article to the attention of my colleagues:

CURRENT COST-PUSH INFLATION POLITICAL-ECONOMIC PROBLEM

(By Walter Adams)

The foremost economic problem of the day—in the United States as well as the industrial nations of the West—is how to control inflation without precipitating intolerable levels of unemployment.

It is a problem not in economics, but in political economy.

The purveyors of conventional economic wisdom have been of little help to policy makers. Immobilized by the specter of the Phillips Curve—the "inevitable" trade-off between the twin goals of full employment and price stability—orthodox conservatives and orthodox liberals have joined in a desultory debate on the precise specifications for an "optimum" monetary-fiscal policy.

Conservatives, at the margin, prefer to fight inflation. Liberals, at the margin, prefer to fight unemployment. On this they agree: We must choose one or the other; we can't have both at the same time. They act, as if the problem can be dealt with by using "Macroeconomic" tools such as tax cuts, tighter or looser interest rates and the creation of budget deficits or surpluses.

Neither conservatives nor liberals seem to recognize that the current inflation is not a classical demand-pull inflation, and that monetary-fiscal policy is, therefore, not the appropriate remedy.

In fact, the current inflation is a cost-push inflation, fueled by an unchecked price-wage spiral, and reflecting deep-seated structural imperfections in the economy. The current inflation is as much a political as an economic problem of unbridled power concentrations. It is the result of a power grab by highly organized vested interests for a larger share of a fixed pie—or a pie growing more slowly than the combined appetites of the interests which desire to devour it. It is the result of private power plays that the government does little to countervail, and much to reinforce.

Steel is a case in point. This industry was the prime mover in virtually every cost-push inflation since World War II. A cozy oligopoly, immune from intramural competition, the industry pursued a price policy flexible in only one direction—upward.

Starting with the long strike of 1959, however, burgeoning imports began to moderate the industry's penchant for price escalation. Between Jan. 1, 1960 and Dec. 31, 1968—thanks largely to import competition—the composite steel price index increased by an average of only 0.45 points annually. The industry deemed this pressure intolerable, and mounted a political campaign for government protection against import competition.

Relief came when—with the help of the State Department—foreign producers agreed to a "voluntary" restraint agreement on imports into the United States. As a result, while this agreement was in effect between Jan. 1, 1969, and Dec. 31, 1972, the composite steel index rose by an average of 6.67 points annually—a rate 14 times greater than during the previous nine years of unrestrained import competition!

After the restraint agreement was abandoned—largely because of a Consumers Union court challenge—the steel industry, with the active support of the United Steel Workers, continued to press the government for import quotas, "orderly marketing agreements" and other protection measures to neutralize import competition. In the words of The Wall Street Journal, the industry was really "angling for worldwide market rigging and price fixing"—a revival of the old international steel cartel.

This time relief came in the form of the trigger price system, administered by the U.S. Treasury. Announced on Dec. 6, 1977, this was a thinly veiled scheme to put a floor under the price of imported steel, and thus to liberate the domestic industry to resume its price escalation game. Not surprisingly, one day after the announcement of the trigger price system, on Dec. 7, the industry said it would raise prices an average of 5.5 percent across the board. This increase was followed by a further price rise of 1.1 percent in April 1978.

These increases, which have been variously estimated to cost the economy from $1 billion to $6 billion annually, were only the beginning of a predestined scenario. On May 8, 1978, the Treasury struck again. It announced that trigger prices would be increased: 5.5 percent on sheet, plate, wire and cold finished bars; 13.9 percent on angles; 14 percent on reinforcing bars, and 14.5 percent on flat bars. In short, while ceremonially wringing its hands about wage-price inflation, the government itself provided the indispensable mechanism for validating the inflationary price increases engineered by a basic industry in blissful cooperation with its compliant trade union.

No monetary fiscal policy—whether "conservative" or "liberal"—can cope with this kind of inflation. Nor can jawboning, implemented by a toothless tiger. Nor can price-and-wage controls if they are administered by a pusillanimous administration that fears the constant threat of political blackmail and that tries desperately to inspire business confidence by acceding to protectionist pressures.

There is a better way. A government intent on controlling cost-push inflation and curbing the voracious appetite of special interests would dispense with moral suasion and, instead, mobilize the forces of market competition.

First, it would remove the artificial restraints on import competition in basic items like steel, consumer durables like television receivers, consumer necessities like shoes and food items like meat, sugar and dairy products. While such import competition may exacerbate unemployment in the short run, it would also stimulate the affected industries to do what they must to survive and prosper—i.e., to cut costs and to foster innovation in order to become more efficient and hence more competitive. There is no inherent reason for the inability of American industry to survive without government protection; witness the recent decisions by the Japanese and Germans to set up production facilities in this country.

Second, it would overhaul that part of its regulatory apparatus (trucking, airlines, communications, etc.) which shields established firms from competition rather than protecting consumers against exploitation. It would dismantle those federal protectorates which live in a cozy world of cost-plus, safely immunized from the specter of competition, efficiency and innovation. Witness what has already been accomplished in the airline industry by the mere threat of deregulation and by the Civil Aeronautics Board's new policy of encouraging route and price competition.

Finally, it would turn to vigorous antitrust enforcement—criminal and civil—to remove those trade restraints that impede the workings of effective competition. In the process, government might discover what Adam Smith understood 200 years ago—that competition is a mighty weapon in defense of the public interest.●

POACHING IN ACADEMIC PRESERVES

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. MARTIN of North Carolina. Mr. Speaker, the recent controversy between HEW and the University of North Carolina brought little in the way of reaction from the U.S. academic community. In fact, academicians were silent. A recent speech by Dr. Samuel Spencer, president of Davidson College, broke the silence. He delivered a thoughtful analysis which explored broader ramifications of the dangerous trend toward Federal encroachment on higher education.

President Spencer calls to our attention what HEW and the courts have overlooked about the clear intent of the Higher Education Act of 1965, which provided that "nothing contained in this act shall be construed to authorize any department, agency, officer or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, or over the selection of library sources."

HEW directives, now being issued in the name of racial balance, constitute precisely such interference.

Excerpts of President Spencer's speech have been printed in the Charlotte News and Greensboro Daily News in North Carolina. I want to call to your attention and that of the House President Spencer's warnings which support vital principles.

THE GOVERNMENT CLOUD OVER ACADEMIA

(By Dr. Samuel Spencer Jr.)

On the horizon are other clouds.

Part of the rationale for government poaching in the academic preserves arises from the current view of the student as consumer of educational services. There is no reason to quarrel with the principle that students are entitled to expect from colleges and universities accurate information and services as advertised. But as one authority in educational consumerism predicts, government's emergence as the strong champion of student consumer rights can and will be used as a further justification for invading institutional autonomy.

Still beneath the surface is a blueprint for additional control of which most educators are still largely unaware. Traditionally, accreditation of colleges and universities has been the function of regional associations manned by educators, such as the Southern Association of Colleges and Secondary Schools. Up until now, accreditation by the appropriate regional association has served as a standard for eligibility for federal grants.

Now, reports from Washington indicate that because the regional associations are unwilling to add civil rights compliance to their traditional functions, the government is busy setting up its own accreditation system. This system, under consideration by the new Bureau of Postsecondary Compliance, would enable the government to impose its own set of criteria for colleges and universities in determining eligibility for federal grants. The concept of "performance auditing" involved in this planning has the earmarks of an all-pervasive authority which would permit federal invasion of any and all areas of university operation.

CONTRADICTIONS . . .

Such moves make us wonder if HEW officials have forgotten the clear intent of the Higher Education Act of 1965, which provided that "nothing contained in this Act shall be construed to authorize any department, agency, officer or employe of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, or over the selection of library resources."

How can this language possibly be reconciled with an order by the Office of Civil Rights to a college to make its admission standards "more flexible"? (Does anyone doubt that "more flexible" means "lower"?)

How can it be reconciled with the statement of an OCR official that he would be quite prepared to order a college to institute an ethnic studies program if he considered this necessary to increase the enrollment of minority students?

Or with another official's insistence, later retracted, that a university program's language requirement be dropped in order to open the admissions door more widely?

Or with a compliance team's directive that a college increase its library holdings in books related to minority experience? Or with the forced reinstatement by government of staff members who had been released by a nearly bankrupt college because of financial distress?

Can we be so blind as to ignore the possible consequence of even the beginnings of government dictation of faculty appointments, curriculum, and library resources? Can we not see the parallel between this and the means employed by the Nazis when they perverted the universities of Germany to their own racist ends?

Now once again in East Berlin, this time by a dictatorship of the left, students at the Wilhelm Humboldt University can read only approved publications—because the government specifies what books are to go in the library. In Bulgaria, faculty members who do not hew to the party line are removed from the university—because the government has the power over faculty appointments. In China, students are admitted to the universities not on the basis of merit, but on the basis of political background—because the government sets admission standards.

Have we not seen enough of the power of government over the university in dictatorships of both the right and left to be wary of anything that smacks of such dictation in our own country? Are we really prepared to sacrifice the freedom of the university even in a good cause? As Justice Louis Brandeis once said, "Experience should teach us to be most on our guard to protect liberty when the government's purposes are beneficient. The greatest dangers to liberty lurk in insidious encroachment by means of zeal, well-meaning, but without understanding."

. . . AND COMMON GOALS

I do not believe that there is serious disagreement anywhere in the academic world that unjust discrimination should be rooted out for once and all, not only from our colleges and universities but from all of American life. If we have any honesty we must admit that consciously or no, we have acquiesced in discrimination in the past. The intent of the law is just. What we must all do is to carry out the intent of that law to the best of our ability. In this, government and education have a common cause.

I would say then to the officials of our government, we want to work with you in this common enterprise. But you must not take away from our faculties the prerogative of determining curriculum. you must not choose what books we shall put on our libraries—or what books we shall not; you must not say who is to teach or what is to be taught. You must not attempt to run our colleges and universities.●

THE HOME AS AN ACADEMY FOR LEARNING

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. VENTO. Mr. Speaker, the reauthorization of the Elementary and Secondary Education Act will be considered this week. During its consideration I intend to offer an amendment to allow title IV funds to be used to develop early childhood and family education programs. Current language in H.R. 15 authorizes the use of title IV funds for parenting education. This amendment will expand the programs available to parents and include direct services to children.

A similar program was established in Minnesota in 1974. While it was a very modest beginning, the growth of early childhood and family education programs has been steady. Initial legislation authorized up to 12 pilot projects. Since the 1975–76 school year, that number has risen to 50. These programs have enjoyed broad-based support from users, major labor and teacher unions, associations of educators and administrators, judges of family and juvenile courts, as well as church and community organizations.

The leading proponent of the program has been Minnesota State Senator Jerome Hughes, chairman of the senate education committee. Senator Hughes has authored many articles describing the philosophy of these fine programs. I am including an article, authored by Senator Hughes, published in Principal magazine during the summer of 1976:

THE HOME AS AN ACADEMY FOR LEARNING

(By Jerome M. Hughes)

(NOTE.—Jerome M. Hughes is a state senator from the fiftieth district of Minnesota and is chairman of the Education Committee. This paper was prepared at the Childhood and Government Project, School of Law, University of California, Berkeley, California, where Senator Hughes was a Bush Fellow during the summer of 1975.)

America spends more money to support educational institutions and has a stronger commitment to education than any other country. Not only do our state laws offer free public education, but they require all able young people to attend school. In addition, numerous opportunities for study are available in a multitude of diverse postsecondary institutions of learning.

The percentage of the population completing a formal education is increasing annually. Between 1960 and 1974, the proportion of all adults twenty-five years of age

or older with a high school education rose from 40 percent to 60 percent. The proportion of the population from twenty-five to twenty-nine years of age who graduated from high school has risen from 60 percent to more than 80 percent in the past fourteen years.

Our society generally believes that education is a necessary qualification for participation in the labor force. Most jobs in a technologically advanced society require at least a high school education. In October 1972, the unemployment rate for high school graduates was 10 percent, while the rate for high school dropouts during the same period was 19 percent. While unemployment statistics vary, it is evident that a high school diploma is considered important by many employers.[1]

Most of the educational emphasis in America has been on formal education. The high school, a distinctly American phenomenon that emerged sixty years ago, has served people preparing for continued study or preparing for entry into the labor force.

It is not my purpose to detract in any way from the formal education programs established in this country. Let us not deny, however, that in emphasizing the importance of education, we have indirectly conveyed the notion that schooling—learning or instruction—*is* education and that all education, therefore, takes place at school. In a sense, this notion has institutionalized education. Even within the spectrum of education, we have narrowed it into various special areas. For example, the preparation of teachers is narrowed by requiring certification in a special field and in a special age-group. All doctors and lawyers generalize before specializing in one particular area. Education, on the other hand, is a unique profession in which one does not generalize before specialization.

Because of the notion that schooling is synonymous with education, little attention has been given to the learning environment outside the school or to the early years before formal schooling begins. The assumption is that learning instruction are products of the school alone. Consequently, some parents have neglected the opportunity to give children the chance for prereading or reading before entering a formal program of instruction, even though they have learned a great amount of spoken language—which is a basis for written language—before entering kindergarten or first grade.

I would like to emphasize three themes here: first, learning is a process that begins at birth, or before; second, early learning in the home is crucial; and third, parents are important teachers. These themes will be illustrated by using specific examples from existing research on early childhood and family influence and by examining the probable implications of some recent policy suggestions.

The word educate comes from the Latin verb educare, which means to rear. The word originally placed an emphasis on the home and the role of the total family—particularly parents—in the education of the young. Education was seen more as a total process of knowledge and development and less as a field of study dealing mainly with methods of teaching and learning in schools. The major responsibility for educating young people was in the home.

Because of the tendency to specialize and professionalize in our society, many people think that they have no expertise in a subject unless they have a certain credential. This pattern has raised the level of compentency in the working world, but, at the same time, many competent people believe that, without credentials they are inadequate. Education, in the minds of many parents, becomes the domain of the teachers; therefore, only professionals dispense education. Moreover, people have broadened their educational expectations and have placed even greater responsibility on the schools and the professionals. In other words, many of the traditional responsibilities of the home have been shifted to the school or to some other agency.

The school commands only 10 percent of the child's total time, and when the average child reaches the sixth grade, only 7 percent of his or her time has been spent in school. What has been happening in the life of the child the other 93 percent of the time? When school begins in September, the teacher has probably not seen the child before, and after June, the teacher may not see the child again. The schools usually deal with children in large groups and aim at mastery by assigning the pupils a fairly standard curriculum, with limited time for significant individual attention by teachers or counselors. On the other hand, unless they are wards of the state, children spend a great deal of time holding a position in a family that will endure at least until the end of childhood.[2]

In recent years, the work of developmental specialists such as Bruno Bettelheim, Martin Deutsch, J. McVicker Hunt, Benjamin Bloom, Jerome Bruner, and Jean Piaget has won broad acclaim for the proposition that the early years—between birth and six years of age—are crucial to the child's development. A new national interest in the early years is evidenced by such programs as the federal government's Head Start and the Early Childhood Project of the Education Commission of the States.

Until a few years ago, little attention was paid to educating children younger than the elementary school entrance age. Some private and public support of a limited nature existed for Montessori schools and preschools and for day care and nursery programs. Most of the research has been focused on children and child development, rarely on educational practice. When issues are education related, however, attention is generally focused on schooling at the nursery or kindergarten level in the industrial countries that have given special recognition to the young child—Sweden, Japan, Israel, England, the U.S.S.R., and the U.S.A.[3]

In both Israel and England, education is highly centralized in that the respective ministries can and do establish basic guidelines for the organization and conduct of nationwide schooling. This is particularly true in the kibbutzim, religion oriented schools, and the commonly separate kindergartens that are close to the people in Israel. It is evident in England by the delegation of a great amount of authority to the headmaster or headmistress.

In both countries, a nongraded, multi-age group approach up to the age of seven is similar to the best nongraded primary units in the United States.[4] When the more formal, graded program takes over, however, the schools are characteristically traditional. The preschool ages for children are three to five in the infant schools of England, and three to six in Israel. But in the kibbutzim in Israel (an estimated 230 exist today), education is an integral part of childrearing. Schooling, in the sense of parents entrusting their children to an institution, begins at birth and continues until the age of eighteen.[5]

Research indicates that early intervention with children is most effective when it involves the parents and the home. There is important evidence that in the earliest years, children are more influenced by family than by peers or anyone outside the family. Parents are primarily—and in most cases exclusively—responsible for early childhood development.[6]

In a comprehensive report on early intervention, Urie Bronfenbrenner found that the most long-lasting gains that children made were the result of in-home intervention programs, where the emphasis was on the child as an individual. The experimental groups in home based programs not only improved on their initial gains but maintained their gains rather well, even three or four years after intervention had been discontinued. The report suggests that the earlier and more intensely mother and child were stimulated to engage in communication around a common activity, the greater and more lasting the gain achieved by the child.[7]

A study conducted recently by the Virginia Polytechnic Institute and the University of Virginia revealed the importance of involving parents in providing the linguistic environment in which children learn to talk. Since not all parents provide their children with a rich linguistic and experiential background, children come to school with varying degrees of readiness for reading. Evidence from this study demonstrates that involving parents of poor readers can be economical, efficient, and effective. In addition, parental involvement, while inexpensive and effective, has the added advantage of training the parents in techniques of helping their children. And there is good reason to believe that the benefits of such training will increase as the parents continue to work with their children in these ways.[8]

The need for language development has a high order of consideration in most studies of the young child. Adult attention and environment are also emphasized. For example, in his Children and Adolescents: Behavior and Development, Boyd McCandless says, "With adult attention, the language development of infants can be accelerated; for example, the more reading infants have been exposed to, the more advanced their language development is likely to be."[9] And, according to Benjamin Bloom:

"Both the correlation data and the absolute scale of intelligence development make it clear that intelligence is a developing function and that the stability of measured intelligence increases with age. Both types of data suggest that in terms of intelligence measured at age 17, about 50% of the development takes place between conception and age 4, about 30% between ages 4 and 8, and about 20% between ages 8 and 17. . . . There is little doubt that intelligence development is in part a function of the environment in which the individual lives. . . . The effects of the environments, especially of the extreme environments, appear to be greatest in the early (and more rapid) periods of intelligence development and least in the later (and less rapid) periods of development."[10]

Ernest Q. Campbell, dean of Vanderbilt's graduate school and codirector of the 1966 Coleman report, said in a recent interview: "It is important to remember that when we talk about school effects on learning, we are not talking about the strongest effects. The important things are those which happen outside the school." Campbell said that the problem in attempting to improve educational opportunity by integrating schools is that the major differences in scholastic achievement seem to be related to home environment rather than anything the schools do.[11]

The Joint Commission on Mental Health of Children placed a high priority on family involvement in the child's development:

"All the world loves a baby. We as a society do not act that way. A newborn baby is a reaffirmation of the miracle of the creation of life. Most infants are near perfect at birth and possess enormous potentialities for bringing deep joy to themselves and others. They come into the world with a great natural capacity for growth, for loving, for learning; for exploring and working. In them lies the hope of the future—for their families, their communities, the nation, and the

Footnotes at end of article.

world. Our infants and children can and must contribute so much to these larger societies. They therefore are the responsibility not only of their families but of these same societies. We as parents and citizens must firmly dedicate ourselves to the members of our new generation and to fostering their maximum growth and development into healthy children and young adults. We must dedicate ourselves further to creating a society devoted to families so that, in turn, these families may provide the best possible primary care for their young." [12]

The biggest international education survey ever attempted was conducted by the International Association for the Evaluation of Educational Achievement. This survey, based in Stockholm and financed by a number of agencies, foundations, and governments, included 258,000 students, 50,000 teachers, and 9,700 schools. Nations taking part in the survey were Australia, Belgium, Chile, England, Finland, France, West Germany, Hungary, India, Iran, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Poland, Romania, Scotland, Sweden, Thailand, and the United States.

After the evaluation of millions of items of information at a cost of $5 million, the survey appears to confirm the claim first published by James Coleman in 1966, "that in the total pattern of achievement, home background is more important than anything the schools have so far been able to contribute." However, as the University of Stockholm's Torsten Husén stresses, "At the same time, schools do make a substantial difference." [13]

A sixteen-month project conducted by Harvard's Burton White, which involved screening more than 15,000 families and a detailed study of 33 young people, indicated that all children, regardless of family environment, seem to be quite similar during the first year of life. The parent-child relationship and activity during this period, however, seem to have a great influence on the development of the children involved. White believes that the mother becomes the "designer and consultant" who oversees the home world and creates the environment that can spark the child's curiosity during the one- to three-year-old stage. White also reports that as much as the child needs an enriching environment, the parents need the know-how and information necessary to provide that environment. That know-how and information can be provided through family education.[14]

Raymond S. Moore, in Caring for Young Children, reports on a 1958 survey involving more than 300 Ugandan babies. The research, conducted by Marcelle Geber, indicates that children from relatively low socioeconomic status but highly family oriented tribal communities were, in general, superior to more well-to-do and less family oriented Ugandan and Western children in such areas as physiological maturation and coordination, adaptability, sociability, and language skills. Moore's findings also show that the home and parent influence far outweigh school and teacher influence during a child's early learning years.[15]

Minnesota's educational assessment programs uncovered further evidence of the importance of parents in early education, pointing out that reading performance, for example, can be strongly correlated with the parents' education level and occupation, availability of reading materials in the home, and parent-child discussions about education and school.[16]

The research I have reviewed here and the findings I have reported confirm the importance of the early years of a child's life. Accordingly, it seems apparent that our society—especially those sectors concerned with education and human development—must increasingly turn its attention to the early childhood years and to the parents and families who influence those years. The immediate environment and the total impact it has on the developing child is of particular importance. What can we do to maximize the opportunity for each child to live a full life? To what extent are we giving financial priority to young children and families?

Expenditures by educational agencies and institutions, public and private, have increased considerably in the years between 1971–72 and 1974–75—from $84.7 billion to an estimated $110.4 billion. (Part of the overall increases are a result of inflation.) When deflated on the basis of the consumer price index, the expenditures in constant (1971–72) dollars between 1971–72 and 1974–75 would increase from $84.7 billion to $89 billion. These expenditures were made during a period when enrollments at the secondary and higher education levels were expanding.[17]

Education is now being affected by declining enrollments, which are expected to continue in the future. This is occurring at the same time that discussion has focused on the importance of the home and environment of a child's development and subsequent achievement. Will recognition of the importance of getting parents more involved in their children's early education prompt some priority expenditure during the child's early years? If fiscal resources are allocated, how will the programs be designed?

Health specialists espouse the need for preventive medicine, recognizing how difficult and costly crisis health care can be. Similarly, early childhood and family education programs should be considered preventive education—as valuable as preventive health care. Proper primary education care ought to lessen, rather than increase, overall education expenditures. Less need for remedial education and remedial human services will mean a greater realization of human potential and dollar savings to taxpayers.

Early childhood and family education should emphasize the relationships of the child, the family, and others living nearby. Even though fiscal resources might be allocated through the education agency, that agency should be recognized as only the catalyst to encourage cooperative efforts between other agencies so that existing human and physical resources are used without duplication.

The elementary attendance area could be the community for programs focusing on the young child and the family. The attendance area is a basic unit that is close to parents and families; it is a unit in which people know one another and in which mutual interests and concerns encourage cooperation; it is large enough to provide a variety of services efficiently, yet small enough to provide a sense of community. The people who are involved are at the grass roots and meet one another on a face-to-face basis. Funding for a community early education project would most likely be available from a variety of sources, but cooperative efforts at this most basic and understandable level encourage coordination with a minimum of bureaucratic red tape.

This important aspect of the community education philosophy would encourage maximum use of our schools and other facilities for a variety of services for the people in the community. It would also encourage a sense of community in our elementary attendance areas so that children and families would have opportunities to develop every aspect of human life toward healthy growth to selfhood. Parents are encouraged to take an active role in their children's learning beginning at birth. All people who are interested in providing for the human needs of children and families in the attendance area are included in such a program. Everybody works together in a complementary or collaborative effort.

The early childhood and family education plan should include programs for children under six, which would provide the following services: identification of potential barriers to learning; education of parents about child development; libraries of educational materials; family services; secondary school programs in exploring childhood and education for parenthood; elementary attendance area center activities; home based programs; and referral and follow-up services.

To make it possible for parents to be involved in making policy, a local elementary attendance area advisory council should be established. Fathers and mothers of children participating in the program should make up the majority of the council. Other members on the council might include interested clergy, health personnel, senior citizens, and other service agencies or school personnel, as well as people with a special interest in, or familiarity with, the needs of the children and families in that particular community.

Objectives of any program should be to make parents aware of:

The many opportunities for a child to learn in an informal way through the regular daily activities of parents and child.

The ways parents can use these opportunities through the course of a child's normal development.

The benefits to a child from early attention by an expert in physical, emotional, or intellectual problems.

The assistance available to deal with a child's problems, a family's problems, child care needs, and social service needs—particularly problems requiring knowledge about where to go or who to contact.

The importance for the child's development of active, direct contact with the parents.

The responsibility of the parents, the home, and the family in the growth and development of the child.

The potential for a good working relationship between the home and the services and resources available in an elementary attendance area.

These objectives can be accomplished through working with parents and children in the home or in small groups in the neighborhood to develop understanding and knowledge about young children, their needs, and their potentials.

Moreover, involving parents in an early childhood and family education program encourages other parents to become involved as they see the value of programs for young children living in their neighborhood. In this way, a sense of community is developed, and people begin to experience the value of working together at the grass roots level.

A cooperative climate in the neighborhood helps children and families to learn; strengthens the family, neighborhood, and community; helps schools and human service agencies to develop a better understanding of the needs and ideas in the communities that they serve; and provides the beginning for continued cooperation and a working partnership among schools, service agencies, and all professionals. Most important, parents, teachers, and others work together early, continuing the pattern as children get older and enter the formal school system. The climate of cooperation continues as children mature into adults and parents become grandparents. This climate also encourages the senior citizens' interest in children; and they, in turn, are examples as well as a service to others in the neighborhood. Children and young families often find "surrogate grandparents" who become involved in helping with activities. As a result, these grandparents often have a better opportunity to establish their own respected and useful place in our society.

Footnotes at end of article.

What broad conclusions emerge from the information presented in this article? Perhaps the most general conclusions are that the roots of child development occur early, and that the family environment is extremely significant in the learning process. Some more specific conclusions include the following:

A program of fiscal policy that puts priority on the early years of childhood in the context of the family would undoubtedly result in cost savings; less money would be needed for remediation and rehabilitation.

Early childhood education, an excellent idea in its own right, does not decisively affect the child's needs unless the parents and the family are deeply involved. Close collaboration is necessary between the family—especially parents—and education specialists, beginning when the child is born.

Early education provisions must encompass a full range of mental, physical, social, and emotional considerations. The early years—before formal education begins—provide an excellent opportunity to give individual attention to the child and the family. An integrated effort is needed to involve agencies that have high interest and expertise in health services and in early childhood and family education. All the physical and human resources in the community should be coordinated so that duplication will be avoided.

Provisions to bring parents, educators, and others into closely cooperative efforts should be conducted near the home—not merely physically but psychologically and sociologically as well. Efforts to use community resources, including the elderly, can be more effectively accomplished on a personal, face-to-face basis. Total impact in the neighborhood and cooperation between families, churches, schools, and agencies might be better realized on a small scale.

As we see the need to emphasize parent involvement, we are once again compelled to ask questions about the development of our children. Are we using our capabilities and resources to give all children the greatest possible opportunity to achieve their potential? At what point can we first influence the child's chances for full development? We have explored the importance of parent involvement in answering these two questions and in fulfilling the goals they imply. Recent research supports what most people already believe: what happens in the home is crucial to a child's growth, development, and education.

The child is America's most valuable and cherished asset, and the home is our most important social institution. It is imperative to begin the development and education of our young children in the family setting through deep involvement with the child's parents. The realization that the home is the first and most important academy for learning should be one of our nation's top priorities. The extent to which we put our full resources behind this effort will determine what the nation's future will be.

FOOTNOTES

[1] National Center for Education Statistics, The Condition of Education (Washington: U.S. Office of Education, 1975), pp. 1–4.

[2] J. E. Coons and S. D. Sugarman, Choice (Berkeley: Childhood and Government Project, School of Law, in press), pp. 25–34.

[3] Institute for Development of Educational Activities, Early Schooling in England and Israel (New York: McGraw-Hill Book Co., 1973), pp. 1–9.

[4] Ibid., pp. 15–20.

[5] Joseph S. Bentwich, Education in Israel (London: Routledge and Kegan Paul, 1965).

[6] Early Childhood Development: A Report of the Education Commission of the States Task Force on Early Childhood Education (Denver: The Commission, June 1971), pp. 16–17.

[7] Urie Bronfenbrenner, *A Report on Longitudinal Evaluations of Preschool Programs—Is Early Intervention Effective?* (Washington: Office of Child Development, 1974).

[8] K. Hoskisson, T. Sherman, and L. Smith, "Assisted Reading and Parent Involvement," *Reading Teacher 27* (April 1974): 710–14.

[9] Boyd R. McCandless, *Children and Adolescents: Behavior and Development* (New York: Holt, Rinehart and Winston, 1961), p. 274.

[10] Benjamin S. Bloom, *Stability and Change in Human Characteristics* (New York: John Wiley and Sons, 1964), p. 88.

[11] "Bussing, Misfired, V. U. Professor Takes Second Look." Interview with Ernest Q. Campbell, *Nashville Banner,* 31 January 1975.

[12] Crisis in Child Mental Health: *Challenge for the 1970's,* A Report of the Joint Commission on Mental Health of Children (New York: Harper and Row, 1969), p. 313.

[13] James S. Coleman and others, *Equality of Educational Opportunity* (Washington: U.S. Office of Education, 1966).

[14] Burton L. White and Jean C. Watts, *Experience and Environment—Major Influences on the Development of the Young Child,* vol. 1 (Englewood Cliffs, N.J.: Prentice-Hall, 1973)

[15] Raymond S. Moore, "Caring for Young Children," *Childhood Education* 50 (October 1973): 14–20.

[16] *Minnesota Educational Assessment Program: A Report to the State Board of Education* (St. Paul: Minnesota Department of Education, Statewide Education Assessment Office, December 1974), p. 7.

[17] National Center for Educational Statistics, *Condition of Education.*●

THE SOVIETS HAVE REFUSED TO GUARANTEE FREEDOM OF THE PRESS FOR COVERAGE OF THE 1980 OLYMPIC GAMES IN MOSCOW: HOW CAN THEY DO OTHERWISE IN LIGHT OF THE TRIALS STARTING TODAY?

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1978

● Mr. KEMP. Mr. Speaker, I have brought previously to the attention of the House a number of instances reflecting the Soviet Union's intentions regarding their handling of the 1980 Olympic games in Moscow. I wish to bring an additional one to its attention this afternoon.

Taken as a whole, these instances reflect an overall Soviet intention to use the games for the maximum political benefit of the Soviet Union and the maximum ideological benefit of Marxism-Leninism.

The intensity of Soviet training now going on indicates they intend to win more medals, especially the gold, than in any prior games. Wanting to win is understandable; it is an integral part of competition. But winning the way the Soviet athletes do—perhaps I should say are forced to do—is not understandable or acceptable. I will offer a column by Jack Anderson and Les Whitten on this point. And neither is what else we are seeing about Soviet intentions.

Their cooperation with certain Third World forces indicates they intend to exclude athletes from countries with which they have major political and philosophical differences, including Israel. I will read a June 7 article from the New York Times on this very point in a moment.

Their attempts at redrafting the rules governing the admission and activities of news correspondents indicate they may not allow in all professionally qualified newsmen. I will return to this point; it is my principal one today.

And their highly publicized rebates of a portion of the proceeds from the sales of medallions commemorating the 1980 Olympics to the Olympic committees of participating countries indicate they intend to "buy" as much "friendship" as possible.

This is disturbing to me, as I know it is to a growing number of my colleagues, to the media, to the athletic community. The modern Olympic games were never intended to be political events. As a matter of fact, the founders of the modern games wanted individual athletes to compete against individual athletes, not countries against countries. The games were intended to transcend traditional national rivalries, to give athletes opportunities to participate as athletes irrespective of nationality or persuasion. The games were also intended to be open to athletes of all countries, for how else could such an objective be met.

What is the nature of the Soviet's training of their athletes for Olympic competition, Mr. Speaker? I offer this column by Jack Anderson and Les Whitten:

SECRET POLICE AT THE OLYMPICS

(By Jack Anderson and Les Whitten)

Communist countries won most of the gold medals at the 1976 Olympics. In an earlier column, we told how they did it. They train athletes from childhood to become Olympic stars.

We charged that most Communist countries subsidize their athletes, providing special luxuries for those who perform best. The training and indoctrination is so intensive that the sport becomes their main occupation. Thus the Communist regimes send professional athletes to the Olympics to compete against amateurs from other lands.

This doesn't seem to trouble the Olympics authorities, who actually enforce the double standard. Any American athlete who accepts a subsidy, for example, is classified as a professional and is barred from the games.

Not only the athletes but the secret police are trained for the Olympics in the Communist world. Confidential intelligence sources indicate that the training is every bit as rigorous for the gumshoes as for the performers.

In Russia, the Olympics security forces are drawn from both the First chief Directorate and the Second chief Directorate of the dreaded KGB. The First Directorate corresponds roughly to the Central Intelligence Agency. Its principal duty was to check out anti-Soviet elements, such as the Ukrainian separatists and the Jewish Defense League, who might try to harm the Soviet athletes.

But the Olympics also provided the KGB with an excellent cover for espionage sessions in Montreal. Top agents of the First Directorate were able to enter the country, no questions asked, as part of the Soviet Olympics delegation. The games also made it easy for agents throughout North America to travel to Montreal. They were able to move unnoticed in the crowds.

While the athletes competed in the stadium, the agents compared notes in the

backrooms. One source described the occasion as sort of an "old home week" for spies.

The Second Directorate, whose functions are somewhat similar to those of the FBI, was responsible for preventing defections. For months before the Olympics, according to reliable intelligence, the faceless men of the Second Directorate sifted through the records of the Soviet athletes.

Those who drank too much or who had a weakness for strange women were either eliminated or placed under special watch. Past statements of the athletes were checked for any hint of antagonism against the regime. A network of informers was developed within the Olympic delegation to report on the athletes.

The agents themselves infiltrated the delegation. Intelligence sources estimate that at least one and often two KGB agents accompanied every Soviet sporting team. At a previous Olympics, FBI and CIA specialists spotted seven middle-level KGB agents posing as delegation members.

The agents actually accompanied their charges on shipping trips, sightseeing tours and dinner engagements at restaurants outside Olympic Village. The agents also mingled with their athletes when they met socially with performers from other countries. The effect was a disconcerting sameness in the conversations of Communist athletes.

As a result of the strict surveillance, only a 17-year-old diver, Sergei Nemtsanov, defected.

The only other goof was the discovery that Boris Onischenko, a Soviet fencing master, used an electronic device to cheat in his epee match. When he triggered a button in the sword's grip, it scored a hit for him.

Veteran intelligence sources report that Onischenko was considered to be "close" to the Soviet Interior ministry. They speculate that the KGB may actually have rigged him up to win a gold medal. The electronic apparatus was far more sophisticated, for example, than a fencing master likely could have devised. Indeed, the fact that he was caught indicates he didn't understand the sophisticated equipment he was using.

The same basic security system is used by most of the bloc nations to keep their athletes in line. Each athlete before leaving his Communist homeland is briefed on how to respond to sensitive questions. A former Cuban gymnastic star, Zulema Bregado Gutierrez, testified about this in the early 1970's.

"We are trained to answer the questions we might be asked about Cuba," she told the Senate Internal Security subcommittee. "(We) get a special session on that particular country, on the political situation in that particular country . . . We don't believe everything they tell us about that particular country. but that's the way they prepare us."

And what is going on to exclude Israel from the 1980 Olympic games? I offer this June 7 article from the New York Times, one illustrating the carefully coordinated attempt to exclude Israel by denying its participation in the important regional games and/or by denying its membership in the required minimum number of international sports organizations:

[From the New York Times, June 7, 1978]

ISRAELI ATHLETES BARRED FROM WINTER ASIAN GAMES

BANGKOK, Thailand, June 6.—The council of the Asian Games Federation unanimously approved today a resolution to exclude Israel from the Eighth Asian Games here in December.

The move was opposed by representatives of the Israeli Olympic Committee who attended the meeting. In December 1976 the federation voted in Montreal not to invite Israel to the games to avoid complicated security arrangements.

The Israelis said in a statement today:

"The security issue was a totally unacceptable reasoning and Lord Killanin, president of the International Olympic Committee, had stated that such reasoning used against Israel's participation opened the door to usage against any other country as well. Israel is part of the Asian continent, a fact which no force in the world, and no amount of money can change."

Thailand agreed to be the host on condition that member countries put up $2.5 million. Five Arab countries—Saudi Arabia, Kuwait, Iraq, Qatar and the United Arab Emirates—pledged a total of $2 million, and a spokesman said the Arab nations would not compete with Israel.

The International Olympic Committee and two international sports groups, athletics and archery, have informed the Asian Games Federation that they will not recognize the events.

But the principal point of my remarks this afternoon deals with what the Soviets are doing to restrict newsmen from covering the games. It is very much on our minds, as the trials of Anatoly Scharansky and Alexander Ginsburg start today. I offer as evidence the responses of the Soviet Ambassador to the United States, Anatoly F. Dobrynin, at a news conference here in Washington week before last.

Question: Would Radio Free Europe or Radio Liberty be allowed to cover the Olympic Games in Moscow? Ambassador Dobrynin: "This isn't under discussion yet."

Question: Just as you are planning 2 years ahead, some news people would like to plan ahead. Ambassador Dobrynin: "When we come to the specific of press coverage, we will answer all your questions dealing with press coverge."

Question: What can the press expect in the Soviet Union when two American newsmen have just been summoned to court for slander? Ambassador Dobrynin abruptly ended the press conference.

The significance of that press conference with respect to the 1980 Olympic Games in Moscow, as well as the slander charges filed by the Soviets against two American newsmen in Moscow and the trials starting today in the Soviet Union, have not escaped the attention of the world press. As a matter of fact, the Washington Post editorialized directly to this point on June 29:

We are angered as journalists and troubled as citizens by the Soviet Union's apparently unprecedented decision to bring civil slander charges against two American correspondents in Moscow—for reporting they had been told that a dissident's televised "confession" to a charge of anti-Soviet agitation had been falsified. It is an escalation in kind of the "normal" intimidation practiced on the foreign press. It represents an evident effort at censorship. It is a plain violation of the Soviet government's Helsinki pledge to permit journalists to do their professional work. Further, it substantially adds to the queasiness many people feel over Moscow's hosting of the 1980 Olmypics. Just what controls do the Russians plan to impose on the Olympic press?

Ambassador Dobrynin was not being evasive because he did not know what his country is trying to do. He knows what the Soviet Union intends to do. There has been too much on the public record about that. For example, the Washington Post reported this past spring on what is going on in the Soviet Union with respect to barring athletes from certain countries and barring certain newsmen. The Post piece directed our attention to a statement in the "Daily World," the official organ of the Communist Party of the U.S.A., as follows:

The Soviet Olympic Committee has asked the International Olympic Committee to bar hostile reporters of newspapers, radio and television stations that are established to destroy the spirit of peace and friendship between the people and the principles of the Olympic movement.

Just how malignant Soviet intentions actually are is suggested by another sentence in the "Daily World" story:

Prior to the 1976 Montreal Olympics the IOC commission on the press worked out an amendment to Rule 49. The amendment would bar such people from the Olympics.

While the "Daily World" report is strident and perhaps an over exaggeration of what happened in 1976, it is correct in showing the direction in which the Soviets are moving. And I think the press should be aware that, should reporters from Radio Free Europe and Radio Liberty be excluded, that the precedent can be used against anyone who writes or otherwise reports unfavorably about Soviet training of athletes—such as Mr. Anderson or Mr. Whitten. Or about the conditions under which reporters covering the events must function—such as anyone who writes or reports about the lack of freedom and restraints on human rights. Or about any poor Soviet performance in the games, and so forth?

Mr. Speaker, this matter is not going to simply disappear. The International Olympic Committee and the U.S. Olympic Committee must make the strongest case against Soviet violations of the letter and spirit of the Olympic Games and the news coverage of them.●

SENATE COMMITTEE MEETINGS

Title IV of the Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committees scheduling will be indicated by placement of an

asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, July 11, 1978, may be found in Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 12

9:00 a.m.
Agriculture, Nutrition, and Forestry
Foreign Agricultural Policy Subcommittee
To resume hearings on vegetable imports from Mexico and their impact on the U.S. market.
324 Russell Building

9:15 a.m.
Governmental Affairs
To consider the following bills: H.R. 8771, 9471, 4320, and S. 224, bills concerning retirement and annuities of Federal employees, H.R. 4319 and S. 408, extending pension benefits to former employees of county committees, and H.R. 8342, to provide for the application of local withholding taxes to Federal employees who are residents of such locality.
S-207, Capitol

9:30 a.m.
*Banking, Housing, and Urban Affairs
To continue hearings on S. 3209, the State Community's Conservation and Development Act; S. 3210, the Livable Cities Act; and S. 3211, the National Self-Help Development Act.
5302 Dirksen Building

Environment and Public Works
Regional and Community Development Subcommittee
To resume hearings on S. 3186, to provide public works employment for the long-term unemployed.
4200 Dirksen Building

Environment and Public Works
Nuclear Regulation Subcommittee
To resume hearings on S. 2775, to improve the siting and licensing process for nuclear power reactors.
6226 Dirksen Building

*Joint Economic
To continue hearings to review economic conditions, and to discuss the future outlook.
5110 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings on railroad freight car utilization.
235 Russell Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Finance
International Trade Subcommittee
To hold hearings on proposed extension of Presidential authority to maintain most-favored-nation trade treatment with Romania under the Trade Act of 1974 (P.L. 93-618).
2221 Dirksen Building

Governmental Affairs
To hold hearings on S. 3266, to establish a program of State incentives to encourage State governments to improve programs affecting distressed local governments, and S. 3267, to reform administrative paperwork and regulations allowing State and local governments to receive federal assistance.
6202 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation, and Federal Services Subcommittee
To continue hearings on S. 3229 and H.R. 7700, proposed Postal Service Amendments Act.
1114 Dirksen Building

Human Resources
To resume hearings on S. 2910, to establish programs to assist in preventing unwanted initial and repeat pregnancies among adolescents.
4232 Dirksen Building

Judiciary
Administrative Practice and Procedure Subcommittee
To resume hearings on the FBI Charter.
2228 Dirksen Building

Rules and Administration
To hold hearings on S. Res. 405, to make the Select Committee on Indian Affairs a permanent committee of the Senate, to be followed by a business meeting.
301 Russell Building

10:30 a.m.
Judiciary
Business meeting on pending calendar business.
2300 Dirksen Building

JULY 13

9:00 a.m.
Governmental Affairs
Energy, Nuclear Proliferation, and Federal Services Subcommittee
To continue hearings on S. 3229 and H.R. 7700, proposed Postal Service Amendments Act.
1114 Dirksen Building

9:30 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To continue hearings on S. 2775, to improve the siting and licensing process for nuclear reactors.
6226 Dirksen Building

Environment and Public Works
Regional and Community Development Subcommittee
To continue hearings on S. 3186, to provide public works employment for the long-term unemployed.
4200 Dirksen Building

Commerce, Science, and Transportation
Business meeting on pending calendar business.
235 Russell Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Finance
International Trade Subcommittee
To hold hearings on S. Res. 483, to disapprove the waiver of the countervailing duty on certain items of Government-subsidized fish imported from Canada.
2221 Dirksen Building

Governmental Affairs
To continue hearings on S. 3266, to establish a program of State incentives to encourage State governments to improve programs affecting distressed local governments, and S. 3267, to reform administrative paperwork and regulations allowing State and local governments to receive Federal assistance.
6202 Dirksen Building

Judiciary
Constitution Subcommittee
To resume hearings on S. 3162, 3164, 3222, 3225, 3258, and 3261, bills to protect the freedom of individuals from unwarranted intrusions by persons acting under color of law.
318 Russell Building

Joint Economic
To continue hearings to review economic conditions, and to discuss the future outlook.
2168 Rayburn Building

10:30 a.m.
Governmental Affairs
To resume consideration of S. 991, to establish a separate Department of Education.
3302 Dirksen Building

2:00 p.m.
Select Ethics
To hold an open, followed by a closed, business meeting.
235 Russell Building

Conferees
On S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.
3110 Dirksen Building

JULY 14

9:30 a.m.
Finance
Taxation and Debt Management Generally Subcommittee
To hold hearings on S. 1860 and H.R. 8333, to provide for permanent tax rate reductions for individuals and businesses.
2221 Dirksen Building

JULY 17

10:00 a.m.
Energy and Natural Resources
To hold hearings on S. 2623 and 2999, proposed Enhanced Oil Recovery Commercialization Act.
3110 Dirksen Building

Special on Aging
To hold oversight hearings on P.L. 95-256, to increase from 65 to 70 years the age limit for retirement under the Age Discrimination in Employment Act.
6226 Dirksen Building

JULY 18

9:30 a.m.
Finance
Administration of the Internal Revenue Code Subcommittee
To hold oversight hearings on the Tax Reduction and Simplification Act (P.L. 95-30), and on Administration proposals for a new jobs tax credit.
2221 Dirksen Building

10:00 a.m.
Human Resources
Health and Scientific Research Subcommittee
To resume mark up of S. 2775, the Drug Regulation Reform Act, and S. 3115, to establish a comprehensive disease prevention and health promotion program in the U.S.
4232 Dirksen Building

Joint Economic
To resume hearings to review economic conditions, and to discuss the future outlook.
2168 Rayburn Building

Special on Aging
To continue oversight hearings on P.L. 95-256, to increase from 65 to 70 years the age limit for retirement under the Age Discrimination in Employment Act.
6226 Dirksen Building

JULY 19

9:00 a.m.
Finance
To hold hearings on S. 3223 and S. 3241, to establish a general stock ownership plan.
2221 Dirksen Building

9:30 a.m.
Governmental Affairs
Energy, Nuclear Proliferation, and Federal Services Subcommittee
To resume hearings on S. 3229 and H.R. 7700, proposed Postal Service Amendments Act.
3302 Dirksen Building

10:00 a.m.
Joint Economic
To continue hearings to review economic conditions, and to discuss the future outlook.
5110 Dirksen Building

Special on Aging
To continue oversight hearings on P.L. 95-256, to increase from 65 to 70 years the age limit for retirement under the Age Discrimination in Employment Act.
6226 Dirksen Building

JULY 20

9:00 a.m.
Finance
To continue hearings on S. 3223 and S. 3241 to establish, a general stock ownership plan.
2221 Dirksen Building

9:30 a.m.
Governmental Affairs
Energy, Nuclear Proliferation, and Federal Services Subcommittee
To continue hearings on S. 3229 and H.R. 7700, proposed Postal Service Amendments Act.
3302 Dirksen Building

Joint Economic
To continue hearings to review economic conditions, and to discuss the future outlook.
2168 Rayburn Building

10:00 a.m.
Human Resources
Health and Scientific Research Subcommittee
To resume markup of S. 2755, the Drug Regulation Reform Act, and S. 3115, to establish a comprehensive disease prevention and health promotion program in the U.S.
4232 Dirksen Building

JULY 21

10:00 a.m.
Human Resources
Health and Scientific Research Subcommittee
To continue markup of S. 2755, the Drug Regulation Reform Act, and S. 3115, to establish a comprehensive disease prevention and health promotion program in the U.S.
4232 Dirksen Building

JULY 25

10:00 a.m.
Budget
To hold hearings on the second concurrent resolution on the Congressional Budget for FY 1979.
6202 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation, and Federal Services Subcommittee
To hold hearings on S. 2189, proposed Nuclear Waste Management Act.
3302 Dirksen Building

Joint Economic
To resume hearings to review economic conditions, and to discuss the future outlook.
2220 Rayburn Building

JULY 26

9:30 a.m.
Finance
Administration of Internal Revenue Code Subcommittee
To resume oversight hearings on the Tax Reduction and Simplification Act (P.L. 95-30), and on Administration proposals for a new jobs tax credit.
2221 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To mark up H.R. 10899, proposed International Banking Act.
5302 Dirksen Building

Budget
To continue hearings on the second concurrent resolution on the Congressional Budget for FY 1979.
6202 Dirksen Building

Governmental Affairs
Energy Nuclear Proliferation, and Federal Services Subcommittee
To continue hearings on S. 2189, proposed Nuclear Waste Management Act.
3302 Dirksen Building

Rules and Administration
To receive testimony on S.J. Res. 142, authorize the Franklin Delano Roosevelt Memorial Commission to proceed with construction of the FDR Memorial, and other legislative and administrative business.
301 Russell Building

JULY 27

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue markup of H.R. 10899, proposed International Banking Act.
5302 Dirksen Building

Budget
To continue hearings on the second concurrent resolution on the Congressional budget for FY 1979.
6202 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation, and Federal Services Subcommittee
To continue hearings on S. 2189, proposed Nuclear Waste Management Act.
3302 Dirksen Building

AUGUST 2

10:00 a.m.
Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To hold hearings on the quality of patient care in nursing homes.
3302 Dirksen Building

AUGUST 3

10:00 a.m.
Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To continue hearings on the quality of patient care in nursing homes.
3302 Dirksen Building

AUGUST 9

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space subcommittee
To hold hearings to receive testimony from officials of the Department of Energy on nuclear waste disposal.
235 Russell Building

AUGUST 10

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings to receive testimony from officials of the Department of Energy on nuclear waste disposal.
235 Russell Building

AUGUST 16

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings to receive testimony from officials of the Department of Energy on nuclear waste disposal.
235 Russell Building

HOUSE OF REPRESENTATIVES—*Tuesday, July 11, 1978*

The House met at 12 o'clock noon.

Rev. Vernon M. Murray, Jr., O.S.L., pastor, Harriman United Methodist Church, Bristol, Pa., offered the following prayer:

Eternal Father, whose creative role in history has been to make something of worth from that of little value, and who is still creating today; we join ourselves together in mutual prayer for these Members of our U.S. Congress. Make them to be persons of unique worth, legislators of deep understanding, and leaders possessing strength, honesty, and enthusiasm; that as they make the important decisions and critical value judgments of our day, our land may be Your land, we may be Your people, and all of us may walk hand in hand as victors in the journey to seek meaning and worth for our lives. Grant this our prayer which we ask in Your eternal name and seeking Your merciful blessing. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on July 10, 1978, the President approved and signed bills of the House of the following titles:

H.R. 3447. An act to amend chapter 83 of title 5, United States Code, to grant an annuitant the right to elect within 1 year after remarriage whether such annuitant's new spouse shall be entitled, if otherwise qualified, to a survivor annuity, and to eliminate the annuity reduction made by an unmarried annuitant to provide a survivor annuity to an individual having an insurable interest in cases where such individual predeceases the annuitant;

H.R. 3755. An act to provide for the reinstatement of civil service retirement survivor annuities for certain widows and widowers whose remarriages occurred before July 18, 1966, and for other purposes; and

H.R. 10730. An act to authorize appropriations to carry out the Marine Mammal Protection Act of 1972 during fiscal years 1979, 1980, and 1981.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the amendments of the House to the amendments of the Senate to a bill of the House of the following title:

H.R. 11232. An act to authorize appropriations to carry out the Standard Reference Data Act.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3151. An act to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1979, and for other purposes.

REV. VERNON M. MURRAY, JR.

(Mr. KOSTMAYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOSTMAYER. Mr. Speaker, I introduce to the House today the Reverend Vernon M. Murray, Jr. Reverend Murray lives in Bristol, Pa., my congressional district, and is pastor of the Harriman United Methodist Church in Bristol. He is a distinguished clergyman and an outstanding and courageous spokesman for progressive causes in our community.

Mr. Speaker, I am proud to introduce him to my colleagues in the House today. I am proud, most of all, to call him my friend.

CAPITAL GAINS—FACTS OR CATCHY PHRASES

(Mr. CONABLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. CONABLE. Mr. Speaker, during the ongoing debate regarding proposals to reduce taxes on capital gains the Treasury Department and the President have relied on many insupportable assumptions. They have resorted to rhetoric when factual information is available. This is an area which is extremely important to the vitality of our economic system.

In this connection, Harvard University Economist Martin Feldstein along with Joel Slemrod and Shlomo Yitzhaki have just produced the first econometric analysis of the effect of taxation on the realization of capital gains. The new study makes use of a large new body of data obtained from tax returns. This new work clearly supports earlier findings that the realization of capital gains is highly sensitive to tax rates.

The summary of the study states:

More specifically, the estimated tax sensitivity implies that limiting the capital gains tax rate to 25 percent would have caused an almost three-fold increase in the total value of the net gains realized in the 1973 sampler year. As a result, the reduction in tax rates would have substantially increased the revenue produced by the capital gains tax rate.

This is precisely the point which supporters of reduced capital gains have been making for the past several weeks; that reduced capital gains tax rates will in fact produce additional Federal revenues and at the same time provide a great stimulus to our economy. I wish to emphasize that this study is based on detailed information on capital gains and losses reported on 1973 tax returns. I suggest that Members who are more interested in facts than in demagogic rhetoric obtain a copy of this study, "The Effects of Taxation on the Selling of Corporate Stock and the Realization of Capital Gains" from the National Bureau of Economic Research, NBER Working Paper 250. I also suggest that those at the White House and Treasury Department working in this area obtain copies. They need all the facts they can get.

HASTY COMMITTEE ACTION ON COAL SLURRY PIPELINE BILL CALLED IMPROPER

(Mr. ECKHARDT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ECKHARDT. Mr. Speaker, any legislative body, if it is not to become a "jungle," must operate with a reasonable degree of notice and candor. What I have to say is not a reflection on any Member; it is merely a statement of how a system can go wrong at times, pointing out that there may be misunderstandings when there is not full candor with respect to the setting of matters to come before a subcommittee.

This morning, while I was undergoing a routine physical examination, a matter dealing with the coal slurry pipeline bill came before the Committee on Interstate and Foreign Commerce. This is a bill that was not referred to that committee, and action was taken 5 minutes before I got there, at about 10:25 a.m.

I attempted to make my point of order. I had been assured by the chairman of the subcommittee that the matter would not come up today. In acting in this way, I believe the committee acted quite improperly.

Mr. Speaker, all I intended to do is to place the facts on the record, although I understand, of course, it is not possible within a 1-minute statement to place all the facts on the record.

PERMISSION FOR SUBCOMMITTEE ON INVESTIGATIONS AND REVIEW OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT ON TODAY, TOMORROW, AND THURSDAY OF THIS WEEK, DURING THE 5-MINUTE RULE

Mr. CORNWELL. Mr. Speaker, I ask unanimous consent that the Subcommittee on Investigations and Review of the Committee on Public Works and Transportation may be permitted to sit on today and Wednesday and Thursday of this week, during the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

REINTRODUCTION OF SMALL BUSINESS TAX RELIEF ACT OF 1978

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE. Mr. Speaker, today I am reintroducing the Small Business Tax Relief Act of 1978 with the added momentum of 19 new cosponsors since the June 8 reintroduction, bringing the total number of cosponsors to 83.

Support for the Small Business Tax Relief Act of 1978 is especially important in light of the upcoming presentation of the administration's revised tax package.

Tax policy plays a critical role in the success or failure of new business ventures similar to those from which our established corporations have emerged. Data from the Small Business Administration indicates that out of every 10 businesses which are started, only 5 will be operating 2 years later. As time passes, the percentage of survivors drops even more.

But under our present system of taxation, the small businessman is often inhibited by the tax code rather than offered incentives. Profit is foregone and expansion postponed. The Small Business Tax Relief Act will leave more after-tax dollars in the hands of small businessmen for expansion and diversification through enactment of six measures designed to affect such pertinent areas as: Cash versus accrual accounting, the corporate surtax exemption, rapid amortization of certain expenditures, an expanded investment tax credit, and a small business "rollover" provision.

Small business now employs over one-half of the American work force and contributes one-third of our gross national product. In view of these facts, it is not an overstatement to say that the survival and growth of small business is a necessary ingredient in the vitality of our economy.

With these reasons and the imminence of the administration's tax revisions, I am reintroducing today the Small Business Tax Relief Act of 1978 to encourage and enhance the successful formation and growth of small business ventures. I urge my colleagues to join the increasing number of bipartisan cosponsors of this bill and support the small business community of our Nation.

CONFERENCE REPORT ON S. 1633, TO PROVIDE FOR THE EXTENSION OF CERTAIN FEDERAL BENEFITS AND ASSISTANCE TO PASCUA YAQUI INDIANS OF ARIZONA

Mr. RONCALIO submitted the following conference report and statement on the Senate bill (S. 1633) to provide for the extension of certain Federal benefits, services, and assistance to the Pascua Yaqui Indians of Arizona, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 95-1339)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1633) to provide for the extension of certain Federal benefits, services, and assistance to the Pascua Yaqui Indians of Arizona, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the bill as passed by the Senate and agree to the same with a further amendment as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

That (a) the Pascua Yaqui Indian people who are members of the Pascua Yaqui Association, Incorporated, an Arizona corporation, or who hereafter become members of the Pascua Yaqui Tribe in accordance with section 3 of this Act, are recognized as, and declared to be, eligible, on and after the date of the enactment of this Act, for the services and assistance provided to Indians because of their status as Indians by or through any department, agency, or instrumentality of the United States, or under any statute of the United States. For the purposes of section 2 of the Act of August 16, 1957 (71 Stat. 371; 42 U.S.C. 2005a), the Pascua Yaqui Indians are to be considered as if they were being provided hospital and medical care by or at the expense of the Public Health Service on August 16, 1957.

(b) The provisions of the Act of June 18, 1934 (48 Stat. 484), as amended, are extended to such members described in subsection (a).

(c) The Secretary of the Interior is directed, upon request of the Pascua Yaqui Association, Inc., and without monetary consideration, to accept on behalf of the United States and in trust for the Pascua Yaqui Tribe, the title to the real property conveyed by the United States to such association under the Act of October 8, 1964 (78 Stat. 1197), and such lands shall be held as Indian lands are held: *Provided*, That the State of Arizona shall exercise criminal and civil jurisdiction over such lands as if it had assumed jurisdiction pursuant to the Act of August 15, 1953 (67 Stat. 588), as amended by the Act of April 11, 1968 (82 Stat. 79).

(d) Section 4 of the Act of October 8, 1964 (78 Stat. 1197), is hereby repealed.

SEC. 2. Within thirty months after the date of enactment of this Act, the Pascua Yaqui Tribe shall adopt a constitution and bylaws or other governing documents and a membership roll. The Secretary of the Interior shall review such documents to insure that they comply with the provisions of this Act and shall publish such documents and membership roll in the Federal Register. Publication of such roll shall not affect or delay the immediate eligibility of the members of the Association under section 1 of this Act.

SEC. 3. For the purposes of section 1 of this Act, membership of the Pascua Yaqui Tribe shall consist of—

(A) the members of the Pascua Yaqui Association, Inc., as of the date of the enactment of this Act, who apply for enrollment in the Pascua Yaqui Tribe within one year from the date of enactment of this Act pursuant to the membership criteria and procedures provided for in the official governing documents of the Pascua Yaqui Tribe;

(B) all those persons of Yaqui blood who are citizens of the United States and who, within two years from the date of enactment of this Act, apply for, and are admitted to, membership in the Association pursuant to article VII of the Articles of Incorporation of the Association; and

(C) direct lineal descendants of such persons, subject to any further qualifications as may be provided by the Tribe in its constitution and bylaws or other governing documents.

And the House agree to the same.

TENO RONCALIO,
MO UDALL,
TED RISENHOOVER,
Managers on the Part of the House.

JAMES ABOUREZK,
HOWARD M. METZENBAUM,
JOHN MELCHER,
DEWEY F. BARTLETT,
MARK O. HATFIELD,
DENNIS DECONCINI,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the Conference on the disagreeing votes of the two Houses on the amendments of the House to the bill S. 1633, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment to the text of the bill struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House to the bill as passed by the Senate and agrees to the same with a further amendment. The differences between the Senate bill, the House amendment and the substitute agreed to in conference are also noted below.

As passed by the Senate, S. 1633 extends Federal recognition to the Pascua Yaqui Indians of Arizona, which includes eligibility for all Federal services and benefits provided to Indians because of their status as Indians; recognition of tribal powers of self-government; reservation status for the Yaqui lands; and provision for tribal authority to assume criminal and civil jurisdiction on such lands on an optional basis.

The amendment of the House eliminated language providing for self-government; reservation status; and criminal and civil jurisdiction.

The conference committee adopted a substitute, by way of compromise. The House agreed to accept the Senate provision with respect to tribal self-government and reservation status. On the question of jurisdiction the Senate agreed that the state should continue to exercise criminal and civil jurisdiction on the Pascua Yaqui reservation lands as if such jurisdiction had been assumed under Public Law 83-280. P.L. 83-280 authorizes a state to exercise comprehensive civil and criminal jurisdiction over Indian reservations within state boundaries, with specified protections for the trust nature of the land. The state may, at its option, retrocede jurisdiction to the Federal government on a complete or partial basis by action of the state legislature.

The House amendment limited the membership of the tribe to the present members of the Pascua Yaqui Association, other persons of Yaqui blood who apply within one year and comply with the Association's membership criteria, plus direct lineal descendants. The conference report adopts language to extend the time in which to apply for membership (two years) and extends membership to the present Association, plus those Indians of Yaqui blood who are United States citizens, and direct lineal descendants of enrolled members.

TENO RONCALIO,
MO UDALL,
TED RISENHOOVER,
Managers on the Part of the House.

JAMES ABOUREZK,
HOWARD M. METZENBAUM,
JOHN MELCHER,
DEWEY F. BARTLETT,
MARK O. HATFIELD,
DENNIS DECONCINI,
Managers on the Part of the Senate.

URGENT SUPPLEMENTAL APPROPRIATIONS FOR DEPARTMENT OF AGRICULTURE

Mr. MAHON. Mr. Speaker, pursuant to the order of the House on Wednesday, June 28, 1978, I call up for consideration in the House as in the Committee of the Whole House the joint resolution (H.J. Res. 1024) making urgent supplemental appropriations for the Department of Agriculture, Agricultural Stabilization and Conservation Service, and for other purposes for the fiscal year ending September 30, 1978.

The Clerk read the title of the joint resolution.

The Clerk read the joint resolution, as follows:

H.J. RES. 1024

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sum is appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1978; namely:

DEPARTMENT OF AGRICULTURE

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

SALARIES AND EXPENSES

For an additional amount for "Salaries and Expenses", $57,145,000: *Provided*, That, in addition, not to exceed $23,391,000 may be transferred to and merged with this appropriation from the Commodity Credit Corporation fund (including not to exceed $5,950,000 under the limitation on Commodity Credit Corporation administrative expenses).

Mr. MAHON. Mr. Speaker, I move to strike the last word.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Joint Resolution 1024.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Speaker, the Appropriations Subcommittee on Agriculture, Rural Development, and Related Agencies, headed by the gentleman from Mississippi (Mr. WHITTEN), held hearings on the matter which is now before the House. The subcommittee reported to the full committee on the 28th of June. The full committee reported this resolution providing about $80 million for the Department of Agriculture for purposes which will now be explained to the House by the chairman of the subcommittee, the gentleman from Mississippi (Mr. WHITTEN), and by the gentleman from North Dakota (Mr. ANDREWS), the ranking minority member.

I urge approval of the pending resolution.

Mr. WHITTEN. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, this resolution is necessary because the funds have been exhausted to pay the employees of the Agricultural Stabilization and Conservation Service of the Department of Agriculture. ASCS is the Agency of the Department which handles the new farm program. Mr. Speaker, the President submitted a request for these funds and

our recommendation is well within the target. The Agriculture Act of 1977 greatly increased the need for additional ASCS employees. These employees are already on board.

In the bill before us, we recommend $57,145,000 in direct appropriations and $23,391,000 in increased transfer authority from the Commodity Credit Corporation to meet the urgent needs of the ASCS. These needs occur because, under the existing law, which we passed last fall, the activities of the county offices were greatly increased. The act greatly expanded the need for mandatory sign-ups for program benefits, determination of normal crop acreage, certification of planted acres, farm visits for compliance, creation of required records, and upgrading of farm records. In addition, workload requirements have increased because of set-aside programs and voluntary diversion and payments for feed grains, cotton, and wheat authorized in the 1977 act. Record levels of commodity and farm storage facility loans and the new farmer-held wheat and feed grain reserve programs have substantially increased the workload in county offices.

Mr. Speaker, the increase in personnel became necessary not only to carry out the program, but to prevent the Government from incurring great losses and to prevent a failure in the farm program. For that reason, we have brought this resolution to the House today. Unless this resolution is passed, the employees who are already on board will go without payment.

As I say, Mr. Speaker, the duties of ASCS are many, and the responsibility is great.

I urge the adoption of the joint resolution.

Mr. ANDREWS of North Dakota. Mr. Speaker, I move to strike the requisite number of words.

As the chairman of the subcommittee has pointed out, this resolution merely provides the funding to bring the county ASCS offices back to the level at which they were operating in 1973 before the Russian wheat sale and the Chinese wheat sale made not necessary the operation of our commodity support programs.

Mr. Speaker, we are back with legislation that has passed this House concerning the operation of wheat, feed grains, and other commodity program; and we are back with the same type of administration. The local-level people are already on board. They are operating the program now, and this is to pay their salaries for the balance of this fiscal year.

Mr. Speaker, it is extremely important that this joint resolution be passed on a timely basis. It has the support of the minority side of the aisle as well as the majority side of the aisle, and I urge its swift passage.

Mr. MAHON. Mr. Speaker, I move the previous question on the joint resolution.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the joint resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 340, nays 48, not voting 44, as follows:

[Roll No. 525]

YEAS—340

Abdnor	Daniel, Dan	Howard
Addabbo	Daniel, R. W.	Hubbard
Akaka	Danielson	Hyde
Alexander	Davis	Ichord
Ambro	Delaney	Ireland
Ammerman	Dellums	Jacobs
Andrews, N. Dak.	Dent	Jeffords
	Derrick	Jenkins
Annunzio	Devine	Jenrette
Applegate	Dickinson	Johnson, Calif.
Ashbrook	Dicks	Jones, N.C.
Ashley	Diggs	Jones, Okla.
Aspin	Dingell	Jones, Tenn.
Badham	Dornan	Jordan
Bafalis	Downey	Kastenmeier
Barnard	Drinan	Kazen
Baucus	Duncan, Tenn.	Kemp
Bauman	Early	Keys
Beard, R.I.	Eckhardt	Kildee
Beard, Tenn.	Edgar	Kindness
Bedell	Edwards, Ala.	Krebs
Beilenson	Edwards, Calif.	Krueger
Benjamin	Edwards, Okla.	LaFalce
Bennett	Eilberg	Lagomarsino
Bevill	Emery	Latta
Biaggi	English	Leach
Bingham	Erlenborn	Lederer
Blanchard	Ertel	Lehman
Blouin	Evans, Colo.	Levitas
Boland	Evans, Del.	Livingston
Bolling	Evans, Ind.	Lloyd, Calif.
Bonior	Fary	Lloyd, Tenn.
Bonker	Findley	Long, La.
Bowen	Fish	Long, Md.
Brademas	Fisher	Lott
Breaux	Fithian	Lujan
Breckinridge	Flippo	Lundine
Brinkley	Flood	McClory
Brooks	Florio	McCloskey
Brown, Calif.	Flowers	McDade
Brown, Mich.	Flynt	McEwen
Brown, Ohio	Foley	McFall
Broyhill	Ford, Tenn.	McKay
Buchanan	Fowler	McKinney
Burgener	Fraser	Madigan
Burke, Calif.	Fuqua	Maguire
Burke, Mass.	Gammage	Mahon
Burleson, Tex.	Garcia	Markey
Burlison, Mo.	Gaydos	Marlenee
Burton, John	Giaimo	Marriott
Burton, Phillip	Gilman	Martin
Butler	Ginn	Mattox
Byron	Glickman	Mazzoli
Caputo	Goldwater	Meeds
Carney	Gonzalez	Metcalfe
Carr	Gore	Meyner
Carter	Grassley	Michel
Cavanaugh	Gudger	Mikulski
Cederberg	Hagedorn	Miller, Ohio
Chisholm	Hall	Mineta
Clausen, Don H.	Hamilton	Mitchell, Md.
	Hammer-schmidt	Mitchell, N.Y.
Clay		Moakley
Cleveland	Hanley	Mollohan
Cochran	Hannaford	Montgomery
Cohen	Harkin	Moore
Coleman	Harsha	Moorhead, Pa.
Collins, Ill.	Hawkins	Moss
Conte	Heckler	Murphy, Pa.
Corcoran	Hefner	Murtha
Corman	Heftel	Myers, John
Cornell	Hightower	Myers, Michael
Cornwell	Hillis	Natcher
Cotter	Holland	Neal
Coughlin	Holt	Nedzi
Cunningham	Holtzman	Nichols
D'Amours	Horton	Nix
Nowak	Rudd	Thone
O'Brien	Runnels	Traxler
Oakar	Ruppe	Treen
Oberstar	Ryan	Trible
Obey	Santini	Tsongas
Ottinger	Satterfield	Tucker
Panetta	Sawyer	Ullman
Patten	Scheuer	Van Deerlin
Patterson	Schulze	Vander Jagt
Pattison	Sebelius	Vanik
Pease	Sharp	Vento
Pepper	Shipley	Volkmer
Perkins	Shuster	Waggonner
Pettis	Sikes	Walgren
Pickle	Simon	Walker
Poage	Sisk	Walsh
Pressler	Skelton	Wampler
Preyer	Skubitz	Watkins
Price	Smith, Iowa	Waxman
Pritchard	Smith, Nebr.	Weiss
Pursell	Snyder	Whalen
Quie	Solarz	White
Quillen	Spellman	Whitehurst
Rahall	Spence	Whitley
Railsback	St Germain	Whitten
Regula	Staggers	Wilson, Bob
Reuss	Stangeland	Wilson, C. H.
Rhodes	Stanton	Wirth
Richmond	Stark	Wright
Robinson	Steed	Wylie
Roe	Steers	Yatron
Rogers	Steiger	Young, Alaska
Roncalio	Stockman	Young, Mo.
Rooney	Stokes	Young, Tex.
Rose	Studds	Zablocki
Rosenthal	Stump	Zeferetti
Rostenkowski	Taylor	
Roybal	Thompson	

NAYS—48

Anderson, Calif.	Gradison	Murphy, Ill.
	Green	Myers, Gary
Archer	Hansen	Quayle
AuCoin	Harris	Rinaldo
Brodhead	Hollenbeck	Rousselot
Broomfield	Hughes	Russo
Clawson, Del	Kelly	Sarasin
Collins, Tex.	Kostmayer	Schroeder
Conable	Lent	Seiberling
Conyers	Luken	Stratton
Crane	McDonald	Symms
Derwinski	Mikva	Weaver
Fenwick	Minish	Wiggins
Forsythe	Moffett	Wydler
Frenzel	Moorhead, Calif.	Yates
Gephardt		Young, Fla.
Gibbons	Mottl	

NOT VOTING—44

Anderson, Ill.	Goodling	Murphy, N.Y.
Andrews, N.C.	Guyer	Nolan
Armstrong	Harrington	Pike
Baldus	Huckaby	Rangel
Boggs	Johnson, Colo.	Risenhoover
Burke, Fla.	Kasten	Roberts
Chappell	Le Fante	Rodino
de la Garza	Leggett	Slack
Dodd	McCormack	Teague
Duncan, Oreg.	McHugh	Thornton
Evans, Ga.	Mann	Udall
Fascell	Marks	Wilson, Tex.
Ford, Mich.	Mathis	Winn
Fountain	Milford	Wolff
Frey	Miller, Calif.	

The Clerk announced the following pairs:

Mrs. Boggs with Mr. Frey.
Mr. Le Fante with Mr. Burke of Florida.
Mr. Wolff with Mr. Armstrong.
Mr. Roberts with Mr. Guyer.
Mr. Rangel with Mr. Anderson of Illinois.
Mr. Chappell with Mr. Kasten.
Mr. Baldus with Mr. Leggett.
Mr. Dodd with Mr. Goodling.
Mr. Fascell with Mr. Pike.
Mr. Ford of Michigan with Mr. Teague.
Mr. McHugh with Mr. Winn.
Mr. Mathis with Mr. Milford.
Mr. Fountain with Mr. Marks.
Mr. Mann with Mr. Nolan.
Mr. Murphy of New York with Mr. Charles Wilson of Texas.
Mr. Miller of California with Mr. Thornton.
Mr. Duncan of Oregon with Mr. Andrews of North Carolina.
Mr. de la Garza with Mr. Evans of Georgia.
Mr. Harrington with Mr. Huckaby.

Mr. Risenhoover with Mr. Slack.
Mr. McCormack with Mr. Udall.

Messrs. SEIBERLING, RINALDO, and HUGHES changed their vote from "yea" to "nay."

So the joint resolution was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions to be determined by nonrecord votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

WATER RESOURCES PLANNING ACT

Mr. MEEDS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 11655) to amend the Water Resources Planning Act (75 Stat. 244, as amended), as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 401(a) of the Water Resources Planning Act of 1965 (79 Stat. 244, as amended) is hereby amended by deleting the words: "Not to exceed $6,000,000 for fiscal year 1978" and inserting in lieu thereof: "The sum of $2,886,000 for fiscal year 1979".

(b) Title I of the Water Resources Planning Act of 1965 (79 Stat. 244, as amended) is hereby amended by adding the following section:

"SEC. 106. (1) The Council shall be abolished on the last day of fiscal year 1978.

"(2) The authorities, powers, functions, and duties accorded the Council in titles II, III, and IV of this Act shall, on the last day of fiscal year 1978, be transferred to the Secretary of the Interior.

"(3) The assets, liabilities, contracts, property, records, and the unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions transferred by this section, subject to section 202 of the Budget and Accounting Procedure Act of 1950, shall be transferred to the Secretary of the Interior for appropriate allocation. Unexpended funds transferred pursuant to this subsection shall be used only for the purposes for which the funds were originally authorized and appropriated.".

(c) Section 401(c) of the Water Resources Planning Act (79 Stat. 244, as amended) is amended by deleting the words: "Not to exceed the sum of $3,905,000 for fiscal year 1978 for preparation of assessments, and for directing and coordinating the preparation of such river basin plans as the Council determines are necessary and desirable in carrying out the policy of this Act: *Provided*" and inserting in lieu thereof: "The sum of $2,720,900 for fiscal year 1979 for preparation of assessments, and for directing and coordinating the preparation of such river basin plans as the Council determines are necessary and desirable in carrying out the policy of this Act: *Provided,* That $828,900 shall be available under this subsection for preparation of the Columbia River Estuary Special Study: *Provided further,* That $308,000 shall be available under this subsection for preparation of the New England Port and Harbor Study and $135,000 shall be available for completion of the Hudson River Basin Level B Study: *Provided further,* That $150,000 shall be available under this subsection for completion of Case Studies of the Application of Cost Sharing Policy Options for Flood Plain Management in the Connecticut River Basin: *Provided further*".

(d) Section 301(a) of the Water Resources Planning Act (79 Stat. 244, as amended) is amended by deleting the words: "for fiscal years 1977 and 1978, $5,000,000 in each such year" and inserting in lieu thereof: "$3,000,000 for fiscal year 1979".

(e) Appropriations authorized by this Act for salary, pay, retirement, or other benefits for Federal employees may be increased by such additional or supplemental amounts as may be necessary for increases authorized by law.

The SPEAKER. Is a second demanded?

Mr. LUJAN. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Washington (Mr. MEEDS) will be recognized for 20 minutes, and the gentleman from New Mexico (Mr. LUJAN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Washington (Mr. MEEDS).

Mr. MEEDS. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, the basic purpose of H.R. 11655 is to authorize appropriations to defray the Federal share in operating the six river basin commissions. A total of $2,886,000 is authorized to be appropriated for that purpose.

Secondly, under the terms of the amendment adopted in the full committee, this legislation abolishes the Water Resources Council and turns those functions over to the Secretary of the Interior.

Thirdly, it authorizes appropriations for level B studies of $2,720,900. Level B studies are special studies designated to focus on particular problems of water and related land resource problems within the river basins. Each river basin commission submits a list of special water resource studies that it wishes to do, and then the final grants are made based upon which is the most meritorious. There are presently six being carried forth, and in this bill we provide authorization for three totally new studies: $828,000 for a Columbia River estuary study to establish some base line statistics, $308,000 for a New England ports and harbors study, and $150,000 for a flood plain management study in the Connecticut River Basin.

Mr. Speaker, I know of no opposition to this bill, and I reserve the remainder of my time.

Mr. LUJAN. Mr. Speaker, I yield myself so much time as I may consume.

Mr. Speaker, this bill had the unanimous support of the minority members when it was reported by our committee and I commend it to my colleagues on this side of the aisle as a good bill.

Relative to the committee's action in abolishing the Water Resources Council, I would add only that our committee has had the patience of Job with this Council over the past 10 years and that this action is long overdue. Over the years, we have tried to prod and push the Council into completing the work it was set up to do; but every year it became more and more apparent that it was more interested in building and maintaining its own little bureaucratic empire than it was in completing the work it was given to do.

With that background, I would add that I was amazed last month when the President announced a new national water policy that would place even more responsibility and decisionmaking in the hands of this Council. If its past performance and recommendations are any indication of what we could expect in the future, I shudder to think of the effect these new policies would have on our water-dependent Western States.

As the very able chairman of our subcommittee, the gentleman from Washington, pointed out, the administration will be making a number of changes as the result of the study of the reorganization task force. I hope and trust that the passage of this bill today will send a clear message to the White House that changes are, indeed, in order; beginning with the change effected by the longoverdue abolition of the Water Resources Council.

Mr. Speaker, I yield such time as he may consume to the ranking member of the Committee on Interior and Insular Affairs, the gentleman from Kansas (Mr. SKUBITZ).

Mr. SKUBITZ. Mr. Speaker, I concur with the remarks of the distinguished ranking member of the Water and Power Subcommittee, the gentleman from New Mexico, and I urge a unanimous vote of approval for this bill.

We are authorizing only 1 year of continued activities, but I would emphasize that this is not meant to reflect adversely on the work of the six river basin commissions or on the water resources studies being carried out by them. Nor does it reflect adversely on the excellent work being done by the States under the planning grant provisions of the Water Resources Planning Act.

The work of the commissions and of the States is valuable work and must be continued. The development of our water resources is too important and too far-reaching to be left to haphazard, catch-as-catch-can methods. The planning of these developments must be kept close to the State level, as envisioned by the planning grant program, and must be coordinated on a regional level, as envisioned in the river basin commission concept. The 1-year authority in this bill will permit the uninterrupted operation of these two programs.

The 1-year authorization will also give the administration time to reorganize the Federal water functions along more efficient lines. We have tried to assist the White House in that regard by abolish-

ing the Water Resources Council and turning its functions over to the Secretary of the Interior. The mission of the Council has been nearly completed and there is really no need for its further existence. All that remains is the administering of the State matching grants and coordination of the work of the six river basin commissions. These chores can readily be handled by fewer personnel and without the need of a separate agency.

This is a good bill and I commend it to my colleagues on this side of the aisle as worthy of their support.

Mr. LUJAN. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DON H. CLAUSEN).

Mr. DON H. CLAUSEN. Mr. Speaker, I support this bill and concur with the remarks of the distinguished gentleman from Kansas, the most able ranking member of the Committee on Interior and Insular Affairs.

As the gentleman pointed out, we have abolished the National Water Resources Council and have turned its remaining functions over to the Secretary of the Interior. Basically, those functions consist only of administering the matching grant program of assistance to the States for the developing of water resource plans and in coordinating the work of the six river basin commissions.

It does not require a separate agency or council with a $3 million budget to perform those administrative functions. And it certainly does not require the dozen or more supergrade personnel now employed by the Water Resources Council.

One of the desirable effects of this bill will be to reaffirm and strengthen the policy long held by the Congress to leave the basic control and regulation of water resources to the States. In recent years, we have seen a number of aggressive attempts by the executive branch to inject more and more Federal controls over the use and regulation of water resources. By regulations, guidelines, and even by litigation, the executive has sought to weaken the structure of western water law that the States have constructed over the years.

It was most gratifying to read the decisions handed down by the Supreme Court last week in which the Court upheld certain water rights of the States of New Mexico and California which had been challenged by the executive. But the Congress cannot and must not depend solely on the judicial branch to protect the States against the persistent efforts of an overzealous bureaucracy to centralize in Washington the control, regulation, and use of our water resources. This body must be ever alert to such moves and must assert and reaffirm its policy of State control as often as is necessary to keep the bureaucracy in check.

This bill represents such a reaffirmation, albeit relatively narrow and minor in its scope. By eliminating one of the bureaucracies whose activities have, over the years, been broadened far beyond the original intent of its charter, the Congress is exercising its oversight duties and is saying that the executive branch must stay within the bounds set for it by the law. Further, we are eliminating one more source of bureaucratic meddling in State water resource affairs.

This is a good bill, both in what it says and in what it implies. I urge its unanimous passage.

Mr. MEEDS. Mr. Speaker, I have no further requests for time.

GENERAL LEAVE

Mr. MEEDS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Washington (Mr. MEEDS) that the House suspend the rules and pass the bill H.R. 11655, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

Mr. MEEDS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2701) to amend the Water Resources Planning Act (79 Stat. 244, as amended), a bill similar to H.R. 11655, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2701

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 401(a) of the Water Resources Planning Act of 1965 (79 Stat. 244, as amended) is hereby amended by deleting the words: "not to exceed $6,000,000 for fiscal year 1978" and inserting in lieu thereof "the sum of $2,886,000 for fiscal year 1979".

(b) Section 401(b) of the Water Resources Planning Act (79 Stat. 244, as amended) is further amended by deleting the words: "not to exceed $2,000,000 for fiscal year 1978" and inserting in lieu thereof: "the sum of $3,328,000 for fiscal year 1979".

(c) Section 401(c) of the Water Resources Planning Act (79 Stat. 244, as amended) is amended by deleting the words "not to exceed the sum of $3,905,000 for fiscal year 1978" and inserting in lieu thereof: "the sum of $2,872,000 for fiscal year 1979".

(d) Section 301(a) of the Water Resources Planning Act (79 Stat. 244, as amended) is amended by deleting the words: "for fiscal years 1977 and 1978, $5,000,000 in each such year" and inserting in lieu thereof $5,000,000 for fiscal year 1979".

SEC. 2. Appropriations authorized by this Act for salary, pay, retirement or other benefits for Federal employees may be increased by such additional amounts or supplemental amounts as may be necessary for increases authorized by law.

MOTION OFFERED BY MR. MEEDS

Mr. MEEDS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MEEDS moves to strike out all after the enacting clause of the Senate bill, S. 2701, and to insert in lieu thereof the provisions of H.R. 11655, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend the Water Resources Planning Act (79 Stat. 244, as amended)."

A motion to reconsider was laid on the table.

A similar House bill, H.R. 11655, was laid on the table.

WATER RESEARCH AND DEVELOPMENT ACT

Mr. MEEDS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 11226) to promote a more adequate and responsive national program of water research and development, and for other purposes, as amended.

The Clerk read as follows:

H.R. 11226

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, This Act may be cited as the "Water Research and Development Act of 1978".

SEC. 2. The Congress finds and declares that—

(a) providing for the protection of the Nation's water resources, assuring an adequate supply of water of good quality for the production of food, materials, and energy for the Nation's needs, and increasing the efficient use of the Nation's water resources are essential to national economic stability and growth, and to the well-being of our people;

(b) the Nation's capabilities for technological assessment and planning and for policy formulation for water resources must be strengthened at both the Federal and State levels;

(c) there should be a continuing national investment in water-related research and technology which is commensurate with growing national needs; and

(d) the manpower pool of scientists, engineers, and technicians trained in fields related to water resources constitutes an invaluable natural resource which should be increased, fully utilized, and regularly replenished.

SEC. 3. It is the purpose of this Act to assist the Nation and the States through water resources science and technology—

(a) to provide a supply of water sufficient in quantity and quality to meet the Nation's expanding needs for the production of food, materials, and energy;

(b) to preserve and enhance our water resources and the water-related environment;

(c) to promote conservation and efficient use of the Nation's water resources;

(d) to promote research and development, demonstration, and technology transfer dealing with both quality and quantity of water resources;

(e) to identify and find practical solutions to the Nation's water and water resources related problems;

(f) to promote the training of scientists, engineers, and other skilled personnel in the fields related to water resources;

(g) to foster and supplement present programs for the conduct of research, technology development and transfer, and innovative water resources management, conservation, and operating practices;

(h) to provide for research, development, technology demonstration, and transfer with respect to converting saline and other impaired waters to waters suitable for municipal, agricultural, industrial, recreational, or other beneficial uses;

(i) to disseminate information through the maintenance of a water resources scientific information center with adequate information bases so that the Nation's water research community, by utilizing the center, can be fully informed of research activities and other types of information necessary for them to effectively conduct their work;

(j) to better coordinate the Nation's water resources and development programs; and

(k) to enhance the capacity of the Federal water establishment, and of water interests nationwide for recommending to the President and the Congress changes in national water resources research and technology policy as appropriate.

TITLE I—WATER RESOURCES RESEARCH AND DEVELOPMENT

SEC. 101. (a) The Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") is hereby authorized and directed to assist in carrying on the work of a competent and qualified water resources research and technology institute, center, or equivalent agency (hereinafter referred to as "institute") at one college or university in each State, which college or university shall be a college or university established in accordance with the Act approved July 2, 1862 (12 Stat. 503; 7 U.S.C. 301ff), entitled "An Act donating public lands to the several States and territories which may provide colleges for the benefit of agriculture and the mechanic arts" or some other institution designated by Act of the legislature of the State concerned: Provided, That (1) if there is more than one such college or university in a State established in accordance with said Act of July 2, 1862, funds under this section shall, in the absence of a designation to the contrary by act of the legislature of the State, be paid to the one such college or university designated by the Governor of the State to receive the same, subject to the Secretary's determination that such college or university has, or may reasonably be expected to have the capability of doing effective work under this title; (2) two or more States may cooperate in the designation of a single institute or regional institute, in which event the sums assignable to all of the cooperating States shall be paid to such institute; (3) the designated State institute shall cooperate closely with other colleges and universities in the State with demonstrated research, information dissemination, and graduate training capabilities in developing a statewide program directed to resolving State and regional water and related land problems; and (4) the designated State institute shall cooperate closely with regional consortia, as may be designated by the Secretary, to increase the effectiveness of the nationwide network of institutes and for the purpose of regional coordination, particularly with river basin commissions and other interagency river basin organizations as may be established by the Congress.

(b)(1) It shall be the duty of each such institute to plan and conduct and/or arrange for a component or components of the college or university with which it is affiliated or other qualified colleges or universities within the State, to conduct competent research and development including investigations and experiments of either a basic or practical nature, or both, in relation to water resources, to promote dissemination and application of the results of these efforts, and to provide for the training of scientists and engineers through such research, investigations, and experiments;

(2) The research, investigations, experiments, and training may include, without being limited to, aspects of the hydrologic cycle; supply and demand for water; saline water conversion; conservation and best use of available supplies of water and methods of increasing such supplies; water reuse; and economic, legal, social, engineering, recreational, biological, geographic, ecological, and other aspects of water problems; scientific information dissemination activities, including identifying, assembling, and interpreting the results of scientific and engineering research on water resource problems; and providing means for improved communication of research results, having due regard for the varying conditions and needs of the respective States and regions, for water research and development projects now being conducted by agencies of the Federal and State governments, the agricultural and engineering experiment stations, and other university research centers and for the need to avoid undue displacement of scientists and engineers elsewhere engaged in water resources research and development;

(3) The annual program submitted by the State institutes to the Secretary for approval shall include assurances satisfactory to the Secretary, that such programs were developed in close consultation and collaboration with leading water resources officials within the State and region to promote research, training, information dissemination and other work meeting the needs of the State. Additionally, it shall be the duty of each State institute to provide the Secretary with periodic information, at the Secretary's discretion, on water resources research and development activities, needs, and priorities within the State which shall be coordinated with State, local, regional and river basin entities, and to cooperate with the Secretary in preparing periodic reports of ongoing research within the State and its funding by both Federal and non-Federal organizations. Institutes are required to see that notices of research projects are submitted to the center referred to under title III, section 302; and

(4) The designated State institutes shall cooperate with the Secretary in the development of five-year water resources research and development goals and objectives.

(c) There is further hereby authorized a program of technology transfer and/or information dissemination to be carried out by the State institutes. Such funds, as are appropriated for this purpose, shall be made available on a competitive basis to the State institutes, based on the merit of project or program proposals submitted to the Secretary, for the purpose of transferring research and development results to other organizations for further development, demonstration, and practical application.

SEC. 102. Funds appropriated pursuant to this title, in addition to being available for expenses for research and development experiments, and training conducted under authority of this title, shall also be available for printing and publishing the results thereof in the furtherance of technology transfer and for planning and direction. The institutes are hereby authorized and encouraged to plan and conduct programs financed under this title in cooperation with each other and with such other agencies and individuals as may contribute to the solution of the water problems involved, and funds appropriated pursuant to this title shall be available for paying the necessary expenses of planning, coordinating, and conducting such cooperative research.

SEC. 103. (a) The Secretary is hereby charged with the responsibility for the proper administration of this title and, after full consultation with other interested Federal agencies, may prescribe such procedures, rules, and policies as may be necessary to carry out its provisions. He shall require a showing that institutes designated to receive funds have, or may reasonably be expected to have, the capability of doing effective work. He shall furnish such advice and assistance as will best promote the purposes of this title, participate in coordinating research initiated by the institutes under this title, indicate to them such lines of inquiry as to him seem most important, and assist the establishment and maintenance of cooperation among the institutes, other research organizations, in the United States Department of the Interior, and other Federal establishments.

(b) The Secretary shall develop a five-year water resources research program in cooperation with the institutes and appropriate water entities, indicating goals, objectives, priorities, and funding requirements.

(c) The Secretary shall annually ascertain that the requirements of subsection 101(b) have been met as to each institute, whether it is entitled to receive its share of the annual appropriations for water resources research and development under section 401(a) of the Act and the amount which it is entitled to receive.

SEC. 104. Nothing in this title shall be construed to impair or modify the legal relation existing between any of the colleges or universities under whose direction an institute is established and the government of the State in which it is located, and nothing in this title shall in any way be construed to authorize Federal control or direction of education at any college or university.

SEC. 105. (a) The Secretary is authorized to make grants to institutes to match, on a dollar-for-dollar basis, funds available to institutes from non-Federal sources to meet the necessary expenses to specific water and related land resources research projects which the institute could not otherwise undertake, including the expenses of planning and coordinating regional projects by two or more institutes. Each application for a grant pursuant to this subsection shall, among other things, state the nature of the project to be undertaken, the period during which it will be pursued, the qualifications of the personnel who will direct and conduct it, the importance of the project to the Nation, region, and State concerned, its relation to other known research projects theretofore pursued or currently being pursued, and the extent to which it will provide opportunity for training of water resources scientists. No grant shall be made under this subsection except for a project approved by the Secretary, and all grants shall be made upon the basis of the merit of the project, the need for the knowledge which it is expected to produce when completed, and the opportunity it provides for the training of water resources scientists.

(b) The Secretary is authorized to make grants to, and finance contracts and matching or other agreements with qualified educational institutions; private foundations or other institutions; and with private firms and individuals whose training, experience, and qualifications are adequate in his judgment for the conduct of water research and development projects; and with local, State, and Federal Government agencies to undertake research and development concerning any aspect of water-related problems which he may deem desirable in the national interest.

SEC. 106. Water resources research and development programs carried out in accordance with this title may include, without being limited to water use conservation and efficiences; water and related planning; saline water conversion; water reuse; management and operations; legal systems; protection and enhancement of the water-based environ-

ment; institutional arrangements; salinity management; and economic, social, and environmental impact assessment. Due consideration shall be given to priority problems identified by water and related land resources planning, data acquisition, and like studies conducted by other agencies and organizations.

SEC. 107. As used in this title, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, the Virgin Islands, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and other locations under the jurisdiction of the United States.

SEC. 108. Contracts or other arrangements for water resource work authorized under this title with an institute, educational institution, or nonprofit organization may be undertaken without regard to the provisions of section 3648 of the Revised Statutes (31 U.S.C. 529) when, in the judgment of the Secretary, advance payments of initial expenses are necessary to facilitate such work.

SEC. 109. (a) The Secretary is authorized to study, design, implement, operate, and maintain water resources programs and activities demonstrating the technical and economic viability of processes, systems, or techniques for the purpose of improving the water or water-related environment and to demonstrate the application of water resources research and development results and technology for beneficial purposes.

(b)(1) Funds appropriated pursuant to the authority provided by sections 401(d) and 403 for use under this section may not be expended until thirty calendar days (including days on which either the House of Representatives or the Senate are not in session because of an adjournment of more than three calendar days to a day certain) have elapsed following transmittal of a report to the chairman of the Committee on Interior and Insular Affairs and the chairman of the Committee on Science and Technology of the House of Representatives and the chairman of the Committee on Environment and Public Works of the United States Senate.

(2) Such report shall present information that includes, but is not limited to, the location of the demonstration activities, the characteristics of the water and water-related problem, the processes or concepts to be demonstrated, the estimated initial investment cost of the demonstration, the estimated annual operating cost of the demonstration, the source of energy for the demonstration and its cost, environmental consequences of the demonstration; and the estimated costs associated with the demonstration considering the amortization of all components of the demonstration.

(3) Such report shall also be accompanied by a proposed contract or agreement between the Secretary and a duly authorized Federal or non-Federal public or private entity, in which such entity shall agree to share cost to the extent deemed important to the purposes of the activity as determined by the Secretary. Such proposed contract or agreement may provide that either the contractual entity or the United States will develop the activity described in the report and that the United States will either operate and maintain the activity or may participate in the operation and maintenance during which, in either case, access to the activity and its operating data will not be denied to the Secretary or his representatives.

(4) The Secretary is authorized to include in the proposed contract or agreement a provision for conveying all rights, title, and interests of the Federal Government to the Federal or non-Federal, public or private entity, subject to a future right to reenter the activity for the purpose of financing at Federal expense modifications for advanced technology and for its operation and maintenance for a successive term under the same conditions as pertain to the original term.

TITLE II—WATER RESEARCH AND DEVELOPMENT FOR SALINE AND OTHER IMPAIRED WATERS

SEC. 200. Consistent with the Federal responsibility for water resources development and conservation by means of comprehensive planning, water resources development projects, protection of water quality standards, and other measures for the beneficial use of water from various sources, the Congress finds it necessary to provide for the development of technology for the conversion of saline and other impaired waters for beneficial uses. It is the policy therefore to assist and encourage the development of practical means to utilize saline water technology to convert impaired waters of any type from any source to a quality suitable for municipal, industrial, agricultural, and other beneficial uses to transfer research and development results.

SEC. 201. The Secretary is authorized and directed to—

(a) conduct, encourage, and promote basic scientific research and fundamental studies to develop effective and economical processes and equipment for the purpose of converting impaired water into water suitable for beneficial uses;

(b) pursue the findings of research and studies authorized by this title having potential practical applications, including application to matters other than water conversion, and to other supply sources such as brackish waters, staged development, and use with energy sources;

(c) conduct engineering and technical work including the design, construction, and testing of various processes, systems, and pilot plants to develop saline water conversion processes to the point of demonstration;

(d) study methods for recovery, beneficial uses and disposal of residuals, and marketing of byproducts resulting from the improvement or conversion of impaired water in an environmentally acceptable manner;

(e) undertake economic studies and surveys to determine present and prospective costs of producing water for beneficial purposes in various parts of the United States by saline water conversion processes and, by means of models, or other methodologies, prepare and maintain information concerning the relation of such conversion proceses and systems to other aspects of State, regional, and national comprehensive water resources planning.

SEC. 202. (a) The Secretary is authorized to conduct preliminary investigations and explore potential cooperative agreements with non-Federal utilities and governmental entities in order to develop recommendations for Federal participation in the design, construction, operation, and maintenance of demonstration and prototype plants utilizing advanced saline water technologies for the production of water for beneficial use.

(b) In carrying out the provisions of this section, the Secretary shall utilize the expertise of the water and power marketing agencies of the Department of the Interior or of other Federal agencies to insure that the recommended project and the supporting agreements are fully integrated and compatible with the water and power systems of the region.

(c) The Secretary is authorized to accept financial and other assistance from any State or public agency in connection with studies or surveys relating to impaired water and facilities and to enter into contract with respect to such assistance.

SEC. 203. The Secretary may issue rules and regulations to effectuate the purposes of this title.

SEC. 204. As used in this title—

(a) the term "saline and other impaired water" includes but is not limited to seawater, brackish water, mineralized ground or surface water, irrigation return flows, and other similarly contaminated waters;

(b) the term "United States" extends to and includes the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, the Virgin Islands, the Northern Mariana Islands, the Trust Territory of The Pacific Islands, and other locations under the jurisdiction of the United States;

(c) the term "pilot plant" means an experimental unit of sufficient size used to evaluate and develop new or improved processes or systems and to obtain technical and engineering data;

(d) the term "demonstration" means a plant of sufficient capacity and reliability to demonstrate on a day-to-day operating basis that the process or system is feasible and that such process or system has potential for application to water system improvement;

(e) the term "prototype" means a full-size, first-of-a-kind production plant used for the development and study of full-sized technology, energy, and process economics.

SEC. 205. (a) Subsection 2(a) of the Act of August 2, 1977 (Public Law 95-84) is hereby amended by striking "four" and inserting "six" and by striking "Puerto Rico, Virgin Islands, and Guam:" and inserting "the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, the Virgin Islands, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and other locations under the jurisdiction of the United States:".

(b) Subsection 2(b) of the Act of August 2, 1977 (Public Law 95-84) is hereby amended by striking the period at the end of the third full sentence and adding the following: ": *Provided*, That, the Secretary may waive the obligation of the non-Federal public entity to furnish brine disposal facilities if he finds that such entity is unable financially to bear the cost of such facilities."

(c) In addition to the sums previously authorized to be appropriated to carry out the purpose of section 2 of the Act of August 2, 1977 (Public Law 95-84) there is hereby authorized to be appropriated for the fiscal year ending September 30, 1980 and thereafter, the sum of $20,000,000 to remain available until expended.

TITLE III—TECHNOLOGY TRANSFER AND INFORMATION DISSEMINATION

SEC. 300. The Secretary is authorized to conduct a research assessment and technology transfer program which transfers research and development results to other organizations and individuals for further development and practical application to water and water-related problems. The Secretary may enter into agreements with the State and local governments and with other public and private organizations and individuals, including cost-sharing or cost-participation agreements, for the transfer or application of research results for the solution of water-related problems and to further the transfer developed by programs authorized under this Act. The Secretary may issue publications and may conduct seminars, conferences, training sessions, or use other such techniques he deems necessary to expedite the transfer of research results and technology development. The technology transfer activities will be coordinated with activities undertaken under titles I and II of this Act.

SEC. 301. The Secretary is further authorized to maintain a national center for the acquisition, processing, and dissemination of information dealing with all areas of water resources research, technology development, and demonstration. Each Federal agency engaged in water resources including research, technology development, and demonstration, shall cooperate by providing the center with

documents and other pertinent information. The center shall (a) maintain for general use a collection of water resources information provided by Federal and non-Federal government agencies, colleges, universities, private institutions, and individuals; (b) issue publications or utilize other media to disseminate research, technology development, and demonstration information for the purposes of this Act and enter into agreements with public or private organizations or individuals to stimulate acquisition and dissemination of information, thus contributing to a comprehensive nationwide program of research and development in water resources and the avoidance of unnecessary duplication of effort; (c) make generally available abstracts and other summary type information concerning water resources activities including research projects accomplished and in progress by all Federal agencies and by non-Federal agencies, private institutions, and individuals, to the extent such information can be obtained, and reports completed on research projects funded under provisions of this Act; and (d) in carrying out the information dissemination activities authorized by this section, the Secretary shall to the extent feasible use the resources and facilities of other agencies and of the clearinghouse for scientific, technical, and engineering information established in the Department of Commerce pursuant to sections 1151 through 1157 of title 15, United States Code.

SEC. 302. There shall be established, in such agency and location as the President determines to be desirable, a center for cataloging current scientific research in all fields of water resources. Each Federal agency doing water resources research shall cooperate by providing the cataloging center with information on work underway. The cataloging center shall classify and maintain for general use a file of water resources research and investigation projects in progress or scheduled by all Federal agencies and by such non-Federal agencies of government, colleges, universities, private institutions, firms, and individuals as voluntarily may make such information available.

TITLE IV—GENERAL PROVISIONS

SEC. 400. (a) As used in this Act, the term "Secretary" means the Secretary of the Interior.

(b) In carrying out his functions under this Act, the Secretary may:

(1) make grants to educational institutions and scientific organizations, and enter into contracts with institutions and organizations and with industrial or engineering firms;

(2) acquire the services of chemists, physicists, engineers, and other personnel by contract or otherwise;

(3) utilize the facilities of Federal scientific laboratories;

(4) establish and operate necessary facilities and test sites to carry on the continuous research, testing, development, and programming necessary to effectuate the purposes of this title;

(5) acquire processes, technical data, inventions, patent applications, patents, licenses, land and interests in land (including water rights), plants and facilities, and other property or rights by purchase, license, lease, or donation pursuant to the Federal Property and Administrative Services Act (40 U.S.C. 471) as amended, where applicable;

(6) assemble and maintain pertinent and current scientific literature, publications, patents, licenses, land and interests in land (including water rights thereto);

(7) cause onsite inspections to be made of promising projects; domestic and foreign, and in the case of projects located in the United States, cooperate and participate in their development when the purposes of this title will be served thereby;

(8) foster and participate in regional, national, and international conferences relating to water resources;

(9) accept financial and other assistance from any local, State, Federal, or other agency or entity in connection with studies or surveys relating to water problems and facilities and enter into contracts with regard to such assistance;

(10) coordinate, correlate, and publish information with a view to advancing the development of practicable water conversion projects; and

(11) cooperate with other Federal departments and agencies, with State and local departments, agencies, and instrumentalities, and with interested persons, firms, institutions, and organizations.

SEC. 401. (a) (1) There is hereby authorized to be appropriated for the purpose of carrying out the program described in subsection 101(a) of this Act an amount sufficient to provide $150,000 to each participating institute, on a cost-sharing basis, for the fiscal year ending September 30, 1979, and an amount sufficient to provide $175,000 to each participating institute on a cost-sharing basis, for the fiscal year ending September 30, 1980.

(2) There is authorized to be appropriated, on a cost-sharing basis, for the purpose of carrying out the provisions of subsection 101 (c) of this Act the sum of $750,000 for the fiscal year ending September 30, 1979, and the sum of $1,350,000 for the fiscal year ending September 30, 1980, all to remain available until expended.

(2) Cost sharing under sections 101(a) and 101(c) shall be on the basis of two Federal shares to not less than one non-Federal share. Federal funds made available under this section shall not be used for support of indirect costs as defined by current Federal regulations; however, such indirect costs may be credited as a non-Federal contribution to the total cost of activities to be carried out pursuant to the Federal grant or contract.

(b) There is authorized to be appropriated for purposes of carrying out the provisions of section 105(a) of this Act for the fiscal year ending September 30, 1979, the sum of $6,000,000, and for the fiscal year ending September 30, 1980, the sum of $10,000,000, all to remain available until expended, to match on a dollar-for-dollar basis, funds made available by non-Federal sources to meet the necessary expenses of specific water resources research and development projects which could not otherwise be undertaken.

(c) There is authorized to be appropriated for purposes of carrying out the provisions of section 105(b) of this Act for the fiscal year ending September 30, 1979, the sum of $5,200,000, and for the fiscal year ending September 30, 1980, the sum of $10,000,000 all to remain available until expended, which shall be available on a competitive basis to any organization or individual to finance grants, contracts, matching grants, or other arrangements which equal 100 per centum, or any lesser per centum of the total cost of the project involved.

(d) There is authorized to be appropriated for purposes of carrying out the provisions of section 109 of this Act for the fiscal year ending September 30, 1980, the sum of $1,000,000 to remain available until expended, which shall be available on a competitive basis to any organization or individual to finance projects pursuant to the terms of said section 109.

SEC. 402. (a) There is authorized to be appropriated to carry out the provisions of title II of this Act for the fiscal year ending September 30, 1979, the sum of $12,000,000, and for the fiscal year ending September 30, 1980, the sum of $16,000,000, all of which is to remain available until expended. The funds authorized to be appropriated for the fiscal year ending September 30, 1979, shall be obligated in accordance with the categories and subcategories of saline water conversion research and development activity set forth in the Committee Report accompanying this legislation. Funds authorized to be appropriated for the fiscal year ending September 30, 1980, shall be distributed to categories of activity as determined by budgetary priorities prevailing at the time of appropriations.

(b) Not more than 4 per centum of the funds to be made available in any fiscal year for research under the authority of this title may be expended for foreign activities subject to the approval of the Secretary of State to assure that such activities are consistent with the foreign policy objectives of the United States, in cooperation with public or private agencies in foreign countries for research useful to the programs in the United States.

SEC. 403. There is authorized to be appropriated the sum of $4,464,000 for the fiscal year ending September 30, 1979, and the sum of $5,100,000 for the fiscal year ending September 30, 1980, to carry out the sections of titles I, II, III, and IV of this Act other than those for which special specific authorizations are made.

SEC. 404. Each application for a grant, pursuant to this Act, shall, among other things, state the nature of the project to be undertaken, the period during which it will be pursued, the water problem it addresses, the qualifications of the personnel who will direct and conduct it, the importance of the project to the water-related economy of the Nation, the need for and expected utilization of the results, the region and the State concerned, its relation to other known research projects previously conducted or currently being pursued, the procedures by which the results can be disseminated, and the extent to which it will provide opportunities for the training of water resources scientists and engineers. No grant shall be made except for projects approved by the Secretary and all grants shall be made upon the basis of the merit of the project, the need for the knowledge it is expected to produce when completed, and the opportunities it provides for the training of water resources scientists and engineers.

SEC. 405. (a) Sums appropriated pursuant to this Act may be paid at such times and in such amounts during each fiscal year as determined by the Secretary and upon vouchers approved by him. Except as may be otherwise specified by this Act, funds received pursuant to such payment may be used for any allowable costs within the meaning of the Federal procurement regulations that establish principles for determining costs applicable to research and development under grants and contracts with educational institutions.

(b) Each State institute operating pursuant to title I of this Act shall have an officer appointed by its governing authority who shall receive and account for all funds paid to the institute under the provisions of this Act and who shall provide to the Secretary an annual statement of the amounts received under any of the provisions of this Act during the preceding fiscal year, and of its disbursement. If any of the moneys received by the authorized receiving officer of any State institute under the provisions of this Act shall, by any action or contingency, be found by the Secretary to have been improperly diminished, lost, or misapplied, it shall be replaced and until so replaced no subsequent disbursement of Federal funds shall be made to any institute of such State.

SEC. 406. (a) The Secretary shall cooperate fully with, and shall obtain the continuing advice and cooperation of, all agencies of the Federal Government concerned with water problems, State and local governments, and private institutions and individuals, to as-

sure that the programs conducted under this Act will supplement and not duplicate other water research and technology programs, will stimulate research and development in neglected areas, and will provide a comprehensive, nationwide program of water resources research and development. In order to further these purposes, as well as to assure research undertaken by the Secretary on waste-water treatment and treatment of water for potable use is most responsive to needs in implementing the Federal Water Pollution Control Act, as amended (Public Law 92–500), and the Safe Drinking Water Act, as amended (Public Law 93–523), the Secretary will consult with the Administrator of the Environmental Protection Agency in developing and implementing programs in these areas. The Secretary will encourage utilization of the center referred to in title III, section 302, for cataloging current research projects in order to assure that programs conducted under this Act will supplement and not duplicate other research and technology programs and will encourage other Federal agencies to do likewise.

(b) The President shall, by such means as he deems appropriate, clarify agency responsibilities for Federal water resources research and development and provide for interagency coordination of such research, including the research authorized by this Act. Such coordination shall include (1) continuing review of the adequacy of the Government-wide program in water resources research and development and identification of technical needs in various water resources research categories, (2) identification and elimination of duplication and overlaps between two or more programs, (3) recommendations with respect to allocation of technical effort among the Federal agencies, (4) review of technical manpower needs and findings concerning the technical manpower base of the program, (5) recommendations concerning management policies to improve the quality of the Government-wide research effort, and (6) actions to facilitate interagency, communication at management levels.

"(c) The Secretary shall report within one year of the date of enactment of this Act to the chairman of the Committee on Science and Technology of the House of Representatives concerning actions taken by the Secretary and the President to implement this section."

SEC. 407. (a) Property acquired by the Secretary under this Act for use in furtherance of the purposes of this Act may be conveyed to a cooperating institute, educational institution, or nonprofit organization in accordance with the Federal Property and Administrative Services Act of 1949, as amended.

(b) The Secretary may dispose of water and byproducts resulting from his operations under this Act. All moneys received from dispositions under this Act shall be paid into the Treasury as miscellaneous receipts where such operations may be undertaken as a part of a Federal reclamation project in which case the financial provisions of the reclamation laws (32 Stat. 388 and Acts amendatory thereof and supplementary thereto) shall govern.

SEC. 408. With respect to patent policy and to the definition of title to, and licensing of inventions made or conceived in the course of, or under any contract or grant pursuant to this Act, and notwithstanding any other provision of law, the Secretary shall be governed by the provisions of sections 9 and 10 of the Federal Nonnuclear Energy, Research, and Development Act of 1974 (Public Law 93–577; 88 Stat. 1887, 1891; 42 U.S.C. 5908, 5909): *Provided, however*, That subsections (l) and (n) of section 9 of such Act shall not apply to this Act: *Provided further, however*, That, subject to the patent policy of section 408, all research or development contracted for, sponsored, cosponsored, or authorized under authority of this Act, shall be provided in such manner that all information, data, and know-how, regardless of their nature or mediums, resulting from such research and development will (with such exceptions and limitations, if any, as the Secretary may find to be necessary in the interest of national defense) be usefully available for practice by the general public consonant with the purpose of this Act.

SEC. 409. The institutes shall submit a summary report to the Secretary on or before January 31 of each year which highlights research and development work accomplished during the preceding fiscal year, the status of projects underway, and recommended future projects. This report is in addition to such other reports as may be required by sections 101(b) and 405(b) of this Act. The Secretary shall submit a summary report to the President and the Congress on or before April 1 of each year which summarizes program activities of the preceding fiscal year and projects for the future.

SEC. 410. (a) The Water Resources Research Act of 1964 (Public Law 88–379, 78 Stat. 329; 42 U.S.C. 1961 et seq.), as amended, and the Saline Water Conversion Act of 1971 (Public Law 92–60, 85 Stat. 159; 42 U.S.C. 1959 et seq.) as amended, are hereby repealed.

(b) Nothing elsewhere in this Act is intended to repeal, supersede, or diminish existing authorities or responsibilities of any agency of the Federal Government concerning water resources.

(c) Nothing in this Act shall be construed to alter existing law with respect to the ownership and control of water.

SEC. 411. Any rules, regulations, guidelines, interpretations, orders, or requirements of general applicability prescribed by the Secretary of the Interior in connection with, or affecting, the administration of any program authorized by this Act or by section 2 of the Act of August 2, 1977 (Public Law 95–84) shall be transmitted to the Speaker of the House of Representatives and the President of the Senate and shall not become effective for forty-five days after the date of such transmittal. The forty-five day period shall be deemed to run without interruption except during periods when either House is in adjournment sine die, in adjournment subject to the call of the Chair, or in adjournment to a day certain for a period of more than four consecutive days.

SEC. 412. Notwithstanding any other provision of this Act, authority to enter into contracts or cooperative agreements and to make payments under this Act shall be effective only to the extent or in such amounts as are provided in advance in appropriation Acts.

The SPEAKER. Is a second demanded?

Mr. LUJAN. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Washington (Mr. MEEDS) will be recognized for 20 minutes, and the gentleman from New Mexico (Mr. LUJAN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Washington (Mr. MEEDS).

Mr. MEEDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise to present to the Members, the bill H.R. 11226, the Water Research and Development Act of 1978. This measure is perhaps the most important and significant piece of water resources legislation to come out of the Committee on Interior and Insular Affairs in recent years.

With passage of this bill we will be placing the water research and development programs of the Department of the Interior on a sound continuing footing for the foreseeable future and will be providing the organic basis for the research effort so clearly needed for the years ahead. In its simplest terms, the bill repeals and reenacts the two major controlling statutes under which research activities are conducted by the Secretary of the Interior; that is, the Water Resources Research Act of 1964 and the Saline Water Conversion Act of 1971. In the reenacted form the bill brought to the House by the committee makes desirable changes in the law to reflect the experiences of recent years in administering these two programs, and it is these changes that I would like to explain to the Members.

In addition to the explicit provisions of the bill, there are two major policy nuances that I believe to be, perhaps, as important as the specific matters treated by the measure. First, by reenacting both programs in a single multititled bill, the Congress is giving clear expression to the view that the two programs are of equal significance and that they are to be funded and implemented as separate programs having their own unique constituencies and policy thrusts. Second, the bill places all programs and subprograms on a 2-year authorization cycle as distinct from the prior practice in which some authorization line items are continuous and others are on an annual basis. The committee believes that effective congressional oversight can be maintained through biennial hearings with consequent savings in the expenditure of the resources of the House associated with the passage of annual authorizing acts.

H.R. 11226 has been under development in the Interior and Insular Affairs Committee for upward of 3 years. It was initially drafted in 1975 as the response to a draft proposal of the previous administration which sought statutorily to merge the two areas of research into a single undertaking. This effort was made at a time when it was clear to even the most casual observer that the executive branch wished to be finished with desalting technology research and development. Commencing approximately 1 year ago, the Subcommittee on Water and Power Resources had several days of oversight hearings at which approximately 40 witnesses from all sectors of the research community were heard. This was followed by hearings this spring on the specific provisions of the bill forwarded by the administration. We have an excellent hearing record—one which fully supports the scope and content of the measure and which blends to the maximum practical extent the varying viewpoints of the several interests which participate in our water resources research activity.

Title I of the bill represents a restatement of the Water Resources Research Act of 1964. In this title we describe five separate categories of activity, as fol-

lows: First, the basic allotment grant to water resources research institutes at a land grant or similar institution in each State, territory, or offshore jurisdiction; second, a program of matching grants to be conducted by the institutes; third, a program of grants for what we refer to as unfocused research (this means that anyone with a good well-documented idea and proven competence in the field may be eligible for a grant); fourth, a program of payments to institutes to stimulate more effective technology transfer and dissemination of research results; and fifth, a program for funding demonstrations of research findings developed under the auspices of the act.

Title II of the bill is a reenactment of the Saline Water Conversion Act of 1971 which would otherwise expire by its own terms at the end of the current fiscal year. The title as reported by the committee makes no major changes in the basic program of saline water conversion research and development. The scope, content, and format of the program remains essentially unchanged from that of recent years. The major impact of this title is an amendment to the act of August 2, 1977, which authorized four demonstration plants at a total cost of $40 million. In this bill, we have increased this program to the level of six plants and increased the authorized appropriations to $60 million.

Title III of H.R. 11226 for the first time provides specific legislative sanction and guidelines for the carrying out of a program of information dissemination and technology transfer. The committee believed, and I would like to emphasize, that the key to an effective research program is found in the degree that research results are brought to bear on the solving of everyday problems. One of the perceived weaknesses in our previous research efforts has been the tendency to simply warehouse the results of our research with little effective dissemination of it to the action community. Title III, we believe, will correct this shortcoming and, in so doing, hopefully make the entire effort more meaningful and effective.

Title IV of the bill presents the authorization of appropriations, controlling administrative authorities, patent provisions, requirement for publication of rules, and regulations and reporting requirements. In further discussion of this title, Members will principally be interested to learn of the authorized funding levels for the several programs established by the legislation and how they compare with the President's budget for fiscal year 1979 and previous years.

The President's budget for fiscal year 1979 for all activities of the Office of Water Research and Technology, which will administer the programs authorized by H.R. 11226, requests a total of $27,154,000. The committee recommendation as contained in the bill is $36,514,000, an increase of $9,360,000. This increase is comprised of subamounts as follows: The basic allotment to Institutes is increased by $40,000 per institute for an aggregate of $2,160,000; the matching grant program is increased by $2 million—from $4 to $6 million—the unfocused grants are increased by $2 million—from $3.2 to $5.2 million—and the saline water conversion research and development program is increased by $3,200,000—from $8.8 to $12 million.

For fiscal year 1980, we are unable to present a comparison with the administration's recommendation since the draft bill sent forward to the Congress contemplated an open-ended authorization for that fiscal year. This persistent practice of the administration failing to make specific recommendations resulted in the committee being obliged to set the authorization level for next year without benefit of executive branch input. We have not evaded this duty and have recommended in the bill an authorization level of $72,900,000 which is approximately double the level for fiscal year 1979. It should be pointed out that $20 million of this apparent increase is associated with two additional demonstration plants at $10 million each leaving an increase for research and development in the amount of $16,386,000.

In this connection, the committee would like to observe that it has noted a new spirit of cooperation from the administration in seeking to restore these programs to the level that is needed to meet the water resources needs of this country in the future. Our bill is evidence of congressional willingness to provide for the needed research, development, and demonstration. While the percentage increases in our bill compared to previous years and to the executive branch recommendations seen quite high, they are minor in absolute terms and actually trivial in comparison to the sums being invested in research in other areas of our national life. Surely, we must face up to the likely shortage of supply of this most vital resource and take the steps to provide the institutional climate and fiscal wherewithal with which to meet this challenge.

Mr. Speaker, this is a good bill, an important bill and one which deserves an overwhelming endorsement from this House. I am proud to be in a position to recommend it to you.

Mr. LUJAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Kansas (Mr. SKUBITZ).

Mr. SKUBITZ. I rise in support of this bill and will add that the saline water conversion program is one of the few programs that enjoys complete bipartisan support, both in our committee and in the full House.

Other nations are already using the technology and hardware developed by American taxpayers to solve their own water problems. Israel, Saudi Arabia, and other Middle East countries are spending hundreds of millions of dollars to import desalting mechinery and expertise from this country. But in this country the only major application we are making of our own technology is in the desalting plant we are building at Yuma to clean up the Colorado River before it flows into Mexico.

The reason, of course, is clear. The Government supported desalting research and development only to the point where the process became economically attractive to the most arid countries in the world; then it stopped. The price of desalting water with the equipment we have developed to date is still too high for use in our own Western communities.

If we had followed the same policy with the space program, our satellites would still be on the ground while the satellites of other nations, using our technology, circle the globe.

While the executive branch has dragged its feet over the past 10 years, other nations have forged ahead on the technology base that our tax dollars created. Japan is now abreast of us in this field and will soon be far ahead of us if we do not move fast. The world market that we now virtually control will be lost to us within 1 or 2 years unless we pick up where we left off in 1973 and develop new hardware that can compete in that market.

More importantly, we need the hardware and technology in this Nation to meet the water crisis that is now upon us in our Western States. It is ridiculous to have our Western States and the Federal Government squabbling over the control and use of our limited supplies of water when we have the power and the means to increase those supplies to meet all foreseeable needs.

If the President and his advisers do not want to build more dams and water delivery systems to conserve and utilize the water we have, their answer lies in developing this new source of water that will not require dams and aqueducts and reservoirs. If the millions of people in the Los Angeles and San Diego areas can tap the ocean at their front door, there will be no need to bring Colorado River water in through the back door. And if the farms and cities of New Mexico, Arizona, Texas, and Oklahoma have the means to convert their own underground brackish water to irrigable and potable water, they will not need to build transmountain pipelines and aqueducts to bring water down from the Northwest.

But to do this, we need the research and development to improve on the technology we already have and to bring the cost down to a realistic level. It is that kind of research and development that is authorized in this bill. And we need to demonstrate to American communities the economic feasibility of using these processes to desalt both seawater and brackish water. Six such demonstration plants are authorized in the bill.

By moving ahead on both of these fronts: R. & D. and demonstration in the United States can regain her position of world leadership in the desalting field, and our water-starved Western States can develop new sources of water on which to base their continued growth.

Mr. LUJAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I concur with the remarks of the gentleman from Washington, the most able chairman of our

Water and Power Subcommittee, and will add that this is the second bill to come out of the 95th Congress which authorizes and directs the Secretary of the Interior to move ahead with our national saline water conversion program. As such, it underscores the commitment of this Congress to the national goal of developing new sources of fresh water as fast as possible.

It is important that we restate and reemphasize that commitment at this particular time. This administration has shown so little concern—indeed, such a negative concern—for the water needs of our Western States that it is obvious that only persistent prodding by the Congress will bring about the forceful action needed to meet the water crisis that is already upon us.

The desalting of seawater and brackish ground water is admittedly only one part of the solution to our water problems, just as solar energy, for example, is only one part of the solution to our energy problems. But, as with solar energy, the importance of water desalting lies in its great future potential as a major new source of what is now a scarce commodity. We must keep our scientists and technicians busy finding new and better application for the technology already at hand while at the same time working to improve on and add to that technology.

Yet, while Congress again tries to move ahead with this work, the administration is again trying to hold it back. Last year they asked us for a year's time so they could study the program. We gave them that year. This year they came up with a budget request and a bill report that call for more foot dragging, more studies, more paperwork and virtually no development of desalting hardware.

Last year, the Congress authorized the construction of four Federal desalting demonstration plants. Not a single plant is yet in the planning stage. As a matter of fact, the administration threw up roadblocks to stop the demonstration program dead in its tracks. To do this, they issued a set of guidelines that were directly contrary to the law as written. When challenged on this at our hearings, the administration spokesman admitted that they had not drawn up the guidelines to implement the law passed by Congress. Instead, they said they had drawn them up to fit a "law" that they had drafted downtown and sent to Congress for "ratification."

That is what we are up against in trying to get our national desalting program off of dead center, Mr. Speaker. Congress passes legislation aimed at solving our water problems, the President signs that legislation into law and his administrative people promptly ignore it and proceed to issue guidelines and regulations that have the full force and effect of law even though they are in direct conflict with the actual statutes. And when called to account for it, they brazenly tell us that they have drawn up their own "law," which repeals the law on the books, and they demand that the Congress meekly enact their "law."

Now here we are again, with a well-thought-out and tightly drawn piece of legislation that aims once again at getting our desalting program on track. We have beefed up the section on technology development and technology transfer. We have added more incentives for States, colleges, universities, private industry and local governments to get involved in this program and help get it moving. We have added two demonstration plant authorizations to the four that we authorized last year. We have provided everything that the administration needs to really shift into high gear and move ahead with this program.

All that is lacking in this bill is some kind of a penalty mechanism that would force the administration to carry out the intent of the Congress and of the American people. All we can depend on, after passing this bill, is the good faith of the executive branch in meeting its constitutional duty to administer the law as written. And if this administration's performance to date is any indication, that is leaning on a very weak reed.

It would be redundant for me to assure my colleagues that this is a good bill. It was a good bill that we passed last year, and the year before, and the year before that. We have been passing good desalting bills for the past 10 years, but the tragic truth is that there is not yet a single drop of water flowing from a Federal desalting plant outside of laboratories and small experimental stations.

I ask my colleagues to give this program the same support they have in the past. A unanimous vote on this bill just might get the message to the White House that the House of Representatives is determined to open the tap on this Nation's vast supplies of underground brackish water and convert it to the beneficial use of this and future generations.

Mr. MEEDS. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. BROWN).

Mr. BROWN of California. Mr. Speaker, I thank the gentleman from Washington for yielding me this time.

Mr. Speaker, I feel that I should take this time to indicate my full support for this legislation. In fact, I want to commend the chairman, the ranking minority member, and the other members of the subcommittee for moving this bill forward. It is greatly needed. It will rationalize a large area of water resource research which very badly needs it.

Mr. Speaker, some of the Members may have taken the trouble to read a "Dear Colleague" letter which I sent out yesterday indicating that I felt this bill should not be on suspension. I want to explain that I am withdrawing even this particular position in view of the generous acceptance by the chairman of the subcommittee and manager of the bill of a minor amendment which will, I think, resolve the problems that I had.

Mr. Speaker, I would like to explain very briefly why I made this request for this minor technical amendment. The Subcommittee on the Environment and the Atmosphere which I have the privilege to chair has been concerned with the problems of water research as it involves the environment, and they have been so concerned for a considerable period of time. I think all of the Members are aware that in this area of environmental research there is a gray area in which there is, through the operations of the rules of the House, a deliberate or an inadvertent overlap between the jurisdictions of several committees, and there happens to be in this case.

Mr. Speaker, water resource research is clearly within the jurisdiction of the Committee on Interior and Insular Affairs. It has been legislated there in the past, and this bill quite properly originated there and moved forward from that committee. However, water environmental research is within the jurisdiction of the Committee on Science and Technology as a part of the general area of environmental research and development. Water pollution and other similar matters have been the subject of a great deal of consideration in this committee and, in particular, the problem of ground water, which is a vastly neglected area. In fact, our subcommittee has drafted legislation in this area and hopes to move such legislation some time in the reasonably near future.

Mr. Speaker, it was because of this confusion of jurisdictions that I raised the question as to whether or not this bill should be on suspension, having nothing to do with the merits of the legislation. I felt that there should be amendments which clarified the relative responsibilities and concerns of the two committees with regard to this particular situation.

We have resolved this problem, as I say, with a technical amendment which provides that certain reports called for in the legislation will be forwarded to the Committee on Science and Technology.

Mr. Speaker, I commend the distinguished chairman of the subcommittee for his cooperative spirit in doing this, and I regret any misunderstandings which may have arisen out of faulty communication, for which I take full responsibility.

Mr. MEEDS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from Washington.

Mr. MEEDS. Mr. Speaker, I thank the gentleman for yielding, and I also thank the gentleman for his understanding.

We have, indeed, arrived at an amendment which is in this bill now, which will require certain reports to be made additionally; that is, in addition to the one report to the chairman of the Committee on Interior and Insular Affairs and to the chairman of the Committee on Science and Technology. Certain other information will also be provided.

Mr. Speaker, I think the gentleman is absolutely right. This information should go to those committees, and I

certainly agree with him also with regard to his statements on environmental research regarding water.

I think that there is no question that it is clearly within the jurisdiction. It may also be in other jursdictions, but it is clearly in the gentleman's jurisdiction. So, I am delighted that we can solve this problem.

Mr. BROWN of California. If I have any remaining time, I would like to just pose one question which I hope will clarify the intent of the language of the legislation as it involves ground water research. Would I be correct in interpreting the scope of this legislation to include ground water resources wherever water resources have been referred to in the legislation?

I yield to the gentleman from Washington.

Mr. MEEDS. Mr. Speaker, I just reply to the gentleman that it certainly does. Under title I, if someone made a proposal with regard to research affecting ground water resources, it would definitely be covered by this act.

Mr. BROWN of California. I appreciate that response. Our own study indicates that only about 5 percent of the total funds allocated for water resource research have gone to ground water, and this is a resource which provides nearly half the water supply for the cities of this country. It is our feeling that additional emphasis should be given in that area, and I am pleased that the committee chairman concurs in my view that water resources includes ground water as well as surface water. I hope the department and other agencies will take that into account.

Mr. Speaker, with the kind indulgence of the gentleman from Washington, I would like to make a few additional comments with regard to this legislation. There are some sections of the bill with which I am greatly pleased. The bill, however, does have some points which I feel should be clarified.

After decades of Presidential, congressional, and citizen efforts to get the Congress to enact a comprehensive and forward-looking water policy, this administration released a statement which begins to meet the requirements for such a policy. This bill, H.R. 11226, does not totally reflect the sound principles enunciated in President Carter's national water policy.

For example, in several places in his policy address President Carter noted the importance of ground water in our total water resources picture and the mounting problems this resource is facing. On one hand it is becoming increasingly important due to diminishing usable surface water supplies and on the other hand it is reaching alarming levels of contamination. My Subcommittee on Environment and the Atmosphere, which has jurisdiction over environmental research and development, recently held several days of hearings and workships on ground water R. & D. Our hearings and workshops benefited from the knowledge of some of this Nation's leading experts in ground water research and management. The result of all this effort was not only the consensus acknowledgement of the importance of ground water, but also the relatively total lack of research emphasis on ground water problems. My subcommittee has been working on draft legislation in ground water R. & D. and this effort should be blended with this bill, H.R. 11226, in the future.

Additionally, H.R. 11226 should give more emphasis to conservation of our general water supplies. It is primarily concerned with the conversion of saline water and does not adequately cover things such as the reuse of municipal and industrial water. Of course, the President's water message highlighted the absolutely crucial importance of broad-based conservation measures. This point was made to the extent that water conservation should be considered as a yardstick with which to measure the benefits of water projects. In my opinion H.R. 11226 should give greater recognition to this point.

Not only have we in the Subcommittee on Environment and the Atmosphere had extensive investigations in ground water research, development, and management, as I have mentioned, but also in the last Congress we similarly had detailed and comprehensive hearings on "Water Quality Research." As you know, Mr. Speaker, the Committee on Science and Technology, working through my subcommittee has broad jurisdictional responsibility in many areas and agencies, including the water research and development program of the Environmental Protection Agency. Considerable time has been devoted to examining these programs for interagency cooperation to insure that resources for research are being utilized in an effective and efficient manner. Mr. Speaker, these experiences have given us a sound and broad perspective of water research, development, and managment problems and needs. This perspective is obviously needed for a comprehensive, environmentally responsible water research, and development program, as I am sure the supporters of this legislation would acknowledge.

Mr. Speaker, I had considered several other amendments which would have improved H.R. 11226. As I had stated, I am generally pleased with what is in the bill. These amendments, in brief, would simply have amended H.R. 11226 to make it more comprehensive and more in concert with the President's water policy and our own findings. Specifically, they would have given equal footing to ground water problems and research. Further, they would have broadened the conversion of impaired water to give more emphasis to research on the reuse of municipal and industrial waters.

Mr. Speaker, I strongly feel that the longer we offer narrowly defined answers to an encompassing problem such as water resources, the greater the problem will become. H.R. 11226 is a good bill, but it could be a better, more comprehensive, and broad-based bill. I support its passage, and recommend that the broader approach be addressed in the near future.

Mr. MEEDS. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. LUJAN. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DON H. CLAUSEN).

Mr. DON H. CLAUSEN. Mr. Speaker. when the saline water conversion authorization bill came to the floor 5 years ago, I made the following prediction:

> The water crisis that faces this nation will become more acute than the energy crisis. We must move ahead now, with every resource at our disposal, to develop new sources of water while at the same time developing better methods of managing and conserving the water we now have. Every western state is treading a narrow line today, trying to keep its water supplies in balance with its water demands. The slightest change in climatic conditions—the slightest drop in our water supplies through drought or reduced precipitation—will have disastrous results unless we move now to augment those supplies.

The thrust of my remarks at that time was that the Congress and the administration should work together to crank up the water desalting program so we would have new sources of water to turn to when the crunch came.

Congress passed the saline water bill that year, and the next year, and the next. Each bill that was passed was accompanied by a report and by strong words on the floor of this House, urging the executive branch to carry out the letter and intent of the bill and to get moving on the development of water desalting hardware.

But the executive branch dragged its feet, refusing to follow the leadership of the Congress. And last year, when the predicted drought hit the West, there was no water desalting equipment in operation to help meet the emergency. The drought cost California alone more than $5 billion in crop and livestock losses. And I am constrained to point out that if the executive branch had used the statutory tools we gave it over the past 10 years there would have been millions of gallons of fresh water pouring out of the desalting units to help prevent some of those losses.

Now here we are again with still another bill authorizing a stepped-up Federal desalting program. We have included in this bill the authority for the Federal Government to build six large demonstration plants to prove the economic feasibility of convertible seawater and brackish water to municipal and industrial water.

The purpose of these plants is twofold: To prove to our State and local governments that desalting is a viable method of providing additional water supplies, and to give our scientific community the large testing facilities it needs to check out new concepts and hardware as they are developed.

I urge my colleagues to support this bill, and I urge the administration to learn from the harsh lessons of the past. What we predicted 5 years ago was altogether too accurate. I earnestly hope that 5 years from now we will not again be looking back at 5 years of inaction with similar results.

Mr. LUJAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia (Mr. WHITEHURST).

Mr. WHITEHURST. Mr. Speaker, I rise in support of H.R. 11226, the Water Research and Development Act of 1978. This legislation is designed to extend and update the Interior Department's extremely important water resources research and development efforts. Many sections of the Nation, including my own congressional district in the Tidewater, Va., area, are facing serious water supply problems. The Federal Government's water resources research and development programs offer significant potential for meeting the increasing demand for water in these areas of our Nation.

I want to make particular mention of title II of H.R. 11226, which authorizes six demonstration desalting plants. Last year, Public Law 95–84 was enacted authorizing four demonstration plants to illustrate, in an operating context, the viability of desalting processes as a means of meeting contemporary water supply problems. This authority has not been implemented, and the bill now before us will extend this authority and sanction two additional demonstration desalting plants.

About 1,500 desalting plants of 25,000 gallons per day or larger capacity are now in operation throughout the world. Approximately one-third of these plants, including sizable facilities in Orange County, Calif., Cape Coral, Fla., and Foss Reservoir, Okla., are located in the United States. However, the combined capacity of the world's desalting plants totals only about 10 percent of the almost 1 billion gallons per day worldwide plant capacity.

The main reason for the failure of desalting processes to gain wider acceptance is the extremely high cost often invloved in operating desalting plants. However, a recent study by the Interior Department's Office of Water Research and Technology demonstrates that with sufficient research effort the costs of desalting can be reduced dramatically within the next decade.

The water supply problems confronting the city of Virginia Beach, Va., which is located in my congressional district, provide a good case for the need to vigorously pursue advances in desalting technology. Virginia Beach has experienced extraordinarily rapid growth over the past 15 years. With a year-round population of over 250,000 and more than 2 million tourists visiting each year, Virginia Beach is the fastest growing city on the east coast and the fourth fastest growing city in the entire Nation.

This rapid expansion of population and tourism has rendered the city's traditional sources of water wholly inadequate. Historically, Virginia Beach has relied on the surplus supplies of a neighboring jurisdiction—an extremely unreliable source of water. During peak water demand periods, the city is already experiencing critical health and safety problems in the operation of its water distribution system. Recognizing the need to find a new water supply, Virginia Beach, together with several other jurisdictions in the Tidewater area, began a determined search for additional water sources in 1969. In conjunction with this effort, the Corps of Engineers has undertaken a detailed regional water supply study. Unfortunately, all of the alternatives being considered by the corps either require new, large impoundments or create questions of interstate transfer of water. Consequently, major legal or environmental obstacles stand in the path of final implementation of any of the alternatives being considered by the corps.

In view of the passage of nearly a decade since the effort to find a new regional water source first began and the uncertain future of the alternative sources of supply identified by the Corps of Engineers, Virginia Beach simply cannot afford to look solely to the conventional responses to the need to increase its water supply. It would be shortsighted of city officials to reject developing technologies, such as desalting, which offer substantial potential for meeting both near and long-term water supply needs.

Like Virginia Beach, other localities, in all sections of the country, are facing critical shortages of water. The city of Virginia Beach has expended a substantial amount of effort to be selected as the site for one of the six demonstration desalting plants, and I believe Virginia Beach deserves to be the first city chosen based on its need and deep commitment to making the desalting process work successfully. Regardless of which cities are selected, however, I believe it is of critical importance for the Congress to express its overwhelming support for continued research efforts to develop desalting processes to help insure that all Americans have adequate supplies of water.

Mr. MEEDS. Mr. Speaker, I yield 2 minutes to the gentleman from Wyoming (Mr. RONCALIO).

Mr. RONCALIO. Mr. Speaker, I thank my eminent chairman for yielding to me. I will only use a half minute of my time to commend both Mr. DON H. CLAUSEN and Mr. BROWN of California, and particularly the subcommittee chairman, the gentleman from Washington (Mr. MEEDS), with whom I worked for 10 years on the Interior Committee. I hope that the research he refers to will prove indeed the folly of misuse of ground water.

Next Friday, there will be a provision before us calling for the slurrying of coal, by which the proponents will seek to drill in Wyoming and use the last reserves of potable water for men, for agriculture, and for animals, to slurry coal from Wyoming to someplace else. I hope it is defeated, and I hope the issue can be met properly in the next Congress and resolved with some degree of reason so that surplus water will be used to slurry coal, and not the last reserve of potable ground water that people need to sustain life.

Mr. LUJAN. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. MILLER).

Mr. MILLER of Ohio. Mr. Speaker, I thank the gentleman from New Mexico for yielding. I take this time to inquire of the gentleman from Washington as to what has taken place in the past.

I heard here a few minutes ago that we are not receiving a drop of water from our saline plants. I recall a few years ago when we had a problem with Cuba. We had a saline plant located in the Pacific that was furnishing water to some areas of California. At that time, it was necessary to move that plant to the naval base at Guantanamo, and then we appropriated additional funds so that a new plant could be built in the Pacific.

I understand too that we have a plant near New Mexico, perhaps one in the Gulf for Texas. And if this is true and the money was utilized that we did appropriate, then why would we have more than $100 million in this particular bill for research and development?

Mr. MEEDS. Mr. Speaker, if the gentleman will yield, I will try to respond.

Mr. MILLER of Ohio. I will be happy to yield to the gentleman from Washington.

Mr. MEEDS. I just respond to the gentleman by saying that a very serious downgrading in our whole effort at saline water conversion and demonstration programs took place approximately 8 years ago in this country, and just beginning in 1977 this committee with unanimous consent on both sides of the aisle has undertaken to convince this administration that we are serious about increasing our efforts in saline water conversion. Therefore in 1977 we passed legislation which provided for four demonstration programs in specific technologies which we set forth in the bill.

In this legislation before us we have added two more, so that we have now six.

It is our desire, our clearly intended desire to move forward with saline water conversion and the use of demonstration projects to prove that technology.

Mr. MILLER of Ohio. I would like to ask the gentleman if he can tell the House whether the plant that was to be constructed off the coast of California for which money was appropriated was ever completed and whether it is in operation at the present time.

Mr. MEEDS. Will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Washington.

Mr. MEEDS. The specific answer is, no, it is not in use at the present time. Counsel informs me that these plants were dismantled about 6 years ago and then some of the parts have been used in other capacities and in other technologies.

Mr. MILLER of Ohio. The plant I am talking about was to replace the plant that was to be moved to our naval base at Guantanamo in Cuba because of the fear of having the fresh water cut off to that naval base, and then money was appropriated by the House, as I recall, to replace that plant.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. MEEDS. Mr. Speaker, I yield the

gentleman 2 additional minutes so I may respond to his question.

Mr. MILLER of Ohio. I thank the gentleman for yielding me the time.

Mr. MEEDS. It is my understanding that the plant that was moved from California was moved to Guantanamo Base from California, that it was later scrapped, and that technology was not used further. That is what counsel advises me. I have no independent knowledge of this.

Mr. MILLER of Ohio. That particular plant and the technology that it utilized is not presently being used. Is that correct?

Mr. MEEDS. Pardon me. I misspoke myself. The one that was moved to Guantanamo is in operation today. It was replaced with a plant in California which was later scrapped.

Mr. MILLER of Ohio. Very good. I thank the gentleman.

Mr. MEEDS. But in any event I assure the gentleman that the full intent of this committee, and I hope the House by unanimous vote sending this bill out, is that we want the administration, the executive branch, to upgrade very substantially its efforts in saline water conversion and especially in the entire field of demonstration programs.

Mr. MILLER of Ohio. If I may, we did have a plant that was in operation. It was moved then to our naval base in Guantanamo. Then a new plant, the same type of plant, was constructed, and there was a big push here in the House to have the funds to construct the plant.

Mr. MEEDS. That is correct.

Mr. MILLER of Ohio. The funds were allocated. Then for some reason that plant was scrapped. Is that correct?

Mr. MEEDS. That is correct. What I am suggesting to the gentleman is if that situation were to be brought before us today I do not think the House would sit still for the scrapping of that kind of program.

Mr. MILLER of Ohio. But it was to be utilized at that time and it was the same technology that was removed. The big push was to have the dollars, and as I recall it cost quite a few dollars. But why would it have to be scrapped if it was merely a pattern of the same type of plant with the same technology?

Mr. MEEDS. Because it was caught in that downgrading that took place some time ago.

● Mr. VENTO. Mr. Speaker, in recent years it has become increasingly apparent that our country is faced with severe water problems and that a rational water policy is desparately necessary. For too long we have followed a pattern of unbridled consumption, waste and pollution of our waters with little concern for future water needs. We must respond to those water needs before it is too late.

Two bills that we are considering today are important vehicles to achieve the ultimate goal of a sound water policy. H.R. 11226, the Water Research and Development Act, continues the valuable research in water resources management and use conducted by academic institutions throughout the country and provides the necessary funding for saline water conversion demonstration programs. The continuation of these programs is essential and our support for them will ultimately result in additional needed sources of water.

H.R. 11655, the Water Resources Planning Act of 1978, should be an important cornerstone for the development of our Nation's water policy. Under the organic Water Resources Planning Act, the Water Resources Council was established and was given a wide range of responsibilities including: assessing national and regional water supplies; coordinating Federal, State, regional, and river basin water programs; administering a program of grants to States to assist in improving non-Federal water resource planning capability; and administering a grant program to river basin commissions to pay the Federal share of their operating costs.

Unfortunately, the WRC has not been able to fulfill the expectations that surrounded its inception. The council has been plagued by an inadequate budget, congressional scorn and executive branch jealousies over areas of responsibilities throughout its history and these have hampered its effectiveness and have lessened its sphere of influence. Despite these hinderances, the WRC has several accomplishments that have had a major influence on our water policies. Included in these accomplishments are:

First. First national assessment—first nationwide perspective on water supply availability.

Second. Floodplain Management—framework for all Federal activities on or affecting the Nation's floodplains.

Third. River basin and special studies.

Fourth. Title III grants to the States.

Fifth. 1976 Drought study—generated $850 million in drought relief to the States.

The Water Resources Council is continuing these programs and many more of national, regional, and local importance and its most important role is just to begin. In President Carter's water policy message to Congress, the WRC was given a major role in the implementation and execution of water policies in the fields of water conservation, Federal-State cooperation and Federal water resource programs. It can truly be stated that if the WRC did not exist a similar agency would have to be created to meet the needs of a national water policy.

It is ironic that as the President is urging an expanded and invigorated WRC, the House is considering legislation that will abolish the Council. This legislation is shortsighted. In seeking a scapegoat for President Carter's recommendations on water projects some Members have decided to throw out the baby with the bath water with little or no regard for the valuable role that the Water Resources Council has played and should continue to play in the development and implementation of our water resource policy.

I hope that my colleagues will reconsider their position and will support the continuation of the WRC either through conference action or later legislation.●

The SPEAKER. Are there further requests for time?

Mr. MEEDS. Mr. Speaker, I have no further requests for time.

Mr. LUJAN. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from Washington (Mr. MEEDS) that the House suspend the rules and pass the bill H.R. 11226, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

Mr. MEEDS. Mr. Speaker, I have two unanimous consent requests:

First, Mr. Speaker, I ask unanimous consent that I may be permitted to revise and extend the remarks I have made.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. MEEDS. Second, Mr. Speaker, I ask unanimous consent to take from the Speaker's table a similar Senate bill (S. 2704) to promote a more adequate and responsive national program of water research and development, and for other purposes, and ask for immediate consideration of the Senate bill.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2704

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Water Research and Development Act of 1978".

FINDINGS

SEC. 2. The Congress finds and declares that—

(a) providing for the protection of the Nation's water resources, assuring an adequate supply of water of good quality for the production of food, materials, and energy for the Nation's needs, and increasing the efficient use of the Nation's water resources are essential to national economic stability and growth, and to the well-being of our people;

(b) the Nation's capabilities for technological assessment and planning and for policy formulation for water resources must be strengthened at both the Federal and State levels;

(c) there should be a continuing national investment in water-related research and technology which is commensurate with growing national needs; and

(d) the manpower pool of scientists, engineers, and technicians trained in fields related to water resources constitutes an invaluable natural resource which should be increased, fully utilized, and regularly replenished.

STATEMENT OF PURPOSE

SEC. 3. It is the purpose of the Act to assist the Nation and the States through water resources science and technology—

(a) to provide a supply of water sufficient in quantity and quality to meet the

Nation's expanding needs for the production of food, materials, and energy;

(b) to preserve and enhance our water resources and the water related environment;

(c) to promote conservation and efficient use of the Nation's water resources;

(d) to promote research and development demonstration, and technology transfer dealing with both quality and quantity of water resources;

(e) to identify and find practical solutions to the Nation's water and water resources related problems;

(f) to promote the training of scientists, engineers, and other skilled personnel in the fields related to water resources;

(g) to foster and supplement present programs for the conduct of research, technology development and transfer, and innovative water resources management, conservation, and operating practices;

(h) to provide for research, development, technology demonstration and transfer with respect to converting saline and other impaired waters to waters suitable for municipal, agricultural, industrial, recreational, or other beneficial uses;

(i) to disseminate information through the maintenance of a water resources scientific information center with adequate information bases so that the Nation's water research community, by utilizing the center, can be fully informed of on-going research, completed research, and other types of information necessary for them to effectively conduct their work;

(j) to better coordinate the Nation's water resources and development programs; and

(k) to enhance the capacity of the Federal water establishment, and of water interests nationwide, for recommending to the President and the Congress changes in national water resources research and technology policy as appropriate.

TITLE I—WATER RESOURCES RESEARCH AND DEVELOPMENT

SEC. 101. (a) The Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") is hereby authorized and directed to assist in carrying on the work of a competent and qualified water resources research and technology institute, center, or equivalent agency (hereinafter referred to as "institute") at one college or university in each State, which college and university shall be a college or university established in accordance with the Act approved July 2, 1862 (12 Stat. 503, 7 U.S.C. 301ff), entitled "An Act donating public lands to the several States and territories which may provide colleges for the benefit of agriculture and the mechanic arts" or some other institution designated by Act of the legislature of the State concerned: *Provided*, That: (1) if there is more than one such college or university in a State established in accordance with said Act of July 2, 1962, funds under this section shall, in the absence of a designation to the contrary by act of the legislature of the State, be paid to the one such college or university designated by the Governor of the State to receive the same, subject to the Secretary's determination that such college or university has, or may reasonably be expected to have, the capability of doing effective work under this title; (2) two or more States may cooperate in the designation of a single institute or regional institute, in which event the sums assignable to all of the cooperating States shall be paid to such institute; (3) a designated college or university may arrange with other colleges and universities within the State to participate in the work of the institute.

(b) (1) It shall be the duty of each such institute to plan and conduct and/or arrange for a component or components of the college or university with which it is affiliated or other colleges or universities within the State, to conduct competent research and development including investigations and experiments of either a basic or practical nature, or both, in relation to water resources, to promote dissemination and application of the results of these efforts, and to provide for the training of scientists and engineers through such research, investigations, and experiments;

(2) The research, investigations, experiments, and training may include, without being limited to, aspects of the hydrologic cycle; supply and demand for water; saline water conversion; conservation and best use of available supplies of water and methods of increasing such supplies water reuse; and economic, legal, social, engineering, recreational, biological, geographic, ecological, and other aspects of water problems; scientific information dissemination activities, including identifying, assembling, and interpreting the results of scientific and engineering research on water resource problems; and providing means for improved communication of research results, having due regard for the varying conditions and needs of the respective States, for water research and development projects now being conducted by agencies of the Federal and State Governments, and for the need to avoid undue displacement of scientists and engineers elsewhere engaged in water resources research and development.

(3) The annual program submitted by the State institutes to the Secretary for approval shall include assurances, satisfactory to the Secretary, that such programs were developed in close consultation and collaboration with leading water resources officials within the State to promote research, training, and other work meeting the needs of the State. Additionally, it shall be the duty of each State institute to provide the Secretary with periodic information, at the Secretary's discretion, on water resources research and development activities, needs, and priorities within the State which shall be coordinated with State, local, regional and river basin entities, and to cooperate with the Secretary in preparing periodic reports of ongoing research within the State and its funding by both Federal and non-Federal organizations. Institutes are required to see that notices of research projects are submitted to the Center referred to under title III, section 302;

(4) The designated State institutes shall cooperate with the Secretary in the development of five-year water resources research and development goals and objectives; and

(5) The designated institutes will receive and review all research and development proposals from the academic community for technical merit and relevance to priorities and forward all such proposals to the Secretary for consideration and funding.

(c) There is further hereby authorized a program of technology transfer to be carried out by the State institutes. Such funds, as are appropriated for this purpose, shall be made available on a competitive basis to the State institutes, based on the merit of project or program proposals submitted to the Secretary, for the purpose of transferring research and development results to other organizations for further development, demonstration, and practical application.

SEC. 102. Funds appropriated pursuant to this title, in addition to being available for expenses for research and development experiments, and training conducted under authority of this title, shall also be available for printing and publishing the results thereof in the furtherance of technology transfer and for planning and direction. The institutes are hereby authorized and encouraged to plan and conduct programs financed under this title in cooperation with each other and with such other agencies and individuals as may contribute to the solution of the water problems involved, and funds appropriated pursuant to this title shall be available for paying the necessary expenses of planning, coordinating, and conducting such cooperative research.

SEC. 103. The Secretary is hereby charged with the responsibility for the proper administration of this title and, after full consultation with other interested Federal agencies, may prescribe such procedures, rules, and policies as may be necessary to carry out its provisions. He shall require a showing that institutes designated to receive funds have, or may reasonably be expected to have, the capability of doing effective work. He shall furnish such advice and assistance as will best promote the purposes of this title, participate in coordinating research initiated by the institutes under this title, indicate to them such lines of inquiry as to him seem most important, and assist the establishment and maintenance of cooperation among the institutes, other research organizations, the United States Department of the Interior, and other Federal establishments.

(b) The Secretary shall develop a five-year water resources research program in cooperation with the institutes and appropriate water entities, indicating goals, objectives, priorities, and funding requirements.

(c) The Secretary shall annually ascertain that the requirements of subsection 101(b) have been met as to each institute, whether it is entitled to receive its share of the annual appropriations for water resources and development under section 401 (a) of the Act and the amount which it is entitled to receive.

SEC. 104. Nothing in this title shall be construed to impair or modify the legal relation existing between any of the colleges or universities under whose direction an institute is established and the government of the State in which it is located, and nothing in this title shall in any way be construed to authorize Federal control or direction of education at any college or university.

SEC. 105. The Secretary is authorized to make grants to, and finance contracts and matching or other agreements with qualified educational institutions; private foundations or other institutions; and with private firms and individuals whose training, experience, and qualifications are adequate in his judgment for the conduct of water research and development projects; and with local, State, and Federal Government agencies to undertake research and development concerning any aspect of water-related problems which he may deem desirable in the national interest.

SEC. 106. Water resources research and development programs carried out in accordance with this title may include, without being limited to: water use conservation and efficiencies; water and related planning; saline water conversion; water reuse; management and operations; legal systems; protection and enhancement of water-based environment; institutional arrangements; salinity management; and economic, social, and environmental impact assessment. Due consideration shall be given to priority problems identified by water and related land resources planning, data acquisition and like studies conducted by other agencies and organizations.

SEC. 107. As used in this title, the term "State" includes the Commonwealth of Puerto Rico, the District of Columbia, and the territories of the Virgin Islands and Guam.

SEC. 108. Contracts or other arrangements for water resources work authorized under this title with an institute, educational institution, or nonprofit organization may be undertaken without regard to the provisions of section 3648 of the Revised Statutes (31 U.S.C. 529) when, in the judgment of the Secretary, advance payments of initial expenses are necessary to facilitate such work.

SEC. 109. (a) The Secretary is authorized to study, design, implement, operate, and maintain water resources programs and activities demonstrating the technical and economic viability of processes, systems, or techniques for the purpose of improving the water or water-related environment and to demonstrate the application of water resources research and development results and technology for beneficial purposes.

(b)(1) Funds appropriated pursuant to the authority provided by sections 401(c) and 403 for use under this section may not be expended until thirty calendar days (including days on which either the House of Representatives or the Senate are not in session because of an adjournment of more than three calendar days to a day certain) have elapsed following transmittal of a report to the chairman of the Committee on Interior and Insular Affairs of the House of Representatives and the chairman of the Committee on Environment and Public Works of the United States Senate.

(2) Such report shall present information that includes, but is not limited to, the location of the demonstration activities, the characteristics of the water and water-related problem, the processes or concepts to be demonstrated, the estimated initial investment cost of the demonstration, the estimated annual operating cost of the demonstration, the source of energy for the demonstration and its cost, environmental consequences of the demonstration; and the estimated costs associated with the demonstration considering the amortization of all components of the demonstration.

(3) Such report shall also be accompanied by a proposed contract or agreement between the Secretary and a duly authorized Federal or non-Federal public or private entity, in which such entity shall agree to share cost to the extent deemed important to the purposes of the activity as determined by the Secretary. Such proposed contract or agreement may provide that either the contractual entity or the United States will develop the activity described in the report and that the United States will either operate and maintain the activity or may participate in the operation and maintenance during which, in either case, access to the activity and its operating data will not be denied to the Secretary or his representatives.

(4) The Secretary is authorized to include in the proposed contract or agreement a provision for conveying all rights, title, and interests of the Federal Government to the Federal or non-Federal, public or private entity, subject to a future right to reenter the activity for the purpose of financing at Federal expenses modifications for advanced technology and for its operation and maintenance for a successive term under the same conditions as pertain to the original term.

TITLE II—WATER RESEARCH AND DEVELOPMENT FOR SALINE AND OTHER IMPAIRED WATERS

SEC. 201. Consistent with the Federal responsibility for water resources development and conservation by means of comprehensive planning, water resources development projects, protection of water quality standards, and other measures for the beneficial use of water from various sources, the Congress finds it necessary to provide for the development of technology for the conversion of saline and other impaired water for beneficial uses. It is the policy therefore to assist and encourage the development of practical means to utilize saline water technology to convert impaired waters of any type from any source to a quality suitable for municipal, industrial, agricultural, and other beneficial uses to transfer research and development results.

SEC. 202. The Secretary is authorized and directed to—

(a) conduct, encourage, and promote basic scientific research and fundamental studies to develop effective and economical processes and equipment for the purpose of converting impaired water into water suitable for beneficial uses;

(b) pursue the findings of research and studies authorized by this title having potential practical applications, including application to matters other than water conversion, and to other supply sources such as brackish waters, staged development, and use with energy sources;

(c) conduct engineering and technical work including the design, construction, and testing of various processes, systems, and pilot plants to develop saline water conversion processes to the point of demonstration;

(d) study methods for the recovery, beneficial uses and disposal of residuals, and marketing of byproducts resulting from the improvement of conversion of impaired water in an environmentally acceptable manner;

(e) undertake economic studies and surveys to determine present and prospective costs of producing water for beneficial purposes in various parts of the United States by saline water conversion processes and, by means of models or other methodologies, prepare and maintain information concerning the relation of such conversion processes and systems to other aspects of State, regional, and national comprehensive water resources planning.

SEC. 203. (a) The Secretary is authorized to conduct preliminary investigations and explore potential cooperative agreements with non-Federal utilities and governmental entities in order to develop recommendations for Federal participation in the design, construction, operation, and maintenance of demonstration and prototype plants utilizing advanced saline water technologies for the production of water for beneficial use.

(b) In carrying out the provisions of this section, the Secretary shall utilize the expertise of the water and power marketing agencies of the Department of the Interior or of other Federal agencies to insure that the recommended project and the supporting agreements are fully integrated and compatible with the water and power systems of the region.

(c) The Secretary is authorized to accept financial and other assistance from any State or public agency in connection with studies or surveys relating to impaired water and facilities and to enter into contract with respect to such assistance.

SEC. 204. The Secretary may issue rules and regulations to effectuate the purposes of this title.

SEC. 205. As used in this title—

(a) the term "saline and other impaired water" includes but is not limited to seawater, brackish water, mineralized ground or surface water, irrigation return flows, and other similarly contaminated waters;

(b) the term "United States" extends to and includes the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, the Virgin Islands, and other locations under the jurisdiction of the United States;

(c) the term "pilot plant" means an experimental unit of sufficient size used to evaluate and develop new or improved processes or systems and to obtain technical and engineering data;

(d) the term "demonstration" means a plant of sufficient capacity and reliability to demonstrate on a day-to-day operating basis that the process or system is feasible and that such process or system has potential for applications to water system improvement;

(e) the term "prototype" means a full-size, first-of-a-kind production plant used for the development and study of full-sized technology, energy, and process economics.

TITLE III—TECHNOLOGY TRANSFER AND INFORMATION DISSEMINATION

SEC. 301. The Secretary is authorized to conduct a research assessment and technology transfer program which transfers research and development results to other organizations and individuals for further development and practical application to water and water-related problems. The Secretary may enter into agreements with the State and local governments and with other public and private organizations and individuals, including cost-sharing or cost-participation agreements, for the transfer or application of research results for the resolution of water-related problems and to further the transfer developed by programs authorized under this Act. The Secretary may issue publications and may conduct seminars, conferences, training sessions, or use other such techniques he deems necessary to expedite the transfer of research results and technology development. The technology transfer activities will be coordinated with activities undertaken under titles I and II of this Act.

SEC. 302. The Secretary is further authorized to maintain a national center for the acquisition, processing, and dissemination of information dealing with all areas of water resources research, technology development, and demonstration. Each Federal agency engaged in water resources including research, technology development, and demonstration, shall cooperate by providing the center with documents and other pertinent information. The center shall (a) maintain for general use a collection of water resources information provided by Federal and non-Federal government agencies, colleges, universities, private institutions, and individuals; (b) issue publications or utilize other media to disseminate research, technology development, and demonstration information for the purposes of this Act and enter into agreements with public or private organizations or individuals to stimulate acquisition and dissemination of information, thus contributing to a comprehensive, nationwide program of research and development in water resources and the avoidance of unnecessary duplication of effort; (c) make generally available abstracts and other summary type information concerning water resources activities including research accomplished and in progress by all Federal agencies and by non-Federal agencies, private institutions, and individuals, to the extent such information can be obtained, and reports completed on research projects funded under provisions of this Act; and (d) in carrying out the information dissemination activities authorized by this section, the Secretary shall to the extent feasible use the resources and facilities of other agencies and of the clearinghouse for scientific, technical, and engineering information established in the Department of Commerce pursuant to sections 1151 through 1157 of title 15, United States Code.

SEC. 303. There shall be established, in such agency and location as the President determines to be desirable, a center for cataloging current scientific research in all fields of water resources. Each Federal agency doing water resources research shall cooperate by providing the cataloging center with information on work underway. The cataloging center shall classify and maintain for general use a file of water resources research and investigation projects in progress or scheduled by all Federal agencies and by non-Federal agencies of government, colleges, universities, private institutions, firms, and individuals as voluntarily may make such information available.

TITLE IV—GENERAL PROVISIONS

SEC. 401. (a) As used in this Act, the term "Secretary" means the Secretary of the Interior.

(b) In carrying out his functions under this Act, the Secretary may—

(1) make grants to educational institutions and scientific organizations, and enter into contracts with institutions and organizations and with industrial or engineering firms;

(2) acquire the services of chemists, physicists, engineers, and other personnel by contract or otherwise;

(3) utilize the facilities of Federal scientific laboratories;

(4) establish and operate necessary facilities and test sites to carry on the continuous research, testing, development, and programing necessary to effectuate the purposes of this title;

(5) acquire processes, technical data, inventions, patent applications, patents, licenses, land and interests in land (including water rights), plants and facilities, and other property or rights by purchase, license, lease, or donation pursuant to the Federal Property and Administrative Service Act (40 U.S.C. 471) as amended, where applicable;

(6) assemble and maintain pertinent and current scientific literature, publications, patents, licenses, land and interests in land (including water rights thereto);

(7) cause onsite inspections to be made of promising projects, domestic and foreign, and in the case of projects located in the United States, cooperate and participate in their development when the purposes of this title will be served thereby;

(8) foster and participate in regional, national, and international conferences relating to water resources;

(9) accept financial and other assistance from any local, State, Federal, or other agency or entity in connection with studies or surveys relating to water problems and facilities, and enter into contracts with regard to such assistance;

(10) coordinate, correlate, and publish information with a view to advancing the development of practicable water conversion projects; and

(11) cooperate with other Federal departments and agencies, with State and local departments, agencies, and instrumentalities, and with interested persons, firms, institutions, and organizations.

SEC. 402. (a)(1) There are hereby authorized to be appropriated for the purposes of implementing section 101(a) of this Act such sums annually as are sufficent to provide an amount not to exceed $150,000 to each participating institute, on a cost-sharing basis, for the fiscal year ending September 30, 1979, and an amount not to exceed $180,000 to each participating institute, on a cost-sharing basis, for the fiscal year ending September 30, 1980;

(2) There is further authorized to be appropriated an amount not to exceed on a cost-sharing basis for the purpose of implementing section 101(c) of this Act $750,000 for the fiscal year ending September 30, 1979, and $1,350,000 for the fiscal year ending September 30, 1980, all such sums to remain available until expended;

(3) Cost sharing under section 101(a) and 101(c) shall be on the basis of two Federal shares to not less than one non-Federal share. Federal funds made available under this section shall not be used for support of indirect costs as defined by current Federal regulations; however, such indirect costs may be credited as a non-Federal contribution to the total cost of activities to be carried out pursuant to the Federal grant or contract.

(b) There is authorized to be appropriated for carrying out the purposes of section 105 of this Act for the fiscal year ending September 30, 1979, the sum of $10,000,000 and $10,000,000 for the fiscal year ending September 30, 1980, to remain available until expended, to match, on a dollar-for-dollar basis, funds made available by non-Federal sources to meet the necessary expenses of specific water resources research and development projects which could not otherwise be undertaken. Federal funds provided under this subsection shall be available on a competitive basis and shall be available to any organization or individual.

(c) There is authorized to be appropriated for purposes of carrying out the research, development, and demonstration activities authorized by sections 105 and 109 of this Act for the fiscal year ending September 30, 1979, the sum of $3,200,000, and $3,200,000 for the fiscal year ending September 30, 1980, available until expended, which shall be available on a competitive basis to any organization or individual to finance grants, contracts, matching grants, or other arrangements which equal 100 per centum or any lesser per centum, of the total cost of the projects involved.

SEC. 403. (a) There is authorized to be appropriated to carry out the provision of title II of this Act for the fiscal year ending September 30, 1979, the sum of $10,000,000 and $10,000,000 for the fiscal year ending September 30, 1980, to remain available until expended. The categories for which such funds are authorized are as follows:

(1) research,

(2) development, and

(3) demonstration.

The funds appropriated pursuant to such authorization shall be distributed to the foregoing categories as determined by prevailing budgetary priorities.

(b) Not more than 5 per centum of the funds to be made available in any fiscal year for research under the authority of this title may be expended for foreign activities subject to the approval of the Secretary of State to assure that such activities are consistent with the foreign policy objectives of the United States, in cooperation with public or private agencies in foreign countries for research useful to the programs in the United States.

SEC. 404. There are authorized to be appropriated the sum of $4,464,000 for the fiscal year ending September 30, 1979, and $4,464,000 for fiscal year ending September 30, 1980, to carry out the sections of title I, II, III, and IV of this Act other than those for which special specific authorizations are made.

SEC. 405. Each application for a grant, pursuant to this Act, shall, among other things, state the nature of the project to be undertaken, the period during which it will be pursued, the water problem it addresses, the qualifications of the personnel who will direct and conduct it, the importance of the project to the water-related economy of the Nation, the need for and expected utilization of the results, the region and the State concerned, its relation to other known research projects previously conducted or currently being pursued, the procedures by which the results can be disseminated, and the extent to which it will provide opportunities for the training of water resources scientists and engineers. No grant shall be made except for projects approved by the Secretary and all grants shall be made upon the basis of the merit of the project, the need for the knowledge it is expected to produce when completed, and the opportunities it provides for the training of water resources scientists and engineers.

SEC. 406. (a) Sums appropriated pursuant to this Act may be paid at such times and in such amounts during each fiscal year as determined by the Secretary and upon vouchers approved by him. Except as may be otherwise specified by this Act, funds received pursuant to such payment may be used for any allowable costs within the meaning of the Federal procurement regulations that establish principles for determining costs applicable to research and development under grants and contracts with educational institutions.

(b) Each State institute operating pursuant to title I of this Act shall have an officed appointed by its governing authority who shall receive and account for all funds paid to the institute under the provisions of this Act and who shall provide to the Secretary an annual statement of the amounts received under any of the provisions of this Act during the preceding fiscal year, and of its disbursement. If any of the moneys received by the authorized receiving officer of any State institute under the provisions of this Act shall, by any action or contingency, be found by the Secretary to have been improperly diminished, lost, or misapplied, it shall be replaced and until so replaced no subsequent disbursement of Federal funds shall be made to any institute of such State.

SEC. 407. (a) The Secretary shall cooperate fully with, and shall obtain the continuing advice and cooperation of, all agencies of the Federal Government concerned with water problems, State and local governments, and private institutions and individuals, to assure that the programs conducted under this Act will supplement and not duplicate other water research and technology programs, will stimulate research and development in neglected are as, and will provide a comprehensive, nationwide program of water resources research and development. In order to further these purposes as well as to assure research undertaken by the Secretary on wastewater treatment and treatment of water for potable use is most responsible to needs in implementing the Federal Water Pollution Control Act, as amended (Public Law 92-500), and the Safe Drinking Water Act, as amended (Public Law 93-523), the Secretary will consult with the Administrator of the Environmental Protection Agency in developing and implementing programs in these areas. The Secretary will encourage utilization of the center referred to in title II, section 302, for cataloging current research projects in order to assure that programs conducted under this Act will supplement and not duplicate other research and technology programs and will encourage other Federal agencies to do likewise.

(b) The President shall, by such means as he deems appropriate, clarify agency responsibilities for Federal water resources research and development and provide for interagency coordination of such research, including the research authorized by this Act. Such coordination shall include (1) continuing review of the adequacy of the Government-wide program in water resources research and development and identification of technical needs in various water resources research categories, (2) identification and elimination of duplication and overlaps between two or more programs, (3) recommendations with respect to allocation of technical effort among the Federal agencies, (4) review of technical manpower needs and findings concerning the technical manpower base of the program, (5) recommendations concerning management policies to improve the quality of the Government-wide research effort, and (6) actions to facilitate interagency communication at management levels.

SEC. 408. (a) Property acquired by the Secretary under this Act for use in furtherance of the purposes of this Act may be conveyed to a cooperating institute, educational institution, or nonprofit organization in accordance with the Federal Property and Administrative Services Act of 1949, as amended.

(b) The Secretary may dispose of water and byproducts resulting from his operations under this Act. All moneys received from dispositions under this Act shall be paid into the Treasury as miscellaneous receipts except where such operations may be undertaken as a part of a Federal reclamation project

in which case the financial provisions of the reclamation laws (32 Stat. 388 and Acts amendatory thereof and supplementary thereto) shall govern.

SEC. 409. With respect to patent policy and to the definition of title to, and licensing of inventions made or conceived in the course of, or under any contract or grant pursuant to this Act, and notwithstanding any other provision of law, the Secretary shall be governed by the provisions of sections 9 and 10 of the Federal Nonnuclear Energy, Research and Development Act of 1974 (Public Law 93-577; 88 Stat. 1887, 1891; 42 U.S.C. 5908, 5909): *Provided, however,* That subsections (l) and (n) of section 9 of such Act shall not apply to this Act.

SEC. 410. The institutes shall submit a summary report to the Secretary on or before January 31 or each year which highlights research and development work accomplished during the preceding fiscal year, the status of projects underway, and recommended future projects. This report is in addition to such other reports as may be required by sections 101(b) and 405(b) of this Act. The Secretary shall submit a summary report to the President and the Congress on or before April 1 of each year which summarizes program activities of the preceding fiscal year and projects for the future.

SEC. 411. (a) The Water Resources Research Act of 1964 (Public Law 88-379, 78 Stat. 329; 42 U.S.C. 1961 et seq.), as amended, the Saline Water Conversion Act of 1971 (Public Law 92-60, 85 Stat. 159; 42 U.S.C. 1959 et seq.), as amended, and section 1 of the Water Research and Conversion Act of 1977 (Public Law 95-84) are hereby repealed. Nothing contained in this Act shall be construed to alter the authority of section 2 of Public Law 95-84.

(b) Nothing elsewhere in this Act is intended to repeal, supersede, or diminish existing authorities or responsibilities of any agency of the Federal Government concerning water resources.

(c) Nothing in this Act shall be construed to alter existing law with respect to the ownership and control of water.

MOTION OFFERED BY MR. MEEDS

Mr. MEEDS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MEEDS moves to strike out all after the enacting clause of the Senate bill, S. 2704, and insert in lieu thereof the provisions of H.R. 11226, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill (H.R. 11226) was laid on the table.

GENERAL LEAVE

Mr. MEEDS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

BLM AUTHORIZATIONS

Mr. RONCALIO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 10787) to authorize appropriations for activities and programs carried out by the Secretary of the Interior through the Bureau of Land Management, as amended.

The Clerk read as follows:

H.R. 10787

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That pursuant to section 318(b) of the Federal Land Policy and Management Act of 1976 (31 U.S.C. 1301 note), there are hereby authorized to be appropriated the following sums for activities and programs administered through the Bureau of Land Management:

(a) for management of lands and resources, excluding emergency firefighting and rehabilitation: $308,600,000 for fiscal year 1979, $338,600,000 for fiscal year 1980, $367,600,000 for fiscal year 1981, and $397,600,000 for fiscal year 1982;

(b) for land acquisition, construction, and maintenance: $20,000,000 for fiscal year 1979, $22,000,000 for fiscal year 1980, $25,000,000 for fiscal year 1981, and $27,000,000 for fiscal year 1982;

(c) for implementation of the Act of October 20, 1976 (31 U.S.C. 1601): $105,000,000 and such additional sums as are necessary for payments for fiscal year 1979, $108,000,000 and such additional sums as are necessary for payments for fiscal year 1980, $111,000,000 and such additional sums as are necessary for payments for fiscal year 1981, and $114,000,000 and such additional sums as are necessary for payments for fiscal year 1982;

(d) for implementation of section 317(c) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1747): $45,000,000 for loans for fiscal year 1979, $50,000,000 for loans for fiscal year 198, $57,000,000 for loans for fiscal year 1981, and $65,000,000 for loans for fiscal year 1982; and

(e) such additional or supplemental amounts as may be necessary for increases in salary, pay, retirements, and other employee benefits authorized by law, and for other nondiscretionary costs.

"(f) Paragraph (c) of section 317 of the Federal Land Policy and Management Act of 1976 (90 Stat. 2743, 2771; 43 U.S.C. 1701, 1747) is amended to read as follows:

"(c)(1) The Secretary is authorized to make loans to States and their political subdivisions in order to relieve social or economic impacts occasioned by the development of minerals leased in such States pursuant to the Act of February 25, 1920, as amended. Such loans shall be confined to the uses specified for the 50 per centum of mineral leasing revenues to be received by such States and subdivisions pursuant to section 35 of such Act.

"(2) The total amount of loans outstanding pursuant to this subsection for any State and political subdivisions thereof in any year shall be not more than the anticipated mineral leasing revenues to be received by that State pursuant to section 35 of the Act of February 25, 1920, as amended, for the ten years following.

"(3) The Secretary, after consultation with the Governors of the affected States, shall allocate such loans among the States and their political subdivisions in a fair and equitable manner, giving priority to those States and subdivisions suffering the most severe impacts.

"(4) Loans made pursuant to this subsection shall be subject to such terms and conditions as the Secretary determines necessary to assure the achievement of the purpose of this subsection. The Secretary shall promulgate such regulations as may be necessary to carry out the provisions of this subsection no later than three months after the enactment of this paragraph.

"(5) Loans made pursuant to this subsection shall bear interest equivalent to the lowest interest rate paid on an issue of at least $1,000,000 of tax exempt bonds of a State or local government or any agency or subdivision thereof within the preceding calendar year.

"(6) Any loan made pursuant to this subsection shall be secured only by a pledge of the revenues received by the State or the political subdivision thereof pursuant to section 35 of the Act of February 25, 1920, as amended, and shall not constitute an obligation upon the general property or taxing authority of such unit of government.

"(7) Notwithstanding any other provision of law, loans made pursuant to this subsection may be used for the non-Federal share of the aggregate cost of any project or program otherwise funded by the Federal Government which requires a non-Federal share for such project or program and which provides planning or public facilities otherwise eligible for assistance under this subsection.

"(8) Nothing in this subsection shall be construed to preclude any forebearance for the benefit of the borrower including loan restructuring, which may be determined by the Secretary as justified by the failure of anticipated mineral development or related revenues to materialize as expected when the loan was made pursuant to this subsection.

"(9) Recipients of loans made pursuant to this subsection shall keep such records as the Secretary shall prescribe by regulation, including records which fully disclose the disposition of the proceeds of such assistance and such other records as the Secretary may require to facilitate an effective audit. The Secretary and the Comptroller General of the United States or their duly authorized representatives shall have access, for the purpose of audit, to such records.

"(10) No person in the United States shall, on the grounds of race, color, religion, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or part with funds made available under this subsection.

"(11) All amounts collected in connection with loans made pursuant to this subsection, including interest payments or repayments of principal on loans, fees, and other moneys, derived in connection with this subsection, shall be deposited in the Treasury as miscellaneous receipts."

The SPEAKER. Is a second demanded?

Mr. DON H. CLAUSEN. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Wyoming (Mr. RONCALIO) and the gentleman from California (Mr. DON H. CLAUSEN) will be recognized for 20 minutes each.

The Chair now recognizes the gentleman from Wyoming (Mr. RONCALIO).

Mr. RONCALIO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to rise in support of H.R. 10787, which authorizes appropriations for the Bureau of Land Management over the next 4 years, and also in support of the Interior Committee amendment to H.R. 10787, which makes certain refinements in the mineral impact loan program Congress authorized in 1976.

H.R. 10787 is the first legislation to conform with section 318 of the Federal

Land Policy and Management Act of 1976. Under that section, the Secretary of the Interior is required to submit to Congress a request for authorization of appropriations for all programs, functions and activities of the Bureau of Land Management to be carried out during fiscal years 1979–82, and for each 4-year period thereafter. The authorization request for the first 4-year period was submitted in late 1977, and H.R. 10787 generally authorizes appropriation of the funding levels requested by the Bureau of Land Management. These levels are $24.2 million higher for fiscal year 1979 than the level subsequently requested by the President in his fiscal year 1979 budget justification submission to Congress, but reflect the committee's and BLM's original intent to beef up funding for the management of renewable resources. In addition, the committee adopted several amendments to H.R. 10787 to increase funding for mining claim recordation; soil, vegetation and wildlife inventories; mining patent applications processing; and rights-of-way applications. The reasons for these increases are all outlined in House Report 95–1121.

COMMITTEE AMENDMENT

When Congress passed the Federal Land Policy and Management Act in 1976, section 317(c) authorized the Secretary of Interior to make loans to the States to relieve the social and economic impacts associated with mineral development. Loans were to be at a rate of only 3 percent and were limited in amount to a State's anticipated receipt of mineral revenues under section 35 of the Mineral Leasing Act over a prospective 10 year period.

To date, the loan program has failed to materialize because the Secretary, at the request of the Treasury Department, has refused to lend money at 3 percent. As the loan program of section 317(c) is discretionary with the Secretary, no loans will occur unless and until the low 3 percent interest rate is raised, or Congress decides to make the program mandatory * * * an action which would likely be vetoed by the President.

I believe that the loan program is important to enable the many States such as Wyoming, which are experiencing an unprecedented development of minerals on Federal lands, to cope with the impacts of such development. However, I understand the administration's reluctance to lend money at 3 percent, and support the committee amendment to H.R. 10787 to increase the rate. This amendment is identical to a bill introduced by Senators HASKELL and HANSEN which is pending in the Senate Energy Committee and is expected to pass shortly.

The basic provision of the committee amendment is to increase the interest rate of section 317(c) from 3 percent to the rate at which States issue tax-exempt bonds—or roughly 4½ to 5½ percent. While the administration has advocated that the rate be additionally increased to current Treasury bill rates of roughly 7½ percent, this approach would probably mean that the loan program would die from nonsubscription by the States. For obviously, States would be unwilling to borrow from the Treasury at 3 percentage points higher than they could issue tax-exempt bonds. Further, the administration's suggestion would defeat the whole purpose of section 317 (c) of FLPMA, which is to provide reasonable, low-interest-rate Federal loans to the States to assist them in coping with mineral development.

Apart from the interest rate increase, the committee amendment also contains the following provisions:

First. It limits, as does FLPMA, the amount of loans to any State to that State's anticipated share of revenues from mineral leasing for the 10-year period following the loan.

Second. It directs the Secretary, as does FLPMA, to allocate loans fairly among the States, and to prescribe regulations and require recordkeeping by the States to facilitate the administration of the loan program.

Third. It allows the loans to be used for the non-Federal share of projects funded by receipts from section 35 of the Mineral Leasing Act, and prevents discrimination in any project or activity funded by such receipts or loans.

Fourth. It insures that such loans are secured only by anticipated section 35 mineral leasing receipts, and do not constitute an obligation on the general property or taxing authority of the States or their political subdivisions. This is necessary as the constitutions of some States, including Wyoming, would deter participation in a loan program if such loans were classified as a "debt" upon the State's property or taxing authority. In Wyoming, for example, this might mean that the State would have to hold a public referendum each time it sought to avail itself of these loans. This would be both unworkable, and, of course, involve unacceptable delays. In this light, the committee amendment makes it clear that the loans are to be secured by the anticipated section 35 mineral leasing receipts only, but allows for a restructuring of the loan if these receipts fall short of the anticipated level.

I urge adoption of the amendment, so that this important loan program can get underway, and urge passage of H.R. 10787.

Mr. DON H. CLAUSEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 10787. This bill authorizes appropriations for all programs and activities of the Bureau of Land Management for the fiscal years 1979 through 1982. The 4-year authorization was submitted to the Congress by the Secretary of the Interior pursuant to the requirement of section 318 of the Federal Land Policy and Management Act of 1976. That act redefined and expanded the responsibilities of the Bureau of Land Management in managing some 470 million acres of public lands.

As reported by the Committee on Interior and Insular Affairs, H.R. 10787 retains the level of authorizations requested by the Secretary in three broad categories of activities and provides for certain increases in a fourth.

For land acquisition, construction and maintenance, H.R. 10787 authorizes $94 million. This is to cover planned construction of high priority structures such as fire centers and fire lookouts. It includes construction of recreation facilities at those areas of public domain land most heavily used by some 80 million annual visitors. It provides for maintenance of 47,000 miles of roads and trails and bridges, and for acquisition of easements necessary to facilitate planned timber sales recreation activities and proper supervision of range use.

I am very pleased that the bill authorizes $438 million for implementation of the Act of October 20, 1976. That Act provides for payments in lieu of taxes to local governments to relieve the fiscal burdens created by the presence of BLM, Forest Service, and other Federal lands within their jurisdictional boundaries. This payments-in-lieu of taxes program is extremely important to local governments in the Western States.

In the area of lands and resource management, the committee increased several specific authorizations over the President's budget request. However, in several cases the increases were only to the levels originally requested by BLM for the fiscal year 1979 portion of the 4-year authorization in this bill, and in others, the committee provided for increases in long underfunded categories where a penny-wise, pound-foolish approach to public lands management is simply unacceptable.

Specifically, the committee provided for increases in funds authorized for processing mining patent applications and for mining claim recordation to deal with large and growing backlogs of applications and claims. Additional funds were authorized to accelerate vegetation, soil and wildlife inventories critical to the preparation of grazing environmental impact statements. Until such statements are completed for a given area, BLM is prohibited from implementing any grazing management plans to improve the range. Moreover, BLM is under court order to complete 212 environmental impact statements covering 170 million acres by October 1988, and the additional funds should enable BLM to meet this deadline.

The committee also provided a specific authorization to enable BLM to assume its fair share of the costs associated with processing applications for rights-of-way across public lands.

The fourth major category authorized by H.R. 10787 provides $217 million for loans to States and their political subdivisions as authorized by section 317(c) of the Federal Land Policy and Management Act. Such loans are intended to assist States in dealing with the impact of new mineral developments on Federal lands. Unfortunately, no loans have yet been made under this program because the administration objects to providing loans at 3 percent interest as provided by FLPMA. While supporting the intent of the program, the administration feels that loans at that rate are a subsidy to States.

The administration has submitted legislation to set the interest rate for such loans to reflect the current market yield on U.S. securities of comparable matu-

rity. The 10-year Federal securities issued today are yielding around 8 percent.

State and local governments have objected to the administration's interest rate proposal on grounds that it does not recognize the dual market—taxable and tax-exempt—for Government obligations. States and local units of government can issue debt instruments in the private market at approximately 4 or 5 percent. Thus, to take advantage of the 317(c) loan program under the administration's proposal, States would be forced to pay approximately 3 percentage points over the private market tax exempt rate.

It is my understanding that Representative RONCALIO, who is chairman of the Subcommittee on Indian Affairs and Public Lands which handled this legislation, will be offering a committee amendment which would amend section 317(c) of FLPMA to provide that mineral development impact loans shall bear interest equivalent to the lowest interest rate paid on an issue of at least $1 million of tax-exempt bonds of a State or local government or any agency or subdivision thereof within the preceding calendar year. This is an eminently fair compromise that takes into account both the administration's and the States concerns, and I strongly urge the House to accept it.

In summary, the 4-year, $2.3 billion authorization contained in H.R. 10787 provides adequate levels of funding for the Bureau of Land Management to carry out its many responsibilities in managing some 470 million acres of public lands. The eventual amount of funds provided will be determined through the appropriations process, so the Congress will of course be able to exercise oversight and provide adjustments to the program funding levels as appropriate. Therefore, Mr. Speaker, I urge the House approve H.R. 10787 as reported by the Interior Committee.

● Mr. SKUBITZ. Mr. Speaker, I am in support of H.R. 10787 providing 4-year authorizations for the Bureau of Land Management, pursuant to section 318 of the Federal Land Policy and Management Act.

The activities which this bill authorizes include management of lands and resources; land acquisition and maintenance; payments in lieu of taxes; and loans for mineral impact aid. Specifically, I would commend those sections which provide needed funding for the expeditious completion of processing of backlogging mining patents, mining claims required by section 314 of FLPMA, and the transfer of Native land selections in Alaska.

I would also like to draw my colleagues' attention to section (E) which authorizes such sums as necessary for increases in salary, employee benefits, and other nondiscretionary costs. I found footnote 1 beneath the Congressional Budget Office table on page 7 of the committee report particularly interesting. Estimates for section (E) pay and benefits are $10.6 million in fiscal year 1979 or about 2 percent of the total authorization. By fiscal year 1982, this amount has steadily increased to $64.8 million or about 9.6 percent of the authorization. That represents approximately a 450-percent increase in just 4 years. With these kinds of figures, I wish my colleagues well in their attempts to fight inflation and the expansion of Government in the coming years.●

Mr. RONCALIO. Mr. Speaker, I have no further requests for time.

Mr. DON H. CLAUSEN. Mr. Speaker, the minority approves of the motion.

The SPEAKER. The question is on the motion offered by the gentleman from Wyoming (Mr. RONCALIO) that the House suspend the rules and pass the bill H.R. 10787, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. RONCALIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation just passed.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

SURFACE MINING AUTHORIZATIONS

Mr. RONCALIO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 11827) to amend the Surface Mining Control and Reclamation Act of 1977 (Public Law 95–87) to raise certain authorized funding levels contained therein, and for other purposes, as amended.

The Clerk read as follows:

H.R. 11827

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 712 of the Surface Mining Control and Reclamation Act of 1977 (Public Law 95–87, 91 Stat. 445, 524) is hereby amended as follows:

(1) in subsection (a), delete all after "September 30, 1978," and insert in lieu thereof: $25,000,000 for each of the two succeeding fiscal years, and in such fiscal years such additional amounts as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law, and other nondiscretionary costs."; and

(2) delete subsection (b) and insert in lieu thereof;

"(b) For the implementation and funding of section 507(c) there are authorized to be appropriated sums reserved by section 401(b)(1) for the purposes of section 507(c) and such additional sums as may be necessary (i) for the fiscal year ending September 30, 1978, to provide an amount not to exceed $10,000,000 to carry out the purposes of section 507(c) and (ii) for the fiscal years ending September 30, 1979, and September 30, 1980, to provide an amount not to exceed $25,000,000 to carry out the purposes of section 507(c)

The SPEAKER. Is a second demanded?

Mr. BAUMAN. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Wyoming (Mr. RONCALIO) will be recognized for 20 minutes, and the gentleman from Maryland (Mr. BAUMAN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Wyoming (Mr. RONCALIO).

Mr. RONCALIO. Mr. Speaker, I am expecting the appearance of the chairman of the full committee momentarily. Would the gentleman from Maryland mind proceeding at this time? I would be grateful if he would.

Mr. BAUMAN. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, and the 17 Members who are here to listen to this debate—18, I am corrected by the gentleman from Texas who just arrived—I am sorry that we do not have more of our colleagues here because I think this is a rather important bill in the overall context of the energy problems of this country.

I intend to oppose this measure, and I would urge my colleagues to do the same.

As one who opposed the passage of the strip mining law because of what I feel are unnecessary and unreasonable burdens it would place upon the coal industry at a time when we need more coal as an energy resource, I am not especially pleased to see that some of my worst fears are now being realized.

Mr. Speaker, I would be glad to yield to the gentleman from Arizona (Mr. UDALL) who has just arrived, if he would like to make his opening statement. I know he would hate to have the bill defeated if I speak first and convince everyone of my position.

Mr. UDALL. If the gentleman from Maryland would yield and would go ahead, I have not read my opening statement yet, and it would help me familiarize myself with it.

Mr. BAUMAN. I am always happy to accommodate the gentleman.

Although the Office of Surface Mining in the Department of the Interior has been implementing the requirements of the strip mining law for only 2 months, it has already conducted in excess of 170 inspections in 13 States and caused the closure of at least 20 mines, according to press reports yesterday. Most of these inspections have been concentrated in the East where the administration indicates that most of the increase in coal output will have to come from by 1985.

I do not have at this time specifics on how much coal production has been lost or those people put out of jobs as a result of these closures, but some of us in the House are going to watch very closely to see exactly what the impact of this law is.

I would like to point out that many of us on the Committee on the Interior were concerned that exactly these kinds of things would happen once the regulatory requirements of the Strip Mining Act took effect on May 3 of this year. The bill pending before us, when it was considered in our committee markup, was the subject of an amendment offered by my colleague, the gentleman from Pennsylvania (Mr. MURPHY), who sought to delay implementation of the strip mining regulations for 6 months, or until November 3 of this year. We learned later that much of the coal industry wished to have this postponement because of problems of enforcement that were presented to them, since the State

governments have neither the capacity nor personnel to enforce the law as the original law envisioned, nor does the Federal Office of Surface Mining.

In testimony before our committee on April 21, the Director of the Office of Surface Mining was asked by our committee members if he thought a 6-month postponement of the May 3 compliance date would be in order, and he indicated emphatically that he did not think so; but a week later he told the American Mining Congress Coal Convention in a meeting in St. Louis that—

> If today we had on the books a 6-month extension of all dates, certainly that would be helpful to us as well as you.

I think the result of the program of closing down the mines and the lack of inspectors indicates rather strongly that the enforcement of these regulations should not have been permitted at this point. Nevertheless, the amendment which would have accomplished this was ruled out on the lack of germaneness and the committee was not permitted to vote directly upon it.

One has to suppose that the United States is going to have to be very friendly with the Arab countries in the Middle East in order to make up in oil what we are going to lose in coal as a result of the enforcement of these regulations.

I would point out that despite the press reports that coal production has been significantly increased in the last few months over that of the same month a year ago, much of the increase is due to the effort of making up the loss of coal production during the coal strike and I stand by my conviction that enforcement of these regulations will result in significant loss of coal production, as well as the loss of jobs.

Mr. UDALL. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, after 6 long, hard-fought years. Congress finally stemmed the irresponsible strip-mining of America's rural lands by passing the Surface Mining Control and Reclamation Act that was signed into law by President Carter 11 months ago. The inspection programs have begun, enforcement is already paying off; the administration has come through strongly in support of the careful, responsible extraction of our Nation's minerals.

It is now Congress turn to follow through on the law we have written and adequately fund the Office of Surface Mining. Section 1 of the bill would raise the funds authorized for State enforcement programs and for Federal inspections. It is vital to upgrade the State enforcement capability, because that is the key to transferring primary responsibility to the States. The failure of this bill would mean a serious cutback in State efforts in fiscal year 1979 that would stultify the process of bringing the States into full enforcement of the Federal standards on a timely basis.

The stripmining law initially needs to be enforced by the Federal Government, as State programs are being wound up. To meet the statutory standard of two inspections per mine annualy plus an average of an aditional 0.8 visits to follow up on citizen and Departmental complaints, additional funding will be needed. In 2 years this expense will no longer be incurred, because most States will have assumed the burden of enforcement.

Section 2 of the bill increases the funding for assisting small mine operators to perform the hydrological and geological test boring studies that are required by the law. Coal miners who produce less then 100,000 tons of coal annually were thought incapable of assuming the financial burdens of complying with the law. Under present authorizations only 1,500 operators could be assisted, which is less than half of all those who could be aided by the "small miner" provision.

Mr. Speaker, there had been some who have opposed implementation of the strip mine law altogether. In some parts of the country miners are resisting the implementation of law. But in most States, I am happy to say, the regulations of the Office of Surface Mining are already being observed.

Indeed, Governor Rockefeller of West Virginia last week complained that those coal companies in other States that are not observing the law have an entirely unfair competitive edge over companies in States such as West Virginia—where the law is being scrupulously observed. As of July 7 of this year, 229 Federal inspections had been made, resulting in 23 cessation orders. A majority of those ordered to comply with the strip mine regulations did so within a few days and went back to work.

There is an extremely high level of voluntary compliance with the law: This has been a result of the reasonableness of the regulations and the clear need to prohibit the flagrant mining abuses of the past. I know of no agency with a better reputation for fairness or with a clearer sense of how to efficiently carry out the mandates of the law than the Office of Surface Mining. I encourage your support of H.R. 11827 to provide adequate funding for this Office.

Mr. Speaker, I yield 2 minutes to the gentleman from West Virginia (Mr. RAHALL).

Mr. RAHALL. Mr. Speaker, first I want to associate myself with the remarks of the distinguished chairman of the Committee on Interior and Insular Affairs and commend him for the excellent work he has put forth on this bill.

The bill before us now, H.R. 11827, is legislation that is vitally important to insure that certain provisions of the Surface Mining and Reclamation Act of 1977 may be properly executed.

As early as January of this year Secretary Andrus suggested that because certain authorized funding levels of the act were apparently insufficient the Congress ought to amend the act to raise those funding levels so that the initial phases of implementing the surface mining regulations could be properly executed as Congress had intended.

Specifically, we are talking about increasing moneys for recruiting, training and equipping Federal inspectors and providing grants to the States for their role in the interim regulatory program. As the act mandates, the States are to eventually enforce the permanent regulatory program, and the level of expertise to enforce the law must be nationally equivalent no matter where the coal is mined. The grants are to cover the additional costs which the States will incur as a result of coming into compliance with the regulations. There are 26 coal-producing States, and already more than half of them have applied to the Office of Surface Mining for grants. As OSM has testified, it is quite apparent that the present appropriation is just not enough. The $25 million in this bill for fiscal year 1979 has been recommended by the Office of Surface Mining and cleared by OMB.

The second part of this bill deals with aiding the small coal operator, that is, coal mining operations that produce 100,000 tons or less of coal per year. Section 507(c) of the Surface Mining and Reclamation Act mandates that the coal operator conduct laboratory tests which entail the "determination of probable hydrological consequences" and the "statement of the result of test borings or core samples."

The tests are expensive and rather than put a relatively large part of the cost on the back of the small operator, which could possibly put him out of business, the Congress determined that such costs should be borne by the Government from production fees.

Again, the present appropriation is not enough to come to the aid of the small coal operator. It is estimated that the average cost of the required testing is about $25,000 per operation. With roughly 3,000 small mines in operation, it is apparent that the present authorization of $10 million will not suffice to meet the objectives of the law. The legislation before us requests $25 million in both fiscal year 1979 and fiscal year 1980 to aid the small coal operator. It is felt this amount will be quite adequate.

I implore my colleagues to be be sympathetic to the monetary demands of this bill. What we have at stake here is the fate of the small coal mine operator, a business that is equally important with the large mining operations as our Nation becomes increasingly more dependent on coal to meet our energy goals, and, the needed programs to execute and maintain the ideals of the Surface Mining and Reclamation Act of 1977 so that the surface mining industry will remain within the realm of environmentally high standards.

Mr. UDALL. Mr. Speaker, I have no further requests for time.

Mr. BAUMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER. The question is on the motion offered by the gentleman from Wyoming (Mr. RONCALIO) that the House suspend the rules and pass the bill H.R. 11827, as amended.

The question was taken.

Mr. SYMMS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Pursuant to clause 3 of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was com-

municated to the House by Mr. Marks, one of his secretaries.

JOINT FISHERIES VENTURES

Mr. STUDDS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 13340) to amend the Fishery Conservation and Management Act of 1976 in order to regulate the acquisition by foreign fishing vessels, for processing at sea, of fish harvested by United States fishing vessels, and for other purposes, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 (a)(7) and (b)(6) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1861 (a)(7) and (b)(6)) are each amended by inserting "and United States fish processors" immediately after "United States fishermen"

SEC. 2. Section 3 of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1802) is amended as follows:

(1) Paragraph (10) is amended—

(A) by striking out "or" at the end of subparagraph (C);

(B) by redesignating subparagraph (D) as subparagraph (E);

(C) by striking out "(C)" in subparagraph (E) (as so redesignated) and inserting in lieu thereof "(D)"; and

(D) by inserting immediately after subparagraph (C) the following new subparagraph:

"(D) the processing at sea of fish, for human consumption or commercial use, by any method, including, but not limited to, freezing, cooking, canning, smoking, salting, or drying; or"

(2) Paragraph (11)(B) is amended to read as follows:

"(B) aiding or assisting one or more vessels at sea in the performance of any activity, relating to fishing, including, but not limited to, fueling or other supply, repair, storage, refrigeration, or transportation.".

(3) Paragraph (25) is redesignated as paragraph (27).

(4) The following new paragraphs are inserted immediately after paragraph (24):

"(25) The term 'United States fish processors' means facilities located within the United States for, and vessels of the United States used, or equipped, for, the processing of fish for human consumption or commercial use.

"(26) The term 'United States harvested fish' means fish caught, taken, or harvested by vessels of the United States within any fishery for which a fishery management plan prepared under section 303, or a preliminary fishery management plan prepared under section 201(g), has been implemented.".

SEC. 3. Title II of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1821–1825) is amended as follows:

(1) Section 201(d) is amended by adding at the end thereof the following new sentence: "The portion, if any, of the harvest from any fishery which is approved under section 204(b)(6)(B) for transfer from vessels of the United States to foreign fishing vessels for processing at sea shall be treated as United States harvested fish in determining the total allowable level of foreign fishing within such fishery.".

(2) Section 201(g)(2) is amended by inserting immediately before the semicolon the following: ", including, in any appropriate case, a permit authorizing the acquisition by such vessel, for processing at sea, of United States harvested fish from vessels of the United States".

(3) Section 204(b) is amended—

(A) by amending paragraph (3)—

(i) by amending subparagraph (D) to read as follows:

"(D) the estimated amount or tonnage of fish which will be caught, taken, or harvested in each such fishery by each such vessel during the time the permit is in force;",

(ii) by redesignating subparagraph (E) as subparagraph (F), and

(iii) by inserting immediately after subparagraph (D) the following new subparagraph:

"(E) the amount or tonnage of United States harvested fish, if any, which each such vessel proposes to acquire, for processing at sea, from vessels of the United States; and";

(B) by amending paragraph (6)—

(i) by inserting "(A)" before "After" in the first sentence thereof,

(ii) by inserting ", subject to subparagraph (B)," immediately after "may approve" in the second sentence thereof, and

(iii) by adding at the end thereof the following new subparagraph:

"(B)(i) In the case of any application which specifies that one or more foreign fishing vessels propose to acquire, for processing at sea, United States harvested fish from vessels of the United States, the Secretary may approve the application only if, based upon the information developed in accordance with section 303(a)(4)(C), United States fish processors do not have the capacity, or will not utilize their capacity, to process all of the United States harvested fish from the fishery concerned.

"(ii) The amount or tonnage of United States harvested fish which may be acquired during any year by foreign fishing vessels under permits approved under this paragraph may not exceed the amount or tonnage of such fish which will not be utilized by United States fish processors.

"(iii) In deciding whether or not to approve any application under this subparagraph, the Secretary shall take into account, with respect to the foreign nation concerned, such matters pursuant to section 201(e)(4) as may be appropriate.

"(iv) If two or more foreign nations make applications described in clause (i), the Secretary may allocate the quantity or tonnage of United States harvested fish available for transfer to foreign fishing vessels for processing at sea among such nations after taking into account the factors set forth in section 201(e)(1) through (4).";

and

(C) by amending paragraph (7) by redesignating subparagraph (D) as subparagraph (F), and inserting immediately after subparagraph (C) the following new subparagraphs:

"(D) If the permit is issued other than pursuant to an application approved under paragraph (6)(B), the restriction that the foreign fishing vessel may not acquire, for processing at sea, United States harvested fish from vessels of the United States.

"(E) If the permit is issued pursuant to an application approved under paragraph (6)(B), the maximum amount or tonnage of the United States harvested fish which may be acquired for processing at sea from vessels of the United States.".

SEC. 4. Title III of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1851–1857) is amended as follows:

(1) Section 302(h)(5) is amended by inserting "the capacity of United States fish processors, and the utilization of such capacity, to process United States harvested fish from," immediately after "from,".

(2) Section 303(a)(4) is amended—

(A) by striking out "and" at the end of subparagraph (A);

(B) by striking out "; and" at the end of subparagraph (B) and inserting in lieu thereof ", and"; and

(C) by adding at the end thereof the following new subparagraph:

"(C) the capacity of the United States fish processors to process, and the extent to which such processors will utilize such capacity to process, for human consumption or commercial use, the portion of such optimum yield which consists of United States harvested fish; and".

(3) Section 303(a)(5) is amended by striking out "and number of hauls." and inserting in lieu thereof "number of hauls, and the estimated processing capacity of, and the actual processing capacity utilized by, United States fish processors.".

(4) Section 307 is amended—

(A) by striking out "and" at the end of paragraph (1)(H);

(B) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and

(C) by adding at the end thereof the following new paragraph:

"(3) for any vessel of the United States, and for the operator or owner of any vessel of the United States, to transfer directly or indirectly, or attempt to so transfer, any United States harvested fish for processing at sea to any foreign fishing vessel, while such foreign vessel is within the fishery conservation zone, unless the foreign fishing vessel has been issued a permit under section 204 which authorizes the acquisition by such vessel, for such purpose, of United States harvested fish of the species concerned.".

The SPEAKER. Is a second demanded?

Mr. FORSYTHE. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Massachusetts (Mr. STUDDS) will be recognized for 20 minutes, and the gentleman from New Jersey (Mr. FORSYTHE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Massachusetts (Mr. STUDDS).

Mr. STUDDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, since the 200-Mile Fishery Zone Act came into being in April of 1976, we have seen the level of foreign fishing vessel activity within our fishery zone decrease by some 30 percent. Certain foreign nations have sought to avoid the loss of economic benefits occasioned by this reduction in foreign fishing by purchasing U.S. harvested fish for processing at sea.

In fact, the introduction of House Resolution 13340 was prompted by the submission to the Secretary of Commerce of two foreign fishing applications for the purchase of U.S. harvested fish for processing at sea on foreign processing vessels within the fishery conservation zone of the United States. One of the applications was submitted by the Korea Marine Industry Development Corp. involving the purchase of 70,000 metric tons of Gulf of Alaska pollock and the other was submitted by an agency of the Soviet Government involving the purchase of 10,000 metric tons of Pacific hake. When trying to determine whether the 200-Mile Fishery Zone Act would allow for the approval of such applications, in February of 1978 the Secretary issued an interim policy stating that the act could allow for the approval of such applications provided that the U.S. fish processors did not have the capacity and the intent to utilize that capacity to process the fish applied for in such applications. Then, in April of 1978, after further reviewing the legal issues involved, the Secretary reversed herself and is-

sued a policy stating that she lacked clear legislative direction to adopt a policy of granting a preference to U.S. fish processors.

H.R. 13340 is designed to correct the confusion that has resulted from the two inconsistent policies handed down by the Secretary and, in doing so, it would closely follow her initial policy by giving a preference to U.S. fish processors to U.S.-harvested fish to the extent that such processors have the capacity and will utilize that capacity to process such fish.

Mr. Speaker, it is anticipated that by the year 2000 that U.S. demand for seafood products will increase by 80 percent. The committee has determined that this drastic increase in demand could be met only if all segments of the U.S. fishing industry were fully developed. The enactment of the 200-Mile Fishery Zone Act provided the economic framework to allow for the steady growth of the U.S. fish harvesting sector of the industry. H.R. 13340 is designed to provide this same opportunity to the U.S. fish processing segment of the industry.

In particular, the passage of H.R. 13340 should provide greatly increased benefits to our economy. It should generate not only substantial increases in fish landings but it should also generate thousands of jobs in processing plants and related activities, such as packaging and transportation. In addition, increased landings of fish should augment State and local taxes and otherwise aid local economies in need of new sources of revenues. Also, such increased fish landings should result in a significant reduction in the U.S. balance of payments deficit, which was approximately $2.6 billion in 1977, an increase of 12 percent over 1976.

Mr. Speaker, in summary, H.R. 13340 would make it clear that the 200-Mile Fishery Zone Act gives a preference to the fisheries resources of the United States to the fish-processing segment of our domestic fishing industry as well as to the fishermen themselves; that the Secretary of Commerce has the authority to approve a foreign permit application for the purchase of U.S.-harvested fish for processing at sea but only if U.S. fish processors do not have the capacity or will not utilize their capacity to process all of the U.S.-harvested fish from the fishery concerned; and that an application to purchase fish for processing at sea may be approved only for the excess fish which will not be utilized by U.S. processors.

Mr. Speaker, H.R. 13340, was unanimously voted out of the Committee on Merchant Marine and Fisheries. In general, it has the support of all segments of our fishing industry, including both our domestic and distant water fishermen and our domestic seafood processors.

Also, it has the support of the Departments of State and Commerce, except for the provisions in the bill requiring consideration to be given to the tariff and nontariff international trade barriers of foreign nations. The Departments recommended that these provisions be deleted from the bill.

Mr. Speaker, in view of the objections expressed by the administration and by certain segments of our fishing industry, after reporting the bill, the committee deemed it desirable to remove the tariff and nontariff trade barrier provisions from the bill and H.R. 13340, as it is being considered by the Members at this time, has been amended to eliminate these provisions.

Mr. AuCOIN. Mr. Speaker, will the gentleman yield?

Mr. STUDDS. I yield to the gentleman from Oregon.

Mr. AuCOIN. Mr. Speaker, I appreciate the gentleman from Massachusetts yielding to me, and I rise in support of the bill, and I want to express my appreciation for the excellent bipartisan support for this bill, particularly the distinguished ranking minority member of the subcommittee (Mr. FORSYTHE), and the able gentleman from California (Mr. CLAUSEN) who was the first Member of the House to introduce legislation creating a 200-mile coastal fishing limit.

However, for the purposes of establishing legislative intent, I am wondering whether the distinguished chairman of the full committee, the gentleman from New York (Mr. MURPHY), would explain in more detail the nature of the amendment to the bill as reported.

Mr. MURPHY of New York. Mr. Speaker, if the gentleman from Massachusetts (Mr. STUDDS) will yield, H.R. 13340, as reported, required the Secretary of State, in determining the allocation of surplus fish among foreign nations to consider whether such nations impose tariffs or nontariff international trade barriers on the importation of fish and fish products from the fishery concerned which are more restrictive than the tariffs or nontariff international trade barriers, if any, which are imposed by the United States on the importation of fish and fish products from such fishery. H.R. 13340, as reported, also requires the Secretary of Commerce to consider this factor in deciding whether to approve a foreign fishing permit for the purchase of U.S. harvested fish for processing at sea.

As noted in the committee report, this language was added to the act merely to give emphasis to the existing authority under section 201(e)(4) of the Fishery Conservation and Management Act (FCMA). The administration, however, took the position that a specific trade barrier provision such as that in the bill could undermine the traditional trade objectives of the United States and requested that this language be deleted from the legislation. The administration informed the committee that it is currently negotiating with Japan with respect to access to Japan's markets for processed fish. The administration further informed the committee that it intended to continue such negotiations and believed that concessions could be obtained from Japan and other foreign nations without a specific trade barrier provision in the legislation.

On the basis of the efforts of the administration in this regard and since trade barriers can and should be considered under the general authority of section 201(e)(4) of the FCMA, which requires the Secretary of State to consider such other matters as he may deem appropriate when allocating surplus fish to foreign nations, the committee decided to delete the trade barrier language from the bill.

I emphasize that the committee believes that such artificial trade barriers should be taken into consideration in those situations where the Secretary of State is unsuccessful in having such obstacles removed. However, the consideration of such factors would not necessarily preclude the allocation of surplus fish or the issuance of a permit, and consideration of such trade barriers should be limited to the species of fish in question. It is the intent of the committee that, with respect to any allocation determination or any determination to issue a permit for foreign processing operations, the entirety of the U.S. policy on this subject be taken into account. However, nothing in the Fishery Conservation and Management Act, as amended by this legislation, is intended to require consideration of tariffs on fish or fish products which are not the subject of the specific allocation or permit request. The appropriate Secretary may only consider the tariffs and non-tariff trade barriers realting to the specific fishery for which the foreign nation is seeking an allocation or permit.

Am I correct in my understanding that the gentleman from Oregon, who was the sponsor of the trade barrier language in the bill, concurs with its removal from the bill, as reported, on this basis?

Mr. AuCOIN. The chairman is correct. Let me add that it is my strong belief that it is inconsistent for the United States to be allocating surplus fish or issuing foreign fishing permits to those nations which prevent the United States from serving their markets because of artificial trade barriers which prohibit the importation into those countries fish harvested by U.S. fishermen and processed by U.S. processors. For example, Japan and Korea have been permitted to harvest and process U.S. pollock, yet these nations have established high tariffs on the importation of pollock or pollock-processed products harvested by U.S. fishermen or processed by U.S. processors. These artificial trade barriers exist in spite of the fact that the United States imports processed pollock from these nations, and in spite of the fact that some of the pollock is taken from our Nation's fishery conservation zone.

I understand that a similar situation has developed with respect to squid, an underutilized species off the east coast. European nations recently have established artificial trade barriers to prevent U.S. harvested or processed squid from having free access to their markets.

Such artificial trade barriers present a significant obstacle to the development of underutilized species by the U.S. fishing industry. Let it be the development of these species that is the goal of this legislation—indeed, it is the goal of the 200-mile act. On the northwest coast, for example, it is estimated that the fishermen can annually bring in around 233 million pounds of hake—another underutilized species—which, at current prices, is worth around $14 million. For

every one million dollars, the Oregon Department of Economic Development estimates the development of 121 direct and indirect jobs. That means that some 1,600 to 1,800 new jobs—badly needed jobs—hinge on the development of this industry. I am sure similar situations exist in other parts of the country. Therefore, Mr. Chairman, even though the provision is being deleted from H.R. 13340, as reported, it is my hope, and I believe it is the intent of the committee, that the Secretary of State should remedy such situations and should give consideration to altering foreign allocations, under section 201(e)(4) of the FCMA, in those situations where the department is unsuccessful in removing such obstacles. Similarly, I believe it is the intent of the committee that the Secretary of Commerce should consider denying foreign permit applications for the processing of U.S. harvested fish in those situations where the applicant nation imposes such barriers.

Mr. MURPHY of New York. I agree with the gentleman's statement. It is an accurate reflection of the intent of the committee concerning this change in the bill.

Mr. FORSYTHE. I concur with the deletion and believe that the rationale stated by the chairman and the gentleman from Oregon accurately reflects the intent of the committee.

Mr. STUDDS. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. FORSYTHE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, with the enactment of the Fishery Conservation and Management Act of 1976 the United States established a comprehensive regime for the conservation and management of the fishery resources found off the coast of the United States. The protection of these resources, which comprise 20 percent of the fishery resources of the world, will provide the economic framework within which the U.S. fishing industry can expand. The priority access to the resource which the act awards to U.S. fishermen has already provided an economic incentive for the construction of many new fishing vessels. It is now time that the same preferential right which has been granted to U.S. fish harvesters be granted to U.S. fish processors.

The need to fully develop all segments of the U.S. fishing industry is reflected in the fact that by the year 2000 the U.S. demand for seafood products will increase by approximately 80 percent. If this expanded demand is to be met by the U.S. fishing industry, it is essential that we encourage the development of the U.S. fish processing industry. H.R. 13340 provides the basis for this development.

By providing the economic foundation for the expansion of the U.S. fish processing industry, H.R. 13340 will also have a positive impact on the U.S. balance of payments deficit. The expanding balance of payments deficit is a root cause of many of the economic problems confronting our country and the importation of $2.6 billion of fisheries products per year is a significant part of this deficit.

In addition to providing an adequate seafood supply to the U.S. consumer and reducing the U.S. balance of payments deficit, the full development of all segments of the U.S. fishing industry will provide additional employment opportunities and will contribute additional tax revenues to many units of government.

Mr. Speaker, it is for these reasons that I urge the adoption of H.R. 13340. This legislation provides U.S. fish processors with preferential access to fish harvested by U.S. fishermen. If U.S. fish processors have the capacity, and the intent to use that capacity, to process U.S.-harvested fish, then the Secretary of Commerce may not approve a foreign fishing permit for the purchase for processing at sea of that U.S.-harvested fish. However, if, according to the appropriate fishery management plan, it is determined that U.S. fish processors do not have the capacity and intent to process all U.S.-harvested fish from a particular fishery, then the amount of fish which will not be processed by U.S. fish processors shall be available for immediate sale to foreign fishing vessels for processing at sea. It is, therefore, not intended that U.S. fishermen must satisfy the requirements of U.S. fish processors before the fishermen can sell fish to a foreign processor. Nor is it intended that U.S. fishermen should be compelled to sell their product to U.S. fish processors. If, for example, U.S. fishermen cannot come to an acceptable agreement with U.S. fish processors, it is not the committee's intent that fishermen be forbidden from harvesting and selling that fish. I would hope and expect that every reasonable effort should be made to insure that the capacity of U.S. fish processors is satisfied. However, it is not the committee's intent, nor is it my intent, to force fishermen and processors into a business arrangement which they would not voluntarily enter into otherwise.

Mr. Speaker, H.R. 13340 will provide the foundation upon which the U.S. fish processing industry may expand and realize the full benefits of the Fishery Conservation and Management Act. The passage of this act was intended to provide the economic framework for the development of all segments of the U.S. fishing industry. U.S. fish processors are an essential component of the fishing industry and it is time that effective measures be taken to insure that they participate in the expected benefits of the Fishery Conservation and Management Act.

Mr. Speaker, I yield such time as he may consume to the ranking member of the full committee, the gentleman from Michigan (Mr. RUPPE).

Mr. RUPPE. Mr. Speaker, I rise in strong support of H.R. 13340, which will provide U.S. fish processors with the opportunity and the means to fully utilize the fishery resources found within 200 miles of the U.S. coast. By providing U.S. fish processors with preferential access to this resource, H.R. 13340 provides the economic foundation upon which the fish processing industry can be fully developed.

The benefits which will be derived from this development are indeed significant. The rising U.S. demand for seafood products, which is expected to almost double by the year 2000, could be satisfied by the U.S. fishing industry, thereby reducing the U.S. balance-of-payments deficit. Without the development of the U.S. fishing industry, the increased U.S. seafood demand will probably be satisfied by a much higher level of fish imports.

The expansion of the U.S. fish processing industry will also result in increased employment opportunities, and will provide additional tax revenues to local governments.

Essentially, H.R. 13340 provides that the regional fishery management councils shall, each year, determine the capacity and intent of U.S. fish processors to process U.S.-harvested fish. The amount of U.S.-harvested fish which will not be processed by U.S. fish processors will be available for immediate sale to foreign fish processors. I should point out, however, that it is not the committee's intent to require U.S. fishermen to sell their products to U.S. fish processors if the two parties are unable to agree on contract terms.

It is not the committee's intent to put fishermen at the mercy of the fish processors to the extent that if the fish processors have the capacity to process the fish harvested, the fishermen in turn would have to sell at whatever price the processors themselves would offer. It should be understood that we in no way want to make the fishing industry subject to the terms and conditions that might be unilaterally established by the U.S. processor industry.

Furthermore, it is the committee's intent that in determining the nature and extent of U..S. fish processing capability, the regional fishery management councils and the Secretary shall take into account geographic considerations. Certain species of fish which are not processed within a short period of time after being harvested will spoil. Thus, the fact that U.S. fish processors on the east coast have the capacity and intent to utilize that species may be irrelevant to determining whether U.S. fishermen operating off the coast of Alaska will be able to sell their product to foreign fishing vessels for processing at sea.

Mr. Speaker, although the Fishery Conservation and Management Act, as presently written, appears to place primary emphasis on the development of the U.S. fish harvesting sector, it was also intended that all segments of the U.S. fishing industry, including the fish processors, participate in the benefits to be derived from that act. H.R. 13340 makes this clear and provides U.S. fish processors with the same preferential access to the resource which is offered to U.S. fishermen. For these reasons, Mr. Speaker, I urge the adoption of this legislation.

Mr. FORSYTHE. Mr. Speaker, I yield 3 minutes to the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Speaker, first let me compliment the chairman of the full committee, the gentleman from New York (Mr. MURPHY), and the chairman of the subcommittee, the gentleman

from California (Mr. LEGGETT), and the ranking minority member of the committee (Mr. FORSYTHE).

I rise in strong support of the bill H.R. 13340. This is a bill that is long overdue this year. It represents the closing of a loophole that existed in the legislation as we passed the 200-mile limit. I believe at that time we recognized the need for a foreign processing unit to implement the act we passed 2 years ago, but this bill H.R. 13340 will do what apparently was not interpreted by the Federal agencies downtown.

Also at this time I associate myself with the remarks of the gentleman from Oregon (Mr. AUCOIN) concerning the tariff provisions in this bill. We have to recognize this act cannot come to full fruition until the harvester and the processor are given the same tax breaks and protection from the foreign products which they are in competition with. I believe this piece of legislation will be continuing the fulfillment of the 200-mile limit which was passed 2 years ago by this committee.

Again I compliment the chairman of the full committee and the chairman of the subcommittee to expedite the solution of a problem which has arisen especially off my State concerning the joint ventures there with the foreign fishing industry.

Mr. FORSYTHE. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. DON H. CLAUSEN).

(Mr. DON H. CLAUSEN asked and was given permission to revise and extend his remarks.)

Mr. DON H. CLAUSEN. Mr. Speaker, I rise in strong support of H.R. 13340, the joint fisheries ventures bill.

As a cosponsor of the legislation, I would like to commend its author, the gentleman from Oregon (Mr. AUCOIN), and Mr. LEGGETT and Mr. FORSYTHE, for their willingness to promptly address a pressing problem facing our U.S. fish processors and would like to commend the members of the House Merchant Marine and Fisheries Committee for their diligent work on the legislation.

Swift enactment of the bill is necessary to assure our processors of a sufficient share of our fish stocks to fully meet their processing capabilities. To accomplish this end, the legislation requires that foreign fishing vessels wishing to acquire U.S.-harvested fish for processing at sea obtain an authorizing permit. These permits will not be approved unless the Department of Commerce determines, based on the applicable fishery management plan, that U.S. fish processors do not have the capacity or intent to process all U.S.-harvested fish from a particular fishery. The excess fish stocks may be sold to foreign fishing vessels for processing at sea according to permit tonnage and species specifications.

The bill provides that each fishery management plan shall specify the capacity and intent of U.S. fish processors to process that portion of the optimum yield of the fish stock which will be harvested by our fishermen. These determinations will be reviewed on a continuing basis and revised to reflect improvements in our domestic processing capabilities.

By giving our industry priority access to fish harvests within the 200-mile fishing limit, we will further encourage the use and development of these resources on a sustained yield basis which will mean a great deal to the economy of those areas, such as the north coast of California, which rely on the fishing industry for jobs. The Nation as a whole will also benefit from the increased supply of seafood products.

I urge my colleagues to support this legislation.

● Mr. COHEN. Mr. Speaker, I rise to express my support for H.R. 13340, concerning joint fisheries ventures.

The domestic fishing industry has a tremendous potential. It is the Congress obligation to assist the private sector in realizing that potential. In a great many respects we have fulfilled that obligation. The Congress has enacted the 200-mile fishing limit, which has given American fishermen the stability of supply needed if they are to expand their operations.

The legislation before us seeks to do much the same thing for processors that the 200-mile limit did for fishermen. The penetration of the domestic processing industry by offshore foreign vessels has the potential to inhibit investment in my own State of Maine. It is estimated that with proper incentives, the Maine processing industry alone could create close to 2,000 new jobs. This legislation, which would permit foreign processing vessels to receive only that part of the fish harvest that cannot be processed by American companies, would work to insure incentives for investment.

Nevertheless, I do have several reservations concerning this legislation. H.R. 13340 would permit the Secretary of Commerce to weigh the intentions of domestic processors in making determinations of the capacity of the domestic industry, and, in turn, the limits to be placed on processing by offshore foreign vessels.

The goal of this language is laudable. It would allow the consideration of not only a processor's past performance in the establishment of limits protecting the domestic industry. A processor who intended to expand his operation to include underutilized species could be assured of a stable supply of fish from America's waters.

Yet the definition of "intent" in the bill may be so vague as to make it meaningless in its implementation. It is ironic that the committee's report included a page of examples of actions by private firms which would be defined as manifesting an intent to process fish, when at the same time there is no provision in the bill to bind the Secretary to anything more than the most narrow definition of "intent." I would hope that the Secretary interprets this language broadly, and would consider not only those formal conditions, such as the existence of contracts to purchase fish, as demonstrations of intent.●

● Mr. LEGGETT. Mr. Speaker, I rise in strong support of H.R. 13340, more commonly known as the joint ventures bill.

Mr. Speaker, the introduction of this legislation—which I had the privilege of cosponsoring—was prompted by two inconsistent policies handed down by the Secretary of Commerce on the protection to be afforded to U.S. fish processors under the 200-Mile Fishery Zone Act. Her first policy decision issued in February of this year indicated that the act granted a preference to the domestic processing industry to the fisheries resources within our fisheries zone and that permits for foreign fishing vessels to process at sea U.S.-harvested fish could be approved only if the intent of the U.S. fishing industry to harvest fish from a particular fishery exceeded the capability and intent of the U.S. processing industry to process such fish. In April of this year, the Secretary reversed herself and issued a second policy stating that the act would not allow her to grant to the U.S. fish processing industry a preference to such fish.

Because of the confusion that resulted from this reversal of policy, my Subcommittee on Fisheries and Wildlife Conservation and the Environment scheduled a series of hearings to be held throughout the country on the merits of approving applications calling for the processing at sea of U.S.-harvested fish by foreign fishing vessels within our 200-mile fisheries zone. The subcommittee held 8 days of hearings, including 1 day each in Oregon and Washington, during which time all segments of the U.S. fishing industry were heard. In general, domestic fish processors—who were well represented at the hearings—ranged in view from complete protection of the industry from foreign competition to advocating approval of sale of U.S.-harvested fish to foreign vessels for processing at sea only when domestic capability to process such fish did not exist. Fishermen, while not as well represented in numbers as the processors, ranged from supporting a completely free market for their catch to a view that domestic processors should be given a priority to develop capabilities to process fish which were not formerly taken by U.S. fishermen. Only a few of the proponents of sales of U.S.-harvested fish at sea to foreign processing vessels would go so far as to recommend unqualified approval of such sales. Others noted that such ventures could be beneficial to all segments of the U.S. fishing industry.

During these hearings, it became abundantly clear that foreign fishing vessels operating within our coastal waters did not have to comply with rigid minimum wage, safety, and antipollution laws, with which U.S. fishing vessels and fish processors are required to comply, and, therefore, without some form of assistance, it would be most difficult for U.S. fishermen and processors to compete with such operations off our coastal shores. For instance, it was brought out at the hearings that certain foreign fish processors operating within our fisheries zone often pay their workers as low as $.30 per hour while the recent average U.S. wage for seafood processing is approximately $4.50 per hour.

To overcome this unfair competition and to insure that the full range of benefits are derived from the enactment of the 200-Mile Fishery Zone Act by all segments of the U.S. fishing industry, it was determined by the committee that a preferential right, similar to the one

created for U.S. fishermen by the act, should also be created for U.S. fish processors. H.R. 13340, as reported, would provide this preferential right.

Briefly explained, H.R. 13340 would amend the 200-Mile Fishery Zone Act to make it clear that it is the intent of the Congress to develop not only our fishery capability but our fish processing capability as well. In carrying out this intent, the bill would allow the Secretary of Commerce to approve a foreign market permit application for the purchase of U.S.-harvested fish for processing at sea only if U.S. fish processors do not have the capacity, or will not utilize their capacity, to process all of such fish from the fishery concerned. If such an application is approved then it could only be approved for the excess fish which will not be utilized by U.S. processors.

Mr. Speaker, I think this is an excellent bill. It has the support of our entire fishing industry, and it should greatly assist in the expansion of our fish processing capability.

I urge its prompt enactment.●

Mr. STUDDS. Mr. Speaker, I have no further requests for time.

Mr. DON H. CLAUSEN. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore (Mr. KAZEN). The question is on the motion offered by the gentleman from Massachusetts (Mr. STUDDS) that the House suspend the rules and pass the bill H.R. 13340, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. STUDDS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed, H.R. 13340.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FISHERY CONSERVATION AND MANAGEMENT ACT

Mr. STUDDS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 10732) to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal years 1979, 1980, and 1981, with Senate amendments thereto, concur in the Senate amendment to the title and concur in the Senate amendments to the text of the bill, with an amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, strike out lines 5 to 11, inclusive, and insert: at the end thereof the following new paragraph:

"(5) $30,000,000 for the fiscal year ending September 30, 1979.".

SEC. 2. (a) Section 2(a)(7) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1801(a)(7)) is amended by striking out "United States fishermen" and inserting in lieu thereof "the United States fishing industry".

(b) Section 2(b)(6) of such Act (16 U.S.C. 1801(b)(6)) is amended by inserting immediately after "development" the following: "by the United States fishing industry".

SEC. 3. (a) Section 3(10) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1801(10)) is amended by (1) inserting "or" immediately after "fish;" at the end of paragraph (B) thereof; (2) striking out "; or" at the end of paragraph (C) thereof and inserting in lieu thereof a period; and (3) striking out paragraph (D) thereof.

(b) Section 3(11) of such Act (16 U.S.C. 1802(11)) is amended by striking out "storage, refrigeration, transportation, or processing." and inserting in lieu thereof the following: "fueling, or repair.

Such term does not include any processing vessel.".

(c) Section 3 of such Act (16 U.S.C. 1802) is further amended by inserting the following immediately after paragraph (19) thereof, and renumbering paragraphs (20) through (25) as (22) through (27), respectively:

"(20) The term 'process or processing' means any method of freezing, canning, smoking, salting, drying, or other treatment of fish which does or is intended to prepare such fish for commercial use or consumption.

"(21) The term 'processing vessel' means any vessel, boat, ship, or other craft which is used for, equipped to be used for, or of a type normally used for, processing, storage, refrigeration, or transportation of fish or fish products.".

SEC. 4. (a) Section 201(c) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1821(c)) is amended by—

(1) inserting "processing vessels and" immediately after "such foreign nation and its";

(2) inserting "processing vessel or" immediately after "or operator of any" in paragraph (1) thereof;

(3) inserting "processing vessel or" immediately after "is caused by any" in subparagraph (G) of paragraph (2) thereof; and

(4) inserting "processing vessel or" immediately after "appropriate" in paragraph (4)(B) thereof.

(b) Section 201(e) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1821(e)) is amended by (1) striking out "and" at the end of paragraph (3); (2) renumbering paragraph (4) as paragraph (5); and (3) inserting immediately after paragraph (3) the following:

"(4) any applicable tariff or nontariff condition on the importation of fish or fish products from the United States that are greater than those imposed by the United States; and".

(c) Section 201(f) of such Act (16 U.S.C. 1821(f)) is amended by (1) inserting "processing vessels and" immediately before "fishing vessels" each place that phrase appears therein; and (2) inserting "processing or" immediately after "Foreign" and "same".

(d) Section 201(g)(2) of such Act (16 U.S.C. 1821(g)(2)) is amended by inserting "processing vessel and" immediately after "foreign".

SEC. 5. Section 202(a)(4)(A) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1822(a)(4)(A)) is amended by inserting "processing vessels and" immediately after "allow".

SEC. 6. (a) Section 204(a) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1824(a)) is amended by (1) inserting "processing level or" immediately after "foreign"; and (2) inserting "processing or" immediately after "in".

(b) Section 204(b)(1) of such Act (16 U.S.C. 1824 (b)(1)) is amended by inserting "and for each of its processing vessels that wishes to operate in the fishery conservation zone" immediately after "subsection (a)".

(c) Section 204(b)(3)(A) of such Act (16 U.S.C. 1824(b)(3)(A)) is amended by inserting "processing vessel and" immediately after "each".

(d) Section 204(b)(4) of such Act (16 U.S.C. 1824(b)(4)) is amended by striking out "such application in the Federal Register and" and inserting in lieu thereof "a notice of receipt of the application in the Federal Register. Any such notice shall summarize the contents of the applications from each nation included therein with respect to the matters described in paragraph (3) and shall be set forth under the name of each Council to which it will be transmited for comment. The Secretary of State".

(e) Section 304(b)(6) of such Act (16 U.S.C. 1824(b)(6)) is amended by (1) striking out "After" and inserting in lieu thereof "(A) Except as provided in subparagraph (B) and after"; and (2) adding immediately thereafter the following new subparagraph:

"(B) After receipt of any application transmitted under paragraph (4)(A) for a foreign processing vessel that proposes to receive fish harvested by vessels of the United States, the Secretary shall consult with the Secretary of State and, with respect to enforcement, with the Secretary of the department in which the Coast Guard is operating. The Secretary, after taking into consideration the views and recommendations of such Secretaries, and any comments submitted by any Council under paragraph (5), may approve the application unless he determines that the United States processing capability is, or will be, during the period for which the application is made, adequate for processing the fish harvested from the fishery involved, in which case he shall deny the application. In deciding whether to approve or deny any such application, the Secretary may consider whether the applicant nation imposes any applicable tariff or nontariff condition on the importation of fish or fish products that are greater than those imposed by the United States.".

(f) Section 204(b)(7) of such Act (16 U.S.C. 1824(b)(7)) is amended by—

(1) inserting in the first sentence thereof "processing vessel or" immediately before "fishing vessel";

(2) inserting in subparagraph (B) thereof "processing vessel or" immediately before "fishing vessel"; and

(3) inserting the following new subparagraph after subparagraph (C) and renumbering the succeeding subparagraph accordingly:

"(D) For any processing vessel the requirement that such vessel shall only receive the amount of fish consistent with the provisions of paragraph 6(B).".

(g) Section 204(b)(10) of such Act (16 U.S.C. 1824(b)(10)) is amended by (1) inserting "processing vessel or" immediately after "operator of any foreign"; and (2) inserting "processing and" immediately after "with respect to foreign".

(h) Section 204(b)(11) of such Act (16 U.S.C. 1824(b)(11)) is amended by (1) inserting "processing vessels or" immediately after "appropriate"; and (2) inserting "processing vessel or" immediately after "apply to the".

(i) Section 204(b)(12) of such Act (16 U.S.C. 1824(b)(12)) is amended by inserting "processing vessel or" immediately after "If any foreign".

(j) Section 204(c) of such Act (16 U.S.C. 1824(c)) is amended by (1) inserting "processing vessel and" immediately after "permit for each"; (2) inserting "processing or" immediately after "under which foreign"; (3) inserting "processing or" immediately after "wishes to engage in"; (4) inserting "processing or" immediately after "with respect to such"; and (5) inserting "processing vessel or" immediately after "the owner or operator of the".

SEC. 7. Section 303(a)(4) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1853(a)(4)) is amended by (1) striking out "and" at the end of subparagraph (A) thereof; (2) striking out "; and" at the end of subparagraph (B) thereof and inserting in lieu thereof ", and"; and (3) inserting after subparagraph (B) thereof the following new subparagraph:

"(C) the capacity and extent to which processing facilities of the United States, on an annual basis, will process that portion of the optimum yield that will be harvested by fishing vessels of the United States; and".

SEC. 8. Section 307 of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1857) is amended by (1) inserting in paragraph (1)(B) "processing vessel or" immediately after "any" and "processing or" immediately after "engage in"; (2) inserting in paragraph (1)(D) "processing vessel or" immediately after "to board a"; (3) inserting in paragraph (2) "or processing at sea" immediately after "to engage in fishing"; and (4) inserting "processing or" immediately after "unless such" in paragraph (2).

SEC. 9. (a) Section 310(a) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1860(a)) is amended by striking out "fishing vessel (including its fishing gear, furniture, appurtenances, stores, and cargo)" and inserting in lieu thereof "processing vessel or fishing vessel (including any such vessel's processing equipment, fishing gear, furniture, appurtenances, stores, and cargo)".

(b) Section 310(e) of such Act (16 U.S.C. 1860(e)) is amended by inserting "processing vessel or" immediately after "on board a".

SEC. 10. (a) Section 311(b)(1)(B) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1861(b)(1)(B)) is amended by inserting "processing vessel or" immediately after "any".

(b) Section 311(b)(1)(C) of such Act (16 U.S.C. 1861(b)(1)(C) is amended by striking out "fishing vessel (together with its fishing gear, furniture, appurtenances, stores, and cargo)" and inserting in lieu thereof "processing vessel or fishing vessel (together with any such vessel's processing equipment, fishing gear, furniture, appurtenances, stores, and cargo)".

(c) The first sentence of section 311(c) of such Act (16 U.S.C. 1861(c)) is amended by inserting "processing vessel or" immediately after "finds that a".

(d) Section 311(e)(1) of such Act (16 U.S.C. 1861(e)(1)) is amended by inserting "processing or" immediately after "foreign".

Amend the title so as to read: "An Act to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal year 1979, to provide for the regulation of foreign fish processing vessels in the fishery conservation zone, and for other purposes.".

Mr. STUDDS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the Senate amendments be dispensed with and that they be printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the House amendment to the Senate amendments.

The Clerk read as follows:

On page 1 of the Senate engrossed amendments, strike out line 5 and all that follows thereafter down through line 8 on page 9 and insert the text of H.R. 13340 as passed the House, with the first section through section 4 of the text of such bill redesignated as sections 2 through 5, respectively.

The SPEAKER pro tempore. Is there objection to the first request of the gentleman from Massachusetts?

There was no objection.

A motion to reconsider was laid on the table.

A similar House bill (H.R. 13340) was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER pro tempore. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on the motion on which further proceedings were postponed, on H.R. 11827, as amended, on which the yeas and nays are ordered.

SURFACE MINING AUTHORIZATIONS

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 11827, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wyoming (Mr. RONCALIO) that the House suspend the rules and pass the bill H.R. 11827, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 323, nays 74, answered "present" 1, not voting 34, as follows:

[Roll No. 526]

YEAS—323

Abdnor	Conable	Gore
Addabbo	Conte	Gradison
Akaka	Conyers	Green
Alexander	Corcoran	Gudger
Ambro	Corman	Hamilton
Ammerman	Cornell	Hanley
Anderson, Calif.	Cornwell	Hannaford
	Cotter	Harkin
Andrews, N.C.	Coughlin	Harrington
Andrews, N. Dak.	Cunningham	Harris
	D'Amours	Hawkins
Annunzio	Danielson	Heckler
Applegate	Davis	Hefner
Armstrong	Delaney	Heftel
Ashley	Dellums	Hightower
Aspin	Dent	Hillis
AuCoin	Derrick	Holland
Baldus	Derwinski	Hollenbeck
Baucus	Dickinson	Holtzman
Beard, R.I.	Dicks	Horton
Bedell	Diggs	Howard
Beilenson	Dingell	Hubbard
Benjamin	Dodd	Hughes
Bennett	Downey	Hyde
Bevill	Drinan	Ireland
Biaggi	Duncan, Tenn.	Jeffords
Bingham	Early	Johnson, Calif.
Blanchard	Eckhardt	Jones, N.C.
Blouin	Edgar	Jones, Tenn.
Boland	Edwards, Ala.	Jordan
Bolling	Edwards, Calif.	Kastenmeier
Bonior	Eilberg	Kazen
Bonker	Emery	Keys
Brademas	Erlenborn	Kildee
Breaux	Ertel	Kostmayer
Breckinridge	Evans, Colo.	Krebs
Brodhead	Evans, Del.	Krueger
Brooks	Fary	LaFalce
Broomfield	Fascell	Lagomarsino
Brown, Calif.	Fenwick	Leach
Brown, Mich.	Findley	Lederer
Broyhill	Fish	Lehman
Buchanan	Fisher	Lent
Burgener	Fithian	Levitas
Burke, Calif.	Flippo	Lloyd, Calif.
Burke, Mass.	Flood	Lloyd, Tenn.
Burlison, Mo.	Florio	Long, La.
Burton, John	Flowers	Long, Md.
Burton, Phillip	Foley	Lujan
Byron	Ford, Tenn.	Luken
Caputo	Forsythe	Lundine
Carney	Fowler	McClory
Carr	Fraser	McCloskey
Carter	Frenzel	McCormack
Cavanaugh	Fuqua	McDade
Cederberg	Garcia	McEwen
Chisholm	Gaydos	McFall
Clausen, Don H.	Giaimo	McKay
	Gilman	McKinney
Clay	Ginn	Madigan
Cohen	Glickman	Maguire
Coleman	Goldwater	Mahon
Collins, Ill.	Gonzalez	Markey
Marks	Perkins	St Germain
Marlenee	Pettis	Staggers
Marriott	Pickle	Stanton
Martin	Poage	Stark
Mattox	Pressler	Steed
Mazzoli	Preyer	Steers
Meeds	Price	Steiger
Metcalfe	Pritchard	Stokes
Meyner	Pursell	Stratton
Michel	Quayle	Studds
Mikulski	Quie	Thompson
Mikva	Rahall	Thone
Miller, Calif.	Railsback	Thornton
Mineta	Regula	Traxler
Minish	Rhodes	Tsongas
Mitchell, Md.	Richmond	Tucker
Mitchell, N.Y.	Rinaldo	Udall
Moakley	Risenhoover	Ullman
Moffett	Roe	Van Deerlin
Mollohan	Roncalio	Vander Jagt
Moorhead, Pa.	Rooney	Vanik
Moss	Rose	Vento
Murphy, Ill.	Rosenthal	Walgren
Murphy, N.Y.	Rostenkowski	Walker
Murphy, Pa.	Roybal	Walsh
Murtha	Ruppe	Waxman
Myers, Gary	Russo	Weaver
Myers, John	Ryan	Weiss
Myers, Michael	Santini	Whalen
Natcher	Sarasin	White
Neal	Sawyer	Whitehurst
Nedzi	Scheuer	Whitley
Nichols	Schroeder	Wiggins
Nolan	Seiberling	Wilson, Tex.
Nowak	Sharp	Wirth
O'Brien	Shipley	Wright
Oakar	Sikes	Wydler
Oberstar	Simon	Wylie
Obey	Sisk	Yates
Ottinger	Skelton	Yatron
Panetta	Skubitz	Young, Alaska
Patten	Smith, Iowa	Young, Fla.
Patterson	Smith, Nebr.	Young, Tex.
Pattison	Solarz	Zablocki
Pease	Spellman	Zeferetti
Pepper	Spence	

NAYS—74

Archer	Grassley	Quillen
Ashbrook	Hagedorn	Robinson
Badham	Hall	Rousselot
Barnard	Hammer-schmidt	Rudd
Bauman		Runnels
Beard, Tenn.	Hansen	Satterfield
Bowen	Harsha	Schulze
Brinkley	Holt	Sebelius
Brown, Ohio	Ichord	Shuster
Burleson, Tex.	Jacobs	Snyder
Butler	Jenkins	Stangeland
Clawson, Del	Jenrette	Stockman
Cleveland	Jones, Okla.	Stump
Cochran	Kelly	Symms
Collins, Tex.	Kindness	Taylor
Crane	Latta	Treen
Daniel, Dan	Livingston	Trible
Daniel, R. W.	Lott	Volkmer
Devine	McDonald	Waggonner
Edwards, Okla.	Milford	Wampler
English	Miller, Ohio	Watkins
Evans, Ind.	Montgomery	Whitten
Flynt	Moore	Wilson, Bob
Gammage	Moorhead, Calif.	Young, Mo.
Gephardt		
Gibbons	Motti	

ANSWERED "PRESENT"—1

Bafalis

NOT VOTING—34

Anderson, Ill.	Guyer	Rangel
Boggs	Huckaby	Reuss
Burke, Fla.	Johnson, Colo.	Roberts
Chappell	Kasten	Rodino
de la Garza	Kemp	Rogers
Dornan	Le Fante	Slack
Duncan, Oreg.	Leggett	Teague
Evans, Ga.	McHugh	Wilson, C. H.
Ford, Mich.	Mann	Winn
Fountain	Mathis	Wolff
Frey	Nix	
Goodling	Pike	

The Clerk announced the following pairs:

On this vote:

Mrs. Boggs and Mr. Rangel for, with Mr. Chappell against.

Mr. Rogers and Mr. Roberts for, with Mr. Teague against.

Until further notice:

Mr. de la Garza with Mr. Anderson of Illinois.

Mr. Mathis with Mr. Frey.

Mr. Slack with Mr. Kasten.

Mr. Fountain with Mr. Leggett.

Mr. Ford of Michigan with Mr. Burke of Florida.

Mr. Duncan of Oregon with Mr. Goodling.

Mr. Huckaby with Mr. Dornan.

Mr. Reuss with Mr. Guyer.

Mr. Mann with Mr. Evans of Georgia.

Mr. Nix with Mr. Kemp.

Mr. Charles H. Wilson of California with Mr. Winn.

Mr. McHugh with Mr. Pike.

Mr. Le Fante with Mr. Wolff.

Messrs. WAGGONNER, MONTGOMERY, and VOLKMER changed their vote from "yea" to "nay."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. UDALL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate bill (S. 2463) to amend the Surface Mining Control and Reclamation Act of 1977 (Public Law 95–87) to raise certain authorized funding levels contained therein, and for other purposes, a bill similar to the bill H.R. 11827, just passed by the House.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2463

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 712 of the Surface Mining Control and Reclamation Act of 1977 (Public Law 95–87, 91 Stat. 445, 524) is hereby amended as follows:

(1) in subsection (a), delete all after "September 30, 1978," and insert in lieu thereof: "$25,000,000 for each of the two suceeding fiscal years, and in such fiscal years such additional amounts as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, and other nondiscretionary costs."; and

(2) delete subsection (b) and insert in lieu thereof:

"(b) For the implementation and funding of section 507(c) there are authorized to be appropriated sums reserved by section 401(b)(1) for the purposes of section 507(c) and such additional sums as may be necessary (i) for the fiscal year ending September 30, 1978, to provide an amount not to exceed $10,000,000 to carry out the purposes of section 507(c); (ii) for the fiscal years ending September 30, 1979, and September 30, 1980, to provide an amount not to exceed $25,000,000 to carry out the purposes of section 507(c); and (iii) for each fiscal year for a period of thirteen fiscal years thereafter to provide an amount not to exceed $15,000,000 to carry out the purpose of section 507(c).".

MOTION OFFERED BY MR. UDALL

Mr. UDALL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. UDALL moves to strike out all after the enacting clause of the Senate bill, S. 2463, and insert in lieu thereof the provisions of H.R. 11827, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 11827) was laid on the table.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
July 11, 1978.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 6:10 p.m. on Monday, July 10, 1978, and said to contain H.R. 10882, An Act to authorize appropriations to carry out conservation programs on military reservations and public lands during fiscal years 1979, 1980, and 1981, and a veto message thereon.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

"SIKES ACT AMENDMENTS OF 1978"—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 95–368)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am returning without my approval H.R. 10882, the "Sikes Act Amendments of 1978."

The Sikes Act authorizes Federal-State cooperative programs for fish and wildlife conservation and public outdoor recreation on military reservations. National Forests, National Aeronautics and Space Administration sites, and certain Energy and Interior Department lands. It is intended to foster cooperation between the States and Federal land management agencies. H.R. 10882 would extend and increase appropriation authorizations under the Act through 1981.

I am strongly committed to the wise management and conservation of fish and wildlife on public lands; I have recommended appropriations of approximately $35 million for fish and wildlife management on public lands subject to the Sikes Act. This total includes nearly $14.4 million for Federal/State cooperative programs of the type authorized by that Act, programs I believe are valuable and important.

However, these amendments are objectionable in two respects. First, the bill would more than double the current appropriation authorizations for Sikes Act programs—from $23.5 million in 1978 to $51 million in 1979, and $61 million in 1980 and 1981. These funds would be in addition to authorizations under other, more general, land management programs which are now used for carrying out most Sikes Act activities. I insist on adequate attention to the management of fish and wildlife resources on public lands, but the appropriations for these programs must be determined in the context of an effective and efficient management program encompassing all public land resources. These amendments provide unneeded authorization levels for Sikes Act programs.

Second, and more importantly, I object to the requirement in H.R. 10882 that directs the Secretaries of the Interior, Agriculture, and Defense to report to congressional authorizing committees whenever the President's budget request for Sikes Act activities is less than the amount authorized, and requires them to state specifically why the higher amount was not requested. This requirement is designed to bring pressure on the Administration to seek separate additional funds for Sikes Act programs and invites agencies to undercut the President's annual budget he has presented to the Congress. This is an unacceptable intrusion on the President's obligations and authority as Chief Executive. This approach would limit the President's ability to make his annual budget recommendations a positive, comprehensive, and balanced statement of the Administration's policies and budget priorities.

Disapproval of H.R. 10882 will not affect planned Federal expenditures for fish and wildlife management on public lands for 1979 which may be carried out under other more general land management authorities. This Administration will continue to move vigorously ahead in cooperation with the States to implement programs for the conservation and enhancement of fish and wildlife on public lands.

JIMMY CARTER.

THE WHITE HOUSE, *July 10, 1978.*

The SPEAKER. The objections of the President will be spread at large upon the Journal and the message and bill will be printed as a House document.

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that the message, together with the accompanying bill H.R. 10882, be referred to the Committee on Merchant Marine and Fisheries.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

1977 ANNUAL REPORT OF THE UNITED STATES-JAPAN COOPERATIVE MEDICAL SCIENCE PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

I transmit herewith the 1977 Annual Report of the United States-Japan Cooperative Medical Science Program.

The Administration is examining the possibility of consolidating statutorily required annual reports with a view towards reducing costs and excessive paperwork. This report, among others, will be included in this examination.

JIMMY CARTER.

THE WHITE HOUSE, *July 11, 1978.*

TENTH ANNUAL REPORT OF THE NATIONAL ADVISORY COUNCIL ON ECONOMIC OPPORTUNITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Education and Labor:

To the Congress of the United States:

I am transmitting herewith the Tenth Annual Report of the National Advisory Council on Economic Opportunity.

This report reflects the Council's views in its role of examining programs authorized by the Economic Opportunity Act of 1964. While those views are not entirely consistent with this Administration's policies, we shall consider them in the future.

JIMMY CARTER.

THE WHITE HOUSE, *July 11, 1978.*

AMENDMENT TO REORGANIZATION PLAN NO. 2 OF 1978—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 95–369)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Government Operations and ordered to be printed:

To the Congress of the United States:

I herewith transmit an amendment to Reorganization Plan No. 2 of 1978, which I transmitted to you on May 23, 1978. Except as specifically amended hereby, Reorganization Plan No. 2 remains unmodified.

JIMMY CARTER.

THE WHITE HOUSE, *July 11, 1978.*

COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

The SPEAKER laid before the House the following communication from the chairman of the Committee on Public Works and Transportation, which was read and referred to the Committee on Appropriations:

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
Washington, D.C., June 29, 1978.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the provisions of section 201 of Public Law 89–298, the Committee on Public Works and Transportation of the House of Representatives has adopted a Committee resolution authorizing the following water resources development project: Cambridge Harbor, Maryland.

A copy of the resolution is enclosed.

Sincerely,

HAROLD T. (BIZZ) JOHNSON,
Chairman.

NATIONAL PARKS AND RECREATION ACT OF 1978

Mr. PHILLIP A. BURTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 12536) to provide for increases in appropriations ceilings, development ceilings, land acquisition, and boundary changes in certain Federal park and recreation areas, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. PHILLIP BURTON).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee on the Whole House on the State of the Union for the further consideration of the bill (H.R. 12536), with Mr. THORNTON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole House on the State of the Union rose on Monday, July 10, 1978, the Clerk had read through line 2 on page 219.

Are there any amendments to title IV?

AMENDMENT OFFERED BY MR. WAMPLER

Mr. WAMPLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WAMPLER: On page 214, strike lines 4 through 12, and redesignate the subsequent paragraphs accordingly.

Mr. WAMPLER. Mr. Chairman, title IV of H.R. 12536 includes language to designate some 12,700 acres of the Cumberland Gap National Historical Park as wilderness. An additional 1,900 acres is earmarked for potential designation as wilderness.

I oppose the proposed designation. Based upon the map made available to me by the Interior Committee, virtually the entire park area in Virginia and Kentucky would be designated either wilderness or potential wilderness, with the "potential" acreage being practically surrounded by the wilderness acreage. In addition, the bill provides that the so-called potential wilderness area could be given full wilderness status at any time, upon publication as such in the Federal Register by the Interior Department. Full congressional consideration would not be given to the merits of such additions. I find this procedure for administratively designating wilderness areas unacceptable.

Since its dedication in 1955, the Cumberland Gap National Historical Park has continued to be a well-maintained and scenic attraction for persons with varied interests. In addition to the services and facilities usually found in our national parks, the historical significance of this area increases its attraction for visitors. I do not want to see the availability of the multiple uses diminish or be lost completely by wilderness designation. The committee report on H.R. 12536 specifically states that the presence of visitor use facilities and management devices—which might be considered inconsistent with wilderness values and a wilderness experience—violate the principle that technological innovation should not precede man into the wilderness. Although the report calls for the removal of such incompatible items, and the prevention of placement of additional items, this method of creating wilderness is not in keeping with the true intent of the Wildensess Act. This is not—and can never be—a pure wilderness.

The local government of Lee County, Va., in which that portion of the Cumberland Gap Park is geographically located in Virginia, opposes wilderness designation. The multicounty planning agency which serves this area also opposes wilderness designation. So far as I am aware, the Committee on Interior and Insular Affairs made no attempt to contact State or local government to ascertain their views.

The park in its present form draws quite a few visitors, is beautiful, and can be enjoyed by many with diverse interests. I am quite concerned for those persons who are elderly or handicapped; those who may not be able to backpack through a wilderness area, but can enjoy the national park with its accommodating facilities. The economic benefit to the surrounding communities is substantial, and they do not wish to see the status of the parklands changed.

I am offering an amendment to strike the language in this proposal designating acreage in the Cumberland Gap National Historical Park as wilderness and potential wilderness. I urge my colleagues to support this amendment, which reflects the fishes of the citizens located the closest to, and therby affected the most severely by, the proposed wilderness designation.

Mr. PHILLIP BURTON. Mr. Speaker, I move to strike the last word and I speak in opposition to the amendment.

The proposal is to make this area a wilderness area, and for the benefit of my colleagues, as they know, a park wilderness can be distinguished from a wilderness in the multiple use national forest system. The acreage proposed to be wilderness already is completely in public ownership and acquired. This recommendation was first forwarded by the Nixon administration in 1972. It has been reaffirmed by this administration.

I urge the rejection of the gentleman's amendment.

Mr. WAMPLER. Mr. Chairman, if the gentleman will yield, does not the gentleman feel that the people in the area affected should be given some consideration in this matter?

Mr. PHILLIP BURTON. Yes; but this matter has been pending for something less than 6 years already. There may be some misunderstanding about the fact that the park units do not have the same multiple use that the forest units do. This amendment provides a higher level of protection but does not preclude existing uses although on the parkland they are limited to traditional park uses.

Mr. WAMPLER. If the gentleman will yield further, the gentleman from Virginia is quite familiar with the area, and it is my understanding that portion of the park normally known as White Rocks would be denied 4-wheel vehicle access which now is a common way of access to it. Is that correct?

Mr. PHILLIP BURTON. I am led to believe that access generally to the park is not limited but there is a limitation to this one area for vehicles.

Mr. WAMPLER. So the answer to my question is that should it be designated wilderness, then access to the extreme

eastern part of the park and much of the area to be designated would be denied access by 4-wheeled vehicles, which presently is the only way to get there except for hiking.

Mr. PHILLIP BURTON. The gentleman is correct.

Mr. WAMPLER. If the gentleman would yield further, this matter needs further study. Certainly I hope my amendment would pass.

The local people who would be affected are being denied an input. Again as far as I know the committee made no effort to contact the officials of Virginia or local people to get their views on this.

Mr. PHILLIP BURTON. The committee made every effort to contact the Member involved. As I stated earlier, this recommendation goes back to the Nixon administration and was not vetoed or altered or withdrawn by the Ford administration, and was followed on by the recommendation of the administration, and our committee concurred in those two administration recommendations.

Mr. WAMPLER. I thank the gentleman for yielding, but again I want to say I think this designated should be excluded. I hope my amendment will be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia (Mr. WAMPLER).

The question was taken; and on a division (demanded by Mr. WAMPLER), there were—ayes 23, noes 13.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. BAUCUS

Mr. BAUCUS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUCUS: Page 214, strike out line 21 and all that follows through line 3 on page 215.

Redesignate the subsequent paragraphs accordingly.

Mr. BAUCUS. Mr. Chairman, this amendment is very similar to the last amendment that the committee just voted in favor of.

My amendment would delete from the bill the designation of nearly 1 million acres which the bill would put into wilderness located in the Glacier National Park, which is located in the First Congressional District in western Montana, the district I represent.

Let me outline the reasons for offering the amendment:

First of all, the Glacier National Park is extremely well managed and I hear no complaints from the State of Montana about its management.

As to the advantages of Glacier National Park, let me say that many people, particularly during the summer season, visit Glacier National Park. It is one of our country's greatest national attractions.

Secondly, this amendment would put into wilderness 94 percent of the total acreage of Glacier National Park, virtually all of the park.

I think that we as Members of the Congress have an obligation not to mix apples and oranges. On the one hand we have a national park system; on the other, we have a national wilderness system. They are not the same.

Our national park system contemplates motorized use; that is, people are permitted—indeed encouraged—to drive through the parks. Also, the National Park Service sets aside certain areas for development in the wilderness. For example, in Glacier Park, the Park Service permitted the construction of chalets in the back country, and people now walk up to those areas.

Our national wilderness system is separate from the national parks system. Vehicles are not permitted, and no construction is permitted in the back country. In short, wilderness is a separate system from the national parks. I do not think we should mix the two.

In addition, Mr. Chairman, in my State of Montana, much land has been set aside as wilderness.

Earlier this year we in this House and the other body, as well, passed a law (S. 1671) setting aside nearly 1 million acres of wilderness in Montana.

In addition, Congress has enacted numerous other designating and studying potential wilderness areas throughout the State of Montana.

In addition Congress has designated certain streams in Montana as wild and scenic rivers.

In conclusion, Congress has done a great job maintaining and preserving Montana's natural resources. However, I think it is unnecessary to take an entire national park and set it aside as a wilderness, particularly in this case when it is a park that has been very well managed.

It has been stated that this is part of the Nixon administration's plan. Let me point out to the Members that that plan was developed years ago. A lot has changed since then. My office has personally been in touch with the Glacier National Park Superintendent, and he said that this will restrict his ability to plan for the best utilization of Glacier National Park. It will prevent him from building a chalet in the back country so that more Americans can take advantage of our great national treasure, Glacier National Park. For these reasons I think this provision presently in the bill is not meritorious. In short, it does not make sense and I urge the Members of the House to vote in favor of my amendment which will leave the development and management of Glacier National Park where it should be, in the National Park Service.

Mr. MARLENEE. Mr. Chairman, will the gentleman yield?

Mr. BAUCUS. I yield to the gentleman from Montana.

Mr. MARLENEE. I thank the gentleman for yielding.

I believe both the committee chairman and the minority chairman have worked long and hard on this bill and are to be commended, but I do agree with my colleague from the western district in whose district this park falls that we need to leave that to the management of the Park Service, to the Superintendent of the park.

Does the gentleman not recall the disastrous fire that we had in Glacier National Park some years ago? I would ask that this be considered. Roads are maintained for access within Glacier National Park to combat conflagrations of this type. They are closed to the public but are necessary for service and protection. So I would urge that the amendment be accepted and allow the Park Service the management of the area that will best serve the needs of all concerned.

Mr. BAUCUS. I thank the gentleman from Montana. As the committee can tell, the Montana delegation is unanimously in support of this amendment—all two of us.

Mr. Chairman, I yield back the remainder of my time.

Mr. RONCALIO. Mr. Chairman, I rise in support of the amendment.

Mr. RONCALIO. Mr. Chairman, I want to add that the delegation for Wyoming is also unanimously in support of the amendment, and the reasons are these. Our subcommittee held hearings in Montana last year and took I thought it was about 900,000 acres of the Absaroka-Beartooth into wilderness. We listened to great detail day after day, and made reservations for snowmobiles and four-wheel-drive vehicles, with due regard for areas for those who have been long able to use the wilderness, and made a vast wilderness. It was a great contribution, a good law. It is too much to now impose another million acres of wilderness upon Montana.

I do not disagree with the chairman, the gentleman from California (Mr. PHILLIP BURTON). Certain parks may well deserve to have a higher degree of protection than they now have, but to do this to Yellowstone or Glacier National Park where our two States lead the Nation in visitors is to set back the wilderness concept itself. There has got to be some place left where people can go in a car. The parks are now well managed and can yield to expansion of facilities when the public good requires it.

My friend, the gentleman from Montana, made a point not 2 months ago about paraplegics. Last week we held hearings in Colorado with the gentleman from Colorado (Mr. JOHNSON), and I regret he is not here now. He could well tell of a touching incident, as well as the gentleman from Colorado (Mr. WIRTH), who is also not here now. It was at an idyllic place called Granby, Colo., and a fellow testified from his wheelchair.

He said, "I do not want to object to what you are doing in the Indian Peaks Wilderness Area, but can you leave one little lake sitting there where we who cannot hike can get to it in a car?"

I said, "You bet we will."

Where a State has just had 1 million acres of forest put into wilderness, I do not think it should be called upon so soon to yield another million, and I would beseech my colleagues to accept the amendment.

Mr. PHILLIP BURTON. Mr. Chairman, I move to strike the requisite number of words.

I distinguish this entirely from the previous area. We do not close off any roads in this area, unlike the situation posed by the gentleman from Virginia, although I disagree with his evaluation.

Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. Accordingly, the Chair announces that pursuant to clause 2 of rule XXIII he will vacate proceedings

under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

Mr. SEBELIUS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, it is with some reluctance that I oppose this amendment.

I would not presume to tell this body that I am a greater authority than the author of the amendment as to how beautiful this area is. He knows the area better than I, because he has been there more often than I have.

It is a beautiful area. It is a prime wilderness country. All the existing uses we now have in the area can still continue because 95 percent of the visitors' use is in the more developed areas which are left out of the proposed wilderness area.

I just cannot help but think that when the Park Service recommended this area in the manner in which they presented it, they did it with knowledge based on great expertise and sensitivity. They made their recommendation from knowledge as to how this wilderness should be handled.

Mr. Chairman, I certainly hope this amendment is defeated and this wilderness is established.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from California.

Mr. PHILLIP BURTON. I thank the gentleman for yielding.

Mr. Chairman, I would like to join with my distinguished colleague, the gentleman from Kansas (Mr. SEBELIUS), the ranking minority member. I fully endorse the gentleman's observations. This is currently managed by the Park Service. This improved level of protection is supported by the administration.

Mr. Chairman, I would hope that the committee's decision in this respect would be supported by the committee, and I join with my colleague in urging a no vote.

Mr. SEBELIUS. Mr. Chairman, I would like to finally underscore one thing, and that is that this area being a national park, it is not a multiple use area anyhow. There cannot be timber cutting or other resource extractive activities here, except for purposes of park management. So we are not locking up anything, so far as the State of Montana is concerned. We are preserving it. It now is and always has been, a prime wilderness area.

Mr. BAUCUS. Mr. Chairman, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from Montana.

Mr. BAUCUS. I thank the gentleman for yielding.

Would the enactment of this bill, and should my amendment be defeated, preclude the construction of shelters in the back acres of Glacier National Park so that the people could utilize Glacier National Park in that manner?

Mr. SEBELIUS. It would preclude new development but it would not preclude maintenance of what is there.

Mr. BAUCUS. If the gentleman will yield further, has the gentleman contacted the park supervisor to see whether or not he is personally in favor of this provision of the bill, that is, the designation of 1 million acres of wilderness, which comprises 94 percent of all of Glacier National Park?

Mr. SEBELIUS. Yes; that is a substantial amount, but as the gentleman knows, in Glacier National Park, as I have come to observe it, only about 5 percent of it is accessible except for backpacking anyhow. I think the proposal is well founded. The administration has approved it, after all of these studies, and yes; in this case, as I do in many cases, I bow to and acknowledge and appreciate the expertise of the Park Service.

Mr. BAUCUS. If the gentleman will yield further, my office personally contacted, for the information of the gentleman, the park supervisor, and he does not think that this present bill makes sense with management of the park. The 94 percent of Glacier National Park would be designated as wilderness. This Member was never contacted for the inclusion of the provision in the bill. The first I heard about it, it was in the bill. This was planned years ago by the Nixon administration, and since then the times have changed. That is why the park supervisor of Glacier National Park feels he would be overly restricted.

Mr. SEBELIUS. I do not know anything about the Nixon administration in that regard. All I know is that I spent 3 days with the park superintendent last summer, and he appreciates the great beauty of the place.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Chairman, I have here a copy of a letter, dated 6 months ago, November 22, 1977, and the gentleman from Montana was alerted that this matter was in the bill. I will ask unanimous consent to have a copy of this communication put in the RECORD when we rise out of the Committee.

Mr. RONCALIO. Mr. Chairman, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from Wyoming.

Mr. RONCALIO. I thank the gentleman for yielding.

Why, my colleagues, in the scenic parks like Glacier National Park or Yellowstone National Park, should people like the Rockefellers, in Teton National Park, acknowledging the great job they did, now have the exclusive right to the lodges in this park? There will never be any more built.

Why does any concessionaire have that right in a free enterprise system believing in competition? Why should the present national park system be told by law that they will never have a competitor in this park system and to go right on, being told that that is their operation?

Mr. Chairman, that is not fair; that is not good legislation.

I say vote for this amendment.

Mr. SEBELIUS. Mr. Chairman, I appreciate the gentleman's remarks, but I fail to see the relevancy as far as this area is concerned.

I urge the defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana (Mr. BAUCUS).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. BAUCUS. Mr. Chairman, I demand a division.

The CHAIRMAN. A division is demanded.

RECORDED VOTE

Mr. PHILLIP BURTON. To foreshorten the time, Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 216, noes 181, not voting 35, as follows:

[Roll No. 527]

AYES—216

Akaka	Dickinson	Kelly
Alexander	Dicks	Keys
Anderson, Calif.	Diggs	Kindness
	Dodd	Krueger
Andrews, N.C.	Dornan	LaFalce
Applegate	Early	Lagomarsino
Armstrong	Edgar	Latta
Ashbrook	Edwards, Ala.	Lehman
Ashley	Eilberg	Levitas
Aspin	English	Livingston
AuCoin	Erlenborn	Lloyd, Calif.
Badham	Ertel	Lloyd, Tenn.
Baldus	Evans, Colo.	Long, La.
Barnard	Evans, Ind.	Lott
Baucus	Fary	Luken
Beard, R.I.	Fascell	Lundine
Bedell	Flippo	McCloskey
Bennett	Flood	McCormack
Bevill	Florio	McDonald
Biaggi	Flowers	McFall
Blanchard	Flynt	McKay
Blouin	Foley	McKinney
Boland	Forsythe	Mahon
Bolling	Fowler	Marlenee
Bonker	Frenzel	Marriott
Bowen	Fuqua	Martin
Brademas	Gammage	Meyner
Breaux	Gaydos	Mikulski
Brinkley	Gephardt	Milford
Brooks	Ginn	Minish
Broyhill	Glickman	Mitchell, Md.
Burleson, Tex.	Gonzalez	Mollohan
Burlison, Mo.	Gore	Montgomery
Butler	Gradison	Moore
Carney	Grassley	Moss
Carter	Gudger	Murtha
Cavanaugh	Hall	Myers, Gary
Clawson, Del	Hamilton	Myers, John
Cleveland	Hanley	Natcher
Cochran	Hannaford	Neal
Coleman	Hefner	Nichols
Collins, Tex.	Heftel	Oberstar
Cornell	Hightower	Obey
Crane	Holland	Panetta
Cunningham	Hollenbeck	Patten
D'Amours	Howard	Patterson
Daniel, Dan	Hubbard	Pattison
Daniel, R. W.	Hughes	Pettis
Davis	Jacobs	Pickle
Delaney	Jenkins	Poage
Dent	Jenrette	Pressler
Derrick	Jones, N.C.	Preyer
Devine	Jones, Tenn.	Price

Pritchard	Sisk	Wampler
Quayle	Skelton	Watkins
Quie	Smith, Iowa	Whalen
Risenhoover	Snyder	White
Robinson	Stangeland	Whitehurst
Rogers	Steed	Whitley
Roncalio	Steiger	Whitten
Rostenkowski	Stockman	Wiggins
Rousselot	Stump	Wilson, C. H.
Rudd	Symms	Wilson, Tex.
Ruppe	Taylor	Wirth
Russo	Traxler	Wright
Ryan	Treen	Yates
Santini	Trible	Young, Alaska
Satterfield	Tsongas	Young, Mo.
Sharp	Ullman	Young, Tex.
Shipley	Volkmer	Zablocki
Shuster	Waggonner	Zeferetti
Sikes	Walgren	
Simon	Walker	

NOES—181

Abdnor	Ford, Tenn.	Murphy, N.Y.
Addabbo	Fraser	Murphy, Pa.
Ambro	Garcia	Myers, Michael
Ammerman	Giaimo	Nedzi
Andrews, N. Dak.	Gibbons	Nowak
	Gilman	O'Brien
Annunzio	Goldwater	Oakar
Archer	Green	Ottinger
Bafalis	Hagedorn	Pease
Bauman	Hammer-schmidt	Pepper
Beard, Tenn.		Perkins
Bellenson	Harkin	Pursell
Benjamin	Harrington	Quillen
Bingham	Harris	Rahall
Bonior	Harsha	Railsback
Breckinridge	Hawkins	Regula
Brodhead	Heckler	Reuss
Broomfield	Hillis	Rhodes
Brown, Calif.	Holt	Richmond
Brown, Mich.	Holtzman	Rinaldo
Buchanan	Horton	Roe
Burgener	Hyde	Rose
Burke, Calif.	Ireland	Roybal
Burke, Mass.	Jeffords	Sarasin
Burton, John	Johnson, Calif.	Sawyer
Burton, Phillip	Jones, Okla.	Scheuer
Byron	Kastenmeier	Schroeder
Caputo	Kazen	Schulze
Carr	Kemp	Sebelius
Cederberg	Kildee	Seiberling
Chisholm	Kostmayer	Skubitz
Clausen, Don H.	Krebs	Smith, Nebr.
	Leach	Solarz
Clay	Lederer	Spellman
Cohen	Lent	Spence
Collins, Ill.	Long, Md.	St Germain
Conable	Lujan	Staggers
Conte	McClory	Stanton
Conyers	McDade	Stark
Corcoran	McEwen	Steers
Corman	McHugh	Stokes
Cornwell	Madigan	Stratton
Cotter	Maguire	Studds
Coughlin	Markey	Thompson
Danielson	Marks	Thone
Dellums	Mattox	Thornton
Derwinski	Mazzoli	Tucker
Dingell	Meeds	Udall
Downey	Metcalfe	Van Deerlin
Drinan	Michel	Vander Jagt
Duncan, Tenn.	Mikva	Vanik
Eckhardt	Miller, Calif.	Vento
Edwards, Calif.	Miller, Ohio	Walsh
Edwards, Okla.	Mineta	Waxman
Emery	Mitchell, N.Y.	Weaver
Evans, Del.	Moakley	Weiss
Fenwick	Moffett	Wilson, Bob
Findley	Moorhead, Calif.	Wydler
Fish		Wylie
Fisher	Moorhead, Pa.	Yatron
Fithian	Mottl	Young, Fla.
Ford, Mich.	Murphy, Ill.	

NOT VOTING—35

Anderson, Ill.	Hansen	Pike
Boggs	Huckaby	Rangel
Brown, Ohio	Ichord	Roberts
Burke, Fla.	Johnson, Colo.	Rodino
Chappell	Jordan	Rooney
de la Garza	Kasten	Rosenthal
Duncan, Oreg.	Le Fante	Runnels
Evans, Ga.	Leggett	Slack
Fountain	Mann	Teague
Frey	Mathis	Winn
Goodling	Nix	Wolff
Guyer	Nolan	

Messrs. MURPHY of Illinois, TUCKER, and SCHULZE changed their vote from "aye" to "no."

Messrs. CRANE, SKELTON, and AKAKA changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. WHITE

Mr. WHITE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITE: Page 215, strike out line 5 and all that follows through line 11, and insert in lieu thereof the following: "wilderness comprising approximately forty-six thousand eight hundred and fifty acres, depicted on a map entitled "Wilderness Plan Guadalupe Mountains National Park, Texas", numbered 166–20,000–B and dated July 1972, to be known as the Guadalupe Mountains Wilderness."

Mr. WHITE (during the reading). Mr. Chairman, I ask unanimous consent to dispense with further reading of the amendment and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WHITE. Mr. Chairman, I am not trying to delete the Guadalupe Mountains National Park from the Wilderness System. I am merely seeking reason by reducing the number of acres. This particular bill as now constituted proposes to carve out of 77,500 acres of Guadalupe National Park 58,000 acres or 75 percent of the national park. That 75 percent includes about all of the mountain area and excludes only some desert area. My amendment would designate 60 percent of the total park as wilderness, as in the 1974 wilderness proposal for the park after public hearings, environmental impact statements, and the Department of the Interior report.

The committee proposal of 75 percent was not the subcommittee's original proposal this year, but it was less. This was changed by the full committee's adding 15 percent to the original acreage without any hearings or backup evidence.

My amendment is in accord with the bill introduced by the two Senators from Texas of 46,850 acres.

Let me give the Members a little history of the Guadalupe Mountains National Park. I introduced this bill creating Guadalupe Mountains National Park and was successful in getting it passed in about 1967. This park was donated by the people and was not purchased by the Federal Government. The people did this in order to preserve the beauty for all the people of America and, in addition, to help create an economic base for the western part of Texas. It forms a triangle of national parks for tourists to visit—the older people, in our mobile society, the young people on vacation, and so on. The people of west Texas fought for this park as a national park. Now, without any hearings particularly, we are including land that would close out the young, close out the old, and blot out entirely the mountain area from the national park. This would absorb the entire mountain area and leave to the public only part of the desert lands.

One of the wilderness people said to me, "Well, we have left a portion of the desert area down below where the people can look up at that escarpment." That is great, but the fact is that it is going to absolutely destroy the economic base we are seeking. It is going to absolutely destroy the opportunity to appreciate and enjoy this park by all the people.

Again I repeat, we are not trying to delete; we are merely trying to make it reasonable by including a little fringe, just a small fringe of part of the mountain there, instead of absolutely closing off all of the mountain to the public.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Texas.

Mr. MAHON. I thank the gentleman for yielding.

Mr. Chairman, I want to join in the remarks of the gentleman from Texas (Mr. WHITE). This area is very near my own congressional district. I have visited this park. I know that the people have donated much of the park area, and it seems to me that it should be left for the enjoyment of the people. It will not contribute the maximum for the enjoyment of the people unless this amendment is approved. I rise in solid support of the amendment which has been offered by my friend from Texas, Mr. WHITE. It is very urgent that the amendment be agreed to.

If the Government had purchased all of this land, it would be somewhat of a different situation. This is a beautiful place. It is a scenic and economic asset. It ought to be preserved as provided in the White amendment.

Mr. WHITE. Is it not true that the great majority, the overwhelming majority of the people in west Texas want no more than this amount of acreage for wilderness. Of course, they say much of it is natural wilderness anyway, but they do not want to close out the national park itself; they want a portion of it left for the public, for themselves and for the traveling public; is this not true?

Mr. MAHON. If the gentleman will yield further, the gentleman is exactly right.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from California.

Mr. PHILLIP BURTON. I thank the gentleman for yielding.

I would like to commend the gentleman first for his foresight. The gentleman has two amendments, one of which is this larger expression of hope and desire, and the other is more limited and, I assume, that which was perceived to be more realistic, given the events of yesterday.

I am not sure whether the events of the earlier part of this afternoon have reinforced the gentleman's rising expectations; however, I will and do oppose the gentleman's first amendment. If that is defeated, I will accept the gentleman's second amendment.

I would like to note this, as part of the balance or effort to balance out this particular knotty problem, we have increased the development ceiling for the gentleman's area by one of the largest amounts in the entire bill. I am not sure,

and the gentleman can correct me, I think there is an increase of over $10 million. One reason we increased the development amount was in anticipation of the committee wilderness proposal.

The CHAIRMAN. The time of the gentleman from Texas (Mr. WHITE) has expired.

(At the request of Mr. PHILLIP BURTON, and by unanimous consent, Mr. WHITE was allowed to proceed for 3 additional minutes.)

Mr. PHILLIP BURTON. Mr. Chairman, if the gentleman will yield further, so in any event, speaking for myself, I do oppose the gentleman's first grand design.

I would have some difficulty justifying all that development money, if we do not also provide adequate wilderness protection. We are trying to get a situation by balancing it out and providing more development money so the recreational activities could be enhanced down there; so I would urge a no vote on this amendment.

Mr. WHITE. Mr. Chairman, if I can respond, the development money is in the first portion of the bill, not in this section. There has not been sufficient amounts of money expended on this area. If we accepted the committee bill acreage, there would be no need to develop this park as far as the mountain goes. This particular acreage that I propose in this amendment is the recommendation made after public hearings, after carefully working it out with the Interior Department in 1974 when this wilderness park was first proposed.

I am not complaining about the wilderness park, but I am just saying, in reason, leave a certain amount that is appropriate to the general public.

Mr. PHILLIP BURTON. Mr. Chairman, if the gentleman will yield further, the recommendation in the gentleman's first amendment brings the acreage down beneath the current recommendations of the Department. The gentleman is correct, that acreage was recommended some 3 years ago by the Nixon administration, or the Ford administration; but the Department is now supporting acreage closer to what the committee has done.

The second amendment brings it closer to the administration's current position; so for that reason, I would urge defeat of the first amendment.

I would invite the ranking member, the gentleman from Kansas (Mr. SEBELIUS) to make whatever observation the gentleman wants, if the gentleman is yielded the time.

Mr. WHITE. Mr. Chairman, 75 percent, which constitutes most of the mountain area, is far too large and the 46,000 acreage, which is identical to the bill of the Texas Senator, would be more appropriate and in keeping with the wishes of the people there and consonant with the best ends for the American people to enjoy the park, both as wilderness and National Park areas.

Mr. SEBELIUS. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Kansas.

Mr. SEBELIUS. Mr. Chairman, I would like to point out that whatever we do, the impression is left that there were no hearings.

I would like to point out to the Members that on all of these hearings were held, a report like this one is printed. An environmental impact study and everything was done to try to establish wilderness areas in a reasonable manner.

The CHAIRMAN. The time of the gentleman from Texas (Mr. WHITE) has expired.

(On request of Mr. SEBELIUS, and by unanimous consent, Mr. WHITE was allowed to proceed for 2 additional minutes.)

Mr. WHITE. Mr. Chairman, if I may respond, the final figure that is in the present bill was not brought out in the hearings that were held this year. The figure that was in the hearings this year was something like 55,000, and then the full committee upped it to 58,000-plus acres.

Mr. SEBELIUS. Mr. Chairman, if the gentleman will yield further, I understand there was an addition. That is in one part of the report and reflects what took place.

The Wilderness Act requires that those portions of the guidelines be set out, and that is how it was laid out.

For that reason, Mr. Chairman, I do oppose the amendment.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Chairman, perhaps the gentleman can refresh my recollection and see if my recollection of the facts squares with that of the gentleman's.

During the course of most of the hearings we had this figure of 55,700 acres. In the course of time a communication was sent to the gentleman's office, and I do not recall whether or not the gentleman indicated to us his reservation with respect to the acreage or not.

Could the gentleman enlighten me on that?

Mr. WHITE. Mr. Chairman, I could not tell the gentleman whether I told him specifically, but I think my position was pretty clear, as far as that goes. Of course, we had the bill from the other body which contained the 46,000 acre figure, and that is what I recommended to the House today. That is the concensus of the west Texas area, and I think it is in the best interest of the Nation.

Mr. PHILLIP BURTON. The gentleman's amendment, then, brings the acreage down to that figure to which the gentleman was referring earlier; is that not correct?

Mr. WHITE. The second amendemnt brings it down to 55,000, which is the subcommittee's figure.

Mr. PHILLIP BURTON. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. WHITE).

The question was taken; and on a division (demanded by Mr. PHILLIP BURTON) there were—ayes 47, noes 16.

So the amendment was agreed to.

The CHAIRMAN. Are there other amendments to title IV?

● Mr. STARK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the bill.

I am especially pleased and proud that the committee and the full House included in the bill a provision which I have worked for since my election to Congress almost 6 years ago—a provision authorizing a Federal study of the feasibility and desirability of creating a national park in the ridgelands east of San Francisco Bay.

These ridgelands, including some 800,000 acres and ranging from Richmond in the north to Gilroy in the south and east to Livermore, serve as the breathtaking backdrop to the cities of the east bay, and as the natural barrier between the east bay and the cities and farms of the central valley. The hills of the ridgelands also provide an invaluable source for both recreational and open space uses, and for conservation of unique topography and wildlife. This is, at present, an essentially unspoiled region.

Unfortunately, as is true of so many areas near urban centers. the area is imminently threatened by commercial and residential development. Before it is too late, it is essential that one unit, with an overview and with no direct financial or other interest in the area, study it in depth to see what its prospects may be, and whether Federal involvement is needed and advisable.

Section 602 of this bill specifies issues the study should address—among others, the scenic, scientific, historic, natural and outdoor recreation values of the Ridgelands, including their use for walking, hiking, horseback riding, bicycling, swimming, picnicking, camping, forest management, fish and wildlife management, educational exhibiting, and scenic and historic site preservation; it should address the type of Federal, State, and local programs that are feasible and desirable in the public interest to preserve, develop, and make accessible for public use the values identified; it should address the relationship of any recommended national park, recreation area, or wilderness area to existing or proposed Federal, State, and local programs to manage in the public interest the entire bay area natural resources; it should address alternative means of restoring and preserving the values inherent in the area under present ownership patterns; and it should address the development of public land policies consistent with the protection of private open space land. I am especially glad that section 602 also mandates a time limit of within a year of enactment for submission of the final report on the Ridgelands.

Last year, a local multijurisdictional study performed jointly by the counties of Alameda, Contra Costa, and Santa Clara, and by the East Bay Regional Park District, the Association of Bay Bay Area Governments, and the Bureau

of Outdoor Recreation—Pacific Southwest Regional Office—was completed. They prepared an in-depth report outlining the land conditions and the issues at hand, and offering numerous methods of protecting the area. They covered issues of public acquisition, preservation of private lands, revised land-use regulations, property tax relief questions, and agricultural issues. To date, no major action on these recommendations has been taken.

What is needed now is the Federal study provided for in this legislation, which will do much to provide immediate guidance to State and local governments as to what the area offers and what the Federal Government can contribute to it.

Hopefully some day the Ridgelands can serve the multitude of functions its site and beauty and topography should dictate for it. This legislation represents the first step in Federal recognition of a unique and beautiful area which can serve recreational, visual, and agricultural needs in harmony.

I applaud the support of the House and thank my good friend, the chairman of the subcommittee (Mr. BURTON) for his excellent leadership on this legislation.●

The CHAIRMAN. Are there other amendments to title IV?

If not, the Clerk will read.

The Clerk read as follows:

TITLE V—ESTABLISHMENT OF NEW AREAS AND ADDITIONS TO NATIONAL TRAILS SYSTEM

Subtitle A—Parks, Seashores, Etc.

GUAM NATIONAL SEASHORE

SEC. 501. (a) In order to conserve and protect outstanding natural and scenic values on the island of Guam there is hereby established the Guam National Seashore (hereinafter in this section referred to as the "seashore"). The seashore shall consist of the area as generally depicted on the map entitled "Boundary Map, Guam National Seashore", numbered P–09–80,001–A and dated May 1978, which shall be on file and open to public inspection in the offices of the National Park Service, Department of the Interior. Following ninety days notice to the Committee on Interior and Insular Affairs of the House of Representatives and to the Committee on Energy and Natural Resources of the Senate, the Secretary may make minor revisions of the boundary of the seashore by publication of a revised map in the Federal Register.

(b) Within the boundaries of the seashore established under this section the Secretary is authorized to acquire lands and waters and interests therein by donation, purchase with donated or appropriated funds, exchange, or transfer. Except for property deemed by the Secretary to be essential for visitor facilities, access, or administration of the seashore, acquisition by the Secretary of improved property (including sufficient land to protect the improvements) and agricultural land existing as of January 1, 1978, the Secretary shall be restricted to acquisition of easements to protect and maintain existing land use.

(c) The Secretary shall administer property acquired under subsection (b) in accordance with this section and with the provisions of law generally applicable to units of the National Park System, including the Act of August 25, 1916 (39 Stat. 535) and the Act of August 21, 1935 (49 Stat. 666).

(d) The Secretary is authorized and directed, to the maximum extent feasible, to employ and train residents of Guam or of the Northern Mariana Islands to develop, maintain, and administer the seashore.

(e) Within three years from the date of enactment of this Act, the Secretary shall transmit to the committees named in subsetcion (a) a general management plan for the seashore consistent with the purposes of this section. The plan shall be jointly developed by the Secretary and the government of Guam.

(f) Pursuant to the plan developed under subsection (e), the Secretary shall seek to enter into an agreement with the government of Guam as to the role and responsibilities of the National Park Service and the territorial government in protecting, operating, and managing the seashore.

(g) The Secretary shall provide technical assistance to the government of Guam for the development and management of the proposed Guam Territorial Seashore Park.

(h)(1) Notwithstanding any provision of law to the contrary, no fee or charge shall be imposed on any permanent resident of Guam or the Northern Mariana Islands for entrance or admission into the Guam National Seashore.

(2) Notwithstanding any provision of law to the contrary, no fee or charge shall be imposed on any United States military personnel or dependents of such personnel for entrance or admission into the Guam National Seashore.

(i) Effective October 1, 1978, there is authorized to be appropriated $10,000,000 for acquisition of land and interests in land and $500,000 for development to carry out the purposes of this section.

WAR IN THE PACIFIC NATIONAL HISTORICAL PARK

SEC. 502. (a) In order to commemorate the bravery and sacrifice of those participating in the campaigns of the Pacific theater of World War II and to conserve and interpret outstanding natural, scenic, and historic values and objects on the island of Guam for the benefit and enjoyment of present and future generations, the War in the Pacific National Historical Park (hereinafter in this section referred to as the "park") is hereby established.

(b) The boundaries of the park shall be as generally depicted on the drawing entitled "Boundary Map, War in the Pacific National Historical Park, Guam" numbered P–24–80,000–B and dated March 1978, which shall be on file and available for inspection in the offices of the National Park Service, Department of the Interior. Following ninety days, notice to the Committee on Interior and Insular Affairs of the House of Representatives and to the Committee on Energy and Natural Resources of the Senate, the Secretary may make minor revisions of the boundary of the park by publication of a revised map in the Federal Register.

(c) Within the boundaries of the park, the Secretary may acquire lands and interests therein by donation, purchase with donated or appropriated funds, exchange, or transfer.

(d)(1) Except for property deemed by the Secretary to be essential for visitor facilities, or for access to or administration of the park, any owner or owners of improved property on the date of its acquisition by the Secretary may, as a condition of such acquisition, retain for themselves and their successors or assigns a right of use and occupancy of the improved property for noncommercial residential purposes of a definite term not to exceed twenty-five years, or in lieu thereof, for a term ending at the death of the owner, or the death of his or her spouse, whichever is the later. The owner shall elect the term to be reserved. Unless the property is wholly or partially donated, the Secretary shall pay to the owner the fair market value of the property on the date of such acquisition, less the fair market value on such date of the right retained by the owner.

(2) The Secretary may terminate a right of use and occupancy retained pursuant to this subsection upon his determination that such use and occupancy is being exercised in a manner not consistent with the purposes of this section, and upon tender to the holder of the right of an amount equal to the fair market value of that portion of the right which remains unexpired on the date of termination.

(3) The term "improved property", as used in this subsection shall mean a detached, noncommercial residential dwelling, the construction of which was begun before January 1, 1978 (hereinafter in this section referred to as a "dwelling"), together with so much of the land on which the dwelling is situated, the said land being in the same ownership as the dwelling, as the Secretary shall designate to be reasonably necessary for the enjoyment of the dwelling for the sole purpose of noncommercial residential use, together with any structures accessory to the dwelling which are situated on the land so designated.

(e) Other points on the island of Guam pertinent to this legislation may be identified, established and marked by the Secretary in agreement with the Governor of Guam.

(f) The Secretary shall administer property acquired in accordance with this section and the provisions of law generally applicable to the management of units of the National Park System.

(g) The Secretary is authorized to seek the assistance of appropriate historians to interpret the historical aspects of the park. To the greatest extent possible, interpretative activities will be conducted in at least two of the following three languages: English, Chamorro, and Japanese.

(h) The Secretary is authorized to enter into negotiations with the Secretary of Defense for the berthing and interpretation of a naval vessel of World War II vintage which shall be accessible to the public on the island of Guam.

(i) Within two years from the date of enactment of this Act, the Secretary shall develop and transmit to the committees named in subsection (a), a general management plan for the national historical park consistent with the purposes of this section.

(j) The Secretary is authorized and directed, to the maximum extent feasible, to employ and train residents of Guam or of the Northern Mariana Islands to develop, maintain, and administer the park.

(k) The Act of November 4, 1963 (77 Stat. 302) is hereby amended as follows:

(1) in the first sentence of section 3, delete the comma after "United States" and delete the words "with interest as set forth below," and

(2) after paragraph (c) of section 3, delete the last paragraph before section 4 and insert in lieu thereof:

"All amounts heretofore withheld from sums collected pursuant to section 30 of the said Organic Act as interest on the amounts made available to the Government of Guam pursuant to this Act shall be credited as reimbursement payments by Guam on the principal amount advanced by the United States under this Act.".

(l)(1) Notwithstanding any provision of law to the contrary, no fee or charge shall be imposed on any permanent resident of Guam or the Northern Mariana Islands for entrance or admission into the War in the Pacific National Historical Park.

(2) Notwithstanding any provision of law to the contrary, no fee or charge shall be imposed on any United States military personnel or dependents of such personnel for entrance or admission into the War in the Pacific National Historical Park.

(m) For the purposes of the park established under this section, effective October 1, 1978, there are authorized to be appropri-

ated such sums as may be necessary but not to exceed $16,000,000 for the acquisition of lands or interests in lands and $500,000 for development.

PINE BARRENS AREA, NEW JERSEY

SEC. 503. (a) For the purposes of this section—

(1) The term "Pine Barrens" means the area within the State consisting of approximately nine hundred and seventy thousand acres, described by the "Land and Water Line" appearing at Plate D of the 1976 Bureau of Outdoor Recreation Report (Department of the Interior) entitled "New Jersey Pine Barrens: Concepts for Preservation," (referred to hereinafter in this section as the "1976 BOR Report").

(2) The term "State" means the State of New Jersey.

(b) The Secretary shall prepare and, after appropriate public hearings (at least one of which shall be held within the Pine Barrens), submit to Congress within eighteen months after the date of enactment of this Act, a plan to conserve the natural resource values of the Pine Barrens. Congress shall have the power to disapprove such plan within one hundred and eighty days of its submission. If the Governor of the State notifies the Secretary in writing that the State wishes to participate in the preparation of the plan, the Secretary and such officers or citizens of the State as the Governor may designate shall jointly prepare the plan. If the State does not so participate, the Secretary shall consult with the Governor during the preparation of the plan.

(c) The plan shall—

(1) Provide for a resource assessment which determines the overall carrying capacity of the Pine Barrens. Such resource assessment shall include but not be limited to—

(A) water supply and water quality;

(B) natural hazards, including fire;

(C) endangered, unique, and unusual plants, animals, fish, and biotic communities;

(D) ecological factors relating to the production and enhancement of blueberry and cranberry production and other agricultural activity;

(E) air quality;

(F) scenic, esthetic, and open space resources of the Pine Barrens together with a determination of the overall policies required to maintain and enhance these resources;

(G) the outdoor recreation resources and potentials together with a determination of policies required to utilize, protect, and enhance these resources and potentials; and

(H) existing land use patterns throughout the Pine Barrens, as well as alternative beneficial uses of the Pine Barrens.

(2) Propose boundaries for the following areas, which shall be based upon the assessments referred to in subparagraphs (A) through (H) of paragraph (1) of—

(A) the overall Pine Barrens region, with due consideration given the "Land and Water Line" of the 1976 BOR Report, which should be comprehensively managed so as to conserve, protect, or enhance the ecological, wildlife, historical, agricultural, scenic, recreational, cultural, and educational resources of the Pine Barrens, and

(B) those subareas within such region which are of critical ecological importance and with respect to which immediate actions should be taken by the State or the Federal Government, or both, in order to protect such subareas from uses which are incompatible with the conservation, protection, and enhancement of the natural resources of such subareas.

(3) Recommend State and Federal actions which should be implemented to conserve, protect, and enhance the natural resource values of the Pine Barrens.

(d) There are authorized to be appropriated not to exceed $1,000,000 to the Secretary for the purposes of carrying out the planning activities required under subsection (c). From amounts so appropriated, the Secretary shall reimburse the State for reasonable costs incurred by the State in participating in the joint preparation of the plan.

(e) Pursuant to the intent of this section, the Secretary shall acquire certain lands within the Pine Barrens which are manifestly of critical ecological importance. Such lands shall include, but not limited to, the area known as "the Plains" and described on pages 2 and 21 of the 1976 BOR Report, and may be acquired prior to the completion of the plan. Any lands so acquired shall be managed by the Secretary in a manner appropriate to conserve, protect, and enhance the natural resource values of the land until such time as he believes it in the best interests of proper ecological management to transfer such land to a qualified State or multijurisdictional Pine Barrens management agency having the authority and capability to plan for and manage land comprehensively in the Pine Barrens region. If the Secretary wishes to make such a transfer of any land acquired under this section, he shall make such transfer conditional upon appropriate ecological management practices, enforceable by a right of reverter to the United States.

(f) For the purposes of acquiring land described in subsection (e), there are authorized to be appropriated not to exceed $25,000,000.

EDGAR ALLEN POE NATIONAL HISTORIC SITE

SEC. 504. (a) In recognition of the literary importance attained by Edgar Allan Poe, there is hereby authorized to be established the Edgar Allan Poe National Historic Site.

(b) The Secretary is authorized to acquire by donation, purchase or exchange the lands and buildings within the area described in subsection (c). The lands and buildings acquired by the Secretary under this section shall comprise the Edgar Allan Poe National Historic Site and shall be administered by the Secretary through the National Park Service. The Secretary shall administer, maintain, protect, and develop the site subject to the provisions of law generally applicable to national historic sites.

(c) The lands and buildings specified in subsection (b) comprise that area of Philadelphia, Pennsylvania, known as the Poe House complex and includes the house at the rear of 530 North Seventh Street, the adjoining three-story brick residence on the front of the land backing up to and including the building at 532 North Seventh Street, and the North Garden of approximately seven thousand and eighty square feet and the South Garden of approximately nine thousand three hundred and fifty square feet.

(d) As soon as the Secretary finds that a substantial portion of the acquisition authorized under subsection (b) has been completed, he shall establish the Edgar Allan Poe National Historic Site by publication of notice thereof in the Federal Register.

(e) There are hereby authorized to be appropriated such sums as are necessary to carry out the provisions of this section.

SAN ANTONIO MISSIONS NATIONAL HISTORIC PARK

SEC. 505. (a) In order to provide for the preservation, restoration, and interpretation of the Spanish Missions of San Antonio, Texas, for the benefit and enjoyment of present and future generations of Americans, there is hereby established the San Antonio Missions National Historical Park (hereafter in this section referred to as the "park") consisting of Concepcion, San Jose, San Juan, and Espada Missions, together with areas and features historically associated therewith, as generally depicted on the drawing entitled "Boundary Map, San Antonio Missions National Historical Park", numbered 930-80,022-C and dated May 1978, which shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior, and in the offices of the Superintendent of the park. After advising the Committee on Energy and Natural Resources of the United States Senate and the Committee on Interior and Insular Affairs of the United States House of Representatives, in writing, the Secretary may make minor revisions of the boundaries of the park when necessary by publication of a revised drawing or other boundary description in the Federal Register.

(b) For the purposes of this section, the Secretary is authorized—

(1) to acquire by donation, purchase with donated or appropriated funds, or exchange, lands and interests therein constituting the following generally described areas in the historic missions district of the city of San Antonio, Texas—

(A) Mission San Jose y San Miguel de Aguayo;

(B) Mission Nuestra Senora de la Purisima Concepcion de Acuna;

(C) Mission San Francisco de la Espada;

(D) Espada Acequia, the section of approximately five miles along the west side of and parallel to the San Antonio River;

(E) Espada Dam and Aqueduct;

(F) Mission San Juan Capistrano;

(G) San Juan Acequia, on the east side of the San Antonio River; and

(H) such lands and interests therein which the Secretary determines are necessary or desirable to provide for public access to, and interpretation and protection of, the foregoing; and

(2) to enter cooperative agreements with the owners of any historic properties, including properties referred to in paragraph (1), in furtherance of the purposes of this section. Each agreement under paragraph (2) shall provide among other things that the owner will hold and preserve the historic property in perpetuity and will not undertake or permit the alteration or removal of historic features or the erection of markers, structures, or buildings without the prior concurrence of the Secretary, and that the public shall have reasonable access to those portions of the property to which access is necessary in the judgment of the Secretary for the proper appreciation and interpretation of its historical and architectural value. Pursuant to such cooperative agreements and notwithstanding any other provision of law to the contrary the Secretary may, directly or by contract, construct, reconstruct, rehabilitate, or develop such buildings, structures, and related facilities including roads, trails, and other interpretive facilities on real property not in Federal ownership and may maintain and operate programs in connection therewith as he deems appropriate. Any lands or interest therein owned by the Catholic Archdiocese of San Antonio, the State of Texas, or any political subdivision of such State, including the San Antonio River Authority, may be acquired by donation only.

(c)(1) With the exception of any property deemed necessary by the Secretary for visitor facilities or administration of the park, any owner or owners of improved property on the date of its acquisition by the Secretary may, as a condition of such acquisition, retain for themselves and their successors or assigns a right of use and occupancy of the property for noncommercial residential purposes, for twenty-five years, or, in lieu thereof, for a term ending at the death of the owner or his spouse, whichever is later. The owner shall elect the term to be reserved. The Secretary shall pay to the owner the fair market value of the property on the date of such acquisition less the fair market value on such date of the right retained by the owner.

(2) A right of use and occupancy retained or enjoyed pursuant to this subsection may be terminated with respect to the entire

property by the Secretary upon his determination that the property or any portion thereof had ceased to be used for noncommercial residential purposes and upon tender to the holder of a right an amount equal to the fair market value, as of the date of tender, of that portion of the right which remains unexpired on the date of termination.

(3) The term "improved property", as used in this subsection, shall mean a detached, noncommercial residential dwelling, the construction of which was begun before January 1, 1978 (hereinafter referred to as a "dwelling"), together with so much of the land on which the dwelling is situated, the said land being in the same ownership as the dwelling, as the Secretary shall designate to be reasonably necessary for the enjoyment of the dwelling for the sole purpose of noncommercial residential use, together with any structures accessory to the dwelling which are situated on the land so designated.

(d) The Secretary is authorized and directed to take prompt and appropriate action in accordance with the provisions of this section and any cooperative agreement hereunder to assure the protection and preservation of the historical and architectural values of the missions and the areas and features historically associated therewith within the boundaries of the park. The park shall be administered by the Secretary in accordance with this section and provisions of law generally applicable to units of the National Park System, including the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1 et seq.) and the Act of August 21, 1935 (49 Stat. 666; 16 U.S.C. 461–467).

(e)(1) There is hereby authorized to be established by the Secretary, a San Antonio Missions Advisory Commission. The Commission shall be composed of seven members, each appointed for a term of two years by the Secretary, as follows:

(A) one member to be appointed from recommendations made by the Governor of the State of Texas;

(B) one member to be appointed from recommendations made by the County Commissioners of Bexar County, Texas;

(C) one member to be appointed from recommendations made by the City Council of the City of San Antonio, Texas;

(D) one member to be appointed to represent non-Federal property owners whose property is operated and maintained in accordance with cooperative agreements with the Secretary pursuant to subsection (b)(2);

(E) one member from the membership of a local conservation or historical organization; and

(F) two members representing the general public.

The Secretary shall designate one member to be Chairman of the Commission and may fill any vacancy in the same manner in which the original appointment was made.

(2) Members of the Commission shall serve without compensation as such, but the Secretary may pay expenses reasonably incurred by the Commission and may reimburse members for reasonable expenses incurred in carrying out their responsibilities under this section on vouchers signed by the Chairman.

(3) All appointments to the Commission shall be made by the Secretary within six months after the date of the enactment of this Act and the Secretary, or his designee, shall from time to time, but at least semiannually, meet and consult with the Advisory Commission on matters relating to the park and with respect to carrying out the provisions of this section.

(4) Unless extended by Act of Congress, this Commission shall terminate ten years after the date of its first meeting with the Secretary or his designee.

(f)(1) There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this section, but not more than $10,000,000 for the acquisition of lands and interests in lands.

(2) For the development of essential public facilities there are authorized to be appropriated not more than $500,000. Within one year from the date of enactment of this Act, the Secretary shall develop and transmit to the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate a final master plan for the development of the park consistent with the objectives of this section, indicating (A) the facilities needed to accommodate the health, safety, and interpretive needs of the visiting public; (B) the location and estimated cost of all facilities; and (C) the projected need for any additional facilities within the park.

SAINT PAUL'S CHURCH, EASTCHESTER

SEC. 506. (a) In order to preserve and protect Saint Paul's Church, Eastchester, in Mount Vernon, New York, for the benefit of present and future generations, the Secretary may accept any gift or bequest of any property or structure which comprises such church and any other real or personal property located within the square bounded by South Columbus Avenue, South Third Avenue, Edison Avenue, and South Fulton Avenue, in Mount Vernon, New York, including the cemetery located within such square and any real property located within such square which was at any time a part of the old village green, now in Mount Vernon, New York.

(b) Any property acquired under subsection (a) shall be administered by the Secretary acting through the National Park Service, in accordance with this section and provisions of law generally applicable to units of the National Park System, including the Act approved August 25, 1916 (16 U.S.C. 1 and following) and the Act approved August 21, 1935. The Secretary, in carrying out the provisions of such Acts, shall give particular attention to assuring the completion of such structural and other repairs as such Secretary considers necessary to restore and preserve any property acquired in accordance with this section

KALOKO-HONOKOHAU NATIONAL HISTORICAL PARK

SEC. 507. (a) There is established the Kaloko-Honokohau National Historical Park in Hawaii (hereinafter in this section referred to as the "park") comprising approximately one thousand three hundred acres of land and water as generally depicted on the map entitled "Kaloko-Honokohau National Historical Park", numbered KHN–80,000, and dated May 1978 which shall be on file and available for public inspection in the appropriate offices of the National Park Service, Department of the Interior.

(b) The Secretary is authorized to acquire the lands described above by donation, exchange or purchase through the use of donated or appropriated funds, notwithstanding any prior restriction imposed by Congress on the use of appropriated funds for this purpose.

(c) The Secretary shall administer the park in accordance with this section and the provisions of law generally applicable to units of the National Park System, including the Act approved August 21, 1935 (49 Stat. 666; 16 U.S.C. 461 et seq.). The purposes of this park are to provide a center for the reorientation to and perpetuation of Hawaiian activities, culture, and historic land use patterns, as well as to provide a resource and culture-based focus for the education, enjoyment and appreciation by local residents and visitors. Development and management of the park shall generally follow the guidelines provided in the study report entitled "Kaloko-Honokohau" prepared by the Honokohau Study Advisory Commission and the National Park Service, May 1974, GPO 690–514.

(d) In administering the park—

(1) the Secretary may provide select areas within the park with native Hawaiian live-in accommodations for Hawaiians who wish to participate actively in indepth cultural pursuits;

(2) the Secretary shall consult with and may enter into agreements with other governmental entities and private landowners to establish adequate controls on air and water quality and scenic and esthetic values of the surrounding land and water areas; and

(3) the preservtion and interpretation of this historical park should be managed, to the greatest extent possible, by native Hawaiians.

(e) In order to carry out the purposes of this section with respect to the preservation and expression of native Hawaiian culture, the Secretary is authorized and directed to the maximum extent feasible to employ and train native Hawaiians to develop, maintain, and administer the park.

(f)(1) The Secretary may establish the Kaloko-Honokohau, an Advisory Commission for the Kaloko-Honokohau National Historical Park. The Commission shall be composed of nine members, appointed by the Secretary, as follows:

(A) all members shall be residents of the State of Hawaii;

(B) at least six members shall be appointed from lists provided by native Hawaiian organizations submitted through the office of the Governor; and

(C) initial appointment shall consist of two members appointed for a term of five years, two for a term of four years, two for a term of three years, two for a term of two years, and one for a term of one year; members shall not serve more than one term consecutively.

(2) The Secretary shall designate one member of the Commission to be Chairman. Any vacancy in the Commission shall be filled in the same manner as provided in paragraph (1).

(3) Members of the Commission shall serve without compensation. The Secretary is authorized to pay the expenses reasonably incurred by the Commission in carrying out its responsibilities under this section on vouchers signed by the Chairman.

(4) In addition to the Commission members specified in paragraph (1), the Superintendent of the park, the National Park Service State Director, Hawaii, a person appointed by the Governor of Hawaii, and a person appointed by the mayor of the county of Hawaii, shall serve as ex officio, nonvoting members of the Commission.

(5) The purpose of the Commission shall be to advise the Director, National Park Service, with respect to the historical, archeological, cultural, and interpretive programs of the park and its staffing and operation. Particular emphasis shall be made on the operation of the area by qualified Hawaiians and the quality of Hawaiian culture demonstrated and taught therein.

(6) The Commission shall meet not less than twice a year. Interim meetings may be called by the Chairman with the concurrence of the Director of the National Park Service.

(7) The Advisory Commission shall terminate ten years after the date of enactment of this Act.

(g) There are authorized to be appropriated $34,750,000 for acquisition with respect to such park and $1,000,000 for development of such park.

AMERICAN MEMORIAL PARK

SEC. 508. (a) The Secretary, acting through the Director of the National Park Service, is authorized and directed to develop, maintain, and administer the existing American Memorial Park (hereinafter in this section referred to as the "park"), located at Tanapag Harbor Reservation, Saipan. The park

shall be administered for the primary purpose of honoring the dead in the World War II Mariana Islands campaign.

(b) The Secretary is authorized and directed to the maximum extent feasible to employ and train residents of the Mariana Islands to develop, maintain, and administer the park.

(c) The Secretary shall provide for interpretative activities at the park, for which he is authorized to seek the assistance of historians to interpret the historical aspects of the park. To the greatest extent possible, interpretative activities shall be conducted in the following four languages: English, Chamoro, Carolinian, and Japanese.

(d) (1) Notwithstanding any provision of law to the contrary, no fee or charge shall be imposed on any permanent resident of Guam or the Northern Mariana Islands for entrance or admission into the American Memorial Park.

(2) Notwithstanding any provision of law to the contrary, no fee or charge shall be imposed on any United States military personnel or dependents of such personnel for entrance or admission into the American Memorial Park.

(e) The Secretary shall transfer administration of the park to the government of the Northern Mariana Islands at such time as the Governor, acting pursuant to legislation enacted in accordance with sections 5 and 7 of article II of the constitution of the Northern Mariana Islands, requests such a transfer. All improvements, including real and personal property, shall thereupon be transferred without cost to the government of the Northern Mariana Islands and thereafter the full cost of development, administration, and maintenance for the park shall be borne by the government of the Northern Mariana Islands except as provided in subsection (F).

(f) For the development, maintenance, and operation of the park (but not for any acquisition of land or interest in lands), there is hereby authorized to be appropriated the sum of $3,000,000 effective October 1, 1978. Amounts appropriated pursuant to this subsection shall remain available until expended.

(g) Nothing contained in this section is intended to alter or diminish the authority to exercise the five-year option contained in article VIII of Public Law 94-241.

PALO ALTO BATTLEFIELD NATIONAL HISTORIC SITE

SEC. 509. (a) In order to preserve and commemorate for the benefit and enjoyment of present and future generations an area of unique historical significance as one of only two important battles of the Mexican War fought on American soil, the Secretary is authorized to establish the Palo Alto Battlefield National Historic Site in the State of Texas.

(b) For the purposes of this section, the Secretary is authorized to acquire by donation, purchase, or exchange, not to exceed fifty acres of lands and interests therein, comprising the initial unit, in the vicinity of the site of the battle of Palo Alto, at the junction of Farm Roads 1847 and 511, 6.3 miles north of Brownsville, Texas. The Secretary shall complete a study and recommend to the Congress such additions as are required to fully protect the historic integrity of the battlefield by June 30, 1979. The Secretary shall establish the historic site by publication of a notice to that effect in the Federal Register at such time as he determines that sufficient property to constitute an administrable unit has been acquired. Pending such establishment and thereafter, the Secretary shall administer the property acquired pursuant to this section in accordance with this section and provisions of law generally applicable to units of the National Park System, including the Act of August 25, 1916 (39 Stat. 535) and the Act of August 21, 1935 (49 Stat. 666).

(c) There are authorized to be appropriated not to exceed $3,000,000 for lands and interests in lands and $200,000 for development to carry out the provisions of this section.

SANTA MONICA MOUNTAINS NATIONAL RECREATION AREA

SEC. 510. (a) The Congress finds that—

(1) There are significant scenic, recreational, scientific, natural, archeological, and public health benefits provided by the Santa Monica Mountains and adjacent coastline area;

(2) there is a national interest in protecting and preserving these benefits for the residents of and visitors to the area; and

(3) the State of California and its local units of government have authority to prevent or minimize adverse uses of the Santa Monica Mountains and adjacent coastline area and can, to a great extent, protect the health, safety, and general welfare by the use of such authority.

(b) There is hereby established the Santa Monica Mountains National Recreation Area (hereinafter referred to as the "recreation area"). The Secretary shall manage the recreation area in a manner which will preserve and enhance its scenic, natural, and historical setting and its public health value as an airshed for the Southern California metropolitan area while providing for the recreational and educational need of the visiting public.

(c) (1) The recreation area shall consist of the lands and waters and interests generally depicted as the recreation area on the map entitled "Boundary Map, Santa Monica Mountains National Recreation Area, California, and Santa Monica Mountains Zone", numbered SMM-NRA 80,000, and dated May 1978, which shall be on file and available for inspection in the offices of the National Park Service, Department of the Interior, Washington, District of Columbia, and in the offices of the General Services Administration in the Federal Office Building in West Los Angeles, California, and in the main public library in Ventura, California. After advising the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate, in writing, the Secretary may make minor revisions of the boundaries of the recreation area when necessary by publication of a revised drawing or other boundary description in the Federal Register.

(2) Not later than ninety days after the date of enactment of this Act, the Secretary, after consultation with the Governor of the State of California, the California Coastal Commission, and the Santa Monica Mountains Comprehensive Planning Commission, shall commence acquisition of lands, improvements, waters, or interests therein within the recreation area. Such acquisition may be by donation, purchase with donated or appropriated funds, transfer from any Federal agency, exchange, or otherwise. Any lands or interests therein owned by the State of California or any political subdivision thereof (including any park district or other public entity) may be acquired only by donation, or exchange except that such lands acquired after January 1, 1978, by the State of California or its political subdivisions may be acquired by purchase or exchange if the Secretary certifies that the purchase price or value on exchange does not exceed fair market value on the date that the State acquired the land or interest. Notwithstanding any other provision of law, any Federal property located within the boundaries of the recreation area shall, with the concurrence of the head of the agency having custody thereof, be transferred without cost, to the administrative jurisdiction of the Secretary for the purposes of the recreation area.

(3) The Administrator of the General Services Administration is hereby authorized and directed to transfer the site generally known as Nike Site 78 to the Secretary for inclusion in the recreation area: *Provided*, That the county of Los Angeles shall be permitted to continue to use without charge the facilities together with sufficient land as in the determination of the Secretary shall be necessary to continue to maintain and operate a fire suppression and training facility. At such time as the county of Los Angeles, California, relinquishes control of such facilities and adjacent land or ceases the operation of the fire suppression and training facility, the land and facilities shall be managed by the Secretary as a part of the recreation area.

(d) (1) Within six months after the date of enactment of this Act, in connection with the description of the boundaries of the recreation area, the Secretary shall identify the lands, waters, and interests within such boundaries which must be acquired and held in public ownership for the following critical purposes: preservation of beaches and coastal uplands; protection of undeveloped inland stream drainage basins; connection of existing State and local government parks and other publicly owned lands to enhance their potential for public recreation use; protection of existing park roads and scenic corridors, including such right-of-way as is necessary for the protection of the Mulholland Scenic Parkway Corridor; protection of the public health and welfare; and development and interpretation of historic sites and recreation areas in connection therewith, to include, but not be limited to, parks, picnic areas, scenic overlooks, hiking trails, bicycle trails, and equestrian trails. The Secretary may from time to time revise the identification of such areas, and any such revisions shall become effective in the same manner as herein provided for revisions in the boundaries of the recreation area.

(2) By January 1, 1980, the Secretary shall submit, in writing, to the committees referred to in subsection (c) and to the Committees on Appropriations of the United States Congress a detailed plan which shall indicate—

(A) the lands and areas identified in paragraph (1),

(B) the lands which he has previously acquired by purchase, donation, exchange, or transfer for the purpose of this recreation area,

(C) the annual acquisition program (including the level of funding) recommended for the ensuing five fiscal years, and

(D) the final boundary map for the recreation area.

(e) With respect to improved properties, as defined in this section, fee title shall not be acquired unless the Secretary finds that such lands are being used, or are threatened with uses, which are detrimental to the purposes of the recreation area, or unless each acquisition is necessary to fulfill the purposes of this section. The Secretary may acquire scenic easements to such improved property or such other interests as, in his judgment are necessary for the purposes of the recreation area.

(f) For the purposes of this section, the term "improved property" means—

(1) a detached single-family dwelling, the construction of which was begun before January 1, 1976 (hereafter referred to as "dwelling"), together with so much of the land on which the dwelling is situated as is in the same ownership as the dwelling and as the Secretary designates to be reasonably necessary for the enjoyment of the dwelling for the sole purpose of noncommercial residential use, together with any structures nec-

essary to the dwelling which are situated on the land so designated, and

(2) property developed for agricultural uses, together with any structures accessory thereto as were used for agricultural purposes on or before January 1, 1978.

In determining when and to what extent a property is to be treated as "improved property" for purposes of this section, the Secretary shall take into consideration the manner of use of such buildings and lands prior to January 1, 1978, and shall designate such lands as are reasonably necessary for the continued enjoyment of the property in the same manner and to the same extent as existed prior to such date.

(g) The owner of an improved property, as defined in this section, on the date of its acquisition, as a condition of such acquisition, may retain for herself or himself, her or his heirs and assigns, a right of use and occupancy of the improved property for noncommercial residential or agriculture purposes, as the case may be, for a definite term of not more than twenty-five years, or, in lieu thereof, for a term ending at the death of the owner or the death of her or his spouse, whichever is later. The owner shall elect the term to be reserved. Unless the property is wholly or partially donated, the Secretary shall pay to the owner the fair market value of the property on the date of its acquisition, less the fair market value on that date of the right retained by the owner. A right retained by the owner pursuant to this section shall be subject to termination by the Secretary upon his determination that it is being exercised in a manner inconsistent with the purposes of this section, and it shall terminate by operation of law upon notification by the Secretary to the holder of the right of such determination and tendering to him the amount equal to the fair market value of that portion which remains unexpired.

(h) In exercising the authority to acquire property under this section, the Secretary shall give prompt and careful consideration to any offer made by an individual owning property within the recreation area to sell such property, if such individual notifies the Secretary that the continued ownership of such property is causing, or would result in, undue hardship.

(i) The Secretary shall administer the recreation area in accordance with this Act and provisions of law generally applicable to units of the National Park System, including the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1 et seq.). In the administration of the recreation area, the Secretary may utilize such statutory authority available for the conservation and management of wildlife and natural resources as appropriate to carry out the purpose of this section. The fragile resource areas of the recreation area shall be administered on a low-intensity basis, as determined by the Secretary.

(j) The Secretary may enter into cooperative agreements with the State of California, or any political subdivision thereof, for the rendering, on a reimbursable basis, of rescue, firefighting, and law enforcement services and cooperative assistance by nearby law enforcement and fire preventive agencies.

(k) Notwithstanding any other provision of law, the Secretary is authorized to accept donations of funds, property, or services from individuals, foundations, corporations, or public entities for the purpose of land acquisition and providing services and facilities which the Secretary deems consistent with the purposes of this section.

(l) By January 1, 1981, the Santa Monica Mountains National Recreation Area Advisory Commission, established by this section, shall submit a report to the Secretary which shall—

(1) assess the capability and willingness of the State of California and the local units of government to manage and operate the recreation area,

(2) recommend any changes in ownership, management, and operation which would better accomplish the purposes of this section, and

(3) recommend any conditions, joint management agreements, or other land use mechanisms to be contingent on any transfer of land.

(m) The Secretary, after giving careful consideration to the recommendations set forth by the Advisory Commission, shall, by January 1, 1982, submit a report to the Committees referred to in subsection (c) which shall incorporate the recommendations of the Advisory Commission as well as set forth the Secretary's recommendations. Such report shall—

(1) assess the benefits and costs of continued management as a unit of the National Park System,

(2) assess the capability and willingness of the State of California and the local units of government to manage and operate the recreation area, and

(3) recommend any changes in ownership, management, and operation which would better accomplish the purposes of this section.

(n)(1) The Secretary shall request the Santa Monica Mountains Comprehensive Planning Commission to submit a comprehensive plan, prepared in accord with this section and title 7.75 of the California Government Code (commencing with section 67450), for the Santa Monica Mountains Zone generally depicted on the map referred to in subsection (c) of this section for approval.

(2) The comprehensive plan shall include, in addition to the requirements of California State law—

(A) an identification and designation of public and private uses which are compatible with and which would not significantly impair the significant scenic, recreational, educational, scientific, natural, archeological, and public health benefits present in the zone and which would not have an adverse impact on the recreation area or on the air quality of the south coast air basin;

(B) a specific minimum land acquisition program which shall include, but not be limited to, fee and less than fee acquisition of strategic and critical sites not included in the recreation area for public recreational and other related uses; and a program for the complementary use of State and local authority to regulate the use of lands and waters within the Santa Monica Mountains Zone to the fullest extent practicable consistent with the purposes of this section; and

(C) a recreation transportation system which may include but need not be limited to existing public transit.

(3) No plan submitted to the Secretary under this section shall be approved unless the Secretary finds the plan consistent with paragraph (2) and finds that—

(A) the planning commission has afforded adequate opportunity, including public hearings, for public involvement in the preparation and review of the plan, and public comments were received and considered in the plan or revision as presented to him;

(B) the State and local units of government identified in the plan as responsible for implementing its provisions have the necessary authority to implement the plan and such State and local units of government have indicated their intention to use such authority to implement the plan;

(C) the plan, if implemented, would preserve significant natural, historical, and archeological benefits and, consistent with such benefits, provide increased recreational opportunities for persons residing in the greater Los Angeles-southern California metropolitan area; and

(D) implementation of the plan would not have a serious adverse impact on the air quality or public health of the greater Los Angeles region.

Before making his findings on the air quality and public health impacts of the plan, the Secretary shall consult with the Administrator of the Environmental Protection Agency.

(4) Following approval of the plan with respect to the Santa Monica Mountains Zone, upon receipt of adequate assurances that all aspects of that jurisdiction's implementation responsibilities will be adopted and put into effect, the Secretary shall—

(A) provide grants to the State and through the State to local governmental bodies for acquisition of lands, waters, and interests therein identified in paragraph (2)(B), and for development of essential public facilities, except that such grants shall be made only for the acquisition of lands, waters, and interests therein, and related essential public facilities, for park, recreation, and conservation purposes; and

(B) provide, subject to agreements that in the opinion of the Secretary will assure additional preservation of the lands and waters of the zone, such funds as may be necessary to retire bonded indebtedness for water and sewer and other utilities already incurred by property owners which in the opinion of the Secretary would if left outstanding contribute to further development of the zone in a manner inconsistent with the approved plan developed by the planning commission.

No grant for acquisition of land may be made under subparagraph (A) unless the Secretary receives satisfactory assurances that such lands acquired under subparagraph (A) shall not be converted to other than park, recreation, and conservation purposes without the approval of the Secretary and without provision for suitable replacement land.

(5) Grants under this section shall be made only upon application of the recipient State and shall be in addition to any other Federal financial assistance for any other program, and shall be subject to such terms and conditions as the Secretary deems necessary to carry out the purposes of this section. Any jurisdiction that implements changes to the approved plan which are inconsistent with the purposes of this section, or adopts or acquiesces in changes to laws, regulations or policies necessary to implement or protect the approved plan, without approval of the Secretary, may be liable for reimbursement of all funds previously granted or available to it under the terms of this section without regard to such additional terms and conditions or other requirements of law that may be applicable to such grants. During the life of the planning commission, changes to the plan must be submitted by the planning commission to the Secretary for approval. No such application for a grant may be made after the date five years from the date of the Secretary's approval of the plan.

(o) The head of any Federal agency having direct or indirect jurisdiction over a proposed Federal or federally assisted undertaking in the lands and waters within the Santa Monica Mountains Zone, generally depicted on the map referred to in subsection (c), and the head of any Federal agency having authority to license or permit any undertaking in such lands and waters shall, prior to the approval of the expenditure of any Federal funds on such undertaking or prior to the issuance of any license or permit, as the case may be, afford the Secretary a reasonable opportunity to comment with regard to such undertaking and shall give due consideration to any comments made by the Secretary and to the effect of such undertaking on the "findings" and purposes of this section: *Provided*, That no such ex-

penditure shall be approved nor shall any such license or permit be issued which, in the judgment of the Secretary, would be inconsistent with the purposes of this section or the comprehensive plan approved by the Secretary.

(p) The Secretary shall give full consideration to the recommendations of the California Department of Parks and Recreation, the Santa Monica Mountains Comprehensive Planning Commission, and the California Coastal Commission.

(q)(1) There is hereby established the Santa Monica Mountains National Recreation Area Advisory Commission (hereinafter referred to as the "Advisory Commission"). The Advisory Commission shall terminate ten years after the date of establishment of the recreation area.

(2) The Advisory Commission shall be composed of the following members to serve for terms of five years as follows:

(A) one member appointed by the Governor of the State of California;

(B) one member appointed by the mayor of the city of Los Angeles;

(C) one member appointed by the Board of Supervisors of Los Angeles County;

(D) one member appointed by the Board of Supervisors of Ventura County; and

(E) five members appointed by the Secretary, one of whom shall serve as the Commission Chairperson.

(3) The Advisory Commission shall meet on a regular basis. Notice of meetings and agenda shall be published in local newspapers which have a distribution which generally covers the area. Commission meetings shall be held at locations and in such a manner as to insure adequate public involvement. Such locations shall be in the region of the Santa Monica Mountains and no more than twenty-five miles from it.

(4) Members of the Commission shall serve without compensation as such, but the Secretary may pay expenses reasonably incurred in carrying out their responsibilities under this Act on vouchers signed by the Chairperson.

(5) The Secretary, or his or her designee, shall from time to time but at least semiannually, meet and consult with the Advisory Commission on matters relating to the development of this recreation area and with respect to carrying out the provisions of this section.

(r) There are authorized to be appropriated such sums as may be necessary for acquisition of lands and interests in land within the boundaries of the recreation area established under this section, but not more than $50,000,000 for each of the fiscal years 1970, 1980, and 1981, such sums to remain available until expended. For grants to the State pursuant to subsection (n) there are authorized to be appropriated not more than $10,000,000 for each of the fiscal years 1979, 1980, and 1981 such sums to remain available until expended.

(s) For the development of essential public facilities in the recreation area there are authorized to be appropriated not more than $500,000.

(t) Within two years from the date of establishment of the recreation area pursuant to this section, the Secretary shall, after consulting with the Advisory Commission, develop and transmit to the Committees referred to in subsection (c) a general management plan for the recreation area consistent with the objectives of this section. Such plan shall indicate—

(1) a plan for visitor use including the facilities needed to accommodate the health, safety, education and recreation needs of the public;

(2) the location and estimated costs of all facilities;

(3) the projected need for any additional facilities within the area;

(4) any additions or alterations to the boundaries of the recreation area which are necessary or desirable to the better carrying out of the purposes of this section; and

(5) a plan for preservation of scenic, archeological and natural values and of fragile ecological areas.

EBEY'S LANDING NATIONAL HISTORICAL PARK

SEC. 15. (a) The Secretary is authorized to acquire on behalf of the United States by donation, purchase with donated or appropriated funds, or by exchange, lands, easements, interests in lands, and such other property on Central Whidbey Island, Puget Sound, State of Washington, as the Secretary may deem necessary for the purpose of interpreting and preserving the Central Whidbey Island Historic Disrtict, containing approximately eight thousand acres surrounding Penn Cove and including prairies that remain in much the same condition as when they were first explored by Captain George Vancouver in 1792, original Donation Land Claims preempted by early settlers according to the provisions of the Donation Land Law passed by the United States Congress in the 1850's, fifteen places listed in the Historic American Buidlings Survey, original frame houses built by the early settlers that still stand on the original Donation Lands Claims, and numerous structures portraying a cross section of early domestic architecture. Lands or interests therein owned by the State of Washington or a political subdivision thereof may be acquired only by donation. The Secretary may not acquire fee title to any land under this section without the consent of the owner thereof. In exercising his authority to acquire property under this subsection, the Secretary shall give prompt and careful consideration to any offer made by an individual owning property within the area subject to such authority to sell such property, if such individual notifies the Secretary that the continued ownership of such property is causing, or would result in, undue hardship.

(b) The property acquired under the provisions of subsection (a) shall be known as the Ebey's Landing National Historical Park and shall be established to preserve a rural community which provides an unbroken historical record from the nineteenth century exploration and settlement in Puget Sound to the present time. The park shall commemorate—

(1) the first thorough exploration of the Puget Sound area, by Captain George Vancouver, in 1792;

(2) settlement by Colonel Isaac Neff Ebey who led the first permanent settlers to Whidbey Island, quickly became an important figure in Washington Territory, and ultimately was killed by Haidahs from the Queen Charlotte Islands during a period of Indian unrest in 1857;

(3) early active settlement during the years of the Donation Land Law (1850–1855) and thereafter; and

(4) the growth since 1883 of the historic town of Coupeville.

The Secretary shall administer, protect, and develop such park in accordance with the provisions of law generally applicable to units of the National Park System, including the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1 et seq.), the Act of August 21, 1935 (49 Stat. 666; 16 U.S.C. 461 et seq.).

(c) The Secretary may enter into cooperative agreements with the State of Washington, political subdivisions thereof, corporations, associations, or individuals, for the preservation of nationally significant historic sites and structures and for the interpretation of significant events which occurred on Central Whidbey Island, in Puget Sound, and he may erect and maintain tablets or markers at appropriate sites in accordance with the provisions of the Act of August 21, 1935 (49 Stat. 666; 16 U.S.C. 461 et seq.).

(d) There is hereby authorized to be appropriated $4,500,000 for the acquisition of lands and interests therein and $500,000 for development of the park.

Subtitle B—Trails

MORMON PIONEER NATIONAL HISTORIC TRAIL

SEC. 551. Section 5(a) of the National Trails System Act (82 Stat. 919; 16 U.S.C. 1241) is amended by inserting the following new paragraph after paragraph (3):

"(4) The Mormon Pioneer National Historic Trail, a route of approximately one thousand three hundred miles extending from Nauvoo, Illinois, to Salt Lake City, Utah, following the primary historical route of the Mormon Trail as generally depicted on a map, identified as 'Mormon Trail Vicinity Map, figure 2' in the Department of the Interior Mormon Trail study report dated March 1977, and which shall be on file and available for public inspection in the office of the Director, National Park Service, Washington, D.C. The trail shall be administered by the Secretary of the Interior.".

OVERMOUNTAIN MEN VICTORY TRAIL

SEC. 552. Section 5(c) of the National Trails System Act (82 Stat. 919; 16 U.S.C. 1241) is amended by adding at the end thereof the following new paragraph:

"(23) Overmountain Men Victory Trail extending from the vicinity of Elizabethton, Tennessee, to Kings Mountain National Military Park, South Carolina.".

CONTINENTAL DIVIDE NATIONAL SCENIC TRAIL

SEC. 553. Section 5(a) of the National Trails System Act (82 Stat. 919; 16 U.S.C. 1241) is amended by adding the following new paragraph at the end thereof:

"(5) The Continental Divide National Scenic Trail, a trail of approximately thirty-one hundred miles, extending from the Montana-Canada border to the New Mexico-Mexico border, following the approximate route depicted on the map, identified as 'Proposed Continental Divide National Scenic Trail' in the Department of the Interior Continental Divide Trail study report dated March 1977 and which shall be on file and available for public inspection in the office of the Director, National Park Service, Washington, D.C. The Continental Divide National Scenic Trail shall be administered by the Secretary of Agriculture in consultation with the Secretary of the Interior. Notwithstanding the provisions of section 7(c), the use of motorized vehicles on roads which will be designated segments of the Continental Divide National Scenic Trail shall be permitted in accordance with regulations prescribed by the appropriate Secretary.".

NORTH COUNTRY NATIONAL SCENIC TRAIL

SEC. 554. Section 5(a) of the National Trails System Act (82 Stat. 919; 16 U.S.C. 1241) is amended by adding the following new paragraph at the end thereof:

"(6) The North Country National Scenic Trail, a trail of approximately thirty-two hundred miles, extending from eastern New York State to the vicinity of Lake Sakakawea in North Dakota, following the approximate route depicted on the map identified as 'Proposed North Country Trail-Vicinity Map' in the Department of the Interior 'North Country Trail Report', dated June 1975. The map shall be on file and available for public inspection in the office of the Director, National Park Service, Washington, D.C. The trail shall be administered by the Secretary of the Interior.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 555. For acquisition of lands and interests in land with respect to the trails included within the national trails system under this subtitle there is authorized to be appropriated not more than $3,000,000 for each of the three fiscal years which begins after the date of the enactment of this Act. Such sums shall remain available until expended.

Mr. PHILLIP BURTON (during the reading). Mr. Chairman, I ask unanimous consent that title V be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENT OFFERED BY MR. BROYHILL

Mr. BROYHILL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROYHILL: Section 551, paragraph (13) as amended by the Burton/Sebelius en bloc amendment, relative to the Overmountain Men Victory Trail, delete the word "Men", and make the necessary conforming change in the table of contents.

Mr. BROYHILL. Mr. Chairman, I rise in support of section 552 of H.R. 12536, the National Parks and Recreation Act of 1978. As you know, section 552 of the act authorizes the Secretary of the Interior to conduct a feasibility study of the Overmountain Victory Trail (OVT), running from Virginia and Tennessee, through North Carolina to South Carolina, to determine whether the trail should be added to the National Trails System.

There is no doubt in my mind that the Overmountain Trail should be incorporated into the national system, and thus that the Secretary of the Interior should be authorized to conduct the feasibility study called for in section 552 of H.R. 12536. My reasoning is based on a number of facts:

Some historical background is necessary at this point:

In early 1780, the American forces were turned back time and time again as Lord Cornwallis carried out his blueprint for winning the Revolutionary War. He sent British commander Maj. Patrick Ferguson to North Carolina, threatening to "lay the country waste with fire and sword" unless the mountain settlers gave up the fight.

I have nothing but praise and admiration for the mountain men, who organized on their own to protect their land against Ferguson. Volunteers from North Carolina, South Carolina, Virginia, Tennessee, even Georgia, gathered and marched to the battle at Kings Mountain. The journey was not an easy one, even for such rugged men. Mountainous terrain, blinding snow and freezing rain, scarce food—these were only some of the obstacles. Despite this, the mountain volunteers overcame a more numerous and well-trained British force at the Battle of Kings Mountain.

The rest is legend. Historians have cited this as the turning point in Cornwallis' war against the South. His foothold in North Carolina was loosened, his northern campaign delayed, and the rejuvenated southern spirit helped lead to the surrender at Yorktown.

The story is far from over, though. Today, through the dedicated efforts of citizens in North Carolina, South Carolina, Tennessee, Virginia, and Georgia, the trail has been located and marked. Each September, these citizens meet to reenact the march on the precise anniversary dates of the original journey to Kings Mountain.

So, in view of the importance of the trail, the contributions the revolutionary patriots made to our country's history, and indeed the commemorative activities of North Carolinians and others to keep the trail alive, I believe the feasibility study for the Overmountain Victory Trail should be made. This trail offers abundant opportunities for recreation, while at the same time it provides a historical and educational experience for young and old alike.

There is an additional point I would like to mention. The Overmountain Trail is actually comprised of a main trail plus three forks. The main trail runs from Sycamore Shoals in Tennessee (the vicinity of Elizabethton, Tenn.) through North Carolina to Kings Mountain. However, another contingent left from Washington and Smyth Counties in Virginia, and linked up with the group at Sycamore Shoals, the starting point. A contingent left from Surrey, Wilkes, and Caldwell Counties in North Carolina, and met up with the main group at Quaker Meadows, near Morganton, N.C. Another group left from Cleveland, Gaston, and Lincoln Counties in North Carolina, and joined the group at the Green River, near Gilbert Town, which is today Rutherfordton, N.C. In making the feasibility study, the Secretary should, of course, be aware of the magnitude of the trail.

Mr. Chairman, when mentioning those who participated in the Battle of Kings Mountain, they are referred to as the "Overmountain Men." However, the trail is referred to as the "Overmountain Victory Trail." Thus, with all due respect to the women and men who made the original journey possible, and to those today who are working hard to make the official designation of this trail a reality, I have offered the amendment.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the chairman of the subcommittee.

Mr. PHILLIP BURTON. Mr. Chairman, I am not prone nor am I disposed to ask for a rollcall vote on this "gutting" amendment, and I join with my colleague, the gentleman from Kansas (Mr. SEBELIUS), in support of the amendment.

Mr. SEBELIUS. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Kansas.

Mr. SEBELIUS. Mr. Chairman, I am glad to join with my subcommittee chairman in supporting this very valuable amendment, and I thank the gentleman very much for offering it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina (Mr. BROYHILL).

The amendment was agreed to.

The CHAIRMAN. Are there other amendments to title V? If not, the Clerk will read.

The Clerk read as follows:

TITLE VI—MISCELLANEOUS PROVISIONS

OLD FAITHFUL INN AT YELLOWSTONE NATIONAL PARK

SEC. 601. (a) The Secretary is hereby authorized to acquire and upgrade the Old Faithful Inn at Yellowstone National Park in the State of Wyoming.

(b) There are hereby authorized to be appropriated to carry out the purposes of this section, $1,500,000 for acquisition and $1,500,000 for development.

RIDGELANDS AREA STUDY

SEC. 602. (a) In order to consider preserving in their natural condition appropriate segments of the Ridgelands east of San Francisco Bay for protection of the area's unique ecology and topography and for public outdoor recreation, the Secretary shall study, investigate, and formulate recommendations on the feasibility and desirability of establishing such area as a unit of the National Park System. The Secretary shall consult with the Secretary of Agriculture, the Chief of Engineers, Department of the Army, and any other appropriate Federal agencies, as well as with the East Bay Regional Park District, the Association of Bay Area Governments, and other State and local bodies and officials involved, and shall coordinate the study with applicable local and State plans and planning activities relating to the Ridgelands. Federal departments and agencies are authorized and directed to cooperate with the Secretary and, to the extent permitted by law, to furnish such statistics, data, reports, and other material as the Secretary may deem necessary for purposes of the study.

(b) The Secretary shall submit to the President and the Congress of the United States, within one year after the date of enactment of this Act, a report of his findings and recommendations. The report of the Secretary shall contain, but not be limited to, findings with respect to—

(1) the scenic, scientific, historic, natural, and outdoor recreation values of the Ridgelands, including their use for walking, hiking, horseback riding, bicycling, swimming, picnicking, camping, forest management, fish and wildlife management, educational exhibiting, and scenic and historic site preservation;

(2) the type of Federal, State, and local programs that are feasible and desirable in the public interest to preserve, develop, and make accessible for public use the values identified;

(3) the relationship of any recommended national park, recreation area, or wilderness area to existing or proposed Federal, State, and local programs to manage in the public interest the natural resources of the entire San Francisco Bay area;

(4) alternative means of restoring and preserving the values inherent in the area under present ownership patterns; and

(5) the development of public land policies consistent with the protection of private open space land.

(c) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

SEC. 603. Section 17(a) of the Pennsylvania Avenue Development Corporation Act of 1972 (86 Stat. 1266) as amended, is further amended by striking the word "and" and preceding the figure "1,500,000"; by changing the period at the end of the sentence to a semicolon; and by adding the following at the end of the sentence "and $2,000,000 for the fiscal year ending September 30, 1979".

PRESERVATION OF HISTORICAL AND ARCHAEOLOGICAL DATA

SEC. 604. (a) Section 7(b) of the Act of June 27, 1960 (74 Stat. 220; 16 U.S.C. 469) is amended by striking out "and" following

"1977;" and by striking out the period at the end thereof and substituting the following "; $500,000 in fiscal year 1979; $1,000,000 in fiscal year 1980; $1,500,000 in fiscal year 1981; $1,500,000 in fiscal year 1982; and $1,500,000 in fiscal year 1983.".

(b) Section 7(c) of such Act is amended by striking out "and" following "1977;" and by striking out the period at the end thereof and substituting the following: "; $3,000,000 in fiscal year 1979; $3,000,000 in fiscal year 1980; $3,500,000 in fiscal year 1981; $3,500,000 in fiscal year 1982; and $4,000,000 in fiscal year 1983.".

(c) Section 7 of such Act is amended by adding the following at the end thereof:

"(d) Beginning with fiscal year 1979, sums appropriated as provided in this section shall remain available until expended.".

HISTORIC SITES FOR PRESIDENTS

SEC. 605. (a) The Secretary is authorized to establish by order, using such guidelines as he deems appropriate, a National Historic Site to commemorate each former President of the United States for his deeds, or for his leadership or for his lifework, or to name a significant memorial as a suitable tribute to honor such President.

(b) The Secretary shall select the location, and shall prepare a plan and a study for the development of such site, and shall submit it to the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the United States Senate no less than six months prior to final designation of the site. Either committee by a vote of the majority of its members may disapprove the action of the Secretary prior to the expiration of such six-month period. If neither committee has disapproved such action during such period the Secretary is authorized to acquire such lands, or interests in land, or structures as may be necessary to properly exemplify the commemoration to the former President, and may acquire the site by donation, purchase with donated or appropriated funds, or by any other means deemed to be appropriate.

(c) Any site established under this section commemorating a former President of the United States shall be administered in accordance with this section and provisions of law generally applicable to units of the National Park System.

(d) There are hereby authorized to be appropriated to carry out the purposes of this section (as described in the original site plan as proposed to the committees of the Congress) such sums as may be necessary.

POTENTIAL PARK UNIT STUDIES

SEC. 606. In addition to other amounts available for such purposes, there are hereby authorized to be appropriated not more than $10,000,000 annually to be used by the Secretary for carrying out detailed studies of areas which may be suitable for inclusion in the National Park System. Such amounts may not be used to carry out any study which is specifically authorized to be carried out under any other provision of law. Notwithstanding any other provision of law, the study authorized by section 701 of Public Law 94–518 shall be transmitted as provided by said section no later than July 15, 1978.

NEW AREA STUDIES, GENERAL MANAGEMENT PLANS, AND CONTRACTS

SEC. 607. The Act entitled "An Act to improve the administration of the National Park System by the Secretary of the Interior, and to clarify the authorities applicable to the System, and for other purposes" (84 Stat. 825) is amended as follows:

(1) At the end of section 8 add the following: "For the purposes of carrying out the studies for potential new Park System units and for monitoring the welfare of those resources, there are authorized to be appropriated annually not to exceed $3,000,000. For the purposes of monitoring the welfare and integrity of the national landmarks, there are authorized to be appropriated annually not to exced $1,500,000.".

(2) Delete section 12(b) and insert in lieu the following:

"(b) General management plans for the preservation and use of each unit of the National Park System, including areas within the national capital area, shall be prepared and revised in a timely manner by the Director of the National Park Service. On January 1 of each year, the Secretary shall submit to the Congress a list indicating the current status of completion or revision of general management plans for each unit of the National Park System. General management plans for each unit shall include, but not be limited to:

"(1) measures for the preservation of the area's resources;

"(2) indications of types and general intensities of development (including visitor circulation and transportation patterns, systems and modes) associated with public enjoyment and use of the area, including general locations, timing of implementation, and anticipated costs;

"(3) identification of and implementation commitments for visitor carrying capacities for all areas of the unit; and

"(4) indications of potential modifications to the external boundaries of the unit, and the reasons therefor.".

(3) In section 12(c) delete "or exceeding five years" and insert "or of five years or more".

OAK CREEK CANYON AND CHIRICAHUA NATIONAL MONUMENT STUDIES

SEC. 608. (a) In recognition of the need for and desirability of protecting the Oak Creek Canyon, Yavapai, and Soldiers Wash-Mormon Canyon areas in Arizona as a unit or units of the national park system, the Secretary, in cooperation with the Secretary of Agriculture where national forest lands are involved, shall conduct a study to determine a suitable boundary for such unit or units of the System, including the areas referred to herein together with such lands as may be appropriate to provide for their protection and administration as a national monument or other unit of the National Park System. Such study shall be conducted in consultation with appropriate units of local government concerned and the Sedona-Oak Creek Canyon Interagency Task Force.

(b) The Secretary, in cooperation with the Secretary of Agriculture where national forest lands are involved, shall conduct a study of the boundary of Chiricahua National Monument, Arizona, to determine the appropriate location of a boundary line for additions to the monument which includes such highly scenic features as Cochise Head and which is located to the extent practicable on natural topographic features.

(c) A report of each study conducted pursuant to subsections (a) and (b) of this section shall be submitted by the Secretary to the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate not later than one year following the date on which funds are appropriated for the purpose of the study. Each report shall include a map or other description of the boundary determined as a result of the study, a description of the natural, scenic, and cultural features within the boundary, and the recommendation of the Secretary with respect to such further legislation as may be appropriate.

APPROPRIATE AGENCY PROCEDURES

SEC. 609. It is the established policy of Congress that wilderness, wildlife conservation, and park and recreation values of real property owned by the United States be conserved, enhanced, and developed. It is further declared to be the policy of Congress that unutilized, underutilized, or excess Federal real property be timely studied as to suitability for wilderness, wildlife conservation, or park and recreation purposes. To implement this policy, the Secretary, the Administrator of General Services, and the Director of the Office of Management and Budget shall establish a system with appropriate procedures to permit the Secretary full and early opportunity to make such studies and propose appropriate recommendations to disposing agencies for consideration in connection with determinations of further utilization or disposal of such property under existing law. Each affected executive agency is authorized and directed to provide to the Secretary such advice and information relating to such studies as the Secretary may request.

LAND AND WATER CONSERVATION FUND ACCOMPLISHMENTS REPORTING DATE

SEC. 610. (a) The first sentence of section 6(f)(7) of the Land and Water Conservation Fund Act (78 Stat. 897) is amended by inserting ", so as to be received by the Secretary no later than December 1," after the word "transmit".

(b) The third sentence of such section 6(f)(7) of such Act is amended by striking out the period and inserting in lieu thereof "by no later than February 15 of each year.".

RECREATION PROGRAMS

SEC. 611. (a) This section may be cited as the "Urban Parks and Recreation Recovery Act" and shall become effective on October 1, 1978.

FINDINGS AND PURPOSES

(b) The Congress finds that the quality of life in urban areas is closely related to the availability of fully functional park and recreation systems, including land, facilities, and service programs. The Congress further finds that many hard-pressed cities and insular areas have recreation systems which are seriously deteriorated and that no existing Federal assistance program fully addresses the needs for physical rehabilitation of these systems. The purpose of this action is to authorize Federal grants to hard-pressed communities specifically for the rehabilitation and development of critically needed recreation areas and facilities for a period of five years. This short-term program is intended to complement existing Federal programs such as the land and water conservation fund and community development grant programs by encouraging and stimulating local governments to revitalize their park and recreation systems and to make long-term commitments to continuing maintenance of these systems.

URBAN PARK AND RECREATION RECOVERY PROGRAM

(c) The Secretary is authorized to establish an urban park and recreation recovery program to provide financial assistance for rehabilitation and development of recreation areas and facilities in the form of challenge grants to local governments in urban and insular areas. Such assistance shall be subject to such terms and conditions as the Secretary considers appropriate and in the public interest to carry out the purposes of this section.

DEFINITIONS

(d) When used in this section—

(1) "recreation facilities" means indoor or outdoor facilities which are intended to serve the close-to-home recreation needs of community residents, with emphasis on public facilities readily accessible to residential neighborhoods, including multiple-use community centers which have recreation as one of their primary purposes, but excluding major sports arenas, exhibition areas, and conference halls used primarily for commercial sports, spectator or display activities;

(2) "recreation areas" means existing parks, buildings or sites dedicated to recrea-

tion purposes and administered by public agencies for use by the general public;

(3) "grants" means matching capital grants to public agencies for the purpose of rebuilding, remodeling, expanding, or developing existing outdoor or indoor recreation areas and facilities, including improvements in park landscapes, buildings, and support facilities, but excluding routine maintenance and upkeep activities;

(4) "maintenance" means all commonly accepted practices necessary to keep recreation areas and facilities operating in a state of good repair and to protect them from deterioration resulting from normal wear and tear;

(5) "general purpose local government" means any city, county, town, township, parish, village or other general purpose political subdivision of a State, including the District of Columbia, and insular areas;

(6) "special purpose local government" means any local or regional special district, public-purpose corporation or other limited political subdivision of a State, or of the District of Columbia, including but not limited to school districts, park authorities, and park, conservation, water or sanitary districts.

(7) "State" means any State of the United States or any instrumentality of a State approved by the Governor; the Commonwealth of Puerto Rico, and insular areas; and

(8) "insular areas" means Guam, the Virgin Islands, American Samoa, and the Northern Mariana Islands.

GRANTS TO IMPLEMENT PROGRAM

(e) GRANTEES.—The Secretary is authorized to provide 50 per centum matching, rehabilitation grants directly to eligible general purpose local governments upon his approval of applications therefor by the chief executives of such governments. At the discretion of such applicants, and if consistent with an approved application, rehabilitation grants may be transferred to independent special purpose local governments: *Provided*, That recreation areas and facilities owned or managed by them offer recreation opportunities to the general population in their service areas.

Payments may be made only for development or rehabilitation activities which have been approved by the Secretary. Such payments may be made from time to time in keeping with the rate of progress toward the satisfactory completion of a project.

The Secretary may authorize modification of an approved project only when a grantee has adequately demonstrated that such modification is necessary because of circumstances not foreseeable at the time a project was proposed.

(f) CRITERIA FOR GRANT ELIGIBILITY AND PRIORITIES FOR PROJECT APPROVAL.—Eligibility of general purpose local governments for grants shall be based upon need as determined by the Secretary. Within one hundred and twenty days after the effective date of this Act, the Secretary shall publish in the Federal Register a list of the general purpose local governments eligible to participate in the urban park and recreation recovery program together with a discussion of criteria used in their selection. Such criteria shall be based upon the minimum standards for physical and economic distress established for the Department of Housing and Urban Development's Urban Development Action Grants. The Secretary shall also establish priority criteria for project selection and approval which consider such factors as:

(1) population;

(2) age and condition of existing recreation areas and facilities;

(3) demonstrated deficiencies in access to neighborhood recreation opportunities, particularly for low-income and minority residents;

(4) public participation in determining rehabilitation or development needs;

(5) the extent to which a project supports or complements target activities undertaken as part of a local government's overall community development and urban revitalization programs;

(6) the extent to which a proposed project would provide employment opportunities for low- and moderate-income residents in the project neighborhood and/or would provide for participation of neighborhood, nonprofit or tenant organizations in the proposed rehabilitation activity or in subsequent maintenance, staffing, or supervision of recreation areas and facilities; and

(7) the amount of State and private support for a project as evidenced by commitments of non-Federal resources to project construction or operation.

(g) LOCAL COMMITMENTS TO SYSTEM RECOVERY AND MAINTENANCE.—As a requirement for project approval local governments applying for rehabilitation grants must submit to the Secretary interim evidence of commitments to ongoing rehabilitation, operation, maintenance, and service programs and planning for their overall park and recreation system. Such commitments should maximize coordination of all community resources, including other federally supported urban development and recreation programs. Following an interim period to be established by regulations under this section, all local applicants must submit to the Secretary, as a condition of eligibility, complete park and recreation recovery plans identifying overall rehabilitation and maintenance objectives for the park and recreation system, including satisfactory demonstration by a local government of—

(1) adequate planning for the development or rehabilitation of specifically identified recreation areas and facilities, including projections of the cost of proposed projects;

(2) capacity and commitment to assure that facilities provided or improved under this section shall thereafter continue to be adequately maintained, protected, staffed, and supervised;

(3) intention to maintain total local public outlays for park and recreation purposes at levels at least equal to such expenditures in the year preceding that in which grant assistance is sought; and

(4) the relationship of the park and recreation recovery program to overall community development and urban revitalization efforts.

The Secretary shall establish and publish in the Federal Register requirements for preparation, submission, and updating of local park and recreation recovery plans.

(h) PROGRAM DEVELOPMENT GRANTS.—The Secretary is authorized to provide 50 per centum matching grants for program development and planning specifically to meet the objectives of this section.

(i) STATE ACTION INCENTIVE.—The Secretary is authorized to increase Federal grants authorized in this subsection by providing an additional match equal to the total match provided by a State of up to 25 per centum of total project costs. In no event may the Federal matching amount exceed 75 per centum of total project cost. The Secretary shall further encourage the States to assist him in assuring that local rehabilitation plans and programs are adequately implemented by cooperating with the Deprtment of the Interior in monitoring local park and recreation recovery plans and programs and in insuring consistency of such plans and programs, where appropriate, with State recreation policies as set forth in statewide comprehensive outdoor recreation plans.

(j) MATCHING REQUIREMENTS.—The non-Federal shares of project costs assisted under this section may be derived from general or special purpose State or local revenues, State categorical grants, special appropriations by State legislatures, donations of land, buildings or building materials and/or in-kind construction, technical and planning services, but not from any Federal grant program other than general revenue sharing and the community development block grant program. Reasonable local costs of plans or program development to meet the requirements of this subsection may be used as part of the local match only when local applicants have not received program development grants under the authority of subsection (h) of this section. The Secretary shall encourage States and private interests to contribute, to the maximum extent possible, to the non-Federal share of project costs. The amount of State and private contributions to the project, shall be considered as one factor in rating projects for approval.

(k) CONVERSION OF RECREATION PROPERTY.—No property improved or developed with assistance under this section shall, without the approval of the Secretary, be converted to other than public recreation uses. The Secretary shall approve such conversion only if he finds it to be in accord with the then existing local park and recreation recovery plan and only upon such conditions as he deems necessary to assure the provision of adequate recreation properties and opportunities of reasonably equivalent location and usefulness.

COORDINATION OF PROGRAM

(l) The Secretary shall (a) coordinate the urban park and recreation recovery program with the total urban recovery effort and work with the Secretary of Housing and Urban Development to insure maximum effectiveness of the program. The Secretary shall also coordinate to the fullest extent possible with other Federal departments and agencies and with State agencies which administer programs and policies affecting urban areas, including but not limited to, programs in housing, urban development, natural resources management, employment, transportation, community services and voluntary action; (b) encourage maximum coordination of the program between appropriate State agencies and local applicants; (c) require that local applicants include provisions for participation of community and neighborhood residents and for public-private coordination in rehabilitation planning and project selection.

AUDIT REQUIREMENTS

(m) Each recipient of assistance under this section shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition of project undertakings in connection with which assistance under this section is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit. The Secretary, and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers and records of the recipient that are pertinent to assistance received under this section.

AUTHORIZATION OF APPROPRIATIONS

(n) There are hereby authorized to be appropriated for the grants authorized by this section, not to exceed $150,000,000 for each of the fiscal years 1979 through 1983, such sums to remain available until expended. Not more than 3 per centum of the funds authorized in any fiscal year may be used for grants for the development of local park and recreation recovery plans and programs pursuant to this section. Grants made under this section for projects in any one State shall not exceed in the aggregate 15 per centum of the aggregate amount of funds authorized to be appropriated in any fiscal year.

Notwithstanding any other provision of this Act, or any other law, or regulation, there is further authorized to be appropriated $250,000 for each of the fiscal years 1979 through 1983, such sums to remain available until expended, to each of the in-

sular areas. Such sums will not be subject to the matching provisions of this section, and may be subject to such conditions, reports, plans, and agreements, if any, as determined by the Secretary.

LIMITATION ON USE OF FUNDS

(o) No grant funds available under this section shall be used for acquisition of land or interests in land.

EXPIRATION OF AUTHORITY

(p) The authority for new appropriations under this section shall expire on September 30, 1983. Funds already authorized and appropriated as of that date will remain available until expended.

HELLS CANYON NATIONAL RECREATION AREA

SEC. 612. The words "September 1975" in section 1(b) of the Act of December 31, 1975 (Public Law 94–199), are deleted and replaced with the words "May 1978," to clarify that the boundary between Saulsberry and Freezeout Saddles is the hydrologic divide.

IRVINE COAST-LAGUNA, CALIFORNIA STUDY

SEC. 613. (a) In order to consider preserving in its natural condition, the Irvine Coast-Laguna area, California from Newport Beach to Laguna Beach as generally depicted on the map entitled "Irvine Coast-Laguna Study Area", numbered IRV–90,000, and dated May 1978, and in order to consider protection of the area's unique ecology and topography, its watershed and marine environment, and public outdoor recreation opportunities, the Secretary shall study, investigate, and formulate recommendations on the feasibility and desirability of establishing such area as a unit of the National Park System, such as a park, recreation area, or seashore. The Secretary shall consult with other appropriate Federal agencies, as well as with the appropriate State and local bodies and officials involved, and shall coordinate the study with applicable local and State plans and planning activities relating to the area. Federal departments and agencies are authorized and directed to cooperate with the Secretary and, to the extent permitted by law, to furnish such statistics, data, reports, and other material as the Secretary may deem necessary for purposes of the study.

(b) The Secretary shall submit to the President and the Congress of the United States, within six months after the date of enactment of this section, a report of his findings and recommendations. The report of the Secretary shall contain, but not be limited to, findings with respect to—

(1) the scenic scientific natural and outdoor recreation values of the Irvine Coast-Laguna area;

(2) the type of Federal, State, and local programs that are feasible and desirable in the public interest to preserve, develop, and make accessible for public use the values identified; and

(3) the relationship of any recommended national park, recreation area, or seashore area to existing or proposed Federal, State, and local programs to manage in the public interest the natural resources of the entire Irvine Coast-Laguna area.

(c) There is hereby authorized to be appropriated $250,000 to carry out the provisions of this section.

THEODORE ROOSEVELT INAUGURAL NATIONAL HISTORIC SITE

SEC. 614. The first section of the Act entitled "An Act to provide for the acquisition and preservation of the real property known as the Ansley Wilcox House in Buffalo, New York, as a national historic site" approved November 2, 1966 (Public Law 89–708), is amended by striking out "at no expense to the United States" and inserting in lieu thereof "at no expense to the Department of the Interior,".

BIG SUR STUDY

SEC. 615. (a) It is the purpose of this section to provide for a study of the area in and around Big Sur, California, to determine the most feasible means of preserving its landscapes of unique and outstanding ecological, scenic, and recreational values and of coordinating the management of the area. Such study shall include consideration of the—

(1) preferences of the residents of the Big Sur area respecting such issue;

(2) current land ownership and use patterns;

(3) views of all local, State, and Federal governments and agencies controlling or managing property in such area, and views of all other interested groups and individuals respecting the most feasible means of preserving its unique values and coordinating the management of the area:

(4) cost and benefits of various alternative means of preserving such values and coordinating such management;

(5) any other studies that have been prepared or are being prepared on the most appropriate use or uses of such area; and

(6) any other issues that the Commission, created by this Act, determines are necessary and appropriate to such study.

(b)(1) The Big Sur Preservation Study Commission is hereby established.

(2) The Commission shall be composed of one representative of each of the following agencies and organizations appointed by the respective chief officers and agency heads—

(A) Big Sur Grange;

(B) Big Sur Citizens Advisory Committee;

(C) Big Sur Chamber of Commerce;

(D) Big Sur Foundation;

(E) Big Sur Trust;

(F) Coast Property Owners Association;

(G) United States Department of the Interior;

(H) United States Department of Agriculture;

(I) California Department of Parks and Recreation;

(J) Central California Coastal Commission; and

(K) Monterey County Department of Parks.

(3) A simple majority of the members of the Commission shall constitute a quorum. The Commission shall act only by a majority vote of the membership of the Commission.

(4) The Chairman of the Commission shall be elected by the members of the Commission from among the members of the Commission and shall serve until expiration of the Commission.

(5) The Commission shall meet at the call of the Chairman or a majority of its members. Commission meetings shall be held at such locations and in such manner as to insure adequate public involvement. Such locations shall be within a twenty-mile radius of the town of Big Sur, California. All meetings for the conduct of business shall be open to the public and shall be preceded by reasonable notice thereof.

(6) Members of the Commission who are employees of the United States or of a State or local unit of government shall serve without additional compensation, except for reimbursement for expenses incurred in the performance of their duties as members of the Commission. All other members shall receive $50 per diem when actually engaged in the performance of their duties as members of the Commission.

(7) Financial and administrative services (including those related to payment of compensation, budgeting, accounting, financial reporting, and procurement) shall be provided by the Secretary from the funds appropriated to carry out this section.

(8) Technical assistance services shall be provided by the Secretary to the Commission for the purpose of developing the study referred to in this section and shall be provided from the funds appropriated to carry out this section and from any discretionary funds available to the Secretary for the payment for such services.

(9) The Commission shall have the authority to appoint such staff and temporary and intermittent personnel as may be necessary to carry out the duties of the Commission. Such staff and other personnel may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(10) Upon request of the Commission, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist it in carrying out its duties under this section.

(11) The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this section. Upon request of the Commission, the head of such department or agency shall furnish such information to the Commission.

(12) The Commission shall convene not later than sixty days after the beginning of the first fiscal year for which sums are appropriated to carry out this section.

(c) The Commission shall, within eighteen months after the first day of the first fiscal year beginning after the date of the enactment of this section, complete and submit to the Secretary and the Congress a Big Sur Area Preservation Feasibility Study (hereinafter in this section referred to as the "study" which includes—

(1) a description of the lands within the area, including a detailed description of the boundaries of such area and a resource assessment;

(2) an evaluation of the values, scenic, cultural, historical, recreational, and other, present in such area;

(3) a recommendation of the land uses compatible and incompatible with the preservation of such values;

(4) a recommendation of the most appropriate institutional arrangements, if any, between the residents, the Federal, State, and local governmental units and private entities for the preservation of such values in such area; such a recommendation may include retention of the present status quo arrangements if the Commission deems them sufficient for the needs of the area;

(5) a summary of the findings of the Commission of the views of local residents and affected individuals and groups on any proposed recommendations, together with recommendations by the Commission on the best way to maintain and encourage local participation in any future planning for the area;

(6) a recommendation for coordination of the policies and programs of the local, State, and Federal governments in such area so as to preserve and enhance the values of such area; and

(7) such other information and recommendations as the Commission finds necessary.

(d) Prior to completion of the study, the Commission shall hold at least two public hearings within the confines of the area described in the study for the purpose of receiving public comment on the study. Notice of the date, time, and location of such meeting or hearing shall be published in a local newspaper of general circulation at least once a week for four consecutive weeks, beginning one month before such hearing, and shall contain information as to where a copy of the proposed plan may be inspected. The

final study shall not be adopted until thirty days after the last hearing.

(e) The Commission shall, upon adoption of the study by a majority vote of the entire membership of the Commission, submit the study to the Secretary and to the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate. The Secretary shall, within ninety days of his receipt of the report, forward his recommendations to the Congress.

(f) The Commission shall terminate upon transmittal of the study by the Secretary to the Congress.

(g) There is hereby authorized to be appropriated to carry out the purposes of this section not more than $350,000 for the eighteen-month period beginning with the first fiscal year which begins after the date of the enactment of this Act.

Mr. PHILLIP BURTON (during the reading). Mr. Chairman, I ask unanimous consent that title VI be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENT OFFERED BY MR. SYMMS

Mr. SYMMS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SYMMS: Page 288, line 23, delete '"May 1978"' and insert '"June 1978"', and on line 25 change the period to a comma and add the following: "and to exclude the Blue Jacket mine area from the boundary of the national recreation area."

Mr. SYMMS. Mr. Chairman, this amendment merely changes the boundary designation for the Hells Canyon Recreation Area to exclude approximately 4,400 acres from the boundary. The area to be excluded is the Blue Jacket mine area. I will not go into the technical explanation of the boundary line, but I will just say it was the original intent of Congress, when the Hells Canyon recreation bill was passed, to keep mining operations out of the boundaries. There was a mistake made, which I think was an honest mistake, in the drawing of the boundaries.

The gentleman from Oregon (Mr. ULLMAN) and the Senator from the State of Oregon, Mr. HATFIELD, introduced legislation to correct it, and corrected it on the Oregon side of the border. Inadvertently, we did not get it introduced into the committee in time to do this before, so I apologize to my Chairman for bringing this to the Chairman at this time, although it was brought to my attention.

I would just like to say what we are talking about here is on the outer perimeters, so it is not going to be an in-hold in the recreation area. It is a section of ground which has already been cut over, clearcut ground, timberwise, about 20 years ago. It does not have a particularly high potential as a recreation area, but it has a tremendous ore deposit of gold, silver, zinc, and copper, where it is estimated they would be able to have a mine that would operate in the area of a $1 billion ore deposit.

We think, in view of the fact that 64 percent of Idaho is already owned by the Federal Government, and there is presently on the drawing board plans for as much as up to 13 million acres of our State being put into wilderness area, maybe this 4,400 acres we are asking to remain in the multiple use section is a very minor and a very modest amount. I would hope the committee would accept the amendment.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Chairman, the gentleman is the most diligent member of our committee, and I assure the gentleman we will look into this matter.

I regret absolutely that this matter was not brought to the committee's attention.

Mr. SYMMS. I would say to the chairman, for that I apologize.

Mr. PHILLIP BURTON. The gentleman's apologies are not necessary. But on a matter of this kind, I do think the members of the committee here today, as well as the members of our committee, are entitled to have hearings to find out precisely what the current state of fact is.

Let me tell the Members precisely what limited intention the committee had with respect to this amendment. Our distinguished colleague, the gentleman from Oregon (Mr. ULLMAN), was the author of a wilderness proposal in the last Congress, and the wilderness maps did not square with the gentleman's understanding, and, from all I can conclude, the general understanding as to the limitations on the wilderness area.

Therefore, consistent with what I would like to deem to be the policy of our committee, to wit, that we keep our word literally, we excluded some 600 acres of wilderness from the current law so we have squared with the understanding in the last Congress.

It is one thing to correct a map mistake, and I would note with interest that the environmentalists obviously were not thrilled about this judgment, but they accepted it. It is quite another thing to have us on the floor, with no previous benchmark testimony or yardsticks, excluding more acres.

Therefore, Mr. Chairman, I vigorously oppose at this time the gentleman's request and urge a "no" vote on the amendment.

Mr. SYMMS. Mr. Chairman, if I may recover my time, I would just like to note one last thing. We are talking about the opportunity to recover from American soil silver, gold, copper, and zinc. It is in the outside edge of a recreation area where the boundaries will be only removing 4,400 acres of a State which stands to have millions of acres literally put into the national wilderness system in future years.

Mr. Chairman, I think it would be a very moderate action on the part of this Congress to just accept this amendment since past mining operations and future mining operations have been justified by discovery of the Blue Jacket property which I think should be excluded from the Hells Canyon National Recreation area, just as those in the Red Ledge mine and the Iron Dike mine in Baker County, Oreg. are excluded.

The CHAIRMAN. The time of the gentleman from Idaho (Mr. SYMMS) has expired.

(By unanimous consent, Mr. SYMMS was allowed to proceed for 2 additional minutes.)

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield further?

Mr. SYMMS. I yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Chairman, I do not want to seem peremptory, but I do mean to make this objective observation. Something like this is going to render it really very difficult for any person managing a bill coming out of our committee to correct overreaching mistakes when we find them, if at that point we find that we are going to invite floor amendments upon which we have had no hearings at all.

I do not dispute the gentleman's words because the gentleman speaks the truth. I have never found the gentleman to make a misstatement, but we made this effort to correct a mistake. These are not difficult items to treat, since it remains a pristine wilderness; but we are going to set a very ominous precedent since my successors holding this responsibility are going to have to say, "It is one thing to correct a mistake, but then if I am inviting the exclusion of a whole new area, we are not going to correct the mistake."

Mr. Chairman, I appreciate the gentleman's position, but I urge him to withdraw his amendment.

Mr. SYMMS. Mr. Chairman. I thank the gentleman for his comment.

Every time we debate a proposal on a park and recreation bill on the floor, we hear Members say, "You are not losing these acres. We are putting them into a national park. When the time comes, we will get them out."

All we are saying, Mr. Chairman, is that we want to draw a line and exclude the 4,400 acres out of an area of 44,000 acres in our State. It is a very small, infinitesimal amount in my State of Idaho, but it is an ore area which looks to have a great deal of potential.

Mr. Chairman, I would urge acceptance of the amendment and would assure the members of the committee that they would be voting for jobs and also for consistently good environment because these mines, if developed, would have to comply with the mining law of the land. and they would be approved by the U.S. Forest Service.

Mr. ULLMAN. Mr. Chairman, I move to strike the requisite number of words.

I certainly am sympathetic with my friend from across the Snake River in Idaho, whose district shares the Hells Canyon Recreation Area. However, I think we need to go back and look at the history of this matter.

Mr. Chairman, when we passed the Hells Canyon Recreation Area bill 2 years ago, we looked extensively at the mining properties, and we did withdraw the mining properties which we thought

needed to be pulled out of the recreation area.

The reason that we have a provision in this bill dealing with the recreation area is that there was a mistake made with respect to the inclusion of a map that did not represent the lines as agreed to in the legislation.

So, in order to correct that mistake we have had a small provision in here that the chairman of the subcommittee has been very considerate of, that merely brings this bill into the exact posture it was in when we passed it 2 years ago. Now, I certainly am not going to ever be in opposition to my friend from Idaho when he comes before the subcommittee in a proper way, with hearings and so forth. As a matter of fact, I could very well be supportive. I know nothing about the case. All I know is that when we passed this measure, we looked at mining properties and withdrew those we thought needed to be withdrawn.

I am going to have to urge opposition to the amendment, and I hope the gentleman will bring it in a proper way back to the subcommittee in an orderly manner so that we can all look at it in a responsible fashion.

Mr. SEBELIUS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I find myself in a very similar position as that of the gentleman from Oregon, in that the gentleman from Idaho has a legitimate amendment here, except that we did not have it for consideration before the committee. My personal feeling is that I would vote aye. However, we have tried to maintain some discipline in accepting all kinds of new amendments because this is an omnibus bill and a lot of problems result in adopting all kinds of unscrutinized amendments. I would probably urge a no vote, but I am going to vote aye.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman yielding to me.

Do I understand that every single thing in this bill has had hearings? Is that true—every single thing? We have been led to believe that the only way one can offer an amendment on the floor is only if the committee has had hearings. There have been all kinds of discussion on this issue in the State of Idaho. The gentleman has had hearings on every single thing in this bill, right?

Mr. SEBELIUS. I will respond. On the subject of hearings, hearings are in the eyes of the beholder.

Mr. ROUSSELOT. Oh, I see.

Mr. SEBELIUS. Our point is that this is an omnibus bill.

Mr. ROUSSELOT. We understand.

Mr. SEBELIUS. And it calls for some discipline. Otherwise, we would be here forever and ever and ever. As far as my feelings are concerned, I agree with the gentleman's amendment and I will vote for it, but as far as looking at the discipline we have had, I would urge a no vote.

Mr. ROUSSELOT. Could the gentleman answer, every item in here, he has had hearings on?

Mr. SEBELIUS. Basically——

Mr. ROUSSELOT. But not every single thing?

Mr. SEBELIUS. Not to my knowledge.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Chairman, I noted the fact that I think, and the gentleman from Idaho has graciously acknowledged this, that the members on the committee—and the bill was before us for several months—feel that it is helpful to have a member of the committee at some point formally or informally bring this matter to the attention of the committee so that there is some opportunity for the committee to make a refined judgment.

Now, there is at least one instance today, that of the gentleman from Virginia (Mr. WAMPLER). The gentleman is not on the committee, and the effect of one piece of that proposal had an impact which, if one were not on the committee, one might not be aware of until the bill was reported out. That amendment could have been drawn more discreetly, but that is not the point. We have dealt with that.

But, that just is the wiser way to legislate on a matter like this, most particularly when we are correcting a mistake and find out that that action opens up something that in turn then is dealt with just by way of floor amendment. I am not sure at all that I would have posed that observation if our good friend from Idaho was not on the full committee. If the gentleman from California (Mr. ROUSSELOT) had an amendment, I would understand. He is not a member of the committee, although during the course of the last few days I have wondered. I had the committee staff look up the roster, and by God, I was right; the gentleman is not on our committee. However, the gentleman from Idaho is.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho (Mr. SYMMS).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. PHILLIP BURTON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 147, noes 240, not voting 36, as follows:

[Roll No. 528]

AYES—147

Abdnor	Clawson, Del	Emery
Archer	Cleveland	English
Armstrong	Cochran	Erlenborn
Ashbrook	Cohen	Evans, Del.
Badham	Coleman	Findley
Barnard	Collins, Tex.	Flippo
Bauman	Conable	Flynt
Beard, Tenn.	Coughlin	Foley
Bevill	Crane	Forsythe
Bowen	Cunningham	Frenzel
Breaux	Daniel, Dan	Gammage
Brinkley	Daniel, R. W.	Ginn
Broyhill	Dent	Goldwater
Burgener	Derwinski	Grassley
Burleson, Tex.	Devine	Hagedorn
Butler	Dickinson	Hall
Carter	Dornan	Hammer-schmidt
Cederberg	Duncan, Tenn.	Hansen
Clausen, Don H.	Edwards, Ala.	Heckler
	Edwards, Okla.	
Hefner	Michel	Skelton
Heftel	Milford	Smith, Nebr.
Hightower	Miller, Ohio	Snyder
Holt	Montgomery	Spence
Hubbard	Moorhead, Calif.	Stangeland
Hyde	Mottl	Stanton
Ichord	Murtha	Stockman
Jenkins	Myers, Gary	Stratton
Johnson, Colo.	Myers, John	Stump
Jones, N.C.	Nichols	Symms
Jones, Okla.	O'Brien	Taylor
Jones, Tenn.	Oberstar	Thone
Kelly	Pettis	Treen
Kindness	Pickle	Trible
Latta	Poage	Waggonner
Lent	Pressler	Walker
Livingston	Quayle	Wampler
Lloyd, Tenn.	Quie	Watkins
Lott	Rhodes	White
Lujan	Risenhoover	Whitehurst
McClory	Robinson	Whitley
McCloskey	Rousselot	Whitten
McDade	Rudd	Wiggins
McDonald	Santini	Wilson, Bob
McEwen	Satterfield	Wilson, Tex.
McKay	Schulze	Wydler
Madigan	Sebelius	Young, Alaska
Marlenee	Shuster	Young, Mo.
Marriott	Sisk	Zablocki
Martin		Zeferetti

NOES—249

Addabbo	Edwards, Calif.	McHugh
Akaka	Eilberg	McKinney
Alexander	Ertel	Maguire
Ambro	Evans, Colo.	Mahon
Ammerman	Evans, Ind.	Markey
Anderson, Calif.	Fary	Marks
Andrews, N.C.	Fascell	Mattox
Andrews, N. Dak.	Fenwick	Mazzoli
Annunzio	Fish	Meeds
Applegate	Fisher	Metcalfe
Ashley	Fithian	Meyner
Aspin	Flood	Mikulski
AuCoin	Florio	Mikva
Bafalis	Flowers	Miller, Calif.
Baldus	Ford, Mich.	Mineta
Baucus	Ford, Tenn.	Minish
Beard, R.I.	Fowler	Mitchell, Md.
Bedell	Fraser	Mitchell, N.Y.
Beilenson	Fuqua	Moakley
Benjamin	Garcia	Mollohan
Bennett	Gaydos	Moore
Biaggi	Gephardt	Moorhead, Pa.
Bingham	Giaimo	Moss
Blanchard	Gibbons	Murphy, Ill.
Blouin	Gilman	Murphy, N.Y.
Boland	Glickman	Murphy, Pa.
Bonker	Gonzalez	Myers, Michael
Brademas	Gore	Natcher
Brodhead	Gradison	Neal
Brooks	Green	Nedzi
Broomfield	Gudger	Nolan
Brown, Calif.	Hamilton	Nowak
Brown, Mich.	Hanley	Oakar
Buchanan	Hannaford	Obey
Burke, Calif.	Harkin	Ottinger
Burke, Mass.	Harrington	Panetta
Burlison, Mo.	Harris	Patten
Burton, John	Harsha	Patterson
Burton, Phillip	Hawkins	Pattison
Byron	Hillis	Pease
Caputo	Holland	Pepper
Carney	Hollenbeck	Perkins
Carr	Holtzman	Preyer
Cavanaugh	Horton	Price
Chisholm	Howard	Pritchard
Clay	Hughes	Quillen
Collins, Ill.	Ireland	Rahall
Conte	Jacobs	Railsback
Conyers	Jeffords	Regula
Corcoran	Jenrette	Reuss
Corman	Johnson, Calif.	Richmond
Cornell	Jordan	Rinaldo
Cornwell	Kastenmeier	Roe
Cotter	Kazen	Rogers
D'Amours	Keys	Roncalio
Danielson	Kildee	Rooney
Davis	Kostmayer	Rose
Delaney	Krebs	Rosenthal
Dellums	Krueger	Rostenkowski
Derrick	LaFalce	Roybal
Dicks	Lagomarsino	Ruppe
Diggs	Leach	Russo
Dingell	Lederer	Ryan
Dodd	Lehman	Sarasin
Downey	Levitas	Sawyer
Drinan	Lloyd, Calif.	Scheuer
Early	Long, La.	Schroeder
Eckhardt	Long, Md.	Seiberling
Edgar	Luken	Sharp
	McCormack	Shipley
	McFall	Sikes

Simon	Thompson	Walsh
Skubitz	Thornton	Waxman
Smith, Iowa	Traxler	Weaver
Solarz	Tsongas	Weiss
Spellman	Tucker	Whalen
St Germain	Udall	Wirth
Staggers	Ullman	Wright
Stark	Van Deerlin	Wylie
Steed	Vander Jagt	Yates
Steers	Vanik	Yatron
Steiger	Vento	Young, Fla.
Stokes	Volkmer	Young, Tex.
Studds	Walgren	

NOT VOTING—36

Anderson, Ill.	Frey	Nix
Boggs	Goodling	Pike
Bolling	Guyer	Pursell
Bonior	Huckaby	Rangel
Breckinridge	Kasten	Roberts
Brown, Ohio	Kemp	Rodino
Burke, Fla.	Le Fante	Runnels
Chappell	Leggett	Slack
de la Garza	Lundine	Teague
Duncan, Oreg.	Mann	Wilson, C. H.
Evans, Ga.	Mathis	Winn
Fountain	Moffett	Wolff

The Clerk announced the following pairs:

On this vote:

Mr. Roberts for, with Mr. Bonior against.
Mr. Teague for, with Mr. Wolff against.
Mr. Runnels for, with Mr. Rangel against.

Mr. JEFFORDS changed his vote from "aye" to "no."

Mr. McEWEN changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments to title VI?

AMENDMENT OFFERED BY MR. BADHAM

Mr. BADHAM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BADHAM: Page 289, strike out line 1 and all that follow down through line 15 on page 290 and redesignate the following sections accordingly.

Make the necessary conforming changes in the table of contents.

Mr. BADHAM. Mr. Chairman, I offer this amendment, which is a motion to strike section 613 of H.R. 12536, and I do so for many reasons.

First, I noticed that the distinguished chairman of the subcommittee, the gentleman from California (Mr. PHILLIP BURTON), has alluded to the fact that there have been hearings on every item in this bill.

I am sure that the gentleman would point to no inadvertency on this floor by saying that there had been hearings when a Member whose district lies totally in the area of contention, the area for national park feasibility and desirability, was not notified. I am sure that the subcommittee chairman would want to notify another gentleman from California if he was going to take 20,000 acres of his district, 20,000 acres of prime land, and put it into a national park. I am sure that he would have invited me, had there been hearings, to come and at least testify as to the feelings of the people in my district toward this proposal.

So I am offering this amendment, a motion to strike section 613, which proposes a study by the Department of the Interior to determine the feasibility and desirability of establishing the Irvine Coast-Laguna area as a unit of the national park system.

I contend that such a study is not needed for several reasons. First of all, the area in question has been said to be the most thoroughly analyzed acreage in the State of California. In recent years several studies and/or plans of this area costing millions of dollars have been made. The Department of the Interior, the California Coastal Commission, the Southern California Association of Governments, the Irvine Co., which just happens to own the land, and the Orange County Board of Supervisors are among those who have completed or are in the midst of completing studies or plans of this area. Therefore, the study, as proposed in section 613, is clearly redundant.

I would invite the attention of the Members of this body to the stack of studies I have placed here on the table. The area has been completely studied, and considerable amounts of private money has already been spent. This is not deficit money, but real dollars that have been spent for studying.

The second point I would make is that the boundaries of the area are ill defined, containing some 20,000 acres of loosely defined land in basically an urban area. On both points the proposal is unjustified. This is to say, a clearly defined area should be established prior to any additional study in order to "free up" the surrounding land for agriculture, commerce, or development. Thus such a study as prescribed in section 613 is premature, because there has been no agreement whatsoever as to which land should be studied and which should be excluded.

My third point is that the California State Department of Parks and Recreation has already set aside $22.5 million designated for State acquisition of open space in this area, the coastal and inland valley area.

To date, the acquisition plan, including a list of potential parks and recreational sites, has been submitted to the real estate services section of the Department of Parks and Recreation in California, which has set aside these almost $23 million. They are currently in the process of preparing a detailed appraisal of subject properties and formulating a relocation plan. The appraisal is due to be finished within the next few weeks, after which the Department of Parks and Recreation will make a decision regarding specific acquisitions—thus, again making the case that this study in this bill is premature. The $250,000 authorized to be appropriated here in this bill is at present a waste of taxpayers' money. It is redundant, it is premature and, indeed, it is unnecessary, in view of the studies which have already been made.

As a Member who represents the entire area in question, I strongly question the fact that I was not consulted, I was not invited to hearings. I have worked with the public agencies. I have advocated the State purchase, I have advocated working between the landowner and the Federal Government, and there has been apparently no move to invite the Member, in whose district this land is located, into whatever discussions there may have been.

I urge support of my amendment deleting the study in section 613, the area which is shown on the map here in front of the Chamber which any Member might wish to study.

Mr. Chairman, I would like to add another point, and that is that in February 1978, the national urban recreational study said that if such a park in this area were to be developed, it should be managed either at the State or local level.

The CHAIRMAN. The time of the gentleman from California (Mr. BADHAM) has expired.

(By unanimous consent, Mr. BADHAM was allowed to proceed for 3 additional minutes.)

Mr. BADHAM. In conclusion, Mr. Chairman, the Department of Interior's September 1977 study of national urban recreation was that the acreage in the Irvine Coast-Laguna Area, which is the subject of section 613 of this bill, was quite expensive and, therefore, very much limited so far as Federal acquisitions were to be concerned. The cost of this area is estimated at $12,000 per acre average. If we are talking about 20,000 acres, that is at least $200 million, depending on the evaluation. Does the House intend to, or is it even interested in, such an expensive purchase? If not, we should scale it down to a realistic level. And again we are premature.

The State has already allocated money, and I have worked with them to obtain that valuable recreational resource. So I do not object to the prospect of this land becoming public land, except it is a premature waste of taxpayers' money when there is not going to be development for sometime in the future and when we are in a situation where the redundant studies have already been carried out and there is no need for further studies. Also the mayor of one of the bordering cities, Laguna Beach, has expressed support for my motion to delete, because the city of Laguna Beach is now in the process of allocating $6¾ million to develop a recreation area there with local funds—and they feel that this premature study will delay this recreational park development.

So I respectfully ask my colleagues in the House to support me in this amendment.

PERFECTING AMENDMENT OFFERED BY MR. PATTERSON OF CALIFORNIA

Mr. PATTERSON of California. Mr. Chairman, I offer a perfecting amendment.

The Clerk read as follows:

Perfecting amendment offered by Mr. PATTERSON of California: On page 289, strike section 613 on line one through line 24 and on page 290, line one through line 15 and insert in lieu thereof the following new section 613.

IRVINE COAST-LAGUNA, CALIFORNIA STUDY

SEC. 613. (a) In order to consider preserving in its natural condition, the Irvine Coast-Laguna area, California from Newport Beach to Laguna Beach as generally depicted on the map entitled "Irvine Coast-Laguna Study Area", numbered IRV-90,000, and dated June 1978, and in order to consider

protection of the area's unique ecology and topography, its watershed and marine environment, and public outdoor recreation opportunities, the Secretary shall study, investigate, and formulate recommendations on the feasibility and desirability of establishing such area as a unit of the National Park System, such as a park, recreation area, or seashore. The Secretary shall consult with other appropriate Federal agencies, as well as with the appropriate State and local bodies and officials involved, and shall coordinate the study with applicable local and State plans and planning activities relating to the area. Federal departments and agencies are authorized and directed to cooperate with the Secretary and, to the extent permitted by law, to furnish such statistics, data, reports, and other material as the Secretary may deem necessary for purposes of the study.

(b) The Secretary shall submit to the President and the Congress of the United States, within six months after the date of enactment of this section, a report of his findings and recommendations. The report of the Secretary shall contain, but not be limited to, findings with respect to—

(1) the scenic, scientific, natural, and outdoor recreation values of the Irvine Coast-Laguna area;

(2) the type of Federal, State, and local programs that are feasible and desirable in the public interest to preserve, develop, and make accessible for public use the values identified; and

(3) the relationship of any recommended national park, recreation area, or seashore area to existing or proposed Federal, State, and local programs to manage in the public interest the natural resources of the entire Irvine Coast-Laguna area.

(c) There is hereby authorized to be appropriated $50,000 to carry out the provisions of this section.

Mr. PATTERSON of California (during the reading). Mr. Chairman, I ask unanimous consent that the perfecting amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PATTERSON of California. Mr. Chairman, I do not often take the well. I do so only when I think it is important, and I think this perfecting amendment which I am offering is very important.

Mr. Chairman, let me just ask you to imagine one of the most beautiful places in the United States, between the cities of Los Angeles and San Diego, an area totally undeveloped of some 20,000 acres. That is what we are talking about when we refer to the Irvine Coast-Laguna Greenbelt area.

Mr. Chairman, my colleague and I differ on a couple of points that he made. I think we agree on a couple.

First, he indicated that the cost is too much. In the bill there is provision for $250,000 for the study. I agree with my colleague, the gentleman from California (Mr. BADHAM) that the study cost is too much. My perfecting amendment reduces the amount from $250,000 to $50,000, which I have been advised will be sufficient to do the study.

Second, my colleague stated that the boundaries were ill-defined. The boundaries are, in fact, well-defined however, this amendment reduces the 20,000 acres to 17,000 acres which will exclude an area known as Pelican Hill, which is an area that may be developed in the near future by the developer. I believe that this reduction in boundary area should remove any opposition on that point.

On the other points, that it is redundant and premature, I must respectfully disagree. Primarily, the area has been studied by the State, by Orange County, by developers, by landowners, by environmentalists; and all express great interest in this land.

However, Mr. Chairman, we have not had a study of the type necessary to determine whether or not this area should be included in the national park system. The only Federal study was a Department of the Interior study, which was a field study that devoted about one-half of one page to Irvine Coast and basically said that it is a good place for an urban park.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. PATTERSON of California. I yield to the gentleman from California (Mr. BURTON).

Mr. PHILLIP BURTON. Mr. Chairman, I would like to commend our distinguished colleague in the well. I do support the gentleman's perfecting amendment.

I would also like to commend our colleague, the gentleman from California (Mr. BADHAM), who, by dint of his persistence, has refined the proposal of the gentleman from California (Mr. PATTERSON) so that, although I suspect the Patterson proposal is not acceptable to the gentleman from California (Mr. BADHAM), at least it is essentially a fine, discreet, and thoughtful proposal.

Mr. Chairman, I urge my colleagues to accept the amendment.

Mr. BADHAM. Mr. Chairman, I move to strike the requisite number of words.

I would like to thank my colleague, the gentleman from California (Mr. PATTERSON), for offering the perfecting amendment, which, of course, is not totally acceptable to me. It does point to a reduction in the amount of acreage so as at least to exclude from this study the 3,000 most important acres as far as near-term development is concerned.

I also thank my colleague, the gentleman from California (Mr. PATTERSON), for suggesting that we reduce by $200,000 of this money down to only a $50,000 study so that we are only wasting $50,000 instead of a quarter million.

However, I know that the Members of this body will appreciate the fact that while I cannot support this amendment totally, it comes a whole lot nearer to making a reasonable proposal.

Mr. PATTERSON of California. Mr. Chairman, will the gentleman yield?

Mr. BADHAM. I yield to the gentleman from California.

Mr. PATTERSON of California. Mr. Chairman, this perfecting amendment will reduce the cost of the study to $50,000, and I thank the gentleman for his comments on that.

The State of California has allocated $22.8 million to the development of the park here. The county of Orange has allocated $2.8 million to a park here. The two major landowners have indicated that a major portion of the park may be dedicated by those landowners. Therefore, the Federal allocation of money may be very small in this case.

Mr. Chairman, it would seem to me that time is of the essence for us to consider this as a national park; and we must have the study or we will not have a park.

Mr. BADHAM. Mr. Chairman, if I may reclaim my time, I would remind the gentleman of the colloquy we had some months ago when I said I was perfectly agreeable to this area's becoming a park providing we had a willing buyer and a willing seller and that the buyer had the money. The State of California has the money. And it was I who pointed out the $23 million of State money allocated.

However, Mr. Chairman, I think everybody in this Chamber is well aware of the fact of what happened in California with proposition 13, which means that people are willing to pay admissions to parks, but not to buy them with deficit dollars, and that people are becoming a little leery of spending Federal dollars which they do not have in order to buy expensive things in other people's districts.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. BADHAM. I would be happy to yield to my other friend, the distinguished chairman of the subcommittee, the distinguished gentleman from California (Mr. PHILLIP BURTON).

Mr. PHILLIP BURTON. Mr. Chairman, I think the members of the committee should be aware that there is a very real possibility, if not a prospect, that the dominant landowners may donate a very significant portion of this land. I think it is a small enough investment now that Mr. BADHAM has gotten this amount pared. I think it is a very legitimate investment, a small amount of money that might well produce that kind of beneficial result.

Actually, I commend both my colleagues from California, and urge that the perfecting amendment offered by the gentleman from California (Mr. PATTERSON) be adopted.

The CHAIRMAN. The question is on the perfecting amendment offered by the gentleman from California (Mr. PATTERSON).

The question was taken, and on a division (demanded by Mr. BADHAM) there were—ayes 37; noes 16.

So the perfecting amendment was agreed to.

The CHAIRMAN. Are there any other amendments to title VI?

AMENDMENT OFFERED BY MR. OBERSTAR

Mr. OBERSTAR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OBERSTAR: In Title VI, at the end thereof, insert the follow new section:

VOYAGEURS NATIONAL PARK

SEC. 620. (a) The Secretary is authorized to enter into an agreement with the State of Minnesota for the transfer to the State of so much of the lands and waters in the Voyageurs National Park as are within the area

commonly known as Black Bay and for the transfer by the State to the United States of State lands which are—

(1) contiguous to the park.

(2) determined by the Secretary to be suitable for inclusion in the park, and

(3) of comparable value to the interest transferred to the State by the United States under such agreement.

(b) The lands transferred to the United States under an agreement entered into under the authority of this section shall be added to, and included within, the Voyageurs National Park.

(c) No agreement entered into under the authority of this section may provide for a change in the acreage of the Voyageurs National Park in excess of 1,000 acres.

(d) No negotiations pursuant to such an agreement may be undertaken until the Secretary has presented such an option to the public in conjunction with the public review procedures of the general management plan for the Voyageurs National Park.

Mr. OBERSTAR (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The CHAIRMAN. The gentleman from Minnesota (Mr. OBERSTAR) is recognized for 5 minutes in support of his amendment.

Mr. OBERSTAR. Mr. Chairman, this is the followup to the amendment I offered yesterday. Subsequent to the agreement with the chairman of the subcommittee, I withdrew that amendment and consulted with the chairman. We have agreed on new language which incorporates essentially the language I offered yesterday with perfecting language providing that no negotiations pursuant to the agreement for transfer of land may be undertaken until the Secretary of the Interior has received public comment on the master plan. This language is consistent with my objectives to involve the public in all stages of the planning for Voyageurs National Park.

I commend the chairman for his contribution and thank him for his cooperation.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Chairman, the amendment is acceptable to us. I restate my statement of yesterday for having mischaracterized the gentleman's effort. I appreciate fully the gentleman withdrawing the amendment yesterday so that we could work out this complete understanding. The amendment is acceptable to this side.

Mr. OBERSTAR. I thank the gentleman.

Mr. SEBELIUS. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from Kansas.

Mr. SEBELIUS. Mr. Chairman, I, too, have examined the amendment, and it is acceptable to this side.

Mr. OBERSTAR. I want to thank the ranking minority members and the members of the staff for the support and cooperation they have given on this matter.

Adoption of this amendment will make it possible for the master plan of Voyageurs National Park to go forward with the full participation by the public.

I ask for an "aye" vote on this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. OBERSTAR).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. PRESSLER

Mr. PRESSLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PRESSLER: Page 297, after line 6, insert the following new section:

BADLANDS NATIONAL PARK

SEC. 616. The Badlands National Monument is hereby redesignated as the Badlands National Park. Such park shall be administered in accordance with the provisions of law generally applicable to units of the national park system and all provisions of law applicable to the Badlands National Monument are hereby made applicable to the Badlands National Park.

Mr. PRESSLER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. PRESSLER. Mr. Chairman, I would like to offer an amendment to the National Parks and Recreation Act of 1978 which would redesignate the Badlands National Monument in South Dakota as the Badlands National Park. It is time that this outstanding area be given the recognition it deserves in the National Park System.

Let me explain briefly the reasons I believe we should establish the Badlands National Park:

First of all, the term "national monument" implies a recognition of some historic event that should be remembered or honored. A few years ago, around 1960, when the Badlands National Monument was dedicated, the Governor of the State, Ralph Herseth, flew into the area to be one of the guest speakers. Upon arriving at the visitors' center, he asked "Where is the monument?" Nearly 20 years later, that is still one of the most frequent inquiries at the Badlands National Monument.

Second. The term "national monument" also indicates an area of less importance and interest than a national park. In fact, the National Park Service in its published criteria on what determines the designation of a national park rather than a national monument states such a difference. I believe the Badlands National Monument should, according to the guidelines of the National Park Service, be a national park.

National monuments preserve resources having "primarily scientific significance", where national parks contain "a diversity of resources and values, including scenic and scientific." The Badlands National Monument is a singularly and unusually scenic area, as well as being an important site for the study of fossils, geological formations, and prairie flora and fauna. Indeed, it is the location of one of the largest "prairie dog towns" in the West.

Another criteria is the size of the area being considered. National monuments are much smaller than national parks, and are "not of sufficient size to support as broad range of visitor-use programs as national parks." Again, the Badlands National Monument exceeds the land area of a large number of national parks. In fact, it covers a land area of 243,302 acres.

Third. Finally, it is important to realize that tourism is one of the top three industries in South Dakota. In order to allow visitors to our State to fully realize the scenic and recreational opportunities available, we need to provide them with the best information possible. It would enhance the prestige of the area, and the State of South Dakota, if the Badlands National Monument were redesignated the Badlands National Park. It is important to note that this will not require the authorization or expenditure of additional money by Congress. The land area of the Badlands National Park would be no greater than that of the Badlands National Monument.

I hope you will join me in supporting the appropriate designation of one of South Dakota's most remarkable scenic and scientific areas—the Badlands National Park.

Mr. Chairman, I have a letter from the Badlands Natural History Association asking for this designation and giving some of the history.

I have also a letter from the National Park Service in which they state their objections, which they admit is by no hard and fast rule.

The letters I have referred to are as follows:

WALL DRUG STORE,
Wall, S.D., May 15, 1978.

Representative LARRY PRESSLER,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE PRESSLER: At the last meeting of the Badlands Natural History Association, of which we are both members, the hope was expressed that some time the name of The Badlands National Monument would be changed to The Badlands National Park.

At that time the discussion disclosed that only Congress can make the change and that our representation in Congress, if they so desired, could have the change made.

Since the Badlands now have established themselves as one of the most outstanding national attractions and since the number of visitors each season compares favorably with the attendance at many national parks, it seems the reasonable time to give them added stature by having them carry the distinction of park rather than monument.

The term "national monument" implies a recognition of some historic event that should be remembered and honored. The term "national park" implies an area set aside for recreation and the study of nature, where people might relax and meditate and reflect on the wonders of nature.

We believe the Badlands Monument area has reached a point where National Park would far better represent what the Badlands are than does the present name of Monument.

To recall a true incident that points this fact up, we might remember the incident when the Monument was dedicated a few years ago. It had never been dedicated and

the Badlands Natural History Association arranged for this to be done. Governor Herseth was invited to make the main address. Representative E. Y. Berry was there and also spoke.

As Governor Herseth was pressed for time on that day, he flew in a small plane to Philip, which is the nearest small airport, and we met him there and drove him to the Visitors Center by car. As he got out of the car and looked around, he said, "Where is the Monument?" Jim Jones, who is Superintendent of the Monument, says this is a very typical comment of question of the tourists as they stop at the Visitors Center.

It was the unanimous opinion of the members of the History Association, which you know is made up of local people as a unit to help the Monument staff coordinate their work with the surrounding locality, that it would enhance the prestige of the area as well as the State of South Dakota to have the area designated as a National Park rather than a National Monument.

Two years ago Time/Life Books published a volume on the Badlands. Just yesterday morning the National Geographic magazine people called and asked if we could help them with an article for their magazine. They are sending a crew out the first week in June to begin their work. We have already arranged for them to be present at a western-type branding operation in the Badlands. We will accompany them into the Badlands to help them document the attempt of early homesteaders to make homes there, an attempt that failed for many of them.

We hope each of you will recognize the advantages a change in the name would bring to our State and that you will help in setting in motion an effort to have this change made.

If we individually or as an association can help in this matter, please ask us.

Very truly yours,

LEONEL JENSEN,
TED HUSTEAD.

CRITERIA FOR NATURAL AREAS

NATIONAL SIGNIFICANCE

A. National significance is ascribed to areas which possess exceptional value or quality in illustrating or interpreting the natural heritage of our Nation, such as:

1. Outstanding geological formations or features significantly illustrating geologic processes.

2. Significant fossil evidence of the development of life on earth.

3. An ecological community significantly illustrating characteristics of a physiographic province or a biome.

4. A biota of relative stability maintaining itself under prevailing natural conditions, such as a climatic climax community.

5. An ecological community significantly illustrating the process of succession and restoration to natural condition following disruptive change.

6. A habitat supporting a vanishing, rare, or restricted species.

7. A relict flora or fauna persisting from an earlier period.

8. A seasonal haven for concentrations of native animals, or a vantage point for observing concentrated populations, such as a constricted migration route.

9. A site containing significant evidence illustrating important scientific discoveries.

10. Examples of the scenic grandeur of our natural heritage.

B. To possess national significance, the area must reflect integrity, i.e., it must present a true, accurate, essentially unspoiled natural example.

SUITABILITY

National parks

1. National Parks should be relatively spacious land and water areas so outstandingly superior in quality and beauty as to make imperative their preservation by the Federal Government for the enjoyment, education, and inspiration of all people.

2. They should embrace a sufficiently comprehensive unit as to permit public use and enjoyment and effective management of a continuing representation of its flora and fauna.

3. They should be adaptable to a type of management that can provide a wide range of opportunities for human enjoyment, such as camping, picnicking, hiking, horseback riding, and sightseeing, in a natural setting consistent with the preservation of the characteristics or features that merited their establishment.

4. They will most often contain a diversity of resources and values, including scenic and scientific.

National monuments

1. National Monuments are land and water areas usually involving lesser acreage than National Parks.

2. Generally, National Monuments preserve resources having primary scientific significance.

3. They should embrace a sufficiently comprehensive unit to permit public use and enjoyment of the scientific object, feature, or assemblage of features consistent with the preservation of such features.

4. National Monuments, for the most part, are not of sufficient size to support as broad a range of visitor-use programs as National Parks.

FEASIBILITY

The test of feasibility involves weighing all of the values and public needs served by the proposal.

DEPARTMENT OF THE INTERIOR,
Washington, D.C., July 6, 1978.

Hon. LARRY PRESSLER,
House of Representatives,
Washington, D.C.

DEAR MR. PRESSLER: Thank you for the opportunity afforded by your June 15 letter to answer a few of your questions about the proposal to redesignate Badlands National Monument in South Dakota as a national park.

There are few hard and fast rules by which national parks are separated from national monuments. Generally, however, national parks are natural areas of sufficient size to encompass a number of outstanding natural features, whereas national monuments are usually smaller areas with a single notable, or at least prevailing, feature or type of feature. It must be pointed out, however, that some national parks and monuments contradict these criteria.

Such inconsistencies, at least in part, may be attributed to the mechanism by which national parks and monuments are created. Under the Act of June 8, 1906 (34 Stat. 225), the President is authorized to create national monuments on public lands by proclamation. From time to time, this authority has been used to protect areas of outstanding natural value which might otherwise be classified as national parks. One such area, Glacier Bay National Monument, established by Presidential proclamation on February 25, 1925, is the largest single unit of the National Park System. Only Congress, on the other hand, is empowered to designate national parks, but it may, like the President, also establish national monuments. Badlands National Monument, for example, was established by an Act of Congress, approved March 4, 1929.

The National Park Service does not give favored treatment to any certain class of unit within its System, either in terms of publicity or facilities. For example, any request we receive for a list of national parks from travel agencies, tour groups, or prospective visitors is answered with a complete list of parks, monuments, recreation areas, battlefield, etc., in the System. We hope that by deemphasizing the designation of these areas, the public will develop a greater awareness of the wide range of less familiar and equally enjoyable components of the National Park System.

As requested, we have enclosed the visitation figures for each of the units within the National Park System. These figures show that Badlands National Monument is among the most heavily visited units, attracting more visitors than nearby Wind Cave National Park. Mount Rushmore National Memorial, to introduce another class of park unit, manages to attract almost as many visitors as all the other units in the Black Hills combined, which tends to substantiate the position that there is more to park attendance than just the making of a national park.

If you have further questions regarding this matter, please do not hesitate to bring them to our attention. Your interest in the programs of the National Park Service is most appreciated.

Sincerely yours,

_____ _____,
Acting Deputy Director.

Yesterday or a day before, we redesignated the Teddy Roosevelt area in North Dakota. I have spoken to both the chairman and the ranking minority member, and they have indicated to me that if I were to withdraw my amendment and if during the period of time between now and when the bill goes to the Senate or to conference, if we could persuade the Park Department to change its designation, based on the North Dakota redesignation, those Members would not have an objection when the bill goes to conference.

With that, Mr. Chairman, I yield to the distinguished gentleman from California (Mr. PHILLIP BURTON), the chairman of the subcommittee.

Mr. PHILLIP BURTON. Mr. Chairman, the gentleman from South Dakota (Mr. PRESSLER) has essentially stated our discussion, and if the National Park Service and the Department of the Interior say that this unit deserves this designation then we will accept that in conference, and if they do not, we will not.

Mr. PRESSLER. I thank the gentleman.

Mr. SEBELIUS. Mr. Chairman, if the gentleman will yield, the other essential point is to get the Senate to put it into the bill so that we can go to conference on it.

Mr. PRESSLER. In that respect I am approaching my two Senators, and have already begun discussions in the terms of the North Dakota designation. With that understanding, Mr. Chairman, I ask unanimous consent that I may be permitted to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

● Mr. ABDNOR. Mr. Chairman, I commend the distinguished chairman and ranking minority member of the subcommittee for agreeing to accept redesignation of Badlands National Monument as a national park, provided the Park Service supports inclusion of the redesignation in the Senate bill.

Recognizing that time was too short to allow inclusion in the House bill, I wrote

the Park Service on May 25 and have urged that they give this matter the most expeditious possible consideration. We have also been in contact with Senator McGOVERN's office to coordinate our efforts and to insure the redesignation is included in the Senate bill at the appropriate time.

In my view, the redesignation of the Badlands National Monument as a national park is well justified. I am hopeful the Park Service will agree and would like to have Acting Director Ira J. Hutchison's interim reply of June 6 included in the RECORD.

NATIONAL PARK SERVICE,
Washington, D.C., June 6, 1978.

HON. JAMES ABDNOR,
House of Representatives,
Washington, D.C.

DEAR MR. ABDNOR: Thank you for the opportunity afforded by your letter of May 25 to review the suggestion made by several of your constituents that Badlands National Monument in South Dakota be redesignated as a national park.

We have asked our Rocky Mountain Regional Office in Denver to look at the proposal. When we have had a sufficient opportunity to consider its comments, we will be in a better position to provide you with our views. Senators James Abourezk and George McGovern have also asked that we comment on the proposed designation of Badlands as a national park.

If we can be of further assistance in this or any other matter, please do not hesitate to call upon us.

Sincerely yours,

IRA J. HUTCHISON,
Acting Director.

Mr. Chairman, justification of this redesignation is dealt with in the May 15 letter I received from Messrs. Leonel Jensen and Ted Hustead. Their letter follows:

WALL DRUG STORE,
Wall, S. Dak., May 15, 1978.

Representative JAMES ABDNOR,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE ABDNOR: At the last meeting of the Badlands Natural History Association, of which we are both members, the hope was expressed that some time the name of The Badlands National Monument would be changed to The Badlands National Park.

At that time the discussion disclosed that only Congress can make the change and that our representation in Congress, if they so desired, could have the change made.

Since the Badlands now have established themselves as one of the most outstanding national attractions and since the number of visitors each season compares favorably with the attendance at many national parks, it seems the reasonable time to give them added stature by having them carry the distinction of park rather than monument.

The term national monument implies a recognition of some historic event that should be remembered and honored, The term national park implies an area set aside for recreation and the study of nature, where people might relax and meditate and reflect on the wonders of nature.

We believe the Badlands Monument area has reached a point where National Park would far better represent what the Badlands are than does the present name of Monument.

To recall a true incident that points this fact up, we might remember the incident when the Monument was dedicated a few years ago. It had never been dedicated and the Badlands Natural History Association arranged for this to be done. Governor Herseth was invited to make the main address. Representative E. Y. Berry was there and also spoke.

As Governor Herseth was pressed for time on that day, he flew in a small plane to Philip, which is the nearest small airport, and we met him there and drove him to the Visitors Center by car. As he got out of the car and looked around, he said, "Where is the Monument?" Jim Jones, who is Superintendent of the Monument, says this is a very typical comment or question of the tourists as they stop at the Visitors Center.

It was the unanimous opinion of the members of the History Association, which you know is made up of local people as a unit to help the Monument staff coordinate their work with the surrounding locality, that it would enhance the prestige of the area as well as the State of South Dakota to have the area designated as a National Park rather than a National Monument.

Two years ago Time/Life Books published a volume on the Badlands. Just yesterday morning the National Geographic magazine people called and asked if we could help them with an article for the magazine. They are sending a crew out the first week in June to begin their work. We have already arranged for them to be present at a western-type branding operation in the Badlands. We will accompany them into the Badlands to help them document the attempt of early homesteaders to make homes there, an attempt that failed for many of them.

We hope each of you will recognize the advantages a change in the name would bring to our State and that you will help in setting in motion an effort to have this change made.

If we individually or as an association can help in this matter, please ask us.

Very truly yours,

LEONEL JENSEN,
TED HUSTEAD.●

The CHAIRMAN. Are there other amendments to title VI?

Mr. BINGHAM. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am pleased to rise in support of H.R. 12536, the National Parks and Recreation Area Act of 1978. As a member of the Interior Committee and the Subcommittee on National Parks and Insular Affairs, I can testify to the remarkable job our subcommittee chairman, Mr. PHILLIP BURTON, has done in creating this monumental piece of legislation. This one bill designates 3.5 million acres of new wilderness lands in 12 national parks, rivers, seashores, and monuments. It creates 11 new national historic or recreational sites. It proposes four new national trails. It adds segments of 8 rivers to the wild and scenic river system and mandates the study of 18 more for possible future designation. It increases the authorization ceilings for the development of 39 sites and it would establish an urban recreation aid program. It does all this and, in numerous other provisions, it does a good deal more in the area of protection of our national treasures, natural and manmade.

Two items in the omnibus bill are of special interest to me. The Urban Parks and Recreation Recovery Act—section 611—is a very important piece of legislation in itself. It is based on President Carter's call for aid to urban recreation as expressed in his urban policy message of March 27. I have long been concerned about the deterioration of our urban park facilities. Cities like New York, which long ago invested in fine recreational facilities, are now often unable to maintain or rehabilitate those facilities for lack of funds. It has long been known that in times of economic hardship, parks and recreation facilities are first to feel the crunch. Federal aid programs have been targeted to the construction or acquisition of new facilities while existing parks were allowed to fall into ruin.

This bill, which I am proud to have cosponsored, would change that. The bill authorizes $650 million over the next 5 years for urban recreation. The Federal Government would contribute as much as 75 percent of the cost of a project with the remainder paid for by the local communities. The program would be administered by the Department of the Interior through the Heritage Conservation and Recreation Service.

The Heritage Conservation and Recreation Service (formerly Bureau of Outdoor Recreation) is well-equipped to operate this program. The HCRS has recently completed a 1-year $1 million study of urban recreation in the United States. This study, called for by the Congress, was the most comprehensive study of urban recreation needs ever made in the United States. HCRS field teams interviewed over 2,000 Government officials, recreation leaders, planners, and private citizens. The study, while not endorsing any specific legislative remedy for the various problems of urban recreation, was however the basis for section 611 of the H.R. 12536. It is therefore most appropriate that the HCRS administer the new urban recreation aid program it parented. This new program can make a significant improvement in the quality of life in our cities.

As it was reported to the House, the bill would have specifically targeted funding to distressed cities through employment of criteria based on the minimum standards for physical and economic distress established for the urban development action grants (UDAG). I am disturbed that amendments accepted en bloc in the House have deleted the reference to these criteria. I trust this deletion will not result in the establishment of a program not directed at alleviating the deterioration of facilities in our most needy cities. As a cosponsor of the original Urban Recreation and Recovery Act, I can say with assurance that our intention was to aid our most distressed cities. Moreover, from conversations with administration officials, I can assert that this was also President Carter's intention in recommending it as part of his urban program. I shall work to see that the urban recreation program's mission is not undermined.

Another important provision in H.R. 12536 would raise the authorization ceiling for the development of Ellis Island National Monument in New York from $6 million to $34 million. The designation of Ellis Island as a national monument in 1965 saved the former national immigration center from immediate destruction but did not end the long-term

threat to its survival. As author of the 1965 bill, I have been distressed to see Ellis Island's continuing deterioration. Visitors to Ellis Island see only the empty hull that was once the great hall and can only use the powers of imagination to get some idea of the dramatic scenes that unfolded there. There is little at Ellis today that suggests that one-half of the American population either are descended from those who arrived through Ellis or came through the "portal to America" themselves. By raising the authorization for Ellis Island we can make possible the rehabilitation of the facility and assert that Ellis Island is one national treasure we are determined to save.

Mr. Chairman, H.R. 12536, the National Parks and Recreation Area Act of 1978, is a remarkable measure. I hope it will be passed by an overwhelming vote.

The CHAIRMAN. Are there further amendments to title VI? If not, the Clerk will read.

The Clerk read as follows:

TITLE VII—WILD AND SCENIC RIVERS ACT AMENDMENTS

Subtitle A—Addition of Segments

ADDITION OF PERE MARQUETTE SEGMENT

SEC. 701. Section 3(a) of the Wild and Scenic Rivers Act is amended by adding the following new paragraph at the end thereof:

"(16) PERE MARQUETTE, MICHIGAN.—The segment downstream from the junction of the Middle and Little South Branches to its junction with United States Highway 31 as generally depicted on the boundary map entitled 'Proposed Boundary Location, Pere Marquette Wild and Scenic River'; to be administered by the Secretary of Agriculture. After consultation with State and local governments and the interested public, the Secretary shall take such action as is provided for under subsection (b) with respect to the segment referred to in this paragraph within one year from the date of enactment of this paragraph. For the purposes of carrying out the provisions of this Act with respect to the river designated by this paragraph, there are authorized to be appropriated not more than $8,125,000 for the acquisition of lands or interests in lands and $402,000 for development.".

ADDITION OF RIO GRANDE SEGMENT

SEC. 702. Section 3(a) of the Wild and Scenic Rivers Act is amended by adding the following new paragraph at the end thereof:

"(17) RIO GRANDE, TEXAS.—The segment on the United States side of the river mile 842.3 above Mariscal Canyon downstream to river mile 651.1 at the Terrell-Val Verde County line; to be administered by the Secretary of the Interior. The Secretary shall, within two years after the date of enactment of this paragraph, take such action with respect to the segment referred to in this paragraph as is provided for under subsection (b). The action required by such subsection (b) shall be undertaken by the Secretary, after consultation with the United States Commissioner, International Boundary and Water Commission, United States and Mexico, and appropriate officials of the State of Texas and its political subdivisions. The development plan by subsection (b) shall be construed to be a general management plan only for the United States side of the river and such plan shall include, but not be limited to, the establishment of a detailed boundary which shall include an average of not more than 160 acres per mile. Nothing in this Act shall be construed to be in conflict with—

"(A) the commitments or agreements of the United States made by or in pursuance of the treaty between the United States and Mexico regarding the utilization of the Colorado and Tijuana Rivers and of the Rio Grande, signed at Washington, February 1944 (59 Stat. 1219), or

"(B) the treaty between the United States and Mexico regarding maintenance of the Rio Grande and Colorado River as the international boundary between the United States and Mexico, signed November 23, 1970. For purposes of carrying out the provisions of this Act with respect to the river designated by this paragraph, there are authorized to be appropriated such sums as may be necessary, but not more than $1,650,000 for the acquisition of lands and interests in lands and not more than $1,800,000 for development.".

ADDITION OF SKAGIT SEGMENTS

SEC. 703. Section 3(a) of the Wild and Scenic Rivers Act is amended by adding the following new paragraph at the end thereof:

"(18) SKAGIT, WASHINGTON.—The segment from the pipeline crossing at Sedro-Woolley upstream to and including the mouth of Bacon Creek; the Cascade River from its mouth to the junction of its North and South Forks; the South Fork to the boundary of the Glacier Peak Wilderness Area; the Suiattle River from its mouth to the boundary of the Glacier Peak Wilderness Area at Milk Creek; the Sauk River from its mouth to its junction with Elliott Creek; the North Fork of the Sauk River from its junction with the South Fork of the Sauk to the boundary of the Glacier Peak Wilderness Area; as generally depicted on the boundary map entitled 'Skagit River—River Area Boundary'; all segments to be administered by the Secretary of Agriculture. Riprapping related to natural channels with natural rock along the shorelines of the Skagit segment to preserve and protect agricultural land shall not be considered inconsistent with the values for which such segment is designated. After consultation with affected Federal agencies, State and local government and the interested public, the Secretary shall take such action as is provided for under subsection (b) with respect to the segments referred to in this paragraph within one year from the date of enactment of this paragraph; as part of such action, the Secretary of Agriculture shall investigate that portion of the North Fork of the Cascade River from its confluence with the South Fork to the boundary of the North Cascades National Park and if such portion is found to qualify for inclusion, it shall be treated as a component of the Wild and Scenic Rivers System designated under this section upon publication by the Secretary of notification to that effect in the Federal Register. Upon a showing by the United States Army Corps of Engineers that a dry dam on the Sauk River provides greater flood control protection on a cost-benefit ratio than other measures, and is not unduly deleterious to the anadromous fishery, the Sauk River from its mouth to the national forest boundary and the segment of the Suiattle River affected by impounded waters shall be withdrawn from wild and scenic river status. The Chief of the United States Army Corps of Engineers shall report to the Congress as soon as funds are appropriated by the Congress and appropriately matched at the local level. Within sixty legislative days of such report, Congress may act and the aforementioned segments of the Sauk and Suiattle Rivers shall be withdrawn from wild and scenic river status and construction of said dam may proceed. For the purposes of carrying out the provisions of this Act with respect to the river designated by this paragraph there are authorized to be appropriated not more than $11,734,000 for the acquisition of lands or interest in lands and not more than $332,000 for development."

ADDITION OF UPPER MISSISSIPPI SEGMENTS

SEC. 704. Section 3(a) of the Wild and Scenic Rivers Act is amended by adding the following new paragraph at the end thereof:

"(19) UPPER MISSISSIPPI, MINNESOTA.—The upper ten segments of those segments of the river qualifying for designation between the northwestern corporate boundary of Anoka and the outlet of Lake Itasca, as generally depicted and classified on the drawing designated as 'Figure 1—Qualifying segments' contained in the Secretary's report entitled 'Upper Mississippi—A Wild and Scenic River Study', dated April 1977. The Secretary may designate lands owned by the Chippewa Indian Tribe as part of the Upper Mississippi component only with the consent of the tribal governing body. The Secretary, in consultation with Secretary of Agriculture and appropriate official of the State of Minnesota and its political subdivisions, shall take such action as is provided for under subsection (b) of this section with respect to the segments designated under this paragraph within two years after the date of enactment of this paragraph. In applying section 6(g)(3), January 1, 1977 shall be substituted for January 1, 1967. The development plan required by subsection (b) shall be construed to be a comprehensive master plan which shall include, but not be limited to, the delineation of detailed boundaries for the Upper Mississippi component, and specific plans for its acquisition, development, and management, including provision for continued administration by the Secretary of Agriculture of lands within the Chippewa National Forest. For the purposes of carrying out the provisions of this Act with respect to the river designated by this paragraph, there are authorized to be appropriated not more than $16,500,000 for the acquisition of lands and interests in lands and not more than $3,300,000 for development.".

ADDITIONAL OF UPPER DELAWARE SEGMENT; SPECIAL PROVISIONS

SEC. 705. (a) Section 3(a) of the Wild and Scenic Rivers Act is amended by adding the following new paragraph at the end thereof:

"(20) UPPER DELAWARE RIVER, NEW YORK AND PENNSYLVANIA.—The segment of the Upper Delaware River from the confluence of the East and West branches below Hancock, New York, to the existing railroad bridge immediately downstream of Cherry Island in the vicinity of Sparrow Bush, New York, as depicted on the boundary map entitled 'The Upper Delaware Scenic and Recreational River', dated April 1978; to be administered by the Secretary of the Interior. Subsection (b) of this section shall not apply, and the boundaries and classifications of the river shall be as specified on the map referred to in the preceding sentence, except to the extent that such boundaries or classifications are modified pursuant to section 705(c) of the National Parks and Recreation Act of 1978. Such boundaries and classifications shall be published in the Federal Register and shall not become effective until ninety days after they have been forwarded to the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate. For purposes of carrying out the provisions of this Act with respect to the river designated by this paragraph there are authorized to be appropriated such sums as may be necessary.".

(b)(1) Notwithstanding any requirement to the contrary contained in section 6(c) of the Wild and Scenic Rivers Act, within one hundred and eighty days after the date of enactment of this Act, the Secretary shall publish in the Federal Register general guidelines for land and water use control meas-

ures to be developed and implemented by the appropriate officials of the States of New York and Pennsylvania (hereinafter referred to as the "directly affected States"), by the local political subdivisions, and by the Delaware River Basin Commission (hereinafter referred to as the "Commission"). The Secretary shall provide for participation in the development of the said general guidelines by all levels of State, county, and local government, and concerned private individuals and organizations, and also shall seek the advice of the Upper Delaware Citizens Advisory Council established in subsection (f) (hereinafter referred to as the "Advisory Council"). In each of the directly affected States, prior to publication of such general guidelines, public hearings shall be conducted by the Secretary or his designee, in the region of the Upper Delaware River designated by subsection (a) (hereinafter in this section referred to as the "Upper Delaware River").

(2) The Secretary may from time to time adopt amended or revised guidelines and shall do so in accordance with the provisions of paragraph (1) hereof.

(c)(1) Within three years from the date of the enactment of this Act, the Secretary, in cooperation with the Commission, the Advisory Council, the directly affected States and their concerned political subdivisions and other concerned Federal agencies, shall develop, approve, and submit to the Governors of the directly affected States a management plan (hereinafter in this section referred to as the "management plan" or "the plan") for the Upper Delaware River which shall provide for as broad a range of land and water uses and scenic and recreational activities as shall be compatible with the provisions of this section, the Wild and Scenic Rivers Act, and the general guidelines for land and water use controls promulgated by the Secretary under the provisions of subsection (b).

(2) The plan shall apply to the Upper Delaware River and shall set forth—

(A) a map showing detailed final landward boundaries, and upper and lower termini of the area and the specific segments of the river classified as scenic and recreational, to be administered in accordance with such classifications;

(B) a program for management of existing and future land and water use, including the application of available management techniques;

(C) an analysis of the economic and environmental costs and benefits of implementing the management plan, including any impact of the plan upon revenues and costs of local government;

(D) a program providing for coodinated implementation and administration of the plan with proposed assignment of responsibilities to the appropriate governmental unit at the Federal, regional, State, and local levels; and

(E) such other recommendations or provisions as shall be deemed appropriate to carry out the purposes of this section.

(3) Immediately following enactment of this Act, the Secretary, through the National Park Service or such other designee, shall develop and implement such interim programs as he shall deem necessary and appropriate to protect the Upper Delaware River and its environs and to protect the public health and safety. Such interim programs shall include provisions for information to river users, education and interpretation activities, and regulation of recreational use of the river.

(4) To enable the directly affected States and their political subdivisions to develop and implement programs compatible with the management plan, the Secretary shall provide such technical assistance to the said States and their political subdivisions as he deems appropriate.

(5) The Secretary shall promote public awareness of and participation in the development of the management plan, and shall develop and conduct a concerted program to this end. Prior to final approval of the management plan, the Secretary shall hold two or more public hearings in the Upper Delaware River region of each directly affected State.

(6) Upon approval of the management plan by the Secretary, it shall be published in the Federal Register and shall not become effective until ninety days after it shall have been forwarded to the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate. The plan shall be administered by the Secretary in accordance with the provisions of this section and the Wild and Scenic Rivers Act. The Secretary is hereby granted such authority as may be required to implement and administer said plan.

(d) Notwithstanding any provision of the Wild and Scenic Rivers Act, the Secretary may not acquire more than a total of four hundred and fifty acres of land and interests in land for access, development sites, the preservation of scenic qualities, or for any other purposes: *Provided*, That the Secretary may acquire additional land and interests in land for such purposes not in excess of one thousand acres if such additional acquisition is recommended and provided for in the management plan as finally approved by the Secretary. The limitations contained in this section shall not apply under the circumstances set forth in subsection (e)(4) of this section. Prior to acquisition of any land or interests in land which has been used for business purposes during the annual period immediately preceding the date of the enactment of this Act, the Secretary shall first make such efforts as he deems reasonable to acquire easements or restrictive covenants, or to enter into any other appropriate agreements or arrangements with the owners of said land, consistent with the purposes of this section.

(e)(1) For the purpose of protecting the integrity of the Upper Delaware River, the Secretary shall review all relevant local plans, laws, and ordinances to determine whether they substantially conform to the approved management plan provided for in subsection (c) and to the general guidelines promulgated by the Secretary pursuant to subsection (b). Additionally, the Secretary shall determine the adequacy of enforcement of such plans, laws, and ordinances, including but not limited to review of building permits and zoning variances granted by local governments, and amendments to local laws and ordinances.

(2) The purpose of such reviews shall be to determine the degree to which actions by local governments are compatible with the purposes of this section. Following the approval of the management plan and after a reasonable period of time has elapsed, but not less than two years, upon a finding by the Secretary that such plans, laws, and ordinances are nonexistent, are otherwise not in conformance with the management plan or guidelines, or are not being enforced in such manner as will carry out the purposes of this section (as determined by the Secretary), the Secretary may exercise the authority available to him under the provisions of paragraph (4) hereof.

(3) To facilitate administration of this section, the Secretary may contract with the directly affected States or their political subdivisions to provide, on behalf of the Secretary, professional services necessary for the review of relevant local plans, laws, and ordinances, and of amendments thereto and variances therefrom, and for the monitoring of the enforcement thereof by local governments having jurisdiction over any area in the region to which the management plan applies. The Secretary shall notify the appropriate State or local officials as to the results of his review under this section within forty-five days from the date he receives notice of the local government action.

(4) In those sections of the Upper Delaware River where such local plans, laws, and ordinances, or amendments thereto or variances therefrom, are found by the Secretary not to be in conformance with the guidelines or the management plan promulgated pursuant to subsections (b) and (c) of this section, respectively, or are not being enforced in such manner as will carry out the purposes of this section (as determined by the Secretary), the Secretary is hereby authorized to acquire land or interests in land in excess of the acreage provided for in subsection (d) of this section. Land and interests in land acquired pursuant to this subsection shall be restricted to the geographical area of the local governmental unit failing to conform with the said guidelines or management plan, and shall be limited to those lands clearly and directly required, in the judgment of the Secretary, for protection of the objectives of this Act. The total acreage of land and interests in land acquired pursuant to this subsection shall not in any event exceed the limitations contained in section 6(a) of the Wild and Scenic Rivers Act. This subsection shall apply notwithstanding the first sentence of section 6(c) of the Wild and Scenic Rivers Act. Notwithstanding any limitation on amounts authorized to be appropriated for acquisition of land and interests in land which is contained in section 3(a)(21) of the Wild and Scenic Rivers Act or in any other provision of law, there are authorized to be appropriated such sums as may be necessary to carry out this subsection.

(f)(1) At the earliest practicable date following enactment of this Act, but no later than one hundred and twenty days thereafter, there shall be established an Upper Delaware Citizens Advisory Council. The Advisory Council shall encourage maximum public involvement in the development and implementation of the plans and programs authorized by this section. It shall report to the Commission and the Secretary from time to time during preparation of the management plan. Following completion of the management plan, it shall report to the Secretary and the Governors of the directly affected States no less frequently than once each year its recommendations, if any, for improvement in the programs authorized by this Act, or in the programs of other agencies which may relate to land or water use in the Upper Delaware River region.

(2) Membership on the Advisory Council shall consist of seventeen members appointed as follows: there shall be—

(A) six members from each of the directly affected States appointed by the Secretary from nominations submitted by the legislatures of the respective counties and appointed such that two members shall be from each of Orange, Delaware, and Sullivan Counties, New York, and three members shall be from each of Wayne and Pike Counties, Pennsylvania (at least one appointee from each county shall be a permanent resident of a municipality abutting the Upper Delaware River);

(B) two members appointed at large by each Governor of a directly affected State; and

(C) one member appointed by the Secretary.

The Secretary shall designate one of the aforesaid members to serve as Chairperson of the Advisory Council who shall be a permanent resident of one of the aforementioned counties. Vacancies on the Advisory Council shall be filled in the same manner in which the original appointment was made. Members of the Advisory Council shall serve without compensation as such, but the Secretary is authorized to pay expenses reasonably incurred by the Advisory Council in carrying

out its responsibilities under this Act on vouchers signed by the Chairman.

(g) With respect to the land and water in areas which are not owned by the United States but which are within the boundaries of the segment of the Delaware River designated as a wild and scenic river under subsection (a), the Secretary is authorized to enter into contracts with the appropriate State or political subdivisions thereof pursuant to which the Secretary may provide financial assistance to such State or political subdivision for purposes of—

(1) enforcing State and local laws in such areas, and

(2) removing solid waste from such areas and disposing of such waste.

(h) Nothing in this section shall be construed as limiting the right to fish and hunt on any of the lands or waters within the boundaries of the Upper Delaware River in the manner provided in section 13 of the Wild and Scenic Rivers Act.

(i) There are hereby authorized to be appropriated to carry out the purposes of this section such sums as may be necessary.

(j) Where any provision of the Wild and Scenic Rivers Act is inconsistent with any provisions of this section, the provision of this section shall govern. In applying the provisions of section 6(g)(3) of the Wild and Scenic Rivers Act, with regard to "improved property", the date specified therein, shall, for purposes of the river designated in this Act, be the date of enactment of this Act (rather than January 1, 1967).

ADDITION OF MIDDLE DELAWARE SEGMENT

SEC. 706. Section 3(a) of the Wild and Scenic Rivers Act is amended by adding the following new paragraph at the end thereof:

"(21) DELAWARE, NEW YORK, PENNSYLVANIA, AND NEW JERSEY.—The segment from the point where the river crosses the northern boundary of the Delaware Water Gap National Recreation Area to the point where the river crosses the southern boundary of such recreation area; to be administered by the Secretary of the Interior. For purposes of carrying out this Act with respect to the river designated by this paragraph, there are authorized to be appropriated such sums as may be necessary. Action required to be taken under subsection (b) of this section with respect to such segment shall be taken within one year from the date of enactment of this paragraph, except that, with respect to such segment, in lieu of the boundaries provided for in such subsection (b), the boundaries shall be the banks of the river. Any visitors facilities established for purposes of use and enjoyment of the river under the authority of the Act establishing the Delaware Water Gap National Recreation Area shall be compatible with the purposes of this Act and shall be located at an appropriate distance from the river.

ADDITION OF THE AMERICAN SEGMENT

SEC. 707. Section 3(a) of the Wild and Scenic Rivers Act is amended by adding the following new paragraph at the end thereof:

"(22) AMERICAN, CALIFORNIA.—The North Fork from a point 0.3 miles above Heath Springs downstream to a point approximately 1,000 feet upstream of the Colfax-Iowa Hill Bridge, including the Gold Run Addition Area, as generally depicted on the map entitled 'Proposed Boundary Maps' contained in Appendix I of the document dated January 1978 and entitled 'A Proposal: North Fork American Wild and Scenic River' published by the United States Forest Service, Department of Agriculture; to be designated as a wild river and to be administered by agencies of the Departments of Interior and Agriculture as agreed upon by the Secretaries of such Departments or as directed by the President. Action required to be taken under subsection (b) shall be taken within one year after the date of the enactment of this paragraph; in applying such subsection (b) in the case of the Gold Run Addition Area, the acreage limitation specified therein shall not apply and in applying section 6(g)(3), January 1 of the calendar year preceding the calendar year in which this paragraph is enacted shall be substituted for January 1, 1967. For purposes of carrying out the provisions of this Act with respect to the river designated by this paragraph, there are authorized to be appropriated not more than $850,000 for the acquisition of lands and interests in land and not more than $765,000 for development.".

ADDITION OF MISSOURI SEGMENT

SEC. 708. Section 3(a) of the Wild and Scenic Rivers Act is amended by adding the following new paragraph at the end thereof:

"(23) MISSOURI RIVER, NEBRASKA, SOUTH DAKOTA.—The segment from Gavins Point Dam, South Dakota, fifty-nine miles downstream to Ponca State Park, Nebraska, as generally depicted in the document entitled 'Review Report for Water Resources Development, South Dakota, Nebraska, North Dakota, Montana', prepared by the Division Engineer, Missouri River Division, Corps of Engineers, dated August 1977 (hereinafter in this paragraph referred to as the 'August 1977 Report'). Such segment shall be administered as a recreational river by the Secretary. The Secretary shall enter into a written cooperative agreement with the Secretary of the Army (acting through the Chief of Engineers) for construction and maintenance of bank stabilization work and appropriate recreational development. After public notice and consultation with the State and local governments, other interested organizations and associations, and the interested public, the Secretary shall take such action as is required pursuant to subsection (b) within one year from the date of enactment of this section. In administering such river, the Secretary shall, to the extent, and in a manner, consistent with this section—

"(A) provide (i) for the construction by the United States of such recreation river features and streambank stabilization structures as the Secretary of the Army (acting through the Chief of Engineers) deems necessary and advisable in connection with the segment designated by this paragraph, and (ii) for the operation and maintenance of all streambank stabilization structures constructed in connection with such segment (including both structures constructed before the date of enactment of this paragraph and structures constructed after such date, and including both structures constructed under the authority of this section and structures constructed under the authority of any other Act); and

"(B) permit access for such pumping and associated pipelines as may be necessary to assure an adequate supply of water for owners of land adjacent to such segment and for fish, wildlife, and recreational uses outside the river corridor established pursuant to this paragraph.

The streambank structures to be constructed and maintained under paragraph (A) shall include, but not be limited to, structures at such sites as are specified with respect to such segment on pages 62 and 63 of the August 1977 Report, except that sites for such structures may be relocated to the extent deemed necessary by the Secretary of the Army (acting through the Chief of Engineers) by reason of physical changes in the river or river area. The Secretary of the Army (acting through the Chief of Engineers) shall condition the construction or maintenance of any streambank stabilization structure or of any recreational river feature at any site under subparagraph (A) (i) upon the availability to the United States of such land and interests in land in such ownership as he deems necessary to carry out such construction or maintenance and to protect and enhance the river in accordance with the purposes of this Act. Administration of the river segment designated by this paragraph shall be in coordination with, and pursuant to the advice of a Recreational River Advisory Group which may be established by the Secretary. Such Group may include in its membership, representatives of the affected States and political subdivisions thereof, affected Federal agencies, and such organized private groups as the Secretary deems desirable. Notwithstanding the authority to the contrary contained in subsection 6(a) of this Act, no land or interests in land may be acquired without the consent of the owner: *Provided*, That not to exceed 5 per centum of the acreage within the designated river boundaries may be acquired in less than fee title without the consent of the owner, in such instance of the Secretary's determination that activities are occurring, or threatening to occur, thereon which constitute serious damage or threat to the integrity of the river corridor, in accordance with the values for which this river was designated. For purposes of carrying out the provisions of this Act with respect to the river designated by this paragraph, there are authorized to be appropriated not to exceed $21,000,000, for acquisition of lands and interests in lands and for development.".

Subtitle B—Studies

DESIGNATION OF THE GILA RIVER, NEW MEXICO FOR STUDY

SEC. 721. Section 5(a) of the Wild and Scenic Rivers Act is amended by adding the following new paragraph at the end thereof:

"(59) GILA, NEW MEXICO.—The main stem from the Arizona-New Mexico border, but excluding the authorized Hooker Reservoir site or any alternative suitable to the requirements of the Colorado River Basin Project Act (Public Law 90-537); the West Fork to its headwaters; the East Fork to the junction of Taylor and Beaver Creeks; and the Middle Fork from the junction of Galita and Willow Creeks to its confluence with the West Fork.".

DESIGNATION OF THE KERN RIVER (NORTH FORK) FOR STUDY

SEC. 722. Section 5(a) of the Wild and Scenic Rivers Act is amended by adding the following new paragraph at the end thereof:

"(60) KERN, CALIFORNIA.—The main stem of the North Fork from its source to Isabella Reservoir excluding its tributaries.".

DESIGNATION OF THE SHENANDOAH RIVER FOR STUDY

SEC. 723. Section 5(a) of the Wild and Scenic Rivers Act is amended by adding the following new paragraph at the end thereof:

"(61) SHENANDOAH, VIRGINIA AND WEST VIRGINIA.—The main stem, the North Fork from Front Royal to Brocks Gap; and the South Fork from Front Royal to Waynesboro.".

DESIGNATION OF THE LOXAHATCHEE RIVER FOR STUDY

SEC. 724. Section 5(a) of the Wild and Scenic Rivers Act is amended by adding the following new paragraph at the end thereof:

"(62) LOXAHATCHEE, FLORIDA.—The entire river including its tributary, North Fork.".

DESIGNATION OF THE SHENANDOAH RIVER FOR STUDY

SEC. 725. Section 5(a) of the Wild and Scenic Rivers Act is amended by adding the following new paragraph at the end thereof:

"(63) OGEECHEE, GEORGIA.—The entire river.".

DESIGNATION OF CERTAIN SEGMENT OF THE SALT RIVER FOR STUDY

SEC. 726. Section 5(a) of the Wild and Scenic Rivers Act is amended by adding the following new paragraph at the end thereof:

"(64) SALT, ARIZONA.—The main stem from the confluence of the White and Black Rivers to Arizona Highway 288.".

DESIGNATION OF THE GILA RIVER (ARIZONA) FOR STUDY

SEC. 727. Section 5(a) of the Wild and Scenic Rivers Act is amended by adding the following new paragraph at the end thereof:

"(65) GILA, ARIZONA.—The main stem from U.S. Highway 666 to head of Safford Valley.".

DESIGNATION OF THE VERDE RIVER FOR STUDY

SEC. 728. Section 5(a) of the Wild and Scenic Rivers Act is amended by adding the following new paragraph at the end thereof:

"(66) VERDE, ARIZONA.—The main stem from the Prescott National Forest boundary near Paulden to the vicinity of Table Mountain, approximately 14 miles above Horseshoe Reservoir, except for the segment not included in the national forest between Clarkdale and Camp Verde, North segment.".

DESIGNATION OF THE SAN FRANCISCO RIVER FOR STUDY

SEC. 729. Section 5(a) of the Wild and Scenic Rivers Act is amended by adding the following new paragraph at the end thereof:

"(67) SAN FRANCISCO, ARIZONA.—The main stem from confluence with the Gila upstream to the Arizona-New Mexico border, except for the segment between Clifton and the Apache National Forest.".

DESIGNATION OF FISH CREEK FOR STUDY

SEC. 730. Section 5(a) of the Wild and Scenic Rivers Act is amended by adding the following new paragraph at the end thereof:

"(68) FISH CREEK, NEW YORK.—The entire East Branch.".

DESIGNATION OF BLACK CREEK FOR STUDY

SEC. 731. Section 5(a) of the Wild and Scenic Rivers Act is amended by adding the following new paragraph at the end thereof:

"(69) BLACK CREEK, MISSISSIPPI.—The segment from Big Creek Landing in Forrest County downstream to Old Alexander Bridge Landing in Stone County.".

DESIGNATION OF THE SHEEPSCOTT RIVER FOR STUDY

SEC. 732. Section 5(a) of the Wild and Scenic Rivers Act is amended by adding the following new paragraph at the end thereof:

"(70) SHEEPSCOTT, MAINE.—The main stem from and including its headwaters to the village of Sheepscott including the West Branch.".

DESIGNATION OF THE CACAPON RIVER FOR STUDY

SEC. 733. Section 5(a) of the Wild and Scenic Rivers Act is amended by adding the following new paragraph at the end thereof:

"(71) CACAPON, WEST VIRGINIA.—The entire river.".

DESIGNATION OF THE MADISON RIVER FOR STUDY

SEC. 734. Section 5(a) of the Wild and Scenic Rivers Act is amended by adding the following new paragraph at the end thereof:

"(72) MADISON, MONTANA.—The main stem from Earthquake Lake to Ennis Lake.".

DESIGNATION OF THE ESCATAWPA RIVER FOR STUDY

SEC. 735. Section 5(a) of the Wild and Scenic Rivers Act is amended by adding the following new paragraph at the end thereof:

"(73) ESCATAWPA, ALABAMA AND MISSISSIPPI.—The segment upstream from a point approximately one mile downstream from the confluence of the Escatawpa River and Jackson Creek to a point where the Escatawba River is joined by the Yellowhouse Branch in Washington County, Alabama, near the town of Deer Park, Alabama; and the segment of Brushy Creek upstream from its confluence with the Escatawpa to its confluence with Scarsborough Creek.".

DESIGNATION OF THE MYAKKA RIVER FOR STUDY

SEC. 736. Section 5(a) of the Wild and Scenic Rivers Act is amended by adding the following new paragraph at the end thereof:

"(74) MYAKKA, FLORIDA.—The entire river.".

DESIGNATION OF SOLDIER CREEK FOR STUDY

SEC. 737. Section 5(a) of the Wild and Scenic Rivers Act is amended by adding the following new paragraph at the end thereof:

"(75) SOLDIER CREEK, ALABAMA.—The segment beginning at the point where Soldier Creek intersects the south line of section 31, township 7 south, range 6 east, downstream to a point on the south line of section 6, township 8 south, range 6 east, which point is 1,322 feet west of the south line of section 5, township 8 south, range 6 east in the county of Baldwin, State of Alabama.".

DESIGNATION OF BRAZOS RIVER FOR STUDY

SEC. 738. Section 5(a) of the Wild and Scenic Rivers Act is amended by adding the following new paragraph at the end thereof:

"(76) BRAZOS RIVER, TEXAS.—The segment beginning at the point where Fram Road 4 crosses the Brazos River downstream to the Parker County line.".

AUTHORIZATION FOR STUDIES

SEC. 739. Paragraph (3) of section 5(b) of the Wild and Scenic Rivers Act is redesignated as paragraph (4) and is amended by striking out "$2,175,000" and substituting "$4,060,000". Such paragraph is further amended by adding the following at the end thereof: "There are authorized to be appropriated for the purpose of conducting the studies of the rivers named in subparagraphs (59) through (76) such sums as may be necessary,"

STUDY PERIOD

SEC. 740. Section 5(b) of the Wild and Scenic Rivers Act is amended by inserting the following new paragraph after paragraph (2):

"(3) The studies of the rivers named in paragraphs (59) through (76) of subsection (a) shall be completed and reports submitted thereon not later than five full fiscal years after the date of the enactment of this paragraph. The study of rivers named in paragraphs (64) through (67) of subsection (a) shall be completed and the report thereon submitted by not later than April 1981.".

Subtitle C—Authorizations for Funding

ELEVEN POINT RIVER

SEC. 751. Section 16(a) of the Wild and Scenic Rivers Act is amended by striking out "Eleven Point, Missouri, $4,906,500" and substituting "Eleven Point, Missouri, $10,407,000".

ROGUE RIVER

SEC. 752. Section 16(a) of the Wild and Scenic Rivers Act is amended by striking out "Rogue, Oregon, $12,447,200" and substituting "Rogue, Oregon, $15,147,000".

SAINT CROIX RIVER

SEC. 753. (a) Section 16(a) of the Wild and Scenic Rivers Act is amended by striking out "Saint Croix, Minnesota and Wisconsin, $11,768,550" and substituting "Saint Croix, Minnesota and Wisconsin, $217,769,000".

(b) Section 16(b) of the Wild and Scenic Rivers Act is amended by inserting the following before the period at the end thereof ", except in the case of the Saint Croix River in Minnesota and Wisconsin".

(c) Section 6(b) of such Act is amended by adding the following at the end thereof: "This subsection shall not apply in the case of the Saint Croix River in Minnesota and Wisconsin.".

SALMON RIVER

SEC. 754. Section 16(a) of the Wild and Scenic Rivers Act is amended by striking out "Salmon, Middle Fork, Idaho, $1,237,100" and substituting "Salmon, Middle Fork, Idaho, $1,837,000".

CHATTOOGA RIVER

SEC. 755. Section 3(a)(10) of the Wild and Scenic Rivers Act (relating to the Chattooga River in North Carolina, South Carolina, and Georgia) is amended by striking out "$2,000,000" and inserting in lieu thereof "$5,200,000".

Subtitle D—Amendments to Public Law 90-542

TECHNICAL AMENDMENTS

SEC. 761. Section 2(a) of the Wild and Scenic Rivers Act is amended by striking out "without expense to the United States" and by adding the following at the end thereof: "Upon receipt of an application under clause (ii) of this subsection, the Secretary shall notify the Federal Energy Regulatory Commission and publish such application in the Federal Register. Each river designated under clause (ii) shall be administered by the agency or political subdivision thereof without expense to the United States other than for administration and management of federally owned lands. For purposes of the preceding sentence amounts made available to any State or political subdivision under the Land and Water Conservation Act of 1965 or any other provision of law shall not be treated as an expense to the United States. Nothing in this subsection shall be construed to provide for the transfer to, or administration by, a State or local authority of any federally owned lands which are within the boundaries of any river included within the system under clause (ii).".

FEDERAL LANDS; COOPERATIVE AGREEMENTS

SEC. 762. Section 12(a) of the Wild and Scenic Rivers Act is amended by striking out the first sentence thereof and substituting: "The Secretary of the Interior, the Secretary of Agriculture, and the head of any other Federal department or agency having jurisdiction over any lands which include, border upon, or are adjacent to, any river included within the National Wild and Scenic Rivers System or under consideration for such inclusion, in accordance with section 2(a)(ii), 3(a), or 5(a), shall take such action respecting management policies, regulations, contracts, plans, permits, Federal assistance and other Federal actions affecting such lands as may be necessary to protect such rivers in accordance with the purposes of this Act. Such Secretary or other department or agency head shall, where appropriate, enter into written cooperative agreements with the appropriate State or local official for the planning, administration, and management of Federal lands which are within the boundaries of any rivers for which approval has been granted under section 2(a)(ii).".

EXCHANGE OF STATE LANDS

SEC. 763. The second sentence of section 6(a) of the Wild and Scenic Rivers Act is amended by inserting "or exchange" after "donation".

LEASE OF FEDERAL LANDS

SEC. 764. The Wild and Scenic Rivers Act is amended by adding the following new section after section 14:

"SEC. 14A. (a) Where appropriate in the discretion of the Secretary, he may lease federally owned land (or any interest therein) which is within the boundaries of any component of the National Wild and Scenic Rivers System and which has been acquired by the Secretary under this Act. Such lease shall be subject to such restrictive covenants as may be necessary to carry out the purposes of this Act.

"(b) Any Federal land leased by the Secretary under subsection (a) shall not be treated as—

"(1) acquired land for purposes of the 100 acre per mile limitation contained in paragraph (1) of section 6(a), or

"(2) as land owned by the United States for purposes of the 50 per centum limitation contained in section 6(b).

"(c) Any land to be leased by the Secretary under this section shall be offered first for such lease to the person who owned such land immediately before its acquisition by the United States.".

STUDY OF FEDERALLY OWNED RIVERS

SEC. 765. Section 5 of the Wild and Scenic Rivers Act is amended by adding the following new subsection at the end thereof:

"(e)(1) Not later than one year after the date of the enactment of this subsection, the Secretary of the Interior and the Secretary of

Agriculture shall jointly promulgate guidelines for the conduct of studies under this subsection by each such Secretary and by each department or agency of the United States having primary authority for the management of federally owned lands.

"(2) Each such Secretary and the head of each such department or agency shall expeditiously carry out studies (pursuant to the guidelines established under paragraph (1)) and shall submit to the President (pursuant to a schedule establish by such Secretary or department or agency head, as the case may be) reports on the suitability or nonsuitability for inclusion in the National Wild and Scenic Rivers System of all rivers (or sections thereof) which are within (or substantially within) the exterior boundaries of any area managed by such Secretary or other department or agency head.

"(3) The President shall promptly upon his receipt of each report under paragraph (2) report to the Congress his recommendations and proposals with respect to the inclusion of each such river or section in such System.

"(4) Each river (or section thereof) recommended by the President for inclusion in the National Wild and Scenic Rivers System under this section shall be included in such System, pursuant to the terms of such recommendation, and treated for purposes of this Act and other applicable law as a river listed in section 3(a) unless within 120 days from the date such recommendation is submitted to Congress, such recommendation is disapproved by a joint resolution.".

MISCELLANEOUS TECHNICAL AMENDMENTS

SEC. 766. (a) Section 3(b) of the Wild and Scenic Rivers Act is amended by inserting after "one year from the date of this Act" the following: "(except where a different date is provided in subsection (a))".

(b) Section 6(g)(3) of such Act is amended by inserting after "January 1, 1967," the following "(except where a different date is specifically provided by law with respect to any particular river)".

AMENDMENTS REGARDING CERTAIN COMPLEMENTARY AUTHORITIES

SEC. 767. (a) Section 4(b) of the Wild and Scenic Rivers Act is amended by inserting "the Secretary of the department in which the Coast Guard is operating," between "the Secretary of the Army," and "the Chairman of the Federal Power Commission".

(b) Section 10 of such Act is amended by adding the following new subsection at the end thereof:

"(f) Any management, administration, and regulation concerning boating and other activities, on or relating to, waters located within areas of the National Wild and Scenic Rivers System, including waters subject to the jurisdiction of the United States, shall be complementary to, and not in derogation of, the authority of the Coast Guard relating to waters subject to the jurisdiction of the United States. No structure or facility shall be installed by the Coast Guard in these areas without coordination with the Secretary of the Interior or the Secretary of Agriculture, as may be appropriate.".

(c) Section 12(c) of such Act is amended by inserting ", the Secretary of the department in which the Coast Guard is operating," between "the Secretary of the Interior" and "and with the appropriate State water pollution control agencies".

Mr. PHILLIP BURTON (during the reading). Mr. Chairman, I ask unanimous consent that title VII be considered as read and printed in the RECORD. I would prefer, if we could, to then deal with the title section by section, but I am not sure that the parliamentary situation will permit that.

The CHAIRMAN. The Chair will inquire, is it the request of the gentleman from California at this time that the title be considered as read, printed in the RECORD, and open to amendment at any point?

Mr. PHILLIP BURTON. Mr. Chairman, that is my request.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The title is open to amendment at any point.

AMENDMENT OFFERED BY MR. FRENZEL

Mr. FRENZEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FRENZEL: Page 301, strike out line 23 and all that follows down through line 5 on page 303, redesignate the following sections accordingly, and make the necessary conforming changes in the table of contents.

Mr. PHILLIP BURTON. Mr. Chairman, I wonder if we might establish a time limitation. If I may, Mr. Chairman, I would request that all debate on this item close at 5:05 p.m. today.

Mr. FRENZEL. Mr. Chairman, on that I would ask to reserve the right to object.

Mr. PHILLIP BURTON. Of course, Mr. Chairman, if the request for a time limitation proves to be contentious, then I would withdraw the request.

The CHAIRMAN. First, let the Chair inquire of the gentleman from Minnesota (Mr. FRENZEL), does the gentleman yield for the purpose of allowing the gentleman from California (Mr. PHILLIP BURTON) to make such a unanimous-consent request?

Mr. FRENZEL. Mr. Chairman, I yield to the gentleman from California (Mr. PHILLIP BURTON) for the purpose of making a unanimous-consent request, and I reserve the right to object to such a request.

Mr. PHILLIP BURTON. Mr. Chairman, rather than spending more time discussing this matter of ending the debate, perhaps we simply ought to go forward. I had, I might add, informally considered whether a 10- or a 20-minute limitation would not be sufficient to cover this subject fully and was advised that perhaps it was not sufficient time but that 30 minutes as a time limitation would perhaps suffice. So I will just have to wait until that time, and I withdraw my unanimous-consent request.

Mr. FRENZEL. Mr. Chairman, this is an extreme amendment. It cuts the upper Mississippi from the bill. I would prefer not to use this blunt an instrument. But I have asked the committee for another way to handle the problem, and apparently the committee sees no problem.

The problem some people in Minnesota see, and which they have communicated to me is that there have been no congressional hearings on the upper Mississippi segments. The property owners do not know what is going to be done to them and they do not like it.

The Interior Department held administrative hearings which were poorly attended because of poor notice to the public. The two gentlemen from Minnesota whose districts are most affected (Mr. OBERSTAR and Mr. STANGELAND) attracted twice as many people to two hastily scheduled recent meetings than Interior did in five meetings. The committee held no hearings in Minnesota.

The Interior Department has commented in a letter I quoted in the RECORD of June 26. Its process is to draw a plan and determine if 50 percent of the land is Government owned. If so, the Government can only condemn scenic and access easements. If not, condemnation will proceed.

Two points are important: First, the people will not know until after the plan is completed whether or not eminent domain can be used, and if so where it will be used. Second, Interior said it might ask that the ban on condemnation if 50 percent of land is Government owned be waived.

In June, when I complained of the uncertainty of this process, I was told that this is the normal procedure. It may be, but that is exactly what the people are complaining about. They don't want things done the way we have always done them, especially when the results are unknown or uncertain.

My constituents simply do not believe that Congress would give eminent domain powers to an unpopular bureaucracy without hearings and without knowing, and without the affected property owners knowing, what land is to be condemned.

The feelings in Minnesota run deep because of a long smoldering dispute over condemnation of farmland for a powerline right of way and because of this same law and its application to the St. Croix River. In the case of the St. Croix, promises were made, and not kept. Now the Interior Department has requested and the committee in this very bill has granted a waiver of the 50-percent limit on condemnation authority on the St. Croix. The bureaucracy is acting as it always does, without real feeling for local interests, and the Congress is acting as it always does, conceding to the whims of the bureaucracy.

I am particularly troubled because I am a cosponsor of the bill to add the upper Mississippi to the wild river classification. I would like planning and some protection from unsuitable development. I hate to try to take the upper Mississippi out of this bill, but without a plan and without hearings, I have no choice.

I would prefer hearings and publication of a plan before we give condemnation power to the bureaucrats. Because the committee does not do this, I must ask that my amendment be adopted.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the distinguished gentleman from Minnesota.

Mr. OBERSTAR. I thank the gentleman for yielding.

The gentleman has stated the case very well and very accurately. There have not been hearings on this legislation. I know the gentleman cosponsored the bill in all good faith, in anticipation

that hearings would be held by the committee. None were held.

Mr. FRENZEL. Almost every speaker who has come to the well had things done in his or her district without hearings.

Mr. OBERSTAR. The gentleman characterizes the mood of the people very accurately as being furious about the treatment they have received in that little consideration has been given to their needs and their concerns.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. FRENZEL) has expired.

(By unanimous consent, Mr. FRENZEL was allowed to proceed for 2 additional minutes.)

Mr. FRENZEL. I yield further to the gentleman from Minnesota.

Mr. OBERSTAR. I again thank the gentleman for yielding.

The people really do not know whether they are for or against the designation of the upper Mississippi. They would like to know what is going to be foisted upon them before it is done to them. I will later offer a perfecting amendment that will provide for a master plan.

Mr. FRENZEL. I thank the gentleman for his contribution.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Minnesota.

Mr. QUIE. I thank the gentleman for yielding.

I would say to the gentleman that I have had experience with the wild and scenic rivers and the St. Croix River, as the gentleman from the Eighth District of Minnesota (Mr. OBERSTAR) has. At that time there was a master plan when the people in my district had newly received that county in the district.

When I went to them, we had a master plan and we could talk exactly about what was intended for their area. There were some people who were a little unhappy, but there were a vast number of people who were very happy, who lived on the river, to see it come under the wild and scenic program. It was easy to talk to them, because they knew what the plan was. That is what we are up against this time.

I believe the gentleman is absolutely right. It should not be in the bill until all those steps have been taken care of. If there is anything the people of Minnesota are upset about, it is not having a voice in what is happening to them all over the State. We see it in the crude oil pipeline, in the powerline and in the area of postal zone planning in the district of the gentleman from Minnesota (Mr. OBERSTAR). People have got to know what is happening before we put this on.

Mr. FRENZEL. Mr. Chairman, I hope the gentleman will come back next year in another incarnation to speak for the people of Minnesota. Then we can resolve this situation after a plan has been drawn and after proper hearings. I had the same experience. I had a wild and scenic river, the lower Minnesota, in my district. There were many hearings in the House and in the Senate, too. Most of the objections were worked out very well. This is all I am asking in this instance.

The upper Mississippi can be properly worked out just as the lower Minnesota, and the St. Croix, were. We merely have to give the people a chance to be part of the process. Congressional hearings and plan publication prior to giving away condemnation authority are not too much to ask.

Mr. STANGELAND. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, the National Wild and Scenic Rivers Act of 1968 created a system of wild and scenic rivers in order to preserve areas of scenic and recreational value. In 1975, additional rivers were included for "possible" designation. In both cases the legislation called for extensive study and public input prior to any designation of a river. In the case of the Upper Mississippi River there was neither an extensive study nor an adequate provision for public input.

Public input, if it is supposed to be at all meaningful, must come from informed people. The procedures used for the Upper Mississippi River did not allow for "informed" input. Instead, input was sought in late 1975, just before Christmas. At that time little was known of the full plans for the river. In addition, many of the meetings with local officials were "informal" and not designed to cover the specifics of the plan, only whether or not the Mississippi should be preserved. The hearings that were held were poorly attended and, again, covered only the general idea of protecting the river, not the specifics of easements or land-use planning.

Three years later we now have a specific proposal before us. The land-use plans are outlined, so are the easements, and the procedures for land acquisition. Now the people of northern Minnesota know what "preservation" is going to mean, and now is the time to seek their input, but now there are no public meetings.

On June 17, my colleague from the Eighth Congressional District and I held hearings in our districts to let the people speak out on this issue. In Bemidji over 100 people attended, more than were at all the hearings in my district in 1975. In Grand Rapids over 250 people turned out. This is six times the number that attended the Grand Rapids hearing in 1975 and more than the total attendance for all the 1975 hearings on this matter.

This increased interest in this important issue should not go unheeded. At these meetings only one person spoke out in favor of the designation, and even he joined all the others in demanding that full and formal hearings be held before the river is formally designated. In addition, the county governments of all eight counties affected by the designation have unanimously adopted resolutions that oppose the designation. This is significant and widespread opposition. This is far from the "some of the local population" stated by this proposal's proponents.

My concerns go beyond the united opposition of my district. I am also concerned about the adequacy of the study that was conducted. A number of questions have been raised by constituents regarding the accuracy of the data in the study. One prime example is where the study indicates that section 12 of the river is "essentially primitive; that is, free of habitation and evidence of man's intrusion." In fact, there are 33 property owners in this 20-mile stretch with 8 dwellings fully visible from the river and 6 highway bridges crossing the river. This stretch might be scenic, but it hardly qualifies as wild. One constituent brought this mistake to the attention of the National Park Service. After nearly a 4-month delay, the Service answered that the discrepancy between the study and the actual condition is that foliage obscured the homes from view. If this is so, Mr. Chairman, I ask what does this mean when the scenic easements are acquired. Is the Park Service going to use summer or winter foliage conditions as the standard for scenic easements? This question and others should be resolved before we act on this far-reaching matter. I submit the letters from these constituents and the Park Service response for the record to show the many facets of the problem and the helplessness my constituents feel in the face of the Federal Government's actions.

Mr. Chairman, the speed at which this proposal has travelled through the House would indicate a pressing need for the protection this designation affords. This is not the case. The Mississippi River has flowed for thousands of years without the benefit of Federal regulation. Its waters are still pure, its flow is still unimpeded, its beauty is still radiant. The State of Minnesota already protects the river through its own Wild and Scenic Act, passed in 1973. Recently, the Minneapolis Tribune published the results of a year long study conducted by Prof. Robert Megard of the University of Minnesota concerning the water quality of the upper Mississippi. The study found that the quality of the river water from its source at Lake Itasca to Aitkin some 230 miles downstream, has been relatively unaffected by man. This is clear proof that the people of Minnesota, through their own actions and the actions of their local governments have taken good care of the Mississippi. And why should they not? The river is a main part of the State's heritage. It has fueled its early industries and settlement and provides, to this day, a major artery for travel, commerce, and recreation. This sort of local concern and initiative is a part of our Federal system of government. We should not reward the far-sighted people of Minnesota by swooping in with Federal regulations without giving them the chance to speak for themselves.

Government should be more constructive and cooperative than this section of the national parks bill would indicate. I, therefore, support this amendment as a means of letting the people have a say in what happens in their own State.

The material follows:

MARCH 3, 1978.

Re D 4219 Upper Mississippi.

RICHARD RIEKE,

Assistant Regional Director, Heritage Conservation and Recreation Service (BOR), Ann Arbor, Mich.

DEAR MR. RIEKE: This will acknowledge receipt of your informative letter of February 17, 1978. Our group has now had time to read thru the information you sent, including the "Final Report and Environmental Impact Statement on the Upper Mississippi Study."

We are writing to point out several items in this study that seem to be in direct conflict with other information given us, and of the facts, as we know them, from living in the area. They are:

1. The Mississippi Headwaters Canoe Route, as mapped by the DNR of Minnesota, shows the distance from Lake Itasca to the Iron Bridge Landing west of Bemidji as about 60 miles. Your study shows this span to be 41.2 miles.

2. On page 152, you describe only three dwellings along Section 12, from Lake Itasca to the Iron Bridge, which you describe as "nine cabins" and "a house at Mile 456.3, a small cabin at Mile 456.8 and a dump at Miles 457." This is incorrect. There are nine houses in full view of the river in Section 12 and some 32 property owners. Your misinformation makes it seem that this section of the river is virtually unoccupied. Had anyone doing all three of these very expensive studies bothered to stop and ask us, we could have helped them with accurate information, since we have lived here and have canoed this stretch of the Mississippi.

3. On Pages 2, 3, 24, 214 and 215 you make statements about all the "public input" that went into making the plan. This, too, is untrue. The only public meeting held in our area was back in December, 1975 and it was not "widely advertised", as you state . . . there was an item in the Bemidji paper . . . a town 40 miles from here. We are told there were only about 70 people at the meeting, and half of them were government employees. Objections were raised, but were not put into your report.

4. We feel it is a criminal waste of tax dollars to print up these so-called studies, which are based on guess-work and have had no input from local officials at township and county level, or from the property owners whose homes are involved.

We feel this study should be corrected before it is used as a basis for making a decision on how the Upper Mississippi River will be used in the future, and which government agency, at which level, will administer this section of the river. May we hear from you?

HELEN THORWARDSON,
Secretary, Itasca Property Owners Commission, Lake Itasca, Mn.

LAKE ITASCA, MINN.,
June 30, 1978.

To members of Minnesota's Congressional Delegation.

Re Designation of the Upper Mississippi River as part of the Federal Wild and Scenic River System (H.R. 9855—Bruce Vento).

We write to protest the inclusion of the Upper Mississippi into the Federal system, and the designation of the first forty-one miles from Lake Itasca (section 12) as "wild". We urge you to join representatives Stangland and Oberstar to delay action on this until the errors in the "final study" by the Dept. of Interior have been corrected, and until the people of Minnesota can be told the facts, and decide for themselves if they want the State's largest river handed over to the National Park Service, under the Federal Department of the Interior.

Noting many errors in the "final study" we sent a letter on March 3rd to the people who did the survey, asking for corrections. They have never replied to our letter, yet they claim they want "input from the public." The errors in our section 12 have serious effects as they describe the area as "essentially primitive, i.e., free of habitation and evidence of man's intrusion." This is nonsense! There are 33 property owners on about 20 miles, within 8 dwellings fully visible. There are six roads, with bridges, crossing the river. In no way does this section meet the standard for wild rivers. Either no one looked at the river, or the data was turned in correct, and altered to suit the purpose of someone who wanted the area to appear primitive. Section 12 is not wilderness.

We cannot understand why any of you would want to support this proposal after what has happened on the St. Croix river. The Dept. of Interior ignored the laws, took far more land than allowed, and are still in the courts fighting suits by citizens who were reassured by Mondale, Herbst and Anderson that their rights would be protected. All three men now have good jobs in Washington . . . the citizens didn't fare so well. Why not keep Minnesota resources under the control of Minnesotans?

Mr. and Mrs. LEE THORWARDSON,
Members.

LAKE ITASCA, MINN.,
June 30, 1978.

Re Designation of the Upper Mississippi River as part of the Federal Wild and Scenic Rivers System (H.R. 9855—Bruce Vento).

To Representative Bruce Vento, Senator Wendell Anderson, and Department of Interior Assistant Commissioner Robert Herbst.

We find it most interesting that all three of you are still sending out reassurances to property owners along the Upper Mississippi that we need not fear condemnation of our property if Vento's bill passes the House, because of the "over 50% public ownership" rule. Now even out here in the north woods we've heard about Gaylord Nelson's Amendment which will eliminate this provision. . . . Could it be that you do not know what is proposed, when you are sponsoring the legislation?

Your letters are like carbon copies of the ones sent out to St. Croix River landowners. . . . You even convinced them to pass more stringent regulations to meet Federal standards, so that when the Dept. of Interior took over, they could pay them less for their land. As for the rule about 100 acres of land per river mile . . . that was flagrantly violated again and again on the St. Croix. . . . In fact, lawsuits are still on, and we taxpayers are footing the bill, as usual.

As for Mr. Herbst's assurances about wanting public input . . . perhaps he can get his Ann Arbor, Mich. office, which did the "final study" to reply to our letter of March 3rd. We wrote to them. Pointing out many errors in their study, and have had neither a reply or any corrections made. The errors are serious, as they describe our part of the river as "essentially primitive, i.e. free of habitation and evidence of man's intrusions" (p. 152). This is nonsense! There are 33 property owners along this stretch. It is crossed by six highways, and our home, and those of neighbors, are fully visible from both river and roads yet are not even listed. If anyone really did a study, the facts were altered before the study was published—someone wanted one section of the river to be called "wild", so they altered the data to suit their purpose. We've kept the river clean and hope to continue to do so.

MRS. LEE THORWARDSON.

WASHINGTON, D.C.,
June 29, 1978.

Mrs. HELEN THORWARDSON,
Secretary, Lake Itasca Property Owners Committee, Lake Itasca, Minn.

DEAR MRS. THORWARDSON: As Mr. Eastman agreed, we checked to determine whether your March 3 letter had been responded to or not. We found that in the confusion associated with the transfer of study responsibility and the files associated with the study from the Heritage Conservation and Recreation Service to the National Park Service that your letter was included without any indication of whether or not it had been answered. We regret the oversight.

We have discussed your questions with representatives of the study team who agree with the substance of our answers but have not seen the specific wording of our response. For ease of reference, we are repeating some of your questions.

1. The Mississippi Headwaters Canoe Route, as mapped by the Minnesota DNR shows the distance from Lake Itasca to the Iron Bridge Landing west of Bermidji as about 60 miles. Your study shows this span to be 41.2 miles.

While we are not certain as to the area referred to as the Iron Bridge Landing, the distance from the outlet of Lake Itasca to the Iron Bridge, as shown on Corps of Engineers maps is approximately 41.2 miles. Corps of Engineers maps were used as they are a generally accepted authority and a base which can be related back to in the future if necessary.

In the brochures put out by the DNR on the Mississippi River Canoe Route which the study team has in its possession, mileage shown from Lake Itasca to the Iron Bridge is shown as 48 miles. We understand that the DNR representatives on the study team generally concur with the figures in our report.

2. On page 152, you describe only three dwellings along Section 12, from Lake Itasca to Iron Bridge, which you describe as "nine cabins" and a house at Mile 456.3, a small cabin at Mile 456.8 and a dump at Mile 457. This is incorrect. There are nine houses in full view of the river in Section 12 and some 32 property owners. Your misinformation makes it seem that this section of the river is virtually unoccupied. Had anyone doing all three of these very expensive studies bothered to stop and ask us, we could have helped them with accurate information since we have lived here and have canoed this stretch of the Mississippi.

The view from the river is conditioned by a number of factors such as (1) the time of the year one traverses the river—more structures would be visible during the fall and early winter when the leaves are off the trees than during spring and summer when the trees are leaved out and other vegetation tends to screen the view; (2) the direction in which one is traveling; (3) distractions such as the need to identify visible game species as one passes an area; or (4) the need to pay full attention to the river at any particular moment. It was the consensus of the study team which traversed the river including repeat visits to several sections that the shoreline of this segment was relatively free of any major intrusive evidence of man's presence and clearly qualified for a wild classification.

Your statements 3 and 4 relate to the amount of public input to the study which the report indicates took place which you characterize as untrue. You further state that the objections raised at the public meetings were not put into the report.

We are advised that the local media including television and radio as well as the local papers provided more than adequate public notice of the five meetings held in

December 1975. However, it is understandable that people might have been distracted by the upcoming holiday season and failed to catch the announcement. The report reflects that the study team felt that the turn out was small in view of the effort to provide notice of the meeting. Representatives of local governmental organizations were contacted during the study, as were a number of local organizations and individuals.

The report lists on pages 25 and 207 the seven principal issues which were raised at the meetings and through other contacts by people owning land along the river and other concerned basin residents.

The report also indicated that there was a consensus of opinion that the natural environment of the Upper Mississippi should be preserved. Mr. Eastman reports that he would make the same statement as a result of the two meetings held June 17. There is obviously a strong feeling for the river and the need to preserve its character. The steps which county officials and local residents are supporting to preserve the river reflect the local concern for the river.

We trust that the June 17 meeting answered some of the concerns which exist. We do appreciate your bringing to our attention what you feel are errors in the report.

Sincerely yours,

DAVID G. WRIGHT,
Assistant Director,
Planning and Development.

PERFECTING AMENDMENT OFFERED BY MR. OBERSTAR

Mr. OBERSTAR. Mr. Chairman, I offer a perfecting amendment.

The Clerk read as follows:

Perfecting amendment offered by Mr. OBERSTAR: Page 301, strike out line 23 and all that follows down through line 5 on page 303 and insert in lieu thereof the following:

PREPARATION OF DEVELOPMENT PLAN FOR UPPER MISSISSIPPI

SEC. 704. (a) The Secretary of the Interior shall, after notice and public hearings, prepare a development plan for the administration of the segments of the Upper Mississippi River in Minnesota described in subsection (b) and shall, within one year following the date of the enactment of this Act, submit such plan to the President of the Senate and the Speaker of the House of Representatives together with his recommendations respecting designation of such segments as components of the national wild and scenic rivers system.

(b) The segments referred to in subsection (a) are as follows: the upper ten segments of those segments of the river qualifying for designation between the northwestern corporate boundary of Anoka and the outlet of Lake Itasca, as generally depicted and classified on the drawing designated as "Figure 1—Qualifying segments" contained in the Secretary's report entitled "Upper Mississippi—A Wild and Scenic River Study", dated April 1977.

(c) The development plan prepared under section (a) shall be construed to be a comprehensive master plan which shall include—

(1) the delineation of detailed boundaries for the Upper Mississippi component,

(2) such classification as wild, scenic, or recreational as the Secretary recommends for purposes of section 3(b) of the Wild and Scenic Rivers Act, and

(3) specific plans for its acquisition, development, and management, including provision for continued administration by the Secretary of Agriculture of lands within the Chippewa National Forest.

Upon designation by Act of Congress of the Upper Mississippi components described in subsection (b) as a wild and scenic river under the Wild and Scenic Rivers Act, the development plan prepared under this section shall be treated as the development plan required by section 3(b) of the Wild and Scenic Rivers Act unless the Congress otherwise provides.

And make the necessary conforming changes in the table of contents.

Mr. OBERSTAR (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. OBERSTAR. Mr. Chairman, this amendment will provide for the development of a master plan to be submitted within 1 year of the date of enactment to the Congress for further action by Congress as befits a major undertaking of this kind.

The Upper Mississippi can be considered as a segment of the National System of Wild and Scenic Rivers at a later date. That consideration can take place when we have a master plan specifically delineating where development will take place, which properties will be acquired in fee simple, and which properties will be required for scenic easements.

I just wonder if there is anybody in this Chamber who ever goes to his or her favorite department store and orders a suit of clothes and says, "Just send me a suit of clothes. Make it blue." Let us assume you do not prescribe sleeve length, trouser length, collar size, chest size, or waist size. We would look ridiculous if we bought suits like that.

That is what we have here: A rubberstamped proposition sent over by the administration, a proposition approved by the committee and sent to the House floor. We do not know what the boundaries of the corridor are or the extent of acquisition.

Oh, yes, there is a study. It is right here. The Department of the Interior and the Department of Natural Resources of the State of Minnesota conducted a study that resulted in a final report and an environmental impact statement. That is a very thick document filled with information about archeology, history, vegetation, and soils. It does not say whose property is going to be acquired, when it is going to be acquired, or whether it will be in fee simple or for scenic easements. Nowhere do we find that, and that is why the people in my district are upset.

The gentleman from Minnesota (Mr. STANGELAND) and I held our own hearings when the committee declined to hold hearings on the bill. We asked people questions. We had people in from the Department of the Interior and from the Department of Natural Resources of the State of Minnesota. I asked the gentleman who is head of the Federal Scenic and Wild River System whether he could tell any of the people in the audience whose property is going to be acquired. He could not. I asked him if he could tell us where river access is going to be developed, and I also asked him this question:

Where are boat landings going to be developed? They do not have a plan. He could not tell us. Is this the kind of plan we want to offer the people of Minnesota?

In 1968 and 1969 this same committee held hearings on Voyageurs National Park, and they had a master plan before those hearings were held. People testified with specific preference to precise developments, properties to be acquired, resorts that would be phased out or eliminated altogether or acquired at the outset. They knew what was involved in the proposed national park. They do not know the same in the Wild and Scenic River System.

I wrote to the Department of Interior to inquire as to their plans to use condemnation authority. The Director of the Park Service Bill Whalen wrote me on May 19, 1978:

> We must speak candidly and say that if public ownership within the river corridor does exceed 50 percent, and if the management plan for the river finds that additional lands are necessary to provide adequate visitor use and resource protection, we would feel constrained to ask Congress for an exemption from subsection 6(b) as it applies to the Upper Mississippi.

The Service has requested such an exemption for the St. Croix. This bill authorizes that exemption.

The assurance condemnation authority will not be used means very little.

People in Minnesota are upset about this. They do not know whether they want a wild and scenic river on the Mississippi or not, because they do not know what it means. They do not know what it entails.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. OBERSTAR) has expired.

(By unanimous consent, Mr. OBERSTAR was allowed to proceed for 3 additional minutes.)

Mr. OBERSTAR. All we are asking for is for the Department to go back and to do this thing properly, bring it back to the Congress. Maybe it will pass. We will not know until we have a master plan.

Mr. STANGELAND. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from Minnesota.

Mr. STANGELAND. I thank the gentleman for yielding.

Let me ask the gentleman a question. Is that river presently protected in any manner by State or local ordinances? Does Minnesota have any means of protecting that river?

Mr. OBERSTAR. The State and local governments have commendably enacted legislation to protect the river all the way up to its source. The Minnesota Model Land Act is one such law.

Mr. STANGELAND. In the hearings we held was there an indication the counties were adhering to the zoning ordinances and concerned about the cleanliness of the river?

Mr. OBERSTAR. The river is pure and clean, and the people did testify in our meetings. The record indicates the local zoning ordinances were protecting the riverfront. The Comptroller General made a study of the wild and scenic program, which was sent to every Member of Congress and which offers a ringing condemnation of the management of

this program. Instead of cooperating with State and county and local zoning authorities and reducing the cost of this program, the Federal Government has ignored the State and local authorities, has refused to cooperate with zoning officials and, instead, has gone in for massive fee simple acquisitions, which is far more costly than working with the States and local people. That was not the intent of Congress in enacting the Wild and Scenic Rivers Act.

I would like to quote from the GAO report:

The strategy adopted by most Federal agencies to preserve wild, scenic, and recreational rivers is to either buy riverway land or buy the right to control the use of the land. This is unnecessarily costly and was not intended by the Congress.

For example, Federal agencies estimated that it will cost $93 million to acquire control over 15 federally administered rivers, which is 2½ times the cost of the original estimate. There are less costly alternatives. The one most promising and called for in the Wild and Scenic Rivers Act is that of working with State and local governments to provide the necessary land use controls over development. By coordinating Federal management with State and local zoning ordinances, not only are costs potentially reduced, but private owners can continue to enjoy the use of their lands.

Mr. STANGELAND. Mr. Chairman, I thank the gentleman for yielding, and I thank him for a fine statement.

I think he very well expresses the concerns of the people in the Seventh and Eighth Congressional Districts of Minnesota, through which this river runs. It is one of the prime economic sources of livelihood for that total area and is of tremendous value to the people of Minnesota. Those people who live in that area recognize that value, and their stewardship of this area has been excellent.

Mr. OBERSTAR. Mr. Chairman, I thank the gentleman very much.

May I say that the people live in the north country because they love the land and they love the river and they have taken care of it. Because of their care, it is a beautiful river and a candidate for inclusion in this system.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, if I understand the gentleman's amendment, it provides that a plan will be drawn and then brought back, and after hearing, adopted by the Congress; is that not so?

Mr. OBERSTAR. That is precisely the nature of the amendment.

Mr. FRENZEL. If so, Mr. Chairman, I think it is superior to mine in that it will require some kind of hearings in the posting of a plan and at least assures the probability of this "wild and scenic river" designation, making it more likely.

For that reason, Mr. Chairman, I certainly will support the gentleman's amendment; and I hope that the rest of the committee will do likewise.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. OBERSTAR) has again expired.

(By unanimous consent, Mr. OBERSTAR was allowed to proceed for 2 additional minutes.)

Mr. OBERSTAR. Mr. Chairman, I noted with interest the objection raised by the chairman of the subcommittee earlier to other amendments offered, when he said that no hearings had been held and the amendments had not been properly considered by the committee. I return to the chairman of the subcommittee that observation. No hearings were held on this proposal by the committee despite my request early in January of this year and again in June.

Mr. Chairman, this amendment will give the committee plenty of time in which to consider this proposition in detail, with a fully prepared and developed master plan, so that we can have all of the options before us and the committee can bring it back within 1 year, which is the limitation set in my amendment.

Mr. Chairman, there is no danger of any development happening to that part of the Mississippi River. Every State and Federal authority that came to our meetings in Minnesota recently testified there is no danger of imminent development; nothing is going to happen within this coming year.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from California.

Mr. PHILLIP BURTON. First, Mr. Chairman, I ask unanimous consent that all debate on this amendment and the Frenzel amendment end in 15 minutes.

If that is not acceptable, Mr. Chairman, I ask unanimous consent that all debate on this amendment and the Frenzel amendment be limited to 5:10 p.m.

Mr. Chairman, the first 27 minutes have been taken by the proponents of the gentleman's position. It would be my intention to speak a moment or two on behalf of what I understand to be the position of the Vice President of the United States, who comes from Minnesota, and to have some time for other people's views in this matter. I understand the gentleman from Minnesota (Mr. VENTO) as well as the gentleman from Minnesota (Mr. NOLAN) and others would want some time.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. OBERSTAR. Mr. Chairman, we have seven Members standing. Would 5 minutes for each Member be sufficient?

Mr. PHILLIP BURTON. Mr. Chairman, I withdraw the request.

I previously asked the gentleman in the well a half hour ago if a half hour was enough. He said yes. The half hour has expired. The committee has not even spent a minute on this amendment yet, but I do not want to intrude on the gentleman's prerogatives.

Therefore, Mr. Chairman, I withdraw my unanimous-consent request; but I am going to object to any further extensions under the 5-minute rule until the time frame is brought into some kind of reasonable perspective.

Mr. Chairman, I withdraw my unanimous-consent request.

The CHAIRMAN. The unanimous-consent request has been withdrawn, and the time of the gentleman from Minnesota (Mr. OBERSTAR) has expired.

Mr. VENTO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendments offered to affect the proposed designation of the Upper Mississippi as a wild and scenic river.

These amendments are designed to alter the intent and process of wild and scenic river designation, in essence they will stand the process on its head.

Let us examine the process which has resulted in today's proposal. In the organic Wild and Scenic Rivers Act, Congress established a process for the Secretary to follow in the study of other rivers for possible designation. In 1975, Congress mandated that the Secretary of Interior study the Upper Mississippi for possible designation.

Since that congressional mandate, the Secretary has followed a process that has been used for every wild and scenic river study.

Five public hearings were held in the area affected by possible designation. Admittedly, these public hearings were not well attended but the Secretary made every possible effort to publicize the meetings. Notices were printed in local newspapers, ads were read on television and radio and brochures outlining the alternatives were distributed to interested groups and individuals. During the hearings, discussion centered around the different alternatives available including the proposal that we are considering today.

During the study period the Interior Department closely cooperated with other Federal agencies, such as EPA and the Corp of Engineers, the State of Minnesota, whose representatives participated in the study of the river, local governments, and the public. This spirit of cooperation has and will continue to symbolize the designation and management of the Upper Mississippi and more than adequately complies with the intent of the organic Wild and Scenic Rivers Act.

There is nothing to be gained and much to be lost by the adoption of the study provision or deletion amendments offered today. A delay in designation can only mean increased Federal costs, harmful development of the riverbank, and a repudiation of the wild and scenic rivers designation process which Congress established to resolve conflicts.

The concerns I have heard to date can really be resolved through the designation of the Upper Mississippi and the development of the master plan that this act envisioned.

It has been stated that there has not been enough time to study this proposal adequately. I submit to my colleagues that there has been a sufficient period of time. The 1975 congressionally mandated study is completed and has been available for review since September of 1977; the administration recommended desig-

nation of the Upper Mississippi in the President's environmental message last year; and in the fall of 1977, I wrote to the Members whose districts would be affected by this designation to explain the possible impact of the bill, to inform them of the time frame for action and to solicit their views on this issue. Adequate notice regarding this proposal has been given over the past 4 years. Certainly it would have been desirable to have had further congressional or administration hearings on this matter, but when, is not that the case?

Can we constantly be involved with reinvesting the wheel? Must we change the process set forward by the organic Wild and Scenic Rivers Act for every new river that we seek to designate? Or can we rely on the voluminous detailed information before us, on the public hearings that have occurred, on the hours of work put into this recommendation and environmental impact statement by the Department of the Interior, other Federal agencies, by the State of Minnesota and its department of natural resources, and by concerned private citizens?

H.R. 12536 is an omnibus measure that draws together many policy decisions. This specific proposal has been known and it has been adequately discussed and studied. Designation should not be denied on the basis of process, indeed, the process has been followed and based on the merits of the findings that this process reached.

I urge my colleagues to vote no on the amendments before us and to support the inclusion of this unique headwaters segment of the Mississippi, the father of waters, in our Nation's Wild and Scenic River System:

SUPPLEMENTAL VIEWS

(By Congressman BRUCE F. VENTO)

No one disputes the qualities of the Upper Mississippi River. It is easily one of the most beautiful rivers in our country and is relatively unspoiled by man or his developments. The home of many species of fish and wildlife, the Upper Mississippi can offer ample outdoor recreation opportunities for local residents and visitors alike. These characteristics well qualify the Upper Mississippi for designation as a Wild and Scenic River.

Amongst the groups extremely interested in protecting the Upper Mississippi in its present state are the local land owners. They recognize the qualities of this area and want to protect these characteristics. However, this group has a fear that the designation of the Upper Mississippi could negatively affect the river and could drastically change their lifestyles. I have been working to resolve their fears and have tried to reassure them that it's not the intent of Congress to change the river or take away their land.

It is not the intent of this Act to allow excessive condemnation of private lands. The Environmental Impact Statement stresses that scenic easements are to be the primary means of protection for the river and the shoreline. I have been reassured by the Administration that the public lands ownership for the Upper Mississippi already exceeds 50 per cent and that therefore the Park Service will be precluded from condemning any more land, except in those cases where some use threatens the very quality of the river.

In the development of the Master Plan, it will be important to allow the local residents a large and active role. These people are familiar with the river and are concerned about its future. Their input is essential in maintaining the river at its present state. I am encouraged by the Administration's willingness to listen to the affected citizens and to involve them in the development of the master plan in a meaningful manner.

The Upper Mississippi is a fragile ecosystem. In the development of a master plan, all parties must be aware of the purpose of the Wild and Scenic Rivers Act: to maintain the river at its current state. To try to revert developed land from scenic designation to wild through wholesale condemnations is just as wrong as allowing the development of industries that would pollute the river. A particular concern in the maintenance of the river is the development of recreational opportunities along the river. All parties must be aware that man's very presence along the river will affect it. Too extensive use of the river can result in the same destruction as the worst possible pollution. Any master plan must balance the development of recreational opportunities with the protection of the river. I believe that the local residents are acutely aware of the threat of overuse and abuse of the river and urge that they play a significant role in the considerations on the recreational use of the Upper Mississippi.

The Upper Mississippi is still untouched by significant pollution; it is enjoyed by man and animals alike; and is one of the most beautiful rivers in our country. I believe that this bill and a management plan developed through federal, state, and local citizens participation are the best means possible to insure that these qualities remain.

While I recognize the extenuating circumstances surrounding the proposal to lift the 50 per cent public ownership cap for condemnation authority along the St. Croix River, I have serious reservations over the inclusion of Section 753 in H.R. 12536. Although it is the intent of Congress to limit the condemnation to the approximately 1,200 acres designated in the Master Plan, the potential for bureaucratic abuse does exist and other alternatives may be possible.

It is my hope that before the Park Service implements this greater condemnation authority, the Secretary will review the following questions.

Why is the Park Service seeking $10,000,000 to acquire only approximately 1,200 acres? The appropriation seems inordinately high and bears no relationship to the actual property of the St. Croix region.

What would it cost and what would be the project management and public use implications if the Park Service acquired most land through scenic easements and acquired fee title through donation or condemnation for only those areas that are absolutely critical for public use and maintaining river integrity?

What would it cost and what would be the project management and public use implications if the Park Service acquired only scenic easements over the remaining lands within the federal boundary?

WASHINGTON, D.C.,
May 26, 1978.

ROBERT L. HERBST,
Assistant Secretary for Fish, Wildlife and Parks, U.S. Department of Interior, Washington, D.C.

DEAR BOB: I am writing with regards to the inclusion of the Upper Mississippi as a Wild and Scenic River in H. R. 12536.

At the time H.R. 12536 was approved by the full Interior Committee, I stated my understanding that over 50 per cent of the acreage along the proposed designated area was already public lands and that therefore no further lands could be condemned under this proposal. I also expressed my belief that in developing the Master Plan, the Department should encourage local participation and that this local input should play a meaningful role. Since that time, significant concern has been expressed by some of my Colleagues and there may be an effort to delete the section regarding the Upper Mississippi. I fully support the designation of the Upper Mississippi as a Wild and Scenic River and hope that you will be able to help dispel the underground fears surrounding this proposal.

What hearings were held by the Department on the proposal to designate the Upper Mississippi as a Wild and Scenic River? What type of publicity was given to these hearings? What mechanisms were available for public input?

Under the proposed management plan for the Upper Mississippi, what is to be the principal means of land control? How much of the acreage along the proposed designation is currently public land? If this figure is over 50 per cent, is it not true that the Department will be prohibited from condemning any more land except in those cases where the integrity of the land and river is threatened? If the Department would desire to condemn more land for access, rest areas and management purposes, would not a Congressionally approved exemption be required?

In the development of the Master Plan for the Upper Mississippi, the involvement of local citizens could provide meaningful and valuable assistance to the Department. In what ways will the Department seek local input? Will the opinions and advice of local residents play a significant role in the development of a management plan? Will local input play a continuing role in the management of the Upper Mississippi after the implementation of the Master Plan?

I agree with the Administration's position that the Upper Mississippi is one of the most beautiful rivers in our country and that through designation of the river as a Wild and Scenic River will protect its quality. I am hopeful that a prompt response will insure that this river will remain included in H.R. 12536.

Thank you for your prompt attention to this matter.

Warm regards.

Sincerely yours,

BRUCE F. VENTO,
Member of Congress.

WASHINGTON, D.C.,
June 2, 1978.

Hon. BRUCE F. VENTO,
House of Representatives,
Washington, D.C.

DEAR MR. VENTO: I am taking this occasion to respond to your two letters, dated May 4 and May 26 respectively, concerning the designation of the Upper Mississippi River as a component of the National Wild and Scenic Rivers System.

With respect to the matter of condemnation along the Upper Mississippi, you are correct in your understanding of the types of activities and land acquisition authorities in the Wild and Scenic Rivers Act. Public lands comprise more than 50 per cent of the lands within the boundaries of the Upper Mississippi River as set forth in the conceptual plan for designation and management of the river area. Under these circumstances, condemnation could be used only to clear title or for the acquisition of easements necessary to give the public access to the river and to assure public rights to traverse the area. Activities which were com-

patible with the proposed designation and classification would be permitted to continue under such easements.

As soon as a river is designed as a component of the National Wild and Scenic Rivers System, the managing agency initiates preparation of a management plan for the area as provided for in section 3(b) of the Wild and Scenic Rivers Act. The legislative proposal now being considered provides that such plan be prepared within two years of the date of enactment. During the preparation of this plan, the detailed boundaries of the area will be established and the current ownership of lands determined as well as the plan for the river's development and use. If public ownership within the river corridor does exceed 50 per cent, and if the management plan for the rivers finds that additional lands are necessary to provide for adequate visitor use and resource protection, we would consider recommending an exemption from subsection 6(b) of the Act as it applies to the Upper Mississippi.

The principle of public involvement was, and will continue to be, an essential part of the planning process for the Upper Mississippi. In the initial study of the Upper Mississippi, intended to evaluate the river's suitability for Wild and Scenic River status, opinions and ideas expressed by people, both within and outside the Upper Mississippi River basin, were solicited in an attempt to understand all relevant points of view. In addition to meeting with various groups and individuals during the conduct of the study, five public information meetings were held to solicit the views of concerned and interested people regarding placing the river in the National System, alternative means of protection, and administrative options. The meetings were held during the week of December 8, 1975, in Bemidji, Grand Rapids, Brainerd, St. Cloud, and St. Paul, Minnesota. Although the meetings were well covered by the local media and 1,500 brochures reporting study progress were distributed, the total attendance was only 235 persons, or an average of less than 50 people per meeting. Response forms recording the opinion on planning alternatives were filled out by one-half of the attendees and their tally showed the following: 70 per cent preferred that some or all of the river be placed within the National Wild and Scenic Rivers System, 49 per cent indicated that the river corridor should be protected via fee title and scenic easements, and 46 per cent preferred a combination of Federal and State administration.

Efforts to encourage and utilize public participation will be continued throughout the remainder of the planning process that follows designation of the Upper Mississippi Wild and Scenic River. Public workshops, meetings, and planning documents will be announced in the *Federal Register*, regional newspapers, and the public media. As part of the planning process, an assessment of alternatives will be developed. An opportunity for public review of the assessment will be provided so that they may evaluate the various alternatives considered during the planning process up to that point, present other alternatives for consideration, and uncover discussion issues of existing or potential conflict.

Upon completion of the management plan, an accompanying draft environmental statement will be prepared. The public will have an opportunity to provide written comments on the draft to which the managing agency, in this case the National Park Service, will respond in writing. Changes made in the plan and its draft environmental impact statement will be made as appropriate in light of public comments. The draft environmental statement will be available for public review, according to departmental regulations, for a period of no less than 45 days prior to a public meeting or administrative decision. After adoption of the management plan in its final form, any further planning or policy changes of major significance will be similarly conducted with the assistance of public participation. Beyond these more formal procedures, however, I want to emphasize that no matter how small a particular issue might be, we are always anxious and willing to consider any citizen's suggestion or criticism as to the administration of our Nation's Wild and Scenic Rivers System.

We hope these comments prove helpful to the consideration of the Upper Mississippi Wild and Scenic River proposal. Please let us know if we can provide any further assistance to you in this regard or any other.

Sincerely yours,

BOB,
Assistant Secretary for Fish and Wildlife and Parks.

I might add that with the other programs and discussions that have flowed from them, that these programs have not proved to provide protection. In fact, they are having extensive problems with the various counties involved in terms of designation and recreation. The water in this area is clean, and will remain clean. I think the designation we are talking about provides new and needed protection for this area. We are talking about limited action, eminent domain power, trying to satisfy all those questions. But, the one question we cannot satisfy is the fears expressed. The last plan envisions a type of public participation. It does not come before; we are not going to make the investment. We will follow the process set in law the Organic Act by Congress, and hopefully we will continue to do so.

Mr. PHILLIP BURTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. I thank the gentleman for yielding.

The master plan that is envisioned really sets forth the type of study provisions that my colleague, the gentleman from Minnesota, and my other colleagues are seeking. That is the intent of the master plan and the public participation, to go forward toward a commonality.

When it is said that the plan is not specific, perhaps it is being said that they have not done some of the survey work. We know the areas that will be designated as wild. We know the length of them. We know what areas will be designated wild, scenic, and what areas will be designated as recreational.

But they say it is not specific because the survey work has not been done. Should we make an investment? Should we make a determination? What I am asking from the Members is to have them use commonsense in terms of determining where we are going. If Members are against it, then let us have the vote against it on that basis, but not because it has not followed some specific process that exists only in theory.

Mr. PHILLIP BURTON. Mr. Chairman, I commend the gentleman in the well. There is not any member of the committee who has spent more time and effort on this question, on this matter or other matters, than the gentleman in the well.

The gentleman in the well has indicated that he took it on his own initiative to alert various Members affected.

There is a difference of opinion. We obviously must stipulate that. But the case can hardly be made either that our committee did not do its work and did not work at the matter diligently or that Members were unaware it was coming up. It has been before us for 8 or 9 months.

There can be differences of opinion on our conclusion and this is the forum for those differences of opinion to be sorted out, but these other questions, including the question whether the local people had the opportunity to testify, do not stand the test of the facts.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. PHILLIP BURTON. Mr. Chairman, I regret I cannot yield because the gentleman and his side, although not representing the committee point of view, had more than two-thirds of the time and I do think our colleagues are entitled to the benefit of our view on this question.

I have already made reference to what I believe is the enormous favorable interest in this respect of the Vice President, who comes from the State of Minnesota. The delegation is not in agreement on this, which is self-evident, but I would urge that we follow the advice of our distinguished colleague, the gentleman from Minnesota (Mr. VENTO), and that we stay with the committee recommendation.

Mr. NOLAN. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, I too, want to compliment the gentleman from Minnesota (Mr. VENTO), a member of the committee, for his eloquent and informative statement here as to how this amendment violates the process that was established by this Congress for seeing to it that rivers be designated as part of the National Scenic and Wild Rivers System.

I also want to point out for the interested members of the committee here, that it was improperly stated by a previous speaker that the local county governments in Minnesota were all moving vigorously forward to implement our State plan for designation and protection of the Upper Mississippi River as a wild and scenic river as a part of our State law but it is not working as well as was represented here just a few minutes ago because a number of the counties have not adopted any rules or regulations at all for being included into the system and many other counties are very, very lax in their enforcement.

At this point in the RECORD, and I will obtain permission when we go back into the House, to insert an article entitled "Lack of Enforcement Threatens Upper Mississippi," written by Dan Gapen, which appeared in the Minnesota publication, Fins and Feathers, of July 1978. He is a leading conservationist and sportsman in the Minnesota area affected by this legislation.

The letter follows:

LACK OF ENFORCEMENT THREATENS UPPER MISSISSIPPI

Rivers, it has often been said, are the life blood of our nation. Rivers and how we treat them could well determine our destiny. It may be true that the citizens of this nation and the State of Minnesota are at a critical point in time in responding to the need for river preservation. Only time will tell whether or not we act correctly.

Several years have passed since a few faint voices cried a plea to preserve Minnesota's rivers. "Please save the rivers from being overrun by people and housing like what happened on our lakes," the voices said.

In response to the pleas, a Wild and Scenic Rivers Act was put together by the legislature. Public hearings were held on the proposed bill beginning in the spring of 1975. The bill was passed into law, and on June 25, 1976 then DNR Commissioner Bob Herbst declared the Upper Mississippi River our state's second Wild and Scenic River, following the Kettle River. The attorney general's office reviewed the bill and filed it with the secretary of state. Minnesotans had a right to be proud in taking an unprecedented step in preserving one our nation's most historic rivers. If the citizens could save a portion of the Mississippi, then they could move to protect any piece of running water.

The DNR notified the counties and cities affected by the bill that they had to comply with its regulations by April 15, 1977. Everything seemed to be in order and the story should have happily ended here. But that has not been the case, and enactment of the state's portion of the bill—a 50 mile stretch of river between St. Cloud and Anoka—has faltered.

Some towns like Monticello, St. Cloud and Elk River quickly adopted local ordinances to comply with the state bill. Other communities have not responded as quickly. Wright County has finally complied with the bill a year after the deadline. Hennepin and Anoka counties, which have very complex zoning laws, are still in the process of adopting the new regulations. The real foot dragger, though, has been Sherburne County. They have yet to enact the new ordinances in spite of the DNR helping them draw up a program for compliance in 1977. Sherburne County is one of this state's fastest growing communities and while they continue to stall, some parts of the river in the county are being commercially developed in violation of the Wild and Scenic bill.

Why hasn't Sherburne complied with the bill's regulations? Perhaps they're awaiting the outcome of a lawsuit concerning the state's first Wild and Scenic River, the Kettle. In a controversy surrounding that river, Judge Dablow of the 10th Judicial District Court handed down a particularly confusing decision about the Kettle. His court upheld the Wild and Scenic River Act, but declared portions of it unconstitutional in its application to certain land owners along the Kettle. The issue will probably have to be settled by the State Supreme Court. Meanwhile, as the law winds its way through the courts and a few public officials in Sherburne County fail to act, a most critical portion of the Upper Mississippi River preservation effort is in jeopardy—at the expense of not only the citizens in this state, but the whole country.

Other counties and communities above and around St. Cloud, such as Meeker, Stearns and North Crow Fork, have enacted laws to comply with the bill. The portion of the Mississippi under federal control above St. Cloud has seen little opposition in adopting the new regulations.

Some controversy surrounding the Wild and Scenic bill exists when certain federal congressmen try to connect the bill with the BWCA issue. But the BWCA and the Wild and Scenic River bill are two separate issues, both in content and enforcement.

Not only do the citizens of this state support the bill, but it is strongly backed by top level officials in the federal government. Former DNR Commissioner Bob Herbst, now number two man at the Department of Interior, backs the bill. Vice President Walter Mondale first proposed protection for the Upper Mississippi and is still interested in the outcome. President Carter specifically mentioned his support for protecting the Upper Mississippi in his environmental message last year. In addition, the federal government is ready to invest $20 million in the preservation effort as soon as the state complies with the rivers bill.

So why hasn't the DNR and the governor's office taken a stronger stand in enforcing the bill's regulations? They seem to have assumed an apathetic attitude about the whole thing. We Minnesotans cannot allow a county like Sherburne, a contradictory judicial decision or the BWCA mess deny our children's children a clear, free flowing river corridor of such magnitude. There is only one Mississippi River and we must protect the birthplace of the Ol' River.

The decisions we make now will determine whether the Mississippi lives or dies. We must take a stand against greed and self interest, and make sure that the Wild and Scenic River Act is enforced across the board.

I would just like to conclude by saying, as my colleague, the gentleman from Minnesota (Mr. VENTO), did, that further delay in designating the Upper Mississippi River as a part of the scenic and wild river system would result in harmful additional development, increased cost of protection and, as the gentleman from Minnesota (Mr. VENTO) pointed out so well, violate the process for designation established by this Congress.

At this time I will yield to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Chairman, I thank the gentleman for yielding to me. I would hope that we could end up quickly because I know that there are others who want to be heard on this discussion.

Let me just point out that I received a letter from Mr. Sanes who is head of the Minnesota Division of the Scenic Wild River Designation, who attended some of the hearings, and in it he brings out a number of points which challenge the types of discussion we have been receiving as the basis forming the opposition. I think, frankly, after the designation that a lot of that can be worked out through the master plan. I am very confident that this is possible, knowing the attitude of the people in the area, I believe there is little doubt but that this can be done.

I might add that I think the concerns are legitimate concerns, I do not disagree with them, but I think the means and the method of solving them rest within the designation process.

We did write specifically to the Secretary a letter, and we inserted it in the last CONGRESSIONAL RECORD, and probably we ought to insert it in the RECORD again when we go into the House.

Most of the land along the river is publicly owned, and yet we are hearing the argument again and again that this will be voted upon between the Senate and the House and if they act then the President has to sign it. Fifty percent is now owned publicly, the only thing they will be buying is the scenic rights and the access rights so that users can get to the river. If we are concerned about the orderly development in this area, then this provides the process that will be helpful for the proper development and for the extensive use of the area, more than is currently permitted. We have to make the point that it will be dramatically increased by the property types that will be absorbed. It will be planned in such a way where we will not have concentrations where it can cause degradation of this resource.

I think that everyone wants to have the river protected, no one disagrees with that.

So, Mr. Chairman, I will yield back my time to the gentleman from Minnesota (Mr. NOLAN) so that he can yield to our colleagues from Minnesota.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. NOLAN. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, our colleague, the gentleman from Minnesota (Mr. VENTO) made the point about the process. I think the process is extremely important. The process of committee hearings, the process of proper planning, the process of proper development.

When the Voyageur National Park was considered in this committee and on this floor, there was a management plan developed.

Mr. PHILLIP BURTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto be concluded in 10 minutes, with the understanding that the time will be shared equally between the opponents and the proponents.

Mr. ANNUNZIO. Mr. Chairman, regular order; the gentleman cannot have any such a proviso. The gentleman has made a unanimous-consent request and if there is no objection, then the Chair will allocate the time.

The CHAIRMAN. Is there objection to the unanimous-consent request of the gentleman from California (Mr. PHILLIP BURTON) that all debate on the Oberstar perfecting amendment and the Frenzel amendment and all amendments thereto close in 10 minutes?

There was no objection.

The CHAIRMAN. The Chair will recognize Members standing for 1 minute each.

(By unanimous consent, Mr. SEBELIUS yielded his time to Mr. QUIE.)

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota (Mr. QUIE).

Mr. QUIE. Mr. Chairman, I would like to ask the gentleman from Minnesota (Mr. VENTO) a question. I talked to the gentleman from Minnesota (Mr. OBERSTAR) earlier about his proposal for having the 1-year study. I realize that is not exactly like we have in the 1975 act, but knowing the area and having talked to the people there, it seems to me that that would conform to their wishes so they would know more in detail what was in

store for them. I do not see how it would in any way harm the river, harm the intention of this Congress in going ahead with designating this as a wild and scenic river. That information would be wise to have. I do not believe the gentleman addressed himself to it. What would be the problem of the adoption of the amendment offered by the gentleman from Minnesota (Mr. OBERSTAR)?

Mr. VENTO. Mr. Chairman, I ask unanimous consent to use my time immediately following this, so we will have adequate time to discuss this.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Minnesota.

Mr. VENTO. I thank the gentleman for yielding.

The point here is that, first of all, we have an increase in costs in terms of any scenic easements. The point is the problem they are having in Sherburne County right now with the Minnesota law is that they have development, factors are pushing that development. We see within that area between the Twin Cities and St. Cloud there is a growth corridor, and while this is recognized and the existing uses are compatible, it does develop other changes, so the master plan really accomplishes what the gentleman suggests in participation, and it does it in the process when we have some bite to it. If it is something that only results in another year of study, we are really only going to be wasting money and we are going to be increasing costs to the Federal Government and many zoning changes in this area will occur.

Mr. QUIE. The gentleman still has not addressed the problem. The people knew what was going to happen when the St. Croix was designated. The people do not know what property is going to be taken out on the Upper Mississippi River. That was the concern of the people. How would the Federal Government acquire the land? Would it be just easements, or would they condemn the property and make it become Federal property?

Mr. VENTO. I think the concern that the gentleman has expressed is a good one with regard to the St. Croix. The situation here is that there will not be a public taking of property except for easements or access to the river. That occurrence is pretty well set out, because we have not put the money into this development. In a survey here as we go up and down the river, clearly 50 percent is publicly owned. We are going by the provisions of the Organic Act. Certainly exceptions can be made to that, as is being proposed here, by another act of Congress, but that seems to me to be a pretty good safeguard. I share the gentleman's concern about 50 percent.

Mr. QUIE. I will say to the gentleman that it is a wise safeguard that the gentleman from Minnesota (Mr. OBERSTAR) is proposing.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. QUIE) has expired.

The Chair recognizes the gentleman from Wyoming (Mr. RONCALIO).

(By unanimous consent, Mr. RONCALIO yielded his time to the gentleman from Minnesota (Mr. VENTO).)

Mr. VENTO. I yield to the gentleman from Minnesota (Mr. QUIE).

Mr. QUIE. I thank the gentleman for yielding.

I just want to say that the fear is enormous in the State of Minnesota, as the gentleman from the Fourth District of Minnesota knows. They have to be given some kind of assurance that they will know what is going to happen to them. I cannot see how in any way the Oberstar amendment would be harmful to the intent of the committee. If we could accept the Oberstar amendment, the people would be knowledgable about the details of what will occur. A master plan would give that to them. It would certainly ease the situation and would give some consideration to the people affected.

Mr. VENTO. If I could reclaim my time, Mr. Chairman, I think it will increase costs. I think it puts off the decision in such a way that is not helpful. They are being frustrated by this very fact now with regard to Minnesota law, and I think this proposal is within the process. With the study that has been designed within the Organic Act, more and more hearings could be held. I do not think we will ever get to the point where we will have adequate hearings satisfactory to those who are critical of this type of measure, and I think it is proper now to take this action.

Mr. OBERSTAR. Mr. Chairman, the people of the northern third of my district feel the spirit of Tennyson's poem:

> Wilderness to the east,
> Wilderness to the south,
> Wilderness to the north.

And now a little bit of wilderness to the west.

They are justifiably upset. We are talking about process, yes. The Northern Star chapter of the Sierra Club testified at a meeting we held in Minnesota and urged public hearings be held on the management plan at appropriate locations to be designated by the Secretary of the Interior. They were concerned there be proper hearings and proper public input.

The Mississippi Headwaters Association, which consists of the landowners and property owners up there, say, "We may want to have this wild and scenic river; we may support it; we like the idea; but we do not know what it is." They ask that public input be considered and meetings be held in formulating proposals and evaluating the needs, the advantages and disadvantages, and the costs of such designation. Since the chairman of our subcommittee has mentioned our Vice President, I should point out that our senior Senator from Minnesota has stated that because no hearings have been held on the Mississippi River, he will not support a bill that adds the river to that system.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Chairman, during the course of the debate there have been suggestions that under the law only access and scenic easements can be granted, and that therefore the people are given some great protection. But, on the contrary, we find in this very bill this committee has granted the waiver of that 50-percent factor, which is supposed to be the great protection. I believe the committee will gladly waive it again.

The Assistant Secretary of the Interior has indicated in his letter to the gentleman from Minnesota (Mr. VENTO) that it may ask for such a waiver. Obviously, there is no protection for the people.

All the gentleman from Minnesota (Mr. OBERSTAR) and myself are asking is some hearings so that the people know what will be done to them.

But apparently the committee feels it does not need hearings. It does not want to hear from the people. It does not want the people to find out what will happen to them. No; they will give eminent domain to any agency of Government. They let Federal bureaucrats take what they want, and the people will simply have to take what is left.

I urge the adoption of the Oberstar amendment to my amendment. Give the people a chance to participate in the process.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. PHILLIP BURTON).

Mr. PHILLIP BURTON. Mr. Chairman, I think this is the time for an extensive and profound statement of principle and, therefore, I yield back the balance of my time, with the observation that both sides are going to request a recorded vote, so that we can foreshorten that process.

The CHAIRMAN. All time has expired.

The question is on the perfecting amendment offered by the gentleman from Minnesota (Mr. OBERSTAR).

RECORDED VOTE

Mr. PHILLIP BURTON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 205, noes 192, not voting 35, as follows:

[Roll No. 529]

AYES—205

Abdnor	Broyhill	Dickinson
Addabbo	Buchanan	Dingell
Alexander	Burgener	Dornan
Annunzio	Burleson, Tex.	Duncan, Tenn.
Applegate	Butler	Edwards, Ala.
Archer	Carter	Edwards, Okla.
Armstrong	Cederberg	Eilberg
Ashbrook	Clausen,	Emery
Badham	Don H.	English
Bafalis	Clawson, Del	Erlenborn
Barnard	Cleveland	Ertel
Bauman	Cochran	Evans, Colo.
Beard, R.I.	Cohen	Evans, Del.
Beard, Tenn.	Coleman	Fary
Bennett	Collins, Tex.	Findley
Bevill	Conable	Flippo
Biaggi	Coughlin	Flood
Blanchard	Crane	Flowers
Bolling	Cunningham	Forsythe
Bonker	D'Amours	Frenzel
Bowen	Daniel, Dan	Gammage
Breaux	Daniel, R. W.	Ginn
Brinkley	Dent	Goldwater
Broomfield	Derrick	Grassley
Brown, Mich.	Devine	Gudger

Hagedorn	Martin	Sawyer
Hall	Michel	Schroeder
Hammer-schmidt	Mikulski	Schulze
	Milford	Shipley
Hanley	Miller, Ohio	Shuster
Hansen	Mitchell, N.Y.	Sikes
Heckler	Mollohan	Sisk
Hefner	Montgomery	Skelton
Hillis	Moore	Smith, Nebr.
Hollenbeck	Moorhead, Calif.	Snyder
Holt		Spence
Horton	Moorhead, Pa.	St Germain
Hyde	Mottl	Staggers
Ichord	Murphy, Ill.	Stangeland
Jenkins	Murtha	Stanton
Johnson, Colo.	Myers, Gary	Stockman
Jones, N.C.	Myers, John	Stratton
Jones, Okla.	Myers, Michael	Stump
Jones, Tenn.	Neal	Symms
Kelly	Nichols	Taylor
Kemp	O'Brien	Thompson
Kindness	Oakar	Thone
LaFalce	Oberstar	Traxler
Lagomarsino	Patten	Treen
Latta	Pettis	Trible
Lederer	Poage	Volkmer
Lent	Price	Waggonner
Levitas	Pritchard	Walker
Livingston	Pursell	Walsh
Lloyd, Tenn.	Quayle	Wampler
Lott	Quie	Watkins
Lujan	Quillen	White
McClory	Railsback	Whitehurst
McCloskey	Regula	Whitley
McCormack	Rhodes	Whitten
McDade	Risenhoover	Wilson, Bob
McDonald	Robinson	Wilson, Tex.
McEwen	Rostenkowski	Wright
McFall	Rousselot	Wydler
McKay	Rudd	Wylie
McKinney	Ruppe	Young, Alaska
Madigan	Russo	Young, Fla.
Marks	Santini	Zeferetti
Marlenee	Sarasin	
Marriott	Satterfield	

NOES—192

Akaka	Eckhardt	Lehman
Ambro	Edgar	Lloyd, Calif.
Ammerman	Edwards, Calif.	Long, La.
Anderson, Calif.	Evans, Ind.	Long, Md.
	Fascell	Luken
Andrews, N.C.	Fenwick	Lundine
Andrews, N. Dak.	Fish	McHugh
	Fisher	Maguire
Aspin	Fithian	Mahon
AuCoin	Florio	Markey
Baldus	Foley	Mathis
Baucus	Ford, Mich.	Mattox
Bedell	Ford, Tenn.	Mazzoli
Bellenson	Fowler	Meeds
Benjamin	Fraser	Metcalfe
Bingham	Fuqua	Meyner
Blouin	Garcia	Mikva
Boland	Gaydos	Miller, Calif.
Bonior	Gephardt	Mineta
Brademas	Giaimo	Minish
Breckinridge	Gibbons	Mitchell, Md.
Brodhead	Gilman	Moakley
Brooks	Glickman	Moffett
Brown, Calif.	Gonzalez	Moss
Burke, Calif.	Gore	Murphy, N.Y.
Burke, Mass.	Gradison	Murphy, Pa.
Burlison, Mo.	Green	Natcher
Burton, John	Hamilton	Nedzi
Burton, Phillip	Hannaford	Nolan
Byron	Harkin	Nowak
Caputo	Harrington	Obey
Carney	Harris	Ottinger
Carr	Harsha	Panetta
Cavanaugh	Heftel	Patterson
Chisholm	Hightower	Pattison
Clay	Holland	Pease
Collins, Ill.	Holtzman	Pepper
Conte	Howard	Perkins
Conyers	Hubbard	Pickle
Corcoran	Hughes	Pressler
Corman	Ireland	Preyer
Cornell	Jacobs	Rahall
Cornwell	Jeffords	Reuss
Cotter	Jenrette	Richmond
Danielson	Johnson, Calif.	Rinaldo
Davis	Jordan	Roe
Delaney	Kastenmeier	Rogers
Dellums	Kazen	Roncalio
Derwinski	Keys	Rooney
Dicks	Kildee	Rose
Dodd	Kostmayer	Rosenthal
Downey	Krebs	Roybal
Drinan	Krueger	Ryan
Early	Leach	Scheuer
Sebelius	Steiger	Walgren
Seiberling	Stokes	Waxman
Sharp	Studds	Weaver
Simon	Thornton	Weiss
Skubitz	Tsongas	Whalen
Smith, Iowa	Tucker	Wirth
Solarz	Udall	Yates
Spellman	Ullman	Yatron
Stark	Van Deerlin	Young, Mo.
Steed	Vanik	Zablocki
Steers	Vento	

NOT VOTING—35

Anderson, Ill.	Frey	Roberts
Ashley	Goodling	Rodino
Boggs	Guyer	Runnels
Brown, Ohio	Hawkins	Slack
Burke, Fla.	Huckaby	Teague
Chappell	Kasten	Vander Jagt
de la Garza	Le Fante	Wiggins
Diggs	Leggett	Wilson, C. H.
Duncan, Oreg.	Mann	Winn
Evans, Ga.	Nix	Wolff
Flynt	Pike	Young, Tex.
Fountain	Rangel	

The Clerk announced the following pairs:

On this vote:

Mr. Chappell for, with Mr. Rangel against.
Mr. Roberts for, with Mrs. Boggs against.
Mr. Teague for, with Mr. Ashley against.
Mr. Runnels for, with Mr. Hawkins against.

Messrs. LEHMAN, LUKEN, and KRUEGER changed their vote from "aye" to "no."

Messrs. WAGGONNER, MARLENEE, RUSSO, HALL, and BEVILL changed their vote from "no" to "aye."

So the perfecting amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. BUTLER

Mr. BUTLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUTLER: Page 320, line 10, strike out, "and the South Fork from Front Royal to Waynesboro."

Mr. PHILLIP BURTON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The gentleman from Virginia (Mr. BUTLER) is recognized for 5 minutes in support of his amendment.

Mr. BUTLER. Mr. Chairman, as you know, included in H.R. 12536, the National Parks and Recreation Act of 1978, is a provision to include approximately 20 miles of the Shenandoah River and its tributaries located within my congressional district, from Front Royal to Waynesboro, in a study for possible inclusion in the National Wild and Scenic River System.

The only notice our office was supposed to have received was a copy of a memorandum to the Subcommittee on National Parks and Insular Affairs dated November 22, the Tuesday before Thanksgiving regarding an informational hearing for the Monday following. Although our office had called the committee staff on numerous occasions as to the progress of the legislation as it affected us and requesting advice, we have no record of receiving the hearing notice, which would have been inadequate in any event. Committee staff advised my office that no additional hearings on this measure were held, but that the subcommittee did hold "discussional hearings" on December 1, 1977, January 18, April 27, and May 1, 1978. A clean omnibus bill was introduced on May 3, and the subcommittee marked it up on May 4.

I am offering this amendment, therefore, because my people have not been heard on it.

In addition, it is my view that wild and scenic river designation ought not to be imposed on an area when those most directly concerned are not in support of it. In June 1978, the local governing body, the Augusta County Board of Supervisors, passed a resolution in opposition to this proposal. The City Council of Staunton, Va., the local soil and water conservation district and the Augusta County Farm Bureau oppose the proposed study.

I, therefore, ask my colleagues to support my amendment which would strike out the language in this measure calling for a study of the South Fork of the Shenandoah River and its tributaries for possible inclusion in the National Wild and Scenic River System.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. I yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Chairman, the amendment has been discussed with the ranking minority Member and myself, and it is acceptable on this side.

Mr. BUTLER. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia (Mr. BUTLER).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. OBERSTAR

Mr. OBERSTAR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OBERSTAR: Page 326, strike out lines 10 through 13.

Mr. OBERSTAR. Mr. Chairman, the purpose of this amendment is to strike from the bill that provision that repeals the limitation on acquisition authority in the St. Croix River, which is now a part of the National Wild and Scenic Rivers System.

This provision in the bill changes the rules of the game for the people of Minnesota and Wisconsin, who were told in 1968 when the Wild and Scenic River bill became law, that after the Federal Government and the State government had acquired 50 percent of the property within the boundaries of the Wild River, there would be no more condemnation authority. The Federal and State governments now do own more than 50 percent of the land. This bill increases that authority.

I do not know how this got in the bill. There were no hearings. There was no discussion of this proposition but it is in the bill. I have a letter from the Secretary of the Interior which says:

We do not wish to have blanket authority to carry out condemnation for fee title to private lands throughout the riverway.

Why are they being given it?

There is a whole history of commitments made to the people whose property lies near this scenic river. In 1968 assurances were made by Senators MONDALE and NELSON who said:

We intend the Secretary's powers of condemnation to be used to protect the scenic and wild rivers from commercial and industrial destruction, not for indiscriminate acquisition.

Senator NELSON has stated:

We hope the Secretaries will, in every possible case, use their power to acquire scenic easements instead of outright purchases.

And yet indiscriminate condemnation has occurred. In the committee report on the St. Croix Wild River, there was admonition to the Secretary of the Interior not to acquire in fee more than 1,000 acres. Now 21,000 acres have been acquired in fee simple. The total cost of acquisition of this scenic river has been $17 million. That was the total cost of the whole bill in 1968.

There is no need for this indiscriminate authority for condemnation. There is no pressing development, there is no threat to the Wild and Scenic River. There are 86 parcels of land, 68 of which are in my congressional district. In 1968 when the National Park Service began this process, our former colleague, John Blatnik, communicated repeatedly with the National Park Service on this matter. He received a letter from the Director of the National Park Service in which he stated that it was the intention of the Service to acquire an interest only sufficent to preserve the river front lands and that they did not anticipate carrying out condemnation for full fee titles to the private lands, yet that is what is happening. The assurances and the guarantees that were made to the people are being sacrificed by the language in the committee bill.

All I am saying, Mr. Chairman, is, "You have got mostly all of it, Federal Government, take the rest of it in a proper, reasonable and responsible fashion by dealing with the people there, the property owners, on a willing seller basis."

This immense authority of the Federal Government against one little property owner seems to me to be out of line with the whole spirit of the wild and scenic river theory.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Chairman, I want to commend the gentleman from Minnesota (Mr. OBERSTAR) for his amendment. In 1968 when this was first enacted, the people knew what they were getting into because there was a master plan. We worked out a master plan for the people to see. They have not objected to it. They have been pleased with the way it has been operating. Now if we go ahead with this and let them know that the whole thing is for the purpose of acquisition of the land then I tell you that their trust will be lost entirely with the Federal Government, and those of us whose districts lie in the St. Croix River area will also lose the trust of our people. Therefore, Mr. Chairman, we need to have this amendment if we are going to continue to have the Wild and Scenic Rivers survive anywhere in this country.

Mr. PHILLIP BURTON. Mr. Chairman, I move to strike the last word.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. PHILLIP BURTON. I yield 1 minute of my 5 minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, I would like to have it understood that this Member, in whose district a large part of the St. Croix River runs, does support the committee's position on this amendment. The only reason that the National Park Service has exceeded the original 50-percent intention on the land in question is because the gift from the Northern States Power came many years before anyone expected it. Therefore, if we do not accept the committee's position we will not be able to meet the National Park Services' requirements referred to by the gentleman from Minnesota (Mr. QUIE).

So, Mr. Chairman, I urge support of the committee's position.

Mr. PHILLIP BURTON. Mr. Chairman, I think that very adequately delineates the issue.

The committee supported this, as I recall, without dissent.

I urge the rejection of the amendment.

Mr. QUIE. Mr. Chairman, I move to strike the requisite number of words.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Minnesota (Mr. OBERSTAR).

Mr. OBERSTAR. Mr. Chairman, I would like to point out in response to the comments just made, that the Upper St. Croix Management Commission, an entity representing the Minnesota and Wisconsin Departments of Natural Resources, and the National Park Service, have passed a resolution recommending against the acquisition of lands by condemnation by the Federal Government. That has been the policy of this commission. It does not make sense to increase that authority in light of the commitment made to the people. If there were some pressing development underway that would threaten some area, some part of a master plan, there would be some sense. There is none. There was no hearing held on this in the committee.

Mr. Chairman, I ask for an aye vote.

Mr. QUIE. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. OBERSTAR).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. PHILLIP BURTON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 175, noes 218, not voting 39, as follows:

[Roll No. 530]

AYES—175

Abdnor	Frenzel	Nowak
Annunzio	Gammage	O'Brien
Applegate	Goldwater	Oberstar
Archer	Grassley	Patten
Armstrong	Hagedorn	Pettis
Ashbrook	Hall	Poage
Badham	Hammer-schmidt	Price
Bafalis	Hanley	Quie
Baldus	Hansen	Railsback
Barnard	Hefner	Regula
Bauman	Hillis	Rhodes
Beard, Tenn.	Holt	Risenhoover
Bevill	Hubbard	Robinson
Bolling	Hughes	Roe
Bowen	Hyde	Rostenkowski
Breaux	Ichord	Rousselot
Brinkley	Jacobs	Rudd
Broomfield	Jeffords	Ruppe
Brown, Mich.	Johnson, Colo.	Russo
Broyhill	Jones, Okla.	Santini
Buchanan	Jones, Tenn.	Sarasin
Burgener	Kelly	Satterfield
Burleson, Tex.	Kemp	Schulze
Butler	Kindness	Shuster
Caputo	Krueger	Sisk
Clausen, Don H.	Latta	Smith, Nebr.
Clawson, Del	Leach	Snyder
Cleveland	Lederer	Staggers
Cochran	Livingston	Stangeland
Cohen	Lloyd, Tenn.	Stanton
Coleman	Long, La.	Steed
Collins, Tex.	Lott	Stockman
Conable	Lujan	Stump
Cotter	Lundine	Symms
Crane	McClory	Taylor
Cunningham	McDade	Thompson
Daniel, Dan	McDonald	Thone
Daniel, R. W.	McEwen	Treen
Dent	McFall	Trible
Devine	McKinney	Vento
Dickinson	Madigan	Volkmer
Dingell	Marriott	Waggonner
Dornan	Martin	Walker
Duncan, Tenn.	Michel	Walsh
Edwards, Ala.	Milford	Wampler
Edwards, Okla.	Miller, Ohio	Watkins
Eilberg	Mollohan	White
Emery	Montgomery	Whitehurst
English	Moore	Whitten
Erlenborn	Moorhead, Calif.	Wiggins
Ertel	Mottl	Wilson, Bob
Evans, Colo.	Murphy, Ill.	Wilson, Tex.
Evans, Del.	Murtha	Yates
Evans, Ind.	Myers, Gary	Yatron
Fary	Myers, John	Young, Alaska
Findley	Myers, Michael	Young, Fla.
Flood	Neal	Young, Mo.
Flowers	Nichols	Zablocki
Forsythe		

NOES—218

Akaka	Burke, Mass.	Drinan
Ambro	Burlison, Mo.	Early
Ammerman	Burton, John	Eckhardt
Anderson, Calif.	Burton, Phillip	Edgar
Andrews, N.C.	Byron	Edwards, Calif.
Andrews, N. Dak.	Carney	Fascell
Aspin	Carr	Fenwick
AuCoin	Carter	Fish
Baucus	Cavanaugh	Fisher
Beard, R.I.	Cederberg	Fithian
Bedell	Chisholm	Flippo
Bellenson	Clay	Florio
Benjamin	Conte	Foley
Bennett	Conyers	Ford, Mich.
Biaggi	Corcoran	Ford, Tenn.
Bingham	Corman	Fowler
Blanchard	Cornell	Fraser
Blouin	Cornwell	Fuqua
Boland	Coughlin	Garcia
Bonior	D'Amours	Gaydos
Bonker	Danielson	Gephardt
Brademas	Davis	Giaimo
Breckinridge	Delaney	Gibbons
Brodhead	Dellums	Gilman
Brooks	Derrick	Ginn
Brown, Calif.	Derwinski	Glickman
Burke, Calif.	Dicks	Gonzalez
	Dodd	Gore
	Downey	Gradison

Green	Mathis	Roybal
Gudger	Mattox	Ryan
Hamilton	Mazzoli	Sawyer
Hannaford	Meeds	Scheuer
Harkin	Metcalfe	Schroeder
Harrington	Meyner	Sebelius
Harris	Mikulski	Seiberling
Harsha	Mikva	Sharp
Heckler	Miller, Calif.	Shipley
Heftel	Mineta	Sikes
Hightower	Minish	Simon
Holland	Mitchell, Md.	Skelton
Hollenbeck	Mitchell, N.Y.	Skubitz
Holtzman	Moakley	Smith, Iowa
Horton	Moffett	Solarz
Howard	Moorhead, Pa.	Spellman
Ireland	Murphy, N.Y.	Spence
Jenkins	Murphy, Pa.	St Germain
Jenrette	Natcher	Stark
Johnson, Calif.	Nedzi	Steers
Jones, N.C.	Nolan	Steiger
Jordan	Oakar	Stokes
Kastenmeier	Obey	Stratton
Kazen	Ottinger	Studds
Keys	Panetta	Thornton
Kildee	Patterson	Traxler
Kostmayer	Pease	Tucker
Krebs	Pepper	Udall
LaFalce	Perkins	Ullman
Lagomarsino	Pickle	Van Deerlin
Lehman	Pressler	Vander Jagt
Lent	Preyer	Vanik
Levitas	Pritchard	Walgren
Lloyd, Calif.	Pursell	Waxman
Long, Md.	Quayle	Weaver
Luken	Quillen	Weiss
McCloskey	Rahall	Whalen
McCormack	Reuss	Whitley
McHugh	Richmond	Wirth
McKay	Rinaldo	Wright
Maguire	Rogers	Wydler
Mahon	Roncalio	Wylie
Markey	Rooney	Zeferetti
Marks	Rose	
Marlenee	Rosenthal	

NOT VOTING—39

Addabbo	Flynt	Pattison
Alexander	Fountain	Pike
Anderson, Ill.	Frey	Rangel
Ashley	Goodling	Roberts
Boggs	Guyer	Rodino
Brown, Ohio	Hawkins	Runnels
Burke, Fla.	Huckaby	Slack
Chappell	Kasten	Teague
Collins, Ill.	Le Fante	Tsongas
de la Garza	Leggett	Wilson, C. H.
Diggs	Mann	Winn
Duncan, Oreg.	Moss	Wolff
Evans, Ga.	Nix	Young, Tex.

The Clerk announced the following pairs:

On this vote:

Mr. Roberts for, with Mr. Addabbo against.

Mr. Teague for, with Mr. Rangel against.

Mr. Runnels for, with Mr. Hawkins against.

Mr. Boggs for, with Mr. Ashley against.

Mr. MARLENEE changed his vote from "aye" to "no."

Mr. GARY A. MYERS changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. PHILLIP BURTON

Mr. PHILLIP BURTON. Mr. Chairman, I offer an amendment, and I ask that the Clerk read it in its entirety.

The Clerk read as follows:

Amendment offered by Mr. PHILLIP BURTON: Page 332, following line 11, insert a new title:

"TITLE XI

"RECOGNITION OF THE HONORABLE WILLIAM M. KETCHUM

"SEC. 1101. Within the War in the Pacific National Historical Park, Guam, and the American Memorial Park, Saipan, the Secretary, acting through the Director of the National Park Service, and in consultation with the governor of each area, is authorized to provide in each of these parks some form of appropriate recognition of the outstanding contributions and untiring commitments of the late Congressman William M. Ketchum of California toward the needs of the people of the insular areas. Fully cognizant of sacrifices that sometimes must be made in order to preserve the basic principles of democracy, Congressman Ketchum personally experienced the devastations of war, as he served with distinction in the U.S. military during the Second World War in the Pacific Theater and during the Korean Conflict. Congressman Ketchum, an individual of strong principle and constructive thought, through his leadership and active participation in the United States Congress, made substantial and invaluable contributions to the political and economic growth, development and well-being of American Samoa, Guam, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and the Virgin Islands. In particular, he will be remembered for the key role he played in the passage of the historic Covenant to establish a Commonwealth of the Northern Mariana Islands in political union with the United States."

Mr. PHILLIP BURTON. Mr. Chairman, I would ask that we stand and bow our heads for a few moments of meditation.

(The Members stood and bowed their heads.)

Mr. PHILLIP BURTON. Mr. Chairman, I ask for the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. PHILLIP BURTON).

The amendment was agreed to.

Mr. RONCALIO. Mr. Chairman, I move to strike the last word.

● Mr. RONCALIO. Mr. Chairman, I have waited all afternoon in the hope my amendment regarding the Jackson Hole Scenic Area which appeared in this morning's CONGRESSIONAL RECORD on page H6368 could come on at a time affording us a decent interval for discussion, debate and for voting.

Today I have been asked by my colleague, DON CLAUSEN, who has been kind enough to come to Jackson Hole and to attend day-long hearings in this matter to offer several amendments to the amendment, and they were as follows:

Strike the words "after consultation with" in the first sentence of section 805(a), and insert in lieu thereof the words "after recommendation by".

In the first sentence of section 805(a), insert the words "on a willing buyer-willing seller basis" after the words "or interests in lands".

The above amendments were an effort by Mr. CLAUSEN, I believe, to reflect the genuine concern he sensed at the hearings about condemnation being in the hands of this Commission, rather than to begin the acquisition of development rights and scenic easements on a willing buyer-willing seller basis. It also hoped to assure that the full commission itself, or a majority thereof, after recommendation, rather than merely by consultation with the respective secretaries, would recommend the transaction for acquisition of interests in land.

My eminent friend Mr. BURTON would be happy to accept the first amendment as printed on page H6368, but I can appreciate his reluctance to accept the two above "Clausen-type" amendments to the amendment inasmuch as they should require some debate and quite possibly have to be resolved by a vote after debate. Since there was neither time for the discussion of either of these tonight, I would not offer my amendment this evening so that all of us might adjourn not more than half an hour after the appointed time of 6 for adjournment this evening, As of this time, I do not know whether my amendments will be accepted tomorrow, but it is my intention to offer the package of amendments and, if possible, debate each one individually before the committee tomorrow.

I state that the reason I think the legislation should be accepted, the full proposal for the new article, plus the two "Clausen amendments" are the following reasons:

First, 4 million people pass through Jackson Hole area each year. Uncontrolled development of the area could irreparably impair the area's scenic and natural values.

Second, Teton National Park has been called the most beautiful in the Nation by many, including Congressman GOODLOE BYRON of Maryland. Inappropriate development, especially on the high buttes above the town of Jackson, could severely threaten the scenic values of the southern end of the park.

Third, local zoning has not been able to solve the valley's plan. The current master plan would allow for an ultimate population of up to 180,000 people, whereas the valley now has only 90,000 residents.

Fourth, Jackson Valley is a critical winter range for elk and other wildlife species. The existing elk refuge only covers 17 percent of the former elk winter range in the valley, and areas outside the refuge are important for elk. If farms and ranches are subdivided, even more elk will be forced into the already overcrowded elk refuge, and other wildlife such as moose and deer will suffer critical winter habitat loss.

Fifth, the amendment seeks to get a commission established, and a scenic area plan approved so that valuable leadtime will not be lost by deferring the whole issue to another Congress.

Sixth, $5 million land acquisition money in the amendment represents a 97½-percent reduction in funding from the level requested by H.R. 9135 as introduced.

Seventh, the amendment defers further funding until a scenic area plan is approved and sent to Congress for further action. Thus, the amendment does not commit the Federal Government to a large spending program. A plan can be developed to determine what future land acquisition may be required, and future funding may be required.

Eighth, the most recent figures in Teton County indicate that employment has grown by 21 percent over 1977. This growth rate demonstrates the obvious need for some controls on development.●

Mr. DON H. CLAUSEN. Mr. Chairman, I move to strike the requisite number of words.

● Mr. UDALL. Mr. Chairman, one of the new features of this legislation is the 5-year urban parks program recommended by the administration. It is designed to help cities and urban areas provide recreation opportunities where they are needed the most—in densely populated areas where unemployment, particularly youth unemployment, is high and where recreation facilities are inadequate and substandard.

We owe the gentleman from California (Mr. PHILLIP BURTON) a debt of gratitude for taking the initiative on this important program. He has always been in the forefront in helping provide opportunities for the needy, the poor, and the underprivileged. And, this provision is consistent with that endeavor.

I support the thrust of the urban parks program and I am glad that the House deleted the language requiring the use of the urban development action grants criteria to determine the eligibility of cities and States to participate in it. I had intended to offer a series of amendments to assure all needy cities and pockets of poverty in urban areas of an opportunity to benefit from this worthy program, but, in light of the action taken yesterday, I do not intend to pursue them at this time.

Instead, I will support the bill as it is now, with the understanding that I am hopeful that more sensitive criteria will be considered and incorporated into the bill in the other body so that this matter may be fully considered by the conference.

Frankly, I had intended to spell out a different set of criteria. It would have provided that the following factors should be considered:

Overcrowded and substandard housing conditions;

Numbers of unemployed—and particularly numbers of unemployed youths;

The current rate of unemployment; and

The number of persons at or below the poverty level adjusted by cost of living.

In addition, I hope that the language in the final version of this legislation will assure every State a fair share of support for rehabilitation of substandard park and recreation facilities in urban areas. To this end, I would have included in my amendments a provision guaranteeing at least 1 percent for each State and limiting to 15 percent the maximum amount any State might receive in any one fiscal year.

There are many reasons why I feel that the UDAG criteria are inappropriate to an urban parks program. I will not take the time of the House to enumerate them since it has been amply demonstrated that such criteria are, indeed, insensitive as a measure of urban distress. As a matter of fact, 11 States and the cities within these States, and, in many other States, are totally precluded from competing for UDAG funds. My amendments would have retained the more sensitive measures of distress found in the UDAG criteria, such as unemployment and poverty, but I would have used "overcrowded housing and substandard housing" rather than "age of housing," because that is a more relevant measure of real need.

Mr. Chairman, although I would like to have had more specific language adopted by the House, I believe that the bill in its present form will put the Secretary of the Interior on notice that this House does not intend for him to adopt the UDAG criteria as a method of determining eligibility for participation in the urban parks program.●

● Mr. BYRON. Mr. Chairman, I rise in support of H.R. 12536, the National Parks and Recreation Act of 1978. I think Congressman PHILLIP BURTON, chairman of the Subcommittee on National Parks and Insular Affairs, and Congressman MORRIS UDALL, chairman of the full Interior Committee, are to be commended for their excellent leadership in drafting this bill and presenting to the full House for consideration. I know that in a bill this comprehensive in scope and this farsighted in outlook, it is very difficult to draft a measure that is satisfactory to everyone concerned. It is only through the diligent and thoughtful efforts of Chairmen BURTON and UDALL, as well as the important contributions of the ranking minority members, Congressmen SKUBITZ and SEBELIUS, that fair consideration can be extended to all interested citizens in shaping this legislation. The hard work of the committee staff, particularly Cleve Pinnix and Clay Peters, should not be overlooked.

The National Parks and Recreation Act provides the authorization for many needed additions and changes to our national recreational, environmental, and historic resources. Past experience has proven that it is far more cost-effective to acquire these resources when it is still possible to protect them, before incompatible land uses reduce the value of these resources for future generations.

Mr. Chairman, I am particularly pleased that this bill contains the authorization for several parks of importance to the people of central and western Maryland. For example, the bill contains a provision expanding the boundaries of the Monocacy National Battlefield Park outside Frederick, Md. The expanded boundaries of this park are based upon the recommendations of the Monocacy Battlefield Advisory Committee, which has studied the battle in detail and surveyed the best possible means to achieve a park that commemorates the Civil War battle and is most consistent with the local community. The service performed by the members of this committee have been very helpful to me and I am grateful to each of them for the time and effort that they have devoted to this important task. The expansion of the boundaries of this park is particularly timely because it appears that beginning this October there will be, for the first time, the actual appropriation to make this park a reality. This is a particularly rewarding achievement because of the fact that more than 50 years has elapsed since this park was first authorized by Congress.

In addition to authorizing needed improvements to the Chesapeake and Ohio Canal National Historical Park, this bill will make possible continued improvement of Harpers Ferry National Historical Park.

Both of these parks have witnessed rapid increases in the number of visitors who have been enjoying these two outstanding parks, and I am pleased that this bill will enable improvements to be made to enhance the quality of the experiences of visitors to these two parks. I am particularly enthusiastic about an improvement which I feel would be an extremely valuable addition to both parks; that is, a footbridge to link the two parks. This would enable visitors to Harpers Ferry to walk across the Potomac River to visit the C. & O. Canal and view the dramatic Maryland Heights. Today many people attempt to do this by crossing on the railroad bridge, which is not well suited to pedestrian traffic and very dangerous. Furthermore, users of the C. & O. Canal would also be able to take a short side trip across such a pedestrian bridge and visit Harpers Ferry. A third major asset of the footbridge is that it would be the route of the Appalachian Trail as it passes through the area. This will replace the present use of a circuitous route over highway bridges that cross the Shenandoah and Potomac Rivers several miles away.

I am hopeful that the increase in the development ceiling for Harpers Ferry will convince the Park Service of the support of Congress for this footbridge and that the Park Service will undertake the necessary planning and design of this improvement and seek the actual appropriation for it as soon as possible.●

● Mr. BURKE of Massachusetts. Mr. Chairman, the National Parks and Recreation Act of 1978 includes, among other items, the designation of the Adams Birthplaces as part of the National Park Service. In close cooperation with local officials, I have been working for a long time to insure that future generations of Americans will not be deprived of this national historic site. Inflation and local obligations have made it increasingly difficult for the city of Quincy to provide the caretaker role it has assumed until now. Under the aegis of the Park Service, the two homes will be afforded the care and maintenance which they require. The residences belong to the entire country and offer a proud reminder of the countless contributions and unselfish service of the Adams family.

It is our tradition and heritage which has provided the groundstone for our country and it is entirely fitting that we should memorialize representations of our glorious past for the benefit of future Americans.

I am grateful for the support of my colleagues in this effort to revitalize the Adams homes and invite one and all to share a visit to this national resource.●

● Mr. DOWNEY. Mr. Chairman, on March 9 of this year the National Park Service adopted a general management plan for Fire Island National Seashore. This document, the subject of an intensive public comment period, was the culmination of a planning process begun in 1964 following the creation of Fire Is-

land National Seashore. It was also the product of a final planning effort, begun in July of 1975, which drew upon lessons learned from several previous attempts at a comprehensive land use plan for the seashore.

I believe that the Fire Island general management plan is a good one. I support its basic management concepts. The plan is environmentally sound and will help to protect a fragile natural resource. I also feel that the plan does a good job in addressing the interests of private property owners within the boundaries of the seashore.

The Fire Island amendments incorporated into the National Parks and Recreation Act of 1978 are designed to implement the management plan. I would like to briefly comment on this legislative package.

The boundary adjustments included in the packages are needed, noncontroversial, and will significantly enhance the seashore.

A technical boundary adjustment, which will include the Ocean Ridge development at Davis Park and five land parcels at Water Island into the "exempt communities" boundary of the original Seashore Act, will remedy a 14-year oversight. An adjustment giving the seashore the authority to purchase its mainland headquarters sight at the head of the Patchogue River and an adjacent ferry terminal tract will allow for the efficient development of administrative and transportation facilities. This adjustment should result in a well-defined mainland "operations center" for the Seashore.

A final boundary adjustment will allow the seashore to acquire the 120-year-old Fire Island lighthouse from the U.S. Coast Guard. The 150-foot lighthouse tower and its 90 acre tract will provide the public with an exceptional recreational and educational facility at the western end of the Seashore. The lighthouse observation tower, a maritime museum in the old keeper's quarters, and an environmental education center in the former Coast Guard annex will be welcome and easily accessible additions to the seashore. As one who has worked for several years to preserve the lighthouse facility for this purpose, I must also add that this provision hopefully will spur its inclusion into the National Register of Historic Places.

Two provisions in the general management plan concerning seashore inholdings have stirred some controversy. However, all viewpoints were considered in their formulation, and accommodations were made during the planning process. I feel that the long- and short-term interest of the seashore, private property owners, and the entire south shore of Long Island are well served by these provisions.

The bill before us today will establish a "dune district" on Fire Island in which no future residential or commercial development could occur. The district would extend the length of the seashore from the high tide line to 40 feet landward of the primary dune crest.

The more than 250 undeveloped properties within the dune district will be exempt from condemnation as long as the owners maintain them in their natural state. Under the dune district provision, the seashore is granted the authority to purchase unimproved properties when necessary to prevent development.

The structures on the approximately 257 improved properties will be permitted to remain indefinitely unless damaged by storms in excess of 50 percent of their fair market value. Major improvements on these structures will not be permitted, but routine maintenance will be allowed.

In the event of major storm damage in the dune district, structures will be evaluated on a case-by-case basis for acquisition by the National Park Service.

The establishment of this dune district is crucial for the protection of the barrier beach and the communities on Fire Island. These and other eminently sensible justifications are cited in the general management plan:

The primary dune of Fire Island provides the basic line of defense against storms and floods. If the dune is to provide any protection from storms, it must be maintained in a natural condition with native vegetation. Recreational activity, development, and even walking on the dune should not be permitted.

Over the years, extensive damage has occurred along some segments of the dune system because of uncontrolled walking on the fragile dune vegetation, construction of buildings, destruction of vegetation because of vehicle use, and in some cases, insensitivity to the important protective function of the dunes.

A dune district on Fire Island will be established for the following purposes:

Assistance in maintaining a vital resource area of the island, which is fundamental to achieving the purposes for which the National Seashore was established.

Prohibition of certain uses and activities that endanger the dune system and thereby jeopardize life and property of all island residents by increasing potential damage during severe storm activity.

Minimization of hazards to public health and safety within the communities of the national seashore by helping to maintain storm protection provided by the dune and by minimizing opportunities for breaching of the island at locations where major developments exist.

Eventual elimination of uses such as residential structures that create a continual demand for public expenditures for relief and protection.

The other provision of the bill which, in the very long term, affects inholdings deals with catastrophic storm damage to Fire Island. The seashore will be given the authority to acquire properties in any Fire Island community if 90 percent or more of the structures in a community are destroyed and damage to each structure is at least 50 percent of its fair market value. Structures damaged less than 50 percent of fair market value will remain as private inholdings exempt from seashore acquisition.

The general management plan defends the catastrophic storm damage provision in this way:

Frequency of great hurricane damage in the Fire Island region is estimated to be three times per century. Although the establishment of a dune district and possible sand nourishment within this district will assist in protecting communities from future storm damage, severe damage may yet occur. In some island locations, particularly within communities, little of the primary dune remains because of human disturbance.

Because of the statistical inevitability of hurricane storm damage, the park service proposes to prevent the wholesale redevelopment of the barrier island communities following catastrophic storm destruction. This policy recognizes the right of the "exempted communities" to retain that status so long as they are physically viable, but would preempt that status if an entire community is virtually destroyed. The alternative to such a policy is to allow communities to rebuild following their destruction, only to await certain redestruction by a subsequent storm. The burden of such a policy is unacceptable: recurring episodes of loss of life and property, recurring expenditures of disaster relief funds, and recurring demands for expenditures of public funds for public works projects designed to but forestall the inevitable.

The largest recorded storm on Fire Island was a hurricane in 1938, and according to Corps of Engineers documents, it is doubtful that any community on Fire Island was sufficiently damaged to meet the criteria of this provision. It is clear that only a storm of monstrous proportions will ever "activate" this language, and it is my hope that many decades, if not a century or two, will pass before the dust must be removed from this provision.

It should also be noted that enforcement of this catastrophic damage clause will most likely require a special congressional appropriation, and the issue would be open to debate at that time. At present, however, I think it is useful and wise to establish a mechanism to prevent the redevelopment of the barrier beach in the aftermath of severe destruction.

The Fire Island general management plan and these implementing amendments represent a sound and thoroughly debated consensus on the future of the seashore. I feel that they also represent a land use policy that will provide for the continued preservation and enjoyment of a valuable and unique natural resource.●

● Mr. JOHNSON of California. Mr. Chairman, I am pleased to rise in support of H.R. 12536, the National Parks and Recreation Act of 1978. This omnibus parks and recreation bill has been carefully drafted and prepared by the Subcommittee on National Parks and Insular Affairs under the able leadership of its chairman, PHIL BURTON. I would like to take this opportunity to express my appreciation and commendation to PHIL and the members of his subcommittee on their efforts. Although this is

a comprehensive bill, it does provide us with a massive piece of legislation designed to protect and preserve for the multiple use of future generations some of the more valuable wild and scenic areas of our Nation.

Of particular interest to us in northern California is the portion of this bill which preserves the North Fork of the American River as a wild river. Under this bill, a 38-mile stretch of the river would be preserved in its wild state. Most of this portion of the river flows through lands currently owned by the U.S. Forest Service and the U.S. Bureau of Land Management. Inclusion in the Wild and Scenic River System would prevent the construction of dams or stream channelization on the river and would prohibit development of the shorelines.

The North Fork of the American River cuts deep in the canyon and cascades over spectacular falls and through granite-walled gorges known as the Royal Gorge and Lover's Leap. It is one of the most beautiful rivers in the West and surely deserves this important designation.

I am also pleased that this bill includes a provision increasing the development ceiling for the Whiskeytown-Shasta-Trinity National Recreation Area in northern California. This ceiling is raised approximately $1.9 million and would permit increased development of facilities at this very important recreational area. We have completed most of the programs planned earlier, and now, in order to continue to meet the increasing demands for public use, we must move ahead with an expanded program.This increase in the ceiling will allow this to happen.

Again, Mr. Chairman, I want to commend this bill to the House and urge its adoption. The American people are now spending more and more time in recreational pursuits, and this legislation will help the Federal Government to meet these demands in a timely and efficient manner.●

● Mr. MINETA. Mr. Chairman, I am glad my colleague from Arizona has raised this issue. I, too, believe that it is a most inappropriate to impose criteria which allegedly measures the quality and condition of our Nation's housing stock upon a program designed to rehabilitate our urban parks. When the UDAG program was initially proposed there were questions about the validity of using the percentage of housing constructed prior to 1940 as a test for substandard living conditions.

The city of San Jose has grown from a population of 95,000 in 1950 to almost 600,000 in 1977. Within the city there are several older neighborhoods, Alviso and Alma areas, just to name two, which are in severe states of deterioration. But I can also show you newer neighborhoods in San Jose which are in similar straits. A 20-year-old housing unit can be just as overcrowded and have equally inadequate plumbing facilities as its 38-year-old counterpart. It is not just speculation that housing today is not nearly as well constructed as it was 40 years ago. But cities like San Jose are not even eligible to submit a competitive application for the UDAG program. To continue such biased treatment would be sheer neglect.

By deleting any reference to UDAG criteria, we are preventing the treacherous precedent for using UDAG criteria as a national standard for distress. Gentleladies and men, I, in no way, believe we should ignore or neglect our older distressed cities. We must do everything in our power to assist and encourage them in all of their revitalization efforts. But I submit to you, by the same token, we must not ignore or neglect our comparably newer cities by using criteria that does not adequately address the national urban need. For if we do, then 10 years from now, we may be dealing with an entire Nation of distressed cities—a crippling legacy we dare not leave for future Congresses.●

Mr. PHILLIP BURTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. NATCHER) having assumed the chair, Mr. THORNTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12536) to provide for increases in appropriations ceilings, development ceilings, land acquisition, and boundary changes in certain Federal park and recreation areas, and for other purposes, had come to no resolution thereon.

Mr. PHILLIP BURTON. Mr. Speaker, there were not any further pending amendments at the desk which were going to be offered. I think perhaps we might seek to go back into the Committee of the Whole for further consideration of the bill.

The SPEAKER pro tempore. The Chair would like to advise the gentleman from California (Mr. PHILLIP BURTON) that a great many Members were advised that there would be no additional votes.

The Chair calls that to the attention of the gentleman from California.

Mr. PHILLIP BURTON. Mr. Speaker, I accept the observation of the Chair and withdraw my request.

GENERAL LEAVE

Mr. PANETTA. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks and to include extraneous matter on the Phillip Burton amendment adopted earlier today to the bill, H.R. 12536, memorializing the the late Honorable William H. Ketchum.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California (Mr. PANETTA)?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON COMPENSATION, HEALTH, AND SAFETY OF COMMITTEE ON EDUCATION AND LABOR TO SIT TOMORROW DURING 5-MINUTE RULE

Mr. GAYDOS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Compensation, Health, and Safety of the Committee on Education and Labor may be permitted to sit tomorrow, Wednesday, July 12, 1978, during the 5-minute rule for the purpose of conducting an oversight hearing on the Longshoremen's and Harbor Workers' Compensation Act.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania.

Mr. ROUSSELOT. Reserving the right to object, Mr. Speaker, can the gentleman assure us that there will be no markup of any legislation? This meeting is for hearing purposes only, is that correct?

Mr. GAYDOS. If the gentleman will yield, Mr. Speaker, that is correct.

Mr. ROUSSELOT. Were witnesses already called or what?

Mr. GAYDOS. Yes. The witnesses have been scheduled. They have come a long distance. This only amounts to an interrogation and the presentation of testimony.

Mr. ROUSSELOT. And it will not take too long a time, is that correct?

Mr. GAYDOS. No, it will not. I would say it will take an hour to an hour and a half at most.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 12163, AUTHORIZING APPROPRIATIONS FOR DEPARTMENT OF ENERGY

Mr. SISK, from the Committee on Rules, submitted a privileged report (Rept. No. 95–1343), on the resolution (H. Res. 1261) providing for consideration of the bill (H.R. 12163) to authorize appropriations to the Department of Energy in accordance with section 261 of the Atomic Energy Act of 1954, section 305 of the Energy Reorganization Act of 1974, section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and section 660 of the Department of Energy Reorganization Act, for energy research and development, and for other purposes, which was referred to the House Calendar and ordered to be printed.

PERMISSION FOR SUBCOMMITTEE ON COMMERCE, CONSUMER, AND MONETARY AFFAIRS OF COMMITTEE ON GOVERNMENT OPERATIONS TO SIT DURING 5-MINUTE RULE WEDNESDAY, JULY 12, 1978

Mr. ROSENTHAL. Mr. Speaker, I ask unanimous consent that the Subcommittee on Commerce, Consumer, and Monetary Affairs of the Committee on Government Operations be permitted to sit during the 5-minute rule tomorrow, July 12, 1978, for the purposes of taking testimony only.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the

gentleman assure us that there will be no markup?

Mr. ROSENTHAL. Absolutely.

Mr. ROUSSELOT. I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

CONFERENCE REPORT ON H.R. 11504, AGRICULTURAL CREDIT ACT OF 1978

Mr. FOLEY submitted the following conference report and statement on the bill (H.R. 11504) to amend the Consolidated Farm and Rural Development Act, provide an economic emergency loan program to farmers and ranchers in the United States, and extend the Emergency Livestock Credit Act:

CONFERENCE REPORT (H. REPT. No. 95–1344)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11504) to amend the Consolidated Farm and Rural Development Act, provide an economic emergency loan program to farmers and ranchers in the United States, and extend the Emergency Livestock Credit Act, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Agricultural Credit Act of 1978".

TITLE I—AMENDMENTS TO THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT

ELIGIBILITY FOR FARM OWNERSHIP AND OTHER LOANS UNDER SUBTITLE A

SEC. 101. Section 302 of the Consolidated Farm and Rural Development Act is amended to read as follows:

"SEC. 302. The Secretary is authorized to make and insure loans under this subtitle to farmers and ranchers in the United States, and to farm cooperatives and private domestic corporations and partnerships that are controlled by farmers and ranchers and engaged primarily and directly in farming or ranching in the United States, subject to the conditions specified in this section. To be eligible for such loans, applicants who are individuals, or, in the case of cooperatives, corporations, and partnerships, members, stockholders, or partners, as applicable, holding a majority interest in such entity, must (1) be citizens of the United States, (2) have either training or farming experience that the Secretary determines is sufficient to assure reasonable prospects of success in the proposed farming operations, (3) be or will become owner-operators of not larger than family farms (or in the case of cooperatives, corporations, and partnerships in which a majority interest is held by members, stockholders, or partners, as applicable, who are related by blood or marriage, as defined by the Secretary, such individuals must be or will become either owners or operators of not larger than a family farm and at least one such individual must be or will become an operator of not larger than a family farm), and (4) be unable to obtain sufficient credit elsewhere to finance their actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time. In addition to the foregoing requirements of this section, in the case of cooperatives, corporations, and partnerships, the family farm requirement of clause (3) of the preceding sentence shall apply as well to the farm or farms in which the entity has an ownership and and operator interest and the requirement of clause (4) of the preceding sentence shall apply as well to the entity.".

LOANS FOR RECREATIONAL AND POLLUTION ABATEMENT FACILITIES

SEC. 102. Section 304 of the Consolidated Farm and Rural Development Act is amended by—

(1) in subsection (a), striking out the word "individual"; and

(2) adding at the end thereof a new subsection (c) as follows:

"(c) Loans may also be made or insured under this subtitle to any farm owners or tenants without regard to the requirements of clauses (1), (2), and (3) of section 302 of this title for the purposes of meeting Federal, State, or local requirements for agricultural, animal, or poultry waste pollution abatement and control facilities, including the construction, modification, or relocation of farm or other structures necessary to comply with such pollution abatement requirements.".

LIMITATIONS ON LOANS UNDER SECTIONS 302, 303, 304, AND 310D OF THE ACT

SEC. 103. Section 305 of the Consolidated Farm and Rural Development Act is amended by striking out the first sentence and inserting in lieu thereof the following: "The Secretary shall make or insure no loan under sections 302, 303, 304, and 310D of this title that would cause the unpaid indebtedness under such sections of any one borrower to exceed the smaller of (1) the value of the farm or other security, or (2) in the case of a loan other than a loan guaranteed by the Secretary, $200,000, or, in the case of a loan guaranteed by the Secretary, $300,000.".

ELIMINATION OF REQUIREMENT FOR BOND COUNSEL FOR CERTAIN WATER AND WASTE DISPOSAL FACILITY LOANS

SEC. 104. Section 306(a)(1) of the Consolidated Farm and Rural Development Act is amended by adding at the end thereof the following: "With respect to loans of less than $500,000 made or insured under this paragraph that are evidenced by notes and mortgages, as distinguished from bond issues, borrowers shall not be required to appoint bond counsel to review the legal validity of the loan whenever the Secretary has available legal counsel to perform such review.".

WATER AND WASTE DISPOSAL FACILITY GRANTS

SEC. 105. Effective October 1, 1978, section 306(a)(2) of the Consolidated Farm and Rural Development Act is amended by—

(1) striking out "$300,000,000" and inserting in lieu thereof "$500,000,000"; and

(2) striking out "50 per centum" and inserting in lieu thereof "75 per centum".

RURAL AREAS

SEC. 106. Section 306(a)(7) of the Consolidated Farm and Rural Development Act is amended by striking out ", the Commonwealth of Puerto Rico and the Virgin Islands,".

LOANS FOR POWER TRANSMISSION FACILITIES

SEC. 107. (a) Section 306(a) of the Consolidated Farm and Rural Development Act is amended by adding at the end thereof a new paragraph (14) as follows:

"(14)(A) The Secretary may make or insure loans in the full amount thereof, but not to exceed $1,000,000 for any such loan, to associations, including corporations not operated for profit, Indian tribes on Federal and State reservations and other federally recognized Indian tribes, and public and quasi-public agencies, for the purpose of financing the construction, acquisition, and operation of transmission facilities for any electric system that is owned and operated by a public body located in a rural area and as of October 1, 1976, was receiving bulk power from any of the following agencies of the Department of the Interior:

"(i) the Southwestern Power Administration,

"(ii) the Southeastern Power Administration,

"(iii) the Bonneville Power Administration,

"(iv) the Bureau of Reclamation, or

"(v) the Alaska Power Administration.

A loan may not be made or insured under this paragraph unless the Secretary determines that the applicant for the loan cannot obtain sufficient credit elsewhere from reliable sources at reasonable rates and terms for the purposes of chapter 1 of the Internal and operation of such facilities.

"(B) Interest or other income from obligations evidencing loans guaranteed under this paragraph shall be included in gross income for the purpose of chapter 1 of the Internal Revenue Code of 1954.

"(C) The Administrator of the Rural Electrification Administration shall administer loans made or insured under this paragraph.

"(D) The authority provided to the Secretary by subparagraph (A) of this paragraph shall terminate September 30, 2006.".

(b) Section 309A(a) of the Consolidated Farm and Rural Development Act is amended by inserting "306(a)(14)," immediately after "sections 304(b), 306(a)(1),".

INTEREST RATES FOR LOANS UNDER SUBTITLE A; DELETION OF ESCROW AGENT PROVISION

SEC. 108. Section 307 of the Consolidated Farm and Rural Development Act is amended by—

(1) amending subsection (a) to read as follows:

"(a)(1) The period for repayment of loans under this subtitle shall not exceed forty years.

"(2) Except as otherwise provided in paragraphs (3), (4), and (5) of this subsection, the interest rates on loans under this subtitle shall be as determined by the Secretary, but not in excess of the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, plus not to exceed 1 per centum, as determined by the Secretary, and adjusted to the nearest one-eighth of 1 per centum.

"(3) The interest rates on loans (other than guaranteed loans) under section 310D of this title, and loans (other than guaranteed loans) to public bodies or nonprofit associations (including Indian tribes on Federal and State reservations and other federally recognized Indian tribal groups) for water and waste disposal facilities and essential community facilities shall be as determined by the Secretary, but not in excess of 5 per centum per annum.

"(4) The interest rates on loans under sections 304(b), 306(a)(1), and 310B of this title (other than guaranteed loans and loans as described in paragraph (3) of this subsection) shall be as determined by the Secretary, but not less than such rates as determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, adjusted in the judgment of the Secretary of the Treasury to provide for rates comparable to the rates prevailing in the private market for similar loans and considering the Secretary's insurance of the loans, plus an additional charge,

prescribed by the Secretary, to cover the Secretary's losses and cost of administration, which charges shall be deposited in the Rural Development Insurance Fund, and further adjusted to the nearest one-eighth of 1 per centum.

"(5) The interest rate on any loan made under this subtitle as a guaranteed loan shall be such rate as may be agreed upon by the borrower and the lender, but not in excess of a rate as may be determined by the Secretary.";

(2) redesignating subsection (b) as subsection (c); and

(3) inserting a new subsection (b) as follows:

"(b) The borrower shall pay such fees and other charges as the Secretary may require, and borrowers under this title shall prepay to the Secretary such taxes and insurance as the Secretary may require, on such terms and conditions as the Secretary may prescribe.".

REPEAL OF LIMITATION ON AMOUNT OF OUTSTANDING LOANS UNDER THE AGRICULTURAL CREDIT INSURANCE FUND; USE OF THE AGRICULTURAL CREDIT INSURANCE FUND FOR PAYMENT OF COSTS OF ADMINISTRATION

SEC. 109. (a) Section 309(f) of the Consolidated Farm and Rural Development Act is amended by—

(1) in paragraph (1), changing the period at the end of the first sentence to a semicolon and striking out the second sentence therein which reads: "The aggregate of the principal of such loans made and not disposed of shall not exceed $500,000,000 at any one time;";

(2) striking out "and" at the end of paragraph (4), and changing the period at the end of paragraph (5) to a semicolon; and

(3) adding at the end thereof a new paragraph (6) as follows:

"(6) to pay the Secretary's costs of administration necessary to insure, make grants, service, and otherwise carry out the programs under this title not specifically covered by the Rural Development Insurance Fund of section 309A, including costs of the Secretary incidental to guaranteeing loans under this title, either directly from the Fund or by transfers from the Fund to, and merger with, any appropriations for administrative expenses.".

(b) Section 328 of the Consolidated Farm and Rural Development Act is amended by striking out ": *Provided*, That loans made under this section shall not be included in applying the $500,000,000 limitation in section 309(f)(1)".

TRANSFER OF ADMINISTRATIVE FUNDS

SEC. 110. Section 309A(g)(8) of the Consolidated Farm and Rural Development Act is amended to read as follows:

"(8) to pay the Secretary's costs of administration necessary to insure loans under the programs referred to in subsection (a) of this section, make grants under sections 306(a) and 310B of this title, service, and otherwise carry out such programs, including costs of the Secretary incidental to guaranteeing rural development loans under this title, either directly from the Insurance Fund or by transfers from the Fund to, and merger with, any appropriations for administrative expenses.".

PURCHASE BY THE SECRETARY OF GUARANTEED PORTIONS OF LOANS

SEC. 111. The Consolidated Farm and Rural Development Act is amended by adding immediately after section 309A a new section 309B as follows:

"SEC. 309B. The Secretary may purchase, on such terms and conditions as the Secretary deems appropriate, the guaranteed portion of any loan guaranteed under this title: *Provided*, That the Secretary may not pay for any such guaranteed portion of a loan in excess of an amount equal to the unpaid principal balance and accrued interest on the guaranteed portion of the loan. The Secretary may use for such purchases funds from the Rural Development Insurance Fund with respect to rural development loans as defined in section 309A(a) of this title and funds from the Agricultural Credit Insurance Fund with respect to all other loans under this title. This authority may be exercised only if the Secretary determines that an adequate secondary market is not available in the private sector.".

EXEMPTION OF SMALL BUSINESS PROJECTS FROM RESTRICTIONS ON RURAL INDUSTRIAL ASSISTANCE AND OTHER LOANS

SEC. 112. Section 310B of the Consolidated Farm and Rural Development Act is amended by—

(1) inserting in paragraphs (1), (2), and (3) (that follow subsection (d)) immediately after "312(b)", wherever that term appears therein, the following: ", except for cases in which such assistance does not exceed $1,000,000 or for cases in which direct employment will not be increased by more than fifty employees,"; and

(2) in paragraph (3) (that follows subsection (d)), striking out "60" and inserting in lieu thereof "30".

LOW-INCOME FARM OWNERSHIP LOAN PROGRAM

SEC. 113. The Consolidated Farm and Rural Development Act is amended by adding immediately after section 310C a new section as follows:

"SEC. 310D. (a) The Secretary is authorized to make and insure loans for any of the purposes referred to in clauses (1) through (5) of section 303(a) of this title to farmers and ranchers in the United States who (1) are citizens of the United States, (2) meet the requirements of clauses (2) through (4) of section 302, (3) are unable to obtain sufficient credit under section 302 of this title to finance their actual needs, (4) are owners or operators of small or family farms (including new owners or operators), (5) are farmers or ranchers with a low income, and (6) demonstrate a need to maximize their income from farming or ranching operations. The Secretary is also authorized to make such loans to any farm cooperative or private domestic corporation or partnership that is controlled by farmers and ranchers and engaged primarily and directly in farming or ranching in the United States if all of its members, stockholders, or partners, as applicable, are citizens of the United States and the entity and all such members, stockholders, or partners meet the requirements of clauses (2) through (6) of the preceding sentence.

"(b) Each loan made or insured under this section shall be repayable in such installments as the Secretary determines will provide for reduced payments during the initial repayment period of the loan and larger payments during the remainder of the repayment period of the loan.".

ELIGIBILITY FOR OPERATING LOANS

SEC. 114. Section 311(a) of the Consolidated Farm and Rural Development Act is amended to read as follows:

"(a) The Secretary is authorized to make and insure loans under this subtitle to farmers and ranchers in the United States, and to farm cooperatives and private domestic corporations and partnerships that are controlled by farmers and ranchers and engaged primarily and directly in farming or ranching in the United States, subject to the conditions specified in this section. To be eligible for such loans, applicants who are individuals, or, in the case of cooperatives, corporations, and partnerships, members, stockholders, or partners, as applicable, holding a majority interest in such entity, must (1) be citizens of the United States, (2) have either training or farming experience that the Secretary determines is sufficient to assure reasonable prospects of success in the proposed farming operations, (3) be or will become operators of not larger than family farms (or in the case of cooperatives, corporations, and partnerships in which a majority interest is held by members, stockholders, or partners, as applicable, who are related by blood or marriage, as defined by the Secretary, such individuals must be or will become either owners or operators of not larger than a family farm and at least one such individual must be or will become an operator of not larger than a family farm), and (4) be unable to obtain sufficient credit elsewhere to finance their actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time. In addition to the foregoing requirements of this subsection, in the case of cooperatives, corporations, and partnerships, the family farm requirement of clause (3) of the preceding sentence shall apply as well to the farm or farms in which the entity has an operator interest and the requirement of clause (4) of the preceding sentence shall apply as well to the entity.".

OPERATING LOANS FOR RECREATIONAL FACILITIES

SEC. 115. Section 312(a) of the Consolidated Farm and Rural Development Act is amended by striking out "individual".

LIMITATIONS ON FARM OPERATING LOANS

SEC. 116. Section 313 of the Consolidated Farm and Rural Development Act is amended to read as follows:

"SEC. 313. The Secretary shall make or insure no loan under this subtitle (1) that would cause the total principal indebtedness outstanding at any one time for loans made under this subtitle to any one borrower to exceed, in the case of a loan other than a loan guaranteed by the Secretary, $100,000, or, in the case of loan guaranteed by the Secretary, $200,000; or (2) for the purchasing or leasing of land other than for cash rent, or for carrying on any land leasing or land purchasing program.".

FARM OPERATING LOAN INTEREST RATES; CONSOLIDATION AND RESCHEDULING OF LOANS

SEC. 117. Section 316 of the Consolidated Farm and Rural Development Act is amended to read as follows:

"SEC. 316. (a) The Secretary shall make all loans under this subtitle upon the full personal liability of the borrower and upon such security as the Secretary may prescribe. The interest rates on such loans, except for guaranteed loans, shall be as determined by the Secretary, but not in excess of the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, plus an additional charge not to exceed 1 per centum as determined by the Secretary, which charge shall be deposited in the Rural Development Insurance Fund or the Agricultural Credit Insurance Fund, as appropriate, and adjusted to the nearest one-eighth of 1 per centum. The interest rate on any guaranteed loan made under this subtitle shall be such rate as may be agreed upon by the borrower and lender, but not in excess of a rate as may be determined by the Secretary.

"(b) Loans made under this subtitle shall be payable in not to exceed seven years. The Secretary may consolidate or reschedule outstanding loans for payment over a period not to exceed seven years from the date of such consolidation or rescheduling, and the amount of unpaid principal and interest of the prior loans so consolidated or rescheduled shall not create a new charge against any loan levels authorized by law. A new loan may be included in a consolidation. Such

new loan shall be charged against any loan level authorized by law. The interest rate on such consolidated or rescheduled loans, other than guaranteed loans, may be changed by the Secretary to a rate not to exceed the rate being charged for loans made under this subtitle at the time of the consolidation or rescheduling. The interest rate on any guaranteed loan under this subtitle that may be consolidated or rescheduled for payment shall be such rate as may be agreed upon by the borrower and the lender, but not in excess of a rate as may be determined by the Secretary.".

EMERGENCY LOAN ELIGIBILITY

SEC. 118. Section 321 of the Consolidated Farm and Rural Development Act is amended to read as follows:

"SEC. 321. The Secretary shall make and insure loans under this subtitle to (1) established farmers, ranchers, or persons engaged in aquaculture, who are citizens of the United States, and (2) to farm cooperatives or private domestic corporations or partnerships in which a majority interest is held by members, stockholders, or partners who are citizens of the United States if the cooperative, corporation, or partnership is engaged primarily in farming, ranching, or aquaculture, where the Secretary finds that the applicants' farming, ranching, or aquaculture operations have been substantially affected by a national disaster in the United States or by a major disaster or emergency designated by the President pursuant to the provisions of the Disaster Relief Act of 1974: *Provided*, That they have experience and resources necessary to assure a reasonable prospect for successful operation with the assistance of such loan and are unable to obtain sufficient credit elsewhere to finance their actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which they reside for loans for similar purposes and periods of time. For the purposes of this subtitle 'aquaculture' means husbandry of aquatic organisms under a controlled or selected environment.".

DELETION OF REQUIREMENT FOR EMERGENCY LOAN INTEREST RATES TO BE BASED ON SMALL BUSINESS ADMINISTRATION LOQN RATES

SEC. 119. Section 324 of the Consolidated Farm and Rural Development Act is amended, effective October 1, 1978, by striking out subsection (b) and redesignating subsection (c) as subsection (b).

CONFORMING AMENDMENT

SEC. 120. The Consolidated Farm and Rural Development Act is amended by repealing section 325.

DELEGATION OF AUTHORITY TO COMPROMISE CLAIMS; AUTHORITY IN AREAS THAT HAVE CEASED TO BE RURAL

SEC. 121. Section 331 of the Consolidated Farm and Rural Development Act is amended by—

(1) in clause (a); striking out "and in Puerto Rico and the Virgin Islands";

(2) in clause (d), striking out "$15,000" and inserting in lieu thereof "$25,000";

(3) at the end of clause (1), striking out the period and inserting in lieu thereof "; and"; and

(4) adding at the end thereof a new clause (j) to read as follows:

"(j) notwithstanding that an area ceases, or has ceased, to be 'rural', in a 'rural area', or an eligible area, make loans and grants, and approve transfers and assumptions, under this title on the same basis as though the area still was rural in connection with property securing any loan made, insured, or held by the Secretary under this title or in connection with any property held by the Secretary under this title.".

LOAN MORATORIUM AND POLICY ON FORECLOSURES

SEC. 122. The Consolidated Farm and Rural Development Act is amended by adding after section 331 a new section 331A as follows:

"SEC. 331A. In addition to any other authority that the Secretary may have to defer principal and interest and forego foreclosure, the Secretary may permit, at the request of the borrower, the deferral of principal and interest on any outstanding loan made, insured, or held by the Secretary under this title, or under the provisions of any other law administered by the Farmers Home Administration, and may forego foreclosure of any such loan, for such period as the Secretary deems necessary upon a showing by the borrower that due to circumstances beyond the borrower's control, the borrower is temporarily unable to continue making payments of such principal and interest when due without unduly impairing the standard of living of the borrower. The Secretary may permit interest that accrues during the deferral period on any loan deferred under this section to bear no interest during or after such period: *Provided*, That if the security instrument is securing such loan is foreclosed such interest as is included in the purchase price at such foreclosure shall become part of the principal and draw interest from the date of foreclosure at the rate prescribed by law.".

APPEAL AND REVIEW OF COUNTY COMMITTEE DETERMINATIONS; EXEMPTION OF GUARANTEED LOANS FROM "GRADUATION" REQUIREMENT

SEC. 123. Section 333 of the Consolidated Farm and Rural Development Act is amended by—

(1) at the end of subsection (b), striking out the semicolon and inserting in lieu thereof the following: ": *Provided*, That the Secretary may provide a procedure for appeal and review of any determination relating to a certification or recommendation required to be made by the county committee, and for reversal or modification thereof should the facts warrant such action:";

(2) in subsection (c), inserting "except for guaranteed loans," immediately before "an agreement by the borrower"; and

(3) in subsection (c), inserting after "private credit source" the following: "(or, in the case of a borrower under section 310D of this title, the borrower may be able to obtain a loan under section 302 of this title)".

DEFINITION OF "UNITED STATES" AND "STATE"

SEC. 124. Section 313 of the Consolidated Farm and Rural Development Act is amended by striking out "and" immediately before "(5)" and inserting immediately before the period at the end of the section the following: ", and (6) the terms 'United States' and 'State' shall include each of the several States, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and, to the extent the Secretary determines it to be feasible and appropriate, the Trust Territory of the Pacific Islands".

AUTHORIZATION OF INSURED AND GUARANTEED LOANS AMOUNTS; PARTICIPATION BY OTHER DEPARTMENTS AND AGENCIES

SEC. 125. The Consolidated Farm and Rural Development Act is amended by adding at the end thereof new sections 346 and 347 as follows:

"SEC. 346. Effective October 1, 1979, the aggregate principal amount of loans under the programs authorized under each subtitle of this title during each three-year period thereafter shall not exceed such amounts as may be authorized by law after the date of enactment of this section. There shall be two amounts so established for each of such programs and for any maximum levels provided in appropriation Acts for the programs authorized under this title, one against which direct and insured loans shall be charged and the other against which guaranteed loans shall be charged, with or without authority for the Secretary to transfer amounts between such categories within a given program for more effective administration.

"SEC. 347. Notwithstanding any other provision of law, other departments, agencies, and executive establishments of the Federal Government may participate and provide financial and technical assistance jointly with the Secretary to any applicant to whom assistance is being provided under any program administered by the Farmers Home Administration. Participation by any other department, agency, or executive establishment shall be only to the extent authorized for, and subject to the authorities of, such other department, agency, or executive establishment, except that any limitation on joint participation is superseded by this section.".

USE OF QUALIFIED PERSONNEL BY THE DEPARTMENT OF AGRICULTURE

SEC. 126. It is the sense of Congress that, in carrying out the provisions of the Consolidated Farm and Rural Development Act, the Secretary of Agriculture should ensure that—

(1) only officers and employees of the Department of Agriculture who are adequately prepared to understand the particular needs and problems of farmers in an area are assigned to such area; and

(2) a high priority is placed on keeping existing farm operations operating.

TITLE II—EMERGENCY AGRICULTURAL CREDIT ADJUSTMENT ACT OF 1978

SHORT TITLE

SEC. 201. This title may be cited as the "Emergency Agricultural Credit Adjustment Act of 1978".

AUTHORITY TO INSURE OR GUARANTEE LOANS

SEC. 202. The Secretary of Agriculture may insure or guarantee loans to (1) bona fide farmers and ranchers who are primarily and directly engaged in agricultural production and who are citizens of the United States and (2) farm cooperatives and private domestic corporations and partnerships that are primarily and directly engaged in agricultural production and in which a majority interest is held by members, stockholders, or partners, as applicable, who themselves are citizens of the United States and are primarily and directly engaged in agricultural production, if the applicant for such loan—

(A) has the experience or training and resources necessary to assure a reasonable prospect for successful operation with the assistance of such loan;

(B) needs such credit in order to maintain a viable agricultural production operation; and

(C) is unable at the time the loan application is filed to obtain sufficient credit from normal credit sources to finance actual needs at reasonable rates and terms due to national or areawide economic stresses, such as a general tightening of agricultural credit or an unfavorable relationship between production costs and prices received for agricultural commodities.

As used in this title, the term "agricultural production" shall include aquaculture; and the term "Secretary" shall mean the Secretary of Agriculture.

PURPOSES OF LOANS

SEC. 203. (a) Loans may be insured or guaranteed under this title for (1) refinancing outstanding indebtedness, including the making of installment payments of principal and interest, on farm or home real estate and other farm and essential home debts that

cannot be paid unless assistance is provided under this title to provide adequate terms within the applicant's repayment ability and assure continuation of the applicant's farming, ranching, or aquaculture operation, (2) reorganization of the farming, ranching, or aquaculture operation, including changes in the nature or method of operation, necessary to provide an economically sound operating unit, (3) purchase of essential water rights, supplies, and irrigation facilities, (4) purchase of essential livestock, poultry, and farm equipment, (5) purchase of feed, seed, fertilizer, insecticides, and farm supplies and other essential farm operating expenses, including cash rent, (6) financing essential land and water development, use, and conservation, (7) other essential farm, ranch, and aquaculture needs, including, but not limited to, family subsistence, and (8) loan closing costs. No loan may be insured or guaranteed under this title the purpose of which is to purchase or lease additional land.

(b) In making loans under this title, preference shall be given to owners or operators of not larger than family farms. In the case of farm cooperatives, corporations, and partnerships, the family farm preference shall apply to the farm or farms in which both the entity and its principal members, stockholders, or partners, as applicable, have an ownership or operator interest and are primarily and directly engaged in agricultural production.

GUARANTEED LOAN LIMITS; RATES OF INTEREST; REPAYMENT PERIOD; RESTRICTIONS

SEC. 204. (a) The Secretary may guarantee under this title the principal and interest on any loan that is made by a legally organized lending agency, and that otherwise meets the purposes and conditions of this title, except that such guarantee shall not exceed 90 per centum of the principal and interest of the loan.

(b) Loans guaranteed under this title shall bear interest at rates to be agreed upon by the lender and borrower. Loans insured under this title shall bear interest at rates determined by the Secretary taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, plus not to exceed 1 per centum, as determined by the Secretary, and adjusted to the nearest one-eighth of 1 per centum.

(c) Loans insured and guaranteed under this title shall be repayable at such times as the Secretary may determine, taking into account the purpose of, and need for, the loan, but not later than provided for loans for similar purposes under the Consolidated Farm and Rural Development Act: *Provided*, That, if the loan is for a purpose described in subtitle B of such Act, the Secretary may make the loan repayable at the end of a period not exceeding twenty years if the Secretary determines that the need of the applicant justifies a longer repayment period.

(d) No fees or charges shall be assessed by the Secretary for any loan insured or for any guarantee provided under this title.

LOAN CERTIFICATIONS AND CONDITIONS

SEC. 205. (a) As a condition of the Secretary's guaranteeing any loan under this title, the lender shall certify that—

(1) the lender is unwilling to provide credit to, or continue with, the loan applicant in the absence of the guarantee authorized by this title;

(2) the loan applicant is directly and in good faith engaged in agricultural production; and

(3) the financing to be furnished the loan applicant is to be used for one or more of the purposes set forth in section 203 of this title.

(b) As a condition of the Secretary's insuring any loan under this title, the loan applicant shall certify that—

(1) the loan applicant will be unable to obtain financing in the absence of the assistance authorized by this title;

(2) the loan applicant is directly and in good faith engaged in agricultural production; and

(3) the financing to be furnished the loan applicant is to be used for one or more of the purposes set forth in section 203 of this title.

(c) As a condition of insuring or guaranteeing any loan under this title, the Secretary must find that there is reasonable probability of accomplishing the objectives of this title and repayment of the loan.

(d) The Secretary shall require—

(1) the county committee authorized under section 332 of the Consolidated Farm and Rural Development Act to certify in writing that the applicant for a loan under this title meets the eligibility requirements for the loan, has the character, industry, and ability to carry out the proposed operations, and will, in the opinion of the committee, honestly endeavor to carry out the applicant's undertakings and obligations; and

(2) except for guaranteed loans, an agreement by the applicant for a loan under this title that if at any time it shall appear to the Secretary that the applicant may be able to obtain a loan from a production credit association, a Federal land bank, or other responsible cooperative or private credit source, at reasonable rates and terms for loans for similar purposes and periods of time, the applicant will, upon request by the Secretary, apply for and accept such loan in an amount sufficient to repay the Secretary or the insured lender, or both, and pay for any stock in a cooperative lending agency that must be purchased in connection with such loan.

LOAN SECURITY

SEC. 206. Loans shall be insured or guaranteed under this title upon the full personal liability of the borrower secured by such collateral as is available that, together with the confidence of the Secretary, and, for guaranteed loans, the confidence of the lender, in the repayment ability of the loan applicant, is deemed by the Secretary adequate to protect the Government's interest. The collateral may be subject to a prior lien or may be collateral that has depreciated in value owing to temporary economic conditions.

FUNDING; LIMITATION ON OUTSTANDING LOANS

SEC. 207. (a) The fund created in section 309 of the Consolidated Farm and Rural Development Act shall be used by the Secretary for the operation of the loan program, and for the discharge of the obligations incurred by the Secretary, under this title. The Secretary may use such fund to (1) pay administrative expenses of the Secretary necessary to insure, guarantee, and service loans, and otherwise carry out the provisions of this title, and (2) purchase, on such terms and conditions as the Secretary may deem appropriate, all or any portion of any loan insured or guaranteed under this title, or to defer payments of principal and interest with respect to such loan and pay expenses and fees incident to such purchase or deferral. There shall be reimbursed to such fund by appropriations annually an amount equal to the costs incurred in the operation and administration of the program created by this title.

(b) The total principal balance outstanding at any time on loans insured or guaranteed under this title for any borrowers shall not exceed $400,000: *Provided*, That no loan may be insured or guaranteed under this title to a borrower who has any loans outstanding under subtitle A or B of the Consolidated Farm and Rural Development Act that would cause the total outstanding principal indebtedness under this title and subtitles A and B of the Consolidated Farm and Rural Development Act to exceed $650,000, and no loan may be made, insured, or guaranteed under subtitle A or B of the Consolidated Farm and Rural Development Act to any borrower who has any loans outstanding under this title that would cause the total outstanding principal indebtedness under subtitles A and B of the Consolidated Farm and Rural Development Act and this title to exceed $650,000.

(c) The total principal balance outstanding at any time on loans insured or guaranteed under this title shall not exceed $4,000,000,000.

FULL FAITH AND CREDIT

SEC. 208. Any contract of guarantee or insurance executed by the Secretary under this title shall be an obligation supported by the full faith and credit of the United States and incontestable except for fraud or misrepresentation of which the holder has actual knowledge at the time it becomes a holder.

ISSUANCE OF CERTIFICATES OF BENEFICIAL OWNERSHIP; CONTRACTS OF GUARANTEE ASSIGNABLE; REGULATIONS

SEC. 209. (a) The provisions of section 310 B(C) of the Consolidated Farm and Rural Development Act shall apply to loans insured or guaranteed under this title. The Secretary is authorized to handle loans guaranteed under this title in the same manner as loans guaranteed under the Consolidated Farm and Rural Development Act.

(b) Contracts of guarantee executed pursuant to the provisions of this title shall be fully assignable.

(c) The Secretary is authorized to issue such regulations as the Secretary determines necessary to carry out this title. Final regulations shall be issued as soon as possible, but in no event later than thirty days after the date of enactment of this title. Insofar as practicable, the Secretary shall complete action on each loan application within thirty days after its receipt.

AVAILABILITY OF THE PROGRAM

SEC. 210. Financial assistance may be made available under this title throughout the "United States" as that term is defined in section 343 of the Consolidated Farm and Rural Development Act.

EFFECTIVE PERIOD

SEC. 211. The provisions of this title shall become effective upon enactment, and the authority to make new contracts of insurance or guarantee under this title shall terminate May 15, 1980.

TITLE III—EXTENSION AND AMENDMENT OF THE EMERGENCY LIVESTOCK CREDIT ACT OF 1974 AND AMENDMENT OF THE BEEF RESEARCH AND INFORMATION ACT

EMERGENCY LIVESTOCK CREDIT ACT OF 1974

SEC. 301. The Emergency Livestock Credit Act of 1974 is amended by—

(1) in section 2, inserting after the words "bona fide farmers and ranchers" the following: ", including bona fide farmers or ranchers owning livestock that are fed in custom feedyards,";

(2) amending section 8 to read as follows:

"SEC. 8. The provisions of this Act shall become effective upon enactment, and the authority to make new guarantees shall expire September 30, 1979, except that, with respect to any loan for a line of credit guaranteed under this Act, if the lender advances loan funds within the line of credit at any time during the remaining term or authorized renewal period of the loan after September 30, 1979, the guarantee of such advances shall not be considered new guarantees.";

(3) in section 11, amending the first sentence to read as follows: "The Secretary shall, not later than December 15 of each year, report to the House Committee on Agriculture

and the Senate Committee on Agriculture, Nutrition, and Forestry on the effectiveness of this Act."; and

(4) adding at the end thereof a new section 12 as follows:

"SEC. 12. Financial assistance may be made available under this Act throughout the 'United States' as that term is defined in section 343 of the Consolidated Farm and Rural Development Act.".

BEEF RESEARCH AND INFORMATION ACT

SEC. 302. Section 9 of the Beef Research and Information Act (7 U.S.C. 2908) is amended by striking out in the third sentence the words "not less than two-thirds" and inserting in lieu thereof "a majority".

TITLE IV—EMERGENCY CONSERVATION PROGRAM

SEC. 401. The Secretary of Agriculture is authorized to make payments to agricultural producers who carry out emergency measures to control wind erosion on farmlands or to rehabilitate farmlands damaged by wind erosion, floods, hurricanes, or other natural disasters when, as a result of the foregoing, new conservation problems have been created that (1) if not treated, will impair or endanger the land, (2) materially affect the productive capacity of the land, (3) represent damage that is unusual in character and, except for wind erosion, is not the type that would recur frequently in the same area, and (4) will be so costly to rehabilitate that Federal assistance is or will be required to return the land to productive agricultural use.

SEC. 402. The Secretary of Agriculture is authorized to make payments to agricultural producers who carry out emergency water conservation or water enhancing measures during periods of severe drought as determined by the Secretary.

SEC. 403. The Secretary of Agriculture is authorized to undertake emergency measures for runoff retardation and soil-erosion prevention, in cooperation with landowners and land users, as the Secretary deems necessary to safeguard lives and property from floods, drought, and the products of erosion on any watershed whenever fire, flood, or any other natural occurrence is causing or has caused a sudden impairment of that watershed.

SEC. 404. There are authorized to be appropriated such funds as may be necessary to carry out the purposes of this title. Such funds shall remain available until expended. In implementing the provisions of this title, the Secretary of Agriculture may use the facilities, services, and authorities of the Commodity Credit Corporation. The Corporation shall not make any expenditures to carry out the provisions of this title unless funds specifically appropriated for such purpose have been transferred to it.

SEC. 405. The Secretary of Agriculture is authorized to prescribe such regulations as the Secretary determines necessary to carry out the provisions of this title.

SEC. 406. The provisions of this title shall become effective October 1, 1978.

TITLE V—PRICE SUPPORT FOR PRODUCERS OF RICE

SEC. 501. (a) Section 1001(b) of the Food and Agriculture Act of 1977 is amended by striking out "and upland cotton" and inserting in lieu thereof "upland cotton, and rice".

(b) This section shall become effective October 1, 1978, and any producers who, prior to such date, receive payments on the 1978 crop of rice as computed under the Agricultural Act of 1949, as amended by the Food and Agriculture Act of 1977, may elect after September 30, 1978, to receive section 1001 (b) of the Food and Agriculture Act of 1977, as amended by this section.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill.

THOMAS S. FOLEY,
ED JONES,
W. R. POAGE,
E DE LA GARZA,
ALVIN BALDUS,
BERKLEY BEDELL,
GLENN ENGLISH,
LEON E. PANETTA,
TOM HARKIN,
FLOYD J. FITHIAN,
DAN GLICKMAN,
GEORGE E. BROWN, Jr.,
W. C. WAMPLER,
EDWARD MADIGAN,
JAMES M. JEFFORDS,
E. THOMAS COLEMAN,
RON MARLENEE,
Managers on the Part of the House.

HERMAN E. TALMADGE,
JAMES O. EASTLAND,
WALTER D. HUDDLESTON,
DICK CLARK,
ROBERT DOLE,
MILTON R. YOUNG,
HENRY BELLMON,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 11504) to amend the Consolidated Farm and Rural Develoment Act, provide an economic emergency loan program to farmers and ranchers in the United States, and extend the Emergency Livestock Credit Act, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text. The committee of conference recommends a substitute for both the House bill and the Senate amendment.

Except for clarifying, clerical, and necessary conforming changes, the differences between the two Houses and the adjustments made in the committee of conference are noted below.

(1) ELIGIBILITY FOR FARM REAL ESTATE LOANS

A. The House bill extends eligibility for farm real estate loans under the Consolidated Farm and Rural Development Act to farm cooperatives.

The Senate amendment contains no comparable provision.

The conference substitute adopts the House provision. The conferees intend that only small farm cooperatives that are owner-operators of not larger than family farms are to be eligible for farm real estate loans under subtitle A of the Act.

B. The House bill provides (except as provided in paragraph C below) that the members, stockholders, and partners with a majority interest in an entity applying for a loan must meet the same eligibility criteria as apply to individual applicants.

The Senate amendment applies eligibility criteria to the principal stockholders and partners in the entity.

The conference substitute adopts the House provision.

C. The House bill provides that, in the case of entities in which a majority interest is held by persons who are related by blood or marriage, as defined by the Secretary of Agriculture, in lieu of requiring that those persons with a majority interest must be or will become owner-operators of not larger than family farms, they must be or will become either owners or operators of not larger than family farms and at least one such individual must be an operator of a family farm.

The Senate amendment contains no comparable provision.

The conference substitute adopts the House provision.

D. The House bill deletes the requirement in existing law that, as a condition of eligibility for a farm real estate loan, applicants (except for veterans) must have a farm background. [Both the House bill and the Senate amendment retain the requirement for training or farming experience sufficient to assure reasonable prospects of success in the proposed farming operations.]

The Senate amendment contains no comparable provision.

The conference substitute adopts the House provision.

(2) ELIGIBILITY FOR LOANS FOR RECREATIONAL FACILITIES

The Senate amendment deletes the provision in existing law limiting loans under section 304 of the Act (for financing outdoor recreational enterprises or for conversion of the farming or ranching operation to recreational uses) to individuals and, therefore, permits such loans to corporations and partnerships.

The House bill continues provisions of existing law under which such loans may be made only to individual farm owners or tenants.

The conference substitute adopts the Senate provision.

(3) LOANS FOR POLLUTION ABATEMENT FACILITIES

The House bill authorizes loans under section 304 of the Act to farm owners or tenants for the purpose of meeting Federal, State, or local requirements for agricultural, animal, or poultry waste pollution abatement and control facilities. Such loans could be made without regard to the citizenship, farm experience, or family farm requirements applicable to farm real estate loans.

The Senate amendment contains no comparable provision.

The conference substitute adopts the House provision.

(4) LIMITATIONS ON LOANS UNDER SECTIONS 302, 303, AND 304 OF THE ACT

The Senate amendment authorizes the Secretary of Agriculture to establish limitations each year on the total unpaid indebtedness that may exist against the farm or other security. If the Secretary does establish such a limitation, no loans under sections 302, 303 and 304 of the Act (farm ownership, soil and water, and recreation loans) could be made during that year that would cause the applicant's total unpaid real estate indebtedness to exceed such amount.

The House bill contains no comparable provision.

The conference substitute deletes the Senate provision.

(5) WATER AND WASTE DISPOSAL FACILITY GRANTS

The House bill increases from $300 million to $400 million the aggregate amount of grants that the Secretary of Agriculture may provide for water and waste disposal projects in any fiscal year.

The Senate amendment increases the aggregate amount of grants for water and waste disposal projects to $1 billion in any fiscal year.

The conference substitute provides that the aggregate amount of grants for water and waste disposal projects may not exceed $500 million in any fiscal year.

(6) LOANS FOR POWER TRANSMISSION FACILITIES

The Senate amendment authorizes the Secretary of Agriculture to make, insure, or guarantee loans, not in excess of $1 million

per loan, to associations, public and quasi-public agencies, and Indian tribes for the construction, acquisition, and operation of transmission facilities for electric systems that (a) are owned and operated by public bodies located in rural areas, and (b) were receiving as of October 1, 1976, bulk power from any of the following agencies of the Department of the Interior: (1) the Southwestern Power Administration, (2) the Southeastern Power Administration, (3) the Bonneville Power Administration, (4) the Bureau of Reclamation, and (5) the Alaska Power Administration. There will be a "test for credit elsewhere" under which the applicant must show that it cannot obtain sufficient credit from other reliable sources at reasonable rates and terms. Interest or other income from obligations evidencing loans guaranteed under this provision will be subject to Federal income tax. The loan program will be administered by the Administrator of the Rural Electrification Administration. The authority to make, insure, or guarantee loans will terminate September 30, 2006. The Rural Development Insurance Fund will be used for financing the loans.

The House bill contains no comparable provision.

The conference substitute adopts the Senate provision.

(7) ELIMINATION OF REQUIREMENT FOR BOND COUNSEL FOR CERTAIN WATER AND WASTE DISPOSAL FACILITY LOANS

The Senate amendment provides that borrowers will not be required to appoint bond counsel to review the legal validity of community facility loans under the Act where the loan is less than $500,000 and evidenced by notes and mortgages whenever the Farmers Home Administration has available general counsel to perform such review.

The House bill contains no comparable provision.

The conference substitute adopts the Senate provision.

(8) INTEREST RATES FOR LOANS UNDER SUBTITLE A

A. The House bill provides that the interest rate for direct and insured loans under subtitle A (with the exceptions shown in paragraphs B through E below) will be that rate determined by the Secretary of Agriculture, but not in excess of the cost of money to the Government, adjusted to the nearest one-eighth of 1 percent, plus not to exceed 1 percent, as determined by the Secretary.

The Senate amendment, with different exceptions, provides that the rate on direct and insured loans will be determined by the Secretary of the Treasury, taking into consideration the cost of money to the Government, plus not to exceed 1 percent annually, as determined by the Secretary of Agriculture, and adjusted to the nearest one-eighth of 1 percent.

The conference substitute adopts the House provision.

B. The House bill provides that the interest rate on direct and insured farm real estate loans to low income farmers and ranchers as specified in section 310D of the Act, as added by the House bill, will be determined by the Secretary of Agriculture, but not in excess of 5 percent annually. The interest rate on other direct and insured farm real estate loans would be as set forth in paragraph A above—not in excess of the cost of money to the Government.

The Senate amendment provides that the interest rate for all direct and insured farm real estate and other loans under section 303 of the Act will be prescribed by the Secretary, but not in excess of 5 percent annually.

The conference substitute adopts the House provision.

C. The House bill provides that direct and insured loans for land acquisitions by Indian tribes and corporations will bear interest at a rate not in excess of the cost of money to the Government, adjusted to the nearest one-eighth of 1 percent, plus not to exceed 1 percent, as determined by the Secretary of Agriculture.

The Senate amendment provides that the interest rate on such loans will be prescribed by the Secretary, but not in excess of 5 percent annually.

The conference substitute adopts the House provision. The conferees intend that under this provision, as a general policy, interest rates would be at the cost of money to the Government, with the adjustments described above, and that the interest rates would not be reduced except in the same circumstances that would apply to other borrowers.

D. The House bill provides that the interest rate on direct and insured loans under section 306(a)(1) of the Act for soil and water conservation practices, shifts in land use, and recreational development will be as determined by the Secretary of Agriculture, but not less than the cost of money to the Government, adjusted to provide for a rate comparable to prevailing private market rates for similar loans, plus a charge to cover the Secretary's losses and cost of administration, with the rate so established adjusted to the nearest one-eighth of 1 percent.

The Senate amendment provides that such loans will bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the cost of money to the Government, plus not to exceed 1 percent annually, as determined by the Secretary of Agriculture, and adjusted to the nearest one-eighth of 1 percent.

The conference substitute adopts the House provision.

E. The House bill provides that the interest rate on guaranteed loans will be such rate as may be agreed upon by the borrower and lender, but not in excess of a rate as may be determined by the Secretary of Agriculture.

The Senate amendment contains the same provision, but does not authorize the Secretary to establish a ceiling on the interest rates for guaranteed loans.

The conference substitute adopts the House provision.

(9) USE OF THE AGRICULTURAL CREDIT INSURANCE FUND FOR PAYMENT OF COSTS OF ADMINISTRATION OF LOANS UNDER THE ACT

The House bill authorizes the use of the Agricultural Credit Insurance Fund to pay costs of administering programs under the Act not specifically covered by the Rural Development Insurance Fund. The House bill also amends the authority for the use of the Rural Development Insurance Fund to include administrative expenses for making community facility grants and business and industrial grants and makes it clear that administrative expenses include servicing and other costs in addition to the expenses attributable to loan making itself.

The Senate amendment contains no comparable provision.

The conference substitute adopts the House provision.

(10) PURCHASE BY THE SECRETARY OF GUARANTEED PORTION OF LOANS

The House bill authorizes the Secretary of Agriculture to purchase, on such terms and conditions as the Secretary determines appropriate, the guaranteed portion of any loan guaranteed under the Act.

The Senate amendment contains the same authority but provides that the authority may be exercised only if the Secretary determines that an adequate secondary market is not available in the private sector.

The conference substitute adopts the Senate provision.

(11) EXEMPTION OF SMALL BUSINESS PROJECTS FROM RESTRICTIONS ON RURAL INDUSTRIAL ASSISTANCE

A. The House bill exempts small businesses from the requirements of existing law that business and industrial loans and grants under the Act may not be made if the project being financed will cause a shift in employment or business activity from one area to another or cause overproduction, with the exemption applying if the financial assistance involved does not exceed $500,000 or employment is not increased by more than 20 employees.

The Senate amendment establishes similar exemptions if the assistance does not exceed $1 million or if the direct employment is not increased by more than 50 employees.

The conference substitute adopts the Senate provision.

B. The House bill reduces from 60 to 30 days the time within which the Secretary of Labor must act to certify that a proposed loan or grant would cause a shift in employment or business activity, or overproduction, after the matter has been submitted by the Secretary of Agriculture.

The Senate amendment contains no comparable provision.

The conference substitute adopts the House provision.

(12) GUARANTEED LOANS FOR RURAL HOUSING

The House bill provides that any person who would be eligible for a guarantee of a mortgage under section 203(b) of the National Housing Act (12 U.S.C. 1709(b)) will be eligible for a loan guarantee under section 517 of the Housing Act of 1949 (42 U.S.C. 1487) on a mortgage on a dwelling in a rural area under terms and restrictions no less favorable to the borrower and in amounts at least equal to those provided under section 203(b) of the National Housing Act.

Section 517 of the Housing Act of 1949 authorizes the Farmers Home Administration to insure housing loans to low- and moderate-income persons and to above-moderate-income persons. Section 517 also authorizes the Farmers Home Administration to guarantee loans, but only to borrowers with above-moderate incomes. [The Department of Agriculture has not implemented the loan guarantee program to above-moderate-income families, but has stated that it plans to implement this program for rural families with annual incomes of up to $20,000 in areas where there is a serious lack of mortgage credit and where existing Federal housing programs are not functioning effectively.]

The effect of the House bill upon loans made under section 517 would be to—

1. establish a mortgage limit of up to $60,000 on single family dwellings;

2. increase the Federal guarantee to 100 percent from 90 percent now required administratively;

3. eliminate the "credit elsewhere" test now required by law;

4. change the term of the loan from 33 years now required by law to 35 years if the loan is approved prior to construction; and

5. prevent the Farmers Home Administration from imposing any limitation on eligibility based upon income.

[The Statement of Managers on the conference report on the 1978 Fiscal Year Appropriation Act for the U.S. Department of Agriculture stated that funds made available for guaranteed housing loans under that act should not be used for loans to persons with incomes in excess of $20,000.]

The Senate bill contains no comparable provision.

The conference substitute deletes the House provision. The conferees note that the Department of Agriculture, in a letter to the Chairman of the conference committee, dated June 20, 1978, has committed itself to implementing administratively an above-average income housing loan guarantee program for rural residents that is very close to the program provided for in the House provision. It was with the understanding that the Department will implement the new

rural housing loan guarantee program described in this letter (and to ensure flexibility to allow the Department to adjust income limitations and mortgage limits upwards to offset inflation and other changed conditions) that the conferees agreed to delete the House provision.

In particular, the conferees note that the Department's letter to Chairman Talmadge states that the new rural housing loan guarantee program will serve rural families with incomes between $15,600 to $20,000, but that the Department will continually review the adequacy of these income limits and will make appropriate adjustments, if justified, to these limits at appropriate times. The conferees also have noted prior statements made in connection with this matter and intend that, in the event it becomes appropriate to raise the upper income limit above $20,000, the Secretary of Agriculture shall take such action, unless legislation is enacted, either by amendment to title V of the Housing Act of 1949 or other law, prohibiting such action.

The text of the Department of Agriculture's letter of June 20, 1978, to Chairman Talmadge reads as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., June 20, 1978.

Hon. HERMAN E. TALMADGE,
Chairman, The Conference for H.R. 11054, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: We recognize that the conferees have considered and have taken action on the Glickman amendment in H.R. 11504. This amendment, however, presents limitations to the administration, which we have personally discussed with Congressmen Smith and Glickman. In accordance with our conversation with the Congressmen, we respectfully ask the conferees consideration of deleting this amendment. In lieu of this amendment, I am prepared to administratively take the following actions:

1. We will implement the housing loan guarantee program in 1978. We will further support a $500 million authorization funding level for fiscal 1979. OMB concurs with our plan to utilize this loan guarantee authority to help rural families in parts of the country where mortgage credit is deficient and where other Federal loan guaranteed programs are not functioning effectively.

2. For fiscal 1978, we would implement the program serving rural families between the income levels of $15,600 to $20,000. We assure you that we will continuously review the adequacy of these income limits for the above-moderate program (initially between now and October 1978) and will make appropriate adjustments, if justified, to these limits at appropriate times.

3. We would not put a dollar loan limit on the program but would provide constraints on the size of house that could be financed in order to keep the program to a modest level and also to give maximum flexibility in dealing with housing costs on a regional basis. For example, the house size would be limited to a house containing not more than 1,400 square feet of living area with features permitted such as air conditioning and two-car garages. This size is larger than the housing presently being financed through the insured section 502 Farmers Home Administration program. The size and income limitations would place a practical but flexible limitation on the amount of loan that could be guaranteed. Because of higher costs for similar housing, this would permit a loan somewhat larger in the State of Maine as compared to Alabama. Under the guaranteed above-moderate program we would estimate the average loan in the State of Maine to be about $50,000 as compared to $35,000 in Alabama.

4. Initially, we would propose to implement the guaranteed program with a 90–10 percent coinsurance. If the coinsurance program is not successful in specific areas, we would assure you that we would be willing to move the loan guarantee limit to 100 percent in order to have a viable guarantee program.

We presently have the authority in title V of the Housing Act of 1949, as amended, to implement an above-moderate guaranteed program that would meet the intent of Congressman Glickman's amendment without any further legislative action. The proposed amendment would present administrative problems now and in future years and for this reason, we urge deletion of the Glickman amendment with the understanding that the Department will move forward with the above-moderate housing program in accordance with the agreements specified above.

Sincerely,

ALEX P. MERCURE,
Assistant Secretary.

(13) LOW INCOME FARM REAL ESTATE LOAN PROGRAM

The House bill provides for a new farm real estate loan program under the Act for owners or operators of small or family farms (including new owners or operators) who have low income. Applicants must meet the requirements applicable for regular farm real estate loans and—

(a) be unable to obtain sufficient credit from private credit sources and the regular farm real estate loan program under the Act to finance their actual needs;

(b) be owners or operators of small or family farms (including new owners or operators) with low income; and

(c) demonstrate a need to maximize their income from farming or ranching operations.

The Secretary of Agriculture may make such loans to farm cooperatives and private domestic corporations and partnerships engaged in farming and ranching operations if the entity and all its members, stockholders, or partners meet the criteria that apply to individual applicants. The maximum term for these loans will be 40 years. Payments on these loans will be scheduled so as to provide for reduced installment payments during the initial period of the loan and larger payments later, as follows—

(a) The first annual payment would be 10 percent of the principal and interest that would be due for payment based on the normal amortization of the loan.

(b) Subsequent annual installments through the tenth year would be increased until for the tenth annual installment payment would cover all principal and interest due for payment based on the normal amortization of the loan.

(c) The balance due on the note, including interest on deferred principal and interest payments, would be amortized over the remaining period of the loan.

The Senate amendment contains no comparable provision.

The conference substitute adopts the House provision with an amendment deleting the specific repayment schedule for the first 10 years of the loan and substituting therefor a provision that repayment on low income farm real estate loans will be scheduled so as to provide for reduced installment payments during the initial period of the loan and larger payments later.

(14) ELIGIBILITY FOR FARM OPERATING LOANS

A. The House bill extends eligibility for farm operating loans under the Act to farm cooperatives.

The Senate amendment contains no comparable provision.

The conference substitute adopts the House provision. The conferees intend that only small farm cooperatives that are operators of not larger than family farms are to be eligible for farm operating loans under subtitle B of the Act.

B. The House bill provides (except as provided in paragraph C below) that the members, stockholders, and partners with a majority interest in an entity applying for a loan must meet the same eligibility criteria as apply to individual applicants.

The Senate amendment applies eligibility criteria to the principal stockholders and partners in the entity.

The conference substitute adopts the House provision.

C. The House bill provides that, in the case of entities in which a majority interest is held by persons who are related by blood or marriage, as defined by the Secretary of Agriculture, in lieu of requiring that those persons with a majority interest must be or will become operators of not larger than family farms, they must be or will become either owners or operators of not larger than family farms and at least one such individual must be an operator of a family farm.

The Senate amendment contains no comparable provision.

The conference substitute adopts the House provision.

D. The House bill deletes the requirement in existing law that, as a condition of eligibility for a farm operating loan, applicants must have a farm background (except for rural youths in connection with 4–H or similar programs). [Both the House bill and the Senate amendment retain the requirement for training or farming experience sufficient to assure reasonable prospects of success in the proposed farming operations.]

The Senate amendment contains no comparable provision.

The conference substitute adopts the House provision.

(15) ELIGIBILITY FOR OPERATING LOANS FOR RECREATIONAL FACILITIES

The Senate amendment deletes the provision in existing law limiting operating loans under section 312(a) of the Act (for financing outdoor recreational enterprises or for the conversion of the farming or ranching operations to recreational uses) to individuals and, therefore, permits such loans to corporations and partnerships.

The House bill continues provisions of existing law under which such loans may be made only to individual farm owners or tenants.

The conference substitute adopts the Senate provision.

(16) INTEREST RATES FOR OPERATING LOANS

A. The House bill provides that the interest rate on direct and insured operating loans under the Act to low income farmers and ranchers will be that determined by the Secretary of Agriculture, but not to exceed 3 percent annually. To qualify, applicants must (a) meet the eligibility criteria for regular operating loans under the Act, (b) be unable to obtain sufficient credit under that program and from private credit sources to finance their actual needs, (c) be low income owners or operators of small or family farms (including new owners or operators), and (d) demonstrate a need to maximize their income from farming or ranching operations. Cooperatives and private domestic corporations and partnerships will also be able to qualify for this interest rate if the entity and all of its members, stockholders, and partners meet the requirements set forth for the individual low income applicants.

The Senate amendment contains no comparable provision.

The conference substitute provides that the interest rate on direct and insured operating loans under the Act will be that determined by the Secretary of Agriculture, but not in excess of the cost of money to the Government, plus not to exceed 1 percent, as determined by the Secretary, adjusted to the nearest one-eighth of 1 percent. The conferees note that the Department intends

to make operating loans at reduced rates to new and limited resource farmers and ranchers who cannot meet the regular interest rates, adjusted to the repayment ability of the borrower, with the rates adjusted upward as the borrower's financial circumstances improve.

B. The House bill provides that guaranteed operating loans will bear interest at such rate as may be agreed upon by the borrower and the lender, but not in excess of a rate as may be established by the Secretary of Agriculture.

The Senate amendment contains the same provision, but does not authorize the Secretary to establish a ceiling on the interest rates for guaranteed loans.

The conference substitute adopts the House provision.

(17) CONSOLIDATED AND RESCHEDULED OPERATING LOANS

The House bill provides that guaranteed operating loans under the Act that are consolidated or rescheduled will bear interest at such rate as may be agreed upon by the borrower and lender, but not in excess of a rate as may be established by the Secretary of Agriculture.

The Senate amendment contains the same provision, but does not authorize the Secretary to establish a ceiling on the interest rates for consolidated or rescheduled guaranteed loans.

The conference substitute adopts the House provision.

(18) EMERGENCY LOAN DESIGNATIONS

The Senate amendment deletes provisions of current law requiring the Secretary of Agriculture to make emergency loans to all eligible persons in (a) any area designated by the Secretary as an emergency area on the Secretary's finding that a natural disaster has occurred in the area that substantially affected farming, ranching, or aquaculture operations and (b) any area designated as a major disaster or emergency by the President under the Disaster Relief Act. The Senate amendment requires the Secretary, instead, to make emergency loans to applicant where the Secretary finds that the applicant's farming, ranching, or aquaculture operations have been substantially affected by a natural disaster in the United States or by a major disaster or emergency designated by the President under the Disaster Relief Act.

The House bill retains the provisions of existing law.

The conference substitute adopts the Senate provision.

(19) ELIGIBILITY FOR EMERGENCY LOANS AND INTEREST RATES

The House bill deletes the provision of existing law that requires that, during any period in which the Small Business Administration is making loans under sections 7(b)(1) and 7(b)(2) of the Small Business Act at an interest rate below the rate for interest bearing obligations of the United States, emergency loans under the Act are to bear interest at a rate not to exceed such lower interest rate in amounts up to $250,000 to businesses and $40,000 to homeowners. The normal interest rate for emergency loans under existing law is a rate not in excess of 5 percent on loans up to the amount of the actual loss caused by the disaster.

The House bill retains the provision of existing law that an applicant must meet the "test for credit elsewhere" in order to qualify for an emergency loan.

The Senate amendment substitutes for these provisions of existing law a two-tiered interest rate system for emergency loans, or portions of such loans, up to the amount of the actual loss caused by the disaster, as follows:

(1) For those borrowers who cannot obtain credit elsewhere, the interest rate will be 5 percent annually, except that, for losses from disasters occurring before October 1, 1979, the interest rate will be 3 percent annually.

(2) For those borrowers who can obtain credit elsewhere, the interest rate will be a rate prescribed by the Secretary of Agriculture not in excess of the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year immediately preceding the date of the disaster, plus not to exceed 1 percent, as determined by the Secretary of Agriculture, adjusted to the nearest one-eighth of 1 percent.

The conference substitute adopts the House provision.

(20) AUTHORITY TO COMPROMISE CLAIMS

The House bill increases from $15,000 to $25,000 the maximum claim that may be compromised, adjusted, or reduced without the approval of the Administrator of the Farmers Home Administration.

The Senate amendment contains no comparable provision.

The conference substitute adopts the House provision.

(21) LETTERS OF INTENT OR CONDITIONAL COMMITMENTS TO MAKE LOANS

The Senate amendment authorizes the Secretary of Agriculture to issue letters of intent or conditional commitments to make loans to applicants for loans under the Act, subject to such conditions as the Secretary may prescribe, in order to assist applicants in obtaining interim financing from sources outside the Farmers Home Administration.

The House bill contains no comparable provision.

The conference substitute deletes the Senate provision.

(22) MORATORIUM ON LOANS

A. The House bill authorizes the Secretary of Agriculture, under regulations prescribed by the Secretary, to grant a moratorium upon the payment of interest and principal on any direct or insured loan outstanding under the Act. This authority will be in addition to any authority the Secretary may have under existing law.

The Senate amendment authorizes the Secretary of Agriculture to permit, at the request of the borrower, the deferral of principal and interest on any outstanding loan made, insured, or held by the Secretary under the Act, or under the provisions of any other law administered by the Farmers Home Administration.

The conference substitute adopts the Senate provision.

B. The Senate amendment limits the applicability of the deferral provision to areas eligible for emergency loans under subtitle C of the Act.

The House bill contains no comparable provision.

The conference substitute deletes the Senate provision.

C. The House bill provides that a moratorium may be for so long a period as the Secretary deems necessary.

The Senate amendment limits the deferral of principal and interest on any loan to a maximum of 3 years from the date of deferral.

The conference substitute adopts the House provision.

D. The House bill provides that—in order to be eligible to receive a moratorium—a borrower must show that, due to circumstances beyond the borrower's control, the borrower is temporarily unable to continue making payments of principal and interest due on the loan without impairing unduly the borrower's standard of living.

The Senate amendment contains no comparable provision.

The conference substitute adopts the House provision.

E. The Senate amendment provides that the interest that accrues during the deferral period on a loan will not bear interest during or after the deferral period, except that, if the loan is foreclosed, such interest on the loan that is included in the purchase price at the foreclosure is to become part of the principal and will draw interest from the date of foreclosure at the rate prescribed by law.

The House bill contains no comparable provision.

The conference substitute adopts the Senate provision with a modification under which the Secretary of Agriculture will be given the discretion to determine whether to charge interest on interest that accrues during the deferral period.

F. The House bill also authorizes the Secretary of Agriculture to forego foreclosure on loans made under the Act under the circumstances under which a loan moratorium may be granted.

The Senate amendment contains no comparable provision.

The conference substitute adopts the House provision.

(23) GRADUATION REQUIREMENT

The House bill imposes a "graduation" requirement on borrowers of direct or insured low-income farm ownership loans authorized under section 110 of the House bill and direct or insured 3 percent operating loans authorized under section 113 of the House bill. The borrower will be required to graduate from the special loan and refinance the indebtedness under regular Farmers Home Administration terms for farm ownership or operating loans when it appears to the Secretary of Agriculture that the borrower may be able to obtain a loan under regular Farmers Home Administration terms.

The Senate amendment contains no comparable provision.

The conference substitute adopts the House provision imposing a "graduation" requirement on borrowers of direct or insured low income farm ownership loans authorized under section 110 of the House bill (section 113 of the conference substitute).

(24) DEFINITION OF "UNITED STATES" AND "STATE"

The House bill defines the terms "United States" and "State" to include Guam, American Samoa, and the Northern Mariana Islands.

The Senate amendment defines the terms, instead, to include the commonwealths, territories, and possessions of the United States, and the Trust Territory of the Pacific Islands.

The conference substitute defines the terms to include Guam, the Commonwealth of the Northern Marina Islands, American Samoa, and, to the extent the Secretary of Agriculture determines it to be feasible and appropriate, the Trust Territory of the Pacific Islands.

(25) LOAN PROGRAM LEVELS

A. The House bill provides for the establishment, beginning October 1, 1979, of loan limits for each of the loan programs under the Act. Under this provision, the aggregate principal amount of loans made, insured, or guaranteed under any program during any 2-year period may not exceed the amount authorized by law for that period. Two amounts will be established for each program, one against which direct and insured loans will be charged, and one against which guaranteed loans will be charged.

The Senate amendment contains no comparable provision.

The conference substitute adopts the House provision with a modificaton changing

the time period to which the loan limits are to apply to 3 years.

B. Both the House bill and the Senate amendment authorize the establishment of program levels for loan programs under the Act in appropriations acts.

The House provision is to become effective October 1, 1979.

The Senate provision is to become effective upon the enactment of the bill.

The conference substitute adopts the House provision.

(26) PARTICIPATION BY OTHER DEPARTMENTS AND AGENCIES

The House bill authorizes other departments, agencies, and executive establishments of the Federal Government to provide financial assistance jointly with the Secretary of Agriculture to any applicant to whom assistance is being provided under any program administered by the Farmers Home Administration.

The Senate amendment contains the same provision, but also authorizes other departments, agencies, and executive establishments to provide technical assistance as well.

The conference substitute adopts the Senate provision.

(27) USE OF QUALIFIED PERSONNEL BY THE DEPARTMENT OF AGRICULTURE

The House bill expresses the sense of Congress that, in carrying out the Act, the Secretary of Agriculture should ensure that (1) only Department personnel who are adequately prepared to understand the particular needs and problems of farmers in an area be assigned to such area, and (2) a high priority be placed on keeping existing farm operations functioning.

The Senate amendment contains no comparable provision.

The conference substitute adopts the House provision.

(28) AUTHORITY TO MAKE, INSURE, OR GUARANTEE LOANS UNDER TITLE II

A. The House bill authorizes the making of insured or guaranteed loans under title II of the bill to farm cooperatives.

The Senate amendment contains no comparable provision.

The conference substitute adopts the House provision.

B. The House bill provides that, in order for an applicant to be eligible for a loan under title II, the applicant must have experience or training that, along with necessary resources, will assure a reasonable prospect for successful operation with the assistance of the loan.

The Senate amendment also provides that the applicant must have the necessary experience, but does not specify training as an alternative.

The conference substitute adopts the House provision.

C. The House bill provides that loans under title II may be made only if applicants are unable to finance their actual needs at reasonable rates and terms due to a general tightening of agricultural credit and an unfavorable relationship between production costs and prices received for agricultural commodities.

The Senate amendment provides that such loans may be made only if there is a lack of credit due to national or areawide economic stresses, such as a general tightening of agricultural credit or, in the alternative, an unfavorable relationship between production costs and prices received for agricultural commodities.

The conference substitute adopts the Senate provision.

D. The Senate amendment defines the term "agricultural production", as used in title II, to include aquaculture.

The House bill contains no comparable provision.

The conference substitute adopts the Senate provision.

(29) PURPOSES OF LOANS UNDER TITLE II—REFINANCING OF INDEBTEDNESS

The House bill authorizes the making of insured or guaranteed loans under title II of the bill for the purpose of making payments on, or refinancing, certain outstanding indebtedness that cannot be paid unless assistance is provided under title II. This provision is limited to outstanding indebtedness incurred for—

(1) acquiring, enlarging, or improving farms;

(2) reorganizing the farming system for more profitable operations;

(3) purchasing livestock, poultry, and farm equipment;

(4) purchasing feed, seed, fertilizer, insecticides, and other essential farm operating expenses;

(5) other farm and home needs;

(6) loan closing costs; and

(7) refinancing indebtedness incurred in taking out loans for the purposes described in items (1) through (6).

The Senate amendment also authorizes the making of insured or guaranteed loans under title II for the purpose of refinancing outstanding indebtedness, including the making of installment payments of principal and interest, but extends the authority to cover—

(1) real estate or other debts that cannot be paid unless assistance is provided under title II; or

(2) other debts that must be consolidated or restructured to provide adequate terms within the applicant's repayment ability.

The conference substitute provides that loans may be insured or guaranteed under title II to refinance outstanding indebtedness (including the making of installment payments of principal and interest on farm or home real estate and other farm and essential home debts that cannot be paid unless assistance is provided under title II) to provide adequate terms within the applicant's repayment ability and assure continuation of the applicant's farm, ranching, or aquaculture operation.

(30) PURPOSES OF LOANS UNDER TITLE II—OPERATING EXPENSES

The House bill authorizes loans under title II to cover operating expenses and adjustments in operations needed to assure the applicant's ability to make repayment on outstanding indebtedness, including indebtedness incurred under title II in refinancing indebtedness, and lists 5 types of loans covered, including loans for replacement of essential farm equipment.

The Senate amendment lists 7 types of operating loans that are to be authorized under title II, including all those listed in the House bill (except that it authorizes loans for the purchase of essential farm equipment), and—

(1) loans for the purchase of essential water rights, supplies, and irrigation facilities;

(2) loans to finance essential land and water development, use, and conservation; and

(3) loans for essential home needs.

The conference substitute adopts the Senate provision with a modification deleting the authority to make loans under title II for essential home needs.

(31) PREFERENCE IN MAKING LOANS UNDER TITLE II

The House bill provides that, in making loans under title II of the bill, preference will be given to owners or operators of not larger than family farms. With respect to farm cooperatives, corporations, and partnerships, the family farm preference will apply to the farm or farms in which both the entity and its principal members, stockholders, or partners, as applicable, have an ownership or operator interest and are primarily and directly engaged in agricultural production.

The Senate amendment contains no comparable provision.

The conference substitute adopts the House provision.

(32) REPAYMENT PERIOD FOR LOANS UNDER TITLE II

A. The House bill provides as the period for loans under title II a period reasonably required by the needs of the borrower, taking into consideration the security the borrower has available, but not exceeding a term of 30 years for loans secured primarily by real estate, and not exceeding a term of 7 years for loans secured primarily by personalty.

The Senate amendment provides for repayment of loans under title II at such times as determined by the Secretary of Agriculture, taking into account the purpose of, and need for, the loan. However, the loan repayment period could not exceed the maximum repayment periods established under the Consolidated Farm and Rural Development Act for loans for similar purposes.

The conference substitute adopts the Senate provision.

B. The House bill authorizes the renewal of loans secured by personalty for additional periods not exceeding, in the aggregate, 5 years beyond the original term of the loan.

The Senate amendment contains no comparable provision.

The conference substitute deletes the House provision.

C. The House bill provides that, with respect to loans secured by personalty, the Washington office of the Farmers Home Administration may approve an original term of 12 years if it is determined that the need of the loan applicant justifies such a longer repayment period. Loans with an original term of 12 years may not be renewed.

The Senate amendment contains no comparable provision.

The conference substitute deletes the House provision.

D. The Senate amendment provides an exception to the general repayment period for farm operating loans similar to loans made under subtitle B of the Consolidated Farm and Rural Development Act, under which the Secretary may set a loan repayment period of up to 20 years if the Secretary determines that the applicant's needs justify a longer repayment period.

The House bill contains no comparable provision.

The conference substitute adopts the Senate provision.

(33) LIMIT ON LOANS UNDER TITLE II

The House bill provides that the total principal balance outstanding at any one time on loans insured or guaranteed under title II for any borrower may not exceed $400,000. This $400,000 limitation will be reduced to the extent of the principal of any loans outstanding to the borrower under subtitles A and B of the Consolidated Farm and Rural Development Act. Any loan that would cause the total outstanding principal indebtedness of any borrower under title II to exceed $150,000 will require the approval of the senior Farmers Home Administration official in the State in which the loan is made.

The Senate amendment provides a limit on loans insured or guaranteed under title II of $500,000 for each borrower.

The conference substitute provides that the total principal balance outstanding at any one time on loans insured or guaranteed under title II for any borrower cannot exceed $400,000, except that in no event may the combined total principal balances outstanding for a title II borrower on loans insured

or guaranteed under (1) subtitles A and B of the Consolidated Farm and Rural Development Act and (2) title II at any one time exceed $650,000.

(34) TOTAL PRINCIPAL OUTSTANDING

The House bill provides that the total principal amount of title II loans that may be outstanding at any one time in calendar year 1978 shall not exceed $2 billion, and the total principal amount of title II loans that may be outstanding at any one time in calendar year 1979 shall not exceed $4 billion.

The Senate amendment provides a limit of $4 billion on the total principal balance that may be outstanding at any one time on loans insured or guaranteed under title II.

The conference substitute adopts the Senate provision.

(35) EFFECTIVE PERIOD

The House bill provides that the authority to insure loans and extend loan guarantees under title II will terminate December 31, 1979.

The Senate amendment provides that this authority will terminate May 15, 1980.

The conference substitute adopts the Senate provision.

(36) REGULATIONS

The House bill requires the Secretary of Agriculture to issue final regulations to carry out title II not later than 30 days from the date of enactment of title II and, insofar as practicable, to complete action on each loan application within 30 days after its receipt.

The Senate amendment contains no comparable provision.

The conference substitute adopts the House provision.

(37) REPORT TO CONGRESSIONAL COMMITTEES

The House bill requires the Secretary of Agriculture to report to Congress on the effectiveness of title II not later than January 1, 1979. The report would include the number of loan applications submitted, the number and amount of loans approved, the financial situation facing farmers and ranchers at the time of the report, the effect of the title on maintaining the operations of farmer and ranchers, and any recommendations that the Secretary may have as to actions that can be taken further to facilitate continued operation by prudent farmers and ranchers whose continuance in agriculture is threatened by economic factors not fairly within their control.

The Senate amendment contains no comparable provision.

The conference substitute deletes the House provision.

(38) DEFINITIONS OF THE TERMS "UNITED STATES" AND "STATE" UNDER TITLE II

The House bill provides that, for purposes of the new title II emergency assistance program, the terms "United States" and "State" shall have the same meaning as those terms have under the Consolidated Farm and Rural Development Act, as amended by the bill.

The Senate amendment contains no comparable provision.

The conference substitute adopts the House provision with respect to making the program available throughout the "United States" as that term is defined in the Consolidated Farm and Rural Development Act.

(39) EMERGENCY LIVESTOCK CREDIT ACT OF 1974

Both the House bill and the Senate amendment extend the authority of the Secretary of Agriculture to make new loan guarantees under the Emergency Livestock Credit Act of 1974 from September 30, 1978, to September 30, 1979.

A. The Senate amendment provides that, with respect to line-of-credit loans guaranteed under the Act, advances of loan funds within the line of credit made at any time during the original repayment period or authorized renewal period of the loan would be covered by the guarantee, even if made after September 30, 1979.

The House bill contains no comparable provision.

The conference substitute adopts the Senate provision.

B. The House bill provides that financial assistance may be made under the Act throughout the "United States" as that term is defined in the Consolidated Farm and Rural Development Act, as amended by the bill.

The Senate amendment contains no comparable provision.

The conference substitute adopts the House provision.

C. The House bill expands the category of "bona fide farmers and ranchers" eligible for assistance under the Emergency Livestock Credit Act to include "persons owning livestock that are fed in custom feedyards".

The Senate amendment expands the category of "bona fide farmers and ranchers" to include "bona fide farmers or ranchers owning livestock that are fed in custom feedyards"

The conference substitute adopts the Senate provision. The conferees intend, in adopting this provision, to include persons who work in agriculture and derive a majority of their earned income from agriculture, including livestock that are fed in custom feedyards, as eligible for assistance under the Act with respect to their livestock feeding operation.

(40) BEEF RESEARCH AND INFORMATION ACT

The Senate amendment reduces from "not less than two-thirds" to a "majority" the registered cattle producers, voting in a referendum, who must favor the issuance of any order under the Beef Research and Information Act before such order can become effective.

The House bill contains no comparable provision.

The conference substitute adopts the Senate provision.

(41) EMERGENCY CONSERVATION PROGRAMS

A. The House bill authorizes the Secretary of Agriculture to make payments to agricultural producers who carry out emergency measures to control wind erosion on farmlands, or to rehabilitate farmlands damaged by wind erosion, floods, hurricanes, or other natural disasters when—as a result of the wind erosion or natural disasters—new conservation problems are created that (1) if not treated, will impair or endanger the land, (2) materially affect the productive capacity of the land, (3) represent damage that is unusual in character and, except for wind erosion, is not the type that would recur frequently in the same area, (4) will be so costly to rehabilitate that Federal assistance is or will be required to return the land to productive agricultural use. [Since 1957, an identical emergency conservation measures program has been carried out by the Department under authority contained in appropriations Acts and the Soil Conservation and Domestic Allotment Act.]

The Senate amendment contains no comparable provision.

The conference substitute adopts the House provision.

B. The House bill authorizes the Secretary to make payments to agricultural producers who carry out emergency water conservation or water enhancing measures during periods of severe drought.

The Senate amendment contains no comparable provision.

The conference substitute adopts the House provision.

C. The House bill authorizes the Secretary—in cooperation with landowners and land users—to undertake such emergency measures for runoff retardation and soil-erosion prevention as he deems necessary to safeguard lives and property from floods, drought, and the products of erosion on any watershed whenever fire, flood, or any other natural occurrence causes a sudden impairment of that watershed.

The Senate amendment contains no comparable provision. [On August 5, 1977, the Senate passed S. 1462, a bill containing the language of the House provision.]

The conference substitute adopts the House provision.

D. The House bill authorizes the appropriation of such funds as may be necessary to carry out the emergency conservation programs. The funds would remain available until expended.

The Senate amendment contains no comparable provision.

The conference substitute adopts the House provision with a modification making it clear that the Secretary of Agriculture may use the facilities, services, and authorities of the Commodity Credit Corporation in implementing the emergency conservation programs. The Corporation may not make any expenditures to implement the programs unless funds specifically appropriated for such purpose have been transferred to it.

E. The House bill authorizes the Secretary to issue such regulations as he determines necessary to carry out the emergency conservation programs.

The Senate amendment contains no comparable provision.

The conference substitute adopts the House provision.

F. The House bill provides that the new emergency conservation programs will be effective October 1, 1978.

The Senate amendment contains no comparable provision.

The conference substitute adopts the House provision.

(42) PRICE SUPPORT FOR PRODUCERS OF RICE

The Senate amendment authorizes the Secretary of Agriculture—whenever a set-aside is in effect for any of the 1978 through 1981 crops of rice—to increase the target price for rice by such amount as the Secretary determines appropriate to compensate producers for participation in the set-aside. In determining any increase, the Secretary must take into account changes in the cost of production resulting from participation in that set-aside. If the target price is increased for any crop of rice for which a set-aside is in effect, the Secretary may also increase the target price for any other commodity in such amount as the Secretary determines necessary. The Secretary must adjust any increase in the target price to reflect, in whole or in part, any land diversion payments for the crop for which an increase is determined. [Similar authority to make adjustments in the target prices for wheat, feed grains, and upland cotton is contained in the Emergency Agricultural Act of 1978.]

The House bill contains no comparable provision.

The conference substitute adopts the Senate provision.

(43) LOANS TO INDIAN TRIBES AND TRIBAL CORPORATIONS

The Senate amendment revises existing law under which the Secretary of Agriculture is authorized to make and insure loans to certain Indian tribes or tribal corporations for the purpose of acquiring land or interests therein. Under the Senate amendment, loan funds could also be used for (1) acquiring buildings, or other improvements, (2) improving land (including buildings), (3) water development, (4) conservation and pollution abatement or control practices, (5) purchasing livestock and equipment, (6) operating purposes, and (7) refinancing debts.

The House bill contains no comparable provision.

The conference substitute deletes the Senate provision.

THOMAS S. FOLEY,
ED JONES,
W. R. POAGE,
E. DE LA GARZA,
ALVIN BALDUS,
BERKLEY BEDELL,
GLENN ENGLISH,
LEON E. PANETTA,
TOM HARKIN,
FLOYD J. FITHIAN,
DAN GLICKMAN,
GEORGE E. BROWN, Jr.,
WM. C. WAMPLER,
EDWARD MADIGAN,
JAMES M. JEFFORDS,
E. THOMAS COLEMAN,
RON MARLENEE,
Managers on the Part of the House.

HERMAN E. TALMADGE,
JAMES O. EASTLAND,
WALTER D. HUDDLESTON,
DICK CLARK,
ROBERT DOLE,
MILTON R. YOUNG,
HENRY BELLMON,
Managers on the Part of the Senate.

SALT II AND THE TEST BAN: ARMS CONTROL OR POLITICAL SYMBOLISM?

(Mr. DAN DANIEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DAN DANIEL. Mr. Speaker, on June 20, 1978, Representative CHARLES H. WILSON of California made a timely and thought-provoking speech before the national convention of the Reserve Officers Association in New York City.

Literally no one is against reasonable restrictions on instruments of mass destruction. But to accept the words of the goal of arms control for the reality of a rational agreement, would be tantamount to surrender.

Mr. Wilson's speech entitled "SALT II and the Test Ban: Arms Control or Political Symbolism?" is a thoughtful analysis of what the United States stands to lose and what the U.S.S.R. stands to gain from these so-called arms control measures.

It clearly describes the dangers to U.S. national security which would result from a Strategic Arms Limitation Treaty and a Comprehensive Test Ban Treaty according to the terms now being discussed by our chief negotiator, Mr. Paul Warnke, in Geneva.

I commend the gentleman from California (Mr. CHARLES H. WILSON) and recommend that his remarks be carefully read. Mr. WILSON's speech follows:

SALT II AND THE TEST BAN: ARMS CONTROL OR POLITICAL SYMBOLISM

(By Representative Charles H. Wilson)

It is indeed a pleasure to be here in New York today at the invitation of the Reserve Officers Association. I want to take this opportunity to congratulate the ROA for its active support of legislation and policies aimed at maintaining strong military defense forces for the United States. The firm, clear and articulate voice of the ROA is needed now, perhaps more than ever.

On the international scene, the United States is faced with many perils. Most of these perils are originated and orchestrated by the Russians. Others, it is sad to say, are of our own making.

During the past decade, we have seen a military buildup by the Russians, and their allies of the Warsaw Pact, unparalleled since World War II.

We have seen a consolidation of Russian influence behind the Iron Curtain, and an expansion of their influence in the Middle East, in Africa and in Southeast Asia. We are now being challenged in dozens of places by any means and in any way which will work to the advantage of the Russians, and to our disadvantage.

Our responses have fallen far short of the Soviet challenge.

In the same decade during which the Soviets were building the world's largest navy, our Navy fell by more than fifty percent. Our Army and Air Force have steadily eroded.

While the strategic ICBM and sea-launched missile forces of the Soviets increased several fold, United States missile forces have remained static for a decade, while our bomber forces have grown old and obsolete.

NATO is outgunned and outmanned.

In an era of increasing confrontation, we have tried to maintain our defensive and deterrent forces "on the cheap." This policy has obviously failed. We are now trying to tie our defense policy to the nebulous hope that arms control agreements with the Russians will solve our problems. This policy also will fail.

Six years ago this policy brought us SALT I, submitted as an executive agreement. At the same time, SALT I could not receive the two-thirds Senate vote required for a treaty. SALT I was only reluctantly supported by then Secretary of Defense Melvin Laird and the Joint Chiefs of Staff. Both conditioned their support of the agreement on the continuation of the Trident submarine, the B–1 bomber, new missile developments, and a vigorous R&D program.

Admiral Moorer, then Chairman of the JCS, warned the Congress as follows, and I quote his testimony before the House Armed Services Committee. Admiral Moorer said:

"If we fail to follow the legitimate dictates of our own security, the leadership of the U.S.S.R. will chalk it up, not to goodwill, but to a failure of will; not to our confidence, but to our weakness. They, thus, might be encouraged to engage in acts which could threaten the peace and security of the world."

This is exactly what has happened.

The unilateral disarmament community, led by its chief apostle Paul Warnke, strongly supported SALT I, and strongly disagreed with Secretary Laird and Admiral Moorer. Mr. Warnke argued that American self-restraint would encourage the Russians to hold down the arms race. Warnke opposed the B–1 bomber, the Trident submarine and missile, or any other improved strategic systems to penetrate what he called, "a nonexistent Soviet Defense." In a nutshell, Warnke argued that so long as we talk a good defense, we can turn a blind eye to the Soviet edge in strategic weapons.

The truth is that Admiral Moorer's warning was unheeded. The ink was no sooner dry on the SALT I documents, when it became apparent that his words had fallen by the wayside.

For example, SALT I was approved in September 1972. The budget submitted by the President the following January, for the next fiscal year, was $214 million less for military R&D than was requested for the previous year. Reflecting the false hope that SALT I was a money saver, the total procurement and R&D budget request for that year was $1.25 billion less than the year before.

SALT I was immediately seized upon by Paul Warnke, his fellow unilateral disarmer Gene LaRocque, and by the doves in Congress, as an excuse to kill the Trident program, the B–1, maneuvering reentry vehicles, the Safeguard ABM, the SAM–D air defense system, the SCAD and SRAM–B missiles and the sea-launched cruise missile. The SALT I mentality has also heavily influenced decisions on Navy shipbuilding and the demands for the withdrawal of troops from forward deployed positions in Europe and Asia.

While the warnings of the Secretary of Defense and the Joint Chiefs have been discarded and ignored, the philosophy of the unilateral disarmers has been thoroughly embraced. It is curious to me that while Jimmy Carter won the election in 1976, George McGovern seems to be calling the shots on our defense and foreign policies.

Paul Warnke has been appointed as Director of the Arms Control and Disarmament Agency (ACDA). He has brought on board Adam Yarmalinsky and a host of other unilateral disarmers. Warnke is also the Chief U.S. negotiator at the SALT II and Comprehensive Test Ban talks in Geneva. The Defense Department, the State Department, and the staff of the National Security Council now have their own hand-picked staffs of unilateral disarmers. There should be no mystery as to why this country has a well articulated disarmament policy, but no discernible defense policy!

I think it was one of President Harding's appointees who was described as the worst political appointment since the Emperor Caligula appointed his horse to the Roman Senate. It was further said that at least Caligula appointed the entire horse. That appointment may well have been exceeded in the case of the current appointees to the Disarmament Agency.

SALT I has now set the stage for the SALT II and Comprehensive Test Ban, or CTB, talks which are taking place in Geneva.

There should be no doubt that if either of these talks should result in a treaty with the Soviet Union, in the form that Mr. Warnke wants them, the national security of the United States can suffer irreparable harm. If both SALT II and the CTB become treaties, according to the Warnke pattern, the strategic balance will quickly shift to the Russians and our allies will question the seriousness of our commitments even more than they do today. I predict that NATO will fall apart, and that our Asian allies will seek other accommodations.

SALT II

In connection with my duties as a Member of the House Armed Services Committee, I have taken a keen interest in SALT. I closely followed the hearings and debate on the SALT I interim agreement. In 1974, I was privileged to chair a subcommittee which reviewed the efforts of the Ford Administration to negotiate a SALT II agreement.

As a Congressional Delegate to the SALT II negotiations, I have participated in meetings and discussions with United States and Soviet negotiators. Just three months ago, I had the opportunity to discuss the issues of SALT II with high Soviet civilian and military officials in Moscow. In May of this year, I visited NATO headquarters in Brussels, where the effects of a SALT II agreement on the Alliance was the major topic of discussion. What I have experienced at these sessions, and what I have heard during our committee's hearings, makes me fearful for our future national security.

A meaningful treaty leading to the reduction of strategic nuclear arms, and to their ultimate elimination, was a central theme of President Carter's long Presidential campaign. Barely two months after taking office, he sent Secretary of State Vance to Moscow with SALT II proposals which would have truly reduced strategic arms in an even-handed manner. These proposals were rejected out of hand by the Soviets.

Since that time, the zeal of Mr. Warnke, and his band of disarmers to reach an agreement, regardless of cost, has led to errors which will be fatal to a SALT II treaty.

Without waiting for a Russian counteroffer, the Administration offered to accept a 2,400 limit on strategic delivery systems—no reduction from the existing SALT I number. Strangely, Mr. Warnke and Mr. Vance offered this number knowing that the United States would have to build new missiles, bombers, or missile submarines in order to reach that level.

To the considerable distress of the Joint Chiefs of Staff, the Russian supersonic intercontinental Backfire bomber, unlike the B–52, is not to be counted in SALT II for any purpose.

The Soviets, but not the United States, are permitted to have 326 "heavy" missiles which, by themselves can carry 3,260 or more warheads to U.S. targets with great accuracy. With this concession alone, the United States has put its blessing on a Soviet first strike capability against all of our ICBMs. This also worries the Joint Chiefs.

As SALT II is now structured, the Russians by 1985 will have three times more ICBM warheads than the United States, mounted on the 820 MIRVed missiles and on the hundreds of single warhead ICBM missiles allowed.

In sea-bed missiles, the Soviets are allowed 950 missiles, based on 62 submarines, as against 656 missiles, based on 41 submarines for the United States.

If this sounds one-sided, it's because it is. If this sounds like an "arms control" agreement which doesn't control arms, it's because it doesn't control arms.

Mr. Warnke has said that SALT II will restrain the so-called "arms race." This oversimplification overlooks the facts: The United States has developed no new ICBMs, nor has it increased the number of its ICBMs in the past ten years; the B–1 bomber has been cancelled; we have delayed neutron weapon production, the B77 bomb, the cruise missile and MX missile; no new sea-launched ballistic missiles have been deployed since 1971; we have only a token civil defense system; we have dismantled our ABM system; and, our continental air defenses have been reduced almost to the point of nonexistence.

The truth is that the United States has been a nonparticipant in the "arms race" for several years. As Admiral Moorer feared, we have failed to follow the dictates of our own security. SALT II will have us continue down that road of no reward.

The theory seems to be that by cancelling and delaying our defense programs, Mr. Warnke and Mr. Vance will have the Russians right where they want us.

Brick by brick, the concessions made in the SALT talks have walled U.S. strategic options into a corner.

First, Mr. Warnke has insisted that the range of all cruise missiles be limited. This needless concession was quickly agreed to by the Russians, since it greatly limits the number of Soviet targets which can be reached by air-launched cruise missiles, and puts the Soviet Union completely out of the reach of ground and sea-launched versions.

Mr. Warnke has agreed to severely limit our options in deploying a more secure ICBM such as the MX missile, with the knowledge that our Minuteman ICBMs will become vulnerable to a Soviet first strike in the early 1980s.

In exchange for the privilege of, perhaps someday, building a new Trident missile, the Russians will get to build a new multi-megaton ICBM—a "city buster." The Trident missile, like all other improved weapons, appears to have been marked for extinction by Warnke and his crowd.

Restrictions have been agreed to which may prevent the transfer of cruise missile technology to our NATO allies, in addition to range limitations. This is causing consternation in NATO circles. Our allies fear a secret agreement and have voiced doubts about out commitment to defend Europe. They have good reason to do so, considering our wishy-washy foreign policy, and a defense policy based more on hope than on need.

Even Mr. Warnke admits that his SALT II treaty has verification problems. Within certain limits, we can count missile silos and submarine launching tubes. But we cannot be sure what missile is in the silos or tubes, or how many warheads it carries. There is no way to prevent the secret deployment of missiles or changes in warhead accuracy and power.

It will be next to impossible to verify the range of cruise missiles, or whether they carry nuclear or conventional warheads. Neither can we verify whether a particular aircraft is capable of carrying cruise missiles.

Perhaps the most foolhardy and dangerous concession made by Mr. Warnke and his friends, in complete disregard of military advice, involves the Russian Backfire bomber. Secretary of Defense Brown and the Secretary of the Air Force both say that the Backfire is capable of strategic bombing missions against the United States. The Joint Chiefs of Staff fully agree.

Mr. Warnke apparently agrees with the Russians' claim that the Backfire is harmless. He is willing to accept what he calls "assurances" from the Russians that they will not deploy the bomber against us. But Paul Warnke knows that well before any SALT treaty would expire—in 1985—the Backfire could increase by one-third the number of bombers and missiles which the Russians can send at us. Counting the Backfire would mean that the Russians would have 125 fewer ICBMs to throw at us in 1978, and 250 fewer in 1985.

Backfire, however, does not figure into the Russians' plans for SALT.

In connection with Russian "assurances" on the Backfire, Mr. Warnke has made an incredible statement. He has said that while the Soviets may be trusted to abide by their assurances during peacetime, there is no assurance that the Backfire would not be used to attack the United States in time of war! Think of that, and sleep better at night.

COMPREHENSIVE TEST BAN TREATY (CTBT)

Let us turn now to another threat to our national security—the Comprehensive Test Ban Treaty, or CTBT, negotiations in Geneva.

While SALT II will guarantee the Soviets a strategic edge, and reduce the ability of the United States to retaliate after a Soviet attack, the proposed test ban, on the other hand, will reduce and ultimately destroy our nuclear deterrent forces.

As in the case of SALT II, the details of the proposed test ban have been skillfully hidden from the people and cloaked in secrecy. Only persistent probing of the House and Senate Armed Services Committees has broken through the censorship imposed at the highest levels of the Carter Administration.

Our nuclear weapons serve only one purpose—the prevention of nuclear or conventional war.

In order to serve as a deterrent to war, our strategic and battlefield nuclear forces must be credible. A potential aggressor must believe that we will use them, if necessary, and that we can use them effectively.

In order for our nuclear forces to be credible, our weapons must be secure and reliable. SALT, and the lack of commitment to the problem, will make our weapons less secure. The test ban, being pushed by the disarmament agency, would make them unreliable.

Since, in an open society, these things are impossible to hide, our allies and the Russians will perceive our deterrent as less believable. The net result will be an increase in the likelihood of war.

During Armed Services Committee hearings on the effects of a possible test ban, we found that the Carter Administration is in distressing disarray. We found that while Mr. Warnke had been negotiating with the Russians in Geneva for months, our government has not had a position on the only basic point at issue—that is, whether all testing will be banned, or whether some testing will be permitted under a comprehensive test ban.

Paul Warnke and his disarmament agency have been pushing for an agreement which would stop all testing. He has done so with his customary disdain for the advice of others with superior knowledge.

On the other hand, the Joint Chiefs of Staff and the Department of Energy, which are responsible for certifying the reliability of the nuclear weapons stockpile, have taken an opposing view.

Without exception, the people who are responsible for maintaining our nuclear arsenal agree that this cannot be done without testing.

Without exception, scientists, engineers and nuclear weapons designers agree that, within just a few years without testing, our weapons will become unreliable. Within about five years, there is a very good probability that no U.S. warhead or bomb will work. While I cannot give you the figure, I can assure you that this probability is much better than making four the "hard way."

Although nuclear weapons are highly complex mechanisms, their design is not an exact science. There are many unknowns which may induce design errors. Weapons components age and become unreliable or unworkable.

The process for correction of nuclear weapons problems is very similar to the construction of new weapons. Each problem must be analyzed and a possible solution proposed. The proposed solution is then implemented and tested. Because very small changes to existing weapons can cause the weapon to fail, testing is necessary, just as your mechanic would road test your car.

Over the years, many weapons tests have failed, requiring further changes and further tests. Without these tests, neither the Joint Chiefs of Staff nor the General Staff of the U.S.S.R. will, before long, consider United States' nuclear weapons to be a credible deterrent.

It is argued by the disarmament agency that Soviet nuclear weapons will become unreliable at the same rate as those of the United States. I am assured that this is not so.

Due to the tremendous advantage in throw weight enjoyed by the Russians, they have not been required to engineer their weapons into small spaces. Also, in view of the large Russian test program, they may not need to test for several years. In any event, there is wide agreement that the Soviets could secretly test at relatively high levels without fear of detection.

To me, the verification of Soviet compliance with a test ban is only a secondary issue. The real issue is whether President Carter should sign a test ban treaty in the first place.

President Carter and all but the most rabid unilateral disarmers, recognize that the nuclear deterrent of the United States will be required long into the future. In addition to the Soviet Union, other powers now have nuclear weapons, and others may well emerge, notwithstanding a test ban involving the United States, Britain and the Russians.

So long as it is necessary to maintain a nuclear deterrent, it would seem foolhardy of the United States to fail to maintain its

nuclear weapons. It would be equally foolish to put ourselves in the position where no new warheads could be developed for new weapons such as the MX and cruise missiles. These are the very weapons which the Carter Administration tells us will provide for our future security.

No testing means no new weapons, unreliable weapons in the near future, and the loss of a strategic weapons capability further down the road. No testing means less national security, and for this reason alone the President should back away from Mr. Warnke's treaty plans.

CONCLUSION

While in Russia this spring, I talked at length with Marshal Ogarkov, Chief of the Soviet General Staff. He is very anxious for President Carter to sign on the dotted line.

When the chief military officer of the Soviet Union embraces two agreements about which the U.S. Joint Chiefs of Staff express grave reservations, and the head of the U.S. disarmament agency supports the Soviet view, it is cause for alarm.

Marshal Ogarkov sees that SALT II will destroy any real equivalence of strategic forces. A comprehensive test ban will destroy the technical ability of the United States to recover and reestablish that balance of forces.

Six years ago, SALT I fit perfectly with Russian plans to build up, modernize and improve their strategic forces. They carried out those plans by improving accuracy, developing mobile missiles and replacing their old missiles. SALT I also served to hold back U.S. research and development and to reduce the number of our strategic delivery systems.

SALT II and a test ban fit perfectly with Soviet plans to achieve strategic superiority. Negotiating from a position of weakness, the United States Government appears ready to sign an agreement which will put a blessing on Soviet superiority. They plan to further improve accuracy, complete the modernization of their ICBMs and SLBMs, and improve their defenses.

The record shows that the Soviets would not discuss SALT II until their SALT I objectives were reached. If they reach their SALT II objectives, they will have no incentive to discuss SALT III.

President Carter should suspend his effort to conclude SALT II as it now stands. If the Soviets are really interested in arms control and detente, let them show it by reducing tensions in Europe and the Middle East, and getting out of Africa along with their Cuban friends. If the Soviets would do some of these things, we would have less of a threat to deter.

The President should clearly see that the Russians no more intend to abide by the principle of equivalence than they intend to practice the principles of the American Civil Liberties Union.

To insure a credible future deterrent, the President should reverse his decision on the B-1, accelerate production decisions on the MX and cruise missile, and order the production of neutron weapons for the protection of NATO.

Responsible action in our current nuclear environment is neither the advocation of disarmament nor a blind commitment to an all-out arms race, but rather a willingness to back serious negotiations while at the same time making clear our determination that we will not accept a result—through negotiations or other means—that weakens American security.

For this reason SALT II and the proposed test ban are unacceptable.

At this time when the Soviets have chosen a policy of confrontation rather than cooperation, it is even more important that we follow the legitimate dictates of our own security.

Our national security, and the peace and security of the world, will not be served by weak and one-sided treaties such as SALT II and the CTBT. Treaties which, by their own terms, pervert their stated purposes.

In these times which are so similar to those which led to the pacifist treaty at Munich, and to World War II, we need no treaties for purposes of political symbolism.

There may come a time when the lamb may lie down with the lion. When and if that time comes, I want to be the lion.

THE EMPEROR'S NEW CLOTHES

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PICKLE. Mr. Speaker, I am very glad to see that so many of my colleagues have seen the light in the past month and have finally come to realize that the American people do not want more government in their lives at any level. I am glad to see so many Members embracing the ideas of less government, less spending, and less taxes because this is what the people really want.

But in recognizing this fact, I hope that we do not, in our zeal, overlook certain economic and budgetary realities.

Mr. Speaker, I am sure that everyone is aware of the tax cut proposal that has been put forward by our colleagues from New York (Mr. KEMP). In the current atmosphere and the rush to be the first aboard the tax cut bandwagon, I must admit that I feel like the young man who pointed out that the emperor is not wearing any clothes. When I look at this proposal by the gentleman from New York it appears to be stripped naked of all fiscal responsibility.

I do not relish this role of exposing a very popular proposal but I am alarmed at the number of my colleagues who previously shared my concern about deficit spending who are now embracing the concept of deficits exceeding $100 billion. I am seeing Members on both sides of the aisle who used to share my conservative economic views that we must start toward balancing the budget and fight inflation suddenly rush to the side of old Keynesian deficit spending pump priming.

I hope that my colleagues will take note of the article which appeared in the Sunday Washington Post by Robert M. Dunn, Jr., in which he calls the Laffer curve a dangerous mirage.

[From the Washington Post, July 9, 1978]

THE LAFFER CURVE: "A DANGEROUS MIRAGE"

(By Robert M. Dunn, Jr.)

American conservatives who favor lower taxes have found a new Moses in Arthur Laffer, who teaches economics at the University of Southern California. We are to be led from the bondage of oppressive taxes to a land of greater consumption and investment in which lower tax rates produce higher tax revenues and hence more government expenditures without increased inflation.

This utopia is presented in the form of a graph that illustrates the well-known economic principle that higher tax rates do not always produce proportional or even significant increases in tax revenues. Beyond some point, higher taxes discourage investment and other economic activity so severely that revenues actually fall.

One can think of particular taxes that have had that effect, such as the high cigarette taxes in New York, which encourage the importation of untaxed cigarettes from North Carolina. The double taxation of profits earned by stockholders in U.S. corporations, which results from the fact that taxes are collected both on corporate profits and on the dividends derived from those profits, may have similar effects.

The Laffer Curve, however, makes this claim for the whole tax structure, arguing that beyond some point higher overall tax rates produce such strong disincentives for investment, work and general economic activity that the economy and, therefore, the tax base shrink enough to reduce tax revenues.

The conclusion of this theory is that a large reduction in U.S. taxes would actually raise government revenues. Rep. Jack Kemp (R-N.Y.) has embraced this argument to advance his proposal to reduce federal taxes by 30 percent, and it could almost be called the Laffer/Kemp curve. Unfortunately, like all other perpetual motion machines, it will not work. It is a lovely vision, but it is actually a mirage—and a dangerous mirage at that.

It is obviously true that beyond some level of rates, further tax increases will shrink the tax base so severely that revenues will fall. The problem is that Laffer and his supporters present no hard statistical evidence that the United States is now at such an overall tax rate. Laffer and Kemp merely indicate that they think the United States is now in the oppressive or perverse range of taxes, and hence that a large tax cut would produce more revenue. This is an awesomely casual way to reach firm conclusions about the desirability of major changes in our tax system.

Another flaw in the Laffer/Kemp thesis results from the current lack of excess capacity in the U.S. economy. Those supporting a large tax cut often refer to the results of a tax cut of the early 1960s. At that time the U.S. economy had a great deal of excess capacity, including large numbers of skilled and experienced workers who were unemployed. As a result a considerable period of rapid economic expansion was possible without serious bottlenecks or shortages. The U.S. economy is now more than three years into a cyclical recovery, and no such excess capacity exists. There are very few skilled and experienced workers among the currently unemployed, and shortages are already developing in many crafts and technical fields. The economy is not operating under the conditions that prevailed in the early 1960s, and it is unreasonable to suggest that because a tax cut worked then, it would work now.

A strong argument can be made that the United States needs a sharp increase in productive investment to encourage labor productivity growth, and that some particular features of our tax laws probably discourage such investment. Appropriate reductions in such taxes and other public policy changes, in areas such as regulation of business, would be helpful, but such growth-oriented policies will not be "free."

The concept of the "free lunch" in economic policy first became popular in the early 1960s. The government told us that we could have lower taxes and more expenditures, and that it would all be costless because the economy would grow so much faster that the government revenues would rise by enough to avoid increased deficits. A modest tax cut in 1964, when the economy still had excess capacity, seemed to support this view. In the late 1960s we were told that we could have a war in Vietnam and Great Society programs without a major tax increase.

Then a supposedly conservative administration arrived and continued those policies, suggesting at one point that "we are

all Keynesians now." The results could reasonably be described as a disaster. This experience gave what had become known as the New Economics of Keynesian economic policies a bad name, and led to a resurgence of somewhat more traditional views of economic policy. Now the "new conservatives" arrive with a modern version of the old message—that is, that resources are free and that bigger deficits are good for us. The only difference is that their deficits result from large tax reductions rather than from increases in social welfare or military expenditures.

A modest application of expansionary Keynesian policies may work when real excess capacity exists. Those arguing for the New Economics in the 1960s got this economy into trouble when they pushed such policies too far, particularly as the economy approached full employment.

If conservatives adopt the Laffer/Kemp position, their policies will suffer the same fate. If the United States wants to do something about low rates of plant and equipment investment and the resulting lack of labor productivity growth, tax and other policies are available that would have the desired effects. But it will not be easy, and it certainly will not be free.

To suggest otherwise is to sell old snake oil in a new bottle. It did not work for Lyndon Johnson or Richard Nixon, and it will not work for Jack Kemp and Art Laffer.

THE LONGEST WALK WEEK AND THE WEEK OF NATIVE AMERICAN SUPPORT

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WEISS. Mr. Speaker, I am today, on behalf of the gentleman from California (Mr. DELLUMS), the gentleman from Maryland (Mr. MITCHELL), and myself, introducing a resolution designating the period from July 15 to July 23 as "The Longest Walk Week and the Week of Native American Support."

As many of my colleagues know, representatives of more than 100 American Indian nations have been walking the width of our country—from California to Washington, D.C.—for the past 5 months. Their continental journey is as dramatic and compelling as it is long and arduous, for they are calling international attention to past injustices, present needs, and future commitments.

The longest walk is an appeal to conscience and a call for redress of longstanding grievances. It is also a test of our repeatedly proclaimed dedication to human rights and cultural diversity.

Native American peoples are, in many ways, outcasts in their own homeland. They are this Nation's spiritual ancestors, but they have not been accorded the respect and honor which their proud history merits.

Native American tradition expresses a deep reverence for life and for the land, And yet the contemporary condition of many native peoples in the United States stands in harsh contradiction to this heritage.

Infant mortality rates for Native Americans are more than twice the national average. Poverty stalks the reservations. Native American children are regularly consigned to second-rate schools. Their families often dwell in substandard housing. Decent health care is frequently unavailable in Native American communities. Alcoholism, bred of despair, goes untreated, while discrimination remains an unacceptable fact of life for persons of native ancestry.

The Longest Walk has Capitol Hill as its destination because we here have the power and the duty to correct this intolerable situation. Native Americans have journeyed 3,000 miles to remind Congress of unfilled and broken promises and to demand fair treatment for a malignantly neglected minority.

This House will soon consider legislation which, far from improving conditions for Native Americans, would seriously aggravate their plight. These bills would unilaterally abrogate treaty agreements and revoke hunting, fishing and water rights for many Native American tribes.

The Carter administration is meanwhile contemplating an executive reorganization plan that could effectively deprive Native Americans of their only direct voice in the Federal bureaucracy.

Each day Members of Congress rise to deliver eloquent tribute to our Nation's cultural pluralism. We likewise hear frequent expressions of the need for historic preservation and environmental protection.

The Longest Walk challenges us to transform this oratory into action. If we are serious about defending and encouraging cultural identity, if we really do recognize the contributions made by many different kinds of people in forging this Nation, and if we actually intend to leave a proper environmental legacy to succeeding generations, then we will not deprive Native Americans of their means of subsistence.

We will instead seize the opportunity which the Longest Walk presents—an opportunity to give native peoples a full voice in determining their own destiny. By security justice for those who preceded us, we will be demonstrating our commitment to those who will follow us.

One way to symbolize this realization is to adopt a resolution in support of Native Americans and their longest walk. I urge my colleagues to approve this resolution, the text of which follows:

H. RES 1263

Whereas Native Americans have a separate and unique cultural heritage and identity;

Whereas Native Americans have played a significant role in the development of this country;

Whereas the land now occupied by Native Americans has been guaranteed to them through treaties entered into with the United States;

Whereas legislation is now pending before the Congress of the United States which would adversely limit and restrict tribal jurisdiction over issues relating to water, fishing, and hunting rights on Indian land and would ultimately terminate all vestiges of Native American culture, heritage, and the very existence of that people;

Whereas Native Americans from many different tribes are walking from California to Washington, District of Columbia, to focus attention upon these concerns; and

Whereas this walk has become known as the Longest Walk and is a spiritual and peaceful journey: Now, therefore, be it

Resolved, That the House of Representatives honors the Native Americans participating in the Longest Walk and requests the President of the United States to declare the week of July 15 through 22, 1978, as the Longest Walk Week and a week for support of Native Americans.

SENIOR CITIZEN INTERN PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. HILLIS) is recognized for 60 minutes.

Mr. HILLIS. Mr. Speaker, nearly 150 older Americans from some 34 States across the Nation came to Washington on May 8, 1978, to participate in the sixth congressional senior citizen intern program. The interns were here to learn about our Federal Government and receive a firsthand view of how it operates—especially in the area of aging.

This program, first begun by myself and former Congressman Pete Biester of Pennsylvania in 1973, has grown steadily each year. Initially only three Members of the House and one Senator sponsored this special kind of intern. This past spring nearly 100 House and Senate Members joined together.

Let me emphasize that this program has been nonpartisan from the beginning and it has developed into one of the most productive and beneficial 2 weeks during the year. The title "senior citizen intern" is not an honorary one. The internship is one of hard work consisting of two phases: First, working in the sponsoring congressional office; and second, attending a series of special briefings and lectures on subjects of particular interest to the elderly. Each year interns hear a variety of speakers from congressional committees, Government agencies and private organizations discuss everything from pending legislation to ongoing programs. Interns also share with one another ideas and thoughts which are carried back to their communities across the country.

The senior citizen internship is an ongoing one. It does not end with the completion of a 2-week Washington program. Throughout the coming year, the senior intern plays an important role in keeping his or her Congressman up to date on the needs, problems, and opinions of the elderly in the district.

Many benefit as a result of the 2-week internship—the interns themselves, their sponsoring Member of Congress, and the dozens, and often hundreds, of other senior citizens back home who receive directly the knowledge and expertise of the intern as it is put into action in the community.

My office, along with the offices of Congressman BERNIE SISK of California and Senator ROTH of Delaware, has served as the main clearinghouse for the planning coordination of this yearly program, even though increased participation has made such increasingly difficult.

The future of the congressional senior citizen intern program is, at this point,

uncertain. We had hoped to see passage of legislation this year which would have funded the program and set up a small staff under an already existing committee to administer future programs, perhaps two a year. Our growth has brought both good and bad news. The good news is that we have received nationwide interest with increasing numbers of offices participating each year. The bad news is that this growth has brought a workload which is to the point of being unmanageable.

We are definitely experiencing growing pains. However, with the excellent cooperation we have received from the various House and Senate offices, I am sure that a way will be found to continue the program. We will certainly be directing strong efforts in the coming weeks toward the establishment of an official and permanent congressional senior citizen intern program in the House and Senate.

I thank my colleagues in the House and Senate for helping to make the program a reality. Without their support and assistance, this effort would not be.

Mr. Speaker, for the past several years my good friend and colleague, the gentleman from California, Mr. BERNIE SISK, has been a cosponsor of this program, and at this time I yield to him.

Mr. SISK. Mr. Speaker, I thank the gentleman from Indiana for yielding.

Mr. Speaker, I join my colleagues in saluting the participants in the sixth annual congressional senior citizen intern program which was held here in Washington during the second and third weeks of May.

This year, 146 interns from our districts in 34 States came to learn firsthand about the workings of the Congress and the Federal Government. The interns met with Federal officials from the Departments of Housing and Urban Development; Transportation; Health, Education, and Welfare; ACTION; the Library of Congress; the White House; and House and Senate Committees on Aging to discuss problems and programs of national concern. They heard from Dr. Nelson Cruikshank, Counselor to the President on Aging; Administration on Aging Commissioner Robert Benedict; Mr. CLAUDE PEPPER, chairman of the House Select Committee on Aging; and from other Members of the Congress and Federal officials. The interns learned the workings of congressional offices and observed the House and Senate in session.

From the reports we have received from the interns, we are pleased that the program was of great value to them and they gained useful information from the legislators and Federal officials with whom they met. We know that the program has greatly benefited those of us in the Congress in better apprising us of the needs and the problems of the older people in our communities.

My intern this year was Mrs. Elizabeth Olesen from Newman, Calif., a retired schoolteacher who is now active in the community working with the Merced County Commission on Aging. My staff and I enjoyed having Mrs. Olesen as part of our team during May, and because of her internship with us, I feel, we are that much more familiar with the problems of the elderly in Merced County and the other rural areas of our district. I would like to submit for the RECORD Mrs. Olesen's report on the 1978 senior intern program:

REPORT FROM MRS. ELIZABETH OLESEN, NEWMAN, CALIFORNIA, 1978 CONGRESSIONAL SENIOR CITIZEN INTERN PROGRAM

The overall view of the problems of aging and their solutions was excellent. Some of the solutions presented were not so effective or pleasing to all.

The problem for many rural residents is transportation. Many things such as hot meals, socializing, classes in nutrition, to name a few, are available to elders in towns and cities, but lack of transportation precludes the ruralite from taking part. According to speakers, and other information given, transportation is the "hot potato" being passed around without any solution in sight. Cities and towns are able to get vans and buses, and even car pools to get around, but an isolated ruralite is overlooked.

This same isolation brings up another problem, loneliness. Unable to get about, the elderly ruralite is often a prey to depression brought about by lack of contact with other people.

Lack of good, low-cost housing is another problem. Low cost in this instance means rents that a fixed-income elder can pay—and "good" signifies well-planned and well-built with a minimum of upkeep. Planning here also means a place that is easily accessible to towns, libraries, doctors, and churches. A place near enough so there are sidewalks and adequate street lighting to make it safe.

These matters were all touched upon and were well presented, but no easy solutions were given.

The questions of health and doctors with hospitals available were not gone into very thoroughly. In fact, the subject of Medicare was thrust aside because it was no longer the concern of the speaker who was supposed to enlarge upon it. This was too bad because Medicare is one of the important items in the life of a Senior.

Social Security was presented, but in answering questions, it was stressed that the local agency should be contacted for the answer. Perhaps the questions had no easy solution for a speaker to decide what was best, but surely some partial solution could have been presented. Nearly everyone knows the local agency is the best, but perhaps the questioner had tried before and was not satisfied with the answer and was seeking further information.

All in all the proceedings were very informative. Perhaps an earlier start and not so many speakers crowded into one day would be better. Elders tend to have a shorter attention span and do become restless. The personality clash is also a factor. Some can take the closeness of others, but many cannot and so tire easily.

This internship idea is a good one and it will be a shame if it must be discontinued Perhaps two shorter sessions might be the answer. At any rate, I am very pleased I was chosen as an intern. It gave me more of an insight into what the problems and their solutions are.

Mr. Speaker, I conclude by thanking my colleague, the gentleman from Indiana (Mr. HILLIS), again and express my appreciation to him for the leadership he has shown in this program.

Mr. HILLIS. I thank the gentleman from California for his comments.

Mr. Speaker, at this time I yield to my friend, the gentleman from Ohio (Mr. REGULA).

Mr. REGULA. Mr. Speaker, I rise today to express my enthusiasm for the 1978 senior citizen intern program. I had the good fortune to have Mr. and Mrs. Myron Smith, of West Salem, Ohio, serve on my staff for the duration of the program. Their knowledge of the problems facing seniors and interest in constructive solutions made them available asset to the program.

With each passing year, the Federal Government becomes more complex. This trend has stymied, confused, and obstructed the efforts of many people who work with Federal programs, thus preventing the full effect of programs to be felt. The senior citizen intern program attempts to address this problem by bringing to Washington those seniors involved with senior concerns in cities and towns throughout the Nation. During the program, interns are given the opportunity to meet with program administrators and staff people working in Washington. The many seminars at which these Government experts spoke provided a well-rounded view of what the "Federal bureaucracy" really is and how it operates.

I recently received a letter from Mr. and Mrs. Smith reflecting on their Washington experience. I would like to share with you some of their words:

We were greatly impressed with the whole program set up for this year's Senior Interns and we are very proud to have been your participants. It was an experience of a lifetime for the average American and only a shame the majority of the rest of "Average Americans," young and old, never get to see, know or understand much of anything of the workings of their government or elected officials.

The number of departments, committees, services, etc., at the federal level, working on programs for the Senior Citizens alone was most enlightening and gratifying to see. Only Senior Citizens know what Senior Citizens need.

Senior Citizens want to be a part of and active participants in their programs. We are a great percentage of the population and growing larger every year, and have experience in all fields and walks of life, which knowledge should be put to use for us, by us and with us.

Mr. Speaker, I believe these comments accurately express the advantages of the senior intern program. I would like to encourage all my colleagues to participate next year in this most worthwhile program.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. HILLIS. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding.

I too wish to join my colleagues in commending the gentleman from Indiana, Mr. HILLIS for his consistent efforts in promoting the senior citizen program, which has been such a worthwhile program not only for our congressional staff but also for the entire senior citizen population of our Nation.

I have participated in the senior citizen intern program since coming to

Washington and have had the benefit of working with and having the advice and help of some wonderful volunteer senior citizens who participated in this program.

For the past 5 years I have had a senior citizen intern who has come to Washington to learn and who has returned to the 26th Congressional District as my senior citizen consultant to work with my office and our senior citizen advisory committee on senior citizens related problems.

One a year our advisory committee selects a senior citizen consultant, who serves on my staff as a spokesman and liaison to the senior citizens in my district. To qualify, our consultant must be a retired senior citizen, 62 years or older, and a resident of the 26th Congressional District.

The senior citizen intern program is invaluable in the opportunity it affords to our consultant to visit Washington and to personally confer with Government officials and agencies involved in the special problems of senior citizens, and to have the experience of working with our staff, learning our office routines and the legislative process.

Representative HILLIS is to be commended for his work in coordinating the efforts of the Members of Congress to make this a successful program. The entire Congress should have the opportunity and should be encouraged to become a part of this vital program which offers the intern the opportunity of personally visiting Washington and meeting with the staffs of congressional committees, Federal agencies and private organizations. Thereafter, they are able to return to their districts with an awareness and first-hand knowledge of the availability of funds and pending legislation and how to work in resolving problems unique to our elderly concerning social security, railroad retirement, nutrition, housing, health, and transportation.

With such a meaningful, aggressive approach, it is no longer necessary for the senior citizens to feel that they are left out by government.

In the 26th Congressional District of New York our senior citizen consultant welcomes the opportunity to meet with senior citizen groups or individuals in an attempt to work on their problems and to formulate successful programs for resolving their needs.

It is important for this liaison to continue in order to enhance problem solving for our senior citizens.

My present senior citizen consultant, Ethel Gage. of Middletown, N.Y., has been so successful in her work in dealing with senior citizen problems that she has received the regional commissioner's certificate of appreciation from the Department of Health, Education, and Welfare, "because of (her) efforts in helping people to become aware of their rights and responsibilities under the social security program."

In working on legislation affecting our senior citizens, it is essential that each Member of Congress know what is happening at the local level and that we remain in constant communication with this segment of our community.

The funding of future intern programs is essential to permit us to fully carry on this worthy program for this vital segment of our society.

It should also be noted that this program places a substantial burden upon those staff members responsible for making it successful. Accordingly, it is requested that a small staff be authorized to administer the program and to enhance a continued, expanding program.

I am hoping we are going to be able to continue the program and expand it and make it even more worthwhile by the adoption of legislation which my colleague, the gentleman from Indiana, has introduced, to make this program have an even greater import by funding it.

Mr. HILLIS. Mr. Speaker, I thank the gentleman from New York for his remarks and for his participation in the program.

Mrs. SPELLMAN. Mr. Speaker, will the gentleman yield?

Mr. HILLIS. I yield to the gentlewoman from Maryland (Mrs. SPELLMAN).

Mrs. SPELLMAN. Mr. Speaker, I thank the gentleman very much for yielding.

I too want to join in commending our colleague for the leadership which he has shown in this program. It was my privilege to participate this year for the first time. I can assure the gentleman that if I return to the House this certainly will not be the last time.

Mr. Speaker, it has been a great privilege for me to participate in the senior citizen intern program. This was my first year of sharing in this venture, and you can be sure that if I return to the House, it will not be the last.

In past years, all of our interns have been aspiring young persons, bringing with them freshness and new ideas. But the wisdom of senior citizens is valuable and treasured; their ideas stemming from years of experience enrich the lives of all who know them.

I was delighted to have Mrs. Mae Lillard join us on the Hill in the senior citizen program. A Prince Georges County resident for many years, Mrs. Lillard has a long history of community activity. She is past president of the Berwyn Women's Club and is its current public affairs chairman. For 7 years, she served on the board of directors of the Southern Maryland Council of United Democratic Women's Club and the Girl Scouts of America. She was also recently appointed to the Prince Georges Advisory Commission on Aging which counsels the county executive on matters of import to the elderly.

Not only was Mrs. Lillard an ideal person to benefit fully from the intern program while experiencing firsthand what the Federal Government is doing in policy areas of special interest for the elderly, but she also brought valuable insights to us as well. In addition to committee hearings, she attended seminars and briefings on issues of special concern, and had the opportunity to familiarize herself with the workings of a congressional office. Upon returning to the county, Mrs. Lillard has shared her knowledge and many varied experiences with several senior citizen community groups, helping to bridge the communication gap that exists between the government and the public.

I urge my colleagues to join me in supporting legislation to expand this intern program. I am fully convinced that the experience and wisdom of our senior citizens are among our Nation's most precious natural resources.

It is a valuable program and one that needs to be encouraged and even enlarged. I look forward to working with the gentleman in the future on this.

Mr. OBERSTAR. Mr. Speaker, will the gentleman yield?

Mr. HILLIS. I am happy to yield to my good friend the gentleman from Minnesota (Mr. OBERSTAR).

Mr. OBERSTAR. Mr. Speaker, I thank the gentleman for yielding, and I congratulate the gentleman upon the outstanding leadership he has demonstrated in moving this senior citizens intern program from its very earliest stages. I might add that at the time when the gentleman from Indiana (Mr. HILLIS) was first initiating this concept, I was a member of the staff of my predecessor, John Blatnik, and helped lay some of the groundwork in the early days. Later, when I was elected, the senior citizens intern program was one of the first programs I joined in sponsoring and which I have participated in each year since I came to this House.

I can testify to the beneficial effects this program has had on the senior citizens who have participated. They have carried the message back home to other senior citizens on what is going on in Washington and in the Federal programs that affect them in every area of their lives.

I have benefited from the suggestions of the interns on how to improve Federal programs and the management of Federal programs that affect senior citizens. In May, it was my great privilege to have Mr. Joseph Wiesinger of Duluth, Minn., work in my Washington office as a senior citizen intern.

Joe Wiesinger is well-known throughout the Eighth Congressional District I represent and throughout the State of Minnesota for his leadership in senior citizen organizations, for his record of public service and for his activities in his union and the Democratic Farmer-Labor Party.

Wiesinger is vice chairman of the advisory board of the Duluth Senior Center, a member of the mayor's commission on aging, delegate to the Governor's council on aging convention, chairman of the advisory board of the retired senior volunteer program (RSVP), and is active in a number of other senior citizens' activities and associations. He also serves on the boards of Sheltered Workshops, United Way, and the Consumers League.

He is one of the finest men I have had the honor of knowing in my years of service to the district. I selected him from the 100 well-qualified Eighth District residents who applied for the program this year.

The Eighth District has been very fortunate in the quality of our senior citizen internships. Joe followed in the footsteps of two very competent individuals—Edna Shepard, who was the subject of a New York Times article during her internship last year, and George Brince in 1976.

My experience with the program has been an unqualified success. It has provided me and my staff with the invaluable contribution of the knowledge, experience and advice of three senior citizen leaders in our district.

We owe a tremendous debt of gratitude to our colleague, the gentleman from Indiana (Mr. HILLIS), for his dedication to this program. It is his interest, concern, and hard work which has sustained it.

The program is a proven success. The burden of this large and still growing program cannot, however, continue to be borne by Congressman HILLIS and his staff. I have joined with him to sponsor legislation to enable the senior citizen program to become an office internship program of the House, much like the highly successful LBJ internship program.

I believe the program should be expanded to provide all congressional districts with the benefits of a continuing official program.

Our senior citizens deserve this recognition.

The program is one of the best means I know of directly involving them in the operation of this House.

Mr. VENTO. Mr. Speaker, will the gentleman yield?

Mr. HILLIS. I am happy to yield to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Speaker, I thank the gentleman for yielding. I wish to congratulate the gentleman and to commend him upon his leadership in this program. In the recent luncheon we had it was pointed out that our colleague, the gentleman from California (Mr. SISK), had been instrumental with the gentleman from Indiana (Mr. HILLIS), in the formation of this program.

I want to say that we have participated in this program this year. We had two people from my own district working in my office. I would only echo the sentiments of my colleague, the gentleman from Minnesota (Mr. OBERSTAR), in saying that not only has it proved to be an important and valuable input to us, but also was an experience that they can take back and present to their communities and give them a better idea as to what is going on in Washington. I believe that the more that we can present these facts to our local communities and to our constituents, and receive their views, the better job we can do.

Mr. WIRTH. Mr. Speaker, will the gentleman yield?

Mr. HILLIS. I am happy to yield to the gentleman from Colorado (Mr. WIRTH).

Mr. WIRTH. Mr. Speaker, I thank the gentleman for yielding.

I would only like to say that we also have had the privilege of having senior citizen interns in our office. We had two, plus one assigned to the gentleman from Colorado (Mr. FRANK EVANS). These three were selected by a citizens advisory panel made up from senior citizen volunteer organizations from throughout the Second District of Colorado, who participated very broadly. They were selected in a very intensive competition. Over 65 applied for the positions. The funds were raised for the program among individuals in the Second Congressional District. Not only were the interns a great help when they were able to work in the office, but they added a new dimension to my own and my staff's perception of the concerns in the community. In a sense, they were able to teach us as much as we were able to teach them.

We look forward to participating in this program in future years.

I congratulate the gentleman from Indiana (Mr. HILLIS), for his great work in leading this program.

I would hope that all Members would not only recognize the importance of the program, but hopefully would begin to use more of this kind of talent in their district offices. We have started doing this and it has proven to be very productive for us.

I would like to submit a two-part letter from one of my interns, Mr. Donald Noyce, of Lakewood, Colo., which gives you some idea of his reflections. The first part, titled "My Turn" deals with his overall experience; the second is a specific critique of the internship program.

MY TURN

LAKEWOOD, COLO.

For nearly fifty years I've voted for people I hope might represent me in Washington. This spring I had the opportunity to take more direct action. I was among the hundred and forty one chosen as Congressional Senior Citizen Interns, to observe, to learn the ropes, and to do a variety of chores in Congressional offices for two weeks in May. We represented the 31,000,000 Americans over 60 who didn't go to Washington.

We probably showed more vigor, were more vocal, and represented more male survivors than the "mature" population generally, but as older Americans, we were typically heterogeneous.

Dormitoried in a "less expensive" hotel only two blocks from 1600 Pennsylvania Avenue, a few of the pushier interns were set on petitioning the President to meet with us for neighborly chit chat, but the press of time and cooler heads prevailed, and we settled for a tour of the White House.

Opportunities for learning were plentiful and varied, but the planners and presenters were often stuck on dead center with the tired pedantics of the lecture method during daily general sessions. Many interns felt obligated to carry home each noble word, taped in faithful garble, and echoing the fanciful acoustics of the Cannon Building Caucus Room. Lectures were followed by question periods, when we could further pick the brains of some dynamic Bureaucrats—and of other bureaucrats, too.

Facts and figures flowed like wine, in some of the sessions, and often we questioners, heady with new knowledge, tended to preface our brief queries with long preambles. God forbid I ever grow as old as the sixty plus group who finished their learning years ago, and came only to monologue their wisdom. And may I go with the true learner's zeal and humility into my seventies and eighties with that rugged bunch who will seek out truth until their dying days! Fortunately, most of us are kin to each group!

Many of us, at the suggestion of a gentlemen from California, reached beyond the planned meetings, and got together in "rap sessions" in the hotel during the evenings and into the week-end. The alternate charm and bedlam of these sessions led to a suggestion by a task-oriented intern that we meet in several small groups according to special interests we might wish to explore. It was further suggested that these interest groups might want to come out with resolutions pertaining to housing, health care, transportation, conservation of energy, and, of course, inflation. That last suggestion, implying the hammering out of concensus, was made before the eager one spent a couple of hours in the House Gallery!

Several of these smaller groups did get together and good things probably came about as a result. Cozy groups that just happened gave the floor to anyone with a comment and offered source material for homespun human services which were often devoid of the Washington trade mark. We got to know the lady from North Carolina who had workable ideas about neighborhood caring as an alternative to institutionalization, and we heard from the gentleman from California about a viable group who barters services. Luckily the resolution person came down out of his ivory tower, and some extended friendships edged out the documented busy work.

During ten working days in Washington, we Congressional Senior Interns joined scores of other interns, mostly youngsters in and between semesters of sociology and political science who work with salaried Congressional office staff members for Representatives and Senators. Long hours prevail while Congress is in session, and work space is at a premium. In the older House office buildings, the narrow offices have been further subdivided into rabbit burrow niches by the insertion of loaded book-cases and filing cabinets. Cornered by these borders of reference materials and office paraphernalia, each staff person in his field or fields of specialty labors to bring his or her Representative or Senator the greetings, gripes and suggestions from the home front and the constant update for the job they all share. We seniors were invited to share in the close-quartered labors of our Congressional offices. We opened and distributed mail, filed copies of outgoing mail, answered phones, and even answered a few letters from constituents. (After proper staff discussion, of course.) As guest workers, we also attended committee hearings in which our Congressman was a participant, and noted the work of staff experts in advising their bosses during these endless sessions.

We oldsters put in shorter hours and may have been assigned lighter work than younger interns or paid staff members, but we were in our offices enough to re-evaluate some stereotyped thoughts about government workers. One administrative assistant, we found, was normally in the office before eight in the morning, he stayed until six in the afternoon, and then usually returned after dinner, working sometimes until midnight. Such Spartan life-styles may not be the rule but they do not seem to be unusual for the dedicated ones on Capitol Hill.

It would be misleading to suggest that our Washington experience was one dreary round of observation of, participation in, or obsession with the confining, exhausting work

of goverment. We had time to do the tourist bit. Alone or in twosomes (Several husband and wife teams were among the interns) or as larger groups, we wondered the Mall, and tried to absorb the miracles housed in the Smithsonian museums. We toured the Kennedy Center, and some took in performances there; we sometimes opted for guided tours by land or water and we used taxis, Metrobus or Metrorail vehicles. We strolled the Capitol grounds, we walked and rode the subway underground from House and Senate Office Buildings to the Capitol, and we sat in House and Senate Galleries. Many of us were guests of our Congressperson in the House or Senate Dining Room in the Capitol.

Between showers on a late afternoon, one aging intern puffed after a couple of youthful aides in search of softball space for the Congresman's team. Due to over-booking, the Ellipse and the Polo Grounds were both full of teams, and by the time two teams were assembled on an almost available diamond, the aide was too bushed to participate, and his team lost anyhow—in spite of the Congressman's home run and the noble efforts of the Congressman's kids.

In the couple of days since I returned from Washington, I have tried to take stock of what I brought back. Most of us operate with less than photographic or phonographic memories, so we failed to organize mental encyclopedias for ready reference. And I have only a few taped notes, since I didn't keep my recorder going for the general sessions. I did return, however, with books and booklets, pamphlets and lists and summaries. I have sort of a beginning of a card catalog for the living library of political action, and a few yellow pages for political shopping.

But I think we all brought back much more. We brought images and inclinations and embryo understandings. We gained in optimism more than we found nurture for our skepticism. The President's seventy-six year old advisor on aging left us with a message, "You are not alone." From the remote hamlet in North Carolina, "Start at home with caring and sharing." From California, "You have skills—share them."

Representatives from Arizona and Illinois demonstrated a message on the floor of the House, "Extend your hands across the aisle, across state lines and across national boundaries for what you believe to be the common good."

On our last Friday morning as several of us were heading for the Rayburn House Office Building for our closing luncheon, we were commenting on the high school band who had earlier played the National Anthem from the Capitol steps. One man commented, "That got to me. That always gets to me."

And another, "Me too. Maybe that's what it's all about."

And who knows, maybe he's right.

During more elections than we might care to admit or readily remember, we three have taken part in the process of sending people to Washington to "represent" us. This spring we were privileged to participate more directly, and we are happy to share our Congressional Senior Citizen Intern experiences with your group.

Although we heard the word capsulize on several occasions, we saw it illustrated less often, and none of us has quite mastered the technique of putting two weeks into a few minutes of reading. So our reports will happen as we are called upon to give them. They will not be all alike, since we each saw and heard and learned as we have come to perceive new experiences. And we will give different reports as we meet with various groups, and are met with changing emphasis from the folks we meet.

The following brief outline may offer a choice of starting points in the Report—Discussions we may have with your groups.

The Executive Branch.—Before we left for Washington, we met President Carter in Denver, as representatives of volunteer organizations. We also visited his Washington residence. If you want to know how it feels to talk with the President and shake his hand, ask us.

The Legislative Branch.—Each of us visited Senate and/or House Galleries. We can start a discussion around these experiences, or around other tourist-shared activities, like riding the Capitol subway, looking up at the dome, or having group pictures taken on the Capitol steps. But you might wish to start with lunch in the House of Representatives Restaurant, where tourists are less in evidence. As the menu will show, meals in the House Restaurant are not expensive, with costs about the same as in the HOB (House Office Building) cafeterias. We were privileged to eat in these cafeterias at any time, using the sponsor letter during the busy periods. Tourists may use these facilities before or after the rush times.

Congressional activities most publicized, perhaps, are those taking place in the Houses. Our observation of these law-making activities in both House and Senate was shared by scores of tourist folk, but we also visited several committee hearings and saw and heard a fraction of the behind-the-scenes part of law-making which most tourists miss.

Although law-making is the central activity of the Congress, our Representatives and Senators spend a great deal of time with constituent problems. The work which takes place in Congressional offices is much of the rest of the Congressional iceberg. Unlike the casual Washington visitor who sees the showy tip of the Capitol building, we interns may have discovered the bulk of Congressional business almost buried in the HOB's, and most of our discussion may center around these discoveries.

The Judicial Branch.—For obvious reasons most of the interns are no more informed about this third branch of government than they were on the seventh of May.

The speakers.—Nearly forty speakers contributed to the education of the 141 interns during a dozen general sessions. Two of the speakers, Nelson Cruikshank, counsellor to the President on Aging, and Senator become Representative Claude Pepper, Chairman of the House Select Committee on Aging, made lasting impact on the interns because they were dynamic and sincere speakers, even as they approach the age of eighty. Esther Peterson, the Consumer Affairs person sent her press secretary, Midge Shubow to give an encompassing and well documented account of the efforts made on behalf of consumers of all ages. She spoke from the vantagepoint of youth—unbelieveable youth! Dr. Matt Guidry, Director of Community and Special Projects with the President's Council on Physical Fitness, rose above the limitations of title and terrifying acoustics to bring us a beautiful message about the relationship of physical activity and worthwhile years of life, and he and a vivacious assistant brought us calisthenics to match. Walter Oleszek from the American National Government Library of Congress brought us a non-stop hour on the workings of Congress. In addition to these outstanding presenters, we heard from House Committee (on Aging) staff members, Senate Committee (on Aging) staff members, and a bevy of bureau folk who talked about Housing, Transportation, Social Security, Employment and Volunteer Activities, Recreation, Legal Services, Senior Organizations, Home Health Care, (but not much about Medicare), and How Laws are Made.

Informal Activities.—No two interns will have the same report pertaining to the Work in Congressional Offices, which often included filing, answering phone, sorting incoming mail, etc.: Tourist activities included the Smithsonian buildings, and a tour by land or water. It may be that the Rap Sessions during evenings and a week-end were the most significant of the un-assigned activities, indicating, as they seemed to, a need to be heard on the part of half of the interns. Did we sense in these discussions some "Why don't they" and "Why don't you" phrases growing into "Couldn't we" openings? Perhaps our report-discussions should touch on such grass-roots informality.

DONALD C. NOYCE.

Mr. HILLIS. I thank the gentleman for his remarks.

Mr. SIMON. Mr. Speaker, will the gentleman yield?

Mr. HILLIS. I am happy to yield to the gentleman from Illinois (Mr. SIMON).

Mr. SIMON. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I simply want to join in applauding our colleague, the gentleman from Indiana (Mr. HILLIS) for his leadership in this matter. We have participated in the program now for the second time. It has been a very productive and profitable thing, I think, for the people of my area and for those who have been involved.

Again I commend my colleague for his leadership.

● Mr. DERWINSKI. Mr. Speaker, it gives me great pleasure to take this opportunity to express my enthusiasm and support for the congressional senior citizen intern program in which it was again my privilege to participate. I regard this program as an excellent method by which our senior citizens develop a better understanding of the role and responsibilities of the Federal Government. I believe that every Congressman who participates in this program comes away with a better insight into the concerns of our older Americans, who really are one of the Nation's most valuable assets.

My senior interns this year were Mrs. Marge Zalba of Chicago, and Mrs. Josephine Stipek of Stickney, who are both very active in senior citizen organizations in the Fourth Congressional District of Illinois. They came to Washington to learn about our Government and received a firsthand understanding of how it works.

Mrs. Zalba and Mrs. Stipek spent considerable time in my office. My staff and I had an opportunity to benefit from their experience as they learned something of the operation of a congressional office in handling constituent inquiries and opinions. This provided them with a ringside view of a congressional office in action. Their enthusiasm in meeting the challenges of the senior intern program was refreshing to me and my staff.

I had several discussions with Mrs. Zalba and Mrs. Stipek during this 2 week period and I was pleased that they considered the program very beneficial in giving them the opportunity to learn how our Government administers programs of special interest to them and their fellow senior citizens. In addition, the senior citizen intern program gives us the

necessary feedback to become more responsive to the specific needs of seniors.

Although this was only a 2-week period, the senior intern program was a nonstop learning process for the participants by providing a well-rounded view of the operations of the Federal Government with special emphasis on programs relating to the Nation's elderly. Question and answer sessions enabled the participants to make a direct input into the discussions. Armed with this background, the participating senior citizen interns then communicate the information to the senior citizen clubs in their respective communities.

My interns and I agree that this year's program was a tremendous success. We take this opportunity to thank Congressman HILLIS and his staff assistants who again did such a fine job of coordinating the seminars and other activities. It is my sincere hope that more of my colleagues join in the senior intern program next year.●

● Mr. DON H. CLAUSEN. Mr. Speaker, my staff and I had the good fortune to have assigned to my office, as a result of the senior citizens intern program, Mr. George Sutton, project director of senior community service employment program in Santa Rosa, Calif.

George came to Washington with the idea of learning as much as possible about Federal programs affecting the elderly, and in the pursuit of that goal he was very successful. He left here knowing a great deal more about the inner actions of many of these programs, the nuts and bolts type of information which is so important if a project director hopes to be effective.

But he accomplished much more than that during his visit. He came to learn, but he taught all of us a great deal about the need for programs for the elderly, the type of services most required, the road blocks which keep many programs from being fully effective, and some of the difficulties in implementing the programs which we in the Congress legislate.

Having a senior intern was a most rewarding experience, and I am sure the real benefits will be reaped by the elderly people of the Redwood Empire in the form of improved services based on more detailed knowledge and better appreciation of the total program.●

● Mr. WYDLER. Mr. Speaker, the older population in this country has been growing rapidly, and in the very near future it will grow even larger. A combination of population trends, increasing longevity due to advances in medicine, and other factors make it an inescapable fact that a large portion of the American public will be older Americans, and that the special needs and problems of older Americans demand and deserve the attention of Congress.

One of the most encouraging developments in this realization that we must increase our involvement with senior citizens is the senior citizen intern program. I have been pleased to sponsor senior interns each of the past 5 years, and there is no doubt in my mind about the effectiveness and importance of the program. We have a myriad of Federal programs and regulations which affect senior citizens, but few aimed at educating senior citizens themselves about the ways the Federal Government is involved in their lives. Without such knowledge there is a shortage of positive input into these programs from the people they are intended to help.

This year it was my privilege to bring two very special senior citizens from the fabulous Fifth Congressional District to Washington to participate in the senior citizen intern program. Miss Mary Hearne is a retired public school principal active in senior citizen groups in Rockville Centre, N.Y. Mr. Milton Berlinger, who was accompanied by his wife, Sophie, is tenant-commissioner of the Long Beach, N.Y., Housing Authority who devotes his time and energy toward improving the quality of life of the tenants of three senior citizen apartment buildings.

Both Miss Hearne and Mr. Berlinger were kind enough to submit reports on their activities and impressions of the 2 weeks they spent in Washington. and the texts of their reports are as follows:

REPORT OF MISS MARY HEARNE

During the two weeks between May 8 and May 19 of this year I had an opportunity to see the United States Government in action. As one of 150 participants in the Senior Citizen Intern Program, sponsored by U.S. Representatives and Senators from all over the nation, I had a close look at Washington, D.C. This is the sixth year that some Members of Congress have sponsored this program.

I felt greatly honored when I was selected to represent Congressman John W. Wydler's "Fabulous Fifth" Congressional District in New York.

Each weekday, we had sessions from 10 a.m. until noon, and then from 2 to 4 p.m. We listened to directors of agencies, counsellors, program analysts and specialists and consultants to President Carter.

These speakers, some very young, were most knowledgeable about problems affecting the elderly. Some showed slides or movies. Presentations by panelists were followed by question and answer periods, and many valuable pieces of literature concerning the problems of the elderly were made available.

We learned about proposals and extensions of present legislation such as a bill which would eliminate all age-based mandatory retirement and add age as a prohibited basis of discrimination in civil rights statutes. Also the Transportation Act, H.R. 11733, the Home Health Improvement Under Medicare Act and the Welfare Reform Act, H.R. 12424, as well as the Older Americans Act extension, H.R. 12255.

We were told of the numbers of these bills pending in the House and Senate. Emphasis was placed on the need for writing to our Congressmen, voicing our opinions or complaints, and on the urgency of asking for their support. This can be a two-way communication between senior citizens and their representatives in Congress; we were advised to "do our homework", present the facts of the problems, and avoid haranguing or harassing.

Unable to obtain a large meeting room in the hotel in which we were lodged, a California intern arranged evening meetings in some of the larger guest rooms. I attended one on home health care, at which I learned that while large percentages of nursing home funds come from the Federal government, a very small amount is allocated for home health care. A senior intern from Hickory, South Carolina, told us that their local hospital maintains a list of volunteers available. An intern from a small town in Illinois reported that they had no doctor, and that volunteers, often needy and poor themselves, could not serve without receiving at least minimal pay for home care of their neighbors.

In sharing experiences, the Van Nuys, California intern described a program called USE, in which services, rather than money, are exchanged.

A movie on the Retired Senior Volunteer Program, or RSVP, showed their wonderful work, and also that done by "Action", the Senior Companion Program. There is strong Congressional sentiment for full restoration of the cut in the RSVP budget.

We spoke of the need to include older workers in the CETA program, as well as in local jobs where part-time workers are used. Some older workers could profit from second career training.

A new program called Older Americans Advocacy Assistance would, subject to implementation at the State and local level, train volunteers to enable them to provide information and services to Senior Citizens to better enable them to secure access to the rights and benefits to which they are entitled.

We were encouraged to hear Mr. Nelson Cruikshank, a senior citizen and Counsellor to the President, tell that the Administration on Aging has a goal of getting Federal agencies to increase their outreach so as to include more senior citizens in the programs for which they are eligible. A big impact can be felt because the elderly represent such a large part of the U.S. population; but senior citizens must get involved! We must show our power, and flex our muscles.

This special committee for the aging is our watchdog because it cuts across party lines and keeps constant watch for programs affecting the aging. It says, "Wait a minute!" when a Federal agency tends to make decisions without considering their impact on senior citizens.

Transportation is a major problem for older Americans, and we were told of the need to integrate Federal, State, and local efforts. In New York, we have Federal and regional offices, but Senior Citizens from many rural areas who attended the Washington seminar reported that some rural areas do not even have bus service.

Many merchants realize that senior citizens are important shoppers. Some make an effort to give discounts for morning shopping, and to display generic foods and drugs.

The public needs to be educated in what they are entitled to in terms of coverage, costs, etc for nursing homes. We all have a vested interest in seeing that the care provided is all that it should be. Likewise, we should be alert to improving Medicare coverage so that eye care and dental care will be included for reimbursement.

Each intern had a coordinator on the staff of the Member of Congress who had designated him or her. Mine was most helpful and thoughtful in preparing complete orientation instructions and arranging for such things as half-fare senior citizen cards for the Washington public transportation system. She also helped me feel at home on Capitol Hill by explaining the legislative bell system that alerts Congressmen to pending action on the House floor.

The hard working members of Congressman Wydler's staff were most friendly. We saw that their jobs entailed long hours because the Congressman and his staff give foremost consideration to their constituents.

We also had an opportunity to do a little sightseeing. A group picture was taken on the Capitol steps, and we had a private tour of the White House. Although we did not see

President Carter, his Proclamation for Older Americans Month was read to us. I quote in part: "Older Americans are an invaluable source of talent, skills and experience. These men and women, a vital part of this Nation, need comfortable and safe places to live, nutritious daily diets and adequate incomes and services."

LETTER FROM MR. MILTON BERLINGER

DEAR MR. WYDLER: Allow me, at this time, to thank you for selecting me as your Senior Citizen Intern, and thereby afforded me the opportunity of seeing firsthand our legislators in action.

One of the most important things that I have found during my stay in Washington is that the public has thru ignorance a complete misconception of their elected members of Congress. I was most fortunate to have been able to have had private conversations with several legislators and have found them to be most cordial, courteous and willing to discuss with me their thoughts for the advancement for the betterment of the elderly and they are only too glad to hear from them as to their ideas for their betterment. Unfortunately bureacracy works very slowly. Thru no fault of the legislators there are rules and regulations that must be followed and no amount of talking by them will change it. Firstly bills are discussed with a committee, then it is gone over, then taken out of committee, changes made and then again offered and this goes on and on until in their opinion it is right and again re-offered.

At this time it is useless to comment upon the various bills of major legislation affecting the elderly, because they are all tied up in hearings, etc. However, there are great things in store for the Senior Citizens, such as Reauthorization of the Older Americans Act, Home Health Care, Medical and Medicaid Reimbursement Reforms which would include payment for medical appliances in medicare, and many, many more bills.

Upon my return to Long Beach, New York, I shall make every effort to assure the Senior Citizens that their elected legislators are doing everything in their power to pass laws that will be of benefit to the elderly.

In conclusion, I would like to see that there should be a permanent intern program for the years to come, and the creation of a Comprehensive National Health Insurance Program as it will significantly improve the quality of life for all Americans. We, the older Americans are alive and well, do not pity us but give us more opportunity and respect. Do not count us out.

My many thanks to you and your staff for the many courtesies shown to me and Mrs. Berlinger.

Very truly yours,

MILTON BERLINGER.●

● Mr. CORNELL. Mr. Speaker, I am pleased to join my colleagues in this special order about the Senior Citizens Intern Program. This program enables older Americans to see firsthand how their Government operates. The record number of interns this year is indicative of the popularity and effectiveness of the project. Congressman HILLIS is to be commended for his foresight in establishing the Senior Citizens Intern Program.

Mrs. Emelyn Heins of Tigerton, Wis., was selected as the 1978 Senior Citizens Intern from the Eighth District of Wisconsin. A retired teacher, Mrs. Heins has been active in senior citizens' affairs, serving as the minibus coordinator for Shawano County and as a charter member of the Senior Citizens Club of Tigerton. My constituent has also been active in volunteer work for the elderly.

Mrs. Heins has provided me with her observations about older Americans and the Senior Citizens Intern Program, and I would like to include her statement for the RECORD.

STATEMENT OF MRS. HEINS

My experience as part of the Senior Citizens Intern Program was an educational and enlightening one for many reasons.

At the beginning of the program, we were all strangers, but it was amazing how we developed a comradeship and fellowship for one another after only a few days. I have made several friends as a result of the program with whom I am keeping in touch.

Perhaps the good feeling we all had came from the knowledge that we had a common aim: to understand Congressional plans for older Americans. The amendments to the Older Americans Act of 1965 will bring more comfort and hope for the future for the elderly, provided, of course, that these amendments are carried out conscientiously.

I realize that many strides have been made in the last ten years such as low-cost housing, meal sites, mini-bus services, health and legal assistance, and programs to aid low-income elderly such as SSI. Of course, there is room for improvement, particularly in regard to the impact of taxes and inflation on the elderly. I also believe we must improve the status of senior citizens in society by increasing respect and consideration for older people. Of course, we can't do this through legislation, but through a shift in public and personal attitudes toward senior citizens.

We learned through our internships where and how to apply for help if we need assistance. Somehow the speakers made us feel that we are not the forgotten generation.

There are thirty-three million people over sixty in America. I have a feeling they will be taking a longer and harder look in the future at what the congressional and executive branches of government are doing. They certainly will have a terrific vote impact.

For myself, I wouldn't have missed my intern experience for anything. It was broadening and certainly interesting. I learned a great deal. It also made me feel that, although I do quite a lot of volunteer work for the elderly, I can still do more to help someone less fortunate than I.●

● Mr. EVANS of Indiana. Mr. Speaker, as a member of the Aging Committee, it is a pleasure to join in this special order to pay tribute to the participants in this year's senior citizen intern program. I am pleased to have had the opportunity to join in this worthwhile project for the past 3 years and I want to commend Congressman BUD HILLIS and his staff for their continued hard work in coordinating such a program.

This year the Sixth Congressional District of Indiana was fortunate to be represented in the senior citizen intern program by an outstanding couple. Frank and Dorothy Muncie of Plainfield, Ind., brought with them a sincere desire to absorb as much information as possible. They took home a wide knowledge about numerous Federal programs designed to enhance the life of senior citizens. As a result of meetings and seminars with experts from Government agencies and private groups, they have a far better understanding of the legislation that affects seniors. The Muncies' experience indicates the value of the 2-week senior citizen program.

Not only are the Muncies benefiting from their Washington visit but it has been of great value to all of the seniors in the sixth district with whom the Muncies have shared their experiences and their knowledge. My staff and I learn more each year from the senior representatives by exchanging ideas and opening channels of communication between Washington and home.

Again this year, I was impresesd by the quality of the senior citizen intern program and I look forward to participating in the years to come. This program continues to make us aware of the problems and the potential of America's older citizens.●

● Mr. BARNARD. Mr. Speaker, this House has seldom made a better investment than it did when many of us sponsored senior interns this spring. John Williams, the intern my office sponsored, within 2 weeks of the end of the program gave two seminars to gerontology students at the University of Georgia, and has since given a number of speeches to a wide variety of groups. Very shortly he plans to begin a tour of the senior citizens centers across my district to inform others what is and is not available to retired people. From what I hear from other congressional offices, John is not unique in his activities, and many other participants in the program have spread information to all types of groups in most parts of the country. To achieve anywhere near this coverage by other means would have cost far more than the small sums spent for the senior intern program.

John is one of the most able persons for this work I have met. A retired Air Force colonel, he went on to get six academic degrees ranging from a Ph. D. in public health to a bachelor of fine arts, and expects to get a certificate in gerontology from the University of Georgia this August. In addition to his lectures and a book he is writing on aging, he is active in the Magnolia Senior Citizens Center and the retired senior volunteer program. He has also recently staged a one-man show of his paintings, graphics, and sculpture at the University of Georgia library. But it would be misleading to depict John as just an educator and artist, for he was also a swimming coach until quite recently.

This is the quality person that has been attracted to the senior intern program and they can be a great help to us in solving a great problem that will face this country in the very near future.

Mr. Speaker, the number of persons over 60 will steadily increase over the rest of the century. Although many of them will continue working far beyond the traditional retirement age of 65, still more will suddenly find themselves without a day-to-day job for the first time in decades. This country will lose tremendous investments in skills, education, and experience if we let these people who still wish to contribute something to society stand idle. We must prepare now programs and opportunities for them to use their skills to teach or work in a way that will be beneficial for both them and us. This means not just volunteer programs that imply that the experience they have is not worth paying for, but sound opportunities that let them retain

dignity and prestige while tailoring their work to their own desires and strength. Everyone in this room will face the question of whether we just retire and wait for death or move into a new phase of our lives that has its own new rewards and achievements. For most of us this question will come up sooner than we really expect, and we must begin now. The senior interns can be a very valuable source of information and inspiration for us in this work.●

● Mr. FITHIAN. Mr. Speaker, this is the first year that I have participated in the congressional senior intern program and I have found this to be an extremely worthwhile experience. I was encouraged by the professional and qualified applicants from the Second District of Indiana and believe that these people are essential in the process of using and improving government and private programs for the elderly. Mr. George Davisson and his wife Gladys from Chalmers, Ind., participated in the Internship this year. I would like to include a statement by Mr. Davidson in today's CONGRESSIONAL RECORD.

CHALMERS, IND.,
July 5, 1978.

Congressman FLOYD FITHIAN,
Second District, Indiana,
Washington, D.C.

DEAR FLOYD: Gladys and I thank you for the opportunity to participate in the 1978 Senior Intern program. Words cannot express how meaningful it was to us to be a part of the lawmaking process in a small way for a short time. The most rewarding part of the program to me was the hours I was able to spend in your office. It was there I was privileged to observe, at first hand, the dedication to duty of you and your staff. I can now testify that the often heard opinion that our lawmakers do nothing but waste our tax dollars, sit on their behinds and draw their pay is false. I hope other members of the House and Senate are equally conscientious in their daily deliberations.

A word about your staff. Each one in Washington and Lafayette was anxious and able to help us in every way. It was refreshing to work with a group of young people who care about what they do. A special thanks to Susan Clark for arranging our trip. The constant asssitance of Cathy Grealy made our stay in Washington most rewarding.

I believe the 1978 program accomplished its objective of giving we interns a broad overview of the legislative process, with proper attention being given to areas of concern to the elderly. Considering the problems created by such a large group plus the fact that it was an added duty for those responsible for the planning and supervision of the two weeks, I do not see how it could have been improved. These young ladies and their employers earned and received our thanks:

Donna K. Norton-Congressman Hillis.
Chris Clary-Congressman Sisk.
Joanne Ross-Senator Roth.

These are my thoughts regarding the value of the program. Without question the one most benefited is the intern. I have found it next to impossible to convey to others how much the total experience has meant to me. I believe the presence of a large group of concerned elderly in and around the Nation's capital is meaningful. The fact that a Congressman sponsors a Senior Intern does not go unnoted. The attendant publicity has made people more aware of your interest in listening to the voices of the seniors, they talk favorably of this. Hopefully the committee we are organizing will provide the quality of feed-back that will be valuable. It will probably require another year or two to realize maximum benefit from the intern program, therefore I urge you to continue your participation.

I have a few suggestions related to future sessions:

1. Establish permanent staff. Provision of a modest full-time staff is an absolute necessity if the program is to survive.

2. Limit size of each session. With a staff and help from former interns a schedule of concurrent sessions might be developed. Also it may be possible to have several groups each year.

3. Reduce subjects covered. As an example: Social Security general policy and procedures are covered in the "blue book" besides most interns are drawing SS.

4. Allow more time in sponsors office. There is where you really find out what is going on.

5. Provide more guidance on use of internship. This was an overriding concern of mine and of other interns I talked with. Perhaps one or two former interns could share their experience with the group.

6. Facilities. Make every effort to find adequate space with good acoustics.

I have two concerns. One relates to size of staff suggested in (1) above. Modest means a very few people to me. To HEW with a staff of 150,000 it might mean something different. The other has to do with the funding for intern expense. I believe it should stay as is. Each sponsor should make the decision to participate based on the value of the program to him or her. If it would be directly funded every member of the House and Senate would get on the bandwagon thus some 600 would be in the program each year—an impossible situation.

Best wishes for you in the upcoming election. You have our full support.

Sincerely,

GEORGE L. DAVISSON.●

● Mr. KRUEGER. Mr. Speaker, I would like to say a few words about my experience with the senior citizen congressional intern program.

I, like most congressional Members who acted as a sponsor in the program, value the time spent with my senior citizen intern, Mrs. Frances C. Insall of San Antonio.

Mrs. Insall was a knowledgeable, energetic and articulate addition to my Washington office; her presence reaffirmed my confidence that senior citizens can be among our youngest citizens at heart.

Mrs. Insall came to my attention as a result of a spirited letter she wrote to me protesting the civil service mandatory retirement rule. At age 68 Mrs. Insall serves as a highly capable public information specialist in the Fifth Army Public Affairs Office at Fort Sam Houston in Texas. She holds a position of responsibility and, after 20 years of service, does not want to be forced out of the job market. She wrote to ask if I would help another Texan, Alan K. Campbell, to "scrap the retirement-at-age-70 rule."

As I have said, Mrs. Insall was an able intern and I am grateful to her for contributing considerable expertise to my Washington office. I say contributing, because I was unable to pay Mrs. Insall a salary. With a congressional district the size of the State of Pennsylvania, which requires considerable district staffing along with the Washington office, all my allotted congressional job positions were filled.

This brings us to the larger question of funding for the senior citizen intern program. It is my understanding that legislation for this purpose will soon be forthcoming, and I would support legislation to provide some funding. While I believe inflation must be controlled by cutting the Federal budget deficit, and I have introduced legislation to do this, the senior citizen intern program would not necessarily require massive funding and could produce far-reaching educational benefits.

Yesterday I received a letter from my senior citizen intern, Mrs. Insall, which included a summary of people to whom she has loaned the literature she brought back to Texas from the congressional senior citizen intern program. Mrs. Insall has been an active spokesman on behalf of the program. And, as a result of this exchange of information, a new senior citizen activity idea in San Antonio is taking shape. Other senior citizens are benefiting from the knowledge of the legislative process Mrs. Insall obtained, and as a result, may now know where to turn when they need help with regard to governmental concerns. Similar things are, I am sure, taking place throughout the Nation, wherever senior citizen intern participants are acting as good-will ambassadors for the program.

Fortunately, Mrs. Insall was willing and capable of paying her own expenses to participate in the program this year. She was, however, able to stay only one week in our Nation's Capital. Countless other senior citizens could not have afforded, under any circumstances, to do this much, and this is one reason I believe funding for the program is necessary.

We should open our congressional doors to people with as varied backgrounds as possible, and legislation now being written would help accomplish this. I urge my colleagues to indicate their understanding of the problems our senior citizens face, and to express their willingness for the continuation of this educational program, through support of the senior citizen intern legislation when it becomes before the House of Representatives.●

● Mr. RHODES. Mr. Speaker, I am extremely pleased to have the opportunity to comment upon my experiences with the senior citizen intern program.

This was the second year that a constituent from my district and I were able to exchange ideas, share experiences, and partake in this valuable and enriching program.

Often in the past intern programs have been characterized by lack of coordination and actual substantive results. This has not been the case with the senior citizen intern program.

My intern this year, Harry C. Cooke, and his wife, Nancy, thought the intern program was very worthwhile and that it gave them the opportunity to view the various departments and share ideas with other interns from throughout the United States. Seeing our Government in action firsthand, through the cooperation of the department that work with and represent the senior citizens, made

the intern program a successful and rewarding experience.

With such fine results in the second year of this program, I look forward to participating again in 1979, and urge every Member to share in this extremely worthwhile program.●

● Mr. HUGHES. Mr. Speaker, I, too, would like to add my support for the senior citizen intern program. This year, I was privileged to participate in the senior citizen intern program established by our colleague, BUD HILLIS. The experience was a rich and rewarding one, not only for me and my office, but for our senior citizen intern as well. What began 6 years ago on an informal basis, bringing active and community minded older people to Washington for an extensive and intensive exposure to the congressional process deserves our continued and enthusiastic support.

In fact, I would like to see the senior citizen intern program attain permanent status by making special funds available to each Member of Congress specifically earmarked for paying a senior citizen's expenses for the 2 weeks he or she is in Washington. This would give every Member the chance to utilize the special talents, maturity and enthusiasm that an older person brings to the internship. I have cosponsored legislation to do just this. The total dollar figure for institutionalizing the program is quite small when weighed against the benefits that a program of this kind brings. It has both short and long-term benefits that work to the mutual betterment of senior citizens and the Congress.

It is easy to become isolated in Washington. We are constantly bombarded by experts in the geriatric field eager to shower us with their expertise on the special needs and problems of the elderly. Many of these suggestions ultimately find their way into our statute books in our efforts to do the right thing for the fastest growing segments of our population.

But Mr. Speaker, we are missing the surest bet of all if we do not go directly to the source, senior citizens themselves for some wisdom and guidance on what laws should be enacted and what others should be repealed. The senior citizen intern program also helps the older people understand more clearly the challenges facing legislators working with a limited amount of dollars and trying to stretch them as far as they will go to meet the needs of the American people in a rational fashion.

I am delighted that I had the opportunity to participate in the 1978 senior citizen intern program. It is my hope that by May of 1979 that the senior citizen intern program will be available to all Members of Congress who care about the special needs of our elderly and who want to become involved on a firsthand basis with active and enthusiastic senior citizens in a mutually beneficial relationship.●

● Mr. MANN. Mr. Speaker, again this year I had the pleasure of hosting a participant in the successful senior intern program. Mrs. Florence E. Mitchell is director of information, Referral and Outreach for Senior Action Inc., Greenville, S.C., which deals with people 60 years and over. Mrs. Mitchell joined my staff for a period of 2 weeks and has written to me describing her impressions of a short, but productive look at our Government in relation to the needs of the elderly. She said:

I found the experience to be both informative and enriching. Informative because it afforded an opportunity for me to see more clearly the legislative process and ways in which we, as concerned citizens, can play effective roles in the planning and implementation of programs designed for the benefit of senior citizens. Enriching, because of the opportunity to meet people from throughout the United States and to realize that each of us had come together with one goal—to pledge support and interest in helping solve the problems that are unique to the elderly, and the desire to share ideas with one another of how each State and local community were meeting the needs. They were truly a concerned and caring group who obviously not only gave of themselves at this time but pledged to return to their respective communities committed to renewed efforts and involvement.

It was obvious that much thought and effort went into the planning and implementation of the program. Much credit must be given to Ms. Donna Norton of Congressman HILLIS' office and members of her committee. Each session was given much thought and preparation and the programs proved to be of excellent quality.

Although each program presented was of interest to the group, we each had individual concerns. As Director of an Information, Referral and Outreach program under Title III that deals with senior citizens at the grass roots level, and a senior citizen, my interest is in the field of Home Health Care, Extended Home Care and Medicare. Through surveys, it has been determined our elderly are living longer and though many are in good physical condition and may not require services, there are those who become physically handicapped or frail and unable to maintain themselves in their own home without supportive assistance from agencies in the community. My concern is in the field of Extended Health Care in the home that would prevent institutionalization. Senator Dominici of New Mexico has introduced a bill, S2009, that addresses itself to this problem. I would strongly urge each member of Congress to give this bill serious consideration. Although we do not like to place a price tag on the health of our elderly, the question will inevitably arise regarding cost. Institutional cost would far outweigh Extended Health Care in the home as Nursing Home costs are rising at a rapid rate averaging $800–$900 monthly.

Medicare has been extremely beneficial to many and I have, as many others, only a quarrel with the fraud and abuse of the program. Now that a bill has been approved and passed regarding increased penalties and creating a fraud unit in the Justice Department, perhaps this will eliminate many problems.

This internship gave me an insight into what our Federal government is doing and has done for the elderly. We have covered great distance, growing from a $5,000,000 budget to the present $462,000,000.

The time has come for us to interpret to others that the Federal government cannot be "all things to all people". We must awaken the concerns of local government and communities.

It is clear that our job as 1978 Senior Interns is to return to our respective communities, dedicated to bringing this message to these respective people and see that existing programs are implemented in the correct way.

Where but in America could so many be invited to the seat of their government to gather and discuss openly the function of the government and how it affects individual lives?

May I deviate a moment to say how impressed I was with your staff members. They were most hospitable and certainly committed to doing a quality job. I commend each of them for them for their concern and dedication.

Thank you, Congressman Mann for these two weeks. I pledge my support in bringing the information to my community and will continue to direct my efforts toward improving the quality of life for senior citizens.

I found the mutual exchange of ideas to be beneficial to me and my staff since it is always helpful to have contributions from sources close to the heart of an area of concern. Mrs. Mitchell is an excellent representative of the senior citizens in her community and her insight will do much to lift the awareness of the people of Greenville.●

● Mr. ROBINSON. Mr. Speaker, it was a pleasure for me to join again this year in sponsorship of the senior citizen intern program. The number of applications I received was substantially higher than in previous years, and it was most difficult for me to arrive at a selection from among the many enthusiastic, active older Americans who applied from the Seventh Congressional District of Virginia.

My intern, H. Denis Hoover of Stephens City, Va., is a highly respected retired educator, who now not only serves as an adviser to officially constituted area agencies serving the elderly, but also is engaged in numerous voluntary private sector programs dedicated to improving the quality of life for our senior citizens, whether employed or retired.

Recently, I received a letter from Mr. Hoover in which he expressed satisfaction with his experience as a senior citizen intern for a period of 2 weeks and stated that he had "obtained a great deal of information, tapes, and literature that I can supply to our local organizations, which will be most beneficial locally." In his letter, Mr. Hoover offered some frank comments, as I was glad to have him do, and I include, as of interest to other sponsors of the program, an excerpt from his letter:

It was an experience to just learn your way around in the city and in the Government offices and buildings.

Two weeks was a long time to have one speaker after another talk to you. The group was, I felt, too large for good communication. Many older people have trouble hearing and in a large audience this compounds the problem of understanding.

I think it would help if you knew in advance some of the questions and interests of people who would attend.

It would also help if speakers would identify themselves properly and explain thoroughly just what they were trying to get across. Some did this very well, while others did not make much sense to me.

Last, but certainly the most important thing, I suggest that Law Makers who sponsor Senior Interns make time in their busy schedules to hear these people and discuss with them their problems. You are the people

who are going to help solve these problems by the legislative process.

These are useful comments which I will keep in mind. The final one strikes me as particularly poignant. It is an unfortunate fact that the pressures of the schedule here, with respect to business in committee and on the floor of the House, keeps us away from our offices much of each business day, and our interns, senior or student, may see little of us and have few opportunities to exchange views with us. We should strive to do better in this regard, as the interns have much to offer us in regaining true perspectives.●

● Mr. COLEMAN. Mr. Speaker, this year I was very fortunate to sponsor Miss Ruth Huston of St. Joseph, Mo., as my senior citizen intern.

It is my strong conviction that America's elderly are a largely untapped resource of knowledge and strength. Miss Huston, a remarkable teacher and individual, proved during her 2 weeks in my office that she and other senior citizens can provide many great services to us all.

I would like to take this opportunity to share with my colleagues a letter Miss Huston sent me following her senior citizen internship:

MAY 25, 1978.

E. THOMAS COLEMAN,
Member of Congress,
Washington, D.C.

DEAR CONGRESSMAN COLEMAN: It is difficult to name a single emotion which would best describe my feelings during the sessions of the Senior Citizen Intern Program, which I was priviliged to participate in in Washington, D.C., from May 8th to May 19th. At times I felt excitement, enthusiasm, surprise, delight and pride. Often I fought back tears as I listened to the messages being brought. I am grateful to those who led us in discussions in such important areas. I was also impressed by the dedication and desire to be a vital part of the program, which were shown by the 141 participating senior citizens.

I was thrilled to spend some time in your office and see you at your work. Your staff reflect your knowledge and leadership and show evidence of the fine rapport which exists among you. Since I have returned to my home in the community where I have lived all my life, I have had many telephone calls, received many letters and been on a TV program which had to do with the Senior Citizen Intern Program. By using slides, tapes, and notes taken during the sessions, I shall share with my community the knowledge and deep concern our congressmen have for the senior citizens of America. In the weeks ahead I hope that I shall be able to attain the goals set up by this program.

I am deeply appreciative, Congressman Coleman, of your having asked me to be the Senior Citizen Intern from your district. The experience has made me and, I am sure, will continue to make a great change in my life, I wish that many more of your constituents might have the opportunity to become personally acquainted with the fine work which is being done by you and your staff.

Sincerely,

RUTH M. HUSTON.●

● Mr. SHARP. Mr. Speaker, I am pleased to have an opportunity to speak on behalf of the senior citizen intern program. My office has participated in this program for 4 years, and each year the experience has been mutually rewarding for me and for the interns from my district.

Like many Members who participate in this program, I do not serve on a committee directly involved in the initiation of legislation for the elderly. Because the senior interns who have worked in my office are participants in a wide variety of senior activities, their comments, and suggestions are particularly useful in alerting me to problems with Federal programs or ways in which they can be improved.

But most importantly, the program equips interns to help their communities learn about and participate in Federal programs for the elderly. Both of my interns this year were very excited about returning to Indiana and sharing their experience and new ideas with others. Mr. Weldon Pierce of Richmond, a retired senior volunteer program participant, and Mrs. Jo Walzer of Bluffton, the administrative assistant in Wells County for the Northeast Indiana Area III Council on Aging, felt that their trip to Washington was going to be very useful to the efforts of their organizations to expand senior services.

A great deal of credit for this program must be given to our colleague, Mr. HILLIS. He has not just initiated a program, but he and his office have spent much time and effort to make it the successful, well-run program we discuss today. It would now be only fair for those of us who benefit from this program to ease the burden on Mr. HILLIS. I would hope that such a program could be managed through existing personnel of the House or of the committees with relevant jurisdiction.●

● Mr. MAGUIRE. Mr. Speaker, it is my pleasure to have the opportunity to express my views with regard to senior citizens' internship. I cannot overemphasize the importance of getting constituents involved in our legislative process. We are forever influenced by the young through the youth internship programs, but it is much less often that we have the opportunity to hear the views of senior citizens. I, therefore, must congratulate "BUD" HILLIS and his staff for introducing this idea. By having some of the leading senior citizens here we have opened an essential channel of communication. It allows information to flow both from the Congressman to the district and from the district to the Congressman. These people are the best ambassadors we could hope for. Here, they can familiarize themselves with the Federal Government and how it operates, especially with regard to aging, the elderly, and related problems, and bring this information back to their individual communities. They can show the senior citizen groups how they can be most effective in seeing that their interests are represented.

Our senior intern this past May, Mrs. Josephine Ludolph of Ramsey, was really an asset to our office. A vibrant 70-year-old woman, Mrs. Ludolph observed, took notes, and made suggestions on how the elderly population could be better served. She participated in briefings, question periods, and discussion sessions on social security and medicare, consumer problems, transportation, and the elderly and many other areas. She is now in touch with our district office in Paramus and is working with the staff there to set up meetings with groups in the area. We feel that both a lasting bond of friendship and an avenue of communication and information has been created.

For these reasons, we urge support for this worthwhile program so that we may keep our system up to date with the needs dictated by the times and the people.●

● Mr. FISH. Mr. Speaker, this was the 4th year that I have been privileged to participate in the congressional senior citizen intern program and, without a doubt, it was one of the most successful programs yet held.

My interns, Rev. and Mrs. Robert Shellenberger of Kingston, N.Y., embodied the enthusiasm and spirit of our Nation's older Americans. Their willingness to help out in my congressional office at whatever task assigned, their keen insight into the areas where Congress has yet to enact purposeful legislation, their ability to communicate what programs are working for the benefit of senior citizens—add up to make them important and meaningful ambassadors to the residents of the 25th Congressional District of New York.

At this time, I want to thank the two main sponsors of the congressional senior citizen intern program, my colleagues from Indiana and California—BUD HILLIS and BERNIE SISK. Without them, and the capable and courteous assistance they received from Donna Norton and Chris Clary of their staffs, the senior intern program would be just a pipedream, not a reality.

However, the program is a reality that has grown at such a rapid pace that it is becoming too large and too unruly. This year, for the first time, offices were selected to participate on a first-come, first-served basis. Some offices were turned away, because of the size limitation, and I think that is unfortunate. Every Member of Congress, both House and Senate, should have the opportunity to sponsor senior citizen interns. For this reason, I have cosponsored Mr. HILLIS' bill to make this program a permanent part of the congressional agenda. I would urge my colleagues to support this resolution and make their support known to the Committee on House Administration. Without this, or similar legislation, the annual congressional senior citizen program will be severely limited in accomplishing its purpose—to educate and inform both senior citizens and Members of Congress on the unique needs and problems faced by our Nation's older Americans.

At this time, I would like to insert as part of the RECORD a statement sent me by my 1978 senior citizen interns—Robert and Louise Shellenberger. I commend it to my colleagues for their interest and information:

THE 25TH DISTRICT INTERNS—ROBERT AND LOUISE SHELLENBERGER

It was indeed a surprise to receive a telephone call early in March from Mrs. Antoinette Tennant to invite us to go to Washington for the Congressional Senior Citizen Intern Program. You had requested Mrs. Tennant, Director of the Ulster County Office of the Aging, to assist in selecting two people to be your interns for the 1978 program. Mrs.

Tennant had consulted members of the Advisory Board of the Council on Aging and the choice fell on us. We considered it a great privilege to be chosen to represent our Congressional District. Later, when we met with you in your office for a conference, we learned something of what we were expected to do. As the information kept coming and accumulating, the excitement and anticipation grew.

Opening day featured an Orientation Conference of approximately two hours. Here we had the first "hassle"—Would the President see us? If not, why not? Here we had our first glimpse of deep and basic questions: What are we here to do? And the unreasonable attitude so often encountered in trying to get things done! These same two questions popped into our minds almost every day of the conference. Oh, the need for an informed and understanding clientele!

After the orientation session, we were given an opportunity to meet the assembled Interns at a reception hosted by the AARP. There were 141 of us from 35 states, including one 88-year old (the oldest) from Michigan and one from Hawaii, the greatest distance. But none from Alaska! Here we had the opportunity to meet and talk with several of the Congressmen who have been responsible for the Intern program. And here let mention be made of one great golden thread we saw time and time again—the many people in Washington WHO CARE and are trying to do (things) for the mature American.

The following morning we really got down to work with a two-hour session of "A Legislative Update" led by Ed Howard of the House Select Committee on Aging, and Letitia Chambers of the Senate Committee on Aging. In the afternoon we had a panel of five from Administration on Aging, National Institute on Aging and National Clearinghouse on Aging. Needless to say, all these people are leaders of distinction in their field. Consequently, much information was imparted. We have better than 12 hours of tape recording and hope to pass the contents on to various groups this coming fall and winter.

We (the Senior Citizen Interns), of course, were taken on a special tour of the White House, then on to the Old Executive Office Building, across the street, where Nelson Cruikshank, Counsellor to the President on Aging, gave an interesting talk on various efforts being made to help the aging. He referred to himself as the "Hey, wait a minute" man—saying it is often necessary to point out inherent danger in a law that was meant to help. Another one who cares and is trying to help!

One of the most interesting and exciting days for us happened the first Thursday. It began at the steps on the East front of the Capitol. As the class assembled for a picture, a television crew from WNBC of New York appeared. It was our privilege to appear on "The Prime of Your Life" show in the interests of the aging and inform the Aging American of the Intern program and what it hopes to accomplish. Since returning home, we have also been briefly interviewed by Kingston station WGHQ Radio where we also aired the aims and hopes of the Intern program. As expected, we have been approached for dates to speak to several Senior Citizen groups—including our own Kingston AARP No. 2039.

We could go on this way through the whole two weeks of the program, but it would be a repetition of what we have already said. However, we do wish to make a few comments hoping they will be constructive, as intended.

First, we think the program is one of great value as a learning project. Not only of what is being done for the aging, but of the whole process of how our Government works . . . how bills are promoted and passed in both the House and the Senate . . . and how laws are enacted. We feel this is what the program is intended to be and therefore it is not a place for confrontation. Nearly every day something occurred which brought to mind the basic reason for being there—and the fact of the many people in Government who care and need the support of understanding people.

So, we come naturally to our second thought: Not Confrontation, But Learning! The program is not for the purpose of receiving or airing demands, but for the purpose of discussing efforts made, and in the process of being made, for the good of the people. Of course, there will always be some "soap-boxers" but we think the number could be cut down with more careful selection. We are of those people who do not believe in quitting because we are retired. We have a saying: "when you quit, you die!" In our work, we have seen this happen so often. Fortunately, there were several Interns who felt somewhat the same for frequently the comment was made—"get up and do something!" We advocate doing for ourselves whatever we can and as much as we can. The "soap-boxers" seem to us to be asking to be coddled. The final lecture of the class seemed to indicate the direction in discussing "Using Your Internship".

One more thought—while all the speakers knew their field thoroughly, there were some who seemed too young to have the experience to put the knowledge across to the older interns. They seemed not to have arrived at the point where, as Mr. Cruikshank, they could say "Hey, wait a minute".

In closing, we wish to thank you, Mr. Fish, for your many kindnesses and gracious courtesies, and your whole office staff as well. How at home we felt from the beginning to the end. Indeed, the low point for us was in saying "good bye" to all our new friends in your office. We hope we shall meet them all again, and often.

What a surprise! What a privilege! Indeed it was to us to be chosen as Interns! Under those circumstances what can one do except ask guidance of one's God to be the best possible representative; to disregard any personal feelings; to hear and see with an open mind; and to appraise and analyze in a constructive manner. This we have tried to do.

Thank you once again and with cordial greetings to all.

ROBERT and LOUISE SCHELLENBERGER.
KINGSTON, N.Y.●

● Mr. EILBERG. Mr. Speaker, it is really a pleasure to have this opportunity to say a few words about one of the finest and most innovative programs on the Hill; the senior citizen intern program.

For 2 weeks, one of Philadelphia's most special citizens was associated with my office. Mr. William Ross, a former leader in the trade union movement, and former president of the Philadelphia Board of Education, was a welcome addition to my staff.

Most impressive and important about our experience with Bill Ross is that he has continued to contribute to my office since the end of the senior citizen intern program. During his time in Washington, Bill developed a strong relationship with members of my staff. Since his return to Philadelphia, Bill has been able to help my staff with various problems that are common to older Americans. Further, he has given me invaluable advice on legislation that relates to senior citizens.

Bill Ross learned his way around Washington in his time here. Now, as an active member of the Philadelphia community, he knows where and how to get things done in the Washington bureaucracy. He always has been a valuable member of the community. I think that through his experience on the senior citizen intern program his effectiveness has been heightened.

A few days after he returned to Philadelphia, Bill Ross wrote me a letter expressing his feelings about the senior citizens intern program. I would like to make Bill's letter a part of the RECORD at this time. I caution my friends and colleagues in the House that one ignores Bill Ross' advice at one's own risk:

PHILADELPHIA, PA., *May 23, 1978.*

Hon. JOSHUA EILBERG,
Rayburn House Office Building,
Washington, D.C.

DEAR JOSH: The Senior Citizens Intern Program was wide in scope and well organized. Particular credit goes to Donna Norton, who has been in charge for a number of years and, along with her assistants, has operated on a volunteer basis.

Presentations were made by many government agencies and a number of private organizations involved with senior citizens. The striking fact was that so many agencies of the government are concerned with the interests of our aging population. We were given insight into the operation of these agencies and suggestions as to how local utilization can materialize.

The participants, numbering 141, from all over the country, seemed well chosen by their respective Congressmen. They were serious, had good attendance and evidently were involved in their own communities. The quality of performance of the seminar was so high that I hesitate to seem at all critical. However, certain aspects ought to be considered:

The size of the group was so large that discussion and interchange by the participants was limited. It is likely that the numbers will increase as more congressmen participate in the program.

If and when legislation materializes, consideration should be given to division of the interns into small groups in order to provide opportunity for exchange of local experiences.

After the end of the session a summary should be made available to the participants. This is not now possible because of the volunteer nature of the whole program and the lack of funds.

Attention should be given to the acoustics of the meeting rooms. Some were extremely difficult even with the use of microphones. A considerable number of participants had hearing problems.

This was an important experience for me which really added to the scope of my activities in Philadelphia. I wish to thank not only you but also the wonderful people on your staff who were so helpful and pleasant during my stay in Washington.

Sincerely,

WILLIAM ROSS.●

● Mr. VENTO. Mr. Speaker, it is a pleasure for me to join with so many of my colleagues today to emphasize the many benefits of the senior citizen intern program.

At the outset, I want to commend Congressman "BUD" HILLIS, my colleague from Indiana, for the many hours of planning and hard work that he has expended to make this a most successful program. His dedicated efforts are appreciated by all Members of Congress who sponsored interns, but most of all by the interns themselves who were fortunate enough to be able to participate in this year's program.

When Ted Schmitz, my senior intern from St. Paul came to Washington this spring, I am sure he did not know quite what to expect. But he brought along his new tape recorder, a single lens reflex camera with a built in flash, and his wife, Myrtle. As Ted indicated some days later:

My instincts were good, but I should have packed some extra vitamins to keep up with the quick pace.

When I attended the senior luncheon—the last day of the program—it was particularly impressive to sense that the 140 senior citizens who were here trudging around the Capitol attending countless meetings and seminars for 2 full weeks, still radiated enthusiasm and lots of energy. I think most of them would have gladly stayed on for another 2 weeks to tackle even more work and to gain even more insight into the legislative process and the issues so important to them.

The senior citizen intern program is an excellent vehicle to allow senior citizens—from all parts of the country—the chance to actively participate in the legislative process. The program focuses on important issues like social security, medicare, transportation, consumer protection, and housing, to name a few, which impact dramatically on the lives of all elderly persons in the United States. Most importantly, the senior intern program provides each Congressman who participated, an effective "ombudsman" who will return to the district to work actively with seniors and senior groups.

Ted said at the beginning that he and Myrt accepted the opportunity to participate, because they thought it would be an excellent chance to find out who to reach and what to do if you need help. He always emphasized that he was here on behalf of all of the senior citizens in St. Paul and that he was going to take a lot of information back to help them.

I am personally delighted that I chose to participate in the senior program this year, and I urge my colleagues to give this program their full support in the future.●

●Mr. TAYLOR. Mr. Speaker, it is my pleasure to participate in this special order in behalf of the senior intern program. Like my colleagues, I believe it has been most beneficial, not only to the participants but to the Members as well.

Our senior interns have had an opportunity to study close hand the working of their Government and we in turn have been given the benefit of their evaluation of the process.

This spring, Mr. and Mrs. Augie Willm of Carthage, Mo., served as my interns. Shortly after they returned home I received a letter from them, thanking me for the opportunity and expressing their pleasure at the 2 constructive weeks they visited in their Nation's Capital. The Willms also enclosed a thoughtful evaluation of the program that I would like to make a part of the RECORD at this time I believe it sums up pretty well the attitudes of all the participants.

The article follows:

THE 1978 CONGRESSIONAL SENIOR CITIZEN INTERN PROGRAM

AN EVALUATION

The experience of spending two weeks in the Nation's Capital observing the functions of our Government was as rewarding as it was informative. The magnitude and complexity of the task of governing more than 200,000,000 people are difficult to comprehend, even though viewed at first hand under competent guidance.

The task of putting together a program of this nature is a time and energy consuming one that was very ably done by Donna Norton, Chris Clary and Joanne Ross together with the excellent help they recruited. The amount of information made available to us was, of course, much more than could be absorbed in so short a space of time. A continuing study of the printed material and our own notes is producing a better understanding of problems of Senior Citizens and the Governments attempts at solutions.

The representatives of the various agencies who presented material to us were knowledgeable and provided some opportunity for questions and answers. Understandably, in so large a group, not everyone was able to be heard. In future programs, and I certainly hope there will be some, it would be well to arrange for smaller groups so there could be more participation. This is particularly important because of the value of exchanging ideas with other Senior Citizens. Conditions differ from one community to another, so programs need to be tailored to fit the situation; even so, discussion can be productive. Conditions may differ but problems have much in common.

Running through the presentations of the various agencies, was the idea that the success of a program was measured by the amount of increase in that agency's budget. The number of dollars spent seemed to get more emphasis than the number of people served. At the same time there was apparent a disposition on the part of the Interns present to emphasize volunteer help programs where Senior Citizens helped each other.

Specific comments follow.

I. The consensus of the Interns was that inflation is our most pressing problem. Government spending is an important factor in this. We should remember that first we are American Citizens and after that Senior Citizens. The history of our Nation teaches that we have long been able to do things for ourselves. It follows then, that programs should be with and by Senior Citizens rather than for.

II. Volunteer programs should be emphasized. Some examples: USE (Useful Services Exchange) Van Nuys, California; Community Concern for Senior Citizens, New York City. There are, of course, many others that use volunteers with no Federal Funding. Our Carthage Meals On Wheels program (there are many other such) is entirely volunteer and is self-supporting. Senior Citizens value the dignity that comes from paying their own way. It should be noted that no one has ever been denied this service because they were unable to pay the small charge.

III. The number of programs for Senior Citizens currently funded by the Federal Government is staggering. According to the pamphlet "Federal Responsibility to the Elderly" consisting of charts compiled by the Congressional Research Service of the Library of Congress, there are 52 programs for the elderly under the direction and control of the following Departments, agencies and commissions:

Department of HEW	19
Department of Agriculture	2
Department of Labor	4
Department of Transportation	4
HUD	10
Office of Revenue Sharing	1
Veterans Administration	3
Action	4
Community Services Ad	1
Legal Services Corp	1
RR Retirement Bd	1
Small Business Adm	1
US Civil Service Comm	1

On the face of it, there must be vast duplication of effort and expense in such extensive and confusing programs. The solution would seem to be in reducing the number of programs so that duplication of effort would be curtailed if not eliminated entirely. Emphatically, it should not result in the creation of another agency on top of those now existing.

Another major problem arises out of the futile attempt to write a set of regulations that apply equally in Carthage, Missouri; Hominy, Oklahoma; New York City; Charleston, South Carolina; Hidden Hills, California; Bemiji, Minnesota and Yakima, Washington. The conditions that exist in these widely different communities make it impossible to lay down procedures that are universally applicable. The ideal solution, of course, is to permit local governments to deal with their local problems in their own way. It is recognized that, as long as the Federal Bureaucracy drains off the vast amounts of local funds that it does, this ideal solution is a forelorn hope. A way must be found to permit much greater control of these programs by local people who know much more about local conditions than anyone so far removed from the scene.

An additional major problem is the concept, widely held, that all programs for the elderly are for the economically deprived. While it is true that many Senior Citizens are living at a subsistence level and need financial aid, it is equally true that many more are capable and willing to supply all their own needs. Why has the term "means test" become anathema? Why should anyone who has reached age 60 (only qualification) be supplied with goods and services at the cost of taxpayers? No one would deny help to those unfortunates who need supplemental income in order to live decently. The nutrition program is an important part, but only a part, of life enrichment programs.

If it is permitted to become philosophical for a moment, two propositions are apparent:

1. "Man does not live by bread alone."

2. Each is entitled to the dignity that comes from paying his own way.

IV. It is to be hoped that a way can be found to continue the Intern Program. The problems of the aged and aging have not yet been solved. Much has been done, much remains to be done. It seems that the greatest resource for dealing with this matter has been largely unused. There is a vast amount of experience, mature judgment, administrative and executive skills available among the many retired people who are looking for a way to use the abilities they have and to occupy their added spare time constructively.

For many years, the hospitals of our country have been using Auxiliaries to perform services for patients on a purely volunteer basis. These good ladies release nurses for the duties for which they were trained. Many other organizations multiply their professional staffs by using volunteer help. Many of these organizations are already serving Senior Citizens in their own quiet way.

A continuation of the Intern Program with greater emphasis on the input from Interns would be helpful in extending such volunteer services to other areas. Because of the growth of the Program, the group has reached a size that is unwieldly. Certainly, there is a way to break up into smaller groups to explore areas where volunteer, local groups of Senior Citizens can be most effectively used. The benefits derived from this exchange

of ideas would go far to justify the continuation of the program.

One of the important benefits in the existing arrangement is the wide diversity of background and philisophy of the people involved. Not only did they come from widely separated areas of our Nation, but they came from a variety of home and economic situations. Their various work experiences were also helpful in giving a broad view of the needs of the people. It should be possible to keep this broad base and still meet in smaller groups for a part of the sessions.

Respectfully submitted to: The Hon. Gene Taylor, Representative in Congress, Seventh District of Missouri. June 7, 1978. By Interns August C. Willm, Jr., and Dorothy M. Willm, Carthage, Mo.●

● Mr. RICHMOND. Mr. Speaker, it is a pleasure after my 4th year of participation in the congressional senior citizen intern program to be able to reiterate my wholehearted support for this program.

From its small beginning 6 years ago, this program has grown under the careful direction of my good friend and colleague, Representative BUD HILLIS into one of the most valuable opportunities for contact between Members of Congress and the senior community.

The senior intern program has become so helpful both to Member and intern, because of the high quality of the interns. Every senior intern has been a welcome addition to my office staff. Their clear presentation of the concerns of America's elderly are invaluable to me.

Most important, the participants in this program—senior citizens active in programs for the elderly in the district—are able to transmit without any distortion or illusions those concerns most vital to our Nation's elderly. When they return to the district they are able to share their experiences with the community from their unique perspective of personal involvement in the workings of Government.

Any program that facilitates communication between the people and their Representatives can only strengthen our democracy. The senior intern program performs admirably, both in involving the elderly in their Government and in giving all participants—Members of Congress and interns—a change to reexamine existing programs and to define our goals for the future.●

● Mr. JOHN T. MYERS. Mr. Speaker, I am pleased to rise in support of the efforts of my good friend and distinguished colleague from Indiana (Mr. HILLIS). As a cosponsor of House Resolution 673 and a participant in the senior citizens intern program for 2 years, I wish to congratulate BUD for the outstanding work he has done in behalf of this useful endeavor.

The senior citizens intern program is one of the most useful exchanges between a constituent and a Member of Congress that we could have. This program would be enhanced if it were officially recognized and authorized by the House, just as the summer intern program for college students is now.

While only a handful of individuals now participate, thousands of senior citizens all over the country benefit from this program as the knowledge the interns acquire is passed on and shared with their peers back home. This program is unique in that it focuses entirely on the problems of the elderly and possible solutions to those problems. Last year, senior citizen interns attended seminars dealing with such subjects as housing for older adults, long-term medical care, physical fitness, crime, and consumer problems as well as meetings about the organization of senior citizen activities on the local level. Most importantly, the interns learned firsthand of the various agencies and programs on the Federal level which assist the elderly. It is a most valuable education which is shared by many when the interns return home.

The participants in the program represent a cross section of America's elderly, coming from all parts of the country and from widely varied backgrounds. Thus, they are able to provide the formulators of senior citizens programs, both in agencies and in Congress, with valuable information as to the feelings, problems, and needs of their peers. In turn, interns can take home with them a better understanding of how their Government works and ideas as to what might be done to improve the lives of their fellow senior citizens.

This is a worthwhile program which is truly deserving of recognition by the full House.●

● Ms. KEYS. Mr. Speaker, I would like to thank my colleague Mr. HILLIS and his staff member Donna Norton for all the care and hard work they have put into creating and sustaining the senior intern program. The effort and dedication of all involved in the planning has made the program a rewarding experience for the senior interns and each participating office.

This was the first year that my office has taken part in the program, but we will plan to join it again each year hereafter. Clearly the presence on the Hill of these senior interns goes a long way toward creating Government programs for the aging that fit the actual needs of older Americans. The senior interns from Second District, Kansas, provided ample illustration of current program shortcomings from their own experience in helping to administer such local concerns as senior citizen centers and nutrition programs for the aging. House passage of the Older Americans Act Amendments the week after the senior interns left shows how their input can help to fine tune legislation to real needs.

Special thanks are due to all the interns who participated and shared their viewpoints so freely with us. Although the Washington leg of their internship is over, the most important work still lies ahead as they carry their experience and learning about the legislative process back to their own communities and share it with others.●

● Mr. DRINAN. Mr. Speaker, I am pleased to participate in this discussion of the 1978 senior citizen intern program. Our colleague, Congressman BUD HILLIS is to be commended for initiating this program and for arranging this time for us to talk about our experiences with the program. Through this discussion we hope to focus attention on the need and usefulness of establishing a formal congressional internship for older citizens.

Since its beginning in 1973 the congressional senior citizen intern program has emerged as a major event in May—the month designated to honor our Nation's older citizens. Although the program rapidly expanded from 11 interns in 1973 to 146 participants this year representing 100 congressional offices, we do not seem any closer to the establishment of a formal internship program. This yearly event is now a massive undertaking, requiring a good deal of planning and staff support. We can no longer expect Congressman HILLIS and his staff to coordinate and administer this event.

Ms. Donna Norton, the able and dedicated staff assistant to Congressman HILLIS who has orchestrated the intern program over the years, is to be commended and thanked for the program's success this year as in year's past. Without her untiring efforts and those of other staff involved in the program we would not have seen the emergence and continuation of this highly successful venture.

Much has already been said of the program's success both for participants and sponsors. The program provides an opportunity for older citizens to develop a better understanding of the executive and legislative branches of Government. The participants take what they have learned and put it to practical use when they return home.

Given the abundance of Federal laws and programs affecting the older population, it makes sense to offer this type of exposure to the processes of government.

Older Americans are uniting to bring about an end to age discrimination, an end to both economic and social isolation and an end to the alienation which confronts all too many citizens when they are forced to withdraw from the mainstream of life. A program such as the senior citizen internship puts substance behind our words of support for these efforts. It provides a familiarity with the workings of Congress and the agencies which must be used in bringing about a change in the treatment of older Americans.

This year I and my staff were glad to have Ms. Eleanor McBreen join us as a senior citizen intern. Besides being an advocate in her community of Waltham, Mass. for the concerns of older citizens she is also involved in efforts to assist the hearing impaired. For many years she directed the speech education program in the Watertown School system. The shortcoming of the program for her was that there was not sufficient time to delve into issues of importance to handicapped as well as older citizens. I also wish that we had further opportunity to involve Eleanor in office projects in the same way that LBJ student interns are assigned various legislative tasks. Though Eleanor like the other senior interns had a specific interest in

issues affecting older Americans, her interests were not confined to those areas.

I hope that by May of 1979 we will have adopted a formal program so that older citizens like the many young students who participate in Washington internships, will have an opportunity to visit Washington to receive firsthand knowledge about the workings of Government.●

● Mr. BROYHILL. Mr. Speaker, this was my first year to participate in this program. The program was extremely informative and well coordinated and provided me the opportunity to have an exchange between me and my constituents. It also gave the interns an opportunity to learn more clearly the operations of the Congress and to gain information on the various programs designed to help the elderly.

The senior citizen interns from my district were Mr. and Mrs. Earl Schrum. He is 84, she is 74. They are active in the community. She is president of the Senior Citizens Club of Hickory. He grows roses and has over 500 rose bushes. Both are very active in the church and in community activities. They have been married only 2 years.

Although the 2-week program is short, it is extremely well coordinated and provides the participants with information and knowledge which will be beneficial for a long time. More importantly, while only a few individuals actually participate in the program, these individuals go back home and share their information with others—thus elderly citizens from all over the country are benefiting from this program.

One important aspect of this program is that it brings together concerned citizens and government representatives so that there can be an exchange of ideas and so that interns' questions can be answered.

I was especially pleased to participate in a program which is helping to bring the senior citizens and those in Government closer together. The seminars can serve as a learning process for those of us who serve as elected officials. We should not forget our elderly and we should continually review the needs of the elderly in our communities and Nation. We should communicate in every way possible with our senior citizens. They know the concerns of the communities and their ideas prove extremely helpful to me as I work here in the Congress.

I commend Representative HILLIS and Miss Donna Norton, the program coordinator, for their outstanding effort and for their successful program. I support efforts to create a permanent, official senior citizens intern program.●

● Mr. MAZZOLI. Mr. Speaker, I was very interested and pleased to learn that nearly twice as many congressional offices participated in the 1978 senior citizen intern program as did last year, representing 100 Members of Congress.

Joining 145 other interns this year was Mr. Aaron S. Slaughter of Louisville, Ky., whom I was proud to welcome to Washington as my intern from the Third Congressional District.

Mr. Slaughter worked with International Harvester for over 20 years and currently serves as vice chairman of the United Auto Workers' Retired Workers International Advisory Council. He is an active member of the Lampton Baptist Church and is working hard to advance the interests of older Americans through his memberships in a senior citizen association and lobby group. He serves on an advisory committee to the Kentucky Secretary for Human Resources.

My staff and I were greatly enriched by our contacts with Aaron while he was here in Washington for his internship. I feel most fortunate to have had the opportunity to meet with him while he was here, and I look forward to working with him in the future. My staff and I all learned a great deal from him.

Aaron has sent me his thoughts on some of the subjects of concern to the elderly that were taken up in the daily briefing sessions during his internship. I would like to share them with you:

Nursing Homes/Long Term Care: It is common knowledge that many of the nursing and long term facilities are not ideal dwelling places for our Senior Citizens. I feel that if there was a Federal law that required unannounced inspections of these facilities this would encourage the owners to operate such facilities at a higher level of care for all who seek and need the service.

Housing and the Older American: Nothing new really came out of this session although we all agreed that housing for the elderly should be more economical. More housing should be available, and located well within range of health care services. All housing for the elderly should be built with the latest safety and security equipment available and, above all, the qualifying level should be lowered for older people to occupy these places.

Transportation and the Elderly: I do agree that transportation for the handicapped and elderly has greatly improved in the cities in recent years. There are thousands and thousands of Senior Citizens that are not so fortunate, such as those that live in the hill country, swamp lands, desert lands and mountain areas. The accessibility to public transportation for many Senior Citizens in these areas is nonexistent. But, whenever the question arises, "Why isn't there transportation for these people?" the answer is: "Where will the money come from?"

Social Security and Medicare: Many Senior Citizens hold onto the idea that Social Security is going broke and out of business. There should be a national effort to get the message to all Senior Citizens that the Social Security System is on a sound basis.

Medicare for the average Senior Citizen is a nightmare of complex forms that leaves them in a state of dismay and confusion.

I feel that this confusion could be eliminated by the passage of a good National Health Security bill that would cover all health related services for all Americans from the day of birth to the day of death.

The Law and Aging: There is a large population of Senior Citizens that holds onto the thought that legal assistance is only for the young and affluent, even though this is not so. Still, there are perhaps tens of thousands that are denied legal service because they cannot meet the qualifying level. This can and should be corrected.

Physical Fitness: This activity is catching on in many areas, but there are still those who exercise on their own without proper advice, which can be hazardous. We must always be on guard about the usefulness and safety of mechanical devices that are to be used by Senior Citizens for the purpose of exercising.

Mr. Slaughter then summed-up his experience as a senior intern:

This internship has caused in me a new awakening—to want to serve the Senior Citizens of this country and to try to help them live a life of dignity and peace. I could never express in writing my thanks and appreciation to you for selecting me to participate in the 1978 Senior Citizen Intern Program. This was a most gratifying experience for me. Your office staff was wonderful. It seemed like I had known them all my life. It was just like one big happy family. If we had more people in government like you this would be a better country in which to work together, worship together, play together, fight for our country together, plan together, raise our families together, love and live in happiness together and die in peace.

I would like to take time to commend my colleagues, BUD HILLIS and BERNIE SISK, for their leadership of the senior citizen intern program. I know of the time-consuming effort involved in coordinating the program each year from long before the interns actually arrive in Washington from all over the country. I want to thank Ms. Donna Norton and Ms. Chris Clary who through careful and—by this time—experienced planning and "true grit" have again done a wonderful job organizing and running the program. Thanks are also in order to Ms. Karen Poling, of my staff, and the many others who cooperated to help make the program a success.

Happily, participation in this worthwhile program has grown by leaps and bounds. However, the sheer numbers involved have made the task of organizing and administering the program a difficult one.

It is clear that we must all assist in the effort by adopting a formal internship program for senior citizens well before next May. I hope all of my colleagues will lend their strong support toward this end so that this excellent program can be continued.●

● Mr. REGULA. Mr. Speaker, I rise today to express my enthusiasm for the 1978 senior citizen intern program. I had the good fortune to have Mr. and Mrs. Myron Smith, of West Salem, Ohio, serve on my staff for the duration of the program. Their knowledge of the problems facing seniors and interest in constructive solutions made them a valuable asset to the program.

With each passing year, the Federal Government becomes more complex. This trend has stymied, confused, and obstructed the efforts of many people who work with Federal programs, thus preventing the full effect of programs to be felt. The senior citizen intern program attempts to address this problem by bringing to Washington those seniors involved with senior concerns in cities and towns throughout the Nation. During the program, interns are given the opportunity to meet with program administrators and staff people working in Washington. The many seminars at which these Government experts spoke provided a well-rounded view of what

the "Federal bureaucracy" really is and how it operates.

I recently received a letter from Mr. and Mrs. Smith reflecting on their Washington experience. I would like to share with you some of their words:

We were greatly impressed with the whole program set up for this year's Senior Interns and we are very proud to have been your participants. It was an experience of a lifetime for the average American and only a shame the majority of the rest of "Average Americans"; young and old, never get to see, know or understand much of anything of the workings of their government or elected officials.

The number of departments, committees, services, etc., at the federal level, working on programs for the Senior Citizens alone was most enlightening and gratifying to see. Only Senior Citizens know what Senior Citizens need.

Senior Citizens want to be a part of and active participants in their programs. We are a great percentage of the population and growing larger every year, and have experience in all fields and walks of life, which knowledge should be put to use for us, by us and with us.

Mr. Speaker, I believe these comments accurately express the advantages of the senior intern program. I would like to encourage all my colleagues to participate next year in this most worthwhile program.●

● Mr. ERTEL. Mr. Speaker, earlier this summer, my office had the good fortune of working with Margaret Munley of Harrisburg, Pa. Mrs. Munley participated in the senior citizen intern program coordinated by our colleague BUD HILLIS and his very able assistant, Donna Norton.

This was the first year my office participated in the program and I was struck by the many benefits it offered. Mrs. Munley, a gracious and effective senior citizen activist in my district, attended a variety of informative seminars, exchanged ideas with other active senior citizens from across the United States and helped me and my staff to better understand the needs of older Americans. Since her return to Pennsylvania, Mrs. Munley has served as my liaison with Harrisburg area senior citizens. She communicates regularly with my office and she has helped make other senior citizens aware of the role of the congressional office and the Federal Government.

We often hear our governmental institutions criticized for being remote and out of touch. The senior citizen intern program is one method of cutting the distance between Congressmen and a very important part of their constituency. For those of my colleagues who have yet to participate in this program, I recommend it to them as a program with benefits that endure long after the intern's tenure in Washington.●

● Ms. OAKAR. Mr. Speaker, it has been my pleasure and privilege to participate in the congressional senior intern program for the first time this year. My intern this year was Mrs. Toni Podojil, a vivacious lady who has been active in labor circles in Cleveland for many years. She also helped organize the senior citizens coalition, a group which has played an influential role in improving the quality of life for older Americans in the Greater Cleveland area.

The senior intern program is designed to give the participants a well-rounded view of the legislative and executive branches of the Federal Government, and the programs that directly affect older Americans. I was particularly impressed with the schedule set for the interns, as it covered such important programs as social security, medicare, transportation, housing, and consumer programs. The interns were briefed not only by staff from the Congress, but by employees of the various agencies dealing with these programs. The entire program was very well designed and well executed. I congratulate my colleague Congressman BUD HILLIS and his executive assistant Donna Norton for their fine work.

Mrs. Podojil was able to listen, and question the experts on their areas of expertise. This provided her an excellent opportunity to express her personal concerns, and to discuss the problems encountered by older people in Cleveland where she resides. The experience and knowledge gained will benefit not only her, but the many senior citizens in Cleveland with whom she works.

The congressional senior intern program has mushroomed into an intensive living learning experience that deserves total congressional support. It is not a new program, in fact, it is 6 years old. It is a success. It has grown beyond the capacity of one staff member of handle it, and it deserves our united support.

I would like to take this opportunity to again urge the House of Representatives to adopt my colleague Congressman BUD HILLIS' resolution which would authorize each Member of Congress to hire one senior intern for the 2-week program each year, and would allow for the necessary budget adjustments in the Member's gross allowance. Passage of this resolution would establish this highly successful and unique program as an official program of the U.S. House of Representatives. I highly endorse it.●

● Mr. OTTINGER. Mr. Speaker, once again the senior citizen internship program has been a great success, allowing a valuable interchange of ideas on how to best protect the interests of senior citizens. This May, I was happy to welcome Mrs. Blythe McKay of White Plains, N.Y., a very active member of the Westchester Council of Senior Citizens. Mrs. McKay led a busy and demanding 2 weeks, packed with meetings on the problems of aging and what the Government is doing to help to alleviate them.

The senior citizen interns met with Government agencies and received briefings on the legislative situation for senior citizen bills, including the topics of housing, health, social security, transportation, and consumer rights. The interns also met with different senior citizen organizations to discuss ways to coordinate action on these issues.

Mrs. McKay, in a letter she wrote after the program ended, says:

My experiences there were a revolution of learning to reflect on, for the rest of my life. I certainly shall never forget it.

I think this learning experience extends in two directions. I believe Mrs. McKay can use what she has learned and pass it along to other seniors in Westchester County. But I also believe that Congress and the Federal agencies learn from this program about the priorities and concerns of senior citizens and what they feel are the shortcomings and the accomplishments of the Federal Government in its programs for senior citizens. This kind of feedback is essential if we are to be sensitive to the needs of senior citizens and effective in devising programs to meet those needs.

The senior citizen program deserves to be supported and extended.●

GENERAL LEAVE

Mr. HILLIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order today and that they be permitted to include extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMPARISON OF TARGETS IN FIRST CONCURRENT BUDGET RESOLUTION AND A REVIEW OF MAJOR PRESSURE POINTS IN FISCAL YEAR 1979 SPENDING BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. GIAIMO) is recognized for 60 minutes.

Mr. GIAIMO. Mr. Speaker, I rise to bring the House up to date on where we are with respect to spending and where we seem to be headed. It is a scorecard on our actions to date, a look at what is left to be done, a comparison with the targets in the first concurrent budget resolution and a review of major pressure points in the fiscal year 1979 spending budget.

I emphasize that my remarks today are intended only to provide Members with a budget perspective. Thus, I will discuss only budget implications. My remarks are not directed at substantive legislative matters.

In a word, we are doing fine, but we are far from finished. This entire House is to be congratulated on its responsible actions. The chairman, subcommittee chairmen, and members of the Appropriations Committee are to be congratulated. Generally speaking, this has been a session of restraint and prudence. Cutting of spending began in this House ahead of the much-touted Proposition 13 vote and has continued apace.

We have completed action on 10 of 13 appropriations bills and we are, I am happy to say, well within the targets set by the first concurrent budget resolution. If we stay within the targets on remaining work, the projected totals will be $4.3 billion under the resolution in budget authority and $1.9 billion in outlays.

But that is far from the whole story.

First, we must remember that the remaining bills involve 30 percent of the assumed budget authority for fiscal year 1979. Second, we have some difficult choices to make in spending provided by legislation other than the three remaining major appropriations bills. Third, the Senate must complete its action and we must go to conference before we know exactly what the parameters of outlays and budget authorities will be. It is important that both Houses continue to exercise restraint. Finally, there are some dark clouds over which we have no control—most significantly, the economy, including inflation and high interest rates.

While we cannot control some economic factors and while they will have damaging effects on the deficit in themselves, we can exacerbate them or we can cool them slightly.

Our country faces continued high inflation and an uncertain economy. What we do in the six weeks between now and the passage of the second concurrent budget resolution will have great and profound effect on inflation and the economy. We must show increasing restraint and continue to be responsible or we will all suffer greatly.

I know no way to demonstrate this more graphically than to tell you that one-half of the savings below the outlay targets that we have voted here have already disappeared. In May, we assumed that the cost of servicing the debt would be $53.2 billion at an interest rate of 6.5 percent. That has already risen to a rate of 7.1 percent. None of us has a clear enough crystal ball to determine what the rate will be a week from now let alone 6 months from now. But the Budget Committee staff estimates that the cost of borrowing could be another $1 or $2 billion higher than estimated in the first resolution.

So, interest rates are melting away our hard work. They are breaking our budget as surely as they are breaking the budgets of millions of Americans. Everywhere, higher living costs plague this country. I believe that much of the so-called taxpayer revolts are, in fact, revolts against inflation, which squeezes everyone.

Clearly, inflation has become the No. 1 economic problem for millions of American families, and too much Federal spending would be a major contributor to further inflation. If we expect restraint on the upward spiral of prices and wages from business and labor, the Congress must set an example on its actions on spending bills. We have made a good beginning, but we must continue to do so or we will assuredly be well beyond the targets of the budget resolution.

Another way to feed the fires of inflation and pile up additional deficits would be to accede to the blandishments of those who would commit us now to huge cuts in revenues. The dimensions of the tax cuts that are voted in this Congress also will help to determine the economic health of this country.

I believe that the House acted responsibly in its first budget resolution on the matter of taxes. We have recognized that inflation has driven many ordinary Americans into higher tax brackets and that the simple equity of the matter is that the Federal tax burden be eased somewhat. Our decision for a tax cut of some $19.4 billion in calendar 1979 looks better and better as time goes on. It is now the official administration position as well.

But there is the call of a siren song known as Kemp-Roth. It calls for a 33-percent reduction in income taxes—a tempting morsel in an election year during which taxpayers are groaning from the economic squeeze. But it would be bad for America.

The sponsors of the Kemp-Roth proposals hark back to 1965 when the Congress passed a large cut in taxes first proposed by President Kennedy and later pushed by President Johnson. They will tell you how that tax cut helped the economy. The tax cut of 1965 did, indeed, help the economy. It was necessary to put some vigor into a stagnant economy.

But I must remind my colleagues that, in 1965, our deficit was $1.6 billion. More importantly, the inflation rate was about 1½ percent. Today, it is five times that rate and the economy is not sluggish. For the present, the economy does not need the stimulus of a huge tax cut. Indeed, fueling the fire of inflation would be the worst thing for the economy and would do a great disservice to the people.

In 1965, to win the economic game, the play called for a large tax cut. But today conditions are different because of the inflation and the deficit.

The sponsors of the Kemp-Roth have revised their own proposal. Instead of a 33-percent cut at once, they now support an 11-percent cut today and commitments for similar cuts in 1980 and 1981. The proposed 11-percent cut for 1979 itself is somewhat over that which we built into the first budget resolution.

With those words of caution, let us look again at what we have done to date, what is left to be done and where we seem to be headed in spending for fiscal year 1979.

Over $1.7 billion has been cut in budget authority from appropriations bills on the Floor of the House primarily through across-the-board cuts. These amount to $1,397 million in Labor-HEW; $180 million in Public Works; $93 million in State-Justice; $46 million in Legislative; $10 million in Transportation; and $10 million in Interior.

Some of the remaining $2.6 billion reduction from the adjusted resolution target can be accounted for by financial adjustments, which do not reflect program reductions. But overall the bills reported by the Appropriations Committee did significantly reduce the fiscal year 1979 budget in real terms. I want to congratulate the chairman, the subcommittee chairmen, and members of that committee for their restraint.

So, taking into account what the House has already acted upon and anticipating action on remaining spending at levels assumed in the first budget resolution, it is possible to project a total of $565.2 billion in budget authority and $496.9 billion in outlays. These totals are below the resolution targets by $4.3 billion in budget authority and $1.9 billion in outlays.

Beginning tomorrow, we on the Budget Committee will be working on revisions of our economic assumptions and budget estimates so that the latest information will be applied to the second budget resolution. Included will be a review of the latest information from the President, as it was sent to the Congress last week in the midsession review of the 1979 budget. We will give especially close scrutiny in our review to the extent to which the outlay shortfall phenomenon may be continuing.

But that is the good news. The bad news is that major spending bills lie ahead and the outlook is not bright.

Let me list them for you.

Highway legislation: The Surface Transportation Act of 1978 (H.R. 11733), as ordered reported, calls for contract authorizations against the Federal highway trust fund for fiscal year 1979 aggregating $7.7 billion, compared to $4.5 billion assumed in the first budget resolution.

SBA disaster loans: Congress has not enacted legislation to remedy cost control problems experienced in the disaster assistance programs. If no legislation is adopted, budget authority could increase by $2 billion to $2.5 billion and outlays by $1 billion to $1.5 billion over the amounts in the first budget resolution.

Legislative savings: The first budget resolution for fiscal year 1979 assumed about $1.5 billion in outlay savings through a series of legislative reforms. If reform legislation is not enacted, $1.5 billion will be added to outlays and the deficit. The largest of these was hospital cost containment legislation amounting to $800 million in outlays. Savings also were assumed for wage board reform, changes in the child nutrition program, social security, impact aid, and other programs. Thus far, only one small bill relating to Medicare has been enacted into law. While earlier estimates indicated $12 million in outlay savings in fiscal year 1979 from this legislation, recent estimates indicate no savings until subsequent years. Two bills for which savings were assumed have been reported in the House. However, the reported bills, affecting impact aid and child nutrition programs, if fully funded, would cost $161 million rather than save $167 million as assumed in the resolution.

Defense appropriations bill: A major share of the remaining budget action before the House is the defense appropriations bill. This bill makes up 20 percent of the budget authority in the entire Federal budget. Its size alone requires that it be regarded as a significant remaining budget contingency, and we must face the question of funding a $2 billion aircraft carrier.

Naval petroleum reserves authorization: H.R. 12557, which was not assumed

in the budget resolution, would slow down the rate of oil production from the naval petroleum reserves, producing $479 million less in Federal receipts than under current law.

Postal Service legislation: Enactment and funding of legislation similar to H.R. 7700 (postal reorganization amendments) could add $1 billion to budget authority and outlays.

I would like to include at this point in the RECORD various charts, tables, analyses, and projections in connection with the report which I have just concluded.

HOUSE COMMITTEE ON THE BUDGET—COMPARING THE FIRST BUDGET RESOLUTION FISCAL YEAR 1979 WITH POSSIBLE TOTALS (AS OF JULY 7, 1978)

[Dollars in billions]

Function	1st budget resolution (A)	Possible fiscal year 1979 totals: Already passed by the House (B)	Possible fiscal year 1979 totals: Assumed, not yet passed (C)	Possible fiscal year 1979 totals: Possible total (B+C=D)	Over or under first budget resolution (D−A=E)
BUDGET AUTHORITY					
050 National defense [1]	$128.7	$6.3	$121.4	$127.8	−0.9
150 International affairs	12.8	1.6	10.8	12.5	−.3
250 General science, space, and technology [1]	5.2	5.1		5.1	−.1
270 Energy [1]	10.4	8.9	1.6	10.4	
300 Natural resources and environment [1]	13.6	12.6	.3	12.9	−.7
350 Agriculture	12.3	6.8	5.5	12.3	
370 Commerce and housing credit [1 2]	5.9	5.8	.3	6.0	+.1
400 Transportation [1]	20.3	14.0	5.6	19.6	−.7
450 Community and regional development [1]	11.1	8.1	2.8	10.9	−.2
500 Education, training, employment, and social services [1 3]	[5] 33.7	18.3	15.5	33.8	+.1
550 Health [1 3]	52.6	50.8	1.7	52.5	
600 Income security [1 3]	193.1	192.6	.6	193.2	+.1
700 Veterans benefits and services [1]	21.3	19.0	2.3	21.3	
750 Administration of justice	4.3	2.5	1.7	4.2	−.1
800 General government [1 2]	4.1	3.9	.2	4.1	
850 General purpose fiscal assistance	9.7	8.0	1.7	9.7	
900 Interest	47.0	47.0		47.0	
920 Allowances [4]	.8	−1.7	.8	−.9	−1.7
950 Undistributed offsetting receipts	−17.3	−17.2		−17.2	+.1
Total	569.5	392.3	172.9	565.2	−4.3
OUTLAYS					
050 National defense [1]	115.7	34.9	80.3	115.2	−.5
150 International affairs	6.9	3.1	3.7	6.8	−.1
250 General science, space, and technology [1]	5.0	5.0		5.0	
270 Energy [1]	9.8	9.1	.7	9.8	
300 Natural resources and environment [1]	12.2	11.8	.2	12.0	−.2
350 Agriculture	8.3	7.3	1.0	8.3	
370 Commerce and housing credit [1 2]	3.6	3.4	.2	3.6	
400 Transportation [1]	17.8	16.6	.9	17.5	−.3
450 Community and regional development [1]	9.0	9.1	.3	9.3	+.3
500 Education, training, employment and social services [1 3]	31.4	19.5	11.9	31.4	
550 Health [1 3]	49.5	49.3	.2	49.5	
600 Income security [1 3]	160.2	159.9	.5	160.3	+.1
700 Veterans benefits and services [1]	21.0	19.1	1.9	21.0	
750 Administration of justice [1]	4.2	2.7	1.4	4.2	
800 General government [1 2]	4.1	3.9	.2	4.1	
850 General purpose fiscal assistance	9.6	8.2	1.5	9.7	+.1
900 Interest	47.0	47.0		47.0	
920 Allowances [4]	.8	−1.4	.8	−.6	−1.4
950 Undistributed offsetting receipts	−17.3	−17.2		−17.2	+.1
Total	498.8	391.3	105.7	496.9	−1.9

[1] Part of function affected by 2-percent cut amendment.
[2] Part of function affected by 5-percent cut amendment.
[3] Part of function affected by Michel amendment.
[4] All of the across-the-board cuts are reflected in allowances.
[5] Adjusted for middle-income assistance.

EXPLANATION OF POSSIBLE TOTALS BY FUNCTION

050—NATIONAL DEFENSE

A. Comparison with resolution

The possible total is below the resolution targets by $917 million in budget authority and $477 million in outlays due to reductions already made in the Military Construction and Public Works Appropriations bills.

B. Contingencies

The Defense Appropriation bill has not yet been acted on. The Defense subcommittee on Appropriations is scheduled to report after the July recess. Full committee consideration is expected on or about July 19 with House floor consideration later in the month.

The Navy recently settled ship building claims brought by two major contractors. This action could result in a supplemental funding request of $200 to $400 million.

The resolution assumes legislative action which would result in the Sale of Strategic Materials from the national stockpiles and Wage Board Pay Reform. Neither action has yet been taken, however, the Senate version of the Treasury-Postal appropriations bill would cap wage board pay increases at 5½ percent.

150—INTERNATIONAL AFFAIRS

A. Comparison with resolution

The possible total is below the resolution targets by $346 million in budget authority and $70 million in outlays due to reductions in appropriations for foreign aid.

B. Contingencies

The resolution provides for the possibility that U.S. participation in the International Monetary Fund (IMF) Witteveen Facility would slip into FY 1979 and that the amount authorized for this participation would be fully appropriated. ($1.8 billion was included in the resolution for this purpose.) For FY 1978 the President's budget assumed that the only appropriation required would be $200 for possible exchange losses. The President's budget included a FY 1978 supplemental appropriation for this amount. It now appears doubtful that any action on this program will be accomplished in FY 1978.

250—GENERAL SCIENCE, SPACE AND TECHNOLOGY

A. Comparison with resolution

The possible total is below the resolution targets by $54 million in budget authority and $9 million in outlays due to reductions already made in the appropriations process.

B. Contingencies

All anticipated congressional action affecting this function has passed the House. The only contingency is Senate action on House passed appropriations bills which involve this function.

270—ENERGY

A. Comparison with resolution

The possible total is above the resolution targets in budget authority by $45 million but below the resolution target for outlays by $30 million.

The possible total is above the resolution target for budget authority due to a lower level of offsetting receipts. This lower level of receipts is caused by a reported bill, H.R. 12557, which was not assumed in the resolution. H.R. 12557 would slow down the rate of oil production from naval petroleum reserves resulting in a loss of $479 million in receipts to the Federal government.

The possible total is below the resolution target in outlays due to reductions made in the appropriation process.

B. Contingencies

The National Energy Act (NEA) is still in conference. However, except for the crude oil equalization tax and a limited number of other programs, most of the spending programs authorized in the NEA are noncontroversial. Among these programs the NEA would authorize a $3 billion GNMA weatherization loan program, for which the resolution assumes $500 million in budget authority and $40 million in outlays; a HUD public housing weatherization program authorized at $210 million in budget authority and fully provided for in the resolution; $405 million in budget authority and $150 million in outlays to accommodate the higher cost for oil stored in the Strategic Oil Reserve. (This increase in oil costs assumes passage of the crude oil equalization tax.)

A House reported bill could cut the rate of oil production from the Naval Petroleum Reserves resulting in a loss of receipts to the Federal Government. H.R. 12557, reported by the House Armed Services Committee, would cut the anticipated level of oil production by 80% and would result in a loss of approximately $479 million in Federal receipts in FY 1979.

The remaining contingency involves Senate action on House-passed appropriations bills which affect this function.

300—NATURAL RESOURCES AND ENVIRONMENT

A. Comparison with resolution

The possible total is below the resolution targets by $70 million in budget authority and $192 million in outlays due to reductions made in the appropriations process.

B. Contingencies

All congressional action on major programs involving this function have been taken by the House. However, two programs assumed in the resolution have not yet been reported. These are: an anticipated supplemental appropriations of $182 million for forest firefighting costs and $105 million for certain recreational resources projects for which authorizations are pending.

The remaining contingency involves Senate action on House-passed appropriations bills which affect this function.

350—AGRICULTURE

A. Comparison with resolution

The possible total is below the targets in the resolution by $3 million in budget authority and $37 million in outlays due to rounding.

B. Contingencies

While assumed in the resolution, a number of farm bills are still awaiting final congressional action. These include the Agricultural Trade Act, which has not yet been reported; the Emergency Wheat Reserve which has not yet been reported; the CCC Borrowing Authority increase which is awaiting a supplemental appropriation; and additional support for agricultural research which may be added as a Senate amendment to the regular or a supplemental appropriations bill. Again, all of these possible actions are assumed in the resolution.

370—COMMERCE AND HOUSING CREDIT

A. Comparison with resolution

The possible total is above the Resolution targets by $135 million in budget authority and $24 million in outlays due to larger appropriations for SBA business-loan programs than the levels which are assumed in the resolution.

B. Contingencies

Enactment of legislation similar to H.R. 7700, the Postal Reorganization Amendments could add $1 billion in budget authority and outlays to this function. (However, as reported, the Senate companion bill to H.R. 7700 does not involve substantial increased costs.)

Many programs included in this function are sensitive to general economic conditions and are therefore subject to substantial periodic reestimating.

400—TRANSPORTATION

A. Comparison with resolution

The possible total is below the resolution targets by $702 million in budget authority and $752 million in outlays. The difference in budget authority is primarily because the House Appropriations bill assumes the use of $850 million in existing contract authority for operating subsidies previously authorized in the 1974 Urban Mass Transportation Act. The resolution assumes that all existing UMTA contract authority will be replaced by direct appropriations as recommended by the President.

The difference in outlays is primarily due to lower projections for Urban Mass Transportation programs than the levels which are assumed in the resolution.

B. Contingencies

The resolution assumes $5.5 billion in budget authority and $500 million in outlays for the highway authorization bill. H.R. 11733, the Surface Transportation Assistance Act of 1978, has yet to be reported. In its present form this bill includes an estimated $3.2 billion in budget authority and $600 million in outlays above the amounts in the resolution. This bill assumes that major program expansions could be accommodated under the existing trust fund financing mechanism. The Ways and Means Committee has yet to decide whether existing financing mechanisms will be retained or changed.

The existing $2.1 billion authorization for CONRAIL is expected to be fully spent by mid-fiscal year 1979. Additional funding ranging from $1.2 billion to $3 billion is projected in CONRAIL's new five year business plan. The House and Senate appropriations bills anticipate the $1.2 billion as a minimum need with $600 million assumed for fiscal year 1979. $300 million of the $600 million has already been included in both appropriations bills and an additional $300 million is anticipated in a future supplemental. The resolution assumes $575 million in new budget authority and outlays for fiscal year 1979.

The Aircraft and Airport Noise Reduction Act, H.R. 8729, would provide $260 million in budget authority from the airport and airway trust fund and authorizes direct appropriations of $165 million in budget authority and $35 million in outlays. In contrast the resolution assumes only $110 million in budget authority and $30 million in outlays.

The resolution assumes a supplemental request of $70 million in budget authority and outlays for AMTRAK and $275 million in budget authority and $30 million in outlays for the Washington METRO construction program. These amounts continue to be reasonable projections of supplemental appropriations for these programs. Also, the amounts assumed in the resolution for maritime transportation programs are anticipated to be provided in a future supplemental or in conference consideration of the State-Justice Appropriations bill.

As part of his urban initiatives the President has proposed $200 million in budget authority and $20 million in outlays for intermodal, urban-development transportation projects. The resolution does not assume funding for this portion of the President's urban package.

450—COMMUNITY AND REGIONAL DEVELOPMENT

A. Comparison with resolution

The possible total is below the resolution targets in budget authority by $231 million due to reductions in appropriations, primarily for economic development assistance programs and above the resolution target for outlays by $346 million primarily because of increased appropriations for SBA disaster loans.

B. Contingencies

Legislation as proposed by the Administration and assumed in the Resolution has not been enacted to remedy the cost control problems experienced in the disaster assistance programs. Therefore disaster assistance remains a major contingency of from $2.0 billion to $2.5 billion in budget authority and from $1.0 billion to $1.5 billion in outlays above the amounts assumed in the resolution.

Late submission of legislative proposals for the President's urban initiatives has caused delay in Congress' consideration of these proposals. These delays could result in delayed implementation of these proposals and could mean reduced budget authority and outlays for these programs.

500—EDUCATION, TRAINING, EMPLOYMENT AND SOCIAL SERVICES

A. Comparison with resolution

The House resolution contained $1.4 billion to fully fund legislation to assist middle-income students. At the same time legislation was pending in Congress to assist with educational costs by providing tuition tax credits. Conferees reserved judgment on the merits of these two approaches and assumed a neutral budget position by including half of the funds necessary to fund both approaches. Since passage of the First Budget Resolution the House has worked its will and approved both of these approaches with regard to the former, the House included full funding for Middle-Income Student Assistance Act in the Labor-HEW Appropriations bill for FY 1979. In keeping with this action by the House the total budget authority for function 500 includes an additional $677 million to accommodate the MISAA.

Possible totals are therefore above the resolution targets by $147 million in budget authority and $34 million in outlays. These totals are above the resolution targets due to appropriations increases for elementary and secondary education programs.

B. Contingencies

The resolution includes $15.5 billion for programs in this function which are not yet authorized. Therefore funding levels for employment and training, vocational rehabilitation, Headstart, ACTION, and certain community services activities are uncertain.

In passing the Labor-HEW Appropriations bill for FY 1979, the House agreed to a 2% "across-the-board" reduction which could fall heavily on function 500. If this is the case, a 2% reduction in controllable programs in function 500 could result in a cut of approximately $200 million.

The reauthorization of Impact Aid may result in increased funding levels in FY 1979. The resolution assumes savings of $76 million in budget authority and $58 million in outlays as a result of Impact Aid reform. However, the Education and Labor Committee has not approved these reforms. Further, if Congress approves the new Impact Aid provisions proposed in H.R. 15, costs of $311 million in budget authority and an estimated $180 million in outlays above the resolution targets would result if fully funded.

550—HEALTH

A. Comparison with resolution

The possible total is consistent with the resolution targets for this function.

B. Contingencies

The resolution assumes enactment of hospital cost containment legislation which reduces FY 1979 outlays for medicare and medicaid by $800 million. To date cost containment legislation has not been enacted. Failure to adopt such legislation or a backup mandatory plan to a voluntary approach could mean that $783 million would have to be added to the Second Budget Resolution.

The Senate Labor-HEW Appropriations subcommittee has recommended higher amounts for health programs than the House-passed bill provides. In addition the Senate bill does not contain the 2 percent overall reduction included in the House-passed bill.

The Ways and Means Subcommittee on Health is considering a lengthy list of minor medicare benefit improvements which could exceed the $100 million targets for medicare changes which is included in the resolution.

600—INCOME SECURITY

A. Comparison with resolution

The possible total is above the resolution targets by $112 million in budget authority and $124 million in outlays due primarily to two reported entitlement bills which exceeded resolution assumptions (these bills are the Child Nutrition Amendments of 1978 and the Trade Adjustment Assistance Act.)

B. Contingencies

It is likely that a higher inflation rate than that assumed in the resolution will impact on FY 1979. If this occurs, it may result in increased outlays for entitlement programs which are indexed to the cost of living.

The resolution assumes legislative savings of $269 million resulting from a number of proposed reforms in public assistance and

social security programs. To date these reforms have not been enacted.

700—VETERANS BENEFITS AND SERVICES

A. Comparison with resolution

The possible total is consistent with the targets assumed in the resolution.

B. Contingencies

Midyear reestimates may result in reduced budget authority requirements for current-law costs of the compensation, pension and readjustment programs.

The Senate Veterans' Affairs Committee has not yet filed any new entitlement legislation. It is difficult to predict how entitlement legislation which will finally be enacted will compare to the $1,417 billion target for new entitlement authority contained in the resolution. Also, the Senate has not yet acted on the HUD-Independent Agencies Appropriations bill which contains most of the funding for this function.

750—ADMINISTRATION OF JUSTICE

A. Comparison with resolution

The possible total is below the resolution targets by $96 million in budget authority and $22 million in outlays, excluding the effects of the 2 percent across-the-board reduction which was approved by the House.

B. Contingencies

The House has completed action on all anticipated funding requirements. The only contingency remaining is Senate action on the appropriations bills which affect this function.

800—GENERAL GOVERNMENT

A. Comparison with resolution

The possible total is above the resolution target in budget authority, excluding the effects of the 5 percent across-the-board cut approved in the Legislative Appropriations bill, and below the resolution target for outlays by $22 million.

B. Contingencies

The House has completed action on all anticipated funding requirements. The only contingency remaining is Senate action on the appropriations bills which affect this function.

850—GENERAL PURPOSE FISCAL ASSISTANCE

A. Comparison with resolution

The possible total is above the resolution targets by $25 million in budget authority and $65 million in outlays.

B. Contingencies

Some major programs remain to be considered. These include the D.C. Appropriations bill, the proposed new Supplementary Fiscal Assistance and the State Incentive Grants Program.

The possible total for this function will be reduced if the amounts assumed for new urban initiatives or the D.C. Appropriations bills are not enacted.

900—INTEREST

A. Comparison with resolution

The possible total is below the resolution targets by $27 million in budget authority and outlays.

B. Contingencies

Interest on the public debt will be reestimated in July. These reestimates will undoubtedly reflect the current higher general level of interest rates. Recent trends in interest rates, even if not continued into FY 1979 may increase interest costs by $1 or $2 billion. (The most recent issue of 91-day Treasury bills commanded 7.058 percent.) It is most likely that interest rates in FY 1979 will exceed the average 6.5 percent assumed in the resolution.

920—ALLOWANCES

A. Comparison with resolution

The possible total is below the resolution targets for this function by $1.7 billion in budget authority and $1.4 billion in outlays due to across-the-board reductions in four appropriations bills passed by the House. (These reductions are shown in function 920—Allowances because they cannot be distributed by function, account or Agency at this time.)

B. Contingencies

The across-the-board reductions which the House approved in four appropriations bills may not be approved by the Senate. On the other hand, additional overall reductions such as the 2 percent reduction made to the Treasury-Postal Appropriations bill on the Senate floor could occur.

The Federal pay raise may not average 5.5 percent as assumed in the resolution.

The assumed 20 percent absorption of the Federal pay raise may not be realized.

950—UNDISTRIBUTED OFFSETTING RECEIPTS

A. Comparison with resolution

The possible total is above the resolution targets by $70 million in budget authority and outlays due to lower estimates of interest received by trust funds than the estimates assumed in the resolution.

B. Contingencies

All items in this function are estimates which for the most part, are dependent on general economic and fiscal conditions. Accordingly estimates are subject to change as these general conditions change.

Mr. SIMON. Mr. Speaker, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Illinois.

Mr. SIMON. I thank the gentleman for yielding.

If I may just interrupt for a moment, I want first of all to commend the Chairman of our committee for his leadership and to say that the House has to make some tough decisions between now and September 15. I hope that in general we will follow the leadership of the gentleman from Connecticut. We have to make tough decisions in a number of areas. One of them is in this whole postal area that we have been discussing here for some time, where I think we have to make a fundamental philosophical decision, when we have to determine whether we want to subsidize just ideas or areas that compete with the private sector and how much we want to subsidize them. I might also mention in this connection that at the present time the Postal Service is an off-budget item on the basis of executive fiat, and the same executive fiat that takes it off the budget could bring it on the budget and would give us a little more control of where we stand.

Again, I simply want to commend my colleague, the gentleman from Connecticut, for his leadership. I am proud to serve on the committee under that leadership.

Mr. GIAIMO. I thank the gentleman from Illinois for his comments.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. GIAIMO. I am delighted to yield to the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, I would like to compliment the gentleman from Connecticut (Mr. GIAIMO) for his exceptional leadership as chairman of the Committee on the Budget. The gentleman has one of the most difficult tasks assigned to any Member of Congress, and he has carried out that responsibility with great diligence, forthrightness, and determination. Every Member of the House stands in the gentleman's debt in that regard.

Mr. GIAIMO. Mr. Speaker, I thank the gentleman for those words.

Mr. DERRICK. Mr. Speaker, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from South Carolina.

Mr. DERRICK. Mr. Speaker, I thank the gentleman for yielding, and I commend him for his work as chairman of the Committee on the Budget, of which I am a member and of which I am proud to be a member.

Am I correct that the first budget resolution assumptions are under great pressure in the area of savings due to legislative action?

Mr. GIAIMO. Yes, this is a major budget contingency.

Mr. DERRICK. What savings from legislative "reform" action were assumed in the first resolution?

Mr. GIAIMO. $1.5 billion in outlays, about $1.3 billion of which is in human resource programs.

Mr. DERRICK. So if such legislation is not enacted, Federal outlays and the deficit could rise by $1.5 billion?

Mr. GIAIMO. Yes, that is correct.

Mr. DERRICK. Has any of this legislation passed the House?

Mr. GIAIMO. Yes, one small bill relating to home dialysis services covered under medicare has passed the House and been enacted into law. While earlier estimates assumed $12 million in outlay savings from this legislation in fiscal year 1979, recent estimates indicate no savings until years after 1979.

Mr. DERRICK. Has any other savings legislation been reported in the House?

Mr. GIAIMO. Yes. The Child Nutrition Amendments of 1978, H.R. 12511. However, the resolution assumed savings of $109 million in outlays, while the reported bill includes savings of only $19 million.

Small savings—$76 million in budget authority and $58 million in outlays—also were assumed in the impact aid education program. However, the reported bill, H.R. 15, which the House is scheduled to consider this week, does not include the savings assumed in the resolution. In fact, the bill contains new impact aid provisions which, if fully funded, would raise impact aid amounts by about $311 million in budget authority and $180 million in outlays above amounts assumed in the resolution.

Mr. DERRICK. It appears, then, that the bulk of savings legislation assumed in the first resolution has yet to be reported in the House. Is this correct?

Mr. GIAIMO. Yes, the largest item—nearly $800 million savings in medicare and medicaid from hospital cost-con-

tainment legislation—has not been reported in the House. However, two House committees are working on the legislation.

The other program areas in which savings were assumed in the first resolution but legislation has not been reported include the following:

	Millions
Wage board and other compensation	$212
Social Security	150
Aid to Families with Dependent Children (AFDC)	119
Medicaid and medicare other than hospital cost containment	41

Mr. DERRICK. If the gentleman will yield further, in the National Defense function, 050, the possible total are $0.9 billion below the first budget resolution target in budget authority and $0.5 billion below the outlay target. Do you believe this is where we will end up in this function?

Mr. GIAIMO. It is far too early in the process to say exactly where we will end up in the national defense function. As you know the big defense appropriation bill which accounts for 93 percent of this function has not yet been considered by the full Appropriations Committee. However, the Defense Subcommittee on Appropriations has completed their markup and I am glad to report that the subcommittee recommendation is below its section 302(b) allocation. The amount they did approve includes $2.0 billion for a nuclear powered aircraft carrier and I expect there will be a close vote in the full committee on that item.

Let me say that all of the amounts I am discussing relate to budget authority. We do not have good numbers on outlays as yet, but I do not expect an outlay problem in national defense. In fact, the recent history in this function has been one of outlay shortfalls. But that is a matter we will address in the second budget resolution.

So to sum up, we are below the resolution target in this function as of now and I believe we can expect further reduction in the function total when the defense appropriations bill is considered.

Mr. DERRICK. After the defense bill is considered, will that complete action on this function?

Mr. GIAIMO. No, we still have the pay raise supplemental which we normally consider as part of the spring supplemental (spring, 1979). Also, there are two legislative items which were assumed in the budget resolution relating to wage board pay reform and the sale of strategic materials from the national stockpiles. If those reforms are not enacted, then $312 million in outlays will have to be added to the budget. You should also be aware of the fact that the Navy recently settled shipbuilding claims with two major contracts—Litton and Electric Boat—this action may require $200 to $400 million additional funding in fiscal year 1979.

Mr. DERRICK. If the gentleman will yield further, what seem to be the prospects for highway legislation this year, and what impact is there likely to be on the budget?

Mr. GIAIMO. The gentleman raises a very good question. Funding for the programs financed through the Federal highway trust fund represents one of the biggest single contingencies in our planning for the 1979 budget. As the gentleman knows, the Federal highway programs are up for major reauthorization action this year.

The House Committee on Public Works and Transportation has ordered reported a major transportation bill. The bill includes forward funding both for the Federal highway programs and for the urban mass transportation program. The bill, H.R. 11733, on which a report is yet to be filed, will take an extended forward look at our transportation needs. I agree that advance planning in this area—as in most major construction areas that operate through States and localities—is highly desirable, and I applaud the Public Works Committee's initiative in this area. In addition, I believe the committee has made a major breakthrough in reporting a consolidated bill that covers both the highway programs and the urban mass transportation program.

However, I would be less than candid if I did not express significant reservations about the cost of the Surface Transportation Act of 1978, as ordered reported by the Public Works Transportation Committee. If the bill comes to the floor with the spending authorizations accepted by the Public Works Committee, it will far exceed the targets in the first budget resolution. The committee bill would authorize an estimated $7.7 billion of new backdoor spending from the highway trust fund, compared to the target of $4.5 billion included in the budget resolution. This latter figure is about the maximum amount which could be financed from trust fund revenues without either a change in taxes, supplemental funding from general revenues, or funds from some other source.

Mr. DERRICK. If the gentleman will yield further, he is suggesting that the Federal highway trust fund would be broke?

Mr. GIAIMO. Not for a good many years. Except for brief periods, forward obligations of trust fund moneys for highways has been adequately matched by present and projected revenues. We have not committed ourselves to make payments that we could not be sure we had the money for.

Mr. DERRICK. Does the gentleman believe that an increase in the Federal gas tax is necessary?

Mr. GIAIMO. The question of whether an increase in the gas tax is necessary is one for the Committee on Ways and Means to determine. I merely want to point out that the first budget resolution contemplated a modest increase in the Federal highway program, one which could be supported without strain by existing funding sources. If we are going to have a larger program, we have to know how we are going to pay for it.

I might say to the gentleman that there are other provisions in the proposed legislation that need careful examination from their possible impacts on future budgets. For example, the proposed bill would continue and would significantly expand use of money in the Federal highway trust fund for repair and restoration, most significantly on bridges, on roads which have heretofore been considered solely State and local responsibilities.

Congress is going to have to decide whether the traditional role of partial assistance to a limited essential highway system is to be replaced by a growing Federal share of all highway expenditures, which seems to be the direction in which the proposed legislation is moving.

No one denies that there are great needs. The question is whether we can afford it as a Federal responsibility: Whether Federal assumption of these costs is the most efficient and effective way of doing business.

Mr. DERRICK. On several occasions during the past year, the House has considered appropriations to the Small Business Administration for the disaster loan program. I recall that we had a large emergency appropriation of $1.4 billion last fall. We passed an additional $750 million late this spring.

I would like to ask the chairman of the Budget Committee whether he believes there will be a continuing need for these substantial appropriations?

Mr. GIAIMO. The gentleman raises a very interesting point. Almost by definition, disasters are unpredictable. It is therefore very difficult to anticipate what may be needed in the way of appropriations for disaster relief.

For example—

The original appropriation request for 1978 was $20 million;

Congress projected a greater need and appropriated $115 million;

The second budget resolution allowed for $290 million;

A revised supplemental request was submitted for an additional $1.4 billion; and

Another, later, emergency supplemental was enacted for $758 million.

In all, the total so far for fiscal year 1978 is $2.3 billion. This is in comparison to the $20 million original request.

Mr. DERRICK. If the gentleman will yield further, why does this happen?

Mr. GIAIMO. Over the past few years, the executive branch has traditionally submitted a budget that anticipates that there will be no disasters. Then, when a disaster occurs, they submit an emergency supplemental request. That is one way of looking at the problem; or of refusing to look at the problem.

The House Budget Committee attempts to make some sort of allowance for probable disaster assistance by anticipating a level of disaster assistance roughly equal to the average appropriations over the past few years. This, of course, makes our congressional budget look larger than the executive budget. It does, however, recognize that disasters will occur and that Congress will respond to the need for disaster relief.

Mr. DERRICK. But, Mr. Speaker, the question is not whether there will be disasters. We know there will be. The

fundamental question is the nature of the disaster-relief response. What do we do about that?

Mr. GIAIMO. On several occasions over the last 25 years, Congress has time and again attempted to regularize the Federal disaster-relief programs. The executive branch has attempted to coordinate and to rationalize Federal disaster-relief programs. But the inescapable fact is that, when faced with a disaster, Congress or the executive ignores the system it has attempted to establish and turns to ad hoc solutions to specific occurrences.

We in Congress did that last year. We passed legislation that opened up the Small Business Administration disaster-loan program to farmers and other agricultural enterprises at very favorable terms. We did this, even though there was already in existence for many years a disaster-loan program available to farmers on reasonable terms in the Department of Agriculture's Farmers Home Administration.

Mr. DERRICK. Can the chairman tell us what effect this has on the budget?

Mr. GIAIMO. Over the long pull, we would hope that the budget effect would be slight. These are loans and we expect them to be repaid. There is, of course, the subsidy cost of lending money at a rate lower than we borrow, there are the administrative expenses involved in making and collecting the loans, and there will be some defaults.

The immediate budget effect in any one year, however can be substantial. As we have seen in fiscal year 1978, over $2.5 billion has been appropriated for these disaster loans. The budget outlays are taking place and adding some $1 billion to the deficit for fiscal year 1979. The repayments will not come in for several years.

We have attempted to allow, in the first budget resolution, for appropriations sufficient to handle an average year. We hope this will do the job.

But action has to be taken to eliminate the overlapping, duplication, and inequity in the various programs—otherwise the costs and uncertainties will persist. If no legislation is adopted, budget authority could increase by $2 billion to $2.5 billion and outlays by $1 billion to $1.5 billion over the amounts in the first budget resolution.

GENERAL LEAVE

Mr. GIAIMO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. SARASIN), is recognized for 5 minutes.

● Mr. SARASIN. Mr. Speaker, on July 10, 1978, I was absent from the legislative session of the House of Representatives. Had I been present, I would have voted in the following fashion:

Rollcall No. 519: H.J. Res. 613. National Grandparents Day. The House passed the joint resolution, amended, to authorize and request the President to issue annually a proclamation designating the first Sunday of September after Labor Day of each year as "National Grandparents Day", "yes";

Rollcall No. 520: H.J. Res. 1007: Asian/Pacific American Heritage Week. The House passed the joint resolution, amended, authorizing the President to proclaim a week, which is to include the 7th and 10th of the month, during the first 10 days in May of 1979 as "Asian/Pacific American Heritage Week", "yes";

Rollcall No. 521: H.J. Res. 773: National Port Week. The House passed the joint resolution authorizing the President of the United States to issue a proclamation designating the 7 calendar days beginning September 17, 1978, as "National Port Week", "yes";

Rollcall No. 522: H.R. 13087: Substitute Treasury checks. The House passed the measure to authorize the issuance of substitute Treasury checks without undertakings of indemnity, except as the Secretary of the Treasury may require, "yes";

Rollcall No. 523: H.R. 12106: National Transportation Safety Board. The House passed the measure, amended, to amend the Independent Safety Board Act of 1974 to authorize additional appropriations, "yes"; and

Rollcall No. 524: H.R. 12536: National parks. The House rejected an amendment that sought to strike language adding the middle Delaware River segment to the Wild and Scenic Rivers System, and to strike language authorizing the Secretary of the Interior to acquire all lands and interests of the Delaware Water Gap National Recreation Area, "no".●

THE BREAKDOWN OF THE KEYNESIAN MODEL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. ROUSSELOT) is recognized for 10 minutes.

● Mr. ROUSSELOT. Mr. Speaker, on June 28, 1978, I placed in the RECORD the reply by the Office of Management and Budget to the criticisms that Dr. Paul Craig Roberts made of their fiscal policy model. As Dr. Roberts pointed out about 1½ years ago, the Congressional Budget Office's model suffers the same defects. Since the questions raised by Dr. Roberts continue to attract a growing interest and since I, as a member of the Budget Committee, asked Dr. Rivlin, the Director of the CBO to respond to the criticisms, I would like to place her reply in the RECORD at this time.

In CBO's response Dr. Rivlin acknowledged that the econometric models, upon which CBO relies for guidance in the choice of economic policy alternatives, do not include the incentive effects of changes in personal income taxes. However, since CBO believes that the performance of the economy is a function of spending levels, not of production incentives, she expressed little concern over CBO's neglect of the supply-side effects of fiscal policy.

CBO argued that incentives probably do not cause an increase in work effort, saving, and GNP because "people could respond to a tax reduction by reducing their working hours, benefiting from more leisure time and still maintaining their after-tax income." As Dr. Roberts has pointed out in a major article, "The Breakdown of the Keynesian Model," in the summer 1978 issue of the Public Interest, the leading journal of public policy, CBO's argument contains a fundamental error in economic analysis. If people respond to tax cuts by working less, as CBO suggests, then GNP would fall and CBO's Keynesian fiscal policy would not work either.

In his very important article, which I urge every policymaker to study, Dr. Roberts demonstrates that the fiscal policy models used by OMB and CBO mislead the Congress and the President about the effects of incentives on the economy, about the difference between tax rate reductions and rebates, about the effect that changes in corporate income taxes have on the economy, and about how investment is crowded out by taxation regardless of whether the budget is in balance. The policy alternatives derived from the fiscal policy models used by OMB and CBO result in a lower rate of growth of GNP and a higher rate of inflation and unemployment.

I hope that the CBO will pay some attention to the points which Dr. Roberts has made and stop advising the Congress on the basis of short-run spending models. Increasingly, economists are adopting the view that the Government's economic policy is the source of economic instability. Dr. Roberts' article shows why.

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 25, 1977.

Dr. ALICE M. RIVLIN,
Director, Congressional Budget Office, U.S. Congress.

DEAR DR. RIVLIN: Attached is a Memorandum on econometric models prepared by the Minority staff of the House Budget Committee on which we would appreciate your written response and comments.

We are concerned that the major econometric models used by the Federal government (Chase, Inc., Data Resources, Inc. and Wharton) describe stimulation only from the demand side. Based on the findings of the attached Memorandum, none of these models take relative price effects into account (none predicts a response if an activity begins to receive a greater reward at the margin than before the change in the tax structure, as compared to its alternative). In other words, these models do not show a response in a shift in supply, work effort, and willingness to invest and take risks in the event of a drop in marginal tax rates that increases the marginal rewards to these activities.

Since there are no econometric models that measure these supply side effects of stimulation, how should we accurately stimulate and consider policy alternatives?

Please comment specifically on the underlined portions of the attached Memorandum.

Thank you for your continued support.

Kind regards,

DELBERT L. LATTA, M.C.
JOHN H. ROUSSELOT, M.C.

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C., March 11, 1977.

Hon. JOHN ROUSSELOT,
Committee on the Budget, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN: We have read with interest the memorandum on econometric models by Dr. Roberts, on which you asked us to comment in your letter of February 25. The paper's basic contention is that the three major commercial econometric models do not allow supply-side effects from changes in marginal tax rates. To speak a bit more technically, they do not shift their aggregate supply curves (no more production is forthcoming at a given price level) or their Phillips curves (no more employment is offered at a given rate of inflation) when marginal tax rates decline. The specific examples of supply effects from tax rates given by Roberts are as follows:

1. High marginal income tax rates reduce effort. Physicians and the insured unemployed are cited as two examples of persons who reduce their work effort because of high marginal tax rates.

2. High marginal income tax rates cause a bias toward consumption and away from investment. As an example, Roberts shows how 98 percent marginal tax rates on investment income in Britain could plausibly lead to investment in durable consumer goods rather than business capital.

3. Finally, Roberts criticizes two econometric models which find that lowering corporate income tax rates lowers GNP.

I will discuss each of these points in turn as they affect our estimates of the effects of policy alternatives.

EFFECT ON WORK EFFORT

The economic theory of household behavior leaves it unclear whether lowering tax rates will increase or reduce work effort. If tax rates are reduced, work effort will increase through what is called the substitution effect (income is substituted for leisure as the relative cost of leisure rises). However, it is also theoretically arguable that when a tax cut provides people with more after-tax income, many of them will reduce effort through what is called the income effect. For most people, leisure has some positive value, and it may even be a "luxury" good; these people could respond to a tax reduction by reducing their working hours, benefiting from more leisure time and still maintaining their after-tax income. For other people who like their work, there may be little or no labor supply response to the income or the substitution effect. In much of the U.S. economy, workweeks are fixed, leaving little possibility for individuals to make marginal adjustments in hours of work.

Therefore, it is generally recognized among economists that the question whether in the aggregate people will work more, less, or the same in response to lower marginal tax rates on income is a question that cannot be answered by theory alone, but must be determined empirically. It is a difficult question to determine empirically and hence a generally accepted answer has not been found. Two studies of the work effort of British solicitors (lawyers) and chartered accountants—who, like doctors, can vary their working hours more easily than wage or salary workers—found both income and substitution effects. In the first study in 1956, the effects were approximately offsetting. In the 1968 study, although marginal tax rates had declined slightly, the disincentive effects were significantly greater than the incentive effects. (D. B. Fields and W. T. Stanbury, "Income Taxes and Incentives to Work: Some Additional Empirical Evidence", American Economic Review, June 1971, pp. 435–443.)

In the U.S., the results of the "Graduated Work Incentive Experiment" with the negative income tax have some bearing on this same question, though they are less directly relevant. In this experiment, lower-income working families were given a transfer payment which declined as their earned incomes rose. In this case, both the income effects and the substitution effects should have reduced work effort, since the decline in the transfer was the equivalent of a marginal tax rate on earned income. The effects on work effort were less than most economists had expected. To quote one summary of the effects, ". . . the added cost produced by the supply response is a rather small proportion of the total cost—not over 10 percent and probably closer to 5 percent. . . . There is a further suggestion that tax rates higher than 50 percent may lead to a more pronounced supply response. . . . " (Albert Rees, "An Overview of the Labor-Supply Results", Journal of Human Resources, Spring 1974, pp. 158–180.) The labor supply effects were small for husbands; most of the labor supply response to the negative income tax was among wives who withdrew from the paid labor force to stay home with their families.

It is extremely hazardous to generalize from these studies. Marginal earned income tax rates are high in Britain, rising to 91 percent. In the United States, in contrast, the maximum tax rate on work income is now 50 percent. Neither study gives any indication that labor supply would be significantly affected in either direction by tax rate changes in the United States of 5 or 10 percent. In the range of policy options that we have been dealing with, I think the assumption that changes in marginal tax rates have no quantitatively significant effect on labor supply is quite plausible.

The unemployment insurance example cited by Roberts is a special case, since the disincentive to work in this case springs more from the nontaxability of unemployment insurance than from the marginal tax rates on earned income. In this case, changes in the unemployment insurance laws or in their administration would probably produce significantly more effort—at less budget cost—than income tax rate changes of 5 or 10 percent. Unemployment insurance and many other transfer programs—AFDC and Social Security for example—are particularly discouraging to work effort, by comparison with the present income tax structure, since they can result in effective tax rates of over 100 percent on earned income when out-of-pocket costs of a job are taken into account.

Even so, we are skeptical of the arguments that unemployment insurance is responsible for much of current unemployment and a corresponding reduction in aggregate supply. The United States had high unemployment rates before it had unemployment insurance. The automatic stabilizer feature of unemployment insurance limits declines in demand and helps keep downward adjustments in the economy from developing into downward spirals of the 1929–33 variety; that downward spiral depressed capital spending and productive capacity for years. In addition, unemployment insurance contributes to the preservation of human capital in experience and skill by allowing unemployed workers time and resources to search or wait for jobs best suited to their abilities.

EFFECT ON CONSUMPTION-SAVING-INVESTING DECISIONS

Although marginal U.S. tax rates are well below British levels, it appears likely that general and special U.S. tax provisions have effects on the size and composition of investment. One of the largest effects is said to be the favored treatment given to owner-occupied housing, since significant portions of the cost are deductible while the stream of "income" to the homeowner from the home is nontaxable, like that from the Rolls-Royce in Dr. Roberts' example. The tax provisions are highly complex and their effects probably cannot be detected until they are manifested in capital formation and productivity change over a much longer period of time than the two-year horizon of our forecasting models. In our report, "Sustaining a Balanced Expansion" (August 3, 1976, Chapter III), we discussed some of the issues related to capital formation and productivity.

EFFECT OF CORPORATE TAX RATE CHANGES

We have been puzzled by the diversity of model results relating to the effects of corporate tax changes and have been particularly troubled by the DRI model finding that GNP declines if corporate tax rates are reduced. (This finding is not incorporated in our estimate of the effects of corporate tax rate reduction used in our report, "The Disappointing Recovery)." However, studies have generally found that tax rate changes are less important than changes in the cost of capital and changes in levels of national output in influencing the level of investment. It follows that an investment tax credit or liberalized depreciation will increase investment more than a corporate tax rate reduction of equivalent revenue loss. While we do not believe that corporate tax rate cuts reduce investment, it would not be surprising to find that tax cuts had only a minor expansionary effect.

In summary we feel that Dr. Roberts' criticisms do not render the commercial models useless as tools for short-run policy analysis. The criticisms are well taken; the models do tend to neglect the influence of tax rates and other incentives on aggregate supply and capital formation. But it is far from clear that these effects are quantitatively important, especially over one or two years.

A duplicate of this letter has been forwarded to Congressman Latta.

Sincerely,

ALICE M. RIVLIN, *Director.*●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New Jersey (Mrs. MEYNER) is recognized for 5 minutes.

● Mrs. MEYNER. Mr. Speaker, I was unavoidably absent from the proceedings of the House on Wednesday, June 28, 1978, and Thursday, June 29, 1978. Had I been present, I would have voted as follows:

Rollcall No. 498, "yea."
Rollcall No. 499, "yea."
Rollcall No. 500, "yea."
Rollcall No. 501, "yea."
Rollcall No. 502, "yea."
Rollcall No. 503, "yea."
Rollcall No. 504, "yea."
Rollcall No. 505, "yea."
Rollcall No. 506, "yea."
Rollcall No. 507, "yea."
Rollcall No. 508, "yea."
Rollcall No. 509, "yea."
Rollcall No. 510, "yea."
Rollcall No. 512, "nay."
Rollcall No. 513, "yea."
Rollcall No. 514, "yea."
Rollcall No. 515, "yea."
Rollcall No. 516, "yea."
Rollcall No. 517, "yea." ●

GOOD NEWS ABOUT WARREN JERNIGAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. SIKES) is recognized for 10 minutes.

● Mr. SIKES. Mr. Speaker, many times in recent months I have been asked "How is Warren Jernigan?" "Is he getting well?" The questions have come from Members of the House, Republicans and Democrats, from Capitol employees, Pages, in short, from just about everyone on Capitol Hill. They ask because of a genuine concern by friends about Warren's health.

Happily, I can state that Warren's health is continuing to improve. He is now at home in Pensacola, Fla. following his retirement last month from the post of Chief Doorman of the U.S. House of Representatives. It will take a while for Warren's health to be fully restored. He was stricken with a dread malady, Gillian-Barre Syndrome, and was in George Washington University Hospital, Washington, D.C. for 6 months before going home and then to Florida. Only his own stamina and courage and the expert medical attention and the loving care of his wife and sons and friends has enabled him to progress thus far.

Warren does not plan to stay idle. He is not built that way. Among other things he is thinking of getting into politics as a candidate for office in Florida as soon as his health permits.

Helen is now employed at the Naval Air Station in Pensacola. They and the two boys, Warren and Robert are happy to be back home in Florida.

Now, let me include a little résumé on Warren's career: Upon graduating from Tate High School in 1955, Warren left Ferry Pass to join the U.S. Air Force where he served until receiving a congressional appointment from me as a Doorman to the U.S. House of Representatives. After 5 years Warren was appointed Chief Doorman, U.S. House of Representatives Chamber where he has served in this capacity longer than any other person in the history of Congress.

Warren has been active in many organizations in Washington, D.C., and Arlington, Va. He served as founder and past president of the U.S. House of Representatives Doormens Society for 7 years and is presently serving as chairman of the board.

He has been a member for 20 years of the Florida State Society in Washington and the Capitol Historical Society.

He has a distinguished record with the Masonic order and he has been master of Federal Lodge No. 1, F.A.A.M. D.C.; president of the 1977 Association of Worshipful Masters of the District of Columbia; scribe, Mt. Pleasant Chapter No. 13; Royal Arch Masons; member of Grand Lodge Committees; a 32d degree Mason and Grand Lodge representative of California to the Grand Lodge of District of Columbia.

He also is a member, Arlington United Methodist Church, member of the administrative board; Council on Ministries; Commission on Education and president of the Methodist Man; usher for 7 years for the Presidential Prayer Breakfasts; institutional representative for the Cubs and Boy Scouts for Pack and Troop No. 151, Arlington, Va., National Jogging Association recipient of award for 76 miles in 1976; North Carolina State Society; Toastmasters International, U.S. Capitol; president of the Patrick Henry P.T.A., Arlington, Va. 1977–78.

He received several awards for Meritorious Service to Congress Award for raising the largest amount ever raised ($50,000) for the Masonic and Eastern Star Home.

Their friends in Washington, Maryland and Virginia wish the best to Warren, his wife Helen and sons, Warren II, and Robert.●

DR. MARY ELLEN (MANCINA) BATINICH HONORED BY ILLINOIS ITALIAN AMERICAN LADIES AUXILIARY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, I rise to call to the attention of my colleagues the testimonial dinner sponsored by the Illinois Italian American ladies auxiliary on May 26 in Chicago to honor Dr. Mary Ellen (Mancina) Batinich, the ITAM State president, "for her significant contributions to the welfare of military veterans as well as her continual efforts to improve the quality of life for other people."

Dr. Batinich has a long and splendid record of dedicated service to our Chicago community, and I extend to her my sincerest congratulations on this honor.

The testimonial dinner for Mary Ellen Batinich, who is currently an Administrator of Elementary and Secondary Education Act title I programs in the Chicago public schools, opened with the invocation by Sister Angela Faia, M.S.C., ITAM State chaplain, and Dr. Batinich was presented with many gifts and tributes by ITAM members and friends including an emerald and ruby gold charm with appropriate inscription by Mrs. Victor A. Arrigo and Mrs. Michael Mento, a certificate of outstanding service for her 500 hours of service to a veterans' hospital by John Stewart, volunteer chief, Westside Veterans Hospital; a plaque expressing appreciation to her as the founder and first president of the Arrigo auxiliary and the fourth department of the Illinois ITAM, by Sister Angela, current Arrigo auxiliary president, and by Mrs. Victor A. Arrigo, who also sang several ethnic folk songs as part of the program.

Dr. Batinich was also presented with a key to the city of Evergreen Park by Mayor Anthony Vacco, resolutions from the State of Illinois House and Senate were presented to her, and Congressman MARTY RUSSO, Third District, Illinois. also presented a tribute to her.

Dr. Mary Ellen Batinich is the first ITAM Auxiliary Member in the State of Illinois to be honored with the following awards: Certficate of Outstanding Service for 500 hours of service to a veterans hospital, Certificate of Merit for 300 hours of volunteer service to a veterans hospital, Certificate of Appreciation for 100 hours of volunteer service to a veterans hospital, and Certificate of 100 Percent Attendance as a representative to a Chicago Veteran's Hospital Volunteer Advisory Committee.

Mrs. Victor A. Arrigo and Mrs. Michael Mento chaired the testimonial dinner, and honorary chairman included myself and Congressman MARTY RUSSO, the Honorable Harry Yourell, Illinois State representative; the Honorable Frank Ozinga, Illinois State senator; the Honorable Anthony Vacco, mayor of Evergreen Park; the Honorable Michael Bilandic, mayor of Chicago; the Honorable John Porcelli, Mayor of Lincolnwood; the Honorable Ella Grasso, Governor of Connecticut; the Honorable Rudy Perpich, Governor of Minnesota; Brig. Gen. Francis W. Tief, Brig. Gen. Thomas B. Mancinelli, Maj. Gen. Ralph J. Maglione; and Jeno Paulucci, entrepreneur.

Mr. Speaker, Mary Ellen Batinich was also presented with many other tributes, gifts, and plaques from local auxiliaries and her many other friends and admirers, and again, I send to her my congratulations and warmest best wishes for many more years of exemplary and inspiring service. A biography of Dr. Batinich follows as well as a copy of the "Creed of the ITAM War Veterans Ladies Auxiliary" which she wrote in response and appreciation for the sentiments expressed at the testimonial dinner in her honor:

BIOGRAPHY

As well as her many years of service to veterans' groups, Dr. Batinich has also gained recognition for her devotion to child welfare and educational and community projects. She has published many documents of educational, historical and community interest, including authoring the books "Minnesota: Souvenir Coloring Book" and "Invest in the Future: A College Education." Her professional background also includes experience as a master teacher, education administrator and college instructor. Dr. Batinich was the principal of the pioneer Head Start program in 7 Chicago schools in 1965. An expert in the field of reading, she is the cofounder and a Past President of the Illinois State Reading Council and served as the Illinois delegate to the White House Conference on Children and Youth in 1970.

Dr. Batinich is also an accomplished pianist, having been presented in her first solo recital at the age of 15. She played the second piano part of Mozart's "Lodron Concerto K-242" with Josef Wagner, winner of the "Bluethner Grand Piano Prize" in Dresden and the "International Chopin Prize" in Warsaw, Poland during her college career.

While President of the Gregorian Educators Society, she met the late Victor A. Arrigo, who, with the Reverend Armando Pierini, prevailed upon her creativity to organize and provide leadership to the first group of women who designed and sewed the Italian folk costumes that were worn in the 1964 Columbus Day Parade. She then chaired this committee for the next 12 years, which has since accumulated a dazzling assortment of regional Italian folk costumes.

At the invitation of the late Mayor Richard A. Daley, she was instrumental in writing the

Italian sections of Historic City: Settlement of Chicago. This document is used as a scholarly resource in many libraries throughout the world. She is also the author of the Italian Ethnic Studies Guide, a pioneer curriculum project in ethnicity that is used as a model in schools throughout the country.

Dr. Batinich was recently honored by being selected to present a paper as one of the delegates from the United States to the Ontario Institute for Studies in Education, which is part of the American-Italian Historical Association's annual convention in Toronto, Canada. She is the Founder and first President of the Midwest Regional Chapter of the AIHA.

Many honors have been accorded to Dr. Batinich for her contributions to education and the community, including the Woman of the Year Award; Leadership Award (Joint Civic Committee of Italian Americans); and Special Citation for Promoting Reading (Chicago Area Reading Association). She is listed in Who's Who in the United States; Who's Who in American Women; Who's Who of Intellectuals (England); International Community Who's Who; and Dictionary of International Biography.

CREED OF THE ITAM WAR VETERANS LADIES AUXILIARY

(Written by Dr. Mary Ellen Mancina Batinich)

I . . . gnore no one; practice hospitality.
T . . . ake time to be friendly—it is the road to much happiness.
A . . . ttempt to lift the load of others.
M . . . inister unto the aged.
W . . . hen you take time to help a veteran up a mountain, lo you scale it too.
A . . . ctively take part in your auxiliary.
R . . . ead reports on veterans' legislation.
V . . . olunteer your services to veterans' hospitals.
E . . . xtend a hand before a fall.
T . . . ake time to give—it's too short a day to be selfish.
S . . . ay a kind word for your sister and brother—it is the universal language.
A . . . llegiance to "OLD GLORY" is a cardinal rule.
U . . . nderstand that the best way to forget your own problem is to help others solve theirs.
X . . . ray your thoughts before speaking.
I . . . nsist on sharing yourself with the lonely.
L . . . augh often as it is the music of the soul.
I . . . mpress on yourself and others that to pray is essential—it is the greatest power on earth.
A . . . ppreciate each child a little bit every day.
R . . . emember to develop an educated heart—one that gives thanks for the gift of life and hence gives the gift of love.
Y . . . ield not to discouragement but go where the need is greatest.

President's Testimonial ITAM—Department of Illinois May 26, 1978.●

McFALL TARIFF BILL TO INSURE EXISTENCE OF ONLY AMERICAN MONTAN WAX PRODUCER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. McFALL) is recognized for 5 minutes.

● Mr. McFALL. Mr. Speaker, I am today introducing legislation to establish a modest import duty on unrefined montan wax. In general, I support efforts to reduce international trade barriers and promote the free flow of goods between the nations of the world. But in the case of unrefined montan wax, a special situation exists that requires special treatment.

Montan wax is produced by only a single company in the United States, and according to the information available to me, it is the only producer in a non-Communist country anywhere in the world. The domestic producer is the American Lignite Products Co. (Alpco) of Ione, Calif., which is located in my congressional district. Alpco has only 24 employees, and its annual gross sales qualifies it as a small business under the standards of the Small Business Administration.

Before discussing the market conditions that necessitate a tariff, I believe a word or two explaining the source and use of montan wax is appropriate. Alpco mines a soft coal or brown coal, called lignite, and petrochemically processes the lignite to remove montan wax. After further refining, the extracted montan wax is sold in flaked form to one-time carbon paper manufacturers. These carbon paper manufacturers use montan as a flow agent in making the inks used in carbon paper. The coated papers are sold to manufacturers of business forms, credit card sets, computer printout forms, ticket stubs, and other similar paper products.

In a recent letter, Mr. Jack J. Hounslow, Alpco president, advised me that:

Competition for our Montan Wax comes exclusively from East Germany. It has been very difficult to compete with this Communist controlled company since their chief business is using lignite as a fuel source with wax being a by-product. The East Germans have had a selling price F.O.B. New York of $.39/lb. since 1975, in spite of world wide inflation since then and in spite of the tremendous devaluation of the dollar compared to the West German Mark which is the exchange currency for their wax. During that same period, our costs for natural gas and chemicals has more than doubled making the viability of our small business questionable.

Mr. Speaker, I do not believe our Nation can reasonably afford to allow the only domestic producer of a product that directly affects the business and commerce of the entire country to be forced out of business due to underpriced foreign imports. The following figures further demonstrate the price squeeze being exerted on Alpco.

Year	Alpco prices [1] (per lb.)	East German prices [2] (per lb.)	Alpco employment
1973	$0.254	$0.25	28
1974	[3] .28	.345	28
1975	.36	.39	26
1976	.385	.39	27
1977	.43	.39	24
1/1/78	.46	.39	24
7/1/78	.475	.39	24

[1] F.O.B. Amador County, California: add $.07/lb. to New York.
[2] F.O.B. New York warehouse.
[3] Price control in effect in U.S.A.

The major market area for montan wax is in the eastern and midwestern portions of the United States. As you can see from the above price comparisons, the East Germans sell in New York at $0.39 per pound while Alpco's price in New York has been $0.55 per pound, when all shipping and warehouse costs are included. In other words, the domestically produced product costs 36 percent higher in New York than the imported product from a Government controlled economy. Under these circumstances, it is not difficult to understand why Alpco's customers have been reducing or eliminating their orders to Alpco and buying montan wax from foreign sources instead. It is also very clear why the future existence of the American producer is directly threatened.

Mr. Speaker, the tariff bill I am introducing today would establish a modest duty of $0.065 per pound on imported refined montan wax. This duty will not result in an unfair pricing advantage for Alpco, the single American producer. Alpco President Hounslow advises me, however, that a $0.065 level will provide the price assistance necessary to insure the continued economic viability of domestic production. It is my hope that in light of the special circumstances affecting this product, the House Ways and Means Committee will be able to address this legislation in the near future.●

CAREER CRIMINAL PROGRAMS HELP IMPROVE URBAN QUALITY OF LIFE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. PATTISON) is recognized for 15 minutes.

● Mr. PATTISON of New York. Mr. Speaker, 6 weeks ago Senator MATHIAS made a speech about law enforcement and criminal justice in our Nation's major cities. His comments deserve much more attention than they have received thus far. So, I take this opportunity to bring them to the attention of my colleagues and the public.

The Senator's remarks first caught my attention because of their focus on the problem of revitalizing our Nation's cities. As a member of the House Subcommittee on the City, this is naturally a subject of interest to me.

Senator MATHIAS correctly notes that part of the challenge of revitalizing inner city areas is coping with the problem of urban crime. No matter how much effort we devote to renewal activities, people will not choose to live where it is not safe.

Many politicians take the easy way out, at this point, and simply go on to say they are against crime or that pursesnatchers should be locked up and left to rot. To his great credit, MAC MATHIAS instead goes on to discuss a positive response to the urban crime problem.

The second half of the Senator's speech is a discussion of the career criminal concept, an innovative approach to law enforcement that is designed to get repeat offenders off the

streets. These are the felons we must concentrate on, and this program does what is needed, according to the information provided by the Senator.

I commend Mr. MATHIAS' remarks to your attention. The full text follows:

REMARKS BY SENATOR CHARLES MCC. MATHIAS, JR.

Mr. Chairman, I welcome the opportunity to be here today as the Joint Economic Subcommittee on Economic Growth considers the interrelationship between crime and urban decay. I congratulate the Subcommittee for calling national attention to this topic by scheduling today's hearings.

Urban crime is not a new phenomenon. In fact, as Robert Gold has noted in his "Urban Violence and Contemporary Defensive Cities": "Many early civilizations created organizations to maintain public order and prevent crime in cities." Among the first to develop police forces to combat urban crime were the Hebrews, Chinese, Greeks, and Romans. Although the problem of urban crime apparently abated somewhat during the Middle Ages, by the Fifteenth Century it once again had become a major problem in Europe. In both France and England crime eventually became so severe that large sections of their cities were dominated by criminal elements. As Gold describes the situation:

"The prevalence of crime in early eighteenth century London was much higher than in any other part of England. Conditions of crime and public disorder during this period were similar to those in late sixteenth-century Paris. Criminals and destitutes occupied whole districts which were completely outside the control of public authorities. To protect themselves, and their property, citizens armed themselves, barricaded their doors, and kept off the streets at night . . . [t]here were entire populations living in densely settled slum districts of London whose sole means of subsistence was crime. . . . There was little if any security for law-abiding citizens, who armed themselves and their servants and fortified their houses. Many people kept pistols within reach. . . . Similar conditions existed in other English cities in the late eighteenth century as towns grew quickly in size and environmental conditions deteriorated during the Industrial Revolution."

Nor was the infant United States long immune from the plague of urban crime. As the impact of the Industrial Revolution and large-scale immigration began to transform the United States into an industrialized, urban nation, crime came to America's growing cities.

Today, crime still stalks our cities. More and more our elderly citizens withdraw into isolation rather than risk assault on the streets. Everywhere shopkeepers and householders alike have armed themselves against intruders. Although no group and no area are out of crime's reach, non-whites are four times more likely to be victims of crime than whites, according to the Urban League.

As our cities grew and their problems became more complex, urban crime took on new dimensions. As former Attorney General Ramsey Clark has stated:

"In every major city in the United States you will find that two-thirds of the arrests take place among only about two percent of the population. Where is that area in every city? Well, it's in the same place where infant mortality is four times higher than in the city as a whole; where the death rate is 25 per cent higher; where life expectancy is ten years shorter; where common communicable diseases with the potential of physical and mental damage are six and eight and ten times more frequent; where alcoholism and drug addiction are prevalent to a degree far transcending that of the rest of the city; where education is poorest—the oldest school buildings, the most crowded and turbulent schoolrooms, the fewest certified teachers, the highest rate of dropouts; where the average formal schooling is four to six years less than for the city as a whole. Sixty per cent of the children in Watts in 1965 lived with only one, or neither, of their parents."

This situation is untenable. But, the failure of government to adequately protect its citizens against crime has not been for lack of trying. We have spent millions of dollars and thousands of man-hours to control crime. Every day our law enforcement officers put their lives on the line. But crime still blights our cities.

I think it is fair to say that our cities will never be truly livable until we make them safe. We cannot expect to attract families back to the inner cities in large numbers until we can promise them safe streets and safe schools. Regrettably, we cannot make these promises.

Mr. Chairman, the Congress, including this Subcommittee, is in the midst of reviewing legislative proposal to revitalize our cities. The importance of this task cannot be underestimated. Cities are the lifeblood of our national economy and the source of our prosperity. Our nation's future in large part depends on the success of these efforts to rejuvenate urban America.

But, it would be shortsighted indeed, if we did not acknowledge at the outset that any comprehensive plan for saving America's cities must contain an effective anticrime component. The absence of such a component in President Carter's urban package gives me great pause.

It seems to me that it is incumbent upon Congress to fill this void in the President's program. We must review the record of our effort to control urban crime, to discover both where we have gone wrong and what we can learn from the experience. Then we must develop new, innovative programs to help make our cities livable again.

Fortunately, I don't think we have to look far to find the appropriate starting point for such an urban anticrime component. Today, one of tne most important and innovative anticrime programs to come along in years is in full swing in cities throughout our Nation. It holds out great hope for the future. I'm referring to the so-called career criminal programs developed by the Law Enforcement Assistance Administration (LEAA) in the early 1970's. There is no doubt about the success of these programs. Approximately 25 cities are now operating federally funded career criminal programs. A number of others are being run without Federal funds, including three in my own state of Maryland. Recently, the California legislature appropriated $3 million dollars to fund their career criminal programs.

At the heart of these programs is the recognition that a relatively small number of repeat offenders have proved responsible for a large proportion of serious crime. For example:

A recent study of 10,000 persons by University of Pennsylvania Researcher Marvin Wolfgang reveals that 650 chronic offenders were responsible for one-third of all the arrests and two-thirds of the crime committed by the group over a five-year period.

Another study revealed that between 1971 and 1975 in Washington, D.C., seven percent of those arrested for serious crimes accounted for 24 percent of all such arrests. Some criminals were arrested up to 10 times during that period.

One reason for this perplexing state of affairs was indentified as long ago as 1921 by Roscoe Pound. In his revealing study of the Cleveland criminal courts, Pound discovered that "the professional criminal and his advisers have learned rapidly to use this machinery and make devices intended to temper the application of criminal law to the occasional offender as a means of escape for the habitual offender."

The situation today is still much as Pound described it 56 years ago. Obviously, it must be remedied. We must develop a mechanism to identify these repeaters and to process them quickly through the criminal justice system.

What we need is a system that will promote:

Prompt identification of repeat offenders through the use of computers and other means;

Expeditious prosecution of career criminals with emphasis on reduction of pre-trial, trial and sentencing delays;

Creation of special teams of prosecutors and investigators to follow career criminals through the criminal system; and

Sharp restriction on plea bargaining by career criminals.

I am convinced that the career criminal programs produce such a system.

To date, reports on application of the career criminal concept nationwide are encouraging. Testifying before the Subcommittee on the Judiciary of the District of Columbia Committee, Earl Silbert, United States Attorney for the District of Columbia, termed the District's repeat offender program "Operation Doorstop" an unqualified success. He reported that:

"During the first eight and one-half months of operation (from August 16, 1976 through April 30, 1977) . . . of those defendants who were charged by information or indictment by the United States Attorney's office and whose cases have been disposed of, 94 percent have been convicted . . ."

I am encouraged by these results. They justify making the career criminal concept an integral part of our national effort to revitalize our beleagured cities. For this reason, on January 10, 1977, I introduced S. 28, The Repeat Offenders Prosecution and Prison Improvements Act of 1977.

Title I of E. 28 makes available a program of technical and financial assistance for career criminal programs in localities with populations of 250,000 or more.

In framing this bill, I purposedly provided a specific program under LEAA, with its own appropriation in order to insure that career criminal programs not lose out in the annual competition for LEAA funds.

S. 28 promotes career criminal projects in several ways. It establishes an Office within LEAA headed by a Presidential appointee, to administer career criminal grant projects. This Office would also provide technical assistance to qualifying communities to help them plan, develop, and administer such Projects.

Perhaps the most important aspect of S. 28 is that it is not a one-shot demonstration project. I am aware that there has been a reluctance on the part of some jurisdictions to apply for LEAA career criminal grants because of the burden which remains after the Federal funds terminate. This is understandable. Dollars are scarce and career criminal programs often are expensive to operate. To deal with this issue, I specifically included in S. 28 a provision for continued annual funding for career criminal projects as long as they were needed and operated in conformity with provisions set forth in the bill. And, S. 28 gives the consideration to projects which pre-date enactment of the bill.

I am convinced that the enactment of S. 28 or similar legislation will guarantee that

on-going career criminal programs are not discontinued for lack of funds and that jurisdictions do not forego starting such a project for fear that their federal funds will be cut off sometime.

Mr. Chairman, as you are well aware, efforts are underway to restructure LEAA. The possibility of such reorganization raises an important question: Can we be sure that the highly successful career criminal programs will be continued regardless of how LEAA is reorganized? I have proposed this question both to Deputy Attorney General Civiletti, and to those responsible for the administration of these programs. I have been assured that the Administration's plans for reorganizing LEAA will not threaten the continuation of these excellent programs. We, in Congress, must be vigilant to insure this result.

I would like to end with a warning from Leslie T. Wilkins in "Crime and Criminal Justice at the Turn of the Century":

"The probability that the criminal justice system will suffer a complete breakdown before the year 2000 cannot be discounted. If law and social control systems are to accommodate change in their environment at the necessary rate, a new philosophy as well as quite different operating procedures must be worked out. . . . If we wish for a better kind of future for criminal justice, we must start to invent it now."

I believe that the success of these career criminal programs gives us a head start on this inventive process.●

LEGISLATION TO MEMORIALIZE SUSAN B. ANTHONY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. OAKAR) is recognized for 5 minutes.

● Ms. OAKAR. Mr. Speaker, today I am reintroducing my bill to memorialize Susan B. Anthony on the proposed dollar coin. We now have more than 40 cosponsors.

Why Susan B. Anthony? Today we have the unique opportunity to recognize and honor all women of our great country by placing the portrait of a woman on this proposed dollar coin, whose illustrious career spanned the 19th century, and who, perhaps more than any other woman, changed our lives through her single minded devotion to the principle that all Americans must participate in a democracy. She realized more completely than anyone else that in order for the women of America to truly participate as American citizens, they had to be given the right to vote. In 1848, she laid the groundwork for the passage of the 19th amendment. In the years before the Civil War, she was one of the key organizers of a series of State and national women's conventions on this issue. In addition, from 1854 on she organized county-by-county canvasses in which she and others went from door-to-door obtaining signatures on petitions to the legislature demanding women's suffrage. Described by one friend as the "Napoleon of the women's rights movement," she was undaunted by the strong and sometimes bitter opposition she faced in her efforts.

Along with her work in the suffrage movement, she was one of the principle organizers of the abolitionist movement and campaigned extensively for black suffrage. During the Civil War she organized the women's Loyal National League which secured hundreds of thousands of signatures on petitions calling for emancipation of American blacks. However, when the 14th amendment failed to enfranchise women, she redoubled her efforts to work for women's suffrage. She worked not only for an amendment to the Federal Constitution, but organized efforts at the State level.

She and Elizabeth Stanton founded the National Women's Suffrage Association in 1869. The first real success of the movement was the granting of the right to vote to women by the Wyoming Territorial government in 1870. But for the most part Ms. Anthony and those who worked with her watched State legislatures and the Congress reject, time after time, the granting of women the right to vote. It is largely due to Ms. Anthony's efforts that her group merged with the American Women's Suffrage Association in 1890 and the groundwork was laid for the ultimate successful campaign for the passage of the 19th amendment.

Susan B. Anthony retained her leadership of the women's suffrage movement until her death in 1906 at the age of 86. Unfortunately she never lived to see the fruition of her valient efforts. Ratification, giving women the right to vote, did not occur until 1920, some 15 years later. Her motto "Failure is impossible" is as applicable today to those of us who believe in human rights throughout the world. All Americans and in particular women, owe her a tremendous debt of gratitude for her undaunting courage in her single-minded crusade to attain this precious democratic right to vote.

The portrayal of "Miss Liberty" has been found on American coins from the 18th century to the 1960's. Currently, we have established a tradition in the 20th century in this country of honoring outstanding American men by placing their portraits on our circulating coinage, beginning with Abraham Lincoln on the copper penny in 1909. Since then, our circulating coinage shows Thomas Jefferson on the nickel, George Washington on the 25-cent piece, Franklin Roosevelt on the dime, and Benjamin Franklin and John F. Kennedy on the 50-cent piece.

Without exception all of our circulating coins now honor Americans—not abstractions—individual men who have earned their place in our Nation's history. Is there any reason why we cannot honor a woman who actually lived? Must we retain a mythological figure? It has been said that all women can identify with the mythological portrayal of Miss Liberty, but I would like to respond by saying that there is one issue with which I am sure that the rainbow of American women in our country of every race, creed, and philosophy can mutually identify—it is the right to express ourselves at the ballot box—the democratic right to vote. Truly Susan B. Anthony who is principally responsible for enabling women to exercise this democratic right represents American women far better than the ill-conceived contemporary design offered to us by the U.S. Treasury. Susan B. Anthony is Miss Liberty and once more she is an American who helped Americans achieve the liberty and freedom we now enjoy.

The proposal to place Susan B. Anthony on the new dollar coin has generated some controversy and opposition from our own Treasury Department. That is not surprising. Susan Anthony generated controversy and faced opposition all her life. This fact did not deter her from her noble cause. We welcome the opportunity now to speak up for her. It would be a very special honor to have this woman's portrait placed on the new dollar coin. By doing so we honor all Americans who cherish their democracy, and their liberty, which has as its fundamental concept the right to vote.●

A TRIBUTE TO THE LATE HONORABLE TERRY LEE SHELL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 5 minutes.

● Mr. ALEXANDER. Mr. Speaker, recently Arkansas lost a dedicated public servant in U.S. District Judge Terry Shell. It was my pleasure to practice law before his chancery court while an attorney in Osceola, Ark., before my election to the Congress and before he was appointed to the Federal bench.

I found Judge Shell to be knowledgeable in the law, diligent in its administration, deliberate in its application, and fair and impartial in his judgments.

Terry Shell was an individual who worked hard, a farm boy from Izard County who enjoyed few advantages and opportunities. He applied himself, used his God-given talents, and achieved success through his unending determination.

In contrast to the life of Terry Shell, it is with compassion and sympathy that I look upon those who spend their lives in aimless commotion, wandering without any direction and without goals; those who cannot look back upon their lives with any sense of meaningful contribution.

Not only was Terry Shell rewarded by being able to provide for the material needs of his family, he also made a contribution to his fellow man, a feat far more valuable and treasured than the material gains of one's life work.

At a time when the American work ethic is being questioned as no longer valid in this land of plenty, I point to the life of Judge Terry Shell, an example showing us that the work ethic is as applicable and relevant today as when this Republic was founded.

I would like to share with my colleagues the text of the memorial service conducted for my trusted friend and counselor, Terry Shell:

MEMORIAL SERVICE FOR JUDGE TERRY LEE SHELL, JUNE 28, 1978

"Grace to you and peace from God, our Father, and from the Lord Jesus Christ."

We are gathered here today because we have all been shocked and saddened by the death of this good man and dedicated public servant, Terry Shell. His record of public service is well known and while we re ognize

that and give thanks for it, we are even more desirous to praise our God here today and to seek his blessing and strength for this family, for these ones we love.

"O Lord our Lord, how excellent is thy name in all the earth! who hast set thy glory above the heavens. Out of the mouth of babes and sucklings hast thou ordained strength because of thine enemies, and thou mightest still the enemy and the avenger When I consider thy heavens, the work of thy fingers, the moon and the stars, which thou hast ordained; What is man, that thou art mindful of him? and the son of man, that thou visitest him? For thou hast made him a little lower than the angels, and hast crowned him with glory and honor. Thou madest him to have dominion over the works of thy hands; thou hast put all things under his feet: All sheep and oxen, yea, and the beasts of the field; The fowl of the air, and the fish of the sea, and whatsoever passeth through the paths of the seas. O Lord our Lord, how excellent is thy name in all the earth." (Psalm 8).

I want us to do two things here today: Express our thanks to God for this very human life that has been lived among us and to claim the reality and victory that God gives to us.

First, there are some very real human qualities that I was acquainted with in the life of Terry Shell, areas where I knew him, that lay outside his very distinguished and public career. There is the human quality that I appreciated very much, as you did—his deep love for his family. I am aware of the love that he had for his wife and for his children. They were the center of his life. But I also know the respect with which he always held his parents. I know the regard with which he held his father up until the time of his death a few years ago, always honoring him, giving heed to his advice and seeking his counsel. His family was the center of his life and I appreciate that very human quality of the love that was expressed there.

Many of you have told me—and I had opportunity to see it firsthand—of his industry and attention to detail and his willingness to work hard This is true even of the things that were hobbies. He gave the same attention to detail there as he did the work that was his vocation, his life's work. All of his life this was his approach to work. Many of you have shared your recollections with me, that this was a quality of his life from the very earliest days—taking responsibility seriously and fulfilling his obligation. It is a human quality that I admire and for which we give thanks.

I also had opportunity to observe his interest in young people. I know about his hours of counsel, the time that he spent with young students, beginning lawyers, young men and women making vocational choices. And I know by personal experience in my own family that this is so because of the hours that he spent giving valued counsel, the time he took, I know at great sacrifice to himself, in showing interest in our lives and in my daughter's future. I appreciate very much all that he did for me personally and I saw it dozens of times with other people.

Then there was his love for this fellowship. He found and enjoyed a circle of friends in a Sunday School class that bore that name—Fellowship. Many of the men from that class are present here today and will verify the fact that some of the most delightful moments that you remember involved those experiences of fellowship, sharing, good times and expression of concern that were lived out in the life of this class. It was something that was so important to him and the heart of his relationship to this church, I think, was centered there in that group of men. I know he treasured those experiences, as he treasured his friendship with you. You were important to him.

But, of course, in his life's work—the heart of his life—was his love for the law. I speak as a layman here and not an expert on forensic matters at all, but even I could tell the passion that he felt for the law. He respected it. He wanted to see it work better. A special concern of his was the revision and retooling of the Criminal Code. He was conscientious in every way. As we have said earlier, he gave great attention to detail. I am sure that this conscientious spirit was one of the things that caused him to work long hours. He wanted always to do the job well, because the law was important. He ended his life doing what he wanted to do more than anything else, and I think that that's one of the finest things that can be said about any person. There are those who live many years longer than he who are not able to say that about their lives. He ended his life doing what he wanted more than anything else to do. I think it was the greatest desire of his life to do a good job with the task he had been given. And that love for doing the thing right and caring enough to give the very best to it is what marked his life as a lawyer, as a judge, as a public servant.

And so while we give thanks for such a life of faithfulness, now we come to claim for him a greater reality than human law. We claim the assurance for him of the gospel of grace, the gospel of our Lord Jesus Christ. "For by grace are ye saved through faith; and that not of yourselves: it is the gift of God: Not of works, lest any man should boast. For we are his workmanship, created in Christ Jesus unto good works, which God hath before ordained that we should walk in them" (Ephesians 2:8–10). Paul valued good works but he knew the dimension of our relationship with God and the dimension of our human sin were such that an act had to be performed by God, there had to be an act of grace that could be performed only by the God who loves us. And so we claim that today for the man we love, that the God of grace has received him, not according to law, but according to mercy and grace.

"Therefore being justified by faith, we have peace with God through our Lord Jesus Christ" (Romans 5:1). I think it is fitting when we come to remember this particular man today that we look at the word "justification," which is a legal term. And in Paul's usage of it, it means acquittal, pronounced innocent. What we have met to do here today is to proclaim, in the presence of a good man's death, the victory that conquers death and the grave, a victory that is not achieved by man's efforts, but is given to us by a loving God.

We are grateful for men who give their lives, caring enough to give the best of themselves, who love the doing of right, who love that which is orderly, who give themselves to create an orderly society, who know that we are men who are governed by law and not by whim. But such a life as that is made possible by the God who in loving kindness made us in his own image and then in the fulness of time came in the person of his Son just because we couldn't make it on our own, just because we could not keep the law perfectly, and came because he loves us, to forgive our sin.

Thanks for that above all things.●

AIRLINES BEGIN REDUCED RATES FOR THE ELDERLY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. PEPPER) is recognized for 5 minutes.

● Mr. PEPPER. Mr. Speaker, I am pleased to inform my colleagues that many of the major airlines, including American, Eastern, Delta, and United, have begun or will soon begin offering a one-third discount off the regular coach fare to persons 65 years of age and older. Under most of the new senior citizen fare programs, those eligible may purchase either a one-way or roundtrip ticket and travel to any city served by a particular airline in the continental United States.

The reduced rates were made possible by the enactment of a November 1977 law which permits, but does not require, airlines to offer reduced fare rates to senior citizens. This legislation implemented a major recommendation of the Select Committee on Aging, which I chair.

Moreover, the Civil Aeronautics Board has interpreted the new law to permit airlines to allow confirmed reservations within 24 hours of departure. As a result, many of the airlines now offering reduced rates for the elderly will allow reservations to be made 1 day prior to departure, rather than restricting the discounts to standby travel. Most of the airlines introducing senior citizen fares require no special age identification card, so in many cases showing proof of age—such as a driver's license, birth certificate, passport, or medicare card—is all that is necessary. I have compiled a chart describing the discounts available on various airlines.

These programs will enable and encourage many senior citizens with modest incomes to do more traveling. I hope my colleagues and other readers of the RECORD will join me in commending these airlines for doing their part to put more mobility in the lives of older Americans. I include the chart at this point:

Name of airline	Amount of discount	Age requirement	Beginning when	Type of service	About identification	Other restrictions
Air Midwest	⅓ off full fare	65 yr. and older	May 4, 1978	Stand-by basis only	A $10 lifetime identification card must be purchased.	None.
Alleghany	⅓ off fare	do	June 23, 1978	Feservations can only be made 24 hr in advance.	Only proof of age is necessary. Special I.D. card is no longer required. Those who have purchased a card can now have their money refunded.	Do.
Aloha	35 percent discount	do	Feb. 15, 1978	Stand-by basis only	A $5 lifetime "Aloha Travel Club Card" must be purchased. The card also makes one eligible for other 20 to 50 percent discounts on particular flights during certain times of the day	Do.

American	⅓ off coach fare	do	May 22, 1978	Reservations can only be made 24 hr in advance.	Only proof of age is necessary	Special rates apply only to travel within the continental United States.
Braniff International	33 percent discount	do	June 1, 1978	Reservations can only be made 1 day prior to departure.	do	Do.
Delta	33⅓ percent discount off coach fare.	do	June 26, 1978	do	do	A roundtrip ticket can be purchased, however, the passenger must keep an "open return" ticket. Also, tickets must be picked-up at least 1 hr in advance.
Eastern	33⅓ percent off regular coach fare.	do	June 15, 1978	Reservation only can be made 24 hrs before departure.	Driver's license, birth certificate, passport, or medicare card is necessary for proof of age. Card must be available during travel as well as at time of purchase.	Special rates apply only to travel within the Continental United States.
Hawaiian	35 percent discount	do	Mar. 9, 1978	Stand-by basis only	A $5 Senior Citizen Card must be purchased which also makes one eligible for other 20 to 65 percent benefits on particular flights during certain times of the day.	None.
National	33⅓ percent off coach fare.	do	July 1, 1978	Reservations can only be made 24 hrs in advance.	Only proof of age is necessary	Do.
Trans World	⅓ off adult rate	do	July 15, 1978	do	do	Special rates apply only to travel within the Continental United States.
United	33 percent discount	do	May 15, 1978	do	do	Do.
Western	⅓ off coach fare	do	May 25, 1978	do	do	Roundtrip tickets are not available under this program. Tickets cannot be purchased in advance. Special rates apply only to travel within the Continental United States. All travel must be booked directly through Western. ●

A DARK DAY FOR HUMAN RIGHTS

(Mr. YATES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. YATES. Mr. Speaker, the storm clouds have been gathering over the Kremlin in recent weeks—the atmosphere of détente has darkened. We have noticed ominous rumblings in the Eastern sky of late—American businessman F. Jay Crawford, was manhandled by the Soviet police and incarcerated for 15 days in Lefortovo Prison; correspondents Hal Piper of the Baltimore Sun and Craig Whitney of the New York Times were accused of libelous journalism for articles they submitted to their newspapers concerning the "fabricated" confession of Georgian Helsinki Watch Group member Zviad Gamsakhurdia; two leading figures of the Jewish emigration movement from the U.S.S.R., Vladimir Slepak (Moscow Watch Group member) and Ida Nudel (crusader for the humane treatment of political prisoners), were sentenced to 5 and 4 years, respectively, of internal exile for "malicious hooliganism"; and Soviet propaganda has taken on a combative edge ever since President Carter expressed his views on United States/Soviet relations to the graduating class of Annapolis Naval Academy.

The storm broke yesterday in the form of five political trials to be held simultaneously against respected Helsinki Group members Aleksandr Ginzburg and Viktoras Petkus who face a possible 10 years imprisonment followed by 5 years of internal exile under "anti-Soviet agitation and propaganda" charges; Anatoly Scharansky, who has been charged with treason and could get the death penalty; Aleksandr Podrabinek, who is most likely being charged under article 190–1 of the RSFSR Criminal Code, "circulation of anti-Soviet fabrications" for which he could get up to 3 years in jail. Mrs. Mariya Slepak, wife of Jewish rights activist Vladimir Slepak, is being brought to trial under the same article as her busband, who was convicted on June 21.

The bitter rain of Soviet vengeance has started to pour down on these selfless fighters for human rights, and it is clearly the intention of the Soviet authorities to cast them all onto the shores of the Gulag Archipelago.

The West must not allow this flood tide of repression to continue unabated. In the strongest terms possible we must protest the prosecution of Mrs. Slepak, Scharansky, Ginzburg, Petkus, and Podrabinek and we must employ every appropriate means at our disposal to secure their immediate release. With our help, these and other dissidents may be saved from being swept off to Gulag.

The West must serve as a refuge from the storm for Soviet refugees, a beacon for Soviet dissidents and an anchor for the international human rights movement.

Mr. Speaker, I am a member of the Helsinki Commission. I suggest it would be appropriate now—today—for the President of the United States to take such steps as are necessary to call a special meeting of the signatories to the Helsinki Agreement to consider Soviet violations of their pledges contained in basket 3 of the agreement. While it is true that unanimous action of the signatories is required, if the Soviet Union vetoes that request, the world will know the reason—the broken promises of the Soviet Union.●

STATEMENT OF CHAIRMAN AL ULLMAN, COMMITTEE ON WAYS AND MEANS, WITH RESPECT TO THE RULE TO BE REQUESTED ON H.R. 13385, RELATING TO THE PUBLIC DEBT LIMITATION

(Mr. ULLMAN asked and was given permission to extend his remarks at this point in the RECORD.)

● Mr. ULLMAN. Mr. Speaker, on July 10, 1978, the Committee on Ways and Means ordered favorably reported to the House H.R. 13385, a bill relating to the public debt limitation. Sections 1 and 2 of the bill would provide that the public debt limitation is to be $814 billion through March 31, 1979. Section 3 of the bill would increase by $5 billion, from $27 to $32 billion, the amount of long-term bonds which may be issued with interest rates above the 4¼-percent statutory ceiling. In the absence of any legislative action, the public debt limitation would revert to the permanent limitation of $400 billion after July 31, 1978.

I take this occasion to advise my Democratic colleagues as to the nature of the rule that I will request for consideration of H.R. 13385 on the floor of the House. The Committee on Ways and Means specifically instructed me to request the Committee on Rules to grant a modified open rule for consideration of this bill which would be open to amendment with respect to the level and duration of the temporary public debt limitation, but which would be closed with respect to section 3, which would waive all necessary points of order, provide for 1 hour of general debate, to be equally divided, and would provide one motion to recommit with or without instructions.

We intend to file the committee report on Thursday, July 13, 1978, and will request to be heard before the Committee on Rules as expeditiously as possible.●

REPRESENTATIVE CHARLES BENNETT AND REPRESENTATIVE MENDEL DAVIS HONORED AT NCOA CONVENTION

Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PRICE. Mr. Speaker, at the recent Noncommissioned Officers Association of the U.S.A. (NCOA) 17th annual convention held in the Dunes Hotel and Country Club, Las Vegas, Nev., the delegates elected their officers for the year, highlighted a moving and emotional letter from our former chairman of the

Committee on Armed Services, and gave two of their most prestigious awards to members of that same committee.

Elected officers for the coming year for the NCOA are Messrs. James O. Duncan, president; Normand M. Gonsauls, executive vice president; C. A. (Mack) McKinney, secretary; and Norman Hansen, treasurer.

Congressional honorees were Representative CHARLES E. BENNETT, presented the 7th annual NCOA "L. Mendel Rivers Award for Legislative Action," and Representative Mendel J. Davis who received the association's first Vanguard Award.

Last month I announced in the CONGRESSIONAL RECORD that my good friend and colleague, CHARLIE BENNETT, had been selected to recieve the NCOA "L. Mendel Rivers Award for Legislative Action." I know how much it means to him because I was so honored last year with that prestigious award.

The latter trophy salutes any person or persons who have contributed a great deal of their time and/or effort in aiding the military community, particularly the noncommissioned and petty officer corps. As all of us well know, Mr. Davis has had a keen interest in Active retired, Reserve and National Guard personnel issues for some time. As the chairman of the Committee on Armed Services, I am pleased that his contributions have been recognized by this great organization of more than 150,000 noncommissioned and petty officers.

Finally, Mr. Speaker, I would like to insert the text of a letter written by my longtime friend Eddie Hébert to "Mack" McKinney, the association's Washington, D.C., representative, who invited him to the convention. It was read at the convention's awards banquet and received a standing ovation. Eddie, by the way was the second recipient of the NCOA "L. Mendel Rivers Award." The letter reads:

DEAR "MACK:" I know that you will understand the reason for my inability to be present to join in honoring my old friend and dear colleague, Charlie Bennett, upon his reception of the L. Mendel Rivers Award.

Since my retirement and heart failure which almost cost me my life, I have been limited in my activities and have been compelled to remain close to home. I am ambulatory but am compelled to use a walking stick to move around. Charlie can well appreciate that, and I must say that his own courage has been an inspiration to me.

All of which causes me to eagerly congratulate Charlie on this memorable day. As a recipient of the L. Mendel Rivers Award, please tell Charlie of my feelings and congratulate him for me.

And please another message. Tell the Non-Commissioned Officers of the United States of America that never before has their country needed him more than at this moment. The air is filled with promises and necessity of a strong defense but the action to put those words into effect are tragically missing. I shudder at the lack of understanding and preparedness on the part of those responsible. We live in a hollow vacuum of weakness and refuse to accept the fact that our enemies know only one language . . . strength.

There are those who talk with forked tongues. I recognize such language but do not understand it. I understand only one thing and that thing is a strong defense which guarantees the security of this country. I can only understand a defense strong enough to be turned into an offense which will defy any enemy from within or without. I have supported your organization because I have believed in it. I have believed in the leadership which you have given it. I have treasured the honor you have given me in the L. Mendel Rivers Award and I feel sure Charlie Bennett shares these emotions with me.

I share and support the thought expressed so many years ago by a highly respected President of the United States: "Speak softly but carry a big stick."

I believe in keeping the powder dry but I recognize the necessity of having the weapons ready into which to pour the powder.

Let us go back to our knees at Valley Forge and rise to Surbachi's Heights to raise the flag at Iwo Jima.

Please tell my friends that this is their country, let's keep and preserve it not only for our children, but their children.

Thank you, Mack, and good luck Charlie.

I salute you,

F. EDWARD HÉBERT,
Dean Emeritus,
Louisiana Congressional Delegation.●

UNNECESSARY SECRECY RESTRICTS CIVILIAN BENEFITS FROM SPACE

(Mr. BROWN of California asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. BROWN of California. Mr. Speaker, we all know of examples of unnecessary classification of information, and uncalled for restrictions on the civilian use of new technologies. On frequent occasions the President and, less frequently, the Congress have attempted to reduce the use of classifications, and improve the flow of information. One area where such an attempt has been made, but I fear has largely failed, is in the area of space technology. I am especially concerned about the secrecy restrictions on remote sensing technologies, and the data which is obtained from satellites that have remote sensing capabilities.

There are many reasons for the current state of affairs. One key reason is that too few potential users of the data which we can now get from space know that such data gathering capabilities truly exist, or that this important new source of information could be made routinely available. In other words, the classification of data has been so complete, and the capabilities of satellites so new and novel that the major nonmilitary beneficiaries are unaware of what they are missing. As a consequence, the promise of space which was apparent in the early NASA program has been lost to the general public, which today questions what benefit has come from our billions of dollars of expenditures.

Mr. Speaker, I still see a tremendous benefit to this Nation and the world from our wise stewardship of our space resources. What I do not see is a wise use of those resources for peaceful and beneficial purposes. I hope that the Congress and the administration will recognize this situation, and give the creative use of near space the attention it deserves.

At this time I would like to insert in the RECORD an excellent article from the June/July issue of New Engineer which is on this same subject.

[From the New Engineer, June–July 1978]

THE UNFULFILLED PROMISES OF REMOTE SENSING

(By David A. Mathisen)

Those high-gloss, brightly colored pictures from the Landsat satellites have dazzled the public and brought good publicity (and funding) to the National Aeronautics and Space Administration. After all, the very idea of detecting—from the remoteness of space—conditions on and under the earth is the stuff of science fiction. More soberly, remote sensing technology promises to make possible a shift in environmental policy from "firefighting" to preventive action. Potential uses catalogued by researchers as long ago as 1962 included "protection and conservation of forested areas, investigations of water pollution, volcanology, thermal prospecting for mineral resources, detection of underground fires, detection of snow-field crevases and reconnaissance of sea ice, and studies in many other areas of geology, agronomy, botany, oceanography, meteorology, and the like."

After 16 years, the promise is only partly fulfilled. The hoopla Landsat inspires has masked its poor reception among many civilians who might have use for it. The 30-metre resolution of the current satellite in the series, Landsat-3 , is to crude for most purposes (although it is a two-fold improvement over Landsat-2). Not that the satellite couldn't provide resolutions users say they need. The technology exists. It's just that the government is not about to come forward voluntarily with the next phase of technology transfer from the military into the civilian sector. The official reason is budgetary—the expense is too high. But logic and past experience suggest that the military's inertia is at fault.

Senator William Proxmire, despite his reputation as a penny-pincher, admits "There is no doubt that NASA's land satellite project could be a most helpful adjunct to current environmental monitoring efforts."

He also noted Environmental Protection Agency officials say "that significant improvements must be made in Landsat's resolution, frequency of coverage, and speed of delivery of data products before it will be adequate for operational purposes," but that "international concerns as well as domestic military restrictions on spatial resolution limit the current usefulness of the Landsat project for environmental monitoring."

In the early sixties steady pressure by researchers and planners for release of some military sensing technology eventually produced partial declassification. With the impasse that has followed the unpublicized but real failures of Landsat, remote sensing technology should have seen another period of declassification. Civilian researchers generally agree on what they would like released. They also agree that the issue of national security is plainly irrelevant, for they don't need anywhere near the military's best. But since the clamor for more advanced technology comes at a time when our intelligence community seems dependent more than ever on sensor technology for spying, it is by no means certain that history will repeat itself.

The problem of increased civilian sensor needs surfaced in March 1976, during a NASA authorization hearing. Former Senator Frank Moss, Chairman of the Committee on Aeronautical and Space Sciences and Dr. Malcolm Currie, former Director of Defense Research and Engineering for the Pentagon, could not meet eye to eye, or perhaps, sensor to sensor. Moss questioned Currie about possible open dissemination of Landsat data. Currie responded by saying "my views are that this is a very sensitive area that is being discussed at the highest levels at the present time in terms of anticipating any difficulties in the future. There is no question

that national evolution of technology in connection with the Landsat concept could lead to areas impinging on national security."

Moss pointed out the increased resolution that will be achieved by new generations of remote sensing spacecraft, and questioned if such high resolution would provide information important to national security. Currie retorted by saying, "we have discussed this intensively with NASA. Our conclusion is that while there may be some information there, the Department of Defense feels that this is all right. Now, as we go into the future, we may have to establish resolution limits on various kinds of sensors used in unclassified programs."

An even more cautious assessment of NASA's advancement in quality and quantity of sensing technology came during congressional testimony in 1977 by Robert N. Parker, former acting director of Defense Research and Engineering. Parker indicated, as did Currie, that future restrictions by DOD will have to be placed on NASA's sensing programs. But Parker carried it further by saying that these limitations would go beyond sensor resolution into sensor operating time, swath width, number of collectors, type of coverage, timeliness of data availability, quality of data processing, and even extent of dissemination of the data. In short, the military is seeking more secrecy rather than less, to keep a lid on sensor technology. Indeed, little, if any, of the military state of the art can be known by anyone without a top secret security clearance and a clearly established "need to know."

Even the name "remote sensing" is relatively new. It was coined in the early 1960s by a group in the Geography Branch of the Office of Naval Research. Before that it was called "Surveillance and Reconnaissance"—a title reflecting its purely military orientation and origins.

In December 1961, the lid was clamped on all information relating to remote sensing from military satellites. Continuing advances in electronics, and development of larger boosters, permitted significant upgrading of spy satellite capabilities in the sixties. Reconnaissance spacecraft now offer a wide range of sensing information, from various altitudes up to synchronous orbit and beyond. "Big Bird," built by Lockheed, provides complete global coverage twice every 24 hours. It combines close-up and wide-angle capabilities. Eastman Kodak developed the area surveillance camera and an on-board film processor and scanner, and Perkin-Elmer produced Big Bird's high-resolution optical system. Resolution factors of a few inches from about 100 miles are believed to be obtainable.

Big Bird jettisons filmpacks from orbit, to be recovered by airplanes near Hawaii. Recovery of film minimizes information losses which may occur from electronic storage and transmission. However, recent breakthroughs may have replaced the film return method, enabling direct relay of all images from orbit. This new system may use something similar to the RCA laserbeam film recorder which provides fully-developed high resolution pictures seconds after photography and transmission. According to RCA, the Tactical Laser Beam Recorder provides photos to ground-based personnel at rates approaching 12 million picture elements (pixels) per second. A complete photo is ready for evaluation within 15 seconds after transmission. The system definitely is used in sensor-equipped reconnaissance planes.

Quality of the returned images is secret, but obviously very good. As one official said, "They used to talk about reading license plates from orbit. I think you may say we're looking at the bolts that hold the plate on now." The civilian sector's technology is much more modest, however.

The late-sixties declassification—basically of thermal scanners with a spatial resolution of one milliradian, some advanced radar technology, and multi-spectral scanners for airplane (not satellite) use—nevertheless unleashed a "gold rush" by universities, civilian federal agencies, and private corporations to develop civilian applications. The major participants were the Institute of Science and Technology at the University of Michigan—now the Environmental Research Institute of Michigan (ERIM)—the Interior Department, the Department of Agriculture, the National Science Foundation, the Environmental Protection Agency, Bendix, HRB Singer, Daedalus, and Purdue University's LARS (Laboratory for Applications of Remote Sensing). NASA, however, remains the major agency capable of performing advanced sensor research for civilians.

NASA does recognize the importance of getting advanced sensing technology into the hands of local civilian agencies. Recently NASA split the nation into three regions, each with its own Regional Applications Center "specifically charged with bringing the technology to state and local levels of government," according to a regional center official. In addition, last year NASA began a Local Government Applications Project to bring Landsat into local planning office decision making. The localities involved thus far are Atlanta, San Jose, Minneapolis, Oklahoma City, and Henrico County near Richmond, Virginia. Within the confines of its enabling legislation and the limitations set by the Office of Management and Budget, then, NASA appears to be doing its best to facilitate technology transfer.

But all the organization-building in the world can't make up for the fact that very often the environmental features that concern planners—narrow streams and gullies, buildings, roads—are far smaller than Landsat can see. The planners say the federal government is more concerned with forcing their problems to fit existing NASA programs than with modifying the programs to suit local needs.

Most experts agree there is no reason why existing, but still classified, multispectral scanners with a resolution of 2 metres couldn't be used from satellite altitudes to monitor practically any environmental parameter of significance—from water and air pollution to urban housing density, to traffic flow on an interstate highway, to advance warning of developing crop diseases Indeed, the range of MSS applications is limited only by the scientific imagination. Currently 224 discrete wavelength bands or channels are available. Focused synthetic aperture radar, side looking radar, and advanced thermal scanners are also frequently cited as candidates for partial declassification.

The research needs of Dr. Frank Scarpace at the University of Wisconsin are a case in point. Dr. Scarpace specializes in modeling power plant thermal plumes. "Of course we'd like to have the best resolution we can get," he says, "so we can look at small temperature variations for more accurate plume modeling. But right now the military effectively limits how accurately we can model thermal plumes by telling us the maximum temperature and spatial resolution we can use."

The only researchers with access to state-of-the-art knowledge are those under military contract. Their results are classified and they are forbidden to talk to their colleagues about them.

"I see the military as a kind of black box," says Scarpace. "I'd really like to know what their state of the art is—that knowledge would really help a lot with my research. As it is, we're sort of working in the dark. I have these fantasies that I should go to work for the CIA just to find out what's going on—so I know I'm not fooling myself with my research." Then, laughing, he adds, "But in a way I'm glad I don't know anything, because now I can genuinely say I don't know what they're doing and just try to do the best job I can and no one can complain that I'm stealing military ideas."

Maybe so. But if a researcher like Scarpace were to come up with some important breakthrough, he or she would almost certainly have to allow it to be classified; a "discovery" would be considered a threat to national security.

Such a discovery would most likely involve advances in instrumentation, since, as the military claims in arguing against declassification, the biggest secrets lie not in what is technically feasible, but in what we have actually bothered to develop. As long as one sticks to paper and pencil, recently published textbooks describe in detail the state-of-the-art. But as we go to higher and higher resolutions, we encounter instrumentation problems which become increasinglyy expensive to correct. How to approach these problems is common knowledge among advanced civilians in the Soviet Union as well as in the United States. But the actual physical instrumentation to make these corrections can be incredibly expensive, and requires ever-increasing commitments of scientific brainpower as we go up the resolution ladder. DOD may or may not want to use the money and manpower for other purposes.

And so what the DOD is really interested in "hiding" is how far we have gone. If we have gone further than the Soviets and if the Soviets knew in what specific areas and by how much, they would immediately reorient their priorities to "catch up."

In the case of thermal sensing, the exact numbers associated with the quality of U.S. military instrumentation must be kept "hidden," because there are ways for the Soviet Union to build its missiles to elude our heat-seeking targeting systems. Only if they think our sensors are worse than they really are will our heat-targeting systems be effective.

In this way, military remote sensing development is similar to the arms race generally. The whole key to this game of bluff is never to let "the other side" know exactly how good you are in any specific area, because if it finds out you're better, it will shift resource allocations to improve instrumentation and camouflage activities.

In view of the crucial importance of remote sensing to national security, the military enforces classification in two basic ways. The first is by preventing civilian agencies from building and using remote sensing instruments better than a certain accuracy—Scarpace's problem. This is fairly straightforward. The DOD publishes and distributes performance criteria called "Orders of Merit," beyond which it is simply illegal to build, market, or use a system. For thermal infrared scanners there is a simple formula defining performance limits. The major factors determining the limit are spatial resolution (milliradian field of view), and temperature resolution (ability to measure the temperature of the resolution cell). To see if a proposed scanner is all right, you plug your spatial and temperature resolutions into the formula. If your number is larger than the limit, you have to worsen spatial resolution, temperature resolution, or both until you get below the magic number. A similar procedure is used for classifying radars.

Scarpace's modus operandi is typical. "My research effort is to take things that people have now—that are declassified and widely available—and make them as effective for valuable civilian applications as possible. So primarily I work with photographic techniques and digitized interpretation." But Scarpace is still liable to run afoul of the "black box," since he can never be sure of its boundaries. A few years ago he saw

a brochure in which a remote sensing instrumentation firm, Joyce-Lobel, advertised a vastly improved microdensitometer (a unit that scans film and outputs digital numbers according to film density at each spot) developed in its private research for sale to civilians. The unit used lasers to get spot sizes of one or two microns—far better than Scarpace had been able to get with conventional microdensitometers. That was exactly what Scarpace needed, so he called the firm. Officials there said they were sorry—since publication of the brochure, the air force had purchased their first three units—and they had no plans to build more.

Scarpace was able to locate one of the air force bases to which a unit had been sent, and he called to ask if military personnel there would scan some imagery for him with it. The air force officials politely said they would "look into it." A few days later they told Scarpace they knew of no such units.

Many researchers—like Professor James Scherz of the University of Wisconsin—just don't get involved in any area where resolution might be a problem. "My major research effort is in water quality analysis from satellite multi-spectral scans," says Scherz. "And Landsat-2 [one acre] resolution is perfect for that. A higher resolution would actually be worse."

The military enforces classification of advanced remote sensing technology such as MSS and radar quite differently when the proposed use is satellite scanning. There are no set rules. The military considers each as an individual case, and then monitors construction and launching of each satellite to make sure the established bounds for that particular satellite are met.

The Landsats are an extra-special case. For them, the Office of Management and Budget specifies the resolution to NASA. The military might have allowed a higher resolution than, say, the 30 metres being obtained with Landsat-3, but OMB enforced the lower resolution allegedly to keep NASA from spending too much money on the program.

We use the term allegedly because the question of whose interest really determine Landsat resolution is controversial. NASA usually wants the best it can get, but OMB appears to have the final say. Thomas O. Haig, executive director of the Space Science and Engineering Center at the University of Wisconsin, says that cost, not secrecy, is still the big problem. "The military has nothing to do with [Landsat resolutions]. The OMB sets those resolution limits so that NASA doesn't go on forever and ever spending more and more money building higher and higher resolution systems with data streams that no one could afford to store, let alone process."

However, it is possible that OMB is acting on behalf of the military in this regard. OMB normally checks to see if proposed research projects could duplicate technology already classified. If so, the budget office calls it "duplication of services" and throws it to the Defense Department. A textbook for college Reserve Officer Training Corps students, National Security Management: "The National Security Structure," makes the point: "Above all, as the top management tool for presidential control and direction of the executive branch of the government, [OMB] plays an important role in overseeing and improving the administration of national security matters."

Since the Carter appointment of NASA's new administrator, Dr. Robert Frosch, critics have charged that NASA is being overtaken by the military. Senator Adlai Stevenson (D-Ill.), who heads a subcommittee dealing with NASA spending authorizations, is reportedly concerned about the "militarization" of the civilian space agency. Others claim that Frosch's background as a former deputy director of the Advanced Research Projects Agency and his assistant secretary position of the navy for R&D further demonstrate NASA's military takeover.

Is NASA dominated by the military? "It's a myth," states Stanley Sadin of the NASA Office of Aeronautics and Space Technology (OAST). But with several key administrative positions held by former military officers, there are those not so convinced. "Even people inside NASA believe the myth," Sadin admits.

Indeed, mechanisms for this interaction are contained in the original 1958 NASA Space Charter which provides "the making available to agencies directly concerned with national defense of discoveries that have military value or significance, and the furnishing by such agencies, to the civilian agency established to control and direct nonmilitary aeronautical and space activities, of information as to discoveries which have value or significance to that agency." The charter also calls for ". . . the most effective utilization of the scientific and engineering resources of the U.S., with close cooperation among all interested agencies of the U.S. in order to avoid unnecessary duplication of effort, facilities, and equipment."

Thus it is probably safe to say that the 30-metre resolution being acquired by Landsat-3 is about as far as the military, acting through OMB, will go at this time.

OMB's decision aside, can the veil of secrecy be lifted to any degree without jeopardizing national security? The great irony of military classification seems to moot the question. It is that any civilian can legally achieve the same imaging that high-resolution military satellites can, simply by using airborne photographic methods. Ground resolutions of a fraction of a foot aren't difficult to achieve from a plane 20,000 feet up. It's as if the military is telling civilians, "You can image anything you want with photographic systems from airplanes, but not from satellites."

Even during the manned Apollo program, camera systems were carried with far better resolution capabilities than now orbit the earth in civilian satellites. Apollo lunar missions 15, 16, and 17 carried two camera systems used to photograph the lunar surface from 100 kilometres up. One system developed by Fairchild included a 76 mm focal length lens to provide 30 metre resolution. A panoramic camera built by Itek (a modified air force design), provided strips of one to two metre resolution for large-scale topographic mapping and for detailed photo-geologic analysis. According to Farouk El-Baz, Research Director of the Center for Earth and Planetary Studies for the Air and Space Museum in Washington, D.C., "the accuracy of these maps of the moon is better than that of most maps of the United States, not to mention the rest of the world."

During the Skylab space station program, an experimental sensor package called EREP (Earth Resources Experiment Package) combined conventional photography, near-infrared photography, microwave sensors, and a 13-channel multispectral scanner. Skylab's path took it over most of the United States, large portions of South America, Africa, and the Middle East, as well as the Soviet Union and China. Over 35,000 frames of photographic imagery were acquired with 17 metre ground resolution. It is possible that some photos may have resolved objects as small as 7 metres across. It is rumored that the Skylab astronauts did take high resolution photographs of Soviet and Chinese military installations, although NASA denies this fact. "After all, there isn't much to do after a while," states one space watcher.

To date, NASA has not flown a camera in Earth orbit that is designed to produce stereoscopic coverage adequate for topographic compilation. The use of such a camera was recommended by the National Academy of Sciences as early as 1967. After a number of efforts, primarily by Frederick Doyle, a research cartographer for the U.S. Geological Survey, NASA has finally agreed to fly a large Format Camera system on several Space Shuttle flights. The reason for the long delay? According to Doyle, international sensitivities coupled with national security proved to be impossible hurdles.

Resolution of such a camera, depending on film type and orbital altitude of the Shuttle, could be as good as 10 metres. It is expected to produce geometric topographic maps from its orital photographs at scales of 1:100,000 down to 1:25,000, according to Farouk El-Baz. States Murray Felsher, NASA Program Scientists for the camera, "It's a sleeper," It's Felsher's opinion that the camera "will prove so valuable to every discipline that it will become a standard tie-on to all available flights."

The rub for civilians, of course, is that high resolutions from photographic methods are very expensive if you want to use your data in digital form and are interested in covering large areas. Digitizing the resultant miles and miles of film would also be a formidable task. But the output of a scanner is already an analog electric signal which must only be run through an analog-to-digital converter to be rendered computer-compatible.

A second consideration in resolving the secrecy issue is the difference etween military needs and civilian needs. "Comparing civilian remote sensing to military is like comparing apples and oranges," Tom Ory of Daedalus states flatly. "If you're building a military thermal scanner to find a guerrilla hidden away in the jungle in the middle of the night from 20,000 feet up, you'd have a totally different system than a civilan scanner for monitoring thermal plumes. The military is generally concerned with detecting point targets—with finding anomalies in the scanning field like missiles, battleships, or trucks. That's a completely different technology than, say, using a multi-spectral scanner to map land cover or population density.

"Civilians are interested in thermal scanners as primarily a temperature measuring tool. What use would they have for a high spatial resolution night reconnaissance instrument? So they spend lots of money on temperature calibration. The military couldn't care less about the exact temperature of something—they're concerned with relative temperatures—finding a specific object that is at a significantly different temperature than the surrounding area."

Wisconsin's Scarpace, an expert on thermal scanners, adds, "The military designs a thermal scanner so the voltage constantly changes with the average temperature. They want to always maximize temperature discrimination to find the anomalies—by maximizing the difference between the temperature of things in the current resolution cell. So if they hit something even slightly warmer than the background, the screen goes white. But that kind of a scanner would be horrible for thermal plume modeling—you'd lose all your information."

Researchers see a similar distinction between civilian satellite-borne multi-spectral scanners and their military counterpart. City planners, for instance, are not looking for anomalies—they're doing averaging. If they miss an occasional house or car they don't care. If the military misses a single tank, it could be fatal.

The same reasoning can be applied to radar applications. Civilians want to be able to exploit the unique ability of radar's long wave lengths to do environmental monitoring through heavy cloud covers, to monitor subsurface phenomena such as mineral deposits, or to monitor characteristics of large bodies of water.

The point is that civilians would have no reason to continually demand the best the military had—or even to use it if it were offered. Scarpace rests his case thusly: "The military tends to be interested in finding needles in haystacks. So they need better and better resolutions to get better at finding those needles. I can't imagine a civilian application oriented in any way like that."

Researchers in remote sensing who don't do classified work estimate military resolutions are between five and ten times those currently available to civilians, depending on the type of sensor. The major exception to this is multi-spectral scanning from civilian satellites, where allowed resolutions are worse by one or two orders of magnitude than the resolutions civilians are allowed to get from planes with multispectral scanners; worse by three or four orders of magnitude than civilians can get with high-altitude aerial photography. Landsat-3's 30-metre resolution may be worse by a factor of 400 than what the military is getting from its MSS satellites. The conclusion researchers draw from their estimates is that the military could declassify satellite MSS resolution far enough to give the civilian sector everything it could possbly use (about two metres) and still not get closer than a factor of between four and eight of its best.

Those few agencies which know enough to use existing Landsat imagery have also asked for higher resolutions. But on Capitol Hill there is frequent talk of "making Landsat pay for itself"—an idea that makes earth resource managers and environmentalists cringe. Already the charge for Landsat imagery is rising fast from its cost of $8 per scene last year (a scene is 100 miles square). But most experts in the community of potential users agree that Landsat can't pay for itself—at least not now. Pricing the imagery high enough to do that would simply price most users right out of the market.

And even with minimal charges, technology transfer takes time. The more sophisticated the technology, the more time it takes to trickle down to the grass roots. Ninety-nine percent of the potential users of a high-resolution Landsat don't even know what the phrase "remote sensing" means, much less what a multispectral scanner can do. Companies like Bendix and Daedalus are having enough trouble marketing scanners well within the unclassified range. "No civilian agency yet has requested a higher resolution system than we are building and at the same time come up with a check to pay for it," says Daedalus' Tom Ory.

Yet OMB and its congressional allies don't buy the suggestion that demand for high-resolution imagery is temporarily and artificially low. The data point density required for high resolutions will incur dramatic increases in data processing costs, they maintain, effectively putting remote sensing beyond most users' means. (To which one regional planning applications expert has a ready rebuttal: "For many applications your data point density—and the number of data points—is fixed and you're out to get that density as cheaply as you can. Clearly for large areas it would be cheaper by at least an order of magnitude to get those data points from a high-resolution satellite scanner than to have to make countless passes with a low altitude airplane to cover the same area that the satellite could cover in a single pass.")

While the debate over demand continues, OMB refuses to give any federal agencies the go-ahead to start continuous operational programs based on Landsat. (By its enabling legislation, NASA can participate only in R&D. Once an application has been tested and proven, it moves out of NASA's domain.) The result has been further "artificial" depression of demand for Landsat's wares, because at least a dozen state and regional agencies that, despite the obstacles, have found valuable applications for existing resolutions are fearful of committing themselves to a here-today-gone-tomorrow program.

Thomas Haig of the University of Wisconsin has one suggestion to break the impasse: "Instead of just complaining to NASA that their resolution isn't good enough, planners should be communicating directly with the federal agencies which control the purse strings to make their demand for cheap high resolution known."

The consensus among researchers is that if the OMB and Congress could see sufficient civilian demand, they would pass along the necessary money and mandates to NASA—or to some other agency charged with administering an operational program, such as the Interior Department or the Environmental Protection Agency. Whether or not the military would put its foot down if such a chain reaction occurred is not clear. But Haig, who works closely with the air force in meteorological satellite imagery distribution to civilians, points out: "Every time a legitimate civilian requirement has been established for any kind of sensor or information developed as a byproduct of military research, it has always been declassified and made available."

Will this continue to be the case? Studies by the Administration, congressional testimony, and NASA's continuing dialog with the military suggest that civilians can expect less, rather than more.

Officials are now attempting to document all matters related to space which impact national security, ostensibly to develop a unified policy for all government and civilian space activities, under Presidential Review Memorandum 23. The document is to evaluate the needs of intelligence community and defense department space programs, NASA activities, and commercial space systems. Central to the study is the possibility of relaxing restrictions on available satellite imagery and other data, and sharing such information with other federal agencies as well as other nations, including the Soviet Union. During periods of international conflict, the flow of such information would be cut off or screened, the draft report suggests. The policy document is also considering regulation of private and government remote sensing, with programs that dip close to the 10-metre resolution limit to be reviewed on a case-by-case basis.

The study is being carried out through the National Security Council's committee structure, with a rating of "Top Secret" which many feel is unnecessary. Although the policy paper is being developed with opinions from a wide cross section of remote sensing users, some have quietly complained that the study is loaded in favor of the Defense Department and the intelligence community. Others caution that the final policy directive may give a go-ahead for greater control over civilian space activities by the military.

The policy study has been under way for over one year, with one disgruntled observer stating, "they are in no hurry to get PRM-23 out because the original creators of PRM-23 did not have in mind the direction the study has taken. They just thought it would be an interesting study—this whole need for military secrecy. The military has just about taken it over, giving it very much a military slant. The State Department is sitting on it, they don't want it to go any further. It's a mess."

A less pessimistic view is taken by Philip Smith, Assistant Director for Natural Resources and Commercial Services for the Office of Science and Technology Policy. OSTP has brought in outside consultants, including Willis Shapley, a public administration expert on research and development, Dr. Gene Skolnikoff, an authority on international affairs, and Dr. Bruno Augenstein, the group's technical expert on the technology itself. Smith says there has been too much concentration on resolution, and not enough attention paid to other elements of the remote sensing issue. What is needed, he says, is further definition of customer and user needs.

John Stewart, counsel to the Senate Committee on Commerce, Science and Transportation, also is optimistic regarding the final outcome of PRM-23. "Unless I've been lied to," he says, "the last reading we had on PRM-23 is that all elements needed to create civilian global satellite sensing systems are intact and not in jeopardy. We went in apprehensinve and came out quite satisfied."

In hearings held on the Earth Resources and Environmental Information System Act of 1977 by the Subcommittee on Science, Technology, and Space of the Senate's Committee on Commerce, Science, and Transportation last year, presidential science advisor Frank Press questioned civilian commitments. "There is a need for continued federal government support of research and development pertaining to remote sensing technology," he said. "We believe that Landsat-D [the next satellite in the series] represents this important commitment. The total NASA cost over the next six years is estimated to be $250 million.

"The administration concludes, however, that it is premature to commit the federal government to supporting an operational Landsat system because major uncertainties still exist as to the value and nature of future Landsat applications in public and private areas; evolution of remote-sensing technology, in general; and the general economic rationale for an operational system including the willingness of prospective government and private sector users to commit substantial budget resources necessary to utilize the data."

Dr. Press admitted that some countries had made greater civilian use of Landsat, because "for some very important domestic applications a higher order of resolution . . . may be an important factor in increased utilization."

In May of 1977 a study was published which identified all sensor technology from the microwave to the ultraviolet which is available to NASA. The military did a similar classified review of all its current sensor capabilities. The NASA study clearly shows future problems. Sadin of OAST indicates that NASA demands for such items as higher resolution and broader spectral coverage are going to prove to be "a little sticky."

NASA and DOD do meet on a regular basis to sift through sensor technologies. "But it's clear we're headed for bigger and bigger problems. We're going to be in trouble with a capital T," emphasizes Sadin. Obviously NASA can't jeopardize national security, but Sadin qualifies his concern, saying that even with all the upcoming problems, "more and more opportunities for solutions arise."

Two recent incidents underscore what some fear to be the trend of the future. Both the Geos-3 and Seasat A projects have fallen under military scrutiny. Both use radar to measure ocean topography, leading to a better understanding of ocean currents and tides, and a more precise description of the earth's gravity field and geometry. Seasat is hailed by NASA as the first major step in demonstrating a global dynamics monitoring system.

However, both spacecraft can provide measurements which can be used to upgrade targeting of ballistic missiles. Variations in the pull of gravity, ever so slight at launch time, have a large effect on the eventual targeting error of warheads. Restrictions on access to Seasat data have been set by the military. As a result of this and technical limitations, it is felt by some oceanographers that Seasat is almost worthless scientifically.

Thus, on the surface at least, there is a question of whether resolution ought to be improved first, or whether the federal government is justified in waiting for "the user community" to step forward and demand it first. But unless one considers the reality of military involvement, it is difficult to understand how Congress and the Administration can justify spending billions on the space program, and then talk about making Landsat, one of the few space programs that can directly better life on earth, "pay for itself."

Indeed, who are Dr. Press's "private sector users," and what is this oft-cited bureaucratic fiction, "the user community"? Isn't it really all of us who might benefit from better community planning and better defenses against environmental degradation? Why should the federal government treat local and regional planning departments as somehow divorced from the rest of the country?

Instead of dreaming about Landsat becoming immediately self-supporting, we ought to get used to the idea of pumping even more money into the program, improving it, and making the commitment long-term. Only then can remote sensing technology have a chance to fulfill the promises researchers saw 16 years ago. If the money and technology are not forthcoming, NASA might just as well call in its Landsats and divert the funds thereby saved to colonizing Mars or searching for the center of the universe.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MARLENEE) and to revise and extend their remarks and include extraneous matter:)

Mr. SARASIN, for 5 minutes, today.

Mr. ROUSSELOT, for 10 minutes, today.

(The following Members (at the request of Mr. PANETTA) and to revise and extend their remarks and include extraneous matter:)

Mrs. MEYNER, for 5 minutes, today.

Mr. SIKES, for 10 minutes, today.

Mr. VANIK, for 10 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. MCFALL, for 5 minutes, today.

Mr. PATTISON of New York, for 15 minutes, today.

Ms. OAKAR, for 5 minutes, today.

Mr. ALEXANDER, for 5 minutes, today.

Mr. PEPPER, for 5 minutes, today.

Mr. FLOOD, for 60 minutes, on July 18.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BROWN of California, and to include extraneous matter notwithstanding the fact that it exceeds 3 pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,314.

Mr. VENTO, to include extraneous material during debate on Oberstar amendment, Upper Mississippi River.

Mr. STANGELAND, to include extraneous material with remarks on consideration of H.R. 12536.

Mr. ABDNOR, to extend remarks to appear during debate on national parks bill following remarks of Mr. PRESSLER.

(The following Members (at the request of Mr. MARLENEE) and to include extraneous matter:)

Mr. MICHEL.
Mr. COUGHLIN in two instances.
Mr. DERWINSKI in two instances.
Mr. DORNAN in four instances.
Mr. DICKINSON.
Mr. SARASIN in two instances.
Mr. HYDE.
Mr. LENT in two instances.
Mr. GILMAN in two instances.
Mr. CRANE in two instances.
Mr. CONTE.
Mr. FINDLEY.
Mr. STEIGER in three instances.
Mr. MOORE.
Mr. ROUSSELOT in two instances.
Mr. MCCLORY.
Mr. MCKINNEY.
Mr. O'BRIEN.
Mr. STEERS.
Mr. YOUNG of Florida.
Mr. COCHRAN of Mississippi.

(The following Members (at the request of Mr. PANETTA) and to include extraneous material:)

Mr. STOKES.
Mr. CARNEY in two instances.
Mr. MURPHY of Illinois.
Mrs. BURKE of California.
Mr. VANIK.
Mr. RICHMOND.
Mr. PATTEN.
Mr. MIKVA.
Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. HAMILTON.
Ms. OAKAR.
Mr. LEVITAS.
Mr. FUQUA in five instances.
Mr. JACOBS in two instances.
Mr. SKELTON.
Mr. ULLMAN.
Mr. LLOYD of California.
Mr. OTTINGER.
Mr. TEAGUE.
Mr. SANTINI.
Mr. PEPPER in two instances.
Mr. TSONGAS.
Mr. BRECKINRIDGE.
Mr. MCDONALD in four instances.
Mr. RISENHOOVER.
Mr. VENTO.

ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2176. An act to amend the Accounting and Auditing Act of 1950 to provide for the audit, by the Comptroller General of the United States, of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency, and for other purposes;

H.R. 9757. An act to impose a moratorium on any increase in the public lands grazing fee for the 1978 grazing year, and for other purposes; and

H.R. 11232. An act to authorize appropriations to carry out the Standard Reference Data Act, and to authorize appropriations for the National Bureau of Standards.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following title:

H.R. 2176. To amend the Accounting and Auditing Act of 1950 to provide for the audit, by the Comptroller General of the United States, of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency, and for other purposes;

H.R. 9757. To impose a moratorium on any increase in the public lands grazing fee for the 1978 grazing year, and for other purposes; and

H.R. 11232. To authorize appropriations to carry out the Standard Reference Data Act. and to authorize appropriations for the National Bureau of Standards.

ADJOURNMENT

Mr. DERRICK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 2 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, July 12, 1978, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4540. A letter from the Secretary of Defense, transmitting the Department's proposal for providing the required additional resources for the settlement of outstanding shipbuilding claims; to the Committee on Appropriations.

4541. A letter from the Acting Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics), transmitting the third quarterly report on the Selected Reserve reenlistment bonus test program, pursuant to 37 U.S.C. 308b(e); to the Committee on Armed Services.

4542. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of the omission of a clause authorizing the examination of records by the Comptroller General in agreements with foreign governments and agencies for support of the U.S. Army European Command-sponsored joint strategic mobility exercise entitled "REFORGER 78," pursuant to 10 U.S.C. 2313(c); to the Committee on Armed Services.

4543. A letter from the Secretary of the Interior, transmitting notice of a proposed refund for excess payments on leases by the Mobil Oil Corp., pursuant to section 10(b) of the Outer Continental Shelf Lands Act; to the Committee on Interior and Insular Affairs.

4544. A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to amend the Alaska Native Claims Settlement Act of 1971 (85 Stat. 688; 43 U.S.C. 1601, as amended) to provide

clarifications and improvements in the provisions thereof; to the Committee on Interior and Insular Affairs.

4545. A letter from the Secretary of State, transmitting a report on progress toward achieving full respect for human and legal rights of U.S. citizens detained in Mexico, pursuant to section 408(b)(2) of Public Law 94–329; to the Committee on International Relations.

4546. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a copy of Presidential Determination No. 78–15 finding that the performance of security assistance functions by defense attaches in certain countries is the most economic and efficient means of performing such functions, pursuant to section 515(f) of the Foreign Assistance Act of 1961, as amended (91 Stat. 615); to the Committee on International Relations.

4547. A letter from the Assistant Secretary of Agriculture for International Affairs and Commodity Programs, transmitting a report on the status of planned programing of Public Law 480, title I commodities as of June 30, 1978, pursuant to section 408(b) of the act (91 Stat. 552); to the Committee on International Relations.

4548. A letter from the Secretary of Energy, transmitting a draft of proposed legislation to amend the Energy Policy and Conservation Act, as amended, to improve the States' capacity for energy planning and management, to provide a consolidated program of Federal financial assistance to the States to meet their respective goals for energy conservation, production and distribution and for other purposes; to the Committee on Interstate and Foreign Commerce.

4549. A letter from the vice president for Government affairs, National Railroad Passenger Corporation, transmitting the financial report of the Corporation for the month of March 1978, pursuant to section 308(a)(1) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

4550. A letter from the Executive Secretary, Agricultural Policy Advisory Committee for Trade Negotiations, transmitting the committee's report on the Agreement on Trade Matters Between the United States of America and the United Mexican States, signed December 2, 1977, pursuant to Section 135(e)(1) of the Trade Act of 1974; to the Committee on Ways and Means.

4551. A letter from the Chairman, Agricultural Technical Advisory Committee for Trade Negotiations on Oilseeds and Products, transmitting the committee's report on the trade agreement between the United States and Mexico, pursuant to section 135(e)(1) of the Trade Act of 1974; to the Committee on Ways and Means.

4552. A letter from the Chairman of the Board of Directors and the Executive Director, Pension Benefit Guaranty Corporation, transmitting a report analyzing the multiemployer plan termination insurance program established by title IV of the Employee Retirement Income Security Act of 1974, as amended, pursuant to section 4082(d) of the act (91 Stat. 1501); jointly, to the Committees on Education and Labor and Ways and Means.

4553. A letter from the Chairman of the Board of Directors and the Executive Director, Pension Benefit Guaranty Corporation, transmitting a report on the feasibility of establishing a Contingent Employer Liability Insurance program; jointly, to the Committees on Education and Labor and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. UDALL: Committee of conference. Conference report on S. 1633 (Rept. No. 95–1339). Ordered to be printed.

Mr. PRICE: Committee on Armed Services. Report on allocation of budget authority and outlays by major programs (Rept. No. 95–1340). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. H.R. 13149. A bill to amend the pilot project workfare provisions of the Food Stamp Act of 1977. (Rept. No. 95–1342). Referred to the Committee of the Whole House on the State of the Union.

Mr. SISK: Committee on Rules. House Resolution 1261. Resolution providing for the consideration of H.R. 12163. A bill to authorize appropriations to the Department of Energy in accordance with section 261 of the Atomic Energy Act of 1954, section 305 of the Energy Reorganization Act of 1974, section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and section 660 of the Department of Energy Reorganization Act, for energy research and development, and for other purposes (Rept. No. 95–1343). Referred to the House Calendar.

Mr. FOLEY: Committee of conference. Conference report on H.R. 11504 (Rept. No. 95–1344). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 13235. A bill for the relief of James Thomas Lantz, Jr., David D. Bulkley, and Arthur J. Abshire (Rept. No. 95–1341). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CONABLE (for himself, Mr. BAFALIS, and Mr. STOCKMAN):

H.R. 13407. A bill to amend title II of the Social Security Act to make it clear that every beneficiary is entitled to apply the monthly earnings test (under the amendment made by section 303 of the Social Security Amendments of 1977) in at least 1 year after 1977; to the Committee on Ways and Means.

By Mr. HARRINGTON (for himself, Mr. BEDELL, Mr. BRADEMAS, Mr. CONYERS, Mr. DIGGS, Mr. EDGAR, Mr. EDWARDS of California, Mr. HAMILTON, Mr. HARKIN, Mr. IRELAND, Mr. KILDEE, Mr. LAFALCE, Mr. LEHMAN, Mr. LUNDINE, Mr. MCDADE, Mrs. MEYNER, Mr. MITCHELL of Maryland, Mr. MURPHY of Pennsylvania, Mr. PREYER, Mr. SIMON, Mr. TSONGAS, Mr. VENTO, Mr. WALGREN, Mr. WHITEHURST, and Mr. YATRON):

H.R. 13408. A bill to restate the purpose of the Peace Corps, to establish the Peace Corps as a Government foundation, and for other purposes; to the Committee on International Relations.

By Mr. HARRINGTON (for himself, Mr. AKAKA, Mr. BONIOR, Mr. BRECKINRIDGE, Mr. CARR, Mr. CORNELL, Mr. DRINAN, Mr. HOLLENBECK, Ms. KEYS, Mr. RANGEL, and Mrs. SPELLMAN):

H.R. 13409. A bill to restate the purpose of the Peace Corps, to establish the Peace Corps as a Government foundation, and for other purposes; to the Committee on International Relations.

By Ms. HOLTZMAN:

H.R. 13410. A bill to amend section 218 of the Social Security Act to require that States having agreements entered into thereunder will continue to make social security payments and reports on a calendar-quarter basis; to the Committee on Ways and Means.

By Mr. JENRETTE:

H.R. 13411. A bill to authorize the Secretary of Agriculture to establish a grant program for the purpose of establishing and operating an international agricultural trade center near the District of Columbia; to the Committee on Agriculture.

By Mr. MCFALL:

H.R. 13412. A bill to amend the Tariff Schedules of the United States with respect to the rates of duty for montan wax; to the Committee on Ways and Means.

By Mr. MICHEL (for himself, Mr. ADDABBO, Mr. ARMSTRONG, Mr. CHAPPELL, Mr. EILBERG, Mr. GUDGER, Mr. LEDERER, Mr. MCCLOSKEY, Mr. MURPHY of New York, Mr. MICHAEL O. MYERS, Mr. RICHMOND, Mr. RONCALIO, Mr. THONE, and Mr. WOLFF):

H.R. 13413. A bill to promote and coordinate amateur athletic activity in the United States, to recognize certain rights for U.S. amateur athletes, to provide for the resolution of disputes involving national governing bodies, and for other purposes; to the Committee on the Judiciary.

By Mr. NEDZI:

H.R. 13414. A bill to amend the Public Works and Economic Development Act of 1965, as amended, to provide public works employment for the long-term unemployed, and for other purposes; to the Committee on Public Works and Transportation.

By Ms. OAKAR (for herself, Mr. MOFFETT, Mrs. COLLINS of Illinois, Mrs. SPELLMAN, Mr. MINETA, Mrs. FENWICK, Mr. EVANS of Georgia, Mr. STARK, Mr. LUNDINE, and Mr. PATTERSON of California):

H.R. 13415. A bill to amend the Coinage Act of 1965 to change the size, weight, and design of the $1 coin, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. PRICE (for himself and Mr. BOB WILSON) (by request):

H.R. 13416. A bill to amend title 10, United States Code, to modernize the permanent faculty structure at the U.S. Military Academy, and for other purposes; to the Committe on Armed Services.

By Mr. SCHULZE (for himself, Mr. ABDNOR, Mr. BURGENER, Mr. BURKE of Florida, Mr. BRECKINRIDGE, Mr. CLEVELAND, Mr. DERWINSKI, Mr. DEVINE, Mr. EDWARDS of Oklahoma, Mr. ERTEL, Mr. FISH, Mr. GRADISON, Mr. JOHNSON of Colorado, Mr. MCCLORY, Mr. MONTGOMERY, Mr. O'BRIEN, Mr. SISK, Mr. SYMMS, Mr. WATKINS, and Mr. ZEFERETTI):

H.R. 13417. A bill to amend the Internal Revenue Code of 1954 to provide tax relief to small businesses; to the Committee on Ways and Means.

By Mr. SMITH of Iowa (for himself, Mr. CONTE, Mr. STEED, Mr. DINGELL, Mr. ADDABBO, Mr. GONZALEZ, Mr. HANLEY, Mr. BRECKINRIDGE, Mr. RICHMOND, Mr. RUSSO, Mr. BALDUS, Mr. NOLAN, Mr. IRELAND, Mr. KILDEE, Mr. LAFALCE, Mr. MCDADE, Mr. CARTER, Mr. BUTLER, Mr. COHEN, Mrs. FENWICK, and Mr. PRESSLER):

H.R. 13418. A bill to amend the Small Business Act by transferring thereto those provisions of the Domestic Volunteer Service Act of 1973 affecting the operation of volunteer programs to assist small business, to increase the maximum allowable compensa-

tion and travel expenses for experts and consultants, and for other purposes; to the Committee on Small Business.

By Mr. SMITH of Iowa (for himself, Mr. PICKLE, Mr. CORMAN, Mr. CONTE, Mr. BROWN of Ohio, Mr. BROWN of Michigan, Mr. CARR, Mr. CLEVELAND, Mr. COLEMAN, Mr. GILMAN, Mr. GRASSLEY, Mr. HARKIN, Mr. HYDE, Mr. IRELAND, Mr. MCKAY, Mr. MATTOX, Mr. PRESSLER, Mr. QUIE, Mr. RAHALL, Mr. STANGELAND, Mr. THONE, Mr. TRIBLE, Mr. WALKER, Mr. CHARLES WILSON of Texas, and Mr. YATRON):

H.R. 13419. A bill to amend the Internal Revenue Code of 1954 to provide tax relief to small businesses by establishing a graduated income tax rate for corporations; to the Committee on Ways and Means.

By Mr. STAGGERS:

H.R. 13420. A bill to amend the Energy Policy and Conservation Act, as amended, to improve the States' capacity for energy planning and management, to provide a consolidated program of Federal financial assistance to the States to meet their respective goals for energy conservation, production and distribution and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STARK (for himself, Mr. DRINAN, Mr. HANNAFORD, and Mr. HARRIS):

H.R. 13421. A bill to amend the Indochina Migration and Refugee Assistance Act of 1975, and for other purposes; to the Committee on the Judiciary.

By Mr. STEIGER (for himself, Mr. CONABLE, and Mr. MIKVA):

H.R. 13422. A bill to suspend the duty on freight cars until the close of June 30, 1980; to the Committee on Ways and Means.

By Mr. ADDABBO:

H.R. 13423. A bill to establish a congressional award program for the purpose of recognizing excellence and leadership among young people; to the Committee on Education and Labor.

By Mr. EVANS of Colorado (for himself, Mrs. SCHROEDER, and Mr. CHARLES WILSON of Texas):

H.R. 13424. A bill to test the commercial, environmental, and social viability of various oil shale technologies, and for other purposes; to the Committee on Armed Services.

By Mr. KAZEN:

H.R. 13425. A bill to modify the method of determining quantitative limitations on the importation of certain articles of meat and meat products, to apply quantitative limitatons on the importation of certain additional articles of meat, meat products, and livestock, and for other purposes; to the Committee on Ways and Means.

By Mr. PRICE (for himself and Mr. BOB WILSON) (by request):

H.R. 13426. A bill to amend title 10, United States Code, to authorize the Secretary of Defense to place an additional 10 positions in the Department of Defense in Executive Level IV and Executive Level V and to prescribe the duties for such positions; to the Committee on Armed Services.

By Mr. ADDABBO:

H.J. Res. 1055. Joint resolution to authorize and request the President to issue a proclamation designating November 30, 1978, as "National Postal Worker's Recognition Day"; to the Committee on Post Office and Civil Service.

By Mr. BAUCUS (for himself, Mr. ALEXANDER, Mr. BRADEMAS, Mr. BYRON, Mr. ERTEL, Mr. GUYER, Mr. HAMILTON, Mrs. HECKLER, Mr. HUGHES, Mr. JEFFORDS, Mr. JENRETTE, Mr. KASTENMEIER, Mr. LAGOMARSINO, Mr. SANTINI, Mr. STOKES, Mr. VENTO, Mr. WAXMAN, and Mr. WOLFF):

H.J. Res. 1056. Joint resolution designating May 1979, as "Family Camping Month"; to the Committee on Post Office and Civil Service.

By Mr. MOORHEAD of Pennsylvania (for himself, Mr. ADDABBO, Mr. BARNARD, Mr. BEARD of Rhode Island, Mr. CARR, Mrs. CHISHOLM, Mr. COUGHLIN, Mrs. FENWICK, Mr. GARCIA, Mr. GUDGER, Mr. GREEN, Mr. LEDERER, Mr. MARKEY, Mr. MARKS, Mr. MIKVA, Mr. NEAL, Ms. OAKAR, Mr. OBERSTAR, Mr. PATTEN, Mr. PEPPER, Mr. RAILSBACK, Mr. SOLARZ, Mr. THOMPSON, Mr. WAGGONNER, and Mr. WOLFF):

H. J. Res. 1057. Joint resolution designating July 18, 1979, as "National P.O.W.-M.I.A. Recognition Day"; to the Committee on Post Office and Civil Service.

By Mr. BOWEN (for himself, Mr. FREY, and Mr. CORNWELL):

H. Con. Res. 658. Concurrent resolution expressing the sense of the Congress that an energy conservation impact statement shall be prepared before any law is passed, any agency regulation or rulemaking is promulgated, or any Executive order is issued; to the Committee on Interstate and Foreign Commerce.

By Mr. JEFFORDS (for himself, Mr. BRODHEAD, Mr. BROWN of California, Mr. CONTE, Mr. DRINAN, Mr. EDWARDS of California, Mrs. FENWICK, Mr. GILMAN, Mr. GRADISON, Mr. GRASSLEY, Mr. GUYER, Mr. HARRINGTON, Mr. HOLLENBECK, Mr. HYDE, Mr. KEMP, Mr. KILDEE, Mr. KREBS, Mr. LENT, Mr. LEVITAS, Mr. LUKEN, Mr. MAGUIRE, Mr. MARKEY, Mr. MCDADE, Mr. MCDONALD, and Mr. OTTINGER):

H. Con. Res. 659. Concurrent resolution urging Presidential action to obtain Soviet compliance in conformity with the Helsinki Final Act; to the Committee on International Relations.

By Mr. JEFFORDS (for himself, Mr. QUIE, Mr. NOLAN, Mr. SARASIN, Mr. SIMON, Mr. SCHEUER, Mr. PANETTA, Mr. HILLIS, Mr. STEERS, Mr. THONE, and Mr. WAXMAN):

H. Con. Res. 660. Concurrent resolution urging Presidential action to obtain Soviet compliance in conformity with the Helsinki Final Act; to the Committee on International Relations.

By Mr. WHALEN (for himself, Mr. SIMON, Mr. OTTINGER, Mrs. MEYNER, Mr. RANGEL, Mr. BEDELL, Mr. PEASE, Mr. PATTISON of New York, Mr. NEAL, Mr. ROE, Mrs. COLLINS of Illinois, Mr. GREEN, Mr. HARRINGTON, Mr. LAFALCE, Mr. DOWNEY, Mr. EDGAR, Mr. CONTE, Mr. MITCHELL of Maryland, and Mr. SOLARZ):

H. Con. Res. 661. Concurrent resolution expressing the sense of the House that the President undertake discussions with the other industrialized countries with a view toward establishing, in cooperation with the member countries of the Organization of Petroleum Exporting Countries (OPEC) which are in current account surplus, a major capital pool for productive investment in the developing countries; to the Committee on International Relations.

By Mr. WHALEN (for himself, Mr. SIMON, Mr. OTTINGER, Mrs. MEYNER, Mr. RANGEL, Mr. BEDELL, Mr. PEASE, Mr. PATTISON of New York, Mr. NEAL, Mr. ROE, Mrs. COLLINS of Illinois, Mr. GREEN, Mr. HARRINGTON, Mrs. SPELLMAN, Mr. LAFALCE, Mr. DOWNEY, Mr. EDGAR, Mr. CONTE, Mr. MITCHELL of Maryland, and Mr. SOLARZ):

H. Con. Res. 662. Concurrent resolution expressing the sense of the House that the President undertake discussions with the industrialized countries with a view toward developing a common approach to the grave problems facing today's international monetary system; to the Committee on International Relations.

By Mr. FRASER (for himself and Mr. VENTO):

H. Res. 1262. Resolution expressing the sense of the House with respect to mutual action by the United States and Canada to protect and enhance the quality of air resources along their mutual border so as to promote the public health and welfare; to the Committee on International Relations.

By Mr. WEISS (for himself, Mr. DELLUMS, and Mr. MITCHELL of Maryland):

H. Res. 1263. Resolution to commend Native Americans participating in the Longest Walk; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

Mr. UDALL introduced a bill (H.R. 13427) for the relief of Roy A. Timpson, which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

495. By the SPEAKER: Petition of Morton H. Sklar, Washington, D.C., relative to human rights; to the Committee on International Relations.

496. Also, petition of counsel for Mrs. Patricia Atthowe, Emeryville, Calif., relative to the request for a contempt citation of Mrs. Atthowe by the Subcommittee on Oversight and Investigations of the Committee on Interstate and Foreign Commerce; to the Committee on Interstate and Foreign Commerce.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 15

By Mr. EILBERG:

—Page 104, line 14, insert after "Commissioner shall" the following: ", in accordance with section 554 of title 5, United States Code,".

Page 106, beginning on line 6, strike out "and opportunity for a hearing to any State educational agency," and insert in lieu thereof "to any State educational agency and opportunity for a due process hearing on the record,".

Page 106, beginning on line 20, strike out "Pending the outcome of any proceedings under this subsection," and insert in lieu thereof "In the case of a substantial and continuing violation,".

Page 111, line 4, strike out "final", and on line 5, strike out the period and insert in lieu thereof "or of any officer or panel authorized by the Commissioner to make such determinations;".

Page 111, line 18, insert immediately before the semicolon the following: "and of audit determinations made by any officer or officers prior to a final audit determination by the Commissioner".

H.R. 15

By Mr. SIMON:

—On page 270, strike out lines 14 through 17.

H.R. 15

By Mr. VENTO:

—On page 28, line 21 insert immediately

after "41(b)" "or if it is located in a State which has in effect a program for educationally deprived children in which funds received by a local educational agency are expended in that fiscal year for a program for educationally deprived children which meets the requirements of section 41(b)".

On page 28, line 24 insert immediately after "State" "or local educational agency".

On page 29, line 9 insert immediately after "State" "or local educational agency".

H.R. 11392

By Mr. LEVITAS:

—Page 24, line 19, strike out "subsection" and insert in lieu thereof "subsections".

Page 25, line 13, strike out the quotation marks and the period which follows.

Page 25, after line 13, insert the following new subsection:

"(1)(1) With respect to any rule, regulation, or order which is issued pursuant to authority vested by law in, or transferred or delegated to, the Commission and the effects of which would directly or indirectly result in a significant increase in the rates or charges paid by any user or users of natural gas or electrical power who are located within any State, the Commission shall, subject to paragraph (2), upon application by any interested party, hold at least one hearing and provide for procedures for the holding of such a hearing within the boundaries of the affected State.

"(2) If the Commission determines that the effects of a rule, regulation, or order described in paragraph (1) would directly or indirectly result in a significant increase in the rates or charges paid by users of natural gas or electrical power who are located within more than two States within a region, the Commission, upon request of any interested party, will hold at least one hearing referred to in paragraph (1) within the region rather than within each of such States.

"(3) For the purposes of this subsection, the term 'region' means each of the regions established by Office of Management and Budget circular designated A-105, issued April 4, 1974.".

H.R. 11392

By Mrs. SMITH of Nebraska:

—Page 27, after line 6, insert the following new section:

SMALL REFINER BIAS

SEC. 206. Section 4 of the Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following new subsection:

"(f) Any provision of the regulation under subsection (a) of this section which requires the purchase of entitlements or the payment of money through any other similar cash transfer arrangement, the purpose of which is to reduce disparities in the crude oil acquisition costs of domestic refiners shall—

"(1) provide for a small refiner bias to small refiners in the same manner as is provided for under the regulation under subsection (a), except as provided in paragraph (2);

"(2) provide that in determining the amount of benefits a small refiner is entitled to receive under such small refiner bias the computation shall be made on the daily average volume of crude oil runs to stills of each refinery involved (in lieu of on that of the refiner involved).

Not later than 90 days after the date of the enactment of this Act, the President shall amend such regulation to conform to the requirements of this section."

Page 27, line 8, strike out "206." and insert in lieu thereof "207.".

H.R. 11983

By Mr. WIGGINS:

(To the Amendment of Mr. ANDERSON of Illinois.)

—In section 2 in proposed section 508 of the Federal Election Campaign Act of 1971, as amended, strike subparagraph (3).

—In section 2 in proposed section 510(c), of the Federal Election Campaign Act of 1971 as amended, strike everything after the first sentence of proposed section 510(c) and insert in lieu thereof: "Any judgment of a district court under this subsection may be appealed to the Court of Appeals, and the judgement of the Court of Appeals affirming or setting aside, in whole or in part, any such order of the district court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of Title 28 of the United States Code".

—In section 2 in proposed section 511(a) of the Federal Election Campaign Act of 1971, as amended, strike "or other action involved" and insert in lieu thereof: "or other action by the Commission for which review is sought".

SENATE—*Tuesday, July 11, 1978*

(Legislative day of Wednesday, May 17, 1978)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by Hon. ROBERT MORGAN, a Senator from the State of North Carolina.

PRAYER

Rabbi Jeffrey B. Stiffman, Ph. D., Temple Shaare Emeth, St. Louis, Mo., offered the following prayer:

O Lord our God,

As we gather for another day in these halls:

We pray that the busy-ness of the moment—and the routine of this day—not dull our sense of the history we make here. May we ever be mindful of the power You have placed in our hands.

May we be sensitive to the duties and obligations placed upon us by the citizens of this land.

May we bear the burdens of leadership with an ever-deepened understanding of the unique privilege bestowed upon us.

May we ever accept the challenge of Your law, to work for liberty and freedom in justice.

We ask in the words of the Psalmist, "Establish upon us the work of our hands. Yea, the work of our hands, establish Thou it." Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 11, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable ROBERT MORGAN, a Senator from the State of North Carolina, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. MORGAN thereupon assumed the chair as Acting President pro tempore.

THE JOURNAL

Mr. STEVENS. Mr. President, I ask unanimous consent that the Journal of the proceedings to date be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. STEVENS. Mr. President, is there a special order this morning?

The ACTING PRESIDENT pro tempore. There is.

Mr. STEVENS. Mr. President, I am informed that there is no leadership time this morning. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that Catherine Olendorff, of my staff, be granted the privileges of the floor for today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRAVEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, will the Senator from Alaska yield to me?

Mr. GRAVEL. I am happy to yield whatever time the Senator from Wisconsin may need.

Mr. PROXMIRE. I thank the Senator very much.

TRADITIONAL VALUES CALL FOR RATIFICATION OF THE GENOCIDE TREATY

Mr. PROXMIRE. Mr. President, so much of our lives is directed toward the

fulfillment of rituals and traditions—holidays, religious celebrations, and daily routines. Even the procedures of the Senate are traditional. Usually, we stay with our traditions because they provide guidance for our behavior in a world which is at times overwhelming. Sometimes we stop and find fault with our traditions because they come into conflict with what we decide is right in a changing world. And, at times, we mistakenly break with tradition.

In one area of international concern, we have departed from our national traditions. By refusing to ratify the articles of the Genocide Convention, I think we have been wrong.

Historically, we have supported the fundamental freedom of Americans through our endorsement and upholding of our Bill of Rights. We have also demonstrated our commitment to human liberties throughout the world. Under President John Quincy Adams, we supported the Greeks in their struggle for independence from Turkey. In 1840, President Van Buren intervened on behalf of the Jews in Damascus and Rhodes. And 23 years later, this country came to the aid of religious minorities in Morocco. Since then we have continued to support minorities in Romania, in Cuba, in Russia, and we have intervened on behalf of Christians in China, Turkey, Hungary, Bulgaria, and Romania.

Why, then, did we break with tradition and abandon our moral leadership by refusing to ratify the Genocide Treaty? Refusing to join the list of adherents to this treaty is an errant deviation from our traditional support for the most fundamental of all human rights—the right to life. To have held back our support for a treaty so clearly in the interests of humanity is a grave mistake and a blot on our Nation's history.

Mr. President I ask this body to reconsider its past actions. Let us embrace once again our traditional moral responsibility and ratify this treaty.

I thank the distinguished Senator from Alaska for so graciously yielding me time.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRAVEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE RESOLUTION 507—ALASKA NATURAL INTEREST LANDS LEGISLATION

Mr. GRAVEL. Mr. President, I send to the desk a resolution and ask that it be held at the desk.

The ACTING PRESIDENT pro tempore. The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 507) relating to the consideration of the Alaska Natural Interest Lands Legislation by the Senate.

Mr. GRAVEL. Mr. President, I should like to read this resolution. I think it is a very simple one and will be self-explanatory. I have asked that it be held at the desk. Under the rules, it will be referred to the Energy and Natural Resources Committee. It involves that very committee. The resolution reads thus:

Whereas legislation now being considered by the Senate Committee on Energy and Natural Resources would designate new units of the National Park System, National Wildlife Refuge System, National Forest System, National Wild and Scenic Rivers System, and National Wilderness Preservation System, resulting in an aggregate of 172 million acres, or nearly 50 percent of the lands in Alaska, in such systems;

Whereas designation of these lands would have a profound effect on the economic future of the State of Alaska and the lifestyles of many of the citizens of that State;

Whereas field hearings are normally held in the case of legislation having such an effect on a particular region or State;

Whereas there have been no Senate hearings held in Alaska on the Alaska National Interest Lands Legislation to date: Now therefore, be it

Resolved, That it is the sense of the Senate that the Committee on Energy and Natural Resources should hold not less than five days of field hearings in geographically diverse regions of Alaska on the Alaska National Interest Lands, such hearings to be attended by the chairman and ranking minority member of such committee or the chairman and ranking minority member of the Subcommittee on Public Lands and Resources.

Mr. President, on the House side, the committee held 5 days of hearings on this legislation in Ketchikan, Sitka, Juneau, Anchorage, and Fairbanks, and held 10 town meetings of record of smaller communities and villages within the State, then had 10 days of onsite investigation.

I cannot say that the results of this House effort have pleased us, and if the Senate were to apply itself with the same dispatch in Alaska and the results were similar I would be somewhat disappointed. But I would be prepared to take my chances, and I think that an investigation should be made.

It is preposterous to think that a committee is about to have markup—the Committee on Energy and Natural Resources is supposed to meet this morning at 10 o'clock—on a bill that greatly affects the State of Alaska and on which the members of the committee have not really done their homework. I think that is grossly unfair.

I certainly will push for the disposition of this resolution, because otherwise it would be obviously very unfair to Alaska.

Mr. President, I think there is a misunderstanding. I shall not ask that the resolution be held at the desk, because that has not been cleared with the leadership.

Under Senate procedure it would be held for 1 day and referred to committee. That would be normal procedure, and I expect the normal procedure to prevail in the absence of clearance of this resolution with the chairman of the committee and the majority leader.

The ACTING PRESIDENT pro tempore. Without objection, the normal procedure will be followed.

Mr. GRAVEL. Again, Mr. President, we will have opportunities to press for the passage of this resolution if, on its own initiative, the committee under the able leadership of Senator JACKSON chooses not to hold hearings this year on this bill.

The issue that is before us here is one that is very clouded by lack of information or by ignorance of the subject. It is very easy for a person living, say, in Pennsylvania, a Senator representing that great State, to stand on the floor here and react to the pressures of the environmental lobbyists in his State, and merely vote their wishes.

Alaska is far away. To set aside a great quantity of land to protect this beautiful area sounds romantically attractive. So that is the limit of his investigation. That is the limit of his knowledge, because it is so easy for him to respond to that environmental pressure from his own community, which I might say is, by and large, uninformed.

This pressure is mustered by national organizations through their membership. By and large, 99 percent of the membership of such organizations have not been to Alaska. Ninety-nine percent of the people in question who are writing letters to Members of Congress have only read what has been published by their environmental organization and then, as a result, have written to their Members of Congress.

Now, I consider myself a good environmentalist and have worked very hard to protect the environment, particularly in the nuclear area. So I am very knowledgeable as to how these things occur.

In this particular case, judgment is being reached in great ignorance, on the basis of national emotional expression. That is what it may turn out to be, an emotional expression to protect the lands of Alaska, without knowing what the consequences would be. And if that is the basis of the decision a great error would be done. Yet most Members of the Congress, as we saw in the House, have no motivation to stand up to an adamant constituency within their State.

In fact, it is easiest and in their best interest to just go along since the problem is so far away.

I think that my colleague now presiding, as a result of his recent trip, is somewhat more knowledgeable about the large expanse of Alaska.

It is so difficult for somebody to realize that from the tip of the Aleutians to Ketchikan, is an expanse which would reach from St. Augustine, Fla., to San Diego, Calif., and that from north to south, Alaska is equal to the distance from New Orleans to Fargo in the Dakotas.

We stop to realize that of the 172 million acres that will be locked up, 65-plus million acres will be in total wilderness. That is larger than most States we have in the United States.

I think if most people, wanting to save and protect the environment, were knowledgeable about it, they would recognize that this certainly is an excess.

But when we get legislation that affects one sparsely populated State,

which is not strongly represented except in the Senate as a result of the Constitution, that one State can be overridden because of the wishes and the emotional demands of a strong lobbying community of environmentalists.

I do not mean to decry the lobbying community or the environmentalists. I think we have made great advances. I think the American people have matured in the last decade as to what the environmental needs of this Nation are. But because of this abnormality, being one State, being far away, being a very large State, it is deceptive and there is a lack of appreciation as to what is really happening.

Let me give an example as to how these excesses can take place. For wild and scenic rivers, the normal requirement is that one-quarter mile on each side of the river be protected. In the case of Alaska, apparently because of the zeal that has been evident throughout this legislation, they figured that one-quarter mile is not enough, Alaska is bigger, so they made it 2 miles. So that is the area that is covered.

Of course, it is a great inconsistency and, obviously, grossly unfair.

In the end it is that kind of tactic, I think, that will permit us to right a lot of these excesses and bring some degree of judiciousness.

I think if a Member from an east coast State, who is so quick to throw away his vote—we might call this vote a throwaway environmental vote—were faced in debate and shown that what he is doing is appropriating millions of acres of sedimentary basin, basins that have great potential for gas, a great potential to satisfy and contribute to the economic well-being of this great Nation of ours, he would reconsider. Because if he were out there appropriating all of this sedimentary basin land and turning it to wilderness without investigation, I thing that issue alone would cause him great difficulties among his constituents.

But these facts are not known. It is not known that the oil and gas lands that are being set aside under this legislation, by and large, are larger in area than most individual States in the United States, probably larger than 75 percent of the States.

To be that foolhardy and that inconsiderate to the economic well-being and, I might say, the attendant environmental well-being of the people of Alaska, the Nation, and the world, in my opinion is clearly irresponsible.

When our Founding Fathers developed our system of Government, under principles laid down by some of our great thinkers—Montesquieu, Hobbes, John Locke, and others—they fully realized that the majority was protected by its very numbers and that the minority must be protected from the tyranny—and those words are used extensively by Locke, Hobbes, Jefferson, and Montesquieu—the outright tyranny of the majority. That is the reason why, in the structure of our Government, we have a Republic and not a total democracy, because the public can be very tyrannical to the minority.

We have clear-cut examples of that in the late part of the last century with respect to the Indian policy in this country. We had examples of that during the last decade with respect to the Vietnam war. Certainly, the majority sustained that effort, and it was a minority that opposed it. Therefore, the minority only could protest or, as structured in Congress and our Government, the minority could use the rules in order to protect itself from the tyrannical influences and tyrannical policies of the majority.

So we have a case, as it exists today on this particular issue, in which we who live in Alaska, we who represent the State of Alaska, have a moral responsibility to take the knowledge we have, not only of our State but also the knowledge of what the balanced needs are of the State of Alaska, and to use the rules against this tyrannical and oppressive majority, whether it be a majority of Congress or a majority of American citizens who may hold a certain perception, accurate or not. So that is our charge.

My colleague has spoken out before on this issue. I have spoken out. But I want to set the record straight, on the floor of the Senate, as to what my intent will be. My intent will be, to the best of my ability, to use the rules which were designed to protect the minority from the tyrannical abuse of the majority and, with time, to see a more moderate approach taken with respect to the disposition of these lands.

I really want to underscore this, because I think the dialog is going to be cast as it has been cast by one of the leaders, the chairman of the Interior and Insular Affairs Committee on the House side. He cast it as a quarrel between growth and no growth. That is not the case at all.

I do not recall making a speech as a U.S. Senator—and I have been one now for going on 10 years—inviting hordes of people to Alaska. Frankly, I do not care if we increase our population in Alaska. I have very strong views on birth control. I think we should have a normal replacement population, through the normal birth process. But with respect to immigration into Alaska, I could not care less if no one else comes to Alaska.

We have a beautiful State. I like it the way it is. I can think of many ways to improve it through economic improvement, but we do not need more people to come up there.

So, to be cast in the light of "growthers" I think misses the target altogether. If I were to describe my philosophical concepts with respect to growth, I would say it would be the very responsible choices advanced by Drs. Pestel and Meserovic in a book entitled "Mankind at the Turning Point." I think that was much more responsible than the approach that was taken—and I understand that approach to have been a clarion approach—in the book entitled "The Limits To Growth."

We in Alaska have been characterized as having a fleet of bulldozers, with their engines running, ready to run up and tear the land. That is how we have been cast—and, therefore, we have to pass legislation in order to protect Alaska. That is patently ridiculous. Anybody who has flown over Alaska knows there is not a fleet of bulldozers ready to tear up the countryside. There is not enough wealth in the world to line up enough bulldozers to make an appreciable difference within 1 year's time, or 2 year's time, or even 10 year's time.

The tragedy is that the decision that is going to be made in Alaska on this matter could have an opposite effect, because as we get greater pressure for energy resources and minerals, the act of Congress very well could be overturned, so that an effort could be made to garner these resources to national benefit. I predict that would happen.

The position I have taken—and I think this is something that should be understood clearly, because this is where the line is drawn between me and the leadership of the environmental community that is pressing for the adoption of this legislation in its present form—the position I take is that the entire subcontinent of Alaska should be controlled. It should be controlled and made subservient to a land-use planning process. I have introduced a measure to do that, but it has not been considered by the House. In all likelihood, from what I have heard of the attitude of the leadership, it probably will not be considered by the Senate committee, and certainly it was not considered by the administration in its deliberations. The process is very simple. It is that human activity is an ongoing activity. It is not a situation in which you can wake up one morning and pass a law and think you have solved the problem.

Locking up 172 million acres of Federal land places an unusual burden on State lands, places an unusual burden on the 40 million acres we have transferred to the Native community.

What say the people who are so concerned about the environment that they are prepared to put one part aside but throw the rest of it to those warming up bulldozers? Would it not be a little more logical if we took the 172 million acres of Federal land and the remainder of the land and all of the subcontinent of Alaska and subjected that land to intelligent, ongoing planning and ecologically balanced disposition?

I was chagrined and thunderstruck to hear several members of an environmental panel before the Senate committee state that in principle they were against the land-use planning process. Can you imagine a situation—once the American people and those who are sensitive to the environmental needs of this country are made aware of it—in which we have the national environmental community leadership opposed in principle to land-use planning? I shall introduce that testimony into the RECORD.

The reason why they oppose it is very simple. They are winning a great deal the way the bill is right now, so they do not have to "give anything."

Another reason is that they hold the same views as do some "growthers" in Alaska: That is, "We can't trust the commission. We don't know who is going to be appointed to that commission. So they may turn around and develop the State of Alaska."

On the growth side, you get the same people. They do not want a land-use planning commission, because they cannot trust them. There might be people appointed to that commission who would not let any growth take place.

That also can be said about Congress. It can be said that we cannot trust Congress; we do not know who may be elected. We may get a bunch of dingalings elected, and they may pass a bunch of legislation without giving it intelligent examination. Or we may elect a bunch of philosophers, and all they will do is philosophize and never get anything done.

However, I submit that we have no choice. When we chose the course of representative government, we chose to develop confidence in the institutions we would create.

One of the institutions I want to create in the State of Alaska—and I would be derelict in my duty if I did not press to the limits of my capacity the bringing about of this institution—is a land-use planning commission, made up of four members appointed by the President of the United States and four members appointed by the Governor of Alaska, respectively confirmed by the Senate and the State legislature.

And then the other member, the ninth member, who would be the chairman, would be appointed concurrently by the President and by the Governor.

This is something that not only affects the State of Alaska, but I think eventually the economic well-being of all people on this Earth.

I shall make my point briefly, because I shall be terminating at 10 o'clock so the Senate may take up the military procurement bill, but I will be back tomorrow and I will be back a number of days as we progress into the year, since I will try to see that this bill is not taken up this year, so that we can see expire the d(2) charge.

I think it should be clear to everyone what the d(2) situation is—d(2) is a section in the Alaskan Native claims legislation that was passed in 1971. Literally, it amounted to Congress giving itself a suspense requirement to do something at a given time. Originally the requirement was to look at 80 million acres. Of course, that is what the Secretary of the Interior did look at.

What has happened since that time, of course, is the whole matter has gotten out of hand, under the leadership of Congressmen UDALL and SEIBERLING, and the 80 million acres has escalated. As I stated, it would essentially encompass 172 million acres of all Federal four systems lands within the State of Alaska.

I was making the point about the need of having a land-use planning process so that as the needs, human needs, ecological needs, environmental needs are recognized, they can be adjudicated in a timely and intelligent fashion.

The commission that I suggested be created would not only handle land-use planning, per se, but would also be charged with responsibility of handling all environmental legislation. That would mean clean air, clean water, solid waste, coastal zone management. Almost anything and everything that involves human activity would be handled in one central clearinghouse by this commission of nine people who would be full-time employees.

I had one knowledgeable person yesterday tell me, "There is no way you can let a commission made up of State-appointed people control Federal land."

That really was a gross misunderstanding as to the way this commission would operate. There is no cession or giving away of sovereignty in the slightest. The Federal Establishment would control Federal lands; the State establishment would control State lands. What would happen is that on Federal land if a decision were made by the commission, the Secretary of the Interior would be able to veto that decision. If a decision by the commission involving State lands were made, the Governor or the legislature would be able to veto that decision. So there is no loss of sovereignty.

But there would be an increase of knowledge. These nine full-time persons certainly would be very knowledgeable about the issues and would have research capability to acquaint themselves in depth about the issues, so that when they made a judgment that judgment would not be overridden unless there were some very extenuating circumstances.

So that is what I mean. There is no loss of sovereignty, but because of the knowledge that would now be focused on this continuous decisionmaking process we can be assured that a better decision would be made rather than the present decisions of faceless individuals within the bowels of bureaucracy who counsel the Secretary, who all too often has only the data they provide him.

If this d(2) legislation passes in its present form, it will cost Alaska hundreds of millions of dollars over our future merely to come back and press the bureaucracy of the Federal Government for normal bureaucratic decisions that can and should be made at the local level by a much better and much more representative commission.

I see the hour of 10 a.m. is approaching. I will be back tomorrow.

Mr. RIEGLE. Mr. President, will the Senator yield?

Mr. GRAVEL. I am happy to yield to the Senator.

SCHARANSKY AND GINSBURG

Mr. RIEGLE. Mr. President, what citizen of the world can remain silent in the face of the unjustified and willful persecution by the Soviet Union of Messrs. Scharansky and Ginsburg.

I rise today as one who has spent some 12 years here in the U.S. Congress. I consider myself an internationalist—and one who has long supported U.S. efforts at détente. I prefer to see harmonious and productive relations between the United States and the U.S.S.R.

But today's trials in the Soviet Union of human rights activists Scharansky and Ginsburg show a blind bureaucratic savagery that makes a mockery of a détente that would be both dependable and decent.

I am outraged to see the abuse of power by the leaders of the Soviet Union in using the unrestrained force of the state in an attempt to terrorize and intimidate these two men. They have committed the crime of daring to speak the truth and to ask their country to obey its own laws and international commitments. For this, they face the prospect of a brutal imprisonment—and even death.

What sick and twisted bureaucratic midgets demand and carry out these fraudulent trials? The dead heroes of Russian history would be sickened and ashamed to see their state become a monster, one so empty and paranoid that it cannot stand the threat posed by the dissenting voice of a single individual.

How great the irony that the strength of Russian history and the Russian people is represented today by two men of conscience standing alone, threatened by the crushing force of a Soviet Government that has become a monster of deceit and retribution by its behavior with these trials.

This Senator sees only one Soviet Government today—and it stands in shame for its role in these phony trials now underway. What value is one to place on the pledges and guarantees of a government of this sort?

What is the meaning and value of the word of the Soviet Government when it comes to international arrangements? What can one expect from Soviet pledges concerning the Helsinki Accords, or a possible SALT agreement? How can they mean any more than the guarantees the Soviet Union makes to its own people—its own national flesh and blood?

I cannot imagine a SALT treaty I could support with a nation that terrorizes its own people. I cannot see the value of an expanded trading relationship with a government that brutalizes dissenters who act within the bounds of the Soviet constitution. I am ashamed of the conduct of the Soviet Government and I must urge my own Government to do nothing that would give aid and comfort to a Soviet regime that would devour its own people. If the Soviet Government insists in these willful persecutions of innocent people—if it continues to violate the basic international standards of human decency and elemental justice—it will be left alone as an isolated and despised government bent on self-destruction.

The strength of the Russian people over the centuries is to be found today—not in governmental midgets hidden in the Kremlin pinning medals on each other—but in the Russian patriots Scharansky and Ginsburg who ask that their government honor its own laws. These men and their families are not alone.

This is one Senator who is unprepared to strengthen the hand of the oppressors in the Soviet Government in any way—and I intend to fully reflect these

feelings in each and every policy question I am able to act upon here in the Senate.

I thank again my colleague from Alaska for his kindness in yielding.

I appreciate very much his sharing his time with me today.

Mr. GRAVEL. I appreciate my colleague's statement.

In fact, I associate myself with the statement he has just made.

DEFENSE PROCUREMENT AUTHORIZATIONS, 1979

The PRESIDING OFFICER (Mr. PAUL G. HATFIELD). Under the previous order, the hour of 10 a.m. having arrived, the Senate will now resume consideration of S. 2571, which the clerk will state by title.

The legislative clerk read as follows:

A bill (S. 2571) to authorize appropriations during the fiscal year 1979 for the procurement of aircraft, missiles, naval vessels, and so forth, and for other purposes.

Mr. STEVENS. Mr. President, what is the time agreement?

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of amendment No. 3107 by the Senator from Colorado (Mr. HART) on which there will be a 1½-hour debate with a vote thereon to follow.

The Senate continued with the consideration of the bill.

Mr. STENNIS. Mr. President, I will ask the Senator from Colorado to yield to me for 1 minute so we may handle a few preliminary matters.

Mr. HART. Mr. President, will the Senator withhold so that I may propound a unanimous-consent request?

Mr. STENNIS. Yes.

Mr. HART. Mr. President, I ask unanimous consent that Mr. William Lind and Mr. Peter Gold of my staff be accorded floor privileges during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, I yield to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I propose to use 2 minutes now on the bill, 1 minute at least for a quorum call so that we may put it through the wires here that this bill and this amendment are up. Then I have a request here from the Senator from North Carolina for a unanimous-consent request.

Does the Senator want one-half minute?

Mr. MORGAN. Yes.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. MORGAN. Mr. President, I ask unanimous consent that Mr. John Stirk of my staff have the privileges of the floor during the debate and voting on this bill now pending before the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, the Senator from Texas may have a matter that he wishes to bring up.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, I have no matter to take up. I am prepared to ask unanimous consent that the quorum call asked for or to be asked for by the Senator from Mississippi be charged equally.

Mr. STENNIS. Yes. Mr. President, I appreciate that. Under that time agreement, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 3107

(Purpose: To cancel the F–18 Navy fighter program)

Mr. HART addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Colorado wish to bring up his amendment at this time?

Mr. HART. The Chair is correct.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Colorado (Mr. HART) proposes an amendment numbered 3107:

On page 10, line 24, strike the figure "$4,163,500,000" and insert in lieu thereof "$3,679,000,000".

On page 11, line 25, strike the figure "$4,555,194,000" and insert in lieu thereof "$4,056,594,000".

The PRESIDING OFFICER. The Senator from Colorado.

Mr. HART. Mr. President, the purpose of this amendment is to terminate the F–18 naval fighter/attack program. This amendment would result in a savings of $983.1 million in fiscal year 1979, and between $12 billion and $15 billion in total program costs.

The F–18 is a fighter/attack aircraft for the Navy, intended to replace the A–7 attack aircraft and the F–4 Phantom fighter/bomber. It is also intended to reequip the Marine Corps' fighter wings. It is a twin-engine aircraft, and was the losing competitor in the Air Force's lightweight fighter competition. As is too often the case, the performance loser has become the procurement winner.

There are four basic reasons why we should not procure this airplane:

First. It will lock us into future procurement of expensive and increasingly vulnerable large aircraft carriers.

Second. It will at the same time lower the military capability of the large carriers it will equip.

Third. It will not save money.

Fourth. The Navy does not even want the airplane; it is being forced upon them by the Office of the Secretary of Defense and the Office of Management and Budget.

The first problem is perhaps the most serious in the long run. Since the F–18 can only be launched from aircraft carriers equipped with catapults and arresting gear, its procurement will become an argument for more large, expensive aircraft carriers in the future.

In this year's report, our committee explicity justified building a Nimitz-class nuclear-powered carrier instead of the smaller, conventionally powered CVV on the grounds that this would be the last large carrier of any type. The report states, "Though the CVV may be a less costly alternative to the CVN, the committee does not believe that the margin of savings outweighs the margin of effectiveness if only one additional large carrier is to be built."

I fully agree with the committee's position—providing only one more large carrier is to be built.

But who is so naive to believe that we will not face Navy requests for more large carriers, if we approve a new type of aircraft to go on them? We will continue the chicken-and-egg cycle we have so long been trapped in: Carriers which can support catapulted aircraft (as opposed to V/STOL's) generate requirements for such aircraft. Then the existence of the aircraft generates requirements for more large carriers.

Unless we break this cycle by stopping the F–18 program, we will continue to build precisely the type of Navy the Soviets have planned to defeat. Taking advantage of new missile technology to develop a new concept, anticarrier warfare, they have deployed a navy designed to defeat a U.S. Navy which depends on a small number of aircraft carriers. Since the large carriers from which the F–18 will fly are very expensive, they can be afforded only in small numbers. Thus, the F–18 plays directly into the Soviet's hands.

If we are to defeat the Soviet's anti-carrier strategy, we must supplement our small number of large carriers with a much larger number of small carriers, so that the Soviets cannot concentrate their missiles in overwhelming numbers against a few targets. To do this, we need V/STOL aircraft—aircraft which, unlike the F–18, are not dependent on the catapults which only large carriers can carry.

We can have an effective naval V/STOL, a naval version of the Marine's advanced Harrier, at sea in the mid-1980's, about the same time that the F–18 would enter service in numbers. Yet the Navy is not developing this aircraft—because the F–18 is eating up all the funding for it. On April 26, the Chief of Naval Operations, Admiral Holloway, wrote to Senator CANNON, the chairman of our Tactical Air Subcommittee, and stated:

The AV–8B+ (the naval Advanced Harrier) would have the same mission as the F/A–18 and therefore must be viewed as in competition with the F/A–18 for development and production funds. In view of the austerity of the Navy budget and the limited funds projected over the next five years by current fiscal guidance, I cannot support full scale development of the AV–8B+ at this time because of our commitment to the F/A–18 . . .

Thus, in Admiral Holloway's own words, the main obstacle to V/STOL, and to the larger number of smaller carriers we need if the Navy is to be survivable, is the F–18 program. Clearly, if we

are to move in the dircetion we must move in for a viable fleet, the F–18 program should be terminated.

Paradoxically, at the same time that the F–18 will prevent the deployment of a large fleet of small carriers, it will also reduce the fighting capability of the large carriers on which it is stationed. How could a new aircraft reduce a carrier's fighting capability? It can do so because it is the wrong type of aircraft against the threat we face. The F–18 is a fighter; but we need an interceptor, which is a very different type of aircraft.

If the enemy were still Imperial Japanese Navy torpedo bombers coming to within 300 yards from the carrier to attack, we would need a fighter for defense: An airplane to shoot down other airplanes in aerial dogfights. But—contrary to the apparent belief of some of our admirals—the enemy is no longer Japanese torpedo bombers. It is large numbers of Soviet anti-ship missiles, launched at long ranges from the carrier by naval bombers, surface ships, and submarines.

To deal with the Soviet anti-ship missile threat, we need an aircraft not to dogfight, but to intercept large numbers of missiles. We have such an airplane: The F–14. With its sophisticated Phoenix missile system, it can track and shoot down six incoming anti-ship missiles simultaneously. Only this interception capability can hope to save the carrier.

In contrast, the F–18 has no such capability. It is a fighter, not an intcrceptor. It can only attack one target at a time.

Thus, each time we put an F–18 on a carrier instead of an F–14, we weaken that carrier's ability to defend itself against today's threat. We waste limited deck and hangar space on an aircraft which, no matter how good a fighter it may be, cannot defend the carrier effectively when the missiles come in. How many carriers will we lose because they could not send up enough interceptors when the missile attack came against them? How often will they lack interceptors because they were given F–18's instead? It will not be pleasant to think, at that time, that we were responsible for our own defeat; that if we had given the carriers the correct type of aircraft—interceptors, not fighters—they could have survived.

Ironically, not only is the F–18 in its fighter role the wrong type of aircraft for our carriers, its attack version, the A–18, is inferior in performance to the existing A–7. The most important quality of an attack aircraft is range/payload—how many bombs it can carry how far. The A–18 is inferior in this respect to the A–7. Nor is the A–18's supersonic capability a significant advantage; bombs cannot be carried at supersonic speeds, and fuel consumption is so high at such speeds that each minute of supersonic operation shortens the aircraft's range by 100 miles. In short, the arguments that we need this aircraft to replace the A–7 is nonsense.

OMB's support for the F–18 is apparently based on its belief that the F–18 will be inexpensive. Since it will degrade the capability of our carriers, one would at least hope that it will be cheap. Unfortunately, it will not be. According to a Navy document, while the F–14 will cost $22.8 million each in the fiscal year 1979–83 period, the F–14 will cost $25.4 million each—more than the F–14. The entire program unit cost of the F–18 is supposed to be less than the F–14; but the same Navy paper states that any cost advantage for the F–18 depends on:

First. No reduction in the quantity planned,

Second. No cost growth from slippage, reduced production rates, or design problems, and

Third. Attainment of reliability and maintainability standards which no other aircraft has ever met.

Since the committee marked up, the Navy has informed us that cost growth is already occurring. The Congress was informed in hearings that the nine F–18's authorized in this bill would cost $209 million. Now, the estimate is up to $315 million. In addition, design work is proving more time consuming than expected, and the delivery date is slipping. In other words, the exact events which the Navy paper warned would destroy the F–18's cost advantages are occurring.

If we halted the F–18 program and instead purchased more F–14's and A–17's, we would save money. The F–18 may cost more per unit than the F–14; it will unquestionably cost more per unit than the A–7—about $10 million more per aircraft, by official Navy data; the F–18 still requires substantial R. & D. funds ($498.6 million in this year's bill), while R. & D. for the F–14 and the A–7 is completed; and the F–18 program is giving every warning of large cost overruns.

The question in many Senators' minds at this point may be, if the F–18 is such a poor airplane and will so much, why does the Navy want it? The answer is, the Navy does not want it.

According to widely published reports, which have not been denied, the Navy late last year requested the Office of the Secretary of Defense to cancel the F–18 program. The Navy memo requesting the cancellation reportedly stated:

> The major maritime air threat of the 1980s is the Backfire bomber . . . The Navy must be capable of defeating or deterring this threat. It is clear that on the F–14 offers such a capability. The F–18 does not. . . . The F–18 is not, as is often stated, a lower cost complement to the F–14. It is rather a low capability substitute . . . The only marginal advantage claimed for the F–18 is its greater dogfight ability. In addition to being irrelevant to the most serious threat, this claimed advantage is degraded by the decreasing likelihood of future dogfight encounters because of the introduction of much improved all-aspect air-to-air missiles.

Remember, this is the leadership of the Navy talking, not Senator HART.

The same Navy paper mentioned earlier states, "The F–18 cannot replace the F–14. Even if used only for unilateral intervention, the Navy must be able to face down Soviet naval intervention. This requires F–14 like air defense effectiveness which the F–18 does not have. The F–18 will not be much different from the A–7E in attack effectiveness, except for survivability (better), payload versatility (worse), and fuel required (worse, if the performance advantage is used)." Again, this is the Navy talking.

Secretary of the Navy W. Graham Claytor stated this year before our committee, when asked his personal opinion of what to do with the F–18:

> My personal view was, and stil is, that if I were making the decision right down to the limitation on the budget that we foresee, I would be prepared, I would prefer to go with an all F–14 Navy fighter force, use extended A–7s for Navy light attack, and the AV–8B for the Marines and get by without the F–18.

When the Commandant of the Marine Corps, General Wilson, was asked what he would do if fiscal constraints required him to choose between the F–18 and the AV–8B Advanced Harrier V/STOL, he testified to the committee:

> I would say that if I had to make a choice between the two, I would take a fighter gap, as it were, sometime in the late 1980's, and not have the F–18 . . .

Mr. George Spangenberg, the highly respected former Director of the Evaluation Division of the Naval Air Systems Command testified to the committee in 1975 that:

> Summarizing, it is clear that the F–18 is neither effective, nor cost effective, in either fighter or attack roles. It is vastly inferior in capability to the F–14 at about the same total cost, somewhat less capable and considerably more expensive than the (20 year old) F–4, and is inadequate in range and more costly than the A–7. There is no justification for continuing the program.

Nor do Navy junior officers seem enamored of the F–18. One lieutenant wrote in the September 1977 Naval Institute Proceedings that:

> In both the fighter and attack versions, (the F–18) offers a marginal advancement, at best, over the aircraft it is programmed to replace . . . The F–18 is not a good interceptor. It is incapable of the semi-autonomous operations routinely flown by F–14s . . . The Russians have the ability to fire large numbers of antiship missiles from a strike group within a matter of minutes. The F–18 can lock up and shoot down only one at a time. In theory, one F–14 can engage and destroy six incoming antiship missiles simultaneously; it will require six F–18s to do the same job . . . Given the Soviet capability to saturate a target, the F–18 is clearly a less than adequate addition to our defenses . . . Instead of extolling the virtues of the F–18, we should be sounding a warning for our carrier defenses. It won't do any good to have half the air wing playing Red Baron while the carrier is sinking.

Another Navy pilot recently wrote to Aviation Week:

> The F–18 was designed to be a small, low-cost complement to the Navy's F–14 force. These design criteria were evidently not attained, since the aircraft is neither small nor low cost. When and if the F–18 enters the inventory 5 years from now, it will barely be able to compete with the MIG–23, a threat that today has been operational for nearly half a decade . . . My opinion is shared by the vast majority of tactically current fighter crews with whom I have been associated in the past few years. It was reemphasized as a consensus by the cream of the crop of naval fighter aviation during the 1976 Fighter Symposium—yet no one seems to want to listen.

This is what the pilots say when they can speak freely—the name was withheld on this letter—as distinguished

from when they appear before the Tactical Air Subcommittee with all the admirals listening.

From every standpoint, the F–18 will not be an asset, but a liability to the Navy. It will weaken our carriers in the face of the Soviet antiship missiles threat. It will, through its cost, prevent the development of V/STOL and the deployment of large numbers of smaller V/STOL carriers. It will cost as much or more capable aircraft. And the Navy does not want it—quite understandably.

Mr. President, I urge the Senate to terminate this potentially disastrous program, and I reserve the remainder of my time.

Mr. STENNIS. Mr. President, I yield myself 3 minutes on this amendment at this time. I wish to say this: Of course, the F–18 is a major part of the bill. It is a major plane coming into the inventory of naval air. I think the discussion is very wholesome and welcome here on the floor, but these matters were handled thoroughly by our committee. Mr. CANNON is chairman of one of the subcommittees which has dealt with it, and Mr. MCINTYRE, of New Hampshire, is chairman of another subcommittee which has dealt with it. So both in procurement and in R. & D. this year, in this budget, two of our subcommittees have gone into this matter fully and made their recommendations, which were adopted by the full committee.

Later I will have just a word to say about references in the report to next year's budget, but the matter before us now is for fiscal 1979, and the matter will be explained, of course, by the Senators to whom I have referred.

I am supporting the bill as written and as recommended. I say that at the same time I say that Senator HART is making a contribution in this field, and his comments, of course, are worthy of such consideration as the membership may desire to give them.

I see the Senator from Nevada is in the Chamber now.

How much time does the Senator desire?

Mr. CANNON. Mr. President, I believe 10 minutes will be adequate.

Mr. STENNIS. I will yield 12 minutes to the Senator, or such additional time as he may wish.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. CANNON. Mr. President, the recent "Dear Colleague" letter distributed by the distinguished Senator from Colorado (Mr. HART) contains what I perceive to be some misconceptions regarding the F–18 airplane program, which the Senator proposes to terminate at this point in time.

First, the letter states that the F–18 program would prevent us from changing the Navy over to V/STOL aircraft on small carriers by absorbing all of the funding required to develop and procure V/STOL aircraft. The facts are that V/STOL technology is not developed sufficiently at this point in time to provide aircraft that are competitive in weight and cost with conventional high-performance airplanes such as the F–18. As our committee hearings brought out this year and as is reflected in the committee report on the Navy V/STOL program, there is a significant weight and cost penalty associated with designing a V/STOL plane to do the same mission as its conventional counterpart. This weight penalty can be 30 to 50 percent and the cost penalty can be in the range of 30 to 40 percent, according to current Navy estimates. In fact, the Navy has not yet demonstrated to its own satisfaction—and I repeat, to its own satisfaction—or to the committee's that V/STOL is cost effective, and indeed the operational concept has not been defined. The Navy has a well-laid-out study plan to do further analyses of these questions in the upcoming year or two. To predetermine the outcome of these studies would be a mistake on our part and would disrupt this well-conceived start of the V/STOL development program.

Another point to bear in mind is that the earliest date that a capable V/STOL airplane will be in production is in the 1993–97 time period according to the Navy's testimony. The reason for this long development time is because the technology for the V/STOL simply is not here today. Terminating the F–18, therefore, would have the following impacts: It would deprive the Navy of a vitally needed replacement for its A–7E attack airplanes; it would deprive the Marine Corps of a vitally needed replacement for its F–4 fighter/attack airplanes; it would degrade the potential improvement in the air defense capability of Navy carriers as the F/A–18 replaces A–7's on the carrier decks. Let me explain this latter point in a little more detail. Each Navy carrier is equipped with 24 fighters and 24 light attack airplanes at the present time. The current plan is for the Navy to put 24 F/A–18's on each carrier to replace 24 A–7's; each carrier would have at least 12 F–14's, and half of the carriers would have another 12 F–14's while the second half of the carriers would instead have 12 F–18's. As the committee report states this year, we did not find this force mix to be logical and have recommended that the Navy do an analysis to determine the optimum mix of F–14's and F/A–18's for their carriers. Each carrier, obviously, should have the same mix of these two airplanes since each potentially are exposed to the same threat. But the significant point to be noted is that as the F/A–18 replaces the A–7's on the carrier, the air defense capability of the carrier increases dramatically since the F/A–18 has an excellent radar and air-to-air missile system and the A–7 has no air defense capability whatsoever. So what is the issue here, really, is whether the carrier should have 24 F–14's and 24 F/A–18's or should it have a somewhat different mix of these two planes. However, there is no question but that both planes are needed to face the Soviet threat to our Navy forces at sea.

The Senator's letter was misleading in its analysis of the air intercept capability of the F–18. The F–14's radar can track 24 targets at one time and can guide six Phoenix missiles simultaneously against 6 of the 24 targets being tracked. However, once that salvo has been unleashed, the F–14 is out of radar guided missiles. The F–18 can track 8 targets on its radar and can fire 4 Sparrow missiles, one at a time. So the comparison can be made just as fairly that the F–14 versus F–18 capability is 6 to 4, although the Senator is correct that the F–18 does fire its Sparrows in single-shot salvoes.

Another issue raised was the cost question. As our testimony brought out this year, an apples-to-apples cost comparison of the A–7, F/A–18, and F–14 is $5.3 million to $8.5 million to $13.2 million if the airplanes were built in the same year, at the same rate, and with the same production overhead charges. Any comparison of the cost of the F–14 in its tenth year of production with the cost of the F–18 in its first or second year of production is bound to be misleading and not reveal the total lifecycle cost of the airplanes, which show the F–18 to be much less expensive than the F–14.

I further note that Senator HART's proposed termination of the F–18 would leave the Marines without a new fighter, and they badly need to replace their F–4's, which are not equal to today's modern combat requirements.

Finally, to say that the Navy does not want the F–18 because the Secretary of the Navy stated that his preference was to go with an all F–14 fighter force is missing the point that the Secretary also said this was within last year's budget constraints. It also does not bring in the uniformed Navy's preferences that both programs be pursued.

I heard Senator HART make the implication that the people in the Navy do not support the F–18. That is utter hogwash. I have talked to more Navy pilots, I think, and Navy officers than, I would judge, the Senator from Colorado. They support it almost unanimously.

The committee consistently has supported both of these fine airplane programs and will continue to do so. It would be tragic to mistakenly terminate the F–18 program when a billion dollars has been invested in the R. & D. to date, when the program is making such excellent technical progress, as witness the flight test results with the prototype. Finally, the Navy attack squadrons and Marine fighter squadrons badly need upgrading with this outstanding aircraft.

Mr. GOLDWATER. Will the Senator yield?

Mr. CANNON. Yes, I yield.

Mr. GOLDWATER. Mr. President, I was detained this morning and was unable to be on the floor during the presentation of the distinguished Senator from Colorado, for whose general work in the Navy I have great admiration.

In rising to oppose this amendment, I find myself in a rather peculiar, unusual position, because it was either 2 or 3 years ago when the F–18 was first introduced, and I think I was one of the few Members of the Senate who rose in opposition to that aircraft. However, things have changed since that time. During that time, and particularly during this year, the hearings with the Navy on the carrier system that they want and the realization of what they might get and the realization of the state that our aircraft production is in, have caused me to change my mind.

Mr. President, I hate to say this, but the United States has always been a country which had a great number of aircraft companies contesting in the field of new fighters; but we do not have that today. In fact, I think I can stand here and say safely that, by about 1985, we will have, at the most, two production lines on fighters. One will be the F–16, one will be the F–18. If the F–16 needs are met by that time, the only modern fighter we shall have coming into the inventory will be the F–18. The only modern attack aircraft or ground support aircraft will be the A–18.

Mr. President, the concept of providing air at sea through a large number of smaller V/STOL-capable ships may be a good one. In fact, I could agree with it. However, I am not aware that we have either the V/STOL technology to get the aircraft performance needed, nor do we have the ship platform design well enough in hand to accommodate such aircraft.

There is also a question in my mind as to the adequacies to date of any studies directed to trying to determine what the overall force mix should be. Therefore, while I am not a great supporter of the F–18—or I have not been—I still do not believe it is in our Navy's best interest to cancel the F–18 program at this time.

First, I should like to see the Navy proceed with an F–14 fighter force but continue with the F-18 program; however, making those aircraft in the attack version. I shall get to that shortly. I am not convinced the fleet defense mission can be adequately carried out with the F–18. The F–14, with the Phoenix Missile System, provides the best defense for the fleet in that the F–14 has the speed and range capable to intercept incoming Soviet air-to-surface missile carriers and destroy those carriers before they get to their missile release point. However, Mr. President, I shall add that the fact that the Soviet Navy now gets two out of each three Backfire bombers that is made each month makes this a little different strategic scenario. The Backfire bomber is a supersonic bomber, and it might be a little faster than the F–18.

I have prophesied that because we do not presently have anything to combat the Backfire with in a sea attack, the Backfire could make the Mediterranean a place that the 6th Fleet could not exist in for more than maybe a day, or maybe 2 days. I think it is something that the President has to take into consideration as he furthers his discussions about the strategic approach to any war or warfare of the present.

That is one of the reasons the attack version of the F–18—the A–18—has come into this in such a strong way, in my mind. It is a very fast, highly maneuverable aircraft that will carry a large number of weapons. It can carry guided missiles and it will be an effective dogfighter, able to fight its way back from attack missions. So, more and more, with the strengthening of the Russian forces, we are going to have to strengthen our own forces if we intend to protect the Navy in an adequate way in the Mediterranean.

The Navy has already recognized it may replace its A–7 attack force with the A–18. The A–7 is one of the finest close air support aircraft I have ever known. It has a marvelous record in combat in Vietnam. Its combat losses are practically negligible. Pilots like it. It has a very fine fire control system, easily maintained. But it is getting to be an old aircraft, like the B-52, like a lot of the aircraft that we fly.

We look at the F–18 and then look at the A–18—and I had the privilege of doing this just, I think, 1 week ago today. I went out to the Northrup factory. The A–18 will be almost identical to the F–18. On the other hand the proposed land-based version will weigh about 7,000 pounds less than the Navy F–18 or A–18.

Where is the weight taken from? It comes, No. 1, from the nearly 3,000 pounds needed to support the aircraft's carrier landing system in order to withstand the sudden pressure of 50 tons, equal to probably 12 or 13 g.

The PRESIDING OFFICER. The Senator's 12 minutes have expired.

Mr. GOLDWATER. May I have 3 more?

Mr. STENNIS. I yield 3 additional minutes.

Mr. GOLDWATER. Mr. President, the land version of the F/A–18 aircraft will be greatly lightened. It will, therefore, be a cheaper plane, not too much, but there will be great savings on it.

Even the Navy version is relatively light and its thrust-to-weight ratio shortly after takeoff becomes less than 1-to-1 being the only aircraft I can think of where that becomes possible so fast.

We have others, like the F–14, that will do that. In other words, we have more thrust than we have weight.

Theoretically, we do not need wings going that fast, but they become very handy when we land.

If we eliminate the F–18, we, in effect, eliminate the A–18 and the possible land-based version.

Therefore, while Senator HART and I have somewhat similar views on the F–18, which have been changed as I said, I do not believe it would be in our best interest to cancel this program when, in my opinion, we need every available aircraft we can produce for the foreseeable future.

While I am a believer in V/STOL, this country has not advanced in that field to the extent required. We will have to put up with the big deck carriers we have that will be in the inventory for the next 25 years, for one, and another for 18 years.

In my opinion, with the complementary aircraft, it will be all we will need.

But the Air Force is interested in the land-based version of the A–18 to replace its A–7 and to augment the A–10, which is a very slow aircraft.

So I am hopeful the Senator's amendment will be defeated in the best interests of the defense of our country.

Mr. CANNON. Mr. President, I thank the Senator for his remarks.

May I say in closing, I referred to the fact this airplane does have the complete support of the Navy. I wrote the Chief of Naval Operations on July 6 concerning the F–18 program and received an answer yesterday going into other facets than we have discussed right here.

In closing, he wrote in his own handwriting at the end of the letter:

In view of the essential role of this important tactical aircraft, I give my strong personal support to the R–18/A–18 program.

That was from Admiral Hayward, Chief of Naval Operations, U.S. Navy.

Mr. President, I thank the Senator for yielding to me.

Mr. STENNIS. Mr. President, I yield myself 1 minute.

I mentioned a minute ago that the Senator from New Hampshire, chairman of the subcommittee, went into the R. & D. funds for the F–18 and approved them. He supports the F–18, as I understand it.

I said he would be here to make some remarks. It seems he is occupied on matters that are more urgent than this just now and may not be able to get here.

Does the Senator from Texas want to make some remarks?

Mr. TOWER. I thank the chairman. I shall take 2 minutes.

Mr. STENNIS. Whatever time the Senator may desire, Mr. President.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. I want to briefly express my opposition to the amendment offered by the Senator from Colorado. I think the Senator from Colorado has pretty well emphasized that the thrust of his amendment is to revise the future force composition of the Navy.

I am not so dogmatic as to suggest we should not explore various avenues of potential naval changes in the outyears and that we should not take a constructive approach aimed at improving the composition and force structure of the Navy. But I note that the Senator from Colorado is going to offer an amendment later which I will support, which I think the chairman of the committee is going to support, and which I think there is likely to be little controversy on, which would add $25 million to the bill to begin the research and development on various Navy ship programs.

As I understand it, it is pretty broad as to the various types of vessels, the various types of research on vessels, that it could be accommodated within the framework of that authorization.

It occurs to me, before we get into the business of today, here and now on this bill, trying to revise the future force composition of the Navy, that we should await some results from the R. & D. program which the Senator from Colorado now seeks to authorize.

Therefore, I believe that this amendment is not timely. I hope that the Senate will reject it, while supporting the other amendment offered by the Senator from Colorado which would add the funds for research and development on the less-conventional ship concepts, and any others that should be included in that category.

I think the point has already been made that we simply do not have the air-

craft to go on alternative types of carriers. Therefore, we should proceed to provide adequate aircraft for the carriers we can project we will have in the fleet over the next 20 years.

Mr. STENNIS. Mr. President, I yield myself 3 minutes.

Mr. President, this debate is very good, indeed. I call it to the attention, in the RECORD here, of each Member of this body, because it goes to the very heart of the problem we are in now as to whether or not we are going to switch to a different type of carrier and different types of planes, V/STOL planes and the V/STOL carrier.

This is a transition period, a difference of opinion among the uniformed Navy, among the civilian authorities, and among the membership of this body.

These are matters of gradation from year to year. But it seems to me the trend will be toward further consideration of a smaller, new type carrier.

But on the F–18, we are already so far in it, it touches so many vital parts of our preparedness program, that even though I am disappointed in the price going up as much as it has, not turned out to be a great saving per unit, I am convinced and compelled to say, as a matter of judgment as a whole, that we cannot turn back on this plane at this time.

So I am supporting the matter for the full amount.

Now, it points up another matter. I think there is some difference of opinion among the Navy, the civilian and the uniformed Navy, and there again there are inner budget constraints. After all, there is a limitation on the amount of money that we can put into the entire program and, more particularly, the naval air program, which is going to be a continuing problem. We do have a great number of different types of planes for the Navy, the Air Force, the Army, and the Marine Corps—different kinds and numerous kinds that doubtless have to be reduced in the future. I would rather yield to the number of types than yield in quality of the front line planes that are depended upon. Of course, the F–18 now is one of the front line planes. I say that for emphasis, that this is a part of the changeover program.

I yield the floor for the time being, Mr. President.

Mr. HART. Mr. President, I should like to raise a number of questions which I do not think are sufficiently answered by the record before us or the record before the committee.

First of all, why has the cost of the nine aircraft in this year's bill escalated 50 percent, from $200 to $315 million, since markup in our committee? No answer.

Second what is the latest figure for the F–18 unit cost including R. & D. costs, for the currently planned buy? We do not know.

Third, how many aircraft in that buy? The record indicates anywhere from 800 to 1,800, which of course affects the unit cost. We do not know what the planned buy is.

Fourth, what further cost overruns are expected in the F–18 program—over and above those cost overruns already occurring? We do not know the answer.

How does the F–18 unit cost, including allocated R. & D., compared to the unit cost for the F–14 where we have largely authorized the R. & D. cost? We do not know the answer.

Mr. President, the Senator from Nevada (Mr. CANNON) illustrated in his remarks the exact chicken-and-egg situation in which we find ourselves. He and the Senator from Arizona say that V/STOL technology is not sufficiently advanced. I am going to offer an amendment in a few minutes to put in this bill $5.5 million for V/STOL research and development. The Senator from Nevada has opposed that consistently.

The people who are opposing the research and development of V/STOL aircraft are the ones who keep saying that V/STOL are not sufficiently advanced. I will take that argument seriously when those people start voting the very few dollars necessary to perfect that technology.

If we want to continue our dependence on the large, 95,000-ton aircraft carriers, which I think more and more Members of the Senate realize are vulnerable the day they are launched, and put dogfighting type aircraft on them and try to fight World War II again, we can do that; but we are not likely to succeed in actual combat.

We talk about a gap in V/STOL technology for small aircraft carriers until the 1990's. That is false. There are navies all over the world going to V/STOL technology today. If there were this gap, you would not find the Soviet navy, the Royal British Navy, the French Navy, the Spanish Navy, and the Italian Navy going to V/STOL. These are major navies.

We are worried about Soviet advancement at sea. They are going to V/STOL, while we are still building World War II concept aircraft and World War II concept aircraft carriers to put them on.

The Senator from Nevada says the Navy does support the F–18. He says that any suggestion otherwise is hogwash. Well, he just referred to the Secretary of the Navy as speaking hogwash, bein testimony before our committee as saying he would prefer to have an all F–14 fleet and not have the F–18.

I also referred to letters from some Navy pilots who say vigorously that they think it is a tragic and drastic mistake to purchase the F–18.

Of course, the senior uniformed officers of the Navy and others in the Office of the Secretary of Defense who support the F–18 are going to bring pilots before our committee who will say, "This is a terrific plane, and I have flown it." They are not going to bring in pilots who say they think it is a tragic mistake. Any pilot who said that in testimony would properly have some career problems ahead of him.

To talk about hogwash is to deflect attention from the point: There are substantial elements in the Navy, up to and including the Secretary of the Navy, who say the F–18 is a bad idea. If the Senator from Nevada wants to call that hogwash, he can do so.

He talks about the sunk R. & D. costs of a billion dollars. How many times have we heard that argument used to justify programs we went ahead with and found out to be turkeys? "We have put so much money in it that we can't turn back." That is nonsense.

For the U.S. Senate or one of the armed services of this country to say that we have crossed the Rubicon, we have spent x billions of dollars, and we cannot turn back, even if all the facts are against the program in question, is the kind of mindlessness that I think has gotten us in the fix we are in.

For that matter, the R. & D. costs on the F–14 are already sunk. They have largely been amortized. We do not have to spend any more R. & D. funds on the F–14; it is a superior aircraft. Yet some argue that we have to go forward with the F–18, and spend a billion dollars more in R. & D. on it, because we cannot lose the money already spent, even if it is a terrible program. I say hogwash to that.

The Senator from Nevada talks about air-to-air missiles. He toted up the number of Sparrow missiles an F–18 can fire. He equated that to the number of incoming missiles it can counter. He did not say that it only can lock on and shoot down only one incoming missile at a time.

The fact is that the Sparrow is a shorter range missile than the F–14's Phoenix and, therefore, it has less time to lock on and destroy a target than the Phoenix has. He did not point out that it can take on only one of those missiles at a time. In the time it shoots down one of those incoming missiles, the rest of them get by.

The Senator from Arizona talked about the Backfire. The fact is that the F–18 is slower than the Backfire. It is not going to be very effective against the Backfire. If we are concerned about the Backfire—and I think we are—then we had better put aircraft in the air that can shoot it down. The F–18 is not going to do that.

Finally, Mr. President, I think the most serious issue here is that the purchase of the F–18 locks us into more large carriers, which are becoming more and more vulnerable. We are going to vote later today on this bill, which includes another *Nimitz*-class carrier. Many Senators are going to do that holding their nose; because I think that more and more as time goes on, the Members of the Senate, if not the Members of the House, are convinced that the large carrier is the wrong way to go. Every year, in the 4 years I have been on the committee, we say we have to quit building these big carriers, because they are more and more vulnerable, more and more expensive, and that it is the wrong way to go; but let us build just one more.

If we buy the F–18, we are going to buy more than one of those big carriers, because we have to have decks to put them on, and they have to be big decks. They require the catapults.

Those who think they are voting for the last *Nimitz*-class carrier and voting

for the F–18 are flatly wrong. We will have between 800 and 1800 of these aircraft for the Navy, and we will have to build some decks to put them on, at $2.5 to $3 billion a copy.

The Soviets can today target over 100 antiship missiles on each carrier without reloading a launcher—100 antiship missiles on each of our 13 carriers, 13 big sitting ducks, without reloading a launcher. The F–18 is not going to knock down those missiles. The F–18's are going to be up there, as the pilot I quoted said, playing Red Baron, while the carrier is sinking.

That is the issue: These will be terrific dog-fighting aircraft. They will look lovely in the air. They just will not have any deck to land on when they are done fighting.

Mr. President, I hope the U.S. Senate does not fall for the line that the program has gone so far that we have to have it. The Navy admirals came before the committee and said it is their decision now, contrary to what it may have been a few months ago, that we should buy this aircraft, an aircraft that lost its first performance competition, and believe that it is going to solve the Navy's problems. In fact, it is going to perpetuate the Navy's problems. People who claim to be concerned about the future of the Navy or the Russian threat or Russian naval innovations are doing nothing to solve the real problems when they urge us to continue on our past course.

And that is the course that has gotten us where we are. If we buy this airplane, we are buying more big carriers, we are making the Navy more vulnerable and we are not solving the real problems that confront this Navy and this country.

I reserve the remainder of my time.

Mr. TOWER. Mr. President, may I have 3 minutes yielded to me?

Mr. STENNIS. Mr. President, I yield such time as he may desire to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, the Senator from Colorado is undoubtedly seized of great conviction and he speaks as a man who is seized of conviction, but when he started calling what the Senator from Nevada had to say "hogwash" and then tried to liken the present-day Navy and the fleet air arm to what we had in World War II he lost me. That is the sheerest kind of hogwash.

Mr. HART. Mr. President, will the Senator yield for a question?

Mr. TOWER. The difference between today's Navy and the World War II Navy is far greater than the difference between the World War II Navy and Admiral Dewey's fleet that fought the Spanish-American War.

Mr. HART. Mr. President, will the Senator yield for 1 minute?

Mr. TOWER. I find that comparison to be not at all believable and really—I understand you have to use a little demagoguery from time to time, but that might be just a little bit too much.

Yes, I yield.

Mr. HART. The Senator from Colorado did not first use the term "hogwash" in this debate. The Senator from Nevada did. I was responding to that.

You take your hogwash where you find it.

Mr. TOWER. I think we are redundant. The Senate is now redundant in hogwash.

But, in fact, that is not really an honest comparison to compare the present-day fleet air arm of the U.S. Navy with what it had in World War II. After all, in those days we had reciprocating aircraft. Yes, we did fight with tactics very similar to the ones of World War I, but there is no similarity to the way that air battles or surface-to-air or air-to-surface battles will be fought today, given the present systems that we have, and what we had in World War II.

No one wants to throw obstacles in the way of progress. But we can proceed to do research and development on different kinds of systems, on new systems, on new concepts. But in the process we had better not deny ourselves the system that projections indicate we will need over the next 20 years.

Mr. HART addressed the Chair.

The PRESIDING OFFICER (Mr. DECONCINI). The Senator from Colorado.

Mr. HART. Mr. President, I yield myself 1 minute.

I would point out that toward the end of World War II the U.S. Navy had about 80 carriers and the British had almost 50. Now we have 12 or 13 and are facing a much more serious threat. So, although these individual carriers are, of course, much more capable individually, our large carriers in World War II were supported by a lot of smaller carriers. Now we have only 12 or 13 large carriers supported by no small carriers. So we are worse off now than we were then.

Mr. TOWER. Maybe the Senator from Colorado wants to go back to World War II. I thought he was trying to get us away from World War II.

Mr. HART. Mr. President, I point out once again that if the Senator from Texas and others believe we have to move toward new technology, why do they consistently vote against $5.5 million for research and development to perfect V/STOL technology in the form of the AV–8BX?

Mr. STENNIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STENNIS. What time remains under this amendment?

The PRESIDING OFFICER. There are 16 minutes remaining to the Senator from Mississippi and 16 minutes remaining to the Senator from Colorado.

Mr. STENNIS. Mr. President, as far as the Senator from Mississippi controls any time he will be glad to yield a reasonable amount to anyone who wishes to make any remarks.

Mr. President, under the unanimous-consent agreement the vote would come now or start in about 32 minutes. I find by experience the membership expects votes to come approximately at a time as calculated.

I do not think we are going to use all this time, but I yield myself 2 minutes, Mr. President, on a relevant matter. It will not impose any change of language in this amendment or in the report either.

This debate has brought out clearly the process that these matters go through before they finally reach our committee and then further before they come here to the Chamber.

I refer now to page 24 of some of the language that was included in our report beginning with the words, "However, the budget program presented this year," and so forth.

As a member of the committee, I object to that language and did at the time we wrote up the bill, but I overlooked calling it back to the attention of the committee when we were passing on these matters. I just want to keep the record straight as to my viewpoint.

This language here attempts to say to the Department of Defense and the Navy what their recommendations will be next year, fiscal 1980, as to this F–18 airplane.

As a matter of legislative principle and all, with deference I think that is an unwise point, Mr. President. It is all right to give advice, but as to language similar to this, someone came to me and pointed out some branch of the Department of Defense was violating the law, expressly violating the law by doing so and so and not doing so and so. When we looked it up he was referring to language in the report which does not have the force of law. It is, therefore misleading. But my main objection is that we need the recommendation of the Chief of Naval Operations, we need the recommendation of the civilian branch of the Navy and then we need the recommendation here of the Department of Defense. We need that as a starting point.

I know there is a great tendency by the industrial sector and by the services themselves to push, push for more.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. STENNIS. I yield myself 1 additional minute.

And we have that all the time, and that is a part of the processes, and I accept it.

But I think this goes too far, and I should say so. It is an invasion of Congress priorities, privileges, and responsibilities, and it is a taking away from the civilian branch of the Navy and from the Navy itself and the Department of Defense of their responsibilities to make these recommendations uninhibited from year to year.

So I respectfully say that we should leave off language like that, although I failed to put the proper motion to bring it to a head in the committee, so I am not going to make any motion like that now.

Mr. President, I do not know of any additional time desired on this matter.

Mr. MAGNUSON. Mr. President, will the Senator from Mississippi yield?

Mr. STENNIS. I am glad to yield to the Senator from Washington.

Mr. MAGNUSON. This is an authorization, of course.

Mr. STENNIS. That is correct.

Mr. MAGNUSON. Will the Senator agree with me that this argument pro and con about the carrier or the F–18 is going to have to be again threshed out down in the Appropriations Committee?

Mr. STENNIS. The Senator is correct.

Mr. MAGNUSON. So we will have to decide whether we actually want to put good cold hard dollars into this program.

Mr. STENNIS. Yes.

Mr. MAGNUSON. And we will have to explore the whole issue again as the Armed Services Committee did; is that correct?

Mr. STENNIS. The Senator is correct. This will be an original matter when we get to the Appropriations Committee.

To make it clear, Mr. President, I am supporting the committee's position on the F–18 as an authorization bill.

Did the Senator from Massachusetts indicate a desire to speak? I yield the Senator 5 minutes.

Mr. KENNEDY. I thank the Senator from Mississippi.

I welcome the opportunity to make these comments, Mr. President.

As a Member of the Senate, I want to say how much I appreciate the splendid contribution of my friend and colleague the Senator from Colorado in reviewing military matters. He has studied the issues closely and he has achieved a very considerable knowledge about various weapons systems.

I do take issue with the amendment which is before us here today. I will say at the outset that my State is not unaffected by the outcome of this particular decision. But I have tried to familiarize myself in great detail with this weapons system and to make an independent assessment of its contribution to our defense forces.

The Senator from Colorado has argued strongly and compellingly about the need to develop a different type of carrier force in the future.

But the issue we are arguing today is whether we are going to make our current aircraft serve their function so long as they are an important component of our conventional military strength and, I believe that the F–18 is necessary to preserve this component and that it serves the function most economically.

Let me respond to the issues that the Senator from Colorado has raised.

It has been said that the F–18 locks us into large aircraft carriers because it needs a launching catapult. But the F–14 requires even more aircraft carrier space and Mr. HART makes the argument that we should rely more on the F–14. Moreover, whatever we do in the future about the size of our aircraft carriers, the fact is that we have 12 large aircraft carriers today which are a vital part of our national security and which are currently equipped with obsolete fighters and obsolete attackers—the A–7 attack aircraft and the F–4 fighter bomber. These must be replaced. The best airplane to replace those planes is the F–18, which has excellent specifications for the fighter and attack function. In a real sense we save room on aircraft carriers by procuring these planes, since the same plane can serve in both the fighter and attacker capacity.

The Senator has also said that the aircraft's defenses are weakened by placing F–18's on them when F–14's are better interceptors. But the Armed Services Committee convincingly responds to this argument. The two planes are not intended to serve the same purpose. While the F–14 might be a good interceptor, the F–18 is a better fighter. And we cannot be sure that any aircraft or missile aiming for the carrier would be stopped by the interceptors. Some are very likely to slip by. These planes or missiles must be met by a fighter with superior performance capabilities if they are to be stopped. Moreover, of course, the capability of the F–14 as an interceptor says nothing about the important attack function, which the F–14 cannot fill. As the Armed Services Committee summed up: "The F–14 is designed for the fleet air defense mission and excels in that role whereas the F/A–18 is designed for fighter attack missions and will be optimized for those roles. The complementary character of these two aircraft will enhance the Navy's tactical aviation force and both programs are required."

The third argument is that the F–18 is no longer less costly than the F–14. This argument does not take account of the fact that the planes are to accomplish different functions. But even a direct comparison of the planes puts this argument very much in question. In the defense appropriations hearings, Secretary Claytor and Admiral Holloway estimated the unit cost for the F–18 at $17.6 million and that of the F–14 at $22.5 million.

The Senator has come up with new figures, claiming an enormous increase in the few months since the hearings. However, the Navy has informed me that the program and per unit costs of the F–18 continue to be less than half that of the F–14. In 1975 real dollars, the 1975–87 program cost for the F–14 is around $40 million while that for the F–18 is about $17.5 million. The unit procurement cost for the F–14 is close to $30 million while that for the F–18 is around $12 million. While the Senator has noted that the cost of the first nine F–18's has risen greatly in the last 9 months, C. N. O. Haywood has written that this should affect overall program costs by less than 2 percent.

And, as we know, an extremely important component of aircraft costs is for operation and maintenance. Here, the relative simplicity and attainment of performance objectives has made the F–18 far less costly than the F–14. Admiral Holloway estimated that the operating and support costs for the F–14 is $1.752 million per year while that for the F–18 is $891,000 per year. Over a 20 life cycle the cost in fiscal year 1979 dollars would be $35 million for each F–14 but only $17.8 million for each F–18—or over $17 million less.

Finally, we have heard that the Navy does not want this plane. But, the Navy has testified that this is a desirable plane.

C. N. O. Haywood has written to the Senator from Nevada: "in view of the essential role of this important tactical aircraft, I give my strong personal support to the F–18/A–18 program."

So, too, Secretary Claytor has said it:

"The F/A–18 design and development effort, supported by contract incentives, is expected to result in the most reliable and maintainable combat aircraft we have bought in many years. If these goals are achieved, and we expect that they will be, force readiness will be considerably improved and operating costs, again, reduced.

Admiral Turner has said it:

Well, we are very pleased with the results, they confirm our hopes and expectations about the fine design of the aircraft, the roles for which it was produced and optimized. Clearly, it is a pre-eminent dogfighter, A.C.M. adversary, . . . it looks like it is going to be a very safe airplane . . . This one looks like it is going to be a jewel in that regard, in terms of safety.

Mr. President, this aircraft serves the fighter and attack functions in ways that the F–14 cannot and it does so very economically. I think we should defeat the amendment on the floor.

Mr. STENNIS. Mr. President, I yield 1 minute to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I thank the Senator from Massachusetts for having made his observations.

I might say there is one thing we have neglected to touch on in this debate and that has been the engines for the F–18 and the A–18. The engines are the most advanced engines we are building, and the only aircraft which will be using them will be the F–18's and the A–18's.

Engine development in this country used to be ahead of airframe development, but the opposite is now the case.

We have a need for higher powered engines, and we have not been building them, while the Soviets have, and if we turn down this F–18/A–18 complex we have an engine system that really will not fit anything else.

So I am happy that the Senator from Massachusetts has pointed out that this General Electric engine is probably one of the most advanced that we have and will encourage other manufacturers getting into lightweight higher thrust engines in the, hopefully, coming series of fighters.

Mr. HART. Mr. President, I would like to respond to the observations of the Senator from Massachusetts. He says that he is not——

Mr. KENNEDY. May we have order, Mr. President?

Mr. HART. That he is not clear on the figures. I will clarify the figures for him, so that he will be clear on the cost overruns involved.

The Navy documents we have show an overrun on the nine planes to be purchased in fiscal 1979, incurred since markup in our committee, of from $100 million to $315 million. That is the Navy's figure. That is a pretty solid figure, I think, and no one I have heard here today has disputed it.

If there is any doubt about it, the question is how much higher that cost overrun will go.

Mr. KENNEDY. What does that overrun represent in terms of the total weapons system?

Mr. HART. We do not know that. We do not know what the size of the buy will be.

Mr. KENNEDY. If we are only going to buy those nine planes, of course, the cost overrun per plane would be much higher; but in terms of the projected size of the total buy, 811 planes, I understand the figure is 2 percent.

Mr. HART. We do not know whether we are going to buy 800 or 1,800. There is a range of a thousand planes there. It is much too early, therefore, to attach any percentage. As the Senator knows, if we start predicting a low-cost overrun this early in the production of a weapons system, the chances of achieving it are pretty slim.

More importantly, if we buy 800 to 1,800 aircraft, and a substantial portion of those go to the Navy, we will have made the decision about the size of the aircraft carriers in the future, because these aircraft require the catapults and arresting gear of the giant supercarrier. You cannot fly this airplane off a small deck. So any independent judgment the Senator from Massachusetts may want to make hereafter about the size of the carriers is prevented by this vote.

Mr. CANNON. Mr. President, will the Senator yield?

Mr. HART. Yes, on the Senator's time.

Mr. CANNON. The Senator said no one had disputed that $95 million figure. I am sorry I did not hear it, or I would have disputed it much earlier. The fact is that the latest information we have from the Navy is that the actual cost overrun is down to $8 million because of cost reductions and some deferrals, as of June 29. The original estimate of $95 million was an early estimate figure, and the Chief of Naval Operations has advised the committee that, based on their present estimates, the overrun would amount to 2 percent, a less than 2-percent overrun on a total procurement of 800 aircraft.

I just wanted to correct that for the RECORD.

Mr. HART. It is interesting how these figures spring up at amendment time. But the documents I have show much more substantial overruns at the present time, and I would be willing to bet a substantial amount of money that the trend will continue.

Mr. KENNEDY. Would you give me 10 seconds?

Mr. STENNIS. Mr. President, I am glad to yield the Senator from Massachusetts 1 minute.

Mr. KENNEDY. Are those——

Mr. HART. The documents are provided to the committee by the Navy. I will be glad to show the Senator.

Mr. KENNEDY. What date?

Mr. HART. This is a document dated June 1, 1978.

Mr. KENNEDY. You will make it a part of the RECORD?

Mr. HART. Mr. President, the question is whether the Navy supports this plane or not. The Navy, or at least the leading spokesmen for the Navy, do not support the plane at the present time. I ask unanimous consent to have printed in the RECORD at this point an article from the New York Times of January 25, 1978, which states:

The Navy's civilian leadership, in a secret memorandum, has urged Defense Secretary Harold Brown to abandon the controversial F–18 fighter plane program and support accelerated production of another plane, the F–14.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, January 25, 1978]

NAVY AIDES ASK BROWN TO DROP F–18 FIGHTER

CALL FOR BACKING OF STEPPED UP PRODUCTION OF GRUMMAN F–14

(By Bernard Weinraub)

WASHINGTON, JANUARY 19.—The Navy's civilian leadership, in a secret memorandum, has urged Defense Secretary Harold Brown to abandon the controversial F–18 fighter plane program and support accelerated production of another plane, the F–14.

In a detailed letter to Mr. Brown last month, James Woolsey, Under Secretary of the Navy, argued that only the F–14 fighter was capable of "defeating or deterring" the threat of the Soviet Backfire bomber in the event of an attack on the Navy's carriers at sea.

"It is clear that only the F–14 offers such a capability," Mr. Woolsey said. "The F–18 does not. The F–18 is not, as is often stated, a lower cost complement to the F–14. It is, rather, a lower capability substitute."

Mr. Woolsey's letter, in which he speaks for the Department of the Navy, was sent to Mr. Brown shortly before the Defense Secretary's decision to cut back sharply the production of F–14 Tomcat fighters, produced by the Grumman Corporation on Long Island. At the same time, Mr. Brown ordered production of five test F–18 fighters, which are made by the McDonnell Douglas Corporation and the Northrop Corporation.

With Mr. Brown overruling the Navy, the plane decision will probably emerge as a source of debate on Capitol Hill * * * in the aftermath of President Carter's Budget message yesterday.

FUEL FOR COMING DEBATE

Mr. Woolsey's letter, reflecting the views of civilian as well as some military officials in the Navy, is expected to fuel the debate further. A copy of the letter was obtained by The New York Times.

Defense officials argue that the decision in favor of the F–18 was based, essentially, on perceptions about the role of aircraft carriers in a future war.

Both the F–14 and the F–18 are carrier-based planes. The F–18 is a lightweight, relatively low cost, multipurpose plane, capable of serving as a bomber for land-based missions. The more expensive F–14 Tomcat is a powerful interceptor with a missile system able to destroy incoming Soviet bombers.

Officials say that the decisions in favor of the F–18 implies that Mr. Brown and his staff want to have a "mix" of planes on carriers—air superiority fighters, such as F–14's, as well as the F–18, an improved ground attack fighter.

"The F–18 provides a more flexible mix for any contingency," said one official close to Mr. Brown.

Other officials say that the Secretary's decision implies an assessment that carriers may serve in a somewhat limited role in any war, and that F–14's may not be as crucial to naval strategy as the civilians and admirals in the Navy hierarchy insist.

Critics say that the key reason for the F–18 decision is political. The F–18 has the support of the Speaker of the House, Thomas P. O'Neill, Jr., of Massachusetts, because the plane's engine is produced at a General Electric Company plant in Lynn, Mass.

Mr. Woolsey, in his letter, notes that he is also speaking for Graham Claytor, Jr., Secretary of the Navy.

Mr. Woolsey said that if F–14 production was cut to 24 planes a year, as Mr. Brown ordered, the Navy's budget and role would suffer.

"Submarines, cruisers, weapons and flying hours are already in jeopardy," he said. "Our ship construction program, which was at 31 ships only a few months ago, now stands at 16. How well will reduced weapons and flying hours support F–18 mission flexibility?"

Mr. HART. The article continues:

In a detailed letter to Mr. Brown last month, James Woolsey, Under Secretary of the Navy, argued that only the F–14 fighter was capable of "defeating or deterring" the threat of the Soviet Backfire bomber in the event of an attack on the Navy's carriers at sea.

"It is clear that only the F–14 offers such a capability," Mr. Woolsey said. "The F–18 does not. The F–18 is not, as is often stated, a lower cost complement to the F–14. It is, rather, a lower capability substitute."

Since the entire document will be printed in the RECORD, I would only make one or two further references to it:

Critics say that the key reason for the F–18 decision is political.

Then it refers to a rather influential gentleman on the House side who had an interest in this matter. It continues:

Mr. Woolsey, in his letter, notes that he is also speaking for Graham Claytor, Jr., Secretary of the Navy.

Mr. President, I have cited a letter from a pilot which appeared in the U.S. Naval Institute Proceedings. I would like to quote from that, the issue of September, 1977, because I think it gets to the heart of the matter. This lieutenant says:

As an E–2C Hawkeye crewman responsible for the early detection of airborne antiship weapons, I have a more than passing interest in the fighter aircraft I will be controlling in the future. The F/A–18 Hornet, so eloquently described by Captain Halleland, sounds like a true fighter pilot's aircraft—small, swift, and maneuverable. It will undoubtedly be a fun jet to fly. Despite this potential for amusement, the Navy had best remember that the lightweight fighter was forced on us and is not the aircraft for the job at hand. Its only virtue, as stated by the CNO, is that it is cheap. Economy is an important consideration, but a weapon system must be judged by its mission capability. When viewed in this light the F–18, in both the fighter and attack versions, offers a marginal advancement, at best, over the aircraft it is programmed to replace.

Mr. President, I ask unanimous consent that that entire letter be printed in the RECORD, because I think it very clearly summarizes the problem.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LIEUTENANT (JUNIOR GRADE) WILLIAM G. GARVEY, U.S. NAVY

("The F–18" (See H. L. Halleland, pp. 123–127, October 1976 Proceedings)).

("The Single-Seat Cockpit and the NFO" (See P. W. Chapman, p. 82, January 1977 Proceedings)).

As an E–2C Hawkeye crewman responsible for the early detection of airborne antiship weapons, I have a more than passing interest

in the fighter aircraft I will be controlling in the future. The F/A–18 Hornet, so eloquently described by Captain Halleland, sounds like a true fighter pilot's aircraft—small, swift and maneuverable. It will undoubtedly be a fun jet to fly. Despite this potential for amusement, the Navy had best remember that the lightweight fighter was forced on us and is not the aircraft for the job at hand. Its only virtue, as stated by the CNO, is that it is cheap. Economy is an important consideration, but a weapon system must be judged by its mission capability. When viewed in this light the F–18, in both the fighter and attack versions, offers a marginal advancement, at best, over the aircraft it is programmed to replace.

The primary mission of a shipborne fighter is to protect the CV. That fact has been obscured by our Vietnam experience. We had best remember that North Vietnam had no navy or antiship missiles to threaten the carriers. The worldwide proliferation of Russian-built antiship missiles and their launchers will most likely preclude similar circumstances in the future. Our CVs will be threatened, and it will be the responsibility of the fighters to fend off the attacks.

The "worst case scenario" will involve us with a power which has based its anticarrier tactics on the massive application of antiship missiles. Fighter squadrons will be tasked with shooting down the airborne platforms before they get within launching range or, failing that, to attempt to shoot down the antiship missiles. These fighters will have to use missiles in order to attack the launchers at the greatest possible range from the task force. They will rarely get the chance to use guns. The next generation of fighters will have little opportunity for "hassling" but many for intercepting.

The F–18 is not a good interceptor. It is incapable of the semi-autonomous operations routinely flown by F–14s. The F–18's short-range radar and lack of passive detection capability will necessitate close control from a shipboard or airborne intercept controller. In spite of the increased range of Soviet air-to-surface missiles (ASMs), the F–18 is armed with the old, short-range Sparrow, the same weapon carried by the F–4 which the F–18 is supposed to replace. In fact, it carries four Sparrows, while the F–4 has the capability of lifting six. The F–18's small fuel load will keep it from being stationed far enough from the carrier to engage subsonic strike aircraft; it will be forced to counter supersonic antiship missiles. The Russians have the ability to fire large numbers of antiship missiles from a strike group within a matter of minutes. The F–18 can lock up and shoot only one at a time. In theory, one F–14 can engage and destroy six incoming antiship missiles simultaneously; it will require six F–18s to do the same job. A CAP (combat air patrol) station manned by two F–18s cannot be expected to account for more than two missiles in a strike. Given the Soviet capability to saturate a target, the F–18 is clearly a less than adequate addition to our defenses.

The F–18 in its attack version, the A–18, is also a mediocre performer and, in at least one respect, inferior to the A–7. It may be slightly more maneuverable than the A–7, but with the growing sophistication and number of Russian-built surface-to-air missiles (SAMs), in particular those with electro-optical devices, survivability depends less on physical tactics than "black box" countermeasures. New boxes can be fitted onto existing A–7s, as well as being built into the A–18. A major drawback to the A–18 is its weapon load, a grand total of 13,700 pounds. The single-engined, smaller, and cheaper A–7 carries 19,940 pounds. The A–18 offers a marginal increase in maneuverability and a marked decrease in payload. It's little wonder that the light attack community is not singing the praises of this aircraft.

Why then is the Navy reconciled to, and even pleased with, the selection of the F–18? The answer is that the naval air forces and their support activities are largely staffed by exfighter pilots who yearn for the days of snappy, single-seat jets. Day fighters were well suited to the requirements of the early 1950s but are totally unsuited for the present threat. We aren't going to hassle with antiship missiles; we're going to shoot them down with missiles at the greatest range possible from the CVs. The F–18 can't do that, but the "fighter lobby" is so enchanted by the acrobatic potential of the aircraft that the mission has been forgotten. Instead of extolling the virtues of the F–18, we should be sounding a warning for our carrier defenses. It won't do any good to have half the airwing playing Red Baron while the carrier is sinking.

Mr. HART. Mr. President, to summarize the arguments for this amendment, there are four basic reasons why we should not procure the F–18.

First and most important, it is going to lock us into future procurement of expensive and increasingly vulnerable large aircraft carriers. If we buy this plane this year, next year there will be a request for another *Nimitz*-class aircraft carrier, and probably several more to follow.

Second, it will at the same time lower the military capability of the large carriers it is going to equip.

Third, it will not save money.

And finally, as I have already indicated, and I think the record is clear, the Navy's original judgment on this aircraft was that it did not want the airplane. That judgment was overruled, for what have been suggested by some to be political reasons, by the Secretary of Defense and the Office of Management and Budget.

So the ultimate question presently before the Senate is, What kind of a Navy are we going to have? If we buy the F–18 and the A–18, we will have reached that determination for the next 20 or 30 years, and for all this discussion about, "Well, we will consider the issue of the kind of decks and the kind of aircraft carriers next year, or put it off or a decade or two," we are making a decision now on the force structure and type of the U.S. Navy for the next two or three decades. That is the issue I hope the Senate will take into consideration in making its judgment. I hope Senators will support this amendment.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Surface Transportation Subcommittee of the Committee on Commerce, Science and Transportation be authorized to meet during the session of the Senate today to hold an oversight hearing on railroad bankruptcy.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate today to consider various nominations; Senate Resolution 49, relating to international environmental impact statements; Senate Congressional Resolution 32, relating to broadening the observance of Thanksgiving: House Concurrent Resolution 265, to endorse the Hermosillo declaration on combating traffic in drugs at the international level; Senate Resolution 440, relating to development of a common approach to International Monetary System problems between the industrialized countries; and Senate Resolution 441, relating to the establishment of a major capital pool for investment in developing countries between the industrialized countries and OPEC countries. All of this has been cleared on the other side of the aisle.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEFENSE PROCUREMENT AUTHORIZATIONS, 1979

The Senate continued with the consideration of S. 2571.

Mr. STENNIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STENNIS. Have the yeas and nays been ordered on this amendment?

The PRESIDING OFFICER. The Senator is correct; the yeas and nays have been ordered.

Mr. STENNIS. The vote, when it comes, will be a straight vote, up or down, on the amendment; is that correct?

The PRESIDING OFFICER. Unless a motion to table is made, that is correct.

Mr. STENNIS. I yield the Senator from Massachusetts—1 minute?

Mr. KENNEDY. How much time does the Senator have?

The PRESIDING OFFICER. The Senator from Mississippi has 1 minute remaining.

Mr. STENNIS. I yield the Senator that 1 minute.

Mr. KENNEDY. The Senator from Colorado says that we are making a decision here about the size of our aircraft carriers for the future. But the F–14, for which he proposes no substitute actually takes more space than the F–18 and requires a catapult launcher as well and yet he has no argument to cut that system back. What he is basically saying is that on the F–18 we are making a decision. We need to see the potential for other kinds of aircraft, like V/STOL aircraft before cutting the capable and economical F–18.

● Mr. BROOKE. Mr. President, I speak in favor of the committee recommendation on the F–18 program and urge the Senate to defeat the pending amendment.

I am sure my support of the F–18 comes as no surprise. The engine for the airplane is made in Massachusetts. But a narrow parochial interest is never a sufficient justification for any defense program. The overriding reason I support it is because it is the right weapon system for the Navy and Marines as they prepare to meet the military challenges of the 1980's. A failure to procure the F–18 would force the United States to

adopt the high risk and high cost posture of total dependence on F–14's for up-to-date sophisticated naval tactical air defense capabilities and on an aging fleet of A–7's for naval attack capabilities. I do not believe that sound military planning would be served by such a posture.

It is important to keep in mind what the real experts say about the F–18 system:

Admiral Holloway, the Chief of Naval Operations, testified this year that in comparison with the A–7, the F/A–18 exhibits:

Substantial improvements in reliability, maintainability and survivability . . . produce a much higher capability in the F/A–18 to fly repeated missions. In addition, air-to-ground radar improvements and agility over targets . . . provide a significantly improved overall strike capability.

As to operating costs of the F–18 versus the F–14, Admiral Holloway stated to the House Appropriations Committee:

Annual operating and support costs for an F–14 and an F–18 expressed in FY 1978 dollars are $1,752,000 and $891,000 respectively.

The Deputy Secretary of Defense, Dr. Perry, also testified very strongly in support of the F/A–18 program this year to the same committee:

. . . the great advantage I see for the F–18 is for close-in air combat . . . and in being able to support a greater quantity of airplanes in the force. The whole idea of the F–14 and the F–18 was to be a high-low mix air force where we could afford to buy more F–18's than F–14's so we could give the Navy quantity as well as quality.

Dr. Perry continued:

The Navy needs and wants the F/A–18. We all think it is an excellent prospective replacement for the Marine F–4 fighters and in the Navy's light attack A–7's.

The Senate Tactical Air Subcommittee this year heard testimony from two Navy pilots and one Marine Corps pilot, all of whom had recently flown the YF–17, the prototype of the F–18. All were extremely enthusiastic about the remarkable new airplane.

Lt. Commander A. Coward testified:

I found it to be an overall outstanding aircraft. To start with, the flying qualities are such that it produces a high confidence level more rapidly than any aircraft I have ever flown, and I have flown just about everything the Navy has. . . . It is a superb handling aircraft. . . . The performance levels to me were almost mindboggling compared to aircraft I have flown before. . . .

Comdr. T. A. Morganfeld agreed with his colleague stating:

. . . The handling qualities are superior to any airplane I have ever flown.

Maj. L. L. Lucas of the Marines was equally enthusiastic:

. . . The handling characteristics were unlike anything I have ever flown, especially in the low speed regime. It is truly an aircraft, I feel we, in the Marine Corps, can stick a second lieutenant in and he will do extremely well after a very limited time in the aircraft. . . .

Secretary of Defense Harold Brown summed it all up in his testimony to the House Appropriations Committee this year when he testified:

. . . It seems to me . . . to be a mistake to drop the F–18.

I agreed with Secretary Brown and these other experts—it would be a mistake.

The committee is correct in emphasizing that the F–18 is not competing with the F–14. Both have specialized capabilities and areas of superiority over each other. They are complementary—the F–14, the supreme aircraft for performing the fleet air defense missions; the F/A–18 optimized for fighter-attack contingencies. In the air defense role the F/A–18 can augment but not supplant the F–14.

Regarding the V/STOL issue as it relates to the pending amendment. I believe it is evident that the desire to kill the F/A–18 is predicated, at least in part, on the belief of the author of this amendment, that V/STOL technology will advance so rapidly in the next few years that by the mid-1980's we will have a V/STOL that could fulfill the essential functions for which the F/A–18 is designed.

I realize that the author of the amendment and his staff, in conjuction with former Senator Taft, have produced their own document on naval strategy, and I recognize and can appreciate the Senator from Colorado's desire to seek actions that would have the effect of making his views self-fulfilling.

I commend the Senator for what I believe is a very learned effort. But, I am convinced that it would be a mistake for the Senate to kill a progressing successful F/A–18 program in the hope, nothing more, that a "great leap" forward in V/STOL technology is about to take place. The track record of such technology to date does not justify the degree of confidence the distinguished Senator would have us place in the V/STOL panacea. That is not only my conclusion but apparently that of the Department of Defense, the vast majority of the members of the committees in the Congress who are charged with responsibility to study these matters in depth, and of knowledgeable technical experts who believe that the type of V/STOL technology envisioned by the Senator from Colorado is at least two decades away. It would be a serious error to risk a large shortfall in U.S. naval tactical air capabilities in the crucial period of the mid-1980's by accepting the Senator's V/STOL gamble.

Finally, I believe that it is well to keep in mind that the F/A–18 program may well have positive benefits beyond its immediate purpose of providing needed tactical air capabilities for the Navy. The program has been structured in such a way as to provide for a future decision to build a land-based version that could make a significant contribution to the defense postures of various allies. And, I was pleased to note the recommendation made yesterday by Senator GOLDWATER that our own Air Force should take a serious look at the potential benefits of a land-based version for its own inventory. The option of enhancing our own land-based capacities as well as those of our allies through the F/A–18 program should not be foreclosed by the unwise action advocated by the distinguished Senator from Colorado.

Mr. President, procurement of the F/A–18 at the rate recommended by the Armed Services Committee is a responsible decision that will enhance our military capabilities. It will insure that we will have in being in the mid-1980's an F–14/F–18 combination that will provide a sophisticated capability to handle all threats to our air carrier forces and an advance capacity to provide needed naval air support for ground forces. No one can argue that such a combination of capabilities can be inexpensive. There is no such thing as an inexpensive option in this area or in most areas of our defense efforts. But a much higher cost would be borne by this country, in terms of deterrent credibility and military capacity, were we to take a decision now that would cause a serious gap in capabilities less than a decade from now in our tactical naval air forces. Therefore, I urge the Senate to reject this amendment and thus allow this successful and needed program to proceed in an orderly and rational fashion.●

● Mr. JAVITS. Mr. President, I support Senator HART's amendment to delete the funds for the F–18 program. There are numerous reasons to halt the F–18 program.

First. It is far less capable than the F–14 which the Navy already has.

Second. The F–18 is designed for the wrong mission. It is a fighter; the Navy needs interceptors for protection against cruise missiles and bombers; that is, the F–14.

Third. The F–18 is no longer cheap. Originally designed as a low cost lightweight fighter; the F–18 is fast becoming more expensive than the F–14, which is far more capable.

Fourth. The Navy does not want the F–18. According to numerous press reports, which have not been denied, the Navy sought the cancellation of the F–18 in the preparation of the fiscal year 1979 budget. The Navy was overruled for political and budgetary consideration.

Fifth. The funding being spent on the F–18 could more beneficially be used for other higher priority projects in the Navy's already tight budget.

While the F–18 is a fine aircraft; it is an excellent dog fighter; it is not absolutely essential, and is a luxury the Navy cannot afford, and it deprives the Navy of funds it very much needs for higher priority missions.

For these reasons, I support Senator HART's amendment. In addition, I submit for the RECORD correspondence I have had with the Department of Defense concerning the F–18 controversy and two newspaper articles concerning this aircraft program:

[From the Washington Post, July 11, 1978]

SENATE VOTES TODAY ON F18, A BIG-CARRIER PLANE

(By George C. Wilson)

The Navy's F18 fighter comes under fresh fire in Congress today, with the Senate scheduled to vote on an amendment that would cancel the whole multibillion-dollar project.

Sen. Gary Hart (D-Colo.) is scheduled to propose the amendment in the second day

of debate on a bill authorizing the Pentagon to spend $36 billion for weapons in fiscal 1979. Hart said yesterday that $15 billion could ultimately be saved by shooting down the F18 now.

His amendment is expected to be the most controversial of those offered, partly because of the F18's wide political backing. But Senate vote-counters said yesterday the plane is likely to survive the challenge by a comfortable margin.

Hart argued in a letter to colleagues yesterday that building the F18 would keep the Navy from switching to small carriers with planes that could take off and land on a short stretch of deck. He said the $2 billion Nimitz-class nuclear-powered carriers are becoming increasingly vulnerable to Soviet weapons, such as antiship cruise missiles.

"If the Navy is to survive in the face of the Soviet anticarrier threat," Hart said, "we must acquire a large number of smaller aircraft carriers" that can be dispersed around the world.

Besides slowing the Navy's switch to small carriers with V/STOL (vertical and short takeoff and landing) aircraft, Hart said, the F18 would give today's big carriers less protection than the F14 fighters the new plane would partially replace.

The senator noted that the F14 carries six Phoenix missiles that could simultaneously take on six antiship missiles headed for the carrier, while the F18 could combat only one of them. Hart termed antiship missiles "the main threat to the aircraft carrier."

Although the F18 was supposed to be a lower-cost alternative to the F14, Hart said that "according to Navy information" the F18 will cost $25.4 million each in the fiscal 1979-83 period compared to $22.8 million for the F14.

The Carter administration split over whether to continue developing the F18 when it drafted the fiscal 1979 defense budget, Navy Secretary W. Graham Clayton recommended canceling the F18 and buying instead more A7 attack planes for the Navy's bombing needs and more F14 fighters for air defense.

Political support for the F18 goes beyond the congressional delegations from the states of the principal contractors, Northrop Corp. of California and McDonnell-Douglas of Missouri. House Speaker Thomas P. (Tip) O'Neill Jr. also has taken a fervent interest in the F18, which would use General Electric engines built in his home state of Massachusetts.

The Pentagon currently plans to buy both fighter and attack versions of the F18. The F18 fighters would be mixed in with F14s on carrier decks, while the attack version would replace the A7 attack plane.

The F14, built by Grumman on Long Island, and the A7, by Vought Corp. of Dallas, are being championed by the New York and Texas congressional delegations.

The Senate Armed Services Committee in its report on the $36 billion bill said the F18 and F14 "are complementary, not competitive." The committee recommended raising the administration's request for the F18 fighter and attack programs from $311.9 million to $429.5 million.

As of last night, there was no amendment in sight to take out $1.9 billion the Senate committee added to the Pentagon budget to buy another Nimitz-class nuclear aircraft carrier—which President Carter does not want. Administration officials passed the word to their Senate allies yesterday that they would make their stand against the Nimitz when the appropriations bills for the Pentagon are voted on later.

Armed Services Chairman John C. Stennis (D-Miss.), said in opening the debate yesterday, the services are straining to fill their ranks with volunteers, adding that "the time has come to consider our alternatives."

[From The New York Times, Jan. 25, 1978]

NAVY AIDES ASK BROWN TO DROP F-18 FIGHTER—CALL FOR BACKING OF STEPPED-UP PRODUCTION OF GRUMMAN F-14

(By Bernard Weinraub)

WASHINGTON, Jan. 24.—The Navy's civilian leadership, in a secret memorandum, has urged Defense Secretary Harold Brown to abandon the controversial F-18 fighter plane program and support accelerated production of another plane, the F-14.

In a detailed letter to Mr. Brown last month, James Woolsey, Under Secretary of the Navy, argued that only the F-14 fighter was capable of "defeating or deterring" the threat of the Soviet Backfire bomber in the event of an attack on the Navy's carriers at sea.

"It is clear that only the F-14 offers such a capability," Mr. Woolsey said. "The F-18 does not. The F-18 is not, as is often stated, a lower cost complement to the F-14. It is, rather, a lower capability substitute."

Mr. Woolsey's letter, in which he speaks for the Department of the Navy, was sent to Mr. Brown shortly before the Defense Secretary's decision to cut back sharply the production of F-14 Tomcat fighters, produced by the Grumman Corporation on Long Island. At the same time, Mr. Brown ordered production of five test F-18 fighters, which are made by the McDonnell Douglas Corporation and the Northrop Corporation.

With Mr. Brown overruling the Navy, the plane decision will probably emerge as a source of debate on Capitol Hill in the aftermath of President Carter's Budget message yesterday.

FUEL FOR COMING DEBATE

Mr. Woolsey's letter, reflecting the views of civilian as well as some military officials in the Navy, is expected to fuel the debate further. A copy of the letter was obtained by The New York Times.

Defense officials argue that the decision in favor of the F-18 was based, essentially, on perceptions about the role of aircraft carriers in a future war.

Both the F-14 and the F-18 are carrier based planes. The F-18 is a lightweight, relatively low cost, multipurpose plane, capable of serving as a bomber for land-based missions. The more expensive F-14 Tomcat is a powerful interceptor with a missile system able to destroy incoming Soviet bombers.

Officials say that the decision in favor of the F-18 implies that Mr. Brown and his staff want to have a "mix" of planes on carriers—air superiority fighters, such as F-14's, as well as the F-18, an improved ground attack fighter.

"The F-18 provides a more flexible mix for any contingency," said one official close to Mr. Brown.

Other officials say that the Secretary's decision implies an assessment that carriers may serve in a somewhat limited role in any war, and that F-14's may not be as crucial to naval strategy as the civilians and admirals in the Navy hierarchy insist.

Critics say that the key reason for the F-18 decision is political. The F-18 has the support of the Speaker of the House, Thomas P. O'Neill Jr. of Massachusetts, because the plane's engine is produced at a General Electric Company plant in Lynn, Mass.

Mr. Woolsey, in his letter, notes that he is also speaking for Graham Claytor Jr., Secretary of the Navy.

Mr. Woolsey said that if F-14 production was cut to 24 planes a year, as Mr. Brown ordered, the Navy's budget and role would suffer.

"Submarines, cruisers, weapons and flying hours are already in jeopardy," he said. "Our ship construction program, which was at 31 ships only a few months ago, now stands at 16. How well will reduced weapons and flying hours support F-18 mission flexibility?"

UNDER SECRETARY OF DEFENSE,
Washington, D.C., March 16, 1978.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: This is in response to your letter concerning the F-14 program and the lobbying activities of the Grumman Aerospace Corporation.

The F-14 and F-18 aircraft are designed to meet different requirements in a high-low mix in the same way that the F-15/F-16 mix meets the force requirements for the Air Force. F-14 is designed specifically for the fleet air defense mission while the F-18 is designed for the less sophisticated fighter escort and attack roles. Designing to meet the requirements of these different missions result in aircraft with quite different performance capabilities.

Comparing the capabilities of these two aircraft against the important parameters for the fleet air defense mission, one would want to compare the capabilities of their radars, fire control systems and weapons to be used. In this respect the F-14 is designed to engage its targets at long, standoff distances with its specialized radar/PHOENIX missile and is more capable than the F-18.

For the fighter escort/air combat maneuvering and attack missions, the important characteristics that should be compared are aircraft size, maneuver performance and munitions loading. Detailed performance capabilities comparisons are very complex, but a judgment can be made by simply comparing thrust-to-weight ratios, wing loadings and wing area. Generally, for a fighter escort and attack aircraft, higher thrust-to-weight ratio and lower wing loading and area characteristics are desired. Since the F-18, as compared to the F-14, is smaller in size, has a higher thrust-to-weight ratio and lower wing loading, it would have to be judged more capable for the fighter escort and attack missions.

The comparison of the A-18 and A-7 including the modernized version of the A-7 for the light attack mission will be provided within two weeks. Similarly, comparative data on program and unit costs of the F-14 and F-18 at various production rates must be developed and are expected to be available by 1 April 1978.

With regard to your comments concerning our reaction to Grumman Aerospace Corporation's lobbying campaign on the F-14, I want to assure you that our concerns were really quite specific and limited in scope. We fully support the right of Grumman, or any other defense contractor to petition the Congress with respect to any issue with which it is concerned. Our efforts were therefore directed at determining that the campaign was not being improperly financed by taxpayers' funds appropriated to the Department of Defense. We found that adequate procedures have been established for the review of these types of costs at all contractor locations. Late in 1975 DCAA began intensive on-site reviews of Washington Office activities at 10 of the larger DoD contractors (including Grumman). These audits have been completed and copies of the reports have been furnished to the Chairman of the Senate Committee on Banking, Housing and Urban Affairs.

On 12 May 1976, the Deputy Secretary of Defense approved a recommendation to extend these detailed reviews to all major contractors where the annual Government share of Washington Office costs is over $250,000. This resulted in scheduling on-site Washington Office reviews of an additional 30 contractors. These audits have either been

completed, are in process, or are planned for later performance.

Lobbying activities are generally concentrated in the Washington area. However, there have been indications of lobbying activities at other locations such as corporate offices. Therefore the scope of the regular DCAA audits at those locations includes a review of the types of costs disclosed in the Washington Office audits. In the future, we do not expect to issue any special reports on lobbying costs or other Washington Office activities. Audit findings on these areas will be included as a part of the normal audit reports issued to report the findings of our regular audits.

If you have any other questions pertaining to these matters we will be happy to provide you additional information.

Sincerely,

WILLIAM J. LEVY.

UNDER SECRETARY OF DEFENSE,
Washington, D.C., April 21, 1978.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: This is in further response to your recent letter concerning the F–14 and the lobbying activities of the Grumman Aerospace Corporation. My reply of March 16, 1978 compared the capabilities of the F–14 and the F–18 in the fleet air defense role and discussed our concerns with regard to the lobbying activities. This letter provides information concerning the capabilities of the A–18 and the A–7 in the light attack role and forwards the cost data requested.

Higher thrust-to-weight ratio, lower wing loading and improved aerodynamic design features provide the A–18 with increased maneuverability and survivability over that available to the A–7 in the light attack combat environment. The increased fuel consumption required to obtain this performance does result in an approximately 10 percent decrease in range/payload capability for the A–18 as compared to the A–7 on a single mission basis. However, this advantage for the A–7 is more than offset in a combat scenario by the substantial improvement in reliability, maintainability and survivability which is expected to produce a better capability for the A–18 to fly repeated missions. In addition, air-to-ground radar improvements and agility over the target for the A–18 provide improved strike effectiveness.

A modernized A–7, with two engines or a single increased thrust engine, would improve the A–7's maneuverability and survivability in the target area. However, the resultant increase in fuel consumption would also reduce the range/payload capability of the aircraft. In addition, without a costly avionics upgrading a modernized A–7 would still be lacking the air-to-air capability which enables the A–18 to function not only as an attack aircraft, but in a strike escort/fighter role as well. Navy and Marine Corps tactical aircraft requirements for the next decade are driven by the need to modernize the force and reduce, wherever possible, the types of aircraft operated for ease of logistic support and economy purposes. The F/A–18 was specifically designed for this purpose. It will provide a replacement aircraft for the Marine F–4s in the fighter role and serve as a strike-capable complement to the F–14 in meeting fleet fighter needs. As such, the F/A–18 meets anticipated future threats better than upgraded versions of existing aircraft. For these reasons we believe that the F/A–18 program offers advantages over those available in the basic or modernized A–7 program.

Turning now to the cost data which you requested, the FY 79 Presidential Budget contains the following program acquisition and program unit costs for the F–14 and the F/A–18:

[Dollar amounts in millions]

Type aircraft	Quantity	Program acquisition cost	Program unit cost
F–14	521	$11,740.3	$22.5
F/A–18	811	14,299.9	17.6

A comparison of the two aircraft at similar production rates reveals the following:

AVERAGE FLYAWAY COST, FISCAL YEAR 1980–84

[Constant fiscal year 1979 dollars in millions]

Type aircraft	24/year	36/year	60/year	108/year
F–14	18.5	16.4	15.4	14.8
F/A–18	14.7	12.4	10.8	9.4

It must be noted that the prices provided with regard to the similar production rates do not include costs already amortized. The funding profile projects future costs based on the program maturity of each aircraft after completion of the FY 79 program. This assumes 463 F–14 aircraft (including 12 RDT&E and 80 Iranian) will have been purchased while only 16 F/A–18 aircraft (including 11 RDT&E) will have been bought.

I hope this information answers your questions with regard to the F–14, A–7 and F/A–18 programs. If you have any other questions with respect to these matters, I will of course be pleased to respond.

Sincerely,

GERALD P. DINNEEN,
Principal Deputy.

U.S. SENATE,
Washington, D.C., March 2, 1978.

Hon. HAROLD BROWN,
Secretary of Defense, Department of Defense, The Pentagon, Washington, D.C.

DEAR MR. SECRETARY: On December 16, 1977, I and Senator Moynihan wrote to President Carter regarding the F–14 program and the subsequent Administration decision to request of the Congress only 24 of these important aircraft for fiscal year 1979. On February 23, 1978, I received a response to our letter from the Under Secretary of Defense for Research and Engineering, William J. Perry.

In addition to the untimeliness of the response to our inquiry, I am deeply disturbed about a number of the substantive aspects of the F–14/F–18 controversy.

There have been persistent press reports that the Department of the Navy much prefers to acquire the more sophisticated and capable F–14 aircraft to the F–18. I would like to receive from you in writing a detailed comparison, unclassified to the fullest extent possible, of the capabilities of these two aircraft for the fleet defense mission in order that I and my colleagues in the Congress can be in a position to judge the more capable aircraft. I would also like to have a similar comparison of the A–18 and the A–7 (including modernized versions of the A–7) for the light attack mission.

I fully recognize that cost and budgetary considerations play a central role in determining the most prudent decision. Accordingly, I would like to have complete data with regard to the total program and unit cost of these aircraft, including cost comparisons at the same production rates. For instance, I would like to know the cost of the F–18 at the rate of 24 aircraft per year and of the F–14 at the rate of 103 aircraft per year, in addition to the cost of each aircraft at the rates of 36 and 60 per year.

I have also read allegations in the press that the Department of Defense's investigation of lobbying efforts involving the F–14 are actually efforts to harass and intimidate Grumman Aerospace. Accordingly, I would like to know the basis for the decision to make this investigation, the scope of the inquiry, and, when appropriate, the findings. I would also like to know what similar investigations have been made in the past and are contemplated for the future.

It would be most helpful to receive responses to these inquiries in a timely fashion.

With best regards,

Sincerely,

JACOB K. JAVITS.

THE WHITE HOUSE,
Washington, D.C., Feb. 28, 1978.

Hon. JACOB K. JAVITS,
U.S. Senate, Washington, D.C.

TO SENATOR JACOB JAVITS: I understand your interest in the F–14 issue. As you probably know, it was debated at some length in the course of my review of the FY 79 budget. Those debates convinced me that a combination of F–14's and F–18's would be the best and most cost-effective way to meet the variety of naval missions that our military forces could face in the future.

In order to give you a fuller appreciation of our reasoning, I have asked Harold Brown to respond in detail to your letter.

I welcome your interest and look to your support in the debate over this defense budget and in other important issues facing our nation.

Sincerely,

JIMMY CARTER.

UNDER SECRETARY OF DEFENSE,
Washington, D.C., Feb. 15, 1978.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: On behalf of President Carter, I am replying to your letter of December 16, 1977 regarding the procurement of additional F–14 TOMCAT maritime air superiority fighter aircraft for use by the United States Navy.

The F–14 and F–18 aircraft programs, while major elements of the Navy's tactical aviation plan, must be considered in the light of total Navy, and more importantly, in terms of total defense needs. In the latter case, each program is evaluated on its own merits in order to establish its relative priority in relation to the total resources available within DoD. One such consideration is the need to modernize naval aviation by replacing the aging F–4 and A–7 aircraft. The F–18 has been developed for this purpose. The decision to produce both of these aircraft will provide the degree of flexibility that is required to insure modernization.

I share your high opinion of the F–14's capabilities, and can assure you that the Navy desires to purchase a significant number of these airplanes during future fiscal years. Of course, the number of F–14's recommended for procurement is a matter that falls within the budgetary process, and is, therefore, subject to budgetary constraints.

I am pleased to have the opportunity to respond to your comments. Thank you for sharing your views regarding the purchase of additional F–14's with President Carter.

Sincerely,

WILLIAM J. PERRY.

U.S. SENATE,
Washington, D.C., December 16, 1977.

Hon. JIMMY CARTER,
President of the United States, the White House, Washington, D.C.

DEAR MR. PRESIDENT: We understand from news accounts that you will soon be reviewing the Department of Defense recommenda-

tions for fiscal year 1979. Specifically, it is reported that you will be considering a proposal to reduce substantially the number of Navy F–14 aircraft from 36 to 24 in fiscal year 1979 in order to provide more funding for an alternate aircraft, the F–18. We strongly urge you to reject this recommendation.

As you may know, over a period of several months there have been numerous reports that there is little desire in the Department of the Navy to build the F–18 and that this program is being pursued to placate Members of Congress from districts where this aircraft and its engines are scheduled to be built.

On the merits, the F–14 is clearly a vastly superior aircraft, and while there has been some argument over whether it would be more costly to build additional F–14's or to proceed with the expense of an entirely new aircraft program, the costs of the two are in the same ball park. We base our argument not on the parochial needs of our state, where the F–14 is built and where unemployment is high, but on the merits and the national interest.

We are confident that given your close scrutiny into this complex issue, the proper decision will be made and the national interest will be served.

With best regards,

Sincerely,

JACOB K. JAVITS,
DANIEL PATRICK MOYNIHAN.●

Mr. THURMOND. Mr. President, I rise in opposition to the pending amendment which would strike from the military procurement bill funds for the F–18 aircraft.

Mr. President, the Navy has developed the F–18 as the low cost system of a high/low mix with the more expensive and more powerful F–14. While the Navy would welcome greater numbers of the F–14 there is a need for an aircraft with new technology, but one without the price tag of the F–14.

The F–18 is such an aircraft. It will replace the A–7E's now in the Navy inventory and will provide greater speed, rate of turn, and overall combat agility.

Mr. President, the F–18 also possesses air defense capabilities which will complement those of the F–14. This is important, as air defense of the fleet is a high priority item for the Navy.

Of equal importance is the requirement to replace the F–4's in the Marine Corps. The F–18 is perfectly suited for this role and if the program is killed, another would have to be substituted to fill this need.

In conclusion, Mr. President, I would point out to the Senate that the Congress has reviewed this program carefully and all of the defense committees have supported this aircraft. I urge the Senate reject this amendment.

Mr. STENNIS. Mr. President, I yield back such time as I may have remaining.

Mr. HART. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. ANDERSON), the Senator from Idaho (Mr. CHURCH), the Senator from Ohio (Mr. GLENN), the Senator from Colorado (Mr. HASKELL), the Senator from Hawaii (Mr. INOUYE), and the Senator from Hawaii (Mr. MATSUNAGA) are necessarily absent.

I further announce that the Senator from Iowa (Mr. CLARK), and the Senator from South Dakota (Mr. MCGOVERN) are absent on official business.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK) would vote "yea."

I further announce that, if present and voting, the Senator from Ohio (Mr. GLENN) and the Senator from Minnesota (Mr. ANDERSON) would each vote "nay."

Mr. STEVENS. I announce that the Senator from Nebraska (Mr. CURTIS) and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

I further announce that, if present and voting, the Senator from Nebraska (Mr. CURTIS, would vote "nay."

The result was announced—yeas 22, nays 68, as follows:

[Rollcall Vote No. 198 Leg.]

YEAS—22

Abourezk	Hathaway	Nunn
Bayh	Humphrey	Pell
Bumpers	Javits	Proxmire
Byrd, Robert C.	Leahy	Ribicoff
Culver	Lugar	Roth
Hart	Moynihan	Stevenson
Hatfield, Mark O.	Muskie	Williams
	Nelson	

NAYS—68

Allen	Goldwater	Packwood
Baker	Gravel	Pearson
Bartlett	Griffin	Percy
Bellmon	Hansen	Randolph
Bentsen	Hatch	Riegle
Biden	Hatfield, Paul G.	Sarbanes
Brooke	Hayakawa	Sasser
Burdick	Heinz	Schmitt
Byrd, Harry F., Jr.	Helms	Schweiker
Cannon	Hodges	Scott
Case	Hollings	Sparkman
Chafee	Huddleston	Stafford
Chiles	Jackson	Stennis
Cranston	Johnston	Stevens
Danforth	Kennedy	Stone
DeConcini	Laxalt	Talmadge
Dole	Long	Thurmond
Domenici	Magnuson	Tower
Durkin	McClure	Wallop
Eagleton	McIntyre	Weicker
Eastland	Melcher	Young
Ford	Metzenbaum	Zorinsky
Garn	Morgan	

NOT VOTING—10

Anderson	Glenn	Matsunaga
Church	Haskell	McGovern
Clark	Inouye	
Curtis	Mathias	

So the amendment (No. 3107) was rejected.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(The following proceedings occurred later in the day and appear at this point in the RECORD by unanimous consent.)

Mr. GLENN. Mr. President, at the time of the F–18 vote this morning, I was chairing hearings on postal reorganization. The vote lights in the committee room were not operating, and I was not aware that a vote was in progress until it was too late to be recorded. Had I been able to vote, I would have voted "no" on the amendment to delete the F–18.

Mr. President, I planned to make a short statement regarding the amendment prior to the vote to say that I strongly oppose the amendment to strike the moneys for the F–18 airplane program for the Navy. I have looked into this in some detail and find that the alternative aircraft are clearly unacceptable. They are either obsolete, too expensive, or so far in the future that they cannot be taken seriously.

It seems to me a few words about the alternatives are in order.

First, as to obsolescence of alternatives. The F–18 and its sister, the A–18 attack airplanes will replace the F–4's and the A–7's. These have been fine airplanes, but they are ready for retirement. The technology in these airplanes is from about 15 years ago for the A–7 to about 20 years ago for the F–4. The F–18 is not only a new airplane, it promises to be a fine carrier aircraft. As Lt. Comdr. A. Howard, an A–7 pilot, testified to the Senate Tactical Air Subcommittee this spring when asked to compare the F–18 prototype with the A–7:

> The performance levels to me were almost mindboggling compared to aircraft I have flown before. . . . The aircraft opened up a whole new arena of tactics and applications which are going to greatly increase the survivability of the aircraft in the fleet.

When asked to compare the F–18 prototype to the A–7 in speed, rate of climb, and maneuverability, the commander continued:

> There is no comparison. It is an order of magnitude better. . . . . It is like day and night.

Next, as to cost of alternatives: If the F–18 program is canceled, the Navy not only will have to continue to use the older airplanes, but it will also need to buy more F–14's. The F–14 is also a fine airplane, but the Nation cannot afford the costs of an all-F–14 fighter force. It is the most expensive fighter plane in the world. It costs almost twice as much to buy and operate and maintain as the F–18. Furthermore, it appears that perhaps the proponent of this amendment has confused an earlier buy of 5, 15, 48, for the first 3 years of the program, with the current Navy buy of 9, 30, 72. This increased buy, of course, means lower unit cost and some savings of dollar escalations. As Deputy Secretary of Defense William Perry testified this spring to the House Appropriations Committee about the F–18:

> For the first time in recent history, the Department of the Navy has an opportunity to buy aircraft in sufficient quantities to maintain a reasonably competitive unit cost.

Finally, as to future alternatives to the F–18, the most often mentioned is a V/STOL fighter. No one is certain when they will be available. Secretary Claytor testified to the Senate Armed Services Committee this year on a new V/STOL fighter that:

> The consensus of opinion is that it will not be before the late 1980's or early 1990's,

perhaps as long as the year 2000 before we would have a significant number of naval missions that could be handled by V/STOL planes.

It is clear to me, Mr. President, as a man with substantial experience as a military pilot, and as a Member of the Senate concerned about getting the best defense for the least money, that we must keep the F–18 program. I urge the rejection of this amendment.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senate will come to order.

Mr. STENNIS. I yield myself 1 minute for an announcement of information, Mr. President.

We have the next amendment now by the Senator from Colorado regarding a small amount, R. & D., V/STOL, Harrier-type airplane, 20 minutes to the side for the amendment. That will be followed by another amendment, 20 minutes to the side on the second one.

The yeas and nays have been ordered on both.

Mr. STONE. Will the Senator yield for a unanimous-consent request?

Mr. STENNIS. Yes. I yield for a unanimous-consent request with the expectation of having a vote fairly soon.

The PRESIDING OFFICER. The Senator from Florida.

Mr. STONE. Mr. President, I ask unanimous consent that Barry Schochet of my staff be granted privilege of the flood during voting and debate on this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. I yield to the Senator from Iowa.

Mr. CULVER. Mr. President, I ask unanimous consent that Rick Asplund and Charles Stevenson be granted privilege of the floor during consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I ask unanimous consent that Leonard Parkinson of my staff be granted privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, I ask unanimous consent that Ron Lehman of my staff be granted privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Colorado.

Mr. HART. Mr. President, may we have order in the Senate?

Mr. STENNIS. May we have quiet, Mr. President?

The PRESIDING OFFICER. The Senate will be in order.

AMENDMENT NO. 3108

(Purpose: To begin the development of a Naval version of the Advanced Harrier V/STOL aircraft)

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of amendment No. 3108 by the Senator from Colorado (Mr. HART) on which there shall be 40 minutes.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. HART) proposes an amendment numbered 3108:

On page 11, line 25, strike the figure "$4,555,194,000", and insert in lieu thereof "$4,560,694,000".

The PRESIDING OFFICER. The Senator from Colorado.

Mr. HART. Mr. President, the purpose of this amendment——

Mr. BUMPERS. Mr. President, we still do not have order in the Chamber.

The PRESIDING OFFICER. The Senate is in order.

The Senator from Colorado.

Mr. HART. Mr. President, the purpose of this amendment is to begin the development of the AV–8B+—a naval version of the Marine Corps' advanced Harrier V/STOL aircraft. It would add $5.5 million to the bill for that purpose.

Mr. STENNIS. Mr. President, the Senator is a valued member of our committee; it is a highly important amendment. I think it is highly important and significant. Let us hear the Senator and have order.

The PRESIDING OFFICER. Senators will please be seated or clear the floor. The Senate will come to order.

The Senator from Colorado.

Mr. HART. Mr. President, over the past several years, more and more naval authorities have become convinced that we need to deploy a force of small, individually less expensive aircraft carriers—and that we need to do so quickly. The primary reason is that developments in modern anti-ship weapons have made each individual ship, of every type, substantially more vulnerable. At the same time, the unit cost of large aircraft carriers has risen so high that we can afford very few of them. Few authorities believe that we can afford more than 12 deployable large carriers now or in the future.

Thus, we find our naval eggs in a small number of baskets, at a time when each basket has become more vulnerable. Clearly, this is not a satisfactory situation. To remedy it, we must have more baskets—which means that the baskets, the aircraft carriers, must be individually much smaller and less expensive.

Survivability is one strong argument for smaller carriers in larger numbers; the spread of Soviet naval power to all of the world's oceans is another. Today, we have difficulty maintaining carrier deployments in a few areas: generally, the Mediterranean and the Western Pacific. Yet, as we have recently seen in Africa, Soviet and Soviet-sponsored forces—or indigeous forces unrelated to Soviet policy—can cause crises throughout the world. Just as we need tactical dispersion of our naval aircraft for survivability, we also need strategic dispersion to defend our interests and maintain stability in areas where aircraft carriers are not routinely deployed. With a force of small carriers supplementing our current large carrier force, we would have an adequate number of ships to deploy a carrier of some type to any trouble spot without disturbing routine deployments. Even though the small carriers will not have the full capability of the larger ships, they will be fully adequate for many situations.

A third important argument for a force of small carriers is the need to improve our antisubmarine warfare capability. Because our large carriers are few in number and are needed for many tasks, and because of their fixed air wings, they can contribute little to antisubmarine warfare, beyond defending themselves. Yet, exercises have repeatedly shown that antisubmarine aircraft are among the more effective antisubmarine systems. Small carriers could contribute substantially to our antisubmarine aircraft force. Using both helicopters and fixed-wing aircraft, they could provide means to follow up submarine contacts and attack the detected hostile submarines—a need clearly recognized in this year's committee report, which states:

> This country has made great strides in our ability to locate enemy submarines, and programs now in development will give even better results in the years ahead. However, our ability to attack and kill submarines has not kept pace with the improvement of our ability to locate them.

A force of small carriers would substantially improve our ability to meet this need. We would be following the practice many other nations have adopted, including Great Britain, France, Italy, Spain and the Soviet Union, all of which have built or are building small aircraft carriers for antisubmarine warfare.

In fact, the Senate has expressed strong support for ships of this type. Last year, the Senate added $13.5 million for continued design work on a small carrier of about 25,000 tons, the so-called V/STOL support ship. The committee report noted that the Navy 5-year shipbuilding plan presented in 1975 had included seven ships of this type, and stated that:

> It appears that only a program incorporating this type of less costly ship can answer the need to disperse at-sea assets into a larger number of platforms.

This year, the Armed Services Committee recommends adding an additional $25 million for continued design work on the light carrier, as the VSS is now known. In addition, it approved the conversion of one LPH amphibious ship to a light carrier, so as to begin deployment of this type of ship as soon as possible.

Unfortunately, the Navy does not plan to have the Vertical/Short Take-off and Landing (V/STOL) aircraft these ships need until the late 1990's—if then. Indeed, the so-called Type A V/STOL for anti-submarine warfare is reportedly no longer included in the Navy's budget request for fiscal year 1980.

Even without such aircraft, light carriers are both useful and needed. The principal antisubmarine warfare aircraft is the Lamps helicopter, which will be available for use on light carriers. The existing Marine Corps AV–8A Harrier V/STOL can operate from these ships. The Marine Corps currently operates Harriers from amphibious assault carriers, and several foreign navy's includ-

ing the Royal Navy, are using or plan to use Harriers in naval service.

But to get full effectiveness from the light carriers, we need a V/STOL designed for naval missions. Through the Harrier, we have the potential of a highly effective naval V/STOL, not in the late 1990's, but in the mid 1980's. The Marine Corps is currently developing a more capable version of the existing Harrier, the AV–8B or Advanced Harrier.

This aircraft, which is to enter service in 1984, will have over twice the range-payload capability of the existing Harrier. Indeed, using a short take-off, its range and payload are roughly in the same class as the A–7. The Armed Services Committee has strongly supported the development of the Advanced Harrier; it recommended an addition of $87.4 million in fiscal year 1979 to speed up development of this aircraft, and stated in its report that,

> The AV–8B development should be one of the highest priority programs in the Department (of Defense).

The AV–8B could be adapted for naval roles with little risk and low expense. Such an aircraft, called the AV–8B+, has been examined by the Navy and found to be feasible. The major changes are:

Incorporation of an air-to-air and air-to-ground radar, probably the radar from the F–16 or F–18;

Addition of a naval navigation system, of an existing type;

Addition of the standard Navy digital computer;

Redesign of the nose and cockpit to improve visibility; and

Redesign of the engine to produce 1,500 pounds more thrust.

Even though the Secretary of the Navy, Mr. W. Graham Claytor, has indicated his strong support for development of the AV–8B+, elements within the Office of the Secretary of Defense, OMB, and the uniformed Navy have opposed it, arguing that it is not capable of performing useful Navy missions. A look at the facts clearly shows that it can perform many Navy missions effectively:

One. The AV–8B+ will be able to carry about 2 tons of bombs to a target 600 miles away, using a short takeoff from the deck of a light carrier. Two tons of bombs can sink most ships and disable any ship; 600 miles well out-ranges any Soviet antiship missile, so that the AV–8B+ can attack Soviet ships before they are in missile range of our light carrier.

Two. The existing Harrier, even though it is subsonic, has shown excellent performance as a fighter. Supersonic speed is not of great importance in air-to-air combat; almost all air combat takes place at subsonic speeds. What is of great importance is maneuverability, and the Harrier is the most maneuverable fixed-wing aircraft in the world. It can come to a complete stop in midair, and do so quickly; with better than a 1-to-1 thrust ratio, it can out accelerate many supersonic fighters. The existing Harrier has repeatedly defeated higher speed aircraft, including the F–14, in air-to-air combat. In testimony before the Tac Air Subcommittee, the Navy stated that the advanced Harrier will have a better capability to gain and lose energy than the planned F–18—and that means better air combat capability.

Three. The AV–8B+ will be of great use in antisubmarine warfare, for rapid prosecution of submarine contacts. Because it is much faster than a helicopter, it can lay a sonobuoy screen or even launch an antisubmarine torpedo against a detected submarine before the submarine has had time to change its position. The effectiveness of the Harrier in this role was confirmed several years ago by the sea control ship tests with the U.S.S. *Guam;* Great Britain plans to use its naval Harrier, the Sea Harrier, in this role.

Four. Unlike the existing Harrier, the AV–8B+ will have a low-range air-to-air missile, such as the Sparrow. This will substantially improve its performance as an interceptor.

Clearly, these are real, useful and needed naval mission capabilities. We can have them, and have them in the near future, with the AV8B+.

It should also be noted that the AV–8B+ will be markedly superior in performance to the V/STOL aircraft which other navies find useful and mission-capable. It will be far superior in everything but top speed to the Soviet naval V/STOL, the YAK–36 "Forger." It will be superior to the Sea Harrier which the Royal Navy plans to use on its light carriers, and which is likely to be purchased by several other foreign navies. It will be superior to the "Matador" V/STOL's, also versions of the Harrier, used by the Spanish Navy on its light carrier. It is difficult to believe that the AV–8B+ will not be mission-capable for the U.S. Navy, when less capable V/STOL's have been found mission-capable by many foreign navies.

A question has been raised about the cost of the AV–8B+. Unit procurement cost for the Marine Corps Advance Harrier is estimated at approximately $12 million per aircraft, compared to at least $18 million per aircraft for the F–18, and about $24 million per aircraft for the F–14. So procurement of the AV–8B+ should result in substantial savings, especially if it is procured in lieu of the F–18.

Elements in the Navy who are opposed to V/STOL, in their efforts to block development of this aircraft, have stated that it would cost an astounding $1.4 billion in R. & D. to develop it—that is, merely to make the minor changes to the Marine Corps model outlined above. The incorrectness of this figure can readily be seen if we compare it with the actual R. & D. cost of the British Sea Harrier. With the exception of the increase in engine thrust, the changes the British made to the standard Harrier to convert it into the naval Sea Harrier are exactly parallel to the changes between the AV–8B and the AV–8B+. How much did the R. & D. cost? Not $1.4 billion, but less than $200 million. Since the U.S. Navy attributes over $1 billion of their estimate of $1.4 billion to these changes—exclusive of the engine alterations—we can see that their estimate is higher than British actual R. & D. cost by a factor of about 5. Clearly, their estimate is not credible.

If the engine modifications are undertaken, a plausible figure for R. & D. of the AV–8B+ would be approximately $500 million. If the engine were left unchanged from the AV–8B—and I personally doubt the need for the increased thrust—R. & D. cost should be less than $200 million. This compares to $498.6 for R. & D. of the F–18 in fiscal year 1979 alone.

Mr. President, the development of the AV–8B+ will not be costly, compared to R. & D. costs of other aircraft. The aircraft cost will be less than any other projected Navy tactical aircraft. Yet it will enable us to move forward decisively with a key new technology, V/STOL aircraft. It will enable us to strengthen the Navy effectively, by dispersing our naval aircraft onto a larger number of carriers. It will enable us to take full advantage of the light carrier program, which this bill as reported includes.

The $5.5 million I am proposing will only begin this program, but the most difficult step is the beginning, in the face of entrenched traditionalism in the Navy and an anti-naval attitude in the Defense Department and OMB. The $5.5 million will permit the Navy to define the program and structure it, so that we can fund it in a responsible and efficient manner in future years.

I urge my colleagues to join with me to move the Navy toward answering the Soviet naval challenge to the large aircraft carrier in an effective way.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. FORD). Who yields time?

Mr. STENNIS. Mr. President, I yield whatever time the Senator might desire.

Mr. CANNON. Mr. President, will the Senator yield 10 minutes?

Mr. STENNIS. I yield 10 minutes.

The PRESIDING OFFICER. The Senator from Nevada is recognized for 10 minutes.

Mr. CANNON. Mr. President, the proposal to start an AV–8B "Plus" development program by adding $5.5 billion to this year's bill will, in my opinion, be a premature attempt to push the state of the art of V/STOL technology. The Tactical Air Subcommittee carefully reviewed the Navy's V/STOL development program this year and, as I outlined in my floor remarks yesterday and as the committee report reflects, V/STOL still is no panacea. The hard technical facts are that there is a basic design and cost penalty in requiring vertical take-off and landing capability in an airplane that has the same mission capabilities as today's current generation of conventional, or CTOL, airplanes. As the Navy's design studies show, the subsonic cruise airplane for anti-submarine warfare or radar warning types of missions has about a 50-percent weight penalty and a 30-percent cost penalty compared with its conventional counterpart. Similarly, a supersonic fighter capable of V/STOL operations has about a 30-percent weight penalty and a 40-percent cost penalty

when compared with its conventional counterpart. Furthermore, the state of the technology is such that a long and very expensive development program will be required for any truly capable V/STOL airplane, and it will be mid to late 1990's before such a plane is ready for the fleet.

Now, what is the point of reviewing these findings when we are discussing the AV–8B Plus, which could be developed by the mid-1980's? The point that I want to emphasize is that an aircraft carrier air-wing consists not only of a single combat type plane, but also requires a supporting suit of radar warning, electronic countermeasures, refueling tanker, and other support planes to have a well-rounded and truly capable complement of aircraft to fulfill all of the missions required for modern air warfare.

Although the Navy could be forced to develop the subsonic AV–8B Plus, the Navy then would be left with a less capable combat airplane than today's F–14s, F/A–18s, A–7s, and A–6s. In fact, the AV–8B Plus would be virtually useless in any high-threat environment since its subsonic flight limitation would make it incapable of intercepting the Soviet's supersonic Backfire bomber. In addition, the AV–8B Plus will be much less capable as a surface attack aircraft than either the A–7E or F/A–18. But even if the Navy was forced to develop this plane by the mid-1980's, there still would be no radar warning plane, no ECM aircraft, or any of the other combat support aircraft ready for operating from V/STOL carriers. In summary, there is no good rationale or merit to the current proposal to start development of this naval version of the Marine Corps closeup support AV–8B.

Some other considerations that detract from the proposal are that it would delay the Marine Corps AV–8B development program because a B Plus version would have to be developed in common with the Marine close-air support version. Also, the development cost of the B Plus would be excessive; it is estimated to cost $1.4 billion.

The distinguished Senator from Colorado was very careful to point out that the development costs were highly overrated if you left out the engine. The $1.4 billion includes the engine. That AV–8B Plus is not going to operate without an engine, and you have to have substantial research and development costs on it. The total estimated R. & D. cost for this system is $1.4 billion. So to talk in terms of eliminating the engine from the R. & D. cost is utter nonsense.

One of the most costly items is the new engine development that would be required to offset the weight growth of the B Plus version. Another consideration is that the Marine Harrier close support aircraft would also then cost more in its production version.

I remind my colleagues that there has been no budget request by the Navy for the AV–8B Plus. Uniformed Navy officers do not support this program, and indeed the Deputy Chief of Naval Operations for Air Warfare testified that he saw no useful mission for the airplane.

I point out that the then Chief of Naval Operations, Admiral Holloway, in a letter to the committee on April 26—he is no longer CNO—stated that he could not support the B Plus. He says in this letter

In this connection the Navy has tested or modeled all practical approaches to the effective utilization of the Harrier at sea in a variety of roles, and in all candor, I cannot develop a credible case for either the AV–8A or AV–8B.

The AV–8B+ is, as you know, a Navy effort to conceptualize an improved variant of the Harrier by installing essentially F/A–18 electronics and an upgraded engine in the AV–8B, in order to gain an improvement in mission combat capability that would more nearly approach that of existing CTOL sea based air. The AV–8B+ would be able to operate from current conventional carriers as well as the conceptual VSS design, a 24–30,000 ton displacement carrier without catapults or arresting gear.

The V/STOL support ship (VSS)—

which the Senator from Colorado strongly supports—

was conceived by me as a low cost, multi-purpose platform to augment large deck carriers for roles of antisubmarine warfare (using LAMPS III helicopters), airborne mine countermeasures (using RH–53D), Marine close air support of amphibious operations (with AV–8A and AH–1J embarked) and amphibious assault (with CH–46 and CH–53). As high performance, mission capable VSTOL aircraft become available and enter the operating inventory, these tactical aircraft could also be deployed aboard V/STOL Support Ships.

The AV–8B+ would have the same mission as the F/A–18 and therefore must be viewed as in competition with the F/A–18 for development and production funds. In view of the austerity of the Navy budget and the limited funds projected over the next five years by current fiscal guidance, I cannot support full scale development of the AV–8B+ at this time because of our commitment to the F/A–18, or the construction of VSS type ships because of higher priority requirements competing for SCN funding.

Sincerely,

J. L. Holloway III,
Admiral, U.S. Navy.

As I have pointed out, Admiral Holloway is no longer Chief of Naval Operations. However, the position of the Navy is the same today.

The Navy already has had a funded study of the AV–8B Plus with two contractors, McDonnell-Douglas and Rolls Royce, and this evaluation was the source of the cost estimate for R. & D. and production.

Therefore, since the B Plus already has been evaluated, since it would be inferior to present and upcoming Navy airplanes, since there would be no supporting aircraft ready in the same time period to allow balanced operations from a V/STOL aircraft carrier, since there is no budget request for the program, and since the Navy does not need or want the airplane, I would urge my colleagues to vote to reject the amendment.

I point out to my colleagues, in closing, the letter that Senator Goldwater and I sent to our colleagues on the AV–8B+, in which we pointed out five specific points:

1. The AV–8B Plus would be a Marine Corps AV–8B close air support dive bomber but with an air combat radar and other Navy avionics systems added to permit it to act as a fleet defense fighter. As such it would still be a subsonic airplane and totally inadequate to intercept the supersonic Backfire bomber threat to our Navy task forces.

2. The AV–8B Plus would be grossly inferior in range and weapons payload to the existing Navy A–7E and future F/A–18 for surface attack missions. Its range-payload is 25 percent to 50 percent less than these planes.

3. The Navy does not have an operational requirement for the AV–8B Plus and has no place for it in its force structure. Even if it was used on small V/STOL carriers, there would not be any V/STOL supporting airplanes available for radar warning, electronic jamming, refueling tankers, or the other tasks required for a balanced carrier suite of airplanes.

4. The $5.5 million would be but a token downpayment on an R&D program estimated by the Navy to cost $1.4 billion. The increased weight of the "B Plus" would require an expensive engine development program. Also if the "B Plus" is started, then the Marine Corps AV–8B program would be delayed by a year or more to achieve commonality with the Navy version. The Marines need the AV–8B as soon as possible to maintain their light attack force levels; the Navy does not need the AV–8B Plus at all.

5. An engineering study of the AV–8B Plus already has been funded by the Navy. This study concluded that it was feasible to build the plane but that the weight increase, development cost, and effect on the Marine Corps AV–8B would be as explained above.

So, in summary, I hope my colleagues will be opposed to this amendment, as we are, and that we can get on with the programs the Navy wants and needs.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. CANNON. I yield to the Senator whatever time I have remaining.

Mr. GOLDWATER. Will the Senator yield me 5 minutes?

Mr. STENNIS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 10 minutes remaining.

Mr. STENNIS. I yield 5 minutes to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I rise in opposition to this amendment, and I support the reasons that the chairman of the Tactical Air Subcommittee has advanced. We have discussed this at length in the Tactical Air Subcommittee and turned it down.

Now, Mr. President, I have to say I am in sympathy with the Senator from Colorado's basic idea, but I think we are going about it or he is going about it in the wrong way. This country is way, way behind in the development of V/STOL, vertical take off and landing, aircraft or short-take-off-and-landing aircraft.

I would much rather have seen this money backed up by a request from the Navy with the Navy presenting some understandable acceptable beginning ideas of what we might do to improve the AV–8B which has been in our inventory for some time.

The AV–8B, as you know, was originally made in Great Britain, which are now made by McDonnell Douglas, and will be used by the Marine Corps for close air support and light attack.

There are several problems with this aircraft for Marine Corps use. Any kind of a load greatly reduces its radius of

action. In fact, I could cite a load that would be requested by an infantry request for support that would allow the aircraft to have a radius of action of less than 50 miles, and working off the ground rather than prepared surfaces which the Marines do with it, it is a great collector of dirt and dust which is not good for jet engines.

The engine research and development on the AV–8B plus, in my opinion, would be at least $100 million, and probably more, because if we are going to build on the basis of the AV–8B, build the AV–8B plus, it will be a much heavier aircraft and will require engines with much greater lift which we do not have now.

The radius of combat, as I have mentioned, is another serious deterrent to this type of aircraft regardless of what we come up with because it has to have engines capable of lifting great weights straight up, and after it takes off then the need for the big engines sort of goes down.

The Department of Defense has not stated any requirement for a Navy version of the AV–8B, and there were no funds requested in this year's budget.

If developed, the AV–8B plus could not meet the Navy's requirement for an air-to-air fighter. There is no potential for this aircraft to be given a supersonic capability. In the attack role it would be very inferior to the A–7E and very, very inferior to the future A–18.

The AV–8B does not meet the Navy's requirement for either an air-to-air fighter or a light attack aircraft. Consequently, the expenditure of these funds would not serve a meaningful or useful purpose.

It has been pointed out that such a development program could cost as much as $1.4 billion and, of course, my friend from Colorado doubts that. I do not want to say that I will take it as gospel truth, but I certainly would say it is a starter. It could be $100 million, $200 million, $1 billion, or it could be $2 billion. We do not know, and I think it is impossible for us to stand on the floor here in 1978 in July and try to say what any piece of equipment for military purposes will cost next year or the year after.

We know we are in a period of inflation, and I doubt seriously whether any living American will ever see it end, so we have to start talking about what the end result might be.

The PRESIDING OFFICER. The Senator from Arizona's time has expired.

Mr. GOLDWATER. I am glad to hear that because I, too, have expired. [Laughter.]

Mr. STENNIS. Mr. President, I yield myself 1 minute. Again it is timely that this matter has been brought up. I welcome the debate here on the floor about it. We had a rather thorough round about this in our committee on two occasions, and we voted this measure in as a part of a small package at one time. But after a fuller presentation of the matter, particularly the Navy's position on it, I just cannot support going into a new development program of this kind on the proof we have from the Navy about the lack of settlement in their own mind of what we are going to do or what they are going to need.

On those conditions I have to recommend that this amendment not pass.

I yield the floor, Mr. President.

The PRESIDING OFFICER. Who yields time? The Senator from Colorado.

Mr. HART. Mr. President, this is the same situation we had a few minutes ago where everybody is in favor of the ultimate goal but very few are willing to support providing the means to get there.

The Senator from Nevada and others have said that V/STOL is what we are going to end up with in the mid-to-late 1990's, no question about it. But they will not spend $5.5 million in 1978 to take the first step. When are we going to do that? Everybody agrees about the direction in which we should go. Everybody is in favor of it. Everybody says it is necessary, but nobody wants to spend $5 million to start down the road. Why not? What are we afraid of?

The argument is the technology is not perfected. Well, how do you perfect a technology? We are spending almost $500 million this year to perfect the technology on the F–18, and 60-some Senators just voted for it. Yet the same people are not willing to spend $5.5 million to start perfecting the technology on the other type of airplane which they agree we are going to have to have.

When do we start? What is the first step? I have not heard anybody suggesting what the program is going to be

Of course, the AV–8B+ will not do everything other types of aircraft will do. To say that the advanced Harrier aircraft for the Navy will not perform like an F–14 is to argue the obvious. That is not the point.

Those airplanes will only land on 13 decks. That is the point. You will not be able to land the F–18 aircraft that everybody is so enamored with on a small deck, which everybody says we are going to have to have in the 1990's. Why not start now? I have not heard an argument yet as to why we do not start in 1978 to get to a goal that everybody agrees with.

The Soviets are configured to destroy those 13 decks. What good are the aircraft which depend on them going to do us then? There will not be any 1990 or 1995 or 1999 if we keep going the way we are going.

Some say the Navy does not want it. The Navy did not want the F–18. We just gave it to them. Some politicians wanted it, some contractors wanted it. The Secretary of Defense wanted it, so we just gave it to them.

It seems to depend on which Navy you are talking about. The Secretary of the Navy, the highest official appointed by the President, confirmed by the Senate, wants the AV–8B plus. He is on record, he testified in favor of it. That is the view of the Secretary of the Navy. Some seem to feel that he is helpful when he agrees with you; when he does not agree with you, disregard him. Pay attention only to the admirals.

This is the highest civilian in the Navy. He wants it. The record is very clear, in the books on every Senator's desk, on what the Secretary of the Navy wants. He wants $5.5 million to look into an aircraft that everybody says we will have to have some version of down the road.

The Senator from Nevada says this is no panacea. Mr. President, nobody has ever said it was. It is a supplement.

I am not for sinking those 13 big carriers, although the Soviets are well prepared to do so. I am for building some light carriers to supplement them, and for putting some planes on those carriers that will do missions that everyone agrees will have to be done.

It has been said that Congress cannot tell the Navy what to do. Mr. President, history is replete with things we have told them to do. We have pushed planes, ships, and other kinds of equipment on the Navy that the Navy did not want.

We have some forward-looking and progressive people over there. But if the function of the Congress of the United States is to be merely a rubber stamp, and we sit down and wait for the orders to come up and the requests to come in and just put our stamp on them, which I do not think is what the Senator from Nevada thinks his role is, and I do not think it is what the Senator from Mississippi thinks his role is, if that is what we are being told our responsibility is, we might as well be the Supreme Soviet.

This is the U.S. Senate. We can make decisions. We can look at the evidence, and we can make recommendations.

The sum of $5.5 million is not much money to take a step into the future. We just spent over $980 million on a plane that everyone in this body, I think, in the next few years will regret.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. STENNIS. Mr. President, I yield the Senator——

Mr. HART. Thirty seconds, I think, is enough.

Mr. STENNIS. All right. I yield the Senator a minute an a half.

Mr. HART. Mr. President, all I ask is for the opponents of this amendment to explain what they are afraid of. What is it that we can find out by spending $5.5 million that everyone is so afraid of? That this plane can do what its proponents say it will do? That it is going to get us where we will need to be 25 years from now? Are we afraid to look into the future? I think the future is coming along a lot faster than some people think, and if we do not address the future, we are not going to have a Navy.

Mr. STENNIS. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. STENNIS. Mr. President, have the yeas and nays been ordered on the pending amendment?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. STENNIS. When we get to a vote, the question will be, as we say, up-or-down, yes or no as to the amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. STENNIS. I thank the Chair. I yield back whatever time I have remaining.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment (No. 3108) of the Senator from Colorado (Mr. HART). The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. ANDERSON), the Senator from Idaho (Mr. CHURCH), the Senator from Colorado (Mr. HASKELL), and the Senator from Mississippi (Mr. EASTLAND) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. MCGOVERN), is absent on official business.

I further announce that, if present and voting, the Senator from Minnesota (Mr. ANDERSON) would vote "yea."

Mr. STEVENS. I announce that the Senator from Nebraska (Mr. CURTIS), and the Senator from Maryland (Mr. MATHIAS), are necessarily absent.

I further announce that, if present and voting, the Senator from Nebraska (Mr. CURTIS), would vote "nay."

The result was announced—yeas 49, nays 44, as follows:

[Rollcall Vote No. 199 Leg.]

YEAS—49

Abourezk	Glenn	Moynihan
Allen	Gravel	Muskie
Bayh	Hart	Nelson
Biden	Hatfield,	Packwood
Bumpers	Paul G.	Pell
Byrd, Robert C.	Hathaway	Ribicoff
Case	Hayakawa	Riegle
Chafee	Hollings	Roth
Chiles	Humphrey	Sarbanes
Clark	Inouye	Sasser
Cranston	Javits	Schmitt
Culver	Kennedy	Stevenson
DeConcini	Leahy	Stone
Dole	Lugar	Weicker
Durkin	Magnuson	Williams
Eagleton	Matsunaga	Zorinsky
Ford	McClure	

NAYS—44

Baker	Hatfield,	Percy
Bartlett	Mark O.	Proxmire
Bellmon	Heinz	Randolph
Bentsen	Helms	Schweiker
Brooke	Hodges	Scott
Burdick	Huddleston	Sparkman
Byrd,	Jackson	Stafford
Harry F., Jr.	Johnston	Stennis
Cannon	Laxalt	Stevens
Danforth	Long	Talmadge
Domenici	McIntyre	Thurmond
Garn	Melcher	Tower
Goldwater	Metzenbaum	Wallop
Griffin	Morgan	Young
Hansen	Nunn	
Hatch	Pearson	

NOT VOTING—7

Anderson	Eastland	McGovern
Church	Haskell	
Curtis	Mathias	

So the amendment (No. 3108) was agreed to.

Mr. HART. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STENNIS. Mr. President, under the agreement, that brings up the next amendment by the Senator from Colorado.

The PRESIDING OFFICER. The Senator is correct.

AMENDMENT NO. 3106

(Purpose: To provide additional funds for five naval development programs)

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of amendment 3106 by the Senator from Colorado (Mr. HART), on which there shall be 40 minutes, equally divided and controlled.

The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Colorado (Mr. HART) proposes amendment No. 3106

On page 11, line 25, strike the figure "$4,555,194,000", and insert in lieu thereof "$4,580,394,000".

Mr. HOLLINGS. Mr. President, I ask unanimous consent that Michael Joy of my staff may be granted the privilege of the floor during consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Colorado is recognized.

Mr. HART. Mr. President, the amendment is in order, is it not?

The PRESIDING OFFICER. The amendment proposed by the Senator from Colorado is the pending business.

Mr. HART. I thank the Chair.

Mr. President, this amendment deals with five separate programs. It is my hope that it will be acceptable to the committee, and it will take very little time.

The five programs are as follows:

For continued development of the ARAPAHO program, $7 million;

For development of the SEAMOD system, $7.5 million;

For development of the SWATH ship, $7.5 million;

For the APRAPS sonar development, $2 million; and

A program change I am proposing jointly with Senators BARTLETT and WILLIAMS—$1 million for the reserve merchant ship defense system.

Mr. STENNIS. Mr. President, will the Senator yield to me?

Mr. HART. Yes.

Mr. STENNIS. I call special attention of those present to this amendment, which comprises a number of small items that the committee thinks are important. I should certainly like to hear the Senator and see him have a chance to be heard.

The PRESIDING OFFICER. The Senator from Mississippi makes a valid point. The Senate will be in order.

Mr. HART. Mr. President, the ARAPAHO program is intended to develop a system for placing Naval Reserve antisubmarine helicopters on merchant marine container ships in wartime. Such a capability would enable us to increase our antisubmarine defenses substantially in an emergency, without the high expense of additional escort ships. It would also permit us to use the merchant marine more effectively to support our national defense, and provide a militarily significant new mission for the Naval Reserve. The $7 million in my amendment should permit the Navy to complete the program.

SEAMOD is a program to develop modular weapon and sensor systems for warships. Today, we often have relatively new ships with obsolescent armaments and sensors, simply because the rapid rate of technological change in weapons and sensors makes systems obsolete before the ships are worn out. If we decide to modernize a ship's weapons and sensors, we must rip the ship apart, at great expense in money and time.

SEAMOD would permit us to change a ship's weapons and sensors easily and quickly, and with comparatively small expense. The old weapon or sensor module would be lifted out and replaced with a new module.

The Secretary of the Navy, Mr. Graham Claytor, strongly supports the SEAMOD program. The additional $7.7 provided for SEAMOD in this amendment will permit us to proceed more rapidly to develop this potential for increased capability at reduced cost.

The third program, $7.5 million for SWATH ship development, also applies to a project strongly supported by the Secretary of the Navy. SWATH, which stands for small water area twin hulled, is a new hull design, similar to a catamaran. It offers greatly improved ship stability in high seas, plus a large deck area for a given tonnage. For both reasons, it promises to be an ideal hull for small aircraft platforms, such as we will need in the future for escort and other duties. The $7.5 million provided in this amendment will enable us to move ahead more rapidly with the development of the SWATH ship.

In its action on this bill, the committee recommended continuation of the surface effect ship program—an action I fully support. However, if the surface effect ship is to be effective, we must also continue development of the prime sonar for it: the APRAPS, or active/passive reliable acoustic path sonar. Unless the development of this sonar continues, the surface effect ship and other high-speed antisubmarine ships, such as hydrofoils, will have only the passive towed array sonar. Lacking an active sonar, they will be helpless against non-nuclear submarines and, possibly, more quiet Soviet third generation nuclear-powered submarines.

The Navy deleted funding for APRAPS because the surface effect ship was canceled. With the restoration of the surface effect ship, we should also restore the funding for its sonar, the APRAPS. Continued development of APRAPS in fiscal year 1979 will be possible for the $2 million included for it in this amendment.

The last, but by no means least, program addition in this amendment is offered in cooperation with Senators BARTLETT and WILLIAMS. Their strong interest in this program, to provide $1 million for the reserve merchant ship defense program, is a testimony to its high potential. The main elements of the program are the Marine Corps field logistics system and the Navy amphibious logistics system. The purpose is the complete containerization of Marine Corps logistics, to permit their shipment on merchant marine container ships. Potentially, the program offers billions of dollars of savings in costs for Navy amphibious sup-

port shipping, while greatly increasing the flexibility of the Marine Corps. The $1 million provided in this amendment will permit the engineering studies needed to move the program forward more smoothly and more quickly.

The total cost of this amendment is $25.2 million. The potential for savings from systems such as ARAPAHO, SEAMOD, and the reserve merchant ship defense system could reach the billions of dollars. At the same time, developments such as SWATH and APRAPS will provide new options for more effective forces. Mr. President, I urge the Senate to support this amendment, and I hope the committee will lend its support, as well.

Mr. STENNIS. Mr. President, I yield myself 3 minutes.

Mr. HODGES. Will the Senator yield for a unanimous-consent request?

Mr. STENNIS. I am happy to yield.

Mr. HODGES. Mr. President, I ask unanimous consent that Lynn Boyd of my staff may be granted the privilege of the floor during debate and vote on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, as to these items, totaling $25 million, as the Senator said, consists of several items for inquiry and study and a number of other developments connected with them that may become relevant. Sonar development is one of them, new modular ship construction technique, in which weapons systems, radar and fire control will be put on and taken off ships in separate and discrete packages.

As a matter of fact, I think they ought to have general authority to make modest experimentation and carry on a modest amount of work of this nature. They seem to think, though, that authorization is required. Certainly, no mistake would be made to let this money go on in the bill. If they see fit to appropriate the money, or part of it, I think it would be very timely.

As I said, I thought for a while they already had authority to carry on a certain amount of experimentation investigation and related matters from time to time without the express authorization. So we did not get into this too much in our committee.

But it has an appeal here. I have mentioned it to several members. I think we can support the amendment, and I will myself as an individual.

I yield to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, the minority can certainly accept these amendments. I want to compliment the Senator from Colorado for having introduced this particular amendment.

It is a very strange thing, Mr. President, the last three Presidents of the United States have been Navy men, yet our Navy is in the worst shape today I think it has ever been. It is a strange situation.

I can assure that if we had an Air Force general there, the Air Force would be in a lot different shape. But that is beside the point.

I have been asking the Navy commanders since the days of Admiral Moorer to come up with a long-range plan by which we can judge the amount of money that we will need to spend in the years ahead to bring our Navy now up to the Soviets, because I do not care what the Secretary of Defense says, our Navy is a little bit inferior to the Russian navy and it is going to get worse unless we take the amendment and other amendments such as have been offered today by the Senator from Colorado and unless we can convince the President and the Secretary of Defense that in next year's budget we have to make a real substantial start toward building up our Navy.

Again, it is going to cost a lot of money to reconstruct, rebuild, and replan our Navy as it relates to ships in the line that can handle combat work, the protection of carriers, the protection of landing troops, escorting convoys, et cetera, et cetera.

So I am very happy the Senator from Colorado, who has devoted, I might say, more study to the needs of the Navy than any other member of our Armed Services Committee, came up with this amendment.

Mr. President, in the absence of the ranking minority member, I am instructed to agree to the acceptance of this amendment.

Mr. STENNIS. I thank the Senator from Arizona very much.

Mr. President, on this matter, I think it is pretty well known, we have some consideration here on the floor, I am really unable to say, though, what it might mean in conference. I think it would be well to have a rollcall vote on it. I think it would be generally supported.

There is a statement here that we have a Navy that as a whole is inferior to the Soviets. I certainly could not agree to that.

I judge the Senator from Arizona was referring there to various points, and so forth, and not as a whole.

But I think we had rather tight language drawn a few years ago with reference to R. & D. matters being required to be expressly authorized. That language being so tight to meet the situation that developed some 10 years ago that it makes it necessary to have authorization on relatively small matters.

I hope this amendment is adopted and would expect to try to get appropriations for at least some of it, maybe all of it.

I am ready, Mr. President, to yield back the time whenever the Senator from Colorado is.

The PRESIDING OFFICER (Mr. HODGES). The Senator from Colorado.

Mr. HART. Mr. President, I thank the distinguished floor manager and the minority floor manager for their comments and their acceptance of this amendment.

I know it has the support of the chairman of the Research and Development Subcommittee. He may want to say a word on it. But I am prepared, with the possible exception of 2 minutes for him, to yield back the time. I understand the vote is to occur at 2 o'clock and I think a rollcall vote is a good idea.

Mr. STENNIS. Mr. President, I meant to mention that the Senator from New Hampshire, the chairman of our Research and Development Subcommittee, is in favor, as I have heretofore understood, of this amendment. I know he was called out on another matter here.

Mr. President, I have had just another confirmation of his position, and I think we can yield back the time. The Senator could put any remarks he might wish in the RECORD by unanimous consent. He will be here for the vote, anyway. So if it is agreeable to the Senator from Colorado, and others, I would yield back the time and we can proceed to a rollcall vote.

Mr. GOLDWATER. I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays are already ordered on the amendment.

Mr. HART. I yield back the time.

Mr. STENNIS. The Senator from New Hampshire is here.

Mr. HART. I yield 1 minute to the Senator from New Hampshire.

Mr. STENNIS. If we may retain that time, I yield to the Senator from New Hampshire whatever time he might wish out of that which is available.

Mr. McINTYRE. I thank the Senator.

Mr. President, I have examined the amendment proposed by Senator HART and I support it. Senator HART has packaged into this amendment a number of initiatives that could be very important in future naval ship design. In addition, two of the programs have implications for using our merchant shipping more effectively in times of national emergency.

Senator HART discussed these initiatives during the committee markup of the bill, although he did not raise them as a formal amendment. Since that time he has modified his proposal by eliminating any consideration of money for the design of a DD-963 destroyer that could support V/STOL aircraft operations. This deletion reduces the cost of his proposed package from $41 million to the $25.2 he now proposes. I think this step strengthens his proposal.

I look at this amendment as seed money which may produce better surface ships in the future as well as more effective utilization of our merchant fleet. I emphasize these are very early R. & D. programs and there is no commitment to deploy them in the fleet. In that context, I agree with Senator Hart that they are options worth exploring.

I thank the Senator for yielding.

Mr. STENNIS. I thank the Senator very much.

Mr. President, if I may have the attention of the Senate now, I understand now there has been an agreement not to have a rollcall vote until 2 o'clock.

The PRESIDING OFFICER. The Senator is correct.

Mr. STENNIS. Mr. President, I knew nothing about it. I think I would have objected thereto unless there was some call for it.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. GOLDWATER. The Republican

weekly conference is on, and it will not be over until then.

Mr. HART. Mr. President, I yield back the remainder of my time.

Mr. STENNIS. Does the Senator still desire a rollcall vote, even though it has to occur at 2 o'clock?

Mr. HART. Yes.

Mr. STENNIS. Mr. President, I understand that the next matter—correct me if I am wrong—is the so-called Dole amendment. We could start the debate on that.

The PRESIDING OFFICER. The Senator is correct.

Does the Senator yield back his time on the pending amendment?

Mr. STENNIS. Yes.

AMENDMENT NO. 3105

(Purpose: To increase the strength of the Naval Reserve to 95,900)

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of amendment No. 3105, by the Senator from Kansas (Mr. DOLE), on which there will be 10 minutes.

Mr. STENNIS. Ten minutes to each side?

The PRESIDING OFFICER. Five minutes to each side.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an amendment numbered 3105.

The amendment is as follows:

On page 15, line 14, strike out "87,000" and insert "95,900".

Mr. STENNIS. Mr. President, the pending business is the Dole amendment, and I understand that Mr. DOLE is not available at this time. Pending his arrival, I suggest the absence of a quorum, with the time not to be charged to the time on the Dole amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I observe that we still do not have this necessary Member to proceed according to the schedule of the Senate. The amendment already has been ordered to be the next matter for consideration. I am sorry, but I have to suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. Was there not a vote ordered for 2 o'clock?

The PRESIDING OFFICER. There was.

AMENDMENT NO. 3106

Under the previous order, the vote recurs on amendment No. 3106. The yeas and nays have been ordered and the clerk will call the roll.

Mr. STENNIS addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. STENNIS. I ask unanimous consent to be heard for 1 minute. The Senator from Colorado is not here, and I want to make a statement.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The Senator will proceed for 1 minute.

Mr. STENNIS. Mr. President, the Senator from Colorado expected to be here promptly at 2 o'clock. Of course, he is still for his amendment and I am, too, and a great many are. I joined him in requesting the rollcall vote.

I say to the Senator who has just walked in that we are ready to proceed here. I have announced his position.

I yield back the time.

The PRESIDING OFFICER. The yeas and nays having been ordered, the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. ANDERSON), the Senator from Idaho (Mr. CHURCH), and the Senator from Colorado (Mr. HASKELL) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. MCGOVERN) is absent on official business.

I further announce that, if present and voting, the Senator from Minnesota (Mr. ANDERSON) would vote "yea."

Mr. STEVENS. I announce that the Senator from Nebraska (Mr. CURTIS) and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

I further announce that, if present and voting, the Senator from Nebraska (Mr. CURTIS) would vote "yea."

The result was announced—yeas 90, nays 4, as follows:

[Rollcall Vote No. 200 Leg.]

YEAS—90

Abourezk	Griffin	Nelson
Allen	Hansen	Nunn
Baker	Hart	Packwood
Bartlett	Hatch	Pearson
Bayh	Hatfield, Paul G.	Pell
Bellmon	Hathaway	Percy
Bentsen	Hayakawa	Randolph
Biden	Heinz	Ribicoff
Brooke	Helms	Riegle
Bumpers	Hodges	Roth
Burdick	Hollings	Sarbanes
Byrd, Robert C.	Huddleston	Sasser
Cannon	Humphrey	Schmitt
Case	Inouye	Schweiker
Chafee	Jackson	Scott
Chiles	Javits	Sparkman
Clark	Johnston	Stafford
Cranston	Kennedy	Stennis
Culver	Laxalt	Stevens
Danforth	Leahy	Stevenson
DeConcini	Long	Stone
Dole	Lugar	Talmadge
Domenici	Magnuson	Thurmond
Durkin	Matsunaga	Tower
Eagleton	McClure	Wallop
Eastland	McIntyre	Weicker
Ford	Melcher	Williams
Garn	Morgan	Young
Glenn	Moynihan	Zorinsky
Goldwater	Muskie	
Gravel		

NAYS—4

Byrd, Harry F., Jr.	Hatfield, Mark O.	Metzenbaum
		Proxmire

NOT VOTING—6

Anderson	Curtis	Mathias
Church	Haskell	McGovern

So the amendment (No. 3106) was agreed to.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. STENNIS. Mr. President, Senators will recall that we finished the debate on the so-called Dole amendment, except for 5 minutes on each side, and agreed then to have a rollcall vote.

The amendment relates to the number to be authorized for the Naval Reserve. I think that under the agreement, we are now up to that item. If that is correct, when we dispose of it, we will get to some other amendments.

The PRESIDING OFFICER. There were to be back-to-back votes. For any debate, there will have to be unanimous consent.

Mr. STENNIS. Somewhere along the line, the Senate did give unanimous consent for 5 minutes to each side on the Dole amendment. I do not recall that being countermanded. The Senator from Kansas has been here for 30 or 40 minutes, until now.

The PRESIDING OFFICER. Does the Senator ask unanimous consent that 5 minutes be granted?

Mr. STENNIS. Yes. I ask unanimous consent that there be 5 minutes to each side—5 minutes to the Senator from Kansas and 5 minutes to the Senator from Georgia—and then that we proceed to a rollcall vote.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AMENDMENT NO. 3105

Mr. DOLE. Mr. President, first, I ask unanimous consent that the names of the following Senators be added as cosponsors of the amendment: the Senator from New Mexico (Mr. SCHMITT), the Senator from New Mexico (Mr. DOMENICI), the Senator from Alabama (Mrs. ALLEN), and the Senator from West Virginia (Mr. RANDOLPH).

Mr. President, in 5 minutes, I can only recap the matter. Very simply, all we seek to do is to raise the Reserve strength from 87,000 to 95,900. The amendment is based on an analysis done at the request of Congress 2 years ago. The cost would be $18 million, as I compute it.

The committee has reported that the regular Navy is understrength by 10,000 personnel. In addressing this manpower deficiency, the Navy has taken from support units to fully man the fleet. I think the Naval Reserve could be utilized effectively in addressing this vital support function. It is based on several DOD reviews.

This amendment is supported by the Air Force Sergeants Association, the American Legion, the American Security Council, the Association of the U.S. Army, the Marine Corps League, the Fleet Reserve Association, the National Association of Uniformed Services, the National Reserve Association, the National Guard Association, the Naval Enlisted Reserve Association, the Naval Reserve Association, the Non-Commissioned Officers Association, the Reserve Officers Association, the Veterans of Foreign Wars, the Warrant Officers Association of the U.S. Army, the Reserve Enlisted Association, and perhaps others I do not know about.

Mr. President, I think that pretty well sums up the amendment. All we are asking is that we go to conference on the Senate bill with a figure of 95,900; 87,000 is the figure. I commended the committee yesterday for their great work.

It seems to me if we go to conference with 95,900 we might end up with 92,000, 93,000, and I think that would be a step in the right direction.

Mr. DANFORTH. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. DOLE. I yield.

Mr. DANFORTH. Mr. President, I ask unanimous consent that Mark Edelman of my staff be accorded the privileges of the floor during the consideration of this legislation.

The PRESIDING OFFICER (Mr. MATSUNAGA). Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I make the same request for Win Wheeler.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I yield some time to the distinguished Senator from West Virginia.

Mr. RANDOLPH. I was just trying to inquire——

Mr. STENNIS. Mr. President, we have to have conditions where we can be heard. It is not legal. The Senate has to be heard. It is an illegal affair.

The PRESIDING OFFICER. The Senate will come to order. Senators will cease their conversations on the floor. Senators will cease conversations or will retire to the cloakroom if conversation is necessary.

Mr. DOLE. Mr. President, I am prepared to yield the remainder of my time to the distinguished Senator from West Virginia, who cosponsored the amendment.

Mr. RANDOLPH. I quickly ask how much time will I have?

The PRESIDING OFFICER. The Senator from Kansas has 3 minutes remaining.

Mr. RANDOLPH. I do not need the 3 minutes. Someone else, perhaps, can take a minute.

Mr. President, I have been privileged to join as a cosponsor of this amendment. I do not do it because of the long list of organizations that are supporting this amendment, however, I do recognize their importance and the good standing they have, not only with the Members of this Congress but also with the American people.

I endorse this proposal as a well-reasoned proposal. I believe the basic thrust of this amendment is to give a community reservoir to the Navy through the reserve program. A reservoir that has been documented to be of vital importance to our national defense.

I think this is a sound concept. I think it is realistic. When I vote against foreign aid, as I do over and over again, I do it with the realization that there will be times when I will come into the Senate to support and vote for measures that are truly, vital to our national defense.

Mr. President, I will vote for an increase of funding when I believe it is necessary to the strength of our country and I firmly believe that is what I am doing today by supporting the amendment offered by my distinguished colleague from Kansas (Mr. DOLE).

Mr. DOLE. Let me say first I would like to add the distinguished Senator from South Carolina (Mr. THURMOND) as a cosponsor.

I agree with the statement just made by the distinguished Senator from West Virginia. It is not because these associations support it. It is based on not one but several reviews by DOD. It is the same amendment we had last year and lost by two votes in this body. It just seems to me, and I have the greatest confidence in the distinguished Senator from Georgia and the distinguished Senator from Mississippi, that now and then we might have a different opinion, a different view, and this is how we express it, through the amendment process. I happen to believe that for several years, not just in this administration but in the past administration, we have been unreasonably low in their request for the Naval Reserve. The request of this administration was 51,400 this year. Last year it was 52,000. In the Ford administration it was slightly over 52,000.

It just seems to me to be in the interest of good judgment on the part of the Senate to add this modest increase, which probably will be cut in half in conference in any event.

I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. STENNIS. Mr. President, I yield to the Senator from Georgia 5 minutes.

The PRESIDING OFFICER. The Senator from Georgia is recognized for 5 minutes.

Mr. NUNN. Mr. President, our subcommittee and the full Armed Services Committee have been considering this matter for 3 or 4 years. The Ford administration recommended a reduction in the Naval Reserve. We had the same thing with the Carter administration last year. This year the President requested 51,400 for the Naval Reserve. Our committee recommended 87,000. We added 35,600, at a cost of about $41 million.

What Senator DOLE is proposing is that we increase that to 95,900, which would be an increase over the existing level of the Naval Reserve. At the same time, the Department of Defense has not given appropriate missions to the many dedicated and qualified people they already have in the Naval Reserve. Why should we add more people than can possibly be given missions in fiscal year 1979? It is going to take everything DOD and the Navy can do to give missions, appropriate wartime missions, to those that they already have and I strongly urge that be done.

If you want to throw away some money this is the best place I know to do it. If you just want to take some money—Senator DOLE said $18 million and, frankly, I think it is $10 million—but whatever the figure is, if you want to take it and just throw it away you vote for the Dole amendment.

If, as I do, you really want to support the Naval Reserve, to increase reliance on the Naval Reserve, to have the Naval Reserve beefed up and be given meaningful missions, when it has not been given appropriation missions for the last 5 to 10 years, then you would vote against the Dole amendment.

The committee is keeping the Naval Reserve exactly where it is today. We are not deducting one single person. What Senator DOLE wants to do is to add about 8,900 people who cannot possibly be given meaningful missions during fiscal year 1979.

If the Navy and the Department of Defense prove that they can give meaningful missions that would relate to our national security to the Naval Reserve this year, we can take another look at it next year.

So I just sum it up, Mr. President and Mr. Chairman, by saying this is a good place to take $10 million and throw it away if that is what you want to do. I support a strengthened Naval Reserve at the level of 87,000 but I cannot believe a country and a Congress that are moving in a fiscally conservative direction, even in the name of national security simply want to throw $10 million away, because these additional people could not be given meaningful missions. That is the crux of the argument.

Mr. STENNIS. Mr. President, will the Senator yield for a question now, which is repetitious, but I am afraid he was not fully heard. The budget request was for how many now?

Mr. NUNN. The budget request was for 51,400. The committee added 35,600—we have already added 35,600.

Mr. STENNIS. For a total then of 87,000.

Mr. NUNN. Which is precisely where the Naval Reserve is today.

Mr. STENNIS. I have no other questions.

● Mr. BELLMON. Mr. President, the administration this year suggested cutting the Naval Reserve's manpower authorization to 51,400 positions in an attempt to force the Navy to make better use of its reserve manpower.

While many knowledgeable people will agree that some naval reservists have been assigned meaningless missions, the Navy lately has made significant progress in correcting this problem by developing reserve missions which are related to our national security. Because of this progress, I fully support the Armed Services Committee's recommendation that we increase the Naval Reserve's man-

power authorization by 35,600 positions over the administration's request.

The authorization of 87,000 positions will give the Naval Reserve the opportunity to develop additional worthwhile missions such as the suggested use of reserve personnel in naval support base operations which currently are undermanned.

Any increase beyond what the Armed Services Committee has recommended to us is questionable at this time, I believe. The Navy should be allowed a reasonable time to demonstrate that it can place reservists in meaningful missions as the Congress expects. Following that successful demonstration, a decision can be made intelligently on supporting an additional increase in manpower authorization.

A request for additional manpower should be made next year if the Navy shows it can use the increased number of positions effectively, but at this time, the 35,600 positions above the administration's request should be sufficient. For these reasons I oppose the amendment.●

The PRESIDING OFFICER. Who yields time?

Mr. CHAFEE. Might I have 1 minute on this?

The PRESIDING OFFICER. Who yields time?

Mr. CHAFEE. Mr. President, I would just like to say that I support the committee recommendation. In other words, I am opposed to the amendment. I think it is terribly important in the reserves that there be stability. One of the great difficulties in handling the reserves is a yoyo effect when they go up and down and, as has been noted, the committee recommendation is that the reserves stay exactly where they are this year, and I think it is a good move to keep this stability that is so important.

Mr. NUNN. I thank the Senator from Rhode Island.

I might say that Senator BARTLETT from Oklahoma, who is a very active member of the Subcommittee on Manpower and Personnel, fully supports the committee position and is opposed to the Dole amendment.

Mr. STENNIS. Mr. President, I yield back my time.

The PRESIDING OFFICER (Mr. NUNN). All time having been yielded back, the question is on agreeing to the amendment of the Senator from Kansas. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. ANDERSON), the Senator from Idaho (Mr. CHURCH), and the Senator from Colorado (Mr. HASKELL) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. MCGOVERN) is absent on official business.

Mr. STEVENS. I announce that the Senator from Nebraska (Mr. CURTIS), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

I further announce that, if present and voting, the Senator from Nebraska (Mr. CURTIS), would vote "nay."

The result was announced—yeas 28, nays 64, as follows:

[Rollcall Vote No. 201 Leg.]

YEAS—28

Allen	Hayakawa	Pell
Baker	Helms	Randolph
Brooke	Hollings	Sarbanes
Case	Laxalt	Sasser
DeConcini	Magnuson	Schmitt
Dole	Matsunaga	Stafford
Domenici	McClure	Thurmond
Ford	Morgan	Williams
Gravel	Packwood	
Griffin	Pearson	

NAYS—64

Abourezk	Hart	Muskie
Bartlett	Hatch	Nelson
Bayh	Hatfield, Mark O.	Nunn
Bellmon	Hatfield, Paul G.	Percy
Bentsen	Hathaway	Proxmire
Biden	Heinz	Ribicoff
Bumpers	Hodges	Riegle
Burdick	Huddleston	Roth
Byrd, Harry F., Jr.	Humphrey	Schweiker
Byrd, Robert C.	Inouye	Scott
Cannon	Jackson	Sparkman
Chafee	Javits	Stennis
Chiles	Johnston	Stevens
Clark	Kennedy	Stevenson
Cranston	Leahy	Stone
Culver	Long	Talmadge
Danforth	Lugar	Tower
Eagleton	McIntyre	Wallop
Eastland	Melcher	Weicker
Garn	Metzenbaum	Young
Glenn	Moynihan	Zorinsky
Hansen		

ANSWERED "PRESENT"—1

Durkin

NOT VOTING—7

Anderson	Goldwater	McGovern
Church	Haskell	
Curtis	Mathias	

So Mr. DOLE's amendment (No. 3105) was rejected.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. STONE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. I believe the Senator from New York is to be recognized.

Mr. MOYNIHAN. I thank the Chair.

I shall take the time of the Senate only for the briefest period.

Mr. TOWER. A parliamentary inquiry, Mr. President. Who yields time?

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. How much time does the Senator desire?

Mr. MOYNIHAN. Two minutes.

Mr. STENNIS. I yield 2 minutes on the bill.

Mr. President, I ask our group of staff over here to be quiet during our discussions.

Mr. MOYNIHAN. I thank the distinguished chairman.

As the distinguished chairman and the distinguished ranking minority member know, yesterday I proposed an amendment which would allow the Department of Defense to provide certain services during the course of the 1980 Olympics at Lake Placid and the 1979 preparations. As the Senators know, Senator JAVITS and I would not have proposed this matter were there not a clear international obligation which the United States incurred when we applied for and were granted the winter Olympics. Yesterday the distinguished ranking minority member noticed, as was his responsibility, that the Department of Defense appeared not to approve this matter.

I can report to the Senate that last evening in a discussion with Secretary Brown, this matter was reviewed and Secretary Brown now wishes it to be understood that he does accept in principle a responsibility to provide certain services. He would wish to define more specifically what they might be and then report his wishes to the conference committee.

The chairman and the ranking minority member have graciously suggested that the conference committee would be the most appropriate place to take it up inasmuch as the House has approved such services. If that is acceptable to the chairman, Senator JAVITS and I, with an expression of gratitude to the committee, ask that it proceed on that basis.

Mr. JAVITS. Will the Senator yield?

Mr. MOYNIHAN. I yield.

Mr. JAVITS. I join with Senator MOYNIHAN to express my appreciation to the chairman and the ranking minority member if they will entertain this request, that this really can be done by the DOD.

Mr. STENNIS. I thank the Senator from New York. My general objection was to extraneous matter, duty, or exercise to be imposed upon their regular duties, the duties of the services. I like to insist on high quality in their regular duties. But this does have an international aspect, as the Senator has pointed out. We will have this in conference and we will try very hard to work out something to meet the situation.

Mr. TOWER. I concur with the Senator from Mississippi.

Mr. MOYNIHAN. I thank the chairman and the distinguished ranking minority member. I thank the Chair.

Mr. STONE. Mr. President, I wish to yield to the Senator from Delaware.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Mr. President, who yields time?

Mr. STONE. I yield 10 minutes on the Roth-Stone amendment, which is about to be proposed.

The PRESIDING OFFICER. If the Senator is offering an amendment, he has time under his own control.

Mr. STONE. I thank the chairman.

UP AMENDMENT NO. 1399

(Purpose: To prevent individuals who work in commissaries as bagger-carryout personnel from being considered employees of a nonappropriated fund instrumentality of the United States)

Mr. ROTH. Mr. President, I call up my amendment which is at the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Delaware (Mr. ROTH), for himself and Mr. STONE, proposes an unprinted amendment numbered 1399.

Mr. ROTH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following: "Notwithstanding any other provision of law, no individual who performs bagger or carryout service in a commissary of the Armed Forces of the United States shall be considered employed, for purposes of the Fair Labor Standards Act of 1938, if the sole compensation for such service is derived exclusively and directly from the commissary patron as the result of an independent contract that is entered into by and between the individual and the commissary patron."

Mr. ROTH. Mr. President, the amendment Senator STONE and I are offering can be explained very simply.

For years, it has been the practice at military commissaries and PX's to allow individuals to work as baggers in exchange for tips. The individuals who avail themselves of this opportunity are often retired military personnel or off-duty personnel or teenagers, who sign up with the commissary management, and often work only odd hours. The payment is up to the discretion of the patron and depends on such factors as the weather, how heavy the bags are, or how friendly the bagger is. This system has worked very well—both for commissary users and for the baggers.

Now in another example of Government regulators and legal beagles running wild, the Civil Service Commission, in its infinite wisdom, has decided that Congress intended to include baggers under the definition of Federal employees in the Fair Labor Standards Act. Because of a lack of a clear definition of what constitutes a "Federal employee" under the act, it has in the past been interpreted to cover personnel meeting the standards specified in section 2104 of title 5, United States Code—that is that they are appointed by the Civil Service and perform a Federal function under the supervision of a Federal employee. Bagger/carryout personnel at military commissaries do not meet any of these criteria. The Civil Service has had no role or interest in their presence in the commissary; they are not engaged in a Federal function; and they are not supervised by a Federal employee.

The Defense Department has fought the new civil service ruling including baggers within the definition of Federal employee; the commissary users have fought it; a lot of baggers are upset, but there is no way of preventing the ruling from coming into effect on August 1 except by legislation making it clear Congress wants teenagers, retired military, off-duty personnel, to be able to earn incomes in this way.

This is what our amendment would do. It would just permit the traditional system to continue.

Without legislation, the individuals who have been working as baggers will either be subjected to hiring procedures, inflexible hours, and very low pay, or as in the case of retired and off-duty personnel they will be completely precluded.

Commissary users will have to pay an additional 2 percent on their purchases for bagging, on top of the 4 percent surcharge they already pay, further unnecessarily eroding their commissary benefits.

The number of new Federal employees may increase by as much as 10,000.

There will have to be more supervisory personnel and governmental redtape.

For all these reasons, this amendment should be adopted. The most important reason of all, of course, is that the Fair Labor Standards Act is supposed to benefit and protect Federal employees, but in this case, its extension to individuals it was never intended to cover, it will only hurt these individuals. Many of them will not be able to continue to work, and those that are, according to the information I have, will probably be paid less under the minimum wage than they are now through tips. Enactment of our amendment will help baggers; it will help commissary users; it will help taxpayers, and it will assign the new civil service ruling to a fate it richly deserves—in the little brown file on the floor.

Mr. President, I yield to the Senator from Florida.

Mr. STONE. Mr. President, this amendment is urgently needed to block the Civil Service Commission's ill-conceived ruling affecting commissary baggers from taking effect July 30.

I also have introduced separate legislation, S. 3154, to prevent this ruling from going into effect.

Reaction in Florida to this Civil Service Commission proposal has been strong. I have received a petition, signed by thousands of customers and employees of the Homestead Air Force Base commissary, all of whom oppose the change from the tip system to the wage system for baggers. These thousands of names were collected in only a few days, and are just one example of the strong sentiment against the civil service plan.

Many military personnel, retirees and their dependents shop at commissaries. At most of these commissaries baggers help customers bag and carry out purchases. These baggers are independent entrepreneurs, offering their services according to their own convenience and getting paid according to the quality of their service. They are not supervised by the commissaries and never have been considered Federal employees.

In evaluating this new ruling, I think we have to question who is served by it. Whom does it help?

If the baggers were complaining that the existing tip system was unfair, and provided them with unduly low wages, then I would be sympathetic to attempts to change their working conditions. But that is not the case. The employees—the baggers—are themselves among the strongest opponents to the Civil Service Commission's proposed change.

It is expected that this ruling will cost many baggers their jobs. There are now about 24,000 baggers—some part time, some full time. Under the new ruling, there would be 10,000 full-time baggers who would be Federal employees. This means 14,000 jobs would be lost and in addition many baggers would lose the flexible working hours that the job now provides.

What about the customers? How would the change help them? The fact is that it would not. In these times when everyone is concerned about inflation and many military personnel and retirees are finding it hard to make ends meet, this proposal would add a 2-percent surcharge onto their commissary bills. This surcharge increase, from roughly 4 to 6 percent, would be used to pay the baggers' salaries. So customers would get approximately the same service they now receive, but at higher cost and with no opportunity to adjust the price they pay to the service received. So, it appears that commissary customers have little to gain from the proposal.

What about the taxpayer? Would the CSC ruling benefit the taxpayer? Again, it appears that the answer is "No". Instead, adding 10,000 Federal employees will increase paperwork, increase bureaucratic control, and ultimately it is bound to cost the taxpayer, despite the 2-percent commissary surcharge.

Furthermore, the Department of Defense will be faced with a backpay liability for the baggers retroactive to 1974, when the Fair Labor Standards Act was amended. The cost of this liability is estimated at between $18 million and $50 million and probably would require additional appropriations. This new ruling can only increase the cost to the Government—which means the taxpayer—by adding more Federal employees and by the retroactive liability clause.

The amendment which Senator ROTH and I have sponsored has been endorsed not only by thousands of military commissary baggers, and customers, but also by many military organizations including the Retired Officers Association, and the Non-Commissioned Officers Association.

In my opinion, the Civil Service Commission ruling is a serious mistake and I urge other Senators to vote for this amendment which will block the ruling from going into effect. Today, when we are all working to make government less expensive, more efficient, and more responsive, this Civil Service Commission ruling is a giant step backward. If most of the employees do not like it, and the customers do not like it, and the taxpayers will have to pay more for it, whom then does it serve? I think the answer is that it does not serve anyone except the bureaucracy, and that is not a very good reason for us to go along with it.

Mr. TOWER. Mr. President, will the Senator yield me 2 minutes on the amendment?

Mr. STONE. I yield.

Mr. TOWER. Mr. President, I think that this is a worthwhile amendment. I believe that the wording has been worked out so that DOD is happy with it.

Mr. ROTH. That is correct.

Mr. TOWER. Speaking for the minority on the committee, I am certainly prepared to accept it.

Mr. STENNIS. Mr. President, if someone will yield me 3 minutes——

Mr. STONE. I yield.

Mr. STENNIS. My first impression of the amendment was that it is something that was largely extraneous to the bill,

and I thought of asking them to take it somewhere else. But getting right down into the meaning, I find that this makes legal what ought to be legal for all young people, that they can get a job and help earn their own way and cultivate a pride in those youthful years of good impressions, the pride of earning their own way and pride of ownership and control of their earnings. I heartily endorse the concept and congratulate them for working out the language. I strongly approve the amendment. I should like to see it get a unanimous vote.

I should like to see an amendment to our Youth Employment Act, generally, across the board, so that all American youth would have the old-fashioned American opportunity of learning early to earn their own way.

● Mr. HATCH. Mr. President, I would like to express my support for the amendment introduced by my colleagues, Senators ROTH and STONE. I find it sheer ludicrism that the Government would propose to place the baggers at military commissaries under the Civil Service Commission, the majority of those persons who hold down such positions are either retired military supplementing their income, young enlisted men, or their wives attempting to add to their already low income, or the young dependents of military forces who are seeking part-time jobs.

Mr. President, it is in the areas where we have troops stationed overseas that we see the benefits of such programs. The young people of our military personnel are handicapped in their efforts to obtain some type part-time employment which is available to their peer group in the United States. The position of a bagger at the commissary is one of the few positions open to them to assist them in developing the work ethic so important to the American way of life.

I think that in short, this is another case of the overactive Federal bureaucracy which seeks to extend its control over every possible aspect of the lives of Americans. The present system of having baggers work for tips has been accepted by both the baggers and the patrons of the commissaries. It functions in an orderly manner and for the life of me I can see no reason to change it in any manner.●

Mr. STONE. Mr. President, we thank the distinguished chairman and the distinguished ranking minority member for their approval of this amendment.

Mr. ROTH. I yield back my time.

Mr. STONE. I yield back the remainder of my time.

Mr. STENNIS. I yield back all time under my control. Mr. President.

The PRESIDING OFFICER (Mr. MOYNIHAN). All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

Mr. STENNIS. I move to reconsider the vote by which the amendment was agreed to.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr President, I yield myself such time as I may require.

I just want to make an observation, Mr. President, that we seem to be moving along nicely. If Senators who have amendments will come forth with those amendments, I think there is a reasonable chance that we can finish this bill this evening. I certainly urge that those Senators who have not notified any of us who have management responsibility for the bill that they have amendments do so, and we might get some indication, for the convenience of the Senate, as to when we can anticipate going to third reading.

I suggest the absence of a quorum, and I ask unanimous consent that the time be equally charged to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I yield 10 minutes on the bill to the Senator from Rhode Island.

DECLINE IN SIZE OF NAVY

Mr. CHAFEE. I thank the Senator very much for this 10 minutes, and I shall not take much more than that.

Mr. President, I do not have an amendment on this subject, but in the interim, while we are waiting for the next amendment to come up, I should like to express my deep concern over the decline in the size of the Navy over the past 10 years. In the past 10 years, we have seen the Navy come down from 970 ships to 452 ships. If one examines that drop, we shall see that it has primarily been in escort vessels; that is, the destroyers dropping from 222 to 67, which is a 70 percent decline. Also, amphibious vessels have dropped sharply, from 157 to 64, which is a 60-percent decline.

Normally, these vessels and our modern destroyers and amphibious vessels are far superior to and more capable than those of years ago. Nonetheless, fewer ships, no matter how capable they are, cannot do the same job as more ships.

We should not deplore the smaller size of the fleet solely because it is not as big as it was 10 years ago.

The PRESIDING OFFICER. Will the Senator kindly suspend?

The Senate is not in order. There are conversations from the seats in the rear, which is inappropriate. I ask the Senators to be in order and the staff to be silent and attend the Senator.

The Senator may proceed.

Mr. CHAFEE. I do not think we should deplore a smaller fleet solely because it is not as big as it was 10 years ago. I think our concern should be directed to what our potential adversaries have. Ten years ago, our Navy and the Soviet Navy were roughly comparable in size. Now, the Soviets are roughly twice our size. Just in the area of submarines, they have 350 to our 120.

I believe that the quality of our vessels is superior to that of the Soviets, but I think we would make a great mistake to ascribe to ourselves some scientific mystique that always makes us better than our opposition; that somehow, they are clumsy oafs that cannot build ships as good as ours.

What has happened, Mr. President, if you will note these Navy construction budgets that come forward, is not that we are spending fewer dollars. Actually, we are spending a substantial amount of money, over $4 billion in this present budget.

But what is happening is that not only is the cost of the vessels going up, but we are building very expensive ships. I refer, of course, particularly to the nuclear-powered aircraft carriers which are the most expensive ships ever built by man.

Mr. President, I think studies have shown that unquestionably nuclear power gives a quantum difference in submarines. There is no question about that. But on surface vessels, while nuclear power has its advantages over the lifespan of the vessel, unquestionably the initial construction cost is substantially greater than a conventionally powered aircraft carrier.

For instance, in this budget we note the total cost of a nuclear carrier, a CVN, is $2.2 billion.

That does not show right in this budget because we have had some money already spent for long lead items. But the total, the long lead plus the amount in this budget, is $2.2 billion.

Frankly, I think we would be naive to suspect the vessel will come in at that cost. We have all had experience on the matter of the budget for a naval vessel. It always comes in for more.

Nonetheless, let us adhere to that $2.2 billion.

The rule of thumb we use is that a nuclear-powered vessel is 3 versus 2 for the cost of a conventionally powered vessel. That means a conventionally powered carrier would come in at something like $1.5 billion. Thus, there would be a savings in the initial construction of some $700 million. That is a great deal of money, Mr. President, and with it we could acquire, for instance, one 963 destroyer and two frigates for that $700 million difference.

Mr. President, I appreciate the fact that the committee has very carefully gone into the conventionally powered versus nuclear-powered carrier option in the committee report. I think the arguments that are set forth in the report listing the disadvantages of the smaller carrier are very cogent.

Nonetheless, Mr. President, I do not think we can get away from the fact that we are a Navy declining in size, and a Navy that has far too few vessels, in my judgment.

Recently, the Navy did an internal study which they call sea plan 2000. In that sea plan 2000, they came up with three options. They came up with option I, which is judged to be a high-risk option. That means a low degree of flexibility with minimal capability of doing

the range of naval tasks. Under that, they had 440 active ships.

In the second option, option II, that hovers at the threshold of naval capability. Under option II, we are to have 535 ships.

Then we went to Option III, which provides a high degree of versatility, and the Navy planners, as we can imagine, prefer Option III. But even there we only have 585 naval vessels.

So, Mr. President, as we can see from these figures, where we have Option I at 440 vessels, that is dangerously close to where we are now under the present Navy plan.

All I can say, Mr. President, is that I would hope the committee in considering the future would work even harder than they have, and I know they have given a great deal of thought to this, to acquiring more but smaller aircraft carriers and less expensive ones.

Now, this is an argument we have had bruited around in the Navy Department and in Congress for many years and it is always mañana, next year we are going to get to it.

In the report it indicates that this will be not one of the, but the last, or perhaps the last, of the large aircraft carriers.

The language specifically is on page 5 of the report where it says that only one additional large carrier is to be built.

It does not say it is flatly the last, but they hope to hold out to this, working for more and less expensive vessels.

Mr. President, I think this is pretty well in concrete now. I do not think an amendment to strike out this large deck, nuclear-powered carrier would prevail in the Senate today. I know the arguments have been mustered and it is not my intention to present such an amendment.

But, Mr. President, I would indicate to the committee that I am, and I suspect there are many in this body who are, deeply concerned over this matter and who urge the committee to orient their thoughts on these smaller carriers and to make this the last large carrier.

I appreciate that if we look at the lifespan of the various existing carriers, the 12 or 13 we have, that their life expectancy starts terminating very soon.

The *Roosevelt* ends in the 1979–80 period, that is, reaches its 30th year. The other vessels are the *Coral Sea, Forrestal, Saratoga, Ranger, Independence, Kitty Hawk, Constellation,* and *Enterprise,* all of them reach their 30th year in the 1985–89 period.

So there are some big decisions that are going to have to be made.

It seems to me that now is the time to plan for these vessels that will give us, hopefully, perhaps not the same capability, but a very significant capability, and there will be far more of them.

They are not going to be cheap, no vessel is cheap these days. But I do urge the committee to consider this, not only as concerns aircraft carriers, but also as concerns submarines.

Now, the committee has given its attention to this matter in submarines, but the cost of the Trident just makes it prohibitive, I believe, for us to continue with this type vessel, particularly the Trident.

Somehow, we have got to get a less expensive vessel, both in the Trident class and also in the aircraft carrier class.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. EAGLETON. Mr. President, I ask unanimous consent that two members of my staff, Richard Lieberman and Skipp Hayes, be granted privilege of the floor until the completion of the consideration of S. 2571.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Will the distinguished Senator yield?

Mr. EAGLETON. Yes; to the majority leader.

Mr. ROBERT C. BYRD. Is it agreeable between the distinguished Senator and Mr. STENNIS and Mr. TOWER that there be a time limitation on his three amendments that would be less than the general time limitation on the amendments?

Mr. EAGLETON. What is the general time limitation, 2 hours equally divided?

Mr. ROBERT C. BYRD. Two hours. Yes.

Mr. EAGLETON. I think, without any problem on my side, 1 hour equally divided on all three would be adequate.

Mr. ROBERT C. BYRD. One hour equally divided?

Mr. EAGLETON. And I think we could complete it in a shorter time than that.

Mr. ROBERT C. BYRD. One hour on each.

May I ask the distinguished chairman (Mr. STENNIS) if 1 hour on each of the Eagleton amendments would be all right?

Mr. STENNIS. I beg the leader's pardon?

Mr. ROBERT C. BYRD. Would 1 hour on each of the amendments by Mr. EAGLETON be agreeable to the chairman.

Mr. STENNIS. It would be entirely agreeable, unless he can accept something less than that.

Mr. ROBERT C. BYRD. Would the Senator from Missouri be willing to accept less than that?

Mr. EAGLETON. Let us agree to the hour at this time, and I am sure it will be less than that.

Mr. ROBERT C. BYRD. Is that agreeable?

Mr. STENNIS. Yes.

Mr. ROBERT C. BYRD. Mr. President, I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1400

(Purpose: To provide for a report on NATO defense expenditures of each member nation of NATO:)

Mr. EAGLETON. Mr. President, I send to the desk an unprinted amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Missouri (Mr. EAGLETON) proposes an unprinted amendment numbered 1400.

Mr. EAGLETON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert a new section as follows:

SEC. . (a) the Congress finds that—

(1) the United States has been bearing a very large share of the cost of providing and maintaining the North Atlantic Treaty Organization (herein referred to as "NATO") defense forces,

(2) despite the decline of the value of the dollar in the world market and the serious balance of payments position of the United States, the President has proposed that the United States increase its contribution to NATO by approximately 3 percent in fiscal year 1979, and

(3) any increase in contributions to NATO defense by the United States in its defense budget should be accompanied by a corresponding percentage increase by other member nations of NATO in their defense budgets.

(b) In order that the Congress may be better informed regarding the NATO expenditures of other NATO member nations, the President shall submit to the Congress not later than February 1, 1979, a written report showing the actual NATO defense expenditure of each member nation, including the United States, during the fiscal year ending September 30, 1978, and the planned NATO defense expenditure of each such member nation for the fiscal year ending September 30, 1979. The President shall indicate in the case of each such member nation whether the planned expenditure for the fiscal year ending September 30, 1979, represents an increase or decrease from the previous fiscal year, after adjustment for inflation, and the percent of such increase or decrease, after adjustment for inflation.

Mr. EAGLETON. Mr. President, this amendment deals with NATO and is similar in thrust to a printed amendment that was filed numbered 3111. But we have modified the amendment, after consultation with the distinguished Senator from Georgia (Mr. NUNN).

Mr. President, in recent years the American public has been viewing with increasing concern the growing imbalance in the military strength between the European NATO forces and those of the Warsaw Pact. Indeed, many recent books, reports, and news stories have pointed to the shortcomings of the current NATO military posture and drawn attention to the alarming disparity between what the Soviets claim they are striving for—which is global peace—and what intelligence sources assert they are undertaking—which is a qualitative and quantitative buildup of the Warsaw Pact forces in a manner that far transcends any purely defensive need.

For over a decade now the Soviets and their allies have pursued a course of massive military investments. The past 10 years have witnessed an unusual harmoney in East-West relations. It has been an era of détente, of U.S. preoccupation in Southeast Asia, and of numerous worldwide socioeconomic crises that have obscured the implications of Soviet actions. And now, suddenly, we have had a rude awakening. We understand all too clearly that the needs of the NATO alliance present a most urgent challenge.

It was against this backdrop of adverse trends in the NATO-Warsaw Pact military balance and in an effort to halt

further deterioration in the relative capabilities of the NATO forces, that the NATO Defense Ministers met in the spring of 1977 and established the much-publicized goal of increasing defense contributions to NATO by at least 3 percent annually. At that meeting, the ministers of each of the 15-member nations pledged that their governments would strive to meet the goal with real increases, adjusted for inflation. This goal was repeated at the ministerial meeting held in Washington earlier this year. To my knowledge, there has never been a formal commitment to these increases on the part of our allies.

That the United States intends to fulfill its pledge is evidenced by the magnitude of the NATO-related programs included in the 1979 budget—some $2 billion worth of readiness-related increases. I, for one, support the efforts being made to improve the overall readiness and fighting capability of our NATO forces. The importance of U.S. security interests in Europe and the need to have well-equipped and ready NATO forces cannot be overstated. But I do not believe that the primary responsibility for the defense of Europe should fall on the United States. This budget is living proof that we are serious about doing our share in improving NATO, however, I am skeptical about our allies' willingness to do their share.

From the outset of this year's budget review, I have repeatedly requested administration and defense officials to provide me with any and all documentation in their possession that would indicate that positive action is being taken by other alliance nations to meet the "3-percent real growth" goal in the coming budget year. To date, I have received little or nothing. All indications support the conclusion that the United States is about to embark on a very costly unilateral improvement program. But regardless of how much we are willing to pump into NATO, the United States alone simply cannot solve all of the alliance's military shortcomings. If Europeans expect NATO to have a credible war-fighting capability then there must be an equitable sharing of the financial burden.

Burdensharing is not a new issue. It has been with us for years. Virtually every Secretary of Defense in the past 10 years has discussed it in testimony before Congress. Secretary Clifford, in his fiscal year 1970 Posture Statement, stated:

> We are acutely aware and seriously concerned that maintaining large numbers of U.S. troops in Europe has caused a considerable budgetary strain and has contributed to a substantial deficit in the U.S. balance of payments. In this regard, we have pressed upon our allies the need for them to do more for their own defense. We have long felt that, by almost every measure, the tremendous growth in the economies of our European allies has not been accompanied by a commensurate increase in their respective contributions to the common defense.

Secretary Laird, speaking before Congress in 1971, testified:

> We will continue to encourage our NATO allies to improve their forces and assume more of the total NATO defense burden.

In 1972, he said:

> . . . we must and do expect that those NATO allies who are able to do so will improve their contributions to the common defense through appropriate programs, financial participation and force modernization.

Secretary Schlesinger, in his 1975 posture statement stated this:

> I am hopeful that allied defense budgets will continue to increase overall during the next few years, although the present economic prospects in some countries are discouraging.

These are but a few of many statements on the matter. The facts are indisputable. Our European allies are relying heavily on us for their support, and placing a severe burden on an already heavily taxed American public. I think it is high time we put a stop to it and ask our allies to do more than just pay lipservice to defense spending and readiness increases.

The amendment I am proposing is not a drastic one by any means. It does not delete any of the funds earmarked for NATO improvements, nor does it prohibit the President from proceeding with programs as planned. What it does do is recognize that the United States has been bearing a very large share of providing and maintaining NATO. It also makes the finding that any increase in contributions to NATO defense by the United States in our defense budget should be accompanied by a corresponding percentage increase by other member nations of NATO in their defense budgets.

Furthermore, it requires that the President report to Congress on the defense expenditures of each NATO ally. The report is to address actual and planned defense expenditures. It should also include appropriate deflators. Finally, the President is to submit his assessment of whether or not each ally is meeting the alliance goal of 3 percent real increases in defense spending.

Mr. President, I believe that this amendment, modest as it is, will go a long way toward underscoring a very commendable objective of the President. The Congress could have tied the President's hands by requiring significant real growth on the part of each ally as a precondition for spending the funds in the budget for NATO improvements. That would be too drastic. But I firmly believe that we need to endorse the goal of fair and balanced spending increases by all alliance members—I repeat, by all alliance members—not just by the United States.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. NUNN. Mr. President, will the chairman yield me a couple of minutes?

Mr. STENNIS. I yield the Senator such time as he desires.

Mr NUNN. Mr. President, I have looked at this amendment, and I have worked with Senator EAGLETON in making a few changes in the amendment which would more precisely express the concerns that the Senate has and that Congress has.

I agree with his overall statement. As I understand it, he is concerned—and this amendment so reflects—as to whether our NATO allies are going to make a corresponding commitment that would basically carry the alliance along as a unit, rather than having the United States get way out in front and spend money that would not be matched by our NATO allies. I completely agree with that, and I have the same concern.

As I understand it, further, the amendment basically asks the President of the United States to submit to Congress, not later than February 1, 1979, a written report showing the actual NATO defense expenditure of each member nation during the fiscal year ending September 30, 1978, as well as the planned NATO defense expenditure of each such member for the fiscal year ending September 30, 1979.

I think this is a good amendment. I believe this information will be useful to the committee and to the Senate. I also believe that the overall direction of the amendment will make it clear to our NATO allies that we are strongly and firmly committed to NATO, that we are willing to do our part, that we intend to do our part, that we are doing our part, but that we also have high expectations that they will do their part, and that, indeed, our entire NATO alliance will move forward to meet the increased threat of the Warsaw Pact.

So I would urge the chairman and the ranking minority member and the members of the committee as well as the Senate to accept this amendment as it has been modified.

Mr. EAGLETON. I very much thank my distinguished colleague from Georgia.

Mr. STENNIS. I yield the Senator from Missouri such time as he may wish so that I might ask him some questions.

Mr. EAGLETON. Yes. I am pleased to respond to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I see matters in here that I certainly do favor, but really this amendment—has it been introduced yet? This is a changed form from the way it was introduced. I have only had a chance to look at it here in the last 10 minutes.

The discussion by the Senator from Missouri was quite good and I have only had a chance to look at the amendment very recently.

Let me ask this definite question now: Talking about listing what other nations have done, expenditures of each member nation, I certainly approve of that, but have we made any commitment to the contrary or does this contradict any treaty or any promise we have made or anything of that kind?

Mr. EAGLETON. No, I know of no treaty or agreement or arrangement between ourselves or any of our NATO allies that would stand in the way of eliciting the information we seek in this amendment. In fact, quite to the contrary, I think it gives full faith and impetus to President Carter's recommendations with respect to the enhancement of the NATO military potential by all Members.

Mr. STENNIS. I like the idea of getting the additional information, but there may be matters that are very sensitive, that could be sensitive, to the United

States where we would not want to disclose everything we have done or every dollar we have spent.

Mr. EAGLETON. They would be required in no way to divulge any matters we would not be similarly obliged to divulge as responsible allies one unto the other.

Mr. STENNIS. Let me ask the Senator from Georgia if he has run across or otherwise knows of any contradiction or conflct there might be between this and any other promises we may have made.

Mr. NUNN. I say to the chairman I looked at the amendment very carefully, and we worked on some revisions to the amendment. The first draft I saw had some findings as to who was paying what percentage, and so forth, and I felt we did not have enough factual information for the Senate to vote on those findings: That language has been modified.

The Senator from Missouri originally agreed to that change, and basically the report, it is our understanding, would not require any classified information. If the administration felt any of this information was classified, then there is nothing in the amendment that would prohibit them from so designating the information and providing it in the appropriate form to the Committee on Armed Services where we would also adhere to the classification.

I certainly understand the concern of the Senator from Mississippi, and I have seen nothing in here that would contradict the general direction of the executive branch as well as the general direction of Congress. But I think the amendment does make it abundantly clear, and I think appropriately so, that Congress expects the United States not to unilaterally move forward to correct all of the deficiencies in NATO but rather to move forward as a partner in a true alliance with our other NATO allies.

Mr. STENNIS. Will the Chair indulge me for just a minute?

Well, Mr. President, I do not have any other questions ready just now. I will yield time to anyone, of course, who wishes time on this amendment.

Mr. EAGLETON. I am prepared to yield back the remainder of my time, Mr. President.

Mr. STENNIS. Is this the amendment on which the Senator did have some hearings? Someone a minute ago mentioned certain hearings had been held on this.

Mr. EAGLETON. This is an amendment on which I wish we had been able to get some hearings, but we have not been able to get the information from the Department of Defense. Thus one of the reasons for the amendment is to gain the information that we think we need.

Mr. STENNIS. Yes, all right. I do not have any additional questions here, Mr. President, at this time.

I see the Senator from New Hampshire here, but he indicates he does not have any questions at this point.

Mr. EAGLETON. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. Does the Senator from Missouri wish a rollcall vote?

Mr. EAGLETON. No, just a voice vote.

The PRESIDING OFFICER. Does the Senator from Mississippi yield back his time?

Mr. STENNIS. Yes, unless someone wants time. I yield back the time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Missouri.

[Putting the question.]

The amendment was agreed to.

AMENDMENT NO. 3109

(Purpose: To provide for reform of the retirement system of the armed services)

Mr. EAGLETON. Mr. President, I call up my amendment numbered 3109.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Missouri (Mr. EAGLETON) proposes an amendment numbered 3109.

Mr. EAGLETON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

SEC. . (A) The Department of Defense shall establish a system for providing old-age annuities to all military members with ten or more years of service. Notwithstanding any other provision of law, the system shall be operated as follows:

(a) Individual annuities shall be computed by multiplying high-three-year average base pay by the following multipliers: for the first through fifth year of service, 2.00 per centum; for the sixth through tenth year, 2.25 per centum; and for the eleventh through thirty-fifth year, 2.75 per centum.

(b) Members who have completed ten through nineteen years of service shall be eligible to draw their annuities beginning at age sixty-two. Members who have completed twenty to twenty-nine years of service will be eligible to draw their annuities beginning at age sixty. Members who have completed thirty or more years of service shall be eligible to begin to draw their annuities at age fifty-five.

(B) The Department of Defense shall establish a system to provide severance payments to officers and enlisted members who are mandatorily separated for nondisability reasons with five or more years of service. Such payments shall be equal to one-quarter of a month of basic pay for each year of service up to ten years and one-half of a month of basic pay for each year of service from eleven to thirty years. Severance pay may in no case exceed one year's basic pay, nor may it be paid to anyone otherwise eligible for an immediate annuity.

(C) The Department of Defense shall establish a deferred compensation trust fund for each member of the Armed Forces who completes five years of service. The trust fund at a minimum reflects the following features:

(a) Under such fund the Department of Defense shall make annual contributions based on a fixed percentage of the member's base pay as follows: between the sixth and tenth year of service, 20 per centum of base pay; between the eleventh and twentieth year of service, 25 per centum of base pay; between the twenty-first and twenty-fifth year of service, 15 per centum of base pay; and between the twenty-sixth and thirtieth year of service, 5 per centum of base pay.

(b) At the completion of ten years of service, the Department of Defense shall vest the amount in the account to the military member. If the member leaves active duty or dies after that point, the balance in the account shall be distributed to the member or his estate according to the following options: the member or his estate may elect to leave the trust in the account and withdraw at a later date; the member may elect to convert the trust into monthly annuities for no less than two years; or convert to annual payments for no less than two years.

(c) The Department of Defense shall allow members who have completed ten or more years of service to withdraw a portion of their account while still on active duty. Details on withdrawal rules should be developed by the Department of Defense, but in no case shall a person be allowed to have withdrawn cumulatively more than 50 per centum of the value of his or her account had nothing been withdrawn.

(d) Notwithstanding any other provision of law, to preclude members incurring additional tax liability while on active duty, deferred compensation and interest on the trust fund should be taxed only when it is withdrawn. Unlike regulations applying to civilian deferred compensation plans, money in the trust fund should not be taxed if it is available for withdrawal, only after withdrawal.

(D) Notwithstanding any other provision of law, no funds appropriated in any Act shall be paid to former members of the armed services while they are employed by the Federal civil service. Members who leave active duty and are subsequently employed in the civil service should receive retirement pay according to the following rules:

(a) Former military members who are otherwise vested in the civil service; that is, who have five or more years in civil service, shall be able to apply active military service toward their civil service retirement and receive a civil service annuity based on combined years in both systems, and on high-three civil service salary.

(b) Former military members who are otherwise vested in the military retirement plan; that is, who have ten or more years of military service, shall be able to apply years in the civil service toward their military old-age annuity and receive the military annuity based on combined years in both systems and on high-three military basic pay adjusted for CPI increases after leaving military service.

(c) A person vested in both systems shall be able to choose option (a) or (b) above, whichever is most advantageous.

(d) At age sixty-five, or age sixty-two if social security is elected early, either the military or civil service annuity shall be reduced by 1.25 per centum of the initial social security primary benefit for each year of service. In no case should the reduction exceed 50 per centum of an individual's military retirement paycheck.

Mr. EAGLETON. Mr. President, in April of this year the President's Commission on Military Compensation, known as the Zwick Commission, released its long-awaited study of military pay, benefits, and retirement. The Commission recommended a number of substantial revisions to the present military compensation system. If adopted, I believe these reforms would produce a system far more effective in meeting our Nation's military manpower needs, fairer to a greater number of individuals serving in the military, and more cost-effective, for the most part, than the current system. Certainly no system is without its flaws—and, I must say, I cannot support every one of the Zwick Commission's specific recommendations. But I do believe that in general the Commis-

sion's compensation plan represents a significant improvement over the current system. I applaud the members of the Commission for their efforts.

The military compensation issue has become increasingly more controversial in recent years. It has been nearly a decade now since Congress altered its philosophy on military pay and ordered it brought in line with the civilian wage structure. But retired pay, designed in part to compensate for what was once a low-wage structure, has not yet been brought into line with the revised pay structure. As a result, retirement benefits, which are linked directly to the pay system, and tied to the cost of living, have skyrocketed. Even the Defense Department has been motivated to say that the current system "provides excessively liberal benefits." President Carter has reflected some of these same sentiments, especially as they relate to federally reemployed military retirees—or "double-dippers" as they are popularly called.

The President said, on March 1, 1977:

And I've been particularly concerned at the excessive retirement benefits that are available to those who served in the military, who then retire and get full-time jobs working for the government. This is too expensive.

This problem of "double-dipping" is inextricably entwined with the "20-year-and-out" syndrome so prevalent in the military services today. There is something basically wrong with a system where more than half (50.5 percent) of all military retirees leave at or shortly after reaching their 20th year of service, usually at an age of under 45. It is very disturbing to me that so much talent and expertise is being lost to military through this premature retirement. The costs to the Defense Department are considerable in that skills, training, and professionalism developed in a 20-year career are very difficult to replace.

Mr. President, I do not find persuasive the argument, used so often in defense of the current system, that changes will result in a military force that is too old to fight. Much of the support capability, command, control, and communications operations, can be handled as well, if not better, by older, more experienced personnel than those who must be assigned to combat duties.

Let me discuss some of the key recommendations of the Zwick Commission relating to retired pay. They include a revised form of military annuities augmented by a deferred compensation plan and the provision of severence pay. The plan calls for the deferral of payment of annuities until a retiree reaches a minimum of age 55 if he has served in the military for 30 years. Those with 20 to 29 years of military service could not draw their annuities until age 60. And anyone serving 10 to 19 years of service would have to wait until age 62 to draw his annuity. To offset the loss incurred by deferred annuities, a deferred compensation trust would be established to help augment a retiree's second income. Such a trust would also aid those who spend less than a full career in making a transition from military to civilian life. This provision of benefits to those who spend less than 20 years in service would tend to result in improved retention of personnel through the first 12 years of service as well as for 20 years and beyond. Finally, the plan calls for severence pay of up to 1 year's basic pay for members who are involuntarily separated after 5 years of service.

Mr. President, taken together, the single biggest change that would result from adoption of these Commission recommendations would be a shift away from the present 20-year careers toward a 30-year career norm. Frankly, I see this as the only realistic direction to go.

One other recommendation of the Zwick Commission which I think is important would prohibit dual compensation for retired members while serving in civil service jobs. It also would permit civil servants who served in the military to combine their years of military and civilian service for the purposes of computing an annuity. Such a system would solve the "double-dipper" problem discussed above, while making the entire system far more fair to individuals who choose to remain employed by the Federal Government after their military service.

Mr. President, it would be incorrect to say that the Zwick Commission has come up with a perfect system for reforming military retirement. But, on balance, their suggestions are a first step, and an important step, in badly needed reform of the military retirement system. That is the reason that the amendment I am proposing today incorporates these four key features from the Zwick Commission recommendation—annuities deferred until after age 55, severance pay, deferred compensation trust fund, and prohibition of dual compensation.

I would certainly hope that for the future, we could look into making the retired pay system contributory. I have grave reservations about the viability of any retirement system of this size that relies on the annual appropriation of tax dollars for 100 percent of its support. I think it is appropriate to note that one of the items that brought New York City almost to the brink of bankruptcy was their pension obligations and pension liabilities. It is still a millstone around the neck of New York and continues to haunt them every day with the same problems which relate to other cities, other governmental entities and, indeed, relates to the military pension system as well. As much as I would like to see a contributory system, it was not recommended by the Zwick Commission, and should receive further study before implementation. Accordingly I am not proposing such a system at this time.

Mr. President, I think it is important to underscore the need to reform military retired pay, and to see the work of the Commission through to completion of its assignment. Although I understand that the Defense Department is reviewing the Zwick Commission's report, which was filed in April, I think it is time that we consider acting now. We have been reviewing military retired pay for years. This Zwick Commission study, I hasten to add, is not the first of its type—it happens to be the sixth major study in the last 10 years. Reports tend to gather dust on bookshelves. A lot of effort went into this Zwick Commission study, and I hope it is not just another in an almost endless running series of reports.

The amendment before the Senate today would begin the process of making some real and needed reform of military retirement system, and I urge its adoption.

One further word. If my memory serves me correctly, in 1969, the cost of military pensions in that budget was $2.5 billion. In fiscal year 1978, the cost of pensions is $9 billion and in 1979, it will be up to more than $10 billion. In other words, in a period of 10 years the increase in retired military pension payouts out of the Federal budget has gone from $2.5 to $10 billion, and by the year 2000, it is actuarily estimated that the drain on the defense budget for that year will be $30 billion.

Mr. President, in another assigned capacity in the Senate, I spent a considerable amount of time on this pension business. I was once chairman of the now defunct Senate District of Columbia Committee—perhaps the least coveted assignment known to mankind. After the New York saga, which the present Presiding Officer (Mr. MOYNIHAN) is intimately familiar, we find we are getting into similar dilemmas here in the District of Columbia. We found that the retirement system of the District of Columbia was totally unfunded, like the military retirement system.

No reserve had been set up—not $1. It was paid out of the yearly operating budget of the District of Columbia. It has mushroomed, in recent years, to the point where the unfunded pension obligations for the District of Columbia police and firemen now total over $1 billion. And the liability is growing every day.

So, Mr. President, the dilemma of the cost of military retirement system, is one which can be multiplied through all levels of Government—Federal, State, county, and municipal. And, to make the story an even more grim one, in the private sector as well.

Now that the Federal Government is involved with private pension system by ERISA, we are going to find, it is my sad prediction to make, dozens of private corporate pension systems that may go broke within the next few years. Under ERISA, the Federal Government is going to wind up holding the bag for those as well. So we have a mighty fiscal problem on our hands with respect to the military pension system and all the others that I have just alluded to. It is a matter that, in my opinion, needs prompt and, if not prompt, certainly in due time a thorough evaluation and action by the Congress.

I reserve the remainder of my time, Mr. President.

The PRESIDING OFFICER. Who yields time?

The Senator from Oklahoma.

Mr. BARTLETT. I will be happy to yield to the Senator from Mississippi.

Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER. There is an amendment pending.

Mr. STENNIS. We do still have the Eagleton amendment.

Mr. President, let me say this to the Senator from Missouri and other Members, and the Senator from Missouri is a very knowledgeable Member in this field as in many other fields: In matters covered by the report, the problem that emerged from those facts, many of which have already been known for years but which have become worse, are some of the most serious, some of the broadest, and the most indepth problems that we have for the future. I mean in the military departments, within the Department of Defense and the services.

With reference to the matter of the retirement pay that the Senator has emphasized, and the Senator certainly did not overstate it, I remember some time soon after the mid-1950's I happened to be chairman of the subcommittee which was handling that matter, and I made the statement that it was going to reach $1 billion. That was heard in the Pentagon at the time. Before 1960 it reached $1 billion, and, as the Senator has said, now it is $9 billion per year, and, with the projection that he mentioned, I believe he said it would go to $30 billion by the year 2000.

If that does not present a problem, I have no concept of a problem. It is beyond a quick grasp.

I am also convinced that just the ordinary legislative effort by the regular committees, regardless of which they are, is not going to be able to bring forth a substitute for the present system. It is going to take some enormous effort by the Federal Government, with the military problem involved and the tax rate problem, too, to really get into the innards of this entire problem and come up with a valid substitute.

After thinking about it for years, my idea is that it is so important and so well-entrenched, so much a part of the life of the military, that I would say if we did nothing more we would stop the present system where it is, with the grandfather clause that all accrued obligations to anyone in the service now or heretofore would be respected and would be met, and that we would immediately start another system running parallel for a time for the future newcomers, with the two running parallel until the old one finally ran out.

That is the only practical way I can think of to get at it. I do not think the meat ax approach is something anyone would want to use, and I do not think it would work anyway. I believe there would be a governmentwide movement in an effort to stop anything of that kind.

We all know what the present law is with reference to these automatic increases, and so forth.

I believe it will take an extraordinary group of people to work even further than the commission did, and which would have an extraordinary staff of lawyers, accountants, and others, really digging down and bringing up something concrete. I think the sooner we get started the better.

I cannot see where I can promise for the committee broad, extensive, indepth hearings which would really go into all of these problems. Frankly, I think it would be a 1-year job with no time for anything else, and it would take experts beyond our capacities.

Something must be done along this line, of course.

Next to the quality of personnel this is the second greatest problem I see in the future years and decades for the military.

Mr. EAGLETON. Will the Senator yield for a brief question?

Mr. STENNIS. I yield.

Mr. EAGLETON. I know military pensions is a problem that has haunted the Senator as chairman of the Armed Services Committee for many years. He has seen it grow, as he has said, from a less than $1 billion program to $9 and $10 billion, and still growing.

Would the distinguished Senator from Mississippi consider this, recognizing that this problem is complex and one that requires a lot of expertise. The President will receive his report from Secretary Brown sometime this September or October. The President then is apparently going to make recommendations to the new Congress next January. Would the Senator consider, and all I ask him to do is to consider, the formation of a 1-year only, single mission, special committee that would focus on this one matter and this one matter only? It would not be one of these things that builds up its own self-perpetuating bureaucracy. It would be a one-time, targeted, special study for a special purpose taking into account the enormity and the complexity of the matter that we are discussing here.

Mr. STENNIS. That would be confined to the military alone, is that correct?

Mr. EAGLETON. Yes, because that is what the President will make his recommendation upon next January.

Mr. STENNIS. I would be glad to promise that so far as I can, after consultation with all the members of the committee, we would undertake by a special effort, as a committee, to make a recommendation relating to the problem and something along the line the Senator has mentioned, about possible courses of action. I am not saying that we will follow through on that ourselves. A man representing one State just cannot do it.

He would have to have many more Members of the Senate to cover it.

Mr. EAGLETON. Right.

Mr. STENNIS. But at the start, I would be very proud if we could make that contribution. I would try.

Mr. EAGLETON. As the Senator always is, he is interested in this problem and concerned. I think his answers are very responsible, and I am glad to receive his assurances.

Mr. President, I am not going to press this amendment for a vote at this time, for two reasons. The first is that I probably cannot win it.

The second reason is that in all fairness, we should await President Carter's recommendation in this regard. I have this assurance from the Carter administration: They are not going to let the Zwick report become just another report on the bookshelf. Secretary of Defense Brown is going to report to President Carter on the Zwick report himself. He is going to comment on it—what he thinks is good and bad about it.

President Carter plans to make his recommendation to the next Congress in January 1979. So I am convinced it would be precipitate to act in a piecemeal fashion on the Zwick study at this particular time.

I do not think President Carter is going to let this issue fade away into benign oblivion. I know I am not. I know it is a matter of serious concern, as it always has been, to the distinguished Senator from Mississippi. So unless the Senator from Mississippi or the Senator from Virginia——

Mr. HARRY F. BYRD, JR. Will the Senator yield?

Mr. EAGLETON. I yield to the distinguished Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I think the Senator from Missouri has raised a very important issue, one that Congress will need to deal with. I cannot support the amendment on the floor today. The subject is far too complex for that. But I think the Senator from Missouri is rendering an important service in bringing this to the attention of the Senate.

Along with the Senator from Mississippi, I have been concerned about this matter for some time. Not only is the military retirement cost in the current budget $9 billion, but the unfunded liability is now $177 billion. So Congress cannot put off too much longer coming to grips with a problem that could, if it is not corrected in a reasonable length of time, put a stranglehold on the entire defense operation.

I commend the Senator from Missouri, No. 1, for raising the issue today; and, No. 2, for not pressing his amendment to a vote today.

Mr. EAGLETON. I thank my distinguished colleague from Virginia.

Mr. STENNIS. I want to take 2 more minutes to say to the Senator from Missouri that, again, I commend him. I think that is the gravest problem for self-government in America today, our fiscal affairs and what we are going to do about these obligations already incurred, many of them, and that will be incurred by the hundreds of billions of dollars in short years to come.

I have a little memo here that I have been carrying around in my pocket so long that it is dog-eared. It is dated September 30, 1976, and shows the liabilities in billions, not only of public debt, but other items, including the social security acute liability. It is so large I was afraid to even mention it to a colleage because I thought it was bound to be a mistake. But about a year ago, the truth came out. I was sure this figure might not be correct, but I see now it is.

These things add up to so much that you just put your card down and it is the picture to come. These automatic pay increases, regardless of the quality of the work you do, regardless of the time you actually put in, regardless of anything else, are more than just a

passing phase. That is something we must talk about and something must be done. I think the Senator has done a great service and I hope he will keep on. He is wise enough to know that he cannot move on today, that he has to wait for the other body.

Mr. EAGLETON. I thank my distinguished colleague from Mississippi.

Mr. President, I withdraw my amendment.

The amendment was withdrawn.

AMENDMENT NO. 3110

(Purpose: To provide for a study of the special civil defense needs of certain locales)

Mr. EAGLETON. Mr. President, I call up my amendment No. 3110.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Missouri (Mr. EAGLETON) proposes an amendment numbered 3110.

Mr. EAGLETON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 19, immediately after line 11 insert the following new section:

SEC. 702. (a) From the sum authorized to be appropriated to the Defense Civil Preparedness Agency pursuant to section 701 of this Act, the sum of $200,000 shall be used for a study of the special defense needs of areas which contain significant elements of the United States' strategic nuclear retaliatory forces.

(b) The study provided for in subsection (a) of this section shall include, but not be limited to, the following information:

(1) An identification of areas in the United States which because they contain significant elements of the United States' strategic nuclear retaliatory forces are prime targets in case of a nuclear attack.

(2) A determination of what civil defense evacuation and shelter plans and warning systems are now available or are proposed to be available to these areas.

(3) An evaluation of the effectiveness of these existing evacuation and shelter plans and warning systems.

(4) A determination of the feasibility of establishing more effective evacuation and shelter plans and warning systems for these areas, and a determination of the potential costs and methods of financing.

(5) A detailed analysis of the specific effects of a nuclear attack on each one of these areas.

(6) A determination of the need for educating and the most effective methods of educating the public in these areas on civil defense matters.

(c) The study required by this section shall be complete and copies filed with the Committees on Armed Services of the Senate and House of Representatives, before April 1, 1979.

Mr. EAGLETON. I ask unanimous consent that the distinguished Senator from Wyoming (Mr. WALLOP) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT OF SENATORS TO STANDING COMMITTEES

Mr. ROBERT C. BYRD. Will the Senator yield to me?

Mr. EAGLETON. I yield.

Mr. ROBERT C. BYRD Mr. President, I send a resolution to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 509): *Resolved*, That Senator Allen of Alabama be, and she is hereby, assigned to service on the Committee on Agriculture, Nutrition, and Forestry, and the Committee on the Judiciary to fill vacancies on those Committees.

And that Senator Ford of Kentucky be, and he is hereby, assigned to service on the Committee on Rules and Administration to fill a vacancy on that Committee.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. EAGLETON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEFENSE PROCUREMENT AUTHORIZATIONS, 1979

The Senate continued with the consideration of the bill.

Mr. EAGLETON. Mr. President, I do not think this amendment will take a great deal of time. After I have completed my brief remarks, the distinguished Senator from New Mexico (Mr. SCHMITT) has some brief remarks.

Mr. President, this amendment originated in the House of Representatives by one of my distinguished Missouri colleagues, Mr. IKE SKELTON, of the Fourth Congressional District of Missouri. It is in the House version of the Defense Procurement Authorization bill.

Civil Defense is a matter that has been much neglected. Only last year did we begin authorizing it in this bill. I endorse the sentiments expressed in the Senate Report on this bill, which basically state that this country needs an effective national civil defense policy.

I believe, however, that there are some aspects of civil defense which require special study. America's strategic retaliatory forces are scattered throughout various parts of the Nation. These 50 or so areas, which I have been told contain about 10 million Americans, are potential prime targets in case of a nuclear attack on our country. Because they are so likely to be the first hit in a nuclear exchange, I believe that Congress needs a study of these areas to determine if some type of effective, yet affordable, civil defense can be provided.

Accordingly, the amendment I am offering today would require the evaluation of the existing civil defense plans in the areas which contain significant U.S. retaliatory weapons, and determine the feasibility and cost of establishing more effective plans. I do not want this study to be another one of those everlasting studies. The study is to be completed by April 1, 1979.

Mr. President, this is a small item, which does not add any significant burden on the Defense Civil Preparedness Agency. It would, I believe, provide a study that would be of considerable benefit, and could help pave the way toward the more effective, overall national civil defense policy that the Senate Armed Services Committee itself is interested in considering.

The cost of this study, I might add, before yielding to my colleague from New Mexico, is $200,000. Considering the magnitude of what is potentially involved in this subject matter, that is truly a minimal cost, and would require no additional appropriation beyond the present authorization in this bill.

I am pleased to yield to the Senator from New Mexico (Mr. SCHMITT).

Mr. SCHMITT. Mr. President, I thank the distinguished Senator from Missouri for yielding. I ask unanimous consent that I may be added as a cosponsor to his amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHMITT. Yesterday, I had intended to call up an amendment similar in scope, but upon hearing of Senator EAGLETON's interest in this matter, I was very happy to delay action so we could join together in expressing our mutual interest and concern regarding civil defense for certain areas and facilities and installations in our country. The amendment I would have offered yesterday is similar to this amendment offered by the distinguished Senator from Missouri, but would expand somewhat the scope of the study to include the special needs of those communities in which there are significant laboratories or facilities that are involved in strategic research and test programs.

I have particularly in mind in my own State the Sandia and Los Alamos laboratories, but there are others throughout this country.

I send to the desk an amendment to Senator EAGLETON's amendment. It is merely adding in two places the words "significant defense related research laboratories and facilities," and I ask that the amendment be read.

I believe it is acceptable to the Senator from Missouri and will not require any further action.

The PRESIDING OFFICER. The Chair wishes to state that the amendment is not in order until all time on the Eagleton amendment has been used or is yielded back.

Mr. EAGLETON. A point of order, Mr. President. Is it possible for me to accept and incorporate in my amendment the amendment as proffered by the Senator?

The PRESIDING OFFICER. By unanimous consent, that may be done.

Mr. EAGLETON. I ask unanimous consent then, Mr. President.

The PRESIDING OFFICER. Is there objection to so modifying the amendment?

Without objection, it is so ordered.

The amendment, as modified, is as follows:

On page 19, immediately after line 11 insert the following new section:

SEC. 702. (a) From the sum authorized to be appropriated to the Defense Civil Preparedness Agency pursuant to section 701 of this Act, the sum of $200,000 shall be used

for a study of the special defense needs of areas which contain significant elements of the United States' strategic nuclear retaliatory forces and significant defense related research laboratories or facilities.

(b) The study provided for in subsection (a) of this section shall include, but not be limited to, the following information:

(1) An identification of areas in the United States which because they contain significant elements of the United States' strategic nuclear retaliatory forces and significant defense related research laboratories or facilities which are prime targets in case of a nuclear attack.

(2) A determination of what civil defense evacuation and shelter plans and warning systems are now available or are proposed to be available to these areas.

(3) An evaluation of the effectiveness of these existing evacuation and shelter plans and warning systems.

(4) A determination of the feasibility of establishing more effective evacuation and shelter plans and warning systems for these areas, and a determination of the potential costs and methods of financing.

(5) A detailed analysis of the specific effects of a nuclear attack on each one of these areas.

(6) A determination of the need for educating and the most effective methods of educating the public in these areas on civil defense matters.

(c) The study required by this section shall be complete and copies filed with the Committees on Armed Services of the Senate and House of Representatives, before April 1, 1979.

The PRESIDING OFFICER. The Senator from Missouri has the floor.

Mr. EAGLETON. I believe the Senator from New Mexico has further remarks, then I will be delighted to yield to the Senator from Iowa.

Mr. PROXMIRE. If the Senator will yield briefly for a unanimous-consent request, I ask unanimous consent that Mr. Rich Kauffman and Ron Tammen of my staff be granted privilege of the floor throughout this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHMITT. Mr. President, with that agreement to modify the amendment of the Senator from Missouri, I only wish to add that this issue of civil defense is one which we must begin to reexamine.

I agree with the Senator completely that it should not be reexamined forever. I do not believe it will require a great expenditure of funds to reexamine the issues we are concerned with.

I do believe it requires commitment and the amendment by the Senator, as modified by the Senator from New Mexico, will provide that commitment in the Senate.

I thank the Senator for yielding and I support his overall amendment.

Mr. EAGLETON. Mr. President, I yield to my distinguished colleague from Iowa.

Mr. CULVER. I thank the Senator for yielding.

I would just like to rise to join as a cosponsor in this amendment.

Our subcommittee on the Armed Services Committee has been considering this civil defense matter for the last 2 years, both the Soviet as well as the U.S. programs.

I do believe that the particular emphasis that has been suggested here with regard to both counterforce consequences as well as selective and specially sensitive military facilities and their adequate protection are very proper and appropriate areas for study by the agency.

I have been advised by the DCPA that these are currently matters of special focus and attention. But I do think the amendment would be useful insofar as it encourages more specific and aggressive studies of those particular types of installation.

I would say, however, that, in my judgment, we are very far away today from a well-conceived, comprehensive, and rationally integrated civil defense effort as part of our overall strategic doctrine and policy. We just do not have one.

I think this administration is currently struggling with reorganization and other policy recommendations related to this very serious current inadequacy.

As the committee said in its report on this subject of civil defense:

It is skeptical that this or any additional amount—

meaning the current authorization level for civil defense—

for fiscal year 1979 will be used with maximum effectiveness unless and until the executive branch develops a coherent nuclear preparedness program as part of our national strategic policy.

We hope that such a policy will, of course, be forthcoming for next year's budget submission. I think the kinds of emphasis that have been encouraged and recommended by these two amendments will be helpful in encouraging some ongoing studies with regard to these particular areas of civil defense needs.

I thank the Senator.

Mr. EAGLETON. I thank my distinguished colleague from Iowa. His subcommittee of the Armed Services Committee has spent considerable time going into these matters. His remarks and comments are both accurate and preeminently correct.

I am prepared to yield back the remainder of my time.

Mr. STENNIS. Mr. President, let me say that these gentlemen worked on this matter of civil defense. It is a real service they have rendered.

Frankly, I do not want by implication to ignore so many billions of dollars in programs for civil defense. We have got more immediate things, as I see it, but we certainly cannot ignore it.

This calls for $200,000, but it is not new money. It is money within the bill. I am glad to support the amendment. I think good will come from the operation of it.

Mr. EAGLETON. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. SARBANES). All time has been yielded back. The question is on agreeing to amendment No. 3110, as modified.

The amendment, as modified, was agreed to.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1401

(Purpose: To declare a policy for the modernization of the U.S. Navy)

Mr. CULVER. Mr. President, I have an amendment at the desk. I ask for its immediate consideration and that it be read.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Iowa (Mr. CULVER) proposes unprinted amendment numbered 1401:

On page 19, line 12, insert the following new title, and renumber the subsequent title and sections:

TITLE VIII—U.S. NAVY MODERNIZATION

SEC. 801. (a) It is the policy of the United States of America to modernize the strike forces of the United States Navy by the construction of advanced, versatile, survivable, and cost-effective combatant ships in sufficient numbers to defend the United States and to carry out such other missions as may be assigned to the Navy by the Commander-in-Chief. In pursuit of this policy, the United States should develop plans and programs for the deployment of more survivable, more numerous, and less costly weapon systems, including naval aviation platforms.

(b) In accordance with this policy, after fiscal year 1979 all requests for authorizations or appropriations from Congress for additional aircraft carriers for the United States Navy shall be for the construction of ships substantially smaller and less costly than the CVN *Nimitz* class (nuclear-powered) or the CVV class (conventionally powered) unless and until the President has fully advised the Congress that construction of such ships is not in the national interest. Such report of the President to the Congress shall include for consideration by Congress an alternate program of smaller ships with appropriate design, cost, and schedule information.

Mr. CULVER. Mr. President, this amendment would add a new policy section to this measure. In my judgment, it would address some of the current problems and needs of the U.S. Navy in order to better insure in the future that we have a naval program that continues to remain superior, that is fiscally sound and prudent, and that affords us the opportunity for strength and diversity.

Mr. President, in the past 2 years that I have had the opportunity to look in some detail at some of the current Navy programs, and in the 4 years that I have served on the Senate Armed Services Committee, we have received, believe it or not, some six different 5-year shipbuilding plans for the U.S. Navy. Six separate, distinct, and different submissions as to where the U.S. Navy is going to go in the next 5 years. In the last 2 years we have received six different proposals.

Mr. President, there is a great deal of debate and discussion today on the adequacy of our United States deterrent capability vis-a-vis the Soviet Union, including not only the strategic but also the conventional capability of the United States to deter war and maintain its interests throughout the world. We are concerned properly about the relative strategic balance. We are concerned properly about the pace of Soviet conventional capabilities with particular reference to the Central European front. We, of course, are also concerned about the expanded capacity of the Soviet Navy to carry out the new missions abroad.

Mr. President, in my judgment, this bill properly addresses some of those priority needs, the needs for greater readiness, the needs for greater concentration on NATO force modernization and improvement. But I also am particularly concerned about the area that, in my judgment, represents perhaps the most single area of current disarray within our overall military force posture, and that is the U.S. Navy.

The fact is that we have had tremendous debates with regard to the Navy. What is its mission? Is its mission sea control? Is its mission to project force ashore? Is its mission to be carried out in either situation or both situations with nuclear ships or nonnuclear ships, big ships, small ships, or a high-low mix? What is the appropriate role of the U.S. Navy to counter effectively the current enhanced Soviet capabilities as well as to defend U.S. interests throughout the world?

There is understandably enormous disagreement and controversy with regard to these larger issues and questions; but I believe that, in spite of these larger debates and their immediate resolution in our national security interests in the immediate months ahead, there is one issue with regard to the U.S. Navy over which there is very little debate, very little controversy, and that is with regard to the fact that the role of the giant aircraft carrier in the world today is over—over in terms of future military needs and requirements. I say that because of its obviously increased vulnerability. In an age of precision-guided missiles, an aircraft carrier sitting out there, at a cost of $2 billion, with more than a dozen escort ships, 60 to 100 aircraft—with a 40-year life cycle, you are talking about a $40 billion cost—is a high value target.

Anyone who thinks for a moment that the Soviet Union does not know, at this very moment, where each of our current fleet of aircraft carriers is does not know the first about military planning.

So it is clear to this Senator that if we were going to cope with the increased vulnerability of these large, costly surface vessels to this technological breakthrough in guided-missile capability, we have to do several things.

We have to move forward rapidly, on an accelerated timetable, with the construction and the development of V/STOL aircraft capability for our carriers. Today I am pleased to support and to be among those who support encouragement of that policy direction in our force planning and in our weapons procurement program.

However, Mr. President, the other thing we have to do is to have sufficient numbers of smaller aircraft carriers that we can disperse around the world to complicate Soviet offensive capabilities, in order to insure the survivability of those assets in time of war.

I am not one of those who fail to appreciate the imperative, invaluable need for our current aircraft carrier capability. I think it is one of the major elements that gives the U.S. Navy its current edge in both qualitative and quantitative capabilities of the most relevant kind with regard to the current United States-Soviet balance. But I believe that the carrier we have in this bill should be the last big aircraft carrier we build.

Admiral Holloway, as Chief of Naval Operations, officially testified before our committee as follows:

> We can maintain our margin of superiority by building only one more big deck carrier. By extending the service lives of the Forrestal class of ships, we will retain a level of 12 deployable carriers into the year 2000.

Barring a nuclear war, barring some mutually acceptable disarmament agreements, that capability into the 21st century certainly should provide adequately for our naval aircraft carrier needs in the short term.

Mr. TOWER. Mr. President, will the Senator yield for a question?

Mr. CULVER. I will yield when I have finished my statement.

I believe that twice before, Mr. President, the Senate approved the repeal of a policy called title VIII requiring that all our major combat surface vessels be nuclear-powered. A similar repeal provision is included in this bill. My amendment would take the next logical step—future-looking step, I think—of urging the development of more survivable, more numerous, and less costly weapons systems.

Mr. President, some of us have serious reservations about the wisdom in our national security interests for a cost effective overall defense system of spending money in this bill for one more highly vulnerable nuclear aircraft carrier that is going to cost us $2 to $3 billion and may last only 5 minutes in the outbreak of war, because you can shoot it like a duck in a pond with highly accurate, precision-guided missiles.

We also wonder why we should build it if it requires a task force of more than a dozen additional escort ships, with 60 to 100 planes to put on it at a cost of $40 billion over the life cycle of that one task force.

Many of us have said we do not need that additional big one. At least, it is highly questionable. Mr. President, it is a real question of whether we need a nuclear-powered one, and it is certainly an equally powerful question of whether we need a big deck conventional one.

If we are going to accept that judgment, this is one Senator who is only going to do so if there is an agreement by the Senate and the Congress that this is the last one.

I have been around here long enough to know that once you get the camel's nose under the tent it has got an insatiable appetite.

What this amendment does, what this amendment says—and it agrees with the Chief of Naval Operations that 12 will do the job—is that after this giant carrier we are going to insist that the budget submission from the Pentagon and the next administration and the one after that, in recognition of what constitutes our true national security interests, should be for more numerous platforms, for measures to enhance the survivability of our naval capability, for moving toward V/STOL aircraft that can carry out missions and, most importantly, for ships that represent a cost-effective defense system.

Mr. President, too often the future is upon us before we recognize it. How often need it be said that we always are fighting this war with the tactics, the weapons, the concepts and the doctrine of the last war?

This is one time that maybe we can get out ahead of the curve.

Mr. President, only recently I came across a small book on U.S. military forces called "America on Guard," which was published in 1941. It began its description of the U.S. Navy with a photograph, of a battleship. I see the distinguished chairman of the Appropriations Committee here today, who served with such distinction in the U.S. Navy at the very beginning of that war and throughout its duration.

I looked at that book, and it had a picture and a paragraph about battleships in 1941. It referred to battleships as "the backbone of the fleet." "The backbone of the fleet," says the book "America on Guard," on the eve of the outbreak of the war in 1941.

Three pages later—count them—after listing heavy cruisers, light cruisers, destroyers, submarines, and just before motor torpedo boats, is a short paragraph on aircraft carriers. Mr. President, they are quite modestly described only as fast, long-range ships, "the floating airports of the sea."

Mr. President, as we all know, the battleship era ended at Pearl Harbor. You did not even have to read the first chapter to see how obsolete that definition, that conception, of our military forces was.

We also know that the hitherto inconsequential aircraft carrier brought us victory at sea in World War II.

Mr. President, in my judgment we now have an opportunity that we never seem to grasp. We now have an opportunity to close the books on a fading era and to enhance our naval power in the future by adopting this amendment, and I would urge its adoption.

Mr. TOWER. Mr. President, will the Senator vield for a question?

Mr. CULVER. I would be delighted to yield.

Mr. TOWER. I do not intend to take issue with the Senator from Iowa, although I do not endorse everything that he said. As a matter of fact, quite the contrary, I do not endorse much of it.

Mr. CULVER. Could the Senator be more specific because those general broadsides are just a little hard to cope with?

Mr. TOWER. I am asking a question for clarification on the amendment.

It says here "construction of ships substantially smaller and less costly than the CVN *Nimitz* class (nuclear-powered) or the CVV class (conventionally powered) unless and until the President has fully advised the Congress that construction of such ships is not in the national interest."

I am merely trying to discover the in-

tent of the proposer here. Does that mean the President could determine that the smaller ships were not in the national interest but that indeed a larger one might be or that he would have to make a determination that no carriers at all were in the national interest? I merely ask this for clarification.

Mr. CULVER. I want to make it clear, because apparently there is some confusion, that I support the carrier. I believe it is a vital and important element in our current naval capability.

What I am concerned about achieving here is to formally impose a congressional directive on the executive branch and, specifically, the President and the Pentagon, and to put them on notice that this Congress believes that the nuclear carrier in this bill should be the last one of the big carrier class.

Therefore, we are expressly requiring in paragraph (b) that in accordance with this policy, after this year, which will include the carrier to preserve a force of 12, if this amendment is not approved, and maybe not even the 12th one if this amendment is not approved—who knows—"In accordance with this policy, all requests for authorizations or appropriations from Congress for additional aircraft carriers for the U.S. Navy shall be"—this is the operative language—"for the construction of ships substantially smaller and less costly than the CVN *Nimitz* class or the CVV class unless and until the President has fully advised the Congress that construction of such ships is not in the national interest."

That does afford presidential discretion upon such determination. But in the event such determination is made by the President one should note in the following sentence that:

> Such report of the President to the Congress shall include for consideration by Congress an alternate program of smaller ships with the appropriate design, cost, and schedule information.

That will also force the President and say, "If you come forward and say you do not like it—you have no way in our national security interest of devising an adequate carrier capability without a large ship, we afforded you this escape hatch. But if you do, you have to accompany even that determination with an alternative smaller ship plan and let Congress look at it and see if they agree with your judgment."

Mr. TOWER. I thank the Senator. That is the clarification I was looking for. In other words, if the President should decide, if there should be some unforeseen naval development and the President should determine, that the alternatives are not as good as he is at liberty to say that, but he has to justify it.

Mr. CULVER. That is right.

Mr. TOWER. OK.

Mr. CULVER. But it clearly imposes, I think, an unequivocal, powerful expression of congressional determination to see our future planning and carrier capabilities be designed around a concept of less costly, more numerous and more survivable carrier capability.

Mr. TOWER. I thank the Senator for clarifying his intent.

Mr. STENNIS. Mr. President, if the Senator has concluded——

Mr. CULVER. I would be delighted to yield. Do we have the split time?

Mr. STENNIS. I beg your pardon?

Mr. CULVER. How much time do I have remaining?

Mr. STENNIS. I am going to make a statement of about 3 minutes on the Senator's amendment.

Mr. CULVER. How much time do I have remaining on my amendment, Mr. President?

The PRESIDING OFFICER. Time on the amendment was divided 60 minutes to the Senator from Iowa who offered the amendment, and 60 minutes to the Senator from Mississippi who opposes the amendment.

The Senator from Iowa has used 20 minutes and has 40 minutes remaining of his time. The Senator from Mississippi has not yet used any of the time available to him and, therefore, has 60 minutes available to speak to the amendment.

Mr. CULVER. I thank the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Mississippi.

Mr. STENNIS. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator is recognized for 5 minutes.

Mr. STENNIS. May we have the attention of Senators, please? This is a very grave question.

The PRESIDING OFFICER. The Senate will be in order.

Mr. STENNIS. Mr. President, the Senator from Iowa has made a masterful speech. He has made a fine presentation here concerning a major problem. He has contributed year after year, since he has been here, on this and related matters. His influence is vast.

This subject matter has been in conference and on the floor in one form or another for the last 8 or 10 years. There is a provision in the bill now for a nuclear carrier, and the Senator's amendment expressly does not touch it. He spells out in his amendment that it involves matters beyond fiscal year 1979, and I appreciate his sentiment very much on that score.

This question about nuclear power or nonnuclear power has always been settled and should be settled as of the year that the decision is being made concerning the ship. That is fundamental. But it is all right to have an expression here along the lines that the Senator has so ably presented, in this crucial and critical field that is becoming more so all the time. I hope and I think perhaps it is true that this is the last bill in which we will have a carrier of this type, because this one will fill out our bill of fare for a good number of years to come in what I think is the greatest deterrent of all, the aircraft carrier.

So I am willing, under my responsibility here—and I am familiar with his language and his thoughts. We have had this up before in conference many times, where the House opinion is generally to the contrary, but, with all deference to them, they will listen, and I am willing for us to take this amendment on now—we are right near the end of this bill—to take it on and do the best we can to get the sentiments of this amendment brought back here in the conference report.

I believe some good can come from that. Of course, we all know that the next Congress that passes on the matter will determine the ultimate, final decision.

So I hope that the Senate—I do not blame anyone for not finding the amendment acceptable, but with that background, that understanding, and those provisions in it that the Senator has carefully drawn, accepting the present carrier, I hope that a majority can support it here. Let us go on with the bill and the conference, and I believe that we will bring back something suitable, helpful, and looking toward the future in a constructive way.

Certainly we cannot do anything that will bind or prohibit any President from exercising his own judgment. The same is true with reference to the next Congress that passes on a similar bill.

Those are my sentiments. I thank the Senator from Iowa again for a fine presentation of this problem that we know that all of us are familiar with, and for his constructive attitude in his speech.

Mr. CULVER. I thank the distinguished chairman very much.

Mr. BUMPERS. Mr. President, will the Senator yield?

Mr. CULVER. Yes, I yield to the Senator from Arkansas.

Mr. BUMPERS. First, Mr. President, I ask unanimous consent that my name be added as a cosponsor of the Culver amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Second, I do not want to be put in the position of not accepting yes for an answer from the committee chairman. I think he has taken a very reasonable and sensible position on this amendment. I would like to add a few comments to what Senator CULVER has already said. I have the fear that we are using today's mentality in deciding what kind of Navy we are going to have in the year 2000.

I was very much impressed by the comments of the Senator from Rhode Island, the former Secretary of the Navy, before this amendment was offered.

The argument is always predictable. The justification always, for the large platform carriers, is the Soviet Union. The fear syndrome. And yet everyone here knows that if we got into any kind of a confrontation, tactical, conventional, or strategic, with the Soviet Union, our aircraft carriers would be helpless dinosaurs. The only way we can justify the cost of these large deck carriers is by anticipating more Vietnam-type wars, where those people we are attacking either cannot or choose not to retaliate, because that is the only scenario in which I can conceive of one of these behemoths surviving.

The cost of 12 large *Nimitz*-class aircraft carriers over their 30-year life expectancy, counting the support ships and the air wings, is $520 billion. That means that this one weapon system in the U.S. Navy is going to cost, over the next 30 years, more than the total national budget this year, more than the national

budget the President is projecting for 1979—for one weapons system which, as I say, in any kind of a serious confrontation with the Soviet Union, will be dead in the water.

If you want to talk about keeping the sealanes open, the Senator from Colorado this morning gave us the beginning of what could be the sensible approach, which is building about three V/STOL aircraft type carriers for the price of every one of these dinosaurs we are building.

I agree with the Senator from Iowa. I am not opposing this carrier. I am not saying I am for it, and I am not opposing it either. I believe this is a sensible approach to a very difficult question, and I personally think this is the best amendment being offered on this bill. It is the one that, in the long run, people 10 years from now will look back and applaud the U.S. Senate for adopting.

I sincerely hope this will stick in the conference, and that when the bill comes back to the Senate, the Culver amendment will be intact.

I thank the Senator from Iowa for yielding.

Mr. STENNIS. Mr. President, I am ready to yield back the unused time, if the Senator wishes to vote.

The PRESIDING OFFICER. Who yields time?

Mr. CHAFEE. Mr. President, I wonder if the Senator from Iowa will give me 5 minutes.

Mr. CULVER. I am delighted to yield 5 minutes to the Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I, too, would like my name to be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. I second the remarks of the Senator from Iowa and the Senator from Arkansas. I think this is a very significant amendment, and we are making a lot of progress with it.

One of the difficulties we discover is getting the attention of the Defense Department on matters such as this. We seem to get swept along. First, we innocently approve long leadtime, and that involves a commitment of a couple of hundred million dollars. Then we go along with the next investment, having invested that much already, and before you know it, we authorize an entirely new carrier.

I think that by drawing the line here, giving a general warning to all concerned that this is it, we have taken a significant step.

I thank the distinguished chairman of the Armed Services Committee for so plainly indicating that this is the last of these large deck carriers. This amendment as presented does not tie the hands of the President; it merely sets the policy of this Congress. If the President chooses to do otherwise, he can come forward and do so, and present his arguments.

So, Mr. President, I do hope that the amendment is not only accepted by the Senate, but also emerges from the conference and is approved by the conference.

Mr. GOLDWATER. Mr. President, will the Senator from Iowa yield me 2 minutes?

Mr. CULVER. I am delighted to yield to the distinguished Senator from Arizona.

Mr. GOLDWATER. Mr. President, unfortunately I have been absent for most of the discussion of this amendment. I join the others who feel happiness that the chairman will take the amendment.

This carrier did not pass the committee with everyone voting for it. I voted against it and expressed myself at the time. I think that the day of the carrier has passed, in my opinion. I do not think we will find ourselves in a scenario as we did in World War II where the carrier was an absolute necessity.

I am also appalled at the cost of this weapons system. I would like to remind my colleagues that for $2,300 million, which I have no question will be $3 billion before we are through, we can buy a lot of B–1 bombers, which we need a lot more than we need aircraft carriers.

So, Mr. President, I am very happy that this amendment is going to be taken. It is a clear warning to the President, in my opinion, that the battle between the naval aviators and the Navy sailors has to come to an end, and we have to realize that the Navy primarily is to defend our shipping on the seas, for which it needs, in my opinion, ships far more than it needs more aircraft at this time, although aircraft has a place in the Navy structure. They will probably continue to fill that need during the life of the carriers that we now have. I want this just to be a further warning to the Navy that I intend, as long as I am here, to press for the type of Navy that we need to keep command of the seas, which is essential to us now that the Russians are close to having command of the Indian Ocean and the Straits of Malacca. Now that we have insulted South Africa to the point that she can well tell us to go to hell, we will lose our last port on the periphery of Africa.

I think we have to use our money, brains, and ability to build a navy that can keep our access to the sealanes open.

Mr. STENNIS. Mr. President, I just want to make clear that my support of this amendment as I announced here neither detracts nor contradicts my support for the carrier which is already in this bill. I am sure all Members understand that.

Mr. DOLE. Will the Senator yield?

Mr. STENNIS. I yield.

Mr. DOLE. I will not take very much time of the Senate, Mr. President, but I think just in the interest of making the RECORD complete I would like to make a comment or two about the question of vulnerability of aircraft carriers.

Vulnerability is a relative question and depends on the threat.

Aircraft carriers are the most survivable of all ships and are capable of withstanding major battle damage and still be capable of conducting flight operations.

It is one thing to put a hole in the deck of a carrier, but it is another to damage it sufficiently to prevent it from launching aircraft. It is quite another still to sink it.

A recent study, Sea Plan 2000 conducted at the request of the Secretary of Defense concluded, in fact, that U.S. surface ships and particularly carrier task groups will be much less vulnerable over the next decade and beyond.

I would like to insert in the RECORD two items of particular interest in this regard.

Dr. John F. Lehman, who is a former Deputy Director of the Arms Control and Disarmament Agency and who is currently president of the Abington Corp., a Washington-based consulting firm, has written a monograph and an article dealing with the aircraft carrier and the issue of vulnerability.

I ask unanimous consent that chapter 4 of the monograph entitled "Aircraft Carriers: The Real Choices" and the Wall Street Journal article entitled "The Big Carrier: A Survivable Practical Weapon" be printed in the RECORD at this point.

There being no objection, the two items were ordered to be printed in the RECORD, as follows:

AIRCRAFT CARRIER VULNERABILITY

The single argument most often used by carrier critics is that the carrier cannot survive against the vastly expanded Soviet naval and bomber forces, each with a broad cruise missile capability, and are vulnerable even in Third World areas with the proliferation of conventional submarines, aircraft, and cruise missiles. Commentators like Senator Robert Taft have pointed to the effectiveness of submarines in World War II (when allies had a 25:1 surface ASW ratio, now reduced to 2:1 against the 250 Soviet attack submarines); to Soviet Admiral Gorshkov's proclaimed and exercised tactic of coordinated sub/surface/air preemptive concentration on the carrier task force (as in *Okean* 1975 Soviet naval exercises), and to the easy task of locating such large high-value targets as carriers in the era of satellites.

Survival vs. damage. In weighing these arguments there are two distinct meanings to vulnerability: susceptibility to destruction, and susceptibility to mission interference. It is one thing to put a hole in the deck of a carrier; it is another to damage it sufficiently to prevent it from launching aircraft, and quite another still to sink it. The carrier is the least vulnerable ship to destruction or sinking, because of its large size in relation to the warheads constituting the threat, greater relative compartmentalization, massive protection of propulsion and ordnance, and its structural strength necessary to handle the stress loads of catapulting and arresting 35 ton aircraft.

It is reasonable to say that, short of a direct nuclear hit, the carrier is the least sinkable ship ever built. And the larger the carrier, the less its vulnerability.

The passive survivability engineering of the *Nimitz* was recently listed in an unclassified publication:

Flight deck and lower decks armored with newer high-yield strength steel. The type of steel is specified to defeat a major caliber semi-armor-piercing explosive and shaped-charge warheads;

Side plating and new concept internal arrangements to resist penetration to the magazines by high and low angle attacking missiles;

Torpedo protection provided by a new energy-absorbing hull design which will counter major caliber torpedo explosive warheads;

Over 2,000 watertight and shock-resistant compartments to limit damage. More gener-

ous stability margins in design to assure control of the ship after major flooding damage;

Counter-flooding capability to control list and trim after damage;

Necessary power and pumps to remove water from flooded compartments for repair of damage;

Protective fire fighting and flooding systems for all ordnance and fuel storage and handling spaces;

Extensive fire-fighting facilities throughout the ship, supported by high-capacity fire pumps and the latest chemical fire-extinguishing agents; and

Over 30 fully equipped damage control stations manned by trained and practiced personnel.

The reverse is true regarding the carrier's vulnerability to detection. Its bigness makes it easy to detect with radar, and its flight operations produce a multiplicity of microwave emissions. But if evasion is required for operations, carriers can be very difficult to locate, eliminating all emissions by using their airborne E2C aircraft for eyes, ears, and communications.

Vulnerability to mission-interference, however, is another matter. Complete destruction of the arresting gear, or a major fire on the flight deck, can easily prevent continued flight operations and effectively remove the carrier from action for the days, weeks, or months required to repair the damage. In some scenarios, of course, the carrier may well have already launched the strike mission required of it before sustaining the damage. Nor is such damage easy to inflict. In 1969, nine large bombs exploded on the deck of the *Enterprise* (the first nuclear CV). This was the equivalent of its being hit with at least six SSN3 Soviet cruise missiles, yet she was judged to have been able to have resumed flight operations within several hours, had it been required.

A key question in vulnerability is "compared to what?" Compared for example, to a Mid-East alternative of providing tac-air from Greek and Turkish bases, the carrier is:

Less vulnerable to ballistic missiles;

Less vulnerable to detection;

Equally vulnerable to complete loss (it is about as improbable to sink a carrier as to invade and capture a Turkish base);

Less vulnerable to political denial;

Equally vulnerable to mission-interference damage;

Less vulnerable to ICBM attack; and

Less vulnerable to nuclear effects.

Compared to, say, a 30,000 ton VSS, a big carrier is:

More vulnerable to detection;

Less vulnerable to sinking; and

Less vulnerable to mission-interference damage.

The World War II, Korea and Vietnam experience. While obviously not completely applicable to the vulnerability of modern carriers, the World War II experience provides useful data on the vulnerability of carriers to torpedoes and bombs. During the war in the Pacific, U.S. aircraft carriers were struck 42 times. Five carriers, all constructed before the war began, were sunk but only one was sunk directly by enemy forces. The Lexington, Wasp, and Princeton were sunk by our own forces to keep them from falling into the hands of the enemy. The Hornet was hit by five bombs, three aircraft torpedoes and two kamikazes. In an attempt to sink it after it was abandoned, U.S. destroyers hit her with nine torpedoes and five-inch gun fire. The floating hulk was subsequently sunk during the night by five Japanese torpedoes. Twenty-one carriers were put out of action for periods from one to 24 weeks, and 16 damaged carriers continued to conduct flight operations. No Essex class carriers were sunk or destroyed during World War II. Despite the presence of substantial hostile land-based air power, no carrier was damaged by hostile action either in Korea or Vietnam. However, three major carrier accidents during Vietnam operations demonstrated the principal vulnerability of carriers, that is, that collateral damage from fire and secondary explosions are likely to reduce or prevent continued flight operations.

Level of threat. Both kinds of vulnerability can only be discussed in terms of level of threat, as a function of area, adversary, and mission. In all-out thermonuclear war with the Soviet Union most of the northern hemisphere would be high-threat. In such a situation the actual vulnerability to destruction lends itself to objective analysis. We know the circular error probabilities (CEPs) and yields of Soviet delivery systems, and probabilities of penetrating defenses; we know the resistance of carriers to nuclear effects from the Kwajalein tests. We know that a carrier moves about 12 miles in the time it takes a ballistic missile to travel from launch to a minimum range target, making it practically invulnerable to ballistic missiles, even those with mid-course correcting guidance. In fact a carrier will survive all but what are, practically speaking, direct hits (it is safe to assume of course, that though surviving, it would be out of action for a time after a nuclear near miss).

In situations short of nuclear war, high, medium, and low threat is a function of geography and adversary strength. In conventional conflict with the Soviets, all areas in proximity to the Soviet Union would be high threat. In confined areas like the Eastern Mediterranean, or Persian Gulf, against well-equipped adversaries with submarines and cruise missiles, the threat would be high to medium. In most other areas of the world against non-Soviet adversaries the threat would be low.

The U.S. Navy hopes that the F-14, F-18, E2C aircraft and the Aegis area air defense system when deployed, will handle adequately the cruise missile threat in all threat levels; although some critics contend that even Aegis can't handle harpoon-type weapons.

A similar debate proceeds over whether task-force ASW is effective to keep attack submarines out of torpedo range (about 12 miles). This question is amenable to analysis, but more important are the perspectives of level of damage and level of threat. That some cruise missiles or some torpedoes can get through and cause some damage in some threat levels is not sufficient to conclude that carriers are no longer survivable.

In summarizing vulnerability we may conclude that:

(1) Carriers are the hardest of all ships to sink or destroy, including submarines once detected.

(2) Carriers are the most resistant of all ships to nuclear effects.

(3) Limited damage can inhibit carrier mission performance for periods of time proportionate to the damage.

(4) Large carriers are very vulnerable to detection.

(5) Large carriers are less vulnerable than small carriers in all ways but detectability.

(6) All vulnerability is a function of threat level.

(7) Carriers are less politically and militarily vulnerable than foreign land bases.

[From the Wall Street Journal, May 3, 1978]

THE BIG CARRIER: A SURVIVABLE, PRACTICAL WEAPON

(By John Lehman)

To the surprise of many, Congress is about to authorize another large aircraft carrier. How has it come to be that after enlightened administration and media defense commentators had relegated the "supercarrier" to the same fate as the horse cavalry and the battleship, a broad coalition of conservatives, moderates and liberals has emerged in support of building yet another large carrier, and of maintaining a 13-carrier force into the next century?

The reason is that the Carter administration itself has presented a compelling case to Congress in support of large carriers. In February and March of this year the administration submitted two of the most thorough and exhaustive analytical studies ever completed on naval force planning. The first submitted was the Sea-Based Air Platform study analyzing the cost-effectiveness and "survivability" of small, medium and large aircraft-carrying ships. The second was the Sea Plan 2000 study analyzing mission requirements and force levels for the U.S. Navy for the period 1978-2000.

The fact that the Carter administration successfully completed these difficult studies in less than a year and submitted them to Congress without censoring or deletions is much to its credit. That the President and his senior advisers ignored the studies completely as they submitted a drastically reduced fiscal 1979 Navy budget without a carrier, and with the shipbuilding program cut in half, is another example of the failure of the administration's decision-making process.

The overwhelming nature of the data surprised many in Congress. In the words of a former McGovernite, Sen. Gary Hart of Colorado, "It (the first study) demonstrates that the Nimitz-class carrier is individually the most effective and most survivable ship."

It also demonstrates that there is no battle advantage in going to more numerous dispersed smaller carriers. A battle group with three dispersed 30,000-ton carriers will not fare better against an attack of 60 Soviet cruise missiles than a battle group with one 90,000-ton carrier. Because of the larger carrier's massive armoring of propulsion and magazine, its greater relative compartmentalization and the structural strength necessary to handle the stress loads of catapulting and arresting 35-ton aircraft, big carriers can absorb a surprising number of hits and keep fighting. Small ships cannot.

These findings are consistent with actual experience. In World War II, U.S. aircraft carriers were struck 42 times. Five carriers, all constructed before the war began, were sunk but only one was sunk directly by enemy forces.

In 1969, nine large bombs exploded on the deck of the *Enterprise*, the first nuclear carrier. This was the equivalent of its being hit with at least six SSN3 Soviet cruise missiles, yet she was judged to have been able to have resumed flight operations within several hours.

Land bases in all three recent wars proved to be far more vulnerable to complete loss than carriers and at least as vulnerable to mission-interference damage. Several hundred U.S. operating air bases were completely lost in World War II. In Korea all air bases were captured by the North Koreans in the first five days. In Southeast Asia, of the dozens of major air bases constructed by the United States since 1960, not one remains in U.S. hands. By 1973 the United States had lost more than 400 aircraft destroyed and 4,000 damaged on the ground in South Vietnam.

As our foreign air bases dwindle (now fewer than 30) with little evident support for new base commitments, and with the cost of foreign bases currently running about $100 million each for rental alone, carriers may be called upon to cover a larger area of the world in the future.

An interesting finding of the Sea Plan 2000 study is that U.S. surface combatants in general and carrier battle groups in particular will become less vulnerable over the next decade and beyond. That is because the expected progress of the Soviet cruise missile, attack bomber and submarine threat will be more than matched by three U.S. develop-

ments. The first is the now deployed F-14/*Phoenix* fleet air defense system, to be supplemental in the '80s by the A-18. The second is the introduction to the fleet of the *Aegis* air defense system for close in defense against missiles that penetrate the fighter barrier. Third, there have been a number of important advances in antisubmarine warfare.

Perhaps the greatest contribution of the two studies was in demonstrating the capability of a 13-carrier, 510-ship navy to fight and win in areas of highest Soviet capability. These findings make it difficult to defend the Carter policy of relegating the Navy to a tertiary role in defending NATO. The ability of the carrier battle groups to prosecute a forward strategy on the NATO flanks, the northwest Pacific and the Persian Gulf and Mideast will do far more to deter Soviet adventures than a 3% increase in firepower or stocks in Germany.

The debate in Congress is now not whether there should be another big carrier, but which of the two competing alternatives, the 90,000-ton nuclear *Nimitz* class or the 65,000-ton oil-powered class, should be authorized this year. The case for nuclear propulsion is rather compelling from a military standpoint.

The Secretary of the Navy, W. Graham Clayter, argues that three smaller carriers can be got for the price of two larger. That argument would probably carry the day if the administration wanted to buy three, but it does not. Admiral Holloway, the Chief of Naval Operations, has testified that if procurement is to be only one ship, it should be the big carrier. Secretary Clayter has said that if Congress wants a big carrier he will build it "with enthusiasm." It now seems likely he will have the opportunity to do just that.

Mr. STENNIS. Mr. President, I am glad to yield back the remainder of my time.

Mr. CULVER. Mr. President, I yield back the remainder of my time and I ask for a voice vote on the amendment.

The PRESIDING OFFICER. Is the Senator requesting the yeas and nays?

Mr. CULVER. No.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CULVER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STENNIS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Michigan. He has been seeking recognition. The Senator from Iowa can ask the Senator from Michigan to defer to him. Is it a technical amendment?

Mr. CULVER. What we have is a technical amendment on the civil defense part of it. The explanation is just three paragraphs long. I can read it. It is a routine thing.

Mr. GRIFFIN. Mr. President, I defer, with the understanding that the Senator from Michigan will be recognized immediately afterward.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1402

Mr. CULVER. This amendment provides on page 19, line 10, insert the words "the programs of" between "for" and "the Defense Civil Preparedness Agency."

Mr. President, the Defense Civil Preparedness Agency, for which funds are authorized in this bill, has been proposed for reorganization into a new, consolidated agency.

The President's reorganization plan is still under consideration by the Congress. But in the event that it does go into effect, there could be unnecessary delays and legal complications unless the law is changed to cover "the programs of" DCPA.

My amendment does not prejudice the reorganization, but it does provide a technical improvement that would be necessary in the event of consolidation.

I ask for an immediate vote on this technical amendment.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Iowa (Mr. CULVER) proposes an unprinted amendment number 1402.

On page 19, line 10, insert the world "the programs of" between "for" and "the Defense Civil Preparedness Agency,"

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CULVER. I thank the distinguished Senator from Michigan.

Mr. GRIFFIN. Mr. President——

Mr. TOWER. Somebody has to yield time, Mr. President.

The PRESIDING OFFICER. Is the Senator seeking recognition to propose an amendment?

Mr. GRIFFIN. I will propose an amendment if necessary to obtain recognition.

Mr. TOWER. Mr. President, I will be glad to yield time if I can get recognized.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. I yield 10 minutes to the Senator from Michigan.

Mr. GRIFFIN. I thank the Senator. I have a question I would like to direct to the distinguished chairman of the Research and Development Subcommittee. It concerns the extremely low-frequency communications system referred to as ELF.

As he is well aware, over the years this system as well as its predecessors, Sanguine and Seafarer, have been bogged down in controversy. At one point, about a decade ago, Wisconsin was considered as the best site for the construction of this system. Then, for reasons that appeared to have more to do with politics than defense, the system was not built in Wisconsin. Instead alternate sites in Texas, Nevada, New Mexico, and Michigan were studied for the location of this project.

Questions about environmental effects have been raised, technical questions. And doubts have been expressed about whether this ELF system would actually meet the Navy's needs to communicate with its nuclear and attack submarines without compromising their locations. In 1976 the controversy was further complicated when the current incumbent in the White House made a promise to the people of the Upper Peninsula of Michigan that the project would not be built there against the wishes of the people. On several occasions the people have registered their opposition to ELF through referenda.

In view of that background, I am concerned, as a Senator from Michigan, about what money is in this bill to advance the ELF project, and whether or not any funds in this bill could be used for the construction of the ELF project in the State of Michigan.

As I understand it, the administration requested about $40 million for the project. The House authorized $10 million, and this committee, as I understand it, reduced the request by $6.4 million.

My question to the distinguished subcommittee chairman is this: Am I correct in saying, and can I assure my Michigan constituents, that there are no funds in this bill that could be used to construct any part of the ELF system in Michigan's Upper Peninsula and that before any such construction could take place the administration would have to obtain further authorization from the Congress?

Mr. McINTYRE. The Senator from Michigan is absolutely correct.

Mr. GRIFFIN. I thank the distinguished Senator for that response which is an important part of the legislative history of this bill. I am aware of the fact that he has elaborated on the situation in greater detail in a statement which appeared in the RECORD on yesterday. I yield back the remainder of my time.

Mr. TOWER. Mr. President, I yield 5 minutes to the Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey is recognized for 5 minutes.

SOVIET TRIALS OF DISSIDENTS

Mr. CASE. Mr. President, only last Wednesday, Soviet Premier Kosygin charged the United States with hampering United States-Soviet economic cooperation by what he called "the unwillingness of the United States to establish normal conditions for trade."

The Prime Minister is wrong. There are—there were—many Americans willing to engage in trade with the Soviet Union. It is the Soviet Union which has been hampering normal relations by engaging in activities which adversely affect the climate of relations between our two countries.

In the foreign policy and military field, the Soviets have been engaging in opportunism and adventurism in areas not directly related to their own defense, such as Africa and the Middle East. Soviet actions adding fuel to regional conflicts cannot help but raise suspicions about their intentions in areas of more direct interest to them.

In the human rights sector, the Soviet Union is acting in blatant violation of its solemn international commitments, especially the human rights pledges of the 1975 Helsinki Accords. It is worth reviewing the recent record. Already 16 men and women who belonged to Helsinki monitoring groups in the Soviet Union have been tried and sentenced

for trying to evaluate their government's performance.

Anatoly Shcharansky and two others are on trial this week. And reports from the Soviet Union indicate that three or four more persons face trial soon.

Subject to a possible death sentence, Shcharansky—a member of the Moscow Helsinki Group and a "refusenik"—faced a Moscow court on Monday under charges of espionage. Aleksandr Ginzburg, founding member of the Moscow Helsinki Group and chairman of the Social Fund for the Aid of Families of Political Prisoners, has been put on trial for "anti-Soviet agitation" for which, as a recidivist, he faces 10 years of special regimen camp plus 5 years of internal exile.

Also, according to dissident sources, Viktoras Petkus, a leading member of the Lithuanian Helsinki Group and former political prisoner, is now on trial for the same "crimes" and facing the same harsh sentence as Ginzburg.

Another group is also being targeted. Aleksandr Podrabinek, a member of the Working Commission on the Abuse of Psychiatry for Political Purposes—an affiliate of the Moscow Helsinki Group—will go on trial later this week on charges of "anti-Soviet fabrications." For the 24-year-old Podrabinek, this could mean 3 years in prison camp.

All these actions by the Soviet Government are in flagrant violation of the Helsinki Final Act and other international agreements on human rights. For that reason I am a cosponsor and strong supporter of the joint leadership resolution on this subject to be offered later today.

It is unclear why the Soviet Union persists on going down this path. But the trend is disturbing and requires that we take a close look at all our relations with the Soviet Union.

Some administration officials say that our leverage with the Soviets in the trade area is limited that they can buy most of the things they want from other Western nations and gain what they desire from cultural exchanges by doing more with Western European nations than with the United States.

Of course there are limits, but we should make sure that such relations as do exist do not give the Soviets an undue advantage, especially in the matter of sophisticated and advanced technology.

The administration should keep a tight rein on exports of any items which might help the Soviets' technology base, and we should improve our coordination with our allies on controlling such exports.

The Soviets should understand that their trials do not happen in a vacuum. They cannot help but affect how the American people and Congress are going to perceive the Soviet Union when it comes to trade, SALT talks and other matters which supposedly are of mutual interest and benefit.

Mr. President, I suggest that if the Soviet Prime Minister is really interested in normal conditions for trade between our two countries, he can help by allowing citizens of his country to enjoy conditions which are normal in the civilized world, conditions in which they can seek to emigrate without fear of persecution and harassment.

I ask unanimous consent to have printed in the RECORD two recent articles on the issue.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun, July 6, 1978]

U.S. HINDERING TRADE RELATIONS, SOVIET CHARGES

Moscow.—Premier Alexei N. Kosygin accused the United States yesterday of hampering U.S.-Soviet economic co-operation by unwillingness to establish normal trade relations. He spoke at the opening of the regular summer session of the Supreme Soviet, the Soviet Union's parliament.

Listening intently in the ornate Kremlin meeting hall was President Leonid I. Brezhnev, 70, looking tanned and rested. There have been reports that he is in poor health and he probably will not address the meeting, which is expected to last two or three days.

Also present was Nikolai V. Podgorny, 75, ousted as president at last year's summer meeting. This year the bald, pink-faced official sat in an island of empty chairs, virtually isolated among the 1,500 delegates. No one sat within three seats of him, although the other seats around him were occupied.

In Washington, a State Department spokesman, Hodding Carter 3d, declined comment on Mr. Kosygin's remarks.

Mr. Kosygin, 74, said Moscow trades with 118 countries, but U.S.-Soviet trade amounts to only 2 percent of Moscow's foreign business.

"This indicates that economic co-operation (with the United States) is, in effect, still at the outset," Mr. Kosygin said. The reason, he said, was "the unwillingness of the United States to establish normal conditions for trade.'

It was an indirect reference to the 1972 U.S.-Soviet trade agreement never implemented because of an attempt by the U.S. Congress to link it with Jewish emigration.

Some Jews in the Soviet Union claim they are discriminated against and are not permitted to emigrate. More than 130,000 Soviet Jews have gone to Israel, but Jews in the Soviet Union and abroad say many more who want to go are kept from doing so.

The pact called for increased economic co-operation between the two countries and for granting the Soviet Union "most favored nation" trading status with the United States, which would assure Moscow tariff advantages as good as those of any other American trading partner.

When the pact passed Congress two years later it contained the Jackson-Vanik amendment, linking U.S.-Soviet trade to increased Jewish emigration from the Soviet Union.

Outraged, the Soviets refused to implement the agreement and U.S.-Soviet trade slumped as the Kremlin turned to West Germany, Japan and other countries. The issue remains a sore point.

Mr. Kosygin, in his speech, said his country has been expanding economic co-operation with socialist and capitalist countries.

The United States sells more than it buys in dealings with the Soviet Union.

U.S.-Soviet trade figures show the United States exporting goods worth $1.62 billion to the Soviet Union in 1977, down 30 percent from 1976.

The United States bought $234.3 million worth of Soviet goods in 1977, a 6.2 percent increase over 1976.

Statistics for the first three months of this year show the United States selling the Soviet Union $593.6 million in goods, down $5.5 million from the same period in 1977. Soviet exports to the United States during that time were $114.8 million against $59.3 million for the previous year, a figure analysts say is deceptive because of a 1978 change in accounting methods.

Mr. Kosygin said the Soviet economy "is developing at a higher rate than production in the capitalist countries."

He claimed that the average annual rates of growth in industrial output were twice as high as the United States.

[From the New York Times, July 10, 1978]

SOVIET LAYER CAKE

(By William Safire)

WASHINGTON.—What are the Russians up to?

One week, they arrest an American businessman on trumped-up spy charges, and the next week, they hang a medal on an American cellist for the way he plays Tschaikovsky's "Variations on a Rococo Theme."

One week, they expand into Afghanistan and increase the pressure in Africa, and the next week, they stun the West with a constructive proposal on the reduction of tanks and troops in Europe.

Next week, in the midst of Stalinist showtrials to shut up dissidents and uppity Jews, they serenely sail into another round of the strategic arms limitation talks with a thoroughly flummoxed American Secretary of State.

Is there a pattern to their moves? Or is some internal convulsion going on between the Kremlin's expansionist neo-politicians and ideological purists, similar to the foreign-policy dissension in the troubled Carter White House?

To give coherence to recent Russian conduct, dipomats put forward the "layer cake theory": that in its external relations, the Soviet Union deals on different levels, each with its own priority. Within each layer, counterpressures are expected, but they are trying to convince us not to link apples and oranges, not to mix one layer with another.

The top layer is called *mutual national interest* and includes ingredients that benefit both superpowers: the Russians need our grain and computer technology, and our producers can use their markets. Even more important to them, now that the Soviet Union is achieving military and naval superiority, is strategic arms limitation.

The middle layer is geopolitical competition. In a long-term battle for domination, here are the usual arenas: the Middle East, where the Russians support radical Arabs and are trying a pincers movement up from the Horn of Africa to control the Nile headquarters; Africa, where the Russians and their mercenaries are making good progress in taking over a continent whose mineral resources could determine world industrial supremacy; and Europe, where the Russians hope to seduce the West Germans away from the North Atlantic Treaty Organization.

The bottom layer is *ideological warfare*. For two generations, the Soviet Union has been on the offensive; however, a decade ago, the Chinese began challenging Russian ideological leadership within the Communist world which makes Mr. Brezhnev most sensitive to our playing of the "Chinese card." He is even more sensitive to the American encouragement of Soviet dissidents, who the Soviet leaders believe may be sowing the seeds of the destruction of Communist society.

According to this layer cake theory, Soviet diplomacy is prepared to deal within—but not between—the top and middle layers.

Thus, in the top layer of mutual interest, the Russians are willing to encourage cultural exchanges and are willing to talk about the spirit of detente as they pursue a strategic arms limitation treaty. Similarly, though they would never admit it publicly, Russia expects some American economic lev-

erage to be applied in the context of strategic arms limitation negotiations.

In the middle layer—of competing for world domination—the Soviet Union is willing, if pressed, to make a few deals: If we continue to acquiesce in the take-over of Africa, they may lessen the military threat in Europe. If we bring them back into the Middle East with a Geneva conference, they may ease the pressure on Saudi Arabia from South Yemen.

What the Soviet leaders will not do is permit the trade of a middle-layer item for a top-layer item: that is why we cannot get them to help SALT along by cutting out the rioting in Africa.

And what the Russians are most determined about is never to mix the third layer with anything—or even to deal within the third layer of ideological warfare, which they know could erode all their gains elsewhere.

This explains why—on the eve of a crucial SALT meeting—the Soviet leaders consider it not in the least inconsistent to deliver a personal insult to the President of the United States and to thumb its nose at world opinion, by bringing to trial for espionage a man for whom Mr. Carter has specifically testified.

Will this layer-cake principle prevail? Or will United States policy demand some linkage between the layers? The appeasing answer was given over the past weekend, when our Secretary of State reacted to the calculated human-rights repression with the wrist-slap cancellation of a couple of junkets, and declared meekly he would go to the meeting to discuss strategic arms limitations with Mr. Gromyko as scheduled.

The United Kremlin knows exactly what it is doing. The divided White House may get a Russian medal for its variations on their rococo theme.

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may proceed for not to exceed 20 minutes without the time being charged against the bill. I have discussed this matter with the distinguished chairman and the time will be allotted as follows: 5 minutes to Mr. JAVITS, 5 minutes to Mr. SCHMITT, and 10 minutes to Mr. DOLE.

Mr. STENNIS. Mr. President, reserving the right to object; may I make an observation?

I am familiar with this proceeding. It is going to take the time which the leader has said, of course. But I think that we are very near the end of this bill. If we will just stay with it after this 20-minute procedure, my guess is that we can finish it in perhaps 30 minutes' time.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. STENNIS. Yes.

Mr. THURMOND. Mr. President, I have an amendment and I am going to ask for the full 2 hours. We shall turn back what we can.

Mr. STENNIS. That will be all right as far as staying. We can stay that long.

Mr. ROBERT C. BYRD. Mr. President, may I say to the distinguished chairman, I want to finish tonight also. He and the distinguished minority manager have been working very diligently. I do not think it will take more than 20 minutes on this other matter.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from West Virginia?

Without objection, it is so ordered.

CONDEMNATION OF THE TRIALS OF ANATOLY SCHARANSKY, VIKTORAS PETKUS, AND ALEKSANDR ILYICH GINZBURG

Mr. ROBERT C. BYRD. Mr. President, I call up a resolution and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the resolution.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD), on behalf of himself, Mr. BAKER, Mr. SPARKMAN, Mr. CASE, Mr. CRANSTON, Mr. JAVITS, Mr. INOUYE, Mr. PACKWOOD, Mr. MOYNIHAN, Mr. DANFORTH, Mr. BELLMON, Mr. PERCY, Mr. HATCH, Mr. LUGAR, Mr. GARN, Mr. SCHWEIKER, Mr. HAYAKAWA, Mr. WALLOP, Mr. HEINZ, Mr. GRIFFIN, Mr. BARTLETT, Mr. GOLDWATER, Mr. SARBANES, Mr. BROOKE, Mr. WILLIAMS, Mr. DOLE, Mr. MCCLURE, Mr. DOMENICI, Mr. PEARSON, Mr. BAYH, Mr. RIBICOFF, Mr. ROTH, Mr. CHAFEE, Mr. JACKSON, Mr. NELSON, Mr. DURKIN, Mr. THURMOND, Mr. TOWER, Mr. STONE, Mr. MCINTYRE, and Mr. MELCHER, proposes Senate Concurrent Resolution No. 95.

S. CON. RES. 95

Whereas the Soviet Union is a signatory to the Final Act of the Conference on Security and Cooperation in Europe, signed at Helsinki, Finland, on August 10, 1975, which provides for basic human rights including freedom of conscience, religion, and emigration;

Whereas Anatoly Scharansky, and others who have supported the Helsinki Final Act have been or are being tried and punished by the Soviet Government for their efforts.

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that the trials of Anatoly Scharansky, and others who have defended the Helsinki Final Act are matters of deep concern to the American people; that these deplorable events inevitably affect the climate of our relations and impose obstacles to the building of confidence and cooperation between our two countries; that the Congress urges the U.S.S.R. Supreme Soviet and its leadership to seek a humanitarian resolution to these cases and to work toward improving the climate in United States-Soviet relations.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator from Kansas (Mr. DOLE) yield 1 minute to Mr. MCINTYRE?

Before he does that, I ask unanimous consent that the Senate proceed to the immediate consideration of the concurrent resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I yield to the distinguished Senator from New Hampshire.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that any Senator who wishes to add his name as a cosponsor to this resolution may be authorized to do so.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, hearing the names of cosponsors read, I did not hear the name of the distinguished Senator from Arizona (Mr. GOLDWATER). May I inquire, is his name on the resolution?

The PRESIDING OFFICER. The Chair is informed by the clerk that the name of the distinguished Senator from Arizona is on the resolution as a cosponsor.

Mr. DOLE. Mr. President, I think I should like also to be added as a cosponsor. But I was wondering, as I have listened to the resolution and heard it read and have studied it, if it would be satisfactory with the principal authors of the resolution to add the names of Alexander Ginzburg and Viktoras Petkus.

It seems to me that, right now in the Soviet Union, in Moscow, there is the trial of Mr. Scharansky. In Kaluga, there is the trial of Mr. Ginzburg. In Vilnius, Lithuania, there is the trial of Mr. Petkus. They are all charged with the same violation yet all they seek to do is advise the people in their areas of their rights under the Helsinki Final Act. I certainly do not want to take away from the Moscow trial of Mr. Scharansky, but if we look at the record we can see the fact that all three men in this case are peace-loving citizens, falsely accused of committing a crime. Mr. Ginzburg case, is a poet, and an author.

Mr. Petkus is a graduate of the University of Vilnius, and a specialist in Lithuanian literature, who has been barred from working in his profession. He has been arrested, for his work on behalf of Lithuania and has been in custody since last August 24, 1977. He is now confined to Vilnius Prison.

What crime has he committed? He is charged with anti-Soviet agitation and propaganda, which means he defends Lithuanian culture.

As to Mr. Ginzburg, as a young man in Moscow, he was active in the production of several publications. He edited "Syntax," a journal of poetry. This was also considered a crime.

He was first imprisoned in 1960. On January 4, 1977, he was among three members of the Moscow group whose homes were searched. On February 3, 1977, he was arrested for his Helsinki-related work and at present, he is being held incommunicado in Kaluga Prison awaiting trial.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. DOLE. I am happy to yield to the distinguished majority leader.

Mr. ROBERT C. BYRD. Mr. President, in response to the question raised by the distinguished Senator from Kansas (Mr. DOLE) as to whether or not the authors of the resolution will include the names of Mr. Ginzburg and Mr. Petkus, the answer is yes. I have discussed this with Mr. JAVITS and others. I, therefore, ask unanimous consent to modify the resolution to strike the words, "and others," where they appear, and insert the names, Aleksandr Ilyich Ginzburg and Viktoras Petkus, in lieu thereof.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. There are others pending, I might say to the distinguished majority leader. The others are awaiting trial. There may be a fourth trial as early as sometime next week. It has been suggested that perhaps Alexander Podrabinek will be tried sometime soon. He is charged with circulating fabrications alleged to be false and defaming the Soviet State and Soviet system. All he circulates are facts relating to the Helsinki agreement.

It seems to me there are a number of things we should do. Certainly, I think this resolution is a step in the right direction. It indicates to the Soviets that the Senate of the United States is concerned, that we are watching, that we are alerted, that we understand when men and women are deprived of their rights and deprived of their freedom, and that we will not stand or sit idly by and see this happen without some strong expression. That, in itself, is a good step.

I am a member of the Commission on Security and Cooperation in Europe. This morning, we had hearings for 3 or 4 hours. We had a number of witnesses. The final witness was Mrs. Solzhenitsyn.

She expressed her deep concern and asked all of us present that we do everything we could to indicate to the Soviets that our concern is real, that we are sincere, that we hope the Soviets are listening.

This is not a political matter. This is not a partisan matter. It is a matter of morality that concerns all Americans.

The Soviet Union did sign the Helsinki Final Act in 1975. President Ford at that time took a great deal of criticism from some who said he, in effect, sided with the Russians in fixing the boundaries of some countries that were concerned with the right of self-determination. That is why we insisted on Basket III relating to human rights.

It just seems to me that we want to support our President in this matter. He has spoken out strongly for human rights. We believe in that policy. We believe in the Helsinki Final Act and we want it to work. But, having said that, it would seem to me we may have reached a point where perhaps we should reevaluate our participation. Maybe we should, as I have suggested, suspend at least for a time the SALT talks, not to destroy what has been going on for months and months and months, but to express our outrage, to let the Soviets know it is for real, it is more than rhetoric.

Maybe Secretary Vance should return to the United States, having just arrived for further SALT talks, again to demonstrate our outrage, not our lack of concern with SALT. Perhaps the Attorney General or someone on his behalf should ask the Soviets if they might appear as observers at the trial. As it is now, they are closed and secret.

For acting in the spirit of the Helsinki Final Act, three men of courage and great integrity are being tried, in a closed trial, without counsel of their choosing.

They are nonviolent and dedicated to human principles. The careers of all three of these men bear that out.

I ask unanimous consent at this point in the RECORD to have printed a short summary of each of the three men mentioned in the current resolution.

There being no objections, the material was ordered to be printed in the RECORD, as follows:

Ginzburg, Aleksandr Ilyich; born on November 21, 1936; founding member; poet and publicist; married, has two children; Address, R.S.F.S.R., Kaluga region, g. Kaluga, Investigation Prison (Sledstvenny ul. Klara Zetkin. d. 10, Isolyator), p/ya IZ 37/1.

As a young man in Moscow he was active in the production of samizdat publication several years before the term samizdat even entered the common vocabulary. From 1958 to 1960 he edited *Syntax*, a samizdat journal of poetry, and in the early 1960's *Phoenix*, a similar journal. In 1965 his journal *Sphinxes* appeared for a brief time.

He was first imprisoned in 1960, when he was sentenced to 2 years imprisonment for "forgery." Ginzberg was convicted of "forging a certificate in order to set an examination on behalf of a friend," but the real reason for his imprisonment in 1960 was his having edited *Syntax*. In 1964 he was charged with "anti-Soviet agitation and propaganda" in connection with his samizdat activities, but the charge was dropped.

In 1966 Ginzburg compiled the *White Book*, a collection of materials on the 1965–66 trial of the writers Andrei Sinyavsky and Yuly Daniel (the first major "literature trial" since Stalin's death). For this he was arrested in January, 1967 and charged with "anti-Soviet agitation and propaganda." At the time of his arrest he was employed as an archivist and was also a student. He was tried in January, 1968 along with three others and sentenced to 5 years imprisonment. That trial (known as the "Trial of the Four") provoked unprecedented expression of indignation on the part of a number of Soviet citizens who were themselves in many cases subsequently arrested and imprisoned.

Ginzburg was sent to serve his sentence in the complex of corrective labor camps in Mordovia, several hundred kilometers south of Moscow. There he was active in political prisoners' protests against bad prison conditions Ginzburg was sent for punishment to Vladimir Prison, and in 1972 he was released on completion of his sentence.

After his release, Ginzburg was not allowed to return to his home city of Moscow because of residence restrictions on former prisoners, and he took up residence in Tarusa (Kaluga region), some 80 kilometers south of Moscow. There he signed various petitions in defense of prisoners of conscience.

In March, 1974 Ginzburg was appointed by Solzhenitsyn (by then living outside the USSR) to manage the Russian Public Fund for the Aid of the Families of Political Prisoners.

On January 4, 1977 Ginzburg was among three members of the Moscow Group whose homes were searched, during which time the police "planted" foreign currency in his apartment. Relief funds and Helsinki Group Documents were confiscated.

On February 3, 1977 Ginzburg was arrested and until the present has been held incommunicado in Kaluga Prison awaiting trial. He is expected to be tried as a recidivist under Article 70 of the R.S.F.S.R. Criminal Code. "anti-Soviet agitation and propaganda," which carries a maximum sentence of 10 years in prison to be followed by 5 years of internal exile.

His health is very poor (he suffers from a gastric ulcer and incipient tuberculosis) and is likely to worsen under prison conditions.

Petkus, Viktoras; born in 1929; founding member; Lithuanian Catholic activist and expert on Lithuanian literature; address, Vilnius, 16–4 Garelio.

A graduate of the University of Vilnius, and specialist in Lithuanian literature, Petkus is barred from working in his profession due to his two prison terms on political charges and has had to accept work as a hospital attendant and church sextant.

Petkus was first arrested in 1945 and sentenced to 25 years imprisonment for his participation in a Catholic Youth organization which was considered to be counter-revolutionary by the Soviet authorities because it opposed Lithuania's annexation to the USSR. He was later amnestied in 1953 or 1954.

In 1958 he was arrested again for keeping and distributing anti-Soviet propaganda (ironically enough, books written by Lithuanian emigre writers that had been written *before* the annexation) and subsequently sentenced to seven years in prison. He served out this term in full.

During the trial of human rights activist and Amnesty International member Sergei Kovalyov in December, 1975, Petkus was detained by the police in order to prevent him from attending the trial and from meeting other human rights activists who were then travelling to Vilnius to witness the trial. At this time, a KGB officer threatened Petkus with confinement in a psychiatric hospital.

On August 24, 1977 Petkus was arrested. He is now confined to a Vilnius prison, awaiting trial, probably under Article 68 of the Lithuanian S.S.R. Criminal Code, "anti-Soviet agitation and propaganda". Petkus is expected to be given a long prison term due to his previous arrests on political charges.

Scharansky, Anatoly; born on December 20, 1948; founding Member; mathematician, computer scientist.

A long-time Jewish activist and Zionist, Scharansky has tried to emigrate from the Soviet Union since April, 1973. On July 4, 1974, just one day after their wedding, Natalya Shtiglits (Israeli name Avital), his wife, was forced to leave the U.S.S.R. for Israel without him.

Since that time, Scharansky has been arrested on March 15, 1977 for his activities as a member of the Moscow Group, for his leadership in the Jewish emigration movement, and for his liaison work for Soviet dissidents and Western newsmen. In March, Scharansky was accused in the Soviet press of working with the CIA. President Carter declared that Scharansky has never had any connection with the CIA.

Hundreds of Jews who have applied to emigrate to Israel have been questioned about Scharansky, and the Soviet authorities have used his case as an excuse to collect information on the Jewish emigration movement. After repeating the treason charges (referring to Article 64a of the R.S.F.S.R. Criminal Code) in TASS on October 28, 1977, the Soviets announced that the investigation of Scharansky will be prolonged as much as six months. Although several of the arrested Helsinki monitors have been held in excess of the legal limit of nine months in pre-trial detention, Scharansky is the only one about whose case it is known that the U.S.S.R. Supreme Soviet has issued a decree "legalizing" the extension of pre-trial detention.

Mr. DOLE. Mr. President, I applaud the principal sponsors of this resolution.

As a member of the Commission on Security and Cooperation in Europe, along with the distinguished Senator from New Jersey (Mr. CASE), the ranking Republican member of that committee, and others who serve on that committee, I think there is a real possibility that we will be reevaluating our participation as we look toward the next meeting in Madrid in 1980.

The Soviet action, by the very action itself, violates the spirit of the Helsinki Final Act and insults all those who signed it.

We have made every effort to abide by the provisions of the Helsinki Final Act.

I believe in retrospect President Ford certainly did the right thing, even though he was criticized for it. It may have served some purpose, but now we wonder. We wonder why the Soviets picked this time. Is it to test the Presi-

dent of the United States? Is it to test our commitment, the commitment of the United States, and the Senate and the Congress to human rights?

While the resolution, I think, might be firmer in some areas, I think it does indicate to the Soviets our deep concern. I am pleased to be a cosponsor.

I yield back the remainder of my time.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New York has 5 minutes. The Senator from New Mexico has 5 minutes. The Senator from Kansas has used all of his time.

The Senator from New York is recognized.

Mr. JAVITS. Mr. President, the issue here is a very deep one and we should recognize it. It is not to change the Soviet system or the Soviet form of government. We have acknowledged by the Helsinki Final Act the fact that we are not going to try to do that, and that was a fallacy we had for a long time, that the Soviet system would collapse and fail or that we should try to change it.

The Russians do not have to fear that. But, what we do say is, "You have to treat your human beings decently; that is your responsibility to us and to the world, that is why you signed the Helsinki Agreement." That is all we are trying to hold them to.

Therefore, Mr. President, rather than being an absence of assurance to the people of the Soviet Union, this is an assurance to the people of the Soviet Union that the United States is not prowling around looking for trouble as a reactionary capitalist power. We have come to terms with ourselves and to them, that they respect those people as human beings and they can run any kind of society they want, that is up to them so long as they respect the international agreements they have set their signature to.

Mr. President, that raises the question of linkage, which has been much discussed.

Linkage, in my judgment, as our policy is developing in this resolution, is an evidence of what is neither getting stricter nor less strict. We reserve the option as to what linkage there will be. While I would have felt better had Vance said, "I'll not go to Geneva with Gromyko," nevertheless, I respect that judgment and we will live with it.

The point is that we did apply some linkage to a scientific inquiry and to other meetings that our people were going to attend and the Soviet rulers had better understand that can be escalated at any time.

That is what I would like my colleague from Kansas to note very specifically. I see no commitment that we undertake that there will be no linkage.

There may be linkage. We will apply that amount of linkage which we think is necessary to our cause, and notwithstanding the aberrations and the difficulties of applying it with catholicity, 100 percent, the fact is that we are committed to human rights and we will apply our morality respecting it as we go along, as we determine to be best for human rights and for the issue of peace in the world.

Finally, Mr. President, I like the resolution for one thing. It uses the word "humanitarian."

We asked the Russians to make a humanitarian disposition of these cases. That is no interference in their judicial processes or with respect to their law.

We say the final result needs to be humanitarian, whatever their positions may be, however they may dispose of the Shcharansky matter and the others, we expect them to dispose of the matter in a humanitarian way.

I think, Mr. President, it is an excellent example of what the policy of the United States ought to be about human rights. I hope the President of the United States learns from it.

This is the way to handle it, not yield any of our options, even the utmost option of a complete cut off if we are that dissatisfied, but apply the options as we choose and think best for human rights and for people in the world.

I thank my colleague for yielding.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. SCHMITT. Mr. President, I concur completely with the thoughts expressed by both the distinguished Senator from Kansas and the distinguished Senator from New York. I concur with this resolution which will be, I think, an appropriate expression of the concern of the U.S. Senate and, hopefully, it will be concurred in by the House, as I am sure it will be.

The Soviet Government is a totalitarian government. There is no question about that. It is an international totalitarianism now more than it has ever been before.

It is important that through expressions of this kind and through the continued actions of the administration and the Congress that the world be continually reminded of the totalitarian aspirations of the Soviet Union.

The Soviets seem confident at this point in history that they can move to violate the human rights of their subjects, the human rights of people throughout this world.

Why are they so confident?

Well, part of that confidence, I think: comes from a long period of inaction by this great Nation and an equally long period of action by the Soviet Union, namely, action in the buildup of their military capability.

However, Mr. President, having said that I concur with and will support the resolution before the Senate, I must admit that I considered briefly objecting to its immediate consideration. The reason I considered that was that I am disappointed in the selectivity of the Senate in dealing with clear violations of human rights in this case, but being unwilling to deal expeditiously with clear violations of human rights in other cases, specifically the case of the Korean Airlines Flight 902, which on April 20, 1978, was shot down over the Soviet Union for no good reason whatsoever. I am not sure why we show this selectivity.

A resolution on this subject, Senate Resolution 448, which I submitted in the Senate, has been referred to the Foreign Relations Committee and, to my knowledge, as yet there has been no action. I think it is still an issue upon which the Senate should act.

I hope that the majority leader and the members of the Foreign Relations Committee will take this statement, this resolution that is before us now, as another clear indication that they should act. We should not be selective. When human rights are violated, human rights are violated. The attack on the Korean airliner, which resulted in the death of 2 passengers and injuries to 13 and the potential of death to all 110 passengers and crew on that flight, is just as much a violation of human rights, shows just as much an overreaction to a perceived threat, as do the trials that are commencing in the Soviet Union at this time.

So, Mr. President, I specifically ask the majority leader if he would bring his influence to bear on the Foreign Relations Committee to consider Senate Resolution 448, in the hope that we also can treat, as we should have treated many months ago, an equally serious violation of human rights. I submit that question to the majority leader.

Mr. ROBERT C. BYRD. If the distinguished Senator would submit his request in writing, I would appreciate it.

Mr. SCHMITT. The request has been submitted in writing in the form of a resolution and letters to the Foreign Relations Committee. I am sure the majority leader is familiar with the incident I am referring to. I am merely asking if he would be willing to use his good offices to see that action is taken by the Foreign Relations Committee.

Mr. ROBERT C. BYRD. If the Senator would give me a letter to this effect, so that I do not forget it, I would get back to him.

Mr. SCHMITT. I would be happy to do that. I am sure the Senator would not forget. I will be happy to have a letter to remind him to do so.

Mr. ROBERT C. BYRD. The Senator would be surprised how many things I forget. If the Senator would do that and then let me respond to him——

Mr. SCHMITT. I would be happy to do that and would be happy to hear the Senator's response.

Mr. GOLDWATER. Mr. President, will the Senator yield me 1 minute?

Mr. SCHMITT. I yield.

Mr. GOLDWATER. Mr. President, as a Member of this body whose name appears on this piece of legislation, I commend the leadership of the Senate for having so expeditiously achieved its passage.

On the subject of selectivity, I hope the Foreign Relations Committee and the leadership of the Senate will show the same concern about human rights if and when the White House requests the abrogation of any treaties with Taiwan and the recognition of Red China.

I cannot understand this administration's refusal to recognize that the most violent violator of human rights in the history of the world is Red China. I do not think we ever should entertain the idea of recognizing it.

So "selectivity" is a good word and a good term. I hope that the bodies responsible will pay attention to it, if and

when we reach the sad day when the administration would ask action against Taiwan.

The PRESIDING OFFICER (Mr. KENNEDY). The time of the Senator has expired.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. STENNIS, I yield 1 minute to the Senator from Connecticut (Mr. RIBICOFF).

Mr. RIBICOFF. I thank the majority leader.

Mr. President, Congress should condemn the trial of Anatoly Scharansky and call upon the Soviet Union to comply with the Helsinki agreement by immediately releasing Mr. Scharansky and permit him to emigrate to Israel.

Conviction of Anatoly Scharansky, in contradiction of international human rights guarantees which the Soviet Union has pledged to uphold, can only adversely affect relations between the United States and the Soviet Union.

The Soviet Union in 1975 signed the Helsinki Final Act, which stipulated the observation of basic human rights, including the right to "leave any country."

Anatoly Scharansky, since 1973, has been denied permission by the Soviet authorities to emigrate to Israel.

Mr. Scharansky now faces trial because he dared to protest this denial and to monitor the compliance of the Soviet Union with the international human rights guarantees of the Helsinki Agreement.

The formal charge of treason against Mr. Scharansky is without legal basis.

The United States takes seriously its commitment to the Helsinki Agreement and especially to the human rights provisions.

The trial of Anatoly Scharansky constitutes a gross violation of the Helsinki Final Act and minimum universal standards of humanity and justice.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to, as follows:

Whereas the Soviet Union is a signatory to the Final Act of the Conference on Security and Cooperation in Europe, signed at Helsinki, Finland, on August 10, 1975, which provides for basic human rights including freedom of conscience, religion, and emigration;

Whereas Anatoly Scharansky, Viktoras Petkus and Aleksandr Ilyich Ginzburg, who have supported the Helsinki Final Act have been or are being tried and punished by the Soviet Government for their efforts.

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that the trials of Anatoly Scharansky, Viktoras Petkus, and Aleksandr Ilyich Ginzburg, who have defended the Helsinki Final Act, are matters of deep concern to the American people; that these deplorable events inevitably affect the climate of our relations and impose obstacles to the building of confidence and cooperation between our two countries; that the Congress urges the U.S.S.R. Supreme Soviet and its leadership to seek a humanitarian resolution to these cases and to work toward improving the climate in United States-Soviet relations.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEFENSE PROCUREMENT AUTHORIZATIONS, 1979

The Senate continued with the consideration of S. 2571.

UP AMENDMENT NO. 1403

(Purpose: To restrict Foreign Military Sales of certain War Reserve Stocks)

Mr. BARTLETT. Mr. President, I have an amendment at the desk, and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oklahoma (Mr. BARTLETT), for himself and Mr. NUNN, proposes an unprinted amendment numbered 1403.

Mr. BARTLETT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert a new section as follows:

SEC. . Chapter 49 of title 10, United States Code, is amended as follows:

(a) by adding at the end thereof the following new section:

"8975. *Prohibition on the sale of certain defense articles from the stocks of the Department of Defense.*

"(a)(1) The sale outside the Department of Defense of any defense article designated or otherwise classified as pre-positioned material configured to unit sets, as decrement stock, or as pre-positioned war reserve stocks for United States Forces is prohibited except as provided in subsection (b).

"(2) For purposes of this section, 'decrement stock' means such stock as is needed to bring the armed forces from a peacetime level of readiness to a combat level of readiness.

"(b) The President may authorize the sale of the articles described in subsection (a) outside the Department if—

"(1) he determines that there is an international crisis affecting the national security of the United States and the sale of such stocks is in the best interests of the United States, and

"(2) he reports to the Congress not later than 60 days after such transfer a plan for the prompt replenishment of such stocks and the planned budget request to begin implementation of that plan.

"(c) Nothing in this section shall preclude the sale of stocks which have been designated for replacement, substitution, or elimination or which have been designated for sale to provide funds to procure higher priority stocks.

"(d) Nothing in this section shall preclude the transfer or sale of equipment to other members of the North Atlantic Treaty Organization.

Mr. BARTLETT. Mr. President, I ask unanimous consent that the time limit on this amendment be reduced to 40 minutes, 20 minutes to each side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, this amendment deals with a very severe problem that has existed for several years in NATO so far as the equipment for our Reserve units is concerned.

Mr. STENNIS. Mr. President, I ask that the Senator be heard. This is an important matter.

The PRESIDING OFFICER. The Senator's point is well taken. The Senate will be in order.

Mr. BARTLETT. Mr. President, these stocks are very important to the defense of NATO. Their importance was brought out when Senator NUNN and I visited NATO, and we made a NATO report. We were there about a year and a half ago.

We were advised of the plans this Nation has in case of a confrontation with the Warsaw Pact nations. We were advised that there would be so much time available for us to mobilize, that our 2 divisions plus 10 brigades and units would move to Europe, would be made up with equipment already there, would be fully equipped and ready to go, and would be deployed into action.

The problem was that we knew a little more than a year and a half ago that there was not sufficient equipment in the stocks, although there was supposed to be. In fact, some of the very important items were nearly depleted, and had been for several years.

So even though the high ranking officers talked about the very important plans that we had, they were not capable of being implemented, because of the fact that we did not have the equipment prepositioned as we were supposed to have in Europe.

The purpose of this legislation is to protect these stocks that are most vital to the defense of NATO, and also to provide an incentive to maintain these stocks at a high level of readiness and to replace those stocks that might be used for some other purpose.

The Bartlett-Nunn amendment would prohibit the sale of prepositioned unit equipment and prepositioned war reserve military stocks except that the President could authorize the sale of those items if, first, there is an international crisis which he would declare and which he would report to Congress, and second, that within 60 days afterwards he would present a plan and a budget request which would lead to the prompt replenishment of these stocks.

This amendment takes on even more importance since the time that Senator NUNN and I were in NATO, because of the finding that we made at that time that the Warsaw Pact forces could launch on very short warning or no warning at all a blitzkrieg attack on the NATO forces. And so the time for replenishment of equipment that might be lacking in the stocks could be reduced to no time at all. Also our plan now is to increase those divisions committed to NATO from 2 plus 10 units and brigades to 5 divisions, and this will mean that much more stock will be needed by these divisions in order to enable them to be fully equipped and ready to go.

Mr. President, this amendment is designed to provide further protection for certain prepositioned military stockpiles which are maintained in Europe for U.S. forces in order to enhance the defense of the North Atlantic Treaty Organization (NATO).

The lack of existing legislation to pro-

tect our prepositioned military stocks from random foreign military sales (FMS) has resulted in the depletion of these vital stocks to critically low levels. Although the fiscal year 1979 defense budget request accelerates the effort to replenish those stocks, legislation is still required to prevent future raiding of these stocks. In recognition of this need, Senator SAM NUNN of Georgia and I introduced S. 1708, a bill to provide greater protection to prepositioned military stocks, and Congressman SAM STRATTON introduced an identical bill H.R. 10455 in the House.

Hearings were held on S. 1708, and this amendment is the product of those hearings and of close coordination with the Defense Department and the U.S. Army. I believe this legislation would give the President ample flexibility in dealing with emergencies while still safeguarding the most critical stocks.

The need for this legislation was made clear during the visit to NATO conducted by Senator NUNN and myself. We found that American forces in Europe did not have sufficient supplies, ammunition, and equipment to counter an intense Soviet "Blitzkrieg" attack into West Germany. Worse, stocks prepositioned solely for the use of those U.S. Army divisions which would be airlifted to Europe in the first days of war were well below stated requirements and poorly maintained. Faith that the United States could quickly reinforce NATO in the event of a crisis in Europe lost all credibility in light of the inadequate prepositioned equipment and munitions available on the continent. Nevertheless, NATO commanders continued to plan as if these forces would be available and completely equipped. Furthermore, the United States does not possess sufficient strategic airlift capability to transfer so much equipment, much of it oversized, to Europe in the short time available. In any case, all reserve stocks in the United States are at levels well below requirements, and existing unit equipment is not configured for immediate shipment.

Although American prepositioned military stocks in Europe have seldom received the highest priority, they were not always in the sad shape in which we find them today. Testimony by the Defense Department before the Senate Armed Services Committee reveals at least six major reasons why our war reserve stocks are inadequate:

First. Withdrawal of equipment for unprogramed requirements during the Vietnam war and the 1973 Middle East war;

Second. Reduced procurement levels after the Vietnam war;

Third. Long procurement leadtimes;

Fourth. Increased requirements due to higher estimates of Warsaw Pact threat and combat attrition rates, and the increase from 13 to 16 Army divisions;

Fifth. Poor maintenance of stocks and inadequate storage facilities; and

Sixth. Cannibalization of equipment which could be placed in stocks in order to obtain parts for equipment being used.

The Defense Department has always been aware of this severe shortage of war material and munitions and, last year, put forth a plan to replenish war reserve stocks in Europe and the United States. This year, the Defense Department is accelerating the rate at which existing sets of prepositioned unit equipment are reconstituted in NATO and announced plans to increase the amount of prepositioned unit equipment in Europe. I applaud this administration initiative, but I would like to point out that overall war reserve stocks will not reach an acceptable level for, perhaps, another 10 years.

The amendment we are considering today requires the Defense Department to expedite its replenishment of important war reserve stocks and protects three vital military overseas stockpiles from depletion through foreign military sales (FMS):

First. Decrement stocks—Unit equipment stored "in decrement" because it is not immediately needed:

Second, POMCUS—prepositioned material configured to unit sets for American reinforcements for NATO; and

Third. War reserve stocks—made up of replacement items and consumables such as vehicles, weapons, ammunition, and other supplies. This bill does not apply to war reserve stocks for allies (WRSA), temporary stockpiles of surplus and obsolete equipment, or special contingency stockpiles which may be established outside the war reserve stocks of the United States.

Decrement stocks consist of equipment which is excess to the immediate needs of a military unit, either because the unit is understrength or because the unit is located on a permanent base. This equipment normally receives more maintenance and is in better condition than other military stocks. During an international crisis, decrement stocks, colocated with other prepositioned war reserve stocks, are among the first stocks rushed to foreign governments in need.

Except under extreme circumstances, and then with restrictions, none of the equipment placed in decrement storage by American military units could be sold to a foreign nation according to this amendment unless the President submits a plan for its replacement. It makes no sense for Congress to appropriate funds to maintain the readiness of our active military forces if, periodically, these units are stripped of their equipment to meet the needs of foreign military sales. Foreign military sales are not reduced by this legislation, but the source of equipment to be sold is restricted.

POMCUS stocks—prepositioned material configured to unit sets—would also be protected under this legislation. The POMCUS stocks are all in Europe at the present time and are intended to equip American Army divisions which would be airlifted to the continent to assist in the defense of Central Europe. POMCUS equipment is not stored by item, but rather is stored by unit so that each platoon, company, and battalion can quickly gather all of the equipment it needs to deploy immediately. After the 1973 Middle East war, the POMCUS stocks were at a small fraction of the stated requirement, and little was done to replenish them for several years. If sent to Europe, American combat units, even today, would be missing large numbers of radios, generators, radars, fuel tankers, fuel pumps, cargo carriers, and the like.

The Army recognizes that the POMCUS stocks alleviate the problems created by America's inadequate strategic airlift capability and has moved during the last 3 years to replenish the POMCUS stocks. These stocks will have a "get well" date long before other war reserve stocks, but they are still very much incomplete. Therefore, these critical stocks should not be used to expedite foreign military sales. Restricting foreign military sales from the POMCUS stocks, unless there is a crisis and the President submits a replacement plan, is not too strict a measure when other sources of foreign military sales (FMS) are available.

War reserve stocks contain materials and munitions designed to replace equipment lost in combat and ammunition expended in battle. They insure that, despite attrition on the battlefield, the American soldier in combat will not be short of ammunition or weapons. Nevertheless, America's war reserves today are in shocking condition, and there is little hope that the situation will improve in the near future.

As long as the quantities authorized for our war reserve stocks are based upon the needs of American forces, these stockpiles must be protected from depletion through foreign military sales. Unfortunately, at the present time, the war reserve stocks of the United States are the major source of equipment and ammunition for friends and allies who suddenly come under attack. Also, certain foreign military sales further America's national security interests overseas. For these reasons, restrictions on the sales of war reserve stocks should not now be as strict as those that are placed upon the sale of decrement stocks and POMCUS stocks.

This amendment would make prepositioned war reserve stocks, those already in Europe, subject to the same restrictions that are placed upon POMCUS and decrement stocks. None of these stocks could be subject to foreign military sales and then only if the President reports that there is an international crisis requiring the sales and he presents within 60 days a plan for their replenishment.

I would like to add that the amendment would not limit foreign military sales from these stocks which are directly associated with upgrading or modernizing the stocks. This amendment provides broad protection, but it does not involve micro-management. Also, the amendment would not limit foreign military sales out of the prepositioned stocks to our NATO allies.

Mr. President, I think the need for this amendment is clear cut. I would hope that every Member of the Senate would agree that this additional safeguard should be added to our procedures for

maintaining the readiness of our combat forces.

I retain the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Will the Senator yield me 2 minutes?

Mr. STENNIS. Yes, I yield 5 minutes.

Mr. THURMOND. Will the distinguished Senator yield me 10 seconds to get a privilege of the floor?

Mr. TOWER. Yes.

Mr. THURMOND. Mr. President, I ask unanimous consent that Mr. Cowan of my staff be accorded the privilege of the floor during the discussion of this military procurement bill and the vote on it.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, I have an amendment. Are we through with the Bartlett amendment at this stage?

Mr. TOWER. No.

I just want to commend the Senator from Oklahoma and the Senator from Georgia for offering this amendment.

I have witnessed firsthand the situation in NATO, as they have, and have been concerned about the state of our prepositioned stocks there that was a result of a draw-down necessitated by our resupply of Israel during the Yom Kippur war, and I think we did the right thing of assisting Israel at that time and I think the time might come that is possible—I hope it will not come—it is possible the time will come when we might have to do that again.

But I think this reinforces the concern that we all have that we not weaken ourselves on the inner German border to the extent that if we do get in the dust up there we will not be able to supply the additional troops that we would expect to insert into Western Germany under such a situation.

I think the fact of prepositioned equipment and our ability to move men in that are already equipped for whom the equipment is already there is a self-deterrence. So I think this is an important part of our deterrent capability and the credibility of our deterrent on the inner German border.

I hope that the Senate will adopt the amendment.

Mr. STENNIS. Mr. President, the Senator from Georgia may want to go ahead.

Mr. NUNN. Just very briefly, 30 seconds.

I commend the Senator from Oklahoma for sponsoring this amendment. I think it is apparent that the intent of the amendment is to make certain that our own troops and our own commitments to NATO are not neglected in terms of replenishing any equipment that may have to be used in a severe emergency that does affect the national security of the United States. This makes the POMCUS stocks a vital part of our national security and in many cases it has not been so regarded, particularly in the Middle East situation.

I agree with the analysis of the Senator from Texas that the delivery of that equipment to Israel in that situation was necessary but it took an awful long time for anyone to be concerned about replacing it in terms of protecting our own troops and honoring our own commitments.

I believe this makes it clear that we do regard the prepositioned equipment as a vital part of our own national security and part of our defense commitments to the NATO Alliance.

So I commend the Senator from Oklahoma and am proud to cosponsor the amendment with him.

Mr. STENNIS. Mr. President, I say to members of the committee I certainly shall not use much time on this. I have been over the amendment. I am relying on the counsel of these members who have spoken as well as Mr. Sullivan, our chief of staff on the committee, and other staff members. I believe they worked the language out. It serves a fine purpose, keeping up with these matters and providing a way for the replenishment. It does not limit the President too much. But it calls on him to make an accounting, so to speak. It permits him to move anything anywhere else that may be needed for our use and I think it has the proper safeguards. I support the amendment with the very strong hope that the conferees will agree to it.

Mr. TOWER. Vote.

Mr. BARTLETT. Mr. President, I wish to thank and compliment the distinguished Senator from Iowa who was interested enough in this vital question to hold hearings during a very busy time of the Senate and to delve very deeply into the complicated problem of the reserve stocks and the decrement stocks and to work very closely with the Defense Department and others who were interested in working out a compromise proposal which has been introduced. I do thank him. I think he did an excellent job and I hope he might make a remark or two.

Mr. CULVER. I wish to thank the Senator from Oklahoma, and to express my admiration for the leadership that he, along with Senator NUNN, has afforded not only our committee but Congress and the country in terms of its policy, priorities, and programs for improving our NATO capability.

This amendment is one more example of the fruits of his work that started several years ago as a result of the Senator's familiar report.

I also wish to commend the Senator from Oklahoma for striking an appropriate balance in this amendment between the competing policy interests and needs of affording the executive and the President, on the one hand, the necessary flexibility and discretion to respond on an emergency basis, such as the Yom Kippur war, in the case of Israeli immediate needs or other emergency foreign sales situations, and at the same time, clearly expressing for the first time a congressional policy to discourage the lowering of our POMCUS and war reserve stocks in this critical theater with an indiscriminate sale to allies in crisis or noncrisis situations. The priority and the requirements that the Senator has set in the amendment should improve our readiness posture in Europe and send a signal that we are serious in our war planning there.

The amendment could enhance deterrence, and at the same time not deny the President and the executive branch the flexibility they properly require under a given set of circumstances. I wish to again thank the Senator from Oklahoma.

Mr. BARTLETT. Mr. President, I did not thank the distinguished Senator from Iowa. I appreciate his remarks. I thank the Senator from Georgia for his comments, and I also thank the distinguished chairman, the Senator from Mississippi.

I would say to the distinguished chairman that I am prepared to yield back the remainder of my time and have a vote on this.

Mr. STENNIS. Yes; I beg the Chair's pardon.

I yield back the time unless someone desires time. I yield back the time.

Mr. BARTLETT. I yield back my time and I move the passage of this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma.

(Putting the question.)

The amendment was agreed to.

Mr. TOWER. I move to reconsider the vote by which the amendment was agreed to.

Mr. BARTLETT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1404

Mr. NUNN. Mr. President, I have an amendment at the desk and, subject to the order of priorities that the chairman and the ranking minority member have, I would like to bring up this amendment. Now that Senator CANNON is here on the floor we can dispose of it in 4 or 5 minutes.

Mr. STENNIS. We do not have any priority. The committee amendments have been agreed to and everything.

Mr. NUNN. This is on AWACS.

I ask the clerk to report the amendment.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Georgia (Mr. NUNN) for himself Mr. BARTLETT, and Mr. THURMOND proposes an unprinted amendment numbered 1404.

Mr. NUNN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add a new section as follows:

SEC. . Section 201 of the Department of Defense Appropriation Authorization Act, 1978 (Pub. L. 95-79, 91 stat. 323), is amended by deleting the words, "but such $15,700,000 may not be obligated or expended until at least one member country of the North Atlantic Treaty Organization (other than the United States) enters into a contract to purchase the AWACS aircraft" under "For the Air Force".

Mr. NUNN. Mr. President, Senator BARTLETT and I are sponsoring this amendment to take care of a technical problem that has arisen in recent months

relating to Public Law 95–79 which, as it is now interpreted, is currently impeding joint research and development efforts on the NATO early warning and control aircraft known as AWACS.

No new budget authority is required by this amendment.

Section 201 of the Department of Defense Appropriation Authorization Act for 1978 restricts the obligation or expenditure of $15,700,000 appropriated for NATO AWACS research and development activities, "until at least one member country of the North Atlantic Treaty Organization (other than the United States) enters into a contract to purchase the AWACS aircraft".

These restrictions were imposed to insure the United States would not continue to spend money on this program without alliance support and participation.

I supported fully the insertion of these restrictions when they were placed in last year's authorization bill. But I believe the events of the past year clearly demonstrate the need to make the change.

First of all, in March of this year, national representatives to NATO agreed to forward a comprehensive NATO AEW proposal for national review and approval.

Also in March, 10 NATO nations signed a statement of understanding agreeing to provide $1.9 million required to continue initial research and development up through June of this year, anticipating an acquisition contract being agreed to at the May ministerial meeting of the Defense Planning Committee.

As national review processes were not completed in time for approval, once again interim funding is required to sustain activities already begun. Canada, Germany, Luxembourg, the Netherlands, and the United Kingdom have all agreed to contribute, upon approval by their legislatures, in a total amount of approximately $4 million.

In a July 7 letter to Chairman STENNIS, Secretary Brown detailed the importance of removing the current legal restriction to allow the United States to participate in the joint research and development. The Secretary has also stated that follow-on expenditures above the currently required $4 million U.S. share will not be made without the concurrence of the chairmen of both Armed Services Committees.

Although no "contract" has been signed, I believe congressional intent has been met. Several NATO nations have demonstrated and continue to demonstrate their willingness to contribute to the joint R. & R. effort. Alliance support and participation does exist. The approval of the amendment is absolutely essential to allow the multinational effort to continue.

I urge the committee to support this amendment. I know Senator CANNON would probably have some comments and possible questions on the amendment.

Mr. CANNON. Mr. President, may I ask the Senator if this refers now only to the fiscal year 1978 funds as far as relief is concerned?

Mr. NUNN. The Senator is correct. The information I have indicates that these funds, the $15.7 million that were basically in the defense 1979 appropriation bill will be sufficient to allow the joint research project to continue until such time as there is a contract signed by one of the NATO countries which, of course, at that stage would free the 1979 money also.

Mr. CANNON. There is a firm assurance, is there, from several of the NATO countries that they will contribute, subject to the approval of their legislatures, their proportionate share of the total which amounts to approximately $4 million?

Mr. NUNN. The Senator is correct.

I have a letter dated July 7 from Secretary of Defense Harold Brown which goes into considerable detail about the commitments of the other nations to this joint research project.

I would have to say, of course, as the Senator from Nevada well knows, it is subject to the approval of their legislatures. But the executive branches of these governments have indicated their approval and their continuing support of this project. In turn, they are going to be putting some money into this project.

I ask unanimous consent, Mr. President, that the full text of Secretary Brown's letter dated July 7, 1978, be made a part of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF DEFENSE,
Washington, D.C., July 7, 1978.

Hon. JOHN STENNIS,
Chairman, Committee on Armed Services, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is further to my recent letter to you on the NATO AWACS Program. As you know, Section 201 of the Department of Defense Appropriation Authorization Act for 1978 (Public Law 95–79) restricts the obligation of expenditure of $15,700,000 appropriated for NATO AWACS research and development activities "until at least one member country of the North Atlantic Treaty Organization (other than the United States) enters into a contract to purchase the AWACS aircraft." In addition, the $10M authorized by the Senate Armed Services Committee this year is similarly restricted. I am aware that these restrictions were imposed to ensure that the US would not continue to spend money on this program without Alliance support and participation. I believe the events of the past year—and the last few months in particular, as outlined below—clearly demonstrate that the Alliance supports the AWACS program.

In addition to the transmittal in March of a comprehensive proposal to governments for review and approval, which by itself is a major step toward program realization, the Alliance agreed to provide funds for initial research and development activities leading to a US–NATO standard configuration AWACS. Ten nations signed a Statement of Understanding in March 1978 to provide the $1,900,000 required for the period April–June, in anticipation that an acquisition contract could be reached, in the form of a Multilateral Memorandum of Understanding at the Defense Planning Committee meeting in May. National review processes were not completed in time, however, for the Multilateral Memorandum of Understanding to be signed at the May meeting. Since a final program decision is expected to allow a fall program start, Ministers agreed to provide interim funding to sustain activities already begun. Our proposed contribution is $4,066,000, which we cannot provide because of the current legal restriction.

It is important for the US to support this effort. Other contributors (Canada, Germany, Luxembourg, the Netherlands and the United Kingdom) have agreed to contribute, when approved by their legislatures, in a total amount of about $4,000,000. For us to do less would undermine, perhaps destroy, the prospects for a favorable program decision. First, the current political momentum for an early decision could dissipate. Second, any delay in the development effort now underway would result in significant and perhaps unaffordable cost growth, because the opportunity to develop the US-NATO standardized configuration AWACS in an efficient and timely manner would be lost.

I would deeply appreciate your personal support and initiative in getting the FY 1979 Authorization Bill amended to release the FY 1978 and FY 1979 funds. I assure you that no expenditures beyond $4,066,000 would be made without seeking your concurrence as well as that of Chairman Price. I am, because of their particular interest in this matter, providing copies of this letter to Senators Nunn and Bartlett.

Sincerely,

HAROLD BROWN.

Mr. CANNON. Mr. President, the Senator is correct. It was the intent of the committee to hold the feet of the NATO countries to the fire, so that we would not be the only one paying the R. & D. costs of a research program directed specifically toward NATO usage. For that reason, the delay in making a decision on the part of the NATO countries, we put a freeze on those funds.

In light of the representation by the Secretary of Defense that several of the NATO countries now have agreed to contribute, subject to the approval of their legislatures—and I hope that that would be approved—I believe we could release those funds now, the U.S. proportionate share, and go ahead with the research and development because if we hold up further it is likely to increase the cost and delay the production program.

So, Mr. President, I would support the Senator's position.

Mr. NUNN. I thank the Senator from Nevada. I appreciate the leadership he has displayed in this overall area.

Mr. TOWER. Will the Senator yield 1 minute?

Mr. NUNN. I would be glad to yield.

Mr. TOWER. Mr. President, I think it is a very constructive amendment. Since the other NATO allies are spending money on R. & D., it seems to me we should now show our good faith and remove the restrictions and allow the program to continue through to October and, therefore, on behalf of the minority I would propose that the amendment be adopted.

Mr. NUNN. I thank the Senator from Texas.

I believe the Senator from Missouri would like 2 minutes.

Mr. EAGLETON. I thank my colleague.

Mr. President, I have had a long and continuing interest in this matter of

AWACS, but I will not use this occasion to reiterate all of my misgivings about that particular weapon system.

I do understand that in March, 10 nations agreed to provide funding required for NATO AWACS research and development. I also understand that other NATO nations have agreed to contribute substantial funds, when approved by their legislatures.

Mr. President, I firmly believe that the United States should not spend money on NATO AWACS without alliance support and participation. But I do believe we need to help move the purchase of AWACS by NATO along.

Since Secretary Brown has assured the Congress of other nation's firm intentions to proceed, I would not object to removing the stipulation on the use of the fiscal year 1978 NATO AWACS money.

But I would like to ask my colleague, Senator NUNN, one question. Has Secretary Brown agreed to make no expenditures on this program beyond the sum of $4,066,000 without the type of firm contractual commitment originally envisioned in the law?

Mr. NUNN. Let me say to the Senator from Missouri that that is not entirely correct. I think I, perhaps, ought to read exactly what Secretary Brown has said, and I quote the last paragraph of his letter:

> I would deeply appreciate your personal support and initiative in getting the FY 1979 Authorization Bill amended to release the FY 1978 and FY 1979 funds. I assure you that no expenditures beyond $4,066,000 would be made without seeking your concurrence as well as that of Chairman Price.

This letter is addressed to Senator STENNIS and dated July 7, 1978.

What we are doing is not releasing the 1978 and 1979 funds. The 1979 funds will still have this restriction, but we are releasing $15 million, approximately, in 1978 funds, and what the Secretary of Defense has assured us here is that he will spend no more than $4 million without coming back to the Armed Services Committee for their approval, or the approval of the chairman of the Armed Services Committee.

Under this amendment he legally could spend up to $15 million without a NATO nation actually signing a contract to buy the planes. The anticipation is that there will be a contract to buy a plane, which would actually free up all the money, based on the conditions precedent which Congress laid down, and that that would take place before he would have to spend more than about $4 million. But legally, if this amendment passes, he could spend up to $15 million under this amendment.

Mr. EAGLETON. The Senator is, as he always is, fully forthright and candid in his answer. May I ask the Senator, has the letter from Secretary Brown been printed in the RECORD?

Mr. NUNN. I obtained unanimous consent that the letter will be printed in the RECORD.

Mr. EAGLETON. Very good. Now, as I understand the legal provisions, if the Nunn amendment passes, it would, from a legal point of view, free up to $15 million in 1978 funds, because that was the amount provided in that year?

Mr. NUNN. That is correct.

Mr. EAGLETON. Are there circumstances at this time that the Senator from Georgia could reasonably foresee that would cause the Pentagon to want to spend more than the $4,066,000 as originally specified in the heretofore mentioned letter from Secretary Brown?

Mr. NUNN. I do not foresee any circumstances under which the $4 million would not be sufficient to take the R. & D. project to the point that there would be a contract signed, which of course would free up not only the 1978 money, even if this amendment did not pass, but also the 1979 money.

But I must also say that legally, under this amendment, $15 million of the 1978 money would be freed up without meeting that condition precedent.

Mr. EAGLETON. If contracts are signed, then that would free up the 1978 money and the 1979 money as well?

Mr. NUNN. That is correct.

Mr. EAGLETON. But if contracts are not signed—and I understand the Senator cannot bind the chairman or the committee—but as you foresee the future between now and the end of September, no more than roughly $4 million would be spent without contracts being signed?

Mr. NUNN. The Senator is correct, in that Secretary Brown has said that he would not spend more than this $4,066,000 without coming back and having concurrence on the part of Chairman STENNIS and Chairman PRICE. Of course, the anticipation is in Secretary Brown's letter that the Germans and perhaps other countries are expected to vote for the AWACS purchase sometime in September. So I hope we are discussing a moot question; but I wanted to make sure that the legal implications were clear

Mr. EAGLETON. I thank the Senator from Georgia. With the understanding that has been brought forth in our colloquy, I can support the Nunn amendment.

Mr. NUNN. I thank the Senator from Missouri.

Mr. President, I will yield to anyone who wishes to make any comments on this amendment.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. NUNN. Yes.

Mr. BARTLETT. Mr. President, I ask unanimous consent that my name be added as a cosponsor of this amendment, if I am not already.

Mr. NUNN. The Senator has already been named a cosponsor.

Mr. BARTLETT. And I would like to compliment the Senator, because I recall very well when he and I were on the trip to NATO 1 year and 8 months ago, that one very distinguished and knowledgeable general from the Air Force placed AWACS as the No. 1 priority that he felt was most important for the defense of Europe. This was above everything else. It was ahead of the F–15 and a lot of other things that were high on his priority list.

So I compliment the Senator from Georgia for facilitating AWACS for NATO. I certainly strongly support it, and think this will strengthen our deterrent in NATO and strengthen the military balance in Europe.

Mr. NUNN. I thank the Senator from Oklahoma, and also express my deep appreciation for all that the Senator from Oklahoma has been doing for a long time in strengthening United States security and NATO security.

Mr. STENNIS. Mr. President, if I may have 3 minutes, I will only detain the Senate very briefly. I want to say a few words about the history of AWACS.

For a long time, our committee supported it on the ground that it was necessary to stop all these bombers that they were predicting then would be over here by the early 1970's.

Later, though, other qualities came through in such a brilliant way, and the bombers did not come—from Russia, I mean—and this weapon justified itself in its own right. I was pleased that we were going to get so much help from the other NATO countries, and that was also testified many times over, and we brought the message here to the floor. But this is another case where there is slow performance, and our allied nations may be justified. But certainly I am not giving up the idea that they are going to do something about it, and help some, at least, with reference to the cost of these highly expensive but very valuable protection systems and planes.

This matter originated in our committee to require some holdup until they did make a showing as to what they would do. Now you have discovered evidence, as I understand it, that to put that ban on it is premature, is that right, I ask the Senator from Nevada? You know, this restriction came out of the Tactical Air Subcommittee, as I am told.

Mr. CANNON. Yes, we originated the restriction, but the reason was that the NATO countries had not made any determination as to whether or not to go ahead. The R. & D. work here was related solely to the NATO version.

Mr. STENNIS. Yes.

Mr. CANNON. So the restriction was recommended in the hope that it would help to hold the feet of the NATO countries to the fire if they wanted to go ahead with the program, because if they did not make that determination, and there was some question about whether they did or did not intend to go ahead at the time, but if they did not make a determination to go ahead, we would have spent research and development money for a modification that was not required to meet our own Air Force needs. So that was basically the reason for the restriction.

Mr. STENNIS. Well, you are really not abandoning your position there to have them make a payment or bear part of the cost?

Mr. CANNON. No, no, not at all. And I might say that this release is, of course, contingent, based on the recommendations of the Secretary of Defense, who says, I believe, that six of the countries have now agreed to pay their proportionate share of the current R. & D. effort, subject to their legislative approval.

Mr. STENNIS. Yes.

Mr. CANNON. And they anticipate that that would be obtained not later than September, is my understanding, by the latest of those countries.

Mr. STENNIS. And you expect to continue your position with reference to requiring them to pay their share?

Mr. CANNON. Yes; if they sign a contract to go ahead with the purchase of some of the planes for the NATO countries, then the restriction would automatically be removed.

Mr. STENNIS. That is fine. That is really a strong position, and I am satisfied with it, Mr. President.

Mr. NUNN. I might say to the Senator from Mississippi, as a matter of interest, that these countries which have committed themselves to pay their proportionate share are as follows: Canada, $900,000; Germany, $2,643,000; Luxembourg $9,000; the Netherlands, $310,000; and the United States $4,066,000, which is the $4 million we are talking about.

So the United States would be paying about 50 percent of this, with the other countries that are already committed.

Mr. STENNIS. I thank the Senator. I support the amendment.

Mr. NUNN. I believe the Senator from Pennsylvania wanted time on this amendment.

Mr. SCHWEIKER. No; that is another amendment.

Mr. NUNN. If no one else wishes to speak on this amendment, I yield back the remainder of my time.

Mr. STENNIS. Whatever time remaining which I have control of. I yield back.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STAFFORD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1405

(Purpose: To increase the Army's aircraft procurement authorization.)

Mr. SCHWEIKER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania (Mr. SCHWEIKER) proposes an unprinted amendment numbered 1405,

On page 10, line 23, strike "$939,400,000" and insert "$1,017,800,000".

Mr. SCHWEIKER. Mr. President, my amendment provides the necessary funds to enable the Army to purchase 16 new CH–47C Chinook helicopters. The purchase of an additional 16 Chinooks will help the Army fullfill the helicopter strength requirements outlined in the "aviation requirements for combat structure of the Army" (ARCSA III) and its supporting study, HELILOG which outline three major initiatives in Europe for the Chinook helicopter.

First, the size of a medium-lift helicopter company will be increased from 16 to 24 aircraft. This change is designed to reduce personnel overhead costs and provide for a self-supporting eight helicopter platoon which can operate individually from its parent company.

Second, the number of CH–47 companies will be increased from three to six in order to properly support our NATO commitments.

Third, more than 75 percent of all Chinooks will be deployed in the Active Force, to permit the Army to make maximum use of this helicopter's flexibility to supply forward areas during time of war.

ARCSA III is a well researched and documented study to determine the overall aviation requirements of the U.S. Army. HELILOG, which supplements ARCSA III, details the Army's helicopter needs in Europe. In the fall of 1977, the Army anticipated initiating the changes outlined in ARCSA III in fiscal year 1979, with a projected completion in fiscal year 1983. However, at the current pace being suggested in the bill before us, needed Chinook strength levels will not be reached until fiscal year 1985 at the earliest.

At this point, I ask unanimous consent to have printed in the RECORD a June 30, 1978, letter I wrote to Lt. Gen. Edward C. Meyer, Deputy Chief of Staff for Operations and Plans of the Army, and his July 7 response to me.

In particular, I call attention to the first complete paragraph on page 2 of General Meyer's letter, where he states the "CH–47C is a critical item in worldwide Army combat readiness." Furthermore, General Meyer maintains the Chinook "is a critical asset to the Army in providing responsive and flexible combat and logistical support on any future battlefield. It is essential that the asset posture of the CH–47 helicopters be maintained."

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JUNE 30, 1978.

Lt. Gen. EDWARD C. MEYER,
Deputy Chief of Staff for Operations and Plans, Department of the Army, Washington, D.C.

DEAR GENERAL MEYER: On March 2, 1977, Brig. Gen. Charles E. Canedy briefed the Senate Armed Services Committee on the results of the Aviation Requirements for the Combat Structure of the Army (ARCSA III) study. During the briefing, General Canedy stated that a supporting study, HELILOG, discussed a requirement for two medium lift helicopter companies per Corps and an increase in the size of the helicopter company from 16 to 24 aircraft. This increase in company size would provide savings in overhead and would allow a self-supporting platoon of eight helicopters to operate separately from its parent unit.

Although General Canedy did not specify the implementation schedule for actions involving the CH–47 Chinook helicopter, "Aviation Week and Space Technology" magazine stated in its November 14, 1977 issue that the number of Chinooks deployed by the U.S. Army in Western Europe would increase from 57 in 1979 to 158 by the end of 1984.

Subsequently, when General Canedy testified before the Senate Armed Services Committee on March 15, 1978, he did not discuss the progress made by the Army to fulfill the ARCSA III requirements. Therefore, I would appreciate your responses to the following questions regarding the Chinook helicopter.

When does the Army plan to increase the size of the CH–47 company in Western Europe? When do you estimate this action will be completed?

Will the planned increase in CH–47 units in Western Europe generally take place in accordance with the schedule referenced by "Aviation Week?"

Has the U.S. Army been able to follow its original plan to implement the CH–47 initiatives of the ARCSA III Study?

Would the 16 CH–47 helicopters requested in the Fiscal Year 1979 budget assist in the implementation of ARCSA III?

Many thanks for your attention to these questions, and if possible, I would appreciate receiving your reply no later than July 7.

Sincerely,

RICHARD S. SCHWEIKER,
United States Senator.

DEPARTMENT OF THE ARMY,
Washington, D.C., July 7, 1978.

Hon. RICHARD S. SCHWEIKER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR SCHWEIKER: Reference is made to your letter of 30 June 1978 concerning CH–47 Chinook helicopters.

To answer your questions concerning the CH–47 and the implementation of the Aviation Requirements for the Combat Structure of the Army (ARCSA III), permit me to explain the initiatives which were approved for our medium lift helicopter fleet and the implementation schedule.

There are three major initiatives which directly affect the CH–47. First, to provide savings in personnel overhead and to achieve employment potential of a self-supporting platoon of eight helicopters away from its parent unit, we are increasing the number of aircraft in the CH–47 company from 16 to 24. Second, to properly support our forward deployed forces in NATO, we will deploy three additional CH–47 companies, for a total of six, to the Federal Republic of Germany. Third, we plan to place the preponderance of all CH–47 units into the Active Force, about 76 percent, in order to be available for rapid deployment to forward areas and to provide a rotation base for overseas units. Our original plan, completed in the fall of 1977, prescribed that all of these actions would begin in fiscal year 1979 and be completed by the end of fiscal year 1983. Since then, the Army has completed three actions, the Office Aviator Special Task Force (STF) the 1978 U.S. Army Worldwide Aviation Logistics Conference (WALC), and Review of the Aviation Structure through 1984. Each of these reviews surfaced difficulties in implementing the CH–47 initiatives. The Officer Aviator STF showed continued reliance should be placed in the Reserve Components; the WALC indicated a worldwide shortage in the CH–47 helicopter inventory required to support the plan; and modifications to the force structure are required because of forecast shortages of aviators to fulfill requirements and the worldwide commitments of the medium lift helicopter fleet.

Consequently, there have been changes made to our original plan which you reference for build-up of the CH–47 medium lift helicopter force in US Army Europe (USAREUR). We will provide one company in FY 80 and two more in FY 83. Current plans will increase our CH–47 Chinook helicopter resources in USAREUR to 158 by fiscal year 1985, which is a delay of approximately one year from the planned year that you reference. However, these companies will have sixteen (16) helicopters in each company until fiscal year 1985 when they will be increased to 24 CH–47C helicopters per company.

The CH–47C is a critical item in worldwide Army combat readiness pending the introduction of the CH–47D helicopter

through the CH–47 modernization program. The current inventory of CH–47 helicopters falls short of the required 482 and includes only 210–47C helicopters which can meet the required operational capability of lifting 15,000 pounds at 4000 ft altitude while operating at 95°F conditions. During the years 1978–83, a maximum of 55 percent of unit aircraft will meet the performance requirement of the required operational capability. Should procurement for the 16 CH–47C helicopters be approved, we may be able to build-up the CH–47 unit structure in USAREUR earlier and achieve the personnel savings and operational advantages inherent in the 24 helicopter CH–47C company. The CH–47C helicopter is a critical asset to the Army in providing responsive and flexible combat and logistical support on any future battlefield. It is essential that the asset posture of the CH–47 helicopters be maintained.

This requested procurement would also help maintain world-wide Army combat readiness as some 51 early nonstandard and nondeployable CH–47A model helicopters are phased out as they reach their 20 year life and as aircraft are inducted into the CH–47 modernization program beginning in FY 81. Aircraft delivered under this FY 79 procurement could be expected to operate in the Army helicopter fleet approximately ten years before remanufacture to the CH–47D configuration.

Should you desire additional information regarding this issue, please feel free to have your staff contact LTC James B. Thompson of the Requirement Directorate at extension 697–9666.

Sincerely yours,

E. C. MEYER,
Deputy Chief of Staff
for Operations and Plans.

Mr. SCHWEIKER. As I stated earlier, HELILOG spells out the Army's helicopter role in Europe. It backs up in extensive detail the important position played by the Army's helicopter force should a war break out in Europe. In the first 4 days following an invasion of Europe, 11 percent of the total tonnage moved would need to be moved by helicopter. At the Army's present helicopter strength level, barely one-third of this requirement can be met.

This helicopter wartime transportation requirement does not include the movement of rations or personnel. This 11 percent includes ammunition, barrier materials, equipment, replacement parts, and forward fuel and armament replacement items so that attack helicopters, like the Cobra, do not have to return to the rear lines to replenish their supplies during a battle. Since the Cobra helicopter is our major defense against a massive tank invasion, the Chinook in its supply role plays a very significant role in our defensive effort.

Mr. President, I feel my amendment has considerable merit in light of the Army's present shortfall in helicopter readiness, and I recommend it strongly to my colleagues.

I reserve the remainder of my time.

Mr. STENNIS. Mr. President, I yield myself 4 minutes. This might be a short statement but it is certainly important.

Mr. President, there is nothing the matter with the helicopters here in question. It is purely a matter of timing, as I have understood. The original justification related them to Korea, but that did not work out by the time the committee was taking the proof on it so the item was struck.

Then there was a shift and perhaps they are going to be needed for NATO. Then the question came up about the sufficiency of pilots.

We took the money out solely for the reason of timing and thought we would just move the thing forward a year and see what would develop.

It has cleared up some. The House did put the money in. The Senator from Pennsylvania has worked hard on this. He and I talked it over. If he will just leave the bill as it is—since we do not know just where we will be on money—I will guarantee on my part, and I am sure the other conferees will have the same attitude because we did not find any fault with the helicopters, if this use and need is current with the fiscal year 1979, we will yield on at least part of it.

Mr. TOWER. Will the Senator yield?

Mr. STENNIS. I just wanted to complete my thought. In the meantime, I want the Senator from Pennsylvania to keep us up to date on it and send us a memorandum now that we can take to conference covering this matter. He is certainly splendidly knowledgeable on it.

I yield.

Mr. TOWER. I thank my distinguished colleague from Mississippi. I would like to associate myself with his remarks and note that I will certainly look favorably on the House position in the conference on this. I think perhaps we should have some flexibility to deal with it in conference.

I certainly pledge to my friend from Pennsylvania that I will do everything I can in conference should he see fit to withdraw his amendment.

Mr. SCHWEIKER. I thank my colleague, the senior Senator from Mississippi. I know from serving on the Armed Services Committee with him as well as the Defense Appropriations Committee that if he tells me something, that is it. I respect that.

I also appreciate the assurances of my colleague from Texas.

In view of the assurances of my two good colleagues, Mr. President, I ask unanimous consent to withdraw my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. We thank the Senator for his attitude about it.

UP AMENDMENT NO. 1406

(Purpose: To make the Commandant of the Marine Corps a member of the Joint Chiefs of Staff)

Mr. BARTLETT. Mr. President, I have an unprinted amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Oklahoma (Mr. BARTLETT) proposes an unprinted amendment numbered 1406.

At the appropriate place in the bill insert a new section as follows:

Sec. —. Section 141 of title 10, United States Code, is amended by—

(1) striking out "and" at the end of subsection (a)(3);

(2) striking out the period at the end of subsection (a)(4) and inserting in lieu thereof a semicolon and the word "and";

(3) adding after subsection (a)(4) a new clause (5) as follows:

"(5) the Commandant of the Marine Corps.";

(4) striking out subsection (c); and

(5) redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

Mr. BARTLETT. Mr. President, I ask unanimous consent that the time for consideration of this amendment be changed to 40 minutes on each side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. This amendment will change present law to reflect existing practice, namely, that the Commandant of the Marine Corps act as a permanent member of the Joint Chiefs of Staff.

For the last 2 years, the Commandant of the Marine Corps has participated in every decision made by the Joint Chiefs and his participation in recent years has averaged over 99 percent. Most Americans recognize that we have the four military services, which, of course, includes the Marine Corps. The Commandant of the Marine Corps is in a unique position of having under his command members of the marine air and the marine line and, in a sense, the marine navy.

So he has personal knowledge of all types of warfare and his contribution to the Joint Chiefs' discussions is very vital to their consideration. To participate in each decision, he must indicate that the Marine Corps is interested in the issue to be discussed. Only the Secretary of Defense can deny the Commandant the right to sit in on any meeting of the Joint Chiefs. This has never been done. The Commandant of the Marine Corps participates in meetings of the Joint Chiefs whenever he chooses, and he chooses to participate in nearly every meeting. My amendment, Mr. President, would simply correct an outmoded law to match current practice. My amendment would not change the current manner in which the Joint Chiefs of Staffs operate nor would it change the relationships between the members of the Joint Chiefs and the military departments. My amendment would simply remove an archaic legal distinction existing between the Commandant of the Marine Corps and the other chiefs of service which the Honorable J. William Middendorf, when Secretary of the Navy, called "unnecessary and undesirable."

It is only right that the law reflect that the Commandant of the Marine Corps is a fullfledged member of the Joint Chiefs of Staff. The National Security Act of 1947 establishes the Joint Chiefs as the principal military advisers to the President, each representing the expertise and interests of their own military service. The U.S. Marine Corps has been a separate military service since 1798, and by statute, the Commandant of the Marine Corps is the Nation's primary adviser on amphibious warfare.

The need for the Commandant's participation in a wide variety of national

military decisions is reflected in regulations and procedures which require his participation in numerous Defense Department, JCS, Unified, and Specified Command arrangements. In fact, the presence of the Commandant is necessary when considering a broad range of military issues to include allocation of resources, preparation of the budget, and determination of a wide range of personnel and program policies. In the modern age, the Commandant must participate in nearly every decision the Joint Chiefs make; and he does. My amendment would merely state that fact in the law and remove the need for the Commandant to go through the administrative process of expressing his view that, as they come up, each and every item before the Joint Chiefs is of concern to the Marine Corps. My amendment would remove the need for the joint staff to add an additional paragraph to each paper prepared for the Joint Chiefs solely for the purpose of stating that the Marine Corps has expressed interest in the problem being discussed. The actual savings in paperwork is, of course, very small. It is the principle that counts.

In my opinion, the participation of the Commandant of the Marine Corps in all of the decisions of the Joint Chiefs has been very positive. Remember, Marine Corps commanders are the only service commanders who have assigned to them, in one organization all in the same uniform, air, sea, and ground combat forces. There are marine "soldiers," marine "sailors," and marine "airmen." I was, myself, a marine "airman." Experience in all aspects of modern warfare probably makes the Commandant of the Marine Corps ideal for bringing together the different interests and concerns of the other services because he understands "soldiers," "sailors," and "airmen." Certainly, I can think of no good reason why the Commandant should be excluded from the meetings of the Joint Chiefs. Apparently, no one else can either, so the Commandant is never excluded. He attends when he chooses, and votes like all of the members who are permanent by statute.

By law, the Commandant of the Marine Corps can be appointed Chairman of the Joint Chiefs of Staff. By law, the Commandant of the Marine Corps can attend and vote in any meeting of the Joint Chiefs of Staff. But, by law, the Commandant is not a permanent member of the Joint Chiefs, even though he now attends nearly 100 percent of all meetings.

The Commandant of the Marine Corps was excluded from being a regular member of the Joint Chiefs by the National Security Act of 1947 which established a unified Department of Defense with three separate military departments, the Departments of the Army, Navy, and Air Force. However, the Marine Corps remained a fourth, separate military service and provisions were made for the Commandant to participate in the Joint Chiefs where necessary. History has shown that his participation is nearly always necessary.

Again, my amendment only corrects the law to reflect current practice; namely, that the Commandant of the Marine Corps is a regular member of the Joint Chiefs of Staff. This amendment will not change the present practice, and I know of no opposition to this amendment.

Mr. President, I reserve the remainder of my time.

Mr. TOWER. Mr. President, will the Senator yield to me?

Mr. BARTLETT. Yes, I yield to the distinguished Senator from Texas.

Mr. TOWER. I think what the Senator from Oklahoma is doing is simply recognizing with appropriate statutory language what is a de facto situation, but which certainly gives the Commandant of the Marine Corps the status that he should have on the Joint Chiefs. I just want to say a word.

I have found that when we get the Joint Chiefs in for private talks with members of the Armed Services Committee, characteristically, they always tell us the way it is and then give us sound professional military opinions that are uninhibited by any concern about what somebody else might think. I think that this is a good move and I think the Marine Corps has earned this recognition. I hope the Senate will adopt the amendment.

Mr. STENNIS. Mr. President, I shall be brief on this matter. It is not just a simple matter. It is highly important. To pass this amendment, after all, in my judgment, would be merely to confirm what has become an established practice pattern that goes without deviation. The present law—and, of course, it will take time to read it—chapter 5, Joint Chiefs of Staff, goes back to the National Security Act, passed in 1947, setting up the Joint Chiefs and, 2 years later, selecting a Chairman and putting the Commandant of the Marine Corps in here was a very delicate and sensitive situation. I was not here at that time, but I got in within 2 or 3 weeks or months and got all the reverberations that came out of this situation, as well as others.

Here is the way the law presently reads:

(b) The Joint Chiefs of Staff are the principal military advisers to the President, the National Security Council, and the Secretary of Defense.

(c) The Commandant of the Marine Corps shall indicate to the Chairman any matter scheduled for consideration by the Joint Chiefs that directly concerns the Marine Corps. Unless, upon request of the Chairman for a determination, the Secretary of Defense determines that such a matter does not concern the Marine Corps, the Commandant shall meet with the Joint Chiefs of Staff when that matter is under consideration. While the matter is under consideration and with respect to it, the Commandant has co-equal status with the members of the Joint Chiefs of Staff.

That coequal status has grown over the years to mean that he is there virtually all the time and takes part in those deliberations. For practical purposes, he is a member of the Chiefs. I understand that for the last 3 or 4 years, the Commandant or his 4-star Vice Commandant has been at these meetings, so all meetings have come to be deemed to be of interest and concern and relating to the Marine Corps.

My first impulse, when this was mentioned to me, was that it was so important that there ought to be a hearing on it. Then, frankly, after I learned all these facts that I related here and thought back over the years about it, I thought an extensive hearing on it might open up the thing and stir up the matter more than just the change in law here would do. This would really just confirm the status of operation now. I think that it is not a drastic step, by any means. It is legalizing fully and confirming what has grown to be a practice that is settled now and accepted. There is nothing at issue, even though there was, at first, some considerable talk about whether or not the other Chiefs were going to let the Commandant sit in on anything unless it vitally and totally concerned the Marine Corps.

Also, this matter is not just a matter concerning officers. This relates to the operation of the Department of Defense. It is rather relevant to this bill, although not truly so, because we set the manpower and so forth.

I really think it would fit in and it is worthy. I would like to see it adopted and give us a chance to present it to the House conferees—I think perhaps successfully. I never have seen Marines fail to arouse some interest around matters that concern them. They usually have good reason for their position and they give more for the military dollar, in my opinion, than anybody else. I am supporting it on those principles, Mr. President.

Mr. BARTLETT. Mr. President, I am prepared to yield back the remainder of my time.

Mr. STENNIS. I yield back the remainder of my time, unless someone wishes to speak.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BARTLETT. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT 1407

Mr. MORGAN. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. MORGAN) proposes unprinted amendment No. 1407.

On page 11, line 6, strike out "$5,602,700,000" and insert in lieu thereof "$5,487,700,000".

Mr. MORGAN. Mr. President, the purpose of my amendment is to delete $115 million from the budget that has been allocated for the conversion of an amphibious assault ship, LPH, to a V/STOL carrier and then also to commence the building or construction of a new LHA assault ship.

Mr. President, we talked about this proposal at length in the committee and I was against it. Normally, I would support the committee's position. But since this particular appropriation has long and far-reaching effects, and, in effect, changes the direction that this country will go with regard to aircraft carriers. It

changes it from the present system of large carriers to a series of smaller carriers and I think it is important that we talk about it and consider it here on the floor of the Senate.

It is a new program we are launching, Mr. President. While I know its sponsor, the distinguished Senator from Colorado, has spent many long hours on this proposal, and I know he is firmly convinced of it, I have been unable to find any testimony before the committee that supports this idea.

In fact, it is my understanding the Navy does not want it. It would seriously reduce the capabilities of the Marine Corps by taking from them one of their assault ships.

Mr. TOWER. Will the Senator yield for a question?

Mr. MORGAN. Yes.

Mr. TOWER. Not talking on the merits of the amendment of the Senator from North Carolina, but I think it was unexpected and it was thought that the amendment of the Senator from South Carolina relative to survivors' benefits would be the last amendment tonight.

I wonder if the Senator from North Carolina intends to press his amendment to a vote, so we can come to some idea here on whether we can finish tonight.

Mr. MORGAN. I had understood we were going to finish the bill tonight.

Mr. TOWER. That is what we wanted to do, but it depends on the time situation.

Mr. MORGAN. I am reluctant to take my colleagues' time, but I think I would press it to a vote because I think it is such an important matter.

Mr. STENNIS. If the Senator will yield, could be make the time a little less?

Whatever the Senator wants is what he is entitled to under the regular order, but we can finish it tonight.

Mr. MORGAN. How much time am I allotted under the agreement?

Mr. TOWER. One hour.

Mr. MORGAN. I think I will take no more than 15 minutes.

Mr. STENNIS. All right.

Mr. TOWER. I think we probably should inform Senators that there are likely to be three more rollcall votes, rather than two, and that we likely will be in late if we finish, because I think some of them were planning to go to something honoring the Senator from West Virginia (Mr. ROBERT C. BYRD) and I am just trying to get this information for their benefit.

Mr. STENNIS. What time would satisfy the Senator from North Carolina, less than an hour?

Mr. MORGAN. Put it this way, since I have already started, I will try to keep it short, but I do not believe I want to bind myself to any time.

Mr. HART. Will the Senator yield for 30 seconds?

Mr. STENNIS. The Senator has the floor.

Mr. MORGAN. Yes.

Mr. STENNIS. Does the Senator have a question?

Mr HART. No. I want to respond to the Senator from Texas by saying that if the proposed amendment prevails, then I would be prepared to offer an amendment of my own striking funds of the carrier to take the full amount.

Mr. STENNIS. We will get to that later, but let us let the Senator be heard.

Mr. HART. That was my intention.

Mr. STENNIS. All right.

Mr. MORGAN. Mr. President, as I was saying, I feel so strongly about this because what we are actually doing is changing the concept of naval warfare. We are doing it without any kind of testimony having been taken before the committee, without the support of the Navy or without the support of any of the other military experts.

I think if the Senate wants to do it, it is the Senate's prerogative to do it, but we are talking about more than just $115 million here. We are talking about money that could run into billions of dollars, if we follow this concept, which we may well be committing ouprselves to.

When we develop a V/STOL aircraft with sufficient performance, range and carrying capacity to satisfactorily perform one or more Navy missions, it should revolutionize tactical airpower for the Navy and permit the employment of more numerous, economical and agile sea platforms.

I am convinced, however, only a prudently restrained development effort aimed at these V/STOL aircraft should be funded at this time. The unfortunate state of the art is that our very capable aircraft designers and manufacturers feel that the technology is some time off—and maybe as much as 20 years off—before it would permit production of a V/STOL aircraft capable of making use of this new, small carrier.

It appears that some significant breakthrough in thrust to weight ratio must be achieved before V/STOL can perform the Navy mission. New technology is needed to get the propulsion system and avionics weight down. There are the additional and very serious considerations of maintainability of V/STOL systems aboard even a large carrier, to say nothing of any future VSS carrier.

Since the Navy is currently just in the process of studying the concepts for employment of the V/STOL, it appears unwise to continue the program at the initially planned pace until the employment concept is resolved. The unfortunate real-world choice that we must make is to continue to deploy aircraft platforms flexible enough to accept technological innovations and still support our current, prudent investment in catapult launched aircraft.

One result of this situation is that while we are making a significant investment in development of V/STOL, the uncertainty of that development militates against expenditures for V/STOL platforms at this time. Particularly, even though we have voted funds to initiate research and development on the AV–8B "Plus" aircraft, there will be no aircraft which could use the converted LPH and LHA in the forseeable future.

What we are doing now is converting and building a carrier we do not have any use for and do not know when we will have anything to use it for, and because we are converting one, we will be depriving the Marine Corps of the use of an LPH.

Therefore, we said to them, "If you won't make too much fuss, we'll start building you a little larger one."

It just disturbs me that we are preparing to build a carrier for which we have no use in the foreseeable future.

If V/STOL for the Navy missions ever comes on the horizon there will be adequate time then to convert or build platforms to carry and operate them.

This is our opportunity to cut some real "fat" out of the defense budget without hurting defense muscle at all. We should not miss the chance.

To convert an LPH at this time will reduce, as I mentioned, the Marine Corps' already critical amphibious assault capability and cut into muscle.

This appropriation carries, as I recall, a $45 million appropriation for the conversion of LPH into a small carrier for the use of V/STOL aircraft, for which we have none; and because we are converting an LPH, then we have to build something for the marines to replace that. So, we are starting to build a six LPH, which is a larger amphibious assault ship, and $70 million of the $115 million that I am trying to cut out is just for long lead funding for the six LPH.

I do not have the figures and do not know what the LHA will cost, but you can bet your bottom dollar that it is going to cost many more millions.

The concept is to get away from the large carriers, which have been tried and tested in World War II and the Korean war, to a new concept for a lot of very small carriers, which in the future may be the way to go, but I do not think it is the way to go until we at least get an airplane that will qualify. We do not have one, and the best information I can find is that if we get one in 20 years, we will be doing well.

So, Mr. President, I think this is an opportunity not only to save $115 million out of this budget, but to avoid committing ourselves for the construction of LHA's, which is going to cost many millions of dollars more than the $70 million we have in here simply for long lead funding.

The PRESIDING OFFICER (Mr. MATSUNAGA). Who yields time?

Mr. STENNIS. Mr. President, I yield to the Senator from Colorado such time as he may wish.

Mr. HART. I thank the distinguished floor manager.

Mr. President, the bill before us represents a very carefully and thoughtfully structured approach to a very complex problem, that is, how we disperse our air assets at sea. It is not frivolous, nor is it accidental, nor is it arbitrary, nor, contrary to what the Senator from North Carolina said, is it unfounded in terms of the record.

Let me cite circumstances in which naval authorities, uniformed and civilian, have indicated their support for this approach.

This is testimony before the Armed Services Committee. I asked Admiral Holloway:

Admiral Holloway, in your personal opinion, financial constraints aside, would you object to attempts to diversify our aircraft onto a larger number of platforms, not as a replacement for, but as a supplement to, our force of large carriers?

ADMIRAL HOLLOWAY. If we can maintain a force of 12 large deck carriers with their modern air wings and financial constraints

aside, I would not object to diversifying our aircraft onto a large number of platforms as a supplement to our large deck carriers. I would be delighted to add to our force one or more helicopter/VSTOL small carriers if this can be done without imparing our other force levels. A converted LPH, for example, could be well utilized as an MCM carrier and would assist us in meeting our NATO obligations in the area of ASW.

That is Admiral Holloway, former Chief of Naval Operations.

I asked Admiral Holloway:

Admiral, the Sea-based Air Study done by the Navy at this committee's request gave strong arguments both for the large, capable carrier and for dispersion through V/STOL support ships. In your view, would a carrier package combining both elements be consistent with the findings of the Sea-based Air Study?

ADMIRAL HOLLOWAY. Yes, Sir.

This committee, in its last year's report, made the following observation with regard to the naval ship program:

The need to maintain naval superiority is not in dispute. There is also general agreement on the requirement for the development of technology, more naval platforms, and more dispersion of air assets at sea.

That is the Senate Armed Services Committee report of last year.

Our report of last year goes on:

A further alternative would be a program emphasizing small carriers designed exclusively for V/STOL aircraft. It appears that only a program incorporating this type of less costly ship can answer the need to disperse at-sea air assets into a larger number of platforms. To this end, the committee has added $13.5 million for research and development of the design for a V/STOL aviation ship.

Skipping down:

The committee believes that development of V/STOL aviation ship should proceed at least the same pace as the proposed CVV medium conventional carrier.

In testimony before our committee on dispersing air assets at sea, I asked the Secretary of Defense:

Do you think we should be doing more in terms of diversifying the surface fleet, especially the aircraft carrier fleet, into a larger number of platforms, and if so, what should we be doing on a short-term basis for the year 2000?

Secretary BROWN. I do think that we need to do more in that direction, Senator Hart.

He goes on to discuss what Congress had before it at that time. He says with regard to the expensive large carriers:

But no matter how capable and expensive a ship is, it cannot be in two places at once. If that ship is destroyed then the whole capability is gone, whereas, if you distribute your overall caapbility over a larger number of platforms, the loss of one ship leaves you with capabilities remaining.

I asked Admiral Holloway once again, in another set of hearings:

Admiral HOLLOWAY. The principal reasons why the Navy has dropped its earlier plans for V/STOL support ship construction in the present and near future—seven VSS were included in the Navy five-year shipbuilding program submitted in 1975, and one in 1976—budgetary? And if the funds were available would the Navy be able to use some ships of this type as supplements to the force of large carriers?

ADMIRAL HOLLOWAY. The principal reasons were, in the final analysis, budgetary. If funds were available to build VSS and to procure their complement of aircraft, the Navy would be able to make very good use of some ships of this type as supplements to the force of larger carriers.

The Secretary of the Navy's letter accompanying the sea-based air study points out at some length the advantages of the so-called V/STOL support ship or light carrier. I ask unanimous consent that a page from that letter be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

While no study can answer all the questions about the relative potential contributions of the different ship designs, this study does, in my view, provide a variety of useful insights and a wealth of quantitative data on those features that are quantifiable. The study also has examined a number of candidate platforms that have been proposed from time to time and rejected those that proved unpromising.

DISCUSSION

CVN

The CVN possesses, ship for ship, both the greatest unit capability and survivability of the ship types examined. This study thus confirms many previous findings in that regard. Further, a variety of CVN designs, from present configuration through one with maximum passive (structural) protection, were examined. The increased protection was found to offer a high payoff in survivability against all threats relative to its additional cost. Another interesting point is that the CVN makes quite an effective VSTOL platform when its inherent survivability is combined with VSTOL freedom from cyclic operations and the ability of VSTOL aircraft to operate from slowed or damaged platforms. The predictable shortcomings of the CVN were its high unit cost and correspondingly smaller numbers, which constrain both strategic and tactical dispersion.

CVV

The CVV, although below the CVN in both unit capability and survivability, offers a variety of offsetting advantages. It is, by any account, a highly capable weapon system and, at a ratio of 3CVVs to 2CVNs, it significantly enhances simultaneous deployment options and strategic dispersion. It is specifically sized for operation of both conventional and vertical takeoff aircraft, so that, however the CTOL/VSTOL transition develops, continued high CVV utility is assured. The CVV, in our cost-effectiveness analyses, did not surpass but generally comparable to the CVN, and it must be considered as an attractive alternative because of its overall sea control and projection contribution and its ability to support both the near term CTOL force and a long term VSTOL force. It should be understood, of course, that more CVVs will be needed than CVNs for equal capability.

VSS

The VSS represents the end of the spectrum opposite the CVN in most respects. It is less capable and survivable on a ship-for-ship basis, but is much more affordable at 3.5 to 1 ratio, and lends itself well to a much greater degree of strategic and tactical dispersion. The long-term value of the VSS, of course, rests on the successful development of at least some mission-capable VSTOL aircraft. Given such success in VSTOL, the VSS would provide unique flexibility to the development and employment of sea-based aviation. I found it most interesting and revealing that the VSS fared exceptionally well in the projection role, as well as in war at sea.

Mr. HART. Mr. President, the record goes on and on, and I do not want to detain the Senate by citing instances of support for the approach the committee has taken. I think they are substantial and will justify the majority opinion of the committee on this point.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. HART. I yield.

Mr. TOWER. The Senator from Colorado is correct when he states that this whole package has been worked out carefully in committee and that there was disagreement. I had reservations about the LPH conversion, but in a spirit of compromise, we tried to accommodate some very strongly held views about concepts of Navy force structure. I think everybody acted in a spirit of good will and a desire to do what is best for the Navy.

Having worked this out, I hope we will not destroy this package that the committee worked out so carefully, and I hope that the Senate will reject the amendment offered by the Senator from North Carolina.

Mr. STENNIS. Mr. President, I shall be quite brief reiterating the points that have already been said with great emphasis. For 3 years our committee has worked, many of the Members, on this concept about a carrier continuation of the present style, shall we go over to the vertical takeoff and landing V/STOL style and if so it takes a new set of planes. We found out that if we are going to shift from one to the other it will take a long time to do it with the lapse of many years, 12, 15 years to make this transition. Then came the question, is there anything that will span the gap, anything that will stem the tide, carry over from one to the other. Then comes in this step here about the alteration of the LPH, the building of another LHA, and so forth. It had all been presented here in part last year, but this year completely in debate today and we have had it back and forth.

So I do not know what the House of Representatives is going to do about these two particular items. I do not know what the Appropriations Committee of the Senate is going to do about the whole problem, nor the House Appropriations Committee. But I am confident of this, that we are coming into a change for the use of carriers and the type of carriers, and that means the planes that go with them. I think that is generally agreed. Now we have a plan and something that tries to partly span from the first, the present to the next, and we have inched along until we made some headway in getting this accepted. No one has a full answer. I cannot say I do. The very opposite. But let us move this thing on rather than stop now and tear it apart and see what the judgment of other groups are and see how far we can get because time is going to be running out. We must move and I know many have made concessions to get this thing to where it is now. I hope it will not be disturbed.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. MORGAN. Mr. President, I realize that the art of legislation is and ought to be the art of compromise. But those compromises ought to be compromises

that are well supported and well thought out.

I think it is the element of compromise in this matter that concerns me the most. I think what we are doing is we are trading one of the Navy's amphibious landing ships for a *Nimitz*-class carrier. Of course I favor the construction of the *Nimitz*-class carrier. But I still say we are moving into a new concept without adequate study and preparation.

I submitted this question to Admiral Holloway with regard to the V/STOL:

What is your level of confidence that a V/STOL aircraft capable of fulfilling Navy fleet defense missions will be developed by 1990.

Admiral HOLLOWAY. While we are continually investigating V/STOL technology as rapidly as authorized funding will permit, I do not believe a fleet mission capable V/STOL aircraft will complete development by 1990 due to projected fiscal constraints.

We are going to have a V/STOL ship with no V/STOL aircraft.

Mr. President, I think the compromise sets a dangerous direction. Mr. President, I understand that this is not in the House bill.

Will the Senator yield for a question?

Mr. STENNIS. I am glad to yield.

Mr. MORGAN. Is this in the House bill?

Mr. STENNIS. No, it is not.

Mr. MORGAN. And it will have to be decided and reconciled in conference. I have made my views a matter of record. So rather then delaying the entire Senate, that I understand wants to go to a dinner honoring our distinguished majority leader, I will not withdraw the amendment but I yield back my time and let the vote be taken by voice vote.

Mr. STENNIS. Mr. President, I yield back such time as I control.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment offered by the Senator from North Carolina.

(Putting the question.)

The PRESIDING OFFICER. The nays appear to have it. The nays have it.

The amendment is not agreed to.

Mr. STENNIS. I move that we reconsider the vote by which the amendment was rejected.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Mr. President, I yield 1 minute to the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan is recognized for 1 minute.

ARMY TANK PROGRAM

Mr. GRIFFIN. Mr. President, during World War II the decisive U.S. ground-gaining arm in Western Europe was armor.

In part, that was due to the tactical genius of commanders like George Patton and Creighton Abrams, and in part it was due to the practical fact of life that Allied armor divisions outnumbered the Nazis by about 4 to 1.

It is clear that the Soviets today recognize the importance of tanks in modern warfare. They have devoted considerable resources to fielding a tank force which must be judged—qualitatively and quantitatively—as being superior to our own.

In his most recent annual report to the Congress, the Chairman of the Joint Chiefs of Staff acknowledged that the T–72 Soviet tank is superior to the best tank we have in the field. And the Russians are even now developing an even more modern successor, designated the T–80.

Quantitatively speaking, the armor balance is frightening. In heavy and medium tanks, the Soviets now have us outnumbered by nearly 5 to 1—a superiority in excess of 35,000 tanks.

Unless things change, the picture is going to get worse with time. We are being outproduced at a rate of about 4 to 1.

Because of the imbalance, this Senator is deeply troubled by some of the recommendations of the Armed Services Committee concerning our tank programs.

For example:

The Armed Services Committee has recommended cutting production of of M–60A3 tanks in half for fiscal year 1979—reducing the Army's request from 480 to 240.

The committee has reduced the Army's total request for new tank procurement by $245 million—a reduction of 30 percent.

The committee has deferred funds requested by the Army to eventually attain a production capacity of 150 new XM–1 tanks per month, on the grounds that such a contingency was inadequately justified.

In fairness to the committee, it should be noted that $52 million has been added for conversion of 240 M60A1 tanks to the M–60A3 configuration. This is a useful modification which I support. However, we should not pretend that reducing new procurement by 240 tanks, and instead modifying 240 older tanks to a more modern configuration, is an equitable trade. The fact is that under the Army's proposal the United States would wind up with 480 new M60A3 tanks while retaining our present inventory of older model tanks. Under the committee's "compromise," our total M–60 tank inventory will increase by only 240.

Given the importance of armor to the conventional arms balance in the NATO theater, it would in my view have been wiser to have authorized funds for the full 480 new M60A3 procurement, in addition to providing funds for conversion of the older M60A1's.

And given the difficulties we have encountered in rebuilding our armor strength in the aftermath of our tank transfers to Israel following the 1973 war, the Army's request for 2 XM–1 production facilities—which would allow production of 120 tanks per month, with a surge capability of 150—does not seem at all unreasonable.

In view of the importance of armor in the theater force balance, and in light of the tremendous superiority the Soviets have already attained, I strongly urge our Senate conferees to consider favorably the House-passed provisions concerning armor force procurement.

I believe the position taken by the House in this instance would better serve our national security needs.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

AMENDMENT NO. 3068

(Purpose: To make certain changes in the Retired Servicemen's Family Protection Plan and the Survivor Benefit Plan provided for under Chapter 73 of title 10, United States Code)

Mr. THURMOND. Mr. President, I wish to call up my amendment No. 3608 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Carolina (Mr. THURMOND) proposes amendment numbered 3068.

Mr. THURMOND. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add a new section as follows:

SEC. 809. (a) Chapter 73 of title 10, United States Code, is amended as follows:

(1) Section 1434 is amended by adding the following new subsection at the end thereof:

"(e) Whenever retired or retainer pay is increased under section 1401a of this title, each annuity that is payable under this subchapter on the day before the effective date of that increase to a spouse or a child of a member who died on or before March 20, 1974, shall be increased at the same time by the same total percent.".

(2) Clause (2) of section 1447 is amended by—

(A) striking the semicolon at the end of clause (B) and inserting a period in lieu thereof; and

(B) deleting the words "as increased from time to time under section 1401a of this title".

(3) Section 1450 is amended by adding the following new subsection "(j)" at the end thereof:

"(j) Where the annuity has been adjusted under section (c) of this section and there is no entitlement to compensation under section 411(a) of title 38, due to remarriage adjusted to the rate of entitlement existing prior to the adjustment and subsection (c) of this section, if any amounts refunded under subsection (e) of this section are repaid.".

(4) Section 1451(a) of title 10, United States Code, is amended to read as follows:

"(a) If the widow or widower is under age sixty-two the monthly annuity payable to the widow, widower, or dependent child under section 1450 of this title shall be equal to 55 percent of the base amount as increased from time to time under section 1401a of this title. When the widow or widower reaches age sixty-two, the monthly amount shall be reduced by an amount equal to 50 percent of the amount of any survivor benefit which the widow or widower receives under section 210(1)(1) of the Social Security Act (42 U.S.C. 410(1)(1)) based solely upon service by the person concerned as described in such section and calculated assuming that the person concerned lived to age sixty-five. The reduction prescribed by the second sentence of this subsection shall not be made if the only service by the person concerned as described in such section 410(1)(1) involved periods of service of less than thirty continuous days for which the person concerned is entitled to receive a re-

fund under section 6413(a) of the Internal Revenue Code of 1954 (26 U.S.C. 6413(a)) of the social security tax which he had paid.".

(5) Section 1452 is amended by adding the following new subsection (g) at the end thereof:

"(g) The reductions in the retired pay as prescribed by this section shall be increased at the same time and by the same percent as retired or retainer pay is increased under section 1401a of this title.".

(b) Each annuity that is payable under subchapter I of chapter 73 of title 10, United States Code, to a spouse or a child of a member who died on or before March 20, 1974, shall be increased effective October 1, 1977, or on the first day of the month after the date of enactment of this section, whichever is later, by the total percent that retired or retainer pay has been increased under section 1401a of that title since September 21, 1972.

(c) This section shall be effective October 1, 1977, or on the first day of the month after the date of enactment, whichever is later. No pay shall accrue to any person by virtue of enactment of this section for any period before the effective date of this section.

Mr. THURMOND. Mr. President, I also ask unanimous consent for a vote on the amendment after the 2-hour period or sooner if time is turned back.

The PRESIDING OFFICER. Is there objection?

Mr. STENNIS. Mr. President, it was a unanimous consent, was it not?

The PRESIDING OFFICER. Yes.

Mr. STENNIS. There is an hour.

Mr. President, I reserve the right to object. There is an hour to each side anyway, is there not?

Mr. THURMOND. I said after the 2-hour period or sooner if time is turned back.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I realize that we have been here all day and I realize that many people are tired, and I shall try to make this as brief as I can.

I wish to say that I am speaking tonight for the military widows. It is not for the people on active duty but it is their widows, after those who have worn the uniform and served their country have passed on.

There are many discriminations which I shall discuss within a few minutes, and I hope the Members of the Senate will give their attention to this discussion because it is a very important matter.

On September 21, 1972, Congress after many years of heated deliberations finally established what is known as a survivor benefit plan (SBP) for military widows by passing Public Law 94-425.

Unfortunately, Public Law 92-425 contained many inequities and omissions because of the lack of understanding and the complexity of the issues involved. In subsequent years, a few of the most obvious and gross inequities which had discouraged participation were corrected by the Congress.

However, some unfair provisions and omissions still plagued the survivor benefit plan. In an effort to correct more of these ill-advised judgments, the House passed H.R. 3702 to correct additional inequities in September 1977. Unfortunately, the Senate has not acted on this vital legislation.

Consequently, I am introducing a survivor benefit plan amendment to the military authorization bill, S. 2571. This amendment contains the same provisions passed by the House in H.R. 3702 in this session of Congress. It passed the House last September by a unanimous vote of 391 to 0.

And I am now submitting the same amendment as passed by the House of Representatives 391 to nothing last September.

The main elements of the House bill and my amendment are:

First. Authorize cost-of-living adjustments of annuities under the retired serviceman's family protection plan (RSFPP). That was the plan prior to the present survivor benefit plan, and that will affect the widows who are very old. There are not too many of them. If we delay this matter it will be too late for many of them.

Second. Provide for reinstatement of survivor benefit plan (SBP) benefits to the widow of a retired member who had elected VA benefits upon the death of the retired member and who had subsequently remarried after age 60. The reinstatement of benefits would be effective upon the termination of the subsequent marriage;

Third. Reduce the offset payment for social security benefits for beneficiaries of SBP from 100 percent to 50 percent;

Fourth. Eliminate the reduction in SBP benefits of a widow who is entitled to, but not actually receiving, social security payments based on her husband's military service; thus permitting widow to collect social security payment derived from her own employment;

Fifth. Eliminate the offset of SBP benefits for social security payments for a widow with one child;

Sixth. Eliminate the offset of SBP benefits for social security benefits for the widow of a Reserve retiree whose only active service after 1956 consisted of active duty for training for periods of less than 30 days;

Next, it would change the calculation of the cost of SBP coverage to be consistent with the Civil Service System.

Mr. President, the Congressional Budget Office calculated the cost of H.R. 3702 last year. At that time, it was estimated that the first year cost would be approximately $21 million. In projecting these costs through 1982, it is estimated that the cost for 1982 would be approximately $49 million. For the purpose of the record, I am providing herein the projected estimated cost of each element of the amendment, as calculated by the Congressional Budget Office.

Mr. President, I ask unanimous consent that a table entitled "Detail of Estimate for SBP Amendment to S. 2571" be placed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Detail of estimate for SBP amendment to S. 2571

[Fiscal years, dollars in millions]

Provision	1979	1980	1981	1982
1. RSFPP	7.8	8.4	8.8	9.2
2. DIC widows	.24	.25	.26	.27
3. 100-50% offset	3.75	5.0	6.2	8.0
4. Working wife	.12	.15	.18	.24
5. One child	.56	.75	.93	1.2
6. Reservists	.04	.05	.06	.08
7. Recalculation	8.0	15.0	22.0	*30.0
Total	20.51	29.6	38.43	48.99

* Reduced revenue to the Treasury—not increased tax dollars.

Mr. THURMOND. Mr. President, during the 94th Congress, the Defense Department supported those provisions of H.R. 14773 now contained in H.R. 3702 which would have extended the cost-of-living increases for RSFPP widows. In addition, former Defense Secretary Rumsfeld in his annual report to the Congress for fiscal year 1978 endorsed the reduction in the offset from 100 to 50 percent, as also embodied in H.R. 3702.

Mr. President, I would like to elaborate on most of the major elements of my amendment, which represent the more severe inequities. These provisions pertain to the Retired Serviceman's Family Protection Plan (RSFPP), the social security offset, including a widow who has earned her own social security, and adjustments to make the annuity consistent with the Civil Service Survivor Annuity Plan.

First, it would authorize cost-of-living adjustments for widows covered by the Retired Serviceman's Family Protection Plan, commonly referred to as RSFPP, which was the predecessor of the present SBP. That is a group, as I said, which were the older widows and they number approximately 9,500.

The same cost-of-living adjustments would be provided for widows getting benefits under the RSFPP, as are provided for those getting benefits under the present survivor benefit plan. Under the present survivor benefit plan they get the cost-of-living adjustment, but under the old plan they are not getting benefits. This was an unfortunate omission when the survivor benefit plan was enacted in 1972. You can imagine the plight of RSFPP widows those annuities have remained the same, but have been ravaged by inflation since the deaths of their husbands 5, 10, or even 20 years ago. Just since 1972, the Consumer Price Index has increased more than 40 percent.

Second, it would reduce the social security offset from 100 percent to 50 percent. Right now a widow who receives benefits under the survivor benefit plan has social security deducted 100 percent. We feel it is very unfair, and there is a question whether any should be deducted, but certainly not over 50 percent should be deducted.

It would eliminate the offset entirely

for a widow who is receiving no social security benefits from the late husband's military service. There are several situations in which this may occur, but the most common is the widow who has worked for many years and earned her own social security benefits. Even though she receives no social security benefits from her late husband's account, her SBP annuity is reduced dollar for dollar for those nonexistent benefits. Also removed is the offset for widows under age 62 with one child, since widows with two or more children already are not subject to the offset. The present 100-percent social security offset is unfair to all widows covered by the plan, but it is particularly burdensome to widows of enlisted personnel. In some cases, it completely wipes out any benefit otherwise payable. This is grossly unfair since the retired member contributed very substantially during his lifetime in order to provide this benefit for his widow. In addition, he contributed substantially to the social security program.

I might say, Mr. President, that the members of the armed services have to pay social security. They have no choice, as other people do. Yet it is of no value to have the survivor benefits plan when you take away the social security, as is being done now.

Third, it reinstates the survivor benefit plan payments to widows whose Dependency and Indemnity Compensation (DIC) is terminated on remarriage after age 60. This would eliminate an inequitable situation in which the widow of a retiree can have her benefits reinstated if her husband died of a non-service-connected cause, but the widow of a member who died of a non-service-connected reason cannot have those benefits reinstated. That is completely ridiculous to have a widow whose huband's death was service-connected being denied the right to reinstate these benefits, and yet one who is non-service-connected can have the benefits reinstated.

Fourth, it corrects an inequity caused by a difference in the method of applying cost-of-living adjustments to the survivor benefit plan. As a result of this difference in the method of calculation, the plan is now costing a military retiree approximately $13 per month more than the exact same plan is costing his civil service counterpart.

Mr. President, what is fair about that? Why should a military retiree have to pay $13 more per month than a corresponding equal beneficiary of a civil service retirement system? The administration itself acknowledges this is wrong; the Defense Department acknowledges this is wrong, and it should be corrected.

It should be noted that the element pertaining to recalculation to reduce the cost of the annuity to the retiree to make it consistent with the civil service SBP is actually a reduction of Government revenue. It is not a direct increase in cost to the taxpayer.

Mr. President, these measures are very worthy. The benefits of H.R. 3702 which are not too costly would be of great value to the morale of our active military, many of whom are becoming disenchanted with military careers, as well as for our retired military community.

There are those around Washington, especially on Capitol Hill and in the administration, who advise that any action on the survivor benefit plan should be delayed until the Congress receives the administration's recommendations on changes to the military compensation system which for about the fourth time in the last few years has been under study. We all know that there have been numerous studies of the military compensation system.

Mr. President, in my judgment, it is not necessary for the Congress to delay action on SBP until the administration's proposals resulting from the President's Panel on Military Compensation are received by the Congress. It has been reported to me that officials of the President's Panel agree with this view.

I repeat, it has been reported to me that officials of the President's Panel agree with this view. Any action by the Congress to change the complex military compensation system is not likely to occur, if at all, until the 96th Congress.

It is reported that the Defense Department does not plan to submit a legislative package to the Congress based on the Panel's compensation recommendations until 1979. Even if the system might be changed at some future date, the legislative effect, if any, on SBP would not be a major problem, since SBP—survivors benefit plan—annuities are essentially established by compensation percentage formulas.

Mr. President, I urge my colleagues to consider this amendment carefully. It is nothing but a matter of justice. It is nothing but a matter of right. It is a matter of correcting inequities that the Defense Department itself acknowledges are wrong. In fact, the main thing the Defense Department objects to, or the Budget Committee objects to, or the administration, is the matter of the offset, and I want to say, with regard to that offset—and I might as well take that up now, because there is a lot of hullabaloo about this cost, and I want to go into that and might as well do that now.

In response to inquiries about the cost of my survivor benefit amendment to the military authorization bill, I would like to correct some misleading information. There appears to be concern particularly about the long-range cost of reducing the social security offset from 100 percent to 50 percent at age 62.

According to cost projections prepared in a June 8, 1977, report by the Department of Defense, the Government will maintain a surplus in terms of pay-out of benefits for the next two decades. Beginning about year 1997, and peaking early in the next century, disbursements to widows will exceed retired pay reductions by modest amounts. For example, in the year 2000, the cost to the Government will be $73.4 million, decreasing to $41.7 million in the next decade, with a $2-billion surplus again by the year 2025. It is interesting to note that the Defense Department projects that, cumulative through the year 2035, it can reduce its projected outlays for the retired pay by $47 billion because of the survivor benefit plan. For the year 2035 alone, Government revenues will be increased by 4.6 billion.

Now, Mr. President, I would like for the distinguished chairman of the committee, the Senator from Mississippi, to listen to this, because it is a very important matter, and I am anxious for him to hear it; I feel that after I finish, he may wish to consider accepting this amendment—a reduction in the social security offset from 100 percent to 50 percent will have an impact on Government expenditures, particularly around the year 2000. The consequences are not necessarily that dire. For example, the Defense Department projection shows a net increase in cost to the Government of $2 billion for the years 1978 through 2000 inclusive. Further examination, however, shows that the Government will still be running a cumulative net surplus for those years of $257 million, or a quarter of a billion dollars. So, despite a year 2000 increased cost of $338 million with the 50, rather than 100, percent offset, the Government will still have a cumulative surplus of $257 million.

Mr. President, that means this: It simply means that the amount that is being paid into this survivors' benefit plan will be sufficient to take care of this situation. I realize that the recalculation will cost money. On the other hand, is it fair to put the military people in a different category, in a different position from the civil servants, and cause them to pay $13 a month more for the same benefits? That is what they are doing now.

The recalculation, I believe, for 1979 amounts to $8 million, and it will average, up until the year 2000, about $130 million a year.

Mr. President, as I have stated, this is nothing but a fair amendment. It is perfectly equitable and perfectly just. And some of the military people have paid into this plan all these years. Take an enlisted man in the Army or Navy or Air Force. He can pay into this plan for 20 years, and then, when he dies, his widow will lose 92 percent of what she should have gotten. That is just simply not fair, and that is what I am trying to get corrected for these military widows. I am not trying to affect the general retirement plan; I am not trying to raise the pay of the military, but simply saying it is not right for people to pay into this plan thinking their widows are going to be protected, and then, when they die, their widows never receive 92 percent of their husband's contribution.

(Mr. STONE assumed the chair.)

Mr. MATSUNAGA. Mr. President, will the Senator from South Carolina yield?

Mr. THURMOND. Mr. President, I am very pleased to yield to the distinguished Senator from Hawaii.

I might say at this time that he is a cosponsor of this amendment, and I would also like to announce that the distinguished Senator from Oklahoma (Mr. BARTLETT) is a cosponsor, the distinguished Senator from Kentucky (Mr.

FORD) is a cosponsor, the distinguished Senator from Texas (Mr. BENTSEN) is a cosponsor, the distinguished Senator from Minnesota (Mr. ANDERSON) is a cosponsor, the distinguished Senator from Arizona (Mr. GOLDWATER) is a cosponsor; the distinguished Senator from Texas (Mr. TOWER) is a cosponsor, the distinguished Senator from New Jersey (Mr. WILLIAMS) is a cosponsor, the distinguished Senator from Hawaii (Mr. INOUYE) is a cosponsor, the distinguished Senator from Colorado (Mr. HART) is a cosponsor, and the distinguished Senator from New Hampshire (Mr. DURKIN) is a cosponsor.

I am very pleased to yield at this time to the distinguished Senator from Hawaii.

Mr. MATSUNAGA. I thank the distinguished Senator for yielding.

Mr. President, as a cosponsor of the amendment, I rise in support of the amendment offered by the distinguished Senator from South Carolina (Mr. THURMOND) which would make a number of much-needed improvements in the survivor benefit plan (SBP) and the retired serviceman's family protection plan (RSFPP) for military personnel.

As the able Senator from South Carolina has already indicated, this amendment incorporates the provisions of H.R. 3702, a bill passed overwhelmingly by the House last year which would make many long-overdue changes in the military survivor benefit programs. I would like to take a few moments to discuss several of the important provisions contained in the amendment.

First, the amendment would, for the first time, authorize cost-of-living adjustments of annuities under the retired serviceman's family protection plan (RSFPP). Unlike the survivor benefit plan in operation for civil service retirees, the RSFPP, which was established in 1953 and replaced in 1972 by the vastly superior survivor benefit plan, was financed fully by the retired serviceman's reductions in retired pay, plus interest. The cost of coverage was indeed high in relation to the benefit provided. This, of course, resulted in a very low level of participation in the plan by military personnel. Those who did join the plan paid dearly for its protection. And despite the price tag to the retiree, the RSFPP has never had a cost-of-living adjustment provision. It is incredible to note, as a result, that the amount a widow receives today under this plan remains unchanged from the time of the retiree's death, which, in some cases, occurred more than 20 years ago.

Mr. President, Congress should have added a cost-of-living provision to the RSFPP in 1972, when the survivor benefit plan was enacted, but this unfortunately was overlooked. According to the Congressional Budget Office, there are only 9,686 RSFPP widows in the program today. They receive an average annual benefit of less than $1,600—or less than $140 per month. I am sure, Mr. President, that my colleagues will agree that this situation needs tc be rectified immediately.

Second, this amendment would make several changes in the social security offset provisions of the survivor benefit plan, which would provide far greater equity to the retiree and his widow. Under the survivor benefit plan, at age 62, a widow's SBP annuity, for which her husband paid by reductions in his retired pay during his lifetime, is reduced or "offset" dollar for dollar by the social security attributable to the husband's military service.

In practical application, the 100 percent offset provision, in some cases, makes the survivor benefit plan a bad financial investment, particularly for those who need the coverage most—our enlisted armed services personnel. Because the enlisted man's retirement pay is relatively small, a major part of the survivor annuity is eaten up by the social security offset when the widow reaches 62 years of age. This situation is not only unfair to the widows of enlisted men, but it also encourages opting out of the survivor benefit plan by those who have the least resources to make other arrangements for their widows. Statistics show that only about one-half of those retiring in 1976 chose to participate in the survivor benefit plan and total participation has been decreasing for several years. The amendment offered by the Senator from South Carolina would reduce the social security offset from 100 to 50 percent, based on the Federal Government's contribution of half the cost of the retiree's military-earned social security credits.

Moreover, this amendment would eliminate the social security offset altogether under the following circumstances:

First. Where there is a dependent child.

Second. Where the only military service involved is a period of duty of less than 30 days.

Third. Where no social security benefits are payable because the beneficiary is employed in social security covered employment.

Fourth. When the beneficiary is entitled to a greater social security benefit based on her own employment and consequently is receiving no social security benefits whatsoever, based upon her husband's service.

Finally, the amendment would provide for a technical change in the survivor benefit plan to assure that the formula used to apply cost-of-living increases to the reduction in retired pay is the same as that used for civil service. The survivor benefit plan is very similar to the survivor annuity plan available to civil service retirees. I might emphasize that Congress intended that the plans be very similar in terms of both costs to the participants and the survivor benefits provided. The Thurmond amendment would bring the survivor benefit plan in line with the intent of Congress by clarifying the language of the plan relative to the proper computation formula.

Mr. President, I commend to my colleagues the thoughtful consideration of the provisions of this amendment, which in my judgment, are necessary in the interest of equity to the widows of our deceased military retirees. Furthermore, it will bring the military survivor benefit plans into closer conformance with the civil service survivor annuity plans, as originally intended by the Congress.

I strongly urge the adoption of the amendment offered by the Senator from South Carolina.

I thank the Senator for yielding.

Mr. TOWER. Will the Senator yield?

Mr. THURMOND. I yield to the distinguished Senator from Texas.

Mr. TOWER. Mr. President, I rise in support of the amendment of the senior Senator from South Carolina and commend him for offering it to the defense authorization bill.

My understanding of this amendment is that it is identical to the bill passed last year in the House, H.R. 3702, by a vote of 391 to 0. Certainly, any bill that can pass the House by that margin has a lot to commend it here in the Senate.

I will not elaborate on these provisions since the Senator from South Carolina has already explained them in detail.

I was pleased to see that this amendment includes the cost-of-living increase to those widows receiving annuities under RSFPP. I introduced S. 520 in January of 1977 which provided cost-of-living adjustments for RSFPP widows. I believe these widows who have had their modest annuities eroded by inflation are entitled to this cost-of-living adjustment.

I concur with the Senator from South Carolina when he says the cost of this amendment for fiscal year 1979 is not prohibitive when weighed against the inequities it will correct.

Mr. President, I feel that this is a matter which all of my colleagues can agree is in need of prompt action. I strongly urge the adoption of this amendment.

Mr. STENNIS. Mr. President, I yield myself 5 minutes.

Mr. President, not as floor manager, as I do not like that term, but as the floor leader of the bill, so to speak, I believe I have a very positive duty here. With all deference, I believe we ought to leave this bill, though it was offered as an amendment, to the usual course. It did pass the House last year, that is correct, though really beyond the active legislative time that we were taking up new bills. It was here this year, of course.

During the course of consideration of this extensive authorization bill, the Senator from Texas brought up the matter involved in the pending amendment and there was a discussion about offering it as an amendment. I told the group then that, rest assured, there would be hearings on the merits of the proposed amendment as a bill, not as an authorization for defense, hardware, and other things, but as a bill and on its merits. That is where the bill would stand just as soon as this authorization bill was passed.

It is not going to cost anyone money to take the ordinary processes here just to see where we are going. This subject has appeal in a way, and it will have that same appeal a little later, and the same merit it has now. It is not going to lose it. But in the name of orderly, sound legislative processes this matter ought not to be tied onto this authorization bill. I had a feeling that this amendment required authorization by the

Armed Services Committee, and I was told then that, "If you have that to be the law, you will have something hung on there that has no business being there."

As a whole, we have had pretty fair luck on that point over the years.

My plea is whatever the merits of the bill are, let us just take it up in the orderly way and do what we think we should do. Taking it up here without any hearings of our own or examinations or reports from the staff means we are dealing here with a matter that from now until the year 2000 is going to cost the Treasury $5 billion. Explain it whichever way you will, but it is just for that, to adjust for social security, and so forth. The cost to the Federal Treasury from now until the year 2000, 20 years in round numbers, is going to be $5 billion.

Regardless of the pity, the sympathy, or whatever one may call it for some cases under the bill, have we not reached the point where all of these matters deserve the best deliberation, consideration, and analysis that we are capable of making? I appreciate the nature of the matter, but let us just stand up here now and say we are willing to do the right thing to get at the merits of this matter rather than throw it onto this authorization bill.

If it goes to conference, I judge it would be accepted since the House has already passed a similar bill, but there will never be any full analysis or consideration of where we are going.

Just a few minutes ago we had a fine exposition here, just a little look at the billions and billions and billions of dollars that we are adding on for future payments and accrued liabilities. Someday if the Congress does not stop it, some kind of calamitous catastrophe is bound to stop it. I pray it will be delayed before it destroys the fiscal affairs of our own self-government.

I see the Senator from Maine is here. I am glad to yield to him such time as he desires.

Mr. MUSKIE. Mr. President, first of all, I strongly support the course of action recommended by my good friend from Mississippi. I regret that this amendment is offered to this bill. It is part of a very large problem, as the Senator from Mississippi has suggested. The future cost of Government pension systems, survivors benefits, and other pay and compensation items are enormous. Modifying these benefits or adding to them ought not to be a simple matter of adding an amendment of this nature to an unrelated procurement bill at this late hour of the day, considering some of the questions which have been raised by the sponsor of the amendment himself.

The Department of Defense has given us an estimate of future year costs of this amendment. The Senator from South Carolina disputes these costs. That simple disagreement ought to be resolved by thorough hearings and examination before the Senate makes this kind of a decision, which will surely mean a congressional decision, given the action already taken by the House of Representatives on the proposed revisions.

The subject of this amendment has been covered by recommendations of the Presidential Commission on Military Compensation. The Commission covered much broader ground than this particular amendment. The Senator from South Carolina and the Senator from Hawaii have eloquently testified to some of the equities that ought to be considered at the proper time. But, Mr. President, in reviewing the merits of this amendment, I consider the staggering costs associated with the retirement and pension systems which we have had to consider in the Senate Budget Committee. There have been staggering costs associated with similar amendments, hastily taken in the past under similar conditions—that we have the responsibility now to fund and meet in the interests of those benefited by the past legislative actions of that kind. Mr. President, in reviewing these facts I cannot find words sufficiently strong to urge the Senate to look at this amendment carefully in accordance with the recommendation of the Senator from Mississippi.

What is involved is not only the viability of the benefits to be provided to the beneficiaries of this amendment, but the viability of all Government retirement and pension systems. We simply do not adequately know and understand the future costs of what we have already done as far as Federal retirement programs are concerned. Now, with insufficient consideration on the Senate floor, we are about to add to those past commitments, with disagreement between the sponsor of this amendment and the Department of Defense as to the costs of this amendment. And the costs involve more than the 9,000-odd widows to whom the Senator from Hawaii refers—much broader costs.

How many Senators do we have on the floor? A half dozen? How many are listening over the pipeline? I do not know. Everybody in the Senate is looking forward to adjourning so we can go to a festive occasion this evening. This is not the atmosphere in which to consider an amendment with potential future costs which have been only hinted at in this brief discussion this afternoon.

I am sympathetic to the equities which have been described and about which I am learning for the first time in this half-hour to 40 minutes of debate. I have only a hint as to the future costs, and they are being disputed on the floor by the author of the amendment himself.

There are other future implications which we ought to be aware of—on which we ought to focus. These pension systems involved in the proposed revision were not enacted into law in the first instance without careful consideration. Mr. President, I urge that we do not casually adopt this amendment, which will become the law of the land if the Senate votes for it this afternoon. We should be in the position of having an assessment of the future costs and nailing them down so that we know what they are before we vote. But it will be too late if we adopt this amendment.

I support the Senator from Mississippi and commend him for his concern and his sense of responsibility about this matter. We can get to the equities in due course; we can deal with them in due course; we can serve them in due course. But let us know what we are doing before we make the commitment.

Mr. CHAFEE. Mr. President, will the Senator from Mississippi yield me 3 minutes?

Mr. STENNIS. Yes; I am glad to yield 3 minutes to the Senator, more if he likes.

Mr. CHAFEE. Mr. President, I should like to second the remarks of the Senator from Maine on this issue. I have listened carefully to the debate here and the presentation on this amendment. Needless to say, it is a very complicated issue that goes through some seven different changes. The changes that were mentioned regarding the widows fall under a category known as RSFPP. That involves but a small group. The amendment goes on to deal with a much larger group than this less than 10,000 that were referred to by the Senator from Hawaii.

This is a very complicated measure. What concerns me is that we just do not know all the ramifications of it. In addition, Mr. President, I should like to indicate that we do not know what precedent we are setting here with regard to the balance of the retirement system of the military pensioners. By passing this measure tonight, are we setting some kind of precedent so that then, all of the others who are covered under the pension system can come forward and demand equal benefits that we are assuring these under this measure we are considering this evening?

It seems to me, Mr. President, that this is the kind of measure that should go through hearings, be carefully considered, have testimony from the administration and then, if approved by the committee, come to the floor of the Senate so we can hear very sound arguments on all portions of it.

Mr. President, I hope that the measure will not be approved this evening and will be sent to the committee so there can be hearings and we can learn more about the ramifications of it.

Mr. THURMOND. Mr. President, I want to say that for 3 years, I have been trying to get hearings. I have copies of letters written to try to get hearings. For years, these widows have suffered. It is simply not right for members of the military to pay in and expect their widows to be protected, and then, when they die, their widows are not protected.

I gave an illustration here—and this is from the Defense Department. All of my figures are from the Defense Department. For an enlisted man who is in 20 years and dies, his widow loses 92 percent. It is just that simple. It is a matter of correcting this inequity. Why do we not do it?

Mr. President, again, I want to repeat that, according to the Defense Department's own figures, those who are paying into the plan will pay in enough so that, by the year 2000, there will be a surplus of $257 million. That does not cover the recalculation and several other minor items there. That is the only cost there would be. But that will

not exceed, according to the Department of Defense, an average of $130 million a year.

Is it right? Is it just? Should we do it? The House thought so or they would not have passed the bill in 1976, 379 to 6; or they would not have passed it last September, 391 to 0.

Mr. President, this is a matter of justice, it is a matter of equity, it is a matter of right. And I hope the Senate will see fit to adopt this amendment.

Mr. STENNIS. Mr. President, I shall take just 1 minute here. We give every assurance, and we already have, that if this matter is not added onto this bill, that will not end it. This matter will be back here in just a very short time. It already has had the promise, and I make the promise here now, that it is of first priority in our committee and we shall come back here and we are asking for time on the calendar. It is the only way that the Senate can be presented the full facts.

It spoils the whole thing, the calculations that we made ourselves. We know what it is going to cost. It just needs this opportunity and the bill will be back.

I do not discount the need of those in the bill or discount any Member here. Those are the facts of life. I hope that we can yield back this time now, if the Senator from South Carolina could see fit, if he is through arguing and all others are. I could just make a motion to table and we shall get to it.

● Mr. MUSKIE. Mr. President, when considering the fiscal year 1979 military procurement authorization bill, the Senate deliberated the merits of an amendment which dealt with revisions to the survivor benefits plan of the military retirement program.

For the most part, the proposed revisions are very fair and more toward providing a just and equitable treatment of retirees in the military system as is currently provided by the Federal civil service retirement program. I support the purpose and intent of these revisions.

However, I cannot support the amendment for two very major reasons.

First, there are significant costs associated with this legislation over the next 20 years. According to the Armed Services Committee, the cost could exceed $5 billion over the 20-year period. Without benefit of Senate hearings on this issue, I do not believe that the Senate can commit itself to this significant level of funding.

Second, the President's Commission on Military Compensation has recently concluded an analysis of military compensation and benefits. A major portion of the Commission's analysis deals with total reform of the military retirement program. It is my understanding that the President intends to forward the findings of the Commission to the Congress for its review and action.

It is the intent of the distinguished chairman of the Armed Services Committee, Mr. STENNIS, to hold hearings on the military compensation system in the near future. I am confident that the result of these hearings will provide legislation that will encompass the meritorious features of the proposed changes to the survivor benefit plan included in the amendment. I am also confident that revisions can be adapted that are not excessive in their funding requirements.

In closing, Mr. President, while I endorse the concept of pension reform to provide fair treatment, I believe it is essential that the revisions result from thorough deliberations of the entire Senate.●

Mr. THURMOND. Mr. President, I yield back my time and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. STENNIS. Mr. President, I yield back my time. I want to make a motion to table the Senator's amendment. Then he can ask for the yeas and nays.

Mr. THURMOND. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. THURMOND. I have already gotten unanimous consent to vote on the amendment.

The PRESIDING OFFICER. The Senator from South Carolina is correct.

Mr. STENNIS. Well, that is entirely all right. Just forget the matter. I am ready to yield back the time and do yield it back.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Idaho (Mr. CHURCH), the Senator from New Hampshire (Mr. DURKIN), the Senator from Minnesota (Mrs. HUMPHREY), the Senator from Louisiana (Mr. LONG), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. MCGOVERN) is absent on official business.

I further announce that, if present and voting, the Senator from New Hampshire (Mr. DURKIN), and the Senator from Minnesota (Mrs. HUMPHREY) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Nebraska (Mr. CURTIS), the Senator from Pennsylvania (Mr. HEINZ), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I further announce that, if present and voting, the Senator from Nebraska (Mr. CURTIS) would vote "yea."

The result was announced—yeas 43, nays 46, as follows:

[Rollcall Vote No. 202 Leg.]

YEAS—43

Allen	Ford	Helms
Baker	Garn	Huddleston
Bartlett	Goldwater	Inouye
Bayh	Gravel	Jackson
Bentsen	Griffin	Laxalt
Brooke	Hansen	Magnuson
Cannon	Hart	Mathias
Case	Hatch	Matsunaga
Cranston	Hatfield, Paul G.	McClure
DeConcini	Hayakawa	Melcher
Domenici		Morgan
Packwood	Sarbanes	Thurmond
Percy	Stafford	Tower
Randolph	Stevens	Williams
Riegle	Stone	

NAYS—46

Bellmon	Haskell	Nunn
Biden	Hatfield, Mark O.	Pearson
Bumpers	Hathaway	Pell
Burdick	Hodges	Proxmire
Byrd, Harry F., Jr.	Hollings	Ribicoff
Byrd, Robert C.	Javits	Roth
Chafee	Johnston	Sasser
Chiles	Kennedy	Schmitt
Clark	Leahy	Schweiker
Culver	Lugar	Scott
Danforth	McIntyre	Stennis
Dole	Metzenbaum	Stevenson
Eagleton	Moynihan	Talmadge
Eastland	Muskie	Wallop
Glenn	Nelson	Young
		Zorinsky

NOT VOTING—11

Abourezk	Durkin	McGovern
Anderson	Heinz	Sparkman
Church	Humphrey	Weicker
Curtis	Long	

So Mr. THURMOND's amendment No. 3068 was rejected.

Mr. STENNIS. Mr. President, I ask for third reading.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

Mr. THURMOND. I ask for the yeas and nays.

Mr. ROBERT C. BYRD. Mr. President, I hope we will not have the yeas and nays at this hour. We had a vote up and down. The Senator asked for a vote up and down, he had a vote up and down, and he lost. He made a good fight. I hope we will not have a rollcall vote on this motion to table.

Mr. THURMOND. Mr. President, I have just been trying to help the military widows to correct the injustices. It means nothing to the military; it means a lot to the widows. As I pointed out, an enlisted man can pay for 20 years——

Mr. ROBERT C. BYRD. Mr. President, there is no debate on a motion to table.

The PRESIDING OFFICER (Mr. PAUL G. HATFIELD). The Senator is correct.

Mr. ROBERT C. BYRD. I hope the Senator will allow us to have a voice vote.

Mr. THURMOND. Mr. President, I withdraw the request for the yeas and nays, against my better judgment.

Mr. ROBERT C. BYRD. I thank the Senator. I appreciate his thoughtfulness.

The PRESIDING OFFICER. The question is on the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

● Mr. MUSKIE. Mr. President, I want to speak today in support of the military procurement authorization bill and offer my views on how it relates to the national defense targets the Congress adopted in the first budget resolution for fiscal year 1979.

First, I extend my appreciation to the distinguished Senator from Mississippi (Mr. STENNIS) for the contribution he has made in shaping this important legislation. Repeatedly, he demonstrates his devotion to our Nation's defense and economic well-being as well as to the success of the congressional budget process. On many occasions, he has assisted me in my quest for fiscal constraint by

the Congress and for reduced Federal budget deficits. I thank him again for his support.

Mr. President, S. 2571 authorizes military procurement, research and development, and civil defense funding of approximately $36.1 billion in budget authority. Fiscal year 1979 outlay estimates associated with these items are roughly $9.8 billion.

In addition to this authorization, the bill provides active duty and Reserve military personnel and Department of Defense civilian personnel strength levels and general provisions for other miscellaneous defense purposes. The impact of fully funding these personnel levels and general provisions would result in budget authority of $45.5 billion and outlays of approximately $44.3 billion.

The combination of the program authorizations and the proposed personnel levels and provisions results in budget authority of $81.6 billion. Outlays amount to approximately $54.1 billion.

Mr. President, the major concern of the Senate Budget Committee conferees on the first budget resolution was to provide for a level of defense funding that would allow the United States to meet its NATO pledge to aim for real growth in defense spending in the range of 3 percent over the next several years.

Beyond the need for assuring the security of our Western European allies, there also exists a broad requirement for force modernization and readiness in United States and allied capabilities to counterbalance moves by the Soviet Union and its allies to strengthen their defense forces and use that strength in ways which cause political instability and unrest.

In the national defense category, the first budget resolution provides for $128.7 billion in budget authority and $115.7 billion in outlays. When the President's military budget request is adjusted for deferral of the Trident submarine, a 5.5-percent pay cap, and 20 percent absorption of the upcoming October 1978 pay raise—as assumed in the first budget resolution—the Congress has provided nearly a $2 billion increase to the administration's request for defense. The national defense targets in the budget resolution provide for 3 percent real growth over fiscal year 1978 estimates.

Most importantly, the defense targets in the budget resolution and the continuing pattern of real growth in defense expenditures initiated in fiscal year 1976 send a signal globally that the Congress is committed to a strong U.S. defense posture.

Mr. President, S. 2571 as reported fits within the national defense targets set by Congress in the first budget resolution assuming the pay cap and pay raise absorption which I previously mentioned, small reductions in other appropriated areas of the function, and a CBO reestimate of outlays associated with prior-year appropriations. I, therefore, support the bill.

However, it is not the Senate Armed Services Committee's bill that troubles me. The other body's military procurement authorization bill is a much more costly piece of legislation than the Senate-reported bill. The House bill is $2.5 billion in budget authority over the Senate bill we are now considering. The outlay difference in the two bills is small and is not a severe problem.

But, Mr. President, $2.5 billion in budget authority is a significant amount, and Senator STENNIS and the other Senate conferees face a most difficult task in arriving at a conference agreement that does not exert undue pressure on the national defense targets in the first budget resolution. For this reason, it is essential that the conference agreement on this bill be near the Senate totals. If not, the Congress must consider reductions within the general defense appropriated program so that the Congress does not breach its budgetary objectives.

Before closing my remarks. Mr. President, I want to make a final point. For the third consecutive year, the Senate bill recommends repeal of title VIII of Public Law 93–365, requiring submarines and major surface combatant vessels to be nuclear powered. The Senate Armed Services Committee recommends this for a very simple reason. We need to build and maintain a Navy that has the flexibility to respond to broad missions around the globe. The administration's 5-year shipbuilding program would provide for roughly a 500- to 550-ship Navy by 1990. Our ability to reach this goal by placing nuclear-powered systems in each major vessel is very much in doubt and would be exceedingly expensive. Careful management is critical at a time when most of our strategic and tactical forces require extensive modifications to stay abreast of technological advancements and maintain essential equivalence in capabilities with our adversaries. An all-nuclear Navy deprives the Department of Defense of valuable resources to upgrade our forces. I urge my colleagues who take this bill to conference to support the Senate's position for repeal of title VIII.

Mr. President, in concluding my remarks, I would like to reiterate my sincere appreciation to the distinguished chairman, Mr. STENNIS. I support this military procurement authorization bill, of course, reserving the right to support floor amendments which I deem necessary and desirable. I will watch with great interest the forthcoming conference on the House and Senate military procurement authorization bills. Senator STENNIS has my best wishes and encouragement to come back from conference with an agreement that is consistent with the congressional budget resolution targets for national defense.●

● Mr. BELLMON. Mr. President, I support the recommendation from the Senate and House Armed Services Committees to provide for another nuclear aircraft carrier.

The administration and many members of Congress have wrestled with this decision for some time. The consensus is that the United States must have a minimum force of 12 deployable large-deck carriers through the year 2000. To accomplish this, one more large-deck carrier is required.

The nuclear carrier will require the authorization and appropriation of $2.13 billion, which is $555 million more than the conventional aircraft carrier; however, the nuclear carrier first cost includes a 13-year supply of nuclear fuel. The equivalent cost of petroleum at today's prices adds $330 million to the conventional aircraft carrier's cost, narrowing the difference between the two carriers to $225 million.

It is unrealistic to expect the cost of petroleum to remain constant during the next 9 years until construction of the ship is complete. It is equally unrealistic to expect the cost of petroleum to remain constant during the 13-year span covered by the initial supply of nuclear fuel; therefore, it is reasonable to assume that the true first cost of the nuclear and conventional carriers are about the same.

The operational advantages of the nuclear aircraft carrier make it a much wiser investment. A petroleum-fired ship is dependent on more frequent supply from its replenishment forces which must remain near and, therefore, vulnerable to attack. Also, during the refueling procedure, the carrier must reduce its speed and, therefore, becomes a relatively easy target. The nuclear aircraft carrier, traveling at higher speeds without concern for fuel conservation, can move to a less dangerous zone for supplies which it needs less often. The nuclear carrier, because of its larger size, can stay operational during bad weather. An example is that sea conditions in the North Atlantic in winter are such that a carrier of conventional size would only be able to operate aircraft about 79 percent of the time versus 88 percent for the nuclear carrier.

Four new carriers have been authorized since 1963. As a result, much of the carrier fleet is over age. The three completed nuclear carriers include the 16-year-old U.S.S. *Enterprise*. The eight conventional carriers in the *Forrestal*-class range from 9 to 22 years old, and the two conventional *Midways* are 30 and 32 years old. Historically, no carrier has been active beyond 32 years.

The Congress must act now to authorize the fifth nuclear carrier to insure its completion in 1987 when the U.S.S. *Forrestal* will be 32 years old and the *Midway*, 42 years old.

As the ranking minority member of the Budget Committee and as a member of the Appropriations Committee, I am acutely aware of the need for careful monitoring of Federal spending. Like most Americans, I feel a strong national defense is our highest priority. I am convinced that, for our continued national security, one more large-deck, nuclear-powered carrier is needed.●

50-CALIBER MACHINEGUN, FFG PATROL FRIGATE, AND THE ROLE OF SMALL BUSINESS IN HIGH TECHNOLOGY

● Mr. HATHAWAY. Mr. President, I would like to compliment the distinguished chairman and members of the Committee on Armed Services for their diligence and effort in fashioning the fiscal year 1979 military procurement bill now before us. At the same time, I would like to highlight three areas where the work of the committee has been particularly beneficial to our national defense posture and at the same time to the economy of the State of Maine and its workers.

First, the other weapons category includes a specific authorization of $26.3 million for fiscal year 1979 procurement of 3,060 M–2 50-caliber machineguns. This represents sufficient funds to carry out the third year of a planned 5-year acquisition program designed to restore the full inventory of this weapon. Inventories had been partially depleted due to foreign military sales to a number of countries over the past several years.

The committee's action in this regard is particularly important because the Department of Defense budget inadvertently omitted this needed funding, despite the Army's acknowledged need to restore inventories and its earlier adoption of the 5-year plan involving 13,000 weapons at a cost of approximately $115 million. Also, the procurement bill as it passed the House on May 24 did not include this authorization.

Further, work on this contract has already begun at the Maremont Corp. in Saco, Maine, and any hiatus or inordinate delay in the funding would have the effect of unnecessarily increasing production costs, causing unnecessary layoffs, and harming our overall defense posture.

I am particularly appreciative of the work of the Senator from New Hampshire (Mr. McINTYRE) in this regard. We discussed these matters prior to the committee's deliberations, and as a result of those discussions he offered an amendment to insure that this needed procurement would continue as scheduled. With his continued assistance and that of the committee as a whole, I trust that the final version of this legislation will provide the needed authority.

Second, I was pleased to note the inclusion in the committee bill of funding for eight FFG guided missile frigates.

The committee in its report pointed out that 26 of these frigates had previously been approved and discussed the continuing need for additional ones to provide protection against air and submarine threats for underway replenishment groups, amphibious forces, and merchant ship convoys. This authorization of $1.5 billion will help meet these defense needs and at the same time allow Bath Iron Works in Bath, Maine, to continue its excellent work in this regard.

Finally, I was particularly gratified to note that the committee report on page 93 asked the Department of Defense to review the role of small business in the development of high technology items and at the time of the submission of the fiscal year 1980 budget to submit its conclusions and recommendations for preservation of this important resource.

In my activity as chairman of the Government Procurement Subcommittee of the Small Business Committee I have learned that small business is often the source of major breakthroughs in this area, but equally often is victimized by procurement policies and procedures which disadvantage them, and favor industrial giants.

I know of the contributions of a number of small business firms throughout the Nation in these areas, and am particularly aware of the leadership of Fiber Materials, Inc., in Biddeford, Maine, in the missile nosetip area. I am pleased that the report recognizes these prior contributions and the continuing need for encouraging small business participation.●

● Mr. HEINZ. Mr. President, the consideration of the military procurement authorization bill provides us with an opportunity to review procurement policy issues from a wider perspective than just that of the Department of Defense. At present, procurements decisions are made on the lowest cost-benefit basis for the Department of Defense. This policy, unfortunately, does not take all Federal costs and benefits into account.

What has been ignored, or left out of procurement decisions is the extent to which a DOD decision impacts upon other Federal programs. For instance, if the Department of Defense were to award a contract on a major defense system to the lowest bidder, we would be assured that this was in our best interests by the Department. On closer examination, however, we might find that this same contract was awarded to an area with high employment, whereas the second bidder, at a slightly higher price, might be in a depressed area of high unemployment. Although the balance sheets at the Pentagon would demonstrate a net savings, the balance sheets at the Treasury would probably show a different perspective. The losing bidder's community would require assistance from the Department of Labor; the Department of Health, Education, and Welfare; the Department of Housing and Urban Development; and other State and local agencies, which would be relying on Federal grants. The small savings for the Department of Defense would be more than offset by the costs to other agencies of the Federal Government.

Mr. President, as a member of the Senate Budget Committee, I have particularly worked to develop a more cost-effective process for Federal spending. Our efforts have entailed careful scrutiny of the Defense budget to pare waste, while assuring Americans a ful margin of national security. Yet, I am concerned that our focus has been so narrow that, in our efforts to get the most economical prices, we have overlooked the overall picture. Consequently, I think we have backed ourselves into spending—as a Federal Government in toto—more money than necessary.

Because certain programs and base closing savings which are alluded to by the Defense Department are often illusory, it would seem that this is an appropriate time for my colleagues to address this issue as part of our overall economic stimulus package. I would urge that the Department of Defense procurement and base decisions take into account all potential Federal impacts. While it might be easy enough to demonstrate that civilian or military procurement would be more cost-beneficial from a purely military standpoint at one location over another, when objectively considered from the wider perspective it can often be seen how shortsighted and expensive these methods prove.

According to the Defense Department's Office of Economic Adjustment, the loss of one military employee results in a corresponding loss of 0.655 jobs in the surrounding community. Reductions in civilian DOD personnel are more drastic—for each reduction there is a corresponding loss of 1.53 community jobs. A report from the Pennsylvania adjutant general points out that from 1965 to 1975, defense employment declined by 22.8 percent in Pennsylvania alone. I do not need to advise you of how much wider the ramifications have been, both in terms of personal and family suffering and in terms of the responses required from the Federal Government.

The administration has been working from its very inception to respond to many of these same problems which it has, itself, created. We have acted in this body on countercyclical spending, on welfare reform, on local public works-job stimulation programs, on food stamps. The list could go on and on. Yet, sadly for any outside observer, it would appear that we are making extra problems for ourselves so that we can legislate new programs raise more taxes and widen the deficit. In brief, this shortsighted policy on the part of the Pentagon produces a vicious cycle which we all lose.

I would very much hope that any Defense Department assessments of military procurement take full economic consideration of the comprehensive Federal involvement. Targeting this procurement into labor surplus areas, for instance, would have manifold benefits. Relocating a facility or redirecting a procurement program from a labor surplus area for the sake of a small savings has immense costs to the Department of Labor and the Department of Health, Education, and Welfare. Such additional costs and the duplication of services are simply unnecessary.

It is time that we considered our economic program in a logical fashion. Someone in the administration should have responsibility for the White House to coordinate a policy which reviews all potential Government costs and benefits. It is neither reasonable nor fair to attempt to persuade our citizens of the benefits of a policy by which we move one Federal agency out—to save money—and then a host of new and different Federal agencies in—to remedy all the havoc wreaked by the first moving out. Rather, wisdom and sound economic policy would dictate that the Government direct procurement toward those areas which are labor surplus, and which, without these contracts, would require massive Government aid at a much greater expense with far fewer returns.

I am submitting for the RECORD a copy of my letter to the President, requesting his assistance on this matter.

The letter follows:

WASHINGTON, D.C.,
July 11, 1978.

Hon. JIMMY CARTER,
President of the United States,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am deeply concerned about the procurement policies of the Department of Defense, and I am writing to urge your positive action to correct past inequities and to direct a more comprehensive policy.

At present, it is the announced policy of the Defense Department to determine procurements solely on the basis of cost benefits specifically to DoD. While this goal is laudable from the standpoint of economies within the defense budget, it ignores the wider impact of the procurement on the rest of the economy. Just as in other areas, careful management of government spending requires a full assessment of the effects of any decision. Thus, in developing a military procurement policy, I would hope that your Administration would take the lead in adopting an innovative role which would serve to solve, rather than add to existing problems.

What has been ignored, or left out of procurement decisions, is the extent to which a DoD decision impacts upon other federal programs. For instance, if the Department of Defense were to award a contract on a major defense system to the lowest bidder, we would be assured that this was in our best interests by the Department. On closer examination, however, we might find that this same contract was awarded to an area with high employment, whereas the second bidder, at a slightly higher price, might be in a depressed area of high employment. Although the balance sheets at the Pentagon would demonstrate a net savings, the balance sheets at the Treasury would probably show a different perspective. The losing bidder's community would require assistance from the Department of Labor; the Department of Health, Education and Welfare; the Department of Housing & Urban Development; and other state and local agencies, which would be relying on federal grants. The small savings for the Department of Defense would be more than offset by the costs to other agencies of the federal government.

Perhaps more critically, it must appear to many people that the Administration is working at cross purposes. Procurement awards have been issued with increasing frequency in the past decade to areas of high employment and growth. The contracts have been relocated from areas of high unemployment, exacerbating existing conditions. As a result, this Administration has come up with counter-cyclical programs designed to assist the same types of communities which have been so adversely impacted. A whole urban program is underway to counter the decline in older cities which see fewer and fewer federal procurement contracts coming their way.

For those areas which are in trouble, there are rising taxes and higher costs for upkeep of plant facilities. In the northern parts of the United States, the energy costs are much higher. The cycle is never ending. With each loss of a procurement contract, unemployment rises. There are fewer local income taxes, and more demands for services at all levels of government. It becomes even harder for these areas to compete for federal contracts.

To end the cycle, under present circumstances, we feed in new sources of federal funding to the local and state levels just to maintain these communities. Instead of creating a positive return on the federal dollar, this federal assistance seeks only to keep the local community's head above water. Appallingly, when I asked the Department of Labor how the federal government monitors the impacts of procurement funding on depressed communities, I learned that there is no actual oversight! Thus, there is no means to determine the full costs to the taxpayer of a procurement decision in which a community in good fiscal condition with a slightly lower bid is chosen over a community in poor fiscal condition.

There are two steps which could, and should, be taken. First, there should be an office in the White House to review procurement policy and to coordinate it at all federal levels. It is only sensible to pursue a course which will prove the most beneficial to all who could be affected. Secondly, I would look forward to your leadership in proposing new legislation to balance communities' needs in procurement policy. After all, if we are going to implement counter-cyclical assistance programs when unemployment reaches a certain level, wouldn't it be wiser to consider that as part of the initial review of the procurement bids?

I believe this is a chance to be innovative and creative. Government can and should serve to be comprehensive in its approach—not reactive. Your prompt response and early action will be most appreciated in rectifying this existing inequity.

Sincerely,

H. JOHN HEINZ III,
U.S. Senator.●

● Mr. MUSKIE. Mr. President, I want to express my support for the continued authorization of guided missile frigates of the FFG–7 class, and to thank my distinguished colleague from Mississippi, for his continued support for these naval vessels.

The eight frigates authorized in this bill, at a cost of $1.5 billion, bring to 34 the total authorized by the Congress.

The FFG–7 will give the Navy operational flexibility at relatively modest cost, and I support it as a sound investment of our tax dollars. I had the privilege of attending the dedication ceremony in 1976 for the lead ship in the class, the Oliver Hazard Perry, at Bath Iron Works in my home State of Maine. I understand that the sea trials are going well and that the FFG is fulfilling the Navy's hopes for it. I also understand that work is proceeding on schedule, and without cost overruns, on the second frigate.

So I am in the happy position of supporting the FFG–7, because it is good for our national defense, because it is meeting both our cost and our performance expectations, and because it means jobs for Maine.

I thank the committee for its continued support, for this vital program. I look forward to the continued support of the committee and the Congress as additional authorizations for outyear construction ships are considered.●

Mr. TOWER. Mr. President, I ask for third reading.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. STONE. Mr. President, on June 30, 1978, Secretary of the Navy Claytor redesignated the U.S.S. *Lexington* as an AVT—auxiliary aircraft landing training ship. The Navy has told me that retention of the *Lexington* is recommended and that active manning for it could come from several sources—one of which is a congressional restoration of 104 officers and 1,705 enlisted end strength for fiscal year 1979.

Has the Armed Services Committee looked into this situation?

Mr. NUNN. The Navy manpower request submitted for fiscal year 1979 did assume the decommissioning of the *Lexington*. No amendment to that request has been been received.

However, in authorizing a total active Navy end strength of 521,700, the committee did add back 1,500 spaces for training. Our principal concern was that, given the Navy's severe personnel problems, the proposed reduction in recruit training seemed too severe. Our committee report specifically provides that this additional strength in training can be used in other areas of training rather than just recruit training.

As I understand it, there are 1,400 spaces associated with the ship. The other spaces the Senator refers to are in support areas.

This means the Navy has the flexibility within this authorization to add training spaces for the *Lexington*. The Navy could also reallocate other manpower.

Mr. STONE. Can this matter be specifically considered in conference?

Mr. NUNN. Yes, this matter can be considered as part of our conference on Navy manpower.

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of H.R. 10929, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 10929) to authorize appropriations for fiscal year 1979 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for civil defense, and for other purposes.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield me 2 minutes?

Mr. ROBERT C. BYRD. Mr. President, no debate is in order.

The PRESIDING OFFICER. Under the previous order, debate is not in order.

Mr. ROBERT C. BYRD. The Senator can ask unanimous consent for 2 minutes.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that I may proceed for 2 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that Sandy Stern may have the privilege of the floor during the pendency of this debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I asked for those 2 minutes only for this reason. I wish to point out this military procurement bill in the amount of $36 billion is less than the authorization bill for the previous year. It is one of the few bills ever to come before this Senate in recent years, I believe, where the amount to be authorized, and I am using round figures now, for military procurement, research and development is $36 billion and last year's authoriza-

tion or the current year's authorization as compared to next year's was $36.5 billion. So this procurement bill the Senate will now vote on is less for next year than it was for the current year.

SEVERAL SENATORS. Vote.

Mr. TOWER. Regular order, Mr. President.

The PRESIDING OFFICER. Under the previous order, only one amendment is in order. Debate is not in order.

SEVERAL SENATORS. Vote.

Mr. ROBERT C. BYRD. Mr. President, I move that all after the enacting clause be stricken and the text of the Senate bill, as amended, be substituted in lieu therefor.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Idaho (Mr. CHURCH), the Senator from New Hampshire (Mr. DURKIN), the Senator from Minnesota (Mrs. HUMPHREY), the Senator from Louisiana (Mr. LONG), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I further annouce that the Senator from South Dakota (Mr. MCGOVERN) is absent on official business.

I further announce that, if present and voting, the Senator from Minnesota (Mrs. HUMPHREY) and the Senator from Minnesota (Mr. ANDERSON) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Nebraska (Mr. CURTIS), the Senator from Pennsylvania (Mr. HEINZ), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I further announce that, if present and voting, the Senator from Nebraska (Mr. CURTIS) would vote "yea."

The result was announced—yeas 87, nays 2, as follows:

[Rollcall Vote No. 203 Leg.]

YEAS—87

Allen	Byrd, Harry F., Jr.	Danforth
Baker	Byrd, Robert C.	DeConcini
Bartlett	Cannon	Dole
Bayh	Case	Domenici
Bellmon	Chafee	Eagleton
Bentsen	Chiles	Eastland
Biden	Clark	Ford
Brooke	Cranston	Garn
Bumpers	Culver	Glenn
Burdick	Gravel	Goldwater
Griffin	Leahy	Riegle
Hansen	Lugar	Roth
Hart	Magnuson	Sarbanes
Haskell	Mathias	Sasser
Hatch	Matsunaga	Schmitt
Hatfield, Paul G.	McClure	Schweiker
Hathaway	McIntyre	Scott
Hayakawa	Melcher	Stafford
Helms	Metzenbaum	Stennis
Hodges	Morgan	Stevens
Hollings	Moynihan	Stevenson
Huddleston	Muskie	Stone
Inouye	Nelson	Talmadge
Jackson	Nunn	Thurmond
Javits	Packwood	Tower
Johnston	Pearson	Wallop
Kennedy	Pell	Williams
Laxalt	Percy	Young
	Randolph	Zorinsky
	Ribicoff	

NAYS—2

Hatfield, Mark O.	Proxmire

NOT VOTING—11

Abourezk	Durkin	McGovern
Anderson	Heinz	Sparkman
Church	Humphrey	Weicker
Curtis	Long	

So the bill (H.R. 10929) as amended, was passed.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STENNIS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STENNIS. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments to H.R. 10929.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I move to indefinitely postpone Senate bill S. 2571.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I ask unanimous consent that the bill, as passed, be printed in full, without amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I will tomorrow request a conference with the House and ask the Senate to appoint conferees.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, in view of the fact that the Senator from Mississippi (Mr. STENNIS) will not be asking that the Chair appoint conferees until tomorrow, I ask unanimous consent that the papers with respect to the military procurement bill be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, on Monday, July 10, the Senate turned to the consideration of S. 2571, a bill authorizing appropriations for fiscal year 1979 for military procurement and other defense programs. This measure contains critical elements in our military preparedness program. The distinguished chairman of the Armed Services Committee, Mr. STENNIS, and its ranking minority member, Mr. TOWER and all the members of the committee are to be commended for the extensive time and effort they have devoted to this bill. Senator STENNIS, chairman of the committee since 1969, has, with his extensive experience and knowledge, brought great leadership to the policy decisions involved in this important legislation.

The bill, which was reported May 15, is the result of more than 50 full committee and subcommittee sessions. The committee's recommendations, which are explained and justified in its lengthy report, reflect a careful review and analysis of each aspect of the authorization.

I want to express my appreciation to the other members of the committee for their contributions. This committee has a vast responsibility in overseeing our military procurement, research and development, and military forces. In particular, I would like to thank the various subcommittee chairman for their careful analysis of the smallest details of this bill. Senator NUNN, chairman of the Manpower and Personnel Subcommittee, is to be commended for his insight, understanding and concern for the future of the all volunteer force as well as many other important issues.

Senator MCINTYRE, chairman of the Research and Development Subcommittee, has devoted many hours to studying the issues surrounding the maintenance of our qualitative advantage in weapons development. Senator HART, chairman of the Subcommittee on Military Construction and Stockpiles, should be recognized for his forward-looking concept of the Navy's mission in the context of our overall defense posture. Senator CANNON, chairman of the Tactical Air Subcommittee has also brought considerable expertise to the complex areas of tactical aircraft and missile systems and electronic warfare.

Mr. JACKSON and Mr. CULVER have, as is consistently the case, made important contributions to the committee's and the Senate's consideration of this vital legislation.

I am sure, Mr. President, that all of us recognize that the Armed Services Committee renders an extremely valuable service to the Senate and the Nation. I want to express appreciation to all the members of the committee, as well as other Senators who have taken part in this debate.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business.

Mr. TOWER. Mr. President, will the Senator defer that request and let me have about 2 minutes?

Mr. ROBERT C. BYRD. Yes, on the bill?

Mr. TOWER. Yes.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. TOWER. Mr. President, the Senate has completed its action on the annual Department of Defense appropriation authorization bill, and I am very pleased to see that, other than one technical amendment, no funds were deleted from the amount recommended by the committee. The bill we will now take to conference with the House is about $2 billion less than the House figure, so the final bill we bring back to the Senate

should be somewhat higher than this one.

Mr. President, I believe the amendments accepted are supportable, and we Senate conferees will be as persuasive as we can in trying to convince our House colleagues of the merits of each. There are also a number of significant differences in the procurement and R. & D. accounts between the House and the Senate bill, and we will need to examine these differences very carefully when we conference with the House. In that regard, I look forward to assisting my good friend and chairman of the committee, who is always a good bargainer with the House and is extremely persuasive in maintaining the position of the Senate.

I want to especially commend the Senator from Mississippi (Mr. STENNIS), for his once again superb handling of this DOD bill. Almost single-handedly he is able to always speak on every amendment and every proposition offered to the bill, even though he may have had little or no notice of the particular subject. I am grateful for his support, and it is always my pleasure to be able to be part of the management team for this DOD authorization bill.

Mr. President, I want to commend the outstanding work of the Armed Services Committee staff, and in particular members of the minority staff, who through consideration of the bill have provided outstanding assistance. I am referring to Bob Old, Will Ball, who left our committee on June 15 for another position here in the Senate, Rhett Dawson, Ed Kenney, Ken Fish, Kaylene Green, and Marie Dickinson.

Again I want to express my thanks to my distinguished colleague from Mississippi.

Mr. STENNIS. Mr. President, if the Senator will yield to me, I wish to thank him for his excellent work here in the Senate and on the floor. In the morning I will further express my appreciation to other Members, and I will also ask for conferees.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, and Senators be allowed to speak up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

AMENDMENT TO REORGANIZATION PLAN NO. 2— MESSAGE FROM THE PRESIDENT—PM 193

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers, which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

I herewith transmit an amendment to Reorganization Plan No. 2 of 1978, which I transmitted to you on May 23, 1978. Except as specifically amended hereby, Reorganization Plan No. 2 remains unmodified.

JIMMY CARTER.

THE WHITE HOUSE, *July 11, 1978.*

REPORT OF THE UNITED STATES-JAPAN COOPERATIVE MEDICAL SCIENCE PROGRAM—MESSAGE FROM THE PRESIDENT—PM 194

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Human Resources:

To the Congress of the United States:

I transmit herewith the 1977 Annual Report of the United States-Japan Cooperative Medical Science Program.

The Administration is examining the possibility of consolidating statutorily required annual reports with a view towards reducing costs and excessive paperwork. This report, among others, will be included in this examination.

JIMMY CARTER.

THE WHITE HOUSE, *July 11, 1978.*

REPORT OF THE NATIONAL ADVISORY COUNCIL ON ECONOMIC OPPORTUNITY—MESSAGE FROM THE PRESIDENT—PM 195

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Human Resources:

To the Congress of the United States:

I am transmitting herewith the Tenth Annual Report of the National Advisory Council on Economic Opportunity.

This report reflects the Council's views in its role of examining programs authorized by the Economic Opportunity Act of 1964. While those views are not entirely consistent with this Administration's policies, we shall consider them in the future.

JIMMY CARTER.

THE WHITE HOUSE, *July 11, 1978.*

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 12:21 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 2176. An act to amend the Accounting and Auditing Act of 1950 to provide for the audit, by the Comptroller General of the United States, of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency, and for other purposes;

H.R. 9757. An act to impose a moratorium on any increase in the public lands grazing fee for the 1978 grazing year, and for other purposes; and

H.R. 11232. An act to authorize appropriations to carry out the Standard Reference Data Act, and to authorize appropriations for the National Bureau of Standards.

The message also announced that the House has passed the following bills and joint resolution, in which it requests the concurrence of the Senate:

H.R. 11886. An act to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans, to increase the rates of dependency and indemnity compensation for their survivors, and for other purposes.

(The bill was held at the desk pending further action, pursuant to the order of June 8, 1978.)

H.R. 12106. An act to amend the Independent Safety Board Act of 1974 to authorize additional appropriations;

H.R. 13087. An act to authorize the issuance of substitute Treasury checks without undertakings of indemnity, except as the Secretary of the Treasury may require;

H.J. Res. 613. A joint resolution to authorize and request the President to issue a proclamation designating the first Sunday of September after Labor Day in 1978 as "National Grandparents Day";

H.J. Res. 773. A joint resolution authorizing and requesting the President of the United States to issue a proclamation designating the seven calendar days beginning September 17, 1978, as "National Port Week"; and

H.J. Res. 1007. A joint resolution authorizing and requesting the President to proclaim the 7-day period beginning on May 4, 1979, as "Asian/Pacific American Heritage Week".

At 2:45 p.m., a message from the House of Representatives delivered by Mr. Hackney, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 12605. A bill to amend the Communications Act of 1934 to extend and improve the provisions of such Act relating to long-term financing for the Corporation for Public Broadcasting and relating to certain grant programs for public telecommunications, and for other purposes.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were read twice by their titles and referred as indicated:

H.R. 12106. An act to amend the Independent Safety Board Act of 1974 to authorize additional appropriations; to the Committee on Commerce, Science, and Transportation.

H.R. 13087. An act to authorize the issuance of substitute Treasury checks without undertakings of indemnity, except as the Secretary of the Treasury may require; to the Committee on Governmental Affairs.

H.J. Res. 773. A joint resolution authorizing and requesting the President of the United States to issue a proclamation designating the seven calendar days beginning

September 17, 1978, as "National Port Week"; to the Committee on the Judiciary.

HOUSE BILLS AND JOINT RESOLUTION PLACED ON THE CALENDAR

The following bill and joint resolution were read twice by their titles and placed on the calendar:

H.R. 12605. An act to amend the Communications Act of 1934 to extend and improve the provisions of such Act relating to long-term financing for the Corporation for Public Broadcasting and relating to certain grant programs for public telecommunications, and for other purposes.

H.J. Res. 613. A joint resolution to authorize and request the President to issue a proclamation designating the first Sunday of September after Labor Day in 1978 as "National Grandparents Day".

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-3936. A communication from the President of the United States, transmitting a request for supplemental appropriations for the fiscal year 1978 in the amount of $1,000,000 and amendments to the request for appropriations for the fiscal year 1979 in the amount of $205,171,000; to the Committee on Appropriations.

EC-3937. A communication from the Acting Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics), transmitting, pursuant to law, a report on the Selected Reserve Reenlistment Bonus Test Program authorized in section 403 of the Defense Authorization Act of July 30, 1977; to the Committee on Armed Services.

EC-3938. A communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Navy's proposed Letter of Offer to Sweden for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-3939. A communication from the Assistant Secretary of the Navy (Manpower, Reserve Affairs and Logistics), reporting, pursuant to law, that the Navy proposes to transfer the obsolete destroyer ex-LAFFEY (ex DD-724) to the State of South Carolina represented by the Patriots Point Development Authority (Patriots Point Naval and Maritime Museum), Charleston, South Carolina; to the Committee on Armed Services.

EC-3940. A communication from the President and Chairman, Export-Import Bank of the United States, reporting, pursuant to law, with respect to a transaction involving U.S. exports to Algeria; to the Committee on Banking, Housing, and Urban Affairs.

EC-3941. A communication from the Chairman, Interstate Commerce Commission, reporting on the implementation of Executive Order 12044; to the Committee on Commerce, Science, and Transportation.

EC-3942. A communication from the Acting Secretary, Department of the Interior, transmitting a draft of proposed legislation to amend the Alaska Native Claims Settlement Act of 1961 (85 Stat. 688; 43 U.S.C. 1601, as amended) to provide clarifications and improvements in the provisions thereof; to the Committee on Energy and Natural Resources.

EC-3943. A communication from the Chairman, Nuclear Regulatory Commission, transmitting, pursuant to law, a report on abnormal occurrences at licensed nuclear facilities; to the Committee on Environment and Public Works.

EC-3944. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, reporting that a communication transmitted on February 15, 1978, relating to an agreement between the United States and the Republic of Korea on trade in cotton, wool and man-made fiber textiles and textile products, was inadvertently not marked "confidential" when it was prepared, although it was intended that the letter be classified; to the Committee on Foreign Relations.

EC-3945. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Deep Ocean Mining—Actions Needed to Make it Happen," June 8, 1978; to the Committee on Governmental Affairs.

EC-3946. A communication from the Assistant Secretary for Administration, Department of Housing and Urban Development, transmitting, pursuant to law, a report on a Privacy Act system of records; to the Committee on Governmental Affairs.

EC-3947. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, an act adopted by the Council on May 16, 1978, which would amend the election and conflict of interest laws of the District of Columbia, and for other purposes (Act 2-207); to the Committee on Governmental Affairs.

EC-3948. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Second-Career Training for Air Traffic Controllers Should be Discontinued," June 29, 1978; to the Committee on Governmental Affairs.

EC-3949. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Disability Provisions of Federal and District of Columbia Employee Retirement Systems Need Reform," July 10, 1978; to the Committee on Governmental Affairs.

EC-3950. A confidential communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the major issues of the Department of Defense management of software during development and acquisition of major weapon systems; to the Committee on Governmental Affairs.

EC-3951. A communication from the Chairman, United States Civil Service Commission, transmitting a draft of proposed legislation to amend the Retired Federal Employees Health Benefits Act, as amended, with respect to the Government contribution toward subscription charge for health coverage; to the Committee on Governmental Affairs.

EC-3952. A communication from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report entitled "Paperwork and Red Tape: New Perspectives, New Directions"; to the Committee on Governmental Affairs.

EC-3953. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, 512 reports covering the period of June 1 through June 16, 1978, concerning visa petitions which the Service has approved according the beneficiaries of such petitions third- and sixth-preference classification under the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

EC-3954. A communication from the Secretary, Aviation Hall of Fame, Inc., transmitting, pursuant to law, its audit report for calendar year 1977; to the Committee on the Judiciary.

EC-3955. A communication from the Attorney General, transmitting a draft of proposed legislation to restructure the Federal Law Enforcement Assistance Administration, to assist State and local governments in improving the quality of their justice systems, and for other purposes; to the Committee on the Judiciary.

EC-3956. A communication from the Secretary of Defense, reporting, pursuant to law, on the resolution of shipbuilding claims filed by Litton Industries, Inc., and the General Dynamics Corporation; to the Committee on the Judiciary.

EC-3957. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, 255 reports covering the period of June 16 through June 30, 1978, concerning visa petitioners which the Service has approved according the beneficiaries of such petitions third- and sixth-preference classification under the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-722. A resolution adopted by the Northern Illinois Conference of The United Methodist Church, Chicago, Illinois, relating to amnesty; to the Committee on Armed Services.

POM-723. A resolution adopted by the Northern Illinois Conference of The United Methodist Church, Chicago, Illinois, relating to development assistance; to the Committee on Foreign Relations.

POM-724. A resolution adopted by the Northern Illinois Conference of The United Methodist Church, Chicago, Illinois, relating to "Plowshares and Pruning Hooks by 1990"; to the Committee on Appropriations.

POM-725. A resolution adopted by the Northern Illinois Conference of The United Methodist Church, Chicago, Illinois, relating to energy sources; to the Committee on Energy and Natural Resources.

POM-726. A resolution adopted by the Northern Illinois Conference of The United Methodist Church, Chicago, Illinois, relating to nuclear waste disposal; to the Committee on Environment and Public Works.

POM-727. A resolution adopted by the 19th Session of the North Central District of the National Association of Negro Business and Professional Women's Clubs, Inc., Washington, D.C., relating to social security payment reform; to the Committee on Finance.

POM-728. A resolution adopted by the 19th Session of the North Central District of the National Association of Negro Business and Professional Women's Clubs, Inc., Washington, D.C., relating to "tax revolt"; to the Committee on Human Resources.

POM-729. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Appropriations:

"SENATE CONCURRENT RESOLUTION No. 131

"Whereas, during the years of 1973, 1974, and 1975 the major rivers of Louisiana overflowed their banks and flooded substantial areas of the state of Louisiana, particularly, northeast Louisiana; and

"Whereas, such flooding caused millions of dollars in damages to the property, crops, and homes of the citizens of Louisiana, devastating many areas of the state; and

"Whereas, it is obvious that the flood protection plan for Louisiana, and in particular, northeast Louisiana, consisting of Red River Back Water Area, the Ouachita Flood Plain and the Main Line Mississippi River Levee System, is not adequate to provide proper flood protection to the citizens of Louisiana, their property, crops, and homes; and

"Whereas, tests show that damage to the Old River Control Structure caused by flooding in 1973, 1974, and 1975 has weakened

the structure and therefore major structural repairs are necessary.

"Therefore, be it resolved by the Senate of the Legislature of Louisiana, the House of Representatives thereof concurring, that the Congress of the United States is hereby memorialized to appropriate adequate funds to protect the citizens of Louisiana, especially northeast Louisiana, from further flooding.

"Be it further resolved that President Carter and the United States Army Corps of Engineers are hereby memorialized to institute a major study on flood protection and control in Louisiana, other than in the parish of St. Tammany.

"Be it further resolved that representatives of the United States Army Corps of Engineers meet with Louisiana officials to institute a comprehensive plan of flood protection for Louisiana.

"Be it further resolved that a copy of this Resolution shall be transmitted to the presiding officer of each house of the Congress of the United States, to each member of the Louisiana delegation in Congress, to President Carter, to the United States Army Corps of Engineers, and to the President of the Mississippi River Commission."

Committee on Environment and Public Council of Hyrum City, Cache County, Utah, relating to Hyrum Dam Safety Project; to the Committee on Environment and Public Works.

POM-731. A resolution adopted by the City Council of Kasson, Minnesota, relating to "spouses social security benefits"; to the Committee on Finance.

POM-732. A resolution adopted by the Michigan State University Board of Trustees, East Lansing, Michigan, relating to Sami Esmail; to the Committee on Foreign Relations.

POM-733. A resolution adopted by the Board of Supervisors of the County of Los Angeles, California, relating to Proposition 13; to the Committee on Governmental Affairs.

POM-734. A resolution adopted by the California Congressional Delegation, Washington, D.C., relating to the arts and humanities; to the Committee on Human Resources.

POM-735. A resolution adopted by the Legislature of the State of Nebraska; to the Committee on the Judiciary:

"LEGISLATIVE RESOLUTION 23

"Whereas, American citizens are growing more vocal in their objections to heavy tax burdens brought about by ever increasing government spending; and

"Whereas, various actions within several states, such as reduction of property taxes by popular vote, point dramatically to the intention of American taxpayers to take affirmative action in an effort to gain tax relief; and

"Whereas, much public attention is now being focused upon obtaining relief from taxation from all governmental taxing entities, including the Federal Government; and

"Whereas, any reduction or termination of revenue to a governmental taxing entity because of lowered taxes suggest the necessity of a planned limitation on growth in spending by governmental taxing entities; and

"Whereas, any meaningful federal, state, or local government spending limitations developed in response to such strong public support, should be imposed in such a manner that it may be expunged only by an equally strong call of the people.

"Now, therefore, be it resolved by the members of the Eighty-Fifth Legislature of Nebraska, first special session:

"1. That the Congress of the United States take appropriate action to adopt a Constitutional Amendment which will assure a predictable and reasonable limitation on the growth of spending by the Federal Government.

"2. That the Clerk of the Nebraska Legislature transmit a copy of the Resolution to the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, each member of the Nebraska Congressional delegation, and the Legislatures of each of the several states."

POM-736. A resolution adopted by the Executive Committee of the National Association of Secretaries of State, in Santa Fe, New Mexico, relating to federal legislation and federal candidate campaign expenditure reporting; to the Committee on Rules and Administration.

POM-737. A resolution adopted by the Board of County Commissioners of Seminole County, Florida, with respect to S. 35; to the Committee on the Judiciary.

ORDER FOR STAR PRINT ON REPORT NO. 95-827

Mr. NELSON. Mr. President, I ask unanimous consent that a star print be made of Report No. 95-827, H.R. 11445, to amend the Small Business Act and the Small Business Investment Act of 1958.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADDITIONAL COPIES OF A REPORT

Mr. ABOUREZK. Mr. President, due to the large number of requests from Indian tribes and Indian and non-Indian organizations for the American Indian Policy Review Commission's final report, I ask unanimous consent that 1,000 additional copies of the American Indian Policy Review Commission's final report, volumes I and II, be made available for the use of the Senate Select Committee on Indian Affairs.

The PRESIDING OFFICER. Without objection, is is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ABOUREZK, from the Select Committee on Indian Affairs, without amendment:

S. Res. 508. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to consideration of S. 3153, a bill to settle Indian land claims within the State of Rhode Island and Providence Plantations, and for other purposes. Referred to the Committee on the Budget.

By Mr. ABOUREZK, from the Select Committee on Indian Affairs, with an amendment:

S. 3153. A bill to settle Indian land claims within the State of Rhode Island and Providence Plantations, and for other purposes (Rept. No. 95-972).

By Mr. NELSON, from the Select Committee on Small Business:

Special Report pursuant to section 302(b) of the Congressional Budget Act of 1974 (Rept. No. 95-973).

By Mr. RANDOLPH, from the Committee on Environment and Public Works, without amendment:

S. 2801. A bill to designate the building known as the Ozark National Forest Headquarters Building in Russellville, Arkansas, as the "Henry R. Koen Forest Service Building" (Rept. No. 95-974).

By Mr. MAGNUSON, from the Committee on Commerce, Science, and Transportation, with amendments:

S. 1381. A bill to provide basic standards for State no-fault benefit plans for the rehabilitation and compensation of motor vehicle accident victims, and for other purposes (together with minority views) (Rept. No. 95-975).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 3279. An original bill to provide assistance to aircraft operators to aid them in complying with Federal aircraft noise standards, to amend the Airport and Airway Development Act of 1970 to provide assistance to airport operators and aircraft operators to aid them in complying with noise standards, and for other purposes (Rept. No. 95-976). Referred to the Committee on Finance, by unanimous consent.

AIRCRAFT AND AIRPORT NOISE REDUCTION ACT OF 1978

Mr. CANNON. Mr. President, I wish to file the report of the Committee on Commerce, Science and Transportation on the Aircraft and Airport Noise Reduction Act of 1978 which was originally introduced as S. 3064 and subsequently reported out of the committee as an original bill.

I ask unanimous consent that the bill, which was reported from the committee by a vote of 10 to 0 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3279

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Aircraft and Airport Noise Reduction Act of 1978".

TITLE I

SEC. 101. For purposes of this title—

(1) the term "airport" means any air carrier airport whose projects for airport development are eligible for terminal development costs under section 20(b) of the Airport and Airway Development Act of 1970 (49 U.S.C. 1720);

(2) the term "airport operator" means any person holding a valid certificate issued pursuant to section 612 of the Federal Aviation Act of 1958 (49 U.S.C. 1432) to operate an airport;

(3) the term "Secretary" means the Secretary of Transportation.

SEC. 102. Not later than the last day of the 12th month which begins after the date of enactment of this Act, the Secretary, after consultation with the Administrator of the Environmental Protection Agency and such other Federal, State, and interstate agencies as he deems appropriate, shall by regulation—

(1) establish a single system of measuring noise to be uniformly applied in measuring the noise at airports and the areas surrounding such airports;

(2) establish a single system for determining the impact of noise upon individuals which results from the operations of an airport and which includes, but is not limited to, noise intensity, duration, frequency, and time of occurrence;

(3) identify land uses which are normally compatible with various impacts of noise on individuals.

SEC. 103. (a)(1) After the effective date of the regulations promulgated in accordance with section 102 of this title, any airport operator of an airport may submit to the Secretary a noise impact map which sets forth in accordance with the regulations promulgated pursuant to section 102, the noncompatible uses in each area of the map, as of the date of submission of such map, a description of the projected aircraft operations at such airport during 1985, and the

ways, if any, in which such operations will affect such map.

(2) If, after the submission to the Secretary of a noise impact map under paragraph (1), any change in the operation of an airport would create any substantial new noncompatible use in any area surrounding such airport, the operator of such airport shall submit a revised noise impact map showing such new noncompatible use.

(b)(1) Section 11 of the Airport and Airway Development Act of 1970 (49 U.S.C. 1711) is amended by renumbering paragraphs (6) through (21), and all references thereto, as paragraphs (7) through (22), respectively, and by adding immediately after paragraph (5) the following new paragraph:

"(6) 'Airport noise compatibility planning' means the development for planning purposes of information necessary to prepare and submit (A) the noise impact map and related information permitted by section 103 of the Airport and Aircraft Noise Reduction Act of 1978, including any cost associated with obtaining such information, and (B) a noise compatibility program.

(2)(A) Section 13(a) of the Airport and Airway Development Act of 1970 (49 U.S.C. 1713(a)) is amended by—

(i) inserting "(1) " immediately before the first sentence thereof; and

(ii) adding at the end thereof the following new paragraph:

"(2) In order to promote the development of an effective noise compatibility program, the Secretary may make grants of funds to sponsors of air carrier airports whose projects for airport development are eligible for terminal development costs under section 20(b) of this title for noise compatibility planning.".

(B) Section 13(b) of such Act (49 U.S.C. 1713(b)) is amended to read as follows:

"(b) AMOUNT AND LIMITATION OF GRANTS.—(1) The award of grants under subsection (a)(1) of this section is subject to the following limitations:

"(A) The total funds obligated for grants under subsection (a)(1) of this section may not exceed $150,000,000, and the amount obligated in any one fiscal year may not exceed $15,000,000.

"(B) The United States share of any airport master planning grant or airport noise compatibility planning grant under this section shall be that percent for which a project for airport development at that airport would be eligible under section 17 of this Act. In the case of any airport system planning grant under this section, the United States share shall be 75 percent.

"(C) No more than 10 percent of the funds made available under this paragraph in any fiscal year may be allocated for projects within a single State, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, or Guam. Grants for projects encompassing an area located in two or more States shall be charged to each State in the proportion which the number of square miles the project encompasses in each State bears to the square miles encompassed by the entire project.

"(2) For the purpose of carrying out subsection (a)(2) of this section, there is authorized to be appropriated, for fiscal years ending on or after September 30, 1979, out of the Airport and Airway Trust Fund, not to exceed $15,000,000.".

SEC. 104. (a) Any airport operator who has submitted a noise impact map and the related information permitted by section 103(a)(1) of this title may develop, in consultation with the officials of any unit of local government in the area surrounding such airport, the Federal officials having local responsibility for such airport, any air carrier using such airport, and any regional planning authority, and submit a noise compatibility program to the Secretary. Such program shall set forth the measures which such operator has taken or proposes for the reduction of existing noncompatible uses and the prevention of the introduction of additional noncompatible uses within the area covered by the noise impact map submitted by such operator. Such measures may include, but are not limited to—

(1) the implementation of any preferential runway system;

(2) the implementation of any restriction on the use of such airport by any type aircraft based on noise characteristics of such aircraft;

(3) the construction of barriers and acoustical shielding, including the soundproofing of buildings;

(4) the use of flight procedures to control the operation of aircraft to reduce the impact of noise in the area surrounding the airport; and

(5) acquisition of land and interests therein, such as air rights, easements, and development rights, so as to insure the continued use of property for purposes compatible with airport operations.

(b) The Secretary may disapprove any program or part thereof submitted to him pursuant to subsection (a) of this section within 180 days after it is received by him. The Secretary may disapprove such program or part thereof (1) if the measures to be undertaken in carrying out such program (A) do not provide for the continuation of safe flight operation, (B) create an undue burden on interstate or foreign commerce, and (C) are not reasonably consistent with obtaining the goal of reducing existing noncompatible uses and preventing the introduction of additional noncompatible uses; and (2) if the program does not provide for any revision made necessary by any revised noise impact map submitted under section 103(a)(2) of this title. Failure of the Secretary to disapprove such program within such time period shall be deemed to be an approval of such program, except that the Administrator of the Federal Aviation Administration shall be required to explicitly approve or disapprove any part of such program which relates to flight procedures referred to in subsection (a)(4) of this section, within such time period.

(c)(1) The Secretary is authorized to make grants under this Act for any project to carry out a noise compatibility program or parts thereof not disapproved under subsection (b) of this section. Grants under this Act may be made to operators of airports submitting noise compatibility programs and to units of local government in the area surrounding such airports if the Secretary determines such units have the capability to carry out projects for which grant applications are made in accordance with such noise compatibility programs. The Federal share of any project for which a grant is made under this subsection shall be 80 percent of the cost of the project. All of the provisions of the Airport and Airway Development Act of 1970 applicable to grants made under the Act (except section 17 and those provisions relating to apportionment) shall be applicable to any grant made under this Act, unless the Secretary determines that any provision of such Act of 1970 is inconsistent with or unnecessary to carry out the purposes of this Act.

(2) The Secretary, further, is authorized under this section to make grants to operators of airports for any project to carry out a noise compatibility program developed prior to the enactment of this Act or the promulgation of its implementing regulations if the Secretary determines that such prior program is substantially consistent with the purposes of reducing existing noncompatible uses and preventing the introduction of additional noncompatible uses and that the purposes of this Act would be furthered by prompt implementation of such program.

(d) There is authorized to be obligated by the Secretary, out of the Airport and Airway Trust Fund, funds not to exceed $35,000,000 for the fiscal year ending September 30, 1979, and not to exceed $35,000,000 for the fiscal year ending September 30, 1980, to be expended, at the discretion of the Secretary, for making grants under subsection (c) of this section.

(e) The Secretary is authorized to make loans under this Act in amounts as included in appropriations Acts, upon such terms and conditions as are specified in this section and any others he considers appropriate, to airport operators for the purpose of acquiring real property impacted by aircraft noise in accordance with a noise compatibility plan not disapproved under subsection (b) of this section: *Provided*, That the aggregate amount of outstanding loans at any time shall not exceed $300,000,000. Any loan made under this Act may not exceed 80 percent of the cost of the real property acquired and may not be made for a period in excess of 5 years, and shall bear interest at a rate determined by the Secretary such that the earnings are sufficient to cover the administrative costs of the program authorized by this subsection. Real property acquired with the proceeds of a loan under this subsection may be leased for uses compatible with projected noise levels, or sold, with the approval of the Secretary, if the airport operator provides assurances considered adequate by the Secretary that future uses will be compatible with such noise levels.

(f) There is established in the Treasury of the United States a revolving fund to be known as the Aircraft Noise Impacted Real Property Acquisition Revolving Loan Fund (hereinafter referred to as the "fund"). The fund shall be administered by the Secretary and shall consist of such amounts as may be transferred, appropriated, or credited to the fund as provided in this section. At the close of fiscal year 1979, $300,000,000 shall be transferred to the fund from the Airport and Airway Trust Fund. All sums received in connection with the administration of subsection (e) of this section shall be credited to the fund. There are authorized to be appropriated to the fund such additional sums as may be required to carry out subsection (e). Amounts in the fund shall be available, as provided by appropriations Acts, for making expenditures after October 1, 1979, and before October 1, 1990, to meet those obligations of the United States incurred under subsection (e) of this section and for the administrative costs of the program. Any balances remaining in the fund after 1995 shall revert to the Airport and Airway Trust Fund. The Secretary is empowered to prescribe rules and regulations consistent with the provisions of this section.

SEC. 105. The Secretary, acting through the Administrator of the Federal Aviation Administration, after consultation with the officials of any unit of local government in the area surrounding such airport, shall prepare and publish a noise impact map and a noise compatibility program for the airport established by the Act of June 29, 1940 (54 Stat. 686), and the airport the construction of which was authorized by the Act of September 7, 1950 (64 Stat. 770). Such map and program shall be prepared and published in accordance with the requirements of this Act no later than 1 year after the effective date of the regulations promulgated in accordance with section 102 of this Act.

SEC. 106. Any noise impact map submitted to, or prepared by, the Secretary under this title and the list of land uses identified by the Secretary under this title as those which are normally compatible with various impacts of noise on individuals shall not be received in evidence in any trial, hearing, or other proceeding in or before any court in the United States.

SEC. 107. No person who acquires property or an interest therein after the date of enact-

ment of this Act in an area surrounding an airport shall be entitled to recover damages with respect to the noise attributable to such airport unless, in addition to any other elements for recovery of damages, such person can show—

(1) a significant change in the type or frequency of aircraft operations at the airport;

(2) a significant change in the airport layout;

(3) a significant change in flight patterns; or

(4) a significant increase in nighttime operations,

occurred after the date of the acquisition of such property or interest therein.

SEC. 108. The Secretary shall study (1) airport noise compatibility planning carried out with grants made under section 13 of the Airport and Airway Development Act of 1970 (49 U.S.C. 1713), and (2) airport noise compatibility programs carried out with grants and loans made under this title, to determine to what extent such planning and programs are achieving the goals of reducing existing noncompatible uses of land around airports and preventing the introduction of new noncompatible uses around airports. Not later than January 1, 1981, the Secretary shall submit to Congress a report setting forth the determinations made pursuant to such study together with legislative recommendations, if any, which the Secretary determines necessary.

TITLE II

SEC. 201. (a) Paragraph (3) of subsection (a) of section 14 of the Airport and Airway Development Act of 1970 (49 U.S.C. 1714(a)(3)) is amended by striking out "$495,000,000 for fiscal year 1979, and $525,000,0000 for fiscal year 1980." and inserting in lieu thereof "$582,000,000 for fiscal year 1979, and $750,000,000 for fiscal year 1980.".

(b) Paragraph (4) of subsection (a) of section 14 of the Airport and Airway Development Act of 1970 (49 U.S.C. 1714(a)(4)) is amended by striking out "$80,000,000 for fiscal year 1979, and $85,000,000 for fiscal year 1980." and inserting in lieu thereof "$93,000,000 for fiscal year 1979, and $120,000,000 for fiscal year 1980.".

(c) Paragraph (2) of subsection (b) of section 14 of the Airport and Airway Development Act of 1970 (49 U.S.C. 1714(b)(4)) is amended by striking out the last sentence therein.

(d) Subsection (f) of section 14 of the Airport and Airway Development Act of 1970 (49 U.S.C. 1714(f)) is amended by adding a new paragraph (4) to read as follows:

"(4) No provision of law, except for a statute hereafter enacted which expressly limits the application of this paragraph (4), shall impair the authority of the Secretary to obligate by grant agreement in any fiscal year the unobligated balance of amounts which were apportioned in prior fiscal years and which remain available for approved airport development projects pursuant to paragraph (5) of subsection 15(a), in addition to the minimum amounts authorized for that fiscal year by subsection (a)(3) and (a)(4) of this section.".

SEC. 202. Paragraph (2)(A) of subsection (a) of section 17 of the Airport and Airway Development Act of 1970 (49 U.S.C. 1717(a)(2)(A)) is amended by striking out "1977 and 1978, and shall be 80 percent of the allowable project costs in the case of grants from funds for fiscal years 1979 and 1980," and inserting in lieu thereof "1977 through 1980,".

TITLE III

DEFINITIONS

SEC. 301. For purposes of this title—

(1) the term "noncomplying aircraft" means any civil subsonic turbojet powered aircraft (A) which (i) has a maximum certificated takeoff weight of 75,000 pounds or more, (ii) is registered in the United States, (iii) has a standard airworthiness certificate issued pursuant to section 603(c), and (iv) as determined by the Civil Aeronautics Board, is in service on the effective date of this section, and (B) which does not comply with the noise standards prescribed for new subsonic aircraft in regulations issued by the Secretary, acting through the Administrator of the Federal Aviation Administration (14 CFR part 36), as such regulations were in effect on January 1, 1977;

(2) the term "retrofit" means the alteration of the engine or the engine nacelles of an aircraft with sound absorbent materials for the purpose of noise reduction;

(3) the term "Secretary" means the Secretary of Transportation;

(4) the term "Board" means the Civil Aeronautics Board;

(5) the term "adjacent islands" includes Puerto Rico, the United States and British Virgin Island, Saint Pierre, Miquelon, Cuba, the Dominican Republic, Haiti, Bermuda, the Bahamas, Barbados, Jamaica, the Windward and Leeward Islands, Trinidad, Martinique, and other islands in or bordering on the Caribbean Sea; and

(6) the terms "air carrier", "foreign air carrier", "foreign air commerce", and "United States", have the same meaning as in section 101 of the Federal Aviation Act of 1958, as amended (49 U.S.C 1301).

LIST OF NONCOMPLYING AIRCRAFT

SEC. 302. Not later than 60 days after the date of enactment of this title, the Secretary shall publish a list in the Federal Register setting forth the name of each operator of each noncomplying aircraft and the registration number of such aircraft.

NEW TECHNOLOGY AIRCRAFT INCENTIVE

SEC. 303. The Secretary shall provide a waiver for the operation of two- or three-engine noncomplying aircraft beyond January 1, 1985, if the operator has entered into a binding contract by January 1, 1983 for the purchase of a replacement aircraft which meets, at a minimum, the noise standards for new type certificated aircraft set forth in regulations issued by the Secretary, acting through the Administrator of the Federal Aviation Administration, on March 2, 1978 (F.R., Vol. 43, No. 42, p. 8722 et seq.) and in accordance with a plan specified in section 91.305(c) of title 14, Code of Federal Regulations.

LIMITED WAIVER AUTHORITY

SEC. 304. Notwithstanding any other provision of this or any other law, the Secretary is authorized to allow any noncomplying aircraft to be operated beyond the date by which such aircraft is to be in compliance with noise standards applicable to it in regulations issued by the Secretary, acting through the Administrator of the Federal Aviation Administration (14 CFR part 36), as such regulations were in effect on January 1, 1977, by waiving the application of such regulations to such aircraft for such period beyond such date of compliance as he determines reasonable to permit compliance. No such waiver shall be granted except upon application of the operator of the noncomplying aircraft and a finding by the Secretary that such operator has made a good faith effort to comply with such regulations and that there is good cause for failure of such operator to comply with such regulations as applicable to such noncomplying aircraft. For the purpose of this section, the term "good cause" shall include the following:

(1) Any case where the supplier is unable to furnish or make available to such operator in a timely manner the necessary engine retrofit kits, replacement engines, or replacement aircraft.

(2) Any other circumstances the Secretary deems appropriate.

DOMESTIC NOISE ABATEMENT CHARGE

SEC. 305. Notwithstanding any other provision of law, 60 days after enactment of this title any operator named in the list published under section 302 of this title shall impose a noise abatement charge for that portion of the transportation of any person subject to the tax imposed by section 4261(a) of the Internal Revenue Code of 1954 and any property subject to the tax imposed by section 4271(a) of the Internal Revenue Code of 1954, equal to 2 percent of all other rates, fares, or charges for that portion of such transportation (excluding all Federal and State taxes).

VOLUNTARY COMPLIANCE INCENTIVE

SEC. 306. Notwithstanding any other provision of law, 60 days after the certification described in subsection (a) or (b) of this section, the following operators shall impose a noise abatement charge of $3, in addition to any other lawful fare or charge, such transportation of any person by air, if such transportation begins in any State or the District of Columbia, and any portion is not taxable under section 4261(a) of the Internal Revenue Code of 1954:

(a) Any air carrier either not engaged in foreign air commerce or which certifies to the Secretary that it waives its rights under section 91.307 of title 14, Code of Federal Regulations, not to comply with Federal noise abatement rules with respect to that portion of its fleet engaged in foreign air commerce, and

(b) Any foreign air carrier which certifies to the Secretary that with respect to each of its aircraft engaged in operations within the United States it will voluntarily comply with the noise standards which would apply to such aircraft if they were registered in the United States and not engaged in foreign air commerce, as such standards are set forth in the regulations of the Secretary, acting through the Administrator of the Federal Aviation Administration (14 CFR parts 36 and 91), as such regulations were in effect on July 1, 1978.

INTERNATIONAL NOISE ABATEMENT CHARGE

SEC. 307. The noise abatement charge imposed in section 306 of this title shall continue to be imposed until 60 days after the date that all air carriers and foreign air carriers operating aircraft within the United States have either certified that they will voluntarily comply with the noise standards referred to therein, or are required by regulations of the Secretary to comply with such standards within deadlines set by the Secretary. At such time:

(a) Any operator of an aircraft which is used for the carriage of persons for compensation or hire shall impose a noise abatement charge in addition to any other lawful fare or charge, for the transportation of any person by air, if such transportation begins in any State or in the District of Columbia, and any portion is not taxable under section 4261(a) of the Internal Revenue Code of 1954, which is (1) $2 for transportation of persons to foreign contiguous territory or adjacent islands, or between the continental United States and the States of Alaska and Hawaii, or between the States of Alaska and Hawaii; or (2) $10 for the transportation of persons not included in (1); and

(b) Any operator of an aircraft which is used for the carriage of property for compensation or hire shall impose, in the case of foreign air transportation of property by air which begins in any State or in the District of Columbia, a noise abatement charge in addition to any other lawful rate or charge, which is equal to 5 percent of all other such rates or charges for such transportation (excluding all Federal and State taxes) but not to exceed a maximum of $2.25 per 100 pounds of cargo.

USE OF NOISE ABATEMENT CHARGE REVENUES

SEC. 308. As long as the fleet of any operator is not fully in compliance with all applicable Federal noise abatement regulations, the noise abatement charges collected by that operator shall be retained and utilized by it only to bring its aircraft fleet into compliance with all applicable Federal noise abatement regulations.

MODIFICATION OF NOISE ABATEMENT CHARGES

SEC. 309. Subject to the procedures described below, the Board shall have the authority to increase, decrease, or eliminate the noise abatement charges required by sections 305 and 307 of this title:

(a) No less than 12 months but no more than 14 months following the imposition of the noise abatement charges identified in section 305 of this title and no less than 24 months but no more than 26 months following the imposition of the noise abatement charges identified in section 307 of this title, the Secretary shall submit to the Board reports regarding the effect of the noise abatement charges and recommendations regarding the continuation or termination of the noise abatement charges or an adjustment in the noise abatement charges to a higher or lower percentage or dollar amount.

(b) The reports shall include an evaluation of the following, among other things:

(1) the financial condition of the operators;

(2) the progress of the operators toward the bringing of noncomplying aircraft into noise regulation compliance;

(3) the state of production of "stage 3" aircraft; and

(4) whether continuation of the noise abatement charges will produce excessive profits for the operators.

(c) Upon receipt by the Board of the reports and recommendations, the Board shall initiate a rulemaking proceeding which shall be completed within 90 days. The final rule may adopt, reject, or amend the recommendations of the Secretary.

(d) In making its determinations, the Board shall consider, among other things:

(1) the need for the operators to raise sufficient capital to meet the requirements for compliance with all Federal noise abatement regulations;

(2) the desirability of encouraging the development and use of the most advanced technology available for reducing noise levels; and

(3) with respect to the noise abatement charges imposed by section 307, the views of the Department of State.

(e) The final rule shall be submitted to both Houses of Congress and shall take effect 60 days thereafter unless either House disapproves, by simple majority vote, the implementation of the rule within 30 legislative days from the date of submission to the Congress.

(f) The Board or the Secretary may initiate additional reviews, consistent with the procedures in this section, at anytime after 12 months following the initial review.

TERMINATION OF NOISE ABATEMENT CHARGES

SEC. 310. Notwithstanding any other provision of this title, the noise abatement charges identified in section 305 (as may be modified by the Board) shall cease to be in effect on and after the last day of the 60th month which begins after the date of imposition of the noise abatement charge. Notwithstanding any other provision of this title, the noise abatement charges identified in section 307 of this title (as may be modified by the Board) shall cease to be in effect on and after the last day of the 120th month which begins after the date of imposition of the noise abatement charge.

COMPLIANCE FOR INTERNATIONAL CARRIERS

SEC. 311. If, by January 1, 1980, the International Civil Aviation Organization (ICAO) does not reach an agreement on noise standards and an international schedule for compliance with ICAO Noise Standards (annex 16) or part 36 of title 14, Code of Federal Regulations, the Federal Aviation Administration shall commence a rulemaking to require all aircraft operated by international operators in the United States to meet the noise level standards of part 36 or annex 16 during the 5-year period thereafter, at a phased rate of compliance similar to that established for domestic operations. Such rulemaking shall be concluded within 120 days. The ultimate requirement applied to the United States international flag carriers shall not be any more stringent than those applied to foreign air carriers.

TITLE IV

CHANGE IN TAXES ON TRANSPORTATION OF PERSONS BY AIR

SEC. 401. (a)(1) IN GENERAL.—Subsection (a) and (b) of section 4261 of the Internal Revenue Code of 1954 (relating to transportation of persons by air) are each amended by striking out "8 percent" and inserting in lieu thereof "6 percent."

(2) 62 months after enactment of this title, subsections (a) and (b) of section 4261 of the Internal Revenue Code of 1954 are each amended by striking out "6 percent" and inserting in lieu thereof "8 percent".

(3) The amendments made by paragraph (1) of this subsection shall apply with respect to transportation beginning 60 days after enactment of this title.

(b) IN GENERAL.—(1) Subsection (c) of section 4261 of the Internal Revenue Code of 1954 (relating to the use of international travel facilities) shall not apply with respect to transportation on which a noise abatement charge has been imposed under section 306 or 307 of this title.

(2) The amendment made by paragraph (1) of this subsection shall cease to apply 120 months after the date upon which the noise abatement charges in section 307 of this title become required, at which time subsection (c) of section 4261 of the Internal Revenue Code of 1954 is amended by reenacting that subsection as it read on December 31, 1978.

CHANGES IN TAXES ON TRANSPORTATION OF PROPERTY

SEC. 402. (a)(1) IN GENERAL.—Subsection (a) of section 4271 of the Internal Revenue Code of 1954 (relating to the transportation of property by air) is amended by striking out "5 percent" and inserting in lieu thereof "3 percent".

(2) 62 months after enactment of this title, subsection (a) of section 4271 of the Internal Revenue Code of 1954 is amended by striking out "3 percent" and inserting in lieu thereof "5 percent".

(3) The amendment made by paragraph (1) of this subsection shall apply with respect to transportation beginning 60 days after enactment of this title.

Mr. CANNON. Mr. President, I ask unanimous consent that the reported bill be referred to the Committee on Finance for consideration of its tax reduction provisions.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, without amendment:

S. Res. 510. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 3279. Referred to the Committee on the Budget.

BUDGET ACT WAIVER

Mr. CANNON. Mr. President, I am also filing a budget waiver resolution reported from the Committee on Commerce, Science, and Transportation, which I ask unanimous consent be referred to the Committee on the Budget.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. CRANSTON (by request):

S. 3273. A bill to amend chapter 19 of title 38, United States Code, to permit the unrestricted assignment of a beneficiary's interest in the proceeds of a Government Life Insurance policy in cases involving contested claims, and to increase the amount an attorney may receive for representing a claimant in such cases; to authorize the Administrator to use a flexible interest rate in cases where the beneficiary of Government Life Insurance receives the proceeds of such insurance under certain settlement options; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. DECONCINI (for himself and Mr. GOLDWATER):

S. 3274. A bill to designate the United States Department of Agriculture's Bee Research Laboratory in Tucson, Arizona, as the "Carl Hayden Bee Research Center"; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. NELSON (by request):

S. 3275. A bill to amend the Small Business Act to increase the maximum allowable compensation and travel expenses for experts and consultants; to the Select Committee on Small Business.

S. 3276. A bill to amend the Small Business Act by transferring thereto those provisions of the "Domestic Volunteer Service Act of 1973" affecting the operation of volunteer programs to assist small business, and for other purposes; to the Select Committee on Small Business.

By Mr. DANFORTH:

S. 3277. A bill to reorganize the executive branch of the Government to provide for the more effective and efficient utilizations of resources by small communities, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977.

By Mr. MUSKIE:

S. 3278. A bill to amend the Internal Revenue Code of 1954 to provide that service performed by a citizen of the United States as an employee of the Roosevelt Campobello International Park Commission shall constitute employment for purposes of the Federal Unemployment Tax Act; to the Committee on Finance.

By Mr. CANNON:

S. 3279. A bill to provide assistance to aircraft operators to aid them in complying with Federal aircraft noise standards, to amend the Airport and Airway Development Act of 1970 to provide assistance to airport operators and aircraft operators to aid them in complying with noise standards, and for other purposes. Original bill reported and referred to the Committee on Finance, by unanimous consent.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CRANSTON (by request):

S. 3273. A bill to amend chapter 19 of title 38, United States Code, to permit the unrestricted assignment of a beneficiary's interest in the proceeds of a Government life insurance policy in

cases involving contested claims, and to increase the amount an attorney may receive for representing a claimant in such cases; to authorize the administrator to use a flexible interest rate in cases where the beneficiary of Government life insurance receives the proceeds of such insurance under certain settlement options; and for other purposes; to the Committee on Veterans' Affairs.

VETERANS INSURANCE AMENDMENTS ACT OF 1978

● Mr. CRANSTON. Mr. President, I am introducing today, at the request of the administration, S. 3273, the proposed "Veterans Insurance Amendments Act of 1978." I ask unanimous consent that the letter of transmittal, the text of the bill, and a section-by-section analysis of the bill be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 3273

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans Insurance Amendments Act of 1978".

TITLE I—ASSIGNMENTS AND ATTORNEYS FEES

SEC. 101. Section 718 of title 38, United States Code, is amended by:

(1) inserting in subsection (b) after "title," the following: "or contested claims which are resolved in accordance with subsections (c) and (d) of this section,";

(2) inserting "or her" immediately following "his"; and

(3) adding at the end of subsection (b) the following:

"(c) In cases involving claims by two or more persons with opposing interests to proceeds of policies maturing on and after the date of enactment of this subsection, resolution of these conflicting claims by assignment of all or any portion of the proceeds to persons outside the class specified in subsection (b) of this section will be permitted. Except in cases where payment under this section will be made in a lump sum, the contingent beneficiary must join any assignment under this subsection. This subsection is not applicable to insurance granted under the provisions of section 722(b) of this title.

"(d) Each claimant to whom insurance proceeds will be paid under an assignment effected pursuant to subsection (c) of this section may assign a portion of the proceeds to be paid to an attorney who represented such claimant in the contested claim. The assignment to an attorney under this subsection may not exceed the lesser of (1) 10 per centum of the proceeds to be paid to that claimant, or (2) the amount of the fee payable pursuant to an agreement between the claimant and attorney. This assignment will be the only fee payable for professional services rendered in connection with the claim for insurance proceeds."

SEC. 102. Section 753 of title 38, United States Code is amended by:

(1) deleting at the beginning thereof "Any person to whom United States Government Life Insurance shall be payable may assign his";

(2) inserting in lieu thereof the following: "(a) Except in cases involving contested claims to insurance proceeds, which will be governed by subsection (b) of this section, persons to whom United States Government Life Insurance shall be payable may assign their"; and

(3) adding at the end thereof the following:

"(b) In cases involving claims by two or more persons with opposing interests to insurance proceeds maturing on and after the date of enactment of this subsection, resolution of these conflicting claims by assignment of all or any portion of the proceeds to persons outside the class specified in subsection (a) of this section is authorized. Except in cases where payment under this section will be made in lump sum, the contingent beneficiary must join any assignment under this subsection.

"(c) Claimants to whom insurance proceeds will be paid under an assignment effected pursuant to subsection (b) of this section may assign a portion of the proceeds to be paid to an attorney who represented them in the contested claim. The assignment to an attorney under this subsection may not exceed the lesser of (1) 10 per centum of the proceeds to be paid to the claimant, or (2) the amount of the fee payable pursuant to an agreement between the claimants and attorney This assignment will be the only fee payable for professional services rendered in connection with the claim for insurance proceeds."

SEC. 103. Subsection 784(g) of title 38, United States Code, is amended by:

(1) redesignating this subsection as paragraph 784(g)(1);

(2) deleting "10" and inserting in lieu thereof "25";

(3) deleting "one-tenth" and inserting in lieu thereof "one-fourth";

(4) deleting "his" and inserting in lieu thereof "the veteran's" immediately following "during";

(5) inserting "or her" immediately following "his"; and

(6) adding at the end thereof the following:

"(2) In cases brought under this section where insurance proceeds were paid before the litigation was commenced, and the person or persons to whom prior payment was made are ultimately the successful parties to the litigation, the court shall determine a reasonable fee, not to exceed 25% of the disputed proceeds, to be paid to the attorneys of such party or parties; this attorney fee shall be incorporated into the judgment or decree of the court. This fee will be paid by the successful party or parties to their attorneys and may be apportioned as determined by the court. No other fee will be payable to any attorney for services in cases to which this subsection pertains."

SEC. 104. Section 3405 of title 38, United States Code, is amended by:

(1) inserting immediately after "3404" the following: ", 718, 753"; and

(2) inserting "or her" immediately following "him".

TITLE II—FLEXIBLE INTEREST RATES

SEC. 201. Subchapter I of chapter 19 of title 38, United States Code, is amended by:

(1) adding at the end thereof the following new section:

"§ 726. Flexible interest rate; National Service Life Insurance

"Notwithstanding sections 702, 722, 723 and 725 of this title, the use of a flexible interest rate is authorized where the beneficiary of an insurance policy issued pursuant to the provisions of this subchapter receives the proceeds of such policy under a settlement option providing for 36 to 240 equal monthly installments. Such flexible interest rate shall be established by the Administrator as may from time to time be determined administratively and actuarially sound for each program of insurance, except that such flexible interest rate shall not be less than the interest rate upon which all calculations must be based for the type of insurance policy payable as required by sections 702, 722, 723, or 725 of this title."; and

(2) inserting at the end of the table of section of such title:

"726. Flexible interest rate; National Service Life Insurance.".

SEC. 202. Subchapter II of chapter 19 of title 38, United States Code, is amended by:

(1) adding at the end thereof the following new section:

"§ 761. Flexible interest rate; United States Government Life Insurance.

"Notwithstanding section 744 of this title, the use of a flexible interest rate is authorized where the beneficiary of an insurance policy issued pursuant to the provisions of this subchapter receives the proceeds of such policy in 36 to 240 installments. Such flexible interest rate shall be established by the Administrator as may from time to time be determined to be administratively and actuarially sound, except that such flexible interest rate shall not be less than the interest rate upon which all calculations must be based as required by section 744 of this title."; and

(2) inserting at the end of the table of sections of such title:

"761. Flexible interest rate; United States Government Life Insurance.".

TITLE III—EFFECTIVE DATE

SEC. 301 The amendments made by this Act shall take effect as of the date of enactment of this Act.

VETERANS ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS,
Washington, D.C., June 23, 1978.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Transmitted herewith is a draft bill, "To amend chapter 19 of title 38, United States Code, to permit the unrestricted assignment of a beneficiary's interest in the proceeds of a Government Life Insurance policy in cases involving contested claims, and to increase the amount an attorney may receive for representing a claimant in such cases; to authorize the Administrator to use a flexible interest rate in cases where the beneficiary of Government Life Insurance receives the proceeds of such insurance under certain settlement options; and for other purposes." It is requested that it be introduced, and considered for enactment.

The measure, to be cited as the "Veterans Insurance Amendments Act of 1978," would primarily accomplish the following purposes:

(a) permit unrestricted assignment by beneficiaries of insurance proceeds of policies administered by the Veterans Administration in cases with contesting claimants;

(b) permit payment of attorneys' fees in cases resolved by assignment without litigation;

(c) increase the amount of attorneys' fees payable in insurance cases involving litigation;

(d) authorize payment of attorneys' fees where the prevailing party in litigation involving insurance proceeds has previously received the proceeds;

(e) permit payment of interest at flexible rates on proceeds paid on National Service Life Insurance and United States Government Life Insurance policies in certain settlement options.

Title I of the bill relates to assignments and attorneys' fees. Sections 101 and 102 would affect the portions of the insurance chapter relating to assignments in National Service Life Insurance and United States Government Life Insurance cases. Statutory provisions on assignments, contained in sections 718 and 753, respectively, enumerate a class of relatives of the insured to whom the beneficiary may assign an interest in the proceeds. For NSLI, the class includes the insured's spouse, children, parents, siblings, and grandparents. The class for USGLI assignments encompasses the same group and

also extends to aunts and uncles, nephews and nieces, and brothers-in-law and sisters-in-law of the insured. It should be noted that the insured is not restricted to a particular class in designating a beneficiary despite the limitations imposed on the beneficiary in disposing of the proceeds through assignment. The restrictions on assignments are considered to be useful in cases where there is no question as to the designated beneficiary, as that person is thereby permitted to direct payment of the proceeds to a close relative of the insured.

In many NSLI and USGLI cases, however, there is a contest between two or more persons as to the last-designated beneficiary. These contests may not necessarily involve members of the class to which an assignment is possible, such as a former wife with custody of children of the veteran or a close friend. It has previously been the experience of the Veterans Administration that contested claims to insurance proceeds may be resolved by an agreement between the claimants as to a division of the proceeds. An assignment from the named beneficiary to the contesting claimant of part of the proceeds is an efficient mechanism for effecting such an agreement and provides full acquittance of liability for the Veterans Administration. This method of resolution is not available, however, when the potential assignee is not within the classes set forth in sections 718 and 753. Accordingly, claimants in those cases are forced to engage in time-consuming and expensive litigation, abandon their claims, or resort to an unsanctioned agreement to divide the proceeds and in which the agency is not a participant.

In view of the frequency with which similar situations occur, amendments to sections 718 and 753 have been proposed. These amendments made by section 101(3) and section 102(3) of the bill would permit assignments to be made in contested claims without regard to the restrictions now imposed. This would permit extrajudicial settlement of these cases with full release of the Government's liability when the parties have reached an amicable agreement regarding the proceeds. Thus, a spouse would enjoy the right to assign a portion of the proceeds to a former spouse in the same manner as a former spouse may currently assign a portion to the spouse in order to conclude a dispute as to entitlement to the proceeds.

In the course of administering the insurance programs, the Veterans Administration has recognized certain shortcomings with the statutory scheme by which attorneys' fees are authorized. Section 784(g) provides for payment of attorneys' fees in litigated cases. (A nominal fee for cases resolved in the administrative procedure is provided in section 3404.) As indicated above, significant numbers of insurance cases are not resolved at either of those stages but rather are terminated through agreement and assignment. At that point the claimants have frequently obtained counsel but are unable to assure payment of any fee without the entry of a judgment.

Clause 3 of section 101 and clause 3 of section 102 of the proposed bill would establish a procedure for payment of attorneys' fees where contested claims have been resolved in this way. Payment of the attorney fees would also make use of the mechanism of assignment, eliminating the necessity for the Veterans Administration to become involved in administrative determinations as to the proper fees. The fee specified is considered to be reasonable remuneration for an attorney who may have done little substantive work on behalf of the client. The payment will essentially be compensation for having negotiated an acceptable settlement. Under these circumstances, a maximum fee of 10 percent of the claimant"s recovery should be sufficient. In cases where an attorney and claimant have entered a fee arrangement in which the fee would be less than 10 percent of the recovery, the amount arranged for would be the maximum fee under the proposed subsections. These limitations would be consistent with the policy of protecting insurance proceeds from usurpation by attorneys but are not so restrictive as to prevent a claimant from obtaining counsel.

Sections 101 and 102 of the proposed bill also contain technical amendments to sections 718 and 753. They would clarify the relationship of the recommended amendments to the existing portions of the statute.

With regard to payment of attorneys' fees in litigated NSLI and USGLI cases, 38 U.S.C. § 784(g) is controlling. This subsection authorizes payment by the Veterans' Administration to an attorney out of the proceeds awarded to a claimant by court decree or judgment. The maximum fee so authorized is 10 percent and is subject to the court's discretion. In its current format, attorneys' fees are only payable where the proceeds have not yet been paid; as in all other cases there are no proceeds from which to deduct the fees. While these provisions are applicable in the majority of insurance cases, it sometimes occurs that a party who has received proceeds is required to defend his or her status as the proper beneficiary in a court action. In such cases, no attorneys' fees are awarded if the defense is successful because no proceeds remain to be paid to that person. The opportunity to retain counsel for defense of that type of lawsuit or in insurance litigation in general is considered to be jeopardized by the present fee structure.

Accordingly, several changes in subsection 784(g) have been proposed in section 103 of the bill. The first would redesignate the language which is now subsection 784(g) as subsection 784(g)(1). The first substantive change would permit payment of an attorney's fee up to a maximum of 25 percent of the claimant's recovery in cases where proceeds have not previously been paid and in which a judicial decree is entered. A fee would continue to be available only to the attorney(s) for the prevailing party. It is contemplated that the maximum fee will be reserved for cases which have gone to trial and in which the prevailing attorney undertook a substantial amount of preparation. The court is expected to exercise its discretion in awarding less than the maximum fee in cases which are resolved by stipulation and assignment; the fees enumerated in sections 718 and 753, a maximum of 10 percent, may serve as a useful guideline for the court in those cases.

Clause 6 of the proposed section 103 would add a new clause to 784(g) to address the situation of lawsuits after payment of proceeds where the prior payee is successful. In these cases, the court would determine a reasonable fee, not to exceed 25 percent of the disputed proceeds, which would be paid to the attorneys by the successful claimants. In instances where there is more than one attorney representing successful litigants or more than one claimant represented, the court may apportion the amount to be paid. It is believed that the addition of this clause would have the effect of allowing persons sued for recovery of proceeds to be able to obtain representation by counsel on an equal basis with parties in suits where proceeds have not previously been paid.

38 U.S.C. § 3405 establishes penalties for violations of the sections of the statute pertaining to attorneys' fees. Section 104 of the proposed bill would amend this section to reflect the proposed addition of attorneys' fees provisions in sections 718 and 753.

Sections 201 and 202 of the draft bill would affect the rate by which interest is computed on proceeds paid to National Service Life Insurance and United States Government Life Insurance beneficiaries, respectively, under monthly installment options. Currently, installment options, ranging from 36 to 240 months, are paid with interest rates of 2¼ percent per annum for service-disabled veterans insurance and veterans' special life insurance under 38 U.S.C. §§ 722 and 723, 3 percent per annum for National Service Life Insurance under 38 U.S.C. § 702, and at 3½ percent per annum for Veterans Reopened Insurance under 38 U.S.C. § 725 and United States Government Life Insurance under 38 U.S.C. § 744. These statutory percentage rates are considered to be part of the insurance contracts issued pursuant to the applicable sections and, in the proposed amendments, would represent the minimum interest rate for installment payments. The assets in the insurance trusts are earning interest at a rate in excess of 6 percent, with the extra earnings being paid to insured veterans as dividends.

Inasmuch as the beneficiary's interest in the insurance proceeds vests at the veteran's death, we believe that excess earnings on proceeds to be paid over a period of years should be payable to the beneficiaries rather than continuing to be available as dividends to living insureds. This would be an equitable resolution of the question of what to do with excess earnings now that sufficient reserves have been established.

Therefore, the proposed bill would add a new section pertaining to National Service Life Insurance and one pertaining to United States Government Life Insurance which would authorize the Administrator to use flexible interest rates in the computation of monthly benefits paid in installment options. As proceeds received in lump sum payments (option one) draw no interest, the changes in the draft bill would not affect this mode of payment. The rates to be established by the Administrator under the new sections would be determined on the basis of administrative and actuarial soundness for each program of insurance and could be varied at appropriate times as circumstances warranted.

Sections 201(2), 202(2) and 301 of the proposed bill are technical sections, amending the table of sections to reflect the changes in the insurance chapter and setting an effective date for the provisions. Where necessary throughout the proposed bill, references to gender have been amended.

The draft bill, if enacted, would not result in any additional cost to the Government.

Advice has been received from the Office of Management and Budget; that there is no objection to the submission of the draft legislation and that its enactment would be in accord with the program of the President

Sincerely,

MAX CLELAND, *Administrator.*

SECTION-BY-SECTION ANALYSIS

Section 101 of this draft bill will amend section 718 of title 38, United States Code, to permit the resolution of conflicting claims to the proceeds of National Service Life Insurance policies by means of assignments of all or any portion of the proceeds to persons outside the class specified in subsection 718(b). It would also permit each claimant to whom insurance proceeds would be paid under an assignment to assign a portion of the assigned proceeds to be paid to the attorney representing him or her in the contested claim. An assignment to an attorney cannot exceed the lesser of 10 percent of the proceeds to be paid to that claimant, or the amount of the fee payable pursuant to an agreement between the claimant and his or her attorney.

Section 102 of this draft bill would amend section 753 of title 38, United States Code, to provide similar provisions concerning the resolution of conflicting claims by means of unrestricted assignments and the payment of attorney fees in cases involving United States Government Life Insurance.

Section 103 of this draft bill amends subsection 784(g), title 38, United States Code,

to increase the present attorney fee limitation from 10 percent of the amount recovered under a judgment and payable by the Veterans Administration to 25 percent. In addition, subsection 784(g) is amended to permit a court to determine a reasonable attorney fee in cases where the insurance proceeds were paid prior to commencement of litigation, and the party to whom prior payment was made is the successful party in the litigation. This fee is not to exceed 25 percent of the disputed proceeds and is to be paid by the successful party to his or her attorney. No other fee is payable to any attorney who renders professional services to a client under these circumstances.

Section 104 of this draft bill would amend section 3405 of title 38, United States Code, to extend the current exemption from criminal penalty to the solicitation or receipt of attorney fees as provided in section 718 and section 753.

Section 201 of this draft bill would amend subchapter I of chapter 19 of title 38, United States Code, by adding a new section entitled "Flexible Interest Rate; National Service Life Insurance." The new section would authorize the Administrator to use a flexible interest rate in the computation of monthly installments in cases where the beneficiary of National Service Life Insurance receives the insurance proceeds under a settlement option providing from 36 to 240 equal monthly installments. This flexible interest rate is to be established by the Administrator as is determined to be administratively and actuarially sound. However, the rate cannot be less than the interest rate upon which all calculations must be based for the type of insurance policy payable as required by either sections 702, 722, 723, or 725, title 38, United States Code. The table of sections would be amended to reflect the addition of this section.

Section 202 of this draft bill would amend subchapter II of chapter 19 of title 38, United States Code, by adding a new section entitled "Flexible Interest Rate; United States Government Life Insurance." This new section would authorize the Administrator to use the flexible interest rate in the computation of monthly installments in cases where the beneficiary of United States Government Life Insurance receives the insurance proceeds under a settlement option providing from 36 to 240 equal monthly installments. Again the flexible interest rate is to be established by the Administratior as is determined to be administratively and actuarially sound, except that such flexible interest rate shall not be less than the interest rate upon which all calculations must be based as required by section 744 of title 38, United States Code. The table of sections would be amended to reflect the addition of this section.

Section 301 of the draft bill provides that the effective date of the amendments made by this Act will be the date of enactment.●

By Mr. DECONCINI (for himself and Mr. GOLDWATER):

S. 3274. A bill to designate the U.S. Department of Agriculture's Bee Research Laboratory in Tucson, Ariz., as the "Carl Hayden Bee Research Center"; to the Committee on Agriculture, Nutrition, and Forestry.

CARL HAYDEN BEE RESEARCH CENTER

● Mr. DECONCINI. Mr. President, 10,000 individuals have served in the U.S. Congress, but Arizona's native son, Carl Hayden, served longer than any other person—56 years, 10 months and 28 days. Many of my distinguished colleagues here in the Senate today have fond memories of the former Senate President pro tem, and Senator Hayden has a very special place in the hearts and memories of Arizonans.

Today, Senator Goldwater and I are introducing a bill to designate the Department of Agriculture's Bee Research Center in Tucson, Ariz., as the "Carl Hayden Bee Research Center."

The designation of this USDA facility as the "Carl Hayden Bee Research Center" would recognize the late Senator's efforts to pioneer and promote bee research. It is unfortunate, but far too few people are aware of the vital role played by bees in overall agricultural production. Nonetheless, Senator Hayden's interest in bees, which dates to the late 1800's, led to his active leadership on behalf of the bee industry, and the establishment of the Bee Research Center.

Consequently, we feel it is only fitting that the Bee Research Center in the late Senator's home State should proudly bear the name of its most famous supporter. For that reason, we strongly urge our colleagues to support our effort.

Mr. President, I ask unanimous consent to have the bill printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3274

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States Department of Agriculture's Bee Research Laboratory in Tucson, Arizona, shall hereafter be known and designated as the "Carl Hayden Bee Research Center". Any reference to such laboratory in any law, regulation, document, record, or other paper of the United States shall be deemed a reference to it as the Carl Hayden Bee Research Center.●

By Mr. NELSON (by request):

S. 3275. A bill to amend the Small Business Act to increase the maximum allowable compensation and travel expenses for experts and consultants; to the Select Committee on Small Business.

● Mr. NELSON. Mr. President, I am introducing today a bill requested by the administration "to amend the Small Business Act to increase the maximum allowable compensation and travel expenses for experts and consultants."

This legislation would amend the Small Business Act to increase the rates which SBA is authorized to pay experts and consultants, as compensation and for the reimbursement of travel expenses, to levels now authorized in 5 U.S.C. 5332 and 5 U.S.C. 5703 for general Government purposes.

The rates to be changed by this amendment were set, in one instance, in 1955 and, in the other, 1964. These rates are not considered to be costs. It should be noted, however, that this bill does not give SBA any additional spending authority.

Mr. President, I ask unanimous consent that the text of the bill and the section-by-section analysis be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 3275

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 5(c) of the Small Business Act, 15 U.S.C. 634(c), is amended by striking the last sentence and inserting in lieu thereof the following: "Any individual so employed may be compensated at a rate not in excess of the daily equivalent of the highest rate payable under 5 U.S.C. 5332, including travel time, and, while such individual is away from his home or regular place of business, he may be allowed travel expenses (including per diem in lieu of subsistence) as authorized by 5 U.S.C. 5703."

SEC. 2. Section 7(k)(4) of the Small Business Act, 15 U.S.C. 636(k)(4), is amended by striking out "$100 per diem" and inserting in lieu thereof "the daily equivalent of the highest rate payable under 5 U.S.C. 5332".

SECTION-BY-SECTION ANALYSIS

Section 1. Amends that portion of section 5(c) of the Small Business Act which relates to compensation for consultants and experts. It provides that any individual so employed may be compensated at a rate not in excess of the daily equivalent of the highest rate payable under 5 U.S.C. 5332. It also provides that travel expenses for such individuals shall be as authorized by 5 U.S.C. 5703.

The effect of the amendment is to increase the ceiling for compensation from $50 to approximately $183 per diem, and travel expenses from $15 to $35–$50 per diem depending upon location. The rates being changed were set in 1955 and are unrealistic in the light of 1978 pay levels and travel costs.

Section 2. Amends section 7(k)(4) of the Small Business Act to increase the ceiling on the amount of compensation which SBA may pay experts and consultants performing services pursuant to this section from $100 per diem to the daily equivalent of the highest rate payable, under 5 U.S.C. 5332, an amount which is approximately $183. The effect of section 2 is also to conform the rate of compensation and travel expenses of experts and consultants pursuant to section 7(k)(4) to the rates payable to experts and consultants pursuant to section 5(c) of the Small Business Act.●

By Mr. NELSON (by request):

S. 3276. A bill to amend the Small Business Act by transferring thereto those provisions of the Domestic Volunteer Service Act of 1973 affecting the operation of volunteer programs to assist small business, and for other purposes; to the Select Committee on Small Business.

● Mr. NELSON. Mr. President, I am introducing today an administration-requested bill which would transfer to the Small Business Act, and amend in some respects, those provisions of the Domestic Volunteer Service Act of 1973 affecting the operation of volunteer programs to assist small business.

On July 15, 1975, Executive Order 11871 transferred to the Small Business Administration all functions, powers, and duties vested in the ACTION Agency or its Director under title III of the Domestic Volunteer Service Act of 1973, which relate to a service corps of retired executives (SCORE) and an active corps of executives (ACE). The Executive order also transferred to SBA all the functions, powers, and duties vested in the ACTION Agency or its Director under title IV of the Domestic Volunteer Service Act of 1973, which are incidental to or necessary for the performance of the functions, powers, and duties transferred by section 1 of this order.

This transfer to the Small Business Administration was accomplished pursuant to section 12 of the Small Business Act. It did not, however, have the effect of making such programs Small Business Act programs.

This bill would place the SCORE and ACE legislative provisions in the Small Business Act and permit the authorization for appropriations to conduct these programs to be considered in the same manner as authorizations for other SBA programs. Section 503 of the Domestic Volunteer Service Act of 1973 is currently the authority for appropriations for the SCORE and ACE programs and this authority expires on September 30, 1978. For this reason, it is important for this bill to be acted upon promptly.

In addition, the transfer to the Small Business Act of legislative provisions covering the SCORE and ACE programs will help to insure an administratively effective program.

Mr. President, I ask unanimous consent that the text of the bill and the section-by-section analysis be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 3276

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 8(b)(1) of the Small Business Act (15 U.S.C. 637(b)(1)) is amended by striking subparagraph (1)(B) and inserting in lieu thereof the following subparagraphs:

"(B) To establish, conduct, and publicize, and to recruit, select, and train volunteers for (and to enter into contracts therefor), volunteer programs, including a Service Corps of Retired Executives (SCORE) and an Active Corps of Executives (ACE) for the purposes of Section 8(a)(b)(1)(A) of this Act; and to facilitate the implementation of such volunteer programs the Administration may maintain at its headquarters and pay the expenses of a team of volunteers subject to such conditions and limitations as the Administration deems appropriate.

"(C) To allow any individual or group of persons participating with it in furtherance of the purposes of subparagraphs A and B to use the Administration's office facilities and related material and services as the Administration deems appropriate, including clerical and stenographic services.

"(i) Such volunteers, while carrying out activities under Section 8(b)(1) of this Act shall be deemed Federal employees for the purpose of the Federal tort claims provisions in Title 28, United States Code; and for the purposes of Subchapter I of Chapter 81 of Title 5 U.S.C. (relative to compensation to Federal employees for work injuries) shall be deemed civil employees of the United States within the meaning of the term "employee" as defined in Section 8101 of Title 5 U.S.C., and the provisions of that subchapter shall apply except that in computing compensation benefits for disability or death, the monthly pay of a volunteer shall be deemed that received under the entrance salary for a grade GS–7 employee.

"(ii) The Administrator is authorized to reimburse such volunteers for all necessary out-of-pocket expenses incident to their provision of services under this Act, or in connection with attendance at meetings sponsored by the Administration, or for the cost of malpractice insurance, as he shall determine, in accordance with regulations which he shall prescribe, and, while they are carrying out such activities away from their homes or regular places of business, for travel expenses (including per diem in lieu of subsistence) as authorized by Section 5703 of Title 5, U.S.C., for individuals serving without pay; and

"(iii) Such volunteers shall in no way provide services to a client of such Administration with a delinquent loan outstanding, except upon a specific request signed by such client for assistance in connection with such matter.

"(D) Notwithstanding any other provision of law, no payment for supportive services or reimbursement of out-of-pocket expenses made to persons serving pursuant to Section 8(b)(1) of this Act shall be subject to any tax or charge or be treated as wages or compensation for the purposes of unemployment, disability, retirement, public assistance, or similar benefit payments, or minimum wage laws.

"(E) Notwithstanding any other provision of law and pursuant to regulations which the Administrator shall prescribe, counsel may be employed and counsel fees, court costs, bail, and other expenses incidental to the defense of volunteers may be paid in judicial or administrative proceedings arising directly out of the performance of activities pursuant to Section 8(b)(1) of this Act, as amended (15 U.S.C. 637(b)(1)) to which volunteers have been made parties.

"(F) In carrying out its functions under Subsection 8(b)(1) of this Act, the Administration is authorized to accept, in the name of the Administration, and employ or dispose of in furtherance of the purposes of this Act, any money or property, real, personal or mixed, tangible, or intangible, received by gift, devise, bequest, or otherwise; and, further, to accept gratuitous services and facilities."

SEC. 2. (a) Title III of the Domestic Volunteer Service Act of 1973, 42 U.S.C. 5031 et seq., is hereby repealed.

(b) Section 503 of the Domestic Volunteer Service Act of 1973, 42 U.S.C. 5083, is hereby repealed.

SECTION-BY-SECTION ANALYSIS

Section 1 of the bill sets out the additional subparagraphs proposed to be added under Section 8(b)(1) of the Small Business Act (15 U.S.C. 637(b)(1)):

(B) Restates and codifies in the Small Business Act the authority for the SCORE/ACE programs contained in Section 302(a) of the Domestic Volunteer Service Act of 1973; but also includes language to clarify that SBA's authority extends to publicizing the availability of these volunteer programs and the maintenance of a team of volunteers at its headquarters to facilitate the administration of these programs.

(C) This is essentially a recodification of Section 8(b)(1)(B)(i) of the Small Business Act;

(i) declares that such volunteers, while working on SBA projects or programs, shall be considered Federal employees for purposes of coverage regarding Federal tort claims and compensation for work injuries. This codification confirms the current SBA practice of providing for tort claims and FECA coverage and sets the salary level for purposes of such coverage at the GS–7 level;

(ii) authorizes the Administrator to reimburse SCORE/ACE volunteers for transportation (including parking and mileage in the event of appropriate use of private automobile), meals, telephone calls, and other out-of-pocket expenses incident to their service (including the cost of necessary temporary secretarial services not available from SBA, and attendance at official workshops and meetings). Authority to reimburse is extended for the first time to the cost of malpractice insurance;

(iii) prohibits SCORE/ACE volunteers from providing services to an SBA client with a delinquent loan outstanding except when specifically requested by such a client after the loan has become delinquent.

(D) Exempts payments for supportive services or reimbursement for out-of-pocket expenses made to persons serving in the programs under Section 8(b)(1) from any tax or charge for the purposes of unemployment, disability, retirement or similar benefit payments, or minimum wage laws. These supportive services include only those administrative services directly related to the performance of the volunteer's service.

This section provides that these payments shall not be considered as if their recipients were a part of the labor force: deductions shall not be made for purposes of reducing Social Security benefit payments, for unemployment insurance, or similar purposes.

(E) Authorizes the Administrator, pursuant to regulations, to assume the legal expenses incidental to the defense of full-time or part-time volunteers serving in programs under this Act.

(F) Would authorize the Administration to accept contributions of money, property, services, and facilities from SCORE/ACE volunteers or other interested parties to further the Agency's service to small business through its volunteer assistance programs.

Section 2 completes the transfer of volunteer programs to assist small business by (a) repealing Title III of the "Domestic Volunteer Service Act of 1973" and (b) repealing Section 503 of the "Domestic Volunteer Service Act of 1973" which authorizes appropriations for carrying out Title III for the National Volunteer Programs to Assist Small Businesses and Promote Voluntary Service by Small Business Proprietors for Fiscal Years 1974 through 1978.●

By Mr. DANFORTH:

S. 3277. A bill to reorganize the executive branch of the Government to provide for the more effective and efficient utilization of resources by small communities, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977.

SMALL COMMUNITIES ACT OF 1978

● Mr. DANFORTH. Mr. President, today, I am introducing the "Small Communities Act of 1978." This act reflects the growing need to alleviate the burdens placed on small communities by Federal grants procedures. Small communities tend to have few resources that permit them to respond to requests, regulations, rules, audit procedures and standards. This bill will define a small community, provide for certificates of compliance, provide for consolidation of Federal assistance programs, provide for small community members on the Advisory Commission on Intergovernmental Relations, provide flexible grants formulae, regulatory flexibility, small community set-asides, and special audit procedures.

On June 29, I introduced a bill, S. 3267, the "Federal Assistance Paperwork Reduction Act of 1978," with Senators ROTH and MUSKIE, which would streamline and simplify the generally applicable requirements attached to Federal assistance and their implementation; to provide for multiyear funding of certain grant programs; to expedite the processing of applications for Federal assistance involving more than one grant; to extend and amend the law relating to intergovernmental cooperation; and for other purposes. The Small Communities

Act of 1978 extends the reach of this act to small communities. Special consideration needs to be given to small communities.

In August 1977, I wrote a broad cross section of Missouri mayors and county judges to solicit their opinions regarding the Federal block grant program.

Three problem areas most frequently cited by the Missouri mayors and judges were: First, grant program regulations are too complex; second, paperwork requirements are excessive; and third, local autonomy in grants related decisionmaking is lacking. Block grants have become increasingly encumbered with burdensome regulations and restrictions. Missouri local officials warned me that excessive regulations reduce the effectiveness of grant programs. Mayor Harold J. Evangelista of Black Jack, Mo., wrote:

Most of these federally funded programs are encumbered with unnecessary and very tedious restrictions and regulations and consequently lose their effectiveness.

Excessive paperwork promulgated by grant application requirements was a second area of great concern to the mayors and judges. Mayor Persinger of Boonville, Mo., wrote:

I am quite sure that at the completion of our one-year-grant period we will have almost a complete file drawer filled with associated paperwork.

James R. Scrivner, mayor of Versailles, complained about the duplication of application processes.

In filing the final application we were actually duplicating the preapplication. The preapplication points out the need and with proper investigation much of the additional work and cost could be eliminated.

Four problem areas which result from Government regulations and increasing paperwork are: First, high costs incurred in the preapplication/application process; second, costs of application outweigh the benefits derived from the grants; third, additional personnel need to be hired to handle the increasing volumes of paperwork; and fourth, localities are reluctant to apply for Federal grants.

Callaway County incurred high costs in the preapplication/application process. In a letter signed by all three judges of the Callaway County Court, I was told,

[W]e were to receive a block grant from HUD of $150,000 for rehabilitation of some homes and surfacing streets in unincorporated towns. [To complete the necessary paperwork] We have secured the services of the Mid-Missouri Council of Government at an estimated cost of $9,000.

Many times the money invested in the grants application process is wasted. Raymond R. Dowell, Mayor of Bowling Green, explained,

The city spent a substantial amount of money in order to submit pre-applications and applications . . . [and because we were low on the priority list and money for water projects was not available] . . . we lost two years of time . . . [and now] have to pay double what it would have cost us in 1975 in order to expand the water plant.

Robert I. Beary, mayor of Olivette, said:

The costs of preparation of these [grants] applications would be more than the benefits received from the particular grants.

He continued,

There is too much paperwork involved for small municipalities to really derive a variety of benefits from the many program areas.

In many localities, grants-related paperwork has made additional personnel a necessity. David E. Warren, city manager of Maryville, explains,

The CDBG program has a multitude of regulations which to properly adhere to would require extra personnel, but the administrative monies are not available nor would it be "cost effective".

Other communities in Missouri experience similar personnel problems. These and related problems have led many communities, including the village of Edmundson and the city of Olivette to shy away from grants assistance programs.

It was the general consensus of mayors and judges that localities need to be given more autonomy in grant-related matters. Mayor Persinger wrote,

The city has very little freedom in what is undertaken with the CDBG . . . the CDBG program is restrictive and frustrating, and local energies that could be used to implement innovative projects are instead forced to meet the numerous paperwork requirements.

Mayor Scrivner explained:

I definitely feel that we on the local scene have lost our effectiveness in that we do not seemingly have much flexibility, due to the across-the-board regulations that place impossible economic hardships on us.

In an effort to solve some of the problems highlighted in the survey, I am today introducing legislation to reform the Federal grants program.

Smaller communities do not merely represent some obscure minority that we must deal with—rather, they constitute a major component of our population. Let me point to my home State of Missouri as an example. As of the 1970 census, only 33 percent of the State's residents lived in cities with populations over 50,000. Nearly two out of every three Missourians reside in communities with less than 50,000 inhabitants. These figures compare favorably with the Nation as a whole, only 37 percent of all U.S. residents live in communities with populations of more than 50,000.

Unfortunately, only a small part of Federal aid offered to State and local governments is received by these smaller communities. It is as simple as this—small towns and communities are not getting their fair share of Federal grants and aid.

This problem is compounded by the difficulties that small communities have in managing the few funds they do receive. The burdens imposed by the Federal Government on small communities by the Federal Government when applying for and receiving assistance, and in maintaining funded programs are much greater than larger communities face. A higher percentage of program cost must be spent in planning, in meeting accounting and auditing standards, and in completing reporting requirements. Large cities often have the facilities and manpower necessary to handle complex paperwork. Smaller communities do not.

Our system needs to be simplified to aid these smaller communities. The system can be simplified. The Small Communities Act of 1978 is written to do just that.

Within the act, small communities are defined as communities that have populations less than 50,000 according to the most recent decennial census. Most national policymakers define a "small community" as a community with a population less than 50,000.

Let me briefly outline what the Small Communities Act attempts to accomplish.

The act calls for set-asides of program funds to be specifically geared toward smaller communities. Communities with populations less than 50,000, who opt to participate, would receive funding from the various Government agencies at the same level at which they are currently receiving funds over a 5-year period with no strings attached.

The act proposes to simplify and ease "across-the-board" reporting requirements for State and local governments. Not only are many of the requirements unnecessary, but they cut into the Federal funds that are supposed to be assisting State and local governments to meet the needs of their citizens.

Currently, there are close to 500 financial assistance programs offered to State and local governments. Consolidation of many of these programs would eliminate unnecessary duplication and overlapping of program functions. Consolidation would simplify the administration of these programs by coordinating similar program goals and promote economy and efficiency in achieving program results.

This act authorizes the President to develop consolidation plans of Federal assistance programs that currently serve similar functions. Once consolidation plans are submitted to Congress and approved, a single Federal agency would be issued responsibility for the administration of the consolidated program.

One area that is of great concern to me is the relatively small participation that these communities are allowed in governmental policymaking. Therefore my bill calls for three elected officials of small communities to serve on the Advisory Commission on Intergovernmental Relations. There is a need for small communities to have greater say within our Government.

The act gives the President authority to establish all guidelines and procedures necessary for effective communication between the executive branch, Congress and small communities in regard to the construction of formulae. Distribution of grants to small communities will be arranged based on consultation among the executive branch, Congress and the representatives of small communities with regard to these formulae.

Many problems that small communities face can be handled in coalition with

other small communities. The Director of the Office of Management and Budget is authorized to establish guidelines and requirements whereby small communities that lack resources in meeting and maintaining Federal standards, could contract with larger communities able to meet stiff Federal standards. In addition, auditing and accounting procedures are identified in this bill as vital elements in the Federal assistance to small communities.

The Small Communities Act of 1978 is not intended to take care of all the problems of small communities. But it is a start. It certainly is time that we reverse the trend of Federal control of local government. Our objective is to be supportive of small communities and to assist these communities when necessary. Our role should not be one of domination.

Small communities form the backbone of this country. Sixty-two percent of our country's population lives in communities with populations less than 50,000. It is time that we addressed ourselves to the problems that these communities face.

Mr. President, I ask unanimous consent that the following be printed at this point in the RECORD: "Population Statistics of Missouri, Incorporated and Unincorporated Places," "Small Communities Act of 1978: Explanation," the bill itself, the "Small Communities Act of 1978," and "Small Communities Act of 1978 Section-by-Section Analysis."

There being no objection, the material and bill were ordered to be printed in the RECORD, as follows:

POPULATION STATISTICS OF MISSOURI'S INCORPORATED AND UNINCORPORATED PLACES

Place population category	Number of places	Population of category	Percent of population places [1]	Perceet of total population [1]	Place population category	Number of places	Population of category	Percent of population places [1]	Percent of total population [1]
Over 500,000	2	1,129,323	33	24	5,000 to 10,000	52	356,968	10	8
250,000 to 500,000	0	0	0	0	2,500 to 5,000	62	214,560	6	5
100,000 to 250,000	2	231,758	7	5	2,000 to 2,500	29	63,476	2	1
50,000 to 100,000	3	197,403	6	4	1,500 to 2,000	41	71,325	2	2
25,000 to 50,000	11	376,434	11	8	1,000 to 1,500	66	81,418	2	2
10,000 to 25,000	34	537,539	16	11	Less than 1,000	636	205,501	6	4

[1] Approximated percentages.

Note: Total Missouri population: 4,676,501; total Missouri population in places: 3,465,705 (74 percent of total).

SMALL COMMUNITIES ACT OF 1978: EXPLANATION

Small communities are especially impacted by federal grants procedures, as they tend to have fewer resources that permit them to respond to requests, regulations, rules, audit procedures, etc. Special treatment has been given in a few instances in the past to small communities. But there is a growing need to give specific attention to the serious and increasingly complex problems that face most small communities.

Various purposes are to be met by this act. These include the minimization of regulations and rules, eliminating reports, simplifying and standardizing programs, providing for certification of across-the-board requirements, advance funding, and simplified financial management procedures.

There is a tremendous demand for funds from the federal government by small communities that far exceeds the amount of funds available. The burdens imposed on the small communities in applying for and receiving and in maintaining the programs once funded are much greater than larger communities face. A higher percentage of program cost must be spent in meeting auditing standards, reporting requirements, planning, etc. Therefore, special treatment of small communities must be established.

The key questions to be resolved are:

Can regulations and rules be minimized?

Are reports necessary for small communities?

Can programs be simplified and standardized?

Will all "across-the-board requirements" be administered with flexibility?

The Small Communities Act of 1978 will reorganize the executive branch of the government to provide for a more effective and efficient utilization of resources by small communities. Specifically, the act will define small community, permit "across-the-board" certificates of compliance, provide for small community set-asides for all federal programs which provide domestic assistance for the purpose of aiding small communities, amend the Congressional Budget Act of 1974 providing for advance funding of programs providing financial assistance for State and local governments, provide for five-year projections of new budget authority and outlays for State and local governments, encourage consolidation of federal grant programs, provide for the appointment by the President of three elected officers of small communities to the Advisory Commission on Intergovernmental Relations, provide for flexible grants formulae, provide for regulatory flexibility and provide for small community cross-contracts.

Small communities, interpreted broadly to include cities, counties, towns, townships and special districts, include 98 out of 100 of all State and local governments. Over 62% of the U.S. population lives in communities under 50,000. A small proportion of the federal grants to State and local governments is received by these small communities and the few grants that are received by the small communities pose a heavy burden on them in terms of auditing standards, reporting requirements and across-the-board requirements. Therefore the time has come for a systematic review of the problems facing small communities and based on this review, solutions to the basic problems that small communities fate should be designed and implemented.

Dr. E. F. Shumacher has noted that "small is beautiful". Unfortunately, until very recently, most Washington officials have not recognized the importance of the small community. There is growing awareness of the importance of the small community as evidenced by the creation of the Congressional Rural Caucus, a special council within the League of Cities; a full-time staff person working on small community matters within the National Association of Counties; a committee created within the National Governors' Association headed by Governor Hunt of North Carolina; the recent activities of the National Association of Towns and Townships; and the recent attention to small in the Community Block Grant program and in President Carter's urban policy.

Most national policy-makers define a "small community" as one which is less than 50,000 in population. Some federal officials have gone even further and decided that a township of under 100,000 is "small". In certain instances, the figure used to characterize a "small" town is still more remarkable. The Department of Transportation, for example, released a report last year entitled *Small City Transit*, which used a population of 200,000 to distinguish "small" cities from other larger localities. The "Small Communities Act of 1978" defines a small community as being made up of 50,000 people. Definitions are also given for the following terms: administrative action, agency and office.

Federal agencies and departments have often required State and local grant recipients to satisfy burdensome and overlapping requirements. In an effort to simplify the reporting necessary to meet these requirements, consolidation of major sources of general national policy objectives applicable to small city grant programs would be developed by a single federal agency.

In order to expand the Presidential effort to gather together for the first time these cross-cutting requirements within the areas of citizen participation, labor practices, public employer standards, equal services, access to government information prohibiting discrimination in employment by State and local governments, procurement, planning, relocation and real property acquisition, and environmental quality protection, the Act identifies a single agency for each of these subject areas. Small communities would certify that they satisfy these reporting requirements. All other federal departments would then accept the certification by small communities to these agencies as satisfying any requirements mandated by statute or regulation.

In future statutes, the federal agency responsible for setting national standards would have to be designated in any legislation setting forth general national policy objectives applicable to small community grant programs. The Act provides for systematic review by the President of the separately administered State and local government grant programs. If he finds that program should be consolidated, he may submit to the Congress in a manner similar to the Executive Reorganization proposals, a plan for consolidation of current federal statutes which will allow small communities to apply for funds from a single source whereas today they must apply to five, six or even a dozen agencies or departments for aid.

Small communities set-asides are also provided for in this legislation. It provides for a single cash grant to small communities in lieu of grants presently received if the small community desires such an option. These funds would be set aside as a part of current allocations of block grant or categorical grant programs. The grant would be based on the average of the last two years of federal funding. The small community would receive these funds for five years and would not have to meet any federal requirements or standards.

The financial management title of this act authorizes policies needed to improve the management of federally assisted programs administered by State and local governments. This title recognizes the capacity of State

and local governments while at the same time sufficiently protecting the Federal Government's interest.

Flexible grants formulae are provided for small communities through a process of consultation between representatives of small communities, Congress and the Executive Branch.

Regulatory flexibility is provided by this act for small communities. The Director of the Office of Management and Budget may provide for the waiver of any rule, regulation, or order of any instrumentality of the U.S. government in order to accommodate the special needs of small communities. This section recognizes the importance of waivers and/or flexibility of regulations, rules, requirements placed on small communities with the particular objective of making it easier for them to conform to the above.

Small communities would be allowed under this act to contract with other units of government that may be better able to meet their need and federal requirements. The regulations and procedures implementing this section would be established by the Director of OMB.

S. 3277

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Communities Act of 1978".

TITLE I—FINDINGS AND PURPOSES

Sixty-two percent of the people in the United States live in small communities. Over ninety-six percent of all State and local governments are small. A very small portion of Federal grant dollars distributed to State and local government is received by small communities. Small communities have great difficulty complying with Federal grants procedures, because they tend to have fewer resources to respond to requests, regulations, rules and audit procedures. Therefore a growing need exists to give specific attention to the serious and increasingly complex problems that face most small communities.

The purposes to be met by this Act are: the minimization of regulations and rules; the elimination of unnecessary reports; the simplification and standardization of programs, providing for certification of across-the-board requirements; the provision for funding Federal programs one year in advance; and the simplification of financial management procedures.

TITLE II—DEFINITIONS

As used in this Act the term—

(1) "administrative action" includes an action, omission, decision, or recommendation of an agency;

(2) "agency" means each authority of the Government of the United States, whether or not it is within or subject to review by another agency, and any officer, or member thereof acting or purporting to act in the exercise of his official duties, including the following functions—

(A) housing and urban development;
(B) small business;
(C) health;
(D) education;
(E) welfare and social security;
(F) antipoverty programs;
(G) veterans affairs;
(H) nutrition programs; and
(I) programs for the aging,

but does not include—

(i) the President;
(ii) the Congress;
(iii) the courts of the United States;
(iv) the governments of the territories or possessions of the United States;
(v) the government of the District of Columbia;
(vi) agencies composed of representatives of the parties or of representatives of organizations of the parties to the disputes determined by them;
(vii) courts martial and military commissions; or
(viii) military authority.

(3) "small community" means counties, cities, towns, townships, special districts or other communities having populations of less than fifty thousand according to the most recent decennial census or a valid census of more recent origin or where census tracts are not contiguous, estimates may be used.

TITLE III—ADMINISTRATION OF GENERALLY APPLICABLE FEDERAL ASSISTANCE REQUIREMENTS

SEC. 301. The Intergovernmental Cooperation Act of 1968 (42 U.S.C. 4201) is amended by adding at the end thereof the following new title:

"TITLE VII—ADMINISTRATION OF GENERALLY APPLICABLE FEDERAL REQUIREMENTS

"STATEMENT OF PURPOSE

"SEC. 701. It is the purpose of this title to encourage simplification and standardization in the administration of national policy requirements which are generally applicable to Federal assistance, to strengthen the supervision and implementation of such requirements, and to reduce their overall administrative burden and adverse economic impact on assistance recipients.

"DEFINITIONS

"SEC. 702. As used in this title—

"(1) The term 'generally applicable requirements' means requirements which are placed on assistance recipients by Federal legislation or administrative rules and regulations to achieve national policy objectives and, whether contained in one or more laws or other instruments, apply to two or more assistance programs.

"(2) The term 'designated agency' means a Federal agency designated by the President pursuant to this title as responsible for establishing standard rules and regulations for specified generally applicable requirements and for reporting on the implementation of such requirements.

"(3) The term 'assistance receipient' means a State or local government or a nonprofit private organization.

"ASSIGNMENT OF DESIGNATED AGENCIES

"SEC. 703. (a) The President shall, within 90 days following the date of enactment of this title, designate a single Federal agency to establish standard rules and regulations for, and to report on, the implementation of generally applicable requirements attached to Federal assistance in the following subject areas:

"(1) labor practices requirements;

"(2) equal employment opportunity requirements;

"(3) public employee standards;

"(4) equal services requirements based on prohibitions of discrimination because of race, color, religion, national origin, sex, age, or physical handicap;

"(5) access to government information;

"(6) citizen participation requirements;

"(7) environmental protection requirements;

"(8) relocation and real property acquisition requirements; and

"(9) procurement standards.

"(b) Relevant provisions of new legislation affecting generally applicable requirements for Federal assistance in these subject areas shall come within the rule-making purview of the designated agencies. Generally applicable requirements in new subject areas shall be assigned to a single Federal agency designated by the President.

"SEC. 703. (c) Communities, special districts, counties, townships which have 50,000 to 2,500 population may certify that they are in compliance with standard rules and regulations promulgated under this title to the designated federal department or agency. The federal department or agency administering assistance programs must accept a certification by such a government that its performance is in accordance with State or local laws, regulations, directives, and standards that are at least equivalent to those required by a set of standard rules and regulations. Acceptance of such certification may be rescinded by such department or agency upon a finding, after notice and an opportunity for a hearing, that the government involved has not complied with such rules and regulations.

"(d) Communities, special districts, counties and townships of less than 2,500 population do not have to meet standard rules and regulations promulgated under this title.

"(e) Federal agencies designated under this title shall take appropriate steps, including the provision of technical assistance and the award of discretionary grants, to assist affected assistance recipients in their efforts to comply with their respective promulgated standard rules and regulations.

"ISSUANCE OF STANDARD RULES AND REGULATIONS

"SEC. 704. (a) Each designated agency shall develop for the President's review and approval standard rules and regulations in its field of designated responsibility in consultation and cooperation with affected Federal agencies, assistance recipients, and other interested parties. Such standard rules and regulations, to the maximum extent possible, shall be simple, internally consistent, and clear. They shall include standard compliance procedures, provisions for technical assistance and other facilitative actions, and a list of those Federal assistance programs to which such rules and regulations apply.

"(b) On issuance, such standard rules and regulations shall be binding upon all Federal agencies administering Federal assistance programs to which such standard rules and regulations apply. Except in cases covered by section 706 of this title, the standard rules and regulations shall be developed by each designated agency, reviewed and approved by the President, and issued by such agency not later than one year following the enactment of this title, or in the case of new legislation creating a generally applicable requirement, within six months after the effective date of such legislation. Each designated agency shall review its standard rules and regulations and may prepare amendments for review and approval by the President to reflect new legislation and changing conditions, but, to the extent possible, such actions shall occur no more than once in any calendar year.

"(c) Within 180 days after a designated agency issues standard rules and regulations, each Federal agency administering a Federal assistance program to which such standard rules and regulations apply shall issue specific rules and regulations for such program. Such specific rules and regulations shall include such standard rules and regulations unless, with respect to any matter, the designated agency authorizes a variation from its standard rules and regulations. If a Federal agency has not issued its specific rules and regulations within such 180-day period with respect to a Federal assistance program, the designated agency shall issue specific rules and regulations for such program which shall remain in effect until such Federal agency issues its specific rules and regulations for such program.

"(d) Any application for assistance under a Federal assistance program may, at the request of the applicant, be revised to comply with standard rules and regulations and

specific rules and regulations issued pursuant to this section.

"ROLE OF FEDERAL AGENCIES IN ACHIEVING COMPLIANCE

"SEC. 705. (a) Each Federal agency administering a Federal assistance program to which standard rules and regulations issued pursuant to section 704 apply shall be responsible for securing compliance with such standard rules and regulations. Designated agencies may render such assistance as is necessary for Federal agencies to carry out their respective responsibilities.

"(b) Upon the request of any affected State or local government, a Federal agency administering a Federal assistance program may accept a certification by such government that its performance is in compliance with State or local laws, regulations, directives, and standards that are at least equivalent to those required by standard rules and regulations. Such acceptance may be rescinded by such Federal agency upon a finding, after notice and an opportunity for a hearing, that the government involved is not in substantial compliance with such State or local laws, regulations, directives, and standards or that the latter are not fully equivalent to the applicable standard rules and regulations. This section shall not supersede the certification procedure established in section 703 (c) and (d).

"(c) Federal agencies administering Federal assistance programs shall take appropriate steps, including the provision of technical assistance, to assist affected assistance recipients in their efforts to comply with applicable standard rules and regulations.

"LEGISLATION TO REMOVE IMPEDIMENTS TO IMPLEMENTATION

"SEC. 706. If a designated agency is unable to develop standard rules and regulations pursuant to section 704 in its field of designated responsibility because of conflicting or inconsistent provisions of law, such agency shall prepare and submit to the President for review and approval, a legislative proposal to remove any such impediments to the development of such standard rules and regulations. The President, on approval of such a legislative proposal, shall submit it to the Congress.

"GENERAL OVERSIGHT

"SEC. 707. The Office of Intergovernmental Affairs shall oversee the administration of this title. It shall monitor and facilitate the activities of designated agencies under this title as they prepare, adopt, and report on their standard rules and regulations. It may convene interagency meetings as needed to help resolve conflicts and inconsistencies which may arise within or among standard rules and regulations. It shall insure that designated agencies report on the implementation of standard rules and regulations, and it shall monitor the compliance efforts of affected Federal agencies.".

TITLE IV—ADVANCE APPROPRIATIONS AMENDMENTS TO CONGRESSIONAL BUDGET ACT OF 1974

SEC. 401. (a) Section 402(f) of the Congressional Budget Act of 1974 (31 U.S.C. 1353 (f)) is amended by adding at the end thereof the following new sentence: "The Committees shall consider whether, in the light of matching requirements, program size, and other factors, new budget authority for Federal financial assistance, as defined in section 107 of the Intergovernmental Cooperation Act of 1968 (82 Stat. 1093), should be provided at least one fiscal year in advance of the fiscal year in progress at any time.".

(b) Title IV of such Act is amended by adding at the end thereof the following new section:

"ADVANCE APPROPRIATIONS FOR PROGRAMS PROVIDING FINANCIAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

"SEC. 405. In the case of each program of Federal financial assistance, as defined in section 107 of the Intergovernmental Cooperation Act of 1968 (82 Stat. 1093), for which new budget authority is authorized by law for more than one fiscal year in advance of the fiscal year in progress, it shall be in order in both the House of Representatives and the Senate to include in appropriation Acts for a fiscal year (1) new budget authority which shall be available for obligation in the next succeeding fiscal year and (2) if new budget authority is authorized for any such program for any following fiscal year, new budget authority for such program which shall be available for obligation in such following fiscal year.".

AMENDMENT TO BUDGET AND ACCOUNTING ACT OF 1921

SEC. 402. Section 201 of the Budget and Accounting Act of 1921 (31 U.S.C. 11) is amended by adding at the end thereof the following new subsection:

"(k) With respect to each program of Federal financial assistance, as defined in section 107 of the Intergovernmental Cooperation Act of 1968 (82 Stat. 1093), for which new budget authority is authorized by law for more than one fiscal year in advance of the fiscal year in progress, the budget transmitted pursuant to subsection (a) of this section for each fiscal year may include a request for new budget authority for such program and estimated outlays under such program for the next succeeding fiscal year, and, if new budget authority is authorized for such program for any following fiscal year, may include a request for new budget authority for such program and estimated outlays under such program for any such following fiscal year.".

FIVE-YEAR PROJECTION OF NEW BUDGET AUTHORITY AND OUTLAYS

SEC. 403. Section 301(d)(7) of the Congressional Budget Act of 1974 (31 U.S.C. 1322(d)(7)) is amended to read as follows:

"(7) projections, for the period of five fiscal years beginning with such fiscal year, for each program of Federal financial assistance, as defined in section 107 of the Intergovernmental Cooperation Act of 1968 (82 Stat. 1093), and a statement of any significant changes in the proposed levels of Federal assistance to State and local governments; and".

EXERCISE OF RULEMAKING POWER

SEC. 404. Sections 401 and 403 are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

TITLE V—CONSOLIDATION OF FEDERAL ASSISTANCE PROGRAMS

SEC. 501. Title 5, United States Code, is amended by inserting the following immediately after chapter 9 of such title 5:

"Chapter 10.—FEDERAL ASSISTANCE PROGRAM CONSOLIDATION

"Sec.
"1001. Purpose.
"1002. Definitions.
"1003. Federal assistance program consolidation plans.
"1004. Limitations on powers.
"1005. Method of Taking Effect.
"1006. Effect on other laws and regulations.
"1007. Rules of Senate and House of Representatives on consolidation plans.

"§ 1001. PURPOSE

"The President shall from time to time examine the various Federal assistance programs provided by law and with respect to such programs shall determine what consolidations are necessary or desirable to accomplish one or more of the following purposes:

"(1) to promote better administration and more effective planning;

"(2) to improve coordination;

"(3) to eliminate program overlapping and duplication;

"(4) to promote economy and efficiency to the fullest extent consistent with the achievement of program goals.

"§ 1002. DEFINITIONS

"For the purpose of this chapter—

"(1) 'agency' means—

"(A) an Executive agency or part thereof; and

"(B) an office or officer in the executive branch;

"(2) 'officer' is not limited by section 2104 of this title;

"(3) 'Federal assistance' or 'Federal assistance program' means any assistance provided by an agency in the form of grants, loans, loan guarantees, property, contracts (except those for the procurement of goods and services of the Government of the United States), or technical assistance, whether the recipients are a State or local government, their agencies, including school and other special districts created by or pursuant to State law, or public, quasi-public, or private institutions, associations, corporations, individuals, or other persons; and

"(4) 'consolidation plan' means any Federal assistance consolidation plan proposed under section 1003 of this title.

"§ 1003. FEDERAL ASSISTANCE PROGRAM CONSOLIDATION PLANS

"(a) When the President, after investigation, finds that a consolidation of Federal assistance programs is necessary or desirable to accomplish one or more of the purposes set forth in section 1001 of this title, he shall prepare a Federal assistance consolidation plan for the making of program consolidations, and shall transmit the plan (bearing an identification number) to the Congress, together with a declaration that the consolidation included in the plan is necessary or desirable to accomplish one or more of the purposes set forth in section 1001 of this title and an explanation of how each program included in the plan is functionally related.

"(b) Each such consolidation plan so transmitted shall—

"(1) place responsibility for administration of the consolidated program in a single Federal agency;

"(2) specify in detail the terms and conditions under which the Federal assistance programs included in the plan shall be administered, such as matching, apportionment, financial management, planning, eligibility, and other requirements; except that the President shall, in selecting applicable terms and conditions, be limited by the range of terms and conditions already included in the Federal assistance programs being consolidated;

"(3) specify the date of expiration of the consolidated plan and all the Federal assistance programs which have been included; except that in selecting the expiration date the President shall not specify a date which

is earlier than the earliest or later than the latest expiration date of any of the Federal assistance programs being consolidated and in no case shall the expiration date of the consolidated plan be any longer than 6 years from the date the consolidation plan becomes effective; and

"(4) set forth in the message transmitting the plan to the Congress the difference between the terms and conditions of the individual Federal assistance programs to be consolidated under the plan and those that will be applicable after the plan goes into effect, and shall also set forth the reasons for selecting terms and conditions.

"(c) The President shall have a consolidation plan delivered to both Houses on the same day and to each House while it is in session, except that no consolidation plan may be delivered within 30 calendar days following the delivery of a previous plan involving one or more of the same programs.

"§ 1004. LIMITATIONS ON POWERS

"(a) A consolidation plan may not provide for, and not have the effect of, (1) consolidating any Federal assistance programs which are not functionally related, or (2) transferring responsibility for the administration of the program or programs contained in a consolidation plan to an agency which was not responsible for the administration of one or more such programs prior to the taking effect of the consolidation plan.

"(b) Each consolidation plan shall provide for only one consolidation of two or more Federal assistance programs.

"(c) A provision contained in a consolidation plan may take effect only if the plan is transmitted to Congress before December 31, 1981.

"§ 1005. METHOD OF TAKING EFFECT

"(a) A consolidation plan shall be effective upon approval by the President of a resolution which has been adopted, within the first period of 90 calendar days of continuous session of Congress after the date on which the plan is transmitted to it, by the House of Representatives and the Senate.

"(b) For the purpose of this title, 'resolution' means a joint resolution, the matter after the resolving clause of which is as follows: 'That the Congress of the United States approves the consolidation plan numbered ——, transmitted by the President on ———, 19— including such changes as may have been subsequently proposed by the President in accordance with section 1005(d) of title 5, United States Code,' the blank spaces therein being appropriately filled; but does not include a resolution which specifies more than one consolidation plan.

"(c) On the day on which a consolidation plan is transmitted to the House of Representatives and the Senate, a resolution shall be introduced (by request) in the House by the chairman of the Government Operations Committee of the House, or by a Member or chairman; and shall be introduced (by request) in the Senate by the chairman of the Governmental Affairs Committee of the Senate, or by a Member or Members of the Senate designated by such chairman.

"(d) A resolution with respect to a consolidation plan shall be referred to a committee (and all resolutions with respect to the same plan shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may be. The committee to which the resolution is referred shall consider the consolidation plan for 30 calendar days of continuous session of Congress and shall make its recommendations to the House of Representatives or the Senate, respectively, within 60 such days following the date of such resolution's introduction. Any time within 30 such days after submission of a consolidation plan to the Congress, but before such resolution has been ordered reported in either House, the President may make modifications or revisions of the plan, which shall thereafter be treated as a part of the consolidation plan originally transmitted and shall not affect in any way the time limits otherwise provided for in this chapter.

"(e) If the committee to which a resolution with respect to a consolidation plan has been referred has not reported it at the end of 60 calendar days of continuous session of Congress after its introduction, such committee shall be deemed to be discharged from further consideration of such resolution and such resolution shall be placed on the appropriate calendar of the House involved.

"(f) When the committee has reported, or has been deemed to be discharged from further consideration of a resolution with respect to a consolidation plan, it is in order at any time thereafter (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(g) If, prior to the passage by one House of a resolution of that House, that House receives a resolution with respect to the same consolidation plan from the other House, then

"(1) the procedure in that House shall be the same as if no resolution had been received from the other House; but

"(2) the vote on final passage shall be on the resolution of the other House.

"(h) A motion to postpone, made with respect to the consideration of a resolution with respect to a consolidation plan, is not in order, and it is not in order to proceed to the consideration of other business.

"§ 1006. EFFECT ON OTHER LAWS AND REGULATIONS

"(a) To the extent that any provision of a consolidation plan which becomes effective under this chapter is inconsistent with any provision of any statute enacted prior to the effective date of the plan, the provision of the consolidation plan shall control, to the extent that such plan specifies the provision of the statute to be superseded.

"(b) Any regulation, rule, order, policy, determination, directive, authorization, permit, privilege, requirement, or other action made, prescribed, issued, granted, or performed with respect to any matter affected by a consolidation plan which becomes effective under this chapter shall be deemed to be modified to the extent of any inconsistency thereof with the consolidation plan but shall otherwise continue in effect.

"(c) A suit, action, or other proceeding lawfully commenced by or against the head of any agency or other officer of the United States in his official capacity or in relation to the discharge of his official duties, does not abate by reason of the taking effect of a consolidation plan under this chapter. On motion or supplemental petition filed at any time within twelve months after the plan takes effect, showing a necessity for a survival of the suit, action, or other proceeding to obtain a settlement of the questions involved, the court may allow the suit, action, or other proceeding to be maintained by or against the successor of the head or officer under the consolidation plan or, if there is no successor, against such agency or officer as the President designates.

"(d) A consolidation plan may provide for transfers of appropriations or other budget authority in such manner that the aggregate amount of appropriations and other budget authority available for carrying out the Federal assistance programs involved in such plan shall be available for any or all such programs; and the aggregate amount of authorizations of appropriations or other budget authority for such programs shall be deemed an authorization of appropriations and other budget authority for any or all of such programs. The appropriations or portions of appropriations unexpended by reason of operation of this chapter may not be used for any purpose, but shall revert to the Treasury.

"§ 1007. RULES OF SENATE AND HOUSE OF REPRESENTATIVES ON CONSOLIDATION PLANS

"(a) This section is enacted by the Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House with respect to consolidation plan resolutions referred to in section 1006; and it supersedes other rules to the extent that it is inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

"(b) The table of chapters of part I of title 5, United States Code, immediately preceding chapter 1, is amended by adding at the end thereof the following new item:

"10. Federal Assistance Program Consolidation ---------- 1001."

TITLE VI—ADVISORY COMMITTEE ON INTERGOVERNMENTAL RELATIONS

Section 3(a) of Public Law 86-380 (86 Stat. 704) as amended is further amended—

(1) by striking out "twenty-six" and inserting in lieu thereof "twenty-nine"; and

(2) by adding at the end thereof the following new paragraph:

"(8) three appointed by the President from among elected officers of small communities.".

TITLE VII—FLEXIBLE GRANTS FORMULAS

The President shall take all steps as may be necessary to establish guidelines and procedures for the effective consultation and coordination of the needs, efforts, and resources of small communities with the executive branch of the Government and with the Congress. Formulas will be derived for distribution of grants to small communities through a process of consultation between representatives of small communities, Congress, and the executive branch.

TITLE VIII—REGULATORY FLEXIBILITY

Notwithstanding any other provision of law the Director of the Office of Management and Budget may provide for the waiver of any rule, regulation, or order of any instrumentality of the United States which is not a court of the United States under article III of the Constitution pursuant to guidelines to establish such waivers.

TITLE IX—SMALL COMMUNITIES CONTRACTS

Notwithstanding any other provision of law, small communities may by contract obtain assistance or services through large or small communities or through instrumentalities of State or local government which meet Federal assistance requirements with respect to equal employment, pollution, and citizen participation. The Director of the Office of Management and Budget shall establish guidelines and procedures for such contracts. Notwithstanding the provisions of this title, State law shall not be superseded.

TITLE X—SMALL COMMUNITY SET ASIDES—CASH GRANTS

The Director of the Office of Management and Budget shall establish a procedure for allocating a single cash grant to small communities in lieu of grants presently received if the small communities desire such an option. If the small community participates it would be given as a single cash grant based on the average of the last two years of federal funding it received with the stipulation that it would receive the amount, and no more, from the federal government and would not have to meet any requirements, standards, etc., imposed by the federal government during this period.

TITLE XI—EFFECT ON OTHER LAWS

The provisions of this Act shall be in addition to the provisions of any other law or regulation under which any remedy or right of appeal is provided for any person, or any procedure is provided for the inquiry into or investigation of any matter, and nothing in this title shall limit or affect any such remedy, right of appeal, or procedure.

TITLE XII—AUTHORIZATION OF APPROPRIATIONS

There are authorized to be appropriated such sums as may be necessary for carrying out the purposes of this Act.

TITLE XIII—FINANCIAL MANAGEMENT OF FEDERAL ASSISTANCE PROGRAMS

GENERAL FINANCIAL MANAGEMENT

SECTION 1301. Purpose and Intent

It is the purpose of this title to authorize policies and requirements needed to improve the financial management of federally assisted programs administered by State and local governments The title authorizes the establishment of consistent Federal financial policies and requirements to guide State and local government administration of Federal funds and to promote more efficient use of audit resources. It is the intent of Congress that the policies and requirements established under this title reflect acceptance of State and local governments capabilities, procedures, and organization where there is sufficient protection of the Federal Government's interest.

ACCOUNTING AND AUDITING DEFINITION

SECTION 1302. (a) As used in this section—

(1) The term "audit" means a systematic review or appraisal to determine and report on whether:

(A) financial operations are properly conducted;

(B) financial reports are presented fairly;

(C) applicable laws and regulations have been complied with in terms of Title I, Sec. 703, as applied in the law granting federal assistance, beneficiary eligibility, applicant eligibility and that funds have been used for intended purposes.

(D) applicable laws and regulations have been complied with other than those in (C) above.

(E) resources are managed and used in an economical and efficient manner: and

(F) desired results and objectives are being achieved in an effective manner.

The above elements of an audit are most commonly referred to as financial items (1), and (2), compliance (3) and (4); economy/efficiency, item (5); and program results, items (6). Collectively, they represent the full scope of an audit and provide the greatest benefit to all potential users of Government audits. In developing audit plans, however, the audit scope should be tailored to each specific program according to the circumstances relating to the program, the management needs to be met, and the capacity of the audit facilities.

(2) The term "grant" or "grant-in-aid" means money or property provided in lieu of money paid or furnished by the Federal Government to a State or local government under programs that provide financial assistance through grant or contractual arrangements. The term does not include technical assistance programs or other assistance in the form of loans, loan guarantees, or insurance.

(3) "Independent audit". For purposes of this section an independent audit is an audit conducted by independent public accountants or by independent qualified accountants or examiners from a State or local agency. An independent public accountant or independent qualified accountant or examiner is one who has no personal interest directly or indirectly in the financial affairs of the government being audited, or in the financial affairs of any of the officers of the government being audited.

(a) Acceptable audits are those undertaken by State audit agency subject to review for quality.

(4) (a) As used in this section, "generally accepted auditing standards" means those auditing standards pronounced by the American Institute of Certified Public Accountants and incorporated in its Statements on Auditing Standards, or those in the financial and compliance element of the Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued in 1972 by the Comptroller General of the United States.

(b) As used in this section, "independent public accountant" means independent certified public accountants, and licensed public accountants licensed on or before December 31, 1970, certified or licensed by a regulatory authority of a State of other political subdivision of the United States.

(5) The term "circular" means a document release by the Office of Management and Budget dealing with Federal financial assistance to State and local governments.

(6) The term "cognizant Federal agency" means a Federal department or agency which has been identified by the Office of Management and Budget as being responsible for cooperating with a State or local government during the accounting and auditing of Federal assistance programs.

(7) The term "beneficiary eligibility" means the ultimate beneficiaries of a program, the criteria that they must satisfy and who specifically is not eligible. The applicant and beneficiary will generally be the same for programs that provide assistance directly from a Federal agency. However, financial assistance that passes through State or local governments will have different applicants and beneficiaries since the assistance is transmitted to private sector beneficiaries who do not necessarily have to request or apply for assistance.

(8) The term "applicant eligibility" means who can apply to the Federal Government for assistance and the criteria the potential applicant must satisfy.

(9) The term "State audit agency" means any State agency, body or commission which is charged under the laws of the State with the responsibility of auditing State revenues and programs.

GENERAL FINANCIAL MANAGEMENT

SEC. 1303. The Director of the Office of Management and Budget is authorized to develop, establish, and maintain for use by all Federal agencies, standard financial and other requirements for the administration of grants, contracts, cooperative agreements, and other financial assistance made to States and local governments. Such requirements shall include, but shall not be limited to:

(1) prescribing uniform financial reporting and application forms;

(2) developing principles for sound financial management practices with respect to Federal financial assistance;

(3) establishing standard terms, definitions and conditions to be used in grants, contracts, cooperative agreements, and other financial assistance with State and local governments;

(4) establishing payment policies for grants, contracts, cooperative agreements, and other financial assistance with State and local governments; and

(5) improving coordination of State, local, and Federal aduits of grant programs by establishing procedures for single audits of grant programs whenever practicable.

EXCLUSIONS

SEC. 1304. (a) All local governments with populations of 50,000 or less, receiving less than $25,000 in Federal financial assistance per year are excluded from the requirements of this title.

(b) The Comptroller General of the United States and the head of each Federal agency in an effort to reduce the paperwork and regulatory burden on State and local governments, shall take such steps as may be necessary—

(1) to consolidate and modify Federal audit procedures and requirements;

(2) to insure that Federal accountability systems shall avoid the imposition of unnecessary conflicting and duplicative accounting and reporting requirements;

(3) to avoid unnecessary requirements not justified by legislative mandate or Federal management circulars;

(4) to establish as the standard for grant accounting and auditing language the information contained in the Office of Management and Budget Circulars.

(5) to make public the State and local annual audit plans required by Federal Circulars and to make such plans available to State and local governments and to the national and regional intergovernmental audit forms, and to other interested parties. Such plans shall be available to the general public and shall be submitted to the Office of Management and Budget prior to the beginning of the fiscal year in which they are to be implemented. Federal agencies shall use their audit plans as a basis for making greater efforts to improve interagency cooperation on audits, to increase Federal coordination with State and local auditors, and to increase reliance on audits made by others.

SECTION 1305. Accounting and Auditing Procedures and Requirements.

(a) The Government Operations and Governmental Affairs Committees with the assistance of the General Accounting Office shall review all pending legislation involving federal financial assistance to state and local governments as it relates to accounting and auditing procedures and requirements including responsibility for sections of authorizing or appropriating legislation dealing with accounting or auditing procedures and requirements. Each such committee shall have the power to disapprove of any legislative deviations from the standard grant accounting and auditing language.

(b) The General Accounting Office shall review and comment to the Governmental Affairs and Government Operations Committees on circulars and subsequent regulations formulated under such circulars. The Committees shall in turn, if warranted, report legislation correcting any problem that the GAO or others may have identified.

(c) Circulars issued by the Office of Management and Budget shall be binding on all departments and agencies. The President, in implementing the circulars, shall assure implementation of the circulars by such agencies.

(d) The Director of the Office of Management and Budget shall establish a Federal

government-wide audit priority, including the audit of Federal financial assistance. The President shall review the Federal audit organizations of the various agencies and note the number of auditors operating within each policy area and where the audit efforts are being expended. The President shall allocate such auditors on a priority basis to accomplish national goals. The President, as part of the budget process, shall note his auditing priorities with respect to both internal and external audits.

(e) There shall be a single independent financial and compliance audit of a State and local recipient of Federal financial assistance at least once every three years.

(f) State and local governments may assume the responsibility for financial and basic compliance audits and shall report the extent to which the accounting systems follow generally accepted accounting principles and standards. The Federal government shall be responsible for the component of audits which deal with economy, efficiency and program results, as well as having the oversight responsibility for checking financial and basic compliance audits. There should be a single audit involving the cooperative effort of Federal, State and local governments. The Comptroller General will see that these audits are undertaken in a manner that is acceptable.

(g) Single audits performed by State, Federal and/or local auditors, including certified public accountants, in accordance with generally accepted auditing standards issued by the General Accounting Office, shall be accepted, after adequate tests for quality by the cognizant Federal agency. Three years after the filing of such audits, funds involved in such audits shall not be requested to be returned.

(h) The Office of Management and Budget shall establish cognizant Federal agencies to assure the quality of the financial and compliance audits made of State and local governments.

(i) Audits dealing with economy, efficiency and program results, shall be undertaken by the Federal government. These audits shall be coordinated with State and local auditors. Three years after the filing of an audit, no funds could be requested to be returned.

(j) State and local governments receiving a grant shall maintain written criteria that they used in meeting program requirements. Such criteria would be based on the legislation (including committee reports, hearings and debates), the implementation of the program by the Federal department or agency, or if no criteria have been determined, then the applicant would establish a set of criteria. There shall be a sampling of applicants by cognizant Federal agencies to see if they, in fact, were in compliance with such criteria.

(k) The cognizant Federal agencies shall reimburse State and local governments for their fair share of the cost of financial and basic compliance audits completed. Cognizant Federal agencies shall provide for such auditing costs in their budgets as part of their regular budgeting process.

TITLE XIV—EFFECTIVE DATES

The amendments made by Title IV, Sections 401 and 402 shall apply with respect to the second fiscal year which begins after the date of the enactment of this Act and succeeding fiscal years. The amendment made by Title IV, Section 403 shall take effect on the first day of the regular session of Congress which begins after the date of the enactment of this Act.

SMALL COMMUNITIES ACT OF 1978—SECTION-BY-SECTION ANALYSIS

Title I: This section sets forth the findings and purposes of the Small Communities Act of 1978. Over 62% of the people in the United States live in small communities, 39 out of every 40 state and local governments, a minuscule portion of federal grants to state and local governments is received by small communities, and they are especially impacted by federal grants procedures, as they tend to have fewer resources to respond to requests, regulations, rules and audit procedures. There is a growing need to give specific attention to the serious and increasingly complex problems that face most small communities.

Various purposes are to be met by this Act. These include the minimization of regulations and rules, eliminating reports, simplifying and standardizing programs, providing for certification of across-the-board requirements, advance appropriations and simplified financial management procedures.

Title II: A small community is defined as having fewer than 50,000 persons according to the most recent decennial census. "Administrative action" and "agency" are also defined.

Title III: Administration of Generally Applicable Federal Assistance Requirements—A small community, after reviewing the standards set by an agency within specified policy areas, may certify to the designated federal agency or department that they are in compliance with standards, rules and regulations developed under this title. Specific agencies will establish standards for the following across-the-board requirements—citizen participation, labor practices requirements, access to government information, equal opportunity, environmental quality, relocation and real property acquisition, procurement, public employee standards and equal services.

The agency establishing the standard will draft uniform requirements for small communities, which will, if met, result in small communities being in compliance with all federal laws and regulations relating to the specified requirement. A small community which certifies to the designated department or agency that it meets the requirements would be judged to be in compliance with all federal laws relating to the above standards and would not be required to give any further proof of compliance when applying for federal grants, loans or other financial assistance. These standards would be finally issued no later than one year after the date of enactment of this legislation. The agency that sets national standards must be designated in any legislation setting forth national goals.

Title IV: Advance Appropriations.—In order to provide increased flexibility for the planning and administration of multiyear grant programs, this act would establish procedures for budgeting advance appropriations one year before the funds are to be spent.

Multiyear funding would be allowed for all categorical and block grant and revenue sharing funds available to State and local governments.

During the first budget year, upon the implementation of this amendment to the Congressional Budget and Impoundment Control Act, there would be a two-year appropriation for the above-named programs. In succeeding years, there would be a rule for completing reauthorization action on grant programs, a year before expiration of the authorization, as well as appropriations one year in advance of the next fiscal year. In effect, after the first year, Congress would be appropriating one year's funds one year in advance.

Budget targets for state and local assistance will be set for at least five years during consideration of the budget.

Title V: Consolidation of Federal Assistance Program—This title provides that the President shall examine the various federal assistance programs and suggest consolidations which would promote better administration and more effective planning, improve coordination, eliminate program overlapping and duplication, and promote economy and efficiency to the fullest extent consistent with the achievement of program goals. The President would prepare federal assistance consolidation plans and submit them to Congress focusing on the nearly 500 financial assistance programs to state and local governments. Each consolidation would place the responsibility for administration of the consolidated program in a single federal agency and specify in detail the terms and conditions under which the consolidation would take place. It would also note the expiration date for the consolidated program. The plan may not consolidate federal assistance programs which are not functionally related or transfer responsibility for the administration of program or programs to an agency which has not been responsible for the administration of one or more of the programs prior to the taking effect of the consolidation plan. The consolidation plans must be transmitted to the Congress before December 31, 1981. The plans will take effect when both houses of Congress have approved a resolution which is in turn signed by the President setting forth the particulars of the reorganization.

Title VI: Advisory Commission on Intergovernmental Relations—this section provides for appointment by the President of three elected officials of small communities to the Advisory Commission on Intergovernmental Relations.

Title VII: Flexible grant formulae.—The President will take necessary steps to establish procedures and guidelines for consultation and coordination of the needs, efforts and resources of small communities when determining the allocation of funds under grants formulae. This title is envisioned as being the basis for the establishment of the process of consultation between representatives of small communities, Congress and the Executive Branch.

Title VIII: Regulatory flexibility.—This section provides the Director of OMB with the authority to waive any rule, regulation or order of any instrumentality of the U.S. government as it applies to small communities.

Title IX: Small community contracts.—Small communities would be allowed to contract with large or small communities or other instrumentalities of state or local government to obtain assistance of service which they deem to be the best provided by another government.

Title X: Small Communities Set Aside.—The Director of OMB is empowered to establish a procedure for allocating a single cash grant to small communities as a substitute for grants currently received, if the small community desires such an option. The cash grant would be based on the average of federal funds received during the last two fiscal years by the community. No requirements or standards imposed by the federal government would have to be met by the small community if they accepted this option.

Title XI. Effect on other laws.—This provision provides that the Act shall be in addition to any other law or regulation and that nothing in this title shall limit or affect any remedy, right of appeal or procedure.

Title XII. Authorization of appropriations.—Appropriations are authorized as necessary for carrying out the purposes of this Act.

Title XIII. Financial management of federal assistance programs.—Better financial management of federal assistance programs is provided in this act. It is the purpose of this title to authorize policies and requirements needed to improve the financial management of federally assisted programs ad-

ministered by State and local governments. The title authorizes the establishment of consistent Federal financial policies and requirements to guide State and local government administration of Federal funds and to promote more efficient use of its resources. It is the intent of Congress that the policies and requirements established under this title recognize the capacity, procedures and organization of State and local governments while at the same time sufficiently protecting the Federal Government's interest.

Title XIV. Effective dates.—The amendments made by Title IV, Sections 401 and 402 shall apply to the second fiscal year, which begins after the date of the enactment of this Act and succeeding fiscal years. The amendment made by Title IV, Section 403 shall take effect on the first day of the first regular session of Congress which begins after the date of the enactment of this Act.●

By Mr. MUSKIE:

S. 3278. A bill to amend the Internal Revenue Code of 1954 to provide that service performed by a citizen of the United States as an employee of the Roosevelt Campobello International Park Commission shall constitute employment for purposes of the Federal Unemployment Tax Act; to the Committee on Finance.

● Mr. MUSKIE. Mr. President, the Roosevelt Campobello International Park was created in 1964 by a Canadian-American treaty to commemorate and preserve the summer home of Franklin Delano Roosevelt on Campobello Island in New Brunswick, Canada. In accordance with the spirit of that agreement and the statutes which established the park, the park has a policy of equal opportunity in employment, compensation and fringe benefits for both Canadian and American employees.

The park currently employs 13 U.S. residents. These employees are subject to U.S. social security taxes; and are eligible for old age, survivors and disability insurance benefits, as well as workmen's compensation. In nearly all ways they are treated as though they were employed on U.S. soil.

However, these U.S. citizens have been unable to secure unemployment insurance coverage. The Maine Employment Security Commission has taken the position that they cannot be covered under Maine law. Neither can they be covered under the Federal Unemployment Tax Act.

The Canadian Department of National Revenue has taken the position that the U.S. employees of the park will be subject to Canadian unemployment insurance premiums until and unless they can be brought under unemployment insurance coverage in the United States.

While U.S. employees will therefore be eligible for Canadian Unemployment Insurance, there are serious obstacles which prevent them from taking advantage of the Canadian benefits.

The U.S. employees live in Lubec, Maine, which is just 300 yards from Campobello Island. The Canadian mainland is 50 miles away by road. Thus, a U.S. employee of the park would have difficulty proving himself available for employment in the Canadian labor force and would be unlikely to find employment in Canada within a reasonable commuting distance from home.

Mr. President, as chairman of the Roosevelt Campobello International Park Commission I am pleased to introduce today legislation to resolve this inequity. This bill would amend the Internal Revenue Code of 1954 to provide that U.S. employees of the park shall be considered as employed inside the United States.

This legislation will insure United States and Canadian employees of the park are employed on an equal basis. It is supported by the commission and is in accord with the agreement reached between the United States and Canadian Governments on this issue.

Mr. President, I would like to express my appreciation to the Canadian Government and the United States Treasury Department for their assistance in resolving this matter. I urge my colleagues to act quickly on this bill in order that the problem may be finally resolved.

Mr. President, I ask unanimous consent that the text of the bill and related documents be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 3278

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3306(c) of the Internal Revenue Code of 1954 (relating to the definition of employment for purposes of the Federal Unemployment Tax Act) is amended by adding at the end thereof the following new sentence:

"Notwithstanding any other provision of this subsection, service performed by a citizen of the United States as an employee of the Roosevelt Campobello International Park Commission shall be deemed to be employment for purposes of this chapter.".

SEC. 2. The amendment made by the first section of this Act shall be effective with respect to remuneration paid after December 31, 1978 for service performed after such date.

THE SECRETARY OF THE TREASURY,
Washington, D.C., April 6, 1978.

Hon. EDMUND S. MUSKIE,
Chairman, Roosevelt Campobello International Park Commission, United States Senate, Washington, D.C.

DEAR ED: On October 12, 1977, you wrote me concerning the unemployment insurance situation of the employees of the Roosevelt Campobello International Park Commission. On November 28, I wrote you concerning the results of our preliminary study of the problem, and stated that we would keep you informed of the progress of our further study. We have developed further ideas on ways to resolve this matter, and I thought it would be useful to communicate these to you before the Commission's upcoming meeting April 7–8.

As I indicated in my letter of November 28, it is our understanding that the Canadian Department of National Revenue has taken the position that the employees will be subject to Canadian unemployment insurance premiums until and unless the employees can be brought under unemployment insurance coverage in the United States. The question in light of this position is whether the employees can be brought within the coverage of either the Maine Employment Security Law or the Federal Unemployment Tax Act (FUTA).

We understand from the staff of the Commission that the Maine Employment Security Commission has taken the position that the employees of the Commission cannot be covered under Maine law.

FUTA presently covers services performed by an employee within the United States, services upon an American vessel or aircraft under a contract executed in the United States, and any service "performed after 1971 outside the United States (except in a contiguous country with which the United States has an agreement relating to unemployment compensation) by a citizen of the United States as an employee of an American employer. . . ." An "American employer" is defined to include individual residents of the United States; corporations organized under the laws of a state or of the United States; trusts all of the trustees of which are United States residents; and partnerships two-thirds of the partners of which are United States residents.

The Commission employees' situation arguably fails to meet the definition of "employment" because the services are not performed for an "American employer." And in any event, this situation clearly fails to meet the definition because the services are performed "in a contiguous country with which the United States has an agreement relating to unemployment compensation."

It appears therefore that it would be necessary to amend FUTA to cover the Commission specifically. Extension to those employees could be accomplished by adding a provision at the end of section 3306(c) stating that "Notwithstanding any other provision of this subsection, service performed by a citizen of the United States as an employee of an international park commission established under Chapter 22 of Title 16 shall be deemed to be employment for purposes of this chapter." A copy of a draft bill that would accomplish this is enclosed.

I hope this answers the questions you raised in your October 12 letter. Please let us know if we may be of further assistance in this matter.

Sincerely,

W. MICHAEL BLUMENTHAL.

CANADIAN EMBASSY,
AMBASSADE DU CANADA,
Washington, D.C., September 27, 1977.

Hon. EDMUND S. MUSKIE,
Chairman, Roosevelt Compobello International Park Commission, The United States Senate, Washington, D.C.

DEAR SENATOR MUSKIE: You will recall that last April, you sent to my predecessor, Jake Warren, a legal analysis of the taxation problems of United States employees of the Roosevelt Compobello International Park Commission. As Mr. Warren informed you by letter dated May 5, the memorandum was forwarded to our authorities to Ottawa for their consideration.

I am now pleased to inform you that a review of the status of the United States employees of the Park Commission has been concluded by the Canadian Departments of National Revenue and Justice together with the United States Internal Revenue Service. It has been agreed that both part-time and full-time U.S. employees of the Commission fall within the provisions of Article VI of the Canada/United States Tax Convention and are therefore exempt from Canadian income tax deductions. This exempting provision in turn has application for the purposes of the Canada Pension Plan, thereby removing any requirement to withhold Canada Pension Plan contributions.

It was also the opinion of the review group that under Canadian Unemployment Insurance legislation, all American employees, both

full and part-time, were liable for Canadian Unemployment Insurance premiums. However, in discussions with the U.S. Internal Revenue Service, it was agreed that the U.S. Authorities would consider ways, including the possibility of a bilateral agreement with Canada through which American employees could eventually be covered under either the Maine Unemployment Insurance Plan or the Federal Special Unemployment Assistance Program. Until such time as an agreement of that sort has been negotiated, it was agreed that the American employees would be liable for Canadian Unemployment Insurance deductions.

I would be grateful if you would inform Park Commission Officials, and especially Henry Stevens, of the results of the review, and ask that arrangements be made for deductions of Unemployment Insurance commencing with the month of October, 1977. The St. Johns, New Brunswick District Office of Revenue Canada would be pleased to provide further information and assistance to Park officials.

We are grateful for your interest in this matter which has enabled us to reach this happy resolution of the problem.

Yours sincerely,

P. M. TOWE,
Ambassador.

ADDITIONAL COSPONSORS

S. 2287

At the request of Mr. BURDICK, the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 2287, a bill to provide funds to medical schools to assist them in establishing programs in geriatric medicine.

S. 2640

At the request of Mr. RIBICOFF, the Senator from Washington (Mr. JACKSON), the Senator from Georgia (Mr. NUNN), the Senator from Ohio (Mr. GLENN), and the Senator from Florida (Mr. CHILES) were added as cosponsors of S. 2640, a bill to reform the civil service laws.

At the request of Mr. ROBERT C. BYRD, the Senator from Maine (Mr. MUSKIE) was added as a cosponsor of S. 2640, supra.

S. 2759

At the request of Mr. CRANSTON, the Senator from Oregon (Mr. MARK O. HATFIELD) and the Senator from Massachusetts (Mr. BROOKE) were added as cosponsors of S. 2759, a bill to provide for Federal support and stimulation of State, local, and community activities to prevent domestic violence and assist the victims of domestic violence, for coordination of Federal programs and activities pertaining to domestic violence, and for other purposes.

S. 2778

At the request of Mr. BENTSEN, the Senator from Iowa (Mr. CULVER), the Senator from Utah (Mr. HATCH), the Senator from Maine (Mr. HATHAWAY), the Senator from Arizona (Mr. GOLDWATER), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Michigan (Mr. RIEGLE), the Senator from Tennessee (Mr. SASSER), and the Senator from New Mexico (Mr. SCHMITT) were added as cosponsors of S. 2778, a bill to provide for increased criminal penalties for the unauthorized manufacture and distribution of PCP and to provide for piperidine reporting.

S. 2856

At the request of Mr. MORGAN, the Senator from Hawaii (Mr. INOUYE), the Senator from Florida (Mr. STONE), the Senator from Minnesota (Mr. ANDERSON), the Senator from Montana (Mr. MELCHER), the Senator from West Virginia (Mr. RANDOLPH), the Senator from South Carolina (Mr. THURMOND), and the Senator from Kentucky (Mr. FORD) were added as cosponsors of S. 2856, the Uniformed Services Survivor Benefit Plan Amendments Act of 1978.

S. 3037

At the request of Mr. DECONCINI, the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 3037, a bill to provide for the administration of the Internal Revenue Code of 1954 without regard to certain revenue rulings relating to the definition of the term "employee."

S. 3111

At the request of Mr. PACKWOOD, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 3111, a bill to allow taxpayers to deduct charitable contributions whether or not they use the standard deduction.

S. 3248

At the request of Mr. MORGAN, the Senator from Texas (Mr. TOWER) was added as a cosponsor of S. 3248, a bill to create a National Agricultural Cost of Production Board.

S. 3252

At the request of Mr. BROOKE, the Senator from New Hampshire (Mr. DURKIN) was added as a cosponsor of S. 3252, a bill to amend title XVI of the Social Security Act, to assure that, for purposes of the supplemental security income program, interest income received by an individual from a negotiated order of withdrawal account will be treated the same as interest income received from an account on which interest is payable on a quarterly basis.

SENATE JOINT RESOLUTION 29

At the request of Mr. BURDICK, the Senator from Maryland (Mr. MATHIAS) and the Senator from Mississippi (Mr. EASTLAND) were added as cosponsors of Senate Joint Resolution 29, authorizing the President to establish the week in November which contains Thanksgiving as "National Family Week."

SENATE JOINT RESOLUTION 117

At the request of Mr. GARN, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of Senate Joint Resolution 117, to designate the fourth Wednesday in October of each year as "Seventy-Plus in High School Day."

SENATE JOINT RESOLUTION 134

At the request of Mr. BAYH, the Senator from Wisconsin (Mr. NELSON) was added as a cosponsor of S.J. Res. 134, to extend the deadline for ratification of the Equal Rights Amendment.

AMENDMENT NO. 3067

At the request of Mr. CRANSTON, the Senator from Montana (Mr. PAUL G. HATFIELD) was added as a cosponsor of amendment No. 3067 intended to be proposed to S. 2828, the Veterans' Disability Compensation and Survivor Benefits Act of 1978.

AMENDMENT NO. 3068

At the request of Mr. THURMOND, the Senator from Hawaii (Mr. INOUYE) and the Senator from Colorado (Mr. HART) were added as cosponsors of amendment No. 3068 intended to be proposed to S. 2571, the Department of Defense Appropriations Authorizations Act, 1979.

AMENDMENTS SUBMITTED FOR PRINTING

ENDANGERED SPECIES ACT AMENDMENTS—S. 2899

AMENDMENTS NOS. 3113 THROUGH 3122

(Ordered to be printed and to lie on the table.)

Mr. SCOTT submitted eight amendments intended to be proposed by him to S. 2899, a bill to amend the Endangered Species Act of 197? to establish an Endangered Species Interagency Committee to review certain actions to determine whether exemptions from certain requirements of that act should be granted for such actions.

AMENDMENTS NOS. 3125 THROUGH 3133

(Ordered to be printed and to lie on the table.)

Mr. NELSON (for himself, Mr. BROOKE, Mr. ABOUREZK, Mr. CRANSTON, and Mr. ANDERSON) submitted nine amendments intended to be proposed by them, jointly, to S. 2899, supra.

COMMODITY EXCHANGE ACT—S. 2391

AMENDMENTS NOS. 3123 AND 3124

(Ordered to be printed and to lie on the table.)

Mr. BELLMON submitted two amendments intended to be proposed by him to S. 2391, a bill to extend the Commodity Exchange Act, and for other purposes.

MILITARY CONSTRUCTION AUTHORIZATIONS—S. 3079

AMENDMENT NO. 3134

(Ordered to be printed and to lie on the table.)

Mr. TOWER submitted an amendment intended to be proposed by him to S. 3079, a bill to authorize certain construction at military installations, and for other purposes.

SENATE RESOLUTION 507—SUBMISSION OF A RESOLUTION RELATING TO ALASKA NATIONAL INTEREST LANDS LEGISLATION

Mr. GRAVEL submitted the following resolution, which was referred to the Committee on Energy and Natural Resources:

S. RES. 507

Whereas legislation now being considered by the Senate Committee on Energy and Natural Resources would designate new

units of the National Park System, National Wildlife Refuge System, National Forest System, National Wild and Scenic Rivers System, and National Wilderness Preservation System, resulting in an aggregate of 172 million acres, or nearly 50 percent of the lands in Alaska, in such systems;

Whereas designation of these lands would have a profound effect on the economic future of the State of Alaska and the lifestyes of many of the citizens of that State;

Whereas field hearings are normally held in the case of legislation having such an effect on a particular region or State;

Whereas there have been no Senate hearings held in Alaska on the Alaska National Interest Lands Legislation to date: Now therefore, be it

Resolved, That it is the sense of the Senate that the Committee on Energy and Natural Resources should hold not less than five days of field hearings in geographically diverse regions of Alaska on the Alaska National Interest Lands, such hearings to be attended by the chairman and ranking minority member of such committee or the chairman and ranking minority member of the Subcommittee on Public Lands and Resources.

SENATE RESOLUTION 508—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. ABOUREZK, from the Select Committee on Indian Affairs, reported the following original resolution, which was referred to the Committee on the Budget:

S. RES. 508

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to consideration of S. 3153, a bill to settle Indian land claims within the State of Rhode Island and Providence Plantations, and for other purposes. This waiver is necessary because of the urgency of the legislation, which will provide an out-of-court settlement to a pending Indian claims case in Federal court. The Federal contribution to this settlement and the timeliness of that contribution are essential if the litigation is to be settled according to the agreement negotiated between the parties and further economic hardship on the part of residents of the town is to be avoided. The Select Committee was precluded from reporting on the legislation by May 15 because the bill was not introduced until May 25, 1978 and the amount of the authorization was not finalized until after the hearing on the bill on June 20, 1978.

SENATE RESOLUTION 510—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. CANNON, from the Committee on Commerce, Science, and Transportation, reported the following original resolution, which was referred to the Committee on the Budget:

S. RES. 510

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 3279. Such waiver is necessary to allow for the authorization of funds from the trust fund established by the Airport and Airway Development Act of 1970 for airport planning and programs to achieve noise abatement and for airport construction and development. Funds authorized by the Airport and Airway Development Act are insufficient to carry out these programs and additional authorization is required.

Compliance with section 402(a) was not possible by May 15, 1978, because the Committee on Commerce, Science and Transportation contemplated only one major piece of aviation legislation during the 95th Congress, that is, the Air Transportation Regulatory Reform Act of 1978, which passed the Senate on April 19, 1978. It is now clear that the House of Representatives wants these additional spending programs. Therefore, the Committee must proceed to accommodate these programs. The effect of defeating consideration of this authorization may result in the failure to enact regulatory reform legislation during this Congress. The Committee does not anticipate that consideration of this authorization will delay the appropriations process.

NOTICES OF HEARINGS

SUBCOMMITTEE ON AGING

● Mr. EAGLETON. Mr. President, I wish to announce that the Subcommittee on the Aging will be conducting a hearing on the problems of elderly persons in rural and small communities on July 28, 1978 in Portland, Maine.

The hearing will be held from 10 a.m. until 12:30 p.m. at the Franklin Towers, 211 Cumberland Avenue, Portland.

Anyone wishing further information should contact the office of the Subcommittee on the Aging, room 6222, Dirksen Senate Office Building, Washington, D.C., 20510, telephone 224–7653.●

SUBCOMMITTEE ON IMMIGRATION

● Mr. DECONCINI. Mr. President, the Immigration Subcommittee will hold hearings on S. 3093, a bill to provide for the seizure of vehicles used to illegally transport persons into the United States, on July 21, 1978, at 9:30 a.m. in room 2228, Dirksen Senate Office Building. Witnesses will include the Commissioner of the Immigration and Naturalization Service and other parties. Interested persons should contact Tim McPike, 4104 Dirksen Senate Office Building, Washington, D.C. 20510, (202) 224-2212.●

HEARINGS ON EMPLOYMENT TAX CREDIT

● Mr. NELSON. Mr. President, I wish to announce public hearings to evaluate the jobs tax credit, which was enacted in 1976 and expires at the end of 1978. The hearings will focus on the use of the tax system to stimulate employment.

The hearings are scheduled for July 18 and 26, in the chambers of the Senate Finance Committee, Room 2221, Russell Senate Office Building, and will begin at 9:30 a.m. on each of these days.

They will be conducted jointly by the Senate Small Business Committee and the Senate Finance Committee's Subcommittee on Administration of the Internal Revenue Code.

All those persons who are interested in contributing to the hearings may contact the offices either of the Senate Small Business Committee (202/224–5175) or the Senate Finance Committee (202/224-4515).

I ask unanimous consent that a public notice published by the Senate Finance Committee be printed in the RECORD.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

PRESS RELEASE

Senator Floyd K. Haskell (D.–Colo.), Chairman of the Subcommittee on Administration of the Internal Revenue Code, today announced that the Subcommittee, together with the Senate Select Committee on Small Business, will hold hearings on July 18, 1978 and July 26, 1978. The hearings will begin at 9:30 A.M. in Room 221, Dirksen Senate Office Building.

The purpose of the hearings is to look at any administrative problems arising from the existing jobs tax credit (which was signed into law in May 1977 and expires in 1980), possible improvements to the existing provisions, and the Administration's proposals for a new jobs tax credit.

Senator Haskell stated that "Congress needs to investigate whatever problems may have arisen under the existing jobs tax credit before it turns to the President's proposals for a new 'targeted' credit—which is part of his Urban Program. This subject, because of the mixture of tax, urban policy and welfare issues, is a complex one, and it should not be considered hastily."

Requests to Testify.—Persons who desire to testify at the hearings should submit a written request to Michael Stern, Staff Director, Committee on Finance, Room 2227, Dirksen Senate Office Building, Washington, D.C. 20510, by no later than close of business on Thursday, July 13, 1978.

Legislative Reorganization Act.—Senator Haskell stated that the Legislative Reorganization Act of 1946, as amended, requires all witnesses appearing before the Committees of Congress "to file in advance written statements of their proposed testimony, and to limit their oral presentations to brief summaries of their argument."

Witnesses scheduled to testify must comply with the following rules:

(1) A copy of the statement must be filed by the close of business two days before the day the witness is scheduled to testify.

(2) All witnesses must include with their written statement a summary of the principal points included in the statement.

(3) The written statements must be typed on letter-size paper (not legal size) and at least 75 copies must be submitted by the close of business the day before the witness is scheduled to testify.

(4) Witnesses are not to read their written statements to the Committee, but are to confine their ten-minute oral presentations to a summary of the points included in the statement.

(5) Not more than ten minutes will be allowed for oral presentation.

Written testimony.—Senator Haskell stated that the Subcommittee would be pleased to receive written testimony from those persons or organizations who wish to submit statements for the record. Statements submitted for inclusion in the record should be typewritten, not more than 25 double-spaced pages in length and mailed with five (5) copies by Thursday, August 3, 1978, to Michael Stern, Staff Director, Committee on Finance, Room 2227, Dirksen Senate Office Building, Washington, D.C. 20510.●

ADDITIONAL STATEMENTS

BURSTING THE BALLOONS OF INCOME TAX REFORM

● Mr. HAYAKAWA. Mr. President, we are all aware of the tax revolt that is spreading across the Nation. Pressure is

growing for the Federal Government to reduce its tax burden on the American people.

I have supported substantial reductions in personal income tax rates across the board since I arrived in the Senate last year. But I have become aware that discussions of tax cuts often turn into discussions of tax reform. Instead of trying to reduce the total tax burden, tax reformers want to raise more money for Government spending programs by closing tax loopholes. The impression is given that tax loopholes are used only by the rich, and that because of tax loopholes, the rich do not pay their fair share of taxes.

This myth of the tax reformers has been shattered by a perceptive article in the San Francisco Chronicle. The article is entitled "Bursting the Balloons of Income Tax Reform" and was written by Dr. Paul Craig Roberts. Dr. Roberts shows us the statistics on the distribution of the tax burden. His figures show, for instance, that the top 10 percent of income earners pay 50 percent of total personal income taxes, while the bottom 50 percent of income earners pay only 7 percent of the total. This does not indicate to me that we are soaking the poor while the rich escape taxes. Dr. Roberts also explains that 70 percent of the benefits from tax loopholes go to people who are not rich.

Dr. Roberts' article deserves our consideration as we discuss tax cut and tax reform proposals. I ask that it be printed as part of the RECORD.

The article follows:

[From the San Francisco Chronicle, May 13, 1978]

BURSTING THE BALLOONS OF INCOME TAX REFORM

(By Paul Craig Roberts)

WASHINGTON.—If proper disclosure law applied to tax reformers, they would all be in prison. An outrageous statement? Perhaps, but one that's all too easy to document. Consider the main charges that tax reformers make:

The effective corporate tax rate is far below the statutory rate.

As a result of wealthy corporations avoiding taxes through loopholes, corporations are paying a declining share of the total tax burden, thus increasing the burden on the little man.

The rich don't pay taxes.

Poor and middle income taxpayers are taxed on all their income while upper bracket money escapes through loopholes and deductions.

The federal tax burden as a percent of income has remained constant for years.

What are the facts? The U.S. Department of Commerce's National Income and Product Accounts show that the effective tax rate on real corporate profits has been higher than the statutory rate (48 percent) for the past decade, exceeding 100 percent in 1974 in spite of the loopholes.

The table below summarizes what official government statistics show the tax rates to be for the years 1968–76. Notice that the effective tax rates go up and down with inflation. This is because inflation overstates profits by causing firms' books based on historical costs to understate the true cost of replacing the plant, equipment, and inventory used up in production. In this way inflation converts costs into taxable income, thereby increasing the effective tax rate on corporate profit.

Effective tax rate

[In percent]

	Inflation rate (CPI)	Effective tax rate*
Year:		
1968	4.7	52
1969	6.1	57
1970	5.5	64
1971	3.4	62
1972	3.4	56
1973	8.8	63
1974	12.2	102
1975	7.0	84
1976	4.8	78

*Tax liability as a percentage of corporate profits, with inventory and tax depreciation allowances adjusted for replacement costs.

SOURCE: Bureau of Economic Analysis, U.S Department of Commerce.

Corporate income tax receipts are declining as a percent of total taxes collected by government, but not because corporations are avoiding taxes. The simple fact is that corporate profits have declined from 13 percent of the national income in 1966 to nine percent in 1977. Since corporate income is a declining share of income, it is natural that corporate income taxes are declining as a percent of total income taxes.

Every year we hear about millionaires who don't pay taxes, and IRS data does show that in 1975 thirteen millionaires paid no income tax. The tax reformers didn't tell us about the 1,136 other millionaires in 1975 who paid an average tax of $1,011,000.

Tax reformers have escaped criticism because they advance their cause behind the shield of helping the poor. And who wants to be the ogre that would deny help to the poor? Besides, tax reform to help the poor is easy, because the poor don't pay any taxes.

IRS figures in the table below show an amazing distribution of the tax burden. The top ten percent of income earners paid almost 50 percent of the total personal income taxes collected in 1975. The top 50 percent paid 93 percent of the total tax bill. The table also shows that the tax burden is shifting away from lower income people. In 1970 the bottom 50 percent paid ten percent of the income taxes, but only seven percent in 1975. The latest figures show a further decline to six percent in 1976. In addition, the Tax Foundation reports that "several million taxpayers disappeared from the tax rolls altogether as a result of legislative changes benefitting those with lower incomes during the period 1970–75."

In contrast, the top one percent carried almost 20 percent of the tax burden. For every $1 paid by the bottom ten percent, the top one percent paid $187.

With millions of people dropped from the tax rolls and with half the taxpayers paying only six percent of the total taxes, we have achieved representation without taxation—the opposite of what the American Revolution was about. Being liberal is not just a state of mind. It is a rational self-interested response of political entrepreneurs to our system of representation without taxation. The government is full of people with projects catering to people who vote themselves benefits for which they don't have to pay.

There are, for example, the national healthers and the welfare reformers who traffic in compassion, which they sell at high prices to the guilt-ridden in the upper brackets. Those who pay learn that it is easier to organize a new hand-out scheme for themselves than to combat the other guy's. Politicians have become handout artists in which they take it all and hand some back.

When tax reformers talk about loopholes they emphasize the few that conjure up visions of elaborate shelters for the rich. They don't tell us that 70 percent of the benefits go to people who are not rich.

Did you know that the largest tax loophole consists of the pension plans that employers provide for their employees? Did you know that the itemized deduction for state and local taxes is the second largest loophole?

Did you know that all of the following are listed as tax loopholes on the Treasury's list?—Medical insurance that employers provide for their employees, Social Security benefits, military disability pensions, scholarships and fellowships, disabled coal miners benefits, public assistance, sick pay, G.I. Bill benefits, and unemployment benefits.

The greatest loophole of all is the one that allows government to use inflation to push people into higher tax brackets. When your wage or salary rises because of inflation, so does your tax rate. Between 1966 and 1976 the average wage rose by 77.3 percent, and the consumer price index rose by 75.4 percent. So the average worker kept up with inflation, but not with taxes. The total tax burden rose 144 percent.

The government is the winner, because its tax revenue rose by 1.6 times the rate of inflation. Purchasing power has been undone by taxflation.

In 1929 the total government tax bite (state, local, federal) was 12 percent of the national income. By 1960 it had grown to 33 percent. By 1976 government had enlarged its share to 42 percent. In 1976 the total expenditures of all Americans for the basic necessities of food, clothing and housing came to $469.7 billion. Their total tax bill came to $486.4 billion or $16.7 billion greater.

All the while tax reformers lull us with selective information such as the federal income tax bite has remained constant for years and is only 11 percent of personal income. They don't tell us that this average take is the result of millions of people being pushed into higher brackets by inflation while "tax reform" drops millions of others from the tax rolls.

Although we fancy ourselves a free people, the burden of government bears greater upon us than it did upon the medieval serf, who only owed the state one-third of his working life. Many may reject this parallel. They may say that we have a democratic government controlled by the people, and that high taxes and big government merely reflect the voters' demands for public goods in the public interest. Such an argument is reassuring but problematical.

All of us have been born to the statist gospel that government is the instrument of social progress. Clamors for tax reduction are translated into proposals for tax reform, which are further transformed into proposals for securing more revenues for government.

As we hear the sanctimonious talk about tax reform and "equity," we should keep in mind that "equity" means more taxes on the productive to provide the revenues that build the spending constituencies of Congress and the federal bureaucracy.

What is operating is not equity, but the government's self-interest.

PERCENT OF TOTAL TAXES PAID BY HIGH AND LOW INCOME TAXPAYERS 1970 AND 1975

Adjusted gross income class	Income level 1970	Income level 1975	Percent of tax paid 1970	Percent of tax paid 1975
Highest 1 percent	$43,249 or more	$59,338 or more	17.6	18.7
Highest 5 percent	$20,867 or more	$29,272 or more	34.1	36.6
Highest 10 percent	$16,965 or more	$23,420 or more	45.0	48.7
Highest 25 percent	$11,467 or more	$15,898 or more	68.3	72.0
Highest 50 percent	$6,919 or more	$8,931 or more	89.7	92.9
Lowest 50 percent	$6,918 or less	$8,930 or less	10.3	7.1
Lowest 25 percent	$3,157 or less	$4,014 or less	.9	.4
Lowest 10 percent	$1,259 or less	$1,527 or less	.1	.1

Source: Tax Foundation computations are based on Internal Revenue Service, Statistics of Income. ●

NORTH CAROLINA

● Mr. MORGAN. Mr. President, I was delighted last evening to pick up the July 17, 1978, issue of U.S. News & World Report and find an article titled, "Close Up of America: North Carolina," which in short states that North Carolina has become "a major U.S. center of learning, technology, and the arts."

I was not surprised at anything I read for we North Carolinians have known for a long while that we have been blessed with the good life. Ours is a progressive State with people who understand that "the good life" is a composite of job opportunities, a wholesome environment, appreciation of music and the arts, access to good educational facilities, and enlightened leadership.

I am pleased that U.S. News & World Report has spotlighted our State, "the State of the Arts," and recognized the accomplishments of our people. I submit a copy of the article for the RECORD.

[From the U.S. News & World Report, July 17, 1978]

CLOSE-UP OF AMERICA: NORTH CAROLINA SHOWS HOW TO KEEP 'EM HOME

RESEARCH TRIANGLE PARK, N.C.—"You can't go home again," wrote Thomas Wolfe, who left North Carolina to win fame in New York.

Now, a half century after the novelist moved out of his mother's Victorian boarding house in Asheville, many sons and daughters of North Carolina are going home again. And, in a major change that took decades to accomplish, fewer are leaving.

For generations, North Carolina boasted the finest state-run system of colleges and universities in the South. But its brightest graduates, finding scant opportunity in an agrarian economy, usually headed for brighter lights.

Evidence now abounds that this brain drain has been reversed. North Carolina State University, for instance, reports that more than half of its recent engineering and science graduates work in the state. In the 1960s, fewer than a fourth of them remained in North Carolina.

A unique assortment of possums, pine trees and Ph.D.'s symbolizes North Carolina's new opportunity. It is called Research Triangle Park, a 5,700-acre collection of forested hills, clean streams and futuristic buildings in the middle of a triangle formed by the nearby university towns of Raleigh, Durham and Chapel Hill.

"Marriage of ideals and . . . progress." The late Luther Hodges, governor of the state when the park was conceived in the 1950s, termed the complex "the marriage of North Carolina's ideals for higher education and its hopes for material progress."

The marriage, by all indications, has been a 20-year honeymoon. Among the nearly 30 private and government organizations with major research facilities in the park are IBM, Monsanto, Burroughs Wellcome, the Environmental Protection Agency and the U.S. Army.

Many of their scientists teach part time at the three nearby universities—Duke at Durham, N.C. State at Raleigh and the University of North Carolina at Chapel Hill. Professors from the three schools, meanwhile, work for the research firms as consultants. One result: Nearly 3,000 scientists and engineers with doctorates live in the area. Hardly a dozen metropolitan areas across the country, all much larger than Raleigh-Durham-Chapel Hill, have more.

Joint ventures by the universities are numerous. They share with park occupants one of the world's biggest educational computers, one of the word's largest mass spectrometers for materials analysis; two of the world's four phytotrons capable of duplicating the climate of the Sahara and a 6.5-million-volume library system.

No public money is being spent on running the park. Its operator—the private, nonprofit Research Triangle Foundation—is affiliated with the three universities but derives all its income by selling or leasing land for research facilities. As of now, about half the park's acreage is occupied.

"This land is too poor to farm," says Ned Huffman, the foundation's executive vice president. "If you see a rock, don't kick it, because it may run a few feet deep. But you can't find a better environment for research."

As a guarantee that the tranquil environment will continue, park tenants must agree to build on no more than 15 percent of the land they occupy. Loud noise, smoke or vibration is banned. Only light manufacturing activity is permitted.

MORE THAN SCIENCE

Until now, the park's massive research efforts have focused on science and technology Soon, though, workers will complete construction of the long-proposed National Humanities Center, attracting a significant cluster of historians, philosophers, political scientists and other scholars in the humanities.

Each year, starting this September, the American Academy of Arts and Sciences will bring up to 50 scholars from across the world to the humanities center for nine months of concentrated study.

This autumn will find William Leuchtenburg of Columbia University working on a history of Franklin Roosevelt, Jacob Talmon of Jerusalem's Hebrew University preparing a book on right-wing patterns of thought from the French Revolution through the Third Reich, and Torsten Husen of the University of Stockholm studying U.S. educational policies for the disadvantaged.

"You can't get a good bagel around here," Brooklyn-born philosopher who is executive says William J. Bennett, the 34-year-old officer of the humanities center. "And you can't buy a drink. But there are fine people and outstanding libraries. What goes on in this park, in collaboration with the universities, is a model of what assembled intelligence can do."

In selecting North Carolina, the Academy of Arts and Sciences rejected bids from several prestige campuses outside the South, including the University of Michigan, the University of California at Berkeley and the University of Pennsylvania.

"The academy people got together with the people here and were sold," says Bennett, "The North Carolina proposal wasn't the largest financial offer, but it was sound: a building worth 2.5 million dollars plus $75,000 a year from each of the three universities."

The three universities jointly own Research Triangle Institute, which has more than 900 employes conducting research for organizations in and out of the park. Tom Wooten, executive assistant to RTI's president, is one of the many well-educated natives of North Carolina now happy to remain in the state. "When I got my undergraduate degree from Duke in 1957, the opportunities for an engineer were mostly out of state," Wooten recalls. "My father down in Chadbourn sent me a newspaper article about the creation of the park. He said there might be some opportunities here by the time I got my Ph.D. He was right."

Wooten, like many North Carolinians in the park has had good job offers from outside the South. But he finds his work challenging and, he says, "I like to fish."

"In just a little time, you can drive to the Outer Banks," he says. "In 2 more hours, you're in the Gulf Stream going after marlin. There's a growing appreciation around here for the quality of life."

Migration turnaround. Those words—"quality of life"—are heard more and more these days in North Carolina. Often they are uttered by the thousands of outsiders transferred to the state either by major corporations or by the government.

One of them, Herb Friedlander, spends his work hours in charge of Monsanto's Triangle Park research center, which, among other accomplishments, developed Astroturf. Many of his leisure hours are spent in a sailboat.

"You can sail 12 months a year," the Illinois native notes. "Kerr Lake is good. So is the Neuse River near Pamlico Sound. Down there you can gather scallops at Cape Lookout and cook them on the beach for breakfast."

Park employes mention other diversions: year-around golf, skiing at Grandfather Mountain, hiking along the Appalachian Trail.

Thanks to the good life and the growth of opportunities, 142,000 more persons have moved into North Carolina in the 1970s than have moved out. In contrast, the '40s, '50s and '60s saw a net migration loss of 578,000.

More than half the people who left North Carolina after World War II were blacks. Many still board trains or buses in the tobacco counties of eastern North Carolina hoping to find jobs in Philadelphia, Newark

or New York. But according to state-government estimates, the number of blacks who move into the state has finally caught up with the number who move out.

"Many of the blacks who left in the early days because of a lack of opportunity are coming back," says Howard Lee, a black sociologist who holds a cabinet-level position as the state's secretary of natural resources. "The 'Chicken Bone Special'—the train that took so many of our people to the North—has been turned around."

HERE COME THE ARTS

Historian V. O. Key, Jr., once observed that North Carolina's interest in education helped bring about the "progressive, productive" forces that set the state apart in the South. Those forces now are pushing a tide of cultural endeavors across the state. Examples:

The state government, assisted by private and corporate donors, operates the North Carolina Symphony, a fulltime 77-member orchestra that plays free concerts for high-school students across the state. The symphony's concerts at Washington's Kennedy Center and New York's Carnegie Hall were sellouts.

The North Carolina School of the Arts at Winston-Salem is the first state-operated college in the nation established to train students for the performing arts. Its graduates include New York City Ballet dancers, symphony musicians and Broadway actors.

The American Dance Festival—based for four decades in New England—is performing this summer, for the first time, in North Carolina. Director Charles Reinhart says that the Duke campus was chosen over nearly 50 other sites as the festival's new home because of "North Carolina's demonstrated enthusiasm for the performing arts."

Why such an interest in culture? "It's just part of the good life," says Sara Hodgkins, who serves in the state cabinet as secretary of cultural resources. "We don't consider music and art as luxuries. In order to be a whole person, you need to experience these things."

The North Carolina Legislature at first was wary of proposals to finance cultural endeavors. Some legislators referred to the School of the Arts as "that toe-dancin' school," and legislation creating the state symphony was branded "the horn-tootin' bill." But Secretary Hodgkins says that legislative backing for the arts is now solid. "Some members even call and ask whether I'm sure a certain appropriation is big enough."

One reason for the support: Culture is considered good business in North Carolina. Dozens of tickets at the symphony's sellout in Carnegie Hall were given to corporation executives who earlier in the week were wooed by a North Carolina industry-hunting team.

A point of pride. "Once a tradition starts to build, people take pride in it," asserts Terry Sanford, the former governor who now is president of Duke. "However it got started the people of North Carolina are proud of their reputation for promoting the arts.

It isn't just high-brow culture promoted by the state. Thousands of Carolinians gathered along the banks of the Eno River north of Durham during the Fourth of July weekend for the state-sponsored North Carolina Folklife Festival. The sounds they heard illustrated the state's diversity. Doc Watson of Deep Gap picked a guitar and sang mountain ballads. James Borders of Statesville rattled a set of bones. The Smokey Valley Boys of Mount Airy fiddled. And Leonard Emmanuel of Spivey's Corner demonstrated his title-winning holler.

Traditions, though, are changing. Only last month the Legislature voted to allow local-option sales of mixed drinks in restaurants. No longer in those restaurants will North Carolinians be able to practice brown-bagging, the consumption of liquor from their own private bottles.

More changes—in industry, agriculture, education, race relations—are shaping up for the future. Nonetheless, there is much that the people of North Carolina—blacks and whites, natives and Yankee transfers—prefer to preserve intact.

"Our genius," says Tom Wooten, the Duke graduate who stayed at home, "will come in maintaining this quality of life."●

SMALL BUSINESS AND THE NATIONAL BANK FOR CONSUMER COOPERATIVES

● Mr. TOWER. Mr. President, the Senate is expected to consider the National Consumer Cooperative Bank Act (H.R. 2777) in the very near future. I am very concerned over the effect which loans from this bank would have on small tax-paying businesses. For that and other reasons, I have introduced a substitute amendment that would establish a 2-year pilot lending and technical assistance program, along with a study of consumer cooperatives' needs by an inter-agency task force.

The need for a pilot lending program, prior to the establishment of a National Bank for Consumer Cooperatives, was discussed during the hearings on this legislation in the Financial Institutions Subcommittee. Mr. William G. Mashaw, who testified on behalf of the National Retail Hardware Association, had this to say about such a program:

We urge this subcommittee to consider a smaller-scale, test version of this legislation. Businessmen can identify with this incremental approach. No company launches a new product without test-marketing on a limited scale. Passage of this bill as it now stands would be to create a gigantic banking establishment on the basis of scant information, and without adequate precautions built in. A two-year, reasonably-funded pilot project would allow the Congress to see the bank in action, to measure its successes and failures and determine whether it is something the government should invest its resources in.

I think that Mr. Mashaw has stated the justification for a test program very well. I ask that his testimony before the Financial Institutions Subcommittee be printed in the RECORD.

The testimony follows:

TESTIMONY OF WILLIAM G. MASHAW ON BEHALF OF THE NATIONAL RETAIL HARDWARE ASSOCIATION

I am William G. Mashaw, Managing Director of the National Retail Hardware Association, headquartered in Indianapolis, Indiana. Our Association is a federation of twenty-five state and regional hardware associations, and our membership consists of approximately 20,000 firms, ranging in size from the smallest neighborhood hardware store to large "home centers". Close to 90% are single unit, family-owned operations. It is a pleasure to appear before the Subcommittee this morning to present our views on S. 1010, and we appreciate the privilege of testifying.

My testimony today takes an approach to the Consumer Cooperative Bank Act that differs somewhat from our presentation before the Financial Institutions Subcommittee in the House. There, we concentrated on what we felt were major problems with the legislation. We questioned whether Federal support of cooperatives would indeed reduce prices and stem inflation. We questioned the fairness of using tax dollars derived from small business to finance their competitors. And we questioned whether Congress or anyone else had made an accurate determination that there is actually a need for a $750 million Bank.

Perhaps the biggest unanswered question is what exactly this legislation—which Rep. Henry B. Gonzalez has called "an enormously important bill"—will do if it becomes law. The sums of money involved are large, but it is a bill whose effects have scarcely been considered.

What the legislation as presently drafted does is create a $750 million institution without any direction or goal other than to lend money to nebulously defined "not-for-profit" organizations. There are no restrictions as to size, location, or types of enterprise. There are no guidelines to help the Bank weigh the merits of the loan applicants. There is nothing except unqualified support for consumer cooperatives, irrespective of their function.

The net result is that no one is quite certain what will emerge from this legislation, if enacted. Will the Bank fund small enterprises in poverty-stricken neighborhoods . . . or luxury cooperatives in wealthy suburbia? Will it support the distribution of essential goods and services, like clothing and health care . . . or assist the marketing of imported furniture? Will it give struggling coops a helping hand . . . or strengthen the hand of established multi-million dollar ones?

As the legislation now stands, we have to agree with Rep. Gonzalez's statement, contained in his "Dissenting Views" in the House Report: "The bill provides too much, with too little reason and too little guidance . . ." We too, are concerned that the bill lacks direction. We are concerned that the dollar amount proposed on the House side for the funding of this Bank has fluctuated without explanation: the capitalization dropped from a billion dollars to $750 million overnight, without discussion of how needs had changed. And we are concerned that there are not adequate safeguards written into the bill to prevent detrimental consequences for small business.

For these reasons, we appear before you today in support of a reasonable compromise which was offered in the House of Representatives, incorporating what was then the Administration's position on the Consumer Cooperative Bank Bill. The amendment, introduced by Rep. John J. LaFalce, provided for a test program of loans to consumer cooperatives, the results of which would be carefully examined to determine whether a full-scale Bank was needed, at what level of capitalization, and how it best could be administered. It seemed a reasonable and thoughtful approach then, and continues to seem so now. It was defeated in the House by a narrow margin, and the amendment has much to commend it. The only liability Mr. LaFalce's proposal has is that it carries the labels "pilot project" and "Congressional study"—so often used as dilatory tactics in the legislative process—which belies its real intentions as an intelligent and prudent approach.

We urge this Subcommittee to consider a smaller-scale, test version of this legislation. Businessmen can identify with this incremental approach. No company launches a new product without test-marketing on a limited scale. Passage of this bill as it now stands would be to create a gigantic banking establishment on the basis of scant infor-

mation, and without adequate precautions built in. A two-year, reasonably-funded pilot project would allow the Congress to see the Bank in action, to measure its successes and failures and determine whether it is something the Government should invest its resources in.

The debate surrounding this legislation points to goals that few reasonable persons could disagree with. We, too, support "minimizing the impact of inflation and economic depression" as the Preamble of S. 1010 tells us this bill will do. We strongly support "self-help". And we, too, would like to see the decline of our inner cities reversed. This legislation points to real problems, and invokes laudable goals. But until changes are made in the bill and the concepts are tested in a real-life situation, it is not clear that establishing a Consumer Cooperative Bank will move us one inch closer towards solution of the problems addressed in the bill. A proposal like that of Congressman LaFalce's would determine whether we are on the right track or not.

Before the pilot loan program could go into effect, however, we feel that the enabling legislation ought to be further refined. The bill needs to concentrate on the specific problems pointed out in the hearings, and the following changes might be appropriate:

1. LIMIT THE LOANS TO COOPS WHO HAVE ATTEMPTED TO GET CREDIT ELSEWHERE

This is ostensibly the main reason for this legislation. Coops who can obtain credit from commercial banks should continue to do so, and should not divert funds from needy cooperatives. The bank should be a leader of last resort, only granting loans to worthy coops turned away from traditional sources. A coop applying for a National Consumer Bank loan would have to supply evidence that commercial lending institutions refused to grant the loan.

2. LIMIT THE LOANS TO SMALL COOPS

The rhetoric in support of this bill consistently paints a picture of small neighborhood cooperatives run by the community for the benefit of the community. Much of the appeal of the legislation is based on the idea that "small is beautiful". The picture changes quickly when one realizes that the beneficiaries of this legislation could very well be large, multi-unit operations with sales measured in tens of millions of dollars. Their tax status aside, these endeavors differ only slightly from publicly-held corporations, and should not be supported by this Bank. Loans to existing cooperatives wishing to expand should be limited to those with assets or sales falling below a certain level commensurate with the idea that consumer coops are supposed to be rooted in the neighborhood.

3. TARGET THE LOANS AT URBAN AREAS

There is nothing in this bill that would prevent money from flowing to areas other than the inner city, where the needs is said to be greatest. Rep. Gonzalez comments, "It is argued that this bill will revitalize the inner city, but nothing in it restricts or specifically directs resources towards declining neighborhoods. The likely result is that the major beneficiaries will be those areas that are already well-organized, well-financed, and well-served." For example, a group of wealthy individuals could form a buying club to purchase Mercedes-Benz's at reduced prices. . . . College students could band together and buy stereo equipment at wholesale. . . . Existing coops could open branches in lucrative suburban areas. The possibilities of this legislation going far astray from its stated objectives are limitless, and some safeguards must be incorporated. Perhaps restricting loans to depressed areas that have been abandoned by normal services would be a possible approach. Or restricting loans to areas with a certain level of unemployment or income. If this legislation is being promoted as a "save-the-cities" measure, let's make sure the money gets there.

4. EXAMINE OTHER WAYS TO HELP CITIES

If the main purpose of this bill is to help cities, why restrict the form of assistance to funding for coops? An urban economy based entirely on consumer cooperatives would probably not succeed for long, and the ideal situation is likely to be a mix of cooperatives, small businesses, and larger corporations. The City of Baltimore has recently instituted a "Shopsteading" program—the commercial counterpart to their highly successful residential homesteading project—in which vacant City-owned buildings are sold for $100 plus a commitment to open a store or office at that location. I have enclosed for the record a recent Washington Post article on this innovative approach to revitalizing the innercity.

5. INVOLVE SMALL BUSINESS IN MAKING THE LOANS

The small business community has been given various assurances that existing enterprises won't be squeezed out of the market by the influx of cooperatives. As we pointed out in our House testimony, this is hard to believe considering that retail sales by cooperatives are expected to climb from the present level of $475 million to $55.6 million in twenty years from now. With sales increases of this magnitude, an awful lot of small businesses will have to lose some share of the market.

Supposedly, the loans will not even be made to areas already served by small businesses, but there is no provision that would prohibit a coop from opening up next door to, and competing with, an existing small business. Perhaps a "Small Business Impact Statement", if required by this legislation, would be a helpful start. However, we believe that additional safeguards are called for.

A meaningful way to ensure that small business is not adversely affected by consumer cooperatives is to involve small businessmen in the loanmaking. *Where* the loans go will largely be determined by *who* makes them. We feel there is too much at stake to leave these decisions to individual Consumer Cooperative Bank employees, people likely to have a strong pro-coop bias and little sensitivity to impact on small business. Consequently, we would like to see more small business participation made part of the law, perhaps by requiring that a panel of bank officers and local merchants make the loans rather than bank officials alone. It seems the only way to arrive at a consensus decision that takes all interests into account. Different approaches to panel-loanmaking could be worked on, and experimented with, during the pilot loan period.

6. INCREASE THE VOICE OF SMALL BUSINESS AT HIGHER LEVELS

The addition of a Small Business Administration official on the Board of Directors of the Bank, a provision adopted in the House, and presently not in S. 1010, is a step in the right direction. We recommend further that representatives from the business community, one from retailing and one from manufacturing, be included in the Board of Directors in addition to the SBA representative, and that such representatives be given oversight responsibility for the impact of consumer cooperatives on small business as a whole.

As Irving Kristol points out in his article "The New Forgotten Man", "Nobody is leading a crusade against [the small businessman], and it is probable that no one really wants to. He is merely being chided, harassed, ruined, and bankrupted by a political process that take him for granted and is utterly indifferent to his problematic condition."

A pilot project would allow time to consider modifications of the Bank, like the suggestions we have made today, that could reduce any adverse impact on small business. A test program would also provide hard data on percentages of loan repayment, administrative costs, the usefulness to the community of the coops receiving funds, and other information. To institute a $750 million Bank before all of these factors are considered would be to create, full blown, a major domestic program. It is a risky and potentially wasteful approach, and we urge you to consider responsible alternatives.

Thank you very much for the opportunity to testify today.●

REPORT ON SALT

● Mr. STEVENSON. Mr. President, Mr. Paul C. Warnke, Director of the Arms Control and Disarmament Agency, has provided in the latest issue of the Bulletin of the Atomic Scientists a thoughtful and sobering report of the Strategic Arms Limitation Talks. He argues that we must proceed prudently but expeditiously to hammer out an agreement with the Soviets, if that is at all possible. His central theme is that SALT II must not be seen as a sporting contest in which one side wins and the other loses. SALT II must provide genuine security assurances to both sides; otherwise, neither side will have any assurances.

Mr. Warnke also briefly discusses current or planned negotiations on several arms control and disarmament issues, including a comprehensive test ban treaty, banning of chemical and radiological weapons, control of conventional arms traffic, and the prohibition of antisatellite weapons.

I commend Mr. Warnke's article to the Members and ask that it be printed in full in the RECORD:

[From the Bulletin of the Atomic Scientists, June 1978]

ARMS CONTROL: A GLOBAL IMPERATIVE

(By Paul C. Warnke)

We may have lived so long with the danger of nuclear destruction that the mushroom cloud has faded into the deep recesses of our consciousness. But it's still there. And genuine and imaginative measures of arms control are the best way to keep it as a bad dream. Arms control is not just a well-meaning exercise in idealism (although certainly a reduction in worldwide armaments could significantly improve the conditions of human life. Nor is it a gesture designed to improve relations with the Soviet Union, although I can hardly believe that there could be any continuing détente or any chance of a useful relationship unless arms control succeeds. Rather, the primary motivation for arms control is to preserve the necessary military balance and to lessen the chances of war which today could escalate uncontrollably.

The most important of our arms control activities is SALT, the Strategic Arms Limitation Talks, which have now been going on for nearly nine years. In 1972 SALT I gave us a treaty which limited anti-ballistic missile defenses. Now only in the nightmare logic of nuclear arms would you talk about

the desirability of limiting defenses. As a matter of fact, for several years the Soviets rejected any concept of negotiating about anti-ballistic missile defenses because they maintained that defense was inherently good. The problem, of course, is that, had the anti-ballistic missile projects of both sides gone ahead, they would have been a significant destabilizing factor because they could succeed only in accelerating the offensive buildup of the other side.

Each side would want to make sure that the other side did not have a defense which would destroy its retaliatory capability, which is sometimes described as the balance of terror. This kind of security is certainly grim, but it's the only security possible in the nuclear age—the recognition by each side that launching a nuclear war would mean its own destruction.

As part of SALT I, the United States and the Soviet Union signed an Interim Agreement which limited strategic offensive weapons for a five-year period to the levels deployed or under construction at that time. It necessarily formalized the existence of certain asymmetries in the strategic forces of each side. The Soviets, for example, were allowed more ballistic missile launchers. No limits were set on intercontinental-range bombers, where we had and still have a very large lead. And no qualitative constraints prevented technological developments such as MIRVs. (MIRVs are the multiple independently targetable reentry vehicles which permit a single missile to launch nuclear strikes at a number of separate targets, which are widely dispersed.) This was a technological development of the most immense ingenuity, but again, an example of the fact that technology can destabilize the strategic balance and thus provide less, rather than more, security.

TOWARD SALT II

Since the fall of 1972, negotiations have been under way looking toward a SALT II agreement which would provide broader and more durable limitations on offensive nuclear weapons. A significant breakthrough occurred in the Vladivostok understanding in late 1974 when President Ford and then General Secretary Brezhnev agreed that SALT II would set equal aggregates on the intercontinental delivery systems of both sides. So instead of the unequal totals which were permitted under the SALT I agreement, both sides would have no more than 2,400 strategic nuclear delivery vehicles of which no more than 1,320 would be launchers of the MIRVed missiles.

Moreover, the understanding provided that these equal totals would be set without compensating the Soviet Union for the fact that the United States has forward-based systems which enable us to strike Soviet targets from European launching points. Nor did it reflect any adjustment for the existence of the French and British nuclear forces. But this Vladivostok understanding—a significant improvement over the existing Interim Agreement which has been informally carried on—has not as yet been translated into a formal, binding agreement.

There has been a lot of comment in the press and some political comment about a stalemate. However, a great deal of progress has been made. The Soviet negotiators have proved to be responsive on some major issues of importance to us. We have tried to be reasonable in our own positions. What has to be kept in mind, I think, in considering arms control negotiations is that it's not a sporting contest. It's not a game in which one side has to win and the other side must lose. Unless an arms control agreement provides each side with the assurances it needs for its own security, it is certain that any such arms control agreement won't last. If either side were to find that it had been outtraded, the other side could in no way demand specific enforcement as with a commercial contract. To put it another way, in an arms control agreement you have to accept some limits on things that would be of military value to you in order to get limitations on military capabilities of the other side which you regard as particularly threatening and destabilizing. Despite our many differences, despite the fact that we are very different societies with different views of world order and internal organization, we do share at least one common interest, the interest in survival.

SALT should be viewed as a continuing process. The SALT II agreement won't be the last word on strategic arms control. It will, however, be a significant step forward. It will provide equal limits on strategic nuclear weapon delivery systems. It will impede technological developments that could create a strategic imbalance and increase the risks of nuclear war.

I am confident that we can achieve a SALT II agreement. The issue, of course, will be: Are we better off with it than we would be without it? And about that, I don't believe any reasonable minds could differ. As for not having gone further and faster, the only answer is that SALT necessarily proceeds from step to step and you can't force your negotiating partner to move any more rapidly than his own decision-making process will permit.

Other critics will note that the SALT II agreement does not solve the theoretically increasing vulnerability of our Minuteman intercontinental ballistic missiles. That's because some contend that we should not have allowed the Soviet Union to acquire so much more throw-weight than we have in our missile force. But this situation is neither the result of strategic arms talks, nor the result of any restrictions which we have accepted. The difference in the force structures is the result of different decisions by military planners in the United States and Soviet Union. We concluded that it was better to go for smaller missiles, more warheads, and a greater degree of readiness and accuracy. I happen to think that these were sound decisions but, in any event, no SALT agreement can reverse the decisions that have been made and completely restructure the respective forces.

What a SALT agreement can do is to preserve a situation in which, although we may not be able to claim that will-o'-the-wisp, strategic superiority, we can certainly know that we cannot be at a strategic disadvantage.

INTERNATIONAL CONDUCT

Another criticism has begun to be voiced: that we should not continue to negotiate a strategic arms agreement with the Soviet Union when the Soviet Union engages in activities of which we disapprove, such as the activities in the Horn of Africa. But this criticism, as I see it, lacks any real logic and misperceives the nature and purpose of arms control agreements. A SALT II treaty or any other arms control agreement between the Soviet Union and the United States certainly should not be a reward for Soviet good behavior. We should enter into any arms control agreement if—and only if—it advances U.S. security interests when viewed on its own merits. If it does so, we should not deprive ourselves of its benefits because the Soviet Union fails to meet our ideal of international conduct. And if an agreement does not advance our interests on its own merits, we should not accept it no matter how benignly the Soviet Union may conduct itself internationally.

Apart from the role that arms control agreements can play in toning down the military competition and reducing the risk of military confrontation between the United States and the Soviet Union, arms control efforts serve other indispensable purposes. An effective SALT agreement, for example, will meet the commitment which was made by the nuclear weapons states that signed the Non-Proliferation Treaty of 1970.

At that point, in order to secure international acceptance, the nuclear powers undertook in good faith to try to restrict nuclear arms. If, instead, we and the Soviet Union continue to build up our nuclear arsenals, I don't believe we can rightly expect that other nations will eschew nuclear weapons themselves indefinitely. Both we and the Soviet Union must recognize the risks to world peace inherent in the proliferation of nuclear weapons which can come into the hands of unstable or desperate governments and even sub-national terrorists groups.

The goal of non-proliferation lends urgency to another set of current negotiations—those on a comprehensive ban on all nuclear explosions. The objective is to achieve a multinational treaty which would obligate the parties to refrain from the testing of nuclear explosive devices. Now if the United States, the Soviet Union and the United Kingdom can agree to a comprehensive ban the risk that other countries will get into the nuclear weapons business will obviously be rendered much more remote.

In addition, a comprehensive test ban treaty would complement our efforts at SALT by rendering it more difficult to develop new types of nuclear weapons. Sensible arms control policies should also try to forestall competition in other deadly new weapons. Accordingly, we have been discussing with the Soviet Union treaties to ban the production and retention of chemical weapons and the development and deployment of radiological weapons. We've had talks with the Soviet Union on possible measures of arms restraint in the Indian Ocean and on controls on the traffic in conventional arms. And we expect soon to meet on the problem of prohibiting antisatellite weapons that could threaten a space war and impede the essential verifiability of arms control agreements.

It is impossible in this field of arms control to set deadlines and still meet the requirement that the agreements negotiated will be in our security interests. If one side feels more pressed than the other, it must inevitably be at a negotiating disadvantage. But the conclusion is, I submit, nonetheless irresistable that all parties to arms control negotiations should recognize the time urgency involved. In SALT, we now have no formal agreement on control of strategic offensive arms. The technology to create and deploy weapons that can upset the strategic balance and make future arms control even more difficult and less effective still threatens to outpace the arms control process. By continuing to accumulate more and more deadly weapons, the two nations that dwarf the rest of the world militarily can render futile all efforts to prevent nuclear proliferation and to block the global increase in military arms that enfeeble development efforts and aggravate local and regional conflicts.●

"ZBIG" CHARTS SAD COURSE FOR TAIWAN

● Mr. GOLDWATER. Mr. President, one of America's outstanding foreign policy writers, Mr. Michael Padev, writing in the Arizona Republic on "The Sad Course that has been Chartered for Taiwan," asks a very sensible, plain

question that should be answered. He asks Mr. Brzezinski, "what, then, is wrong with the Chinese in Taiwan?" I would hope that Mr. Brzezinski would answer that question because many of us feel that he and the President are on the verge of trying to get around constitutional prohibition against abrogation of treaty by taking it on the White House's shoulder to do this. If we do not get an answer from this gentleman, I intend to press it because leaving the Chinese on Taiwan high and dry is not going to be accepted easily nor at all, in my opinion. I ask that Mr. Padev's column be printed in the RECORD.

The column follows:

"ZBIG" CHARTS SAD COURSE FOR TAIWAN

(By Michael Padev)

WASHINGTON.—National Chinese President C. K. Chiang, known by the Chinese as C. C. Kno, is one of the best known, most respected and most experienced political leaders in the Far East. The Republic of China is a prosperous nation of 16 million people and ranks second only to Japan in economic health in the Pacific area.

Taiwan is our military ally, and its territorial integrity and independence have been guaranteed in several treaties approved by Congress. The Chinese in Taiwan are very friendly toward the United States, as I myself found out during a recent trip to that island state. Taiwan does not get any U.S. aid. Its economic prosperity is due almost entirely to its hard-working citizens and its free enterprise system. Taiwan is one of our best customers and is doing its utmost to increase trade with the United States and to buy more and more American goods.

What, then, is wrong with the Chinese in Taiwan? You have to ask Zbigniew Brzezinski, Carter's chief foreign policy adviser this question. Brzezinski is the main pusher for Washington's "dump Taiwan" policy, which President Carter has accepted as the price for "normalization" of our relations with the Chinese government on the mainland.

Brzezinski was enchanted with the Chinese Communists when he visited Peking recently. The Chinese Reds appear to love him, too, as he shares their attitude toward Russia—he just can't stand the Russians. In spite of the fact that the White House has now "allowed" Israel to sell some military jets to Taiwan, the Carter-Brzezinski line aims at "normalizing" diplomatic relations with Communist China by January.

People in the White House and the State Department who want us to dump Taiwan, point out that Communist China has a population of nearly 1 billion people. It's better, they say, to be friendly with 1 billion people than a mere 16 million. But is it?

The 1 billion people living in mainland China are among the poorest in the world. Only India is, perhaps, poorer. Red China is a nation of perpetual shortages and severe food rationing. Its industry is primitive and its economy truly underdeveloped. Brzezinski favors all sorts of aid to mainland China, on the grounds that this would "tilt" what he calls the "global balance of power" against his hated Russia.

Nor is Carter worried about his "human rights" campaign concerning China. The Red Chinese regime is certainly the most oppressive on earth. The late Mao Tse-tung reportedly killed more than 60 million Chinese in the "consolidation" of his power.

The Chinese in Taiwan say that, if attacked, they will fight to the last man. At his inauguration speech last May, Chiang spoke strongly against the Chinese Communists. He did not say one word against the Russians, nor against Russian policy in the Pacific. Chiang was educated in Russia and speaks Russian fluently. His wife is Russian.

If "dumped" by the U.S., he would, as a Chinese patriot, think of Chinese national interests first. If Red China attacks Taiwan, Russia might be the only power in the Pacific that could help the victims of aggression. What would Brzezinski do then? ●

MAKING THE ENDANGERED SPECIES ACT REASONABLE

● Mr. CULVER. Mr. President, the Supreme Court recently announced its decision regarding the case of the endangered snail darter and the Tellico Dam in Tennessee. Interpreting the Endangered Species Act of 1973, the Court found that completion of the dam must be prohibited, because further action would destroy the critical habitat of the endangered fish. The Supreme Court's decision on June 15, 1978, faithfully honors the original intent of Congress in properly giving priority to the important value of endangered species.

The Resource Protection Subcommittee, which has jurisdiction over the Endangered Species Act, has received persuasive testimony, however, that while Tellico and the snail darter may be the most celebrated case so far, there are now many other projects in the Nation where consultative resolution may not be possible. In addition, the listing of endangered species is increasing drastically. The inevitable consequence of these developments is an intensifying pressure on Congress to destroy the objectives of this valuable legislation.

The Environment and Public Works Committee has approved legislation, S. 2899, amending the Endangered Species Act to establish the most responsible mechanism for resolving conflicts while assuring the maximum protection of the endangered species. It would avoid ad hoc exemptions or the emasculation of the Endangered Species Act due to short-term pressures on Congress which overlook the importance of this law.

There may be a misunderstanding about the purpose and objective of the committee's legislation amending the Endangered Species Act. In recent weeks several editorials about the amendment have appeared in various newspapers. I think they illustrate the current situation regarding the Endangered Species Act and the need for the committee's proposal. These articles may be useful to my colleagues as they consider S. 2899 later this week.

Mr. President, I ask that recent editorials from the New York Times, the Washington Post, the Washington Star and the Chicago Tribune be printed in the RECORD.

The editorials follow:

[From the New York Times, July 11, 1978]

IN THE WAKE OF THE SNAIL DARTER

The snail darter, the tiny fish that blocked a Federal dam project in Tennessee, has stuck in the throat of many a Congressman. One senator suggests that "revulsion against environmental excess" may lead Congress to undermine the Endangered Species Act; that is the law that led the Supreme Court to decree that the Tennessee Valley Authority's Tellico Dam could not be completed because it would destroy the last habitat of the rare snail darter. The Senate will provide the first test of this backlash sentiment when it considers amendments to the act this week.

Some change does appear desirable; the law is far too inflexible. But the zeal for reform should not be allowed to destroy an enlightened conservation law that has, for the most part, worked remarkably well.

In a section approved by Congress with relatively little thought in 1973, the law gives absolute priority to the preservation of any species of fish, wildlife or plants whose existence is threatened by a Federal project. An agency that wants to build a dam or highway must first consult with the Interior Department. The agency can ignore Interior's advice on modifications but suits can then be filed to block any species-threatening project. As the Supreme Court found, the law requires that such projects be stopped "whatever the cost."

Actually all but a handful of cases have been resolved by compromise. The new chairman of the T.V.A. has indicated that the snail darter case, too, could have been so resolved. But the potential for irreconcilable conflict remains in the law's absolutism.

Amendments will be introduced this week to weaken the law by exempting hundreds of projects or giving the development agencies final say on when a project needs to be modified. Some would exempt species that have no known value to man. These amendments should be rejected. They push the balance too far back toward the side of the developers.

Far better is the proposal by Senators Culver and Baker to have an interagency board review disputed cases. Five of its seven members could approve a project if its benefits "clearly outweigh" the value of an endangered species. That would allow flexibility but keep the burden where it belongs—on those who would extinguish a form of life. Man should not lightly extinguish species that may one day yield products or information important to science and medicine and whose very presence enriches the world's pool of genes.

[From the Washington Post, June 19, 1978]

THE DARTER AND THE DAM

So the Tennessee Valley Authority's Tellico Dam does have to be stopped, on the verge of completion, to save a three-inch fish. That's what the Supreme Court said Thursday in the snail-darter case. The court did not rule that way out of a fondness for the fish, it found that Congress had settled the issue by writing the Endangered Species Act of 1973 in absolute, uncompromising terms. The darter is endangered; the Little Tennessee River above the dam is its critical habitat; therefore the law forbids closing the dam. No matter that the project was started years ago, or that Congress has kept providing funds, or that millions of dollars could be lost if it is stopped. "The plain intent of Congress," Chief Justice Warren Burger wrote for the court, "was to halt and reverse the trend toward species extinction, whatever the cost."

The court's reading is correct. The real problem lies in the law. In our view, "whatever" is too open-ended—and too conclusive—a value to assign to the saving of all species under all circumstances. In saying

that, we are not endorsing a heedless trampling on the law or on the flora and fauna it protects. In most cases, experience since 1973 has shown, dams, highways and other projects can be modified—if agencies put their minds to it—to leave critical habitats intact. But where collisions do occur, we think there should be room for public choice. Moreover, that assessment should not just weigh, for instance, the darter against the dam. It should encompass all the benefits and costs of a range of alternatives.

Such a review system is proposed in a carefully drafted bill developed mainly by Sens. Howard Baker (R-Tenn.) and John Culver (D-Iowa). That measure, now awaiting Senate consideration, would establish general criteria and procedures for resolving both the Tellico tangle and future conflicts of this sort. We think that is far preferable to heavy-handed efforts, mostly in the House, to gut the Endangered Species Act or flatly exempt the Tellico Dam.

The Congress is coming late to this essential task of reconciling all the conflicting interests involved. But the task should be pushed through to the end.

[From the Washington Star, June 17, 1978]

ABOUT THOSE ENDANGERED SPECIES

The endangered species issue appears to be heading back to Congress with a full load of dangerous shrapnel.

The Supreme Court by a 6-3 vote Thursday said a lower court was correct in stopping work on the $116-million Tellico dam because the continued existence of a three-inch-long fish, the snail darter, was jeopardized by the project on the Little Tennessee River: Chief Justice Warren E. Burger's opinion for the majority said that Congress has "spoken in the plainest words, making it clear that endangered species are to be accorded the highest priority."

The court's dissenters said the language of the law was "fuzzy" and that Thursday's ruling will apply to "every existing federal installation, including great hydroelectric projects and reservoirs every river and harbor project, and every national defense installation—however essential to the nation's economic health and safety."

Congress now cannot avoid contemplating the results of its well-intentioned 1973 handiwork. Congress must reaffirm, or redefine, the terms and conditions of species protection; must speak as plainly but perhaps with greater precision than it has up to now in trying to accommodate political tides and environmental currents.

The Endangered Species Act, the banner and bible of the environmental cause, expires on September 30. A three-year reauthorization of the law, an increasing number of senators and representatives are joining to modify its provisions. Sen. Jake Garn, R-Utah, has predicted that a public angered over what sometimes seems a fetishistic use of the law might finally insist that it be allowed to die "in revulsion against environmental excesses."

There may be something to his warning. Instead of adamantly resisting changes or modifications in the law, environmentalists might be advised to bend now rather than perhaps be broken later—and risk the loss altogether of the tenable and laudable intentions of the Endangered Species Act.

Rep. Robin Beard, R-Tenn., said at a recent subcommittee hearing, "There appears to be no leeway whatsoever to allow valuable public projects to go forward if there is a risk that any endangered specie might be adversely affected . . . I find the rigidity of that universal application of the law simply unreasonable."

We doubt there is public sentiment to permit the Endangered Species Act to expire. We equally doubt that there is deep support in the country for re-authorizing the law as the bludgeon some environmentalists have made it. Representative Beard noted the opinion of a Cornell University ichthyologist James Rainey, who said that with the help of four or five biologists he could halt any public works project in the Southeast United States by coming up with an endangered species.

The Senate Public Works Committee recently approved an amendment to the law sponsored by Senators John C. Culver, D-Iowa, and Howard Baker, R-Tenn. Their amendment is intended to introduce flexibility by creating a seven-member committee to arbitrate conflicts between a threatened species and a federal project which cannot be resolved by the U.S. Fish and Wildlife Service, the administering agency. Under carefully limited circumstances, the Culver-Baker amendment would permit construction of a project that might destroy a species of plant or animal life if the benefits of the project "clearly outweigh" the value of the flora or fauna.

In the House, efforts at changing the law were nimbly avoided by Rep. John Murphy's Merchant Marine and Fisheries Committee which, in a single day, conducted a public hearing, marked up the bill and sent it forth with the committee's imprimatur. Watch for a ruckus around the Rules Committee where the three-year reauthorization awaits action.

To support modification of the Endangered Species Act is not the same as being "anti-environment"—a label the bird-and-bunny lobby is trying to pin on those advocating change in the law.

It is not beyond man's wit or thoughtfulness, need and responsibility, to make the hard decisions inherent in the relationship between a robust social structure and nature.

[From the Chicago Tribune, June 5, 1978]

THE UNITED STATES VERSUS THE SNAIL DARTER ET AL.

Since the federal Endangered Species Act became law in 1973, more than 4,500 cases of conflict between government public works projects and the survival of endangered wildlife have arisen. All but one have been resolved in favor of the wildlife.

The one that hasn't pits the survival of a three-inch minnow called the snail darter against completion of the Tellico Dam in Tennessee. It has produced a controversy which conservationists fear could prove lastingly destructive to their cause.

Opponents of the Endangered Species Act—in government and private industry—have seized upon the snail darter case as what they consider a perfect example of the absurdity of trying to protect all wildlife at any cost.

They contend that the minnow is of little importance ecologically and that the dam is badly needed and wanted. It was half completed before the existence of the snail darter was discovered.

It was three-quarters finished when the minnow's habitat was officially declared threatened. Other major dams planned for Tennessee and other states now face similar obstacles because of the absolute nature of the Act.

The Tennessee Valley Authority has appealed the Tellico Dam case to the Supreme Court, where a decision is expected in a few weeks. In the meantime, Senators Howard Baker of Tennessee and John Culver of Iowa have introduced legislation to set up a mechanism for dealing with any future such "irresolvable conflicts" involving the Act.

Their measure would permit parties in a dispute to appeal for relief to a special, seven-member "Endangered Species Committee," which would have the power to grant exemptions to the law if warranted.

The committee would consist of the secretaries of Interior, Agriculture, and the Army; the secretary of the Smithsonian Institution; the administrator of the Environmental Protection Agency; the chairman of the Council on Environmental Quality; and the governor of the state involved.

Extensive public hearings and the affirmative vote of five committee members would be required for the granting of any exemption. No committee business could be conducted without all seven members present.

Wildlife groups such as Cleveland Amory's Fund for Animals are fighting both the Tellico Dam and the Baker-Culver proposal because they fear a dangerous precedent would be set. Granting one exemption they feel, would ultimately mean granting many. Today, the snail darter; tomorrow, the American eagle.

The wildlife of this world are in a perilous state. We share the conservationists' concern for our vanishing species and were among the supporters of the protection act when it was passed. But we wonder if it isn't irrational to insist that each and every species be preserved in any circumstance and at any cost—especially in cases when the public's interest is clearly on the other side.

The Baker-Culver proposal seems a fair and workable compromise that offers the conservationists their best hope in the face of rising governmental and industrial hostility to the inflexibility of the Act.

The committee mechanism would permit relief in extreme cases like Tellico Dam, but would contain enough safeguards to prevent any wholesale gutting of the Act. The secretary of the Smithsonian Institution is hardly the same as the head of the National Association of Manufacturers. In the unlikely event of any abuse of this mechanism, Congress could take remedial action.

It is clear that the conservationists are not going to win future disputes as easily as they did those first 4,500 cases. The opponents of the Act now mean to fight it out. As Mr. Baker noted, failure to meet this hostility with a compromise now could lead to much more drastic revisions of the law later.

Indeed, if the Supreme Court rules against the Act in favor of the Tellico Dam, conservationists may have to look to something like the Baker-Culver proposal as their best remaining means of protecting endangered wildlife.●

DR. PAUL RUSCH AND KEEP CELEBRATE 30TH ANNIVERSARY OF A DREAM COME TRUE

● Mr. MATSUNAGA. Mr. President, 1978 marks the 30th anniversary of a dream of Dr. Paul Rusch which became a reality—a democratic ideal which was successfully translated into action—the Kiyosato educational experiment project (KEEP), located on the slopes of Mount Yatsugatake, in central Japan.

The purpose of this unique and highly successful community development project is perhaps best described in its slogan: "Food, Faith, Health, and Hope for Youth."

KEEP is the dream of an outstanding American, Dr. Paul Rusch, a native of Louisville, Ky., who has devoted more than half a century to the service of democracy in Japan. Although KEEP dates from the dedication of its first completed building—a church—in 1948,

the dream dates back to 1925 when, as a YMCA volunteer, Paul Rusch arrived in Japan to assist earthquake victims. When the YMCA team finished its work and went home, he stayed as a professor of English and economics at Rikkyo University in Tokyo. He became a leader in the English-speaking and educational communities in Japan. To this day, he is known as the father of American football in Japan, having founded the Japan-America Intercollegiate Football League. He also founded Japan's first Brotherhood of St. Andrew, an organization of Episcopalian laymen oriented toward social service and the concept of self-help.

It was on one of his frequent outings with young members of the Brotherhood of St. Andrew that Paul Rusch found the land which later became the site of KEEP. An area of great natural beauty, it was also considered a "depressed" area by the Government of Japan. The people lived in dire poverty, barely scraping enough from the land to prevent starvation.

Paul Rusch returned to the site many times. In 1938, a primitive camp was established there by the Brotherhood of St. Andrew, but events overtook them before any more work could be done. World War II began in 1941, and Dr. Rusch and other American citizens in Japan were interned by the Japanese Government. When they were exchanged, 7 months later, Dr. Rusch was commissioned in the U.S. Army. He returned to Japan in 1945 as a member of the staff of Gen. Douglas MacArthur.

Rural poverty was even more widespread in Japan after the war than it had been during the 1930's. Despite the well-intentioned efforts of MacArthur's occupation forces, the people of Japan did not look to the future with faith and hope. In particular, they found it difficult to understand the benefits of a democratic system of government, which the Americans were trying to promote.

As an American who had spent 15 prewar years in Japan, with an exceptional capacity to understand the Japanese, and one who had countless friends among the Japanese, Paul Rusch was in the forefront of these efforts. However, instead of trying to explain the intricacies of the American system to his former students and their young friends, he decided to show them what democracy could do in Japan. He reasoned that if an experimental and highly innovative agricultural, public health, and educational project could be made to work on 900 acres of land in one of Japan's poorest districts, then the Japanese people might be convinced to try the same type of reclamation in other rural districts. His approach was pragmatic and problem solving, but it was based on his deep belief in democracy and self-help.

The first beneficiaries of KEEP were the original residents of the Kiyosato area and new settlers who were repatriated from former Japanese colonies overseas. With generous assistance from rural America, a thriving dairy farm was established and a rural hospital was founded. Within a few years, a small library had been established. A traditional county fair was held for the first time in 1954 and has since become a popular annual event.

KEEP was not an overnight success. Much hard work by the original settlers and their friends in the United States went into today's model community development project. On its 20th anniversary, in 1968, the community still had problems retaining medical professionals in its hospital. However, by that time, a nationally recognized agricultural school had been established to train junior high school graduates in the operation of family farms.

Today, in its 30th year, KEEP is an internationally acknowledged success. In recent years, it has been the subject of numerous studies by economic development experts from all over the world and the site of several national and international conferences.

Dr. Paul Rusch, now 81 years old, is still very much part of the KEEP story. Now semiretired, he spends all of his time at KEEP where his dream is still the guiding force behind the project's success. As one who is fortunate enough to be a close friend of Paul Rusch, I know that my colleagues will be happy to join me in extending to Dr. Rusch hearty congratulations on KEEP's 30th anniversary, and heartfelt best wishes for continued success.●

SPOLETO FESTIVAL USA

● Mr. HOLLINGS. Mr. President, without question one of the finest cultural events ever to be conducted in our country is "Spoleto Festival USA," which has just completed its second run in my hometown of Charleston, S.C.

The world-renowned composer, Gian Carlo Menotti, organized his Spoleto Festival in Italy some 21 years ago, and it became so attractive an event that he began looking for a city in America which would host a similar event. He decided on Charleston 2 years ago, and if the first two festivals there are any indication, it was the best possible decision to make.

Last year's festival lasted 12 days and drew an estimated 50,000 visitors to Charleston. This year's festival ran 18 days and drew an estimated 100,000 visitors. It has been, obviously, a huge success. And well it should have been, for "Spoleto Festival USA" has combined the charm of my hometown with a concentrated exposure to some of the top drama, films, music, and dance in the world.

My purpose today is to introduce my colleagues to this very fine event and invite their interest and that of their constituents in attending next year's "Spoleto Festival USA." This can best be accomplished by including in the RECORD the reports of several leading newspapers concerning this year's festival.

I have several such articles from the New York Times, the Washington Star, the Greenville, S.C., News, and the News and Courier of Charleston, and I ask that they be published in the RECORD.

The articles follow:

[From the New York Times, May 14, 1978]

SPOLETO U.S.A. SETTLES IN

Onwards and upwards with the Spoleto Festival U.S.A. Last year Charleston, with a certain amount of doubt, girded itself for 12 days of music, drama, art and an influx of foreigners. Doubt: Could Charleston handle it? Did Charleston really want it? For the famous old city in South Carolina did have a voluble contingent that wanted to lock all doors, keep everything as it has been, not subject its citizens to the dangerous and, undoubtedly, immoral types that the festival would attract.

But Gian-Carlo Menotti's troops did move in, and Spoleto U.S.A. was launched last May. It was a success. The city survived. Tourists loaded it with green eminently cashable, paper. Critics from all over the United States came, and Charleston got the most publicity since those shells were directed at Fort Sumter. This time the publicity was, by and large, more favorable.

So, on May 25 Charleston will be host to the second Spoleto U.S.A., and the city knows a good thing when it sees one. Last year the festival ran for 12 days. This year it will run 18—May 25–June 11. Last year some 50,000 visitors came. This year more than 100,000 are anticipated.

Aside from Mr. Menotti, the person most responsible for Charleston's entry into the big-time festival circuit is Ted Stern, president of the College of Charleston. A phone call to him was indicated. A phone call was made.

"Looks great," said Mr. Stern. One could all but hear him rubbing his hands over the phone. "Already we have over $500,000 in the box-office. Last year the total take was $400,000. When all contributions, donations and other money comes in, we will have no trouble meeting the deficit. This year the budget is around one-and-a-half million, about a half million over last year's. We can live with it."

Mr. Stern—"call me Ted"—anticipates no trouble in the matter of housing and feeding Charleston's guests. This will be good news to those who, last year, sat is restaurants and glumly watched the clock while harassed waitresses and kitchen staffs struggled to keep up with the demand.

"We learned a great deal from last year's experience," said Mr. Stern. "We will work it the same way they work it at the Masters in Augusta. People open their homes. I don't know of any home in Charleston that isn't going to have two, three, four guests. Plenty of rooms will be available in private homes. That will take the tremendous strain off the hotels. Restaurants are expanding their facilities, and the city is allowing them to remain open late. So, anybody can have a snack or a meal after the evening events. We're even working on the bugs." Mosquitoes, beware.

"I am looking forward to it," concluded Mr. Stern. "I find it interesting that, judging by last year, visitors sample everything in the festival. We had thought that the opera crowd would go only to the opera, the chamber music crowd only to Dock Street. But people who went to the opera also went to other things, even jazz and country music. And the country music people went to the opera. Imagine that!"

The operatic side of the oncoming festival will be taken care of by Verdi's "La Traviata" (opening night and four subsequent performances) and a revival of Samuel Barber's "Vanessa." The Verdi comes from the Teatro la Fenice in Venice. Two other operatic evenings will offer what is to be believed the

American premiere of Donizetti's "IL Furioso all'Isola di San Domingo" and a Menotti double-bill consisting of "Martin's Lie" and "The Egg."

Spoleto U.S.A., like its counterpart in Italy, tries to take in all of the arts. Drama occupies an important position, and there will be a major world premiere: Tennessee Williams' "Creve Coeur" on June 1 at the Dock Street Theater, with a cast of four women—Jan Miner, Ruth Ford, Shirley Knight and Barbara Tarbuck. The immensely popular noonday chamber music concerts also are held at the Dock Street Theater, and it has been announced that all events there—the Williams play and Donizetti opera included—are already sold out for the entire festival.

Last year there was a Scriabin Day. This season will see a two-day Janacek Festival (June 9 and 10) at which the Czech-born pianist Rudolf Firkusny will participate. In addition to piano music, the celebration of Janacek will offer the "Glagolitic Mass" and a dance program at which several companies will attempt choreographic realizations of Janacek's music.

The film program will offer "a complete retrospective" of Luchino Visconti's films, as well as other programs, including several American premieres. Jazz at Seabrook Island will be continued. Solo concerts will be given at the Garden Theater, a former movie house that has been refurbished and will supplement the Dock Street Theater concerts. Art exhibitions will pop up all over the place, and there will be "mini-festivals" in various localities contiguous to Charleston. Churches will be host to concerts under the catch-all title of "Intermezzi."

What else? Well, there is the Phe Zulu Theater Company from South Africa—40 dancers, musicians, actors and singers. And what will they be doing? "Macbeth." Not Shakespeare's, but an original drama based on a historic Zulu episode that parallels the famous play.

A friend of ours from Charleston was in New York the other day, and she was bubbling over with gossip about the Phe Zulu and her native city.

"Such excitement!" she said. "They had originally announced a dance company from Harlem, but that fell through. So the Zulu company was engaged. Some of the town's hard-liners had a fit! First, they heard that some of the Zulu ladies were going to do topless dances. They objected to that, I can tell you. It confirmed their deepest suspicions about the festival. Ted Stern and others explained that this Zulu company was taken seriously by audiences all over the world. It was Art with a capital A. It had the patronage of the Royal Shakespeare Company when it appeared in London. Members of the royal family attended the show.

"So, that was now all right. If the Zulus were good enough for the British royal family, they were good enough for Charleston. But then some ladies started to worry about Southern hospitality. Society and all that. No top Charleston family would invite the Zulus into their home. There would be a scandal. But then somebody pointed out that many of the members of the Zulu company were themselves royalty in their own tribe. It was not a question of whether the Southern ladies would receive them. It might come down to a question of whether they would receive the Southern ladies. What fun! I wouldn't miss it for the world."

[From the Washington Star, May 21, 1978]

SPOLETO IN CHARLESTON: THE CELEBRATION OF ART RETURNS

(By Irving Lowens)

Some 21 years ago, Gian Carlo Menotti organized an arts festival in the beautiful, sleepy Umbrian hill town of Spoleto, thus starting one of the most heartening success stories of our time.

Menotti called it the Festival of Two Worlds, and it soon became perhaps the most comprehensive (and fashionable) of all international arts festivals. It was renowned as an arena for the presentation of the familiar and the avant-garde.

But the Italian-based festival never inhabited two worlds until May 1977, when Menotti established a second festival in the beautiful, sleepy American town of Charleston, S.C. He called the Charleston Festival "Spoleto Festival USA," and brought to the country where he first made his reputation as a composer its first major festival modeled after a European pattern.

For 12 days, Charleston and a small flood of visitors were bombarded with music, drama and dance in the town's principal theaters, churches, halls, parks and gardens. There were important premieres and new productions; exhibitions, lectures, pageants, parades and parties. When those who had come for the artistic events got tired of trying to cope with each day's densely-packed schedule, there was the charm of Charleston itself.

Charleston's 18th-century heritage has been described as "America's best-preserved secret" and the pretty town has retained its ante-bellum character more faithfully than any of the larger American cities that grew out of the colonial wilderness. It is a living museum. Visitors are delighted by the stuccoed city mansions in gay colors, with their numerous pillared porticos and spacious verandas, standing within little gardens of orange trees, palmettos, azaleas, jasmines, camellias, roses and magnolias. Walking through the area south of Broad Street is like stepping back in history 150 or 200 years.

The spectacle that greets the delighted eye more closely resembles southern Europe than an American city, and it is hardly surprising that Menotti fell in love with Charleston. "I feel that finally the festival has achieved its true aim," said Menotti last year. "It was like a creature with only one lung. Now it has two—it can breathe."

Last year's Spoleto Festival USA was attended by more than 50,000 people and, judged by any standard, it was a smash hit.

This year, Spoleto Festival USA has been expanded to 18 days, opening this coming Thursday with the production of Verdi's "La Traviata" originally created for the Teatro La Fenice in Venice, and ending on Sunday, June 11 with an orchestral concert followed by fireworks at Middleton Place.

The festival will include more than 100 performances of opera, chamber music, solo recitals, choral and instrumental concerts, dance, drama, country music, jazz, film series, art exhibits and outdoor mini-festivals.

Spoleto Festival USA is the only festival which includes all the arts—music, ballet, folk dance, painting, theatre, cinema, poetry, what-have-you. It uses artists from all over the world; it teams young performers with acknowledged master performers; it is unusually spontaneous; it involves the entire community.

A typical day in Charleston during the festival might begin with a lecture by an artist or a participant. You might take in an art exhibit in a museum or a park. Daily at noon, the Dock Street Theater (originally built in 1736) is the scene of a chamber music concert. During the early afternoon, there will be outdoor mini-festivals held in various Charleston parks and gardens. These might feature storytellers, instant theater, gospel music, puppets, mime anything. Around 5 p.m., there are daily recitals and concerts held in various churches and other locations. In the evening, you might take in an opera or a play.

The 1978 big events are as follows:

Verdi's "La Traviata" at 8 p.m. in the Gaillard Municipal Auditorium (May 25, 28, June 1, 3, 7, 10);

Barber's "Vanessa" at 8 p.m. in the Gaillard Municipal Auditorium (May 27, 31, June 2, 4);

Donizetti's "Il Furioso All' Isola Di San Domingo" at 8 p.m. in the Dock Street Theater (May 31, June 2, 4, 6, 8, 10; also at 3:30 p.m. on June 10);

Menotti's "Martin's Lie" and "The Egg" (double-bill) at 9 p.m. in the Circular Congregational Church (May 30, June 1, 3, 5, 7, 9);

Tennessee Williams' "Creve Coeur" (world premiere) at 8:30 p.m. in the Dock Street Theater (June 1, 3, 4, 5, 7, 9, 10; also at 3:30 p.m. on June 6, 8, 9, 11);

The Phe Zulu Theater Company at 8 p.m. in the Gaillard Municipal Auditorium (May 26, 27 at 2 p.m., 28 at 2 p.m., 29 at 2 p.m.);

The Ballets Felix Blaska at 9 p.m. in the Cistern of the College of Charleston (June 4, 5, 6, 7);

Netherlands Dance Theater at 8 p.m. in the Gaillard Municipal Auditorium (June 8, 11);

A Luchino Viscenti complete film retrospective, including the American premiere of "L'Innocente" at various times in the Garden Theater (May 28, 29, 30, 31, June 1, 2, 3, 4, 5, 6, 7, 8, 9);

Roberto Rossellini's film, "Il Messia" (American premiere) at 10 p.m. in the Garden Theater (May 30);

Jazz concerts at Seabrook Island (May 27), Charles Towne Landing (May 28, 29, 30, 31) and at the Cistern of the College of Charleston (June 10);

Traditional country music at Magnolia Plantation and Gardens at 2 p.m. (May 27, 28) and at 7:30 p.m. in the Garden Theater (June 3, 4, 9, 10);

A Janacek celebration, including lectures, chamber music, films, recitals, concerts and dance (June 9, 10);

Intermezzo concerts at 5 p.m. at various locations (May 26, 29, 30, 31, June 1, 2, 5, 6, 7, 8, 10);

Chamber music recitals at 5 p.m. in the Garden Theater (May 27, 28, June 3, 4, 9, 10);

Art exhibits open daily from 10 a.m. to 5 p.m. at the Gibbes Art Gallery, the Festival Club, Gaillard Municipal Auditorium, Exhibitors Gallery, Dock Street Theater, Washington Park, the Campus of the College of Charleston and elsewhere;

And much, much more.

After one season, the Spoleto Festival USA has established itself as a major international tourist attraction, and every sign points to a repeat of last year's success. It's a bit late to try to obtain tickets and accommodations, but you could try phoning (803) 722-2764 to see what is still available. You'll find the people of Charleston polite, eager to help and soft-spoken, if somewhat harried, during these last days before the visiting hordes descend on their fair city.

[From the New York Times, June 8, 1978]

ARTS IN AMERICA: CHARLESTON—CONFEDERATE CITADEL BACKS INTO FUTURE

(By Donald Henahan)

Cities are like people. Some leap up every morning and rush off in whatever directions they happen to be facing, confident that they are going "forward." But this redoubt of the Confederacy and its residents are not like that at all. Charleston is cautiously backing into the future while keeping its eyes fixed on a precious, glorious past. The second annual splash of springtime excitement known as Spoleto U.S.A., which ends its three-week season on Sunday is giving Charleston a chance to put its toe into the waters and see how change feels.

So far, it feels fine, according even to Charlestonians who two years ago viewed skeptically Gian Carlo Menotti's plan to transplant a branch of his Festival of Two Worlds from the Umbrian hill town of Spoleto, Italy, to a city that claims among its many proud "firsts" the nation's first zoning and protective code for historical neighborhoods.

CONFLICT OF SLOGANS

Two seemingly conflicting slogans sum up the attitude toward the expansion that Spoleto U.S.A. symbolizes. A visitor hears Charlestonians again and again quoting the Recreation and Tourism Commission's wry boast that their Colonial and ante-bellum homes are "America's best-preserved secret." But moments later heads nod approvingly at the comment, also often repeated, that "Charleston is Atlanta 20 years away." Asked if that time gap might possibly be shortened, a citizen replies, "It might could, it surely might could," and ambivalence is apparent in the tone of voice.

Even the more vocal proponents of growth, such as Mayor Joseph P. Riley, readily admit to ambivalent feelings about the encroachment of high-rise modernity into the historic quarters. But the Mayor, a Democrat who at the age of 35 has already been in office for 2½ years and who previously served in the state Legislature, also warmly defends two building projects that are currently causing controversy. One is a hotel, the other is a hotel and convention center of modest size (the Mayor prefers to call it a "retail center" or "conference center"). Both are near the old Market on Meeting Street, in the center of the old part of the city.

"The hotel would be 11 stories and 99 feet tall," says the Mayor, "and that's only about 6 to 8 feet taller than the Mills Hyatt House." (The Mills, just down Meeting Street, dates from 1853.) "The conference center would be 113 feet tall and accommodate 1,200."

Not coincidentally, Mayor Riley has been from the start one of the Spoleto festival's strongest supporters. He and Theodore S. Stern, the College of Charleston president who is also president of the Spoleto Festival U.S.A., both tell happily of seeing last year's skeptics slowly turn into this year's avid Spoletanos, now persuaded that the festival represents the best kind of change that could happen to their beloved Charleston.

In spite of the attractions here—plantations overgrown with magnolias, azaleas and gardenias; buildings that date back to 1711; the beaches and islands; the carrier Yorktown, now a floating museum; Fort Sumter and all that—tourism has only recently begun to be a major factor in the city's economy.

Mr. Stern, who will retire this year as the municipal college's president, says Spoleto satisfies most conservative requirements: "We didn't want—well, you know, the other sort of thing, a Miss U.S.A. or a Disney World. Charleston is an art in itself, and an artistic event of this sort fits right in. Charleston, after all, was quite a cultural center in Colonial days."

In fact, the superb little Dock Theater on Church Street, where many festival programs are given, was built in 1736 and it is said to have been not only the first playhouse built in this country, but the first theater in the Western Hemisphere to have a proscenium arch also.

ARTISTIC ACTIVITIES INCREASE

One result of the town's acceptance and approval of Spoleto U.S.A., mentioned on all sides, has been a flowering of interest in Charleston's own artistic activities. The Charleston Symphony, almost a secret organization, has been giving six or seven concerts a year, using amateur players. Now the orchestra has been emboldened to treble its fund-raising goals, to hire a professional manager and director of development, and thing about hiring professional musicians.

A local opera group that, according to Mr. Stern, "put on maybe one or two operas a year," also has been watching the new cultural stirrings with interest and is discussing possible expansion. "This year the Guarneri String Quartet came here four times, and we also had them out to the college for concerts and master classes."

All this may strike the bustling outside world as the inklings of change rather than change, but Charleston does not rush into anything. As Bob Coskrey, a writer in the current Charlestonian Magazine, says in a witty putdown of the local citizenry's obsession with historic "firsts," future is "a word from which many Charlestonians recoil as Dracula did from the daylight."

But under Mr. Stern, the College of Charleston has been leading the city's changing attitude toward change, particularly in the arts. Construction has begun at the campus on an arts center whose ultimate cost is projected at $8 million. More immediately, the college will be able to offer Spoleto U.S.A. the use of a 1,200-seat opera house, the remodeled Gloria Theater. The Gloria, now a neighborhood movie house, will cost $1 million to transform, and is expected to be ready for next season's festival. Such a hall will be more than welcome, since large-scale operas such as this season's "La Traviata" and "Vanessa" now play in the 2,700-seat Gaillard Municipal Auditorium, which is more suitable as a site for housing dirigibles.

So far, federal funds have not been lured into the Gloria Theater project, but Mr. Stern hopes to interest the Economic Development Administration, which has been helping in other Charleston restorations, often to the benefit of Spoleto U.S.A. The orchestra pit in the Dock Theater was built with a $65,000 grant from the federal agency, which also helped finance the $450,000 remodeling of the Garden Theater, a city-owned hall now being used for recitals and other intimately scaled festival events.

INVOLVEMENT IN GROWING

The festival runs mostly on private gifts, some from predictable sources such as the Mobil Oil Corporation and Lila Acheson Wallace—Mrs. Wallace, for instance, gave $130,000 to finance the orchestra, both here and in Spoleto, Italy. But Charleston's involvement has been growing.

At one recent chamber music concert in the Dock, Charles Wadsworth, who has long been Spoleto's combination of Will Rogers and Mister Bones, introduced a Charleston businessman who was cheered like a hero of the first Bull Run. Melvin Solomon, who runs a chain of discount stores, came to the chamber-music programs last season and was so taken with them that he put up $39,000 to keep them going.

Mr. Wadsworth, by calling for a show of hands, also learned that somewhere between two-thirds and three-fourths of the audience came from within 100 miles of Charleston. This heartened him and other Spoleto people who had been worried that the Charleston area would not take the festival to its breast. The festival's general manager, Christine L. Reed, commented later: "We want the people around here to feel the festival belongs to them." She said a more scientific audience survey than Mr. Wadsworth's was being conducted.

"HORSE DIAPER" CONTROVERSY

To some extent, this kind of local sanction may give Spoleto U.S.A. an edge over other intruders here. Some time ago, when tourism began to increase significantly, the number of horse-drawn sightseer carriages also increased dramatically. This led to a befouling of picturesque streets, particularly in front of the oldest historic homes. There ensued what came to be called the "horse diaper" controversy, a debate that recently was resolved by an ordinance requiring retention devices to be installed on each animal.

On the whole, the atmosphere for Spoleto U.S.A. has been remarkably fresh and free of odium. Some 900 volunteer workers have rushed around doing a generally efficient job of making Spoleto feel at home in Charleston, and the other way around. To be sure, there have been a few sticky moments, one of which came at the opening performance of two Menotti operas in the Circular Congregational Church. Eager to spruce up the old place, workers varnished the pews a couple of days beforehand. Varnish, however, dries at its own Charlestonian pace, so that when the first intermission arrived, many in the audience found themselves stuck.

The incident prompted one critic who has not always loved Mr. Menotti's operas to bemoan the fact that he missed this opening. "Here was my chance to be glued to my seat by a Menotti opera," he said.

[From the News and Courier, June 11, 1978]

SPOLETO FESTIVAL: A LOOK AHEAD * * *

(By Barbara S. Williams)

As the second season of Spoleto USA ends tonight under the stars at Middleton Place, the planning already has begun for the 1979 festival, expected to be at least a day shorter and shored financially by an endowment fund.

At this point, plans call for the festival to be almost the same time next year. The outside dates are May 25 through June 10 or 17 days compared with this year's 18-day festival. The festival next year would begin on a Friday rather than a Thursday.

Spoleto USA was launched in Charleston in 1977 with a 12-day festival.

Now is the time for an assessment of just what is the right number of days and the right number of events from a "cost effective" standpoint, according to Festival Foundation president Theodore S. Stern.

Studies, he said, will be made. The festival board, he noted, learned a lot from the first year and that experience improved this year's festival.

The overwhelming response to the noon chamber concerts, for example, resulted in an expansion of the number of concerts and the addition of the 5 p.m. intermezzo series where chamber artists are featured.

Technical problems experienced in 1977 at The Cistern, an outdoor arena at the College of Charleston, resulted in improvements to the lighting, the sound and the stage this year.

On the other hand, real problems developed this year with one of the most popular events of 1977—jazz.

The jazz series is considered a festival "fringe" event and is privately-financed and managed.

In view of last year's response, more jazz days were added and the musicians were moved to the large out-door area of Charles Towne Landing.

The opening crowd at the Seabrook jazz picnic was large and enthusiastic but most of the subsequent turnout at the landing were dismal.

Was it the location? The time? The price? Too many performances?

Stern says only the tickets and publicity for jazz were handled by the Spoleto staff. The festival received $1.25 for every jazz ticket.

Last year, Stern said the festival received 25 cents per ticket for handling the sales. But when Spoleto had to borrow funds last

year to cover a deficit, it was agreed to add $1 to the ticket prices this year for debt payment, he said.

Stern personally thinks the location may have been a factor in the jazz problem and noted that an outdoor location in the city could be an answer.

Within the next four or five years, Stern believes all Spoleto events should be within walking distance and he thinks the facilities will be available by then.

In fact, he thinks the festival finale eventually may be moved downtown or closer to the city noting that providing transportation to events is a real "headache" for the festival.

This year's festival had an expanded, more ambitious program than 1977 and a budget almost twice the size. Stern believes the result was "an artistic success in every way."

Still, like almot every aspect of the festival, he thinks the number of events will have to be re-evaluated. Is five operas too many? Should there, perhaps, be only two or three. Are there too many dance companies and too few theater offerings? What about the fine arts exhibits? Do they need a mew more "names" to attract the crows?

Stern is thinking about all these questions along with finishing up his work as outgoing president of the College of Charleston.

A prime task right now, however, as far as Stern is concerned is to get the festival on a more sturdy financial footing.

An accounting firm from Columbia has taken over the Spoleto books, according to Stern. While he hoped to have the exact figures within a few days, at press time his estimate of this year's festival deficit was between $150,000 and $200,000.

Last year's $867,478 budget had a deficit of some $30,000. This year's budget, however, was some $1.4 million.

Ticket sales are expected to almost double from $404,126 to more than $800,000. The total potential from ticket sales this year was $1.1 million.

In Stern's opinion, the festival must establish an endowment of between $2–4 million which would give the festival a $200,000 to $300,000 annual income, he said.

Stern said the festival also must work for more sponsorships of festival events. While some $500,000 of the budget came from grants and sponsorships this year, he said the festival needs more of that kind of support.

Stern said one of the festival's big financial problems under its current method of financial problems under its current method of financing is a "serious cash flow." The shortage in that cash flow meant that Stern was working at the 11th hour last week to gather some $153,000 to pay salaries.

While he listed several outstanding government grants that have been guaranteed, they weren't scheduled to come in until later and the cash was needed immediatelv.

At press time, Stern was soliciting more contributions and expected to have to borrow some of the funds. He noted that three local banks, Bankers Trust, First National Bank and South Carolina National Bank have been most cooperative and jointly share the Spoleto loans.

If the festival needs $75,000, for example, he said each of the banks loan $25,000.

Still Stern is anxious to move immediately on plans that would stablize the festival financing.

Many of the board members come through in a pinch, Stern noted. In fact, Miss Alice Tully of New York, a foundation vice president, has for years paid the entire cost of sending the chamber music group to Spoleto, Italy, Stern noted.

He said the financing for the Italian festival often is misunderstood. The Festival Foundation only has to raise the funds to pay the expenses of the American performers in the festival which will amount to about $250,000 this year. Stern said those funds have been raised. The Italian government actually finances that festival and handles the box office, according to Stern.

Stern will view the Italian festival for the first time this year. He plans to take in about five or six days of the parent festival's activities, which will run from June 28 through July 16.

The Italian festival has been around for about 20 years since it was founded by Gian Carlo Menotti. The addition of the American festival has meant some administrative changes now underway.

The New York office operation will be moved to Charleston although a fund-raiser will remain in New York, according to Stern. He said the festival will continue to have a New York address and telephone number but that calls to the New York number will be answered in Charleston.

Stern believes the consolidation of the operation will result in real benefits. "We've been negotiating two contracts with performers who also are going to Italy. Now we'll negotiate one contact, which could save us as much as $90,000 per year," he said.

Is Stern willing to remain as president of the foundation through Spoleto USA's third year? He says he's keeping his options open.

Last year, Stern said he told the group he would stay on for another year. At the same time, he notes that many feel the third year of a festival of this type is crucial and he does believe "it is so important to the community."

Stern also revealed he has a "couple of things I have been asked to consider" after he leaves the college July 1. But after his trip abroad, he plans to spend a few months in the mountains just unwinding.

But already, the plans for 1979 are underway. Stern disclosed that a letter of intent has been signed for example, with the San Francisco Ballet Co.

Stern's tired but satisfied with the results of this year's effort. He says he's talked to a lot of reporters—more than 300 were checked in at the Spoleto press office—and they've been enthusiastic.

One Spoleto staff member compared last year's reaction to the excitement of the first blush of romance. But now, he said, Spoleto is settling down to the more enduring affection of a longer relationship.

[From the Greenville News, June 14, 1978]

SPOLETO TO GET BETTER, NOT BIGGER

(By Sharon Todd)

CHARLESTON.—When the 1977 Spoleto Festival U.S.A. ended in a burst of fireworks at Middleton Place, its promoters and officials promised an even bigger and better festival in 1978.

They were right.

The festival was better—offering a greater variety of events, with more artists participating. There was something for practically everyone.

And the festival was bigger—it lasted longer, had more performances and more offerings in several performance areas.

But there's the rub.

Too much of a good thing is not always best.

After a couple of days of attending a noon chamber concert, an afternoon play, another chamber music event or film at 5, an opera or dance performance at 8 and then, during the final weekend, a mass or jazz performance at midnight one might wish never to hear the word Spoleto again.

REMEDY SITUATION

Spoleto Festival Foundation president Theodore Stern and artistic director Gian Carlo Menotti promises to remedy that situation next year. They have decided "bigger is not necessarily better." The announcement was made at a weekend press conference that the festival will run May 27–June 11 next year, one-day less than this year with fewer events planned.

Menotti says it isn't that the festival felt it had "bitten off more than we could chew, because we have a big mouth", but that he wanted to give audiences time to rest, to digest what they have seen.

Bigger this year also meant more expensive. The $1.5 million budget for the festival doubled this year from last and although Stern says he is not overly concerned about it, at present there is a $100,000 deficit.

Of the $1.5 million budgeted, revenue from ticket sales was projected at $750,000, which was raised. The remainder was to be from private and public grants and donations—of which $600,000 had been acquired.

Stern, who is retiring as the president of the College of Charleston July 1, hopes to be able to establish an endowment for the festival and to gather more support through sponsorship of programs and through grants. The New York office of the Spoleto Foundation (which sponsors and pays expenses for all American performers for the Italian festival, which otherwise is financed by the Italian government) will be moved to Charleston this year, in effect, consolidating the two operations.

"WAIT AND SEE"

When the festival came to Charleston for the first time last year (it has been held in Spoleto, Italy, for over 20 years), there seemed to be a "wait and see" attitude. The national media came last year, went home and wrote glowing reports.

This year they all came back—from New York, from Washington, from Los Angeles. Perhaps the most notable sign of the prestige the festival has gained was the arrival of the Today Show crew—complete with Jane Pauley and Tom Brokaw—to broadcast for the entire two hours of their June 5 program from the Spoleto Festival.

The festival also was honored this year by the Discover America Travel Organization, Inc., (DATO) the national organization of the travel industry. Spoleto received a "special award" from DATO for "its unique contribution toward fostering greater international understanding and providing an unparalleled opportunity for cultural exchange through the performing and creative arts." The only other time a DATO special award has been given was in 1976 to the Today Show for its year-long series of broadcasts focusing on the 50 states.

Of course, any event of this magnitude—it is billed as "the world's most comprehensive arts festival" and it very likely is—has its detractors.

FESTIVAL CRITICIZED

There was criticism that the festival offered little for Charleston's large black community, especially after performances by the Dance Theater of Harlem were cancelled. However, the Phe Zulu Dance Theater from South Africa was one of the hits of the festival, and some of the ruffled feathers were smoothed. Then, however, there was criticism that the ticket prices were too high for many blacks to attend the Phe Zulu performances. True, but then tickets were too high for many people to attend many performances of anything. Quality is sometimes expensive.

However, many events were free, or reasonably inexpensive, so no one had to be totally excluded.

The Charleston newspaper in an editorial Sunday suggested more local talent should be utilized. But a great deal of local, and state, performers were included in the activities—especially the mini-festivals where mimes and storytellers and musicians and

craftspeople from around the state offered visitors to the area a chance to see South Carolina's talent without making Spoleto seem like a provincial arts festival.

Another major criticism—probably the most valid—was the high price of official souvenirs—posters at $25, T-shirts at $10 (reduced to $5 on the last weekend of the festival), souvenir programs at $5 (and then 50 cents for a program to individual performances). Of course, no one is forced to buy them, and many did not.

ABOUT 200,000 ATTENDED

According to box office manager Dick Robison approximately 200,000 persons attended Spoleto events. At least 80 percent of mail order tickets were sent to Charleston area addresses, he says, but there is no way to determine how many of those were for out-of-town guests or how many individuals buying tickets at the box office were from elsewhere.

Many prospective visitors may have been hesitant to travel to Charleston because early information, much of it erroneous, indicated all hotel rooms booked and tickets to all performances sold out. Although many of the festival events, such as the chamber music noon concerts and the Tennessee Williams play, did play to standing room only audiences, many events played to less than full houses.

Although negotiations are underway for next year's festival, no specific programs will be announced for several months, officials say.

[From the Osceola, June 22, 1978]

A SPOLETO RETROSPECTIVE—HINTS OF A MORE HUMANE ETHOS IN SOUTH CAROLINA?

(By John Marion)

Well, Spoleto is over, although tongues and typewriters will clack post mortems worthy of the Super Bowl, the Series and the Riley-Harvey fight. In this case, I for one hope that they continue to clack, because the festival was so varied that it is hard to imagine any two people telling the same story twice.

The event was a joyous celebration of creativity and artistry and has as many levels of significance as it had spectators and participants. At no other time or place in this country have so many people been given the opportunity to make so many deep and delighted responses to dance, theatre, chamber music, opera, jazz, story telling, film, mime, folk music and street theatre.

Let the clacking continue, for if the arts have any significance for us in a not so brave new world, which values competence above all else and reduces human value by the day with prosaic simplicity and narrowness, it is their ability to delight us with fresh ways of seeing, hearing, tasting, feeling, smelling, thinking about and emotionally experiencing the world around us. Art breaks chains and can exist only in a free and vital society. When painting, sculpture, dance, music, theatre and other art forms become restricted, doctrinaire or one sided, the art dies.

Through the arts, human communication reaches its height. Such communication may or may not be verbal; we can be as moved by dance or a symphony as by a novel or poem. The arts penetrate our shells and shams; they provide vehicles by which one human being may reach deeply into another.

Art it seems to one, cannot be racist or classist. That the Spoleto Festival has been so overwhelmingly successful in Charleston, South Carolina, for the last two summers, is magnificent. The implications are stirring, and at least one point comes through loud and clear to me: there is now at last in this state the insistence of many people on a more exciting, liberating, more fully human way of life. There are a great many people here who are talented, knowledgeable, professional, imaginative and gutsy as hell who are adamant about breaking up the clouds and letting the sun shine in on all of us.

A lot of outsiders feel pretty much the same way. As a rather rude young man from Virginia posed it to a steadily declining audience at the Francis Marion Hotel bar, "Why should I come here to see what I can see almost any day of the week in Washington?" Why, for that matter, did New Yorkers make the trek? For a curious prestige? Is the South now so fashionable among the Up-Town In-Crowd that Spoleto is the one-upmanship gambit at cocktail parties? I think not. I think that people from all over the country came to Spoleto because it was fun. I think they sensed the joy and the profundity of what was happening and wanted to see it first hand. The energy released in Charleston was the kind that is contagious, the kind that gets things done; it was the stuff that crackles out of people who are vitally engaged in work that they love, and who wants to miss out on that?

Let the clacking continue. My prediction is that the magic will continue next year and in the ones to follow because Spoleto is primarily a social function, but social in the best sense. It is a mooring at which people can genuinely meet each other through common though heightened experiences without fear or pretense. It is a kind of Woodstock without exclusiveness, politics or trash and it will continue because its basic substance is solid, time-tested and fine.

The '78 Spoleto was successful for me because it united the individual so firmly and wonderfully with the best of his culture. I had a great sense of belonging; I witnessed something that was at once quite old and refined yet at the same time childlike and playful. I felt no loneliness in the crowds and was perfectly at ease with strangers at performances, in elevators or in after hours watering holes. There was a conspicuous lack of stiff necked, highbrow snobbery, and discussions were animated though serious. Conversation flowed. What we had there was a willingness to communicate.

It is not surprising, then, that for me, Brother Blue the storyteller symbolizes the Festi al, for he was the butterfly at its center, at the middle, as he might put it, of its middle. When he told his stories sung his songs, gave his poems, and danced his dances, he was true to his promise; he spoke "from the middle of the middle of Blue, to the middle of the middle of you," and of me.

Brother Blue, sometimes known as Dr. Hugh Morgan Hill, is a teacher and Christian whose work is to break chains. His method is telling stories, and he has lots of them; in addition to some 500 originals, he has countless traditional tales from all over Europe, Asia (including Southeast) and Africa. He tells them in bars, on subways, in prisons, in the classroom, in churches, on radio and on television, anywhere they are needed. He has given lectures and workshops in libraries, colleges, universities and churches in this country, in Canada and in Europe. At the present, he is teaching at Harvard and is very active at Emmanuel Episcopal Church in Boston.

His academic credentials are solid. He graduated with honors in social relations at Harvard, received an M.A. from the Yale Drama School, and earned a Ph.D. from the Union Graduate School (through Harvard) under a committee that included faculty from Harvard, Antioch and Skidmore.

Blue hardly looks professorial now though. Dressed completely in blue, from socks to knit cap, he asks his wife Ruth to draw the ink butterflies on his cheeks and palms. Around his neck are colored streamers and on his pocket is a rainbow patch. He travels with tamborine, harmonica, colored paper and his presentations combine mime, dance, poetry, toots on the harmonica and blues rifts from his imaginary bass saxophone.

The costume, however, is not outlandish for its own sake, and represents as much of Dr. Hugh Morgan Hill as Brother Blue the storyteller. Blue himself is the synthesis of his initial academic interest, the fusion of art and worship. "My feeling," he told me with quiet urgency, "is that when the human creature puts his art into worship, that's the highest." In recalling his original plans for an academic dissertation at Harvard, he spoke of his desire to do "a work that would explore the great fusion between art and spirit," for that reason, he turned to the study of Byzantine art.

While doing graduate work in Harvard, however, he began teaching in prisons, and his experiences changed his mind regarding the traditional Ph.D. program. "All of these black guys came in and sat down," he said recalling his poetry class. "They were like children. These guys were innocents. I mean they had done stupid, obvious things, like buying grass. Crazy, dumb things. They were just innocent and naive." He paused a minute, then continued. "But you've got that other category, too. Some of those cats are very slick. But anyway, I had all these young guys, and I thought, 'Man, these are the innocents of America.' "

Blue saw one basic thing in their faces: "They came to my class for one thing," he said with a quiet anger, "They wanted something beautiful." He thus decided to do a project which would be "a very serious work on alternative ways of teaching, of evoking, of educating. Something nonverbal for those who are not into reading, because," he carefully pointed out, "even if you can't read and write, you can still apprehend and communicate great beauty and wisdom."

Through his experiences in prisons and his concern with the fusion of art and spirit, Blue discovered his own way to "speak from the middle of the middle of Blue," to the middle of the middle of others. His symbol became the butterfly. "It's symbolic of the spirit," he told me. "Even the body itself is the chrysalises, the cocoon. All of reality is but the chrysalises, the cocoon, of something contained within the measurable, tangible, audible, visual reality. You can call it the 'Life Spirit,' you can call it 'God,' you can call it 'butterfly'."

Although he is still a student and reader, Blue, as his art indicates, is suspicious of the basis of our educational philosophy. "By the time you reach your doctorate—and it happens so early; it's so subtle by the time you get through college, or even high school, you have become convinced that every worthwhile thing is written in a book." He paused and said with an almost poetic weariness, "the idolotry of the written word, and that ain't it."

To watch Blue perform is to step into some mythological, primordial continuum; he is at once Homeric legend giver, African dancer-wizard-storyteller, Irish Bard, Shakespearean actor and modern blues sax blower. He invokes his muse at the beginning of each tale: "Come poet, storyteller, musician, singer/bringer" or "Story hunter, bow bender, arrow sender." He moves like Zulu who studied with Martha Graham. He twists, he bends, he snaps his fingers and hurls out couplets as well as complex polysyllabic patterns. Then, like medium, he lets the story fill him; he becomes the tale.

His "Othello" is ancient, timeless. He is filled with the character's spirit, and his voice becomes a growl which alternates between the animal vitality of Othello and the nitty-gritty tragic rasp of a bass sax. In that story, like all of his others, is all the joy of the butterfly, all the anguish of Negro, all the rivetting precision of the poet/dancer/

actor, and all the sadness of a solitary, grinding sax.

What it is, is Soul. It is not just Black soul, or Othello soul, or Asian soul, or young soul or old soul; it is Soul. Brother Blue gets to the soul of Soul, and to the middle of the middle of whomever listens. It is futile to try to describe him or his art in print, but there is no doubt in my mind that his aim is not very different from those of the other artists.

It was when he spoke of the festival and its significance, however, that I really listened. His voice suddenly dropped to a soft, serious whisper. "I have a thing," he said building suspense, "that most likely this area may be that very tenuous rainbow where something is happening . . . Possibly. In this very gentle place, maybe we can realize the dream in small, that through the arts, we are a rainbow of the human race, with the light shining through, through poetry, through clowns, through storytelling, through painting, through music . . ."

He paused a minute as though to allow himself to be filled to the brim with some poetic vision. "The essays have been written, the sermons have been spoken, the lectures have been given," he mused. "Now it's time for the artist to come forth and through the arts melt our hearts so we can be truly one."

Does he mean that something of real significance was happening in South Carolina? Some new Jerusalem in Charleston? I was skeptical, but only for a minute. I noticed his stillness; he slightly squinted, trying to make the vision a little clearer. I noted the very careful way he spoke—no wasted words or thoughts. This man of extraordinary intelligence and spirit was telling me something about my people and I listened harder than I have ever listened to anyone in my life:

"What I have found here is such a range of possibilities. I think that maybe in this particular area and part of the country you have a 'tuning fork'. It could be that the tuning fork of this great country is . . . guess where?"

His voice got even softer, more cautious, its warning measured and serious. I make it a rule to heed the warnings of poets. "We have to be very careful; it's hard to preserve it. This may be the last place in America where there is some remnant of gentleness, a kind of aristocracy, a sweetness, and it could blow away . . . It's one place in the country that doesn't eschew gentleness. The people are not put off by . . . just goodness."

He paused to let me take it in, and for the first time I associated, South Carolina and Spoleto with the blue butterflies on his face. "You have something here that is very delicate and tenuous," he concluded. "Maybe the bubble will break."

Indeed. What about the more lurid aspects of promotion and advertising? Increasing commercialism and trinket selling? Will rates go up to accommodate tourists? And what about the politics of the thing? Will our butterfly become fixed and wriggling by combatting agencies, parties, commercial groups, unions? Will it eventually get disgusted with turmoil and fly away? How easily can it be crushed? Can its wings be pulled off? Who knows? I suppose the matter is really up to us.

Meanwhile, let the clacking continue, because there are some things that are worth repeating.●

FOUR CONTESTANTS ENTER RACE TO SELL NEW-ERA JETS

● Mr. GOLDWATER. Mr. President, several years ago after I returned from a Paris Air Show as the personal representative of President Nixon, I made a report to him that went essentially like this. My friends in the aircraft, avionics and engine business in Europe found it almost impossible to believe that we would give up our dominance in these fields by stopping the construction of the SST and, at the same time, being ecstatic about it. They told me then that this was the first time you Americans have ever quit on anything that resembles progress, and if you think we Europeans are not going to take advantage of it you are mistaken.

Mr. President, they have taken advantage of it and European aircraft engine and avionics sales have steadily been on the increase while ours, which controlled our second biggest balance of payments source, has been on the decline. Witness the purchase of the A-300 air bus by Eastern Airlines and witness the great interest in this aircraft by other airlines in America. I told the Congress at that time that they would live to regret their decision on the SST and, in case some of my colleagues still feel overly happy about their vote in stopping the SST, I invite them to read an article which appeared in the Los Angeles Times of July the 2d of this year. I ask that the article entitled, "Four Contestants Enter Race To Sell New-Era Jets" be printed in the RECORD.

The article follows:

[From the Los Angeles Times, July 2, 1978]

FOUR CONTESTANTS RACE TO SELL NEW-ERA JETS

(By Linda Grant and Tom Redburn)

If, as the old saying goes, two's company and three is a crowd, the four firms in the commercial aircraft business must really be confused.

For years only two producers—Boeing Co. and McDonnell Douglas Corp.—have had any major success making jet aircraft for the world's airlines outside the Soviet Union. Lockheed Corp. belatedly reentered the commercial aircraft business in the late 1960s with its L–1011, only to find few airlines willing to invest in yet a third big plane at a time when the expected traffic growth on which they depended had failed to materialize.

But now, with the addition of the European consortium Airbus Industries, there are four active companies vying for position in this incredibly risky business. (The British were actually the first to develop the jet transport but their planes have been commercial flops and they are no longer serious competitors on their own.)

At stake is a potential market of more than $75 billion over the next 10 years. A little less than half of the sales will be made in the United States, with the rest spread around the world. Battles to win aircraft sales have been notoriously fierce, particularly for new orders overseas, since the builder that wins an initial bid is likely to benefit from a cascade of follow-up orders. Manufacturers have spent millions on influence buying in foreign countries, help from the builder's home government has been solicited, and in some cases bribes have been paid.

A new round of buying has already begun, but this time there are some significant differences. For the first time, airlines are being forced to replace most of their first generation jets, many of which are now almost 20 years old. In addition, the entry of Airbus into the competition has shaken up the traditional American monopoly.

Boeing is the dominant commercial aircraft maker—it has captured more jetliner sales than all the other companies put together. McDonnell Douglas holds about a 29% share of the market with its small twin-engine DC–9 and the widebodied DC–10 tri-jet. Lockheed has sold only about 4% of the world market, relying on its L–1011 Tristar, while Airbus, which only entered the arena during this decade holds a 2% share.

But even though Boeing and McDonnell Douglas are riding much higher than Lockheed and Airbus, the new aircraft derby could shake up the whole field.

The new entrant, Airbus, is making the first serious foreign invasion of the American market since United Air Lines bought 20 French Caravelles in 1960. In April, Eastern Airlines became the first U.S. carrier to order the Airbus, when it agreed to spend almost $800 million on 23 of the planes.

Airbus' virtues are being pressed on United, TWA, American and other U.S. carriers by the company's North American chief, George Warde, an ebullient 56-year-old U.S. citizen who is a former president of American Airlines. He jets back and forth on the Concorde between Airbus offices in New York and Toulouse, France, to talk up "our little bird," as he calls the A300. For Airbus, a sale to United Air Lines, the industry leader, is crucial not only for its prestige but also because, says Warde, "We have to keep up our momentum (generated by the Eastern deal)."

The plane Warde is promoting would be one of the smallest wide-bodies, powered by two engines, and would seat about 200 passengers. The B10 would cost $25 to $30 million, and will be available by mid-1982 if Airbus, as expected, approves the program this summer.

It is a derivative of the larger A300 B4, which the Europeans developed in the early 1970s to fill the gap between the huge widebodies produced by the Americans and the smaller 727s and DC–9s which perform most of the work on shorter and medium length routes.

At the time it seemed like a risky gamble. To the dismay of the U.S. manufacturers, Airbus forged ahead with only a few orders placed by government-backed airlines such as Air France and Lufthansa. The consortium needs to sell 360 planes to break even, and for years sales languished, the production line at Toulouse was cut back and some industry officials thought the program might die.

When world airline traffic rebounded, however, Airbus revived. Today, South African Airways, Thai Airways International, and Iran Air, among others, fly the plane. The recent sale to Eastern Airlines brought orders, including options, to 138.

In contrast Boeing has sold nearly 3,500 jets in the last 20 years. One model alone, the 727, holds 25 percent of the world commercial aircraft market. With such success in the last few years, Boeing is currently sitting on over $1 billion in cash.

After the troubles getting the 747 program off the ground, however, Boeing isn't about to move precipitously into an unknown future. The company has spent millions on slick projections of airline needs but still has only a vague idea of what the airlines will buy. "We can estimate the total passenger market," says E. H. (Tex) Boullioun, president of the commercial airplane unit, "but we can't necessarily say what the mix of airplanes will be."

Boeing has spent countless engineering hours on its airplanes, changing the configuration to try to meet every airline demand. But all that time may pay off in a highly efficient and economic design. "We think we have an edge," says Joseph F. Sutter, vice president for product development in the commercial airplane unit. "We can get," Sutter claims, "10% less fuel burn (than the competitive A–300 B10) with our

bigger wing, lighter nacelle (engine pod), lower-drag body and supercritical wing."

At the same time, Boeing is developing a family of airplanes using many of the same parts but allowing variation in the fuselage length and the number of engines.

Boeing's large customer base (nearly every airline in the world flies some Boeing planes) gives it an advantage over the competition. But Boeing may be depending on its head start too much. "The company has been moving too slowly to secure its future market position and may be counting too much on customers to loyally 'wait for Boeing,'" writes Edmund S. Greenslet, an aerospace analyst for Merrill Lynch, Pierce, Fenner & Smith. "This approach did not work for Douglas in the 1950s and I doubt it will work any better today."

The new 767 program (the twin-engine, double-aisle model), Greenslet argues, has a lot going for it but Boeing has placed itself in the potentially dangerous position of offering the plane as a defensive reaction to new competition rather than as an attempt to persuade airlines to dispose of other aircraft in favor of the 767. One reason is that Boeing's wildly profitable 727 would be one of the first programs affected by the shift. In addition, with Airbus also moving ahead on its new plane. Boeing could end up offering a "me too" product, which in the past has been a financial hazard.

Both Boeing and Airbus need orders for their new planes soon to have them ready in the early 1980s, when the need for airplanes should peak. For Airbus, the problem comes down to continuing to grow in the shadow of a giant. "When you take on the leader of an industry, such as Boeing," says one industry official, "you treat him like an elephant and that means you eat him one bite at a time." For Boeing, the great fear is not so much that Airbus will capture a part of the growing market but that the airlines will hesitate too long worrying about a repeat of the bloodbath a decade ago. "The worst thing that could happen to us," says Boeing's Tex Boullioun, "is not that United will pick the (Airbus) B10. In that case we'd just go back to our drawing boards. The worst would be if they decided to do nothing at all."

While the current focus is on United's and American's decisions about launching a new medium-sized jetliner manufactured by Boeing or Airbus, the other manufacturers also are counting on ample business from the coming re-equipment cycle.

The two California-based builders Douglas Aircraft Co. and Lockheed have adopted a more cautious stance than their competitors. Their widebod' s—the DC–10 and the L–1011—were developed a decade ago for roughly the same market and as a result both companies were hurt. The L–1011 suffered so many difficulties that it nearly caused Lockheed to go bankrupt. To date 185 of the planes have been sold to ten customers. The DC–10 has fared better but the 295 sales to 43 customers have nevertheless disappointed management of Douglas' parent McDonnell Douglas Corp. of St. Louis.

"We do not intend to go head-on against anybody" says John Brizendine, president of Douglas. "The DC–10/L–1011 competition was enough."

As a result Douglas is developing derivative planes from its two current programs the hugely successful DC–9—nearly 950 DC–9s are flown by 51 operators making it the company's only currently profitable program—and the DC–10.

Douglas last year announced the "Super 80" version of the DC–9 with 23 orders worth about $400 million from Swissair Austrian Airlines and Southern Airways. (Southern later changed its firm orders to options.) This narrow-bodied derivative will be much longer than other versions capable of carrying up to 170 passengers on medium hauls. Douglas estimates its development costs at a modest $120 million.

By launching the Super 80 Douglas stole a jump on the Europeans who had aspirations for that market in their proposed Joint European Transports (JET) 1 and 2 and Boeing with its proposed 757.

In addition to the Super 80 Douglas is considering various stretched and long-range versions of the DC–10. Some carriers are already pushing the company to commit to a stretched version and Brizendine estimates that within 12 months a decision will be made. He emphasizes "We will let the market determine what we do and when we do it."

Another proposed DC–10 derivative the DC–X–200 is on the drawing boards with two engines and seats for about 230. But it bumps too closely in the marketplace against the A300 B4 so Douglas is no longer marketing it intensely. "We want to pick the right slot" says Brizendine.

Finally Douglas is talking with British Aerospace about the possibility of collaborating on an Advanced Technology Medium Range (ATMR) plane. The aircraft which would rival Boeing's proposed 757 would be a twin-engine single-aisle aircraft that would seat 180 to 200 people. Brizendine refuses to comment on negotiations and says only that "We will miss tne market if we wait too long."

At Lockheed, derivative is also the name of the game.

Company executives believe deriv-atives of the basic L–1011 Tristar will eventually make the costly aircraft program profitable. In addition to the Tristar, which first flew in airline operations in 1970, Lockheed has proposed three L–1011 derivatives, one of which is already in production.

A long-range version, with a shorter body and enlarged fuel capacity, has been sold to British Airways and Pan American World Airways. Called the Dash 500, the first copy of this plane will be delivered next year.

Lockheed hopes to adopt basically the same design, with a lower-powered engine, to the gaping market segment now filled only by the European Airbus. Other manufacturers are also eyeing this segment, and Lockheed has yet to sign a customer for the design. But it could be put into production for about $80 million in development costs, a comparatively small sum, and the company's executives are trying to persuade an airline to launch the program this year. The key disadvantage for Lockheed is that the plane, designated the Dash 400, would retain the three-engine design of the other L–1011s, which would mean the aircraft would burn slightly more fuel than its competitors.

Other alternatives, however, are impractical. Even though Lockheed has a twin-engine version under consideration, it will be much costlier and will require numerous engineering changes. And with about $400 million in start-up costs still to write off against the present L–1011 program, Lockheed simply isn't in a position to consider starting from scratch with a new plane.

Not that they would want to, company executives argue. The technological gains that are being incorporated in the L–1011 should overcome most of these drawbacks. Moreover, there should be enough business to go around, they say, given the huge need for new airplanes to replace aging fleets and permit airlines to meet growing demand.

"The clock is ticking for the airlines," says Lockheed California Co. vice president Richard W. Taylor, "and the best way for us to meet their declines is with versions of our basic planes adapted to the carriers' needs."

For a while it was doubtful whether Lockheed could continue in the commercial airplane business. But with the bitterly contested sale of 12 long-range Tristars to Pan Am, Lockheed is once again a serious competitor.

"We're going to be around in the 1980s," says Roy Anderson, Lockheed's chairman, "and that's when this market should really take off."

The big question remaining for all the manufacturers, from giant Boeing down the line to McDonnell Douglas, Lockheed, and Airbus, is whether the airlines are going to be willing—and able—to support four airplane builders.●

PERU'S ECONOMIC WOES

● Mr. ABOUREZK. Mr. President, Peru is one of the countries most recently affected by stringent conditions imposed by the International Monetary Fund in exchange for a badly-needed loan to bail out the economy of that country. We have already seen some of the results of the austerity measures in the food riots and drastic wage cutbacks of the already-poor, but there is a fine article in the Financial Times of London which outlines Peru's economic woes and how they relate to the lending policies of the International Monetary Fund in even more detail. Because I think this information is important as we prepare to vote on the Witteveen Facility, I ask that this article, "Peru's Struggle With the World Monetary Fund," be printed in the RECORD.

The article follows:

[From the Financial Times of London, June 29, 1978]

PERU'S STRUGGLE WITH THE WORLD MONETARY FUND

(By Hugh O'Shaughnessy)

Next month the military Government of Peru, battling with the most severe foreign exchange crisis in the country's history, will start another round of negotiations with the International Monetary Fund for a stand-by credit of several hundred million dollars. With a number of developing countries in a similar critical position the outcome of these talks and, more significantly, the political effects in Peru of any IMF austerity plan accepted by the Government, will be of more than local interest. They will form an important case study of relations between the Fund and the developing world.

Peru's unhappy position can be summed up briefly. The trade balance which in 1973 was in surplus to the extent of $79m., by 1975 was showing a deficit of $1.1bn and, despite the most severe import restrictions, will this year, it is officially estimated, will be in the black by no more than $36m.

Borrowings have mounted so that the total long term foreign debt comes to $6.1bn, $4.8bn of this being attributable to the public sector. The total foreign debt, short-term and long-term, public and private is $8.3bn. The servicing of this debt is expected to consume more than half the country's export revenue this year and more than two-thirds next year if relief is not granted.

The net foreign position of the central bank (reserves less short term liabilities of the Central Reserve Bank) has fallen from $700m at the end of 1974 to a liability close to $1.3bn today. The inflation rate in the first five months of 1978 was 34 per cent.

The Peruvians have got themselves into this nightmarish situation by a combination of bad luck and bad management. In a brutally frank expose of the situation a fortnight ago Sr. Javier Silva Ruete, the Minister of Economy and Finance, set out eight basic reasons for the crisis which included the maintenance of an excessively overvalued currency, the soil, for much too long, the establishment of industries which were too dependent on imported goods, unproductive public sector investment, sharply de-

clining terms of trade as the prices of Peru's oil imports went up and those of Peru's commodity exports fell, excessive arms purchases and the bunching of foreign debt commitments.

"Some of our decisions were abysmal," one senior official remarked to me here, "for instance, when coffee prices rocketed a few years ago after the Brazilian frosts there we were uprooting coffee bushes and planting something else."

In a move to fight off the impending crisis the Peruvian military Government came to an agreement in 1976 with a group of private foreign banks which involved a stabilisation scheme with a 44 per cent devaluation of the sol, better treatment for foreign investors and the selling of some state industries to private investors. The banks, led by Citibank, were to monitor the Government's performance and provide $200m for five years at 2½ per cent over London inter-bank offered rate. European and Japanese banks were to lend a similar amount.

When last year the Government had to seek further help the banks decided that their monitoring of the economy was too controversial and difficult to accomplish and said they would not lend without participation of the Fund. At the end of last year after agonised negotiations Peru signed an agreement with the Fund under which the budget deficit was to be cut by two-thirds and inflation was intended to be reduced by half in return for $100m of Fund money to be disbursed at two-months intervals over two years.

The Fund has since alleged that the Government has not kept its side of the bargain and has halted its disbursements. This has put the private banks in a state of uncertainty and last month as a result Peru literally ran out of foreign exchange. This rock-bottom position was relieved for a few weeks only after the Central Reserve Bank raised $86m over the telephone from Argentina, Brazil, Spain, Mexico, Venezuela, and the Dominican Republic.

PERU'S EXTERNAL PAYMENTS

[U.S. $m]

	1976 [1]	1977 [2]	1978 [2]
Merchandise trade	−741	−438	+36
Invisibles	−509	−545	−528
Current account	−1,192	−926	−435
Long-term capital	+675	+674	+256
Basic balance	−517	−252	−179
Short-term capital [3]	−351	−98	NA
Overall balance	−868	−350	NA

[1] Preliminary.
[2] Estimate.
[3] Incomding errors and omissions.

Source: Central Reserve Bank of Peru.

The Government has reached an interim agreement to get a further $185m from foreign banks to bail out the public sector until the end of the year, but a longer term solution still has to be worked out. Sr. Silva Reute has said that last November's "impossible and absurd" agreement with the Fund will have to be scrapped and a new deal worked out in the next few weeks.

Battle between Peru and the Fund will be joined on three principal topics. The Fund wants to see the sol move from its present parity of nearly 155 to the dollar to 200 straight away, while the Government sees the 200 figure as an extreme target it would not want to reach until the end of the year. The Fund appears to want the budget deficit cut from the present 55bn soles to around 28bn while officials say it would be impossible to trim it more than 5bn soles without major political and administrative chaos.

The Fund will doubtless also seek a cut of loans to the private sector. That would be sure to provoke a big wave of bankruptcies which will further swell Peru's queues of unemployed.

The feeling among many officials here is one of anger and apprehension about the forthcoming confrontation with the Fund. Saying that the IMF officials in Washington show little understanding of the particular circumstances of developing countries with balance of payments problems, one senior government figure commented, "if you're in foreign exchange difficulties the Fund wants you to depress demand till there's a surplus in the economy, then simply export that surplus. They don't admit that depressing demand in an economy as poor as ours creates starvation conditions and that anyway there are often no established channels for surpluses to be exported."

Another official added, "the Fund has one basic remedy for its patients, a dose of purgative, irrespective of whether the patient is suffering something comparable to heart disease, liver infection or any other illness."

The two principal questions facing the Peruvian negotiators and the Fund are, how far will the Peruvian public be willing to swallow what is sure to be highly unpalatable medicine when they are still suffering from the austerity measures introduced months ago, and to what extent will the military have to scrap its plans for a return to civilian rule and use violence to force the medicine down?

The devaluation already decreed coupled with the cuts in subsidies on staple foods introduced as a way of reducing the budget deficit have over the past year brought about great unrest, rioting and death. The drop in the living standards of almost all classes of Peruvians has already been dramatic. The wage index which in 1973 stood at 114.1 last year fell to 74.1 while the salary index fell from 106.4 to 83.8.

Many Peruvian officials believe that another round of severe deflation would put paid to any hopes that the military Government had of turning the country back to civilian democratic rule. "After the 1973 coup in Chile General Pinochet cut the gross national product by 16 per cent and had to spill a great deal of blood to do so. He still didn't satisfy the Fund. So what chance have we got of getting another austerity programme to stick without the use of the methods he used?", a Central Reserve Bank official commented.

At the moment the military Government is engaged in the extremely delicate political exercise of returning the running of the country to civilian hands. Peru has been ruled by the military since 1968 when a radical officer, General Juan Velasco Alvarado, seized power and started a programme of root and branch reform of a society which in many aspects had changed little since the time when it formed part of the Spanish Empire.

A great deal of modernisation was accomplished by General Velasco, particularly in the realm of agarian reform. Helped by the stimulus given to the economy by his ambitious development plans the growth averaged 5.5 per cent in the period from 1969 to 1973 and industry grew even faster. Wages and salaries went up by an average of 6.6 per cent a year and unemployment fell. The reserves went up from $131m in 1968 to $111m in 1973. Big plans to exploit copper and oil persuaded foreign banks to lend liberally to Peru and the external debt almost tripled between 1968 and 1974.

In the latter year the world recession hit Peru, a fact which coincided with the exhaustion and ill health of General Velasco. In August 1975 he was replaced by a more conservative and cautious figure, General Francisco Morales Bermudez who soon made it clear that he felt that the difficulties of governing a country in recession were too much for the army and that the military should make arrangements to step aside in favour of civilian politicians. Last year he announced a two stage plan which would allow the soldiers to go back to their barracks by 1980, the election of a constituent assembly in 1978, and a civilian government by 1980.

The result of the election on June 18 for a constituent assembly charged with the task of preparing a new constitution and general elections in 1930 indicate that resistance is stiffening to any new austerity measures. The Left got a third of the vote, 50 per cent more than many observers had forecast and within the Left the more radical parties did better than the more moderate and flexible Moscow-line Peruvian Communist Party. "It was a vote of desperation," one political journalist commented.

Among some businessmen in Lima there is a belief that the civilian politicians in the Constituent Assembly will be unable to accept any new agreement reached with the IMF however skillful the Peruvian negotiators may be in reducing the severity of the Fund's demands. "In the end I think either the Fund will have to go or the Constituent Assembly, and the return to democracy will have to be cancelled. I don't think the Fund will go. In any case the Peruvian economy would be in poor straits indeed without the Fund's aid," a Lima banker predicted.

Officials warn that if the Fund presses them too hard to take what they consider to be disastrously deflationary action they will refuse to sign any agreement. In practice they know that a failure to sign with the Fund would obliterate any hopes the Government had of getting funds from foreign private banks. And the result of that would be ever greater foreign exchange crisis coupled perhaps with sharply increased inflation as the sol dropped on the foreign exchange markets and the price of imports increased.

As the date of the negotiations approaches the Government is doing what it can to win the support of its friends among the richer member nations of the Fund. Capitalising on the fact that the military Government is taking concrete steps to put the government back into civilian hands and thus harmonise with President Carter's policy of liberalism in Latin America, the Peruvians are making a strong pitch at the White House, the State Department and the U.S. Treasury. They have not been totally disappointed and Mr. Michael Blumenthal is reported to have take time off to study the Peruvian case and promises a sympathetic U.S. attitude.

President Morales Bermudez is principally counting on the fact that if too severe a deflationary package were forced on Peru and if this package in its turn led to an aborting of the return to civilian government after 10 years of military rule it would be a major defeat for President Carter's policy of liberalisation in Latin America.

In an interview, Sr. Silva Ruete said: "We have had very positive indications of support from the Carter Administration and from Western Europe." But he added, "We still need help and we need it fast." ●

BUREAU OF LAND MANAGEMENT

● Mr. EAGLETON. Mr. President, recently the St. Louis Post Dispatch ran an interesting article on the Bureau of Land Management, and a followup letter by Charles Callison, president of the Public Lands Institute. I was very impressed with the arguments made in these articles and thought other Members of the Senate might be interested in reading about the underfunded and understaffed conditions of the Bureau of Land Management. In this period of budget slashing, I think it prudent to

be aware of the consequences arising from an underfunded program. I request that the following two articles be printed in the RECORD.

The articles follow:

[From the St. Louis Post-Dispatch, June 21, 1978]

MONEY FOR THE "CINDERELLA" BUREAU

I commend your June 11 article "Cinderella Story" about the Bureau of Land Management and its new director, Frank Gregg. I commend Mr. Gregg's enthusiasm; he needs all he can summon and sustain. He is indeed a good man for the job. But the handsome prince with the glass slipper isn't as near at hand as your article leads us to believe.

Despite the appointment of the capable Mr. Gregg and some declarations of good purpose by the Carter administration, BLM remains grossly understaffed and underfunded for the job it is supposed to do. A comparison with the U.S. Forest Service, which has similar land management responsibilities, is instructive. The Forest Service is a highly professional, yet lean and efficient agency. Years of personnel ceilings and budget restrictions have left it shorthanded in several vital programs.

Early this year, when I asked for the figures, the Forest Service had 17,337 permanent, full-time people taking care of the 188 million acres in the national forests. This is about one person per 11,000 acres. BLM had 5,619 comparable, full-time employees trying to take care of 447 million acres. This is one person per 80,000 acres.

Gregg's agency is "authorized" to hire 6,100 full-time people but Congress or the Office of Management and Budget have never provided the money to do it. If the Carter budget for BLM in 1979 is appropriated in full by Congress, and if OMB would take the ceiling off, hiring could go up to 6,246. That would give Gregg one person per 71,500 acres.

Under the Carter budget, BLM would get no additional personnel to manage the 172 million acres of grazing lands under its jurisdiction. It now has only one range conservationist per 325,000 acres. One person, no matter how skillful and clairvoyant, cannot possibly keep up with range conditions and trespass problems—too many cows or sheep where they shouldn't be—on 325,000 acres.

The Roncalio grazing bill is important but please keep in mind it only authorizes the additional money for range improvements. The actual funding will depend on administration fiscal policies and the annual appropriation process in Congress.

As William K. Wyant reported, BLM has other important tasks. It handles mineral leasing on the outer continental shelf and in the national forests and national wildlife refuges as well as its own 447 million acres. It tries to find out where claims are filed and to monitor abuses under the outmoded general mining law of 1872. It has extensive wildlife habitats and archeological sites to protect, timber and recreational resources to manage, roadless areas to inventory for their wilderness values, and fragile natural areas to preserve. It is shamefully undermanned for all these vital tasks.

Granted, there are general differences between the lands in the national forests and those under BLM. But the differences aren't all that great. BLM lands are equally deserving of good husbandry.

Outside of the Western states, the Bureau of Land Management is virtually unknown to the public. Outside of the West, the press has virtually ignored the resources of the BLM lands. Consequently, members of Congress from the Midwest, East and Southeast have ignored them also. This is the underlying reason for the continued neglect and abuse of the public lands and for the Cinderella plight of BLM. We thank the Post-Dispatch for its coverage.

CHARLES H. CALLISON,
President, Public Lands Institute.
DENVER.

[From the St. Louis Post-Dispatch, June 11, 1978]

CINDERELLA STORY: A GLASS SLIPPER FOR THE WESTERN RANGE

(By William K. Wyant, Jr.)

WASHINGTON.—The Interior Department's long-neglected Bureau of Land Management, sometimes called the Cinderella of federal agencies, now has a new presidentially appointed director and seems about to be fitted with a shining glass slipper by Congress.

President Jimmy Carter's director of the bureau is a Colorado-born conservationist named Frank Gregg, 52 years old, who most recently was chairman of the New England River Basins Commission.

Congress' glass slipper, now being shaped for a forlorn waif more accustomed to going barefoot than being prettily shod, is legislation that would double what the United States plans to spend on its Western range lands over the next 20 years.

The range improvement bill, evolved by Rep. Teno Roncalio, D-Wyo., is now on its way to the House floor and a Senate equivalent is being prepared. It addresses the problem that 80 per cent of the Bureau of Land Management's grazing lands are in less than satisfactory condition.

"There's been a tendency to keep the BLM barefoot and pregnant," commented an Interior Department official. He was talking about what conservationists consider a lamentable history going back for many decades, during which Congress and the executive branch have made comments about overgrazing but done little about it.

Gregg, who has been hailed as an ideal choice for the post to which Carter named him, is very enthusiastic about the general thrust of the Roncalio bill although he and the administration would like to see some changes made before it becomes law.

The job is a big one. The Bureau of Land Management has exclusive responsibilities for about 60 per cent—or 448,000,000 acres—of the lands owned by the United States government. More than half is in Alaska. About 170,000,000 acres consist of grazing lands.

"The Roncalio legislation," Gregg said in an interview in his office here, "is a very fundamental and thoughtful effort to protect basic range resources, which include forage for livestock, wildlife habitat, and soil and water conservation needs."

It was only a few years ago, Gregg said, that the nation was spending a pittance of $5,000,000 to $7,000,000 a year for range improvement. The Carter budget for next fiscal year called for larger outlays that would, if projected ahead for 20 years, run about one billion dollars.

Gregg said that under the Roncalio bill, however, the amount available for making the federal pasture lands greener and more productive would be more than doubled, totaling perhaps 2.2 billion dollars over the two decades. The administration favors that level of spending.

As western film devotees and readers of Zane Grey's novels know, the western range used to be wild, open, and free. It also came, in time, to be overgrazed. The Taylor Grazing Act of 1934 brought the number of grazing animals under control and imposed a fee on ranchers.

Gregg's domain at last report was providing forage for more than 5,000,000 cows, horses, sheep and goats and was collecting more than $13,000,000 annually in grazing fees, which are set at a figure less than market value but usually well above what ranchers think they should pay.

"In my opinion," Gregg said, "the Roncalio bill is the most significant piece of legislation since the Taylor Grazing Act."

The happy outlook if all goes well, Gregg explained, is that the traditionally improverished Bureau of Land Management will not only have a mandate to look after the range—a mandate it finally got with the "organic act" of 1976—but will also have the money with which to do the job right.

There is a lot more to the Bureau of Land Management's functions than range management, of course. The agency administers the public mineral resources. It issues permits and licenses. It is concerned with competitive leasing for oil and gas on the Outer Continental Shelf. It has some of the nation's best timber, chiefly in Oregon.

The Bureau of Land Management was put together by President Harry S. Truman in 1946 by consolidation of two weak agencies, the old General Land Office and the Grazing Service formed in 1934 under the Taylor Act. It has had some able directors, but has typically had a low profile.

As the first presidential appointee, Gregg may make a bigger splash. He strikes one as a pleasant, serious, intelligent man. He came out of the West, having been brought up at Grand Lake, Colo., but has spent much time in the East. He has strong credentials as a conservationist and outdoorsman.

Before Gregg was appointed by President Lyndon B. Johnson to the New England River Basins Commission, a federal-state agency, he was vice president of the Conservation Foundation. Before that, he had been an assistant of Interior Secretary Stewart M. Udall and helped engineer the Land and Water Conservation Act of 1965.

In the late 1950s and early 1960s, Gregg was executive director of the Izaak Walton League of America. He had begun his career in natural resources in 1951, when he joined the Colorado Fish and Game Department. He was graduated from the University of Colorado in 1949.

With regard to the hostile attitudes toward the federal landlord that sometimes prevail in the western states, Gregg said it was part of his background and he understands it. In the Colorado county where he spent his boyhood, the government owned 85 per cent of the land.

"I grew up," he said, "in a depression economy and with the dilemma between using lands to meet economic needs of the community and the desire to protect the wildlife and beauty of the country."

Gregg said the Bureau of Land Management does not want to put miners and ranchers out of business. It recognizes, he said, that the lands must be used to meet society's needs while being safeguarded to the extent possible for future generations.

"These are public lands," he said. "They have many values. People will use them in a lot of different ways. The uses are often in conflict.

"The nature of the conflict is not between good guys and bad guys, or white hats and black hats. The conflict is within each of us. . . ."

Gregg noted that all concerned shared a wish to see the special qualities of the public lands preserved, but all at the same time want such things as automobiles, food and clothes.

"These represent real conflicts," he said,

"and the best I can hope for is that we play it straight. . . ." ●

PRIVATE CHARITY GOING OUT OF STYLE IN WEST EUROPE'S WELFARE STATES

● Mr. MOYNIHAN. Mr. President, an absorbing article in the New York Times of July 2, 1978, described the decay of private philanthropy in the welfare states of Western Europe. This underscores the urgency of measures to insure that the United States does not follow this pattern. One such measure is S. 3111, a bill that Senator PACKWOOD and I introduced on May 19, 1978, to allow all taxpayers to take a charitable deduction on their Federal income tax return, whether or not they itemize their other deductions. Although policy cannot—and certainly should not—compel individuals to make charitable contributions, it can encourage them to do so, even at some cost in revenues that would otherwise accrue to the public fisc. The alternative is gloomy indeed: A situation in which Government gradually assumes direct responsibility for practically everything and in which the generous impulses of philanthropists are scoffed at. In reading this article—which I ask to have inserted in the RECORD—one does well to consider how diminished this society would be if the Mellon family had not built the National Gallery of Art and its new East Building, if the Rockefeller family had not contributed the land comprising Acadia National Park—or if the ordinary taxpayer did not support the church and college of his choice.

I also ask to have printed in the RECORD an excerpt from an editorial published in the Washington Post on August 25, 1917, just before Congress initially adopted the charitable deduction. In eloquent yet simple terms it sets forth the philosophy that underlies S. 3111 and the counterpart bill now before the House Ways and Means Committee.

The article and excerpt follow:

[From the New York Times, July 2, 1978]

PRIVATE CHARITY GOING OUT OF STYLE IN WEST EUROPE'S WELFARE STATES

(By Jonathan Kandell)

STOCKHOLM, June 29.—A few years ago, toward the end of his life, King Gustaf VI Adolf decided to make a final bequest from the royal coffers to his Swedish subjects. He would contribute a sizable amount, running into the hundreds of thousands of dollars, to a national association for the handicapped.

The donation was never accepted. And, in fact, the would-be recipients admonished the King for even attempting as a private individual to fulfill what was considered in modern-day Sweden a function of the government.

Increasingly in Western Europe, philanthropy is acquiring a bad name. Leftists assert it delays the expansion of government-controlled social benefits and softens popular attitudes toward private wealth.

Even moderates are voicing disapproval of what they call the elitism of philanthropists' and their foundations' dispensing large amounts of money and patronage without the controls of electoral mandates or the accountability of government bureaucrats.

CHARITABLE GROUPS ARE NUMEROUS

In sheer numbers, West European charitable associations seem impressive enough. There are 120,000 in Britain, 32,000 in the Netherlands, 19,500 in Switzerland, 15,000 in Sweden, and 4,000 in West Germany. But most of them are small and exist in name only. Fewer than 5 percent still make sizable donations. Public sentiment that philanthropy should be the responsibility of governments has forced thousands of small charities to depend increasingly on funds from state and local authorities.

The refusal of West European governments to allow tax deductions for large individual donations has reduced the number of tycoon-philanthropists of the sort that achieved fame before World War II. Even those wealthy persons who continue to contribute often find that the publicity surrounding their donations can boomerang.

Last March, for example, Marcel Dassault, the aircraft manufacturer and reputedly one of the richest men in France, decided to finance an indoor swimming pool for his constituents in Beauvais, a district he represents as a conservative Gaullist legislator in the National Assembly.

The mayor, Walter Amsallem, a Socialist, inaugurated the pool with some acid comments as the 86-year-old Mr. Dassault stood by.

"To give ourselves over to patronage, consigning our fates to the powerful and the rich, seems to us contrary to the spirit of the republic and of democracy," said the mayor. "We should have preferred action by the nation, the fruits of efforts by the whole community, eliminating charitable practices that degrade those who benefit from them."

It is doubtful that Mr. Dassault even heard the rebuke. He was caught up in a shouting match with some Communist councilors, hurling abuse at him from across the pool. "My workers are the best paid in France," Mr. Dassault yelled. "And I also was once poor before I was successful."

Less raucous, but no less controversial, has been the case of Pierre Guerlain, 72, the perfume manufacturer, whose offer to donate 10,000 acres of lake and land for a wildlife reserve was approved after four years of negotiations with the French Government.

His credentials as a nature lover were never questioned—he was once administrator of the World Wildlife Fund. But bureaucrats reportedly held up the bequest for fear that it would give Mr. Guerlain a windfall of publicity or set off rumors that he had been given a tax break. Mayors in some of the communities bordering the preserve felt that the Government should reserve the option of eventually using the land for housing.

In Sweden, where popular feeling against private philanthropy probably runs highest, there have been few recent cases of large private donations.

"I would say that sort of philanthropy is suspect nowadays," said Lars Bergstig, information secretary in the Budget Ministry. "Even among wealthy people, there is a feeling that you don't become popular by giving away money, by establishing a grant or foundation in your name."

SWEDEN ALLOWS NO TAX DEDUCTION

Nor would a philanthropist in Sweden be allowed a deduction from his taxable income for a charitable donation.

"In the past, philanthropy was an important substitute for social benefits for the poor," said Mr. Bergstig. "But we've had such a fast buildup of public welfare services since the end of the war. All political parties now believe that philanthropy should be the function of the state and local communities. And the mentality of Swedes today is that if you need money for disease research or support for the arts, you go straight to the Government. After all, isn't that why we pay all those taxes?"

According to Mr. Bergstig, many of the thousands of small charitable trusts that still exist can no longer fulfill their original aims.

"There are five to ten small trusts in Stockholm alone that specify that their money should be spent for the moral improvement of wayward women," he recalled. "Can you really imagine giving away money for that in Sweden today? Then we have old charitable funds to make it possible for young people to go to a university or study abroad. Well, the Government more than takes care of that nowadays.

"The trouble is that even if there are no longer recipients who qualify for many of the old charitable funds, no new legislation has been passed to alter their provisions. It just would not be worth the controversy."

TAX EXEMPTIONS EXIST IN BRITAIN

In Britain, charities are exempted from income tax, corporation tax and capital gains. But individual donors are not. And in recent years, most of the charities have had trouble raising money or maintaining their endowments.

"Operating and administrative costs continued to rise and inflation persisted in eroding the value of capital," stated a report last year by the charity commissioners for England and Wales. "These trends impinged adversely on the ability of charities to sustain existing programs and to start new ones, from their own resources and also on the ability of the public to subscribe fresh funds."

Increasingly, British charities depend on government financing. Earlier this year, a survey by the Charities Aid Foundation, an umbrella group for many voluntary organizations, disclosed that only 40 percent of donations to British charities came from individuals, wills, trust funds and corporations. Government grants covered most of the rest.

TREND TOWARD STATUTORY FUNDING

"It would be naive to suppose that charities which are effectively dependent on statutory funding will be left with the freedom of initiative any longer than it suits the convenience of the state," said Redmond Mullin, assistant director of the Charities Aid Foundation.

This view was also put forward in a report last year on philanthropy by the National Westminster Bank, but with a slightly different perspective:

"In recent years there has been increasing political interest in charities, and their attractive, tax-sheltered status must have played a role in this. Some charities such as private schools or hospitals are seen as havens of wealthy privilege that enable the rich to buy certain services at a cut price; others are attacked on the ground that they launch political propaganda under the guise of charitable activity."

STATE'S ROLE DOES NOT RESOLVE ISSUE

But a government monopoly of philantrophy, as has occurred in the patronage of the arts in Britain, has not put an end to the controversy.

In the United States, businesses are allowed to give away up to 5 percent of their income, free of tax. In Britain, business gifts to the arts are free of tax only if the Government determines that they are part of actual business or advertising expenses. As a result, private donations account for only $1.8 million a year, or less than 1 percent of total patronage for the arts.

But the Government, particularly at the local level, tends to donate its money to the more conventional artistic activities that are free from public controversy, according to advocates of private philanthropy.

The stringent tax laws against potential private art patrons have also been blamed for the large-scale outflow of works of art abroad. Neither the museums nor the Government are able to match offers by foreign

collectors for paintings put up for sale by their British owners.

[From the Washington Post, Aug. 25, 1917]

EXCLUDING CHARITY

If the Government takes all, or nearly all, of one's disposable or surplus income, it must undertake the responsibility for spending it, and it must then support all those works of charity and mercy and all the educational and religious works which in this country have heretofore been supported by private benevalence.

It would be a mistake to change abruptly the traditional policy under the stress of war conditions. This country can not abandon or impoverish the great structure of private charity and education that has been one of the most notable achievements of American civilization. Therefore with every additional dollar the Government finds it necessary to take in taxation it becomes increasingly necessary to accept the principle of the pending amendment and leave untaxed that part of every citizen's income which he may give voluntarily to the public good.

SENIOR CITIZEN INTERNS

● Mr. STONE. Mr. President, today in the House of Representatives my esteemed colleague, Congressman BUD HILLIS, has arranged for a special order to discuss the congressional senior citizen intern program that takes place in May of each year. Having participated in this program for the past 2 years, I would like to add my name to its list of supporters.

My experience with senior citizen interns has proved to me the validity of this program. Mrs. Helen Gardner, the intern in my office this spring, makes a good case for its existence * * * "This internship program helps show people the reasoning behind the legislative process. Now I'll be able to tell people where to write and when to write if they want to urge action on a particular issue. Furthermore, when I go back home and hear complaints about medicare, I'll be able to tell people about specific legislation to deal with it * * * I do not believe in saying 'gimme, gimme' to Washington all the time, but there are programs that could help people help themselves * * *."

The State of Florida is well known for its large number of retirees, and consequently, the affairs of the aging are of great concern to me. Regardless of the number of programs we legislate here in Washington, and of the amount of money we appropriate to ease the financial burdens unique to senior citizens, regardless of all of our actions on behalf of the aged, our efforts are in vain unless they are implemented, and taken advantage of by these senior constituents. This program has repeatedly proved to me that it effectively educates these interns as to the types of assistance available to them, so they in turn can share their experience with others like themselves in the home State.●

SENIOR CITIZEN SENATE INTERN PROGRAM

● Mr. BENTSEN. Mr. President, I would like to reaffirm my support for the senior citizen intern program in the Senate. This program allows each Senator to employ a senior citizen intern of age 65 or over to aid in his/her Washington office for 2 weeks each year during the month of May.

Since the program's inception 6 years ago, the number of participating offices has gone from 4 to 103. Originally only 11 interns participated. This year there were 146 interns who worked in House and Senate offices. In addition to working in their sponsor's Washington office, the interns attended legislative briefings, special programs and seminars.

The senior citizen intern program is an exciting and educational experience for both interns and Senate Members and their staff. Through the intern's experience in Washington, he is able to view the legislative process firsthand, and thus gain a clearer understanding of how our Government works. The intern also has the opportunity to become more acquainted with proposed legislation and existing programs that affect the elderly—and in this way, can assist other older Americans upon returning home. In the United States, we do provide many important services for the aged; however, these services are often not accessible to those who need them simply because they are unaware of their existence. The senior citizen intern program is one concrete step we can take toward educating the elderly about available services.

The 2-week internship is also very important for Senators and staff members. It is very enlightening to work with persons who have a great wisdom that is unique to their age and experience. In addition to reaping the benefits of the elderly's talent, skill, and charm, we also have a chance to more clearly understand the concerns and needs of the elderly. We have a duty to work toward providing the security of a comfortable and safe place to live, as well as food and a decent income for our elderly. To best do this, we must understand how older Americans perceive their situation and needs.

I have participated in the senior citizen intern program for the past 2 years. Bess Rogers of Nacogdoches and Jack Hooper of Pasadena joined our staff for 2 weeks during May of this year. They both participated actively in the everyday workings of my office, as well as spending quite a bit of time with the leaders of congressional committees and Federal agencies which deal with problems of concern to the elderly.

My experience with the program has been entirely positive, and I wholeheartedly support this program.●

SENIOR CITIZEN INTERNSHIP PROGRAM

● Mr. GARN. Mr. President, this year was the first year that our office participated in the senior citizen internship program. I am pleased to comment on the experiences we shared with our intern, Hazel J. Kaiser from Brigham City, Utah.

Coming to Washington with the attitude that her internship would be what she made of it, Mrs. Kaiser at once set about to join in and glean all that she could within the short 2 weeks. Yet her experiences were not to remain merely a part of herself. Her meetings, briefings, and research on subjects affecting senior citizens, her opportunity of viewing the congressional arena from the inside, and her training in knowing how to call, who to call and when to call concerning legislation were all part of the experiences Hazel took home with her and will share at a community and State level.

Today, we are extolling the virtues of the senior citizen internship program from our own point of view. We could say more of the importance of th exchange of information these senior citizens brought to us concerning their needs and concerns. But more importantly perhaps, we should consider what the program, as a part of other programs designed for senior citizens, means to them. May I submit Hazel Kaiser's remarks on the subject:

In my opinion, the priority purpose of all the programs for the seniors is to keep individuals who are retirees in productive lives instead of being lumped into a group, where each is an individual of much value. They deserve alternatives to keep their own homes and lives, in the strictest sense, to let them be persons of importance.

Certainly we appreciate the fresh outlook and ideas brought to us by youth, just as we appreciate and need the wisdom and understanding brought to us by our senior citizens.

I sincerely recommend this program to all of my colleagues who have not yet participated in this program to give it their most serious consideration.●

A REPORT ON CONGRESSIONAL SENIOR CITIZEN INTERN PROGRAM

● Mr. STONE. Mr. President, this year I had the distinct pleasure of having Mrs. Helen M. Gardner from Leesburg, Fla. as a congressional senior citizen intern on my staff. Mrs. Gardner brought with her to Washington, D.C. a broad knowledge of existing programs for older persons and a practical insight into the serious problems with the delivery of these services. During the 2 weeks of her internship, she imparted a greater awareness of the problems confronting senior citizens to my staff. She, in turn, gained a greater understanding of the legislative process and of Federal procedures which she has used since her return to Leesburg for the benefit of others.

I strongly support the congressional senior citizens internship program and hope that more congressional offices will participate in the future.

I ask that the report which Helen Gardner prepared upon completion of her congressional internship be printed in the RECORD. I believe that the suggestions contained in the report could be useful in improving the programs designed to assist senior citizens and I commend it to your attention.

The report follows:

REPORT ON CONGRESSIONAL SENIOR CITIZEN INTERN PROGRAM

(By Helen M. Gardner)

The 1978 Congressional Senior Citizen Intern Program was an exciting and interesting experience for me, and is continuing to prove

valuable in my increased and sustained interest in the problems of senior citizens as well as in national and international affairs. I will be taking my impressions and information back to my home community in Florida.

My critique of the program is as follows:

1. It's a worthwhile and potentially extremely useful program in terms of two-way communication between legislators and the senior citizens of this country.

2. Booklets and brochures received at the briefings would be more useful if sent to the participants at least two weeks in advance, with strong recommendations to read them prior to the Washington experience.

3. More free time could be provided—not for sightseeing—for attendance at pertinent Committee meetings of the House and Senate as well as meetings of the full House and Senate.

4. Most briefings were good—some especially so, including those of Nelson Cruikshank, Claude Pepper at the luncheon, Jack Kenyon of ACTION, Nursing Homes and long-term care. These were first class. One or two, including The Federal Scene, Administration on Aging, were boring to the speakers, I suspect, as well as to the audience and, unfortunately, reinforced an already prevalent impression of Washington as a vast "paper machine."

5. We didn't need a briefing on Social Security—most of us receive it, and can find answers to personal problems from our local SS offices.

6. We didn't need much on AARP and similar organizations. Most of us are members of one or more of these organizations, many of us working hard for them in various ways.

7. The size of the group was a bit too large. Maybe there should be two per year but in smaller groups. This would be helpful in bringing the participants together more intimately, and also eliminating some of the problems of the necessarily-large meeting rooms with poor acoustics. Individual questions and reports would be less time-consuming and perhaps more relevant.

8. It would be most helpful if a few interns of the previous year were invited to come back to give a briefing the first day or so, to the new group.

9. The whole program was well handled, and certainly Donna Norton and her staff are to be commended highly. It is not an easy thing to manage a group of this size, but they did it superbly.

There were a number of thoughts and ideas expressed by the Interns, some new, some not new, as follows:

1. All were in agreement that inflation is the major critical domestic problem facing the country today. It affects not only the elderly but everyone.

2. We need little legislation except correctional, per se—we do need greater oversight on personal, state and local levels to eliminate, or at least lessen criminal abuses of Federal funding programs, especially Medicare/Medicaid, CETA, etc.

3. The role of the states is crucial in federal funding programs. Inequality exists from state to state in delivery of services for the elderly especially.

4. There is considerable self-help in many communities; it was refreshing to find that in some areas there are few Washington "gimme gimmes."

5. An Ombudsman is needed to act on complaints on nursing home problems and abuses. This is being done in New Jersey and South Carolina at least, and perhaps in other states. Perhaps it is needed for other areas where abuses are rampant. Any such individual must have no other responsibilities, to avoid conflict of interest, and should report directly to the Governor of the State.

6. Older people, ordinary "little people" should be involved in authorship of federal/state programs for older Americans, or at least from the beginning. They should be involved in an advisory capacity in their administration, and particularly in their evaluation. This is crucial for any program. Does it work? Should it be changed or amended?

7. Perhaps rural postal employees could be used, on an informal basis, for outreach, to find those who need help and are ignorant of its availability.

8. We need closer communication between House and Senate Committee on Aging. We don't need more committees or a proliferation of coordinating committees. We do need more closely-knit committees and agencies. They are too complex and seem to operate in tight little islands.

9. Use retired people, perhaps through OAA, expenses only, to check into abuses of Medicare, etc., on an informal basis, sending information to Senator/Congressman for further action.

10. We need more communication between Federal agencies as to income tests, age tests, etc., for benefits for older Americans. They vary from state to state and agency to agency, i.e., between HUD, HEW and others; some seem to have different income/age tests on certain benefits.

11. Great concern was expressed about the astronomical increases in costs of drugs, medical supplies and equipment, doctors, etc., caused in part by inflation and malpractice suits. These expenses affect not only the elderly but young families with children, already burdened with heavy Social Security contributions and taxes of all kinds. I have great respect for doctors (my grandfather was one) but only the federal government can lean on the AMA, Bar Associations, insurance companies, drug companies, and others to lessen these financial burdens, or at least try to contain them. As a corollary, free up Medicare funds already available, for better and cheaper home health care to lessen unnecessary hospitalizations. Private hospitals and doctors will object, of course, but a way must be found if costs are to be contained. Perhaps incentives, not more paper work, for hospitals and physicians to eliminate fraud and increase cost-consciousness.

Some of these problems have been attacked, and others will be, but results need evaluation. Who does this? We don't need more committees. Ask the people who are getting help; ask retirees already working as volunteers, to provide information on these problems.

12. And, last, but by no means least, there was much concern over the plight of the middle class. The rich need none, and the very poor get help. What happens to the great majority, the hard-working, lower middle class people, who have worked hard all their lives, educated their children with much sacrifice, paid off their mortgages, and saved as much as possible, when many of them starve genteelly in their mortgage-free homes because they can barely pay the astronomical real estate taxes and can't live anywhere else? There are possible solutions to these problems, but they involve much cooperation between the state and federal governments, and a thoughtful look by legislators at innovative programs.

I certainly gained a great deal of knowledge of and respect for the complex problems of the rapidly increasing numbers of elderly people. I know there are no simple solutions.

Thank you for the opportunity.●

FAREWELL SPEECH TO AMBASSADOR CHAIM HERZOG

● Mr. MOYNIHAN. Mr. President, on June 28, 1978, Ambassador Chaim Herzog, Israel's representative at the United Nations since August 1975, was honored at a dinner in New York City. Ambassador Herzog returns to Israel at the end of a remarkable tenure at the UN, one of unprecedented challenge to his country, and to the democracies generally. I had the opportunity, as Permanent Representative of the United States at the United Nations, to observe both his remarkable courage and his outstanding intellect.

I was asked to speak at Ambassador Herzog's farewell dinner, but at the last moment, I was unable to leave the Senate. My wife read the remarks I would have made on that occasion. It strikes me that the Israeli people have had, in Chaim Herzog, an outstanding example of soldier, statesman, and scholar. Our own country—and the world organization—have profited from his service here. In the hope that my remarks may be of interest to those who have followed Ambassador Herzog's career with special interest, I ask that the text of my remarks be printed in the RECORD.

The speech follows:

FAREWELL SPEECH TO AMBASSADOR CHAIM HERZOG—JUNE 28, 1978

There is a symmetry to this evening's farewell gathering for Ambassador Herzog convened by the Conference of Presidents of major Jewish organizations. Chaim Herzog had come to the United Nations in August, 1975, but in a certain sense, the most important test of his tenure came at a gathering of this conference two months later. For on October 24, 1975, it fell to Ambassador Herzog to report to this conference that the people of Israel, and Jews in America and elsewhere, would soon experience a campaign of slander unknown since the time of Goebbels.

This was the charge contained in General Assembly Resolution 3379 that Zionism is a form of racism. The resolution was as absurd as it was obscene. But its absurdity was no proof against its believability. A generation ago one might have pointed out that the anti-semitic propaganda of the Nazis was absurd. Nonetheless, it was accepted by many; the unbelievable became believable.

And so it seemed, in the fall of 1975, that we were about to enter a replay of those earlier episodes. For as with the Nazis a generation ago, the West could not see the political content, the political purpose behind seemingly deranged propaganda utterances.

Thomas Mann captured the essence of the West's misunderstanding in 1937, when he sent his memorable letter to the director of Bonn University (which had revoked an honorary degree that had been awarded to him). Noting the relationship between Nazi Germany, about to sink into Barbarism, and the more civilized of its associates in the world community, Mann wrote:

The mature and cultural states . . . treat this endangered and endangering country, or rather the impossible leaders into whose hands it has fallen, as doctors treat a sick man—with the utmost tact and caution, with inexhaustible if not very flattering patience. But it (i.e., Germany) thinks it must play politics—the politics of power and hegemony—with the doctors. That is an unequal game.

I shared then, with Ambassador Herzog, what I must honestly say was a frustrating inability to persuade people of goodwill of the enormity of the new danger. It was as Mann said; the problem was judged one more of pathology than of politics.

The zionism-racism connection was a kind of politics, originating in the propaganda organs of the Soviet Union. The principal theme appeared in a two-part article in Pravda in early 1971; next a film appeared on Soviet television wherein the face of Hitler was superimposed over that of David Ben-

Gurion. The campaign continues and intensifies. Indeed, last month the New York Times reported on the most recent spate of anti-semitic Soviet literature, not least the several books that create as their repulsive theme collaboration between Nazis and Jews during World War II. The Jews, once thought of as victims of the Nazis, are now equated with the Nazis.

Many judged Ambassador Herzog an alarmist when he maintained that this proposition could obtain general currency in the United Nations. But he was prescient. The defamation of zionism, though no longer the prominent question that it was in late 1975, is still with us, pernicious and corrosive, a threat to the Israeli democracy and by extension to other democracies.

It should be said straight out that the effort to delegitimize Israel serves the purposes of the Soviet Union. Soviet totalitarianism seeks the destruction of the Israeli democracy as surely as it has already brought about the destruction of the Lebanese democracy. Israel stands in the way of Soviet expansion in the Middle East and, so far as the Soviets are concerned, it must be removed. Whether by military or political means, there is no difference.

Such had been the courage and the resourcefulness of the Israelis that the Soviet-subsidized and Soviet-inspired military invasions had failed. Accordingly, the Soviet political activity against Israel became all the more pronounced. The anti-semitic, anti-democratic effort, once so prominently identified with the totalitarian right, became central to the cause of the totalitarian left. A new international was formed with Israel as the embodiment of the "class enemy."

It is painful but necessary to point these things out, not merely to demonstrate Chaim Herzog's foresight in late 1975, but to remind us today of what we must yet do. For the effort to portray Israel as illegitimate, as illegal, as some kind of outlaw state, persists both in places where one might expect it and in places where one is appalled to find it.

A year ago June, the New York Post reported that the contagion had spread to Great Britain, birthplace of our liberties.

Seven university unions have passed anti-Zionist resolutions and the issue is likely to be raised in several more during the coming academic year. Susan Slipman, president-elect of the National Union of Students, said yesterday. A similar conflict exists at Salford University where the students have declared that Zionism is racism and, in accordance with their existing policy of refusing to invite racists to address meetings, have banned Zionists from speaking.

Just a week ago the brilliant Canadian writer Mordecai Richler was writing in the pages of MacLean's magazine. He recalled the recent federal by-elections in Quebec, when a Montreal radio commentator, an endorsed candidate of the progressive Conservative Party took up this theme. Yet, Joseph Clark, the head of the party (writes Richler),

* * * refused to withdraw his support * * * for a candidate, running under the Conservative Party standard, who was an anti-semite of the most primitive sort. Zionism, he had said, could be equated with Nazism.

I must also report an ominous lack of sensitivity to this matter even in our own country. There is a real danger that we will, however unwittingly, become part of the very campaign we quite genuinely deplore. For example: It has been obvious for some time that the American government disapproves of Israeli policy in the so-called occupied territories, especially the establishment of Israeli settlements therein. And surely, there is room for honest disagreement among friends. What I find disturbing—and what I have noted on previous occasions—is the form of American criticism of the Israeli settlements. The Secretary of State might have characterized them in any number of ways; he might have said that they were unreasonable, unwise, obstructionist, whatever.

Yet early this year, it became apparent that our State Department would place equal stress upon the presumed illegality of those settlements. Last February, the Secretary himself termed the settlements "contrary to international law," and so we asked, "what international law?" and the answer was the 1949 Geneva Convention on "civilian persons in time of war." Now that particular convention was drafted in the immediate aftermath of the second world war and is redolent with the imagery of Nazi barbarism. It speaks of "transfers" and "deportations"; it made those odious Nazi practices in occupied Europe illegal in an ex post facto way.

To criticize the settlements is one thing. To assert that Israel had somehow violated international law, and to cite as the law in question a convention provoked by the practices of Nazi Germany is something else and something appalling.

To resist the effects of the cynical Soviet campaign to equate Zionism with Nazism we must first perceive its essence, and we must organize a firm resistance and a spirited counterattack.

This morning's news reminds us that resistance can also have its effects. For the first time in four years, the international labor organization has refused to adopt a resolution embodying charges that Israel was guilty of "discrimination, racism and violation of trade union rights," in its administration of the West Bank. This time, the Soviet-Arab bloc did not have the support of many African and Third World States which had backed it hitherto.

The campaign to deface Israel as racist began in the ILO in 1974. Why then did the ILO yesterday choose to reconsider? I believe the policy of the United States had much to do with it. I was U.S. permanent representative at the United Nations, in November 1975, when the decision was taken to announce America's intention to withdraw from the ILO. It fell to me to draft the letter announcing our decision. It was a letter that said that we did not want to leave, but that we would do so if these obscene attacks on Israel did not cease.

We were not taken seriously—the attacks continued—until we actually departed. On the floor of the Senate last July, when the Senate affirmed that no American financial contributions would be given to the ILO—that we would indeed depart—I said:

. . . we helped create that organization before 90 percent of its present members existed as nations. But we will not submit to totalitarian standards of what is freedom and what is not. We will not submit to the politicization of an organization designed to help workingmen, not dictators. We have stated our purpose. We will carry it out. Let the world understand that the United States, with all its patience, has a limit.

Indeed, it goes back to what Ambassador Herzog and I sought to stress to the smaller and weaker nations of the world in late 1975. We warned them: We said that if they participated in a Soviet effort to debauch the language of human rights, they would sooner or later deprive themselves of the protections of the U.N. Charter for that language would lose its meaning also

Is that being learned now, in Geneva, as the deliberations of the ILO proceed? Is there a more sober assessment of Soviet intentions? Does the murder by pro-Soviet elements of Daud in Afghanistan or of Ali in South Yemen, have instructional value? Surely, the small countries, once so vocal against the United States, must see the Soviet Union and its agents destroy one government after another. And when they do few words of protest, few rallies, few demonstrations—and no resolutions at the U.N.—appear in condemnation.

The Arab and African world was acquiescent as the Soviets worked for the political isolation of Israel, seeing no threat to themselves in that. Now, they observe a resurgent Soviet expansionism; let them ponder it.

That, after all, would be the best tributes to Chaim Herzog: To be remembered not merely for who he is, for his outstanding personal qualities, his extraordinary courage—but for what he taught. To us, and to them.●

BONN ECONOMIC SUMMIT

● Mr. DOLE. Mr. President, the Bonn economic summit will convene in a few days to discuss proposals to shore up the world economy. One of the principal topics at the summit will be the pressure of oil imports on the U.S. trade deficit and the lack of an American domestic energy program.

EUROPEAN CRITICS

In recent months the European Community has criticized the Federal Government for not acting on the administration's energy program. The leaders of the EC are correct in stating that the United States is subsidizing oil consumption by holding domestic oil prices below world prices. However, they are wrong if they believe that the Congress is considering an energy plan. The fact is, the so-called energy plan is an ill-conceived tax scheme to punish American consumers. I suggest our European allies and trading partners carefully read the energy tax bill.

TAX PLAN

The centerpiece of the "energy plan"—the crude oil equalization tax—would tax the price of domestic oil up to world price. The natural gas users tax would tax consumption of industrial natural gas. There is also a tax on the size of cars. In fact, the entire bill is a collection of punitive taxes and inefficient tax credits.

COET IS DEAD

Mr. President, the Senator from Kansas stated publicly last January that COET is dead. I have not changed my mind. This tax—the second largest in the history of our country—will raise $15 to $18 billion a year for the Federal coffers. Under COET, it costs $47 to save a barrel of oil or over three times the world price. The crude oil tax is being pushed by the administration at a time when Americans all over the country are revolting over higher taxes.

OIL IS THIRD

Mr. President, recent Department of Commerce trade statistics show the United States imported 1.2 billion barrels of oil worth $15.9 billion in the first 5 months of this year. This compares with 1.34 billion barrels worth $17.6 billion for the same period last year. In the first part of this year, oil has dropped behind machinery and manufactured goods as our leading import. American purchases for foreign machinery and transportation products were $19.1 billion while imports of manufactured goods were $18.2 billion.

Mr. President, the Senator from Kansas hopes there will be positive results from the EC summit. However, I hope

our trading partners realize that the enactment of the Carter energy tax program would disrupt the U.S. economy. It would cause increased inflation and do nothing to increase domestic energy production.

Mr. President, a recent editorial in the Wall Street Journal makes some very incisive comments on the Bonn summit.

I ask that the text of that article be printed in the RECORD.

The article follows:

SLIPPERY SUMMIT

The collapse of public confidence in President Carter's performance, as evidenced by his record-breaking lows in the opinion polls, will not be reversed at the European "summit" meeting he will attend next week. Like the fellow who doubles his speed when he loses sight of his goal, Mr. Carter seems intent on pursuing strategies that the man in the street knows are destructive.

What is the point of the summit? To coordinate economic plans among the major industrial nations, we are told. What is the deal the Carter people are seeking? Our trading partners are asked to expand their economies, and in return Mr. Carter pledges austerity. Specifically, West Germany promises a $6 billion tax cut. Mr. Carter wants to promise that he will be successful in taxing the daylights out of the U.S. economy, specifically on its use of energy. What a deal.

The root of the problem is not that Mr. Carter turns out to be some kind of Manchurian Candidate, who somehow slipped into the Oval Office intent on perversity. It is that he continues to believe in the notion of resource scarcity. Amid a world-wide energy glut, Mr. Carter believes the world is running out of the stuff.

Not a cab driver in Brooklyn, not a steelworker in Buffalo, not a banker or businessman in Los Angeles believes this. Nor do we. The only substantial support Mr. Carter has is among people who possess energy amid the glut and would like to dispose of it before new producers find even more, which would be the inevitable result if incentives were restored to the independent oil and gas snoopers.

The centerpiece of Mr. Carter's strategy had been his energy bill, which in original form would have taxed American energy consumption so heavily that the citizenry would have to ponder life in the caves. The bill has been dead in Congress for months, but Energy Secretary Schlesinger still pretends it is alive by placing fresh flowers around the casket every day. Sen. Russell Long is to be congratulated for doing everything he can to kill it.

The people President Carter represents, the American people, want him to deregulate oil and gas, as he promised he would. Again, the evidence is the 2-to-1 margin in the opinion polls that widens month by month. Instead, Mr. Schlesinger talks about rationing two gallons of gas per motorist, slapping import duties on imported oil or dictating quotas.

All this to strengthen Mr. Carter's hand at the summit. The Europeans, the Carter people keep saying, are demanding that we do something about energy. These phantom Europeans, we suggest, should be produced in Washington. They should be invited to read the several hundred pages of fine print in Mr. Carter's energy bill before taking a walking tour of the fun house that would have to administer it, the Department of Energy. They would, we are sure, return to Europe and clam up.

There are no doubt Europeans who have been sold on the erroneous idea that the United States is subsidizing oil consumption by holding the price down via government regulation. They think this gives us a competitive edge that should be taxed away. But why should our President agree with the prescription, even if he accepts their view of the problem?

The Europeans would be just as happy with price deregulation. This would also "solve" their mythical problem, which derives from an unthinking belief that consumer prices on energy are set on an average instead of on the margin. But Mr. Carter thinks this will cost consumers billions of dollars that will go to energy producers, which he believes the American people would rather have going, in tax dollars, to building a bigger and better Department of Energy.

Our friendly advice to the President having been systematically ignored these past 17 months tempts us to replace advice to him with mere comment. But that would be giving up. Instead, we advise that he watch his step on that slippery summit. He has slipped a long way in the esteem of his constituents. But he can slide further still.●

GAO CALLS FOR CONSERVATION IN INDUSTRY

● Mr. KENNEDY. Mr. President, I call the attention of my colleagues to the June 30 report by the General Accounting Office, "The Federal Government Should Establish and Meet Energy Conservation Goals." It stresses the need for further Federal action to promote energy conservation and more efficient energy consumption, a policy which I have actively supported for 3 years.

The GAO report correctly points out that we have drastically underemphasized conservation programs in our national energy planning, in spite of major initiatives by two Presidents.

Two sections of the report deserve our special attention. The first deals with the crucial area of industrial conservation. As was evident during hearings held by the Subcommittee on Energy of the Joint Economic Committee, which I chaired last July, the industrial sector consumes 40 percent of all U.S. energy. It is the largest sector for potential energy savings, given effective conservation programs.

Yet the GAO tells us that present voluntary targets established for industrial energy efficiency are inadequate, and advises us to set up far more challenging efficiency goals. It also suggests that DOE should develop a standby set of compulsory efficiency standards, in case they are needed. Further, the report calls for better systems to monitor industrial conservation efforts. While I have set aside an earlier position favoring some compulsory standards, I recognize that the GAO recommendations have some merit.

Another important part of the report concerns mass transit. I have long been an advocate of increasing the availability of mass transit systems both to save energy and to create jobs and invigorate the economy. The GAO calls for increased levels of Federal financial assistance for mass transit. In particular, it says that we must improve cost-sharing benefits provided for mass transit in the highway trust fund, in order to encourage local governments to use trust fund money for mass transit programs. In the past unfavorable cost-sharing ratios have kept trust fund moneys spent by local governments on mass transit as low as 3 percent of the total funds available.

So the Members of the Senate may read the summary pages of this report, and the section on industrial conservation, I ask that these excerpts be printed in the RECORD.

The material follows:

THE FEDERAL GOVERNMENT SHOULD ESTABLISH AND MEET ENERGY CONSERVATION GOALS

DIGEST

Between 1972 and 1976 the rate of energy consumption decreased substantially because of supply disruptions, a recession, and increased prices. Many energy conservation actions taken by consumers during that period have not been sustained; current statistics show that the Nation's energy consumption is increasing.

The administration has proposed a national energy plan which highlights conservation. GAO previously reported that the plan's conservation provisions would not significantly reduce energy demand.

Energy conservation can contribute more to meeting the plan's goals. Its success will depend, to a large extent, on consumers' development of attitudes and habits which foster the efficient use of energy. In addition, for the specific actions undertaken by the Federal Government, the Department of Energy should—

Continuously assess each Federal initiative for what its contribution will be in meeting the short-, mid,- and long-term plan objectives, and

Develop sufficient standby initiatives and implement them in case ongoing programs and actions do not result in sufficient progress in meeting the established goals. (See p. 73.)

OVERALL RECOMMENDATIONS

GAO recommends that the Congress—

Equalize the Federal share of costs for mass transit projects undertaken with Highway Trust Fund moneys and Urban Mass Transportation Administration funds (where appropriate), and

Specifically include heat pumps as approved energy conservation measures eligible for the residential tax credit. (See p. 89.)

The Secretary of Energy should, by January 1, 1979, submit to the Congress an energy conservation plan which includes

Energy conservation goals by consumption sector, to help achieve stated national energy plan objectives;

Executive branch actions which constitute an energy conservation program needed to achieve the goals;

Milestones and a plan to continuously monitor and evaluate each portion of the energy conservation program's contribution toward meeting its goals; and

Proposals to try other methods in case the energy conservation program is not meeting the established milestones.

TRANSPORTATION

The Federal Government should take further action to reduce transportation energy consumption by encouraging

The reduction of annual miles traveled per automobile and increasing ridesharing and the use of mass transit,

The purchase of more efficient automobiles, and

An increase in the efficient use of fuel in the Nation's fleet of trucks. (See pp. 76 to 78.)

Maintaining the real fuel cost per mile at least at present levels would help assure that the potential energy savings from increased auto efficiency will be realized. (See pp. 15, 16 and 76.)

INDUSTRIAL

The level of energy consumption in the Nation is substantially affected by the industrial sector. The National Energy Plan includes three initiatives which could make industrial energy conservation investments more financially attractive—a 10-percent investment tax credit for investments in energy

conservation measures, an oil and gas users tax, and a crude oil equalization tax. A combination of the first two measures may result in additional efforts by industry to conserve energy by making energy savings investments more financially attractive. (See pp. 44.)

The existing Federal voluntary industrial energy conservation program is inadequate because of the lack of appropriate data to monitor industry's energy conservation progress and because the energy efficiency improvement targets as established by the Department of Energy do not sufficiently challenge industry to conserve energy. (See pp. 34 and 35.)

RESIDENTIAL

Conservation was partly responsible for the low growth rate in residential energy consumption between 1972 and 1976 Federal programs seem to have been somewhat successful in stimulating conservation activity (particularly in 1974) but more conservation activity will be necessary if substantial opportunities are to be realized. (See pp. 56 and 58 to 61.)

Existing Federal programs coupled with proposed National Energy Plan initiatives can result in greater realization of the energy conservation opportunities in the residential sector. Two additional actions could be taken to strengthen the conservation effort: (1) encouraging the installation of heat pumps and (2) intensifying efforts to encourage consumers to follow more efficient personal consumption patterns. (See pp. 61 and 89.)

COMMERCIAL

There is need in the commercial sector to make energy conservation investment more financially attractive, to eliminate master metering of commercial and apartment buildings, and to perform energy audits. The National Energy Plan included two proposals which directly focus on these needs: (1) a 10-percent tax credit for business investments in energy conservation measures and (2) the elimination of master metering in new structures. GAO supports these proposals. (See p. 71.)

RECOMMENDATIONS

The Secretary of Energy, after consultation with the Secretary of Transportation, should submit in his report to the Congress recommendations regarding additional financial actions that can be taken under existing or new legislation to encourage the use of mass transit. (See p. 79.)

The Secretary should also:

Monitor automobile fuel costs per mile and include, in his submission to the Congress, proposals to increase gasoline prices when fuel costs per mile decrease in real terms. (See p. 78.)

Monitor residential energy consumption and fuel prices and include, in his submission to the Congress, standby authority proposals to increase fuel prices when evidence indicates that residential energy consumption is increasing because of a decrease in real residential energy prices. (See p. 90.)

Discontinue the existing industrial energy conservation improvement targets program and, after considering the views of industry, implement a revised program to extend beyond 1980 which includes (1) establishment of an energy conservation goal for each industry, (2) development of an adequate measure of each industry's progress in achieving established goals, (3) establishment of specific milestones to assess each industry's progress toward the goals, and (4) development of standby authorities to implement if milestones are not being met. (See p. 84.)

AGENCY COMMENTS

The Department of Energy stated it basically agreed with the recommendations, except for those on industrial energy conservation. Its major concern is with GAO's implication that the targets are too low because more improvement in energy efficiency is technically feasible. (See p. 75.)

GAO believes that voluntary energy efficiency improvement targets should be established at a level which sufficiently challenges private industry to invest in cost-effective energy conservation measures. (See p. 87.)

The Department of Energy said that a fuel substitution strategy should be carefully considered as part of any broad-based energy conservation program and that substantial energy savings can be realized with regulated carriers. (See p. 74.)

GAO also agrees that the Nation will need to move toward the use of more domestically abundant fossil fuels to lower its dependence on imported oil during the transition to renewable energy sources. (See p. 75.)

The Department of Transportation said it was in general agreement with the objectives of the transportation energy conservation section of the report but that the recommendations needed to be more clearly delineated. (See p. 80.)

Transportation also stated there would be merit in recommending that any new initiatives be developed by itself, or jointly by itself and the Energy Department. GAO believes it is vital that the Energy Department be responsible for developing the overall Federal energy conservation plan. This will require that the Energy Department work closely with other appropriate Federal departments and agencies but will place the Energy Department in a position to assess the contribution each proposed initiative is to make toward achieving the overall Federal energy conservation goals. (See pp. 80 and 81.)

The Department of Transportation questioned the need for some of GAO's recommendations because of ongoing or proposed Federal programs—in particular, the proposed Highway and Public Transportation Improvement Act of 1978.

GAO supports new initiatives to increase carpooling activity and the use of mass transit. GAO is concerned, however, with the lack of an overall Federal energy conservation plan which clearly points out the interrelationships among various initiatives to achieve energy conservation. The Energy Department should focus more attention on the most important areas to pursue in the next few years. (See p. 81.)

Transportation stated that it disagreed with GAO's recommendation that the Secretary of Energy monitor automobile fuel cost per mile and include in his submission to the Congress proposals to increase gasoline prices when fuel costs per mile decrease in real terms. (See p. 81.)

GAO believes the potential seriousness of the impact of increases in automobile travel, which might occur as a result of future lower real fuel costs per mile, warrants preventative action. Otherwise, some of the energy savings to be achieved from more efficient automobiles could be lost. GAO's purpose is to maintain real fuel costs per mile at current levels for the next few years. (See p. 82.)

CHAPTER 4.—INDUSTRIAL SECTOR: STATUS, PROBLEMS, AND OPPORTUNITIES

The industrial sector, which includes private and governmental activities consuming energy in manufacturing, mining, construction, and agriculture, is the largest energy-consuming sector. The Federal Government has developed two major programs to encourage industry to voluntarily conserve energy. These programs are (1) a voluntary industrial energy conservation program, directed at all industrial companies, and (2) a voluntary energy efficiency improvement targets program, directed at the 10 most energy consumptive industries. The efficiency improvement targets program was authorized in the last 1975 Energy Act.

Federal programs

The voluntary industrial energy conservation program was initiated in late 1974 to persuade industries, through their trade associations, to adopt energy management programs and report achievements to the Federal Government. As a result of the program, at least 40 industry trade associations or other industrial representatives have reported energy efficiency data to the Federal Government.

Under the 1975 Energy Act program, DOE was to establish voluntary energy efficiency improvement targets for each of the 10 most energy consumptive industries. The targets, according to the act, were to be established at the level which represents the maximum feasible improvement over 1972 energy efficiency which each industry could achieve by 1980. Companies which used at least 1 trillion Btu's of energy a year and were among the 50 largest energy consumers in each industry were required to report annually to the Federal Government on the progress being made to improve their energy efficiency. This reporting could be either directly to DOE or through industry trade associations.

Final industrial energy efficiency targets for each of the 10 industries were announced in June 1977. The industries, ranked in order of energy consumption, and the final targets are shown below:

Industry and target (note a)	(Percent)
Chemicals and allied products	14
Primary metal industries	9
Petroleum and coal products	12
Stone, clay, and glass products	16
Paper and allied products	20
Food and kindred products	12
Fabricated metal products	24
Transportation equipment	16
Machinery, except electrical	15
Textile mill products	22

[a] The percent represents what DOE (then FEA) believed to be maximum feasible improvements over 1972 energy efficiency by 1980.

Industrial energy consumption and conservation since 1972

Energy consumption in the industrial sector since 1972, as reported by the Bureau of Mines, is shown below. The consumption shown includes energy lost in converting primary fuels to electricity.

Year	Consumption (in quads)	Percent of total U.S. consumption
1972	28.4	39.6
1973	28.7	39.1
1974	29.1	39.9
1975	26.0	36.8
1976	27.2	36.7

As shown above, consumption remained relatively stable between 1972 and 1974. In 1975, consumption decreased about 10.7 percent from 1974 levels and then increased by 4.6 percent in 1976. Industrial officials we talked with told us that the 1975 decrease in consumption was attributable to both a general decline in the economy and industry conservation efforts.

We agree that the downturn in industrial activity in 1975 directly affected the amount of energy consumed in that year. With regard to conservation efforts, our analysis of industrial energy conservation activity since 1972 at selected companies indicated that while most, if not all, companies had undertaken activities to conserve energy, for the most part these actions involved operational changes, such as reduced lighting, equip-

ment tuneups, repair of steam leaks, and other measures requiring little or no cost. The amounts of energy saved as a result of these actions could not be determined because either (1) energy consumption data collected by these companies were not in sufficient detail or form to make such an assessment or (2) the companies did not provide us with detailed energy consumption data because they said such data were considered proprietary.

Some companies we visited had made capital investments which increased the efficiency of energy use within their companies. Examples of these actions included installing heat recovery devices, changing manufacturing processes, and installing central control systems for efficient use of energy.

All companies did provide us with data indicating changes in energy consumption for some or all of the years 1973, 1974, and 1975 as compared to 1972. However, energy consumption in any one company can be affected by a number of factors, including the level of production, the types of products produced, the mix of fuels used, and energy conservation efforts. On the basis of data provided to us and the data which were reported to the Federal Government under the voluntary industrial energy conservation programs at the time of our review, the effects of any of these factors on changes in energy consumption could not be determined.

Company and trade association officials told us that the trends in industrial energy consumption between 1972 and 1976 resulted mostly from changes in levels of production. Although the level of industrial activity appeared to be the major reason for energy consumption trends, officials in all companies stated that energy conservation actions implemented by their companies also helped to reduce energy use during this period.

In the chemical industry, according to the Manufacturing Chemists Association (the industry trade association), there are three categories of energy conservation actions. These are housekeeping or operational changes, which require little or no cost; energy efficiency improvements in existing processes which require some capital investment and technical knowledge; and installation of new energy efficient processes which require substantial capital investment and a high degree of technical ability.

Officials of chemical companies we visited told us that efforts to reduce energy consumption through operational changes had been accomplished. In addition, these officials stated that some actions to improve the energy efficiency of existing processes had also been taken. Examples included the installation of energy demand control equipment, heat exchanges, and waste heat recovery systems.

In the steel industry, companies we visited had implemented various measures to use energy more efficiently. These measures included a mixture of operational changes, such as reduced lighting, and improvements in the energy efficiency of existing processes. In addition, two of the companies had established energy management programs to encourage employees to emphasize energy conservation in their areas of responsibility and assist in the identification of opportunities to achieve further energy conservation. In a third company, while all plants were directed in 1974 to form energy conservation committees, at the time of our review few had done so.

Beginning in 1973 all three automobile manufacturers we visited initiated corporate-wide energy conservation programs for managing, monitoring, measuring, and reporting progress in achieving energy conservation in plants and offices. In addition, each of the companies had implemented various conservation measures in their plants. Operational measures, such as reduced lighting, heating, and ventilation in offices, and improved maintenance of equipment, had been implemented in all companies. Conservation measures requiring capital investment also installation of waste heat recovery devices, elimination of the need for equipment because of engineering changes, and installation of central computer control systems to control energy use in processing operations.

While all cement companies we visited did not have formal energy conservation programs, information we obtained indicated that operational changes, such as reduced lighting and fine tuning of equipment, had been accomplished. In addition, all companies had changed from natural gas as primary fuel; one company had switched to residual oil and the others had switched to coal. However, the impact this change had on any company's total energy consumption appeared to be minor.

In addition to the four industries we visited, we recently reported on the effectiveness of Federal agencies in promoting energy conservation at Government contractors' plants.[1] In that effort we found that all contractors contacted had implemented some energy conservation measures. The types of actions taken generally included reduced lighting, changed thermostat settings, and reduced ventilation when buildings were largely unoccupied. We also found that relatively few energy conservation projects requiring capital expenditures had been implemented.

Impact of Federal programs

The Federal voluntary industrial energy conservation programs had not had a significant impact on the conservation activities of the major companies and industries which we visited. The primary reason was that the large energy consumptive industries generally had the knowledge and technical expertise concerning ways to conserve energy. This has been the type of information made available to industry through these programs. However, industry officials were in favor of these voluntary programs and some felt that they assisted smaller businesses to identify ways to save energy.

Industry officials we talked with did raise questions concerning the reporting requirements of the voluntary industrial energy efficiency targets program authorized in the 1975 Energy Act. These officials were generally opposed to any direct reporting requirement (not reporting through a trade association) because, they argued, (1) it placed an undue burden on companies to collect and report specific energy consumption data, (2) the data might be used to make energy efficiency comparisons between companies, and (3) differences between company operations would result in inaccurate conclusions being drawn from the data.

At the time of our review, energy consumption information was being reported on a total consumption basis as well as on a consumption per unit of output basis. The reported data generally did not reflect the impact of changes in the levels of production, a critical factor in assessing the reasons for changes in energy consumption. A reporting format for this program became effective in June 1977 which gave reporting companies the option of adjusting their energy consumption data to reflect changes in levels of production. However, initial response by companies indicated that many were not making this adjustment. Thus, energy consumption data which were being reported would be inadequate for monitoring energy use and conservation activities of industry, regardless of whether the data reported continued to be on an aggregate basis through industry trade associations or was reported directly to DOE from individual companies.

In addition to the lack of adequate data to monitor industry's progress in achieving greater energy conservation, we believe that the voluntary energy efficiency improvement targets which have been established do not sufficiently challenge private industry to undertake substantial energy conservation actions because the targets are likely to be achieved, to a large extent, through the accomplishment of operational changes requiring little or no cost. Of the "target supporting studies" for chemicals and allied products; primary metals; stone, clay, and glass; and transportation equipment (the industries which include companies we visited), two stated that housekeeping or operational changes were expected to provide a large fraction of conservation actions in 1980; one of these indicated that 80 percent of the target could be achieved by such measures. In addition, all of the target support documents we reviewed showed that the potential for technically feasible conservation actions was significantly greater than the established target.

For example, the target support document for the chemical and allied products industry, prepared by Battelle Columbus Laboratories, pointed out that economic considerations, such as fuel prices and availability of capital, rather than technological considerations, limit energy conservation in the short term. In addition, the target support document for primary metals indicated a technically feasible potential reduction in energy use by 1980 for this industry of almost 20 percent as compared to the final target of 9 percent. In the cement industry (a part of the stone, clay, and glass industrial classification), the target support document identified a technically feasible potential for energy conservation by 1980 of about 26 percent, whereas the target for the cement industry was established at about 16 percent. A similar situation was identified in the target support document for transportation equipment. A technically feasible potential for energy use reduction of 20 percent was identified, whereas the final target was established at 16 percent.

Why more conservative efforts have not taken place

Officials in all companies we visited were aware of additional ways to increase the efficiency of energy use in their companies' operations. In the steel industry, heat recovery devices, use of continuous casting, and installation of basic oxygen furnaces were mentioned as measures which would increase the energy efficiency of steel manufacturing. In the auto manufacturing industry, measures such as computerized central control and monitoring systems for facilities to optimize operations performance and startup and shutdown times, installing heat recovery devices, and new processing systems which require reduced temperatures for painting activities were identified as additional ways to conserve energy. Chemical industry officials identified heat recovery systems, laser applications in processes, and water cooling for large chemical storage tanks as additional measures which would conserve energy. In the cement industry/waste heat recovery, changing from a wet to dry process for producing cement, and replacing obsolete equipment were identified as ways to save energy.

While officials from all companies could identify additional ways to use energy more efficiently in their operations, they also identified problems and barriers which were precluding company decisions to achieve additional energy savings. The primary barriers, according to these officials, included low rates of return on energy conversation investments and requirements to meet environmental standards.

Low Rates of Return

Investments in energy-saving measures competed with all other projects in company decisions to invest capital. For the most part, those investments which offered the greatest

Footnotes at end of article.

financial return in the shortest time were selected. Company officials told us that current Federal regulations over the prices of oil and gas caused energy prices to be lower than they would be without regulation. Thus, investments with the primary purpose of saving energy often could not compete, on the basis of rate of return and payback, with other investments. Industry officials pointed out that even though energy prices have risen sharply in the last few years, the rate of return for many energy conservation investments is still not competitive with other investment opportunities.

A review of trends in industrial energy consumption, industrial output, and energy prices between 1950 and 1972 did not indicate any clear relationship between changes in energy prices and consumption. However, the data did indicate a general increase in energy efficiency as measured by industrial output per unit of energy consumed while energy prices, in real terms, remained relatively stable or increased slightly throughout most of the period. Because energy prices did not change as dramatically in the years between 1950 and 1972 as they did in the 1974–75 period, industrial response to the substantial changes in energy prices could not be determined.

Environmental standards requirements

Industry representatives believe current and planned environmental requirements—mainly for air and water quality—are constraints to conservation. Company officials pointed out that environmental standards were very strict and that capital investments were often necessary to comply with pollution control requirements. Therefore, according to company officials, capital was used to meet environmental standards rather than for investment opportunities, such as energy conservation measures. Moreover, these officials stated that equipment needed to meet environmental standards consumed additional energy.

Company representatives cited several examples where pollution control had a negative impact on energy consumption. In the chemical industry, for example, compliance with the Environmental Protection Agency and Occupational Safety and Health Administration standards required greater energy use. According to a Manufacturing Chemists Association 1975 report, participating companies would use approximately 1 percent more energy in 1975 to meet the air and water pollution control requirements.

In the steel industry, according to a Battelle study, control of air and water pollution had a significant effect on energy consumption and would require large amounts of capital. Battelle estimated that by 1980 energy consumed to operate air and water pollution control facilities would be about 4.5 percent of total energy used in the industry. This compared to estimates of the steel industry, which indicated that in 1976 energy consumed for pollution control amounted to between 2 and 2.5 percent of total energy.

EPA and OSHA officials agreed that some additional energy may be required to comply with environmental and safety standards. They advised us, however, that these impacts could have only minor effects in relation to a company's total operations and that industry had consistently complained about EPA and OSHA regulations as an undesirable Federal imposition. These officials doubted, therefore that this was a serious barrier to energy conservation.

We recognize that meeting environmental standards can require certain amounts of energy. However, we do not believe that the increased energy needed to operate pollution control equipment necessitates that a choice be made between using energy more efficiently and protecting the environment. We base this opinion on the industries' own estimate of the relatively small amounts of energy that would be needed for pollution control in the next few years when compared to the energy efficiency improvement goals which have been established for major industrial energy users, which would likely be achieved to a large extent by implementing basic operational changes and which are, as we have shown, only a fraction of the total available savings which could be achieved in any case.

Industrial conservation opportunities

Even though some energy was saved in the past few years from energy conservation efforts, substantial energy conservation opportunities still exist in the industrial sector. A number of studies, reports, and other published material in the last 3 or 4 years discussed various ways that energy could be conserved in American industry. In addition, industrial officials and trade associations we visited identified energy conservation measures which could be implemented to reduce energy consumption within their respective companies and industries. These sources of information are in general agreement that the areas where energy can be conserved include the recovery of waste heat from industrial activities, the installation of more energy efficient industrial processes, and continued efforts to make operational changes.

Estimates of how much energy could be saved industrywide in these three major areas vary. Studies which attempted to quantify these energy-saving potentials generally discussed energy-saving opportunities in specific industries or segments of industries to demonstrate the magnitude of energy savings available. The difficulty in identifying quantifiable potential energy savings industrywide results from the many different ways energy is used in American industry. Thus, the extent that energy-saving measures can and will be implemented is generally unknown.

Estimates of the potential energy savings attributable to the areas of waste heat recovery, industrial process changes, and operational changes as they relate to specific industries or groups of industries are discussed below.

Waste heat recovery

Good waste heat management systems can provide a means for industry to reuse much of its otherwise lost energy and thus reduce total consumption significantly. Waste heat recovery generally involves capturing heat from manufacturing processes using direct heat or process steam and recirculating it for some other use. For example, the chemical industry uses numerous direct fired boilers which produce steam. This steam could be productively used as an energy form in some other process, but because the cost and availability of energy has not previously been a problem in most instances, the steam is not currently being used. Further, cement companies require very high temperature heat in their kilns. Much of this heat escapes the plants into the atmosphere. For both forms of energy—process steam or direct heat—much of the heat is lost to the environment instead of being productively used for energy.

A joint FEA, National Bureau of Standards study[2] conducted in 1975 assessed the potential for waste heat recovery in the paper; food; stone, clay, and glass; and primary metals industries. The report concluded that with waste heat recovery equipment installed in a typical plant in these industries, about 20 percent of its annual energy needs could be saved. In addition, DOE estimated that 40-percent savings were possible in both a canning process in the food industry and a treating process in the textile industry because of the capturing and reusing of waste heat. These examples point out what we believe to be significant opportunities to conserve energy in industry through waste heat recovery.

Another method for potential large-scale use of waste heat in industry is cogeneration, a process by which (1) waste heat generated in making electricity is recycled and used in an industrial application or (2) waste heat from an industrial or fuel combustion process is recycled to generate electricity. The two common examples of cogeneration facilities are (1) a utility company which sells its waste heat from power generation for industrial, commercial, or space-heating purposes and (2) an industry which uses the waste heat of its industrial processes to generate electricity onsite for its own consumption or for sale to a utility company.

Estimates of fuel savings from industrial cogeneration vary although the energy savings potentials are significant—especially in the paper, chemical, and petroleum refining industries. For example, a preliminary study of the cogeneration potential for six major U.S. industries[3] prepared for DOE estimated a maximum feasible cogeneration development through 1985 of 1.6 quads to 3.1 quads of electrical energy. The pulp and paper industry is forecast to account for 48 percent of the total by 1985. According to the study, given some form of Government encouragement, energy savings of approximately 0.77 quads are possible by 1985.

Studies by the Ford Foundation,[4] the Dow Chemical Company,[5] and the Thermo-Electron Corporation[6] placed the range of fuel savings to be realized from cogeneration at 0.4 to 6 quads by 1985. Dow has further estimated the potential financial savings from reductions in capital construction costs and expenditures for electrical generation, due to cogeneration, from $2 billion to $5 billion annually over the period 1976–85 (depending upon the assumptions made in particular scenarios).

Despite the attractiveness of the energy-saving benefits from cogeneration, company decisions to realize these savings have been precluded by barriers of a technical, financial, institutional/regulatory, or attitudinal nature. Among the problems which have been identified are:

Technical:

Unsuitability of certain process steam supplies for cogeneration due to, among other things, small loads and low pressure.

Regional limitations to cogeneration due to fuel availability for gas turbine or diesel-powered systems.

Financial:

Failure of required high capital investment to meet return on investment criteria.

Shortage of equity capital which might require debt financing of cogenerating plants.

Electric rate structure inequalities.

Institutional/regulatory:

Uncertainties associated with regulation by the Federal Power Commission or State utility commissions of industries operating cogeneration plants.

Long and complicated approval procedures for inplant generating equipment by regulatory agencies.

Questions of ownership, e.g., legal feasibility of joint ventures.

Environmental issues surrounding electrical generation.

Attitudinal:

Unwillingness of industry to enter a new field (preference to purchase rather than generate electricity).

Anticipation of future low steam demand by industry management.

Unwillingness of utilities to accept intermittent generation on line, lose the industrial markets that they have served and to accept industry involvement in electric power marketing.

Footnotes at end of article.

Industrial process changes

Manufacturing process changes offer significant potential for reducing energy consumption in the industrial sector. However, in many cases, introducing an industrial process change is a long-term effort, interrelated with a number of factors; for example, technological, financial, and marketing constraints, such as capital costs to replace major equipment or change facilities; future availability of suitable fuels; research and development time required to commercialize processes; environmental constraints; and return on investment all impede the short-term development of more energy-efficient processes.

In several of the industries we studied, opportunities to improve the efficiency of energy use through process changes could be identified. In the cement industry switching from wet process to the more energy-efficient dry process kilns could save as much as 1 million Btu's per ton of cement produced.[7] Additional energy could be conserved through optimization of crushing equipment, use of preheater kilns, and installation of roller-mills.

In the steel industry important energy savings can be realized through continuous casting of steel. Battelle [8] has estimated that increased use of continuous casting of steel could save 60 trillion Btu's of energy a year between 1975 and 1980, or a total of 0.3 quads. As of 1975, only 6 percent of raw steel in the United States was continuously cast. The American Steel Institute forecasts that 22 to 25 percent of capacity will be continuously cast by 1985.

Examples of opportunities to save energy in other industries through process changes include improvements in the aluminum industry in conventional smelter technology as well as through new processes, such as an Alcoa aluminum chloride process, which could reduce the electrical input to aluminum production by 30 percent (or about 59 million Btu's per ton based on 1974 consumption). In the paper industry, the trend toward the increased use of the Kraft pulping process and increased use of sawmill residue and waste fiber as raw materials for making paper products could significantly decrease energy consumption per ton of product. For example, shifting from virgin to recycled newsprint made from waste newspaper could save 7 percent of the primary energy consumption per ton (or about 2.45 million Btu's per ton based on 1971 consumption).

Operational changes

Operational changes, or housekeeping and belt-tightening measures, involve conservation actions which result in energy savings in the short term and require little or no cost, such as thermostat adjustments, lighting level reductions, minor tuneups of equipment, and leak repairing. We have not been able to quantify how much energy would be saved industrywide through operational changes, although examples in specific industries and companies have been identified which demonstrate that more energy can be saved.

As previously discussed, all 12 of the companies we visited had completed, or nearly completed, some basic operational changes. However, on the basis of target support documents and progress reports on the 1980 energy conservation goals for industry, it can be seen that there is still room for operational improvements in major energy-consuming industries. For example, the paper industry achieved an overall energy reduction level of 3.5 percent from 1972 to 1976 with an additional 3-percent potential for conservation from operational changes alone projected for 1976 to 1980. A 9-percent target for conservation in the primary metal industries was set, acknowledging that a large fraction of that reduction would probably occur through operational changes. As of December 1976 only a 3.8 percent improvement in efficiency had been achieved by this industry.

The Department of Commerce and others have also found that many moderate and smaller size companies had not attempted operational changes, primarily becuse energy costs were minor when compred to other operating costs and because companies were not aware of energy conservation techniques.

In our report on energy conservation at Government contractors' plants,[9] we found that the potential for saving energy through additional operational changes was great. Our analysis of six contractors indicated a range of potential savings through operational changes alone from 4.7 percent to 14.8 percent of each company's 1975 total energy consumption.

The national energy plan

The administration's NEP included a number of proposed initiatives which should increase the level of industrial conservation by making conservation investments more financially attractive and by removing many of the existing barriers to increased cogeneration activity.

The NEP included three initiatives which could make industrial energy conservation investments more financially attractive. These initiatives include a 10-percent tax credit for investments in energy conservation measures, an oil and gas users tax which would be levied on the use of oil and gas by industry and utilities, and the crude oil equalization tax. In our report on the NEP,[10] we concluded that a combination of the first two measures may result in additional efforts by industry to conserve energy by making energy savings investments more financially attractive. We continue to support the general thrust of these proposals.

The NEP also included a number of initiatives in addition to the 10-percent tax credit for stimulating additional cogeneration of electricity and process steam. These initiatives included:

Permission for industries using cogeneration equipment to intertie with utilities transmission facilities to buy and sell electricity,

A requirement that FPC establish procedures to assure that rates for the sale and purchase of electricity between cogenerators and utility companies did not discriminate against the cogenerators, and

An exemption for industrial cogenerators from Federal and State public utility regulations.

In our evaluation of the NEP, we supported these proposals and pointed out that, if enacted, the proposals should effectively remove many of the existing barriers and constraints to increased use of cogeneration. We continue to support these proposals.

FOOTNOTES

[1] "Federal Agencies Can Do More to Promote Energy Conservation by Government Contractors," EMD–77–62, September 30, 1977.

[2] "Waste Heat Management Guide Book," FEA and National Bureau of Standards, 1975.

[3] "The Potential For Cogeneration Development In Six Major Industries By 1985," Resource Planning Associations, 1977.

[4] "A Time To Choose," Ford Foundation, 1974.

[5] "Energy Industrial Center Study," Dow Chemical Company, 1975.

[6] "A Study of Inplant Electric Power Generation In the Chemical Petroleum Refining And Paper And Pulp Industries," Thermo Electron Corporation.

[7] "Energy Conservation Potential in the Cement Industry," Federal Energy Administration, Conservation Paper Number 26.

[8] Potential For Energy Conservation in the Steel Industry," Battelle Columbus Laboratories, 1975.

[9] "Federal Agencies Can Do More To Promote Energy Conservation By Government Contractors," EMD–77–62, September 30, 1977.

[10] "An Evaluation Of The National Energy Plan," EMD–77–48, July 25, 1977.●

PATUXENT CONSERVATION PROGRAM

● Mr. MATHIAS. Mr. President, on April 20, 1977, President Carter announced the substance of his national energy plan to the American people. That night he called the energy crisis "the moral equivalent of war." Now, more than a year later, and 4½ years after the OPEC oil embargo, we still do not have an energy program.

But, fortunately, many organizations and individuals have not waited for a national program to be adopted. They are already far down the road to energy conservation. For example, the Patuxent Naval Air Test Center in St. Mary's County of my home State, Maryland, has instituted an energy conservation program with great success. Since the initiation of the program in 1974, electricity consumption has decreased by one-third and fuel efficiency has been increased by over 40 percent.

Conservation of energy has been achieved using a two-part program which combines operational improvement and consumer participation. Fuel consumption has been cut by renovating the center's hot water heating plant and carrying out an extensive weatherproofing program. Hallway lights are dimmed, and desk lights are diligently turned off when not in use; 8,500 new storm windows have been installed in office buildings, family housing, and test craft hangars.

The program, which is funded through the military construction budget, has cost a total of $2.7 million; benefits that have accrued from the conservation measures are diverse and substantial. Even during the frigid winter of 1967–77, Patuxent managed to save $116,000 over the amount spent during the comparatively mild winter of 1975–76. Finally, the sense of community that has arisen from this conservation effort has benefited all aspects of the center's life.

The Defense Department's determination to lead in energy conservation is clearly seen at the Naval Air Test Center at Patuxent River. The center has demonstrated that energy conservation is economical and feasible if everyone pitches into the effort.

Earlier this year, the Baltimore Sun described the Patuxent River conservation program in an article by Tom Horton. I ask that Mr. Horton's article, "Conservation Program at Patuxent Pays Off," be printed in the RECORD.

The article follows:

NAVY SAVES $116,000—CONSERVATION PROGRAM AT PATUXENT PAYS OFF

(By Tom Horton)

As Maryland and other states tentatively pursue the current national goal of a 5 per cent reduction in energy use by 1980, a Southern Maryland community is well on its way to slashing its energy consumption by 10 times that amount.

Perhaps it helps that the mayor of this community is known as "Admiral," and the head of the public works department is

"Captain," to the 7,000 persons who live and work there. The town is actually Patuxent Naval Air Test Center in St. Marys county.

Even so, much of what the Navy has done involves nothing beyond the scope of the civilian world. The major difference, it seems, is that they are doing it, not just talking about it.

"It takes money, sure, but we feel we can justify it with the pay-off in energy savings," said Capt. George Lake, the officer in charge of the station's $17 million annual public works budget.

Since it began a conservation program in earnest in 1974 the station has spent about $2.7 million, he said. The money comes through the Navy from a congressional energy conservation appropriation that requires a project to pay for itself in a maximum of 10 years.

Last winter, when the wind whistled off a bay and river frozen solid for weeks around Patuxent's shoreline, actual cash energy savings for the year were $116,000 over the previous year, which included a relatively balmy winter.

When that figure is adjusted to estimate what the icebox of 1976–1977 would have cost in energy consumption without a rigorous conservation program, the savings jump to nearly $677,000.

The interest in conserving at Patuxent, Captain Lake said, "came from dollars and cents. Our energy costs were going up and our operating budget wasn't.

"Patriotism is one thing, but bucks is another," the public works officer said.

Since 1975 the station has cut by 33 percent the electricity it buys from Southern Maryland Electric Co-operative, mostly through reduced use of lights and air conditioning.

And it has improved its fuel efficiency by 41 percent over 1975, largely through renovations to the boilers at its high temperature hot water heating plant and through an extensive weather-proofing program.

Two things are immediately noticeable on a tour of the 6,800-acre station with Captain Lake. Office buildings, family housing, even the giant test craft hangars, all have new storm windows—8,500 to be exact.

And no lights burn in any hallway. "Well, how much light do you need to see someone walking down a hall and get out of his way?" asked Captain Lake.

He is right. The hallways are dim, but adequate.

Reduction of lighting is carried much further than that.

The use of desk lamps rather than less efficient ceiling lights is encouraged in offices. Outside lights on the runways and hangar areas are kept turned off at night except for the minimum needed for security. Many lights have simply been removed, sockets and all, by Captain Lake's men.

"A side benefit to that," he said, "is I got a whole lot of spare light bulbs now."

Consumer education has been a large part of the program at Patuxent, whose work force is about half military and half civilian contractors. The station's paper, *The Tester*, runs graphs showing how much energy is being saved.

The reaction?

It hasn't been bad, but "well, they gripe about the heat, they fight the lights—I can't convince my own kids to keep the lights off," Captain Lake admitted. Office and residence temperatures are kept at 65 in the day and 55 at night.

The station has run no major incentive programs to encourage personnel to conserve, but Adm. James H. Foxgrover, the commander of Patuxent, is by all accounts a pretty fair incentive, walking through hangars, offices and barracks, turning down thermostats and flicking off lights.

"We have occasionally threatened to send squads around to the residences ticketing people who didn't conserve heat and light . . . but by and large, what we've achieved has been from people participating," Captain Lake said.

He feels the conservation program is "getting down to splitting hairs" as far as further big reductions are concerned, Captain Lake said, but he added that he feels another 10 to 15 per cent reduction is possible in the next five years.

To that end, the station projects spending several million dollars on a complete renovation of the heating system, and installing a computer system to turn heat off and on in many of the base's 700 buildings. Again, the projects will have payback periods of 10 years or less.

But he emphasized that it is the short term, quick-payback things that are crucial to the success of an energy conservation program. "You have to show some results fast to get the impetus to convince people to get started on long-range stuff," he said.

As examples of what Patuxent has done, he cited: weatherproofing with texture-coating and tape of all drafty, old buildings; insulating when it was necessary to break into a building wall for maintainance or other purposes; installing insulated tile drop ceilings in the office areas of the cavernous hangars, removing radiators from some buildings, and keeping warehouses at 40 degrees.

Even watercoolers are unplugged in the winter, since the water is already cold before it comes into them.

"It is small things like this, that may not represent a big dollar saving, that are important, because they make people feel like they are involved," pointed out William Frierson, head of the base's information office.

"People see a light left on where one isn't needed and it makes them apathetic," he said.

Fuel savings have been tried with the array of sophisticated aircraft that are the base's main business, Captain Lake said, but gains have been minimal there.

However, a motorized system for closing the five 25-ton panels on the large hangars at the base in 3 minutes—it used to take two persons and a tractor 18 minutes—shows considerable promise in saving heat.

"Long range, all I'm trying to do is keep pace with the rising cost of utilities," Captain Lake said. "If we can do better, fine." ●

THE CAMBODIAN HOLOCAUST

● Mr. PELL. Mr. President, on May 11, I spoke in this Chamber in support of the International Rescue Committee's appeal to President Carter to expand the Indochina refugee program to include Cambodian refugees in Thailand who do not have family or other ties with the United States. At that time, I pointed out that Cambodia has become the Auschwitz of Asia and that the refugees from this modern-day holocaust urgently need our help.

Mr. President, today I would like to share with my colleagues further information on what is happening in Cambodia which supports the urgency of the Cambodian refugees' need for help. Mr. Leo Cherne, chairman of the International Rescue Committee and cochairman of the recently formed Citizen's Committee on Indochinese Refugees, gave some very compelling testimony when he appeared on June 8 before a subcommittee of the House International Relations Committee.

Mr. Cherne's testimony is the most informative account that I have seen of the tragedy that is taking place in Cambodia and of why we must help the Cambodian refugees. Mr. President, I ask that Mr. Cherne's testimony be printed in full in the RECORD.

The testimony follows:

STATEMENT OF LEO CHERNE

A large part of the American people have recently been exposed to a nearly week long fictional depiction of the Holocaust. Unanswered questions throughout these years remain: How could a tragedy of that magnitude happen; How could people bring themselves to do such things; Why did not anyone interfere. Thousands of books have been written without altogether satisfactorily answering these questions except for two points on which nearly everyone agrees. (1) When tragedy is so huge it is extremely difficult to absorb and to accept as reality. (2) The second element which emerges and possibly the very practical answer for the people who knew and might have done something had other more immediate and, to them, more urgent things they were involved in. And apart from these questions concerning Indochina and the event of the last three years, we once again have the opportunity while comparable events in Cambodia are still in motion to seek answers to these questions.

Cambodia is the Auschwitz of Asia and what has happened and is happening there most nearly resembles the massive slaughter of the innocence in Nazi Germany.

To escape from Cambodia to the relative safety of Thailand involves such risks across terrain so difficult, so thoroughly mined and patrolled that it is remarkable that anyone would attempt it, let alone succeed. And yet each month about fifty Cambodians make their way to one of the four camps in which, by now some 15 thousand Cambodian refugees are concentrated.

The reason the number is even that size is that most of those in these camps fled Cambodia in the first months when escape of entire families were still possible. Regretably these earlier arrivals have been stagnating in those camps ever since.

But I must stress that ironically those who have left the worst hell of all among the Indochinese countries will be those who will be the least helped by the new parole when it becomes functional. The reason is simply that permission to come to the United States is granted in priority order: (1) To those who have close family relationships in the United States; (2) To those refugees who were directly employed by the United States Government. Few Cambodians qualify for either of these two categories. And these two categories alone will eat up virtually all of the Parole Numbers authorized by the new program.

And this in spite of the fact that the Secretary of State in the middle of March urged, as did the IRC's Citizens Commission on Indochinese Refugees when they returned from Asia a couple of weeks earlier, that the United States be the country of last resort for the Boat People and the Cambodian refugees. But somehow the Cambodians got lost in the shuffle.

Nothing quite disturbs me as much as the repeated question from the most responsible people, including many in the press and TV which question whether the events in Cambodia really happened. Among the reasons given for the skepticism is the question, How can we believe the stories told by refugees—they are bound to exaggerate, and may in fact have special reasons for having fled? Nothing so paralizes action as disbelief. I wonder whether we realize that among the unconscious reasons for our reluctance to believe massive tragedy is our sense that if we accept the reality, we have no alternative but to accept the responsibility to do something about that tragedy.

Therefore, let me quickly summarize why the events in Cambodia are simply beyond doubt. The events started with the expulsion of 3 million people from every city and town in Cambodia. There were American, European, Asian journalists, diplomats, doctors, nurses who were there at the time. Sydney Shanberg won a Pulitzer Prize for his magnificent first-hand coverage of that upheaval. I know of no such episode in all of recorded history. The sick, the old, the pregnant, patients in the midst of incompleted surgery—all without exception were required to leave immediately without food, water, or other provisions anywhere along the way during this forced march of about 65 miles into the jungle. For those who made it, no provisions, including shelter, awaited them. One can speculate only on the numbers of those who died in the process. The estimate then was that as many as 500,000 people could not complete that journey into hell.

We do have scores of broadcasts from radio Phnom Penh, a multitude of broadcasts from radio Hanoi, admissions from Cambodian Ambassadors stationed over seas. We have had a remarkably frank and detailed five and a half hour speech by the head of the Cambodian Government, Pol Pot, during his recent visit to Peking. We know that Cambodia has charged that several attempts have been made to overthrow the regime by Hanoi-trained members of the Khmer Rouge and it is Pol Pot who insists that all these have been eliminated. We know that there are no longer any universities or secondary schools anywhere in Cambodia. Pol Pot said so. We know that teachers, Buddhist monks, virtually all the educated, members of the previous military in Sihanouk's or Lon Nol's armies were identified for elimination.

We know that the number 2 man Khieu San Pan, gave an interview to an Italian family Publication on a visit to Ceylon, in which he said today's population of Cambodia is five million. It was over eight million in 1973. We know that distinguished scholars, totally opposed to American bombing and incursion into Cambodia and opposed to U.S. policy in Viet Nam, have reluctantly reached the conclusion that as many as two million have died in the course of these events. These are not American Scholars. We know the findings before inquiries that have been held in Canada and most recently in Oslo which without exception document the vastness of the tragedy.

But I raise one final question which to me is the most disturbing. Refugees, and thousands of them have been interviewed in detail and they tell the same story over and over about what is happening in the tiny communes and villages throughout Cambodia. If they are not to be believed because refugees distort and exaggerate, why is it we believe those who have fled Chile, whom we have helped, or Haiti, or the Kurds from Iran, or the Russian Jews from the Soviet Union, or the Czechs who had fled into Austria. Or the Ugandans who have fled Idi Amin's butchery? What is so unique about the Cambodian refugee that makes the dread events he has survived so demanding of our skepticism?

I will be showing this distinguished committee the two navigational aids used by a ship carrying 25 people who escaped from Viet Nam in February and with a great good fortune reached land deep down the Malaysian Coast. That fishing boat was less than thirty feet long. The skipper of that boat had as his only means of navigation to cross nearly one thousand miles of treacherous South China Sea, a very worn fragment of a map torn from a Geography book. That fragment is a little less than four inches long. It covers the Pacific Area from the Bering Sea to the Antarctic Ocean. The portion of the journey that they were navigating with this map covers a portion of that map the size of an aspirin tablet. The second they had was a pocket compass two inches in diameter. That 25 people risked their lives on reeds so flimsy is a measure of the desperation we are dealing with.

I am not insensitive to the fact that among over 100,000 refugees in Thai Camps there are more than 80,000 from Laos, including thousands of the Hill tribesmen who have for many years fought the Communist forces led by Hanoi. Their outlook for resettlement in Thailand is dim.

And the number of those Laos means only a fraction of them will benefit from the new U.S. Parole Program. In addition, of course, there are the thousands of boat people scattered across the shores of Southeast Asia. 10,000 boat refugees are at this moment in Malaysian boat camps. I am aware that for every parole number to a boat person or Cambodian refugee that there will be one more refugee from Laos who will continue to languish in the camps in Thailand. And they are the ones who arrived before last November, when Thailand declared that all further refugees would be considered illegal immigrants and subject to Forcible repatriation even at the risk of death in the country from which they fled.

The President on March 29 ordered that the necessary steps be taken to enable 25 thousand Indochinese refugees including those who have escaped by boat to resettle in the U.S.

It is now June 8 and the Attorney General has still not authorized this parole. I regret to say that just in the interval of this delay from the period March 29 until today more than 12 thousand additional desperate people have risked their lives and are now among those who have their eyes on us. Let me be frank with you. I have tried to study all the events involved in this Indochina convulsion. I have come to the reluctant but terribly pessimistic conclusion that we have yet to see the real meaning of the events which are now taking place or the magnitude of those events still to come and which already involve not only Vietnam, Cambodia, and Laos but China as well. And we have learned just within the past week that not only has Vietnam decreed the end of all small merchants and their hundreds of thousands of tiny businesses, shops, and stalls but we have learned in the past week that Vietnam intends to force ten million people from its cities in South Vietnam and to send them into the countryside. The methods the Vietnamese may use will be less primitive than those which Cambodia used in 1974 when they forced more than three million people out of Cambodian cities on a forced march into the countryside with only a moment's notice. But if the methods that the Vietnamese use are less primitive, their ultimate effect and human costs that will have to be paid to achieve it, will be very similar.

I dread raising this larger possibility before this committee because if we are unable or unwilling to deal with a tragedy of today's size, I fear greatly that my expressed concern will paralyze, not stimulate the necessary actions as I speak of events to come that may be many times today's size. And yet I must do so. The reason given by the Polish Jewish Poet, Edward Yashinsky who extracted this lesson from the Holocaust: "Fear not your enemy for they can only kill you. Fear not your friends, for they can only betray you. Fear only the indifferent, who permit the killers and betrayers to walk safely on the earth." ●

SAVING THE SOCIAL SECURITY SYSTEM

● Mr. HAYAKAWA. Mr. President, a very real problem facing this Nation is the long-range soundness of the social security system. Last year, Congress passed legislation calling for an additional $227 billion in social security taxes over the next decade. While this sounds like an enormous amount of money, actuaries warn that this figure may be small in relation to the amount it may actually take to cover the future liabilities of the system. Declining birth rates, the fact that people are living longer, and an ever-increasing amount of beneficiaries receiving benefits toward which they have contributed little or nothing, are among reasons given by the actuaries for their gloomy forecast.

The problems facing the social security system are of great concern to me. The Monday, July 10, edition of the Wall Street Journal contains an editorial which I would like to bring to the attention of my colleagues. It is titled "It Ain't Actuarially So," and highlights many of the things that have worried me about social security since becoming a Member of this body.

I submit the editorial for the RECORD.

IT AIN'T ACTUARILY SO

A polling organization once asked the general public what an actuary was, and received among its more coherent responses the opinion that it was a place where you put dead actors. The actuarial profession, which specializes in the recondite calculations insurance companies and pension funds make to balance their assets and obligations, bears this sort of thing with a patient shrug. It is not often in the public eye. It has inspired no television series.

Which is too bad. Consider the recent statement of the Social Security System's trustees—Treasury Secretary Michael Blumenthal, HEW Secretary Joseph Califano and Labor Secretary Ray Marshall—that the increase in payroll taxes our legislators decreed last year has "restored the financial soundness of the cash benefit program." No actuary would agree with this. As the trustees implicitly concede elsewhere in their annual report, the increase merely postponed an inevitable crisis. If the system is to avert ultimate catastrophe, more people in Washington are going to have to submit to actuarial discipline.

Social Security, of course, is not like a private pension plan. The contributions of the employed are not used to purchase assets the income from which will eventually be used to pay their benefits. Instead, the money is handed over with little delay to those currently retired, in the confident expectation that when today's workers quit, a new generation will have entered the labor market, ready and willing to pay taxes in the same good cause.

Congress, up until last year, had taken the blase attitude that it could promise lavish benefits and let future Congresses find the money. It broadened benefits to dependents and survivors to the point where today only about half the beneficiaries are actual retired workers. Disability retirement was liberalized, and has been growing rapidly. Benefits were "double-indexed" to both wage and price inflation in 1972 and began soaring upward when inflation took off a short while later. The declining birth rate, meaning fewer workers to support future retirees, was insufficiently considered. With money running out, Congress last year scrapped double-indexing and raised Social Security payroll taxes to the tune of $227 billion over the 1979–89 decade.

This staved off the problem, we were assured, until early next century. There would have to be new thinking then, to be sure,

because of that shrunken work force—indeed the trustees see payroll taxes soaring then to 17 percent to 20 percent of wages. But we are assured, more or less, of peace in our own time.

That, however, turns out to be another optimistic scenario. Some of the government's underlying assumptions are subject to professional debate, for example on future birth rates, death rates and medical costs. No one, alas, can forecast the course of inflation. Even apart from its self-confessed actuarial inadequacy, the system is thus highly vulnerable to unpleasant economic surprises. It was the unexpected 1974–75 inflation-recession, remember, which so quickly undermined the assumptions of 1972.

While $227 billion may sound large, it begins to look more and more like a Band-Aid when compared to the still looming multitrillion unfunded future liabilities of the system. Even the way Congress undid its 1972 double-indexing mistake was the more expensive of two choices; benefits will be keyed to wages, which means that the fruits of increased productivity will go to the retired along with protection from price inflation.

Still, Congress did recognize the disquiet among those whose business it is to consider such distant and complex matters by providing for the appointment of a National Commission on Social Security. It is to have nine members, two appointed by the Speaker of the House, two by the Senate and five by the President. We believe the commission must take a professional and radical look at the current system. It must review its ad hoc proliferation of benefits, its remorseless encroachment upon the tax base, its alarming instability during economic upheavals, and its commandeering of savings, which are consequently lost to productive investment.

At the moment, however, the commission cannot even begin work because the President has not gotten around to making his five appointments. If he is lulled into complacency by those assurances of "financial soundness," we can only suggest that he consult with a few hard-headed actuaries.●

DEFECTIVE ECONOMIC MODELS

● Mr. GARN. Mr. President, the inability of professional economists to predict what is going to happen in our economy reached such levels a few years ago as to make economics a laughingstock. To some extent that situation continues today, as economists tell us that tax cuts and tax increases will have no measurable impact on the economic activity of individuals. Economics has been called the dismal science, but what accounts for its dismal failures right now? To a great extent, Mr. President, it seems to me that economists are the prisoners of econometric models put together on the basis of faulty assumptions. Since these models are computer simulations, they operate under the well known GIGO rule: garbage in, garbage out.

Luckily, the accuracy of the models is now under heavy fire, with some indications that changes are on the way. They are long overdue.

A most useful discussion of the econometric models, their deficiencies, and what can be done about them, appears in the current edition of the fount of common sense, the Public Interest. The article, by Paul Craig Roberts, discusses three specific problems flowing from reliance on defective economic models:

First. The models exaggerate the net tax-revenue losses that result from cutting tax rates;

Second. The models lead to identification with tax rebates with tax cuts. Since rebates are ineffective, they give tax cuts a bad name; and

Three. The models underestimate the effects of massive tax increases, thus making such increases more likely. The President's proposed energy taxes are cited as an example.

I ask that the entire article be printed in the RECORD, and hope that all my colleagues will avail themselves of the opportunity to read it. If we are to formulate any kind of helpful economic policy, it is imperative that we become familiar with these arguments, and address them in our own budgetmaking.

The article follows:

THE BREAKDOWN OF THE KEYNESIAN MODEL

(By Paul Craig Roberts)

There is much talk these days about "the crisis in Keynesian economics." That some such crisis exists is evident from the bewilderment and impotence our economic policy makers are displaying in their confrontation with economic reality. But what exactly is the nature of this crisis? What went wrong and what can put it right?

The answer, I would suggest, is almost embarrassingly simple. Today in the United States, public economic policy is formulated in bland disregard of the human incentives upon which the economy relies. Instead it is based on the Keynesian assumption that the gross national product (GNP) and employment are determined only by the level of aggregate demand or total spending in the economy. Unemployment and low rates of economic growth are seen as evidence of insufficient spending. The standard remedy is for government to increase total spending by incurring a deficit in its budget. GNP, it is believed, will then rise by some multiple of the increase in spending. Keynesian economics focuses on estimating the "spending gap" and the "multiplier" so that the necessary deficit can be calculated.

This view of economic policy is enshrined in the large-scale econometric forecasting models upon which both Congress and the Executive Branch rely for simulations of economic policy alternatives. It is a view that is extraordinary in its emphasis on spending. True, it is obvious that if people did not buy, no one would produce for market. It also seems obvious that the more people buy, the more will be produced and, therefore, that the use of government fiscal policy to increase total demand will increase total production or GNP. All this is so obvious to Keynesians that they believe any fiscal policy that produces an increase in government spending, even a spending increase matched by a tax increase, will produce an increase in GNP.

The concept of the "balanced-budget multiplier" illustrates the primacy that Keynesians give to spending as the determinant of production. According to this concept, government can increase total spending and, thereby, GNP by raising taxes and spending the revenues. The reasoning is as follows. People do not pay the higher taxes only by reducing their spending (consumption); they also reduce their savings. Therefore, when taxes are raised, the decrease in private spending is less than the increase in government spending. Conversely, a cut in tax rates, matched by a decrease in government spending, would result in a reduction in total spending (i.e., saving would increase), a fall in GNP, and a rise in unemployment.

For years after the 1964 Presidential election, college students were asked a standard question on economic exams: What would happen if Barry Goldwater's prescription for a tax cut, matched by a spending cut, were implemented? They missed the answer if they did not reply that there would be a reduction in aggregate demand and, therefore, a fall in GNP and employment. Alas, for too many policy makers that is still the answer.

Since the "balanced-budget multiplier" implies that the greater the increase in taxes and in government spending, the greater the increase in GNP, it is a wonder no one ever asked what happens to production as tax rates rise. This question confronts economic policy with the incentive effects it has disregarded. It should be obvious even to Keynesians that when marginal tax rates are high, people will prefer additional leisure to additional current income, and additional current consumption to additional future income. As work effort and investment decline, production will fall, regardless of how great an increase there might be in aggregate demand. Such a recognition of disincentives implies a recognition of incentives, and Keynesians are gradually having to rethink the answer to their standard question about Barry Goldwater. Once one recognizes that people produce and invest for income, and that income depends on tax rates, one has reached the realization that fiscal policy causes changes not just in demand but also in supply.

THE ECONOMICS OF SUPPLY

The economics of spending has thoroughly neglected the economics of supply. On the supply side there are two important relative prices governing production. One price determines the choice between additional current income and leisure; the other determines the choice between additional future income (investment) and current consumption. Both prices are affected by the marginal tax rates. The higher the tax rates on earnings, the lower the cost of leisure and current consumption, in terms of foregone after-tax income.

As an illustration, consider the decision to produce. There are two uses of time—work and leisure. Each use has a price relative to the other. The price of additional leisure is the amount of income foregone by not working, and it is influenced by the tax rates. The higher the tax rates, the smaller the amount of after-tax income foregone by enjoying additional leisure. In other words, the higher the tax rates, the lower the relative price of leisure. When the marginal tax rate reaches 100 percent, the relative price of additional leisure becomes zero. At that point, additional leisure becomes a free good, because nothing has to be sacrificed in order to acquire it.

We often hear that a person works the first five months of the year for the government, and then starts working for himself. But that is not the way it goes. The first part of the year, he works for himself; he only begins working for the government when his income reaches taxable levels. The more he earns, the more he works for the government, until rising marginal rates discourage him from further work.

Take the case of a physician who encounters the 50-percent rate after six, eight, or 10 months of work. He is faced with working another six, four, or two months for only 50 percent of his earnings. Such a low after-tax return on their efforts encourages doctors to share practices, to reduce their working hours, and to take longer vacations. The high tax rates thus shrink the tax base by discouraging them from earning additional amounts of taxable income. They also drive up the cost of medical care by reducing the supply of medical services. A tax-rate reduction would raise the relative price of leisure and result in more taxable income earned and also in a greater supply of medical services.

The effect of tax rates on the decision to earn additional taxable income is not limited to physicians or to the top tax bracket; it operates across the spectrum of tax brackets. Studies by Martin Feldstein show that the tax rates on the average worker practically eliminate the gap between his after-tax take-home pay and the level of untaxed unemployment compensation he could be receiving if he did not work. In this case, a marginal tax rate of 30 percent (including state and Federal income taxes and Social Security taxes) reduces the relative price of leisure so much that, by making unemployment competitive with work, it has raised the measured rate of unemployment by 1.25 percent and shrunk GNP and the tax base by the lost production of one million workers.

It is useful to give another example to illustrate that it is not just the top marginal rate that causes losses to GNP, employment, and tax revenues by discouraging people from earning additional taxable income. Blue-collar workers do not yet encounter the top marginal tax rate (although if inflation continues to push up money incomes, and the tax-rate structure remains unadjusted for inflation, it will not be many years before they do). Nevertheless, the marginal tax rates that many blue-collar workers already face are high enough to discourage them from earning additional taxable income. Take the case of a carpenter facing only a 25-percent marginal tax rate. For every additional $100 he earns before income tax, he gets to keep $75. Suppose that his house needs painting and that he can hire a painter for $80 a day and hire himself out for $100 a day. However, since his after-tax earnings are only $75, he saves $5 by painting his own house, so it pays him to choose not to earn the additional $100. In this case, the tax base shrinks by $180—of which $100 is the foregone earnings of the carpenter, and $80 is the lost earnings of the painter who is not hired. (Also, the productive efficiency associated with the division of labor vanishes.)

Suppose, instead, that the marginal tax rate on additional earnings by the carpenter were reduced to 15 percent. In this case, his after-tax earnings would be $85, and it would pay him to hire the painter. The reduction in the marginal tax rate would thus expand the tax base upon which revenues are collected by $180.

Studies by Gary Becker have made it clear that capital and labor are employed by households to produce utility through non-market activities (e.g., a carpenter painting his own house). Utility produced in this way is not purchased with income subject to taxation. Therefore, the amount of household-owned capital and labor supplied in the market will be influenced by marginal tax rates. The lower the after-tax income earned by supplying additional labor and capital in the market, the less the utility that the additional income can provide, and the more likely it is that households can increase their utility by allocating their productive resources to non-market activities. A clear implication of the new household economics is that *the amount of labor and capital supplied in the market is influenced by the marginal tax rates.*

Now consider how relative prices affect the choice concerning the use of income. There are two uses of income, consumption and saving (investment), and each has a price in terms of the other. The price of additional current consumption is the amount of future income foregone by enjoying additional current consumption. The higher the tax rates, the smaller the amount of after-tax future income foregone by enjoying additional current consumption. In other words, the higher tax rates, the lower the relative price of current consumption.

Take the case of an Englishman facing the 98-percent marginal tax rate on investment income. He has the choice of saving $50,000 at a 17-percent rate of return, which would bring him $8,500 per year before taxes, or purchasing a Rolls Royce. Since the after-tax value of that $8,500 additional income is only $170 per year, the price of additional consumption is very low: He can enjoy having a fine motor car by giving up only $170 per year of additional income. This is why so many Rolls Royce are seen in England today. They are mistaken for signs of prosperity, whereas in fact they are signs of high tax rates on investment income.

A tax-rate reduction would raise the price of current consumption relative to future income, and thus result in more savings, making possible a growth in real investment. A rate reduction not only increases disposable income and total spending, *it also changes the composition of total spending toward more investment.* Thus, labor productivity, employment, and real GNP are raised above the levels that would result from the same amount of total spending more heavily weighted toward current consumption.

TAX CUTS AND REBATES

The econometric models upon which the government relies for simulations of policy alternatives do not take into account these supply-side effects on GNP of these relative price changes. Consider the alternatives faced by the Keynesian policy maker who wants "to get the economy moving again." His goal is to increase aggregate demand or total spending. How can he do this? He has the choice between the balanced-budget multiplier (i.e., increasing both taxes and government spending) or a deficit. He will discard the balanced-budget multiplier, because it is relatively weak and deficits are more politically acceptable than legislating higher tax rates. Having settled on a deficit, he has to choose how to produce it. He can hold tax revenues constant and increase government spending, or he can hold government spending constant and cut tax revenues. In the latter case, he has a choice between rebates and permanent reductions in tax rates. Wanting the most stimulus for his deficit dollar, he will ask for econometric simulations of his three policy alternatives: a tax rebate, a tax rate reduction, or an increase in government spending programs.

The simulations, all based on Keynesian assumptions, will show that a revenue reduction of a given amount, whether in the form of a rebate of personal income taxes or a reduction in personal-income-tax rates, will raise disposable income—and thereby spending the GNP—by the same amount. The policy maker may prefer the rebate for reasons of "flexibility." The spending stimulus may not be required in the following year, and, if it is, he has the option of providing it either by another rebate or by an increase in government spending programs. But on the basis of the econometric simulation, he will be indifferent as to the choice between rebates or rate reductions. As for his third option, an increase in government spending programs, the simulation may report that, dollar for dollar, an increase in government purchases (as contrasted with transfers) will have a more powerful impact on GNP because the government spends all of the money, whereas if it is returned to consumers they will save part of it. Based on the econometric simulation of his alternatives, he will conclude that there is no compelling economic reason in favor of any of the three, and he will make his choice on a political basis.

But the econometric models have misled the policy maker. Unlike a reduction in personal-income-tax rates, a rebate affects no individual choice at the margin. It does not change the relative prices governing the choices between additional current income and leisure or between additional future income and current consumption. It does not raise the relative prices of leisure and current consumption. Therefore, a rebate directly stimulates neither work nor investment. For any given revenue reduction, a rebate cannot cause as great an increase in GNP as a rate reduction, because it does not affect the choices that would cause people to allocate more time and more income to increasing production for the market.

An increase in government spending fares no better by comparison, and may fare even worse. It too fails to raise the after-tax rewards for work and investment. Furthermore, it increases the percentage of total resources used in the government sector. If the government sector uses resources less efficiently than the private sector, as seems to be the case, the result is a decline in the efficiency with which resources are used—which means GNP would be less than it otherwise would be. Yet the econometric simulations of the policy maker's alternatives will pick up none of the incentive and disincentive effects of these relative price changes. Instead, they focus on the effects of these alternatives on disposable income and on spending.

There are a number of adverse consequences of this extraordinary preoccupation with spending. One is that *the models exaggerate the net tax-revenue losses that result from cutting tax rates.* The only "feedback effect" on the tax base and tax revenues that they provide for is the expansion of GNP in response to an increase in demand. They do not provide for the expansion in GNP that results from higher after-tax rewards for work and investment. The supply-side "feedback effects" are ignored. Similarly, revenue gains from tax-rate increases will be overestimated, because the disincentive effects are left out.

A second consequence follows from the popular misidentification of a tax rebate as a tax cut, and from a similar tendency on the part of most policy makers to see rebates and rate cuts as variations of the same policy instrument. If Milton Friedman is correct that personal consumption is a function of *permanent* income, a temporary rebate has little impact even on spending. Thus, on the basis of experience with rebates, tax cuts *per se* might come to be seen as relatively ineffectual, leaving the field open to proponents of government spending programs.

A third consequence is that the true effects of large tax increases (such as the proposed energy taxes, or the $227-billion increase in the Social Security tax over the next decade) will not be accurately calculated. Policy makers see these tax increases as withdrawals from disposable income and spending, and their only concern is "to put money back" into spending so that aggregate demand does not fall. However, these tax increases change the *relative* prices and incentives of leisure and work, consumption and investment. They produce resource reallocations that have adverse implications for employment and the rate of economic growth. Yet the econometric models, as now constructed, flash no warning lights.

Consider what Arthur Laffer, in the *Wall Street Journal*, has called the "tax wedge." The Social Security tax increase provides a good example of this phenomenon. It is a tax on employment, and, as economists should know, a tax on employment will reduce employment. The employer's decision to hire is based on the gross cost to him of an employee. The employee's decision to work is based on his after-tax pay. We know that the higher the price, the less the quantity demanded, and the lower the price, the less the quantity supplied. The Social Security tax both raises the price to the demander and lowers it to the supplier. By increasing the Social Security tax, policy makers reduced

both job opportunities and the inclination to work.[1] They raised the cost of labor relative to capital for the employer, and they narrowed the gap between unemployment compensation and after-tax take-home pay for a wider range of workers. Since the revenues available for paying Social Security benefits depend on both the tax rates and the number of people paying into the system, the increase in rates will be offset to some degree by a decrease in the number of people paying into the system. It is hard to see how the Social Security system can be saved by decreasing employment, or how increasing the demand for unemployment compensation is likely to free general revenues for Social Security benefits.

"CROWDING OUT" INVESTMENT

There are at least two other important points on which economic policy is misinformed by the neglect of incentives and of choices made at the margin. One is the impact on GNP of reductions in the corporate-income-tax rate, and the other is the controversy over whether government fiscal policy "crowds out" private investment.

Simulations run by the Congressional Budget Office and the House Budget Committee on two of the three large-scale commercial econometric models show declines in GNP as a result of reductions in corporate-tax rates. In one of the models, corporate investment did not depend on after-tax profits in a very strong way, but was very sensitive to changes in interest rates. Since interest rates rise as the Treasury increases its borrowing to finance the deficit resulting from the tax cut, investment falls, and the model predicted a decline in GNP as the result of a tax-rate reduction that increased the profitability of investment.[2]

The other model predicted that a corporate-tax-rate reduction would slightly raise real GNP after a lag of a couple of quarters, but it predicted a lower nominal GNP for two years. Nominal GNP declined because the corporate-tax-rate reduction reduced the user cost of capital, the price mark-up, and thereby the inflation rate, thus lowering the nominal price level.

To the extent that Keynesians think about the "crowding out" of private investment by fiscal policy, it is in terms of upward pressure on interest rates as a result of government borrowing to finance budget deficits. They do not realize that investment is crowded out by taxation, regardless of whether the budget is in balance. To understand how, consider the following example. Suppose that a 10-percent rate of return must be earned if an investment is to be undertaken. In the event that government imposes a 50-percent tax rate on investment income, investments earning 10 percent will no longer be undertaken. Only investments earning 20 percent before tax will return 10 percent after tax. Taxation crowds out investment by reducing the number of profitable investments. When tax rates are reduced, after-tax rates of return rise, and the number of profitable investments increases.

So "crowding out" cannot be correctly analyzed merely in terms of events in the financial markets: "Crowding out" occurs in terms of real output. It is the preempting of production capacity by government outlays, regardless of whether these outlays are financed by taxing, borrowing, or money creation.

RESPONDING TO INCENTIVES

A concern with the supply-side effects of fiscal policy is incompatible with the concept of economic policy that currently reigns in the Congress and in the Executive Branch. Members of the House Budget Committee asked Alice Rivlin, Director of the Congressional Budget Office, and Bert Lance, then Director of the Office of Management and Budget, about the neglect of the incentive effects of tax-rate changes on supply and also about the econometric predictions that GNP would fall in response to a reduction in corporate tax rates.

Dr. Rivlin said that she and her staff had been "particularly troubled" by model findings that GNP declines if corporate tax rates are reduced. However, she went on to say:

Studies have generally found that tax-rate changes are less important than changes in the cost of capital and changes in levels of national output in influencing the level of investment. It follows that an investment tax credit or liberalized depreciation will increase investment more than a corporate-tax-rate reduction of equivalent revenue loss. While we do not believe that the corporate-tax-rate cuts reduce investment, it would not be surprising to find that tax cuts had only a minor expansionary effect.

The OMB staff reply to this question was ambiguous.

Both CBO and OMB realized that the question about incentive effects most fundamentally challenged their concept of economic policy. The comments of Rivlin, Lance, and the OMB staff all unequivocally acknowledged that the econometric models upon which they rely for guidance in the choice of economic policy alternatives do not include any relative price effects of changes in personal-income-tax rates. However, since they believe that the performance of the economy is a function of spending levels, not of production incentives, they expressed no concern over this neglect. They said that economic theory and empirical studies leave it unclear whether the neglected supply-side effects are important; regardless of how the issue is resolved, they questioned the practical importance of supply incentives for short-run policy analysis.

There are two parts to this argument. One is that it is unclear whether lowering personal-income-tax rates will increase or reduce work effort. The other is that it is unclear whether any incentive effects on work effect and investment would show up as quantitatively important in a short-run policy framework. The first proposition questions the existence of the incentive effects; the second questions whether they would be effective in time to deal with an immediate problem of economic stabilization.

It is easy to dispose of the latter point. The long-run consists of a series of short-runs. If policies that are effective over a longer period are neglected because they do not have an immediate impact, and if policies that are damaging over the longer period are adopted because they initially have beneficial results, then policy makers will inevitably come to experience, sometimes in the future, a period when they will have no solution for the crisis they have provoked. In the United States, that future might be now.

As for the first point, Rivlin acknowledged that a personal-income-tax-rate reduction raises the relative price of leisure, and that work effort will increase as people substitute income for leisure. This is known in economics as the "substitution effect," and it works to increase supply. However, Rivlin also said:

"It is also theoretically arguable that when a tax cut provides people with more after-tax income, many of them will *reduce* effort through what is called the income effect. For most people, leisure has some positive value, and it may even be a "luxury" good; these people could respond to a tax reduction by reducing their working hours, benefiting from more leisure time and still maintaining their after-tax income. For other people who like their work, there may be little or no labor supply response to the income *or* the substitution effect. In much of the United States economy, work weeks are fixed, leaving little possibility for individuals to make marginal adjustments in hours of work."

In other words, CBO believes that the "income effect" works to decrease supply.

Rivlin then went on to say that it was an empirical question whether the "income effect" offset the "substitution effect," referred to a narrow range of studies that left the question unresolved, and concluded: "In the range of policy options that we have been dealing with, I think the assumption that changes in marginal tax rates have no quantitatively significant effect on labor supply is quite plausible."

But the concept of a targeted or desired level of income unaffected by the cost of acquiring such income is foreign to the price-theoretical perspective of economic science. Rivlin's idea that people respond to a cut in income-tax rates by maintaining their existing income levels while enjoying more leisure implies that, if their tax rates went up, they would work harder in order to maintain their desired income level. Lester Thurow has actually employed this reasoning to argue for a wealth tax. According to Thurow, a wealth tax is a costless way to raise revenues because the "income effect" runs counter to and dominates the "substitution effect." He assumes that people have a targeted level of wealth, irrespective of the cost of acquiring it. Therefore, he says, a tax on wealth will cause people to work harder in order to maintain, after tax, their desired wealth level.

Note the perverse ways in which people respond to incentives and disincentives according to the Rivlin-Thurow line of argument: When tax rates go down and the relative price of leisure rises, people demand more leisure; when tax rates go up and the relative price of leisure falls, people demand less leisure. In economics, any time the "income effect" works counter to the "substitution effect," we have the relatively rare case of what is called an "inferior good" (i.e., people purchase less of it as their income rises). Since income is command over all goods, Rivlin's argument implies that all goods are inferior goods: A tax cut will cause people to purchase only more leisure, not more income (i.e., goods). What kind of people are these? Well, the only kind of people who fit this kind of economic analysis are people who respond to a monetary incentive in perverse ways.

Perhaps Rivlin merely meant to say that lower tax rates would allow people to have a little more income for a little less work. Even so, as long as she maintains that the "income effect" works counter to the "substitution effect," her argument carries the implication that goods in general are inferior.

A PERVERSE LOGIC

Whatever the weight one assigns this point there is a more fundamental defect in her argument. Notice the stunning inconsistency: People respond to a tax-rate reduction "by reducing their working hours . . . and still maintaining their after-tax income."

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[1] Theoretically, the effect on work effort depends on the present value of the Social Security benefits and taxes. If the increased tax means increased future benefits, the employee's work decision will take into account his increased future income, as well as his reduced current income. However, the recent changes in the Social Security law raised taxes and reduced benefits as a proportion of pay before retirement. As the *Wall Street Journal* put it, "the extra money will go to pay people now or soon to be on the retirement rolls, not to finance your own high living in the 21st century" (February 6, 1978).

[2] According to staff in the Office of Management and Budget, there have recently been changes in the model, but one can still get the perverse result because a reduction in the tax rate directly and substantially reduces multi-unit housing starts.

But it is impossible for people in the aggregate to reduce their work effort and maintain the same level of aggregate real income! If people respond to tax cuts by working less, real GNP would fall, and it would be impossible to increase real disposable income, spending, and demand in the aggregate. Rivlin's argument is directed against the effectiveness of incentives in raising aggregate output, but if she were correct, it would mean that Keynesian fiscal policy also is ineffective!

The fatal error in the Rivlin-Thurow argument can be put this way: It derives from trying to aggregate a series of partial equilibrium analyses (individual responses to a change in relative prices) and, in the aggregate, ignoring the general equilibrium effects.

There are various ways a non-economist can grasp this point. Assume that the government cut taxes and maintains a balanced budget by reducing spending. In this case, the higher income accorded the taxpayers whose rates are reduced must be matched by a negative impact on the incomes of recipients of government spending. Some or all of these may be the same people. Assume, for example, that both the tax burden and government spending are evenly distributed. In this case the "income effect" (the substitution of leisure for work) "nets out" for each individual. Since the aggregate income effect is zero, it cannot offset the "substitution effect" (the substitution of work for leisure).

If taxes are cut and government spending is unchanged (resulting in a budget deficit), the nominal disposable income of taxpayers as a group will rise relative to the nominal disposable income of the recipients of government spending as a group. The former will be able to bid real resources away from the latter. The real income gains of the former will be matched by the real income losses of the latter. Since the bidding will raise prices, the real income loss might be suffered by individuals who hold money. Regardless of who loses and who gains, the individual income effects "net out," leaving only the "substitution effects," which unambiguously increase work effort.

There can be no aggregate "income effect" unless the impact of incentives is to raise real aggregate income. Economic theory makes it perfectly clear that a tax-rate reduction will increase work effort and total output.

In the final analysis, Rivlin's argument is not that the supply-side incentive effects are unimportant, but the equally false argument that their impact is perverse—that is, only a tax-rate increase can produce a rise in real national income! She may not actually believe any such thing, of course—but that is where her reasoning leads her.

FROM ECONOMICS TO POLITICS

An economist might see the flaw in the Rivlin-Thurow argument, but it is not obvious to politicians. Take something simple, like Rivlin's assertion that a fixed workweek precludes adjustment of the labor supply to tax-rate changes. To an economist her assertion is obviously false, but to the politician it sounds reasonable enough. He will not realize that the "adjustments" will be reflected in absenteeism rates, turnover rates, the average duration of unemployment, labor negotiations for shorter work-weeks and more paid vacation rather than higher wages, and in the quality and intensity of work. Nor will he think of the entrepreneur who, because of high tax rates, loses his incentive to innovate—to make the economy itself (all of us) more productive.

Besides, one has to have an idealistic view of government to believe that politicians even want to know. The Keynesian concept of the economy is that of an unstable private sector that must be stabilized by fiscal and monetary polices of the government. This view has served as a ramp for the expansion of the interest of government. It has also served the interests of economists by transforming them from ivory-tower denizens to public-spirited social activists, a transformation which has much increased their power and enlivened their life styles. Unemployment can always be said to be too high. And the rate of economic growth can always be found to be below "potential." This means that there is always a "scientific" economic reason for expanding government spending programs that enlarge the constituencies of the Congress and of the Federal bureaucracy. From the standpoint of the private interests of policy makers, Keynesian economic policy will always be judged a success.

To write about all of the problems of econometrics and economic policy would require a book, not an article, but one other important problem must be mentioned in closing. Professor Robert Lucas has demonstrated that the standard econometric models assume that the structure of the economy remains invariant under wide variations in policy paths. What this means is that the models assume that people do not learn. But people do learn, and their expectations change as they experience various policies: They may not repeat the same behavior in response to the same policy at different times. Therefore, the policy simulation may always misinform the policy makers. This is not an optimistic note on which to end an article about public policy in a country that believes we need a great deal of it. But our faith in public policy has exceeded our knowledge, and we will find out that, in this area, there is no such thing as free faith.●

THE SENIOR CITIZEN INTERN PROGRAM

● Mr. ROTH. Mr. President, throughout my career in Congress, I have maintained an interest in the needs of the elderly citizens of our country. Their contribution to society and to the American way of life is invaluable.

In 1973, Congressmen HILLIS and Biester, and myself, established the senior citizen intern program. It has given me great satisfaction to see the growth and success of the program over the last 6 years. The initial participation totaled four Members of Congress who sponsored 11 interns. This past year was the largest program ever—107 Senators and Congressmen nominated 146 senior citizen interns.

The primary objective of the program is to provide an opportunity for America's elderly to observe and participate in government, especially the programs and issues that relate to the elderly. The interm program also allows for the Members to hear from the elderly first hand. The program is designed to provide the Members with an opportunity to gain a better understanding of the concerns of older Americans.

Interns serve as congressional staffers. The activities for their week long stay include researching subjects such as social security, housing, and medicare. The interns attend briefings by the Administration on Aging, HEW, and the Senate and House Committees on Aging staff. Additionally, the interns receive a special tour of the White House and a briefing by a member of the White House staff.

Perhaps the success of the program is best indicated by the comments the senior citizen interns, themselves, have made. As Jennie Kennedy, an intern in my office this past year remarked, I have learned a lot about the Government I never knew before. I am sure that I will take more interest in Government affairs from now on. Long may the intern program continue. And, as another intern, Roy Rudy, said,

I came with many questions but I find there is no simple answer to most of them. The meetings have been wonderful and enlightening—my only regret is I don't have two neads to remember all of the things I've heard.

I am happy to report the support of the program has become so widespread that on May 5, the Senate passed Senate Resolution 219, my resolution to officially establish a senior citizen intern program in the Senate. This action recognizes the importance of participation by America's elderly in government. It also serves as an example of the increasing awareness on the part of the Congress of the tremendous capabilities of older Americans.

The senior citizen intern program is just one example of the positive impact the elderly have on our lives. Their contributions and their assets to society cannot be overestimated.●

ALASKA D–2 LANDS

● Mr. HAYAKAWA. Mr. President, recently the St. Louis Post-Dispatch printed an article entitled "Senator's Alaska for Alaskans Campaign." The article refers to an Alaskan Senator fighting a lonely battle to achieve a compromise in the conservation-backed effort to set aside over 100 million acres of Alaska into parks and refuges.

I would like to emphasize that my distinguished colleague from Alaska is trying to achieve a compromise bill. The notion that d–2 is solely a battle of "development versus conservation" is oversimplified and must be rejected. If it were the simple question of development versus conservation I must ask you in which camp would one put cooperative management, recreational access, or subsistence?

The proposed legislation does not just create a few parks; in fact, I have been told that it would more than double our existing national park system. In this particular d–2 legislation this Congress has an opportunity to develop perhaps the most intricate and far-reaching land use plan ever. The bill stands to establish a precedent in nationwide land use policies for generations to come. I would hope that the Congress will see fit to act with logic and reason to pass a d–2 bill that encompasses a multitude of values important to the American people and to American's future.

I submit the article for the RECORD.

[From the St. Louis Post-Dispatch, June 18, 1978]

SENATOR'S ALASKA FOR ALASKANS CAMPAIGN

(By William K. Wyant, Jr.)

WASHINGTON.—Senator Ted Stevens, R-Alaska is fighting what he calls a lonely battle to achieve a compromise in the conservationalist-backed effort to protect about 100,000,000 acres of federal Alaska for parks and wildlife refuges.

A shrewd and resourceful advocate, Stevens does not give up easily. He called Secretary of the Interior Cecil D. Andrus to Capitol Hill June 8 and grilled him about the administration's "lobbying" and public information activities favoring the massive Alaska land set-asides.

"How can we justify this kind of propaganda campaign with public funds?" he asked Andrus.

Both Stevens and his Democratic colleague, Sen. Mike Gravel, are determined to block in its present form the Alaska national interest lands bill that passed the House overwhelmingly May 19, by a vote of 277 to 31.

The opposition of the two Alaska senators virtually guarantees a hard time in the Senate for the Alaska legislation, despite the fact that it has the strong support of President Jimmy Carter, the Interior Department and the conservationist community.

Gravel has said the bill is dead for the session because of a statement some weeks ago from Sen. Robert C. Byrd, D-W. Va., the majority leader, who said he did not intend calling it to the Senate floor if the Alaska senators were against it. Stevens would like to see an "honorable compromise."

"Those of us who want to work it out on a rational basis are sort of lonely around here," Stevens said in an interview. This dovetails with Sen. Byrd's suggestion last weekend that opposing sides get together and iron out something acceptable to the Alaska delegation.

Although Stevens uses the word "lonely" to describe his position, he is not without allies. He holds the post of minority whip, which gives him a small office near the Senate floor, and he is the ranking Republican on the House Appropriations Committee subcommittee that handles Interior Department affairs.

Sen. Byrd is chairman of the same subcommittee, indicating a relationship between Byrd and Stevens which provides the Alaska senator a measure of leverage so far as his state's affairs are concerned, and with the Interior Department itself.

The House-approved bill to which Stevens and Gravel object would protect about 101,000,000 acres of federally owned land in Alaska by making them parts of the "four systems"—that is, the national parks, national wildlife refuges, national forests, and wild and scenic rivers.

In addition, the bill would designate as "wilderness" about 66,000,000 acres in the four categories. This would include 43,000,000 in newly carved-out areas and 23,000,000 in existing federal park, refuge and forest lands in Alaska.

Stevens told the Post-Dispatch that he is confident that fully nine out of 10 Alaskans—the state has more than 407,000 people—are opposed to H.R. 39, the bill as it emerged from the House and went to the Senate.

Also against the Carter administration's Alaska plans are the State of Alaska, the Chamber of Commerce of the United States, a coalition known as Citizens for the Management of Alaska Lands, the American Mining Congress, the National Forest Products Association, the Alaska Oil & Gas Association, some labor unions and various other groups and individuals.

"We have in Alaska nearly half the federal lands in the whole country," Stevens said. As of three years ago, the U.S. government still owned nearly 97 percent of the state. That would change rapidly once the pending legislation is settled.

Under Stevens' counter-proposal introduced last year, the federal land to be put into the "four systems" would be reduced to 25,000,000 acres—about one fourth of the acreage in the House-approved bill—and about 140,000,000 acres of federal and state lands would be put into cooperative management for multiple use.

"We would be the only state with regional planning for the highest and best compatible uses," the senator said.

Stevens, who is 54 and was born in Indianapolis, is a graduate of the University of California at Los Angeles and Harvard Law School. He was a pilot with the Army Air Corps during World War II. He was solicitor of the Interior Department late in the Eisenhower administration.

In Stevens' view, the House bill's designation of millions of acres of national parks, forests and wildlife refuges as "wilderness" is inappropriate. He said this ought to be done, when and if it is done, in separate legislation and under procedures set up in the Wilderness Law of 1964.

"I think Alaska should not be treated differently from any other state," Stevens said. The wilderness designations involving roadless back country are controversial. Lands so protected are available for hunting and fishing but not for logging and various commercial uses.

The wilderness concept was championed by Interior Secretary Andrus Wednesday in an address to outdoor writers. As for locking up the land, he estimated that there would remain "enough of the state's 375,000,000 acres open to development to keep the builders and drillers and miners busy for many years to come."

Stevens complained that a whole generation of Alaskans coming into the state had not enjoyed access to lands, and prices had soared for what little is available. The oil and gas industry, he said, had been forced into premature offshore exploration because onshore land was not accessible.

The senator protested against what he regarded as incorrect or distorted information circulated by conservationist forces on the Alaska land issue, and the large amounts of money he said are being spent to put the Alaska lands bill across.

"We have the feeling," he said, "that because we are so far away from the rest of the country they don't listen to us. They listen instead to the effete rich who seek playgrounds in the wilderness."

What Alaskans are most disturbed about, said Stevens, is the total impact on their lifestyle that the House bill would make on various outdoor activities.

"I can't think of anything I have done with my kids in Alaska," he said, "which didn't involve use of federal lands. If H.R. 39 becomes law, we are going to have to have a permit from some land manager to do anything."

Corporate interests do not control Alaska, Stevens said. The state is ahead of the Lower 48, he said, in its land planning and cannot be shown to have abused its heritage. Yet Alaskans are being painted as villains.

"Those of us who want to preserve options for future generations are being portrayed as rampant developers," he said.

Stevens took issue vigorously with the idea, sometimes advanced by proponents of the Carter-supported Alaska bill, that Congress can always take back Alaska parklands if the national interest requires that they be exploited in the future.

"They are setting the stage for destruction of the very systems they pretend to support," he said. "If Congress, could reverse itself in Alaska, why could it not take the same action in Yellowstone, Grand Canyon or Redwood national parks?"

In Stevens' exchange with Interior Secretary Andrus before an appropriations subcommittee a week ago, Stevens charged that the department's promotion of the Alaska proposal violated a provision Congress put into the fiscal 1978 money bill.

"I don't think this department ought to be able—or any department ought to be able—to work up public opinion at the taxpayers' expense," Stevens said. He noted that such activity was forbidden on any legislative proposal on which congressional action was not completed.

Andrus stood his ground. He said he did not think the law or regulations had been violated. He also defended a planned July trip to Alaska, on which Andrus has invited media people to accompany him at their own expense.

"You are going to spoonfeed the press," Stevens said.

Andrus replied that 218,000,000 Americans had a right to know, and the objective was to enhance awareness of the Alaskan situation. He said he did not know what the press was going to write.

Later, in the interview with the Post-Dispatch, Stevens said he had handled Andrus more gently than he would have had it not been for the fact he represents Alaska and has a special interest in the issues. He is up for re-election this year.

"I would have skinned him alive," Stevens said.●

POPULIST RHETORIC AND CAPITAL GAINS TAXES

● Mr. GARN. Mr. President, President Carter has continued his exhortations to class warfare by attacking capital gains tax relief as "huge tax windfalls for millionaires and two bits for the average American." Like his earlier attacks on the oil industry, doctors, and lawyers, this one is woefully short on facts, commonsense, and good manners. Taking Carter's own analysis as accurate, the figures show that the "average American" would profit handsomely from the kind of tax relief called for in the Steiger-Hansen bill, which I have joined in sponsoring in the Senate.

The Wall Street Journal produced some sample figures totally destroying the President's argument that average Americans would not gain from this reform, but I would like to cite a source closer to home, lest the Journal be thought full of special pleaders.

The Washington Post carries a regular column by Bill Gold, called the District Line. It is generally about matters concerned with life here in the Nation's Capital, and it rarely dips into partisan politics. Over the years, Bill Gold has achieved a reputation for fairness and commonsense that would be hard to match, and which is greatly to be envied. In a recent column, Mr. Gold comments on President Carter's attack on capital gains tax reform. Before asking unanimous consent that the column be printed in its entirety, I would like to quote just the last paragraph from it, appropriating it as my own advice to the President on this and other questions.

Profit is not un-American, Mr. President. Gain is not a dirty word. When you take aim at those awful millionaires, please make sure you don't hit the little guys who elected you.

I submit for the RECORD the Bill Gold column and also a Wall Street Journal editorial on the same subject, and providing other specific examples:

[From the Washington Post, July 3, 1978]

DID YOU HAVE A CAPITAL GAIN? OH, HOW AWFUL!

(By Bill Gold)

President Carter's threat to veto a change in our capital gains tax rules was couched in trite political verbiage.

The president said, "The American people want some tax relief from the heavy burden of taxation on their shoulders, but neither they nor I will tolerate a plan that provides huge windfalls for millionaires and two bits for the average American."

The average American has not read the present capital gains law. He knows little about the changes Congress is discussing and thinks he will never be affected by the capital gains tax. So demagogic politicians find it easy to win votes by implying, "Us po' folks have got to gang up on them rich millionaires."

The truth is that millionaires can live without capital gains reform better than the average American. Millionaires hire tax counselors who know dozens of sophisticated ways to shelter income from taxation. They use real estate depreciation, depletion allowances, tax-free investments, personal corporations, private foundations and many other techniques.

The average American, on the other hand, is a lamb born to endure endless shearing. He can afford neither canny tax counsel nor the exotic tax shelters used by the Big Rich. The average American works for a paycheck. His employer's computer talks to the IRS computer. The government's searchlight is zeroed in on his income, and there is no place he can hide.

The average American tries to save a mite out of each deduction-riddled paycheck. When he manages to put something aside for his old age, he is likely to lend the money or invest it. He usually lends it to the government by buying its securities, or to bankers by opening a savings account, or to business firms by buying their bonds. But in time of inflation, lending money is of dubious wisdom. If the lender earns 8 percent interest and inflation erodes 8 percent of his principal, the lender doesn't break even, he loses. His interest income is taxed.

If the saver invests, he is likely to buy a house first, then shares of stock, perhaps in the business that employs him. Our tax laws are deliberately structured to encourage employee stock ownership plans.

It takes a long time for a house or a growth stock to produce a substantial gain, but if the investor has put his money into a good house or a good company, his investment may eventually increase in value.

If it does, in his old age he ought to be able to sell his stock and his house, move into an apartment or nursing home, and live out his remaining days in peace. But much depends on how his once-in-a-lifetime gains will be taxed.

The $15,000 house he sells for $75,000 produces a welcome profit, but a profit that would melt quickly if it were taxed as ordinary income. Considerably more than Mr. Carter's "two bits" is at stake here.

Long-term gains deserve, and are given, special tax treatment. However, our present law makes no distinction between assets held for one year and those held for 50.

Instead of addressing himself to this lapse, the president aimed a potshot at millionaires who make quick capital gains. What he hit were the long-term investments of the elderly.

Legislators aware of the illogic in the present law have suggested that tax rates be scaled to the period for which an asset is held. Mr. Carter has taken no notice of this reform.

Surely a widow who makes $60,000 on her house after 35 years should be taxed at a lower rate than a person who makes $60,000 in a single year; but present tax laws would give her only limited help. Surely a worker who retires after 35 years and cashes in his company stock or his profit-sharing should be taxed at a lower rate than a person who makes the same amount in the stock market in a single year.

But instead of attempting to remedy these inequities, the president used intemperate language calculated to turn capital gain into an epithet, as if it were an underhanded scheme to defraud the poor.

If Mr. Carter wants to do something constructive, he will send Congress a capital gains reform proposal more in keeping with his populist rhetoric of campaign days. The highest tax rate should be on assets held for only one year, the lowest rate on gains made over a period of 50 years. The years between 1 and 50 should be taxed on a sliding scale.

Profit is not un-American, Mr. President. Gain is not a dirty word. When you take aim at those awful millionaires, please make sure you don't hit the little guys who elected you.

[From the Wall Street Journal, June 28, 1978]

TWO-BIT POLITICS

In a press conference reminiscent of the "war profiteering" attack on the oil companies last fall, President Carter Monday aimed his populist heavy cannons at the Steiger amendment, calling it a plan that provides "huge tax windfalls for millionaires and two bits for the average American."

When you consider that 60-odd Senators and a sizable chunk of the House are backing the Steiger-Hansen capital gains rollback, the President's claim takes on a burden of political implausibility. Millionaires don't have that many friends in Congress in an election year.

Matters get worse for the President when you examine the numbers he used in support of his populist rhetoric. For example, he again trotted out the estimate that the Steiger cut would "add more than $2 billion" to the federal budget deficit. This is based on the improbable assumption that cutting the maximum capital gains rate roughly in half would not encourage people to take more capital gains. Considering the beating that assumption has taken from tax analysts and economists, we thought it had been hidden away in a dark closet somewhere. As we have said here before, a good case can be made that revenues would rise, not fall, because of renewed investment incentives.

We are newly fascinated by the President's assertion that 80% of the tax benefits from the Steiger cut would go to taxpayers who "make" more than $100,000 a year. We've learned what that $100,000 figure really means, and you don't have to be a big shot to "make" that much under the President's definition.

The $100,000 figure is what the Treasury has defined as "expanded income," a description developed by tax reformers some time ago for political purposes. Expanded income means ordinary income plus the full amount of any capital gain. Thus, it would be possible for a family with an ordinary income of $25,000 and a capital gain of, say, $75,000 on the sale of a long-term residence to be part of that illustrious group "making" $100,000. We wonder why that point wasn't made clearer.

As to that "average" American who only gets two bits from Steiger, it is certainly true that you have to have a capital gain to benefit from a capital gains tax cut. And when you average all taxpayers the average benefit doesn't look very large. Indeed, the yield to the Treasury itself from the capital gains tax isn't very large, particularly in relation to the damage the tax does to capital formation.

But none of this means that the Steiger amendment would not yield major benefits to ordinary, nonrich Americans who have to cash a major asset and find themselves, mainly because of inflation, realizing a sizable capital gain.

By way of illustration, we asked accountants Price Waterhouse & Co. and Oscar Pollack of the Ingalls and Snyder securities house in New York to work up some examples:

A New York cabbie paid $24,000 for his licensing medallion five years ago and now sells it for $58,000. His total long-term capital gain is $34,000. His earned income was $13,200, excluding the capital gain. He has a wife and two children. Under the present law his federal income tax liability would be $8,850. With the Steiger amendment, it would be $7,800, a saving of $1,050;

A California construction project manager and his wife, in their early 60s with a taxable earned income of $25,000, want to retire on a pension and Social Security. They sell their house and rent an apartment. They bought their house 20 years ago for $24,000 and now sell it for $100,000, for a long-term capital gain of $76,000. They don't qualify for income averaging because of higher earned income in prior years. Their total tax liability under present provisions would be $26,064. Under the Steiger amendment it would be $22,014, for a saving of $4,050;

An Iowan who helped build a successful hardware retailing business wants to sell his half-interest to his partner for $100,000. His original capital contribution was $10,000 and the full $90,000 difference qualifies as a capital gain. He will have investment income of $15,000 in the year he sells. He does not qualify for income average because of higher income in prior years. His present liability would be $25,650. His tax under Steiger would be $20,400, a savings of $5,250.

It will be noted that none of the above are millionaires. They are ordinary individuals forced by circumstances to take a capital gain in grossly inflated dollars, and who, under present law, would pay a heavy tax on inflation. Obviously, the Congress understands all this better than the President. Backers of the Steiger amendment might be forgiven if they categorized the statements at the Monday press conference as two-bit politics.

SOMETHING GIVEN BACK

● Mr. MATHIAS. Mr. President, in my time I have given a fair number of commencement addresses and I have listened to even more, as has every Member of this body. But I have never heard a talk as heartwarming and as evocative of all that is good in American life as that given at Dundalk Community College on June 4, 1978.

The commencement address was given by Ben Herman, who was raised in Dundalk and who returned to Dundalk after graduating from the Johns Hopkins University in order to "give something back to Dundalk." It is a lyrical description of how the close-knit fabric of small-town life sustains the human spirit.

Ben Herman's talk is an ode to the town of Dundalk and to the hardworking people of Dundalk. He said:

It was only years later in Sociology textbooks, that I discovered that all these men

who worked at the mill had labels. They were "blue-collar workers" * * * and Dundalk was "blue-collar country."

Mr. Herman recalls:

Over the years, I've heard the jokes, the wisecracks about this area. But I try not to bristle. I figure that the people who made those remarks really never knew Dundalk.

And then he goes on to describe the real Dundalk, where his uncle Sam was:

A Jew who lived with 17,000 gentiles and in those 14 years that I knew him, I only heard the steel men who crowded into his store treat him with respect and admiration.

Not all American towns can make that claim.

Mr. Herman speaks of the sons and daughters of these "blue-collar workers" whom he has taught and who have gone on to become writers, editors, lawyers, and bank managers. But he does not raise these "white-collar" workers up above the "expert mechanic" or the bricklayer. He respects and is proud of all the men and women of Dundalk in their rich variety and the breadth of their humanity.

As everyone may know from reading his commencement address, Ben Herman is a rare and remarkable man. And I know that Dundalk Community College and the members of its class of 1978 are enriched by having had him speak at their graduation.

I ask that Mr. Herman's commencement address at Dundalk Community College be printed in the RECORD.

The address follows:

GIVING SOMETHING BACK

Dundalk and its people have made me what I am today. And now that I have lived here for 50 years, I ask myself the question—what have I given back?

It's a simple question but an important one. I hope that when I have finished speaking, that question is answered.

In the late thirties and early forties, I remember sitting in my class at the Dundalk School watching workers begin to tear down Kimball's Mountain where this college now stands.

An endless stream of dump trucks would carry the red dirt from this mountain and dump it into the Patapsco. A new airport called Harbor Field was under construction.

I liked this nice modest, little mountain, but then the workers returned to the mountain. This time I watched giant yellow Caterpillars chew away at what was left of Kimball's Mountain to make room for this college.

I must be honest, I hated to see that mountain go, but I'm glad Dundalk Community College was the reason.

It's the best reason for tearing down a mountain.

I'm a native Dundalker and although I do not go back to the beginning in 1894, I go back pretty far.

One month after I was born in April of 1927, I was watching Lindbergh go down Dundalk Avenue in a caravan from Logan Field to Baltimore.

DUNDALK IN THE THIRTIES

A little village of grey stucco houses and sycamore-lined roads. Roads like Kinship and Bayship, and Portship.

Red 26 trolleys rumbling up and down the Patapsco Neck Peninsula and silver Pan-American clippers flying overhead.

In the late afternoon from a green bench in front of my uncle's confectionery store tucked away in the south corner of the Norris Building, I watched the red trolleys bringing the steel men home from Sparrows Point.

Wire mill men. Pipe mill men. Tin mill men. Blast furnace men. Men in blue work clothes carrying black lunch pails. Men with tired, grimy faces.

But it was the big, red-faced men with burnt cheeks and noses that fascinated me the most—the open hearth men.

It was only years later in Sociology textbooks that I discovered that all of these men who worked at the mill had labels.

They were "blue-collar workers". And Dundalk . . . Sparrows Point . . . Edgemere, the whole Patapsco Neck Peninsula was "blue-collar country".

Over the years, I've heard the jokes, the wisecracks, about this area. But I try not to bristle. I figure that the people who make these remarks never really knew Dundalk.

Let me tell you about one man who did know Dundalk; who understood it, appreciated it and came to love it.

Sam Berman. My Uncle Sam. A tall man in a straw hat. He'd take me on steamboat trips down the Bay to Fort Smallwood and Tolchester and Love Point.

At dusk, we'd steam home past the red fires of Sparrows Point and dock at Pratt Street. And in the evening when we'd arrive back in Dundalk on the red trolley, Uncle Sam would always say the same thing.

"Well, it's good to be back in God's country."—and he meant it.

He was a Jew who lived with 17,000 gentiles. And in those 14 years that I knew him, I only heard the steel men who crowded into his store treat him with respect and admiration. He was one of them.

Uncle Sam sold them Cokes and Camels and Mail Pouch and he gave the steel men a bonus—fascinating conversation. He was the best talker I ever knew.

My education began at my uncle's knee. I discovered the world in that little store.

The world of crime and politics. Uncle Sam told me about the kidnapping and brutal murder of the Lindbergh baby. He told me about "the Kingfish" Huey Long being gunned down in the State House in Baton Rouge. And about that "devil" named Hoover who once lived in the White House.

THE WORLD OF LITERATURE

My uncle would open his small blue book of poetry and soon I was riding along that ribbon of moonlight with the highwayman across the English countryside up to the inn; where dark-eyed Bess waited for him.

But most important of all Uncle Sam taught me what was important in life, what really mattered.

It wasn't the amount of money you had in the bank or how high you rose in the world. The important thing was what kind of human being you were.

Uncle Sam provided my informal education. Dundalk Elementary School, Sparrows Point High School and Johns Hopkins University provided my formal education.

The year 1950 was an important year in my life. It was the year I entered teaching. It was the year I began trying to give something back to Dundalk.

You might be interested in how I got into teaching. It would sound great to tell you that I had always wanted to be a teacher since I was knee high to a grasshopper.

The truth of the matter is I needed a job. So I paid a visit to a tall, stately lady with a grey upsweep hairdo over an ice house in Towson. That's where the Baltimore County Board of Education did its hiring back in 1950.

"Where do you want to teach?" she asked.

"Dundalk and vicinity" I said. I was being sneaky. I really wanted Dundalk but I threw in "and vicinity" so I'd get a job somewhere in Baltimore County.

Being assigned to the Dundalk Junior-Senior High School with Homer Elseroad as principal was one of the best things that ever happened to me.

I feel a little like a pioneer. I was with John Cassiday when the doors of North Point Junior High School opened in 1953.

I was with Paul Dowling when the doors of Patapsco Senior High School opened in 1963.

Let me say this. The Dundalk area over the years has been blessed with some of the finest principals and faculties anywhere.

And what about the students I taught from 1950 to 1970. We had all kinds. Those who loved school and those who hated school and many who hovered somewhere in between.

Those who hated school did not become dropouts. Rather, they were dropins. They'd come when the spirit moved them.

But they had to have absentee notes to get back in and one, I'll never forget. It was a gem.

It said simply: "Please excuse Orlando's not being in school as he had a frost bitten head."

In those days we worked hard and long and late with our students but it was worth it.

One went on to become an associate editor of Life magazine and the author of two books. Others became first-rate mechanics, bank managers, lawyers and politicians while others decided to become full-time mothers. All they did was to bring children into the world and try hard to raise them to be decent human beings.

And I'm proud of all of them.

Who was it I wonder who first started this business of ranking jobs in the order of importance? Now I know that the brain surgeon needs more training than the mechanic or the brick layer.

But I, who cannot drive a nail in straight, admire and respect those who can. I admire the man who can take bricks and build houses with them.

I admire the man who can look at my green Granada and in the flick of an eye tell me that my differential is dragging or that my universal is out of joint, or whatever terms they use.

But whatever you decide to do, do it well.

John Gardner in his book "Excellence" said it best: "We must learn to honor excellence (indeed to demand it) in every socially accepted human activity, however humble the activity and to scorn shoddiness, however exalted the activity.

An excellent plumber is infinitely more admirable than an incompetent philosopher. The society which scorns excellence in plumbing because plumbing is a humble activity will have neither good plumbing nor good philosophy. Neither its pipes nor its theories will hold water."

I wish you who graduate today, success in whatever you do.

I wish you the courage to pick yourselves up and start again if your world caves in an you.

I wish you good health and happiness.

And remember what your parents, your friends, and your teachers have given you.

And remember that the time will come when you should start giving something back.

I wonder if you can possibly imagine how excited, how pleased, and how proud I am to be here today.

To come back to this flattened mountain.

To stand before you in this handsome, new building.

To have another chance to try to give a little something back once more to Dundalk and its people.

You have honored me more than I can say with this inviation to speak to you today.

Thank you and good luck.●

THE DEBT LIMIT EXTENSION

Mr. HANSEN. Mr. President, today the Finance Committee held hearings on a bill to once again extend the limit

on the ceiling on the national debt. As Senators know, the permanent debt limit is $400 billion but for the last several years, we have steadily increased the so-called temporary limit. Today the Treasury asked for authorization to raise the limit to $851 billion for fiscal 1979.

Senator HARRY BYRD, distinguished chairman of the Subcommittee on Taxation and Debt Management of the Finance Committee, pointed out the growing press for balanced budgets. I wholeheartedly agree with the observations he makes, and I applaud his continued leadership in the area of debt limitation and reduced Federal deficits. He recognizes the need for financial integrity in the Federal system. I ask that his remarks before the committee be printed in the RECORD.

The remarks follow:

DEFICITS, DEBT AND TAXPAYER REVOLT

(Opening Statement by Chairman Harry F. Byrd, Jr., at hearing on Administration debt limit increase request before the Subcommittee on Taxation and Debt Management, Senate Committee on Finance.)

These hearings will focus on legislation to extend and increase the statutory debt ceiling.

The Federal debt is a consequence of accumulated and accelerated Federal deficits. Deficit spending is placing our government into debt at a rate of one billion dollars a week.

Government officials and the Congress would do well to heed the signal from California. The voters of California were sending a message with significance far beyond the question of property taxes in California. They were telling Washington that Americans are fed up with reckless government deficit spending, bigger government, high taxes at all levels, and the cruel tax of inflation.

Not only in California, but throughout the Nation, voters are beginning to demand a halt to runaway Federal deficits.

According to the National Taxpayer's Union, twenty-two of the required 34 State legislatures have passed a resolution calling for a Constitutional convention to consider an amendment requiring a balanced Federal budget.

These calls for conventions are passing rapidly and by wide margins. For example, in Kansas, the House voted 90 to 19 to approve the resolution, while the Senate almost unanimously approved it 38 to 2.

Nebraska approved its resolution 29 to 7; Georgia 156 to 11 in the House and 52 to 2 in the Senate. Elsewhere, the margins are just as impressive.

It is time for Washington to act to exercise fiscal discipline. By Washington, I mean both the Congress and the Executive Branch.

Year after year of excessively higher Federal deficits will cause the gross public debt to almost double from fiscal year 1972 through the end of fiscal year 1979.

The Federal funds deficit, which is the deficit for the day to day operation of the Federal government, excluding trust funds, is estimated to be at the second highest level in our Nation's history for both fiscal years 1978 and 1979.

Excessive government spending has serious adverse consequences for our economy and is a major cause of inflation which is eroding the purchasing power of all Americans.

The Administration is requesting a statutory debt ceiling of $771 billion for fiscal year 1978 and $851 billion for fiscal year 1979—thus forecasting an $80 billion increase in the national debt for the upcoming fiscal year.

DEPARTMENT OF JUSTICE AUTHORIZATION BILL

● Mr. WALLOP. Mr. President, when I left for Wyoming for the Fourth of July recess, there was no indication of when S. 3151, the Department of Justice authorization bill, would be called up. Indeed, four other bills were scheduled for action immediately following the recess. Yesterday, while I was in transit from Wyoming, the Senate laid aside the Military Procurement Authorization bill, one of the four bills which had been previously scheduled, and considered and passed S. 3151 by voice vote.

The CONGRESSIONAL RECORD contains a concise analysis prepared by Senator KENNEDY of the funding levels authorized by this legislation for the various divisions and programs within the Justice Department. In addition to the authorization provisions, the bill was amended by the Judiciary Committee to include a mechanism for the appointment of a temporary special prosecutor under certain specified circumstances. It would be worthwhile to explain the history and purpose of that amendment for the benefit of those who did not take part in the committee markup of S. 3151.

During consideration of the authorization bill, I offered an amendment which would have required the Attorney General to exercise his statutory authority (28 U.S.C. 543) to appoint a special prosecutor to investigate and prosecute, if warranted, the Bert Lance case and the circumstances surrounding the January 1978 dismissal of David Marston as U.S. Attorney for the Eastern District of Pennsylvania. When the amendment was offered, I indicated that it could be divisible, that is, applicable to either or both of these cases.

The need for the appointment of a temporary special prosecutor in the Marston and the Lance cases was brought out during hearings on the nomination of Benjamin Civiletti to be Deputy Attorney General. The in-depth inquiry into both of these matters revealed conflicts of interest at the highest levels of the executive branch—within the Justice Department and the White House—that jeopardized the independence of any inquiry conducted by the Justice Department. At a minimum, these cases seriously undermined the public's confidence in the Justice Department and served to perpetuate visions of injustice and special treatment by the Department. It was felt that in these two cases only a temporary special prosecutor would have the independence necessary to conduct the impartial investigations called for on the facts of these cases.

In committee, the discussion of this amendment moved from the specific to the general. Many members of the committee expressed the view that the general provisions of S. 555, the Public Officials Integrity Act of 1977, would provide the basis for appointing a temporary special prosecutor in cases such as the Marston and Lance matters. Referring to S. 555, Senator BAYH indicated that a special prosecutor would be triggered when certain circumstances, such as exist in these two cases, came about.

Under the guidelines of S. 555, the appointment of a special prosecutor would be triggered in two instances: First, when certain high-ranking executive department officials are alleged to have violated a Federal criminal law and, second, when a conflict of interest exists—that is, when the outcome of an investigation or prosecution may directly and substantially affect the political or personal interests of the President, Attorney General, or Presidential party.

Both principles apply in the Lance investigation. Conflicts of interest exist at the top levels of the Justice Department and at the White House. The President is a close personal friend of Mr. Lance. The Attorney General has excused or disqualified himself from the aspects of the Lance investigation dealing with the Bank of Georgia and the First National Calhoun Bank. In the Marston case, the conflict-of-interest rule would clearly trigger the appointment of a special prosecutor. The President and Attorney General were involved in the case from the beginning.

Senator ABOUREZK offered title I of S. 555, as passed by the Senate on June 27, 1977, as a substitute for my amendment. The committee adopted this amendment by a vote of 9 to 1, thus reaffirming its support for legislation which would trigger the appointment of a temporary special prosecutor in situations such as the Lance and Marston cases.

With the unanimous passage of S. 3151, the Senate has twice expressed its strong support for title I of S. 555, the temporary special prosecutor provision. I trust that the Senate conferees will retain this provision in conference with the House, and that the Justice Department will exercise its existing authority to appoint special prosecutors as the Senate has clearly indicated is its desire.●

GARN AMENDMENT ON ICBM'S

● Mr. GARN. Mr. President. For nearly 20 years the United States has maintained a triad of forces—strategic—silo based ICBM's, SLBM's, manned bombers.

But now an entire leg is approaching mass obsolescence—as currently deployed in fixed, hardened sites.

In focusing on this important question of silo vulnerability, our committee has been concerned whether or not we should go forward with a follow on ICBM, how it should be developed and procured.

I am confident that our service chiefs have been closely examining the technical aspects of these important decisions, however, the real questions that might need to be answered are:

What will be the requirements of our strategic forces in the 1980's/90's?

Will this posture be supportive of our foreign policy?

Will this strategic posture sufficiently deter the Soviet Union in crisis and conflicts in the 1980's/90's?

And how do the strategic forces contribute to that deterrence?

While we are debating these important questions in this country, we must bear in mind that:

Our strategic posture has to be relevant to Soviet anxieties—as defined by Soviet officials.

That our strategic forces must pose believable negative sanctions in the minds of the Soviets, and of imposing sanctions if need be.

Mr. Paul Warnke, who has testified before our Senate Committee on Foreign Relations, has stated that our country should not invest in strategic capabilities that mirror Soviet programs, if such programs are held by us to be undesirable.

While this—Mr. Warnke's statement—may be logical, we must develop programs that have high leverage in the estimation of the Soviets.

Today, the overall health of our strategic forces and the strategic nuclear balance is essential for effecting our U.S. foreign policy and defense policies as a whole.

In the past, our country has certainly enjoyed the perceived status of the strategic nuclear balance that has allowed the continuity of our deterrence.

But today, all would agree that the trend in the balance is changing.

That our credible threat is changing.

That this deterrence to control crisis around the world, fast buildup in time of crisis, and the terms of settlement in a crisis are changing.

Today, it is important that our strategic nuclear forces stay credible so that we can control the process of escalation because we have a foreign policy requirement that our strategic nuclear forces stay credible in order to effect our day-to-day diplomacy.

Nobody would disagree to the importance of these forces in that SALT is at the forefront of East-West diplomatic actions today.

SALT is reflective of our state of relations with the Soviets.

Today, the Soviets pose a credible threat to our ICBM force.

Soviet modernization program—4th generation—16, 17, 18, 19's—and replacing these on a modernization program of 125–150 per year.

Fifth generation is nearing flight test development stage.

The SALT agreement being negotiated will not guarantee the survivability of our silo based ICBM's.

SALT I supposedly was an arrangement where the United States gave up our ABM technology, in return for Soviet slow down of offensive threat to our ICBM silos. This did not work. It did nothing to slow down Moscow's qualitative improvements.

The time has come to fully evaluate our strategic direction in the critical strategic balance: cancellation of the B–1; closed the MM line; MX timetable slippage; cruise missile program confined to airborne platforms/range restrictions in SALT; and a possible comprehensive nuclear test band.

We cannot address the problem of silo vulnerability in SALT because it is not perceived by Moscow as a common concern.

It cannot become a problem that would be addressed in SALT until it is approached as a defense policy problem.

Mr. President, one may ask what the ICBM force contributes to the well-being of our strategic Triad? Most accurate, most reliable; most easily commanded; most flexible for diverse employment; bombers/cruise missiles slow to reach their targets; and SLBM's are less accurate than ICBM's, cannot receive firing instructions at depth and are on station only 40 to 50 percent of the time.

But most importantly, maintenance of the ICBM in the strategic Triad, this will force the Soviets to a wide dispersion of their defense investment, preparation, attention, and makes complex the Soviet defense problem and is more stabilizing than a dyad of forces—bombers and SLBM's.

I believe that a viable ICBM modernization program will: Support our foreign policy; is inherent for a viable, survivable land based missile force—this force would strengthen our deterrence; it would increase Soviet attack uncertainties—thus promoting stability; would give us some breathing room to evaluate the needs for restructuring our strategic forces in the future—the modernization program effort would be the appropriate response to a threat to our silo based ICBM force; and would provide a major incentive for a substantive SALT III agreement.

BACKGROUND OF THE ISSUE

In fiscal year 1977 the Senate Armed Services Committee recommended a deletion of $32.4 million from the $84 million requested for the advanced ICBM technology—MX—program. This recommended funding reduction was designed to insure that MX did not go into full scale development before the Department has resolved the contradictions in its testimony about future ICBM capability and had demonstrated a clear need for a particular basing alternative. Accordingly, the Secretary of Defense was requested to undertake a comprehensive study of the future of our ICBM force and its role in our national strategic posture. The committee further requested that the Department report the results together with appropriate conclusions and recommendations coincident with submission of the fiscal year 1978 military procurement authorization request.

The conferees agreed to this review with the stipulation that it be accompanied by a statement from the President certifying that the study reflects national policy. In disregard of this request, the Department of Defense failed to forward this review with the fiscal year 1978 authorization request.

In fiscal year 1978 the Armed Services Committee reaffirmed its conviction that our deterrent depends on the continued survivability of our Triad of strategic forces. Of particular concern was the need to insure the survivability of sufficient ICBM forces against potentially future threats. The committee requested that a comprehensive review of the future of ICBM's and the President's certification that the report represent national policy be forwarded as requested in fiscal year 1977.

Unfortunately, this review was not submitted with the fiscal year 1979 authorization request.

The R.D.T. & E. Subcommittee recommends this year that language be included in the fiscal year 1979 committee report that states:

As the future survivability of our ICBM forces is a key question facing the United States, unnecessary delay in deciding whether or not to proceed into full scale development of a mobile missile is unacceptable. In this regard, the Secretary of Defense is requested to present to the Committee . . . the decision of the Administration on this matter.

The recommended language also requests the results of the comprehensive study of the future of our ICBM force previously requested by our committee in fiscal year 1977 to 1978.

THE AMENDMENT

In light of past performances of the Department of Defense in complying with this committee's requests on various subjects, I believe a stronger, more positive stand must be taken on this issue. Therefore, my amendment would accomplish the following:

This amendment mandates that the Secretary of Defense conduct this ICBM study of national and strategic importance where heretofore the Department has exercised disregard of similar congressional requests.

This amendment recognizes the committee's requirement to assert in bill language rather than report language the vital necessity for a decision as to the role ICBM's will play in the future of our strategic TRIAD of forces.

This amendment simply takes report language from Senator McINTYRE's R.D.T. & E. Subcommittee and places the requirement in the form of bill language.

This amendment in no way prejudices the matter of whether or not we need the MX, but requires a decision on full-scale development prior to September 30, 1978.●

SENIOR CITIZEN INTERN PROGRAM

● Mr. BROOKE. Mr. President, I was privileged to cosponsor Senate Resolution 219 passed last May to provide for a congressional senior citizen intern program. And I am delighted that the program was once again so successful. Since its inception 6 years ago, the program has earned the respect of many Senators and participation in the program has increased substantially. In 1973, the year the program was introduced, there were only four Senators sponsoring 11 interns. This year, there were a combined 103 Members of the Senate and the House of Representatives sponsoring 146 senior citizen interns.

The program's success can be attributed not only to the desire of the Congress to emphasize the capabilities of senior citizens and to put itself more directly in touch with the issues confronting the elderly, but also to the high degree of

public participation and civic-mindedness of our older Americans.

I found the senior citizens intern program to be extremely educational and instructive for both Senators and for the senior citizen interns. And I am certain that the two senior citizens who participated in the program in my office—Mr. and Mrs. Harry Nadler of Lynn, Mass.—represent the high interest and concern of all our senior interns.

For 2 weeks, Mr. and Mrs. Nadler were involved in a variety of activities to familiarize themselves with the Federal Government and the way in which it operates. In addition to assisting in the daily responsibilities of the legislative office, they attended a series of hearings on subjects related to the elderly.

These hearings were chaired by individuals in Washington both within the Government and within private industry who are experts in the affairs of older Americans. The subjects discussed included social security benefits, medicare and national health insurance programs, nursing homes and long-term care, and ACTION programs. The senior citizens participating in the intern program also took part in discussions on such issues of concern to the elderly as transportation, crime, housing, tax policies, energy and physical fitness.

According to Mr. and Mrs. Nadler, they will convey the information they learned while in Washington to other older citizens in Massachusetts. And, they will mobilize their friends to take a more active role in determining the programs which do so much to improve the quality of their lives. Thus, by providing the Nadlers and almost 150 other older Americans with a knowledge of our Federal programs for the elderly, we are indirectly aiding many thousands of other senior citizens throughout the country who were not able to participate directly in the program this year.

Because Mr. and Mrs. Nadler have been involved in the volunteer meals for the elderly program and because they were appointed representatives of the local title VII project council, they are in an excellent position to communicate their newly acquired knowledge to their friends in Lynn and to provide updates of Federal programs to interested senior citizens.

The commitment which Mr. and Mrs. Nadler have toward helping other older residents in Massachusetts was evidenced from the letter they sent to my office when they first applied as candidates for the senior citizen intern program. They wrote in part:

> We are aware that there are many issues facing Senior Citizens, and we feel that the Washington experience would contribute immensely to a more knowledgeable understanding of the many matters facing us both locally and nationally. Furthermore, participation in the Intern Program would better tell us what we can do about the problems we face.

Mr. President, through the senior citizen intern program, each participating Senate office has acquired a keener appreciation of the problems afflicting the elderly in its State and throughout the Nation. The knowledge which I obtained will be helpful to me in my work as a member of the Senate Special Committee on Aging and in my other committee assignments. And the increased sensitivity which every Senator taking part in the intern program has received will prove advantageous for all of us in the Congress in passing future legislation to aid the elderly.●

THE UNITED NATIONS CONFERENCE ON SCIENCE AND TECHNOLOGY FOR DEVELOPMENT

Mr. PERCY. Mr. President, last week, when the Senate considered the State Department authorization for fiscal year 1979, a small but significant amendment was offered by Senator McGOVERN on his own and my behalf. This amendment expresses the support of the Congress for the upcoming United Nations Conference on Science and Technology for Development and urges the U.S. delegation to put forth innovative proposals to facilitate science and technology transfer from developed to developing nations. Due to the cooperation and support of my distinguished colleague from South Dakota, this amendment was successfully incorporated into the State Department authorization.

The United Nations Conference on Science and Technology for Development (UNCSTD) could potentially usher in a new era of development collaboration and understanding between industrial and Third World nations. It could provide the impetus for a series of new international initiatives designed to eradicate the crippling effects of hunger and underdevelopment which plague so much of the Third World.

Senator McGOVERN and I introduced this amendment in the hope that, by so doing, we could help assure the success of this vital international conference. Ambassador Wilkowski, coordinator for the U.S. delegation to UNCSTD, shares this hope. In reply to a recent letter from me, she wrote that she was very encouraged by the amendment and felt that it could be extremely helpful to the U.S. delegation in a number of ways.

Mr. President, science and technology are the keys to eradicating hunger and poverty in developing nations. It is a fact of life that we and the other OECD countries possess almost all the technology and skills which the poorer countries so desperately need. Therefore, Mr. President, it is incumbent upon us to go to this conference prepared to discuss with developing nations means by which science and technology can be transferred from developed to developing countries in a manner which preserve their dignity, fosters self-reliance, and promotes the emergence of all Third World nations as full and equal partners in the international system.

Mr. President, I ask unanimous consent that my letter to Ambassador Wilkowski and her response be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., June 9, 1978.

Ambassador JEAN WILKOWSKI,
Coordinator, U.N. Conference on Science and Technology for Development, Department of State, Washington, D.C.

DEAR JEAN: In the past several months I have become very interested in the upcoming United Nations Conference on Science and Technology for Development. I believe this conference could potentially be a major turning point in North-South relations. It could usher in a new era of development collaboration and understanding wherein industrial and Third World nations work closely together to eradicate the crippling effects of poverty and under-development.

There is, of course, the danger that this conference, like so many other international endeavors in the past, will degenerate into a divisive, polemical confrontation between North and South. Considering the abject poverty and suffering which still prevails in much of the Third World, and the already tense relations between developed and developing countries, this is an outcome we can all ill-afford.

The tone and positions adopted by the United States at UNCSTD will, in large measure, determine the atmosphere of this conference. Therefore, I believe it imperative that before the final version of the National Paper is due, careful thought be given to long term U.S. priorities with respect to science and technology transfer and what our national policy should be.

I believe that it is particularly important that the United States develop a policy which fosters the maximum coordination between nations and which promotes self-reliance as opposed to dependency. I also believe that we must give careful attention to the issue of industrialization versus meeting basic needs. There are, as you know, vast regions of the Third World where per capita income is less than $50 per year. I believe that the United States must increasingly turn its attention to these marginal areas. One means of assisting development in these areas is through appropriate technology.

Expanding the access of Third World nations to technology suitable for village-level development should be a high priority of the U.S. delegation and the entire conference.

Emphasis on appropriate technology is entirely consistent with Section 507 of the Foreign Relations Authorization Act of 1978. As I am sure you know, this section instructs the President to take appropriate steps to ensure that the U.S. delegation to the United Nations Conference on Science and Technology for Development place important emphasis on the development and use of light capital technology. While the terms light capital technology and appropriate technology are not synonymous, the former as defined in Sec. 507 (b) is certainly an aspect of the latter.

I would be very interested to receive from you an indication of how the U.S. delegation will approach these issues. How central a position will appropriate technology have in our proposals for UNCSTD? I realize that your response must be tentative since a coordinated national policy has not yet been formulated. I do believe however that it is useful at this time to begin to think out these issues.

On a related matter, I ask my staff to draft a resolution expressing Congressional support for the United Nations Conference on Science and Technology for Development. The resolution also includes a clause urging the U.S. delegation to the Conference to develop positive proposals to facilitate technology transfer. I would like to introduce such a resolution if you think it would be helpful. I believe that Congressional support

for this conference will strengthen the U.S. delegations' ability to take an active role and demonstrate to developing nations that the Congress is sincere in seeking concrete solutions to the problems of science and technology transfer and development.

Let me stress that the attached resolution is only a first draft which needs considerable work. Therefore, I would be most appreciative to receive your comments and corrections on this resolution prior to introduction.

I look forward to hearing from you soon.

Sincerely,

CHARLES H. PERCY,
U.S. Senator.

Enclosure.

DEPARTMENT OF STATE,
Washington, D.C., June 27, 1978.

OFFICE OF THE U.S. COORDINATOR FOR THE UN CONFERENCE ON SCIENCE AND TECHNOLOGY FOR DEVELOPMENT

Hon. CHARLES H. PERCY,
U.S. Senate.

DEAR CHUCK: Your letter of June 9 expressing interest in the UN Conference on Science and Technology for Development (UNCSTD) was most welcome. We agree that this conference offers an excellent opportunity for elevating the North-South dialogue to a more constructive and less contentious plane. Our preparations at the national, bilateral and multilateral levels emphasize this objective. Our planning includes a mix of bilateral consultations with key countries plus full and active U.S. participation in UN preparatory committee meetings.

A comprehensive statement of our policy and posture for UNCSTD is currently in preparation for Presidential review as requested by the White House in February. This guidance will enable us to be as responsive as possible within present domestic and world economic constraints. Mutual benefits will be a key objective, of course, in the positions we advance.

Attention is also being given in this statement to long term U.S. priorities. Thus, while national papers are being submitted one year before the Conference, the interim will be used for updating and refinement to reflect evolving policies of participating governments.

I wish to assure you that the United States supports the concept that the developing countries, particularly those in the upper tier, have much to teach the countries of the Fourth World which are generally behind them economically. The agenda for the Conference lays heavy emphasis on self-reliance, as the developing countries are insistent on breaking out of their technological dependence. Our posture tries to respect their views by focussing on ways in which the United States can help build their capability to develop, choose, adapt, and manage technology.

You may be interested to know that during the last quarterly meeting of the U.S. Steering Committee on preparations, careful attention was given to linking two major themes which the U.S. Delegation might pursue, i.e., ways in which science and technology could help satisfy basic human needs and work toward greater global efficiency. Industrialization would, of course, be a part of the efficiency theme. I am sure you are familiar with the President's decision of last November which would provide for technological exchange and cooperation with middle-income countries.

Our preparations place major emphasis on appropriate technology. Special attention was given this subject in the report of the National Research Council. In addition, two National Science Foundation research awards were granted on this subject (see abstracts attached). The Academy study pays particular attention to how appropriate technology can benefit development in the rural areas.

The U.S. position on appropriate technology at the Conference will be clearly consistent with Section 507 of the Foreign Relations Authorization Act of 1978. However, U.N. planners of the Conference are trying to eschew use of the term "appropriate technology" in favor of "choice of technology." There is much sensitivity in some countries as to who says a technology is appropriate; also both high technology and low technology are considered appropriate, depending upon local circumstances in developing country's economic and social development goals.

Speaking personally, I was very much encouraged by your draft resolution expressing Congressional support for the U.N. Conference on Science and Technology for Development. Such a resolution could be helpful to us in a number of ways. I have brought your draft to the attention of Father Hesburgh, who may wish to offer additional comment.

Your continued interest and support for the Conference and U.S. preparations is very much appreciated. I look forward to the opportunity to discuss our preparations with you sometime at your convenience.

Sincerely,

JEAN WILKOWSKI,
Ambassador, U.S. Coordinator.

DEVELOPMENT STRATEGIES AND TECHNOLOGICAL CHOICES IN DEVELOPING COUNTRIES

ABSTRACT

A study is proposed which will analyze policy options for the U.S. in helping developing countries to utilize technologies most appropriate to their needs, as defined by criterial congruent with the achievement of an alternative development strategy. The study is organized in three parts. Part I deals with the formulations of the prevailing concept of development, development goals, access to benefits of development, and the place of science and techology (S&T) in development. Part II focuses on the formulation of an alternative development strategy responsive to developing country needs and an evaluation of the contribution of S&T in implementing this strategy. Part III is concerned with measures that can be taken by the U.S., and developed countries generally, in aiding developing countries in identifying and implementing technologies most appropriate to the realization of an alternative development strategy. The major output of the study, then, will be (a) a conceptualization of development, (b) definition of the relationship of S&T to development, and (c) an analytical review of proposals for U.S. policy options. The study will be carried out through a literature search and evaluated at a workshop whose participants will be identified in part, thrcugh consultations with several relevant network organizations.

OBSTACLES AND OPPORTUNITIES IN TECHNOLOGY UTILIZATION FOR DEVELOPMENT

ABSTRACT

This study will deal with UNCSTD agenda items (1)(a) and (1)(b) and in particular Topic 2, Obstacles/Opportunities, as outlined in the NSF Program Solicitation. This topic relates to core questions concerned with the basic role of science and technology policy as a means of assisting the economic development of developing countries. The basic purpose of the study is to analyze the factors affecting the supply and demand for appropriate technology and the science and technology infrastructure in both developed and developing countries that influences and determines this supply and demand.

The study will attempt to demonstrate that developing country policymakers confront a wider range of alternative, cost-effective technologies than traditional thought has allowed and that their own perceptions regarding appropriate technology have inhibited the international transfer of technology. Supportive changes in the science and technology infrastructure in both developed and developing countries will also be indicated, as appropriate.

A series of four analytical research studies will be developed and presented at an experts' workshop for comment, critique and review. The papers will then be revised, as needed, and a policy overview prepared. The needs of the U.S. delegation to UNCSTD for practical and workable policy proposals will be of paramount concern. The International Economic Studies Institute would plan, with NSF permission, to publish the study results and final report under its own aegis as part of its series of technology reports.

AN INCENTIVE WILL BE A DETERRENT UNLESS THE DEFINITION OF PASSIVE SOLAR EQUIPMENT IS CHANGED

Mr. PERCY. Mr. President, unless a member of the energy tax conference stands up and speaks to the issue, the national energy plan will discourage the use of an alternative energy technology which we should vigorously encourage. As it now stands, the definition of passive solar equipment qualifying for the solar tax credit excludes some of the most promising passive techniques. The solar tax incentive was meant to help a fledging industry develop. Now here we are putting some of the best ideas of this young industry at a competitive disadvantage. It makes no sense.

I raise this issue now because the energy tax conference is meeting July 13 for the first time since November. I am hoping someone will raise this issue then, or at a subsequent meeting.

Active solar systems use pumps, fans, or other mechanical devices to distribute heating or cooling energy throughout a building. Passive solor systems utilize structural parts of the building itself to capture and store solar energy, and use natural conductive, convective or radiant energy flows to distribute it.

Passive systems are usually very simple. One example: a thick south-facing wall—called a Trombe Wall—behind a layer of glass. The sun heats the wall and the wall heats the air between it and the glass. The hot air rises and escapes into the house through a vent near the ceiling. The wall stores enough heat to warm the house through the night. In other words, a better definition of passive solar systems might be "building the house right in the first place."

Passive solar techniques may be the most effective and economical ways to harness solar energy. Examples range from a simple, inexpensive solar greenhouse built by residents to help heat a low-income housing project in Chicago to a system of roof ponds and movable slabs of insulation that has totally heated and cooled a house in Atascadero, Calif. since 1973.

Every new building in America can benefit from developments in passive solar design. Clearly, if energy incentives are to be given, they should be directed this way. Unfortunately, they are not

The tax portion of the House energy bill makes no mention of passive. Section 1011 of the Senate's Energy Production and Conservation Tax Incentive Act, otherwise known as the Energy Tax bill (H.R. 5263), clearly states that "The credit for solar energy property applies to 'passive solar systems' as well as 'active solar systems.'" However, section 1011(C)(2)(C) of H.R. 5263 says:

> The term 'renewable energy source expenditure' does not include any expenditure property allocable to a swimming pool used as an energy storage medium or to any other energy storage medium which has a function other than the function of such storage.

This language must be changed. Excluding storage media that serve other functions excludes greenhouses, Trombe Walls, and perhaps any solar equipment—active or passive—that is mounted on top of a building if it also serves as the roof.

Language in the Senate Finance Committee report is even more exclusionary:

> Expenditure for materials and components which will serve a significant strutural function in the dwelling (e.g., extra-thick walls) would not be eligible for the credit.

Oversized south-facing windows would also not qualify under this guideline.

The rationale behind these exclusions was, I imagine, to avoid potential problems administering the tax credit. How big does a south facing window have to be before it qualifies as solar equipment? How thick the wall? How much is a greenhouse used for plants and how much for heat? These questions will definitely present problems to tax collectors.

But, surely, in the light of a $45 billion per year oil import bill and the great potential of passive solar techniques, we should not let the hesitancy of tax collectors stifle this promising new technology.

Evidence from the state of New Mexico suggests that the administration of a passive solar tax credit is not a problem. Using nothing but good common sense, the New Mexico energy office defined qualifying passive solar equipment in such a way that no known passive systems were excluded. For example, that portion of window area on the south wall that exceeds the average amount of window area on all four walls is eligible for the New Mexico solar tax credit. Fifty percent of the cost of dual purpose equipment, such as greenhouses and Trombe walls, is eligible for the credit. New Mexico reports great success, and no administrative problems, with its solar tax credit. I am confident the Federal Government could have equal success.

The definition of qualifying passive solar is a small point in the work yet facing the energy tax conferees. But its effects could be vast. I call this problem to the attention of all my colleagues. And I call upon my colleagues in the energy tax conference to act to correct it.

In order to provide my colleagues with more information and examples of passive solar techniques, I ask that David Holzman's article in the January issue of People and Energy be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PASSIVE SOLAR SOAKS UP SUNSHINE

Montesuma's Castle was built around 700 AD by early cliff dwellers of Arizona. It sits in the recess of a south-facing cliff with a huge overhang for an awning. In winter, the sun hits the massive outer walls with full force and the heat they store continues to radiate inward at night. In summer, the overhang shades the dwellings from the high summer sun. Thus the cliff dwellers remained comfortable all year long through the principles of passive solar space conditioning which architects, New Mexicans, and even DOE are rediscovering.

Passive solar means heating and cooling without mechanical devices such as pumps and collectors. Trees, orientation with respect to sun and wind, and other natural features often play a part. Passive solar can be very effective. With just a trombe wall (one of many passive architectural designs), Los Angelites could disconnect the utility, residents of Boston or Lincoln NE could provide over 55 percent of their heating and homeowners in Tokyo and Charlestown SC could get more than 85 percent. Even Denmark and Bismark ND could do better than 40 percent. ("See Passive Solar Buildings," SAND-1204 by Sandia Laboratories). The American Institute of Architects found that "If the U.S. adopted a high-priority national program emphasizing energy efficient buildings, we could by 1990 be saving the equivalent of more than 12.5 million barrels of petroleum per day." This represents ⅓ of current national energy consumption (see "A Nation of Energy Efficient Buildings by 1990", American Institute of Architects, 1735 NY Ave., Wash. D.C. 1975).

These figures are conservative. In Maine, Steve Travis's owner-built house is almost 100 percent passively solar heated. The house sits on a platform which covers a 10,000 gallon thermal storage pond. The sun heats the interior and the pond through the south wall, which is entirely window. The pond, in which Travis raises fish, remains 80–85°. A greenhouse and skylids provide additional heating. Travis scrounged and built it all for $3000.

The Doug Kelbaugh house in Princeton, NJ was 80% passively heated in 1976–77 by a 15" trombe wall and a solar greenhouse. Trombe walls extend floor-ceiling behind south-facing glass. The sun heats the wall and the wall heats the air between it and the glass. The hot air rises and escapes into the room through a vent near the ceiling, while cold air from the room enters the airspace through a vent near the floor. The cold air is then heated. The trombe wall accounted for about $8000 of the $55,000 cost of the 1900 sq. ft. Kelbaugh house. Kelbaugh estimates that the wall will stand at least 100 years and save $160,000 in fuel bills.

An office building in New Mexico, which was once a Benedictine Monastery uses a drumwall. 138 55-gallon barrels filled with water/glycol keep this 10,000 sq. ft. building between 62–78° F although outdoor temperatures dip below 20°. Cost of back-up heat and cooling for 11 months (summer to summer) was $80.63. The $8,500 drumwall will pay for itself in two years (for more info, contact Zomeworks, Box 712, Albuquerque, NM 87103).

Even in Wallasey, near Liverpool, England, the St. George's School is more than 50% passive solar, and electric lights and body heat of students supplies the remainder. The 230 foot long south face is 2 layers of glass with a 2-foot air space. During Dec. and Jan., indoor temperature averages 59–61° (see The Solar Home Book by Bruce Anderson, $7.50 from Cheshire Books, Harrisville, NH 03450).

Passive solar homes can be constructed at low cost using low technology building techniques and locally available materials. At the Sundwellings Demonstration Center in NM, 4 test houses, a trombe wall unit, a direct gain unit, a greenhouse unit, and a control were constructed for $20,000/building including materials cost of $8000/building. Part of the cost went to training CETA construction workers. The houses are expected to provide 70–80% of heating requirements (see "Homegrown Sundwellings" by Peter Van Dresser, $5.95 from The Lightning Tree, P.O. Box 1837, Santa Fe NM 87501). Los Alamos Laboratory is analysing efficiency of the homes, and progress reports will be made available (see Homegrown Sundwellings for details).

The people of Canones, NM, a village of 60 families are building themselves a 2900 sq. ft. solar heated community center using concepts and methods of construction outlined by the sundwellings team. Building materials have been obtained locally. The building will be heated by direct gain and a greenhouse. Community meetings, child care, educational programs, food processing and other activities will take place (details from NM Solar E. Assoc.

Another low-cost passive solar building is "Low-Cost City Solar House" in Davis, CA. Full south glazing with "solar cylinders" adjacent to the window containing 12 tons of water plus an exposed concrete slab provide 90 percent of heating. The 1,260 sq. ft. building costs about $30/sq. ft. Contact Living Systems, Rt. 1, Box 170, Winters, CA.

In California's San Joaquin valley, Self-Help Enterprises has just begun construction of 5 "skytherm" roofpond heated homes for farmworkers. 5 workers from greater CA Employment Education Project and similar programs are doing construction and 3 Antioch students are working on the solar system. Cost will be $27,000. Contact SHE c/o Jess Diaz, 220 S. Bridge, Visalia, CA.

The simplest and cheapest method of passive retrofit is often a solar greenhouse. Solar greenhouses use passive (and sometimes active) solar principles such as optimal orientation, rock, drum or pond heat storage and vents may be used to convect heat into a house in the same manner as with a trombe wall.

The Griffins of Santa Fe, NM, who participated in the NM Energy Resources Board Solar Sustainance project lowered the heating requirements of their 1,115 square foot house by 24 percent with a 120 square foot passive solar greenhouse. Griffin, a "scrounger", built the greenhouse for $127.55. The Solar Sustainance Project found that an attached greenhouse could provide the following amounts of surplus heat for home heating: 252,212 btu's per day in fall, 151,464 btu's per day in winter, and 312–702 btu's per day in spring. Greenhouse additions for house heating vary between 100–200 sq. ft., and according to Bill Yanda, the father of solar greenhouses, $2.50–$3.00/sq. ft. is reasonable for do-it-yourself greenhouses, while contracting out would raise the cost to $7–$12/sq. ft. (see interview with Yanda in "Solar Age" Nov. 1977, 260 E. Main St., Port Jervis, NY 12771; Solar Sustainance Project, Phase II, Final Report is $2 from Energy Resources Board, State of NW, Rt. 1, Box 107 AA, Santa Fe, NM 87501).

Howard Reichmuth and Jeff Barnes of Bear Creek Thunder in Ashland Oregon designed and built a greenhouse for the cloudy Northwest. A parabolic north-facing wall focuses sunlight into a 4800 gallon heat-storing aquaculture tank. In January, while outdoor temperatures averaged 39°, inside the greenhouse averaged close to 70° (contact Ecotope, 2332 E Madison, Seattle, WA 98112).

None one knows precisely how many passive solar applications exist in the U.S. A survey by the American Institute of Architects (1735 NY Ave., Wash., D.C. 20006) un-

covered 89 passive solar homes, schools, and offices. However, Travis Price of AIA said that "hundreds" of passive applications are absent from the survey and that in NM, he recently observed 30–40 passive retrofits that even NM Solar Energy Association (P.O. Box 2004, Santa Fe, NM 87501) was ignorant of. Two hundred energy-saving houses were constructed in Arkansas under a grant from the US Dept. of HUD which use ¼ as much energy as comparable houses in the same area. Bill Yanda estimates that he has built 51 greenhouses, including 11 for low-income families under a $15,000 grant from the Four Corners Regional Commission (Yanda can be reached through NM Solar Energy Association). A 15,000 sq. ft. greenhouse is being constructed by Domestic Technology (box 2043, Evergreen, CO 80439). Yanda also cited a 1500 sq. ft. community greenhouse. Even NYC and Washington, D.C. have solar greenhouses.

Passive solar energy may have industrial applications as well. Currently DOE is investigating the use of solar ponds for industrial heat. A request for proposal (RFP EG–77–R–03–1475) is available from Shallow Solar Ponds, Attn: Becky Bjustrom, DOE, 1333 Broadway, Oakland Ca. Passive solar also has agricultural applications. A do-it-yourself passive solar crop dryer can be made with $60 worth of materials. A set of plans entitled "How to Build a Solar Crop Dryer" is available from NM Solar Energy Association.

As usual, the feds are the last to get moving on passive solar. No money was spent on Passive until 1976. The 1977 allocation for nuclear fission, fuel cycle, and safeguards was $1.17 billion, about 1000 times as great as the 1977 passive solar budget. Even the budget for nuclear fusion, which may elude scientists forever was $142 million. For 1977 and 1978, the combined budget for passive solar was $2.3 million. The irony is that instead of spending millions of dollars on R&D to try to make fission safe and to figure out fusion, the government could be subsidizing construction of passive solar houses which will save energy immediately and which will last much longer than nuclear power plants.

The budget for passive solar is small even compared to the total solar budget—$160 million for 1977. This is unfortunate because passive solar's potential for saving energy is certainly equal to active systems in the short run, and much greater in the long run. This imbalance reflects the DOE's bias towards hardware and centralization which is the legacy of its predecessor, the AEC.

What is worse, proposed federal legislation for solar tax breaks would exclude "any other storage medium which has a function other than the function of energy storage." This rules out trombe walls that are part of a building's structure as well as floors, ceilings, and other parts of a house adapted for heat storage. This law would give architects an incentive to build superfluous heat storage structures in order to cash in on the tax breaks (see H.R. 5263, p. 10, lines 17, 18, 19).

Although 30 states have tax credits for solar equipment, only NM and CA have defined passive solar into their provisions. The NM provision recognizes that some architectural elements also collect and store energy, and credits owners with 50 percent of materials cost (see Solar Tax Credit Act (72.–15A–11.3–NMSA). The Davis, CA building code now requires maximum glass exposure to face south, shading for glass (useful in the hot climate) and other conservation-minded provisions. NM has standards for heat loss & climate control in its code (Laws, '74, Ch. 307 with amend. H923, '75). Other jurisdictions would do well to follow suit with zoning & tax laws. No energy producing device will save as much energy over as long a period of time, as dependably as a passive solar building.—David Holzman.

THE IMPORTANCE OF WOMEN IN THE THIRD WORLD

Mr. PERCY. Mr. President, John J. Gilligan, the Administrator of AID, has made a very important statement on women in the developing world. His address before a conference of the American Association of University Women was excepted in the Washington Post and contained several statistics crucial tc understanding the role of women in economic development. I would like to cite some of those statistics for my colleagues.

The education level of the father is important in reducing fertility rates, but that of the mother is even more so. For example in a 1972 study from Jordan of women aged 30 to 34, illiterate women were found to have an average of 6.4 children while those with a primary school education average 5.9. For secondary school graduates, the average was 4.0, and for university degree holders, only 2.7 children.

Farmers in the developing world are mostly women; 40 to 70 percent of Third-World agricultural labor is female. They plant the seed, haul the water, till the soil, harvest the crops, market the produce, tend the animals, and strive to keep their families alive by growing the village vegetable gardens.

Some 30 percent of rural families in the Third World are now headed by women. The lure of the city and cash-producing work is drawing the men away from the farms, leaving the women behind.

These statistics prove that the role of women is vital to the development of their nations, just as the role of women has been a crucial factor in the social, economic, and political development of the United States.

I ask unanimous consent that "Women and Their Importance to the Third World" which appeared in the June 24 issue of the Washington Post be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 24, 1978]

WOMEN AND THEIR IMPORTANCE TO THE THIRD WORLD

(By John J. Gilligan)

In the year that I have been administrator of the agency for International Development, two facts have become more and more apparent to me. The first is that the economic and social development of two-thirds of humanity may well depend on women—far more than it will depend on men. And second is that the success of women in expediting the development of Third World countries will very significantly affect our own future security and well-being.

Let me supply some of the background that has led me to those conclusions:

In the next 25 years, the world's population will increase from 4 billion to 6 billion people. Most of that increase will be in developing countries: By the year 2000, 87 percent of the world's population will be living in the less developed countries—the "LDCs."

By the year 2000 there will be a food deficit of 100 million tons in the Third World. That deficit can be made up only if the developing countries increase their agricultural production 3 to 5 times.

Most of the people of the LDCs are unhealthy.

Major components of disease are inadequate nutrition and sanitation. 100 million children under the age of five are always hungry. Fifteen million children die each year from a combination of infection and malnutrition.

There are 800 million illiterates in the world; nearly two-thirds of them are women. The number of illiterate men rose by 8 million between 1960 and 1970. The number of illiterate women increased by 40 million, bringing the total number of women unable to read or write to half a billion.

Once upon a time the people of this country might have supposed that, grim as life was in the Third World, the problems were theirs, not ours. But if that belief was ever true, it is so no longer. What happens in that half of the world now has impact directly on our lives and on our future. . . .

As a result of record population growth in the last two decades, people in many countries are entering the job market faster than the economy can absorb them. Unemployment in many of the LDCs runs from 25 to 45 percent. This trend is increasing, and it is estimated that by the year 2000 at least 800 million more people will lack a means of making a living. . . .

The United States has already begun to experience the result of excessive Third World population growth and lagging economic development. Today there are an estimated 6 million to 8 million undocumented aliens from Latin America and Mexico in the United States. . . . Many of these immigrants have taken jobs that might be filled by Americans. Many have migrated to our cities, adding to overcrowded housing and welfare rolls. Mexico has one of the highest population growth rates in the world—3.4 percent annually. With 46 percent of the population under 15 years of age, the potential for increased migration to the United States is enormous.

A key to the resolution of the problem of excessive Third World population growth, of course, is family planning, and the key to that is women.

Twenty-five years of accumulated knowledge and experience have told population experts two things:

First, fertility rates begin to decline when a woman is able to nourish her children properly and keep them healthy, thus ensuring that they survive to adulthood. Only then do couples in poor countries begin to understand that they dare limit the number of their children, who traditionally have been perceived as extra labor on the land and support in old age.

And second, fertility rates begin to decline when the educational level of parents rise. The educational level of the father is important. But that of the mother is more so. In almost every country, the more education women have, the fewer children they bear. For example, in a 1972 study from Jordan of women aged 30–34, illiterate women were found to have an average of 6.4 children while those with a primary school education averaged 5.9. For secondary school graduates, the average was 4.0 and for university degree holders, only 2.7 children. In Latin America, studies indicate that women who have completed primary school will average about two children fewer than those who have not.

The message is clear: If population growth rates are to be reduced . . . the education of the women in developing countries is an urgent imperative.

Third World food production is also directly related to U.S. prosperity and security—and to the role of women.

. . . We must face the prospect that by 1985—seven years from now—there will be a global food deficit of 100 million tons in developing countries, directly attributable to population growth outstripping agricultural production. It is most unlikely that the food-producing countries of the West will be able

to make up this deficit. Even if they tried, the cost of achieving that additional production would be so high that food prices would rise astronomically everywhere.

The only possible solution to this problem is for the less developed countries to increase their own agricultural production to 3 to 5 times their present levels. The people who will have to do this job are the millions of subsistence farmers who scratch out precarious livings on small plots of arid and barren land.

It so happens that those farmers are mostly women. Forty to 70 percent of Third World agricultural labor is female. Depending on the traditions and customs of a particular country, they plant the seed, haul the water, till the soil, harvest the crops, market the produce, tend the animals and strive to keep their families alive by growing the village vegetable gardens.

Today more and more women are being forced into those roles. The lure of the city and cash-producing work is drawing the men away from the farms, leaving the women behind. It is estimated that some 30 percent of rural families in the Third World are now headed by women. . . . If those women—in their interests and ours—are significantly to increase food production, they must learn the use of new fertilizers, irrigation systems and power machinery. They must have roads to get their produce to market, and they must have transportation on those roads. They must have provision for food processing and storage and understand how to use it, and they must have simple economic structures to provide them with credit.

Women have been handicapped in their efforts to get more from the land they work because of their generally "inferior" social position. They have often been barred from owning or inheriting land, obtaining credit or receiving agricultural inputs from development programs. Even when they have been left behind on the family plot as their men have migrated, they have found their situation difficult because control over economic resources and land was left in the hands of male relatives who have not migrated.

In nearly all developing countries, agricultural training—such as it has been—has been given only to male farmers. Wives, daughters and hired female laborers have been largely ignored. Until very recently, women frequently have not benefited from projects designed to assist farmers because Western development experts simply assumed that farmers were male. . . .

The conclusion is only too clear. If agricultural production and productivity are to increase, development planning in the Third World must give an equal place to women.

In recent years there has been a growing awareness of a fact that women everywhere have always known: That women play the major role in determining the health of their families in acquiring and preparing food for them.

In some cases, because of the depths of their poverty, there is little they can do to improve their nutrition. But in many cases, malnutrition is the result of ignorance. Without any changes in food supplies, miracles can be wrought with simple changes of diet and food habits if women only had the knowledge to make these changes.

Nutrition specialists in Africa, for example, have found that in most villages women could find the right food for their families, or the right combinations of food, if they knew what to look for. A combination of wild greens, a few beans and an occasional egg, mixed and prepared so it can be spoon-fed and fed daily, can save a child's life.

Public health workers in Malaysia noticed that Chinese children were surviving and Malaysian children were dying despite the fact that the same food was available to both. When the situation was investigated it was discovered that Chinese mothers understood the importance of diet—particularly of protein—and the Malaysian women did not.

In respect to health, the story in the Third World is much the same. Knowledgeable women could make an enormous difference to the health of the people, for the single major cause of disease in developing countries is related to the failure to observe elementary household and village sanitation. If a woman lacks that knowledge—if she does not understand how or why disease occurs or how it is transmitted—she has no understanding of the importance of keeping food covered or water clean. If she has no notion of what viruses or bacteria are, she has little incentive to observe even the most elementary sanitation precautions.

The critical word in all the foregoing, of course, is "knowledge," meaning education—and especially education for women. If population growth rates are to be reduced, in the interests of all of us; if food production is to be increased, in the interests of all of us; if the health and nutrition of 87 percent of the world's people is to be improved, in the interests of all of us, the women of developing countries must be educated. The enhancement of their status is critical.

SUNSET FOR RENEGOTIATION BOARD

Mr. PERCY. Mr. President, the voters have served notice that Government waste and inefficiency and poor performance by overlapping Governments boards and agencies will not be tolerated. We have too many examples of regulatory bodies whose existence has far outlived their usefulness. The Renegotiation Board is just such a dinosaur. We can no longer justify extending the Board's authorization; it is time for the Sun to set on the Renegotiation Board.

Four important considerations have led to my determination to cosponsor legislation putting the board on standby status:

Cost overruns rather than excess profits are the major problem in defense contracting. The Board is concerned only with the profits realized by the contracts on any defense project, and not with the total cost to the Government. The spotlight of the Board covers a very small area, indeed; overruns on the Trident alone are accruing at the rate of $15 million each month.

The purpose of the Board is to assure that two offices within the Department of Defense, the Office of Defense Contract Administration and the Defense Contract Audit Agency, do their job. It is a case of watchdogs watching watchdogs.

The Board does not appear to be cost effective. In 1976, the Board found "excess profits" of about $40 million. After discounting Federal taxes, only about half of the $40 million will be returned to the Treasury. Some estimates, however, put compliance costs at $190 million per year. This annual cost of $190 million is passed along to the consumer, the U.S. Government. By my arithmetic the Board is the kind of moneysaver which would bankrupt any household or business. In addition, at its current budget level of $6 million, the Board is 5 years behind in reviewing contracts. To be effective it would need an "even larger appropriation."

The Board is a good example of ineffective and unnecessary Government regulation. It is a symbol and a manifestation of unjustified Government intrusion into the operation of our free-market economy.

The Sun should set on it now.

U.S. LABOR DEPARTMENT DELAYING STATE OSHA PLANS

Mr. HELMS. Mr. President, the Honorable John C. Brooks is the capable commissioner of the North Carolina Department of Labor. Prior to his election to this position in 1976, Mr. Brooks was a prominent Raleigh attorney.

Commissioner Brooks was elected on a platform pledging continued State administration of OSHA. He assumed when Mr. Carter was elected in 1976 that the U.S. Department of Labor would be similarly committed to State administration as well. He now has learned this is not the case. The failure of the Federal Government to recognize the State OSHA plan is of tremendous concern to Commissioner Brooks, and rightly so.

Under any standard, the North Carolina OSHA plan is at least as effective as the Federal plan. However, after 4 years of monitoring the State plan, the U.S. Labor Department has yet to give it final approval.

The North Carolina Department of Labor has my unyielding support for continued State administration of OSHA. I urge President Carter and Secretary Marshall to put an end to this needless delay and proceed immediately to certify the North Carolina OSHA plan.

Commissioner Brooks forcefully addressed this serious problem in a recent speech before the Raleigh Kiwanis Club. I offer his comments for the RECORD, Mr. President, because I want to make my colleagues aware of this disturbing development.

I ask unanimous consent that Commissioner Brooks' remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY COMMISSIONER JOHN C. BROOKS

It is a pleasure for me to be here to address the Raleigh Kiwanis Club this afternoon. It is important to me to keep you, as civic leaders in Raleigh, informed of the activities and the intentions of your North Carolina Department of Labor. And it is equally important for me, as your Commissioner of Labor, to be kept informed of your opinions as to what needs to be done by your state government.

I would like to share with you today some of the concerns we have with respect to our Occupational Safety and Health program.

Generally, I am pleased with the administration of our State OSHA program. We have come a long way in the five years since this program began, and we in North Carolina are now recognized as having the best state OSHA program in the entire country. It was our original hope to have achieved by now a final certification of our State OSHA program by the U.S. Department of Labor under Section 18(e) of the federal OSHA Act.

We have done everything which has been required by the federal government to qualify for this certification. However, Assistant

U.S. Secretary of Labor for OSHA, Dr. Eula Bingham, has announced that no certification of state OSHA programs will be made under Section 18(e) until the U.S. Department of Labor can develop guidelines regarding what continuing relationship will exist between U.S. OSHA and those states, like North Carolina, with plans which will receive final certification.

As you know, the original federal act provided that the U.S. Department of Labor monitor state plans for a period of three years to determine if they are "as effective as" the federal OSHA plan. After three years of monitoring, federal OSHA was to take one year to determine whether or not a state plan met this "as effective as" criteria, and if so, give final approval to the state plan.

North Carolina and several other states have now been monitored by the federal government for more than four years. It is past time for this final certification to have taken place. However, in January of this year, a federal judge in the District of Columbia ruled that the U.S. Department of Labor must issue guidelines as to what constitutes a state OSHA program being "as effective as" the federal program. Dr. Bingham has cited this decision as an explanation for delay in her announcement that no final certification of state plans would be made at this time.

I have met with Commissioners of Labor from around the country to discuss the problem of OSHA certification. State Labor Commissioners have a professional association called the International Association of Governmental Labor Officials (IAGLO) which meets regularly to discuss problems of mutual concern. As you can imagine, our continuing relationships with the U.S. Department of Labor are some of the most important items on our agenda.

Among the State Commissioners, there is a general agreement that the U.S. Department of Labor is dragging its feet on giving final certification because they are reluctant to give up any authority over state OSHA programs. We believe that such action on the part of the U.S. Department of Labor is unacceptable and we have filed several protests with Secretary of Labor Ray Marshall. Having received no response thus far to our protests, we are now making plans to see the President on this matter.

We would appreciate your support as individuals in our efforts to have state plans certified by the U.S. Department of Labor. We have demonstrated our effectiveness, and the continued monitoring and surveillance by the federal government is unnecessary. It is a waste of taxpayers' money, and it is an infringement upon the rights of the States as provided for under Public Law 91-596, the federal OSHA Act. To remove the specter of federal control of our OSHA program, I need your help in communicating with the President, with the U.S. Secretary of Labor, and with our Senators and Congressional Representatives to get federal OSHA moving on providing final certification for State OSHA plans.

Rather than developing standards for us in determining the effectiveness of state OSHA programs, the U.S. Department of Labor appears to be doing nothing, perhaps even regressing in some areas of established standards.

As recently as Wednesday of this week, Basil Whiting, an assistant to Dr. Bingham, stated that the required work on a procedure for final certification is in limbo. This comes five months after Judge Leventhal ordered the U.S. OSHA to develop standards for such certification.

One standard which has been used to measure the effectiveness of OSHA programs, both state and federal, may soon be eliminated as a useful tool. Some of you may be familiar with the OSHA 103 Survey, in which selected businesses are required to report to OSHA their occupational illness and injury statistics. In each of the past five years, over 12,000 North Carolina businesses have been selected to participate in this survey. The survey has been of sufficient size to enable us to compare our safety record in particular industries with the records of businesses in other states over which U.S. OSHA has jurisdiction. This comparison has proven very favorable to us, showing that in the private sector in North Carolina in 1976, there were 7.8 occupational injuries of illnesses per 100 workers compared to 9.2 such injuries or illnesses per 100 workers nationally.

The federal government has now proposed reducing the sample size of this survey by 60 percent, thus eliminating the capacity to make meaningful comparisons in particular industries between North Carolina and other states. Such action, rather than helping to build means to measure the relative effectiveness of state OSHA programs, will actually eliminate one measure which we now have.

WITTEVEEN IMF FACILITY: HOBSON'S CHOICE FOR THE LDC'S

Mr. HELMS. Mr. President, sometime this summer the Senate will be asked to consider the IMF supplementary financing facility, the so-called Witteveen facility. The United States has been called upon to contribute nearly $1.8 billion to this facility.

American taxpayers will be coughing up this nearly $1,800 million to help countries with often mismanaged economies build up their debt portfolios—in other words, to help get them deeper in debt. The facility is designed to provide aid, through less than free market rate loans, to IMF member countries suffering from chronic balance-of-payments deficits.

Although the intentions of the IMF supporters may be good, I cannot help wondering if their good intentions perhaps are misdirected. Recalling their past track record, IMF caused disruptions in Peru and Egypt; and recalling their sales of gold, we can only look to the future of this organization with skepticism. We have no assurance that the IMF will not be coming back to us within the next few years asking us to contribute to yet another such facility in addition to more money for their regular loan program.

The history of the IMF is the history of an organization living beyond its means.

Earlier this year the Wall Street Journal printed an editorial on the IMF. It is a somewhat jocular explanation of the role the IMF plays in the world economy, but it is by no means totally inaccurate in the situations it describes. It does represent a healthy, but skeptical perspective on the IMF; one that I think we can all profit from.

In this age of increasing global interdependence and internationalism we must more than ever remain flexible in our attitudes and critical in our judgments.

There is nothing to be gained from supporting organizations that are advertised as having great purpose and lofty ideals but fail in the practical world.

Mr. President, I ask unanimous consent that the aforementioned article from the Wall Street Journal be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, March 1, 1978]

GUTTING THE IMF

The House of Representatives, in a passing abuse of concern over human rights, has just voted to put the International Monetary Fund out of business. The fund's offices won't close their doors, of course, and the employes will not only be paid but will get a raise. But the fund will be out of the only business it has, which is acting as a force for financial discipline on wayward governments.

To understand the IMF's business, imagine the nation of Destitutia, run by an ex-sergeant whose finance minister qualified for the open admissions program at the London School of Economics. Naturally, they want progress in Destitutia, so they start to build a lot of superhighways. And they want to take care of the Destitutian poor, so they put a ceiling on the price of guava root. When the production of guava root dries up, the poor have nothing to eat, so the government starts to import guava root, allocating it by queuing.

The superhighways and the guava root imports are paid for with loans from the First Manhattan National Bank. Pretty soon the interest cost is so high Destitutia can no longer cover it with earnings from the export of water buffalo tails. Manhattabank gets worried and won't extend any more credit. The Destitutian glasbead falls to 11,180 to the dollar from 2,430. Applying what he learned at the LSE, the finance minister dials 911 for the IMF.

Now the IMF is a kindly institution, which has a lot of money coughed up by kindly developed nation governments, who don't really want to see the Destitutian economy go under, and really don't want to see Manhattabank go under. Indeed, with Manhattabank's reserves already drained by writing off the Megalopian WANs (Windfall Anticipation Notes), default on the Destitution loan might wreck the whole world economy.

So the IMF says to the Destitutians, yes, we will loan you more money so you can stabilize the glasbead, continue to import guava root, and by the way, pay Manhattabank just enough so its auditors will let them keep your loan on their books. But as a condition, you must get your accounts in order. You have to spend less abroad, and cut your government deficit. If the Destitutians are unlucky in the IMF experts they draw, which is too often, they will have to raise taxes. If they are lucky, they will have to stop building superhighways and raise the price of guava root, in which case Destitutia, Manhattabank and the world economy recover.

Now comes Rep. Thomas R. Harkin, Democrat of Iowa, with an amendment to U.S. approval of the Witteveen Facility, the latest coughing up of money for the IMF. Rep. Harkin's amendment, which the House adopted last week, directs the U.S. representative to the IMF to vote against any loan that would "contribute to" any "violation of basic human rights." This is bad enough, since members of the IMF are reasonably civilized compared to the Cambodians or North Koreans, though some might run afoul of Rep. Harkin over issues like "prolonged detention without charge." Pressure for them to reform is a good thing, but the collapse of Manhattabank might be a stiff price to pay.

Worse, while the topic of human rights was on the table, Rep. Harkin also slipped

by a requirement to vote against loans that contribute to "deprivation of basic human needs," to wit, (1) an adequate supply of food with sufficient value to avoid the debilitating effects of malnutrition; (2) shelter and clothing; (3) public services, including health care, education, clean water, energy resources and transportation; (4) productive employment that provides a reasonable and adequate wage.

This would seem to mean that the U.S. representative has to vote against any IMF loan that makes the Destitutians stop building superhighways, which after all are transportation, and also provide a lot of jobs to poor Destitutians. Surely he can't approve a loan asking them to cut back guava root imports. Indeed, they can't cut back on their Medicare program, or scholarships or sewage treatment plants. The only loan the U.S. representative can vote for is one that allows them to go on inflating the glasbead, building a bigger bubble to crash later.

The IMF is already too soft in bailing out the Destitutians and Manhattabanks of the world; a good case could be made that it would do a better job if it had less money to lend, and we have never been entirely enthusiastic about the Witteveen Facility to begin with. But if the Senate can't remove Mr. Harkin's amendment the bill will destroy whatever effectiveness the IMF can hope for, to the long run sorrow of the world economy in general and its poor in particular.

FRANCO-AMERICAN FRIENDSHIP DAY

Mr. McINTYRE. Mr. President, today, July 11, 1978, is Franco-American Friendship Day. This day has been designated as such by many States and President Carter has written me urging all Americans to remember the strong friendship America and France share and honor the vital role Franco-Americans have played in the growth and development of America.

It is entirely approprate that July 11 be designated as "Franco-American Friendship Day" since it is the anniversary of many important events in the history of Franco-American relations:

On July 11, 1777, the Marquis de Lafayette was making his long overland journey from Charleston to Philadelphia as the most outstanding "volunteer" in our War of Independence;

After the Franco-American Treaty of Friendship and Commerce whose conclusion made France the United States first ally, Charles Henri Theodat, Comte d'Estaing du Saillons, in command of the first French fleet, dropped anchor off Sandy Hook, N.J., on July 11, 1778.

On July 11, 1780, the Comte de Rochambeau arrived in Newport, R.I., with 44 vessels and 6,000 troops to assist the fight for independence;

On July 11, 1784, the Marquis de Lafayette left France to visit every State from Maine and New Hampshire to South Carolina and Georgia.

Mr. President, it is clear that July 11 is a very special day for Franco-Americans throughout our country. I ask all of my colleagues to take note of this special day and to pause and honor the significant and vital contributions this proud segment of national culture has given to the fabric of America.

Mr. President, we are witnessing in America today the cresting of a phenomenon that began in the late forties and early fifties—the rapid elevation of racial and ethnic consciousness and pride.

Though this phenomenon was well under way before Alex Haley wrote his celebrated book, there is no doubt that "Roots" has given it new and broader impetus.

To be sure, the new dimensions have created some problems. Demands made by one group for recognition, reparations, special assistance to overcome cultural handicaps at times appear to conflict with those of another group—or even with society as a whole.

Nevertheless, I firmly believe it is a good thing—good for the groups involved—and good for the Nation. And I am confident that with patience and good will, with a determined effort to understand the needs and motivations of the parties involved, those problems can and will be resolved.

Neither ethnic consciousness nor ethnic pride is new with the Franco-Americans. They were there from the start. Indeed, they were dramatically and eloquently expressed on the floor of the U.S. Senate way back in 1875.

When his origin and his faith were publicly attacked, Senator Louis Bogy of Missouri asked for the floor and this is what he said:

I am a French Canadian by origin and I am proud of it!

I am a Catholic and I thank God for it!

I am also a citizen of this republic—which I love and respect—and I am happy by it!

Such pride, such a sense of ethnic identity—was common, indeed, universal among those thousands of French-Canadians who came to the United States after the Civil War.

They were, for the most part, the descendants of French men and women who came to Quebec in the 1600's. They were proud of their ancient culture, and mixed in with changes that had taken place during their years in North America, they spoke a form of French and lived according to customs which dated back to the days of Louis XIV.

It was to New England that most of the French-Canadians came. They came to escape the poverty of their farms in Quebec and to earn some money in the mills and factories. They came by the thousands—a quarter of a million by 1900.

They were hard workers, willing to put in long hours, and the New England mill owners, impressed by their productiveness, sent agents into the villages of Quebec to recruit even more.

But this is history. What we are all concerned with is the here and now. And the question is this:

How has Franco-American pride weathered in the intervening years?

I can state to my colleagues that it has weathered well, Franco-Americans have organized for their collective good. Franco-Americans have achieved business and professional success and social status. Franco-American associations have pressed for changes in law that will help preserve their culture while helping young Franco-American students adapt to a bilingugal society. Under the guidance of my distinguished colleague, Senator HATHAWAY, changes are taking place in educational and cultural programs to the benefit of Franco-Americans. Franco-Americans are making it in America, while also maintaining the flavor of their culture and the pride in their heritage.

Mr. President, I ask unanimous consent that a letter of July 4, 1978, from President Carter and a letter from the French Ambassador to the United States, Francois de Laboulaye, concerning Franco-American friendship, be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, D.C., July 4, 1978.

Hon. THOMAS J. MCINTYRE,
U.S. Senate,
Washington, D.C.

To Senator THOMAS MCINTYRE:

Two hundred years ago, the thirteen American colonies signed a Treaty of Friendship and Commerce with France, making that nation our first formal ally. It is especially appropriate in 1978 to remember not only the strong friendship our nations now share, but also the contributions of the French people, and Franco-Americans, to the growth and vitality of the United States. Many Franco-Americans, including those of your own state, have played a vital role in the growth and development of America.

I know that all Americans will join me this year in recalling our deep friendship for France—a bond two hundred years old—and in remembering the contributions Franco-Americans have made throughout our history. Together, let us rededicate ourselves to the principles of democracy and human rights, which are the common heritage of the United States and France.

With warm regards,

Sincerely,

JIMMY CARTER.

FEBRUARY 21, 1978.

Hon. THOMAS J. MCINTYRE,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR MCINTYRE: On behalf of the people of France, please allow me the privilege of expressing our warm gratitude and deep appreciation to you and your colleagues who are sponsoring the Joint Resolution to make 1978 "Franco-American Friendship Year".

The friendship between the United States and the Republic of France is unique in the annals of history both in terms of its duration and depth of intensity. Begun in a time fraught with danger, the bonds of affection and mutual esteem have grown steadily stronger through the years.

Your expression of this friendship through sponsoring of the resolution demonstrates the vitality and vigor of a friendship two-hundred years young for I am confident that, as the inscription above your Archives read "The past is prologue".

With every best wish and kind personal regards,

Sincerely,

FRANÇOIS DE LABOULAYE.

SENATOR HELM'S RHODESIA ALTERNATIVE

Mr. HAYAKAWA. Mr. President, an editorial concerning the debate to lift economic sanctions against Rhodesia appeared in this morning's Washington Post. Although I disagree with the con-

clusion reached by the article, I believe that the discussion is an extremely useful one.

Indeed, the article, until the very last paragraph, makes a compeling case for the position espoused by my distinguished colleague from North Carolina (Mr. HELMS); namely, that sanctions against Rhodesia be lifted. It almost looks as if the editorial, in an original draft, had concluded with an endorsement of the Helms amendment, but that another editorialist, perhaps higher up, substituted a conclusion different from that which follows logically from the preceding paragraphs.

In any case, Mr. President, the argument for lifting the sanctions could hardly have been made better than by this editorial.

I ask unanimous consent that the entire editorial, including the final paragraph, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SENATOR HELMS'S RHODESIA ALTERNATIVE

Senator Jesse Helms's Rhodesia amendment, which would lift sanctions and permit trade with the United States for six months, introduces Congress into policy-making on Rhodesia at a crucial juncture. An earlier version, calling for a 15-month suspension of sanctions, came within three votes of passage. Two considerations help explain why a proposal vehemently opposed by the administration did so well. First, the moderate, one-man, one-vote, multiracial system promised by the "internal" government that was set up last March looks better to many senators than the communist-oriented black guerrilla regime they see as a likely alternative. Second, perceiving the administration's policy as essentially pro-guerrilla, these senators thought that by temporarily lifting sanctions, they might even the odds in a struggle the guerrillas now seem almost sure to win.

Ian Smith and the internal black nationalists do promise a result compatible with American interests and values, or one more compatible than the Angolan-style regime that could emerge from the black civil war likely to follow the collapse of the internal regime. The protections for whites in the internal setup offend some Africans, including the "front line" states, and the State Department. We have long felt, however, that the constitution of Rhodesia/Zimbabwe should reflect the preferences not of the front line states or of the State Department but of its people. The "external" guerrillas are bound on blocking the elections that would legitimize the internal settlement. They insist they will not submit their own political fate to a fair, internationally supervised vote. Meanwhile, the United States and Britain urge compromise, but the internal people won't go along because they are losing, the external people because they are winning. The war goes on.

American policy is tipped toward the guerrillas. Notwithstanding Salisbury's adoption of majority-rule plans, the State Department treats Salisbury like a leper and courts the Popular Front. The United States funnels economic aid to the front-line states sponsoring the guerrillas, and enforces no-trade sanctions against Rhodesia. There are serious rationales for this bias: to please the front-line states and nations like Nigeria, and to preempt direct Cuban-Soviet military intervention. But that is no comfort to the internal people, who feel, not without reason, that they are paying for an American policy conceived for larger ends.

But will the Helms amendment even things out? The argument for it is that it will bring guerrilla leader Joshua Nkomo, regarded by Salisbury as still a tolerable figure, into a negotiation that he rejects now because he thinks he can win it all in battle. The trouble with that argument is that it skips over the possibility that Mr. Nkomo, rather than negotiating, may instead call in the Cubans. To that the response is that the internal people are prepared to fight. But could the United States then stand by?

It is late in the day to try to even the odds in Rhodesia in this way. The situation seems to us to have deteriorated too far. For all the flaws in administration policy, the Helms alternative promises no more than messy confusion. Americans who respect the internal effort might better press the administration to induce more moderation from the Patriotic Front. Why not put the front on notice that American good will depends on its delivery of a reasonable degree of democratic procedure and racial fairness? The "signal" the administration now sends the front is: almost anything goes, if you don't call the Cubans. That is what dismays Rhodesian and American critics alike.

ORDER FOR RECESS UNTIL 8 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 8 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders are recognized on tomorrow morning under the standing order, Mr. GRAVEL be recognized for not to exceed 15 minutes, to be followed by Mr. HARRY F. BYRD, JR. for not to exceed 15 minutes, to be followed by Mr. ROBERT C. BYRD for not to exceed 15 minutes, to be followed by Mr. HOWARD BAKER for not to exceed 15 minutes, to be followed by Mr. TOWER for not to exceed 15 minutes, to be followed by Mr. HELMS for not to exceed 15 minutes, and that Mr. GRAVEL, if he needs more than 15 minutes for his order, may be given consent to utilize the time under all the remaining orders I have just entered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, reserving the right to object——

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. MOYNIHAN be recognized at 9:30 tomorrow morning for not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator from Oklahoma (Mr. BARTLETT) be recognized immediately following Mr. MOYNIHAN for not to exceed 10 minutes, and that the Senator from New York (Mr. JAVITS) be recognized for 10 minutes immediately following Mr. BARTLETT, so that Mr. JAVITS may yield his 10 minutes to Mr. BARTLETT, which Mr. BARTLETT will need.

The PRESIDING OFFICER. Without objection, it is so ordered.

MILITARY CONSTRUCTION AUTHORIZATION, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at 10 o'clock tomorrow morning, the Senate proceed to the consideration of the military construction authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that no rollcall votes occur, if ordered on that bill or in relation thereto, prior to the hour of 1 o'clock p.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

FURTHER ORDER OF BUSINESS TOMORROW AND THURSDAY

Mr. JAVITS. Mr. President, will the Senator bear in mind that I am rising now to say a word about John Rockefeller III, whose memorial services will take place at 11 a.m. on Thursday in New York. I just submit that information to the leadership; I am sure they will want to accommodate Senators in any way possible.

Mr. ROBERT C. BYRD. Yes, I am sure that will be kept in mind.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate tomorrow to hold an agenda and nominations meeting.

I ask unanimous consent that the Administrative Practices Subcommittee of the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, July 12, 1978, until 12:30 p.m. to hold a hearing on the FBI Charter.

I ask unanimous consent that the Committee on Rules and Administration be authorized to meet on Wednesday, July 12, 1978, to hold a hearing on Senate Resolution 405 making the Select Committee on Indian Affairs a permanent committee of the Senate; Senate Resolution 504, authorizing additional funds to the Committee on Armed Services for routine purposes; in addition to considering several administrative items.

The PRESIDING OFFICER. Without objection, it is so ordered.

TREATY WITH BOLIVIA ON THE EXECUTION OF PENAL SENTENCES (EX G, 95–2); INTERNATIONAL CONVENTION FOR THE SAFETY OF LIFE AT SEA (EX O, 94–2); PROTOCOL RELATING TO INTERVENTION ON THE HIGH SEAS IN CASES OF MARINE POLLUTION BY SUBSTANCES OTHER THAN OIL (EX L, 95–1); RECIPROCAL FISHERIES AGREEMENT WITH THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND (EX O, 95–1); AND CONVENTION WITH THE UNION OF SOVIET SOCIALIST REPUBLICS ON THE CONSERVATION OF MIGRATORY BIRDS AND THEIR ENVIRONMENT (EX K, 95–1)

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unan-

imous consent that immediately following the disposition of the military contruction bill, the Senate go into executive session and proceed to vote on the treaties beginning with Calendar Order No. 7, extending through Calendar Orders Nos. 8, 9, 10, and 11, and that there be one vote on the five treaties, the one vote to count for five but that in the RECORD the votes appear individually and separately.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, I rise only to advise the distinguished majority leader that these items on our Executive Calendar are cleared, and we have no objection to that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate, as in Committee of the Whole, proceeded to consider the following treaties, conventions, protocols, and agreements which were read the second time:

TREATY BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF BOLIVIA ON THE EXECUTION OF PENAL SENTENCES

The United States of America and the Republic of Bolivia, agreeing on the necessity of mutual cooperation in combatting crime insofar as the effects of such crime extend beyond their borders and with the purpose of assuring the better administration of justice through adequate procedures that facilitate the social rehabilitation of prisoners;

Hereby resolve to enter into a Treaty on the Execution of Penal Sentences in the following terms:

ARTICLE I

1. Sentences imposed in the Republic of Bolivia on nationals of the United States of America may be served in penal institutions of the United States of America or under the supervision of its authorities in accordance with the provisions of this Treaty.

2. Sentences imposed in the United States of America on nationals of the Republic of Bolivia may be served in penal institutions of the Republic of Bolivia or under the supervision of its authorities in accordance with the provisions of this Treaty.

ARTICLE II

For the purposes of this Treaty:

1. "Transferring State" means the party from which the offender is to be transferred.

2. "Receiving State" means the party to which the offender is to be transferred.

3. "Offender" means a person who in the territory of one of the parties is serving a prison sentence not subject to further appeal or is on parole or suspended sentence.

ARTICLE III

This Treaty shall apply only under the following conditions:

1. That the offense for which the offender was convicted and sentenced is one which would be punishable as a crime in the Receiving State; provided, however, that this condition shall not be interpreted so as to require that the crime described in the laws of both States be identical in those matters which do not affect the nature of the crime

2. That the offender be a national of the Receiving State.

3. That the offender has not been sentenced to the death penalty nor convicted of a crime under military law.

4. That at least six months of the offender's sentence remain to be served at the time of petition.

5. That the sentence be final, that any appeal procedures have been completed, and that there be no extraordinary review procedures pending at the time of invoking the provisions of this Treaty.

6. That the provisions of the sentence, other than the period of detention, have been complied with.

ARTICLE IV

The parties will designate authorities to perform the functions provided in this Treaty.

ARTICLE V

1. Each transfer of American offenders shall be initiated by a written petition presented by the Embassy of the United States of America in Bolivia to the Ministry of Foreign Affairs and Worship.

2. Each transfer of Bolivian offenders shall be initiated by a written petition presented by the Embassy of the Republic of Bolivia in the United States of America to the Department of State.

3. If the Transferring State considers the request to transfer the prisoner appropriate and the offender gives his express consent, the Transferring State will communicate its approval of such request to the Receiving State so that, once internal arrangements have been completed, the transfer of the offender may be effected in the Embassy of the United States of America in La Paz or in the Embassy of the Republic of Bolivia in Washington, respectively, to the Chiefs of Mission or to the authorities designated for this purpose by the Receiving State. A written record of the transfer will be prepared.

4. When the offender is located at a site distant from the Embassy, he may be transferred at the nearest Consulate. For such purpose, the Chief of Mission may delegate the function of reception to the respective Consul, after informing the authorities of the Transferring State and complying with the requirements set forth in the preceding paragraph.

5. The Receiving State will be responsible for the custody and transport of the offender to the prison or place where he should complete his sentence from the moment in which the offender is received in the Embassy or Consulate of the Receiving State; and in each case, as necessary, the Receiving State will request the cooperation of third countries for transit of the offender through their territories. In special cases, by agreement between the respective authorities of both parties, the Transferring State will assist in said requests made by the Receiving State.

6. In making the decision concerning the transfer of an offender and with the objective that the transfer should contribute effectively to his social rehabilitation, the authority of each party will consider, among other factors, the seriousness of the crime, previous criminal record if any, health status, and the ties that the offender may have with the society of the Transferring State and the Receiving State.

7. In cases where a Bolivian offender has been sentenced by a state of the United States of America, the approval of the respective state authorities for his transfer will be required as well as that of the federal authority.

8. The Transferring State shall furnish to the Receiving State certified copies of the principal portions of the trial record and information concerning the offender from the time of his detention in said State. When the Receiving State considers such information insufficient, it may request additional information.

9. When the Transferring State does not approve, for whatever reason, the transfer of an offender, it shall communicate this decision to the Receiving State without delay.

10. Before the transfer, the Transferring State shall afford an opportunity to the Receiving State, if it so desires, to verify through an officer designated by the laws of the Receiving State, that the offender's consent to the transfer has been given voluntarily and with full knowledge of the legal consequences thereof.

11. The Receiving State shall not be entitled to any reimbursement for the expenses incurred by it in the transfer of an offender or the completion of his sentence.

ARTICLE VI

1. An offender delivered for execution of a sentence under this Treaty may not again be detained, tried or sentenced in the Receiving State for the same offense for which the sentence was imposed by the Transferring State.

2. Except as otherwise provided in this Treaty, the completion of a transferred offender's sentence shall be carried out according to the laws and procedures of the Recieving State, including the application of any provisions for reduction of the term of confinement by parole, conditional release or otherwise.

3. On request by the Transferring State, the Receiving State will provide information regarding compliance with the sentence, including data regarding parole and similar matters. Moreover, the Receiving State may request additional information regarding a transferred offender.

ARTICLE VII

The Transferring State shall retain exclusive jurisdiction regarding the sentences imposed and any procedures that provide for revision, modification, or cancellation of the sentences pronounced by its courts. The Receiving State, upon being informed of any decision in this regard, will put such measures into effect.

ARTICLE VIII

1. This Treaty shall also be applicable to persons subject to supervision or other measures under the laws of one of the parties relating to youthful offenders. The parties shall, in accordance with their laws agree on the kind of treatment to be accorded such persons upon transfer. Consent for the transfer of such persons shall be obtained from a legally authorized representative.

2. Nothing in this Treaty shall be interpreted to limit the ability which the parties may have independent of the present Treaty, to grant or accept the transfer of youthful or other offenders.

ARTICLE IX

By special agreement between the parties for specific cases, persons accused of a crime who the medico-legal authorities of the Transferring State have duly determined are suffering from a mental aberration or mental illness and for such reason are declared incompentent to stand trial, may be transferred to the country of which they are nationals so that they may be cared for in specialized institutions.

ARTICLE X

In order to carry out the purposes of this Treaty, each party shall take the necessary legislative measures and shall establish adequate administrative procedures so that the sentences imposed will have legal effect within their respective territories.

ARTICLE XI

1. The present Treaty shall be subject to ratification and shall enter into force on the date on which instruments of ratification are exchanged. The exchange of instruments of ratification shall take place at Washington.

2. The present Treaty shall remain in force for two years and shall be automatically renewed for additional periods of two years unless one of the parties gives written notice to the other of its intention to terminate the Treaty at least six months prior to the expiration of any two-year period.

Done in duplicate, in the English and Spanish languages, each language version

being equally authentic, at La Paz, this tenth day of February, 1978.

For the United States of America:

——— ———.

For the Republic of Bolivia:

——— ———.

INTERNATIONAL CONVENTION FOR THE SAFETY OF LIFE AT SEA, 1974

The contracting governments,

Being desirous of promoting safety of life at sea by establishing in common agreement uniform principles and rules directed thereto,

Considering that this end may best be achieved by the conclusion of a Convention to replace the International Convention for the Safety of Life at Sea, 1960, taking account of developments since that Convention was concluded,

Have agreed as follows:

ARTICLE I

General obligations under the convention

(a) The Contracting Governments undertake to give effect to the provisions of the present Convention and the Annex thereto, which shall constitute an integral part of the present Convention. Every reference to the present Convention constitutes at the same time a reference to the Annex.

(b) The Contracting Governments undertake to promulgate all laws, decrees, orders and regulations and to take all other steps which may be necessary to give the present Convention full and complete effect, so as to ensure that, from the point of view of safety of life, a ship is fit for the service for which it is intended.

ARTICLE II

Application

The present Convention shall apply to ships entitled to fly the flag of States the Governments of which are Contracting Governments.

ARTICLE III

Laws, regulations

The Contracting Governments undertake to communicate to and deposit with the Secretary-General of the Inter-Governmental Maritime Consultative Organization (hereinafter referred to as "the Organization"):

(a) a list of non-governmental agencies which are authorized to act in their behalf in the administration of measures for safety of life at sea for circulation to the Contracting Governments for the information of their officers;

(b) the text of laws, decrees, orders and regulations which shall have been promulgated on the various matters within the scope of the present Convention;

(c) a sufficient number of specimens of their Certificates issued under the provisions of the present Convention for circulation to the Contracting Governments for the information of their officers.

ARTICLE IV

Cases of force majeure

(a) A ship, which is not subject to the provisions of the present Convention at the time of its departure on any voyage, shall not become subject to the provisions of the present Convention on account of any deviation from its intended voyage due to stress of weather or any other cause of *force majeure*.

(b) Persons who are on board a ship by reason of *force majeure* or in consequence of the obligation laid upon the master to carry shipwrecked or other persons shall not be taken into account for the purpose of ascertaining the application to a ship of any provisions of the present Convention.

ARTICLE V

Carriage of persons in emergency

(a) For the purpose of evacuating persons in order to avoid a threat to the security of their lives a Contracting Government may permit the carriage of a larger number of persons in its ships than is otherwise permissible under the present Convention.

(b) Such permission shall not deprive other Contracting Governments of any right of control under the present Convention over such ships which come within their ports.

(c) Notice of any such permission, together with a statement of the circumstances, shall be sent to the Secretary-General of the Organization by the Contracting Government granting such permission.

ARTICLE VI

Prior treaties and conventions

(a) As between the Contracting Governments, the present Convention replaces and abrogates the International Convention for the Safety of Life at Sea which was signed in London on 17 June 1960.

(b) All other treaties, conventions and arrangements relating to safety of life at sea, or matters appertaining thereto, at present in force between Governments parties to the present Convention shall continue to have full and complete effect during the terms thereof as regards:

(i) ships to which the present Convention does not apply;

(ii) ships to which the present Convention applies, in respect of matters for which it has not expressly provided.

(c) To the extent, however, that such treaties, conventions or arrangements conflict with the provisions of the present Convention, the provisions of the present Convention shall prevail.

(d) All matters which are not expressly provided for in the present Convention remain subject to the legislation of the Contracting Governments.

ARTICLE VII

Special rules drawn up by agreement

When in accordance with the present Convention special rules are drawn up by agreement all or some of the Contracting Governments, such rules shall be communicated to the Secretary-General of the Organization for circulation to all Contracting Governments.

ARTICLE VIII

Amendments

(a) The present Convention may be amended by either of the procedures specified in the following paragraphs.

(b) Amendments after consideration within the Organization:

(i) Any amendment proposed by a Contracting Government shall be submitted to the Secretary-General of the Organization, who shall then circulate it to all Members of the Organization and all Contracting Governments at least six months prior to its consideration.

(ii) Any amendment proposed and circulated as above shall be referred to the Maritime Safety Committee of the Organization for consideration.

(iii) Contracting Governments of States, whether or not Members of the Organization, shall be entitled to participate in the proceedings of the Maritime Safety Committee for the consideration and adoption of amendments.

(iv) Amendments shall be adopted by a two-thirds majority of the Contracting Governments present and voting in the Maritime Safety Committee expanded as provided for in sub-paragraph (iii) of this paragraph (hereinafter referred to as "the expanded Maritime Safety Committee") on condition that at least one-third of the Contracting Governmens shall be present at the time of voting.

(v) Amendments adopted in accordance with sub-paragraph (iv) of this paragraph shall be communicated by the Secretary-General of the Organization to all Contracting Governments for acceptance.

(vi)(1) An amendment to an Article of the Convention or to Chapter I of the Annex shall be deemed to have been accepted on the date on which it is accepted by two-thirds of the Contracting Governments.

(2) An amendment to the Annex other than Chapter I shall be deemed to have been accepted:

(aa) at the end of two years from the date on which it is communicated to Contracting Governments for acceptance; or

(bb) at the end of a different period, which shall not be less than one year, if so determined at the time of its adoption by a two-thirds majority of the Contracting Governments present and voting in the expanded Maritime Safety Committee.

However, if within the specified period either more than one-third of Contracting Governments, or Contracting Governments the combined merchant fleets of which constitute not less than fifty per cent of the gross tonnage of the world's merchant fleet, notify the Secretary-General of the Organization that they object to the amendment, it shall be deemed not to have been accepted.

(vii)(1) An amendment to an Article of the Convention or to Chapter I of the Annex shall enter into force with respect to those Contracting Governments which have accepted it, six months after the date on which it is deemed to have been accepted, and with respect to each Contracting Government which accepts it after that date, six months after the date of that Contracting Government's acceptance.

(2) An amendment to the Annex other than Chapter I shall enter into force with respect to all Contracting Governments, except those which have objected to the amendment under sub-paragraph (vi)(2) of this paragraph and which have not withdrawn such objections, six months after the date on which it is deemed to have been accepted. However, before the date set for entry into force, any Contracting Government may give notice to the Secretary-General of the Organization that it exempts itself from giving effect to that amendment for a period not longer than one year from the date of its entry into force, or for such longer period as may be determined by a two-thirds majority of the Contracting Governments present and voting in the expanded Maritime Safety Committee at the time of the adoption of the amendment.

(c) Amendment by a Conference:

(i) Upon the request of a Contracting Government concurred in by at least one-third of the Contracting Governments, the Organization shall convene a Conference of Contracting Governments to consider amendments to the present Convention.

(ii) Every amendment adopted by such a Conference by a two-thirds majority of the Contracting Governments present and voting shall be communicated by the Secretary-General of the Organization to all Contracting Governments for acceptance.

(iii) Unless the Conference decides otherwise, the amendment shall be deemed to have been accepted and shall enter into force in accordance with the procedures specified in sub-paragraphs (b)(vi) and (b)(vii) respectively of this Article, provided that references in these paragraphs to the expanded Maritime Safety Committee shall be taken to mean references to the Conference.

(d) (i) A Contracting Government which has accepted an amendment to the Annex which has entered into force shall not be obliged to extend the benefit of the present Convention in respect of the certificates issued to a ship entitled to fly the flag of a State the Government of which, pursuant to the provisions of sub-paragraph (b)(vi)(2) of this Article, has objected to the amend-

ment and has not withdrawn such an objection, but only to the extent that such certificates relate to matters covered by the amendment in question

(ii) A Contracting Government which has accepted an amendment to the Annex which has entered into force shall extend the benefit of the present Convention in respect of the certificates issued to a ship entitled to fly the flag of a State the Government of which, pursuant to the provisions of sub-paragraph (b)(vii)(2) of this Article, has notified the Secretary-General of the Organization that it exempts itself from giving effect to the amendment.

(e) Unless expressly provided otherwise, any amendment to the present Convention made under this Article, which relates to the structure of a ship, shall apply only to ships the keels of which are laid or which are at a similar stage of construction, on or after the date on which the amendment enters into force.

(f) Any declaration of acceptance of, or objection to, an amendment or any notice given under sub-paragraph (b)(vii)(2) of this Article shall be submitted in writing to the Secretary-General of the Organization, who shall inform all Contracting Governments of any such submission and the date of its receipt.

(g) The Secretary-General of the Organization shall inform all Contracting Governments of any amendments which enter into force under this Article, together with the date on which each such amendment enters into force.

ARTICLE IX

Signature, ratification, acceptance, approval and accession

(a) The present Convention shall remain open for signature at the Headquarters of the Organization from 1 November 1974 until 1 July 1975 and shall thereafter remain open for accession. States may become parties to the present Convention by:

(i) signature without reservation as to ratification, acceptance or approval; or

(ii) signature subject to ratification, acceptance or approval, followed by ratification, acceptance or approval; or

(iii) accession.

(b) Ratification, acceptance, approval or accession shall be effected by the deposit of an instrument to that effect with the Secretary-General of the Organization.

(c) The Secretary-General of the Organization shall inform the Governments of all States which have signed the present Convention or acceded to it of any signature or of the deposit of any instrument of ratification, acceptance, approval or accession and the date of its deposit.

ARTICLE X

Entry into force

(a) The present Convention shall enter into force twelve months after the date on which not less than twenty-five States, the combined merchant fleets of which constitute not less than fifty per cent of the gross tonnage of the world's merchant shipping, have become parties to it in accordance with Article IX.

(b) Any instrument of ratification, acceptance, approval or accession deposited after the date on which the present Convention enters into force shall take effect three months after the date of deposit.

(c) After the date on which an amendment to the present Convention is deemed to have been accepted under Article VIII, any instrument of ratification, acceptance, approval or accession deposited shall apply to the Convention as amended.

ARTICLE XI

Denunciation

(a) The present Convention may be denounced by any Contracting Government at any time after the expiry of five years from the date on which the Convention enters into force for that Government.

(b) Denunciation shall be effected by the deposit of an instrument of denunciation with the Secretary-General of the Organization who shall notify all the other Contracting Governments of any instrument of denunciation received and of the date of its receipt as well as the date on which such denunciation takes effect.

(c) A denunciation shall take effect one year, or such longer period as may be specified in the instrument of denunciation, after its receipt by the Secretary-General of the Organization.

ARTICLE XII

Deposit and registration

(a) The present Convention shall be deposited with the Secretary General of the Organization who shall transmit certified true copies thereof to the Governments of all States which have signed the present Convention or acceded to it.

(b) As soon as the present Convention enters into force, the text shall be transmitted by the Secretary-General of the Organization to the Secretary-General of the United Nations for registration and publication, in accordance with Article 102 of the Charter of the United Nations.

ARTICLE XIII

Languages

The present Convention is established in a single copy in the Chinese, English, French, Russian and Spanish languages, each text being equally authentic. Official translations in the Arabic, German and Italian languages shall be prepared and deposited with the signed original.

In witness whereof the undersigned, being duly authorized by their respective Governments for that purpose, have signed the present Convention.

Done at London this first day of November one thousand nine hundred and seventy-four.

PROTOCOL RELATING TO INTERVENTION ON THE HIGH SEAS IN CASES OF MARINE POLLUTION BY SUBSTANCES OTHER THAN OIL, 1973

The Parties to the Present Protocol,

Being Parties to the International Convention relating to Intervention on the High Seas in Cases of Oil Pollution Casualties, done at Brussels on 29 November 1969,

Taking Into Account the Resolution on International Co-operation Concerning Pollutants other than Oil adopted by the International Legal Conference on Marine Pollution Damage, 1969,

Further Taking Into Account that pursuant to the Resolution, the Inter-Governmental Maritime Consultative Organization has intensified its work, in collaboration with all interested international organizations, on all aspects of pollution by substances other than oil,

Have Agreed as follows:

ARTICLE I

1. Parties to the present Protocol may take such measures on the high seas as may be necessary to prevent, mitigate or eliminate grave and imminent danger to their coastline or related interests from pollution or threat of pollution by substances other than oil following upon a maritime casualty or acts related to such a casualty, which may reasonably be expected to result in major harmful consequences.

2. "Substances other than oil" as referred to in paragraph 1 shall be:

(a) those substances enumerated in a list which shall be established by an appropriate body designated by the Organization and which shall be annexed to the present Protocol, and

(b) those other substances which are liable to create hazards to human health, to harm living resources and marine life, to damage amenities or to interfere with other legitimate uses of the sea.

3. Whenever an intervening Party takes action with regard to a substance referred to in paragraph 2(b) above that Party shall have the burden of establishing that the substance, under the circumstances present at the time of the intervention, could reasonably pose a grave and imminent danger analogous to that posed by any of the substances enumerated in the list referred to in paragraph 2(a) above.

ARTICLE II

1. The provisions of paragraph 2 of Article I and of Articles II to VIII of the Convention Relating to Intervention on the High Seas in Cases of Oil Pollution Casualties, 1969, and the Annex thereto as they relate to oil, shall be applicable with regard to the substances referred to in Article I of the present Protocol.

2. For the purpose of the present Protocol the lists of experts referred to in Articles III (c) and IV of the Convention shall be extended to include experts qualified to give advice in relation to substances other than oil. Nominations to the list may be made by Member States of the Organization and by Parties to the present Protocol.

ARTICLE III

1. The list referred to in paragraph 2(a) of Article I shall be maintained by the appropriate body designated by the Organization.

2. Any amendment to the list proposed by a Party to the present Protocol shall be submitted to the Organization and circulated by it to all Members of the Organization and all Parties to the present Protocol at least three months prior to its consideration by the appropriate body.

3. Parties to the present Protocol whether or not Members of the Organization shall be entitled to participate in the proceedings of the appropriate body.

4. Amendments shall be adopted by a two-thirds majority of only the Parties to the present Protocol present and voting.

5. If adopted in accordance with paragraph 4 above, the amendment shall be communicated by the Organization to all Parties to the Present Protocol for acceptance.

6. The amendment shall be deemed to have been accepted at the end of a period of six months after it has been communicated, unless within that period an objection to the amendment has been communicated to the Organization by not less than one-third of the Parties to the present Protocol.

7. An amendment deemed to have been accepted in accordance with paragraph 6 above shall enter into force three months after its acceptance for all Parties to the present Protocol, with the exception of those which before that date have made a declaration of non-acceptance of the said amendment.

ARTICLE IV

1. The present Protocol shall be open for signature by the States which have signed the Convention referred to in Article II or acceded thereto, and by any State invited to be represented at the International Conference on Marine Pollution 1975. The Protocol shall remain open for signature from January 15, 1974 until December 31, 1974 at the Headquarters of the Organization.

2. Subject to paragraph 4 of this Article, the present Protocol shall be subject to ratification, acceptance or approval by the States which have signed it.

3. Subject to paragraph 4, this Protocol shall be open for accession by States which did not sign it.

4. The present Protocol may be ratified, accepted, approved or acceded to only by States which have ratified, accepted, approved or acceded to the Convention referred to in Article II.

ARTICLE V

1. Ratification, acceptance, approval or accession shall be effected by the deposit of a formal instrument to that effect with the Secretary-General of the Organization.

2. Any instrument of ratification, acceptance, approval or accession deposited after the entry into force of an amendment to the present Protocol with respect to all existing Parties or after the completion of all measures required for the entry into force of the amendment with respect to all existing Parties shall be deemed to apply to the Protocol as modified by the amendment.

ARTICLE VI

1. The present Protocol shall enter into force on the ninetieth day following the date on which fifteen States have deposited instruments of ratification, acceptance, approval or accession with the Secretary-General of the Organization, provided however that the present Protocol shall not enter into force before the Convention referred to in Article II has entered into force.

2. For each State which subsequently ratifies, accepts, approves or accedes to it, the present Protocol shall enter into force on the ninetieth day after the deposit by such State of the appropriate instrument.

ARTICLE VII

1. The present Protocol may be denounced by any Party at any time after the date on which the Protocol enters into force for that Party.

2. Denunciation shall be affected by the deposit of an instrument to that effect with the Secretary-General of the Organization.

3. Denunciation shall take effect one year, or such longer period as may be specified in the instrument of denunciation, after its deposit with the Secretary-General of the Organization.

4. Denunciation of the Convention referred to in Article II by a Party shall be deemed to be a denunciation of the Protocol by that Party. Such denunciation shall take effect on the same day as the denunciation of the Convention takes effect in accordance with paragraph 3 of Article XII of that Convention.

ARTICLE VIII

1. A conference for the purpose of revising or amending the present Protocol may be convened by the Organization.

2. The Organization shall convene a conference of Parties to the present Protocol for the purpose of revising or amending it at the request of not less than one-third of the Parties.

ARTICLE IX

1. The present Protocol shall be deposited with the Secretary-General of the Organization.

2. The Secretary-General of the Organization shall:

(a) inform all States which have signed the present Protocol or acceded thereto of:

(i) each new signature or deposit of an instrument together with the date thereof;

(ii) the date of entry into force of the present Protocol;

(iii) the deposit of any instrument of denunciation of the present Protocol together with the date on which the denunciation takes effect;

(iv) any amendments to the present Protocol or its Annex and any objection or declaration of non-acceptance of the said amendment;

(b) transmit certified true copies of the present Protocol to all States which have signed the present Protocol or acceded thereto.

ARTICLE X

As soon as the present Protocol enters into force, a certified true copy thereof shall be transmitted by the Secretary-General of the Organization to the Secretariat of the United Nations for registration and publication in accordance with Article 102 of the Charter of the United Nations.

ARTICLE XI

The present Protocol is established in a single original in the English, French, Russian and Spanish languages, all four texts being equally authentic.

IN WITNESS WHEREOF the undersigned being duly authorized for that purpose have signed the present Protocol.

DONE AT LONDON this second day of November one thousand nine hundred and seventy-three.

RECIPROCAL FISHERIES AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

The Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland,

Seeking to maintain the long-standing and cooperative fisheries relations in adjacent waters which have formed a part of the close ties between the people of the United States and the people of the British Virgin Islands;

Desiring to ensure effective conservation of fishery stocks in the exclusive fishery zones of the United States and the British Virgin Islands;

Taking note of the United States Fishery Conservation and Management Act of 1976, establishing a fishery conservation zone contiguous to the territorial sea of the United States;

Taking note of the Proclamation by the Governor of the British Virgin Islands of 9 March 1977 establishing a fisheries zone contiguous to the territorial sea of the British Virgin Islands;

Recalling that the two Governments have a common approach based on the principle of equidistance regarding the limits of fishery jurisdiction as between the United States and the British Virgin Islands;

Have agreed as follows:

ARTICLE I

For the purposes of this Agreement:

(a) the exclusive fishery zone of the United States refers to waters subject to the fishery jurisdiction of the United States beyond the territorial sea;

(b) the exclusive fishery zone of the British Virgin Islands refers to waters subject to the fishery jurisdiction of the United Kingdom contiguous to the territorial sea of the British Virgin Islands.

ARTICLE II

Commercial fishing by vessels of the British Virgin Islands may continue in the exclusive fishery zone of the United States in accordance with existing patterns and at existing levels. The Government of the United States extends access to its exclusive fishery zone to vessels of the British Virgin Islands for the purpose of conducting such fishing.

ARTICLE III

Commercial fishing by vessels of the United States may continue in the exclusive fishery zone of the British Virgin Islands in accordance with existing patterns and at existing levels. The Government of the United Kingdom of Great Britain and Northern Ireland extends access to the exclusive fishery zone of the British Virgin Islands to vessels of the United States for the purpose of conducting such fishing.

ARTICLE IV

1. The Government of the United Kingdom of Great Britain and Northern Ireland shall have exclusive authority to enforce the provisions of this Agreement and applicable national fishery regulations with respect to fishing by vessels of the United States in the exclusive fishery zone of the British Virgin Islands; provided that such national regulations as may be applied shall not disturb existing patterns and levels of fishing.

2. The Government of the United States shall have exclusive authority to enforce the provisions of this Agreement and applicable national fishery regulations with respect to fishing by vessels of the British Virgin Islands in the exclusive fishery zone of the United States; provided that such national regulations as may be applied shall not disturb existing patterns and levels of fishing.

ARTICLE V

Nothing in this Agreement shall preclude either Party from regulating recreational fishing within its exclusive fishery zone in accordance with its applicable laws.

ARTICLE VI

1. Consultations shall be held at the request of either Party to this Agreement, when:

(a) there is reason to believe that vessels of the other are fishing in a manner inconsistent with existing patterns and levels of commercial fishing referred to in Articles II and III:

(b) either Party seeks a change in existing patterns or levels of commercial fishing referred to in Articles II and III;

(c) either Party intends to introduce conservation measures which may affect the existing patterns and levels of commercial fishing referred to in Articles II and III;

(d) there is a need to discuss implementation of any provision of this Agreement.

2. If such consultations result in a decision to amend the terms of this Agreement, such amendments shall enter into force by a subsequent exchange of diplomatic Notes.

ARTICLE VII

This Agreement shall enter into force when each Party has notified the other by diplomatic Note that the necessary domestic legal procedures for such entry into force have been fulfilled, and shall remain in force until December 31, 1978, unless terminated sooner by either Party following three months writ ten notice to the other Party.

In witness whereof, the undersigned, duly authorized thereto by their respective Governments, have signed this Agreement.

Done in duplicate, at Washington on June 24, 1977.

For the Government of the United States of America:

For the Government of the United Kingdom of Great Britain and Northern Ireland:

PETER RAMSBOTHAM.

AGREED MINUTE

1. The representatives of the two governments agreed that the following information reflected the existing patterns and levels of commercial fishing by vessels of the United States in the exclusive fishery zone of the British Virgin Islands as defined in the Agreement:

(a) no fishing by vessels over fifty-five (55) feet in length;

(b) deep line fishing at or beyond the forty fathom curve by six vessels per day between thirty (30) and fifty-five (55) feet in length during April, May and June; and deep line fishing at or beyond the forty fathom curve by four such vessels per day during the remainder of the year;

(c) line and trap fishing by six vessels per day under thirty (30) feet in length west of a line drawn due north of Mount Sage (1789 feet) on Tortola; and west of a line drawn due south from the easternmost point of Peter Island.

2. The representatives of the two governments agreed that the following reflected the existing patterns and levels of commercial fishing by vessels of the British Virgin Islands in the exclusive fishery zone of the

United States as defined in the Agreement: deep line fishing by two vessels per day under forty (40) feet in length, at or beyond the forty fathom curve.

R C. B.
P. E. R.

CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND THE UNION OF SOVIET SOCIALIST REPUBLICS CONCERNING THE CONSERVATION OF MIGRATORY BIRDS AND THEIR ENVIRONMENT

The Government of the United States of America and the Government of the Union of Soviet Socialist Republics,

Considering that migratory birds are a natural resource of great scientific, economic, aesthetic, cultural, educational, recreational and ecological value and that this value can be increased under proper management,

Recognizing that many species of birds migrate between the United States and the Soviet Union or that species of birds which occur in the United States and the Soviet Union have common flyways, breeding, wintering, feeding or moulting areas which should be protected,

Considering that effective protection of migratory birds and their environment requires substantial national effort, but recognizing that international cooperation in this area can provide significant assistance,

Recognizing that certain species of birds in both countries are endangered and in need of particular protective measures;

Desiring to cooperate in implementing measures for the conservation of migratory birds and their environment and other birds of mutual interest;

Have agreed as follows:

ARTICLE I

1. In this Convention, the term "migratory birds" means;

(a) The species or subspecies of birds for which there is evidence of migration between the Soviet Union and the United States derived as a result of banding, marking or other reliable scientific evidence: or

(b) The species or subspecies of birds, populations of which occur in the Soviet Union and the United States and have common flyways or common breeding, wintering, feeding, or moulting areas, and for these reasons there exists or could exist an exchange of individuals between such populations. The identification of such species or subspecies will be based upon data acquired by banding, marking, or other reliable scientific evidence.

2. In this Convention, the term "competent authority" means a national scientific or management agency authorized by the Contracting Party to implement the activities under this Convention. At the time of entering into force of this Convention, the Contracting Parties shall notify each other of their competent authorities for migratory birds pursuant to this Convention.

3. (a) A list of species and subspecies of birds by families, determined to be migratory in accordance with Paragraph I of this Article, is set forth in an Appendix to this Convention entitled "Migratory Birds";

(b) The competent authority of each Contracting Party shall be authorized by its government to review the "Migratory Birds" Appendix, and, if necessary, make recommendations for amendments thereto. The Appendix shall be considered amended upon the date when such recommendations are accepted by the competent authority of the other Contracting Party.

4. This Convention shall apply:

(a) For the United States of America: To all areas under the jurisdiction of the United States of America.

(b) For the Union of Soviet Socialist Republics: To all territories under the jurisdiction of the Union of Soviet Socialist Republics.

ARTICLE II

1. Each Contracting Party shall prohibit the taking of migratory birds, the collection of their nests and eggs and the disturbance of nesting colonies. Also, any sale, purchase or exchange of these birds, whether dead or alive, or their nests or eggs, and any sale, purchase or exchange of their products or parts, shall be prohibited. The importation and exportation of migratory birds and their nests, eggs, parts, and products shall also be prohibited. Exception to these prohibitions may be made on the basis of laws, decrees or regulations of the respective Contracting Parties in the following cases:

(a) For scientific, educational, propagative, or other specific purposes not inconsistent with the principles of this Convention;

(b) For the establishment of hunting seasons in accordance with Paragraph 2 of this Article;

(c) For the taking of migratory birds and the collection of their eggs by the indigenous inhabitants of the Chukchi and Koryaksk national regions, the Commander Islands and the State of Alaska for their own nutritional and other essential needs (as determined by the competent authority of the relevant Contracting Party) during seasons established in accordance with Paragraph 2 of this Article; and

(d) For the purpose of protecting against injury to persons or property.

2. The hunting seasons for migratory birds provided for in Paragraphs 1(b) of this Article, and the seasons during which the indigenous inhabitants mentioned in Paragraph 1(c) of this Article may take such birds and collect their eggs for their own nutritional and other essential needs (as determined by the competent authority of the relevant Contracting Party), shall be determined by the competent authority of each Contracting Party respectively. These seasons shall be set so as to provide for the preservation and maintenance stocks of migratory birds.

3. With regard to a particular species of migratory bird, if the need arises, the competent authorities of the Contracting Parties may conclude special agreements on the conservation of these species and on the regulation of their taking. Such agreements shall not be inconsistent with the principles of this Convention.

ARTICLE III

Each Contracting Party agrees to take, as soon as possible, the measures necessary to insure the execution of this Convention and its purposes.

ARTICLE IV

1. To the extent possible, the Contracting Parties shall undertake measures necessary to protect and enhance the environment of migratory birds and to prevent and abate the pollution or detrimental alteration of that environment.

2. Among other things, each Contracting Party shall:

(a) Provide for the immediate warning of the competent authority of the other Contracting Party in case of substantial anticipated or existing damage to significant numbers of migratory birds or the pollution or destruction of their environment. The competent authorities of the Contracting Parties will establish necessary procedures for such warnings and will cooperate to the maximum possible degree in preventing, reducing or eliminating such damage to migratory birds and their environment and in providing for the rehabilitation of their habitat.

(b) Undertake measures necessary for the control of the import, export and establishment in the wild of live animals and plants that may be harmful to migratory birds or their environment.

(c) Identify areas of breeding, wintering, feeding, and moulting which are of special importance to the conservation of migratory birds within the areas under its jurisdiction. Such identification may include areas which require special protection because of their ecological diversity or scientific value. These special areas will be included in list number I on the Appendix to this Convention entitled "Migratory Bird Habitat." The initial identification of areas shall be prepared within one year from the date of this Convention's entry into force. This list may be augmented or revised by the competent authority of each Contracting Party in relation to the areas under its jurisdiction. Such amendment enters into force upon notification of the competent authority of the other Contracting Party. Each Contracting Party shall, to the maximum extent possible, undertake measures necessary to protect the ecosystems in those special areas described on list number I against pollution, detrimental alteration and other environmental degradation.

3. The competent authorities of the Contracting Parties may by mutual agreement designate areas of special importance to the conservation of migratory birds outside the areas under their jurisdiction. These areas of special importance shall be included on list number II on the "Migratory Bird Habitat" Appendix to this Convention. This list number II may be amended by mutual agreement of the competent authorities of the Contracting Parties. Each Contracting Party shall, to the maximum extent possible, undertake measures necessary to ensure that any citizen or person subject to its jurisdiction will act in accordance with the principles of this Convention in relation to such areas. The Contracting Parties will take measures to disseminate information about the significance of these areas to the conservation of migratory birds.

ARTICLE V

1. The Contracting Parties agree that, for the conservation of those species and subspecies of migratory birds which are in danger of extinction, special protective measures are necessary and should be taken.

2. If one Contracting Party has decided that a species, subspecies or distinct segment of a population of migratory bird is in danger of extinction, and has established special measures for its protection, the competent authority of that Contracting Party shall inform the competent authority of the other Contracting Party of that decision and of any subsequent modification of such decision.

3. Upon notification, the other Contracting Party will take into account such protective measures in the development of its management plans for the conservation of migratory birds.

ARTICLE VI

1. The Contracting Parties shall promote research related to the conservation of migratory birds and their environment, and agree to coordinate their national bird banding programs. In cases where it is desirable, such research may be conducted under agreed upon programs coordinated by the competent authorities of the Contracting Parties.

2. The competent authorities of the Contracting Parties shall exchange scientific information and publications related to the conservation of migratory birds and their environment.

ARTICLE VII

Each Contracting Party shall to the maximum extent possible undertake measures necessary to establish preserves, refuges, protected areas, and also facilities intended for the conservation of migratory birds and their environment, and to manage such areas so as to preserve and restore the natural ecosystems.

ARTICLE VIII

In addition to those species and subspecies of birds named on the "Migratory Birds" Appendix, each Contracting Party may implement within the areas under its jurisdiction or with regard to any citizen or person subject to its jurisdiction, as it deems appropriate and necessary, any or all of the protective measures under this Convention for any species or subspecies of birds not listed in the "Migratory Birds" Appendix but belonging to the same family as a species or subspecies listed in the "Migratory Birds" Appendix.

ARTICLE IX

This Convention shall in no way affect the right of the Contracting Parties to adopt stricter domestic measures which are deemed to be necessary to conserve migratory birds and their environment.

ARTICLE X

The competent authorities of the Contracting Parties shall consult regarding the implementation of this Convention upon the request of the competent authority of either of the Contracting Parties.

ARTICLE XI

If necessary to improve the conservation of migratory birds or their environment, this Convention may be amended by the agreement of the Contracting Parties.

ARTICLE XII

1. This Convention shall be subject to ratification or confirmation pursuant to the domestic laws of each Contracting Party and shall enter into force on the day that instruments of ratification or confirmation are exchanged in agreement with international procedures.

2. This Convention shall remain in force for a period of 15 years from the date of its entry into force. Thereafter, it shall be renewed automatically on an annual basis, provided that any Contracting Party may terminate its rights and obligations under this Convention. Such termination shall take effect on the next expiration date of this Convention and may be accomplished by transmitting written notification of termination to the other Contracting Party at least six months prior to that expiration date.

Done in Moscow this 19th day of November, 1976, in duplicate, in the English and Russian languages, both texts being equally authentic.

For the Government of the United States of America.

E. U. CURTIS BOHLEN,

For the Government of the Union of Soviet Socialist Republics.

Mr. ROBERT C. BYRD. Mr. President, this will be a rollcall vote, inasmuch as it pertains to treaties. I ask unanimous consent that the treaties be considered as having passed through their various parliamentary stages up to and including the presentation of the resolutions of ratification.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution of ratification of Executive G, 95th Congress, 2d session; Executive O, 94th Congress, 2d Session; Executive L, 95th Congress, 1st session; Executive O, 95th Congress, 1st session, and Executive K, 95th Congress, 1st session, will be read.

The legislative clerk read as follows:

Resolved, (two-thirds of the Senators present concurring therein), that the Senate advise and consent to the ratification of the Treaty between the United States of America and the Republic of Bolivia on the Execution of Penal Sentences, which was signed at La Paz on February 10, 1978 (Ex. G, 95–2).

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the International Convention for the Safety of Life at Sea, Signed in London on November 1, 1974 (Executive O, Ninety-fourth Congress, second session), without reservation.

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of The Protocol Signed at London November 2, 1973, Relating to Intervention on the High Seas in Cases of Marine Pollution by Substances Other than Oil (Ex. L, 95–1) without reservation.

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Reciprocal Fisheries Agreement Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland, With a Related Agreed Minute, signed in Washington, D.C., on June 24, 1977 (Executive O, Ninety-fifth Congress, first session).

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention Between the United States of America and the Union of Soviet Socialist Republics Concerning the Conservation of Migratory Birds and Their Environment, signed at Moscow on November 19, 1976 (Executive K, Ninety-fifth Congress, first session), without reservation.

Mr. ROBERT C. BYRD. Mr. President, this means that tomorrow, upon the disposition of the military construction bill, the Senate will proceed, by rollcall vote, because a rollcall vote will be ordered at that time—it has not yet been ordered—by one vote, to vote on five treaties. That one vote will count as five rollcall votes, and in the RECORD will so show.

Mr. President, I thank all Senators for the excellent work that has been done today, and I yield the floor.

The PRESIDING OFFICER. Is there further morning business?

CAPTIVE NATIONS WEEK—1978

Mr. HELMS. Mr. President, the third week in July will be "Captive Nations Week." In recent years, there has been a tendency to downgrade the observance of this event. There has been a feeling among some that a fitting observance of this solemn occasion is somehow anachronistic. Indeed, there are some who say that it is out of date.

Mr. President, the Senator from North Carolina is of the opinion that freedom is never out of date. We should always retain our commitment to freedom, never ignoring the realities of human suffering for the sake of political pragmatism.

It is the hope of the Senator from North Carolina that President Carter will demonstrate his leadership in this matter by issuing a strong proclamation for Captive Nations Week—1978. By doing so, he will enhance the reputation of the United States among freedom-loving peoples all over the world.

Mr. President, I have written to the President examining these issues in more detail, and I ask unanimous consent that my letter be printed in the RECORD at the conclusion of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., July 10, 1978.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The third week in July is once again, by public law, Captive Nations Week. It is the twentieth anniversary of the solemn occasion when Congress, by unanimous vote, designated the third week of July by that name which keeps before us the realities of the world situation.

Despite the fact that some voices attempt to say that Captive Nations Week is no longer relevant to today's policies, the fact remains that today, more millions of people than ever, are slaves under totalitarian Communist regimes. Such regimes deny the very basis of human rights—the right to life, the right to property, the right to raise and educate one's family according to one's personal and religious beliefs, the right to work where one chooses, and the right to keep the fruits of that labor. Needless to say, where those fundamental human rights are absent, the secondary civil rights—the right to freedom of speech, the right to freedom of the press, the right to political choice in free elections, the right to freedom of assembly—are necessarily non-existent.

As I have pointed out, the numbers who today suffer such deprivation are increasing, even since the fall of China. In the Republic of South Vietnam, nineteen million, four hundred thousand were lost. In the Republic of Khmer—Cambodia—seven million, six hundred and forty-three thousand were lost. In the Republic of Laos, three million, two hundred thousand were lost. In Mozambique, eight million were lost. In Angola, six million, one hundred thousand were lost. In all, more than forty-four million people were lost to Communist totalitarian governments—while the U.S. stood by.

The very least that this nation can do is to adopt a strategy of liberation, one that at least will offer hope to the millions mired in collectivism. Our resources, particularly the resources of leadership, are sufficient to indicate the way. Our diplomatic actions should never lose sight of the strategy that befits our own heritage of sacrifice and suffering for freedom. We need to exercise our moral leadership.

It was Solzhenitsyn who reminded us, only a few weeks ago:

"No weapons, no matter how powerful, can help the West until it overcomes its loss of willpower. In a state of psychological weakness, weapons become a burden for the capitulating side. To defend oneself, one must also be ready to die; there is little such readiness in a society raised in the cult of material well-being.

"Nothing is left, then, but concessions, attempts to gain time and betrayal. Thus at the shameful Belgrade Conference free western diplomats in their weakness surrendered the line where enslaved members of Helsinki watchgroups are sacrificing their lives.

"One must be blind in order not to see that oceans no longer belong to the West, while land under its domination keeps shrinking. The two so-called world wars—they were by far not on a world scale, not yet—have meant internal self-destruction of the small progressive West which has thus prepared its own end. The next war—which does not have to be an atomic one and I do not believe it will—may well bury western civilization forever."

Thus, Mr. President, the fate of the enslaved peoples is inextricably linked to ours. If we dismiss their hopes of freedom and

dignity, we enter a psychological state where all of our power, all of our productive capacity will be placed at the disposal of our new totalitarian masters. To paraphrase Abraham Lincoln, the world cannot long exist, half slave and half free. If we deny the fact of Communist slavery, if we pretend that slavery does not exist, we prepare ourselves to enter into that same state.

Let us reassert, then, the evidence of our senses. Let us proclaim that the men and women subjugated by Communist totalitarianism are not free. Even where it is beyond our power to initiate a rapid reversal, let us not lose sight of the touchstone of our own existence, namely, our unswerving commitment to freedom. Such a reassertion will have a more powerful effect on the dynamics of peace than the unused weapons in our arsenals.

I strongly urge you, therefore, to issue a strong proclamation for Captive Nations Week, 1978. Let our policies be guided by the proclamation that you issue. Let our nation be directed by your leadership in proclaiming the slavery of those subjugated by Communism. In so doing, you will lead us out of the morass of inaction and concession, and skillfully prevent America's own freedom from sinking beneath the waves.

Sincerely,

JESSE HELMS.

THE PRESIDENT AND PANAMA

Mr. HELMS. Mr. President, although President Carter has signed the protocols of ratification of the Panama Canal treaties, the issue is far from resolved. As I have pointed out from time to time on the Senate floor, there is really no agreement between the United States and Panama on the fundamental issues involved. In a lengthy analysis of the Panamanian Foreign Ministry's communique which I made on the Senate floor on June 5, I sought to demonstrate that Panama had officially interpreted the Senate amendments to the treaty in a different light—indeed, in some cases, in a diametrically opposed manner—than the Senate. The reservations which Panama itself added to the ratification documents, confirm that analysis.

The problems which the President's actions have raised have not gone unnoticed by the news media. The National Catholic Register, a fearless and independent layman's paper edited by the distinguished journalist, Mr. Pat Riley, has strongly criticized the President's actions in Panama in a recent editorial. The editorial observes:

The President's insistent on locking the United States into the Treaties now, without real need, when the practical meaning has been thrown into doubt anew by the Panamanian government, deprives his Administration and Congress of any real power to dissolve this doubt. This is the most perplexing and worrying part of his behavior. He may think he is playing political hardball, but in fact he has run onto the field without a glove.

Mr. President, this is a superbly written piece. obviously based upon a very close study of the facts involved. I congratulate the Register on its perspicacity and objective analysis. The whole editorial deserves a very close reading.

Mr. President, I ask unanimous consent that the editorial, entitled "Playing Hardball Without a Glove," from the Register of July 2, 1978, be printed in the RECORD at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD as follows:

[From the National Catholic Register July 2, 1978]

PLAYING HARDBALL WITHOUT A GLOVE

President Carter's trip to Panama to sign protocols ratifying the Panama Canal Treaties may seem like a mere formality, since the Senate has already given its advice and consent to the Treaties. The reality however is quite different. Mr. Carter was under no obligation to sign them at this time; the law of nations does not oblige him to sign them at any time. In fact the intention and expectation of the Senate, expressed in the Brooke reservation, was that he sign them later.

The signing of the protocols of ratification now constitutes an act of political force on Mr. Carter's part. It brings force on Congress to complete all legislation implementing the Treaties by Oct. 1, 1979, or see the Treaties go into effect without the legislation necessary to put them properly into effect. Without such legislation there would be no proper transfer of properties and of jurisdiction; there would be no canal commission in place, no duly constituted authority to regulate traffic and tariffs. The United States would be derelict in its formal obligations. Moreover, serious problems of defense might arise.

There are two ways of viewing what the President has done. One considers that he has forced a recalcitrant Congress to live up to its obligations without delay. The other considers that he has warped the Senate's intent to his own purposes; that he has thrust upon Congress—upon the House in particular—obligations it never undertook; that he is jeopardizing the prestige of the United States by putting Congress in a position where it may lack the time to fulfill the international obligations Mr. Carter is so hastily imposing upon it.

Under either construction, Mr. Carter has tied around the neck of Congress a time-bomb, armed and ticking away inexorably, set to explode Oct. 1, 1979. The only way Congress can avert that explosion is to do the President's will and have the implementing legislation ready before that date.

Mr. Carter's own Administration was unable to provide a draft of that implementing legislation within the few weeks it had estimated would be necessary; that estimate proved inaccurate by several months, and the reason given by the Administration was that unexpected complications in the task had revealed themselves. The Comptroller General has pronounced the Administration's draft inadequate.

Nor can the possibility be discarded that Congress will balk at implementing the Treaties. The lower chamber in particular has acted in ways that must be interpreted as reluctance and possibly unwillingness to implement the Treaties. It has expressly outlawed current spending to implement them. This may explain Mr. Carter's decision to impose the briefest possible time-limit on the passage of the implementing legislation; it certainly explains why his decision to force Congress' hand is viewed in some quarters as reckless. He may have met an immovable object.

Furthermore the Senate in principle ought to have been antagonized by Mr. Carter's insistence on signing the protocols now, since the Senate's Brooke reservation stipulates that exchange of the instruments of ratification "not be effective earlier than March 31, 1979." Mr. Carter has played upon the ambiguity of the word effective, signing the protocols now with the stipulation that they become "effective" March 31.

If a reluctant Congress were the only obstacle to proper implementation of the Treaties, Mr. Carter's signature upon the Panama protocols might be considered an act of "political hardball," to use the term favored by his advisers. But the Panamanian government itself has raised an obstacle that seems to many formidable and even insurmountable. The Foreign Ministry of Panama has published a communique repudiating the Senate's own interpretation of the very amendments on which that body hinged approval of the Treaties.

Mr. Carter has studiously ignored the Panamanian government's communique, and with it the huge problems it raises for the real effectiveness of the Treaties, for their ability to keep peace between the parties. He has not even deigned to reply to questions from the Senate about the Panamanian communique. The Administration's spokesman at the State Department, Mr. Hodding Carter, has responded rudely and, it must be said, even insultingly to questions about it.

The President's insistence on locking the United States into the Treaties now, without real need, when their practical meaning has been thrown into doubt anew by the Panamanian government, deprives his Administration and Congress of any real power to dissolve this doubt. This is the most perplexing and worrying part of his behavior. He may think he is playing political hardball, but in fact he has run onto the field without a glove.

JOHN D. ROCKEFELLER III

Mr. JAVITS. Mr. President, on yesterday a very grave tragedy happened to a very dear friend of mine and of my family's, of many Senators, and of many Americans. John D. Rockefeller III, was killed in a tragic accident.

Mr. President, his family, our Nation, and indeed the world have lost a valued member of society. I have known Mr. Rockefeller for many years. He used his resources and his intelligence to help people as he saw them, as an honorable human being entitled to a decent life.

I have always said, and I said it about his brother Nelson when we campaigned for so many years, that it is remarkable that a scion of such a successful and rich family will devote himself to the public weal and not simply enjoy the things which his position in life have given him. That is uniquely true of John Rockefeller III, who was known as the philanthropist of the family. Among the great works he undertook were that as chairman of the Rockefeller Foundation, he carried on and expanded upon the critical efforts of his father, John D. Rockefeller II, who established the foundation in 1913 to deal with many of the social ills which plague our country and the people of the world. His creative philanthropy and his support for ideas and endeavors which improve the quality of life and enhance human dignity, often of an unorthodox character, were uniquely his positions and his contributions. He was particularly cognizant of the role which the United States can play in facing many of these problems. He had a deep sense of mission and historic duty which parallels the mission felt by the Founding Fathers of our country in founding our country.

I have two particular relationships to John Rockefeller III, which I would like to call to the attention of my colleagues.

First, he took a very great interest in a project to inculcate the principles of

freedom and the workings of democracy in the period between the Bicentennial and 1989. That span of time of 13 years seemed to him uniquely to be a time when our Nation matured in its early days, and when we should have matured as a Nation.

And so he fought hard and gained a Challenge Grant of some millions of dollars through the bill which authorizes the National Endowment for the Humanities. When he testified on that subject before our committee, Mr. President, he said:

> Our country is in serious trouble. This is a critical time in our history, at least as perilous and demanding as 200 years ago when the Nation was created through the sacrifice, dedication, and courage of the people and their leaders. The Bicentennial should become a means to a reaffirmation of our basic values and ideals, to new initiatives to resolve our complex problems, to a new period of achieving, if we are to move our country forward and build a better future.

It is a fair measure of a man, Mr. President, that he devoted himself with great diligence to these ideas. I am deeply grateful that I had a hand, and that the Congress had a hand, in realizing this dream of his and incorporating this program in the Challenge Grants, and that we were able to shape a Federal program which will accommodate these ideas.

Also, Mr. President, I had a close relation to him in respect of the development of his own thinking which led him to do a very splendid book on the subject of the American mission and the American personality. The book was entitled "The Second American Revolution." It was published in 1973. It presented his analysis of the differences which were growing, he thought, between the new generation of American youth and minorities, ethnic and color minorities, on one side, and what was considered the American establishment on the other.

Interestingly enough for a man of his background and breeding, he found the fault lay with the establishment, with its material system, and with an understandable restlessness among the young and the blacks for a better kind of morality, and a loftier kind of aspiration. Mr. Rockefeller decried in that book the loss of our country's humanism and the failure of the great initiative which represented the truest American personality.

Finally, Mr. President, he was very creative in the arts, very creative in travel, very creative in his support of population control, which showed a great grasp of a monumental problems which are facing the world.

He was the key figure in the establishment of the Lincoln Center for the Performing Arts which added a new dimension to the arts in the life of New York City, my native city, and enormously contributed to the development of our State, and which set a precedent for the Nation, followed here with the Kennedy Center, and being followed in many other great cities. He rendered an enormous leadership quality in that.

He was also a great collector of art and he made his art available to the public so that it might experience the splendors of his collection. Indeed, he willed to the Asia Society of New York, which he headed for a long time.

Finally, no account of the life of John Rockefeller III, would be complete without a reference to John's wife, Blanchette.

She not only was devoted to all of his humanistic endeavors, but gave her special contribution to the arts. I hope very much that she will continue his work as chairman of the board of the Museum of Modern Art and as a member of the National Council on the Humanities, where she is now situated. She is very active in the United States-Japan Foundation and in many other comparable activities.

I mourn John Rockefeller III's loss personally. He and his brothers—especially, of course, the former Vice President, Nelson Rockefeller—David and Laurance, and, before he died, Winthrop, were close and important friends of mine in every way. He was a really fine influence in my life and in the life of every other person, I feel, whom he touched.

The wide range of his activities, the enormous content of his heart, and the maximum fruition to which he brought all things in which he believed, make him truly one of the most useful men of our time. I extend for myself and my wife, Marion, our deepest sympathy and condolence to Blanchette Rockefeller, to his brothers, and to all his family.

As we all know, his son, Jay, has accomplished great things as Governor of West Virginia, giving him great satisfaction. I extend to him and to his wife, who is Senator PERCY's daughter, my deep sympathy and condolence, as well.

Mr. President, I ask unanimous consent that the two reports in the New York Times, and one in the Washington Post concerning the life of John D. Rockefeller III, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 11, 1978]

J. D. ROCKEFELLER 3D KILLED IN CAR CRASH

72-YEAR-OLD PHILANTHROPIST DIES IN ACCIDENT IN WESTCHESTER

John D. Rockefeller 3d, the 72-year-old philanthropist and the eldest of the five sons of John D. Rockefeller Jr., was killed last night in an automobile accident in the town of Mount Pleasant, a Westchester County community six miles north of New York City.

The driver of a car that struck Mr. Rockefeller's in a head-on collision was also killed, according to the Mount Pleasant Police Department. The accident occurred around 6 P.M. on Bedford Road in Pocantico Hills, one mile north of the Pocantico Hills estate of the Rockefeller family, the police said.

The police said Mr. Rockefeller was killed instantly in the crash. A secretary to Mr. Rockefeller, identified as Monica E. Lesko, who was driving, was injured in the accident. Authorities said three cars were involved in the crash, but details were not immediately available.

John Davison Rockefeller 3d was the family philanthropist of his generation. Probably the least well known of the five grandsons of the oil magnate, he spent his life as the chairman of the Rockefeller Foundation, promoting population control in Asia, supporting artists and serving briefly as chairman of the Rockefeller Brothers Fund, Colonial Williamsburg, the Rockefeller Center and other family interests.

Born in New York City on March 21, 1906, he attended the Browning School in New York and the Loomis School in Windsor, Conn. He graduated from Princeton University with a B.S. in economics in 1929 and the vote of his classmates as "most likely to succeed."

By that time he had grown tall—6 feet one inch—darkhaired and thin, and was said to resemble the grandfather who built up the industry in the oil fields of Pennsylvania that is now Exxon, Standard Oil of California and Indiana and dozens of other companies, forming the financial base of one of the richest families in the world.

His mother, the daughter of Senator Nelson W. Aldrich of Rhode Island, encouraged him in a liberal attitude and an interest in the arts, while his father aroused his interest in philanthropic projects.

[From the New York Times, July 11, 1978]

JOHN D. ROCKEFELLER 3D; PHILANTHROPIST, 72, AIDED ARTS AND POPULATION PLANNING

(By Wolfgang Saxon)

John D. Rockefeller 3d was the family philanthropist of his generation of Rockefellers and probably the least public of the five grandsons of the oil magnate whose name was synonymous with wealth.

He was chairman of the Rockefeller Foundation until seven years ago and spent a lifetime supporting artists and the arts and promoting population planning as a means to improve the quality of life. Mr. Rockefeller served briefly as chairman of the Rockefeller Brothers Fund, Colonial Williamsburg Inc. and Rockefeller Center, in addition to playing a leading role in various other family interests. From 1961 to 1970, he was chairman of Lincoln Center for the Performing Arts.

His intense interest in population policy, particularly in the teeming countries of Asia, led former President Richard M. Nixon to appoint him in 1970 as chairman of a newly established United States Commission on Population Growth and the American Future.

A few years earlier, Mr. Rockefeller—a courtly, gentle gray-haired man who normally did not talk about his personal life—said at a dinner honoring him and his four brothers: "If my parents had been exposed to today's ideas of family planning, my brothers Win and David might not have made it."

BORN IN NEW YORK CITY IN 1906

His brothers in the audience were Nelson, then the Governor of New York; Winthrop, then the Governor of Arkansas; Laurance, a noted conservationist, and David, the chairman of the Chase Manhattan Bank. John D. 3d was their senior, having been born the second child of John D. Rockefeller Jr. and Abby Aldrich Rockefeller.

The eldest was a sister, Abby Rockefeller Mauzé, who died in 1976 of cancer. Winthrop Rockefeller died of cancer in 1973 at the age of 66.

Mr. Rockefeller was also the father of John D. Rockefeller 4th, commonly known as Jay, the current Governor of West Virginia.

John Davison Rockefeller 3d, a third-generation philanthropist, was born in New York City on March 21, 1906, the grandson of John D. Rockefeller, the oil industrialist. It was his mother, a daughter of Senator Nelson W. Aldrich of Rhode Island, who first influenced him to take a liberal attitude and an interest in the arts, while his father implanted an interest in philanthropic work.

His father, John D. Rockefeller Jr., had shown a greater interest in what the family money could do than in making more. Combining the capacity for charitable donations his own Baptist upbringing had instilled with his desire to provide an endowment for continuous giving and tax protection, he

urged the creation of the Rockefeller Foundation and became its first director in 1913.

The foundation's trustees agreed that its purpose would be not to support existing charities, but to finance projects too large and important to be undertaken by other agencies, particularly those that aimed to cure the fundamental causes of social want, rather than to provide temporary remedies. Its first projects were financing research to control hookworms, typhus, yellow fever, malaria, and other epidemic diseases, and to support the creation of the Peking Union Medical College, the first introduction of modern medical training to China.

GRADUATED FROM PRINCETON

Brought up in his native city and in Tarrytown, N.Y., young John went to the Browning School in Manhattan, as had his father before him. He then went on to the Loomis School in Windsor, Conn., becoming vice president of the French Club, business manager of the yearbook, a member of the student council and a player on the tennis team.

In those early years, he usually spent his summers with his family in Seal Harbor, Me., or at Pocantico Hills in Tarrytown, where he swam, boated, picnicked and generally did what boys like to do on their vacations.

His parents, following a tradition set by his legendary grandfather, kept him on a tight budget. To earn some extra pocket money, he and his brothers were said to have run errands, worked in the garden and even cleaned shoes on the estate—for a price.

Mr. Rockefeller graduated from Loomis in 1925 and entered Princeton University, majoring in economics and history. His interest in international affairs and problems led him to spend a summer vacation as an assistant in the information section of the League of Nations in Geneva.

Among other extracurricular activities, he taught English to immigrants in Princeton, sat on the business board of The Daily Princetonian, served as vice president of the undergraduate Young Men's Christian Association and belonged to the Cap and Gown Society.

TRAVELED AFTER COLLEGE

Mr. Rockefeller, graduating from Princeton with a Bachelor of Science degree in 1929, was voted by his class as the one among them most likely to succeed.

The young man made his acquaintance with Asia that year when he was picked as a secretary working at a conference in Kyoto, Japan, under the sponsorship of the Institute of Pacific Relations. The appointment gave him an opportunity to make a trip around the world during which he made stops in a dozen countries and rode the Trans-Siberian Railroad across Russia to reach the Pacific on his way home.

The experience taught him, he reported then, how travel made it possible to grasp a country's problems. "If our country is going to meet its obligations of world leadership," he said, "our people will have to get abroad and see the world."

The initial voyage and subsequent trips to Africa as well as the Far East and other poverty-ridden regions were to play an important role in shaping Mr. Rockefeller's views on philanthropy and population policies.

Back in New York, he went full-time into philanthropic work in the office of his father, and be later told a magazine interviewer that he supposed it worked out that way because he was the eldest of the five brothers.

ASSUMES VARIETY OF POSTS

In 1931, John D. 3d was made a trustee of the General Education Board and of the Rockefeller Foundation, earning the reputation of a man who spent the family funds carefully and in a rather conservative fashion.

In 1932, he became a trustee of Rockefeller Center, the huge family real-estate development project and was elected to the board of trustees of the American Museum of Natural History a year later. Next came a trusteeship at Colonial Williamsburg, a directorship at Williamsburg Restoration, Inc., the chairmanship of both in 1939 and a trusteeship at Princeton University. He held the chairmanship of the two Williamsburg projects until 1951.

The restoration of the hundreds of Colonial buildings at the old Virginia town cost many millions of dollars before it was finished but quickly became a highly popular attraction for tourists who have streamed through it by the millions, along with foreign dignitaries who often interrupted their official business for a look.

In 1949, Mr. Rockefeller also headed a committee of the Boys' Bureau, an arm of the Community Service Society for homeless boys in New York City, to study the causes and treatment of juvenile delinquency. He then was involved with the American Law Institute in the writing of the Youth Correction Act and in advising states how to make such a law part of their criminal-justice systems.

SERVICE DURING WORLD WAR TWO

When the five brothers set up the Rockefeller Brothers Fund in 1940 to support charitable organizations, John D. 3d was named as president and a trustee.

Mr. Rockefeller joined the staff of the American Red Cross in 1942 as assistant to Norman Davis, then the chairman of the organization. In World War II, he entered the Navy and was assigned to the Bureau of Personnel. He was transferred to the office of the Chief of Naval Operation in 1943. He left Navy service in October 1945 as a lieutenant commander, but even during his wartime service also directed the British War Relief Society and the United China Relief.

After his discharge, Mr. Rockefeller traveled afar to look into social and economic conditions in Europe and study the agriculture and public health in Mexico.

The family agreed in 1946 to spend more than $8 million for the purchase of a site in mid-Manhattan as a gift to the United Nations for construction of its headquarters.

In those postwar years, Mr. Rockefeller took an active interest in the American Youth Hostels, which promoted biking and hiking in many countries as a way of improving international understanding. In addition, he had a hand in a Rockefeller project in South America geared to help underdeveloped regions make their own way, and he journeyed to Japan, China, Korea, Venezuela and central and southern Africa.

The tall, lean and erect philanthropist was an active man who enjoyed woodchopping, landscaping, horseback-riding, golfing and sailing.

When he was chairman of the Greater New York Fund drive in 1949, Mr. Rockefeller-called for full representation by labor union leaders on the fund's board and committees.

In 1951, Mr. Rockefeller found a new interest—art collecting. This was during a trip to Japan as a consultant to John Foster Dulles' peace mission for President Harry S. Truman. He was included in the American delegation that signed the peace treaty with Japan that year in San Francisco and then went again to Japan as a private citizen to explore the possibility of increased cultural exchanges between the two countries.

ASIAN AND AMERICAN ART

Mr. Rockefeller's art collection consisted of two parts—Asian and American. It was said to be worth many millions of dollars, and, while not particularly large, to be particularly exquisite. Included are pieces from Afghanistan, India, Pakistan, Cambodia, Thailand, China, Japan and Indochina.

The oldest piece he owned was a yu, a Chinese ritual bronze with a lid and handle, covered with abstract animal form. It dated from the late Shang Dynasty of B.C. 1300 to B.C. 1028.

His favorite was an 11th-century Cambodian work in gray-green stone of a girl's torso.

Mr. Rockefeller's Asian collection has had two showings for the public in recent years. It has been promised to the Asia Society, which he founded in 1956 to promote better relations between the American and Asian continents. A new building is planned to house the art at 70th Street and Park Avenue.

WROTE A BOOK ON AMERICAN LIFE

Late in his life, Mr. Rockefeller also discovered an interest in writing. A book by him, "The Second American Revolution," was published in 1973 and presented his analysis of the split between American youth and blacks on one side and the Establishment on the other. It blamed the Establishment's materialism and an understandable restlessness among the young and blacks for the division.

In the book, Mr. Rockefeller decried what he called a loss of America's humanism and the failure of individual initiative.

In 1975, when he served as chairman of the National Committee for the Bicentennial Era, Mr. Rockefeller wrote an article for the Op-Ed page of The New York Times criticizing what he saw as the Government's tight-fisted approach toward Bientennial celebrations. At the same time, he praised citizens who had formed their own committees and called for a 13-year period full of "creativity, initiative and dedication" to mark the time between the anniversaries of the Declaration of Independence and the enactment of the Constitution.

[From the Washington Post, July 11, 1978]

JOHN D. ROCKEFELLER III DIES IN CAR CRASH NEAR N.Y. ESTATE

(By Martin Weil)

John D. Rockefeller III, who guided his family's philanthropies and championed many public causes including population control and support for the arts, was killed yesterday in an automobile accident.

A family spokesman said that Mr. Rockefeller, 72, oldest of the five Rockefeller brothers, was killed in a head-on collision near the family estate at Pocantico Hills, N.Y. He was a passenger in a car driven by his secretary, the spokesman said.

The driver of the second car was also reported killed. A third car was said to be involved in the accident, but full details were not immediately available.

Mr. Rockefeller, grandson of John D. Rockefeller, the legendary founder of Standard Oil, was the father of West Virginia Gov. John D. (Jay) Rockefeller IV, and the older brother of Nelson, David, Laurance and the late Winthrop Rockefeller.

While not involved as were other members of his family in business or politics, Mr. Rockefeller was, by virtue of his wealth and his interests, a powerful member of the American establishment, and exercised vast influence in a wide range of areas of human endeavor both at home and abroad.

Widely renowned for his more than four decades of devotion to the cause of population control, Mr. Rockefeller also was regarded as an important force in such causes as the improvement of the U.S. civil service, the improvement of U.S. relations with Asia, and the expansion of opportunities in higher education for blacks.

Mr. Rockefeller's voice was among the most prominent and outspoken of those who have sought during the past two decades to warn

Americans about the possible consequences of unchecked population growth.

As early as 1965, he asserted publicly that population growth was "already severely challenging our ability to maintain and expand the community institutions and public facilities that contribute so much to the quality of our way of life."

Often described as unassuming and almost reticent, he gained new public attention in the early 1970s as chairman of the Commission on Population Growth and the American Future.

The commission endorsed in 1972 a policy of population stabilization for the United States. Its urging of liberalized state abortion laws did not commend itself to President Nixon, who appointed it.

Mr. Rockefeller's efforts in behalf of the civil service were reflected by his founding of the Rockefeller Public Service Awards program, set up originally to honor outstanding federal career employees with prizes of $10,000.

Mr. Rockefeller once explained that he established the awards in 1952, at the height of the McCarthy era, as a means of expressing support for the work of government employes, many of whom were then under attack for possible Communist sympathies.

Long interested in Asia, Mr. Rockefeller formed in 1956 the Asian Society to "stimulate understanding and knowledge" between the United States and the nations across the Pacific Ocean.

As a patron of the arts, he was particularly well known for his role in helping create New York's Lincoln Center for the Performing Arts.

His JDR 3rd Fund also provided grants to support programs designed to improve art education in public schools.

Since 1952, Mr. Rockefeller has been board chairman of the Rockefeller Foundation, a major philanthropic organization through which members of the family supported public causes around the world.

In addition, Mr. Rockefeller served from 1948 to 1965 as chairman of the United Negro College fund, a post once held by his father John D. Rockefeller Jr.

Mr. Rockefeller was born in New York March 21, 1906, and attended Browning School in New York, and Loomis School in Windsor, Conn. Later he entered Princeton, from which he graduated in 1929 and where his classmates, presumably not without some humorous design, voted him "most likely to succeed."

In 1932 he married Blanchette Ferry Hooker. In addition to John IV, they had three daughters, Sandra, Mrs. Hope Spencer and Alida.

Mr. JAVITS. Mr. President, I yield to my colleague from New York.

Mr. MOYNIHAN. Mr. President, I thank my esteemed colleague (Mr. JAVITS) for yielding to me.

One might be daunted to rise to speak on the life of John D. Rockefeller III if it were not that he brought a measure of personal simplicity to the level of moral example such that those who have known him, however briefly, felt close to him as he made one feel that he felt close in turn.

It had been my pleasure to know and to work with Mr. Rockefeller for much of 15 years now. I was first associated with him in the effort to resolve some of the difficulties of the Metropolitan Opera. I later became more closely involved with his chairmanship of the Commission on Population and the American Future, which was established in 1969 and was the first effort of its kind by this Nation and, I believe, by any modern industrial democracy.

It speaks to the quality of the man that he moved easily between the most specific and concrete efforts to the most general and largely conceived ones. He was not one of those men who loved humanity but, somehow, disliked his fellow man. Neither was he a man whose concerns were only with individuals and never rose to any large conception of his responsibility. He was both. He was a singular man. It sums up so much of him to speak of his chairmanship of a commission on people, the American people, and the American future, in which he believed so deeply and which he helped to share.

There cannot be many men who have been given opportunities better utilized nor many who will be mourned so, nor many whose lives will live on so, not only in his remarkable children—including, of course, the Governor—but in his vision of what this country can be.

It is not given to many of us to add to the vision of the American Republic. John Rockefeller did that. He not only did that, but he engaged us in that most distant of continents, yet with which we have been so closely involved in so many ways, the continent of Asia. His direction of the Asia Society was singular in its perception, in its deftness, and in its commitment to the United States, for all its singularity, of being part not of just the world; it is characteristic of him to have chosen the most populous part of the world with which to be involved.

Those of us who knew him know how much of a loss we all now suffer. We can only extend, as Senator JAVITS has done, our condolences to his widow.

We thank that God which gave us in our time John D. Rockefeller as an exemplar of what it means to be a citizen of the American Republic.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I would like to join with my two colleagues from New York and say a few words in regard to John D. Rockefeller III.

I did not know him well. But the Rockefeller family through a long period of years has had a close association with my State of Virginia and they have done much for Virginia.

John D. Rockefeller, Jr., came to Williamsburg in 1926, the year that my father was elected Governor of Virginia. Mr. Rockefeller expressed a great interest in restoring that small town into its original colonial state.

My father and Mr. Rockefeller worked closely together, and over the years colonial Williamsburg has become a tremendous asset to the State of Virginia.

I feel that we in Virginia are greatly indebted to all of the Rockefellers and to the one we are speaking of in sorrow tonight who died just today, John D. Rockefeller III.

As I say, I did not know him well, but I knew him many years ago. When my father was Governor, the five Rockefeller boys came to the Governor's mansion in Richmond and we were all there together. David was my age, so I remember him at that time better than some of the older ones.

But I remember how impressed all of us were, my mother and father, with all of the Rockefellers who came to visit us in Richmond in the middle and latter part of the 1920's.

So on this sad occasion, I want to join with Senator JAVITS and Senator MOYNIHAN in paying my respects to John D. Rockefeller III, and to express on behalf of Virginia the tremendous benefits which they have conferred upon our State and the helpful interest that all of the Rockefellers have shown in the State of Virginia.

Mr. JAVITS. Will the Senator yield to me?

Mr. HARRY F. BYRD, JR. I am delighted to yield to the Senator.

Mr. JAVITS. Just to say, Mr. President, that I know Senator MOYNIHAN will join me in thanking the Senator from Virginia (Mr. HARRY F. BYRD, JR.) very much because it is a fact that Williamsburg represented a very creative and very important aspect of the work of John D. Rockefeller III, and also of his brothers and of their father in their public activities.

I deeply appreciate his joining in this tribute to John D. Rockefeller III.

Mr. MOYNIHAN. Mr. President, I should like to join my colleague in thanking the Senator from Virginia for his characteristically gracious remarks. We only commence to understand our loss, and it matters to us that it should be shared by such a distinguished Senator and friend.

Mr. HARRY F. BYRD, JR. I thank my friend and colleague from New York.

U.S. POLICY TOWARD RHODESIA

Mr. HARRY F. BYRD, JR. Mr. President, I fear that our State Department is prepared to force either bloodshed or a Marxist government or both on the people of Rhodesia. I think it is a very tragic situation which exists in that country. It is very tragic and unbelievable the way the policymakers in Washington are handling the matter of Rhodesia.

Through the years, going back to 1966, the United States has placed an embargo on all trade with Rhodesia. Its announced purpose was that the United States needed to help bring about majority rule or black rule in that African country. That embargo has been on for a long time.

This year, however, Prime Minister Ian Smith and the three moderate black leaders of Rhodesia have worked out an agreement among themselves whereby, by the end of this year, Rhodesia will have a black leadership.

One would think that this country would be satisfied with having an arrangement whereby the black majority in Rhodesia would take charge of the government by the end of this year. That is what has been worked out. Every available piece of evidence suggests that the three black moderate leaders who

have worked out the agreement with Ian Smith represent the overwhelming majority of the black people of Rhodesia. Yet, what does our State Department do? Our State Department insists that this arrangement, the internal arrangement, between the black and the white government of Rhodesia not go into effect unless Marxist terrorist groups or the leaders of the Marxist terrorists who have been killing the blacks from outside the borders of Rhodesia are brought into the government.

Mr. President, in my judgment it is a very foolhardy and very foolish policy that the American Government is pursuing in regard to Rhodesia, I am convinced that it is being done by a few extremists in our State Department, and they seem determined to force either bloodshed or a Marxist government or both on the people of that small country.

Just before the July recess, the Senator from North Carolina (Mr. HELMS) introduced a measure which would lift the embargo on Rhodesia for 1 year. The reasoning was that by lifting the embargo, permitting trade between our country and Rhodesia, it would give encouragement to the internal settlement there, the internal settlement being that the blacks will take over the Rhodesian Government by the end of this year.

When that measure came to a Senate vote, it was very narrowly defeated. The Helms proposal was tabled by a vote of 48 to 42, which means that a change of 4 votes would have approved the lifting of the embargo on Rhodesia.

On Sunday, July 9, as is customary in the Hearst newspapers, William Randolph Hearst, Jr., editor-in-chief of the Hearst newspapers, wrote a signed column on page 1 of the Hearst newspapers. It is captioned in the Baltimore News American "Life the Embargo."

Mr. Hearst starts in this vein:

It is encouraging to note there is a growing awareness in Congress that the time has come for a change in the Carter administration's incredible policy toward Rhodesia.

Even President Carter's chief representative in the Senate, Majority Leader Robert Byrd, has abandoned that policy and voted against it.

In a remarkable display of independence, integrity and sense of justice, the West Virginia senator voted to support a move in the Senate to lift temporarily, at least, the U.S. economic sanctions against Rhodesia.

I think that is a fine tribute to the majority leader, and I am delighted that he was hailed by William Randolph Hearst, Jr., and the Hearst newspapers for the fairness and the integrity which he possesses to such a high degree.

I hope, Mr. President, that this issue will be raised again in the Senate. There was a margin of only a few votes difference and maybe if the Senate will give this matter the consideration that the majority leader has given it a lifting of the embargo can be brought about and the situation in Rhodesia can be improved.

At this point, Mr. President, I ask unanimous consent to print in the RECORD the front page editorial by William Randolph Hearst, Jr., editor-in-chief of the Hearst newspapers, as published in the Hearst newspapers of July 9, 1978.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LIFT THE EMBARGO!

(By William Randolph Hearst Jr.)

NEW YORK.—It is encouraging to note there is a growing awareness in Congress that the time has come for a change in the Carter administration's incredible policy toward Rhodesia.

Even President Carter's chief representative in the Senate, Majority Leader Robert Byrd, has abandoned that policy and voted against it.

In a remarkable display of independence, integrity and sense of justice, the West Virginia senator voted to support a move in the Senate to lift temporarily, at least, the U.S. economic sanctions against Rhodesia.

Opposed by the White House and the State Department, this move fell only six votes short of victory. It may be brought up again before the summer recess and, if so, I hope, as the United States has given its word and in the name of justice, it will succeed.

It is becoming apparent to an increasing number of senators and members of the House of Representatives that the Soviet-backed leaders of the mis-named Patriotic Front guerrilla organization—Joshua Nkomo and Robert Mugabee—are determined to prevent the black and white population of Rhodesia from voting on the settlement that provides for gradual transition of political power from the white minority to the black majority.

The recent barbaric massacres of blacks and whites in rural areas of Rhodesia is the heinous method being used by the "Patriotic Front" to block the elections the moderate black and white transition government is endeavoring to organize. The fiends who slaughtered 12 whites, including 5 women and 4 little children, in a missionary school, proudly proclaimed they belonged to Nkomo's guerrilla terrorists.

Despite the clear evidence that Nkomo and Mugabe do not want free elections in Rhodesia, nor democratic black majority rule, but, instead, a black Marxist dictatorship, the Carter administration persists in trying to impose the two foreign-based terrorist leaders on the settlement. It fears that without their participation there will be prolonged civil war, with the Soviets and Cubans supporting the guerrilla forces. Nkomo and Mugabe have been invited by the transition government to join the settlement and participate in the elections providing they renounce terrorism. They have rejected the offer because they know they cannot gain power through free elections.

Realization of this situation prompted strong Senate support for the resolution to lift the trade embargo against Rhodesia, and thus encourage implementation of the interim settlement that Prime Minister Ian Smith reached with the three moderate black leaders. Co-sponsored by four senators, the resolution—after lively debate—was tabled by a vote of 48 to 42 on the motion of Senator George McGovern.

Regular readers of this column will be familiar with my feeling that we should support the sensible compromise settlement Prime Minister Ian Smith reached with the moderate black leaders, providing for free elections, gradual transition to black majority rule and protection of white minority rights. Thus it was gratifying to find this view shared by some of the most highly respected members of the United States Senate, and I bring to your attention the following remarks they made during the Senate debate.

Sen. Jesse Helms (R-N.C.), who introduced the resolution to lift the American trade embargo for a period of 15 months:

"As everyone now knows—everyone, apparently, except the State Department—the principal leaders of Rhodesia, representing both the white populations and at least 80 percent of the black populations, signed an agreement on March 3, 1978, thereby initiating a transitional government to full majority rule by Dec. 31, 1978.

"Despite certain inevitable tensions, that transitional government has been functioning fairly smoothly. Few would assert that any parties concerned have failed to make a good faith effort to see that the internal settlement works, and that it leads to peace and prosperity for all residents of Rhodesia, black and white.

"Nevertheless . . . terrorist attacks from guerrillas based in neighboring countries have continued to devastate both white and black communities. Furthermore, the economic situation has continued to deteriorate because of the refusal of the outside world to lift economic sanctions against the Rhodesian economy.

"If there are to be truly free elections, and if the elections are going to be held in an atmosphere of peace and emotional stability, it is imperative that sanctions be dropped immediately.

"The leaders of the so-called Patriotic Front have not been excluded (from the settlement). They have excluded themselves. Not only do they lack a significant following among the black Rhodesians, but they have alienated most black Rhodesians by their emphasis on murder and atrocities. Indeed, records show they have murdered far more blacks than whites in their terrorist raids. They cannot even claim they are waging a war against white oppression. Their program is simply murder as a stratagem to seize total power.

"If we demand that the Patriotic Front must be admitted to the settlement simply because they have the capacity, with the assistance of the Soviets and the Cubans, to make war against Rhodesia, then we have succumbed to the same malaise that overtook Prime Minister Chamberlain at Munich, when he legitimized Hitler's aggressive claims in the illusory search for peace.

". . . The carefully crafted plan of the internal settlement by contrast, is reasonable, humane, and just to all parties. It is based upon traditional western concepts of equity and justice. It was proposed in good faith. It should be given a chance."

Sen. S. I. Hayakawa (R.-Calif.), a cosponsor of the resolution, has just recently returned from a visit to Rhodesia, South Africa, Botswana, Zambia and Kenya:

"Those two leaders (Nkomo and Mugabe) are harassing the villagers, killing hundreds and hundreds of blacks as well as whites in order to persuade them not to support the Salisbury government.

"From the 'Patriotic Front', we can see no hopes for an emerging democracy or any emerging interracial cooperation. We should give that group which is making groping steps towards interracial harmony and democracy a fighting chance to survive."

Sen. Harry F. Byrd (Ind.-Va.), cosponsor of the resolution:

"Under pressure from the United States, Ian Smith worked out an agreement whereby at the end of this year black majority rule will prevail with free elections in Rhodesia. Prime Minister Smith received a guarantee from the United States and the British government in 1976 that if the white Rhodesian government agreed to a transition to majority rule, economic sanctions would be lifted.

"What an element in the State Department is now demanding is that Smith and the three black leaders . . . bring into the government Marxist-oriented terrorists who have

been terrorizing the people of Rhodesia from bases outside that nation.

"Rhodesia is important to our national interests because it contains two-thirds of the world's chrome. That is a strategic material that is vitally important to our national defense. Virtually all of the world's chrome supply is in either Rhodesia or South Africa or Russia . . .

"A few extremists in our State Department are preparing to force either bloodshed or a Marxist government, or both, on the people of Rhodesia."

Arizona Sen. Barry Goldwater, former Republican presidential candidate:

"I think the attitude of the United States toward parts of Africa that we seem to be interested in is going to cause the biggest bloodshed in the history of man if we do not change our tune. I think we have been completely wrong there."

I suggest Prime Minister Ian Smith and the black leaders who share power with him in the transitional government should be allowed to come to Washington to present their side of the problem. At present they are forbidden to enter our country.

Nkomo and the presidents of Zambia and Tanzania, neither of whom permit majority rule in their own dictatorially run countries, have all been invited here to promote the terrorist cause.

Let Congress and the American people hear directly from those who are striving to solve the Rhodesian problem in a sane and peaceful manner. It is shameful that the State Department denies visas to Prime Minister Smith and his black partners of the Salisbury government, while the enemies of freedom are welcomed.

RECESS UNTIL 8 A.M. TOMORROW

Mr. TOWER. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 8 a.m. tomorrow morning.

The motion was agreed to; and at 8:30 p.m., the Senate recessed until Wednesday, July 12, 1978, at 8 a.m.

NOMINATIONS

Executive nominations received by the Senate July 11, 1978:

IN THE AIR FORCE

Gen. William J. Evans, U.S. Air Force, (age 54), for appointment to the grade of general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be general

Lt. Gen. John William Pauly, [redacted], U.S. Air Force.

EXTENSIONS OF REMARKS

INDUSTRY REGULATION

HON. BOB ECKHARDT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. ECKHARDT. Mr. Speaker, recently there have been charges made by auto industry executives and individuals in the private sector and national media that industry is being overregulated and economically harmed by Federal regulation. Regulatory agencies have come under increasing attack as being unresponsive, ineffective, and unreasonable. Yet while these allegations are bantered about quite frequently, their inherent claims are rarely subject to detailed scrutiny. For most industry comments on regulations relate to the costs of regulatory standards, but not to the resulting benefits.

In recent months for example, top officials of the U.S. automobile industry have attacked Government regulation of the industry. They have charged that regulations impede growth, stifle innovation, put workers on the streets, and hamper the industry's ability to compete internationally. The facts, however, prove otherwise as seen in a June 1978 National Highway Traffic Safety Administration (NHTSA) preliminary report. This report addresses the following issues:

The current cost for auto safety standards is approximately $250 per car, which contrasts with the $500–$1,000 figure quoted by some auto makers. This figure includes the manufacturer's and dealer's mark-up, and the cost to the manufacturer is considerably less. Furthermore, industry responses to a 1976 NHTSA survey indicate that if all safety standards were revoked, the resulting price reduction would only amount to $80 per car on a sales-weighted average.

Both safety standards and fuel economy regulations create challenges to the industry's technological potential—challenges which can be achieved by the industry and which are amply justified by the health and economic benefits to the public and our decreased reliance on foreign oil.

In contrast to assertions that its regulations are stifling innovation, NHTSA noted that the large domestic auto firms have generally not been as innovative as the smaller foreign firms. By identifying areas where safety and fuel economy can be improved, and by making public its research, NHTSA promotes rather than retards innovation and technological progress.

NHTSA's safety regulations have been a major factor in the steadily declining fatality and injury rate, and its fuel economy and damageability standards will result in savings of hundreds of dollars over the life of the vehicles subject to the standards.

Auto industry sales and profitability are largely a function of the general state of the economy, rather than being driven by regulation effects. Furthermore, a close look at the net worth and profitability of the three largest auto makers (General Motors, Ford, and Chrysler) indicates increased economic strength during the period of industry regulation.

NHTSA's responsibility to improve safety is warranted by the yearly loss of 47,000 lives and millions of injuries in auto accidents. The economic loss to society because of these accidents is estimated at $43 billion. Yet the human suffering which also results is not so easily quantifiable.

At issue in this controversy is the inadequate methodology relied upon by industry to measure regulatory impact. For while initial costs required to effect regulatory standards give an inflated impression, a cost-benefit measurement prorated over the life of the product is a more accurate impact assessment. In this respect, previous studies used as the basis for industry's attack on regulation are faulty and misleading. While further industry study into this area is welcome, previous reviews of regulatory effects by both the White House Office of Science and Technology and the Ford administration's Interagency Task Force have concluded that business regulation is responsible and cost effective. As stated by Automotive News with reference to Ford Motor Co.'s recent demand for an exhaustive study:

There already have been two similar studies, and neither did the industry a bit of good although all the companies were consulted exhaustively every step of the way. (July 3, 1978, p. 30).●

JOURNEY TO CHINA

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. MICHEL. Mr. Speaker, at this point I would like to insert in the RECORD the sixth installment of C. L. Dancey's "Journey to China" as printed in the Peoria Journal Star.

THE NEIGHBORHOOD—SPONTANEOUS COMMUNES

(By C. L. Dancey)

Now that I've been to China, I'm not sure I know exactly what a commune really is . . . other than a popular "buzz word" for just about any kind of organization they happen to have.

You might say its the overall set-up for the whole community-living arrangement, usually related to the work you do.

Thus a factory is both a factory and a factory "commune," and a farm is both a farming operation and a farm "commune"—and there is never any doubt but that the central function and purpose is the production—farm or factory. Aside from the fact that it sounds better when you call the workers "members" there is a need under the system to control and to provide basic housing and a high degree of self-sufficiency within a community organization.

It ends up something like an army camp where there is no question about the mission or reason for existence, but it is also necessary to have housing, a commissary, medical services, etc., and some kind of recreation. But what happens to the loose-end jobs that exist even in a Communist system? Not every kind of job can come in large enough bunches to be organized into a regular commune, directly linked to that job.

For this there is something called the "neighborhood commune." Except that some of the guides later sniffed that this wasn't

really a commune at all—because it was not directly involved with one's work. They said it was better translated as a "neighborhood committee."

Nevertheless, the one we visited in Peking was called the "Peace Street Neighborhood Commune."

Whatever you call it, it rounds people up into the same kind of grouping for the basic services and controls.

The neighborhood Commune or Committee or Whatever-It-Is assigns housing, provides the nursery, runs the neighborhood school, the rec center and the youth league. It demands certain civic duties from the "members."

Office is said to be elective, at least in the neighborhood unit of 70,000 people (and 17,000 residences) at "Peace Street." It is broken down into what we might call "wards"—although that's not the translation given—and the representatives of the smaller units are unpaid part-timers.

Top leaders of the Neighborhood have full-time paid jobs, and they employ "members" for the work of the community—some part-time and part-paid. (Theoretically, this is the one chance at "moonlighting" in China, but apparently they give half-pay to housewives who work in the clinic, the nursery and such.)

Here again, we heard: "From each, according to his ability. To each, according to his work." And we were told that wages ranged from 40 yuan a month to 100. (More than 100 per cent higher.)

Sixty yuan was the more-or-less universal average given to most wage questions we asked—there and elsewhere.

The committee assigns the housing. Rent, $5 a month. Cooking gas, 50 cents per person in the residence. Water (not hot from the tap—and not even sure about the tap. Few in evidence even in the big city) and electricity (a bulb or two, and maybe a radio) $1.40 to $1.50 a month.

It sounds pretty good to a CILCO customer, but for rent and "utilities" we are still talking about a full week's pay per month for the 40 yuan end of the salary—and the housing is, at best, rude and limited—the "utilities" even more so.

Indeed, while one gets used to it, even the great city of Peking has the appearance of one grand Peace Street, a great square called the Square of Heavenly Peace, a few surrounding blocks of buildings that look pretty good on the outside, and endless miles of what would go down here as the worst slums in the land—for eight million people.

Imposing buildings generally look better on the outside than on the inside, while some of the housing, one suspects, looks horrible and dilapidated on the outside and occasionally may be pretty nice inside.

The crowding would be a real shock to us—but is clearly accepted as just a normal way of life there. At Peace Street, there was the man and wife, and three grown children living in a couple of rude rooms and a tiny kitchen. Cleanliness is unknown, as we know it, and perhaps even impossible with the facilities and the dust and pollution.

And sometimes, even in a great city like Peking, there are a few chickens and such in evidence, as well as vegetable gardens—and who knows what else—behind the walls that zig-zag everywhere.

Yet, in all the homes we visited there was a hominess, and clear evidence of pride in the radio and a few treasured possessions of a decorative sort.

Forget about Illinois Bell and the telephone for the overwhelming majority. None.

Here again, throughout Peking as well as the other cities visited, there are walls everywhere—and walls within walls in tiny labyrinthian patterns—like the Arab casbahs. Sometimes they looked even crumbier than the casbah and possibly are older, even. Occasionally, there was a touch of charm, and the suspicion of a kind of courtyard under the ancient and graceful if decaying, upswing of a tile roof.

And they are building new walls constantly—of every conceivable material.

Behind those walls are the "communes" whether keyed to the factory with joint administration or some other enterprise or as a "neighborhood commune" and they are clearly the chief, functioning community . . . not the central municipality of Peking or Taiyuan or Shi-chi-chuang, or whatever.

The "commune" is usually the employer, but *always* the landlord for housing, the school authority, the medical center, the nursery operator, the general store or commissary, the sewing center, the youth league operator, the recreation center manager, and the chief organizer for emergencies such as fire.

There is no garbage, as we know it. Everything is useful in China. And needed.

Thus, the great city of Peking, with over 8 million people, is really divided into hundreds of little communities, each largely self-sufficient.

The "Wise Leader" of the Peace Street Neighborhood "commune" told us that it was organized "spontaneously" by the people. However, he also told us that exactly the same style of organization exists throughout the city and in every city in China, all of them apparently also "spontaneously" organized and at the same time.

There has to be a little more to *that story.*

To a number of questions about pay, he answered: "The authorities take care of that . . ."

Just a hint of the supreme, central power behind the whole set-up.●

CAPTIVE NATIONS AND NATIONALISM

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. DERWINSKI. Mr. Speaker, next week we will commemorate Captive Nations Week. At a time when the Soviet Union is intensifying its efforts to bring more peoples under dictatorial control, it is important that we recognize that our encouragement and support of the national observance of Captive Nations Week and its concept does much to blunt the machinations and propaganda practiced by the Soviet Union.

As an example of the current direction of the Soviet policy, I call special attention to an article in the Christian Science Monitor of June 29, by their Moscow correspondent, David Willis. The article, which I insert at this time, discusses the nationalism that continues to inspire the non-Russian peoples held captive in the U.S.S.R.:

NATIONALISM: LATEST SOVIET TARGET?

Moscow.—Emerging details of the legal case being made against two American correspondents in Moscow reveal not only a tough public signal on detente but other implications as well.

These include:

Extreme Soviet sensitivity about the fires of nationalist feeling which still burn in Soviet Georgia and elsewhere.

Resort to a legal stratagem, strange to Western eyes, of holding newsmen guilty of "slander" against a state television network because something they wrote which was published thousands of miles away in another country.

"Does this mean," asked one Westerner here, "that American newspapers can sue Soviet correspondents in the U.S. for articles held to be slanderous of American institutions?"

Some Western sources here believed that the Soviets were trying to engage in an indirect form of censorship. (Formal censorship ended here in 1961.)

Western analysts are divided on whether the main purpose of the case against Craig Whitney of the New York Times and Harold Piper of the Baltimore Sun is to deliver the same kind of dramatic warning as the summary arrest of businessman Francis Jay Crawford June 12. Mr. Crawford was hauled from his car at a red light.

Détente is seen here as remaining under considerable strain, despite President Carter's words June 26. He spoke of a "stable relationship" and of his desire not to let "temporary disharmonies" block better ties.

Pravda responded June 28 by publishing a Tass new agency commentary indicating that Moscow sees Mr. Carter's words as trying to take "the edge" off the strain of recent weeks.

Yet Mr. Whitney and Mr. Piper were informed of the case against them June 27, the day after Mr. Carter spoke. And the case is certain to remain a source of friction for some time.

The two men are to report back to the Moscow City Court June 30 with written responses to the charge of slandering Soviet television. The actual hearing is set for July 5.

The correspondents are being charged under Article 7 of the civil code here, which provides for a retraction of slander, or else an unspecified fine.

One theory here is that the case against the correspondents is seen by the Soviets as having little to do with Mr. Crawford, or the Russians arrested for spying in New York, or détente.

Instead, it is thought, the Soviets are actually more worried about the difficult question of how to block rebellious activity by the 101 nationalities which comprise the Soviet Union—particularly by Soviet Georgians.

Soviet Georgians, numbering more than three million, are famed for their fiery nationalistic spirit. From time to time protests surface from other nationalities here, including Ukrainians, Latvians, Lithuanians, Estonians, and Armenians.

Last April 14 thousands of Georgians poured into the main street of Tbilisi on foot and in their cars, honking horns, shouting in protest against a proposed phrase in a new republican constitution that would weaken the status of the Georgian language at the expense of Russian. In a major concession, the wording was changed.●

TRIBUTE TO HALLIE TENNER

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mrs. BURKE of California. Mr. Speaker, last Thursday, July 6, one of southern California's most dedicated community leaders, Hallie Tenner, passed away. Throughout her life Hallie fought for justice and equality for all people, and developed a reputation as a woman who was always ready for the next battle against injustice, no matter where it might take her.

Hallie was born and grew up in Omaha, Nebr. In the ethnic neighborhoood in which she was raised, Hallie first learned

concern and compassion for people. This quality stayed with her in adult life.

After moving to Los Angeles and marrying Jack Tenner, a dynamic attorney, Hallie began to put her concern for people into positive and productive action. She organized the "Set the Date Rally" in November 1971, a southern California event marking the first unified public expression of desire that the United States withdraw from Vietnam by a date certain.

Hallie was a founding member and the first president of the Los Angeles Commission on the Status of Women. She was elected president of that body early this year. A longtime advocate of equal rights for women, she was a member of the Democratic National Committee and the committee's affirmative action subcommittee and women's caucus.

In June 1977, Hallie was instrumental in organizing the California delegation for the Houston Conference of the International Women's Year.

In addition to being a tenacious fighter, Hallie was a brilliant, dedicated model for any woman planning to go into political life.

Leo Branton, in a beautiful eulogy delivered at her funeral, pointed out that the secret to Hallie's name was contained in the initials which spell out that name.

"H," the first letter of her name, must have stood for hope. Hallie always held out hope for a better life and a better world.

The second letter, "A," must have stood for activist. Hallie was not a person who merely talked about the wrongs of the world. She did things about them.

The first "L" surely stood for love, for Hallie was one of the most loving persons I have ever known.

And if the first "L" stood for love, surely the second stood for loyalty. One could always count on Hallie.

The "I" must have been for inspiration. I know what an inspiration she was to her husband Jack, to her children Nicky and Scotty, and to many of us who had the privilege of calling her our friend.

And for what else could the "E" stand than for equality? Hallie spent so many years helping to bring about equality of the races. And her last struggle, yet unfulfilled, was in the battle for equal rights for women.

That was the legacy of Hallie. She left us with hope as activists, with love and loyalty, inspired to struggle for equality. We who remain can pay no greater tribute to Hallie Tenner than to rededicate ourselves to the struggle to right those wrongs to which she dedicated her life.

I shall miss Hallie's wise counsel and friendship, but I am grateful for having known her and having her touch my life.●

PERSONAL EXPLANATION

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. McDONALD. Mr. Speaker, on June 23, 1978, I was unavoidably absent due to official business when rollcall vote 488 was taken on Congressman STEIGER'S of Wisconsin Buy American amendment to the Amtrak Improvement Act of 1978. If I had been present I would have voted 'yes" for the amendment to strike the protective measure, for my stand on these matters is for free trade and an open market.●

DANGEROUS DEFICITS

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. ROUSSELOT. Mr. Speaker, during the past several years the Federal Government has increased spending at an alarming rate, running up record budget deficits, and raising the total Federal debt to a level in excess of $700 billion. In large part Congress justified this red ink spending by claiming that large deficits were necessary to stimulate an economy operating below its capacity. The argument is that when the economy begins operating near its capacity, the annual budget deficit will disappear, relieving inflationary pressures, and permitting ample funds to be available for business to invest in the expansion of capacity. But the economy has grown, unemployment has dropped, and the Federal budget deficit shows no sign of disappearing. The July 3, 1978, edition of Fortune magazine provides an excellent account of recent Federal spending and taxing policies and their dangerous economic consequences. I commend it to the attention of this House.

DANGEROUS DEFICITS

A flourishing economy was supposed to wipe out those towering deficits. Instead, the deficits are threatening the economy.

When Congress agreed in May on its half-trillion-dollar spending target for the upcoming federal budget year, the Democratic leadership pointed with pride to a "prudent" and "fiscally responsible" federal deficit of $51 billion—$10 billion less than Jimmy Carter had originally recommended. If that self-congratulatory oratory was ever really justified, it has already been overwhelmed by events and is strikingly at odds with the concerns being voiced privately by influential Congressmen, by some members of the Cabinet, and by highly regarded economists both in and out of government. For an awareness has been growing that an unfunny thing has happened to the budget on the nation's way back to full employment.

Instead of moving smartly back toward balance, as economic theory and experience suggested would happen, the federal budget remains mired in unprecedented and persistent deficits that pose a clear and present danger to the economy. With the federal debt swollen by $177 billion in the past three years, Administration officials glumly concede that more of the same remains in store. Economist Leonard Santow, a senior vice president of the J. Henry Schroder Bank & Trust Co., who has shown uncanny skill in forecasting the federal budget, predicts some whoppers ahead. He sees next year's deficit running at least $14 billion higher than the congressional target calls for, and he thinks it will grow by another $5 billion in fiscal 1980.

While government estimates are more optimistic, few officials see much hope for bringing a semblance of order to the federal accounts until 1983. Even that remote success rests on the dubious assumption that the economy will remain healthy for longer than it has in peacetime for over a hundred years. Jimmy Carter, who made balancing the federal deficit by the end of 1980 a key aim of his presidency, has abandoned that commitment. His target now is to cut the deficit to $30 billion in fiscal 1980, and to reach even that goal he will have to hold real spending flat, something that hasn't been accomplished by the federal government since 1974.

The grim prospects have begun to unsettle many in Washington who seemed to have become inured to red ink after seventeen deficits in the last eighteen years. Despite election-year pressures, House Ways and Means Chairman Al Ullman and House Budget Committee Chairman Robert Giaimo were among the first to call for a cut in the tax cut. Even after Carter had made this concession, a motion to slash spending 2 percent across the board failed to pass the House by only eight votes. The budget cutters, who include a number of liberal Democrats, haven't given up, and they may well be newly inspired by the message that California's Jarvis amendment has conveyed about the public mood.

That message reflects a sea change in the public attitude about the trend of government spending. For a generation now, economic policymakers, influenced by Lord Keynes, have propagated the theory that deficits are often necessary to get the economy running at its full potential. This school of thought is still dominant in Washington, embedded, for example, in the econometric models used by both the Congressional Budget Office and the Council of Economic Advisers. But the public was never as comfortable with red ink as the theorists, and lately, says Charles Partee, a governor of the Federal Reserve Board, the man in the street has come to believe that "the government has gone crazy." Rightly or wrongly, many Americans have become convinced that federal spending and taxing policies are largely responsible for the inflation that has gripped the country for years (and has accelerated sharply this year). The average citizen can calculate that a 6 percent inflation rate means a doubling of prices in twelve years, a quadrupling in twenty-four years, and an eightfold increase over his working life. And if he thinks, as seems to be the case, that inflation is going to continue and perhaps get worse, he will behave in ways that tend to make the prediction come true.

This is particularly so when the belief is held by businessmen. Washington economists think business grossly exaggerates the impact of deficits in inflation. But business does associate all that red ink with runaway prices and soaring interest rates—a feeling based on the bitter experience of earlier credit crunches. This anxiety has become an economic factor that has to be considered. Charles Schultze, chairman of the Council of Economic Advisers, concedes: "Those who fear that this scenario will be played out in the future—particularly business firms—could respond by reducing their investment plans."

Investors and the financial markets indeed suspect that the previous scenarios will repeat themselves. Although business investment has been stronger this year, a lot of it is being poured into trucks, autos, and other short-lived equipment. By contrast, the money being put into longer-term projects—new plants, for example—is lagging well behind what was expected by this stage of the recovery. One reason for the hesitancy, says Alan Greenspan, the former chairman of the Council of Economic Advisers, is the uncertainty among businessmen about federal fiscal and monetary policies. There is a perception that risks have increased, and this has led corporate managements to seek a higher minimum rate of return on new investments.

Smaller deficits would thus promote investment in two ways—by reassuring businessmen and by reducing the pressure the

deficits cause in the financial markets. But this has not been happening. Sidney Jones, an economic consultant to the Federal Reserve Board, estimates that in the decade ending in 1977 the federal government took a "half trillion dollars out of the capital markets—approximately $260 billion in cumulative deficits and about $225 billion of net borrowing for other programs" (e.g., for "off budget" programs and for over 100 federal credit programs nurturing housing, agriculture, students, veterans, trade, and the like). This year's increase in federal credit demands by the Treasury and other federal agencies—perhaps as much as $10 billion—could soak up almost all of the increase in new private savings estimated at about $12 billion.

It's true that the slack in the economy since 1975 has helped ease the task of financing the federal debt, which will grow as much in the 1970's as in the first 189 years of the Republic. So has the emergence of a new class of U.S. creditors, the foreign governments that today hold a startlingly high proportion of that debt. But those new creditors portend some future problems.

The foreign holdings now amount to approximately $123 billion—more than 20 percent of the total U.S. debt. By comparison, five years ago foreign holdings came to $59.4 billion, and ten years ago to a mere $11 billion. The largest creditors by far are West Germany and Japan, which respectively own $26 billion and $18.6 billion of U.S. notes and bonds, but investments by the Middle East oil countries, now about $13.5 billion, have been increasing rapidly of late. The interest payments on all these foreign holdings amounted to over $5 billion last year and were a considerable factor in the country's balance-of-payments deficit. In other words, economists no longer can argue that the size of the national debt is inconsequential because "we owe it to ourselves."

And if foreign nations decide they no longer wish to continue accumulating U.S. securities (or wish to liquidate them), other investors will have to be found to take up the burden. This could result in great pressure on the dollar or an upward thrust in domestic interest rates. The latter effect could also be produced if state and local governments, which financed $13.5 billion of the Treasury's $57 billion in borrowings last year, start to eliminate their large surpluses—as they are expected to do.

The first question that obviously needs to be asked is why the government is running a $53-billion deficit in the fourth year of recovery. Economists of various persuasions cite a number of reasons. First, the sharp recession meant that the recovery started from very far down and so had a long way to go. Second, the economy has been weakened since 1973 by the rise in energy prices, by inflation, and by government controls and regulations—so much so, according to one theory, that it cannot sustain itself without fiscal stimulus.

Robert Levine, deputy director of the Congressional Budget Office, argues, for example, that the recovery won't be completed until the unemployment rate falls another percentage point or so. "A new recession starting from unemployment levels like the current ones would raise major economic, social, and political problems," he says. But so would a recession that began with a *deficit* at the current level. In that event, a falloff in revenues and a bout of anti-recession spending could send the deficit above the $100-billion level.

Schultze points to the $31-billion surplus that state and local governments are currently running, plus the $18-billion current-account deficit in the balance of payments. To offset these two developments, which take money out of the nation's spending pockets, he argues, a substantial deficit is needed to spur the private sector, especially business investment.

Schultz's predecessor, Greenspan, spurns this reasoning, calling it a "new twist" on the same old Keynesian doctrine, which was born in the Depression and looks increasingly inadequate in an era of persistent inflation. "This line of analysis rests," he says, "on the assumption that the level of private investment improves with the size of the federal deficit itself. In today's risk-sensitive environment this is a very questionable assumption." In any case, with foreign trade on the mend and the state-and-local surplus expected to melt away, the argument is losing whatever validity it may have had.

Sophisticated debate between the Keynesians and neoclassicists tends to bypass a much simpler explanation of what has gone wrong—namely, politics. In recent years, there has been a tremendous increase in the power and sophistication of a particular kind of special-interest group. Carter recently described them as "benevolent" lobbies—that is, the ones promoting causes thought of as a public good, such as health, education, and welfare. In a liberal democracy, "benevolence" is nearly omnipotent because it doesn't give rise to countervailing forces. Beginning in 1965, after Lyndon Johnson's Great Society landslide, these special-interest groups, frequently working to support each others' programs, scored many important victories in Congress.

For most of this period, as Herbert Stein, a former chairman of the CEA, points out, the social-welfare lobbies were operating in a felicitous fiscal environment, Government revenues were expanding rapidly, while defense spending, in real terms, had entered a long period of decline. (In constant dollars, President Dwight Eisenhower's first defense budget, for fiscal 1954, was higher than Gerald Ford's final one.) Congressmen who felt twinges of conscience about all the new commitments for social programs were consoled by that highly theoretical exercise, the "full-employment" budget, which almost always showed that if the economy were operating at full blast, there wouldn't be a deficit at all. And then there were those even more consoling five-year budget projections prepared by the White House and congressional staffs. They invariably demonstrated that huge surpluses were just around the corner.

Many of the new social-welfare programs, such as Medicare and Medicaid, as well as some older ones like Social Security, were structured in ways that guaranteed soaring costs. They have become, as would be expected, more expensive as population grows. But in addition, Congress has liberalized both the rules as to who is covered and the benefits themselves, which in many cases are linked to the consumer price index. The number of Social Security beneficiaries has spurted from 20 million to 34 million since 1965 and the average monthly from $84 to $260. In this same period, the welfare rolls have grown from four million to 11 million, and the average annual benefit per recipient has risen from $621 to $948. Since 1970 alone the number of Medicaid recipients has increased by more than eight million, and the number of people receiving food stamps has quadrupled, to 16.7 million. At the same time, the average benefit has jumped by 86 percent for Medicaid and 150 percent for food stamps. These same factors caused the costs of federal retirement and insurance programs nearly to quadruple, from $5.6 billion to $20.1 billion.

Such open-ended entitlement programs, along with openhanded grants to state and local governments and rapidly growing interest on the federal debt ($50 billion this year), explain why federal spending has been trending upward from 18 to 23 percent of G.N.P. since 1965. And also why Carter's budget for fiscal 1979, which contained few major new spending proposals, came out $38 billion higher than the one for the current year.

Needless to say, those fat surpluses predicted by the econometric models never materialized. The trouble with that kind of projection, as the Congressional Budget Office now recognizes, is that it assumed no changes in the tax law. But Congress had to pass some periodic tax relief because inflation was constantly pushing taxpayers into higher brackets of a tax structure that has been made increasingly progressive over the years. Since 1973, in fact, most of the increase in tax revenues has come from inflation rather than from real growth in personal income. Consequently, the pressure for tax cuts these last five years has been intense—and justified. And the combination of tax cuts and open-ended spending programs has smashed the rule of thumb which said that each percentage-point drop in the unemployment rate would produce a drop of more than $20 billion in the deficit. Since 1975, the red ink in the federal books has averaged around $50 billion, and it shows no signs of receding from this peacetime high-water mark even though unemployment has declined by three percentage points and the growth in federal revenues since the recession has been running at a munificent $40 billion a year.

Plenty of reasons can be cited why Congress and the Administration will have trouble getting the budget under control. "Spending pressures today are as wide as from the Atlantic to the Pacific," says Edmund Muskie, the chairman of the Senate Budget Committee. After its long decline, defense spending needs to rise for the foreseeable future by about 3 percent a year in real terms, or $10 billion a year in current dollars. Muskie and his Republican colleague on the budget committee, Senator Henry Bellmon of Oklahoma, predict that in the next five years Congress will vote on twenty-odd strongly supported programs which, depending on the details and timing, could boost outlays by as much as $416 billion during this period. National health insurance and a hike in Social Security benefits would alone account for $200 billion of this total.

Congress watchers have noted some shifts in voting patterns that aren't at all encouraging. In the Senate, the spenders have gathered in force on the Appropriations Committee, which has become much more prodigal under the chairmanship of Warren Magnuson than it was under the late John McClellan. Tax-cutting sentiments are strong on the Senate Finance Committee, which recommended a $35-billion reduction this spring. And a good many Republicans seem to have got tired of being cast as dour nay-sayers. Such self-styled conservatives as Senators Robert Dole of Kansas, Carl Curtis of Nebraska, and Howard Baker of Tennessee show no greater restraint on spending these days than such openhanded liberals as Alan Cranston of California. On eleven tests last year of the Senate's willingness to support the budget ceiling it had voted earlier, the budget committee lost eight times. Dole and Baker voted with the budget committee just once, Curtis only twice—and Cranston four times.

The spending pressures are especially heavy in this election year. Senator John Culver of Iowa is pushing a bill to repair or rebuild 100,000 highway bridges. This measure, plus some companion bills to increase aid to mass transit, would add $435 million to 1979 spending, and the cost would grow to $1.1 billion, $1.4 billion, and $1.6 billion in the three succeeding years. Congressmen and Senators from the farm states are plumping for an array of agriculture bills that would cost billions more than Carter or the budget committees have allowed for.

A particularly outrageous bill, which the House Veterans Committee pushed through the House over the opposition of its budget committee, provides an $820-million increase in pensions primarily for World War I and World War II veterans who have no service-connected disability. The bill would cost more than a billion in later years and in some cases would give these older veterans a larger allowance than wounded Vietnam

veterans receive. Representative Otis Pike of New York was one of the few members willing to oppose this bill (and he is retiring). Before the vote took place, Pike remarked on the floor: "I know it is harder to say no in even-numbered years than it is in odd-numbered years; and if anything, more difficult to say no in an even-numbered year to anything that bears the label 'veteran.'" A 362-to-33 vote for this measure indicated Pike was right.

A balanced budget and better management of the government were, of course, centerpieces of Carter's 1976 campaign. But so far, his dedication to this program hasn't been pronounced. The results of his much-heralded zero-base budgeting so far are just that—zero. Joseph Pechman of the Brookings Institution (who was one of Carter's advisers in 1976) says the 1979 budget showed little evidence that new initiatives were pitted in the budget reviews against inefficient existing programs. "No significant new proposals for economizing were put forward," Pechman charges in Setting National Priorities—the 1979 Budget. "Most of the major initiatives were developed independently of budget reviews." And, Pechman warns, "the outlays proposed will seriously impinge on future budget margins."

There, discouragingly enough, the matter seemed to rest—or did until a few weeks ago when the tide of concern about the size of the 1979 deficit began rising in Washington. The new tone that is emerging in the debate about budget policy, both in the House and within the Administration, does not signal any sudden conversion to fiscal prudence but rather a changing assessment of the balance of political risks. The rapid fall in unemployment and the speedup in prices have signaled that the economy is running a lot closer to its capacity than the CEA has been willing to concede. And that has changed the perceptions in Washington about the costs and benefits of budgetary stimulus. House members, who must face the voters this fall, see inflation as the overwhelming issue and don't want to be accused of exacerbating it through irresponsible spending. The Administration must already be worried by the specter of an inflationary boom followed by a bust sometime around 1980. Late last month, the President warned the House and Senate appropriations committees that he planned to cut the 1979 budget by $3 billion to $5 billion and if necessary would veto as many as forty-three spending bills.

But where to cut? The Congressmen who ardently would like to are also part of the herd that stampeded to approve a billion-dollar present for veterans. The voters they must face this fall are undoubtedly angry about runaway spending but are if anything even angrier when programs they have an interest in get cut. Whatever the result of Carter's belated clampdown, it is clear that the claims on the federal budget have grown more, not less, pressing, despite the string of deficits. With the pressure for tax cuts also rising, the deficit is likelier to grow over the long run than shrink. It is time, and past time, for fiscal restraint, which could restore confidence by business and the public in the government's management of its affairs. But who will lead the way? ●

PERSONAL EXPLANATION

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. MIKVA. Mr. Speaker, on Wednesday, June 28, I was unable to take part in two rollcall votes. Had I been present, I would have voted "aye" on rollcall No. 500, ordering a second on H.R. 11886; and "aye" on rollcall No. 501, ordering a second on H.R. 11888.●

ALMANAC PROVIDES NEW INFORMATION TO CONSUMERS

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. RICHMOND. Mr. Speaker, I would like to commend to my colleagues' attention an important new consumer publication which should be of enormous benefit to consumers. This unique book, "Help: The Useful Almanac 1978–79," is an expanded and updated edition of two previous versions published by Consumer News Inc., an independent news service headquartered in the National Press Building, Washington, D.C.

Among the major features of this excellent consumer guide are comparisons of living conditions in 50 metropolitan areas and consumer protection laws in the 50 States, plus pollution levels in 100 cities. In addition, the book rates performance of newspapers and TV stations, and lists campaign contributions and votes on major issues in Congress.

There is an entire chapter on individual rights with emphasis on consumer and women's rights and recent changes that have occurred because of laws, regulations and court decisions.

"Where to get help" is the subject of two chapters providing names, addresses and telephone numbers of Government agencies, industry associations, citizen groups and other sources of assistance for problems involving products and services.

One chapter outlines the problems of buying insurance, especially life insurance, and compares actual policy costs by company for both term and cash value coverage. Companies selling auto insurance are also listed with their rates. In addition, the book lists rates for auto, homeowner, and rental insurance coverage for 50 metropolitan areas.

Cost comparisons are made for numerous other products and services including air travel, package delivery, new cars, medicines, charities, and household moving.

Airlines are compared for their accident rates, "bumping" of confirmed passengers and rate of complaint to the Civil Aeronautics Board.

Both the wholesale and retail prices of new cars are given, along with option costs, miles-per-gallon and operating costs. Recall and crashworthiness statistics are also provided, along with previously unpublished details comparing brands of steel-belted radial tires.

Job prospects for more than 200 occupations are featured in another chapter along with details on minimum wages, unemployment compensation and job hazards.

Food accounts for the largest chapter, with detailed listings of grades, standards and ingredients of many products. Special attention is given to proportions of fat, cholesterol, sugar, and protein in common food items.

There also is a list of additives, including both safe and questioned ones, plus the unsavory details on how much filth is allowed in food before it is seized for adulteration.

I believe my colleagues will find "Help: The Useful Almanac 1978–79" enlightening as they work on consumer issues and I heartily recommend it to them. In addition, Mr. Speaker, as chairman of a consumer subcommittee, I can assure you that consumers will find this book useful.●

THE ROTH-KEMP TAX CUT BILL—A DANGEROUS MIRAGE THAT WILL NOT WORK

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. VANIK. Mr. Speaker, the Sunday edition of the Washington Post carried a guest editorial by Prof. Robert M. Dunn, Jr., a professor of economics at George Washington University. Professor Dunn addresses the politically popular but unproven theories behind the Roth-Kemp tax cut bill. That bill would drastically cut Federal income taxes for both individuals and corporations in the hope that it will motivate general economic improvements and result in net gains in Federal revenues.

Professor Dunn, however, says that—

. . . like all other perpetual motion machines, it (the Roth-Kemp "Laffer economics" tax cut) will not work. It is a lovely vision, but it is actually a mirage—and a dangercus mirage at that.

Given the raw political appeal of such an approach in an election year, I hope my colleagues will have a chance to be able to read the article and objectively consider the effect of deficit building tax cuts. Professor Dunn has offered some very helpful criticisms of the plan. The editorial follows:

[From the Washington Post, June 9, 1978]

THE LAFFER CURVE: "A DANGEROUS MIRAGE"

(By Robert M. Dunn, Jr.)

American conservatives who favor lower taxes have found a new Moses in Arthur Laffer, who teaches economics at the University of Southern California. We are to be led from the bondage of oppressive taxes to a land of greater consumption and investment in which lower tax rates produce higher tax revenues and hence more government expenditures without increased inflation.

This utopia is presented in the form of a graph that illustrates the well-known economic principle that higher tax rates do not always produce proportional or even significant increases in tax revenues. Beyond some point, higher taxes discourage investment and other economic activity so severely that revenues actually fall.

One can think of particular taxes that have had that effect, such as the high cigarette taxes in New York, which encourage the importation of untaxed cigarettes from North Carolina. The double taxation of profits earned by stockholders in U.S. corporations, which results from the fact that taxes are

collected both on corporate profits and on the dividends derived from those profits, may have similar effects.

The Laffer Curve, however, makes this claim for the whole tax structure, arguing that beyond some point higher overall tax rates produce such strong disincentives for investment, work and general economic activity that the economy and, therefore, the tax base shrink enough to reduce tax revenues.

The conclusion of this theory is that a large reduction in U.S. taxes would actually raise government revenues. Rep. Jack Kemp (R-N.Y.) has embraced this argument to advance his proposal to reduce federal taxes by 30 percent, and it could almost be called the Laffer/Kemp curve. Unfortunately, like all other perpetual motion machines, it will not work. It is a lovely vision, but it is actually a mirage—and a dangerous mirage at that.

It is obviously true that beyond some level of rates, further tax increases will shrink the tax base so severely that revenues will fall. The problem is that Laffer and his supporters present no hard statistical evidence that the United States is now at such an overall tax rate. Laffer and Kemp merely indicate that they think the United States is now in the oppressive or perverse range of taxes, and hence that a large tax cut would produce more revenue. This is an awesomely casual way to reach firm conclusions about the desirability of major changes in our tax system.

Another flaw in the Laffer/Kemp thesis results from the current lack of excess capacity in the U.S. economy. Those supporting a large tax cut often refer to the results of a tax cut of the early 1960s. At that time the U.S. economy had a great deal of excess capacity, including large numbers of skilled and experienced workers who were unemployed. As a result a considerable period of rapid economic expansion was possible without serious bottlenecks or shortages. The U.S. economy is now more than three years into a cyclical recovery, and no such excess capacity exists. There are very few skilled and experienced workers among the currently unemployed, and shortages are already developing in many crafts and technical fields. The economy is not operating under the conditions that prevailed in the early 1960s, and it is unreasonable to suggest that because a tax cut worked then it would work now.

A strong argument can be made that the United States needs a sharp increase in productive investment to encourage labor productivity growth, and that some particular features of our tax laws probably discourage such investment. Appropriate reductions in such taxes and other public policy changes, in areas such as regulation of business, would be helpful, but such growth-oriented policies will not be "free."

The concept of the "free lunch" in economic policy first became popular in the early 1960s. The government told us that we could have lower taxes and more expenditures, and that it would all be costless because the economy would grow so much faster that the government revenues would rise by enough to avoid increased deficits. A modest tax cut in 1964, when the economy still had excess capacity, seemed to support this view. In the late 1960s we were told that we could have a war in Vietnam and Great Society programs without a major tax increase.

Then a supposedly conservative administration arrived and continued those policies, suggesting at one point that "we are all Keynesians now." The results could reasonably be described as a disaster. This experience gave what had become known as the New Economics or Keynesian economic policies a bad name, and led to a resurgence of somewhat more traditional views of economic policy. Now the "new conservatives" arrive with a modern version of the old message—that is, that resources are free and that bigger deficits are good for us. The only difference is that their deficits result from large tax reductions rather than from increases in social welfare or military expenditures.

A modest application of expansionary Keynesian policies may work when real excess capacity exists. Those arguing for the New Economics in the 1960s got this economy into trouble when they pushed such policies too far, particularly as the economy approached full employment.

If conservatives adopt the Laffer/Kemp position, their policies will suffer the same fate. If the United States wants to do something about low rates of plant and equipment investment and the resulting lack of labor productivity growth, tax and other policies are available that would have the desired effects. But it will not be easy, and it certainly will not be free.

To suggest otherwise is to sell old snake oil in a new bottle. It did not work for Lyndon Johnson or Richard Nixon, and it will not work for Jack Kemp and Art Laffer.●

TAX RELIEF ILLUSION

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. FINDLEY. Mr. Speaker, not only California but the entire Nation seems caught up in a frenzy for tax relief—that is, lower taxes. This has given prominence to those who have been trumpeting for several years in behalf of an across-the-board income tax.

Historically, Democrats seem to have less concern about public debt—deficits—than Republicans, but that distinction is fading. At times, I can hardly believe my ears when I hear Republicans in the Congress engaging in what seems to be an exercise to outbid the Democrats over which can cut taxes the most.

My own notion, primitive though it may be, is that the taxpayers will get no relief whatever until Government spending comes down. Every bit of spending comes out of the hide of the citizens, either in the form of direct tax levies or inflation, which, to me, is a far worse form of taxation.

Proposition 13 will mean nothing to Californians unless it leads to cuts in spending that stick. It is too early to know whether cuts will stick or not.

Meanwhile I rejoice when I read some commonsense about Government fiscal policy. I had such occasion when I read the editorial below, published in the July 5, 1978 issue of the Pike Press, Pittsfield, and written by editor Al Seiler.

I commend it to you:

THE TAX RELIEF ILLUSION

Let us be charitable and ascribe it to the midsummer heat.

That might be a reasonable way to explain the action of the Illinois General Assembly in its mania to convince the taxpayer it had his interest uppermost in mind this election year.

The tax revolt fever hit the Illinois legislature after California voters approved Proposition 13, a tax-slashing amendment to their state constitution. The action grabbed headlines across the nation. Suddenly, the politicians realized that the prospect of tax relief would delight the public with the same effect as a cooling rain on a torrid day.

But as often happens after a summer shower, the heat that follows is more oppressive than before.

That's the way the public should look at what the legislature did.

Take, for example, the most heralded bonus for taxpayers: a measure giving up to two million Illinois households partial refunds on their property taxes. Households earning less than $25,000 a year and paying more than 3.5 per cent of their income in property taxes would be eligible. It's more of the old misguided effort to achieve a measure of equality in taxation by playing one tax burden off against another, instead of attacking the real problem: the spending that produces the taxation in the first place.

This would be an administrative and bureaucratic monstrosity and an invitation to manipulation and chicanery.

Then the General Assemoly came up with another jim dandy. That's to raise the $1,000 personal income tax exemption every year to match the rate of inflation.

That's the same as putting out a fire with a bucket of gasoline. When you've got tax relief tied to increasing inflation, what incentive have you got to curb inflation, which is just another non-productive tax?

Earlier in the year the legislators defeated a proposal that would have limited state spending to seven per cent of the total income of all Illinois citizens. Explaining their vote in opposition to that, certain legislators issued cries of righteous indignation, saying they'd never vote to impose that added burden on the backs of local property taxpayers. Loud huzzas!

But now those same legislators can tell the gullible voters that they supported measures to give them local tax relief, neglecting to add that the taxpayer would be paying for the "relief" out of another pocket labeled state money or state aid. It's just as misleading to tell the public it's going to get relief from state taxes by substituting mode federal aid.

But where's the office holder or candidate who's saying, "How about a higher state income tax?", remembering that initiation of that same tax helped grease the exit of one Illinois governor from office?

Let the politicians quit trying to con the public by telling them there can be some kind of magical kind of tax relief without reduced government spending.

But in the same light, it's also time the public woke up and "smelled the coffee" as Ann Landers puts it, by realizing you can't demand more government services and projects at the same time you demand tax relief.

There's as much need to get back to the basics in government as there is to return to the basics in education.●

THE UNITED STATES MUST TAKE STRONGER ACTION AGAINST SOVIET VIOLATIONS OF HUMAN RIGHTS

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. LENT. Mr. Speaker, I have joined with a number of my colleagues in cosponsoring a resolution expressing the sense of the House with regard to the continued Soviet denial of human rights to Soviet Jews.

This persecution has reached a new level of brutality with the simultaneous

trials of Anatoly Shcharansky and Alexander Ginzburg which began in Moscow yesterday.

It is time the United States took stronger action against these cruel violations of the human rights guaranteed in the Helsinki Final Act. In this regard, I would like to submit for the RECORD my statement to the Commission on Security and Cooperation in Europe at a public hearing held today:

STATEMENT FOR THE COMMISSION ON SECURITY AND COOPERATION IN EUROPE

Mr. Chairman, I want to express my appreciation to you and to the Commission for the opportunity to discuss with you the problems involved in the brutal violations of human rights now taking place in the U.S.S.R. You are to be commended for calling attention to the situation at this critical time, when Anatoly Shcharansky is undergoing trial on a charge of treason against the Soviet Union, and Alexander Ginzburg is being tried on a charge of anti-Soviet propaganda and agitation. This double blow to the cause of human rights is particularly painful for those of us who have strongly supported efforts to insure Soviet compliance with the Helsinki Final Act.

It is obvious that the Soviet leaders are attempting to crush any effort by Soviet citizens to maintain the human rights guaranteed under the Helsinski Final Act. But efforts to suppress the human spirit in the pursuit of human rights tend only to strengthen the determination of these men and women of courage to continue the fight to achieve their goal. In no way will these gross violations of human rights silence our protests. For the continued persecution of Soviet Jews in the Soviet Union only strengthens the opposition of the international community. Continued Soviet disregard for the human rights under the Helsinski agreement can only be self-defeating: it will suppress neither the will of individuals being persecuted in the Soviet Union, nor the will of the international community to protest.

Anatoly Shcharansky and Alexander Ginzburg have been in the forefront of those courageous Soviet citizens who have risked their lives in calling world attention to Soviet persecution of its Jewish citizens who wish only the freedom to join their families in Israel. The current trials are the culmination of a terrible campaign of oppression that already has sent 19 Soviet activists for human rights to prison or into exile—the latest Vladimir Slepak and Ida Nudel.

Mr. Chairman, it is time the United States government did more than to weakly protest such gross violations of the Helsinki Final Act. It is not sufficient to show official concern by merely canceling the visit of some U.S. scientists to the Soviet Union, especially while permitting Secretary of State Vance to meet with Foreign Minister Gromyko at Geneva on Wednesday, July 12. To allow such a high-level meeting to proceed while the Soviets publicly prosecute advocates of human rights in Moscow is to offer a subtle but tacit endorsement of the Russian persecution.

Mr. Chairman, I call upon President Carter to refuse to let Secretary of State Vance meet with any Soviet official on any subject under such conditions! The Geneva meeting on the SALT negotiations must not take place as scheduled! President Carter has spoken out strongly about the importance of human rights in the world and of his dedication to that cause. Now is the time for action to back up the rhetoric. Now is the time for the President to tell the Russians flatly—no important negotiations can be permitted in the face of such violations of the Helsinki Final Act.

Mr. Chairman, I also believe the Congress must act. I have sent a telegram of protest to the Soviet Union, and I would hope that all concerned Members will shower the Soviets with such protests.

I would also urge this Commission to consider recommendations to the Congress for action which would serve notice on the Soviet oppressors that their repeated violations of the Helsinki Final Act represent a most serious breach in relations between our two Nations.

I believe the Commission should consider the effectiveness of such steps as restricting or suspending scientific and cultural exchanges between the two countries, suspending or restricting activities of Soviet diplomats in the U.S. and reviewing Soviet requests for increased trade in the light of current developments. I would also urge the Commission to consider a thorough study of U.S. responsibilities and liabilities under the Helsinki Accords with an eye to recommending whether further U.S. participation in the agreement is worthwhile under present conditions.

Through these actions, Mr. Chairman, you and the Members of the Helsinki Commission will be continuing and strengthening the valuable services you have already contributed to the cause of human rights. You will be giving further support to brave Soviet citizens who continue to struggle for the precious gifts of freedom denied to so many.●

TECHNOLOGY IN RESPONSE TO LOCAL NEEDS

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. FUQUA. Mr. Speaker, the need to assure the transfer and use of our vast storehouse of information from federally supported research and development programs to the local level has never been greater. When such information is used at the local level, our Nation has benefited twice; first, in its initial accomplishment in providing new knowledge and potential benefits and second, when again applied at the local level for often different but constructive objectives. New jobs and businesses are created to the benefit of all. A recent article in Science magazine of June 2, 1978, by Mr. William M. Brown, president, Environment Research Institute of Michigan, and Dr. Edmund J. Gleazer, Jr., president, American Association of Community and Junior Colleges, discusses bringing the benefit of Federal research and development to the local level.

Because of the significance of Mr. Brown's and Mr. Gleazer's comments, I am including them in the record for the benefit of my colleagues:

TECHNOLOGY IN RESPONSE TO LOCAL NEEDS

Before the period when President Johnson talked of the Great Society, federally sponsored research and development was concerned primarily with problem areas external to society, specifically those of defense posture and the space program. Since then the scope of federal R & D has broadened to include domestic problems such as urban economic development, transportation, and energy conservation. Several editorials in Science have illuminated aspects of this situation.

Effective R & D, or technical assistance and technology transfer, on domestic problems is peculiarly difficult because the users are generally varied and dispersed. For example, in the area of energy conservation the clients include consumers, builders, heating and cooling contractors, architects, and utilities. This is typical of domestic problem areas; we must reach the grassroots. Yet the federal R & D community is not responsive to local needs. Rather, it is focused where the money is, in Washington, D.C. This incongruous situation is a major obstacle to progress. What is needed is a structure that integrates the R & D community with problems and people at the local level. The major difficulty in designing an appropriate delivery system is that of providing a technology extension service which achieves intimate contact with millions of local businesses and thousands of state and local government agencies. If a delivery system is designed from scratch, the costs are formidable and the problem of achieving the required rapport between the system and the people to be served may be insurmountable. Both issues indicate that organizations which are already an integral part of the community should be used to provide the technology extension service.

A set of institutions that have become strong and well supported at the community level and are committed to community service are the 1200 community colleges located across the country and serving a major share of the people. It is recommended that the community colleges—which have the required geographic distribution, service orientation, constituency, and value system—should have a prominent role in a national R & D delivery system.

Universities, research institutes, and government laboratories would operate in concert with the colleges by conducting research that is responsive to local needs and by obtaining from the R & D community results and products that can be moved into the economic stream. Substantial costs would be involved in establishing such a delivery network; however, they would be a small fraction (perhaps 1 percent) of the cost of the current R & D enterprise. Also, the additional resources brought to bear are large enough to have a major impact. In terms of dollars, the operating budgets of the community colleges total over $5 billion per year, and the enrollment is more than 4 million students, with the majority in vocational and continuing educational programs.

A pilot program has been in operation in Michigan with support from the Economic Development Administration of the Department of Commerce. The program stresses cooperation with the activities and resources of the (agricultural) Cooperative Extension Service and other public and private assistance programs. The performance and institutional motivations thus far demonstrated are encouraging. Energy is a national problem area in which the community colleges could be very helpful in disseminating information and techniques. This is especially true of the effort to attain better conservation of energy in home heating and cooling. It is also likely that expanding applications of solar energy such as water heating and use of biomass would be facilitated if the community colleges were broadly involved.●

THE FUTURE OF AGING

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. SARASIN. Mr. Speaker, two recent articles in the Futurist magazine

point out how Congress is using more foresight in its policy deliberation. Although we have had a foresight provision since 1974, committees had been slow to conduct foresight hearings and, instead, continue with the more usual oversight type of hearing. But the tide is turning. as these articles point out.

Some feel that legislative demands make Congress reactive by nature. That is capable of making public policy only in a crisis-oriented, reactive way. What little time is left Congress uses to oversee what it has done. This usually gives rise to ad hoc legislation that may meet immediate needs but misses the bigger picture.

Others think that Congress should be looking down the road so that we can prepare for tomorrow by taking appropriate legislative steps today. This approach is based on the philosophy that, in large part, the future comes about by the choices that are made now. My own experience with foresight hearings has been most enlightening and shows that the truth is somewhere in between: Congress could benefit from much more foresight in its deliberations, but because times change so quickly grand schemes for the future should be avoided.

The Subcommittee on Human Services of the Select Committee on Aging, on which I am ranking minority member, has undertaken just this approach. As a select committee we have had the opportunity to plan out a series of foresight hearings on the "Future of Aging." We held a hearing on numbers and proportions of tomorrow's elderly; we learned about the social, political and economic consequences of this greying of America. Second, we looked into the probabilities of life extension and how the human lifespan might be extended. This, too, has serious ethical and public policy consequences. Third, we held joint hearings on the future of health care and the elderly, as well as the future of work, income and retirement for tomorrow's seniors.

All of this, Mr. Speaker, led us to the final hearing in our series, "The Future of Aging/Impact of Jarvis-Gann." It is clear that the needs of tomorrow's elderly will increase, simply because their numbers and proportions will increase. But now it is equally clear that human service dollars are shrinking. California's proposition 13 is rumbling through the Nation like a slow earthquake, forcing governments at all levels to cut their budgets and therefore make serious policy decisions among competing constituents. As the Governor of California has said and other executives are beginning to echo, the ones who yell the loudest will be the ones who are heard.

This type of competition may be a fact of life in an era of limits. But every effort should be made to minimize rivalry in human services, especially when the elderly are involved. If the Government can no longer provide what it has promised, then other groups who can help should be supported. The family, neighborhoods, churches, and voluntary associations immediately come to mind.

Planning for future services to older Americans is indeed in order. Each level of government will have to reassess its role. All available surpluses will have to be returned to local jurisdictions to help them through the crisis period. Larger questions loom on the horizon, however. There is every indication that States will now look to the Federal Government to increase its responsibility in human services. This is a long-range issue, the answers to which will be with us for many years to come.

I would urge my colleagues to look to and plan for the future in their respective jurisdictions. Our Subcommittee on Human Services is trying to do just that with the elderly. The information that comes from our future hearings will be made available to all committees of Congress in a report entitled "The Future of Aging" that will be issued by the end of this Congress.●

THE HERMOSILLO DECLARATION ON COMBATING TRAFFIC IN DRUGS AT THE INTERNATIONAL LEVEL

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. GILMAN. Mr. Speaker, as the author of House Concurrent Resolution 265, expressing congressional endorsement of the Hermosillo Declaration on Combating Traffic in Drugs at the International Level, a measure that unanimously passed the House on October 31, 1977, I am pleased to report to my colleagues that today the Senate Committee on Foreign Relations considered and passed House Concurrent Resolution 265. The resolution also urges the President to encourage other nations to cooperate in an international effort to eradicate narcotics trafficking and to eliminate the illicit production of opium.

The Hermosillo Declaration, which was a product of the 17th Mexico-United States Interparliamentary Conference held in May of 1977 at Hermosillo, Sonora, Mexico, a conference that I had the privilege to attend and to present a paper on narcotics trafficking and a conference that was led by our distinguished majority leader, Mr. WRIGHT, and the distinguished Senator from Texas, Senator BENTSEN, is intended to encourage our two nations to intensify their efforts in interdicting narcotics trafficking, in eradicating the illicit supply of opium production at its source and in combating the international criminal elements whose multibillion-dollar operations thrive on these activities. To my knowledge, the Hermosillo Declaration represents the first time in the 18-year history of these bilateral interparliamentary conferences that a policy objective was adopted by the delegations from our two nations.

Mr. Speaker, in order to share with my colleagues the background that led to the Hermosillo Declaration and to House Concurrent Resolution 265, I am inserting at this point in the RECORD the complete text of my statement that was presented today to the Senate Foreign Relations Committee urging that committee to favorably consider the House-passed resolution:

STATEMENT BY REPRESENTATIVE BENJAMIN A. GILMAN

Mr. Chairman, I commend you and the distinguished members of this committee for holding hearings on H. Con. Res. 265, expressing Congressional endorsement of the Hermosillo Declaration on Combating Traffic in Drugs at the International Level. As the author of this resolution, I welcome the opportunity to appear before you in support of this measure that unanimously passed the House on October 31st, 1977.

Permit me to briefly discuss with you the background that led to the Hermosillo Declaration and H. Con. Res. 265.

As a member of the Congressional delegation to the 17th Mexico-United States Interparliamentary Conference held in May of 1977 at Hermosillo, Sonora, Mexico, a delegation that was led by the distinguished Majority Leader of the House (Mr. Wright) and the distinguished Senator from Texas (Senator Bentsen), I presented a paper on narcotics trafficking that stressed the need for Mexico and the United States to intesify their efforts to interdict narcotics trafficking, to eradicate the illicit supply of opium production at its source, and to combat the international criminal syndicates that profit from narcotics trafficking and the human misery resulting from drug abuse and drug addition.

Through the efforts of the entire Congressional delegation, together with several colleagues from Mexico, my paper on narcotics trafficking provided the impetus for the adoption by the delegations of both nations of the Hermosillo Declaration.

The purpose of the Hermosillo Declaration is to encourage our two nations to intensify their efforts in interdicting narcotics trafficking, in eradicating the illicit supply of opium production and in stamping out the criminal elements that thrive on these activities. The essential purpose of H. Con. Res. 265 is to provide Congressional endorsement to the Hermosillo Declaration and to encourage other nations to adopt this declaration. The resolution also urges the President to encourage other nations to cooperate in an international effort to eradicate narcotics trafficking and to eliminate the illicit production of opium. To my knowledge, this is the first time in the 18-year history of the Mexico-United States interparliamentary conferences, including the recently concluded 18th bilateral conference held last month in our Nation's capitol, that a policy objective was adopted by the delegations from our two nations.

Mr. Chairman, the resolution before this distinguished committee is noncontroversial, but it is important in terms of the policy objectives that it seeks to achieve. The unprecedented act of adopting a joint policy goal on an issue of such magnitude and seriousness as international narcotics trafficking represents a major step forward in utilizing interparliamentary conferences to achieve policy goals and in contributing to raising the consciousness of the international community regarding the dangers of narcotics trafficking and drug abuse.

For the past three years I have been a member of the House delegation that participated in these bilateral interparliamentary conferences, and I can assure the distinguished members of this committee that our fellow Mexican legislators attach great importance to the issue of drug abuse prevention and control. As a member of the House International Relations Committee and the House Select Committee on Narcotics Abuse and Control, I can also assure you that it is highly important that we act on this measure by demonstrating to our

Mexican colleagues that the United States Congress is committed to the process that has produced a joint policy goal that hopefully will provide improved joint cooperative efforts in narcotics interdiction and in eradicating the illicit production of dangerous drugs.

If the "war" on drug abuse is to be won, then we must do more than pass well-intentioned resolutions. We must translate these well-intentioned resolutions. We must translate these well-intentioned words into constructive actions that will effectively combat the international criminal syndicates whose multibillion dollar narcotics operations undermine the health of all mankind and the moral fabric of virtually every society in every region of the world.

H. Con. Res. 265 helps build the necessary bridges between our two nations, and hopefully other nations throughout the world will be inspired by our actions and will join us in substantive actions to stamp out the insidious business of international narcotics trafficking and the evil abuses produced by this sordid business.

H. Con. Res. 265 assists in developing a mutual understanding and policy objective for our joint drug abuse problems. Accordingly, I urge that this distinguished committee favorably consider and report out this resolution.

Again, thank you, Mr. Chairman, for considering this important measure and for affording me the opportunity to appear before you today.●

SOVIET SURROGATES IN AFRICA

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. CRANE. Mr. Speaker, the Soviet drive for dominance in the developing nations of Africa takes many forms. Recently there has surfaced an increased awareness of the coordinated efforts of Russia and its satellite partners to challenge Western interests and influence in this region.

The Soviet Union's effort to challenge Western interests in Africa essentially runs on two parallel tracks. One is the development of military bases and the consequent military capacity; the other is the use of surrogate forces to achieve its objectives. The Kremlin seeks everywhere to cut American connections with African nations, thus reducing U.S. industrial and political power through a process of isolation. These satellite surrogates, inextricably tied to Moscow, have the effect of confusing the black African perception of Soviet imperialism. This lessens the risk that independent African countries will feel threatened.

Within this pattern of increased usage of surrogate forces it follows that the traditionally high involvement of Communist intelligence personnel in their foreign endeavors will continue to closely reflect those of their Soviet masters. With the significant intelligence orientated infrastructure maintained by the Soviet Union and its proxies throughout Africa, it would not be difficult to imagine an augmentation of this presence with the introduction of East German, Czech, or Soviet military personnel.

While some observers have explained this surge of Soviet activity in Africa as a consequence of intra-Soviet bloc competition for leadership of the developing world the observed facts do not support this thesis. The closely orchestrated activities of these Soviet dependencies are too narrowly focused toward the elimination of Western influence from Africa for this to be a plausible explanation.

The Soviet threat is capable of taking many shapes in furtherance of its ultimate objective of world domination. It is imperative that we recognize this fact and develop a concerted national plan of action to counter this multifaceted Soviet challenge.

Mr. Speaker, I am inserting in the RECORD the following article from the Baltimore Sun of July 1, 1978, detailing the extent of Soviet satellite involvement in black Africa. I highly commend this article for my colleagues attention.

The article follows:

BLOC HELPS EXTEND RED INFLUENCE IN AFRICA

BERLIN.—Communist East European countries are joining the Soviet drive for more influence in Africa and are pouring money, technology, weapons and military training into the area, an Associated Press survey shows.

Some experts say East European nations are used as surrogates in areas where the Russians do not want to become involved directly.

In other areas of Africa, East European aid projects seem to stem from self-interest rather than an attempt to boost Soviet fortunes.

The survey, on two continents, found East European involvement in aid to both Marxist-leaning and non-Communist countries, and to guerrilla movements of the third world, including these examples:

East Germany is reported setting up security police organizations in Angola, Mozambique, Benin and South Yemen and is training glider pilots, maintaining military vehicles and providing youth organizations with "premilitary" training.

Poland is building a Libyan power station and has promised Nigeria some 300 geologists and technicians.

Czechoslovakia is lending Ethiopia $46.5 million to modernize and expand a variety of industries.

Hungary is loaning Tunisia $35 million, mostly for agricultural development and is exporting whole factories to "lessen dependence on former colonial powers."

Bulgaria is expanding Mozambique's Limpopo Valley irrigation area from 75,000 to 785,000 acres and is builidng a hydroelectric dam at Massingir.

Romania is providing experts to help find and export gold and precious stones in the Central African Empire and to help find lead ore in Kenya and oil in Nigeria.

Western experts say East Germany apparently is taking care of Africa's badly wounded, just as it once provided hospital space for wounded North Vietnamese.

"If they want to keep it a secret, they should quit taking them on tours of the Soviet War Memorial," says one diplomat, who reports that groups of African amputees and cripples are being shepherded around East Berlin.

Some Western analysts see strong signs that staunchly pro-Soviet East Germany is becoming Russia's main helper in a long-range move to build influence in Africa through satellite surrogates.

There is adequate evidence, one West German Africa-watcher says, that Moscow and East Germany are teaming up "so that [East Germany] becomes active in areas where the Soviets don't want to burn their fingers."

East Germans provide military aid to Ethiopia, he said, partly because the Russians cannot do it themselves without helping defeat at least one Eritrean rebel movement they once supported. Ethiopia, with heavy support from Cuba and the Soviet Union, recently put down a campaign by ethnic Somali rebels to seize eastern Ethiopia's Ogaden region.

Ethiopia now is fighting Eritrean rebels, who have stepped up their 16-year-old war for independence.

Not all the projects promote the Soviet Union. Romania has the most independent foreign policy in the Soviet bloc and many of its aid projects serve its own interests.

Yugoslavia, whose Communist government has been independent since it broke with the Soviet Union in 1948, also aids African countries. It is reopening Angola's richest iron mine, closed since the Portuguese left in 1975, and has loaned Egypt $10 million for rural electrification.

Yugoslavia also provides arms to developing nations and is active in officer training in Libya, Zambia and Sudan, Western sources said.

Western analysts agree that even East German motives in Africa include a dash of self-interest, including efforts to counter West German cultural and political influence.

East Berlin's first African contacts included rebel movements in Angola and Mozambique. In both cases, the rebels took over and now are fighting anti-government forces themselves.

Bonn sources say East Germany prints propaganda magazines and other items for rebels in Rhodesia, South Africa and South-West Africa.

Some West German watchers of East Germany discount a report that East Berlin planned the recent rebel invasion of Zaire's Shaba province. East Germany's defense minister, Gen. Heinz Hoffman, was making a high-level African tour when the invasion started.

Egypt and Sudan have both sent home Russian advisers in recent years, but the early 1970's, when Soviet aid was available, was also a time of substantial aid from East Europe. The Stockholm International Peace Research Institute says Czechoslovakia exported $87 million worth of arms between 1970 and 1976, and 18 per cent went to Egypt and Sudan.

Yugoslavia, the institute says, sent 70 per cent of its $24 million in arms exports to Egypt. Another 13 per cent went to Tanzania.

African leaders have become regulars on the East European circuit of state banquets and factory visits.

In Romania last Monday, Morocco's foreign minister, M'hamed Boucetta, and Algeria's energy minister, Sid Ahmed Ghozoli, were arriving while President Nicolae Ceaucescu was receiving the Ivory Coast foreign minister, Simeon Ake, and a deputy premier was receiving Gabon's education leader, Dr. Julian Mezu.

That same day, Libya's leader, Col. Muammar el Kadafi, arrived in East Berlin after an East European swing on a tour that included Bulgaria, Czechoslovakia, Hungary and Poland.

Soviet bloc leaders are secretive about their foreign aid programs. But they are free with promises like the recent vow of Czech Premier Lubomir Strougal: "We will fulfill our international duty wherever the national liberation struggle with neocolonialism and racism is currently being waged to its conclusion."●

THE DELAWARE RIVER: A VITAL SOURCE OF WATER

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. PATTEN. Mr. Speaker, I would like to take this opportunity to have my colleagues read two news stories dealing with the Delaware River. Both stories appeared in the New Brunswick, N.J., Sunday Home News on July 9, 1978, and will hopefully give my colleagues a better understanding on just how important the Delaware River is as a source of water.

The articles follow:

DELAWARE FLOWS INTO CENTRAL JERSEY WATER TAPS

(By Rudy Larini)

The Delaware River.

The last free-flowing river east of the Mississippi.

Meandering past cliffs and forested mountains and churning through rock-strewn gorges, the river is a sanctuary for wildlife and a haven for canoeists, hikers, campers, fishermen and nature lovers.

But there's another Delaware River.

This river serves as a vital source of water for much of Central Jersey, particularly Middlesex and Mercer counties, as well as New York City and Philadelphia.

Under a 1954 agreement, New Jersey has the right to draw 100 million gallons from this river each day, although the state's present daily usage is only 72 million gallons, more than two-thirds of which is supplied to Middlesex County.

The two Delawares. Two purposes—one measured in gallons, the other in the spray of a current-swept canoe.

The two rivers will be on trial on the floor of the House of Representatives tomorrow as New Jersey's divided congressional delegation, led by Rep. Frank Thompson, D-4th Dist., on the one side and Rep. Helen S. Meyner, D-13th Dist., on the other, fight over a bill which could have a dramatic effect on the future of Central Jersey's water supply.

The bill, known as the Omnibus National Parks and Recreation Act of 1978, would designate 114 miles of the middle and upper Delaware River as a wild and scenic waterway.

The scenic designation would include a stretch of the river from the Delaware Water Gap north to Port Jervis, N.Y., which would become a 37-mile reservoir if the proposed $450 million Tocks Island Dam is ever built.

Another section of the national parks act would convey the reservoir site from the U.S. Army Corps of Engineers, which has acquired the land over the course of a number of years, to the Interior Department's National Parks Service as a federal recreation area.

Thompson is to propose an amendment on the House floor tomorrow that would delete both sections of the bill pertaining to the Delaware River, which were added by Rep. Peter Kostmayer, D–Pa.

Although virtually everyone agrees the scenic designation would not constitute legal deauthorization of the Tocks Island Dam, few would argue the designation could be a significant impediment.

"It does throw some legislative hurdles in front of it," said a Meyner aide, explaining the dam could not be built without another act of Congress if the river is designated a scenic waterway.

But Thompson and the other opponents of the scenic designation, including Rep. Edward J. Patten, D-15th Dist., claim no congressional action should be taken on either the Delaware River or the Tocks Island Dam until the future water needs of New Jersey are adequately evaluated.

One specific study mentioned frequently is the state's comprehensive water supply master plan now being prepared by the Department of Environmental Protection. It is due in 1979.

Officials in Middlesex County, which receives much of its water from the Delaware River through the Delaware and Raritan Canal, are united in their opposition to the designation of the river as a scenic waterway.

Some statistics may show why.

Three Middlesex County municipalities two private water companies serving heavily populated areas of the county and one of the county's largest industries all buy water from the Delaware River.

The Elizabethtown Water Co. is the heaviest user, with two contracts totaling 22.5 million gallons a day.

The Middlesex Water Co., which serves most of Woodbridge, purchases 10 million gallons daily, while New Brunswick buys 10.5 million gallons daily, North Brunswick eight million gallons and East Brunswick four million gallons.

Johnson & Johnson, which has its worldwide headquarters in New Brunswick, has a separate contract for 2.3 million gallons of Delaware River water a day.

Middlesex County Planner Douglas S. Powell last week said the county's dependence on outside water sources is expected to increase and estimates are that water from the Tocks Island resevoir would be anywhere from 8 to 14 percent cheaper than water from the next most likely source, the Pine Barrens of south Jersey.

But New Jersey's right to draw any water from the Delaware is based on a 1954 Supreme Court decree which allotted diversion rights of up to 800 million gallons a day to New York and up to 100 million gallons a day to New Jersey. The agreement also guaranteed Pennsylvania the right to someday impound water at some point along the Delaware River.

Thompson and other critics of the senic designation contend that if the Tocks Island Dam is not built, Pennsylvania would have legal grounds to challenge the 1954 pact and perhaps seek restrictions on the amount of water New Jersey and New York can draw from the river.

Both Pennsylvania and Philadelphia filed a federal court suit on June 30 to ban any attempt to block the Tocks Island Dam project.

But Thompson and his colleagues also object to what they view as a "backdoor" attempt to scrap the Tocks Island project by using the naticnal parks act.

"This is going to have a backlash against the environmental movement," said Thompson aide William Deitz. "There's no question about it because what you're doing is prostituting the act."

Opponents of the Tocks Island project, however, who are often disdainfully called "bunny rabbit lovers," insist there are legitimate environmental reasons why the dam should never be built.

"The northwestern New Jersey Delaware River basin is one of the best areas for study ing wildlife in the United States," said Meyner aide Daniel Dean.

He warned that no less than 150 historic and archeological sites would be drowned if the dam and 37-mile reservoir are constructed.

"There's no question that water needs are real, particularly Middlesex County's, and we're sensitive to that," said another Meyner aide, Mark Singel.

He noted that a $1.5 million study of the Tocks Island Dam and its alternatives, commissioned by the federal government several years ago, listed a dozen other ways of guaranteeing New Jersey's water supply well into the 21st Century.

Although admitting some of the alternatives, such as the construction of seven new reservoirs—six of which would be in Pennsylvania, are "not very likely," Singel said it could be possible to combine several of the proposals. The scenic designation for the Delaware River has the support of the Carter administration and Interior Secretary Cecil B. Andrus despite a recommendation by Sherman W. Tribbett, a former governor of Delaware and Andrus' representative on the Delaware River Basin Commission, that no action be taken at this time on either the scenic designation or outright deauthorization of the Tocks Island project. Several deauthorization attempts already have stalled in Congress.

Thompson aide Deitz said Andrus ignored Tribbett's April 25 recommendation not to take a position on the dam or scenic designation until studies on nonstructural flood control methods and underground water supplies are completed.

The lawmakers, who will have to decide tomorrow between Kostmayer's scenic designation for the Delaware or Thompson's amendment to delete the waterway from the national parks act, are not expected to receive any help from Gov. Brendan T. Byrne.

An aide to the governor said Friday that Byrne has not taken a formal position on the scenic waterway designation, but denied the governor is "straddling the fence" on the issue.

"The governor has said, 'Let's not build the Tocks Island Dam,' " the aide said, "but he has been opposed to deauthorization of the project."

RIVER ISSUE WASHES UP ON CAPITOL'S STEPS

WASHINGTON.—It's hard to imagine how anyone in Arizona can get excited about a river between New Jersey and Pennsylvania, but a proposal to designate the Delaware River as a wild and scenic waterway has attracted surprising attention from all quarters of the country.

"It really has been a crisis," said Daniel Dean, an aide to New Jersey Rep. Helen S. Meyner, D-13th Dist., who is pressing for House approval tomorrow of a bill which includes the scenic designation for the Delaware.

New Jersey Rep. Frank Thompson, D-4th Dist., is to propose an amendment to delete the provision and some heavy lobbying on the House floor is expected.

"Many members are really agonizing over this decision," Dean said. "We've had calls from members all around the country."

Mrs. Meyner already has sent two "Dear colleague" letters to House members in an effort to drum up support for the scenic designation and another is to be sent tomorrow by Rep. Peter Kostmayer, D-Pa., who proposed the controversial provision on the Delaware.

"Surprisingly, it has picked up a lot of attention nationwide," said another Meyner aide, Mark Singel.

He speculated the "Proposition 13 mentality" of tax reform may have something to do with the interest in the Delaware River proposal. The scenic designation would be a major blow to the proposed $450 million Tocks Island Dam along the Delaware and many members may be concerned about spending millions of federal tax dollars on a project that has aroused so much local opposition.

Although aides for both Meyner and Thompson claim to have a majority of New Jersey congressmen on their side, they concede tomorrow's vote should be close and agree the decision by all 435 House members could depend to a large extent on last minute maneuvering and votegetting on the floor.●

INDEXING TAXES

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. MURPHY of Illinois. Mr. Speaker, the most unfortunate feature of our present tax code is its failure to distinguish between a cost-of-living raise and an increase in real income. This means that even if a family's income rises only at the rate of inflation, it is nevertheless subject to a higher rate of taxation.

To eliminate this inflation penalty in the tax code, I have introduced a bill that calls for automatic, cost-of-living adjustments in the income tax rates and the current $750 personal exemption. To insure the soundness of the indexing method, the bill requires the Council on Wage and Price Stability to conduct a study of the bill's impact, with recommendations as to whether indexing should be extended beyond calendar year 1982.

Mr. Speaker, I would like to share with my colleagues an article I have written on tax indexation, which was published on June 15 in the Chicago Tribune. I am also inserting for the RECORD the text of my bill:

[From the Chicago Tribune, June 15, 1978]

A PROPOSAL TO TAKE "INFLATION CREEP" OUT OF THE TAX BITE

Suppose a family earns $10,000 this year. If its income keeps pace with an assumed annual inflation rate of 6 per cent, by 1985 the family will be earning $15,037. It would seem that, while the family won't be any better off eight years from now, at least it won't be any worse off. Right? Wrong. The reason: Although the family's real income [purchasing power] will not change during this period, its federal tax liability will more than double—from 4.4 per cent to 9.2 per cent.

This phenomenon is known as "inflation creep" or "taxflation." Under the present tax system, the more a family earns the greater its federal taxes will be. While this is an essential feature of a progressive tax code, it fails to distinguish between a cost-of-living adjustment and an increase in real income. So, even if a family's income rises only at the rate of inflation, it will nevertheless be subject to a higher rate of taxation.

While Congress frequently enacts tax cuts or rebates that appear to lighten the federal tax burden, in fact these reductions usually only restore the tax rate to what it was before inflation pushed people into higher tax brackets That is why, despite the fact that Congress has cut taxes numerous times over the past decade, taxes paid in 1976 were the same percentage of total personal income as in 1966. As economist Milton Friedman has noted: "The legislated tax cuts have been wholly offset by the unlegislated increases."

There are two ways to deal with this problem of "taxflation." One is simply to rely on Congress to enact periodic tax cuts that offset the effects of inflation. Some point out that, since the federal tax bite has remained relatively constant since 1950, Congress can be trusted to protect taxpayers from inflation.

But there are problems with this approach. First, it perpetuates the false impression that a legislated tax cut reduces the real tax rate, when actually it only offsets the effects of inflation. Second, even when Congress cuts taxes, it usually does it in such a way that the benefits are not evenly distributed among various income groups.

The alternative to periodic tax cuts would be the adoption of a system known as "indexing." Indexing automatically adjusts tax rates for inflation, so that taxpayers are not pushed into higher tax brackets as a result of keeping up with the cost of living. The idea is not new, In fact, indexing is used in a number of countries, including Canada, Brazil, France, West Germany, Belgium, and Denmark.

The major argument against indexing is that it would result in the loss of tax revenues for the federal government. In reality, indexing does not reduce revenues, but simply prevents inflation-caused increases in the government's tax take. Moreover, the "revenue loss" argument implies that the government is entitled to unlegislated tax increases, a dubious proposition in a country whose Founding Fathers objected to "taxation without representation." Finally, indexing does not prevent the government from raising taxes, but merely stops it from collecting unlegislated taxes generated by inflation. If Congress should decide that tax revenues are insufficient to cover necessary federal programs, it can honestly and openly enact a tax increase.

What are the benefits of indexing? First, it would protect taxpayers from the hidden tax of inflation. Moreover, it would assure them that when Congress does cut taxes, it is really reducing the tax rate, not just offsetting the effects of inflation. Second, it would serve as a check on government spending by requiring Congress to legislate tax increases instead of letting inflation do the job. This, in turn, would help reduce the federal deficit and thus curb inflation. Third, by assuring workers that cost-of-living raises would not result in a higher tax liability, indexing might reduce pressure for inflationary wage demands that aggravate the wage-price spiral. Fourth, it would stimulate the economy by giving workers more disposable income to spend and invest.

That's why I have introduced legislation that calls for automatic, cost-of-living adjustments in the income tax rates and the current $750 personal exemption. The bill would have the effect of holding a person's tax liability constant when his real income does not increase.

Congress should get moving on a plan to eliminate the inflation penalty in our tax code. Indexing represents the best way to achieve that end.

H.R. 13252

A bill to amend the Internal Revenue Code of 1954 to provide that individual income tax rates and the deductions for personal exemptions shall be adjusted annually to reflect increases in the cost of living

Be it enacted by the Senate and House of Representatives of the United States of America in Congress Assembled,

SECTION 1. COST-OF-LIVING ADJUSTMENT TO INDIVIDUAL INCOME TAX RATES.

(a) IN GENERAL.—Section 1 of the Internal Revenue Code of 1954 (relating to tax imposed) is amended by adding at the end thereof the following new subsection:

"(f) COST-OF-LIVING ADJUSTMENT.—

"(1) IN GENERAL.—Not later than December 15 of calendar years 1978, 1979, and 1980, the Secretary shall prescribe tables which shall apply in lieu of the tables contained in subsections (a), (b), (c), and (d) with respect to taxable years beginning in the succeeding calendar year.

"(2) METHOD OF PRESCRIBING TABLES.—The table prescribed under paragraph (1) with respect to subsection (a), (b), (c), or (d), as the case may be, for taxable years beginning in a calendar year shall be the same as the table contained in such subsection, except that—

"(A) the lower and upper amounts of taxable income in such table (as in effect for the immediately preceding calendar year) shall be increased by an amount equal to the product of each such amount of taxable income and the price index percentage for such preceding year, and

"(B) the amounts set forth as amounts of tax shall be adjusted to reflect the adjustments made under subparagraph (A).

"(3) DETERMINATION OF PRICE INDEX PERCENTAGE.—

"(A) SECRETARY OF LABOR TO DETERMINE PRICE INDEX PERCENTAGE.—The Secretary of Labor, not later than December 1 of each calendar year, shall inform the Secretary of the price index percentage for such calendar year.

"(B) PRICE INDEX PERCENTAGE DEFINED.—For purposes of this subsection, the term 'price index percentage' means, with respect to any calendar year, the percentage (if any) by which—

"(i) the price index for such year exceeds

"(ii) the price index for the immediately preceding calendar year.

"(C) PRICE INDEX DEFINED.—For purposes of this subsection, the term 'price index' means, with respect to any calendar year, the average of the monthly Consumer Price Indexes (all items—United States city average) published by the Bureau of Labor Statistics for the 1-year period ending on September 30 of such year.

"(4) TAXABLE YEARS BEGINNING AFTER 1981.—In the case of taxable years beginning after December 31, 1981, the tables prescribed under paragraph (1) for 1981 shall apply to such taxable years."

(b) ADJUSTMENT OF ZERO BRACKET AMOUNT.—Subsection (d) of section 63 of such Code (defining zero bracket amount) is amended to read as follows:

"(d) ZERO BRACKET AMOUNT.—For purposes of this subtitle, the term 'zero bracket amount' means—

"(1) in the case of individuals described in subsection (a), (b), (c), or (d) of section 1, the maximum amount of taxable income on which no tax is imposed by such subsection, and

"(2) zero in any other case."

SEC. 2. COST-OF-LIVING ADJUSTMENT TO DEDUCTIONS FOR PERSONAL EXEMPTIONS.

(a) IN GENERAL.—Section 151 of the Internal Revenue Code of 1954 (relating to allowance of deductions for personal exemptions) is amended by striking out "$750" each place it appears and inserting in lieu thereof "the exemption amount".

(b) COST-OF-LIVING ADJUSTMENT.—Section 151 of such Code is amended by adding at the end thereof the following subsection:

"(f) EXEMPTION AMOUNT.—For purposes of this section, the term 'exemption amount' means, with respect to taxable years beginning in any calendar year—

"(1) $750, in the case of calendar years before 1979,

"(2) an amount equal to the exemption amount for the immediately preceding year multiplied by the price index percentage (as determined under section 1(f)(3)) for such preceding calendar year, in the case of 1979, 1980, and 1981, or

"(3) the exemption amount for 1981, in the case of calendar years after 1981."

SEC. 3. TECHNICAL AND CONFORMING AMENDMENTS.

(a) AMENDMENTS RELATING TO WAGE WITHHOLDING.—

(1) IN GENERAL.—Subsection (a) of section 3042 of the Internal Revenue Code of 1954 (relating to income tax collected at source) is amended by inserting before the last sentence the following new sentence: "The Secretary shall, not later than December 15 of

any calendar year, prescribe tables which shall apply in lieu of the tables prescribed above to wages paid during the succeeding calendar year and which shall be based on the tables prescribed under section 1(f) which apply with respect to taxable years beginning in such succeeding calendar year."

(2) PERCENTAGE METHOD OF WITHHOLDING.—Paragraph (1) of section 3402(b) of such Code (relating to percentage method of withholding income tax at source) is amended by adding at the end thereof the following new sentence:

"The Secretary shall, not later than December 15 of any calendar year, prescribe a table which shall apply in lieu of the above table to wages paid during the succeeding calendar year and which shall be based upon the exemption amount (as defined in section 151 (f)) which applies with respect to taxable years beginning in such succeeding calendar year."

(3) WITHHOLDING BASED ON ITEMIZED DEDUCTIONS.—Paragraph (1) of section 3402(m) of such Code (relating to withholding allowances based on itemized deductions) is amended—

(A) by striking out "$750" and inserting in lieu thereof "the exemption amount (as defined in section 151(f) for taxable years beginning in the calendar year in which the wages are paid)"; and

(B) by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) an amount equal to the maximum amount of taxable income for taxable years beginning in such calendar year on which no tax is imposed by section 1(a) (or section 1(b) in the case of an individual who is not married, within the meaning of section 143, and who is not a surviving spouse, as defined in section 2(a))."

(b) AMENDMENTS RELATING TO RETURN REQUIREMENTS.—

(1) EXEMPTION AMOUNT.—Paragraph (1) of section 6012(a) of such Code (relating to persons required to make returns of income) is amended by striking out "$750" each place it appears and inserting in lieu thereof "the exemption amount".

(2) SINGLE INDIVIDUALS.—Clause (i) of section 6012(a)(1)(A) of such Code is amended by striking out "$2,950" and inserting in lieu thereof "the sum of the exemption amount and the zero bracket amount applicable to such individual".

(3) SURVIVING SPOUSES.—Clause (ii) of section 6012(a)(1)(A) of such Code is amended by striking out "$3,950" and inserting in lieu thereof "the sum of the exemption amount plus the zero bracket amount applicable to such individual".

(4) JOINT RETURNS.—Clause (iii) of section 6012(a)(1)(A) of such Code is amended by striking out "$4,700" and inserting in lieu thereof "the sum of twice the exemption amount plus the zero bracket amount applicable to a joint return".

(5) DEFINITIONS.—Paragraph (1) of section 6012(a) of such Code is amended by adding at the end thereof the following new subparagraph:

"(D) For purposes of this paragraph—

"(i) The term 'exemption amount' has the meaning given to such term by section 151 (f).

"(ii) The term 'zero bracket amount' has the meaning given to such term by section 63(d)."

(6) SEPARATE RETURN BY ONE SPOUSE.—Clause (ii) of section 6013(b)(3)(A) of such Code (relating to joint returns of income tax by husband and wife) is amended by striking out "less than $750 of gross income ($1,500" and inserting in lieu thereof "gross income of less than the exemption amount (twice the exemption amount".

(7) SEPARATE RETURN BY ONE SPOUSE.—Clause (iii) of section 6013(b)(3)(A) of such Code is amended by striking out "of $750 or more ($1,500" and inserting in lieu thereof "equal to or greater than the exemption amount (twice the exemption amount".

(8) DEFINITIONS.—Paragraph (3) of section 6013(b) of such Code is amended by adding at the end thereof the following new subparagraph:

"(C) EXEMPTION AMOUNT.—For purposes of this paragraph, the term "exemption amount" has the meaning given to such term by section 151(f)."

(c) AMENDMENT RELATING TO LUMP-SUM DISTRIBUTIONS.—Subparagraph (C) of section 402(e)(1) of such Code (relating to imposition of separate tax or lump-sum distributions) is amended by striking out "$2,200" and inserting in lieu thereof "the zero bracket amount applicable to an individual described in section 1(b)".

SEC. 4. STUDY BY COUNCIL ON WAGE AND PRICE STABILITY.

The Council on Wage and Price Stability shall—

(1) conduct a study of the impact of the amendments made by this Act on wages, prices, and revenues to the United States, and

(2) report to the President and the Congress, not later than July 1, 1982, the results of such study together with its recommendations with respect to extending the amendments made by this Act to taxable years beginning after December 31, 1982.

SEC. 5. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this Act shall apply to taxable years beginning after December 31, 1978.

(b) WAGE WITHHOLDING.—The amendments made by section 3(a) of this Act shall apply to wages paid after December 31, 1978.●

WHAT TO DO ABOUT BIG GOVERNMENT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for July 12, 1978, into the CONGRESSIONAL RECORD:

WHAT TO DO ABOUT BIG GOVERNMENT

The question that reflected the tone of the entire public meeting came from an unexpected source. During the two-hour discussion she had not said a word, but just as the meeting was about to break up she raised her hand and blurted out, "What can we do about big government?" It is an easy question to answer flippantly, but a tough one to answer meaningfully. The following are steps which I think we need to take to prevent further government intrusion into our lives.

1. We enact the congressional veto. One of the most effective steps Congress can take to stop the increasing federal regulation of private activity is to approve a comprehensive congressional veto. The veto would permit Congress to examine any regulation and vote it down without the difficulty and delay of passing a separate law. The use of the veto—and the very real threat of its use—could help to tame the bureaucracy and make it more responsive to congressional intent.

2. We enact a sunset law. This legislation would cause federal programs and agencies to go out of business unless they were renewed by Congress. Programs and agencies that were outdated or unresponsive could thus be automatically abolished. By giving us a framework for active, systematic congressional oversight of the bureaucracy, such a law would enable us to eliminate the duplication and confusion that result, for example, from 11 different child care programs or 50 different programs to help handicapped youths.

3. We reduce federal paperwork. It was recently announced that Americans are presently spending 10 percent less time filling out federal forms than in January of 1977. If such a reduction has really taken place (I confess to a few doubts about it), it is a welcome development. But federal paperwork still costs more than $100 billion per year and causes untold anxiety, frustration and anger in people who must cope with it. Agencies must be forced to make larger reductions in paperwork. Reporting requirements can be made more realistic and complex forms can be simplified.

4. We cut fraud and waste. No one knows the actual cost of fraud and waste in federal programs, but current estimates run into the billions. The lax attitude of the government only contributes to the problem. For example, some 133 agencies that spend a combined total of $20 billion every year were not audited during the period from 1974 to 1976. The highest priority should be given to the detection and prevention of this drain on the public treasury. Urgently needed remedial measures include more auditing of programs, more vigorous prosecution of violators and tighter supervision of federal employees.

5. We push for peak efficiency. Because faulty organization and bad management are major factors in government inefficiency, hard reorganization and staffing decisions must be made in programs that cannot be cut. Zero-based budgeting, civil service reform and less use of outside consultants are just a few of the changes that must be considered. Constant pressure must be kept on federal managers to get more performance from stable or smaller payrolls. Overall—and despite any increase in the total federal work load—the government labor force should not be allowed to grow beyond the 2.2 million level at which it has been held for nearly a decade.

6. Finally—and perhaps most importantly—we limit federal spending. There is broad agreement that federal spending should be checked. The question is how to do it. One approach would be to limit federal spending to a percentage of the nation's income. Under such a plan, the objective of economic policy would be a gradual decrease of 2% in the share of the gross national product taken by the federal government, with a 20% share as an ultimate goal. This would mean spending up to $75 billion less than would otherwise have been spent. Another approach can be tried if the economy continues to grow stronger. I have suggested an annual cut of $15 to $20 billion in the federal deficit, with an eye to a balanced budget in 1982. This kind of progressive trimming would not disrupt the economy. It is compatible with business growth and full employment.

These six steps are no panacea for the problem of big government, and I do not propose them with that in mind. However, I am persuaded that these steps, or something like them, will have to be taken if we are ever to control government intrusion into people's lives.

I believe that Congress is slowly beginning to recognize what it must do. For the first time since I have been in Washington, appropriations bills are being cut 2% to 8% across the board. I fully support the cuts and I regard the smaller appropriations bills as encouraging signs.●

SOVIET THREAT TO NATO LIFELINE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. CRANE. Mr. Speaker, the pattern of Soviet expansion in Africa and areas of the Middle East seems to be following closely the trajectory of Western tanker routes from the Red Sea around the Cape of Good Hope to Europe. These routes are the conveyor belts, not only of 80 percent of NATO's oil supplies, but also 70 percent of the strategic materials of the member nations of the alliance. The Soviets could in the future at times of stress exploit their strategic geopolitical position in these countries for purposes of political blackmail.

Drew Middleton, in his piece "Eritrean Situation Has NATO Worried," in the New York Times of July 5, 1978, addresses this pressing geopolitical dilemma in a clear and forthright manner. I find it difficult to improve upon the concise argument he has presented. For these reasons I highly recommend this article to my colleagues.

If we ignore these warnings, if we fail to confront the harsh realities that are presented to us, there is a danger that we will see our position of world leadership, which we have taken so much for granted, slip from our grasp.

The article follows:

ERITREAN SITUATION HAS NATO WORRIED—A SOVIET AIR BASE ON THE RED SEA WOULD THREATEN SAUDI ARABIA AND TANKER TRAFFIC IN GULF

(By Drew Middleton)

United States and West European intelligence analysts and military planners are saying that the Soviet-Cuban movement toward Eritrea is the most important strategic development facing the North Atlantic Treaty Organization.

The establishment of Soviet air power at Massawa, Eritrea, on the Red Sea, would create a direct threat to Saudi Arabia, whose capital, Riyadh, is 800 miles from Massawa, and to tanker traffic passing out of the Persian Gulf through the Strait of Hormuz.

In the developing military situation resulting from Soviet activities in Africa, the sources said, Soviet and Cuban activities in the Horn of Africa are far more dangerous to the West than Communist operations in sub-Saharan Africa.

As Gen. Johann von Kielmannsegg, a former West German commander in the Atlantic alliance, put it: "Responsibility for the Shaba invasion is a political point. The movement into Ethiopia is a military operation of great significance."

United States intelligence officials have disclosed that Ethiopia has received more than 61,000 tons of equipment this year. Ships and transport planes have delivered more than 120,000 tons of military equipment to a dozen African countries in that period, the American and European officials said. Included were helicopters, fighter planes, machine guns, mortars, rifles and ammunition and a wide variety of military vehicles. NATO intelligence sources also reported that Soviet and East German technicians were directing the construction of military airfields in Ethiopia.

Concern over what the United States can or will do about the situation is strong among European military and political leaders, who see Soviet power approaching the Persian Gulf, the source of oil for most of Western Europe and Japan.

"We know what the United States can do," said Manfred Wörner, chairman of the Armed Services Committee in the West German Parliament, "The question is whether the United States will have the will to do it if there is an open Soviet challenge." Mr. Wörner, who recently attended a roundtable discussion in Washington on the nuclear balance in Europe, emphasized that he was talking of a more positive American position on Soviet operations in the Horn of Africa and not of intervention.

TWO LONG-TERM SOVIET GOALS

Allied leaders, including Gen. Alexander M. Haig Jr., the NATO commander, avoid discussion of military intervention in the area although, under the North Atlantic Treaty, the Horn is within the alliance's potential theater of operations, which is bounded on the south by the Tropic of Cancer.

The consensus among NATO military analysts is that the Soviet Union is pursuing two long-term aims in Africa.

The first is to establish military bases from which the oil routes out of the Persian Gulf and the two most powerful oil-producing states, Saudi Arabia and Iran, could be threatened. The sources noted that a presence in Massawa would give the Russians a second base in the area since they have the use of the airfield and base facilitates at Aden, in Southern Yemen.

American intelligence officials said that the Russians were probably trying to persuade the Ethiopians to give the Soviet navy the right to base a fleet at Massawa and Assab. The officials said that the Russians had moved a floating drydock from Berbera, in Somalia, from which they were evicted last year, to an island near Massawa.

ROUTE TO SUEZ VIA RED SEA

Naval bases in Assab and Massawa and the one already established in Aden would enable the Soviet Union to control the southern entrance to the Red Sea, leading to the Suez Canal and Israel.

In the view of most sources, the Soviet Union's subsidiary aim is to achieve a position in sub-Saharan Africa that will enable it and its African client states to control the flow of strategic raw materials to Europe.

West Germany, for example, imports from Africa 100 percent of its tin and manganese, 99 percent of its titanium and 85 percent of its aluminum. A recent German report noted the danger of the emergence of regimes along the sea route around the Cape of Good Hope that "could, unilaterally or with Soviet prompting, interrupt the flow of strategic materials to Western Europe."

Soviet moves in Africa have depended on the air transport force as much as on the availability of Cuban troops, according to qualified experts. The nominal strength of the force is 1,500 craft, of which the long-range, high-capacity Antonov 22 and Ilyushin 76 are used on the longest flights.●

POST: "LEARN FROM CALIFORNIA"

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. SARASIN. Mr. Speaker, the message of proposition 13 continues to reverberate throughout the Nation. The people of California, reflecting the wishes of people around the country, have forced their government to restrain taxation and spending. A recent Gallup poll indicates that 57 percent of those surveyed would favor similar proposals in their States, and another 13 percent are still considering the idea.

Furthermore, and in response to proposition 13, it has been proposed that California adopt a constitutional amendment to limit spending to the amount of revenues received. This proposal is the logical solution to government deficits and the inflationary spiral; a similar proposal at the Federal level may well be in order.

The Ways and Means Committee is now considering a number of measures which would constitute a Federal response to these developments. The Kemp-Roth Tax Reduction Act, the Steiger bill, and the tax indexing proposal would all speak to the intent of proposition 13, as they would reduce Federal taxes. We in the Congress must bow to the wishes of our constituents, as demonstrated by the California voters, and support these measures.

From all corners of the country, people are voicing their support of this movement. It is the topic of conversation, correspondence, editorials, and articles. One noteworthy article has recently been authored by Hon. Russell Lee Post, Jr., State representative from the 62d District in Connecticut. In this call for Connecticut to heed California's lesson, Post likewise speaks to the Nation as a whole.

Representative Post is an able legislator who has adeptly served his State. His skills as an orator are often revealed on the floor of the State house of representatives, and with this article, he displays his astute ability at commentary.

The column follows:

[From the New Haven Register, June 19, 1978]

TIME TO CUT BACK IS NOW: CONNECTICUT MUST LEARN FROM CALIFORNIA'S TAX REBELLION

(By Russell L. Post, Jr.)

Voters in California have apparently recognized what President Carter and many politicians refuse to admit—that it is the size of government and the amount of money required to support it that are at the root of our economic problems.

Californians on Tuesday said "Stop!" to government, "Stop!" to bureaucratic waste, and "Stop!" to the politicans who allot more and more dollars to do more and more things, without giving careful thought to the source of that money or to what those tax dollars can actually accomplish.

Californians who approved Proposition 13, cutting state property tax revenues by $7 billion and putting a constitutional limit on property taxes, sent their government and the nation a message.

They told the politicians that when you spend taxpayers' money, you do it with caution and you know when to stop.

Californians were fed up with constantly rising taxes and with the lack of response from their elected officials, and with nowhere else to turn, they took matters into their own hands.

The effects in California may be devastating.

Business and labor leaders opposed the Proposition, saying that its passage would spell economic disaster for the state.

Government officials, including the governor, said that it would mean drastic cur-

tailment of vital services. They warned that lay-offs would come for many who support their families and pay their taxes by working for the government.

These events may very well come to pass. The approval of the Proposition means the cutting out of approximately one-sixth of all government revenues in California. and a year from now, Californians may rue the day they voted yes.

However, if those who preached woe and fought the tax cut think the problems will be solved by raising other kinds of taxes to regain lost revenues, they have missed the point.

If they do not realize that government must be diminished and controlled, they have not listened.

People are sick and tired of big government and the tax money it draws out of their pockets, and Californians have stated this in the clearest and most dramatic way they know.

If we are lucky, the California message will reverberate across this land.

President Carter tells us that inflation is the Number One problem.

We know he's right.

Then he tells us that we are to blame—as workingmen, for demanding wage increases, and as businessmen, for raising prices.

We are beginning to realize that he's wrong.

We know that rises in wages and in prices are only our responses to the inflation created by government. Yet as long as we allow some politicians to point the finger at us and to say that it is our fault, inflation will continue.

It is not our fault.

It's the fault of a government which spends more than it actually has. When the government spends more than it takes in, and prints more dollars not backed up by any value in order to close the gap, there is inflation. With more dollars in circulation, each piece of paper is worth less.

Don't blame the workingman if he wants more of these paper dollars.

Don't blame the businessman if he too wants more of them.

The natural instinct of us all, as workingmen and businessmen, is to seek what we think is fair for our labor and our products. No amount of jawboning or political rhetoric is going to convince any of us that we should settle for less than a fair deal, nor should it. And today, in light of inflation, a fair deal means more money.

Only when government faces up to the reality that it cannot continue to spend our money in ever-increasing amounts, will we beat inflation.

This will begin only when we realize that every government activity costs money—our money—and that every program and grant is not free, but instead comes out of what we have earned and is money we cannot spend.

Californians have recognized this.

They've decided to try to force politicians into dealing with the problems of big government and inflation.

Government leaders in California haven't been listening. and so voters have revolted—against taxation without representation.

Though the results may be painful, Californians have proven their point.

Let us here in Connecticut learn from California.

The message sent from the West is not unique—the citizens of Connecticut are no less alarmed.

But let us not wait long enough for a revolt before we decide that we can no longer tolerate the highest sales tax in the nation . . . skyrocketing local property taxes which make it difficult for people to hold onto their homes . . . business taxes which discourage industries from locating here and creating jobs for Connecticut citizens . . . and the threat of an income tax which may be introduced in the guise of "equalizing educational opportunity."

Let us cut back—way back—now.

Let us also hope that President Carter and his Democratic Congress learn from California.

Let us hope that we don't have to wait for inflation to further destroy our economy—hurting businessmen and workingmen alike—before those in Washington realize that it's our money they are spreading around, and that it is we who are suffering from their "generosity."

Californians have made a statement.

It may be emotional, it may be viewed as irresponsible, and perhaps it is more dramatic and far-reaching than is wise or necessary. Nevertheless, it is honest and clear, and I hope that everyone is listening.

Russell Lee Post Jr., a Canton Republican, represents the 62nd Districts in the State House of Representatives.●

UNPUNISHED SOVIET CRIMES

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. DORNAN. Mr. Speaker, the silence is deafening. President Carter, Secretary Vance, Pat Derian, Andy Young say nothing. And the violations of human rights in Lithuania continue.

It is now an old story. Since the Soviet Union invaded Lithuania on June 15, 1940, the Stalin regime deported tens of thousands of Lithuanians to the Gulag Archipelago to labor, languish, and die in the concentration camps. Soviet repression in recent years has actually increased. Thousands of Lithuanian dissidents still rot in Russian prisons. But only very few cases attract the attention of the West.

Mr. Speaker, I would like to bring to the attention of this House the names of four prisoners of conscience: Sarunas Zukauskas, Viktoras Petkus, Petras Plumpa, and Balys Gajauskas. The Lithuanian-American Community of the U.S.A. incorporated was kind enough to supply the details of these cases, which I am happy to insert into the RECORD:

PRISONERS OF CONSCIENCE

Name: Sarunas Zukauskas.

Born: 1950 Kaunas, Lithuania.

BACKGROUND

Sarunas Zukauskas had an exemplary academic record, and by the time he was in his last semester at Kaunas Medical Institute, he was considered to be among the outstanding students of his graduating medical class.

However, after undergoing a program of intense Russification in the schools and youth organizations to which he belonged, as well as witnessing the repression of Lithuanian heritage and cultures by the Soviet communist regime, Sarunas Zukauskas sought to combat the injustices in Lithuania and joined the dissident movement.

Just prior to graduation, he was betrayed by one of his colleagues and placed under arrest. He was held under Article 70 (Anti-Soviet agitation and propaganda) and Article 72 (forming an anti-Soviet organization) of the criminal code of the Russian SFSR.

In March 1973, Sarunas Zukauskas was convicted and sentenced to six (6) years of strict regime labor camp. His mother, Birute, had lost her job upon his arrest, and by the time of Sarunas' trial she had been hospitalized for severe ill health. His brothers continue to be harrassed, taunted and discriminated against in school, at work and at home.

Sarunas has already served five years of his sentence, is in poor health—suffering from severe malnutrition—and in need of medical attention, which is consistently denied him.

He is denied his right to family visits and correspondence. Correspondence to him from relatives in the U.S.A. is returned without explanation.

Name: Viktoras Petkus.

Born: 1929 in Lithuania.

BACKGROUND

Petkus is a member of the Lithuanian Public Group to promote the implementation of the Helsinki Agreements, (a five member group formed in Vilnius on November 25th, 1976).

Petkus was first arrested in 1947 for his activities in the Catholic Youth Organization, and after serving six years, he was released in 1953. He completed high school and then attended the University of Vilnius where he studied literature.

Petkus was arrested again in 1957, this time for possession of anti-Soviet literature—a collection of poems by Jurgis Baltrusaitis. These poems were published five years before the revolution in 1912, and were included among the "Anti-Soviet literature". He was not released until 1965. Since that time, while working as a hospital attendant, and then as a church sextant, Petkus became an expert in Lithuanian literature and had collected a massive bibliography on Lithuanian poets. He attracted a wide circle of young Lithuanians, who were constantly shadowed by the KGB and questioned about Petkus. Several of these young people were forced to sign false statements concerning Petkus. These statements may be used in a pending trial against him.

Petkus was arrested on August 23rd, 1977 and his apartment was searched in connection with the case of Balys Gajauskas. Among the items seized in that search were Documents 3-12 of the Lithuanian Helsinki Group, three (3) copies of "Act of the Establishment of the Supreme Committee of the National Movement of Estonia-Latvia-Lithuania", issues 1-14 of the underground periodical "Dievas ir Tevyne" (God and Country), some other underground publications, and two portable typewriters.

Viktoras Petkus is still in prison, but has not been tried.

Last known address: Vilnius, Lithuania SSR, Gavelio G-VE 16, Apt. 4, Viktoras Petkus.

Name: Petras Plumpa.

Born: 1939 Rokiskis Raion, Lithuania.

BACKGROUND

Petras Plumpa grew, and was educated under the Soviet system but he refused to accept the Russians as his masters.

At the age of 19, Petras was arrested. The Soviet authorities charged him with taking up and circulating petitions, and with having hoisted the Lithuanian national flag in Petrasiunai, a town in Lithuania. For this, he was sentenced to seven years under strict security.

On November 19, 1973, Petras Plumpa was arrested again and was held without trial until December 2, 1974. This time he was charged with having printed the Chronicle of the Lithuanian Catholic Church (Articles 68 and 70 of the Penal Code of the Lithuanian Soviet Socialist Republic). The trial was conducted behind closed doors, the charges were never proven and evidence was produced

that the fingerprints on the Chronicle were not Plumpa's. Nevertheless, he was sentenced to eight years imprisonment, to be served in strict regime camps.

Plumpa accepts his imprisonment in a deeply Christian spirit, forgiving even those who persecuted and betrayed him. He asks only for prayers. His current address is:

District of Permie 618263, Cusovoj Kraj, Kuchino, vs 389/36-2 U.S.S.R.

Plumpa will be able to receive food packages only after four years. He is allowed to write only two letters per month.

Name: Balys Gajauskas.

Born: 1927—Kaunas, Lithuania.

BACKGROUND

Gajauskas was first arrested in 1948 as a Lithuanian partisan and sentenced to twenty-five years in Soviet labor camps. Released in 1973 he was denied validation of his internal passport, constantly is harassed and interrogated. His aged and sick mother was fined several times for harboring an "illegal resident".

Gajauskas has distributed money to Lithuanian political prisoners and their families from the Solzhenitsyn fund. On December 23, 1974, the KGB searched his apartment and found religious literature, personal notes, 50 pages of a Lithuanian translation of Solzhenitsyn's "Gulag Archipelago", a list of 135 political prisoners and some money from the Solzhenitsyn fund. Following the search, Gajauskas was picked up, interrogated for three days and finally released.

On April 20, 1977, Gajauskas was picked up again by the KGB as a witness in a case involving the underground publication "Chronicle of the Catholic Church in Lithuania". His apartment was again searched, and valuable documents confiscated. Among that documentation was historical data about the 1944–52 Lithuanian resistance movement, some documents of the United Democratic Resistance and the Lithuanian Freedom Movements.

Gajauskas was detained at the KGB Isolation Prison in Vilnius until his trial in April 1978.

On April 14, 1978 Gajauskas was sentenced to 10 years in Soviet special regime labor camp and 5 years of exile for alleged anti-Soviet agitation and propaganda (paragraph 68 part II of the Criminal Code of Soviet Lithuania).●

OSHKOSH TRUCK SALE HITS POLICY ROADBLOCK

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. STEIGER. Mr. Speaker, Robert Samuelson has an excellent article in this week's issue of the National Journal discussing the misfortune that has befallen a firm in my district, the Oshkosh Truck Corp., as a result of misguided and haphazard policymaking by the Federal Government.

Oshkosh Truck wanted to sell 400 heavy-duty trucks to Libya for $60 million. The Commerce Department, on the eve of the sale, told Oshkosh Truck that the trucks could be exported as long as they did not contain specified military design features, which they do not. The day after the contract was signed, the State Department objected to the sale. The result is that the sale has been blocked and the firm has been victimized.

Samuelson, one of our most respected business writers describes the case as "a parable of our times: a dramatic illustration of the inability of the United States to come to grips with its reduced economic and political power in the world." He raises the question: "How much can the United States limit its export sales to serve its short-term political or moral goals?"

His conclusion:

In this changed climate, subordinating exports to political goals is a strategy that can boomerang. . . . Symbolically, at least, short-term political gains may result from economic retaliation. But in the long run, the gains are far less certain. Playing politics with trade is a risky game, even if Americans don't realize it.

Samuelson's message is one that deserves the most careful thought. The people of Oshkosh realize all too well just how risky the game is that our foreign-policy decisionmakers are playing. Especially when our allies, such as France and Germany, have firms ready to supply the goods we arbitrarily refuse to permit, and when we apply our policies haphazardly and hypocritically we only hurt ourselves, losing more than we gain. I hope his article, which follows, receives close attention:

OSHKOSH TRUCK SALE HITS POLICY ROADBLOCK

(By Robert J. Samuelson)

The case of the Oshkosh Truck Corp. and the Libyan tanks is a parable of our times: a dramatic illustration of the inability of the United States to come to grips with its reduced economic and political power in the world.

By themselves, the facts of the case are intriguing. Oshkosh Truck agreed to sell Libya's military government 400 heavy duty trucks for $60 million. The Commerce Department, which controls most exports, assured Oshkosh that the trucks could be exported as long as they did not contain specified military design features, such as bulletproof glass.

Ordinarily, that would have ended the story. But the Libyans almost certainly intend to use most of Oshkosh's trucks to haul tanks across the desert. As soon as the State Department learned this, it objected, citing Libya's hostility to American allies—Egypt, Tunisia—and its encouragement of terrorism. State convinced Commerce to reverse its decision. Oshkosh appealed to the Wisconsin congressional delegation, who appealed to Secretary of State Cyrus R. Vance to reverse State's position. Their argument: if Oshkosh doesn't sell the trucks, somebody else will.

Vance has now affirmed his earlier decision, and the Commerce Department is certain to go along with State.

Although the details of this episode are fascinating, the story raises a more important issue. How much can the United States limit its export sales to serve its short-term political or moral goals?

For the Oshkosh case is not isolated. The State Department is currently delaying the Boeing Co. from selling two 727s to Libya for an estimated $26 million. The Westinghouse Corp. and the General Electric Co., the two major U.S. nuclear reactor exporters, blame the government's increasingly stringent review of export sales for loss of business; before 1972, U.S. firms accounted for about 85 percent of foreign reactor orders, but only 40 percent since then.

And a multitude of future conflicts loom. Last year, Congress imposed a mild requirement on the Export-Import Bank of the United States—that it consider "human rights" as a factor before approving credits to countries that want U.S. goods; some Members of Congress now want the requirement toughened. As U.S.-Soviet relations have deteriorated, suggestions that the United States trim its grain shipments—now running at a $1 billion to $2 billion annual rate—have increased.

Americans naturally gravitate toward such restrictions. They believe that the United States should not confer the benefits of its trade upon countries that act against U.S. interests or reject U.S. values. Likewise, they believe that the United States can reward or punish countries by withholding trade, foreign aid or investment.

As comforting as these notions are, the evidence mounts daily that they have been overtaken by events. Increasingly, America cannot influence other nations—except in a negative sense—by economic retaliation. And, increasingly, that the United States regards as the "benefits" of its trade are exports urgently needed to sustain U.S. employment and pay for oil imports.

Americans, like the British before them, avoid thinking the unpleasant thought that their preeminent position in the world economy has seriously eroded. But there can be little doubt that it has.

The once substantial U.S. lead in technology has slipped significantly. In many areas of medium and high technology—machine tools, power turbines and reactors—foreign competitors from Europe, Japan and even some developing countries export goods that approach or surpass the best American designs. The same is true of sophisticated management services, such as the planning and engineering of major construction projects—manufacturing plants, ports or new residential cities—abroad.

In this changed climate, subordinating exports to political goals is a strategy that can boomerang. In many cases, countries denied U.S. goods can easily find them elsewhere. Moreover, if the United States acquires a reputation as an unreliable exporter, other countries will take steps in their own self-interest to assure their future supplies. In 1973, for example, the United States suspended soybean exports to Japan; subsequently, Japan invested heavily in soybean production in Brazil, which has emerged as a U.S. competitior. Recent American hesitation in fulfilling a uranium contract for India will inevitably push India to other suppliers.

The result is to weaken further America's overseas economic and political power. In the short run, the U.S. trade balance—$31 billion in deficit last year—suffers, and the dollar may drop; this undermines confidence abroad in America's economic vitality. In the long run, the U.S. competitive position permanently deteriorates from a willful sacrifice of markets. Paradoxically, the more the United States seeks to use the levers of trade to achieve political results, the more it may weaken its economic and political power.

And yet, the temptation will be difficult to avoid. In the early postwar years, America's economic and political goals conveniently harmonized. The overriding U.S. political objective was to strengthen its allies against communism. Trade with Europe—and with developing countries receiving U.S. foreign aid—admirably served that goal. Our biggest trading partners shared our broad cultural, political and economic biases.

Increasingly, that's no longer true. Nearly 40 percent of U.S. exports now go to oil producers, other developing countries and communist nations. Most of these countries don't share our values; many actively oppose our policies.

The frustration that American officials and politicians feel in dealing with these

nations is one of the permanent hallmarks of the past 10 years. Despite our reduced power, we are tempted to react to irritations with whatever weapon is closest at hand in many cases, we cannot resist the attempt to impose our moral and political values on someone else.

Symbolically, at least, short-term political gains may result from economic retaliation. But in the long run, the gains are far less certain. Playing politics with trade is a risky game, even if Americans don't realize it.●

STRUTHERS, OHIO, INDEPENDENCE DAY CELEBRATION

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. CARNEY. Mr. Speaker, on the Fourth of July, I participated in the Struthers, Ohio, Independence Day celebration, which was held at Mauthe Park. Despite the cloudy, cool weather, the citizens of Struthers demonstrated their patriotism by turning out in large numbers for the festivities, which included speeches, an evening band concert, and the traditional fireworks display.

The grandstand participants for the Fourth of July observance were: Michael J. Kirila, parade marshal; Councilwoman Eleanor M. Burris; Struthers Municipal Judge Robert J. Kalafut; Mayor Anthony S. Centofanti; City Treasurer Thomas Sweder; Councilman Joseph Finocchio; Rev. Edward Stanton, executive director of the Ecumenical Coalition, who spoke on the "Save Our Valley" effort; Rev. Donald D. Clark of Struthers United Presbyterian Church, who offered the Invocation; City Council President Daniel J. Hurite; Solicitor James R. Lanzo; Auditor John Kovach Coach Dick Prest, Assistant Coach Bill Minchin and the Struthers High School Girls' Basketball Team. The Struthers High Girls' Basketball Team recently won the 1978 Class AAA Ohio State Championship.

The Honorable Robert J. Kalafut, Struthers municipal judge, was the principal speaker for the occasion. I would like to insert excerpts from Judge Kalafut's Fourth of July address in the RECORD at this time for the information and consideration of my colleagues. The excerpts follow:

[From the Campbell-Struthers-Lowellville Journal, July 6, 1978]

JUDGE KALAFUT ISSUES WARNING TO PEOPLE

Let us reflect together on the heritage of America. Two hundred and two years ago the 13 colonies formed a citadel saturated with courage and patriotism. They prevailed against intrigue from within, overwhelming firepower and numbers, to create a government not known to mankind since the founding of Athens.

It took courage and patriotism to sign the Declaration of Independence. Every individual that signed that document was either killed or financially ruined before the conflict was won.

The infant Republic and the Constitution we know today suffered intrigue from within, was coveted by foreign powers and faced insurmountable problems. It was poor and frowned upon by European royalty.

It took courage and patriotism to open the west, fight numerous wars to preserve the nation, to suffer deprivation during numerous recessions and inflation and to even insinuate that the black man was not a chattel.

Immigrants fought for equality and now their children are teachers, doctors and lawyers. We are today a melting pot of various ethnic groups, none of which comprise a majority. The experiment to the wonderment of the world, catapulted into the 20th century a world power.

During our zeal to preserve freedom, equality, justice and to promote a better way of life for all, a strange phenomenon took place. We became complacent, materialistic and permitted the national government to run our lives. We must awake from our somnambulistic slumber.

What has taken place during our lethargic slumber is nakedly apparent. Awake and you will vividly realize that:

Russia in 50 years, has propelled Communism and Socialism into the dominant political philosophy in the world.

Americans now work from January through April of each year to pay numerous and sundry taxes levied by city, county, state and the federal governments.

In our zeal to protect individual freedoms we are now literally helpless to protect ourselves and children from pornography peddlers.

In our zeal to protect individual freedoms individuals like Son of Sam in New York City can kill eight human beings and the State cannot administer the death penalty.

Russia is now colonizing Africa with nothing more than verbal admonitions from the United States.

We are now beset with agonizing inflation that compels our wives to leave home to work on a second job.

Fifty percent of the spiraling crime rate is committed by juveniles.

The narcotic problem is rampant and devouring the youth of America.

The preceding is but a handful of the insidious and odious problems that have crept imperceptibly into the fabric of our society. How shall we cope with these perplexities that seem insoluble? The answer of course is not simple. We might however start and ask ourselves how the colonists in 1776 faced their monumental dilemma.

It was by courage, a willingness to sacrifice for the common good, informative town hall meetings, patriotism and a fervent sense of individual responsibility. We owe this to our progeny. Unless we turn this avalanche around it is probable that the people, 75 years from now will not enjoy liberty and freedom as we know it today.

"Let our object be our country, our whole country, and nothing but our whole country. And, by the blessing of God, may our country itself become a vast and splendid monument, not of oppression and terror, but of wisdom of peace, and of liberty, upon which the world may gaze with admiration forever," Daniel Webster.●

GURNEE, ILL., CELEBRATES GOLDEN ANNIVERSARY

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. McCLORY. Mr. Speaker, a most historic event is occurring in the 13th Congressional District of Illinois this year in the celebration of the 50th anniversary of the incorporation of the village of Gurnee.

This attractive and well-managed community today numbers more than 5,000 citizens. It was incorporated as a village in 1928 following an organizational meeting of local citizens held in the home of the late Raymond Bennett Dixon. Following the incorporation, the community elected its first village president, Leo Fenlon, in April 1928. While originally having a population of approximately 200, composed principally of rural residents and retired farmers, the community set about to develop a good school system, local park and recreation areas, fire and police departments, a library, and essential community buildings.

Mr. Speaker, it is interesting to note that Charles Hook, one of the original trustees of the village board, survives to this day—making his principal residence in Florida. At the age of 91, Charles Hook will return to Gurnee this weekend to take part in the Gurnee Day celebration as a guest of honor.

Mr. Speaker, the village of Gurnee attracted national attention several years ago when the Marriott organization acquired large acreage within the village and developed the Marriott Great America Theme Park. This attractive development, which provides useful employment for hundreds of local and nearby residents, is expected to attract a crowd of more than 3 million visitors this summer. In short, Great America has converted the village of Gurnee from a quiet, obscure community to a village whose fame has spread throughout our land.

Mr. Speaker, in attending the sixth Gurnee Day celebration this year, I am aware that this golden anniversary makes this event particularly significant. The celebration will include a dinner meeting for local residents, a Gurnee Day queen contest, activities for young and old, displays of antique furnishings and farm equipment, a band concert, a town meeting, a municipal softball game and a colorful parade.

My friend, Circuit Court Judge LaVerne Dixon, son of the founder of Gurnee, the late Raymond Dixon, will join with other residents and friends on this occasion as well as the present mayor, Richard Welton, who himself is a grandson of the late Raymond Dixon.

Mr. Speaker, it is with pride and satisfaction that my wife, Doris, and I will take part in many of the Gurnee Day events, including Sunday's great parade. At that time, I intend to present to Mayor Welton a montage of these remarks and to extend on behalf of all in this Chamber warm congratulations and good wishes for many more successful years of community life and service.●

STOP THE PRO-ARAB DRIFT IN U.S. MIDEAST POLICY

REMARKS

OF

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

Mr. LENT. Mr. Speaker, it is with the deepest concern that I bring to the at-

tention of my colleagues a most disturbing article by Rowland Evans and Robert Novak. Reporting on July 7, 1978, from Cairo after an exclusive interview with Egyptian President Anwar Sadat, the columnists state that Sadat now "pins all his hopes on the fact that Jimmy Carter has 'started to play a full role' in the Mideast peace process for the first time."

Mr. Speaker, this is precisely what many of us in the United States have feared would be the result of the sorry 18-month record of the Carter administration's inconsistent, incoherent policy moves in the Middle East. Instead of playing its traditional role as a mediator in the Middle East, the United States now seems to be assuming the role of the power broker, dictating conditions, and rejecting or supporting proposals from one side even before the other side has a chance to speak out. Right now the United States is pressuring Israel unmercifully to agree to unacceptable concessions, while encouraging the Arab States to make unreasonable demands.

Mr. Speaker, it is instructive to review the painful list of Carter administration blunders which led to this sorry state of affairs. Early in his administration, President Carter proclaimed his support for a Palestinian homeland, giving great encouragement to the Arabs, and undercutting the Israeli position.

Later in 1977 there came the completely misguided and unexpected joint announcement with the Soviets endorsing a Geneva Conference and setting preconditions for that conference. Not only did this open the door to renewed Soviet influence in the Middle East, it violated solemn U.S. commitments to Israel for prior consultation.

Early in 1978 we were hit with the unbelievable decision by President Carter to sell large quantities of highly sophisticated U.S. fighter planes to Egypt and Saudi Arabia. This encouraged Arab resistance to any peace plan that would have a chance of success, and jolted Israel's faith in U.S. support for Israeli security.

Recently, we have seen the Carter administration embrace—without even constructive criticism—the Sadat peace initiative in which Egypt made no concessions but demanded many from Israel. Not content with that, the Carter administration now is pushing Israel and Egypt to a conference with the United States in London, where further heavy pressure can be brought to bear upon Israel. Anwar Sadat interprets this move—I believe rightly—as a major change in U.S. policy, with President Carter now starting to play a full role in the negotiations.

Former Carter White House aide Mark A. Siegel who courageously resigned his prestigious post in protest to the arms sales—rightly sees these months of blunders as "erratic and unstable swervings that acted to destabilize the potential peace process."

But, Mr. Speaker, it is clear that the President's mistaken tactics also have produced a pro-Arab tilt to United States Middle East policies which gets stronger and stronger with each step in the wrong direction. Such a policy can lead only to dictated conditions which could undermine Israel's security and leave her at the mercy of the nations dedicated to her destruction.

It is high time to reverse this pro-Arab drift before permanent damage results. It is vital that President Carter return to the reasonable, sane Middle East policies followed by six U.S. Presidents during the past three decades. They all recognized that Israel represents a great strategic asset to the United States, and that a Middle East peace settlement must be based on a foundation of secure, defensible borders for Israel. The United States must use its influence as a mediator, not as a dictator of peace terms.

Mr. Speaker, the time grows short for correcting the mistakes of the past 18 months. I urge President Carter in the strongest terms to return to the time-proven policies of his six predecessors. Their bipartisan wisdom and experience should not be cast aside so recklessly.

THE SOVIET UNION IS PROVING THAT DÉTENTE IS NOT WORKING

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. KEMP. Mr. Speaker, earlier today, I participated in a press conference to protest the latest incontrovertible evidence that the Soviet regime is every bit as much of a threat to human rights and Western security now as it was when Stalin was in power.

The press conference was held to protest the trial of Alexander Ginzburg and other Soviet dissidents who have sought to encourage the Soviet Government to live up to the Helsinki agreement which it signed in 1975.

For their efforts, the Soviet dissidents are being tried on charges ranging from espionage to subversion.

Détente cannot be a one way American foreign policy when the very suspicion which détente was to dispel, are sustained by a wholly totalitarian application of police power to the most modest attempts at personal expression.

Senators JACKSON, DOLE, and MOYNIHAN powerfully protested the Soviet trials.

Senator JACKSON recommended the important step of denying Soviets access to American technology which they now seek to acquire.

Though this step is important, more must be done as a means of expressing the outrage felt by the American people, and is inadequate as a means of insuring that American security interests are fully protected at a time when the Soviets are turning their Stalinist face to the West.

In 1968 when the Soviet Union invaded Czechoslovakia to suppress dissent in that nation, President Lyndon Johnson responded.

He suspended indefinitely the strategic arms limitation talks which were scheduled to begin as the Soviet tanks rolled across the Czech frontier.

The talks were eventually resumed, and an agreement was successfully concluded. Such a response would be appropriate today.

Our security is far more threatened today by Soviet military power today than it was in 1968.

Now that the Soviets have demonstrated that they are prepared to return to the brutal dimension we have come to understand so well from Alexandr Solzhenitsyn's trilogy, The Gulag Archipelago, we cannot afford to take the sort of risks with our security which are embodied as a blind faith in the strategic arms limitation talks and any agreement which may emerge from them.

I have consistently supported arms control as a means of obtaining equal security at lower levels of armament.

I am a member of the congressional SALT delegation as well as a delegate on the congressional delegation to the UN Special Session on Disarmament.

However, reduction in armament can only come about in a climate where mutual suspicion is being diminished, not increased as Soviet policy now seems determined to encourage.

The tragic cause of Soviet dissidents is being further undermined by the conduct of American foreign policy.

The visit being made by the Secretary of State to the SALT negotiations is symbolic of the manic intensity of U.S. foreign policy as currently conceived to achieve an agreement at the earliest possible date, virtually independent of the content of the agreement to preserve the facade of détente.

Rather than continue to Geneva, Secretary Vance should bring the U.S. SALT delegation home from Geneva, and they should not return until the Soviets are persuaded that détente must be a two way street not only at SALT and Helsinki but on behalf of human rights throughout the world.●

COMPUTATIONS SHOWING CONSUMERS WILL PAY MORE FOR ENERGY IF DOE PROPOSED RESIDUAL FUEL OIL REGULATION IS FINALIZED

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. MOORE. Mr. Speaker, the Department of Energy announced in the June 20, 1978, Federal Register, an amendment to the entitlements program for east coast residual fuel to increase subsidies to importers of residual fuel oil in certain regions of the United States. After lengthy study of the impact of the change, I released the following table showing the cost of DOE's proposal to consumers in each State. The table indicates the total consumer cost in those

States eligible for the subsidy and those ineligible.

As is shown, the cost of gasoline and distillate fuel oil—for example, home heating oil—would rise significantly in all parts of the country and the total increase would only be partially offset in some States eligible for the subsidy. In those States eligible for the subsidy, at best only seven States would benefit under the DOE proposal if there is a 60 percent passthrough of the subsidy to the consumer. This is the highest figure that could be used to trace any passthrough, suggested the Department of Energy Deputy Secretary John O'Leary on June 21, 1978, at a hearing before the House Energy Subcommittee. At best, Deputy Secretary O Leary said, there could be a 60 percent passthrough since that is the percentage of residual fuel oil on the east coast used by utilities. The other 40 percent is used by industry and it is impossible to trace any consumer passthrough of that figure.

In all States ineligible for the subsidy, an increase in petroleum product prices will occur and that total cost figure is shown in the chart. This analysis was confirmed by Deputy Secretary O'Leary at a hearing on July 10, 1978, before the Senate Subcommittee on Energy Conservation and Regulation.

States ineligible for subsidy	Gasoline consumption (1,000 gals.)	Increase in gasoline cost	Distillate consumption (1,000 bbl)	Increase in distillate cost	Residual consumption (1,000 bbl)	Increase in residual cost	Total increase in cost
Alabama	2,028,878	$4,637,435	18,032	$1,731,072	13,984	$1,342,464	$7,710,971
Alaska	214,140	489,463	9,533	915,168	1,242	119,232	1,523,863
Arizona	1,250,911	2,859,225	10,181	977,376	3,908	375,168	4,211,769
Arkansas	1,256,990	2,873,120	10,078	967,488	13,091	1,256,736	5,097,344
California	10,747,682	24,566,129	45,929	4,409,184	135,880	13,044,480	42,019,793
Colorado	1,412,653	3,228,921	9,508	912,768	3,503	336,288	4,477,977
Hawaii	303,836	694,482	2,070	198,720	11,878	1,140,288	2,033,490
Idaho	520,640	1,190,034	7,346	705,216	703	67,488	1,962,738
Illinois	5,354,304	12,238,408	58,877	5,652,192	24,459	2,348,064	20,238,664
Indiana	2,784,248	6,363,995	36,113	3,466,848	19,688	1,890,048	11,720,891
Iowa	1,786,727	4,083,947	15,255	1,464,480	588	56,448	5,604,875
Kansas	1,468,769	3,357,186	11,986	1,150,656	6,296	604,416	5,112,258
Kentucky	1,840,476	4,206,802	13,666	1,311,936	2,226	213,696	5,732,434
Louisiana	1,991,422	4,551,822	22,774	2,186,304	38,191	3,666,336	10,404,462
Minnesota	2,151,041	4,916,665	27,513	2,641,248	5,140	493,440	8,051,353
Mississippi	1,245,753	2,847,435	13,713	1,316,448	13,380	1,284,480	5,448,363
Missouri	2,802,102	6,404,804	19,525	1,874,400	3,548	340,608	8,619,812
Montana	499,879	1,142,780	8,383	804,768	2,549	244,704	2,192,052
Nebraska	939,870	2,148,274	10,176	976,896	1,639	157,344	3,282,514
Nevada	434,031	992,071	2,715	260,640	649	62,304	1,315,015
New Mexico	760,885	1,739,166	8,022	770,112	1,582	151,872	2,661,150
North Dakota	452,728	1,034,807	4,061	389,856	1,242	119,520	1,544,183
Ohio	5,273,960	12,054,765	51,519	4,945,824	12,041	1,155,936	18,156,525
Oklahoma	1,832,255	4,188,011	11,771	1,130,016	687	65,952	5,383,979
Oregon	1,297,687	2,966,142	14,022	1,346,112	3,806	365,376	4,677,630
South Dakota	473,672	1,082,679	3,311	317,856	199	19,104	1,419,639
Tennessee	2,408,466	5,505,065	21,449	2,059,104	1,385	132,960	7,697,129
Texas	8,007,765	18,303,462	59,355	5,698,080	45,502	4,368,192	28,369,734
Utah	680,027	1,554,347	8,367	803,232	5,167	496,032	2,853,611
Washington	1,852,140	4,233,463	18,345	1,771,120	7,875	756,000	6,750,583
West Virginia	870,552	1,989,833	6,807	653,472	2,646	254,016	2,897,321
Wisconsin	2,299,086	5,255,054	30,266	2,905,536	2,027	194,592	8,355,182
Wyoming	343,229	784,523	8,020	769,920	2,914	279,744	1,834,187

[Figures in thousands of dollars]

States eligible for subsidy	Increase in gasoline cost	Increase in distillate cost	Passthrough of new subsidy (percent)							
			Increase (decrease) in residual cost				Increase (decrease) in total cost			
			100	60	33	0	100	60	33	0
Connecticut	3,184	2,276	(12,412)	(7,093)	(3,537)	867	(6,952)	(1,633)	1,924	6,328
Delaware	721	433	(4,753)	(2,773)	(1,430)	200	(3,589)	(1,609)	(266)	1,365
Florida	10,303	2,407	(40,511)	(23,663)	(12,227)	1,642	(27,802)	(10,553)	483	14,352
Georgia	6,660	2,062	(5,726)	(3,336)	(1,723)	241	2,996	5,386	6,999	8,963
Maine	1,297	1,287	(4,321)	(2,476)	(1,231)	302	(1,737)	108	1,353	2,886
Maryland/District of Columbia	4,913	2,338	(14,233)	(8,293)	(4,283)	600	(6,982)	(1,042)	2,968	7,851
Massachusetts	5,483	5,920	(30,090)	(17,245)	(8,574)	2,103	(18,687)	(5,842)	2,829	13,506
Michigan	11,168	4,221	(20,075)	(11,686)	(6,023)	898	(4,686	3,703	9,356	16,286
New Hampshire	973	841	(2,247)	(1,287)	(640)	157	(433)	527	1,174	1,971
New Jersey	7,766	5,932	(21,801)	(12,494)	(6,212)	1,524	(8,104)	1,203	7,485	15,221
New York	14,173	11,063	(58,706)	(33,645)	(16,728)	4,103	(33,471)	(8,409)	8,507	29,338
North Carolina	6,887	2,312	(4,128)	(2,405)	(1,242)	174	5,071	6,793	7,956	9,372
Pennsylvania	11,442	7,170	(22,699)	(13,225)	(6,831)	957	(4,086)	5,387	11,782	19,570
Rhode Island	862	813	(1,648)	(945)	(470)	115	28	732	1,206	1,791
South Carolina	3,656	981	(3,630)	(2,115)	(1,092)	153	1,007	2,519	3,545	4,790
Vermont	583	518	(478)	(274)	(136)	33	623	827	965	1,134
Virginia	6,086	2,433	(17,126)	(9,979)	(5,154)	722	(8,608)	(1,460)	3,364	9,240

1. 1976 gasoline consumption figures from Federal Highway Administration table MF 336, 1976.
2. 1976 distillate and residual fuel consumption figures from U.S. Energy Information Administration publication entitled "Sales of Fuel Oil and Kerosene, Annual Report".
3. 1976 residual fuel import figures from DOE's report "Availability of Heavy Fuel Oils by Sulfur Levels".
4. Increased costs and benefits based on the most recent DOE entitlement data (March 1978).
5. Figures in column entitled "100 percent Passthrough of new subsidy" based on assumption that all of the increased subsidy on imported residual fuel would reach consumers in the form of lower residual fuel prices. Since historically, there has been substantially less than 100 percent passthrough of imported product subsidy, figures in the next 3 columns are based respectively on the more realistic assumption that only 60, 33 or 0 of the subsidy would actually be received by consumer through reductions in residual fuel prices.

STEIGER AMENDMENT ON CAPITAL GAINS

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. DORNAN. Mr. Speaker, in recent weeks the so-called Steiger amendment, which would reduce the capital gains tax by 50 percent, has become the target for a number of self-proclaimed champions of something vaguely referred to as tax reform. The President and numerous columnists, commentators, public officials, and editorial boards have attempted to make this amendment the "whipping boy" for everything that is wrong with our tax code. That their rhetoric is inflammatory, their evidence inconclusive and their own approach as shortsighted as it is inadequate, is shown by the increasing support which the Steiger amendment daily receives.

Tax credits, deductions, and allowances, in and of themselves, are not "morally outrageous" or "socially inequitable" as so many have seen fit to categorize them. It should be remembered that they were enacted to encourage a pattern of behavior with anticipated de-

sirable benefits for the public at large. They were also enacted, because people recognized that there are socially desirable activities which involve greater risks and sacrifices on the part of individuals. Therefore, they are worthy of special consideration if the well-being of the public is to be served. Such is the case with the capital gains allowance.

What the Steiger amendment represents is the growing realization that the burden of taxation has become too great. The burden is so great that high taxes on capital gains have impeded capital formation, economic growth, and job creation.

There is a great deal to be said for the old adage, "kill the goose and we lose the golden eggs." If we continue to destroy incentives to investment, if we continue to view "profits" as something only enjoyed by miserly old skinflints, and if we, in furtherance of some abstract notion of tax equality, become indifferent to achievement, risk, and initiative, then surely our economic system is doomed. For it is this fundamental amalgam of innumerable attitudes, human energies, and the condition of our tools that makes our enormously complex economic system move. It is a free system that has uniformly provided the best opportunities for financial advancement, long-term permanent employment, and prosperity.

Mr. Speaker, in response to a typical hyperbolic New York Times editorial attacking the Steiger amendment, Mr. B. Kipling Hagopian, presents an informative, articulate, and well reasoned defense. As a partner in a venture capital investment firm, a director of the National Venture Capital Association and a member of the Task Force on Capital Formation of the American Electronics Association, Kip Hagopian is more than prepared to rebut the New York Times.

Mr. Speaker, I include Mr. Hagopian's letter to the editor, and the New York Times editorial as well, in the CONGRESSIONAL RECORD so that my colleagues may enjoy the trenchant Hagopian logic:

HOW TO UNSOAK THE RICH

Special tax breaks on capital gains—profit from increased property values—are among the most visible of the loopholes that shelter the income of the rich. They have long been a target for reformers, who in recent years have scored major victories in limiting the benefits the very wealthy can receive. This year, as part of his tax initiative, the President had hoped to ax Congress a step further down the road toward equal tax treatment for all forms of income.

Unfortunately, Congress appears eager to do just the opposite. The House Ways and Means Committee is seriously considering a bill introduced by Representative William Steiger, that would ease the capital gains tax rules which the Administration asked it to tighten. And in the Senate, a majority have signed their names to a similar measure.

Concern over the lagging rate of capital formation has made it fashionable to favor such breaks for investors. The concern is justified, but there are better ways to address the problem than to offer windfalls to the wealthy. The Steiger bill is the epitome of special interest tax legislation: two-thirds of the $1.5 billion in individual tax relief would go to persons earning more than $200,000; that is an average of $60,000 for each of the lucky few.

Supporters argue that an additional tax break on capital gains would stimulate investment without reducing tax revenues. They base their optimism on the assumption that the tax cut would spur depressed stock prices. Higher stock prices would then reduce the cost of raising funds by the sale of new shares and would thus encourage capital investment in equipment and buildings. The stock boom, moreover, would lead to higher total tax payments (at lower tax rates) by investors who sold their newly appreciated stock.

The only trouble with this Wall Street version of the free lunch is that no one really knows how much a cut in capital gains taxes would increase stock values. There were as many explanations of the recently depressed state of the market as there were explainers: inflation, productivity declines, dislike of President Carter, problems of the dollar, lack of confidence by small investors. Betting on capital gains liberalization as the ticket to salvation is a very chancy wager. The only certain feature of the Steiger amendment is that the very rich would come out very far ahead.

If Congress is worried about capital formation—and it certainly should be—the most attractive way to stimulate investment is to increase the tax credit for new investment by businesses. A reduction in the double tax paid on corporate dividends also would attack the problem directly without singling out the very wealthy as beneficiaries. Even the Administration's proposed modest reductions in the corporate income tax could make a real difference in corporate spending on new equipment.

The gradual narrowing of the capital gains loophole is one of the few ways in which reformers have succeeded in restoring the good reputation of the personal income tax. To toss away that hard-won victory in the name of capital formation is neither necessary nor just.

JUNE 20, 1978.

Mr. MAX FRANKEL,
Editorial Page Editor, New York Times, New York, N.Y.

DEAR SIR: Reading your May 19 editorial ("How to Unsoak the Rich") on William Steiger's Bill to roll back the Capital Gains tax, left me both frustrated and depressed: frustrated because so much of what was written was misleading, unfair and illogical; depressed because a publication as respected and influential as yours could present such a distorted view of this very important issue.

Your writer opens his essay with the standard old rhetoric—describing favorable treatment of capital gain income as "the most visible of the loopholes that shelter the rich". In fact the Steiger Bill (which would roll back the capital gains tax to the level which prevailed before 1969), does not provide shelter for the rich. It doesn't even diminish the already substantial degree of progressivity in the personal income tax; it simply provides for a lower rate of tax (one-half) for anyone, rich or poor, who has the fortitude to risk his precious capital, and is fortunate enough to have his investment increase in value.

The notion that capital gains are only available to the very wealthy is simply incorrect. In fact, one-half of the taxpayers which report capital gain income have adjusted gross income of $15,000 or less. Moreover, fifty percent of the dollar amount of capital gains are realized by persons with adjusted gross income of $25,000 or less. While it is true that a disproportionate amount of capital gains are realized by more affluent persons, this should be neither surprising nor disturbing. These persons simply invest (risk) more capital, just as they give more to charity, and pay a disproportionate share of the personal income taxes. (In 1977, 50% of the personal income tax was paid by persons with $23,000 or above in adjusted gross income, representing only 10% of the taxpayers.) Notwithstanding the foregoing, your writer suggests that a lower capital gains rate is somehow "unjust", and cites it as a "windfall to the wealthy". I strongly submit that for two reasons a lower capital gains rate (relative to the earned income rate) is not unjust:

First, capital gains income is different from personal services income, as such it should be treated differently. The essential difference is that in order to realize a capital gain, a risk of loss must be assumed. Accordingly, it is both appropriate and fair that an additional reward be offered the investor (whether he be rich or poor) as an incentive to invest his capital in American industry.

Second, the Steiger Bill wouldn't actually provide for more favorable tax treatment than ordinary income. The capital gains tax, just like the tax on corporate dividends is basically a double tax on corporate profits. Presently the stream of income generated from the employment of capital in a corporation is taxed once at about 50% when the profit is earned by the company, and at rates as high as 70% (if it is distributed to the shareholders as dividends), or 49.1% (if it is retained and reinvested in the business). In the latter case the 49.1% represents the maximum capital gains tax rate that would be applied to the appreciation of a shareholder's stock. The principal component of this appreciation over the long term would be the value of accumulated undistributed after-tax earnings. Any variance from this amount, either up or down, would be based on speculation about future earnings prospects. The aggregate tax on shareholders profits then ranges to 85% if all earnings are distributed and to 75% if all earnings are retained and the holder sells his stock at a price approximating net worth. The Steiger Bill would reduce this second tax to a maximum of 25% (or one-half the earned income rate) reducing the total tax on the stream of income achieved by risking capital to a maximum of 62.5%. By contrast income earned from the "sweat of the brow" is taxed at a maximum of 50%.

The irony of this debate over the proper way to stimulate capital formation is that the Carter Administration, Congressman Ullman and your own writer, while opposing the Steiger Bill, all advocate an elimination or reduction of the tax on corporate dividends as an acceptable (and apparently "just") means of stimulating capital formation, thinking perhaps that taxing income twice is unfair, even if the people being taxed are wealthy. The logical inconsistencies here should be apparent. First, since high-bracket tax-payers receive a disproportionate amount of the dividends paid (as they do capital gains), they would also receive a disproportionate amount of the benefit from such a policy. Second, the only substantive difference between the dividend proposal and the Steiger Bill would be that, in the former case, corporations would be pressured by shareholders to distribute their profits, while in the latter they would have a substantial incentive to retain and reinvest them. Third, the companies which pay dividends are generally larger, slower growing, and therefore in substantially less need of capital than non-dividend payers or they would retain their earnings rather than distribute them. It is the small, rapidly growing companies which are in greatest need of capital and which have proven to be most effective at increasing employment and productivity.

Of course this entire issue should be overwhelmed by consideration of the Bill in terms of its benefits to the public. In this

regard, Steiger offers studies by two of the most highly respected independent economic "think tanks" in the country (Chase Econometrics and the Data Resources organization run by Otto Eckstein). Using econometric models, both groups predict substantial benefits to our economy in terms of higher employment, higher GNP, higher (not lower) tax revenue, lower government deficits, and a lower inflation rate as a result of this legislation. In opposition, the Administration has offered only it's specious "fairness" argument, and the Treasury's curious contention that there would be little, if any, stimulative effect from the cut and therefore a reduction in rate would produce a commensurate reduction in tax revenue. With all of the economic theory and evidence to the contrary, it is very difficult to understand the Treasury's line of reasoning. The incredible fact is that even if the Treasury were right, this bill would represent less than a 1% reduction in total federal tax revenues. If, on the other hand, Steiger and his highly learned sources are correct, the benefits to the public would be great.

With so little to lose and so much to gain it is hard to understand the reluctance of some to get on Steiger's band wagon. At this writing just under 100 Congressmen have become cosponsors of Steiger's Bill. Sixty Senators are cosponsoring an identical bill in the Senate. Apparently these people are sufficiently concerned about the welfare of the general public, that they are content to see the affluent members of society benefit as well

Very truly yours,

B. KIPLING HAGOPIAN,

General Partner, Brentwood Associates (a Venture Capital Investment partnership); Director, National Venture Capital Association; and Member, Task Force on Capital Formation, American Electronics Association.

DENOUNCING SOVIET HUMAN RIGHTS VIOLATIONS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. GILMAN. Mr. Speaker, hearings on Soviet violations of the human rights provisions of the Helsinki Final Act were held today by the Commission on Security and Cooperation in Europe. Under its distinguished chairman, the gentleman from Florida, Mr. FASCELL, the Commission has helped to raise the public consciousness regarding Soviet repression of dissidents seeking to monitor Soviet compliance with the Helsinki Final Act.

The statements of many concerned individuals appearing before the Commission underscored the inhumane conditions to which Soviet dissidents, and Jewish activists in particular, are subjected, and pointed to the grim consequences this Soviet repression portends for future U.S.-U.S.S.R. relations.

Having long fought the despicable Soviet treatment of dissidents, I commend my colleagues who are similarly concerned with combating Soviet repression, for their diligent and tireless efforts against official Soviet disregard for human rights.

To share with my colleagues, my findings concerning the plight of dissidents in the Soviet Union, I wish to insert at this point in the RECORD my statement before the Commission on Security and Cooperation in Europe:

STATEMENT OF THE HONORABLE BENJAMIN A. GILMAN BEFORE THE COMMISSION ON SECURITY AND COOPERATION IN EUROPE ON SOVIET HUMAN RIGHTS VIOLATIONS, JULY 11, 1978

Mr. Chairman, I welcome this opportunity to emphasize our nation's concerns and to join with my colleagues in raising public consciousness concerning the blatant, reprehensible violations by the Soviet government of the human rights of Soviet dissidents. I commend the distinguished Chairman of this Commission, the gentleman from Florida, Mr. Fascell, and the members of this Commission for their diligent and extensive efforts on this important issue and for conducting this hearing at a time when unbridled Soviet repression is so apparent.

Permit me to take this opportunity to express my admiration for Mrs. Solzhenitsyn for her poignant, moving remarks and for the courageous action of both Mrs. Solzhenitsyn and her husband, Aleksandr. Their brave acts will enhance efforts to secure respect for human rights throughout the world.

The Soviet Union's unconscionable disregard for its obligations under the Helsinki Accords and other international covenants guaranteeing human rights has recently manifested itself in a number of staged trials in which leading dissidents have been subjected to the severest of penalties . . . Orlov, Nudel and Slepak, to mention just a few. Indeed the official wrath of the Soviet Union has also been levelled against two American newsmen, Craig Whitney and Harold Piper, who were unwilling to submit to the tyranny of the Soviet controlled press.

World indignation has been raised to a critical level this week as three leading Helsinki group activists, Anatoly Shcharansky, Aleksandr Ginzburg, and Viktoras Petkus, are currently being tried, with all signs indicating that bereft of the most basic means of legal defense, these defendants will receive the harshest sentences that the Soviet authorities can impose.

When the United States signed the Helsinki Final Act in 1975, there was a glimmer of hope that a significant understanding had been worked out which would help bridge the gap between the East and West and which would ameliorate a number of longstanding political problems. Unfortunately, the legacy of Helsinki has fallen far short of those goals envisioned in 1975. Some 18 Soviet Helsinki group monitors have lost their freedom in the past year and a half.

My concern for the systematic violation of the rights of this courageous group of Soviet dissidents has led me to battle official Soviet repression on a number of fronts. Having the opportunity in the Fall of 1977, to participate with the American delegation at the Belgrade Conference reviewing the implementation of the Helsinki Final Act, I presented to our delegation and to the Soviet delegation at the Belgrade Conference two briefs charging specific instances of Soviet non-compliance with the final act.

In one brief, I outlined the plight of Mark Nashpitz, a young 28-year-old Soviet Jew, who, following a sham trial inconsistent with both Soviet and international law, was sentenced in 1975 to five years in a Siberian work camp for protesting Soviet emigration laws by carrying a sign in front of a Moscow library for a few seconds on a Sunday afternoon. My many appeals to Soviet authorities on his behalf have never even received the courtesy of a reply.

In a second brief submitted at Belgrade, I documented the Soviet Union's interruption of International Postal Communication and in a follow-up report published by the House Committee on Post Office and Civil Service, of which I am a member, concluded that sufficient empirical data existed revealing a systematic scheme by the USSR to isolate the Soviet Jewish community in general and the "activists" in particular, from any contact with the outside world through the Soviet's deliberate interruption of international mail.

One of my recommendations in that report, initiating a formal inquiry into the Soviet mail interruption, has been implemented by the opening of Post Office Committe hearings on this matter. These hearings will be continued later this month. Subsequent to the Belgrade Conference, I introduced legislation condemning the Soviet's mail violations, and urging strengthening international monitoring of Soviet activities to assure that the USSR complies with Universal Postal Union regulations pertaining to mail delivery.

Recently, as a result of the trumped up charges and subsequent conviction of Soviet dissident, Yuri Orlov, I introduced in the House, a companion measure to Senate legislation introduced by Senator Dole, H. Res. 1245, seeking U.S. action in condemning Soviet human rights violations and urging the President to critically reassess our scientific and cultural exchanges and conferences with the Soviet Union. I have been informed that Secretary Vance recently canceled several such exchanges.

While there has been a longstanding solid core of our colleagues protesting outright Soviet disregard for the human rights of its citizens, Congressional outrage in general to the plight of Soviet dissidents has recently escalated. The widespread support for the increasing number of joint congressional letters protesting the treatment of dissidents and sent to Soviet authorities is evidence that Congress recognizes the severity of the current situation. Yet, the total lack of response by Soviet officials to these letters and stepped-up Soviet repression indicates how the USSR treats our efforts on behalf of human rights.

Even as Congress on May 22, 1978, overwhelmingly passed H. Con. Res. 624, protesting the unjust imprisonment of members of the Helsinki monitoring groups, the Soviets evinced no compunction regarding their actions.

Amid trial conditions including the presence only of hand-picked audiences, glaringly inadequate legal defense, spectators and judges incessantly interrupting defendants when they tried to speak in their own behalf, and iron fist tactics to intimidate defendants' supporters, the Soviet legal system recently has unabashedly steamrollered the most basic human rights of key dissidents.

In a newscast last night, Profesosr Alan Dershowitz, a Harvard professor, expert on Soviet law, asserted that the Shcharansky and Ginzburg trials are intended to be a message to other dissidents that they will be prosecuted and convicted if they criticize the Soviet system and try to emigrate.

Indeed, of the recent trial of Yuri Orlov, in which the Soviet physicist received seven years internal exile for "anti-Soviet agitation and propaganda," the Chicago Tribune editorialized: "The trial of Yuri Orlov was an obscene gesture directed at the concept of human rights and those who believe in it. It was a brazen admission that the Helsinki agreements on rights were a fraud." The trial "was enough to disgrace any court on earth, and any government that would tolerate it."

On August 1, 1977, when this Commission issued a report to Congress on "The Implementation of the Final Act of the Conference on Security and Cooperation in Europe: Findings and Recommendations Two Years After Helsinki," it recited on page 15 of its report, that ". . . the Soviet Union has shown a systematic disregard for civil and political rights, nowhere more evident than in the organized, punitive campaign of 1976 and 1977 against the very individuals

who sought to promote respect for the Helsinki Accord in the U.S.S.R."

To the disgust of those everywhere cherishing human rights, the Soviet Union tramples upon those provision of the Final Act calling for government respect for human rights and fundamental freedoms and commitments to promote their effective exercise.

Indeed, as the New York Times observed in a July 10, 1978, article:

"For Russians who have hoped for a liberalized society, for Soviet Jews who have struggled against a historical anti-Semitism and fought for the right to emigrate, for Americans who have sought closer ties between the two great powers, the Soviet Government's decision to try Mr. Shcharansky for treason darkens the future."

I am confident that this hearing today will send a clear signal from the representatives of the American people to the Government of the Soviet Union. It is a statement to those who while seeking the benefits of American technology through increased trade and scientific exchanges, and desiring American commitments to ease great power tension, at the same time make a mockery of the basic principles which the United States so cherishes.

Our message to the Soviet Union must clearly and loudly proclaim American unwillingness to accept for any purposes the blatant Soviet disregard for the most basic of human rights. It is hoped that the administration will reflect our nation's concern by initiating appropriate action on this matter by our government and by supporting responsible initiatives undertaken by the international community to condemn Soviet repression.●

THE CONGRESSIONAL RECORD—ANOTHER LOOK

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. STEIGER. Mr. Speaker, David F. Quadro, chairperson and associate professor of speech communication at California State University, Fresno, is one of the leading scholars on the CONGRESSIONAL RECORD. He has done extensive research and produced some interesting insights into the RECORD, how it is used and how it is viewed.

In the fall 1977 edition of the Western Journal of Speech Communication, Professor Quadro reviews research on the RECORD and offers the results of a survey of Senators and Representatives on the nature and extent of textual revisions of the RECORD. His finding is that:

. . . until Congress takes action to either prohibit the practices of revision and insertion, or clearly identify them when and where they occur, the CONGRESSIONAL RECORD will continue to be a less desirable source of speech texts than it might otherwise be.

Professor Quadro's article, "The Congressional Record: Another Look," deserves the closest attention and consideration. I hope all who read the RECORD will give it careful thought. The article follows:

THE CONGRESSIONAL RECORD: ANOTHER LOOK

(By David F. Quadro)

For over thirty-five years, articles and chapters have appeared in our journals and texts concerning in whole or in part the textual accuracy of the *Congressional Record*. All agree that verbatim texts are preferable to altered ones, and that the official reports of the debates of Congress are not word-for-word transcriptions of the proceedings of the Senate and the House of Representatives. However, significant disagreement has been expressed over the extent and import of changes made between the moment of utterance and appearance in print. This article will review previous research and offer the results of a survey of senators and representatives on the nature and extent of textual revisions.

In the early 1940s, Loren Reid and Zon Robinson examined congressional reporting practices. Both agreed that members of Congress can and do revise remarks prior to publication. Reid, who at one time worked in the Government Printing Office, concluded that the absence of "official insistance upon verbatim reporting," "the strong, almost instinctive desire of speakers to make their speeches read as well as possible," and "the mechanical possibilities for error" account for most alterations.[1]

Robinson described and analyzed factors operating both for and against accuracy. He noted four elements in favor: 1) satisfactory nature of the reporting system (sufficient number of reporters and assistants, good salaries, free access to the floor and modern equipment); 2) right of the members and the houses to correct errors in transcription; 3) multiple checks for accuracy; and, 4) prohibition against striking "words spoken in order" because the speaker or position is unpopular.[2]

Mitigating against accuracy are: (1) possibility of errors in transcription; (2) practice of reporters to edit remarks to correct not only "errors of grammar, syntax, date, quotation, and historical reference," but also "to improve the style of the speeches;" (3) power of congressmen to revise remarks before publication, which Robinson calls "The greatest single factor contributing to the discrepancy between speeches as spoken and the same speeches as they appear in the Record;" (4) congressional power to expunge remarks which cause extreme offense (e.g., profanity, attacks on the President and the Congress or its members); and, (5) power of congressmen to extend remarks without indicating that they were not actually delivered from the floor.[3]

Robinson offered two conclusions: First, that "in comparison with the official records of the British Parliament and the American Congress a hundred and a hundred and fifty years ago, the Congressional Record is accurate and complete to a high degree;" and second, that "There will not be strictly verbatim report of Congressional debate until Congress abandons the practices of editing, revision, and extension."[4]

More recently Walter W. Stevens, Earl R. Cain, and J. A. Hendrix have examined the question. Stevens provided a brief overview of the historical development of the practices discussed by Reid and Robinson.[5] More important to the present concern, he offered numerous concrete examples of their occurrence. However, none are illustrations of wholesale revisions or insertions. Rather, Stevens focused on instances in which intemperate remarks or profanity were removed.[6]

Cain, who did not deny that textual changes are made, viewed the accuracy of the Record more positively than most others. Using his doctoral work as a basis for analysis, Cain argued that:

"the speeches appearing in the Congressional Record are closer to reality than the editing privilege might imply. A comparison of speeches in the Record with reasonably complete day by day reports of the neutrality debates in the New York Times showed clearly that in spite of some editing, the basis argument, evidence, and appeals remained the same in the two sources. The order of speeches and, in many cases, the exact words of the speech were identical."[7]

Hendrix did not share Cain's faith in the general textual accuracy of the Record, finding it to be, in the main, "a source of dubious value for evaluation of the intrinsic factors of invention, disposition, and style."[8] He went on, however, to offer a method to test specific speeches, suggesting that "a case may be made, under certain circumstances, for virtual verbatim reliability of Record texts. These circumstances are the discovery of an independent and relatively complete text of a given congressional speech . . ., and a minimum of discrepancies between the independent text and the Record text."[9]

To illustrate the process of verification by comparison, a process also referred to by Cain, Hendrix examined the Record and New York Times texts of Senator John Sharp Williams of Mississippi's December 3, 1918 Senate speech on the League of Nations. His comparative analysis revealed a high degree of accuracy in matters of content and structure. Finding essentially stylistic differences, Hendrix concluded that, "on the whole, the similarities between the two versions of the speech far outweigh the differences and, because of the improbability of minor revisions on the part of the speaker corresponding to the differences within the Record text as opposed to the Times text, tend to authenticate the Record text as an accurate transcript of what was actually said on the Senate floor."[10]

Previous research leaves no doubt that revisions occur. But the exact types and, more importantly, the extent of change have been examined only via isolated instances. Unfortunately, quantification by way of comparison with independent texts would be piecemeal at best, because no source provides them on a regular basis, and because the most complete reports are limited to debates of major public concern. Thus, the next best procedure would be to ask those who deliver the speeches.

Toward this end, a questionnaire was sent to the ninety-nine senators [11] and four hundred thirty-five representatives in the Ninety-Fourth Congress' Fourteen senators (14.14%) and eighty-one representatives (18.62%) responded.[12] The questionnaire was divided into two parts. Part I requested information concerning revisions made by the member. Part II requested responses to the same questions regarding his staff. Table I indicates the questions, their order, and type of responses. Tables II and III record Senate responses for the member and his staff respectively. Tables IV and V indicate the same for each House member and his staff.

Footnotes at end of article.

TABLE I.—QUESTIONNAIRE

Do you/does your staff:					
A. Make grammatical corrections	All	Most	Some	Few	None.
B. Make word changes which do not substantially alter the meaning or intent of your statement	All	Most	Some	Few	None.
C. Add factual data	None	Few	Some	Most	All.
D. Delete factual data	All	Most	Some	Few	None.
E. Add quoted material	None	Few	Some	Most	All.
F. Delete quoted material	All	Most	Some	Few	None.
G. Make punctuation changes in the printed text	None	Few	Some	Most	All.
H. Add lines of argument	All	Most	Some	Few	None.
I. Delete lines of argument	None	Few	Some	Most	All.
J. Add explanatory material	All	Most	Some	Few	None.
K. Delete explanatory material	None	Few	Some	Most	All.
L. Expand on points you presented	All	Most	Some	Few	None.
M. Reduce points you presented	None	Few	Some	Most	All.
N. Other (please specify)	All	Most	Some	Few	None.

TABLE II.—SENATE MEMBERS [1]

	All		Most		Some		Few		None		No response	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Question:												
A	1	7.1	2	14.3	2	14.3	4	28.6	5	35.7		
B			2	14.3	2	14.3	4	28.6	6	42.9		
C					3	21.4	2	14.3	9	64.3		
D							4	28.6	10	71.4		
E					3	21.4			11	78.6		
F					1	7.1	1	7.1	12	85.7		
G			1	7.1	2	14.3	6	42.9	5	35.7		
H					1	7.1	1	7.1	12	85.7		
I					1	7.1	1	7.1	12	85.7		
J					2	14.3	2	14.3	10	71.4		
K							2	14.3	12	85.7		
L					1	7.1	3	21.4	10	71.4		
M							2	14.3	12	85.7		
N												

[1] All respondents indicated that revisions are made. Three indicated that none of the revisions are done by the member. The staff makes them.

Two general conclusions can be drawn from the data. First, almost all speeches delivered in Congress are revised prior to publication. Only three of the ninety-five respondents claimed that neither the member nor the staff makes revisions. Second, the great majority of revisions are non-substantive. A comparison of responses to Questions A, B, and G with the rest of the survey reveals that such revisions are more likely to occur and in a higher proportion of speeches, House members are more likely to make such changes than the other groups, and are more likely to make the changes themselves than are their counterparts in the Senate. Substantive changes occur much less frequently and in fewer speeches. The data indicate that additions (Questions C, E, H, J, and L) are more likely to be made than deletions (Questions D, F, I, K, and M), and that House members are more likely to make such changes than the other groups. Factual data, explanatory material, and the expansion on points presented, in that order, are the most likely types of additions to occur.

TABLE III.—SENATE STAFF [1]

	All		Most		Some		Few		None		No response	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Question:												
A			3	21.4	2	14.3	4	28.6	5	35.7		
B			3	21.4	5	35.7	2	14.3	4	28.6		
C					2	14.3	2	14.3	10	71.4		
D					1	7.1	2	14.3	11	78.6		
E					2	14.3			12	85.7		
F							3	21.4	11	78.6		
G			2	14.3	7	50.0	3	21.4	2	14.3		
H					1	7.1	2	14.3	11	78.6		
I					1	7.1	2	14.3	11	78.6		
J					3	21.4	2	14.3	9	64.3		
K					2	14.3	1	7.1	11	78.6		
L			1	7.1	1	7.1	2	14.3	10	71.4		
M							3	21.4	11	78.6		
N					1	[2] 7.1						

[1] 2 respondents indicated that none of the revisions are done by the staff. The member makes them.

[2] "Divide long sentences into 2 or more shorter ones."

TABLE IV—HOUSE MEMBERS [1]

	All		Most		Some		Few		None		No response	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Question:												
A	15	18.5	20	24.7	18	22.2	15	18.5	12	14.8	1	1.2
B	7	08.6	11	13.6	24	29.6	18	22.2	20	24.7	1	1.2
C			1	01.2	19	23.5	21	25.9	37	45.7	3	3.7
D					1	1.2	17	21.0	60	74.1	3	3.7
E					12	14.8	24	29.6	43	53.1	2	2.5
F					2	2.5	16	19.8	60	74.1	3	3.7
G	4	4.9	19	23.5	23	28.4	14	17.3	19	23.5	2	2.5
H			1	1.2	9	11.1	9	11.1	59	72.8	3	3.7
I					4	4.9	13	16.0	60	74.1	4	4.9
J					22	27.2	21	25.9	34	42.0	4	4.9
K	1	1.2			4	4.9	16	19.8	56	69.1	4	4.9
L			4	4.9	22	27.2	15	18.5	35	43.2	5	6.2
M					10	12.3	15	18.5	53	65.4	3	3.7
N			1	[2] 1.2								

[1] 78 respondents indicated that revisions are made; 3 reported that none are made; 4 respondents indicated that none of the revisions are done by the member. The staff makes them.

[2] "Correct errors of official reporters who misunderstand a word or clause and who make errors in punctuation."

TABLE V.—HOUSE STAFF [1]

	All		Most		Some		Few		None		No response	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Question:												
A	8	9.9	10	12.3	20	24.7	16	19.8	27	33.3		
B	1	1.2	13	16.1	13	16.1	18	22.2	36	44.4		
C					9	11.1	14	17.3	57	70.4	1	1.2
D					1	1.2	9	11.1	70	86.4	1	1.2
E					6	7.4	12	14.8	61	75.3	2	2.5
F					1	1.2	7	8.6	70	86.4	3	3.7
G	3	3.7	12	14.8	18	22.2	17	21.0	29	35.8	2	2.5
H			1	1.2	5	6.2	8	9.9	64	79.0	3	3.7
I					4	4.9	7	8.6	68	84.0	2	2.5
J			1	1.2	14	17.3	11	13.6	54	66.6	1	1.2
K					5	6.2	8	9.9	67	82.7	1	1.2
L			3	3.7	8	9.9	14	17.3	55	67.9	1	1.2
M					6	7.4	9	11.1	65	80.2	1	1.2
N												

[1] 22 respondents indicated that none of the revisions are done by the staff. The member makes them.

The survey corroborates previous observations in that it is fully consistent with the analysis of Reid, Robinson, and Cain as well as the illustrations provided by Stevens, Cain, and Hendrix. It is at odds with Hendrix's general distrust of *Record* texts. The evidence supports the claim that, while revisions clearly occur, in the main the *Congressional Record* is sufficiently accurate in matter of substance to allow full and complete rhetorical analysis and criticism of the invention and disposition processes. The practice of the field, as revealed by the doctoral dissertations using *Record* texts for rhetorical examination, also supports this claim.[13] It must also be concluded, however, that stylistic analysis, particularly that involving word-for-word types of exploration, would not produce as confident a judgment. While rhetorical examination of congressional speeches can be pursued with reasonable confidence that the texts reflect the content and structure of the presentations, until Congress takes action to either prohibit the practices of revision and insertion, or clearly identify them when and where they occur, the *Record* will continue to be a less desirable source of speech texts than it might otherwise be.[14]

FOOTNOTES

[1] Loren D. Reid, "Factors Contributing to Inaccuracy in the Texts of Speeches," in *Papers in Rhetoric*, ed. Donald C. Bryant (St. Louis: privately printed, 1940), pp. 39–45. For more encompassing discussions of the problems of the textual critic, see: Richard Murphy, "Problems in Speech Texts," in *Papers in Rhetoric and Poetic*, ed. Donald C. Bryant (Iowa City: Univ. of Iowa Press, 1965), pp. 70–86; and, Robert W. Smith, "The Textual Critic: Hung-up on Trivia?" *"Southern Speech Communication Journal*, 37 (1972), 424–37.

[2] Zon Robinson, "Are Speeches in Congress Reported Accurately?" *Quarterly Journal of Speech*, 28 (1942), 9–10.

[3] Robinson, pp. 10–11.

[4] Robinson, pp. 11–12. Other sources, most relying heavily on Reid, Robinson, or both of them, report essentially the same findings. In addition to those examined below, see: J. Jeffrey Auer, *An Introduction to Research in Speech* (New York: Harper, 1959), pp. 130–131; Ernest G. Bormann, *Theory and Research in the Communicative Arts* (New York: Holt, 1965), pp. 156, 177–80; Theodore Clevenger, Jr., Donald W. Parson, and Jerome B. Polisky, "The Problem of Textual Accuracy," in *Rhetorical Criticism: Methods and Models*, ed. J. A. Hendrix and Jerome B. Polisky (Dubuque, Iowa: Wm. C. Brown, 1968), pp. 4–5; Murphy, 70–71, 80–81; Smith, p. 432; and, Lester Thonssen, A. Craig Baird, and Waldo W. Braden, *Speech Criticism*, 2nd ed. (New York: Ronald Press, 1970), pp. 327–32.

[5] Walter W. Stevens, "Inaccuracies in the Texts of Congressional Speeches," *Central States Speech Journal*, 15 (1964), 183–84. Three other articles offer more detailed accounts of the history of congressional reporting practices. See: Elizabeth Gregory McPherson, "Reporting the Debates of Congress," *Quarterly Journal of Speech*, 28 (1942), 141–48; Elizabeth Gregory McPherson, "Reports of the Debates of the House of Representatives During the First Congress, 1789–1791," *Quarterly Journal of Speech*, 30 (1944), 64–71; and, Earl Cain, "Obstacles to Early Congressional Reporting," *Southern Speech Journal*, 27 (1962), 239–47.

[6] Stevens, pp. 184–88.

[7] Earl R. Cain, "A Method of Rhetorical Analysis of Congressional Debate," *Western Speech*, 18 (1954), 93.

[8] J. A. Hendrix, "A New Look at Textual Authenticity of Speeches in the *Congressional Record*," *Southern Speech Journal*, 31 (1965), 153. In another work Hendrix, writing with Jerome B. Polisky, reaffirms his general distrust of the *Record*. See: "The Speech Text," in Hendrix and Polisky, p. 2.

[9] Hendrix, "A New Look. . . .," p. 159.

[10] Hendrix, "A New Look. . . .," p. 159.

[11] At the time one Senate seat was vacant.

[12] Ten senators and eight representatives sent letters of regret. Most indicated that because of time constraints, it is their policy not to respond to questionnaires. The letter from Representative Philip Crane of Illinois was most interesting. He wrote: "You appear to be somewhat misinformed. Any speech or other comment made on the floor of the House is taken down verbatim by the recording secretary and printed in the *Record* exactly as it was delivered. No opportunity is given to anyone to make any changes in copy." (Letter of May 29, 1975.)

[13] In reviewing previous research for my doctoral dissertation, twenty-two studies were found which analyze congressional speeches. See: David F. Quadro, "An Analysis of the Arguments Used in U.S. Senate Debates on Negro Suffrage, 1864–1869," unpublished diss., University of California, Los Angeles, 1972, pp. 5–7.

[14] A number of unsuccessful attempts have been made to legislate against textual inaccuracies in the *Record*. Most were referred to committees which failed to report them back to the floor. The most recent attempt to reach the floor occurred on July 29, 1970, at the insistence of Representative William A. Steige of Wisconsin. See: U.S. *Congressional Record*, 91st Cong. 2nd Sess., 116 (July 29, 1970), 26416–26421. Two proposals are being considered currently. The Joint Committee on Printing is reviewing a provision by Representative Steiger that all insertions and alterations in the *Record* be identified. The House Committee on Administrative Review (the Obey Commission) is contemplating a requirement that when entire undelivered speeches are inserted they be so designated. The results of these efforts will be known in the near future.●

THE ANATOLY SCHARANSKY TRIAL

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. COUGHLIN. Mr. Speaker, the ongoing trial of the well-known Jewish activist Anatoly Scharansky, is an abhorrent culmination of the 18-month campaign of repression aimed at Soviet political dissidents by their own government. Scharansky, a member of a special group established to monitor Soviet compliance with the human rights guarantees agreed to by the Soviets in the 1975 Helsinki Accords, has been charged with treason, which carries a possible death penalty, along with accusations of anti-Soviet agitation and propaganda.

Scharansky is the third member of the Helskinki monitoring group to be brought to trial for his actions and as in the cases of his fellow dissenters, Yuri Orlov, who was sentenced to 7 years of imprisonment followed by 5 years of internal exile, and Alexander Ginzburg, whose trial also began yesterday, no crime was committed. These Jewish activists attempted, in nonviolent manner and acting under the guarantees of the Helsinki Accords, to test the Soviet's pledges to uphold human freedoms. Scharansky is being unjustly punished for his courage and admirable fight for the rights of Jews to emigrate from the Soviet Union.

For Anatoly Scharansky, his freedom and his life are at stake in this trial. For the rest of the world, the freedom and lives of many are also at issue. By bringing Scharansky and his fellow activists to trial, the Soviets have provided a mirror for the world to view their gross and unjust violations of their international human rights pledges and have, by these actions, implicitly suggested their intentions to abrogate an adherence to a policy of détente in their relations with the United States and other foreign powers.

The timing of the Scharansky trial is especially significant in that it coincides with the arms limitation talks which are to take place between U.S. Secretary of State Cyrus Vance and Soviet Foreign Minister Andrei Gromyko in Geneva this week.

The Scharansky trial represents an open challenge to President Carter not to let détente become appeasement in dealing with the Soviet Union. I assess the trial as a deliberate pawn in the Soviet grand strategy of putting the Carter administration on the defensive to achieve strategic objectives.

I believe the administration is exhibiting naivety or impracticality or both in its contentions that there is no linkage of world actions by the Soviets to our willingness to give in to them.

Despite the denials of linkage, the facts stand that the Soviets, by their course of conduct, have illustrated that there is linkage. If the United States is not to slip into national irrelevance, then the administration must recognize linkage and deal with it. There can be no doubt: the trials of Scharansky and Ginzburg are not isolated acts of the Soviet Government.

We face the danger of national irrelevance and, if we are irrelevant, we can do nothing for human rights, nothing for the Middle East and nothing in the cause of peace.●

SAVE LUCKY LOU

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. MURPHY of New York. Mr. Speaker, I would like to insert in the CONGRESSIONAL RECORD an article which appeared in the June 24, 1978, Editor and Publisher magazine acknowledging the efforts of Mr. Al Seton of Staten Island, N.Y., who is spearheading a drive to save the U.S.S. *St. Louis* from a Brazilian junk heap.

The *St. Louis*, as my colleagues may remember, was the only major warship to get underway and safely make the open sea after the attack on Pearl Harbor, December 7, 1941. For obvious reasons, the ship became known as "Lucky Lou." The *St. Louis* continued its distinguished service in the U.S. Navy until 1951 when it was decommissioned and sold to Brazil. The Brazilian Government decided to scrap the ship in 1976 but has been thwarted by the heroic efforts of Mr. Seton and the other members of the ship's company, including our distinguished colleague from Texas, the Honorable J. J. PICKLE, who hope to see the ship returned to the United States.

The article from Editor and Publisher describes the recent support this drive to save "Lucky Lou" has received from the news media in this country. I commend it to your reading.

NEWSPAPERS MOUNT DRIVE TO SAVE LUCKY LOU

(By William M. Freeman)

Newspapers throughout the country are giving large space, both newspage and editorial, to a drive to save the USS St. Louis from the scrap heap.

The St. Louis, a cruiser known as the Lucky Lou for its escape, virtually undamaged, from the attack on Pearl Harbor, December 7, 1941, that started this country's entry into World War II was decommissioned and sold to Brazil in 1951.

Brazil renamed it the Almirante Tamandare, for Joaquin Marques Lisbaa, the Marquis of Tamandare, father of the Brazilian Navy. After 25 years, in 1976, Brazil decided to scrap the gallant vessel.

Several men who had served on the Lou in the engagement at Pearl Harbor and in action in major Pacific battles read this news in an AP dispatch from Rio de Janeiro and, led by A. L. Seton, a gunnery veteran and a retired commander, formed the USS St. Louis Association to save the vessel and bring her back to this country.

Seton wrote and called fellow shipmates, the State Department and representatives of the Brazilian Government, led by Joao Baptista Pinheiro, the Brazilian Ambassador. He contacted friends throughout the country, legislators in Congress and at State levels, and he revived an offset newspaper, The USS St. Louis Hubble-Bubble, reporting news of the gallant vessel's fortunes.

The first major result was word that Brazil had abandoned plans to scrap the Lucky Lou, at least for a while. A spokesman said Brazil was aware of the drive to save the vessel and was deferring plans to send her to the wreckers.

Then the newspapers got into the act. The St. Louis Post-Dispatch recounted the Lucky Lou's history—her eleven battle stars, the sinking of seven Japanese warships, action after Pearl Harbor in the Gilbert and Marshall Islands, the Aleutians, the Solomons, the Marianas, Leyte Gulf and Okinawa.

It told how the Lou was hit by a torpedo while bombarding the island of Kolombangara from Kula Gulf, but, true to her name, lost no lives although there was extensive damage to the bow. It told, too, of the day when luck ran out and 23 men were killed by a Japanese bomb in the Green Islands north of Bougainville.

And it reported how ten Japanese planes, five of them Kamikaze suicide craft, attacked the Lou in Leyte Gulf. The Lou's gunners downed six planes in a 40-minute engagement, but lost 15 men and suffered serious damage.

The St. Louis Globe-Democrat reported that "a race against time is under way" to save the Lucky Lou and added that four retired admirals, all former gunnery officers on the vessel, had endorsed the effort.

The four were Henry C. Daniel of Birmingham, Ala., Richard Lambert of Pittsburgh, James R. McCormick of Port Charlotte, Fla., and Ben W. Sarver of Norfolk, Va.

It quoted Seton as noting that the St. Louis was unique among Navy vessels in that she was one of two remaining Brooklyn-type cruisers built in the Thirties still in existence.

"These ships are considered by many to be the finest gunships ever built," the Globe-Democrat quoted Seton.

Both the Globe-Democrat and Post-Dispatch gave the address for former members of the ship's company to write: The USS St. Louis (CL 49) Association. 220 Otis Avenue, Staten Island, N.Y. 10306.

The Post-Dispatch added other stories, the presentation in Rio of the helm wheel from the Lucky Lou to Mrs. Robert Brookings Smith of St. Louis, represented by a Brazilian woman, Mrs. Maria de Rezende Lee. Mrs. Smith, then Miss Nancy Lee Morrill, "Queen of Love and Beauty" of the Veiled Prophet Charity Ball of Ladue, Mo., broke a bottle of champagne against a starboard bow plate, christening the St. Louis on April 15, 1938.

The Chicago Tribune ran a long article on the recollections of Tom Brown, who in 1941 was a round-faced, dark-haired gunner's mate on the Lou in Pearl Harbor. He recalled that none of the Lou's 991 crewmen was injured in the surprise attack, no bomb hit her decks and no torpedo pierced her armor.

The Albany (N.Y.) Times-Union ran an editorial recounting the save-the-Lucky-Lou drive and ending:

"Some of our readers remember Pearl Harbor Day. Probably all are at least familiar with what happened. Those who were there can now help save the St. Louis, and their action would be a fitting tribute to the memory of those who died there."

Steve Mitchell ran a long piece in the Palm Beach (Fla.) Post, recalling the tragic events of that dark December day in 1941 and reporting efforts in the Palm Beach area to help save the vessel from the wreckers.

Mary Jane Hunter wrote a major article in the Fort Myers (Fla.) News-Press on the drive, and quoting the ship's "orders of the day" for Monday, December 8, 1941:

"The captain [G. A. Rood, who died in 1971] wishes to congratulate the entire ship's company for their spendid conduct during the trying Sunday's engagement."

She reported the award of a long-delayed citation, similar to those given to every man in the crew at the time of the attack, to Orrie H. Dalke of Cape Coral, who had been a seaman first class on the Lou when the Japanese planes began firing.

The Oklahoma Journal, in an article by Larry Cannon, told the Lou's wartime history in brief, described the efforts to save her from the wreckers and, like many other papers, came close to the editorial side with a suggestion to write to "Lucky Lou" at the Staten Island address.

The weeklies also ran articles. Among them were the Washington County Post and the Greenwich Journal, in upstate New York, both recounting the ship's history and the efforts to save it.

O Globo, daily newspaper in Rio, printed an article on the drive to save the Almirante Tamandare and discussed the probable cost of the plan to restore her name and send her back home.

Seton put the cost at some $15 million to buy the vessel and transport it to the United States. He envisioned some savings through obtaining a volunteer crew of former ship's personnel.

The big problem would be towing the vessel up the Mississippi River to a new and permanent home at St. Louis The vessel has a 23-foot draft and the river's channel is only nine feet. He thinks it could be accomplished by stripping the Lucky Lou of guns and other equipment and moving her on a river swollen by spring floods.●

"PAP SMEAR" DEVELOPER HONORED BY COMMEMORATIVE STAMP THROUGH EFFORTS OF JOHN GEORGES

HON. PAUL E. TSONGAS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. TSONGAS. Mr. Speaker, I would like to take this opportunity to commend Mr. John Georges of Chicago, Ill., for his 6-year effort which recently resulted in the issue of a commemorative stamp honoring Dr. George Papanicolaou. Through the tireless work of Mr. Georges, Dr. Papanicolaou became the first Greek-American to be recognized on a postage stamp.

Dr. Papanicolaou is best known for his development of the "Pap Smear" which is responsible for saving the lives of millions of women through this early cancer detection test.

John Georges should be thanked for bringing to the public eye a scientist whose contribution is more than worthy of such an honor. Both Dr. Papanicolaou and Mr. Georges should serve as models to fellow members of their community for they are a credit to all Greek-Americans.●

NEW PLAGUE SWEEPS MIDWEST

Hon. Theodore M. (Ted) Risenhoover

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. RISENHOOVER. Mr. Speaker, the House needs to take note of a new plague that is sweeping the Midwest. The varmints are grasshoppers. The cause is overreactionary environmentalists.

Grasshopper infestations are reported in epidemic proportions in Colorado, Nebraska, and Kansas. Tulsa World farm editor Herb Karner reported the menace now is sweeping into Oklahoma.

Stanley Coppock, the entomologist for the Oklahoma State Extension Service, said, "it is atrocious," in Oklahoma. The Environmental Protection Agency has banned heptachlor, dieldrin, aidrin, and chloradane—all chemicals, which have successfully turned back the plagues of grasshoppers.

As Oklahoma farmers and ranchers know, infestations grow in mammoth proportions. Young grasshoppers can denude a pasture like a modern mowing machine. They need to be stopped.

When the EPA outlaws these pesticides, with messages of fear and overtones of poisoning, the alternatives of insects devastating the environment are ignored. The imbalance we have placed on the practical, working environmentalists of America—I mean our ranchers and farmers—are unreal.

We have left these providers of our food and fiber naked-handed to combat their natural enemies. They understand the dangers of insecticides as well as the deadliness of insects stripping their fields of crops and foliage.

Since I have been named to the "dirty dozen" list by Environmental Action, I take my place solidly on the side of the farmers and ranchers who need insecticides to combat grasshoppers.

The environmentalists team up along with my opponents they have dug up for the elections this year. I am proud that the lines have been drawn and the contest is clear.

The grasshoppers may mow our pastures clean between now and the election. If, however, I am reelected, I hope that will be a signal of defeat of overzealous environmentalists and victory for the true and traditional protectors

of our lands and crops—the farmers and ranchers.

And, if possible, I hope that administrators of our Government will respond with urgency to turn back the grasshopper plague which is causing great losses of fiber, food and fodder crops. I call upon officials to immediately remove all possiblbe restrictions on necessary insecticides to stop the grasshoppers.●

THE FRANK SNEPP CASE

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. JACOBS. Mr. Speaker, I insert a United Press International story reporting Judge Oren Lewis' decision and opinion in the case against former CIA agent Frank Snepp on account of his having written a book entitled, "Decent Interval."

You will note that Judge Lewis states in his opinion:

The CIA cannot protect its intelligent sources and methods if its agents are allowed to determine what intelligence ought to be made public.

Mr. Snepp's book does not reveal intelligence—just the lack thereof.

One recalls the story told by Nikita Khrushchev during his London visit. He reported that someone ran through the Kremlin shouting "Khrushchev is a fool." The runner, Khrushchev said, was sentenced to 30 days in the Moscow jail for insulting the Party Secretary—and to 15 years in Siberia for exposing state secrets.

[From the Indianapolis Star, July 8, 1978]

FRANK SNEPP

ALEXANDRIA, VA.—A federal judge Friday found former CIA agent Frank Snepp guilty of breaking his oath of secrecy in publishing the expose "Decent Interval," and awarded the government all his "ill-gotten" earnings from the book.

In a ruling designed to discourage other agents from publishing similar "whistle-blowing" books, U.S. District Judge Oren Lewis also ordered Snepp to submit any further such works to CIA censorship.

Outside court, Snepp announced he would appeal the ruling and accused Lewis of "outrageous" pro-CIA bias in his conduct of the non-jury civil lawsuit trial.

He said the proceedings "looked like a stacked deck" against him and suggested he might defy the injunction against publishing further uncensored books derived from his experience.

Asked about the decision to give the government his earnings from "Decent Interval" a highly critical account of the CIA's conduct during the 1975 fall of Saigon, Snepp replied:

"They are welcomed to them. It won't buy back the honor the CIA lost in the final days of the Vietnam War."

The author has already earned an estimated $60,000 from sales of the book.

The federal government had asked the court to rule that former agents may not publish uncensored books even if—as in the case of "Decent Interval"—they disclosed no classified information.

It asked that Snepp be fined, stripped of his royalties and forbidden to do it again.

In his 14-page ruling, Lewis said Snepp "willfully, deliberately and surreptitiously breached his position of trust with the CIA and the secrecy agreement dated Sept. 16, 1968," the day he joined the agency, by publishing his book without agency review.

He accused the author of seeking "personal financial gain" and said his action "has caused the United States irreparable harm and loss."

"The CIA cannot protect its intelligence sources and methods if its agents are allowed to determine what intelligence ought to be made public," Lewis said.

He ordered that all Snepp's earnings from the book be placed in "a constructive trust" for government use because "one who breaches his trust and secrecy agreements . . . ought not be permitted to retain his ill-gotten gains."

He also ordered the defendant "to submit to the CIA for pre-publication review any manuscript . . . which concerns the CIA, its activities or intelligence activities generally which the defendant gained during the course of or as a result of his employment."

Snepp said he has not yet decided whether he will comply because he has not yet seen the written injunction.

"I am being gagged and cannot speak out," he said. "I should say again that that was something I thought happened only in the countries the CIA was working against."●

SOCIALIZED MEDICINE IS SICK

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. BAUMAN. Mr. Speaker, we are constantly told by the advocates of an American system of socialized medicine, now called "Comprehensive Health Care," that the National Health Service (NHS) of Great Britain can and should serve as the guiding example of what such a system must consist of. Having myself traveled to Great Britain 3 years ago to view the operations and effects of the NHS upon the people it is supposed to serve, I know that the facts are precisely the opposite. The British experiment with socialized medicine is a colossal, tragic failure inflicted upon a noble people by a series of governments too blinded by socialist nostrums to see the facts in their true light. The NHS is an excellent illustration of the truth that we cannot socialize the doctors without first socializing the patients.

John Lofton recently devoted one of his always excellent columns to a report on this subject originally published in the Washington Weekly. I commend this column to my colleagues because it appears that President Carter is determined to make Americans wait just as long for health care as the suffering British now must wait under NHS. We must not allow this to happen.

The article follows:

BRITISH HEALTH SERVICE IS SICK CONTRARY TO WHAT APOLOGISTS SAY

(By John D. Lofton Jr.)

WASHINGTON.—The current issue of the Senior Citizens News, published by the National Council of Senior Citizens carries an excerpt from a stirring address delivered here to the Women's National Democratic Club by Mrs. Margaret Jay, the wife of the British ambassador to the United States. In her talk, Mrs. Jay sought to dispel some of the "old myths" about Great Britain's National Health Service (NHS)—myths which she says "are being nurtured again today."

To be sure, says the ambassador's wife, the NHS is beset by administrative, financial and personnel difficulties. But, after all, the NHS is an "enormous organization." It is also true, she admits, that there are waiting lists of people in Britain who are waiting for medical care. But things aren't really that bad. How does Mrs. Jay know this? Because Joe Califano, our secretary of health, education and welfare, recently visited her country and he says this is so.

Anyway, despite all this carping, Margaret Jay says: "The basic answer that I give to all queries about medicine and the operation of health care in Britain is that no one in Britain who is sick is afraid of being sick because of financial reasons . . . the basic principle remains that the Health Service is there to provide free health care to everybody in need; and it does so."

In theory perhaps. But in practice—well, that's something else again.

In a front-page story last week in the Baltimore Sun, that paper's London correspondent, Peter Kumpa, reports that in Great Britain the existence of the NHS is not an issue, but its failures are. Why? Because "it continues to perform poorly in many areas." Says Kumpa, whom a source at the British Embassy here says is one of the better American journalists writing about his country, "in the past few years, criticism of the NHS has been growing. It is picking up problems like lint. There are questions of whether it is carrying out its formidable task."

One of the NHS' long-time supporters, the pro-Labor Daily Mirror newspaper, is quoted as summing up the service's problems by saying that there is "only one word" to aptly describe its predicament, and it is "sick."

According to Kumpa, the "most important" failure of the NHS is its long waiting lists of people waiting for treatment of all kinds. In September 1977, the total number of people on waiting lists was 594,000, down only slightly after reaching a peak figure of 607,000 in December 1976. Of these, says David Ennals, secretary of state for social services, about 40,000 are urgent medical cases.

In Kent, a typical area, the waiting time for an opthalmic treatment is more than 12 months. For orthopedic work, the waiting time can be two to three years.

In a "most urgent" cancer case, a 35-year-old man waits two weeks for hospital admission and treatment. A 4-year-old child is referred to surgery for a large right inguinal hernia in January 1976, but still waited for treatment in April of this year. A pensioner with a small foot deformity is offered a consultation (not an operation) for September 1980.

Commenting on this situation, Dr. James Cameron, chairman of the British Medical Association, says: "The sum total of human misery represented by these record figures for waiting lists over the past year is a scandal without parallel in any technically developed country."

Alluding to this problem in an article in Impact magazine, George Willis writes: "England is a great place to be hit by a taxi but a lousy place to have hemorrhoids. That about sums up what is good and what is bad about national health care in England." Dr. Geoff Watts, the deputy editor of World Medicine magazine, says:

"It began as a joke, really. Offhandedly, we mentioned in a column last fall that there ought to be some kind of a prize for the British patient who has waited longest in line to receive medical care from a special-

ist. Suddenly we were inundated with names of candidates from doctors. Apparently we had touched a very raw nerve."

Bureaucracy also afflicts the NHS. Since 1965, the administrative staff of the service has doubled. Sixty percent of its workers are clerical employees.

Next month, England's National Health Service, which Margaret Jay says is "one of the greatest achievements of life in Britain today," celebrates its 30th anniversary. But the birthday will not be a happy one—at least not for the more than half a million Britons who are awaiting needed medical care.

American advocates of socialized medicine, please copy.●

DOPMA COUNSELING

HON. JIM LLOYD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. LLOYD of California. Mr. Speaker, recently, Prof. Stanley Hyman, lieutenant colonel USAF, retired, a professor at Catholic University, supplied a statement on H.R. 5503, the Defense Officer Personnel Management Act, to the Senate Subcommittee on Manpower. In his statement, he strongly supports the concept of counseling for those who have been passed over for promotion. This idea has been incorporated into the House Armed Services Committee report on DOPMA at my urging. Parts of Professor Hyman's statement follow:

There is a popular presumption that men and women in the military would react as civilians would when faced with the sudden loss of their jobs. The presumption is false. By and large, the military officer has a different personality profile than his civilian counterpart and therefore reacts differently to the trauma of an unexpected and unwelcome career dislocation.

Historically, the military has sought and hired individuals whose personalities respond positively to maximum job and financial security, group efforts, standardization of thought and bureaucratic procedures and conservatism in work performance. Each industry has a profile which typifies the subconscious need gratification requirements for its respective population. These traits in the military are normally opposed to those that private industry looks for in filling managerial positions in the dynamic world of profit and loss.

It is not my intention or desire to pass a value judgment on these personality differences; rather, it is to state that these traits are found in a majority of those in the armed forces. To continue programs of heavy forced attrition, even with the "cushion" of a deferred retirement plan, is catastrophic for both the government and the individual.

The newly commissioned military officer recruited to replace those who have been forced out normally has a personality much closer to the civilian world prototype. This results in personality conflicts between junior and senior officers. The cohesion, efficiency and morale of the military suffers as a consequence.

For the individual forced out, the change is expecially traumatic. They have been conditioned over the years by their employer—who also happens to be their government—into believing that, barring gross negligence or misbehavior, they had a job for a specific period of time.

The recent "RIFs" in government have amply and sometimes tragically demonstrated the impact of the aforementioned personality profile differences. The Defense Department's Project Transition and Referral wasted millions of taxpayer dollars because the program's concept ignored the emotional changes that individuals undergo before they could effectively move into the civilian sector. The program did not seem to recognize the differences between the civilian and military worlds. In a highly structured environment such as the military provides, for example, an individual who is confronting marital or other personal problems is tolerated, supported, and carried along by the system. Quite the contrary is true in private industry, where individuals who allow outside difficulties to reduce their productivity are usually dismissed.

Imagine, then, how individuals who have been carefully screened in and protected throughout their careers would react if, without adequate preparation, they abruptly found themselves victims of an Up or Out, or RIF program. They would suddenly be forced to deal with an unknown, unstructured work environment. Even the vocabulary is different making it difficult to translate previous relevant experience so that it could be applied to the new setting. They would discover that the game is played by new—and often rough—ground rules. In short, they would be no match for their successful civilian counterparts, who have always accepted as a challenge the reality that they could be fired at any given time, and not always for legitimate reasons. These civilians are more aggressive, independent, and can live at a higher risk threshold. Each profession becomes conditioned to the dynamics of the work environment to which they gravitated.

Moreover, the military people are not ready for the almost overt hostility they are likely to run into in the civilian population. It is a hostility generated by an overcrowded employment marketplace and the media's frequently negative portrayal of government employees, "double dippers" and the military in general. Not surprisingly, many ex-officers find it extremely difficult to land jobs in other than defense or government related industries.

During the years of my research into the emotional effects of forced career transition I encountered thousands of individuals who were rendered anxious, depressed and distraught by such events as promotion pass-overs, RIF's, and forced early retirement. For the first time they entertained thoughts of taking their lives, breaking up their marriages, or simply running away. Tragically, in too many cases the thoughts were carried out. The multi-million dollar career counseling industry has burgeoned in the past ten years because it recognizes the anxieties of these people and capitalize on it by alluding to the promise that the counseling industry has the magic solution to find new employment; in most cases, the outcome is nothing more than a cancelled check for emotional hand holding.

Thus it should be apparent that forced attrition produces untold suffering for thousands of individuals. In theory, the Up or Out system leads to a more efficient and less costly military, but the human wreckage left in it's wake demands millions of tax dollars to pay for the medical expenses of the emotionally damaged former servicemen and their families, for unemployment and other programs during the transition period.

A far more sensible way to approach the problem would be to accompany any involuntary separation program such as the RIF, or Up or Out system, with a counseling program designed to prepare the affected individuals for the trauma they are about to face. This counseling should be complementary to counseling for passed-over officers directed by the House Armed Services Committee in House Report 95-566 Part 1 on DOPMA.●

THE FOREIGN TERRORIST THREAT

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. DORNAN. Mr. Speaker, as you know, I have recently introduced legislation, H.R. 13184, to cope with the problem of international terrorism. That legislation would bar aliens affiliated with terrorist organizations from entering the United States, require investigation by the Attorney General of foreign agents representing terrorist causes, and forbid any foreign agent from receiving funds from foreign terrorist groups under criminal penalties. The introduction of this legislation was occasioned by the opening of an office of the PLO, which again took credit for exploding a bomb in a Jerusalem marketplace, killing 2 people and injuring 47. Once again, the PLO has struck against civilians.

Since I introduced that legislation, I was astonished to read an article by Mr. George Rose in the July-August issue of Politics Today, entitled "The Terrorists Are Coming." Mr. Rose has done some investigative reporting on CIA and FBI assessments which confirm the fears expressed by FBI Director Webster and political scientist, James Burnham. I ask that my colleagues give their undivided attention to this essay:

THE TERRORISTS ARE COMING

(By Gregory F. Rose)

(The CIA expects an epidemic of European-style political violence to break out soon in the United States. And the FBI, hamstrung by "reforms," can't do much to prevent it.)

A confidential Central Intelligence Agency memorandum predicts that the United States will experience major terrorist attacks beginning within the next 18 months and persisting for years thereafter. The memo, which was circulated among senior officials of the Carter administration, maintains that international terrorist organizations—especially Palestinian and Western European groups—have made contacts with potential allies in the United States and have taken concrete steps to initiate political violence against targets in America. These attacks, the CIA document predicts, are inevitable unless immediate steps are taken to increase security in this country. Likely targets include electrical power facilities, fuel depots, petroleum processing plants and commercial airliners.

In the face of these threats, official agencies, hamstrung by policy decisions and legislation, are unprepared. Congressman Joseph Addabbo (D-New York), a member of the House Appropriations Committee, received a letter last February from FBI headquarters warning that budgetary and manpower cutbacks affecting the bureau have severely hampered the FBI's antiterrorist operations. The letter stated that the number of FBI informants in terrorist and terrorist-support organizations has declined since 1976 from 1,100 to less than 100. FBI director William Webster, in a speech that he made in Atlanta in May, said that the FBI currently has only 42 informants in the "domestic security and terrorism areas." Webster said the FBI has open domestic security and terrorism cases on only 61 individuals and 12 organizations. The letter to Addabbo argued that the FBI can't effectively deal with the threat. A recently released report by the General Accounting Office, entitled "FBI Domestic Intelligence Operations: An Uncertain Future," tends to confirm this view. The CIA prediction and the FBI admission of impo-

tence might be alarming in themselves, but with the kidnapping and murder of Aldo Moro fresh in mind, one shudders at the thought that the United States is to experience a similar state of siege. The threat clearly raises serious questions of public policy for citizens and government to consider.

The strong likelihood that the U.S. will join the many nations plagued by incidents of political terror poses at least two questions. The first is the relatively simple matter of cost-effectiveness: how much protection can be afforded before the protective measures themselves become more disruptive than any conceivable terrorist incident? The second, related, question deals with the challenge terrorism presents to a democratic society: how can a balance be struck between the civil rights of free citizens and the right of society to be secure from violent assault by a determined, desperate minority? Neither dilemma can be addressed properly without soberly assessing the danger to Americans from international and homegrown terrorist groups.

FBI, CIA and State Department sources* are unanimous in pointing to Palestinian organizations as the most likely perpetrators of terrorist acts in the U.S. Ambassador Heyward Isham of the State Department's Office for Combating Terrorism explains, "The U.S. government is seen by radical Palestinian organizations as a pivotal political factor in the Mideast. We are aligned, to be sure, with Israel, their primary enemy. We are, as well, supportive of the moderate Arab regimes, particularly Egypt and Jordan, whose peace initiatives threaten the solidarity and viability of the Rejectionist Front. We have been fortunately spared Palestinian terrorist operations within the U.S. to date. As the likelihood of some accord in the Mideast becomes greater, and as the U.S. is increasingly perceived as having vital interest in such initiatives, this country will become an irresistible target of forces bent on sabotaging any accord. It is, frankly, only a matter of time, given the current alignment of forces."

FBI officials note the growth of Palestinian support organizations and the increasing number of Arab students in the U.S. as a prospective base of operations for terrorist groups. In the past three years there has been extensive travel by PLO representatives (operating under the auspices of the Palestinians' UN delegation) to Arab communities and university campuses in this country. "Certainly these trips," one FBI agent suggests, "are partly for political propaganda purposes. However, wherever these PLO types go, they also organize local Arab-Americans and student sympathizers. Out of every ten people they organize into a support group, only one might be willing to provide a safe house for terrorists, or to case a target, or store weapons, or work as a courier. But out of every thousand, that's a hundred people willing to provide terrorists with a base of support they've never had in the U.S. before." Bureau estimates place the membership of these support committees at 5,000 to 10,000 persons.

More significant are reports from West German and Israeli intelligence sources that Al Fatah and Popular Front for the Liberation of Palestine (PFLP) operatives in Western Europe have met with U.S. radicals to coordinate anti-Israeli propaganda. These sources further report that PFLP members have entered the US clandestinely to establish contacts with pro-Palestinian groups in New York, Detroit and San Francisco. San Francisco police sources confirm these reports. The FBI is officially noncommittal about these connections. However, FBI officials privately grant that there is a debate going on between agents in the Chicago and New York field offices over the existence of ties between the Weather Underground and the PLO.

FBI, CIA and State Department experts cite West German and Italian groups as the second likely sources of terrorist activity in the U.S. They speak with some alarm about the large number of Western Europeans who have moved here in the last year and a half to escape political terrorism in their own countries where they believed themselves to be targets of groups such as the Red Army Faction (also known as the Baader-Meinhof gang) and the Red Brigades. "Up to now," Ambassador Isham of the State Department comments, "West German and Italian terrorists have been primarily interested in destabilizing their own governments. However, the migration of potential targets to the US could not have escaped their notice. Certainly they have the resources to mount major single-time operations inside the United States."

CIA sources point to contacts between the Weather Underground and Red Army Faction (RAF) sympathizers as a possible source of danger. According to a recently retired CIA case officer, "Many of the RAF's supporters were active in international student politics in the late 1960's and in the network of US war resisters and deserters in Western Europe. There was an SDS in the Federal Republic of Germany and contacts were made between American SDS members traveling in Europe and German radicals. Those contacts have continued since the Weathermen went underground. I know of meetings between Weathermen activists and RAF members in Paris and East Berlin. The connection is there and it's dangerous as hell." An FBI source notes the willingness of West German terrorists to "freelance" for Palestinian groups, as in the Entebbe hijacking, as a reason for concern: "These guys are ideological mercenaries. They have the experience and training to carry out operations on behalf of third parties. Looking at the threat to the US, this can't be discounted." My source recalls that the US government took quite seriously the threat by the RAF to shoot down a Lufthansa jet at Kennedy Airport: "There was a report that West German terrorists had Soviet antiaircraft missiles in Montreal which they were planning to smuggle across the border and use at Kennedy."

Similar fears are voiced concerning the Japanese Red Army (JRA). A retired Israeli intelligence officer involved in investigating JRA activities after the Lod Airport massacre says that "The JRA must be considered an arm of the PFLP." He alleges that a secret JRA cell has been established in the US to assess possible targets. This report is echoed by West German intelligence sources. FBI agents refuse to comment.

The threat from domestic terrorists that is perceived by federal authorities is limited to four groups:

The Weather Underground Organization. The WUO is the oldest and best-organized radical group in the US. Originally a faction of Students for a Democratic Society (SDS), the Weathermen went underground in February 1970. Since then efforts by federal and local law enforcement agencies to apprehend WUO members have been singularly unsuccessful. The WUO, according to testimony taken by the Senate Internal Security Subcommittee, has had intimate connections with the Cuban government since July 1969. According to an FBI agent involved in the Weatherman cases, eight WUO leaders, including Bernardine Dorhn, met with Manuel Pineiro Lozadas, a former Cuban intelligence head and now chief of the Cuban Communist party's American Department, and North Vietnamese political and intelligence officers July 9–15, 1969. That this meeting took place is corroborated by a staff report on the Weather Underground released in 1975 by the Senate Internal Security Subcommittee. My source suggests that the "Days of Rage" trashing of Chicago and the decision to go underground were prompted by Cuban intervention. Other WUO members, according to FBI and CIA sources, underwent guerrilla and explosives training at camps outside Havana. Other FBI sources report that WUO members have been given training and sanctuary in PLO camps in Lebanon and Syria, North Korea, and North Vietnam.

According to a New York Police Department arson and explosives squad expert, "The Weather Underground has by far the most sophisticated explosive devices of any domestic terrorist group. Obviously someone's shown them how to make damn good bombs." That the WUO has been able to evade federal agents suggests a support and logistics network of professional quality. "You've got to hand it to them," one FBI agent comments. "They're very goddam good at what they do, very sophisticated, well-trained. The false identity and communications network they've set up is as good as that of most foreign intelligence services. I don't believe they were just born with these skills. This quality of work isn't something you learn overnight."

Federal estimates place WUO membership at 200–500. FBI sources also mention the weatherpeople's above-ground support network, which is known as Prairie Fire. This group, whose membership is estimated at 2,500–3,000, has circulated WUO documents and is believed by law enforcement agencies to have otherwise assisted the WUO.

While the WUO has been largely inactive for nearly a year, federal authorities speculate that it has been undergoing a reorganization preparatory to a new wave of violence. "We know that the Weather Underground has been in a period of flux," says a senior FBI official in New York. "Their membership has been concentrated, according to our reports, in New York and San Francisco. More recently we've had indications that they have begun to disperse their cadres more widely in major urban centers."

The New World Liberation Front. The NWLF is responsible for many bombings on the West Coast since 1974. Attacks have been aimed at power facilities, multinational corporations, and foreign diplomats. NWLF organizational structure and personalities remain largely a mystery to police agencies. However, California authorities say that the NWLF is an offshoot of Maoist organizations in the Bay area and numbers 150–200 cadres. One police official comments, "There is a network of terrorist-oriented persons on the West Coast which began to emerge in 1969. These people have been around the Weathermen, Prairie Fire, Maoist groups and the Symbionese Liberation Army (SLA) and some of them came out of the Venceremos organization. They operate pretty much ad hoc, as we understand it."

The Fuerzas Armadas de Liberación Nacional. The FALN, a Puerto Rican nationalist group, has been responsible for planting 74 explosive devices in the U.S. since 1974. These devices have been exploded in New York, Chicago, Newark and the District of Columbia, and have killed five persons and injured more than sixty. Federal warrants have been issued for four FALN members in connection with the August 3, 1977, bombing of the Mobil Corporation offices in New York. The

*FBI agents have been forbidden to comment publicly on terrorism. A memorandum from headquarters ordered FBI agents to refrain from making statements on domestic or international terrorist groups and their acts. FBI spokesman David Cassens, when asked about the memo, stated, "All inquiries regarding terrorism can be answered only by the director or this office. Our comments on terrorism are limited to the director's press conference of March 29, 1978." My FBI sources are, therefore, not named in order to protect them from disciplinary action.

FALN is said to have a membership of only 15–20 persons. Inspector Robert J. Howe, head of the NYPD arson and explosives squad, characterizes the FALN's explosive devices as "amateurish but vicious." He says the FALN is highly mobile and compact but that it lacks the base of support enjoyed by the WUO and NWLF. FALN may have contact with Cuban intelligence. However, the evidence of that is sketchy. A former member of MIRA, a Puerto Rican terrorist group from which the FALN was spawned, says he saw FALN members undergoing military training in Cuba in 1972. He claims that Cuban and Palestinian instructors conducted the training.

The Black Guerrilla Family. Very little is known of this West Coast affiliate of the now-defunct Black Liberation Army. The group consists largely of former members of the Black Panther Party and numbers about two dozen persons. It has claimed responsibility for scattered bombings and attacks on police. An FBI agent familiar with the group says it has connections with Rhodesian guerrillas and with radicals in Angola and Mozambique and with Palestinians.

Federal officials note that US terrorists have not always operated in established, permanent organizations. As a senior Justice Department official tells it, "There's a history of radicals' banding together for single-time strikes against vulnerable targets. A communiqué name is given by the terrorists to these essentially one-time groupings." Among the names so used have been Revolutionary Action Party, Black Afro Militant Movement, People's Liberation Army, Perfect Park Home Grown Garden Society, Purple Sunshine Clan, and Red Willow Family.

Experts are divided on the question of likely targets of transnational and domestic terrorist groups. However, everyone agrees that America's transportation and power systems are vulnerable. Robert Kupperman, the Arms Control and Disarmament Agency's chief scientist and a frequent commentator on international terrorism, reflects this concern: "I can assure you that many systems which this country depends upon are very vulnerable to attack. I'm concerned about the electrical power system, about this country's networks of pipelines, about the vulnerability of its aircraft and computers. I am concerned about national disruptive attacks, where there is relatively little violence in the sense of lots of people getting killed, but where a large part of the country could be brought to its knees for a short time. The New York blackout is illustrative. That was caused by inefficiency and human failure, but it doesn't take much imagination to see how a paramilitary terrorist operation could take a whole city—if not a whole region—off-line for one hell of a long time."

The intrinsic vulnerability of power and fuel facilities is compounded by the general availability of detailed plans of these facilities. All one has to do is to ask, under the Freedom of Information Act, for the relevant environmental impact studies. For example, detailed plans of the Rossville, Staten Island, liquefied natural gas facility are available to anyone who asks for it from the Environmental Protection Agency or from the facility's owners.

Another reason for concern is lax security and unresolved questions about jurisdiction. When civic groups complained to the Federal Power Commission about loose security at the Rossville facility, they were told to consult the EPA. The EPA told them that it had no authority and directed them back to the FPC.

Commercial airlines continue to be vulnerable, and prominent citizens and their families are subject to kidnapping. Kupperman suggests, "Terrorists have had surface-to-air missiles for some time and have used them . . . They could probably smuggle one into the US without much trouble. After all, these things are just hand-held tubes. They could knock down a jumbo passenger jet and kill more than 300 people. On top of the tragedy itself and the loss of a very expensive aircraft, I doubt very much if the airline pilots' association would fly again until the government could guarantee their safety. One missile and the threat of a second could paralyze air transportation in the US."

Deputy Chief Robert Johnston of the NYPD's Special Operations Division discussed with me the kidnapping danger: "People in the US are aware of criminal kidnappers, but well-organized para-military terrorist kidnapping operations are something they just aren't prepared for. It will take one or two incidents like those in Italy to wake people up. And I think we're going to be in for that kind of thing in the relatively near future." US corporations are retaining antiterrorism consultants to plan security for their executives in the US as well as abroad. One major US corporation has dispatched a ranking member of its security staff to Italy to study the Aldo Moro kidnapping.

Fortunately, nuclear terrorism is an option discounted by most experts. The security of US nuclear installations is among the best in the world and is simply too difficult to penetrate, especially when more vulnerable targets are available.

While federal officials are extremely wary of inducing public alarm, the picture they paint is, nonetheless, one of increasing vulnerability to terrorist attack and of inadequate preparation for dealing with it.

Primary responsibility for federal antiterrorist measures resides in the FBI. The FBI's 8,000-odd agents investigate federal law violations, and, according to congressional sources involved in overseeing the bureau, the FBI's strained resources aren't adequate to cope with any major campaign of terror here. FBI Director William Webster noted, in testimony earlier this year before the House Appropriations Committee, that budget reductions threaten already existing investigations of terrorist incidents. Even liberal critics of the FBI share this concern. One Eastern congressman, who aked not to be identified, said, "I've given the bureau a hard time when they've been wrong and they've been wrong a lot more than their share. But I think we're in danger of weakening the FBI's ability to deal with terrorists at a time when international terrorism is growing."

In August 1976 the internal security branch of the FBI's intelligence division was transferred to the general investigation division and renamed the domestic security section. This was done, according to a communication from bureau headquarters, "to insure that these cases are tied as closely as possible to actual or potential violations of federal law." In April 1977 the general investigation division was renamed the criminal investigation division, and domestic security and foreign terrorism matters were consolidated in a reorganized domestic security-terrorism section.

Twenty-one agents were assigned to the terrorism section: five in the domestic security area, two to the terrorist research center and the rest to criminal investigation involving bombings, sabotage, protection of foreign officials, false identification and international terrorist groups. These 21 agents supervise and coordinate the field investigations conducted by the 143 agents currently involved in the domestic security and terrorism area. Just three years ago there were 788 agents assigned to such matters.

Current FBI antiterrorism measures, according to FBI spokesman David Cassens, include ongoing, in-service training for agents involved in domestic security casework and special anti-terrorist courses at the FBI's academy at Quantico, Virginia, for FBI personnel and state and local law enforcement officers. Foreign experts, primarily West German, British and Israeli, have been brought in to augment the instruction staff.

Contingency plans exist in each field office for various types of terrorist attacks. However, an FBI agent familiar with these plans believes that "if the real thing happens, these plans won't mean ——. Nobody ever practices them. They're just on file. They look good on paper, but no responsible person could realistically depend on them in an emergency."

The FBI also maintains a 50-man flying squad, capable of deployment for aircraft hijacking rescues. The FBI unit is said to be well trained and highly efficient, but lacking in experience under fire and underfunded.

A backup to the FBI's commando unit exists in the U.S. Army's Project Blue Light and in its Ranger Battalions. These units are officially assigned to possible antiterrorist rescue operations overseas, but contingency plans exist for using these troops domestically in case of a major terrorist incident. Project Blue Light is a 250-man special forces unit stationed at Fort Bragg. Its specialty is hostage rescue. Two Ranger Battalions can support Project Blue Light, but their training is only tangentially related to antiterrorist operations. They would have little role to play in any but the gravest emergencies.

Crisis management in the event of a terrorist incident is the responsibility of a special coordination committee of the National Security Council. This body, chaired by the assistant to the president for national security affairs, supervises an interagency group in dealing with terrorist-induced crises. Ambassador Isham is hopeful that this committee, a creation of the Carter administration, "will finally afford us the coordination and control of situations which division of authority has made impossible in the past."

State and local antiterrorist preparations run from negligible to nonexistent. New York City is the one exception. The special investigations and special operations division of the NYPD are highly regarded. The NYPD has been an innovator in antiterrorist measures, especially in hostage negotiation. The emergency services units of the NYPD have trained many police departments, and its officers have taught at the FBI academy. The arson and explosives squad has one of the best records of investigation and apprehension in the country.

New York's approach involves strictly limiting force and employs controlled fire only as a last resort. The Los Angeles Police Department, on the other hand, has championed the Special Weapons and Tactics (SWAT) approach, a graphic example of which was the LAPD assault on a house occupied by the Symbionese Liberation Army. As the NYPD's Deputy Chief Johnston commented, "You don't get much intelligence from dead terrorists and with SWAT you don't get anything *but* dead terrorists."

Critics of local unpreparedness point to the January 1977 Hanafi Muslim seizure of the B'nai B'rith building in Washington, D.C. As a congressional staffer involved in reviewing the Hanafi incident put it, "Nobody knew what to do. The FBI had one idea. The D.C. police had another. The Secret Service had a third. If it hadn't been for the Muslim ambassadors, they'd have been chucking bodies out the windows. At one point the D.C. police wanted to assault the building from above, but they didn't have anybody who knew how to rappel out of a helicopter. The FBI took some D.C. cops to Virginia to practice rappeling. Thank God they didn't have to use them. All they got out of it was a sprained ankle. The chaos was frightening."

The most frequently criticized federal and local inadequacy is in intelligence gathering.

And here the terrorist challenge to a democratic society is most clearly posed.

The domestic security investigation guidelines set down by Attorney General Edward Levi in March 1976 and retained by the Carter administration specify three levels of investigative activity that the FBI may undertake in domestic security cases (including terrorism):

Preliminary investigations may be undertaken by an FBI field office on the basis of "allegations or other information that an individual or group may be engaged in activities which involve or will involve the use of force or violence and . . . the violation of federal law." Preliminary investigations are limited to examination of the FBI's own files, public records, newspaper reports, previously existing informants and "physical surveillance and interviews of persons . . . for the limited purpose of identifying the subject of an investigation." The preliminary investigation must be terminated within 90 days, with a 90-day extension possible, and can focus only on verifying or refuting the original allegation.

Limited investigations may be undertaken to determine if an allegation confirmed by a preliminary investigation warrants a full field investigation or if the techniques of a preliminary investigation aren't adequate to the task of determining whether there is a factual basis for a full inquiry. Agents conducting limited investigations may engage in general physical surveillance and interviews on a broader basis. However, interviews must be authorized by the special agent in charge (SAC) in writing and, in turn, the SAC is required to seek FBI headquarters approval in any case where the interview's relevance is not immediately apparent. Limited investigations must, likewise, be terminated within 90 days.

Agents conducting preliminary and limited investigations are forbidden to recruit or place informants, use "mail covers," or use electronic surveillance.

Full investigations are authorized only if the preliminary and limited investigations show specific facts indicating that "an individual or group is or may be engaged in . . . the use of force or violence and . . . the violation of federal law." Agents engaged in full investigations may recruit or place informants, open "mail covers" with the approval of the attorney general, and engage in electronic surveillance under court order. The full investigation can be authorized only by FBI headquarters in consultation with the attorney general. The results of a full investigation must be reported to the attorney general within 90 days, and the investigation is subject to periodic review.

The guidelines also establish an investigations review unit (IRU) in the attorney general's office with authority to disapprove any investigation proposal made by the bureau. The actions of the review unit have been criticized in FBI circles and, one surmises from the following excerpt from the GAO report, not without justification: "The IRU has disapproved the investigation of: a group which held rallies and published a tract in support of violence by clandestine groups . . . a group which has made clear its intent to use violence to violate federal law at some time for the purpose of overthrowing the United States government, but whose only activities to date are printing and publishing ideological tracts and attempting to organize factory workers; an individual with a history of associating with radical groups, fugitives from justice, and persons known to be or suspected of providing support to fugitives . . ." An IRU lawyer told the GAO, "Groups would not be subject to preliminary domestic security investigation merely for supporting the cause of violent revolution, supporting bombings claimed by a politically motivated group, or printing bomb-making instructions."

"On the face of it," a Justice Department lawyer who works on terrorist cases comments, "the Levi guidelines were guarantees that due process would be respected and civil rights protected in the aftermath of gross abuses of those rights in the Hoover era. Yet, as someone who has worked within them, I can say that they have proved to be an obstacle to effectively meeting the terrorist threat. They were a hell of a good idea, but they don't work in practice. I'm not suggesting that we go back to the Hoover days. I am suggesting that we have to reevaluate the question of whether we have created an equally dangerous situation by overreacting to those abuses."

In August 1976 the FBI itself adopted an internal policy on domestic security investigations more restrictive than the Levi guidelines. This policy "limited investigation of individuals to those members of groups under full investigation and even then only permitted the initiation of a preliminary investigation when there was an allegation that an individual was a policy maker or engaged in activities which indicated that he or she was likely to use force or violence in violation of federal law," according to the GAO report.

An FBI agent who specializes in domestic security cases has some rather specific criticisms of the Levi guidelines: "Modern terrorists operate like foreign espionage illegals." They have safe houses, clandestine networks, sophisticated communications and forged documents. The situation calls for counterintelligence techniques, especially electronic surveillance and informant recruitment. The guidelines make these techniques so difficult to obtain that you have to have perpetrators dead to rights before you can get permission to use them."

According to Department of Justice sources, Attorney General Levi ordered that informants no longer be placed within terrorist and terrorist support organizations. My sources tell me that the FBI has had no new confidential informants inside any international or domestic radical organization since 1976. The FBI refuses official comment.

There's a corollary problem. FBI agents are getting very reluctant to report to their superiors allegations by informants because they fear Privacy Act lawsuits should their reports ever be made available to their subjects under the Freedom of Information Act. The laws are said to impede the exchange of information among federal agencies and hamper preparation for potential incidents of terror.

The wholesale destruction of intelligence files in federal and local agencies in the early 1970's hasn't helped either. "There was a lot of b.s. in the files," one FBI source concedes, "but we lost a lot of valuable material with it." A retired NYPD officer says of the purge of files there, "We would have caught the FALN [Puerto Rican terrorists] by now if we had the files we had in 1968." That may sound like excuse-making, but the NYPD has spent many man-hours attempting to reconstruct destroyed Puerto Rican radical files.

The GAO report concedes that the FBI's ability to prevent terrorist actions is constrained: "Justice Department and FBI officials recognize that the current scope of domestic intelligence operations severely limits the FBI's opportunity to anticipate crimes. They realize that a crime is likely to have been committed before a group comes to the FBI's attention. As such, the operations, as handled by the FBI's . . . Domestic Security–Terrorism Section, are aimed primarily toward the collection of evidence for criminal prosecution."

The fundamental question that terrorism poses to a democratic nation is what should be the relationship between civil liberties and the public's right to safety from terror. One has reason to wonder whether we have debilitated law enforcement agencies through a scrupulous desire to avoid the abuses of the past.

An objective of terrorists in Italy, Germany and potentially here in America is to discredit the democratic process, to force a nation to take countermeasures so drastic that they destroy freedom along with the terrorists. Totalitarian societies do not have serious terrorist problems.

That terrorism is not yet a serious problem in the United States gives us some time to debate freedom and order before public hysteria impels restriction of civil liberties. A little foresight now might prevent overreaction later.

Civil libertarians rightly fear and despise McCarthyism. Perhaps they should consider what a latter-day Joe McCarthy might make of a panic-stricken populace beset with terrorist atrocities for which no one is prepared. That, ultimately, is the worst threat the terrorists present.

Rich Refugees From Terror

In the past 18 months or so, New York has become home for a new breed of refugee. Wealthy and powerful, these new residents come, for the most part, from Italy, Germany and France. They have discovered that their wealth and power, far from affording them protection, have made them targets of groups terrorizing Europe.

While Sophia Loren and Carlo Ponti (who have nested on Central Park South) are the best known among those whom extremists' kidnapping threats have driven from home, they are by no means alone. There are at least 2,000 others.

One wealthy Italian businessman tells of his decision to take flight: "When my daughter—she's only ten—was almost killed by kidnappers on the way to school, I knew that my family had to leave. The chauffeur was seriously wounded and the car was riddled with machinge-gun fire. It was a miracle that she was not hurt. I knew I could not expose my wife and daughter to the danger. Almost every day friends and business associates told us of attempts on them or their friends. We had been forced to live like prisoners in our own homes. I took a loss when I sold my factories and came to America, but the alternative was much worse. Even now, in New York, we are afraid. We hope we are safe, but we cannot be certain."

Most of the émigrés are tight-lipped and skittish. They rarely give interviews and, when they do, they won't let their names be used. Their homes, in many of Manhattan's finest luxury apartment buildings, are equipped with sophisticated intruder detection systems. The Olympic Tower complex, a favorite of many of the wealthiest immigrants, reportedly has retained a consulting firm to evaluate its security system. (This firm is said to have trained counterinsurgency experts for the Rhodesian government.) The apartments in this complex have no number on the doors, and visitors gain entrance only after passing a series of security checkpoints and by making use of special codes. Armed guards frequently accompany them.

Some weeks ago, outside Regine's, a posh New York club, a drunk Italian millionaire, his companion and his bodyguard were startled by a backfiring taxi. The millionaire took quick refuge in a doorway while the guard drew a 9mm machine pistol and scanned the street for a target. The companion, unfamiliar with the millionaire's special vulnerability, stood by in stunned silence.

While one might dismiss all this fear as manifest paranoia, police agencies take it

quite seriously that these refugees may indeed be targets of terrorist attack. Ambassador Heyward Isham of the State Department's Office for Combating Terrorism gives voice to this concern: "It would be foolish to suppose that these groups are unaware of the immigration of their targets to this country and that they have not given consideration to operations against them. I don't wish to be an alarmist, but the concern is genuine."

A New York Police Department official goes further, "I think we've been damn lucky it hasn't happened yet. It's just a matter of time."●

BLOOD AND COFFEE

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. YOUNG of Florida. Mr. Speaker, without question the two most repressive governments in the world today are those in Uganda and Cambodia.

While the Carter administration has found an occasion or two for expressing concern over the deplorable situation in these two countries, little more than that has been attempted. Consequently, the United States continues to purchase large quantities of Ugandan coffee and this year American foreign aid will continue to go to Uganda through various channels, which include the United Nations.

A recent editorial in the Tampa Tribune took note of this situation when it argued for congressional action for an embargo on trade with Uganda. Citing the administration's position that we should not invoke such an embargo, the Tampa Tribune editorialized that the Carter administration's reluctance to stop trade with Uganda is in sharp contrast with its enthusiastic support of a United Nations embargo against Rhodesia, whose human rights record is far better than that of Uganda or almost any other African country.

Why does the administration have such an inconsistent policy? Perhaps it is due to the same reason this administration opposes "direct" aid to Vietnam but is unwilling to shut the door to "indirect" aid. While the administration continues to wallow in a state of confusion in foreign policy, the Congress can put a stop to American dollars being used to help satisfy the needs of these repressive regimes. The sooner we get on with this task, the sooner we may see new leadership emerge in these countries and hopefully we will see a new commitment to protection of human rights along with a commitment to achieving economic development for their "poorest of the poor."

I am attaching the Tampa Tribune editorial for our colleagues consideration.

The article follows:

BLOOD AND COFFEE

The two most savagely repressive governments in the world today, by all credible evidence, are those in Uganda and Cambodia.

In Cambodia, reliable sources estimate that 1.2 million people, out of a population of 7 million, were exterminated by the communists in less than two years. Brutal executions for the slightest infraction of rules continue.

In Uganda, the slaughter is proportionately less but the savagery is as great. Since Idi Amin seized power in 1971, analysts estimate that 300,000 Ugandans have been tortured and killed.

Amnesty International, which investigates human rights conditions around the world, recently cited one example of how Idi Amin disposes of those who have incurred official displeasure: "Detainees are lined up: the first man is given a hammer to kill the next man, he is then in turn killed by another man until the whole line is killed, the last survivor being shot".

The United States can't influence the butchers of Cambodia, because it has no dealings with that wretched country. But it can do something about Uganda. This country buys about one-third of Uganda's coffee crop, Amin's chief source of revenue.

Sentiment in Congress is strongly for clamping an embargo on trade with Uganda. The House voted 377 to 0 to urge President Carter to cut off the coffee; the Senate appears ready to take the same action.

But President Carter, despite his strong emphasis on human rights, has opposed the embargo. The administration gives several excuses. Such action would be contrary to "free trade principles", it wouldn't be effective unless other nations joined it, and it might bring reprisals against the 200 Americans still in Uganda.

None of these explanations seems reasonable to us. An embargo would at least demonstrate the revulsion this country feels at Idi Amin's barbarism; other countries are responsible for their own policies. As for the Americans in Uganda, they have been warned to leave and remain at their own risk.

The Carter administration's reluctance to stop trade with Uganda is in sharp contrast with its enthusiastic support of a United Nations embargo against Rhodesia, whose human rights record is far better than that of Uganda or almost any other African country.

Congress doesn't clear its conscience by merely urging the administration to act against Idi the Corpse-maker. It can, by legislation, stop American dollars from being used to help satisfy his blood lust.●

INTERSTATE AND FOREIGN COMMERCE COMMITTEE REJECTS H.R. 1609

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. SANTINI. Mr. Speaker, the Committee on Interstate and Foreign Commerce today voted by an overwhelming margin of 19 to 9 to recommend to the House that H.R. 1609, the Coal Pipeline Act of 1978, not pass. This controversial bill is scheduled for action by the full House on Friday, July 14, 1978.

A report on coal slurry pipelines and H.R. 1609, the Coal Slurry Pipeline Act of 1978, was developed and approved by the Subcommittee on Transportation and Commerce of the Committee on Interstate and Foreign Commerce and is being distributed to all Members of the House for their information and consideration prior to casting their votes on the bill. The report examines H.R. 1609 in minute detail and compellingly describes the numerous defects in the bill. Specifically, the blanket grant of the power of Federal eminent domain to pipeline promoters and the ill-conceived and uncoordinated certification and regulatory processes established in the bill would result in serious adverse environmental impacts, increased consumer prices for energy and other commodities, excessive economic concentration in the ownership, transportation, and distribution of energy resources, fragmentation of the national transportation policy by undermining the existing common carrier railroad system, substantial unemployment among railroad workers, and prejudice to individual property rights and Federal and State water rights. Members should be fully apprised of the devastating effects of this special interest legislation and I urge them to carefully consider the warnings of the subcommittee's initial report before casting their votes.●

SLEDGE HAMMER AND MEAT AX TAX TACTICS

HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. ULLMAN. Mr. Speaker, passage of proposition 13 in California last month has produced more rhetoric than any single event in recent memory. Unfortunately, reason has fared less well.

A measurable contribution toward balance in this matter was made several days ago by the Wallowa County Chieftain, a weekly newspaper published in Enterprise—a small town in the northeast corner of Oregon and my congressional district. The Chieftain and its editor emeritus Gwenn T. Coffin address the issues of taxing and Government spending in a manner that is helpful to taxpayers, voters, and public servants alike.

I hope my colleagues will find it refreshing and useful:

[By the Wallowa County Chieftain, June 29, 1978]

SLEDGE HAMMER AND MEAT AX TAX TACTICS

Following the approval by California taxpayers of a tax reform measure which would limit property taxes to one percent of the market value of taxable property and roll back assessments to the 1975 level, a group of Oregon taxpayers are trying to get the same kind of a constitutional amendment on the ballot in Oregon this November. A minimum of 61,000 signatures is required by July 7. A number of other states are also pursuing the same goal.

No one can quarrel with the idea, that there is considerable waste in the use of taxpayers' money and we should strive for greater efficiency in government administration, but the achievement of these worthwhile goals calls for more careful and scientific approaches than the sledge hammer and meat axe tactics of the rebellious California taxpayers. After all, a cut of 60 percent in property taxes will have to be made up by a multitude of substitute levies of one sort and another, perhaps falling pretty much on the same people, or a lot of public services, including schools, police and fire protection, help for the indigent, parks, libraries, and

public transportation, to name a few, will have to be drastically reduced. No one should be so naive as to assume that a property tax cut of 60 percent can be charged off to waste alone leaving all essential public services running at the same level as they were before the tax cut.

One of the strange ideas involved in the California-type property tax limitation is the belief that the cost of government should be controlled and held at some pre-existing level, but the cost of everything else, goods, services and wages, should not be controlled but allowed to rise at the whim of labor and business as greed and inflation dictate. It is foolish to the nth degree to suppose that government costs can be held at 1975 levels, or some other arbitrary figure based upon a 60 percent cut in income, while no individual and no private business is able to do it.

A lot of steam would go out of the tax revolt extremists if they were to compare the percentage increase in their property taxes with the percentage increase in everything else—milk, bread, meat, coffee, sugar, and other food items, cars, gas and oil coal, insurance, doctor and hospital bills, drugs, shoes, shirts, dresses, haircuts, plumbers-carpenter-electrican labor costs and a hundred and one other things. If property taxes are three times as high as they were fifteen or twenty years ago, but everything else is four or five times higher than it was at that time, then taxes are not the main culprit.

Another consideration which comes to mind in connection with meat-axe assaults on property taxes is the fact that the average wage earner and small home owner is hurt far more by income taxes than he is by property taxes, but no one is raising a hue and cry about this bite. A wage earner making $12,000 a year, with $7,000 or so of exemptions as the head of a household, may very well be paying a combined federal and state income tax of 25% of $5,000, or $1,250 annually while his property tax on a modest home may not be much over $500. Who is out hollering about the high income tax?

Quite uniformly the leading figures in the property tax revolt are the wealthy, or at least moderately well-to-do, many of whom are not worrying too much about income taxes because they have managed through breaks and shelter to get out from under most of this burden. A lot of others join the movement hoping that they can get their taxes cut too. Few people relish paying taxes, particularly those taxes which they can see and which fall all at once in one heavy blow.

Since about three-fourths of property taxes normally go to defray school costs, it follows that any such cut as the California 60 percent in property taxes will hit the schools primarily. And since three-fourths or more of school costs are normally for teachers' salaries, it is apparent that the net effect of slicing school revenues in half, or more, will be to force the firing of a substantial part of most school faculties. Certainly a $12,000-per-year teacher is not going to work for half that sum. Maybe we can function with half the current teaching staff, but the schools will not bear much resemblance to their present operations.

There are, of course, alternate sources of revenue for schools and many other public services, but the money will usually come from the same people.

We could come pretty close to making up a 50 or 60 percent cut in property taxes for schools if we charged parents of school children a tuition of around $500 or $600 per year per child.

We could make up the property tax loss by a poll tax of around $300 for each man, woman and child in Wallowa County.

If the average family spends about half its income on items normally subject to a sales tax it would take considerably more than a five percent sales tax to make up the loss in property taxes. Assuming the average household spends $6,000 annually on items subject to a sales tax, a five percent sales tax would produce $300 per household and some 2,000 households would only raise $600,000, and this is not enough.

If property tax cut is not limited to homes, but is applied generally, the principal beneficiaries are the utilities (which pay about one-third of all the property taxes in Wallowa county) and a few wealthy individuals whose property ownership is very substantial. Few people, however, will admit to being "wealthy". These owners of large property interests are able to cope with curtailed public services resulting from substantial property tax cuts far better than families at the lower rungs of the economic ladder. One who is dissatisfied with curtailed schools, police, public transportation and the like can provide his own services in these areas if he has enough money, and he is not concerned about cuts to the indigent since these cuts don't hit him.

For our part we could get far more enthused over a limit on income taxes when we think that 25% of this tax goes for purely military operations. With 75 percent or so of property taxes going for schools and spent locally under our supervision, and for purposes we consider high on our priority list, we find property taxes, while not pleasant and sometimes even painful, much less objectionable.

In the final analysis, however, if people are convinced that government costs are high enough and should not rise any faster than private business costs, or than inflation, the sensible procedure is to set a limit of not more than the annual inflation rate which government budgets may be increased in any one year. This would hold the line without creating all the chaos involved in a cut of 60 percent coupled with tax limitations which would allow no growth in taxes even to match inflation.

And we should bear in mind, if we want to keep our perspective, that taxes in this country are substantially lower than they are in almost every other country in the Western World and lower in Wallowa county than they are in almost every other part of Oregon. This doesn't mean that we should be indifferent about inefficiency and waste in government just so long as we don't get carried away with the idea that we can cut taxes anything like in half by eliminating this waste.●

ENTITLEMENTS

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. McKINNEY. Mr. Speaker, to date, this country's only energy program consists of a bureaucratic "Rube Goldberg" known as the entitlements program whereby the benefits of price controlled domestic oil are distributed among all refiners. It's a clumsy mechanism at best and one that should not be necessary for long,[1] however it is expected that the program will be a point of controversy during House consideration of the Department of Energy (DOE) Authorization Act (H.R. 11392 and H.R. 12163). In my view, that controversy is an unnecessary one generated by an understandable reluctance to come to grips with the complexity of the program on the one hand, and an unfortunate surge of regional energy politics on the other. But neither of these should be permitted to obscure the two main considerations which argue for the defeat of the Moore amendment:

First. The residual entitlements adjustment is not "a New England subsidy at the expense of the rest of the country" as has been reported in the media but the equitable readjustment of a anamalous situation whereby the east coast is already paying more than the rest of the Nation for refined oil. Of course, some States gain and others lose in an almost inverse relation to their gain or loss under the current scheme. But the cries of the alleged losers cannot overcome the fact that the result of the DOE proposal is a more equitable national program.

Second. This particular proposal—to afford almost full entitlements treatment to Caribbean residual oil—predates both the Carter Presidency and his national energy plan (NEP). Any suggestion that the entitlements program is being manipulated to "buy Northeast votes for the NEP" is both ludicrous and insulting since the NEP's crude oil tax would abolish the deal's alleged payoff—the entitlements program.

The New England Economic Research Office has been actively involved in researching and advocating fair entitlements treatment for Caribbean residual oil for more than 3 years. Their economist and his staff have prepared an informative list of questions and answers regarding the entitlements program and the DOE proposal. I recommend these to my colleagues before reaching a decision on the Moore amendment.

The material follows:

QUESTIONS AND ANSWERS ON RESIDUAL OIL ENTITLEMENTS

The Department of Energy's proposed changes in the residual oil entitlements regulations will soon be the subject of debate on the floor of the House when Congressman W. Henson Moore of Louisiana attempts to amend the DOE Budget Authorization to prevent the new regulations from going into effect. A similar attempt in the Commerce Committee failed by a 22 to 20 vote.

This memorandum is designed as a review of the issue in light of the erroneous arguments presented against the East Coast position in the Commerce Committee debate and in the press.

(1) WHAT IS THE ENTITLEMENTS PROGRAM?

(a) By creating domestic crude oil price controls Congress established a differential in price between high cost foreign and low cost domestic oil.

(b) Since almost 50 percent of national oil consumption comes from foreign sources, a mechanism was needed to spread the benefits of the price controls to all consumers. That mechanism is the entitlements program.

(c) The effect of the complex entitlements regulations is to give each American refiner of petroleum access to the same percentage of lower priced domestic crude oil as his competitors, thereby spreading

[1] Enactment of the proposed Crude Oil Equalization Tax will eliminate the need for an entitlements program since the tax eliminates the difference between U.S. price controlled oil and world price oil, the economic differential distributed by entitlements.

both the burden of the high priced OPEC oil and the benefits of the price controls equally to all refiners.

The lower average crude oil prices should be reflected in lower consumer product prices.

(2) WHY ARE WE SEEKING A CHANGE IN THE CURRENT REGULATIONS?

(a) At present an anomaly exists in the system. Imported residual oil, the mainstay of electric utilities, hospital, apartment buildings and industry on the East Coast, is not presently eligible for full benefits under the entitlements program. This results from the fact that the refineries which produce most of the residual oil for the East Coast market are located in the Caribbean and therefore do not participate in the Entitlements Program.

(b) These refineries are owned largely by American firms but were located in the Caribbean for the following reason. In the Fifties and Sixties domestic crude prices were much higher than foreign prices and imports to the United States were severely restricted to protect the domestic producers. However, in order to compete with cheaper coal for the East Coast industrial market, the oil companies were allowed to build in the Caribbean, refine cheap foreign crude, and export it into the East Coast. Thus the Caribbean has been our traditional source of residual oil, and "Resid" remains the only finished product imported to the United States in significant quantities.

(c) The only difference between a barrel of imported residual oil and a barrel of oil as crude and refined domestically, as is 40 percent of all our U.S. crude oil, is the location of the refinery that produces it. Each barrel is equally foreign in origin yet the barrel of crude oil receives a full entitlement, worth about $2, while the barrel of residual oil receives only a 30 percent entitlement, worth about 60 cents. In effect, by not sharing fully in entitlements the residual oil user is subsidizing the consumption of other products such as gasoline, that are domestically refined from foreign crude.

(d) The present regulations therefore contradict Section 4(b)(1)(F) of the Emergency Petroleum Allocation Act of 1973 which requires "equitable distribution of crude oil, residual fuel oil, and refined petroleum products at equitable prices among all regions and areas of the United States . . . " It is this inequity we seek to redress.

(3) WHAT WILL DOE'S PROPOSED REFORMS DO?

(a) Since 1976 DOE officials have generally agreed that it is necessary to end the unfair and arbitrary distinction between entitlements given imported crude oil and those given imported industrial fuel oil.

(b) The expected reforms will eliminate the so called "reverse entitlement" that raises the price of domestic residual oil sold into the East Coast. They will also grant a full entitlement, less 63¢ domestic refinery protection, to importers of foreign residual oil.

(c) This will result in a 69¢–73¢ reduction in the cost of a barrel of residual oil used on the East Coast, or about 1.7¢ per gallon.

(4) IS THERE A CONNECTION BETWEEN THE TIMING OF THESES CHANGES AND THE STALLED NATIONAL ENERGY PLAN LEGISLATION?

(a) As every Member of the Caucus knows, we have been seeking these changes since 1976 and have had DOE agreement on the merits of our case for some time.

(b) DOE opted to act now so as to allow residual oil marketers to proceed with the orderly build up of inventories through the summer for the next heating season. Failure to deal with the new regulations now could lead to higher prices or even shortages next winter.

(c) The implications of comprehensive energy legislation are far too sweeping to have this regulatory change be a significant or influential consideration.

(d) In short, there was no deal cut for East Coast support on the Energy Plan.

(5) WHO WILL BENEFIT?

(a) It is estimated that New England states will receive a net benefit of about 76.5 million in reduced residual oil charges per annum, but contrary to popular opinion, the program benefits the entire East Coast. Many states benefit more substantially than most of the individual New England states.

(b) Our analysis also indicates that non-East Coast residual oil users who buy on the Gulf Coast market should also benefit from the East Coast entitlements change. At the present time domestic refiners producing for non-PAD I (East Coast) markets do not appear to be passing their full entitlements benefits through to the end customers. Since the Gulf Coast price generally tracks with the foreign price, a lowered import price should also reduce prices on the Gulf. Thus, the new regulations should help electricity consumers in Louisiana and other non-East Coast states with lower prices as well.

(6) WHO WILL PAY?

(a) The new regulations would result in an increased cost on all other petroleum products of between one-tenth and two-tenths of 1 cent per gallon.

(b) This sum would be paid by all consumers of nonresidual oil products including those on the East Coast. If and when this cost is passed through, the driver of a car in New York or Florida will bear just as much of the burden as a driver in California in increased gasoline costs.

(7) WHO IS COMPLAINING ABOUT A PROGRAM THAT WILL PROBABLY BENEFIT ALL CONSUMERS EAST OF THE MISSISSIPPI WITHOUT HAVING SERIOUS ADVERSE EFFECT ON THE REMAINDER OF THE COUNTRY?

Refinery interests in the Gulf Coast who currently are avoiding the "reverse entitlement" and not passing full entitlements through to non-East Coast consumers, will see their benefits from the entitlements programs decreased.

(8) SPEAKING OF SUBSIDIES

If the East Coast Resid Entitlements Program is considered to be a subsidy how about the other exceptions to the Entitlements Program such as:

(a) The Small Refiner Bias: This gives extra entitlements to small refineries up to 175,000 barrels a day in capacity. According to DOE estimates this program, supposedly designed to compensate for a small refiner's diseconomies of scale compared to large refineries, reduces the overall value of an entitlement by 12¢ a barrel. This refiner windfall costs all consumers about $748 million a year as compared to a price tag for East Coast resid entitlements of less than $450 million.

(b) Puerto Rican Naphtha: This program allows a non-refiner petrochemical firm in Puerto Rico to get full entitlements on imported naphtha feedstocks. It would appear that this program costs the entitlement pool, and therefore consumers, another $53 million a year.

If we are willing to "subsidize" petrochemical plants in Puerto Rico, refineries in Louisiana and consumers across the country to drive their cars on a gallon of gasoline produced from Saudi Arabian crude why should we not extend at least equal benefit to electric consumers, churches, hospitals and apartment dwellers who use residual oil?●

ENERGY RESEARCH AND DEVELOPMENT AUTHORIZATIONS PRODUCT OF LENGTHY PROCESS

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. TEAGUE. Mr. Speaker, in order to assist our colleagues in understanding H.R. 12163, the Department of Energy 1979 authorization bill developed by our Science and Technology Committee, I am submitting for the RECORD a chronology of the committee's many months of complex, difficult work in considering and preparing this important legislation.

It is significant that this is our first authorization bill for the new Department of Energy which has been considered in its entirety after the DOE came into being. Last year's bill applied originally to ERDA before it merged into DOE.

It is especially important to note that our DOE authorization bill, H.R. 12163 must be distinguished from H.R. 11392 prepared by the Committee on Interstate and Foreign Commerce and by the Committee on Interior and Insular Affairs. Our H.R. 12163 authorizes for the DOE's research, demonstration, and development programs, whereas H.R. 11392 authorizes other DOE activities, particularly the regulatory and commercialization aspects.

In this chronology, our handling of the Clinch River breeder reactor controversy, and also our jurisdictional negotiations with the Commerce and Interior Committees are among the factors included.

The chronology follows:

CHRONOLOGY OF SCIENCE AND TECHNOLOGY COMMITTEE ACTIVITIES

JANUARY

Fiscal year 1979 DOE authorization

The Full Committee held its DOE Authorization posture hearing on the FY 1979 budget request submitted by President Carter.

Both Subcommittees, Fossil and Nuclear Energy and Advanced Energy and Conservation conducted Authorization hearings with DOE and outside witnesses.

Jurisdiction

Committee staff initiated contact with staff of Subcommittee on Energy and Power (of the Committee on Interstate and Foreign Commerce) to find areas of common agreement.

Chairman Teague sent a letter to Speaker O'Neill on January 27, 1978, expressing the Committee on Science and Technology's desire for speeding passage of an FY 1970 DOE Authorization bill. Specifically citing the Committee's past year's frustration, Mr. Teague delineated that there would be no attempt by the Committee to authorize any programs that were not clearly included in its FY 1978 Committee bill (signed into law as P.L. 95–238 on February 25, 1978.)

"Our examination of the draft DOE Authorization bill proposed by the Administration indicates that there are several items of jurisdiction that overlap between Committees which may hinder the speedy passage of our overall authorization bill for this year. The R&D aspects which require decisions on

new programs and on construction cannot wait for the entire legislative package to be resolved if we are to provide any practical legislative action before the Appropriations Committee begins its work.

Therefore, our Committee is prepared to introduce a bill which we hope will eliminate all the referral problems and allow us to keep to our authorization schedule. We plan to do this by introducing a bill almost identical to the authorization language contained in the bill H.R. 6796 of last year. We therefore feel that there should be no problems with the referral of this bill."

Discussions were held with DOE officials prior to receipt of the DOE omnibus bill. The Committee requested that the bill follow House jurisdictional lines to the maximum extent possible to avoid referral problems. The DOE officials involved included the Acting Comptroller and the Deputy Secretary and Undersecretary of the Department.

The Committee staff held separate meetings with the President's Science Advisor, the Hon. Frank Press, to review the policy issues associated with the Administration's Research and Development programs.

FEBRUARY

Fiscal Year 1979 DOE Authorization

Subcommittee hearings on the DOE Authorization request for FY 1979 continued, featuring witnesses from DOE program offices, other agencies, and private entities.

A Committee bill, H.R. 10969, was introduced containing only those programs traditionally authorized by the Committee on Science and Technology. This is the bill referred to in the January letter to Speaker O'Neill.

Three Science and Technology subcommittees—Fossil and Nuclear, Advanced Technologies and Conservation and the Environment and the Atmosphere—completed mark-up of their assigned portions of the bill, H.R. 10969, and prepared for Full Committee mark-up.

While Science and Technology Subcommittees were marking up H.R. 10969, the Department of Energy omnibus bill, H.R. 11137, was introduced and referred jointly to several committees including Science and Technology, Interstate and Foreign Commerce, Interior and Insular Affairs, Banking and Currency, Armed Services and International Relations. The complicated referral was due to length and breadth of the proposed legislation.

The Committee Chairman and Subcommittee Chairmen and senior DOE officials discussed loan guarantee programs contained in prior authorization bills and potentially new areas of interest, such as coal incentives.

Clinch River Breeder Reactor

Early in February, the Committee began to negotiate a breeder compromise with Secretary Schlesinger. After several lengthy discussions, the Secretary outlined, in a letter to the Chairman, a proposed "compromise"; however, Mr. Teague refused to consider the suggested wording because it opened with a blunt statement that the CRBR would be terminated.

President Carter personally phoned Chairman Teague to assure him that although he opposed the Clinch River Breeder Reactor Project, he (the President) favored a strong breeder R&D effort to provide the U.S. with the option of having available the most advanced and safest breeder reactor technology possible.

During late February and March, almost a month of intense daily negotiations on the CRBR occurred between the Science and Technology Committee and the Administration. The leadership of the Science and Technology Committee and the DOE were constantly involved. Representatives of the Senate Energy Committee, GAO and the House Appropriations Committee were kept informed. Concurrently, there were also frequent conferences with representatives of the nuclear industry, the involved utilities and the contractors for the CRBR.

Jurisdiction

Senior staff members of the Science and Commerce Committees met to review the actions of the Subcommittees of the Science Committee in its mark-up of H.R. 10969 (and subsequent clean bill, H.R. 12163) and the yet-to-be introduced companion Commerce bill. All available data was supplied to the Commerce staff at that time including rationales for the various actions taken by the Committee on Science and Technology.

MARCH

Fiscal year 1979 DOE authorization

On March 14, 15, and 21 the full Science and Technology Committee held mark-up sessions and agreed on all of the FY 1979 DOE Authorization bill except nuclear programs, including Clinch River and general provisions of the bill.

Clinch River Breeder Reactor

The negotiations described in the February summary continued for much of the month of March. They culminated in a letter dated March 17, 1978, from Secretary Schlesinger detailing the compromise. The letter proposed to complete Clinch River systems design, but not to build the project. The letter proposed further to redirect the nation's breeder program by reassigning 90 percent of the Clinch River team to the detailed design of a larger, more advanced fission facility. The study would include alternate fuel cycles and reactor designs, and provide for component design and testing.

Undersecretary Myers and other DOE witnesses presented two days of detailed testimony on the proposal to the Committee. The Administration also prepared answers to detailed Committee questions on the proposal.

Jurisdiction

The Committee received a joint letter from Chairman Staggers of the Committee on Interstate and Foreign Commerce and Chairman Udall of the Committee on Interior and Insular Affairs expressing appreciation for the Committee on Science and Technology's efforts in moving ahead with its own R&D bill, H.R. 10969, but stating that because of jurisdictional questions they would request sequential referral of H.R. 10969 to their committees. A letter to Speaker O'Neill from Chairmen Staggers and Udall, expressing the same concerns, was sent the same day.

APRIL

Fiscal year 1979 DOE authorization

Held full Committee mark-up and passed H.R. 10969 by voice vote, a quorum being present. A clean bill was requested incorporating all the changes to H.R. 10969.

H.R. 12163, a clean bill, was reported out on April 20, 1978 (House Report 95–1078, Part I) and referred solely to the Committee, reflecting that Committee actions had not exceeded jurisdictional grounds.

Chairman Teague sent a letter to the Rules Committee requesting that H.R. 12163 be placed on the Rules calendar at the earliest opportunity so as to assure floor action prior to the May 15, 1978 budget date.

H.R. 12163 was sequentially referred to the Committees on Interstate and Foreign Commerce and Interior and Insular Affairs for a period ending not later than May 15, 1978, for consideration of such provisions in Title IV and in the remainder of the bill as fall within the jurisdictions of those committees.

Clinch River Breeder Reactor

Several discussions were held with members of the Administration and Industry to explore every possible compromise position on the Breeder Reactor program prior to full Committee mark-up. Many of these sessions had to be cancelled and rescheduled for evening hours and Saturday due to legislative activity on the floor and conflicting hearing schedules.

On April 11, the full Committee met to mark-up the remaining nuclear and general provisions portions of the bill, and Mr. Flowers offered the amendment containing the Administration's proposed compromise. The actual votes took place on April 12, 1978.

The Committee in effect defeated the Administration's compromise plan and approved Mrs. Lloyd's plan, representing strong continuing support for CRBR, in addition to the proposed 30-month study. As approved by the Committee, the bill contains authorizations of $172.5 million for the CRBR, plus an added $35 million to begin the Administration's proposed study. The bill as amended was approved by the full Committee on April 18, under the new number H.R. 12163, which put all programs which the Science and Technology Committee felt could be interpreted as overlapping other committees' jurisdiction within its Title IV.

Jurisdiction

Chairman Teague, for the Committee, sent another letter to Speaker O'Neill following up on the January letter regarding R&D Authorization and Science Committee intent to legislate only on programs previously legislated on by the Science and Technology Committee. Mr. Teague stated to the Speaker that those items which for historic reasons, or because of their evolution through the R&D stage may have follow-on aspects, had been placed in Title IV of H.R. 12163 in order to facilitate the sequential referral. It was the opinion of the Committee that items remaining in Title I, II and III were beyond doubt completely solely R&D within the jurisdiction of the Committee on Science and Technology.

Chairman Teague received a letter from Subcommittee Chairman John Dingell of the Subcommittee on Energy and Power of the Committee on Interstate and Foreign Commerce, acknowledging sequential referral of H.R. 12163, and his desire to work for a timely resolution of jurisdictional issues.

In contrast to the continuing jurisdictional disagreement with the Commerce Committee, the Science Committee and Armed Services easily resolved potential jurisdictional problems. The Science Committee was pleased with the Armed Services Bill as introduced and reported. The Armed Services Committee raised no objections to H.R. 10969 as introduced and wrote a letter to Chairman Teague complimenting the Science Committee on the bill as reported.

MAY

Fiscal year 1979 DOE authorization

The Committee on Interior and Insular Affairs reported out the Science and Technology bill, H.R. 12163, on May 15, 1978. Referral of H.R. 12163 to the Committee on Interstate and Foreign Commerce was extended for an additional period ending not later than May 19, 1978. The Commerce Committee reported out the bill H.R. 12163 on May 19, 1978.

Clinch River breeder reactor

New negotiations began between Secretary Schlesinger and Members of the Senate, attempting to find a Senate solution to the stalemate between the Administration and the Committee on Science and Technology.

Chairman Teague began an attempt to arrange direct conversations by top management principals representing the nuclear and utilities industries with the President and/or Secretary Schlesinger, with the prospect of achieving some *new* compromise. It is hoped that a new compromise, acceptable to a majority in the House, would generate some

kind of forceful action to break the stalemate, avoid a new veto and guarantee a viable, effective breeder reactor program.

Jurisdiction

Several staff to staff meetings between Science, Interior and Commerce were held with no resolution of jurisdictional issues. It appears that Commerce has failed to state, in definitive terms, their rationale for marking up Research and Development programs. The Commerce staff does not agree with the standard definitions for Research and Development projects provided them on request by the Department of Energy. Apparently they feel that huge portions of R&D areas are not really R&D but cannot define why. As a result, no jurisdictional agreement was reached prior to mark up of the jointly referred H.R. 11392.

The Science Committee also requested hearing and mark up transcripts on the bill, H.R. 11392, from both the Commerce Committee and the Interior Committee to aid in its deliberations on this jointly referred bill. Interior Committee readily complied but Commerce Committee informally refused to cooperate. The Science Committee gave Chairman Staggers or his designated subcommittee chairman the opportunity to testify before Science and Technology on the major changes that committee made to H.R. 11392. That offer was declined.

JUNE

Fiscal year 1979 DOE authorization

The Science Committee, with a quorum present, on June 6, reported the bill, H.R. 11392, adversely because of the R&D programs (former ERDA programs) contained in the bill and the numerous other provisions which adversely affect Science and Technology jurisdiction. Although through joint referral the bill is clearly within the Committee's jurisdiction, the Committee views the bill, H.R. 12163, as the preferable vehicle for consideration of Science and Technology programs.

JURISDICTION

The Science and Technology Committee adversely reported the Commerce bill, H.R. 11392, due to the multitude of overlap in programs with the Science Committee bill, H.R. 12163.

Subsequent to this action, the staffs of all the cognizant committees met on several occasions to eliminate the duplication of authorized programs and also to narrow as much as possible other areas of disagreement such as the proposed statutory langauge on spent fuel storage.

An agreement was finally reached the latter part of June and is reflected in amendments to both H.R. 12163 and H.R. 11392. These amendments will be introduced by Chairman Teague of the Science Committee and Chairman Staggers of the Commerce Committee when the respective bills are brought to the floor.

In both Chairman Teague's substitute amendment to H.R. 12163 and in the bill as reported, Titles I through III contain these programs solely within the research and development jurisdiction of the Committee on Science and Technology. Title I programs include solar, geothermal, hydroelectric, and conservation research and development (R&D). Title II programs include coal, oil, gas, nuclear fission, and nuclear fusion R&D. Title III programs include energy-related health environmental and safety research. Title IV contains programs within the Science Committee's jurisdiction since they are primarily R&D but the Commerce and/or Interior Committees have a jurisdictional interest. The joint Title VII of H.R. 11392 contains items which either have significant elements of R&D or were previously authorized by S&T (i.e., uranium enrichment).

There is little difference between the first three titles in the substitute and in the bill as reported. The Commerce and Interior Committees for the most part dropped their earlier claims for jurisdiction on these titles. The Nuclear Materials Safeguards and Security program was deleted from Title II since it was authorized in the Armed Services bill, H.R. 11686.

Policy and Management was changed from "such sums" as reported and was broken out into ten subprograms totaling $139.4 million. Other policy and management funds for DOE are in H.R. 11392.

Among the areas still in disagreement, the most important is the coal-based alternate fuels commercialization project added to H.R. 11392 by the Commerce Committee. The Science Committee feels this is a technology demonstration plant which is clearly not in Commerce's jurisdiction.

It should be noted that all the concerned Committees' staffs worked with great patience, diligence and in a spirit of compromise which brings credit to the House of Representatives.●

THE ROLE OF BLACK COLLEGES

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. STOKES. Mr. Speaker, the importance of black institutions of higher education cannot be underestimated. Institutions such as Tuskegee Institute School of Veterinary Medicine of Alabama, Xavier University College of Pharmacy of Louisiana, Meharry Medical College of Tennessee, and Howard University of Washington, D.C., have sought to fulfill the special mission of insuring the black presence in all facets of higher education. Indeed, Meharry and Howard Medical Schools have trained over 50 percent of the black doctors and dentists in America; while Tuskegee has trained 85 percent of all black veterinarians in America; and Xavier has trained 60 percent of all black pharmacists in America. When it is realized that blacks still account for less than 3 percent of the practicing physicians, 1.5 percent of the dentists, less than 2 percent of the veterinarians, and 1.7 percent of the pharmacists, then the singular importance of these institutions becomes clear. It is a fact that together Tuskegee, Xavier, Howard, and Meharry constitute national resources which cannot be duplicated in other institutional settings. Despite the standards of excellence and tradition which these institutions preserve, each is struggling to survive under the mounting pressures of increased costs.

It was out of my concern for the plight of these institutions that I authored the following language which appeared in the report which accompanied the Labor/Health, Education, and Welfare appropriation bill for fiscal year 1979,

The committee recognizes the historically important role that the Tuskegee Institute School of Veterinary Medicine of Alabama, Xavier University College of Pharmacy of Louisiana and Meharry Medical College of Tennessee have played in the education of disadvantaged students and expects HEW to provide financial assistance from appropriated funds to these schools which are experiencing operating deficits.

Mr. Speaker, in an effort to better familiarize my colleagues in the House with the importance of preserving these institutions, I am submitting an excellent article by Alexis Scott Reeves, Steven A. Holmes, and Jerry Schwartz, which appeared in Cleveland Plain Dealer on July 2, 1978.

WHITES GET PLENTY OF ANSWERS

(NOTE.—Until the late 1960's, a black person in the South who wanted a college degree could get it only from a black institution. As a generation of black leaders rose in the United States, the names of the colleges that fostered them—Morehouse, Howard, Tuskegee and Fisk—became known by Americans, black and white.

(What of these colleges today? How do these relatively small schools survive an age of tight money and integration? The Atlanta Constitution sent staff writers Alexis Scott Reeves, Steven A. Holmes and Jerry Schwartz to 14 campuses.)

Xavier University in New Orleans publishes a little pamphlet—black with white lettering.

"There are 253 Catholic colleges in the United States," the cover of the pamphlet says. "One is black."

There are 23 schools of veterinary medicine in the U.S. One—Tuskegee Institute in Tuskegee, Ala.—is black.

There are 85 private university law schools in the U.S. One—at Howard University in Washington, D.C.—is black.

Almost every one of the 107 historically black colleges and universities in the U.S. has a similar distinction. The president of each college stresses its unique "mission" and reason for being.

To the larger white community, a question persists: Why do black colleges exist when the doors have been opened to blacks at all the colleges in the country?

If that question is asked of a student, teacher or administrator at a predominantly black college, the first response is likely to be a loud laugh—quickly followed by reasons something like this:

There is strong evidence on many fronts that equal opportunity is more slogan than practice on many college campuses.

"There may be equal opportunity," said Tuskegee's dean of veterinary medicine, Walter Bowie, "but if that's so, can you tell me why there was not one black freshman at any other veterinary school in the United States last year except Tuskegee? I'll tell you this: It wasn't for lack of trying."

Black high school seniors who are the product of inner city or rural American schools find themselves at a distinct disadvantage when forced to compete with white graduates of suburban or private schools.

Typically, the freshman at a college funded by the United Negro College Fund scores 648 on his college board entrance exam (verbal and math scores combined.) The average score for freshmen at all U.S. colleges is 903. The black institutions are equipped to provide remedial courses designed to bridge that gap.

For many young blacks, especially those who have grown up in predominantly white surroundings, the black college represents a cradle of authentic black American culture they can't find anywhere else. Virtually every important black leader in U.S. history who attended college has been a graduate of one of these institutions.

For Murray Riggins, this was a large part of his reasoning. He wanted to be around black people.

Riggins, a first-year student at Meharry Medical College in Nashville, Tenn., grew up in a predominantly white area of Cincinnati, attending a high school where he was one of nine blacks in a student body of 238.

"You get tired of being the only one in a given situation," Riggins said. "It was like I was always looked at as a black first, and so I wasn't expected to make it."

When it came time for college, Riggins spurned the overtures of such as Massachusetts Institute of Technology, and headed south—to the all-male Morehouse College in Atlanta.

Although the nation's historically black colleges and universities, 92 of which are in the South, remain troubled by unstable financial bases, relatively poor facilities, stiff competition by white schools for students and faculty, and attempts to dissolve them into nearby white institutions, their enrollments continue to increase.

Education experts attribute the rise to several factors, including a general increase in the number of blacks attending college.

According to Lawrence V. Barclay, minority affairs officer for the College Entrance Examination Board, there may also have been a lessening in recruitment of blacks by predominantly white institutions.

Barclay cites the reaction of major universities to the ending of a special Ford Foundation program as an example of the schools' diminished recruitment drives.

"The so-called openness of the white institutions is a myth and a well propagated one," said Fisk University President Dr. Walter Leonard. His school in Nashville, Tenn., is one of the oldest black colleges in the South.

"Look at the number of blacks who enter white institutions, and then look at the number who actually graduate, and you will see how much of a myth it is."

The enrollment of black students in predominantly white schools has been skyrocketing in recent years. Black enrollment in the mainstream colleges shot from 282,000 in 1966-67 to more than 1 million in 1976-77.

The 1977 figure means that there are five times more black students in white schools than there are in all the black schools in the U.S.

Still, the black institutions grant a disproportionate share of degrees. In 1974, more than 40 percent of all blacks who earned college degrees earned them at a black school, according to statistics compiled by a research organization in Washington, D.C.

Precise figures on dropout rates are difficult to come by. However, the Census Bureau estimates that while 43 percent of all whites who entered college in 1971 dropped out by 1974, 59.1 percent of the blacks who entered the same year left before graduation. Even more significant, black educators say, is the number of students who transfer to their schools from white universities.

"In a white university, you can't really get involved with those extra things that make college life enjoyable," said Bryan William, who left predominantly white Southern Illinois University in Carbondale, Ill., for Tennessee State University in Nashville. "Here, everything fits you."

Or, as Denise Welborn, a freshman at Hampton Institute in Hampton, Va., put it, "I didn't need the social strain. It's bad enough dealing with academics." Money runs a close second to racial pride and the feeling of being "at home" when it comes to reasons for opting for a black school. Coming from generally poor backgrounds, many students at black colleges simply cannot afford to go to white schools, where tuition tends to be higher.

Other important reasons for the appeal of black colleges is their relaxed admissions standards and a general policy of bending over backward to keep students from flunking out.

Once students are in, black schools try to keep them there. "We have a high repeat rate," said Dr. Thomas W. Johnson, assistant dean for student affairs at Tennessee State. "We try to salvage our students. What difference does it make if a student has to take a course over again? The important thing is that he learns it."

Despite continued popularity of black colleges, the institutions face critical problems in the future.

While fighting to maintain fiscal solvency, they must continue to defend their existence to a society that increasingly is viewing them as relics.

Tennessee State is under a federal court order to merge with neighboring University of Tennessee at Nashville. When the merger is complete, Tennessee State will retain its name, but it will be about 50 percent white.

"Public black colleges will have to do an effective selling job of selling to legislators if they are to remain autonomous," said John Hill, director of the Office for the Advancement of Public Negro Colleges.

In Florida, extensive lobbying from blacks and a determined effort by black legislators staved off an attempt to merge Florida A & M University in Tallahassee with Florida State, in the same city.

Administrators, faculty members and most students at black colleges feel that the notion their schools are no longer necessary because American society is integrated is a new argument growing out of the same old base—American racism.

As Americans, we proudly celebrate other heritages—St. Patrick's and other special days—but somehow there is something threatening to American society when we start talking about blacks. The kinship factor is not there," said Dr. Carl E. Anderson, Howard University administrator.

And Hill agrees:

"Keeping the black colleges is not a plea for segregation. It's a plea for pluralism."●

TRIBUTE TO LLOYD CAULKINS

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. SKELTON. Mr. Speaker, June 22, 1978, I lost a very admired and close friend. The death of Lloyd Caulkins brings an emptiness to my life, and to the lives of the many who knew and respected him. Lloyd Caulkins, of Stover, Mo., was a man active throughout his life, a man who worked for the benefit of others.

At the time of his death he was not only serving as president of the Morgan County Farm Bureau, he was also treasurer of the Fourth Congressional District Political Action Group, Missouri Farm Bureau, Democratic committeeman for the Hawcreek Township, boardman on the American Heart Association of Missouri, and affiliated with the Rehabilitation Committee, Region 2 Health Service Agency, and the Ozark Region Manpower Committee. I was honored to have Lloyd Caulkins as a member of my district farmer's advisory committee.

During his lifetime, Lloyd Caulkins was president of Grunde Electric Cooperative at Trenton, Mo., and founded the Lemar, Iowa Electric Cooperative. He was a member of the Stover United Methodist Church and the Stover Lions Club.

I extend my sincere sympathy to Mrs. Alice Caulkins, also a dear friend of mine, and join her and the Caulkins' family in a great loss.●

HELEN COPE: RETIRED PERSON

HON. ROBERT P. GRIFFIN

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Tuesday, July 11, 1978

● Mr. GRIFFIN. Mr. President, this spring our office had the distinction of hosting not only the eldest of the senior citizen interns, but also the only one who made a big splash on network television.

Mrs. Helen Cope, 88, of Farmington Hills—a suburb of Detroit—attracted attention not only because of her age, but also because of her energy, her refreshing outspokenness and her many obvious talents. NBC television featured her on its "Nightly News" and on the "Today Show" to help tell the American public what the congressional senior citizen intern program is all about.

Mrs. Cope, quite simply, is a dynamo. She has emphasized time and again that, "I don't consider myself a senior citizen; I am a 'retired person.'"

She came to us after recently returning from a trip to South America, where she toured the ancient Incan city of Machu Picchu high in the Andes, and where she visited the headwaters of the Amazon.

Two years ago, she traveled to Israel to tour the Holy Land, and currently she has her name in for a "people to people" tour of the Soviet Union.

In the Detroit community, Mrs. Cope still drives herself to her many activities, which include the American Association of Retired Persons, the Art Institute Founders Club, Friends of the Library, and the Metropolitan Opera Association.

She also is a past president and still active in the American Association of University Women, a past president of Church Women United, and on the board of the Greater Detroit Memorial Society and the Women's Republican Organization of Farmington.

Mrs. Cope is not only a busy lady—but also a lady of definite, informed, and articulate opinions on all the major issues of our time, ranging from tax reform and abortion to the Panama Canal Treaties and arms control.

Though she protests that she is not—in her words—"a women's libber" Mrs. Cope is without doubt one of the most liberated women I have ever known. I say that because she is a woman not only of ability and intelligence, but also of achievement—one who beat the odds that were stacked against women of her generation.

She graduated from the prestigious University of Michigan in 1912—in an

era when very few women were permitted the opportunity for higher education. She pursued graduate studies at St. Louis University, the University of Chicago, and Smith College, studying law, accounting, case work and psychology.

Mrs. Cope taught school and then joined the Detroit Department of Public Welfare where she worked for 25 years, first as a case worker and then as a supervisor until her retirement in 1950. During that period, she went back to the University of Michigan and received her M.A. in social work.

As an expert on welfare law and social security, Mrs. Cope not only pursued her profession with distinction but also reared a family and was active in her community.

After her retirement Mrs. Cope and her husband Edge Cope, who died in 1974, moved to Farmington where together they led a drive to keep a racetrack out of town. After winning that battle, they launched another successful campaign, to grant the township its city status.

It is little wonder that Helen Cope—with her interest in people and her interest in politics—should learn about the congressional senior citizen intern program and set out to become a part of it.

We were delighted to have her with us, because she is truly a delightful person. But even more importantly, this experience proved anew what a magnificent—and largely untapped—natural resource we have in our senior citizens. Their wisdom, experience and perspective are gifts this Nation should accept with gratitude and utilize with enthusiasm.

The senior citizen intern program provides us with the opportunity to do just that.●

THE WISHFUL TRANSCRIPT

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. STEIGER. Mr. Speaker, in this month's Atlantic, there is a fascinating article by Robert Bendiner, "The Wishful Transcript," that captures well the state of the CONGRESSIONAL RECORD today:

> With an efficiency that should be the envy of any daily newspaper in the land, everything said on the floor of both houses is amended and tidied up—by the official recorders, the speakers themselves, or their staffs—and in its improved form is rushed into print in time for mailing or delivery the next day. . . . But more remarkable than the speed of the operation is the metamorphosis of the prose.

In those two sentences, Mr. Bendiner neatly sums up the pluses and minuses of our official record of proceedings. He makes note of the efforts to televise sessions and to "bullet" unspoken remarks, but correctly points out that there are still a lot of shortcomings in how well we are opening our proceedings to the American people. He says:

So—if you want a full report of who said what, you will still have to go to the Congressional Record. However, with that permanent source still clogged with words never spoken on the floor, it will clearly take more than the modest "bullet" reform to provide citizens with a truly nonfictional chronicle of the doings on Capitol Hill.

I commend this article to the attention of all who read the RECORD and care about it. The article follows:

THE WISHFUL TRANSCRIPT

(By Robert Bendiner)

If you are an avid reader of the Congressional Record—one of the least probable hypotheses since Kipling's "If"—you may wonder at the rounded rhetoric it contains. Senators and representatives speak in complete and reasonably polished sentences, their grammar is correct, their syntax unimpeachable. Yet only a short time ago you may have heard campaigning diction no better than that of the average college freshman, which is to say, of an eighth-grade quality.

What accounts for the swift improvement is not necessarily the elevating tone of Capitol Hill but rather the editorial miracle that is the Congressional Record. With an efficiency that should be the envy of any daily newspaper in the land, everything said on the floor of both houses is amended and tidied up—by the official recorders, the speakers themselves, or their staffs—and in its improved form is rushed into print in time for mailing or delivery the next day.

Even though issues generally run somewhere between 220 and 320 outsize pages and the print run is 34,000 a day, the Government Printing Office takes material as late as eight in the evening, sets the entire proceedings by three or so in the morning, and has copies on the members' desks before they get to their offices. When debate runs into the night, the day's Record may appear in two parts, the second around noon. And the feat is all the more remarkable because linotype is still the rule at the GPO, where there is now a slow movement toward those automated processes that have long been enjoyed by the likes of the East Overshoe Daily Bugle.

But more remarkable than the speed of the operation is the metamorphosis of the prose. From the verbose and often farfetched rhetoric heard on the floor, the language has overnight become reasonably lean. It is as though a representative had spoken, for example, with perfect logic on the impact of tariffs on the domestic wool supply instead of having warned, "If you don't stop shearing the wool off the sheep that lays the golden egg, you will soon have left it dry."

Cleaning up congressional copy in this way is surely all to the good—but what about those speeches never uttered that have managed to become a matter of record? In March of this year, the Record dealt with this problem, though in a scarcely perceptible way. Unspoken speeches are now preceded by a black dot, or "bullet." For the time being the Record indicates (in single-line notices appearing on only three of its pages) the significance of this symbol, but if you are not a regular and thorough reader of the journal, you will have no reason to think that the dot is anything but decorative. And to make the improvement even less significant, a speaker can get around the new rule by reading aloud the first few sentences of a speech, the rest of it to be inserted in the Record without even the grace of the new and obscure bullet.

Can it be, then, that apart from smoothing out the members' prose, the Record has all along been—and will to a considerable degree continue to be—a misleading transcript of what is said in Congress? The staggering answer, according to Senator Packwood of Oregon and Representative Steiger of Wisconsin, is that of all the noble verbiage reported in that publication, fully 70 percent was never spoken in either chamber. It appears in official print only by virtue of "permission to revise and extend" in the Record anything a senator or representative hasn't had the time or wit to say, or the audience to tolerate, when he was on his feet.

Permission to do this tampering is routinely asked and granted—and it serves purposes of varying degrees of legitimacy. On the only mildly misleading side it allows a congressman, harmlessly and without wasting the time of his colleagues, to pay politic attention to anniversaries, make tributes to various heroes, and compliment local benefactors—all of which the voters will presumably appreciate for personal, ethnic, or business reasons. A random issue that I picked up included encomiums to a small-town banker, General Pulaski, St. Stephen of Hungary, and Sears Roebuck.

The custom also allows a member to insert, as having some relevance, the full text of a speech delivered by a constituent, say at a Fourth of July picnic. What could please this constituent more than to be able to show his friends and customers that his representative or senator thought so highly of his words that he could not resist sharing them with his colleagues in Congress? Thus the congressman wins an eternal supporter and his fellow legislators are spared hearing so much as a syllable. It is an exercise in mutual accommodation at public expense.

More serious perhaps are those unspoken remarks on controversial issues that appear in the Record as though they were really part of the debate. Often a speaker appears to have made a brilliant little foray, of such eloquence that no one rose to refute him. And no one did, for no one heard a word of it. Indeed, the speaker may not even have thought of his remarks until several days after the debate. A congressman can thus be scintillating long after an argument is over and still get credit for it—in print, at that. A certain Representative Allen of Mississippi some years ago went so far as to request that the Record "insert 'Laughter and applause' in appropriate places" of his undelivered speech.

Readers of the Record have long been blissfully unaware of the arrangement, of course, because these published but unarticulated remarks start out, as do speeches regularly made on the floor, with a salute to "Mr. Speaker." Some go on to explain why the orator has been moved to rise on the spur of the moment, when in fact he didn't rise at all. "The world this afternoon hears the creak of a chair, the thump of a microphone, the shuffle of a piece of paper in this chamber. Our voices and actions today echo through the streets of Panama City," said Senate Majority Leader Robert C. Byrd as the Panama Canal Treaty came to a vote—except that he never said it. Through a rare slip on the part of the Record's editors, the late Representative Hale Boggs of Louisiana was allowed to speak several days after his plane had tragically disappeared in the Alaskan wilderness.

If a member is too sluggish to be witty even after the fact, he has still another chance. Revisions that failed to get in under the wire can be made, as a rule, for the bound volume published at the end of the session. Thus it is possible to read two versions of the Congressional Record, neither of them accurate. The result of all this reciprocal indulgence is that the Record has aptly been called "a cave of the winds, or a mausoleum of oratory, poetry, useful and useless information . . . upon every conceivable subject." It is also a unique public relations service for the people's representatives.

A vanity press like this has its point, no doubt, but the price to the taxpayer is high.

In the 1976 fiscal year, some 50,000 copies a day were printed (the run has since been reduced)—at a cost of $14.6 million. If the Packwood-Steiger figure of 70 percent is correct, the unspoken and essentially phony part of that printed outpouring (it is by no means confined to the section labeled "Extension of Remarks") accounted for something like $10 million.

Representative David Obey of Wisconsin, who headed the House subcommittee that looked into the Record, is for the moment satisfied with the bullet as a mild step toward making the journal honest. Others would go further and mandate italics for all passages not really spoken on the floor. But no one, at least for now, seems to favor the outright stemming of the Record's flow. Certainly no one objects to having the members' prose straightened out when necessary, although the line may sometimes be hard to draw between changes for style and changes for substance.

Ironically, time and events could conceivably cancel some of the effect of even stylistic change. For what good will it do to clean up a congressman's diction in order to impress a few readers if millions are to see and hear him stumble on the TV screens of the nation—obviously a clear and present danger to his oratorical reputation? Even now closed-circuit television brings House proceedings to the members' offices—a kind of dry run for the public coverage to come—and the Senate recently broke precedent by allowing radio broadcasts of the Panama Canal debate in that chamber.

For all that, the bearing of electronic coverage on the Congressional Record is likely to be minimal. Plans call for control of the cameras by the House itself, with channels free only to pick and choose the segments they will put on the air. Judging from the less than excited reaction to the radio coverage of the Senate's Canal discussion, public interest will not justify the expense of extensive televising, especially where there is no focus on a major issue, but only the desultory and disconnected debate common day after day in both houses. Gavel-to-gavel camera work will no more mean gavel-to-gavel broadcasting than the presence of reporters in the press galleries means total coverage in the newspapers.

So—if you want a full report of who said what, you will still have to go to the Congressional Record. However, with that permanent source still clogged with words never spoken on the floor, it will clearly take more than the modest "bullet" reform to provide citizens with a truly nonfictional chronicle of the doings on Capitol Hill.●

BALANCE(S) OF POWER BOOK II(A): GEOPOLITICS AND SOVIET POWER

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. BRECKINRIDGE. Mr. Speaker, as shown in last year's series of articles on the military balance between the Soviet Union and the United States, differences between the geopolitical characteristics of the two countries may account for significant asymmetrics in the strengths and uses of their military forces.

Today's selection in the "Balance(s) of Power" series marks the beginning of a related succession of writings on "The Strategic Balance," as compared to the military balance, more narrowly defined. Considerations of geopolitics loom even larger in an assessment of the relative strategic strengths and weaknesses of the two superpowers.

Today's selection is an enlightening summary of the Soviet geopolitical position, in historical perspective, by Dr. Colin Grey of the Hudson Institute. This selection appeared in chapter 3 of his monograph, "Geopolitics in the Nuclear Age" (1978). The first part of the article follows:

GEOPOLITICS AND SOVIET POWER: BREAKING OUT OF THE HEARTLAND

(NOTE.—For a thousand years, a series of horse-riding peoples emerged from Asia through the broad interval between the Ural Mountains and the Caspian Sea, rode through the open spaces of southern Russia, and struck home into Hungary in the very heart of the European peninsula, shaping by the necessity of opposing them the history of each of the great peoples around.[45])

GEOGRAPHY, HISTORY, OPPORTUNITY

Distinctive political culture, which substantially determines national style in foreign and military affairs, is the product of a distinctive national historical experience—and that distinctive national historical experience reflects no less distinctive a blend of national geographical conditions. Western policymakers today, seeking to understand Soviet behavior and to divine Soviet intentions, have a large repository of enlightening historical data upon which to draw, should they so choose. The Iron Law of Triviality, to which reference was made in Chapter 1, applies to Western officials no less than to Western scholars. Those officials tend to be well-briefed on the singular characteristics of the Kiev-class antisubmarine cruiser/aircraft carrier, and on the probable ballistic coefficients of Soviet re-entry vehicles; but the nature of the Soviet adversary and "what it is about," in long-term perspective, are subjects that do not emerge in the day-by-day round of policymaking.

From the perspective of long-term Western security interests, the Revolution of 1917 was of little importance. The Soviet Union has been governed in a style wholly Russian, and its foreign and defense policy behavior would appear to owe very little indeed to the inspiration offered by ideological texts. The revolutionary clique which inherited the Tsarist state shared the same distinctively Russian attitudes towards political affairs as did their aristocratic predecessors, and naturally they inherited the same set of geopolitical problems and opportunities. The disciples of detente in the United States, thinned though their ranks appear to be, need to appreciate that in dealing with the Soviet Union the West is dealing with what Richard Pipes has termed a "patrimonial" state—that is to say, a state wherein the "citizens" (to stretch terminology) and their labor are the property of the rulers.[46]

"A despot violates his subjects' property rights; a patrimonial ruler does not even acknowledge their existence . . . In a patrimonial state, there exist no formal limitations on political authority, nor rule of law, nor individual liberties."

The precise historical roots of patrimonialism in Russia are not important to the theme of this study; but what is important is the fact that this inherently illiberal condition is no recent invention. It stems from Russian history, which was the product of the interplay of particular geopolitical factors. The conquest of the black earth belt of the steppe, and later of the entire Eurasian Heartland, by a state that had its origins in the northern taiga must be explained in terms of reactions to physical geography, rather than imperialistic impulses. Russian history is a story of continuous colonization; in the words of a celebrated Russian historian, "the history of Russia is the history of a country which colonizes itself."[47] The northern location of the country, the extreme continental climate, and the poverty of the soil of the taiga required a process of continuous colonial expansion into the fertile steppelands that either were held strongly by nomadic khanates of Central Asian origin, or were held/coveted by the major military powers of Lithuania-Poland and the Teutonic Knights. In short, Russian farming expansion into fertile regions required constant military protection. As many historians have noted, the major reason why Russian expansion southwards, southwestwards, and southeastwards, and eventually due east to the Pacific littoral of Siberia, was never reversed significantly, was because the Russian political-military *imperium* was paralleled fairly closely by Russian colonization. Russia conquered the Eurasian Heartland as a consequence of the military necessity to protect its dynamic agricultural frontier from depredation by steppe raiders.

It is just possible that there may be some people in the West who believe some mix of the following claims: that the alleged Soviet will to expand (either crudely by territorial grab, or more subtly through some variant of "Finlandization") is a myth (the acquisitions of the period 1939–45 were clearly defensively motivated, as is the security system of the Warsaw Pact); that the period 1945–49 was an "extraordinary" one, dominated by circumstances (opportunities!) and by a personality extremely unlikely to recur; and overall, that the geopolitical situation of the Soviet Union, as interpreted by Soviet officials, is really one of acute vulnerability (hence, the Soviet "threat" to establish hegemony over Eurasia is the natural reaction of a beleaguered garrison endeavoring to conduct an aggressive defense). In historical perspective, these claims and their variants are simply wrong. In one major respect, this line of reasoning might just be correct; but no comfort can be drawn therefrom by Western observers. Specifically, it is possible that the Soviet threat to the Eurasian Rimlands is an expression of fear rather than of a determination by the Soviet Union to pursue a manifest destiny of expanding power and influence. But if this thought has any merit, it should be balanced by the realization that Soviet paranoia (on the scale reflected in the military build-up and modernization programs of the 1960s and 1970s) is no less dangerous to Western (and Eastern) countries than would be a will to power for the sake of power. A quest for *absolute* security must lead a country on the path of world conquest.

Territorial expansion was the "Russian way," just as it has been "the Soviet way." Richard Pipes reminds us that it is estimated, for example, that between the middle of the 16th century and the end of the 17th, Russia conquered territory the size of the modern Netherlands *every year for 150 years* running."[48] Furthermore, unlike the case of most other imperial powers, conquest by Russia became a permanent and nonnegotiable political fact (save under conditions of extreme duress, as with the Treaty of Brest-Litovsk in March 1918). The territorial growth of a state over a 500-year period cannot neatly and simply be ascribed to a single impulse. It is sufficient for the purposes of this study that the process of expansion be noted, and that certain features of that expansion be duly registered for their possible relevance to current and future policy.

As George Kennan observed in 1946, Russia/USSR has had, and has, no notion of "good neighborliness" or of stable political lines of demarcation.[49] The Russian state,

Footnotes at end of article.

unlike insular Britain or a United States bordered by weak and (eventually) fundamentally "friendly" countries, has always abutted potentially hostile powers. The natural enmity of neighbors is a precept for Russians that stems very directly from long historical experience—and it is an inherited view which Anglo-Saxons (though not Germans or Frenchmen) have some considerable difficulty in appreciating. To repeat, slightly rephrased, the complex aphorism with which this chapter began: foreign and defense policy are substantially determined by political culture, and political culture is very largely the product of national historical experience, which—in its turn—reflects evolving national geographical circumstances. Russian/Soviet history is a story of wars, literally, for physical survival (Khazar horsemen or the *Waffen SS*—the essential story is the same). Russian history attests to the truth of Haushofer's claim that "boundaries are fighting places." This fairly obvious observation on the Russian/Soviet historical experience is not advanced as an excuse for recent Soviet outward pressure, but it is a fact of Russian history which we would do well to remember when attempts are made to understand the outlook of Soviet officials. Their Soviet Socialist duty is to redouble the struggle against the objective enemies of socialism, while their Russian inheritance tells them that peace is simply a period of preparation for future war. This inheritance is, of course, far from uniquely Russian. It is, however, totally alien to liberal optimistic thought in the West in general and in the United States in particular. American readers of this study may not care for this judgment, but it is difficult to resist the thought that the United States is, by some margin, the country least well-fitted by political culture to be charged with a major power-balancing role *vis-á-vis* the Soviet Union. This judgment is backhanded praise. Many of the virtues of the United States translate into vices when it comes to the practice of international politics.

From its original base in the taiga of northern Europe, Russia/USSR has expanded territorially when and where it could. This process of expansion may be explained by a mix of the following impulses: domestic economic necessity; specific security concerns; and a hard-earned empathy for the brutal facts of international political life. Physical geography did not bequeath to the Russian state natural protection from hostile forces to the west, the south, or the east. Indeed, for several centuries the only refuge for Russian farmers was the forest. Once Russian colonists ventured in numbers onto the open steppe (which stretches from Hungary to Mongolia), the safety of the southern marches could rest only upon Russian military power and a combination of vast defensive depth and a very rigorous climate. European Russia has no land over 1,400 feet high. To the west was a 700-mile wide (*two-way*) gateway into peninsular Europe, between the Black Sea and the Baltic; while to the east there was a gateway between the southern limits of the Urals and the Caspian Sea. Depending upon the relative strength of the Russian state and its neighbors, these gateways were either dangerous invasion routes or highways for expansion.

There is an ambivalence in the geopolitical circumstances of the Russian/Soviet state which is fully reflected in the differing judgments of geopolitical theorists. The central location of the Heartland vis-a-vis the Rimlands permits a multiplicity of applied pressures around the periphery, but that central location also means accessibility from the Rimlands (and across the Arctic Ocean) at many points. Whether Russian/Soviet geography is a source of strength or weakness can be judged appropriately only in terms of the political-military conditions of the time in question.

Despite Mackinder's dire predictions in 1904, the fact remains that the Soviet geopolitical context relative to that of the Rimlands and the maritime alliance supportive of many Rimland states, is clearly advantageous *only in Europe*. In terms of power projection *from the Heartland*, the Soviet Union is at present (a vital qualification) probably at a disadvantage in the Far East and in Southeast Asia. The Soviet acquisition of military facilities bordering on, or easily accessible to, the Indian Ocean (for example, in Iraq), married to a growing local naval deployment, renders judgment concerning the Soviet-American balance in the Indian Ocean basin extremely uncertain. Unfortunately, the power-projection advantage yielded by the Soviet relationship to Western Europe might well suffice as the condition that could lead to hegemony over all of Eurasia-Africa. If Soviet leaders either acquire effective control over all of Western Europe, or even if they succeed in detaching what currently is organized as NATO-Europe from the American security system, then all things become possible for the Soviet Union.

Notwithstanding the judgment offered above concerning the preeminent importance of control of peninsular Europe for the fulfillment of Soviet ambitions, geopolitical relationships in the Far East have a long-term nightmarish quality to them for the Soviet Union. Both Mackinder and Spykman assigned China to the inner or marginal crescent, or Rimlands (see Maps Two and Four), for reasons that have become very obvious indeed over the past two decades. In order to control its Far Eastern, and even Central Asian, holdings, the Soviet Union needs a strong forward position in defense of the dual-track railroad lifeline of those holdings (the Trans-Siberian Railroad). The Inner Asian frontier zone that separates Soviet from Chinese power (in Manchuria, Mongolia, and Sinkiang) compromises continuous, virtually featureless steppes and desert to depths varying between 200 and 400 miles. The Trans-Siberian Railroad parallels the Sino-Soviet frontier along the Amur and Ussuri Rivers, while—in addition—for 800 miles it is less than 150 miles from the border of Mongolia. Soviet deployment of 43 divisions along the frontier zone abutting Chinese territory (including three in Mongolia) speaks to a justified anxiety. Chinese outward pressure, north and particularly northwesterwards, is a historical fact borne of long experience with threats from Central Asia (of which the Soviet is simply the latest manifestation). China's technological weakness and general lack of industrial development affords the Soviet Union a breathing space; but eventually, well over a billion Chinese must come to place at serious risk the entire Soviet position in the Far East.[51]

Careful study of Russian/Soviet geography, history, and (consequent) political culture should yield to American politicians and officials the following policy-relevant items for serious notice.

1. Soviet officials do not believe that power relations can, or should, be stabilized. Their ideology and their national history both direct them to a dynamic view of the "correlation of forces."

2. Expansion is the Russian/Soviet "way": the Pacific Ocean has been reached, but not (yet) the Atlantic. It is highly improbable that Soviet officials would ever be prepared to settle, prospectively permanently, for lines of political-military demarcation that fell short of encompassing the entire World-Island of Eurasia-Africa. The circumstances of the military *denouement* to World War II meant that the rump of peninsular Europe not occupied by the Soviet Army would lack defensive depth in a future war.

3. The Soviet commitment to world dominion is nonnegotiable. American concepts of stability and order are contrary to the political basis of the Soviet state. In practice, the bureaucrats of the Communist Party of the Soviet Union may behave like the patrimonial aristocrats of the Old Regime, but those bureaucrats know that their only right to rule over the Heartland rests upon a theory which posits a deadly and inescapable struggle between the antagonistic social systems of socialism and capitalism/imperialism (and deviant socialism).

4. The Russian/Soviet domestic and foreign historical experience has been marked by extreme brutality. The Russian and Soviet states sustained themselves by force. While military force is the *ultima ratio* of all regimes and governments, Soviet officials cannot be ignorant of the facts that Soviet power was established in Russia by force of arms; Soviet power was defended by force of arms in the critical period of War Communism and later in the Great Patriotic War; and that military power is the only index of interstate comparison on which the Soviet Union has registered a very marked success over recent decades.

Geopolitical factors appear to be propitious for the advancement of Soviet interests. Through the historical accident of the course of World War II, Soviet ground and air forces are deployed sufficiently far forward in Central Europe that a Blitzkrieg campaign against Western Europe should have excellent prospects of success. NATO's defense planners face many problems which, with intelligence and application, could be resolved. The one problem that is beyond solution, and which forecloses upon many conceivable defensive strategies, is NATO's lack of geographical depth. Military history shows that surprise Blitzkriegs tend to succeed—at least at first. To survive a Blitzkrieg, one needs to purchase time for recovery. NATO-Europe lacks territorial space that could be surrendered temporarily for recovery time. That reserve of trained manpower which Mackinder saw as being transferable across the Atlantic (the Midland Ocean) could not be transferred in sufficient numbers in time for it to affect the course of the campaign. Mackinder also insisted upon the retention of a bridgehead upon the European mainland; but 60 or 90 days into a war in Europe, how extensive would be the perimeter of the bridgehead of the maritime alliance in Europe?[52]

FOOTNOTES

[45] Mackinder, "The Geographical Pivot of History," *loc. cit.*, pp. 249–250.

[46] Richard Pipes, *Russia Under the Old Regime* (New York: Scribner, 1974), p. 23. Pipes' excellent book may usefully be supplemented by Tibor Szamuely, *The Russian Tradition*, edited and introduced by Robert Conquest (New York: McGraw-Hill, 1974).

[47] V.O. Kliuchevskii, quoted in Pipes, *op. cit.*, p. 14.

[48] "Detente: Moscow's View," in Richard Pipes, ed., *Soviet Strategy in Europe* (New York Crane, Russak, 1976), p. 9, Emphasis in the original.

[49] *Memoirs, 1925–1950* (London: Hutchinson, 1968, first published 1967), pp. 560–561.

[50] See fn. 43.

[51] See Clifton C. Carpenter, "The Inner Asian Frontier: A Cradle of Conflict," *Strategic Review*, vol. 5, no. 1 (Winter 1977), pp. 90–99.

[52] Soviet forces in, and strategy concerning, Europe are very well described and analyzed in John Erickson, *Soviet-Warsaw Pact Force Levels* (Washington: United States Strategic Institute, 1976).●

DEVIL GOT HOLD OF RHODESIA?

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. HYDE. Mr. Speaker, once again columnist Georgie Anne Geyer has written an excellent analysis of the Rhodesian problem, one that underscores the sort of moral myopia that characterizes the public policies of certain prominent church organizations.

If you share the distaste for double standards that fair-minded people do, you will appreciate Ms. Geyer's article, which I herewith commend to my colleagues' attention:

[From the Chicago Sun-Times, July 7, 1978]

DEVIL GOT HOLD OF RHODESIA?

(By Georgie Anne Geyer)

If I were one of the dozens of American or European missionaries martyred in the last few weeks in Rhodesia, these days from heaven I would be saying an extra prayer. It would be for the sanity of many of my church's leaders.

For if we are to look at the heinous murders of missionaries and educators realistically, there is only one thing stranger than the fact that the churches themselves bought many of the bullets. That is the fact that the church leaders can't figure out why missionaries are being singled out.

"It is as if the devil has gotten a hold of the country," the Roman Catholic bishop of Bulawayo, Henry Karlan, remarked, shaking his head after the most recent massacre last week. He is wrong. The devil isn't half the story. He has the churches with him:

I have before me a press release from the World Council of Churches dated April 16, 1975, and headed: "Special Fund Allocates $479,000 to Liberation-Support Groups."

The release reads, "More than one-half of this amount will go to liberation movements of Zimbabwe (Rhodesia), Namibia and South Africa working for black majority rule." Also, aid continued to Mozambique and Angola, two Marxist one-party dictatorships supporting the Rhodesian terrorists.

At the recent 28th synod of the Anglican Church of Canada, the church primate, the Most Rev. E. W. Scott, was reported as saying the church must support the "liberation movements of Africa." Asked whether he thought the church should provide assistance to Christian-based liberation movements rather than to Marxist-based ones, he said no one could make such a "distinction."

In 1972, the WCC appealed to British churches for support for its "Fund to Combat Racism." The fund's director said that the setting up of the fund was a symbol to the oppressed of "the transfer of power from the powerful to the powerless." Approximately $10,000 was given by the WCC to APU and ZANU, the two groups widely believed responsible for the recent murders.

Proofs of this strange dialectic of guilt, and martyrdom and criminal naivete could be offered indefinitely. But perhaps it is better to ask, "Why?" A church does not deliberately kill its own prophets—or does it?

When the churches began giving aid to the African "liberation" movements in the early '60s, there was a good reason for it: to end colonialism. But by now, they should know better. After all, the Catholic church in Mozambique strongly opposed Portuguese colonialism and supported Frelimo, the "liberation" movement there, only to have Frelimo totally outlaw religion once it came to power.

So, where are we today? We are in a horrendous situation in which Marxist guerrillas based in Zambia and Mozambique are systematically wiping out missionaries and church educators (who have made black Rhodesia the most educated black population on the continent) in order to (1) destablize and terrorize the country; (2) get rid of the only ideology that opposes them, which is Western democracy and Christianity, and (3) leave a void that only Marxism can fill.

To just touch on the mountain of evidence: In May, 1977, Free Methodist Missionaries in the southeastern area were told by a terrorist leader, "If the Jews had not killed Christ, I would have done it myself"; in April, 1974, Sister Vianny of Avila mission was lectured by a terrorist about "the Catholic church representing the evils of capitalism."

But perhaps a document published by Mozambique's Frelimo in late 1975 was most prophetic: "Progressively, we will replace the religious element by the Marxist element. We will thus transform the false conscience into true conscience, so that Catholics may eventually destroy their own movement . . ."

The situation is, of course, complex. Most of the members and many of the ministers and priests of the WCC and the Catholic church and others certainly do not support their money going to rape nuns before axing them to death. They do not have to. The cerebral, remote decisions are made far away from them and seldom analyzed.

But what is unforgivable on the decision-making level is the intellectual and moral incoherence of men who cannot even distinguish between Christian and democratic revolution and Marxist totalitarianism.●

ABORTIONS AS COMMODITY, NOT MEDICINE

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. O'BRIEN. Mr. Speaker, the Congress, once again is in the midst of the controversy over Federal funding of abortions. In the many hours of debate over this issue almost every argument conceivable has been raised on both sides. However, this recent editorial by George G. Will, "Abortion as a Commodity, Not Medicine" brings to us a somewhat different view of the problem.

ABORTIONS AS COMMODITY, NOT MEDICINE

A few years ago a woman had a healthy breast removed surgically because it interfered with her golf swing. The interesting question is not whether what she did was censurable, but whether what the surgeon did was medicine. The distinction between true and false ends of medicine is germane to the annual debate about public funding (primarily through Medicaid) of abortions.

Opponents of funding for most abortions have a decisive argument that is logically independent of views about the general morality of abortion. The argument is that few abortions are, properly speaking, medical procedures, and so should not be subsidized by funds appropriated for medical programs.

Dr. Leon Kass of the University of Chicago argues for what he calls "the old-fashioned view" that health is the true goal of the physician's art. If his argument is correct (and it is not easily assailed), most abortions are not acts of medicine, properly understood. The vast majority of abortions are non-therapeutic, in that they are not performed to ensure the health of the woman (who surely should not be called a "patient"). Although they are performed by persons licensed to practice medicine, they serve not the pursuit of health, but rather the woman's desire for convenience, absence of distress—in a word, happiness.

Kass gives other examples less bizarre than that of the woman golfer, of physicians' skills put to non-medical purposes. Amniocentesis, a diagnostic technique that reveals many fetal disorders, also reveals the sex of the fetus, and abortions have been performed because the fetus was not of the desired sex. Some doctors specialize in pharmacologically induced "peace of mind," and dispense amphetamines to physically healthy but discontented people seeking mood "elevations."

Such doctors are not practicing medicine—the pursuit of health—any more than are narcotics peddlers. Doctors who perform artificial insemination may be doing good, they are not doing medicine, any more than are practitioners of the "cosmetic surgery" that corrects other than inborn or acquired abnormalities.

Such practices, says Kass, "the worthy and the unworthy alike, aim not at the patient's health but rather at satisfying his, albeit in some cases reasonable, wishes." They are acts not of medcine but of gratification for consumers, not patients.

Another false goal of medicine is "behavior modification," using physicians' skills to produce "social adjustment." Kass warns that biological manipulation (such as psychosurgery or sophisticated drugging for violent people) is apt to increase as more is learned about the biological contribution to behavior. But even if such manipulation by "biobehavioral conditioners" has "socially useful" outcomes, it is not medicine.

Kass notes that when medicine's powers were fewer, its goal—health—was clearer. And the World Health Organization has muddied things by defining "health" as "a state of complete [sic] physical, mental and social [sic] well-being." That means that happiness is a medical commodity; happiness is the doctor's business. That, in turn, means almost everything is the doctor's business, so "medicine" becomes a classification that excludes nothing and hence does not classify.

What Kass calls "creeping medical imperialism" is encouraged by a definition of medicine that is not properly related to health or, more precisely, is related to an overbroad definition of health that includes "happiness" and "contentment" and "good citizenship."

From the fact that physicians have a monopoly on the right to perform surgery, it does not follow that surgery is always medicine. Non-therapeutic abortion is the second most common surgical procedure, after circumcision. Most abortions are "birth control of last resort" or, more accurately, of first resort.

Most women seeking abortions are unmarried and neither they nor the man attempted contraception. According to one study, 1.7 million of the "sexually active" teen-age women do not use any contraceptives. Most abortions are measures of relief from the consequences of pleasure pursued irresponsibly.

Supporters of subsidized abortions argue that such relief is not only a social good, but also is an individual right that must, as a matter of equity, be subsidized for those who cannot afford it. But no such argument can establish the propriety of using funds appropriated for medical services to promote such a goal, which, whether defensible or indefensible, is not a true goal of medicine. Most abortions have no more to do with medicine than did the golfer's mastectomy.●

ST. PATRICK'S: BUILT TO LAST

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Ms. OAKAR. Mr. Speaker, on July 2, 1978, the parishioners and friends of St.

Patrick's Parish celebrated our churches' 125th anniversary, appropriately, one of Cleveland's foremost journalists and historians George E. Condon of the Cleveland Plain Dealer wrote the following article which mirrors the feelings of many of us who are life long parishioners of St. Patrick's Church.

ST. PATRICK'S: BUILT TO LAST

(By George E. Condon)

Anniversary celebrations are not much of a novelty in these tense times when people and institutions are desperately looking for excuses to break with the daily routine.

But anniversaries still have meaning, as do the institutions that have managed to survive the years, and there is a solid example at hand in the current celebration by old St. Patrick's Church on the lower West Side of its 125th year of existence as a parish.

Cleveland was only 57 years old when the early Catholic pioneers, mostly Irish, formed the parish in Ohio City on the west bank of the Cuyahoga River, still a separate municipality. The year was 1853. It was in the following year, 1854, that Ohio City threw in the towel and surrendered to the colossus to the east. There were only 3,950 people in Ohio City at that time, compared with 17,034 in Cleveland.

The great Gothic church that today stands on Bridge Ave. just west of Fulton Rd. was conceived by the handful of parishioners and the brave clergymen only a few years after the parish had its beginning, and was built under the guidance of the pioneer pastor, Rev. Eugene M. O'Callaghan. There was a temporary church on Whitman Ave. in the interim period, from 1853 to 1877. It was in that latter year that the new church was opened to the worshipers.

But this wasn't an ordinary building project. The Irish immigrants who made up the parish were poor and could not reasonably have been expected to finance the enormous edifice that rose on the Bridge Avenue site. But a generous benefactor offered the parish all the limestone needed for a new church if the men of St. Patrick's would go to the quarry near Sandusky to pick it up.

The cornerstone was laid in 1871 and for the seven years that followed, the horse-and-wagon convoys traveled in steady relays between Cleveland and Sandusky, a round trip of more than 130 miles that consumed most of the week for the volunteers.

The records are hazy, but it is believed that the great new church, the tallest building on the West Side of Cleveland and the most imposing in size and architecture, finally was completed in 1878, exactly 100 years ago. Then, their incredible energy and zeal still not exhausted, the people of the poor parish began preparations for the construction of the huge school, completed in 1891.

The school, which fronts on Whitman Ave. just to the north of the church, once held the distinction of being the largest parochial school in the United States; probably all of North America. One half of the building was reserved for boys; the other half for girls. There was no nonsense about the mingling of the sexes back in the late 19th century.

In recent decades, of course, this part of Ohio City has become an area of changing population. Most of the Irish families have moved on to the suburbs or to the western reaches of Cleveland.

St. Patrick's Church itself has been placed in the hands of the Jesuit order quartered at nearby St. Ignatius High School, and there is now a team of associate pastors who run the affairs of the church and the parish under the direction of Rev. Patrick McManamon, S.J.

The church and the school and the old attached rectory look to be unchanged over the past 80 years, but time has taken its toll. Some of the beautiful old stained glass windows have been damaged by brick throwing vandals and the grounds have fallen into seedy conditions. More important, the physical condition of the large school building is such that it would take an estimated $1 million to put it back in shape. Lacking the money, the church has decided to put the wrecker's ball to the historic building at summer's end.

But the parish church itself has weathered its first 100 years brilliantly. Its magnificent marble altars, marble altar railing, handsomely wood-carved confessionals and tall stained glass windows make it, unquestionably, one of Cleveland's most beautiful buildings.

It was in St. Patrick's once, that the social and religious life of Cleveland's Irish colony centered and flourished. No St. Patrick's Day was celebrated more gloriously than it was in the tall, gray limestone church on Bridge Ave.

Now, marking its 125th parish anniversary in special services presided over by Bishop James Hickey this morning, St. Patrick's finds itself wearing the distinction that goes with being the oldest Catholic Church in Cleveland. St. John's Cathedral downtown can claim an earlier beginning, but the mother church of the diocese was rebuilt at the end of World War II and must be considered a relatively new edifice.

The theme of today's anniversary celebration will be, "Salt of the Earth." It refers to those rugged pioneers who built a lot of permanent and enduring greatness out of the bare earth as a mark of homage to their God. The result in this case, St. Patrick's, is a Cleveland treasure.●

CONGRESSIONAL PERQUISITES

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. COUGHLIN. Mr. Speaker, I would like to call attention to an article by Marquis Childs which appeared in the Washington Post, Tuesday, July 11, 1978, regarding congressional perquisites.

As the article states, congressional "perks" can be used as incumbent-protection devices during an election year.

As chairman of the House Republican Task Force on Reform, I share Mr. Childs' frustration over the inability of the Congress to improve its reputation by instituting substantial reform measures. My colleagues are aware that I attempted to reduce these potential election year bonuses in an amendment to the legislative branch appropriations bill. My amendment would have cut Members' official expense accounts by 15 percent. This percentage represents sweeteners added to official expense, district office, and constituent communication allowances. Unfortunately, my amendment was defeated.

Instead, as we continue our "perks", we continue to be perceived by a doubting public in an atmosphere of alienation. Perhaps the ultimate example of the public's mistrust of Congress is Mr. Child's statement that a recent poll showed, "as a body, Congress had a low rating, comparable to that of the President."

The 95th Congress has made an attempt to confront many problem areas and I applaud my colleagues for their efforts. This year we have taken the first steps toward an open Congress by instituting a more accurate CONGRESSIONAL RECORD and approving public broadcasting of House floor proceedings.

During consideration of the legislative branch appropriations bill, reform amendments were adopted to reduce the fiscal year 1979 legislative appropriations by 5 percent and to require Members to pay for calendars, agriculture yearbooks, Botanic Garden plants, and the shipment of trunks out of their official office allowance. I was especially pleased that the final bill included provisions to permit an audit by the General Accounting Office of all tax funded accounts.

In addition, the House approved the Lobbying Disclosure Act to require the registration and disclosure of lobbying activities and the Legislative Branch Disclosure Act was finally reported out of committee.

We cannot, however, afford to pat ourselves on our collective back. The present committee structure remains an antiquated fragmentation of overlapping jurisdictions and a myriad of subcommittees, ad hoc committees, and select committees, accompanied by an alarming increase in staff. The House allowance system is a self-serving device in which allowances can be raised without a vote of the full House. The consolidation of accounts permits Members unlimited transfers.

The full disclosure of the manner in which the House utilizes public moneys remains closeted from public view. The overuse of closed rules and suspension of the rules obstructs full participation in legislative procedures and thwarts the introduction of amendments unpopular with the House leadership. Such items as effective congressional oversight, open committee records, and equitable committee staffing for the minority indicate the work ahead.

The article by Mr. Childs follows:

PERKS, OR HOW TO GET REELECTED

(By Marquis Childs)

The guessing now is that the change in the lineup of Democrats and Republicans in Congress after the November election will be hardly more than the normal losses that can be expected in an off-year election. That would mean a loss for the majority party in the neighborhood of 25 seats in the House out of the 280 they now hold. And this, let it be added, when President Carter stands at a lower rating at this point than any of his five immediate predecessors.

The reason, as representatives who talk frankly, readily say, is the enormous advantage the sitting member has. The value of his prerequisites today adds up to at least $500,000 a year—and that may be a conservative estimate.

Staff alone accounts for more than $250,000. This covers staff in the representative's district. Three of four staffers in the district offices are schooled to care for constituents' needs. They are nursemaid-governesses smoothing the path through the tangled forms and regulations of government. Even the congressman himself sometimes takes over details from a favored constituent.

"Sure, I get a letter complaining that the fellow's garbage isn't being picked up," one representative said. "So what do I do? I sit down and write a personal letter to the town council or maybe to an alderman who happens to be a friend of mine and I get results."

The latest extraordinary perk is the mobile office. It is a van with a staffer in charge that tours the district as a kind of traveling billboard, since, in not inconspicuous letters, it carries the congressman's name. Parked in a shopping center or near a recreation area, it is an invitation to one and all to come in and talk about troubles with their television repairman or why the Veterans Administration has failed to approve a worthy claim.

A veteran of nearly 30 years in the House, Rep. Richard Bolling (D-Mo.), who helped at the start of his career to initiate the service of staffers in the district, says the mobile office is mighty useful. In sprawling Kansas City, his bailiwick, the Bolling office is on tour four days a week. One useful service the mobile performs is to register voters, and this is particularly true with registration at a low point and the possibility that voter turnout in November may be at an unprecedented low.

Besides staffs and district offices, the incumbent gets a newsletter printed and distributed free of charge. He also has access to radio and television facilities in the House Office Building that give him an advantage with stations back home.

Hammered away at again and again by earnest reformers, the two-year term for members of the House is an anomaly that defies reason. No sooner are you elected than you must start to work for your reelection.

As the experience of Rep. John B. Anderson, (R-Ill.), illustrates, it has become even more a costly burden. One of the ablest and most knowledgeable members of Congress, Anderson is rated liberal-to-moderate. As such he was targeted for elimination by the conservatives in the Republican primary in his home district of Rockford, Ill.

His opponent was the Rev. Donald Lyon of the Church of the Open Bible, whose political views barely postdated the Stone Age. Conservatives, mostly from outside the state, poured in money to bring the Reverend Lyon's spending total to $240,000, and that did not include the cost of the direct-mail anti-Anderson campaign conducted by the highly profitable operation of Richard Viguerie in Virginia.

Facing that kind of challenge, Anderson spent more than $160,000 and he won by 58 percent to 42 percent. Against a little-known Democratic opponent, he is considered a likely victor in November.

A recent poll showed the paradox of today's Congress. As a body Congress had a low rating, comparable to that of the president. But as individuals attuned to the wishes and needs of their constituents they rated fairly high. It is the role of nurse ready for help and consolation.

It is a curious reversal of the old order. In an earlier era, the bosses like Frank Hague of New Jersey and Tom Pendergast of Missouri dispensed jobs as reward for loyal voters. The federal government has so completely taken over, in one way or another, the job operation that jobs are no worry.

Given the money available for staff, the geometric increase in the number of staffers is hardly a surprise. They have become a force almost as powerful as the elected Congress.●

A CONSTITUTIONAL CRISIS—THE LEGISLATIVE VETO

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. LEVITAS. Mr. Speaker, the matter of controlling the unelected bureaucracy through a legislative veto of their regulations is an important issue of growing interest. It is clearly a major constitutional concern, which must be resolved.

On June 21, the President challenged the Congress by stating that he would not consider legally binding any of the legislative veto provisions enacted into laws passed by this Congress even if signed into law by the President himself.

In this area that has been called "obscure" and "complex", I am heartened to see a newspaper column which spells out what the issues are and how they are being argued. Robert Akerman of the Atlanta Journal/Constitution has presented his readers with a clear discussion of the legislative veto as a proper tool of the legislative branch of Government to maintain its control over the lawmaking activities of the Government. I commend it to my colleagues.

[From the Atlanta Journal/Constitution, July 9, 1978]

A CONSTITUTIONAL CRISIS

(By Robert Akerman)

The struggle over the so-called legislative veto is more than a personal fight between two Georgians, Jimmy Carter and Rep. Elliott Levitas.

It gets to the heart of a major issue, and one must take a look at constitutional history to comprehend its full significance.

In the beginning, the founding fathers set up three branches of government with separate functions—the legislative, the executive, and the judicial. In the Constitution they also established checks and balances by which these powers were intermingled to some degree, but always with the purpose of limiting each one rather than with the purpose of making one dominant over the others.

About the time of Franklin Roosevelt's New Deal in the 1930s what amounted to a fourth branch of government began to emerge—the bureaucrats in regulatory agencies which issue regulations affecting citizens with the force of law. Technically these agencies are in the executive branch, but when they issue rules the violation of which can subject a citizen to fine or imprisonment, they are making law. Furthermore, to the extent that they are interpreting laws passed by Congress, they are exercising judicial functions, and as a matter of fact they have set up their own courts with judges who try cases. While the decisions of administrative law courts can, at least in theory, be appealed to traditional courts, there is clearly a mingling of executive, legislative and judicial functions in these agencies.

I have been concerned about this trend for as long as I can remember being aware of constitutional issues. In recent years some members of Congress also have become concerned, and Rep. Levitas from Georgia is one of the leaders in the effort to do something about it. Levitas has amended several recent bills to provide for Congress to review regulations issued by agencies with power to declare them null and void. President Carter is opposed to this practice, saying the legislative veto is an unconstitutional violation of the doctrine of separation of powers, and he has threatened to escalate the issue into a major constitutional confrontation.

It seems obvious to me that Congress is or ought to be the lawmaking branch, and ought to know when an agency is going beyond congressional intent in interpreting laws passed by Congress. But it is also necessary to respond to President Carter's specific reasoning about the legislative review concept.

For one thing, he argued in a recent message that if Congress vetoes an administrative regulation, it is exercising a power to change the law while he is not given an opportunity to veto the change as the Constitution provides. Among other things wrong with this line of reasoning, it should be pointed out that the president in fact has some influence over the process of administrative rule-making, since the officials involved are in the executive branch and appointed by him. Also it should be noted that a legislative veto does not in fact change any law passed by Congress and signed by the president but rather voids an interpretation of it by bureaucrats, leaving the law standing as it originally stood. The bureaucrats are free to go back and offer a new interpretation, subject to the scrutiny of both Congress and the president.

Legislative review, in short, does not upset the traditional balance between the legislative and executive branches; instead it is an attempt to return power to the three branches authorized by the Constitution at the expense only of the new fourth branch of unelected bureaucrats.

Jimmy Carter campaigned against the excesses of the regulators but so far all he has done about them is to demand they write their rules in simpler language. As far as I am concerned, tyranny is still tyranny when it speaks plainly—what could be simpler than saying you go to jail if you don't do what we say? Elliott Levitas is on the right track in this matter, but Jimmy Carter is not.●

IN DEFENSE OF SPECULATORS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1978

● Mr. McDONALD. Mr. Speaker, the word "speculator" has become a bad word in the vocabulary of many Americans. However, America's free enterprise system owes much of its success to the best kind of business speculation. In a sense, every owner of a business has to speculate into the future and decide what the next 6 months or the next year has in store for him or her by way of product demand. This requires investment on the part of the business to prepare for the anticipated demand. Being wrong can ruin your business. Being right can earn increased profits. The freedom of the person in business to make these decisions has steadily decreased under the burden of ever-increasing Government intrusion into the private sector. Dr. Hans F. Sennholz, the noted economist, recently discussed the poor, maligned "speculator" in an article in Private Practice magazine of May 1978. In my view, the article is important in that it reminds us of some things that are basic to the American economy. The article follows:

IN DEFENSE OF SPECULATORS

(By Hans F. Sennholz, Ph. D.)

There is something exalting in the thought of the future. It elevates human nature and makes man happier and better. The present does not satisfy; man reaches out to the future with its intimation of eternity.

Man does not have a knowledge of things to come. Yet his blindness to the future does not deter him from preparing for it. Standing firm in the world of daily tasks, he is making preparations in all his aspirations—religious, cultural, social, and economic.

SPECULATION

In the sphere of business, all future-oriented activity is often called "speculation." The businessman who is building a plant or store speculates on future business conditions that will, he hopes, permit him to retrieve his investment. The merchant who places a purchase order for future delivery speculates on future demand for his merchandise. Even the young physician who chooses to settle in a certain community to build his practice speculates on the economic future of his community and the demand for his services. All lack the knowledge of things to come, but hope the future changes and developments will reward their present decisions. And they all are taking risks that flow from the uncertainty of the future.

But all such future-oriented activity has come under a cloud of suspicion. It is more popular to live in the present for instant gratification of wants and desires. Public policy promises benefits and services now—even at the expense of the future. He who steadfastly keeps his eyes on the future faces censure and condemnation as a "speculator." In a strange twist of terminology, the "now-generation" questions his motivation and denounces him as "self-centered" and "greedy," seeking profits from changes. Countless laws and regulations aim to seize his rewards and restrain him from searching for the future.

The conflict is as old as man himself. It arose on his first day on earth when he became aware of tomorrow. Was he to allocate his labors to the urgent needs of the moment or to the demands of tomorrow? The answer to this question provides an important explanation of wealth and poverty. Present-oriented societies linger in perpetual poverty, always living from hand to mouth, while future-oriented societies soon prosper and multiply. It also gives rise to great differences in individual income and wealth, which in turn breed envy and covetousness and bring forth countless schemes and policies toward a new redistribution. It makes the successful entrepreneur a favorite target of envy to present-oriented individuals who fail to comprehend entrepreneurial and speculative activity. Preoccupied with the present, and chronologically poor and always unprepared, they tend to suspect all those individuals who differ in outlook and lifestyle.

THE SCAPEGOATS

Speculation also upsets those politicians and officials who would like to direct society with "central planning." When some individuals shape their own plans and act independently of the central planners, it is "selfish speculation," "unplanned," "atomistic," "harmful," and "chaotic." When central planning fails dismally and inflicts great harm on countless victims, the blame is laid invariably on "speculators." When the stock market crashes and economic depression seizes the country, the speculators caused it. When the U.S. dollar falls in purchasing power and sinks to lower levels in world money markets, the speculators sold it. When central planning creates an energy crisis, the political planners denounce the speculators and impose more stringent controls on individual initiative. In fact, the speculator is depicted as the personification of all human vices and failings.

THE TWO SYSTEMS

Such diatribes merely reveal the great schism that separates the two conceivable systems of economic and social organization: the private property order with its individual freedoms and the command system with its political coercion. Man always must choose between these two modes of organization. For long periods of time he chose the command system under such labels as feudalism, mercantilism, fascism, socialism, or communism. But occasionally the Western man chose to be free and independent, unconfined by political limitations and controls. The history of the United States provides a splendid example of such an order.

The free order is also a future-oriented order, since it permits its members to save and invest for a better future. It liberates man from ancient restraints that shackle his initiative and creative energy. In a free society the future takes the deepest root, and is most discernible, in the plans and aspirations of the great entrepreneurs and geniuses of enterprise. Through their actions and provisions for the future, they greatly affect the daily lives of their fellowmen. Their names and exploits are familiar to most Americans. John D. Rockefeller, Andrew Carnegie, J. P. Morgan, and Henry Ford were dramatic leaders, bold and original, with visions of change and a better future. Under their leadership and that of many other exceptional men, the U.S. became the most productive country on earth in 1893, and American wage rates and standards of living soared to the highest levels in human history shortly before World War I.

Yet these men have become important symbols of an economic order that stands condemned in the eyes of many of our contemporaries. Textbook writers utilize them to illustrate personal greed and lust for power that allegedly characterizes the period of "unbridled capitalism." Contemporary literature censures them for the poverty and misery of their workers, from whom the great fortunes allegedly were taken.

We need not dwell here on the great achievements of those exceptional men who affected the economic lives of so many Americans. Nor need we analyze the motive powers that drove those men to such performance. Their motives probably did not differ from those of most other men in other ages and places. But we need to be mindful that their very appearance presupposed a climate of individual freedom that is rare in human history. Surely they were "unbridled" with political edicts and controls, confiscatory taxation and regulation, and many other manifestations of the command order. They were left free to try and experiment, to save and invest for a greater future. No matter what we may think of them as individuals, we must admire the society that set them free and let them create unencumbered by the strictures of envy and the demands of the moment.

NO MORE GIANTS?

Present-day Americans would never tolerate the exceptional man who creates new industries on the ruins of old production. There can be no Henry Ford in our present political economy. Under the influence of ancient ideologies, modern man is suspicious of individual freedom that gives rise to economic inequality. He uses his political apparatus of coercion to maintain and restore some measure of equality. His tax collectors seek to extract "unearned" individual income and wealth. And his numerous officials in a host of regulatory agencies seek to restore equality and provide equal opportunity through stringent supervision and control.

Under the influence of old prejudices modern man prefers to rely on political action rather than on voluntary cooperation. In the command order every individual is a wheel in a giant political machine and every sphere of his social life is politicized. And even where modern man has retained some democratic institutions, politics plays an important role in his life. Parliaments, originally set up to limit the profligacy of the rulers, incur huge expenditures on behalf of the electorate. To be the favorite of an envious multitude, a politician must be on their level. He must desire what they desire, yield to their prejudices, and substitute them for principles. Instead of enlightening their errors, he must adopt them. As a political leader he merely furnishes the sophistry that will defend and propagate them.

PURCHASING THE FUTURE

When he must choose between the needs of the moment and the demands of tomorrow, modern man opts for instant gratification of his wants and desires. He wants social benefits and services now through political redistribution and transfer. He preys on the richer members of his society, and when such revenues no longer satisfy him, he embarks upon massive deficit spending. That is, he consumes the savings of his more provident members. And finally, when their means no longer suffice to meet his insatiable demands for present benefits, he may consume his economic substance. In economic parlance, he may consume his productive capital, which previous generations created and left for him, and thus diminish the apparatus of production at the expense of future generations.

The future is purchased today. We have a number of choices. But all sales are final.●

SENATE—*Wednesday, July 12, 1978*

(Legislative day of Wednesday, May 17, 1978)

The Senate met at 8 a.m., on the expiration of the recess, and was called to order by Hon. QUENTIN N. BURDICK, a Senator from the State of North Dakota.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, who has safely brought us to a new day full of promise and heavy with responsibilities—

"We bear the strain of earthly care but bear it not alone;
Beside us walks our Brother Christ and makes our task His own.

"The common hopes that make us men were His in Galilee;
The tasks He gives were those He gave beside the restless sea.

"Our brotherhood still rests in Him, the Brother of us all,
And o'er the centuries still we hear the Master's winsome call."

—OZORA STEARNS DAVIS, 1909.

O Master let us walk with Thee this day and every day until Thy kingdom comes.

In Thy holy name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 12, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable QUENTIN N. BURDICK, a Senator from the State of North Dakota, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. BURDICK thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from Hawaii.

THE JOURNAL

Mr. MATSUNAGA. Mr. President, I ask unanimous consent that the Journal of the proceedings to date be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from Alaska.

AMATEUR SPORTS ACT

Mr. STEVENS. Mr. President, on July 6 a letter to the editor appeared in the Washington Post which expressed surprise and dismay at White House opposition to a $12 million proposal to support U.S. Olympic Committee national training centers and sports medicine programs.

This funding is authorized in a bill, the Amateur Sports Act, which has already passed the Senate and is now pending in the House Judiciary Committee. Howard Gorrell, author of the letter, is a spokesperson for the American Athletic Association of the Deaf and assisted in obtaining greater provision in the bill for the support and encouragement of programs for handicapped athletes. He is a tireless proponent of the Amateur Sports Act, because he knows what its passage can mean for American amateur athletes of all skills and ability.

I ask unanimous consent that the text of his letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

A $12 MILLION REQUEST FOR ATHLETIC FACILITIES

Responding to Nancy Scannell's articles on the proposed Amateur Sports Act of 1978, I was stunned by the White House's opposition to a proposed $12-million federal grant to finance the U.S. Olympic Committee's national training centers and sports medicine programs.

As a representative of the American Athletic Association of the Deaf (AAAD), I strongly believe that the Congress should not approve the Carter administration's request to delete the $12-million provision.

If the $12 million is deleted, you can imagine: A most promising young gymnast's dream about improving her ability is ruined when her parents turn down her suggestion—attending a development camp for gymnasts—because they could not afford to pay for her expense. The United States Olympic Committee (USOC) presently pays for expenses while at the training centers, and the $12 million will help to continue this practice.

Finally, my main concern is that the deletion of federal financial assistance could be a serious blow to sports organizations for handicapped athletes because it could delay the USOC in establishing its proposed coordinating agency for the handicapped owing to lack of funds. In the past, these organizations have received little or no attention from the rest of sports community because of funding problems. For the first time in many years organizations like the AAAD stand to receive official status and organizational assistance, yet this initial seed money is in jeopardy because of the administration position. For the first time in decades all the amateur sports groups have agreed on a course of action, so it is now that we need the administration behind us.

This one-time federal grant is essential to the successful implementation of the Amateur Sports Act, which affects not only elite athletes but also athletic participation by women, teen-agers, senior citizens and the handicapped.

HOWARD L. GORRELL,
Chairman, ad hoc committee, American Athletic Association of the Deaf.
ALEXANDRIA.

DEFER TO ALASKANS

Mr. STEVENS. Mr. President, recently the Albany Democrat-Herald printed an editorial entitled "Defer to Alaskans." The article pointed out that land can be preserved and wisely managed without turning it into a series of parks and wilderness areas where exploration and mining of minerals is prohibited.

Today 99 percent of Alaskan land is under Federal ownership. Federal law demands that the environment be considered. Before any activity takes place on Federal lands a myriad of Federal and State permits must be attained.

We live in a time of ever increasing energy shortages, in a day of ever increasing dependence upon foreign countries for energy supplies—does it not make sense to develop a balanced and rational land-use plan for Alaska national interest lands? I believe that sensible planning and regulation can reconcile the many allegedly conflicting land-use values. The issue is not all or nothing, it is not development versus conservation.

I urge this Senate to "defer to Alaskans," to closely examine the work of the Federal-State Land Use Planning Commission, the proposals of the Alaska delegation, the Governor, and those of the Steering Council for Alaska Lands.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DEFER TO ALASKANS

The House has passed legislation that would turn a good chunk of Alaska into designated wilderness areas and national parks. Alaska's one member of the House and its two senators are strongly opposed to the bill, and the Senate leadership has said—wisely—it may not allow the measure to be passed this year.

The Alaska lands bill is said to be the top environmental priority of the Carter administration. But the reason is not entirely clear. There has been considerable rhetoric to the effect that Alaska—or much of it, anyway—should be preserved for future generations because it is the last American frontier.

But land can be preserved and wisely managed without turning it into a series of parks and wilderness areas where exploration and mining of minerals is prohibited. Those areas, for instance, could be included in the system of national forests that operate under a policy of multiple use. Or the lands could remain under some other form of federal land management that protects it while also providing for some exploration for minerals and mining.

We hear a lot about mineral, oil and gas resources running out in this country. So how does it make sense to lock up additional areas where those resources may be found?

Federal law already demands that the environment be considered in any significant action by the federal government, and this surely applies to the vast stretches of Alaska that are under public—that is, federal—ownership. Additional protection as wilderness or park land does not seem necessary.

Most of us, and that includes most members of Congress, have never been to Alaska. So it makes sense to defer to the judgment of Alaskans who have been selected to represent that state. The Senate evidently will do just that by refusing to pass this bill as long as the state's two senators oppose it.

Mr. STEVENS. Mr. President, I ask unanimous consent that Evon Zerbetz, of my staff, be granted the privileges of the floor today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I have no further requests for time from the leadership, and I yield back the remainder of our time.

SPECIAL ORDER

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Alaska (Mr. GRAVEL) is recognized for not to exceed 15 minutes.

Mr. MATSUNAGA. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MATSUNAGA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Alaska.

ALASKA LAND LEGISLATION

Mr. GRAVEL. Mr. President, yesterday I was talking about the legislation that I have introduced with respect to the Alaska lands issue, and I made reference and went into a fair amount of detail with respect to the land use planning process that I felt was very important.

I also made a statement that I was surprised that the environmental community had opposed this process, which I found very odd, because I had been under the impression that a reasonable planning approach was something very desirable not only to those who were sensitive to environmental and ecological questions in our society but really to everybody, because one cannot organize one's personal life without some degree of planning, much less try to organize all of the intricate facets that impact upon the human use of land.

I made the statement that the environmental community opposed it, so I wish to submit for the RECORD and ask unanimous consent to have printed in the RECORD, a statement by Jack Hession.

This is an extract, it is not his full statement, but it deals on page 17 with their opposition in principle to a proposal which involves a measure of State jurisdiction over Federal land. I was quoting that one sentence:

We oppose in principle any proposal which involves a measure of State jurisdiction over Federal lands.

It is most unfortunate, and certainly misleading, that he would make that statement, because under my proposal there is no loss of Federal jurisdiction over Federal lands. What happens is that the President would appoint four members to the commission, the Governor would appoint four members to the commission, and the President and the Governor would agree on a ninth member, who would be the chairman of the commission.

The commission makes a judgment on Federal lands, a decision, a finding of something for development or something for a nondevelopment situation, and that decision on Federal lands can be vetoed by the Secretary of the Interior.

If the commission, composed of Federal and State individuals, makes a finding on State lands, and the Governor disagrees, he can veto it. So what happens is that there is no loss of sovereignty, because the jurisdiction in question can exercise a veto.

But what happens in a de facto fashion is that knowledge and information gets in front of the power curve rather than in back of the power curve, so that when the commission, which has at its disposal a research capability, makes a decision, and the Secretary or the Governor chooses to override that decision, they are going to have to have compelling reasons, they are going to have to have additional information, which were at variance from what the findings of the commission were.

This means that knowledge and information will be placed at a premium above what we find today, decisions made in Washington involving Alaskan domestic affairs, which have no relevance to the situation that exists up there.

So with regard to Mr. Hession and his statement, stating that they are opposed in principle to a measure of State jurisdiction, what they are saying is that they are opposed in principle, not just to a measure of State jurisdiction, because there is no State jurisdiction. There is a knowledge jurisdiction which takes place in a fashion.

I have a great deal of respect and affection for this very fine young man, but he would espouse a view that I would compare to the Luddite attitude in the early 1830's in England. I think it is most unfortunate. I do not think in a debate in a forum of his choosing he could sustain that position. I do not think there are any reasonable people in this country who would be prepared to accept that it is good policy to make policy with a lesser quantity of information, knowledge, and wisdom than would be the case to make policy with a maximum degree of knowledge and information.

Mr. President, I ask unanimous consent to have this statement to which I have referred printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF JACK HESSION

FEDERAL/STATE COOPERATIVE PLANNING AND MANAGEMENT

This subcommittee has asked for views on the proposal by Governor Hammond for cooperative management of the State-owned Wood-Tikchik area and the adjacent federally-owned area. Although we have not had the opportunity to review the Governor's proposal, we understand that it is essentially a scaled-down version of his long-standing proposal for management by a Federal/State commission in lieu of placing certain national interest lands in the national conservation systems. We also understand that the Governor has now added the State-owned lands on the Alaska peninsula and proposes that the federally-owned Iliamna and Alaska peninsula lands be included as well.

Although we are very much in support of Federal/State cooperation in the planning and management of land in Alaska, we do not think the Governor's plan is the best way of achieving it. We think title XI in H.R. 39 which calls for an Alaska advisory coordinating council is a more appropriate mechanism.

We are opposed to the State's joint commission approach for two basic reasons. First, we oppose in principle any proposal which involves a measure of State jurisdiction over Federal lands. We strongly believe that Congress should retain the sole authority over the public lands as provided in the Constitution.

Under the Governor's "fifth system", as it is sometimes called, national interest lands and other public lands would be under the authority of a joint commission composed of an equal number of Federal and State members. These commissioners would be responsible for classifying and otherwise disposing of Federal lands. This fact alone is enough to cause us to oppose the State's plan. We think it would set a dangerous precedent for all of the public lands if Congress turns over even a limited amount of Federal acres in Alaska to such a commission.

Second, we have the benefit of nearly six years experience with the Federal/State Land Use Planning Commission, an advisory body established as part of section 17 of the Alaska Native Claims Settlement Act (ANCSA). The Governor's present proposal, along with other comparable proposals by members of the Alaska congressional delegation and Rep. Lloyd Meeds, is similar in its structure and essential features to the present commission.

Summarizing our experience with the commission, we find that over the years it has reflected the state of Alaska's interests, as put forward by two separate State administrations. As a key example, the commission's national interest lands recommendations call for a "fifth system" for the majority of the D–2 lands, and what Federal lands are recommended for the national land management systems are not given the degree of protection proposed by either the administration or the Alaska coalition. This is because the State administrations, which have appointed the State members and co-chairmen, have been adept at controlling and guiding the commission.

This guidance has culminated in this present session of Congress, where the commission has taken a strong advocacy role on behalf of the "fifth system." It supplied the major concepts and policy provisions for the H.R. 10888, the Meeds substitute to H.R. 39. It provided staffing for Rep. Meeds during the Interior Committee's mark-up. All signs point to a similar, even stronger commission effort on the Senate side.

We think the Alaska advisory coordinating council of title XI avoids the pitfalls of the State's "fifth system" proposal. In contrast to the State's joint commission, the council has *advisory* powers only; there is no classification authority over Federal or State lands. Instead, the Federal, State and Native representatives would promote voluntary cooperative planning and management agreements, identify areas where land exchanges are appropriate, recommend to Congress changes in public land policy and laws, and conduct studies relating to land and resources use in Alaska. We are convinced that only if cooperative planning and management agreements are voluntary will the interests of the various landowners be safeguarded.

Thank you for the opportunity to present these views.

Mr. GRAVEL. Mr. President, I ask unanimous consent to have printed in the RECORD this morning a resolution which I introduced yesterday, which I believe is a very moderate one as Members of the Senate become appreciative of this humble request, that the pressures will be placed upon the Energy and Natural Resources Committee to see that it is effected.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S. RES. 507

Whereas legislation now being considered by the Senate Committee on Energy and Natural Resources would designate new units of the National Park System, National Wildlife Refuge System, National Forest System, National Wild and Scenic Rivers System, and National Wilderness Preservation System, resulting in an aggregate of 172 million acres, or nearly 50 percent of the lands in Alaska, in such systems;

Whereas designation of these lands would have a profound effect on the economic future of the State of Alaska and the lifestyles of many of the citizens of that State;

Whereas field hearings are normally held in the case of legislation having such an effect on a particular region or State;

Whereas there have been no Senate hearings held in Alaska on the Alaska National Interest Lands Legislation to date: Now therefore, be it

Resolved, That it is the sense of the Senate that the Committee on Energy and Natural Resources should hold not less than five days of field hearings in geographically diverse regions of Alaska on the Alaska National Interest Lands, such hearings to be attended by the chairman and ranking minority member of such committee or the chairman and ranking minority member of the Subcommittee on Public Lands and Resources.

Mr. GRAVEL. When the statehood bill was before the Congress, we had extensive hearings within, at that time, the territory of Alaska. When the Native land claims was the subject of the deliberations in Congress, we also had extensive hearings within the State of Alaska. Now we find ourselves on this very important issue of Alaskan lands when it is something that only affects Alaska, though in point of fact it affects the Nation and the world, because Alaska is the treasure house of the United States of America, that this legislation in the Senate has not received one day of hearings within the State of Alaska.

The House, in meeting its responsibilities, decided to have five days of formal hearings, 10 different town meetings of a formal nature throughout the State of Alaska, and 10 days of onsite investigation.

Certainly, the Senate committee, which is attempting to begin markup, is derelict in its duty in not similarly holding a hearing in Alaska. It would serve little purpose to hold hearings after the fact. All it would underscore is a certain bias and prejudice which exists within the Congress. I say bias and prejudice, because on close examination the results of the vote in the House of Representatives in no way can be construed as a balanced decision by that august body.

What happened there with 277 votes to 31 votes was what we would call in theoretical parlance the tyranny of the majority.

When you associate tyranny, you associate a certain degree of ignorance or lack of information. Actually, that was the case in the House. It was an easy vote for a Member of Congress who was not prepared to vote the full measure of financial support to the Environmental Protection Agency and thereby incur the wrath of his environmental constituency. It was an easy vote for him to try to reingratiate himself with that community by simply voting on something that they expressed as being their No. 1 issue. So, if you vote for somebody's No. 1 issue, Mr. President, you do not have to vote for anything else that they want. You have satisfied their major demand.

In this particular case, it was so easy for a Member of Congress to come forward and vote on the Alaskan lands issue. First, he did not have to bother spending time getting information about the subject; second, Alaska is far away and he can be sure that generally within his immediate tenure of office of 4 to 6 years the results of his decision would not be visited upon his constituency. So it was an easy throwaway vote to placate one segment, and, in the balance of things, one radical segment, of the population.

That kind of policy, that kind of law, is just riddled with failures, difficulties, and injustices.

That is essentially what would happen in Alaska. There would be a great injustice perpetuated if we let this bill become law.

We only talk in terms in the environmental community, that they just want to protect some Federal lands in Alaska.

Well, that is only part of the problem. The way the land decision is strewn across Alaska it is pockmarked here and there pell mell across the entire horizon of this subcontinent. So we would take the equivalent of 172 million acres of land, pull it out of the normal human inventory, and put it aside. Some of it should be put aside. I would not quarrel with that. But what happens with the balance of the land in the subcontinent, the land that the State of Alaska will acquire, the land that will go to the Alaskan Natives, the 40 million acres? That also is pockmarked all over the State.

So we get the situation that whenever they want to utilize State lands, private lands, or Native lands, they are compelled to come back to Washington, D.C They are compelled to come back to the Department of Interior.

That does not sound too logical, to turn around and say that the State has statehood and, "We give you all the sovereign powers that go with statehood, but if you want to use the land we gave you in statehood you have to come back and petition the Secretary of Interior, hat in hand, and hope that he might have a balanced approach."

I would question that balanced approach under the present Secretary, for whom I have great respect, and who I think is doing a good job, except in one area. I think he is somewhat biased to the environmental community. This may have some benefits nationally since we have had biases on the other side. This is the other end of the pendulum. Unfortunately, this kind of situation exists, but that is the nature of human existence. It is not the ideal.

What it means for us is that during this type of a tenure Alaska will literally be brought to its knees; that we will not see any appreciable economic activity within the private and within the sector involving State sovereignty, mainly because individuals will have power to thwart economic activity across the entire horizon of Alaska.

This is unfortunate. I think we need but look at a map of land distribution to see the corridor where the Alaska pipeline is located. I might add that that is the only thing that this Congress, this Nation, has done to help solve its energy crisis. It passed the Alaskan pipeline legislation which, of course, occurred on the floor of this body, passing by only one vote.

That is the only thing we have done to contribute to the energy problem that has plagued us in an aggravated form since late 1973. We see that, just as a matter of convenience, there is a little parting on the map where land is not selected so they can let the Alaska pipeline through. But I think the conclusion is very clear: Had the Alaska pipeline not been in existence today and had the d–2 land decision been made under its present context, there would have been no room to build the Alaska pipeline south from Prudhoe Bay. In fact, I think the situation would have existed to have discouraged entirely any exploratory activity in Prudhoe Bay. So the Nation would have been denied this unusual resource, this great blessing, to contribute not only to our energy needs, but, to a much greater degree, to a soundness to our economic structure. So, when the environmental community talks in terms of the efficacy of their position, I hope some are mindful of the fact of what effect that position has on the economy, on the nature of inflation for their constituents, on the degree of unemployment visited upon the people as a product of inflation, as a product of the hemorrhaging of the balance of payments, which is a consequence of our petroleum shortfalls.

Those are the consequences, both in the short run and in the long run, of what would be an unbalanced decision that could well be made by the Congress were it not for the vehicle of the rules as a device to thwart the tyranny of the majority. I take the floor early this morning in order to continue my efforts to impede the deliberations and markup by the Energy and Natural Resources Committee. That committee is scheduled to convene at 10 a.m. today. As a result of the Senate coming in, that meeting will be illegal. My effort here is, whenever possible, to try to take the floor of the Senate so as to impair that committee's ability to treat that particular subject matter.

Mr. President, I should like to focus on some testimony that was received by myself and others with respect to a subject which I think many environmentalists like to distort. That is what has happened in Alaska with respect to oil and gas development and its impact on the environment. So often we hear placed in juxtaposition the viability and the health of the caribou with respect to what oil and gas activities have already taken place. So I should like to read into the RECORD the testimony of Angus Gavia, who is an environmental consultant of some note, who had been retained by Atlantic Richfield to make an assessment of the impact on the North Slope as to what happened with respect to the environmental question.

The material follows:

OIL AND GAS VS. CARIBOU

I am Angus Gavin, a Consultant to Atlantic Richfield Company on Environmental and Ecological affairs in Northern Alaska—specifically the Prudhoe Bay Region on Alaska's North Slope.

My background for this position comes from many years experience in the north coupled with degrees in both Zoology and Engineering. I have spent some seventeen full years in the Canadian Arctic doing wildlife research. Was General Manager of Ducks Unlimited Canada for twenty odd years and was responsible for the building of some 900 odd waterfowl projects during that time including the huge Cumberland complex in northern Manitoba. During my Canadian Arctic days I was lucky enough to discover the long sought nesting grounds of both the Ross and Tule geese on which I wrote numerous articles. I also researched, wrote and published *"The Birds of Perry River N.W.T."*, *"The Animals of Perry River N.W.T."* and *"The History of the Athabaska Delta"* on which I did considerable research for both the Alberta Government and Ducks Unlimited. In 1969 I was asked by Atlantic Richfield Company if I would undertake a study of the North Slope region of Alaska and provide the ecological input necessary to safeguard the wildlife during the exploration and development of the oil field at Prudhoe

Bay. These studies have involved inventories and migration patterns of the caribou using this region, their calving success, fly oriented movements, their reaction to human activities within the oil field, pipelines, roads, drilling rigs, generating plants, power poles, flow stations and all the other facilities that are necessary for the efficient operation of a large oil field. Waterfowl, Shorebirds, Hawks, Owls and all the other avian species that inhabit this area during certain times of the year have also been inventoried and their movements closely monitored. Populations of foxes, wolves, grizzly bear, polar bear, moose and lemming have been closely watched and their numbers recorded.

Baseline material has been gathered from an area of approximately 16,000 square miles around Prudhoe Bay in order that we would have the type of data so necessary for comparison between a non-developed area and one under development. Specifically, our surveys covered the region lying between the Colville and Canning Rivers and from the Brooks Range to the Beaufort Sea.

Studies of the area immediately offshore have also been undertaken. This has included all the islands lying offshore between the Colville and Canning River where several different species of birds come to nest. These include Eider Ducks, Gulls, Tern, Black Brant Geese and Snow Geese. A five year study entitled "Wildlife of the North Slope" has already been published as has also a report covering the offshore region. Both are available from Atlantic Richfield offices in Anchorage and Los Angeles. The offshore report includes a write-up on the Snow Geese colony on Howe Island which lies just off the mouth of the Sagavanirktok River This small colony of Snows started nesting on this island in 1971 despite the heavy volume of fixed-wing and helicopter traffic in the area at that time—they have come back each year since. This, by the way, is the only known Snow Goose nesting colony in Alaska. We have also prepared a nine year study entitled "Caribou Migrations and Patterns Prudhoe Bay Region Alaska's North Slope". This paper still needs some final editing before publication, but for the information of this Committee, I have brought along an in-house copy which I shall leave with you.

From our studies which are now in their tenth year, it is obvious that while there may be some minor disruptions to wildlife during periods of heavy construction, it is also quite evident that the two are compatible provided the necessary environmental and ecological safeguards are a built-in feature of any exploration and development in the north. This has been proven quite conclusively at Prudhoe Bay where caribou still come to calve and spend the summer—waterfowl and other birds have adopted the area pretty much as a sanctuary, showing little or no fear of man during the period of time they are in this area.

While the ecology of the north is often described as being very fragile, it is not so fragile that exploration for fossil fuels and minerals cannot be undertaken. Utilizing the knowledge available and observing some necessary restrictions during periods such as when caribou are calving and birds are nesting—even areas such as the Arctic Wildlife Range could be explored without causing any undue disturbance or disruption to wildlife.

Numerous studies have been conducted over the Arctic Wildlife Range in connection with some of the proposed gas pipeline routes and from those we have seen a fund of helpful information that is available.

SOME ASPECTS OF EXPLORATION AND DEVELOPMENT ON WILDLIFE POPULATIONS—PRUDHOE BAY AREA—ALASKA

In 1969 a series of studies were commenced in the Prudhoe Bay Area of Alaska designed to measure the impact of exploration and development on the wildlife that inhabited the area on a seasonal and permanent basis.

These studies included an inventory of caribou populations utilizing the zone lying between the Colville and Canning Rivers and between the Brooks Range and the Beaufort Sea. Emphasis was placed on the utilization by caribou of the area under heaviest development and what effect this development was having on their day to day and season to season use. Assessment of waterfowl and other avian species was also made over the same regions and the impact on their environment measured. Many of the other species of wildlife found within this area were carefully observed and recorded and full reports submitted covering their abundance or scarcity—their movements and fluctuations both outside the field and within the development area proper. From these many studies, which are now in their tenth year, it is quite evident that development in an Arctic Environment can be accomplished without undue disturbance or disruption to the wildlife of the area provided the necessary environmental and ecological precautions are taken.

An example of these precautions and their effects is illustrated by the caribou calving cycle occurring within the Prudhoe Bay Field proper. In 1970, when only a couple of drilling rigs were working in the field, our calving count showed that seventeen calves had been born in the twelve square mile area lying between the Kuparuk River and the Sagavanirktok River. In 1977, within the same area now highly developed with a complex of Base Camps, Flow Stations, Production Pads and gathering lines, a total of eleven calves were born. This despite the fact that the herd supplying animals to this area has gone down drastically in total numbers over the last few years, through no fault of any development but rather through disease, predation and over-harvesting.

Another example of harmony between development and wildlife at Prudhoe Bay was the starting of a Snow Geese nesting colony within sight of the field. This colony, the only one in Alaska by the way, established itself on Howe Island in 1971 despite a fairly heavy volume of fixed-wing and helicopter traffic in and around the area, which was not supposed to be conducive to waterfowl of this species becoming established. They have come back each year since 1971.

In most cases, critical times for the observance of development caution and restraint is during the calving period for caribou and the nesting period for avian species. The calving period for wild caribou, and this applies whether they are in Alaska or Canada is quite short, running from around May 25 to June 10th. There are the odd exceptions, but by far the majority of animals are born within these dates with the peak occurring around June 4–6.

Exploration in any region can be adjusted to coincide with times when the utilization of an area by wildlife is at a minimum or at times when disturbances are not critical to their well-being.

In the case of an area such as the Arctic Wildlife Range for example, exploration work could quite easily be carried out in the period of time from freeze-up through to the beginning of May without any undue disturbance to wildlife in this area. Caribou using the Wildlife Range move into Canada for the winter and return to the coastal section of the Range to have their calves and to spend the summer.

Studies done so far suggest that there is little difference between moose and caribou in their reaction and adaption to exploration and development. Moose calve somewhat earlier than caribou do and prefer a different habitat during much of the year, but both become adapted to development, provided the proper criteria for their protection and well-being is a built-in factor in any land utilization.

ANGUS GAVIN,
Consulting Ecologist.

That is the statement of a person, Mr. President, who spent 16 or 17 years in the Arctic.

Earlier, I stated that the vote in the House did not represent a balanced view of the membership of the House. I would like to read for the record an article that appeared, I believe, in the Christian Science Monitor, written by Peter Stuart. It is entitled "Environmentalists Sense a Backsliding."

I quote the article:

ENVIRONMENTALISTS SENSE A BACKSLIDING

Is the political environment cooling for the environmental movement?

After nearly a decade of rising clout in Washington, a series of recent setbacks in Congress, and even in the avowedly environmentalist Carter administration suggest the movement's influence may be slipping.

Foes of the environmental movement welcome the rebuffs as a return to "common sense and the rule of reason," in the words of one, while its friends deplore them as "wavering" and "backsliding."

But both sides tend to agree with an observation by Rep. James M. Jeffords (R) of Vermont, cochairman of the caucus of environmentally concerned lawmakers known as the Environmental Study Conference.

"All of us recognize," he said in an interview, "that the great momentum we had in the '70s has subsided."

The change in momentum may be temporary, but it is visible from Capitol Hill to the White House. The signs: Congress, despite the House of Representatives' resounding approval last month of an Alaska wilderness protection bill of top priority to conservationists, lately has dealt them a succession of reverses.

Both houses are moving toward watering down the strong 1973 law protecting endangered species, which has allowed the tiny snail darter fish to halt the opening of the $119 million Tellico Dam in Tennessee.

The House earlier this month killed funding for a presumably noncontroversial program to control toxic chemicals. Then it came within 38 votes (211 to 173) of cutting $133 million from the antipollution enforcement work of the Environmental Protection Agency (EPA) and just 13 votes (211–198) short of an across the board 2 percent trim in the budget of the Department of the Interior, the government's chief natural resources agency.

President Carter, who campaigned two years ago as an ardent environmentalist, found himself recently in the ironic position of being visited by a delegation of conservationist congressmen who questioned his commitment.

They share, with many private environmental leaders, a twinge of concern over some recent nominations, energy decisions, and suggestions by presidential inflation troubleshooter Robert S. Strauss that easing antipollution standards might help the economy.

Mr. Carter also this month proposed the first new water projects—anathemas to most environmentalists—of his presidency.

"There have been some bright spots," Representative Jeffords says of the environmental record of Mr. Carter, with whom he met earlier this week. "But he has made some bad mistakes."

The winds of personnel change on Capitol Hill blow ill for environmentalists. Retirements among House committee chairmen will lose them at year's end one of their most influential allies and elevate a longtime nemesis.

The surprise retirement of House health and environment subcommittee chairman Paul G. Rogers (D) of Florida, who helped shepherd through Congress tough clean-air and clean-water laws, "really hurts," confides one House conservationist.

So, environmentalists agree, does the impending rise to the chairmanship of the powerful House Appropriations Committee of Rep. Jamie L. Whitten (D) of Mississippi, who has long fought to cut funding for anti-pollution programs.

Why does the environmental movement, after years of political ascendancy, suddenly find itself on the defensive?

Apart from the quirks of congressional turnover, the movement is believed to have been caught up in two strong political backlashes—against government regulation and against government spending (what one House environmental aide calls Congress' "budget cutting binge").

To regain the initiative, Representative Jeffords advises better communication.

"We've got to get environmental issues articulated in a way that's more meaningful to people," he says.

He suggests that environmentalists start publicizing their positions with more specifics than vague ecological principles.

Mr. President, I read this into the RECORD merely to demonstrate the fact that the vote in the House was not representative. It was a device by Members to sort of make themselves whole, at the expense of Alaska, at the expense of a balanced decision in Alaska with respect to lands. It is most unfortunate that that is the case, but it is normal human nature that you take the line of least resistance; and making an environmental decision in Alaska certainly is the line of least resistance.

Mr. President, I should like to read into the RECORD a statement by Alan Epps with respect to wildlife management and wildlife impacts. I read from his statement.

Alaska National Interest Lands legislation is more than designation of land areas and designation of managing agencies. It also is establishing broad land use patterns which, in effect, mandate land management options. This is particularly true where wilderness designations may occur. Upon close examination, wilderness is a questionable land use when wildlife resources are viewed from a true management perspective.

First let's define wilderness and second, see how this fits into overall wildlife management within the Alaska context.

WILDERNESS

Section 4(c) of the Wilderness Act of 1954 provides:

Except as specifically provided, and subject to existing private rights, there shall be no commercial enterprise and no permanent road within any wilderness area designated by this chapter, and except as necessary to meet minimum requirements for the administration of the area . . . there shall be no temporary road, no use of motor vehicles, aircraft, no other form of mechanical transport, and no structure or installation within any such area.

It is important to further recognize the following from "Selected Legal Memoranda" volume I, Federal-State Land Use Planning Commission for Alaska, January 1978 Commission Study No. 30 pages 20 and 21:

A Solicitor's Opinion in the Department of the Interior (74 ID 97, February 24, 1967) has determined that this subsection [4(c)] and subsection 4(d), allowing preexisting aircraft and motorboat use to continue, providing for continued prospecting and governmental inventory of minerals, continuation of existing grazing uses and other special provisions, do not apply to wilderness areas proposed within National Park or National Wildlife Refuge Systems, but rather apply only to those specific wilderness areas within national forests designated in the Act.

The result of this decision is that legislative proposals for Refuge Wilderness areas can contain management provisions by paraphrasing specific sections of the Wilderness Act, or adding other provisions necessary to properly administer the area as a refuge wilderness. Congress can always delete or amend these management standards. To date none of the legislative proposals for refuge wilderness areas in Alaska have included special management provisions. In fact, for the six refuge wilderness areas already established in Alaska, the Act creating them provides that wilderness areas designated therein "shall be administered in accordance with the provisions of the Wilderness Act governing areas designated by that Act . . ." (Public Law 91-504, 84 Stat. 1104, October 23, 1970.) Identical language appears in Section 5 of House Report 5422 now pending in Congress for designation of the Chamisso, Izembek, and Simeonof Refuge Wilderness areas.

And further on pages 22 and 23:

Even with specific legislative provision for incompatible preexisting uses and means of transportation there may be danger that courts will overturn such provisions as inconsistent with the overriding purpose of the wilderness Act itself. A recent case in point is *Isaak Walton League* v. *St. Clair*, (U.S. District Court, Minn., January 5, 1973, ERC 1864) which was addressed to the continuation of mining locations in forest wilderness areas until the 1983 cut-off date. The Court held that mineral rights should not prevail over wilderness objectives despite the specific provision for mining in the Act.

With the above as a basis, it appears reasonable to assume the strictest interpretation of Wilderness for the purpose of this discussion.

WILDERNESS AND WILDLIFE MANAGEMENT

Wildlife management in Alaska, has a number of distinguishing characteristics which must be recognized if wildlife are to benefit. Most key habitat areas are occupied only for a short time, a few days up to six to eight weeks, out of each year. These are the periods of nesting and rearing for sea birds and water fowl, caring for the ungulets, denning for the bears, spawning and hatching for fish, and fecding, hauling out and calving for many of the sea mammals. Most of these areas are nearly void of wildlife during the majority of the year, although some overlap occurs in some cases. During this period, the majority of wildlife, for which Alaska is noted, are absent from Alaska scattered, across the major oceans and continents.

(NOTE.—It is also during this period of wildlife absence when sound environmentally safe development of other nationally significant resources such as energy does and should take place.)

I want to emphasize the point that is being made: In the major part of the year, there is no habitat activity in the land in question; and, as stated, during that part of the year sound and intelligent human activity can take place.

Another feature (though maybe not distinguishing—certainly germane to this discussion) is the drastic "natural" changes in many of the habitats, both key and general habitats. Of major importance in Alaska is wildlife. Wild fire on caribou winter range renders it useless to caribou for 75 to 100 years. Wild fire in the climax taiga forest, on the other hand, begins anew the successional stages of the taiga ecosystem and creates new range for moose and many of the upland birds and fur bearers. Wild fire during late summer in the headwaters of spawning streams may predispose soil erosion which renders the stream unsuitable for spawning purposes, which would eliminate at least a generation of some species of fish from that stream. All of these impacts of wild fire (good and mostly bad) would simply run their course under wilderness designations. This is more likely to happen since even the use of chain saws has been questioned in wilderness areas in the contiguous states and the really only effective tools for fighting wild fire in Alaska have been either a D-9 Cat or fire reardent bombing from aircraft.

I think any reasonable person could expect that if a large fire, and we have that frequent occurrence in Alaska, were to take place and you would see hundreds of thousands and millions of acres about to be annihilated as a result of fire it would be preposterous to sit back and take the dictates of this kind of law where you would see the disappearance of wildlife and waterfowl to an impact of 25 or more years or to ruin what would be a very viable fishery that could support other areas of our wildlife population.

But according to this paper that is obviously what could be the eventuality of those who want to insist that an area be set aside that would have no intrusion of man at all:

Another natural phenomena which drastically alters some ecosystems is major tectonic actions (earthquakes) which result in large uplifts perpendicular to spawning streams, such as happened in 1964. Unless fish ladders are built around most of these hindrances (which would be prohibited under wilderness classification) the stream would no longer support a spawning population of fish and could eliminate an important food source for associated carnivors such as bears, eagles and land otters.

Most Alaskan resident wildlife species are subject to drastic cyclic variations in population. The lows are attributable to four major factors: predators (both man and other carnivors), over use of the habitat, disease, and weather. The first two, predators and use of habitat can be managed and regulated in non-wilderness areas so the optimum populations are stabilized. Within reason, some disease factors can also be managed under non-wilderness situations. Weather impacts are much more difficult to manage. However, in some cases such as heavy snow fall years, reduction of predators has increased the chances of large ungelet survival, but this would be possible only in non-wilderness areas.

Wildlife management has long employed wildlife enhancement and habitat improvement practices. These are sound management tools, which in the case of Alaska's migratory wildlife, such as waterfowl and anadromous fish, have an impact far beyond specific sites within Alaska. To eliminate these wildlife management practices in large areas of Alaska in the name of "Wilderness Preservation" requires that other states and nations are aware of the impact and are willing to accept less than optimum production of these migratory wildlife species from Alaska.

CONCLUSION

Sound ecological management of wildlife habitat is integral with proven wildlife management in the Alaskan environment. Wilderness designations removes habitat and

wildlife management options which have a proven past record of benefiting Alaska's wildlife, both resident and migratory. Wilderness, by definition, eliminates man's option to modify the environment beneficially as well as detrimentally.

"Wilderness species" is a blatant misnomer since wilderness is a sociological phenomena, not a biological truism. Wildlife species of Alaska are associated with habitat, not wilderness. Man's influence on managing wildlife habitat can only benefit wildlife in non-wilderness areas.

Mr. President, I have another statement here I wish to read and that is the statement of a person for whom I have great respect. His name is Walt Parker. He is one of the chairmen of the Federal Land Use Planning Commission, which I authored in 1971, which has done, in my mind, yeoman service producing a compendium of knowledge on Alaskan lands which permits the intelligent deliberations that are taking place today.

Mr. Parker has been involved in transportation planning and operations in Alaska since 1946 with the Federal and State governments and the University of Alaska. In addition, he has done extensive private consulting in the areas of transportation and telecommunications. He was a planning officer and a regional evaluation officer for the Federal Aviation Agency in addition to other duties for that organization. He was a transportation planning officer for the Federal field committee for development planning in Alaska. In addition to his present position as State cochairman of the Alaska Planning Commission he was commissioner of highways and the director of the technical staff for the State pipeline office. In marine transportation he conducted several studies on Alaskan ports and marine transportation while at the University of Alaska. He was chairman of the State of Alaska's oil tanker standards committee and also head of the Law of the Sea project while at the University of Alaska:

The problem to which we must address ourselves is the securing of rights-of-way for surface transportation across Federal, State, and private lands. Even though easements are being identified for local access needs across Native-owned lands, eminent domain should still be the preferred alternative for securing such access across these as well as other privately owned lands. In this instance it was necessary to overturn a thrust in the Federal government to establish such rights-of-way which originated in the BLM corridor study which was accomplished in 1974.

The Commission and the State have said over and over again that the situation in Alaska does not in the main permit the establishment of fixed transportation corridors at this time but must remain flexible enough to adjust to future needs. Within the context of the National Interest Lands, the question then becomes, are the existing statutes adequate for the Federal government, the State, and private interests to secure rights-of-way across those lands at some future time when needs develop? The answer to that has been impossible to extricate from the matrix of Federal land management which will exist in Alaska after the passage of the Alaska National Interest Lands Act. In simplistic terms, if very large acreages and large masses of national parks, refuges, and wilderness are created, it will be necessary to have some special system for transportation access; if park, refuge, and wilderness boundaries are discretely drawn to recognize future transportation access problems, then it will not be necessary to have a special system.

The best and most positive answer is to have a system which guarantees that the needs for transportation access will be recognized by a wholistic planning process in which the mission orientation of any one single Federal or State agency will not over balance the decision making process to an unreasonable extent. This is not too difficult if all parties have a good faith interest in insuring that Alaska's transportation needs are met. If some parties' only interest is insuring that there will be no expansion of Alaska's surface transportation system in certain areas, then of course it will be impossible to arrive at an equitable solution.

While the primary item under discussion today is access across National Interest Lands by Federal, State, municipal, and private interests in transportation; there is an equally and possibly even greater problem in securing Federal access across State and municipal lands. Many of the key areas for future transportation initiatives in Alaska will be controlled by the State and municipal governments. While Federal preemption is available to use in these cases, it is not Federal preemption by Secretarial discretion but by statute, as in the Trans-Alaska Pipeline Act. It is not likely that Congress will wish to concern itself with every transportation project. Therefore, it seemed that one pragmatic solution was to institute a stronger Federal/State relationship in overall transportation planning. This has been accomplished to a degree in that the regional agencies of the Federal Department of Transportation have signed an agreement with the Governor of Alaska creating a State/Federal Transportation Planning Organization. This Organization has been in operation on a formal basis for over a year now and is an effort to overcome one of the major existing problems, namely that there was no multimodal transportation presence by the Federal government in Alaska to match the State's multimodal transportation planning agency. The new Organization has a policy group composed of the Directors of Federal and State transportation agencies and Federal and State land management agencies.

As yet, it is still very much a fledgling institution and it is impossible to evaluate its effectiveness at this time. Certainly a stronger mandate from the Federal Executive at the national level or the Congress would be of benefit in insuring across the board adherence to this process by the Federal government. The Governor has, of course, already made such a commitment when he signed the agreement, as have the regional agencies of the Federal Department of Transportation. Hopefully, this Organization can be developed to lay a firmer planning basis under the present statutes governing transportation access and any changes which may be made in this legislation. We have recommended two major alternatives for handling the process. The first is to have transportation decisions which affect both Federal and State governments be reviewed by a future Federal/State land use planning commission. In this concept, the existing State/Federal Transportation Planning Organization would develop the concepts or projects which would then be reviewed by the commission who would make final recommendations to the appropriate Federal Secretaries and the Governor.

The second option would require a simultaneous filing of applications for a corridor with all interested agencies under existing law and with the Federal Department of Transportation. The next step would then be a full interagency review including the preparation of a coordinated interdepartmental environmental impact statement would involve a full scale analysis of the corridor request in the context of transportation planning principles and the Federal Department of Transportation would have priority responsibility for conducting the necessary transportation analysis. The process would also statutorily require full coordination of such transportation planning responsibilities among interested groups. Step three would require that each of the reviewing agencies (as under present law) would reach their independent decisions on the application reflecting each agency's statutory mandate. In the event that either the Department of Transportation or appropriate regulatory agency reached a "no" decision, the application would be denied and the applicant would have recourse to existing appeal process.

In the case in which the Department of Transportation and appropriate regulatory agencies reached an affirmative decision, if the land management agency reached a negative decision, the decision would be transferred to the President of the United States for arbitration. The virtue of this approach is that it presents the land management agency from also becoming a transportation planning agency as well. Where request must be made to Congress under existing law there is no intent in our recommendations to change existing law.

This suggested process may appear cumbersome but its merit is that it does force interagency conflicts to be resolved in a reasonable time. The experience of many people in Alaska, including myself, is that the existing system is not forcing timely decisions.

One problem is that the planning process does not influence the permitting process sufficiently. For example, the State of Alaska has been trying to secure site permits to rebuild existing bridges on the Taylor Highway for some four years now without success. This is in contrast to the construction of the Haul Road from the Yukon River to Prudhoe Bay which was also accomplished under the aegis of the Department of Highways utilizing generally the same personnel who have been involved in attempting to secure permits for the bridges on the Taylor Highway. In the case of the Haul Road from the Yukon River to Prudhoe Bay, we had a strong congressional mandate and securing permits for gravel from BLM was no problem. From the beginning of the permit application process until the completion of the Haul Road occupied the period from April of 1974 to October of 1974. As you remember, Congress exempted this project from the requirements of NEPA. I think that any fair observer would have to say that environmental constraints were at least as strict on this project as one under which NEPA requirements were met due to the stipulations developed in response to congressional requirements.

In summation, the problem with the present statutes is that they give individual agencies with their particular agency biases too much control over transportation projects which may have to serve an entirely different range of needs. If the capacity to analyze transportation needs in a thoroughgoing professional manner exists in the Department of the Interior, to the same degree it exists in the Department of Transportation, it has escaped my attention thus far. It is hard to develop any logical rationale why the land management agencies should build up such expertise rather than relying upon the transportation agencies to make the transportation decisions. Then the land management agency can apply and test their mission goals in surface protection, wildlife management, or other areas against the transportation decision.

The claim has been made that this would be a new and expensive level of bureaucracy. I see it rather as a reordering of existing positions and budgets to better accomplish certain goals in a coordinated comprehensive manner rather than approaching them in a fragmented manner. It calls for institution-

alized liaison between agencies rather than counting upon the single agency developed EIS, the A–95 process or similar tried and found wanting procedures presently in use.

The Federal Government should strongly consider its own future needs in transportation in Alaska. It is most likely that Federal energy initiatives will develop the major transportation needs in the future. Congress can solve these as it has in the past on a one at a time piecemeal basis, but even if Congress is involved in the decision it could probably respond better to decisions based on a coordinated transportation planning process. At another level, it is not reasonable to expect the tiny communities of Alaska to have to go through a convoluted single agency control process every time they need a transportation improvement. The process must work in a positive manner for these communities rather than in an advisory manner. This is the difference in perspective which is bought by transportation agencies which are trying to bring transportation projects to the public rather than by land management agencies whose normal biases is to control or inhibit such developments.

As the resources of Alaska are developed over the next century, the efficiency of the transportation systems which are designed to serve them in the relationship of those transportation systems to national, continental, and international systems will become of increasing importance. The benefits of a strong intermodal planning process which relates Federal and State agencies on an ongoing basis will, I think, become increasingly relevant in this context and the only regret we would have is that we didn't do it sooner.

Mr. President, I think this underscores very strongly the thought that without a Federal Land Use Planning Commission to adjudicate the interface that will, of necessity, exist between the 172 million acres that will be set aside under H.R. 39 and the 103 million acres that will be held by the State of Alaska, and the 40 million acres that are held by the native organization, without having the vehicle or the instrumentation to affect and diminish the frictions that come about through this interface, is really a diabolical plan to strangle any economic activity in the State of Alaska.

That is really the purpose of this legislation. That is really the goal of the national environmental community, to thwart economic development in the State. Otherwise, why would they be so opposed to a planning process between the Federal Government and the State of Alaska so as to effect a harmonious situation? That is the only conclusion I can draw from the situation.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRAVEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MATSUNAGA). Without objection, it is so ordered.

Mr. GRAVEL. Mr. President, I would like to read from the report of the Joint Federal-State Land Use Planning Commission for Alaska on the subject of cooperative planning, management, and organization.

The reason I read this is to demonstrate the efficacy of this process and how it would be such an intelligent addition to the mechanistic approach of Government.

I advocate very strongly, and have stated repeatedly, that the reason why I am opposed to the lands bill for Alaska is not so much because of the quantity of land that is taken, and in many cases I think it is absolutely gross in that regard, but because I think that we will miss an opportunity to set up a mechanism. My good friend, who is sitting in the Chamber right now covering the minority, well knows the intricacies, the sophistication, the technical requirements of our society, and how our Government structure is crippled with its inefficiencies and its inability to satisfy those technical requirements. When we have an age where an incident occurring in New Delhi, India, can be known to the general population in the United States seconds or minutes after it occurs, these are situations of which we must take cognizance as we develop and maintain our efforts for purposes of good government.

That is why I advocate and will continue to advocate that with respect to the land needs of Alaska, and the environmental questions which are raised in our invasion of that subcontinent, that now, today, we need planning mechanisms.

With respect to this report, I read the following:

With some five years of first hand experience, the Joint Federal-State Land Use Planning Commission for Alaska remains concerned about Federal-State, intra and interagency cooperative planning and management that occurs in Alaska. After staff work, investigation by a subcommittee, and intensive outside review, the Commission, at its meeting of September 15 and 16, adopted the following recommendations.

The discussion of the recommendation is divided into four parts. First, the basic reasons for cooperative planning and management; second, the reasons for a joint Federal-State commission; third, the powers; and fourth, the organization that such a commission would have. An appendix has been added to the report which translates the Commission recommendation into legislative language. A bibliography is also attached.

Basic reasons for cooperative planning and management in Alaska include:

1. There is a continuing State-Federal relationship. This did not begin and will not end with the disposition of the d–2 lands.

2. The land ownership pattern in Alaska is growing ever more complex as a consequence of the implementation of the Alaska Statehood Act and the Alaska Native Claims Settlement Act. Lands owned by the Federal government, the State, Native corporations, and other parties lie adjacent to each other in tracts of varying size which do not necessarily follow rational boundary lines. This intermixture of land ownership can easily jeopardize prudent management. A systematic approach to resources which are similar but owned by different parties must be initiated to insure consistent and complementary management.

3. Private and State lands may be the essential buffer zone for certain of the more sensitive areas in Federal control. In other cases, the Federal government will own and regulate the mountain tops while the valleys are in State control, or the Federal government will have the wild and primitive areas while State lands will contain the people. Cooperative management is essential to protect the commonality of interest and to protect the national interest.

4. Resources have been divided by mixed ownership across the surface of the land, and between the surface and subsurface. The State, for example, owns the bed of navigable waterways and tidelands, while the water column within the Federal withdrawals will be controlled by various State and Federal regulations and may be subject to claim under the Federal Reserve Water Rights Doctrine. Ownership of the land surface and the underlying minerals may also be split between private owners and Federal agencies.

5. Migratory wildlife, e.g., caribou, waterfowl, etc., require extensive habitat that will occur on all land ownerships. Habitat must be maintained, and movement must remain free if these species are to survive.

6. Even if parks or refuges are contained ecosystems to the extent possible, there will be elements of the ecosystem that cannot be contained in area boundaries. Protection of entire ecosystems, and the full use of new knowledge about those systems will require extensive cooperation.

7. Issues may have a local significance but are actually regional, statewide or national, and they must be approached from that perspective. These include: (a) Outer Continental Shelf programs; (b) Coastal Zone Management; (c) international fisheries management; (d) marine mammals; (e) energy development; (f) fish and game management; (g) transportation; (h) wilderness study; (i) research and (j) information systems.

8. The social, economic, and land use interweave is more fundamental in Alaska than in states with a more developed infrastructure. Any change can have an effect across the State.

9. National parks will become destination points for tourists. The State will be called upon to provide access and other infrastructure outside the parks. Close coordination and planning will be necessary to permit the State to provide these services without harmful impacts.

10. Ownership of land in Alaska is concentrated in government and corporate hands. Thus, there is no "grass roots" force to develop means of cooperation.

11. There are extensive federally owned areas in Alaska which remain largely in their natural state, and have natural values that are clearly of national inportance. Nonrenewable and renewable resources found on these lands are largely unevaluated, and their possible importance in meeting future national and international needs for energy, minerals, wood fiber, and food cannot be accurately estimated at this time. The existing Commission has recommended this area be placed in a new classification called Alaska National Lands. Decisions regarding these lands must be made cooperatively, within a national context over time.

Mr. SCHMITT. Will the Senator yield at that point?

Mr. GRAVEL. I am happy to yield.

Mr. SCHMITT. I could not help but reflect on this last point raised about the land use report and what the Senator had said earlier with reference to technological advancement. In a way, it appears significant—historically significant, anyway—that the impetus that came to the environmental concern of this Nation and the ability to do something about that concern was the result of having seen the earth from space. I am not going to say that the environmental movement was not strong and would not have grown stronger with time, but I

think that view of the earth as a single fragile-appearing globe in the blackness of space, circling its sun, did add a perspective that we really had not had before. It is not the perspective of seeing a mechanical globe sitting on your desk; it is the perspective of the real world.

At the same time, the technology that allowed us to get there in space is what provides us with the hope of doing exactly what was just read by the Senator; that is, evaluating in a nondestructive way both the renewable and nonrenewable resources of a remote area.

The satellite technology that allows us to remotely sense great portions of the resources of those areas is part of that picture. The communications technology that allows us to work with a variety of Earth-bound and airborne and space systems in order to make that evaluation is part of that picture.

The transportation systems we now have in order to put something like a drilling rig in, to get additional information without any significant destruction of any aspect of the ecosystem is part of the modern technology base upon which we stand to provide for the kind of program that the Senator, I believe, is discussing. That is, of compatible management of these lands, utilizing the good will and good offices of the Federal and State governments and other parties; but standing on that base of technology which exists now and allows us not only to preserve the environmental aspects of these lands, but, at the same time, allows us to use those lands in nondestructive ways.

So the Senator, I think, if that is the direction he was heading in his thoughts, certainly is on the same parallel path as mine.

Mr. GRAVEL. I thank my colleague. That is very much the case. In fact, I think the words, "space ship earth," really characterize my view, at least, as to the fact that we have a totality which must be intelligently managed. It is our technology, our science, our advances in these areas, our knowledge, that will permit us to do this intelligently.

The proposal that I have for a Federal lands planning commission is that we have an instrumentation, a vehicle, through which to acquire knowledge and have a body of knowledgeable people to implement policy on a continuing basis as problems occur. To me, that is the only way to address ourselves to an intelligent plan for existence on this planet as part of the planned ecosystem.

Mr. SCHMITT. I am not absolutely sure the land use commission is the only mechanism by which we can provide some rational structure to our use of land and its resources, and water and its resources. But I do feel as a Senator that the concept of a space ship is a valid one, although sometimes carried to an extreme.

We often hear the Earth referred to as a closed system. Well, it is not closed. It is a solar engine that is being driven by energy from the Sun and our puny efforts to add to that energy are just that.

The basic atmosphere of the energy of the oceans, of life itself, the fossil energy that we use far too wastefully today, all have been derived from the sun. In the final analysis, one can conceive of all energy on this earth as being solar derived. Certainly, the energy that makes it run on a day-to-day basis is from the sun.

Beyond that, there is a finite base of resource. There is an environmental resource system; there is a crew. There are all those aspects that make the space-ship analogy hold up quite well.

I think, again, in 1968, when Frank Borman and his crew of Apollo 8 had an opportunity to take those first television pictures of the earth and to bring back the beautiful color pictures of the earth from their journey around the moon, that did provide a major hiatus in the evolution of thought, if not the biological evolution of mankind.

SPECIAL ORDER

The PRESIDING OFFICER. The time of the Senator from Alaska has expired.

Under the previous order, the Senator from New York (Mr. MOYNIHAN) is recognized for 10 minutes.

Mr. GRAVEL. Mr. President, I ask unanimous consent that due to the personal absence of Senator MOYNIHAN at this moment and with the presence of Senator BARTLETT, that the orders be switched, that Senator BARTLETT be permitted to proceed for his allotted time at this point and that Senator MOYNIHAN may follow Senator BARTLETT upon the expiration of Senator BARTLETT'S time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Oklahoma (Mr. BARTLETT) is recognized for 10 minutes.

Mr. BARTLETT. Mr. President, it was my understanding that I had 20 minutes.

The PRESIDING OFFICER. It is the Chair's understanding that the Senator yielded 10 minutes to the Senator from New York (Mr. JAVITS). If that is not correct, the Chair will entertain a unanimous-consent request.

Mr. BARTLETT. I ask unanimous consent that I have 18 minutes and the Senator from New York have 10 minutes which, if my arithmetic is correct, would bring us up to 10 o'clock.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, let me change that unanimous-consent request to the distinguished Senator from New York (Mr. MOYNIHAN), rather than Mr. JAVITS.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAVEL assumed the chair.

MOBILE MISSILES AND SALT

Mr. BARTLETT. Mr. President, our present strategic nuclear forces consist of intercontinental ballistic missiles (ICBMs), submarine launched ballistic missiles (SLBMs), and manned bombers. Maintaining a balanced "triad" of ground, sea, and air-based strategic forces has been a basic structure for America's nuclear deterrent for many years. Each leg of the triad is understood to provide unique contributions to the triad while enhancing the strengths of the other legs of the triad, substituting for their weaknesses, and providing flexibility.

The land-based intercontinental ballistic missile (ICBM) brings to the triad a large number of accurate, medium-sized nuclear warheads at a relatively low cost. Nearly all of our ICBM force are constantly on alert, ready to be launched with little warning against targets approximately one-half hour's flying time away. Faster reacting than the bomber force and more flexible than the submarine launched ballistic missile force, our present ICBM force, the fixed base Minuteman II and III, are probably the most cost-effective leg of the triad. Unfortunately, the growth and modernization of the Soviet ICBM force calls into question the survivability of the fixed, land-based missile in the 1980's.

The submarine launched ballistic missile is the most survivable leg of the triad. It is also the least flexible and potentially the most expensive. In time of war, communications with our fleet ballistic missile (FBM) submarines is likely to be slow and uncertain. At any one time, a much smaller percentage of SLBM's than ICBM's are on alert. Reentry vehicles on submarine launched ballistic missiles have smaller nuclear yield and less accuracy than ICBM reentry vehicles. Alone the submarine-based ballistic missile force is an inadequate and uncertain deterrent not suitable for hard targets such as Soviet ICBM silos or dispersed hardened industrial sites

The manned bomber, once the entire American strategic retaliatory force, still carries greater destructive power than either of the other two legs of the triad. The bomber is also the most flexible weapon in our strategic deterrent. Bombers can be launched on warning or placed on airborne alert to show resolve. They can be directed to additional targets or they can be recalled. Once airborne, bombers are less vulnerable to surprise attack.

However, because manned bombers are too slow to initiate a disarming surprise attack, they are the most stabilizing leg of the triad. Bombers are also the only part of the triad which can be employed in a conventional war. Unfortunately, the cost of the bomber force is high, its alert rate is low, and it is vulnerable to air defenses as well as being destroyed on the ground.

Thus, the intercontinental ballistic missile complements the other arms of the triad quite nicely. However, the land-based missile force is unique for reasons other than its relatively low cost and very quick, sure response. They make clear to everyone, friend and foe, that an attack on American strategic forces would require an attack on the United States itself. This symbol of American resolve greatly enhances our strategic deterrent.

America's land-based missile force, the Minuteman II's and III's and Titan II's, will become increasingly vulnerable to attack by Soviet ICBM's in the early to mid-1980's. The Defense Department has

stated publicly that the anticipated strategic arms limitation agreement (SALT II) cannot prevent this occurrence.

Existing Soviet intercontinental ballistic missiles, when armed with extremely accurate reentry vehicles already tested, are all that is necessary, even though the Soviet Union has further improvements in development. According to one opinion, the Soviet Union might disarm our ICBM force and destroy a large number of our bombers and submarines at their bases, thus greatly crippling our retaliatory force. Under those circumstances, the United States might be deterred from launching its surviving bombers and SLBM's by the prospect that the Soviet Union, which protects its population with civil defense and antiballistic missiles, might launch a massive attack against American population centers. However unlikely this theory that our deterrent might be deterred by a strike out of the blue, the United States should not become too dependent upon a vulnerable ICBM force which could be a lightning rod.

This strategic nuclear instability in the mid-1980's must be redressed with immediate programs not just options—SALT II or no SALT II. Assuring the survivability of our ICBM force is no easy task. Further hardening of the protective ICBM silos will not work. Current Soviet ballistic missiles have sufficient accuracy to overcome any conceivable hard target. Ballistic missile defense (BMO or ABM) is possible, but with present technologies very expensive. Also, the Anti-Ballistic Missile Treaty associated with SALT I greatly restricts the number of ABM sites which could be deployed.

Of course, we could always launch our ballistic missiles upon warning of an enemy attack, but this would result in a very unstable nuclear balance. It would also require the development of expensive launch on warning technologies. Because of limitations associated with hardening, ballistic missile defense, and launch on warning, the Pentagon is presently looking at ways to make our ICBM's mobile or to hide their location. This effort is generally known as Missile-X (MX). The ultimate shape of the MX program will be determined by the answer to two questions:

First, how should our ICBM force be based in the future?

Second, what missile and nuclear mirved warhead should be deployed in a new, yet to be selected basing mode?

The United States has considered placing its ICBM force on trucks, railroad cars, barges, and surface ships. It has considered dropping them out of aircraft or placing them in lakes or even in deep gorges or ravines where they would be difficult to target. Last year, it looked as if our future ICBM force would be based in long tunnels. However, now it seems clear that our future ICBM's will be shuttled from shelter to shelter like the pea in a shell game in order to confuse Soviet military experts as to their exact location. This method of hiding the exact location of our intercontinental ballistic missiles is known as the Multiple Aim Point (MAP) basing system. Candidate missiles for the multiple aim point system include our present Minuteman III, the proposed Trident II submarine launched ballistic missile, and a new ICBM larger than the Minuteman, known as the Missile-X (MX). The MX program today includes both the selection of a new missile, the number and size of mirved warheads, and selection of an appropriate basing mode. Generally, a larger missile is considered more cost effective in the multiple aim point system, with the necessary size being determined by the Soviet threat. With or without SALT II, it is clear that the United States will need a multiple aim point system and a new large mobile missile to be developed and deployed as soon as possible.

The three most likely candidates for multiple aim point basing are the vertical shelter, the horizonal shelter, and the sheltered trench. The tunnel concept, which would carry the missile on a underground flatcar known as a transporter-erector-launcher (TEL), is now in disfavor.

The vertical shelter basing mode is essentially what used to be referred to as the proliferated silo approach. Later it was known as the austere silo approach to distinguish the proliferated aim points from hardened "launchers." Later, the word "silo" was dropped probably because of its historically close association with the word "launcher." The construction of additional fixed land-based intercontinental ballistic missile launchers is prohibited by SALT I and is expected to be prohibited in SALT II. The adoption of the name "vertical shelter" with emphasis on the word "shelter" is designed to emphasize that the multiple aim points are not in and of themselves "launchers."

For the vertical shelter, there is no transporter-erector-launcher, there is a "transporter emplacer." The missile is transported around on a truck which would erect the missile and then would lower it into the ground along with a protecting cannister which also contains the launch mechanism. It is anticipated by some that the cannister would be the "launcher" which would be limited at SALT, but not the holes in the ground or silos which serve to "shelter" the missile and its "launcher." Under the vertical shelter basing mode, the MX missile could be launched only from the cannister and only when the cannister is emplaced in one of the vertical shelters. It could not be fired while moving between shelters.

The horizontal shelter or "garage" approach to basing the MX would involve placing the MX missile sideways into horizontal shelters. To fire the missile, a missile launch vehicle would drive out of the shelter, would erect the missile and its cannister which serves as a launcher, and the missile would be ordered to fire. The missile launch vehicle itself, along with its missile, would be towed from horizontal shelter by means of a missile launch vehicle transporter. During the trip between shelters, it would not be possible to launch the MX missile even though the missile and its launch cannister are together.

The modified sheltered trench system would involve a covered trench which is relatively vulnerable to attack but which would have hard points either along the trench or on spurs to the side. The missile would be carried on a "transporter launcher" which normally would not be able to fire the missile except from one of the hard points.

Whatever basing mode will be selected and whichever missile and MIRVed warhead will be considered optimal, the MX program will be directly and indirectly influenced by the emerging Strategic Arms Limitation Agreement (SALT II). SALT II consists of a treaty which will last until 1985 and a protocol which will terminate earlier on a day which has not yet been agreed upon.

As reported in the press, the protocol would probably prohibit deployment of mobile intercontinental missiles. An analysis of multiple aim point (MAP) basing reveals that MX is not a mobile missile like the Soviet SS–16 and SS–20 which are free to travel over the landscape and fire from any point chosen. Mobile missiles like the SS–16 or 20 would probably use presurveyed firing points, but these points would not be readily identifiable. As now understood, missiles deployed in a MAP system could fire only from a limited number of fixed and identifiable points and could not fire while traveling between those points. In another sense, however, MAP missiles are clearly mobile. They move routinely from location to location and this movement would make it difficult for the Soviet Union to verify actual numbers under any Strategic Arms Limitation Treaty. Furthermore, if given the ability to fire from other than fixed points, then MAP missiles would truly be mobile missiles.

Whatever the peculiarities of multiple aim point ICBM's as mobile missiles, the United States has apparently conceded that MX will be categorized as a mobile missile. As such, it is reported that testing of the missile from its launcher would be prohibited under the SALT II Protocol, although apparently neither testing the missile nor testing the launcher would be prohibited. Such restrictions on the untested, greatly needed MX missile are difficult to understand in view of the already deployed Soviet mobile missile, the SS–20 which, with only one warhead can reach the United States.

Because the MX missile itself is not expected to be available during the lifetime of the protocol, it is argued that the protocol restraints on mobile missiles will not limit the MX program. Undoubtedly, however, the very initiation of restraints on mobile missiles would strengthen the hand of the Soviets and those who oppose development of the MX missile by raising the important question of whether or not we should be investing millions of dollars in full-scale development of a system which may be banned in SALT III or SALT IV or by extension of the protocol. Also a ban on mobile missiles might delay the earlier deployment of a mobile Minuteman missile as a MAP system.

MX may also be limited by restrictions on new types of ICBM's, whether these are contained in the Treaty or the Protocol. The Soviet Union is reported to have proposed that each superpower be permitted one new non-MIRVed ICBM as an exemption to this rule. Such an exemption would be of little value to the MX program since the cost effectiveness of the multiple aim point system requires large MIRVed missiles. The MAP basing mode requires the attacker to target a large number of points in order to be sure that it has destroyed nearly all of the relatively few large MIRVed missiles which are hidden and which are capable of devastating retaliation.

There is also reason to believe that the SALT II Treaty itself may prohibit the multiple aim point system. Apparently, SALT II will carry over the SALT I prohibition against the construction of additional fixed ICBM launchers. In the MAP concept, the "launcher" could be defined as the missile, or the missile cannister, or the missile transporter, or the missile shelter, or even the entire MAP system associated with each missile. What would constitute the construction of additional fixed ICBM launchers is unclear. Even if the Soviet Union were to agree that new silos or shelters could be constructed, they might argue that each such structure should count as a launcher under the SALT II limits. If this possible interpretation were accepted, the benefits of MX would disappear because each MX missile would count as 10 or 20 or 30 launchers under SALT.

The SALT II Treaty is also reported to prohibit reloadable launchers. This could be interpreted as providing a restriction on vertical and horizontal shelters and possibly even the trench or tunnel systems.

Most significant for the multiple aim point concept, however, is the SALT II prohibition against concealment and deception measures which interfere with national technical means (NTM) of verification. The pea and shell game approach to intercontinental ballistic missile basing will undoubtedly make it more difficult for the Soviet Union to verify by means of satellite and other technical intelligence the exact number of missiles deployed in a multiple aim point system. Verification by national technical means is probably possible, and measures for verification involving cooperation between the United States and the Soviet Union, especially involving onsite inspection, could make verification quite easy. Nevertheless, the issue of "interference" will undoubtedly be a sore point with the Soviet Union.

There are many other restrictions on the multiple aim point (MAP) approach which might result from a SALT II Treaty. Possible limits on the number of reentry vehicles (RV's) permitted on ICBM's could reduce the cost effectiveness of a MAP system. Restrictions on modernization of existing missiles could prevent the testing and deployment of a mobile Minuteman. Other direct limitations may also appear in SALT III and future Strategic Arms Limitation Agreement.

The indirect impact of SALT II on MAP missiles may be as significant as the direct impact. Lack of agreement with the Soviets on the legality and verification of MAP ICBM's would undoubtedly disrupt United States-Soviet relations and could become an argument against MX and/or MAP. Support for funding an expensive program like MX would be made weaker once it is recognized that the program might be banned by an extension of the Protocol or by adoption of its restrictions in SALT III. Certainly, it must be recognized that the United States might make significant future concessions at SALT III in order to justify not continuing restrictions on mobile missiles.

In summary, with or without SALT II, the United States will need a multiple aim point system sometime in the 1980's as well as mobile missile (M–X). The MAP system and mobile missile (M–X) would be banned for the duration of the SALT II Protocol might be banned or restricted by the SALT II Treaty itself, and probably would be the subject of efforts to continue its limitation in SALT III. Thus, there is a fundamental tension between the multiple aim point basing mode and MX on the one hand and SALT II on the other hand, which must be resolved before any treaty goes into effect. Resolution by this conflict becomes more interesting because the Senate will undoubtedly have to deal with both SALT II and MX decisions at approximately the same time.

On July 9, the Washington Post reported that Secretary Vance would discuss the multiple aim point system with Soviet Foreign Minister Gromyko. I think that it is important that the United States and the Soviet Union clarify the relationship of SALT and our multiple aim point system as soon as possible. Some people believe that ambiguity in SALT II would delay the MX missile program. However, I believe that an ambiguity as to whether the United States would be permitted to deploy a multiple aim point system would only serve to prevent the chances that the Senate will ratify SALT II.

SOVIET TRIALS AND AMERICAN TECHNOLOGY

Mr. MOYNIHAN. Mr. President, this is a moment of decision in the executive branch with respect to the U.S. response to the clear challenge presented by the Soviet Union in the form of a raft of treason trials begun there.

Nothing quite the equivalent has occurred since the commencement of the Moscow Trials in 1936.

There have been great trials and purges and barbarity of the worst kind in the Soviet Union in that interval but, often as not, concealed, and never since the 1930's used by the Soviets to accuse a foreign government—in this case the Government of the United States—of an effort to subvert the Soviet Government. Never, until now. As the Coalition for a Democratic Majority said yesterday in a statement on the matter, the Soviet Government is calling the President of the United States a liar. For the President has stated that Mr. Shcharansky is not an American agent; the Soviet Union has said he is, and they will find him guilty. His crimes, as one may learn in this morning's press, include the transfer of classified sociological information to the West.

Thus, it is a remarkable event we see in the Soviet Union—four political trials proceeding simultaneously, all defendants described with that tiresome Soviet rhetoric always directed against men of independent mind and strong character. To be horrified by the latest wave of political terror in neo-Stalinist Russia is nonetheless to recognize, sadly, that it is not new.

Now it may be said that the human rights activists make two points of consequence about the Soviet Union, one of relevance to them, the other to us. They tell us what life is really like in the totalitarian police state of the Communist type; they tell us of the fate of civilized values, of culture under such a system. But if this were all they had to say, their condition would still engage our moral sense, but what else? Our political sense is engaged because of another point the Soviet human rights activists make, one of immediate concern to us: The Soviet Union is a dangerous society, dangerous to us and to all the world's democracies. For the dissident movement in the Soviet Union is more than a plea for help from us; it is a warning to us. And, as such, it needs to be taken with utmost seriousness. The campaign for human rights inside the Soviet Union is thus of central importance to us, not a diversion or an irritant or an aberration.

The hostility of the Soviet Government toward the Soviet civil rights movement is a measure of Soviet hostility toward the United States. If the Soviet Government cannot tolerate the simplest expression of individuality, the smallest amount of individual creativity, the most noncontroversial expression of solidarity with Western values, then we must draw the obvious conclusion as to what the Soviets intend for any political or social order not under their control.

Now for decades the Soviets have proclaimed their unalterable hostility toward the West. Ought they to be taken seriously? These trials now underway make their intentions obvious. Thus, the trials, as I said earlier, are a challenge to us. In particular, they are a challenge to the American Government which has raised the issue of human rights to a new standing in world politics. It is the Government of the United States which has quite properly defined a government's attitude toward its own citizens as a measure of its attitude toward the rest of the world. Surely, by now, our administration must realize that the nations of the world—especially the Communist ones—will be far more impressed by what we do in support of declarations than by what we say.

How then should we respond? There are those within our own Government who—to put it plainly—wish to do nothing. Accordingly, they present for our consideration only the most exaggerated proposals so as to rule them out

in favor of nothing at all. Thus, they will argue that all that can be done is to cancel the SALT talks, but the SALT talks are of such overriding importance that they cannot be canceled. The inevitable conclusion is that we ought to do nothing and hope that the current wave of anti-American hostility passes on.

The problem ought not be put so starkly. Even with a decision to continue the SALT negotiations—and it would seem to me that the timing of the trials for the eve of the Vance-Gromyko meeting was meant as a direct affront to the United States—there remain other measures that can inform the Soviets that the American Government must be taken seriously. The transfer of American technology is one important area.

For some 6 years now we have engaged in the sale for the transfer of all manner of significant and important technology and materials to the Soviet Union. Under the rubric of "detente" the Soviets have been able to acquire a broad range of technical, industrial, managerial capabilities. We had thought that the sale of technology or even its free exchange under the guise of scientific cooperation would induce the Soviets to behave more civilly. In the fields of chemistry, energy, electronics, oceanographic research, agricultural productivity, we have supplied that which a stagnant Soviet economy could not provide—advanced technological competence.

American technology looms large in Soviet calculations. On June 27, the New York Times reported on a controversy within the executive branch about the proposed sale of sophisticated oil extraction technology to the Soviet Union:

> Government officials say that members of the National Security Council staff are questioning whether the United States should approve a proposed $144 million deal for the export by Dresser Industries of Dallas, Texas, of plans and equipment to manufacture high-quality drill bits. Part of the deal, the officials said, involving the sale of an advanced electron beam welder, has already been temporarily halted while White House aides discuss the issue with other agencies . . .
>
> The idea of imposing restrictions on oil-related sales is being challenged by officials in the State Department and in the Commerce Department who contend that a ban would result in business being lost to other Western countries and might further exacerbate the poor state of Soviet-American relations.

Intragovernmental disputes on matters of foreign policy are not uncommon. What is perhaps uncommon—but by no means unpredictable—is the persistence with which the opponents of these particular sales have pressed their case. A responsible administration official telephoned me and asked that I raise this matter publicly, which of course I am happy to do. That it is necessary at all, however, causes one to wonder. What is the source of the administration's reluctance to deny advanced technology to those who continue to show the greatest contempt for us?

At the best, I believe the answer is to be found in some fundamental misconception about the role of trade in the relations between states. It is a recurring misconception, but no less pervasive for that. Last June the Secretary of Commerce put it thus:

> . . . I am concerned with what I perceive to be a growing tendency for the United States to deny trade as a political gesture . . .
>
> Trade, most of you would agree, fosters closer cultural and political ties between countries . . .
>
> Commerce is the common language of the world's peoples. Where ideologies divide, commerce unites.

Unhappily for a commercial nation such as ours, the point is not affirmed by history. One notes, for example, that destructive wars have been preceded by expanding levels of trade. But the theory of commerce as practiced by the Soviet Union is a new theoretical and practical construct; it is a new way of doing business wholly at variance with our own tradition, and its essence ought to be better understood in our own Department of Commerce.

I have mentioned the importance of the Soviet human rights leaders as warnings to the West, and this particular warning was presented in a memorable address by Alexandr Solzhenitsyn to the AFL–CIO in June 1975. Solzhenitsyn said:

> * * * Lenin foretold this whole process. Lenin, who spent most of his life in the West and not in Russia, who knew the West much better than Russia, always wrote and said that the western capitalists would do anything to strengthen the economy of the USSR. They will compete with each other to sell us goods cheaper and sell them quicker, so that the Soviets will buy from one rather than from the other. He said: "They will bring it themselves without thinking about their future." And, in a difficult moment, at a party meeting in Moscow, he said: "Comrades, don't panic, when things go very hard for us, we will give a rope to the bourgeoisie, and the bourgeoisie will hang itself."
>
> Then, Karl Radek, whom you may have heard of, who was a very resourceful wit, said: "Vladimir Ilyich, but where are we going to get enough rope to hang the whole bourgeoisie?"
>
> Lenin effortlessly replied, "They'll supply us with it."

And Solzhenitsyn added another somber metaphor:

> * * * [I]f, in the frenzied competition of one company with another, they will continue to rush in loans and advanced technology, if they will present earth-moving equipment to our gravediggers, then I'm afraid that Lenin will turn out to have been right.

The Soviet Union does not share the values of commercial societies, does not accept the notions of rule or law or sanctity of contract, or limitations of state intervention, or any of the manifold philosophical notions which have informed the history of Western societies. Soviet interest in trade is practical, not ideological, and the Soviet propensity for American technology bespeaks an understanding of the superiority of the American material product, not the political one.

Yesterday, I spoke at a press conference with other Senators and Congressmen interested in the fate of Alexander Ginzburg, Solzhenitsyn's friend and comrade. Ginzburg's trial—and the others—coincides with the President's opportunity to deny to the Soviets certain products in which they are interested—the oil drilling equipment I have alluded to, and other advanced products as well. Senator JACKSON urged the President to act forcefully on these pending license requests, and I shared that sentiment. I wish to underscore that suggestion today.

Meantime, it is important that we return to the first principles of successful diplomacy. It is elementary that hostile policies of a foreign state should create, for that state, an element of risk. Otherwise, those policies will surely persist.

I recall that in 1975, when I was serving as U.S. permanent representative at the United Nations, the Soviets launched an aggressive policy in Africa, first evidenced by the introduction of Cuban forces into Angola. It was, of course, the same year when another of those periodic Russian crop failures obliged the Soviet Government to import large amounts of grain. One might have thought that the Soviets would have had enough respect for us to reason that they could have the grain, or Angola, but not both. But they got both, and therein can be seen the origins of the current Soviet notion that they can both violate the Helsinki Accords as they relate to human rights yet benefit from the Helsinki Accords as they speak of expanded trade.

It is clear enough once again. The President has before him a limited proposal, that he deny export licenses for certain advanced American technology. It is time—long past time—that we establish that the aggression we have seen in Moscow this past week is as dangerous to us as the Soviets' traditional geopolitical aggression, and that we will respond as if we understood the nature of what was being done to us.

Fred Ikle, former Director of the Arms Control and Disarmament Agency, and surely one of our country's most distinguished scholars of international affairs, spoke of the relationship between American technology on the one hand and totalitarian excesses on the other. In March of last year he said:

> If the rules of a nation deprive their people of individual liberties and human rights, they will inevitably impose a long-term handicap on the nation's technological and scientific creativity. But by transferring our advanced technology to these nations we remove that handicap from them. Thus, we unwittingly help these regimes to perpetuate the suppression of freedom.

This kind of "linkage" must surely be broken.

I wish to simply make two additional points.

First, it is clear that the administration is much divided, that advisers in the White House are very much against bending at this time—just as they would have been quite willing to see it go forward in the absence of these trials. They are reluctant to do so now.

It seems to me they make the right point, as against the State Department analysts who would have us suppose that we have a choice between doing nothing or breaking off the Strategic Arms Limitation Talks.

This is not the sole choice to which we are confined. We have a great many intermediate measures which would be effective in the message they would send and which would be understood in the Soviet Union.

Mr. President, I speak, I hope, from some experience, not vast, but I have negotiated with the Soviet officials and diplomats on three continents, and I have some sense, one hopes, of the matter. None of us can have any overwhelming confidence, but when we have some experience, we should use it for what it is worth.

The Soviets are trying to establish that the President's talk at human rights is solely for domestic consumption. This is a familiar enough phenomenon in the Soviet Union. Everybody in the Soviet Union knows what that means. Governmental hypocrisy is a pervasive reality of their life. And the way to establish that it is given to in the United States is to confront the United States and the President with the most egregious violation of human rights one can imagine and then establish that the U.S. protests this in words, but does nothing in fact. And once the Soviets establish there are no consequences, that nothing will happen, then they have established not merely that we will give in on one particular situation—which is not the most important thing for the Soviets, if I estimate them right. What is more important for them is to persuade their own people that they are seeing in the American Government a phenomenon they fully understand in their own Government—statements of high principle that are not really incant. No Soviet dissident must ever expect any help from the United States; it will not come.

I cannot but recall the extraordinary clarity with which Alexander Solzhenitzyn on June 30, 1975, in the first speech he made in the United States, invited here by the AFL–CIO, remembered a great exchange between Lenin and Karl Radek in which Lenin said:

> Comrades, don't panic, when things go very hard for us, we will give a rope to the bourgeoisie, and the bourgeoisie will hang itself.

But then Karl Radek said:

> Vladimir Ilyich, but where are we going to get enough rope to hang the whole bourgeoisie?

And Lenin said:

> They'll supply us with it.

And Alexander Solzhenitzyn rose and said:

> Don't, don't sell earth moving equipment to our grave diggers.

That is what Solzhenitzyn recalled on June 30, 1975.

And he also pleaded:

> Don't sell earth moving equipment to our grave diggers.

What more would you want to hear?

One last reference to this matter from both a scholar and a public official of great distinction, Dr. Fred Ikle, director of the Arms Control and Disarmament Agency in the last administration. In a speech he gave in March of last year he made the essential point about technology. He said:

> If the rulers of a nation deprive their people of individual liberties and human rights, they will inevitably impose a long-term handicap on the nation's technological and scientific creativity. But by transferring our advanced technology to these nations we remove that handicap from them. Thus, we unwittingly help these regimes to pepetuate the suppression of freedom

That is a linkage that is real, Mr. President. That is why the issue of human rights, and Univac computers, and Dresser drill bits are in fact inevitably linked. A society that suppresses free inquiry about politics does the same about physics. The Soviet Union is a backward nation in the realms of communication, speculation, and inquiry. And to the degree that we provide them the fruits of our technology to the Soviets, we provide them the fruits of a free political culture. It is not a question of appropriations of funds for research that has made for creative societies in the West. It is that a free society is creative. Political freedom and scientific freedom are not discontinuous. They are part of the same political, social, and scientific continuum.

So one would hope that the President would see in this an opportunity to establish a linkage which is innate, inevitable, and central to what ought to be our perception of ourselves and of the Soviets.

For the Chief Executive, it cannot be an easy one, and he will continue to have our respect and esteem whichever way he decides. But I would urge upon him one thought: there is nothing in the least inappropriate to associate the withholding of technological advantage from the West with the abuse of human rights in the East. We are surely not going to ease their abuses of human rights by providing them the fruits of the very creativity of our free society.

It seems to me that between the prospect of doing nothing and a profound step such as severing the SALT negotiations, this is an intermediate, moderate, and concrete course the President can take and I, for one, hope he takes it.

Mr. MATHIAS. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I am happy to yield to the distinguished Senator from Maryland.

Mr. MATHIAS. I have listened with great attention and great interest to what the Senator has said. I think when the distinguished Senator from New York speaks he commands that kind of attention and respect.

Of course, I think there is great force to what he has said. But I am particularly interested in the point he made at least twice in his remarks, and that is that the way in which the United States deals with these very serious human problems, problems which do affect public opinion in the United States, as well as official sensibilities of the United States, need not disrupt the SALT process. That is a process which, by its cataclysmic character, stands in a different category from the other relationships with which we may deal with the Soviet Union.

I wanted to be sure that I did correctly interpret what the Senator said.

Mr. MOYNIHAN. The Senator has correctly interpreted my view, and it is only my view, but there are differences of consequence and extent and time that are involved here.

We know the Soviet regime to be a brutal regime. We are not learning something new. The Senator is correct. In my view, the SALT talks should not be broken off at this point.

Mr. MATHIAS. I certainly concur with that view.

Mr. MOYNIHAN. I thank the Senator and I thank the Chair.

COMMITTEE MEETING

Mr. GRAVEL. Mr. President, I ask unanimous consent that the Subcommittee on Permanent Investigations of the Governmental Affairs Committee be authorized to meet during the session of the Senate today Wednesday, July 12, 1978.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the Subcommittee on International Trade of the Committee on Finance be authorized to meet during the session of the Senate today to consider a resolution on continuing the President's authority to waive the Trade Act freedom of immigration provisions.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

Mr. MOYNIHAN. Mr. President, will the Senator withhold that request for one moment?

Mr. TOWER. I will certainly withhold that request for my distinguished friend and distinguished fellow alumnus of the London School of Economics.

Mr. MOYNIHAN. I thank the Senator. Mr. President, I ask unanimous consent that the Committee on Human Resources be authorized to meet during the session of the Senate today to hold a hearing on S. 2910, the Health Services and Pregnancy Prevention and Care Act of 1978.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, I ask unanimous consent that the Subcommittee on Surface Transportation of the Commerce, Science, and Transportation be authorized to meet during the session of the Senate today to hold oversight hearings on railroad freight car shortages.

The PRESIDING OFFICER. Without objection, it is so ordered.

MILITARY CONSTRUCTION AUTHORIZATION ACT, 1979

The PRESIDING OFFICER. The hour of 10 a.m. having arrived, under the previous order, the Senate will now proceed to the consideration of S. 3079, which the clerk will state by title.

The second assistant legislative clerk read as follows:

Calendar 778, S. 3079, a bill to authorize certain construction at military installations, and for other purposes.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Mr. President, I suggest the absence of a quorum. And I ask unanimous consent that the time be equally charged.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HART. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is S. 3079.

Mr. HART. I thank the Chair.

Mr. President, I ask unanimous consent that Jim Smith, Phyllis Bacon, and Robert Old of the Committee on Armed Services staff be accorded the floor privileges during the consideration of the pending measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, the bill before the Senate, S. 3079, is the fiscal year 1979 military construction authorization bill. This is an annual bill which authorizes funds for new construction for all the military services as well as funds to operate and maintain the inventory of military family housing.

The Departent of Defense requested $4,247,089,000 in new authority to construct some 750 projects at 390 different active military installations, covering 49 States and 21 foreign countries, and to operate and maintain nearly 400,000 military family housing units. The Committee on Armed Services recommends that the Senate consider a bill totaling $3,998,432,000 in new authority which is a reduction of $249,377,000 from the administration's request. The committee has carefully screened this request and is recommending reductions and deferrals where this can be done without jeopardizing our national defense interests.

There are several points regarding the bill that I would like to highlight for the Senate.

ENERGY

Since I became chairman of the subcommittee responsible for reviewing this bill, I have placed emphasis on the potential for the Department of Defense to contribute to solutions to the energy crisis. There is tremendous technological capability in the Defense Department and we are striving to get some of that expertise directed toward the energy problem. The Defense Department is the ideal Federal "test bed" for demonstration efforts and for large scale buys of new devices (such as solar panels) to achieve market penetration, to bring down unit prices, and to foster public acceptance.

Through a special series of hearings we encouraged the establishment of formal communication channels between the Departments of Defense and Energy. Some progress is being made—but there is a strong, bureaucratic resistance within the Defense Department to devote resources—manpower and dollars—to the energy crisis even though the President has referred to the energy situation as the "moral equivalent of war" and the Secretary of Defense himself has termed the pending worldwide crude oil shortage as "the single surest threat to our national security." We have inserted some energy initiatives into this bill. For example, we have added section 610 that requires the incorporation of optimized solar systems in all new family housing units and in 25 percent of all other new facilities placed under design after this bill is enacted. The committee recognizes that this may increase the capital cost of new facilities, but we believe that this premium may result in accelerating the acceptance of solar systems by months or even years.

Application of life cycle costing methods will make this investment a wise one over the life of the alternative system.

CONSTRUCTION IN EUROPE

The committee is recommending substantial reductions in the Administration's request for construction of facilities in support of NATO in Europe. We are recommending reductions of $375 million from a request of nearly $650 million. In recommending these reductions, the committee takes issue, not so much with the requirement for these facilities, but with the question of who should pay for these facilities. The NATO infrastructure program, to which the United States contributes nearly $100 million each year, is designed to provide facilities in support of the NATO mission. Last year, fiscal year 1978, the Defense Department doubled its request for construction in Europe—from an average of $200 million for fiscal years 1975 to 1977 to $400 million—and the committee served notice in its report on the fiscal year 1978 bill that construction costs in Europe were largely an alliance responsibility and they should not be a unilateral U.S. burden. Despite this warning from the committee, this year the Defense Department request for construction in Europe went up to nearly $650 million. In addition, a report, indicating a construction backlog for U.S. forces in Europe of nearly $6 billion, was provided to the committee. I invite my colleagues' attention to a more comprehensive treatment of this subject in the committee report; basically, we are taking the position that the United States should not unilaterally fund U.S. construction requirements that support the NATO mission; they should be part of the NATO infrastructure program to which we will contribute our share, along with our allies.

BASE REALINEMENTS

After the hearings on this bill and during markup, the Defense Department announced another round of potential base realinements. Despite Defense assurances to the contrary, the committee identified over $40 million in projects at locations potentially impacted by the realinement announcements, and the facilities contained in that announcement. The committee had the option to either defer these projects or to provide contingent authorization. The committee chose the latter imposing a requirement in the report that none of the $40 million in projects could be obligated until a final base realinement decision had been announced and a revalidation of the project requirement was made in writing to the committee.

Mr. President, I feel that this is a good bill that deserves the support of the Senate. I do want to thank my friend and colleague, the distinguished Senator from South Carolina (Mr. THURMOND), who has provided outstanding assistance and support on this bill as the ranking minority member of the Subcommittee on Military Construction.

Mr. President, I ask unanimous consent that the correspondence which I addressed to Secretary Harold Brown, dated June 23, 1978, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMITTEE ON ARMED SERVICE,
Washington, D.C., June 23, 1978.

HON. HAROLD BROWN,
Secretary of Defense,
Washington, D.C.

DEAR MR. SECRETARY: I'm deeply disturbed to learn that the Air Force has decided to defer the construction of the avionics training facility authorized for Lowry Air Force Base in the Fiscal Year 1978 Military Construction Act at a cost of $3,380,000. I'm disturbed at learning of this deferral from the press rather than from Defense Department or Air Force officials. However, I'm much more disturbed that this action appears to be a political accommodation to the Illinois Congressional delegation which has been understandably vocal in their concern over the publicly announced study of the closure of Chanute Air Force Base.

As Chairman of the Senate Armed Services Subcommittee on Military Construction, having to deal with base realignment legislation and policy, I've emphasized in hearings and in private meetings with Defense officials that I support efforts by the Defense Department to achieve management efficiencies and economies through base realignments, consolidations and closures—if they can be justified—however, these actions are painful and efforts to mitigate adverse impacts are a must. I've also emphasized that realignment studies should be as objective and as factual as possible—without regard to politics.

Apparently politics dictated the recent Air Force decision to defer the Lowry project. Lowry Air Force Base has never been identified as a "candidate" or even an "alternative" for realignment by the Air Force. No mention was made in the April 26, 1978, Air Force announcement that construction activities would be curtailed or suspended at Lowry. It is my understanding that this decision was made only last week as a result of Congressional intervention.

As a Senator from Colorado, I must, of course, be concerned that Lowry Air Force Base does not become a political pawn. As Chairman of the Senate Armed Services Subcommittee that has jurisdiction over these matters, this action evokes broader concerns with Defense Department base realignment policy and procedures. I have appended a

list of questions on this subject which I would appreciate have your office address expeditiously.

Since serious policy issues are raised by this development, it may be necessary to defer Senate Floor action on the Fiscal Year 1979 Military Construction Act until these questions are clarified or until subcommittee hearings are conducted to determine whether amendments to base realignment law (10 U.S.C. 2687) are warranted.

Sincerely,

GARY HART,
Chairman, Subcommittee on Military Construction and Stockpiles.

Attachment.

DEFENSE DEPARTMENT POLICY ON BASE REALIGNMENTS

1. When and why was the decision made to defer the construction of the avionics training facility at Lowry Air Force Base?

2. Was the Defense Department consulted on this decision?

3. Is this decision part of a Defense Department policy to defer construction at all bases that are either "candidates" for realignment or have missions similar to "candidate" bases?

a. If no, why not?

b. If yes, provide a list of all other bases affected by this policy and indicate the specific deferrals that may be affected at such bases.

4. If it is not Defense Department policy to defer construction at "candidate" bases and bases with similar missions, perhaps it should be. Provide a list of all bases that are currently "candidates" for realignment and all bases that have similar missions (e.g., Chanute, Lowry, Keesler, Shephard, and Lackland; San Diego, Great Lakes, and Orlando, etc.). For each base indicate construction projects that are pending (authorized but not completed, include those only partially completed) indicating the status of each project.

5. Despite assurances from Defense officials during hearings that the Fiscal Year 1979 Military Construction Authorization request contained no construction projects at bases that were identified as "candidates" for realignment in the recent announcements, the Senate Armed Services Committee identified and "conditionally authorized" over $40 million for such projects. What is Defense Department policy with respect to requesting authorization for construction projects at "candidate" bases?

6. The action at Lowry suggests that the Committee should perhaps examine projects at bases whose missions are similar to "candidate" bases with a view toward either eliminating projects contingent on final realignment decisions and revalidation of project requirements. Provide a list of such bases showing projects authorized for each of these bases as included in the FY-79 Military Construction Authorization Bill reported by the Senate Armed Services Committee.

Mr. THURMOND. Mr. President, I rise in support of the pending bill, S. 3079, military construction authorization bill which authorizes spending of $3.9 billion for the 1979 fiscal year.

These funds are primarily for the Army, Navy, and Air Force with smaller amounts allocated for defense agencies, Reserve Forces, and family housing.

This bill represents a decrease of 6 percent from that requested by the administration, a reduction in dollar terms of about $249 million.

Mr. President, several features of this bill deserve special attention by the Senate. I would like to comment briefly on these features.

CONSTRUCTION IN EUROPE

The committee had made significant reductions in the administration's requests for construction within NATO in Europe. The United States over the years has done far more than its share in bearing the cost burdens of protecting Europe, but now we feel our NATO allies need to give more money and more attention to the construction deficiencies there.

While the committee fully supports NATO, and has demonstrated that support over the years, we feel more NATO resources should be applied to the construction shortages than has been the case to date. The United States has prefinanced many projects and NATO currently is about $300 million in arrears on NATO eligible projects. Hopefully, the committee decision will spur more attention from our allies.

BASE REALINEMENT

As the Members know, the Defense Department announced in April a number of possible base realinements throughout the country.

Generally, funding is denied all bases in such categories until a final decision is made. The committee supports this approach, but rather than remove the authorization, the committee decided to allow the funding contingent upon a decision by DOD that the particular facility will not be closed.

This approach enables much needed construction to go forward without an unnecessary delay once the base realinement decisions are completed.

ENERGY CONSERVATION

The committee has also undertaken to push numerous initiatives in the interest of energy conservation. These include encouraging the services to use recycled waste as a source of energy, to move away from oil and gas burning boilers and to conserve energy usage throughout the Defense Department.

Mr. President, this bill is within the budget guidance and I believe represents a sound and well-structured step forward in meeting the vital military construction requirements of our defense establishment.

I would like to commend our able subcommittee chairman, Mr. HART of Colorado, who guided this bill through hearings and markup. Also, I would like to compliment Mr. Jim Smith, Mr. Edward Kenney, Mrs. Jeanie Killgore, Marie Fabrizio Dickinson, and Phyllis Bacon, who have contributed much toward the work of the membership in developing this legislation, and I would like to commend the other members of the subcommittee who have done such a fine job on this bill.

I urge the Senate to give S. 3079 prompt and favorable consideration.

Mr. TOWER. Mr. President, I yield myself such time as I may require. I think there is very little that I can add to what has been said by my distinguished colleague from Colorado. I believe this has been a very carefully considered military construction bill. Senator HART and the staff have done a very workmanlike job. I particularly commend Senator HART for the very even-handed and statesmanlike way in which he handled the whole issue of military construction. He looks at everything very objectively and evaluates everything on its merits. That is, indeed, as it should be. Therefore, I believe we have a very fine bill which merits the support of the Senate, and I would hope there would not be any amendments that would involve any great substantive changes in the bill.

Mr. President, I support S. 3079, the fiscal year 1979 military construction authorization bill. This bill will provide for construction and other related authority for the military departments and the Office of the Secretary of Defense within and outside the United States, in the total amount of $3,998,432,000.

The nearly $4 billion recommended for authorization in this bill is about $250 million below the administration request. The committee made a number of reductions and additions in order to arrive at that particular amount. The majority of the reductions were made because the committee felt that there were higher priority items that warranted authorization. In this regard, the committee gave the services an opportunity to submit additional construction requirements listed in order of their priority, and the committee recommended many of these for authorization after making some reductions in the initial submission.

The committee also made substantial reductions in the administration's request for construction in Europe, primarily because we had some question as to who should pay for these facilities. Last year in approving a rather substantial increase for military construction in Europe, the committee cautioned the DOD that it should not expect to continue to receive increased authorizations for construction in Europe for facilities that were properly the responsibility of the alliance.

The committee position on this matter, which I support, is that the United States should not unilaterally fund any construction project in Europe, first, which is currently eligible for NATO infrastructure funding; second, which may become eligible for NATO infrastructure funding; or third, which in the opinion of the committee represents a high priority operational requirement that should be funded by the alliance.

Mr. President, the position of the committee is that NATO construction requirements should be provided through NATO sources from the alliance and that, for the United States to continue unilateral funding for construction, is really not in the best interest of NATO standardization and rationalization. At the moment, we are very heavily prefinanced in NATO infrastructure projects. In a sense, the United States has "prepaid" for various projects that really should have been paid by the alliance. In this regard, it could be said that the alliance currently "owes" the United States for about $300 million, and the fiscal year 1979 request would have added another $175 million to that total.

The committee believes that this practice should stop and it is really not in the best interests of the United States or NATO for the prefinancing practice to continue.

On a more parochial basis, I am pleased to note that the bill contains over $115 million for military construction at some 20 military installations in Texas. Most of these projects are being authorized for Army and Air Force installations, all of which had played a vital role in our national security system. In particular, I am pleased to note the committee added for the Army, barracks and dining facilities modernization ($7.1 million) and a tactical equipment shop ($2.3 million) at Fort Hood, and a quality assurance lab ($813,000) for the Red River Army Depot, and for the Air Force, an automotive maintenance complex ($2.2 million) at Lackland Air Force Base.

Mr. President, this is a bill that I believe meets the requirements of the Department and, at the same time, it does not contain any excess. All of the projects we are recommending for authorization carry a high priority within the Department of Defense, and they were examined very closely by our committee. I urge that my colleagues support this bill as reported.

UP AMENDMENT NO. 1408

(Purpose: To authorize exchange of Government-owned land in acquiring real property)

Mr. HART. Mr. President, I send to the desk a technical amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Colorado (Mr. HART) proposes an unprinted amendment No. 1408:

On page 35, line 10, insert "exchange of Government-owned land," and "purchase,".

On page 49, line 18, insert "exchange of Government-owned land," and "purchase,".

Mr. HART. Mr. President, this amendment is technical in nature and has the support of minority.

For over 20 years the Military Construction Authorization Acts have included the authority for the military departments to acquire real estate by exchanging excess Government-owned land.

This year, for some reason unknown to the committee, that authority—to use excess Government-owned land to exchange for required real estate—was omitted from the legislative request submitted by the Defense Department. This omission was not made known to the committee until after the bill had been reported.

This amendment simply reinstates that provision giving the military departments the authority to acquire real estate by exchanging excess Government-owned land.

I would point out that, if this amendment is agreed to, this will be a conference matter and we will have the opportunity to challenge the Defense Department as to why this provision was omitted.

Mr. President, I ask for the immediate consideration and acceptance of the amendment.

Mr. TOWER. Mr. President, I yield back such time on the amendment as may be under my control.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HART. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time be equally charged.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HART. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MODERNIZATION OF NAVY SHIPYARDS

● Mr. CRANSTON. Mr. President, I support S. 3079, the military construction authorization bill for fiscal year 1979. The bill before the Senate is the product of meticulous examination by the Armed Services Subcommittee on Military Construction and Stockpiles, chaired by the able Senator from Colorado, Senator HART. The bill was reported to the full Senate on May 15, 1978, by the full committee, which is chaired by the distinguished Senator from Mississippi, Senator STENNIS.

The bill recommended by the committee contains many innovative provisions which deserve the support of the entire Senate; the requirement that the Department of Defense—a major consumer of energy—make use of solar energy in future military construction projects; improved security arrangements for nuclear and chemical weapons; and a requirement for DOD to seek increased participation in military construction bidding by minority and small business contractors. The bill before us also recommends a high level of support for the Navy's military construction program for modernizing its shipyards. It is this section of the bill on which I will focus my remarks.

Much naval shipbuilding, refit, overhaul, maintenance, and repair work for the U.S. naval fleet is done by commercial, private shipyards. However, naval shipyards owned by the U.S. Government and operated by the Navy are also maintained to provide quick response industrial work during peacetime and to insure sufficient capacity and capability to meet workload surges in the event of war or other emergency. All new shipbuilding is done at private yards.

According to a March 1978 General Accounting Office report, the eight U.S. naval shipyards have handled 68 percent of the necessary maintenance work over the past 5 years. In order to retain this important capability, the Secretary of Defense in 1970, directed the Navy to begin a 10-year shipyard modernization program, since many of the shipyard facilities and equipment were obsolete and inefficient. The 10-year plan developed at that time has since been revised. The new 10-year plan for fiscal years 1977 through 1986 is estimated to involve an investment of over $1.3 billion. Under the present plan, substantial improvements will be made to two California naval shipyards: at the Mare Island Naval Shipyard, the Navy projects an investment of $203.7 million and the Navy expects to fund improvements valued at $206.7 million.

For this third year of the revised 10-year plan—the fiscal year 1979 budget—the Navy had planned to request for several projects at the two California shipyards. At Mare Island, the budget was expected to include funding requests totalling $24.497 million, broken down as follows: $3.6 million for energy monitoring and control systems; $5.9 million for a new paint and blasting facility; $297,000 for plating shop alterations; $9.5 million for a new service group complex/rigging shop; and $5.2 million for the north waterfront work facility. In the process of OMB/DOD level review of the Navy's plans for fiscal year 1979 the administration elected to defer Navy's request for funding of the latter two projects—the service group complex. rigging shop and the north waterfront work facility. Funding was requested for the other projects and the bill before us recommends those funds be authorized.

Similarly, for the Long Beach Naval Shipyard, the Navy planned to request in fiscal year 1979 funds for two projects as part of the modernization program at that shipyard: $900,000 for a seawall to protect from flooding industrial property valued at $200 million; and $6.7 million for a new pipe shop. The administration did include in its request to Congress the funds for the seawall but deferred the pipe shop funding.

The House Armed Services and Appropriations Committees and the Senate Armed Services Committee have recommended that Congress approve some of the deferred projects for fiscal year 1979. And, in the case of the House, funds have been authorized and appropriated accordingly. The pipe shop for the Long Beach Naval Shipyard has been added back by both the Senate and House Armed Services Committees and by the House Appropriations Committee. The House bills have both been passed. I am encouraged by the substantial support shown for this much-needed improvement.

However, the House and Senate disagree on two other projects—the service group complex/rigging shop and the North waterfront work facility for the Mare Island Naval Shipyard. It is these two projects I would like to discuss with the Senator from Colorado, as they will be items in the House-Senate conference on this bill.

First, as the Senator knows, the House added back the $9.5 million for the Mare Island service group complex/rigging shop project. These funds would be used to consolidate the functions of the rigger and laborer shop and the temporary

service shop which are presently dispersed among 26 different buildings. Not only does this dispersal result in inefficient work, but some of the buildings are seriously deteriorated and in violation of health and safety regulations—3 are condemned and 17 are substandard and deficient in the very characteristics needed to complete the necessary work. Thus, construction of a new facility and alterations to other buildings should be a high priority.

Further, deferral of this project would have a domino effect on efficient completion of the phased modernization program at the Mare Island yard as a whole. One of the sites to be vacated as part of the service group complex project is needed for a follow-on improvement pipe shop project.

Finally, the Navy states that design work on the service group complex/rigging shop is due to be completed in October 1978 and a contract award could be made by January 1979—well within fiscal year 1979.

Therefore, I urge that the Senator from Colorado and the other Senate conferees give careful consideration to the House position authorizing this project in fiscal year 1979.

Regarding the second project—the proposed north waterfront work facility—I note that the House authorized but did not appropriate the $5.2 million necessary for this project. And, in the bill before the Senate, the Armed Services Committee has not included the project.

I understand that the Senate committee decided not to recommend the additional authorization for this project to the fiscal year 1979 budget because the projected contract award date has been delayed due to siting problems. However, these problems are expected to be resolved shortly and I look forward to supporting this project in the fiscal year 1980 military construction authorization bill.

Mr. HART. I thank my good friend, the assistant majority leader, for his kind comments and his support of this bill.

He has discussed the matter of naval shipyard modernization—a subject that has been of high priority to my subcommittee. Until a few years ago, our Navy shipyards were operating largely with World War II technology and facilities. Anyone who has visited a Navy shipyard recently can see that significant capital investment is being made to improve and replace facilities to make the public shipyards more efficient. This, I think, is money well spent.

In specific reference to the Mare Island projects discussed by the Senator from California, the Armed Services Committee did not feel that they were of sufficient priority to warrant adding them to the budget. In the case of the rigging shop project, as the Senator mentioned, it will be a conference item, and we will give it every possible consideration within the constraints of available dollars. I appreciate the Senator's understanding on the waterfront facility which has experienced siting problems—I expect it will be a budgeted project for fiscal year 1980.

Mr. CRANSTON. I thank the Senator from Colorado for his consideration and his time, and again commend him on the fine work of his subcommittee as is evident from the bill before the Senate today. In closing, Mr. President, I urge my colleagues to join me in supporting S. 3079, the fiscal year 1979 military construction authorization bill.

● Mr. HATHAWAY. Mr. President, I very much appreciate the work of the Committee on Armed Services with regard to the 1979 military construction authorization measure, the Senate report of which is now pending.

I particularly appreciate the efforts of the Subcommittee on Military Construction and Stockpiles ably chaired by the Senator from Colorado (Mr. HART) with respect to the language regarding base realinements contained in the pending measure.

As the Senator from Colorado knows, I cosponsored section 612 of last year's military construction authorization measure now codified in section 2687 of title 10 of the United States Code. Section 2687 requires the Secretary of Defense, before a base closure is carried out, to submit to Congress a detailed justification for his decision, including statements of the estimated fiscal, local economic, budgetary, environmental, strategic and operational consequences of the proposed closure or realinement. A period of 60 days must be afforded Congress to evaluate the base realinement decision, and no action may be taken to implement the realinement decision during this period.

I believe that section 2687 is an important step in giving Congress a basis on which to review military installation realinement decisions. However, when the Defense Department recently announced a major round of new base realinement proposals, I again expressed concern that Defense Department estimates in regard to base closures are deficient in two critical areas.

First, in the area of cost savings to be realized from any base realinement, the Defense Department tends to overestimate the amount of money that will be saved in closing or reducing a military installation. For example, the Defense Department estimates that it will save $17 million over 5 years by an 83 percent reduction at Loring Air Force Base in Limestone, Maine. The Save Loring Committee, on the other hand, after thoroughly analyzing the cost to all Federal agencies of closing Loring, estimates that it will actually cost the Federal Government $133 million over a 5-year period.

The second major area in which Defense Department estimates are deficient is that of assessing the local economic impact and dislocation that will result in communities experiencing base closures or reductions.

President Carter himself acknowledged this deficiency in regard to Loring Air Force Base when he ordered the Secretary of Defense to reevaluate the impact on the local economy of closing Loring.

The General Accounting Office has also stated that greater credibility and reliability for Defense Department cost estimates for base realinements could be accomplished if outside experts were used to assess the economic and other impacts that base closures will have on affected communities and on other Federal agencies that support communities.

In a recent letter Elmer Staats, Comptroller General of the United States, states:

> . . . Our experience in reviewing some 30 proposed closures over the past 3 years has shown that the Department of Defense analyses are generally restricted to measuring impact only in terms of funds appropriated to it and do not include the estimated costs of other Federal departments and agencies. In our view, the analysis and estimating expertise at the Departments that will be affected, such as the Departments of Labor; Health, Education, and Welfare; Commerce; and Housing and Urban Development, should be used in measuring the overall economic and community impact of defense closures and realinements.

Given these deficiencies in Defense Department analyses of base closures, I would like to ask Senator HART if his committee, in monitoring the current round of base realinements, would give special attention to these two critical areas—that is total costs to all Federal agencies in any base realinement, and the local economic impact that is likely to result from a base realinement.

On a national level, many of the base realinements proposed by the Defense Department may be justified, but before Congress consents to any major base closures or realinements, it should have a realistic, credible and reliable estimate of the costs and savings to be realized, and the local economic impact on communities affected by such closures or realinements.

Mr. HART. Mr. President, I assure the Senator from Maine that I share his concern regarding base closures and realinements. We will, indeed, pay close attention to the two areas that the Senator has raised. I applaud the Defense Department for seeking economies in its budget by examining consolidations and management efficiencies; however, base realinements are traumatic—people's lives are affected—and I want to be sure that they are fully justified before they are carried out. And even if they are justified, the Federal Government has a responsibility to make all realinements as smooth and as "painless" as possible.

I think we have made significant progress in this area in the last year. As the Senator mentioned, we did enact into law section 612 which requires public participation in the decisionmaking process and increases congressional oversight without infringing on the prerogatives of the executive—and I thank the Senator from Maine for his efforts in drafting the original legislation as well as his continued attention to this matter.

I also advise the Senator from Maine and my other colleagues that President Carter, in March of this year, signed a new Executive order to bring to bear the resources of all executive departments and agencies in assessing possible realinement actions and in mitigating the adverse impacts that are inevitable when final realinement decisions are made.●

Mr. HART. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2463

Mr. STEVENS. Mr. President, I have an amendment No. 2463, which I call up and ask to have considered.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes an amendment numbered 2463.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Insert the following new section at the appropriate place in the bill:

SEC. Public Law 95-82, is amended under the heading "AUTHORIZATION TO CONSTRUCT OR ACQUIRE HOUSING" in section 101(c) with respect to Naval Station, Adak, one hundred units, strike out "$8,500,000" and insert in place thereof "$10,500,000".

Mr. STEVENS. Mr. President, in late May, I was informed by the Department of the Navy that additional funds would be required to construct the 100 units of family housing at Adak Naval Station which were approved last year. At that time, the Committee on Armed Services had completed action on the fiscal 1979 authorization bill so they did not have the opportunity to consider this project in committee.

The Navy received five proposals for Adak based on prefabricated designs. Initial indications are that an additional $2 million will be required to construct these units. As this amount exceeds the 10-percent leeway provided for family housing cost adjustments, an additional authorization is required. The Navy has indicated that no additional funds need be appropriated as the increased authorization would be funded from prior year savings on other construction projects.

The requirement for these units at Adak has been revalidated and I am convinced that every reasonable course of action has been followed to obtain the lowest cost family housing units which will meet the need at this remote site.

I believe that the chairman and ranking member of the Military Construction Subcommittee are familiar with the situation at Adak. It has been indicated that they may be able to support this amendment. I should be pleased if they would do so. It does add $2 million to the authorization for housing under this bill.

Mr. HART. Mr. President, if I may clarify this matter with the Senator from Alaska, in his statement, he emphasized that no additional appropriations will be required under this amendment. Is that the understanding of the Senator from Alaska, to the best of his knowledge?

Mr. STEVENS. I say to the Senator from Colorado, who managed the bill, that I have been informed by the Navy that no additional funds will be necessary. I am the ranking Republican on the Appropriations Subcommittee and I believe that that statement that we have been given by the Navy is correct. Under the law, they are allowed to go 10 percent above the authorization. In this case, the $2 million is in excess of the 10 percent for the 100 units involved.

My answer to the Senator from Colorado is that, based on the information we have from the Navy, there will be no additional appropriations required. There is an additional authorization required.

Mr. HART. Given that understanding, Mr. President, it is not the intention of the Senator from Colorado to oppose this amendment.

Mr. STEVENS. I am grateful to the manager of the bill.

Mr. THURMOND. Mr. President, as the ranking member on the subcommittee, I have no objection to the amendment. We are willing to accept it on this side.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.) The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TOWER. I move to reconsider the vote by which the amendment was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1409

Mr. STONE. Madam President, I send an amendment to the desk and ask for its immediate consideraiton.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Florida (Mr. STONE), for himself and Mr. CHILES, proposes an unprinted amendment numbered 1409.

Mr. STONE. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER (Mrs. HUMPHREY). Without objection, it is so ordered.

The amendment is as follows:

On page 48, between lines 9 and 10, insert the following:

SEC. 614. (a) Subject to subsection (b), the Secretary of the Air Force (hereinafter in this section referred to as the "Secretary") is authorized to convey to the city of Niceville, Florida (hereinafter in this section referred to as the "City"), all right, title, and interest of the United States in and to the land described in subsection (c).

(b)(1) The conveyance authorized in subsection (a) shall be made only if not later than one year after the date of the enactment of this Act, the City—

(A) conveys land to the United States which has a fair market value which is not less than the fair market value of the land authorized to be conveyed in subsection (a);

(B) pays the United States an amount of money equal to such fair market value; or

(C) conveys land and pays an amount of money to the United States which in total equals an amount which is not less than such fair market value.

(2) If such land is used for any purpose other than a cemetery which is operated on a nonprofit basis, title of such land shall revert to the United States.

(3) The Secretary shall include in any instrument making such conveyance terms which will carry out the provisions of paragraph (2).

(c) The land referred to in subsection (a) is a portion of Eglin Air Force Base, Florida, containing 48.59 acres, more or less.

(d) The exact acreage and legal description of any land conveyed under this section shall be determined by surveys which are satisfactory to the Secretary.

LAND CONVEYANCE, OKALOOSA COUNTY, FLORIDA

SEC. 615. (a) Subject to subsection (b), the Secretary of the Air Force (hereinafter in this section referred to as the "Secretary") is authorized to convey to the Air Force Enlisted Men's Widows and Dependents Home Foundation, Incorporated (hereinafter in this section referred to as the "Foundation"), of Washington, District of Columbia, all right, title, and interest of the United States in and to the land described in subsection (c). Such conveyance shall be made subject to such terms and conditions as the Secretary considers appropriate to carry out the provisions of this section.

(b)(1) In consideration for such conveyance made by the Secretary under subsection (a), the Foundation shall—

(A) convey land to the United States which has a fair market value which is not less than the fair market value of the land authorized to be conveyed in subsection (a);

(B) pay the United States an amount of money equal to such fair market value; or

(C) convey land and pay an amount of money to the United States which in total equals an amount which is not less than such fair market value.

(2) If the land conveyed under subsection (a) is not used as a permanent location for facilities of the Foundation before the end of the ten-year period beginning on the date on which such land is conveyed, title to such land shall revert to the United States.

(3) If such reversion occurs, the Secretary shall pay to the Foundation an amount of money equal to 50 per centum of the fair market value of the land reverting to the United States. Such fair market value shall be determined as of the date on which such land was conveyed to the Foundation by the Secretary.

(4) No construction shall be started on such land until plans for such construction are approved by the Secretary.

(5) Notwithstanding section 2733 of title 10, United States Code, sections 1346 and 2672 of title 28, United States Code, and section 715 of title 32, United States Code, the United States shall not be liable to the Foundation for any damage to, or diminution in value of, the land conveyed pursuant to this section or improvements thereon, if such damage or diminution of value is caused by any activity of the United States at Eglin Air Force Base.

(c) The land referred to in subsection (a) is a portion of Eglin Air Force Base, Florida, composed of two parcels containing a total of seventy-nine acres.

(d) The exact acreage and legal description of any land conveyed under this section shall be determined by surveys which are satisfactory to the Secretary.

Mr. STONE. Madam President, Senator CHILES and I are offering this amendment to allow the conveyance of some 48½ acres, more or less, of Eglin Air Force Base in Florida to the city of Niceville for the purposes of a cemetery. This cemetery would, in turn, be used by the Air Force Enlisted Men's Widows and Dependents Home Foundation, Inc., and would fill a very major need for burial space and other purposes.

I believe that the committee has examined this amendment. I believe it will find it acceptable

Mr. HART. Madam President, may I inquire of the Senator from Florida if it is his understanding that the procedure to be used here will guarantee that any exchange of land will be based on fair market value, that the property to be received by the Air Force will be of approximate fair market value of the excess land disposed of?

Mr. STONE. The Senator is correct

Mr. HART. Madam President, based on that understanding, I would have no objection to this amendment.

It is my understanding it is in the House bill and we would go to conference with it in the Senate bill, as well.

Mr. STONE. Madam President, I ask for a vote and I yield back the time.

Mr. THURMOND. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. THURMOND. On the minority's time.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Madam President, I have no objection to the amendment by the distinguished Senator from Florida. It appears that there would be an exchange there in which there would be no loss to the Federal Government and the purpose of the amendment appears to be a worthy one.

Mr. STONE. I thank the distinguished Senator from South Carolina very much and I ask for a vote.

The PRESIDING OFFICER. The question is on agreeing to UP amendment No. 1409 of the Senator from Florida.

The amendment was agreed to.

AMENDMENT NO. 3134

(Purpose: To amend section 2687 of title 10, United States Code, relating to base closure and realinement, in order to make the provisions of such section applicable to military installations at which not less than three hundred instead of five hundred civilian employees are authorized to be employed)

Mr. TOWER. Madam President, I call up my amendment at the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Texas (Mr. TOWER) proposes amendment number 3134:

On page 48, between lines 9 and 10, insert a new section as follows:

BASE CLOSURE AND REALINEMENT AMENDMENT

SEC. 614. Clause (B) of paragraph (1) of section 2687(d) of title 10, United States Code, is amended by striking out "five hundred" and inserting in lieu thereof "three hundred".

Mr. TOWER. Madam President, this amendment would alter certain criteria established last year concerning the Congress role in military base closures and realinements. My colleagues will recall that, subsequent to the considerable number of base closure and reduction proposals made in March of 1976, Congress for the first time established procedures guaranteeing public participation and congressional review of decisions made in the executive branch affecting defense installations in the United States. Last year when the military construction bill for fiscal year 1978 was considered, these procedures and criteria were further refined and subsequently incorporated into permanent law.

At the time when these procedures were established certain criteria were set forth which clarified the definition of a military installation. In order to avoid the inclusion of hundreds of small outposts and stations to which small numbers of personnel are assigned, military installations were defined as facilities at which not less than 500 civilian personnel are authorized to be employed.

Very simply, my amendment would alter this criterion and redefine a military installation as a facility at which not less than 300 civilian personnel are authorized to be employed. My amendment would affect no other provisions or criteria of section 2687.

My purpose in bringing this particular amendment, relates to the fact that a great many major military facilities in this country engaged in operational or training missions do not employ 500 civilian personnel.

In closing, I point out to my colleagues that, at the time the Subcommittee on Military Construction and the full Committee on Armed Services gave consideration to this bill, it was our understanding that a change in the law would not be required. Subsequent to reporting this bill, however, I was advised in writing by Deputy Secretary of Defense Duncan that the Defense Department would be unable to accommodate the concerns which I had raised regarding the application of section 2687 to a base closure proposed in my State. Accordingly I urge adoption of this amendment.

Mr. HART. Madam President, I am somewhat reluctant to alter the legislation which affects the relationship between the Defense Department and Congress with regard to base consolidation and realinement. I think it has been carefully crafted to attempt to accomplish the dual purpose of insuring congressional oversight about matters that are of extreme importance to all of us and to the country, and at the same time reserving as much as possible the decisionmaking process from the political process.

I believe that is a view and a goal that many of us here share, on both sides of the aisle. Although these are extremely sensitive matters in our States and districts, I think there is a general consensus in both Houses and on both sides of the aisle that the military needs operate efficiently, it needs to take stock of its facilities occassionally, and, where duplication or overlap is occurring, to reduce it and eliminate it. That is a goal I share, and I know the Senator from Texas shares it as well.

What the amendment would do, of course, would be to lower the threshold where the notification procedures occur and involve Congress, if it so wishes, in that process.

I think the arguments in favor of this proposal are sufficient, however, to introduce it into the conference discussion. It is a serious question, a question put forward by the Senator from Texas with deliberation and forethought. Consequently, I believe it is something that our colleagues on the House side should discuss with us. For that reason, I will not resist or oppose the proposal of the Senator from Texas to insert it into the conference discussion.

Based on conversations I have had with the Senator from Texas, I think he understands that even though I will not resist or oppose it at this point, that will not necessarily be the case in the conference itself; so I would like to reserve my own personal judgment on it for later purposes.

At this point, I think the proopsal does have some merit, and I believe we legitimately can take it to conference for discussion with our House colleagues.

Mr. TOWER. I thank my friend from Colorado. I certainly appreciate his position. As I noted, I believe he approaches this matter with objectivity and statesmanship.

I am prepared at this time to yield back such time as is under my control on the amendment.

Mr. THURMOND. Madam President, as the ranking minority member of the subcommittee, I have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TOWER. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HART. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HART. Madam President, unless there are other amendments—and I do not believe there are—we are prepared to go to third reading on the bill.

Before we do that, I would like to make a couple of observations. When we go to third reading, I will ask that we postpone final passage, and I will give the Senate my reasons for doing so.

During the course of our committee's deliberations on this bill and prior to announcing its proposed list of consolidations, realinements, and closings, the official representatives of the Department of Defense, in speaking for the department and the services, assured me, as the subcommittee chairman, that the list of facilities to be realined, consolidated, and closed was inclusive and that the proposals announced by the administration and the department toward the end of April of this year—April 26, to be precise—contained all the facilities that would be considered.

Since that time, the department, and particularly the Air Force, in at least one instance has undertaken publicly to suggest that in the case of at least one of those facilities, and perhaps more, the

policy of the Air Force, and presumably of the department, was to consider all possible alternatives to the facilities named in the consolidation-realinement list of April 26. This seemed to me to be a departure from the policy announced by the department and the services and not in keeping with representations made to me, as the subcommittee chairman.

Furthermore, Madam President, the Air Force, again specifically in this instance, adopted a policy or pursued a policy which also was not made clear to our committee, which was that, there being so-called alternatives to the bases and the facilities contained in the consolidation list, any proposed construction on those so-called alternative facilities would be deferred, pending studies as to whether those alternatives in fact would be candidates for consolidation, realinement, or closing.

Because of the serious policy questions which both of these issues have raised, on June 23 I directed a letter to the Secretary of Defense, Secretary Brown, and asked for clarification of the policy of both the Defense Department and the Air Force on these two issues:

First, the question of study of the so-called alternatives, and second, the question of construction at those alternative facilities during the pendency of the investigation and study. Unfortunately, at this point I have not received response from the department to that correspondence.

I understand from the Defense Department directly, and indirectly through the majority leader, that it is the intention of the Department, on behalf of the Secretary, to respond to that correspondence at the earliest possible time—by no later than 1 o'clock today, it is hoped.

I am authorized by the majority leader to postpone final passage of this measure, the pending business, until we receive the response to the questions raised in that June 23 correspondence.

I have discussed this matter with the distinguished manager of the bill on the minority side, and I believe he is in agreement with this procedure. At such time as we go to third reading and prepare for final passage, I will propound a unanimous-consent request that final passage be delayed until we receive that correspondence.

I think it is crucial to the policies of the Defense Department and the activities of both our subcommittee and the full committee to understand what the departmental policies are in these matters.

These answers have far-reaching implications, I think, for base realinement and consolidation issues across the country, and I think we are entitled to have answers to them before we act on this bill.

First of all, may I say I think we will be able to pass this bill, unless there is a request for the yeas and nays, by voice vote. It would be my intention in that unanimous-consent request to ask that final passage of the bill be put off to no later than 5 o'clock today if in fact we do voice vote the bill and if there will be a request for the yeas and nays to move that unanimous-consent request to no later than 2:30 p.m. and certainly not before response to the correspondence to the Department.

I will postpone making the request but merely ask the Senator from Texas if he has any thoughts on the matter.

Mr. TOWER. I am sure as soon as I sort it all out in my mind it is going to sound good. So at the appropriate time I do not think I would object.

Mr. PERCY. Madam President, Senator GARY HART, chairman of the Senate Armed Services Subcommittee on Military Construction and Stockpiles, today told the Senate about a letter he had written to the Secretary of Defense regarding the Defense Department's policy on base realinements. Senator HART has asked that a vote on the military construction authorization bill be postponed until he receives a response to his inquiry about how bases will be considered or reviewed for possible realinement.

Madam President, I am very sympathetic with Senator HART's interest in getting a response to his letter, and I trust that he will get such a response.

I made a similar inquiry to the Secretary of Defense in a letter dated May 23. In that letter, as well as during a meeting with Secretary Brown and Chairman of the Joint Chiefs, General David Jones, I expressed concern that Chanute Air Force Base in Rantoul, Ill., which has been placed on a list of candidates for possible closure, not be considered in a vacuum. I was gratified to be told both by the Secretary of Defense personally and in a June 15 letter from the Department of the Air Force that all five Air Force technical training centers will be reviewed. The letter stated:

> As we indicated all five bases hosting technical training centers will be reviewed from the standpoint of the contribution to the training effort and for the feasibility of closing or reducing the installation.

The President has also made clear his policy regarding the comprehensiveness of the ongoing studies. In a May 25 press conference in Chicago, President Carter said:

> The fact that these bases are on a potential list to be assessed has no significance at all. For instance, if we have three major Marine recruit training facilities in our nation and Defense Department decides that we only need two of them and will close one, they put all three on the list to be assessed so that after their assessment is complete, they will present to me and to the Congress proposals for the closing down of a base or changing its character.

It, therefore, seems that the President's policy is quite consistent with the letter that I have received from Secretary Brown and the conversation that I have had with him. I do urge that the military construction bill now before us be voted upon no later than today.

I respectfully ask my distinguished colleague from Colorado whether or not he has received a reply and whether or not we can go ahead and vote up or down today on the military bill before us.

Mr. HART. If the Senator will yield, I appreciate his remarks. The answer to the specific question is that a response is expected and it is my intention to bring the bill to a vote, hopefully a voice vote, later this afternoon.

I might say, however, that the disturbing factor here is not what the President's policy is or was stated to be at the Chicago press conference, or what representations the Department of Defense officials made to the Senator from Illinois in a private meeting.

The concern of this Senator, as chairman of the appropriate responsible subcommittee, is that the policy was never stated to me by those same departmental representatives in outlining their base closure program. That has been the subject of concern that affects not only bases in Illinois and Colorado; it affects bases and facilities all over this country. It is a very serious policy question which has been brought before our committee.

The issue here is not what the Senator from Illinois was told in a private meeting or what the President said in a press conference, which does not square with what the Department has told me as the appropriate subcommittee chairman. That has been in dispute and that has been of concern. That is what has to be answered before that bill can go forward, as far as I am concerned.

Mr. PERCY. I thank my distinguished colleague. I have discussed this with the Defense Department, and I did receive the information from the Defense Department that all bases would be put on an equal basis and all actions would be consistent with that. In other words, if construction is halted at one base it would also be halted at others.

The Senator from Illinois wishes to cooperate with the Department of Defense in not having excess facilities, but we wish to have Chanute judged strictly on the basis of its cost effectiveness and its record. I believe that it would be the intention of my own distinguished colleague to look at the overall well-being of the Defense Department as he always has and we will simply present the best possible case that we can. The Senator from Illinois has indicated he will visit Lowry Air Force Base and would be very happy to be accompanied by the distinguished Senator from Colorado when he and Congressman ED MADIGAN visit that base, and possibly Sheppard, as well, so that we can acquaint ourselves with the problems that the Defense Department now faces.

I thank my distinguished colleague.

Mr. STENNIS. Madam President, before the Senator from Colorado concludes I wish to be recognized. Am I recognized?

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. STENNIS. I thank the Chair.

Madam President, I will take only a few minutes of the Senate's time to make a statement here about this subcommittee and their work and the importance of the bill. There are some aspects of the bill before us that I wish to emphasize.

Madam President, this is an important bill. It provides the necessary capital investment program to go with the military manpower and weapons systems that we have just completed debate on. This military facilities bill provides the physical resources where our military personnel live and work. Like any big

corporation, the capital investment program must be carefully and adequately addressed to insure that we get the most for our money. I want to acknowledge the outstanding work of one of our committee's fine young Senators—Senator GARY HART—who chairs the Subcommittee on Military Construction and who has spent a great deal of time on this highly complicated bill. This bill includes over 700 different projects all around the world and I know Senator HART's subcommittee has given them thorough analysis.

I have been interested and have had a chance to give the subcommittee's work some attention, and I thank Senator HART and the ranking minority member of the subcommittee, Senator THURMOND, and all members of the subcommittee, as far as that is concerned. This subcommittee, as usual, does a fine job and all the members give it attention.

It is a highly important bill. It is the basis of a lot of different military programs, and I have found that the beginnings of various weapons programs and other matters often surface in this bill first.

The committee is all grateful to the subcommittee for the work they do on the matter.

I wish to say a special word about the committee action regarding construction for NATO.

As the Senator from Colorado has said, significant reductions have been made in the requests for NATO construction. We have done this—the committee has—because, in our opinion, much of the requested construction is an alliance responsibility which should not be unilaterally funded by the United States.

This has been the pattern in recent years. We are called on to go outside of the mechanisms of the alliance—the infrastructure program it is called—and it falls on us to unilaterally fund these projects.

We contribute to the NATO infrastructure program which is designed to provide facilities through the NATO forum. In recent years, we have contributed $80 to $90 million each year as our share of this program. However, the Defense Department has continued to request more and more money each year for NATO construction, and this year that request was nearly $650 million.

As one who has been a long time connected with this subcommittee, I was really shocked to see such a large figure.

More importantly, the Defense Department provided the committee a report which indicates a construction backlog requirement in NATO of $6 billion. In taking this action this year to substantially reduce the NATO construction request, the committee is telling the Defense Department that the NATO construction backlog must be addressed by our NATO allies; we will not bear the financial burden alone.

We should not. And, in fact, the original agreement has been to the contrary.

I know there is always some reason given or some excuse given, and we do not mean to be just unbending or deaf to reason at any time, but this is an old pattern to fall back on the United States this way.

I know some 10 or 12 years ago this subcommittee just insisted that we not have any construction in NATO for a couple years beyond the infrastructure agreement under which we were paying our part.

I have a record of consistent support for NATO, but that does not mean NATO is going to be taken care of beyond our part, over and over, at the expense of other obligations that we have, and I mean other obligations beyond our shoreline. There are other obligations, whether tied to a treaty or not, that are vital to our interests, and they should be taken care of.

So as one member of the committee I give warning again that we cannot ignore this situation, and we will follow a pattern of this kind, I hope, in years to come and let this infrastructure program control. If there is reason for its revision, we would consider going into the matter of revising the agreement.

But I commend the committee for their concern about this and thank them again for their fine work.

Another important aspect of this bill and the work of Senator HART has to do with energy. Senator HART mentioned it and I want to reinforce his remarks. We have all heard the President speak of the "moral equivalent of war" and Congress is struggling to produce legislation to address this "war." But there are things that can be done—especially in the Defense Department which is the largest Federal user of energy. This bill authorizes over $100 million for conservation projects—everything from insulation to new, highly efficient, coal-fired powerplants. It has new legislative initiatives to accelerate the use of solar and geothermal energy sources. In addition to these specific, tangible initiatives, Senator HART can take a great deal of personal credit and pride in that he has—through the hearing process—developed a new awareness in the Defense Department that they can and must play a positive role in addressing the energy crisis, and he has opened channels of communication between the Departments of Defense and Energy.

Madam President, this is a good bill. It does represent a reduction of $250 million from the budget request, and I urge the Senate to support it.

Mr. HART. Madam President, I appreciate the remarks of the distinguished committee chairman and the support and cooperation he has given us since I have been connected with that subcommittee. It is my understanding that the Senator from New York wishes to speak.

Mr. THURMOND. Madam President, I wish to thank the distinguished chairman of the committee for his kind remarks about the work of the subcommittee.

Mr. TOWER. Madam President. I yield such time as he may require to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. JAVITS. I thank the Senator. I shall take 5 or 6 minutes.

Madam President, I am about to make a statement on the position of my State respecting the military defense appropriations, especially in respect of construction today, which I must say is rather strong for me, but really on the analysis of the figures which we have in this bill and which are simply cumulative over a long period of years, the discrimination which is revealed by the figures against the defense installations in my State, the second largest in population and the first largest in revenue production in the United States, is becoming so marked as to be really scandalous, and it is in that sense that I speak.

For years many who have advocated a larger national defense budget have used the argument that, in addition to expanding U.S. defense capabilities, a larger defense budget also creates jobs and thus strengthens the national economy—an integral part of the Nation's security. However, some of those areas of the country where unemployment is the highest and where the region especially needs Federal help to alleviate chronically depressed economic conditions are the same areas where defense spending and facilities are the most sparse.

And unhappily for us a perfect example is my own State, especially New York City. The Senate has just completed action on legislation to ameliorate New York City's serious economic troubles. Now the Senate is considering the military construction authorization (S. 3079).

The former legislation is crucial for New York to rebuild to solvency, but the latter continues the process of reducing New York's economy, while further unbalancing its relation to the economy of other regions.

While, of course, the object of defense facilities is and should not be to benefit the parochial interests of any State or region—and I am not seeking that—it should not single out any one State or region adverse action. All else being equal, defense facilities can only be properly distributed on basis of merit and should not exclusively benefit or exclusively overlook any single region.

The history of the distribution of defense facilities throughout the continental United States since World War II does not meet the criteria set forth above. Regions, States, and districts have been favored over others on a systematic basis, and I fail to see objective merits to explain this unequal distribution.

The statistics make the point clear. They are appalling. This year the Carter administration has requested $4.247 billion for military construction in the United States and for our Armed Forces in Europe and Asia. The Senate Armed Services Committee has recommended an authorization of $3.998 billion. A study of the Northeast-Midwest Economic Advancement Coalition titled "Proposed Military Base Realignments: The Regional Impact" shows that the 16 States in the Northeast-Midwest region contain 47 percent of the Nation's population, and support 48 percent of the Nation's tax burden. However, it receives only 20 percent of the Nation's principal defense facilities, 17 percent of the defense payroll, 16 percent of defense personnel, and

only 9 percent of the military construction budget in fiscal year 1978.

In the last 15 years, 327 defense installations have been closed in this region—43 percent of all closings; 53 of these closings have been in New York State alone.

Of the $4 billion in this year's military construction authorization only $199 million was requested for the Northeastern 9 States. Only $65.4 million has been requested for New York State—while a considerable improvement from the $3.9 million appropriated last year for New York, the Senate Armed Services Committee has recommended that New York's $46.5 million be reduced by $25 million—more than half. This drastic reduction is almost absentmindedly explained by a four line footnote on page 18 of the committee report on this legislation.

In contrast, California, the only State whose population rivals New York's, will receive $408.8 million in this bill this year. Georgia, with a small fraction of New York's population and tax burden, will receive $121.1 million. The 12 Southern States will receive $685.6 million compared to the $174 million to go to the 9 Northeastern States if this bill becomes law.

Hardly content to let matters stand as they are, the Carter administration announced on April 26 a series of base closings that will further detract from New York's already low standing in the national defense facility structure. Air Force installations in Lockport, Montauk, and Watertown are to be closed. The Army has under study closings at Forts Hamilton, Totten, and Wadsworth. Recognizing that there is hardly anything left to close, the Navy has left New York's few remaining facilities alone.

With all respect to my colleagues on the Senate Armed Services Committee, I do not believe appropriate cognizance has been taken of New York's real and potential contribution to the national defense installation structure. The only cannon tube producing facility in the entire United States is at Watervliet Arsenal in New York. It has not had a major renovation since World War II. Long overdue, the Army sought this year $27.021 million to modernize and upgrade this critical arsenal. The House of Representatives fully funded this request. The Senate Armed Services Committee stripped $25.021 million from this request and explained its action—as I have already stated—with a four line footnote.

By the way, I would like to read that footnote into the record so that we all understand what is going on when I say what I do. It says on page 18, footnote 2:

> The committee felt that the design schedule was such that construction award in fiscal year 1979 was not likely.

It did not say impossible it said was not likely:

> and that the cost might be underestimated. The committee felt that $2,000,000 could be effectively applied in fiscal year 1979. The remaining $25,021,000 is deferred without prejudice.

I fervently hope that this matter can be reasonably and satisfactorily resolved in conference.

There is one action that could go a long way to resolving the gross imbalance that has persisted in the distribution of defense facilities in the Northeast, South, and West. While I have grave doubts as to the wisdom of the withdrawal of the 2d Infantry Division from South Korea for national security reasons, if the President proceeds with his withdrawal plan, that division will be based in the continental United States. Three bases are under serious study to serve as the home base of that division: Fort Bliss, Tex.; Fort Benning, Ga., and Fort Drum, N.Y.

While basing the 2d Division at Fort Drum, where it would be mechanized and restructured for NATO orientation, would not only make a great deal of military sense and restore a considerable degree of balance to the overall U.S. defense base structure, there are numerous indications that the decision to base the 2d Division in New York is far from assured.

Under the guidance and supervision of the Army, a draft "environmental impact statement" was prepared on the effects of basing the 2d Division at Fort Drum. In numerous respects, it was a stacked deck against Fort Drum. Housing costs were overstated, and the available labor supply over a long-term basis was understated—both in a manner inconsistent with the draft environmental impact statements for the other candidate bases.

Another indication that worries me is the total lack of responsiveness of the Carter administration to queries from myself and my New York colleagues regarding Fort Drum. In April the entire New York State congressional delegation wrote to President Carter concerning the regional imbalance of defense facilities throughout the country in general and Fort Drum in particular. The Carter administration never acknowledged or responded to this letter in any way. After months of waiting and receiving no reply, along with Senator MOYNIHAN and the New York delegation in the House of Representatives, I sought to meet with President Carter. I was informed that my request was rejected on the grounds that to meet with the President on this "parochial" matter would justify other similar meetings with the President from other congressional delegations on similar matters and this would be a bad precedent. I was asked to meet with the Secretary of Defense instead.

I find it hard to understand this refusal of my request to meet with the President because on April 19 the Speaker of the House sent President Carter a letter; the first line read, "I would like to thank you for the courtesy of meeting with the Massachusetts congressional delegation on the Fort Devens situation."

In addition, when my staff attempted to follow up on the proposed meeting with the Secretary of Defense, the response then became that perhaps it would be more appropriate to meet with the Secretary of the Army. When I persisted in my desire to meet with the Secretary of Defense, my staff's phone calls were no longer returned.

Madam President, I do meet with the President from time to time on many matters, but I never would go to the President without giving him notice of what it was all about, and so when we gave him notice apparently all lines of communication froze.

A decision on where to base the 2d Division is expected imminently: If not today, very, very soon. I fervently hope I am wrong, but it looks very much to me as if once again there is grave danger that someone else will get the gold mine and New York State may get the shaft. [Laughter.]

Madam President, as I say, I rarely speak in this tone, but I am very, very concerned about this worsening situation in respect of my State. I have tried objectively to see if it is warranted to the degree that it is apparently being carried out. That is a very positive and a very dangerous drift, and I rise to protest against it, and I hope very much that the President, the Department of Defense, and the appropriate congressional committees will heed our words both here in the Senate and in the other body.

I yield.

Mr. HART. Madam President, I, of course, would not undertake to speak for the administration. The Senator from New York has lumped together his grievances with the administration and with our committee and, therefore, my remarks will only be addressed to the portion of his remarks that commented on the actions of our committee. His grievances with the administration will have to await a response from the administration.

I can only say, after listening to the Senator from New York, that I was reminded of a statement President Kennedy made about the time of his inaugural, about whether he intended to take race into consideration in the appointment of his Cabinet. His statement, as I recall, was that he did not promise to take race into consideration in appointing his Cabinet members; he promised not to take race into consideration in appointing his Cabinet members.

I think that is what our committee has tried to do with regard to geography and funding of base facilities. We have not promised to take geography into consideration; we have promised not to take geography into consideration.

There is no policy on the part of the Senate Armed Services Committee that this Senator is aware of which discriminates against any part of this country, and no action which is represented by this bill should be, nor do I think could be, construed as discrimination against one State or one region. There is certainly no pattern that this Senator has observed, in almost 4 years, of service on that committee, of discriminating in military expenditures for or against any region of the country, and certainly not with regard to military construction.

Obviously, the age of facilities and bases around the country plays a role when consolidations, closures, and realinements are concerned. I think any part of the country where facilities tend to be older because they were constructed earlier have that going against them. That is just my own personal observation. I do not know. Our committee does not

put that realinement and consolidation list together. In fact, we have done our best to stay out of that because of the political implications.

I would only make one other observation with regard to the specifics of this bill and the footnote which I think the Senator from New York has described as casual, or something like that. That has to do with the Watervliet Arsenal, which I have discussed with the Senator from New York and also his colleague, Mr. MOYNIHAN.

The reason why our committee reduced the authorization request from $27 million to $2 million was our serious, and the staff's professional judgment, that the project, according to the proposal upon which it was based, was seriously underfunded. What that footnote refers to is a mandate to the Army to come forward with a realistic budget authorization statement for the construction work which they propose at Watervliet.

The reason why the term "without prejudice" is used there is to say that our committee does not reach a final judgment as to how much money should be spent there. What we are saying is that we will give $2 million in this bill to go forward with the project, "But, gentlemen, be realistic." If it is a project that runs out of money, they end up with plastic roofs and cellophane windows on a facility because it was not designed properly and the amount of money to carry out the design was not sufficient. We have tried to be as honest, realistic, and professional about this matter as we have tried to be with regard to all other matters, and that is without regard as to whether any of us are from the sun belt, the snow belt, or any other belt.

On the particular facility that the Senator referred to, that was the basis of our judgment. It is not that we dislike New York, that we tried to harm New York, that we had written off New York, that we were unconcerned about New York, or that we were part of some effort to discriminate against New York, the Northeast, or anything else.

We are just serving notice in regard to this project as well as others that we are not going to authorize an amount of money that is unrealistic to carry out the work which is described. That is exactly what happened here.

Finally, I would only point out that there are two installations in New York for which this committee added money. I think that is a sufficient indication that we are not out to hurt or harm any State of the Union.

Further, I would say finally for my own part that I do not think the Defense Department authorization bills should be public works projects. If we are going to help any area of this country which has high unemployment, I do not think we ought to use the Defense Department authorization, the military construction authorization, to do that. There are a variety of other economic means that we can use to put people back to work, such as building bridges, highways, and public facilities of all kinds. But if there is any area of the budget which should not be used as a public works forum platform, in my judgment, it is the military construction bill and the Defense Department authorization.

Mr. JAVITS. Will the Senator yield for a brief reply?

Mr. HART. I yield.

Mr. JAVITS. I appreciate the good will of the Senator. He and I have worked together on too many things that I would challenge him. But when we look at the overall condition of my State over a period of years, this has resulted in really devastating effects when reducing the Defense presence in the State, which really results in discrimination against New York. I am not charging evil motives to anyone.

To refer to this Watervliet matter that is about the only thing that can be done for New York in terms of perhaps a little generosity in this reconstruction.

I was calling attention to the fact that we know very well if the money is available the construction could be accelerated. With New York still about 2 or 3 percentage points behind the Nation in terms of its unemployment picture, where you could do it we felt it should be done.

In the conference between the Senate and the House we will try to submit additional data to our Senate conferees and, hopefully, there may be a different result.

Fort Drum was the big thing which New York might get to somewhat redress the circumstances. But we have run into so many discouragements, including, for example, the rumor which was about—and rumors are very important up here as my colleague knows—that this was going to be decided within a day, that it would be decided by now. Then we hear no, it is not going to be decided by now, but it may be decided sometime later in the summer. When we get the inhospitable feeling which I described, naturally we become very deeply concerned about the way in which the decision will be made and how it will go.

So I raised these points hoping that they may have some therapeutic effect upon the way in which my State will be regarded. After all, if you are aggrieved and if you do not holler, nobody is going to hear you. I thank my colleague very much.

Mr. HART. I thank the Senator from New York.

Madam President, I will only observe when use is made of the term charity, there are those in recent weeks who believe Mr. JARVIS and a majority of the voters in California have put a knife in the back of their favorite charity, but that is for each of us to decide.

Madam President, I believe we are ready for third reading.

● Mr. MUSKIE. Mr. President, I congratulate the Subcommittee on Military Construction for their effort represented in the military construction bill for fiscal year 1979. I am pleased that the committee has authorized continued modernization efforts at the Kittery Naval Shipyard at the level of $14.55 million.

This modernization effort will assure that the combat readiness of our submarine fleet will be supported by the Kittery Shipyard. The modernization program will enable the naval yard at Kittery to overhaul and repair the larger *Los Angeles*-class submarines which will be joining our fleet in the early 1980's. Authorizing this work now will assure that work at the yard proceeds in an orderly manner toward accommodating the future needs of our fleet.

I join with my colleague from New Hampshire (Mr. MCINTYRE) in urging the Senate conferees to give favorable consideration to an additional provision in the House bill which adds $1.6 million for waterfront support facilities at Kittery. This work is now scheduled for fiscal year 1980 but authorizing the construction at this time would expedite the yard's efforts to accommodate the *Los Angeles*-class submarines.

In addition to the funds for the Kittery Naval Shipyard, Mr. President, the bill contains $18.359 million for construction at five other military facilities in Maine.

About $16.490 million is authorized for work at Brunswick Naval Air Station including $7,800,000 for a maintenance hangar and $2,860,000 for an avionics shop needed for engine airframe and avionics maintenance of 54 P–3 antisubmarine warfare aircraft; $540,000 is provided for pollution abatement for the naval security group in Winter Harbor. Construction of 20 housing units at the naval communications unit in Cutler, Maine, is authorized. Other construction projects at Loring Air Force Base in Limestone, the Air National Guard facilities at the International Airport in Bangor, and the Army National Guard facilities at Brunswick Naval Air Station are authorized in amounts totaling $624,000.●

● Mr. MOYNIHAN. Mr. President, I shall take but a moment to comment on a matter in the military construction bill which is of important interest to the people of New York and, I believe, to the people of the Nation generally.

I refer to the Watervliet Arsenal. As a brief information paper on the history of the arsenal—which I shall ask be printed in the RECORD (exhibit 1)—states, the arsenal produces cannon and spare artillery tools for the Army, Navy, for the Marine Corps and for foreign export purposes. The modernization of the arsenal is critical, in my view, as it is the sole facility producing cannon in any substantial quantity. Indeed, the military construction authorization and the military construction appropriation as considered in the other body provide funds adequate for the continued operation and modernization of the arsenal. The measure before us authorizes but $2.5 million for the arsenal, funds sufficient only for the demolition of the existing building. I know that the Armed Services Committee considered this matter in substantial detail; it is not my purpose here to propose a legislative remedy of my own as a substitute for the committee's deliberation.

But I must say that this episode raises important questions about the disposition of Federal military construction funds among the States. From the beginning of my service here, I have found it most distasteful to attempt to relate the security requirements of the country as a whole on the one hand to the socio-

economic realities of individual States on the other. And yet one observes that in the past 16 years that New York's percentage of this Federal total has generally declined. It now fluctuates in the neighborhood of 1½ percent. And the absolute dollar volume—even in terms of our current grossly inflated dollars—has declined also. I ask unanimous consent that a table summarizing this trend be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MOYNIHAN. I have remarked on a previous occasion that it appeared as if the U.S. Army had decided that the next war would inevitably be fought in a Central American jungle. Those of us who have argued for the relocation of one of the divisions scheduled from withdrawal from Korea to the Northeast, where it snows, should at least be given credit for recognizing that training and preparation for war ought to envision the possibility that a future conflict will erupt in other than tropical localities. The same can be said—in the larger sense—for the distribution of military activity among the various States. Perhaps it is inevitable that the focus on such activity will shift over time among the various parts of the country. And yet it seems to me—and to my distinguished senior colleague—that the preservation of a unique arsenal at a small expense—as these things go—is not a large claim. Indeed, I raise this matter solely because it strikes me as one where the interest of the country and the interests of New York intersect exactly.

EXHIBIT 1

HISTORY OF WATERVLIET ARSENAL AND ITS CURRENT STATUS

The Watervliet Arsenal, a National Registered Historic Landmark and the Nation's oldest arsenal, came into being in 1813. Its first mission was to supply arms and materiel to troops fighting the British on the western and northern borders of New York. The principal products were ammunition, harnesses, and gun carriages. The years following the War of 1812 brought rumors of closing but the Arsenal was to endure.

Constructed between 1817 and 1824, the Erie Canal provided transportation, power for the shops, and water for fire protection, and greatly enhanced the Arsenal's value to the War Department. In subsequent years the Arsenal expanded and several new buildings were constructed including the Commander's quarters and a large limestone barracks, both still in use.

During the Civil War the Arsenal was to prove itself extremely versatile and responsive, dwarfing all previous production efforts. Not only were immense quantities of small arms and artillery ammunition produced but also gun carriages, scabbards, saddles, cap pouches, cartridge boxes, lariats, and nosebags and brushes for horses.

After Appomattox the Arsenal faced lean years as activity dwindled to little more than storage, but in 1887 the Arsenal was revitalized with its selection to be the "Army Gun Factory." Construction was soon underway to convert the Arsenal to cannon production. When the Spanish-American War began in 1898 Watervliet Arsenal was ready to answer the call with the nation's first 16 inch gun.

The beginning of World War I again brought substantial growth in buildings, roadways and equipment. But with the end of the war there again followed a lull in activity. Between 1935 and 1938 employment averaged about 350 and only 90 guns a year were produced. Then, in 1939 the Arsenal responded to the still far-off rumblings of the impending World War. The shops began to hum and an apprentice school was reactivated. By late 1942 peak production was reached and employment climbed to 9,332. In the month of December, 3,458 guns were manufactured ranging from 37 mm anti-tank guns to 240 mm howitzers!

Following the war, the Arsenal assumed a major role in research and development of cannon, mortars, and recoilless rifles to complement the manufacturing mission. One of the Arsenal's first efforts included design of the 280mm atomic cannon. The long range 175mm and 155mm artillery cannon and the 105mm tank cannon were developed in the following decade. In the 1970's came the 152mm gun launcher, lightweight 60mm mortar and a new 8 inch gun/howitzer. Throughout this 230-year period the Arsenal was also heavily committed in support of the Korean and Vietnam conflicts.

Today the Arsenal produces cannon and spare tubes for the Army, Navy, Marine Corps, and foreign military sales. Current employment is 2800 with an annual program of $120 mil and payroll of $47 mil. Production workload is very heavy, averaging 500 cannon and spare tubes per month (against a maximum capacity of 632 cannon per month). Examples of current production are as follows:

	Quantity per month
105-mm. tank gun	280
8" cannon for self-propelled howitzer	65
155-mm. cannon for self-propelled howitzer	60

No other capability exists in this country to make cannon, with the exception of a small Navy prototype facility in Louisville, Kentucky. Due to the unique, "elephant-size" equipment, facilities, and technology required, private industry has not expressed an interest in cannon manufacture. From an investment standpoint, there is virtually no commercial counterpart for these reasons;

High initial investment (equipment and facilities).

Low volume of orders on an annual basis.

Sporadic nature of orders.

The Arsenal today is a National Resource. The country is totally dependent on Watervliet's capability for the first two years of conflict to supply weapons in support of combat operations.

MILITARY CONSTRUCTION AWARDS OF $10,000 OR MORE

[Dollar amounts in thousands]

	New York	U.S. total, all States	New York percent of United States
Fiscal year:			
1976	$25,561	$2,207,760	1.2
1975	63,880	2,663,181	2.5
1974	25,142	1,632,271	1.5
1973	36,618	1,741,179	2.1
1972	42,290	1,612,405	2.6
1971	47,858	1,283,238	3.7
1970	35,969	999,212	3.6
1969	43,762	1,301,526	3.4
1968	27,965	1,217,130	2.3
1967	28,590	1,157,202	2.5
1966	43,678	1,002,866	4.4
1965	21,858	1,272,789	1.7
1964	22,775	1,296,351	1.8
1963	47,191	1,117,439	4.2
1962	42,024	1,205,142	3.5

Source: Military prime contract awards by region and State: Fiscal years 1962-76. Issued annually by Department of Defense. Prepared by the Congressional Research Service.

Military construction appropriations (in thousands):	New York[1]
Fiscal year 1977	$15,753
Fiscal year 1978	3,692
Proposed program, fiscal year 1979	65,475

[1] U.S. total not available.

The PRESIDING OFFICER. Are there further amendments?

If not, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. HART. Madam President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 12602, Calendar No. 842.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 12602) to authorize certain construction at military installations for fiscal year 1979, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed immediately to the consideration of the bill.

Mr. HART. Madam President, I move to strike all after the enacting clause of H.R. 12602 and to substitute therefor the text of S. 3079, as reported and as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Colorado.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. HART. Madam President, I ask unanimous consent that consideration of S. 3079 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT REQUEST

Mr. HART. Madam President, I ask unanimous consent that passage of the pending legislation be postponed until not later than 5 p.m. today; that if the yeas and nays are requested and a rollcall vote is ordered, that occur not later than 2:30 today; and that in no case should passage of the bill occur until the committee has received a response from the Department of Defense to the correspondence which I have just placed in the RECORD.

The PRESIDING OFFICER. Is there objection?

Mr. TOWER. Reserving the right to object, will the Senator amend that to provide that no rollcall vote on this matter occur before 1:30 p.m.?

Mr. HART. I so amend my unanimous-consent request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. I thank the Chair.

Mr. TOWER. Madam President, what is the parliamentary situation? It is my understanding that now that we have proceeded to consideration of H.R. 12602, that abrogates any controlled time elements that were pending on S. 3079.

The PRESIDING OFFICER. That is correct, and that bill is ready for passage.

Mr. HART. Madam President, I should like to add a word of thanks to our, as usual, very able Senate Armed Services Committee staff, particularly Mr. Jim

Smith, Mrs. Jeanie Killgore, Ms. Phyllis Bacon, Mr. Ed Kenney, and Mr. Robert Old, all of whom have labored long and hard on behalf of those of us who have had the responsibility of guiding this legislation. They perform so professionally and so consistently that it is often easy to overlook the amount of work that they do, but those of us who work with them and who are dependent upon them, I think, rely heavily on them and realize daily that we could not carry out our function and task without their help. I, for one, am extremely grateful to all of them for their work on this legislation.

Mr. TOWER. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HART. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMODITY EXCHANGE ACT

Mr. HART. Madam President, I ask unanimous consent that it be in order to lay down S. 2391 and make it the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 2391) to extend the Commodity Exchange Act.

The Senate proceeded to consider the bill which had been reported from the Committee on Agriculture, Nutrition, and Forestry with an amendment to strike all after the enacting clause and insert the following:

COMPOSITION OF THE COMMISSION; CONFLICT OF INTEREST; CONFORMING AND TECHNICAL AMENDMENTS

SECTION 1. Section 2(a) of the Commodity Exchange Act is amended by—

(1) striking out in the first sentence of paragraph (1) (7 U.S.C. 2) "section 217 of the Commodity Futures Trading Commission Act of 1974" and inserting in lieu thereof "section 19 of this Act";

(2) inserting "(A)" immediately after the designation of paragraph (2) (7 U.S.C. 4a (a));

(3) striking out in the second sentence of paragraph (2) "a Chairman and four other Commissioners" and inserting in lieu thereof "five Commissioners";

(4) striking out in the last sentence of paragraph (2) "(A)" and "(B)" and inserting in lieu thereof "(i)" and "(ii)", respectively;

(5) adding at the end of paragraph (2) a new subparagraph (B) as follows:

"(B) The President shall appoint, by and with the advice and consent of the Senate, a member of the Commission as Chairman, who shall serve as Chairman at the pleasure of the President. An individual may be appointed as Chairman at the same time that person is appointed as a Commissioner. The Chairman shall be the chief administrative officer of the Commission and shall preside at hearings before the Commission. Subject to the provisions of the first sentence of this subparagraph, the President may, from time to time, designate a different Chairman, and the Commissioner previously appointed as Chairman shall complete his term as a Commissioner.";

(6) striking out in paragraph (5) (7 U.S.C 4a(d)) ", by and with the advice and consent of the Senate,";

(7) inserting "(A)" immediately after the designation of paragraph (7) (7 U.S.C. 4a (f));

(8) adding at the end of paragraph (7) a new subparagraph (B) as follows:

"(B) No Commissioner or employee of the Commission classified as a GS-15 or higher of the General Schedule under section 5332 of title 5, United States Code, may, for a period of one year beginning on the last day of service as such Commissioner or employee—

"(i) make any appearance before the Commission; or

"(ii) make any written or oral communication to the Commission, or any Commissioner or employee of the Commission, on behalf of any person (other than the United States) on any particular matter that is before the Commission.

The restrictions in this subparagraph shall not apply to an appearance or response under a subpena issued by the Commission, or any matter of an exclusively personal and individual nature.";

(9) striking out in the first sentence of paragraph (8) (7 U.S.C. 4a(g)) "establish a separate office within the Department of Agriculture to be staffed with employees of the Commission for the purpose of maintaining" and inserting in lieu thereof "maintain";

(10) striking out in subparagraph (9)(A) (7 U.S.C. 4a(h)(1)) "Senate Committee on Agriculture and Forestry" and inserting in lieu thereof "Senate Committee on Agriculture, Nutrition, and Forestry"; and

(11) striking out in subparagraph (9)(B) (7 U.S.C. 4a(h)(2)) "Senate Committee on Agriculture and Forestry" and inserting in lieu thereof "Senate Committee on Agriculture, Nutrition, and Forestry".

OPTIONS TRANSACTIONS; TECHNICAL AMENDMENTS

SEC. 2. Section 4c of the Commodity Exchange Act (7 U.S.C. 6c) is amended by—

(1) striking out in the last sentence of subsection (a) "not have been disapproved" and inserting in lieu thereof "have been approved";

(2) striking out in subsection (b) "Senate Committee on Agriculture and Forestry" and inserting in lieu thereof "Senate Committee on Agriculture, Nutrition, and Forestry"; and

(3) adding at the end thereof new subsections (c), (d), and (e) as follows:

"(c) Notwithstanding the provisions of subsection (b) of this section, it shall be unlawful for any person to offer to enter into, enter into, or confirm the execution of, any transaction subject to the provisions of subsection (b) of this section, except where both parties to such transaction are either a producer, processor, or commercial user of, or a merchant handling, the commodity involved in the transaction, or the products or byproducts thereof, and offer to enter into, or enter into, or confirm the transaction solely for the purposes of their business as such, until (1) the Commission transmits to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry documentation of its ability to regulate successfully such transactions, and (2) the expiration of thirty calendar days of continuous session of Congress after the date of such transmittal without either House of Congress adopting a resolution disapproving such regulation: *Provided*, That the Commission is not precluded from transmitting documentation relating to its ability to regulate such transactions regarding individual commodities, classes of commodities, or regulation of such transactions on specific boards of trade, at such time as the Commission deems appropriate. Nothing in the preceding sentence shall affect any rights or obligations arising out of any transactions subject to the provisions of this subsection entered into, or the execution of which was confirmed prior to October 1, 1978.

"(d) Notwithstanding the provisions of subsections (b) and (c) of this section or section 8a(5) of this Act, a registered futures commission merchant may offer to enter into, enter into, or confirm the execution of, any transaction subject to the provisions of subsection (b) of this section if—

"(1) the grantor in the transaction is a person who—

"(A) is in the business of buying, selling, producing, or otherwise using the underlying commodity;

"(B) at all times has a net worth of at least $10,000,000 certified annually by an independent public accountant using generally accepted accounting principles;

"(C) agrees to notify such futures commission merchant if the grantor has reason to believe the grantor's net worth has fallen below $10,000,000;

"(D) segregates daily, exclusively for the benefit of purchasers, money, exempted securities (within the meaning of section 3(a)(12) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(12)), commercial paper, bankers' acceptances, commercial bills, or unencumbered warehouse receipts, equal to an amount by which the value of each transaction exceeds the amount received or to be received by the grantor for such transaction;

"(E) provides an identification number for each transaction; and

"(F) provides confirmation of all orders for such transactions executed, including the execution price and a transaction identification number;

"(2) the futures commission merchant has evidence that the grantor meets the requirements set forth in clause (1) of this subsection; and

"(3) the futures commission merchant—

"(A) treats and deals with an amount of money, exempted securities (within the meaning of section 3(a)(12) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(12)), commercial paper, bankers' acceptances, commercial bills, or unencumbered warehouse receipts, equal in value to the value received from its customers as payment of the purchase price in connection with such transactions, as security for performance of the transactions until the expiration or liquidation of those transactions;

"(B) records each transaction in its customer's name by the transaction identification number provided by the grantor; and

"(C) provides a disclosure statement to its customers, under regulations of the Commission, that discloses, among other things, all costs, including any markups or commissions involved in such transaction.

"(e) The provisions of subsections (c) and (d) of this section shall be effective for the period beginning October 1, 1978, and ending September 30, 1984.".

CUSTOMERS' FUNDS AND PROPERTY

SEC. 3. Section 4d(2) of the Commodity Exchange Act (7 U.S.C. 6d(2)) is amended by—

(1) inserting in the first paragraph after *"Provided, further,"* the following: "That in accordance with such terms and conditions as the Commission may prescribe by rule, regulation, or order, such money, securities, and property of the customers of such futures commission merchant may be commingled and deposited as provided in this section with any other money, securities, and property received by such futures commission merchant and required by the Commission to be separately accounted for and treated and dealt with as belonging to the customers of such futures commission merchant: *Provided further,*"; and

(2) adding at the end thereof a new paragraph as follows:

"Notwithstanding any other provision of law, no such person, nor any trustee or receiver of such person, shall assert any rights with respect to such money, securities, and property or with respect to customer accounts held by such person, or any trustee or receiver of such person, which would prohibit, delay, or condition a transfer of such money, securities, property, or customer accounts to another futures commission merchant: *Provided*, That such a transfer is required under the rules, bylaws, or regulations of any contract market or clearinghouse organization of which such person is a member or under the rules and regulations of the Commission.".

REGISTRATION OF FUTURES COMMISSION MERCHANTS AND FLOOR BROKERS

SEC. 4. Section 4f(1) of the Commodity Exchange Act (7 U.S.C. 6f(1)) is amended by—

(1) striking out in the third sentence "All registrations" and inserting in lieu thereof "Each registration"; and

(2) inserting in the third sentence after "issued," the following: "or at such other time, not less than one year from the issuance thereof, as the Commission may by rule, regulation, or order prescribe,".

TECHNICAL AMENDMENT

SEC. 5. Section 4g(3) of the Commodity Exchange Act (7 U.S.C. 6g(3)) is amended by striking out "Brokers" and inserting in lieu thereof "Floor brokers".

REGISTRATION OF ASSOCIATED PERSONS; AUTHORIZATION FOR REGISTRATION OF ASSOCIATED PERSONS BY A TITLE III ASSOCIATION

SEC. 6. Section 4k of the Commodity Exchange Act (7 U.S.C. 6k) is amended by—

(1) amending the last sentence of subsection (2) to read as follows: "Such registration shall expire two years after the effective date thereof or at such other time, not less than one year from the issuance thereof, as the Commission may by rule, regulation, or order prescribe, and shall be renewed upon application therefor unless the registration has been suspended (and the period of such suspension has not expired) or revoked after notice and hearing as prescribed in section 6(b) of this Act: *Provided*, That upon initial registration, unless the Commission otherwise prescribes by rule, regulation, or order, the effective period of such registration shall be not more than two years nor less than one year from the effective date thereof."; and

(2) adding at the end thereof a new subsection (3) as follows:

"(3) The Commission may authorize a registered futures association to perform the registration functions of this section, in accordance with rules approved by the Commission, and subject to the provisions of this Act applicable to registrations granted by the Commission.".

REGISTRATION OF COMMODITY TRADING ADVISORS AND COMMODITY POOL OPERATORS

SEC. 7. Section 4n of the Commodity Exchange Act (7 U.S.C. 6n) is amended by—

(1) striking out subsection (2) and redesignating subsections (3), (4), (5), (6), and (7) as subsections (2), (3), (4), (5), and (6), respectively;

(2) striking out in subsection (3) "All registrations" and inserting in lieu thereof "Each registration"; and

(3) inserting in subsection (3) after "year," the following: "or at such other time, not less than one year from the effective date thereof, as the Commission may by rule, regulation, or order prescribe,".

PROHIBITION ON FRAUDULENT TRANSACTIONS BY COMMODITY TRADING ADVISORS AND COMMODITY POOL OPERATORS

SEC. 8. Section 40(1) of the Commodity Exchange Act (7 U.S.C. 60(1)) is amended by striking out "registered under this Act".

ARBITRATION

SEC. 9. Section 5a(11) of the Commodity Exchange Act (7 U.S.C. 7a(11)) is amended by inserting before "provide" the following: "unless available under the rules of a registered futures association,".

REFUSAL, SUSPENSION, OR REVOCATION OF "CONTRACT MARKET" DESIGNATION—HEARING ON THE RECORD; COMMISSION SUBPENA POWER

SEC. 10. Section 6 of the Commodity Exchange Act (7 U.S.C. 8) is amended by—

(1) inserting "on the record" after "hearing" in the second sentence;

(2) inserting "on the record" after "hearing" in the second sentence of subsection (a);

(3) striking out the third sentence of subsection (b) and inserting in lieu thereof the following: "For the purpose of securing effective enforcement of the provisions of this Act and for the purpose of any investigation or proceeding under this Act, any member of the Commission or any Administrative Law Judge or other officer designated by the Commission is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records that the Commission deems relevant or material to the inquiry. The attendance of witnesses and the production of any such records may be required from any place in the United States or any State at any designated place of hearing. In case of contumacy by, or refusal to obey a subpena issued to, any person, the Commission may invoke the aid of any court of the United States within the jurisdiction in which such investigation or proceeding is conducted, or where such person resides or transacts business, in requiring the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, and other records. Such court may issue an order requiring such person to appear before the Commission or member or Administrative Law Judge or other officer designated by the Commission, there to produce records, if so ordered, or to give testimony touching the matter under investigation or in question. Any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district wherein such person is an inhabitant or transacts business or wherever he may be found.".

ISSUANCE OF A CEASE AND DESIST ORDER OR IMPOSITION OF A CIVIL MONEY PENALTY AGAINST A CONTRACT MARKET—HEARING ON THE RECORD

SEC. 11. Section 6b of the Commodity Exchange Act (7 U.S.C. 13a) is amended by inserting "on the record" after "hearing" in the first sentence.

JURISDICTION OF THE STATES

SEC. 12. The Commodity Exchange Act is amended by adding after section 6c a new section 6d as follows:

"SEC. 6d. (1) Whenever it shall appear to the attorney general of any State (or other official as the State may designate) that the interests of the residents of that State have been, are being, or may be threatened or adversely affected because any person (other than a contract market or floor broker) has engaged in, is engaging in, or is about to engage in, any act or practice constituting a violation of any provision of this Act or any rule, regulation, or order of the Commission thereunder, the State may bring an action on behalf of its residents in the proper district court of the United States in such State, to enjoin such act or practice, or to enforce compliance with this Act, or any rule, regulation, or order of the Commission thereunder, and that court shall have jurisdiction to entertain such action and, upon proper application, shall also have jurisdiction to issue writs of mandamus, or orders affording like relief, commanding the defendant to comply with the provisions of this Act or any rule, regulation, or order of the Commission thereunder, including the requirement that the defendant take such action as is necessary to remove the danger of violation of this Act or of any such rule, regulation, or order.

"(2) No action may be brought under this section without the prior approval of the Commission, unless the Commission specifies by rule or regulation that prior approval shall not be required.

"(3) Immediately upon bringing any such action, the State shall serve written notice thereof upon the Commission, and the Commission may intervene in the action by filing a notice of appearance in the action and, upon doing so, the Commission shall have the right to be heard on all matters arising therein and to file petitions for appeal.

"(4) No restraining order, injunction, writ of mandamus, or order affording like relief, shall be issued ex parte in any action brought under this section. Upon a proper showing, a permanent or temporary injunction or restraining order shall be granted without bond.

"(5) Any action under this section may be brought in the district wherein the defendant is found or is an inhabitant or transacts business or wherein the act or practice occurred, is occurring, or is about to occur, and process in such cases may be served in any district in which the defendant is an inhabitant or wherever the defendant may be found.

"(6) For purposes of bringing any action under this section, nothing in this Act shall prevent the attorney general or other duly authorized State official from exercising the powers conferred on them by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

"(7) For purposes of this section, the word 'State' means any State of the United States, the District of Columbia, or any territory or possession of the United States.".

DISCLOSURE OF TRADERS AND THEIR POSITIONS ON BOARDS OF TRADE TO THE PUBLIC

SEC. 13. Section 8 of the Commodity Exchange Act (7 U.S.C. 12–1) is amended by striking out in the second paragraph "and make public" the second time that phrase appears.

FINGERPRINTING OF APPLICANTS FOR REGISTRATION; DISCLOSURE OF IMPROPER TRANSACTIONS

SEC. 14. Section 8a of the Commodity Exchange Act (7 U.S.C. 12a) is amended by—

(1) inserting in subsection (1) after "by the Commission" the following: ", which may require the applicant, and any persons associated with the applicant as the Commission may specify, to be fingerprinted and to submit, or cause to be submitted, such fingerprints to the Attorney General for identification and appropriate processing"; and

(2) striking out "and to publish" in subsection (6).

DISCLOSURE OF RESULTS OF EXCHANGE DISCIPLINARY PROCEEDINGS

SEC. 15. Section 8c(1)(B) of the Commodity Exchange Act (7 U.S.C. 12c(1)(B)) is amended by amending the last sentence to read as follows: "An exchange shall make public its findings and the reasons for the exchange action in any such proceeding, including the action taken or the penalty imposed, but shall not disclose the evidence therefor, except to the person who is suspended, expelled, or disciplined, or denied acces, and to the Commission: *Provided*, That the restriction on disclosure of evidence in this sentence shall not apply to criminal investigations or proceedings.".

CRIMINAL PENALTIES

SEC. 16. Section 9 of the Commodity Exchange Act (7 U.S.C. 13) is amended by——

(1) striking out in subsection (a) "$100,000" and inserting in lieu thereof "$500,000";

(2) striking out in subsection (b) "$100,000" and inserting in lieu thereof "$500,000";

(3) inserting before the period at the end of subsection (b) the following: ", or to violate the provisions of section 4, section 4b, section 4c, section 4h, or section 4o(1) of this Act, or any rule, regulation, or order of the Commission thereunder, the violation of which is made unlawful or the observance of which is required, or to make any false or misleading statement of a material fact in any registration application or report filed with the Commission, or to omit to state in any such application or report any material fact that is required to be stated therein"; and

(4) amending subsection (c) to read as follows:

"(c) Except as provided in subsections (a), (b), (d), and (e) of this section, it shall be a misdemeanor punishable by a fine of not more than $100,000 or imprisonment for not more than one year, or both, together with the costs of prosecution, for any person to violate any provision of this Act, or any rule, regulation, or order of the Commission thereunder, the violation of which is made unlawful or the observance of which is required.".

AUTHORIZATION FOR APPROPRIATIONS

SEC. 17. Section 12(d) of the Commodity Exchange Act (7 U.S.C. 16(d)) is amended to read as follows:

"(d) There are hereby authorized to be appropriated to carry out the provisions of this Act such sums as may be required for the fiscal year ending June 30, 1975, for the period beginning July 1, 1975, and ending September 30, 1976, and for each of the fiscal years during the period beginning October 1, 1976, and ending September 30, 1984.".

REPARATIONS

SEC. 18. Section 14 of the Commodity Exchange Act (7 U.S.C. 18) is amended by—

(1) striking out in subsection (a) "registered" and inserting in lieu thereof "who is registered or required to be registered";

(2) striking out in subsection (b) all after "*Provided*," and inserting in lieu thereof the following: "That in complaints wherein the amount claimed as damages does not exceed the sum of $5,000, a hearing limited to the basic or novel issue or issues of the case shall be held, and additional proof in support of the complaint and respondent's answer may be supplied in the form of depositions or verified statements of fact."; and

(3) amending subsection (c) to read as follows:

"(c) After opportunity for hearing has been waived or a hearing is held on a complaint filed under this section, the Commission shall determine whether the respondent has violated any provision of this Act or any rule, regulation, or order of the Commission thereunder."; and

(4) adding at the end thereof a new subsection (j) as follows:

"(j) Notwithstanding any other provision of this section or Act, a futures association registered under section 17 of this Act may, with the Commission's approval, adopt rules establishing a procedure whereby persons complaining of a violation of any provision of this Act or any rule, regulation, or order of the Commission thereunder by a member of the association who is registered or required to be registered under section 4d, section 4e, section 4k or section 4m of this Act, may obtain an adjudication of such claims by the association, and the rules of that are or could be brought thereunder, the association shall govern all such claims in lieu of the procedures set forth in this section: *Provided*, That the decisions of the association shall be subject to subsection (f), (g), and (h) of this section to the same extent as reparations orders entered by the Commission.".

REGISTERED FUTURES ASSOCIATION

SEC. 19. Section 17 of the Commodity Exchange Act (7 U.S.C. 21) is amended by—

(1) striking out in subsection (b)(10) "$5,000" and inserting in lieu thereof "$15,000"; and

(2) redesignating subsection (m) as subsection (n), and inserting after subsection (l) a new subsection (m) as follows:

"(m) Notwithstanding any other provision of law, the Commission may approve rules of a futures association or of a contract market that, directly or indirectly, require persons eligible for membership in such association to become members thereof, if the Commission determines that such rules are necessary or appropriate to achieve the purposes and objectives of this Act.".

LEVERAGE TRANSACTIONS; FORWARD CONTRACTS

SEC. 20. The Commodity Exchange Act is amended by adding at the end thereof new sections 19 and 20 as follows:

"SEC. 19. No person shall offer to enter into, enter into, or confirm the execution of, any transaction for the delivery of any commodity specifically set forth in section 2(a) of this Act prior to the enactment of the Commodity Futures Trading Commission Act of 1974, under a standardized contract commonly known to the trade as a margin account, margin contract, leverage account, or leverage contract, or under any contract, account, arrangement, scheme, or device that the Commission determines serves the same function or functions as such a standardized contract, or is marketed or managed in substantially the same manner as such a standardized contract. Notwithstanding any other provision of this Act, the Commission may prohibit or regulate any such transactions involving any other commodities under such terms and conditions as the Commission shall initially prescribe by October 1, 1979: *Provided*, That any such order, rule, or regulation may be made only after notice and opportunity for hearing: *Provided further*, That the Commission may set different terms and conditions for such transactions involving different commodities. If the Commission determines that any such transaction is a contract for future delivery within the meaning of the Act, such transaction shall be regulated in accordance with the applicable provisions of this Act.

"SEC. 20. (a) The Commission shall, for the period beginning October 1, 1978, and ending September 30, 1984, monitor forward contracting for domestic agricultural commodities and maintain records of defaults on any such contracts.

"(b) The Commission shall include in its annual reports to Congress information concerning its monitoring activities under subsection (a) of this section, any defaults on forward contracts for domestic agricultural commodities during the immediately preceding fiscal year, and any observations, recommendations, or comments on forward contracts for domestic agricultural commodities and the regulation of those transactions or the need for legislation in this area as the Commission deems appropriate.

"(c) Of the sums appropriated annually to carry out this Act, not to exceed $75,000 may be used to carry out the provisions of this section.".

REPEAL OF LEVERAGE TRANSACTION PROVISION IN THE 1974 ACT

SEC. 21. Title II of the Commodity Futures Trading Commission Act of 1974 (7 U.S.C. 15a) is amended by repealing section 217.

USE IMMUNITY

SEC. 22. Section 6001 of part V of title 18 of the United States Code (18 U.S.C. 6001) is amended by inserting after "Civil Aeronautics Board," the following: "the Commodity Futures Trading Commission,".

NATIONAL COMMISSION ON THE EFFECTS OF FUTURES MARKETS ON FARM INCOME

SEC. 23. (a) There is hereby established a National Commission on the Effects of Futures Markets on Farm Income (hereinafter referred to as the "Commission").

Organization

(b)(1)(A) The Commission shall be composed of nine members, appointed by the President, none of whom may be employees of the Federal Government or Members of Congress. One of the members of the Commission, who, by background, experience, and education, is particularly suited to the position, shall be designated as Chairman at the time of his or her appointment.

(B) At least four of the Commission members shall be agricultural producers. The other Commission members shall represent, insofar as practicable, the interests of processors and distributors of agricultural commodities and their products, economists, commodity exchanges, national agricultural organizations, and consumers.

(C) A vice-chairman shall be selected by a majority vote of the Commission.

(2) A vacancy in the Commission shall not affect its powers, except for the selection of vice-chairman. Any vacancy in the Commission shall be filled in the same manner as the original position.

Compensation of Members

(c) Each member of the Commission may receive compensation at the highest rate of pay for grade GS-18 of the General Schedule under section 5332 of title 5, United States Code, for each day such member is engaged in the work of the Commission, and shall be reimbursed for travel expenses, including per diem in lieu of subsistence as authorized under section 5703 of title 5, United States Code.

Duties of the Commission

(d)(1) The Commission shall study and appraise—

(A) The relationships between the prices established on futures markets and the cash prices of the commodities;

(B) the concentration and magnitude of trading by foreign individuals, corporations, or governments on United States futures markets;

(C) the actions necessary to stimulate greater use of futures markets by American farmers, if advisable;

(D) the reasons for the differentials in the prices farmers receive for their crops and the futures prices for the same commodity;

(E) the effect of increasing the number of delivery points under a futures contract on the prices received by producers of that commodity; and

(F) the need for changes, if any, in the Commodity Exchange Act or the regulations thereunder.

(2) The Commission shall make such interim reports as it deems advisable, and it shall make a final report of its findings, conclusions, and legislative recommendations to the President and Congress by October 1, 1981, and shall cease to exist not later than ninety days thereafter.

(3) All books, papers, reports, memoranda and all the documents collected, produced, obtained or in the custody or possession of the Commission shall, prior to the termination of the Commission, be transmitted to the Commodity Futures Trading Commission

Powers of the Commission

(e)(1) The Commission, or any three members thereof authorized by the Com-

mission, may conduct hearings anwhere in the United States or otherwise secure data and expressions of opinions pertinent to the study. In connection therewith, the Commissioners may—

(A) require, by special or general orders, any person to submit in writing such reports and answers to questions as the Commission may prescribe and within such reasonable period and under oath or otherwise as the Commission may determine;

(B) administer oaths;

(C) require by subpena the attendance and testimony of witnesses in the production of all documentary evidence relating to the execution of its duties;

(D) invoke the aid of any district court of the United States in requiring compliance with such subpena or order in the case of disobedience of a subpena or order issued under this subsection;

(E) order testimony to be taken in any proceeding or investigation by deposition before any person who is designated by the Commission and who has the power to administer oaths, and in such instances to compel testimony in the production of evidence in the same manner as authorized under clauses (C) and (D) of this paragraph; and

(F) to pay witnesses the same fees and mileages as are paid in like circumstances by the courts of the United States.

(2) Any district court of the United States within the jurisdiction of which an inquiry under this section is conducted may in case of refusal to obey a subpena or order of the Commission issued under this subsection, issue an order requiring compliance therewith; and failure to obey the order of the court may be punished by the court as contempt thereof.

(3) Notwithstanding any other provision of law, the Commission may require from the head of any executive department, agency, or independent establishment of the Federal Government available information deemed useful in the discharge of its duties, and all such departments, agencies, and establishments shall cooperate with the Commission and furnish all information requested by the Commission.

(4) The Commission may enter into contracts with Federal or State agencies, private firms, institutions, and individuals for the conduct of research or surveys, the preparation of reports, and other activities necessary to the discharge of its duties. The authority provided by this paragraph shall be effective for any fiscal year only to the extent provided in appropriation Acts.

(5) Subject to the provisions of section 552 of title 5, United States Code, when the Commission finds that publication of any information obtained by it is in the public interest and would not give an unfair competitive advantage to any person, the Commission may publish such information in the form and manner deemed best adapted for public use, except that information that would separately disclose the business transactions of any person, trade secrets, or names of customers shall be held in confidence and shall not be disclosed by the Commission.

Administrative Arrangements

(f)(1) The Commission shall appoint and fix the compensation of an executive director and a chief economist without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates. The executive director, with the approval of the Commission, shall employ and fix the compensation of such additional personnel as may be necessary to carry out the functions of the Commission, except that no individual so appointed shall be paid at a rate in excess of the rate for GS-18 of the General Schedule under section 5332 of title 5, United States Code.

(2) The executive director, with the approval of the Commission, is authorized to obtain the services of experts and consultants as provided under section 3109 of title 5, United States Code.

(3) The head of any executive department, agency, or independent establishment of the Federal Government may detail, on a reimbursable basis, any of its personnel to assist the Commission in conducting its work.

(4) Financial and administrative services (including those relating to budgeting and accounting, financial reporting, personnel, and procurement) shall be provided the Commission by the General Services Administration, for which payment shall be made in advance, or by reimbursement, from funds of the Commission in such amounts as may be agreed upon by the Chairman of the Commission and the Administrator of General Services.

Authorization of Appropriations

(g) There are hereby authorized to be appropriated to the Commission such sums, not in excess of $1,000,000 for each year of its existence, as may be necessary to carry out the provisions of this section.

EFFECTIVE DATE

SEC. 24. The provisions of this Act shall become effective October 1, 1978.

RECESS UNTIL 1:15 P.M.

Mr. HART. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 1:15 p.m. today.

There being no objection, the Senate at 11:25 a.m., recessed until 1:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. SASSER.)

COMMODITY EXCHANGE ACT

The Senate continued with the consideration of S. 2391.

The PRESIDING OFFICER. The pending business is S. 2391. The time for debate on this bill is limited to 2½ hours, to be divided and controlled with 1 hour each to the Senator from Vermont (Mr. LEAHY) and the Senator from Kansas (Mr. DOLE), and with 30 minutes to the Senator from Montana (Mr. MELCHER); with a time limitation of 30 minutes on any amendment except one to be offered by the Senator from Montana (Mr. MELCHER), and on that amendment there will be a limitation of 1 hour; and with a limitation of 15 minutes on any debatable motion, appeal, or point of order.

Who yields time?

Mr. LEAHY. Mr. President, I ask unanimous consent that throughout all deliberations and proceedings on this bill, Martin Franks and Liam Murphy of my office have the privilege of the floor, including votes on the measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. LEAHY. I yield.

Mr. HELMS. Mr. President, I make a similar request on behalf of John Carbaugh of my staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HODGES. Mr. President, I ask unanimous consent that Bill Kennedy of my staff be granted privilege of the floor during discussion and voting on this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I ask unanimous consent that Barbara Washburn of Senator JAVITS' staff be granted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, S. 2391 has as its major purpose the reauthorization of the Commodity Futures Trading Commission for 6 years. The Committee on Agriculture, Nutrition, and Forestry has unanimously agreed to reauthorize the CFTC despite disclosures of deficiencies in the past administration of the Commission.

The basic structure of the Commission is sound. The Commission is properly separate from any Cabinet department identified with a particular economic constituency or other Federal agency.

I believe it is useful to briefly retrace the historical development of futures markets in order to appreciate the significance of this form of commercial activity. The functioning futures markets is both a refined development of free and competitive markets and an essential adjunct of an international and interdependent world economy. Futures markets are an essential tool to measure the several demands for real resources over time and to allocate them most efficiently. Seldom can it be said of an essentially private economic institution that, if it functions well, both producer and consumer are significantly well served—but that is true of futures markets at their best.

Rudimentary futures markets are as old as modern commercial civilization, having grown up along with the "commercial revolution" that marked the shift from medieval society to the modern age. A recent article by Prof. Robert S. Lopez of Yale, a specialist in medieval history, briefly explains how and why it was that the techniques and instruments of modern commerce came to life in Italy in the 10th through 13th centuries rather than in the then flourishing Arab world or Japan—and led directly to 10 centuries of Western ascendancy and prosperity, from which we still benefit. He points out that investments in agriculture are fundamental for survival, but unlikely to multiply as fast as those of merchants taking high risks for high profits and exploiting the difference in price from one place to another.

Roman society, he observes, was dominated by gentlemen farmers and great landowners who regarded comfortable stability as a more desirable goal than adventurous growth, and looked down upon traders and loathed moneylenders. The merchants of Venice and some seaports of southern Italy in particular were neutral intermediaries between mutually hostile parties who needed each other's commodities. In these city-states even the aristocracy worked at business and trade, while those who had no money to invest offered their labor, and pooled commodities rather than cash.

I am told that the Graham L. Rees Standard History of Britain's Commodity Markets also points out just how powerful and inventive the influence of Italian and Hanseatic merchants was in developing the commerce of England. Between the 10th and 14th centuries the sealane between Italy and Flanders was not secure. At that time, these merchants promoted a land route through the French Champagne. The seasonal fairs held along that route became the nerve centers of international commerce, according to Rees. There developed, in rudimentary form, public markets adjusting anticipated value differences of goods between present and future, and anticipated value differences of money between present and future. Even interest rate futures, it would seem, are very old institutions—in one form or another.

American futures markets today are still an exciting, useful, and expanding adjunct of domestic and international agricultural marketing and also facilitate real estate financing, international dealings in metals and tropical commodities, and the newly-important quest to protect against avoidable adverse economic impact of inflation and the fluctuating value of the U.S. dollar and other currencies. The commodity futures markets now encompass certain Government securities and domestic and foreign currencies.

The Commodity Futures Trading Commission Act of 1974 authorizes appropriations for the Commission through the end of this fiscal year. This provision, which has been characterized as a "sunset" provision, compelled the committee to conduct an extensive investigation of the assumptions underlying the 1974 Act and the Commission's performance.

Last year, the Committee on Agriculture, Nutrition, and Forestry began its preparations for consideration of the Commission's reauthorization by requesting the General Accounting Office to conduct a thorough investigation of the Commission's organization, management, and performance. Also, the Subcommittee on Agricultural Research and General Legislation held 6 days of hearings on this legislation.

I would like to take this opportunity to express appreciation to Senators CLARK, LUGAR, HAYAKAWA, and HELMS for their interest and aid during this process. Particular thanks must go to Senator HUDDLESTON, the author of S. 2391 as originally introduced. As we on the committee have grown to expect, Chairman TALMADGE afforded every member an opportunity to express their views on the bill while assuring that our deliberations did not get bogged down. The chairman's leadership was particularly evident during our debates on issues in this very technical area.

The regulation of our Nation's futures markets is frequently viewed as being unfathomable by the layman. Although there is a degree of truth to this proposition, hard work on the part of the committee enabled us to understand this unique field of commerce.

During our deliberations it became clear that we could do nothing and allow the CFTC to die, make merely cosmetic alterations, or engage in the difficult project of reauthorizing the Commission and including changes that would allow it to grow stronger. The committee chose the last course.

It would be inaccurate to say that the Commission has been without its problems. Many of the problems that confronted the Commission were, however, a direct outgrowth of the growing pains of a new agency and failures to anticipate or expeditiously react to changing circumstances in the marketplace.

The CFTC is a relatively small agency with limited resources. One thing became abundantly clear during our deliberations, the Commission cannot do all of the necessary investigatory work and engage in all of the prosecutorial activities necessary to protect the American public. The recent press accounts of customer fraud in the sale of commodity options attests to this fact. S. 2391 addresses this problem in a few major ways.

The sale of commodity options would be banned, with carefully drawn and limited exceptions, until the Commission justifies to Congress its ability to regulate successfully this form of trading.

S. 2391 also confers jurisdiction on the States to prosecute violations of the Commodity Exchange Act in Federal district courts. While assuring a uniformity of approach, since the Commission would approve the bringing of these sections, another prosecutorial force would be employed.

The 1974 act authorized the establishment of registered futures associations. S. 2391 contains provisions to speed the establishment of these associations and to allow them to assume some of the duties currently being conducted by the Commission. These associations could free Commission personnel to engage in other activities.

It should be noted that under existing law the Commission imposed a ban on commodity option sales, which became effective on June 1, 1978. This action is commendable and is consistent with the spirit of S. 2391 and its companion bill, H.R. 10285. However, it would be a mistake to assume that the same problems that surrounded options sales will not resurface in a different context. The committee recognized the dynamic nature of the markets for future delivery, both when trading occurs on contract markets, as well as when trading occurs off-exchange, and included in S. 2391 provisions on all leverage transactions similar to the provisions of current law on options. We have been informed that leverage transactions are susceptible to the same type of huckstering as was experienced with options and that previous purveyors of options could easily redesign their operations and begin selling leverage contracts.

As economic uncertainties propel more and more noncommercial interests into the futures markets the need for customer protection and for assuring the integrity of entities trading futures-related instruments, and the instruments themselves, is heightened.

The dynamic nature of the futures industry calls for providing the Commission with the tools to address changes in the marketplace. The Commodity Futures Trading Commission Act of 1974 provided the framework for this flexibility and S. 2391 embellishes on that framework.

At this point, I would ask unanimous consent to have printed in the RECORD a summary of the major provisions of S. 2391.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF MAJOR PROVISIONS

The major provisions of S. 2391, as amended by the committee, are as follows:

1. Composition of the Commission.—The bill provides that the Commodity Futures Trading Commission will be composed of five Commissioners, one of whom will be appointed by the President as Chairman to serve at the President's pleasure. (Under existing law, the individual appointed as Chairman serves as Chairman of the five-member Commission for a 5-year term.) (Section 1 (2)–1(5).)

2. Senate confirmation of the Executive Director.—The bill removes the requirement for Senate confirmation of the Commission's Executive Director. (Section 1(6).)

3. Conflict of interest.—The bill prohibits any Commissioner or GS–15 or higher Commission employee from transacting business for others with the Commission for 1 year after leaving the Commission. (Section 1(7) and 1(8).)

4. Liaison with Department of Agriculture.—The bill removes the requirement that the Commission establish and staff a liaison office within the Department of Agriculture and substitutes a requirement for maintenance of liaison. (Section 1(9).)

5. Options transactions.—The bill suspends all commodity options trading, except trade options and a designated class of dealer options in which the grantor's net worth and customer protection practices conform to certain specified requirements, until the Commission documents its ability successfully to regulate these transactions and 30 days pass following receipt of this documentation without either House adopting a resolution disapproving the proposed action. (Section 2(3).)

6. Customers' funds and property.—The bill authorizes the Commission to permit futures commission merchants to commingle customers' segregated funds for different classes of transactions subject to such terms and conditions as the Commission may prescribe. The bill also protects customer segregated funds and margin accounts in the event of insolvency of a futures commission merchant. (Section 3.)

7. Prohibition on fraudulent transactions by commodity trading advisors and commodity pool operators.—The bill makes it clear that the antifraud provisions of the Commodity Exchange Act apply to all commodity trading advisors and commodity pool operators regardless of whether they have registered or whether they are required to register. (Section 8.)

8. Commission subpena power.—The bill makes the Commission's power to conduct investigative proceedings independent from authority in existing law based on the Interstate Commerce Act. (Section 10(3).)

9. Hearing on the record. The bill requires that a hearing on the record be afforded a board of trade whose designation as a contract market has been denied, suspended, or revoked, and that a hearing on the record take place before the Commission issues a cease and desist order, or imposes a civil money penalty against a contract market for noncompliance with the Act or regulations thereunder. (Sections 10(1), 10(2), and 11.)

10. Jurisdiction of the States.—The bill creates a statutory cause of action for States, in Federal district courts, to seek injunctive relief for violations of the Commodity Exchange Act or Commission regulations thereunder, that would exist in addition to any causes of action under State general civil or criminal antifraud laws that are not preempted by the Act. (Section 12.)

11. Disclosure of traders and their positions on boards of trade to the public.—The bill removes the requirement that the Commission make public the information it has available on traders on boards of trade (including their market positions) when such information is requested by a congressional committee. (Section 13.)

12. Fingerprinting of applicants for registration.—The bill authorizes the Commission to require fingerprinting of applicants for registration. (Section 14(1).)

13. Disclosure of improper transactions.—The bill removes the Commission's authority to publish the open market positions of any traders when the Commission communicates with exchange business conduct committees or officers concerning transactions or market operations that the Commission believes will endanger the market or are otherwise harmful or against the best interests of producers and consumers. (Section 14(2).)

14. Registered futures association.—The bill amends the enabling authority in existing law under which, subject to the Commission's approval and at its discretion, persons registered under the Commodity Exchange Act and in the commodity trading business may establish voluntary associations for regulating the practices of the members. The bill would—

(a) allow the Commission to register an association that requires membership of all eligible persons (section 19(2));

(b) increase the upper limit for the amount in controversy in customer arbitration proceedings before an association from $5,000 to $15,000 (section 19(1));

(c) allow the Commission to permit a registered association to assume some of the Commission's authority in reparation proceedings (section 18(4)); and

(d) authorize the Commission to permit a registered association to register associated persons (section 6(2)).

15. Disclosure of results of exchange disciplinary proceedings.—The bill requires each exchange to make public, except in criminal investigations or proceedings, its findings and the reasons therefor in any disciplinary or denial of membership proceeding. (Section 15.)

16. Criminal penalties.—The bill—

(a) increases from $100,000 to $500,000 the maximum fine for (i) any futures commission merchant, or any employee or agent of a futures commission merchant, convicted of embezzling, stealing, purloining, or criminally converting customers' property, or (ii) any person convicted of manipulating or attempting to manipulate commodity prices;

(b) makes it a felony punishable by a fine of not more than $500,000 or imprisonment for not more than 5 years, or both, together with the costs of prosecution, to violate the provisions of the Act relating to (i) the requirement that futures transactions be executed only on designated contract markets; (ii) cheating, defrauding, deceiving, and bucketing in connection with futures transactions; (iii) engaging in wash sales, fictitious transatcions, and prohibited commodity option transactions; (iv) perpetration of any fraud or deceit by commodity trading advisors or commodity pool operators; (v) the requirement that futures transactions be executed only through a member of a designated contract market; and (vi) making false representations respecting the registration of such a contract market member as a futures commission merchant (under existing law, the offenses in items (i) through (vi) are classified as misdemeanors and punishable by a fine of not more than $100,000 or imprisonment for not more than 1 year, or both);

(c) provides that all misdemeanors under the Act would be punishable by a fine of not more than $100,000 or imprisonment of not more than 1 year, or both, plus the costs of prosecution. (Section 16.)

17. Authorization for appropriations.—The bill extends the authorization for appropriations for the Commission for 6 years (fiscal years 1979 through 1984). (Section 17.)

18. Reparations.—The bill—

(a) makes it clear that reparations proceedings may be instituted by persons aggrieved by the actions of any person who is registered or required to be registered under the act; and

(b) provides that in reparation cases where the damages claimed do not exceed $5,000, a hearing would be held limited to the basic or novel issues of the case (under existing law, no hearing is required in cases where the amount claimed as damages does not exceed $2,500). (Section 18(1)–18(3).)

19. Leverage transactions.—The bill—

(a) bans all leverage transactions on domestic basic agricultural commodities and authorizes the Commission to ban or regulate leverage transactions on all other commodities by October 1, 1979; and

(b) repeals section 217 of the Commodity Futures Trading Commission Act of 1974, which requires the Commission to regulate leverage transactions for the delivery of silver bullion, gold bullion, or bulk silver coins or bulk gold coins. (Sections 20 and 21.)

20. Forward contracts.—The bill—

(a) requires the Commission to monitor forward contracts on domestic agricultural commodities and maintain records of defaults on these contracts during the period October 1, 1978, through September 30, 1984; and

(b) requires the Commission to include in its annual reports to Congress information on its forward contract monitoring activities and forward contract defaults. (Sestion 20.)

21. Use immunity.—The bill authorizes the Commission to grant use immunity to witnesses appearing before the Commission. (Section 22.)

22. National Commission on the Effects of Futures Markets on Farm Income.—The bill establishes a nine-member National Commission on the Effects of Futures Markets on Farm Income, at least four members of which shall be agricultural producers. The new commission would—

(a) study and appraise (i) the relationships between the prices established on futures markets and the cash prices of the commodities; (ii) the concentration and magnitude of trading by foreign individuals, corporations, or governments on United States futures markets; (iii) the actions necessary to stimulate greater use of futures markets by American farmers (if advisable); (iv) the reasons for the differentials in the prices farmers receive for their crops and the futures prices for the same commodity; (v) the effect of increasing the number of delivery points under a futures contract on the prices received by producers of that commodity; and (vi) the need for changes, if any, in the Commodity Exchange Act or the regulations thereunder;

(b) make its final report of its findings, conclusions, and legislative recommendations to the President and Congress by October 1, 1981, and cease to exist not later than 90 days thereafter; and

(c) have an authorization for appropriations of $1 million for each year of its existence. (Section 23.)

Mr. LEAHY. I believe that S. 2391 contains viable solutions to the problems confronting the Commission. It is a bill that has received thorough consideration from all interested parties and represents the culmination of extensive deliberations by the committee. I urge the Members of the Senate to join me in voting for S. 2391.

Mr. President, I ask unanimous consent that Bill Motes of Senator CLARK's staff, and Owen Donnelly of Senator MCGOVERN's staff, Glenn Clark, the Agriculture Committee's consultant, and the following staff members of the Committee on Agriculture, Nutrition, and Forestry be granted the privilege of the floor during consideration of S. 2391, including all rollcall votes thereon: Henry Casso, Carl Rose, Bill Lesher, Steve Storch, Bill Taggart, and Stu Hardy.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I ask unanimous consent that the amendment of the Committee on Agriculture, Nutrition and Forestry to S. 2391 be agreed to and the bill as amended be considered as the original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR VOTE ON TREATIES AT 2:15 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a request?

Mr. LEAHY. Certainly.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, as in executive session, that at the hour of 2:15 p.m. today, the Senate go into executive session and, without debate, motion, and so on, vote en bloc on the five treaties for which the order was entered on yesterday; and that, immediately after the vote, the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMODITY EXCHANGE ACT

The Senate continued with consideration of the bill.

Mr. LEAHY. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time be equally divided.

Mr. MELCHER. Reserving the right to object, equally divided among whom?

Mr. LEAHY. The majority and minority on the bill. That would be Senator DOLE and myself.

Mr. MELCHER. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I yield to my distinguished colleague from Kentucky, the author of S. 2391.

Mr. HUDDLESTON. I thank the distinguished Senator from Vermont, the chairman of the subcommittee.

Mr. President, I ask unanimous consent that Mr. Bill Seale of my staff be granted the privilege of the floor during the discussion and voting on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, the regulation of futures trading and the related options and leverage areas is extremely technical and complex. S. 2391 is the product of a joint effort. I commend the Senator from Vermont (Mr. LEAHY) for his efforts as chairman of the subcommittee having jurisdiction over this legislation. I think the hard work of Senators CLARK, LUGAR, and HAYAKAWA have added immeasurably to the deliberations. Senator BELLMON was an active participant, and his views have been extremely helpful to the committee.

Of course, as the subcommittee chairman has pointed out, Chairman TALMADGE of the Committee on Agriculture, Nutrition, and Forestry, has always given wise counsel and direction during the course of our deliberations.

The Commodity Futures Trading Commission has been in the public spotlight for the past year. Rampant fraud in the marketing of so-called "London options" cheated unsuspecting customers nationwide out of their money. It would have been easy for the committee to shut its eyes to the realities of commodity options trading in the United States and simply ban all commodity options. However, I firmly believe that it is wrong to put reputable businessmen out of business because of the sins of others.

Recognizing the potential for abuse of the general public in off-exchange commodity options transaction, the Committee has exempted a very limited class of dealer options from the congressionally imposed ban on commodity options transactions contained in S. 2391. While the exception is tightly drawn, it does allow for competition between firms granting options who can satisfy the stringent customer protection requirements contained in the bill. It is satisfying to see that the exception to the Commission imposed ban on commodity option trading, which went into effect on July 1, 1978, is basically patterned on this provision of S. 2391.

The off-exchange trading of commodity options always holds out the potential for abuse. It is our hope that the Commission will move expeditiously for a program of exchange-traded commodity options. When this is accomplished the forces of the free marketplace will greatly reduce the attraction of off-exchange options transactions and could ultimately result in their demise.

S. 2391 prohibits leverage transactions involving basic domestic agricultural commodities and requires the Commission either to prohibit or regulate leverage transactions on all commodities by October 1, 1979.

The committee report on the bill states what the committee believes the Commission should do in its approach to regulation of leverage transactions. It warns against rash action—or a quick and easy ban. I quote from that report:

> The Commission should make a careful evaluation of the public interest served by leverage transactions, if any, and the framework necessary to enable the Commission effectively to regulate these transactions. Only if the Commission concludes that these transactions or any class thereof are contrary to the public interest or cannot be regulated successfully to ensure the financial solvency of the transactions and prevent manipulation or fraud, should the Commission prohibit leverage transactions in their entirety or prohibit certain classes of such transactions.

As is the case with commodity options grantors, not all writers of leverage transactions are crooks or thieves. It is my belief, given the time S. 2391 allows the CFTC to make a decision on this matter, that the Commission can construct regulatory requirements that will enable existing legitimate leverage operations to remain in operation while assuring the necessary customer protection. Indeed, a workable set of draft regulations may already exist.

Although substantially different from commodity options transactions, leverage transactions do present some of the same potential problems in that they are off-exchange traded instruments. It is my hope that the Commission has learned from its past miscalculations in the commodity options area and will be able to easily transfer this knowledge to the regulation of leverage transactions. Easy, unexamined entry of salesmen into this activity should not be tolerated.

In 1974, Congress directed the Commission to establish a reparation procedure for adjudicating customer complaints against commodity professionals and firms inexpensively and quickly. During the past 3 years, an unexpected number of reparation cases have been filed with the Commission, resulting in a substantial backlog in the processing of these customer claims. Compounding the undue stress placed on the reparation program, certain Federal district courts have taken the unfortunate position that Congress intended reparations to be the exclusive forum for adjudicating commodity customer claims. (See *Bartels* v. *International Commodities Corp.*, 435 F. Supp. 865, 870 (D. Conn. 1977) and *Churchwell* v. *Rosenthal & Co.*, Civ. Act. No. 77–F–252 (D. Col. April 4, 1977).) In order to alleviate the burden on the Commission's reparation program, the committee adopted an amendment that provides—for reparation complaints where the amount claimed as damages does not exceed $5,000—that a hearing be held only on the novel or basic issues that are determinative of the case. Thus, an aggrieved commodity customer will be able to obtain more expeditious treatment of his claim should the customer elect to pursue a claim in reparations rather than proceed to arbitration or pursue in court the private right of action which has been judicially implied for violations of certain provisions of the Commodity Exchange Act, or which in the future courts may recognize for other provisions of the act. (*See e.g., Hirk* v. *Agri-Research Council Inc.*, 561 F. 2d 95, 103 N. 8 (7th Cir. 1977); *Deaktor* v. *L. U. Schreiber & Co.*, 479 F. 2d 529, 534 (7th Cir. 1972), *Rev'd on other ground sub. nom., Chicago Merchantile Exchange* v. *Deaktor*, 414 U.S. 113 (1973); *Booth* v. *Peavy Co. Commodity Services*, 430 F. 2d 132, 133 (8th Cir. 1970); *Goodman* v. *H. Hentz & Co.*, 265 F. Supp. 440, 447 (N.D. 111, 1967).)

S. 2391 contains provisions that would create a National Commission on the Effects of Futures Markets on Farm Income.

The Committee on Agriculture, Nutrition, and Forestry has proceeded cautiously in the creation of new commissions. However, through the course of recent hearings on the current crisis in American agriculture and discussions with farm strikers, the committee was repeatedly presented with fear, distrust, and skepticism of the futures market by farmers.

The primary objective behind the creation of this new Commission is to conduct research and determine whether the futures markets reflect prices or whether they set commodity prices.

The primary beneficiaries of the futures markets should be the farmers of America. It is necessary that we have factual information upon which they can establish their opinions of these institutions. It is important that the group conducting the study be independent so that its conclusions will not be subject to charges of bias or prejudice.

Mr. President, as I have mentioned, and as the distinguished Senator from Vermont has indicated, this is a complex and complicated field.

I believe the legislation that is now before the Senate represents the best effort that can be made to bring order into the regulation of the futures trading industry.

I urge my colleagues to join in support of this legislation.

Mr. LEAHY. The Senator from Kansas, the ranking member of the committee and one of the managers of the bill, and the one controlling half the time, has opening remarks.

Mr. DOLE. Mr. President, I have very brief opening remarks.

I apologize for not being here to hear all the remarks of the distinguished Senator from Vermont, and those of my friend from Kentucky. But, Mr. President, I get the feeling in walking around the Chamber that some Senators would like to recommit this bill and figure out some way they might eliminate Mr. Gartner from the Commission.

That may or may not be germane to what we are doing.

I want to address the bill itself because it took a long time to develop. We

had a lot of hearings. I hope that the Senate will act on S. 2391.

Mr. President, this legislation (S. 2391) comprises the first reauthorization of the Commodity Futures Trading Commission (CFTC) since its inception in 1974.

There is no doubt about it. We have heard some testimony. The Commission had a great number of well-publicized growing pains during the past 4 years. Those areas were addressed at great length, and the Committee on Agriculture, Nutrition, and Forestry went to great lengths to assure a thorough and detailed evaluation of the new agency, its mission, its successes, and its failures.

The reauthorization process began more than a year ago when the committee asked the General Accounting Office to do an in-depth assessment of the CFTC's operations.

More recently, the committee submitted a series of questions to CFTC dealing with a broad range of issues including options trading, leverage contracts, the reparations process, and the question of regulatory jurisdiction on recent market controversies, such as last year's default on the Maine potato contract, the Hunt family's involvement in the 1977 soybean market, and the Commission's emergency order for the December 1977, coffee contract.

These questions, and the responses that CFTC subsequently provided, helped to prepare the committee for 6 days of public hearings conducted in March 1978 The hearings produced testimony from several of the commodity exchanges, commodity producers, representatives of the futures trading community, and officials of four related Federal agencies. And, of course, the five CFTC Commissioners.

The testimony indicated a strong concensus that the Commission should continue as an independent agency, and that its basic structure, mission, and jurisdiction should be maintained.

I assume there will be some amendment directed at this particular area.

While several witnesses suggested a transfer of some or all of the CFTC's functions to the Department of Agriculture, the Securities and Exchange Commission, or the Department of the Treasury, the overwhelming sentiment was in favor of leaving the present jurisdictional framework in place.

Witnesses did not hesitate to criticize the serious management problems and other operational shortcomings of the CFTC, but most problems were traced back to the agency's inevitable growing pains and to the enormous task it had to confront from the day of its birth.

The commodity futures business is a boom industry. In the past 5 years, the number of contracts almost tripled, the volume of contracts traded annually more than doubled, and the dollar volume reached more than 1.2 trillion in 1977.

The CFTC's predecessor agency, the old Commodity Exchange Authority, had limited jurisdiction largely directed to overseeing seven commodity exchanges and auditing those brokers trading in certain agricultural commodities. In contrast, the CFTC is charged with regulatory oversight of 10 exchanges, including the newly regulated commodities: Metals, lumber, foreign currencies, and the new financial futures. The Agency's jurisdiction and powers were vastly expanded, including the power to rewrite contract terms and exchange rules. Regulatory jurisdiction was expanded to cover all sales activities of 36,000 commodity sales persons, and the Commission was charged to oversee the implementation of uniform standards on all exchanges and in all brokerage houses regardless of what commodity is traded where and by whom.

Given this vast and difficult mission, it is little wonder that the new Agency's initial performance has been less than perfect.

Our oversight efforts in the Agriculture Committee, however, were concerned less with the CFTC's past problems and history than with devising amendments to assure more efficient and expeditious operations in the future. Our efforts culminated in S. 2391, the bill now under consideration.

The general purpose and scope of S. 2391 can be stated in simple and concise terms. This bill extends for 6 years the authorization of the CFTC and makes certain changes in the Commission that are designed to strengthen the regulation of the Nation's $1.2 trillion commodity futures industry. Significant changes are as follows:

The bill suspends all commodity options trading, except trade options and a designated class of dealer options in which the grantor's net worth and customer protection practices conform to certain specified requirements, until the Commission documents its ability successfully to regulate these transactions and 30 days pass following receipt of this documentation without either House adopting a resolution disapproving the proposed action.

The bill creates a statutory cause of action for States, in Federal district courts, to seek injunctive relief for violations of the Commodity Exchange Act or Commission regulations thereunder, that would exist in addition to any causes of action under State general civil or criminal antifraud laws that are not preempted by the act.

The bill removes the Commission's authority to publish the open market positions of any traders when the Commission communicates with exchange business conduct committees or officers concerning transactions or market operations that the Commission believes will endanger the market or are otherwise harmful or against the best interests of producers and consumers.

The bill expedites the creation of a National Futures Association for regulating the practices of its members by allowing the Commission to register an association that requires membership of all eligible persons.

The bill expedites the reparations process by limiting most reparations hearings to a consideration of the basic or novel issues of the case in question.

The bill bans all leverage transactions on domestic basic agricultural commodities and authorizes the Commission to ban or regulate leverage transactions on all other commodities by October 1, 1979.

The bill requires the Commission to monitor forward contracts on domestic agricultural commodities and maintain records of defaults on these contracts.

Finally, the bill establishes a nine-member national Commission on the effects of futures markets on farm income, at least four members of which shall be agricultural producers.

Mr. President, these and other provisions of S. 2391 lift unnecessary regulatory burdens from the commodity futures industry and make possible a greater degree of industry self-discipline and self-regulation. They speed up the processing of complaints from the commodity trading public and bring a temporary halt to certain scandal-tainted forms of options and leverage transactions.

Of course, the bill is not letter perfect. Further improvements are possible, and some may be made today. But the broad thrust of this legislation is well disected and merits the support of the distinguished Members of this body.

So perhaps, if we look at it objectively, we have to commend those on the committee who have been conducting the oversight efforts, who are concerned less with the CFTC's past problems and history than with devising amendments to assure more expeditious operating in the future.

I have not studied all the amendments carefully, but I understand there may be some floating around with reference to restructuring the commission to eliminate at least one of the commissioners.

That matter was not addressed and is not, of course, addressed directly in this legislation.

The administration did, at the very last moment, come to the committee. I think the distinguished chairman is here now. I think the very day of our markup we were advised by the administration of some changes they wanted made. I think in the wisdom of the committee we decided not to follow that course.

So, we want to reauthorize. We believe we have had sufficient impact on the CFTC. I think there is a general understanding that the Senate Agriculture Committee and others who have jurisdiction will closely monitor the activity of the CFTC.

I hope that the bill can be passed.

Mr. TALMADGE. Mr. President, will the distinguished manager of the bill yield me 5 minutes?

Mr. LEAHY. I yield such time as the Senator from Georgia may need.

Mr. TALMADGE. Mr. President, I support S. 2391 as reported by the Committee on Agriculture, Nutrition, and Forestry. This bill is the culmination of the outstanding efforts of Senators LEAHY, HUDDLESTON, CLARK, and LUGAR. The

futures markets present unique concerns and require unique regulation. The regulation of these markets by the Commodity Futures Trading Commission is not easily understood by the layman. I believe the committee, guided by the efforts of these distinguished Senators, has done an admirable job in this complex field.

In 1974, Congress decided to place the regulatory responsibility for all futures trading in an independent agency, the Commodity Futures Trading Commission. I believe that Congress made the right decision, and nothing that has taken place since that time has caused me to change my mind.

We recognized in 1974, that rampant inflation would result in more people becoming aware of the hedging possibilities in the futures markets and therefore there would be an impetus for new contracts. These new contracts were not restricted to the traditional agricultural commodities. Contracts were written on mortgage passthrough securities guaranteed by the Government National Mortgage Association (GNMA), 13-week Treasury bills, and Treasury bonds. These new contracts have succeeded with little or no regulatory difficulties.

During the course of the committee's extensive deliberations on this legislation, we heard from the Department of the Treasury, the Securities and Exchange Commission, and the Office of Management and Budget. Their position was that regulatory jurisdiction over futures contracts should be divided up between several Federal agencies. The basis for their position is that the agency that is responsible for regulating or issuing the commodity on which a futures contract is written is the one who should regulate that futures contract. While this approach may have appeal, it overlooks the basic fact that a futures contract is a futures contract regardless of what the underlying commodity may be. The regulation of futures contracts, likewise, is not dependent on the underlying commodity on which the futures contract is written.

I am not saying that the SEC and the Department of the Treasury do not have justifiable concerns over some pending applications before the CFTC for futures contracts on indexes of equity securities or government issued or guaranteed securities. However, we have not been presented any evidence that would indicate that the CFTC will not conduct full and open deliberations on these applications that would include the solicitation of advice and counsel from these two agencies.

Americans are upset by overregulation. Overregulation ultimately must be paid for and it will be paid for by all of us. The division of regulatory responsibility for futures contracts can potentially lead to overregulation or at least different regulations that the same exchange, futures commission merchant, or broker must adhere to. In order for such a change to be deemed advisable, evidence of the shortcomings of the current system must be demonstrated. We have not been presented with any such demonstration.

The Commodity Futures Trading Commission is a new agency, having become operative in April 1975. Like any new agency it has had to deal with growing pains. It has made mistakes, but I believe it has learned from these past mistakes. I do not feel that it is desirable at this time to constrain the jurisdiction of this agency based on the unsubstantiated fears of other Federal entities.

The committee report on S. 2391 contains the statement of committee intent that if futures trading based on commodities under the jurisdiction of the SEC or the Treasury is proposed, the CFTC will actively solicit the views of those agencies when such an application is made. The CFTC has assured the committee that the SEC, the Treasury, or other appropriate agencies will be consulted, and that these agencies will be able to communicate their concerns to the Commission.

The continued vitality of the Commodity Futures Trading Commission can best be assured by leaving the existing regulatory framework in place.

I urge my colleagues to join me in supporting S. 2391.

Mr. LEAHY. Mr. President, I applaud the statement of our distinguished chairman, and I concur completely in what he has said.

We do have before the Senate a very complex piece of legislation, one that has been carefully interrelated, one that has been the subject of months and months of hearings, with all questions raised, one that certainly reflects a realization on the part of the Senate Committee on Agriculture, Nutrition, and Forestry that there have been problems with the CFTC in the past. We are all aware of that.

One of the good factors of a reauthorization process forces us to go back and look at those problems and give them the oversight they need. I think we have done that in this legislation.

The distinguished chairman referred to a plan proposed by the Office of Management and Budget. It should be emphasized that that plan arrived before the committee, I believe, on the morning we were finally marking up the bill, after months of hearings. It was rejected, and rejected soundly, by all members of the committee, of all political ideologies, from all parts of the country.

Mr. HUDDLESTON. Mr. President, will the Senator yield at that point?

Mr. LEAHY. I yield.

Mr. HUDDLESTON. I just point out that, even though the official presentation of that plan arrived on the day we marked up, the concept had been considered from the very beginning.

Mr. LEAHY. And rejected.

Mr. HUDDLESTON. And rejected. The OMB suggestion was dropped on the committee all of a sudden on the day of the full committee markup.

As a matter of fact, I believe that back in the early deliberations, before S. 2391 actually was drafted, and because of the difficulties the Commission had had and some of the publicity it was receiving, that very idea was given very careful consideration and was rejected. It was rejected in favor of what we have here today, a continuation and a strengthening of the present commission.

Mr. LEAHY. I thank the Senator.

Mr. President, I reserve the remainder of my time.

UP AMENDMENT NO. 1410

(Purpose: To terminate the Commodity Futures Trading Commission and provide for the establishment of a Commodity Exchange Administration to be headed by an Administrator)

Mr. EAGLETON. Mr. President, I have an amendment on behalf of myself and Senator HATCH.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Missouri (Mr. EAGLETON), on behalf of himself and Mr. HATCH, proposes an unprinted amendment numbered 1410.

Mr. EAGLETON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 6, line 5, strike out "Composition of the Commission;" and insert in lieu thereof "Termination of the Commission; Establishment of Commodity Exchange Administration; Appointment of Administrator;".

On page 6, line 7, insert "(a)" after "SECTION 1.".

On page 6, beginning with line 13, strike out all down through line 21 on page 8, and insert in lieu thereof the following:

(2) striking out the fourth sentence of paragraph (1) (7 U.S.C. 2) and inserting in lieu thereof "The words 'the Administration' mean the Commodity Exchange Administration established under paragraph (2) of this subsection."; and

(3) striking out paragraphs (2) through (11) (7 U.S.C. 4a(a)-(j)) and inserting in lieu thereof the following:

"(2) There is hereby established an independent body to be known as the Commodity Exchange Administration.

"(3) There shall be at the head of the Administration an Administrator of the Commodity Exchange Administration (hereinafter referred to as the 'Administrator'). The Administrator shall be appointed by the President, by and with the advice and consent of the Senate. The Administrator shall be responsible for the exercise of all powers and the discharge of all duties of the Administration and shall have authority and control over all personnel and activities of the Administration and over the use and expenditures of all funds of the Administration.

"(4) There shall be a Deputy Administrator of the Commodity Exchange Administration (hereinafter referred to as the 'Deputy Administrator') who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Administrator shall perform such functions as the Administrator shall from time to time assign or delegate to the Deputy Administrator and shall act as Administrator during the temporary absence or disability of the Administrator or in the event of a vacancy in the office of Administrator.

"(5) There shall be not more than four Assistant Administrators of the Commodity Exchange Administration who shall be appointed by the President, by and with the advice and consent of the Senate. Each such Assistant Administrator shall perform such

functions as the Administrator shall from time to time assign or delegate to them.

"(6) There shall be a General Counsel of the Commodity Exchange Administration who shall be appointed by the President, by and with the advice and consent of the Senate. The General Counsel shall be the chief legal adviser of the Administrator and shall perform such duties as the Administrator shall prescribe.

"(7) No officer or employee of the Administration shall accept employment or compensation from any person, exchange, or clearinghouse subject to regulation by the Administration under this Act during such officer's or employee's term of office, nor shall such officer or employee participate, directly or indirectly, in any contract market operations or transactions of a character subject to regulation by the Administration.

"(8) The Administration shall have an official seal, which shall be judicially noticed.

"(9) The Administrator is authorized to promulgate such rules and regulations as the Administrator deems necessary to govern the operating procedures and conduct of the business of the Administration.".

(b) Except as provided in the amendments made by subsections (a)(3), (c) and (d) of this section, the Commodity Exchange Act is further amended by striking out "Commission" wherever such term refers to the Commodity Futures Trading Commission and inserting in lieu thereof "Administrator".

(c) (1) Clause (2) of section 5a of such Act (7 U.S.C. 7a (2)) is amended by striking out "Commission or" and inserting in lieu thereof "Administration or".

(2) Clause (3) of section 5a of such Act (7 U.S.C. 7a (3)) is amended by striking out "Commission or" and inserting in lieu thereof "Administration or".

(d)(1) The first sentence of section 9 (d) of such Act (7 U.S.C. 13 (d)) is amended by striking out "Commissioner of the Commission or any employee or agent thereof," and inserting in lieu thereof "officer, employee, or agent of the Administration".

(2) The second sentence of section 9(d) of such Act (7 U.S.C. 13(d)) is amended to read as follows: "With respect to such excepted transactions, the Administrator shall require any officer, employee, or agent of the Administration who participates in any such transaction to notify the Administrator of such transaction in accordance with such regulations as the Administrator shall prescribe and the Administrator shall make such information available to the public.".

(3) Subsection (e) of section 9 of such Act (7 U.S.C. 13(e)) is amended by striking out "any Commissioner of the Commission or any employee or agent thereof" each time it appears and inserting in lieu thereof "any officer, employee, or agent of the Administration".

(e) The last sentence of subsection (b) of section 12 of such Act (7 U.S.C. 16(b)) is amended to read as follows: "The Administrator is authorized, in accordance with applicable provisions of law, to make and enter into contracts under this Act.".

(f) Such Act is further amended by striking out "it", "its", and "It" wherever such terms are used in such Act to refer to the Commission and inserting in lieu thereof "the Administrator", "the Administrator's" and "The Administrator", respectively.

(g) All of the personnel of the Commodity Futures Trading Commission, property, records, and unexpended balance of appropriations, allocations, and other funds employed, used, held, available, or to be made available in connection with administration of the Commodity Exchange Act shall be transferred to the Administrator of the Commodity Exchange Administration on the effective date of this Act.

(h) All operations of the Commodity Futures Trading Commission under the Commodity Exchange Act, including all pending administrative proceedings, shall be transferred to the Administrator of the Commodity Exchange Administration as of the effective date of this Act and continue to completion. All rules, regulations, and orders heretofore issued by the Commodity Futures Trading Commission under the Commodity Exchange Act to the extent not inconsistent with the provisions of this Act shall continue in full force and effect unless and until terminated, modified, or suspended by the Administrator of the Commodity Exchange Administration.

(i) Pending proceedings under existing law shall not be abated by reason of any provision of this Act but shall be disposed of pursuant to the applicable provisions of the Commodity Exchange Act, as amended, in effect prior to the effective date of this Act.

(j) The Commodity Futures Trading Commission is hereby abolished.

(k)(1) Paragraph (12) of section 5108 of title 5, United States Code, is amended by striking out "Commodity Futures Trading Commission" and inserting in lieu thereof "Administrator of the Commodity Exchange Administration".

(2) Section 5313 of such title is amended by adding at the end thereof a new paragraph as follows:

"(24) Administrator of the Commodity Exchange Administration.".

(3) Section 5314 of such title is amended by striking out

"(61) Chairman, Commodity Futures Trading Commission."

and inserting in lieu thereof

"(61) Deputy Administrator of the Commodity Exchange Administration.".

(4) Section 5315 of such title is amended by striking out

"(103) Members, Commodity Futures Trading Commission.".

(5) Section 5316 of such title is amended by striking out

"(137) General Counsel, Commodity Futures Trading Commission."

and inserting in lieu thereof

"(137) General Counsel, Commodity Exchange Administration.".

(6) Section 5316 of such title is further amended by striking out

"(139) Executive Director, Commodity Futures Trading Commission."

and inserting in lieu thereof

"(139) Assistant Administrators, Commodity Exchange Administration (4).".

On page 9, lines 18 and 25, strike out "Commission" and insert in lieu thereof "Administrator".

On page 10, lines 4 and 5, strike out "Commission" and insert in lieu thereof "Administrator".

On page 12, lines 12 and 24, strike out "Commission" and insert in lieu thereof "Administrator".

On page 13, lines 6 and 23, strike out "Commission" and insert in lieu thereof "Administrator".

On page 14, line 10, strike out "Commission" and insert in lieu thereof "Administrator".

On pages 15, lines 1, 6 and 7, 13, 15 and 16, and 17, strike out "Commission" and insert in lieu thereof "Administration".

On page 16, line 6, strike out "Commission" and insert in lieu thereof "Administrator".

On page 16, line 21, strike out "COMMISSION" and insert in lieu thereof "ADMINISTRATION".

On page 17, lines 7 and 8, strike out "any member of the Commission" and insert in lieu thereof "the Administrator".

On page 17, lines 9, 13, and 19, strike out "Commission" and insert in lieu thereof "Administrator".

On page 18, lines 2 and 3, strike out "Commission" and insert in lieu thereof "Administrator".

On page 19, lines 3, 7, 12, 17, 17 and 18, 21 and 22, 22, and 24, strike out "Commission" and insert in lieu thereof "Administrator".

On page 20, beginning with line 24, strike out all down through line 2 on page 21, and insert in lieu thereof the following:

SEC. 13. The second paragraph of section 8 of the Commodity Exchange Act (7 U.S.C. 12-1) is amended to read as follows:

"Notwithstanding the foregoing provisions of this section or of any other law, the Administrator may, in the Administrator's discretion, from time to time disclose and make public the names and addresses of all traders on the boards of trade on the commodity markets with respect to whom the Administration has information and any other information in the possession of the Administration relating to the amount of commodities purchased or sold by each such trader; and when requested by any committee of either House of Congress, acting within the scope of its jurisdiction, shall furnish to such committee the names and addresses of all traders on such boards of trade with respect to whom the Administration has information, and any other information in the possession of the Administration relating to the amounts of commodities purchased or sold by each such trader; and when requested by any department or agency of the executive branch of the Government of the United States, acting within the scope of its jurisdiction, may in the Administrator's discretion, furnish to such department or agency any information in the possession of the Administration: *Provided, however,* That information so furnished to any such department or agency shall not be disclosed by such department or agency except in any action or proceeding under the laws of the United States to which it, or the Administration, or the United States is a party.".

On page 21, lines 10 and 24, strike out "Commission" and insert in lieu thereof "Administrator".

On page 22, lines 15 and 19, strike out "Commission" and insert in lieu thereof "Administrator".

On page 23, lines 3 and 4, strike out "Commission" and insert in lieu thereof "Administrator."

On page 23, strike out lines 7 and 8, and insert in lieu thereof the following:

SEC. 17. Section 12 of the Commodity Exchange Act (7 U.S.C. 16) is amended by striking out subsections (c) and (d) and inserting in lieu thereof the following:

On page 17, line 9, strike out "(d)" and insert in lieu thereof "(c)".

On page 24, lines 7, 9, 14, and 17, strike out "Commission" and insert in lieu thereof "Administrator".

On page 25, lines 2, 12, and 15, strike out "Commission" and insert in lieu thereof "Administrator".

On page 26, lines 5, 9, 11, 14 and 15, 16, and 21, strike out "Commission" and insert in lieu thereof "Administrator".

On page 27, lines 3 and 11, strike out "Commission" and insert in lieu thereof "Administrator".

On page 27, line 24, strike out "Commodity Futures Trading Commission" and insert in lieu thereof "Administrator of the Commodity Exchange Administration".

Mr. EAGLETON. Mr. President, since this amendment will be central not only to debate on the merits of this bill, but also to amendments that perhaps Sena-

tor HATCH and Senator MELCHER have, I ask unanimous consent that notwithstanding an earlier unanimous-consent agreement, that the time limit for debate on this amendment be 1 hour, equally divided.

Mr. LEAHY. Mr. President, reserving the right to object, and I do not think I will object, the time will be divided between——

Mr. EAGLETON. Between myself and the Senator from Vermont.

Mr. LEAHY. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EAGLETON. I thank the Senator from Vermont.

I will try to make my remarks brief, so that we may have the opportunity to hear other Senators who may wish to speak.

Mr. President, for 2 years I have been a close observer of the activities of the Commodity Futures Trading Commission. Frankly, I have found it plagued with many, many problems, a view that is shared by others who have looked at CFTC. Recently, there have been two very detailed reports, one by the General Accounting Office and one by the surveys and investigations staff of the House Appropriations Committee, discussing CFTC's problems in detail.

Let me just read a few quotes from these two reports to give you the flavor of them.

By the way, I have the two reports with me, Mr. President. Here is the one from the House Committee on Appropriations, their surveys and investigations staff, consisting of 137 pages. Here is the 282-page report from the Comptroller General, dated May 17, 1978. It is very current to say the least.

What I am going to give you now is just a brief flavor of what these two reports say. In essence, by reading these two reports—and I have to pick my words advisedly—I will say that the CFTC is the most messed up Federal agency in the Government, bar none. Pick the agencies that you think are the biggest stumble bums in the world. Some people would say HUD. You could make a case on that. Some people say the Small Business Administration. You could make a case on that. But I will top any case that you make on HUD, SBA, or any other agency for being nearly 100 percent messed up. That is CFTC. Now a few quotes to get the flavor of the reports. First, from GAO:

GAO finds many weaknesses in program activities and management functions.

The Commission has been slow in recognizing that a formalized planning process is a basic management function and decision tool. Because of this, its regulatory posture has been overly ad hoc and reactive as opposed to anticipatory and preventive.

The Commission's performance has been affected adversely by a number of organizational and management problems, including—

Lack of strong management experience in top executive positions;

Management weaknesses in the Executive Director's office due to organizational instability and jurisdictional disputes;

High rate of staff turnover; and

Lack of a broad representation of views on Commission advisory committees

Yet more quotes from the GAO report:

The Commission's registration program is not as effective as it could be in preventing unfit and unqualified individuals and firms from being registered and unregistered.

Commodity Options Regulation has not been effective . . . The Commission's efforts on options have drained its resources seriously and interfered with its ability to deal with its primary responsibility—commodity futures regulation.

More quotes from GAO:

Reparations program inadequate to meet demand.

The Commission has not followed many established policies and procedures for efficient and economical procurement and management of property and services by government agencies.

Now let us get some of the findings from the House report on the CFTC:

. . . One of the most glaring weaknesses—if not the most glaring—in the management structure of CFTC is the lack of a properly established system of audit and review reporting to the highest practical organization level.

Another quote:

Financial management system not fully developed or properly controlled.

Again going on from the House investigatory report:

Questionable purchasing practices.

Another one:

Backlog in reparations cases.

Another one:

Backlog in appeals proceedings.

Another one:

Potential of reparations cases for enforcement actions not exploited.

And this will be the last one:

The efforts of CFTC to regulate options trading soon led to a morass of litigation . . . In retrospect, it may have been wiser . . . for CFTC to have banned all commodity options trading by regulations.

I have read these very hurriedly, Mr. President, and I have only picked up the highlights from the summaries of the two reports that I have cited.

Frankly, it would be unfair to say that CFTC has totally ignored these reports or has made no improvements whatsoever.

But, I believe that the current organizational structure makes it difficult to solve the problems of this hydraheaded commission.

I believe that a single administrative agency could well be particularly useful in an area like commodity futures, since it has been characterized by tremendous growth and tremendous change in a very short period of time. We have seen a fast-moving progression of dealers who continuously move to new forms of futures-spawned contracts—from options to leverage to a new thing called "forward futures contracts" similar to leverage, but not exactly the same as leverage. And the volume of futures contracts on commodities has skyrocketed from $148 billion in 1970 to well over a trillion dollars in 1977.

Mr. President, we are not talking about a nickel-and-dime minor-league operation. We are talking about a trading volume of over a trillion dollars in 1977.

With things moving so fast in an industry, with several independent investigators making the clear finding that CFTC has not been able to function very well as a Commission, I would ask my colleagues if now, 4 years after CFTC was created, it is not time to rectify the situation, and provide a structure that can function effectively? To me, a single headed agency is the only real answer.

I might add that this idea of a single-headed agency is not an original one with me. It was first suggested by the administration in a letter sent to the chairman of the Agriculture Committee on April 18 of this year. Speaking of what a single-headed agency would do, the Director of OMB said:

We believe this change will greatly improve the ability to manage the agency directly and effectively. A single-headed agency would facilitate meaningful long-range planning and enable the attraction of a highly qualified person, skilled and knowledgeable in the futures market, to serve as the Administrator.

Finally, an Executive Administrator would be better able to coordinate effectively with other agencies. For example, several Cabinet departments have a direct interest in the effective regulation of the futures market: Treasury (government securities), HUD and Treasury (GNMA government-guaranteed mortgage certificates), Agriculture (agricultural products), and Commerce and Interior (metals). Coordination among these agencies with an independent regulatory agency in the past has been difficult. We believe that structural change, combined with the recommended creation of an interagency council, would solve this problem. It would also permit more effective oversight of the paperwork burdens placed on brokers and the exchanges.

Knowing of this proposal, I discussed it with the CFTC Commissioners at a hearing of my Agricultural Subcommittee on Appropriations on April 25, 1978. It is a bit difficult to characterize their views, but it appeared that the chairman and the vice chairman at that time generally supported the concept, two members said they were opposed, and the third member said he thought it would be appropriate for the future to consider, but he did not think now was the time for it.

This is not a complete uniformity of position, but it does indicate to me that the two key members of the Commission; namely, the chairman and vice chairman as of April 1978, recognized the advantages inherent in a single-administrator format. The reasons probably relate to their being the ones able to perceive most clearly the advantages of a single administrator in accomplishing the mission of the agency and in cleaning up the problems that have plagued the CFTC.

In conclusion, Mr. President, let me say that I wish to emphasize that this amendment should in no way be perceived as an effort to remove Commissioner David Gartner from office. This is

not a "get Gartner" amendment. It deals only with the proper administration of CFTC. The question of CFTC organization is a matter which was raised early on in this year in the month of April before David Gartner was ever nominated to this Commission. These are matters that, as Senator HUDDLESTON and Senator LEAHY have pointed out, we raised with the Agriculture Committee well before Mr. Gartner's name, again, was ever raised in any connection with this Commission.

My intent, in offering the amendment, is to achieve meaningful reform of the structure of CFTC, not removal from office of any individual or any group of individuals. Frankly, it is possible some of the same people might serve in the revised agency. But, I am convinced that with a single administrator, it would be in a far better position to carry out the mandates of the Commodity Exchange Act than it would be as a five-person commission.

So my intention, and that of Senator HATCH and others who may support this amendment, in offering it has absolutely and categorically nothing to do with the Gartner controversy. All this has to do with is trying to fashion an agency that has some chance of functioning in a business that now amounts to over $1 trillion a year.

I keep emphasizing that word "trillion," because the mere mention of it expresses such an enormity of operations that I would hope it would persuade my colleagues that now is the time to respond to the indictment of the CFTC as contained in the two reports that I previously mentioned, the 137-page report from the House surveys and investigations staff and the 282-page report from the Comptroller General of the United States.

If every Member of the Senate could take these two reports home tonight and read them and if we were not going to vote on this until tomorrow morning, I think the amendment would pass close to unanimously. I firmly believe that because the contents of these two reports are so indicting in terms of the ineptitude and the disorganization of this five-headed monster that we call the CFTC.

I am prepared to yield at this time to my colleague from Utah.

Mr. LEAHY. Mr. President, if I could just take a minute, first——

Mr. EAGLETON. I reserve the remainder of my time.

Mr. LEAHY. Mr. President, I agree with the Senator from Missouri that the GAO report should be read, and if that is going to be done by my colleagues I would suggest they read page 10. Here is what they say about the CFTC:

We believe the Congress should reauthorize the Commission for 4 years.

They also say:

In our 1974 report we recommended that the Congress establish an independent agency to regulate the commodity futures industry. Because the commodity futures markets play a vital role in the country's economic well-being, we stated that they should be regulated by a strong and prestigious agency. We continue to believe this.

I am afraid that under the proposal being presented here, Mr. President, the CFTC would be subjected to political influence by the White House, the Council of Economic Advisors, instead of having the independence it should have.

Having said that, I am not standing on the floor waving the flag for the CFTC or its activities in the past few years.

The Senator from Missouri refers to it as the worst agency in the Federal Government. I have a small list in my office of the worst, and I have never been able to fully bring myself to pin down any one as the worst, because something new always comes up from the others, and what we usually have is a neck-and-neck race of a half-dozen in that category, at least in my office, although I must admit that the CFTC has always been a strong contender in there. [Laughter.]

Some days, depending upon how bad a flight it is between the District of Columbia and Vermont, I am happy to place them at the top of the list, in the top category.

But we are not here, I am sure the Senator from Missouri realizes we are not here, on the part of the Committee on Agriculture to defend or pin a gold medal on the CFTC. We are here to carry out as well as we might our oversight authority and our attempt to reauthorize a commission substantially improved and one that we can continue very active oversight on, and it is something that my subcommittee will continue to do irrespective of the form of this reauthorization legislation when it finally passes.

I reserve the remainder of my time, Mr. President.

The PRESIDING OFFICER (Mr. CULVER). The Senator from Kansas.

Mr. DOLE. Mr. President, I certainly do not question the intent of the distinguished Senator from Missouri, but I think very simply this would put an end to the agency's independence if we are concerned about that, and it is a matter we ought to consider.

If it is going to limit public access, let me say that we spent about 6 weeks here debating labor reform, and we were going to increase the number of commissioners from five to seven. The administration told us that would be a good thing to do to have more members of the NLRB.

Now we are being asked to abolish the CFTC and reconstitute its functions under a single administrator, which does not seem to be very consistent as a policy.

I would suggest, however, that five commissioners might be more accessible than one administrator, and I think the commissioners would bring more expertise and judgment to any given decision than one administrator, however capable he or she might be.

I think perhaps it is just impossible—we are talking about and the Senator from Missouri is talking about, a $1 trillion agency. In many respects, as I said in my opening statement, this is, in essence, the administration's proposal that came to us the day before the mark-up. I think I am correct in suggesting that Senator TALMADGE, the chairman of our committee, said at that time that it just comes a little late after almost a year of work in the broad sense on reauthorization—after the GAO study, after numerous amendments and 6 days of public hearings and considerable time spent marking up the bill. So I certainly hope the amendment is defeated.

Mr. EAGLETON. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

EXECUTIVE SESSION

TREATY WITH BOLIVIA ON THE EXECUTION OF PENAL SENTENCES

INTERNATIONAL CONVENTION FOR THE SAFETY OF LIFE AT SEA

PROTOCOL RELATING TO INTERVENTION ON THE HIGH SEAS IN CASES OF MARINE POLLUTION BY SUBSTANCES OTHER THAN OIL

RECIPROCAL FISHERIES AGREEMENT WITH THE UNITED KINGDOM AND NORTHERN IRELAND

CONVENTION WITH SOVIET UNION CONCERNING THE CONSERVATION OF MIGRATORY BIRDS AND THEIR ENVIRONMENT

The PRESIDING OFFICER. The hour of 2:15 having arrived, under the previous order, the Senate will now go into executive session and proceed to vote en bloc on Executive Calendar Orders numbered 7 through 11, with the one vote to count for five, but with the votes to appear individually in the RECORD.

● Mr. SPARKMAN. Mr. President, today the Senate is considering a number of noncontroversial international agreements ranging from the protection of migratory birds to the transfer of U.S. citizens from Bolivian prisons. I urge the Senate to advise and consent to the ratification of these agreements.

The following is a short explanation of each agreement.

I. Treaty with Bolivia on the execution of penal sentences, Ex. G, 95–2:

The purpose of the treaty is to allow U.S. nationals in Bolivian prisons and Bolivian nationals in U.S. prisons to be transferred to their home nation to serve the remainder of their sentences. This treaty with Bolivia is virtually the same as the treaties with Mexico and Canada approved unanimously by the Senate last year. The transfer program can be implemented under Public Law 95–144, which was enacted in connection with the Mexican and Canadian prisoner transfer treaties. All of the procedural guarantees established in that legislation to protect the rights of transferees will be available to the United States and Bolivian prisoners affected by the treaty.

Americans in Bolivian jails face severe problems including: Overcrowded conditions, inadequate diets, long distances from their families, and poor prospects for rehabilitation. The transfers will alleviate the emotional and medical problems faced by the prisoners and remove a major stumbling block to their rehabilitation.

II. Convention with the Union of Soviet Socialist Republics on the conservation of migratory birds and their environment, Ex. K, 95–1:

The objective of this convention is to provide for international cooperation in the identification and protection of approximately 208 species of birds which migrate between the United States and the Soviet Union, or which have populations in both nations and share common flyways or breeding, wintering, or feeding areas. The agreement requires both nations to adopt measures to identify and protect these species and their habitats.

It is a noncontroversial convention similar to three other migratory bird conventions which the United States has entered into with Canada, Japan, and Mexico.

III. The International Convention for the Safety of Life at Sea, 1974, Ex. O, 94–2:

A large number of technical amendments to the 1960 Safety of Life at Sea Convention have been proposed and accepted by the depository organization (the Inter-Governmental Maritime Consultative Organization—IMCO) since 1966. The United States has accepted all of these amendments. However, none of them have received the necessary explicit acceptance by the required two-thirds of the contracting governments to enter into force. The purpose of this convention is to incorporate the 1960 convention and all its amendments into a single document and to provide for an improved procedure which will accelerate acceptance of future amendments to technical regulations.

IV. Protocol relating to intervention on the high seas in cases of marine pollution by substances other than oil, Ex. L, 95–1:

The purpose of this protocol is to complement the international convention relating to intervention on the high seas in cases of oil pollution casualties by providing that, under certain circumstances, governments may take action on the high seas to protect the interests of their coastal areas from marine pollution caused by substances other than oil. A list of such substances, compiled by the Inter-Governmental Maritime Consultative Organization (IMCO), accompanies the protocol. Under the terms of the protocol, the list can be amended to reflect future technological developments.

V. Reciprocal fisheries agreement with the United Kingdom of Great Britain and Northern Ireland, Ex. O, 95–1:

The establishment of a 200-mile U.S. "fishery conservation zone" under the Fishery Conservation and Management Act of 1976 (Public Law 94–265, effective March 1, 1977) placed under U.S. jurisdiction fisheries which fishermen from the British Virgin Islands have traditionally fished. Similarly, establishment of a 200-mile fisheries zone around the British Virgin Islands on March 7, 1977, placed under the jurisdiction of the British Virgin Islands fisheries which U.S. fishermen from the U.S. Virgin Islands and Puerto Rico have traditionally fished. According to the Department of State, consultations with U.S. fishermen and officials in the area, including the Caribbean Regional Fisheries Management Council, indicated a strong U.S. interest in reaching an agreement with the United Kingdom to insure continuation of U.S. commercial fishing at traditional levels in the British Virgin Islands fisheries zone.

Therefore, the purpose of this agreement is to provide U.S. commercial fishermen access to the new 200-mile fishery zone of the British Virgin Islands and commercial fishermen of the British Virgin Islands access to the 200-mile U.S. fishery conservation zone.●

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? Evidently there is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will state the first resolution of ratification.

TREATY WITH BOLIVIA ON THE EXECUTION OF PENAL SENTENCES

The resolution of ratification of Executive G, 95th Congress, 2d session, was read as follows:

Resolved, (two-thirds of the Senators present concurring therein), that the Senate advise and consent to the ratification of the Treaty between the United States of America and the Republic of Bolivia on the Execution of Penal Sentences, which was signed at La Paz on February 10, 1978 (Ex. G, 95–2).

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification on Executive G, 95th Congress, 2d session, the treaty with Bolivia on the execution of penal sentences.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. Mr. President, I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Idaho (Mr. CHURCH), and the Senator from New York (Mr. MOYNIHAN) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. MCGOVERN) is absent on official business.

The yeas and nays resulted—yeas 95, nays 0, as follows:

[Rollcall Vote No. 204 Ex.]

YEAS—95

Allen	Byrd,	Curtis
Baker	Harry F., Jr.	Danforth
Bartlett	Byrd, Robert C.	DeConcini
Bayh	Cannon	Dole
Bellmon	Case	Domenici
Bentsen	Chafee	Durkin
Biden	Chiles	Eagleton
Brooke	Clark	Eastland
Bumpers	Cranston	Ford
Burdick	Culver	Garn
Glenn	Johnston	Ribicoff
Goldwater	Kennedy	Riegle
Gravel	Laxalt	Roth
Griffin	Leahy	Sarbanes
Hansen	Long	Sasser
Hart	Lugar	Schmitt
Haskell	Magnuson	Schweiker
Hatch	Mathias	Scott
Hatfield,	Matsunaga	Sparkman
Mark O.	McClure	Stafford
Hatfield,	McIntyre	Stennis
Paul G.	Melcher	Stevens
Hathaway	Metzenbaum	Stevenson
Hayakawa	Morgan	Stone
Heinz	Muskie	Talmadge
Helms	Nelson	Thurmond
Hodges	Nunn	Tower
Hollings	Packwood	Wallop
Huddleston	Pearson	Weicker
Humphrey	Pell	Williams
Inouye	Percy	Young
Jackson	Proxmire	Zorinsky
Javits	Randolph	

NAYS—0

NOT VOTING—5

Abourezk	Church	Moynihan
Anderson	McGovern	

The PRESIDING OFFICER. On this vote, the yeas are 95, and the nays are 0. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution of ratification was agreed to.

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

INTERNATIONAL CONVENTION FOR THE SAFETY OF LIFE AT SEA

The resolution of ratification of Executive O, 94th Congress, 2d session, was read as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the International Convention for the Safety of Life at Sea, Signed in London on November 1, 1974 (Executive O, Ninety-fourth Congress, second session), without reservation.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification of Executive O, 94th Congress, second session, the International Convention for the Safety of Life at Sea. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Idaho (Mr. CHURCH), and the Senator from New York (Mr. MOYNIHAN) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. MCGOVERN) is absent on official business.

The yeas and nays resulted—yeas 95, nays 0, as follows:

[Rollcall Vote No. 205 Ex.]

YEAS—95

Allen	Biden	Byrd, Robert C.
Baker	Brooke	Cannon
Bartlett	Bumpers	Case
Bayh	Burdick	Chafee
Bellmon	Byrd,	Chiles
Bentsen	Harry F., Jr.	Clark

Cranston	Helms	Pell
Culver	Hodges	Percy
Curtis	Hollings	Proxmire
Danforth	Huddleston	Randolph
DeConcini	Humphrey	Ribicoff
Dole	Inouye	Riegle
Domenici	Jackson	Roth
Durkin	Javits	Sarbanes
Eagleton	Johnston	Sasser
Eastland	Kennedy	Schmitt
Ford	Laxalt	Schweiker
Garn	Leahy	Scott
Glenn	Long	Sparkman
Goldwater	Lugar	Stafford
Gravel	Magnuson	Stennis
Griffin	Mathias	Stevens
Hansen	Matsunaga	Stevenson
Hart	McClure	Stone
Haskell	McIntyre	Talmadge
Hatch	Melcher	Thurmond
Hatfield, Mark O.	Metzenbaum	Tower
	Morgan	Wallop
Hatfield, Paul G.	Muskie	Weicker
	Nelson	Williams
Hathaway	Nunn	Young
Hayakawa	Packwood	Zorinsky
Heinz	Pearson	

NAYS—0

NOT VOTING—5

Abourezk	Church	Moynihan
Anderson	McGovern	

The PRESIDING OFFICER. On this vote, the yeas are 95, and the nays are 0. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution of ratification was agreed to.

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PROTOCOL RELATING TO INTERVENTION ON THE HIGH SEAS IN CASES OF MARINE POLLUTION BY SUBSTANCES OTHER THAN OIL

The resolution of ratification of Executive L, 95th Congress, 1st session, was read as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of The Protocol Signed at London, November 2, 1973, Relating to Intervention on the High Seas in Cases of Marine Pollution by Substances Other than Oil (Ex. L. 95–1) without reservation.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification on Executive L, 95th Congress, 1st session, the protocol relating to intervention on the high seas in cases of marine pollution by substances other than oil. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Idaho (Mr. CHURCH), and the Senator from New York (Mr. MOYNIHAN) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. McGOVERN) is absent on official business.

The yeas and nays resulted—yeas 95, nays 0, as follows:

[Rollcall Vote No. 206 Ex.]

YEAS—95

Allen	Bartlett	Bellmon
Baker	Bayh	Bentsen
Biden	Hatch	Nelson
Brooke	Hatfield, Mark O.	Nunn
Bumpers		Packwood
Burdick	Hatfield, Paul G.	Pearson
Byrd, Harry F., Jr.		Pell
	Hathaway	Percy
Byrd, Robert C.	Hayakawa	Proxmire
Cannon	Heinz	Randolph
Case	Helms	Ribicoff
Chafee	Hodges	Riegle
Chiles	Hollings	Roth
Clark	Hudd.eston	Sarbanes
Cranston	Humphrey	Sasser
Culver	Inouye	Schmitt
Curtis	Jackson	Schweiker
Danforth	Javits	Scott
DeConcini	Johnston	Sparkman
Dole	Kennedy	Stafford
Domenici	Laxalt	Stennis
Durkin	Leahy	Stevens
Eagleton	Long	Stevenson
Eastland	Lugar	Stone
Ford	Magnuson	Talmadge
Garn	Mathias	Thurmond
Glenn	Matsunaga	Tower
Goldwater	McClure	Wallop
Gravel	McIntyre	Weicker
Griffin	Melcher	Williams
Hansen	Metzenbaum	Young
Hart	Morgan	Zorinsky
Haskell	Muskie	

NAYS—0

NOT VOTING—5

Abourezk	Church	Moynihan
Anderson	McGovern	

The PRESIDING OFFICER. On this vote, the yeas are 95, and the nays are 0. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution of ratification was agreed to.

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RECIPROCAL FISHERIES AGREEMENT WITH THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

The resolution of ratification of Executive O, 95th Congress, 1st session, was read as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Reciprocal Fisheries Agreement Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland, With a Related Agreed Minute, signed in Washington, D.C., on June 24, 1977 (Executive O, Ninety-fifth Congress, first session).

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification on Executive O, 95th Congress, 1st session, the Reciprocal Fisheries Agreement with the United Kingdom of Great Britain and Northern Ireland. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Idaho (Mr. CHURCH), and the Senator from New York (Mr. MOYNIHAN) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. McGOVERN) is absent on official business.

The yeas and nays resulted—yeas 95, nays 0, as follows:

[Rollcall Vote No. 207 Ex.]

YEAS—95

Allen	Griffin	Morgan
Baker	Hansen	Muskie
Bartlett	Hart	Nelson
Bayh	Haskell	Nunn
Bellmon	Hatch	Packwood
Bentsen	Hatfield, Mark O.	Pearson
Biden		Pell
Brooke	Hatfield, Paul G.	Percy
Bumpers		Proxmire
Burdick	Hathaway	Randolph
Byrd, Harry F., Jr.	Hayakawa	Ribicoff
	Heinz	Riegle
Byrd, Robert C.	Helms	Roth
Cannon	Hodges	Sarbanes
Case	Hollings	Sasser
Chafee	Huddleston	Schmitt
Chiles	Humphrey	Schweiker
Clark	Inouye	Scott
Cranston	Jackson	Sparkman
Culver	Javits	Stafford
Curtis	Johnston	Stennis
Danforth	Kennedy	Stevens
DeConcini	Laxalt	Stevenson
Dole	Leahy	Stone
Domenici	Long	Talmadge
Durkin	Lugar	Thurmond
Eagleton	Magnuson	Tower
Eastland	Mathias	Wallop
Ford	Matsunaga	Weicker
Garn	McClure	Williams
Glenn	McIntyre	Young
Goldwater	Melcher	Zorinsky
Gravel	Metzenbaum	

NAYS—0

NOT VOTING—5

Abourezk	Church	Moynihan
Anderson	McGovern	

The PRESIDING OFFICER. On this vote, the yeas are 95, and the nays are 0. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution of ratification was agreed to.

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONVENTION WITH THE UNION OF SOVIET SOCIALIST REPUBLICS ON THE CONSERVATION OF MIGRATORY BIRDS AND THEIR ENVIRONMENT

The resolution of ratification of Executive K, 95th Congress, 1st session, was read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention Between the United States of America and the Union of Soviet Socialist Republics Concerning the Conservation of Migratory Birds and Their Environment, signed at Moscow on November 19, 1976 (Executive K, Ninety-fifth Congress, first session), without reservation.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification on Executive K, 95th Congress, 1st session, the convention with the Union of Soviet Socialist Republics on the conservation of migratory birds and their environment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Idaho

(Mr. CHURCH), and the Senator from New York (Mr. MOYNIHAN) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. MCGOVERN) is absent on official business.

The yeas and nays resulted—yeas 95, nays 0, as follows:

[Rollcall Vote No. 208 Ex.]

YEAS—95

Allen	Griffin	Morgan
Baker	Hansen	Muskie
Bartlett	Hart	Nelson
Bayh	Haskell	Nunn
Bellmon	Hatch	Packwood
Bentsen	Hatfield,	Pearson
Biden	Mark O.	Pell
Brooke	Hatfield,	Percy
Bumpers	Paul G.	Proxmire
Burdick	Hathaway	Randolph
Byrd,	Hayakawa	Ribicoff
Harry F., Jr.	Heinz	Riegle
Byrd, Robert C.	Helms	Roth
Cannon	Hodges	Sarbanes
Case	Hollings	Sasser
Chafee	Huddleston	Schmitt
Chiles	Humphrey	Schweiker
Clark	Inouye	Scott
Cranston	Jackson	Sparkman
Culver	Javits	Stafford
Curtis	Johnston	Stennis
Danforth	Kennedy	Stevens
DeConcini	Laxalt	Stevenson
Dole	Leahy	Stone
Domenici	Long	Talmadge
Durkin	Lugar	Thurmond
Eagleton	Magnuson	Tower
Eastland	Mathias	Wallop
Ford	Matsunaga	Weicker
Garn	McClure	Williams
Glenn	McIntyre	Young
Goldwater	Melcher	Zorinsky
Gravel	Metzenbaum	

NAYS—0

NOT VOTING—5

Abourezk	Church	Moynihan
Anderson	McGovern	

The PRESIDING OFFICER. On this vote, the yeas are 95, and the nays are 0. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution of ratification was agreed to.

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now resume legislative session.

Does the majority leader seek recognition?

Mr. ROBERT C. BYRD. No, Mr. President.

The PRESIDING OFFICER. The Chair recognizes the Senator from Missouri.

Mr. EAGLETON. I yield 1 minute to the Senator from Arizona.

AMBASSADOR ANDREW YOUNG

Mr. GOLDWATER. Mr. President, I have a release from the AP datelined Geneva, concerning a statement attributed to Andrew Young, our Ambassador to the United Nations, in which he said today there are "hundreds, perhaps thousands of political prisoners in the United States."

Mr. President, I call upon my President to demand of Ambassador Young details on who he thinks are political prisoners in this country, and if he cannot prove the statement he has made over there, which I think could be very embarrassing when our President goes to Bonn and in our SALT talks in Geneva, I would expect the President to discharge Andrew Young.

We cannot afford to have this kind of thing, which is a lie, said around the world about our country when we are trying to act as evidenced in the Senate yesterday when we condemned the Soviets for what they are doing. Then, to have our Ambassador, in effect, tell the Russians that we do the same thing, I cannot buy; and I ask my President to do something about it.

Mr. ROBERT C. BYRD. Mr. President, if the Senator will yield, will he read into the record the entire wire service release?

Mr. GOLDWATER. If I may have the time.

Mr. EAGLETON. I yield such time.

Mr. GOLDWATER. The wire service story is as follows:

GENEVA, SWITZERLAND.—Andrew Young, the American Ambassador to the United Nations, said today there are "hundreds, perhaps thousands of political prisoners in the United States," but in the Soviet Union the number is more likely to be "tens of thousands."

Young said in an interview that the trials of dissidents in the Soviet Union "remind me very much of my own days in the civil rights movement when people in the south said we were communists because we wanted to exercise certain freedoms."

"Now the communists are saying these (dissidents) must be capitalist spies. In many ways, I think the same things apply."

Young said there was nobody in prison in the United States for criticizing the government or for monitoring implementation of human rights, but there were "all varieties of political prisoners."

When asked to elaborate, he said: "I do think there are some people who are in prison much more because they are poor than because they are bad. But that's a problem we are working on and one on which we are making great progress."

He said he hoped the United States could help the Soviet Union to "outgrow their paranoia about people who want to be free spiritually and intellectually. It would strengthen their system."

Young said he agreed with the White House description of the trials as a repressive action striking the conscience of the entire world. "But it also strikes the conscience of the entire world when we do ridiculous things like that."

The ambassador is in Geneva for a session of the U.N. Economic and Social Council and his trip is unrelated to the arms talks between Secretary of State Cyrus R. Vance and Soviet Foreign Minister Andrei Gromyko. Vance and Gromyko are attempting to remove the last obstacles to a second strategic arms limitation treaty. The Secretary of State was to deliver a message from President Carter to Soviet President Leonid I. Brezhnev expressing U.S. concern over the dissident trials.

That is the statement as it came over the wire.

I thank my friend from Missouri for yielding.

COMMODITY EXCHANGE ACT

The Senate continued with the consideration of S. 2391.

Mr. EAGLETON. I yield 5 minutes to the Senator from Utah.

Mr. HATCH. Mr. President, I want to announce my support for the amendment of my colleague (Mr. EAGLETON). He has served for 2 years as chairman of the Agriculture, Rural Development, and Related Agencies Subcommittee of the Appropriations Committee. I believe he has had ample opportunity to witness and review firsthand the regulatory activities of the CFTC. I share his concern over the inability of the CFTC to execute the mandate given by Congress in the Commodity Exchange Act of 1974.

Although I may prefer another way to do this, I still think that this is an amendment that is worthy of consideration. Therefore, I support it and will vote for it. I recommend that my colleagues do likewise.

Mr. HUDDLESTON. Mr. President, will the Senator yield me 3 minutes?

Mr. LEAHY. Mr. President, I yield such time as the Senator from Kentucky desires.

Mr. HUDDLESTON. I thank the Senator from Vermont. I just want to make a couple of comments, Mr. President, in opposition to the amendment that has been offered by the distinguished Senator from Missouri.

In the first case, there is the matter of the GAO report and the report of the House committee. Both of these reports were considered very carefully by both the subcommittee and the full Committee on Agriculture, Nutrition, and Forestry of the Senate. The GAO, of course, in spite of the shortcomings that it pointed out in the operation of the CFTC, did, in fact, recommend that the commission be reauthorized as it presently is, and as the legislation pending before the body now does provide.

The House bill has been drawn also and, with the benefit of its own study and the study of the GAO and its own hearings, likewise calls for the reauthorization of the CFTC.

I do not know how we can overcome the management problems that may have occurred by suddenly doing away with the commission as it is and replacing it with a single individual. I do not know where we would find the individual that has the knowledge and expertise in the field of futures trading who would be willing to come and head that kind of agency and who would have the necessary managerial and administrative ability. I cannot see how this could provide a better way of correcting the abuses and the difficulties, the growing pains that the current commission has had.

The distinguished Senator from Missouri pointed out that we are talking about an industry in which the transactions total tremendous sums, over the trillion-dollar a year level. It seems to

me that this is an area in which the benefit of a commission composed of individuals who have some knowledge, some training, some expertise in the field, bringing to bear the best thinking of five individuals, will provide for better operation and a more judicious way of handling the problems that develop than entrusting this to one individual.

Take the example of the Securities and Exchange Commission, which is structured very similarly. I think it would be inappropriate at this time to make this drastic change. I pointed out earlier, as did the distinguished Senator from Vermont, that this is not entirely a new idea, that this approach was considered by the subcommittee in its early deliberations, as were several other alternatives—such as putting the commission back into the Agriculture Department. But given the reports that had been made, the studies and the surveys, given the history of the operation, the growing pains, the difficulties faced, and given the alternatives, I think the committee correctly chose the best approach. That is to structure legislation to address the abuses, keep the continuity of the commission going, and increase or continue the oversight by the committees to see that such shortcomings as may be revealed will be corrected.

I hope that this amendment, which is a drastic departure from what both the House and the Senate committees have suggested, will not be approved by the Senate.

Mr. LEAHY. I thank the Senator from Kentucky.

Mr. President, I have to concur completely with what Senator HUDDLESTON has said here today. We have had exhaustive hearings in this matter. As I stated before in answer to what the Senator from Missouri said earlier, nobody, in backing S. 2391, is doing so as giving some kind of Boy Scout or Eagle Scout award to the CFTC. Nobody is going to do that, not if he spent any time looking at their past activities. But I think that, unfortunately, we are looking at an ad hominem argument, getting involved with substantive issues here. We should look at the fact that there are shortcomings in the commission membership. The term of one of the five commissioners expires every year. The commission is in the process of being changed. We are now giving it more substantial, exhaustive, in-depth oversight than ever has been given before. The sunset provisions of the legislation have required that.

Certainly, the attention our committee has given it, the attention that the Subcommittee on Appropriations of the distinguished Senator from Missouri has given it, will assure that.

These arguments have been considered at length by the subcommittee, by the committee, by those who spent days and days and months and months wrestling with the CFTC legislation. We have been making a substantial—substantial and substantive—change on the floor of the Senate, one that had been rejected in committee.

So, Mr. President, I will, at an appropriate time and only at such time as the Senator from Missouri and any of his supporters have had ample time to discuss it at whatever length they want, move to table. I ask unanimous consent now that it be in order to ask for the yeas and nays on a motion to table at this time, understanding that the motion to table will not be made until such time as the Senator from Missouri has finished whatever he wanted to say.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. LEAHY. I do now ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. EAGLETON. I thank the Senator for his courtesy. I will take just a minute or two more, because it has been adequately debated.

There is one question I want to clarify in the minds of the Senator from Vermont (Mr. LEAHY), the Senator from Kentucky (Mr. HUDDLESTON), and others. The Eagleton-Hatch amendment does not change the independence of the CFTC. The OMB letter that I referred to and that has been referred to by Senators LEAHY and HUDDLESTON did recommend that the CFTC not be an independent agency.

It recommended that the CFTC be part of the executive branch. I took that OMB letter and adopted the part of it that said that CFTC ought to be a one-headed agency, but I disagreed with the part on independence. My amendment leaves the CFTC as an independent agency, with one administrator instead of five commissioners.

I cite to my colleagues, from page 2 of the typewritten amendment:

> There is hereby established an independent body to be known as "Commodity Exchange Association."

That same language "independent body" exists in the original authorization of CFTC and would be carried over in the bill that is now pending before us.

So I think it is very important to underscore that the Eagleton-Hatch amendment leaves the agency as an independent body that would not be subject to the dictates of the White House.

All we change, in essence, is that instead of five members who do not get along with each other, we create an agency with only one person in charge. By the way, that is the current situation in the CFTC—with a couple of commissioners who do not talk to each other. Mr. Bagley is the Chairman, but a lot of the troops on the Commission think he is a windbag. I happen to think he is, too. But, Mr. Bagley, wherever you are, that is my opinion.

And unfortunately as long as Mr. Bagley is running that show over there, I say to my colleagues, the situation will be impossible.

I will conclude whence I began, and once again ask my colleagues to read the 282 page report of the General Accounting Office. It says at greater length and with even greater specificity what I am not able to say now with limited time. And read this 137 page report. If one reads those two reports and then votes to continue the CFTC as it is now structured, I think it would be a very serious misjudgment.

Mr. President, I am about to conclude on my amendment.

Mr. President, I have been conversing with some of my colleagues, specifically the Senator from Utah (Mr. HATCH) and the Senator from Montana (Mr. MELCHER).

All three of us and, indeed, many other Members of this body are vitally interested in the CFTC and better restructuring and reshaping of it in the future.

Some of my colleagues tell me, although they agree with much I have said about the structural ineptitude of this five-headed monster, and agree with much of what——

Mr. LEAHY. Is that giving it the benefit of the doubt?

Mr. EAGLETON. I would like to finish the sentence, if I may.

Although some of my colleagues agree that this five-headed agency is a monster that is populated by five individuals who cannot get along with each other, they have told me that moving from five commissioners to one commissioner in one fell swoop is a bit much to take.

I would rather take a big bite of the apple rather than nibble at it. But in conversing with some of my colleagues, they do not agree.

So what I will do, Mr. President, if I may, is ask unanimous consent that the order for the yeas and nays on the motion to table be vitiated. I am also going to ask unanimous consent that I may withdraw my amendment at this time, but perhaps offer it later on.

I then ask that the Chair will recognize what Senator he would desire, either Senator MELCHER or Senator HATCH, who will offer a three-person agency amendment.

So. Mr. President, I ask unanimous consent that the order for the yeas and nays on the Leahy motion to table be vitiated and I ask unanimous consent to withdraw my amendment.

Mr. LEAHY. Reserving the right to object, I would state to the Senator from Missouri, if he does not mind an interruption at this point, that he has stated his reasons for withdrawing the amendment. One of the best and most cogent reasons for voting against the amendment would be cutting it down to three.

I have no objection to his unanimous-consent request.

Mr. EAGLETON. I thank my colleague.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Does the Senator from Vermont desire recognition?

Mr. LEAHY. No. The Senator from Vermont would reserve the remainder of his time on the bill.

The PRESIDING OFFICER. The Senator from Montana.

UP AMENDMENT NO. 1411

(Purpose: To terminate the Commodity Futures Trading Commission and provide for the establishment of a Commodities Trading Commission composed of three members)

Mr. MELCHER. Mr. President, on behalf of myself and Senator HATCH and Senator EAGLETON, I have an amendment at the desk and I ask that it be stated.

The PRESIDING OFFICER (Mr. HODGES). The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Montana (Mr. MELCHER), for himself and Mr. HATCH and Mr. EAGLETON, proposes unprinted amendment numbered 1411.

Mr. MELCHER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 6, line 5, strike out "COMPOSITION OF THE COMMISSION;" and insert in lieu thereof "ESTABLISHMENT OF THE COMMODITIES TRADING COMMISSION; APPOINTMENT OF COMMISSIONERS;".

On page 6, beginning with line 15, strike out all down through line 17 and insert in lieu thereof the following:

(3) striking out in the first sentence of paragraph (2) "a Commodity Futures Trading Commission" and inserting in lieu thereof "a Commodities Trading Commission";

(4) striking out in the second sentence of paragraph (2) "a Chairman and four other Commissioners" and inserting in lieu thereof "three Commissioners";

(5) striking out in the third sentence of paragraph (2) "three" and inserting in lieu thereof "two";

(6) striking out in the last sentence of paragraph (2), where it first appears "of five years" and inserting in lieu thereof "expiring five years after the originally scheduled date of expiration of his predecessor's fixed term of office";

(7) striking out in the last sentence of paragraph (2) "one at the end of one year, one at the end of two years,".

On page 6, lines 18 and 21, respectively, redesignate "(4)" as "(8)" and "(5)" as "(9)".

On page 7, lines 10, 13, and 15, respectively, redesignate "(6)" as "(10)", "(7)" as "(11)", and "(8)" as "(12)".

On page 23, line 6, strike out "AUTHORIZATION FOR APPROPRIATIONS" and insert COMMODITY FUTURES TRADING COMMISSION; TRANSFER OF FUNCTIONS; AUTHORIZATION FOR APPROPRIATIONS FOR THE COMMODITIES TRADING COMMISSION".

On page 23, strike out lines 7 and 8 and insert in lieu thereof the following:

SEC. 17(a) All of the personnel of the Commodity Futures Trading Commission, property, records, and unexpended balance of appropriations, allocations, and other funds employed, used, held, available, or to be made available in connection with administration of the Commodity Exchange Act shall be transferred to the Commodities Trading Commission on the effective date of this Act.

(b) All operations of the Commodity Futures Trading Commission under the Commodity Exchange Act, including all pending administrative proceedings, shall be transferred to the Commodities Trading Commission as of the effective date of this Act and continue to completion. All rules, regulations, and orders heretofore issued by the Commodity Futures Trading Commission under the Commodity Exchange Act to the extent not inconsistent with the provisions of this Act shall continue in full force and effect unless and until terminated, modified, or suspended by the Commodities Trading Commission.

(c) Pending proceedings under existing law shall not be abated by reason of any provision of this Act but shall be disposed of pursuant to the applicable provisions of the Commodity Exchange Act in effect prior to the effective date of this Act.

(d) The Commodity Futures Trading Commission is hereby abolished.

(e)(1) Paragraph (12) of section 5108 of title 5, United States Code, is amended by striking out "Commodity Futures Trading Commission" and inserting in lieu thereof "Commodities Trading Commission".

(2) Section 5314 of such title is amended by striking out "(61) Chairman, Commodity Futures Trading Commission." and inserting in lieu thereof "(61) Chairman, Commodities Trading Commission.".

(3) Section 5315 of such title is amended by striking out "(103) Members, Commodity Futures Trading Commission." and inserting in lieu thereof "(103) Members, Commodities Trading Commission.".

(4) Section 5316 of such title is amended by striking out "(137) General Counsel, Commodity Futures Trading Commission." and inserting in lieu thereof "(137) General Counsel, Commodities Trading Commission.".

(5) Section 5316 of such title is further amended by striking out "(139) Executive Director, Commodity Futures Trading Commission." and inserting in lieu thereof "(139) Executive Director, Commodities Trading Commission.".

(f) Section 12(d) of the Commodity Exchange Act (7 U.S.C. 16(d)) is amended to read as follows:

On page 27, strike out line 24 and insert in lieu thereof "the Commodities Trading Commission,".

On page 30, lines 11 and 12, strike out "Commodity Futures Trading Commission" and insert in lieu thereof "Commodities Trading Commission".

Mr. MELCHER. Mr. President, this is the amendment I have asked extra time on, and I yield myself such time as I might consume.

Mr. President, this bill has undergone detailed hearings and consideration in the Senate Agriculture Committee. There has been a lot of work done on it. Ordinarily, if I was going to introduce an amendment of this nature, I would have done it during the committee markup.

I have had an interest in the Commodity Futures Trading Commission ever since the inception of its concept. I served on the House Agriculture Committee and participated in the hearings and markup there of the original act.

Since the committee dealt with these amendments to continue the Commission, there has been a great change.

The appointment of a new Commissioner to the Commission was attempted to be retracted. In other words, he was asked to resign, after the appointment was made, by both the President and the Vice President.

I have no ill feeling toward the most recently appointed Commissioner. He is well known in the Senate, well liked, and respected. He presented the information concerning the Dwayne Andreas fund for his children and the information that the trustee of the fund was Dwayne Andreas' bank in Minneapolis. He presented that information to both the White House and the Senate Agriculture Committee.

If there is any egg on the face of the White House in not noting the source of the trust fund, there is also egg on my face for not having gone to the trouble of noting the trust and its source—Dwayne Andreas. If I had known that there was a trust fund from Dwayne Andreas, it would have been a different situation with respect to my judgment of the appointment.

Mr. Andreas is not just any good friend for a new member of the Commodity Futures Trading Commission. Mr. Andreas is a highly successful grain dealer, a highly successful dealer in processing soybeans, a highly successful banker, a highly successful political influence. I do not question the sincerity of his friendship for the most recently appointed Commissioner or his sincere friendship for present and former Members of Congress. I do not question that. But Dwayne Andreas is nationally known for participation in politics connected with Watergate. Dwayne Andreas is in the habit of leaning on public officeholders. His national notoriety in these matters could be absent of any contact with the Commodity Futures Trading Commissioners—all five of them. His attempt to influence could be completely absent with the Commission. We cannot conclude that there would be any influence, special consideration, or partiality to Dwayne Andreas by any member of the Commission.

In recognizing this, the recently appointed member of the Commission said that, for the sake of propriety, he would withhold any consideration on a matter affecting directly—no, I believe his exact term was on any matter of direct impact on Archer-Daniels-Midland, the conglomerate of which Dwayne Andreas is the principal officer, or Dwayne Andreas himself.

The recently appointed member of the Commission said that he would exercise recuse in all those matters. He set his own guideline. He set his own terms and his own conditions, and they are to his credit. But he set a mighty tall order on himself as a member of that Commission.

I refer to Moody's report dated June 30, 1977, which is the last comprehensive report of Moody's that I know of connected with Archer-Daniels-Midland. We are dealing with a conglomerate that did well over $2 billion worth of business in 1976. We are dealing with a number of subsidiaries wholly owned or noted. They include the following: Ardanco, S.A.; Agrinational, Ltd.; Tabor & Co., Miller Hauling Co., Inc.; Smoot Grain Co.; Goeval, Inc.; Tabor Milling Co.; Wenona Elevator Co.; Ross and Rowe, Inc; Fleischmann Malting Co., Inc. (79 percent owned); Bauer-Schweitzer Malting Co., Inc.; Rickel Malting Co., Inc.; Gooch Feed Mill

Corp.; Gooch Foods, Inc.; American River Transportation Co.; Tulane Fleeting; Supreme Sugar Co., Inc.; Agriproducts, Inc.; Ardanco, Inc.; and National City Bancorporation, which owns 95 percent of National City Bank of Minneapolis, which is a trustee of the trust fund I mentioned for the children.

Affiliates 50-percent owned by Archer-Daniels-Midland include Adnac, Inc.; British Arkady (Holdings) Ltd.; British Arkady Co. Ltd.; Tweedy (Holdings) Ltd., and others.

Archer-Daniels-Midland is involved in numerous exchanges that deal in commodity futures trading. I do not know at this time how many members Archer-Daniels-Midland or its subsidiaries have on the various boards of governors of those exchanges, but those boards of governors makes the rules on contracts. These exchanges are self-regulating, and the Commission only approves or disapproves their rules and their terms of contract. And that is a lot.

The term of a contract often is changed. The rules in trading frequently are changed in the various exchanges. The responsibility of the Commission, under the law, is to pass judgment, to approve or disapprove of the rules and regulations of the various exchanges and the terms of the contracts.

In order to protect those who buy and sell contracts, the job of the Commission is to make certain that any functioning of those various exchanges is fair and equitable to both sides.

Archer-Daniels-Midland has 15 members on the Minneapolis Exchange—15 out of 420. Archer-Daniels-Midland has 11 members on the Chicago Board of Trade, out of a total of 1,484. They are involved in any decision that is made on any exchange where they sit as a member and are participating in the Board of Governors of that exchange.

It is a mighty tall order for the most recently appointed Commissioner to keep up with all that transpires on those various exchanges which either helps or puts Archer-Daniels-Midland or its subsidiaries in a better position. That is a pretty tall order. Trading in futures can be quicker and more costly than a thousand combined crap tables at Las Vegas.

Futures trading is done through a broker. Archer-Daniels-Midland or Dwayne Andreas has 15 memberships in Minneapolis, as I have noted, and 11 memberships in the Chicago Board of Trade, and I have not checked other exchanges.

But each of those members could be the broker. There could be other brokers for Dwayne Andreas. Tracing all of that is a mighty tall order. I do not know whether it is possible to trace it or not. I doubt that the recently appointed member of the Commission could adequately trace all of those changes in rules as it affected certain deals of the ADM or subsidiaries or Dwayne Andreas and be an effective member of the Commission.

I think there would be so many times that he would have to absent himself, use the option of recuse, in order to avoid passing judgment just to make sure that he followed his own guideline.

And this is not the time for this Commission, new, virtually in its infancy, to get bogged down under the cloud of doubt in the public's mind, under concerns with those other members and those other participants in the exchanges.

The amendment is very simple. The amendment that we offer today would provide the opportunity for what the recently appointed Commissioner said. It does not meet his purpose entirely. When asked why, when the President asked him to resign, and the Vice President, a very old and dear friend of his asked him to resign, why did he refuse? He said because to resign would be to admit guilt in the public's eye.

We offer now an amendment that would take him out of that position, not by anything that he has done but by restructuring the Commission to three members, permitting the President to reappoint and put members in that he feels confident in. I think it gets us beyond the question of whether or not the recently appointed Commissioner could be an effective Commissioner and gets us out of the point of him withdrawing voluntarily as he says which would indicate possibly some guilt on his part.

I think it is the best way out, Mr. President.

I ask unanimous consent that Senator HODGES may be added as a cosponsor to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EAGLETON. Mr. President, will the Senator from Montana yield me 1 minute?

Mr. MELCHER. I yield to the distinguished Senator from Missouri as much time as he desires.

Mr. EAGLETON. One minute, Mr. President.

I am a cosponsor of Senator MELCHER's amendment. Our motivations in supporting this amendment are 100 percent dissimilar, and I think my colleagues should know that. We have heard Senator MELCHER's presentation and it deals with Mr. Dwayne Andreas and Mr. David Gartner. I am not prepared to pass judgment on either Mr. Andreas or Mr. Gartner. I am not prepared either to directly or indirectly vote for Mr. Gartner's ouster. Frankly in my own mind that is a matter that is separate and distinct.

What I am interested in is what I debated in connection with the previous amendment which I ultimately withdrew. I am interested in and concerned about the current structure and management of the CFTC. I think it is ineptly structured, and I think as long as it remains a five-headed monster as it is under present law, it is going to be in perpetual difficulty.

I think there is no way to come out of the morass that it is in, considering that Mr. Bagley is still going to be chairman of it for some months to come.

So I wanted to change the basic structure, and I am not sharing the rationale that Senator MELCHER is employing in his advocacy of the amendment.

Mr. MELCHER. Mr. President, I yield to the distinguished Senator from Utah as much time as he will consume.

Mr. HATCH. I thank the distinguished Senator from Montana.

Mr. President, the amendment which we are introducing here today to S. 2391 is an effort to strengthen one of the most neglected independent regulatory agencies in the U.S. Government. The Commodity Futures Trading Commission Act of 1974 represented a significant advancement and substantial major revision of all previous law governing commodity futures trading, especially incorporated in the Commodity Exchange Act. In the 1974 Act, Congress created the Commodity Futures Trading Commission as an independent agency to administer the Commodity Exchange Act, and granted the Commission exclusive jurisdiction over transactions involving futures contracts and certain other futures-related activities, believing that true experts would lead the Commission.

The amendment I offer, along with my colleagues, that is the Melcher-Eagleton-Hatch amendment to S. 2391 recognizes the obvious truth, which some have feared to face. The Commodity Futures Trading Commission has not worked well. It is leaderless and demoralized. It has kept the States from doing at all that which it has not done well. The CFTC has been pompous, self-righteous, brazen, and ill-informed. It does not deserve a vote of confidence. Its leadership has faltered from the beginning—and within that indictment I include the cozy appointments of senior staff by a "liberal" Republican chairman who proudly proclaimed that he was no expert. Indeed, we all found out that he has not been. It is believed that he never knew what he was doing. He does not enjoy the confidence of staff, press, or Congress—and up to now he will not leave.

A new Commissioner, a political spear carrier who grasped for office, and now clings to it against all reason and prudent judgment, will also not depart. So long as he remains, an important regulatory agency labors under a cloud of suspicion. And all I can add is that the fat lady has not yet sung.

Mr. President, this amendment which has been carefully put together and which has been argued for so well by the distinguished Senator from Montana, the principal sponsor of the amendment.

Mr. President, my amendment recognizes another obvious truth that we should hasten to embrace—that the charter of the Commodities Commission is being significantly changed by S. 2391. Upon enactment of the Huddleston bill, the agency with which we deal will no longer be the Commodity Futures Trading Commission, with all its attention focused on the operations of the Nation's exchange markets in which commodity futures contracts are traded. Its jurisdiction will be significantly expanded by the adoption of section 20 of

the bill, adding sections 19 and 20 to the Commodity Exchange Act. By this addition, the Commission acquires new jurisdiction over every conceivable kind of margin, leverage, and forward contract on every conceivable sort of goods and articles and every "service, right, and interest in which contracts for future delivery are presently or in the future dealt in."

By authorizing the appropriation of funds for the new Commission's activities only through fiscal year 1978, Congress allowed itself an opportunity to evaluate the effects of the 1974 amendments to the Commodity Exchange Act, particularly the impact of an independent regulatory agency on commodity market activities. The effects of the CFTC on the market, while not devastating, have been lackluster.

The need for a reform of the Commission, in order to maximize regulatory efficiency, has especially become evident over the past few months. The whole matter of London options was terribly bungled. As the CFTC struggled to find the way back, it was hit with the appointment of a new Commissioner. Confidence in Federal regulation administered by the CFTC, as a means of encouraging honest and sound dealing and strengthening public confidence in the Nation's rapidly expanding futures markets, has been shattered by the recent Gartner appointment and affair. Indeed, Mr. President, I am sure that very few Americans, other than direct participants in futures markets, were even aware, before this issue was brought up on the Senate floor, that the CFTC existed. Now, if they are aware, I am equally sure that their impression of the CFTC has been much less than favorable.

This amendment would abolish the Commodity Futures Trading Commission and provide for the establishment of a Commodities Trading Commission. This is an opportunity to reorganize a Commission which has been ineffective from its beginning, and put an end to the controversy which is making it impossible for the CFTC to operate in a credible way.

The Commission has a great deal of unfinished business. I am informed that the Commission always has had a considerable jurisdiction over cash and forward markets which it simply has failed to exercise—believing itself more properly restricted to the operations of the futures markets as such. Cash forward markets are developing—and their further development is foreseen by agricultural economists whose work was published by the Senate Committee on Agriculture and Forestry in 1976 in the print "Marketing Alternatives for Agriculture, Is There a Better Way?" There may be a better way—but the collection of bumblers and sycophants who now lead the CFTC will not help us find it. That I do predict.

A new agency is waiting, struggling, hoping to be born. New jurisdiction; new hopes for a better way; new leaders; a new, more accurate, name; a new, more efficient structure is what I propose to recognize, create, and christen.

On April 18, 1978, the Office of Management and Budget transmitted to Senator TALMADGE the administration's views on legislation to extend the CFTC. The OMB proposal consisted of four recommendations, one of which was that the CFTC be abolished and that the agency be made a separate subcabinet agency (similar to the Environmental Protection Agency). I believe OMB prudently concluded, entirely on application of sound management principles, that a thorough-going management reform and replacement was indicated.

Let the three-member Commodities Trading Commission be born. It will be charged with a new mission. It will be focused on all relevant commodities markets and transactions—cash, forward, and futures. It will not be a five-headed turtle with two crippled legs. It will preserve the measure and number of counselors needed for wise collective judgment—three. That is the number of judges commonly assembled for important matters, and nearly uniformly in the U.S. courts of appeals. A totally aberrant Chairman will not be able to run away with the show. The impossible search for consensus among five unhappy and mismated Commissioners will come to an end.

The independence of the agency is preserved. Its integrity could be restored with wise Presidential nominations—in which I would happily concur. I urge careful consideration of this seldom-offered opportunity to correct a misbegotten beginning with a careful structuring of a new Commodities Trading Commission.

Like Senator EAGLETON, although I have not been very happy with the Gartner appointment or with his attitude, and in spite of the fact that both the President and the Vice President of the United States of America have requested him to resign, not because he is a bad person, he is not, but because of the fact that the surrounding facts exist about his tenure as a servant of the Senate, the facts surrounding his appointment, I think it would allow Mr. Gartner to be appointed to another position in Government in which he would be qualified and in which there would be less controversy, and I think this would, in fact, help the President of the United States, irrespective of the Gartner concern.

I think we need to do this just to have this particular commission go forward with a positive and not a negative thrust, which is what it has had in the past, and I think we cannot save it any more in the future.

The only thing I would hope if this amendment would be adopted, the motion to table is defeated and the amendment is adopted, I would certainly hope the President would choose with great selective care the topmost ethical, decent administrators and thinkers in this field to head the new commission.

I would call on my colleagues today to support this matter because I think it is a bipartisan effort that should be given great consideration.

In that regard I would like to pay special tribute to the distinguished Senator from Missouri because I think he has done more study in this area than any other Senator, which study would stand the Senate in good stead today. I think this comment should not go unnoticed. I think he has made some very, very important points with a great deal of backup of the proposal which is being made here today in the Melcher amendment, and I hope with all my heart that the Senators, in a bipartisan way, will support this amendment and solve what I consider to be very serious problems in our Government today.

I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. LEAHY. Mr. President, I will, at the appropriate time, make a motion to table once everybody has had a chance to speak, but I ask unanimous consent that it be in order to ask for the yeas and nays on that motion at this time.

The PRESIDING OFFICER (Mr. BUMPERS). Is there objection?

Mr. MELCHER. Reserving the right to object, do I understand correctly that we will be able to use our full time prior to such motion?

Mr. LEAHY. I have no intention of cutting off anybody's time.

The PRESIDING OFFICER. Is there is no objection, it is so ordered.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. LEAHY. Mr. President, a lot of the arguments, a lot of the ad hominem arguments, here today were heard during our committee hearings.

As I stated before, those committee hearings went on for weeks and weeks and weeks. Senator HUDDLESTON had spent week and weeks and, I suspect, months, before even the hearings preparing the legislation. He and I and some other members of the committee talked with dozens and dozens of witnesses, listened to hours and hours and thousands of pages of testimony, visited various commodity exchanges, and considered this thing at great length.

Now, taking the amendment solely on its merits, it would fly in the face of all the weight of all the testimony the Senate Agriculture Committee received, the subcommittee received, and it certainly flies in the face of what the preponderance or, in fact, a significant majority of the Senate Agriculture Committee did in this matter. That is just on the pure weight of the arguments; that is just on the structural question. It is just on the question of whether we should have three instead of five. It is just on the amendment itself.

But there is the injection of another element in this, Mr. President, and this is what has been stated by at least one or two of the proponents of this amendment—not by the distinguished Senator from Missouri, who stated an entirely different attitude, but it has been stated

by others—that the primary purpose of this amendment is to remove one member of the CFTC.

Mr. President, this is not the way to do it. One does not take a piece of legislation as complicated and as substantive as this, a piece of legislation with the ramifications and the far-reaching import of this legislation, a piece of legislation which sets up the agency which will have authority over $1 trillion worth of trading, one does not come in and ride roughshod over such legislation in a floor amendment, which would drastically change what the committee has done, to get rid of one member of that Commission.

There have been discussions here about the quality of the members of the commission in the past, the quality of the members of the commission in the future, and the quality of the members of the commission at present. But every one of those people was subjected to Senate confirmation at one time or another, and everyone was confirmed. It really does terrible damage to an independent agency if every time anybody disagrees with a particular member of that agency we try to revamp the whole agency to do away with a particular position on the floor.

I think in respect of what was said about Mr. Gartner, whether one agrees or disagrees with the position Mr. Gartner finds himself in, it ought to be pointed out that he voluntarily disclosed all relevant financial data to the White House and the Committee on Agriculture and Forestry prior to his confirmation, all references to the gift of $72,000 of Archer-Daniels-Midland stock to his children.

Now, he made a special effort to highlight the gifts to his children. He pointed this out to the members of the committee. He pointed this out to the White House. I realize that the White House now, on second thought, feels that they may have made a mistake, but let us not do damage to a significant piece of legislation just because somebody at the White House screwed up in the past.

I mean, either they were right or they were wrong the first time around. They knew precisely what they were doing. Mr. Gartner has bent over backward to be totally and completely open, frank, and honest with the committee and with the White House, and, he having done so, the decision was made by the White House and by the President to submit his nomination to the committee, the decision was made by the committee to favor his confirmation, and then the Senate voted on that confirmation. And at no time since has one iota of additional information come forth.

So if the White House is embarrassed of if any of us as Senators are embarrassed, we have only ourselves to blame. Many of us feel, incidentally, in that respect that Mr. Gartner has been totally honest, and has instituted a routine which would preclude him from any kind of a conflict of interest. And it certainly is well precedented, both in the CFTC and other regulatory agencies, where Commissioners have excepted themselves, to avoid even the appearance of a conflict of interest, from certain actions.

So I would hope my fellow Senators would not do damage, serious damage, in fact irreparable damage, to legislation which finally allows us to get the CFTC under control, on an ad hominem basis.

Mr. HUDDLESTON. Mr. President, will the Senator yield me 1 minute, to speak in opposition to the amendment?

Mr. LEAHY. I yield to the Senator from Kentucky.

Mr. HUDDLESTON. Mr. President, I think the distinguished Senator from Vermont has stated the case very well. We know, of course, the motive of this particular amendment, and, as has been indicated, we know this is not the proper way to handle the issue.

But from a practical standpoint, there is no precedent in history that I know of that would give this body reason to believe that any new appointees, whether they be three or more, would be any more knowledgeable or any more efficient, or would operate any more to our liking than those already appointed.

They will go through the same process. Why is there any reason today to think that a three-man Commission will be any more efficient, or will operate any better, than the five-man Commission that is established now and is pending reauthorization by the legislation we are considering today?

I think this is the wrong approach, and one which offers very little hope of any improvement that difficulties which have been experienced will be eliminated in the future by three individuals unknown at this time.

That is not a reasonable objective to be expected from this particular amendment. For those reasons, I join with the Senator from Vermont in opposing the amendment of the Senator from Montana.

Mr. LEAHY. I yield to the Senator from Kansas.

Mr. DOLE. Mr. President, I rise in opposition to the amendment. In the days of Roosevelt they tried to pack the Supreme Court. I guess now we are trying to unpack the CFTC because it is not packaged right, according to some.

I do not disagree with the motives of the distinguished Senator from Missouri, who is truly interested in trying to restructure the Commission, either with an Administrator or a three-member Commission, to make it more responsive and more functional; but I wonder why we are here again today to replow the ground with reference to Dave Gartner.

If a mistake was made, it was made by the Senate in the confirmation process; and if something has arisen since that time that would have caused us to change directions, then I would suggest we ought to support whatever action might be necessary. But as far as I can recall—and I think the Senator from Kansas was there every moment of the hearings—Mr. Gartner gave us the information. There were some of us who felt we should have let it sit a few days, but that did not happen because of some urgency on the part of whoever might have been swearing in Mr. Gartner; so we went the other step and had another day of hearings. We brought Mr. Gartner before the committee. He was not under oath, but I think he gave us all the information we requested.

There were all kinds of allegations of how he would have to disqualify himself almost on a daily basis. In that connection, I ask unanimous consent to have printed in the RECORD at this point a letter from the Commodity Futures Trading Commission dated June 21, 1978, which states that from May 19, 1978, to June 21, 1978, Mr. Gartner participated in every decision, that it was not necessary for him to disqualify himself. The letter is from the general counsel, and I think it ought to be made a part of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMODITY FUTURES
TRADING COMMISSION,
Washington, D.C., June 21, 1978.

Mr. STEPHEN E. STORCH,
Assistant Counsel, Committee on Agriculture, Nutrition and Forestry, Russell Senate Office Building, Washington, D.C.

DEAR STEVE: In response to your recent inquiry, I am providing you a list of all matters that have been considered by the Commodity Futures Trading Commission in official Open, Closed and Judicial sessions since David Gartner's term of office as a Commissioner began on May 19, 1978. In addition I am furnishing a list of those items the Commission tentatively plans to consider through the end of the month of July. Commissioner Gartner has participated in every official decision made by the Commission since May 19, 1978.

MATTERS CONSIDERED BY THE COMMISSION IN OFFICIAL OPEN, CLOSED AND JUDICIAL SESSIONS SINCE MAY 19, 1978

May 23, 1978, Commission Meeting, Open Session:

1. Petition for Interim Rulemaking submitted by Mocatta Metals Corporation for amendment of regulation 32.11 to permit the granting of dealer options. Action taken: Approved 4–1, Commissioner Gartner voting No. (Commissioner Gartner abstained from voting on motions to amend the petition because of his opposition in principle to the substance of the petition).

2. Economic considerations in classifying leverage transactions as contracts for future delivery. Action taken: No vote. (Commissioner Gartner directed the staff to prepare a report on the economic and legal ramifications of classifying leverage contracts as futures contracts).

3. Proposed rule imposing a moratorium on the offer and sale of leverage contracts. Action taken: Approved for Federal Register publication, 5–0.

4. Second Quarterly Report. Action taken: No vote.

Closed Session

1. By a 5–0 vote the Commission authorized the Division of Enforcement to file a civil action against various persons for alleged violations of financial, segregation, recordkeeping, and anti-fraud rules.

May 31, 1978, Commission Meeting, Open Session:

1. Principal management objectives for fiscal years 1980–82. Action taken: No vote.

2. Proposed plan for phase-out of daily trading limits. Action taken: Approved publication in Federal Register by 4–0 vote (Chairman Bagley absent).

3. Proposed June calendar. Action taken: June calendar approved, as amended, by 4–0 vote (Chairman Bagley absent).

4. Denial procedure for applicants believed to be unfit for registration pursuant to Section 8a(2)(b) of the Commodity Exchange Act, as amended. Action taken: Approved in principle a delegation of authority to the Director or Deputy Director of the Division of Trading and Markets to notify applicants in those cases where there appear to be grounds for denial that, unless a hearing is requested, the application will be denied. Vote: 4–0 (Chairman Bagley absent).

5. Petition for general exemption from regulation 32.11, which bans options trading, submitted by Rosenthal and Co. and Dowdex Corp. Action taken: Deferred until the June 6 meeting.

6. Legislature recommendations on leverage trading. Action taken: Commission voted 3–2 (Commissioner Gartner voting "Aye") in favor of the Office of General Counsel's recommendation of a permanent ban on leverage contracts on those commodities specifically enumerated in section 2a()(1) of the Commodity Exchange Act, as amended, and a ban on leverage contracts involving any other commodity until such time as the Commission expressly permits such transactions. A motion was made and carried by a 5–0 vote, to strike the previous vote and to defer consideration of this item.

Closed Session

1. By a 4–0 vote (Chairman Bagley absent) the Commission authorized the Division of Enforcement to offer the corporate and individual defendants in a pending fraud case a stipulation and order.

2. By a 4–0 vote (Chairman Bagley absent) the Commission authorized the Division of Enforcement to file administrative complaints against two individuals to deny their applications for registration as commodity trading advisers.

June 6, 1978, Commission Meeting, Open Session:

1. Petition for general exemption from regulation 32.11, which bans options trading, submitted by Rosenthal and Co. Action taken: Approved, 4–0 (Commissioner Martin absent).

2. Petition for general exemption from regulation 32.11, which bans options trading, submitted by Dowdex Corp. Action taken: Chairman Bagley's motion to accept the petition rejected, 3–1 (Commissioner Martin absent).

3. Report from the Public Interest Economics Center on "Competition and efficiency in the Commodity Futures Markets." Action taken: Report accepted.

4. Proposed rules on exchange disciplinary procedures. Action taken: Staff directed to propose final rules for publication in the Federal Register.

5. Policy discussion on settlement procedures. Action taken: Staff directed to prepare a set of procedural guidelines for Commission consideration of proposed settlements.

Closed Session

1. By a 4–0 vote (Commissioner Martin absent) the Commission authorized the Division of Enforcement to institute administrative proceedings against certain persons for alleged fraudulent activities.

2. By a 4–0 vote (Commissioner Martin absent) the Commission approved an offer of settlement from the respondent in a pending enforcement matter.

3. By a 4–0 vote (Commissioner Martin absent) the Commission authorized the Division of Enforcement to file an administrative complaint against an individual to deny his application for registration as an associated person.

4. Subject to clarification, the Commission tentatively approved the recommendation of the Division of Enforcement to file an administrative complaint against an individual to deny his application for registration as an associated person.

June 13, 1978, Commission Meeting, Open Session:

1. Consideration of proposed regulation 1.61, which would require exchanges to enforce provisions of the Commodity Exchange Act, as amended. Action taken: Commission voted 5–0 to table the proposed regulation.

2. Legislative recommendation on leverage transactions. Action taken: Commission voted 5–0 to submit to Congress proposed legislation on leverage transactions, drafted under the direction of Commissioners Gartner and Seevers.

Closed Session

1. By a 5–0 vote the Commission authorized the Division of Enforcement to institute administrative proceedings against an individual to deny his application for registration as a floor broker and to revoke his registration as an associated person.

2. By a 5–0 vote the Commission authorized the Division of Enforcement to file a civil injunctive action against certain persons for alleged violations of options rules.

June 15, 1978, Judicial Session:

The Commission, by unanimous vote of participating Commissioners in each instance, approved the issuance of Decisions and Orders in the following adjudicatory proceedings:

1. Baker v. Jones Co.
2. Gordon v. Shearson Hayden Stone, Inc., et al.
3. Graves v. Futures Investment Co.
4. Graves v. Shearson Hayden Stone, Inc., et al.
5. Ruddy v. First Commodity of Boston, et al.
6. Anderholt, et al v. Rosenthal & Co.
7. Benrey v. The Siegel Trading Co., Inc., et al.
8. Miles & Carleton v. Abraham-Reitz & Company West, Inc., et al.
9. Orsini v. First New York Commodity Options, Ltd., et al.
10. Prochniak v. First Commodity Corp. of Boston, et al.
11. Tavani v. Stotler & Company, et al.
12. Tucker v. Economic Systems, Inc.
13. In the Matter of Imperial Options and Vincent Sbarbati.
14. In the Matter of Siegel Trading Co.
15. Eldon Klatt v. International Trading Group, Ltd.
16. In the Matter of Edward A. Cox, Jr. and George F. Frey, Jr.
17. In the Matter of International Commodity Options, Ltd., et al.
18. Barker v. Commodity Management Systems, et al.
19. Rhodes v. R. G. Wilson & Co., Inc.
20. Russo v. Gregory Commodity Options, Ltd., et al.

June 20, 1978, Commission Meeting, Open Session:

1. Motion by Commissioner Gartner to amend the exemption granted to Rosenthal and Co. at the June 6, 1978 Commission meeting. The amendment allows Rosenthal ten days within which to petition the Commission for another exemption, if and when a permanent injunction is entered against the firm. Action taken: Motion approved 3–1 (Commissioner Martin not participating).

2. Proposed customer protection rules. Action taken: (1) Final rules approved with minor language changes 5–0. (2) Proposed rule requiring registrants to exercise due diligence in the handling of customer orders disapproved 3–2 (Commissioner Gartner voting in favor of a due diligence rule).

3. Proposal to publish for comment in the Federal Register, rules governing advertisements by commodity professionals. Action taken: Proposal defeated 3–2 (Commissioner Gartner voting against the proposal).

4. Proposal to publish for comment in the Federal Register, rules banning advertisements of simulated trades. Action taken: Proposal defeated 3–2 (Commissioner Gartner voting against the proposal).

Closed Session

1. By a 5–0 vote, the Commission authorized the Division of Enforcement to file an administrative complaint against an individual for violations of anti-fraud provisions of the Commodity Exchange Act, as amended, and the regulations promulgated thereunder.

2. Rule enforcement reviews of the New York Mercantile Exchange and the New York Cocoa Exchange were presented by the Division of Trading and Markets. Proposed letters to the exchanges, setting forth findings and recommendations of the Division of Trading and Markets, were approved by the Commission with minor language changes.

MATTERS TENTATIVELY PLANNED FOR COMMISSION CONSIDERATION THROUGH JULY 1978

1. Commission Review of Proposed Supporting Objectives and Priorities for fiscal years 80–82.
2. Legal and Economic Review of Leverage Contracts.
3. Policy Discussion—"introducing" FCM's.
4. Proposed Standards for Title III applications.
5. Regulation 1.50 Review—selective calls to contract markets.
6. Regulation of Commodity Pool Operators and Commodity Trading Advisers.
7. Discussion of Reporting Requirements for Dealer Options.
8. Proposed Federal Register Notice on Plan to Phase Out Daily Trading Limits.
9. Financial Rules: Review of public comments and Final Policy discussion.
10. Regulation 1.35(g)/Policy Discussion regarding "time-stamping".

Recommended action on petitions.

11. Disciplinary Rules, Part 8: Proposed final rules and implementation plan.
12. Recommended action on Monex petition.
13. Commission Review/Action on Proposed Allocations, Funding Levels and Priorities for fiscal years 80–82.

If I can be of any further assistance, please do not hesitate to call.

Sincerely,

JOHN G. GAINE,
General Counsel.

Mr. MELCHER. Mr. President, will the Senator yield on that point?

Mr. DOLE. Yes.

Mr. MELCHER. The Senator was present at the proceeding he is referring to, when the letter was delivered to us in the Senate Agriculture Committee. Does the Senator recall that I asked the recently appointed member of the Commission whether he had ever been advised, during any of the time that he had served on the Commission, which I believe he stated was 5 weeks, on what the holdings of Archer-Daniels-Midland

were, and the relationship to the various exchanges, and also had he ever been advised of the various subsidiaries of Archer-Daniels-Midland, so that he could make a judgment on whether Archer-Daniels-Midland or their subsidiaries had been involved in any of the decisions concerning the terms of contracts or the rules and the various regulations?

Mr. DOLE. As far as the Senator from Kansas knows, I was there almost every minute and I think I remember that question, yes.

Mr. MELCHER. May I repeat the answer, if the Senator will yield further?

Mr. DOLE. Well, I think I have time. I will be happy to, yes.

Mr. MELCHER. Mr. President, I ask unanimous consent that a minute of my time be used at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MELCHER. The answer by the recently appointed Commissioner was that he would depend on the Commission's counsel, who in turn answered at that point that they had not, as of then, after 5 weeks, assembled any data on who the subsidiary companies of Archer-Daniels-Midland were, and what possible effect they might have on the sale.

I thank the Senator for yielding.

Mr. DOLE. Again, I do not quarrel with the distinguished Senator from Montana. I know he is purely motivated. But I think if we look at the record and look not only at the record we had, but some of us knew Mr. Gartner in his previous capacity, and I do not necessarily want to invoke the memory of the distinguished late Senator from Minnesota, Mr. Humphrey, but it would seem to me that if in fact he has leveled with the committee, and there is certainly no reason to believe he has not, and we acted upon that—in fact, the distinguished Senator from Oklahoma suggested he sell the stock, and it was sold—perhaps the Senate moved a little too quickly to confirm the nomination. That is the one area that I think is a little cloudy. But beyond that, nothing has happened since that time.

If Senators want to eliminate Mr. Gartner, then vote against the motion to lay on the table. I guess what we are having now is simply a rollcall on the Gartner nomination. That is all this is: a rollcall vote on the Gartner nomination. If, based on the facts as we now have them, you think Gartner ought to be removed, you ought to vote against the motion to table. But it would seem to me if we are going to raise this sort of post-Watergate morality to that level, we might have great difficulty finding anyone to serve on any commission.

I do not know Mr. Gartner that well. I have worked with him. I have heard the late Senator Humphrey say good things about him, and I believe what Senator Humphrey told me, that he is a dedicated, hard-working young man who was of great help to him.

If something has happened or if somebody has some allegations—we had the hearings and everybody was permitted to come and ask questions, with all the questions being asked and answered, to the best of his ability. I suggest that what we have now is a vote on the nomination. This is a vote on the Gartner nomination. If we do not want Mr. Gartner to serve on the commission, if we believe somehow that he is not qualified, we have an opportunity now to remove him.

I happen to believe that he told us all he knew. He leveled. He did not try to hide anything. He did not try to deceive the committee. He did not try to deceive the White House. He did not try to deceive, as far as I know, anyone around him. It seems on that basis that he came to us with clean hands. I doubt it would do any great distinction to this body now to turn the man down.

Mr. LEAHY. Mr. President, I understand everybody has had an opportunity to speak who wanted to speak. I agree with the distinguished Senator from Kansas. It really is not my idea of how we should operate independent bodies, by authorizing the removal of people from the bodies.

Does the Senator from Montana wish to say anything further before I move to table?

Mr. MELCHER. Yes.

Mr. DOLE. I will yield for that purpose and then I will move to table, with the yeas and nays having been ordered.

The PRESIDING OFFICER. The Chair reminds the Senator that a motion to table would not be in order until all time has been yielded back.

Mr. LEAHY. I understand.

Mr. MELCHER. Mr. President, there is no question, as the Senator from Kansas and the Senator from Vermont have clearly stated, that the recently appointed member of the commission very correctly and forthrightly delivered the information to the White House and to the Senate Agriculture Committee about his children's trust funds set up by Dwayne Andreas and his daughter. But there is some question about a recently appointed member of the commission and his concept on propriety.

Let me read from the transcript of that day.

The last donation to the trust fund by Andreas was received on April 1 of 1977, 1 day prior to the time the Senate resolution on the Senate's Code of Ethics was considered and agreed to on this Senate floor.

My colleagues will recall that that code also dealt with administrative assistants.

Senators will recall that that resolution was long in the making in a select or special committee of the Senate for that purpose. There were public meetings, there was input from various Senators, there was thorough discussion of what was involved in the resolution.

The recently appointed Commission member was asked:

> You had no knowledge of any advice given to the trustee or Mr. Andreas—

On the point that the concerned provision in the ethics code that would have outlawed the acceptance of such a donation for a trust fund for a member of his family.

The recently appointed member of the Commission replied:

> Well, I, myself, told Mr. Andreas and Mrs. McMurtrie during the calendar year 1977 that there was a resolution pending before the Senate, and I did not think that they should give any more gifts to the children after that resolution became or actually was passed because I thought—

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MELCHER. Mr. President, I yield myself such time as I may require on the bill.

Mr. LEAHY. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. LEAHY. I am not sure about the unanimous-consent order, but does the Senator from Montana have time on the bill?

The PRESIDING OFFICER. The Senator has 30 minutes on the bill.

The Senator may proceed.

Mr. MELCHER. I will start again with the response of the recently appointed member of the Commission when asked about this question involving the Senate ethics code, which was adopted by the Senate on April 2, in relation to the receiving of the last donation to the trust fund of their children from Mr. Andreas on April 1, 1 day prior to the acceptance of the Senate code.

He replied:

> Well, I, myself, told Mr. Andreas and Mrs. McMurtrie during the calendar year 1977 that there was a resolution pending before the Senate and I did not think they should give any more gifts to the children after that resolution became or actually was passed because I thought there would be a question as to the legality or the propriety of doing so.

In other words, in declaring that, he thought there would be no question of legality or the propriety of doing something on April 1 rather than after April 2 and subsequent to that when the Senate resolution was agreed to. In other words, what he told the trustee, or told Mr. Andreas and Mrs. McMurtrie, was, "If you are going to do it, do it quickly, because the Senate ethics resolution is pending and it would be improper after that time."

That is a question of judgment that is involved with the recently appointed member of the Commission. Is his idea of propriety to do something quickly before a deadline passes that your administrative assistant participated in developing for the Senate as an ethics code? The fact is that on April 1, 1 day ahead of agreeing to the resolution, Dwayne Andreas or Mrs. McMurtrie, or both, contributed to the trust fund, 1 day ahead.

The fact is that, on his own testimony, the recently appointed member of the Commission said to Mr. Andreas, "If it is going to be done, do it quickly, because there is something pending in the Senate that, when passed and adopted, would make it improper or illegal."

The National City Bank of Minneapolis is a trustee. It is owned by a corporation, 95 percent of which is owned by Archer-Daniels-Midland, which is Dwayne Andreas.

You know, what we have before us, I say to the Members of the Senate, is a very simple amendment. It cuts the members of the Commission to three and tells the President to reappoint them. When we are wrong, we ought to admit it. It is patently obvious that the recently appointed Commission member cannot effectively perform his duties. I believe our responsibility is clear.

The White House, with egg on their face, said to the appointee, "Withdraw"—within a matter of days, "withdraw."

The Vice President, an old friend—I think with egg on his face, too—said to the appointee, "Withdraw; withdraw"—in just a matter of days.

We made a mistake in the committee. I made a mistake. I did not pay enough attention. He is a well-liked, well-respected person. I thought, "Fine." I did not pay attention to what that well-liked, well-respected person was telling us—that he had a trust fund for his children from Dwayne Andreas.

The tie to Archer-Daniels-Midland and Dwayne Andreas and all the stocks on the various futures trading exchanges had been discussed before. I think our responsibility as Members of the Senate is to admit it when we are wrong. We pushed it through here. The Senator from Kansas described how it was rushed through on the Senate floor—without any consideration. I think when we recognize a wrong, a defect in our action, we should correct it.

This amendment serves the purpose of taking the recently appointed member of the Commission off the hook. The hook, as he says, is in: To voluntarily resign as asked to by the President and Vice President would look to some as an admission of guilt. He has taken his position. He has made it clear. He does not have to resign voluntarily under this procedure, under this amendment. I do not think anybody has any idea that the President, under the circumstances, would reappoint him. Under the amendment, the President would appoint three new members to the Commission. That is fair, under the circumstances and under the concept of propriety, as envisioned by most of us—indeed, I dare say, by all of us.

It is fair to that gentleman. He is guilty of nothing but, perhaps, poor judgment and perhaps, also, a poor concept of propriety as evidenced by his advice to Andreas that if he is going to make the contribution to the trust fund, do it prior to the time that the Senate adopted the resolution.

Does the Senator from Virginia seek time?

Mr. HARRY F. BYRD, JR. Will the Senator yield for a question?

Mr. MELCHER. Yes.

Mr. HARRY F. BYRD, JR. The Senator from Virginia is not familiar with this matter at all except what has been noted in the press. When the appointee appeared before the committee, am I correct in my understanding that the appointee made known to the committee that a $72,000 trust fund had been established for his children?

Mr. MELCHER. The Senator is correct.

Mr. HARRY F. BYRD, JR. Did he indicate why a nonfamily individual would establish such a trust fund in such an amount?

Mr. MELCHER. I have to admit to the Senator from Virginia, with egg on my face, at that time, I really do not know. I was not there. But subsequent to that time, I believe it was June 21 or 22, when he was asked to come back to the committee, he stated that Mr. Andreas is a very close friend of his, and indeed, had been the best man at his wedding.

Mr. HARRY F. BYRD, JR. When the appointee came back to the committee the second time, just recently, was the committee satisfied with the responses given to the committee to the questions put to him by the committee?

Mr. MELCHER. The committee at that time took no action at all. The committee noted that in our discussion, which was a public committee meeting, there was no feeling among any of us that he should be removed for cause. There was feeling that he had done no wrong; that he was a victim of circumstances, for the information that he had provided—I mean the information of the Gartner trust fund—had been provided both to the White House and to the Senate committee; that it was their fault for not looking into it more closely and the fault of those of us on the Senate Agriculture Committee, or those of us who felt it is important, for not having looked into it at the time.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. MELCHER. The point really is, how could this recently appointed member of the Commission be effective on the Commission? In my judgment, under the terms that he set for himself, that every transaction or every decision made by the Commission that directly impacted on Archer-Daniels-Midland or Dwayne Andreas, he would excuse himself from, that is his own decision, his own guideline. He described it to the committee as not being a matter of fault. However, I have to disagree, knowing that not only is Archer-Daniels-Midland a big conglomerate in itself, and that its subsidiaries involve it very frequently—daily, as a matter of fact, in a number of exchanges in the country in futures trading; that the $2-billion-a-year-gross-sales conglomerate and its subsidiaries have memberships numbering 15 on the Minneapolis Exchange and 11 on the Chicago Board of Trade—just to mention 2; that it is not known by the committee or anybody that I know of just how many of them happen to sit on the board of governors of those various exchanges that actually make up the rules and the terms of contract.

How could he add or contribute to the Commission as a bona fide member and a responsible member if he is going to absent himself from any dealings of such a big conglomerate, and also such a big trader as Dwayne Andreas? In my judgment he cannot.

How could he create confidence in the entire Commission and its regulation of a trillion dollars' worth of trading every year? In my judgment, he does not lend confidence to the Commission.

It has been stated that perhaps it will not be so hard to determine when some decision of the Commission would directly impact Archer-Daniels-Midland or Dwayne Andreas.

The recently appointed member of the Commission said in answer to that, how he would know, he would depend upon Commission counsel to flag it for him, to notify him, so he would not participate.

We asked commission counsel at that time, having been advised by the commission chairman that the recently appointed commission member had been on the Commission 5 weeks and participated in the decisions of the Commission during that length of time, and that nothing had arisen during that time, "Well, what record was there to show what Archer-Daniels-Midland was involved in, or any of the subsidiaries on the various exchanges?"

They had no record. They did not have any data. They did not have a table of ownership. They did not have any table of membership. They did not have any table of those members of Archer-Daniels-Midland, or any other of their subsidiaries, sitting on the board of governors of any exchange.

In fact, it was hardly reassuring. I think it was shattering in this concept that somehow they will flag all these dealings, and when Archer-Daniels-Midland or the subsidiaries are involved in a transaction where a new regulation or contest was held.

It points out the uncertainty of the whole proposition. I think the amendment goes right to the heart of the matter and takes a recently appointed member of the Commission off the hook, gives the President the opportunity to renew confidence in the community by appointing three new commissioners, to appoint any others he wants to, the option is given him. He may reappoint three of the existing four members of the Commission, as a matter of routine.

I think it would do good, that it would give a great amount of help to the Commission at this time, and give the public some confidence that the Commission is truly in a position to regulate with equity, fairness, and honesty the vast number of transactions that they must regulate.

Mr. President, I suggest the absence of a quorum.

Mr. LEAHY. Well, Mr. President, would the Senator withhold that?

Mr. MELCHER. I am delighted to withhold it.

Mr. LEAHY. Mr. President, the Senator from Montana has said that he

made a mistake in this matter. I have been told that confession is good for the soul. I would hope in this case that it is, but I would hope that the Senator from Montana would not inflict upon the country as penance a complete change in a very significant piece of legislation.

This is one of the most significant pieces of legislation that will come out of our committee. It affects, as we said before, quite directly, nearly $1 trillion worth of commodities trading, depending upon whose figures we use, of course.

I would hope that in the change around appointments of the CFTC, we would not go to this drastic change.

I would ask the Senator from Montana, is he prepared to yield back his time? If he is, I am prepared to yield back the time on this side and go to a vote on the matter.

The PRESIDING OFFICER. (Mr. HODGES). The Senator does not have to yield back his time on the bill in order to vote on the amendment.

Mr. LEAHY. Or to vote on the motion to table?

The PRESIDING OFFICER. That is correct.

Mr. LEAHY. Then at this time, Mr. President, I move to table, and the yeas and nays have already been ordered.

Mr. MELCHER. Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator has time on the bill remaining, which he could not use at this point since debate is not in order.

The question is on agreeing to the motion to lay on the table UP amendment No. 1411. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Idaho (Mr. CHURCH), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from New York (Mr. MOYNIHAN) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. MCGOVERN) is absent on official business.

Mr. STEVENS. I announce that the Senator from Michigan (Mr. GRIFFIN), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The result was announced—yeas 69, nays 23, as follows:

[Rollcall Vote No. 209 Leg.]

YEAS—69

Bartlett	Dole	Javits
Bayh	Domenici	Kennedy
Bellmon	Durkin	Laxalt
Brooke	Eastland	Leahy
Bumpers	Ford	Long
Burdick	Glenn	Lugar
Byrd, Harry F., Jr.	Goldwater	Magnuson
	Hansen	Mathias
Byrd, Robert C.	Hart	Matsunaga
Cannon	Haskell	McClure
Case	Hatfield, Mark O.	McIntyre
Chafee		Morgan
Chiles	Hathaway	Muskie
Clark	Hayakawa	Nelson
Cranston	Heinz	Nunn
Culver	Huddleston	Packwood
Curtis	Humphrey	Pearson
Danforth	Inouye	Pell
Percy	Schmitt	Stone
Randolph	Schweiker	Talmadge
Ribicoff	Sparkman	Wallop
Riegle	Stafford	Williams
Sarbanes	Stennis	Young
Sasser	Stevenson	

NAYS—23

Allen	Hatch	Metzenbaum
Baker	Hatfield, Paul G.	Proxmire
Bentsen		Roth
Biden	Helms	Scott
DeConcini	Hodges	Stevens
Eagleton	Hollings	Thurmond
Garn	Jackson	Weicker
Gravel	Melcher	Zorinsky

NOT VOTING—8

Abourezk	Griffin	Moynihan
Anderson	Johnston	Tower
Church	McGovern	

So the motion to table Mr. MELCHER's amendment (UP No. 1411) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the motion to lay the amendment on the table was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, I ask unanimous consent that Brad Gungall, of Senator BELLMON's staff, and Joe Kinney, of Senator MORGAN's staff, be accorded the privilege of the floor during all discussions and votes that may occur in regard to S. 2391.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I yield to the Senator from Colorado.

MILITARY CONSTRUCTION AUTHORIZATION ACT, 1979

Mr. HART. Mr. President, I ask unanimous consent that the pending business be set aside temporarily and the Senate return to the consideration of H.R. 12602.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The second assistant legislative clerk read as follows:

A bill (H.R. 12602) to authorize certain construction at military installations for fiscal year 1979, and for other purposes.

The Senate resumed the consideration of the bill.

● Mr. McINTYRE. Mr. President, I had intended to offer an amendment which I feel is very important and I know that feeling is shared by several colleagues, such as Senators DURKIN, HATHAWAY, and MUSKIE. The shipyard modernization program that comprises a good portion of today's bill is an extremely important project and one which must go ahead with all deliberate speed. My amendment would have added $1.6 million to the authorization for the Portsmouth Naval Shipyard modernization program, moneys to be used to construct a waterfront support facility which is necessary for the repair and overhaul of the larger *Los Angeles* class submarines that the yard expects to receive in the 1980's.

This $1.6 million was deleted from the original request made by the Navy. My concern and the purpose of the amendment, was to insure that this money be restored in a timely way. Now if that can be accomplished without an amendment, thereby speeding up the proceedings here today, so much the better. I wonder if the chairman would comment on the significance which he attached to this particular item I am talking about? As he well knows the item was restored in the House version of the bill and will be a conference item. Will the chairman assure me that these funds will receive the highest priority in conference?

Mr. HART. As I stated in a letter to Senator MCINTYRE, I do intend to give this item careful evaluation and every consideration in conference.

Mr. MCINTYRE. Given the significance of these funds to the Portsmouth Naval Shipyard modernization program, does the chairman agree with me that the project should go ahead in the most expeditious way possible?

Mr. HART. Yes, that is my intention and while I cannot speak for the other members of the conference, I will give it every consideration in conference.

Mr. MCINTYRE. That being the case, Mr. President, I will not offer my amendment and I thank the distinguished chairman for his support.●

Mr. HART. Mr. President, I ask unanimous consent as to the amendment offered earlier today to this pending bill by the Senator from Texas (Mr. TOWER) that his colleague, the Senator from Texas (Mr. BENTSEN), be added as cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, I shall take a moment to explain to my colleagues why final passage of this bill was delayed for several hours. I was prepared to exert some effort to delay passage of the bill indefinitely unless certain very serious policy questions concerning military base realinements were adequately answered by the Defense Department.

Earlier today, I had printed in the RECORD a letter which I directed to the Secretary of Defense posing these policy questions. A short time ago I received a response to that letter.

I ask unanimous consent that that response be printed in the RECORD.

There being no objection, the response was ordered to be printed in the RECORD, as follows:

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., July 12, 1978.

Hon. GARY HART,
Chairman, Subcommittee on Military Construction and Stockpiles, Committee on Armed Services, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your letter to Secretary Brown regarding the Air Force decision to defer construction of an avionics training facility at Lowry Air Force Base, Colorado.

We regret that your first notice of the action to defer construction of the Lowry project was from the press. As you may know, we have a long-standing procedure that the Military Services assure that Congressional delegations are informed of any action substantially affecting their states or districts. In this instance, failure to provide

prior notification of the deferral was an oversight. We sincerely regret any embarrassment which may have resulted.

I assure you that political pressure or consideration was not in any way a factor in the determination to defer construction of the avionics training facility at Lowry. Rather, that decision reflects a long-standing procedure within the Department of Defense to closely review and monitor military construction at bases (1) either planned or currently under review for possible realignment of missions or closure, or (2) which could reasonably be considered as alternatives to the prime base candidate. These management procedures are designed to insure that construction funds are not needlessly expended.

Each project is reviewed on a case-by-case basis and in many instances such reviews do not result in deferral or cancellation of planned construction. Frequently, it can be determined that the need for the proposed work is not affected by a planned or on-going study and thus is required regardless of the outcome. However, in the case of the Lowry training facility, the Air Force has not completed the detailed analysis of its technical training centers and, therefore, could not clearly make such a determination. Accordingly, the Air Force took the only prudent management decision practicable under the circumstances and withheld execution of the project pending conclusion of the study which should be forthcoming shortly.

With respect to the list of detailed questions which was appended to your letter, we have prepared replies and they are enclosed herewith. If you have any questions, please let us know. We would be pleased to meet with you or your staff on this matter if you desire.

Sincerely,

JOHN P. WHITE,
Assistant Secretary of Defense.

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1. Question. When and why was the decision made to defer the construction of the avionics training facility at Lowry Air Force Base?

Answer. The decision within the Headquarters, United States Air Force, to defer the construction of the avionics training facility at Lowry Air Force Base was made in early June. Within the Department of Defense, it is a long-standing management practice to closely monitor the military construction program to insure that no construction funds are needlessly expended at bases (1) undergoing review for possible closure or major realignment, or (2) those which could be reasonably considered as alternatives to the prime base candidate.

2. Question. Was the Defense Department consulted on this decision?

Answer. The Office of the Secretary of Defense was not consulted specifically on the decision to defer the avionics training facility. However, it was clearly understood that the Air Force would exercise the long-standing DoD management practice with respect to additional capital investments on a base under study for closure, as outlined above.

3. Question. Is this decision part of a Defense Department policy to defer construction at all bases that are either "candidates" for realignment or have missions similar to "candidate" bases?

a. If no, why not?

b. If yes, provide a list of all other bases affected by this policy and indicate the specific deferrals that may be affected at such bases.

Answer. It is not Department of Defense policy to unequivocally defer all construction at bases that are either candidates for realinement or have missions similar to candidate bases. The proposed project must be screened with respect to the final configuration or mission of the realigned installation. Projects that are not compatible with possible final realignment action are held in abeyance. Projects that cannot conceivably be affected by the realignment action (to include Health/Safety projects) are allowed to continue though they receive close scrutiny. Construction at similar locations is not deferred unless there is a direct relationship between the proposed realignment and the similar installation. Any adjustments are made in accordance with established procedures.

4. Question. If it is not Defense Department policy to defer construction at "candidate" bases and bases with similar missions, perhaps it should be. Provide a list of all bases that are currently "candidate" for realignment and all bases that have similar missions (e.g., Chanute, Lowry, Keesler, Sheppard, and Lackland; San Diego, Great Lakes, and Orlando, etc.). For each base indicate construction projects that are pending (authorized but not completed, include those only partially completed) indicating the status of each project.

Answer:

Tab A—Army.

Tab B—Navy.

Tab C—Air Force.

DEPARTMENT OF THE ARMY

1. The following locations are presently being considered by the Department of the Army for possible realignment action.

a. Training Base Realignment Considerations:

(1) Ft. Benning, GA.
(2) Ft. Bliss, TX.
(3) Ft. Dix, NJ.
(4) Ft. Gordon, GA.
(5) Ft. Jackson, SC.
(6) Ft. Knox, KY.
(7) Ft. McClellan, AL.
(8) Ft. Sill, OK.
(9) Ft. Leonard Wood, MO.

b. Medical Center Realignment Considerations:

(1) Fitzsimmons Army Medical Center (AMC), CO.
(2) Brooke AMC, TX.
(3) Dwight David Eisenhower AMC, GA.
(4) Walter Reed AMC, DC.
(5) Tripler AMC, HI.
(6) Madigan AMC, WA.
(7) William Beaumont AMC, TX.
(8) Letterman AMC, CA.

c. Other Realignment Considerations:

(1) Aberdeen Proving Ground, MD.
(2) Arlington Hall Station, VA.
(3) Ft. Eustis, VA.
(4) Ft. Douglas, UT.
(5) Dugway Proving Ground, UT.
(6) Ft. Hamilton, NY.
(7) Ft. Indiantown Gap, PA.
(8) Letterkenny Army Depot, PA.
(9) Ft. MacArthur, CA.
(10) Ft. Monroe, VA.
(11) Corpus Christi Army Depot, TX.
(12) New Cumberland Army Depot, PA.
(13) Presidio of San Francisco, CA.
(14) Rock Island Arsenal, IL.
(15) Ft. Sheridan, IL.
(16) Ft. Wadesworth, NY.
(17) Vint Hill Farms Station, VA.
(18) Ft. Totten, NY.
(19) Redstone Arsenal, AL.

2. The projects which are pending at the proposed realignment locations are as follows:

a. Training Base Realignment Considerations:

Fiscal year and project	CWE ($000)	Construction award	Completion
Ft. Benning, Ga.:			
Design:			
1977 Building improvements	969	July 1978	
1977 Energy conservation system	1,628	September 1978	
1977 Upgrade domestic waste treatment	4,030	September 1978	
1978 EM barracks complex	13,934	September 1978 (holding)	
1978 Dental clinic	3,279	September 1978	
Construction:			
1975 Upgrade hospital	5,214		December 1979.
1976 EM barracks complex	18,342		August 1978.
1976 Building improvements—Energy	483		July 1978.
1977 Lindsay Creek Parkway	3,689		May 1979.
1978 BCT training facility	3,264		December 1978.
(2) Fort Bliss, Tex.:			
Design:			
1978 Insulate buildings	557	Septem er 1978	
Construction:			
1978 Water storage tanks	262		October 1978.
1978 Hot water heaters	79		February 1979.
(3) Fort Dix, N.J.:			
Design:			
1973 Cold storage warehouse	1,215	On DA hold	
1973 Barracks modernization	5,670	Design completed	
Construction:			
1971 Improve sewage facility	3,005		August 1978.
(4) Fort Gordon, Ga.:			
Construction:			
1977 Regional dental activity	1,583		March 1979.
(5) Fort Jackson, S.C.:			
Design:			
1976 Building weatherproofing	357	September 1978	
1978 Water pollution control	366	July 1978	
Construction:			
1976 EM barracks complex	10,003		December 1978.
1976 Storm drainage	254		September 1978.
(6) Fort Knox, Ky.:			
Design:			
1977 Insulate/imp heating/cooling, phase II	1,666	August 1978	
1977 Modify heating plant, phase II	1,747	December 1978	
1976 Upgrade sewage system, phase II	4,316	December 1979	
Construction:			
1976 Add/alter Ireland Army Hospital	24,820		August 1980.
1977 Upgrade sewage system	2,938		December 1978.
1976 Sanitary sewer cleaning, phase II	186		July 1978.
1977 Industrial waste treatment	1,960		November 1979.
1977 Improve heating/cooling, phase I	1,068		August 1978.
1977 Modify heating plants, phase I	893		December 1978.
1977 Dining facility modernization	2,047		February 1979.
(7) Fort McClellan, Ala.:			
Design:			
1974 Boiler expansion, phase IV	1,300	August 1978	
Construction:			
1976 Addition to Noble Army Hospital	9,608		September 1979.
1976 Boiler plant modernization	708		November 1978.
1976 EM barracks complex	14,443		Do.
1976 Heating controls/insulation	397		Do.
1977 Heating control system (ECIP)	1,880		January 1980.

Fiscal year and project	CWE ($000)	Construction award	Completion
(8) Fort Sill, Okla.: Design:			
1977 Industrial waste treatment	782	September 1979	
Construction:			
1976 Barracks complex trainee	12,570		March 1979.
1976 Building heating system	1,649		January 1979.
(9) Fort Leonard Wood, Mo.: Design:			
1977 Heating plant improvement	2,800	November 1978	
1977 Insulation/storm windows	645	July 1978	
Construction:			
1974 EM barracks complex	44,840		October 1978.
1975 Electrical/mechanical upgrade hospital.	4,142		August 1978.
1975 EW barracks	1,599		October 1978.
1975 Sewage treatment plant	2,001		July 1979.
1975 Water pollution control	146		Do.
1976 Rangei mprovements	526		December 1978.
1976 Range parking area	158		Do.
1976 Sewage treatment improvement	9,144		July 1979.
1977 Fuel conversion	1,371		October 1978.
1977 Heating system automation/surveillance controls.	4,236		February 1979.
(b) Medical center realinement considerations: (1) Fitzsimons AMC, Colo.: Construction:			
1977 Upgrade sewage plant	516		Aug. 1978.
(2) Brooke AMC, Tex.: Design:			
1978 Alter Brooke AMC	9,000	Design held	
(3) Dwight David Eisenhower AMC, Ga.—None.			
(4) Walter Reed AMC, D.C.: Design:			
1978 Fuel Oil Storage/Emergency Generator. Construction:	2,089	September 1978	
1972 Hospital	140,000		June 1978.
1977 Research support facility	660		August 1978.
(5) Tripler AMC, Hawaii—None.			
(6) Madigan AMC, Wash.—None.			
(7) William Beaumont AMC, Tex.: Design:			
1977 Hospital electrical/mechanical upgrade.	3,856	August 1978	
(8) Letterman AMC, Calif.—None.			
(c) Other realinement considerations: (1) Aberdeen Proving Ground, Md.: Design:			
1974 EM barracks	4,652	February 1979 [1]	
1974 EM barracks, phase II	6,329	March 1979 [1]	
1978 Chemical Storage Security	6,738	September 1978	
1978 Energy Control System Phase II	800	do	
Construction:			
1974 Relocation of electrical lines for EM barracks.	18		July 1978.
1976 Research facility	6,500		August 1978.
1977 Install storm sashes	692		July 1978.
1978 Energy control system, phase I	800		October 1979.
(2) Arlington Hall Station, Va.—None.			
(3) Fort Eustis, Va.: Construction:			
1976 Dining facility modernization	930		Do.
1977 Energy control system	1,517		February 1979.
1977 Insulation and storm windows	783		October 1978.
(4) Fort Douglas, Utah—None.			
(5) Dugway Proving Ground, Utah—None.			
(6) Fort Hamilton, N.Y.—None.			
(7) Fort Indiantown Gap, Pa.—None.			
(8) Letterkenny Army Depot, Pa.: Construction:			
1977 Vehicle rebuild facility	3,226		November 1979.
1977 Insulate permanent buildings, phase I	1,062		February 1979.
1977 Insulate permanent buildings, phase IIa.	952		August 1978.
1977 Insulate permanent buildings, phase IIb.	923		Do.
(9) Fort MacArthur, Calif—None.			
(10) Fort Monroe, Va.: Design:			
1976 Water pollution control, phase II	649	September 1978	
(11) Corpus Christi Army Depot, Tex.: Design:			
1978 Heat treatment	2,693	July 1978	
1978 Industrial waste, phase II	836	do	
Construction:			
1978 Jet fuel test facility	927		December 1978.
1978 Flammable storage and POL	328		August 1978.
1978 Industrial waste, phase I	651		November 1978.
1976 Supply operations and storage building, phase II.	988		January 1979.
(12) New Cumberland Army Depot, Pa.—None.			
(13) Presidio of San Francisco, Calif.: Design:			
1978 Heat recovery	132	On hold Not scheduled	
(14) Rock Island Arsenal, Ill.: Design:			
1978 Replace Moline Bridge	9,100	August 1978	
(15) Fort Sheridan, Ill.—None.			
(16) Fort Wadsworth, N.Y.—None.			
(17) Vint Hill Farms Station, Va.: Design:			
1977 Sewage treatment plant	960	September 1978 [2]	
(18) Fort Totten, N.Y.—None.			
(19) Redstone Arsenal, Ala.: Construction:			
1977 Sediment and disposal facility	1,368		April 1979.

[1] These were DA hold until fall of 1977—barracks modernization will be awarded subject to availability of funds after award of EM barracks.

[2] On DA hold until June 1978, when it was released for award.

Installation and project	Cost (thousands)	Status (percent)
NAVY		
Current candidates for realinement:		
RTC San Diego, Calif.: None		(1)
RTC Great Lakes, Ill.: None		(1)
Bases with similar missions: RTC Orlando, Fla.: None		(1)
MARINE CORPS		
Current candidates for realinement:		
MCRD Parris Island, S.C.:		
Modern family housing	$2,418	10
Boiler plant modernization	80	15
Sanitary sewerage collection system	570	2
Dining facility alteration	500	0
Recruit barracks	2,300	0
Applied instruction building	700	0
MCRD San Diego, Calif.: Steam and condensate system	1,200	0
Bases with similar missions: None.		
NAVY		
Current candidates for realinement: Headquarters Military Sealift Command, Washington, D.C.: None.		
Bases with similar missions: None.		
Current candidates for realinement: Navy Recruit Command, Washington, D.C.: None.		
Bases with similar missions: None.		
Current candidates for realinement: Navy Exhibit Center, District of Columbia: None.		
Bases with similar missions: None.		
Current candidates for realinement: Headquarters Navy Audit Service, Washington, D.C.: None.		
Bases with similar missions: None.		
Current candidates for realinement: NSA Long Beach, Calif.: None		(2)
Bases with similar missions: NS San Diego, Calif.:		
P-087, berthing improvement	400	4
P-142, pier utilities	8,166	4
Current candidates for realinement: NAS (NARF) Alameda, Calif.: [3] P-745 energy monitor and control system	1,191	
Bases with similar missions: NSC Oakland, Calif.: [3] None.		
Current candidates for realinement: [3]		
NARF Norfolk, Va.: P-292 insulation and storm windows	390	0
NAS Norfolk, Va.:		
P-089 insulation and storm windows	100	25
P-158 heating, ventilation, and air-conditioning	700	5
P-269 AUW shops and weapons storage magazine	950	10
P-363 runway extension	10,300	2
P-444 air freight terminal	2,950	0
Bases with similar missions: NSC Norfolk, Va.:		
P-867 POL pipeline	4,990	25
P-163 lighting system	1,200	0
Current candidates for realinement: [3]		
NARF North Island, Calif.: None.		
NAS North Island, Calif.:		
P-366 oily waste collection and reclamation	3,600	5
P-373 industrial waste collection	2,171	8
P-379 steam and condensate system	5,949	1
P-388 oil spill prevention	1,500	

Footnotes at end of table.

Installation and project	Cost (thousands)	Status (percent)
NAVY—Continued		
Current candidates for realinement—Continued		
NAS North Island, Calif.—Continued		
P–391 steam and condensate system	4,500	0
P–446 classified item	7,251	0
P–996 Smoke abatement—Crash fire	250	0
Bases with similar missions: NSC San Diego, Calif.: None.		
Current candidates for realinement: Naval Regional Medical Center, Philadelphia, PA.:[1] None.		
Bases with similar missions: National Naval Medical Center, Bethesda, Md.: P–056 National Naval Medical Center, modernization	100,000	54
Current candidates for realinement: Naval hospital, Quantico, Va.:[3] None.		
Bases with similar missions: National Naval Medical Center, Bethesda, Md.:[3] P–052 National Naval Medical Center, modernization	100,000	54
Current candidates for realinement: Naval hospital, Whidbey Island, Wash.:[6] None.		
Bases with similar missions: Naval Regional Medical Center, Bremerton, Wash.:		
P–033 hospital complex	29,959	73
P–004 BEQ	5,450	0
Current candidates for realinement: Naval hospital, Port Hueneme, Calif.:[7] None.		
Bases with similar missions: Naval hospital, Long Beach, Calif.: None.		
Current candidates for realinement: Naval Hospital, Key West Fla.:[5] None.		
Bases with similar missions:		
Naval Regional Medical Center, Jacksonville, Fla.: None.		
Naval Aerospace Regional Medical Center, Pensacola, Fla.		
Current candidates for realinement: Naval hospital, Annapolis, Md.:[9] None.		
Bases with similar missions: National Naval Medical Center, Bethesda, Md.		
Current candidates for realinement: Naval Regional Medical Center, New Orleans, La.:[10] None.		
Bases with similar missions: None.		
Current candidates for realinement: NAS Keywest, Fla.:[11]		
Dispensary/dental clinic	975	97
Incinerator	1,648	0
Bases with similar missions: None.		
Current candidates for realinement: Support and Development Office, (CASDO) Portsmouth, N.H.:[12] None.		
Bases with similar missions: Central Naval Ordance Management Information Systems Office (CENO) Indian Head, Md.:[12] None.		
Current candidates for realinement:		
NAS Whiting Field, Fla.:[13]		
P–174 training facility	500	[14] 0
P–154 outlying fields including land acquisition	1,400	38
Em dining facilities	1,208	0
NAS Corpus Christi, Tex.:[13] P–231 boiler replacement	5,430	[14] 5
Bases with similar missions: None.		

[1] There is collocated with each of the recruit training centers a service school's command which is not the subject for realinement actions. There are projects included in the fiscal year 1979 Milcon program for the service school's command, Orlando.

[2] The proposed action would reopen NSA Long Beach as an active homeport for surface ships The action is intended to relieve port congestion at NS San Diego and avoid costly future pier construction at this location. The action will not affect projects for NS San Diego requested in the fiscal year 1979 Milcon program.

[3] There are 5 naval supply centers (NSC) and 6 nava. air rework facilities (NARF) within the continental United States. The situation wherein a NSC and a NARF are in sufficiently close proximity for consolidation of common supply functions exists at only 3 locations which are all addressed in the Apr. 26, 1978 realinement action.

[4] If disestablishment of NRMC Philadelphia occurs, active duty military inpatient care would be provided at NNMC Bethesda. Emergency care would be provided at the nearest hospital. Other beneficiaries would be referred to Veterans' Administration facilities or Champus.

[5] Should NH Quantico be discontinued active duty military inpatient care would be provided principally at NNMC Bethesda with some at Fort Belvoir Army Hospital. Emergency care would be provided at the nearest hospital. Other beneficiaries would receive inpatient care at NNMC Bethesda, Fort Belvoir Army Hospital or be referred to Champus.

[6] If disestablishment of NH Whidbey occurs, active duty military inpatient care would be provided at NRMC Bremerton. Other beneficiaries would be referred to Champus or Madigan Army Hospital. Emergency care would be provided at the nearest hospital.

[7] If disestablishment of NH Port Hueneme occurs, active duty military inpatient care would be provided at NH Long Beach or possibly Veterans' Administration facilities. Emergency care would be provided at the nearest hospital. Other beneficiaries would be sent to either NH Long Beach, Veterans' Administration facilities or referred to Champus.

[5] If disestablishment of NH Key West occurs, active duty military inpatient care would be provided primarily at NRMC Jacksonville with some provided at NARMC Pensacola. Emergency care would be provided at the nearest hospital. Other beneficiaries would be returned to Champus.

[9] If disestablishment of NH Annapolis occurs, active duty military inpatient care would be provided at NNMC Bethesda. Emergency care would be provided at the nearest hospital. Other beneficiaries would be sent to NNMC Bethesda or referred to Champus.

[10] If disestablishment of NRMC New Orleans occurs active duty military inpatient care would be provided at Public Health Service facilities. Emergency care would be provided at the nearest civilian hospital. Other beneficiaries would be referred to Public Health Service facilities (primarily) and Champus.

[11] Mission under review at NAS Keywest is support of A–5 reconnaissance aircraft. All Navy A–5 aircraft have heretofore been based at Keywest. The A–5 mission is the primary role of this base, other Navy operations here being in support of the A–5's. Upon phase out of all A–5's from Navy inventory, to occur by fiscal year 1980, plan is to assign reconnaissance mission to F–14 aircraft to be based at NAS Oceana on NAS Miramar.

[12] These activities are tenant commands with computer related primary functions. CASDO is located at the Portsmouth NSY, New Hampshire and CENO at NOS Indian Head, Md. Because of their size, functional nature and tenant status these commands have only minimal Milcon requirements.

[13] Although there are many more NAS's throughout the Navy, NAS Whiting Field and NAS Corpus Christi are the only 2 involved in basic propeller flight training.

[14] See note 1.

NAVAL RESERVE

Installation and project	Cost (thousands)	Status (percent)
Current candidates for realinement:		
Naval Air Facility (NAF), Detroit, Mich.:		
P–031 aircraft maintenance hangar	$4,356	20
P–032 intermediate maintenance facility	2,136	20
Naval Air Reserve Detachment (NARDET):		
Lakehurst, N.J.: None.		
Miami, Fla.: None.		
Denver, Colo.: None.		
Olathe, Kans.: None.		
New York, N.Y.: None.		
Niagara Falls, N.Y.: None.		
Seattle, Wash.: None.		
Activities with similar missions:		
A. To NAF Detroit, Mich.:		
Naval Air Station (NAS):		
Dallas, Tex.:		
P–245 Intermediate maintenance facility	2,693	45
P–265 F–4 Trainer facility	1,740	[1] 100
P–246 Aircraft maintenance hangar alterations.	1,278	[1] 100
P–263 Building modifications	116	[1] 100
New Orleans, La.:		
P–290 Aircraft rinse facility	210	100
P–249 Warehouse mez	134	85
P–261 Oil spill prevention facility	403	80
P–258 Aircraft maintenance hangar alterations.	1,684	45
P–196 Refueling vehicle maintenance facility	197	[1] 95
Willow Grove, Pa.:		
P–130 Avionics engine shop	1,670	45
P–076 Aircraft parking apron	1,754	30
P–151 Supply building	428	25
P–119 Aircraft noise suppressor	282	[1] 100
P–131 Aircraft maintenance hangar alterations.	996	[1] 45
Glenview, Ill.:		
P–982 Aircraft control tower	1,585	32
P–298 Building modifications	224	5
P–078 P–3 DIFAR trainer	70	[1] 100
P–966 Oil-water separator	79	[1] 95
P–989 Secure steam nonheat season	297	[1] 45
South Weymouth, Mass.:		
P–035 Bachelor enlisted quarters	1,194	5
P–103 Aircraft approach lighting	285	[1] 45
P–126 Intermediate maintenance facility	2,712	[1] 40
P–131 Aviation training building alterations.	520	[1] 30
Atlanta, Ga.:		
P–288 Load shedding cycling equipment	78	50
P–281 Fuel vapor emission control	216	25
P–284 Ordnance complex	244	2
P–291 Ground support equipment shop exp	143	[1] 100
P–289 Building modifications	115	[1] 30
Naval Air Facility (NAF), Washington, D.C.[2]: P–001 Aircraft power check pad/with sound suppressor.	147	[1] 100
Bases with similar missions		
B. To NARDET Lakehurst, N.J. (Flying NARDET status):		
Naval Air Detachment (NARDET):		
Miramar, Calif.: P–149 Admin training building	1,783	25
Moffet Field, Calif.: P–128 training building addition	510	([3])
Patuxent River, Md.: None.		
C. To other (nonflying) NARDETS:		
Naval Air Detachment (NARDET):		
Columbus, Ohio: None.		
Twin Cities, Minn.: None.		
Albuquerque, N. Mex.: None.		
Lemore, Calif.: None.		

[1] Design.

[2] In transition to becoming a Naval Reserve activity.

[3] Design completed.

DEPARTMENT OF THE AIR FORCE

Installation and project	Cost (thousands)	Status
Air Force current candidates for realinement:		
Chanute AFB, Ill.:		
Composite airmen dorm (75 MCP)	$6,267	99 percent complete.
Air pollution abatement (78 MCP)	626	Design complete.
Sewage treatment/disposal (78 MCP)	7,400	Do.
Construct commissary (NAF)	2,500	Do.
Los Angeles AFS, Calif.:	None.	
Kingsley Field, Oreg.: Add to and alter runway special lighting.	115	Do.
Goodfellow AFB, Tex.: Dispensary/dental clinic (75 MCP).	4,590	99 percent complete.
Rickenbacker AFB, Ohio:		
Sewage treatment/disposal facility (77 MCP)	503	Design complete.
Sewage regional connect (79 MCP)	946	40 percent design.
Air Force bases with similar missions:		
Chanute AFB, Ill.: Each Air Force technical training center is somewhat different and supports different missions. However, the Air Force bases supporting technical training in addition to Chanute are:		
Keesler AFB, Miss.:		
Composite medical facility (76 MCP)	43,140	59 percent complete.
Energy conservation (77 MCP)	1,350	37 percent complete.
Control tower (78 MCP)	642	Design complete.
Repair facility housing (75 MCP)	2,886	99-percent complete.
Improve/repair family housing (77 MCP)	2,378	42-percent complete.
Lackland AFB, Tex.:		
Add/alter composite medical facility (76 MCP)	97,550	26-percent complete.
Energy conservation (76 MCP)	1,466	83-percent complete.
Dental clinic (78 MCP)	4,700	Design complete.
Improve/repair wherry housing (76 MCP)	3,197	94-percent complete.
Lowry AFB, Colo.:		
Composite airmen dormitory (72 MCP)	4,779	99-percent complete.
Avionics training facility (78 MCP)	3,380	Design complete.
Energy monitor/control (78 MCP)	1,808	95-percent complete.
Sheppard AFB, Tex.: Cold storage facility (78 MCP)	980	Awarded April 1978.
Goodfellow AFB, Tex.: No other Air Force base has a cryptologic training mission.		
Rickenbacker AFB, Ohio: No other Strategic Air Command installation supports the combination of an active force squadron of KC-135s and such a significant number (4 squadrons) of Reserve Forces units.		
Los Angeles AFS, Calif.: No other Air Force Systems Command installation supports a similar space development and acquisition mission.		
Kingsley Field, Oreg.: No other Aerospace Defense Command base supports a similar air defense mission.		

5. Question. Despite assurances from Defense officials during hearings that the Fiscal Year 1979 Military Construction Authorization request contained no construction projects at bases that were identified as "candidates" for realignment in the recent announcements, the Senate Armed Services Committee identified and "conditionally authorized" over $40 million for such projects. What is Defense Department policy with respect to requesting authorization for construction projects at "candidate" bases?

Answer. Basically, it is Department of Defense policy to maintain to the maximum extent, a very conservative approach when requesting authorization for projects at bases which are either candidates for realignment or alternatives to these candidates. In most instances, as noted in the response to Question 1, requests would not be made for construction authorization at installations under consideration for realignment, reduction or closure. However, there are exceptional circumstances involving compliance with on-going national programs such as energy conservation or pollution abatement which justify continuation of certain related projects at candidate bases regardless of the outcome of realignment studies. Such cases, some of which were included in the Fiscal Year 1979 Military Construction Program, receive very thorough examination before being placed under contract.

6. Question. The action at Lowry suggests that the Committee should perhaps examine projects at bases whose missions are similar to "candidate" bases with a view toward either eliminating projects contingent on final realignment decisions and revalidation of project requirements. Provide a list of such bases showing projects authorized for each of these bases as included in the FY 1979 Military Construction Authorization Bill reported by the Senate Armed Services Committee.

Answer.

Tab A—Army.

Tab B—Navy.

Tab C—Air Force.

DEPARTMENT OF THE ARMY

a. Training Base Locations ($000)

(1) Ft. Benning, GA.

(a) Energy Control System—$1,528.

(b) Small Arms Maintenance Facility—$3,645.

(2) Ft. Bliss, TX.

(a) Patriot Training Facility Alterations—$1,644.

(b) Dental Clinic—$1,905.

(c) Regional Sewage Treatment Plant—$1,209.

(3) Ft. Dix, NJ.—NONE.

(4) Ft. Gordon, GA.

(a) Energy Control System—$2,201.

(b) Heat Recovery System—$1,906.

(5) Ft. Jackson, SC.

(a) Energy Control System—$3,300.

(b) High Pressure Sodium Lights—$234.

(6) Ft. Knox, KY.

(a) Armor Crew Interaction Simulator—$924.

(b) Tank Training Facility—$3,474.

(c) Cold Storage Plant Renovation—$1,002.

(d) Dental Clinic—$2,272.

(e) Central Vehicle Wash Facility—$4,724.

(f) Energy Control System—$2,054.

(g) Infrared Gas Spot Heaters—$401.

(h) Aircraft Control Tower—$702.

(7) Ft. McClellan, AL.—NONE.

(8) Ft. Sill, OK.

(a) Tactical Equipment Shop—$1,673.

(b) Dental Clinic—$1,970.

(c) Barracks Complex, Trainee—$17,300.

(d) Chapel—$845.

(e) Insulation/Set Back Controls—$3,109.

(9) Ft. Leonard Wood, MO.

(a) Fuel Oil Storage—$2,437.

(b) Training Facility Improvements—$3,118.

(c) Storm Windows and Insulation—$6,124.

(d) Medical Supply Warehouse—$2,477.

(b) Medical Center Locations ($000)

(1) Fitzsimmons AMC, CO.

Energy Control System—$1,436.

(2) Brooke AMC, TX.—NONE.

(3) Dwight David Eisenhower AMC, GA.—NONE.

(4) Walter Reed AMC, DC.

Medical Administration and Support Facility—$3,524.

(5) Tripler AMC, HI—NONE.

(6) Madigan AMC, WA.

Surgical and OB Ward Addition—$3,307.

(7) William Beaumont AMC, TX.—NONE.

(8) Letterman AMC, CA.

Energy Control System—$368.

DEPARTMENT OF THE NAVY

Current candidate for realinement	Bases with similar missions	Fiscal year 1979 projects
RTC San Diego, Calif., RTC Great Lakes, Ill.	RTC Orlando, Fla	None.
HQ Military Sealift Command, Washington, D.C.	None	None.
Navy Recruit Command, Washington, D.C.	None	None.
Navy Exhibit Center, Washington, D.C.	None	None.
HQ Navy Audit Service, Washington, D.C.	None	None.
NSA Long Beach, Calif	NS San Diego, Calif	P-143 Pier. P-144 Pier improvement. P-200 Quaywall repairs.
MCRD Parris Island, S.C	None	None.
MCRD San Diego, Calif	None	None.
NAS(NARF) Alameda, Calif	NSC Oakland, Calif	P-046 Oil spill prevention. P-053 Dust removal. P-059 Egress improvements.
NAS(NARF) Norfolk, Va	NSC Norfolk, Va	P-163 Lighting system. P-843 Cold storage warehouse P-993 Oil spill prevention.
NAS(NARF) North Island, Calif	NSC San Diego, Calif	P-014 General warehouse. P-029 Oil spill prevention. P-005 POL pipeline.
NRMC Philadelphia, Pa.; NH Quantico, Va.; NH Annapolis, Md.	NNMC Bethesda, Md	P-052C NNMC modernization.
NH Whidbey Island Wash	NRMC Bremerton, Wash	None.
NH Port Hueneme Calif	NH Long Beach, Calif	None.
NH Key West, Fla	NRMC Jacksonville Fla	None.
NRMC New Orleans, La	None	None.
NAS Key West, Fla	None	None.
NAS Whiting Field, Fla.; NAS Corpus Christi, Tex	None	None.

DEPARTMENT OF THE AIR FORCE

Current candidate for realinement	Bases with similar missions	Fiscal year 1979 MCP project (thousands)
Chanute AFB, Ill	Keesler AFB, Miss	Improve/repairs to family housing ($2,744).
	Lackland AFB, Tex	Bachelor enlisted quarters ($4,700).
Lowry AFB, Colo		Family housing energy conservation ($164).

Mr. HART. Mr. President, I became concerned about Defense policy regarding construction at bases that are announced as candidates for realinement when, during our review of this bill, we discovered that the Defense Department had requested $40 million in projects at bases that they were considering closing or significantly reducing.

More recently, my concern was increased when the Air Force suspended a construction project at Lowry Air Force Base which was not a candidate for closure or reduction, but was a base with a mission similar to another base, Chanute Air Force Base, that had been publicly announced as a study candidate for closure. The suspension of the construction at Lowry Air Base had serious political overtones coming at the same time that the Secretary of the Air Force visited Chanute Air Force Base with the Illinois congressional delegation. The Lowry project had been publicly advertised for bids on May 24, 1978, nearly one month after Chanute Air Force Base was publicly announced as a closure candidate, and that invitation for bids was not canceled until just before bid opening was scheduled. It was this situation that prompted my inquiry to Secretary Brown.

In my letter to Secretary Brown I asked for two key pieces of information:

First, how many bases, like Lowry Air Force Base, are unannounced "alternates" to publicly announced "candidate" bases and what construction is pending at these bases?

Second, for these same "alternate" bases how many construction projects are in the fiscal year 1979 Military Construction Authorization bill?

The answers to these questions contained in the letter that I have just put in the RECORD are startling. There are dozens of military bases that are "alternates" to the publicly announced "hit list" and the construction underway at these sites totals in the hundreds of millions of dollars. In addition, in the bill that we are considering there are a total of 21 "alternate" bases and the construction associated with these bases totals more than $100 million!

Mr. President, let me explain what that means. The Defense Department announced roughly 80-some facilities as candidates for consolidation or realignment or closure in April. Now it is suggesting that for a number of those facilities there may be alternates that were not on that list that was announced in April.

Although they have cancelled construction or suspended construction on one of those so-called alternates, the Lowry Air Force Base, they have not done so for the dozens of other bases that may also be considered alternates.

As I have indicated, that amount may run up to $100 million in construction on bases that the services may or may not be considering for closure.

Mr. President, I, and I think most members of our committee, have attempted to keep the base realignment process on an objective and nonpolitical basis, but I am very deeply concerned with this new information we have just received, which is now in the record.

I do not feel at this time that it would be prudent to delay this authorization legislation any further, but I want my colleagues to know that in the very near future, the immediate future, I intend to convene hearings by the Subcommittee on Military Construction to go into depth on these base realinement policy questions, and if we uncover information that indicates that some of these projects should not be funded, I intend to work, and I hope the subcommittee will work, with the Appropriations Committee to make the necessary corrections.

This is an extremely serious consideration, and I think the implications for many of our colleagues, if not all of them, in a variety of capacities are very important. I hope that my colleagues, in voting for passage of this legislation, will keep in mind these very serious policy questions still remaining over the issue of what bases should remain open in this country and what should be consolidated.

Mr. President, with that I move the passage of and adoption of H.R. 12602. There has not been a request for the yeas and nays. It is my understanding that we can voice vote this bill.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. HART. I yield to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. I just want to commend the Senator from Colorado for his vigilance and for the action he has taken and the action he has announced to the Senate he plans to take in the future as chairman of the Subcommittee on Military Construction.

I think the Senator from Colorado has handled the committee in an exceedingly capable and efficient way, and I look forward to continuing to work with the able Senator from Colorado in this regard.

Mr. HART. I thank the distinguished Senator from Virginia.

Mr. DURKIN Mr. President, will the Senator yield?

Mr. HART. I yield.

Mr. DURKIN. Mr. President, the people of New Hampshire are extremely proud to have two major defense installations within our borders which contribute significantly to the military strength of our country. Pease Air Force Base and Portsmouth Naval Shipyard have consistently shown themselves to be the type of efficient and effective installations which help make this country second to none in military strength and preparedness.

For these installations to remain at peak efficiency, however, requires constant maintenance and upgrading. That is why I am pleased to see that the bill before us today contains $14,550,000 for construction projects at Portsmouth. Chief among these are $7,900,000 for a modern machine shop building and $2,600,000 for a transducer repair facility. The working men and women at Portsmouth who have done and will continue to do such an excellent job at this Nation's prime east coast overhaul and maintenance facility for our Polaris/Poseidon submarine fleet, will benefit tremendously from these projects. And that means our national defense will be strengthened.

I would like to also mention section 613 of this bill, which I strongly endorse. That section prohibits the Department of Defense from taking any actions toward the purchase of land contiguous to the existing boundaries of Pease Air Force Base, N.H., without the express authorization of the Congress. The reason for this prohibition is simple: For years, the Air Force has been threatening to purchase land around Pease as part of its air installation compatible use zone program. This AICUZ program, which I know has caused difficulties in many other States also, would result in the unwarranted acquisition by the Government of a substantial amount of private land around the base and the unwarranted destruction of a considerable number of private dwellings.

The people of Portsmouth and Newington, N.H., have had this AICUZ threat hanging over their heads for years, with the Air Force and the Defense Department refusing to listen to reason. Those people living there are some of the strongest supporters of Pease in the world, but the Air Force has simply not been able to make a case to them or anyone else that the acquisition of land for an expanded clear zone is necessary.

I want to make it clear again today, as I have so many times in the past, that I will fight, along with my senior colleague TOM MCINTYRE, to see that the DOD's attempt to make this unwarranted intrusion into the lives of so many people in New Hampshire is thwarted.

I have a further observation on a matter directly related to the capabilities of

the fine installation at Portsmouth. The Navy is presently considering a merger of the Computer Applications Support and Development Office (CASDO) located at the naval shipyard, and the Central Naval Ordnance Command Management Information System Office (CENO) located at Indian Head, Md.

I believe removing CASDO from Portsmouth to Indian Head would be a serious error. The excellent record of the operation of CASDO is beyond dispute. There is no question that it has contributed to the efficiency and effectiveness of Portsmouth shipyard. While some naval officials have claimed consolidation might bring financial savings, I am convinced after careful study of the matter that any apparent short-term savings would be ephemeral, and that the possible damage to the operations at Portsmouth and many other naval shipyards could be considerable. I know the Navy is once again studying the issue, and I look forward to a result which indicates the important work done by CASDO and the value of having it remain at Portsmouth.

A final point about the shipyard. The Navy originally requested $1.6 million above what is in this bill for a waterfront support facility at the shipyard which would enable the yard to prepare to handle ships of the new Los Angeles-class nuclear attack submarines which will be coming into Portsmouth in the 1980's. Though the administration decided to defer this request until 1980 or 1981, the belief is now widely held that it does not make sense to delay this construction for another year. Therefore, the House of Representatives wisely voted to include the extra $1.6 million in its version of the military construction bill.

Based on conversations that TOM MCINTYRE and I have had with the chairman of the Subcommittee on Military Construction, Mr. HART, we will not be introducing a floor amendment today to add the $1.6 million. Rather, we have been given assurances that in conference, the Senate will give all due consideration to the House position on this matter. I want to thank the subcommittee chairman for this and to commend my senior colleague once again for his fine work on this matter.

In the 1980's our nuclear submarine fleet will become even more important to our national defense as, unfortunately, our land-based missiles become more vulnerable. Having proper overhaul and maintenance facilities such as those at Portsmouth will be of singular importance in insuring the smooth operation of our submarine fleet. For that reason, it is necessary that we begin now preparing our shipyard with this waterfront support facility so that the Los Angeles-class submarines will have repair facilities ready for them.

I thank the Senator from Colorado.

The PRESIDING OFFICER. The question is, Shall the bill pass? (Putting the question.)

The bill (H.R. 12602), as amended, was passed.

Mr. HART. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. YOUNG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HART. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of Senate amendments to H.R. 12602.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. HODGES) appointed Mr. STENNIS, Mr. HART, Mr. JACKSON, Mr. CANNON, Mr. HARRY F. BYRD, JR., Mr. NUNN, Mr. PAUL G. HATFIELD, Mr. THURMOND, Mr. TOWER, Mr. SCOTT, and Mr. BARTLETT conferees on the part of the Senate.

Mr. HART. I thank the Chair and I thank the Senator from Vermont for the time.

COMMODITY EXCHANGE ACT

The PRESIDING OFFICER. The Senate will now resume consideration of the bill S. 2391, which the clerk will state by title.

The legislative clerk read as follows:

A bill (S. 2391) to extend the Commodity Exchange Act, and for other purposes.

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I note that the Senator from Oklahoma (Mr. BELLMON) has an amendment he wishes to offer to S. 2391.

Mr. President, I know there are a couple of amendments, and I wonder, perhaps, whether the cloakrooms would be kind enough to notify Senator BELLMON that we are back on the bill. I think Senator EAGLETON had something and I know Senator HUDDLESTON has something, and I yield to Senator HUDDLESTON.

UP AMENDMENT NO. 1412

Mr. HUDDLESTON, Mr. President, I have somewhat of a technical amendment, and I think there will be difficulty with it. I send it to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kentucky (Mr. HUDDLESTON) proposes and unprinted amendment numbered 1412.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 22, beginning on the first line 19, strike out all down through the first line 22.

On page 22, first line 23, strike out "(3)" and insert in lieu thereof "(1)".

On page 22, beginning on the second line 14, strike out all down through the comma on the second line 17 and insert in lieu thereof "section 4o(1), or section 19 of this Act,".

On page 22, the second line 21, strike out "and".

On page 22, the second line 22, strike out "(4)" and insert in lieu thereof "(2)".

On page 23, beginning on with "provision" on line 2 strike out all down through line 5 and insert in lieu thereof "provisions of section 4a, section 4d, section 4e, section 4i, section 4k, section 4m, and section 4o(2), or section 8b of this Act, or fail to evidence any contract mentioned in section 4 of this Act by a record in writing as therein required.":

Inserting on page 23, between lines 5 and 6 insert the following:

"(3) striking out in subsection (d) '$10,000' and inserting in lieu thereof '$100,000'; and

"(4) striking out in subsection (e) '$10,000' and inserting in lieu thereof '$100,000'."

Mr. HUDDLESTON. Mr. President section 16 of S. 2391, dealing with criminal penalties was part of the Commodity Futures Trading Commission's request legislation. After S. 2391 was reported, serious questions were raised concerning the provisions of section 16.

Mr. amendment would address these questions. The maximum penalty for all felonies under the Commodity Exchange Act, regardless of who committed the violation, would be $100,000. The amendment deletes from section 16 of the language making violations of specified Commission rules, regulations, or orders punishable as felonies.

I ask unanimous consent to insert at this point in the RECORD a letter dated July 7, 1978, that I received from Chairman William T. Bagley, on section 16. I agree with Chairman Bagley that the bureaucracy should not have total leeway to create new crimes, particularly felonies, through the issuance of rules, regulations, and orders.

There being no objection, the letter was ordered to be printed in the RECORD as follows:

COMMODITY FUTURES TRADING COMMISSION,
Washington, D.C., July 7, 1978.

Re Criminal Penalty Provisions S. 2391/CFTC Reauthorization.

Hon. WALTER D. HUDDLESTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUDDLESTON: As you know, there has been some continuing concern and discussion re criminal penalty provisions of S. 2391, the CFTC Reauthorization Bill. I write now in that regard as I have just been informed that this measure will be taken up on the Senate floor next Tuesday. If amendments are to be prepared, I wanted you to have my views.

My personal view is to support the general thrust of the House provisions re penalties and to express disagreement with certain Senate language. My disagreement with the Senate provisions stems from a personal aversion to the idea that new crimes can be created simply by the bureaucracy deciding to promulgate new rules or regulations. Although there may be some merit to making intentional or knowing violations of *some* rules or regulations a crime, e.g. those promulgated to effectuate the antifraud provisions of the Act, I cannot agree that inadvertent failure to comply with *every* rule or regulation should subject the violator to possible criminal action. It was never my thought to support a change in the Act that would have such a result. Hence my disagree-

ment with the broad sweep of Sec. 16(4) of S. 2391. Further, I would amend (3) so that only knowing violation of the rules, regulations, or orders referred to are deemed criminal conduct.

Another provision that is troublesome to me is that which increases that potential felony fine to $500,000. This figure far exceeds existing penalties for comparable violations in other areas of law. Additionally, although on paper the large fine may appear to be a substantial deterrent, imposition of such a large fine may well be counter-productive. If a violator is convicted and $500,000 is available, I would rather see it go back to the victims. Sec. 6(b) and 6b of the Act provides for the imposition of a civil money penalties of up to $100,000 for each violation proven in administrative proceedings. Moreover, where fraud has been alleged in an injunctive proceeding, we frequently request the District Court to order disgorgement. In both circumstances we have attempted to have the funds, if available, set aside for the benefit of the victims. Thus to the extent that they are collected, fines imposed in a criminal proceeding may deplete funds available for the redress of individual grievances in civil proceedings. The government, qua government, has no real interest in the ill-gotten gains, except perhaps for income tax due.

The thoughts expressed above are more closely reflected in the House version. However, there is one important area that the House omitted in its amendment to upgrade certain violations to a felony status. Section 4c prohibits such things as options trading in previously regulated commodities, transactions characterized as wash, accommodation, or fictitious trade and causing false prices to be reported. The section will also cover permissible option transactions. Violation of any of these prohibitions should be made felonious since it is no less an act of deceipt to enter into an accommodation or fictitious trade or to offer to sell an option which is prohibited than to bucket an order or otherwise cheat or defraud another. Likewise, violations of the provisions relating to leverage transactions.

I do apologize for this hurried communication and for not personally focusing on this issue earlier. During the reauthorization process, the Commission accepted the then staff recommendations. As there was no public discussion of these recommendations at that time and as I did not attend that particular Commission session, I did not have occasion to personally comment until now.

Thank you for allowing me to present these views to you at this time.

Sincerely yours,

WILLIAM T. BAGLEY.

Mr. HUDDLESTON. The $500,000 maximum fines for felonies contained in section 16 could deplete the funds available to redress individual customer grievances in civil proceedings. This is particularly significant in regard to firms that are undercapitalized or marginally capitalized.

The amendment brings uniformity to the Commodity Exchange Act's criminal provision. It must be remembered that S. 1437, the Criminal Code Reform Act of 1977, which was passed by the Senate on January 20, 1978, when enacted into law will supercede and replace the criminal provisions on S. 2391.

I believe this amendment is acceptable, and I move its adoption.

Mr. LEAHY. Mr. President, I have no objection to the amendment of the Senator from Kentucky. I certainly have no objection to its adoption. I yield to the Senator from Kansas.

Mr. DOLE. Mr. President, I would just say we have reviewed the amendment, and have gone over it with the floor manager of the bill. We have no objection, and are prepared to accept it.

Mr. LEAHY. I yield back our time on this amendment.

Mr. HUDDLESTON. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Kentucky.

The amendment was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HUDDLESTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. EAGLETON. Mr. President, I have an amendment at the desk.

Mr. GRIFFIN. Mr. President, will the Senator from Missouri yield to me for a brief unanimous-consent request?

Mr. EAGLETON. Yes, I yield for that purpose.

Mr. GRIFFIN. Mr. President, when the vote on the motion to table the Hatch-Melcher amendment was taken, I was out on the Capitol steps addressing some 4–H students from Michigan.

I reached the Chamber and tried to get the Chair's attention just as the Chair was announcing the vote. The vote, of course, was not close, but I ask unanimous consent that under the circumstance my vote "nay," be recorded.

The PRESIDING OFFICER. Under the rules the Chair is not permitted to entertain such a request.

Mr. GRIFFIN. It has certainly been granted before.

Mr. BAKER. Mr. President, if the Senator will yield, I have discussed this with the majority leader, and in the course of that conversation, he stated to me, as he had on previous occasions, that when the result of the vote would not be changed, such a request has been granted. I see the majority leader is now on the floor, and I yield to him.

Mr. ROBERT C. BYRD. What is the Senator's question?

Mr. BAKER. The statement just made by the distinguished Senator from Michigan, as I understand it, was that he was attempting to vote.

Mr. ROBERT C. BYRD. He attempted to vote?

Mr. BAKER. He attempted to get the attention of the Chair to vote at the time the vote was announced.

Mr. ROBERT C. BYRD. And what is the request?

Mr. GRIFFIN. That my vote be recorded.

Mr. ROBERT C. BYRD. Mr. President, under the rules a Senator who did not vote cannot be recorded, nor can the Chair entertain the request.

Mr. GRIFFIN. I will withdraw my request if the majority leader will just follow that rule all the time in the future.

Mr. ROBERT C. BYRD. That is the rule.

The PRESIDING OFFICER. The Chair had previously so ruled.

UP AMENDMENT NO. 1413

(Purpose: To authorize a system of charging user fees for transactions)

Mr. EAGLETON. Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Missouri (Mr. EAGLETON) proposes an unprinted amendment numbered 1413:

At the appropriate place in the bill insert a new section as follows—

Mr. EAGLETON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert a new section as follows: "Sec. . Notwithstanding any other provision of law, the Commodity Futures Trading Commission is authorized to develop, and implement a plan to charge and collect reasonable fees to cover the estimated cost of regulating the transactions under the jurisdiction of the Commission. However, prior to implementing such a plan, the Commission shall report its intention to do so to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry. The Commission shall include in its report the feasibility and desirability of collecting such fees. The plan described herein shall not be implemented until approved by the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition and Forestry.".

Mr. EAGLETON. Mr. President, this amendment gets back to the substance of the work of the Commodity Futures Trading Commission, and addresses itself to the subject of user fees. In this amendment, I am proposing that the CFTC be given the authority to charge fees to recover the cost of regulation. On April 25 at a hearing before my Agriculture Appropriations Subcommittee I posed the issue of user fees to the Commissioners who were then in office. Those who commented on the proposal supported the idea.

Commissioner Dunn stated:

. . . Those who participate directly in these markets obtain a much greater benefit than the ultimate customers. I think those who benefit should share in the cost of the regulatory program. The cost ought not all be on the government—the general taxpayer.

The question really is then who is the beneficiary of the regulation of these activities. Although exact figures are not available, most will admit that only a very small number of people participate in various types of futures, options, leverage contracts, or other things directly regulated by CFTC. It is my belief that the American public in general should not have to pay the bill for the regulation of such trading since they receive very little benefit from the regulation. It is those who take part in these activities who benefit, and I believe it is they who should pay the bill.

Under my amendment the CFTC would be given the authority to charge fees to recover their regulatory costs.

However, the CFTC could not unilaterally put these user fees into place.

The last sentence of the amendment reads as follows:

The plan—

That is, the user fee plan—

described herein shall not be implemented until approved by the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry.

So, the CFTC is to study the situation. They would be authorized to go to a user fee plan, but before the plan could go into effect, it would have to be approved by both the House and Senate Agriculture Committees.

Mr. President, I reserve the remainder of my time.

Mr. LEAHY. Mr. President, as I understand the Senator from Missouri, the intention of his amendment would not be to require the CFTC to put in a user's fee, but rather to authorize them to develop one or to plan one, really, within their discretion, but should they develop or plan one, prior to implementing it, in effect, they would have to have the permission of the authorizing committees.

Mr. EAGLETON. That is right; they would have to have the affirmative approval, before it went into effect, of both the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry.

Mr. LEAHY. The reason I ask the question is that this is not a matter we discussed in the committee. We realize that the CFTC is set up not just to perform a service to the industry, but to consumers throughout the country, which is, of course, a benefit of the taxes they have paid; and I would not want some kind of an arbitrary system put in that would either hamstring the industry or raise significantly the cost to the consumers of the services of the various exchanges.

If the amendment is simply to authorize the ability to make a plan, but giving us a chance to review such a plan and, of course, veto it if we did not want it to go through, I would not have any problem with that; but I would want to hear from both Senator DOLE and Senator HUDDLESTON on the subject.

Mr. DOLE. Mr. President, I have studied the amendment. I understand the purpose of the amendment. I do not know that any other agency has that authority now, the FTC or any other. Maybe they should have; perhaps that is the thrust of the amendment.

I cannot think of any precedent where a plan might be implemented if approved by the House committee and the Senate committee; but based on the statements made by the floor manager of the bill, I am prepared to accept the amendment.

I understand the motive and the purpose. I know the intent, and I do not quarrel with that. Based on that, I am willing to accept the amendment.

Mr. EAGLETON. I am grateful to both the Senator from Vermont and the Senator from Kansas.

There is some indirect precedent in the agricultural area. There are grain inspection fees.

Mr. DOLE. And water test projects.

Mr. EAGLETON. And then there are water projects that may have fees; and the interstate highway system was built by user fees. So the concept is not novel.

Mr. President, I move the adoption of my amendment.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. EAGLETON. I yield back the remainder of my time.

Mr. LEAHY. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Missouri.

The amendment was agreed to.

AMENDMENT NO. 3124 (AS MODIFIED)

Mr. BELLMON. Mr. President, I call up my amendment No. 3124, as modified.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Oklahoma (Mr. BELLMON) offers an amendment numbered 3124, as modified.

Mr. BELLMON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, as modified, is as follows:

On page 18, beginning on line 20, strike out all down through line 21 on page 20 and insert in lieu thereof the following:

SEC. 6d. (1) Whenever it shall appear to the attorney general of any State, the administrator of the securities laws of any State, or such other official as a State may designate, that the interests of the residents of that State have been, are being, or may be threatened or adversely affected because any person (other than a contract market or floor broker) has engaged in, is engaging or is about to engage in, any act or practice constituting a violation of any provision of this Act or any rule, regulation, or order of the Commission thereunder, the State may bring a suit in equity or an action at law on behalf of its residents to enjoin such act or practice, to enforce compliance with this Act, or any rule, regulation, or order of the Commission thereunder, to obtain damages on behalf of their residents, or to obtain such further and other relief as the court may deem appropriate.

(2) The district courts of the United States, the United States courts of any territory, and the District Court of the United States for the District of Columbia, shall have jurisdiction of all suits in equity and actions at law brought under this section to enforce any liability or duty created by this Act or any rule, regulation, or order of the Commission thereunder, or to obtain damages or other relief with respect thereto. Upon proper application, such courts shall also have jurisdiction to issue writs of mandamus, or orders affording like relief, commanding the defendant to comply with the provisions of this Act or any rule, regulation, or order of the Commission thereunder, including the requirement that the defendant take such action as is necessary to remove the danger of violation of this Act or of any such rule, regulation, or order. Upon a proper showing, a permanent or temporary injunction or restraining order shall be granted without bond.

(3) Immediately upon instituting any such suit or action, the State shall serve written notice thereof upon the Commission and provide the Commission with a copy of its complaint.

(4)(A) Any suit or action brought under this section in a district court of the United States may be brought in the district wherein the defendant is found or is an inhabitant or transacts business or wherein the act or practice occurred, is occurring, or is about to occur, and process in such cases may be served in any district in which the defendant is an inhabitant or wherever the defendant may be found.

(5) For purposes of bringing any suit or action under this section, nothing in this Act shall prevent the attorney general, administrator of the State securities laws, or other duly authorized State officials, from exercising the powers conferred on them by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

(6) For purposes of this section, the word "State" means any State of the United States, the District of Columbia, or any territory or possession of the United States.

Mr. BELLMON. Mr. President, the modification strikes out the language on page 4 from line 6 to the bottom of the page; also, on page 3, lines 14, 15, 16, and 17; and then a portion of lines 11 and 12 on page 2. This has the effect of limiting the authority of the State attorneys general and other designated enforcement officers to bring actions in the Federal courts rather than allowing the actions to be brought in either Federal or State courts.

Mr. President, the amendment I offer today to the CFTC reauthorization bill, S. 2391, has as its purpose the expansion of the enforcement capabilities of the CFTC by authorizing increased use of existing State enforcement and prosecutorial authorities. The amendment simply allows the State attorney general or Securities Commissioner or any other designated State official to prosecute violations of this act in Federal court. The amendment is intended to help prevent fraud in the business of commodity trading.

The Commodity Futures Trading Commission Act of 1974 preempted the States from regulation, investigation, or enforcement of their securities or commodities laws against commodities law violators. Since 1974 States could, and some have, prosecuted fraud violations under the doctrine of parens patriae. Under this doctrine, a State could obtain an injunction in Federal court, as a representative for aggrieved citizens of that State and proceed to prosecute violations of the Federal laws. This procedure is only available if a local Federal judge is willing to allow the State to proceed without the assistance of Federal prosecutors.

Being limited to bringing actions parens patriae has created frustration for many States. In some cases States, that have proceeded under this doctrine have been greeted with the judge's instruction to go get the Federal prosecutor before the action will be considered. This has resulted in very few prosecutions taking place. The reluctance of the States to actively pursue commodity fraud actions severely limits the overall national commodity fraud enforcement and prosecution activity.

The Federal preemption doctrine has merit regarding the regulation of commodity markets and brokers. However, there is no justification for tying the hands of the States when they wish to stop fraudulent practices occurring with-

in their borders. This amendment codifies the doctrine of parens patriae to give the clear position of Congress that States may go into Federal court to obtain an injunction to protect their citizens from unscrupulous commodity traders. However, the amendment does not stop with this legislative clarification.

Another problem with States being limited to obtaining only an injunction is the inability of States to assist in retrieving damages incurred as a result of the fraudulent act. The amendment extends the authority of the appropriate State official to not only get an injunction to stop the fraudulent practices, but to recover damages their citizens have suffered as a result of the fraud. The ability to seek money damages puts teeth in the State prosecutor's authority and should act as an additional inducement to the State to intensify their efforts in this area. With this addition, the State will be able to do more than slap the offender's hand. Further, those traders who would engage in fraudulent practices will think twice before committing these crimes, since the State will be able to take aggressive punative action. Opening the door to damages for victims of commodity fraud should act as a check on those dishonest salesmen who when apprehended simply move to another State when an injunction is obtained.

Further, the amendment reinforces the right of the State prosecutors to proceed under their general fraud statutes. This right has never been preempted by the Federal law and my amendment does not propose to restrict this opportunity.

Mr. President, this amendment is not meant to subject commodity traders to 50 different sets of laws as some traders have feared. It simply is meant to provide valuable assistance to enforcement agencies to prevent or punish fraudulent practices.

Our recent experience with London options and the potential for fraudulent practices in the sale of leverage contracts clearly demonstrates the need to expand the Commission's enforcement and prosecutorial capability. The amendment will help accomplish that purpose without additional Federal expenditures.

Mr. President, I ask unanimous consent to have printed in the RECORD a short summary of the amendment.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY

The amendment—

(1) Expands the statutory cause of action to include the right of the States to obtain damages in behalf of their residents or to obtain such further and other relief as the court may deem appropriate;

(2) Deletes the requirement in S. 2391 of prior Commission approval before the State may bring an action under this section and substitutes a requirement that the State must provide the Commission with a copy of its complaint;

(3) Specifically cites the State securities administrator as one of the State officials who, if otherwise authorized, could bring actions under this section (the ultimate delegation of prosecutorial authority will remain a matter of State law).

Mr. BELLMON. Mr. President, I have discussed the amendment with the floor manager and the ranking minority member.

● Mr. MORGAN. Mr. President, I am pleased to rise in support of the amendment offered by the distinguished Senator from Oklahoma.

My principal reason for supporting this amendment lies in my experience as attorney general of the State of North Carolina. While in that office, I created the Nation's first State level antitrust division because I strongly felt that as attorney general I was pledged to protect the wellbeing of the citizens of my State. I felt then and do now that my State should not have to rely on the Federal Government to pursue matters important to North Carolinians.

I would like to echo the distinguished Senator's remarks that this amendment would enhance the capacity of government to police more effectively the commodity trading industry. The simple fact that there have been so many shocking episodes in this industry since the Commodity Futures Trading Commission was established makes it doubly imperative that the Senate approve this timely amendment.

Mr. President, I believe that this amendment fully deserves the support of the Senate. It is not a complex proposal—it simply allows the States to act on their own to prosecute violations in this industry. This power exists but is restricted under the current law to prior approval by Washington. All that we are trying to do is to free the hand of the State in an area of much concern to all of us. I urge my colleagues to approve this amendment.●

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I have discussed this amendment at some length with the Senator from Oklahoma. As I understand, the amendment, as modified, would no longer give the right to a State attorney general to go into a State court but require him to go into Federal court.

Mr. BELLMON. The Senator is correct. The authority of the State attorney general or other officer would be limited to going into Federal court. The advantage here is that it may be necessary for those officials to get clearance by a local Federal judge or by the CFTC.

Mr. LEAHY. Notification is still required?

Mr. BELLMON. Notification is still required.

Mr. LEAHY. With the change to the Federal court, Mr. President, I do not have objection. I had expressed concern earlier about going into State courts, because of the multiplicity of jurisdictions, the differences in procedural and evidentiary rules from State to State and jurisdiction to jurisdiction, and, of course, the fact we are dealing with an enormously complex area and one that many State courts, county courts, and district courts at the State level would be unprepared to handle adequately. I was quite concerned about the difficulties we might face in that regard.

I have no objection to the amendment, as modified.

Mr. DOLE. Mr. President, I have discussed the amendment, as modified, with the distinguished Senator from Oklahoma and I have also discussed it with the distinguished Senator from North Carolina (Mr. MORGAN). It seems to me that it probably will improve the bill as brought to the floor. I assume it gives the States the right to bring class action-type suits for money damages which might be a new concept. As far as I know neither the CFTC or SEC have this right. They can sue for injunctive relief but not money damages. Having discussed the amendment, as modified, I am prepared to accept it.

Mr. HUDDLESTON. If the Senator will yield. I might ask a question of the Senator from Oklahoma. I see no provision for just how such a suit would be established and the rights of those who might have been damaged, how they would agree to participate in a suit. Is this a problem we ought to be confronted with in the amendment?

Mr. BELLMON. Let me say, Mr. President, that the amendment simply gives the State attorneys general or the securities commissioner the right to bring the action in a Federal court. I do not know that we should go further and instruct them as to in what manner the action should be brought.

Mr. HUDDLESTON. It seems to me there should be some way to determine who has been damaged, how much, and who would recover if successful in a suit. If he is not successful, that is another thing.

Mr. BELLMON. The amendment provides that civil damages could be collected.

Mr. HUDDLESTON. They cannot prove damages until they find out who has been damaged.

Mr. BELLMON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BELLMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, I believe the point raised by the Senator from Kentucky has now been resolved. Perhaps the manager of the bill, who is an attorney, would like to explain just how this would be dealt with.

Mr. LEAHY. It is my understanding, Mr. President, that in any class action the Federal rules of civil procedure for class action would control and, with this amendment, that would be the procedure followed. Of course, as we stated before, the amendment would allow the action to be brought only within the Federal court.

It is my understanding from the author of the amendment that that is what is intended to be done.

Mr. BELLMON. The Senator from Vermont is correct. The amendment would limit the action to a Federal court, where Federal procedure would apply.

Mr. LEAHY. I yield back my time.

The PRESIDING OFFICER. Does the Senator from Oklahoma yield his time back?

Mr. BELLMON. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question

is on agreeing to the amendment as modified.

The amendment as modified, was agreed to.

Mr. EAGLETON. I move to reconsider the vote by which the amendment was agreed to.

Mr. BELLMON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. EAGLETON. Mr. President, I have an amendment which I shall send to the desk and ask to have considered. First, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. EAGLETON. Mr. President, I ask unanimous consent that the order for the quorum be rescinded.

The PRESIDING OFFICER (Mr. METZENBAUM). Without objection it is so ordered.

AMENDMENT NO. 1414

(Purpose: to suspend trading of leverage contracts until they can be effectively regulated)

Mr. EAGLETON. Mr. President, I have an amendment that I ask to have considered.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Missouri (Mr. EAGLETON) proposes an unprinted amendment numbered 1414.

Mr. EAGLETON. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

On page 25, beginning with line 21, strike out all down through line 20 on page 26, and insert in lieu thereof the following:

"SEC. 19. No person shall offer to enter into, enter into, or confirm the execution of, any transaction for the delivery of any commodity specifically set forth in section 2(a) of this Act prior to the enactment of the Commodity Futures Trading Commission Act of 1974, under a standardized contract commonly known to the trade as a margin account, margin contract, leverage account, or leverage contract, or under any contract, account, arrangement, scheme, or device that the Commission determines serves the same function or functions as such a standardized contract, or is marketed or managed in substantially the same manner as such a standardized contract. Notwithstanding any other provision of law, it shall be unlawful for any person to offer to enter into, enter into, or confirm the execution of, any transaction described in this section until (1) the Commission transmits to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition and Forestry documentation of its ability to regulate successfully such transactions, and (2) the expiration of thirty calendar days of continuous session of Congress after the date of such transmittal without either House of Congress adopting a resolution disapproving such regulation: Provided, That the Commission is not precluded from transmitting documentation relating to its ability to regulate such transactions regarding individual commodities or classes of commodities at such time as the Commission deems appropriate. Nothing in the preceding sentence shall affect any rights or obligations arising out of any transactions subject to the provisions of this subsection entered into, or the execution of which was confirmed, prior to October 1, 1978. If the Commission determines that any such transaction is a contract for future delivery within the meaning of this act, such transaction shall be regulated in accordance with the applicable provisions of this Act.

Mr. EAGLETON. Mr. President, back again on the substance of the regulatory authority of the CFTC, this amendment deals with a plan to regulate leverage.

As you know, S. 2391 bans leverage transactions involving basic domestic agricultural commodities, and requires the CFTC to regulate or prohibit leverage transactions on all other commodities before October 1, 1979.

I do not believe that this goes far enough, for it provides a similar sort of situation to what happened in the case of options. The Commodity Futures Trading Commission Act of 1974 gave CFTC 1 year in which to ban or regulate options—and it never successfully did so. As a result of this, we are considering today a bill that suspends trading of options until CFTC has developed an effective regulatory mechanism.

Mr. President, I have received testimony in reviewing the CFTC budget that some of the questionable operators who were selling options have moved into the field of leverage and beyond into certain new types of leveraged contracts called by various names. This was particularly true in the case of diamonds.

CFTC has not been immune to this matter, fortunately. They warned State and Federal regulatory officials on May 25, 1978, that high-pressure marketing schemes in investment diamonds could be fraught with fraudulent sales techniques. In letters to State attorneys general and to the Securities and Exchange Commission the CFTC Chairman said:

Disturbing results of a nationwide survey of the 'leverage' industry have been presented to me by our Division of Enforcement . . . I would like to call to your immediate attention the following findings of our investigation:

(1) Many commodities other than those specifically designated in Section 217 (of the Commodity Futures Trading Commission Act of 1974) are being sold on a leveraged basis, including diamonds, copper, foreign currency and platinum.

(2) Many of the fraudulent, abusive practices which characterized the sale of London commodity options are being used to sell leverage contracts in commodities other than those designated in Section 217.

As a result of their concern, the CFTC issued a proposed rule suspending the trading of leverage contracts, with certain exceptions.

In addition to the proposed rule, which I understand has not yet taken effect, the CFTC has proposed an amendment to this bill that would, upon enactment, prohibit leverage transactions in agricultural commodities and generally prohibit leverage transactions in all other commodities unless thereafter permitted by Commission regulations. Their amendment would also "grandfather" those trading in leverage until May 1, 1979.

Let me read from CFTC's June 22, 1978, letter to Senator TALMADGE, proposing the moratorium on leverage contracts:

During the past three years, the Commission has studied and monitored the offer and sale of leverage contracts in gold and silver as well as the nature of the leverage contracts being offered to the public. Recently, the Commission staff completed an in-depth survey of the sales practices and financial stability of firms currently marketing leverage contracts. This analysis revealed that many leverage customers are inadequately protected. Leverage dealers serve as the buyer to every seller and the seller to every buyer. Accordingly, the financial integrity of the leverage dealer is critical to the transaction from the customer's point of view. Significantly, our staff report indicates that at least 11 firms engaged in the offer and sale of leverage contracts have experienced financial failure since 1973. Moreover, it appears that leverage contracts have been purchased by consumers primarily as speculative investments rather than as a device for shifting economic risks. As a result of this study, the Commission has proposed a moratorium on the entry of new firms into this business. See 43 F.R. 23729, June 1, 1978.

We believe our present recommended approach to this area affords a means for protecting the public that is warranted by our experience regulating London commodity options and our analysis of recent developments in the marketing of leverage contracts.

Mr. President, I think the message is fairly clear. We do not want a repeat of the options problems—which seriously harmed many individuals and overtaxed the CFTC.

I am referring to the London option business, and the very shoddy, tragic experience with Lloyd Carr and others like him.

So, based on the findings of the CFTC, wherein they see the same potential evils in wheeling and dealing and deception on leverage contracts that we know exists with London options, I see no reason to treat them dissimilarly.

My amendment would treat both leverage contracts and options the same. All this amendment does—and the bill does the same with the options—is suspend the trading of leverage contracts until CFTC has developed an effective way to regulate them. That is what it does. No more, no less.

It takes almost exactly the same approach as is taken in this bill with respect to options.

I think the evil is there. It has been identified by the CFTC and I think it ought to be treated the same.

I reserve the remainder of my time.

Mr. LEAHY. Mr. President, I would hope that my good and distinguished friend from Missouri would be willing to withdraw his amendment that we have discussed in the various debates here this afternoon, the matter of the CFTC and the whole involvement of commodities. It is a matter of some concern to our committee and is particularly a matter of concern to me, as chairman of the subcommittee with jurisdiction over the CFTC.

We have had extensive oversight hearings in preparation for Senator HUDDLESTON's bill. There have been oversight hearings that have been well attended, not only by those testifying, but by members of our committee.

I have already tentatively made plans to have continued oversight hearings, as-

suming that the reauthorization goes through.

Under the bill, they have, I believe, a year, or I guess October 1, 1979, to either regulate or ban.

I would ask my good friend from Missouri if he would be willing to withdraw his amendment on the assurance that our committee will do extensive oversight in this area. If we feel that the CFTC is not moving properly and adequately in this area, in a way that protects the consumers, the legitimate industry, the Government, and everybody else, then that factor will be made known to the Senate and, certainly, I would be in here encouraging such an amendment.

But, please, give us the time to do that oversight, give the CFTC the time to act within the limitation set in this bill.

Mr. EAGLETON. Mr. President, I thank my colleague for his attention to this matter. My high respect for him as a Senator, and as a very conscientious one, gives me some reason for perhaps deferring going forward with this amendment at this time.

I say to my colleague that he is assuming a not insignificant responsibility, because if we leave the bill as it is leverage contracts could be totally unregulated from now, July of 1978, probably up until October of 1979.

So that is a year and 3 or 4 months where it will be open season by any people who want to be Lloyd Carr reincarnated. Any bucket shop operator in any commercial building in the United States can become the next Lloyd Carr, could potentially get into this leverage business on a wide-open basis, between now and October of 1979, because that is the effect of the committee's bill. The bill leaves open a potential leverage problem similar to what happened with options, and could invite a lot of trouble.

I think it is a very risky, open-season invitation.

I know, the Senator from Vermont is a former prosecuting attorney and has had considerable experience in matters relating to fraud.

I am a former prosecuting attorney and a former attorney general of my State. I know a little about how these bucket shops operate. I know a little about how Lloyd Carr operated, because one of his bucket shops was in my State, and others were around the country. Millions of dollars were bilked out of people on London options. The CFTC was fiddling while Rome burned, and I must say, in all candor, that the Senate Agriculture Committee was fiddling while Rome burned.

Now we are, in effect, locking the barn door on options. We are saying that we have burned enough on that; we are going to lock that one away. But we are enticing what potentially could be a lot of fast-buck gypsters like Lloyd Carr. He was not the only one. He is not a unique aberration.

We are now saying, "Boys, the heat is on options. The lid is on those. But until October of 1979 you can come at it with these leverage contracts." The CFTC said there is the same inherent evil in this situation as in the London options situation.

Frankly, I think the Senator from Vermont is making a mistake. I think he is assuming unto himself the notion that all is going to be peaceful, serene, legitimate, and honest in this leverage business between now and October of 1979.

I ask my colleague whether he really wants to take unto himself that burden.

Mr. LEAHY. Mr. President, I appreciate the fact that the Senator from Missouri has inflated my role of importance within this area. Our committee would do the oversight.

I am sure that the CFTC has had more than passing interest in the debate here this afternoon, and I say to the Senator that I would be rather chagrined if they played out the string all the way to October of 1979. That is the outside limit of the time they have. I want to give them the flexibility they need. But we will be riding rather rapidly on it in the meantime. There are steps they can take.

In the meantime, they can put a moratorium on the entry of new firms into the business. They can do a number of things even as a stopgap measure.

I assure the Senator from Missouri that I share equally his concern about bucket shop operations and others, and I also assure him that it will be the position of our committee to put pressure on the CFTC to make their decisions well before the October 1, 1979, deadline.

Mr. HUDDLESTON. Mr. President, if the Senator will yield, I will respond briefly.

First of all, there is a difference between leverage trading and option trading. I think the act of banning a commercial activity is a very drastic and extreme action. It seems to me that since this is a developing type activity in the trading field, and the scope of it is not defined as yet, it is reasonable not to issue an outright ban, not to assume that every trade is a fraudulent trade, but to give the Commission time to regulate the area, to find out who the dealers are, to see there are abuses, and to develop the kind of regulation that may be necessary to bring it under control.

I point out, as the distinguished Senator from Missouri knows because he has been an attorney general, that fraud is still fraud and is still a crime. Whether you are dealing under a regulatory agency or not, if you are defrauding the public, you are subject to criminal proceedings.

Mr. EAGLETON. I will respond to my two colleagues, and then I think I will let this go by a voice vote.

There seems to be an impression that the CFTC does not want this amendment. They may not like the exact phraseology and details of my amendment, but they recommended a similar amendment.

I call attention to the CFTC's letter of June 22 of this year, to Senator TALMADGE, which I mentioned. It says in the first paragraph:

Our proposed amendment—

That is the one the CFTC is proposing to Senator TALMADGE—

would, upon enactment, prohibit leverage transactions in agricultural commodities and generally prohibit leverage transactions in all other commodities unless thereafter permitted by Commission regulations.

I will not put the entire document in the record.

The CFTC now has a sufficient aroma about chicanery and the risk of fraud in this leverage field.

I agree with the Senator from Kentucky that there is a difference between a London option and a leverage contract, what that legal instrument purports to be. But I would say to the Senator that what is not different is human nature. Human nature is that Lloyd Carr and those of his corrupt ilk, who are now being foreclosed from the London option business, are going to go pell-mell into the leverage business. I think that is as certain as we are on the floor of the Senate today.

If you are going to close up the rathole that used to be available on option contracts but leave the one on leverage open, the thieves and the fast-buck artists are going to flock to that one.

I have been a prosecutor and an attorney general long enough to know how bucket shop operators function. If they find one field no longer fertile, they will go on to the next. I think the next field is leverage and apparently the CFTC does as well. However, the Senator from Kentucky and the Senator from Vermont thinks that this should be left pretty much as it is until October of 1979.

I have said about all I have to say on it, and I will ask for a voice vote on my amendment.

Mr. LEAHY. Mr. President, before we go to that, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. EAGLETON. Mr. President, I will ask for the yeas and nays on my amendment.

Mr. LEAHY. Will the Senator withhold that for a moment?

Mr. EAGLETON. Yes.

Mr. LEAHY. I hope the Senator will not request the yeas and nays. We do not know yet whether this will be a matter that will be within the House bill, anyway. I hope the Senator will be willing not to do that and give us room to utilize the oversight function. I am willing to concede it has not been as close as it has been in the past, but the Senator will have to admit, if he looks back at the hearing record, that it has been as extensive as the oversight of any other agency in the Government.

The Senator has a perfect right to ask for a roll call vote, but I hope he will not.

Mr. EAGLETON. Mr. President, I move the adoption of my amendment.

The PRESIDING OFFICER. Does the Senator from Vermont yield back the remainder of his time?

Mr. LEAHY. I do.

Mr. EAGLETON. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment. (Putting the question.)

Mr. EAGLETON. Mr. President, I ask unanimous consent that I be recorded in the affirmative on the voice vote.

Mr. LEAHY. I ask unanimous consent as having been recorded in the negative.

The PRESIDING OFFICER. The nays appear to have it. The nays have it and the amendment is rejected.

Without objection, the Senator from Missouri will be recorded as having voted in the affirmative, and the Senator from Vermont will be recorded as having voted in the negative.

UP AMENDMENT NO. 1415

Mr. LEAHY. Mr. President, I send to the desk a technical amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Vermont (Mr. LEAHY) proposes an unprinted amendment numbered 1415:

On page 9, beginning with "with—" on line 23, strikes out all down through line 25 and insert a period in lieu thereof.

On page 10, line 1, insert "The Commission is" immediately before "not".

Mr. LEAHY. Mr. President, before we go to that, I do not know if I did get the yeas and nays on final passage.

The PRESIDING OFFICER. The Senator from Vermont is correct. The yeas and nays have been ordered on final passage.

Mr. LEAHY. Mr. President, this is a technical amendment but it does go to a fairly significant point, and that is it removes the one-house veto that we presently have in the bill for options, and I suspect this will be a matter in conference because I expect it will be in the House bill.

I would like it out of the Senate bill just simply to give us some time to better evaluate what the position of the White House is going to be on this question of congressional one-house vetoes.

I would not want to see us get into a kind of a position where because of such language we might face a veto that is applicable to the whole bill.

Because of that, Mr. President, I move this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. SCHMITT. Mr. President, will the Senator yield?

Mr. LEAHY. I yield such time as the Senator from New Mexico needs.

Mr. SCHMITT. Mr. President, the question of the legislative veto relative to agency regulations——

The PRESIDING OFFICER. Is the Senator from New Mexico speaking on this amendment?

Mr. SCHMITT. I will speak on this amendment or the bill. The subject is the same.

Mr. LEAHY. I think the subject the Senator from New Mexico raises is germane to this amendment.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. SCHMITT. Mr. President, as I said, the subject of legislative veto relative to agency promulgated regulations is one which is becoming more and more of concern to Congress. We will see it discussed in this Chamber this year and I hope in succeeding years, until that time comes when legislative oversight on the promulgation of regulations is clear, specific, and has teeth in it.

I do not intend to oppose the Senator's amendment, but I do wish to enter into some colloquy with the distinguished Senator from Vermont and the Senator from Kansas, if they will, about this issue because even though the Senate has legislative oversight over all the agencies of the executive branch that can issue regulations and have the force of law, it is becoming increasingly clear to this Senator and I think to our constituents that that oversight has not been well recognized.

I think there are obviously constitutional discussions relative to the legislative veto, but it is a mechanism that is presently in legislation and in statute. It is a mechanism which I personally believe is constitutional primarily because it is Congress exercising its constitutional authority to make law.

But be that as it may, I hope that the Senator from Vermont and the committee of which he is a member will commit to an extensive discussion, and soon, of the impact of a legislative veto on the regulations promulgated by agencies under that committee's jurisdiction.

If nothing else, such a set of hearings on this issue would begin to focus the Senate's attention on how do you do it. A lot of us agree that a legislative veto is important. The question is how do you implement that veto in a regulatory arena on a systematic basis.

For example, in the bill S. 2011, which I have introduced and is pending before the Judiciary Committee, we hope to begin this discussion in a more general format, suggesting that there may be triggering mechanisms by which major regulations, that is, regulations with significant economic paperwork or judicial impact on society, can then be forced to come before Congress for some kind of an affirmative decision.

That may not be the best way to exercise a legislative veto, but it is one way which a modeling of impact of those kinds could provide.

Whether we perform the legislative veto in that way or some other way I think is not so critical at this point as that the committee represented by the Senator from Vermont considers and hopefully commits to a discussion of this issue because it is one that is appearing across the board in the Government, it is one which our constituents are clearly concerned about in that they feel that they are being overregulated and it is Congress duty to seize on this opportunity, I think, to find a way to exercise meaningful oversight over these agencies.

I ask the Senator's comment.

Mr. LEAHY. Mr. President, I think the Senator from New Mexico made some valid points.

It has become a matter of some controversy and, of course, we are concerned about the position of the White House.

In that regard, I ask unanimous consent to print in the RECORD a message to Congress from the President, dated June 21, 1978, on the subject of legislative vetoes.

There being no objection, the message was ordered to be printed in the RECORD, as follows:

LEGISLATIVE VETOES

To the Congress of the United States:

In recent years, the Congress has strengthened its oversight of Executive Branch decisions. I welcome that effort. Unfortunately, there has been increasing use of one oversight device that can do more harm than good—the "legislative veto."

In the past four years at least 48 of these provisions have been enacted—more than in the preceding twenty years. This proliferation threatens to upset the constitutional balance of responsibilities between the branches of government of the United States. It represents a fundamental departure from the way the government has been administered throughout American history. Unnecessary and unwarranted legislative veto procedures obstruct the efforts of my Administration and most members of Congress to make the administrative process quicker and simpler and divert attention from our common task of improving Federal programs and regulations.

Since taking office, I have several times expressed my deep reservations about legislative veto provisions in bills presented to me for signature. Herbert Hoover and every subsequent President have taken this position. The purpose of this message is to underscore and explain the concern and to propose alternatives.

The legislative veto was first used in the 1932 statute which authorized the President to reorganize the Executive Branch. The provision was repeated in subsequent reorganization acts, including the statute in effect today. This kind of legislative veto does not involve Congressional intrusion into the administration of on-going substantive programs, and it preserves the President's authority because he decides which proposals to submit to Congress. The Reorganization Act jeopardizes neither the President's responsibilities nor the prerogatives of Congress.

As employed in some recent legislation, however, the legislative veto injects the Congress into the details of administering substantive programs and laws. These new provisions require the President or an administrator of a government agency to submit to Congress each decision or regulation adopted under a program. Instead of the decision going into effect, action is blocked for a set time—typically 60 congressional working days—while Congress studies it. A majority of both Houses, or either House, or even a single committee, is authorized to veto the action during that period.

Such intrusive devices infringe on the Executive's constitutional duty to faithfully execute the laws. They also authorize Congressional action that has the effect of legislation while denying the President the opportunity to exercise his veto. Legislative vetoes thereby circumvent the President's role in the legislative process established by Article I, Section 7 of the Constitution.

These are fundamental constitutional issues. The Attorney General is seeking a definitive judgment on them from the courts, but no immediate resolution is in prospect. Pending a decision by the Supreme Court, it is my view, and that of the Attorney General, that these legislative veto provisions are unconstitutional.

Moreover, the legislative veto raises serious, practical policy problems.

Federal agencies issue thousands of complex regulations each year. Many are adopted after months or years of hearings and are based on many volumes of evidence. To act responsibly under a typical legislative veto provision, Congress would have to examine all of this evidence, hold its own hearings,

and decide whether to overrule the agency—all in a few weeks. This task would add an additional burden to Congress' legislative agenda.

The regulatory process is rightly criticized for being slow and for creating uncertainty which cripples planning by business, state and local governments, and many others. The legislative veto greatly compounds both problems. At best, it prolongs the period of uncertainty for each regulation by several months. At worst, it can mean years of delay. Under the legislative veto procedure, Congress can only block an agency's rules, not rewrite them. If the House and Senate agree that a regulation is needed but disagree with the agency or each other on the specifics, exercise of the veto can lead to indefinite deadlock.

This danger is illustrated by the regulations concerning President Nixon's papers. Three versions of these regulations were vetoed, and it took three years to reach agreement on them. Whatever the merits of the issues, this is clearly an unsatisfactory way to decide them. Such lengthy, expensive procedures could easily become commonplace under legislative veto statutes.

In addition to causing delay, legislative veto provisions can seriously harm the regulatory process. Regulators operating under such laws would seek to avoid vetoes. They would therefore tend to give more weight to the perceived political power of affected groups and less to their substantive arguments. Meetings of regulatory commissions could degenerate into speculation about how to write rules so they would escape future disapproval of future Congressional reviewers who are not present nor represented when the rules are being drafted. Many regulations would be evolved in negotiations between agency officials and Congressional staff members, subverting requirements in present law for public notice and comment and for decisions based on the record. Parties to regulatory proceedings, never knowing when a decision might be vetoed, would have to reargue each issue in Congress.

These problems would lead many regulators to reverse the constructive trend toward adopting uniform rules. They would revert to acting on a case-by-case basis, because the legislative veto cannot be applied to such decisions. This lack of uniformity would not reduce the scope of regulation, but it would reduce clarity and certainty. Those affected would have to determine how dozens of decisions on individual fact situations might apply to their own cases, instead of abiding by a single rule.

The most troubling problem, however, is that the legislative veto treats symptoms, not causes. The vast effort required to second-guess individual regulatory decisions could impede the crucial task of revising the underlying statutes.

Agencies issue regulations because Congress passes laws authorizing them, or—frequently—mandating them. Many of these laws have not been seriously reexamined for years and need change. This year, Congress is working on key bills to reform airline regulation, encourage public participation in the regulatory process, require lobbyists to work more openly, and adopt "sunset" procedures. Next year's agenda may be even fuller. We need legislation to speed up and simplify regulatory procedures, and we must reform a number of individual regulatory programs. We must deregulate where appropriate, make regulation easier to understand and to honor, and control the costs which regulations impose on our economy.

The President and the agency heads are responsible for improving the management of regulation, and we are doing so by administrative action encouraged by my Executive Order on improving the regulatory process. Only Congress through regulatory reform can deal with the underlying problems caused by a multitude of individual legislative mandates.

Regulation provides just one example of the problems caused by legislative vetoes; similarly severe problems arise in other areas of government. Thus, excessive use of legislative vetoes and other devices to restrict foreign policy actions can impede our ability to respond to rapidly changing world conditions. Reasonable flexibility is essential to effective government.

In sum, for both constitutional and policy reasons I strongly oppose legislative vetoes over the execution of programs. The inclusion of such a provision in a bill will be an important factor in my decision to sign or to veto it.

I urge Congress to avoid including legislative veto provisions in legislation so that confrontations can be avoided. For areas where Congress feels special oversight of regulations or other actions is needed, I urge the adoption of "report-and-wait" provisions instead of legislative vetoes. Under such a provision, the Executive "reports" a proposed action to Congress and "waits" for a specified period before putting it into effect. This waiting period permits a dialogue with Congress to work out disagreements and gives Congress the opportunity to pass legislation, subject to my veto, to block or change the Executive action. Legislation establishing "report-and-wait" procedures has been introduced. Even these procedures consume resources and cause delays, however, so they should be used sparingly.

As for legislative vetoes over the execution of programs already prescribed in legislation and in bills I must sign for other reasons, the Executive Branch will generally treat them as "report-and-wait" provisions. In such a case, if Congress subsequently adopts a resolution to veto an Executive action, we will give it serious consideration, but we will not, under our reading of the Constitution, consider it legally binding.

The desire for the legislative veto stems in part from Congress' mistrust of the Executive, due to the abuses of years past. Congress responded to those abuses by enacting constructive safeguards in such areas as war powers and the budget process. The legislative veto, however, is an overreaction which increases conflict between the branches of government. We need, instead, to focus on the future. By working together, we can restore trust and make the government more responsive and effective.

JIMMY CARTER.

THE WHITE HOUSE, *June 21, 1978.*

Mr. LEAHY. Mr. President, I assure the Senator from New Mexico that this agency, the CFTC, like all other rulemaking agencies, causes some concern to me.

I think an example was given that appeared to be borne out in my own office where a bookcase of a particular size held all of the laws passed by all of the Congresses since the late 1700's to date. A bookcase of a similar size held all the regulations, which have the force of law, promulgated in the last 18 months.

I realize that certain attacks can be made on such an analogy because some regulations by their own nature have to be rather lengthy. But still the 18 months versus the 200 years is a bit much.

And I can assure the Senator from New Mexico that in my oversight hearings of the CFTC, as I will in oversight hearings of other agencies that come before my committee, I will look specifically into the questions he has raised and I would be most happy to receive from him any memorandums, suggestions, or anything else of that nature.

Mr. SCHMITT. I certainly will make that available to the Senator.

Mr. President, I ask unanimous consent that a brief summary of the issue of constitutionality, particularly from the affirmative side, specifically legislative veto is constitutional, be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

CONSTITUTIONALITY

My colleagues have raised a fundamental question concerning the constitutionality of the legislative veto. This is surprising when one considers the fact that at least 48 of these provisions have been enacted in the past four years, and it is included in the bill H.R. 3816, the Federal Trade Commission Amendments Act as well as H.R. 11493, the Amtrak Improvement Act of 1978, which was passed 204 to 89 last Friday. Oddly enough, no objection was raised on the Amtrak bill which would have required affirmative action by both Houses of Congress before certain actions could be taken with respect to train routes.

In addition, I would like to remind my colleagues that the House of Representatives filed an amicus curiae brief supporting the "one-House veto" in the case of Atkins, et al, v. The United States. In that brief, which the Speaker determined should be filed at the invitation of the United States Court of Claims, the statement is made that:

"The basic reason why the "one-House veto" is consistent with the Constitution has been well summarized in the following terms: [21]

The veto well accords with the intent and meaning of the separation of powers principle, if this principle is understood as a piece of political wisdom rather than as a technical rule of law. When properly used and structured, the device serves that aspect of the separation of powers principle which seeks to prevent the total vesting of the power of one branch in another and that aspect of the principle which enjoins the branches to act as checks and balances on each other. In both these regards it functions to preserve and strengthen that equilibrium of power between the branches which lies at the heart of the separation of powers principle. Moreover, the veto can be used to accomplish this goal while at the same time providing for the kind of division of tasks between the branches which adds to rather than detracts from the contribution each can and must make to the success of governmental decisionmaking in a modern democratic state."

It went on to say that the Congressional veto has "vast political overtones" and noted that then President-elect Carter was "apparently favoring its use in the government reorganization area" while President Ford objected to its use regarding tariff considerations. It then stated that "Such an issue should not and cannot be resolved by the judiciary, once it is clear that the veto technique is not overtly and expressly condemned by the Constitution."

Mr. Chairman, I would go on for hours citing from the 44 page brief, which also has a 48 page counterpart filed on behalf of the Senate. I will not do so, but I will make one last point.

While the Supreme Court has not reached a definitive conclusion on the subject, the Senate brief notes that "the Supreme Court approved the principle of the legislative veto technique" in Sibbach v. Wilson and Co.

[21] Cooper and Cooper, *The Legislative Veto and the Constitution*, 30 Geo. Wash. L. Rev. 467, 514–515 (1962).

312 U.S.1 (1941) and both the House and Senate briefs quote extensively from Mr. Justice White's separate opinion in Buckley v. Valeo 424U.S.1 (1976) which dealt with the Federal Election Campaign Act. Mr. Justice White commented:

"I am also of the view that the otherwise valid regulatory power of a properly created independent agency is not rendered constitutionally infirm, as violative of the President's veto power, by a statutory provision subjecting agency regulations to disapproval by either House of Congress. For a bill to become law it must have passed both Houses and be signed by the President or passed over his veto. Also, 'every order, resolution or vote to which the concurrence of the Senate and House of Representatives may be necessary . . .' is likewise subject to the veto power. Under § 438(c) the FEC's regulations are subject to disapproval; but for a regulation to become effective, neither House need approve it, pass it, or take any action at all with respect to it. The regulation becomes effective by nonaction. This no more invades the President's powers than does a regulation not required to be laid before Congress. Congressional influence over the substantive content of agency regulation may be enhanced, but I would not view the power of either House to disapprove as equivalent to legislation or to an order, resolution or vote requiring the concurrence of both Houses."

It should be noted also that after the United States Court of Claims found that the one-House veto provision of the Salary Act was not unconstitutional in the Atkins case, the Supreme Court denied certiorari, thereby lending finality to the Court of Claims decision.

Mr. SCHMITT. I yield to the Senator from Kansas for his comments.

Mr. DOLE. Mr. President, I ask unanimous consent that a recent article in the National Journal, dated July 1, 1978, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE LEGISLATIVE VETO-PROOF CONGRESS

In his recent attack on legislative vetoes, President Carter joined hands with his modern predecessors, each of whom contended that by resorting to the device, Congress was infringing upon his constitutional preserve in a sort of reversal of roles.

Basically, a legislative veto allows Congress to negate prescribed presidential action without going through the procedure of enacting legislation requiring presidential signature. The veto can be cast, depending on the particular statute, by both chambers acting concurrently, by a single chamber or by a congressional committee. As defined by Attorney General Griffin B. Bell, a legislative veto transfers power "to the Congress to do things that ordinarily the executive department would do."

Although the use of the legislative veto dates back to the Hoover Administration, Carter noted that Congress is relying on it more and more and that at least 48 such provisions have been written into law in the past four years. "This proliferation threatens to upset the constitutional balance of responsibilities between the branches of the government of the United States," the President declared. "It represents a fundamental departure from the way the government has been administered throughout American history."

Earlier, President Ford, who, like Carter, contended that the practice may be unconstitutional, maintained that the inclusion of a legislative veto provision in a pending foreign aid and arms sales bill "would forge impermissible shackles on the President's ability to carry out the laws and conduct the foreign relations of the United States."

A *National Journal* study in May 1976 showed that legislative veto restrictions were provided for in 37 current statutes, including the War Powers Resolution, the Congressional Budget and Impoundment Control Act, the Trade Act of 1974 and the Energy Policy and Conservation Act, as well as in relatively minor legislation, such as the Pennsylvania Avenue Development Corporation Act, the Amtrak Improvement Act and the Amendments to National Traffic and Motor Vehicle Safety Act of 1966.

There is one other statute that gives Congress a form of legislative veto—the act that allows the President to reorganize the executive branch short of creating new Cabinet departments, subject to a veto by either chamber. But the Administration has no objection to this provision even though some Members of Congress don't like it because they feel it gives too much power to the executive.

In a real sense, Carter is the victim of a trend in which Congress, reacting to White House transgressions on Vietnam and Watergate, has sought to regain its lost powers and reestablish itself as a co-equal branch of government. The issue here is whether Congress is overstepping its bounds and invading the territories of the executive branch.

Carter, as have others before him, has suggested that the constitutionality of the legislative veto must eventually be determined by the Supreme Court. But taking a stronger stance than any of his predecessors, Carter said that his Administration does not consider itself legally bound by what it considers abuses of the legislative veto. The President further warned that "the inclusion of such a provision in a bill will be an important factor in my decision to sign or to veto it."

Thus, in unmistakable terms, Carter is drawing a line in the dispute with Congress. Yet, as Bell and Stuart E. Eizenstat, assistant to the President for domestic affairs, have stressed, the President, judiciously is not seeking a confrontation with Congress on the issue over a major point of contention, such as an overseas arms sale or a vital foreign policy question. Indeed, in some cases, as with the 1973 War Powers Resolution, the Administration is willing to abide by the decision of Congress even though it does not concede the constitutionality of the legislation. "As a matter of comity, we are willing to forgo the specific legal challenge and abide by that judgment because we think it is such an overriding issue," Eizenstat said.

Carter, however, is correct in moving toward clarification of the issue through the courts since, given the present mood of Congress, the proliferating use of legislative vetoes is certain to increase the competitive tension between the two branches. From the congressional viewpoint, the legislative veto has become a form of legislative shorthand. It allows Congress to neutralize presidential power by circumventing normal legislative procedures.

When Carter speaks of the legislative veto device as representing a fundamental departure in the governmental process, he is right. But what he perhaps overlooks is that this is exactly what Congress intends in its determination to redress the balance of power.

The role reversal argument sometimes cited by the Administration is a weak reed, since it is the White House that, over the years, has assumed the role of legislative initiator.

Since the executive and legislative branches must share power, there will always be disputes between them over jurisdiction. That is the essence of the democratic process. It should be noted, however, that in May 1977, Congress won a victory of sorts when the U.S. Court of Claims upheld the "one-house veto" in a case in which the Senate blocked pay increases for 140 federal judges.

In the meantime, Carter has offered an alternative to the legislative veto, involving what he calls "report and wait" provisions. Under the proposal, the executive branch would send a recommended action to Congress and wait for a specified period before putting it into effect. This, says Carter, would allow time for debate and permit Congress to enact legislation, subject to the President's veto. From here on in, Carter said, he will treat legislative vetoes as "report and wait" provisions.

In a footnote to the controversy, in his book, "The Accountability of Power" (David McKay Co., 1975), Vice President Walter F. Mondale wrote in reference to the legislative veto, "We simply must use this device more frequently."

Mondale was then a U.S. Senator from Minnesota and may now see things differently.

Mr. DOLE. This is a rather good discussion of the legislative veto.

Certainly, President Carter has not been the first President to express concern about what Presidents considered an invasion of the executive power.

I think one of the statements made that may have some bearing was made by a former colleague of ours, Senator MONDALE, when he wrote in reference to legislative veto. He said:

We simply must use this device more frequently.

And I am not certain he still has that view, but it is an idea that has been around for a long, long time.

I know that earlier President Ford, who like President Carter, contended that the practice may be unconstitutional, maintained that the inclusion of a legislative veto provision in a pending foreign aid and armed sales bill "would forge impermissible shackles on the President's ability to carry out the laws and conduct the foreign relations of the United States."

So there is no doubt about it. This article points out a May 1976 study showed that legislative veto restrictions were provided for in 37 current statutes, including the War Powers Resolution, and a number of others.

So it has been around for some time.

I guess the question is whether we want to become a super-regulatory agency. And there is no doubt about it. Many people suffer from overregulation by the agencies.

I do not know what some of the agencies suffer from, but I know many of the constituents suffer from overregulation.

There is a division in our household about the legislative veto, but that may not be true in every case.

I think the Senator from New Mexico has indicated and emphasized the need for congressional review and congressional oversight, and I can only say as far as I know, under the leadership of the distinguished Senator from Vermont and the distinguished Senator from Kentucky, we do a lot of that in our committee, and I think if more of that were done we might not have the quarrel that is developing over the legislative veto.

We have now what President Carter, I think, refers to as sort of the wait-and-report system; they will introduce legislation, they will wait for Congress to act, and if we have a chance to act on the legislation that might take its place,

but otherwise we are probably headed for some court decision on whether or not it is constitutional.

There have been some recent indications that the courts might uphold the right of Congress, but it is not clear. So I certainly share the view expressed by the Senator from New Mexico, and I agree with the effort of the Senator from Vermont.

The legislative veto provisions are already in the House bill, and if we remove it from the Senate bill we can go to conference, and maybe in the interim figure out some policy that might satisfy those who are concerned about overregulation, and also satisfy the concerns of President Carter. I am one who wants to do all I can to help the President.

Mr. SCHMITT. Mr. President, let me suggest that there are a number of ways in which a legislative veto can be provided for. We could make it mandatory in every regulation which, I think, would be impossible to implement. One can make it just required that there be a period of time, say 60 or 90 days, in which a regulation must lie before Congress for its action prior to it becoming law. Congress can act or not act, as it so desires.

The PRESIDING OFFICER. Will the Senator indicate on whose time he speaks?

Mr. DOLE. I yield time to the Senator.

The PRESIDING OFFICER. On the time of the Senator from Kansas. The Senator may proceed.

Mr. SCHMITT. The Congress can then make its own decision on whether it will act or not act on the veto of the regulation.

Another alternative which is proposed in S. 2011 is that we attempt to determine a certain triggering level of economic impact or paperwork impact or judicial impact, that then would require that the Congress act in an affirmative way on the particular regulation in question.

I think under any case of legislative veto that there is an implicit improvement in the situation just by its existence. If the agency in question is concerned about Congress vetoing its regulation presumably it will do a much better job of promulgating the regulation, and will only submit those regulations that are necessary and that have support behind them that will convince Congress that they are, in fact, necessary.

I guess I would prefer that the Senate begin to go along with the House on the question of legislative veto. The House has been, the other body, I should say has been, somewhat more aggressive in this area than we have. I hope we are gradually catching up, and I also hope that not only will we have hearings on the general issue within the Judiciary Committee in the very near future—and I think they are probably going to be scheduled—but that each committee that has legislative oversight of a agency will begin to examine the issue more specifically with respect to those agencies.

For example, can the regulations of their agencies be modeled, using modern technology and modeling techniques, with sufficient accuracy that a triggering mechanism could be established with an economic impact of a regulation promulgated by that agency? I think that is the kind of question I would suggest to the Senator from Vermont that he pose to the agency. Maybe he should pose it to the GAO as an independent observer of this particular issue.

I am happy that the committee is concerned about this. I believe they have conducted excellent oversight activities in the past. However, again, oversight activities are right now limited to another major initiative once a deficiency has been found, whereas with the legislative veto you have a built-in mechanism by which a deficiency can be remedied on the spot. So I appreciate the Senators' comments, both Senators' comments, on this issue.

I would suggest that when the Senator's amendment is disposed of that we might then consider as a preliminary first step the requirement that the agency for each regulation submit to Congress an impact analysis both on the economic impact, the paperwork impact and the judicial impact of a particular regulation. In that way whether we go to a legislative veto or not we establish the data base by which oversight, I believe, can be more meaningful for a particular regulation that may become of concern to the Senator's committee or any committee of the Senate.

Mr. LEAHY. Mr. President, I appreciate the comments of the Senator from New Mexico. It is a further concern that will be kept in mind. It is not the oversight but the feasibility of it.

Mr. President, I am prepared to yield back the remainder of my time on the amendment. I urge its enactment.

The PRESIDING OFFICER. Does the Senator from Kansas yield back the remainder of his time?

Mr. DOLE. Yes.

The PRESIDING OFFICER. All time being yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

Mr. LEAHY. Mr. President, I send a technical and clerical amendment to the desk.

Mr. SCHMITT. Mr. President, will the Senator from Vermont withhold so that we can continue in context the colloquy we had on the related issue before submitting that amendment?

Mr. LEAHY. Let me withhold then and continue the colloquy.

The PRESIDING OFFICER. On whose time?

Mr. SCHMITT. I would ask the Senator from Kansas to yield 5 minutes.

Mr. DOLE. I yield 5 minutes.

Mr. SCHMITT. I believe the Senator from Vermont and the Senator from Kansas and their staffs have had a chance to look at a proposed amendment having to do with economic, paperwork, and judicial impact analyses requirements for the commission.

I would ask the Senator from Vermont and the Senator from Kansas if they feel that this type of amendment will be acceptable to them. It principally would just be a requirement on the commission for any proposal or regulation to submit an analysis under specified conditions so that the committee could better evaluate in their oversight capacity the impact of the regulation on our society.

Mr. LEAHY. I find much appealing in the amendment by the Senator from New Mexico. My problem, as manager of the bill, is not having had any hearings on this, I do not know, No. 1 what it would cost the CFTC and to what extent we would be able to carry it out within the authorized level of the CFTC within the authorized amount in this bill.

I would prefer that this be a matter that we could look into in the committee.

I say there is much to it that appeals to me, much to it that I think would appeal to the committee. But I would prefer to have a chance at least to take it before the committee and have the appropriate witnesses before the committee so I would know what the whole financial impact of it would be.

Mr. SCHMITT. With that assurance, the Senator's assurance, that that might occur, I will not offer the amendment. I just want to again reemphasize that it is this kind of analysis that is absolutely mandatory if we are to continue conducting oversight, so I would hope as we move forward in this committee, the Senator's committee, work as well as the work of the Senate, that we will begin to consider the very least first step, which is to require the information necessary to conduct meaningful oversight over any major rule or regulation that might be proposed. Without it we are no better off than we have been for too long in the past in conducting the oversight necessary.

As a matter of fact, the kind of analysis provided by the amendment, which I will submit to the committee in proper form later, is required by the executive branch now, but the requirement, unfortunately, is not always carried out. We see that sometimes in our own committee work, where, for the example, the economic impact of a measure is dismissed with the statement that there is no economic impact, when we all know there is an economic impact.

I hope the Senate rules can be better enforced, and I also hope the executive branch can better enforce its requirements in this area. At some point, I think it will be required that Congress, by statute, require that agencies submit this kind of analyses prior to the enactment of any rule or regulation.

I thank the Senator again for his courtesy and interest in this matter.

Mr. LEAHY. I thank the Senator from New Mexico. I think he has raised a valid point, and one that could, if called up, involve greatly our obvious task of oversight.

UP AMENDMENT NO. 1416

(Purpose: To Correct technical and clerical errors in the bill and for other purposes)

Mr. LEAHY. Mr. President, I request the immediate consideration of the amendment I have just sent to the desk.

The PRESIDING OFFICER. The amendment will be stated. The legislative clerk read as follows:

The Senator from Vermont (Mr. LEAHY)

proposes an unprinted amendment numbered 1416.

Mr. LEAHY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

On page 12, line 20, strike out "(2)".

On page 12, line 21, strike out "(2)".

On page 13, line 10, strike out "paragraph" and insert in lieu thereof "sentence".

On page 14, line 10, insert "date of" after "the".

On page 14, line 24, insert "date of" after "the".

On page 17, line 2, strike out "subsection" and insert in lieu thereof "paragraph".

On page 17, line 3, strike out "subsection" and insert in lieu thereof "paragraph".

On page 18, line 10, strike out "he" and insert in lieu thereof "such person".

On page 24, line 19, insert a comma after "section 4k".

On page 25, between lines 5 and 6, insert the following:

"(1) striking out in subsection (b)(3)(B) "(7 U.S.C. 9)".

On page 25, line 6, strike out "(1)" and insert in lieu thereof "(2)".

On page 25, between lines 7 and 8, insert the following:

"(3) striking out in subsection (1)(2)(A) "title" each time that word appears and inserting in lieu thereof "Act".

On page 25, line 8, strike out "(2)" and insert in lieu thereof "(4)".

On page 32, beginning with "The" on line 10, strike out all down through the period on line 12.

Mr. LEAHY. Mr. President, this is simply a technical and a clerical correction of a number of typographical errors, and has been cleared all around. Unless someone wishes to speak on it, I yield back the remainder of my time on the amendment, and urge its adoption.

Mr. DOLE. I yield back our time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Vermont.

Without objection, the amendment is agreed to.

Mr. LEAHY. Are there further amendments? If there are no further amendments, I am ready for third reading.

Mr. HELMS. Mr. President, will the Senator yield to me for a moment, before proceeding?

Mr. LEAHY. I yield.

Mr. HELMS. Mr. President, I think it needs to be said at this time that the able Senator from Vermont and the able Senator from Kansas have done an exceedingly fine job on this piece of legislation. I commend them, and particularly I want to pay my respect to the Senator from Vermont for his patience during the hearings. As he knows, he and I sat almost alone for 2 or 3 days during the consideration of another piece of legislation on the Senate floor.

Mr. LEAHY. I thank the Senator from North Carolina for taking the time to sit in during that period.

Mr. HELMS. In any case, I appreciate the diligence of the Senator in pursuing various complicated aspects of this legislation. I remember on one occasion that we were discussing a difficult aspect of the operation of the commission, and I have the very definite impression that a number of the members of the committee had a great deal of concern about the action of the CFTC with regard to the Hunt family down in Dallas. I know the Senator remembers the testimony we took on that occasion.

In particular, several members of the committee have expressed, in varying degrees, disapproval of the CFTC's action in instituting administrative proceedings against the same members of the Hunt family, upon the same alleged violations, after the matter had been extensively litigated in court, and during the pendency of an appeal in the courts.

In my view, Mr. President, this constitutes double jeopardy. Certainly it raises a question of it, and I wonder if the Senator from Vermont did not have that same impression.

Mr. LEAHY. Mr. President, I would simply stand on what I said on the record at the time we had the hearings. It would be my intention again, as chairman of the committee, to do everything possible to make sure that any regulatory agency utilizes the enforcement procedures that it has, but that it does it in a fair way, so that enforcement becomes, indeed, justifiable enforcement of the laws, and not unjustifiable harassment.

Mr. HELMS. I thank the Senator. I well recall his eloquent comments with respect to duplicative and wasteful proceedings of this kind.

I wonder if the Senator from Kansas has any comment on that point.

Mr. DOLE. The Senator is correct. I think if we go back, we will find that even during the markup of the legislation, certain report language was offered to make that point. There was considerable evidence of that, I am sure, in various things Senators have raised on the Senate floor.

If the Commission were to institute proceedings administratively at the same time as court proceedings, as I understand it, though I may not be totally correct, that is double jeopardy.

I would hope we could impress on the Commission the need to be fair and objective in their dealings.

Mr. HELMS. I thank the Senator. As far as this Senator is concerned, I think I know what fair play is, and I think I understand the intent of this legislation with regard to the question of apparent double jeopardy. It cannot be condoned. I thank the Senator from Vermont, and I thank the Senator from Kansas.

Mr. LEAHY. I thank the Senator from North Carolina for his kind words.

Mr. MUSKIE. Mr. President, I would like to commend the committee for including in this bill a provision that would establish a national commission on the effects of markets on farm income.

I share the committee's caution in creating a new commission. However, in this case I believe one is justified. First of all, the commission will address an issue that has been of great concern to Maine potato farmers and other agricultural producers throughout the country. Second, the bill would require that at least four members of the commission be agricultural producers. This kind of direct participation by farmers will enhance the credibility of the findings of the commission and could not be accomplished were an existing agency, such as the General Accounting Office, to undertake the study.

Many Maine farmers have for years said that futures trading has been subject to manipulation and does not accurately reflect actual supply and demand.

Distrust of the futures market has been fueled by a 1976 contract default and by depressed prices.

The majority of Maine potato farmers are persuaded futures trading does not serve their best interests.

They have expressed their wish through the Maine Potato Council.

I support the position of the Maine farmers and have cosponsored legislation to eliminate trading of potato futures. I continue to hope that legislation will be considered at an early date.

The commission established by this bill would provide a useful vehicle to examine this issue. All parties stand to benefit from a thorough and enlightened review.

So I am pleased to support this bill and particularly the study provision.

Let me add that I believe it would be useful for the commission to conduct field hearings during its investigation.

I know Maine farmers would welcome the opportunity to express their views directly on the question of futures trading.

Mr. HATHAWAY. Mr. President, I commend the Agriculture Committee and the floor manager of the Commodity Futures Trading Commission reauthorization bill for their labors in what has often been an area of great controversy.

In May of 1976, the default in clearing of contracts for future delivery of Maine potatoes on the New York Mercantile Exchange sent shock waves through the potato industry. Many investors lost large sums of money and confidence in the futures market for potatoes plummeted both among the general public and in the farm community as well.

Since that time, the debate within the farm community has continued nearly unabated.

Because of suspicion about the invalidity of the potatoes futures market, charges that the Department of Agriculture's Statistical Reporting Service figures on potato stocks-on-hand are inaccurate have also been made.

Behind these charges and these suspicions is the inescapable fact that potato farming is increasingly expensive, but the rewards have not kept up with the costs.

The degree of indebtedness is much greater than it was not so many years ago. But a farmer must have pesticides, fertilizer, and certified seed if he is to obtain sufficient production and compete. Crop loans are necessary to secure those necessaries.

A higher debt level, of course, puts the farmer in a more vulnerable position when a bad year comes along.

This past year has been bad for farmers in Maine. I have introduced legisla-

tion to raise tariffs on Canadian potatoes, and I introduced a bill to establish a set-aside program for potatoes—both bills because the situation demanded such drastic responses to intolerable hardships for Maine farmers.

I have cosponsored Senator CHURCH's bill to end trading in potato futures and I look forward to hearings on this matter.

For the same reason, I commend the Senate Agriculture Committee for its establishment, in this bill, of the National Commission on the Effects of Futures Markets on Farm Income.

This Commission will study and appraise the relationships between the prices established on futures markets and the cash prices of the commodities. It will examine the extent of foreign trading. It will look into the prices received by American farmers and the prices received by others handling those commodities on exchanges.

All in all, such a study should be of tremendous help in outlining exactly where and how the present system hurts farmers and what might be done to correct abuses and inequitable practices where they do exist.

I very much hope that the Commission, in consideration of the grave events which have befallen the Maine potato industry in recent years, will make it a priority object of study, report, and recommendations for action.

Mr. LEAHY. I thank the Senators from Maine (Mr. MUSKIE and Mr. HATHAWAY) for their comments.

I believe it would be very appropriate for the Commission to hold field hearings.

I know the farmers in Maine have expressed concern about futures trading and I believe they and other farmers, should have the opportunity to testify before the Commission.

Mr. PERCY. Mr. President, Illinois is one of the most important factors in our balance-of-payments picture for it is ranked as the No. 1 agricultural and manufacturing exporter among the 50 States.

O'Hare International Airport in Chicago is also one of the busiest in the world and handles as much traffic as all three of the New York area airports. Last year alone, it processed nearly $3 billion in air exports. Chicago complements this air traffic by shipping more manufactured products by rail and truck than any other American city. In 1977, the value of the capital goods shipped out of Chicago was $79 billion.

Illinois is often thought of as one of the Nation's great farm areas and it is a reputation the State has justly earned. Over 80 percent of its 35 million acres are classified as farmland and it ranks as one of the most productive agricultural areas in the United States. For the past 3 years, Illinois has exported more agricultural products than any other State in the Nation. Over $2.5 billion worth of farm products were exported last year alone. For the past 3 years, Illinois has ranked No. 1 in the production and export of corn, soybeans, and feed grain. The Illinois farmer is doing his part to keep our economy going strong and reduce the trade deficit.

Just as the productivity of our farmland has attracted international interest, so too has Chicago grown to be one of the world's greatest financial centers. Much of this growth has occurred in the last decade and, unlike some other urban areas in the United States, Chicago continues to thrive economically today. We are proud of our success and growth and I anticipate that it will continue in the future.

One of the best measures of a city's international financial importance is found in the activities of its banking institutions. We have many great banks in Chicago but the five largest ones—Continental Illinois, First Chicago, Harris Trust, Northern Trust, and American National—held foreign assets of over $8 billion in 1973. By 1977, these assets had more than doubled to $16.6 billion. What is more, the share of foreign assets held by these banks has grown from 23 percent of their total assets in 1973 to 31 percent last year. This significant growth is an index of how much business our Illinois banks are doing overseas and the increasing importance of our banks in facilitating international trade.

The dynamics of the Chicago marketplace have been recognized by foreign banks, too. Whereas in 1974 there were only three representative's offices of foreign banks in Chicago, there are today 17 such offices as well as branches of 28 foreign banks. These institutions represent the financial interests of 18 different countries and accounted for $3.3 billion in assets last year, over double the assets held just 3 years ago.

All of these elements of Illinois' economy—its agricultural productivity, its strategic location between the Great Lakes and the Mississippi River and Chicago's thriving industrial and financial sectors—come together appropriately in our commodities futures trading exchanges. The Chicago Board of Trade, for example, is the largest and oldest commodities exchange in the world. The second largest—the Mercantile Exchange—is also in Chicago. The Mid-America Exchange is the third commodity market that serves the midwest from Chicago, giving the city 75 percent of all futures trading handled in the United States.

The bill before us today extends the life of the Commodities Futures Trading Commission which was established in 1974 to watch over rapidly growing futures trading. This bill is of vital importance to the Chicago exchanges which account for the bulk of commodities traded in this country.

The Chicago Board of Trade has nearly tripled the number of contracts it sells. In 1970, just over 8 million contracts were traded and last year the board's trading hit 23 million contracts. Preliminary figures for this year indicate that over 26 million contracts will be traded, setting a new record. The price of a seat on the board has far outstripped the prestigious New York Stock Exchange. The highest seat price ever was recorded this year when a seat at the board sold for $180,000. This compares with the New York Stock Exchange's high bid of $95-000 last year. What makes this price even more significant is the fact that just 8 years ago, $41,000 was the top price bid for a seat at the board. Similar patterns are being set at our other Chicago exchanges.

One of the reasons for the phenomenal rise in the success of commodities markets is the expanding scope of their activities. Since 1970, the exchanges have grown beyond their traditional roles of facilitating the marketing of food and fiber. Since 1970, the Chicago Board of Trade, for example, has added gold futures, Government National Mortgage Association—Ginnie Mae—mortgage interest rate futures, U.S. Treasury bond futures and 90-day commercial paper loan futures and they have applied for permission to also trade 30-day commercial paper futures, put and call options of Ginnie Mae futures, southern plywood futures and Eurodollars futures. This listing shows that commodities trading has entered a new era, supplementing the older, agricultural trading. It is also reflected at the Mercantile Exchange, which opened a special international monetary market in 1972, solely for the trading of futures in gold, U.S. Treasury bills, foreign currencies, and some U.S. silver coins. The Mercantile Exchange is the only market in the world that has entered into trading in these currency areas and signifies the rapidly evolving position of Chicago as a center for international finance.

Despite the emergence of these new areas for trading futures, the Chicago markets still depend largely on agricultural products as their mainstay. Eighty-six percent of the board's trading volume is accounted for by wheat, corn, oats, soybeans, soybean oils, soybean meal, and iced chicken broilers. The same is true at the Mercantile Exchange where over 70 percent of the trading centers on live cattle and hogs, frozen pork bellies, feeder cattle, lumber, potatoes, and fresh eggs.

Mr. President, this bill and the commodities that are traded are very important to Chicago and Illinois. Together with the other two Illinois futures markets in Peoria and Joliet, over 80 percent of all transactions occur in Illinois markets and are a major contributor to the State's economic well-being. Moreover, they play an important role in the Nation's economy and are increasingly becoming involved in the functioning of our currency markets. I am pleased to support this bill which helps guarantee that these important transactions are conducted in the most professional manner.

Mr. President, if there are no further amendments, I ask for third reading.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

Do Senators yield back the remainder of their time?

Mr. LEAHY. I yield back the remainder of my time.

Mr. DOLE. I yield back the remainder of my time.

The bill was ordered to be engrossed for third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, shall it pass? The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. ANDERSON), the Senator from Idaho (Mr. CHURCH), the Senator from New York (Mr. MOYNIHAN), the Senator from South Dakota (Mr. ABOUREZK), the Senator from Arkansas (Mr. BUMPERS), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Louisiana (Mr. JOHNSTON) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. MCGOVERN) is absent on official business.

Mr. STEVENS. I announce that the Senator from Pennsylvania (Mr. SCHWEIKER) and the Senator from Texas (Mr. TOWER) are necessarily absent.

The result was announced—yeas 84, nays 6, as follows:

[Rollcall Vote No. 210 Leg.]

YEAS—84

Allen	Goldwater	Morgan
Baker	Gravel	Muskie
Bartlett	Griffin	Nelson
Bayh	Hansen	Nunn
Bellmon	Hart	Packwood
Bentsen	Haskell	Pearson
Biden	Hatfield, Mark O.	Pell
Brooke	Hatfield, Paul G.	Percy
Burdick	Hathaway	Randolph
Byrd, Harry F., Jr.	Hayakawa	Ribicoff
Byrd, Robert C.	Heinz	Riegle
Cannon	Helms	Roth
Case	Huddleston	Sarbanes
Chafee	Humphrey	Sasser
Chiles	Inouye	Schmitt
Clark	Jackson	Scott
Cranston	Javits	Sparkman
Culver	Kennedy	Stafford
Curtis	Laxalt	Stennis
Danforth	Leahy	Stevens
DeConcini	Long	Stevenson
Dole	Lugar	Stone
Domenici	Magnuson	Talmadge
Durkin	Mathias	Thurmond
Eastland	Matsunaga	Wallop
Ford	McIntyre	Weicker
Garn	Metzenbaum	Williams
Glenn	Morgan	Young
		Zorinsky

NAYS—6

Eagleton	Hodges	Melcher
Hatch	McClure	Proxmire

NOT VOTING—10

Abourezk	Hollings	Schweiker
Anderson	Johnston	Tower
Bumpers	McGovern	
Church	Moynihan	

So the bill (S. 2391), as amended, was passed, as follows:

S. 2391

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

COMPOSITION OF THE COMMISSION; CONFLICT OF INTEREST; CONFORMING AND TECHNICAL AMENDMENTS

SECTION 1. Section 2(a) of the Commodity Exchange Act is amended by—

(1) striking out in the first sentence of paragraph (1) (7 U.S.C. 2) "section 217 of the Commodity Futures Trading Commission Act of 1974" and inserting in lieu thereof "section 19 of this Act";

(2) inserting "(A)" immediately after the designation of paragraph (2) (7 U.S.C. 4a (a));

(3) striking out in the second sentence of paragraph (2) "a Chairman and four other Commissioners" and inserting in lieu thereof "five Commissioners";

(4) striking out in the last sentence of paragraph (2) "(A)" and "(B)" and inserting in lieu thereof "(i)" and "(ii)", respectively;

(5) adding at the end of paragraph (2) a new subparagraph (B) as follows:

"(B) The President shall appoint, by and with the advice and consent of the Senate, a member of the Commission as Chairman, who shall serve as Chairman at the pleasure of the President. An individual may be appointed as Chairman at the same time that person is appointed as a Commissioner. The Chairman shall be the chief administrative officer of the Commission and shall preside at hearings before the Commission. Subject to the provisions of the first sentence of this subparagraph, the President may, from time to time, designate a different Chairman, and the Commissioner previously appointed as Chairman shall complete his term as a Commissioner.";

(6) striking out in paragraph (5) (7 U.S.C. 4a(d)) ", by and with the advice and consent of the Senate,";

(7) inserting "(A)" immediately after the designation of paragraph (7) (7 U.S.C. 4a (f));

(8) adding at the end of paragraph (7) a new subparagraph (B) as follows:

"(B) No Commissioner or employee of the Commission classified a a GS–15 or higher of the General Schedule under section 5332 of title 5, United States Code, may, for a period of one year beginning on the last day of service as such Commissioner or employee—

"(i) make any appearance before the Commission; or

"(ii) make any written or oral communication to the Commission, or any Commissioner or employee of the Commission, on behalf of any person (other than the United States) on any particular matter that is before the Commission.

The restrictions in this subparagraph shall not apply to an appearance or response under a subpena issued by the Commission, or any matter of an exclusively personal and individual nature.";

(9) striking out in the first sentence of paragraph (8) (7 U.S.C. 4a(g)) "establish a separate office within the Department of Agriculture to be staffed with employees of the Commission for the purpose of maintaining" and inserting in lieu thereof "maintain";

(10) striking out in subparagraph (9)(A) (7 U.S.C. 4a(h)(1)) "Senate Committee on Agriculture and Forestry" and inserting in lieu thereof "Senate Committee on Agriculture, Nutrition, and Forestry"; and

(11) striking out in subparagraph (9)(B) (7 U.S.C. 4a(h)(2)) "Senate Committee on Agriculture and Forestry" and inserting in lieu thereof "Senate Committee on Agriculture, Nutrition, and Forestry".

OPTIONS TRANSACTIONS; TECHNICAL AMENDMENTS

SEC. 2 Section 4c of the Commodity Exchange Act (7 USC 6c) is amended by—

(1) striking out in the last sentence of subsection (a) "not have been disapproved" and inserting in lieu thereof "have been approved";

(2) striking out in subsection (b) "Senate Committee on Agriculture and Forestry" and inserting in lieu thereof "Senate Committee on Agriculture, Nutrition, and Forestry"; and

(3) adding at the end thereof new subsections (c), (d), and (e) as follows:

"(c) Notwithstanding the provisions of subsection (b) of this section, it shall be unlawful for any person to offer to enter into, enter into, or confirm the execution of, any transaction subject to the provisions of subsection (b) of this section, except where both parties to such transaction are either a producer, processor, or commercial user of, or a merchant handling, the commodity involved in the transaction, or the products or byproducts thereof, and offer to enter into, or enter into, or confirm the transaction solely for the purposes of their business as such, until (1) the Commission transmits to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry documentation of its ability to regulate successfully such transactions, and (2) the expiration of thirty calendar days of continuous session of Congress after the date of such transmittal. The Commission is not precluded from transmitting documentation relating to its ability to regulate such transactions regarding individual commodities, classes of commodities, or regulation of such transactions on specific boards of trade, at such time as the Commission deems appropriate. Nothing in the preceding sentence shall affect any rights or obligations arising out of any transactions subject to the provisions of this subsection entered into, or the execution of which was confirmed, prior to October 1, 1978

"(d) Notwithstanding the provisions of subsections (b) and (c) of this section or section 8a(5) of this Act, a registered futures commission merchant may offer to enter into, enter into, or confirm the execution of, any transaction subject to the provisions of subsection (b) of this section if—

"(1) the grantor in the transaction is a person who—

"(A) is in the business of buying, selling, producing, or otherwise using the underlying commodity;

"(B) at all times has a net worth of at least $10,000,000 certified annually by an independent public accountant using generally accepted accounting principles;

"(C) agrees to notify such futures commission merchant if the grantor has reason to believe the grantor's net worth has fallen below $10,000,000;

"(D) segregates daily, exclusively for the benefit of purchasers, money, exempted securities (within the meaning of section 3(a)(12) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(12)), commerical paper, bankers' acceptances, commercial bills, or unencumbered warehouse receipts, equal to an amount by which the value of each transaction exceeds the amount received or to be received by the grantor for such transaction;

"(E) provides an identification number for each transaction; and

"(F) provides confirmation of all orders for such transactions executed, including the execution price and a transaction identification number;

"(2) the futures commission merchant has evidence that the grantor meets the requirements set forth in clause (1) of this subsection; and

"(3) the futures commission merchant—

"(A) treats and deals with an amount of money, exempted securities (within the meaning of section 3(a)(12) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(12)), commercial paper, bankers' acceptances, commercial bills, or unencumbered warehouse receipts, equal in value to the value received from its customers as payment of the purchase price in connection with such transactions, as security for performance of the transactions until the expiration or liquidation of those transactions;

"(B) records each transaction in its customer's name by the transaction identification number provided by the grantor; and

"(C) provides a disclosure statement to

its customers, under regulations of the Commission, that discloses, among other things, all costs, including any markups or commissions involved in such transaction.

"(e) The provisions of subsections (c) and (d) of this section shall be effective for the period beginning October 1, 1978, and ending September 30, 1984.".

CUSTOMERS' FUNDS AND PROPERTY

SEC. 3. Section 4d of the Commodity Exchange Act (7 U.S.C. 6d) is amended by—

(1) inserting in the first paragraph after "*Provided further,*" the following: "That in accordance with such terms and conditions as the Commission may prescribe by rule, regulation, or order, such money, securities, and property of the customers of such futures commission merchant may be commingled and deposited as provided in this section with any other money, securities, and property received by such futures commission merchant and required by the Commission to be separately accounted for and treated and dealt with as belonging to the customers of such futures commission merchant: Provided further,"; and

(2) adding at the end thereof a new sentence as follows:

"Notwithstanding any other provision of law, no such person, nor any trustee or receiver of such person, shall assert any rights with respect to such money, securities, and property or with respect to customer accounts held by such person, or any trustee or receiver of such person, which would prohibit, delay, or condition a transfer of such money, securities, property, or customer accounts to another futures commission merchant: *Provided,* That such a transfer is required under the rules, bylaws, or regulations of any contract market or clearinghouse organization of which such person is a member or under the rules and regulations of the Commission.".

REGISTRATION OF FUTURES COMMISSION MERCHANTS AND FLOOR BROKERS

SEC. 4. Section 4(f)(1) of the Commodity Exchange Act (7 U.S.C. 6f(1)) is amended by—

(1) striking out in the third sentence "All registrations" and inserting in lieu thereof "Each registration"; and

(2) inserting in the third sentence after "issued," the following: "or at such other time, not less than one year from the date of issuance thereof, as the Commission may by rule, regulation, or order prescribe,".

TECHNICAL AMENDMENT

SEC. 5. Section 4g(3) of the Commodity Exchange Act (7 U.S.C. 6g(3)) is amended by striking out "Brokers" and inserting in lieu thereof "Floor brokers".

FOR REGISTRATION OF ASSOCIATED PERSONS; AUTHORIZATION FOR REGISTRATION OF ASSOCIATED PESONS BY A TITLE III ASSOCIATION

SEC. 6. Section 4k of the Commodity Exchange Act (7 U.S.C. 6k) is amended by—

(1) amending the last sentence of subsection (2) to read as follows: "Such registration shall expire two years after the effective date thereof or at such other time, not less than one year from the date of issuance thereof, as the Commission may by rule, regulation, or order prescribe, and shall be renewed upon application therefor unless the registration has been suspended (and the period of such suspension has not expired) or revoked after notice and hearing as prescribed in section 6(b) of this Act: *Provided,* That upon initial registration, unless the Commission otherwise prescribes by rule, regulation, or order, the effective period of such registration shall be not more than two years nor less than one year from the effective date thereof."; and

(2) adding at the end thereof a new subsection (3) as follows:

"(3) The Commission may authorize a registered futures association to perform the registration functions of this section, in accordance with rules approved by the Commission, and subject to the provisions of this Act applicable to registrations granted by the Commission.".

REGISTRATION OF COMMODITY TRADING ADVISORS AND COMMODITY POOL OPERATORS

SEC. 7. Section 4n of the Commodity Exchange Act (7 U.S.C. 6n) is amended by—

(1) striking out subsection (2) and redesignating subsections (3), (4), (5), (6), and (7) as subsections (2), (3), (4), (5), and (6), respectively;

(2) striking out in subsection (3) "All registrations" and inserting in lieu thereof "Each registration"; and

(3) inserting in subsection (3) after "year," the following: "or at such other time, not less than one year from the effective date thereof, as the Commission may by rule, regulation, or order prescribe,".

PROHIBITION ON FRAUDULENT TRANSACTIONS BY COMMODITY TRADING ADVISORS AND COMMODITY POOL OPERATORS

SEC. 8. Section 4o(1) of the Commodity Exchange Act (7 U.S.C. 6o(1)) is amended by striking out "registered under this Act".

ARBITRATION

SEC. 9. Section 5a(11) of the Commodity Exchange Act (7 U.S.C. 7a(11)) is amended by inserting before "provide" the following: "unless available under the rules of a registered futures association,".

REFUSAL, SUSPENSION, OR REVOCATION OF "CONTRACT MARKET" DESIGNATION—HEARING ON THE RECORD; COMMISSION SUBPENA POWER

SEC. 10. Section 6 of the Commodity Exchange Act (7 U.S.C. 8) is amended by—

(1) inserting "on the record" after "hearing" in the second sentence:

(2) inserting "on the record" after "hearing" in the second sentence of paragraph (a);

(3) striking out the third sentence of paragraph (b) and inserting in lieu thereof the following: "For the purpose of securing effective enforcement of the provisions of this Act and for the purpose of any investigation or proceeding under this Act, any member of the Commission or any Administrative Law Judge or other officer designated by the Commission is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records that the Commission deems relevant or material to the inquiry. The attendance of witnesses and the production of any such records may be required from any place in the United States or any State at any designated place of hearing. In case of contumacy by, or refusal to obey a subpena issued to, any person, the Commission may invoke the aid of any court of the United States within the jurisdiction in which such investigation or proceeding is conducted, or where such person resides or transacts business, in requiring the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, and other records. Such court may issue an order requiring such person to appear before the Commission or member or Administrative Law Judge or other officer designated by the Commission, there to produce records, if so ordered, or to give testimony touching the matter under investigation or in question. Any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district wherein such person is an inhabitant or transacts business or wherever such person may be found.".

ISSUANCE OF A CEASE AND DESIST ORDER OR IMPOSITION OF A CIVIL MONEY PENALTY AGAINST A CONTRACT MARKET—HEARING ON THE RECORD

SEC. 11. Section 6b of the Commodity Exchange Act (7 U.S.C. 13a) is amended by inserting "on the record" after "hearing" in the first sentence.

JURISDICTION OF THE STATES

SEC. 12. The Commodity Exchange Act is amended by adding after section 6c a new section 6d as follows:

"SEC. 6d. (1) Whenever it shall appear to the attorney general of any State, the administrator of the securities laws of any State, or such other official as a State may designate, that the interests of the residents of that State have been, are being, or may be threatened or adversely affected because any person (other than a contract market or floor broker) has engaged in, is engaging or is about to engage in, any act or practice constituting a violation of any provision of this Act or any rule, regulation, or order of the Commission thereunder, the State may bring a suit in equity or an action at law on behalf of its residents to enjoin such act or practice, to enforce compliance with this Act, or any rule, regulation, or order of the Commission thereunder, to obtain damages on behalf of their residents, or to obtain such further and other relief as the court may deem appropriate.

"(2) The district courts of the United States, the United States, the United States courts of any territory, and the District Court of the United States for the District of Columbia, shall have jurisdiction of all suits in equity and actions at law brought under this section to enforce any liability or duty created by this Act or any rule, regulation, or order of the Commission thereunder, or to obtain damages or other relief with respect thereto. Upon proper application, such courts shall also have jurisdiction to issue writs of mandamus, or orders affording like relief, commanding the defendant to comply with the provisions of this Act or any rule, regulation, or order of the Commission thereunder, including the requirement that the defendant take such action as is necessary to remove the danger of violation of this Act or of any such rule, regulation, or order. Upon a proper showing, a permanent or temporary injunction or restraining order shall be granted without bond.

"(3) Immediately upon instituting any such suit or action, the State shall serve written notice thereof upon the Commission and provide the Commission with a copy of its complaint.

"(4) Any suit or action brought under this section in a district court of the United States may be brought in the district wherein the defendant is found or is an inhabitant or transacts business or wherein the act or practice occurred, is occurring, or is about to occur, and process in such cases may be served in any district in which the defendant is an inhabitant or wherever the defendant may be found.

"(5) For purposes of bringing any suit or action under this section, nothing in this Act shall prevent the attorney general, administrator of the State securities laws, or other duly authorized State officials, from exercising the powers conferred on them by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

"(6) For purposes of this section, the word 'State' means any State of the United States, the District of Columbia, or any territory or possession of the United States.".

DISCLOSURE OF TRADERS AND THEIR POSITIONS ON BOARDS OF TRADE TO THE PUBLIC

SEC. 13. Section 8 of the Commodity Exchange Act (7 U.S.C. 12–1) is amended by

striking out in the second paragraph "and make public" the second time that phrase appears.

FINGERPRINTING OF APPLICANTS FOR REGISTRATION; DISCLOSURE OF IMPROFER TRANSACTIONS

SEC. 14. Section 8a of the Commodity Exchange Act (7 U.S.C. 12a) is amended by—

(1) inserting in subsection (1) after "by the Commission" the following: ", which may require the applicant, and any persons associated with the applicant as the Commission may specify, to be fingerprinted and to submit, or cause to be submitted, such fingerprints to the Attorney General for identification and appropriate processing"; and

(2) striking out "and to publish" in subsection (6).

DISCLOSURE OF RESULTS OF EXCHANGE DISCIPLINARY PROCEEDINGS

SEC. 15. Section 8c(1)(B) of the Commodity Exchange Act (7 U.S.C. 12c(1)(B)) is amended by amending the last sentence to read as follows: "An exchange shall make public its findings and the reasons for the exchange action in any such proceeding, including the action taken or the penalty imposed, but shall not disclose the evidence therefor, except to the person who is suspended, expelled, or disciplined, or denied access, and to the Commission: *Provided*, That the restriction on disclosure of evidence in this sentence shall not apply to criminal investigations or proceedings.".

CRIMINAL PENALTIES

SEC. 16. Section 9 of the Commodity Exchange Act (7 U.S.C. 13) is amended by—

(1) inserting before the period at the end of subsection (b) the following: ", or to violate the provisions of section 4, section 4b, section 4c, section 4h, section 4o(1) or section 19 of this Act, or to make any false or misleading statement of a material fact in any registration application or report filed with the Commission, or to omit to state in any such application or report any material fact that is required to be stated therein";

(2) amending subsection (c) to read as follows:

"(c) Except as provided in subsections (a), (b), (d), and (e) of this section, it shall be a misdemeanor punishable by a fine of not more than $100,000 or imprisonment for not more than one year, or both, together with the costs of prosecution, for any person to violate any provisions of section 4a, section 4d, section 4e, section 4i, section 4k, section 4m, section 4o(2), or section 8b of this Act, or fail to evidence any contract mentioned in section 4 of this Act by a record in writing as therein required.";

(3) striking out in subsection (d) "$10,000" and inserting in lieu thereof "$100,000"; and

(4) striking out in subsection (e) "$10,000" and inserting in lieu thereof "$100,000".

AUTHORIZATION FOR APPROPRIATIONS

SEC. 17. Section 12(d) of the Commodity Exchange Act (7 U.S.C. 16(d) is amended to read as follows:

"(d) There are hereby authorized to be appropriated to carry out the provisions of this Act such sums as may be required for the fiscal year ending June 30, 1975, for the period beginning July 1, 1975, and ending September 30, 1976, and for each of the fiscal years during the period beginning October 1, 1976, and ending September 30, 1984.".

REPARATIONS

SEC. 18. Section 14 of the Commodity Exchange Act (7 U.S.C. 18) is amended by—

(1) striking out in subsection (a) "registered" and inserting in lieu thereof "who is registered or required to be registered";

(2) striking out in subsection (b) all after *"Provided,"* and inserting in lieu thereof the following: "That in complaints wherein the amount claimed as damages does not exceed the sum of $5,000, a hearing limited to the basic or novel issue or issues of the case shall be held, and additional proof in support of the complaint and respondent's answer may be supplied in the form of depositions or verified statements of fact."; and

(3) amending subsection (c) to read as follows:

"(c) After opportunity for hearing has been waived or a hearing is held on a complaint filed under this section, the Commission shall determine whether the respondent has violated any provision of this Act or any rule, regulation, or order of the Commission thereunder."; and

(4) adding at the end thereof a new subsection (j) as follows:

"(j) Notwithstanding any other provision of this section or Act, a futures association registered under section 17 of this Act may, with the Commission's approval, adopt rules establishing a procedure whereby persons complaining of a violation of any provision of this Act or any rule, regulation, or order of the Commission thereunder by a member of the association who is registered or required to be registered under section 4d, section 4e, section 4k, or section 4m of this Act, may obtain an adjudication of such claims by the association, and the rules of the association shall govern all such claims that are or could be brought thereunder, in lieu of the procedures set forth in this section: *Provided*, That the decisions of the association shall be subject to subsections (f), (g), and (h) of this section to the same extent as reparations orders entered by the Commission.".

REGISTERED FUTURES ASSOCIATION

SEC. 19. Section 17 of the Commodity Exchange Act (7 U.S.C. 21) is amended by—

(1) striking out in subsection (b)(3)(B) "(7 U.S.C. 9)".

(2) striking out in subsection (b)(10) "$5,000" and inserting in lieu thereof "$15,000"; and

(3) striking out in subsection (1)(2)(A) "title" each time that word appears and inserting in lieu thereof "Act".

(4) redesignating subsection (m) as subsection (n), and inserting after subsection (l) a new subsection (m) as follows:

"(m) Notwithstanding any other provision of law, the Commission may approve rules of a futures association or of a contract market that, directly or indirectly, require persons eligible for membership in such association to become members thereof, if the Commission determines that such rules are necessary or appropriate to achieve the purposes and objectives of this Act.".

LEVERAGE TRANSACTIONS; FORWARD CONTRACTS

SEC. 20. The Commodity Exchange Act is amended by adding at the end thereof new sections 19 and 20 as follow:

"SEC. 19. No person shall offer to enter into, enter into, or confirm the execution of, any transaction for the delivery of any commodity specifically set forth in section 2(a) of this Act prior to the enactment of the Commodity Futures Trading Commission Act of 1974, under a standardized contract commonly known to the trade as a margin account, margin contract, leverage account, or leverage contract, or under any contract, account, arrangement, scheme, or device that the Commission determines serves the same function or functions as such a standardized contract, or is marketed or managed in substantially the same manner as such a standardized contract. Notwithstanding any other provision of this Act, the Commission may prohibit or regulate any such transactions involving any other commodities under such terms and conditions as the Commission shall initially prescribe by October 1, 1979: *Provided*, That any such order, rule, or regulation may be made only after notice and opportunity for hearing: *Provided further*, That the Commission may set different terms and conditions for such transactions involving different commodities. If the Commission determines that any such transaction is a contract for future delivery within the meaning of this Act, such transaction shall be regulated in accordance with the applicable provisions of this Act.

"SEC. 20. (a) The Commission shall, for the period beginning October 1, 1978, and ending September 30, 1984, monitor forward contracting for domestic agricultural commodities and maintain records of defaults on any such contracts.

"(b) The Commission shall include in its annual reports to Congress information concerning its monitoring activities under subsection (a) of this section, any defaults on forward contracts for domestic agricultural commodities during the immediately preceding fiscal year, and any observations, recommendations, or comments on forward contracts for domestic agricultural commodities and the regulation of those transactions or the need for legislation in this area as the Commission deems appropriate.

"(c) Of the sums appropriated annually to carry out this Act, not to exceed $75,000 may be used to carry out the provisions of this section.".

REPEAL OF LEVERAGE TRANSACTION PROVISION IN THE 1974 ACT

SEC. 21. Title II of the Commodity Futures Trading Commission Act of 1974 (7 U.S.C. 15a) is amended by repealing section 217.

USE IMMUNITY

SEC. 22. Section 6001 of part V of title 18 of the United States Code (18 U.S.C. 6001) is amended by inserting after "Civil Aeronautics Board," the following: "the Commodity Futures Trading Commission,".

NATIONAL COMMISSION OF THE EFFECTS OF FUTURES MARKETS ON FARM INCOME

SEC. 23. (a) There is hereby established a National Commission on the Effects of Futures Markets on Farm Income (hereinafter referred to as the "Commission").

Organization

(b)(1)(A) The Commission shall be composed of nine members, appointed by the President, none of whom may be employees of the Federal Government or Members of Congress. One of the members of the Commission, who, by background, experience, and education, is particularly suited to the position, shall be designated as Chairman at the time of his or her appointment.

(B) At least four of the Commission members shall be agricultural producers. The other Commission members shall represent, insofar as practicable, the interests of processors and distributors of agricultural commodities and their products, economists, commodity exchanges, national agricultural organizations, and consumers.

(C) A vice-chairman shall be selected by a majority vote of the Commission.

(2) A vacancy in the Commission shall not affect its powers, except for the selection of a vice-chairman. Any vacancy in the Commission shall be filled in the same manner as the original position.

Compensation of Members

(c) Each member of the Commission may receive compensation at the highest rate of pay for grade GS–18 of the General Schedule under section 5332 of title 5, United States Code, for each day such member is engaged in the work of the Commission, and shall be reimbursed for travel expenses, including per diem in lieu of subsistence as authorized

under section 5703 of title 5, United States Code.

Duties of the Commission

(d)(1) The Commission shall study and appraise—

(A) the relationships between the prices established on futures markets and the cash prices of the commodities;

(B) the concentration and magnitude of trading by foreign individuals, corporations, or governments on United States futures markets;

(C) the actions necessary to stimulate greater use of futures markets by American farmers, if advisable;

(D) the reasons for the differentials in the prices farmers receive for their crops and the futures prices for the same commodity;

(E) the effect of increasing the number of delivery points under a futures contract on the prices received by producers of that commodity; and

(F) the need for changes, if any, in the Commodity Exchange Act or the regulations thereunder.

(2) The Commission shall make such interim reports as it deems advisable, and it shall make a final report of its findings, conclusions, and legislative recommendations to the President and Congress by October 1, 1981, and shall cease to exist not later than ninety days thereafter.

(3) All books, papers, reports, memoranda, and all the documents collected, produced, obtained or in the custody or possession of the Commission shall, prior to the termination of the Commission, be transmitted to the Commodity Futures Trading Commission.

Powers of the Commission

(e)(1) The Commission, or any three members thereof authorized by the Commission, may conduct hearings anywhere in the United States or otherwise secure data and expressions of opinions pertinent to the study. In connection therewith, the Commissioners may—

(A) require, by special or general orders, any person to submit in writing such reports and answers to questions as the Commission may prescribe and within such reasonable period and under oath or otherwise as the Commission may determine;

(B) administer oaths;

(C) require by subpena the attendance and testimony of witnesses in the production of all documentary evidence relating to the execution of its duties;

(D) invoke the aid of any district court of the United States in requiring compliance with such subpena or order in the case of disobedience of a subpena or order issued under this subsection;

(E) order testimony to be taken in any proceeding or investigation by deposition before any person who is designated by the Commission and who has the power to administer oaths, and in such instances to compel testimony in the production of evidence in the same manner as authorized under clauses (C) and (D) of this paragraph; and

(F) to pay witnesses the same fees and mileages as are paid in like circumstances by the courts of the United States.

(2) Any district court of the United States within the jurisdiction of which an inquiry under this section is conducted may, in case of refusal to obey a subpena or order of the Commission issued under this subsection, issue an order requiring compliance therewith; and failure to obey the order of the court may be punished by the court as contempt thereof.

(3) Notwithstanding any other provision of law, the Commission may require from the head of any executive department, agency, or independent establishment of the Federal Government available information deemed useful in the discharge of its duties, and all such departments, agencies, and establishments shall cooperate with the Commission and furnish all information requested by the Commission.

(4) The Commission may enter into contracts with Federal or State agencies, private firms, institutions, and individuals for the conduct of research or surveys, the preparation of reports, and other activities necessary to the discharge of its duties.

(5) Subject to the provisions of section 552 of title 5, United States Code, when the Commission finds that publication of any information obtained by it is in the public interest and would not give an unfair competitive advantage to any person, the Commission may publish such information in the form and manner deemed best adapted for public use, except that information that would separately disclose the business transactions of any person, trade secrets, or names of customers shall be held in confidence and shall not be disclosed by the Commission.

Administrative Arrangements

(f)(1) The Commission shall appoint and fix the compensation of an executive director and a chief economist without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates. The executive director, with the approval of the Commission, shall employ and fix the compensation of such additional personnel as may be necessary to carry out the functions of the Commission, except that no individual so appointed shall be paid at a rate in excess of the rate for GS–18 of the General Schedule under section 5332 of title 5, United States Code.

(2) The executive director, with the approval of the Commission, is authorized to obtain the services of experts and consultants as provided under section 3109 of title 5, United States Code.

(3) The head of any executive department, agency, or independent establishment of the Federal Government may detail, on a reimbursable basis, any of its personnel to assist the Commission in conducting its work.

(4) Financial and administrative services (including those relating to budgeting and accounting, financial reporting, personnel, and procurement) shall be provided the Commission by the General Services Administration, for which payment shall be made in advance, or by reimbursement, from funds of the Commission in such amounts as may be agreed upon by the Chairman of the Commission and the Administrator of General Services.

Authorization of Appropriations

(g) There are hereby authorized to be appropriated to the Commission such sums, not in excess of $1,000,000 for each year of its existence, as may be necessary to carry out the provisions of this section.

PLAN FOR USER FEES

SEC. 24. Notwithstanding any other provision of law, the Commodity Futures Trading Commission is authorized to develop, and implement a plan to charge and collect reasonable fees to cover the estimated cost of regulating the transactions under the jurisdiction of the Commission. However, prior to implementing such a plan, the Commission shall report its intention to do so to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry. The Commission shall include in its report the feasibility and desirability of collecting such fees. The plan described herein shall not be implemented until approved by the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry.

EFFECTIVE DATE

SEC. 25. The provisions of this Act shall become effective October 1, 1978.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized in the engrossment of S. 2391 to make any necessary technical and clerical corrections.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I am pleased that we were able to complete this bill today. It is an extremely complicated one. We have considered a number of amendments and added substantial parts to it. I want to thank Senator DOLE, who has done yeoman service on the floor in this regard.

Especially, I thank Senator HUDDLESTON, whose bill it was and who helped guide it through our committee, and Senator TALMADGE, who made sure it did get through the committee.

I also thank Steve Storch, counsel for the committee, and Glenn Clark, consultant to the committee; Carl Rose, our general counsel; Bill Motes from Senator CLARK'S staff; Bill Seale, of Senator HUDDLESTON'S staff; Koni Gleason, the typist for us; Stu Hardy, from Senator DOLE'S staff, who has been here throughout it all; and, of course, Liam Murphy, from my own staff, who has had the virtually impossible task of trying to explain to me, as we have gone through the bill, just exactly what it was I was doing with it.

UNANIMOUS-CONSENT AGREEMENT—S. 2889

Mr. ROBERT C. BYRD. Mr. President, on the endangered species bill, which is S. 2899, which appears as the fifth item in the sequence of bills shown on page 3 of the calendar of business, I ask unanimous consent that that bill be placed at the end of the sequence so that it would be No. 10, rather than No. 5.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Reserving the right to object, and I will not object, I have discussed this matter at some length with the majority leader and with others who are known to me to be directly concerned with this piece of legislation, either in the form of amendments or otherwise, and this seems to me to be the best course of action.

I know this will work an inconvenience and a hardship on some, but I think it is probably the best and the most practical from the scheduling standpoint.

It would be my estimate, based on the calendar as I now see it and the progress we have made so far, that this probably means we would reach this bill some time toward the middle of next week.

I wonder if the majority leader would care to comment?

Mr. ROBERT C. BYRD. Mr. President, I hope it would be before the middle of next week, but it certainly would not be before next week.

Mr. BAKER. But certainly it would be next week?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Mr. President, I have no objection to that, and, on the contrary, I believe it is a good suggestion and I concur.

The PRESIDING OFFICER. Is there objection?

If not, the unanimous-consent request is agreed to.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, with Senators permitted to speak for 5 minutes therein and the period not to extend beyond 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations and a withdrawal, which were referred to the appropriate committees.

(The nominations and withdrawal received today are printed at the end of the Senate proceedings.)

REPORT OF THE NATIONAL CORPORATION FOR HOUSING PARTNERSHIPS AND THE NATIONAL HOUSING PARTNERSHIP—MESSAGE FROM THE PRESIDENT—PM 196

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

I herewith transmit the Ninth Annual Report of the independent National Corporation for Housing Partnerships and The National Housing Partnership, as required by Section 908(a) of the Housing and Urban Development Act of 1968.

JIMMY CARTER.

THE WHITE HOUSE, *July 12, 1978.*

REPORT OF THE COMMODITY CREDIT CORPORATION—MESSAGE FROM THE PRESIDENT—PM 197

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the provisions of Section 13, Public Law 806, 80th Congress, I transmit herewith for the information of the Congress the report of the Commodity Credit Corporation for the fiscal year ended September 30, 1977.

JIMMY CARTER.

THE WHITE HOUSE, *July 12, 1978.*

REPORT ON THE ALASKA RAILROAD—MESSAGE FROM THE PRESIDENT—PM 198

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

I transmit herewith the annual report by the Secretary of Transportation on the operations and activities of the Alaska Railroad during fiscal year 1977, as required by the Alaska Railroad Enabling Act of March 12, 1914.

JIMMY CARTER.

THE WHITE HOUSE, *July 12, 1978.*

PRESIDENTIAL APPROVALS

A message from the President of the United States stated that on July 11, 1978, he had approved and signed the following act:

S. 2401. An act to amend the Consumer Product Safety Act to establish an interim consumer product safety rule relating to the standards for flame resistance and corrosiveness of certain insulation, and for other purposes.

MESSAGES FROM THE HOUSE

At 1:24 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed the following bill and joint resolution, in which it requests the concurrence of the Senate:

H.R. 10787. An act to authorize appropriations for activities and programs carried out by the Secretary of the Interior through the Bureau of Land Management; and

H.J. Res. 1024. A joint resolution making urgent supplemental appropriations for the Department of Agriculture Stabilization and Conservation Service, and for other purposes for the fiscal year ending September 30, 1978.

At 5:44 p.m., a message from the House of Representatives delivered by Mr. Hackney, announced that the House has agreed to the following concurrent resolution, without amendment:

S. Con. Res. 95. A concurrent resolution condemning the trials of Anatoly Shcharansky, Viktoras Petkus, and Aleksandr Ilyich Ginzburg.

The message also announced that the House has passed the following bills, each with an amendment in which it requests the concurrence of the Senate:

S. 2463. An act to amend the Surface Mining Control and Reclamation Act of 1977 (Public Law 95-87) to raise certain authorized funding levels contained therein, and for other purposes;

S. 2701. An act to amend the Water Resources Planning Act (79 Stat. 244, as amended); and

S. 2704. An act to promote a more adequate and responsive national program of water research and development, and for other purposes.

The message further announced that the House agrees to the amendment of the Senate to H.R. 10732, an act to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal years 1979, 1980, and 1981, with an amendment in which it requests the concurrence of the Senate.

HOUSE BILL PLACED ON THE CALENDAR

The following bill was read twice by its title and placed on the calendar:

H.R. 10787. An act to authorize appropriations for activities and programs carried out by the Secretary of the Interior through the Bureau of Land Management.

HOUSE JOINT RESOLUTION REFERRED

The following joint resolution was read twice by its title and referred as indicated:

H.J. Res. 1024. A joint resolution making urgent supplemental appropriations for the Department of Agriculture Stabilization and Conservation Service, and for other purposes for the fiscal year ending September 30, 1978; to the Committee on Appropriations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations, with amendments and amendments to the preamble:

S. Res. 440. A resolution expressing the sense of the Senate that the President undertake discussions with the industrialized countries with a view toward developing a common approach to the grave problems facing today's international monetary system (Rept. No. 95-977).

By Mr. SPARKMAN, from the Committee on Foreign Relations, without amendment:

H. Con. Res. 265. A concurrent resolution to endorse the Hermosillo Declaration on Combating Traffic in Drugs at the International Level and urge the President to encourage other nations to cooperate in eradicating narcotics trafficking (Rept. No. 95-978).

By Mr. RANDOLPH, from the Committee on Environment and Public Works, without amendment:

H.R. 4270. An act to designate the Federal building and U.S. courthouse in Hato Rey, Puerto Rico, the "Federico Degetau Federal Building" (Rept. No. 95-979).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment, an amendment to the title, and with a preamble:

S.J. Res. 135. A joint resolution designating the weekend of or preceding April 29 of each year as "Days of Remembrance of Victims of the Holocaust" (Rept. No. 95-980).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations:

Geri M. Joseph, of Minnesota, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Kingdom of the Netherlands.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

POLITICAL CONTRIBUTIONS STATEMENT

Nominee: Geraldine M. Joseph.

Post: Ambassador to the Netherlands; nominated: 1978.

Contributions, amount, date, and donee:

1. Self: Geraldine (Geri) M. Joseph.

2. Spouse: Burton M. Joseph.

3. Children and Spouses: Shelley and Peter Kordell; Jonathan P. Joseph; Beth and Scott Joseph.

4. Parents: Edith and Samuel S. Mack.

5. Grandparents: Deceased.

6. Brothers and Spouses: Arvy and Gayle Mack.

7. Sisters and Spouses: Rossy and Richard Shaller.

(See attached sheets for all of the above.)

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

GERALDINE (GERI) M. JOSEPH.

Burton M. and Geraldine M. Joseph: Federal Campaign (Political) Contributions

	1974	1975	1976
Burton M. Joseph:			
Committee to reelect Hubert H. Humphrey			$1,000
Nolan for Congress			100
Zumwalt for Congress			100
Democratic National Committee			1,000
Gloria Griffin: "A Tribute to Walter Mondale"			100
Donald Fraser Volunteer Committee			100
DFL Victory Dinner, 1976			200
Minnesota DFC	$250		
Various for Walter Mondale			66
Carter-Mondale Campaign Victory			1,000
Geraldine M. Joseph:			
DFL Sustaining Fund		67	45
Democratic Women's Fund			125
Elle Colborn Campaign			25
Minnesota DFL		10	

NOTE.—1977 None.

By Mr. SPARKMAN, from the Committee on Foreign Relations:

Raymond E. Gonzalez, of California, to be Ambassador Extraordinary and Plenipotentiary of the United tSates to Ecuador.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

POLITICAL CONTRIBUTIONS STATEMENT

Nominee, Raymond E. Gonzalez.

Post, Ambassador to Ecuador.

Contributions, amount, date and donee:

1. Self.

2. Spouse, Ernestine, none.

3. Children and Spouses. Names, Carlos, Paul, Greg and Cheryl, Richard, Christopher, Philip, none.

4. Parents. Names, deceased.

5. Grandparents. Names, deceased.

6. Brothers and Spouses. Names, none.

7. Sisters and Spouses. Names, John and Mary Hackney, $50, 1976. Paul Conforti, California Congressional District 26.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

RAYMOND E. GONZALEZ.

Subscribed and sworn (or affirmed) before me this 16th day of August A.D. 1977, at Panama, Republic of Panama.

By Mr SPARKMAN, from the Committee on Foreign Relations:

Thomas D. Boyatt, of Ohio, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Republic of Upper Volta.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

POLITICAL CONTRIBUTIONS STATEMENT

Nominee, Thomas David Boyatt.

Post, Ambassador to Upper Volta.

Contributions, amount, date, and donee:

1. Self, none.

2. Spouse, none.

3. Children and Spouses. Names, Thomas, none; Christopher, none; Jessico, none.

4. Parents. Names, Mrs. L. C. Boyatt, none.

5. Grandparents. Names, none living.

6. Brothers and Spouses. Names, Michael L. Boyatt, none.

7. Sisters and Spouses. Names, no sisters.

I have listed above the names of each members of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

THOMAS DAVID BOYATT.

Subscribed and sworn (or affirmed) before me this 28th day of February, A.D. 1977, at Santiago, Chile.

By Mr SPARKMAN, from the Committee on Foreign Relations:

Viron P. Vaky, of Texas, to be an Assistant Secretary of State.

R. Peter Straus, of New York, to be an Associate Director of the International Communication Agency.

Viron P. Vaky, of Texas, to be a Member of the Board of Directors of the Inter-American Foundation.

(The above nominations from the Committtee on Foreign Relations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

FOREIGN SERVICE

Mr. SPARKMAN. Mr. President, as in executive session, I also report favorably sundry nominations in the Foreign Service which have previously appeared in the RECORD and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of June 26, 1978, at the end of the Senate proceedings.)

By Mr. EASTLAND, from the Committee on the Judiciary:

Joseph I. St. George, of New York, to be U.S. marshal for the western district of New York.

Oliver James Keller, Jr., of Florida, to be a Commissioner of the U.S. Parole Commission.

(The above nominations from the Committee on the Judiciary were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. BAYH (for himself, Mrs. HUMPHREY, Mr. EASTLAND, Mr. BAKER, Mr. MATHIAS, Mr. PAUL G. HATFIELD, Mr. INOUYE, and Mr. MIBICOFF) (by request):

S. 3280. A bill to create a National Institute of Justice; to the Committee on the Judiciary.

By Mr. INOUYE:

S. 3281. A bill for the relief of Arron P. K. Young; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

S. 3282. A bill for the relief of Duk Chan Byun, his wife Yung Ja Byun, and his children Hye Ja Byun, Hye Sun Byun, Hye Ryung Byun, and Yung Eun Byun; to the Committee on the Judiciary.

By Mr. JACKSON (by request):

S. 3283. A bill to amend the Energy Policy and Conservation Act, as amended, to improve the States' capacity for enery planning and management, to provide a consolidated

program of federal financial assistance to the States to meet their respective goals for energy conservation, production and distribution and for energy conservation, production and distribution, and for other purposes; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BAYH (for himself, Mrs. HUMPHREY, Mr. EASTLAND, Mr. BAKER, Mr. MATHIAS, and Mr. PAUL G. HATFIELD) (by request):

S. 3280. A bill to create a National Institute of Justice; to the Committee on the Judiciary.

NATIONAL INSTITUTE OF JUSTICE ACT

Mr. BAYH. Mr. President, today I join a bipartisan group of my colleagues in introducing legislation, at the request of the American Bar Association, to provide for the creation of an independent agency to fund research and pilot projects aimed at making the justice systems in this country more responsive and more efficient—the National Institute of Justice. This legislation constitutes a major undertaking by the ABA over the past 6 years, and is of vast importance to guaranteeing a significant national investment of resources in finding solutions for the problems facing our justice system. The legislation has broad bipartisan support in both the Senate and the House, has been personally endorsed by President Carter—as former Governor Carter and Candidate-elect Carter—and by numerous national groups—see appendix. In addition, several State and local bar associations, Governors and other State officials, and hundreds of individual lawyers, judges, and lay persons already have strongly supported this proposal. It is gratifying that our support of the independent NIJ has resulted in such as extraordinary spirit of constructive cooperation between such diverse groups as the United Auto Workers, the Communication Workers of America, the American Bar Association, the American Judicature Society, the Institute for Court Management, the National Juvenile Detention Association, the National Conference of Commissioners on Uniform State Laws, the National Legal Aid and Defender Association, the Salvation Army, the Volunteers of America, and the Native American Rights Fund, just to mention a few.

The extremely able and dedicated staff of the ABA have played a particularly influential role in the development of the bill. I wish to personally acknowledge the efforts of Robert D. Evans, Esq., on the ABA staff and the Honorable Robert H. Hall, chairman of the ABA Commission on a National Institute of Justice, and presently Justice of the Supreme Court of Georgia.

In focusing on the NIJ programs and activities, we have become increasingly aware of two things: first, how little we know about the functioning of the justice system or systems in this country; and second, how meager and uncoordinated are the present efforts to learn more about these systems.

In 1972, Bert H. Early, the Executive Director of the ABA, published an article in the West Virginia Law Review—see appendix—which highlighted these deficiencies and suggested, in a very broad way, the creation of an independent agency of the Federal Government to provide the coordination and funding of justice research efforts which were so sorely lacking. The article stimulated the ABA's then-president, Leon Jaworski, to appoint a task force to explore the concept, and that task force in turn led to the creation of the commission which Justice Robert H. Hall of the Supreme Court of Georgia now chairs. That commission developed a "Bill to Create a National Institute of Justice," which was approved in principle by the ABA's House of Delegates in August, 1974.

I should also note that the ABA proposal did not stem in any way from concerns about or study of the Law Enforcement Assistance Administration or its research component, the National Institute of Law Enforcement and Criminal Justice—NILE. The ABA proposal was the product of an independent concern with the overall pattern of justice research.

The National Institute of Justice Act has been developed over the years by the ABA with the involvement of many Senators and Representatives. As I mentioned, Leon Jaworski, as president of the ABA, created a 22-member interdisciplinary commission in 1972 to consider the creation of such an NIJ. The commission held a national conference to consider the concept in December 1972, which was attended by 150 national leaders from a variety of fields. The commission thereafter worked for several months preparing its proposal and sent two versions of the proposal to over 12,000 lawyers, judges and lay persons for their comments and reactions. The commission also held public hearings in five cities around the country in the spring of 1974 to receive further public response. Thus, the final proposal reflects the collective thinking and ideas of a great number of people from throughout the country. Our highly esteemed late colleague, Senator Hubert Humphrey, introduced a similar version of the NIJ bill in the 92d and 93d Congresses.

Among the cosponsors during the 92d and 93d Congresses, in addition to Senator Hubert Humphrey and myself were Senators BAKER, Bible, INOUYE, Mondale, Moss, NUNN, Pastore, PELL, PERCY, RANDOLPH, and STEVENSON. In light of former Senator Hubert Humphrey's support and leadership for an independent NIJ, I am especially pleased today to have Senator MURIEL HUMPHREY join with our other colleagues in support of this bill.

This act would provide for the creation of an independent agency to fund research and pilot projects aimed at making the justice systems in this country more responsive and more efficient. The proposed Institute would provide badly needed funding—($250 million over a 5-year period—$30 million in fiscal year 1980, $40 million in fiscal year 1981, $50 million in fiscal year 1982, $60 million in fiscal year 1983 and $70 million in fiscal year 1984, and coordination to the few already existing public and private efforts in this area. A Presidentially appointed Board of Trustees would establish overall research priorities; the Institute would then make grants to or contracts with existing organizations in the justice field having expertise in the particular subject matter area to conduct the research or pilot projects. The jurisdiction of the NIJ would include constitutional rights, civil and criminal law and procedure, as well as juvenile rights and administrative and regulatory matters at the Federal, State, and local levels. The assumption underlying creation of the Institute is that an agency with intelligent and disinterested concern for our system of law and justice can advise and educate public opinion and thereby help stimulate action for needed change and improvement in this vital aspect of our country's general welfare.

The projected cost of this agency is small, in comparison to the funds now spent for similar Federal efforts in the health and science fields. The current appropriations for the National Institutes of Health total over $2.8 billion, the National Science Foundation, $864.9 million, the National Institute of Education, $90 million, and the National Foundation on the Arts and Humanities, $114 million.

On Monday, Senator KENNEDY along with several other members of this body introduced the administration's proposal for the restructuring of LEAA—S. 3270, the Justice System Improvement Act of 1978, which I am sure we will be giving careful study. This proposal provides for the creation of a body also called a "National Institute of Justice" to perform some similar functions, but within the new Office of Justice Assistance, Research and Statistics within the Department of Justice. The administration's bill would not provide a substantial civil justice research program. The ABA believes that the NIJ must be established as an independent agency, and not be made part of OJARS or the Department of Justice, in order to have the public visibility and credibility which is essential for the success of this program. This is an issue which I believe deserves careful consideration.

While the administration's proposal represents much study and presents suggestions which demand our careful consideration, I find its exclusive reliance as an institute within the Justice Department to be inadequate for several reasons:

By placing the NIJ within the Department of Justice and closely tied to the grant-making activity of LEAA, the political needs of the department and the desires of State and local governments who receive LEAA grant funds are liable to dictate the research program which will be undertaken. These problems have plagued the current LEAA research institute, and I see little possibility of change under the administration's proposal.

The administration's proposal provides for a weak Advisory Board to the Institute, with the real power and status vested in the staff. The power should be placed principally in a prestigious, inde-

pendent Board of Trustees, appointed by the President, and not in the Federal bureaucracy.

The Institute should conduct a balanced research program covering constitutional, criminal, civil, juvenile, administrative and regulatory matters. The administration's proposal, with its primary emphasis on the criminal justice system, offers little promise of dealing significantly with other major areas of our system of law and justice.

I fear that enactment of the measure proposed by the administration standing alone and in its present form will preclude serious consideration of the creation of an independent agency capable of guaranteeing a significant national investment of resources in finding solutions for the problems facing our justice system.

The independent NIJ would not duplicate activities of the many law reform programs now being conducted by such groups as the National Center for State Courts, the ABA, and the American Judicature Society, nor would it duplicate the work of LEAA. The primary purpose of the NIJ would be to infuse badly needed public funds into the legal research and reform field. The research would be conducted not by the Institute itself, but by persons and groups having expertise in particular subjects. Thus, the NIJ would strengthen existing efforts, rather than duplicate them. The Institute would also permit a coordination of effort between such groups which have similar but not identical jurisdiction.

I would like to highlight some of our proposals' major features:

First. Administratively, I believe it is essential that Federal justice research and experimentation be performed by an agency structured so as to insure its independence. There are several reasons for this view.

First. A research entity which is part of another agency will be subjected to enormous pressures, indeed, dictation, to conduct research which will assist the agency in meeting its own needs. The research agency should be structured so that it can establish its own program and set its own priorities. The operational needs of action agencies should not control the research agency.

Second. It may be possible to place such an agency within an existing department and provide assurances of its independence to establish and conduct its own program. I question, however, whether sufficient safeguards can be established within the department in this setting to insure that the agency will have control over its budgetary process. Even if such safeguards can be devised, I am concerned that the credibility of an agency within a department may be substantially less than the credibility of an independent agency. Members of the social science research community, for example, may feel less confidence in associating themselves with an agency which, ultimately, is under the sole supervision of lawyers, as in the Department of Justice, than they would with an agency having an interdisciplinary governing body. I am also aware that many in the State judiciary, who are apprehensive about Federal involvement in the activities of State courts, would prefer that the research program be disassociated from the Department of Justice or other large operational agency.

Third. I recommend that the Institute be governed by a Board of Trustees appointed by the President. I believe it is essential that the Institute have an interdisciplinary, broadly representative governing body which will be actively involved in structuring the Institute's research program. The likelihood that a balanced group of the most capable individuals will be appointed, and that these individuals will invest the time and energy necessary to perform these important responsibilities, will be greatly enhanced if the President makes the appointments. Further, the public visibility of the Institute's work is likely to be greater if the Institute is provided such high-level leadership.

Second. In terms of mission, I have stressed the need for a comprehensive research and pilot project effort encompassing all aspects of the justice system—constitutional, criminal, civil, juvenile, administrative, regulatory, and so forth. A major problem with existing research in the justice field is that it is done on a piecemeal basis, with little coordination between the various efforts. A comprehensive approach would permit both greater awareness of other research projects and appropriate exchange of information and ideas between, for example, researchers in the criminal justice field and those in the civil field. There is an obvious danger in such a broad jurisdiction, of course, in that focusing the research efforts and developing priorities becomes more difficult than in an agency whose jurisdiction is limited, for example, to criminal justice matters. But the overlap and interface between the various components of the justice system is obvious, and the benefits of a broad and comprehensive jurisdiction far outweigh, in my view, the disadvantages.

Third. I have suggested that the great bulk of research to be performed by the Institute be performed by outside individuals and organizations. I suggest this approach because I would like to utilize existing expertise, rather than reinvent the wheel, and because I think this approach will foster diversity rather than result in a monolithic Federal bureaucracy. At the same time, it is important that the Institute's staff possess and maintain familiarity with and involvement with research methodology; otherwise, they will be unable to evaluate fully research needs and project results. I have suggested that the in-house staff be authorized to perform pilot, developmental, and evaluative studies.

Fourth. I have also suggested a variety of other functions which a National Institute of Justice might perform: training and educational programs in the law; and library, clearinghouse, information-gathering, and publication functions. These functions are intended to be secondary and supplementary to the primary research function of the NIJ, and care should be taken that the demands for these services not divert the Institute from its principal role.

Mr. President, the bill is not viewed by us as the be-all and end-all. I intend it as a vehicle to focus attention and concern on the problems of justice and the need for a greater Federal role in justice research.

Mr. President, in conclusion, I would like to quote from a statement made in April 1974, about the NIJ proposal by a former Governor of the State of Georgia, Jimmy Carter. The ABA Commission on the NIJ held a series of five public hearings around the country to receive comments and reactions to the ABA proposal. Governor Carter submitted a statement at the hearing held in Atlanta—see appendix—and his statement concluded as follows:

> I for one believe that a body like the National Institute of Justice is essential to study these and other problems of our justice system and to achieve meaningful reform. No single city or state can command the resources and personnel to undertake such an effort. Many problems of our justice system are, of course, local in nature; but many others recur time and time again in different cities and in different states. A national body which would study these problems and suggest, not dictate, solutions would be a great resource to me and other governors. The role which the Institute could serve in publicizing and coordinating existing reform efforts would also be a genuine step forward. I commend you for the fine and diligent effort which your Commission has put into this effort so far, and I heartily endorse your proposal. Its unified approach will assist us in establishing justice throughout the United States and thereby create "a more perfect Union."

I, for one, wholeheartedly support former Governor Carter's position. This country can only benefit by such bold and innovative leadership which is necessary if we are ultimately to reform, strengthen, and modernize our Nation's justice system. I applaud the President and seek his support for this much-needed program for an independent National Institute of Justice to take a comprehensive look at the entire justice system—Federal, State, and local.

Mr. President, Thomas Jefferson once said, "I am not an advocate for frequent changes in laws and constitutions. But laws and institutions must go hand in hand with the progress of the human mind. As that becomes more developed, more enlightened, as new discoveries are made, new truths discovered and manners and opinions change, with the change of circumstances, institutions must advance also to keep pace with the times. We might as well require a man to wear still the coat which fitter him when a boy as civilized society to remain even under the regimen of their barbarous ancestors."

We cannot adequately serve our Nation's people without constant improvements.

Mr. President, I believe this legislation is a turning point in the Federal Government's commitment to assist State and local governments in their many and varied research projects. The bill can still be improved, and I look forward to the hearings and debate over

the next few months because I believe that we can always do better.

Mr. President, I ask unanimous consent that the National Institute of Justice Act and the accompanying section-by-section analysis be printed in the RECORD.

Mr. President, I also ask unanimous consent that the following materials be printed in the RECORD:

First. National Institute of Justice Proposal Endorsements;

Second. ABA–NIJ Question and Answer;

Third. ABA–NIJ former members of the Commission on a NIJ;

Fourth. ABA–NIJ present members of the Commission on a NIJ;

Fifth. National Institute of Justice—A Proposal by Bert H. Early, West Virginia Law Review, April 1972;

Sixth. The Association of the Bar of the City of New York, "A National Institute of Justice Report;

Seventh. Letter from William B. Spann, Jr., President of the ABA to The President, April 18, 1978;

Eighth. William B. Spann, Jr., President of the ABA information in response to President Carter's remarks to the Los Angeles Bar Association, May 10, 1978;

Ninth. American Bar Association Journal, "The Candidates Answer" October, 1976, Vol. 62, President Ford and Governor Carter;

Tenth. Statement of Governor Jimmy Carter, Public Hearings, ABA–Commission on a National Institute of Justice, Stouffer's Inn, Atlanta, Ga., April 22, 1974; and

Eleventh. Letters endorsing the independent NIJ.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 3280

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Institute of Justice Act".

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. The Congress hereby finds that—

(1) continuous efforts must be made to improve the quality and access of justice and the fairness and effectiveness of the administration of law and to assure that all persons are able to secure prompt and efficient enforcement of their constitutional rights, legal rights, privileges, and obligations, and will receive equal justice without regard to wealth, social position, race, sex, age, religion, or national origin;

(2) improvement of justice and the administration of the law must be made not only in courts but also in administrative tribunals, agencies of government, and in relations among private individuals and organizations;

(3) the task of improving the quality and access of justice and the administration of law requires development and dissemination of knowledge and understanding of the circumstances and processes through which law affects the lives of persons at all levels of government and society;

(4) the Federal Government, through an independent body can contribute to improving justice and the administration of the law by aiding in the development and dissemination of knowledge while also recognizing the authority and responsibility of state and local government and private individuals and organizations so that their efforts are not displaced but supplemented and assisted; and

(5) the creation of a National Institute of Justice would further these purposes.

CREATION AND POSITION IN GOVERNMENT

SEC. 3. There is hereby established an independent agency to be known as the National Institute of Justice (hereinafter referred to as the "Institute").

POWERS

SEC. 4. (a) The Institute is authorized and directed, through grants, contracts, and its own activities:

(1) to make evaluations and appraisals of the effectiveness and quality of justice and the administration of law, including but not limited to constitutional and statutory rights of individuals, civil and criminal justice, juvenile justice, administrative and regulatory law, and private legal conflicts and their resolution, and to make recommendations based thereon;

(2) to conduct basic and applied research concerning justice and the administration of law, employing all necessary forms of research inquiry, including empirical and doctrinal inquiry and policy and jurisprudential analysis, according to their prospects for valuable results;

(3) to conduct experimental programs in the field of justice and administration of law through responsible public and private agencies and organizations, including agencies and organizations of state and local government;

(4) to conduct training and educational programs in law, legal and judicial procedures, and law-related research procedures, including, if desirable, fellowships for research, technical training, and advanced education;

(5) to coordinate its functions with those of other governmental, academic, and research agencies and organizations, public and private, to avoid as far as possible conflict of purpose and duplication of effort and to promote as far as possible a common set of national priorities in improving justice and the administration of law; and

(6) to conduct such library, clearinghouse, information gathering, and information dissemination functions as may further the realization of its other responsibilities;

(b) In carrying out these functions the Institute shall not undertake research, experimentation, or training through personnel of the Institute, but the Institute through its staff may engage in such developmental studies as may be necessary to formulate or evaluate research, experimental, or training proposals.

(c) In its research, experimental, and training programs, and in making recommendations for improvement and access of justice and the administration of law, the Institute shall give particular attention to the impact of justice and the administration of law on individual citizens and their opportunties to secure prompt and effective enforcement of their constitutional rights, legal rights, privileges and obligations, and to securing to them equal access to legal redress without regard to wealth, social position, race, sex, age, religion or national origin.

ORGANIZATION OF THE INSTITUTE

SEC. 5. The Institute shall consist of a Board of Trustees, a Director, and a Council.

APPOINTMENT OF BOARD OF TRUSTEES

SEC. 6. (a) The Board of Trustees shall consist of 16 members. The members of the Board of Trustees shall be appointed by the President, by and with the advice and consent of the Senate. The persons appointed shall be eminent in community and public affairs, public administration, the law, the administration of justice, or scholarship in law or related academic disciplines, and shall be selected on the basis of established records of distinguished service or accomplishment.

(b) The membership of the Board shall include:

(1) two persons, each of whom is chosen from a list of not less than five nominations made by the National Governors Conference;

(2) two persons who are judges of the courts of the states, each of whom is chosen from a list of not less than five nominations made by the Conference of Chief Justices;

(3) at least four members who are lawyers;

(4) at least four persons who are neither judges nor lawyers; and

(5) the Attorney General, the Secretary of Health, Education and Welfare, the Secretary of Labor, the Secretary of Housing and Urban Development, the Administrator of the Office of Juvenile Justice and Delinquency Prevention, the Commissioner of the Office of Education, the Director of the Bureau of Prisons and the President of the Legal Services Corporation or their respective designees as ex officio members of the Board. Appointments to the Board shall be so made that its membership shall include one resident of each of the Circuits of the United States Courts of Appeals.

(c) In making appointments, the President shall solicit and give due consideration to recommendations submitted by members of Congress and other officers of federal, state, and local government, by civic and citizen organizations that have manifested an interest in justice and the administration of law, by organizations of the legal profession (including the judiciary), and by the academic branches of the law and law-related disciplines.

(d) The term of each member of the Board shall be four years, except that (1) a member appointed to fill a vacancy occurring prior to the expiration of the term for which his or her predecessor was appointed shall be appointed for the remainder of that term; and (2) the terms of office of the members first taking office after the date of enactment of this Act shall expire, as designated by the President at the time of appointment, four at the end of one year, four at the end of two years, four at the end of three years, and four at the end of four years after the date of the first appointments made under this Act. Any person who has been a member of the Board for two consecutive terms shall thereafter be ineligible for any subsequent appointment to the Board. Such members shall be appointed within ninety days after the date of the enactment of this Act.

POWERS AND RESPONSIBILITIES OF THE BOARD OF TRUSTEES

SEC. 7. (a) The Board shall elect a Chairperson from among its members and may elect from such membership a Vice-Chairperson and such other officers as it may designate. The Chairperson and other officers so elected shall hold office for one year and until their respective successors are qualified and may be re-elected so long as they continue as members of the Board.

(b) The Board may appoint from its members an Executive Committee and assign to the Executive Committee such powers of the Board as it deems appropriate except that of reviewing and approving the budgetary proposals of the Director. It may appoint such other committees, whose membership need not be limited to members of the Board, as it deems appropriate, including advisory committees in specific areas of its work.

(c) The Board shall also:

(1) meet quarterly and at such other times as it may specify, or upon the call of the Chairperson, the Director, or at least one-third of its members;

(2) in consultation with the Director, for-

mulate the policies and programs of the Institute;

(3) at least annually prepare and make public distribution of the program plans and descriptions of projects proposed and contemplated by the Institute and solicit suggestions and comments concerning the same, with particular regard to their relationship to similar or related programs and projects of other public and private agencies concerned with justice and the administration of law;

(4) monitor and cause evaluations to be made of the value and effectiveness of the programs of the Institute;

(5) after consultation with the Council, render an annual report to the people of the United States and to Congress on the work of the Institute and the state of justice and the administration of law in the nation, including, if desirable, recommendations for improvement and access of justice and the administration of law;

(6) determine the time and place of sessions of the Council, which shall meet at least twice per year; and

(7) approve and submit budgetary proposals for the Institute.

(d) The members of the Board shall receive compensation at the rate of $100 for each day engaged in the business of the Institute and shall also be allowed travel expenses as authorized by section 5703 of Title 5, United States Code.

DIRECTOR

SEC. 8. (a) The Director shall be appointed by the Board without regard to the provisions of Title 5, United States Code, governing appointments in the competitive service. The term of the Director shall be six years unless he or she is sooner removed by the Board. The Board may remove the Director by vote of a majority of its members.

(b) The Director shall, subject to the direction of the Board, be responsible for carrying out the functions of the Institute and, except as otherwise provided in this Act, shall exercise all authority granted to the Institute by this Act. In addition, the Director shall:

(1) recommend to the Board policies and programs;

(2) prepare, for approval of the Board, estimates of the budgetary requirements of the Institute; and

(3) with the advice and approval of the Board, appoint a Deputy Director, without regard to the provisions of Title 5, United States Code, governing appointments to the competitive service.

(c) The Director may delegate to any other officer or employee of the Institute any duty or authority he or she has, except those specified in subsection (b) (1), (2) and (3).

COUNCIL

SEC. 9. (a) The Council shall consist of not less than fifty nor more than 100 members appointed by the Board for terms of three years, except that those selected initially shall be chosen in a manner such that the terms of one-third of them expire respectively one, two and three years after their appointment. The members of the Council shall be selected to provide broad representation of the views of private citizens and groups and various types of agencies concerned with the administration of justice and to draw upon diverse experience in life and various regions of the nation.

(b) The Council shall meet as provided in Section 7(c)(6). The Chairperson of the Board of the Institute, or another member of the Board designated by him or her, shall preside at meetings of the Council. The Council:

(1) shall receive and may discuss and make recommendations concerning proposals and reports of activity by the Institute;

(2) may authorize creation of study and advisory committees of the Council, whose members shall be appointed by the Chairperson;

(3) may suggest problems and topics which the Institute should undertake as authorized by this Act; and

(4) may make reports and recommendations to the Board.

(c) Members of the Council shall receive compensation at the rate of $100 per day for each day engaged in the business of the Institute and shall also be allowed travel expenses as authorized by Section 5703 of Title 5, United States Code.

FURTHER POWERS

SEC. 10. (a) In addition to any authority vested in it by other provisions of this Act, the Institute, in carrying out its functions, is authorized to:

(1) prescribe such regulations as it deems necessary governing the manner in which its functions shall be carried out;

(2) receive money and other property donated, bequeathed, or devised, without condition or restriction other than that it be used for a purpose of the Institute; and to use, sell, or otherwise dispose of such property for the purpose of carrying out its functions;

(3) in the discretion of the Institute, receive (and use, sell or otherwise dispose of, in accordance with paragraph (2)) money and other property donated, bequeathed, or devised to the Institute with a condition or restriction, including a condition that the Institute use other funds of the Institute for the purposes of the gift;

(4) appoint advisory committees composed of such private citizens, members of civic, citizen, and professional organizations, and officials of Federal, state, and local governments as it deems desirable to advise the Institute with respect to its functions under this Act;

(5) appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of this Act without regard to the provisions to Title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 of subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates;

(6) obtain the services of experts and consultants in accordance with the provisions of Section 3109 of Title 5, United States Code, at the rates for individuals not to exceed the rate prescribed for GS–18 in the General Schedule under Section 5332 of Title 5, United States Code;

(7) accept and utilize the services of voluntary and non-compensated personnel and reimburse them for travel expenses, including per diem, as authorized by Section 5703 of Title 5, United States Code;

(8) enter into contracts, grants, or other arrangements, or modification thereof to carry out the provisions of this Act, and such contracts or modifications thereof may, with the concurrence of two-thirds of the members of the Board, be entered into without performance or other bonds, and without regard to Section 3709 of the Revised Statutes, as amended (41 U.S.C. 5);

(9) provide for the making of such reports (including fund accounting reports) and the filing of such applications in such form and containing such information as the Director may reasonably require;

(10) make advances and other payments which the Director deems necessary under this Act without regard to the provisions of Section 3648 of the Revised Statutes, as amended (31 U.S.C. 529); and

(11) make other necessary expenditures.

(b) Each member of a committee other than a member of the Board appointed pursuant to Section 7(b) or paragraph (4) of subsection (a) of this section who is not an officer or employee of the Federal government shall receive an amount equal to the maximum daily rate prescribed for GS–18 under Section 5332 of Title 5, United States Code, for each day he or she is engaged in the actual performance of duties (including travel time) as a member of a committee. All members shall be reimbursed for travel, subsistence, and necessary expenses incurred in the performance of their duties.

POLITICAL BAN

SEC. 11. Neither the Director nor any other employee of the Institute shall take any active part in political management or in political campaigns, and no such officer or employee shall use his or her official position or influence for the purpose of interfering with any election or affecting the result of any election.

COMPENSATION OF DIRECTOR

SEC. 12. (a) Section 5315 of Title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(95) Director, National Institute of Justice."

(b) Section 5316 of Title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(130) Deputy Director, National Institute of Justice."

AUTHORIZATION OF APPROPRIATIONS

SEC. 13. (a) To carry out the purposes of this Act there is authorized to be appropriated $30,000,000 for the fiscal year ending September 30, 1980, $40,000,000 for the fiscal year ending September 30, 1981, $50,000,000 for the fiscal year ending September 30, 1982, $60,000,000 for the fiscal year ending September 30, 1983, and $70,000,000 for the fiscal year ending September 30, 1984.

(b) For purposes of the Budget and Accounting Act estimated expenditures shall be transmitted to the President on or before October 15 of the year preceding the beginning of each fiscal year and shall be included by the President in the Budget without revision, and the Institute shall not be considered to be a department or establishment for purposes of such Act.

SECTION-BY-SECTION ANALYSIS

SECTION 1

Provides that the Act may be cited as the "National Institute of Justice Act".

SECTION 2—FINDINGS AND DECLARATION OF PURPOSE

The objective in creating a National Institute of Justice is to provide an informed mind and voice on matters concerning access to justice and the administration of law in all its aspects in the American community. The Institute is authorized to inquire, to study, and to report concerning the way in which law and justice function in specific contexts of public importance, and to recommend measures for their improvement. The Institute would not be an operating agency, except to the limited extent of being authorized to assist and evaluate experimental programs conducted by other agencies and organizations. The assumption underlying creation of the Institute is that an agency with intelligent and disinterested concern for law and justice can advise and educate public opinion, and thereby help stimulate action for needed change and improvement in this vital aspect of our country's general welfare. To this end, it is contemplated that the Institute will be autonomous, non-partisan, and endowed with excellence and continuity in leadership.

The statement of findings and purposes provides a general statement of the Institute's aims and role. The Institute's field of concern is law and justice in the broadest sense, not merely the courts of the criminal justice system. In the presently foreseeable future it is contemplated that the Institute will play a subordinate role in research and experimentation in matters concerning the

courts and criminal justice, because these areas are now being vigorously explored and developed by existing agencies, notably the Law Enforcement Assistance Administration and public and private agencies with which it is collaborating. There are many other important areas of justice and law to which attention and inquiry need presently to be addressed, including such matters as constitutional rights of individuals, legal protection for consumers, access to health-care services, availability of legal services, due process and equal protection in dealing with public agencies, legally secured opportunity to participate in government decision-making, protection of privacy from official intrusion, protection of juvenile rights, accountability of public officials for actions that affect individuals, and economical adjustment of private legal disputes through such devices as arbitration. Our society has become one in which there are ever-increasing involvements of government and private organized groups in the security and well-being of individuals in these respects and many others. There should be a correspondingly increased effort to improve awareness of the legal aspects of these involvements and to reform and improve the law and its administration in response. The Institute would have a responsibility to provide leadership and support for efforts to this effect, collaborating with public and private agencies already concerned with specific areas in the general field.

SECTION 3—CREATION AND POSITION IN GOVERNMENT

Designates the name of the Institute and provides that it is an "independent" agency. In the nature of its work, the Institute will be involved in studying, experimenting, and making recommendations on matters that are complex and potentially controversial. Its effectiveness in doing so will be determined by its record and reputation of candor, thoroughness, and disinterestedness. To assure such effectiveness, it is essential that the Institute be enabled to develop its program without political interference or intervention by other branches or agencies of government. The objective in this regard is an agency maintaining the kind of independence characteristic of the National Science Foundation, the Administrative Conference of the United States, and comparable existing agencies.

SECTION 4—POWERS

States the responsibilities and goals of the Institute and provides directions for pursuing them. The provisions in Section 4(a) that the Institute may act "through grants, contracts, and its own activities" is designed to indicate that the Institute, while having wide flexibility in carrying out its responsibilities, is to draw primarily upon outside capabilities through grants and contracts rather than attempting to perform its functions "in house." Experience with government sponsored research indicates the importance of trying to avoid the insularity or bias that can result from staff-centered operations. At the same time, the Institute must have the capacity to engage in such developmental studies as may be necessary to formulate or evaluate research, experimental or training proposals. No percentage or like limitation is imposed on the proportions of effort involved, but it is contemplated that something like three-quarters of the Institute's budget would be expended through grants and contracts.

Section 4(a) paragraphs (1) through (4) describe the basic responsibilities of the Institute. The subject matter domain of the Institute is "justice and the administration of law," a term intended to signify in the broadest sense all aspects of law and justice. It includes not only such matters as the operation of courts and administrative agencies and tribunals but the systems of non-governmental dispute resolution, the problem of access of citizens and private organizations to legal assistance and redress, and the fairness and efficiency with which laws of various kinds operate in everyday life. It includes also education in law, both in law schools and in general education, penal law and corrections, the rights of juveniles, effectiveness of legal services, and comparable specific problem situations. In this large and complex subject area, the Institute, of course, will have to make continuous selection of matters for immediate attention. It cannot be expected to consider all matters included in its authority but will have to develop priorities in the light of the general public importance of various matters within its purview. It is not contemplated that the Institute would engage in any functions or activities, the undertaking of which by another agency has been specifically rejected by Congress as an inappropriate use of Federal funds. The Institute might, however, make further inquiry or investigation into the matter if it appeared that Congress had acted on inadequate or erroneous information in making such rejection.

The methods by which the Institute may concern itself with the subject of law and justice include evaluations and appraisals, basic and applied research experimentation, and training and educational programs. These methods are described in intentionally general terms. At the same time, the Institute is not authorized to become an operating agency in any field of justice or the administration of law, nor to become an ongoing source of funding for such operations conducted by other agencies.

The Institute is given no authority to establish or impose standards. Its authority is limited to the persuasive effects of its studies and recommendations, and the influence which it is hoped its prestige and reputation will provide. The provisions of Section 4(a)(4) concerning fellowships contemplate stipends for specific research and educational undertakings, some of which might be made available for research in residence at the Institute, as in the program of the National Institute of Health. It is not intended to authorize a general plan of scholarships for attending law school.

Section 4(a)(5) provides that the Institute shall pursue its responsibilities in a way that minimizes conflict or duplication with existing agencies in the field of justice and the administration of law. This provision recognizes that there are already many private and public organizations devoted to research, education, and reform in law and justice, and that there will continue to be. It is impossible to define jurisdictional boundaries in such a large and complex area, and unwise for an existing or proposed organization to be given preemptive authority in any field within it. Yet it is also important at any given time to avoid duplication and wasteful competition. Many significant problems in law and justice are not now receiving the attention they require and deserve. The direction to promote a common set of priorities requires the Institute to develop its program with an eye to the relative importance of problems, the feasibility of remedies within a given time span, and economy of available resources. Another provision, Section 7(c)(3), requires the Institute to make public dissemination of its program plans and project descriptions on a regular periodic basis and to solicit suggestions and comments concerning them. Administered by a properly constituted Board and a conscientious Director, these provisions could make possible a much greater degree of harmony and coordination of effort than presently exists.

Section 4(a) paragraphs (6) and (7) authorize library, clearinghouse, and publication activities. These are essential to the collation of existing knowledge and the dissemination of new studies and proposals. The requirement of coordination in Section 4(a)(5) applies to these provisions as well as to other elements in the Institute's program.

Section 4(b) makes clear the priority that the Institute is to give to the use of grants and contracts, and the aim of keeping its staff small. The Institute is authorized to perform pilot, developmental, and evaluative studies through its own staff, for this is often an essential element in determining whether a particular program is feasible and potentially productive. Aside from this authority, however, the Institute is to conduct its program through outside agencies—academic, research, and governmental—rather than through its own staff.

Section 4(c) provides that the Institute shall give particular attention to the impact of justice and the administration of law on private individuals. Specific attention is directed toward problems of equal protection and access to legal redress where an individual's situation may be affected by discrimination or disability on account of income status, race, sex, age, religion, or national origin. This concept is general and necessarily somewhat vague, but it signifies a very important concern. The Institute is required to give continuing attention to those who are affected by the systems of law and justice, and not merely those who administer the law or who are otherwise involved with it in a professional capacity. The ultimate aim of all legal institutions and procedures is a better and more acceptable quality of justice for the citizenry at large. Primary concern for this interest is a vital element of the Institute's responsibilities.

SECTION 5—ORGANIZATION OF THE INSTITUTE

Provides that the Institute shall consist of a Board of Trustees, a Director and a Council. This arrangement is intended to provide the Institute with a responsible governing body consisting of a small number of nationally distinguished members, competent professional leadership and administration, and the advice of a broadly representative consultative council The aim is a balance between public stature, technical and intellectual expertise, and popular expression in the policy and program of the Institute.

SECTION 6—APPOINTMENT OF BOARD OF TRUSTEES

Section 6(a) provides for the Board of Trustees. There are to be 16 trustees, a number large enough to have wide representation and yet small enough to assure efficiency and direct responsibility in supervision of the affairs of the Institute. The members of the Board are to be appointed by the President, by and with the advice and consent of the Senate. This is the method most widely employed in constituting an independent federal agency, and has the advantage that the appointments may be made from a single national perspective and through a procedure that facilitates maintaining balanced diversity in the Board's membership.

The trustees are to be chosen on the basis of civic concern and professional stature. All appointments are to be made without regard to partisan or special interest affiliation and with due concern for establishing a broadly representative group. At the same time, recognition of the central importance of the states in the administration of justice is preserved through participation of the National Governors Conference and the Conference of Chief Justices in the process of selecting the Board. Similarly, the requirements for geographical diversity in the Board's membership and inclusion both of persons who are lawyers and those who are neither judges nor lawyers are designed to assure that the Board will have a broad perspective of the administration of justice. In addition a group of ex officio members

shall be on the Board composed of the Attorney General, the Secretary of Health, Education, and Welfare, the Secretary of Labor, the Secretary of Housing and Urban Development, the Administrator of the Office of Juvenile Justice and Delinquency Prevention, the Commissioner of the Office of Education, the President of the Bureau of Prisons and the Director of the Legal Services Corporation. The cause of justice is far too important to be left entirely in the hands of the legal profession or to a group of persons from any one region.

The terms of the Board members are four years, in terms staggered to provide continuity. A limit of two consecutive terms is imposed to provide gradual turnover on the Board and thus the introduction of fresh viewpoints and abilities.

SECTION 7—POWERS AND RESPONSIBILITIES OF THE BOARD OF TRUSTEES

The Chairperson and other officers of the Board are to be chosen by the Board from its members. It is contemplated that the burdens of time and effort falling on the Chairperson will be very substantial, and those on the other officials similar though in lesser degree. The Chairperson in particular should therefore be a person who is able and willing to give substantial and continuing attention to the business of the Institute. The Board would be in the best position to know which of its members could most effectively discharge these responsibilities. Section 7(b) authorizes the Board to constitute necessary committees, including an Executive Committee. This will permit the Board to give close and continuing attention to the program of the Institute. To the same effect is the provision in Section 7(c)(1) that the Board shall meet at least quarterly.

The remaining provisions of Section 7 specify responsibilities and authority of the Board. The Board is required by Section 7(c)(3) to disseminate its program plans and proposed projects on a periodic basis. This provision, as noted earlier, is designed to facilitate coordination of the Institute's program with that of other public and private agencies concerned with justice and the administration of law. It should also provide the Institute with valuable critical commentary on the feasibility and value of projects it is considering to undertake. Section 7(c)(4) requires the Board to monitor the programs of the Institute, which is its inherent responsibility in any event, and to cause evaluations to be made of the Institute's work. The aim is to make sure that the Board has independent advice concerning the usefulness and progress of projects its has authorized. Section 7(c)(5) requires the Board to make an annual report on behalf of the Institute. The report is to be addressed to the people as a whole and to the Congress inasmuch as the points of implementation of its findings or recommendations, depending on their subject and substance, may be either legislative, judicial, or executive at national, state, or local levels of government.

SECTION 8—DIRECTOR

Provides for a Director to be appointed by the Board. The Director is chief administrative and professional officer of the Institute, but is responsible to and subject to the direction of the Board, by whom he or she may be removed.

SECTION 9—COUNCIL

Provides for the Council. The size of the Council is to be determined by the Board within the limits of 50 to 100 members. It is contemplated that the number may vary from time to time, depending on experience as to the participation of Council members and on availability and willingness to serve of properly qualified individuals. The Board is directed to constitute the Council in such a way as to provide a wide cross-section of civic, vocational, professional and individual interests.

The Council is intended to serve as a forum for suggesting matters to which the Institute should give its attention and for reviewing and commenting upon endeavors which the Institute has undertaken. It is empowered to have committees created and to make reports and recommendations to the Board. It is not empowered to speak for the Institute, nor to authorize expenditure of Institute funds. The Council will thus be dependent on the force of persuasion to make itself effective. If the Board exercises its power of appointment with vigor and diligence, as it may be expected to do, the Council can provide both guidance and strong public support for the efforts of the Institute.

SECTION 10—FURTHER POWERS

Provides housekeeping provisions, patterned after those in effect for comparable independent agencies already constituted by law.

SECTION 11—POLITICAL BAN

Prohibits political activities as applied to the Director and other staff members of the Institute. It would not prohibit persons who hold political office, for example a state governor, from being on the Board.

SECTION 12—COMPENSATION OF DIRECTORS

Provides for the compensation of the Director and the Deputy Director under Section 5315 of Title 5, United States Code and Section 5316 of Title 5, United States Code, respectively.

SECTION 13—AUTHORIZATION OF APPROPRIATIONS

Provides for the authorization of appropriations, of $30,000,000, $40,000,000, $50,000,000, $60,000,000 and $70,000,000 for fiscal years 1980 through 1984 respectively.

Provides as a safeguard of the Institute's independence that pursuant to the Budget and Accounting Act, that estimated expenditures shall be transmitted to the President on or before October 15 of the year preceding the beginning of each fiscal year and shall be included by the President in the Budget without revision, and that the Institute shall not be considered to be a department or establishment for purposes of such Act.

NATIONAL INSTITUTE OF JUSTICE, PROPOSAL ENDORSEMENTS

American Bar Association.
American Judicature Society.
Association of American Law Schools.
Association of the Bar of the City of New York.
Bar Association of Erie County (N.Y.)
Bar Association of Metropolitan St. Louis.
Barristers Club of Nashville Tennessee.
Barristers Club of Sacramento County.
Chicago Council of Lawyers.
Communications Workers of America.
Detroit Bar Association.
Federal Bar Association (by its Council on Federal Law, Agencies & Practice).
Institute for Court Management.
League of Women Voters of Kansas.
Long Beach (Calif.) Bar Association.
Los Angeles County Bar Association.
Michigan State Bar Association.
National Bar Association.
National Conference of Commissioners on Uniform State Laws.
National Juvenile Detention Association.
National Institute of Municipal Law Officers.
National Legal Aid and Defender Association.
Native American Rights Fund.
New York State Association of Magistrates.
North Dakota State Bar Association.
Salvation Army.
State Bar of Georgia.
Toledo Bar Association.
United Auto Workers.
Vermont State Bar Association.
Volunteers of America.
Washington State Bar Association.
Wichita Bar Association.
Young Lawyers Section of the State Bar of Arizona.

AMERICAN BAR ASSOCIATION—NATIONAL INSTITUTE OF JUSTICE, JULY 1978

Question. How well is our justice system working?

Answer. No one knows. The system is at once huge and complex. Getting a handle on its operation is a massive task. It is perhaps understandable that no on-going comprehensive study of our justice system (or rather systems—local, state and federal; civil; criminal; administrative; regulatory; law schools; courts; police; correctional facilities; arbitration panels; small claims courts; legal insurance, etc.) is being made.

We do know that the demands made upon these many components of our justice system grow daily. It is estimated some 20,000 state laws and 300 federal laws are passed each year. The burden on our courts has increased dramatically. The federal criminal caseload alone increased 172 percent between 1960 and 1970. Prisons and other correctional facilities house 450,000 offenders watched over by 150,000 correctional personnel. The system grows like Topsy, moving from crisis to crisis and without the capacity for calm reflection.

Question. What is presently being done?

Answer. A considerable number of groups are doing excellent work with respect to particular aspects of the justice system. But the resources available to these groups have been very limited and have inhibited these groups from achieving the prominence and impact which they deserve. Furthermore, while there has been some attempt to coordinate efforts, there has been no effective system for doing so. Overall, legal research has been performed in a piecemeal and largely uncoordinated fashion. And federal efforts to provide leadership and assistance have been fragmented and very limited in scope.

By contrast, federal investments in research programs in other fields are substantial. The National Institutes of Health are currently funded at an annual level of $2.8 billion dollars; the National Science Foundation, $864.9 million; the National Institute of Education, $90 million; and the National Foundation on the Arts and Humanities, $114 million.

Daniel Webster once said "Justice is the most important thing on this earth." But the problems of justice can't be solved by piecemeal voluntary efforts. To insure a significant national investment of resources into finding solutions for the problems facing our justice system, the American Bar Association in 1974 first proposed the creation of a National Institute of Justice.

Question. What is the American Bar Association's proposed National Institute of Justice?

Answer. As proposed, the National Institute would be an independent agency of the federal government. (The American Bar Association, therefore, would have no control over the National Institute's affairs.) The National Institute would review and study the ways our various justice systems operate in practice and would develop imaginative ways of improving those systems. Research and pilot programs would be conducted under its auspices by groups around the country already having expertise in a particular area. Thus, a large isolated bureaucratic regime would not be created in Washington.

The jurisdiction of the National Institute would be as broad as the field of justice itself. The governing Board of the National Institute would select the specific issues and concerns within that broad jurisdiction which would be dealt with by the National

Institute. The following issues are representative of those which the Institute might explore:

(a) How can citizens be better informed about the workings of the justice system which affect their lives so greatly every day?

(b) How might the frequent conflict between an individual's right of privacy and the public's right to security be sensibly resolved?

(c) How might legal procedures and legal documents commonly used by average citizens be simplified to reduce confusion and misunderstandings?

Question. How was the proposal developed?

Answer. The American Bar Association, under the leadership of its then president, Leon Jaworski, created a 22-member interdisciplinary Commission in 1972 to consider the creation of such a National Institute of Justice. The Commission held a national conference to consider the concept in December 1972, which was attended by 150 national leaders from a variety of fields. The Commission thereafter worked for several months preparing its proposal and sent two versions of the proposal to over 12,000 lawyers, judges and laypersons for their comments and reactions. The Commission also held public hearings in five cities around the country in the spring of 1974 to receive further public response. Thus, the final proposal reflects the collective thinking and ideas of a great number of people from throughout the country.

Question. How does the ABA's proposal differ with the Carter Administration proposal to create a National Institute of Justice within the Department of Justice?

Answer. The Carter-proposed National Institute of Justice (DJNIJ) is merely a revamp of the existing National Institute of Law Enforcement and Criminal Justice. As such, the Administration's NIJ would not be independent, would not guarantee a substantial civil justice research program, and would not have the public visibility and credibility which is essential for the success of this program.

In fact, the Administration's NIJ would be plagued by many of the same problems which have plagued the existing LEAA research program. For example, the existing LEAA research arm (NILECJ) has been widely criticized for its lack of independence. Yet the Administration plans not only to leave the institute within the Department of Justice but within the same office which will supervise the LEAA block-grant program.

Question. Why is the question of independence so important?

Answer. Independence is crucial to the effectiveness and eventual success of a National Institute of Justice.

A research institute within the Department of Justice and part of a grant-making "action agency," as the Carter Administration is proposing, could face a number of serious problems that would endanger its control and credibility.

For example, political pressure for short-term results are likely to be far greater if the research institute is part of a mission-oriented agency. Operational needs of an "action agency," too, could influence the nature of the research program. And, it is quite possible the research institute would be totally obscured and overwhelmed by grant-making activity. Another concern is that budgetary considerations within a Department may prevent the research program from receiving an appropriate level of funding.

Also there is some question as to whether the Department of Justice would be as willing and able to reach out and attract the diversity of cooperation and support from other disciplines which an independent agency could attract. Certainly independent status would substantially enhance the credibility afforded to a federal justice institute by state and local governments. And there is no question that public credibility of and visibility for the research institute and its work will be far greater if it is independent and not part of an action agency.

Finally, justice research, to the considerable extent it involves the Judicial Branch, should not be placed in a line agency within the federal Executive Branch but should be housed in a more neutral setting.

Question. Doesn't the justice system need more money to solve its problems, not more research studies?

Answer. No one disputes that many components of the legal system—the corrections components, for example—are underfunded and understaffed. But throwing money blindly at major problems is not a productive or fiscally-sound approach. A research body offers the promise of returning greater financial returns to society than it costs, apart from the primary benefit of improving the justice system.

Question. Wouldn't NIJ activities duplicate many law reform programs now being conducted by such groups as the National Center for State Courts, the ABA, the American Judicature Society, and others?

Answer. No. The primary purpose of the NIJ would be too infuse badly-needed public funds into the legal research and reform field. The research would be conducted not by the Institute itself but by persons and groups having expertise in particular subjects. Thus, the NIJ would actually greatly strengthen existing efforts rather than duplicate them. The Institute should also permit a coordination of effort between such groups which have similar but not identical jurisdiction.

Question. Isn't the NIJ just another example of the Federal Government telling the states how to run their affairs?

Answer. Absolutely not. The NIJ would have no control over the operations of any component of any state's justice system. It would have no control over decisions as to what states should receive federal assistance for the operation of their legal system. It would perform research and conduct pilot programs in an effort to develop suggestions for improvement in the justice system nationally; but it would have no authority to compel compliance with its suggestions in any fashion.

There are problems common to each State. Some localities do not have the resources to devote to solving some of these problems. The NIJ will be able to help states and localities interchange ideas and coordinate efforts to improve the justice system. It will not, and cannot, tell state and local governments how to run their justice systems.

Question. How much will this cost?

Answer. The projected cost of this agency is small—perhaps $30 million to start (roughly the budget of the research institute now operated within the Law Enforcement Assistance Administration), expanding to around $50–$60 million when fully operational. In comparison to the funds now spent for similar federal efforts in the health and science fields (current appropriations for the National Institutes of Health total over $2.8 billion and for the National Science Foundation ($864.9 million), and in relation to the benefits which such a program is likely to return to society, the cost is remarkably low. The returns to society—both in dollar savings and in improvement in the quality of justice—will far exceed this modest cost.

Question. Is the ABA the only supporter of this proposal?

Answer. Not at all. The following national groups are among those which have already endorsed the concept: American Judicature Society; Association of American Law Schools; National Bar Association; National Conference of Commissioners on Uniform State Laws; National Juvenile Detention Association; National Legal Aid and Defender Association; Native American Rights Fund; Salvation Army; United Auto Workers; Volunteers of America.

In addition, several state and local bar associations, governors and other state officials and hundreds of individual lawyers, judges and lay persons already have strongly supported the proposal.

AMERICAN BAR ASSOCIATION—FORMER MEMBERS OF THE COMMISSION ON A NATIONAL INSTITUTE OF JUSTICE

Lucy Wilson Benson, Amherst, MA., former President, U.S. League of Women Voters; Under Secretary of State for Security Assistance, Science and Technology.

Warren Christopher, Los Angeles, CA., Deputy Secretary of State.

James W. Cobb, Washington, D.C., former President, National Bar Association; private practice.

Martin E. Danziger, Washington, D.C., former DOJ liaison; now Director, United Mine Workers Health and Retirement Fund.

Eli Goldston, Boston, MA., deceased, former President, Eastern Gas and Fuel Associates.

Patrick H. Hays, North Little Rock, AR., former President, ABA Law Student Division; now Counsel, Department of State, State of Arkansas.

M. Carl Holman, Washington, D.C., President, National Urban Coalition.

Joseph D. Keenan, Washington, D.C., former International Secretary, International Brotherhood of Electrical Workers.

Calvin H. Plimpton, Brooklyn, NY, President, Downstate Medical Center.

Charles S. Rhyne, Washington, D.C., former NIJ Commission Chairman; Former President, ABA; private practice.

Jonathan C. Rose, Washington D.C., was DOJ liaison to NIJ Commission; now in private practice somewhere.

Dean Rusk, Athens, GA, former Secretary of State, now on University of Georgia Law School faculty.

Bernard G. Segal, Philadelphia, PA, former ABA President, private practice.

Sargent Shriver, Washington, D.C., former Ambassador, OEO head, now in private practice.

Robert D. Stuart, Jr., Chicago, IL, Chief Executor and Chairman of the Board, Quaker Oats Corp.

Barbara M. Watson, Washington, D.C., Assistant Secretary of State for Consular Affairs.

Nils Y. Wessell, New York, NY, President, Alfred P. Sloan Foundation.

AMERICAN BAR ASSOCIATION—1977–78 MEMBERS OF THE COMMISSION ON A NATIONAL INSTITUTE OF JUSTICE

Hon. Robert H. Hall, Chairman, Justice, Supreme Court of Georgia, Atlanta, Georgia.

Grant Armstrong, Esq., private practice, Chehalis, Washington.

David Ellwanger, Esq., Executive Director, Los Angeles County Bar Association, Los Angeles, California.

Hon. John M. Ferren, Judge, District of Columbia Court of Appeals, Washington, D.C.

Hon. Erwin N. Griswold, former Solicitor General of the United States, and Dean of Harvard Law School, now in private practice, Washington, D.C.

Hon. Howell T. Heflin, former Chief Justice, Alabama Supreme Court, Tuscumbia, Alabama.

Andrew Hourigan, Jr., Esq., private practice, Wilkes-Barre, Pennsylvania.

Leon Jaworski, Esq., Special Counsel, House Committee on Standards of Official Conduct, former Watergate Special Prosecutor, Houston, Texas.

John A. Krsul, Esq., private practice, Detroit, Michigan.

Mr. Donald H. McGannon, President,

Westinghouse Electric Corporation, Broadcasting, New York, N.Y.

James F. Mauze, Esq., private practice, St. Louis, Missouri.

James L. O'Keefe, Esq., private practice, Chicago, Illinois.

Hon. Edward E. Pringle, Justice, Colorado Supreme Court, Denver, Colorado.

Chancellor A. Kenneth Pye, Duke University, Durham, N.C.

Harold E. Read, Jr., Esq., private practice, Hartford, Connecticut.

Hon. William P. Rogers, former Secretary of State, Washington, D.C.

Stephen I. Schlossberg, Esq., general counsel, UAW, Washington, D.C.

Hon. Robert L. Shevin, Attorney General of the State of Florida, Tallahassee, Florida.

Mr. Wayne E. Thompson, senior vice president, Dayton Hudson Corporation, Minneapolis, Minnesota.

Mr. Glenn E. Watts, president, Communication Workers of America, Washington, D.C.

Hon. Malcolm R. Wilkey, judge, U.S. Court of Appeals, Washington, D.C.

Gibson B. Witherspoon, Esq., private practice, Meridian, Mississippi.

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[From the West Virginia Law Review, April 1972]

National Institute of Justice—A Proposal

(By Bert H. Early*)

FOREWORD BY WARREN E. BURGER †

From his long experience and the vantage point of his unique position in the organized bar, Mr. Early has given voice to a great need—a great void—in our system. He correctly and carefully disclaims any thought of "homogenizing" the systems of justice, but rather presses for some central means to energize the valuable programs for improved justice now in being and to probe for new solutions. We spend more than two billion dollars annually through the National Institutes of Health and the country is better for it. But the social, economic and political health of the country must be fostered by a comparable facility to revitalize the faltering machinery of justice—and happily that can be done for a mere fraction of the NIH budget. Whether it is financed by private as well as public funds is not central to the proposal—the key is the *function* of such an institute.

Mr. Early's provocative article is advanced by him to stimuate debate. It deserves a wide audience and I sincerely hope it will be challenged and debated—vigorously—by the bar and the public.

I. THE PROPOSAL

The intent of this article is to advance a proposal for the creation of a new type of organization, national in scope and purpose, to marshal our resources and energies for an accelerated program of modernization of our system of law and justice to serve better the needs of over 200 million Americans.

Such an organization might be called *The National Institute of Justice.* At the outset, it should be clearly understood that the Institute would not conflict with or duplicate the Federal Judicial Center, the National Center for State Courts or other existing organizations. It would, rather, complement their activities and encourage a broader base of support. In broad perspective the concept may be stated simply: the establishment of a national public agency, governed by the most eminently qualified individuals available, and dedicated to the mission of giving national cohesion and increased public and private support to the now inadequate and piecemeal efforts directed toward improving the justice system at all levels. The National Institute must deal with the system of justice as a whole. That system consists of interlocking and interdependent components—substantive laws; procedures; legislative bodies; institutions for dispute settlement, such as courts and administrative agencies; law enforcement offices and agencies and corrections and rehabilitation facilities and services; and a host of individuals who work within the legal profession. The ultimate aim is to achieve a structure of civil and criminal justice that is more effective, expeditious and accessible to the pesent day needs of all our people.

The goal is unassailable. It was the dream of our founding fathers and it has been the aspiration of our nation's foremost leaders for nearly two centuries. And yet it has eluded us.

No less a figure in American jurisprudence than Roscoe Pound spoke prophetically of its elusiveness as early as 1906. In his historic paper, entitled *The Causes of Popular Dissatisfaction with the Administration of Justice,*[1] Dean Pound addressed the Annual Meeting of the American Bar Association with these words:

"I venture to say that our system of courts is archaic and our procedure behind the times.

"Uncertainty, delay and expense, and above all the injustice of deciding cases upon points of practice, which are the mere etiquette of justice, direct results of the organization of our courts and the backwardness of our procedure, have created a deep-seated desire to keep out of court; right or wrong, on the part of every sensible businessman in the community. . . .

"But too much of the current dissatisfaction has a just origin in our judicial organization and procedure. The causes that lie here must be heeded. Our administration of justice is not decadent. It is simply behind the times. . . .[2]"

Again in 1937, more than thirty years later in *Law: A Century of Progress,*[3] Dean Pound tolled the same ominous bell:

"Looked at superficially, many features of the legal order of today may well give us pause. . . . The multitude of regulations required by an urban, industrial society encountering the pioneer habits of self-reliance and private judgment which have come down from the past make the time seem one of disrespect for law. . . . The inadequacy of the judicial organization and legal procedure of the past century do deal with the mass of litigation arising in our great urban centers leads to widespread complaint and popular dissatisfaction with the administration of justice. . . .

"Questions of law have ceased to be local. We are so unified economically that no question is limited by jurisdiction and venue as questions used to be. Questions of law today are likely to be questions of business as well. Creative work cannot be done under limitations of party and jurisdiction and venue.

"Even less may the work of reshaping the law be left to occasional legislative commissions or to the intermittent and hurried action of judiciary committees. In such matters as procedure the judicial councils which have been set up so generally in the past decade will do much. *But the ministry of justice, which will take the functioning of the legal order as a whole for its province and give to the problems of peace the continuous study which is so generally given by governments to preparations for war, seems to be a long way off in the English-speaking world.*[4]"

Progress in the administration of justice has been painfully slow. It has failed to keep pace with a burgeoning, automated, electronic society that is increasingly urban, impatient and demanding. Indeed, the situation has taken on crisis dimensions.

This is not to say or to imply that there has been no progress. Indeed, there has been much. However, its hallmarks too frequently have been a patchwork of effort lacking focus, continuity and adequate funding. Notwithstanding accelerating efforts to improve the administration of justice, Chief Justice Burger, in his address on the State of the Judiciary in July, 1971, was compelled to observe that:

"Essentially the problems of the federal courts, in common with state courts and indeed much of the entire fabric of our national life, are suffering from an accumulated neglect. This disrepair became an acute problem as the load increased, and we cannot ignore it any longer."

It is not the purpose of this article to dwell on the obvious and profound inadequacies of our present system of justice. It is rather to suggest that the evolution of our legal system makes it clear that vital elements still are missing. These elements are focus, continuity, innovation, experimentation, and research, all melded under capable direction and with adequate funding. The catalytic agency to synthesize these elements can, in this writer's judgment, be a National Institute of Justice.

This article is then a document of advocacy. The historical details of our failure to attain the noblest purposes of our founding fathers are left to the legal philosophers and historians. It is sufficient to accept the fact of that failure as a point of reference and to move on to more promising methods that offer brighter hope for future progress.

II. A NATIONAL INSTITUTE OF JUSTICE

It is proposed that the National Institute of Justice take the form of an independent, not-for-profit, federally chartered corporation designed to coordinate and support the machinery of justice. It would be governed by a board composed of the most eminently qualified and widely representative individuals available. Its mission would be to make the administration of justice more fully responsive to the needs of our contemporary society.

Purposes of the Institute

The primary purposes of the Institute would be as follows:

First, to provide direction and leadership that would be both responsible and responsive. The Institute would serve as consultant and advisor to all components of the machinery of justice at both federal and state levels.

Second, the Institute would provide a permanent body charged with the development of an overview of the law, with the establishment of priorities, with responsibility for the coordination of educational resources, research activities and projects of the organized bar.

Third, the Institute would serve as a fiscal agent to receive and disburse public and private funds for research, evaluation and action.

There is today no single body or individual in the federal or state governments charged with these ongoing overall responsibilities. Cooperation has improved between states and the federal government, but cooperation is not enough. Although each government has certain officers in each branch responsible for specific areas of the administration of justice, each is limited by constitution or statute to only a part of the law's sweep. It seems clear that the three brances of government should have the benefit of the research, counsel, advice and recommendations of an agency that has the primary mission for and a continuing commitment to the improvement of the quality of the legal system as a whole.

Footnotes at end of article.

Functions of the Institute

It is envisioned that the proposed Institute would perform the following functions:

1. Survey, Appraisal and Information Collection and Dissemination Function

It would be essential that the Institute undertake and maintain an ongoing survey and appraisal of the functioning of the legal system and of the principal efforts to modernize, reform and reconstitute legal processes and the administration of justice. The task of determining what has been and is being done by the federal, state and local governments, private foundations, law schools, interest groups, professional organizations and other educational institutions is a task of great magnitude, but is essential to any coordinated effort directed toward modernization and reform.

The collection and dissemination of information about the operation of our society—*a law society*—is presently conducted by a variety of federal, state and local government agencies, private foundations, the organized bar and private institutions. The present efforts are uncoordinated, frequently incomplete, redundant and permeated with frustrating, circular reference systems. The creation of a National Institute of Justice would, for the first time, provide a single source from which comprehensive and complete information might flow. The Institute could provide an invaluable national link among governmental, private and professional interest groups directly or tangentially concerned with the same or closely related problem areas. The use of modern computer technology makes the goal achievable within a reasonable time and within our economic means.

2. Diagnostic function

The diagnostic function would have as its goal the discovery and evaluation of the principal bottlenecks in the flow of civil and criminal justice and the recognition of new problem areas as they arise. This function has never been assumed by any agency or organization in the country on a continuing and permanent basis. So little attention and money have been devoted historically to this function that the legal profession is constantly in the posture of reacting to certain issues only after they have developed to crisis proportions. With an effective diagnostic function, problem areas can be dealt with more expeditiously and effectively.

3. Coordination function

Coordination would be one of the Institute's foremost roles. This necessarily includes the establishment of priorities, the development of long range goals and a continuing evaluation of the results of action and research programs of the various components of the law society, both public and private.

4. Research catalyst function

The disorganized and proportionately insignificant allocation of resources for legal research is evidence of the crucial need for a catalytic function of the Institute in this area. Although lack of sufficient funding is certainly one of the most crippling aspects of the anemic state of legal research in the nation today, a solution does not involve solely the infusion of more dollars. Continual inquiry must be made as to the value and relevance of research undertakings. The Institute could perform a highly valuable service as a catalyst in the development of areas in which research has been long neglected.

Most legal research of the past has been doctrinal research *in law*. However, studies have begun to appear which shed new light on the operation of the processes of law in society—research *about law*.[5]

Footnotes at end of article.

5. Advisory function

The Institute could play a significant and effective role as an advisor to all branches of government and to the profession. Its recommendation, based upon research and analysis, would certainly tend to carry great weight.

6. Continuity function

Perhaps one of the critical roles which the Institute would assume is to provide functional continuity for the modernization effort. History demonstrates clearly that continuity of direction and operation has been a principal weakness in the functioning of law and in the quest for more effective administration of justice.

7. Neutrality function

A seventh function of the Institute would be its mandate to insure neutrality. It should remain, as much as possible, free from political control of its decisionmaking. While the rule of law in theory knows no party, the nature of our representative government inevitably brings political influences into the operation of the system of justice. An Institute governed impartially is both possible and essential.

Funding

It is contemplated that the Institute would be funded from both public and private sources. It would be both a grantor and a grantee of funds.

In its role as grantee, the Institute would be authorized to receive funds for its general administration, under contract for specific projects and programs and under grants for either specified or unspecified uses. As grantor, the Institute might serve as a funding agency for investment of public or private funds in research or action programs.

It is this writer's view that the creation by Congress of this Institute would not eliminate the continuing need for funding from numerous other sources including individuals, organizations, foundations and state and local governments. On the other hand, it is perfectly apparent to all who have examined the problem that the costs involved in modernizing the justice system—after generations of neglect—will be so large that additional responsibility for making funds available must necessarily rest with the federal government. As the Institute progresses in its survey function, it will only then be able to project accurately financial needs in a realistic way.

It should also be understood clearly that the Institute is not intended to supplant or put out of business existing agencies performing valuable work in the various areas of law and justice. Its aim will be to do more, not less. The Institute will be in posture to provide a common rallying point for concerned individuals and organizational efforts to obtain congressional and executive response for projected needs.

Staff

It is contemplated that the Institute would have an interdisciplinary, broadly experienced professional staff of modest size. The staff, as directed by the governing authority, would not assume the functions presently performed by other organizations; rather, it would undertake functions not now being performed or being performed on a very limited basis.

It is not anticipated, for example that the Institute would itself be a large research organization. It would contract with universities, law schools, bar associations, legal associations, bar foundations, other professional organizations, private corporations and governments to carry out evaluation and research projects.

The staff would be responsible to and serve under the direction of a governing body which might be constituted as a Board of Directors.

Governing Authority

It does not seem desirable at this juncture to suggest the specific type, size, or constituency of a governing board. Suffice it to say that the governing body should be appointed for a term of years by the President with the advice and consent of the Senate. Ex officio members might include the Chief Justice of the United States and other high government officers. In all events, members of the governing body should be selected with due regard to their experience, knowledge and proven dedication to the mission of justice.

What the Institute Should Not Be

In any attempt to define what the National Institute of Justice should be, it is critical to inquire as to what it should not be.

The Institute should not usurp functions of existing entities. On the scene today are a number of public and private organizations dedicated to the modernization and efficient functioning of the law society. These include the Federal Judicial Center, the National Center for State Courts, the Law Enforcement Assistance Administration, the American Judicature Society, the American Bar Foundation and other private foundations of research and action in the field of justice, bar-related organizations and research centers. In its coordination role, the Institute would utilize existing organizations, and indeed nurture their further development and usefulness.

The role of the Institute would most certainly not include any attempt to federalize the state courts. Such a statement hardly seems necessary except for the extreme fear of some that action at a national level that involves funding by the federal government may be so motivated. It is contemplated that the Institute would be as much the servant of the states as it would of the federal government. If the Institute were to be successful, its reputation would depend upon its even-handed administration, its thoroughness and its understanding of the broad spectrum of problems in the administration of justice on the local, state and national levels.

It was said long ago and repeated many times since that the law is too important to be left to lawyers. The work of the Institute would be much too pervasive and too important to be other than interdisciplinary in its governing body, its staff and its concept.

The institute is envisioned as a cooperating, coordinating, and consulting organization that would make its resources available for the investigation, analysis and solution of legal and law-related problems. Thus, its staff would primarily perform consulting services, as opposed to having direct responsibility for the implementation of reform movements. In short, the staff would provide insight into ways that modernization resources might be utilized most efficiently.

Because the Institute would not be possessed with coercive power, its effectiveness could only develop as a result of its creativity and its applied expertise in fulfilling its functions. Only if the Institute proves capable of performing that function would its services be in demand or its recommendations be heeded.

III. STRUCTURES OF RESPONSE IN OTHER DISCIPLINES

The concept proposed in this article is not entirely new. Almost precisely fifty years ago Mr. Justice Benjamin Cardozo urged the creation of a ministry of justice.[6] He envisioned that a ministry consisting of five members might observe the law in action, develop recommendations for reform in the civil law and report to Congress and the state legislatures where change was needed. In making his recommendations, Mr. Jus-

tice Cardozo observed that his thought was not novel, pointing to the prior proposals of Roscoe Pond, Lord Westbury, Lord Haldane and others.[7]

Other proposals have been made in Congress in more recent years. The late Senator Dirksen and Congressman Emanuel Celler proposed the creation of a national foundation of law in bills submitted in 1967.[8] These bills were offered in full cooperation with the American Bar Association, the Association of American Law Schools and the American Association of Law Libraries. In both the 90th and 91st Congress Senator Fred Harris submitted proposals for the creation of a National Foundation of the Social Sciences.[9] Senator Harris' proposal envisioned a foundation designed to support academic research, education and training in the fields of political science, economics, psychology, sociology, anthropology, history, law, social statistics, demography, geography, linguistics, communications, international relations, education and other social sciences. In presenting his bill, Senator Harris called particular attention to the fact that his proposed foundation would perform no in-house research, but would, in keeping with the precedents set by the National Science Foundation and the National Foundation for the Arts and Humanities, underwrite, fund and support academic research, education and training in the social science field.

Appropriate inquiry might be made as to whether a National Foundation for the Social Sciences could adequately perform the functions of the proposed National Institute of Justice. The argument can be made quite forcefully that the interdisciplinary atmosphere of an organization devoted to the social sciences might indeed have a statutory effect.

This proposition has been thoughtfully analyzed by Robert B. McKay, Dean of New York University Law School, when he made the following observation: [10]

"[S]ocial scientists do not regard law as a kindered discipline. Accordingly it seems likely that in a social sciences foundation the law would always be the poor relation and, that the important tasks we believe should be undertaken would not be supported except where there was an interdisciplinary study to be made in which law could play a complementary, but secondary, role."

With respect to the Dirksen-Celler proposals of 1967, it should be made clear that the leadership of the American Bar Association played a very significant role. Indeed, the leadership of the ABA, the Association of American Law Schools and the American Association of Law Libraries actively solicited the support of Senator Dirksen, Congressman Celler and their colleagues in both the House and Senate in support of that proposal. Why then, it may be asked, after four years has the proposal not been more actively pursued by the associations to the point that it might even today already be a reality. Such legislation commonly requires a germination period. At the time the Dirksen-Celler proposals were introduced it was assumed that it would take a number of years to bring about the adoption of them or similar legislation. Indeed, the history of the several models described above indicates that this has been the pattern in each case.

The present proposal is thus not reflective of any abandonment of the broad principles contained in the original Dirksen and Celler bills, but is rather reflective of the refinements in thought that have evolved during the past four years. Indeed, it is recognized that there may be other refinements of the concept suggested from many sources before any proposal becomes a reality.

Footnotes at end of article.

Both the Dirksen and Celler bills and the Harris bills envisioned the creation of their proposed foundations as independent administrative agencies of the federal government—one of four general types of independent government or government funded entities. These are the independent administrative agency, the government owned corporation, the federally chartered not-for-profit corporation, and federally chartered profit making corporation. The National Institute of Justice is envisioned as a federally chartered not-for-profit corporation.

Existing models of independent administrative agencies are the National Science Foundation and the National Foundation of the Arts and Humanities. An example of a federally chartered not-for-profit corporation is the Corporation for Public Broadcasting.

The National Science Foundation was created to strengthen both research and education in the natural sciences. It was brought into existence as the result of a report prepared at the request of the President describing how best to develop a national science policy and to support basic research and education in the natural sciences. The report was submitted in 1945 by Dr. Vannevar Bush, Director of the Office of Scientific Research and Development. It recommended the establishment of an independent federal agency composed of members to be selected by the President. The establishment of the National Science Foundation took some five years after submission of the Bush report. The Foundation is authorized to make grants to institutions and provide fellowship programs for individuals; it now receives about a half-billion dollars annually for its work.

The National Foundation of the Arts and Humanities was created to encourage and support the humanities and the arts through studies and grants. It was many years aborning. In 1951 President Truman requested a report on the status of the arts with respect to government. Two years later a report was submitted to President Eisenhower and in 1962 President Kennedy urged approval of a measure establishing a federal advisory council on the arts. Proposals were made in the next two years for a national council on the arts and a national arts foundation. In 1964 the National Council on the Arts was created and in the following year the National Commission on the Humanities joined forces with the Council to bring about the creation of the National Foundation of the Arts and Humanities. The Foundation has certain unique qualities of organization that are not here relevant. Its importance lies in the fact that responsible individuals in the field envisioned an independent agency modeled along the lines of the National Science Foundation, which would provide general support for research and education in the humanities. There appeared to be no other logical place within the federal establishment to provide a home for the arts and humanities.

The Corporation for Public Broadcasting was created in 1967 following a study by the Carnegie Commission on Educational Television. While acknowledging the free speech dangers implicit in government participation in the communications media, the Commission recommended extensive federal funding for television program production. In terms of structure, it is significant that the Commission proposed the establishment of a federally chartered not-for-profit corporation which would be neither an agency nor an establishment of the United States Government. Under the enabling legislation the President of the United States, operating under certain guidelines, appoints the fifteen members of the Corporation's Board of Directors. The Corporation may receive funding from federal and other sources.

It was thought that the federally chartered not-for-profit, corporate structure would most effectively provide the independence, continuity, funding and political insulation vitally needed for operation in this controversial and sensitive area.

Each of the foundations and corporations described above bears some similarities of purpose and function to the proposed National Institute of Justice. Each is designed to provide a home for a discipline or a profession with great public service commitment that will make possible a continuity of direction and leadership, will encourage development, research and education, will provide responsible funding grants and will insure competent, independent and neutral direction. Each of these provides an analogy and insight for considering the creation of a National Institute of Justice.

IV. THE MANY PRESSURES OF MULTIPLE CHANGE

An overview of developments within the profession emphasizes the need for the creation of a National Institute of Justice.

In addition, inquiry is justified as to whether any existing institution, or a combination of institutions, including the organized bar, are presently capable of performing along the functions deemed necessary for effective and comprehensive modernization.

Accordingly, some of the major areas of evolution in the modernization process are considered, followed by an analysis of the role of the organized bar in this process.

During the Twentieth Century the components of our machinery of justice—the courts, the practicing profession, legal education, the methods of practice, law related research—have too frequently lagged in their response to the problems and challenges of our rapidly changing society. Indeed, the practice of law in this country has been described as the last cottage industry. It should be observed that this has not been for want of concern on the part of dedicated lawyers, judges and numerous organizations of the profession. Rather, problems concerning the administration of justice and the practice of law have for too long been considered primarily the provincial concern of judges, lawyers and their constituent organizations. As has been described, in areas such as medicine, the natural sciences, and the arts and humanities, it was deemed in the national interest to create national organizations to foster development, research and innovation.

In contrast, the failure of this nation, until recently, to view problems concerning the effective administration of justice with sufficient seriousness to warrant a commitment of substantial resources from the federal government, has meant that those struggling to modernize the legal profession, legal education, and our justice machinery, have had to work with minimal funding wholly inadequate to meet the magnitude of the problems. We have too often gone in separate ways without carefully evaluating the merits and effectiveness of our efforts and without resources to interrelate results with the overall problems of judicial administration. The inescapable conclusion one draws from most of these past efforts is that the approach has been comparable to trying to construct a space vehicle by assigning a thousand engineers, each left in isolation, to design one specific component with little comprehension as to how the components would function together when assembled. It may, therefore, be helpful to look briefly at certain components of the justice system in terms of the recognized needs of an urban society.

How law is practiced

In comparison with other vital aspects of society, the practice of law today and the basic methodology of the courts have changed relatively little from the days of Thomas Jefferson and John Marshall.

For many early nineteenth century lawyers

the primary and often sole source of legal research and knowledge * * * and Blackstone's *Commentaries*. And between 1790 and 1840 our courts produced only about 50,000 reported decisions. The next fifty years produced about nine times as many—450,000. From 1890 to the present the courts have added almost two million published decisions to our legal storehouses of knowledge. And this does not include the hundreds of thousands of new regulations which have been issued by administrative agencies or the approximately 10,000 new statutes adopted by legislatures each year.

New tasks and new demands have been placed on today's lawyer. The call for equal access to the machinery of justice and to professional legal counseling for the poor and for members of minority groups has created new demands to which the bar has responded. Increasingly, questions are being raised as to the adequacy of available legal services to middle income American families.

Inherent in the increased recognition and utilization of the courts as effective vehicles for social and political change has been the mounting pressure on the lawyers and his profession to promote and protect equally due process, and the "public interest" for those who could not individually afford a lawyer's services. New opportunities for public service by younger attorneys have developed. Law firms and bar associations have been challenged to attain an even higher level of public service activity.

Unlike industry and government, lawyers have not been able to reduce appreciably the number of expensive man-hours they devote to routine legal tasks. With certain exceptions, which will be discussed later, the ideal of the profession has long been to provide custom-tailored services to each client. The sources of essential legal research—court decisions, statutes, and administrative regulations—have skyrocketed quantitatively. Lawyers' research has become increasingly costly, and it is the client who must pay for the straining shelves of law books and the expensive manpower necessary to extract needed materials in them.

Yet young associates and solo practitioners, still pore through indices, digest, cases, commentaries and looseleaf services in the same manner as their great-grandfathers. These laborious methods remain the primary information retrieval system of the profession.

To this day routine legal research remains largely untouched by computer technology. The reasons are probably less the limitations of the computer than the high capital cost of better legal indices for computer use and for programming millions of bits of information. This high initial cost has certainly been a major deterrent to extensive utilization of automated information retrieval.

Another characteristic of the legal profession today is its increasing specialization. The lawyers image of himself as a generalist, fully proficient in the law as a whole, bears little relation to reality. New areas of legal practice and inquiry have been added steadily during this century, *e.g.*, labor relations law, federal tax law, civil rights law, antitrust law, and securities regulation law. Numerous other examples could be cited. The practicing lawyer today is constantly confronted with the problem of how little of the "seamless web of the law" he can hope to practice with proficiency.

The growing national uniformity of laws harbors profound implications for the profession and its admission procedures. This century has been particular witness to the growing influence of federal laws and agencies regulating both man and his industry, labor and finance. The portion of a lawyer's time spent on matters regulated solely by state law has declined steadily. Suffice it to say that many practitioners today devote most of their practice to federal matters which were unknown 75 years ago.

The move toward modernization: An unfinished saga

The American Bar Association and the legal profession as a whole have in recent years devoted increased time and resources to consideration of methods for modernization. There exists a growing awareness in the Bar that the profession as traditionally structured has not met many of the legal needs of individual citizens. Changes in society as a whole have exerted certain but incalculable pressure on the profession to change. They have been affected by the emphasis upon research and innovation and by the increasing demands first of the poor and now of the middle class to share in the benefits of an affluent society, including quality professional services of the doctor and lawyer.

Issues with respect to the modernization of the profession have arisen in two broadly defined areas. First, issues concerned with the internal organization of the legal profession, including specialization, use of paraprofessionals and computer technology are increasingly being considered. Second, issues related to the delivery of legal services to individuals are undergoing intensive scrutiny. These include, *inter alia*, prepaid legal cost programs group legal practice, legal aid and judicare, and lawyer referral services.

Specialization

Specialization in the legal profession is a fact of life. A proportionately smaller number of lawyers today practice alone or with one partner—the standard form in rural small town America—the America of the Nineteenth Century. Industrialization and urbanization brought the growth of large industrial, financial and governmental organizations. As these institutions grew, so did the law firms which provided them with legal services. As large law firms developed, the lawyers within them often began to specialize and to organize into departments in order to provide better services to the client. Large corporations promoted specialization in the legal profession by employing lawyers as corporate counsel to serve the highly specialized legal needs of the corporation. The growth of widely diversified and specialized government agencies resulted in the need for large numbers of attorneys to work in the agency's specialized area. Government has become a vast training ground for specialized legal practice. As a result of these changes in the structure of the profession, over twenty percent of the lawyers who practice in the United States today are "one client"—government or corporation—lawyers. The move toward specialization also has affected the single practitioner and small firm. Specialities such as personal injury litigation, criminal law, domestic relations, and labor law are increasingly areas of specialization for the single practitioner or small firm lawyer.

While the de facto growth of specialization has been recognized both within the profession and by its clients, the bar has only began to cope with the implication, opportunities, and problems of the formal recognition of specialization. Much experimentation will be necessary concerning certification requirements, e.g., the roles of law school curriculum, "internship" or apprenticeship, continuing legal education and graduate law study in training for a specialty. The area of examinations in speciality certification is still largely unexplored. No state as yet has developed a comprehensive specialist certification procedure, although California presently is experimenting with a certification system for specialists in workmen's compensation, tax law and criminal law.

The implications of specialization also remain largely unexplored. Careful study and thought must be given to the role of the general practitioner in an era of increasing specialization. A determination must be made as to the appropriate mix of formal education and practice for training in various fields of specialization. For example, it may be reasonable to require a litigation specialist to have more courtroom experience than classroom experience. The mix of the practical and the formal education for a tax expert may be quite different. Heretofore, the resources for exploring these questions have been woefully lacking.

Paraprofessionals

The case for greater utilization of paraprofessional legal assistants was well stated by the ABA Special Committee on Availability of Legal Services, which observed that: "freeing a lawyer from tedious and routine detail, thus conserving his time and energy for truly legal problems, will enable him to render his professional service to more people, thereby making legal services more fully available to the public."

Traditionally lawyers have used clerks and secretaries as assistants for handling administrative aspects of the practice of law such as filing papers, searching court records, preparing forms, and other routine tasks. As the profession strives to extend legal services to more and more individuals in lower and middle income groups, the occasions in which routine operations may be performed by trained lay assistants will be multiplied.

The ABA Special Committee on Lay Assistants for Lawyers recently conducted a pilot training program for legal assistants and is developing model curricula for training law office personnel. The future for the development of educational programs for such training in colleges and law schools and of certification standards and procedures for this new vocation are virtually unlimited.

New systems for delivering legal services to individuals

The profession is in a state of ferment with respect to the development of new systems for the delivery of legal services to persons of moderate means and to the disadvantaged. There are genuine considerations of professional standards concerned with independence of the attorney and with conflicts of interest. Serious questions have been raised as to whether the present pattern of providing legal services to individuals is adequate to enable the average person to know when a problem confronting him is one in which a lawyer can help, to know whether the lawyer's service is worth its cost; and to locate a lawyer he is confident can and will provide the expert legal assistance he needs, at a cost he can afford. The conclusion is unavoidable that the profession, as presently structured, does not adequately meet these criteria, to serve low and middle income people.

Pressures of change have come from several sources. In the 1960s the Legal Services Program of the Office of Economic Opportunity was created, as a result of the widespread recognition of the inadequacy of the then existing legal services delivery system for low income Americans. Today about 2,000 legal services attorneys are handling approximately two million cases each year for the poor. The same questions are being raised now of the adequacy of legal services available to individuals above the poverty line—those in the middle and lower-middle income groups.

Probably the greatest force today behind the development of new systems to make legal services more readily available to middle income groups is the trade union movement. Labor organizations have obtained, through collective bargaining, substantial medical coverage benefits for their members in the form of insurance and group practice

programs. It was predictable that they would also turn their attention to legal services available to their members.

Group legal services

The term "group legal services" as discussed here connotes a plan in which a group or organization designates one or more lawyers to represent individual members of a group. Numerous group legal service plans are operating today, frequently under the sponsorship of unions.

These plans have created continuing controversy within the legal profession. However, the issue no longer primarily revolves around whether such plans may be allowed to exist. The United States Supreme Court, in a series of decisions, the most far-reaching of which was *United Mine Workers* v. *Illinois State Bar Association*,[11] has shielded such arrangements against charges of unauthorized practice. One commentator has stated that the holding in the *Mine Workers case* makes it "difficult to conceive a practical and attractive group legal arrangement that would not be protected by the rule it announces."[12]

Group legal services have been around for some time. Certain forms of group practice have been accepted by the profession. Probably the most common group legal service arrangement is in the automobile insurance industry. Individuals protected by automobile casualty insurers must, in the event of a claim, accept counsel of the company's choice. In addition, the legal needs to the poor served tnrough the OEO-funded Legal Services Program are primarily met by a group legal services structure. A substantial amount of additional study and analysis must be performed to determine the effectiveness of group legal services plans. But the need for new methods to better meet the legal services requirements of large numbers of people can be said to constitute one of the most pressing problems facing the profession today. The Bar can ill-afford to ignore the reality of group legal service programs; a brochure published by the ABA Standing Committee on Lawyer Referral Service has observed that "the time may well come when a majority of the general public will receive all needed legal services from lawyers provided by lay organizations."

Prepaid Legal Cost Insurance

Another change in the structure, primarily in the funding of legal services for the middle class, has been embryonic development of prepaid legal cost programs. Examples of the growth and success of hospital and medical insurance plans have raised the question of the feasibility of financing legal services generally through pre-payment plans. The funding of "routine" legal services under this concept is, strictly speaking, a pre-payment or financing mechanism rather than a spreading of the risk. The automobile insurance industry has long had experience in calculating the cost of legal services as part of the insurance premium; but this has been primarily coverage for legal catastrophe. As yet we have had little experience with prepayment mechanisms for routine legal services.

The American Bar Association Special Committee on Prepaid Legal Services is sponsoring a pilot program in Shreveport, Louisiana, in cooperation with the Shreveport and Louisiana State Bar Associations, which has been in operation since January, 1971, with Ford Foundation funding. The Committee is undertaking sponsorship of a pilot program in Los Angeles, California, which has not yet begun operation. Prepaid legal service programs are attractive to trade unions, and other consumer groups, including teachers and municipal, state and federal employee associations. However, problems concerning such sponsorship are myriad. For example, employer contributions to such plans are presently not authorized under the Taft Hartley Act. Unlike health and medical service benefits, contributions to these plans are not tax deductible. Whether state insurance departments will consider prepayment plans as insurance for the purpose of state regulation is not presently known. These and other questions require further exploration.

Many members of the organized bar see prepaid legal cost programs as a vehicle for providing more effective legal services for individuals without placing a lay intermediary between the attorney and his client. Indeed, due in large part to efforts of the Association, twenty-three state bar committees have been established to explore the establishment of prepaid plans.

Lawyer Referral Services

Although lawyer referral systems have been in operation in the United States since 1937, there are today only 267 lawyer referral offices in operation, dealing with approximately 250,000 clients each year.

The present system bears some similarities to the legal aid system as it was constituted prior to the introduction of the OEO Legal Services Program. It is typically under-financed, inadequately advertised, and underutilized. To be sure, the present system is making a substantial day-to-day contribution to the availability of legal services to the public, but those who have given the most penetrating consideration and study to the problem are generally dissatisfied with the capacity of the present system to meet the much wider unfilled needs of middle-income families. The ABA Standing Committee on Lawyer Referrel Service has indicated that a major problem is to provide some assurance to the public that the quality of service which an individual will receive would be significantly better than could be accomplished by selecting a lawyer at random from the yellow pages of the telephone book.

Judicare

The OEO Legal Services Program has almost exclusively utilized the approach of funding offices staffed by attorneys employed to perform legal services for the poor. Only a few OEO-funded programs permit the client to select a private practitioner who is then reimbursed by the funded agency. This system is known in the profession as "Judicare," and its supporters argue with considerable logic that it is the only practical method of providing legal services in rural and sparsely settled areas.

The need for evaluation of methods

Thus, there is a pressing need to intensify the study of the effectiveness and relative cost of new and old systems for the delivery of legal services. The basic obligation of the profession is to provide legal services to the public, to make such services available to all members of society, and, in so doing, to insure that they are performed by qualified persons who have been adequately educated.

Legal education—Law schools in lockstep

Law schools are today in a period of profound soul searching and re-evaluation. With striking uniformity they have followed curriculum and teaching methods developed in the late Nineteeth Century. Most are now revising their curricula to introduce more effective methods of educating and training lawyers to deal with the problems of the late Twentieth Century.

Traditionally, the source of most law school teaching materials has been appellate court opinions. Of course, any practicing lawyer knows that the world of the appellate court opinion is often a considerable distance from the real world of most legal practice. Until recently there was little innovation in law school teaching methods and content. The case method of teaching long reigned supreme.

It has been suggested that the complete lawyer should receive three types of education which may or may not be subject to combination. He should be taught to analyze the legal significance of issues. He should be taught techniques of practice. He should learn the social, political and economic dynamics of our society inasmuch as the law is the basic regulator of these dynamics Traditionally too, law schools have seen themselves as educating prospective lawyers to *think* like lawyers, leaving to others education in the technique of practice. Clinical teaching was relatively rare, with legal writing reserved, in the main, for the law review editor.

Until recently little concern was evidenced over the failure of legal education to familiarize prospective lawyers with how society works. But today, law schools are profoundly involved in a re-evaluation of their role and responsibility to themselves and to society as a whole. Law schools are increasingly concerned with the relevance of their curriculums. This concern has produced new courses and orientation. There has been increasing concern with interdisciplinary aspects of legal education. Clinical training is increasingly supplementing the traditional classroom curriculum.

In the past a major limitation of experimentation with curricula and teaching methods was the view perhaps accurate, that most law students were headed in the same direction; i.e., toward traditional private practice. Law schools today are faced with a far greater diversity of student interest. This is due in part to expanded opportunities for legal practice in government, legal aid, and other full-time public service activities, and to the increasing specialization of private practice. Teaching has been oriented to training legal generalists on the theory that even a specialist needs to know something about other areas of the law. However, the reality of specialization has raised questions about whether there is a role for law schools in the training of specialists. Moreover, continuing controversy revolves around the relevance and use of the third year of law school. Clinical training, interdisciplinary studies and specialization are all increasingly vying for that last year of the law student's education.

Increasingly, law schools are asking whether they should break the uniformity of past patterns and begin to develop specialties and particular emphasis, i.e., should urban law schools emphasize urban legal studies with perhaps a greater research and behavioral orientation.

Three major barriers have served to retard experimentation with new curricula; the conservation inspired by the success of the case method in its time; bar examinations; and funding. The so-called "national" law schools are perhaps most affected by the first factor, because they have been most successful by traditional standards of legal education. On the other hand, although the national law schools have not oriented their course primarily toward bar examination, the majority of schools have been sensitive to that practically. Undoubtedly, tradition-bound bar examinations have discouraged innovation in law schools. Some experimentation with a national bar examination is now going forward under the auspices of the Association of American Law Schools and the National Conference of Bar Examiners. This effort is being widely applauded and carefully observed.

Formal education in the law is still a remarkably young idea in this country. In fact, it has only been in the last half century that the majority of practicing lawyers have been trained by law schools. Historically, young aspirants to a legal career "read law" in the office of a licensed practitioner, and the requirement of formal legal education as a prerequisite to taking a bar examination is a comparatively recent development.

Footnotes at end of article.

Many law schools had their beginning in the basement of a YMCA and as night schools catering to the part-time student. A large number of schools were started as proprietary institutions and there remain a surprising number of such institutions, especially in the State of California. Among the law-budget proprietary operations large classes are the normal mode of operation. It is also true that even the law schools forming a part of universities are expected to produce a profit. The motion of a university law school receiving research and educational grants from its parent organization generally has been a foreign thought. As an inevitable result, curricular innovation, including greater clinical and research programs, which would require significant increases in law faculties, facilities and funding, have been slow to develop.

Research by law school faculties and students has, over the years, been minimal, especially as compared with other disciplines. That which has been undertaken has largely been of a doctrinal nature.

The history of the funding of legal education and research from private sources suggests that significant change in the foreseeable future is unlikely, unless new and substantial sources of income are made available.

Continuing legal education

Continuing legal education has in recent years become a significantly more important component of the lawyer's training.

This, too, reflects a recognition of the incompleteness of law school education as preparation for legal practice.

The early efforts of the Practising Law Institute and the Joint Committee on Continuing Legal Education of the American Law Institute and the American Bar Association paved the way for rapid growth of programs of continuing legal education. Such programs are now widespread. Today most state and some local bar associations, as well as many law schools, sponsor continuing legal education programs.

Increasingly, the profession sees continuing legal education as at least a partial answer to a number of its problems. It is seen as a way of minimizing the learning which a new attorney might otherwise experience at a client's expense. It is looked upon as a method by which specialists can increase their proficiency and general practitioners develop specialties. It is an avenue for bridging the knowledge gap created every time major new legislation is enacted.

Funding is and will continue to be a major problem in continuing legal education. It restricts the types of programs which can be offered; programs must appeal to significant numbers of attorneys in order to pay for themselves. To a limited extent profitable programs can support the unprofitable ones, but this places serious limitations on developing programs for less profitable specialties or in areas of public service. The result is that these areas are likely to be neglected.

Two illustrations of education in the area of court administration are worthy of note. Until 1964 there did not exist in this country a school for state trial court judges. It was only with the inspired leadership of Tom C. Clark, then Associate Justice of the U.S. Supreme Court, and the infusion of substantial funding by the Kellogg and Fleischmann Foundations that the American Bar Association's National College of the State Judiciary became a reality. More than 30 percent of the state trial judges of courts of general jurisdiction have since attended the college.

Until last year there was no institution in the United States for the education of court administrators and executives. Under the leadership of the Chief Justice, Warren Burger, and with a large grant from the Ford Foundation, the Institute for Court Management was created. It already has graduated two classes and has inspired some law schools to undertake the development of programs leading to a master's degree in Court Administration. It was a large factor in persuading Congress to enact the Court Executives Act creating "business managers" for each of the Federal Circuits.

Regulating professional qualifications

The state has conferred on the lawyer the exclusive right to provide legal services. Yet neither the profession nor the state has developed a procedure for admitting attorneys to the bar which assures the public that those who are licensed to practice have achieved a reasonable level of competency or possess the necessary moral qualifications. It is fair to say that there is near consensus within the legal profession that state bar examinations do not truly test whether an applicant is competent to practice law. Indeed, no law firm would base its decision to employ an admittee on the strength of his passage of such a written examination. The plain fact is that no written test can measure the ability of an applicant to perform many of the facets of practice. Furthermore, while specialization is a growing reality in the legal profession, bar examinations do not reflect this fact, and at the present time there is no later certification procedure regulating such specialization.

Many are of the view that the regulation of professional qualifications is not the concern of the law school. Some suggest that it is the responsibility of the organized bar. Others lay the responsibility on the judicial branch of the state government. In any event, it is certainly the responsibility of some group within the profession, and the plain fact is that professional competency is not now receiving sufficient constructive attention.

Research in and about law

One of the hallmarks of today's society is its reliance upon research as an instrument of development and progress and for the solution of problems. One need look no further than his television set to observe the constant emphasis on research in the advertisements of program sponsors. Typically, one hears such slogans as "progress through research;" "Ford has a better idea;" "progress is our business;" etc.

Insofar as research in the law is concerned, it may be divided into two types: doctrinal and empirical. They have been described by Professor David Cavers of the Harvard Law School as research in law and research about law. In the field of doctrinal research, or research in law, the legal profession has historically made important contributions. This kind of research required little money and could be traditionally performed in the library. This was pointed out by Dean Robert B. McKay of New York University Law School in his testimony before the Senate Subcommittee on Government Research [13] in which he observed that lawyers have made great progress in systematizing and unifying the law through their doctrinal research. This has been true despite the obstacles presented by a diverse federal system comprising more than fifty separate jurisdictions. By way of illustration, Dean McKay pointed to the substantial contributions of the American Law Institute and the Commissioners on Uniform State Laws as examples of what lawyers could do with modest sums of money.

However, it has been only in very recent years that the profession has come to realize the importance of empirical research and the responsibility of the profession for its conduct. This awakening concern for research about the law led to the establishment of the American Bar Foundation, the research arm of the American Bar Association. The work of the Foundation has been primarily limited by the funds available to it. Law schools evidence a growing commitment to research about the law, but here, too, financial resources are limited.

As Chairman of a Special Committee on Financial Resources of the Association of American Law Schools, Dean McKay conducted a study financed by the Walter E. Meyer Research Institute of Law, the purpose of which was to ascertain the level of private philanthropic contribution to legal education and legal research. The results of that study indicated that private foundation support has not been large. During the twelve-year period of the study most of the funds were granted for construction, fellowships and individual research. Only a modest amount was made available for empirical research.

Of the funds granted to law schools, more than 60 percent was concentrated among five schools and nearly 80 percent was concentrated among ten. The Ford Foundation was the principal grantor, accounting for more than two-thirds of all foundation support. Grant money went primarily to international legal studies, graduate fellowships for law teachers and the administration of justice, particularly in the criminal field. In the final year of the period studied, only a little over one percent of all foundation grants allocated to the sciences and social sciences was directed to law.

In the same period, the government was providing only negligible support for legal research. At the time of Dean McKay's study, the National Science Foundation had made no grants for legal education or legal research. Likewise the National Endowment for the Humanities made no research grants to lawyers. Proposals introduced in Congress for a National Foundation for Social Sciences and a National Foundation of Law and Justice have not yet received wide support.

In contrast, research in support of the physical sciences has fared very well at the hands of both private and public agencies. Admittedly, the legal profession has been slow to awaken to its responsibilities and opportunities to improve the function of our law society through research about the law. But it has been demonstrated that lawyers working together and working in conjunction with other disciplines are quite capable of making the system work better. The obvious need today is to provide adequate funding, continuity and direction.

The crisis in the administration of justice

The inadequacy of our nation's judicial machinery, which was designed to meet the needs of an agrarian society in the late Eighteenth Century, has produced a crisis in our judicial system. This crisis is the result of a multitude of long-neglected problems which, because of increasing demands being placed upon our court system, now threaten much of the system with virtual collapse. There is hardly an urban court which is not touched by the crisis. Interminable delays threaten to destroy the usefulness of our civil courts for the peaceful and orderly resolution of conflicts. Delays in the criminal courts too often mock both the concept of deterrence or the rights of accused. Many judges now must devote an inordinate amount of time to administrative details which could be better handled by others. At the same time, assembly line justice often prevails. Appellate courts are equally affected. In many state systems the average time required to process an appeal can consume in excess of eighteen months.

The task of resolving the problems which contribute to this crisis is not easy, for resort to simplistic solutions usually creates a high risk of destroying the very system which such solutions are intended to save. What is needed is reform within the context of our legal traditions.

The focal point of the machinery of justice

Footnotes at end of article.

in our country is, of course, the judge himself. Too frequently judges, especially in the minor courts that process the bulk of the civil and criminal litigation, receive little or no judicial training or orientation. There remain substantial problems with respect to insuring that judicial officers are competent and have the requisite temperament to adjudicate disputes in a courtroom setting.

On the positive side of the ledger, this is an area which is receiving substantial direction and attention from Chief Justice Burger. He, for example, has been instrumental in the creation of the new National Center for State Courts. His predecessor, Chief Justice Warren, was the moving force in the establishment by Congress of the Federal Judicial Center. Under the broad mandate of Congress, one of the primary functions of the Federal Judicial Center is "to conduct research and study of the operation of the courts of the United States, and to stimulate and coordinate such research and study on the part of other public and private persons and agencies."

The new National Center for State Courts, together with the Federal Judicial Center, the National College of the State Judiciary under the sponsorship of the Section of Judicial Administration of the ABA, and the Institute for Court Management, all are recent examples of advances in strengthening judicial training and support.

V. TRANSLATING DESIRE INTO REALITY

Inherent in the efforts of most legal reformers, voluntary and professional, has been the assumption that if enough human energy were applied by enough dedicated groups existing machinery could be improved and the crisis in justice could be met. The piecemeal, uncoordinated nature of the various efforts seems not to have been regarded as a deterrent. At least they have been accepted as an inevitable fact of judicial life. But with it all, comprehensive, coordinated national planning is lacking and effective modernization of the system appears still to be an elusive and urgently needed element.

From the time of the creation of our constitutional government, the condition of justice has suffered almost directly in proportion to the increasing population and the increasing complexity of our society. The responsibility, although often the subject of partisan political debate, has fallen on the lawyer and ultimately the organized bar. Lawyers are educated to understand and deal with the application of the rule of law. Moreover, they are virtually the only professional group having complete access to the machinery of the administration of justice; the enforcement of social mandates through law. In short, they are intermediaries between the theory of the law and its application to society.

Yet the very nature of the practice of law can be contradictory in terms of the interests of society and the interests of particular individuals, or organizational and governmental entities. They are paid advocates, ethically bound to consider the client's interest as paramount to virtually all other considerations. This obligation is to be juxtaposed with a commensurate obligation—also a matter of ethics—to work for the public good.

Efforts to accommodate these co-equal obligations have been pursued, in the past, mainly through the organized bar or through government. One has only to consider the makeup of the executive, judicial and legislative branches of government to note the intricate and pervasive involvement of the lawyer in the administration of justice. Chief Justice Burger aptly articulated this in his State of the Judiciary address at the 1971 ABA Annual Meeting several months ago:

"A strong, independent, competent legal profession is imperative to any free people. We live in a society that is diverse, mobile and dynamic, but its very pluralism and creativeness make it capable of both enormous progress or debilitating conflicts that can blunt all semblance of order. One role of the lawyer in a common law system is to be a balance wheel, a harmonizer, a reconciler. He must be more than simply a skilled legal mechanic. He must be that, but in a larger sense he must also be a legal architect, engineer, builder and, from time to time, inventor as well. This is the history of the lawyer in America, and in this respect he is unique among the lawyers of all societies."

While it cannot be said that kinship among lawyers is so great that one may find them huddled together under one roof, they are gregarious enough that the vast majority of them belong to state and local bar associations. More than half of them voluntarily belong to the American Bar Association, the national organization of the profession.

The movement to organize lawyers into bar associations on a national, state and local level is a little over a hundred years old. The organization started in metropolitan areas and the more populated states. The early associations were voluntary in nature and had modest budgets. Permanent staffs did not exist; association projects were carried on by volunteers. The Bar was not seen in those days as responsible for the discipline of members and certainly not as the harbinger of reform.

The passage of time brought many changes. As bar associations assumed larger roles in professional standards of conduct and practice, and a larger share of responsibility for the machinery of justice, the so-called integrated bar began to develop among the states. This concept requiring every practicing lawyer to belong to the professional organization of lawyers in a state, took place largely during the middle third of this century. Today, half of the States have integrated bars and the trend in that direction is continuing. Even with this movement, inadequate funding has in most states prevented the mounting of effective programs of discipline, education and improvement of judicial machinery.

It may surprise some to realize that the American Bar Association had no permanent staff for the first half of its nearly one hundred years. Indeed, not until the middle of the 1950's did it have sufficient funds to staff a limited number of projects and activities. Membership in the American Bar Association has trebled in the past fifteen years, while its income has grown by more than 600 percent. In the last decade an even more significant development has taken place—the funding of public service and educational projects through foundation and government funds. About half of the Association's annual income now comes from such sources. It is this writer's belief that that percentage will grow in the decade ahead to between 65 percent and 75 percent of the Association's entire income.

Indeed, the progress of the organized bar in the past decade has been so marked that some believe that the crisis in the administration of justice can be met by the organized bar under the direction and leadership of the American Bar Association. While the forward strides of the last decade are a source of encouragement and even some pride, and while the leadership of the American Bar Association is dedicated to the proposition that this organization has the potential for even greater and more significant contributions to the cause of justice, it must be recognized that there are some inherent qualities of a voluntary organization that militate against its completely effective fulfillment of this lofty role.

On the one hand, the ABA House of Delegates includes the widest possible range of representation from all groups who constitute the legal profession today. The Association's present day structure is its strength when called upon to pass upon the conclusions or proposals of others. Nevertheless, because it is a voluntary organization and represents so many diverse and often irreconcilable views, it should not surprise or discourage us to note that the contribution of the organized bar to the solution of today's social problems has been, of necessity, confined largely to the realm of ideas. Time freely contributed by volunteers, projects financed by volunteers, machinery tuned to decision by consensus, cannot produce the kind of massive, venturesome, sustained and coordinated attack which is required in the field of justice today. Volunteer bar associations, the American Bar in particular, perform at their maximum efficiency in unfolding and debating a wide range of views. By their very nature, however, voluntary bar associations cannot, at the same time, be fearless in research, forceful in exposition and confident in criticism.

Even if the organized bar could, through reorganization or otherwise, build a sufficient structure from which to conduct far-reaching research programs and substantial pilot programs in our quest for a better society, an argument can well be made against proceeding in that direction. As long as bar associations remain voluntary, their ability to represent all lawyers is impeded. Should the day come when all lawyers speak with one voice, the rest of society may nonetheless readily question both our method and our motive.

The very size of life and society today minimizes the effectiveness which any voluntary group can now offer. Individual contractors alone cannot produce coordinated space programs. Individual railroads cannot serve a sprawling nation. Society today requires a National Institute of Justice.

VI. CONCLUSION

The late Reginald Heber Smith once observed that men can learn, if they must, to put up with physical imparity and economic inadequacy; but that a brooding sense of injustice makes them want to tear things down. We who bear the primary responsibility for the machinery of justice in this nation, if we are to be faithful to our oath, must be vigilant in our search to find new and better ways to make equal justice under the law a living reality. It is incumbent upon us to move forward with common purpose and high aspiration that is worthy of our heritage. The National Institute of Justice is a concept whose time has come.

FOOTNOTES

* Executive Director, American Bar Association, Chicago, Illinois; A.B., Duke University, 1944 ('46); J.D., Harvard University, 1949. Mr. Early wishes to thank his associates, John W. Atwood and David C. Long, for their invaluable assistance in the preparation of this article. Mr. Early practiced law in Huntington, West Virginia from 1949 to 1962.

† The Chief Justice of the United States.

[1] Pound, *The Causes of Popular Dissatisfaction with the Administration of Justice*, 40 AM. L. REV. 729 (1906).

[2] *Id.* at 742, 749.

[3] Pound, *A Hundred Years of American Law*, in LAW: A CENTURY OF PROGRESS 8 (A. Reppy, ed. 1937).

[4] *Id.* at 20, 23, 24.

[5] *E.g.* Laswell and McDougal, *Criteria for a Theory About Law*, 44 S. CAL. L. REV. 362 (1971).

[6] Cardoza, *A Ministry of Justice*, 35 HARV. L. REV. 113 (1921).

[7] *Id.* at 114.

[8] S. 2627 and H.R. 13584, 90th Cong., 1st Sess. (1967).

[9] S. 836, 90th Cong., 1st Sess. (1967), and S. 508, 91st Cong., 1st Sess. (1969).

[10] *Hearings on S. 836 Before the Senate Subcomm. on Government Research*, 90th Cong., 1st Sess. (1967).

[11] 389 U.S. 217 (1967).

[12] Schwartz, *Changing Patterns of Legal Services, in* LAW IN A CHANGING AMERICA 117, (G. Hazard, Jr., ed. 1968).

[13] *Hearings on S. 836 Before the Senate Subcomm. on Government Research*, 90th Cong., 1st Sess. (1967).

[From the Federal Legislation Report, Jan. 31, 1976. The Association of the Bar of the City of New York]

A NATIONAL INSTITUTE OF JUSTICE

(By the Committee on Federal Legislation)

INTRODUCTION

Vigorous attention is given to specific aspects of justice and law in the American community by numerous government and private groups. But, no overall program exists concerning law and justice. Toward that end, the American Bar Association has proposed the establishment by Congress of a National Institute of Justice. The proposal is the product of a three-year effort by a distinguished commission of the American Bar Association, which conducted hearings, solicited comments from a broad cross section of organizations and individuals, and carefully studied the concept.[1] At its August 1974 meeting the House of Delegates of the American Bar Association voted its approval for a law establishing a National Institute of Justice.[2]

Briefly, the Institute would be established as an independent federal agency along the lines of the National Science Foundation, designed to aid in the continuing task of improving the quality of justice and the administration of law. The Institute would not be empowered to effectuate changes but rather it. mandate would be to inquire, study, and report to decisionmakers and the public recommended measures for improving the manner in which law and justice function.

Unlike existing agencies,[3] the Institute's mandate would extend throughout the entire field of law and justice. Areas to which it would devote attention include legal protection for consumers, availability of legal services, access to health-care services, and economical adjustment of private legal disputes.[4]

To implement its far-reaching purposes, yet to avoid duplication, the proposal envisions that the Institute would coordinate its efforts with the many governmental, academic and other organizations currently working in the field of law and justice.

In our opinion, the American Bar Association's proposal for the establishment of an independent, nonpartisan agency to provide leadership on matters concerning law and justice has considerable merit. Although we suggest changes in the present form of the proposal, we join the American Bar Association in urging the establishment by Congress of a National Institute of Justice.

I. EXPLANATION OF THE AMERICAN BAR ASSOCIATION PROPOSAL

Since no bill embodying the proposed National Institute of Justice has been introduced in Congress,[5] our comments necessarily are limited to the form of proposal endorsed by the American Bar Association at its August 1974 meeting. The principal features of the ABA proposal are as follows:

Section 1 of the proposal establishes the Institute as an independent agency of the federal government.

Section 2 authorizes the Institute to conduct research, experimental programs, training and educational programs, and clearing house and library functions. Such efforts may be carried out by the Institute through grants, contracts, or its own activities, and must be coordinated with the activities of other bodies to avoid duplication.

Footnotes at end of article.

Section 3 provides that the Institute shall be composed of a board of trustees, a director and a council.

Section 4 sets forth rules concerning the constituency of the Institute's board of trustees. Charged with primary responsibility for the activities of the Institute, the board would consist of 16 members appointed by the President, with the advice and consent of the Senate. In order to insure that a broad representation of views will influence the board's decision making, it is provided that the members of the board shall include not less than:

(i) Two persons chosen from a list suggested by the National Governors Conference;

(ii) Two state court judges chosen from a list submitted by the Conference of Chief Justices;

(iii) Four lawyers; and

(iv) Four members who are neither judges nor lawyers.

In addition, the membership of the board must include one resident of each of the circuits of the United States Courts of Appeals.

Section 5 provides for the election of a chairman by and from among the board members, as well as for the appointment of an executive committee. This section also describes the powers and duties of the board, to-wit: to hold periodic meetings, formulate the policies and programs of the Institute, and prepare annual reports concerning the program plans and descriptions of projects proposed and contemplated by the Institute.

Section 6 provides for the appointment of a director for the Institute, whose responsibility is to carry out the day-to-day functions of the Institute. The director is to be appointed by the board, and serve a six-year term unless removed earlier by a majority vote of board members.

Section 7 provides for the establishment of a council of the Institute consisting of not less than 50 nor more than 100 members appointed by the board, selected to provide broad representation for the views of private citizens and groups with emphasis on diversity of experience and geography. As so constituted, the council would function as an advisory panel to make suggestions to the board in connection with the work of the Institute.

Other sections of the ABA proposal endow the Institute with various housekeeping powers and authority; provide that neither the director nor any other Institute employee may take an active part in political management or campaigns; provide that the director shall be compensated under the provisions of 5 U.S. Code § 5315 (level 4); and authorize the appropriation of such sums as may be necessary to carry out the provisions of the proposal.

II. L.E.A.A. AND S. 2212

Although, as noted, the American Bar Association proposal has not been introduced in Congress, the issue of whether an independent Institute should be established may already have been joined through the introduction of S. 2212, which deals generally with the Law Enforcement Assistance Administration of the Department of Justice.

By way of background, in 1968 there was established within the Department of Justice a mechanism to provide financial and technical assistance to help state and local governments control crime (42 U.S.C. § 3701 et seq.). The program, identified as the Law Enforcement Assistance Administration ("L.E.A.A."), includes a "National Institute of Law Enforcement and Criminal Justice" as a subsidiary facility and therefore under the control of the Department of Justice.[6]

The L.E.A.A. was originally granted an eight-year tenure, to expire in 1976. In June 1975, however, President Ford urged extension of the L.E.A.A. through 1981, and in response Senator Roman Hruska (for himself and Senator John McClellan) introduced S. 2212.

In addition to extending the tenure of the L.E.A.A., S. 2212 would authorize Department of Justice grants "to strengthen courts and improve the availability and quality of justice including court planning."[7] (In this regard, we wish to emphasize here that neither this report nor our Committee expresses any opinion concerning the extension of the L.E.A.A.) The previously authorized National Institute of Law Enforcement and Criminal Justice would have its name changed to the National Institute of Law and Justice[8] and the Attorney General would be authorized to make grants for research and projects pertaining to both criminal and civil justice.[9] We note that in introducing S. 2212, Senator Hruska stated, with respect to broadening L.E.A.A.'s research arm to include civil justice, that "it is sometimes impossible to reform the criminal justice system without at the same time reforming the civil justice system." He also indicated his view that the provision had particular applicability to state and local court systems which perform both civil and criminal functions.[10]

III. NECESSITY FOR AN INDEPENDENT INSTITUTE OF JUSTICE

In April 1974 this Committee issued a report on the proposal to remove the Department of Justice from the Executive Branch.[11] The report concluded that the advisory and prosecutorial functions of the Department of Justice should remain intact under the jurisdiction of the Executive Branch, but stated that "the functions of the Department might well be examined to consider whether any of these [functions] might more effectively be performed by an independent agency or agencies."

We think that research projects pertaining to law enforcement methods and the procedural aspects of the criminal justice system, subject to constitutional restraints, correctly belong within the controlling discretion of the Attorney General.[12] However, to an important degree, other aspects of justice can be, and should be, dissected under the eye of an agency which is in no way perceived to be political and which enjoys a reputation for disinterested appraisal. The need for independence in areas of law and justice recently was underscored by both the President and Congress in creating the Legal Services Corporation.

Establishment of the Institute as an independent agency would abrogate the risk that its work would be subject to one of the political branches of government controlling its research priorities so as to paper over or disregard establishment infirmities or selecting research projects which could be accompanied by directions to produce "legislative facts" thought of as politically desirable. To be effective, the Institute must consider all views and can not be subject to accusations that its work is slanted so as to achieve a desired result. More importantly, the Institute must be permitted to devise and conduct its programs without political interference of any kind.

A. The Institute's Research Function

The federal funding of research and investigative projects dealing with our system for delivering justice, and the quality of justice so delivered, is a governmental imperative which is long overdue. The need clearly exists for an interdisciplinary approach to the broad range of problems confronting the administrators of justice today. We foresee for the Institute a vital role in assembling data from the fields of economics, sociology, political science and even raw public opinion, which must all be of significant concern to those addressing legal issues with broad policy implications. The intent of the ABA proposal

is to include, in addition to those previously mentioned, such areas as due process in dealing with public agencies, legally secured opportunity to participate in government decision-making, protection of privacy from official intrusion, and accountability of public officials for actions that affect individuals.

B. The Institute's Coordination Function

At the present time, a number of entities of all varieties exist on the federal, state and local levels for the purpose of conducting studies, developing plans, making recommendations or funding specific projects relating to various aspects of our system of law and justice. Virtually all of these entities, however, were created to deal with a specific part of the system such as, for example, poor court administration, lack of available legal services for the needy, or the failure of correctional institutions to rehabilitate inmates. Moreover, a substantial majority of these entities focus primarily on improving the criminal justice system, where the problems are particularly visible.

Nowhere does there exist today an entity charged with broadly viewing our nation's entire system of justice, civil as well as criminal, and suggesting improvements from this broader perspective. Indeed, no central organization currently exists for the purpose of providing administrative or clearing house functions to diverse groups dealing with similar problems. It is to be hoped that the Institute would fill this void.

Notwithstanding the obvious advantages in favor of a central agency such as a National Institute of Justice, it is equally important that the Institute neither duplicate nor interfere with the work of the many existing groups which focus on specific aspects of our system for delivering justice. Examples of some of these excellent organizations are the Federal Judicial Center.[13] The National Center for State Courts,[14] the Administrative Conference of the United States,[15] and the American Law Institute.[16]

IV. RECOMMENDATIONS WITH RESPECT TO THE FORM OF THE AMERICAN BAR ASSOCIATION PROPOSAL

A. Scope of the Institute

In reviewing the form of the present ABA proposal to create the Institute, many members of our Committee expressed concern that the Institute might take positions on isolated substantive legal issues, including questions arising under the Constitution, thereby interfering with the work of the Judiciary. In particular, there was concern that the Institute might conceivably operate in a manner that undercut judicial policy and undermined the constitutional principle that the authority to interpret the Constitution and the law rests with the courts. Some Committee members expressed the view that the present wording of certain sections erroneously indicates that the Institute should give priority to substantive issues of equal protection under the Constitution. As we understand the intent of the ABA proposal, however, the Institute is to give priority not to these substantive issues but rather to mechanisms for insuring the delivery of quality legal services to all. Because of these concerns, we believe that certain language changes should be made in the proposal:

First, we suggest that the third paragraph under the heading "Findings and Purposes" and Section 2(c) be amended to make clear that the Institute, although not precluded from dealing with substantive matters, is to give priority to the problem of assuring the availability to all of quality legal services and mechanisms for the just, speedy and inexpensive resolutions of disputes.[17]

Second, we suggest that Section 2(a)(1) be amended to insure that the Institute does not purport to assume the role of interpreting the law. Consideration might be given to adding a provision to the effect that the Institute shall take no position on the proper construction of any regulation, statute or constitutional provision or on the remedy required by any such regulation, statute or constitutional provision to redress any violation thereof. Such a provision, however, should not preclude the Institute for setting forth its understanding of the law while taking a position on what the law should require.

Third, we believe that an Institute recommendation for the enactment or modification of legislation is of sufficient importance to warrant plenary consideration by both the board and council of the Institute and that such recommendations should not be made on the authority of the board alone. We therefore suggest the addition of a new subdivision (d) to Section 2 providing that any recommendation by the Institute for legislative action be made only with the approval of a majority of both the board and council.

B. Fact Finding

Section 2 of the ABA proposal authorizes the Institute to conduct all forms of research inquiry in its efforts to evaluate and appraise the effectiveness and quality of justice and the administration of law. In so doing, it is imperative that the Institute be entitled to maximum cooperation from other instrumentalities of government. In this context, we believe that consideration should be given to including in the proposal some form of statutory mandate to other agencies, consistent with the laws of privacy governing those agencies, to cooperate with the Institute. However, this mandate should not include the furnishing of information concerning specific individuals or groups of individuals and the Institute's authority for fact finding should be assiduously tailored.

C. Status of Director

The effectiveness of the Institute will essentially become a function of its record and reputation for excellence and independence. We believe that in order for the Institute to provide significant impact on the decision-making bodies and public officers who will ultimately decide the fate of the Institute's recommendations, the director of the Institute should be granted greater visibility, power and esteem than is provided by Sections 6 and 10 of the ABA proposal. In order to enhance his position, we suggest that the director be chosen by the President, with the advice and consent of the Senate, rather than appointed directly by the Board. Obviously, the President should and would solicit the views of the Institute's board in making the choice. As a presidential appointee, we believe that the director should be compensated under the provisions of Section 5314 (level 3), and not Section 5315 (level 4), of Title 5 of the U.S. Code. As such, his compensation would be established at a level already in existence for the Director of Defense Research and Engineering, Department of Defense; the Deputy Administrator, Energy Research Administration; and the Director of the Federal Bureau of Investigation.

D. Membership of Board and Council

We agree with the Institute's objective of having a broad representation of views on its board and council. In this regard, one suggestion made during our Committee's deliberations was that the Attorney General and possibly representatives of other agencies operating in the legal area should be made *ex officio* members of the Institute in order to facilitate the Institute's role as coordinator.

We question the advisability of limiting the President's choice of certain nominees to the board to lists of certain groups. We prefer instead the flexibility of an earlier draft of the ABA proposal which placed no rigid restrictions on the President in his choice of persons of merit. In this regard, we note that there are no similar restrictions in the legislation creating the Legal Services Corporation or the National Science Foundation.

E. Reporting Function

We note that in a prior draft of the ABA proposal, the Institute was granted authority to issue reports from time to time embodying the results of its research and its recommendations. Such express authority is deleted from the most recent draft. We believe, subject to appropriate privacy safeguards, that this authority should be restored, since the Institute will have no power of persuasion other than the reputation of its work. That work should be disseminated as frequently as possible and should not be limited to an annual report.

CONCLUSION

As we mark the first two hundred years of our history, we believe that the establishment of a National Institute of Justice would be a meaningful affirmation of our belief in law and justice. As Daniel Webster said, "Justice, sir, is the great interest of man on earth." And, indeed, it probably remains true that an ultimate measure of our society is the quality and availability of justice to all our citizens.

We recognize that merely establishing another governmental body is no assurance that justice and its availability will be improved. But we are satisfied that a unifying point for coordintaion and leadership such as the Institute is needed and, if staffed well, can do important work. We have indicated our national concern with Science and Health and Arts and Humanities by establishing National Institutes and Foundations in those areas. We believe that Justice merits no less a place of national priority and concern.

Our profession can be proud that the system of justice, as imperfect as it may well be, is so often sought out as the mechanism for dealing with the social and economic problems we face. Multiple and diverse approaches to problem solving are desirable. Coordination and cooperation will, in our judgment, make success in solving these problems more likely.

COMMITTEE OF FEDERAL LEGISLATION

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FOOTNOTES

*Mr. Josephson dissents from this report.

[1] The commission, under the chairmanship of Charles S. Rhyne, solicited comments from over 12,000 lawyers, judges and laypersons; over 100 suggestions for changes were analyzed and the draft was reworked in response thereto. The vast majority of respondents agreed that the Institute would be valuable.

[2] The vote was recorded as 141 for and 86 opposed.

[3] See notes 13–16, *infra*, and accompanying text.

[4] These areas are specifically identified in the informational material accompanying the ABA proposal.

[5] A bill to establish a National Institute of Justice was introduced by Senator Humphrey during the 93rd Congress, but no legislative action resulted.

[6] 42 U.S.C. § 3742.

[7] S. 2212, Part C, § 4(1).

[8] S. 2212, Part C, § 4(2).

[9] S. 2212, Part D, § 5.

[10] 121 Cong. Rec. S. 14089 (daily ed. July 29, 1975).

[11] Federal Legislation Report No. 74–2 (April 30, 1974).

[12] For example, the National Institute of Criminal Law and Justice has conducted studies relating to voice identification, private police, patterns of burglary, and ballistic resistance of police body armor. The annual budget of this organization exceeds $30,000,000, representing only a small fraction of the L.E.A.A.'s multibillion dollar program.

[13] Pursuant to P.L. 90–219 (1967), a Federal Judicial Center was established within the judicial branch of the government. The Center's purpose is to further the development and adoption of improved judicial administration in the federal courts. Its reports are channeled to the Judicial Conference of the United States for action. Its fiscal 1974 appropriation amounted to some $2,500,000. The Center's studies have focused on such matters as reducing the workload of the Supreme Court and the use of video technology on the trial court level.

[14] The National Center for State Courts was incorporated as a non-profit organization in June 1971. Its financing (approximately $3,000,000 per year) has to date come primarily from grants made by the Law Enforcement Assistance Administration. Its studies are concerned with aspects of state court administration and modernization on both appellate and trial levels. For example, the National Center has funded studies relating to technology and information gathering, financing of state court operations, budgetary procedures, and computer preparation of court transcripts.

[15] The Administrative Conference of the United States established by P.L. 88–499 (1964), is charged with studying the efficiency, adequacy and fairness of the procedures used by administrative agencies in carrying out their programs. Based on its studies, the Administrative Conference provides evaluations and recommendations for changes to the President, Congress and the Judicial Conference of the United States, as it deems appropriate. In addition, the Administrative Conference arranges for the interchange between administrative agencies of information potentially useful in improving administrative procedures, and collects and publishes informational and statistical reports dealing with administrative procedures and their improvement. Its budget for the year ending June 30, 1976, is $850,000, all of which is federally funded. Among the Administrative Conference's most publicized studies is the recently completed critical analysis of the procedures followed by the Internal Revenue Service in dealing with taxpayers.

[16] Established in 1923 for the purpose of drafting "an orderly statement of our Common Law," the American Law Institute today is engaged in a broad range of activities including sponsoring and coordinating the drafting of model legal codes, the publication of legal texts and periodicals, and promoting continuing legal education in various aspects of the law through its sponsorship of conferences. Funded by an annual budget of approximately $400,000 (derived primarily from dues, sales of published materials and voluntary grants and contributions), the American Law Institute has recently completed such projects as the drafting of a model Code of Pre-Arraignment Procedure; and continuing revisions of the Uniform Commercial Code; the development of video programs in connection with such current legal topics as the Employee Retirement Income Security Act of 1974; the publication of various practical legal handbooks; and the sponsorship of study conferences for lawyers in such areas as bankruptcy, estate planning and litigation.

[17] Consideration might be given to the following amendment of the third paragraph under the heading "Findings and Purposes":

"Particular attention must be given to assuring that *the* individual[s] *citizen is* [are] able to secure prompt and *efficient* [effective] recognition of *his* [their] legal rights, privileges, and obligations *and will receive equal justice without regard to income status, race, sex, age, religion, or national origin,** [through the availability to all of quality legal services and through the just, speedy and inexpensive resolution of disputes.]"

And of Section 2(c) as follows:

"In its research, experimental, and training programs, and in making recommendations for improvement of justice and the administration of law, the Institute shall give particular attention to the impact of justice and the adminisration of law on *the* individual[s] *citizen* and *his* [their] opportunity to secure prompt and effective recognition of *his* [their] legal rights, privileges and obligations *and to securing to him equal legal protection and access to legal redress without regard to income status, race, sex, age, religion or national origin,* [through the availability to all of quality legal services and through the just, speedy and inexpensive resolution of disputes.]"

*The Committee's suggestion is that the italicized works be eliminated and the bracketed letters and words added.

AMERICAN BAR ASSOCIATION,
April 18, 1978.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The American Bar Association has been gratified by the support you have voiced, both as Governor of Georgia and as a Presidential candidate, for the American Bar Association's proposed National Institute of Justice. Your public statements recognizing the need for an independent institute to foster research aimed at improving the civil and criminal justice systems, particularly as they affect the average citizen, have been both perceptive and supportive.

We are informed that you will soon be considering a proposal prepared by the Department of Justice and the Office of Management and Budget for the restructuring of the Law Enforcement Assistance Administration (LEAA) in the Department of Justice. The restructuring plan provides for the creation of a research institute within the Department of Justice to be called a National Institute of Justice.

Despite our strong belief in the need for a new federal initiative in justice research, the American Bar Association strongly opposes the plan suggested by the Department of Justice and the Office of Management and Budget. As proposed, the new National Institute of Justice (DJNIJ) would not be independent, would not include a civil justice research component, would be subject to many of the same problems which have plagued the existing LEAA research program, and would not have the public visibility and credibility which we believe are essential for the success of this program.

The question of independence is crucial. The existing LEAA research arm, the National Institute of Law Enforcement and Criminal Justice (NILECJ), has been widely criticized for its lack of independence; yet the current proposal would form the DJNIJ out of NILECJ, leaving the institute not only within the Department of Justice but within the same office which will supervise the LEAA block-grant program. While certain steps to provide some measure of independence for the DJNIJ are proposed, such as the strengthening of the institute's advisory board and the giving of final sign-off authority on grants to the Director of the institute, these measures fall far short of the level of independence needed for this program.

Independence for the NIJ is necessary for several reasons:

(a) The NIJ must not be part of an "action agency" whose operational needs are likely to influence the nature of the research program;

(b) Additionally, political pressure for short-term results are likely to be far greater if the research institute is part of a mission-oriented agency;

(c) The NIJ must not be connected with a grant-making agency which provides state and local assistance. The research institute would be totally obscured and overwhelmed by the grant-making activity;

(d) Justice research, to the considerable extent it involves the Judicial Branch, must not be placed in a line agency within the federal Executive Branch but should be housed in a more neutral setting;

(e) A research entity operated within a Department may be less inclined and less able to attract the diversity of cooperation and support from other disciplines which an independent agency could attract;

(f) Public credibility will be greatly increased if the institute is not part of an action agency but instead has independent status. In addition, independent status would substantially enhance the credibility afforded to a federal justice institute by state and local governments;

(g) Budgetary considerations within a Department may prevent the research program from receiving an appropriate level of funding; and

(h) Public visibility for the research institute and its work will be far greater if it is independent.

The lack of independence is only one of the problems with the proposed DJNIJ. There is a great need to establish an institute to promote research in all areas of the justice system—civil, criminal, administrative, and regulatory—at federal, state and local levels. The new proposal states that the DJNIJ would cover both civil and criminal justice issues; yet the Attorney General has suggested a manner of implementation for the DJNIJ which would seriously inhibit its ability to become involved in civil justice research.

Attorney General Bell proposed, in testimoney before the House Judiciary Subcommittee on Crime on March 1, 1978, that the DJNIJ be created as soon as possible under Presidential reorganization authority. As the Attorney General stated in his testimony, if the new DJNIJ were created under the Presidential reorganization authority, it would be confined to the legislative mandate already given to the existing NILECJ. Initially, therefore, the DJNIJ would be able to generate only criminal justice research. An expansion into the civil justice field would require additional legislation. Thus, the DJNIJ would be created this year with only criminal jurisdiction; its orientation, advisory board selection process, goals and staffing would be shaped accordingly. Expansion into the civil justice field would occur at the earliest, and only if Congress so provided, a year later when LEAA reauthorization legislation is likely to be considered. By that time, the criminal justice component would be well-established, limiting the likelihood that civil justice research would be accorded due consideration.

We are concerned with other features of

the proposal before you. For example, appointments to the advisory board of the DJNIJ should be made by the President and not the Attorney General. Also, the degree of supervision and control to be exercised over the DJNIJ by the Director of the new Office of Justice Research and Assistance should be clarified in a way which will not endanger the independence of the institute. But our principal concerns, articulated above, are sufficient to lead us to the conclusion that we must oppose the proposal submitted by the Department of Justice and the Office of Management and Budget.

The enactment of the half-way measure proposed to you will effectively preclude serious consideration of the ABA proposal which you have previously endorsed. We ask "Why not the best?," and urge that you call for a truly independent National Institute of Justice of which we can all be justifiably proud.

Sincerely,

BILL SPANN.

WILLIAM B. SPANN, JR., PRESIDENT, AMERICAN BAR ASSOCIATION INFORMATION IN RESPONSE TO PRESIDENT CARTER'S REMARKS TO THE LOS ANGELES BAR ASSOCIATION, MAY 10, 1978

LEAA REORGANIZATION.—President Carter refers to plans to reorganize LEAA and make it more efficient. Yet there is little evidence in preliminary reports on his reorganization plan that he is taking any significant steps to implement campaign pledges.

Item: Candidate Carter pledged his support for creation of an independent, publicly-funded National Institute of Justice. Instead, it seems the Administration's current thinking is to call merely for a revamp of the existing National Institute of Law Enforcement and Criminal Justice. As proposed, the Administration's NIJ would not be independent, would not guarantee a civil justice research program, and would not have the public visibility and credibility which is essential for the success of this program.

Item: Candidate Carter criticized LEAA for providing only 6 per cent of its funding to the courts of this country. To date, nothing indicates this situation will be improved under Carter's reorganization plan.

[From the American Bar Association Journal, October 1976—Volume 62, pages 1270–76, President Ford and Governor Carter]

THE CANDIDATES ANSWER

Question No. 5: Do you favor the creation of an independent, publicly funded National Institute of Justice to conduct, appraise, and co-ordinate research and programs in the administration of justice and the quality and effectiveness of justice?

CARTER

A. Yes. Many people believe that they are denied fairness in the courts, in the marketplace, and in the government generally. Fundamental to this attitude is the lack of a workable system of justice in the broadest sense. As governor of Georgia, I studied court records and visited our prisons. I talked with inmates and heard convincing stories of injustice and inequality. I traveled the state and listened, again and again, to the questions and frustrations of average citizens who had come in contact with our system of justice.

With the co-operation of the Georgia bar, I went to the legislature and we were successful in implementing a series of reforms in our judicial system:

A nominating system to ensure merit appointment of judges;

Mandatory retirement for judges and a method of hearing citizen complaints and removing incompetent judges from office;

Automatic review to ensure increased uniformity of sentencing among judges;

A uniform and unified court system (to allow a more efficient and timely dispensation of justice);

Prison reform with emphasis on rehabilitation;

A professionalized Georgia Bureau of Investigation;

A reduction of emphasis on victimless crimes;

Expanded staff aid for judges and administrative officers for the courts.

My experience as a scientist, a naval officer, a businessman, and a governor of Georgia has convinced me of the critical importance of coming to grips with new ideas, so our institutions can be prepared to cope with the future without abandoning the traditional principles in which we believe. To achieve these ends, we must have solid study and research, guided by devotion to honesty and moral principle, and implemented by leaders who can make and stand on tough decisions. A National Institute of Justice would address itself to the demands for significant, often controversial changes in our legal system. In proper coordination with the Federal Judicial Center and the National Center for State Courts, it could lead toward responsible reforms in our institutions.

FORD

A. No, because its establishment would duplicate other activities already supported by the federal government.

The Law Enforcement Assistance Administration provides national leadership in this area, in addition to providing block grant funds to assist state and local criminal justice agencies. L.E.A.A.'s National Institute of Law Enforcement and Criminal Justice, established by law in 1968, now pursues most of the objectives called for by the National Institute of Justice proposal. It encourages research and innovation and provides trainnig and information for local agencies. The administration had asked Congress to expand the charter of the institute to include civil justice, but this was rejected.

Another effective resource for states and localities is the National Center for State Courts, which is funded largely by L.E.A.A. but which operates independently. The center has received approximately $10 million in federal funds for more than fifty projects to assist state and local court systems in meeting their responsibility to dispense justice.

Also important is the work of the National Advisory Commission on Criminal Justice Standards and Goals. The commission has published a series of thorough and comprehensive volumes containing hundreds of recommendations for all elements of the criminal justice system, including courts, corrections, police, community crime prevention, and the criminal justice system as a whole. These standards and recommendations constitute a detailed blueprint for state and local governments to consider in the improvement of their own law enforcement and criminal justice systems. The role of the commission is a continuing one.

NOTE.—The American Bar Association supports the creation by federal legislation of an independent National Institute of Justice to evaluate the effectiveness and quality of justice in the nation, conduct research, provide training and experimental programs, and co-ordinate the gathering and publishing of information about the administration of justice.)

STATEMENT OF GOV. JIMMY CARTER

(Public hearing, ABA Commission on a National Institute of Justice, Stouffer's Inn, Atlanta, Ga., Monday, April 22, 1974)

Thank you Mr. Chairman.

I want to welcome the Commission and its representatives to our state and to its capital. We are honored that you have selected Atlanta as the culmination of your schedule of hearings; and in looking over the list of fine witnesses you will hear from today, I can see that your selection of Atlanta for your final hearing was indeed auspicious.

But I am here today to do more than extend our state's welcome and hospitality to you. I am here because I share with you a dedication to the cause of securing justice for all the citizens of our land. It is a concern which I have held foremost since becoming Governor of this State. In my inaugural address, I stated that no person should be deprived of simple justice. In my first State of the State address, I said "The entire field of criminal justice cries out for improvement in Georgia. I shall stake my own personal reputation on this improvement." With support and hard work from judges, lawyers and laypersons we have successfully completed major improvements in the administration of justice in Georgia.

During the first year of my administration I created a Commission on Judicial Processes and instructed it to come up with meaningful improvements in the administration of justice. It was a broad based body composed of lawyers and judges. The Commission submitted a comprehensive report and at the past three sessions of the General Assembly of Georgia most of its recommendations have been adopted. The result is that more improvements have taken place in the judicial branch of government in Georgia in the past three years than over the previous one hundred years. The success of the program was due to unified support we had—lawyers, judges, legislators, and, most important, laypersons—who were interested in their system of justice.

The most important accomplishment has been the establishment of the Administrative Office of the Courts under the supervision of the Judicial Council and the enactment of a constitutional amendment to be voted on this November creating unified court administration for our state. The people have a right to know what is going on in their courts. With unified court administration they now have the means to get this information.

The second most important accomplishment was the enactment of a constitutional amendment creating a Judicial Qualifications Commission with jurisdiction to investigate complaints against any judge or justice in the Georgia Judicial System for misconduct in office. Now any citizen has a remedy for complaints against the judicial branch of government. This will enhance the integrity of the judicial process.

Public drunkenness as a criminal offense has been abolished. Georgia has now repealed the old common law rule that a person charged with a crime was incompetent to testify under oath and became the last State to abolish the right of an accused to make an unsworn statement.

During the 1974 session of the General Assembly, the Commission recommendation that jury sentencing in non-capital cases be abolished was adopted, as was the recommendation to provide for a sentence review procedure.

We have enacted many proposals to strengthen the criminal justice system and to secure more effective means for administering our criminal laws.

One of the most awesome responsibilities of a Governor is to appoint persons to judicial vacancies caused by death, retirement or new judgeships created by the legislature. In the first year of my administration I created a Judicial Nominating Commission to nominate the five best qualified candidates for a judgeship on the Superior, Appeals, and Supreme Court. Since its creation, I have appointed 10 Superior Court Judges, 3 Court of Appeals Judges and 4 Supreme Court Justices. In every instance I have appointed from the list of five nominated by the Commission.

I will, within the next few weeks, appoint 5 new Superior Court Judges and have asked the Judicial Nominating Commission for

their recommendations with respect to these appointments.

It is important to note that I am not a lawyer. I am a graduate of the United States Naval Academy and was a nuclear physicist. Prior to becoming Governor I was, and I still am, a farmer. I am also a firm believer in the saying that "Justice is too important to be left to lawyers and judges." The average citizen in our nation is becoming aware of many deficiencies in our court system and he wants and deserves the right to participate in its improvement. We would have never made all these court improvements in my administration without the support from the general public.

The courts, of course, are only one part of our legal structure. Our police and law enforcement officials, our jails and prisons, our district attorneys and our public defenders, our various administrative bodies, our State mental facilities and our educational institutions—indeed, almost every aspect of our State Government is influenced by the legal processes of our society. We are blessed here in Georgia with a wealth of capable and dedicated public servants working in all of the institutions of our state government. But they often have to work without adequate resources and information; and in making some of the changes and reforms that we have in Georgia, I often have the feeling that we are either inventing or re-inventing the wheel. This situation isn't their fault or anyone else's; it just reflects the fact that our nation has for too long neglected the problems of justice in this land. It is high time that a concerted effort with substantial financial support was established to provide support and guidance for the State and local components of the justice system.

I interpret your presence here today as an indication that you support, as I do, the establishment of such an Institute of Justice.

Take the area of consumerism, for example. What real rights does the average consumer have? Suppose he or she wants to buy a refrigerator or a car or some other item for which he or she has scrimped and saved. And suppose that the only way he or she can purchase that particular item is by an installment sales contract, or "on time". Now I work every day with legal documents as Governor of the State of Georgia; but as I said earlier I am not a lawyer, I am a layman. And when I look at a piece of legislation or some other legal document, I can call in my legal advisers to tell me the legal implications and consequences of certain provisions of those documents. But if I am out at a store buying a refrigerator, I don't have that option. I am presented with a long contract and am told to take it or leave it. And if I need that refrigerator, I sign that contract and hope for the best. Now as it often happens, the "best" doesn't happen. The refrigerator is damaged when it arrives, or it breaks down under normal use. And the consumer complains, and nothing is done, except that the bills keep coming in like clockwork. Now I am not suggesting that this is the normal course of events, but it happens all too often. And if the matter is ever brought to court for resolution, it is usually brought by the seller's attorneys, while the consumer ends up representing himself.

There ought to be some means or mechanism by which the unequal bargaining position between seller and consumer could be equalized and by which problems such as these could fairly and justly be resolved. I wonder whether some of these problems should even end up in our courts and whether some means of outside arbitration might not be better. No one today, to my knowledge, has even looked to see how widespread this problem is or what its ramifications may be.

Another area where I think we are long on problems and short on solutions is our correctional program—the jails and prisons we maintain and the people who occupy them. There are an estimated 425,000 persons now occupying the nation's jails, prisons, and juvenile detention facilities. Add to this figure the 900,000 persons on probation and the 300,000 on parole, and you have close to 2% of our population at any one time being under correctional supervision.

If we could get at the root causes of crime, we could not only spare our taxpayers from the tremendous burden of supporting our various correctional institutions, but could produce the sort of society in which all people can live without fear or restraint.

Our traditional methods of dealing with those who have violated the law is to lock them up behind bars. Has this proved to be an effective approach to eliminating crime and restoring offenders to a useful and productive role in society? Nationally, it has been estimated that up to 80% of these persons released from prison end up committing further crimes. Obviously our rehabilitation efforts have not been very successful. What is the answer? New, modern prison facilities? Or should we move away from building new prisons in favor of smaller community-based facilities? And what about programs to divert offenders from the usual incarceration process entirely? While these questions are being debated by many, there is a crying need for an intensive and thorough examination of this problem. Only in that way can we eradicate the "revolving door" syndrome that has come to characterize our prisons.

I for one believe that a body like the National Institute of Justice is essential to study these and other problems of our justice system and to achieve meaningful reform. No single city or state can command the resources and personnel to undertake such an effort. Many problems of our justice system are, of course, local in nature; but many others recur time and time again in different cities and in different states. A national body which would study these problems and suggest, not dictate, solutions would be a great resource to me and the other governors. The role which the Institute could serve in publicizing and coordinating existing reform efforts would also be a genuine step forward. I commend you for the fine and diligent effort which your Commission has put into this effort so far, and I heartily endorse your proposal. Its unified approach will assist us in establishing justice throughout the United States and thereby create "a more perfect Union."

Thank you.

RESOLUTION OF THE COMMUNICATION WORKERS OF AMERICA, 1977 CONVENTION

The Chair recognizes the Resolutions Committee.

Chair DEMPSEY. The Delegates will please turn to page 23. I will call on Committee Member Mary Gregory to read Resolution 39A–77–11, National Institute of Justice.

Member MARY GREGORY (Local 12128 Member of the Resolutions Committee):

Resolution 39A–77–11:

NATIONAL INSTITUTE OF JUSTICE

Among the issues which showed Governor Jimmy Carter different from President Gerald Ford was the proposal for a National Institute of Justice, to be created as an independent agency to help improve the quality of law practice in civil, criminal and administrative tribunals.

In his statement of support for the Institute, Mr. Carter said it would ". . . address itself to the demands for significant, often controversial, changes in our legal system. In proper coordination with the Federal Judicial Center and the National Center for State Courts, it could lead toward responsible reforms in our institutions."

The proposed legislation calls for creation of a small Institute, to give particular attention the impact of justice and the administration of law on the individual citizen and the opportunity to secure prompt and effective recognition of his or her legal rights, privileges and obligations, and to securing equal legal protection and access to legal redress without regard to income status, race, sex, age, religion or national origin.

In stating the case for establishment of the National Institute, a study commission of the American Bar Association noted that its members almost unanimously shared several important views: "The most important of these was that public authority, at all levels of government, is suffering from a severe problem of 'credibility.' By this is meant that agencies of public authority, including the courts, were not regarded by the public as usually being fully truthful about what they were doing, wholeheartedly concerned about discharging their responsibilities, or even really thoughtful about what they were trying to do. . . .

"Another widely shared recognition," the ABA study group stated, "was that many of the institutions of justice had become fearful, defensive and introverted."

The new Institute, as proposed, would not duplicate other agencies' functions, nor would it become a bloated bureaucracy. Its attention would be concentrated on such subjects as consumer protection, access to adequate health-care services, availability of legal service, due process and equal protection in dealing with public agencies, the opportunity to participate in government decision-making, protection of privacy from official intrusion, accountability of public officials for actions that affect individuals, and economical adjustment of private legal disputes through such methods as arbitration.

Resolved: That this 39th Annual Convention of the Communications Workers of America endorse Presidential and Congressional actions to establish the National Institute of Justice.

Mr. President, the Resolutions Committee moves adoption of Resolution 39A–77–11, National Institute of Justice.

President WATTS. You have heard the motion, and there is support from the Committee.

At Microphone No. 3, the Chair recognizes Delegate Griffiths, Local 1009.

Delegate ROSALIE GRIFFITHS (Local 1009). Mr. President, all my handsome Brothers and Lovely Sisters (applause) I rise in support of this resolution. There is little question that the American people are troubled by gaps in the law that too often let the wealthy escape with little or no penalty for major financial crime, while imposing harsh penalties upon those unable to secure the services of the well-paid lawyer who enters the courtroom preceded by high reputation and awesome fees.

The American people rightly are concerned with the problems of street crime, violence, personal insecurity and the apparent inability of our system of criminal justice to cope with these problems.

As workers, we are deeply concerned with the ability of the Union-busters in major areas of the country to twist the law and even to defy it and to frustrate the desire of workers to choose Unions to represent them.

The outstanding example, of course, is that of the J. P. Stevens Corporation, which stands as the employer-bulwark against the organization of the South.

We have had during these recent years the divisive issues of Watergate and Vietnam and all that has happened since those days. We now have the issues of equal rights in law regardless of sex, race or national origin.

We also have the question of equal representation before the courts and in the administration of justice for all regardless of

wealth, education, social status, sex, race, national origin or religion.

The law must deal with the problems of consumer rights, accessibility to health care, equal protection of the law, the ability to cope with government and corporate bureaucracy, and in some equal access to the democratic process.

There now is upon the statute books a freedom of information act, which is balanced by federal law, guaranteeing us the right to privacy in our personal affairs. These two must be balanced, so that the citizens shall have access to affairs of government that affect his or her welfare, while being assured that his or her personal life shall not be assaulted without reason or by arbitrary authority.

The American dream holds that there shall be equal justice before the law, that this is a government of laws not of people. This nation approaches that ideal, as do few others upon this earth, but we would be foolhardy not to understand that this is the ideal, not the fact.

The American Bar Association, as this resolution states, has recognized the need for greater credibility in government, and that many of our institutions of justice are in retreat.

President Carter has proposed that we begin now to attend to the problems involved, that we begin by establishing a small and scholarly national institute of justice, which shall be an independent agency, devoted to the improvement of the administration of the law in this nation.

This is a concept whose time has come.

Such an institute can be highly influential in the improvement of the legal climate in our land.

I urge the adoption of this resolution. (Applause)

President WATTS: Microphone No. 5, Delegate Ryan, Local 9415.

Delegate RYAN (Local 9415): Mr. President, in supporting this, how do we insure that the same people who are causing these problems will not be on this institute that we are trying to set up?

President WATTS: One of the ways to insure it would be for us to make recommendations and be involved in the process of developing the institute in its final form. With the present administration, I am inclined to believe that we can have such input to good advantage.

You are entitled to a second question.

Delegate RYAN: We may have input, but just about every agency that is set up ends up being run by the people we are trying to protect our members against.

Some of the problems we are having have been caused by members of the American Bar Association. I don't think that is going to—well, there is too much federal government in our lives now.

President WATTS: That was not a question, but we heard what you said.

At Microphone No. 3, Delegate Kinney, Local 7102.

Delegate WANDA KINNEY (Local 7102): I too rise in support of this resolution.

There is a definite need for the creation of this type of agency, an agency that would give all the opportunity to secure legal advice regardless of income, race, age or sex. We have all been paying the price of unequal justice in America. Every time the Supreme Court overturns a decision of the lower court because someone's rights had been violated, it comes out of my pocket and comes out of your pocket.

Another area the institute would cover is that of consumer protection. God only knows, we need help there.

The Bell System's program to charge for directory assistance is probably the biggest consumer ripoff in this country. We can use all the help we can get.

I am not sure that the National Institute would solve all of our problems, but it seems like a viable alternative.

I urge support in passage of this resolution. (Applause)

President WATTS: At Microphone No. 1, the Chair recognizes Delegate Ibsen, Local 9415.

Delegate IBSEN (Local 9415): I move the previous question. (Applause)

President WATTS: You have heard the motion to close debate. There is support.

Will all those in favor signify by raising their right hand. Down hands. Opposed, by a like sign. Down hands. Debate is closed.

The question before you now is the adoption of the resolution on a National Institute of Justice, Resolution 39A–77–11.

Will all of those in favor of adoption signify by raising their right hand? Down hands. Opposed, by a like sign. Down hands. The motion is carried.

The Chair recognizes the Resolutions Committee.

Mrs. HUMPHREY. Mr. President, I am asked to join my distinguished colleague, Senator BIRCH BAYH, as a cosponsor of the National Institute of Justice Act. I urge prompt and favorable consideration of this measure by the Senate.

This legislation would establish an independent agency to fund research and pilot projects aimed at making the justice systems in this country more responsive and more efficient. There is an urgent need in this country for increased funding and coordination of the few already existing efforts in this area.

As many of you know, Hubert Humphrey was a strong supporter of actions which would infuse funding into legal research and reform. He introduced legislation providing for a similar program in the 94th Congress.

I, too, have strong feelings about improving the quality of justice and access to it as well as the fairness and effectiveness of the administration of law; and, the assurance that all persons are able to secure prompt and effective protection of their constitutional rights.

Again, I urge the Senate to move quickly in enacting the proposed legislation; and, I offer my support and assistance to Senator BAYH in this important undertaking.

By Mr. JACKSON (by request):

S. 3283. A bill to amend the Energy Policy and Conservation Act, as amended, to improve the States' capacity for energy planning and management, to provide a consolidated program of Federal financial assistance to the States to meet their respective goals for energy conservation, production and distribution and for energy conservation, production and distribution, and for other purposes; to the Committee on Energy and Natural Resources.

THE STATE ENERGY MANAGEMENT AND PLANNING ACT

● Mr. JACKSON. Mr. President, I am today introducing on behalf of the administration, a bill to improve the States' capacity for energy planning and management and to provide a consolidated program of Federal financial assistance to the States to meet their goals for energy conservation, production, and distribution.

The bill, entitled the State Energy Management and Planning Act (SEMP) would consolidate three energy grant programs now administered under the National Energy Extension Service Act, the Energy Conservation and Production Act, and the Energy Policy and Conservation Act into a single core grant program. It would also expand State energy activities to include energy supply and demand planning, assessment of new energy facility needs, energy emergency preparedness, and development of new supply initiatives.

Mr. President, I ask unanimous consent that the text of the State Energy Management and Planning Act as well as the administration's section-by-section analysis of the bill and the transmittal letter from the Department of Energy be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 3283

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "State Energy Management and Planning Act of 1978."

AMENDMENT TO THE ENERGY POLICY AND CONSERVATION ACT

SEC. 2. (a) Title II of the Energy Policy and Conservation Act is amended by deleting Part C and substituting therefor the following:

"PART C—STATE BASIC ENERGY PROGRAM AND CONSOLIDATED APPLICATIONS

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"Sec. 351. Findings and Purposes
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"Sec. 357. Approval of State Energy Planning Process
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"Sec. 362. Application Process and Administration
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"FINDINGS AND PURPOSES

"SEC. 351. (a) The Congress finds and declares that—

"(1) the United States faces a critical energy problem arising from its increasing dependence on oil, particularly on imported foreign oil;

"(2) the solution to our national energy problem will require concerted and continuing efforts at all levels of government, as well as efforts by the private sector;

"(3) the States have significant opportunities to undertake energy planning and programs to conserve energy, to encourage the expanded use of alternatives to oil and natural gas, including solar and other renewable energy sources, to encourage increases in energy supply, and to provide for more efficient distribution and use of energy supplies, with due regard for social, economic, and environmental concerns;

"(4) Federal financial assistance to the

States should be consolidated to encourage States to improve and expand upon existing energy conservation activities as well as to develop and implement state energy plans and to meet conservation and energy production objectives.

"(b) The purposes of this Part are—

"(1) to assist States to carry out State energy planning as a means to establish State energy goals and policies, to monitor progress toward achievement of and to evaluate on a continuing basis such goals and policies, and to provide unified management and coordination of State energy programs to meet such goals and policies;

"(2) to assure consideration of employment, economic, environmental and other relevant factors in the formulation of State energy plans and due regard for citizens of special need, such as the poor, the handicapped, and the elderly;

"(3) to assist States in the collection and analysis of energy information, to the extent such information is available or is practically obtainable, thereby enabling States to assess their respective energy situations and to encourage States to take into account existing energy and natural resource plans and policies of all levels of government in the formulation of State energy plans;

"(4) to promote coordination of Federal and State activities during periods of energy emergency;

"(5) to reduce and simpify the administrative requirements imposed on States to obtain Federal financial assistance for the development, implementation or modification of State energy programs.

"DEFINITIONS

"SEC. 352. As used in the Part—

"(1) 'Conservation' means any activity or program carried out by a State intended to increase efficiency of energy use, reduce energy consumption or produce energy from solar or other renewable energy sources.

"(2) 'Governor' means the chief executive officer, elected or appointed, or his designee, of a State including the Mayor of the District of Columbia.

"(3) 'Secretary' means the Secretary of Energy.

"(4) 'State' means a State, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, or the Government of the Northern Mariana Islands.

"(5) 'State energy plan' means a plan developed by a State which meets the requirements of section 355 of this part.

"(6) 'State energy program' means any of the following programs of the Department of Energy:

"(a) the program established pursuant to 42 U.S.C. 6861 et seq., providing financial assistance for Weatherization Assistance for Low-Income Persons;

"(b) the program established pursuant to section 205, U.S.C. 6805 as amended; and

"(c) any other program which is administered by the Secretary and which provides financial assistance to States pursuant to an allocation formula established by or pursuant to statute.

"(7) 'Unit of local government' means any city, county, town, municipality, or any other political subdivision which is a unit of general purpose local government of a State.

"(8) 'Indian Tribe' means any Indian Tribe or Tribal Organization as defined by paragraphs (5) and (6), respectively, of section 102 of the Older Americans Act of 1965.

"SUBPART A—STATE BASIC ENERGY PROGRAMS

"PROGRAM AUTHORIZATION

"SEC. 353. (a) The Secretary is authorized, subject to the availability of funds—

"(1) to provide financial assistance to assist the States in the development, implementation, or modification of a State energy plan or part thereof submitted pursuant to this part and in the development and implementation of mandatory activities prescribed under this part; and

"(2) to provide technical assistance to enable the States to develop their capabilities and resources for energy planning and management.

"(b) Subject to the provisions of this part and in other applicable Federal law, a State may use the assistance provided by the Secretary under subsection (a) for—

"(1) development, maintenance, and improvement of State energy planning, policy development, and management systems;

"(2) preparation of studies and analyses in support of energy policy development;

"(3) implementation of programs and projects pursuant to the State energy plan; and

"(4) such other purposes as the State deems to be consistent with its energy policies and goals.

"APPLICATION FOR STATE BASIC ENERGY PROGRAM

"SEC. 354. (a) The Secretary shall, by rule, prescribe guidelines for annual applications for financial assistance authorized by section 353. A State which receives financial assistance authorized by section 353(a) of this part and which has not previously developed a State energy plan approved by the Secretary under section 357 shall, within nine months after the date such grant was made or such longer period as the Secretary for good cause may allow, submit to the Secretary a State energy plan.

"(b) After publication of the guidelines prescribed pursuant to subsection (a) of this section, the Secretary shall invite each Governor to submit an initial application for financial assistance for the development of a State energy plan and the development and implementation of the mandatory activities of section 358 of this part. Such initial application shall include—

"(1) a statement by the Governor that the State intends to develop and submit to the Secretary a State energy plan;

"(2) a designation by the Governor of the State agency or agencies which will be responsible for the development, management, and implementation of the State energy plan;

"(3) assurance that the Federal assistance provided to the State under this part will be expended in a manner consistent with the purposes of this part;

"(4) assurance that at least one-half of the Federal assistance provided to the State under this part will be expended by such State for development and implementation of conservation programs;

"(5) assurance that the expenditure of State appropriated funds in any fiscal year of the State for State energy activities will not be less than the expenditure of State appropriated funds for such expenses during the fiscal year of such State which coincides most closely to the fiscal year ending September 30, 1978;

"(6) a description of the implementation of the mandatory activities prescribed in section 358;

"(7) a description of the procedures by which the State will prepare its State energy plan, including provisions for the participation of units of local governments, Indian tribes, and the public in the development, modifications, or implementation of the plan;

"(8) a description of the manner in which the State intends to make use of existing plans and programs developed by agencies of the State, by units of local government or by Indian tribes within such State, to carry out the purposes of this part, including plans and programs developed for transportation, growth management, economic development, coastal management, environmental and energy-related purposes;

"(9) a description of the manner in which the State intends to provide timely information developed by such State pursuant to section 355(b) (1) and (4) to units of local government and Indian tribes within the State to assist such entities in their energy-related activities;

"(10) assurance that the State will to the fullest extent practicable coordinate its activities under this Part with energy-related planning and program activities of units of local government and Indian Tribes within the State and of agencies of the State;

"(11) assurance that the State energy plan will consider Federal energy policies and the provisions of the State energy plans of other States, to the extent such plan is based on assumptions of specific energy-related actions taken or to be taken by or in other States;

"(12) assurance that the State has obtained or will seek such authority as may be necessary to carry out the requirements of this sub-Part; and

"(13) such other information as the Secretary may reasonably require.

"(c) After the Secretary has approved the State energy plan, the Governor of such State may make annual application for financial assistance. Such application shall include—

"(1) assurance that the Federal assistance provided to the State under this Part will be expended in a manner consistent with the purposes of this Part;

"(2) assurance that at least one-half of the Federal assistance provided to the State under this Part will be expended by such State for development and implementation of conservation programs;

"(3) assurance that the expenditure of State appropriated funds by such State in any fiscal year for the expenses of carrying out activities covered by this Part will not be less than the expenditure of State appropriated funds for such expenses during the first fiscal year of such State in which funds are received;

"(4) further assurance that the State will meet the requirements of subsection (b)(4) and subsections (8) through (11) inclusive of this section; and

"(5) such other information as the Secretary may reasonably require.

"(d) Each application submitted in any fiscal year for financial assistance under this Part shall be reviewed and approved or disapproved by the Secretary. Such application shall be approved if the Secretary determines that—

"(1) the application meets the requirements of subsection (b) or (c), as appropriate; and

"(2) in the case of an application under subsection (c), an approved State energy plan pursuant to this Part will be in effect during the fiscal year in which such financial assistance is sought for expenditure.

"(e) If the Secretary determines that the application fails to meet any requirement of subsection (b) or (c), as appropriate, he shall disapprove the application in whole or in part, and give the Governor of that State timely written notice of such disapproval. Upon receiving notice of disapproval, the Governor may submit a new or amended application for such fiscal year within such period as may be prescribed by the Secretary.

"REQUIREMENTS FOR STATE ENERGY PLANS

"SEC. 355. (a) Each State seeking financial assistance under this Part shall develop or have in effect a State energy plan approved by the Secretary.

"(b) The Secretary shall, by rule, prescribe guidelines for State energy plans, which plans shall contain:

"(1) a description of State energy supply and demand and of its energy goals and policies. This description shall include, to the

extent such information is available or practicably obtainable—

"(A) a forecast of future energy consumption patterns in the State, categorized by type of energy source and end-use, and where practicable disaggregated by region within the State;

"(B) a description of any data systems the State will use in the development, modification or implementation of a State Energy Plan;

"(C) a description of the likely sources, including price assumptions, for energy supply, categorized by type of fuel, which sources the State anticipates will be available to meet the future energy consumption forecasted by the State pursuant to subsection (b)(1)(A) of this section, including any alternatives to such energy sources or conservation measures under consideration by the State;

"(D) a projection of the sources and amounts of energy supply, categorized by type of fuel, produced in the State which will be used in other States;

"(E) a projection of the need for electric power generation facilities and a description of the major actions, together with a schedule for such actions, which the State anticipates will be required to make available such facilities and assure timely selection of sites for such facilities; and

"(F) a projection of the need for other major energy supply facilities deemed appropriate by the State for consideration in the State energy plan.

"(2) a description of the implementation of mandatory activities set forth in section 358 of this Part.

"(3) a management plan for, and a description of, planned uses of funds provided under this Part and under any other Federal financial assistance program that the State intends to use to implement the State energy plan.

"(4) an energy emergency plan which is coordinated with the plans of the Department of Energy and which provides

"(A) administration of State programs for set-aside of petroleum products and other energy supplies during a period of energy supply disruption, consistent with regulations prescribed pursuant to the Emergency Petroleum Allocation Act of 1973 (Pub. L. 93–159);

"(B) administration of a State program for the allocation of fuels in short supply and for restraining demand for such fuels in a period of energy supply disruption; and

"(C) monitoring of the energy supply and consumption in the State during a period of energy supply disruption in coordination with any emergency management information system maintained by the Secretary; and

"(D) implementation of Federal emergency measures to the extent such measures require State participation or action—

"(5) a description of the provisions for participation

"(A) by units of local government,

"(B) by Indian Tribes, and

"(C) by the public, which provisions shall include one or more public hearings, regarding the development, modification and implementation of the State energy plan.

"(c) Upon written request by the Governor, the Secretary may for good cause—

"(1) waive any requirement under subsection (b)(1) of this section, and where practicable provide the necessary information called for by such requirement for use by the State in developing, modifying or implementing a State energy plan; or

"(2) grant an extension of time for compliance with any provision of this section.

"(d) If a State so requests, each department, agency, or instrumentality of the executive branch of the Federal Government that either produces or consumes significant quantities of energy within that State shall, consistent with applicable law, provide such available energy-related information as necessary and practicable to assist the State in the preparation of the State energy plan under this section.

"(e) A State receiving financial assistance under this Part and which is participating in an energy impact assistance program, or in a coastal zone management program established pursuant to section 306 of the Coastal Zone Management Act of 1972, as amended, shall ensure that the State energy plan established under this Part is consistent with any plan prepared or information provided pursuant to such energy impact assistance program, or with such coastal zone management program.

"STATE COORDINATION WITH LOCAL GOVERNMENT AND REGIONAL AGENCIES

"SEC. 356(a). The Secretary shall encourage but may not require a State to make available directly to units of local government within the State some portion of the Federal assistance provided under this Part. Each State may make available directly to units of local government in such State for any use consistent with the purposes of this Part some portion of the financial assistance provided under this Part.

"(b) The Secretary shall encourage but may not require a State to establish and participate in interstate or multi-state regional organizations which assist in the development, implementation or modification of the State's energy plan or provide for the coordination of the State's energy plan with the State energy plans of other States participating in such interstate or multi-state regional organization. Each State may make available directly to such interstate or multi-state regional organization some portion of the Federal assistance provided under this Part for any use consistent with the purposes of this Part.

"APPROVAL OF STATE ENERGY PLANS

"SEC. 357(a). Each State energy plan shall be submitted by a State biennially. The Secretary shall approve a State energy plan unless he determines that such plan—

"(1) fails to contain the elements of a State energy plan as described in section 355(b) of this Part;

"(2) fails to meet the requirements of section 355(b)(4) and section 358.

"(b)(1) If the Secretary determines that a State energy plan fails under one or more of the provisions of subsection (a) of this section, the Secretary shall provide to the State written notice of intention to act adversely and a statement of the reasons therefor.

"(2) If the Secretary, after affording the State notice and opportunity to present views or take corrective action, finds that the State energy plan has not been prepared in substantial compliance with the requirements of subsection (a) of this section, the Secretary shall notify the State that the State energy plan is disapproved in whole or in part and that the State is no longer eligible to receive all or a portion of the financial assistance allocated to the State under this Part, until the Secretary is satisfied that there is no longer any such failure to comply.

"(c) Approval of a State energy plan pursuant to this section shall constitute approval solely for the purpose of certifying the eligibility of a State for financial assistance under this Part.

"MANDATORY ACTIVITIES

"SEC. 358. Each State receiving financial assistance under this Part in any fiscal year shall provide for development and implementation of the following mandatory programs and measures:

"(a) mandatory energy conservation standards for new residential and commercial buildings except buildings owned or leased by the United States or an agency thereof. For the purposes for this subsection the term 'building' means any structure which includes provision for a heating or cooling system, or both, or for a hot water system. Development and implementation of guidelines prescribed pursuant to this subsection shall be coordinated with the Secretary of Housing and Urban Development to assure compatibility with requirements of Title III of the Energy Conservation and Production Act of 1976.

"(b) an Energy Extension Service Program as described in section 504(a) of the National Energy Extension Service Act, Pub. L. 95–39, as amended, which shall—

(1) disseminate information and provide advice and assistance to individuals, groups and units of local governments and States by means of:

(A) specific studies and recommendations applicable to individual residences, businesses, and agricultural or commercial establishments,

(B) demonstration projects,

(C) distribution of studies and instructional materials,

(D) seminars and other training sessions for State and local government officials and the public, and

(E) other public outreach programs;

(2) provide, to the extent practicable within personnel and funding limitations, that energy evaluations or audits will be made available to commercial, residential and agricultural energy users; and

(3) make use of existing outreach delivery mechanisms or programs in the State and avoid duplication of existing services.

"RESTRICTIONS ON FUNDS

"SEC. 359. Financial assistance provided under this Part shall be expended for the development, modification or implementation of the State energy plan and development or implementation of the mandatory activities under this Part. No funds provided to a State under this Part shall be expended—

"(a) to pay the costs of any construction or the purchase of real property;

"(b) to pay all or any portion of the purchase price of equipment, except office equipment; or

"(c) for such other purposes as the Secretary may proscribe.

"ALLOCATION OF FUNDS; STATE SHARE

"SEC. 360(a) For the purpose of providing the financial assistance authorized by section 353(a)(1) of this Part, the Secretary shall annually allocate the sums available for financial assistance pursuant to this Title among the States in the following manner—

"(1) sixty-five percent shall be allocated on the basis of the resident population of the States, as reported in the most current population reports prepared by the Bureau of Census, Department of Commerce, for general statistical purposes;

"(2) twenty-five percent shall be allocated equally among all the States;

"(3) ten percent shall be allocated on the basis of energy production as determined by the Secretary.

"(b)(1) Except as otherwise provided in this subsection, a State receiving financial assistance under this Part shall be required to provide funds from non-Federal sources for the development, modification, or implementation of the State energy plan and other programs or measures under this Part in an amount equal to twenty percent of the amount allocated to such State under subsection (a) of this section.

"(2) A State may, after notifying the Secretary in the manner prescribed in paragraph (5), elect to defer the provision of its share under paragraph (1) of this subsection for each of the first and second fiscal years of the five year program established by this Part.

The State shall provide such deferred balance in three equal annual amounts during the third through the fifth fiscal years of the program;

"(3) If a State provides either of (A) its share under paragraph (1) for the third fiscal year, or (B) the deferred amount referred to in paragraph (b)(2) of this section, but not both, the Secretary is authorized to grant eighty percent of the amount allocated for that State for the third fiscal year under subsection (a) of this section.

"(4) If a State fails to provide its share in accordance with any provision of this subsection, the Secretary is authorized to grant sixty percent of the amount allocated for a State under paragraph (a) of this section during the third, fourth and fifth fiscal years of the program.

"(5) A State electing to provide less than its share under paragraph (1) and any deferred amount under paragraph (2) otherwise due for any fiscal year shall provide to the Secretary, in accordance with such guidelines as the Secretary may prescribe, a statement of the need for such election.

"(c) Funds allocated to any State for any of the first four fiscal years under this Part but not obligated by the Secretary in such fiscal year may at the option of the Secretary be reallocated among the States for the following fiscal year.

"(d) Notwithstanding the provisions of subsections (a) and (b) of this section, the Secretary may prescribe a maximum allocation for the Virgin Islands, Guam, American Samoa, and the Government of the Northern Mariana Islands.

"(e) Notwithstanding the provisions of subsection (a) of this section, the Secretary shall annually reserve some portion of the sums available for financial assistance pursuant to this Part and shall, by rule, prescribe guidelines for the allocation and use of such reserved portion to carry out the provisions of this subsection. The Secretary may, after affording reasonable opportunity for comment by the State, provide financial assistance to an Indian Tribe if he finds that—

"(1) such Indian Tribe has demonstrated the need for direct Federal financial assistance for such uses as are deemed consistent with the purposes of this Part;

"(2) Federal assistance provided under this Part will not be used to duplicate or substitute for any energy-related program or activity established by a State or unit of local government for use or benefit of Indian Tribes; and

"(3) such Indian Tribal government is capable of performing all requirements of this Part, including matching requirements under subsection (b) of this section. The Secretary shall ensure that any Indian Tribe which receives direct Federal financial assistance under this subsection shall consult with the State or States in which it is located in the development, modification, or implementation of any energy plan prepared for such Indian Tribe.

"Funds provided under this subsection which are not obligated by the Secretary in any fiscal year shall be reallocated to the States for the following fiscal year in accordance with provisions of subsection (a) of this section.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 361. For the purpose of providing financial assistance to the States pursuant to section 353(a) of this Part, and for administration of this Part, there is hereby authorized to be appropriated to the Secretary for each of the fiscal years ending September 30, 1979 to 1983, $105,000,000, which may remain available until expended.

"SUBPART B—CONSOLIDATED APPLICATIONS AND ADMINISTRATION

"APPLICATION PROCESS AND ADMINISTRATION

"SEC. 362. (a) The Secretary shall review all rules, regulations and guidelines of the Department of Energy issued with respect to any State energy program. Within twenty-four months of the date of enactment of this Part, the Secretary shall, to the extent appropriate, prescribe new rules or guidelines for each program to reduce and simplify the administrative requirements imposed on States for the funding and management of State energy programs and to provide for annual consolidated application for financial assistance.

"(b) Notwithstanding any other provision of law, a State may make an annual consolidated application for financial assistance authorized under this Part and under any State energy program or programs.

"(c) The Secretary is authorized to prescribe rules providing for the orderly transition from multiple applications for financial assistance under State energy programs to the consolidated application described in subsection (b) of this section. To enable a State to submit a consolidated application for a uniform program period, the Secretary and the State may, by mutual agreement, amend the term and any other administrative provision of any financial assistance awarded prior to the approval of the consolidated application, and may agree that the unexpended balance of any funds made available under such program may continue to be available for the purposes for which such funds were appropriated.

"(d) Notwithstanding any other provision of law, a State may elect, through its consolidated application under subsection (b) of this section, to use a portion of the financial assistance provided by the Secretary for administrative costs for any other State energy program for activities which the State is authorized to undertake, pursuant to this Part.

"TERMINATION OF FINANCIAL ASSISTANCE

"SEC. 363. (a) Whenever the Secretary, after affording the State reasonable notice and opportunity to present views, finds that a State receiving financial assistance under this Part has failed to comply with the provisions of this Part or with any regulation issued pursuant to this Part, the Secretary shall notify the State that such State is no longer eligible to receive all or a portion of the financial assistance provided under this Part until the Secretary is satisfied that there is no longer any such failure to comply. The Secretary may withhold all or part of further financial assistance under this Part for so long as such State is deemed by the Secretary not to comply.

"(b) Whenever the Secretary, after affording the State reasonable notice and opportunity to present views, finds that a State receiving financial assistance under an approved consolidated application has failed to comply with an applicable statute establishing a State energy program or with any regulation issued pursuant to any statute establishing a State energy program, the Secretary shall notify the State that such State is no longer eligible to receive all or a portion of the financial assistance for such State energy program until the Secretary is satisfied that there is no longer any such failure to comply. The Secretary may withhold all or part of further financial assistance to a State energy program for so long as such program is deemed not to comply.

"(c) The Secretary shall, by rule, prescribe procedures to carry out the provisions of this section. Such procedures shall not be subject to the provisions of section 554, 556 or 557 of Title I of the United States Code.

"TRANSITION TO STATE BASIC ENERGY PROGRAM

"SEC. 364. (a) Upon approval of a State's initial application for financial assistance under this Part, the Secretary may terminate any existing assistance program or other financial arrangement pursuant to section 363 of Pub. L. 94–163, or pursuant to section 432 of Pub. L. 94–385, or pursuant to the National Energy Extension Service Act, Pub. L. 95–39. Any unexpended balance of funds available under any such assistance program or other financial arrangement shall be available to the State to provide financial assistance requested in such application.

"(b) Except as provided in subsection (a) of this section, nothing in this Act shall be deemed to affect any program of Federal financial assistance or other financial arrangement made or entered into by the Secretary prior to the enactment of this Act.

"RECORDKEEPING AND REPORTING

"SEC. 365. Each State or Indian Tribe receiving financial assistance under this Part or under a State energy program shall keep records and shall make reports to the Secretary, which may include information on the amount and disposition expended by such State or Indian Tribe of the proceeds of the financial assistance, the total cost of the plan, programs, projects, measures, or systems for which the assistance was given or used, the source and amount of funds for the plan, programs, projects, measures or systems not supplied by the Secretary and such other information as the Secretary may deem necessary to prepare the annual report pursuant to section 366 and to facilitate an effective audit and performance evaluation pursuant to guidelines prescribed under sections 354 and 355. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination at reasonable times and under reasonable conditions, to any pertinent books, documents, papers, records and reports of any recipients of financial assistance under this Part in the preceding fiscal program.

"ANNUAL REPORT

"SEC. 366. The Secretary shall include in the annual report required by section 657 of the Department of Energy Organization Act, Pub. L. 95–91, a report of the actions taken under this Part in the preceding fiscal year."

AMENDMENTS TO NATIONAL ENERGY EXTENSION SERVICE ACT

SEC. 3. The National Energy Extension Service Act, Pub. L. 95–39, is amended by—

(a) deleting section 503;

(b) striking out the words "The Service" at the beginning of the first sentence in section 504(a) and inserting in lieu thereof "A State receiving financial assistance under Part C of Title III of the Energy Policy and Conservation Act, Pub. L. 94–163, as amended";

(c) deleting sections 504(b) through 504(d) inclusive;

(d) deleting section 505;

(e) revising section 506 to read as follows: "A State shall implement an Energy Extension Service Program, as described and authorized in the preceding section, in conformance with the provisions of sections 355 and 358 of Part C of Title III of the Energy Policy and Conservation Act, Pub. L. 94–163."

(f) deleting sections 507 through 512 inclusive; and

(g) redesignating the sections of the National Energy Extension Service Act, as amended, in appropriate numerical sequence.

AMENDMENTS TO ENERGY CONSERVATION AND PRODUCTION ACT

SEC. 4. (a) Part A of Title IV of the Energy Conservation and Production Act establishing a program for Weatherization Assistance for Low-Income Persons is amended by—

(1) striking the word "only" in the first sentence of section 414(a) and inserting after the phrase "annual application" the following:

"Which may be submitted as part of a consolidated application in accordance with the provisions of section 362 of the State Energy Management and Planning Act.";

(2) amending subsection (b)(1) of section

415 by inserting at the beginning thereof: "be allocated within the State in accordance with a State energy plan established pursuant to the State Energy Management and Planning Act, or if no such plan exists,"

(3) striking the words "such State or area plan" in subsection (b) (2) of section 415 and inserting in lieu thereof "such State energy plan, State or area plan, as appropriate,"."

AMENDMENTS TO THE NATIONAL ENERGY ACT

SEC. 5. (a) Section (c) of the National Energy Act establishing a Utility Retrofit Program is amended by adding after the first sentence a sentence to read as follows: "A plan may be submited by a State as part of a State energy plan submitted pursuant to the State Energy Management and Planning Act in accordance with the requirements prescribed by the Secretary."

(b) Part G of Title III of the National Energy Act which establishes an Energy Conservation Program for Schools and Hospital Facilities is amended by—

(1) inserting after the first sentence of section 394(a) the following:

"A plan may be submitted by a State as part of a State energy plan submitted pursuant to the State Energy Management and Planning Act in accordance with the requirements prescribed by the Secretary."

(2) inserting after the first sentence of section 397 the following: "Such application by a State may be submitted as part of a consolidated application in accordance with the provisions of section 362 of the State Energy Management and Planning Act."

(c) Part H of title III of the National Energy Act which establishes an Energy Conservation Program for Buildings Owned by Units of Local Government and Public Care Institutions is amended by inserting after the first sentence of section 400F the following: "Such applications by a State may be submitted as part of a consolidated application in accordance with the provisions of section 362 of the State Energy Management and Planning Act."

Amendment to the Energy Policy and Conservation Act

(a) Title III of the Energy Policy and Conservation Act, Public Law 94–163, as amended, is further amended by inserting the following new part:

"PART F—ASSISTANCE FOR SPECIAL ENERGY PROJECTS

"PROGRAM AUTHORIZATION"

"SEC. 391. The Secretary may provide financial assistance to States, units of local government, and Indian Tribes to assist in developing and implementing innovative and creative special energy projects.

SPECIAL ENERGY PROJECTS

"SEC. 392(a) The Secretary shall, by rule, prescribe guidelines for implementing this part which shall include—

"(1) procedures for submission of proposals by States, units of local government, and by Indian tribes; and

"(2) criteria which shall be used by the Secretary to select proposals which shall receive financial assistance.

"(b) The guidelines shall—

"(1) require that proposals approved by the Secretary not be inconsistent with the goals and policies of a State energy plan if such plan is in effect;

"(2) provide financial assistance to States, units of local government, and Indian Tribes for special energy projects which seek to encourage energy conservation or to improve energy supply or distribution;

"(3) give preference to those proposals which are directly related to the achievement of national energy goals and objectives and which have potential national applicability; and

"(4) proscribe the use of funds provided under this Part—

"(A) to pay for all or a portion of the purchase price of equipment, except office equipment;

"(B) to pay the cost of any construction or the purchase of real property; and

"(C) for such other purposes as the Secretary may proscribe.

"(c) A State, unit of local government or Indian Tribe receiving financial assistance under this Part shall be required to provide funds in an amount equal to twenty percent of the amount provided by the Secretary under this Part.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 393. For the purpose of providing financial assistance in accordance with section 391 of this part, there is hereby authorized to be appropriated to the Secretary for each of the fiscal years ending September 30, 1979 to 1983, $5,000,000, which may remain available until expended."

"RECORDKEEPING AND REPORTING

"SEC. 394. Each recipient of financial assistance under this Part shall keep such records as the Secretary may deem necessary."

DEPARTMENT OF ENERGY,
Washington, D.C., July 10, 1978.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I am transmitting herewith the proposed "State Energy Management and Planning Act of 1978," a measure designed to assist the States in developing an ongoing energy planning capability and to reduce the administrative burdens associated with the several Federally assisted energy programs.

As you know, in recognition of the particular and important opportunities that States have to contribute to the solution of an increasingly serious national energy situation, Congress in recent years has established a number of energy programs in which States play a major role. Two State conservation planning programs were separately established by the Energy Policy and Conservation Act (EPCA) enacted in 1975 and the Energy Conservation and Production Act (ECPA) adopted in 1976. In addition, Congress enacted the National Energy Extension Service Act of 1977 to establish Federally supported extension service (EES) activties in the several States.

Three other programs, as well as amendments to several existing programs, have been tentatively approved by Congress as part of the National Energy Act.

While the Administration supports each of these programs, experience strongly indicates that their effectiveness could be substantially enhanced if they, as well as other State energy-related initiatives, were carried out as part of an overall State energy plan. At the same time, the proliferation of Federally assisted energy programs has placed a heavy administrative burden on the States which can be ameliorated through establishment of consolidated grant application procedures.

The bill I am transmitting contains the following principal features to address this situation:

1. State Basic Energy Programs and State Energy Plans. The bill would consolidate the EPCA and ECPA State grant programs and the EES into State Basic Energy Programs and provide authority to the Secretary of Energy to assist the States in their efforts—

To establish the capabilities necessary to plan, monitor, and evaluate each State's present and future energy requirements;

To implement energy conservation and production programs;

To develop new programs which a State determines would best serve its energy goals and policies.

Participation in the State energy planning program would be voluntary. A participating State could receive financial assistance for development of a plan for approval by the Secretary, and for implementation and any necessary updating of approved plans.

2. Consolidated applications. The bill would permit the use of a consolidated annual application for all Federally-assisted energy programs administered by the Department of Energy. The bill would also direct the Secretary to review the rules, regulations and guidelines relative to State energy grant programs to simplify to the extent possible the administrative procedures which the States are currently required to follow. These provisions are intended to minimize the administrative burden on the States which has resulted from the separate application procedures now required for each State energy grant program.

3. Special energy projects. Section 4 of the bill would authorize the Secretary of Energy to make grants to State and local governments to develop and implement special energy projects. This section would provide the necessary flexibility for the support of State and local government energy projects which may not qualify for assistance under existing categorical programs but which are nonetheless worthy of Federal support.

The legislation also seeks to assure that State energy plans are developed with due regard for the conservation requirements of citizens with special needs, such as the poor, the handicapped, the elderly, and Native Americans. In addition, these plans must be developed with the participation of local governments and private citizens within each State. This requirement would ensure that State energy policies and goals are found on the broadest possible base.

The State basic energy programs established by the bill would be funded by the Department of Energy at the level of $110 million, which includes administrative costs, for each of the next five fiscal years. Five million dollars of that sum would finance the special energy projects program. Requirements for matching funds are spelled out in the bill. The President's budget as submitted in January included $85 million for these activities in FY 1979. The Department of Energy plans to obtain the additional $25 million by reducing requirements in other areas, assuming the legislation were enacted soon enough in fiscal year 1979 to allow full funding of the program. The bill would authorize the necessary appropriations for the remainder of the proposed five-year program.

The Administration strongly believes that the solution of our national energy problem requires concerted action by all levels of government, as well as by the private sector. We believe that this bill would make a significant contribution toward that end. For these reasons, I urge prompt consideration of this proposed legislation.

The Office of Management and Budget has advised that enactment of this proposed legislation would be in accord with the program of the President.

Sincerely,

JAMES R. SCHLESINGER,
Secretary.

"STATE ENERGY MANAGEMENT AND PLANNING ACT OF 1978"—SECTION-BY-SECTION ANALYSIS

Section 2.—This section of the bill would replace the present Part C, Title III, of the Energy Policy and Conservation Act ("EPCA"). The succeeding sections are numbered to conform to the new Part C.

Section 351. Findings and Purposes:

This section states that the States have significant opportunities to contribute to resolution of the energy conservation and production problems facing the Nation. The States should be encouraged to establish an

energy planning and management capability. Federal financial assistance to the States should be increased and administrative procedures consolidated so that energy programs can be made more effective.

In developing State energy plans, the States are also encouraged to take into account citizens of special need and to utilize existing energy and natural resource plans which have been developed by other levels of government within the State.

Section 352. Definitions:

This section defines "conservation" to include any program or activity carried out by a State which is intended to reduce consumption or produce energy from renewable resources.

The term "State" includes Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Government of the Northern Mariana Islands.

The bill provides for consolidated application procedures for the State energy programs contained in the National Energy Act and all other programs administered by the Department of Energy which provide financial assistance to States pursuant to an allocation formula established by statute.

The term "unit of local government" includes general purpose local government of a State. Indian Tribes and Tribal Organizations are defined by the Older Americans Act of 1965.

SUBPART A—STATE BASIC ENERGY PROGRAMS

Program authorization

Section 353. This section authorizes the Secretary of Energy to provide financial assistance to the States to develop and implement State energy plans and to carry out certain ongoing mandatory conservation and outreach programs which are consolidated by this Act. The Secretary is also authorized to provide technical assistance to States to assist them in developing their capability for energy planning and management.

Subsection (b) outlines the primary activities for which financial assistance is intended. They include the development of the State energy plan, preparation of studies in connection with energy policy development, implementation of the plan, and such other activities as deemed appropriate by the State to be consistent with its energy policies and goals. Implicit throughout this legislation is that States may use these funds to implement State activities and roles pursuant to Federal energy legislation.

Application for State basic energy program

Section 354. The Secretary is required to establish guidelines for applications for financial assistance. States may, upon enactment, apply for financial assistance to develop, implement or modify a State energy plan. In order to be eligible for assistance in the second year, a State must develop a State energy plan within nine months after the first grant was made unless a longer period is allowed by the Secretary. With review and approval requiring about 3 months, the programs would take effect approximately a year after the first grant was made.

Subsection (b) sets forth the requirements for an initial grant application. These include—

(1) a statement by the Governor that the State intends to develop a State energy plan;

(2) designation by the State of the agency or agencies responsible for developing and implementing the plan;

(3) assurance that financial assistance provided shall be used by the State in a manner consistent with the purposes of the Act;

(4) assurance that at least 50 percent of the grant will be used for energy conservation;

(5) assurance that the State's contribution to energy programs will not be reduced below existing levels because of Federal assistance;

(6) a description of the procedures by which the State will develop its plan, which must include provision for participation by local government, Indian tribes, and the public;

(7) a description of how the State plans to implement the mandatory conservation activities in the several States.

(8) a description of how the State intends to make use of energy-related plans and programs developed by local governments, Indian Tribes, and State agencies;

(9) a description of how the State intends to provide its energy forecast information to local governments in the State;

(10) assurance that the State will coordinate its activities with those of local government, Indian Tribes, and agencies of the State;

(11) assurance that the State will consider Federal energy policies and energy plans of other States in developing or implementing the State energy plan;

(12) assurance that the State has or will obtain legislative enabling authority as necessary to carry out its activities under the Act; and

(13) such other information as the Secretary may reasonably require.

Subsection (c) sets forth the requirements for annual applications by States in succeeding years. The requirements are similar to those in subsection (b) above.

The Secretary is required to approve any application which meets the application requirements with the added proviso that an approved State plan will be or is likely to be in effect during the fiscal year in which a grant is sought.

Subsection (e) authorizes the Secretary to disapprove a portion of a grant application without being required to disapprove the entire application. The State may submit amended applications upon disapproval.

Requirements for State energy plans

Section 355. A State must be in the process of developing or have in effect an approved State energy plan to be eligible to receive grants under this Part.

Subsection (b) contains the guidelines for State energy plans. These include—

(1) a description of the State's overall energy situation and a statement of its energy goals and objectives. This includes a forecast of energy consumption patterns; a description of the State's data collection system, if any; a description of the likely sources of energy which the State expects will be available to meet its needs and the price assumptions on which those projections are based; an estimate of types and amounts of fuel to be produced in the State which will be used in other States; and a projection of the need for electric generation and other major energy supply facilities.

(2) a description of how the State intends to implement the mandatory conservation and energy outreach activities under this Part;

(3) a management plan and description of how the State plans to use Federal funds to implement the State energy plan.

(4) an energy emergency plan which is coordinated with the plans of the Department of Energy and which provides for (A) administration of State programs for the set-asided program for petroleum products, consistent with guidelines prescribed under the Emergency Petroleum Allocation Act of 1973; (B) administration of a State program for fuel allocation and for restraining fuel demand; (C) monitoring of energy supply and consumption during a period of energy supply disruption in coordination with the Department of Energy's emergency management information system; and (D) implementation of Federal energy emergency measures which require State participation.

(5) a description of the procedures by which local governments, Indian Tribes, and the public may participate in the formulation and implementation of the plan.

Subsection (c) authorizes the Secretary to waive any of the requirements for submission of information of a State's overall energy supply/demand situation, and to provide information to the State where necessary to fulfill any such requirements. In addition, the Secretary may grant an extension of time for State compliance with any of the other requirements for a State energy plan. This subsection is intended to provide flexibility for States which may have more difficulty than other States in meeting all requirements for a State energy plan within one year.

Subsection (d) requires energy-related Federal agencies operating within a State to provide information, consistent with applicable law, when so requested by a State to assist in the preparation of the State energy plan. The information provided would not include proprietary information or information of a classified nature.

State coordination with local government and regional agencies

Section 356. This section is intended to encourage cooperation among local, State and regional energy organizations. States receiving Federal funds under the Act are authorized to provide a portion of the money to interstate or regional organizations, as well as to units of local government within the State, consistent with the purposes of this Act.

Approval of State energy plans

Section 357. State energy plans are to be reviewed and approved every two years. The Secretary is required to approve a plan unless he determines that it—

(1) fails to contain the required elements of a State energy plan;

(2) fails to meet the requirements for an energy emergency plan and for the mandatory activities under the Act;

Subsection (b) requires the Secretary to provide written notice if he determines that a State energy plan fails to meet the prescribed requirements. After the State is afforded opportunity to present views or take corrective action, the Secretary is required to notify the State that the State energy plan is disapproved in whole or in part and that it is not eligible to receive all or a portion of the financial assistance that it has been allocated. The Secretary must resume such assistance when he is satisfied that there is no longer any such failure to comply.

Subsection (c) is intended to make clear that the effect of approval of a State energy plan is limited to eligibility for financial assistance under this Act.

Mandatory activities

Section 358. This section consolidates and makes mandatory two existing energy conservation programs. In order to be eligible for financial assistance under the Act, a State must implement these two programs. The first program, energy conservation standards for new buildings is intended to require the development of both thermal efficiency standards and lighting standards. These two requirement are part of the current section 362(c) of EPCA. Guidelines made pursuant to this subsection are to be coordinated with the Department of Housing and Urban Development to assure compatibility with guidelines established under the Energy Conservation and Production Act of 1976.

The second mandatory program is the implementation of section 504(a) of the Na-

tional Energy Extension Service Act (Pub. L. 95-39). This is an energy outreach program which is designed to provide technical assistance and information to individuals, businesses and agricultural and commercial establishments for the purpose of reducing energy consumption. The program provides for energy evaluations or energy audits to be made available to commercial, residential and agricultural energy uses.

Restrictions on funds

Section 359. This section provides that no Federal funds under the Act may be used by a State to pay for any construction or purchase of real estate, to purchase equipment other than office equipment, or for any other purpose that the Secretary may proscribe.

Subsection (b) is intended to ensure that the State energy plan established under this Act is consistent with the energy impact assistance program contained in pending legislation and the coastal zone management program as well as with any plan prepared or information provided under the energy impact assistance program.

Allocation of funds, State share

Section 360. Funds provided under this Act are to be allocated annually based on the following formula:

(1) 65 percent based on State population;

(2) 25 percent equally divided among all States, and

(3) 10 percent based on energy production in the State, as defined by the Secretary.

Each State receiving assistance is required to contribute 20 percent of its Federal allocation. A State may elect to defer contribution of its share in either or both of the first two years, but such an election does not affect the amount of Federal assistance available. The deferred amount is to be contributed by the State in three equal amounts in the third through fifth years of the program.

A State contributing its share and any deferred amount due in the third year would, subject to other requirements of this Part, be eligible for 100 percent of its allocation.

The Secretary may grant 80 percent of a State's allocation if it pays its share for the third fiscal year or the deferred amount refered to above. The Secretary is authorized to grant 60 percent of a State's allocation even if it makes no contribution in the third, fourth and fifth years.

The amounts allocated to each State will be disbursed in accordance with normal procedures of the Department of the Treasury which govern disbursement of financial assistance.

Subsection (5) provides that if a State elects not to contribute its full share and any other deferred amount due for any fiscal year, the State must submit a statement to the Secretary explaining the reasons for its decision.

Subsection (c) would authorize the Secretary to reallocate unobligated balances from the previous year's allocations in the following year.

Subsection (d) provides for the establishment of maximum allocation levels for the Virgin Islands, Guam, American Samoa, and the Government of the Northern Mariana Islands.

Subsection (e) authorizes the Secretary to set aside a portion of the funds provided under the Act for direct assistance to eligible Indian Tribes. The Secretary may provide assistance to Indian Tribes if he finds that (1) a need for such funds is demonstrated, (2) the Federal assistance would not duplicate or substitute for funds provided under State or local energy-related programs, and (3) the Tribe is capable of performing all the requirements of this Act, including the matching requirement. The Secretary is to ensure that any Indian Tribe receiving such direct assistance will consult with the State or States in which it is located in preparing its own energy plan.

If any such funds remain at the end of any fiscal year, the funds would be reallocated to the States in the following year.

Authorization of appropriations

Section 361. The sum of $105 million is authorized for each of the next five fiscal years. This amount is intended to provide for both financial assistance to States and Departmental costs to administer the program. This authorization may for FY 1979 duplicate in part the authorizations pending before Congress because this legislation consolidates three existing DOE programs and the Administration intends to finance this legislation from within the FY 1979 budget for the Department as proposed by the President.

SUBPART B—CONSOLIDATED APPLICATIONS AND ADMINISTRATION

Application process and administration

Section 362. This section permits a State to make annual consolidation application for financial assistance under any State energy formula grant program administered by the Secretary of Energy. Any funds which have been committed to a State but not expended shall remain available to that State for the purpose intended despite the transition to consolidated applications.

Subsection (c) allows a State to elect, through its consolidated application, to use a portion of its financial assistance to cover administrative costs for any other State energy program for activities which the State is authorized to undertake pursuant to this Act.

The Secretary is required to arrange for an orderly transition to consolidated applications and prescribe rules or guidelines within two years after enactment which will simplify administrative requirements and facilitate State applications for Federal financial assistance.

Termination of financial assistance

Section 363. After giving notice, the Secretary is authorized to withhold all or a portion of a State's allocation of funds provided under this Act if he determines that such State has failed to meet the requirements for a State energy plan. The Secretary may also withhold funds for a specific State energy program for as long as the program is not in compliance with the statute establishing such program or with any regulation issued pursuant to such statute. Thus, a State energy program which is not in compliance would not cause funds to be withheld for other qualifying programs.

Transition to State basic energy programs

Section 364. This section is intended to assure that States receiving financial assistance under any existing program administered by the Department of Energy will not lose the funds that it would have received under those programs pursuant to any arrangements made prior to enactment of this Act, and to provide flexibility during the transition period.

Recordkeeping and reporting

Section 365. This section requires that recipient States and Indian Tribes keep records and make reports to the Secretary to assist him in providing an annual report to Congress. The Secretary, the Comptroller General or any other duly authorized official shall have access to information concerning a State energy plan for the purpose of audit examinations.

Annual report

Section 366. The Secretary is required to include in his annual report to Congress a report on the actions taken pursuant to this Act in the preceding year.

Section 3.—Amendments to National Energy Extension Service Act

This section of the bill repeals most of the National Energy Extension Service Act (Pub. L. 95-30) in order to "fold in" the essential functions of the program into the mandatory requirements of section 358. Reference is made in the remaining language to the provisions of this Act.

Sec. 4.—Amendments to Energy Conservation and Production Act

This section conforms the language of Part A of Title IV which establishes a program for Weatherization Assistance for Low-Income Persons. The purpose of the amendment is to permit a State to apply for financial assistance under this program as part of a consolidated application.

Sec. 5.—Amendments to the National Energy Act

This section amends the Utility Retrofit Program the Emergency Conservation Program for Schools and Hospital Facilities, and the Energy Conservation and Program for Buildings Owned by Units of Local Government and Public Care Institutions to permit consolidated applications for financial assistance.

Sec. 6.—Amendment to the Energy Policy and Conservation Act

This section would add a new Part F to EPCA. The Secretary is authorized to make grants to States, local government and Indian Tribes to assist in developing or implementing creative energy projects.

The Secretary may provide financial assistance to State, local and Tribal energy projects which are consistent with the State energy plan and which encourage energy conservation or improve energy supply.

The Secretary is required to give preference to those proopsals which directly relate to the achievement of national energy goals and which have potential national applicability. The use of funds to purchase equipment, excepting office equipment to pay the cost of any construction or real property, is prohibited. Subsection (c) provides that State, local or Tribal governments receiving funds are to provide 20 percent of the amount provided by the Secretary for special energy projects.

Authorization of appropriations

Section 393. Five million dollars is authorized for each of the next five fiscal years for this Part. A portion of this amount would be used to meet Departmental administrative expenses.

Recordkeeping and reporting

Section 394. Each recipient is required to keep records and annually report on the amount and disposition of funds awarded to projects under this Part.●

ADDITIONAL COSPONSORS

S. 2128

At the request of Mr. INOUYE, the Senator from West Virginia (Mr. RANDOLPH) and the Senator from Texas (Mr. TOWER) were added as cosponsors of S. 2128, a bill to amend the Internal Revenue Code of 1954 to eliminate the adjusted gross income limitation on the credit for the elderly, to increase the amount of such credit, and for other purposes.

S. 2157

At the request of Mr. NELSON, the Senator from Georgia (Mr. NUNN) was added as a cosponsor of S. 2757, the

Small Business Investment Company Development Act of 1977.

S. 2578

At the request of Mr. CURTIS, the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 2578, a bill to amend the Water Resources Planning Act so as to strengthen and protect the rights of the State and delineate congressional authority and responsibility with regard to national water resources policy.

S. 3053

At the request of Mr. SPARKMAN, the Senator from North Carolina (Mr. MORGAN) was added as a cosponsor of S. 3053, a bill to provide mortgage credit assistance to middle-income families purchasing conventionally financed new and substantially rehabilitated homes and to facilitate the preservation and renewal of urban neighborhoods.

S. 3127

At the request of Mr. BAKER (for Mr. DANFORTH), the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of S. 3127, the International Unfair Trade Laws Procedural Reform Act of 1978.

SENATE JOINT RESOLUTION 134

At the request of Mr. BAYH, the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of Senate Joint Resolution 134, to extend the deadline for ratification of the Equal Rights Amendment.

SENATE RESOLUTION 465

At the request of Mr. PAUL G. HATFIELD, the Senator from Missouri (Mr. DANFORTH) was added as a cosponsor of Senate Resolution 465, dealing with negotiation of a United States-Canadian air quality treaty.

AMENDMENT NO. 3097

At the request of Mr. STENNIS, the Senator from Utah (Mr. HATCH), the Senator from Nevada (Mr. LAXALT), and the Senator from North Dakota (Mr. YOUNG) were added as cosponsors of amendments No. 3097 intended to be proposed to S. 2899, a bill to amend the Endangered Species Act of 1973.

AMENDMENT NO. 3134

At the request of Mr. TOWER, the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of amendment No. 3134 intended to be proposed to S. 3079, the Military Construction Authorization Act for fiscal year 1979.

AMENDMENTS SUBMITTED FOR PRINTING

PCP CRIMINAL LAW AND PROCEDURES ACT OF 1978—S. 2778

AMENDMENT NO. 3135

(Ordered to be printed and referred to the Committee on the Judiciary.)

Mr. HATHAWAY (for himself and Mr. CULVER) submitted an amendment intended to be proposed by them, jointly, to S. 2778, the PCP Criminal Law and Procedures Act of 1978.

● Mr. HATHAWAY. Mr. President, last month the Subcommittee on Alcoholism and Drug Abuse held two joint hearings with the Subcommittee on Juvenile Delinquency to explore a relatively new phenomenon in drug abuse; namely, the illicit use of legitimate chemicals. Our specific focus was on phencyclidine, commonly known as PCP, angel dust, killer weed, crystal, Cadillac, cyclone, hog, and many other descriptive terms. It is even called DOA by some—this is police shorthand for "Dead on Arrival."

Regardless of what it is called, PCP is said to be a deadly, devastating drug, worse than anything else on the street. A glance at a magazine stand reveals numerous articles on PCP in a variety of magazines from Women's Day to Newsweek to Human Behavior. Newspapers and television programs have been drawing attention to PCP as well. Just last Sunday, the Washington Post ran a front page story on the destructive effects of PCP. The problem extends far beyond the user alone.

Mr. President, I ask unanimous consent that this article be printed in its entirety in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

YOUTH NOW HOPING TO START AFRESH—LIFE DEVASTATED FOR PCP USER'S FAMILY

(By Judith Valente)

With 10 kids in the family, four of them teen-agers, Jimmy's father had read all the pamphlets on drug use. He had even given talks on drugs to groups of parents. He knew the signs.

When Jimmy was about 16, his father noticed that Jimmy seemed incoherent much of the time. His blue eyes, so like his father's looked as though you could see right through them, his father recalled. He would just break off in the middle of a sentence. He seemed incapable of remembering anything.

One day, Jimmy's father went to the boy's room and "sniffed around."

There, tucked inside a stereo speaker, were a dozen neatly rolled marijuana joints. In a hole in the wall, concealed by a picture, lay several small one-ounce bags of phencyclidine, the mind-altering drug known as PCP, called "angel dust" and "killer weed" on the streets. It is a drug that is fast surpassing marijuana in popularity among the Nation's youth. It can cause drastic personality changes in the habitual user.

Jimmy's father looks back now on that discovery as "a day of total devastation."

"Here are the things you find that you hope aren't there. . . . Here is one of your own who's doing it. . . . When you face it, it blows your whole world apart. You ask yourself, 'What do I do now? Where do I go from here?' "

The things that happened to Jimmy's family over the past four years seem out of context in the familiar suburban atmosphere where they were played out. But somehow it all happened as this otherwise close-knit Catholic family from Montgomery County watched PCP turn the youngest in a row of four boys from a happy-go-lucky, affectionate youngster into a liar, a thief and a drug dealer—a half-crazed young man capable even of threatening to "slash to pieces" the members of his own family.

It is the story of a father who chaperoned at high school dances, who raised money for the Catholic Church and for his children's school, the recipient of "outstanding parent award," and of a mother who never spent more than 10 days away from her family, who is warm, gentle, and active in church affairs.

It all seemed to fail Jimmy. He saw himself as an outsider, the black sheep of the family who needed to prove that he was special.

Blessed with good looks and charm, Jimmy, at 19, has been jailed, stabbed, nearly beaten to death, and at one point, banished from his own home.

After four years of daily PCP use, two mental hospitals and numerous psychiatrists, Jimmy says he is now ready to pick up the pieces of his life and start afresh.

"I'm tired . . . I'm tired, man. I got . . . I mean . . . I just got so much to look forward to in life," he says in a slurred slow-paced speech—a legacy of his years of PCP use. It seems that something is going to explode inside him everytime he starts to speak.

Whether Jimmy will make it is still a question mark for his parents. But the lingering question that gnaws at them constantly, they say, is "how did this happen to us?"

"I was always a curious kid," Jimmy says as he begins to relate his story outside the family's Montgomery County home. There are bicycles in the driveway, a basketball hoop on the garage, swings in the backyard. A flag is displayed for Flag Day.

When Jimmy was 11, and a student in elementary school, he picked up an older brother's baseball glove. Stashed inside was a small plastic bag full of pot.

"I didn't know what it was, so I took it to school. This one kid, he knew what it was so we smoked it. I choked, I coughed, like, I got sick, I couldn't stand it."

But just as he'd grow accustomed in the sixth grade to smoking cigarettes, by eighth grade, Jimmy and his friends were smoking pot before and after school and during recess. Whenever the teachers would let them outside for gym, they'd sneak off to a wooded area near the school and smoke pot.

Jimmy liked the sort of familiar bond his pot-smoking created between him and his friends. It set them apart from the other kids at school. Most important to Jimmy was the way it made him feel superior to his older brothers.

"I have a lot of brothers . . . They always told me to get lost, you know. 'Get lost, you're nothing but trouble.' That's what they'd say. They put me down, man. They put me down really bad."

He constantly got in trouble in those days, Jimmy's mother recalls. The first time Jimmy was caught shoplifting—six Bic pens from a Montgomery Ward store—she remembers how upset she became.

"I was shocked to think he would do something like that . . . That was breaking the law and breaking God's commandment."

Jimmy's mother says she used to break down and cry whenever a policeman would come to the door with Jimmy because he was found drunk or involved in something like shooting slingshots at cars. She soon learned—through habit—to take these things in stride

In the ninth grade, Jimmy went to a school where his brothers were known as athletes and serious students and his parents were involved in several activities. Jimmy took an after-school job mowing the lawn for two men who rented a house near his home.

One day he saw the men mixing an odd-smelling liquid substance in a container in the kitchen. The two men caught Jimmy looking and threatened him if he reported what he saw to the police. In return for keeping silent, he got to take his first couple of "hits" of PCP.

For the next two years, during the 10th and 11th grade, Jimmy says he smoked an ounce of PCP a day. Most PCP users smoke the drug, as Jimmy did, sprinkled on parsley or basil leaves. Because it looks like marijuana and is smoked, many youths, who

don't know of PCP's added potency and who would otherwise stay away from harder drugs, are tempted to try it, drug officials say.

"I just kept getting high, getting more burnt out, more burnt out. Kept going down, down," Jimmy says.

At home his presence was like a time bomb ticking away for every member of the family. Things began disappearing around the house, "little things like this ring," Jimmy's father says, fingering the silver pinkie ring he wears, "which I'd find later in Jimmy's room."

Jimmy began stealing money from his parents and birthday money from his brothers and sisters. Once he stole a large sum of money his father had raised for his high school and his father then had to replace the money.

Things also appeared mysteriously. Stereos, stereo equipment, cassettes, eight track tapes, car radios.

Jimmy broke into a neighbor's house and stole a stereo only to return it the next day. Soon he was being blamed for whatever went wrong in the neighborhood. One neighbor, whom Jimmy's family had been friendly with for almost 20 years, sarcastically told Jimmy's mother one day that the neighbors were thinking of taking up a collection to send Jimmy away.

Soon Jimmy learned that PCP wasn't only a good way of getting high. It also meant money. Lots of it. Once he got his hands on just an ounce of PCP, he could make a $200 profit on a $150 purchase. Soon he was making $3,000 to $6,000 a week.

He began buying leather jackets, $300 suits.

The PCP was apparently easy enough to find. "All you had to do," Jimmy says, is "walk down the street . . . or go to a party and say, 'Hey, man, where can I get some KW? Where can I get some Green?' "

At home, it was a nightmare. Jimmy's parents recall, as their son seemed less and less in touch with reality.

"One night Jimmy came home flying high on something. And he spent the whole night in my arms, crying like a baby, and you know that he's over six foot. I thought to myself, this has got to be it, he can't get much lower than this. I thought now he'll wise up.

"The next morning when he got up from bed, he didn't remember a thing about what had happened," recalled Jimmy's father, a burly soft-spoken man who worked himself up from construction equipment operator to a field supervisor.

It was about that time that he found the drugs in Jimmy's room. "We knew something had to be done, but what? Who do you go to? The police? . . . I tried to talk to Jimmy. I told him "Look, you only have two more years of (high) school. We'll do the best we can for you, but you've got to help yourself.

"(He'd say) Why are you always lecturing me, Dad."

Jimmy's mother had little more success with her son than her husband.

"There was this one time when I was really afraid he'd do something to the little kids. I was sitting at the table, helping one of the little kids with homework and Jimmy leaned in over the doorway next to the kitchen. He had this strange expression on his face. He said, 'You know, I could just kill you all.'

"I know now this was his way of crying out for help."

Although there were no overt attempts at suicide, Jimmy seemed to be on an extended dare with death. He swallowed quaaludes with beer. He drank fifths of vodka in a single evening. But most of all, he found himself in the midst of fights, usually over drug thefts.

After one of these fights, for which he was hospitalized, Jimmy's parents asked that he be examined for drug use. The hospital found that he was a heavy user of PCP.

"We had to do something," Jimmy's father said. So they enrolled him in a drug day care program based at Montgomery General Hospital. The family began receiving counseling at Bethesda Community Psychiatric Clinic. Jimmy went to his therapy sessions only a few times, then withdrew. His parents meanwhile continued with the counseling.

To this day, Jimmy's parents disagree over the benefits of counseling. "They'd ask us a lot of questions, but if you ask them what can be done, they don't give any answers," Jimmy's father said.

"They asked me, what kind of pregnancy did you have? When did Jimmy first talk, when was his first smile. I guess some mothers write these things down. But I didn't," Jimmy's mother said.

So she began keeping notes on Jimmy's teen-age behavior in a black-covered record book. Now, however, the entries were not about first smiles or first words. They said things like, "Using pot heavily . . . weekly (counseling) sessions not enough . . . Jimmy is stabbed in the back."

As the family's attention centered more and more on Jimmy, jealousy grew among the other members of the family.

"We were spending all this money on Jimmy . . . At one point we had used up all the family's savings. We had to say to the older boys, you can't have this or that right now because we just don't have the money. It was hard for them to understand," Jimmy's mother said.

She and her husband became more suspicious of their other children—and the kids noticed it. "They say to us we weren't being fair to them, and we weren't," Jimmy's mother said.

Jimmy's father began scouting around for a mental hospital to place the boy in. He found that most were far more expensive than he could afford. Then he learned that the juvenile court will help pay for the rehabilitative care of youths who are deemed beyond parental control.

So one day in July, 1975, Jimmy's parents told the juvenile court they could no longer control their son.

"It was just terrible. It was admitting that you are a failure as a parent," Jimmy's mother said of the court appearance.

But through the court, Jimmy was able to enter a hospital but seemed to make little progress.

After he came home, Jimmy soon slipped back into his old life style. He was dealing drugs regularly, and then, in a fight with a man who claimed Jimmy had stolen PCP from him, Jimmy was stabbed in the back on the lawn of a Silver Spring apartment building. The knife had ripped into one of his lungs, causing it to collapse.

When Jimmy was released from the hospital, he was 18 years old and his father asked him to move out of the house.

"It had just gotten too much for my husband. He had just been hurt too much," Jimmy's mother said.

Jimmy subsequently spent a month on the West Coast with relatives. When he returned, he told his parents he had changed.

"I just looked at myself in the mirror. I thought, hey man, this isn't me. I looked like a ghost, a skeleton . . . I just had to get it together."

Now Jimmy has a steady job and his own place to live. He talks about trying to get into TV commercials, like a girl he knows who's been in Coca Cola ads. He thinks he'd like to write about his experiences, so he might prevent other kids from using PCP. He would call the book "The K-W Connection," he says, because those are the initials of Killer Weed, and of the Kensington-Wheaton area where he grew up.

His relationships with his family seem to be improving. One morning last month, he hailed his father in the street to give him a Fathers Day present.

"My father you know, like, he smiled at me."

Mr. HATHAWAY. Mr. President, that PCP has become a national problem, as reflected by the media, is also supported by what little statistical information we have available. Use of PCP is growing in alarming proportions, especially among our Nation's youth. Federal officials estimate that nearly 7 million people, most of them from 12 to 25 years old, have tried this dangerous drug. Recent news reports indicate that last year alone, PCP sent at least 4,000 users to hospital emergency rooms, took 100 lives, and was responsible for an untold number of strange, suicidal, or homicidal acts. Reported incidents include drowning in a shower, self-inflicted gunshot wounds, and other bizarre behavior.

PCP is a nonnarcotic, nonbarbiturate chemical agent. It is apparently easy to make from readily available legal chemicals. This drug is extremely toxic and can cause severe reactions with a single dose.

Because of its widespread abuse and potential for devastating effects, PCP warrants national attention and Federal controls. This became increasingly clear at the hearings. Three former PCP users testified about the dangers of PCP and how easily one can obtain the drug. A convicted PCP manufacturer who is currently serving time in Federal prison, described the ease with which PCP is made and the enormous profit that can be realized with a small investment. Researchers, treatment professionals, and law enforcement personnel testified about the widespread and growing use of PCP, especially among our Nation's youth, and cited examples of the bizarre and violent behavior which can be attributed to its use. We also heard from the administration about current efforts with respect to prevention and education, treatment and rehabilitation, and Federal law enforcement activity related to PCP. Finally, we were pleased to have the benefit of testimony from our distinguished colleague, Senator LLOYD BENTSEN, the author of S. 2778, the PCP Criminal Law and Procedures Act of 1978.

This bill would increase the penalties for PCP trafficking and require reporting of the sale or transfer of piperidine, an essential ingredient of PCP. I am pleased to be a cosponsor of this bill, and commend Senator BENTSEN for his fine efforts.

The amendment I am submitting today is based in large part on the testimony received during the hearings, and is intended to strengthen S. 2778. It is entitled the Drug Abuse Control Act of 1978. This amendment revises the penalty structure for the unauthorized manufacture or distribution of PCP contained in S. 2778, so that it is in conformity with the Controlled Substances Act. This amendment also revises the

provision in S. 2778 requiring reporting of transfers or sales of piperidine to require reporting within 7 days instead of 30 days. This will make it easier for law enforcement personnel to track down the substance should there be suspicion of improper use.

Controlling PCP is more difficult than controlling most abused drugs, because it is composed of readily available licit chemicals which are used for legitimate industrial purposes. However, if we can get a handle on piperidine, an essential ingredient of PCP, then we should be able to get PCP under control. The Drug Abuse Control Act of 1978 attempts to do just that.

Mr. President, I ask unanimous consent that the text of my amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 3135

Strike out all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Drug Abuse Control Act of 1978".

SEC. 2. Section 841(b) of title 21 of the United States Code is amended—

(a) by inserting after the phrase "such person shall" in the first sentence of paragraph (1)(B) the following: ", except as provided in paragraphs (4) and (5) of this subsection,".

(b) by adding after paragraph (4) the following new paragraph:

"(5) Notwithstanding paragraph (1)(B) of this subsection, any person who violates subsection (a) of this section by manufacturing, distributing, or possessing with intent to manufacture or distribute, except as authorized by chapter 13 of title 21 of the United States Code, phencyclidine, shall be sentenced to a term of imprisonment of not more than 10 years, a fine of not more than $25,000, or both. If any person commits such a violation after one or more prior convictions of him for an offense punishable under paragraph (1)(B) of this section or for a felony under any other provision of this subchapter or subchapters II and III of this chapter or other law of the United States relating to narcotic drugs, marihuana, or depressant or stimulant substances, have become final, such person shall be sentenced to a term of imprisonment of not more than 20 years, a fine of not more than $50,000, or both. Any sentence imposing a term of imprisonment under this paragraph shall, in the absence of such a prior conviction, impose a special parole term of at least 2 years in addition to such term of imprisonment and shall, if there was such a prior conviction, impose a special parole term of at least 4 years in addition to such term of imprisonment."

SEC. 3. Chapter 13 of title 21 of the United States Code is amended by adding at the end thereof the following new subchapter:

"Subchapter III.—PIPERIDINE REPORTING

"§ 980. Reporting requirement

"(a) It shall be unlawful—

"(1) For any person to sell, transfer or otherwise furnish any piperidine unless such person reports such sale, transfer or exchange to the Attorney General pursuant to regulations promulgated under section 981.

"(2) For any person to sell, transfer or otherwise furnish any piperidine unless the purchaser, transferee, or other recipient of such piperidine presents positive personal identification pursuant to regulations promulgated by the Attorney General under section 981.

"(3) For any importer of piperidine to receive piperidine without reporting such receipt to the Attorney General pursuant to regulations promulgated under section 981.

"(b) The provisions of paragraph (a) of this section shall not apply to—

"(1) Intra-company sales or transfers of piperidine.

"(2) A common or contract carrier or warehouseman, or an employee thereof, whose possession of piperidine is solely for the purpose of transporting such substance in the usual course of his business or employment; provided, that the Attorney General may require any such carrier or warehouseman to retain and report any shipping documents for such substance.

"§ 981. Nature of reports

"(a) Any person required to submit a report pursuant to section 980 shall submit such report on a common reporting form to be issued in blank by the Attorney General.

"(b) Such reporting form shall contain information as to—

"(1) The quantity and form of the piperidine sold, imported, transferred, or otherwise furnished.

"(2) The date the piperidine was purchased, imported, transferred, or otherwise furnished.

"(3) The name, address and age of any individual who purchases, imports, or otherwise receives such piperidine.

"(4) The type of identification presented by the purchaser, importer, or other transferee.

"(5) The name and address of any business entity that purchases, imports, or otherwise receives piperidine, including the name, address, and title of the authorized purchasing agent for such business entity.

"(6) The purpose of such purchase, importation, or transfer, including a description of the intended usage of such piperidine.

"(7) The date and manner that such piperidine was shipped or otherwise transferred and the address of the destination of any such shipment or transfer.

"(8) Such other information, including that necessary for establishing positive buyer or transferee identification, as the Attorney General may deem necessary for the enforcement of this subchapter.

"(c) The Attorney General is authorized to promulgate such regulations as are necessary for the enforcement of this subchapter.

"(d) Not later than one year after the effective date of this section, the Attorney General shall submit to the President and the Congress an analysis and evaluation of the effectiveness of piperidine reporting in reducing the illicit manufacture of phencyclidine. Such analysis and evaluation shall also contain an assessment of any burden such reporting places on legitimate transactions in and uses of piperidine and such recommendations as the Attorney General deems appropriate.

"§ 982. Filing deadline for reports.

"(a) Except as provided in subsections (b) and (c) of this section, any person required to submit a report to the Attorney General pursuant to section 980 shall submit such report within seven days of the purchase, transfer, importation, or other exchange of piperidine.

"(b) The Attorney General may authorize any person required to submit a report to the Attorney General pursuant to section 980 to submit such on a quarterly basis with respect to repeated, regular transactions between the furnisher and the recipient if the Attorney General determines that (1) a pattern or regular supply of piperidine exists as between the person who sells, imports, transfers, or otherwise furnishes such piperidine and the recipient of the piperidine and (2) the recipient has established a record of utilization of such piperidine for lawful purposes.

"(c) Any person required to submit a report to the Attorney General pursuant to section 980 within the first 90 days after the enactment of this Act may submit such report at any time up to 100 days after the enactment of this Act. Such report shall contain the information specified in paragraphs (b)(1) through (b)(7) of section 981.

"§ 983. Retention and inspection of records

"(a) Any person who sells, imports, transfers, or otherwise furnishes piperidine shall maintain such records as are deemed necessary by the Attorney General to enforce this subchapter. Such records shall be kept and be available, for at least two years, for inspection or copying by officers of employees of the United States authorized by the Attorney General.

"(b) The Attorney General may enter during business hours the commercial premises of any person who sells, imports, transfers, or otherwise furnishes piperidine for the purpose of inspecting, examining, or copying any records or documents required to be kept by this Act. Upon the request of any State or any political subdivision thereof, the Attorney General may make available to such State or any political subdivision thereof, any information which he may obtain by reason of the provision of this Act with respect to identification of persons within such State or political subdivision thereof who have purchased, imported, or otherwise received piperidine together with a description of such piperidine.

"§ 984. Lost or stolen piperidine

"Any person who manufactures, sells, purchases, imports, transports, transfers, or otherwise furnishes or receives piperidine shall report any theft or loss of such piperidine to the Attorney General within seven days of the actual discovery of such theft or loss. Such reports shall contain such information as the Attorney General may require under regulations promulgated under this subchapter.

"§ 985. False or misleading statements

"It shall be unlawful for any seller, purchaser, importer, transferor, transferee, or other provider or recipient of piperidine to knowingly make any false, oral, or written statement or misrepresentation with respect to information required to be reported pursuant to regulations promulgated under this subchapter or to knowingly omit any material information required to be reported pursuant to regulations promulgated under this subchapter.

"§ 986. Penalties, enforcement

"(a) Whenever it shall appear that any person has violated any provision of sections 981, 982, 983, 984, or 985, the Attorney General may bring a civil action for such relief (including injunctions) as may be appropriate.

"(b)(1) Except as provided in paragraph (2), any person who violates sections 981, 982, 983, 984, or 985 shall, with respect to any such violation, be subject to a civil penalty of not more than $25,000. The district courts of the United States (or, where there is no such court in the case of any territory or possession of the United States, then the court in such territory or possession having the jurisdiction of a district court of the United States in cases arising under the Constitution and laws of the United States) shall have jurisdiction in accordance with section 1355 of title 28 of the United States Code to enforce this paragraph.

"(2)(A) If a violation of sections 981, 982, 983, 984 or 985 is prosecuted by an information or indictment which alleges that the violation was committed knowingly and the trier of fact specifically finds that the violation was so committed, such person shall, except as otherwise provided in subparagraph (b)(2)(B) of this section be sentenced to imprisonment of not more than one year or a fine or not more than $25,000, or both.

"(B) If a violation referred to in subparagraph (A) was committed after one or more prior convictions of the offender for an offense punishable under paragraph (2), or for a crime under any other provision of this subchapter or subchapters I and II of this chapter or other law of the United States relating to narcotic drugs, marihuana, or depressant or stimulant substances, have become final, such person shall be sentenced to a term of imprisonment of not more than 2 years, a fine of $50,000, or both.

"(3) Except under the conditions specified in paragraph (2) of this subsection, a violation of sections 981, 982, 983, 984, or 985 does not constitute a crime, and a judgment for the United States and imposition of a civil penalty pursuant to paragraph (1) shall not give rise to any disabflity or legal disadvantage based on conviction for a criminal offense.

"§ 987. Prohibited transfers of piperidine

"It shall be unlawful for any person to import, purchase, transport, transfer, receive, conceal, store, barter, sell, manufacture, or otherwise furnish or dispose of any piperidine if—

"(a) such person:

"(1) is under indictment for, has been convicted in any court of, a crime punishable by imprisonment for a term exceeding one year;

"(2) is a fugitive from justice; or

"(3) is an unlawful user of any depressant or stimulant substance (as defined in 21 U.S.C. 802(9)) or narcotic drug (as defined in 21 U.S.C. 802(16)), or

"(b) such person knows or has reasonable cause to believe:

"(1) that such piperidine will be used to manufacture phencyclidine, except as authorized by chapter 13 of title 21 of the United States Code;

"(2) that such piperidine has been stolen, or

"(3) that the purchaser, transferee, or other recipient of such piperidine:

"(A) is under the age of 18;

"(B) is under indictment for, or has been convicted in any court of, a crime punishable by imprisonment for a term exceeding one year;

"(C) is a fugitive from justice; or

"(D) is an unlawful user of any depressant or stimulant substance (as defined in 21 U.S.C. 802(9)) or narcotic drug (as defined in 21 U.S.C. 802(16)).

"§ 988. Criminal penalties

"Any person who violates any provision of section 987 shall be fined not more than $20,000, or imprisoned not more than five years, or both."

DEFINITIONS

SEC. 4. For purposes of this Act—

(1) "Person" includes any individual or business entity.

(2) "Piperidine" means piperidine, its salts and its acyl derivatives.

(3) "Phencyclidine" means 1-(1-phenylcyclohexl) piperidine, its salts and its acyl derivates and any analogue, derivative or variant of phencyclidine that is in a schedule pursuant to section 812 of title 21 of the United States Code.

(4) "Attorney General" means the Attorney General of the United States.●

● Mr. CULVER. Mr. President, I am joining with Senator HATHAWAY in submitting an amendment to S. 2778, the PCP Criminal Laws and Procedures Act of 1978, a bill sponsored by Senator BENTSEN. This amendment will strengthen and improve the effectiveness of S. 2778 in combating a serious and rapidly increasing drug problem—the use of phencyclidine or PCP. This amendment will be considered by the Juvenile Delinquency Subcommittee in its markup session tomorrow morning on on S. 2778.

Mr. President, this amendment is the result of 2 days of joint hearings conducted in June by my Juvenile Delinquency Subcommittee and by Senator HATHAWAY'S Subcommittee on Alcohol and Drug Abuse. At these hearings we received testimony from the National Institute on Drug Abuse that over 7 million people in the United States have used PCP and

That in several areas of the country, PCP is becoming the drug of choice among our young people. We heard about the effects of PCP from three young former users. We also listened to testimony from persons who bought PCP, who trafficked in it, and who manufactured it. We heard from the top Federal officials who are responsible for the prevention, education, treatment, and law enforcement programs aimed at curbing PCP. And finally we heard from a number of law enforcement officers and prosecutors who are engaged in apprehending and prosecuting PCP traffickers.

Mr. President, the Subcommittee to Investigate Juvenile Delinquency and the Subcommittee on Alcoholism and Drug Abuse have long histories of concern with various forms of drug abuse. But frankly, much of what we heard during these hearings on PCP alarms me, for I believe PCP represents a new type of drug abuse that poses unusually serious problems for those who must combat it.

Unlike most drugs of abuse, PCP can be manufactured by virtually anyone using a relatively inexpensive process. It does not have to be smuggled into this country, stolen from a legitimate drug firm, or made in a sophisticated illicit laboratory. Instead, anyone, including teenagers, can simply walk into a chemical supply house and obtain the necessary chemical ingredients for PCP. Then using a simple formula and such primitive equipment as bathtubs, sinks or even garbage cans, they can, in a matter of hours, turn $125 in chemicals into $35,000 worth of drugs.

This situation has led to a number of weekend entrepreneurs who manufacture PCP and makes it extremely difficult for law enforcement personnel to locate all of the illicit laboratories. It also assures a large and relatively cheap supply for the street traffic.

Indeed PCP can be found on the streets under such names as angel dust, killer weed, cyclone, hog, and peace pill. It can be snorted as a power, injected as a fluid, swallowed as a pill, or sprayed over parsley, mint leaves, or marihuana and smoked. Often it is used to fortify other drugs or even misrepresented as THC or LSD. Prices vary widely, but often schoolchildren can obtain potent doses for as little as $1.

The effects of PCP also vary with the individual and the amount and form of PCP used. Some experience feelings of peace and detachment and a loss of sensation. Others have developed temporary amnesia, hallucinations, delusions of superhuman strength, acute paranoia and violent and aggressive behavior. When these types of severe reactions occur, the PCP user is often a threat to himself and to society. For example, we heard testimony of PCP users who have leaped off buildings, attempted to stop moving automobiles, drowned while swimming or bathing, assaulted others and even methodically mutilated their own bodies. We know that last year alone PCP sent 4,000 users to hospital emergency rooms and took over 100 lives, and these figures almost certainly underestimate its actual effects.

Mr. President, S. 2778 as amended by our proposal would combat this situation in two ways. First, it would increase the penalties for the illicit manufacture or distribution of PCP from the present maximum of 5 years and/or a $15,000 fine, to a maximum of 10 years and/or a $25,000 fine. It would also increase the present penalty for a second or subsequent offense from 10 years imprisonment and/or a $30,000 fine to 20 years imprisonment and/or a $50,000 fine. I believe these additional penalties will provide the courts and prosecutors with strong, new weapons to deter the illicit manufacture and distribution of PCP.

The bill as amended would also make it much more difficult to manufacture PCP by attacking the most vulnerable part of that process—the use of piperidine. Piperidine is a little-used chemical essential to the manufacture of PCP. At present anyone may purchase this chemical with no questions asked. Under the provisions of the amendment, however, anyone who purchases piperidine would be required to provide Federal drug enforcement officials with such pertinent information as their name, age, address, and the purpose for which they intend to use such piperidine.

I wish to point out that only 500,000 pounds of piperidine is produced in this country every year since the chemical has relatively few legitimate uses. Moreover, the act would allow those who make regular purchasers of piperidine for legitimate purposes to report such purchases on a quarterly basis. Thus, the legislation would not place any cumbersome burdens on legitimate users of piperidine, but it would greatly restrict the ability of PCP manufacturers to obtain this substance without scrutiny.

Mr. President, as with other drug enforcement legislation, this proposal would not completely end PCP abuse. I am convinced, however, that it will greatly reduce the number of PCP manufacturers and traffickers, and PCP will not be as readily available and as cheap as it is today. Moreover, this legislation would greatly increase the ability of law enforcement personnel to find and arrest those individuals who do attempt to manufacture PCP. Finally, it will assist prosecutors and judges in insuring that those who manufacture or traffic in PCP are convicted and given stiff sentences.

In closing, Mr. President, I would like to thank two of my colleagues. First, Senator BENTSEN is to be commended for introducing S. 2778 to increase the penalties for the manufacture and sale of PCP and to require piperidine reporting. His bill has been cosponsored by 29 Senators and endorsed by the Drug Enforcement Administration and 14 State drug enforcement agencies. Our amendment

is designed to perfect his bill and has his support.

I would also like to thank Senator HATHAWAY, who chairs the Subcommittee on Alcoholism and Drug Abuse, and who has a longstanding concern with these problems. His efforts were invaluable in both conducting our hearings and in formulating these amendments.

Mr. President, Senators BENTSEN, HATHAWAY, and myself believe that these measures would be extremely effective in curbing PCP abuse, and we commend them to the rest of the Senate. We also commend to their attention the excellent article describing the effects of PCP on an individual family that appeared in the Washington Post on July 9, 1978, which has been included in the RECORD.●

ADDITIONAL STATEMENTS

SOLAR ENERGY USE IN DEVELOPING COUNTRIES

● Mr. HART. Mr. President, developing countries have been particularly hard hit by oil price increases and they can ill afford the large capital cost and currency drain required by conventional energy sources. These countries are aware of the seriousness of their energy supply situation, and many of them are expressing increasing interest in seeking alternatives to conventional energy resources and technologies to help meet their needs.

A recent New York Times article describes how a small village in Egypt is discovering the benefits of solar energy use. Currently, a solar cell powers the village television set, cassette recorder, and public address amplifier. The villagers are also interested in using solar energy to power their water wheels and ovens.

I would hope that through our programs of energy cooperation and assistance to developing countries, the United States can share its knowledge of solar energy with many villages such as Basaisa, Egypt.

Mr. President, I ask that this very interesting article be printed in the RECORD.

The article follows:

SUN BRINGS TV TO MUD VILLAGE IN EGYPT'S DELTA

(By Christopher S. Wren)

BASAISA, EGYPT.—In the evening when the field work is done, when the water buffalo, goats and sheep have been brought in and kerosene lamps glow in the darkness, the villagers of this Delta settlement come to their mandara, or communal hall, sit on low cots or the dirt floor and watch television.

To Basaisa's 250 inhabitants, the small orange portable set is a wonder. It is powered by the sun or, more precisely, by a solar cell on one of the village's mudwall buildings.

It is the sun that enables the villagers to grow their cotton, rice, wheat and vegetables in the rich black Delta soil. Now the sun provides a few hours of entertainment, whether a soccer match, popular songs of the late Abdel Halim Hafez or reruns of old American movies.

The solar cell also provides power for the village's cassette recorder and a public address amplifier for the local mosque. More elementary systems also heat the water and will shortly help bake the bread.

Basaisa is a community that has moved to solar power without having first experienced more conventional sources of electricity.

ANCIENT EGYPTIAN'S WORSHIPPED SUN

In ancient Egypt, the sun was worshipped as the symbol of life. Today, the Egyptian authorities are studying the feasibility of using solar power for a number of development projects, including a new town totally dependent on solar energy, at Wadi el-Natrun in the Western Desert, and solar-energized navigation buoys in Lake Nasser behind the Aswan High Dam.

Egypt's steady sun offers the right conditions. An official of the Ministry of Power and Energy reported earlier this year that the country's annual solar radiation ranged from about 1,800 kilowatt hours a square yard along the Mediterranean coast to about 2,500 kilowatt hours a square yard in the south.

Eventually, the Government hopes to introduce solar power for radio and television stations in the south, pumping stations on Lake Nasser, water desalination projects and air-conditioning and irrigation units.

Solar power was introduced to Basaisa by Salah Arafa, a 36-year-old physics professor at the American University of Cairo, Professor Arafa said that he had selected the village because it was in a densely populated farming region not far from his home town of Zagazig, 60 miles northeast of Cairo.

SEEKS TO PROMOTE USE OF SUN'S ENERGY

Professor Arafa said that he wanted to get the villagers sufficiently interested in the sun's potential that they would start to think of it as a logical energy source. "Even educated people in towns are not aware of the possibilities," he said.

The solar cell was donated by the Philips electrical products company and the 12-inch television set from a Japanese concern.

Using these attention-catching devices, Professor Arafa encouraged the villagers to try their hand at making use of the sun. A tin can soldered to a wire coil stretched across a metal reflector became an efficient means to boil water. A fiberboard box with opposing reflector lids was made into an oven.

The village sheik, Mohammed Ali Goneim, said that when Professor Arafa approached him late in 1973, "We were hesitant and didn't know whether to say yes or no. But when he showed us how to boil water and installed the television, we were very surprised and tried to help him."

WORD SPREAD TO NEIGHBORING VILLAGES

Word of the solar experiments spread fast around the district. When Mr. Goneim sent invitations to neighboring villagers to come over and watch television, about 2,000 showed up.

Professor Arafa, who finances the work from his own pocket and with the help of donations, said that the solar cell retained power for only two or three hours and that the television viewers therefore must determine beforehand what they want to see on a given night.

The village sheik recalled that the high point of viewing came last November when all the villagers watched the live coverage of President Anwar el-Sadat's visit to Israel.

Some villagers are already asking whether there are ways to ease the burden of their field work with solar power. "We want to try to make our water wheels function from the sun instead of turning them with animals, and use the sun for a big oven to bake bread," said 16-year-old Abdel Saud Abdel Hamid.●

ADMINISTRATION'S POSITION ON THE CO-OP BANK BILL

● Mr. TOWER. Mr. President. The Senate is expected to consider the National Consumer Cooperative Bank Act (H.R. 2777) in the very near future. One of the most disturbing aspects of this legislation has been the change in the administration's position. A little over a year ago, the administration was on record in opposition to its enactment. At that time, Assistant Secretary of the Treasury Roger C. Altman testified in the House that: "before this administration can support H.R. 2777, we must have more evidence concerning the need for, and cost effectiveness of, creating a Consumer Cooperative Bank and the related entities proposed here." Assistant Secretary Altman went on to say that:

It seems to us that much remains to be learned about (1) the specific unsatisfied financial and nonfinancial needs of cooperatives which the Government should address, (2) the type of capital which cooperatives most require, (3) the existing government programs which might be expanded or better coordinated to help cooperatives, and (4) whether an existing government entity, rather than a new one, is best suited to handle cooperative issues.

The administration proposed at that time the establishment of an interagency task force on consumer cooperatives and the establishment of a pilot lending program for cooperatives. Assistant Secretary Altman said that this task force and pilot lending program were needed because "there simply is not sufficient evidence to support a comprehensive commitment of the size and structure envisioned in this bill. There is insufficient data concerning the unmet financing needs of consumer cooperatives, what form of financing assistance would be most effective, and how much of it is truly required."

Assistant Secretary Altman went on to say:

I believe that compelling evidence should be available before any broad new programs, major budgetary commitments, or new federal bodies are established. We do not yet have such evidence supporting this legislation and thus think that the first step should be to develop it.

However, the administration switched its position on this legislation, and last January, when it testified before the Senate Banking Committee's Financial Institutions Subcommittee, the administration was in favor of establishing a National Bank for Consumer Cooperatives. Within a period of little less than a year the administration had reversed itself to now support legislation that would commit millions of taxpayers' dollars to establish a new Government agency whose need has not been clearly established.

What made the administration change its mind? What compelling evidence—as Assistant Secretary Altman put it—had been developed to convince the administration to turn 180 degrees to now support the establishment of a new multimillion dollar lending facility for consumer cooperatives?

According to Assistant Secretary Altman, the administration changed its mind as a result of a series of interviews between the staff of the Treasury Department and various consumer cooperatives, Federal agencies, and private lenders. I should point out that this study of consumer cooperatives by the administration was not a comprehensive or technical study. The administration acknowledged this when Assistant Secretary Altman testified that it was "in no sense a comprehensive 'survey' or a technical study. Rather we thought that the best way to understand the needs of cooperatives and their contributions to American society was to talk to the people who started them and who run them. They are a dedicated and impressive group." They also must have been a very persuasive group in view of the fact that Assistant Secretary Altman had testified less than a year earlier that it would take "compelling evidence" to establish the need for a consumer cooperative bank.

I have reviewed the information collected in that study by the Treasury Department and I do not believe that it contains the type of "compelling evidence" to which Assistant Secretary Altman referred. Many of the consumer cooperatives interviewed in the course of the study stressed the importance of technical assistance over the need for financing. For example, Mr. George Cerny of People Buying Together, Inc., a consumer cooperative in Dallas, Tex., stressed with the Treasury staff:

> . . . the need for technical assistance especially in the training of competent managers who can promote, service and build up the cooperative. Funds are attracted through promotion and membership drives, he said, and acceptance by the financial community comes more readily when the co-op is operated by a reliable manager and/or bookkeeper.

A number of cooperatives interviewed in this study had been able to obtain private financing. For example, the Group Health Co-op of Puget Sound told the Treasury staff that it ". . . regularly borrows its working capital, at the prime rate of interest, from two Seattle banks."

The study also showed that most of the banks interviewed were willing to lend to cooperatives. A manager of a California bank told the Treasury staff that: "They have no problem at all in lending to co-ops. In fact, Associated Co-ops is their largest borrower and they lend to it at prime rates on both secured and unsecured terms."

A number of the cooperatives that were interviewed by the Treasury staff had never even attempted to obtain private financing. Mr. Barry Peters of Good Food Co-op in Coatsville, Pa., and Maggie Heinemann of Weavers Way, Mount Airy, Pa. told the Treasury staff that: "[N]either co-op had approached a financial institution for funding." According to the Treasury Department:

> Peters had not yet approached any financial institutions for financial support. Peters said he recognized that banks would probably require good financial record keeping, something that he and his colleagues were generally unfamiliar with as social workers.

Finally, some of the cooperatives were highly unrealistic about their ability to obtain credit from private financial sources. For example, Mr. Edward Slettom of the Minnesota Association of Cooperatives in St. Paul described the effort of a group of students at the University of Minnesota to obtain financing for a high-rise student housing project. According to the Treasury staff study, however, the "* * * students were unable to secure permanent financing for the housing project until $20,000 in back taxes on land owned by the students had been paid."

In my opinion, this study by the Treasury Department staff does not make a persuasive case for establishing a national bank for consumer cooperatives. For that reason, I intend to offer a substitute to H.R. 2777 when it is brought up on the Senate floor that would authorize a 2-year pilot lending and technical assistance program for consumer cooperatives and a study of consumer cooperatives and their needs by an interagency task force. I believe this would help to establish the "compelling evidence" that Assistant Secretary Altman referred to as being needed before establishing a new government agency at this time.●

U.S. POLICY IN THE MIDDLE EAST

● Mr. STEVENSON. Mr. President, in a statement on June 12, 1976 before the Subcommittee on Europe and the Middle East of the House International Relations Committee, Harold H. Saunders, Assistant Secretary of State for Near Eastern and South Asian Affairs, provided a useful survey of U.S. involvement in the Middle East since World War II and of the policy dilemmas now confronting us in the search for peace in that part of the world. This is a significant statement of administration views that deserves wide readership, and so, Mr. President, I ask that it be printed in the RECORD.

The statement follows:

ANNUAL REVIEW OF U.S. POLICY IN THE MIDDLE EAST

INTRODUCTION

This Subcommittee's annual review of U.S. policy in the Middle East provides a significant forum for the Administration to analyze American interests and goals in the Middle East and to share with Members of Congress and the public our perception of the policies necessary to pursue them. I can think of few areas of the world where it is more important to understand what is at stake for our country and for our friends and how our interests relate to each other.

HOW PERCEPTIONS OF THE MIDDLE EAST HAVE EVOLVED

It may help focus our understanding of what is at stake today in the Middle East to examine how our perceptions of this area have evolved over the last three decades.

After the second World War, our thoughts ran along two lines.

First, on the strategic front, we spoke in terms of physical geography, characterizing the Middle East as "the strategic crossroads" and a "land bridge" joining Europe, Asia and Africa. This perception grew out of pre-war European political concepts and the experience of a generation that fought in the Middle East and North Africa and across the Mediterranean during the war. The later Soviet thrusts in Iran, Turkey and Greece to expand their postwar influence reinforced this view.

Then, in 1948 we committed ourselves to the existence and to the survival of Israel as a Jewish state, as a home for victims of the Holocaust and others who wished to come, and as a functioning democracy.

By the early 1960's, the advent of intercontinental missiles with nuclear warheads and the fact that the USSR had achieved an active position in the Middle East caused us to shift from seeing national interest primarily in terms of the Middle East's geographic position to a perception of the Middle East in global strategic terms. We wanted to enhance our influence in the area partly because the Mediterranean remained an important lifeline to our NATO allies and our allies to the east but also because of the importance of oil to western Europe and the political orientation of key states. We did not at that time see a direct threat to American interests coming from this area. Direct U.S. economic interests, apart from our interest in the reliable availability of oil to our allies at reasonable prices, largely centered in oil-related activities.

The U.S. also continued its firm commitment to Israel's strength and well-being and, at the same time, expressed humanitarian concern for peace in the Middle East which would permit all the people of the area, including the displaced Palestinians, to build better lives.

TODAY'S PERCEPTIONS OF OUR INTERESTS

In the 1970's yet a further evolution in our view of the Middle East has taken place. It reflects new developments there with which we and our friends must deal creatively.

Today there are few areas in the world where so many compelling American interests intersect as is the case in the Middle East. The basic catalogue of interests remains unchanged and familiar to us all, but there are important new points to be made about them. Let me discuss each of them in turn.

A. We have long recognized that it is imperative that the United States seek to prevent conflict in the Middle East from again becoming a flashpoint and that helping strengthen the independence of Middle Eastern countries will contribute to stability in the region and make war less likely.

Since the mid-1960's, the Arab-Israeli wars of 1967 and 1973 have demonstrated to us in the heat of crisis that the Middle East is an area where U.S. and Soviet forces could confront each other in the context of a local war. Now, with estimates of the Soviet Union's own changing energy needs, a new dimension has been added to the traditional Soviet interest in a strong position in that area. These facts provide an important part of the backdrop against which we pursue our interests in the area.

B. Our irrevocable commitment to the security, strength, and well-being of Israel has been reaffirmed by every American Administration since the modern State of Israel was born thirty years ago. It is a permanent feature of American foreign policy. I might add that this has been a deep personal com-

mitment of mine. Many Americans share this commitment to a people who have suffered beyond our ability to comprehend and who have yet contributed so much to our heritage and to our world.

In this decade this commitment has been broadened and strengthened by the passage of time and the steady development of relations between our two countries.

Today, however, Israel and the U.S. must face together new and more difficult circumstances.

It is increasingly obvious that Israel's security can best be guaranteed over the long term by a policy of continued military strength coupled with a peaceful relationship with its neighbors. Close American cooperation with key Arab states is essential to achieving and guaranteeing that peace.

In the past year, the opportunity for peace has increased dramatically. Before 1967, when no Arab state would talk of recognizing Israel and making peace with it, the basis for a final, peaceful settlement of this conflict did not exist. Following President Sadat's historic trip to Jerusalem and Israel's warm reception, Israel for the first time since its founding as a modern state is dealing with an Arab state which is prepared to accept and recognize a Jewish state in the Middle East and to make peace and establish normal relations with it. Opinion in the Arab world has shifted gradually since 1967, and the shift accelerated after the 1973 war. In going to Jerusalem, President Sadat dramatized that shift and broke out of the thirty-year cycle of war and truce to create a new psychological climate in which there can be progress toward peace between Israel and all its neighbors. The issue is no longer whether there can be peace, but whether there can be agreement on the terms of peace.

In that context, we have particularly come to recognize in new ways the importance of a just resolution of the problem of the Palestinian Arabs for a peace settlement. This is no longer seen as simply a refugee problem; it is a problem of fulfilling the legitimate rights of the Palestinian people in ways that enable them to participate in the determination of their own future and to live in peace and security with Israel. The Palestinians for their part must demonstrate a willingness to live in peace with Israel.

Finally, Israel's development has reached a point where the advantages of peace for the further growth of the Israeli people are clearer than ever. Peace can release their extraordinary talents and energies to the benefit of Israel and of the world at large. In per capita terms, Israel possesses more scientists, engineers, physicians and other professionals and technicians trained in public service fields than most nations of the world. Already, despite thirty years of conflict and tension, Israel's contributions to human and material development in areas such as health, agriculture, the environment, alternative sources of energy and water conservation have been remarkable. Under conditions of peace which relieve Israel of the world's most crushing defense burden, its already disproportionate contribution to solutions to some of the most pressing global issues will be magnified.

C. We have long recognized the importance of the Arab world. The strength and moderation of the major Arab countries has been a bulwark against radical forces in the Middle East, and they have in turn looked increasingly to the United States for support in ensuring their security and independence. The oil which some of them produce has long been vital to our allies.

Today, there is a new degree of interdependence between the U.S. and the key Arab nations that are prepared to work with us contructively. The achievement of a peaceful settlement of the Arab-Israeli conflict is surely a central goal in this relationship. There are other benefits as well.

The rapid increase in investable surplus which the Arab Governments hold—now approximately $140 billion—has added a new dimension to our interests in this area. Some of their increased revenues come from the willingness of some oil-producing states to meet increasing demand in the rest of the world by producing more oil than their domestic revenue needs would require them to sell. How these revenues are used will affect the ups and downs of the world economy and of the dollar, and they can play a significant role in the development of poorer nations. At the same time, the U.S. economy is important to the Arab oil-producing nations in accommodating these enormous amounts of capital.

The oil which has long been vital to our allies has become increasingly so to us. Crude oil imports from the Middle East made up 22% of our total petroleum consumption and nearly half of our imports in 1977 (vs. 7% and 29% respectively in 1973.)

Thus, the Middle East figures in our calculations on energy, as well as in our balance of payments position and efforts to maintain a stable dollar, in ways that would have been unthinkable ten years ago.

In the last thirty years, the U.S. has simply become much more involved in the affairs of the Middle East. Important nations in the area have looked increasingly to the U.S. for modern technology. Our relationship to their modernization programs and the increased economic involvement with them have sharply widened the range of contacts between Middle Easterners and Americans. No other country offers the broad range and depth of technology that exists in the U.S. and none is so adeptable to the specific educational requirements of foreign students. There are over 100,000 students from the Middle East in the U.S. now and almost 90,000 Americans are living in the Middle East.

Trade between the U.S. and the Middle East has increased rapidly since 1973. The import side of this trade has been given wide publicity as the U.S. demand for foreign and increasingly Middle Eastern oil has risen. However, U.S. sales to the area have also grown substantially. U.S. exports to the region were $3.5 billion in 1973 and accounted for 5% of our total exports. By 1977 American sales to the Middle East had jumped to a total of $12.3 billion. Our Middle East customers now purchase over 10% of our total exports. In addition, hundreds of millions of dollars of architectural, consulting, engineering and construction services which do not appear in the above trade figures, are being exported and reduce our trade deficit with the region. The link between this market and American employment levels and the importance of these exports to our balance of payments are obvious.

Finally, the key oil-producing nations of the Middle East are increasingly important to the world economy. The rise in oil prices in 1973 demonstrated clearly how oil pricing decisions and the related decisions on production levels can be a major cause of economic dislocation in most countries of the world, from the most industrialized to the least developed. They also play an increasingly positive role in development. By the end of 1977 cumulative OPEC bilateral aid commitments totalled about $26 billion. OPEC countries have also committed substantial amounts of capital—almost $11.5 billion by the end of 1976—to international organizations. Further, they have pledged almost half of the billion dollar capital of the International Fund for Agricultural Development, an organization that is in itself a result of their initiative. These emerging OPEC financial powers soon will enjoy greater voting strength as a result of increased quotas in the IMF.

D. America has long felt a moral and humane commitment to the people of the Middle East to help end a conflict that has caused a generation of suffering and to help remove other obstacles that have impaired social and economic progress.

In the past year in this Administration, we as a nation have redoubled our commitment to a fuller realization around the world of basic human rights. Leaders in the Middle East have repeated to us in many ways at many times that they want to achieve peace so that they can devote their energies and their resources to the well-being of their people. Many of them have a vision of an era of growth and development which could follow a peace agreement. Many of them have asked us to cooperate with them in making that vision a reality. We remain prepared and want very much to provide this cooperation.

PREMISES FOR U.S. POLICY

The preceding analysis of U.S. interests in the Middle East in the 1970's suggests four premises about U.S. policy toward that area in the late 1970's.

First: Because each of our interests in the Middle East is important, the only viable national policy is one which enables us to pursue all of those interests at the same time.

Defining our interests this broadly and recognizing how they are interrelated is the most effective way the U.S. can help strengthen all of its allies and friends. Reciprocally, all of our friends share a common interest in our strength, in our success, and in a strong American role in fostering peace, independence, and growth in the Middle East. This interdependence of all our interests deserves the most serious consideration.

For the United States, the pursuit of all of these interests reflects a coherence of policy in which our moral commitments and our human concerns on the one hand and our strategic and pragmatic national interests on the other are mutually reinforcing.

Second: The experience of the past four years has shown that we are best able to pursue all of those interests simultaneously in circumstances where there is progress toward peaceful settlement of Arab-Israeli conflict.

When there is no movement toward a settlement, tension between Israel and the Arab states rises and relations between the U.S. and Arab nations become strained. The pressure on Arab states to look elsewhere for assistance increases and there is a corresponding diminution in the U.S. ability to play a role in influencing events. Additionally, Israel becomes increasingly isolated and harmony between the U.S. and its allies is jeopardized. When the U.S. is actively engaged in the peace process and when progress is being made toward achieving agreements as has been the case in the past four years, Israel has enjoyed greater security. When as a consequence, the U.S. can strengthen its ties with all of the important Middle Eastern countries, the momentum toward peace grows and our vital interests become self-reinforcing.

Peace, therefore, is not only the best assurance of a secure and prosperous Israel, but also would strengthen moderate govern-

ments in the region and enhance U.S. global interests. It is crucial to the understanding of U.S. policy in the Middle East to recognize that our urgent national commitment to an Arab-Israeli settlement is based both on our enduring commitment to Israel's security and on the fact that peace is a necessity for the U.S. and its allies.

Before leaving this point, I want to address openly a question that deeply concerns many Americans today, as well as our friends in Israel. The question is often put obliquely this way: What kind of U.S. relationship with the Middle East can we see five or ten years from now? On many occasions the real underlying question is: Are we not reducing our support for Israel in favor of the Arab nations?

The answer to the latter question is unequivocally no.

So long as all of our friends in the Middle East share a common interest in peace, in a strong U.S. role in the Middle East and in checking the growth of radical influence, close relations with one party do not mean diminished relations with others. None of our friends, nor we, will gain from a diminished U.S. relationship with any of the key states there. To the contrary, a closer relationship with each party enhances our ability to pursue objectives common to all.

It follows from this that, in pursuing all of our interests in the Middle East, including our historic and unchangeable commitment to a strong Israel, our diplomacy must work toward creating conditions and a framework of relationships that make pursuit of these interests complementary. To do otherwise would not be consistent with our moral, strategic or economic interests. We believe our friends have an interest in our success.

Third: There has been a significant shift toward the West in the relations between principal Middle Eastern nations and the major powers outside the Middle East over the last several years.

Compared with the mid-1950's when the Soviet Union and its Eastern European allies appeared to be in the ascendant and the U.S. position was eroding to a point that most Arab countries broke diplomatic relations with us after the 1967 war, the present position of the U.S. is a significant change for the better. This is not to say that the Soviet Union does not have legitimate interests in the Middle East or that it will not have an important role to play in the future of that area. Our present position does, however, testify to recognition in many of these nations that their economic progress and national independence require a significant relationship with the West.

Entirely apart from political ideology, many Middle Eastern nations have recognized that the West offers the technology and the managerial skills needed to develop their countries, and that U.S. diplomacy can make an essential contribution to a peace which will lift the burden of heavy defense expenditures from their shoulders and let them get on with the constructive work of economic and social development.

While the economic relationship may persist, radical forces could again take advantage of conditions that would follow failure of the peace negotiations. Thus, one thing at stake in the Arab-Israeli negotiations and in cooperation with key Arab countries is the future orientation of the important nations of the Middle East, both in terms of their relationship with the great powers and in the nature of their own political systems. Moderate Arab leaders have turned to the U.S. for cooperation in achieving both peace and development. Their success will limit the role of radical forces. Their degree of success will in turn in large part determine whether Israel faces the future surrounded by radical and hostile states or by nations which are committed to peace and orderly progress.

The fourth premise is that without in any way detracting from our other commitments a definition of U.S. interests in the Middle East must take serious account of the new dimensions of U.S. economic relations with the area.

These economic factors explain why our strategy in the past four years has had two thrusts—not one. The more dramatic has been our high priority drive for an Arab-Israeli settlement. Less dramatic, but of great importance, has been the effort to encourage the broadest possible range of relationships between the economic and social sectors of the U.S. and of the Middle Eastern countries. We have recognized not only the nation's economic need for these relationships, but also the fact that the U.S. presence in the future of the Middle East will be a truly national presence—not just a governmental one.

THE PEACE PROCESS AT PRESENT

Let me turn to one final subject. I know that this Subcommittee has been following closely the progress of efforts to promote an Arab-Israel peace settlement. Because of its importance, I want to conclude this statement with a status report.

A year ago we reported that our objective was a comprehensive peace settlement and that we were concentrating our efforts on reconvening the Geneva Conference for negotiation of such a settlement, a concept to which we are still committed. A comprehensive settlement, in fact, remains the objective of all the parties to the conflict. But President Sadat's visit to Israel opened a new approach and historic new opportunities for peace, and since November we have been working with Egypt and Israel to build on that initiative toward a comprehensive peace. We have done this in full recognition that there will be no peace for Israel or its neighbors until there is a peace that encompasses all of them, including the Palestinians.

President Sadat's initiative must be seen in two perspectives:

First: United Nations Security Council Resolution 242 of November, 1967, established the basic equation for peace which has guided negotiators and mediators since. That equation established the proposition that there would be Israeli withdrawal from territories occupied in the 1967 conflict in return for peace and security. Now Egypt has offered peace, acceptance, and negotiations on Israel's security's needs. President Sadat's visit to Jerusalem made this offer concrete.

Second: A year ago when President Carter and Secretary Vance conducted their initial consultations with the leaders of Israel, Egypt, Jordan, Syria, Lebanon, and Saudi Arabia, they identified three issues that would need to be dealt with in peace negotiations: the nature of peace, Israeli withdrawal and the security measures that would accompany withdrawal, and the role of the Palestinians. President Sadat's visit to Jerusalem resolved on Egypt's behalf that the nature of peace is to include not only the end of war but the acceptance of Israel and normal relations with it.

The purposes of the negotiations now are to restore the momentum created by President Sadat's November initiative and Prime Minister Begin's responses to it and out of this to develop a framework within which the other Arab parties to the conflict can join the negotiating process and address the questions of peace and normal relations with Israel, Israel can address the issues of security and withdrawal, and the problem of the Palestinians can be resolved in a just, humane, and honorable way.

The focal point of our current consultations with Israel and Egypt is the question of the future of the West Bank and Gaza—those parts of the former Palestine Mandate lying outside Israel's 1967 boundaries—and the role of the Palestinians in resolving this question. This is the key to progress at the present stage of the negotiations. Without some understanding on these issues it will be impossible to achieve the Declaration of Principles which both Egypt and Israel want to govern larger negotiations for a comprehensive settlement between Israel and its neighbors. Our role is to help the parties find a middle ground. In practical terms, that means helping them find a formula whereby a practical solution for the future of the West Bank and Gaza can be negotiated on the basis of all the principles of United Nations Security Council Resolution 242 in a way that will give the Palestinians a voice in the determination of their own future.

Our role in this process is not simply as postman between the two sides. At decisive points in the negotiations, where we see it helpful to move things forward, we have in the past given our own ideas, and we will continue to do so in consultation with the parties. That was the way the agenda for the Political Committee meeting in Jerusalem was resolved last January—our proposal broke the impasse. The current discussion of the Declaration of Principles proceeds from an American working draft written at the request of the two parties. That might occur again, but it would occur with the purpose of helping the parties to define middle ground where they might negotiate agreement. That middle ground would be developed from the positions of the parties, not from an abstract American peace plan.

On the issues being discussed, we have important points of agreement with both sides and points on which we differ.

With Israel there is full agreement that the threats to Israel's security which could come from these areas must be dealt with satisfactorily—both the threat of invasion by conventional military forces and the threat of terrorist and guerrilla attack. We are also agreed that issues as complex as these will require time and careful negotiation, so we suggested a year ago that the first objective should be an interim arrangement, perhaps five years, for the West Bank and Gaza, to give time to work out solutions there. During this period, Israel, Egypt, Jordan and representatives of the Palestinians could work out practical security arrangements that would make it possible to separate the question of Israeli security from the question of sovereignty over the territory. During the same time, these parties would work out arrangements for the political future of the West Bank and Gaza, with provision for obtaining the consent of the people affected to the terms of a final peace treaty.

We have disagreed with Israel in one important area. The current Israeli Government, unlike its predecessors, has not agreed that Resolution 242 involves a prior obligation in principle to withdraw from any West Bank and Gaza territory. Israel has, however, agreed to negotiate with all of its neighbors on the basis of Resolution 242, and we have been discussing with it whether and how those negotiations would deal with

the question of withdrawal as it relates to the West Bank and Gaza.

Our position is that the issues of security and sovereignty can be separated—as Israel has already agreed to do in its proposal to Egypt on the Sinai. We are not saying that this agreement in principle to withdraw from West Bank and Gaza territory determines the timing and circumstances of actual withdrawal or the final borders, all of which must be negotiated. That would take place only in the context of a final peace treaty embodying commitments to normal peaceful relations and agreed security arrangements, including possible agreed border changes.

It is difficult to see how the negotiations for all these security and political arrangements can go forward until Israel has indicated that the principle of withdrawal in Resolution 242 can be dealt with in the negotiations as applying to this occupied territory. We have been discussing this matter with Israel and are awaiting their views. Until this is clear, neither Jordan nor other Arab representatives will join the negotiations. They in turn, will have to make clear their willingness to live in peace alongside Israel if negotiations are to succeed.

We and the Arab governments who are key to the peace process agree that the common objective is a peace settlement based on Security Council Resolution 242 which, among other things, recognizes Israel's right to exist as a sovereign state. With Egypt, we have reached agreement that such a settlement should encompass the full range of normal relations that are customary between states at peace with one another. We and those Arab governments also agree that a settlement must include a just solution of the Palestinian problem in all its aspects. And we agree that all the principles of Resolution 242, including the principle of withdrawal, apply to all fronts where territory was occupied in 1967, including the West Bank and Gaza.

On the other hand, we have made it clear over the past months that we do not agree with some key elements of the position of some Arab states. For instance, we do not agree with their call for a prior commitment of Israel to total withdrawal from every bit of occupied territory. That is not part of Resolution 242. We have also made clear that in our view the future of the West Bank and Gaza lies in close association with Jordan and that an independent Palestinian state harboring irredentist feeling in this truncated territory would not be a realistic or durable solution.

A CONCLUDING WORD

This is a period of dramatic new opportunities for the people of the Middle East and for the relationships between the United States and the Middle East. How we together handle these opportunities may well determine the character of the Middle East, the American role there, and many aspects of the economic health of the world for the remainder of the twentieth century. It is because the stakes are so high that I have taken so much of your time today to analyze them in detail and to present them for your study and discussion. We are also engaged in an intensive effort to discuss them with the American people because it is essential that we enter this period of opportunity with a national consensus on policy and a shared sense of direction.●

RUSSIAN CREDIBILITY

● Mr. DOMENICI. Mr. President, once again, across this Nation's headlines, are the stories of two Soviet citizens, Anatoly Scharansky and Alexander Ginzburg—two now familiar faces with familiar plights. Somehow these two men challenged the Soviet Union's historical recipe for social order: absolute adherence to the dogmatism of a closed society.

The Soviet Government apparently charges these two men with anti-Soviet agitation and propaganda, as well as treason. If this is merely another example of a system conducting its internal policies differently than our own, why should we be so concerned and displeased? The answer is simple. We have accepted the principle of détente, have opened trade, cultural, and scientific exchanges, and are attempting to reduce the possibility of "mutual annihilation," in the words of Secretary Vance, through the strategic arms limitation talks. But, are these good faith efforts reciprocated?

How many words will have to be spoken, or written, of our deep concern, our dissatisfaction, our aggravation, our disappointment, et cetera, before the Soviet Union understands that this is not just diplomatic rhetoric but honest appraisals of American views. The Helsinki accords may be meaningless to Soviet officials, but they are considered instruments of good faith by other citizens of the world. As in the past, do the Soviets expect us to turn our heads and shut our eyes to continued abuses of these principles? Perhaps, from experience, they believe our words are not fortified by actions, and they can proceed on the premise all will be forgotten in the next month or two. If so, they should be on notice their assumption is inaccurate.

Almost 60 years ago to the day, July 16, 1918, the Russian Tsar was apparently killed at Ekaterinburg, thus ending forever the monarchical rule of the Russian people. In the name of liberation, a new system of government came into power to deliver these same people from years of oppression. Has it taken us 60 years to realize the Soviet citizen still is unable to question his leaders' decision; to seek alternative lifestyles for himself and his family; or even to read the book of his choice? Admittedly, the Helsinki accords do not give us the right to interfere in the internal matters of another nation. However, here is an example of a Soviet citizen, Mr. Schransky, acting in accord with the international human rights agreements by monitoring his government's activities, charged with anti-Soviet agitation and propaganda. Mr. Schransky's actions did not imperil the security of the world; in fact, they may not affect any but a few of his own fellow citizens. But, the Soviet Union has seen fit to abuse its agreed-upon principles, and in so doing, casts a shadow over the credibility of future agreements it may sign.

If the Soviet Union will renege on an obligation, paled in significance when compared with SALT II, what can we anticipate when billions of dollars and lives are at stake? Does their signature on a document mean nothing? Are their promises meaningless? The actions in the Soviet Union this week tend to confirm the above questions can be answered affirmatively.

Contrary to some, I see important similarities in a document signed in behalf of human rights and a document signed in behalf of arms limitations. In both cases they are only pieces of paper backed up with good faith, confidence, and reliability. If these assets are not proven commodities, then what choice do we have but to assume the new SALT agreement will be compromised, just as Helsinki has been. I, for one, am very concerned. I am concerned enough to believe words no longer suffice to show my displeasure. The Soviet Union should be prepared to accept the fact that some of us will not forget their actions against Schransky and Ginzburg, and mere rhetoric will not be our response to their pleas for a new and different agreement.●

THE RETIREMENT OF JOHN McCORMICK

● Mr. CULVER. Mr. President, a few days ago, John McCormick of Davenport, Iowa, who in recent years has served as political and community affairs editor for the Quad-City Times, retired from the newspaper profession after more than 40 years of distinguished service as a journalist in Iowa. Although he is a small man physically, no one who knows him has ever doubted his stature as a newsman—his courage, his integrity, his insistence on fair, high-quality coverage of the news. As an editor, he was a gruff taskmaster of the old school who demanded and got the best from his reporters. When he himself was reporting the news or writing his column, he spared no effort to achieve accuracy and clarity in his writing. He had a rare knack of searching out the human quality in a news story, reflecting the deep compassion which is his dominant characteristic.

Oldtimers remember Mac over 20 years ago when he was Iowa news editor for the old International News Service in Des Moines. Over the years, he became well known for his thorough and accurate coverage of State affairs. The two houses of the Iowa Legislature honored him with separate resolutions in May of 1977. The senate resolution said the people of the State "are in the debt of John McCormick for his honest, forthright, and impartial reporting." The house resolution praised him for "ceaselessly following the progress of nearly every bill in the Iowa Legislature for years. He has often been glowingly and grudgingly called 'the walking Code of Iowa.'" The house concluded that Mac "is generally gruffy, cynical, presumptuous, cantankerous and a gentleman."

In addition to his journalistic career, John McCormick gave unstintingly of his time, energy and financial resources to public service. He was cited by the Izaak Walton League for his contribution to conservation and ecology; received an Iowa Association for Retarded

Children presidential award for "outstanding service in behalf of programs to aid the mentally and physically retarded"; and was the recipient of the first outstanding citizens' citation by the Department of Family and Children's Services. He was also involved in various studies and efforts to improve local governments and communities.

So in a wide range of activities, John McCormick has left his benign and constructive imprint on the institutions and communities of his State. But first and last, he is respected as a quintessential newsman who loves his profession and exemplifies its highest standards. There is only one Mac, but throughout the country there are newsmen who share his concept of journalism as one of the highest kinds of public service. The Nation is infinitely better because of them.

Mr. President, I ask that an article from the Quad-City Times of July 9, 1978, entitled "A Newspaper Giant Retires," be printed in the RECORD.

The article follows:

[From the Quad-City Times, July 9, 1978]

A NEWSPAPER GIANT RETIRES

(By Forrest Kilmer, Editor)

Readers: Time—and not a competitor—finally has caught up with John McCormick.

Mac has been the political and community affairs editor for the Quad-City Times for the last several years. For much of the past two years he has been in fit health.

Mac wishes things were other than they are, but he is a man of reality.

"I'm not contributing any more," he said from his bed in Mercy Hospital one day last week. "It's time to retire."

Our newsroom will never be the same.

My acquaintance with this man started many years ago when I was a young reporter with the former Democrat newspaper in Davenport and McCormick was Iowa news editor for the old International News Service.

I was also the Davenport stringer for INS. My job was to call in all the big local stories to the Des Moines bureau. Mac usually was at the other end of the line.

But he never talked to me. He growled. You could never please the guy.

When INS merged with the former United Press, Mac moved over to the new United Press International. Still a reporter, I covered the Davenport scene for UPI for several more years. Then I became an editor and the name John McCormick faded into memory.

In 1964 the Democrat and the Daily Times became the Times-Democrat. We were expanding our staff, and we decided to try to lure McCormick away from Des Moines.

I had never met the man until he came to Davenport for an interview. He wasn't frightened. I was. His gruffness was for real.

Mac became our state editor. Then he headed up our night news desk for several years before being named political and community affairs editor. He was instrumental in establishing the Times bureau in Des Moines.

What kind of an editor was John McCormick?

For starters, he was a tough one. He demanded only the best. He was good, and he expected everyone else to be just as good.

Mac usually was working with young reporters, but he regarded them as adults. And as adults he assumed they were ready for adult responsibilities.

Some of the reporters under him could not cut it. But those who survived his tutoring became the real good ones.

John Willard, of our features staff, credits much of his development to John McCormick.

Willard, now a master of words in his own right, was always impressed with Mac's knowledge of the English language and his demand for clarity in news stories.

" I learned much from Mac," Willard has said many times.

Mac was a walking encyclopedia of Iowa's laws and government.

Through the years he was on intimate terms with all the state's bigshot politicians.

We can't say to this day whether he is a Republican or a Democrat. Probably neither.

His relationship with Harold Hughes, former Iowa governor and U.S. Senator, probably was better than that of any other Iowa newsperson. And yet Gov. Robert Ray, of the opposite stripe, was always high on his list, too.

He liked John Culver, and he was fond of young Jim Leach. I guess you could say there never was a politician he did not like. Some he liked better than others, though.

His "Scraps" column was a regular feature in the Sunday Times. Candidates for political office usually gleaned more from reading that than from listening to their own advisors.

Mac also has left his mark on local community affairs.

When he first came to Davenport, he served several years as a member of the Scott County Conservation Commission. He did much to weld the commission into a highly efficient agency that is responsible for the development of the Scott County Park north of Davenport, recognized as one of the best of its kind in the Midwest.

When the state of Iowa decided to abandon the Annie Wittenmyer Home, Mac suggested that the city acquire the property. The city fathers balked at first. But Mac worked out a financial arrangement with the state that was too good to reject.

All the activity now going on there is a silent tribute to the man who worked so hard behind the scenes to put it all together.

McCormick played a leading role in geting a city administrator for Davenport. In recent years our news staffers have not been permitted to accept appointments to any politically oriented boards or commissions. But on this one occasion we violated our own rule to serve what we thought be the best interests of Davenport.

When we talk to young aspiring journalists, we always tell them that they must have a romance with this whacky business of ours or they will never be a success.

John McMormick was in love with his work. He spent more hours at it than he should. In time his body could not take it any more. But no one was going to carry him, by golly. There is only one way to play the game, and that is to make it on your own.

Mac was probably one of the fastest typists around. He actually made the keys sing. He once demanded two typewriters.

"Back with the wire services I always kept two going at the same time," he said. "What's wrong with me having two here?"

When technology caught up with the newsroom, Mac had his doubts. A newsroom without typewriters, paste pots and scissors? He claimed he was too old to be taught new tricks.

But the terminal was here to stay, and McCormick soon made the leap into a new era of journalism.

Stephen Douglas, the great orator of Abraham Lincoln's time, was known as the "Little Giant."

McCormick did not achieve fame as a public speaker. But his command of words was just as great and he transferred that talent into news stories that will always rank with the best.

There are many Iowans who have gone on to national fame in journalistic circles, but there is none who can match him in reporting the Iowa political scene.

He, too, is a "Little Giant."

There will be those of you asking who will replace McCormick.

John McCormick cannot be replaced.

His jersey will be retired.●

MINOW ON PUBLIC TELEVISION

● Mr. SCHMITT. Mr. President, the Senate Commerce Committee's Subcommittee on Communications recently held oversight hearings on the Corporation of Public Broadcasting and the Public Broadcasting Service. Those hearings were most useful in determining the present status and future needs of public television in our country. Soon the Senate will be considering S. 2883, the bill to provide considerable Federal financial support to public television. I suspect that a number of the Members of this body have an interest in this area.

Shortly before the Senate recessed for the July 4 break, Mr. Newton N. Minow, Chairman-elect of the Public Broadcasting Service, addressed that organization's annual membership meeting. As a member of the Communications Subcommittee and having participated in those recent hearings, I found Mr. Minow's speech detailing his thoughts on public television worth reading. In order to share with others who may share that interest, I ask that Mr. Minow's remarks be printed in the RECORD.

The remarks follow:

REMARKS BY NEWTON N. MINOW

At our 6th Annual PBS Membership Meeting, we celebrate two of public television's major milestones—and the location dictated itself. It had to be Texas.

Texas is where it all began, of course, 25 years ago in Houston. But it's more than a matter of territory. As a state of mind, Texas put its brand on public television 25 years ago. Call it Texas-style vision—or pure Texas presumption—but what the KUHT pioneers set in motion in May of 1953 is now an independent, national, and even international force for innovation, excitement, and excellence for all of broadcasting. What began with two or three hours a day of classroom-by-video, and no certainty about where the next buck was coming from—some things never do change—has turned into a communications adventure unique in all the world.

In public television, we are uniquely national, regional, and local—all at the same time. We share with each other in a broadcasting system which lives off its roots, unlike a centralized network in which the trunk feeds the roots. We combine the dedication of the citizen volunteer with the skills of the broadcast professional. We educate, we inform, we entertain, we celebrate every facet of human experience. We care about all kinds of audiences, sometimes small, sometimes large, sometimes specialized, sometimes younger, sometimes older—whatever audience is appropriate to a particular program. We receive support from many different and diverse sources but are dependent on no one of them. We are rewriting the book on the limits and potentials of the medium of television itself.

Now, we do not know how much of this could have been planned, or even dreamed, by the men and women who put KUHT on the air 25 years ago. But they were Texans,

incapable of thinking small We salute and thank them—for their vision and their presumption.

I said at the start that we are here in Texas to celebrate two of public television's major milestones. The other is to salute Ralph Rogers' chairmanship of PBS.

Ralph's leadership and determination guided us in creating a nationwide institution that is strong and vigorous—with a fierce dedication to its own independence. Public television is independent because it is sound at its roots. It is engaged in discharging "the people's business."

Public television depends not only on the people's support, but also on their direct participation in the affairs of their stations in some 276 communities around the country. The American people contribute much to us. They have a right to demand much of us. And more than any law or Congressional or White House direction could ever do, it is the people we serve who rightly hold us accountable.

This is the essence of Ralph's legacy to all of us. He led us in our War for Independence. He helped put in place the elements of our Constitution. During our drive to build a new, basic American institution, he presided over more struggles than any of us care to remember. And somehow, our fragile Union has always been preserved.

Ralph Rogers has always been there when we needed him most. He is utterly selfless in his devotion to our cause, firm in its defense. He merits an imperishable page in the history of public television.

So, while I accept your call to follow Ralph Rogers as Chairman of PBS, I know full well that no one will ever replace him.

Like Ralph, I have worked for many years with a local station. I have seen WTTW, Chicago Public Television, grow into a creative and cherished community resource. It has deep roots in the community, and it has flourished because its roots are deep, with more than 150,000 families contributing to its service. WTTW is not unique. It is typical—and it is this fundamental "localism" that invests public television with a strength that goes beyond mere numbers.

At WTTW I have been one member—sometimes in the leadership, sometimes in the ranks—of a true working partnership. WTTW unites lay men and women of all ages, races, cultures, and backgrounds dedicated to community service. At the same time, it is a team of skilled professionals dedicated to broadcasting excellence. In great part because of Ralph's leadership, PBS too is such a partnership. Thanks to his leadership, PBS is a healthy, strong, and increasingly effective institution. As your chairman, I promise you that it will continue to be.

Let us look together at the present state of our union.

On the one hand, public television today is front-and-center on the national stage. More than two million American families contribute some $50 million a year to its support. Since 1970, the number of public television subscribers has increased more than seven times. More than 63 percent of all television homes tune in regularly to their public stations, in spite of the UHF handicap for two-thirds of them. Our programs, national and local, win Emmys, DuPont Awards, Peabody Awards—more than our share every year. Almost one-third of our entire national program schedule draws upon the talents of the independent creative community. While not as good as we want it to be, our record of opening up careers for women and minorities is the best in all of broadcasting. We are able to attract excellent young people who want to make public broadcasting their careers. We lead in technological innovation—with high-fidelity sound, captioning for the hearing-impaired, and the nation's first and the world's most extensive interconnection system solely by satellite.

All this has been accomplished with financial resources which are minimal and by no means assured. Our annual budgets are less than 7% of commercial television's; their profits are four times our total income. In Japan, to cite just one example from abroad, a government imposed license fee commits more than five dollars per capita for its noncommercial broadcast service; here, the federal contribution is thirty-seven cents!

We're not even close to where we want to be, or where we could be with just a fraction of the additional resources we so desperately need. But, both as broadcasters and as responsive, responsible members of our communities, we are on our way. Incidentally, I saw this first-hand this past year among our young people when I was privileged to be a Phi Beta Kappa Visiting Scholar at eight colleges in eight different states all over the nation. I found young people everywhere who watch public television, who like public television, who care about public television, and who speak up about public television.

On the other hand, I have been learning since being elected to the PBS chairmanship last February—we've all been learning in recent weeks—that our good record is not fully perceived or known at many levels in our country. Certainly not in the Congress.

Why is this?

A good deal of it is our own fault. Being human, we have made some mistakes. Partly because we've been sticking close to our jobs as local broadcasters rather than explaining our cause more persuasively—and partly for a less laudable reason tht I'll come back to in a little while.

My own sense, however, is that public misperception is to a great extent the direct result of our rapid and successful arrival at major national attention. Public television has never been more visible. Public expectations have never been higher.

Inevitably, the result of being watched so avidly and with such high hopes is that every one of our shortfalls is magnified. Every failure to achieve right now all that is expected of us, and all that should be expected of us, is perceived to be a failure period.

The irony is that we, ourselves, are more impatient with our rate of progress than anyone else—whether it's in filling the pipeline with quality programs, or in seeking more minority and women broadcasters, or in opportunities for independent access, or any other index of our performance.

And we know better than anyone else one of the reasons why. While poverty is a great way to build character, it leaves a lot to be desired in building a first-class public television system to serve the American people.

Criticism of this kind is a price we pay for having gotten only part way there. It goes with the territory, and we must have the confidence to accept such criticism gracefully. It is motivated by the same restlessness we ourselves feel about the snail's pace at which we're moving toward the completion of that first-class system.

Another criticism causes me far greater concern—that we're too sensitive to many suggestions about how we should be conducting our affairs. We are told that we perceive the threat of interference where none is intended.

I do not believe we can be too sensitive to any threat to our independence. I believe we have to be sensitive to preserve and defend independence—in order to carry out our unique mission of providing the American people with a vital public television program service which is a beacon of excellence and which earns the trust of our viewers each and every day.

Important consequences flow from that unique mission.

Public television has to meet the highest standards. The only commodity we have to push is quality, and you don't create quality programs without taking risks. We have to be free to risk. We have to be free to try what has never been tried before—to risk failure in the short term so that we can risk success over time.

So the answer is, yes, we are sensitive—extremely sensitive—to even the threat of interference in the program-making process, and we are fiercely protective of our freedom. We have to be, and we must continue to be.

We recognize that we are unlike all other broadcasters in a significant way. While commercial television broadcasters receive federal licenses to the public airwaves—and thus the privilege of making great profits—we are prohibited from seeking profits. We do receive direct federal assistance, about 28 percent worth in terms of our total income. It is important to put this fact in its proper context.

Independence and autonomy have always been hallmarks of our public television system. They were before we received our first dollar of federal assistance, and they have been in the decade since. The Public Broadcasting Act of 1967 was designed precisely to preserve and enhance that independence and autonomy—whether from corporate interests, or foundations, or government, or from the federally-authorized Corporation for Public Broadcasting itself. And that Act has worked and is working today for the most part, thanks both to our vigilance and the restraint and wisdom of the Congress.

The 1967 Act, in other words, did not create us. We created ourselves. The express purpose of the 1967 Act was to hasten and facilitate the development of independent systems of public television and public radio stations—to provide better service to more people.

That still is the purpose and rationale of federal assistance. And that, in essense, is what the present debate is all about: whether the delicate, always fragile barrier separating federal assistance from federal control can be maintained.

Many of us come from universities and are fully aware of the dangers of growing federal involvement in academic life. As a university trustee myself, I have discussed our public broadcasting problems in Congress with university representatives. I am greeted with "Welcome to the club." What are the Presidents of our leading Universities saying these days?

"The critical issue for the next generation is not Harvard's survival but its independence and freedom from ill-advised government restraint." And, from Yale: "I do object to the notion that the receipt of a federal dollar for some purposes subjects a private institution to federal regulation and surveillance of all its activities . . . this is 'now-that-I-have-bought-the-button-I-have-the-right-to-design-the-coat approach'." And from the University of Wisconsin, which recently won one battle for independence with a federal agency: "One of the good things we hope for from our experience, is that it will make others bolder about standing up for their rights."

Public television is in an analogous situation. I suggest to you that whether the issue is academic freedom or public broadcasting freedom, we must never forget Justice Brandeis's admonition: "Experience should teach us to be most on our guard when the government's purposes are beneficent."

At the same time, we do not, cannot, and should not ever ask Congress for a blank

check. We welcome and deserve intensive scrutiny by Congressional oversight. Chairman Hollings and Chairman Van Deerlin, and their colleagues on both sides of the aisle are, in my judgment, genuinely and thoughtfully seeking to help us achieve our mission. While we may agree with them on some issues and disagree with them on others, we know that they share with us the goals of a first-class public broadcasting system for all Americans. We expect to be and should be held accountable to the highest standards of performance. We ought to: we set those standards ourselves.

What we are asking for is a reaffirmation that an independent and autonomous public broadcasting system is the best way—indeed, under the First Amendment, the only way—to achieve that quality of service which the people deserve. To achieve that goal we must be independent—and at the same time accountable.

How can this balance be achieved? I believe the burden is on us, to show and keep on showing that we have earned such a reaffirmation of faith. The fact is, we have not always done so. Insofar as we fracture our credibility in intramural hassles and conflict, to that extent our critics are right. If we do not inspire trust and confidence, we deserve neither.

I am not saying that all the issues which have occasionally divided us within public broadcasting, and even within our own immediate family in public television, are petty and insignificant. Some are purely internal in scope, some are pure ego trips, and they should be kept in the closet where they belong. But some are very real issues indeed. There is, for example, the issue of CPB's proper role in the program-funding process. There are issues going to public broadcasting's structure, to its operating efficiency—and to its independence. These are issues of substance and we needn't apologize for them. They can and will be resolved in time, by reasonable people acting reasonably.

But I simply cannot believe we're incapable of acting like grown-ups and resolving these differences, whether we are a local station, a regional system, PBS, CPB, or any part of our service to the public. We are all engaged in a larger, noble cause, far greater than any particular function. If we don't act in harmony, we not only invite but also deserve outside interference.

As PBS Chairman, I promise you that all the many diverse elements of our system will be treated with respect, good will, and a deep sense that good people are at work to accomplish worthwhile goals. We will debate, we will disagree, as reasonable people do, but we will operate with the philosophy that people can, in fact, disagree without being disagreeable. Thoughtful positions and contrasting viewpoints will be heard immediately and respectfully.

We are, after all, operating with an entity we have all chosen to call The Public Broadcasting Service.

Thus, we are public, working to serve the people.

We are broadcasting, providing a quality program service.

And we are a service of, by, and for the stations and the communities we are committed to serve.

We must never forget that we are neither the creation nor the creatures of the federal government. We are not the Federal Broadcasting System, or the White House Broadcasting System, or the Congressional Broadcasting System, or our Underwriters' Broadcasting System. We created ourselves to meet new standards of excellence in broadcasting—and it's high time we got back to the task of serving our viewers.

Broadcasting great programs and serving our communities is what public television does best. It is why millions watch us and support, subscribe, and participate. It's why we win awards and why, increasingly, we are looked to by the American people as the standard-bearer for quality in broadcasting—as television's last best hope.

While our colleagues in commercial television have an enormous advantage over us in financial resources, they also have an enormous disadvantage. It was well expressed in a prayer given as an invocation by a priest and television producer, Reverend Ellwood E. "Bud" Kieser, at a recent convention of television executives: "Lord, we know what You want. You want us to put people before profits, the quality of our programming before the size of our ratings, the service of our communities before the selling of our products. Lord, do You know how tough that is? The law says Your people come first. But our promotions or demotions, raises and bonuses, depend on something else. We're caught in the middle, Lord. It's a tough place to be!"

We in public broadcasting are liberated from that tough place.

Public television is free from the ratings chase. Naturally, like all broadcasters with pride in our profession, we want people to watch our programs. It's criminal, in fact, starved as we are for adequate promotion dollars, that so few potential viewers even know about some of the best programs on our schedule.

But we do not consistently seek mass audiences. Quite the contrary. We offer some programs of value that cannot possibly attract big numbers. We offer programs of a special quality that are consciously designed to appeal to specialized interests—and we always should. Because we believe that specialized does not necessarily equal unimportant.

As a matter of fact, I would go even further. I have a conviction that we should say to our viewers: We do not suggest that you spend all your free time, or even most of your time, with public television. We suggest that some of your time be spent reading a book, or taking a walk, or viewing commercial television, or calling your mother-in-law, or reading a story to your children, or visiting someone in a nursing home, or working in a political campaign, or just plain sitting in quiet contemplation. There is, indeed, a lot more to life than television.

Aleksandr Solzhenitsyn chastised us this month for living too much in what he termed a television-induced stupor. He said it on public television, too! Clearly, he was referring not just to how much television we watch, but also to what we are watching. And that is the point at which living the full life and enjoying television come together. The mark of great television is precisely that it brings life into the living room, and holds up a mirror to all the richness and variety of our society and our world.

That also is the strength of public television. We say to our viewers: When you are ready, turn to us and we will have material that is worth your while, that will enrich your life, that is worth your attention, and worth weaving into the many demands on your time. Public television has the time to sit back and think, and the willingness to stick with a story until it's done. Our program schedule is flexible—and the satellite will make it even more so. We deliberately repeat our programs so our viewers can see them at convenient times. We have exceptionally talented people spread literally over the map. These are the capabilities we have at hand, unique in all of American broadcasting, and we should use them to the full.

We have made a stunning start.

But our work is unfinished. What must we do?

An hour a night of news, analysis, and commentary is one idea whose time clearly has come. We should be the first. Original investigative reports and documentaries already are features of our weekly schedule. We need more of them. Live coverage of important Congressional hearings and other major public events helped make us our reputation. We should continue and expand such coverage. We must soon be ready to provide the second generation of a rich, full range of continuing life-long learning services to our many audiences, both in the home and in concert with our educational institutions.

Nor should we use these unique capabilities of ours only for what is narrowly defined as public affairs or education. The same combination of scheduling flexibility and our new satellite opens up to us the entire universe of culture and creativity—and our cameras should be there, too.

I have in mind everything musical, from rock to Rachmaninoff, as well as drama and dance, opera and folk festivals, craft shows and exhibitions of the masterpieces of fine arts, Fourth of July parades and Little League baseball games—everything under our national sun, and wherever else in the world we're able to be. We must be much more than a recording service. Television is at its best when it is live television, when it takes us to see something while it happens, when it permits us to share live events with one another. Live television—exciting television—can unite our big country, from border to border. Coverage of the kind I've just described is how that dream could be realized, uniquely and especially on public television.

There's another dream I'd like to share with you, not original with me, and that is for an all-year, every-year series under the umbrella title of American Masterpiece Theater. The BBC does an outstanding job, and we bring American viewers the best of the BBC, and we hope to continue to do so. But if we had sufficient resources, we could produce more in America, both through our stations and through independent producers. Each of our public stations is America's channel. Our programs should dramatize American novels; they should present American plays; they should show us American history; they should dramatize the lives of American political leaders and ideas; they should examine and make people think about the United States. Nor should they simply extol our country's virtues. They should show us the good and the bad, and occasionally, cry out for righting American injustice.

As we meet together here in Dallas to plan the future of public television, we are grateful for the opportunity to engage in such important and useful work. And we are honored by the fact that the distinguished men and women on the Carnegie Commission have joined us here—and are devoting their unstinting efforts and great talents to helping us improve our service.

It is not easy to organize ourselves in a common effort, because we are at once national, regional, and local, desiring to retain the autonomy of these separate realms while benefiting from the needed strength of alliance. We are at a stage not unlike the effort our nation engaged in from 1776 to 1789, after it had declared its independence and worked to create a Constitution and a Bill of Rights.

While not easy, the effort is worth our commitment. Because all of us, I know, share the conviction that public television can make an enduring contribution to the people of America. We share the view of E. B. White who, in the summer of 1938, sat in a darkened room and watched a strange electronic box projecting images into the world, and wrote: "I believe television is going to be the test of the modern world, and that in this new opportunity to see beyond the range of our vision we shall discover either a new and unbearable disturbance to the

general peace, or a saving radiance in the sky. We shall stand or fall by television—of that I am quite sure."

Forty years later, in 1978, let us once again—here in Texas where it all began—reach deep into all our resources of optimism, hope, and energy, and let us pledge to build public television into that saving radiance in the sky.●

PROPOSED ARMS SALES

● Mr. SPARKMAN. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulated that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate I submit for the RECORD the three notifications I have just received. A portion of two of the notifications, which is classified information, has been deleted for publication, but is available to Senators in the office of the Foreign Relations Committee, room S–116 in the Capitol.

The notifications follow:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 10, 1978.
In reply refer to: I–1024/78ct
Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding under separate cover, Transmittal No. 78–62, concerning the Department of the Army's proposed Letter of Offer to Kuwait for major defense equipment, as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $32 million and support costs of $25.6 million for a total estimated cost of $57.6 million.

Sincerely,

ERNEST GRAVES,
Lieutenant Gen. U.S.A.

TRANSMITTAL NO. 78–62

[Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act]

(i) Prospective Purchaser: Kuwait.

(ii) Total Estimated Value:

	Million
Major defense equipment *	$32.0
Other	25.6
Total	57.6

* As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: (Deleted).

(iv) Military Department: Army.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: July 10, 1978.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 10, 1978.
In reply refer to: I–294/78ct
Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding under separate cover, Transmittal No. 78–63, concerning the Department of the Navy's proposed Letter of Offer to Saudi Arabia for major defense equipment, as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $46.4 million and support costs of $28.6 million for a total estimated cost of $75 million.

Sincerely,

ERNEST GRAVES,
Lieutenant General, U.S.A.

TRANSMITTAL NO. 78–63

[Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act]

(i) Prospective Purchaser: Saudi Arabia.

(ii) Total Estimated Value:

	Million
Major defense equipment*	$46.4
Other	28.6
Total	75.0

* As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: (Deleted).

(iv) Military Department: Navy.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: July 10, 1978.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 10, 1978.
In reply refer to: I–12341/76ct
Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 78–64, concerning the Department of the Army's proposed Letter of Offer to Saudi Arabia for major defense equipment, as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $15.8 million and support costs of $5.2 million for a total estimated to cost $15.8 million and support costs of $5.2 million for a total estimated cost of $21 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, U.S.A.

TRANSMITTAL NO. 78–64

[Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act]

(i) Prospective Purchaser: Saudi Arabia.

(ii) Total Estimated Value:

	Million
Major defense equipment*	$15.8
Other	5.2
Total	$21.0

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Fifteen (15) bulldozers (M728 combat engineer vehicles), radios and two-year component spare parts.

(iv) Military Department: Army.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: July 10, 1978.●

AMTRAK SERVICE TO NEBRASKA

● Mr. CURTIS. Mr. President, my fellow Nebraskans and I are concerned over the recommendation of the Department of Transportation that Amtrak service to Nebraska be eliminated. Public hearings on this recommendation were held in Lincoln, Nebr., on June 27, and McCook, Nebr., on June 29. At both hearings the response of the people of Nebraska was overwhelmingly opposed to the rerouting of Amtrak. Nebraskans need and deserve better rail passenger service, not the elimination of the only line now serving the State. I submit for the RECORD a letter dated July 5, 1978, from the clerk of the Nebraska Legislature containing Legislative Resolution 26, adopted by the Nebraska Unicameral on June 13, 1978.

JULY 5, 1978.

Hon. CARL T. CURTIS,
U.S. Senator,
Dirksen Building,
Washington, D.C.

DEAR SENATOR CURTIS: Enclosed is a copy of engrossed Legislative Resolution No. 26. This Resolution was presented to the Nebraska Legislature and was adopted by the same on June 30, 1978.

I forward the Resolution to you for your consideration.

With kind regards.

Sincerely,

PATRICK J. O'DONNELL,
Clerk of the Legislature.

Enclosure.

LEGISLATIVE RESOLUTION 26

Whereas, the railroad as a means of services and transportation is important to the citizens of the State of Nebraska; and

Whereas, the United States Department of Transportation is considering discontinuing Amtrak services to the State of Nebraska.

Now, therefore, be it resolved by the members of the Eighty-Fifth Legislature of Nebraska, first special session:

1. That the Legislature go on record as opposing the discontinuation of Amtrak Services to the State of Nebraska.

2. That a copy of this resolution be sent to the President of the United States Jimmy Carter, Secretary of Transportation Brock Adams, and to the appropriate members of the Congress of the United States.●

THE EQUAL RIGHTS AMENDMENT

● Mrs. HUMPHREY. Mr. President, on Sunday, thousands of women from every State in the Nation gathered here in Washington to demonstrate their support for the equal rights amendment and for the ERA extension legislation. Over 40,000 women marched to the Capitol in an effort to begin to persuade the House and Senate to give the States 7 more years to ratify the amendment. Many of these women will remain in Washington to discuss the proposed legislation with

their Senators and Representatives. These women are to be commended for their continued efforts on behalf of the ERA and they have my full support.

On Monday I had the opportunity to meet with an outstanding delegation of Minnesota women who were in Washington for the ERA march. I promised them that I would do all that I could in the months ahead to press for the enactment of the extension legislation.

On July 1, 1978, the Minneapolis Star carried an article I prepared on the ERA. Today, I would like to share with my colleagues the reasons I gave in this article for my strong and wholehearted support of the ERA and the extension legislation.

The article follows:

ARTICLE ON ERA

The Equal Rights Amendment is not a "women's only" issue. The issue of women's economic independence affects everyone in this country. As long as women nationally earn only 57% of what men earn, to cite only one of many appalling statistics, regarding the status of women in this country, everyone is affected.

Husbands, children and families suffer when women work long hours and bring home a little over half of what men bring home for working the equivalent number of hours.

Equally important, women who choose to be homemakers frequently suffer as well—in terms of unequal credit opportunities and social security benefits, for example—because of their commitment to home and family.

Anyone who cares deeply about poverty, inequality and injustice in this country should care deeply about the Equal Rights Amendment, which states simply: "Equality of rights under the law shall not be denied or abridged by the United States or by any state on account of sex."

It is important to note that opinion polls show this amendment has the support of the majority of Americans. The U.S. House of Representatives approved it by a vote of 354 to 23; the Senate, by a vote of 84 to 8.

Every American President since President Eisenhower has endorsed it.

Thus far, 35 states have ratified the Equal Rights Amendment. In less than ten months, by March 22, 1978, three more states must approve ratification.

Many people are rightfully concerned that time is running out and that full equality for women under the law may not become a reality in this century.

These concerns have prompted congressional action. H. J. Res. 638, to extend the time limit for ratification by seven years, has been introduced in the U.S. House of Representatives. And I have joined Senator Birch Bayh (D-Ind.) in sponsoring similar legislation in the Senate.

In 1972, when the Equal Rights Amendment was sent to the states for ratification, a seven-year time limitation was approved by both Houses of Congress. This provision was adopted, because it seemed to be a sufficient period of time to allow for a reasonable debate on establishing a national policy about which there appeared to be wide agreement: The right of American women to full equality under the law. Regretfully, the reasonable debate which Congress anticipated did not come to pass.

The Equal Rights Amendment has been misrepresented and distorted by its opponents. Myths abound as to what it will do and will not do. False issues have persistently obscured the real issues of the right of American women to full equality under the law.

To many, the questions surrounding the Equal Rights Amendment appeared to remain unanswered. Surveys have shown that many people still do not understand its implications.

Although we are approaching the end of the seven-year time limit, it is clear that debate on this proposal has not been fully exhausted.

The legislation we have introduced signals that the debate on the issue of full equality must continue. By this action, we are not conceding defeat. On the contrary, the extension legislation reflects our unfailing determination to continue to press for ratification until we have achieved our goal.

The extension legislation puts the opposition on notice that the Equal Rights Amendment will not go away and that delaying tactics can no longer be used against it. It will provide the remaining state legislatures the opportunity to address the issue at length.

I sincerely hope that the three remaining states approve ratification prior to the deadline of March 22, 1979, and that the extension legislation will prove unnecessary. But prudence indicates that we must begin to mobilize support for extension legislation now.

The Equal Rights Amendment has the potential to close the gap between what is possible for men and what is possible for women in this country. Let us remember that primarily what is at stake is the fundamental right of economic independence for women.●

NEW OECD STUDY FINDS PUBLIC SPENDING RISING FASTER THAN ECONOMIC OUTPUT

● Mr. DOMENICI. Mr. President, the 24-member-nation Organization for Economic Development has just reported that expenditures in the public sector of every single OECD country has increased considerably faster than their economic output over the last 20 years.

Since I first introduced S. 3200 on June 13, 1978, which would limit any of our concurrent budget resolutions to no more than 20 percent of GNP, I have found that more and more countries around the world are facing exactly the same problem of too rapid an increase in public spending that we have experienced here in the United States.

I find it especially interesting that the OECD, itself made up of many countries with socialist economies, says that—

Too rapid an increase in public expenditure can reduce productive potential by increasing the likelihood of inefficient allocation of resources and lowering incentives to work and invest.

Moreover, says the OECD:

Beyond some threshold, too rapid an expansion of the public sector can provoke retaliatory action by groups outside the public sector aiming to restore their share of income and output.

At this point, I should note that this study was undertaken well before proposition 13 became an issue in California, here in our own United States.

And I find it even more interesting, as we here in our country labor under an annual inflation rate of 10.8 percent, that the OECD says, "this competition for resources can in turn be a source of inflationary pressure." To the OECD, we might say, "How well we know."

Mr. President, I ask that the article entitled "The Rise in Public Expenditure—How Much Further Can It Go?" from the May 1978 issue of the OECD Observer, be printed in the RECORD.

The article follows:

THE RISE IN PUBLIC EXPENDITURE: HOW MUCH FURTHER CAN IT GO?

Governments are increasingly subject to two conflicting pressures—to increase expenditure on the one hand and to reduce taxes on the other. To provide an analytic framework for the politically difficult tradeoff between the two, Working Party No. 2 of OECD's Economic Policy Committee has conducted a detailed study entitled "Public Expenditure Trends", the main features of which are highlighted in the following article.[1]

Public expenditure in all OECD countries has increased much faster than output over the last 20 years: its share of GDP has increased from an average of less than 30 per cent in the mid-Fifties to more than 40 per cent in the mid-Seventies (see Chart A), and two OECD countries, the Netherlands and Sweden, have gone over the 50 per cent mark considered by some economists as a "magic figure"—although it is twice as high as the 25 per cent identified by Colin Clark some twenty-five years ago as being a limit. Even the countries with the lowest relative levels of expenditure—Spain and Japan—have exceeded the Colin Clark figure, though by very little.

What are the forces at work? Is the upward trend likely to go on? Have the basic needs for "collective consumption" been satisfied? Is there likely to be a halt on increasing public expenditure despite continuing demand because of adverse side effects on investment and hence on employment, economic growth and other economic parameters? Will the rise be slowed or reversed by taxpayer revolts—direct or indirect in the form of tax-push inflation? These are some of the questions OECD's report poses, fully recognising that the choice of the balance between public and private activity is at heart a political as well as an economic question and one about which public attitudes may change dramatically in a relatively short period of time.

THE DIVERSITY OF PATTERN

One of the most striking findings in OECD's study is a negative one: there seems to be no typical pattern of growth in public expenditure.

If OECD countries are ranked according to the growth in their expenditure, four groups can be identified:

Six small countries (Belgium, Denmark, Ireland, the Netherlands, Norway and Sweden) where the share of public expenditure in GDP has increased the most—by two-thirds or more in the last twenty years, mainly because of a well above average growth in "welfare" outlays.

Canada, where the ratio of public expenditure to GDP increased by more than 50 per

[1] For the purpose of the report, public expenditure broadly corresponds to the total of various types of expenditure or transfers made by general government. As such it includes both current and capital spending and transfer payments of national, state or provincial and local governments, and social security agencies. It excludes the expenditure of those government-owned enterprises or public corporations which primarily sell the goods and services they produce on the market. As a consequence, the figures for public expenditure given in the report do not typically correspond to the expenditure covered by government budgets.

cent, partly because educational expenditures grew so rapidly.

Austria, Germany, Greece, Japan, Spain, the United Kingdom and the United States where the share of public expenditure in GDP has risen by a third or somewhat more.

Finland, France and New Zealand with the smallest rise. (The latter two started off with the highest ratio of public spending to GDP in the OECD area.)

As to elasticity of expenditure it is Sweden and Denmark which have experienced the greatest increases in public expenditure for a given rise in GDP, New Zealand and France the least.

Taken together with the present levels of expenditure, these figures show no evidence that, for example, public expenditure is related to a country's stage of industrialisation or its level of income. Nor is any tendency evident for countries with a low level of public welfare services to "catch up" by increasing expenditure. If there had been such a pattern, the size of OECD countries' public sectors would have converged; instead the evidence points to growing dispersion.

Despite this fact, there is evidence that the constraints are common to a number of countries as is the concern with the possibly negative influence of the public sector on longer-run economic growth. This concern focuses not only on the size of the expenditures themselves or the role of the government in the money markets as one of the biggest "transactors", but also on disincentives which it may create through taxation and regulation, and the difficulty of achieving efficient resource allocation as the area of non-market activity is expanded.

THE PRESSURE FOR EXPANSION

To an important degree the pressures to increase public expenditure "represent a natural response to the general increase in living standards". OECD's report notes that as incomes have risen, demands for increases in expenditure on such services as education and health, on maintaining and improving the urban environment and cultural facilities have grown more than proportionately. Greater absolute wealth may also make relative inequalities less tolerable and lead to strong pressure to redistribute incomes and to improve the equality of access to essential services such as health care, education and housing. Says OECD economist Rodney Dobell: "The public expenditure trends we have observed constitute a collective decision about the use of the growth dividend. Part of the rapid growth in expenditure of governments is the result of supplying goods and services which are not produced by the market, part is a result of this pursuit of equity directed at welfare expenditures."

Welfare

By the mid-Seventies, welfare—education, income maintenance and health [2]—was the largest area of public expenditure, accounting for 46 per cent of the total, compared with just over 40 per cent in the early Sixties and 37 per cent in the mid-Fifties (Table 1).

By far the greatest contribution to this rising share is attributable to an increase in programme coverage—higher enrollment ratios in higher education, more people eligible for health benefits, pensions, child allowances and unemployment in kind or in cash. On average, 20 per cent of the population is now in higher education at any one time, 10 per cent draw a publicly-funded old-age pension, and in most countries nearly the whole population is eligible for publicly financed health benefits, although there are a few major exceptions, notably the United States where public health programmes cover only 40 per cent of the total population.

[2] OECD's report does not include housing in its analysis of welfare expenditures. This analysis is in fact based on three earlier published reports on specific welfare areas: "Public Expenditure on Education", "Public Expenditure on Income Maintenance Programmes" (July 1976), and "Public Expenditure on Health" (1977).

TABLE 1.—*Changes in public welfare expenditure (excluding housing) in 18 OECD member countries—early sixties and mid seventies*

[Percent of GDP in current prices]

	Education		Income maintenance expenditure		Health		Total "welfare"		Elasticity of total "welfare" with respect to GDP
	A	B	A	B	A	B	A	B	
Australia	2.4	3.8	4.7	4.0	2.5	5.0	9.6	12.8	1.33
Austria	2.6	4.0	14.1	15.3	2.9	3.7	19.6	23.0	1.17
Belgium	3.8	4.9	11.7	14.1	3.1	4.2	18.6	23.2	1.25
Canada	3.5	6.5	5.4	7.3	2.5	5.1	11.4	18.9	1.66
Denmark	(4.0)	(7.0)	6.5	9.9	3.7	6.5	14.2	23.4	1.65
Finland	4.8	5.6	6.7	9.9	2.5	5.5	14.0	21.0	1.50
France	2.1	3.2	11.8	12.4	3.1	5.3	17.0	20.9	1.13
Germany	2.1	3.0	11.9	12.4	2.5	5.2	16.5	20.6	1.25
Greece	(1.7)	(2.3)	6.0	7.1	1.8	2.3	9.5	11.7	1.23
Ireland	(3.0)	(4.9)	5.3	6.4	2.8	5.4	11.1	16.7	1.50
Italy	3.2	4.0	7.5	10.4	2.9	5.2	13.6	19.6	1.44
Japan	3.0	2.6	2.1	2.8	1.9	3.5	7.0	8.9	1.28
Netherlands	(2.8)	5.9	8.6	19.1	2.8	5.1	(14.2)	29.1	2.04
New Zealand	2.8	4.4	7.6	6.5	3.3	4.2	13.7	15.1	1.10
Norway	4.1	4.9	5.1	9.8	2.5	5.3	11.7	20.0	1.72
Sweden	4.0	5.9	6.0	9.3	3.6	6.7	13.6	21.9	1.61
United Kingdom	3.7	4.4	4.4	7.7	3.2	4.6	12.6	16.7	1.33
United States	3.6	5.3	5.5	7.4	1.2	3.0	10.3	15.7	1.52
Average OECD	3.2	4.9	7.3	9.5	2.7	4.9	13.2	18.8	1.42

A: Early 1960's; B: Mid 1970's.

(1) Education expenditure/GDP ratios refer to current outlays only except for Denmark and Ireland for which investment outlays are separately available.

(2) The education/GDP ratios are usually for 1960 and 1970; the income maintenance/GDP ratios for 1962 and 1972; the health/GDP ratios for 1962 and 1974. Because some "welfare" programs have experienced in a number of countries accelerations or decelerations in the 1970's, the total "welfare"/GDP ratios are only an approximation of the situation prevailing at present.

SOURCES: Derived from OECD, Public Expenditure on Education (except New Zealand); Public Expenditure on Income Maintenance Programs (except Greece); Public Expenditure on Health; National Accounts of Greece and New Zealand.

The second most important factor in rising expenditure is the increase in costs relative to other goods and services: one-fifth of the rise in spending on health and over two-fifths of the increase in education were accounted for by this increase in relative costs. Salary increases in hospitals have been particularly important in the United States, Sweden and Italy and out-patient care in Australia and Britain. On the other hand, pharmaceutical prices have declined relative to other consumer prices in all countries. In education, relative prices appear to have increased everywhere but most rapidly in the Netherlands, Japan, Austria and Germany. This trend towards higher relative prices is common to the public services and is in part attributable to the apparent lack of scope for improved productivity, at least as measured.

Usually it is assumed that demographic forces exert a major influence on the demand for welfare expenditure since the need for the different services are very obviously determined by the size of the client population. And indeed this is the case for income-maintenance expenditures which have accounted for more than one-third of the increase in public expenditure as a whole. Pensions of course are particularly responsive to changes in the age structure. Yet changes in the demographic structure of OECD countries proved not to have had much impact on educational or public health spending since the early Sixties.

The extent to which expenditure on welfare has already achieved the aims of the society is of course an important determinant of future trends, but the OECD study found it difficult to draw any but the most general conclusions in this respect. Considerable progress has been made toward the "social insurance" aim—full basic insurance coverage for the sick, the unemployed and the old. But the available evidence does not suggest that the health status of people in the OECD area has improved as a result of the large increase in health outlays. And welfare programmes have made less progress than might have been hoped in reducing inequalities in the distribution of income and opportunity. A significant degree of relative poverty persists. Effective access to medical care is not always equal: some areas

are poorly served, and there is evidence that lower income groups make less use of the health services, possibly because they are less well-equipped to take advantage of these services.

As to education, it has usually been assumed that increased enrollments have helped to provide a better-trained labour force and hence have contributed to economic growth, as well as to the transmission of cultural values. Recently, however, as well-educated young people increasingly have had difficulty in finding employment, this proposition has been called into question. Moreover educational achievement continues to be affected by social inequality.

As a very broad generalisation, therefore, it could be said that society, over the last decade, has more or less succeeded in fulfilling what might be called its "democratic" objectives for welfare—the extension of coverage to as large a share of the relevant population as possible. Only slow progress, however, has been made towards fulfilling its more "egalitarian" aims—selective help to the economically vulnerable and socially disadvantaged. Indeed insofar as the effort to achieve generalised coverage has restricted the increase of benefits, these two objectives may even have been in conflict. This then raises a question: should future improvements in public welfare programmes not concentrate more selectively on providing assistance to target groups whose needs are greatest?

Since in many countries the access of all citizens to certain basic services and minimum income levels has been achieved, it could be argued that OCED countries have reached a turning point. Although it cannot be assumed that the welfare services of governments can now be put on a "care and maintenance" basis, a strong case can be made for a significant slowdown in future growth of expenditure. There appears to be considerable scope for rationalising programmes, gearing them better to their objectives, and this itself might be expected to release resources for further selective and targeted expansion to meet new needs and to make some further improvements, especially in benefit levels for the poorest recipients of assistance.

In order to show more specifically what might be the implications of such a policy, expenditures on education, income maintenance and health were projected to 1985 on three different assumptions: (1) no policy change; (2) increased eligibility; (3) changes in benefits (see Table 2). The results range from a small increase in these expenditures to an increase of 6½ per cent of GDP. This compares with an average increase of 5.6 per cent over the last fifteen years. The wide range of these figures vividly illustrates the importance of the choices which have to be made about public expenditure now and over the coming decade.

The highest estimate would mean major advances in equality, both of income and of opportunity. It would also permit the introduction of imaginative programmes to help people, especially young people, adapt better to changing social and cultural conditions and also to changing aspirations. At least potentially, such programmes would also have the very useful side-benefit of improving labour market flexibility.

On the other hand, the opportunity is there to slow down substantially the future increase in welfare expenditures. Little or no increase in the GDP share of public welfare expenditure would however require very rigorous policies and substantial improvements in programme effectiveness to maintain both standards of service and the real value of benefits provided.

Thus it seems likely that such expenditures will continue to increase even if at only a moderate rate. If that is so, keeping overall public expenditure to its present level will require a slowdown in the growth of other public sectors (Table 3.)

Other expenditures

But here too there are some reasons why restraint is likely to be more difficult than in the past. First—and foremost—defence expenditure has generally fallen in the past 20 years, at least in relative terms, but there are now indications that many countries wish to stabilise the share of defence spending in GDP and some even envisage moderate increases. Second, while the cost of servicing the public debt rose by less than half a percentage point for the OECD as a whole between the mid-Fifties and the mid-Seventies, it has recently accelerated as a consequence of large budget deficits. Thus if overall public expenditure is to be restrained, much of the burden will have to shift onto the other two main areas of government expenditure—housing and urban infrastructure and assistance to industry. But detailed studies of these two functions are lacking, and observations concerning future demand are necessarily speculative.

TABLE 2.—*Projections of public welfare expenditure to 1985 in the OECD area*

Function	Share in GDP early 1970s	Hypothetical changes (percent of GDP) Case 1 No policy change	Case 2 Eligibility change	Case 3 Change in benefits	Of which: Effect of relative price shifts [1]
Education	5.3	1.0	1.5	2.2	1.5
Income maintenance	8.7	0.1	1.1	3.7	[2]
Health	4.4	0.7	0.8	0.2	0.5
Total "welfare" (8 countries)	18.4	1.8	3.4	5.7	

[1] Identical for all three cases.
[2] Not applicable.

Case 1: For education "no policy change" means no change in coverage or real benefits for education and income maintenance; demographic changes however are taken into account. For health the "no policy change" case assumes a lower rate of cost increase and also a lower rate of use than in the past; such a trend has been evident in recent years.

Case 2: "Eligibility change" assumes increases in programme coverage and a reduction in the retirement age so that "best practice" levels already achieved in some countries are equalled elsewhere. For education, enrollment ratios are assumed to increase.

Case 3: "Change in benefits" assumes an increase in real benefits per person for income maintenance, a reduction in average stay in hospital and also fewer admissions as well as reduced expenditure for overall medical care and some convergence towards "best practice" levels in the real resources per student for education.

One might surmise that expenditure on public housing will decline because of lower demographic pressures and the high present stock of housing. But much of this stock is old, and the population of OECD countries is mobile thus creating new demands. One index of this mobility is that in the OECD area as a whole, more than two-thirds of the population is now living in cities as against just a little over 50 percent in 1950.

Much more important are likely to be the demands for urban infrastructure, including the provision of transport and the various educational, cultural and health facilities associated with urban living. Here too there are many unknowns, but it would seem that future rural-urban migration could serve at least to maintain the relative importance of present demand. Over and above this, there may be increasing pressures to renew ageing infrastructure, and there are possibly some important backlogs to be made good, especially in older cities where the revenue base has been declining (for example London or New York), and in some rapidly growing newer settlements.

As for transport, although rising living standards have led to a demand for greater mobility and a consequent increase in the role of expenditure on transport, this does not necessarily entail the use of public funds. A relative fall in the use of public transport and much greater use of private cars have led to major road-building programmes, but in many countries the new network of trunk roads is now nearing completion, and with traffic forecasts suggesting slower rates of increase in future, it seems likely that road expenditure could increase more slowly. On balance, therefore, demand for public capital expenditure on transport may be less strong than in the past.

Turning to the possible evolution of government assistance to industry, manpower and employment, it seems unlikely that there will be further significant increases if progress towards economic recovery is maintained. The stepped-up unemployment compensation and manpower programmes associated with the recession has already led to a significant upward shift in the share of resources absorbed by public expenditure at the same time as the economic resource base—GDP—has contracted. In the ordinary course of events, it might be expected that a recovery in output and employment would help to stabilize or even permit some decline in this kind of public expenditure. But if structural unemployment remained high over a long recovery period, there could be increasing demands on governments for new programmes. This kind of expenditure is closely related to industry assistance, much of which is directed towards maintaining employment.

In sum then, OECD's review suggests that there are still plenty of new demands to be met if expansion of public expenditure rather than restriction seems feasible. Furthermore, it is likely that economic growth itself, and the changes in taste associated with rising incomes, will lead to the articulation of demands for public expenditure which are not as yet widely recognised. Needs such as care facilities, which twenty years ago were scarcely recognised, are now assuming growing importance as women join the workforce in increasing numbers and search for more varied life-styles. If they involved no risk to other economic objectives, governments would no doubt wish to accommodate these demands. At any rate, moderate increases in public expenditure are likely to continue, even if no new initiatives are taken, largely because of continuing relative cost increases in the services for which the public sector is typically responsible.

THE PRESSURE FOR RESTRAINT

But what about the ability of governments to pay for these goods and services? "In the face of demands for increased collective consumption, the main limiting factor has been and will continue to be the impact of a growing public sector on the growth capacity of the economy itself", the report concludes. Of course public expenditure is in part designed to encourage economic growth by improving productive potential and stimulating better utilisation of an expanded resource base. But, at least beyond a certain point, too rapid an increase in public expenditure can reduce productive potential by increasing the likelihood of inefficient allocation of resources and lowering incentives to work and invest.

Moreover, beyond some threshold, too rapid an expansion of the public sector can provoke retaliatory action by groups outside the public sector aiming to restore their share of income and output. This competition for resources can in turn be a source of inflationary pressure. To assess these constraints and answer the question, "has government spending reached its limit?" OECD's study first analyses revenue trends.

What has happened to revenues?

As government expenditure has risen in the OECD area, so of course has government revenue: total taxation rose from 25 per cent of GDP in the mid-Fifties to almost 35 per cent in the mid-Seventies.

It might be supposed that the scope for tax increases reflects, to some extent at least, already prevailing levels of taxation and especially the size of recent increases. In actual fact, however, the picture is not a clear one. France, for example, which during the early Sixties had the highest tax burden of any OECD country, has since then experienced only a small further increase. But, in contrast, the Netherlands, Norway and Sweden, which also had high levels of taxation in the early Sixties, have experienced rapid increases since then and have now passed the 45 percent mark. Even the low-tax countries—Australia, New Zealand, and the United States—show no uniform pattern: in Australia and New Zealand there has been a significant increase in the tax burden, largely as a result of tax-financed social welfare programmes while in the United States there has not. Clearly, if there is a tax ceiling, it differs from country to country.

Of the three broad categories examined—social security, direct and indirect taxes—it is the first two which have been the most dynamic sources of additional revenue over the last 20 years. Social security taxes have more than doubled, rising from 3.4 to 7.6 per cent of GDP. The OECD report considers it likely that the period of explosive growth is at an end, at least for countries with well established schemes. It has been argued that social security taxes levied on the worker are more acceptable than, say, income tax because the benefits are more individualized and visible, but there is a limit to how far this argument can be taken especially as, with the passage of time, social security charges may come to be seen more and more as just another form of taxation.

As to direct taxes on corporations and individuals, they have risen from 8.9 to 13 per cent of GDP. Corporate taxes have been constant in terms of GDP for the last ten years, and are not expected to be a dynamic source of revenue in future unless profits should reverse their trend and increase as a share of national income over the next few years as a result of economic recovery. But even if they do, governments are likely to be reluctant to increase the tax burden on companies for fear of discouraging investment. More widespread use of "inflation accounting"[3] and other measures such as tax credits or fast depreciation rules could reduce the tax liability which has recently reached very high levels.

Personal income taxes, whose share in GDP has risen steadily over the last decade, are likely to remain the dominant source of new revenue, OECD's report concludes, particularly if economic recovery is firmly established so that incomes increase. However, growing public awareness of what they are paying in taxes and what they are getting will discourage governments from continuing to allow inflation to carry people into higher tax brackets. A general slowdown in inflation would also tend to keep income taxes down. In a few countries (e.g., Italy and France) tax revenues may be more buoyant if attempts to reduce avoidance and evasion are successful.

[3] Inflation accounting aims at neutralizing the distorting impact of inflation on the valuation of assets and liabilities of firms. Although there is no technique universally agreed upon, proposals are all based on the implementation of a uniform system of capital gains taxation with compensation for capital losses and a maintenance adjustment.

3. FUNCTIONAL BREAKDOWN OF PUBLIC EXPENDITURE OF 8 OECD COUNTRIES

[Average 1973–75 or near years—percent of GDP at current prices]

	General public services	Defense	Education	Health	Social assistance	Housing and community amenities	Other community services	Agriculture	Trade and industry	Transport and communication
Australia:[1]										
Final consumption expenditure	3.10	2.40	4.65	2.58	0.47	0.22	0.57	0.56	0.55	0.25
Transfers and subsidies (including capital transfers)	.56		.50	1.55	5.88	.05	NA	NA	.60	NA
Gross fixed capital expenditure	.44		.93	.38	.87	.22	.16	.23	.13	1.82
Belgium:[2]										
Final consumption expenditure	1.63	2.32	4.56	.13	.02	.13	.13	.14	.18	.57
Transfers and subsidies (including capital transfer)	.57	.07	1.40	3.79	17.05	NA	NA	.32	.95	2.05
Gross fixed capital expenditure	.13		.79	.08	.03	.05	.01	.01	.07	1.13
Canada:[3][1]										
Final consumption expenditure	3.83	1.72	4.68	4.79	1.16	1.25	.81	.63	.57	3.01
Transfers and subsidies (including capital transfers)	.12		1.23	.12	8.10	.14	.12	1.15	1.40	4.40
Gross fixed capital expenditure										
Germany:[4]										
Final consumption expenditure	3.36	2.84	3.45	.71	.77	.33	.36	.05	.18	.51
Transfers and subsidies (including capital transfers)	.61	.08	.34	4.49	14.16	.31	.07	.62	.34	1.20
Gross fixed capital expenditure	.22	.02	.89	.29	.12	.48	.15	.02	.29	1.39
Italy:										
Final consumption expenditure	3.72	2.15	4.44	.74	.93	.38	.10	.22	.13	.48
Transfers and subsidies (including capital transfers)	.49		.39	6.34	15.11	.09	.24	.37	.88	1.48
Gross fixed capital expenditure	.11		.55	.11	.10	.33	.07	.26	.53	.87
Japan:[5]										
Final consumption expenditure	2.58	.84	3.44	.64	.62	.25	.18	.59	.07	.06
Transfers and subsidies (including capital transfers)	.08		.03	2.06	3.51	.05	.06	1.06	.11	.09
Gross fixed capital expenditure	.29	.02	.73	.25	.14	1.13	.14	1.22	.01	1.90
United Kingdom:										
Final consumption expenditure	2.79	5.06	4.33	4.22	1.11	.52	.40	.17	.27	.63
Transfers and subsidies (including capital transfers)	.59	.03	1.18	.03	9.08	1.46	.04	.84	1.31	1.11
Gross fixed capital expenditure	.48	.09	.62	.38	.10	1.67	.11	.08	.25	.91
United States:[3]										
Final consumption expenditure	2.74	5.91	4.80	.45	1.21	.56	.56	.15	.50	NA
Transfers and subsidies (including capital transfers)	2.35	.42	.19	1.07	7.36	.14	NA	.09	.01	.53
Gross fixed capital expenditure										

[1] Fiscal years.
[2] 1973–74.
[3] Capital expenditures included in final consumption expenditure.
[4] 1973.
[5] 1972.

Sources: National Accounts of OECD Countries, 1975 consistent unpublished submissions of statistical agencies OECD; Eurostat, National Accounts ESA; Member countries national publications.

Among the indirect taxes (which have remained constant as a share of GDP) excise taxes may decline relative to income, but value-added taxes, a comparatively recent revenue source, still provide an opportunity for increasing revenues as more products are brought within their orbit.

Behavioral constraints on tax increases

The ability of governments to raise additional taxes will depend not only on national institutions and conditions but also on the public perception of the link between their tax and the benefits they receive.

Taxpayers seeking to avoid the burden of increased taxation can respond in a number of different ways which can effectively set limits to taxable capacity and these must be taken into account in weighing the pros and cons of a tax increase.

Actions through parliamentary processes to limit taxation.

Tax protests outside the parliamentary process

Tax evasion

Tax shifting through the tax and wage system

Reduced work effort

OECD's report concentrates on the last two.

Tax-push inflation is the struggle by different sectors and groups within the economy to maintain their real incomes and their share of future increases in national income. If a group feels that its position is threatened by too rapid a transfer through taxation, its response will be to seek increases in nominal incomes which will only fuel inflation.

Using an econometric model to test the significance of tax-push inflation, OECD's study finds that personal income taxes have increasingly contributed to such a psychology. The signs of tax-push inflation are particularly strong in the Scandinavian countries, Australia, Belgium and the United Kingdom, but less clear-cut in the United States, Canada, France, Germany, Italy, Japan and the Netherlands. Thus the phenomenon is by no means a universal one.

In countries where tax-push inflation exists, this conclusion has policy implications. First, it suggests that the willingness of taxpayers to absorb increases is subject to a limit beyond which inflationary pressures will simply be exacerbated. Second, the study suggests that tax levels may be pushing more tightly against this limit now than a few years ago and may continue to do so for some years because of the adverse effect on income growth of the oil price rise and the need to shift resources to investment and exports. Growth in national income over and above what is necessary to meet these requirements and ensure a reasonable increase in private incomes might, however, permit a more relaxed attitude to further increases in taxation.

A second potential constraint on the ability of governments to increase taxes is the possibility that to do so will reduce output because of the disincentive effect on labour of high marginal tax rates. An earlier OECD study [1] found that taxation had little detectable effect on the supply of labour although the participation rates of women seemed more responsive to tax changes than those of men. But it may be that in some Northern European countries with the most progressive systems, further increase in tax rates run the risk of reducing work effort.

Thus even though there will be continuing pressure on governments to increase expenditures, constraints are likely to be tighter in future than in the Sixties and early Seventies. It would seem that limits to taxation capacity are being encountered in many countries and, unless there is a major change in collective preferences, future taxation may rise but only in line with incomes. This would effectively inhibit any significant increase in public expenditure as a share of GDP unless governments choose to have more recourse to the other two major sources of revenue—user charges or increased borrowing.

Traditionally, governments have been inhibited from having greater recourse to user charges—making those who benefit pay—because of their supposed regressive impact on the distribution of personal incomes and because they can be introduced easily only for services where most of the benefits obviously flow to particular individuals. However, as the public sector provides more and more services having the characteristics of "private goods" and often provided by private enterprise as well, the scope for their use is clearly growing. While inflationary expectations continue, it is likely that governments will be cautious about increasing user charges because of the impact on prices, but in the longer run governments may come to rely more heavily on them.

Public borrowing may also increase in importance but not in the next few years since most governments wish to reduce their budget deficits. In the longer term the public sector's ability to maintain a budget deficit without inflation will depend on the balance between private savings and private investment. When, for example, the public sector has taken over responsibility for private activities such as transportation, previously financed in part by borrowing, a continuing structural budget deficit may be appropriate. The same is true if private savings have risen because of a switch to collective consumption. In these examples the deficit would not be inflationary as long as it is pitched at the level needed to absorb the excess of private savings over planned private investment at the desired levels of output, employment and prices.

For these reasons it is crucial that key decisions be weighed in the light of fundamental economic criteria and basic social choices rather these being dictated by unduly rigid concerns about the virtues of "budget balance" or "fiscal responsibility".●

[1] "Theoretical and Empirical Aspects of the Effects of Taxation on the Supply of Labour", Paris 1975.

DR. JAY B. CUTLER HONORED BY SOUTHERN COLLEGE OF OPTOMETRY

● Mr. BAKER. Mr. President, it gives me great pleasure to introduce into the RECORD remarks made by Dean John R. Levene, of the Southern College of Optometry, and by one of this body's most distinguished former employees, Dr. Jay Cutler.

Dr. Cutler was honored last week by the Southern College of Optometry in the city of Memphis. He was, for many years, the minority counsel and staff director of the Senate Human Resources Committee; and his contribution to that committee's work, particularly in the field of health care, is reflected in much of the major health legislation passed into law over the past 10 years. I believe Dr. Cutler's insightful remarks to the Southern College of Optometry on the current health care situation are worthy of thoughtful consideration; and for that reason, I ask that those remarks and several articles be printed in the RECORD.

The material follows:

INTRODUCTORY REMARKS PRESENTING THE HONORABLE JAY B. CUTLER FOR THE HONORARY DEGREE OF DOCTOR OF HUMANE LETTERS

Would the Honorable Jay B. Cutler please rise?

Mr. President, Board of Trustees: The great Thomas Jefferson once commented that "the care of human life and happiness, and not their destruction, is the first and only legitimate object of good government." This is a very appropriate and fitting truism in introducing Mr. Jay B. Cutler. Mr. Cutler as minority counsel and staff director of the U.S. Senate Human Resources Committee has, for many years, devoted his energies to the mechanisms for improving life for millions, in areas relating to education, labor, health and public welfare. He has reported directly to Senator Jacob K. Javits, known to all of us. Mr. Cutler's contributions to the U.S. Senate Health Committee, and Alcoholism and Narcotics Subcommittee, attest to Mr. Cutler's dedication to the important social facets of our turbulent society. His other activities produce a wide and impressive spectrum ranging from health profession education, medicare and medicaid, and community mental health programs.

Mr. Cutler's varied talents and attributes as an attorney enable him to analyze and coordinate legal and legislative activities relating to mental health issues that relevant to the profession of psychiatry. The American Psychiatric Association is indeed fortunate to have the aid of a man of Mr. Cutler's broad mental stature.

John Locke, the great philosopher, remarked that a sound mind in a sound body, is a short but full description of a happy state in this world. He that wants either of them, will be little the better for anything else. Mr. Cutler is a noble man, for he has amply demonstrated his devotion to the mechanisms for improving sound minds and sound bodies.

Mr. Jay B. Cutler, gifted attorney, outstanding organizer of health and social reform, is presented to you, Mr. President, for the honorary degree of doctor of humane letters, and I recommend that this degree be conferred upon him at this time.

President Eure, members of the Board of Trustees and faculty, honored guests and most especially to the graduating class of 1978 . . .

First, I want you to know that it is a real pleasure and privilege to be here. I shall always treasure this honorary degree you have conferred upon me.

I thought long and hard about what I should say to you today.

I thought about reviewing with you the milestones of Federal support for health profession educaton—ranging from the pioneering 1963 law with its matching grants for construction to qualified institutions, such as schools of optometry, to its student loan program, (I might note the law was amended the following year to include optometry students); to not only the landmark Comprehensive Health Manpower Training Act of 1971, which extended and expanded the programs stemming from the 1963 law; but also the infamous Public Law 94–154, the Congressional effort to respond to the complex questions of appropriate health profession personnel utilization and geographic and specialty maldistribution, with its stringent shortage service area requirements for students.

I thought about reconciling for you my present American Psychiatric Association responsibilities and why I am with you today. I would try to depict for you the magnitude of the Nation's mental health problem. The recent report of the President's Commission on Mental Health identified an estimated 20 to 32 million Americans in need of mental health care and set forth more than 100 recommendations—in the areas of treatment, prevention, research, new directions for personnel, protecting basic rights and improving public understanding—to develop and implement a strategy to ensure the availability of high quality at reasonable cost mental health care.

I thought we might share mutual concerns about Federal officialdom, its fiscal power and actions in the health care policy arena and the role of a health profession lobbyist—who should be honest and honorable people and experts in the field of interest they represent—in the complex rough and tumble of the democratic legislative process as it occurs in Washington, D.C.

I thought about describing to you my role as a Hill staffer in the politics of health care, including Senator Javits' site visit to and speech at the Southern College of Optometry.

Then I thought and thought about what I and my fellow graduates—or to move into the modern era what my daughters at their respective college and high school graduations last year, or my wife a mere five years

ago at her college graduation, heard from our commencement speakers.

Upon reflection it always seemed to be the effect that we lived in challenging times and that graduates like you now—and I then in eons past—could mold those challenging times and mankind's greatest age yet.

I believe each commencement speaker was convinced, as I am, that this is the case; and that our Nation holds the promise of great rewards if only you will work for them. And by achieving for yourself you will create hope and promise for others less fortunate.

You are uniquely trained professionals.

While your optometric ancestors and the spectacle makers guilds, dating back to the fifteenth century, contributed to the patient's welfare it was not considered a part of health services. You are the beneficiary of educational experience and clinical training which places the optometrist into the health care team concept.

You reflect a change in the service of optometrists and a greater understanding and broader definition of health. Your curricula has moved away from physics, and the contributions of astronomers, mathematicians and others—though not abandoning it—and moved towards physiology, biology and medicine. You represent a health science.

In support of this conclusion I need not rely solely upon what I have learned from your representatives in Washington or your optometry college President when he testified at Congressional hearings.

That optometrists are primarily concerned with human visual performance, its maintenance and enhancement and trained as primary providers to recognize general health problems through detection of ocular manifestations of systemic disease, and refer such patients to other appropriate professionals is well documented. I refer to the 1970 report to the President and Congress where the then Secretary of the Department of Health, Education, and Welfare (Elliott L. Richardson) stated: "Although the primary service performed by most practicing optometrists is the provision of eye examination and visual analysis, optometrists are trained to detect any departure of the optinally healthy eye. The scope of optometric service has expanded beyond basic clinical refractions, fabricating and dispensing eyewear; now included are visual screening examinations, clinical instrumentation, contact lens fitting, visual training, orthoptics, low vision aids for the partially sighted, artificial eyes industrial vision, consultation, and public community health. The most rapidly expanding area of service is in school consultation and remedial services for low achievers."

As the new optometric health professional who has heard about the battles in State Capitols regarding your right to use drugs; about the numerous Federal programs that have authorized the use of the optometrist in the delivery of health care; and about the many avenues of primary care that should include optometry, the challenge to you is not only to provide your patients with quality vision care but also to contribute to the totality of the health care needs of the American people.

At the same time that you enter into and take your rightful place in the health care delivery system I would like to share briefly with you some vexing problems:

The Nation spent $163 billion for health care in fiscal year 1977. These expenditures amounted to $737 for each person in the United States.

Health care expenditures continue to increase at a greater rate than the gross national product. Fiscal year 1977 spending levels for health care were 12 percent higher than those for the previous 12 months while the GNP increased by 10 percent in the same period. Thus, the health care share of the GNP has increased from 8.7 percent for the year ending September 1976 to 8.8 percent in fiscal year 1977.

Spending by all governmental programs for health care increased by 11 percent in fiscal year 1977, while private spending increased 13 percent. Public spending ($68.4 billion) represented 42 percent of all 1977 money spent for health care.

For just these reasons conventional wisdom about the health care system is being challenged.

The answers are not only in Washington, D.C.

You bring to this society the boldness of youth and trained minds straining to provide answers to complex health care issues and the conventional wisdom of Washington, D.C. Educated minds not addicted to health care as usual.

When I first began to speak to you I told you that I thought long and hard about what I should say to you.

Now, after speaking to you if you were to ask me why I am here, I would respond simply . . .

America's health care delivery system and people need you.

Thank you.

[From the Memphis Press Scimitar, June 1, 1978]

OPTOMETRY GRADS TO HEAR PSYCHIATRY GROUP COUNSEL

A special counsel to the American Psychiatric Association will be the commencement speaker at graduation ceremonies of Southern College of Optometry at 10 a.m. tomorrow at Bellevue Baptist Church.

Dr. Jay Cutler, special counsel and director of government relations for the APA, will speak to 135 graduates who will receive doctor of optometry degrees.

SCO will award posthumously an honorary doctorate of ocular science to the late Frank Hollan, who was to have graduated tomorrow but died last June 21.

Honorary degrees also will go to Dr. Earl Horn, a Memphis optometrist and president of SCO's board of trustees Hunter Cochran, a Memphis lawyer and SCC board member; and Cutler.

[From the Memphis Commercial Appeal, May 31, 1978]

GRADUATION SPEAKER IS CUTLER

Dr. Jay B. Cutler, special counsel and director of government relations for the American Psychiatric Association, will speak during Southern College of Optometry's graduation exercises at 10 a.m. Friday at Bellevue Baptist Church.

A total of 135 students will receive doctor of optometry degrees. Several honorary degrees will be given including an honorary doctor of ocular science degree posthumously to Frank Wesley Hollan.

Hollan, who was scheduled to graduate with this class, died June 21.

[From the Memphis Press Scimitar, July 2, 1978]

SCO GRADUATES HEAR ADVICE

(By Henry Bailey)

A new generation of health care professionals should realize that the answers to vexing health delivery problems aren't all to be found in Washington, D.C., the special counsel and director for the American Psychiatric Association told graduates of the Southern College of Optometry.

"Educated minds not addicted to health care as usual" are what the future demands, said Dr. Jay B. Cutler in remarks prepared for delivery at SCO commencement exercises today at Bellevue Baptist Church.

Public dissatisfaction about the rising costs of health care have created widespread distrust of the "conventional wisdom" in health policy planning, he said.

Cutler told the 135 graduates receiving doctor of optometry degrees that modern optometrists now represent a greater understanding and broader definition of health.

"The challenge to you is not only to provide your patients with quality vision care but also to contribute to the totality of the health care needs of the American people," Cutler said.●

SENATOR JOHN GLENN ON THE PACIFIC COMMUNITY

● Mr. SPARKMAN. Mr. President, Senator JOHN GLENN, the extremely able chairman of the Foreign Relations Committee's Subcommittee on East Asian and Pacific Affairs, recently had the honor to serve as President Carter's representative at the independence celebration of the Solomon Islands. On the Fourth of July he stopped over in Port Moresby, capital of Papua New Guinea, and spoke not only of the U.S.A., but of the Pacific community of nations emerging "out of the strife of warfare and the assertion of national independence." He noted that:

The United States is inescapably a Pacific nation . . . which does not seek to dominate the region, but which continues to seek positive cooperation and peaceful evolution there.

I think his pertinent remarks would be of interest to all of the Senate and submit them for the RECORD.

The statement follows:

STATEMENT OF SENATOR JOHN GLENN

I am delighted to be here with you to celebrate the birth of our nation, 202 years ago today. There is a strong tie between our two nations. Despite a distance of about 15,000 kilometers between our capitals, despite differing political and economic problems, our two nations share a love of liberty and personal freedom. That tie is starkly evident in the campaigns of World War II and our mutual concern with events in southern Africa.

Tomorrow our delegation will journey to the Solomon Islands to join them in celebrating their independence as Papua New Guinea did three years ago. There is thus emerging a Pacific community of nations out of the strife of warfare and the assertion of national independence. With the advent of peace in the Pacific, we share together an opportunity to turn our energies to development and the strengthening of economic and political ties. A peaceful and prosperous Pacific is of mutual benefit.

The United States is inescapably a Pacific nation. The Aleutian islands in Alaska extend as far west into the Pacific as New Zealand does. Guam, where the daily sun first shines on American territory, is much closer to Port Moresby than to San Francisco. Most significantly, our trade with Pacific and Asian nations is about $60 billion annually and has exceeded European trade since 1972.

The United States, therefore, supports the internally directed growth of the Pacific community. We joined this quest with you in 1947 in the South Pacific Commission and have continued through active participation in the Commission, the Asian Development Bank, educational and cultural exchanges, and financial support of the South Pacific Economic Commission. I am, therefore, pleased to note Papua New Guinea's decision to become a fully participating partner in the East-West Center in Honolulu.

One of the important but neglected areas of international relations is cultural exchange. Because our histories are so different and the Pacific so vast, greater interaction between the United States and Pacific island

nations is desirable. We need these joint exposures to sustain our relations. America is not simply a place of material wealth, military power and scientific prowess. America is primarily a dynamic and creative society that has allowed the average citizen to evolve to ever greater freedom and prosperity. We all, therefore, share a common desire for peace and human progress.

Equally significant is the recent decision, initiated by Secretary Holbrooke, to recognize the growing importance of the Pacific Islands by creating a separate desk to deal with these states. Thus, we have begun to recognize this vibrant, expanding Pacific community.

To nuture this idea of a Pacific community, all nations must avoid selfish and shortsighted policies. The United States does not seek to dominate the region. Rather, my country is eager to work with Papua New Guinea and other states to consumate a mutually beneficial association.

The South Pacific extends over 30 million square kilometers and contains 4.5 million people. Its "Pacific way" is illustrated by the resolution of the Torres Strait questions between Papua New Guinea and Australia. "Unity in Diversity," a necessity in this multilingual land and the skillful leadership of Prime Minister Somare are testimony to the political wisdom of this new nation. Papua New Guinea has much to offer other Pacific states and is indeed the bridge between southeast Asia and the Pacific.

It would be a tragedy of incalculable proportions if the great potential and opportunities we share in the Pacific were to be lost. The task of America today must be to help others repeat our economic success in a free and peaceful world. One of the truly encouraging trends is the realization and determination of Pacific island nations like Papua New Guinea that development—to be successful—must be a self-sustaining process. To be sure, America can do more. I am personally convinced that our investors still do not understand the economic potential of these nations. This beautiful land in which we celebrate American independence today is a storehouse of treasure in a resource-hungry world. We cannot neglect the Pacific region; we must continue to seek positive cooperation and peaceful evolution.●

FINE PERFORMANCE OF KLAS–TV

● Mr. LAXALT. Mr. President, the technological advances made by our Nation during the lifetime of those of us in this chamber I am sure have staggered even the most sanguine among us. It has really been an age of miracles.

And our ingenuity has translated many of these developments into benefits we can all enjoy. Medicines, tools and countless other spin-offs have resulted.

I suppose, however, if one were to point to that one development which has had the greatest impact on modern society as a whole you would have to look no further than the living room. There undoubtedly sits a television.

Through that picture tube comes the news of the day, the entertainment of an evening, and also the politics of our Nation. Television has widened horizons and provided a window to the world.

Mr. President, we have all heard and considered the concerns expressed over the kind of effect television has had on our society. Being members of an extremely visible profession we are perhaps closer to these considerations than most. In fact, personally, we have all had reason to praise and condemn treatment received through this medium of communication. But when the balance sheet is drawn on the television industry, an objective eye will find more credits than debits.

The opportunities provided for education and enlightenment are there. I believe our system of Government has been aided by the many who have availed themselves of these opportunities. An informed public governs wisely. True, the amount of information we are sometimes fed through today's mass communications systems can stagger us, but after staggering, we ingest and walk to a ballot box better able to make intelligent decisions.

The industry has served my state well and long. This month in Las Vegas, KLAS television is commemorating a quarter century of quality broadcasting. Through the years KLAS–TV has grown with the Southern Nevada area. People there have benefited from the fine job performed by the station just as Americans everywhere have benefited in many ways from the national expansion of this industry.

Mr. President, KLAS–TV stands as a fine example for a mode of mass communication that has grown to maturity and contributed to the public in the process.●

A BIOLOGY LESSON FOR ECONOMISTS

● Mr. STEVENSON. Mr. President, in the New York Times of July 9 Lester Brown, president of Worldwatch Institute, cites the dependence of the economic system on biological systems to illustrate the inadequacy of orthodox Keynesian and monetarist theory. Croplands, fisheries, forests, and grasslands are depleting as demand is rising, and no amount of economic theorizing will produce a tolerable solution. The same conclusion about economic orthodoxy can be drawn from other phenomena, but this is an especially useful illustration because of what it says about the adequacy of world food and fiber supplies. Mr. President I ask that the article, A Biology Lesson for Economists, be printed in the RECORD.

The article follows:

A BIOLOGY LESSON FOR ECONOMISTS

(By Lester R. Brown)

Economically, the 1970's have been traumatic and confusing. They have brought the first global double-digit inflation on record during peacetime. Each month the price reports emanating from Washington remind us that inflation is now a chronic, politically troublesome issue.

In their preoccupation with short-term economic indicators, economists appear to have lost sight of the biological underpinnings of our economic system. Although economists' desks may be covered with references discussing the health of the economy, few pay much attention to the condition of the earth's principal biological systems. This lack of biological awareness has contributed to the failure of many efforts to manage inflation.

Our economic system depends heavily on four biological systems—croplands, fisheries, forests and grasslands. These four systems provide not only all our food but, with the important exception of minerals and petrochemicals, all the raw materials for industry as well. In short, they are the foundation of our global economic system. Their health and that of the economy cannot be separated.

The tripling of world economic output since midcentury has raised the pressures on biological systems, often to an unsustainable level. In more and more situations rapidly expanding human claims are surpassing the carrying capacity of biological systems. The result is rising prices for seafood, lumber, leather, firewood, soybeans and scores of other commodities of biological origin.

Today the economic signs of ecological stress are visible everywhere. As our claims on the earth's biological systems begin to exceed their sustainable yield, the productive resource base itself is consumed. In economic terms, we are now consuming biological capital along with interest.

The most immediate symptoms of ecological stress are physical—deteriorating grasslands, shrinking forests and soil erosion. At the next level, the stresses manifest themselves in economic terms, scarcity, inflation, unemployment and economic stagnation or decline. And finally, the stresses assume a social and political character—hunger, forced migration to the cities, deteriorating living standards and political unrest.

CROPLANDS

The first strong signal that the slack was going out of the food system came with the large Soviet wheat purchase in 1972. From 1950 to 1971 world grain production nearly doubled, raising per capita output by some 30 percent. During the ensuing six years, it has not increased at all.

Prior to 1950, increases in food output came largely from expanding the cropland area, but since then, fully four-fifths of the growth in output has come from intensifying production on the existing cultivated area. But the increases are no longer coming as easily as they once did. Crop response to further increases in the use of fertilizer, the principal source of rising food output since midcentury, is beginning to fall off in the United States, Western Europe, Japan and other countries where its use is heaviest. Most of the easy irrigation projects have been completed.

In addition, the cropland base is shrinking in some countries and deteriorating in others. Per-acre yield of all cereals in the United States peaked in the early 70's. The return to production of marginal lands, rising energy costs, and a deteriorating cropland base have all contributed to the decline since then.

David Pimentel of Cornell reports in the journal Science: "Each year more than one million hectares of arable cropland are lost to highways, urbanization and other special uses." He goes on to note that this loss "is partially offset by the addition (primarily through irrigation and drainage projects) of 500,000 hectares of newly developed cropland per year."

Canada, the world's second ranking exporter of cereals, is also losing large chunks of its best cropland to urban sprawl and other nonfarm uses. According to the Science Council of Canada, "Between 1966 and 1971, 400,000 hectares, or almost one-tenth of the improved farmland in southern Ontario, was lost to agriculture." Canada's total harvested area remains constant only because the loss of prime agricultural land is being offset by the addition of marginal land in lower-rainfall areas.

These trends in cropland loss do not suggest that the United States and Canada will experience food shortages, but they do underline the risks of growing dependence of countries everywhere on North American food exports. They also help explain why the costs of producing food are rising so rapidly in two of the world's most agriculturally advanced countries.

One reason the return to production of the 50 million acres of idled United States cropland during the mid-70's had little impact on production was the marginal nature of the land. Similarly, setting aside perhaps 15 million acres of the cropland area in 1978 under government farm programs will not appreciably reduce output. Indeed, the marginal land may benefit from rest.

Crop yields are falling in several countries as lower quality cropland is substituted for the higher quality land being lost to nonfarm uses, and as erosion reduces the thin layer of topsoil. Yields are falling in Haiti, Nigeria, Ethiopia and Nepal, to cite but a few countries. Soil deterioration is overriding advances in agricultural technologies in these countries

Over much of the earth's surface, the thin mantle of topsoil is only inches deep, usually less than a foot. Nature produces new soil very slowly, much more slowly than the rate at which it is now being lost. Thus once topsoil is lost, a vital capacity to sustain life is diminished.

Even in an agriculturally advanced country such as the United States, the topsoil being lost through erosion exceeds that being formed by nature. Soil scientists analyzing the relationship between soil loss and formation on Wisconsin soils reported in the journal Science that 70 percent were losing twice as much soil from erosion as was being formed through natural processes. The Iowa-based Council for Agricultural Science and Technology reports that as of the mid-70's "a third of all U.S. cropland was suffering soil losses too great to be sustained without a gradual, but ultimately disastrous, decline in productivity."

The gradual loss of topsoil from erosion has been masked over the last generation by the rising use of chemical feriltizer, an energy-intensive product. But as the price of fertilizer rises along with the price of energy, this will become more costly and more difficult.

FISHERIES

Ever since Jules Verne we have confidently believed that once the possibilities for expanding land-based food production began to diminish, we could turn to the oceans to satisfy our food needs, but as the postwar rise in per capita grain output leveled off beginning in 1971, this was not possible. Growth in the world fish catch had already come to a halt. The world's fishermen were having even more difficulty expanding output than were its farmers.

As world fishing fleets expanded between 1950 and 1970, the world catch more than tripled, increasing fish consumption everywhere. But in 1970 the trend was unexpectedly interrupted, clouding the prospects for an ever-bigger catch. Meanwhile, world population has continued to grow, leading to an 11 percent decline in the per capita supply of fish. It has also lead to seafood prices that seem to rise between weekly visits to the supermarket.

In a protein-hungry world, pressures on oceanic fisheries mount with each passing year. Overfishing is now the rule not the exception. In an analysis of the Northeast Atlantic fisheries published in Nature, the marine biologist D. H. Cushing reports that 27 of the region's 30 leading fisheries are being overfished. The fisheries that supply the tables of Western Europe are shrinking. The lowly herring, once taken for granted in Scandinavia, Germany and elsewhere, has suddenly become a luxury. The "fish and chips" on the menus of English restaurants are becoming dear.

The collapse of the Peruvian anchovy fishery, once the world's largest illustrates well the dangers of uncontrolled fishing. By the late 60's, Peru had emerged as the world's leading fishing nation, harvesting 10 million to 12 million tons of anchovies a year. Then in 1972 the catch fell to a fraction of its former level. In 1977 the catch totaled less than a million tons. The Peruvian Government may suspend anchovy fishing entirely in 1978. The collapse of this fishery and the loss of export revenues, coupled with the rise in oil prices, has pushed Peru to the brink of international bankruptcy.

Excessive pressures on oceanic fisheries have affected not only seafood prices but those of alternative sources of protein as well. As the industrial countries of Europe, the Soviet Union and Japan import soybeans as a protein substitute for anchovy meal in livestock feed, soybean prices rise. Indeed, the threefold increase in soybean prices over the last six years is perhaps the best barometer of protein scarcity.

As world soybean prices climb, farmers in Brazil are shifting from table beans to soybeans, pushing up the price of this dietary staple of low-income workers. Rising prices for table beans means more malnutrition among the poor. In effect, the condition of oceanic fisheries and that of Brazilian peasants are indirectly linked.

GRASSLANDS

Overgrazing is now commonplace on every continent. Although the data are not as good as for fisheries, the symptoms are remarkably similar. From early biblical days until quite recently, livestock populations expanded apace with human numbers, but as the latter passed four billion, this was no longer possible.

As population and affluence rose over the last generation, pressures on grasslands increased markedly. Because the best grasslands are gradually being converted into croplands, most of those remaining either are concentrated in arid or semi-arid regions or are located on land that is too steeply sloping to be farmed. Semi-arid and steeply sloping grasslands are among the most fragile, capable of surviving only if grazing is carefully controlled.

In country after country, the demand for meat, milk and other livestock products is exceeding the long-term sustainable yields of grasslands. The situation is most extreme in North Africa, the Middle East, and the Indian subcontinent. A United Nations report by Prof. Ibrahim Nahal says that "although the natural rangelands in the north of Iraq are able to support 250,000 head of sheep, in actual fact they contain about one million head. Similarly, the arid and semi-arid natural rangeland zones in Syria contain three times the amount of livestock they can support."

As the growth in human population begins to outdistance the growth in livestock numbers, livestock products will become scarce. The per capita consumption of meat, milk and milk products will fall, leading to a decline in living standards. In some places this decline is already under way.

Livestock herds in the Sahelian-zone countries of Africa are smaller than a decade ago. In Morocco, overgrazing, drought and the resulting grassland deterioration have contributed to a decline in cattle and sheep numbers of at least 10 percent since 1971. Overstocking and the associated deterioration of grasslands lead to higher world prices for meat, milk and cheese. Aside from the short-term effect of the cattle cycle on beef prices in the American supermarket, consumers can count on longer-term, scarcity-induced price increases as well.

FORESTS

Excessive pressures on the earth's forests are beginning to affect living levels in all countries. Forests are an indispensable source of raw materials, most importantly firewood, lumber and newsprint. For fully a third of humanity, firewood is the principal source of fuel. Lumber is still the universal building material. Newsprint and paper are essential raw materials for both communications and education in the world economy.

In the poor countries where firewood is used for cooking, villagers are decimating local forests. With the average villager in the third world requiring a ton or more of firewood each year, expanding village populations are putting unbearable pressure on local forests. Under the population onslaught, forests recede farther and farther from the villages until entire regions and countries are eventually deforested.

In third world villages, twofold, threefold or fourfold price rises for firewood during the 70's are not uncommon. Erik Eckholm notes in the journal Losing Ground that firewood prices in Katmandu have risen even more rapidly than those of kerosene. A Peace Corps volunteer, Paul Warpeha, reports that the firewood shortage in Ecuador's Andean villages has reduced many facilities to one hot meal a day. In some deforested countries in Africa, what goes under the pot may cost more than what goes inside it.

As firewood becomes scarce, villagers begin burning the animal dung that traditionally was used to fertilize their crops. As soil fertility falls, food prices and malnutrition rise. The fate of our forests and future food prices are closely linked.

Although the daily demand for firewood is the largest claimant on the world's forests, the demand for lumber is also rising rapidly. Each year, the earth's 64 million new inhabitants need to be housed. This continuing pressure, combined with the need to replace old houses, is raising total claims on many remaining forests far beyond the level that can be sustained.

The result is rising prices for lumber. In the United States, prices for lumber have nearly tripled since 1967. As lumber prices climb, the cost of housing goes up everywhere. The average cost of a new house in the United States recently passed $55,000, up from less than $30,000 scarcely a decade ago. In 1960, half of all American families could expect to some day own their own house. That figure has fallen to 32 percent.

In late summer of 1977, the Secretary of Housing and Urban Development, Patricia Harris, alarmed by the soaring cost of housing, called for an investigation. A subsequent analysis of the long-term trends in housing costs by the Council on Wage and Price Stability noted that "soaring lumber prices have been a recurring problem of increasing severity in every expansion of housing demand since the mid-60's."

The study concluded that "over the long term the projected demand cannot be met by the supply of timber that will be forthcoming at current relative prices and under current management policies." The study forecast rising lumber prices for at least a decade as household formation by those born during the postwar "baby boom" presses against the sustainable yields of the nation's forests.

The inflationary pressures associated with excessive claims on biological systems cannot be effectively managed with traditional fiscal and monetary policies alone. Workable economic policies need to recognize explicitly the need to arrest the deteriorating relationship between humanity and the earth's fisheries, forests, grasslands and croplands. The question is not whether the harvests will be limited. They will be, either because we exercise foresight and careful management or because the natural systems are eventually decimated.

Unless economists can gain a better understanding of the relationship between biological carrying capacities and inflationary pressures, they will be hard pressed to advise political leaders wisely. They may end up treating the symptoms rather than its causes.●

THE UNLIBERAL LIBERALS

● Mr. McCLURE. Mr. President, for years liberals have offered the one word

"change" as a justification for not only their acts but their ideas. The congressional "mandate for change" came from the supposedly increasing desire of the citizenry for more and bigger Government. In order to tilt that change in the "right" direction a series of special interests—arbitrarily renamed public interests for acceptability's sake—were carved out for exemption. Those who led and those who acquiesed were called progressives and described as "in the mainstream."

Almost suddenly liberalism today finds itself in an intellectual backwater, defending outworn creeds and past trends. Reform, a buzzword which used to stand for all that was pure, now means, according to which bill you are reading, higher taxes, a return to the good old days of the Wagner Act, and a stand pat attitude on the huge Federal bureaucracy.

Tolerance, that benign attitude denied yesterday's conservatives by yesterday's liberals, is the main hope of those who are left of center today.

In today's world of instant food, fame, and gratification lagtime phenomena are more visible than in the past. The most obvious example is the degree to which the Congress represents a supposed constituency of a decade or two ago.

Only recently has the benevolent American public awakened to the fact that somebody pays for everything and that somebody is usually oneself. The authoritarianism which only short years ago was visible to just a few has increased exponentially to disturb the lives of vast numbers of citizens.

But Americans, in their typically healthy way, have refused to succumb. While it may take the Congress another decade to reflect that fact, certain members of the media, a part of that instant world, are already reflecting it.

Mr. President, I ask that an editorial written for the Panax News Service which underscores my point be printed in the RECORD.

The editorial follows:

THE "UN-LIBERAL" LIBERALS

In classical political terms, a liberal was noted for his tolerance of the other guy's point of view.

For a very long time, there has been as little of that tolerance among most of those who call themselves "liberals" in American public affairs as there is respect in those same ranks for the other true liberal values. In fact, the so-called "liberals" in our midst are, all too often, the storm-troopers of ideas.

We give you two recent examples: the labor law revision bill and ERA.

The labor law revision bill is little more than a bald-faced attempt on the part of Big Labor to get the federal government to do for it what it cannot do for itself: namely, con more middle Americans to shell out expensive dues for the privilege of belonging to a union. As The New York Times observed the other day, "labor's efforts to organize workers have been flagging in recent years, and the percentage of employees who belcng to unions has steadily declined."

"The trade union movement," The Times added, "has placed a high priority on achieving what it regards as labor law 'reforms' to reverse the trend."

Now that's about as plain as can be, and it comes from a source, The Times, that can scarcely be described as "reactionary." In other words, the union bosses want the federal government, through the Congress, to re-write the rule book. Then, more and more workers could be corraled into subsidizing not only the lavish life styles of the bosses, but also pay for propaganda campaigns reflecting the leftist biases of the bosses—views which have precious little in common with those of middle America, labor's largely-ignored rank-and-file.

No surprise, then, that Big Labor would behave as it did when the labor revision bill ran aground in the Senate. Through its Democratic minions, Labor saw to it that the business of the Senate stood still for 19 days while attempt after attempt was made to wear down those who opposed the bill.

Those opposed had the votes to continue a filibuster, a time-honored legislative tradition. Those who wanted to end debate did not. Six times they forced a vote to choke off debate—cloture—and six times they failed. Never before in the history of the Senate had so many cloture votes been forced on a single bill.

Having failed, repeatedly, to get their own way, the so-called liberals then weasled the bill back into committee, meaning the Senate probably will be forced to fight the same battle all over again sometime after July 15th.

That kind of behavior is just plain arrogance, the kind of arrogance—which says we dont' care about your rules, or your right to prevail in a fair fight—we will get our way anyway.

ERA is the other example. Leaving aside the shameful—and probably unconstitutional—efforts to extend the deadline for ratification of the Amendment, ERA advocates have displayed a similarly-shocking disregard for order and fair play.

We have in mind the spectacle of Illinois, where ERA-fanatics have mounted a political blitzkrieg aimed at intimidating the legislature into doing what it has said—repeatedly—it does not want to, namely ratify ERA. ERA forces have admitted to spending $150,000 in current efforts in that state alone, but what is far worse, is that they simply refuse to accept the verdict of the democratic process.

Over the past seven years, the Illinois Legislature has voted no fewer than 15 times on ERA. No sooner had the Illinois House turned it down again last week, in stormy session which saw one member hauled into the chamber on a stretcher to cast his pro-ERA vote, than the advocates said they would raise the issue again.

That kind of arrogance makes a mockery of liberalism.

That kind of arrogance makes a mockery of democracy.●

OHIOANS SERVING AS AMBASSADORS

● Mr. METZENBAUM. Mr. President, today I have the distinct pleasure of recognizing nine outstanding Ohioans for the contributions they have made as Ambassadors to various countries. I am proud to have such distinguished residents of Ohio representing this country in other parts of the world. It is not often that a single State has the privilege of providing nine illustrious individuals to fill the position of Ambassador at one time. I would like to take this opportunity to share with my colleagues the accomplishments and honors achieved by these people.

Steven Low, Ambassador to Zambia since 1976, began his Foreign Service career in 1957 as an economic-labor officer in Kampala, Uganda. In 1960, Mr. Low went to Dakar as labor officer, and later served as chief of the political section in the American Embassy. He returned to Washington in 1964, and spent the next year in the Bureau of African Affairs as officer in charge of Guinea-Mali affairs. From 1965 to 1967, Mr. Low was special assistant to the Deputy Under Secretary of State of political affairs, which was followed by a year at the National War College in 1971, and again in 1974.

David Eugene Boster, the first of nine to be nominated, has been serving as Ambassador to Guatemala since 1976. He began his carreer in the Department of State as a political officer in Moscow in 1949. Between the years of 1954 and 1974, Mr. Boster has held numerous positions as a political officer in the Soviet Union and Mexico. Prior to the appointment as Ambassador to Guatemala, Mr. Boster served as Ambassador to Bangladesh from 1974 until his present position.

Patricia M. Byrne has been serving as Ambassador to the Republic of Mali for the past 2 years. Ms. Byrne began her career as information and editorial specialist for the Central Intelligence Agency in 1948. Since that time she has held many political offices in Greece, Saigon, and Turkey. In 1966 Ms. Byrne was a supervisory personnel specialist, serving as chief of East Asia personnel, until 1967, when she was named special assistant to Deputy Under Secretary for Administration at the State Department. She also attended the National War College for 1 year. After having been Deputy Chief of Mission in Colombo, Sri Lanka, Ms. Byrne attended the senior seminar in foreign policy at the Foreign Service Institute.

Marvin L. Warner, was appointed to the Office of Ambassador Extraordinary and Plenipotentiary to Switzerland in 1977. Since 1959 he has been with Warner National Corp., first as president then as chairman of the board and chief executive officer. Prior to his appointment as Ambassador, Mr. Warner, a well-known community leader was a member of the U.S. delegation to the United Nations 23d General Assembly in 1968 and appointed as chairman of UN activities in Ohio. As a result of his significant participation in national and international affairs, Mr. Warner received the Governor's Award for Outstanding Service to Ohio in 1969.

Milton A. Wolf, of Zehman-Wolf Construction, Inc., in Cleveland has served since 1977 as Ambassador to Austria. Mr. Wolf, a highly respected leader in Cleveland has made substantial contributions in several academic, religious, hospital, and numerous philanthropic areas. Mr. Wolf served as a distinguished member of the resources committee of the Case Western Reserve University School of Medicine, vice president and chairman of the medical affairs committee of Mt. Sinai Hospital, vice president of the Jewish Community Federation and life trustee of the Case Institute of Technology Alumni Association.

Paul Boeker has held the position of Ambassador of the United States to Bolivia since 1977. Mr. Boeker joined the Foreign Service in 1961 as staff assistant

in Bonn, Germany. Between 1961 and 1974 Mr. Boeker held various positions in Washington, D.C., and abroad. In 1971 Mr. Boeker was an active member on the White House Task Force on International Development. For the following 2 years he was the First Secretary, American Embassy, Bonn, after which he was a member of the Secretary's policy planning staff. In 1974 he became the Deputy Assistant Secretary of State for Economic and Business Affairs. Mr. Boeker has received the Department of State's Meritorious Honor Award, and in 1976, the Arthur S. Fleming Award.

Edward Masters was sworn into office as U.S. Ambassador to the Republic of Indonesia in 1977. Mr. Masters has been active in the State Department since 1949. During 1960 through 1962 he was chief of the Indonesian-Malaya Branch of the Office of Intelligence Research Analysis for Asia, after which he held the position as international economist. Mr. Masters attended the National War College from 1963 to 1964. He served as counselor for political affairs in Djakarta from 1964 to 1968 and as a Country Director for Indonesian Affairs at the State Department from 1968 to 1970. From 1970 to 1971 he was Director for the Office of Regional Affairs in the Bureau of East Asian and Pacific Affairs. From 1971 to 1976 he was Deputy of Mission in Bangkok.

William Schaufele, Ambassador to Poland, has been actively involved with the Foreign Service since 1950, Mr. Schaufele was stationed in Duesseldorf and Munich through 1956. He then served as political-labor officer in Casablanca and opened a new Consulate in Bokavu, Zaire. After several years of work in Africa, he was nominated as Ambassador to Upper Volta, where he served until July 21, 1971. After devoting 2 years as deputy representative of the United States in the Security Council of the United Nations, Ambassador Schaufele became Assistant Secretary of State for African affairs in 1975. In 1977, he was nominated and confirmed as Ambassador to Greece for 1 year. The Ambassador holds the rank of Career Minister in the Foreign Service.

On June 15, 1978, President Carter announced the nomination of Thomas Boyatt to be Ambassador to Upper Volta. Mr. Boyatt's involvement with the State Department began in 1959, when he was assigned to Antofagasta, Chile. Between 1959 and his current appointment, Mr. Boyatt served the State and Treasury Department in Luxembourg and Cyprus. In 1975 he became the Deputy Chief of Mission-Santiago. Mr. Boyatt received the merit Honor award and the Christian Hester Award.●

MRS. NANCY C. SHAW RETIRES

● Mr. SASSER. Mr. President, on April 6 of this year, President Carter signed into law the Age Discrimination in Employment Act Amendments of 1978. I am proud to be a Member of the Congress which has established this precedent to end one of the most abusive forms of discrimination in our time—discrimination against our Nation's older citizens.

I believe that the passage of this legislation, which raises to 70 the retirement age for most private sector employees and raises entirely the retirement age for public servants, marks an important step toward ending age discrimination. However, for some public servants the effective date of the law, September 30 of this year, is just not soon enough.

One such public servant is Mrs. Nancy C. Shaw of Pleasant View, Tenn. Mrs. Shaw, born in Ashland City, Tenn., on May 18, 1908, was forced to retire this past May after 20 years with the Pleasant View Post Office. For the last 12 years, Mrs. Shaw has served as postmaster in Pleasant View under an appointment by the late President Lyndon B. Johnson.

I regret that Mrs. Shaw has had to retire from public service. I know that the Post Office in Pleasant View will miss her services. However, I am convinced that the Pleasant View community will gain from her unselfish spirit and dedication. Having received the U.S. Postal Service Bicentennial Award in 1976 for support of community activities, Mrs. Shaw has been an active member of the National Association of Postmasters, the National League of Postmasters and the Modern Woodmen of America. She has also served on the administrative board of the United Methodist Church, of which she is a member, and as Treasurer of the United Methodist Women for 30 years.

I feel that Mrs. Shaw deserves an indication of respect and appreciation for her years of dedicated service, and I am delighted to have this opportunity to honor her and commend her.

Mr. President, I submit for the RECORD an article which appeared in the June 14 edition of the Ashland City Times which acknowledges Mrs. Shaw's contributions to her community, to Tennessee, and the Nation.

The article follows:

[From the Ashland City Times, June 14, 1978]

PLEASANT VIEW POSTMASTER RETIRES

Mrs. Nancy C. Shaw retired as Postmaster of Pleasant View Post office on May 31, 1978 after twenty years with the U.S. Postal Service. She began her career with the postal service in 1958 as a part-time flexible clerk, and worked in career status until November 1965. Due to the death of the late Margaret Harris who was postmaster she was appointed acting postmaster on March 6, 1965 and on May 18, 1966 received a presidential appointment as Postmaster by the late President Lyndon B. Johnson.

She was given the Bi-Centennial award for support of community activities in 1976, and in 1977 she was recognized as an honorary recruiter by U.S. Air Force Commander Bernard M. Stein.

She was a member of the National Association of Postmasters and also the National League of Postmasters.

She has been a resident of Pleasant View since 1927 when she was married to the late Thomas Earl Shaw who died March 29, 1960. She has two sons, Bill Shaw of Madison, Tenn., and Thomas E. Shaw Jr. of Warrenton, Va., and five grandchildren.

When asked how she expects to spend retirement she stated that it will not change her lifestyle, as the only thing she will not do is go to the Postoffice every day, but she will have more time for neighbors and friends.

Highlights of her retirement activities was a dinner given by Cheatham County Postmasters and their wives on the evening of May 16 at Ashland City Marina. At this dinner she was presented a gold locket engraved with 1958–1978 to commemorate her postal service. On the evening of May 31 as she turned the Postoffice keys over to Officer-in-Charge Billy Ellis, she was surprised by her sons, Bill and Tom who pinned a beautiful purple orchid on her shoulder and ushered her off for dinner at the Briar Patch in Clarksville.

On Thursday June 8 she was the guest at dinner of Mr. and Mrs. Charles Boyle at their lovely new home on Possum Trot Road. Mr. Boyle is the rural carrier out of Pleasant View Postoffice. Mr. and Mrs. Harold Stiles were other guests as Mrs. Stiles was a former employee in the office.

"Miss Nancy" as most folk know her in Pleasant View, is the daughter of the late William Thomas and Nellie K. Clark.●

REMARKS OF SENATOR TALMADGE TO THE MIDSUMMER POLICY MEETING OF THE NATIONAL ASSOCIATION OF FARMER ELECTED COMMITTEEMEN

● Mr. BURDICK. Mr. President, on July 11, Senator TALMADGE presented remarks to the Midsummer Policy Meeting of the National Association of Farmer Elected Committeemen. His remarks precisely define issues in agriculture that we must continue to face. I commend the reading of his speech to my colleagues in the Senate.

Mr. President, I ask that Senator TALMADGE's remarks be printed in the RECORD.

The remarks follow:

REMARKS OF SENATOR HERMAN E. TALMADGE

I am deeply honored to be here tonight to address the mid-summer policy meeting of the National Association of Farmer Elected Committeemen of ASCS.

This is the first time I have had the opportunity to participate in one of your national conferences. However, I have attended a number of meetings of your organization in my own state, and I know first-hand of your dedication and service to the farmers of America.

The National Association of Farmer Elected Committeemen possesses a reputation that far surpasses what one would expect from its relatively short history of thirteen years. Your officers and membership have ably served the farmers of this country since its beginning. Today, when Tom Cunningham and your other leaders speak, I and my colleagues in Congress know you speak straight from the shoulder. We know, too, that you speak with knowledge and responsibility.

County ASCS Committeemen enjoy a unique status in the agriculture community. You see farm programs from two viewpoints—that of the farmer and that of the government. This is a rare combination that enables you to appreciate both sides of a farm program and explain it in terms producers can understand.

At the same time, we in Congress can turn with confidence to your leaders and to your members to seek advice and counsel on farm legislation.

You and I share common goals.

We both want to strengthen American agriculture.

We both seek to provide new vistas of opportunity for our farm families.

We both are dedicated to the preservation of the family farm as the backbone of the American agricultural system.

Those of us in Congress have the responsibility for developing legislation to achieve those goals.

Our task is to formulate policies that will assure America and a good part of the world abundant supplies of food and fiber at prices that are fair to both the producer and the consumer.

You as Farmer Elected Committeemen have the responsibility for translating those policies into action at the grass roots. You make the programs that Congress enacts available to farmers across the nation. Through your efforts, policies become tools the farmer can understand and use. Until you put the legislation into action, it is of little use to anyone.

You are the first-line fighters in the never ending struggle to keep American agriculture strong and to seek fair and equitable treatment for American farmers.

The cornerstone of U.S. farm policy today is the preservation of the family farm.

The new farm act begins with a reaffirmation of this historic commitment to the family farm system of American agriculture.

The predecessor of the present law, the Agriculture and Consumer Protection Act of 1973, sought to limit government interference in the farm marketplace. It was designed to provide income protection to farmers only in extreme situations when prices fell to disastrously low levels.

Following passage of the 1973 act—and the abrupt increase in exports with corresponding high market prices—the cost of farm programs for major commodities dropped from more than $4 billion to less than $1 billion.

The Food and Agriculture Act of 1977, which the President signed on September 29, builds on the 1973 law. But it is far more comprehensive and contains many improvements over the earlier law.

The new farm act establishes target prices for major commodities at more realistic levels approaching cost-of-production. Deficiency payments are made to producers when average market prices fall below the target level.

Because of depressed grain prices, deficiency payments under the new program will result in higher government costs this year.

I believe these costs are fully justified. Farm income stabilization is essential to national food security and to the national economy. This feature of the farm law should prevent wholesale farm bankruptcies in times of depressed prices. At the same time, it will help smooth out the violent swings in prices and supplies that are so disruptive to the U.S. economy and to the economies of other nations.

I need not remind this group of the perilous economic state that many farmers are in today. During 1977, farm indebtedness reached an astronomical $102 billion as farmers geared up to meet world food needs.

Yet net farm income dropped disastrously last year—to about $20 billion. This was $13 billion below the 1973 record year.

Because of this, many farmers are having trouble meeting their obligations. I know that in my own state of Georgia, many farmers—particularly young farmers—have come face to face with bankruptcy.

This nation cannot afford to close its eyes to the economic well-being of American agriculture. We cannot walk away from the farmer—no matter what the scale of his production.

We cannot tell him to operate at the mercy of the weather.

We cannot leave him unprotected against the uncertainties of international market conditions that may be influenced by decisions made in Moscow, Peking, Geneva—or even at our own State Department.

Fortunately, there has been a marked improvement in the agriculture economy in recent months.

Prices for many commodities have increased significantly from last year's lows. In the case of beef, the increase has been dramatic—or was until the President's untimely and unfortunate announcement of an increase in import quotas.

The new farmer-held grain reserve also appears to be working well after a somewhat uncertain beginning. More than a half a billion bushels of wheat and feed grains have now been placed in the reserve. This unquestionably has contributed to improved grain prices.

Just last week, barley became the first commodity in the reserve to reach its "trigger" point. This means barley producers participating in the reserve may now redeem their stocks by paying off the Commodity Credit Corporation (CCC) loan and may sell or store the grain as they choose.

Much of the credit for the success of the grain reserve program belongs to the members of your organization—the county committeemen—and to the local ASCS staffs.

Your job was to see that farmers understood the benefits of the reserve program. the fact that the quantity of grain placed in the reserve exceeded what was considered as essential tells me you did your job well. You again proved equal to the task.

The export picture also has improved. Secretary Bergland now predicts that this year's overseas sales of U.S. farm products will exceed last year's record of $24 billion by one to two billion. Agricultural exports thus continue to be the brightest spot in an otherwise dismal U.S. balance-of-trade picture.

Net farm income is also looking up.

The latest prediction from the Department that I have seen places this year's figure in the $25 billion range.

If this prediction is borne out, it would be the highest since 1974—and the third highest on record.

These are encouraging signs. But it would be a mistake to read them entirely through rose colored glasses. Some serious problem areas remain in American agriculture that cannot be lightly wished away.

We still are confronted by bulging stocks of grains and cotton—including the largest wheat carryover since 1963. Favorable weather and growing conditions, in this country and worldwide, would result in another bumper harvest.

If this occurs, we are likely to see a reversal of the recent upward trend in prices and a recurrence of last summer and fall's disastrously low levels.

The economic consequences of two bad years back-to-back would be truly foreboding. Untold numbers of additional farmers would find themselves with their backs to the wall.

The overall economy, which already is losing steam, could well be pushed into a full blown depression.

Even without the possibility of a market glut and low prices, the economic prospect for many farmers is not all optimism.

Farmers are among the hardest hit by the current inflationary spiral. Their production costs continue to rise. Even with improved farm prices generally, some commodities—notably cotton and corn—are barely at break-even levels.

It is no exaggeration to say that few segments of the economy are more vulnerable to the cost/price squeeze than agriculture.

But in spite of the uncertain future for agriculture, I believe the 1977 farm act is a step in the right direction in providing some measure of income protection to farmers while assuring an ample supply of food and fiber at reasonable prices.

The new act is not perfect by any means. When it was being hammered out in Congress, the final version did not go as far as I had wished. But it was the best that could be passed through Congress under the existing political realities, and the best that the President could be persuaded to sign.

Not only was it the best bill obtainable at the time, it is the best piece of farm legislation—the most favorable to farmers—that has been enacted during my twenty-one years in Congress. In fact, for the 1977 crops, even though the new law was not applicable for the entire year, farmers will receive more direct benefits than during the entire four years of the previous administration.

There undoubtedly are improvements that could be made in the 1977 act. I was the author of one of the emergency bills earlier this session that would have required the Administration to use authority Congress provided in the law to increase assistance to farmers this year.

The emergency legislation passed the Senate, but was defeated overwhelmingly in the House. That is a pretty good indication of the political obstacles we have to deal with in Congress in writing meaningful farm legislation.

Congress finally did pass a greatly watered-down version of the emergency bill that provides more flexibility to the secretary to cope with situations such as we faced earlier this year.

I agree with Secretary Bergland that the 1977 act should be given a fair chance to prove itself. The 1978 crop year should provide an adequate test for this. On the basis of a full crop year's experience, Congress and the Administration will be in a better position to determine if more "fine tuning" or possibly even fundamental modifications should be made in the 1977 farm act.

As Chairman of the Senate Committee on Agriculture, Nutrition, and Forestry, I stand ready to take whatever action may be necessary to provide the nation with sound agriculture legislation.

If there are faults or deficiencies in the existing law, they must be corrected.

American farmers cannot be expected to produce at below the cost of production. I know of no other segment of economy that would do that for very long.

Our farmers ask only to be able to earn a fair share of the national income.

They deserve no less.

American farmers also want their voices heard and considered in the councils of government. They have every right to take their case directly to Congress, to the Administration, and to the public—as many of them did during the bleak months of last winter. In my opinion, the American Agriculture Movement played a valuable role in focusing attention on the plight of farmers.

All producers, regardless of their interest—whether it be cattle, cotton, tobacco, wheat, peanuts, rice, hogs, dairy, or corn—must work together. A united effort is the best means of making your influence felt.

There are many areas of vital concern to American agriculture and to farm families. One of these is the adequacy of the existing agriculture credit system, which has also been put to the test by the economic and natural adversities encountered by farmers in most areas of the country.

I can report to you tonight that the House and Senate will take final action within the next several days on major farm credit legislation that will overhaul and update the existing credit programs of the Farmers Home Administration (FmHA).

This legislation is designed to bring these programs into touch with the times so that they will be more responsive to today's farm credit needs.

The bill also creates an entirely new $4 billion emergency credit program for farmers and ranchers who suffer from economic disaster, as distinguished from natural disaster.

This bill is the most significant and far-reaching farm credit legislation to come before the Congress during my two decades in the Senate. I am confident it will be approved promptly by Congress and signed by the President.

A closely related legislative priority is the development of a comprehensive program for all-crop, all-risk insurance. The Administration has submitted a recommended bill to Congress, and my committee will be holding hearings on this subject later this year.

The problems involved in developing a comprehensive and workable crop insurance program are complex, but the need is great. Every year, some producers somewhere suffer from the vagaries of Mother Nature.

We must try to devise some method of evening out the odds for each and every producer throughout the country.

Another area of rising concern to farmers—and a rising concern of mine—involves the reports and rumors that foreign investors are buying up prime American farmland at prices totally beyond the reach of our own family farmers. Some of the reports I have heard indicate that this foreign investment is going on at a disturbing pace in all of the major farm areas of our nation.

At my request, the General Accounting Office has made a preliminary inquiry into these reports. The results of the inquiry, while inconclusive and sketchy, indicate sufficient activity by foreign investors to justify a more extensive investigation.

This investigation is now being conducted for my committee by a number of government agencies, including the ASCS.

Your county office staffs probably will be called upon to assist in this project. I know we can count on your cooperation.

Over the next several months, we hope to obtain documented data on farmland purchases by foreigners. We want to know the actual extent of these purchases, who the foreign investors are, what prices are being paid, and what domestic and international implication these purchases could have on our future food supply.

Once this information is in hand, we will be able to assess the impact on our overall agricultural system—especially its impact on the family farm system—and determine what, if any, action should be taken.

I do not wish to prejudge this matter.

But I have already learned enough to be concerned. In one county in my state of Georgia that GAO selected at random for an on-site look, 6.3 percent of the agricultural land has gone under foreign ownership in the past eighteen months.

I consider that serious. This may turn out to be an extreme and isolated case. But if this should develop into a general trend nationally, I believe it would constitute a clear threat to the future of the family farm system in this country.

This should not be permitted to happen.

Farming today is a tough and risky business. But it also can be a rewarding one.

As in any business, farmers must earn a profit. Just as any other segment of our society, farmers want to provide a better life for their families and an education for their children.

But more than the profit motive and material comforts are involved in farming. It takes heart, dedication, and deep love of the land.

These are the characteristics that typify the traditional family farmer in this country.

I said at the beginning that you and I share a common goal of preserving and strengthening the family farm because it is the backbone of the American agriculture system.

But it is even more than that. The family farm is an essential part of America . . . and of our national heritage.

The standard of living that we as Americans enjoy—the envy of the world—is due in no small part to the productivity and efficiency of the family farmer.

The miracle of American agriculture is that we are feeding an ever increasing number of the world's people with an ever decreasing number of producers.

We have another goal, you and I. And that is to provide the right conditions and the right programs so that our farmers—large and small—can continue their production miracle.

That is the challenge to all of us who believe in the future of American agriculture . . . and in the future of America.●

FREE TRADE OR FAIR TRADE

● Mr. HEINZ. Mr. President, as we are all well aware, the administration is presently participating in multilateral trade negotiations in Geneva. The objective of those talks is to liberalize and rationalize the rules governing international trade. I am sure that every Senator shares the hope that these negotiations will succeed, since international trade is so important to world economic health. But I am just as sure that they will not succeed unless our negotiators are successful in insuring that the United States is not the dumping ground for other nations' economic problems.

What I am referring to are the economic policies of some nations which have the effect of placing U.S. firms at an unfair disadvantage in their own domestic markets. Policies which favor domestic firms and encourage exports have led to such practices as dumping, unfair government subsidization of exports, and outright discrimination against foreign suppliers. These unfair trade practices have resulted in U.S. unemployment, plant closings, and the loss of productive capacity which may be needed in times of national emergency.

These issues are discussed at greater length in an article I wrote entitled, "Free Trade or Fair Trade, What's Really Happening in the International Marketplace," which will be published in the September issue of Appliance Manufacturer, a Cahner's publication. Mr. President, I ask that the text of that article be printed in the RECORD.

The article follows:

FREE TRADE OR FAIR TRADE

Ever since the economic devastation of the Great Depression, the major market-economy nations of the world have recognized the importance of international trade to world economic health. Trade is the absolute lifeblood of some countries and there is not a major non-communist economy today which would not come close to collapse without it. The rationalization of international trade rules is therefore essential to the economic well-being of all of us.

However over the last few years, a number of events have conspired to radically alter the conditions of international trade. These include the OPEC oil cartel and its pricing strategy, the world-wide recession and subsequent slow recovery coupled with high inflation, and collapse of the Bretton-Woods international payments system. In response to these events, many industrial and less developed nations have sought solutions to domestic problems through exported growth, at any cost. The result is increased competition for a larger share of the export market.

With increasing frequency, such competition has also meant either the circumvention of international trade laws or the use of methods (particularly non-tariff trade barriers) not adequately covered by existing international trade agreements. The United States, as the foremost advocate of free trade and the largest consumer market in the world, has been particularly susceptible to the adverse effects of these subtle but potent attempts of other nations to export their economic problems.

The list of U.S. domestic industries that have fallen prey to unfair trading practices in the past two years alone is indicative of their swift effects. These include the steel, color television, shoe, zinc mining and smelting, textile, apparel, and fastener industries among others. By being the most open nation to fair or unfair trade, the U.S. has had to experience unemployment, plant closings, the loss of productive capacity which may be needed in times of national emergency. In addition, it has caused a severe depreciation of the dollar abroad and unleased massive inflationary pressure.

What are these practices and what is your government doing to prevent them? This article will discuss three examples of how foreign imports disrupt American industry; and how the Administration has made our policy insensitive to the plight of the American worker.

DUMPING

Simply put, dumping is the practice of pricing exports lower than either (1) the prevailing selling price in the manufacturing country, or (2) the cost of production in that country. Such practices have a great impact in the U.S. due to our large consumer market.

There are laws against dumping, and the U.S. color television industry has been struggling for the past decade to have them enforced. In March of 1971, the Treasury Department and the U.S. Tariff Commission (now the International Trade Commission) found that Japanese television manufacturers had been dumping their product in the United States, and had caused injury to U.S. manufacturers. However, it was not until last year that the Special Trade Representative negotiated an orderly marketing agreement with the Japanese to limit television imports. This was after the President rejected the ITC's recommendation for stronger relief. Finally, it was only this past March that the Treasury Department assessed partial anti-dumping duties against Japanese manufacturers. During this seven year interval, the U.S. color television industry has been forced to close or move dozens of plants and lay off over 60,000 employees.

SUBSIDIES

A second common unfair trade practice is the use of subsidies. With increasing frequency, governments nationalize private industries or provide tax and non-tax subsidies to achieve certain economic objectives (e.g., maintain employment, increase export earnings) regardless of the ultimate cost to their taxpayers.

The Armco Steel Corporation's petition against the Italian steel producer, TERNI, illustrates such a practice. TERNI, a producer of silicon steel (a type of electrical wire), began to export even larger amounts of this product to the U.S.A. a few years ago. The parent company of TERNI is owned by an authority of the Italian government. Armco has alleged that the Italian government, in order to ease its domestic economic problems, has unfairly subsidized TERNI through its link to the company, enabling it to export cheaper steel to the U.S.

Clearly, we cannot dictate business practices in other countries; but we should not and need not subject our domestic industries to such unfair competition. The TERNI complaint, originally rejected by the Treasury Department, is now being reconsidered under our countervailing duty statutes.

DISCRIMINATION

A third and particularly frustrating unfair trade practice is discriminatory "by-national" government procurement policies. The United States has the Buy America Act, but this legislation is modest compared to the extensive array of restrictive and hidden practices used by other governments.

A good example is that of the U.S. rail transit car manufacturers. Virtually all purchases of rail transit cars for public transportation facilities are made by local governments with the Federal Government footing as much as 89% of the bill. In 1976, while foreign producers captured 67% of this market, U.S. manufacturers were unable to export any rail transit cars to foreign governments due to their highly restrictive, unwritten, policies. In some instances, the same country that exports to the U.S. will not let U.S. producers export to it. Allowing such practices to continue makes a mockery of free and fair trade principles. What is needed is a code for government procurement practices.

WHAT IS THE ADMINISTRATION DOING?

Since the Carter Administration took office it has rejected or altered every recommendation of the ITC for import relief except one. In lieu of the recommended relief, the Administration has frequently attempted to negotiate bilateral voluntary agreements or orderly marketing agreements. In doing so the Administration's goal has apparently been to appease our trading partners and prevent the outbreak of a protectionist trade war.

But with what result is such action taken? If the agreements reached were effective, perhaps these weak initiatives would be enough. But frequently the promises or agreements to limit exports to the U.S. are all too inadequate. Current mushroom imports, for example, have been significantly higher than the negotiated voluntary restraint levels due to such loopholes as simple overshipping and diverting mushrooms through third countries.

It appears that while the ITC is fulfilling its obligation to protect U.S. industry from unfair trading practices, the State and Treasury Departments and the Office of the Special Trade Representative are more concerned with not tramping on the diplomatic toes of our trading partners.

MULTILATERAL TRADE NEGOTIATIONS

The Administration continues to believe that the MTN in Geneva is dealing with these problems. However, the rhetoric from our negotiations and the actions of the Administration often seem inconsistent.

A prime example is the "'under the table" discriminatory agreement on steel between the European Community and Japan which restricted steel trade between the EEC and Japan and resulted in the diversion of Japanese steel to the United States. As the world's most lucrative market, the United States is too often the victim when our trading partners decide to gang up and play rough.

Ending such practices is an important objective of our MTN negotiations; yet the Administration has, in its own words "buried" the section 301 trade discrimination complaint brought by the steel industry against this deal. How can the Special Trade Representative expect other nations to abandon such practices if they know the U.S. laws against them will not be enforced?

It further appears that although negotiations at the MTN are going well with respect to some areas, it is possible that agreements may not be reached on some issues of great importance before the agreed-upon July deadline. This raises the possibility that the Administration will agree to put off the unresolved issues, thus making major concessions without gaining anything in the areas where we are at the most severe disadvantage (e.g. subsidies).

WHAT IS CONGRESS DOING?

Congress, however, is not sitting idly by, but is taking the initiative to show that unfair trade practices will not be tolerated. One example is the Trade Procedures Reform Act, which I introduced last November, and is currently pending before the Senate Finance Committee. This Act, by making changes in the Trade Act of 1974, the Tariff Act of 1930 and the Anti-Dumping Act of 1921, will speed up the process of adjudicating complaints and provide more effective remedies to present unfair trade practices by foreign competitors.

A second initiative concerns the Buy American Act of 1933. The unfair trading practices that exist in the private economy are also felt in federal procurement. But the antidumping and countervailing duty statutes are no protection against federal funds being used to purchase dumped or heavily subsidized foreign products. Therefore, I have prepared a bill which will provide the federal government the mechanisms to protect itself. Moreover, by reinforcing our existing trade laws, this bill will put pressure on foreign governments to respect the concept of fair trade.

If this bill had been law last year, the Metropolitan Atlanta Rapid Transit Authority (MARTA) would not have been allowed to spend $56 million (80% federally funded) to buy French rail transit cars rather than cars made by the four American manufacturers. Under this bill, MARTA would have been allowed to purchase French rail transit cars only if France did not unfairly prohibit the American manufacturers from competing for French rail transit car requirements.

These are just two of a number of proposals pending in Congress to ensure that free trade means fair trade as well.

CONCLUSION

World economic conditions and other nations' responses to them are causing severe strains between the U.S. and our trading partners. These strains are manifesting themselves through severe economic dislocations in many U.S. industries. But we cannot afford to become the dumping ground for the world's exports. The American worker and American industry can compete with anyone and any country if given the opportunity to do so on a fair and equal basis. Congress is working to ensure that such an atmosphere of mutuality and fairness with our trading partners will exist. That is not protectionism; it is equity and common sense.●

MFN AND ROMANIA

● Mr. JACKSON. Mr. President, I submit for the RECORD the statement on MFN and Romania which I made today before the Subcommittee on International Trade of the Senate Finance Committee.

The statement follows:

STATEMENT OF SENATOR HENRY M. JACKSON

Mr. Chairman: I appreciate this opportunity to give this committee my views on extension of our present trading relationship with Romania.

First of all, let me say that our country has a significant stake in the continued existence of a Romania capable of an independent role in important foreign policy matters.

I have had candid talks with President Ceaucescu and other Romanian officials. I found that they respect frank discussion of matters whether we agree on them or not.

Clearly, it is in the interest of both the United States and Romania that sources of tension between us, such as disputes over the disposition of emigration cases, be resolved as amicably as possible. We for our part have shown considerable patience in the years since Romania first became eligible for MFN as the Romanians have endeavored to resolve many outstanding cases.

In a spirit of cooperation much can be done to advance the cause of personal liberty for those wishing to leave Romania—usually to be reunited with loved ones—and to advance the economic progress of the Romanian people. Moreover, the United States wishes to encourage the countries of Eastern Europe effectively to assert their legitimate claim to greater autonomy in the face of Soviet demands and overwhelming Soviet power.

The further extension of MFN and economic credits for Romania—an exercise of accommodation on both sides—is a realistic reflection of our mutual interests.

Needless to say, this will continue to be the case only so long as Romania sincerely lives up to its pledge of the humanitarian treatment of emigration cases. I hope and trust that we will continue to work together to resolve those cases still outstanding, and that in so doing we will place U.S.-Romanian relations on an increasingly sound and stable basis.

I've always believed that among the internationally recognized human rights none is more fundamental than the right to emigrate. Freedom to emigrate can be accomplished without causing fundamental changes in the internal structure of many states which today deny their citizens the right to leave. It need not be considered, and indeed is not, interference in another state's internal affairs to insist that the right to free emigration, which has been enshrined in international law, be honored.

That, I believe, is why the Congress has attached special importance to the right to emigrate, and why that right is a central feature of so many international agreements.

The experience with Romania illustrates the value to all parties of a constructive approach to existing United States law conditioning MFN and credits to non-market countries on the relaxation of restrictions on emigration. While some countries have chosen confrontation, others, like Romania, have preferred cooperation—a result that has served the interests of both our countries and the cause of international human rights.

Holding these views, and after thorough consideration of the record, I urge this committee to recommend to the Senate extension of the waiver as requested by President Carter.●

THE TYRANNY OF THE BUREAUCRAT

● Mr. McCLURE. Mr. President, this year the rocket's red glare illuminated a pleasant surprise. On July 4, Jack Anderson treated us to an enlightened, if discouraging, recitation of the forms, schedules, memos, redtape, exceptions, reports, and regulations which inhibit life in the land of the free.

Mr. Anderson ties together the spirit of 1776 and the spirit of proposition 13. This perspective is, I believe, not only correct, but heartening. Unlike some prominent authors and politicos, I do not believe that the American body politic has lost its will. Americans are beginning to express in unmistakable ways their frustrations with the bureaucracy.

On this bicentennial-plus-two, they are telling us that the one thing worse than enduring bureaucratic tyranny is paying for it. Mr. President, I ask that Jack Anderson's article "The Tyranny of the Bureaucrat" be printed in the RECORD.

The article follows:

[From Washington Post, July 4, 1978]

THE TYRANNY OF THE BUREAUCRAT

(By Jack Anderson)

Another tax rebellion, not unlike the insurrection that brought down the British tyranny 202 years ago, is sweeping America. But the tyrant under attack is no King George III conspicuously ensconced on his

throne; it is the anonymous government clerk seated in his cubicle.

In his pettifogging way, the buraucrat has gained control over our destiny so unobtrusively that we didn't realize we were oppressed. So gently, prosaically, gradually and invisibly did he tighten the bonds that we never appreciated the extent to which we were caught in his grip, and we protested only the inconveniences—the late letter, the length of the food-stamp line.

This finesse, this capacity to narcotize, made possible feats of domination unimaginable to Charlemagne. Prior to the bureaucratic age, when a government was short of funds, it had to lay hands forcibly on estates or invade and loot other countries. Now the Treasury experts peaceably and effortlessly perpetrate the same atrocities by manufacturing paper money or devaluing the currency.

Thus the bureaucrat has quietly become a tyrant. He demands the rigid observance of set rules and procedures, the interminable seeking of permission for divergence. He embraces secrecy and discourages dissent, because the democratic processes disrupt the smooth implementation of his plans. He abhors democratic politics, with the emotions and harangues and oversimplifications.

The bureaucrat was supposed to deliver us from the feudal rigidity of the baron and the simplistic ferocity of the king. In their place was established a body of magistrates and clerks, detached, methodical, guided by uniform regulations which were followed to the letter. This made possible what we grandly hail as "government of laws and not of men."

But the laws have multiplied, each ensnarled in red tape and regulations, until the bureaucrat can find a legality to support any decision he chooses to make. This is bringing back the horror of whimsical rules, albeit by a clerk rather than a king.

It is estimated that last year legislative bodies at all levels—federal, state and local—enacted 150,000 laws, and that each of these laws will require the issuance of 10 regulations on the average. The result of all this is growth beyond control or even comprehension.

The cost to private citizens and private businesses for merely filling out federal forms is more than $60 billion a year, including an estimated $21 billion worth of man-hours spent on preparing individual income tax returns. The cost of paying, housing, equipping and pensioning off the federal bureaucracy is more than $100 billion a year. One hundred tons of waste paper are collected each day from federal offices.

Every private enterprise of any consequence is now entangled in government red tape to the extent that last year businesses had to prepare 114 million forms—15,000 different types of them—for the federal government. The paperwork in licensing a single nuclear power plant frequently exceeds 15,000 pages and may cost $15 million. Nitpicking over the most minor point may drag on for years.

According to an unpublished study by James Bennett and Manuel Johnson, a pair of economics professors at George Mason University in Virginia, the number of regulatory reports required by the federal government multiplied during a recent period by more than 30 percent. Worse, the forms became increasingly complex; the time it took to complete them increased 63 percent.

Justly do we groan under the complexity, the myriad exceptions and alternatives, encountered in the 6,000 pages of our income tax code. The Internal Revenue Service has on its shelves no fewer than 13,200 separate forms; each of these may have many individual "schedules" attached to it. No fewer than 41 different forms are "commonly used" with the 1977 federal income tax returns.

The Office of Management and Budget, which has been called upon by President Carter to remove the snarls from the federal operation, has become caught in a swirl of forms, schedules and memoirs, says the professors' study. This is the office which approves new governmental forms; the record shows it almost never turns one down.

It may take another rebellion to throw off the bureaucratic shackles. Perhaps the revolution has already started over excise taxes in California.●

CAPITAL GAINS TAX CUT

● Mr. CRANSTON. Mr. President, recently, I testified before the Subcommittee on Taxation and Debt Management of the Committee on Finance in support of S. 3065, the Investment Incentive Tax Act of 1978. This bill, as my colleagues know, will restore capital gains tax rates to their pre-1969 level.

I cosponsored S. 3065 in good part because I am convinced of the critical need for the additional jobs that can be created through more risk capital investment.

Now more than ever, our private economy is being asked to provide millions of jobs for American workers. There are different ways to provide jobs. But in the past decade, a major source of those jobs—risk capital investment—has virtually disappeared from the economy.

California companies were able to raise more than $360 million in risk capital to finance new ventures and businesses in 1969. That was under the old capital gains tax rate. Last year, under the current higher rates, which approach 50 percent, California companies were able to raise only $6 million in risk capital.

Last year was a very good year for the California economy. The State outperformed the economies of the other 15 leading industrial States. Nevertheless, only $6 million was raised in venture capital for new small businesses.

The money was there. But the rewards for the risks taken were not. Investors instead turned to less venturesome, more secure investments. Others were attracted to fast, secure turnovers at low profitability. Others went into tax shelter.

Risk venture investments are not quickie, fast-buck tax shelter gimmicks based on funny-money or schemes to evade taxation.

The venture capitalist decides to risk all—there is little or no real security for his investment other than a share of ownership or preferred debentures—with individual entrepreneurs who look as if they have innovative ideas and the ability to turn their ideas into reality. The venture capitalist provides the money; the entrepreneur provides the know-how and the desire to succeed in business. The risks are great, and if the venture captalist is patient and can wait 5 or 7 years and, if the venture turns out to be successful, the venture capitalist may—and I repeat may—obtain great rewards by selling his interest in the business. But the time it takes to start up a new business, to make it successful, and attractive to others, costs money. Money will erode through inflation during the development period. So when the venture capitalist's ship finally comes in, what reward is there if the gain realized is taken away by taxes?

Very little. The facts speak for themselves.

That is why there is a scarcity of venture capital for new enterprises and why venture capitalists have become less venturesome and have chosen to place their money in second and third stage companies seeking expansion.

In my view, the greatest danger from the loss of risk capital investment is that it is chilling the adventurous, inventive spirit which has been the genius of our economic system for so many years.

People with creative ideas are constantly coming into my office seeking Government financing of inventions and projects that private sources should be able to finance—and have in the past. Other entrepreneurs find that the only way they can develop their ideas is to sign everything over to huge corporations. Others say, "Oh, forget it."

That is a loss to our country and to our economy.

Clearly, changing capital gains tax rates will not solve all of our problems in producing jobs for people. It is only one piece in the total economic picture, but it is a critically important piece.

What has been ignored in discussions of capital formation has been the need for so-called outside capital, raised by a business from investors who seek their reward at the end of the line—not from a phony tax write-off or other gimmicks, but from their share of the success of the enterprise. As a member of the Banking Committee with responsibility for small business and minority business loan programs, I know first-hand that loans are not the answer for the brightest and most creative of our business men and women. They desperately need risk venture capital. They need an investor who is willing to lose his investment. The bank is not willing to lose its loan. And the Federal Government is not willing to give grants to businesses simply on the basis that the entrepreneur has a good idea. These small business people must look to the private sector. When they do, they find few investors venturesome enough to risk capital in new businesses.

Our economy needs a healthy mix of investment and capital formation. S. 3065 will restore a more favorable balance of investment in our national economy.

S. 3065 is not tax relief for the rich. Its purpose is to stimulate investment in the capital requirements of our economy. This is a constant and major concern of Congress and the administration. Tax relief for individuals should not be tied with the need for investment in the capital sector of the economy. I support the President's request for personal income tax cuts and, in fact, I voted for a more substantial tax cut in the Budget Committee. I felt then and I continue to think that our economy requires a lessening in the amount of resources which Government takes from the people.

S. 3065 will not be a drain on the Treasury. I am confident that the spur

given to a long-neglected sector of our economy will generate sufficient economic activity to pay for the capital gains tax cut. I have argued on other occasions that increased spending for public jobs would produce savings and revenues to Government to offset our outlays. This continues to be a valid argument. But if it is valid in the public sector, it must be even more so in the private sector.

Insufficient investment fuels inflation by causing substandard productivity, unfavorable trade balances, and continued budget deficits. The way to increase productivity and exports is through research and development of new technology and by improving plants and equipment. All of that requires incentives for risk capital along with the other capital formation incentives now in the tax code.

The shortage of home-grown risk capital has forced many American companies to turn to foreign capital sources.

How much better to encourage American investment in our economy.

S. 3065 will do that. It is time we gave our own investor the benefits many foreign investors have. Not many realize, Mr. Chairman, that our tax law has the effect of taxing at low rates foreign investors—where treaties so provide. That is one reason why so many American businesses with high technology are being purchased by foreigners.

Placing American capital on an even footing in the United States with foreign capital most certainly is in the interests of all. S. 3065 will do just this. I support the bill, Mr. Chairman, and I urge prompt favorable action by the Committee.●

HOW AMERICA WORKS

● Mr. GRIFFIN. Mr. President, in May, Northwood Institute at Midland, Mich., awarded honorary degrees to our former colleague, Margaret Chase Smith of Maine, and to Robert D. Lund, General Motors vice president.

On that occasion, Mr. Lund delivered a commencement address entitled "How America Works." His message merits the attention of many beyond the audience that was privileged to hear him.

I ask that Mr. Lund's remarks be printed in the RECORD.

The remarks follow:

HOW AMERICA WORKS

Graduates of the class of 1978—members of the faculty—families and friends of the graduates—ladies and gentlemen—thank you for your warm and cordial welcome. It's always a great pleasure to be here with you.

I genuinely enjoy my visits to Northwood—your spirit is contagious.

I've always been an optimist about the business system in general and the automobile business in particular. And our computer printouts and other raw data give solid confirmation to the optimism . . . to the growth that's ahead for our industry. But as great as those numbers read, they're just that. Numbers. No indicator gives me as much enthusiasm and confidence as seeing a group of young people of the character and competence we see represented here today.

I congratulate you, the graduates, and your parents, friends and family. There is nothing more satisfying in life than to see people grow and develop to their potential. There really is a "Northwood Idea"—the idea of self reliance. You can see it. And today, I feel very honored to be part of it.

When you're surrounded by the kind of optimism and friendship that you feel here today, you realize how far we can go and how much we can do if we work at it. If we have confidence in how America works, how the economic system functions and how we become what we want to become.

America works by the free enterprise system making its adjustments—responding to what the consumer wants—and then delivering in a way to get people excited. To give you an example—as a total fleet, all General Motors cars get 58% better gas mileage than five years ago. We're moving from a current fleet average of 19 miles per gallon up to 27.5 miles per gallon by 1985. We're right on target to accomplish these national goals as expressed by the law of the land.

But these kinds of improvements don't "just happen." They take massive investment. We estimate that to get one mile per gallon improvement in General Motors' total fleet average, takes a capital investment of $2 billion. We're committed to that kind of investment.

In the year just completed, G. M. invested $3.6 billion in capital improvements. By 1985, G. M. expects that annual capital investment to be at the rate of $5 billion a year. That's almost a $100 million a week. That kind of investment doesn't just create better products with higher mileage. It creates more jobs.

But, my point here is not General Motors or jobs or capital spending or gas mileage per se. My point is the process of free enterprise response. Somebody once asked the great financier Bernard Baruch his prediction of what the stock market will do in the months ahead. His answer—"It will fluctuate."

And I believe you graduates need to prepare yourself for a world of continual fluctuation and turbulence. You who are graduating today need to be able to transport the effectiveness and the success you've enjoyed here—in these beautiful surroundings—into environments that are not as tranquil or supportive. Because America works when Americans work to their full potential—to the limits of their ability—and because the graduates today are going to enter an arena of challenge and, at times, discouragement.

I'd like to make a contribution today by being realistic in my message rather than ceremonial. I'd like to visit with you about being effective in a turbulent world.

Life these days is a mixmaster. Consider the events of recent years.

A president resigns. A vice president resigns. Foreign adventures blow up in our face and we start to see the limitations to the imposition of our national will. This country—with six percent of the world's population—finds itself consuming over a third of the world's energy, and so we start to see the limitations of our resources. In the process, small and obscure nations discover the wealth and power of oil and the interdependence of the world community. Aggressive nations mobilize their resources to do global battle via world trade. The role of government escalates. As a nation, we restlessly explore new directions. Genetic research and computerized medicine . . . the cashless society . . . better control of our environment . . . an explosion in tele-communications—these are the kinds of movements that ricochet around us.

It's this kind of world—vibrant and seemingly chaotic sometimes—with which you need to cope. It's the difference between shooting baskets in a driveway—and playing in a game when everybody's trying to block your shots and get the ball away. This kind of life can be very stimulating—very exciting. Henry Brooks Adams put it this way—"Chaos often breeds life, when order breeds habit."

The famous humorist Will Rogers used to give speeches suggesting that somebody "heat the waters of the Atlantic Ocean." He put together a lot of benefits, like "longer swimming seasons" and "a better environment for the fish," and so forth. Somebody usually asked, "How do you propose to accomplish that?" His answer invariably was—"I don't know, I just get the ideas. Somebody else has to work out the details." These days, there's a lot of that kind of promissory rhetoric floating around—but at least Will Rogers was a humorist.

But today, some of the proposers aren't kidding. In the automobile industry, we see that kind of world all the time. An industry upon which one out of six Americans is dependent for their livelihood, naturally attracts all the competing pressures of our society. The views of government, labor, business, consumers and stockholders converge upon us in a continuing staccato as we work to make major changes in our product offerings. For example, I was involved in bringing both the Cadillac Seville and the Chevrolet Chevette to market, and they were both highly accelerated responses to changing American needs. But my point here is not the response mechanisms of the automobile industry. But rather your preparation for a world in which those kinds of crosscurrents are going to be with us continually.

And so, I have some very specific recommendations—some practical ways to not just "cope" with events, but to be effective—to lead the kind of life that I know you want for yourself. Because this is a very full day, I'll aim to be brief and to the point in my recommendations to you.

First—be realistic about yourself. Know what you know—and very importantly—what you don't know. And most importantly—understand the difference. Because that way, you can correct or supplement your shortages.

Two—Define yourself by performance. That's really the most important criteria. There's a story they tell about a yacht sinking off the Florida coast and radioing for help. The coast guard urgently requested, "Tell us your position." The man on the sinking yacht replied, "I'm a vice president of General Motors." In this world, too many people define themselves by their job titles—or their scholastic credentials—or their professions—or their posessions—or their intentions." Sometimes when you interview a person who has had a number of jobs, they emphasize the high-sounding titles. You have to bore in to find out what they actually do—what they contribute. And sometimes, they don't know—they've lost sight of what their contribution really is. Which leads to point three.

Stay focused on what's really important. Keep your eye on the target. This world has a lot of detours; stay rooted in the essentials. You're on a good track if your career path is connected to what you do best—what you like to do—and what contributes to the good of other people.

Four—Prepare for continuing change. There's one thing wrong with Alvin Toffler's phrase "Future Shock." It's simply that time has run out. It's "Present Shock." And it's going to stay with us, so prepare yourself for it. Don't fall for simplistic solutions that promise to make all the discomfort go away. There isn't any "free lunch." Society is getting more complex—more interdependent. You're going to have to cope with frustration—you're going to have to work with people—you're going to have to learn how to manage and to sell. And that's true not just for those of you who want to become professional managers and professional salesmen. Those qualities have got to be the lubricant

of success for just about any effective role from a chemist to an accountant to a retailer to a physician to an engineer.

Five—Continue to learn. Never stop the process. A young man had a classic comment about his first year in college. He put it this way, "I learned some things I didn't understand. And then I learned to understand them." That's got to go on. All your life. Continue to have your own commencement—your own beginnings.

Six—Show you care! Be concerned! Being "cool" is a retreat. Being "bored" in this world of excitement is a very serious illness. There are a lot of ways to "blow the mind," but I don't know a better one than being part of what's really happening.

Seven—Have strength at the center. There's a word the Scotch use—"innerliness." It's an inner direction—your own gyrocompass. That's valuable anytime, but essential these days when counting on others for approval can give you garbled, confused and intermittent messages.

Eight—Be a whole person. Invest liberally in people relationships. Be a friend. As Raymond Beran defines it—"someone with whom you dare to be yourself. You don't have to be on your guard, you can say what you think so long as it's genuinely you." Work to achieve this kind of relationship not just with your close friends—but to more of those you pass by casually—and espeically to your own family. Recognize that time passes by quickly. You've probably not thought about it—but strangely enough, the exact group that's gathered here today will never ever be together again. And I can say that without fear of contradiction—this exact group will never be together again. Understand the transitional nature of life.

Which leads me to my ninth and final point—MAKE A DIFFERENCE! A monumental achievement if you're capable of it and are fortunate enough to be in the right place at the right time. Or at least carve your initials in a tree. Or better yet, plant a tree. Make things a little bit better because you were here. Make this world a better place because of your presence.

Nine points. High sounding? Maybe. But I'll tell you this, from somebody who works in the world every day and is fortunate enough to come in contact with a lot of other people trying to get a job done. These points are not just "nice things to keep in mind." They are essential for your survival—and your fulfillment—in the kind of world we're heading into.

To be who you are—and to become what you're capable of becoming—this is what life is all about. You fine young graduates of the Northwood Institute class of 1978. I wish you well far more earnestly than you might believe. Not just for yourself or for your families. But because there are a lot of other people also counting on you.

America works—our economic system functions—because our strength is continually replenished by fresh minds and fresh energies—such as those departing from this fine institution today. Again I wish you well. And thank you for allowing me to be a part of this important day.

Robert D. Lund is vice president of General Motors Corporation and general manager of the Chevrolet Motor Division. He received the honorary Doctor of Laws degree during Northwood Institute commencement exercises.

Sen. Margaret Chase Smith received the honorary Doctor of Humanities degree.

And Charles A. DuBois received the honorary Doctor of Laws degree.●

IMPORTANCE OF FOREIGN ASSISTANCE

● Mr. KENNEDY. Mr. President, we are passing through a period of critical choices in our Nation's foreign assistance program. In this, as in many other areas of U.S. foreign policy, we are faced with the need to reassess our approach and policy toward overseas assistance. The increasing limitation on funds demands that we carefully review our foreign aid expenditures to assure that they support our legitimate foreign policy objectives as well as satisfy the humanitarian and developmental needs of people in developing countries around the world over the coming decade.

But in this continuing review of our foreign assistance program, we must not lose sight of its crucial role in U.S. foreign policy, nor the urgent need today to respond fully to existing programs of humanitarian and developmental assistance. For we know today what we have known for many years—that threats to the peace and to our own national security can come from more than just arms races or military confrontations. We know that famine can be a threat to peace and stability. We know that refugee movements can unbalance the peace, and that natural disasters can create upheavals worse than war.

Indeed, we know as fact, that foreign assistance programs are key components of both our Nation's foreign policy as well as humanitarian tradition.

Mr. President, these issues were thoughtfully explored yesterday by the Honorable John Gilligan, Administrator of the Agency for International Development, in a speech and question-and-answer session at the National Press Club. I commend to the attention of all Senator his thoughtful comments, and his strong articulation of the need to fully fund the administration's proposed program for developmental and humanitarian assistance in the coming year.

In adopting last month S. 3074—the pending developmental assistance bill—the Senate has gone on record once again in support of the "new directions" that continue to guide our foreign assistance program.

Mr. President, the basic issues of human rights and human welfare have once again become a focus of our Nation's attention and concern—thanks to the leadership of Congress, and to the support of the administration. But in the proper recognition of human rights—of individual and constitutional rights—we must never lose sight of the larger issue of human needs. For there is no more basic human right than the right to the essentials of life: The right to a future of hope, rather than despair—the right to food and to health and to well-being—these are the birthrights of all people. Yet, for two-thirds of mankind these rights are daily lost in the battle for mere survival.

For me, this was the crucial message of Governor Gilligan's address to the National Press Club, and I ask that the text of his remarks be printed in the RECORD.

The material follows:

TRANSCRIPT OF A SPEECH AND QUESTION-AND-ANSWER SESSION BY JOHN J. GILLIGAN

Mr. GILLIGAN. President Aukofer, Chairman Zablocki, Congressman McHugh, members of the National Press Club, and distinguished guests. I was warned by Chairman Zablocki recently before going up to the Hill that following the passage of Proposition 13 in California that selling foreign assistance programs in Congress these days is about as successful an enterprise as selling ice cream freezers in the North Pole or fur lined parkas in Africa, but nothing daunted, the effort goes forward.

I would suppose that an observer from another country watching the agonized efforts to win the Congressional approval for next year's appropriations for economic assistance might be tempted to wonder if whether or not Solzhenitsyn was on target in his critical commentary at Harvard on American society. Could it be true that we as a people entering upon the Third Century of our national existence have somehow lost the vision of who we are and what we are, that we have lost our passion for justice and decency, have lost our courage?

If the grand inquisitor of Russian literature is mistaken in his diagnosis of what ails our American society, how would we go about explaining our evident difficulties in deciding whether or not the wealthiest and most powerful organized society on the face of the earth should devote 1.2 percent of next year's Federal expenditures to dealing with problems pertaining to those vast regions of the world with two-thirds of the globe's population to whom we declare we are ready to offer assistance and leadership in building a new kind of world order.

A generation ago following World War II the United States undertook the initiative in a totally unprecedented and breathtakingly bold effort to devote to the task of rebuilding the war-torn economy of Western Europe and Japan the equivalent of 3 percent of our GNP over the span of five years. There were at that time, of course, people who said there was no connection whatever between the economic and social and political well-being of Europe and that of the United States, but the Congress and the President went forward in the adoption of the Marshall Plan and I think if we were to look at all of the legislation adopted by the Congress of the United States in the last generation, it would be difficult to identify a single act of Congress that has more to do to shape the world that we live in today than did the adoption of the Marshall Plan.

Fifteen years ago, this nation launched in the Kennedy era the Agency for International Development, the Alliance for Progress, and the Peace Corps, and we were at that time devoting to that effort about one-half of 1 percent of GNP. President Kennedy established the goal of doubling that effort and it might have been done had he lived.

Today with an economy and a standard of living infinitely greater than it was fifteen or thirty years ago, we hesitate to appropriate the equivalent of one-quarter of 1 percent of GNP to the effort of assisting in the economic, social and political development of more than 100 nations. The question, of course, occurs, why should we do anything? Why should we contribute the proverbial dime to such efforts to help others in far off lands in whom we have no real interest, especially when we continue to have nagging and unresolved problems within our own society? The answer is, of course, that we are not proposing simply to give money to others to run some kind of worldwide welfare program, or a global soup kitchen. We are talking about investing very prudently some minor part of our resources in the effort to solve a number of global problems which impact very directly upon the present and future security and well being of the American people.

The term interdependence is bandied about quite freely in the press these days, and while it has become part of the American journalist jargon, it is doubtful that the American people or some of their representa-

tives in the Congress fully understand or appreciate its significance. We have been made quite abruptly aware of our dangerously accepted dependence upon the importation of crude oil from Third World countries, amounting now to almost 50 percent of our total consumption. But not many Americans realize that we import as well from Third World countries 56 percent of the bauxite we use, 82 percent of our tin, 45 percent of our cobalt, 100 percent of the natural rubber upon which our industrial economy is dependent, as well as a very large share of a dozen or more strategically important raw materials.

If the supply of these materials were to be abruptly curtailed, the impact upon our American industries and economy would be catastrophic. That's one dimension of the meaning of the term interdependence.

Americans who worry a great deal these days about competition of foreign products in our domestic market may be unaware that since the beginning of this decade our exports to non-oil producing Third World countries have grown at a rate of 15 percent a year and now constitute a full quarter of our total export trade. And if one considers that we export more to these countries than to all of Europe, plus the Soviet Union, plus the Peoples Republic of China, and three times as much as we do to Japan, and if one begins to consider the future of American production and investments, it becomes quite evident that these potential markets for American products strongly commend themselves to our attention.

But setting aside the obvious narrow economic concerns, if we consider any of the great global problems which threaten the future security and well-being of the people of the United States, that the single possible exception of the possibility of the nuclear holocaust; if we consider, for instance, the worldwide race between population and food production, the depletion of world reserves of natural resources, the accelerating degradation of the national environment or the natural environment of the globe; the badly skewed pattern of international trade and commerce which tenders excruciating pressures upon the whole structure of international banking and commerce, it becomes evident that all of these problems are focused, in what we refer to as the Third World, and they must be dealt with there.

How important are these problems to the well-being of the people of the United States, and what portion of our resources, technological and financial, should we prudently apply to their solutions?

We turn in another direction and consider the problem of political stability in an increasingly turbulent and violent world, it quickly becomes evident that it is no longer the perpetual quarrels and conflicts between the European nations states that constitutes a major threat to our security, nor the wars to maintain Western colonial domination over the regions and peoples of the Southern hemisphere—that era in world history has finally happily ended. While the bilateral East-West tensions between the United States and the Soviet Union, with an increasingly important third-party role being played by the Peoples Republic of China, will continue to occupy our attention and command from very substantial portion of our national resources for years to come, the political turbulence in the Southern hemisphere in Latin America, in Asia, the Middle East, throughout Africa, represents the greatest threat to international stability and peace.

These vast regions which contain so great a portion of the world's population, 85 percent of the total by the year 2000, will develop and will grow economically and politically. There is no force on earth that can impede that development or contain and control from some remote point of vantage those primal forces and energies. We cannot stop the world and get off. The leading power in the Western industrialized world, we cannot pretend that we have no concern or no responsibility in these matters.

We tried for 20 years to ignore the very existence of the People's Republic of China, which contains almost a quarter of the world's population, and now finally, we are forced to deal with that reality. But what in terms of the real world do we expect to happen in the next several decades?

Does it matter to us what happens in India, which is not only the largest society of poor people on the face of the earth, but also the most populous practicing democracy in the world? Have we any interest at all in what occurs in Argentina, or in Brazil, or in Mexico, or other nations of Latin America? Have we any interest whatever in future events throughout Africa, and whether or not it will be possible to achieve a peaceful transition to Black majority rule throughout that continent? Is the Middle East, with its petroleum resources and strategic position, the only region on earth that has any importance or significance to the United States?

It should be noted at this point in order to put these matters in some perspective, that the United States is devoting during the current fiscal year fully one-half of our total bilaterial assistance program to four nations in the Mid-East, and fully 90 percent of that allocation is going to two nations, Egypt and Israel.

We are, therefore, investing more money in the economic development of those two nations than all the rest of the Third World put together. If that investment materially assists in the stabilization of the Middle Eastern situation, and if it supports the effort to attain a permanent peace settlement in the area, it is probably a very good investment indeed. But what do these numbers suggest about our concern for the problem in other regions of the world, and especially to the people living in those regions?

Obviously the Congress clearly perceives the critical importance of developments in the Mid-East to this nation's security and well-being, but it must become equally evident that vast and fundamental changes are going to take place in the social and economic and political structures of the rest of the world during the next 20 years, and the question really is—what role does the United States propose to play in that process of change? Do we intend to play an affirmative and constructive role, or are we going to attempt to pretend to ourselves and to others that we can safely ignore what is happening in those other regions?

President Carter has been quite positive and candid about his own appraisal of the situation and of the role that he conceives for the United States. In his recent speech at Annapolis, he said "Our principal goal is to help shape a world that is more responsive to the desires of people everywhere for economic well-being, for social justice, for political self-determination and basic human rights." I firmly believe that the majority of the Congress, that the vast majority of the American people, share that goal.

The President went on to make it very clear that he is not deluded by any notion that the United States is now, or ever will be, in the position of dictating to other sovereign nations how they shall conduct their own internal affairs or their relations with others. But he was equally clear on the point that we have no intention of withdrawing from the real world, or leaving to others, including our ideological adversaries, the responsibility for determining the course of world affairs.

The question is, how are we to go about exercising leadership in the world arena? By speaking out on human rights? Certainly, The people in the United States expect no less from their government, and the people of every region of the world who are longing and struggling for some increased measure of political freedom and human dignity also expect this nation to be in the forefront of that continuing struggle. But they know as well as we do that talk is cheap, that it accomplishes as little as it costs, unless it's backed up by action, by commitment, by sacrifice. In short, people and nations around the world, our friends as well as our adversaries and those who harbor doubts about us, not unreasonably expect us to put our money where our mouth is.

These other peoples and governments around the world are fully aware of how much of our resources we expend upon our own perceived needs and wants of the fact that we will be spending during the current year something in excess of $800 billion on government services at all levels for the well-being of the 220 million citizens of the United States.

And they know how much we expend on armaments and defense, as well as other national programs. And they wonder about an order of priorities which is suggested by the fact that our Congress finds it so difficult to commit less than 1 percent of our governmental budgets, our total governmental budgets, to the purposes of economic and political development through the Third World, less than 6 percent of what we are ready to commit in a single year for military defense.

However it be phrased, that is the real question facing the Congress and the American people, as represented by the forthcoming vote on the foreign assistance appropriations for fiscal year 1979 and beyond. It is a question which will not go away, and which cannot be shrugged off as of no importance. It needs to be dealt with very seriously and very thoughtfully, and I am confident that when seen in those terms the response of the Congress and of the American people will be a strongly affirmative one.

QUESTIONS AND ANSWERS

Q. You mentioned that our foreign aid spending is much less than one percent of the gross national product. The questioner would like to know how that compares with other wealthy Western nations and with Eastern countries, and would like to know what your assessment is of how that makes us appear.

A. At the present time, among the member nations of the DAC community—the Development Assistance Community—of OECD, the Western industrialized nations plus Australia, New Zealand and Japan, the United States' on that basis percentage of gross national product devoted to official aid ranks thirteenth among the seventeen nations. We slipped from twelfth where we were a year ago.

The OPEC nations, interestingly enough, who are newcomers to this game, are spending between three and five-and-a-half percent of their gross national product, as compared to our one-quarter of one percent development pattern.

The Soviet bloc nations and the Peoples Republic of China offer the explanation that all the problems in the world are due to colonialism, and since they have no colonial possessions, they have no obligation to sweep up the crockery. If you want to have a revolution to throw off the last vestiges of colonialism, they will supply the hardware, but they don't do very much beyond that.

But among the OPEC nations and the Western industrialized nations, the United States ranks lamentably low. And I cannot believe that that enhances greatly our ability to influence the direction of world affairs.

Q. The questioner would like to know what

your problem is about the charge that (USD) may become the first step in involving us in a war.

A. Any time we become involved with another nation, I suppose it could be said that it is the first step which may get us into a war. I think and hope that we have learned enough about becoming involved or entangled in other nations' affairs to be able to avoid war in the future, and I certainly cannot accept the proposition that the path to peace to avoid giving any economic assistance to anybody on the grounds that it may lead to war. I think quite the contrary is really the case.

If they are left to their own resources and devices, without any assistance from the United States or nations of the Western world, we can only conjecture about the level of turbulence that would exist in other regions of the world today.

Q. The questioner would like to know if you really think that a Taxpayers' Revolt, a genuine one, can affect the foreign assistance programs in Congress.

A. Well, I think so only to the degree that if the members of Congress who are quite properly responsive to what they interpret to be the public will decide that there is a Taxpayers' Revolt on and that programs need to be cut as a demonstration of economy in government or whatever other title one would give to it, to cut the foreign assistance program becomes almost irresistible because it is the one cut that can be made when one is pretty well assured there will be no torrent of mail coming from the district protesting the cut—

Whereas any Congressman who places rude hands on almost any domestic program of any size is guaranteed in advance of outraging some portion of his constituency. So that is the meaning of the old term that foreign assstance has no constituency.

I can't resist, however, adding a word about Proposition 13 and the interpretations placed upon it in the press and elsewhere that this represents a nationwide revolt of the American taxpayer. Nothing, in my view, could be further from the truth.

A few years ago in Ohio, we had a referendum on the recently adopted state income tax. The people of Ohio, by a 69 percent vote in every single one of the 88 counties in Ohio, ratified the adoption of the statewide personal and corporate income tax. Was that a nationwide demand by American taxpayers for more income taxation and higher levels of spending? No one so interpreted that vote at that time.

So I think to take this very narrow issue of Proposition 13 and convert that into some kind of a nationwide taxpayers' revolt is something approaching nonsense.

Q. The questioner says that the Federal budget is one thing, the national budget of total private and public spending is another thing.

Does AID spending increase the income of the United States enough through trade to make a plus in the national budget

A. I think we would have to ask the question: over what period of time do we look for the return of these investments that are through the private sector and so forth?

Obviously today, investment in the Third World is a very attractive proposition to a large part of American industry and the American banking community. Walter (Riskin), the Chairman of Citibank, announced recently that his bank has made more profits on their loans to Brazil last year than on all the domestic loans made within the corporate boundaries of the United States, to give one example.

Others are that one-third of all of the profits made by American industry on direct investment overseas were made in the non-oil-producing Third World countries last year. That is a quarter of the total investment that we have abroad and it yielded a third of the profits.

So the argument, I think, can be advanced in any number of ways in purely economic terms that the investment opportunities in those areas are very great indeed. But it has to be said at the same time that we cannot approach the problem as simply one of looking for that bottom line. We are engaged in an enterprise that is a good deal more serious than just attempting to identify some profit-making possibilities for some areas of American business. That is part of the picture, but only a part of it.

We are primarily concerned about the economic and social and political advancement of these tens of millions of people living all over the face of the earth. That is our primary concern.

Q. The questioner asks: What would be the impact on U.S. foreign policy if the cuts pending in Congress could come off?

A. I don't know. The only answer I can offer—I must say this and I have said it to some of the freshmen and sophomore members of the House who were gathered recently to discuss the problem of the appropriations bill that was coming before them.

These were the Democratic members of the freshmen and sophomore (class) and I said to them, "You are the ones that are asking the President to exert leadership in the international community to stand up for human rights and for the other things that Americans believe in so profoundly. The Conservatives are busy taking away from the President the economic programs, and the Liberals are taking away the military programs, and both are complaining that the President uses nothing but rhetoric in the international community.

"If you expect the United States and our President to play some role appropriate to our wealth and power and our principles for Heaven's sakes, give him at least the tools that he needs to be effective in the international community."

And I think that is one of the basic issues that the Congress has to face in these forthcoming votes.

Q. A follow-up on that question: If Congress adopts the aid cuts that you fear, will you recommend a veto to President Carter.

A. No. First of all, I must say that I am optimistic about the outcome of the votes in the House. And I think that in no small part the improved atmosphere is due, not just to some of the Congressional leaders—such as those who are here today—Chairman Zablocki and Mr. McHugh and others who have done such yeoman work among their colleagues—but as well to many other groups who are represented in this room today—private voluntary organizations and others who have been engaged for many years in efforts overseas and elsewhere in the pursuit of the social and economic betterment of people who understand and who press very strongly upon the members of Congress the importance of these programs.

So I feel very optimistic about the outcome.

Q. This questioner would like to know very simply how you are getting along these days with Congressman Clarence Long.

A. Congressman Long, as I think all of you know, is the Chairman of the Subcommittee on Appropriations of the House Appropriations Committee, the Subcommittee on Appropriations for Foreign Activities. He is therefore the master of my life and our relationship is warm and cordial, and he is very supportive of our overall objectives—within limits.

Q. Well, on that lighter note, then, I suppose I ought to ask you this one.

The questioner would like to know what elective office do you plan to run for next.

A. I've tried them all, save one and no one has asked me to try for that one. I am not likely to—especially after this experience—to go looking for any more trouble than I've got. I think I'll hang on to what I have and do my best right here.

Q. This is a much broader question. It is said sometimes that foreign aid is probably the easiest issue for members of Congress or any other elected official to demagogue. Elected officials represent people.

The questioner asks: Are you saying that Americans live too well and the rest of the world too poorly? Are Americans too selfish to support proper foreign aid?

A. No, I don't think Americans are too selfish at all. I think the record stands for itself. As I mentioned a moment ago, the United States—in an action fully unprecedented in history—undertook the Marshall Plan thirty years ago. And at that time we were alone in offering foreign economic assistance.

No nation had ever set out not only to assist its allies in recovering from a war, but its recent adversaries. It shouldn't be forgotten that our assistance went to Japan and Germany as well as to our former allies during that period.

And it was a very substantial part of our national economy. It represented ten percent of our total Federal budget during those early years of the Marshall Plan, and that effort continued on to the present time.

Now there are, of course, many other nations involved in it that weren't involved back in those early years. But I don't think there is any way that the American people can be accused of being selfish.

I do think that what happens from time to time is that the problem is not presented to them in a fashion with which they can deal with it. If you are asked the question, as I have seen it phrased in some Congressional questionnaires sent home to their constituents: Do you want to continue to pour your hard-earned tax dollars down the rat-hole of foreign aid? Answer yes or no. Well, you know—and then they brandish the results of that poll as an expression of the will of the people. Obviously, whoever asks the question is predetermining the answer.

But, as I attempted to say earlier in my prepared remarks, if we think for a moment that the world that our children are going to live in, within 20 years—a very brief span of time, will have 50 percent more people in it than it has today. The population of the world has doubled since I was born. It will increase by another 50 percent by the year 2000. Should I live that long, and I hope to, that will mean that the world population will have tripled in my lifetime. And the great bulk of that growth is going to take place in these Third World countries.

What that represents in terms of problems, as I said before, the depletion of natural resources, enormous strain on the trade and financial structures that bind the nations of the world together, on the political structures which are erected to stabilize various regions of the world, we can't even begin to calculate the pressures that are going to develop.

We have a choice. We can either get in the game and attempt to help to solve these problems, or withdraw to the sideline and attempt to play Marie Antoinette and hope that somehow or other these problems will solve themselves. Well, I think the American people confronted with that choice are mature enough and prudent enough to decide that we will play an affirmative and positive role in these proceedings.

Q. In that connection, what plans does AID have to help Rhodesia when it becomes Zimbabwe? Are we prepared to aid the present (set-up) if it gains a majority rule, or will we withhold aid until the Mugabe-Nkomo front is included?

A. That is an enormously complex question which involves a whole lot of different kinds of answers. In the first place, Rhodesia,

as it exists today, is not an underdeveloped nation, as we would normally describe it, using the normal criteria. It is two nations within one set of boundaries—one a relatively highly sophisticated, highly developed, industrialized economy; and the other, for the Black people, a very ill-developed world.

How these two worlds will be brought together to form one nation, of course, is the question that perplexes all of us. If, hopefully, that can be accomplished peacefully, and if one nation can emerge which has some needs to which the United States government can respond, I am sure we will respond supportively.

As a matter of fact, the Congress has clearly and emphatically indicated their interest in doing it. Should there, God forbid, be a racial holocaust that would level the country, we would be confronted with a totally different kind of situation, the dimensions of which we can't even conceive at the moment. So there is no use in trying to speculate on what those needs might be then or what our response would be.

But I think we are deeply concerned about fostering and supporting in any way we can the transition to—the peaceful transition to majority rule throughout Africa, including Zimbabwe, Namibia and all the rest.

Q. Along those same lines, the questioner asks: Why do you think we were able to sell aid to Japan after World War II and yet there is so much opposition to giving help to Viet Nam? Is it because we lost the war there?

A. Well, that has been suggested in the past. I think there are a number of problems. There is no question about the fact that the people of the United States underwent an enormously traumatic experience throughout that tragic conflict in Southeast Asia. We did lose 55,000 of our sons. We spent $150 billion in that effort. And what do we have to show for it?

The effort to resume what might be called normal relations with the countries of Southeast Asia, including Viet Nam—I don't think anybody is proposing that for Cambodia at the moment, any more than for Uganda—but to take Viet Nam and Laos for a moment.

The efforts to resume some normal relations with them are not greatly assisted by their insistence upon demanding war reparations from those countries, and by being in other ways something less than cordial in the conversations that have existed between us, although within the last day or two there has been some expression on the part of their diplomatic officials that they would welcome a resumption of normal relations.

I think it is going to be some period of time before the Congress will be ready to approve that. I am hopeful that one day we can readmit the nations of Southeast Asia into the world community.

Q. It is sometimes alleged that the Carter Administration human rights program supports right-wing governments but does not support left-wing governments.

The questioner asks: How do our AID programs fit in with President Carter's human rights program? Does it dictate our AID programs?

A. Well, I want to make it clear from the outset that even before President Carter took office, the Congress of the United States had written into the Foreign Assistance Act, what is now known as the Harken Amendment, which required that the United States government shut off all military and economic aid to any nation that is guilty of a persistent pattern of gross violation of the human rights of its citizens, except if it could be demonstrated that that assistance went directly to the benefit of the poorest people living within that country.

President Carter picked up that theme as part of his first approach to the international community and has been emphasizing it ever since. And I think it struck a very responsive chord among the American people.

What is really involves is a two-step judgment. First is the nation guilty of violation of the human rights of its citizens? Well, if one begins with the observation that of the 180-odd nations that exist in the world today that perhaps 30 of them would have a democratic system of government with full constitutional safeguards for the rights of its people and so forth that we would recognize to be fully qualified for first-class status, then you are left with the proposition that 150 nations of the world are something less than that. Of course, those are the nations we deal with.

So immediately, all these judgments become somewhat relative. How well is this nation doing compared to what? To its former record? To what the nations around it are doing? And so forth and so on.

There is an inter-agency committee in the State Department chaired by the Deputy Secretary of State, Warren Christopher, who makes that judgment. If the judgment is made that a given nation is guilty of a gross violation of human rights, then we are asked the question in AID whether our programs do, in fact, serve not the needs of that tyrannical or despotic government, but the needs of the people that live under it. If we cannot satisfy the State Department committee on that ground, then we cut the program off.

Now I will simply say that this is going to be a sometimes thing. There are going to be a series of relative judgments that will be made and changed over the years ahead. But I think the impact of the program in general terms has been quite positive, quite good.

Q. The questioner quotes Robert McNamara, President of the World Bank—and I don't vouch for the accuracy of the quote, that population growth, short of thermonuclear war itself, is the greatest issue the world faces over the decades immediately ahead.

Yet you have been quoted in the Miami Herald as wanting to give a lower profile to the population programs and in the Post last week, said you were dismantling the Office of Population.

What is your level of support for population programs and your commitment to pursuing a vigorous population policy?

A. Well, let me say the paraphrase Mr. McNamara's remarks represents quite closely my own belief about the threat to world stability and security that comes with an unchecked growth of population, population growth that outstrips economic development.

William Colby, former Director of the CIA, said recently that the population growth rates of Latin America are a greater threat to the security of this country than anything that is going on within the Soviet Union at the present time.

I think anybody that takes a look at these problems comes to the realization that in terms of the World Bank figures that between 2030 and 2050—which isn't all that far off—the world population will stabilize at either eight billion—double what it is today—or eleven to twelve billion, which is close to triple. Obviously, that is a difference of enormous significance to everyone that will be existing at that time.

The decisions as to whether those figures are going to be around eight billion or whether they are going to be eleven billion will not be made the night before that New Year's Day. Those decisions are largely being made within the next few decades. That is when these growth patterns are going to be set.

I was in the Philippines in January, to give you one example. The population of the Philippine Islands was four million in the year 1900. At the end of World War II, it was estimated to be about 26 million. Today, it is 47 million. By the year 2000, it's estimated that the population of those islands will be between 75 and 80 million. That means a twenty-fold increase in population of those islands in the space of a single century.

Fifty percent of the population of the Philippine Islands today—and this is true of many of the Third World countries—fifty percent of the population is under fifteen years old, compared to our own median age.

So obviously, this is a problem that must be dealt with and obviously, it can't be dealt with except by the governments and by the peoples most affected. And it involves literally hundreds of millions of individual decisions by couples living all over the world. It has been said many times, what is necessary for couples to decide to limit the size of their families is the knowledge that they don't have to have twelve children in order to see three survive to maturity. And there is no way of taking the question of population or family ties out of the context of the full social and economic and educational, if you will, development of the people. If that advance begins to take place, then fertility rates begin to drop off. And the two inextricably related.

Let no one think that the problem of world population can be dealt with in any region of this world without dealing with all of the other problems associated therewith.

Q. As a follow-up, the questioner asks: What are your views on contraception and the distribution of contraceptive devices through AID around the world?

A. I think that AID, together with private voluntary organizations, with host governments, with voluntary organizations in other lands, must make available as widely as possible the knowledge and the techniques and the supplies of family planning to as many people as possible. I believe that very strongly.

I think it goes without saying the choice is that of the individual couple to do with their lives what they will. Congress has clearly indicated to us, and I think quite properly, that no methods of coercion or enticement shall be used to influence people's own decisions about their own families. But that we should assist in every way that we can, I think, is evident, proper, wise, prudent, and good.

Q. I think I can almost guarantee that this question didn't come from any of the World Bank officials here.

How do you justify providing funds for the World Bank when it pays its top officials much higher salaries than U.S. government officials receive, and far higher salaries than they would receive if they were working for their own governments, at home or in Washington?

A. Well, I think one of the problems with that—and again it is a very easy target to shoot at—one of the problems is the facile comparison that is made between the salaries of some of the international banks, the officers of the international banks, and government salaries, in our nation or in other nations.

You get a different kind of a picture, of course, if you start comparing the salaries to the private banking world, whence a lot of these people came. And if you understood the kind of competition that they are involved in.

But I am not going to launch any extensive defense of the salary schedules and purposes of the officers of these banks. I think it is basically irrelevant to the whole proposition. What we are talking about is an international banking structure which the United States has worked for 25 years to help to develop, which today is moving about $10 billion a year in resources into desperately need Third World countries.

Now I will take any kind of criticism that anybody wants to offer of those banks, and even the proposition that be dismantled and that the United States shut off all further assistance, if the proponent of that line of thought will tell me what he proposed to do to replace that $10 billion in resource flow which he is effectively cutting off thereby.

Now if he has another way of doing the job and doing it as well as it is being done today, I will be happy to listen. But if he is just whacking away at it, then I take with a grain of salt the sanctimonious outrage about salary levels and so forth as just so much sanctimonious outrage.

Mr. KENNEDY. Mr. President, I also ask that two relevant articles from the Christian Science Monitor be printed at this point in the RECORD.

The articles follow:

[From the Christian Science Monitor, June 21, 1978]

WHY FOREIGN AID?

Rash moves are afoot in the U.S. Congress to cut President Carter's foreign aid bill. Bolstered in the wake of Proposition 13, some lawmakers want to chip away at an aid appropriation of $7.3 billion that already is lower than it should be. Here is a case where the politicians could seriously damage America's national interest for the sake of looking good back home. They—and the American public—ought to think twice about the negative impact which a still greater slash in foreign aid would have

With communities in California and elsewhere groping for ways to cut government spending, it may be logical for many Americans to ask, "Why spend money for foreigners?" Why indeed? We can quickly think of many reasons:

The United States and other affluent nations have a humanitarian obligation to help lift the world's poor and hungry out of poverty. One billion people—one-fourth of the world's population—do not have adequate food, shelter or health care. Can the rich ignore such human misery without impugning their moral or spiritual values?

The economic well-being of the Western nations is closely tied with the economic growth of the developing world. The faster the poor countries progress the more the rich also benefit. Thus, American exports to the poorer regions now surpass those to Europe and Japan. One out of every eight manufacturing jobs in the U.S. and one out of every three acres of farmland produce for foreign markets.

At a time when inflation is being fueled by a growing imbalance of trade due to heavy imports of oil, American industry ought to be doing everything it can to expand exports. It can only do that if the economies of the poor continue to grow.

Failure to help the poorer countries boost their food production could have grave consequences worldwide. By the turn of the century there will be two billion more people to feed and where will the food come from? Inasmuch as per-acre yields are declining on the North American continent, the world's present breadbasket, it cannot be relied upon to meet the shortfall abroad without astronomically driving up production costs and food prices at home.

The security of the United States and its democratic partners also is linked with the economic health and political stability of the developing world. It should not be lost on Americans that they are increasingly reliant on outside sources for the minerals needed to keep their factories and farms going. The U.S. already imports 50 percent of its oil. By 1985 it will depend on imports for more than one-half of its supplies of nine out of 13 crucial minerals, including tin, copper, bauxite and lead.

If the suppliers of these critical resources are frustrated in their efforts to progress—to grow more food, develop new energy sources, diversify their economies—they may turn to political and economic systems that are inimical to democratic values and that might deny the resources the industrial democracies need to sustain themselves.

This is not to argue that there is not a great deal of inefficiency and waste in the foreign aid bureaucracy, or that aid programs themselves should not come under constant scrutiny and be held to high standards of effectiveness. Clearly much needs to be done in this area. But the downward trend in aid giving—and the United States has dropped to 12th on the list of 17 industrial democracies—cannot go on without harm. To trim $2.6 billion from the appropriation for world banks, as some legislators want to do, would be shortsighted in the extreme

Americans must ask themselves: can they afford—morally, economically, politically—not to go on giving?

[From the Christian Science Monitor, June 15, 1978]

ARAB NATIONS OUTSTRIP WEST IN AID GIVING

(By Harry B. Ellis)

WASHINGTON.—By far the most generous donors of foreign aid are Arab states of the Persian Gulf, whose largess outstrips that of the United States and European powers.

Three Arab lands—Saudi Arabia, Kuwait, and the United Arab Emirates (UAE)—give more than 5 percent of their gross national product (GNP) in aid to poor countries, compared with 0.25 percent for the United States.

On average, reports the Organization for Economic Cooperation and Development (OECD), industrialized nations give 0.39 percent of their GNP in foreign aid—better than the U.S. performance, but far below that of rich Arab states. Arab foreign aid, some authorities say, actually may benefit Western industrial nations by generating orders for American, European, or Japanese technology, which developing countries could not buy without Arab-loaned money.

Arab donors rarely "tie" their assistance—that is, demand that aid recipients use the money to buy Arab goods, since Arab countries do not produce the technology that projects in developing countries require.

"Whenever we lend money at concessional terms for use in projects of developing countries around the world," an Arab aid official is quoted in a new study published by the Chase World Information Corporation, "we are creating a market for your goods—not ours."

Roger F. Azar, a leading Arab investment banker, put it another way before a recent conference sponsored by the Financial Times of London:

"It could be argued," he said, "that the indirect benefit to industrialized countries of Arab aid to LDCs (less developed countries) exceeds the industrialized countries' (own) aid contributions to LDCs."

Arab donors, says the Chase World Information study, channel their aid in a variety of ways—bilaterally, through multilateral organizations established by Arab states, and through such international institutions as the World Bank and International Monetary Fund (IMF).

Saudi Arabia, for example, has pledged $2.5 billion to a planned $10 billion IMF facility to help poor nations pay their oil bills. The Saudi pledge, largest among the 14 prospective donors, outranks the $1.7 billion offered by the U.S.

"In 1973," says John Law, author of the Chase study, "nearly 97 percent of Arab concessionary aid money went to Arab countries compared with 74 percent in 1976."

Put another way, in 1973 two-thirds of all nations receiving Arab aid were Arab; in 1976, less than a quarter were.

Though the bulk of Arab aid still goes to Arab lands—Egypt, Syria, and Jordan being the major recipients—loans have been made for projects in 78 countries of Asia, Africa, Latin America, the Caribbean, and southern Europe.

COMPARISONS DIFFICULT

In one way, direct comparisons between aid efforts by oil-producing states and by the industrialized powers of OECD—Canada, the U.S., Japan, and most European nations—are hard to make.

Major Arab donors collect much more income from oil than their scanty populations can absorb, whereas complex industrial societies, most with growing social welfare programs, consume the bulk of their national income.

However, notes Assistant U.S. Treasury Secretary C. Fred Bergsten, the combined payments surplus this year of four industrial lands—Japan, West Germany, Switzerland, and the Netherlands—may be larger than the total surplus of the 13-member Organization of Petroleum Exporting Countries.

Although Saudi Arabia, Kuwait, and the UAE are the giants among Arab aid donors, others with significant programs include Libya, Algeria, Iraq, and Qatar.●

DEFENSE PROCUREMENT AUTHORIZATIONS, 1979

Mr. STENNIS. Mr. President, for the purpose of requesting a conference and appointment of conferees, I should like to call up H.R. 10929, which we passed yesterday.

The PRESIDING OFFICER. The clerk will state it by title.

The second assistant legislative clerk read as follows:

A bill (H.R. 10929) to authorize appropriations during the fiscal year 1979 for the procurement of aircraft, missiles, naval vessels, and so forth, and for other purposes.

Mr. STENNIS. Mr. President, due to the lateness of the hour when the Senate completed action on the military procurement authorization bill last night, I announced that I would save until today my remarks about all the fine work that was put in on this bill.

I want to express my special appreciation for the cooperation and assistance which was extended to me by all concerned on the authorization bill, from the beginning of the Senate hearings until passage last night. I especially want to thank the ranking minority member, Senator JOHN TOWER, for his splendid work. Indeed, it is a pleasure to me to work with him.

As we all know, Senator CANNON, chairman of the Tactical Air Subcommittee, Senator MCINTYRE, chairman of the Research and Development Subcommittee, Senator NUNN, chairman of the Manpower and Personnel Subcommittee, and Senator CULVER, chairman of the General Legislation Subcommittee, have also carried heavy responsibilities on this bill in its preparation and presentation. Also, Senator CULVER and Senator BARTLETT devoted a great amount of time to tank programs and Senator HART looked into the shipbuilding portion of this bill. These Members and other Members did a fine job in presenting the results to the committee.

I should like to extend the personal appreciation of myself, as well as the members of the committee, for the con-

sistent hard and fine work performed by our able committee staff. Floor action is only a small portion of the time consumed in the preparation of this legislation. Again this year, the committee received from witnesses testimony totaling thousands of pages and the staff in their usual capable and professional manner analyzed all the facts in order to assist our members in making the decisions. The entire staff was involved in this to some degree, and I should like to specifically mention their names:

Mr. Francis J. Sullivan, our staff director, and our other professional staff members: John C. Roberts, James C. Smith, George F. Travers, John T. Ticer, Donald R. Cotter, Edward B. Kenney, Phyllis A. Bacon, Larry K. Smith, Rhett Dawson, James R. Locher, Louise R. Hoppe, Don Lynch, E. George Riedel, Charles J. Conneely, Kenneth W. Fish, George H. Foster, Charles H. Cromwell, and Robert Q. Old.

I also want to pay special tribute to the clerical staff, since each of them participated in getting this bill passed. They are Doris Connor, Chris Cowart, Marie F. Dickinson, Frances B. Frazier, Kaylene Green, Helen Kalbaugh, Jeanie Killgore, Judy Landesman, Betty Mayo, and Sue Ann Spatz.

Finally, Mr. President, I want to acknowledge the printing work performed in connection with this bill. As the Senate well knows, the annual military authorization bill is a very complex piece of legislation involving thousands of pages of testimony. On behalf of the entire committee and staff I would like to specifically thank Messrs. G. D. Strickler, Nathan Segal, and Richard Caswell, as well as the Government Printing Office for their hard work and expert handling of this massive amount of material.

Mr. President, I move that the Senate insist upon its amendment to H.R. 10929, request a conference with the House, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Chair appointed Mr. STENNIS, Mr. JACKSON, Mr. CANNON, Mr. MCINTYRE, Mr. HARRY F. BYRD, JR., Mr. NUNN, Mr. CULVER, Mr. HART, Mr. TOWER, Mr. THURMOND, Mr. GOLDWATER, Mr. SCOTT, and Mr. BARTLETT conferees on the part of the Senate.

AMBASSADOR ANDREW YOUNG

Mr. BARTLETT. Mr. President, on Tuesday, the Senate agreed to Senate Concurrent Resolution 95, stating that it is the sense of the Congress that current trials of Soviet dissidents are of deep concern to the American people and may impose obstacles to the building of future cooperation between the United States and the Soviet Union.

This resolution reflects the sentiment of the Congress, the administration, and surely the virtually unanimous sentiment of the American public that the Soviet Union stands in blatant violation of the spirit of the Helsinki agreement, and it must be held accountable for its flagrant disregard of this important agreement.

Certainly it was the intent of the Senate in approving this resolution, as it is the intent of President Carter in denouncing Soviet human rights violations, that the pressure of world opinion might compel the Soviet Union to acknowledge and comply with its obligations as a signatory of the Helsinki agreement. Regrettably, however, this effort has been fully undermined, not by any action or statement of the Soviet Union, but by the public statements of our own Ambassador to the United States, Mr. Andrew Young.

Speaking in Geneva, Switzerland, Mr. Young has attempted to discredit the importance of Soviet human rights violations, stating that "there are hundreds, perhaps thousands, of political prisoners in the United States" and that he too had been a "political prisoner" when he was once arrested during a civil rights demonstration.

Mr. President, these and other comments made initially by Mr. Young in an interview with a socialist newspaper, and now being prominently reported worldwide, have not only undermined the attempts of the United States to dramatize Soviet human rights violations, but have subverted the very cause of human rights worldwide.

I believe it is now incumbent upon the President of the United States to reaffirm, as clearly and forcefully as possible, his commitment to human rights. First, however, the President should recognize that such an action will be rendered futile and meaningless as long as Mr. Young remains in a position to subvert this effort.

President Carter should request Mr. Young's resignation from the position of United States Ambassador to the United Nations, and if the resignation is not immediately forthcoming, the President should fire Mr. Young.

Mr. ROBERT C. BYRD. Mr. President, I believe the Senator from Virginia (Mr. HARRY F. BYRD, JR.) was asking if the Senator from Oklahoma would yield, and then I will proceed.

Mr. BARTLETT. I yield to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I am appalled at the statement made by the American Ambassador to the United Nations, Mr. Andrew Young.

I cannot conceive of an American official stating that there are hundreds and perhaps thousands of political prisoners in the United States.

What this high American official has done is to equate the American system with the system existing in Communist Russia.

I have been concerned for some time with the activities and statements made by the American Ambassador to the United Nations, Mr. Young. I supported his confirmation for that position. I thought he made a good Congressman when he was a Member of the House of Representatives from the State of Georgia.

But when I recollect that he is the same Mr. Young who made the statement that the use of Cuban troops in Angola was a stabilizing influence, and many other statements that he has made, it appears to me to have been out of character for one representing, in the capacity that he does, the United States of America.

Then, coming today, with this statement that there are hundreds and perhaps thousands of political prisoners in the United States, it seems to me that is going much too far.

I, for one, resent very strongly any such statement on the part of the Ambassador to the United Nations.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. ROBERT C. BYRD addressed the Chair.

Mr. BARTLETT. Mr. President, I ask for 2 more minutes.

Mr. ROBERT C. BYRD. Mr. President, I object.

Mr. President, may I say to the distinguished Senator, I always object to that kind of request.

Does the Chair recognize me?

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. I yield 2 minutes to the Senator.

Mr. BARTLETT. And I yield to the Senator from Virginia. I thank the distinguished majority leader very much.

Mr. HARRY F. BYRD, JR. I have finished.

Mr. BARTLETT. Mr. President, I yield to the distinguished Senator from Utah for 1 minute.

Mr. HATCH. I thank the distinguished Senator from Oklahoma.

Mr. President, I rise to join in this public outcry against what has been I think, a very unfortunate set of statements made by Andrew Young.

I am sure he meant in his statements that there are some injustices in this country that he has observed through civil rights. But it is a very unfortunate choice of language he used, if it has been reported correctly, I think particularly coming in the days when the Shcharansky, Ginzburg, and Orlov trials make news, discussed in the field of human rights all over the world.

I think it puts our President at a tremendous disadvantage as he contemplates going to Bonn.

I would just like to say that I think it is an abomination and I concur with the distinguished Senators from Oklahoma and Virginia.

Mr. BARTLETT. I yield to the distinguished Senator from Illinois the remainder of time.

Mr. CASE. Will the Senator yield for 1 moment?

Mr. ROBERT C. BYRD. Yes.

Mr. President, I just have two or three housekeeping items, but I yield the floor and after Mr. CASE is recognized I would like the floor back.

Mr. CASE. Mr. President, I join my colleagues in expressing unhappiness at the statement made by our Ambassador to the United Nations.

It presents to the world an utterly false and unfair picture of the United States to equated individual cases of injustice and even of racism in our country with the systematic governmental persecutions by the Soviet state which this Senate has so strongly condemned.

The distinction is clear and Ambassador Young ought not to confuse it by loosely using the term "political prisoners" and suggesting that it applies equally in over two countries. I hope he will quickly and firmly correct the unfortunate impression he has created.

Mr. HANSEN. Mr. President, it is not necessary, I am certain, to speak again about the outrageous statement made by the United States Ambassador to the United Nations, Mr. Andrew Young. But I want simply to go on record in agreeing with my colleagues that to equate any failure on the part of the U.S. Government to treat all citizens fairly and equally and to try to suggest that there are injustices in this country with the actions that presently characterize the Soviet Union and have made worldwide headlines, I think does great disservice to the Government that Mr. Young attempts to serve.

It seems to me that there can be no justification at all in trying to make the sort of comparison that he so inappropriately made this afternoon.

Certainly, we all know that conditions in this country are not perfect. But there is no similarity at all with which I am familiar, and I challenge him to point to a single instance wherein there is a fair comparison between the actions that characterize those of the Soviet Union now with the so-called political prisoners to which he referred earlier today.

I resent it. I think it does a disservice to the Government of the United States. It certainly gives the wrong impression to people worldwide, when a person high in the executive branch of Government, for the United States of America, makes such an outlandish statement as he made this afternoon.

I hope the President will lose no time at all in roundly condemning him for his ineptitude and his thoughtlessness in saying what he has said. I hope that action will occur very shortly.

Mr. SCOTT. Mr. President, I associate myself with the concern that has been expressed by a number of other Senators with regard to the statement made by Ambassador Young.

As our children were growing up and they would leave the house for some purpose, we would admonish them to remember that they were ambassadors for our family. In other words, we expected the best type of behavior of them because they were representing the family when they were away from home.

In my judgment, an ambassador in the true sense represents his country, and he should represent his country in the best possible light. I believe that Ambassador Young, Ambassador to the United Nations, has not represented his country in the proper or the true light. I think he has done a disservice to his country by the statement he has made, and he should be admonished by the President for that statement.

Mr. METZENBAUM. Mr. President, I commend those who have spoken previously in connection with the remarks of Andrew Young, which were made in such an intemperate manner today, or at least reported on today.

For any person to associate the trials presently taking place in the Soviet Union and attempt to make a comparison of those trials and say that there are hundreds of thousands of political prisoners in this country is to deny the facts.

As the distinguished Senator from New Jersey (Mr. CASE) pointed out, there is a big difference. In the Soviet Union, it is the government processes that are being brought to bear with respect to a few dissidents who have the temerity to speak out and to indicate in some instances that they wish to leave the country, a right that is theirs under the Helsinki accords. How anyone could make a comparison of those who are on trial in the Soviet Union at the present time with any prisoners in this country is difficult for me to understand.

Any time there has been a political prisoner in this country, if he or she be that, the courts and the other arms of Government were prepared to step in and provide legal protection of constitutional rights. That is not the case in the Soviet Union.

Although I have been a great admirer of the Ambassador for many years, I find that in this instance his remarks are literally distasteful, intemperate, and certainly made without good judgment. It disturbs me.

Mr. MATSUNAGA. Mr. President, Ambassador Andrew Young has taken a severe tongue lasing on the floor of the Senate today; and if he did in fact make the statements attributed to him, he well deserves it. And I would join his critics.

However, in fairness to Ambassador Young, I will say that I did serve with him when I was a Member of the House. As a matter of fact, we served together on the same committee, the House Rules Committee.

And I cannot make myself to believe that he did in fact make those statements attributed to him. He certainly could have been misquoted. Again in fairness to the good Ambassador, let me quote a few things he said, according to press reports, which were not quoted here on the floor today. Although he is quoted as having said "There are hundreds, perhaps thousands of political prisoners in the United States," he also qualified the term "political prisoner" as he used it.

When he was asked what kind of American political prisoners he was talking about, he said, "There are all varieties of political prisoners."

I do think there are some people who are in prison much more because they are poor than because they are bad. But that's a problem we are working on and on which we are making great progress.

To his credit, Ambassador Young also said:

There is nobody in prison in the United States for criticizing the government.

And I continue to quote him:

There is no one in prison for writing a style of literature or for having a monitoring system of our human rights.

It appears to me, therefore, that the reaction here may have been an overly severe one. Knowing Ambassador Young as I do, and having been a rather close friend of his while serving with him in the House of Representatives, I think he will be the first to admit that he stuck his big foot in his mouth. That is the kind of a man he is.

To demand his resignation at this point or demand that the President remove him immediately without having the full story before us, would be tantamount to finding an accused guilty before granting him a trial. Certainly Members of this body, who themselves have often been misquoted by the press, I am sure, will not make a final judgment on the sole basis of press reports. Even the severest critics are Members of this body because of the judgment that they have exercised in the past in matters which have won the confidence of the people of the United States.

While I am sure Ambassador Young is fully capable of defending himself, and I am not now defending him, I would at least like to say: let us get the full story first.

Thank you, Mr. President.

Mr. CASE. Mr. President, will the Senator yield?

Mr. MATSUNAGA. I am happy to yield to the Senator from New Jersey.

Mr. CASE. Mr. President, the statement that the Senator from Hawaii has just made is another instance of why he is such a useful, wonderful Member of this body. I join him in what he said altogether.

I do not think that there is anything basically wrong with Andy Young. He is a nice guy. I was for him strongly and I defend his right to hold his current job or any other job. But he ought not in this instance to have used the term "political prisoners." This, is a codeword. Our conduct in this country, our individual acts of injustice, are in no way comparable to the official state persecution of critics of the administration in the U.S.S.R.

Mr. MATSUNAGA. I thank the Senator from New Jersey for his generous remarks about me, and I would fully concur with him if Ambassador Young does not retract the derogatory words he used against his own Government or fully explain them away. I would then join the Senator from New Jersey and others who have previously spoken in condemning our Ambassador to the United Nations. But I repeat, let us in all fairness listen to the full story first.

The PRESIDING OFFICER. The time for morning business has expired.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that morning business be continued for another 5 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the period be extended an additional 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOHN D. ROCKEFELLER III

Mr. DOLE. Mr. President, the finest comment that can be made about a man

is that he did the best he could with what he had. John D. Rockefeller III had a lot. But the size of his personal fortune is literally dwarfed by the generosity he bestowed on others. A dedicated philanthropist, he did a lot of good with what he had.

Few men, especially in this day, make an economic splash the size of his father's or grandfather's. Likewise, few men are elevated to high positions in public life—although three of his immediate relatives, including the former Vice President, chose that field and found great success. By choice, John D. Rockefeller was neither a financial baron or a public figure. Instead, his interests focused mainly on philanthropic pursuits and the advancement of mankind.

A rather shy man, modest in appearance, quiet by nature; John D. Rockefeller—who thought the use of his famous middle initial rather ostentatious—chose to work largely behind the scenes and was probably less in the limelight than any of his brothers. A 1964 Look magazine feature noted that he usually walked to work, and that he had never been stopped on the street by a stranger who recognized him. Outdone in flamboyance by his brothers, his entire life is a monument to the style which became him—the style of a modest monarch, a steward of mankind. He was a man who could have exerted more control over his fellow men, but chose to work toward their betterment instead. This quiet role was not forced upon him by circumstance, but was his choice—a conscious humanitarian choice made all the more impressive by its circumstance.

In the realm of philanthropy, he was not a one-man fountainhead distributing money according to his own fancy. By the time he came on the scene, his grandfather and father had already pioneered in the rather difficult business of giving money away wisely. Already, experts in various fields had been brought in, and numerous safeguards had been taken against dispensing money in a capricious manner without careful study. Rather, when John Rockefeller came on the scene, he first assumed his place in the family organization, offering advice on their philanthropic endeavors and serving on various boards which had been entrusted with the task of distributing Rockefeller money wisely. Of course, the most notable of these was the Rockefeller Foundation, of which he was a board member and long-time chairman. Throughout his career, he was as careful giving away money as he was generous—making sure that the money went to worthy causes and was used wisely.

Early on, he clearly established his leadership in the family's various philanthropic endeavors. But his own altruism was not an entirely corporate affair. In numerous instances, he would strike out on his own with various projects or causes which came to be closely identified with his own individual interests. For instance, after encountering some difficulty in interesting the Rockefeller Foundation in the general problem of population control, he went ahead and established the population council which resulted in awakening public awareness of this issue, while attracting considerable scientific talent to the cause. In keeping with his personality, he did not do this by placing himself in the limelight. Rather, he worked quietly, bringing the problem to the attention of various world leaders, and other important opinion makers in this country and in others. He amassed a large staff to provide technical assistance to countries interested in their own population control problems.

No doubt, his interest in population control was directly related to his interest in Asia—and the problems of overpopulation there. His love for the Orient, demonstrated by his leadership in both the Asia Society and the Japan Society, has done much in bringing our country closer to that part of the world. No doubt, his passing will be recognized as a great loss in those nations as well as in our own.

Lovers of the performing arts, and citizens of New York, will remember his labor on behalf of the Lincoln Center for the Performing Arts. As usual, John Rockefeller was more than just a contributor. He headed the fundraising drive that brought in over $160 million and made the center a mortgage-free reality for New York. It was always this area—fundraising—in which he applied his shrewed acumen and business sense to its greatest advantage.

Besides these three major areas, his other activities extended to the United Negro College Fund, the Rockefeller General Education Board, Colonial Williamsburg, Inc., the Rockefeller Brothers Fund, the JDR Third Fund, and a variety of other philanthropic pursuits. As founder of the Rockefeller Public Service Awards, he sought to recognize outstanding civil servants, who might otherwise go without recognition. As author of the Second American Revolution and as a supporter of various initiatives to improve this country on the occasion of the Bicentennial—he demonstrated a foresight and vision of America which commends itself to all American opinion makers.

John Rockefeller liked to quote De Tocqueville's "Democracy in America" to emphasize Americans' peculiar tendency to try and solve their own problems, instead of turning to the Government. Certainly, if more people were like John Rockefeller—if more people were willing to give so unselfishly of themselves for the betterment of mankind, there would be less need for the burgeoning Government which plagues us today.

Perhaps the finest summary of John Rockefeller's life comes from a New York Times editorial published on March 10, 1966. The editorial addresses his efforts on behalf of the Lincoln Center for the Performing Arts, but applies equally well to all of his activities. The Times said "no man better deserves the thanks of the community than the man who least asks to stand in the spotlight of recognition—John D. Rockefeller III."

Since he so seldom sought recognition during his lifetime, Mr. President, it is important that we recognize him now. His death is a great loss to his family—and I express my condolences to his wife, Blanchette, his children, and his brothers. It is also a great loss to the country which benefited so much from his good works.

TRIBUTE TO JOHN D. ROCKEFELLER III

Mr. PERCY. Mr. President, the Rockefeller family, the citizens of our Nation, and the people of the world have suffered a great loss in the tragic death of John D. Rockefeller III.

The number of people who have benefited from his generosity and unselfishness is in the millions—worldwide. He truly dedicated his life to helping others and making this world a better place in which to live and work.

He spent most of his life as a philanthropist—supporting the arts and humanities, actively concerned about population control, and bringing about closer relations between nations and people, particularly in Asia.

His broad interest in the arts, perhaps triggered by his mother, was carefully nurtured. In conjunction with his philanthropic desires, instilled by his father, John D. Rockefeller III became the chief steward in maintaining the Rockefeller heritage as patronage of the arts. He always believed that art should be available to everyone and it has the potential to bring all kinds of people closer together to understand and work with each other.

After a trip around the world as a college graduate, John D. Rockefeller III realized the importance of travel in relation to understanding a country's problems. He took a keen interest in Asia after that trip and created the Asia Society many years later to cultivate better American-Asian relations.

Also as one of the most prominent people and a true pioneer concerned about our world's rapidly growing population, his 40 years of devoted work resulted in being named Chairman of the National Commission on Population Growth and the American Future. This Rockefeller commission produced three major reports and raised the consciousness level of all nations about the population growth crisis.

His patient but unyielding work in this vital area is indicative of his commitment to making this world better for future generations and to insure that our Nation continues to prosper and enrich the lives of its citizenry.

Of all the famous Rockefeller brothers, he did more to understand, assist and associate himself with the younger generations of his own family and America. His book, "The Second American Revolution: Some Personal Observations," was a labor of love in which he educated himself so that he might better understand young people's goals and aspirations after the tumultuous times of the late sixties. He shared this knowledge with others and urged business leaders to reform present systems to more effectively meet the needs and goals of our young people.

After knowing John D. Rockefeller III for several decades and working with him on many projects such as population

control and closer Asian-United States relations, I have seen first hand the impact he has had on so many aspects of American life.

I have also been privileged to see John Rockefeller and his wife, Blanchette, through the eyes of our own daughter, Sharon. No mother- or father-in-law could have been more considerate, thoughtful, and have given more deeply of their love and affection.

Unlike some other public figures who occasionally seem closer to the public than to their own family, in the case of John D. Rockefeller III, his priorities were right and his own family will cherish the memories they have of his modesty, his unassuming nature, his gentleness, and yet his nobility. They, and all of us who were privileged to know him, shall always have these memories as an inspiration for the future.

John D. Rockefeller III asked so little of life, yet gave so generously that this tragic end, somehow, seems unfair. That is when we must remember the words of Jonathan Swift: "May you live all the days of your life." John D. Rockefeller III did just that, and his accomplishments and contributions to our society far exceed his 72 years.

We shall all sorely miss him, but at the same time shall be eternally grateful to him.

TIME TO RATIFY THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, ratification of the Genocide Treaty would serve our national interest by adding to our status in the community of nations and restoring our moral leadership. The agreement places us strongly on record as a supporter of human rights without limiting the freedom or sacrificing the rights of a single American.

Does the public support this treaty? Overwhelmingly, the answer is yes. Nearly every major interest group has come out in favor of this international agreement. Most recently, the American Bar Association has joined the list of religious organizations, ethnic groups, major newspapers, and seven consecutive United States Presidents urging ratification.

Finally, does the Genocide Treaty serve the interests of humanity? Can an American, in all good conscience, support this agreement? Again, the answer is resoundingly affirmative. The moral statement which this treaty makes affirms the basic tenets of every major organized religion and legal code.

In fact, the only moral step we can take is to ratify this convention. The Genocide Treaty protects the most crucial right of all—the right to live. It expresses moral outrage at the most abominable violation of a national, ethnic, racial, or religious group—the genocide of its people. In my view, there is no action which is more justified than declaring mass murder an international crime and taking steps to wipe this crime from the face of the Earth.

I call on this body, the U.S. Senate, to ratify the articles of the Genocide Convention.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ROBERT C. BYRD. Mr. President, I ask that the period for the transaction of routine morning business be extended for an additional 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

MULTILATERAL ACTION ON INTERNATIONAL ECONOMIC ISSUES

Mr. ROBERT C. BYRD. Mr. President, I call up a resolution and ask for its immediate consideration. It has been cleared all the way around.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 440) expressing the sense of the Senate that the President undertake discussion with the industrialized countries with a view toward developing a common approach to the grave problems facing today's international monetary system.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution which had been reported from the Committee on Foreign Relations with amendments as follows:

On page 4, line 7, after the semicolon, insert "and";

On page 4, line 8, strike "culminating in" and insert "at";

On page 4, line 13, strike the semicolon and the word "and" and insert a period;

On page 4, beginning with line 14, strike through and including line 19.

Mr. ROBERT C. BYRD. Mr. President, I move that the amendments be considered and adopted en bloc.

The amendments were agreed to en bloc.

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from New York.

Mr. JAVITS. Mr. President, I wish to be heard for a few moments on this resolution.

On July 16 President Carter will be meeting with the heads of state of the other major industrialized countries at the Economic Summit in Bonn. In anticipation of the meeting, the newspapers are full of speculation about the possible results of this crucial meeting.

I am especially troubled by the reports that President Carter will be entering these critical discussions, which may have far-reaching consequences for the health of the international economy for many years to come, allegedly in a weakened bargaining position due to our vote on an oil import full funding. Accordingly I asked that Senate Resolution 440, which was favorably reported today by the Foreign Relations Committee, be acted upon immediately. The resolution seeks to strengthen the President's hand in these negotiations at the Economic Summit by signaling the recognition by the Congress of the interdependence of the nations participating in the Economic Summit and the support of the Congress for the President's negotiating efforts for multilateral solutions to solve the major international economic problems facing us.

Mr. President, the purpose of this resolution is to put something in the hands of President Carter at the Bonn economic summit, in order to enable him to express, with the support of the Senate, a policy which essentially says to his colleagues in the industrialized countries that the economic summit is a collegial body, that we in the United States recognize our complete interdependence with our allies and that what we are about to do with respect to this particular exercise in summitry must be done multilaterally.

Senate Resolution 440 is sponsored by me and Senators CHAFEE, DANFORTH, MATHIAS, PERCY, SPARKMAN, STAFFORD, STEVENS, STEVENSON, and HATFIELD of Oregon. When I submitted this resolution on April 26, 1978, I urged the President to "insure that the individual policies of his administration were not counterproductive to achieving the needed economic objectives."

We will not know the summit's actual results until the end of the summit next Monday. All indications point to a very modest summit. As one economic analyst has described the situation, the summit appears to becoming a "bazaar at which the participants haggle for commitments in exchange for concessions." I have heard the prospective "deal" depicted as a triangle in which the United States would pledge action to deal with our inflation and energy problems, while the Germans and Japanese would pledge action on stimulating economic growth in their countries. The third element of the triangle would be a renewed commitment from all the participants to a free and open trading system and possibly some announcement of the agreed upon elements of the multilateral trade negotiations package.

With respect to the North-South issues, I understand that some participants, most notably the Japanese, will announce an increased commitment on foreign aid to the developing countries. While more foreign aid is critical, it is far from the whole problem. A high-level commitment must be made at the summit to consider bolder moves.

One approach which I have personally raised with President Carter, British Prime Minister Callaghan, German Chancellor Schmidt, Japanese Prime Minister Fukuda, and French President Giscard d'Estaing, would be the creation of a growth development fund for the oil-importing developing countries. Such a fund would provide them with capital for productive investments in order to cover their oil import deficits and to complement the aid and investment of the developed countries in stimulating the noninflationary growth and the expansion of broader markets for the goods and services which the international economy requires so urgently to deal with stagnation and inflation. Such targeted investments would stimulate economic growth in these countries and, most importantly, would expand demand for the exports of the industrialized countries. Such new markets would lead to higher levels

of employment and domestic economic activity in the industrialized countries and would effectively counter the escalating demands of protectionist forces in the industrialized countries with respect to imports as well as investment abroad.

Discussion of a multilateral plan for targeted investments in the developing countries should set the tone for the rest of the summit. Rather than undertaking a negotiating session characterized by "tough bargaining," the summit should be a cooperative exercise in managing interdependence. Our leaders should participate in an exchange of views with a view toward working out a unified approach to developing the remedies to meet the dislocation facing the international monetary system. These dislocations can only be overcome if the industrialized countries establish an overall plan to share the responsibilities resulting from the pivotal nature of their economic performance for the well-being of the whole international economic system. Senate Resolution 440 provides guidance to the President by calling on the participants in the economic summit to establish a framework for multilateral action to cope with such international economic issues as inflation and structural unemployment.

Since the introduction of my resolution last April, I have discussed these mounting problems with Prime Minister Callaghan, President Giscard d'Estaing, Chancellor Schmidt, Prime Minister Fukuda as well as President Carter, who share my belief that a concerted multilateral approach to solving these problems is imperative. To underline the cooperative element of this summit, I urge the President and his counterparts to consider the Bonn economic summit as the first half of a two-part meeting, which would be followed by a second meeting in less than a year's time. At the Bonn economic summit, there should be a preliminary harmonization of policy on the issues with the constitution of a task force to undertake the necessary coordination and follow up to these policy decisions. The second economic summit would meet to approve the details of such multilateral action.

I wish to express my thanks to my colleagues who in recognizing the problems as I did, joined me in sponsoring this resolution: Senators CHAFEE, DANFORTH, MATHIAS, PERCY, SPARKMAN, STAFFORD, STEVENS, STEVENSON, and HATFIELD, of Oregon.

Mr. President, finally, may I say this: I have suggested and others have suggested methods by which the world could be steered in a better path. We need to find a plan to arouse the interest of mankind in undertaking such a degree of economic improvement as will provide the world the necessary work and the necessary spirit to work for decades to come.

Mr. President, in conclusion, I am very grateful to Senator ROBERT C. BYRD for calling this resolution up as reported unanimously by the Foreign Relations Committee yesterday. I hope, Mr. President, that President Carter will treat this summit with importance and that it will result in a first step toward developing a plan by which the nations of the world can really redeem the international economy. Many plans have been suggested, some even under the rubric of a global Marshall Plan. I wish to emphasize that such a plan would not be a foreign aid. Rather, we are talking about large scale investment that will stimulate the world's activity so that the markets of the world may be big enough to help those billion people who go to bed every night hungry, and to serve as an adequate outlet for the industrial and agricultural productivity of the whole world.

Mr. President, it is time for concerted action by the President and the Congress. The other participants at the economic summit must understand that the President speaks for the American people. I urge my colleagues to support the President as he enters a most difficult series of discussions with his counterparts in the industrialized countries by swiftly adopting this resolution.

Mr. President, at this time, I ask unanimous consent that the letter of the State Department dealing with this resolution may be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, D.C., June 21, 1978.

Hon. JOHN SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate.

DEAR MR. CHAIRMAN: This is in reply to your letter of May 2, 1978 to Secretary Vance requesting Executive Branch comments on S. Res. 440, submitted April 29 by Senator Javits. A central tenet of this resolution is that the growing interdependence of national economies necessitates cooperative approaches among all countries to solve the long-term structural problems facing the international economy. The Administration fully endorses this concept, and such cooperation is a primary principle of our international economic and monetary policy.

The international community, with strong U.S. leadership has responded rapidly, flexibly, and cooperatively to the radical changes in the international economic environment since 1973. IMF facilities have been expanded to provide additional balance of payments financing to deficit countries, in the context of gradual adjustment to new economic realities, allowing these countries to undertake adjustment without recourse to restrictive trade measures or more stringent deflation. The OECD Trade Pledge has committed industrial-country governments to avoid adopting restrictive trade policies for balance of payments reasons. Admittedly such cooperative efforts are directed primarily to short-term problems. But in most cases, they also have long-term implications in providing the incentive and the support necessary for countries to take the necessary and difficult steps to adjust to long-term trends. The U.S. has also taken a lead role in cooperative efforts to address long-term problems in energy development, commodity price stabilization, and resource transfer that confront developing countries in the new economic environment.

We share the view expressed in the resolution that the recent disorderly conditions in the exchange markets reflect concern about inflation and unemployment. Cooperation is essential in both the short and long-term to address the underlying problems that have caused this concern. As noted in the resolution, the U.S. has cooperated with other industrial countries to counter disorderly exchange market conditions. This effort is an immediate response to specific instances of speculation and disorder in the exchange market. We agree that a healthy international monetary system requires resolution of fundamental economic problems rather than measures, including controls and restrictions, which attempt to deal with their symptoms by preventing exchange rates from playing their appropriate role in adjustment.

We are working vigorously toward a context in which the economic summit in July can produce cooperative action on the part of the major industrial countries to attack fundamental economic problems. In this regard, the U.S. Government as a whole bears responsibility for establishing some of the necessary conditions. For example, one important aspect will be the extent to which the U.S. takes effective action to reduce its dependence on imported oil. As you know, a major first step in this will be a U.S. energy program with teeth, which we hope the Congress will enact as soon as possible. A second important aspect will be effective policies in the U.S., as in all countries, to avoid a further acceleration of inflationary forces, particularly coming from increased costs of production. In that regard, the Administration has expanded its efforts to moderate inflationary tendencies; the support of Congress will be a key to the success of these efforts.

If the necessary conditions prevail, we believe that the other major industrial countries will join us to formulate a concerted action program which would address the major problems currently facing the world economy slow growth in Europe and Japan, major payments imbalances among the industrial countries, rising protectionism, continuing inflation, the need to continue adjusting to high energy prices, and those in the monetary area. One element of such growth strategy must be methods of increasing productive investment in most countries.

We do not believe, however, that the problems facing the international economy stem from "exclusive reliance on the dollar as the key international monetary asset" as stated in this resolution, or that our approach at the summit or in other cooperative forums should focus on long-term actions to reduce the role of the dollar. It is, in fact, inadequate investment, incomplete adjustment, undue reliance on imported energy, and inflationary pressures deriving from increased oil prices and other cost pressures that are the root cause of current problems, and which must be addressed. Moreover, the widespread use of the dollar in international transactions, the size and importance of our economy, and the lack of broad and deep capital and money markets in other countries all make it very unlikely that other currencies could quickly assume a large part of the dollar's reserve role.

The office of Management and Budget advises that from the standpoint of the Administration's program there is no objection to the submission of this report.

Sincerely,

DOUGLAS J. BENNET, Jr.,
Assistant Secretary for Congressional Relations.

Mr. JAVITS. Mr. President, I strongly suggest that Members interest themselves in this particular problem because to my mind the number one danger facing the world today is in the economic realm. If we should fail to deal effectively with these grave economic problems there will be enormous social upheavals in the world and the whole system of free institutions in which we believe will be in grave danger of geing swept away, all because we do not know how to run an

international economy under today's conditions.

● Mr. STEVENSON. Mr. President, I commend the Senator from New York. By calling attention to the need for international cooperation to solve economic problems he is performing an important public service.

Economic interdependence among nations is a reality. Coordinated international action is the only means to cope with international inflation, debt, slow growth and unemployment. But still we hear the siren calls to go it alone, to take unilateral, protectionist and isolationist measures. The adoption of this resolution will demonstrate that we recognize and accept the necessity for shared responsibility and cooperative action by the nations of the world to meet pressing economic problems.

The resolution calls attention to the critical need for the United States to adopt a meaningful energy policy and take measures to foster the competitiveness of U.S. exports. The Subcommittee on International Finance, which I chair, has held extensive hearings on declining U.S. export competitiveness and the need for a comprehensive U.S. export policy.

I know there are those who believe that the best way to solve our trade deficit is through acquiescence in a continuing depreciation of the dollar. This resolution recognizes that we need an active policy to strengthen our export performance. Exchange rate movements benefit only a small proportion of U.S. exports. Structural factors, including declining productivity, are the underlying cause of our trade deficit. An export policy which emphasizes industrial innovation and more aggressive export promotion is sorely needed.

A national export policy should include improved Government policies relating to the promotion, facilitation, and financing of commercial and agricultural exports, Government policies to reduce foreign barriers to U.S. exports, Federal support for research, development, and diffusion of new technologies to promote innovation, the elimination or modification of Government rules and regulations that disadvantage U.S. exports and the competitiveness of agriculture, business, and industry, and the reexamination of antitrust laws and policies when necessary to enable U.S. producers to meet foreign competition.

I regret that the resolution is not equally explicit on the need to strengthen the International Monetary Fund as an international monetary reserve center and as a mechanism for surveillance over exchange rate policies and practices. I know the original resolution which was more explicit was modified at the behest of the administration, and I fear that consequently our counsel to the President is excessively timid.

The dollar is no longer the sole strong currency in the international monetary system. As other currencies acquire strength and stability they should be incorporated into the reserve system and bear a fair share of the burden which the U.S. dollar has carried alone since the British pound sterling went into eclipse. Surplus countries should be encouraged to permit foreign persons and foreign governments to hold their currencies.

A sound international monetary order is essential to a stable world economy. The developed countries bear a special responsibility for the soundness of the international monetary system. They alone can stimulate the economic growth needed to reduce unemployment, and exercise the restraint needed to reduce inflation. They alone can provide the resources to ease the pressures of indebtedness which are tempting countries to increase their trade barriers and reduce their growth.

In this morning's New York Times Dr. Witteveen, the former Managing Director of the International Monetary Fund is reported to give some imminently sound advice for the summit conference in Bonn. He urged better coordination of economic policies with respect to growth; specifically he called for Germany and Japan to take further action to stimulate their economies. He called upon the United States to act on an energy policy and bring down inflation. He urged further action to stabilize exchange rates, noting that coordinated action on economic policy was necessary in order for exchange rates to be stabilized. He urged common action to increase development assistance to the developing countries, which would assist those countries in financing their payments deficits and increase imports from developed countries, thereby boosting economic growth all around. Finally, he stressed the importance of avoiding protectionism and bringing the trade talks to a successful agreement. Mr. President, I ask unanimous consent that the interview from the New York Times be printed in the RECORD at the end of the remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXHIBIT 1

[From the New York Times, July 12, 1978]

WITTEVEEN ON OUTLOOK FOR MONETARY STABILITY

The heads of government of the world's most powerful industrial nations gather next weekend in Bonn for a summit meeting on economic growth. But there are serious doubts about what can be accomplished at the meeting, given the different policy goals of each country.

The problems involved in hammering out a common guide for the economic activities of the world's major trading nations are legion, and some believe the task may defy solution.

A close observer of the success—and failure—of attempts to formulate a global economic policy in recent years is H. Johannes Witteveen, former managing director of the International Monetary Fund. Mr. Witteveen, who headed the I.M.F. during the Arab oil embargo and the subsequent balance-of-payment problems, gave his views of the upcoming summit in a discussion with Business Day.

Question: President Carter meets other Western leaders in Bonn next weekend to discuss plans for ending the recession, which is almost four years old and resisting every remedy prescribed. What results do you want to see?

First, I hope there will be some agreement to bring about better coordination of economic policies with respect to economic growth. That means the countries with big balance-of-payments surpluses—West Germany and Japan—taking some further action to stimulate their economies.

The second element would be action by the main country in balance-of-payments deficit, the United States, to reduce this deficit. In this connection, I would hope to see action on the energy front and action to bring down inflation.

In third place would be further action to stabilize exchange rates, which would become possible if these other actions on economic fundamentals were taken. A fourth element would be some common action to provide more development assistance to the developing countries. It would help the world financial situation by assisting these countries finance their payment deficits in a stable way. And it would enable these countries to import more and so help recovery in our own countries.

Finally, of course, there is the need to avoid protectionism. The GATT trade-freeing talks are making progress in Geneva and I hope an agreement will be reached quite soon.

Question: That is a recovery program that the Western world has been striving to put in place for several years without much success. Why are you more optimistic now?

Four years ago, the oil crisis had just started and the situation was quite different. The world situation has changed remarkably since then.

Question: So these changes make you more optimistic?

I think we can say the problem of the oil crisis has been overcome in large part and rather better than we thought possible at the time. So that makes the situation now less gloomy.

Question: If we don't get the kind of agreement in Bonn that you outline, is there danger of a new world depression's setting in now that even the U.S. economy is slowing down?

I do think it's a very real risk, but I think the risk of depression is also closely related to the exchange-market situation. My worry is that, if there is insufficient growth of demand in the surplus countries, their surpluses will continue and their currencies will go on appreciating. This, in turn, makes it more difficult for these countries to ever get growth going, because it makes their export industries less competitive and businessmen won't invest.

There's a kind of vicious circle here. At the same time, the depreciation of the dollar makes it more difficult to bring inflation in the U.S. under control, and that leads to a more restrictive monetary policy in the U.S., which also depresses recovery.

Question: You've spoken a lot about the need for more stable exchange rates as part of a Western recovery strategy. Does this mean the present floating exchange-rate system has not lived up to expectations?

I never expected it to be a completely ideal system. When I took over the I.M.F. nearly five years ago, I took the position that we could have flexible rates but that quite a lot of managing of those rates would be desirable. And I still say that is the case. I don't think exchange-rate movements cause Germany's low economic growth. I see them as a link. They are a consequence of slow growth and they make it more difficult to break out.

Question: What immediate action should the U.S. take to stabilize the dollar other than dealing with the fundamentals you mentioned?

The U.S. should be prepared, I think, to intervene on a larger scale than it has been doing. And the U.S. should borrow foreign exchange abroad to be able to intervene more effectively. This is not to replace action on fundamentals. But, once such action

has been taken, it will help make these policies more effective.

Question: Will the I.M.F. be able to get more monetary stability when the cause of the unrest is the persistence of large imbalances in the richest and politically most powerful countries, such as the U.S., Germany and the Arab oil producers?

It's a very tough problem. On the other hand, you could say the pressure is building up on them constantly to do something about it. If this new additional pressure is brought to bear at a certain time, it could be effective.

Question: But all the time we are talking, more dollars are pouring out into the world. Do you think we've reached the point where these large amounts of foot-loose dollars, slopping about from country to country, make a stable monetary order impossible because there are just too many of them?

Of course, the amount of dollars in the world is increasing all the time. Doubts about the dollar have been created and I can certainly see problems with an extreme dollar standard. That is why just before I left the I.M.F. I suggested there might be advantages to replacing some of these dollars with I.M.F. special drawing rights.●

Mr. STEVENSON. Dr. Witteveen did not mention another vital step, no doubt out of modesty—approval by the United States of the Witteveen facility, the supplementary facility to increase the resources of the International Monetary Fund.

That facility is needed to provide a temporary, but much needed increase in the fund's resources which will enable it to help countries faced with severe balance-of-payments disequilibria achieve economic stability. I know the Senator from New York shares my view that early action is needed to institute that facility. I hope the bill to permit U.S. participation in the facility can be taken up within a few days.

The PRESIDING OFFICER. Without objection, the resolution, as amended, is agreed to.

Without objection, the amendments to the preamble are agreed to en bloc; and without objection, the preamble, as amended, is agreed to.

The resolution (S. Res. 440), as amended, together with the preamble, as amended, is as follows:

Whereas leadership in today's international economy must evolve from a close cooperation between the United States and the other industrialized nations which is based on a sense of interdependence and acceptance of the pivotal nature of their economic performance for the well-being of the whole international economic system;

Whereas the recent disorders in the foreign exchange markets and decline of the value of the United States dollar reflect the concern of the international money markets about uncertainty regarding the actions of and decisions to be taken by the political leaders of the industrialized countries in addressing the major economic issues, particularly the dangers of inflation and structural unemployment;

Whereas the critical need exists for the United States to adopt a meaningful energy policy, measures to foster the international competitive position of United States exports in the international marketplace as well as appropriate monetary and fiscal policies;

Whereas measures such as the joint program adopted by the United States and the Federal Republic of Germany to counter mounting speculation against the dollar in foreign exchange markets are but short-term measures yet are designed to meet essentially long-term underlying structural problems facing the international monetary system;

Whereas such dislocations to the international monetary system could be overcome if the industrialized countries had an overall plan to share the responsibilities resulting from the present interdependence of the industrialized countries;

Whereas unilateral actions, including capital controls and protectionist trade barriers, taken by individual governments, including the United States, to protect their currencies and insulate their economies from the negative effects of changes in currency relationships could force more and more countries to adopt similar restrictions with serious implications for continued international trade and economic growth;

Whereas these monetary issues are no longer amenable to solutions developed on a consultative ad hoc basis but rather require long-term solutions reflecting the interdependence of countries today;

Whereas it is essential that confidence be rebuilt in the multilateral approach to solutions to our international economic problems; and

Whereas the forthcoming Economic Summit to be held in July in Bonn provides the immediate opportunity for the development of such a concerted, multilateral approach;

Now, therefore, be it

Resolved, That it is the Sense of the Senate that—

(1) the President recognize the severity of the international monetary crisis, which, if unchecked, has the potential of disrupting the domestic as well as international economy through a loss of confidence in the ability of governments to deal with the major economic issues of our time; and

(2) the President undertake discussions at the Economic Summit in July with the other industrialized countries with a view toward developing a closely coordinated approach to the grace international economic issues based on a sense of interdependence and mutual cooperation,

ORDER FOR RECESS TO 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL ORDERS AND ORDER FOR CONSIDERATION OF H.R. 2777 ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders are recognized, Mr. HARRY F. BYRD, JR., be recognized for not to exceed 15 minutes, and that Mr. HEINZ be recognized for not to exceed 15 minutes, after which the Senate then proceed to the consideration of Calendar Order 726, H.R. 2777, the National Consumer Cooperative Bank Act, bill which will be managed by Mr. TOWER and Mr. MCINTYRE.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER THAT NO ROLLCALL VOTES OCCUR PRIOR TO THE HOUR OF 2:30 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, for the convenience of Senators who will be attending funerals on tomorrow, I ask unanimous consent that any rollcall votes that are ordered prior to the hour of 2:30 p.m. not occur prior to the hour of 2:30 p.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 10 o'clock tomorrow morning.

The motion was agreed to; and at 6:50 p.m., the Senate recessed until Thursday, July 13, 1978, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate July 12, 1978:

IN THE FOREIGN SERVICE

Talcott W. Seelye, of Maryland, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Syrian Arab Republic.

IN THE ARMY

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3305:

CHAPLAIN CORPS

To be colonel

Blom, John O., [redacted].

The following-named officers for promotion in the Army of the United States, under the provisions of title 10, United States Code, section 3442 and 3447:

ARMY PROMOTION LIST

To be colonel

Dixon, Charles L., [redacted].
Rider, Archie A., [redacted].

MEDICAL SERVICE CORPS

To be colonel

Smith, Creed D., [redacted].
Spencer, William R., [redacted].

ARMY NURSE CORPS

To be colonel

Grace, Mary C., [redacted].

MEDICAL SERVICE CORPS

To be lieutenant colonel

Bush, Benny H., [redacted].
Gipson, Shirley L., [redacted].
Hunt, Dan W., [redacted].

VETERINARY CORPS

To be lieutenant colonel

Byrd, Roscoe W., [redacted].

DENTAL CORPS

To be lieutenant colonel

Bodner, John J., [redacted].
Ficara, Anthony J., [redacted].

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, section 3284 and 3299:

ARMY PROMOTION LIST

To be lieutenant colonel

Crowl, Gilbert, W., [redacted].
Plagianis, Gus, S., [redacted].

ARMY PROMOTION LIST

To be captain

Arron, Ralph, P., [redacted].
Adamczyk, Joseph W., [redacted].
Adams, Scott C., [redacted].
Adams, William B., [redacted].
Adank, Daniel C., [redacted].
Adcock, Gordon G., [redacted].
Ader, Ernest C., [redacted].

Adkins, Paul F., xxx-xx-xxxx.
Adkins, Ronald A., xxx-xx-xxxx.
Ahyo, Gerald P., xxx-xx-xxxx.
Aker, Stephen K., xxx-xx-xxxx.
Akers, Robert W., xxx-xx-xxxx.
Albers, Lester H., xxx-xx-xxxx.
Alcott, Henry S., xxx-xx-xxxx.
Alex, William N., xxx-xx-xxxx.
Alexander, Joe A., xxx-xx-xxxx.
Alexander, Kenneth, xxx-xx-xxxx.
Algner, Jonn A. xxx-xx-xxxx.
Allen, Kenneth E., xxx-xx-xxxx.
Allen, Robert C., xxx-xx-xxxx.
Allen, Thomas J., xxx-xx-xxxx.
Alvarado, Hector H., xxx-xx-xxxx.
Amoroso, August J., xxx-xx-xxxx.
Anchondo, Robert L., xxx-xx-xxxx.
Anderson, George W., xxx-xx-xxxx.
Anderson, John C., xxx-xx-xxxx.
Anderson, Paul B., xxx-xx-xxxx.
Anglin, Roger I., xxx-xx-xxxx.
Anthony, Patrick J., xxx-xx-xxxx.
Apo, Douglas K., xxx-xx-xxxx.
Applewhite, Michael, xxx-xx-xxxx.
Archer, James E., xxx-xx-xxxx.
Armstrong, Michael, xxx-xx-xxxx.
Arnold, Edwin J., xxx-xx-xxxx.
Arnold James G., xxx-xx-xxxx.
Arntz, Stephen J., xxx-xx-xxxx.
Ash, Robert W., xxx-xx-xxxx.
Ashe, Michael H., xxx-xx-xxxx.
Atkins, Robert M., xxx-xx-xxxx.
Atkinson, Curtis F., xxx-xx-xxxx.
Auer, Joseph A., xxx-xx-xxxx.
Austin, Brian J., xxx-xx-xxxx.
Azama, Rodney S., xxx-xx-xxxx.
Babington, James D., xxx-xx-xxxx.
Bacak, Stanley C., xxx-xx-xxxx.
Bailer, Richard O., xxx-xx-xxxx.
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Ashley, Christine E., xxx-xx-xxxx.
Cassity, Marilyn J., xxx-xx-xxxx.
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Watson, Monte R., xxx-xx-xxxx.
Wood, Lawrence L., xxx-xx-xxxx.

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Keenan, Kevin P., xxx-xx-xxxx.

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Schlesinger, Frances, xxx-xx-xxxx.
Schommer, Patricia, xxx-xx-xxxx.
Shandera, Thomas J., xxx-xx-xxxx.
Shehi, Maria W., xxx-xx-xxxx.
Sparks, Glenn E., xxx-xx-xxxx.
Srsicstoehr, Kathleen, xxx-xx-xxxx.
Tijerina, Maria D., xxx-xx-xxxx.
Torgerson, Kimron R., xxx-xx-xxxx.
Turner, Barbara S., xxx-xx-xxxx.
Ward, Mary H., xxx-xx-xxxx.
Warther, Carol J., xxx-xx-xxxx.
Whitehead, David E., xxx-xx-xxxx.
Wojtecki, Karen M., xxx-xx-xxxx.

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, section 3284 and 3298:

ARMY PROMOTION LIST

To be first lieutenant

Bland, Arthur J., xxx-xx-xxxx.
Bowerman, Ran D., xxx-xx-xxxx.
Buckon, Neal J., xxx-xx-xxxx.
Burgland, Andrew W., xxx-xx-xxxx.
Eubanks, Kenneth L., xxx-xx-xxxx.
Hutchings, Marsha F., xxx-xx-xxxx.

Newell, Lawrence, [redacted].
Osby, Reginald L., [redacted].
Riggs, William H., [redacted].
Skelly, Dennis M., [redacted].
Squires, Stewart G., [redacted].
Weir, Donald S., [redacted].
Williamson, David R., [redacted].

WOMENS'S ARMY CORPS

To be first lieutenant

Millar, Ann M., [redacted].

IN THE NAVY

The following-named midshipman (Naval Academy) to be a permanent ensign in the line or staff corps of the Navy, subject to the qualifications therefor as provided by law:

Virgil V. Moore, IV.

The following-named Air Force cadets to be permanent ensigns in the line of the U.S. Navy, subject to the qualifications therefor as provided by law:

Ronnie A. Barton	William Nevius
Stanley M. Crisp	Ralph S. Penney, Jr.
Gary Hackbarth	James J. Ramos
Allen G. Myers	Donald L. Roy

The following-named (Naval Reserve Officers Training Corps candidate) to be a permanent ensign in the line of the U.S. Navy, subject to the qualifications therefor as provided by law:

Michael E. Maxfield.

The following-named Navy enlisted scientific education program candidate to be a permanent ensign in the line of the U.S. Navy, subject to the qualifications therefor as provided by law:

Ronald E. Kline.

The following-named temporary U.S. Navy officer to be appointed a permanent Chief Warrant Officer, W–2, in the U.S. Navy, subject to the qualifications therefor as provided by law:

LTJG Earther L. Hudgen, USN.

The following-named (U.S. Navy officer (ret.)) to be reappointed from the temporary disability retired list as a permanent commander in the staff corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Cdr. Norman J. Stanhope, CHC, USN (Ret.)

The following-named (U.S. Navy officer) to be appointed a permanent captain in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Alfonso A. Mannarelli.

The following-named (U.S. Navy officer) to be appointed a permanent commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Bruce M. McDonald.

The following-named (U.S. Navy officer) to be appointed a permanent commander in the Dental Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Ernest C. Fletcher.

The following-named (U.S. Navy officers) to be appointed temporary commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Robert P. Cronin.

Frank S. Kohl.

The following-named (U.S. Navy officer) to be appointed a temporary commander in the line in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Richmond B. Stoakes.

IN THE NAVY

The following-named ensigns of the U.S. Navy for temporary promotion to the grade of lieutenant (junior grade) in the line and staff corps, as indicated, pursuant to title 10, United States Code, section 5784, subject to qualification therefor as provided by law:

LINE

Abbott, Philip M.
Abbott, Thomas M.
Achorn, Ted G.
Ackerson, David S.
Adams, Allan W.
Adams, Gregory D.
Adams, James R.
Adams, William R.
Affolter, Ronald D.
Agor, Michael P.
Aidikoff, Brant
Alberg, Chris L.
Alderman, Robert B.
Alexander, George M.
Allen, Craig L.
Allen, Michael H.
Altobelli, Robert A.
Amabile, Thomas
Amacker, Keith F.
Ambrose, Gayla J.
Ambrosetti, Anthony A.
Ames, Christopher
Amundson, Steven M.
Anawalt, William K.
Anders, Richard L.
Andersen, Michael D.
Anderson, Charles
Anderson, James D.
Anderson, John D., Jr.
Anderson, Keith R.
Anderson, Kristian W.
Anderson, Richard T.
Anderson, Thomas R.
Andres, Eric R.
Andrist, Daniel A.
Andrus, Randy D.
Andrus, Walter
Andrusisian, Stephen G.
Aniba, Robert W.
Anners, Jeffrey M.
Anthony, Mark H.
Appelgate, David J.
Aragon, Salvador A., Jr.
Arms, David H.
Armstrong, Peter A.
Arnberg, Bertel K. E.
Arnold, Daniel L.
Arnold, Michael W.
Arrington, Randall S.
Arthur, George R., Jr.
Aschwald, Howard B., Jr.
Ashby, Jeffrey S.
Ashley, David I.
August, Randal J.
Avery, Donald L.
Babione, John R.
Bacon, Martin E.
Baasgard, Richard
Baggot, Rick A.
Bailey, Gregory N.
Bailey, Robert W.
Baker, Clifford C.
Baker, Jeffrey W.
Baker, Michael A.
Bakke, Thomas Q.
Balaconis, Roy J.
Baldwin, Carlton M. IV
Ball, John E.
Ball, John W., Sr.
Ballard, Gregg M.
Ballard, Robert C.
Baltar, Henry E., Jr.
Bane, James S.
Barbour, James R.
Barclay, David R.
Barker, Jeffrey L.
Barker, Robert D., Jr.
Barker, William C.
Barnett, James A., Jr.
Barnette, David J., Jr.
Barngrover, Lyle L.
Barrett, John H., III.
Barrett, Ronald J.
Bart, Ronald
Bashore, Timothy C.
Bassett, Michael A.
Bates, Kenneth M., Jr.
Bath, Daniel A.
Bathel, Albert E.
Bauer, Frederick
Bauman, John F.
Baumstark, Robert P.
Beale, Gordon W.
Bealer, David E.
Beary, Daniel A.
Beaton, Scott A.
Beckett, Garth R.
Bedard, Stephen A.
Beebe, Michael K.
Beeks, Kenneth D.
Benson, Richard R.
Beeson, William II, Jr.
Behrens, Paul A.
Belcher, Charles G.
Bell, Lawrence D., Jr.
Belling, Robert D.
Bender, John P.
Benedict, Tod D.
Benn, Anthony J.
Benson, Jay H.
Benson, Mark M.
Bent, Rex A.
Bentrup, Paul E.
Benz, Leroy S.
Benzie, John F.
Berg, Blanche I.
Bernard, Franklin H.
Bernat, Joseph M.
Bernstein, Howard F.
Bersak, Craig D. J.
Besnoff, Stuart L.
Bevard, Bruce B.
Bevil, William J., Jr.
Bianchi, Donel S.
Bigham, William J.
Bird, Douglas L.
Bishop, Bryan L.
Blackford, Paul E.
Blackiston, Slator C., III
Blacky, Albert R.
Blair, Lindell G.
Blair, Michael J.
Blake, Joel C.
Blanco, Anthony L.
Bland, Herbert E.
Bland, Samuel E.
Blankenship, John D.
Blasko, John E., II
Blevins, Kenneth W.
Bloomfield, Patrick M.
Bloxom, Elliott L.
Boardman, Keith A.
Boch, David C.
Boddy, William G.
Boger, Jeffrey R.
Bogan, Willie, Jr.
Bohannan, Samuel P.
Bohli, James L.
Bohon, James G
Boisseau, Guy M.
Bolger, Ralph B., Jr.
Bolon, James J.
Bolton, John R.
Boma, James R.
Boncek, Edward B.
Bonner, Thomas J.
Bonser, Alan P.
Borden, David S.
Borris, Mark J.
Bosch, Stephen M.
Boska, John P.
Bosse, Thomas E.
Bosworth, Michael L.
Bouchard, Joseph F.
Boulden, John S., III
Bowden, Herbert H., Jr.
Bowers, Charles S., III
Bowles, Michael E.
Bowling, James B., Jr.
Boyce, Gary L.
Boyd, Patrick L.
Boykin, Jerry W.
Boyter, Henry G., III
Bozeman, Dudley M.
Bracken, William A.
Bradford Gary L.
Bradley, Cecil D.
Bradley, Robert D.
Brady, Jeffrey D.
Brady, Patrick A.
Brady, Robert E., Jr.
Bratton George A., IV
Bray, Alvis E., Jr.
Bremm, Robert D.
Brennan, Thomas J.
Brenny, Michael K.
Bresticker, Robert B.
Brewer, Richard A.
Bridgeman, John B.
Bringle, Donald G
Brink, John A.
Britnell, Richard N.
Brittingham, Martin W.
Britton, Scott G.
Broadbent, Steven W.
Broadstone, Daniel L.
Brock, Jerry L.
Brooks, Jeffrey A.
Bross, Stephen P.
Brotherton, R. J.
Brown, Carlton A.
Brown, Charles G.
Brown, Gordon R.
Brown, James D.
Brown, John M.
Brown, Paul M.
Brown, Peter G.
Brown, Ronald E.
Brown, Terence H
Brownell, John M.
Brownley, Trenholm L., Jr.
Brubaker, Malvin
Brubaker, Russell J.
Bruce, Jay D
Bruce, Richard C.
Bruder, Mark A.
Brueck, David L.
Brummitt, Richard L.
Brunngraber, Rodric F
Brunson, Ronald B.
Brunson, Steven J.
Bruso, Jeffrey A.
Bruyer, Douglas A.
Bryant, Dennis M.
Bryant, Ermond R., Jr.
Bryant, Michael J.
Bryant, Russell E.
Bryant, Gregory R.
Bryson, Henry M.
Buck, Jerome A.
Buck, Scott F.
Budnik, Steven M.
Buell, Timothy R.
Buflod, Melvin R.
Bulke, Kim S.
Bukovsky, David E.
Bullock, Dennis E.
Burchard, Steven N.
Burgell, Alywin L.
Burgess, Frederick W.
Burghgrave, Brian P.
Burke, Jeffrey D.
Burkholter, Earl F.
Burns, Douglas E.
Burns, Orris E., III.
Burns, Robert J., Jr.
Burns, William S.
Burrell, Richard B.
Burrious, James A.
Burt, David M.
Bush, Charles A.
Bush, Robert W.
Bushak, Andrij S.
Busse, George K.
Butler, Christopher T.
Butler, Hoyt C.
Butler, James C.
Butler, Richard D.
Butt, Robert A.
Byron, Robert G.
Byus, Fred
Buyske, James M.
Cackowski, Jean M.
Cahill, Thomas A.
Calahorrano, Jose
Caldwell, Thomas E.
Callander, Ronald R.
Camardella, Raymond, Jr.
Campbell, Charles, III
Campbell, Cromwell B., II
Campbell, Douglas E.
Campbell, Dugald B.
Campbell, Paul R.
Campbell, Robert M.
Candy, Gregory T.
Cantu, Joseph E.
Caples, Jon V.
Capron, Nicholas J.
Carey, John E.
Carita, Leonard S., Jr.
Carlson, David L.
Carnes, Charles B., Jr.
Carnot, Russell S.
Carper, Ricky L.
Carstens, Richard C.
Carson, Joseph P.
Carter, Brant M.
Carter, John M.
Carwile, John J.
Casey, Michael P.
Casey, William E.
Cashman, William E.
Cass, James L.
Cassani, Paul C.
Castellanos, Fidel L.
Caulk, Robert F., II
Causey, Ronald E.
Cava, George L.
Cebelius, Peter W.
Cebulski, David M.
Cech, James V.
Celano, Joseph
Cepak, Timothy J.
Cernohorsky, Richard L.
Cesarotti, Mark G.
Chadbourne, Bruce C.
Chamberlain, William T.
Chambers, Felix C.
Chambers, Keith V.
Champlin, Stephen
Chapman, Robert S.
Charis, Thomas S.
Chassot, Charles H., Jr.
Cheatham, Kevin M.
Cheesebrough, Kevin R.
Chenault, Alanson T., IV
Cheney, Daniel R.
Chenoweth, Emory L.
Cherry, David F.
Chiquelin, David B.
Chmiel, Larry A.
Christian, Wellner L., Jr.
Christianson, John M.
Christman, John M.
Chrjapin, Victor
Chronister, Robert S.
Ciarlante, Vincent
Clark, Alfred W.
Clark, Horace R., Jr.
Clark, Lanny D.
Clark, Mark A.

Clark, Michael A.
Clark, Ramsey C.
Clark, Robert L.
Clark, William W.
Clarke, Matthew S.
Clarke, Thomas W., Jr.
Claudy, Michael B.
Clausen, Paul K., Jr.
Clay, Scott D.
Clements, Mark H.
Clements, Michael M.
Clemons, Donald V., Jr.
Cleveland, Charles R.
Clifford, Nolan D.
Clinesmith, Clay T.
Clink, Robert E.
Clipp, Ronald B.
Cobble, Alex Y.
Cochenour, Thomas L.
Cochran, Donnie L.
Cochran, William L.
Cochrun, David W.
Code, Rebecca A.
Coe, Douglas H.
Coggan, David E.
Colburn, Dwight W.
Cole, Charles D.
Coleman, Richard E.
Collier, William W.
Collins, Elmo E.
Collyer, Robert O.
Colton, James W.
Colville, John E.
Combest, Phillip J.
Combs, Samuel C.
Comfort, Thomas G.
Compton, Byron P.
Concannon, Timothy J.
Connelly, Robert
Conner, John W.
Conner, Thomas L.
Conners, Donald P.
Converse, Vincent W.
Cook, Donald P.
Cook, James R.
Cook, Michael L.
Cook, Phillip L.
Cook, Robert T.
Cook, William A.
Cooper, Douglas G.
Corini, Gene J.
Corliss, Walter F., II
Cornell, Peter A.
Correll, Steve A.
Corrigan, Sean G.
Corsmo, Timothy J.
Cotton, Ian M.
Cotton, Lawrence S., Jr.
Cotton, Steven W.
Coumes, Thomas M.
Coverick, John M.
Covic, Craig A.
Covney, Edward M.
Cox, Donell
Cox, Robert E.
Coyle, Robert F.
Craft, Frederick G.
Craig, Larry D.
Craig, Travis S.
Craighill, William S.
Crain, Kenneth A.
Crapps, Clayton O.
Crawford, Lawrence L., Jr.
Cregge, Michael J.
Crime, Steven E.
Crisalli, David E.
Crochet, John M.
Crocker, Michael D.
Crone, Gary P.
Crosby, William R.
Cross, Bruce J.
Crossman, Dale G.
Crouch, William E.
Crouthamel, Harry R., IV
Cryer, John P., III
Culen, Matthew F.
Cuninghame, Craig T.
Curley, Kevin N.
Curran, John T.
Curry, Michael S.
Curry, Philip E., Jr.
Curry, Thomas W.
Curtis, Derwood C.
Curtis, Jan
Cutsforth, Thomas W.
Dachille, Francis C.
Dacosta, Gregorio A.
Dailey, Michael F.
Daily, Robert L.
Dale, William L., Jr.
Darden, Richard B.
Daspit, Petter R.
Daughety, Steven F.
Davenport, Donny T.
Davenport, Frederick, Jr.
Davey, Mark A.
Davidson, Lyal B.
Davidson, Michael F.
Davidson, Willard S.
Davis, Daniel W.
Davis, Glen B.
Davis, John A.
Davis, Kirk E.
Davis, Larry H.
Davis, Norman, Jr.
Davis, Ricky A.
Davis, Russell J.
Davis, Thomas P.
Davis, Thomas W.
Davison, William
Daze, William R.
Deal, Wiley R., Jr.
Decker, Craig M.
Decker, John C.
Deem, Douglas C.
Defibaugh, Ronald A.
Deford, David F.
Degeus, Dennis C.
Deitchman, Charles G
Delaney, Brian F.
Delaney, Charles J.
Delgado, Anibal L.
Delicata, Anthony J.
Dellavedova, Peter F.
Demaris, David G.
Dembowski, John K.
Demming, David R.
Deneale, John W.
Dennard, Edwin W.
Deppe, Paul R.
Derks, Paul S.
Desilva, David M.
Destael, James F.
Destajo, Juanito M.
Devane, Brian B.
Devereux, Francis A.
Deverill, Dirk P.
Dew, Lyndol L.
Dial, Michael S.
Dickey, Byron A., Jr.
Dillon, David M.
Dillon, David R.
Dirks, Carl E.
Dixon, Jeffrey E.
Dixon, Robert H.
Dlugos, Stephen M.
Dobbert, Dean R.
Dobson, Gary S.
Doelp, Francis X.
Doernhoefer, Mark A.
Doherty, James C., Jr.
Doherty, Martin F.
Dohse, John R.
Dolan, Bryan J.
Dolenti, John E.
Dollard, Thomas S.
Dombart, Kenneth G.
Donadio Giuseppe
Donker, Michael R.
Donnelly, John T.
Dooley, Thomas G.
Doong, Lawrence K. C.
Dorfler, Gary E.
Dorin, Paul R.
Dorsey, Gordon O.
Doud, James A.
Dougherty, James A.
Dowell, Thomas A.
Dowling, Kevin P.
Drake, Christopher B.
Drennan, Frank M.
Driscoll, William T.
Driver, Perry D.
Drucker, Carl J.
Dubois, Harlan L.
Ducom, Eugene M.
Duffala, Wayne D.
Duffield, John P.
Duffy, Michael J.
Dugan, Michael
Duggan, Thomas L.
Duke, Douglas B.
Dullea, James P.
Dumville, Frank, Jr.
Duncil, Bruce R.
Duplessis, Donald L.
Dvorak, Daniel D.
Dvorsky, Michael L.
Dwyer, Thomas J., Jr.
Dye, Mark H.
Eagle, Kevin D.
Earl, Christopher R.
Easton, Roger C., Jr.
Eberly, Robert J.
Ebersole, Kenneth A.
Eckenrode, Raymond L.
Edington, Charles
Edmonds, Michael D.
Edwards, Michael V.
Edwards, William J.
Edwins, James H.
Ehrler, Steven M.
Einarsson, Dewitt P. G.
Eisenmann, Charles R.
Elgart, Richard D.
Elgo, Candido R., Jr.
Elliott, Lawrence A.
Ellis, James P.
Ellis, Stephen L.
Ellsaesser, Charles W.
Emerson, Mark T.
Emmett, Thomas W.
Enderle, Douglas R.
Engels, James D.
Engh, Byron R.
Epps, James B.
Equels, Timothy K.
Erdman, Lee E.
Erdmann, William E.
Erickson, Todd A.
Erwin, John W.
Eschliman, Judd R.
Espeseth, Robert D., Jr.
Estabrooks, Haddon B.
Etheridge, Michael S.
Eustis, Conrad B.
Evans, Gary W.
Evans, Mark L.
Evans, Richard J.
Evans, Richard T.
Evering, Edwin L.
Ewell, Stephen A.
Fail, Robert W.
Fair, Welch C., Jr.
Fajnor, Craig R.
Fankell, Douglas S.
Farawell, William R.
Farkas, David M.
Farrell, Timothy J.
Farrer, Darell L.
Fasoli, James S., Jr.
Faust, David P.
Feckler, Richard A.
Fedele, Alan R.
Feldhaus, Fredric F.
Felte, Calvin J.
Fennell, David W.
Fenner, Ronald A.
Ferguson, Douglas A.
Ferris, Scott M.
Fetters, Laten S.
Fidrych, John M.
Fields, Gerald P.
Fields, Wayne C.
Filler, Robert J.
Fininencrandall, Veronica
Finlay, Brian G.
Finley, William B.
Fischer, David L.
Fischer, Paul K., Jr.
Flacco, Nicholas L.
Flank, Bernard L.
Fleischman, David
Flentje, Michael
Fletcher, John C.
Florow, Lloyd A.
Flowers, Donald H.
Flynn, John J.
Ford, Eugene, Jr.
Ford, Neil S.
Forkel, Daniel A.
Forsha, Michael D.
Forshay, Bruce E.
Foster, Gary W.
Foster, George T.
Foust, Charles L., Jr.
Fowler, Douglas E.
Fowles, Christopher A.
Fox, Jonath J.
Foy, Joseph A.
Frainier, Richard J.
France, Bruce E.
Francis, James L.
Franklin, Dennis W.
Frantz, Stephen G.
Frasier, Don A., Jr.
Frasier, George D.
Frederick, Theodore D.
Freeman, Gary M.
Freeman, Michael
Freeman, William H.
Freemyers, Michael C.
Frech, Robert W.
Fretz, Desmond W.
Freund, William M.
Friend, John R.
Fritch, Kevin W.
Frodesen, Fred O.
Froehlich, Carl T.
Frost, Peter F.
Frost, Robert A.
Fugate, Jeffrey E.
Fuller, Jeffrey D.
Furdon, William F., Jr
Fusselman, Milton J.
Gagnon, Maurice R.
Galatioto, David W.
Galecki, Leon V.
Galembush, John S.
Galik, Daniel
Gallagher, Maurice J.
Gallagher, Richard K.
Gallagher, Russell C.
Gallati, Paul H.
Gamble, William V. H.
Gandy, Harold W.
Gant, Larry M.
Garbow, Kurt D.
Gardiner, Jay V.
Gardner, Dennis P.
Gardner, Eric S.
Gardner, Thomas A., Jr.
Gargus, Thomas B.
Garrett, John S.
Garrett, Robert P.
Garvey, James E.
Gault, John E.
Gedeon, Stephen R.
Geddes, Paul R.
Gehl, Barry G.
Gehring, Thomas S.
Gelenter, David A.
Geoffrion, David G.
Gerhart, William C.
Gerrard, Wade J.
Gertsch, Alfred J., Jr.
Gesn, John M.
Giancatarino, Patrick
Gibbs, Neil F.
Gibson, James A.
Gilbert, David S.
Gill, Thomas G.
Gillette, John S.
Gilmore, Edward J.
Ginader, Kenneth L.
Giorgis, Steven K.
Glass, William O., Jr.
Gleason, Dennis J.
Gleason, John P.
Glenney, William
Glye, David W.
Glynn, John C., Jr.
Glynn, William J.
Goff, Randall E.
Goins, Michael L.
Golden, Michael P.
Goldsworthy, Richard J.
Golfo, Alberto D.
Gontkovic, Mark S.
Gonzales, Paul E.
Goodloe, Wallace C.
Goodman, William L.
Goodson, Scott W.
Gonzalez, Michael S.
Gordon, Graham H.
Gorsuch, Thomas E.
Goudelock, David L., Jr.
Gouldsmith, Giles G., II.
Graham, Bruce A.
Grahl, Glenn F., Jr.
Grahlman, Richard B.
Grames, Michael F.
Grant, Peter M., III.
Grant, Thomas R.
Graves, Richard H.
Gray, John R.
Gray, Michael R.
Gray, Paul C., III.
Gray, Steven A.
Gray, William E., Jr.
Graybill, David R.
Grayson, James E.
Grazel, Christopher P.
Green, James E., Jr.
Green, James S.
Green, Johnny B.
Green, Johnny W.
Greene, Thomas R.
Gregonis, Steven M.
Greig, N. Andrew.
Greinke, Henry G.
Grey, Elmer K., Jr.
Grey, Stephen M.
Griffin, David H.
Griffith, David W., Jr.
Grischy, Michael C.
Gritte, Brain R.
Grossman, Thomas W., Jr.
Groves, Allen W.
Grube, Steven P.
Grubbs, Frank L.
Guild, Robert B.
Guthe, Douglas B.
Guzy, Steven J.
Gwyn, James R.
Gygax, Gene
Haas, Bernard C., Jr.
Haben, Michael R.
Haertling, Robert A.
Hagan, Ralph K.
Hagen, Gary D.
Hagen, Timothy M.
Haggerty, Joseph
Haines, David M.
Halko, Stephen J.
Hall, Garry E.
Hall, Gary N.
Hall, Joseph A., Jr.
Hall, Marshall A.
Halloran, John J.
Halquist, Harry D.
Halsall, Archibald C.
Halsne, William L.
Halton, Ernest S.
Hamann, William F.
Hambrick, Michael J.
Hamilton, Dennis W.
Hamilton, Philip P.
Hamm, Bernard A., Jr.
Hammerer, John J., Jr.
Hancock, Herman H.
Hancock, Mark Y.
Handley, Chris M.
Haney, Ralph E.
Hann, James D.
Hansell, Michael P.
Hansen, Allen C.
Hanson, Christopher L.
Hanson, Craig I.
Hanson, Larry T.
Hanson, Mark W.
Hanson, Paul D.
Hanson, Steven L.
Hardee, Robert C.
Harden, David A.
Harding, Michael D.
Hardman, Keith E.
Harmon, James E.
Harmon, Randall G.
Harnett, James D.
Harper, Michael C.
Harper, Scott J.
Harrell, Gary D.
Harrington, Clifford M.
Harris, Gregory W.
Harris, Jack F.
Harris, Peter W.
Harris, Rodney A.
Harris, William J.
Harrison, David C.
Harrison, Michael B.
Harrison, Zal B.
Hart, Douglas W.
Hart, Julian L.
Hartmann, Thomas S.
Hartmeyer, James R.
Hartwell, Daniel N.
Harvey, Craig T.
Hast, Robert G.
Hatch, Duane B.
Hathaway, Gary W.
Hauck, Frank W.
Hauenstein, Bruce R.
Haug, Clifford M.
Hauge, Samuel A.
Hawkins, Darrell B.
Hawley, Frank M.
Hawn, William O.
Hayes, Richard D., III
Hayman, Robert S.
Hazlett, Holly
Heacock, Jerry D.
Heazlitt, Michael S.
Hegeman, John G.
Heide, John S.
Heilstedt, Martin R.
Heinicke, Robert S.
Heinz, Karl R.
Heise, Herman M.
Heise, Otto E.
Helms, Douglas F.
Helvy, Darvin S.
Henderson, Jerry
Hendrich, Gordon E.
Hendrickson, Don C.
Hennessey, Thomas J.
Hentz, Gary T.
Hepburn, Richard D.
Herb, Michael C.
Herbert, Larry E.
Herbes, Francis X., Jr.
Hernandez, Victor M.
Herriott, Richard C.
Hertig, George T.
Hertsgaard, Barry C.
Herzig, Paul M., Jr.
Hess, Dennis L.
Hess, Jon A.
Hessenauer, Gary
Hesterberg, Michael J.
Hevlow, John E.
Hibbs, David A.
Hicks, Alan B.
Hicks, George R., Jr.
Hicks, James D.
Higginbotham, Kent R.
Higgins, Richard J.
Higgins, William G.

High, Richard D.
Hilder, David S.
Hill, Alex S., Jr.
Hill, Carl C
Hill, Frederick A., IV
Hillard, Jerrold M.
Hillendahl, Jeffry A.
Hills, Stephen G. R.
Hindersinn, Kenneth R.
Hinds, Francis C., III
Hine, Roger C.
Hinkley, Bruce E.
Hinrichs, Philip W.
Hinrichs, Stuart
Hippel, John S.
Hirata, Harvey H.
Hitchcock, Jeffrey W.
Hlywiak, Michael G.
Hoch, Rita A.
Hoch, Walter T.
Hodge, Sidney T., Jr.
Hodges, John L.
Hodgins, Matthew M.
Hoefel, John S.
Hoekstra, Mark B.
Hoffert, Craig A.
Hoffman, Charles K., II
Holbrook, Larry E.
Holdcroft, Richard T.
Holibonich, Steven
Holland, Robert D.
Hollen, Dale S.
Hollinger, Frederick R.
Holloway, Richard T.
Holman, Christopher C.
Holmes, Everett I.
Holmes, Gary L.
Holmes, Kenneth R.
Honaker, Warren C.
Hooper, Rene R.
Hope, John E.
Hopkins, Charles K.
Hopper, Richard W.
Horne, Fred B.
Hougesen, Bruce A.
Houghton, Frank B., Jr.
Howard, Ronald
Hoy, Jeffrey C.
Hoy, Michael A.
Hoyser, Edward M.
Hromadka, Daniel H.
Hubbard, Mark T.
Huber, Frederick F., Jr.
Hubert, Leo H.
Hudson, Charles W.
Hudson, Richard F.
Huete, Michael C.
Hughes, Earl C.
Hughes, Frederick P.
Hughes, Roger D.
Humphrey, John D.
Hunn, James M.
Hunt, David L.
Hunt, Michael L.
Hunter, Kenneth W.
Huston, Kim A.
Hutson, Arthur W.
Immel, Dale R.
Ingebrightsen, Nils M.
Ingham, Bruce
Ingram, Charles E.
Inzirillo, Frank
Irwin, Henry C., Jr.
Iverson, Byron Q.
Jacks, James H.
Jackson, Bruce M.
Jackson, Elmo T.
Jackson, Larry S.
Jackson, Marvel T.
Jackson, Robert C.
Jacobs, David D.
Jacobs, Patrick A.
Jakubowski, Wayne M.
James, Bruce C.
James, Gary S.
Jamison, Richard L.
Janiec, Christopher A.
Janik, Charles S.
Janosek, James J.
Jarvi, Reed K.
Jefferies, Robert K., III
Jenkins, Gregory
Jenkins, Martin E., II
Jenkins, Scott M.
Jenks, Kirk H.
Jennings, Carlton R.
Jennings, Jay R., II
Jens, Jeffrey P.
Jensen, Nathan J.
Jensen, Neil O.
Jensen, Paul A.
Jensen, Richard M.
Jeremiah, Renee L.
Jewett, Carlton B.
Jezierski, William E.
Joachim, Christopher M.
Johansen, Sigurd A., Jr.
John, Michael W.
Johns, Jeffrey R.
Johnson, Bernie W.
Johnson, F. G.
Johnson, George R.
Johnson, Michael A.
Johnson, Michael W.
Johnson, Paul G.
Johnson, Robert C.
Johnson, Robert H., II
Johnson, Samuel D.
Johnson, Stuart M.
Johnson, Tandra L.
Johnson, Valdemar K.
Johnston, David H.
Johnston, George
Jolicoeur, John R.
Jones, Brian D.
Jones, Charles A.
Jones, Cleveland L.
Jones, Debra S.
Jones, Dennis W.
Jones, Kenneth W.
Jones, John P., II
Jones, John P., III
Jones, Kenneth W., Jr.
Jones, Lawrence M.
Jones, Steve V.
Jones, Steven E.
Jordal, Jacob
Jourdan, David W.
Julias, Joseph W.
Junker, Dwayne N.
Jurek, Timothy P.
Jurey, Steven N.
Justus, Randal M.
Kaczmarski, Joe M.
Kahn, Ralph E.
Kahnk, George D.
Kalili, Daniel K.
Kalkstein, J. W.
Karangelen, Nicholas E.
Kast, Georg R.
Kates, Robert L.
Katcher, Steven A.
Kauchak, Martin P.
Kauderer, Howard T.
Kaufman, David L.
Kaufman, William G.
Kaulbach, Kenneth G.
Kavanagh, Coleman A.
Kazunas, Richard L.
Keene, Donald W.
Keeton, Roy G.
Keilty, John P.
Kelleigh, Douglas L.
Keller, Gregory J.
Kelley, Alfred G., III.
Kelley, John D.
Kelley, John W.
Kelly, Steven M.
Kemmerer, Eric R.
Kendrick, Joseph L., II
Kennedy, Peter A.
Kennedy, Richard J., Jr.
Kennedy, Thomas S.
Kenny, Robert L.
Kenyon, Mark E.
Kerr, Gregory
Kersey, Jerry K.
Kershner, Paul A.
Kettering, Marvin B.
Kidd, Lee A.
Kidd, Robert S.
Kierum, Michael D.
Kilbourn, Edward
Kimball, Kevin D.
Kimball, Mark I.
Kimura, Eric Y.
King, Spencer H.
Kinsey, Douglas S.
Kirk, Lewis M.
Kirkland, William C., Jr.
Kirven, Glenn T.
Kiser, Mark S.
Kish, Gordon P.
Kitchen, Edward J.
Kitchin, Doyle R.
Klapper, Larry S.
Kleefisch, Joseph G.
Kleen, Franklin E.
Klein, Peter F., Jr.
Klein, Steven A.
Klesk, Keith
Kling, Dean F.
Klimowski, Robert R.
Kneller, William
Knight, James R.
Knight, Samuel B.
Knight, William L., Jr.
Knize, Donald J.
Knouse, Stephen T.
Koch, Theodore J.
Kochsmeier, Kent H.
Koeber, Michael A.
Kohler, John T.
Kolbeck, John B.
Kolek, Stephen J.
Koreisha, Nicholas A.
Koury, Chris R.
Kosack, Kurt O.
Kovalchik, Paul J.
Knaebel, Michael L.
Knock, Melvin R.
Kranyak, Dennis A.
Krause, Peter J.
Krauss, Craig E.
Kriel, Charles W.
Krikorian, Haig F.
Krueger, Paul F.
Kulpa, Jeffrey P.
Kulsicavage, Joseph M.
Kundrat, Steven M.
Kunz, Michael G.
Kuper, Daniel T.
Kurdziel, Edward G., Jr.
Kuriluk, David J.
Kurtz, Randall S.
Ladouceur, Kevin P.
Lafiam, Dennis J.
Lafien, Gerald W.
Laidlaw, Scott R.
Laine, Patrick C.
Lamar, Clarence L.
Lamb, Harold M., Jr.
Lambert, Jeffrey S.
Lampas, John E.
Lanahan, Joseph A.
Lancaster, Donald R.
Lane, David B.
Lane, John H., III
Langford, Calvin P.
Langness, Olaf P.
Lanier, Patrick R.
Lanier, Phillip L.
Large, Cyrus R.
Larson, Richard M.
Larson, Arvid R. G.
Larson, Keith W.
Larson, Stephen E.
Larson, William C.
Larson, William J.
Larue, Robert W.
Laser, Keith S.
Lashbrook, James E.
Laskoski, David P.
Lastinger, Roc A.
Lauder, John J.
Laughlin, Edward G.
Laws, Norman G., Jr.
Lawson, John M.
Leboeuf, Andrew W.
Leduc, Gene A.
Leen, Thomas M.
Leenhouts, Peter M.
Lees, Kevin M.
Lefever, Michael A.
Lehr, Mark C.
Leidiger, Ernest G.
Lenhart, David S.
Leonard, Bruce P.
Leonard, Kenneth E.
Lett, Russell G.
Levanduski, Stanley J.
Leveskas, Michael J.
Lewallen, Beasley K., Jr.
Lewis, Dewey T., Jr.
Lewis, Jeffrey N.
Lewis, John T., III
Lewis, Ronald A.
Leytem, Brent A.
Liguori, Joseph A.
Lincoln, Horation A.
Lindquist, Glenn M.
Lindquist, Lawrence A,. Jr.
Lisle, Homer L.
Little, Bradley J.
Little, Jimmy L.
Littleton, Edward L.
Litz, Charles H.
Lively, Kenneth A.
Livers, Allan F., Jr.
Livington, Michael E.
Lloyd, Bruce A.
Lockbaum, George J.
Locks, John T.
Loebig, Mark R.
Loeffler, William P.
Lofquist, Eric A.
Lofton, Clifton C.
Logan, Michael J.
Logar, Michael F.
Loge, Curtis A.
Logsdon, David L.
Lollar, Lawrence
Lomax, Harold L. Jr.
Lombart, Kenneth
Long, James L.
Long, Joseph F.
Long, Woodrow W. Jr.
Looman, Bruce C.
Looney, Robert W.
Lorentson, Adrian D.
Lovasz, John L.
Love, Donald S.
Love, James M.
Love, Robert A.
Lowe, Robert E.
Lowe, Robert S.
Lowenberg, Danny L.
Lowens, David C.
Lowenthal, Roy M.
Lowrey, Donald R.
Loye, John F. III
Luallin, Lloyd E.
Lucas, William T. Jr.
Lucero, Daniel R.
Luedke, August E.
Luhta, David P.
Luigart, Craig B.
Lukens, Richard W.
Lukken, Peter J.
Lund, Rodney G.
Lundquist, Edward H.
Luster, Harry C.
Lustig, Scott E.
Lyle, Dale E.
Lyon, David C.
MacAllister, Joseph W.
Mac Dougall, Robert B.
Machak, Thomas E.
Machinski, Robert R.
Maciejczyk, John M.
Macklin, Theodore O. Jr.
Mackowski, James A.
Madsen, Charles W.
Magid, Ira K.
Magill, Marvin D.
Magnusson, Everett C.
Mahon, Martin J.
Mahoney, John G.
Mahoney, Peter A.
Maitland, Steven A.
Major, Frederick J. Jr.
Makowski, Frederick G.
Makucevich, Daniel M.
Malagonfajar, Manuel A.
Males, Charles G. Jr.
Malins, Chester J.
Malley, Martin J.
Maloney, David L.
Maloney, Peter M., II
Mamzic, Charles L., Jr.
Manko, Dennis.
Manley, James E.
Mansfield, Gregory F.
Mansfield, Robert A.
Manzi, Alfred A.
Manzi, Antonio E.
Marburger, Randy V.
Marchette, Louis V.
Mark, Joseph F., Jr.
Markham, David G.
Marlow, Charles N.
Maroney, Andrew J., III
Marschilok, John
Marsh, William D.
Marshall, Joseph
Marshall, Tom S.
Marshall, William
Marske, Larry K.
Marston, Donald S.
Martin, Charles W.
Martin, David B., Jr.
Martin, David L.
Martin, Edgar D.
Martin, John C.
Martin, Kent B.
Martin, Richard W., Jr.
Martinez, Rosendo, Jr.
Martinka, Joseph J.
Martino, Nicholas W.
Martz, Paul R.
Mason, Bradley J.
Massey, Richard D.
Matherly, David C., Jr.
Mathias, Lew D.
Matkowski, Randy J.
Matoush, Lynn A.
Matzelevic, William W.
Maufroy, Robert B.
Mauk, Michael L.
Mayberry, Robert T.
Maydosz, Jeffrey
Mayers, John W., Jr.
Mays, Edward D.
Mays, Luther M.
McAliley, Joseph
McAllister, William
McAuliffe, Joseph P., II
McBride, David T.
McBride, Robert L.
McBride, William P.
McCaffrey, Thomas M.
McCarthy, John R.
McCarthy, Joseph E., Jr.
McCarthy, Robert M.
McCarthy, Thomas P.
McCarthy, William J.
McCarty, Larry J.
McClain, John K.
McClimon, Donald E.
McClure, James M., Jr.
McCue, Michael J.
McCully, Timothy V.
McCutchen, Edward L., Jr.,
McDavid, Elijah L., Jr.
McDonald, Craig O.
McDonald, Daniel W.
McDonald, Douglas D.
McDougall, Thomas D.
McEwan, John A.
McFee, Richard A.
McGee, Allen C.
McGory, Randy J.
McGowan, John R.
McGowan, Joseph C.
McGraw, Michael J.
McGregor, Daniel B.
McHarg, Richard O.
McHenry, David T.
McHugh, Richard A.
McIntyre, William C., III
McIntyre, William T.
McKee, James H., III
McKendry, Wallace J.
McKenny, Michael
McKenzie, Victoria A.
McKernan, John F.
McKim, Patrick R.
McKinley, Dennis L.
McKinley, Mark B.
McKinney, David W.
McKinney, Gary R.
McKinney, Jerome L.
McLean, Geoffrey M.
McMack, Jonathan P.
McMinn, William E.
McNally, Rand A.
McNamara, Kevin P.
McNeil, Lee C.
McWey, Robert J.
McWilliams, Johnny L.
McWilliams, Stephen D.
Mead, Eric M.
Mead Steven J.
Meadows, Thomas R., Jr.
Meanor, Denis H.
Melancon, Larry J.
Melick, Donald R.
Melnyk, Gregory P.
Memminger, Lucien D.
Menard, Robert M.
Mencke, Theodore L.
Merchlewitz, Blaise L.
Meritt, James W.
Merrick, Steven R.
Messenger, Dennis P.
Metcalf, Lee J.
Metcalf, Mark L.
Mette, Dennis W.
Metzger, Karl P.
Meyer, Dale G.
Meyer, Larry L.
Meyering, David P.
Meyo, Edward R.
Middlebrook, Curtis E.
Midgette, William K.
Mihalko, Charles A.
Miles, Christian T.
Miller, David E.
Miller, Peter G.
Miller, Posey E
Miller, Robert L.
Miller, Ronald J.
Miller, Ronald L.
Mills, Barry L.
Mills, Danny H.
Mills, Kenneth J.
Mills, Max E.
Milster, Percy F.
Milton Dale A.
Minar, Arthur P.
Mirabelli, John T.

Miranda, Anthony G.
Miskell, Patrick J.
Mitchell, Daniel
Mitchell, Rodney I.
Mitchell, Gregory D.
Mitchell, Dale C.
Mitiska, Roger A.
Mittleider, Michael R.
Mobley, Jerry M.
Moccia, Ricky W.
Modeen, David J.
Moe, Gary L.
Moen, Clayton D.
Moir, Van E.
Moll, Alan L.
Moll, Robert J.
Moman, James D., Jr.
Monroe, Robert A.
Montgomery, A. B., Jr.
Montoya, David E.
Monzon, Victorino M.
Moon, Michael J.
Moore, Clifton W., Jr.
Moore, David C.
Moore, Georgie
Moore, Gregory L.
Moore, John S.
Moore, Mark R.
Moore, Peter A.
Moore, William M.
Moore, William R.
Moran, Wayne A.
Moreland, James C., Jr.
Morgan, Benjamin W.
Morgan, Mark L.
Morgan, Robert, Jr.
Morgante, Michael J.
Morgiewicz, Janice M.
Moriarity, James L.
Morin, James R.
Moro, John J.
Morris, Carl A.
Morris, Gary W.
Morris, James R.
Morrison, James E.
Morris, Robert W.
Morrison, Comer C.
Morrissey, Richard L.
Morrow, Joel S.
Morrow, John J.
Morton, Robert E.
Mosig, Joanne M. F.
Moss, Lee O.
Mozo, Robert E., Jr.
Muczynski, Lawrence M.
Mueller, Paul E.
Mueller, Stephen F.
Mueller, William H., Jr
Muhlenberg, Barry V. K.
Muir, Jonathan P.
Mula, Mark A.
Muller, Leon A.
Mulliner, Jeffrey L.
Mundt, Mylen J., Jr.
Munn, Gary L.
Murakami, Alan K.
Murphy, Craig R.
Murphy, Curtis O.
Murphy, Daniel R., Jr.
Murphy, Edward O.
Murphy, Frank M.
Murphy, Larry J.
Murphy, Michael A.
Murray, Don F.
Murray, Scott M.
Murtagh, Michael K.
Musumeci, John E.
Muth, Liesel R.
Mysliwy, Allie R.
Nacchio, Neil N.
Nace, Harry R., Jr.
Nachtwey, Peter E.
Nagle, Samuel M.
Nakaguma, Spencer T.
Nangle, Charles E.
Napora, Casimir
Nash, Gerard R.
Nash, John A.
Nasman, Ronald E.
Nathanson, Richard F.
Naville, Timothy J.
Neboshynsky, Walter
Neidlinger, Eric
Neighbors, Charles W.
Neighbour, Hugh M., III
Neily, David C.
Nekola, David J.
Nelson, Bruce K.
Nelson, Eric E.
Nelson, Leslie S.
Nerheim, Steven W.
Nesbitt, Roger A.
Nesrsta, James J., Jr.
Nesselrode, Mark C.
Nesteroff, Joseph S.
Neumeister, John W.
Neumeyer, Michael
Nevitt, Patrick O.
Newberry, Garry D.
Newell, Thomas M.
Newman, Charles R.
Newman, Jeffrey L.
Newman, Stuart T.
Newton, Claude R.
Nicely, Kip W.
Nicholas, Samuel H.
Nichols, William J.
Nicklaw, Christopher J.
Nieder, Jeffrey L.
Nimitz, Stephen C.
Nimmich, Drury C., Jr.
Nitzel, Donald L.
Noll, Michael A.
Norcross, Richard J.
Norseen, John D.
Northness, James P.
Northridge, Bruce
Northrup, Kerry J.
Norton, Richard J.
Nunn, Finley E.
Nunn, Nick H., III
Nuss, Terry D.
Nuttelman, George D.
Oakey, Daniel B.
Oakes, Dale R.
Obriant, James E.
O'Brien, Daniel E.
Obrien, Larry M.
O'Brien, Steven M.
Obuchowski, Michael J.
O'Connell, James M.
O'Connor, Stanley
O'Donnell, Michael
Oftedal, Richard T.
O'Hanlon, Richard
O'Hara, Joseph P., III
O'Hare, Mark S.
Ohlemacher, Glen D.
Oiler, Larry L.
O'Keefe, John J., III
O'Keefe, Patrick B.
O'Leary, Isabella J.
Olenick, Michael A.
Oliphant, Lee L.
Oliver, Dennis L.
Oliver, Michael P.
Oliver, Russell T.
Oliver, William F.
Olivieri, Peter
O'Loughlin, M. C.
Olsberg, Mark A., Jr.
Olson, Peter
O'Meally, Alfred F.
O'Neil, Sean P.
Orbell, Charles A., III
Orner, Joyce L.
Ortloff, F. P.
Osborn, Johnny R.
Osborne, Harry J., Jr.
Ostendorff, William C.
Oster, Stephen B.
Ostrander, Richard J.
Ostrich, James T.
Oswald, Gary E.
Oswalt, Ronald K.
Owens, Isaiah H., Jr.
Owens, James E.
Owens, Michael J.
Pace, James D.
Pacetti, Donald N.
Paddack, Allan L.
Pagan, John R.
Pagano, Peter J.
Paley, Anton N.
Palmer, James A. T.
Palmer, Richard A.
Panik, Thomas J.
Paquette, Joseph L.
Parcher, Donald S.
Parish, Herman S., III
Parker, Bruce E.
Parker, Donald S.
Parker, Gary B.
Parker, Jerry L.
Parker, William M.
Parks, George R., Jr.
Parks, Kenneth P.
Parr, James E.
Parrett, John B.
Parsons, Samuel J.
Paskey, Paul B.
Pate, David A.
Paterson, Daniel J.
Patrick, Kenneth R.
Patterson, Kenneth E.
Patterson, Torkel L.
Pavic, Kenneth C.
Payton, Luster J.
Pearsall, Morgan B.
Pearson, Craig F.
Peck, Michael A.
Peery, Mark A.
Pellin, August F., III
Pendleton, David E.
Peranich, Robert J.
Perkins, Jay D.
Perlich, John W.
Perlich, Terry F.
Perry, Will H., III
Peterman, Robert C.
Petersen, James A.
Petersen, Stuart E.
Petershagen, George F.
Peterson, Peter E.
Petke, David C.
Petroka, Robert P.
Pettit, Jeffrey E.
Petzinger, Mark M.
Pfenninger, Charles R.
Phegley, Larry D.
Phillips, R. T.
Pickett, Dennis P.
Pinetti, Randall L.
Pinion, Douglas M.
Pitts, Andrew J.
Pizarro, Jorge T.
Plebani, Daniel J.
Plehal, John V.
Poe, James S.
Poelker, George F., II
Poirier, Phillip L., Jr.
Pokorny, William A.
Polehn, Richard A.
Polensky, Warren D.
Pontius, John C.
Pool, Charles H.
Poole, James L., Jr.
Poole, Patrick K.
Pope, Russell J.
Porlier, Bradley
Porter, David L.
Porter, David W.
Pottle, James R., Jr.
Poulos, Andrew N.
Praet, Jonathan W.
Pratt, Lawrence R.
Pratt, Richard M.
Prendergast, Richard V.
Prenzlow, Elmer C.
Preston, David E.
Price, Dean A.
Price, Johnny M.
Price, Thomas H.
Prochaska, Barry W.
Proctor, James R.
Proetzel, Earl A.
Puddington, G. D.
Pugh, Kenneth S.
Pugh, Michael L.
Pumphrey, Thomas F.
Purdy, Thomas E.
Putnam, Randall B.
Putt, Raymond P., Jr.
Qualls, Phillip M.
Queen, Gregory A.
Quirk, Robert G.
Rabaioli, John R.
Rader, Charles L.
Raffels, John F., Jr.
Ragole, Michael P.
Ragonetti, Ronald R.
Raher, Steven J.
Raithel, Albert L.
Raley, Frederick V.
Raley, Mark R.
Ramsay, Bryan J.
Ramsay, Steven A.
Ramsey, Harman F.
Randall, William D.
Randolph, Michael J.
Rataczak, Mark H.
Rau, Edwin M.
Rau, Gary L.
Raudonis, Charles E.
Ravold, John F.
Ray, Tony
Reddix, Mason C.
Redman, David B.
Reed, Dean N.
Reese, Robert A.
Reiley, John D.
Reilly, Thomas J.
Reinhardt, Russell Q.
Renaud, David G.
Renner, Charles E.
Rennie, Frank F., IV
Reuter, William C., Jr.
Reynolds, Scott C.
Rhoades, Mark A.
Rhyne, Richard T.
Rice, Andrea E.
Rice, Reginald
Rich, Donald
Richards, Thomas R., Jr.
Richardson, J. E.
Richardson, Philip W.
Richard, Michael S.
Rickman, David M.
Rider, Robert M.
Rieck, Dale C., Jr.
Rief, John S.
Riehl, Edward P.
Ringel, Emanuel I.
Ringwald, Jacob F.
Rippinger, Daniel J.
Ritter, Kevin K.
Ritz, Steven A.
Rivard, Ronald D.
Robberson, William M.
Robbins, Douglas L.
Roberts, Dean W.
Roberts, Stephen J.
Robertson, Lyn T.
Robinson, Fred O., Jr.
Rodrick, Francis
Roe, James R.
Roecker, Harold G.
Roelant, James G.
Roemmich, Gary L.
Roesener, Stephen J.
Roeske, Ernest J.
Rogers, Wayne L.
Rohrssen, Steven W.
Rollings, Janet L.
Rollins, Peter E.
Romano, Leslie F.
Roney, Jack O.
Rosenow, John R.
Ross, Anthony V.
Ross, Douglas A.
Rossetti, David J.
Roth, Andrew J., Jr.
Roth, Michael P.
Rough, Paul W., Jr.
Roup, Gary S.
Routh, Ronald R.
Rowe, Edward L.
Rowe, Robert B.
Rowe, Willis R.
Rowley, John L.
Rubino, James F.
Rudiger, Stephen.
Ruesch, Rehe E.
Ruflin, Michael G.
Ruggiero, George E.
Rumfelt, Curtis R.
Rupprecht, Mark S.
Rushton, Richard T.
Rushing, Timothy J.
Rushton, Paul D.
Rusinko, Jeffrey D.
Ruttar, Joseph A.
Ryan, Thomas G., Jr.
Ryder, Christopher M.
Saari, Eugene E.
Saccoccio, Louis J.
Saenz, Ernesto G.
Safford, David R.
Sala, Stephen M.
Saladen, Philip D.
Salazar, Richard J.
Salisbury, Michael J.
Salyards, Larry E.
Sample, John D.
Sancic, David W.
Sander, Dennis R.
Sander, Jeffrey R.
Sanders, Michael L.
Sanford, James A.
Sanguiliano, Frederick, III
Santoro, Francis J.
Sarao, John F.
Sasser, Michael F.
Saunders, Jimmy D.
Saunders, Steven B.
Savage, Robert W.
Sawyer, William T.
Scanlon, William M.
Schaefer, Douglas E.
Schaefer, Jay F.
Schaefer, John A.
Schaus, Douglas R.
Scheffler, John W.
Scherini, Ralph O.
Scheumann, Edward G.
Schilling, Andrew J.
Schladenhauffen, David R.
Schlumbrecht, Emmett P., Jr.
Schmidt, Albert W.
Schmidt, Richard S.
Schmitt, Randall K.
Schneider, Keith J.
Schniedwind, Robert F., Jr.
Scholes, Robert J.
Schowe, Ronald R.
Schreiber, Thomas T.
Schuh, Steven P.
Schuller, Ronald
Schultz, Lee K.
Schumacher, John D.
Schwarting, Gerald A.
Scoppa, C. J.
Scott, Benjamin H., II
Scott, Craig C.
Scott, George V.
Scott, Jeffrey J.
Scott, Michael R.
Scout, John B.
Seago, Mark E.
Searl, Floyd C., Jr.
Sears, Michael S.
Sears, Richard F.
Seaton, John M.
Seatacek, Walter D.
Seedorf, Roger W.
Seelenkin, Ermark A.
Segert, Randall L.
Seidl, Joseph M.
Seifert, Michael L.
Seiler, Charles E.
Seizert, Ronald D.
Selecman, David A.
Serafin, Matrin E.
Serrano, Jose E.
Setterlund, Charles E.
Settle, Albert E., II
Sexton, Carl V.
Shaffer, Roderick O.
Shattuck, Christopher T.
Shea, Ronald R.
Shearon, Storm
Shepard, Kim R.
Sheppard, William
Sherbo, Paul S.
Sherlock, Robert S.
Sherman, Thomas B.
Shikashio, Randall
Shimabukuro, Norman K.
Shimp, David K.
Shrader, Robert E.
Shultheis, Charles F.
Shuster, Charles P.
Sichau, Kenneth E.
Sim, Mitchell A.
Simmons, Gregory A.
Simmons, Jon A.
Simmons, Patrick J.
Simons, Richard L.
Simpkins, William E.
Sims, Lea V., Jr.
Sinclair, Randolph K.
Singleton, Steven O.
Singleton, Gary W.
Sisco, Julius J., Jr.
Siwek, Peter B.
Skirm, Harry E.
Skurdall, Norman L.
Slaton, Don E.
Slaughter, Wayne D.
Slezak, Michael A.
Sloan, James A., Jr.
Sloane, Martin J.
Slone, Richard E.
Sluys, Kenneth A.
Smith, Alfred M.
Smith, Brian M.
Smith, Bruce A.
Smith, Dale M.
Smith, David B.
Smith, David E.
Smith, Donald W.
Smith, Frank J.
Smith, Frederick M.
Smith, George J., Jr.
Smith, James C.
Smith, Kevin R.
Smith, Lee III
Smith, Marlin B.
Smith, Michael L.
Smith, Neal F.
Smith, Randell C.
Smith, Richard P.
Smith, Robert M.
Smith, Theodore D.
Smith, Theoren P. III
Smith, Thomas J.
Smith, Thomas M.
Snader, John A.
Snodgrass, Jonn R.
Snow, Richard L.
Snyder, John R.
Snyder, Jonathan W.
Soderholm, Carlton E., Jr.
Solliday, David P.
Solomon, Brian H.
Solvie, Michael A.
Somers, Robert M.
Sonleitner, Michael G.
Sonntag, Sara L. F.

Sonntag, William B.
Soules, Stephen M.
Soulsby, Thomas H.
Southern Dwight D.
Sowers, Bruce A.
Sowinski, Stanley A.
Sparks, Larry O.
Sparks, Timothy L.
Sparr, Leroy M.
Sparks, Walter R.
Spaulding, Kenneth F.
Spears, William J.
Speer, Bradford A.
Spence, Timothy M.
Spencer, James H.
Spencer, Richard D.
Spivey, David A.
Spraglin, Ricardo D.
Spraitzar, Gerald
Sprowls, Timothy J.
Stabler, Bruce D. L.
Stack, Edward J., Jr.
Stahura, John W.
Stamos, John M.
Standridge, George R.
Stankiewicz, Felix J., Jr.
Stark, David A.
Starr, Gary G.
Stark, Gary L.
Staubin, George P.
Stavridis, James
Steadley, Joel F.
Steichen, Alan R.
Steiner, Jeffrey A.
Steinhauer, Ralph
Steinmann, Dale V.
Stephenson, Neal B.
Sterling, Gard V., Jr.
Steuber, Lawrence J., Jr.
Steudler, Douglas C.
Stevens, Mark K.
Stevenson, James W., Jr.
Stevenson, Richard T.
Stewart, Donald H., Jr.
Stewart, Joseph D.
Stewart, John P.
Stewart, Thomas N.
Stewart, William B.
Stich, Richard A.
Stieffel, Ray H., III
Stiling, Stewart F.
Stivers, John V.
Stockwell, Kenneth J.
Stockwell, Dennis J.
Stoeberl, Paul H.
Stoessel, Timothy F.
Stoll, Gerald A.
Stolle, Robert C.
Stone, Kevin F.
Storey, Brian J.
Strain, Scott A.
Strange, Joe C.
Strength, Steven C.
Stroebel, Stephen
Strong, Arthur I., III
Struble, Daniel H.
Struller, James C.
Strunk, Michael P.
Struth, Robert G., Jr.
Strutner, Richard E.
Stuller, James C.
Stussie, Gary P.
Suehs, Derrick J.
Sullivan, Cleveland G.
Sullivan, Kevin W.
Sullivan, Stephen M.
Sullivan, Terry H.
Summers, Steven J.
Sundquist, John C.
Sutherland, Grant D., Jr.
Sutton, James A.
Svoboda, Robert C.
Swagler, Paul J.
Swanson, Joel C.
Swaykos, Joseph W.
Sweede, David E.
Sweeney, David J.
Swensen, Charles C., Jr.
Swierski, Felix S.
Swingle, David A.
Swirmicky, Mark E.
Swystun, Andrey P.
Sykes, John F.
Szatkowski, James L.
Tague, John A.
Tahler, James W.
Taicsich, Edward M.
Talbot, Russell W.
Tallent, Robert G.
Tamimie, Hekmat D.
Tandy, Jon S.
Taplett, James H.
Tate, Robert P.
Taylor, David W.
Taylor, Dennis H.
Taylor, Larry J.
Taylor, Melvin L., Jr.
Taylor, Wesley P.
Taylor, William N., Jr.
Teehan, Paul A., Jr.
Tenaglia, Joseph A.
Testa, Ronald P.
Therriault, John W.
Theurer, Timothy L.
Thieman, David H.
Thieme, Donald T.
Thigpen, Tommy L., Jr.
Thim, Robert H.
Thomas, Craig H.
Thomas, John R.
Thompson, Edward K.
Thompson, James H.
Thompson, Jay M.
Thompson, Jimmy
Thompson, Larry R.
Thompson, Lewis D.
Thomson, Earl J., III
Thornton, Cameron M.
Thornton, Michael D.
Thorpe, Mark S.
Thurwanger, Michael L.
Tibbetts, David K.
Tielking, Terrance A.
Tilden, Thomas J.
Tillery, Michael R.
Tinsley, Thomas J.
Titsworth, John G.
Titus, Ronald A.
Tjepkema, Russell P.
Todd, Michael L.
Tomaselli, John J.
Tomaski, Julius W.
Toombs, Dennis A.
Topp, Allan R.
Topscher, Stephen J.
Tornow, Scot L.
Tosi, Gino M.
Touchberry, Forrest L.
Town, James S.
Townsend, Goerge N. S.
Townsend, Walter A.
Tracy, Patrick A.
Trainer, Edward A., Jr.
Tramel, William P., Jr.
Treitz, Robert G.
Trenor, Mark M.
Treon, William J.
Tribout, David R.
Troxell, Kenneth G.
Trude, Charles R.
Trzeciak, Robert J.
Tsioutsias, Drake D.
Tucker, James M.
Tucker, William C.
Tucker, William R.
Tupuola, Malu, Jr.
Turbanic, Charles R.
Turnbull, Vivian L.
Turner, Edward R.
Turner, Gary R.
Turner, Lee O.
Turner, Phillip A.
Turpen, Charles R.
Tuttell, Robert J.
Tyler, Hansford D., III
Tyndall, Brian R.
Tyner, Michael R.
Uhle, Robert S.
Uhron, Mark A.
Ulom, William S.
Unger, Randy L.
Union, Mitchell A.
Upton, Dana L.
Urban, Lawrence D.
Usbeck, James P.
Vancleef, David
Vanderschaaf, Arthur J.
Vanderwaal, Joel K.
Vanore, John J.
Vanosdall, B. E.
Vanwert, Robert W., Jr.
Vargo, Charles J.
Varsanyi, Peter S.
Vaughn, Charles M.
Vaughn, Charles R.
Vaughn, Eugene C., III
Vaughn, Gregory M.
Venlet, David J.
Vermillion, George M.
Vining, Charles M.
Viola, Michael E., II
Violante, Anthony F.
Virden, John D.
Visintainer, Ferdinand G.
Vondollens, Steven C.
Vonnegut, Thomas A.
Vsetecka, William E.
Waddell, William T.
Wade, Clifford L. J.
Wade, David G.
Wade, Jonathan R.
Wahle, Daniel C.
Waldrip, Randall W.
Waldrop, Michael D.
Waldruff, Stanley C.
Wales, Carl A.
Walker, George D.
Walker, Marvin W.
Walker, Roland E.
Walls, David B.
Walsh, David L.
Walsh, John J.
Walstrom, Terry L.
Walter, Charles E.
Walters, Wayne A.
Walton, Charles F.
Ward, Daniel T.
Ward, Michael N.
Warner, Charles J.
Warner, David C.
Warner, Nathaniel F.
Warner, Robert S.
Warren, Bruce C.
Warren, Donald C., Jr.
Washington, Henry E., III
Waterman, Danny L.
Water, Rory C.
Waters, Steven T.
Watkins, Harry III
Watkins, Jon J.
Watson, Jeffrey C.
Watson, Marvin J.
Watson, Phillip W.
Watson, Walter F.
Watson, William H., Jr.
Watters, Robert J.
Weaver, Frank H.
Weaver, Gary A.
Weaver, Keith T., II
Webb, John S.
Webb, Stephen M.
Weber, Craig T.
Weber, Ewald W.
Webster, Bryan D.
Weeks, Robert L., Jr.
Weisert, Roy E.
Weiss, Charles J.
Weiss, Eric H.
Weiss, Robert F., Jr.
Welch, David M.
Welch, Jeffrey W.
Weldon, Frederick
Wells, Gary A.
Wells, Walter C.
Welsh, William P., Jr.
Welzel, Lewis A., Jr.
Wendell, Bertrum W. J.
Wendt, Michael P.
Wendt, Roger W.
Wentland, Bruce B.
Weppler, Jeffrey F.
Werner, Gary L.
Werner, Michael H.
Wessing, Lawrence A., III
West, Mark L.
West, Michael B.
Westerwick, Gregory H.
Wetmore, Ronald W.
Wetzel, Steven L.
Weyrick, Richard
Whalen, Daniel M.
Whalen, Harold R.
Whalon, Edward M.
Wheeler, William
Whitby, Peter K.
White, Gerald A.
White, Stephen C.
White, Stephen M.
White, Steven M.
White, William L., Jr.
Whitely, Bruce R.
Whitman, Charles E.
Whitney, Daniel R.
Whitney, Peter B.
Whitney, Thomas H.
Whitsett, James C.
Whitson, Charles K., Sr.
Whittle, Robert R.
Wick, Harvey C.
Wiedman, Sheldon C.
Wietlisbac, Paul H.
Wilckens, John H.
Wiley, Stephen N.
Wilhelm, Phillip J.
Wilkerson, Grady L., Jr.
Wilkins, David L.
Wilkinson, John P.
Will, Michael R.
Willard, Calvin D. G.
Willett, Gerard J.
Williams, Charles S.
Williams, Craig M.
Williams, David M.
Williams, Dock D., Jr.
Williams, Leversia
Williams, Michael D.
Williams, Warren W.
Williamson, Charles F., III
Willis, Hugh A.
Willis, John R.
Willson, Richard D.
Willy, James M.
Wilson, David K.
Wilson, Deborah A.
Wilson, Edmond G.
Wilson, Scott E.
Wilson, William T.
Wiltraut, Frank E., III
Winkler, Robert J.
Winn, Duane T.
Winters, David
Wirt, David L.
Wisniewski, Mark E.
Witherspoon, John S.
Witkowski, Darrell S.
Witkowski, Stephen T.
Witt, Michael A.
Wittman, Ray T., Jr.
Witte, Edward W.
Woelfel, John R.
Wojciechowski, James T.
Wojdyla, Ronald J.
Wolfe, Michael J.
Wolfrum, Garry A.
Wood, George L., III
Wood, Joseph R.
Wood, Thomas P., Jr.
Woodbury, John B.
Woodward, George R.
Woody, William S., III
Wooldridge, Edmund T.
Wooley, Randolph D.
Woolston, Paul F.
Wornick, William D.
Woumnm, Ellis D.
Wright, Dennis E.
Wright, Frank X.
Wright, James G.
Wright, Richard A.
Wright, Wardell C., Sr.
Wright, William L., Jr.
Wrigley, Paul R.
Wroolie, Brad L.
Wrotnowski, Gary
Wynn, Guy N., III
Wynne, Stephen A.
Yanda, Roger P.
Yarger, Frederick D.
Yoder, James A.
Yoshida, William R.
Young, Gary L.
Young, Liston C.
Young, Lucy B.
Young, Patti A.
Youngborg, Eric D.
Zacharzuk, Joseph, Jr.
Zamorski, James S.
Zebrowski, David S.
Zelibor, Thomas E.
Zellmann, Harry W., I
Zerafa, Paul J.
Ziebell, David M.
Zimmerman, Harold J.
Zinn, Roger L.
Zobel, William C.
Zulak, Paul D.
Zumwalt, Eric R.
Zyskowski, David J.

SUPPLY CORPS

Aanstoos, Thomas K.
Ackerman, Roger S.
Addison, Rufus
Allen, David F.
Archer, Edward L.
Austin, Douglas L.
Beard, Robert L., III
Bennett, Stephen H.
Bischetsrieder, Jon W.
Bloom, Charles C.
Boozer, George D.
Brandenbur, Kenneth S.
Brown, David M.
Buchner, Marc E.
Bump, Robert J.
Buntin, David W.
Caughey, Stephen R.
Chillcott, Sidney E.
Clement, William S.
Combs, Bruce M.
Cook, James M.
Costello, Mark T.
Crow, Wayne H.
Crump, Henry E., Jr.
Cunningham, Robert D.
Dargan, James J., Jr.
Davis, Lester M.
Devitt, John C.
Dolan, Robert P.
Donovan, Peter M.
Dowling, Richard D.
Drerup, John W., Jr.
Driver, David E.
Ellis, Peter M.
Feay, William F.
Fenzan, William J.
Ferrara, Richard C.
Frew, Barry A.
Freshwater, Thomas M.
Freye, Daniel L.
Fullbright, John L., III
Funk, Stuart D.
Goehring, Mark E.
Green, Cornelius, Jr.
Grube, Edward M.
Gummer, Edward G., III
Haas, Robert D.
Hammond, Robert
Hansen, Sharon L.
Hardesty, Guy B.
Hazell, Jeffrey P.
Heuay, Terrence A.
Hillegas, Dennis W.
Hogan, Brian N.
Hupy, Brad L.
Huwe, Lawrence J.
Kaleita, Gary M.
Kalmar, Louis G.
Karschnia, Paul T.
Kayes, Dean H.
Kibler, Christopher T.
Kmiec, Kenneth R.
Kubin, Leonard A.
Lavender, William R.
Maibaum, David W.
Marksbury, Thomas C.
McBurney, Donald T.
McConahy, Marc.
McDaniel, David E.
McGrath, Christopher M.
McKelvey, Chris R.
Meyer, Richard J.
Minor, Elliott D., III.
Monaco, Theodore J.
Murphy, Kevin J.
Nevers, Richard H.
Nielsen, Ronald O.
Norris, Eric E.
Ornelas, Harry, Jr.
Palmer, David A.
Palenshus, David L.
Parshall, Earl G.
Poe, James P.
Post, William N., II.
Recla, Kenneth.
Rible, Frederick J., Jr.
Rogers, Robert.
Roper, Bernard L.
Ruben, Jack M.
Ruh, Joseph F., Jr.
Ruff, David C.
Rutledge, Eugene P., II
Ryan, Patrick T.
Sawyers, Robert J., Jr.
Schlekau, Louis W., III
Schweer, Mark R.
Simpson, Edward L.
Smoak, Daniel R.
Sorenson, Lee L.
Stone, Stephen P.
Stranen, Joseph J.
Strong, Robert W., II.
Strouse, Wayne S.
Sturm, Joseph J., III.
Taylor, Stephen D.
Thomas, Michael P.
Thompson, Alan S.
Traaen, Timothy S.
Trost, Henry M.
Turk, Rodney W.
Vassian, Robert B.
Wagner, John G.
Walter, Kenneth F.
Watkins, Gary E.
White, David M.
Winter, Robert A., Jr.
Woodfin, Kenneth L., Jr.
Ziegler, Joseph W.

CIVIL ENGINEER CORPS

Alexander, Raymond K.
Bergson, Charles L.
Biddick Dennis
Capron, Mark E.

Davis, Larry A.
Donaldson, Mark E.
Donnelly, Michael D.
Dossantos, William A.
Dreyer, Thomas F.
Etheridge, John T.
Foshee, Jon R.
Gardner. Albury
Gorum, Charles C.
Gustafson, James I.
Hickey, Peter J.
Hollrith, James W.
Jackel, Paul G.
Jensen, Jerry L.
Marchand, Jean P.
McAdam, Lowell C.
Michel, Richard C.
Miller, Michael R.
Nassaux, Patric Y.
Otten, Mark T.
Peters, James M.
Rand, John L., III
Rowland, Henry J., Jr.
Squatrito, James A.
Stearns, Francis R.
Stefanelli, Arthur J., Jr.
Surash, John E.
Thies, Eugene A.
Wallace, Joseph B., III
Walters, Vernon J.
Yeakley, John C.
Zorica, Joseph W.

MEDICAL SERVICE CORPS

Adams, Ronald L.
Brown, Francis C.
Brown, Thomas J.
Byerly, Lawrence D.
Carroll, Ronald J.
Cormier, Tyrone P.
Harrahill, Jesse D.
Hodges, Ellis E.
Hofflinger, David H.
Hudson, Jonathan S.
Hunnicutt, Gary F.
Karelin, Edward E.
Libby, James W.
Little, Tommy J.
Mackie, William B.
Marshall, John D.
McKenna, Michael R.
Megown, Charles F.
Mitchell, William L.
Niec, Edmund A.
Orloff, Kenneth L.
Roeder, Kenneth L.
Sullivan, Hugh C., Jr.
White, Fred R.
Zuber, Ronald J.

WITHDRAWAL

Executive nomination withdrawn from the Senate, July 12, 1978:

Hobart Calvin Jackson, Sr., of Pennsylvania, to be a member of the Federal Council on the Aging for a term expiring June 5, 1979, vice Frell M. Owl, term expired, which was sent to the Senate on April 7, 1978.

HOUSE OF REPRESENTATIVES—*Wednesday, July 12, 1978*

The House met at 10 o'clock a.m. and was called to order by the Speaker pro tempore (Mr. BRADEMAS).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker.

WASHINGTON, D.C.,
July 12, 1978.

I hereby designate the Honorable JOHN BRADEMAS to act as Speaker pro tempore for today.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

God has not given us the spirit of fear; but of power, and of love and of a sound mind.—II Timothy : 7.

O God, our Father, who art near to us in our victories and in our defeats, grant that when we exult in winning or are exhausted by losing we may feel the steady assurance of Thy presence which abides with us through all the changing moods of our restless lives. Deliver us from complaints because we cannot do what we want to do or get done what we want to get done. Help us to accept our limitations without bitterness, to enjoy our victories with humility, to overcome our weakness with faith, and to take what cannot be changed with patience. May we keep our faith in Thee and let our faith keep us steady and strong as we live and labor through these critical days.

In Thy holy name we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

CALL OF THE HOUSE

Mr. FOLEY. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 531]

Ambro
Anderson, Ill.
Andrews, N.C.
Archer
Ashley
Bellenson
Boling
Bonior
Brown, Calif.
Brown, Ohio
Burke, Fla.
Burke, Mass.
Burton, John
Byron
Caputo
Chappell
Chisholm
Clay
Conyers
Crane
Davis
de la Garza
Dent
Dickinson
Diggs
Dodd
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Evans, Colo.
Evans, Ga.
Fascell
Flowers
Flynt
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Frey
Garcia
Giaimo
Gibbons
Glickman
Goodling
Guyer
Harsha
Hawkins
Heckler
Jenrette
Kasten
Le Fante
McCormack
McDade
McDonald
McKinney
Mann
Mathis
Meyner
Milford
Mineta
Mitchell, Md.
Moss
Neal
Nichols
Nix
Obey
Pike
Poage
Pursell
Railsback
Rangel
Roberts
Rodino
Rosenthal
Santini
Scheuer
Skubitz
Smith, Iowa
Solarz
Staggers
Teague
Traxler
Tsongas
Tucker
Udall
Vander Jagt
Wiggins
Wilson, Tex.
Winn
Wolff
Wright
Young, Alaska
Young, Tex.

The SPEAKER pro tempore. On this rollcall 335 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION FOR SUBCOMMITTEE ON ECONOMIC DEVELOPMENT OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT TODAY DURING 5-MINUTE RULE

Mr. ROE. Mr. Speaker, I ask unanimous consent that the Subcommittee on Economic Development of the Committee on Public Works and Transportation be permitted to sit today while the House is operating under the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the gentleman assure us that there will be no markup of any legislation?

Mr. ROE. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from New Jersey.

Mr. ROE. Yes, very definitely, I can assure the gentleman of that. We have checked this out.

Mr. ROUSSELOT. The purpose of the request is for hearings only?

Mr. ROE. For hearings only.

Mr. ROUSSELOT. So the purpose is only to take testimony of witnesses who are being called in?

Mr. ROE. The gentleman is correct.

Mr. ROUSSELOT. Mr. Speaker, I appreciate the gentleman's answer, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON GOVERNMENT INFORMATION AND INDIVIDUAL RIGHTS OF COMMITTEE ON GOVERNMENT OPERATIONS TO SIT ON TOMORROW DURING 5-MINUTE RULE

Mr. PREYER. Mr. Speaker, I ask unanimous consent that the Subcommittee on Government Information and Individual Rights of the Committee on Government Operations may be permitted to sit on tomorrow, Thursday, July 13, 1978, during the 5-minute rule.

This request has been cleared with the ranking minority member and the purpose of the hearing is to continue markup on legislation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the gentleman tell us the subject matter of the bill concerned?

Mr. PREYER. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from North Carolina.

Mr. PREYER. Mr. Speaker, the bill is the Presidential Papers Act. That is the bill which has to do with how we deal with the papers of a President after he leaves office.

Mr. ROUSSELOT. Even though the ranking minority member has approved this action, is this matter so important that it cannot wait until next week?

Mr. PREYER. It is important because if we cannot get this done this week, we would not be able to get the matter to the final full session of the Committee on Government Operations.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

PROPOSED CHANGES IN SOCIAL SECURITY ACT AMENDMENTS

(Mr. WAMPLER asked and was given permission to address the House for 1 minute.)

Mr. WAMPLER. Mr. Speaker, on June 15, 1978, I introduced a proposed concurrent resolution which stems from concern over the projection that the December 1977 amendments to the Social Security Act are but an expensive stopgap.

Despite the phased increase in taxation provided for by the amendments, the old-age, survivors, and disability insurance program will again become inadequate in about 25 years. The hospital insurance trust fund will be exhausted in about 12 years.

Both of these are trust funds which should, in theory, reduce the tax burden through investment income. In fact, however, the payout demands are so nearly equivalent to tax receipts that there is no reserve for investment.

The 1977 act directed the establishment of a nine-person commission to examine, review, and study the social security and health insurance programs. The act requires that the Speaker of the House and the President pro tempore of the Senate each appoint two members and the President the other five. Thus far, only the Speaker has complied fully with the law.

My resolution urges the appointment of the commission and requests that it study means to reestablish the investment features of the aforementioned insurance funds toward the end of alleviating the extraordinary tax burden which the social security program amendments will impose in the near future. It also requests that the commission submit its findings and recommendations to the Congress within 1 year after its appointment.

In reintroducing the resolution, I am gratified to report that I do so with 25 cosponsors from both sides of the aisle. I hope, in the near future, to reintroduce it again with additional cosponsors and urge each of you to join with me in searching for a solution to this very costly and important problem.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. SISK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

NATIONAL PARKS AND RECREATION ACT OF 1978

Mr. PHILLIP BURTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 12536) to provide for increases in appropriations ceilings, development ceilings, land acquisition, and boundary changes in certain Federal park and recreation areas, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. PHILLIP BURTON).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 12536, with Mr. THORNTON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Tuesday, July 11, 1978, the Clerk had completed reading the bill for amendment.

Are there further amendments?

AMENDMENT OFFERED BY MR. RONCALIO

Mr. RONCALIO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RONCALIO:
On page 332 after line 11 add:

TITLE X

SEC. 1001. (a) There is hereby established The Jackson Hole Scenic Area Commission (hereinafter referred to as the "Commission"). The Commission shall be composed of nine members, as follows: (A) the Secretary of the Interior or his representative; (B) the Secretary of Agriculture or his representative; (C) the Governor of Wyoming or his representative; (D) a member of the Teton County Board of County Commissioners to be chosen by the County Commission; (E) the Mayor or a member of the Town Council of the Town of Jackson, to be selected by the Town Council; and (F) four civilian members-at-large selected from among the residents of Teton County by the County Commissioners, to be representative of a broad spectrum of community interests, and at least one of whom shall own commercial agricultural or ranch land within Teton County and shall be actively engaged in agricultural or ranching operations for commercial purposes.

(b) The representative of the Teton County Board of County Commissioners shall act as Chairman until a Chairman is elected by vote of the Commission.

(c) Unless otherwise required by this Title, the Commission shall act by affirmative vote of the majority of its nine members. Voting by proxy shall not be allowed.

(d) The frequency, time, and place of meetings shall be determined by the Commission, all meetings shall be open to the public.

(e) The Commission shall have the power to appoint and fix compensation of such additional personnel and such temporary and intermittent services as may be necessary to accomplish the purposes of this Title without regard to the provisions of the civil service laws and the Classification Act of 1949.

(f) The Commission shall have the power to hold hearings and administer oaths, and make such rules consistent with the provision of this Title as are necessary for the operation of the Commission.

(g) Civilian Commission members shall receive not more than $100 per day plus reasonable travel and other expenses incurred in the course of Commission business, reimbursed at current Federal rates.

SEC. 802. (a) The Commission shall develop a proposed Jackson Hole Scenic Area Plan (hereinafter referred to as the "Plan") which shall consider all privately owned lands in Teton County, except those private lands situated within Grand Teton National Park, as generally indicated on map dated July, 1978, which shall be on file and available for public inspection in the offices of the governmental agencies and entities which are members of the Commission. The Plan shall include:

(1) a description of the lands within the Area;

(2) an evaluation and identification of the values present in such lands, with particular attention to the identification of areas of important scenic, wildlife, ecologic, hydrologic, and agricultural concern;

(3) a determination of land uses incompatible with the values of the above areas of concern;

(4) identification, mapping, and designation of all lands, the acquisition of which, or of interest therein, should principally be the concern of: (i) the National Park Service and United States Fish and Wildlife Service as "Interior Department Interest Areas"; and (ii) the United States Forest Service as "Agriculture Department Interest Areas" (hereinafter referred to as "Interest areas");

(5) designation of the remainder of the Area as "State and Local Interest Area" within which the acquisition of lands, or interest therein, should be the concern of State and local agencies which have authority to acquire or hold lands on behalf of the public;

(6) recommendations for the immediate emergency acquisition of lands, or interests in lands, on which a proposed land use action is incompatible with, and poses an immediate threat to, the values identified in the Plan;

(7) recommendations for the acquisition of lands, or lesser interests therein, within the various Interest Areas identified, mapped, and designated pursuant to this title, or for regulatory controls which should be adopted by State or local government with respect to the use of such lands; and

(8) recommendations for procedures for updating and amending the Plan after its approval by the Congress, and for assuring coordinated administration of the Scenic Area.

(b) Prior to adoption of the proposed Plan, the Commission shall hold at least one public hearing within the County of Teton for the purpose of receiving public comment on the proposed Plan. Notice of the date, time and location of such hearing shall be published in a local newspaper of general circulation at least once a week for two consecutive weeks, and shall contain information as to where a copy of the proposed Plan may be inspected. The proposed Plan shall not be adopted until at least thirty days after the last hearing.

(c) The Commission shall, upon adoption of the proposed Plan by a two-thirds vote of the entire Commission, submit the proposed Plan concurrently to the Secretary of the Interior and the Secretary of Agriculture (hereinafter referred to as the "Secretaries") for their review and approval or rejection. If neither Secretary has informed the Commission of his disapproval within sixty days from the date of submittal, the Plan shall be deemed to have been approved. If either Secretary disapproves the proposed Plan, he shall advise the Commission of the reasons therefor, together with his recommendations for revisions. The Plan shall be resubmitted by the Commission within sixty days. This process shall be repeated until a Plan is approved by both Secretaries and by a two-thirds vote of the entire Commission.

(d) Without regard to any other provisions of this Title, it shall be the duty of the Commission to submit the Plan, together with any recommendations for additional legislation, to the Congress not later than one year from the effective date of this Act.

SEC. 1003. The Commission shall be dissolved—

(a) upon submission of the Plan to the Congress, or

(b) upon expiration of a one year period commencing on the effective date of this Act, whichever occurs first.

SEC. 1004. There are authorized to be appropriated not to exceed $250,000 to defray the expenses of the Commission, including salaries and costs incident to preparation of the Plan.

SEC. 1005. (a) Pursuant to the intent of this Title, the Secretary of the Interior and the Secretary of Agriculture, as they may jointly agree, are authorized, after consultation with the Commission, to acquire lands, or interests in lands, within Jackson Hole which are manifestly of critical scenic or ecological importance in their relationship to Federally owned lands, and which are demonstrably threatened by a change in land use which is incompatible with the purposes of this Title. Any lands or interests in lands so acquired shall be managed by the Secretary in a manner appropriate to conserve, protect, and enhance the scenic and natural resource values of such lands until such time as he believes it in the best interests of proper management to transfer such lands or interests therein to a qualified state or local agency which will manage such lands or interests therein in accordance with the purposes of this Title.

(b) For the purpose of acquiring lands or interests in lands described in this section, there are authorized to be appropriated not to exceed $5,000,000. Acquisition may commence only after written notice of intention to do so, with detailed justification therefor, has been made by either Secretary to the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate, and written concurrence has been received by such Secretary from both Committees.

Mr. PHILLIP BURTON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO. I yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Chairman, we accept the basic amendment, as printed in the RECORD of July 10, 1978, by Mr. RONCALIO on page 19989 in the interest of saving time.

This is a study commission. We are prepared to accept the amendment. We can take an hour and a half on it, if we choose. I prefer that we do not. The gentleman's amendment as printed in the RECORD on page 19989 on July 10, 1978 is acceptable to the majority, but not if amended.

Mr. Chairman, if the gentleman will yield further, if the gentleman does not accept my offer of acceptance of his amendment, I will then ask that some time limit be put on the discussion on his amendment. I would suggest 10 minutes.

Mr. RONCALIO. Mr. Chairman, if the distinguished gentleman from California would yield back to me my own time, I would respond to his gracious acceptance of the amendment and perhaps say a few words to the gentleman for the tremendous job he has done in his capacity as chairman of the Subcommittee on National Parks and Insular Affairs.

Mr. Chairman, I deeply appreciate the gentleman's accepting this amendment. It is no small concession on his part. It is one of the departures we are making in order to protect national interest lands while at the same time saying we will not just keep on buying the land in fee simple and limiting space for necessary development, housing, and so forth. Yet we have to find some way to preserve our areas of scenic and natural beauty. The acquisition of development rights and other less-than-fee interests represents a creative new way to achieve this purpose.

The gentleman from California (Mr. PHILLIP BURTON) has done a tremendous job.

This map shows the only remaining private lands in Teton County, Wyo., which is 97 percent federally owned and 3 percent on the tax rolls in private ownership. Something has to be done to stop the red hatch marks you see, and the full red squares which we see on this map and which indicate subdivision, condominium plans, housing plans, and the like on the private lands. If something is not done the 4 million people who come into the valley each year will see little but housing until they approach the majestic peaks of the Grand Teton National Park which the Rockefeller family began protecting some 70 years ago.

I thank the chairman of the subcommittee very much. However, Mr. Chairman, I offer two additional amendments to the amendment which may have some interest to the chairman of the subcommittee.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO. I yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Chairman, I had discussed the matter with the gentleman from Wyoming (Mr. RONCALIO), and we thought that perhaps a total of 20 minutes might be sufficient in which to discuss these amendments. I would like to set some time limit.

If debate on this amendment and all amendments thereto would be concluded at 10 minutes to 11, would that be satisfactory?

Mr. RONCALIO. It would be most satisfactory. I accept it.

Mr. PHILLIP BURTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto cease at 10 minutes to 11 a.m.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The Chair observed at the time the unanimous-consent request was made that only two Members were standing, the gentleman from Wyoming (Mr. RONCALIO) and the gentleman from California (Mr. PHILLIP BURTON).

The Chair will proceed under the 5-minute rule, allocating 5 minutes to each person seeking recognition.

PARLIAMENTARY INQUIRY

Mr. PHILLIP BURTON. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. PHILLIP BURTON. Mr. Chairman, what is the status of the pending amendment, if I may ask the Chair?

The CHAIRMAN. The Chair will state that the pending amendment has been introduced and read and is on the floor. The gentleman from Wyoming (Mr. RONCALIO) has been recognized for 5 minutes in support of his amendment.

Mr. PHILLIP BURTON. I thank the Chair.

Mr. RONCALIO. Mr. Chairman, I ask that the amendment which I have just presented and which the chairman of the subcommittee has agreed to accept be adopted. Then I would like to be recognized for two minor modifications or adjustments of it, which will be offered by me and by my colleague, the gentleman from California (Mr. DON H. CLAUSEN).

Therefore, Mr. Chairman, I ask for a vote upon the amendment which the chairman has so graciously accepted.

The CHAIRMAN. The Chair would suggest that if there are to be modifications to the amendment presently before us, it would be in order to introduce the modifications in advance of the adoption of the amendment.

Mr. RONCALIO. I thank the Chair, and I will proceed accordingly.

The clerk read the amendments as follows:

Amendment offered by Mr. RONCALIO to the amendment offered by Mr. RONCALIO:

Strike the words "after consultation with" in the first sentence of section 1005(a), and insert in lieu thereof the words "after recommendation by"

In the first sentence of section 1005(a), insert the words "on a willing buyer-willing seller basis" after the words "or interests in lands"

And in the first sentence of section 1005 (a), strike the words "or interests in lands," and insert in lieu thereof "or preferably scenic easements or other less-than-fee interests in lands"

POINT OF ORDER

Mr. PHILLIP BURTON. Mr. Chairman, I have a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. PHILLIP BURTON. Mr. Chairman, I make the point of order that the gentleman cannot offer amendments to his own amendment without making a unanimous-consent request.

The CHAIRMAN. The Chair will state that the gentleman is correct.

Mr. PHILLIP BURTON. Mr. Chairman, I tried to avoid that embarrassing point. I would have preferred that the gentleman from Wyoming pursue his request for a vote on his basic amendment. I wish we had had one.

At any rate, Mr. Chairman, I raise a point of order that the gentleman cannot offer amendments to his own amendment at this time.

The CHAIRMAN. The Chair will sustain the point of order unless the request of the gentleman from Wyoming (Mr. RONCALIO) is made by unanimous consent.

Mr. PHILLIP BURTON. Mr. Chair-

man, I ask that the gentleman's amendment be put to a vote if no other amendments are before us.

The CHAIRMAN. Are there other Members who wish to speak on the amendment now pending?

If not, the question is on the amendment offered by the gentleman from Wyoming (Mr. RONCALIO).

The amendment was agreed to.

AMENDMENTS OFFERED BY MR. RONCALIO

Mr. RONCALIO. Mr. Chairman, I offer two amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. The Chair would ask the gentleman, Are the proposed amendments to the amendment just adopted?

Mr. RONCALIO. Mr. Chairman, the amendments at the desk are amendments to the legislation.

The CHAIRMAN. Is there objection to the request of the gentleman from Wyoming that the two amendments be considered en bloc?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments.

Mr. PHILLIP BURTON. Mr. Chairman, I reserve a point of order against these amendments.

The CHAIRMAN. Pending the reading of the amendments by the Clerk, the Chair will note the reservation of a point of order against the amendments.

The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. RONCALIO: Strike the words "after consultation with" in the first sentence of section 1005(a), and insert in lieu thereof the words "after recommendation by".

In the first sentence of section 1005(a), insert the words "on a willing buyer-willing seller basis" after the words "or interests in lands".

In the first sentence of section 1005(a), strike the words "or interests in lands," and insert in lieu thereof "or preferably scenic easements or other less-than-fee interests in lands".

The CHAIRMAN. The gentleman from California (Mr. PHILLIP BURTON) reserves a point of order.

Mr. PHILLIP BURTON. Mr. Chairman, the gentleman from Wyoming is offering an amendment to an amendment that has already been adopted. These amendments are not in order.

The CHAIRMAN. Does the gentleman from Wyoming desire to be heard on the point of order?

Mr. RONCALIO. I do indeed, Mr. Chairman.

There is no possibility of the amendments being in order, but they are perfectly proper amendments to legislation already printed in the CONGRESSIONAL RECORD.

The CHAIRMAN. Is there further discussion on the point of order? If not, the Chair is prepared to rule.

Under the rules of the House, an amendment to an amendment which has been agreed to is not in order. Therefore, the Chair sustains the point of order made by the gentleman from California.

Mr. RONCALIO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, my colleagues, the purpose of these two amendments which have been ruled out of order was to provide in this rather hasty amendment an opportunity for the creation of the new commission to do something about open space in Teton County, to proceed to acquire lands that are now marked for development on a willing buyer-willing seller basis, rather than impose the harsh arm of condemnation and eminent domain when it is not necessary for the public health or well being on the people of this area.

We took 2½ hours last night on the Upper Mississippi River and St. Croix, and we witnessed the indignation of the good people of Minnesota toward this type of acquisition, the taking of property. It does not work out to be fair compensation all the time. It is not due process.

My thought was to give this Commission $5 million, which the bill does, and let it sit down in a willing seller-willing buyer situation and see if it can work out a decent fair market value and subsequent acquisition without forcing the strong, heavy hand of Uncle Sam by way of condemnation on these people, to acquire their holdings.

I believe these two Don Clausen amendments should have been adopted with the amendment now in the bill. I regret that they are not, but there was no other way.

I will yield to my good friend from California (Mr. DON H. CLAUSEN), who had sufficient concern to come to Jackson Hole, Wyo., together with three Senators and four other Congressmen, including Congressman VENTO, and put in a full day listening to people involved in this matter.

Mr. DON H. CLAUSEN. Mr. Chairman, I thank the gentleman for yielding to me. I agree with the chairman that we do not want to prolong this debate, and I regret that we are having to delay the action on this. But, let me give the Members a brief background.

I did go to Jackson Hole, and I think we have here a very unique set of circumstances that do have a definite impact on scenic beauty. But, I became convinced as a result of the hearings we had out there that the best and fairest way of achieving progress toward our objective was not to have the requirement of eminent domain. We want to maximize the opportunity for the commission to have the major amount of control. It would tend to bring about the maximum of participation on the part of the local populace.

It is this level of local participation which will be the basis for the ultimate success of this project and which will determine the future of this truly unique area. I would add that there is every reason to believe that cooperation will be very high because it was the local people who requested that a local hearing be held. I was at that hearing and eminent domain was an issue of some concern. Some people felt that full condemnation authority should be available, others wanted none at all. I am convinced that we should pursue the willing buyer-seller option and continue it if it is working or follow up with limited condemnation provisions. Full eminent domain would be contrary to the best interests of the area and the people.

On the other hand, limited eminent domain works well. I have seen its success in conservation programs in my own district as well as other areas of the country.

I do believe we are developing a legislative history on this, and in light of this, I am going to ask the chairman of the subcommittee to give more time to consider our objective as we go to conference with the Senate on this legislation.

Mr. RONCALIO. I thank the gentleman very much. I desire to make legislative history on this amendment now. The amendment adopted by my colleagues—and I thank them for adopting it—nowhere mentions the words "condemnation" or "eminent domain." It says the commission, can by majority vote, without proxy, recommend the acquisition lands or interest in lands. It does not give anybody the right of condemnation. I believe this Congress did not intend that the Secretary of the Interior or Secretary of Agriculture delegate to this nine-man commission their solemn powers for condemnation. No powers of condemnations are intended under the provisions of this amendment just adopted. I want the legislative history to so reflect this.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, suppose the Commission cannot come to an agreement for a very necessary piece of property, property necessary for the park?

Mr. RONCALIO. Let us give them a chance.

Mr. YATES. What if they cannot get an agreement?

Mr. RONCALIO. Let us give them a chance in the 1 year to make deals, the way good old-fashioned people used to sit down and make deals, without the coercion and pressure of the threat of Federal taking.

I thank my dear friend, the gentleman from Illinois (Mr. YATES).

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I appreciate the gentleman yielding. I commend the gentleman for his interest and leadership on this subject.

I was very pleased to accompany our distinguished colleague, the gentleman from California (Mr. DON H. CLAUSEN), and the subcommittee chairman to the Teton area recently where we held hearings. I think that this sets up the alternatives which are so essential to the preservation of this area. This valley represents about 2 or 3 percent of the land in the county and presents a very perplexing problem to Congress.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

(On request of Mr. VENTO, and by unanimous consent, Mr. RONCALIO was allowed to proceed for 2 additional minutes.)

Mr. VENTO. Mr. Chairman, will the gentleman yield further?

Mr. RONCALIO. I yield to the gentleman.

Mr. VENTO. Mr. Chairman, I thank the gentleman for yielding.

This sets up a situation. A process where we do not really seek to provide additional Federal landownership but, we do protect the vast public resources already existing ownership which are so important. I think it might be interesting to our colleagues to know that in this instance we seek to provide emergency acquisition where subdivision is going on now to preserve really the scenic and recreation aspects of this area and permit the type of lifestyle to continue in Jackson Hole and other communities as it now exists.

I might point out how important this is. We talked to some of the county commissioners, and they pointed out that most of the money for revenue in that area comes from sales taxes which they split with the State of Wyoming, and this keeps down the property taxes. If we destroy the scenic value in Jackson Hole, the number of people who drive through there will be greatly diminished and so as a consequence will the revenues. So an important alternative should exist in this process to the undesirable development which will definitely occur. The national need is served in preserving this valley land, and this can only occur if alternatives are made available, such as is being considered in the gentleman from Wyoming, Mr. RONCALIO's amendment.

The development threat in this area is real, and our survey of the area demonstrated that subdivisions were already a fact of land use in this valley. The county of Teton commissioners have made a bold attempt by the adoption of a comprehensive zoning plan, but nevertheless, the uncertainty, the economic pressure, and the court tests will mean substantial uncertainty. This amendment will offer some hope to adequately temper this uncertainty.

Mr. PHILLIP BURTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I appreciate the kind observations of the gentleman from Wyoming.

Of course the language in the amendment we adopted speaks for itself. I think the RECORD should be clear in that respect. Otherwise I do not know why we struggled over the amendments proposed to be added to this base amendment. I would oppose the amendment, if altered from the base amendment printed in the RECORD.

I think it should be clear for the purposes of the people of Wyoming that we have not made—I repeat, we have not made—and perhaps I should say it for the third time, we have not made—the decision as to whether we are going to go forward with the gentleman's pending proposals contained in H.R. 9135 in this Congress. This is intended as a limited response to what is represented to be a grave and imminent danger to some of the resource aspects of this area. No one should believe that by the adoption of this we have prejudged the more fundamental issue of how to treat this beautiful resource.

Mr. BURGENER. Mr. Chairman, will the gentleman yield for an inquiry?

Mr. PHILLIP BURTON. I yield to the gentleman from California (Mr. BURGENER).

Mr. BURGENER. I appreciate the chairman, the gentleman from California (Mr. PHILLIP BURTON) yielding.

I had considered offering an amendment, which I will not do, but this is for the purpose of legislative history. I would say to Chairman BURTON that the Mager property, which is approximately 42 acres, is adjacent to the Point Reyes National Seashore. The owners of this property are constituents of mine who allege it is not needed for the park. I do not know whether or not the committee believes this property is essential to the park and I believe the gentleman's committee has not had time to analyze it.

Mr. PHILLIP BURTON. That is correct.

Mr. BURGENER. After the passage of the bill and before the conference between the House and the Senate, I would appreciate it if the gentleman's staff would take a look at it to see if it could be eliminated from the Federal taking without doing damage to the Point Reyes National Seashore.

Mr. PHILLIP BURTON. We will look into that. It has been called to my attention just late yesterday. The staff has been somewhat busy since noon yesterday, but we are going to look into it and I will assure the gentleman we will get back and inform the gentleman.

Mr. BURGENER. I appreciate that.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. PHILLIP BURTON. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I thank the gentleman for yielding to me at this point and I have asked for the time to give further clarification to the gentleman from California (Mr. BURGENER) and that is that in this instance the acquisitions that take place, if they do take place, are not necessarily for the extension of the park itself.

Mr. PHILLIP BURTON. Mr. Chairman, if I might interrupt the gentleman, we were talking about an entirely different and unrelated section.

Mr. VENTO. I thank the gentleman.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. PHILLIP BURTON. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, with respect to the amendment offered by the gentleman from Wyoming (Mr. RONCALIO) and accepted by the chairman of the subcommittee, the gentleman from California (Mr. PHILLIP BURTON) I would like to commend them both for coming up with that proposal to protect the magnificent Jackson Hole area. I would further like to point out that this is one further example of why it is so important, where we have the opportunity, as the House did when they took action on the Alaskan bill, to protect undeveloped land that is of prime value for recreation for the American people. Once development takes place, then you have the problem of ousting people from their homes or upsetting the economy of an area. This Jackson Hole situation is a prime example of the very difficult situation we got into in the lower 48 States because we were not able to look far enough ahead.

I want to again take this opportunity to commend the House for the action they took with respect to Alaska, by which, if the Senate will go along with the House, we will avoid this kind of problem arising with America's wilderness heritage in Alaska.

Mr. PHILLIP BURTON. Mr. Chairman, in the time available to me, let me briefly describe, again, some of the specifics of the amendments adopted yesterday, which I offered on behalf of myself and the gentleman from Kansas (Mr. SEBELUS).

In title I, we have adopted language for each area in which development authorizations are increased which removes the cost escalator clauses from several existing acts. While most National Park system units have fixed development ceilings, some areas established from 8 to 10 years ago included an escalator clause. We are removing these clauses as they occur, so that Congress will have specific review authority at such time as the National Park Service may request additional funding.

We also reduce development ceiling increases in title I for several, though not all, areas to bring these figures into agreement with the amounts requested by the Administration.

In title II, our change is to correct the acquisition figures from Apostle Islands National Lakeshore. We also add language previously passed by the House this Congress to direct the Secretary to develop a 4-year acquisition program for most National Park inholdings.

In title III, we include a boundary change for the City of Refuge National Historical Park in Hawaii to add about 200 acres of lands identified by the National Park Service to protect the area. We also include the addition of lands to Manassas National Battlefield Park in Virginia which has already passed the House this Congress. A provision is added to the Boston National Historical Park to permit the Secretary to grant a right of way in exchange for the conveyance of an additional structure to the park.

Some $12,780,000 is deleted from the development ceiling increase proposed for the Cuyahoga Valley National Recreation Area in Ohio. The remaining amount will still permit the National Park Service to carry forward with its development plans over the next 3 years.

Certain adjustments are made to the language expanding the Golden Gate National Recreational Area in California, including direction for the Secretary to retain rental incomes derived from properties within the area for use in various park-related activities there. Clarifying language is also added to the Point Reyes National Seashore amendments to insure that the Secretary will cooperate with a local utility district only with respect to newly added lands.

A proviso included with respect to the Chesapeake and Ohio Canal National Historical Park will delete the proposed inclusion of any parcels of land in the

Georgetown area, thus giving the committee further opportunity for review. Acquisition authority affecting an addition to Virgin Islands National Park is also corrected. The amending language to Fire Island National Seashore is also perfected.

A new subsection is added to title III which adjusts the boundary of Cumberland Island National Seashore in Georgia. This will permit an administrative and access site for the seashore to be acquired.

In title IV, the wilderness designation for lands within Big Bend National Park in Texas is deleted. Also adopted are technical amendments correcting the name of the Glacier National Park Wilderness.

In title V, a new boundary map is referenced for the Guam National Seashore which includes only the reef areas of the proposal.

The Secretary is also directed to review the boundaries and recommend any lands which he may determine should be added to the seashore. Since the seashore would now contain only submerged lands, the acquisition authority for $10,000,000 is removed.

The acquisition authorization for the Kaloko-Honokohau National Park in Hawaii is reduced by some $9,750,000 to conform to our best estimates of the cost for the area.

Several amendments are included for the Santa Monica Mountains National Recreation Area in California, the most important of which are the reduction of $25,000,000 in the land acquisition authorization, and the forgiveness of any need to pay rent for the use of a parcel of land in the area by the county fire department.

The text for establishment of the Friendship Hill National Historic Site in Pennsylvania previously passed by the House is also added, as is language designating two new national historic sites, the Thomas Stone site in Maryland and the Maggie Walker site in Virginia.

The text of H.R. 6900, previously passed by the House to establish the Oregon National Historic Trail, is also added.

In title VI, the extension of authorizations for the preservation of historic and archeological data is extended for 2 years rather than 5, thus reducing the cost by some $15,500,000.

The authorizations for various study authorities for the Secretary of the Interior are also reduced, although the specific authorization language is retained to encourage the Secretary to make use of this authority.

The Secretary is also authorized to appoint two additional members to the Advisory Board for the national park system. Additional direction is given to include specific language on the Oak Creek Canyon, Ariz., study. A new paragraph is also included to restrict the expansion of the functions of the Heritage Conservation and Recreation Service without specific notification of any revised authorities being made to the committees of the Congress.

Amendments are adopted to section 611, which establishes the urban recreation recovery program, to delete the specific criteria established for urban development action grants from being applied to the establishment of this section, thus permitting the Secretary more flexibility in designing workable criteria, and also to delete $100 million from the fiscal year 1979 authorization for this program.

New sections are added to title VI which:

First. Provide for the Secretary to assist in the protection of the Highway of Flags Servicemen's Memorial in Indiana.

Second. Redesignate the Theodore Roosevelt National Memorial Park in North Dakota as a national park.

Third. Authorizes the Secretary to convey title to a tract of land to the National Academy of Sciences, thus permitting the construction of a memorial to Albert Einstein.

Fourth. Renaming a reservoir project in Kansas as the Pearson-Skubitz Big Hill Lake, and

Fifth. Including a standard serverability clause in the bill.

Title VII is amended by including directive language to the Secretary in preparing a management plan for the Pere Marquette River in Michigan.

Also included is authorization to study the Red River Gorge Area in Kentucky for wild and scenic river status.

A deletion is made which eliminates immediate inclusion in the Wild and Scenic Rivers System of those federally managed rivers recommended by the President for such status.

Finally, a new title VIII is added which incorporates the language already passed by the House designating the Chattahoochee River National Recreation Area in Georgia.

Mr. Speaker, there are other technical amendments included in this package, but this describes in brief the total range of our amendments which have been offered en bloc.

I also want to call attention to the staff work that has been done to assist in making this bill possible.

We were most fortunate, in that at the time we began to develop this legislation, our subcommittee staff was joined by a participant in the American Political Science Association's congressional fellowship program. Dale Crane, Chief of Recreation and Natural Resources for the U.S. Army Corps of Engineers, chose to spend the first part of his fellowship assignment with our subcommittee. Dale's arrival coincided with our initial hearings and discussions on the items that were later joined together into H.R. 12536. From the very beginning of his assignment, his willingness to work long hours, often at personal inconvenience, impressed me greatly. Dale assumed primary responsibility for several titles of the legislation, and worked diligently and effectively with all parties in combining the many items into a rational format. I believe that his performance while on this assignment reflects great credit on both himself and his agency, and I want to express my personal appreciation at this time. There are significant elements of this legislation which would never have been brought forward for the deliberations of this body except for the personal efforts of Dale Crane.

I also want to express my particular thanks to the Office of the Legislative Counsel in general and to Pope Barrow of that office in particular, who worked closely with our staff in the difficult and time-consuming task of reducing these many and diverse issues to a workable legislative text. Our subcommittee and full committee staff are also to be commended for their efforts during the course of this matter.

AMENDMENT OFFERED BY MR. SEBELIUS

Mr. SEBELIUS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SEBELIUS: At the end of the bill add a new title to read as follows:

TITLE XI

SEC. 1101. In order to preserve for the education, inspiration, and benefit of present and future generations significant examples of historical and cultural resources of the Mississippi Delta region and to provide for their interpretation in such manner as to portray the development of cultural diversity in the region, there is authorized to be established in the State of Louisiana the Jean Lafitte National Historical Park (hereinafter referred to as the "park"). The park shall consist of (1) the area known as Big Oak Island; (2) an area or areas within the French Quarter section of the city of New Orleans as may be designated by the Secretary of the Interior for an interpretive and administrative facility; (3) the Chalmette National Historical Park; and (4) such additional cultural and historical resources in the French Quarter and Garden District of New Orleans, forts in the delta region, plantations, and Acadian towns and villages in the Saint Martinville area and such other sites as are subject to cooperative agreements in accordance with the provisions of this title.

SEC. 1102. The Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to acquire lands, waters, and interests therein, including leasehold interests, by donation, purchase with donated or appropriated funds, or exchange as he may designate in the French Quarter of New Orleans for development and operation as an interpretive and administrative facility. Lands, waters, and interests therein owned by the State of Louisiana or any political subdivision thereof may be acquired only by donation.

SEC. 1103. In furtherance of the purposes of this title, and after consultation with the Commission created by section 905 of this title, the Secretary is authorized to enter into cooperative agreements with the owners of properties of historical or cultural significance, including but not limited to, the resources described in clauses (1) through (4) of the first section of this title, pursuant to which the Secretary may mark, interpret, restore, and/or provide technical assistance for the preservation and interpretation of such properties, and pursuant to which the Secretary may provide assistance including management services, program implementation, and incremental financial assistance in furtherance of the standards for administration of the park pursuant to section 904 of this title. Such agreements shall contain, but need not be limited to, provisions that

the Secretary, through the National Park Service, shall have the right to access at all reasonable times to all public portions of the property covered by such agreement for the purpose of conducting visitors through such properties and interpreting them to the public, and that no changes or alterations shall be made in such properties except by mutual agreement between the Secretary and the other parties to such agreements. The agreements may contain specific provisions which outline in detail the extent of the participation by the Secretary in the restoration, preservation, interpretation, and maintenance of such properties.

SEC. 1104. The Secretary shall establish the park by publication of a notice to that effect in the Federal Register at such time as he finds that, consistent with the general management plan referred to in section 908, sufficient lands and interests therein (i) have been acquired for interpretive and administrative facilities, or (ii) have been made the subject of cooperative agreements pursuant to section 403. Pending such establishment and thereafter the Secretary shall administer the park in accordance with the provisions of this Act, the Act of August 25, 1916 (39 Stat. 535), the Act of August 21, 1935 (49 Stat. 666), and any other statutory authorities available to him for the conservation and management of historical and cultural resources.

SEC. 1105. (a) There is established the Jean Lafitte National Historical Park Advisory Commission (hereinafter referred to as the "Commission"), which shall consist of the following:

(1) one member appointed by the Governor of the State of Louisiana;

(2) one member appointed by the Secretary from recommendations submitted by the President of Jefferson Parish;

(3) one member appointed by the Secretary from recommendations submitted by the Jefferson Parish Council;

(4) one member appointed by the Secretary from recommendations submitted by the mayor of the city of New Orleans;

(5) one member appointed by the Secretary to serve at large; and

(6) two members appointed by the Secretary from recommendations submitted by local citizen conservation organizations in the delta region.

(b) Members of the Commission shall serve without compensation as such. The Secretary is authorized to pay the expenses reasonably incurred by the non-Federal members of the Commission in carrying out their duties.

(c) The function of the Commission shall be to advise the Secretary in the selection of sites for inclusion in the park, in the development and implementation of a general management plan, and in the development and implementation of a comprehensive interpretive program for the historic and cultural resources of the region.

(d) The Directors of the Heritage Conservation and Recreation Service and the National Park Service shall serve as ex officio members of the Commission and provide such staff support and technical services as may be necessary to carry out the functions of the Commission.

SEC. 1106. (a) Effective October 1, 1978, there is authorized to be appropriated, to carry out the provisions of this Act, not to exceed $1,000,000 from the Land and Water Conservation Fund for acquisition of lands, waters, and interests therein, and $500,000 for the development of essential facilities.

(b) Within three years from the date of enactment of this title, the Secretary, after consultation with the Commission, shall submit to the Committee on Interior and Insular Affairs of the House of Representatives, and the Committee on Energy and Natural Resources of the Senate a general management plan for the park indicating—

(1) transportation alternatives for public access to the park;

(2) the number of visitors and types of public use within the park which can be accommodated in accordance with the protection of its resources; and

(3) the location and estimated cost of facilities deemed necessary to accommodate such visitors and uses.

SEC. 1107. By no later than the end of the first full fiscal year following the date of enactment of this title, the Secretary shall submit to the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate, a comprehensive report with recommendations as to sites within the Mississippi River Delta Region which constitute nationally significant examples of natural resources within that region.

SEC. 1108. The area described in the Act of October 9, 1962 (76 Stat. 755) as the 'Chalmette National Historical Park' is hereby redesignated as the Chalmette Unit of the Jean Lafitte National Historical Park. Any references to the Chalmette National Historical Park shall be deemed to be references to said Chalmette Unit."

Mr. SEBELIUS (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the RECORD.

The Chairman. Is there objection to the request of the gentleman from Kansas?

There was no objection.

PARLIAMENTARY INQUIRY

Mr. PHILLIP BURTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. PHILLIP BURTON. Mr. Chairman, it is my understanding that this very important amendment was adopted unanimously last week.

Mr. SEBELIUS. If the gentleman will yield, let me say that this is the "Lafitte" amendment.

Mr. PHILLIP BURTON. This is the "Lafitte National Historical Park"?

Mr. SEBELIUS. That is correct.

Mr. PHILLIP BURTON. I withdraw my parliamentary inquiry and thank the gentleman.

Mr. SEBELIUS. Mr. Chairman, what I have offered here is a new title to preserve some history of Jean Lefitte and the French presence in Louisiana. The amendment provides for the authorization of the Jean Lafitte National Historical Park. The Senate has already passed a bill which we have before our committee. This is a much reduced version of it.

It also provides for a park area on Big Oak Island, south of New Orleans, and an area or areas within the French Quarter section of the City of New Orleans as may be designated for an interpretive and administrative facility, the Chalmette National Historical Park, and such additional cultural and historical resources in the French Quarter and other districts that can be preserved for their cultural aspects.

Mr. YATES. Mr. Chairman, will the gentleman yield for a question?

Mr. SEBELIUS. I yield to the gentleman from Illinois.

Mr. YATES. I thank the gentleman for yielding.

Is it the purpose of the gentleman's amendment to name the national park after an individual?

Mr. SEBELIUS. No. Actually, I guess one could say that in a sense. The Senate passed the bill with that name on it.

Mr. YATES. It will be known as the Jean Lafitte National Park; will it not?

Mr. SEBELIUS. Historical park.

Mr. YATES. Historical Park, but it will be named after an individual; will it not?

Mr. SEBELIUS. I know what the gentleman is up to.

Mr. YATES. The answer is "yes"?

Mr. SEBELIUS. I think the gentleman has done a very skillful job with making a point.

Mr. YATES. The answer is "yes"; is it not?

Mr. SEBELIUS. Yes. Now if I may proceed, I will get 2 minutes out of the gentleman from Illinois (Mr. YATES) at a later time.

Actually what we are doing here is authorizing a half million dollars, for development, and $1 million for acquisition. It would make a good item we can proceed with with the Senate, as they have already passed the bill on this subject.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from California.

Mr. PHILLIP BURTON. I thank the gentleman for yielding.

I accept the amendment of the gentleman from Kansas.

Mr. SEBELIUS. I thank the gentleman.

Mr. Chairman, I yield back the remainder of my time.

Mr. SKUBITZ. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am going to support this amendment although I feel that the amendment itself does not go far enough. In turn, I feel that the bill that we have before us, the Senate bill, has gone too far. I am hopeful that the Committee will accept this amendment, but I want to serve notice now to both the chairman of the subcommittee and the ranking member that it is my intention to be a member of the conference committee.

I think it has been studied to death. I think the area that we are talking about studying today is an area that has already been studied, and I see no reason for going through another study period except that the park people are not happy with the area and they, in turn, want to set aside something else.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. SKUBITZ. I yield to the gentleman from California.

Mr. PHILLIP BURTON. I thank the gentleman for yielding.

I would commend my colleague. I share somewhat the general direction that the gentleman from Kansas (Mr. SKUBITZ) has indicated he is heading in. I probably

will end up traveling further down the road in support of that approved by the Senate. I think this is a very useful way to treat this matter that must be dealt with in any event in this session. I applaud the efforts of both the gentlemen from Kansas in this respect.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. SKUBITZ. I yield to the gentleman from Illinois.

Mr. YATES. I thank the gentleman for yielding.

I ask the gentleman, in view of the opposition of members of the committee in committee to renaming the Indiana Dunes for the late great Senator Paul H. Douglas, is it not unusual that both the minority and majority members of the committee are willing now to accept a National Historical Park named for an individual, particularly an individual who happens to have been a pirate?

The gentleman from Kansas (Mr. SEBELIUS), opposed my bill in committee. The gentleman from California says that he voted for it in committee. I propose to offer an amendment after the amendment of the gentleman from Kansas to rename the Indiana Dunes in honor of the person who was responsible more than any other person for saving the Indiana Dunes for the country, to name it the Paul H. Douglas Indiana Dunes National Lakeshore. I do not know why it should not be accepted by both sides in view of their acceptance of the name of Lafitte for a national park.

Mr. SKUBITZ. It might be helpful to review the history relating to this bill. The idea of such a bill was first introduced by our late colleague, Mr. Hale Boggs, on October 4, 1971. A bill, H.R. 11056, to authorize a study of the feasibility and desirability of establishing a unit of the national park system to commemorate the unique values of the barataria region of Louisiana and for other purposes to be known as the Jean Lafitte National Cultural Park.

That bill authorized to be appropriated not to exceed $40,000 to carry out the provisions of this act. On October 12, 1972, Nathaniel Reed, Assistant Secretary of Interior, sent a letter to the Honorable Wayne Aspinal who was then the Chairman of the Interior Committee in which Mr. Reed said—

> Because the Secretary now has authority to conduct the study that would be authorized by H.R. 11056—we believe that the enactment of this bill is not necessary.

It appears that Hale Boggs had about as much faith in the work of Nathaniel Reed in carrying out a project of this nature as I had with respect to the Cherokee Strip Area in my district.

Mr. Boggs appeared before the House Appropriations Committee on behalf of his bill.

A newsstory, June 14, 1972, carried this story and I quote:

> The House yesterday approved an Interior Appropriation bill containing $40,000 to study the feasibility of establishing a Jean LaFitte National Cultural Park in Jefferson Parish. Representative Hale Boggs of New Orleans said he was able to convince the House Appropriations Committee to include the park item in the appropriations bill without the usual authorization and accompanying delay funding for federal agencies. It is conventionally agreed to by the House and Senate in authorization bills before the final Congressional Staff of appropriations. The Park Service will study the feasibility of creating a 20,000 acre park in the bayou and marsh barataria area adjoining Lake Salvador about 15 miles south of New Orleans. The proposed park could be reached from New Orleans by State Highway 45, Poggs said. He said "Louisiana Highway Department plans to improve the highways. The yearlong study of the park by the National Park Service will be conducted with local and State agencies," said Boggs.

That was June 1972, now on October 2, 1973, 15 months later Mrs. BOGGS introduced H.R. 10665, a bill to authorize the establishment of Jean Lafitte National Historical Park in the State of Louisiana and for other purposes. It appears that the suitability and feasibility study was made and that a report was submitted sometime in 1973. And was presented to the National Park Committee of the Advisory Board on April 23, 1974—but no recommendations were made.

During 1974, 1975, 1976, up to July 11, 1977, nothing more was said about the Jean Lafitte National Park proposal. You see the idea of the so-called urban parks program was not an idea whose time had come.

On July 11, 1977, Senator JOHNSTON of Louisiana presented a bill, S. 1829, for the establishment of such a park which has passed the Senate.

On the House side our colleague, Mrs. BOGGS, on July 13, 1977, introduced H.R. 8290.

Now before considering the context of these bills it might be wise to review the suitability and feasibility study that was prepared under the direction of Nathaniel Reed in 1972 or 1973.

Interest in the Jean Lafitte Park started among the citizens of Louisiana's Jefferson Parish about 10 years ago. From the start it centered on a swamp marsh area 10 miles south of New Orleans just east of Lake Salvador, an area with potential natural scenic history and recreation value. The 1966 Louisiana Legislature authorized 3,000 acres.

Mr. Boggs went to the Appropriations Committee and had $40,000 earmarked for such a study which thus made this bill unnecessary. But it directed the Department to act. Its principal field work was accomplished from 1972 to March 1973. A congressional tour was made of the area and I made the tour at that time. And then after the submission of a study or a feasibility report on October 2, 1973, Mrs. BOGGS introduced H.R. 10665.

Permit me to repeat that nothing was done about it in 1973, 1974, 1975, 1976, 1977, until 1978 when Senator JOHNSTON'S bill passed the Senate and we passed our version in the House.

It is a unique area. The report says:

> While not unique in the world, the Mississippi Delta Area is an unusual and distinct type of land form with particular environmental dynamics.

What is going to happen to this area if something is not done? Let me read from the feasibility study—"the 600,000 New Orleans' residents where 27 percent of the State's population lives are hemmed in on a narrow zone of natural high grounds between Lake Pontchartrain and the river." New Orleans is literally out of land for new home sites and its population is expected to decline slightly in the near term. On the opposite bank of the river, however, and extending south into the Barataria country, some land is available for development and consequently Jefferson Parish here is expected to increase from its current 300,000 population to nearly twice by 1985.

We are told that a new highway, ultimately to be four lanes, is planned to pass near the area through the marsh farther south between the towns of Lafitte and LaRose. Today, 2,150 vehicles per day enter the Barataria region through this corridor. After completion of the route, we are told that this will swell to 10,800 by 1990. There is not any question that property values will surely increase and that the economic forces at play in the Barataria region are destroying the area.

One might ask the question, should this area be preserved? Many have argued that the marshes have been destroyed by a network of canals, and oil pipelines, oil rigging areas and so forth and so on. And this may be true to some extent but the same could also be said of Gateway East and Gateway West which has been materially changed by man yet we took what we could, put it together and preserved some of the park areas for the good of the people on the east and west coasts.

In spite of the damage that has been done to the area, here's what the National Park Service had to say in their feasibility report:

> Travel to Louisiana and you're in another world experiencing another way of life. Here you sense the drama of history colored by Indian lore, French colonists, Spanish conquistadores, British armies, the Americanization of a polygot empire.

You see the evidence of this colorful past in old forts and battlefields, magnificent mansions, great cemetaries, and stately buildings.

Should creole culture, the very heart of New Orleans, be preserved? From the time that city became noted, both for its bawdiness as a river town and for its gaiety as a cultural center, was dominated by the exclusive creole set. The creole society represents a way of life reflected in a preference for certain foods, a mode of dress, a way of speaking, it continues it in customs, law, and religion. The present expression of it is best seen in the French Quarter, a myriad of houses, shops, churches, and world-famous creole restaurants. Many of these buildings are distinctly decorated within enclosed porches, balconies, wrought-iron railings. The question this committee must decide is—should this be preserved against the ever-present encroachment of American commercialism. To help preserve it is what this bill is all about.

The Vieux Carre Historic District also called the French Quarter, consisting of an 85-block area, concides approximate-

ly with the original area of the city of New Orleans. Within the area, one finds the architecture of the French-Spanish colonly period from 1720 to 1803, early Federal period from 1803 to 1825, antebellum period from 1825 to 1860—fires in 1788 to 1794 destroyed over 1,000 18th century buildings. Should we preserve what is left of this heritage? Some of us can still remember the beautiful poem by Longfellow. It is called "Evangeline." And that famous line, "ships that pass in the night." We still remember that it is the story of the Acadians who were forced to leave their homes in Nova Scotia by the British. It was to the St. Martinville area about 100 miles west of New Orleans that the Acadians founded their new homes. The Acadian houses built in 1765 invite visitors to explore the past of the costumed guides.

Is this worth preserving? I think so. St. Martinville, here where the Acadians first landed, also the traditional meeting place of Evangeline and Gabriel of Longfellow's poem. The historic district of St. Martinville is being considered for a national historical landmark recognition today and it should be recognized. More so it should be preserved.

African influence is found pervading all the other cultures from the earliest time. It is intrinsically linked with the mansions as with the slave quarters for their labor made the entire system possible. Rhythms heard in the 1700's are still heard in the music today. The slaves brought their music and dances with them from Africa. And these continued to play an important role in their lives in the new world. Congo Square is also associated with a practice of voodooism, Preservation Hall and the French Quarter, catering to sincere jazz fans. Should it be preserved?

Louisianians point with pride to the story told by Chalmette National Historical Park which commemorates the Battle of New Orleans between American and British forces on January 8, 1850, in which Andrew Jackson won the greatest American land victory in the War of 1812 with the help of Lafitte. Unfortunately, the battle was fought 15 days after the Treaty of Trent was signed on December 24, 1814. There are some who say that Jackson would have won without Lafitte, but the same people who say that will also admit that the British would have won if Lafitte would have joined them which he refused to do. To me, there is so much worth preserving in the area which is far more important than the part that Lafitte played in the Battle of New Orleans. But if the glamour attached to this pirate, Lafitte, who organized the smuggling operations and combined it with pirateering is important, it ought to be preserved. For certainly the Lafitte Marsh area must be and should be a part of the whole story.

Mr. Chairman, I shall support the amendment by my colleague, but I do not think it goes far enough. To me, further study is not necessary and to spend more money means delay. I am hopeful that in conference we can work out a compromise that will reduce the acreage of the park, reduce the amount of the authorization, and deny the Secretary the authority to acquire land without the specific assent of the Congress.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas (Mr. SEBELIUS).

The amendment was agreed to.

AMENDMENTS OFFERED BY MR. PHILLIP BURTON

Mr. PHILLIP BURTON. Mr. Chairman, I offer technical amendments containing two technical changes we have to make in the Virgin Islands National Park section. One reduces the amount of land we permit to be donated in two parcels.

The Clerk read as follows:

Amendments offered by Mr. PHILLIP BURTON: Page 207, line 18, preceding the word "January" insert the word "before".

Page 218, delete subsections 405(a) and 405(c), and redesignate subsection 405(b) as section 405.

Page 209, strike lines 12 through 21 and insert in lieu thereof:

(e) Section 2(c) of the Act entitled "An Act to authorize the establishment of the Virgin Islands National Park, and for other purposes" (70 Stat. 940; 16 U.S.C. 398) is amended by adding the following sentence at the end thereof: "Notwithstanding the acreage limitations and boundary designations contained in this section, the Secretary is authorized to accept through donation, or purchase from a willing seller, the real and personal property located on Lots 251–252 Estate Contant Enighed, Parcels 86B and 86AA Cruz Bay Quarter."

Mr. PHILLIP BURTON. Mr. Chairman, I ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. DON H. CLAUSEN. Mr. Chairman, reserving the right to object, I do so for the purpose of getting clarification. It is my understanding that these are technical amendments designed to conform the language to the language of the amendments already adopted by the House.

Mr. PHILLIP BURTON. That is correct.

Mr. DON H. CLAUSEN. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from California (Mr. PHILLIP BURTON)?

There was no objection.

Mr. PHILLIP BURTON. Mr. Chairman, I ask for adoption of the amendments.

The CHAIRMAN. The question is on the amendments offered by the gentleman from California (Mr. PHILLIP BURTON).

The amendments were agreed to.

AMENDMENT OFFERED BY MR. YATES

Mr. YATES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YATES: At the end of the bill add the following new title XII:

TITLE XII

To designate the Indiana Dunes National Lakeshore as the "Paul H. Douglas Indiana Dunes National Lake Shore."

Section . That the Indiana Dunes National Lakeshore, authorized to be established by the Act entitled "An Act to provide for the establishment of the Indiana Dunes National Lakeshore, and for other purposes", approved November 5, 1966 (80 Stat. 1309), shall be known and designated hereafter as the "Paul H. Douglas Indiana Dunes National Lakeshore". Any reference to the Indiana Dunes National Lakeshore in any law, regulation, map, record, or other paper of the United States shall be deemed a reference to such lakeshore as the "Paul H. Douglas Indiana Dunes National Lakeshore".

Mr. YATES (during the reading.) Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. YATES. Mr. Chairman, yesterday the House provided for a memorial for our late respected colleague, the gentleman from California, Mr. Bill Ketchum, by an appropriate symbol to be installed in one of the national parks created under this bill in one of the islands of the Pacific which had been among the battlefields during World War II. Among those who participated in the war in the Pacific with gallantry, with heroism, was the late great Senator from Illinois, Paul H. Douglas, who enlisted as a private in the Marine Corps at age 50 and then proceeded to rise through the ranks to the rank of colonel by the end of the war.

Douglas was decorated for bravery in action. He won the Purple Heart for a wound which left his hand permanently crippled.

Paul H. Douglas went on from the war to become a Senator of the United States where he became one of the great Senators in the history of the Senate for his work in many areas and on many issues. One of the issues closest to his heart was saving the Indiana Dunes from destruction.

Mr. Chairman, that is why I say the name of Paul H. Douglas should be united with the National Lakeshore in Indiana, a recreational area which was created principally because of his heroic efforts, both in the Senate and in the House. I think it deserves to be named in his honor because he recognized and moved to preserve the dunes. The park simply would not have existed without the efforts of Paul H. Douglas. The prolonged and courageous battle that he waged to save it is the kind of standard by which future nominees for any similar named honor should be judged.

I have been informed that the committee opposes my amendment because, as the committee said, no national park should be named for an individual; rather, it should have a geographic name or an Indian name.

Yet, 2 minutes ago the gentleman from Kansas (Mr. SEBELIUS) introduced an amendment to name an historical park in Louisiana as the Jean Lafitte National Historical Park, an action that was agreed to by the distinguished chairman of the subcommittee on behalf of the majority.

Why then is there opposition to naming this part of the National Park System for Paul H. Douglas?

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. YATES. I will be glad to yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Chairman, I will at some later point—and perhaps it will be soon—try to reconcile my conflicting responsibilities with respect to this amendment.

First, however, let me say that the amendment making reference to the gentleman from California, Mr. Ketchum, was written very carefully. I am sure that Congressman Ketchum would not have endorsed the idea that the Guam "War in the Pacific National Historical Park" be named for him or for just one person. We very carefully avoided that pitfall.

Mr. YATES. Then, may I ask, why did the gentleman agree to the naming of the Jean Lafitte Historical Park?

Mr. PHILLIP BURTON. Let me say that I have not yet constructed a rationale to distinguish the difference between the Jean Lafitte situation and the Paul H. Douglas situation, except for the fact that one person has been dead longer than the other, and that one was a pirate and the other served in the U.S. Senate and has not been dead as long as Jean Lafitte.

Mr. YATES. Mr. Chairman, obviously that is not a sufficient rationale. I do not see why the gentleman prefers to honor a pirate over a distinguished U.S. Senator by naming a park after him.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. YATES. I will yield in just a moment.

Mr. Chairman, it seems to me that the rationale of the committee in opposing my amendment fails by the committee's own action.

Moreover, there are five national parks now in existence that are named for individuals. That, too, indicates how wrong the committee is. For example, there is Bryce Canyon National Park, which was named after Mr. Bryce; there is the Kings Canyon National Park, which was named after Mr. King; there is the Mount Rainier National Park named after Mr. Rainier; and there is the Lassen Volcanic National Park named after Mr. Lassen, and there is the Theodore Roosevelt National Park.

So the argument that has been made that we no longer name parks after individuals has no validity.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield now?

Mr. YATES. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, I would like to relate an anecdote at this juncture that I think is very appropriate. The gentleman from Illinois (Mr. YATES) is very properly seeking to name the Indiana Dunes National Park after Senator Paul Douglas, one of the giants of the Congress.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. YATES) has expired.

(On request of Mr. OBERSTAR, and by unanimous consent, Mr. YATES was allowed to proceed for 3 additional minutes.)

Mr. OBERSTAR. Mr. Chairman, if the gentleman will yield further and if I may continue, several years ago, when I served on the staff of then Congressman John Blatnik, who later became chairman of the House Committee on Public Works and who was a distinguished Member of this body for 28 years, I met Senator Douglas. Mr. Blatnik was then chairman of the Subcommittee on Rivers and Harbors, which was considering legislation that would have resulted in dredging out part of the Indiana Dunes and making a portion of the area into a big harbor.

Senator Douglas called one day and asked if he might come over and see John Blatnik. Mr. Blatnik, who was quite embarrassed at the thought of being visited by his former professor at the University of Chicago, said, "No, Senator, I will come over to see you."

But, no, Senator Douglas insisted on coming over to see Mr. Blatnik. They sat down and talked, and I was priviliged to sit in on the conversation.

Senator Douglas made a plea for the Indiana Dunes, for preserving it from dredging. He said, "As a young man I was somewhat of a revolutionary, and I wanted to save the world. Later on, as I grew into adulthood, my perspective narrowed, and as a Senator I wanted to save the United States. But," he said, "now, in the twilight of my career, I want only to save the Indiana Dunes."

And save it he did.

Mr. YATES. Yes, he did.

Mr. OBERSTAR. John Blatnik took the initiative within the Public Works Committee to provide for the needs of navigation, while preserving the Indiana Dunes from development. So, it was Paul Douglas' leadership, his courage, his foresight, his persuasiveness, and his vision that was recognized by an earlier Congress, and this Congress ought now to have the vision and foresight and generosity to recognize what Paul Douglas did for the Indiana Dunes and name this national lakeshore appropriately after that great statesman.

Mr. YATES. Mr. Chairman, I thank the gentleman for his eloquent contribution. He has been most helpful.

It will be argued by some of my friends from Indiana that this is Indiana territory and it ought not to be named for somebody from another State.

I would say to my friends from Indiana that this is a national park, not a local, State park. And I would remind them that the most bitter opponents for establishing the dunes as a national park was the delegation from Indiana led by the minority leader at that time, Charles Halleck. There were only three members of the Indiana delegation who voted for the dunes as a national park at that time. They were Democrats. One was Ray Madden, another was JOHN BRADEMAS, other was Edward Roush. But the rest of the Indiana delegation fought the establishment of the dunes as a national park. Now members of the delegation state their opposition to naming it for the man who was responsible for saving the dunes.

Mr. Chairman, I urge the Members to give appropriate recognition, appropriate honor to the man who did the most in saving the dunes, by renaming the park the Paul H. Douglas Indiana Dunes National Lake Shore.

Mr. FITHIAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is with reluctance that I rise to oppose the Yates amendment. As this committee should know, the gentleman from Illinois is one of the real friends of the Indiana Dunes. He has been a prime mover in this House for the appropriations for the development, indeed for the acquisition, of that land. Therefore, it is with great reluctance that I rise to oppose his proposition.

But I would suggest to the committee that the proposal of the gentleman from Arizona (Mr. UDALL) last year is far more appropriate, for all of us want to give recognition to the late Senator Douglas. All of us recognize him as one of the real movers on behalf of the preservation of this great natural resource for the benefit of all of the country. And, therefore, I strongly supported the gentleman from Arizona (Mr. UDALL) in his proposition that this park should be dedicated to Senator Douglas, that the Park Service be directed to single out some part of the park, perhaps the principal visitors' center, perhaps the principal interpretive center, and name it after Senator Douglas, for this then would not do violence to the long-standing geographical name for the area.

As far back as I know, this area has been referred to as the Indiana Dunes. I hope that when I rise to oppose the amendment offered by the gentleman from Ilinois (Mr. YATES) that I am not viewed as one who comes only to the protection of a provincial interest. It is true that 90 percent of the park is in my congressional district. But it is also true that people have always regarded this area as the Indiana Dunes. It distinguishes it from the Michigan Dunes and from other areas geographically. I think I need not elaborate the uproar, that this would cause in my district, the uproar that this would cause in the State of Indiana. Let us put ourselves in the position of those who have had to give up their homes involuntarily under condemnation, who have had to terminate their business in the park area involuntarily under condemnation, who now face the problems of creating a national park in an urban setting. I assure the Members I have had hundreds of hours of long meetings. The gentleman from Indiana (Mr. BENJAMIN) and the gentleman from Indiana (Mr. BRADEMAS) have had meetings with their constituents. We work on a difficult problem. We work in an area of trying to harmonize with what is viewed in a local area as a national interest.

Therefore, I would say to the gentleman that, because I know his dedication to this proposition, I know his firm commitment to the proper honoring of the late Senator Douglas, I would assist him in any way possible to do that—but not to rename this park.

Mr. Chairman, I would plead with this House and I would plead with the sponsor of this amendment to consider alternative ways to do this.

For those of us who are now at work in the long, arduous, difficult task of trying to develop in the park with the Park Service a plan of development, a plan of acquisition, and a plan of park usage for all of the citizens of this country, how much more difficult the years ahead will be if constantly, at each and every meeting, we are reminded, albeit perhaps in a provincial way, that we, the representatives from the State of Indiana, have failed in the protection of the memory of this area as a part of the State of Indiana dedicated to national usage. How much more difficult it will be if we go down the way time and again only to be reminded that we have failed. I do not think anyone in this House really wants that.

Mr. Chairman, I would urge the defeat of the amendment.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. FITHIAN. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, I thank the gentleman for yielding.

I say to the gentleman that I respect his very eloquent plea, and I appreciate the argument that he has made.

The CHAIRMAN. The time of the gentleman from Indiana (Mr. FITHIAN) has expired.

(On request of Mr. YATES and by unanimous consent, Mr. FITHIAN was allowed to proceed for 2 additional minutes.)

Mr. YATES. Mr. Chairman, will the gentleman yield further?

Mr. FITHIAN. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, I respectfully suggest to my good friend that this is a national lakeshore. It is not a State park and I know that there are local controversies persist, but the fact remains that it is a national lakeshore. The name Indiana Dunes will still be present together with Senator Douglas. The amendment I have proposed is one which adds the name of Paul H. Douglas to the Indiana Dunes by calling it the Douglas-Indiana Dunes National Lakeshore.

Mr. FITHIAN. However, in custom, it would simply be referred to as the "Douglas Park."

Mr. YATES. No. I would say that in custom, it will not be known as that. I would think in custom it would probably still be known as the Indiana Dunes, or as the Douglas-Indiana Dunes.

Again Mr. Chairman, let me say that I respect the gentleman's argument; but I think that Senator Paul H. Douglas has been such a monumental figure in the establishment of the Dunes that he deserves to be recognized by having his name appropriately used in conjunction with the Indiana Dunes, in the overall name.

Mr. Chairman, I thank the gentleman for yielding.

Mr. FITHIAN. Mr. Chairman, I had hoped not to engage the gentleman from Illinois (Mr. YATES) in a debate on the relative merits of who did what to the park.

I must say, Mr. Chairman, that if we were to pick names, certainly in political terms it would be Senator Douglas; but in terms of those who stood at the "watch," so to speak, and tried to preserve the Indiana Dunes, I hope that we would consider other factors.

The CHAIRMAN. The time of the gentleman from Indiana (Mr. FITHIAN) has expired.

(By unanimous consent, Mr. FITHIAN was allowed to proceed for 2 additional minutes.)

Mr. FITHIAN. Mr. Chairman, to continue, I would hope that the House might be informed that there are citizens in the Dunes area who have formed the Dunes Council. There are individuals who put in thousands of hours when it was an unpopular task. Therefore, we could take into consideration the name, say, of the founding president of the Dunes Council or of the immediate past president, who has worked for many, many years. However, I do not think we ought to name this national treasure, per se, after any one individual. While we, as legislators for the Nation, contribute essentially pennies per capita to preserve this treasure, there are citizens in Indiana who, by the appraisal system of the Park Service, are contributing heavily out of the actual worth of their property, so there is that sacrifice.

Mr. SHARP. Mr. Chairman, will the gentleman yield?

Mr. FITHIAN. I yield to the gentleman from Indiana.

Mr. SHARP. Mr. Chairman, I would like to compliment the gentleman from Indiana (Mr. FITHIAN), both on his statement and on his work in trying to carry forward the work of people like Senator Paul H. Douglas. As he knows, we in Indiana have a great deal of respect for that extraordinary individual from Illinois and because of his extraordinary work on behalf of Indiana and the Nation on the Dunes Park.

It was for that reason, as the gentleman pointed out, that those of us on the Committee on Interior and Insular Affairs made the effort to see that the park would be dedicated, or a portion of it at least, to a visitors center in Senator Douglas' memory, so that people who come there will know that it was done because of his work, just as people elsewhere in the country will likely do the same for him and other individuals.

Mr. Chairman, at the time in the Committee on Interior and Insular Affairs we followed the leadership of both the Democrats and the Republicans who have been urging that major landmarks and parks not be named for individuals, but that, rather, there be a policy of dedicating only a portion of a park or other area in the name of certain individuals so that they will be remembered with respect to a portion of that effort.

Mr. PHILLIP BURTON. Mr. Chairman, I ask unanimous consent that we end all debate on this amendment and all amendments thereto at 11:30 a.m.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent agreement was entered into will be recognized for 1½ minutes each.

(By unanimous consent, Mr. RUSSO yielded his time to Mr. YATES.)

The CHAIRMAN. The Chair recognizes the gentleman from Indiana (Mr. QUAYLE).

Mr. QUAYLE. Mr. Chairman, I would just like to follow up with my colleagues from Indiana, Mr. FITHIAN and Mr. SHARP. I have entered into this discussion late. I did not have the privilege to work for the Dunes or against the Dunes, whichever the case may have been. My predecessor was very active in support of the Dunes.

I would just say that perhaps there is an alternative to naming the whole thing the Douglas Park. I always get concerned about my good friends in Illinois. I call them the Illinois gang. On the Republican side we have the leadership, and also on the Democratic side, but in Indiana there are a lot of people who worked very hard on the Dunes. I do not want to take any credit away from Senator Douglas because I am told, although I did not have firsthand knowledge, that he was extraordinarily involved in this.

So, I suppose I would ask that this body defeat this amendment in hopes that there could be a reasonable compromise that could be worked out along the lines suggested by my colleague from Indiana in his statement on the floor just prior to my statement. I would urge compassion for the State of Indiana, and moderation in trying to do what would be best for everybody involved.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. KREBS).

Mr. KREBS. Mr. Chairman, I will not use my full time. I certainly want to commend the gentleman from Indiana (Mr. FITHIAN) on his very articulate presentation of his position. I am a member of the subcommittee that dealt with this issue.

In light of the outstanding contributions of the man who will be honored in connection with this amendment, I submit that if we can name a park after a pirate, we certainly should be able to name a park after the late Senator Douglas.

(By unanimous consent, Mr. GILMAN yielded his time to Mr. SEBELIUS.)

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. SIMON).

Mr. SIMON. Mr. Chairman, when Mike Mansfield retired from the Senate, he said he had served with three giants in the Senate, one of them Paul Douglas. We have voted millions for tribute to this person or that person, but nothing for Paul Douglas and the one thing Paul Douglas wanted most in his later years, in the eloquent words of our colleague, the gentleman from Minnesota (Mr. OBERSTAR), was the Indiana Dunes. Here we are asking just to add his name to the Indiana Dunes National Park. He led the fight to save them before it was popular. He led the fight for civil rights before that was popular. He led the fight for Government ethics before that was

popular. He headed a host of fights to make ours a better, more just society. Now we are asking just to do a little thing for him.

In his final months he suffered several strokes and he could barely whisper, and he used to repeat the words the gentleman from Minnesota (Mr. OBERSTAR) used here before:

When I was young, I used to want to save the world; when I was older, I wanted to save the Nation; and now all I want to do is to save the Indiana Dunes.

Let us pay tribute to this giant in our midst and do it in this quiet, effective, tasteful tribute.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana (Mr. BENJAMIN).

Mr. BENJAMIN. Mr. Chairman, I rise in reluctant opposition to the amendment offered by my dear friend and colleague, the gentleman from Illinois (Mr. YATES), chairman of the Interior Appropriations Subcommittee, which has been extremely accommodating in support of the Indiana Dunes National Lakeshore.

My recollection is that he led several previous attempts to rename the Indiana Dunes National Lakeshore for the late Paul Douglas. Paul Douglas was a giant of a man, a great humanitarian, a public officer beyond reproach and a fellow Marine. I personally knew Paul Douglas and I respected and admired him, as I do the gentleman from Illinois (Mr. YATES).

However, I do not believe this is the proper approach by which we should modify the name of the Indiana Dunes National Lakeshore. The citizens of Indiana who had actually initiated the movement and persevered in order to expand the Indiana Dunes State Park into the Indiana Dunes National Lakeshore are not supportive of this amendment. Paul Douglas was a member of that group. There are a number of bills now in the Interior Committee that deal with the expansion of the facilities of the Indiana Dunes National Lakeshore. I urge my dear colleague to withdraw his amendment and use one of the pending bills for its more appropriate consideration. This will enable the committee to explore the relative contribution of all of the giants involved in the development and subsequent expansion of the Indiana Dunes National Lakeshore. Due and deliberate consideration will help determine if there is a more appropriate name for the Indiana Dunes National Lakeshore.

The reasoning employed in support of the amendment includes the greatness of Paul Douglas, which I have already conceded. However, the distinguished sponsor also invokes the 5 minutes old, newly established tradition of naming a national park for its major supporter. My view of this policy is ambivalent. I do not personally accept it as a good policy. On the other hand, if my colleagues decide otherwise, then fairness and equity demand that all possible names be considered to include the outstanding contributions of Indiana citizens, including Members and former Members of Congress.

I ask my colleagues to join Congressman FITHIAN and me in opposing this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. YATES).

Mr. YATES. Mr. Chairman, my good friend, and he is my good friend, ADAM BENJAMIN has indicated this is not an appropriate vehicle for offering my amendment. There is no vehicle that is more appropriate, Mr. Chairman.

The gentleman from California yesterday offered an amendment to name an installation in honor of a person, our late colleague, Mr. Ketchum of California. The bill itself contains provisions regarding national parks named in honor of persons, national monuments. Other installations of the National Park Service are named for individuals.

The gentleman from Kansas, a few moments before I offered my amendment, offered an amendment to name a park in Louisiana in honor of John Lafitte. The House accepted that amendment.

Why then is this not an appropriate vehicle for renaming a park in honor of one of the great men in the history of the U.S. Senate, for a purpose for which he was totally dedicated and devoted?

Mr. Chairman, it would be a most happy marriage to unite the name of Paul H. Douglas with the Indiana Dunes that is precisely what my amendment proposes to do, to name the Paul H. Douglas Indiana National Dunes.

Mr. RONCALIO. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Wyoming.

Mr. RONCALIO. Mr. Chairman, it is not only a fitting tribute to a great lawmaker but also to a decorated Marine who helped to save the United States of America in World War II. He was one of the few combat veterans, fighting men, who represented his country in the Congress.

Mr. YATES. I thank the gentleman. He is absolutely right.

Mr. FITHIAN. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Indiana (Mr. FITHIAN).

Mr. FITHIAN. Mr. Chairman, I would not want to close on a note which would lead anyone in this House to believe that any of us think any less of Paul Douglas because we oppose the amendment.

Mr. YATES. None of us believes that. We recognize that there are certain obligations for the gentlemen from the State of Indiana.

The fact is that, nevertheless, Paul H. Douglas so well deserves the honor my amendment seeks to confer upon him. I hope and trust the House will confer that honor upon him.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas (Mr. SEBELIUS).

Mr. SEBELIUS. Mr. Chairman, I would just like to respond a little bit about the name Jean Lafitte because that was not the name that I chose. It was Hale Boggs who chose that name several years ago. Now, if we follow this route we might want to change it to the Hale Boggs National Historical Park, if we follow that same line of thinking.

Mr. YATES. But you are still using the name of a person.

Mr. SEBELIUS. I personally would have preferred to call it the French Heritage Historical Park, but, be that as it may, we have in the committee, both the subcommittee and in the full committee, during markup named the principal visitor's center in the Indiana Dunes National Lakeshore and the west beach portion after Paul H. Douglas, to maintain the consistency we have always exercised as far as national park units are concerned, just as we have done so in naming other features, such as in Mount Rainier and the same with Mount McKinley.

I certainly think, with all respect I have for the gentleman from Wyoming, TENO RONCALIO, and I would also hope, that we do not call it the Teno Roncalio-Grand Teton National Park up there, because we should not do that because people have rendered great service.

But, let us look just at the situation at hand. We have had quite a fight over whether we would put the name of William O. Douglas on the Chesapeake & Ohio National Historical Park. There was a big fight on that, and there will continue to be fight after fight. No one wants to dishonor anybody, especially Paul H. Douglas, but by the same token I would like to see that he is honored by reason of his service. The people in Indiana do not want it named that way.

Mr. YATES. If the gentleman will yield, why, then, did you offer the name of Jean Lafitte?

Mr. SEBELIUS. I did that because that was part of the history in that area.

Mr. YATES. Why did you not call it the French Heritage National Park?

Mr. SEBELIUS. I would have if I had had the choice.

Mr. YATES. You could have offered it. Yet you offered the name of Jean Lafitte.

Mr. SEBELIUS. Jean Lafitte is an historical name in that area as far as their heritage is concerned. We may change this to the Hale Boggs National Park if we go this new route. This is the wrong road to go, to have national parks named after ex-Congressmen and ex-Senators. I hope we can honor all of them, but I do not want to name all of the parks after them.

I urge the defeat of this amendment. But let me say that we are going to have a heck of a time trying to honor some of our past colleagues because of the meritorious service they have rendered.

I hope we get a no vote on this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from California, (Mr. PHILLIP BURTON).

Mr. PHILLIP BURTON. Mr. Chairman, I have a couple of responsibilities that I have to reconcile. One is the distinguished chairman of our full committee, were he here, the gentleman from Arizona (Mr. UDALL) would argue, with a passion, that we should follow our ranking member on the subcommittee, the gentleman from Kansas (Mr. SEBELIUS).

But, Mr. Chairman, I strongly supported this amendment in the commit-

tee. I worked quite diligently on it, the vote was close, but we did not win the vote.

So, Mr. Chairman, I feel constrained to respect that fact. But, notwithstanding that, even though I feel that this particular recognition should be used sparingly, I have to go where the facts and the logic lead me, so I am going to vote for the amendment offered by the gentleman from Illinois (Mr. YATES). Although this power should be used sparingly, as I have said, there are instances where it is justified and, in my view, this happens to be one of those instances.

● Mr. FINDLEY. Mr. Chairman, I am pleased to support the amendment of the gentleman from Illinois (Mr. YATES) to name the Indiana Dunes in recognition of the late Senator Paul H. Douglas. As a Republican, I always admired and supported the efforts of Senator Douglas to save the dunes, and I believe that he above all other persons deserves this recognition. He was a fine citizen, a man of courage and discrimination, and statesmanlike, and this enduring recognition is appropriate in every respect.●

● Mr. ANNUNZIO. Mr. Chairman, I congratulate my distinguished colleague from Illinois, Honorable SID YATES, on introducing the amendment to designate the Indiana Dunes National Lakeshore hereafter as the Paul H. Douglas Indiana Dunes National Lakeshore.

There is no more fitting tribute than this that can be paid to the late Senator Douglas, of Illinois, for without his mighty efforts, the Indiana Dunes National Lakeshore would never have become reality.

The Senator was the mobilizing force behind this effort and it was his dynamic leadership and tenacity which finally resulted in enactment of legislation to establish the Indiana Dunes National Lakeshore in November of 1966.

The late Senator Douglas was a truly gifted individual who by thought and deed was a man ahead of his time in serving his fellow man. It was his foresight and his hard work that made it possible for this acreage on the shores of Lake Michigan to be saved from development, and to be set aside for the recreational use and enjoyment of millions who have since visited this beautiful part of our country.

There were many legislative landmarks originated and sponsored in the Congress by Paul Douglas, but I feel that naming the Indiana Dunes National Lakeshore in his honor as the Paul H. Douglas Indiana Dunes National Lakeshore would be a most fitting memorial for the man who perhaps did more than any other to make the lakeshore possible.

I urge the members of the committee to give their full support to the Yates amendment.●

● Mr. MIKVA. Mr. Chairman, I rise in strong support of the amendment offered by my colleague from Illinois, SID YATES, to name the Indiana Dunes National Park after the late Senator Paul Douglas. Throughout his long career in public service, Senator Douglas was a model for men and women interested in a career of public service.

Senator Douglas' interest in preserving the Indiana Dunes is well known, but it is particularly significant that the environmental issue to which he devoted so much of his energies represented more than saving an unspoiled area of natural beauty. The Indiana Dunes is a beautiful stretch of land, but its particular importance in our national park system is that it is beautiful land that is readily accessible to millions of people in the Illinois, Indiana, and Michigan triangle with few other outlets for experiencing the solitude and beauty of nature.

Preservation of the dunes perfectly represented Paul Douglas' deep belief in the importance of protecting our national environmental heritage and making the natural resources of this country available to as many people as possible. The Yates amendment will honor Paul Douglas in the way which would have pleased him most and will exemplify his qualities of staesmanship best.●

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Illinois (Mr. YATES).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. FITHIAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was agreed to.

Mr. GILMAN. Mr. Chairman. I move to strike the last word.

Mr. Chairman, I rise to support this important legislation, H.R. 12536, the National Parks and Recreation Act of 1978 on which the distinguished chairman of this committee from California (Mr. PHILLIP BURTON) and the ranking minority member, the gentleman from Kansas (Mr. SEBELIUS) and their committee labored so long and so very hard.

Since word was first received that the Delaware River bordering my 16th District in New York was under consideration as a "wild and scenic" river, a great deal of apprehension and concern regarding this designation was stirred up among my constituents. Accordingly, a substantial amount of research and investigation has been undertaken by my constituents and by my staff to determine exactly how this legislation will affect the Delaware River. Our investigation has caused me to be extremely enthusiastic about the prospects of a "wild and scenic" designation, and I was therefore pleased to cosponsor, with my colleague from Pennsylvania (Mr. MCDADE) and my colleague from New York (Mr. MCHUGH) the legislation making the Upper Delaware part of the Wild and Scenic Rivers System, and which has now become part of this bill as section 705.

Some persons were concerned that "wild and scenic" designation would authorize the Federal Government to move in, seize land, and take over the administration of all aspects of life along the river. But the safeguards written into this legislation, as well as those inherent in the "wild and scenic" program, protect the rights of the property owners along the river.

We have specified in this legislation that the National Park Service will have 3 years to develop a management plan for the administration of the river. This management plan will be formulated with complete and open public hearings and the views of our constituents will thus be heard and their questions answered even before action is taken.

The amount of land that can be taken by the Federal Government under the right of eminent domain is severely limited to an absolute minimum. It is intended to prevent anyone from being "driven from their homes." Indeed, the bill allows for the acquisition of only 450 acres throughout the entire length of the designation unless otherwise recommended in the management plan.

I am especially pleased that local governments will not be overruled by designation of the Delaware as "wild and scenic," but rather the Secretary of Interior is directed to work hand in hand with these municipalities to insure that no municipality is burdened either legally or financially.

The appointment of a Delaware River Citizens Advisory Council will insure continued public input into the status of the river.

Mr. Chairman, I am heartened by the action of this body in striking down the amendment by my distinguished colleague from New Jersey (Mr. THOMPSON) which would have deleted the Delaware from Port Jervis to Stroudsburg from this bill. This land is already owned by the U.S. Army Corps of Engineers, is currently uninhabited, and has been in a state of limbo for many years. By adding this area to the "wild and scenic" designation, we have insured that the period of uncertainty will now end, and this beautiful section of the river, which unfortunately had fallen into a period of neglect due to its uncertain status, will be placed under the jurisdiction of the Department of Interior. It is important to note that no purchase of private lands is necessary in this stretch of the river since the land is already owned by the Federal Government.

I realize that the Tocks Island Dam project has been one of intense controversy to many Members of this body. The defeat of the Thompson amendment makes completion of the project much more difficult, and would require the Department of Interior as well as Congress to take some long, hard looks at the project before it could proceed. Considering the opposition to the project from the States of New York and New Jersey, as well as the opposition of both candidates for Governor of Pennsylvania this year, can we dispute that it is right and just to place every safeguard possible in front of the approval of this project before work commences?

In conclusion, Mr. Chairman, I urge all of my colleagues to join in supporting this worthy legislation on which so many of us, especially the members of the committee, had worked so hard.

● Mr. EDWARDS of California. Mr. Chairman, as originally introduced, the National Parks and Recreation Act of

1978 would have denied participation in the program to cities and counties which do not qualify for the Department of Housing and Urban Development's UDAG program. Eligibility criteria for UDAG are woefully inadequate as a realistic measure for determining the quality and condition of our urban parks. And it is inappropriate to impose factors such as "age of housing" as indicators of the need for rehabilitating parks. I am confident that many of us have in our districts very old but affluent or rehabilitated residential neighborhoods. By the same token we can find 15-year-old dwellings that have been in substandard condition for several years.

By eliminating the UDAG criteria as a determinant for eligibility in the Urban Parks grant program, this bill is liberated from setting a dangerous precedent. That precedent would have been the imposition of inherently biased and unrealistic standards for measuring urban need. Without this deletion, such criteria would serve as a barrier to eligibility for receiving Federal aid under other urban-oriented grant-in-aid programs.

I am particularly sensitive to this problem because my district contains "areas of distress" which are larger than some of the smaller UDAG-eligible cities but which are offered no relief from the UDAG program. The city as a "whole" is deemed ineligible under the existing criteria. At least now we will have the option to compete for funds from this urban parks program.●

● Mr. KRUEGER. Mr. Chairman, in 1974, during my first campaign for Congress, I found that there were two major environmental issues of importance to the 21st District and west Texas. The first was the proposed designation as wilderness of large portions of Big Bend National Park; the second was the proposed addition of a 191.2-mile segment of the Rio Grande to the Wild and Scenic River System. Those who favored these proposals asked me to adopt their position. Those who opposed them asked the same.

I studied both issues intensively before deciding my position. In the case of Big Bend, I traveled on a 3-day personal inspection tour to see for myself the current situation in and around Big Bend, to assess the historical, cultural and recreational significance of the area, and to determine the need for federal protection. I and my staff performed a similar task, and made similar observations, along the Rio Grande.

At that time, I decided to oppose both proposed actions. I did not doubt the importance of maintaining these areas in a relatively wild and undeveloped state. Rather, I believed that local authorities, should retain complete control over their lands so long as there was no major development or threat of development which would substantially alter the character of these areas. And as long as there was no posed threat to the development of these lands, I indicated that I would support their remaining as they have been. If circumstances changed, I would then, I indicated, feel obliged to reopen the question.

I talked extensively with local citizens, and was impressed by their desire to preserve the Big Bend and lower canyon areas in their natural state. This is, however, not a recent concern. In the 1930's, local landowners encouraged the State to form Big Bend National Park, making possible its transfer to the Federal Government. Their proenvironment instincts are of a longstanding nature.

Now, as a Member of the 95th Congress, I find myself again called upon to consider these two proposals, as parts of the National Parks and Recreation Areas Act of 1978. Title IV of this bill proposes to designate 583,000 acres of Big Bend National Park as wilderness and potential wilderness areas; title VII of the bill proposes to add the 191.2 mile lower canyon segment of the Rio Grande to the Wild and Scenic River System. The House approved the rule for, and began general debate upon, this bill yesterday, June 26.

During the past 6 weeks, in preparation for consideration of this legislation on the House floor, I and my staff again examined the situation in Big Bend National Park and along the lower canyons of the Rio Grande. In the first instance, I found no change from conditions in 1974. No current development or imminent development justifies designation of these 583,000 acres as wilderness. The park superintendent told a member of my staff yesterday:

The decision to classify certain undeveloped portions of Big Bend National Park as "wilderness" would not result in any significant change in the administration of the Park. It will continue to be managed in the same way that it has been managed for the last thirty years. All areas to be designated as "wilderness" are de facto wilderness anyway.

Therefore, I continue to oppose the wilderness designation for Big Bend as an unnecessary intrusion of Federal authority into an area already protected against unwanted development. I understand that the floor manager of the Parks bill, Congressman PHIL BURTON, has offered a package of technical and conforming amendments to delete the Big Bend Wilderness provisions from the legislation. I support this action.

Upon reexamination of the situation along the Rio Grande, however, I found that conditions were substantially altered since 1974. And in keeping with my earlier statements to the people of Terrell and Brewster Counties that I would need to reopen the question if I observed the possibility of substantial development taking place there, I have done so. On May 15 two of my staff members conducted an aerial survey of the 191.2-mile stretch of the river, accompanied by local landowners and environmentalists, both friends and foes of the proposed designation. I have studied closely their findings. An analysis of this current information convinces me that the 191.2-mile segment should now be added to the Wild and Scenic River System.

I should like to review the recent history of the ownership of land in this area. First, in 1974 the land along the Rio Grande was largely in control of families who had a history of landownership in this and surrounding areas. They had developed a deep attachment to the natural state of the land, and could be counted upon to maintain the unspoiled nature of the river and its environs. But the situation has changed since that time. A glance at recent deeds affecting land along the Rio Grande in Brewster and Terrell Counties demonstrates the increasing tendency toward land development activities harmful to the natural environment. For example:

A deed filed on January 3 of this year records a $1,680,000 sale by a private individual to a land corporation of tens of thousands of acres in Brewster and Terrell Counties. This land borders the river.

A deed filed on September 7, 1977, records the sale of 13,226 acres by a Brewster County resident to two corporations. This land near the river brought a price of $357,580.

A quitclaim deed filed September 23, 1975, records an individual's quitclaim of interests in 8,320 acres of riverfront property adjacent to Big Bend National Park. Owners of property typically obtain quitclaim deeds in preparation for the sale of property.

These and other sales reflect a pattern of land sales in the region of the lower canyons of the Rio Grande that threaten the continued natural uses of the land. Another good example of this trend is the recent $2 million development on the river at Lajitas, above Big Bend National Park. Although not in the proposed wild and scenic area, the Lajitas precedent could well be repeated soon along the segment below the park, unless Congress acts to protect it.

Also, since my initial decision in 1974, a detailed scientific study conducted by botanists, zoologists, archaeologists, geologists, and historians has concluded that the lower canyons constitute a uniquely valuable repository of archaeological information, as well as a natural refuge for distinctive flora and fauna of the Southwest. This study, still unpublished, confirms the fact that the area's resources make it an area especially worthy of preservation and protection from the effects of adverse development. The importance of the area in this respect had previously been mere speculation.

The altering patterns of landownership along the Rio Grande now require me to support their inclusion in the Wild and Scenic River System, since private landowners can no longer guarantee protection of the river in its present state. My criteria for making this decision have not changed, as my continuing opposition to wilderness designation for Big Bend shows. However, in the case of the Rio Grande, circumstances have changed considerably since 1974. I, therefore, intend to support on the House floor designation of the 191.2-mile segment of the Rio Grande as part of the Wild and Scenic River System.

Perhaps my thinking on these matters would be best understood if placed in both past and future perspective. More than 40 years ago, residents of the Big Bend area arranged to have the present park land purchased by the State for eventual donation to the Federal Government. They established Big Bend as the first national park in Texas, and two generations of Texans and non-Texans have since been born and grown to visit the park, thus benefiting from the foresight of their elders. A single

action protected Big Bend for more than 30 years, and remains an effective protection for the foreseeable future. I would hope that generations of Texans to come will approve our decision to preserve the Rio Grande, just as we today thank those who made possible the establishment and preservation of Big Bend National Park. In any case, proper stewardship of our natural resources would seem to require that we take this step at this time.●

● Mr. McKAY. Mr. Chairman, on July 24 Utah will commemorate the 131st anniversary of the Mormons' entrance into the Salt Lake Valley. After traveling 1,300 miles, beginning in Nauvoo, Ill., traveling through Iowa, Nebraska, Wyoming, and finally settling in Salt Lake City, Utah, the Mormons found a peaceful site to practice their religious beliefs. It is appropriate that today the House votes to honor the thousands that traveled or died along the trail by designating the Mormon Trail as a National Historic Trail in H.R. 12536.

The marked pathways, trails, and byways are essential to help America's historical westward movement come alive. The Mormon Trail is of special concern to the people of the State of Utah since many of their ancestors were those who risked the elements and Indians to make their trip to religious freedom. The Mormon migration was unique by contrast to other migrations. The Mormon movement was permanent relocation of a whole people instead of the single, young, and reckless adventurers seeking California gold. Under Brigham Young's direction, camps were organized in a semimilitary fashion. They noted good campgrounds, wood, water, and grass and compiled their information in the Emigration Guide which helped thousands of other immigrants make the trip westward.

Much of the trail was a combination of existing routes of trapper, missionary, and Indian trails in addition to the more widely known Oregon, Overland, and California Trails.

The five States affected have donated special designations within their own States, but the National Historic Act would coordinate their efforts into a project that is coherent and balanced.

The passage of this legislation will help celebrate the 24th of July when in 1847 Brigham Young exclaimed to the weary Mormons who had traveled 1,300 miles on foot and wagons that "this is the place." ●

● Mr. SEBELIUS. Mr. Chairman, I supported the amendment offered by the gentleman from Wyoming (Mr. RONCALIO) on the Jackson Hole issue. I had the pleasure of visiting the area on a subcommittee trip last summer, and had an opportunity at that time to become somewhat acquainted with this issue and the area involved, and to visit with some of the dedicated people who are trying to solve the problem.

I feel there is a real problem presented here that definitely warrants congressional attention, and action as well, if we can find a satisfactory and responsible solution for Federal assistance. The thrust of the approach advocated by legislation initially introduced, however, raises some very serious questions, and the potential costs to the Federal Government are on the verge of being unreasonable and unacceptable. In my opinion, there must be some serious modifications made to the legislation as introduced, if any complete action is to be taken.

I do believe that the amendment before us, however, is very responsible and reasonable, in that it only goes a short ways, and it permits more detailed information to be developed for our benefit, and upon which a more responsible final decision can later be made to address the whole problem. This amendment provides that the Commission to be established is to develop a detailed plan, upon which the Congress may be able to soon develop some positive legislative solutions.

Mr. Chairman, this amendment includes a token $5 million amount intended to be used—only if needed—for emergency land acquisition in cases where land development or threats of development are unacceptable. Condemnation authority is inherently available with these funds, but is intended to be utilized only where absolutely essential and where no adequate alternative exists. Hopefully, it will be used sparingly, if at all. Moreover, it would be most desirable for the Commission to agree with any proposed land acquisition, but this is not essential.

In finality, any land acquisition proposal must be first approved by both committees of the House and the Senate.

If the Commission can come up with a sufficiently detailed, responsible, and workable land protection plan, which can be implemented at a reasonable and responsible Federal cost, and if the State and local governments can also show their willingness and ability to contribute through adequate controls and/or financial assistance, I believe we might soon be able to design a final workable plan to save the natural beauty of Jackson Hole for all time.

However, in my opinion, any attempt to expect a free Federal handout, without a sincere and deep commitment by the State and local governments and landowners to contribute their fair share in partnership, is doomed to failure for hopes of saving Jackson Hole from the potential onslaught of unwise or devastating development.

I hope the local people will understand that they are going to have to give a lot in order to gain the substantial amount of Federal assistance they may hope to receive. Very clearly, the success or failure of this entire effort rests heavily on local actions and response to this piece of legislation.●

● Mr. ROBINSON. Mr. Chairman, while the bill before us (H.R. 12536) would serve some worthy purposes, I feel that many of us were not alerted adequately, even by the committee report, as to the broad scope and variety of the content. A most careful reading has been required to identify the extent, if any, to which provisions of the measure would impact on a particular congressional district.

For example, a single sentence would inaugurate an extensive study looking toward inclusion of long stretches of the two forks of the Shenandoah River in the Wild and Scenic Rivers System.

While there is great beauty along the Shenandoah, the preservation of which is much to be desired, there also has been extensive agricultural, residential, recreational and general business development which has placed many miles beyond realistic designation as purely wild and scenic.

It may be stated that this bill proposes only studies of this and other rivers, rather than formal and final designations, but I do not believe it wise to place the future of many private land holdings, most of them relatively modest in size, in doubt through the rather perfunctory consideration available to each such item in so large and complex a bill.

There is the further consideration of the cost of such studies, and possible duplication in the case of Virginia, where a State statute on the subject of scenic rivers is on the books, and the Commission of Outdoor Recreation has authority to study designation proposals and make recommendations to the General Assembly.

I cite the scenic rivers items without intending objection to the basic concept, but only in the context of my conclusion that this bill undertakes to move forward on too many national park, recreation and related projects at once, for which reason I am coming to the conclusion that I will not be able to support it on final passage.●

● Mr. OTTINGER. Mr. Chairman, I am extremely delighted at our action today in approving passage of H.R. 12536, "The National Parks and Recreation Act of 1978." In it are numerous provisions for protecting some of the outstanding scenic, wild, natural, and historic sites in America.

Among them is one site particularly dear to me: St. Paul's Church, Eastchester.

St. Paul's Church, located in the city of Mount Vernon, N.Y., which I represent, figures very strongly in the most basic first amendment freedoms of our Nation. It was a haven for religious dissenters in the 17th century, the most notable of whom was Anne Hutchinson, who found refuge at the site in 1642 after fleeing persecution in the Massachusetts Bay Colony.

Later, during the Revolution, St. Paul's served as a hospital for our Colonial soldiers wounded during the Battle of Pelham. Some 45 patriots are buried in the St. Paul's Cemetery.

One of the most exciting historic features of the church is that of the election of 1733 when the Royal Governor, William Cosby, attempted to limit public participation in the election by failure to publicize it. In one of the earliest examples of courageous journalism, John Peter Zenger reported on the election rigging and Governor Cosby's refusal to permit some citizens to vote at all. His reporting in his celebrated New York Journall resulted in his own accusation and trial for seditious libel and treason. Ultimately, of course, John Peter Zenger was acquitted.

The refuge of Anne Hutchinson, and

the events involving John Peter Zenger, are two of the most fundamental causes of our Founding Fathers' adoption of the first amendment freedoms of speech, religion, and the press.

The legislation we approved today will enable the National Park Service to accept St. Paul's as a gift, as it is the stated intention of its present owners to make such a gift to the Federal Government.

I am deeply appreciative of the extremely difficult and complex efforts which have gone into this legislation, and commend my good friend, Mr. PHILLIP BURTON, and his colleagues on the Interior Committee for their fine work. It was with great pleasure that I supported the National Parks and Recreation Act of 1978.●

The CHAIRMAN. Are there further amendments? There being none, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BRADEMAS) having assumed the chair, Mr. THORNTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12536) to provide for increases in appropriations ceilings, development ceilings, land acquisition, and boundary changes in certain Federal park and recreation areas, and for other purposes, pursuant to House Resolution 1243, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. PHILLIP BURTON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 341, nays 61, not voting 30, as follows:

[Roll No. 532]

YEAS—341

Abdnor	AuCoin	Boggs
Addabbo	Bafalis	Boland
Akaka	Baldus	Bolling
Alexander	Barnard	Bonior
Ambro	Baucus	Bonker
Ammerman	Bauman	Bowen
Anderson, Calif.	Beard, R.I.	Brademas
	Beard, Tenn.	Breaux
Andrews, N.C.	Bedell	Breckinridge
Andrews, N. Dak.	Bellenson	Brinkley
	Benjamin	Brodhead
Annunzio	Bennett	Broomfield
Applegate	Bevill	Brown, Calif.
Archer	Biaggi	Brown, Mich.
Armstrong	Bingham	Brown, Ohio
Ashley	Blanchard	Broyhill
Aspin	Blouin	Buchanan
Burgener	Hefner	Patterson
Burke, Calif.	Heftel	Pattison
Burke, Mass.	Hightower	Pease
Burlison, Mo.	Hillis	Pepper
Burton, John	Holland	Perkins
Burton, Phillip	Hollenbeck	Pettis
Byron	Holtzman	Pike
Caputo	Horton	Poage
Carney	Howard	Pressler
Carr	Hubbard	Preyer
Carter	Huckaby	Price
Cavanaugh	Hughes	Pritchard
Cederberg	Hyde	Pursell
Chisholm	Ichord	Quayle
Clausen, Don H.	Ireland	Quie
	Jacobs	Quillen
Clawson, Del	Jenrette	Rahall
Clay	Johnson, Colo.	Railsback
Cochran	Jones, N.C.	Regula
Cohen	Jones, Tenn.	Reuss
Coleman	Jordan	Rhodes
Collins, Ill.	Kastenmeier	Richmond
Conte	Kazen	Rinaldo
Conyers	Kemp	Rogers
Corcoran	Keys	Roncalio
Corman	Kildee	Rooney
Cornell	Kostmayer	Rose
Cornwell	Krebs	Rosenthal
Cotter	Krueger	Rostenkowski
Coughlin	LaFalce	Roybal
D'Amours	Lagomarsino	Runnels
Daniel, R. W.	Leach	Ruppe
Danielson	Lederer	Russo
Davis	Leggett	Ryan
Delaney	Lehman	Santini
Dellums	Lent	Sarasin
Derrick	Levitas	Sawyer
Derwinski	Livingston	Scheuer
Dickinson	Lloyd, Calif.	Schroeder
Dicks	Lloyd, Tenn.	Sebelius
Diggs	Long, La.	Seiberling
Dingell	Long, Md.	Sharp
Dodd	Lott	Shipley
Downey	Lujan	Sikes
Drinan	Lundine	Simon
Duncan, Tenn.	McClory	Sisk
Early	McCloskey	Skelton
Eckhardt	McCormack	Skubitz
Edgar	McDade	Smith, Iowa
Edwards, Ala.	McEwen	Smith, Nebr.
Edwards, Calif.	McFall	Solarz
Eilberg	McHugh	Spellman
Emery	McKay	Spence
Erlenborn	McKinney	St Germain
Evans, Colo.	Madigan	Stanton
Evans, Del.	Maguire	Stark
Fary	Mahon	Steers
Fascell	Markey	Steiger
Fenwick	Marks	Stockman
Findley	Marlenee	Stokes
Fish	Marriott	Stratton
Fisher	Martin	Studds
Flippo	Mathis	Taylor
Flood	Mattox	Thone
Florio	Mazzoli	Thornton
Flowers	Meeds	Treen
Foley	Metcalfe	Trible
Ford, Mich.	Meyner	Tucker
Ford, Tenn.	Mikulski	Udall
Forsythe	Mikva	Ullman
Fowler	Miller, Calif.	Van Deerlin
Fraser	Mineta	Vander Jagt
Frenzel	Minish	Vanik
Fuqua	Mitchell, Md.	Vento
Gammage	Mitchell, N.Y.	Walgren
Garcia	Moakley	Walsh
Gaydos	Moffett	Waxman
Giaimo	Moore	Weaver
Gibbons	Moorhead, Calif.	Weiss
Gilman		Whalen
Ginn	Moorhead, Pa.	White
Glickman	Moss	Whitehurst
Goldwater	Mottl	Whitten
Gonzalez	Murphy, Ill.	Wilson, Bob
Gore	Murphy, N.Y.	Wilson, C. H.
Gradison	Murphy, Pa.	Wilson, Tex.
Green	Myers, John	Wirth
Gudger	Myers, Michael	Wright
Hagedorn	Natcher	Wydler
Hamilton	Neal	Wylie
Hammer-schmidt	Nedzi	Yates
	Nichols	Yatron
Hanley	Nolan	Young, Fla.
Hannaford	Nowak	Young, Mo.
Harkin	Oakar	Young, Tex.
Harrington	Oberstar	Zablocki
Harris	Ottinger	Zeferetti
Hawkins	Panetta	
Heckler	Patten	

NAYS—61

Ashbrook	Hall	Roberts
Badham	Hansen	Robinson
Burleson, Tex.	Harsha	Rousselot
Butler	Holt	Rudd
Cleveland	Jenkins	Satterfield
Collins, Tex.	Jones, Okla.	Schulze
Conable	Kelly	Shuster
Crane	Kindness	Slack
Cunningham	Latta	Snyder
Daniel, Dan	Luken	Stangeland
Dent	McDonald	Steed
Devine	Michel	Stump
Dornan	Milford	Symms
Duncan, Oreg.	Miller, Ohio	Vo.kmer
Edwards, Okla.	Mollohan	Wampler
English	Montgomery	Watkins
Ertel	Murtha	Whitley
Evans, Ind.	Myers, Gary	Wiggins
Fithian	O'Brien	Young, Alaska
Gephardt	Pickle	
Grassley	Risenhoover	

NOT VOTING—30

Anderson, Ill.	Guyer	Roe
Brooks	Jeffords	Staggers
Burke, Fla.	Johnson, Calif.	Teague
Chappell	Kasten	Thompson
de la Garza	Le Fante	Traxler
Evans, Ga.	Mann	Tsongas
Flynt	Nix	Waggonner
Fountain	Obey	Walker
Frey	Rangel	Winn
Goodling	Rodino	Wolff

The Clerk announced the following pairs:

On this vote:

Mr. Roe for, with Mr. Waggonner against.

Mr. Thompson for, with Mr. Goodling against.

Mr. Chappell for, with Mr. Teague against.

Until further notice:

Mr. Le Fante with Mr. Winn.

Mr. Wolff with Mr. Nix.

Mr. Rangel with Mr. Burke of Florida.

Mr. Traxler with Mr. Anderson of Illinois.

Mr. Brooks with Mr. Frey.

Mr. Johnson of California with Mr. Guyer.

Mr. de la Garza with Mr. Kasten.

Mr. Mann with Mr. Flynt.

Mr. Obey with Mr. Fountain.

Mr. Staggers with Mr. Walker.

Mr. Tsongas with Mr. Evans of Georgia.

Mrs. FENWICK changed her vote from "nay" to "yea."

Mr. CRANE and Mr. LUKEN changed their vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING CLERK TO CORRECT TABLE OF CONTENTS, SECTION NUMBERS, PUNCTUATION, AND CROSS-REFERENCES IN H.R. 12536

Mr. PHILLIP BURTON. Mr. Speaker, I ask unanimous consent that, in the engrossment of the bill H.R. 12536, the Clerk be authorized to correct the table of contents, section numbers, punctuation, and cross-references, to reflect the actions of the House in amending the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

GENERAL LEAVE

Mr. PHILLIP BURTON. Mr. Speaker, I ask unanimous consent that all Members

may have 5 legislative days within which to revise and extend their remarks on the bill just passed, H.R. 12536.

The SPEAKER pro tempore. Is there objection to the request to the gentleman from California?

There was no objection.

MESSAGE FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Chirdon, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed a concurrent resolution of the following title in which concurrence of the House is requested.

S. Con. Res. 95. Concurrent resolution condemning the trials of Anatoly Shcharansky, Viktoras Petkus, and Aleksandr Ilyich Ginzburg.

CONDEMNING THE TRIALS OF ANATOLY SHCHARANSKY, VIKTORAS PETKUS, AND ALEKSANDR ILYICH GINZBURG

Mr. ZABLOCKI, Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 95), condemning the trials of Anatoly Shcharansky, Viktoras Petkus, and Aleksandr Ilyich Ginzburg, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. ZABLOCKI (during the reading). Mr. Speaker, I ask unanimous consent that the Senate concurrent resolution be considered as read and printed in the RECORD at this point.

Mr. SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. FINDLEY. Mr. Speaker, reserving the right to object, I do so in order to ask the chairman of the Committee on International Relations several questions.

First of all, could the gentleman tell the House whether hearings have been held on this concurrent resolution?

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. FINDLEY. Yes.

Mr. ZABLOCKI. I thank the gentleman for yielding.

Mr. Speaker, I can assure the gentleman that the Commission dealing with the Helsinki accord held an extensive hearing yesterday on the Shcharansky trial and its impact on U.S. relations with the Soviet Union. The gentleman from Florida (Mr. FASCELL), the able Chairman of the Commission, has held hearings, and the matter comes before the House certainly with a wide understanding of the import of the contents of the concurrent resolution pending before us.

Mr. FINDLEY. But the Committee on International Relations did not hold hearings. Is that correct?

Mr. ZABLOCKI. That is true, that the House International Relations Committee did not hold hearings, nor was the resolution referred to the committee for consideration. Nevertheless, I am sure all Members are fully knowledgeable with what the resolution provides.

Mr. FINDLEY. Could the gentleman tell me if the Senate held hearings on the resolution?

Mr. ZABLOCKI. It is my understanding that the Senate did not hold hearings. If the gentleman will yield further, the Senate, as the gentleman knows, yesterday passed the concurrent resolution that is now pending before the House.

Mr. FINDLEY. Mr. Speaker, I shall not object to the unanimous-consent request, but I do want once more to express my concern about procedures which bypass the regular legislative process.

Bypassing the legislative committee denies the House a very valuable asset to which to refer during consideration of the resolutions.

I do not have any objection to the language of the resolution. I have read it carefully. It seems to say the right things, but I do not think it is complete. For example, it makes no reference to the fact that two U.S. nationals, newsmen in Moscow are before Moscow courts. I think that is a proper concern, equally a proper concern to that of Shcharansky and the other citizens of the Soviet Union under trial.

We can have a proper concern for the plight of nationals of other countries, but I think we have a primary responsibility to the plight of U.S. nationals. It seems to me rather strange that we should be totally silent on the charges made against the U.S. newsmen, especially because of the impact of this on the first amendment and our longstanding heritage of freedom of the press and our desire to promote this worldwide.

Under the circumstances, I shall not object, but I most respectfully tell the chairman of the International Relations Committee that on future occasions I will feel constrained to object because I think that for the most part instant legislation is not much better than instant coffee.

Mr. Speaker, I withdraw my reservation of objection.

Mr. DERWINSKI. Mr. Speaker, reserving the right to object, as I understand it the chairman is asking at this point unanimous consent that the reading of the resolution be dispensed with and that it be printed in the RECORD.

The SPEAKER pro tempore. That is correct.

Mr. DERWINSKI. Mr. Speaker, I believe that I would have to object, for the reason that this is not a lengthy resolution. I think we would like to have the record show that we all understood what we were doing and that the Russians know when we passed this resolution that we all had it before us, and we therefore supported it with full knowledge. I would say the brevity of the resolution is such that we should be enlightened by its reading, so I would object to the unanimous-consent request to dispense with the reading.

The SPEAKER pro tempore. Objection is heard to the unanimous-consent request to dispense with the reading of the Senate concurrent resolution, and, therefore, the Clerk will read.

The Clerk read the Senate concurrent resolution as follows:

S. CON. RES. 95

Whereas the Soviet Union is a signatory to the Final Act of the Conference on Security and Cooperation in Europe, signed at Helsinki, Finland, on August 10, 1975, which provides for basic human rights including freedom of conscience, religion, and emigration:

Whereas Anatoly Shcharansky, Viktoras Petkus, and Aleksandr Ilyich Ginzburg who have supported the Helsinki Final Act have been or are being tried and punished by the Soviet Government for their efforts.

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that the trials of Anatoly Shcharansky, Viktoras Petkus, and Aleksandr Ilyich Ginzburg who have defended the Helsinki Final Act are matters of deep concern to the American people; that these deplorable events inevitably affect the climate of our relations and impose obstacles to the building of confidence and cooperation between our two countries; that the Congress urges the U.S.S.R. Supreme Soviet and its leadership to seek a humanitarian resolution to these cases and to work toward improving the climate in United States-Soviet relations.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin for the immediate consideration of the Senate concurrent resolution?

There was no objection.

The SPEAKER pro tempore. The gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 1 hour.

Mr. ZABLOCKI. Mr. Speaker, I yield myself such time as I may consume.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 leigslative days in which to revise and extend their remarks on the pending resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, I rise in support of Senate Concurrent Resolution 95, a resolution expressing the deep concern of the American people over the trials of Anatoly Shcharansky and others by the Soviet authorities for having defended the Helsinki Final Act and having sought its implementation.

A similar resolution was introduced by our colleague, the gentleman from Massachusetts (Mr. DRINAN), on July 10 as House Concurrent Resolution 657.

I support the pending resolution as one who does not seek confrontation with the Soviet Union and as one who has long supported efforts, both by this administration and previous administrations, to negotiate meaningful agree-

ments with other nations, including those nations who disagree with us, on a variety of issues involving our national security.

As I have stated previously in this Chamber, I fully support the administration's efforts to conclude a mutually acceptable arms control accord.

Such support, however, should not be interpreted to mean that I, or my colleagues, endorse or condone repressive actions by the Soviet Government in other areas.

The question facing us today is not one of intervention in the internal affairs of another state. We are not attempting to change the Soviet system or the Soviet form of government. We are, however, questioning the good faith of the Soviet Union in signing the Helsinki Final Act—to which we are also a party—and then punishing those who have sought strict adherence to its provisions. Such actions cast doubt upon the Soviet's willingness to live up to either international agreements—agreements which they have freely signed and promoted in the first place. Certainly there will be a question of credibility of the Soviet Union in this regard. The ultimate result, it should be noted, may well be a hardening of U.S. attitudes toward other negotiations and our insistence upon stronger safeguards and controls. This is the message, Mr. Speaker, of Senate Concurrent Resolution 95.

Mr. Speaker, the international community of nations, and the United States in particular, cannot disregard what has happened to Mr. Orlov—or what is presently happening to Mr. Shcharansky, or Mr. Ginzberg, or Mr. Petkus (in Lithuania)—or indeed the prospect of other trials to follow. It is a clear and dangerous pattern of official behavior which threatens to turn back the clock to an era of mutual recrimination and hostilities. Senate Concurrent Resolution 95 calls attention to that fact and it calls for a renewed reversal of this spirit and a renewal of addressing the Helsinki Final Act while there is still time to do so.

At this point I would like to advise the Members that the date of August 10, 1975, which is shown in the resolution as passed by the Senate (page 20193) of the CONGRESSIONAL RECORD of July 11, 1978) is wrong. It should read August 1, 1975.

Mr. Speaker, I urge the immediate adoption of the resolution.

Mr. Speaker, I now yield such time as he may consume to the ranking minority member of the House Committee on International Relations, the gentleman from Michigan (Mr. BROOMFIELD).

Mr. BROOMFIELD. Mr. Speaker, I rise to join the chairman of the Committee on International Relations, the gentleman from Wisconsin (Mr. ZABLOCKI), in support of Senate Concurrent Resolution 95. This resolution is extremely important.

Mr. Speaker, the treason trials of Anatoly Shcharansky and others, staged with Stalinist-like controls, are yet another chapter in the continuing story of Russian repression of dissidents. Shcharansky, already labeled as guilty of treasonous activity, is being tried by the Soviets as one who has injured the Soviet Union. As an early member of the Moscow Helsinki Monitoring Group, he, in reality, being tried for asserting fundamental human rights guaranteed by international agreements.

When the international agreement which resulted from the Helsinki Conference on Security and Cooperation in Europe was completed in 1975, it raised humanitarian hopes among many captive people throughout the world. At this time, however, progress in the areas of freer movement of people, ideas, and information—and thus human rights—has received serious setbacks. In the past year numerous members of such human rights monitoring groups as the Helsinki Watch and the Ukranian Public Group have undergone continued Russian repression, harassment, and even arrest. Yuri Orlov—and now Anatoly Shcharansky—are the most recent examples.

I believe these kinds of Soviet activities, as exemplified by the ongoing Shcharansky trial, are indicative of the Russian policy of outrageous and humiliating harassment of people who wish to guarantee the dignity and rights of individuals. Moreover, these heartless activities undermine the spirit of international agreements to which the Soviets are signatories.

As a result, I ask my colleagues to stand for freedom and dignity—and to adopt this legislation in order to urge the Soviet Union to seek a humanitarian resolution to these dissident cases, and in particular the trial of Anatoly Shcharansky.

Mr. DERWINSKI. Mr. Speaker, would the gentleman yield?

Mr. BROOMFIELD. I am happy to yield to the distinguished gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, I rise in support of this resolution condemning the trials of Anatoly Shcharansky, Viktoras Petkus, and Aleksandr Ilyich Ginzburg, although it should be stronger.

Although these trials are being held in different locales, and theoretically for different reasons, we know what lies behind these latest examples of Soviet repression. Each of them has been active in Helsinki "Watch Groups" which have been advising Soviet citizens of their rights under the Helsinki Final Act.

Its high time we reminded the Soviets that they too are signatories to the Helsinki Final Act. As such, they have an obligation to respect the rights of their citizens enunciated in the so-called Basket Three of the Helsinki Accord. These trials represent a blatant repudiation of that obligation. As the distinguished chairman of the Helsinki Commission, Mr. FASCELL, noted yesterday the Soviets are "demonstrating their willful disregard of their obligations under other international agreements, basic international law, their own laws, and internationally recognized standards of human decency."

Mr. Speaker, this resolution properly reminds the U.S.S.R. of its Helsinki obligations.

I urge its passage, despite its limitations.

Mr. Speaker, I would like to point out that the first "Whereas" in this resolution reminds us that the Soviet Union was a signatory to the final act at Helsinki providing for basic human rights, including freedom of conscience, religion, and emigration.

It should not come as a surprise to anyone that the Soviet Union would not abide by the Helsinki Accords. Anyone who thinks they would, would be living in a fool's paradise.

In addition I would point out that, in my judgment, this resolution, if anything, understates the case. The facts of life are that the Soviet Union cannot be trusted. The facts of life are that our Secretary of State had better be careful in Geneva that he does not agree to a SALT agreement just for the sake of an agreement, with those who have no intention of keeping their word. This ought to remind all of us in Congress that we do have a major adversary in the world. All is not cool and calm in foreign affairs. If the Soviet Union cannot respect and provide for minimum rights for its own citizens, how can they be trusted in the arena of world diplomacy?

Mr. BROOMFIELD. Mr. Speaker, I yield back the remainder of my time.

Mr. ZABLOCKI. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. FASCELL), the Chairman of the Commission on Cooperation and Security in Europe.

Mr. FASCELL. Mr. Speaker, I rise in support of the Senate resolution and to advise my colleagues that the Commission on Security and Cooperation in Europe, which I chair, and which, as the Members know, is composed of Members of the House and the Senate and the executive branch, has concerned itself with the actions of the Soviet Union and others with respect to the whole question of the Helsinki Accords. We have held extensive hearings—and I want to underline that for some of my colleagues, Mr. Speaker, we have held extensive hearings on the subject. We have issued many reports. We probably have the best documentation that exists anywhere in the world today with respect to the Helsinki Accords, their violations or their accomplishments. There is no doubt in my mind, as a result of the evidence that has come before us, that the Soviet Union is on a determined course to punish all of the people who were involved in the Helsinki Monitoring Groups within the Soviet Union. These are people who merely relied on the act itself, meeting and working together in order to demand, or practice, or achieve their rights under their own government's laws, as stated also in the Helsinki Accords.

Our President has spoken out very strongly, protesting the action of the Soviets, not only with respect to the trials of Shcharansky and Ginzburg, but also with respect to the others. The

President has also protested the action by the Soviet Union with regard to the two newsmen and the American businessman. All of these Soviet actions, it is obvious to me, are part of a political process in the Soviet Union by which the United States is being challenged.

It is also very clear to me that it is essential for the Congress, through this resolution, to indicate unified support behind the President of the United States in his protests and his dealings with the Soviet Union.

There is a great temptation to let frustration run away with us and urge all kinds of impossible actions. Let me say this, that we do need to respond and to act appropriately and responsibly. Certainly this resolution is a responsible declaration of the feelings of the American people and this Congress. We should all support it without any question.

What I am now addressing myself to very briefly is the loud voices that have come from many quarters for some other, more punitive action by the United States. I say that while we need to stand up and be counted and speak with a resolute voice, we also need to be sensible and cautious and examine thoroughly what it is that we are talking about by way of a response, because not only is our own national security involved but also the lives of the people that we are trying to help.

The question that we have to face is what our response will do that will be helpful, not only to those people whom we are trying to help, but also to our national security.

The right response is not the kind of simple thing you can dash off the top of your head and say that we are going to do this tomorrow or that we are going to make the Soviet Union do this or that. It is not that easy.

Suffice it to say the Commission on Security and Cooperation in Europe, charged by this Congress with monitoring the implementation of the Helsinki Accords by all the signatory countries, including our own, has and will continue to hold extensive hearings on the whole question. In the hearings held yesterday for over 5 hours we explored all the recommendations anybody wanted to make, inside or outside Congress, as to the appropriate response of the U.S. Government and other signatory countries to the deliberate actions of the Soviet Union designed to either goad us or to demonstrate their determination that they are not about to bow to public opinion or expressions of concern by our own Government or other governments.

Therefore, it is incumbent upon us as a leader in this struggle to respond intelligently and not simply to brandish our might. Our objective is to help these people who have put their lives and courage on the line and to protect the vital national security interests of the United States.

What is called for, as I see it, is adoption of this joint response by the Congress in support of the determination of the President to protest to the Soviet Union in strong terms that what the Soviets are doing is poisoning the entire well of our relationships.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. FASCELL. I do not have the time. I cannot very well yield, because the chairman of the full committee has graciously allowed me time to speak. Otherwise, I would do it; but the chairman is in charge of the time.

Mr. ZABLOCKI. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. DRINAN), who is a sponsor of House Concurrent Resolution 657.

Mr. DRINAN. Mr. Speaker, I thank the gentleman for yielding. I commend the gentleman for the gentleman's initiative and creativity for bringing this resolution to the floor.

I am happy to say that I filed on July 10 House Resolution 687, which is substantially the same as the resolution which I know will be adopted overwhelmingly here today.

I am happy that Mrs. Shcharansky will be here in the United States once again. I urge and invite all Members of the House to a press conference which I will sponsor for Mrs. Shcharansky to be held on Monday, July 17, at 1:30 p.m., in the hearing room of the full Judiciary Committee, Rayburn 2141.

It seems to me, Mr. Speaker, that one act of solidarity that this Congress could exercise is to unanimously welcome Mrs. Avital Shcharansky and thereby to transform her, more than she has been already into an internationally recognized person. We would also express our outrage over what Russia has done to her husband and our solidarity with her and all the people around the world who are hoping and praying for the release and vindication of Mr. Shcharansky.

Mr. Speaker, the trial of Anatoli Shcharansky, the latest and most serious Soviet violation of basic human rights, is a source of grave concern for all people who value freedom and justice. It is also cause of deep personal sadness for me.

While I was in the Soviet Union in 1975, Mr. Shcharansky acted as my host and interpreter. At that time the Helsinki Accords guaranteeing basic human rights including freedom of religion and emigration had just been signed by the Soviet Union. Mr. Shcharansky expressed elation at the news of those agreements. He told me then that these agreements would help to legitimize in the eyes of the Soviet Government his own attempts to secure free emigration for himself and other Soviet citizens. He believed that the harassment that the Soviet Government had subjected him to until that point, and the pain that they had inflicted on countless others with the same aspirations would cease. His trial now stands as a tragic indication that Mr. Shcharansky's hopes have been shattered as have the hopes and dreams of thousands of other Soviet citizens seeking to emigrate, in many cases to reunite with family and loved ones in other countries.

Why is Anatoli Shcharansky on trial? I know from my personal association with him that he is an honest individual whose sole "crime" is his insistence on monitoring the compliance of the Soviet Union with the provisions of the Helsinki Accords. He is being punished for his tremendous devotion to other dissidents. At the time of my visit, he told me again and again that he wanted not only his own liberation but the liberation of everyone there. His was a complete self-sacrifice.

There is no doubt in my mind that the charge of treason against Mr. Shcharansky is a scurrilous fabrication without legal basis. This charge, moreover, has been repudiated by the Government of the United States. It is Mr. Shcharansky's fundamental human right to live where he chooses that is on trial. As citizens of this great American Nation comprised of millions of immigrants, we must be especially sensitive to the desires of all individuals to gain the right to live wherever they choose.

I think it is important to briefly review the kind of harassment that Mr. Shcharansky has been subjected to as a direct result of his expressed desire to emigrate to Israel. Almost immediately after applying for permission to emigrate in 1973, he lost his job. All of his subsequent requests for permission to emigrate were denied. In the 2 years prior to his arrest he spent a total of 100 days in prison on a variety of charges. He was once detained for 15 days merely for asking an official why he could not obtain an exit visa.

On July 4, 1974, Anatoli Shcharansky was married. The next day, his wife, Avital, received a grim ultimatum: Leave the Soviet Union now or you will never leave, and "terrible things" will happen to your husband.

When I visited with Mr. Shcharansky in 1975, I said to him, "I've got a beautiful gift for you." I showed him a picture of his wife. He took it and sat down and cried. He had not seen his wife in more than a year.

Even today, the harassment against Anatoli Shcharansky has been escalated. Mr. Shcharansky is without legal counsel and is being denied any semblance of due process of law. After learning that Shcharansky had been formally charged with treason against the state, his family attempted to secure legal counsel of their own. The Government prevented them from doing so. One attorney who offered his services was immediately placed on a pension and forced to retire, unable to practice law in the Soviet Union again.

Anatoli Shcharansky is being subjected to what is effectively a show trial. What kind of government chooses to persecute a man while refusing to face the profound legal, ethical, and moral question that such persecution raises? And how can such a government hope to maintain any respect in the eyes of the peoples of all nations?

In fact, the timing of this trial to coincide with Secretary of State Vance's negotiations with Foreign Minister Gromyko, must be seen as part of a calculated effort by the Soviet Union to demonstrate to the United States that the U.S.S.R. is immune to criticism of human rights violations. The Soviet authorities hope in this way to discourage future criticism. They completely fail to realize

that President Carter has the support of the American people and of millions of others around the world in his strong stand on behalf of human rights. Our voices of protest will not be silenced. Rather, we will renew our efforts on behalf of Anatoli Shcharansky and all other victims of Soviet repression.

Mr. ZABLOCKI. Mr. Speaker, I yield 4 minutes to the gentleman from Alabama (Mr. BUCHANAN).

Mr. BUCHANAN. Mr. Speaker, I rise in strong support of this resolution.

The gentleman from Connecticut (Mr. DODD) and I introduced a resolution some months ago on behalf of Anatoly Shcharansky which was similar to this resolution and which has many cosponsors in the House.

During the recent Belgrade Conference which I attended as a member of the Commission on Security and Cooperation in Europe, which is chaired by our colleague, the gentleman from Florida (Mr. FASCELL), it was my privilege to serve as a delegate at this followup conference to the Helsinki meeting. At Belgrade the Soviet Union and its delegation made mention of the fact that the principles of Helsinki have been adopted as a part of the new Soviet constitution. Yet even at that time the Soviet Union was violating the letter and the spirit of those principles and its own new constitution by its continuing repression of the Helsinki watchers in the Soviet Union.

Those of us who are on this Commission believe the most patriotic citizens of a country are those who face up to the wrongs in their own society and seek to right them. This is what those Helsinki watchers have done. They have simply said:

> You made promises in your international commitments, you made promises in our new constitution which is supposed to be the basic law of our land, and you must keep them.

Surely all who love freedom and who care about people must stand in strong support, as people throughout the Western world and indeed the whole world, of those who are now on trial for their patriotism in trying to get their government to do something that is right.

Yesterday we heard the very moving testimony of Mrs. Aleksandr Solzhenitsyn. She reminded us that these are simply a few examples of thousands of others who share a similar plight. She reminded us that we must not be deceived about the nature of the government with which we are dealing as we deal with the Soviet Union.

Mr. Speaker, I must say that I wish every American could have heard her testimony, and I wish that somehow these people on trial could know how strongly the American people stand behind them in their fight for human rights and freedom in their society and in the world.

Mr. KEMP. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from New York.

Mr. KEMP. Mr. Speaker, I thank my friend, the gentleman from Alabama, for yielding, and I would like to compliment him on his statement.

I was privileged yesterday to participate in a news conferences with Mrs. Alexandr Solzhenitsyn and the "Committee To Free Aleksandr Ginzburg."

The Ginzburg trial, the Shcharansky trial, and many other violations of the Helsinki Accords by the Soviets, seems to me to call for a much more dramatic and substantive response than merely adopting this resolution. I plan on voting for the resolution, but it seems to me that the Congress and the people of the United States whom we represent really want to send a strong signal to the Soviet Union of our protest of their violation of human rights and complete disregard of the Helsinki Accords. It seems to me that we ought to seriously consider further action.

In fact, yesterday I called for a suspension of those high technology export licenses approved by the administration. Items such as the latest computer produced by Sperry-Univac and advanced petroleum drill bit manufacturing technology produced by Dresser Industries. It seems to me that this country ought not to be selling high technology equipment to the Soviets at the time of these massive violations, not only of the Helsinki Accords but of other accords with the Soviets; for that reason I believe this resolution is not strong enough.

I would also suggest, as I did yesterday, that Mr. Vance ought to be called home from Geneva and the talks suspended as Lyndon Johnson did after the Soviet invasion of Czechoslovakia in 1968. I do not think we ought to end our SALT negotiations or our talks with the Soviets, but I definitely believe this country should send a very strong signal to the Soviets. I believe that bringing our negotiators home from Geneva would tell the Soviet Union and the world that we are serious about making détente a two-way street.

Mr. ZABLOCKI. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Speaker, I rise in strong support of this resolution, and I want to commend the chairman of the committee and the gentleman from Massachusetts (Mr. DRINAN), as well as the gentleman from Florida (Mr. FASCELL), for their work in this matter.

I would, however, like to raise one point. Among the allegations that the Soviet Union is making against Shcharansky and Ginzburg is that they worked with CIA agents in Russia. I accept the statement of the President that that is not true. But past Presidents, and past Congresses have been lied to by the CIA. The CIA has been a "rogue elephant" in many ways, as we now know, with its agents operating under a cloak of secrecy with little, if any, effective control by elected officials.

I want to ask the gentleman from Florida (Mr. FASCELL) if he is going to call the Director of the CIA before his subcommittee and ask him whether he can confirm that CIA representatives are not compromising Russian patriots like Shcharansky and Ginzburg, who are trying to monitor the Russian Government's compliance with the Helsinki Convention.

Mr. FASCELL. Mr. Speaker, if the gentleman will yield, the Commission has not considered that. I do not believe, within the purview of our charter, that we properly should. I think it is a matter, perhaps, for the Select Committee on Intelligence to review.

Mr. SEIBERLING. I certainly think the Select Committee on Intelligence owes it to Mr. Shcharansky and Mr. Ginzburg, and other monitors in the Soviet Union, to clarify that issue once and for all and put the CIA on the record that they are not compromising Russians like Mr. Shcharansky and Mr. Ginzburg who are trying to monitor the Helsinki agreement.

I would like to add only that the Russian people have the same interest in avoiding a nuclear holocaust as the American people. I would hope that this resolution will serve to convey to the leaders of the Soviet Union that their actions in dealing with these courageous Russian citizens will, unless moderated, create an atmosphere in which a SALT treaty will become almost impossible.

Mr. ZABLOCKI. Mr. Speaker, I yield 4 minutes to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I rise in support of Senate Concurrent Resolution 95, adopted yesterday by the Senate, condemning the deplorable Soviet repression of dissidents and asserting clearly that Soviet violation of the most basic of human rights of these dissidents unquestionably affects the climate of United States-Soviet relations and imposes obstacles to the building of confidence and cooperation between our two countries.

The recent trumped up charges, sham trials, and severe sentences, constituting Soviet treatment of individuals seeking to monitor Soviet compliance to the Helsinki Final Act has been widely and strongly condemned.

Yesterday, I joined many of my colleagues and numerous other concerned individuals, including the courageous wife of the tireless Soviet human rights activist, Aleksandr Solzhenitsyn, in expressing before the Commission on Security and Cooperation in Europe, our outrage at the barbarous treatment of human rights activists Anatoly Shcharansky, Yuri Orlov, Aleksandr Ginzburg, and the many others over whose human rights the Soviets have unabashedly trampled. There will probably soon be other such distortions of justice in the Soviet courts.

The Soviets must be forced to realize that those who everywhere cherish human rights will not stand idly by while they make a mockery of these rights and a mockery of the Helsinki Accords.

I urge my colleagues, to express their indignation by voting in favor of this resolution and to consider all other available courses of action which can be taken to halt the blatant, defiant, inhumane

Soviet repression now being imposed upon Soviet dissidents.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

Mr. Speaker, I want to commend the gentleman for his remarks. I support Senate Concurrent Resolution 95 also, although I would prefer it to be stronger.

The only surprise, to me, about this whole affair is that anybody is surprised that the Soviets are doing and continuing to do exactly what they have been doing since their communistic dictatorship system was established years ago.

However, I think we have every right to be as concerned as we are, because it was not long ago when the Soviets signed the Helsinki Agreement with us and other nations, wherein they promised in solemn, formal treaty form that they would extend human rights to their citizens.

It seems to me that it would behoove us very well to keep this in mind as we concern ourselves with the negotiation and question of ratification of the SALT agreement. If the Soviets cannot be trusted to keep their word with regard to the basic human rights of their own citizens, certainly we as their adversary have a right to be very, very concerned about any agreement we might enter into, the violation of which could spell disaster for the entire human race.

Mr. GILMAN. Mr. Speaker, I thank the gentleman from California for his remarks.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding.

Mr. Speaker, I certainly want to commend the House on this resolution.

Mr. ZABLOCKI. Mr. Speaker, I yield 1 minute for the purposes of debate only to the gentleman from Connecticut (Mr. MOFFETT).

Mr. MOFFETT. Mr. Speaker, I thank the distinguished chairman and congratulate him for bringing this important resolution before us.

We have many differences in the House with respect to what the nature of our relationship with the Soviet Union should be, and anyone watching debates about defense budgets or international relations in this body would have no doubt about that.

But, Mr. Speaker, I think the important thing about this resolution is to show the world, and particularly the Soviets as well as our own citizens, that there is no difference of opinion about the fact that we want to condemn the trials that are taking place. I think in that regard it is highly appropriate that we have a thorough review of the exchanges of technology, the extensions of technology, and so forth, that are taking place and about to take place; and, most important at this moment, that we have a moratorium on all of the other aspects of the debate about the nature of our relationship with the Soviet Union in terms of saying in unison to the world that we condemn what is going on in the Soviet Union.

Mr. Speaker, we certainly do not want to stand and watch it happen nor have the President of the United States to stand and watch it happen without saying or doing anything about it.

Mr. ZABLOCKI. Mr. Speaker, I yield 1 minute, for purposes of debate only, to the gentleman from New York (Mr. DOWNEY).

Mr. DOWNEY. Mr. Speaker, I rise in strong support of the resolution, and I think that it is vital that this Congress go on record in favor of condemning the U.S.S.R.

One of the things I also want to impart to my colleagues is the strong notion that the SALT talks must also continue. We are presently faced, the Soviets and the United States, with some 16,000 nuclear warheads. As weapons become more accurate and more destructive, both sides become less secure as a result.

Mr. Speaker, what the SALT talks are attempting to do, and it is my hope that they will be completed, is to try to place a limit on the number of weapons, try to reduce weapon accuracy, and try to provide for the mutual security of both nations.

Mr. Speaker, the Soviets have wisely, in my opinion, never linked SALT to other issues. As a matter of fact, they signed the SALT I agreement 1 week after the United States mined Haiphong Harbor in 1972. It would be my hope that this country would also not link SALT to what the Soviets are doing in their own country to the dissidents, Scharansky and Ginzburg. Both matters are mutually exclusive and should be dealt with separately. Only in that way will we have the security, through SALT, which this Nation needs.

Again, Mr. Speaker, I rise in strong support of the resolution. I think it is absolutely necessary and that we should adopt it.

Mr. ZABLOCKI. Mr. Speaker, I yield 2 minutes to the gentleman from Vermont (Mr. JEFFORDS) for debate purposes only.

Mr. JEFFORDS. Mr. Speaker, I rise in weak support of this resolution—weak support because when I compare it with the House resolution (H. Con. Res. 624) which we passed on May 18, I find that this resolution is not a step forward in a demonstration of strength, but a step backward. At a time when the Soviet Government is increasing its pressure, increasing their oppression of the Helsinki monitoring groups, this will, to me, indicate a showing of weakness on our part.

I believe the House, in passing House Concurrent Resolution 624, made a clearer, stronger, and more credible statement in regard to the harassment, incarceration and trials of members and affiliates of the Helsinki monitoring groups in the Soviet Union. That resolution was stimulated by the trial of Mr. Orlov and called upon the President to express at every suitable opportunity and in the strongest terms the opposition of the United States to the Soviet actions. Since that resolution passed, the Soviet Government has stepped up its unjust repression.

The Senate resolution (S. Con. Res. 95) which is before us today, merely states that the deplorable events inevitably affect the climate of relations between the two nations. That goes without saying. It is my understanding that the wording of this Senate measure was worked out with the administration. I do not doubt it because, like the administration's reaction to this issue, it does next to nothing.

Mr. Speaker, I introduced yesterday with 40 cosponsors and will continue to introduce resolutions (H. Con. Res. 659, 660) which would indicate that we ought to move forward and show more strength in our resolve to do something about the oppression of the groups. It specifically resolves that "the outcome of the present trials of members and affiliates of the Soviet Helsinki groups will be viewed as a touchstone of Soviet compliance with the international agreements referred to; that actions by the Soviet Government with respect to the harassment, incarceration and trials of such members and affiliates shall influence the nature and extent of agreements and arrangements between the United States and the Soviet Union on strategic and economic issues, as well as other matters of mutual importance to both countries; and that the United States shall consider the recently expressed wishes of the Soviet Government for increased trade with the United States in light of the compliance by the Soviet Government with the international agreements, particularly the Helsinki Final Act."

Mr. Speaker, I have watched, as I know other Members have watched, as indeed the whole Western world has watched, the Soviet Government challenge not only the provisions of the Final Act, but also the resolve of this Government in the area of human rights. The challenge is well timed, as the Soviet Government is well aware that this Government is committed to new strategic agreements to limit massive nuclear arsenals on both sides.

In a sense, Mr. Speaker, the Soviet Government is forcing the very policy of linkage among various issues that the administration is trying to avoid by brusquely challenging our commitment to human rights by staging ludicrous and unjust trials, and engaging in harassment of members of the monitoring groups and even American journalists at the very time that delicate SALT II negotiations are ongoing. This behavior indicates that the Soviet Government desires to dispose of the human rights commitment of this Government and this society by tempting us to ignore the violations of human rights in the Soviet Union while we engage in negotiations in Geneva. Their bet is that we cannot do without these strategic negotiations and now is the time to put the American

commitment to human rights in the context which they desire it to be put in—a minor issue which is of little lasting consequence.

By this behavior the Soviet Government flouts the solemn agreements they have made. The fact is that lack of good faith in complying with their solemn obligations cannot be compartmentalized from other issues. Good faith is good faith, and the parties remain the same. Can we expect the American people to rest secure in other agreements, be they economic, strategic, or otherwise, where we forgo options in the name of Soviet good faith?

I would mention also, Mr. Speaker, that the Soviet Government has very recently, in a major speech by Mr. Kosygin, reiterated its desires to expand trading relations with the United States. Certainly the expansion of trading relations, and the transfer of high technologies, should be related to Soviet compliance with its obligations in other international agreements.

Mr. Speaker, I say to those of us who listened to Mrs. Solzhenitsyn yesterday, who, of course, comes from my State of Vermont, that I want to assure this Congress that unless we do something strong and indicate that we will move forward with determination, the Soviet Government will treat our views in the same way they treat the monitoring groups and the accredited American journalists who try to report their activities—with disdain and contempt. Mrs. Solzhenitsyn reiterated her conviction that the regime will respond, over the long run, to a credible, consistent and strong set of American policies, that the American position holds the future of the monitoring groups in its hands, and that only focused long-term Western attention to the situation will help to improve it.

We should be sure to make certain that this Nation will look stronger through its legislative actions, not weaker. However, I do recognize that it is important that we do something. Therefore, I will vote for the resolution, but with great reservations.

Mr. ZABLOCKI. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. BIAGGI) for debate purposes only.

Mr. BIAGGI. Mr. Speaker, I thank the chairman for yielding.

Of course, I rise in support of this resolution. However, it seems to me that we have risen in support of resolutions of this nature before. Now it is Ginzburg and Shcharansky. At other times it was Levitz and Lerner and a host of activists who were oppressed by the Soviet Union.

Mr. Speaker, I was heartened by the comments of the chairman of the Helsinki Commission, the gentleman from Florida (Mr. FASCELL), when he told me that they very vigorously have been applying themselves to documenting the atrocities and violations of the Helsinki accords since its existence. Also, I have been informed that they have had some hearings and will continue to have hearings to provide for alternative courses of conduct.

Yet the fundamental fact is, the continued Soviet pattern of harassment of dissidents thwarts the will and intent of the Helsinki accord. We must be vigilant in our championing of the rights of all peoples in the Soviet Union to be free from persecution and political ostracizing.

For the Soviet Union not to believe our intensity of feeling in this matter would be foolhardy. Yet we must go beyond mere expressions of disapproval and consider more definitive actions. For example, the SALT talks serve no useful purpose when the Soviet Union continues to flex its muscle to repress her citizenry. For us to continue negotiations in the shadow of these trials would be at best inappropriate.

Let us continue to monitor the situation closely. The clout of world opinion cannot be ignored by the Soviets. If it can result in justice and freedom from persecution then our mission has been a sound one.

Mr. ZABLOCKI. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. CONTE) for debate purposes only.

Mr. CONTE. Mr. Speaker, I urge support of Senate Concurrent Resolution 95 presented by the gentleman from Wisconsin. This resolution condemns the arrest and imprisonment of 18 Soviet citizens who have been branded as criminals simply because they have attempted to monitor the compliance of their government with regard to the rights guaranteed under the Helsinki Accords, to which the Soviet Union is a signator. The members of the Helsinki groups have been deprived of the very rights which they have sought to insure for themselves and their fellow citizens—that is freedom of thought, conscience, religion, and the right to hold opinions without interference.

The very timing of the Soviet arrests and the commencement of "mock" trials against Anatoly Shcharansky and Aleksandr Ginzburg is indicative of Soviet rejection of these great universal principles, despite the important strategic bilateral negotiations underway between the Soviet Union and the United States. We cannot help but take notice of such action and respond appropriately to the negative message being sent by the Soviets. More importantly, we cannot ignore the plight of these 18 individuals who have become cruelly ensnared in their country's desire to assert its totalitarian vigor.

The concurrent resolution recognizes that Soviet actions in this regard shall influence the nature and extent of matters of joint strategic and economic importance to both the United States and the U.S.S.R.

In effect, it calls upon the Soviet leadership, in recognition of its moral and legal obligations, to respect human rights as agreed upon in the Helsinki Accords and to seek a humanitarian resolution to these cases and to work toward improving the climate in United States-Soviet relations.

I believe that this concurrent resolution is a proper congressional response to Soviet intransigence with respect to individual and collective human rights and is fully deserving of our support.

Mr. ZABLOCKI. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. WEISS) for debate purposes only.

Mr. WEISS. Mr. Speaker, not since the purges of the Stalin era has the Soviet Government launched such a blatant attack on human rights as it has in the past year culminating with the bringing to trial of Jewish dissident Anatoly Shcharansky. As the New York Times has stated,

> No case against a human rights advocate has been seen as such a vivid indicator of the direction in which Soviet policy, both domestic and foreign, is headed.

Just over a year ago, Shcharansky was imprisoned on charges of treason. But his real crimes are that he has spoken out against the Soviet Union's repressive emigration policies and has repeatedly tried to join his wife in Israel, where she was forced to emigrate the day after their marriage. His arrest is a chilling reminder of the oppressiveness of the Soviet regime. The message to Soviet Jews who wish to leave the Soviet Union is that they risk branding as traitors, imprisonment and perhaps even death.

The Soviet Government's insistence on bringing Shcharansky to trial is an ominous sign that the Soviet Union is reverting to the closed, intolerant society it had seemed to be moving away from during the growth of détente. This trial, in fact, will be construed by many to be as much of an attack on détente as it is on Shcharansky and the causes he symbolizes.

By ignoring appeals for Shcharansky's release and timing the trial so that it coincides with an arms limitation meeting between Secretary of State Vance and Soviet Foreign Minister Gromyko, the Soviet Government has made it clear that it wants to limit the boundaries of détente to arms control. But the Soviet Government is totally misguided if it does not understand that the people of the United States will inevitably consider Soviet conduct in relation to human rights when arms control comes up for consideration.

Although there may be no direct connection between the two issues, it is perfectly logical to ask "If the Russians find it so easy to break their word on the Helsinki agreement can they be trusted to keep it on SALT?"

Soviet obtuseness in this regard endangers not just détente but the very survival of civilization itself.

Mr. ZABLOCKI. Mr. Speaker, I yield 1 minute to the gentlewoman from Massachusettes (Mrs. HECKLER) for debate purposes only.

Mrs. HECKLER. Mr. Speaker, I rise in strong support of this resolution condemning the trials of Soviet dissidents, and I extend my congratulations to the chairman of the committee and to the

ranking Republican member, the gentleman from Michigan (Mr. BROOMFIELD) for their leadership in bringing to this Congress a matter of conscience for all Americans.

While only a few will participate in this debate today, our expressed concern is the tip of an iceberg in terms of the concern for human rights of the people in the United States and this Congress. Regardless of whether we consider the language of this resolution sufficiently strong or insufficiently strong, the fact is that our commitment to human rights is strong, and I would say that the stakes for those on trial are exceedingly high.

The Russians have violated legitimate international agreements, not internal policies, which they willingly signed, that guarantee human rights—in particular the right of emigration. Both the Helsinki Final Act and the International Convention on Human Rights insure freedom of movement, and the violation of these accords constitutes flagrant breach of faith and jeopardizes human rights throughout the world.

I would urge President Carter to seek a humanitarian resolution to these particular cases, and to make clear during United States-Soviet conversation that these constant violations of the Helsinki accords and human rights threaten to undermine the relationship between our two countries. I say to the Soviet Union that the Members of this Congress in supporting this resolution send them a serious message.

Mr. ZABLOCKI. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. STRATTON) for debate purposes only.

Mr. STRATTON. Mr. Speaker, I intend to vote for this resolution, of course, but I agree with the gentleman from Vermont (Mr. JEFFORDS) and my colleague from New York (Mr. KEMP) that this resolution is not nearly strong enough. I regret that because of the parliamentary situation it is not possible to offer an amendment that I would wish to offer; namely, that until the resolution of these problems has been completed, as the resolution requests, the SALT talks should be suspended. There certainly is linkage here, as the gentleman from New York (Mr. WEISS) has already suggested. If the Soviet Union breaks the Helsinki agreement, as he suggested, maybe it will break the SALT agreement, too.

It is time we recognized that what is going on in these trials is a deliberate attempt to embarrass and humiliate the United States of America, with Mr. Shcharansky, with the two newspapermen, and with Mr. Slepak. For us to go and sit down and debate a responsible matter such as the SALT talks under these conditions of humiliation makes the United States look weak and groveling. I think we ought to suspend those talks until these provocative, anti-American actions are abandoned.

Mr. ZABLOCKI. Mr. Speaker, I yield 2 minutes to the gentleman from Louisiana (Mr. TREEN) for purposes of debate only.

Mr. TREEN. Mr. Speaker, I thank the chairman for yielding.

I wanted to ask the chairman or the ranking minority member or anybody else if they can tell me what the charge against Shcharansky is. What is the indictment against Shcharansky? Do we have that information other than from newspaper reports?

Mr. ZABLOCKI. Yes, and I had hoped the gentleman from Florida would be here to advise the gentleman. It is the understanding of the gentleman from Wisconsin that the charges against Shcharansky at the present time, at least, are that he has been critical of the Government of the Soviet Union, and at this point they are even threatening to charge him with treason and they have charged him with treason.

Mr. TREEN. I think the charge is treason, among others, and I think it is for divulging state secrets of the Soviet Union.

Let me say, first of all, that I support the thrust of this resolution. I have a similar revulsion to what is happening in the Soviet Union. I do not have to prove in this body my strong anti-Soviet stance.

But, in the resolution, in the second "whereas" clause, we say Shcharansky is being tried for supporting the Helsinki Final Act. Of course, if that were the charge there would be no question about how I or anyone should vote. After all, the Soviet Union is a party to the Helsinki Final Act and it would be ludicrous and unconscionable for any Soviet citizen to be submitted to criminal prosecution for support of that international agreement.

But the fact is that Schcharansky is charged, perhaps among other things, with treason for passing on state secrets of the Soviet Union. To the extent that this resolution condemns that Soviet action, are we attempting to say that the Soviet Union does not have the right to prosecute its own citizens for violation of its espionage laws? Certainly we cannot be saying that. We certainly would not want the Soviet Union or some other country to say that we may not prosecute people for unlawful disclosure of U.S. secrets. Indeed, the Department of Justice just recently obtained convictions against an American citizen and a Vietnamese national for passing secrets to the Hanoi government.

If we are not, in this resolution, condemning the Soviet Union for making espionage—or the passing of state secrets—a criminal act, then we must be saying by this resolution that Schcharansky is not guilty of the charge. I certainly hope he is not guilty, for his own sake, but do we have the omniscience to know that he is not guilty? Perhaps the Soviet action in prosecuting Schcharansky is unwarranted, perhaps it is an abuse of basic human rights, perhaps it is persecution for ulterior purposes. But I doubt that anyone in the U.S. House of Representatives is in possession of sufficient evidence to come to a conclusion one way or the other.

This resolution really ought to be taken up by the committee, rather than being acted on hastily. If we want to condemn the Soviet Union, let us be sure that we are on sound ground in the entirety of the resolution. The resolution is defective, in at least a technical sense, because it condemns the Soviet Union for prosecuting Schcharansky and others for their "efforts" in support of the Helsinki Final Act. At least with respect to Schcharansky, the charges are much broader than that, if not entirely different.

I realize that there is a strong wave of emotionalism about the several trials now going on in the Soviet Union. Each and every one of us is deeply concerned about human rights in the Soviet Union, as in the rest of the world. But we also have an obligation to act as a responsible body. And I do not think, for the reasons I have stated, that we are acting that way in rushing this resolution through without even referring it to the committee with responsibility for foreign affairs. For that reason, Mr. Speaker, I must consider voting "present" on this resolution.

Mr. ZABLOCKI. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. ASHBROOK) for purposes of debate only.

Mr. ASHBROOK. Mr. Speaker, I would like to ask the chairman, my good friend, if he intends to recognize any of the Members for the purpose of amending this concurrent resolution?

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Speaker, it is not the intention of the gentleman from Wisconsin to recognize Members for the purpose of offering amendments.

Mr. ASHBROOK. I thank the gentleman for his response, although I wish he had indicated otherwise. It is the option of the gentleman in charge of the resolution to make that decision.

Mr. Speaker, I have heard the word "disappointment" being bandied around like we really had high hopes and all of a sudden they were dashed by the Soviets. I guess the only disappointment I have has been at the false hopes that have been held out by many Members of this body and by the administration that the Russians would change their Communist spots. Let me make it clear that it was past and present administrations, Republican and Democrat, who held out the false hopes. I am not pointing the finger at anyone.

Mr. ZABLOCKI. Mr. Speaker, if the gentleman would yield momentarily, I am sure he is aware it is not the decision of the gentleman from Wisconsin not to recognize Members for amendments, but under the House rules, this being a privileged resolution, it is not subject to amendment.

Mr. ASHBROOK. I thank the gentleman from Wisconsin. I would say parenthetically this may be one of the last times such a resolution comes up by unanimous consent when this Member is on the floor.

Continuing, let me say that just last year at Notre Dame the President of the United States held out to the world that the cold war was over, confrontation was over, and we were going to move toward peace. He was going to lead us into this new era. He criticized those of us who are anti-Communist.

I do not think many of us believed that a new era had arrived. Yet, nevertheless that is the message telegraphed by the United States through its elected leader.

In this resolution we are throwing little more than wet Kleenex at the Soviets. Are we going to back up our resolution or are we just throwing words? The answer is pretty clearly that words, not actions, will be the response of the liberal leadership here in Washington.

The world has heard words at Munich, it has heard words at Geneva, it has heard words at Helsinki. I think freedom-loving people are looking for some resolute action. The treachery of the Soviet Union is well known and has been known for decades. The fact that we are surprised—and certainly the gentleman from Illinois (Mr. DERWINSKI), myself, and others are not surprised—but certainly the fact that we are surprised is something that I do not understand, because there should be no surprise at all. This is the only legitimate basis for our disappointment today.

Mr. ZABLOCKI. Mr. Speaker, I yield 1 minute to the gentleman from Connecticut (Mr. DODD).

Mr. DODD. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I join with my other colleagues in support of this resolution today. Like the gentleman from Massachusetts (Mr. DRINAN) and others, I had the opportunity a year or so ago to meet with Anatoly Scharansky, Viktoras Petkus, Vladimir Schlepak, Aleksandr Lerner, and Aleksandr Ilyich Ginzburg in the Soviet Union. I think that the remarks of the gentleman from Louisiana Mr. TREEN) are important and pertinent. Certainly I was shocked with the charges of espionage and treason, and particularly in affiliation with our own intelligence community, especially in view of the fact that I recall visiting with Anatoly Scharansky, Viktoras Petkus, and Aleksandr Ilyich Ginzburg in the lobby of a Moscow hotel. Now anyone who knows anything at all about intelligence activities knows that you do not communicate with your contact in the lobby of a hotel when you are being watched by the KGB agents at the time. To accuse these men of being agents of the U.S. Government and of surreptitiously meeting with Members of the Congress and passing on information is reaching the point of absurdity. Furthermore, I believe that I can state unequivocally that such behavior on the part of the Soviets can only succeed in furthering the determination of all of the millions of us, both inside and outside the Soviet Union, who are concerned with the right of an individual to emigrate and to live in freedom in the country of his choosing.

There are those who, in the name of détente, would have us mute our call for human rights in the Soviet Union. But we cannot in good conscience lessen our efforts for if, in securing increased economic and cultural cooperation with the Soviet Union, we at the same time abandon those principles of freedom upon which this Nation was founded, we will have violated the faith passed on to us by our forefathers and that we are duty-bound to pass on to our children. We must speak out on behalf of Anatoly Scharansky: His cause—the cause of freedom—is our cause as well.

So I join with my colleagues here today in support of this concurrent resolution.

● Mr. FRENZEL. Mr. Speaker, I support Senate Concurrent Resolution 95 and hope that our vote in its favor today will send a strong signal to the Russians.

Russia is, in effect, thumbing its nose at the United States in general, and at our President in particular. Obviously, no such actions would be taken unless Russian leaders felt that our country and its leaders were weak and uncertain.

Russia has been clearly and flagrantly in violation of the Helsinki Final Act since the day it became effective. The current trials are only an emphatic, dramatic restatement of official Soviet rejection of the Helsinki accords.

Resolutions seldom change international conduct, but I believe we have no choice but to tell Russia through this resolution, that we cannot accept its behavior, either with respect to human rights, or with respect to its adventurism in Africa. The Soviets should know that bad international deportment can only beget bad international relations for them. After we have been swatted a few times, there is no reason to keep on smiling.

Motions to make this resolution tougher, although tempting should be avoided. This is a strong, clear resolution. Additions to it only bite into executive department authority at a time when solidarity among branches is more appropriate. I have little confidence in the President, but I still have confidence in our system.

I hope Senate Concurrent Resolution 95 is unanimously passed.●

● Mr. OTTINGER. Mr. Speaker, I strongly support Senate Concurrent Resolution 95 which expresses the sense of the Congress that the trials of the Soviet dissidents are of deep concern to the American people and may impose obstacles to the future building of cooperation between our two countries.

The recent arrests of more than 18 Helsinki Monitoring Committee members and the advent of the trials of Anatoly Scharansky and Aleksandr Ginzburg flies in the face of Soviet assertions that it complies with the Helsinki Final Act and the Universal Declaration for Human Rights of which she is a signatory. There comes a point when the United States must take a strong stand on standards of compliance with these international agreements. No degree of cooperation on issues of arms, science, and trade with the United States can or should blind the United States to flagrant abuses of human rights and individual freedoms. And no debate of styles of historical interpretation and questions of "what action here has a bearing on that action there" should dissuade the United States from reacting to these recent acts of the Soviet Union. Very simply, the Soviet Union has been stepping too far beyond tolerable limits of compliance and abusing too many individuals' rights for the United States to let it go unnoticed.

Cynically, the Soviet Union has been increasing the numbers of Soviet Jews whom they have allowed to leave the country, while at the same time increasing the isolation and persecution of the leaders of the Soviet Jewry and dissident movements. Anatoly Shcharansky is one of the primary leaders of those Soviets who either want to leave the country in order to be reunited with their families or who simply want to leave the country for philosophical and moral reasons. He and Aleksandr Ginzburg are two of the leaders, the shepherds, of those Soviets who, in monitoring their nation's degree of compliance with the Helsinki Final Act, seek the protection of the rights of all citizens of the Soviet Union. The numbers of emigrants are mere camouflage of the Soviet Union's true inability and unwillingness to adhere to the tenets of the Helsinki Final Act and to accept its responsibility as a signatory of this and other international agreements of similar import.

Mr. Speaker, beyond my deep concern for the health and well-being of these two human beings, the trials have taken on great symbolic significance. They will serve as an indication of just how far the Soviets will go in breaching the Helsinki Final Act and in making hay out of U.S. appeals to stop persecuting Soviet dissidents and to start allowing all those who wish to leave the country to do so. More importantly, the U.S. official reaction to these trials will be an indication of the degree and breadth of our commitment to international agreements and to the protection of the human rights of all.

I urge the President to take strong and unequivocal steps to let the Soviet Union know that we will not tolerate such abuses as those perpetrated against these two young men. We as a nation can ill afford the shame of compromising our principles by not reacting decisively to such outrages.

Certainly one step we should take is to restrict trade and exchanges which Russia finds advantageous. The continuation of scientific and cultural exchanges while the Soviet Union continues to blatantly ignore her obligations to the Helsinki Final Act and to the Universal Declaration for Human Rights would be inexcusable and indefensible by this administration.

Every American's trust, as well as that of other nations, in our Government depends on our willingness to follow through when our principles and values are on the line, to take actions which follow a policy consistent with what we believe to be the basic, inherent rights of all human beings regardless of the nation in which they reside. This resolution is consistent with that resolve and I urge its passage.●

● Mr. PURSELL. Mr. Speaker, as an American, and as a person, I am deeply distressed by the events in the Soviet Union surrounding those who speak out for freedom and for basic human rights. As an American, I am disturbed by the Soviets' violations of their international commitments, especially the human rights pledges of the 1975 Helsinki Accords. As a person, I am appalled that human beings are being tried and imprisoned for speaking their minds on basic human rights.

Therefore, I am giving my strong and vigorous support to the resolution (S.

Con. Res. 95) before the House today urging the Soviet Union to seek a humanitarian resolution to the cases of Anatoly Shcharansky and Aleksandr Ginzburg and other Soviet dissidents. The United States must continue to make a strong stand for human rights throughout the world, and this resolution is one way in which Congress can make itself heard.

It is important to remember that we are speaking of morality in this resolution, not political system. We are asking the Soviet Union to make a humanitarian disposition of these cases—not interfering with their judicial processes. We are speaking of basic human rights for all people and living up to the spirit of international agreements.

By the same token, the trials of Shcharansky and Ginzburg are not happening in isolation. There is no way that the rest of the world will not feel the effects of continued harassment of Soviet citizens. Such events will surely have a bearing on the perceptions the nations of this world have of the Soviets. The trials going on today are hampering successful and open relations between the Soviets and those countries which stress the necessity of human rights for all. And these strained relations will no doubt continue until humanitarianism is practiced throughout the Soviet Union.

We are saying to the Soviets that they have a deep responsibility to the United States and the rest of the world to live up to the Helsinki Accords, especially in terms of human rights. I fervently hope that their leaders will heed the concerns of Congress and all Americans.●

● Mr. HOLLENBECK. Mr. Speaker, I strongly support passage of Senate Concurrent Resolution 95, expressing the concern of the American people over the trials being conducted in the Soviet Union of Anatoly Scharansky, Alexander Ginzburg, and others who have committed themselves to the defense of the Helsinki Final Act.

Recent months have seen continued policies by the Soviet Union which can only have the effect of hampering trade relations between our two countries, and yet it is the Soviet Premier who criticizes the United States for being "unwilling" to establish normal trade relations. With the convening of talks between Secretary of State Vance and Foreign Minister Gromyko in Geneva, we see that the United States is now being warned against linking human rights and SALT negotiations.

However, we and the Soviet Union have both made a commitment to the defense of certain basic human rights. That commitment is called the Helsinki Final Act, and now we find mock trials being conducted against men who have only committed the "crime" of defending that act and insuring that its promise be kept.

This is not merely an 'internal' matter. Nor is this an instance of the United States trying to "impose" its own values or system of government on the Soviet Union. What we are saying to the Soviet Union by passing this resolution is that international agreements are meant to be kept, that commitments made by the Soviet leadership to their own citizens as well as to the United States are not to be taken lightly. Our right to criticize and exert leverage, and the standards by which we take these actions were given to us when the Soviet Union signed the Helsinki agreement.

Apparently the Soviets believe that they can ignore the promises made at Helsinki while urging us to have faith in their good intentions and trustworthiness at Geneva. I believe that we should state very clearly, with the passage of this resolution, that our stand on human rights is more than rhetoric. We can not permit the impression that our rhetoric on human rights is merely that and nothing more, and I fear that some may interpret our actions in this way.

We must make it clear that it is not the United States hurting the cause of international cooperation and understanding, but the Soviet Union, through its persecution and harassment of those who seek certain conditions and rights normally taken for granted in other parts of the world. We need to reevaluate our trade policies and our policies of scientific and technical exchange and cooperation, because these goals are endangered by the repression and persecution being practiced against citizens of the Soviet Union.●

Mr. ZABLOCKI. Mr. Speaker, I have no further requests for time and I move the previous question on the Senate concurrent resolution.

The SPEAKER pro tempore (Mr. LEVITAS). Without objection, the previous question is ordered on the Senate concurrent resolution.

There was no objection.

The SPEAKER pro tempore. The question is on concurring in the Senate concurrent resolution.

PARLIAMENTARY INQUIRY

Mr. ASHBROOK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. ASHBROOK. Mr. Speaker, the gentleman from Wisconsin (Mr. ZABLOCKI) moved the previous question and the Chair presented the question on the adoption of the resolution.

The SPEAKER pro tempore. The Chair will state that upon the presentation of the motion by the gentleman from Wisconsin (Mr. ZABLOCKI) to move the previous question that the Chair said, "Without objection, the previous question is ordered on the Senate concurrent resolution."

The Chair then paused and said, "The question is on concurring in the Senate concurrent resolution."

MOTION TO COMMIT WITH INSTRUCTIONS

Mr. ASHBROOK. Mr. Speaker, at that point then I have a motion to commit under the rule.

The SPEAKER pro tempore. The gentleman is in order.

Is the gentleman opposed to the Senate concurrent resolution?

Mr. ASHBROOK. I am opposed to the Senate concurrent resolution and my motion to commit with instructions is at the desk.

The SPEAKER pro tempore. The Clerk will report the motion to commit with instructions.

The Clerk read as follows:

Mr. ASHBROOK moves to commit Senate Concurrent Resolution 95 to the Committee on International Relations with instructions to report the concurrent resolution back forthwith with the following amendment: Strike period after last paragraph and insert the following: "and it is further resolved that the Congress urges the President of the United States to recall our representatives at the SALT talks as further evidence of the commitment of this nation to the principles set out in this resolution, and that no further negotiations proceed until the Soviet Union by its actions more clearly indicates the reliability of entering into a SALT treaty with that nation."

POINT OF ORDER

Mr. ZABLOCKI. Mr. Speaker, I raise a point of order on the motion to commit with instructions.

The SPEAKER pro tempore. The gentleman will state his point of order.

Mr. ZABLOCKI. Mr. Speaker, the instructions go beyond the scope of Senate Concurrent Resolution 95 now before us. The instructions would add a further resolving clause that the Congress urge the President of the United States to recall our representatives at the SALT talks.

This clearly goes beyond the resolution, which is intended to express a condemnation of the Soviet Union, that is, the unhappiness of the Congress with the manner in which they are trying one Anatoly Shcharansky for treason and for what we believe is his right to express his opinion, and violations on the part of that government of the Helsinki Final Act.

I submit, therefore, that the motion to recommit with instructions goes beyond the scope of the Senate resolution before us and is out of order.

The SPEAKER pro tempore. Does the gentleman from Ohio (Mr. ASHBROOK) wish to be heard on the point of order?

Mr. ASHBROOK. Mr. Speaker, I certainly do.

Mr. Speaker, in the first place, it is not a motion to recommit. Under rule XVII it is clearly stated:

> It shall be in order, pending the motion for, or after the previous question shall have been ordered on its passage, for the Speaker to entertain and submit a motion to commit, with or without instructions, to a standing or select committee.

I would hold and suggest that the motion is completely consistent with the language of the concurrent resolution. We are going so far in the concurrent resolution in the Congress to urge that the Supreme Soviet, not even in this country, but the Supreme Soviet and its leadership take certain actions, and certainly that the President of the United States take action. Again, we are not telling him he has to; we are merely urging him to take an action which, by the basic sense of the concurrent resolution, cannot be in itself a law. It is a resolution expressing the intentions, the desires, the wishes of Congress urging anyone, whether it be the President of the United States or the Supreme Soviet, to take action. It is consistent with that, and I would hope that the Chair would hold it in order.

The SPEAKER pro tempore. Does the gentleman from Wisconsin (Mr. ZABLOCKI) desire to be heard further?

Mr. ZABLOCKI. Mr. Speaker, if I may be heard further on the point of order I

raised, the motion to commit that the gentleman from Ohio has made, with instructions, goes not only beyond the scope of the resolution before us, but the language of the instructions is not germane to the Senate resolution, Senate Concurrent Resolution 95 that is before us. Therefore, I again submit that it is out of order.

The SPEAKER pro tempore. Does the gentleman from New York (Mr. STRATTON) desire to be heard on the point of order?

Mr. STRATTON. I do, Mr. Speaker. I rise in opposition to the point of order. I would point out to the Chair that the resolution says as follows:

* * * that these deplorable events inevitably affect the climate of our relations and impose obstacles to the building of confidence and cooperation between our two countries; * * *

We are concerned about the obstacles that these actions impose to the building of confidence, and the SALT negotiations going on in Geneva are an attempt to achieve a measure of cooperation and confidence. These actions clearly do impose obstacles. In the spirit of that portion of the resolution, the instructions suggest that since obstacles are imposed, we ought to discontinue the discussions in Geneva until those obstacles are removed. Therefore, it is clearly germane, clearly in order, and I urge that the point of order be overruled.

Mr. ASHBROOK. Mr. Speaker, I desire to be heard further on the point of order.

Even more than that, if we look at the language ahead of that, it indicates certain matters "of deep concern to the American people." The only way my colleague, the gentleman from Wisconsin, can have his point of order upheld is to say that this is not also a matter of deep concern to the American people. We have stated it to be a matter of deep concern. If the gentleman can show that the SALT talks and their attendant problems are not matters of deep concern, then maybe at that point it would not be germane, but we are talking about matters that are of deep concern. Referring to the deplorable events that inevitably affect the climate of our relations, it ill behooves our chairman, the gentleman from Wisconsin (Mr. ZABLOCKI) then to say that the SALT talks, No. 1, are not a matter of deep concern, and, No. 2, are not something that inevitably affects and have important bearing on the climate of the relations between the two countries.

Mr. Speaker, I suggest it is totally germane to that point.

The SPEAKER pro tempore. Does the gentleman from Wisconsin desire to be heard further? If not, the Chair is prepared to rule on the point of order made by the gentleman from Wisconsin (Mr. ZABLOCKI) against the motion to commit with instructions offered by the gentleman from Ohio (Mr. ASHBROOK).

The motion to commit offered by the gentleman from Ohio provides that instructions will be given to the Committee on International Relations to report the concurrent resolution back with an amendment.

Therefore, the terms of the amendment must be taken into account in order to ascertain the germaneness of the motion to the resolution pending before the House.

The amendment with instructions provides:

And it is further resolved that the Congress urges the President of the United States to recall our representatives at the SALT talks as further evidence of the commitment of this Nation to the principles set out in this resolution and that no further negotiations proceed until the Soviet Union by its actions more clearly indicates the reliability of entering into a SALT Treaty with that nation.

The resolution before the House is an expression of a sense of Congress with respect to the actions now underway in the Soviet Union. It is not a matter relating to the President of the United States, nor does it relate to all matters of negotiations between this country and the Soviet Union and to this country's conduct of those negotiations.

Furthermore, the last clause in the proposed amendment provides that:

No further negotiations proceed until the Soviet Union by its actions more clearly indicates the reliability of entering into a SALT Treaty with that nation.

In the opinion of the Chair, that language, together with the fact that the instructions relate to matters pertaining to the President and not to an expression of the sense of Congress contained in the resolution itself, renders the proposed amendment beyond the scope of the original resolution and, therefore, it is not germane.

The point of order is sustained.

PARLIAMENTARY INQUIRY

Mr. VOLKMER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. VOLKMER. Mr. Speaker, the Chair had previously put the question on the final passage of the resolution.

At this time I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. At this point, the Chair will restate the question before the House in view of the proceedings which have intervened.

The question is on the adoption of the Senate concurrent resolution.

MOTION TO COMMIT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Speaker, I offer a further motion to commit, which I think will be consistent with the objections raised by the Chair.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. ASHBROOK moves to commit Senate Concurrent Resolution 95 to the Committee On International Relations with instructions to report the concurrent resolution back forthwith with the following amendment: Strike period after last parargaph and insert the following: "and it is further resolved that it is the sense of Congress that the representatives of the United States at the SALT talks be withdrawn as further evidence of the commitment of this nation to the principles set out in this resolution, and that no further negotiations proceed until the Soviet Union by its actions more clearly indicates the reliability of entering into a SALT treaty with that nation."

POINT OF ORDER

Mr. ZABLOCKI. Mr. Speaker, a point of order.

The SPEAKER pro tempore. The gentleman will state the point of order.

Mr. ZABLOCKI. Mr. Speaker, I make a point of order against the motion.

Mr. Speaker, this relates to the negotiations of SALT, which is not in any way within the scope of Senate Concurrent Resolution 95.

The gentleman from Ohio attempts to meet the objection or ruling of what the Speaker has pointed out in the first sentence of the gentleman's motion to instruct by changing it, that it is the sense of Congress rather than that the Congress urges the President; but the amended instructions do not in any way, Mr. Speaker, meet the Speaker's concern that the last sentence that the Speaker pointed out in this ruling, that no further negotiations proceed until the Soviet Union by its actions more clearly indicates the reliability of entering into a SALT treaty with that nation.

Mr. Speaker, I submit this is far and beyond the scope of the resolution.

Mr. Speaker, if I may at this point make just a common observation, not on the point of order, but if this language remains, I can advise the Speaker and my colleagues that we will have no expression as far as the other body is concerned. I am sure they will not accept it.

Mr. Speaker, I again submit that the commitment motion is not germane and it is out of order.

The SPEAKER pro tempore. Does the gentleman from Ohio (Mr. ASHBROOK) desire to be heard on the point of order?

Mr. ASHBROOK. I do, Mr. Speaker.

Mr. Speaker, I would like to direct my remarks to the germaneness, but first I would like to answer the last statement made by my colleague, the gentleman from Wisconsin (Mr. ZABLOCKI).

If he is, indeed, correct, then all our fears that we are doing nothing have been proven. If by inserting this language, there is going to be no action taken, then I think we hold out to the world the fact that we really do not intend to do anything other than talk.

As far as the point of order is concerned, one of the tests is whether or not it would have been germane if it had been offered in committee. I think clearly it would have been germane if it had been offered in committee, whether it had been accepted or rejected.

Again we go back to the original statement and the original reasons. They are matters of deep concern to the American people. I am referring to the deplorable actions of the Soviet Union, and we are talking about building confidence in our negotiations with the Soviet Union.

I think, consistent with the ruling of the Chair on the other point of order, this amendment would be germane at this point, because it calls for the sense of Congress, and it calls for no action on the part of the President. It is consistent with the entire body of the concurrent resolution, and I would urge the Chair to uphold my right to offer this motion to commit.

Mr. STRATTON. Mr. Speaker, may I be heard on the point of order.

The SPEAKER pro tempore. The Chair will hear the gentleman.

Mr. STRATTON. Mr. Speaker, I rise in opposition to the point of order.

Mr. Speaker, as I indicated earlier in opposing the previous point of order, this resolution itself begins with the words that "It is the sense of Congress that the trials of Anatoly Shcharansky," and so forth and so on. The resolution is itself a statement of the sense of Congress.

The motion offered by the gentleman from Ohio (Mr. ASHBROOK) is a further expression of the sense of Congress growing out of the deplorable actions that have taken place with regard to Anatoly Shcharansky and others. As the gentleman from Ohio (Mr. ASHBROOK) pointed out a moment ago, the distinguished occupant of the chair, in ruling on the previous point of order, stated that it went beyond the existing resolution by imposing certain obligations on the President of the United States.

That does not occur in this amendment or in this motion of commitment and, therefore, it is clearly germane. It clearly continues to spell out what I interpret to be the sense of Congress, a sense of outrage that we should proceed with important negotiations looking toward cooperation and confidence at a time when America is being defied by these acts of oppression against American newsmen and by charges that Soviet dissidents are allied with the CIA, which the President has already repudiated.

Certainly the actions that the sense of Congress is deploring do pose obstacles to confidence and continued cooperation.

I share the fears of my friend, the gentleman from Ohio (Mr. ASHBROOK), that if this amendment cannot be added, we are going to do nothing.

There were outstanding voices in the other body expressed just the other day that we should suspend these talks in an atmosphere where the United States is being humiliated, embarrassed, and deliberately tested in the same way that Mr. Khrushchev tried to test President Kennedy in Cuba. I do not think we ought to be carrying on these negotiations in Geneva, and I believe the motion offered by the gentleman from Ohio (Mr. ASHBROOK) is completely in order as an expression of the sense of Congress.

The SPEAKER pro tempore (Mr. LEVITAS). The Chair is prepared to rule.

The motion to commit with instructions offered by the gentleman from Ohio (Mr. ASHBROOK) provides that an amendment would be attached to the resolution which reads as follows:

> It is further resolved that it is the sense of Congress that the Representatives of the United States at the SALT talks be withdrawn as further evidence of the commitment of this Nation to the principles set out in this resolution, and that no further negotiations proceed until the Soviet Union by its actions more clearly indicates the reliability of entering into a SALT treaty with that nation.

The resolution before the House does not address the matter of the SALT treaty or the reliability of the Soviet Union with respect to the SALT treaty. And, in addition to that, the amendment to the resolution would provide that no further negotiations by the State Department proceed with respect to a specific area of foreign relations, which is not a subject matter of the concurrent resolution pending before the House.

Accordingly, it is the opinion of the Chair that the amendment contained in the motion to commit is broader than the subject matter of the resolution and is, therefore, not germane to the resolution.

The point of order is therefore sustained.

MOTION TO COMMIT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Speaker, I offer a further motion to commit.

The SPEAKER. The Clerk will report the motion to commit.

The Clerk read as follows:

> Mr. ASHBROOK moves to commit Senate Concurrent Resolution 95 to the Committee On International Relations with instructions to report the concurrent resolution back forthwith with the following amendment: Strike period after last paragraph and insert the following: "and it is further resolved that it is the sense of Congress that the United States recall our representatives at the SALT talks as further evidence of the commitment of this nation to the principles set out in this resolution".

POINT OF ORDER

Mr. ZABLOCKI. Mr. Speaker, I make the point of order against the instructions in this motion to commit Senate Concurrent Resolution 95 for the same reasons that I pointed out and stated before.

Mr. Speaker, I may say to the gentleman from Ohio that I basically have some agreement with him, but I must admit, Mr. Speaker, that this is apples and oranges. We are not dealing with SALT negotiations in this resolution. If we, indeed, want to condemn the actions of the Soviet Union in the treatment they have given to dissidents in that country, because they have supported the provisions of the Helsinki Final Act, the instructions to recall our United States representatives at the SALT talks truly have no basis.

Mr. Speaker, I truly want that this Congress strongly voice objection to any violation of the Helsinki Final Act, and I am certainly as concerned as the gentleman from Ohio that our SALT talks should be meaningful. But I must point out, Mr. Speaker, that the two are not related; and, indeed, this is a third attempt to commit with instructions Senate Concurrent Resolution 95 and to go beyond the scope of the resolution before us. This third attempt as modified is not much different than the first two attempts, and I submit, Mr. Speaker, the motion to commit is not in order.

The SPEAKER. The Chair recognizes the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Speaker, I would suggest that my third attempt does clearly come within the germaneness of this resolution. My friend and colleague, the chairman of the committee, indicates that we are not dealing with SALT in the concurrent resolution. I would suggest to the Speaker that we are dealing with the Soviet Union.

The first paragraph says: "Whereas, the Soviet Union is a signatory * * *"

The second paragraph refers to being tried and punished by the Soviet Union.

On the second page we talk about "the Congress urges the U.S.S.R. Supreme Soviet * * *"

And the last line indicates "United States-Soviet relations."

And in every instance we are talking about our dealings with the Soviet Union. For the chairman of the committee to indicate that one aspect of our dealings with the Soviet Union must be compartmentalized against these entire declarations, when it relates to the actions of the Soviet Union, and talks about agreements of the United States with the Soviet Union, to my way of thinking holds no merit, should be overruled, and we should vote on this motion to commit.

The SPEAKER pro tempore (Mr. LEVITAS). The Chair is ready to rule.

The Chair has examined the motion to commit offered by the gentleman from Ohio (Mr. ASHBROOK), which would commit the concurrent resolution to the Committee on International Relations with instructions to report back the concurrent resolution with an amendment. The amendment that would be reported back provides as follows:

> It is further resolved that it is the sense of Congress that the United States recall our representatives at the SALT talks as further evidence of the commitment of this Nation to the principles set out in this resolution.

As stated in the last ruling by the Chair, there is nothing in the concurrent resolution before the House pertaining to the SALT talks or to this country's diplomatic initiatives toward the Soviet Union. It is for that reason that the Chair believes that any reference to a specific diplomatic relationship between the two countries, be it the SALT talks or space exploration or cooperation in the International Oympics, would not be germane to a resolution which merely expresses congressional concern over actions of Soviet leaders.

For that reason, it is the opinion of the Chair that the amendment offered by the gentleman from Ohio in his motion to commit is broader than the scope of the concurrent resolution and, therefore, is not germane.

Accordingly, the point of order is sustained.

Mr. ASHBROOK. Mr. Speaker, under the rules, I appeal the ruling of the Chair.

The SPEAKER pro tempore. The gentleman has that right.

MOTION OFFERED BY MR. ZABLOCKI

Mr. ZABLOCKI. Mr. Speaker, I offer a motion.

The Clerk read as follows:

> Mr. ZABLOCKI moves to lay the appeal of the Chair's ruling on the table.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. ZABLOCKI).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 277, nays 120, answered "present" 2, not voting 33, as follows:

[Roll No. 533]

YEAS—277

Addabbo	Flood	Myers, John
Akaka	Florio	Myers, Michael
Alexander	Foley	Natcher
Ambro	Ford, Mich.	Neal
Ammerman	Ford, Tenn.	Nedzi
Anderson, Calif.	Forsythe	Nichols
	Fowler	Nolan
Andrews, N.C.	Fraser	Nowak
Annunzio	Frenzel	Oakar
Applegate	Fuqua	Oberstar
Ashley	Garcia	Ottinger
Aspin	Gaydos	Panetta
AuCoin	Gephardt	Patten
Bafalis	Gibbons	Patterson
Baldus	Ginn	Pattison
Baucus	Glickman	Pease
Beard, R.I.	Gonzalez	Pepper
Bedell	Gore	Perkins
Beilenson	Gradison	Pettis
Benjamin	Green	Pickle
Bennett	Gudger	Pike
Bevill	Hamilton	Poage
Biaggi	Hannaford	Preyer
Bingham	Harkin	Price
Blanchard	Harrington	Pritchard
Blouin	Harris	Pursell
Boggs	Hawkins	Quie
Boland	Hefner	Rahall
Bolling	Heftel	Railsback
Bonior	Hightower	Regula
Bonker	Holtzman	Reuss
Bowen	Howard	Rhodes
Brademas	Hughes	Richmond
Breckinridge	Jacobs	Roberts
Brinkley	Jenrette	Roe
Brodhead	Johnson, Calif.	Roncalio
Brooks	Johnson, Colo.	Rooney
Broomfield	Jones, N.C.	Rose
Brown, Calif.	Jones, Tenn.	Rosenthal
Broyhill	Jordan	Rostenkowski
Buchanan	Kastenmeier	Roybal
Burke, Calif.	Kazen	Runnels
Burke, Mass.	Keys	Ruppe
Burlison, Mo.	Kildee	Russo
Burton, John	Kostmayer	Ryan
Burton, Phillip	Krebs	Santini
Carney	Krueger	Sarasin
Carr	LaFalce	Scheuer
Cavanaugh	Leach	Schroeder
Chappell	Lederer	Seiberling
Chisholm	Lehman	Sharp
Clay	Lloyd, Calif.	Shipley
Collins, Ill.	Long, La.	Simon
Conable	Long, Md.	Sisk
Conte	Luken	Skelton
Corman	Lundine	Slack
Cornell	McCormack	Solarz
Cotter	McDade	Spellman
D'Amours	McFall	St Germain
Danielson	McHugh	Staggers
Delaney	McKay	Stanton
Dellums	McKinney	Stark
Dent	Madigan	Steed
Derrick	Maguire	Steers
Dicks	Mahon	Steiger
Diggs	Markey	Stokes
Dingell	Marks	Studds
Dodd	Martin	Thornton
Downey	Mattox	Traxler
Drinan	Mazzoli	Trible
Duncan, Oreg.	Meeds	Tucker
Early	Metcalfe	Udall
Eckhardt	Meyner	Ullman
Edgar	Mikulski	Van Deerlin
Edwards, Ala.	Mikva	Vander Jagt
Edwards, Calif.	Miller, Calif.	Vanik
Eilberg	Mineta	Vento
Erlenborn	Minish	Volkmer
Ertel	Mitchell, Md.	Walgren
Evans, Colo.	Mitchell, N.Y.	Walsh
Evans, Del.	Moakley	Waxman
Evans, Ind.	Moffett	Weaver
Fary	Mollohan	Weiss
Fascell	Moorhead, Pa.	Whalen
Fenwick	Moss	White
Findley	Mottl	Whitehurst
Fish	Murphy, Ill.	Whitley
Fisher	Murphy, Pa.	Whitten
Fithian	Murtha	Wiggins
Flippo	Myers, Gary	Wilson, Tex.
Wirth	Yates	Young, Tex.
Wright	Yatron	Zablocki
Wylie	Young, Mo.	

NAYS—120

Abdnor	Flowers	Moore
Andrews, N. Dak.	Gammage	Moorhead, Calif.
Archer	Gilman	Murphy, N.Y.
Armstrong	Goldwater	O'Brien
Ashbrook	Grassley	Pressler
Badham	Hagedorn	Quayle
Barnard	Hall	Quillen
Bauman	Hammer-schmidt	Rinaldo
Beard, Tenn.	Hanley	Risenhoover
Breaux	Hansen	Robinson
Brown, Mich.	Harsha	Rousselot
Brown, Ohio	Heckler	Rudd
Burgener	Hillis	Satterfield
Burleson, Tex.	Hollenbeck	Sawyer
Butler	Holt	Schulze
Byron	Horton	Sebelius
Caputo	Hubbard	Shuster
Carter	Huckaby	Sikes
Clausen, Don H.	Hyde	Smith, Iowa
	Ichord	Smith, Nebr.
Clawson, Del	Ireland	Snyder
Cleveland	Jeffords	Spence
Cochran	Jenkins	Stangeland
Cohen	Jones, Okla.	Stockman
Coleman	Kelly	Stratton
Collins, Tex.	Kemp	Stump
Corcoran	Kindness	Symms
Cornwell	Lagomarsino	Taylor
Coughlin	Latta	Thone
Crane	Lent	Treen
Cunningham	Livingston	Waggonner
Daniel, Dan	Lloyd, Tenn.	Walker
Daniel, R. W.	Lott	Wampler
Derwinski	Lujan	Watkins
Devine	McClory	Wilson, Bob
Dickinson	McDonald	Wydler
Dornan	Marlenee	Young, Alaska
Duncan, Tenn.	Marriott	Young, Fla.
Edwards, Okla.	Michel	Zeferetti
Emery	Miller, Ohio	
English	Montgomery	

ANSWERED "PRESENT"—2

Levitas	Milford

NOT VOTING—33

Anderson, Ill.	Goodling	Obey
Burke, Fla.	Guyer	Rangel
Cederberg	Holland	Rodino
Conyers	Kasten	Rogers
Davis	Le Fante	Skubitz
de la Garza	Leggett	Teague
Evans, Ga.	McCloskey	Thompson
Flynt	McEwen	Tsongas
Fountain	Mann	Wilson, C. H.
Frey	Mathis	Winn
Giaimo	Nix	Wolff

Mr. GAMMAGE and Mrs. HECKLER changed their vote from "yea" to "nay."

So the motion to lay the appeal from the ruling of the chair on the table was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the Senate concurrent resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ZABLOCKI. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 380, nays 10, answered "present"—6, not voting 36, as follows:

[Roll No. 534]

YEAS—380

Abdnor	Annunzio	Beard, R.I.
Addabbo	Applegate	Beard, Tenn.
Akaka	Archer	Bedell
Alexander	Ashley	Beilenson
Ambro	Aspin	Benjamin
Ammerman	AuCoin	Bennett
Anderson, Calif.	Bafalis	Bevill
	Baldus	Biaggi
Andrews, N.C.	Barnard	
Andrews, N. Dak.	Baucus	
	Bauman	
Bingham	Forsythe	Mazzoli
Blanchard	Fowler	Meeds
Blouin	Fraser	Metcalfe
Boggs	Frenzel	Meyner
Boland	Fuqua	Michel
Bolling	Gammage	Mikulski
Bonior	Garcia	Miller, Calif.
Bonker	Gaydos	Miller, Ohio
Bowen	Gephardt	Mineta
Brademas	Giaimo	Minish
Breaux	Gibbons	Mitchell, Md.
Breckinridge	Gilman	Mitchell, N.Y.
Brinkley	Ginn	Moakley
Brodhead	Glickman	Moffett
Brooks	Goldwater	Mollohan
Broomfield	Gonzalez	Montgomery
Brown, Calif.	Gore	Moore
Brown, Mich.	Gradison	Moorhead, Calif.
Brown, Ohio	Grassley	
Broyhill	Green	Moorhead, Pa.
Buchanan	Gudger	Moss
Burgener	Hagedorn	Mottl
Burke, Calif.	Hall	Murphy, Ill.
Burke, Mass.	Hamilton	Murphy, N.Y.
Burlison, Mo.	Hammer-schmidt	Murphy, Pa.
Burton, John		Myers, John
Burton, Phillip	Hanley	Myers, Michael
Butler	Hannaford	Natcher
Byron	Hansen	Neal
Caputo	Harkin	Nedzi
Carney	Harrington	Nichols
Carr	Harris	Nowak
Carter	Harsha	O'Brien
Cavanaugh	Hawkins	Oakar
Cederberg	Heckler	Oberstar
Chisholm	Hefner	Ottinger
Clausen, Don H.	Heftel	Panetta
	Hightower	Patten
Clawson, Del	Hillis	Patterson
Clay	Hollenbeck	Pattison
Cleveland	Holt	Pease
Cochran	Holtzman	Perkins
Cohen	Horton	Pettis
Coleman	Howard	Pickle
Collins, Ill.	Hubbard	Pike
Collins, Tex.	Huckaby	Pressler
Conable	Hughes	Preyer
Conte	Hyde	Price
Corcoran	Ichord	Pritchard
Corman	Ireland	Pursell
Cornell	Jacobs	Quayle
Cornwell	Jeffords	Quie
Cotter	Jenkins	Quillen
Coughlin	Jenrette	Railsback
Crane	Johnson, Calif.	Regula
Cunningham	Jones, N.C.	Reuss
D'Amours	Jones, Okla.	Rhodes
Daniel, Dan	Jones, Tenn.	Richmond
Daniel, R. W.	Jordan	Rinaldo
Danielson	Kazen	Risenhoover
Davis	Kelly	Robinson
Delaney	Kemp	Roe
Dellums	Keys	Rogers
Derrick	Kildee	Roncalio
Derwinski	Kostmayer	Rooney
Devine	Krebs	Rose
Dickinson	LaFalce	Rosenthal
Dicks	Lagomarsino	Rostenkowski
Diggs	Latta	Rousselot
Dingell	Leach	Roybal
Dodd	Lederer	Rudd
Dornan	Lehman	Runnels
Downey	Lent	Ruppe
Drinan	Levitas	Russo
Duncan, Oreg.	Livingston	Ryan
Duncan, Tenn.	Lloyd, Calif.	Santini
Early	Lloyd, Tenn.	Sarasin
Eckhardt	Long, La.	Satterfield
Edgar	Long, Md.	Sawyer
Edwards, Ala.	Lott	Scheuer
Edwards, Calif.	Lujan	Schroeder
Edwards, Okla.	Luken	Schulze
Eilberg	Lundine	Sebelius
Emery	McClory	Seiberling
English	McCloskey	Sharp
Ertel	McCormack	Shipley
Evans, Colo.	McDade	Shuster
Evans, Del.	McDonald	Sikes
Evans, Ind.	McEwen	Simon
Fary	McFall	Sisk
Fascell	McHugh	Skelton
Fenwick	McKay	Skubitz
Findley	McKinney	Smith, Iowa
Fish	Madigan	Smith, Nebr.
Fisher	Maguire	Snyder
Fithian	Mahon	Solarz
Flippo	Markey	Spellman
Flood	Marks	Spence
Florio	Marlenee	St Germain
Flowers	Marriott	Staggers
Foley	Martin	Stanton
Ford, Mich.	Mathis	Stark
Ford, Tenn.	Mattox	Steed

Steers	Vanik	Wiggins
Steiger	Weaver	Wilson, Bob
Stokes	Vento	Wilson, Tex.
Stratton	Volkmer	Wirth
Studds	Walgren	Wright
Stump	Walker	Wydler
Symms	Walsh	Wylie
Taylor	Wampler	Yates
Thornton	Watkins	Yatron
Traxler	Waxman	Young, Fla.
Trible	Weiss	Young, Mo.
Tucker	Whalen	Young, Tex.
Udall	White	Zablocki
Ullman	Whitehurst	Zeferetti
Van Deerlin	Whitley	
Vander Jagt	Whitten	

NAYS—10

Burleson, Tex.	Murtha	Slack
Chappell	Myers, Gary	Waggonner
Dent	Poage	
Kastenmeier	Rahall	

ANSWERED "PRESENT"—6

Ashbrook	Erlenborn	Kindness
Badham	Johnson, Colo.	Treen

NOT VOTING—36

Anderson, Ill.	Kasten	Roberts
Armstrong	Krueger	Rodino
Burke, Fla.	Le Fante	Stangeland
Conyers	Leggett	Stockman
de la Garza	Mann	Teague
Evans, Ga.	Mikva	Thompson
Flynt	Milford	Thone
Fountain	Nix	Tsongas
Frey	Nolan	Wilson, C. H.
Goodling	Obey	Winn
Guyer	Pepper	Wolff
Holland	Rangel	Young, Alaska

The Clerk announced the following pairs:

Mr. Le Fante with Mr. Burke of Florida.
Mr. Thompson with Mr. Frey.
Mr. Wolff with Mr. Kasten.
Mr. Rangel with Mr. Winn.
Mr. Pepper with Mr. Goodling.
Mr. Mikva with Mr. Stockman.
Mr. de la Garza with Mr. Leggett.
Mr. Fountain with Mr. Armstrong.
Mr. Flynt with Mr. Guyer.
Mr. Obey with Mr. Anderson of Illinois.
Mr. Mann with Mr. Teague.
Mr. Charles H. Wilson of California with Mr. Roberts.
Mr. Nix with Mr. Krueger.
Mr. Nolan with Mr. Milford.
Mr. Conyers with Mr. Holland.
Mr. Evans of Georgia with Mr. Thone.
Mr. Tsongas with Mr. Stangeland.

So the Senate concurrent resolution was concurred in.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROPOSED EXPORT OF LOW-ENRICHED URANIUM TO INDIA

Mr. BINGHAM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 599) disapproving the proposed export of low-enriched uranium to India, and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the concurrent resolution be limited to not to exceed 2 hours, the time to be equally divided and controlled by the gentleman from Ohio (Mr. WHALEN) and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. OTTINGER. Mr. Speaker, reserving the right to object, I would just like to ask my friend and colleague, the gentleman from New York (Mr. BINGHAM), to confirm my understanding that half the time on each side will be allotted to proponents of the resolution.

Mr. BINGHAM. Mr. Speaker, if the gentleman will yield, that is the understanding. Half of the time on each side will be allotted to the proponents of the resolution.

Mr. OTTINGER. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. BUCHANAN. Mr. Speaker, reserving the right to object, could we have the same assurance on the minority side?

Mr. WHALEN. If the gentleman will yield, I can assure the gentleman from Alabama (Mr. BUCHANAN) that this same assurance applies to the minority side. At the very minimum, those favoring this resolution will receive half the time. I presume they will receive time somewhat in addition to that.

Mr. BUCHANAN. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. BAUMAN. Mr. Speaker, on behalf of my colleague, the gentleman from Ohio (Mr. ASHBROOK), who is temporarily absent, I object.

The SPEAKER pro tempore. Objection is heard.

Mr. BINGHAM. Mr. Speaker, I move that general debate on House Concurrent Resolution 599 be limited to not to exceed 2 hours.

POINT OF ORDER

Mr. BAUMAN. Mr. Speaker, I have a point of order.

The SPEAKER pro tempore. The gentleman will state his point of order.

Mr. BAUMAN. Mr. Speaker, under the statutory requirement, as I understand it, that motion is not in order.

The SPEAKER pro tempore. The Chair is prepared to rule.

The Chair refers to the statutory provision in section 308, subsection (c), of Public Law 95-242, which reads as follows:

> Debate on the resolution and all debatable motions and appeals in connection therewith shall be limited to not more than 10 hours, which shall be divided equally between individuals favoring and individuals opposing the resolution. A motion further to limit debate is in order and not debatable.

Therefore, the point of order is overruled.

The question is on the motion offered by the gentleman from New York (Mr. BINGHAM) to limit debate in Committee of the Whole to 2 hours.

The motion was agreed to.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. BINGHAM) that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of House Concurrent Resolution 599.

The question was taken; and on a division (demanded by Mr. BAUMAN) there were—ayes 59, noes 3.

So the motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 599), with Mr. FLIPPO in the chair.

The Clerk read the title of the concurrent resolution.

By unanimous consent, the first reading of the concurrent resolution was dispensed with.

The CHAIRMAN. Pursuant to the provisions of section 308 of Public Law 95-242 and pursuant to the motion offered by the gentleman from New York (Mr. BINGHAM), the gentleman from New York (Mr. BINGHAM) will be recognized for 1 hour, and without objection the gentleman from Ohio (Mr. WHALEN) will be recognized for 1 hour.

The Chair recognizes the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the vote on this concurrent resolution is a first for the House. Indeed, it is a somewhat historic vote. I believe that it is the first time that the House will have voted on a congressional veto by concurrent resolution.

We have, of course, had experience with so-called one-House vetoes of Presidential reorganization plans. But as far as I know, we have had no vetoes by concurrent resolution, which is what this concurrent resolution would call for.

I stress this point so that Members will reflect on the implications of their vote, and particularly so that they will not be swayed by their particular feelings toward an individual country, in this case India, whether those feelings are adverse or friendly.

The International Relations Committee, to which this resolution was referred, has by voice vote recommended against a congressional veto of the President's action in this care.

It has been said by supporters of the resolution that the President's action approving a license for the export of certain uranium to India violated the spirit and intent of the Nuclear Nonproliferation Act of 1978 which he signed in March. This is simply not true. I would refer the Members to the President's statement on the subject which appears in full in the committee report at pages 2 to 4.

The act which we passed unanimously last spring specifically contemplates section 304(a) the very kind of action the President has taken here if he felt that it would serve the cause of nonproliferation of nuclear weapons. The Nuclear Regulatory Commission, to which the application for this export license was first submitted, was split 2 to 2 on the application. The fifth member had not been appointed. In view of that split, the Commission was unable to take action on the application for the export license, and as a result the application was denied.

The President, exercising his authority under section 304, then ordered that the license be issued, and the matter now comes before the Congress for consideration during a 60-day period. If, after the

60-day period has expired and a concurrent resolution disapproving the sale has not been adopted, the President's action will be effective and the license will issue.

The two members of the Nuclear Regulatory Commission who voted against issuing the license did so, because they felt that the sale in question did not satisfy certain criteria of the act. It is worth noting that, in their opinion, they specifically recognized that the President would be looking at the matter from a different and broader perspective. I may say that I have the highest regard for both of those Commissioners. One of them, the Honorable Peter Bradford, informed the International Relations Committee during their hearings on this matter that if he were a Member of Congress, he would indeed not vote to override the President's decision. The other Commissioner, Mr. Gilinsky, has informally expressed the same view.

So, the President has not abandoned or weakened the act he supported so vigorously. I feel, as the primary sponsor of that act in this House, that I have some standing to make that statement. I think it is noteworthy that all the members of the International Relations Committee who worked particularly closely in developing the Nuclear Nonproliferation Act are supporting the President here and opposing the resolution of disapproval.

Mr. Chairman and members of the committee, I would ask the Members to consider this: President Carter has courageously adopted a new strategy for the United States in the all-important fight to prevent the spread of nuclear weapons. This strategy has so far not been a popular one with our friends and allies around the world—and that is putting it mildly. It has met with substantial opposition and criticism in France and the European Community as a whole, and in Japan. The President and his associates face a formidable task in persuading our friends in the EEC and Japan to accept our approach.

Negotiations for new and more comprehensive nuclear cooperation agreements to comply with this act will be long and difficult. The President will need all the support he can get from the Congress to achieve success.

We in the Congress cannot possibly take the President's place in carrying on these negotiations, whether with India, Japan, the United Kingdom, or any other country; nor should we attempt to second-guess the President in his negotiating judgments. In a case such as this, the Congress should override the President, I would submit to the Members, only where the case to do so is overwhelming, and it surely is not that here. Even the proponents of this resolution do not claim that the President has abused his power.

In a way, the proponents of the resolution are arguing that the House should act as if it were the missing fifth member of the Nuclear Regulatory Commission, and vote to deny the license. This is not a proper role for the legislative branch.

This is the nub of the difference between the President and the sponsors of the resolution. The President has been deeply engaged in discussions with Premier Desai and his associates. He is convinced that to deny the license of this 27th shipment of Tarapur reactor fuels now would virtually make impossible and would certainly impede further negotiations with the Indian Government to achieve greater cooperation in nuclear matters. As the President stated in his message to the Congress on this subject, such action would seriously undermine his efforts.

The resolution's sponsors and supporters say just the opposite: that the way to move the negotiations along is to deny the license now, and then talk.

This conclusion, I would suggest, is not based on experience in negotiation with the Indians. It is only a hunch, shall we say?

The question may well be asked: Why should the Indians be so offended by this denial, if it is to be denied? Would they be intractable and unwilling to engage in further negotiations? The answer to those questions is contained in the President's statement. He referred to the fact that in our agreement for cooperation with India, the United States agreed to supply all of the fuel requirements for that power station, and India agreed to operate it exclusively on U.S.-supplied fuel. Moreover, the President noted that the Government of India has given us its commitments to use our exports only at the Tarapur Power Station and not for any explosive or military purpose. That being the case, the Indians naturally would feel that the denial of the license would be an injustice to them.

If we proceed, as the statute contemplates, with negotiations for another 18 months, there is certainly a good chance—we cannot guarantee it, but there is a good chance—that these negotiations would lead over a period of time and in a more friendly atmosphere to some success with the Indians in producing more cooperation with us in nuclear matters.

We know the President is committed to the goal of nonproliferation, and we know he has been willing to cross swords with and even to offend friendly nations to pursue that goal. In this case he says the road toward that goal is not to offend at this time a proud and friendly nation but to pursue negotiations in an atmosphere of cooperation and hope.

I urge the House not to reject the President's judgment and to vote against this resolution of disapproval.

Mr. WHALEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in opposition to House Concurrent Resolution 599 which would disapprove the Executive order issued by President Carter on April 27 authorizing the export of low enriched nuclear fuel to India.

The question of whether the Congress should disapprove the fuel shipment to India is a difficult one. As a strong supporter and cosponsor of nuclear antiproliferation legislation during its progress through the 95th Congress, I can well understand the concerns motivating this resolution. However, I feel that on balance I must oppose this measure.

I share the administration's conviction that denial would undermine its ongoing negotiations with India on a variety of related fronts. These include efforts by the United States to gain India's acceptance of: first, international guidelines for nuclear exporters; second, the concept of a regional nuclear weapons free zone in southern Asia; and third, the newly mandated U.S. requirement for comprehensive IAEA safeguards. Furthermore, denial would make it more difficult for us to insure secure arrangements for U.S. materials already in India, a critical consideration if United States-Indian nuclear cooperation should terminate.

Cutting off exports now cannot increase the possibilities for successful negotiations to achieve fuller safeguards on Indian fuel and nuclear material and in fact such a measure would be counterproductive.

In addition, denial of this export at this time would create excessive uncertainty with regard to overall nonproliferation policy. The 1978 act clearly provides an 18-month grace period during which agreements can and hopefully will be renegotiated to include IAEA safeguards adherence and other criteria spelled out in U.S. law. To cut India off without appropriate warning, in the middle of negotiating efforts, and more than a year before the expiration of that grace period, would appear inconsistent and arbitrary to other nations and particularly to our other customers. It would also create a divisive confrontation with India that would set a bad precedent for the other negotiations in which we will hope to engage.

I urge my colleagues to defeat House Concurrent Resolution 599.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I am pleased to yield to the gentleman from New York (Mr. OTTINGER).

Mr. OTTINGER. Mr. Chairman, I have the greatest respect for the gentleman from Ohio (Mr. WHALEN) for his contributions to our nonproliferation efforts. I know that the gentleman from Ohio (Mr. WHALEN) and the gentleman from New York (Mr. BINGHAM) have been leaders of Congress in trying to achieve nonproliferation. I just disagree very strongly with their conclusion as to the best way to achieve that objective in this case. But there is one point I want to raise with respect to the remarks of the gentleman from Ohio (Mr. WHALEN) and that is the gentleman referred to the 18-month grace period with respect to the requirement that safeguards be adhered to—but it is applicable only with the adoption of the full IAEA safeguards. I would point out that two of the Commissioners who voted against this did so on the basis of section 207 which states certain criteria that have to be met, without any 18-month grace period to determine whether those requirements have been met. I just want to make it clear that the section 207 criteria apply immediately to any proposed export, without any 18-month grace period. I assume the gentleman agrees.

Mr. WHALEN. Let me say that the dissenting Commissioners in their statement observed that the President was obviously entitled to authorize the ex-

port by making a statutory determination that was broader in scope than the Commissioners must make.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from New York (Mr. BINGHAM) for his response.

Mr. BINGHAM. Mr. Chairman, if I may supplement what the gentleman in the well has said, it is true that the two commissioners who voted to deny the license felt that the proposed program did not satisfy the criteria set out in section 207. The other two commissioners felt that it did.

Mr. OTTINGER. My point is that the 18-month period does not apply with respect to those criteria. I think we ought to have that clear in the record and not muddy up the statute in that regard. One can argue that the criteria have been met but I think the gentleman from Ohio (Mr. WHALEN) and the gentleman from New York (Mr. BINGHAM) should agree that those two criteria have to be met and there is no 18-month grace period with respect to those two criteria.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding.

I just would like to say I think it would be a mistake for the House to debate this issue on the question of whether two of the members of the Nuclear Regulatory Commission are correct and the other two are wrong, or vice versa. They had a certain job to do which they did. The President had a different job to do, as all members of the Nuclear Regulatory Commission agree. I think we should be looking at what the President did and not try to decide the merits of the actions of the NRC.

Mr. OTTINGER. If the gentleman from Ohio would yield for just 1 second further, for the gentleman from New York to confirm this, I am not disputing that the President has broader authority. What I do want to make clear is that the criteria do have to be met without provision for any 18-month period. Does the gentleman agree with that?

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding.

Yes. As I previously said, that was the view of the two gentlemen who opposed the issuance of the license because some of the criteria were not immediately met.

Mr. WHALEN. Mr. Chairman, I reserve the remainder of my time.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from Michigan.

● Mr. BROOMFIELD. Mr. Chairman, I oppose the legislation we have before us today, but I do so with some reluctance.

As my colleagues well know, India, which exploded its first nuclear device in 1974, has refused to sign the Nuclear Nonproliferation Treaty which attempts to curb the spread of nuclear weapons. Moreover, India has thus far been reluctant to accept any comprehensive nuclear safeguard programs.

Although I believe that nuclear proliferation risks exist in relation to the shipment of uranium to India—I also believe that the termination of nuclear commerce between the United States and India would at this time be premature. If the Congress disapproves this shipment of uranium, the United States will lose what leverage it now has in attempting to persuade India to accept adequate nuclear safeguards. Moreover, by disallowing the export of uranium to India, our country will no doubt lose its supplier relationship with India to such other countries as France and the Soviet Union.

To be sure, our relationship with India is an important one at this time, particularly in view of India's new Prime Minister Desai, who has brought democracy back to India and who has repudiated the action of his predecessor (Mrs. Grandhi) in exploding a nuclear device in 1974.

Through Prime Minister Desai, we have an opportunity to rebuild American influence in India and the nonaligned bloc over such matters as nuclear nonproliferation and Soviet foreign policy intentions. By approving this shipment of uranium to India, I am hopeful that we can begin a new era of cooperation between India and the United States.

I urge my colleagues to oppose this resolution which would disapprove the shipment of uranium to India.●

Mr. BINGHAM. Mr. Chairman, I yield 4 minutes to the chairman of the full committee, the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to House Concurrent Resolution 599 disapproving the export of low-enriched uranium to India and in support of the action taken by the House Committee on International Relations on June 21st of this year reporting this resolution adversely.

At the very outset I wish to commend the gentleman from New York (Mr. BINGHAM) the gentleman from Ohio (Mr. WHALEN) and others who have in the committee over the years taken the lead to see that the proliferation of nuclear materials be stemmed. I further commend them, however, in that they have taken a very enlightened position on this particular issue.

Mr. Chairman, under the terms of the Nuclear Non-Proliferation Act of 1978 U.S. nuclear cooperation with India must cease by March 1980 unless India agrees to permit the application of IAEA safeguards to all of its existing nuclear facilities and materials. This goal of comprehensive safeguards is an important one for U.S. nonproliferation policy and, indeed, it is fundamental to the effective control of the civil use of nuclear power. Only when such safeguards are complied with can the United States and the international community as a whole be assured that an importing state's peaceful use assurances are in fact comprehensively and fully fulfilled.

At the same time, however, the act did not contemplate that the application of such safeguards would be immediately mandatory, however desirable that goal might be. In this area as in others, the authors of the Non-Proliferation Act attempted to provide for a reasonable degree of flexibility so that the transition to a more proliferation-resistant world would not create political disruptions so great as to undermine the actual achievement of our goals. Therefore, India and other states were given an 18-month grace period in which to negotiate such safeguards arrangements.

This element of time is important particularly in the case of India. For example, this 18-month period permits the United States to continue the critical proliferation-related discussions in which India and the United States are currently engaged. These discussions relate not only to the question of placing all Indian facilities under safeguards but also to such additional matters as, one, bringing India's own nuclear export activities within the disciplining embrace of the London supplier's agreement, and, two, achieving more satisfactory and secure arrangements for U.S. materials already in India in the event a breach of trade does occur.

If the House, Mr. Chairman, were to adopt House Concurrent Resolution 599, however tempting that resolution might at first appear, these opportunities that I have mentioned will be gone.

Of course, the two members of the Nuclear Regulatory Commission who had reservations about the issuance of the pending license did not base their opinion on the fact that India had not yet accepted comprehensive safeguards. Nor were they obligated by statute to examine the export in light of the broader aims of U.S. nonproliferation policy. Rather, they expressed concern about whether certain immediately applicable export criteria could be confidently maintained after such time as U.S. exports might terminate. This is, of course, a valid consideration, and one which the NRC has both the special competence and responsibility to raise. Legitimate questions can be raised about the durability and status of existing U.S. controls in the event trade terminates. Certainly, India clearly must recognize the grave implications that would arise from a misuse of U.S. materials at such time.

Yet the effort at the moment, and the broader goal of U.S. nonproliferation policy is to do all that reasonably can be done to avoid such a breakdown in nuclear relations by trying to achieve, in the brief time remaining, Indian acceptance of more constructive nonproliferation controls. The time, and equally important, the constructive climate brought about by continuation of trade through this period, help to make these goals more likely.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. BINGHAM. Mr. Chairman, I yield 1 additional minute to the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Chairman, nonproliferation is a goal to which almost everyone can subscribe, although deep differences of opinion may exist as to the means for bringing that goal to fruition. The United States, under President Carter, has embarked on the hard

and, at times, thankless task of trying to make the international use of atomic energy more intrinsically secure. For years, the problem of proliferation was ignored and misunderstood. The results of this neglect—particularly the attitudes that grew up in its wake—cannot be wiped away in a single instant. Time and flexibility, restraint but also inducement, will be needed if we are ever to secure our goals. And yet, time and flexibility are precisely tools we would deny the President by our approval of the measure before us today.

Therefore, I urge a no vote on House Concurrent Resolution 599.

Mr. WHALEN. Mr. Chairman, I yield 9 minutes to the gentleman from Alabama (Mr. BUCHANAN).

Mr. BUCHANAN. Mr. Chairman, I yield to no Member in my admiration and respect for the chairman of the Committee on International Relations, who has preceded me in the well. The House and the country have profited from the gentleman's wise leadership of our committee. Yet, in this instance I find myself of an opposing view. I rise in support of this resolution.

I would respectfully call to the attention of the Members of the Committee the dissenting views to the adverse report of our committee, which views were submitted by the gentleman from Florida, Mr. HERBERT BURKE; the gentleman from California, Mr. ROBERT LAGOMARSINO; the gentleman from Pennsylvania, Mr. BILL GOODLING; and by me.

Mr. Chairman, at a time when Secretary of State Vance is discussing an agreement to limit strategic arms, it seems particularly inappropriate that we are here considering a request which, if approved, could lead to the expansion of nuclear arms in the world.

The facts are these: India has exploded a nuclear device using U.S. materials; she has not signed the Nuclear Non-Proliferation Treaty; and, she has made no commitment regarding the use of spent fuel should the United States end its shipments at the end of the 18-month grace period provided by the Nuclear Non-Proliferation Act.

It is particularly ironic that we are considering this sale as the first one under the Nuclear Non-Proliferation Act because, if there is one event to which we can point as a catalyst toward the creation of that legislation, it is the nuclear explosion by India in 1974 using United States and Canadian materials.

That act passed this body by a vote of 411 ayes to 0 nays, thus placing this House in firm support of the goals of nuclear non-proliferation. And yet, here we are, only 4 months after the signing of that act and we are saying to the world, we really didn't mean it. We will accept your verbal promises, we are not worried about what you will do with the material we provide you.

Canada responded to the 1974 explosion by ending its nuclear cooperation with India. We responded with the Nuclear Non-Proliferation Act and now we are preparing to provide to India all the low enriched uranium she needs based on vague promises or possible agreements.

The report of our committee on this resolution states that the committee "believes that negotiations currently under way between the United States and India designed to achieve agreement on key nuclear safeguards should be given further opportunity for success."

In this, I certainly agree. However, it seems the best way to bring these agreements to fruition is to hold off on these exports to test the sincerity of the Indian proposals. When one is trying to coax a horse into the barn, one does not give him the carrot in the pasture and then expect him to go into the barn of his own volition.

India has agreed in the past, yet we saw those promises blown apart by a nuclear explosion.

We again have verbal assurances of the good intentions of Prime Minister Desai, and I do not question his good intentions. But governments can and do change. Our own Government may change in less than 2 years. Without formal commitments as to India's use of this material, can we be assured that 1 or 2 years from now the material we supply will not find its way into a nuclear weapon?

The answer is no. This is the conclusion which two members of the Nuclear Regulatory Commission reached when the Commission failed to approve this sale.

They considered not only India's failure to comply today, but the possibility of noncompliance in 18 months. Based upon those and other criteria, they urged against the sale at this time.

We must also consider the implications of this sale on the entire South Asia region. What will be the effect on our relations with Pakistan? Will we find ourselves confronted with a similar request from other nations, such as Pakistan?

There is a final point of contention which raises questions in my mind concerning our nuclear cooperation with India. This agreement restricts the use of our fuel for "peaceful" purposes. India declared that its 1974 explosion was peaceful. The United States is unaware of any type of "peaceful" nuclear detonation. In fact, expert witnesses before our committee following the India explosion testified that the United States had spent many millions of dollars but had been unable to find "one single peaceful use of nuclear explosive which has any practical value."

Yet today, 4 years later, India has not rescinded its contention that there can be a "peaceful" explosion. Until we remedy those issues of disagreement which existed in the past and exist today, we ought not be in a position of possibly contributing to nuclear proliferation in the world.

While India's intentions to comply with U.S. safeguards may be good, the temptation to obtain the ultimate in weapons may prove greater, in my judgment.

Many, many questions have been raised by this proposed sale and few, if any, have been satisfactorily answered. I, therefore, urge the adoption of this resolution.

Mr. CAVANAUGH. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Nebraska.

Mr. CAVANAUGH. Mr. Chairman, I will say to the gentleman that I have great respect and sympathy for the sincerity of the gentleman from Alabama (Mr. BUCHANAN) in expressing his position in this instance. However, I do not agree with the gentleman, and I will vote against the concurrent resolution.

There is one argument the gentleman has made with which I must disagree strenuously, and that is to vote against this resolution means that this Congress does not mean or individual Members do not mean to stand by the terms of the Nuclear Non-Proliferation Act of 1978. I think there is certainly no Member of this body who is more determined to stand by that act than the gentleman from New York (Mr. BINGHAM), and I would like to reaffirm my own commitment in that respect.

I would like to say also that I would not like to have my vote against this resolution construed by Prime Minister Desai or the Government of India as lessening the resolution of our Government to achieve their compliance with the terms of the Nuclear Non-Proliferation Act of 1978.

Mr. HILLIS. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Indiana.

Mr. HILLIS. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the statement which the gentleman from Alabama (Mr. BUCHANAN) has just made in the well, and I would like to associate myself with the remarks he has made on this issue. I find myself very much in agreement with him, and I think this is the type of discussion we should be having here.

There may be a difference of opinion as to the way the world will read the action we take here, but I think the position the gentleman has outlined pretty much hits the nail on the head.

Mr. BUCHANAN. Mr. Chairman, I thank my distinguished colleague for his contribution.

Mr. Chairman, I do not by any means intend to impugn the motives of other Members or impose my own interpretation upon the acts and decisions of other members of the committee, but I must say this is the first test and we are dealing with a nation whose actions served as a catalyst for the act in the first place.

It seems to me that it is most unwise on this first test and dealing with that nation for us to make this determination.

Mr. HILLIS. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Indiana.

Mr. HILLIS. Is it not clear, also, to assume that the rest of the world will be watching this as the first test of the action to be taken under the Nuclear Nonproliferation Act of 1978 and how it will be interpreted by the world?

Mr. BUCHANAN. I personally cannot see it otherwise.

Mr. CAVANAUGH. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Nebraska.

Mr. CAVANAUGH. I thank the gentleman for yielding.

I think there is only one disagreement between us, and it is how best to achieve the goals of the Nonproliferation Act of 1978. Those of us who are voting in opposition to terminating this sale believe that in allowing the process of negotiations to go forward and allowing commerce of these materials to continue in the intervening 18 months is the best way to achieve the goals of the Nonproliferation Act of 1978. Those of us who take the other view are similarly disposed that that is the best way of achieving the goals of the act. India should not misunderstand at the outset that that is the case.

Mr. BINGHAM. Mr. Chairman, I yield 8 minutes to the gentleman from New York (Mr. OTTINGER).

Mr. OTTINGER. Mr. Chairman, I rise to urge my colleagues to approve House Concurrent Resolution 599, which I introduced, together with my good friends and colleagues, the gentleman from Connecticut (Mr. DODD) and the gentleman from Maryland (Mr. LONG).

India is the first nation to have diverted nuclear material obtained for a reactor to make and explode a nuclear device.

That set off shock waves throughout the world. Indeed, we have heard from many of the nuclear advocates in this body that if a country wanted to make a bomb, it would never divert materials from a reactor—it would make a bomb directly. Yet, this is the way it happened in India—from a reactor. As a result of that incident, we passed the Nuclear Nonproliferation Act, on which my very good friend, the gentleman from New York (Mr. BINGHAM), was the leader.

Now the Nonproliferation Act is really on trial. We come to the first time when we have to make a controversial export determination under that act. The country at issue and the export at issue is to India, the very country that exploded the nuclear device from diverted reactor materials. And it is to a country that has failed to meet any of the safeguard tests under the act.

Consider these facts:

India has refused to place the Tarapur reactor, for which this fuel shipment would be destined, under full inspections and safeguards. Only the fuel would come under these inspections and safeguards.

India has continued to refuse to place all of her nuclear facilities under the IAEA safeguards.

India has refused to sign the Nonproliferation Treaty.

India has reprocessing facilities now in operation and, therefore, is capable of plutonium production. Indeed, one of these facilities, using American-supplied heavy water, produced the materials for the explosive device tested in 1974.

If we do not enforce the Nuclear Nonproliferation Act against India, then it is very difficult to see how any country is going to regard our view of this act as serious. It will be regarded as an empty gesture, for there is no more clear and compelling case for application of its sanctions.

The NRC for the first time failed to approve an export—the proposed shipment to India—for these very reasons, albeit by divided vote. I believe those reasons were exceedingly pertinent and I will recite them in some detail in a moment.

Arguments presented by the State Department that we are in the process of delicate negotiations with India beg the question. The point is, we have not achieved the goals we have properly required by law prior to export.

Why did the Commissioners, Bradford and Gilinsky, oppose the licensing of this shipment? They said that India had failed to meet the criteria required in section 127 for which there is no 18-month negotiation period.

They said, "These are safeguards which we consider fundamental."

Among the three that they point to is, one, "that International Atomic Energy Agency safeguards will be applied to past and current exports, reactors as well as nuclear fuel, and to any plutonium derived from these exports."

With respect to that first criterion, the Government of India stated in a letter of July 10, 1974, that it not only reasserted its position with regard to the basis for accepting safeguards on the Tarapur reactors that it had taken previously, but appeared to tie its acceptance of safeguards on the fuel itself to the continuation of Tarapur's fuel supply.

In other words, they say that they will only apply the safeguards so long as we continue to supply the fuel; and if for any reason in the future we fail to supply the fuel, they will not consider themselves bound to continue safeguards. Therefore even the limited undertaking by India fails to meet the fundamental criteria required of section 127 of the act.

Second, "that previously and currently exported reactors and fuel and the plutonium derived from them will not be used for any nuclear explosive device, or for research on or development of any nuclear explosive device."

Mr. Chairman, I consider this criterion to be the most important. This is the second criterion which the two Commissioners of the NRC found that India did not meet. In a letter of July 10, 1974, the Indian Government said that it was "unable to share the understanding of the U.S. Government * * * First that the use in or for any nuclear explosive device of any material or equipment subject to U.S. Agreements for Cooperation in Civil Uses of Atomic Energy is precluded."

They refused to say that explosive devices would be precluded; and second "that under the safeguards agreement related to such Agreements for Cooperation, the IAEA is responsible for verifying, interalia, that the safeguarded material is not used in or for nuclear explosive device."

Mr. Chairman, according to these two Commissioners, the records of the correspondence make it appear that India declines to approve explicit language covering nuclear eplosives rexquested by the United States. That seems to me to be of paramount seriousness.

The third criterion that the two Commissioners found was not met is, "that the exported fuel will not be reprocessed after irradiation in the reactor without prior U.S. approval."

Again, Mr. Chairman, the Indian Government has refused to agree to meet this criterion.

The Prime Minister of India on March 23, 1978, in response to questions in his parliament on this point said, and I quote: "If they (the United States) say 'no' (to the fuel shipment), once I hear that then all ways are open to us, even the processing of the used (fuel) will be open to us. Then we are not bound."

It seems to me that Indian has, in effect, given the back of its hand to the United States in not giving any of the assurances that are required by the act, and the most important assurances, indeed, that the materials will not be diverted or that the materials will not be used in the future for explosive devices or that even the fuel be maintained under safeguards.

Mr. Chairman, we now have a clear opportunity and one we should seize eagerly to send a loud and clear message to India that we believe that that nation should accept the safeguards and should sign the Nuclear Nonproliferation Treaty, and should commit itself formally not to explode any nuclear devices.

Unless we get those kinds of assurances—and the State Department gives us no assurances whatsoever that the negotiations currently under way will lead to anything like that—as a matter of fact, the State Department people were very pessimistic in that respect—I say that we should enforce the law as we passed it.

There is just simply no logic to approving this shipment on the mere hope, and according to the State Department, a faint hope, that India will, in the next 2 years agree to more controls.

It would make more sense to take a leaf out of Canada's book, whereby that nation refused flatly to supply India any more nuclear materials after the Canadian reactor in India had been used for fabrication of the 1974 test materials.

The issue of nonproliferation is certainly one of the most difficult, and one of the most delicate, that we face. Without assurance from India—and, indeed, from any other would-be purchaser of enriched uranium and other nuclear materials from the United States—that full-scope safeguards will be agreed to, our shipments will have the effect of undercutting our nonproliferation goals. We turn logic on its head, and proliferate while preaching not to do so.

The advice of the minority members of the International Relations Committee, in their dissenting views, is extraordinarily sage:

> Nor do we see the urgency for resumption of shipments at this time. Since discussions are underway concerning safeguards, a delay of several months would permit a more thorough assessment of India's intent.
>
> Yet another question is raised regarding the effect of such shipments on stability in the region. The United States has friends throughout East Asia, some of whom would

feel their own security threatened by the exportation of this uranium.

We may well find these nations turning to us with requests for exports of nuclear fuel under similar conditions to our exports to India. In such circumstances the United States might well find itself in the position of supporting nuclear proliferation rather than nonproliferation.

Indeed, it is hard to see how any other nation is going to take seriously the restrictions required by the NPA if we do not now enforce these restrictions against India.

We should withhold this shipment at this time. Instead of agreeing to ship now, we should use the time available to us (India has a sufficient supply of nuclear fuel available for approximately 18 months, already in the pipeline) to seek—and to gain—better agreements from that country for safeguards and nonproliferation goals. If we sleep now, it removes all pressure from India in the negotiations.

In addition, we should seek other potential or existing "supplier nations" agreements that they, too, will refrain from exporting to nations which do not agree to IAEA and NPT terms.

The nuclear industry and, some of the time, administration officials, are heard to say that "if we don't send nuclear materials abroad, someone else will." That is illogical, if our intent is nonproliferation. What should be said is that we do not send nuclear materials, and if other suppliers do not send nuclear materials, then noncomplying nations will not have nuclear materials. Period.

Mr. Chairman, passage of this sesolution is important for several reasons beyond the significance of India's intransigence.

First, it is the first opportunity of the Congress to show to the world that we support the President's pronounced nonproliferation goals in specific, controversial, circumstances, even though he seems to be unwilling to enforce them.

Second, it is an opportunity for the Congress to send a signal to all nations considering purchase of nuclear materials from the United States that we mean business when it comes to nonproliferation objectives.

As related specifically to India, this is an opportunity for us in the Congress to let Prime Minister Desai know that we meant what we said when we passed the NPT and will not tolerate his refusal to accept safeguards. I certainly share the Prime Minister's view that the moral objective most important to the world is disarmament, including our own, but it does not follow that India should use our failure to disarm as an excuse to disregard nuclear safeguards.

In sum, the passage of House Concurrent Resolution 599 is an extremely important matter, and I hope my colleagues will see the merit in disapproving this sale of enriched uranium to India, at this time.

Mr. WHALEN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Chairman, I feel the discussion today is a vital one. I am glad that so many Members are on the floor as are present. I wish there were still more, because as the gentleman from New York stated, this indeed is an historic occasion.

I hope, as we ponder our vote on this resolution, that we will keep in mind what India really is. It is the largest self-governing nation in the world. It has had difficulty in recent years, a period of repression under Mrs. Ghandi, but it has come out of that and once more individual liberty is well established in that land. It is a proud nation. It is a nation caught with the Soviet Union as one of its neighbors, with uncertainty on other sides; bordering the Indian Ocean, which is the field of contest in a way between the superpowers, and will remain so in the future.

The Government of India contends that we as a nation have obligated ourselves to supply the uranium that is at issue in this resolution. We may dispute that, but we have to recognize the interpretation which the Government of India has placed upon that question. We also have to recognize that the amount of uranium at issue is just a tiny fraction of the total that we have supplied to India in the past.

If we are concerned about the improper safeguards, the improper diversion of the uranium at issue in this resolution, then we should also have concern in our minds about the possibility of a continuing lack of safeguards; perhaps the possibility of diversion of the enormous amount of uranium that our Government has supplied in the past, and which the Government of India now contends it is not obligated to safeguard by our standards. These facts I think we should keep fully in mind.

I deplore the fact that India exploded a bomb several years past, and I know that the gentleman from Alabama (Mr. BUCHANAN) placed great stress upon that explosion. We cannot undo that; we cannot go back and cause that explosion not to have occurred. What we can do is to look ahead and to take the course—take the course that gives us the greater promise of being an influence over Indian policy in the next 18 months.

It is my feeling that if we should approve this resolution of disapproval, we will simply close the door to any possibility of constructive U.S. influence on policy by the Indian Government. If we open the door and permit this shipment to continue, to be sure we may not gain the opportunity, the advantage, the concessions, the reforms, that we hope will occur, and we will take a risk. But given the choice of closing the door totally and opening it to the possibility of constructive influence, I think it would be most unfortunate for us to close the door.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I am glad to yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I thank the gentleman for yielding to me. I wanted to commend him for his statement. I think he brought out several points that are extremely valuable. I also thank him for his leadership in this field.

Mr. FINDLEY. I thank the gentleman.

Mr. Chairman, on June 14, 1978, the Committee on International Relations reported unfavorably House Concurrent Resolution 599, disapproving the proposed export of low-enriched uranium to India. Today, I urge my colleagues in the House to follow the committee's lead and to vote to defeat the resolution.

The committee made its decision after an executive session briefing and two lengthy public hearings devoted to considering this export to India. At the hearing, we heard testimony from Members of this body, representatives of the State Department, the Nuclear Regulatory Commissioners, and from private witnesses. I, thus, believe that we have given our thoughtful attention to this issue, hearing arguments both in favor and against this nuclear export to India. I would like to salute the able leadership of the chairman, Mr. ZABLOCKI, and of the gentleman from New York (Mr. BINGHAM) for their role in stimulating a thorough committee consideration of this uranium shipment to India and U.S. nuclear export policy.

Our vote today must, like most foreign policy decisions, carefully weigh the risks involved. And, I would argue that the risks are far greater of jeopardizing U.S. nonproliferation objectives should we refuse to export this uranium shipment to India than if we agree to it.

Basically, our nonproliferation objectives relative to India involve convincing that nation to:

Accept comprehensive safeguards on all its nuclear facilities;

Adhere to the Nonproliferation Treaty;

Agree to the London guidelines for nuclear suppliers;

Work toward a regional weapons-free zone in southern Asia.

Although we may not be able to achieve all of our objectives, we will realize none of them should we terminate our nuclear commerce with India at this time. By ending our low-enriched uranium shipments, we would lose our diplomatic leverage with India and our credibility as a reliable supplier.

An immediate rupture in United States-Indian nuclear cooperation would also be premature. According to the terms of the Nuclear Nonproliferation Act of 1978, we have an 18-month grace period after the law's enactment until we may issue no further licenses for nuclear exports to any nation that does not accept comprehensive international safeguards to all its nuclear facilities. If, then, at that time, India continues to refuse, as it does now, comprehensive safeguards on all its nuclear facilities, no more U.S. export licenses will be forthcoming. However, the expiration of that period does not come until September 1979. Anticipating in July 1978 what may or may not occur in September 1979 would rob U.S. diplomatic representatives of time and opportunity to negotiate an Indian compliance with the U.S. safeguards requirement and Indian acceptance of our other nonproliferation goals.

And by moving to end our nuclear exports to India well in advance of the prescribed 18-month period we would be reintroducing the strain of inconsistency that once confused our nuclear export

policy and that we designed the Nonproliferation Act to help us avoid.

This 18-month period and what would happen to nuclear materials of U.S. origin at the end of it were the focus, however, of the concerns expressed by the two NRC commissioners who objected to the approval of the export. India—on the basis of an ambiguous clause in the existing United States-Indian Nuclear Agreement for Cooperation—argues that it is obligated to keep previously exported U.S. materials under safeguards only as long as the United States continues to supply fuel. Therefore, the commissioners stated that they could not reasonably find, as required by law, that this export and past exports to India would continue to be safeguarded and that such materials would not be reprocessed without U.S. approval. These commissioners noted, however, that the President had the authority to export the material by making a statutory determination that is broader in scope than the determination which the commissioners themselves must make. The Presidential determination, unlike theirs, must reflect far-ranging U.S. diplomatic and nonproliferation policy objectives.

I commend these two dissenting commissioners, Victor Gilinsky and Peter Bradford, for their thoughtful and well-reasoned determination. By firmly and clearly stating the problems and complexities of this export to India, they have made Congress, the public, and the executive branch as a whole more aware of the difficulties we face in reaching mutual agreement with India on nonproliferation objectives.

I do share their view and that of the President that India's cooperation is very important to our achieving our nonproliferation objectives and, therefore, I hope that Congress will agree to permit this sale to go forward. Not only for itself but as a leader of the Third World nations, India's cooperation will be critical to stemming nuclear spread.

For that reason, I believe that it is necessary for our decision today to be prospective rather than retrospective in our nuclear policy approach to India. I daresay that all of us here deplored India's detonation of a nuclear explosive device in 1974. But I do not believe that harsh action against India by this body today would either undo that explosion or compensate for the weakness and indifference of U.S. policy toward India in the past. Rather than condemning India repeatedly for 1974, we need to look for ways to inspire a greater sense of cooperation with India for achieving our nonproliferation objectives. This is the approach more likely to deter other nations from developing nuclear weapons.

I believe that in making our decision today we should also consider the intentions of the present Indian Government. Prime Minister Desai has himself termed the 1974 Indian explosion a "mistake" and has vowed that India would neither produce bombs nor detonate another explosive device as long as he remains Prime Minister. In evaluating the risks involved in this shipment to India, I feel again that we will come closer to achieving the goals of our nonproliferation policy by approving this sale of uranium to India and by defeating House Concurrent Resolution 599.

Mr. BINGHAM. Mr. Chairman, I yield 2 minutes to the gentleman from Florida (Mr. FASCELL).

Mr. FASCELL. Mr. Chairman, I think it is quite clear that this debate requires a judgment call and a very important one, no doubt.

One of my colleagues compared this present situation to trying to get the horse back into the barn after the horse is out of the barn. He suggested we would never get the horse back into the barn if we stood in the field and fed him carrots. I would like to suggest, Mr. Chairman, we would never get him back in the barn if we shot him. And if we went over into the next farm and left him there, we would never get him back into the barn either.

If we take that logic, and look at the situation, bad as it is, as the gentleman from Illinois has suggested, we have to do what we can. Obviously the intent of the law is that we show some flexibility, because we have an 18-month deadline built into the law for situations just such as this.

The President has made the decision that there are overriding national interests, as he put it. With further persuasion there is a possibility that a great government such as India might move closer toward the kinds of safeguards we are all vitally interested in. We have already made substantial sales to India. A small additional amount is at issue in this particular case. On the basis of these realities we have the opportunity to judge where we are going and what we are going to do.

It is quite clear that the fuel is available to the Government of India no matter what we do. Therefore it seems to me that having established a supplier relationship with India, we ought to continue the relationship and use our best persuasion to obtain our own ideas.

Stopping the spread of nuclear weapons is not an easy or a simple task. The job cannot be done solely through policies of denial and restriction—though both may at times be required. Rather, an effective nonproliferation policy must blend inducements with constraints, safeguards with some guarantees of fuel supply, as part of the process of trying to get other nations to agree to more effective controls over their nuclear power programs. Time is an important ingredient as well, and so, too, is flexibility.

The problem of proliferation is more difficult today, as a result of mistakes made by policymakers in other years. But we must deal with the facts as they exist—however complex these facts may be.

Few cases illustrate the need for careful choice more clearly than does India. No one can deny that India has exacerbated the proliferation problem by her policies and actions in recent years. Out of a desire for prestige and perhaps out of a perception of military insecurity, India, in 1974, used a Canadian-supplied reactor and U.S. heavy water to produce material for an underground nuclear explosion. Though India labeled the detonation peaceful, the implications of this act were clear to all the world.

The Indian explosion of 1974 can be regretted now, but not erased. Our job today is to improve upon the situation as best we can, hopefully by nudging India toward a more constructive nuclear stance. Here are the facts then that we face in the case before us at this moment.

On March 7, 1978, the Nuclear Nonproliferation Act was signed into law. That act set forth more effective, more modern, and more coherent nuclear export criteria. Some of these criteria were to be immediately applied, some were to be achieved over time through the renegotiation of existing agreements for cooperation, and one criterion—namely, the requirement that an importing state have all of its nuclear facilities under IAEA safeguards—was to be applied automatically, though not until an 18-month grace period had expired.

When the pending export of uranium for nuclear reactor fuel came before the NRC earlier this spring, the Commission split 2 to 2 in its vote, thereby triggering the first application of the Nonproliferation Act's procedures for review of contested licenses. Two commissioners argued that they could not confidently guarantee that certain of the immediately applicable export controls—that is, those related to safeguards and reprocessing—would continue to be maintained by India, should the United States terminate supply in 18 months because of India's continuing refusal to accept comprehensive safeguards.

The two NRC commissioners who approved the export argued that it was appropriate only for the Commission to determine whether the necessary criteria are currently in force, rather than to speculate about breaches that might occur within a necessarily uncertain future. Despite its division of opinion on this question, the Commission as a whole took note of the fact that the final decision had to rest with the President and that he had to apply a broader standard in weighing the desirability of the export—namely, whether denial would be seriously prejudicial to broader U.S. nonproliferation goals.

Having studied the facts at issue, a majority of the Committee on International Relations came to share the President's belief that a denial of this license would be in fact prejudice, rather than support, U.S. nonproliferation goals. We recognize that if India continues to resist the application of safeguards over all of its nuclear facilities, U.S. supply is almost certain to terminate. But that date has not yet arrived. And termination of supply now would only serve to assure that the goal of achieving comprehensive safeguards is never achieved. However remote that goal may seem to some, it is worth our while to try. And that effort can only proceed within the context of a constructive diplomatic framework.

Nor is this all. For termination at this moment would also undercut a number

of other proliferation related discussions in which India and the United States are currently engaged. These include efforts by the United States to gain India's acceptance of (a) the London guidelines for nuclear exporters and (b) the concept of a regional nuclear weapons free zone in southern Asia. Moreover, the United States is also in the midst of discussions aimed at providing for a more secure disposition of all of the U.S. source materials already in India, in the event supply is terminated in March 1980. This, too, is of critical importance both to U.S. nonproliferation policy, and to international security as a whole.

We cannot know for sure that any of these endeavors will prove successful. But we believe the odds are far from impossible in each instance. Unlike his predecessor, Prime Minister Desai has made encouraging statements about India's aims and intentions in the nuclear area. All of this forces us to weigh the incremental risk of this shipment of nuclear power fuel not in isolation, but rather in the context of the numerous ongoing nonproliferation goals which we are trying to achieve in the time remaining. Because of the magnitude of India's ongoing national nuclear program, and precisely because India's actions and example in the past have been so controversial and as troubling as they were, these goals—however difficult—are clearly worth pursuing.

Mr. WHALEN. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Chairman, I rise to urge the House to adopt House Concurrent Resolution 599. The proposed sale of uranium to India has presented the Carter administration with the first test of its nonproliferation policy—and the administration has flinched.

President Carter's case for approving the sale of uranium to India is remarkably sanguine in the hope and trust which it places in the Indian Government's nuclear policies. The history of that government's nuclear program does not justify the confidence that the President asks us to place in it.

The President's hope is that the Indians can be persuaded to accept IAEA safeguards on their reactors in the near future. But the Indian Government has conditioned its acceptance of those standards upon a halt to the nuclear arms race—a prospect which, sadly, we are not likely to see realized in the near future. Therefore, India's position is tantamount to a rejection of international safeguards against proliferation. And if we do not immediately see the logic of the Indian position perhaps we will respond to their none too subtle threats of nuclear blackmail into coming around to their point of view. The New York Times quotes Prime Minister Desai as saying in March of this year: "if they say no * * * then ways are open to us * * * we are not bound." The large stockpile of U.S.-supplied spent fuel in their possession, which constitutes a ready source of weapons-grade plutonium after reprocessing, is now held hostage by the Indians in the not unreasonable expectation that we will capitulate to their demands for more uranium.

The administration tells us that in order to persuade the Indians to accept IAEA safeguards we must not use any of the available powers of persuasion we might possess, such as the ability to cut off delivery of nuclear fuel to the Indians. Yet the Soviets have managed to persuade the Indians to accept international safeguards as a precondition for filling the void in their supply of heavy water created when the Canadians cut off the supply in reaction to the Indian's "peaceful" nuclear explosion. The administration would have us abdicate the task of enforcing sanctions against nuclear proliferation to those nations that have the stomach for it—in this case the Canadians and the Soviets.

President Carter would have us trust in the pledge of the Indian Government, but only the most credulous would be taken in a second time. India is the first nation to have diverted materials from power generating nuclear reactors, to make and explode a nuclear device. As my esteemed colleague Senator RIBICOFF has pointed out in the CONGRESSIONAL RECORD of July 19, 1978, the Indians utilized heavy water provided by the United States in an unsafeguarded research reactor in order to produce the material for their nuclear explosion. This was in direct violation of the condition for the sale of the heavy water: That it be used "only for research into the use of atomic energy for peaceful purposes." A further example of the trustworthiness of the Indian Government has been its persistent flaunting and evasion of IAEA safeguards for those of its reactors to which the international standards apply. Finally, the culmination of the Indian Government's good faith nuclear policy has been called to our attention by a statement in the CONGRESSIONAL RECORD of March 8, 1978, by my esteemed colleague, the Honorable C. W. BILL YOUNG, disclosing that India is beginning to share its nuclear technology with Vietnam. The mere fact of a transfer of nuclear technology conducted outside the framework of international safeguards, is sufficient in itself to cause this action to be deplored, regardless of the nature of the technology transferred, we can only hope that this transfer does not portend yet another ominous challenge to nuclear nonproliferation.

To conclude, I ask that the House support House Concurrent Resolution 599, for by so doing we will adhere to the principles of the Nuclear Nonproliferation Act of 1978, even in the face of the apparent abandonment of those principles by the executive branch.

Mr. Chairman, I include the following article for the further information of the Members:

[From the Washington Post, June 14, 1978]

DESAI SAYS INDIA WON'T SIGN A-PACT JUST FOR U.S. URANIUM

(By Thomas O'Toole)

Indian Prime Minister Morarji Desai told Congress yesterday that India would not sign the Non-Proliferation Treaty just to get congressional approval for the export of 17,000 pounds of uranium to India.

In a give-and-take talk on Capitol Hill with about 50 members of the Senate Foreign Relations Committee and the House International Relations Committee, Desai made it clear that he regarded a U.S. contract, signed 15 years ago to supply the uranium, as a binding contract that had nothing to do with India's explosion of a nuclear device in 1974.

"Desai said that he regarded that explosion as unfortunate and said that it would not be repeated," said Sen. John Glenn (D-Ohio), a member of the Senate Foreign Relations Committee. "But he also took the position that the U.S. had a contract to supply India with uranium and that India would make no concessions to fulfill the terms of the contract."

Yesterday's meeting between Desai and the Senate and House committees came on the eve of today's vote in the House International Relations Committee on whether to approve the export of 17,000 pounds of uranium to supply India's biggest nuclear power station.

The House committee vote was triggered by a 2-to-2 tie vote in the Nuclear Regulatory Commission that denied India the export license. That vote was overturned last month by President Carter, who approved the export. Congress has 60 days to disapprove the president's act, or it goes into effect automatically.

"I'm not satisfied with what the prime minister told us, but I will vote to clear the way for the export," said Rep. Paul Findley (R-Ill.), one of the ranking members of the House committee. "I have apprehensions about it, but granting the export will clearly give us some influence over how India responds to proliferation issues."

Desai repeated to Congress that the reason India would not sign the Non-Proliferation Treaty is that India feels the treaty is "discriminatory" in favor of the superpowers holding most of the world's nuclear weapons.

"He said that when the big nuclear powers stop making nuclear weapons and begin to reduce stockpiles," Findley said, "then India will consider signing the Non-Proliferation Treaty."

Desai did not indicate whether India would agree to put its two plutonium-extraction plants and its two nuclear research reactors under international safeguards to make sure that plutonium did not leave the plants for use in atomic bombs. Instead, he kept referring to the contract the United States signed with India in 1963 to supply uranium to the Tarapur nuclear station for the next 30 years.

"He said nothing has changed," said Sen. Howard M. Metzenbaum (D-Ohio). "He said you make a contract with us and it is up to the U.S. to live up to its obligations."

The contract Desai cited calls for the United States to supply the Tarapur station through its 30-year lifetime in return for India's agreement not to buy uranium from anybody else. It is the only contract of its kind that the United States has ever signed in the nuclear field.

Earlier in the day, Desai and President Carter discussed the same uranium export license alone for 25 minutes in the Oval Office.

Presidential press secretary Jody Powell acknowledged after the meeting that uranium exports are still a thorn in U.S.-Indian relations, but he also told reporters: "There is a commitment by this government and India to find a solution. All the feeling in both governments is to work for an amicable agreement on that."

Mr. BINGHAM. Mr. Chairman, I yield 7 minutes to the gentleman from Connecticut (Mr. DODD).

Mr. DODD. Mr. Chairman, first of all I would like to compliment the gentleman from New York (Mr. BINGHAM) for allowing this resolution to come to the floor, even though the committee has taken a negative position on this resolution.

I believe most of the background and pertinent references that led up to this dispute have been clearly outlined by the previous speakers. It is, as I think most of the Members of the House know, a moot issue here since the other body has made a determination not to raise this resolution in their Chamber. But I think that it is important today that we in this body, the House of Representatives, do not remain silent as we see congressional intent being thwarted, particularly in light of the Nuclear Nonproliferation Act of 1978 which we passed only 3½ months ago.

Second, I think it ought to be clearly understood by the Members of this body, as well as our friends in India, that those of us who have introduced this resolution do not do so as a slap at India or at Prime Minister Desai, or his government.

I think if we are going to uphold the intent of the Nonproliferation Act of 1978, and make it clear to every other nation in the world what our intentions were and are in that act, we should be consistent in our policy so that there will never be any question whatsoever about it in the future.

What is involved in this decision we are talking about today happens to be only 7 tons of low grade uranium which we may export to India, but let us be mindful of the fact there is also another request coming along for more than 16 tons of uranium, and the decision to grant an export license on that 16 tons of uranium will be dictated largely by what we do here today. So we are talking about more than 23 tons of uranium to a country which was the provocator of the Nuclear Nonproliferation Act of 1978.

Referring to the committee report prepared by the Committee on International Relations, on page 6, I think it is important to quote what the significance of the May 1974, detonation in India was on this Congress:

> The effect of the Indian explosion upon the U.S. Congress was profound and far-reaching. Indeed, the concern that U.S. peaceful nuclear exports might be diverted for nuclear explosive purposes, as occurred in the Indian case, contributed greatly to numerous congressional initiatives designed to combat such proliferation. These included: (1) the establishment of an independent Nuclear Rgulatory Commission to license all nuclear exports free of the promotional policies of the old Atomic Energy Commission (AEC), (2) the reorganization of congressional jurisdiction over nuclear energy matters, and (3) the enactment of comprehensive nonproliferation legislation specifying criteria to be applied in all nuclear export licensing proceedings.

We have met all those three criteria. The profound effect on this institution that resulted in those three decisions has been met. We have the Nuclear Regulatory Commission which the distinguished gentleman from New York (Mr. BINGHAM) insisted having a say in export licensing make its decision. It voted against granting this export license. We can quibble about what a fifth member would have done, but that point is moot. They made a decision. They voted 2 to 2 not to grant the export license. That was the decision of the Nuclear Regulatory Commission.

We passed the Nuclear Nonproliferation Act. What did that say? We said in that act that we would not grant an export license to any nation which would not agree to full-scope safeguards on their nuclear activity. That is what we said there. We also said, that for those nations which have not yet complied with the international safeguards, we will give you 18 months to comply with these provisions because we do not want to be onerous. We do not want to place an additional burden on you by insisting that you meet those criteria today. We will give you 18 months.

Mr. Chairman, if this were September 1979 and not July 1978, we would not even be here. We would not be standing and arguing this issue. We would not be allowed to grant an export license to India because the provisions of that act clearly said we could not grant or export license to any nation that does not agree to full-scope safeguards. But we granted an 18-month grace period to India and to a few other nations that have not adopted the International Atomic Energy Agency's safeguards. There are over 100 nations that have. But what we are doing is taking advantage of a clear legislative intent in those 18 months and saying, "India, we are going to allow you to slip under. We are going to use this period of time and grant to you an export license," although we had not intended to do that when we passed the act.

The gentleman from Nebraska (Mr. CAVANAUGH) made a good point. The gentleman from Florida (Mr. FASCELL) did as well. We are in a sense gambling here. It is more than just a hunch, I think, as the gentleman from New York (Mr. BINGHAM) suggested, but I think we are both interested in the same goal: How can we achieve nonproliferation in the world? So we are taking a gamble today. I think human nature has taught us that if we want some indication of the future conduct of an individual or a nation, the only and the best criterion we have is its past conduct. I think if we look at the record of India in this area, then I think we in this body have no other choice when it comes to making that gamble, taking that hunch, but to say, "We are sorry, but please, over the next 14 months comply with these full-scope safeguards."

What are the chances of our negotiators of achieving success, which I hope they do? What chance do they really have? What criteria has India placed on accepting full-scope investigations? Let me read what they are doing. Prime Minister Desai was extremely clear in what he would want to see happen before he would ever agree to full-scope safeguards. He says that the nuclear superpowers must agree to certain conditions before India will consider placing her nuclear facilities under full-scope safeguards. The conditions are:

First, the completion of a comprehensive test ban treaty;

Second, a promise not to add to the existing nuclear weapons arsenal;

Third, a reduction in the nuclear weapons stockpiles with the ultimate aim of eliminating them.

Personally, I agree. I think that is marvelous that they should have those goals and those intentions, but let us face it. The decision on whether or not we are going to have that does not entirely depend on what we do in this country.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. DODD) has expired.

Mr. BINGHAM. Mr. Chairman, I yield 1 additional minutes to the gentleman from Connecticut.

Mr. DODD. I thank the gentleman.

The decision on whether or not we achieve a full test ban treaty is not a unilateral decision. It is at least a bilateral decision. The decision on whether or not we agree not to add to existing nuclear weapons arsenals is not just our decision. That is the Soviet's decision; that is the decision of the British and French, and others. So let us be candid. In effect in the next 14 months do we think candidly that we are going to achieve the goals and the criteria that Mr. Desari is placing upon us before he will agree to full-scope safeguards? I would suggest that the answer must be quite clear: We will not be able to do so. Furthermore, the Prime Minister has gone beyond just suggesting what he would have to have in order to have full-scope safeguards. He has in a sense told us if we do not do this, if we do not grant the export license, he will take that material which we have already given him and use it as he pleases, in effect suggesting that he would produce weapons.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. DODD) has expired.

Mr. BINGHAM. Mr. Chairman, I yield 1 additional minute to the gentleman from Connecticut.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I congratulate the gentleman from Connecticut for his statement.

I would like to point out that the 18-month period of negotiations provided in the statute is only with respect to negotiations of export licensing criteria. The safeguards mentioned in the section 207 criteria have not been met.

Also, Canada when faced with this same problem of abuse of its facilities cut them off altogether.

India in regard to supply rhesus monkeys in our own research efforts had placed a condition that if those rhesus monkeys were used in connection with weaponry, they would cut off the supply of rhesus monkeys. India's reaction when they found we were using rhesus monkeys for weapons research cut us off immediately.

I think we have to be a lot tougher in our negotiating posture if we really

mean what we say in that Nuclear Nonproliferation Act. We have to enforce it against India.

Mr. WHALEN. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. WYDLER).

Mr. WYDLER. Mr. Chairman, I rise in opposition to the resolution. Although, in doing so, I want to compliment the gentleman from New York for offering it, because at least it shows to me a consistency of purpose in what he is trying to do.

I cannot say the same for the President. I cannot follow his policy from day to day on atomic energy matters and I do not know who in the country can.

There are some of my colleagues who would say, "You are consistently wrong in your consistency, at least."

Be that as it may, we know where they stand.

I think it is unrealistic for this Congress and this Government to sit here in Washington, D.C. and act like we are the owners of nuclear power and atomic energy in this world and that we are going to parcel it out to those favored few that are going to meet our terms and conditions. Those days are gone. We had better get that through our minds or we are going to find ourselves losing not only all our power in nuclear matters, but all our influence in what is going to happen in this world in the nuclear field.

Mr. Desai has made his judgment and I agree with the terms and conditions he set. These terms and conditions of safeguards are so unrealistic and he knows that. He knows they will never agree to the kind of safeguards that we say we are insisting upon.

What effect will this shipment of atomic material have on the rest of the world in nuclear matters? Why do we not analyze what will happen?

I visited Yugoslavia. We are building them an atomic plant. At least we are getting some foreign exchange for that. We are putting up a plant in their country. They are expecting us to supply them with some enriched uranium. Now we are telling the Yugoslavian Government they will have to change the terms and conditions under which we will build that plant for them. We are trying to change a contract already made. Maybe there was a time we could get away with this. That was the day we had total control of nuclear matters in this world; but that day is not here any more. If we go through with what we are trying to do here in this particular manner, we will find that the Yugoslavian Government is going to say, "Uncle Sam, your dealings are finished," and they will get their uranium, maybe not from us, but they will get uranium and probably get it from the Soviet Union. That is a likely place for them to get their uranium or they may get it from Canada or from any of a number of other countries in the world.

The CHAIRMAN. The time of the gentleman from New York (Mr. WYDLER) has expired.

Mr. WHALEN. Mr. Chairman, I yield 2 additional minutes to the gentleman from New York (Mr. WYDLER).

Mr. WYDLER. Mr. Chairman, I went to Spain and I talked to the authorities of the Spanish Government. They built six atomic plants, all of them American, General Electric, and Westinghouse. We were the supplier of the atomic plants. Now we are in there telling them that we are going to change our agreements with them.

Do you know their reaction? Very simple; their seventh plant is going to be built by West Germany.

They are not going to do business with us anymore. Do the Members know where they are getting some of their enriched uranium? They are getting it from the Soviet Union.

We cannot sit here in this unrealistic state acting as if we own the atomic industry of the world and we are going to parcel it out to those people who do things our way. Those days are over, and we had better realize it. We had better own up to it or we are going to lose all our influence in atomic matters all over the world.

Mr. Chairman, this really worries me, because if that day comes and it is not our country that calls the shots, it is going to be other countries that are a lot less trustworthy in matters of proliferation and the use of atomic weapons and other atomic devices.

So I wish, first of all, we would get realistic about this matter. Let us send this material over to India. If we do not send it to India, somebody else will give it to them. If somebody else does give it to them, we will have a lot less to say about atomic matters and we will have less influence on these issues in the future.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, the argument is always made that if we do not give the material to them, somebody else will. But if we do not give it to them and somebody else also concerned about proliferation does not give it to them, then they are not going to get it and they will be deprived of it. We will never be able to make progress on nonproliferation if we feel compelled to make every unwise and dangerous sale on those grounds.

I want to ask the gentleman this question: Did he vote for the Nuclear Nonproliferation Act of 1978, and did he support efforts to try to prevent proliferation throughout the world?

Mr. WYDLER. Yes, I did. The gentleman knows I voted for it, because the bill was passed unanimously.

However, if I had to do it again, I would not vote for it without an amendment, and the amendment would simply state that we would honor all our past agreements and understandings with other countries in the world.

We need to act responsibly as a nation, and I find it very difficult as an American to sit in the capital of a foreign government and have to explain how the United States is going to change agreements that have already been made. I cannot think of any justification for that and I do not see how the gentleman can justify it.

Mr. WHALEN. Mr. Chairman, I yield 2 minutes to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I think it would be a grave error to deny to India the uranium they are requesting. India is a great and independent nation, and it has gone through some very hard times in the democratic process. India has emerged triumphant. One of the great victories for the cause of representative government has taken place in India.

I think it would really be a serious matter to turn away from India now. Some Member spoke on the floor of "spanking" India. Such a term, it seems to me, is completely out of place. We must consider soberly what we do.

No one wants to see a mindless proliferation of nuclear projects, but I think we must, in this particular case, consider the whole rather than the technicalities. This sale falls within the 18 months, as I understand it, in any case.

Mr. Chairman, I hope very much that the sale will go through.

Mr. BINGHAM. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Illinois (Mr. PRICE).

Mr. PRICE. Mr. Chairman, I want to express my support to the gentleman from New York (Mr. BINGHAM) and the Committee on International Relations in its unfavorable report on House Concurrent Resolution 599, which proposes the disapproval of nuclear fuel shipments for the Tarapur reactor in India. I urge my colleagues to support the committee's recommendation that the concurrent resolution do not pass.

As stated by the President in his Executive order on this matter, which is printed in the committee's report—

> Withholding the export proposed . . . would be seriously prejudiced to the achievement of the U.S. nonproliferation objectives.

The committee's concurrence in this determination by the President receives my strong support.

My interest in this matter of nuclear energy and proliferation is based on over 30 years of experience in these matters. This period embraces the entire span of time of our development, use and control of nuclear energy for both military and civilian purposes. Based on this background and the present and future use of nuclear energy in the world, it is my view that the only way our proliferation objectives can be advanced is by being a leading participant in world commerce in the supply and use of this energy source and by supporting, strengthening and building on the international structures which are in existence to provide the necessary protection against nuclear weapons proliferation. The committee's proposed action on this matter is in consonance with these objectives.

The supply of fuel which the committee's action permits keeps the United States in the field of international commerce for this energy fuel and thereby provides an access to influence its proper use. The committee's action also strongly supports international safeguards and

the strengthening of such safeguards against improper diversion of the special nuclear material concerned in the weapons proliferation problem.

I commend the committee in its action on this matter and recommend the support of all of my colleagues of their action on this matter.

Mr. BINGHAM. Mr. Chairman, I yield 7 minutes to the gentleman from Maryland (Mr. LONG).

Mr. LONG of Maryland. Mr. Chairman, I rise in support of the resolution disapproving continued nuclear fuel shipments to India under current arrangements which pose a threat to both world peace and to our nonproliferation objectives. I urge the stoppage of all nuclear fuel shipments to India until Congress is assured that special nuclear materials supplied by the United States not be diverted. Mere detection is no substitute for prevention.

The actions of India undermine confidence in its good faith in the area of nuclear development. On May 18, 1974, as we all know, Indian scientists detonated a nuclear explosive ostensibly designed for peaceful applications, although no valid distinction can be made between a peaceful nuclear explosive and a nuclear weapon. India has refused to sign the nonproliferation treaty and has rejected comprehensive safeguards in the absence of sweeping and universal arms control and disarmament agreements. They say:

> You help us, but we are not going to be bound by any agreements unless you go ahead and do something we know you cannot do, and that is disarm.

Oh, how we would like to get a disarmament agreement between Russia and the United States. We would do it not for India's sake; we would do it for reasons of our own security. We just do not know how to do it, and they know that we do not know how to do it. Because these conditions are unlikely to be resolved very soon and are not in any case entirely within U.S. control, they offer a real prospect that the continued U.S. export of nuclear fuel beyond the 24-month period will be forbidden.

Indian actions have also complicated the nonproliferation objectives of the United States. The Indian explosion is blamed for spurring Pakistan to obtain nuclear fuel cycle technology and Brazil and Iran to do likewise. The spread of nuclear weaponry is itself a chain reaction. Every time one country gets it, it sets up irresistible political pressure on the country next door to try to get some kind of nuclear material to offset it. Once a country gets it, the country next door is under political pressure to get it For these reasons, our response to India is the first test of whether our policy can effectively stem the spread of nuclear weapons.

The State Department insists that the Indian Government will not divert our fuel for nuclear weapons development and that India is committed to peaceful use of atomic energy. Yet, Commissioners Gilinsky and Bradford of the Nuclear Regulatory Commission are concerned that the three statutory criteria of, first, IAEA safeguards; second, peaceful use assurance; and third, reprocessing control, will not be met beyond the 18-month period.

India has repeatedly said that if the United States terminates the fuel supply, it will no longer be bound by any agreement which requires U.S. consent for reprocessing.

Mr. Chairman, is that not a kind of blackmail? Is this threat reassuring as to India's good faith and commitment to the goals of nonproliferation?

Some would argue and would argue here that if we are to prevent India from entering a plutonium economy, the United States must remain a reliable supplier of nuclear fuel. This argument overlooks the fact that avoiding a plutonium economy is only a means of achieving the kind of nonproliferation goals, which India has rejected out of hand.

Mr. Chairman, our willingness to supply nuclear fuel to India has not prevented it from exploding a nuclear device or convinced it to sign a nonproliferation treaty. Rejecting the license, therefore, should not be seen as a test of our reliability as a supplier, although the administration may regard it as such.

What we should consider here is the effect of our decision on the possibility of other countries going nuclear. We have made mistakes in the past which cannot be corrected. We have contributed to India's development of a supply of nuclear reactors by giving it heavy water, enriched fuel, by the training of their scientists and by our proselytizing the disingenuous notion that nuclear power will provide an inexpensive source of electricity. However, these mistakes of the past should not be used as an excuse for making additional contributions to the Indian program of the future.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding.

Just very recently the Indians had a very profitable arrangement with the International Monetary Fund where they actually purchased International Monetary Fund gold; but the formula for payment was so confused that it looked as though the Indians not only got the gold, but also got the benefit of the proceeds of the sale. I have not really figured that out yet.

My question to the gentleman is, since he is chairman of the Subcommittee on Appropriations in charge of all foreign-aid-type programs, how will the Indians pay for this fuel if this resolution is not approved and the sale goes through? How do they pay for it? Is it a credit sale or a cash sale? Are we going to be paid in rupees or dollars? What are the terms of the sale?

Mr. LONG of Maryland. May I respond to the gentleman by saying that I have asked for some research to be done on that. At the moment the answer seems to be somewhat obscure. I will say this: The State Department says it will not go through the Export-Import Bank. Under the bill foreign aid appropriations which we have before us, if it ever comes to the floor, there is a restriction against any credit sales of nuclear fuel or nuclear technology to India. However, I suppose there are all kinds of ingenious possibilities which will enable them to do it. We sort of help them find ways of getting around problems like that one and doing it anyway.

The gentlewoman a while ago said that India was a great, independent country. I think it is a great country, but I have to amend that a little by saying that I think India is a great dependent country, and we should remind them of that fact.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, in response to the question of the gentleman from Florida (Mr. YOUNG), I would refer him to page 12 of the committee report, containing a letter to Chairman ZABLOCKI from Alice M. Rivlin, Director of the Congressional Budget Office, in which she indicates that the impact of the resolution, if adopted, would be an increase in outlays of $6.7 million in fiscal year 1978 and $1.6 million in fiscal year 1979.

In other words, the implication of that is clearly that this would be a cash sale, and if we do not make it, we lose that much money.

Mr. LONG of Maryland. Let me say that the logic of our nonproliferation strategy runs something like this: Retain our leverage, but never attempt to use the levers. What on Earth kind of ability to call the shots is that?

Mr. Chairman, I urge the Members to vote for our resolution of disapproval of the sale of nuclear fuel to India. A rejection will demonstrate that nations which refuse to abide by the internationally accepted rules of behavior will not at the same time benefit by their action. A rejection will further demonstrate that we refuse to compound the mistakes of the past and will mean that we have the courage to say no to those who feel that compromise is a one-way street.

A rejection will demonstrate that leaving a legacy of nuclear terror for future generations is unacceptable. Finally, rejection will demonstrate to our competitors that our nonproliferation goals are genuine, and not a pretext for regaining our lost nuclear markets.

Let me point this out: There are a lot of people who will be arguing that we have to give this fuel to India to help solve their energy problem for the poor people. Let me say that nuclear energy is no way to get energy for a poor country. It is more expensive, a far more expensive way of getting energy than conventional sources, and in any case I can tell the Members that it does not reach the poor in India. There is no way in which we can get nuclear energy to reach the poor people in India, because the cost of transmitting it is absolutely prohibitive, and because the people are so poor that they cannot afford to buy it anyway.

This is an elitist program. That is what it is all about. If nuclear power is not best and does not reach the poor,

then the only reason is either for prestige or for nuclear weapons. If we do not think that, Pakistan and Iran and other countries next door to India do feel that way.

Mr. WHALEN. Mr. Chairman, I yield 2 minutes to the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding to me. I would, if Chairman BINGHAM would agree to respond, like to pursue the question of the sale. I had read Mrs. Rivlin's letter, and understood the question of increasing outlay on our part if this sale does not go through. I would like to ask the gentleman, though, if he could respond as to what will be the form of payment. Will it be by a check? Will it be in dollars? Will it be in rupees? Just what will be the form of payment?

Mr. BINGHAM. If the gentleman will yield, I will respond.

Mr. YOUNG of Florida. Certainly.

Mr. BINGHAM. I understand it is a cash transaction. Whether that takes the form of an order on a bank or a check or what form it takes, I simply cannot answer the question, but it is not a credit transaction. It is a cash transaction.

Mr. YOUNG of Florida. I recall, I think about 2 years ago, we held a lot of rupees that were held in India. We could not transfer them, we just wrote them off. We canceled that. I just wondered if payment might be in the form of rupees that we could not take out of the country.

Mr. BINGHAM. I am sure it is not in the form of rupees. That, indeed, would not be a cash transaction. It would not be so regarded by the United States.

Mr. YOUNG of Florida. I thank the gentleman very much.

Mr. BINGHAM. Mr. Chairman, I yield 4 minutes to the gentleman from Washington (Mr. MCCORMACK).

Mr. MCCORMACK. Mr. Chairman, as one who has been a proponent of strict controls over nuclear weapons since the dawning of the nuclear age, and as one who has worked to minimize the threat of nuclear weapons proliferation, I rise in opposition to House Concurrent Resolution 599. I wish to associate myself with the remarks of the gentleman from Illinois (Mr. FINDLEY) and the gentleman from New York (Mr. WYDLER).

It is important that we understand some of the basic facts of the issues we are debating. In the first place, we have a contract with India to sell them this fuel. The nation of India regards this contract as creating an obligation on us to sell that country this fuel. We should recognize that if we fail in our contractual obligation, India must go elsewhere for fuel, and that it will do so. India will go to Russia, France, or South Africa, to buy the fuel.

Our refusal now to live up to our obligation to sell this fuel to India, would certainly create strains between our two democracies, between which we are trying to build bridges. We would live to regret our blindness, and to recognize the futility of our actions, especially because we would drive the Indians directly into the arms of the Russians.

We must understand that India has a very large amount of fuel which it must reprocess. It would be both misleading and foolish to suggest that there is any significant relationship between reprocessing this nuclear fuel from nuclear powerplants, on the one hand; and nuclear weapons, on the other. This is the fallacy of our trying to stop reprocessing. No nation, including India, has ever made a nuclear weapon from plutonium produced in a nuclear power reactor. India did not divert nuclear fuel to make its weapon, It clearly indicated what it was doing, and many nations knew what it was doing for many years. The plutonium was produced in a small Canadian heavy-water research reactor, not in any nuclear power plant.

While I deplore this 1974 action by India, and I wish that they would sign the NPT, and I wish they would subject themselves to inspection by the IAEA (the same as I wish the United States would be so subject to inspection by the IAEA), it must be recognized there is a fundamental difference between what the Indians did and what we are talking about preventing.

There is a fundamental difference between the plutonium for weapons and that which is produced in a powerplant. Weapons-grade plutonium is composed of less than 6 percent plutonium 240. When we make plutonium for weapons, this is what we use. The Indians made plutonium of only about 1 percent plutonium 240, which is just about perfect for weapons.

However this is the opposite extreme from the plutonium which is produced in nuclear powerplants. It is 20 to 25 percent plutonium 240, and is almost worthless for weapons production. We made a test explosive from it once, and we found that it is extremely poor material for weapons.

No nation is interested in using nuclear fuel for weapons because weapons-grade plutonium can be produced more cheaply and quickly than the low quality material produced in powerplants. About three dozen nations can make weapons-grade plutonium today if they wish to do so, and it can without any nuclear powerplants at all. No permission or materials or secrets or any technology from the United States is required. It would only cost about $50 million to build a small nuclear reactor, such as the Indians used, and a couple of hot cells for processing special small fuel elements into weapons-grade plutonium. It would take about 5 percent of the cost of one conventional nuclear powerplant to make these weapons, and only half the time required to build one nuclear plant. It is important to understand this. The reason nuclear weapons are not being made is because the countries that can make them understandably do not want to make them, not because they are not reprocessing nuclear fuel.

It is useless to try to control weapons production by trying to prevent nuclear energy fuel reprocessing. If we undertake policies which have the effect of reducing the potential for energy production among the nations of the world, especially nuclear energy which is so critical in many countries, this would create a far greater destabilizing factor than trying to stop the reprocessing of nuclear fuel.

We must be realistic in this matter, and deal in facts. We can minimize the potential for nuclear proliferation from production fuel elements by establishing regional reprocessing centers under the control of the IAEA, and have them regionally controlled, so that the countries involved can police themselves. We cannot control other nations to their disadvantage. They are telling us this.

The rest of the world is moving ahead of us. The most certain way to promote nuclear weapons proliferation is to try to stop nuclear energy production in the world. Nations without adequate supplies of energy may turn to military adventurism or threats, and may make nuclear weapons without having any nuclear energy plants.

I urge the Members to oppose this resolution.

Mr. WHALEN. Mr. Chairman, in an effort to honor a commitment I made at the beginning of this debate, I now yield 5 minutes to the gentleman from Alabama (Mr. BUCHANAN).

Mr. BUCHANAN. Mr. Chairman, let me make it clear that it is a fact that we do not control nuclear technology. In fact we have had expert testimony before our committee that any well-trained engineer with fissionable material and a small laboratory could produce a bomb. That is precisely correct. It is the fissionable material that governs who is capable of such production.

What we would now supply India is different from the material with which they made the first bomb, but it is just as rich a material for bomb purposes and can be just as readily used by the technology within their capability for such purposes as the original material, so let us not misunderstand the danger or the risk which is real here.

I would point up there are others in the world who agree with the position taken by those of us who support this resolution.

On May 1 the Wall Street Journal had an excellent editorial on this subject, as follows:

[From the Wall Street Journal, May 1, 1978]

CONTINUING BURLESQUE

Of all the delights of the Carter administration, none tops the continuing burlesque of its policy to constrain the proliferation of nuclear weapons. In the name of stopping proliferation, Mr. Carter has just overruled the Nuclear Regulatory Commission in order to send 7.6 tons of enriched uranium to India, the only nation actually to divert American atomic materials into the proliferation of nuclear weapons.

The Indians say that their atom bomb is a "peaceful" one, and therefore they didn't violate their agreements in using American heavy water in making atomic explosives in a Canadian-supplied reactor. After this incident, the Canadians cut off the export of all nuclear materials to India. Following the example, India cut off the export of all rhesus monkeys to the United States, because some of them were used in radiation experiments the Indians consider nonpeaceful. But ignoring these examples, Mr. Carter has decided that Uncle Sam should turn the other cheek.

Is this the same Jimmy Carter who back during the presidential campaign complained, "When India exploded its so-called 'peaceful' nuclear device, the U.S. made no public expression of disapproval"? Who further complained that we "rewarded" India with further nuclear materials? Who stopped the U.S. neutron bomb out of anti-nuclear moralism? Well, yes. He now says that not sending more uranium to India "would seriously undermine our attempts to persuade India to accept full-scope safeguards against further diversion.

But the Indians, in the tradition of "peaceful" bombs and rhesus monkeys, have already made their position on comprehensive safeguards perfectly clear. As the State Department describes it, "India would accept such safeguards when at least the U.S., the U.K., and the U.S.S.R. agreed to a complete nuclear test ban, agreed not to add further to their nuclear arsenals, and came to an agreement to have a gradual reduction of nuclear stockpiles, with a view to the eventual destruction of such stockpiles." The millennium must come first, then the Indians will accept safeguards.

When the NRC refused to approve the sale in a 2-2 vote, the prevailing opinion noted that the Indian position on safeguards is on a collision course with U.S. law. The Nuclear Non-Proliferation Act of 1978 forbids exports to any nation that has not accepted full safeguards, and provides the presidential escape clause for only the first 18 months following its enactment. Shortly—barring the equally implausible contingencies of Soviet-American disarmament or Indian capitulation on safeguards—shipments to India will be illegal.

India has further made clear that if its nuclear supplies are cut off, it will feel freed from all previous agreements. It will proceed to use all nuclear materials in its possession however it wants, which means reprocessing spent nuclear fuel into plutonium for bombs. In other words, it is all but certain that the 7.6 tons of uranium Mr. Carter is now shipping India will in fact end up being used to proliferate nuclear weapons. This lesson about nuclear proliferation will not be lost on other nations pondering whether to get the bomb.

On behalf of the Indians, we must say that at least we can understand them. They want the bomb, and they know an easy mark when they see one. The Americans, by contrast, remain inscrutable. If Mr. Carter wanted to play patsy on proliferation, he did have the option of doing so quietly. Instead, he has chosen to do so after setting the stage with trumpet fanfares and heraldic processions.

Mr. Chairman, let us not be misled by the fact that we have two different kinds of materials, each of which can be used to make a bomb. That which we are about to supply can be as easily used by the Indians given the state of their technology as that with which they made the original bomb.

Mr. DODD. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Connecticut.

Mr. DODD. Mr. Chairman, I want to compliment the gentleman from Alabama (Mr. BUCHANAN) upon his remarks and I would like to discuss the issue on whether or not one can produce weapons grade material. That certainly is a scientific matter and certainly the gentleman from Washington (Mr. MCCORMACK) has few equals here in this chamber with his expertise in regard to that matter. But that was not the issue which promoted the Nonproliferation Act of 1978 but the detonation of 1974.

We can quibble semantically whether to identify that as an atomic explosion weapons class or a nonweapons class explosion, the fact of the matter is that India has made it abundantly clear to the world that it will not adopt the international safeguards. That is the issue here.

The point is whether or not we are going to be able to convince India in the next 18 months to comply with that. If not, then in 18 months when additional or future sales come up we will not be allowed to argue the issue because we will not be allowed to sell them that material for whatever purposes if they do not comply.

My point is, and I think the position of the gentleman from Alabama (Mr. BUCHANAN) is that it would be far wiser for us today to say to India, "We are sorry, but under the provisions of that act we cannot sell that material to you. You comply with those safeguards and we will be glad to do so."

But, Mr. Chairman, for us to allow an export license on 23 tons of low grade uranium over the next 18 months, which would allow them, theoretically, to produce 15 Hiroshima type atomic bombs, is absolutely diplomatic lunacy, and I find it incredible that we would put ourselves in that kind of a negotiating position in the light of India's position on this entire matter.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I thank my colleague the gentleman from Alabama (Mr. BUCHANAN) for yielding to me and I compliment the gentleman on his very excellent remarks.

I would like to say in summary that there is no rush in sending this material to India. They already have 18 months worth of supply in the pipeline. While we are negotiating with them on adopting safeguards, we are in a much stronger position if we do not send the material than if we do, at the same time we will subject the world to much less danger.

Most importantly, at stake is the integrity of the Nonproliferation Act, the degree to which we show the world that we really meant we would insist on safeguards where we required them in the act. As far as India is concerned, they have blatantly flouted any effort to get them to agree to observe the standards to which most of the other countries of the world have agreed already. It is the sole country that exploded a nuclear device made from materials which came from a reactor. This is the first test under the nonproliferation. If we do not enforce it with respect to India, then no country will observe it or believe we take its requirements seriously.

I urge my colleagues to approve this resolution.

Mr. BUCHANAN. Mr. Chairman, one of the issues which has been raised several times is about the alternate supply by the Soviet Union. It is my understanding that they have rather firm controls on that material which they supply. I would be very surprised if that were not the case. One of the issues that may be involved here is that of a double standard of suppliers, with us requiring less firm requirements than the other alternative source.

Mr. MCCORMACK. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman has expired.

Mr. WHALEN. Mr. Chairman, I yield 1 additional minute to the gentleman from Alabama (Mr. BUCHANAN).

Mr. MCCORMACK. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Washington.

Mr. MCCORMACK. Mr. Chairman, the point the gentleman from Alabama (Mr. BUCHANAN) has made about the policies of the Russians is a good point, because the Russians are implementing the policy on an international scale that the Western World should adopt in order to minimize proliferation. The Russians simply lease nuclear fuel to many nations, on the condition that the fuel is sent back for reprocessing under Russian control. The Russians do not pretend, as we do, that running a nuclear powerplant creates a threat from nuclear weapons, because they know that the fuel will be reprocessed under their controls. If we would establish a similar program in the Western World, with international controls, would take a big step toward controlling potential proliferation. It would be much more realistic than attempting, as the sponsors of this resolution would do: Attempt to forbid other nations from doing what they must do for the economic survival, that is, reprocess their nuclear fuel.

Mr. BUCHANAN. I agree with the point the gentleman has made, but I would simply say that to take this action at this time is not going to serve the cause of nuclear nonproliferation. If I had my "druthers," I would do precisely as the gentleman said. I think that would be safer. In this situation I do not see how we can get there from here. Therefore, I urge the adoption of the resolution of disapproval.

● Mr. DERWINSKI. Mr. Chairman, I rise in opposition to this resolution disapproving the administration's proposed export of low-enriched uranium to India.

After studying the pros and cons of this vexing foreign policy issue, I find the most compelling argument is made by the President who contends that—

Denial of this export would seriously undermine our efforts to persuade India to accept full-scope safeguards, and would seriously prejudice the achievement of other U.S. nonproliferation goals.

In pondering how to vote on this resolution, I urge you to keep the following facts in mind:

India already possesses enough spent nuclear fuel to manufacture nuclear explosive devices. The additional small shipment of uranium prohibited by this resolution is, therefore, not that significant.

Prime Minister Desai, a man of honor struggling to sustain India's recent return to democracy, has called the 1974 Indian nuclear explosion a "mistake" and has pledged that his government will never allow the production of nu-

clear bombs or the detonation of another explosive nuclear device.

The United States is presently India's sole supplier of enriched nuclear fuel. Such a relationship provides the United States with considerable leverage with the Indian Government in the pursuit of overall U.S. nuclear nonproliferation objectives.

Among the most likely alternative suppliers of nuclear fuel to India is the U.S.S.R.

U.S. nuclear material shipments to India will be terminated if, after the 18-month grace period prescribed by law, the Indian Government fails to comply with full scope international safeguard requirements at its Tarapur atomic power station.

Given the foregoing, I am convinced that the prudent course to follow at this time is one that allows for the United States and India, the world's two largest democracies, to continue negotiating a mutually satisfactory arrangement that meets the concerns of both parties. Therefore, I urge you to join me in opposing passage of this resolution.●

● Mr. SCHEUER. Mr. Chairman, I rise to support the President in his decision to send nuclear fuel to India, although I presume we approach this decision from somewhat divergent points of the compass.

My vote to send fuel to India is not based on any conviction that India has been a good neighbor and a consistent supporter of U.S. nuclear nonproliferation objectives. Rather, it is based on the first conviction that the administration's nonproliferation law has been proven to be totally unworkable only 4 months after it was signed into law, is in effect moribund, and should be consigned to the scrap heap at the earliest possible moment.

On September 28, 1977, when the nonproliferation bill passed I pointed out on the floor of the House that adoption of this legislation will not lead to nonproliferation; per contra, it might ironically contribute to the very worldwide proliferation we seek to deter. For, if, by reducing U.S. participation in world nuclear commerce, as the legislation demonstrably already has, we therefore drop out of the nuclear game, we cannot then expect to continue making the rules.

Our promise to provide uranium enrichment in exchange for agreement to conform to our strict and unique nonproliferation regulations fails to acknowledge that our monopoly of a decade ago on uranium enrichment has been totally and definitively broken. For example, the Nuclear Assurance Corp., an independent research organization, has indicated that the Common Market countries can be independent of U.S. uranium supplies by supplementing their own stockpiles with purchases from the Soviet Union for the next 3 years, and totally self-sufficient from the rest of the world by 1980.

Since March 1978 when the Non-Proliferation Act was signed into law, my predictions on the floor of the House have been coming true with a vengeance Not only is the United States dropping out of nuclear commerce around the world, but also the rest of the world is moving ahead as quickly as possible toward a plutonium economy.

For example:

The April 5, 1978, New York Times reports that France is blocking the opening of negotiations on new safeguards for American nuclear fuel delivered to Europe. Under the provisions of the new law, the Common Market countries must agree to renegotiate their previously approved commitments or face an embargo on U.S. nuclear shipments.

The April 9, 1978 New York Times reports that the Common Market is moving toward an economic recovery program independent of the United States, citing the new Non-Proliferation Act as one cause of this drift, and noting that both France and Germany are exploring the possibility of ordering more uranium from the Soviet Union so as to minimize their dependence on the United States.

The April 12, 1978, Baltimore Sun reports that an awkward impasse has been reached between the Common Market and the United States. Not only have the Common Market countries refused to renegotiate their nuclear agreements with the United States, but also they have declined even to write a simple letter committing them just to talk. The result is an embargo on all U.S. nuclear shipments to Europe.

The April 19, 1978, New York Times reports that the Soviet Union, acknowledging some potential proliferation hazards, has nevertheless decided to proceed full steam ahead with their own breeder program.

The April 28, 1978, Washington Post reports that President Carter has announced his intention to make the first waiver of the requirements of the new Non-Proliferation Act for the export of nuclear fuel, on which we will act today. Did the waiver go to a long-term ally of the United States such as any one of the Common Market countries? Did the waiver even go to a country which has signed the Non-Proliferation Treaty? No. Ironically, the waiver went to India for 17,000 pounds of uranium, a country which continues to this day to refuse international inspection of her nuclear facilities.

When Prime Minister Desai conferred only weeks ago with President Carter, the Indian leader made it perfectly clear that his country has no intentions of signing the treaty. He flatly told Congress and the American people that if the United States refused to honor its commitment to sell India enriched uranium, we would be completely abrogating all nuclear agreements between the United States and India. Therefore they would have no alternative but to reprocess their spent fuel in order to recover the plutonium which would then replace the enriched fuel the United States defaulted in supplying.

The May 16, 1978 New York Times reports that the House of Commons in England approved by an overwhelming vote of 224–80 the construction of a massive reprocessing plant at Windscale. The Times called the vote "the final British rebuff to President Carter's decision to defer indefinitely the commercial reprocessing of spent fuel in the U.S."

The May 17, 1978 Washington Post reports that Mexico is seeking nuclear agreements with the Soviet Union to reduce its dependence on the United States, because the United States sought assurances from the Mexican Government on proliferation that would "violate Mexican sovereignty."

The May 20, 1978, Washington Post reports that Japan has informed the United States that it will provide $1 billion in financing for reprocessing plants in England and France. In return for this financing, England and France will reprocess Japan's spent fuel. This is, in all likelihood, the death blow to our entire reprocessing position.

We are observing a clear law of economics at work here: Nuclear suppliers like France, Germany, and the Soviet Union, offering firm and dependable partnerships with internationally agreed-upon restrictions, will drive out of nuclear commerce undependable nuclear suppliers like the United States who demand unilateral limitations in perpetuity.

Our ignorance of this elementary rule of economic conduct has rendered us, like Don Quixote, totally incapable of achieving our well-intended objectives. And our naivete may well be perceived as outdoing Don Quixote's. After all, even the most fanciful fiction writers would expect more rationality from the United States than from the eccentric Don.●

Mr. BINGHAM. Mr. Chairman, I have no further requests for time.

Mr. WHALEN. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. Pursuant to the provisions of section 308 of Public Law 95–242, no amendments are in order. The Clerk will read the concurrent resolution.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 599

Resolved by the House of Representatives (the Senate concurring), That the Congress does not favor the proposed export of low-enriched uranium to India which would be authorized by the Executive order transmitted to the Congress by the President on April 27, 1978.

Mr. BINGHAM. Mr. Chairman, I move that the Committee do now rise and report the concurrent resolution back to the House with the recommendation that the concurrent resolution be rejected.

The CHAIRMAN. The question is on the motion offered by the gentleman from New York (Mr. BINGHAM).

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FLIPPO, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 599) disapproving the proposed export of low-enriched uranium to India, had directed him to report the concurrent resolution back to the House with the recommendation that the concurrent resolution be rejected.

The SPEAKER. Under the statute, the previous question is ordered.

The question is on the concurrent resolution.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. OTTINGER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 181, nays 227, not voting 24, as follows:

[Roll No. 535]

YEAS—181

Abdnor	Edgar	Mineta
Alexander	Edwards, Ala.	Minish
Ambro	Edwards, Calif.	Mitchell, Md.
Ammerman	Edwards, Okla.	Moakley
Anderson, Calif.	Eilberg	Moffett
	Emery	Montgomery
Andrews, N. Dak.	English	Moore
	Evans, Ind.	Moorhead, Calif.
Applegate	Fish	
Archer	Fithian	Mottl
Armstrong	Florio	Nolan
Ashbrook	Ford, Tenn.	Nowak
AuCoin	Fuqua	Oakar
Bafalis	Gammage	Oberstar
Baldus	Giaimo	Ottinger
Barnard	Gibbons	Panetta
Baucus	Gilman	Patterson
Bauman	Goldwater	Pattison
Bedell	Grassley	Pike
Bellenson	Green	Pressler
Bennett	Hansen	Pritchard
Blouin	Harkin	Pursell
Bonior	Harris	Quillen
Brodhead	Heckler	Rhodes
Brown, Calif.	Hefner	Richmond
Broyhill	Hillis	Rinaldo
Buchanan	Hollenbeck	Rousselot
Burgener	Holt	Roybal
Burke, Calif.	Holtzman	Rudd
Burton, John	Huckaby	Ruppe
Burton, Phillip	Hughes	Russo
Byron	Ireland	Sarasin
Caputo	Jeffords	Schroeder
Carr	Johnson, Colo.	Schulze
Carter	Jones, Tenn.	Shuster
Chappell	Jordan	Sikes
Clausen, Don H.	Kelly	Slack
	Kemp	Smith, Nebr.
Clawson, Del	Keys	Snyder
Clay	Kildee	Spellman
Cochran	Krebs	Stangeland
Cohen	LaFalce	Stark
Coleman	Lagomarsino	Stokes
Collins, Tex.	Latta	Symms
Conte	Leach	Taylor
Conyers	Lent	Trible
Corcoran	Levitas	Vander Jagt
Cornell	Livingston	Walgren
Cornwell	Lloyd, Calif.	Walker
Cotter	Long, Md.	Wampler
Crane	Lott	Waxman
Cunningham	McDade	Weaver
D'Amours	McDonald	Weiss
Dellums	McKinney	Whitehurst
Devine	Maguire	Wiggins
Dickinson	Markey	Wirth
Dodd	Marlenee	Wylie
Dornan	Martin	Yates
Downey	Mazzoli	Young, Alaska
Drinan	Mikulski	Young, Fla.
Early	Miller, Calif.	Zeferetti
Eckhardt	Miller, Ohio	

NAYS—227

Addabbo	Bolling	Cavanaugh
Akaka	Bonker	Cederberg
Andrews, N.C.	Bowen	Chisholm
Annunzio	Brademas	Cleveland
Ashley	Breaux	Collins, Ill.
Aspin	Breckinridge	Conable
Badham	Brinkley	Corman
Beard, R.I.	Brooks	Coughlin
Beard, Tenn.	Broomfield	Daniel, Dan
Benjamin	Brown, Mich.	Daniel, R. W.
Bevill	Brown, Ohio	Danielson
Biaggi	Burke, Mass.	Davis
Bingham	Burleson, Tex.	Delaney
Blanchard	Burlison, Mo.	Dent
Boggs	Butler	Derrick
Boland	Carney	Derwinski
Dicks	Lehman	Roe
Dingell	Lloyd, Tenn.	Rogers
Duncan, Oreg.	Long, La.	Roncalio
Duncan, Tenn.	Lujan	Rooney
Erlenborn	Luken	Rose
Ertel	Lundine	Rosenthal
Evans, Colo.	McClory	Rostenkowski
Evans, Del.	McCloskey	Runnels
Fary	McCormack	Ryan
Fascell	McEwen	Santini
Fenwick	McFall	Satterfield
Findley	McHugh	Sawyer
Fisher	McKay	Scheuer
Flippo	Madigan	Sebelius
Flood	Mahon	Seiberling
Flowers	Marks	Sharp
Foley	Marriott	Shipley
Ford, Mich.	Mathis	Simon
Forsythe	Mattox	Sisk
Fowler	Meeds	Skelton
Frenzel	Metcalfe	Smith, Iowa
Garcia	Meyner	Solarz
Gaydos	Michel	Spence
Gephardt	Mikva	St Germain
Ginn	Milford	Staggers
Glickman	Mitchell, N.Y.	Stanton
Gonzalez	Mollohan	Steed
Gore	Moorhead, Pa.	Steers
Gradison	Moss	Steiger
Gudger	Murphy, Ill.	Stockman
Hagedorn	Murphy, N.Y.	Stratton
Hall	Murphy, Pa.	Studds
Hamilton	Murtha	Stump
Hammer-schmidt	Myers, Gary	Thompson
	Myers, John	Thornton
Hanley	Myers, Michael	Traxler
Hannaford	Natcher	Treen
Harrington	Neal	Tucker
Harsha	Nedzi	Udall
Hawkins	Nichols	Ullman
Heftel	O'Brien	Van Deerlin
Hightower	Obey	Vanik
Holland	Patten	Vento
Horton	Pease	Volkmer
Howard	Pepper	Waggonner
Hubbard	Perkins	Walsh
Hyde	Pettis	Watkins
Ichord	Pickle	Whalen
Jacobs	Poage	White
Jenkins	Preyer	Whitley
Jenrette	Price	Whitten
Johnson, Calif.	Quayle	Wilson, Bob
Jones, N.C.	Quie	Wilson, C. H.
Jones, Okla.	Rahall	Wilson, Tex.
Kastenmeier	Railsback	Wright
Kazen	Regula	Wydler
Kindness	Reuss	Yatron
Kostmayer	Risenhoover	Young, Mo.
Lederer	Roberts	Young, Tex.
Leggett	Robinson	Zablocki

NOT VOTING—24

Anderson, Ill.	Frey	Rangel
Burke, Fla.	Goodling	Rodino
de la Garza	Guyer	Skubitz
Diggs	Kasten	Teague
Evans, Ga.	Krueger	Thone
Flynt	Le Fante	Tsongas
Fountain	Mann	Winn
Fraser	Nix	Wolff

The Clerk announced the following pairs:

On this vote:

Mr. Le Fante for, with Mr. Teague against.
Mr. Rangel for, with Mr. Wolff against.

Until further notice:

Mr. Nix with Mr. Goodling.
Mr. Fountain with Mr. Winn.
Mr. Flynt with Mr. Anderson of Illinois.
Mr. de la Garza with Mr. Burke of Florida.
Mr. Diggs with Mr. Guyer.
Mr. Mann with Mr. Frey.
Mr. Krueger with Mr. Thone.
Mr. Evans of Georgia with Mr. Skubitz.
Mr. Fraser with Mr. Tsongas.

Messrs. MITCHELL of Maryland, McDADE, GAMMAGE, WALGREN, RINALDO, DICKINSON, GOLDWATER, DEL CLAWSON, D'AMOURS, and Ms. OAKAR changed their vote from "nay" to "yea."

Mr. CONABLE and Mr. O'BRIEN changed their vote from "yea" to "nay."

So the concurrent resolution was rejected.

The result of the vote was announced as above recorded.

GENERAL LEAVE

Mr. BINGHAM. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous material, on the concurrent resolution just considered.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EDUCATION AMENDMENTS OF 1978

Mr. PERKINS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15) to extend for 5 years certain elementary, secondary, and other education programs.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky (Mr. PERKINS).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 15, with Mr. DUNCAN of Oregon in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentlman from Kentucky (Mr. PERKINS) will be recognized for 1 hour, and the gentleman from Minnesota (Mr. QUIE) will be recognized for 1 hour.

The Chair recognizes the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, H.R. 15, the Education Amendments of 1978, was reported unanimously by the Committee on Education and Labor. It represents the work of many members of the committee and especially the work of many members of the Subcommittee on Elementary Secondary, and Vocational Education, including Congressmen QUIE, FORD, BLOUIN, SIMON, MOTTL, LE FANTE, WEISS, HEFTEL, CORRADA, KILDEE, MILLER, and BUCHANAN.

This bill extends through fiscal year 1983 all the major Federal programs of aid to elementary and secondary education except for the handicapped education program. These programs, which have a present appropriation of approximately $5 billion, are also extensively amended.

Basically, the present structure and philosophy of Federal aid in this area is retained by this bill, namely categorical programs for specific groups and purposes as opposed to unrestricted block grants. However, the bill attempts to simplify these programs and to cut down on the paperwork involved in administering them. The bill also proposes several new initiatives and expansions of present pro-

grams to meet needs not now being adequately addressed.

I would now like to briefly sketch for the Members the basic provisions of this bill. My remarks will begin with the largest programs and conclude with the smallest.

TITLE I

The title I compensatory education program is the largest program of aid to elementary and secondary education. It affects almost all school districts in the country and has an appropriation of about $2.7 billion this year. That program was extensively amended by the committee, but all the amendments either involved the formula, the focus of the program, or the administration of the program.

FORMULA

The title I formula for distributing funds is now based on multiplying the number of poor children in a county by 40 percent of the State's per pupil expenditure for education. The poor children counted are all those below the poverty level using the Orshansky definition of poverty as those children were counted in the 1970 census. There are also added into this count of children two-thirds of the AFDC children in the county whose families are receiving payments in excess of the current year's level of poverty using the Orshansky index. The State's per pupil expenditure is limited to no more than 120 percent of the national average if it presently exceeds that limit, and it is increased to 80 percent of the national average if the State's expenditure falls below that amount.

The committee has adopted three amendments changing this formula. The first amendment increases the number of AFDC children counted by going to a full count of such children, instead of limiting the count to only two-thirds of such children.

The second amendment to the formula includes a new so-called "concentration" provision to focus additional funds on counties with large numbers of poor children. Counties would be eligible if they have 5,000 poor children or if the number of poor children in the county exceeds 20 percent of all of the children. This modification of the formula heavily favors the largest cities in the country and the more urbanized States although it does also distribute some funds to the poorest rural areas of the country, particularly those in the Southern States. The bill proposes a new authorization of $400 million a year for this purpose.

The third change to the formula distributes any new appropriations in excess of the fiscal 1979 appropriation level according to the 1975 Survey of Income and Education. This new survey data would be used instead of 1970 census and AFDC data for distributing these new funds among the States, but the present formula would be used for distributing these funds among school districts within the States.

FOCUS OF PROGRAM

The second major purpose of the title I amendments is to deal with the question of whether the program ought to be focused on poor children who are educationally disadvantaged or on any children who are educationally disadvantaged regardless of family income. Presently, funds in the program go to States, to school districts and to schools on the basis of their numbers of poor children; but once within the school building, funds can be used on any children who are educationally disadvantaged. Suggestions were made in the committee to do away with the use of poverty data for focusing the funds and instead to permit States and school districts to distribute funds according to numbers of educationally disadvantaged children as determined by test scores.

The committee decided to retain the poverty orientation of the program, and to encourage the States to appropriate their own funds for educationally disadvantaged children not being reached by title I. To achieve this purpose, the committee bill authorizes a grant of one extra title I dollar for every $2 of State funds which are appropriated for compensatory programs for educationally disadvantaged children. We hope that through this incentive grant States will help to "fill in" around title I so that all educationally disadvantaged children may be reached with services.

The committee has also eased somewhat the requirements for choosing title I schools within school districts in order to include those schools which are not ranked as poor schools but which have high numbers or proportions of educationally disadvantaged children. The purpose of this limited amendment is to permit school districts to substitute one or two schools with large numbers of educationally disadvantaged children for poor schools which do not have nearly as many educationally disadvantaged children.

FLEXIBILITY

The third theme of the committee's title I amendments is to try to ease the administrative complexities in the program. To accomplish this, the committee bill rewrites all of the title I statute in order to clarify its provisions and to make it understandable to the lay person. The bill also tries to spell out more clearly the respective Federal, State, and local responsibility in administering the program.

The bill also deletes the very cumbersome reporting presently being required to achieve "minicomparability" for handicapped and bilingual programs and does away with the annual application for assistance and substitutes in its place a 3-year application. Still another amendment permits title I teachers to be used for regular noninstructional duties, such as hall and lunchroom monitoring, as long as the time spent on such duties does not exceed the average for other teachers.

IMPORT AID

In the impact aid programs the committee bill proposes an expansion of such aid for school districts. The administration's recommendations to cut back drastically on impact aid were roundly rejected by the committee, and instead we moved in the opposite direction.

The largest increase in impact aid will be for school districts with children living in federally assisted public housing projects. This amendment expands such aid by at least $100 million and permits such funds to be used as general aid instead of as compensatory education as previously required.

Other amendments restore payments for out-of-State children, increase payments for out-of-county children, increase aid to heavily impacted districts, eliminate the absorption provision, increase payments for handicapped children of military and Indian parents, and require early payments to all impact aid school districts. The committee bill also seeks to achieve more accountability for uses of funds in totally federally supported schools—so-called section 6 schools—and to ease the paperwork involved in applying for construction and disaster assistance.

CONSOLIDATED PROGRAMS

H.R. 15 also amends the library and learning resources program—part B of title IV of ESEA—and the support and innovation program—part C of title IV. These amendments remove guidance and counseling from the part B program and guarantee it separate funding, require funding of innovative compensatory education with new funds, strengthen the provisions for private school children's participation, and seek to encourage better management of the program.

BILINGUAL EDUCATION

The Bilingual Education Act, title VII of ESEA, is also amended. Greater research and experimentation is required and the definition for inclusion of children to participate in the program is broadened. Parental involvement and private school children's participation are also more heavily emphasized.

EMERGENCY SCHOOL AID ACT

The Emergency School Aid Act, which is the Federal Government's principal program to encourage integration, is also amended. Greater administrative flexibility is given to the Office of Education and the categories of eligible school districts are broadened. The Office of Education is also required to follow a strict schedule in approving applications and in making payments in order to avoid unnecessary delays which have plagued the program.

ADULT EDUCATION

The Adult Education Act is extended and school districts are encouraged to broaden their outreach to include more students. Competency in dealing with daily problems is also more heavily emphasized, and research on adult education is upgraded.

MINIMUM COMPETENCY

The bill also establishes new authority for the Commissioner of Education to make grants to State educational agencies for the implementation of minimum competency programs. Presently, several States have undertaken their own efforts; but the committee feels the need to encourage more States to become involved in assuring that their students have certain minimum competencies before they graduate. The committee bill, though, makes crystal clear that the Federal Government is not to impose

any particular tests on any States or school districts under this authority.

INDIAN EDUCATION

The bill proposes to increase impact aid payments to school districts for Indian children on the condition that the parents of such children have more of a voice in the educational programs being offered. The Bureau of Indian Affairs would also be reorganized to make more effective the administration of its education programs.

MISCELLANEOUS PROGRAMS

The committee bill also revises and extends a number of the smaller Federal education programs. The reading program, the women's program, the community schools program, and the gifted and talented children's program are all upgraded. Administrative flexibility is also increased for HEW under the Special Projects Act, and a new program is created to encourage disadvantaged high school students to enter biomedical professions.

EQUALIZATION

A root cause of many of our financial problems in elementary and secondary education is that the resources available to local school districts vary widely both within States and among States. The committee conducted hearings on this issue and could not reach immediate agreement on a large-scale Federal role in this area.

The committee bill does propose, though, a limited Federal role of data collection and technical assistance to the States. And, a very comprehensive study to be conducted by the National Institute of Education is also proposed. This study would have two purposes: First, to determine the present state of equalization of resources for education; and second, to determine whether there should be any Federal role in this area.

PAPERWORK CONTROL

The committee bill proposes a whole series of amendments to the laws amended by the bill in order to cut back on unnecessary paperwork and 2-, 3-, and even 5-year applications for funding are proposed instead of annual applications. Several reports are eliminated, and attempts are made to conform definitions and uses of terms.

The bill also trys to deal with the problem of overall control of paperwork throughout the Federal Government. One central coordinating body—the National Center for Education Statistics—is proposed for all paperwork affecting educational institutions. The NCES must not approve any unnecessary, duplicative, or excessively detailed requests for paperwork from any Federal agency. And all requests for information must be approved by the January 1 preceding the beginning of a school year. Standard definitions and uses of terms are also newly required for all of these reports.

CONCLUSION

Mr. Chairman, this bill is indeed a comprehensive measure. Its enactment will affect for the better the lives of millions of Americans. The committee has labored through 75 days of hearings and 4 weeks of markup sessions to produce the wisest and most prudent set of possible amendments. And, I believe we have succeeded. I hope the House will agree with us and approve H.R. 15.

TITLE I FORMULA

PRESENT FORMULA

Children in poverty

All children in families below the Federal government's definition of poverty (Orshansky index) according to the 1970 Census and ⅔ of the children in families receiving AFDC payments in excess of the Federal government's current definition of poverty.

Payment rate

40 percent of the State per pupil expenditure for education but any such expenditure which is below 80 percent of the national average is raised to that amount and any such expenditure in excess of 120 percent the national average is reduced to that amount.

Entitlement

The total number of children times the payment rate equals a school district's maximum entitlement.

Allocation

H.R. 15

(1) Basic formula for funds appropriated up to FY 79 level:

Children in poverty

Same as current formula except that AFDC children are fully counted instead of being only ⅔ counted.

Payment rate

Same as current formula.

Entitlement

Same as current formula.

Allocation

Same as current formula.

(2) New appropriations in excess of FY 1979 level: Payments to States are made by substituting all children from families below 50 percent of the national median income as counted from the 1975 Survey of Income and Education (SIE) for the poverty children in the basic formula as shown in (1) above. Payments to districts are made according to the regular formula each State uses for interdistrict allocations.

(3) Concentration money (a new $400 million authorization): Payments are made to counties with poor children (as determined under the basic formula in (1)) in excess of 5,000, or where over 20 percent of the total number of children in the county are poor. The number of these children in excess of 5,000 or 20 percent is multiplied by the regular payment rate to determine a county's allocation.

Mr. QUIE. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I rise in support of H.R. 15.

The legislation which the Committee on Education and Labor brings before the House today is the product of one of the most extensive and intensive efforts on the part of a congressional committee that I have ever witnessed.

Chairman PERKINS and his staff, headed by the subcommittee counsel, Jack Jennings, are to be commended for the extraordinary amount of time and energy which went into the hearing process which preceded subcommittee and full committee consideration of this legislation. Hearings on this legislation began almost exactly a year ago on May 10, 1977, and over a period of 10 months, the subcommittee held 57 days of hearings during which more than 400 witnesses had an opportunity to appear and testify on almost every aspect of this legislation. The proceedings of the subcommittee's hearings fill some 22 volumes, covering in excess of 11,500 pages.

In addition to the hearings, the deliberations of the committee were enormously enhanced by the availability of extensive amounts of information generated by two provisions incorporated into the 1974 ESEA amendments by the House. Those amendments directed the National Institute of Education to engage in a 3-year, $15 million study of compensatory education programs. In addition, the U.S. Office of Education undertook several extensive studies relating to the participation of students in compensatory programs which had been requested in 1974 and which also provided us with some very useful information. The combination of information available to us from the hearings and from these studies has provided the Congress with the most extensive collection of information ever compiled on Federal education programs.

I am particularly indebted to the work done by the National Institute of Education. The Compensatory Education study at NIE was done under the leadership of Paul Hill, Director, and Iris Rotberg, Deputy Director. The staff of the study, many of whom have worked extensively with the committee and members of the committee staff since 1974 and who contributed enormously to our knowledge and understanding, include Ann Milne, Joy Frechtling, Jim Harvey, Don Burnes, Margot Nyitray, Charles Troob, Pierce Hammond, Marjorie Kulach, Janet Taylor, Christopher Wheeler, Martin Chong, Gil Hoffman, Joyce Harris, Evangeline Ring, Catherine Blacknall, Odean White, and Richard Moss. In my view, this one study alone has substantiated the value of the creation of NIE in the 1972 Education Amendments.

Although I do have some reservations about the bill before us today, they are not major enough to cause me to oppose this bill. My first concern about the bill centers on action the committee took to expand entitlements for the impact aid program, created by Public Law 874, 81st Congress, by more than $200 million. This in spite of administration requests to cut the program over a 4-year period by some $300 million. The flaws in the impact aid program are well known and generally became more magnified between 1950 and 1974.

However, in 1974 significant reforms in that program were achieved which have reduced entitlements in many areas and made for more rationality. Regretfully, the actions of the committee this year undo those 1974 amendments and go far beyond anything which has been in law to this date. In many instances the changes contained in title I magnify even the pre-1974 irrationality of impact aid. I would hope that the House will see fit to restore several provisions of the 1974 act and return it to a semblance of rationality.

I am also concerned about the changes which are made in the formula for title I of the Elementary and Secondary Education Act. Adopted by the committee

was an administration proposal to provide concentration grants to counties enrolling more than 5,000 low-income children or having 20 percent or more of their children below the Federal poverty threshold.

Not only does this provision compound the already widely discredited use of economic data for educational purposes but it also establishes a system of first- and second-class schools and children. I simply do not believe that there is evidence to support the notion that a child in a district with more than 5,000 poor children has a right to a more expensive compensatory education program than a child in a district with 2,000 or 3,000 low income children. And, of course, this provision discriminates in the worst way against small and rural States. For example, Vermont will receive only $5,000 out of a $400 million appropriation. I, therefore, intend to support the amendment which the gentlemen from Vermont will offer to require that each State receive at least one-quarter of 1 percent of the appropriation for the concentration provison.

I also object to the action of the committee in restoring the full count of AFDC children above the poverty line to the count of title I eligibles. Again, in 1974 we achieved a significant reform in the title I formula. The action of the committee partly undoes that reform and places further reliance on unstable and inappropriate AFDC figures. Because of this change, most States will actually lose money if one looks at a constant appropriation level. For example, Alabama, Arizona, Arkansas, Colorado, Delaware, Florida, Georgia, Idaho, Indiana, Kansas, Kentucky, Louisiana, Maryland, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, South Carolina, South Dakota, Tennessee, Texas, Virginia, West Virginia, and Wyoming would each lose at least 2 percent of their current title I allocation. Several other States would lose somewhat lesser amounts.

The only States to gain more than 2 percent are Connecticut, 4 percent; Michigan, 8 percent; Hawaii, 10 percent; New York, 5 percent; and Wisconsin, 3 percent. Clearly AFDC is a formula factor designed to assist a small number of States, and I intend to offer an amendment to restore the former law with respect to AFDC.

With respect to bilingual education, although I believe we have adopted several helpful amendments, I am still concerned that the focus of the act is not yet firmly established as a maintenance program. The use of the word "proficiency" clouds that issue. This is of particular concern when we have so many children who are in need of bilingual services while at the same time evidence tells us that children are simply not moved out of the program when they achieve English-language facility.

Finally, there are a number of more minor provisions about which I am concerned, including a blanket waiver of title I requirements in the outlying territories and the continuation of the emergency school aid program in a way which is too similar to title I in many districts.

CONCEPTS SUPPORTED

Although I have indicated some reservations regarding some provisions in H.R. 15, let me be very clear in stating that the bill also contains a great number of provisions which I favor and believe need to be enacted into law as quickly as possible.

In my view, the most major of these changes concerns title I of ESEA. As many of the Members here today know, for years I have been interested in amending title I to deal more directly with the issues of educatonal disadvantagement and to move us away from the use of economic data as a surrogate for educational need. In fact, my supplemental views in the committee report deal exclusively with this issue. I am, therefore, very pleased that the bill as reported by the committee does contain two important amendments which move us in that direction.

The first of these permits school districts to rank all of their schools according to both low income and low achievement. If a district chooses, it may then begin serving schools based on their low-income rank. but in those instances where a school having a low ranking according to income has a higher ranking according to the number of low achieving children, the district may then move to serve that school, providing that the difference is of a significant nature—perhaps 3 or 4 percent.

For example, a district might have five attendance areas. The first school may have 40 percent low income students and 40 percent educationally disadvantaged. The second school may have 18 percent low income and 33 percent educationally disadvantaged. The third school may have 12 percent low income and 38 percent educationally disadvantaged. The fourth and fifth schools may each have only 5 percent low income while the fourth school has 25 percent educationally disadvantaged, and the fifth school 35 percent educationally disadvantaged. In selecting schools for title I services, the school district could serve in the following order: the first school, the third school, the second school, the fifth school, and the fourth school. If funds were available for only three schools, of course the two schools with 5 percent poor would not be served. If funds were available for four schools, the school with only 25 percent educationally disadvantaged would not receive service.

The second amendment would automatically establish title I eligibility for any school with more than 20 percent low-income students. Under the regulations implementing the current law, any school with more than 30 percent low income may be considered a target school by the district, regardless of the school's ranking among all schools in the district.

One of the unfortunate aspects of the current situation is that a combination of that factor and the requirement that in schools with fewer than 30 percent, only those schools above the districtwide average may be served, means that under current law, for example, in Maryland a child in a school in Montgomery County with 5 percent low income may receive title I services while in Garrett County a child would have to be in a school with more than 27 percent low income in order to receive service. This amendment moves us in a modest way toward equalizing service between school districts. I would favor dropping this figure even lower, to perhaps 10 percent, to further remove the situation that is created by the chance of where a student happens to go to school.

On another matter, in its deliberations the committee accepted an administration proposal to provide incentive grants to States which have compensatory education programs. In doing so, the committee adopted amendments which I supported which broaden the matching requirements so that States with programs based on educational disadvantagement rather than low income may also qualify for matching. The original administration bill was much too narrow and would have substituted a Federal judgment for the State decision-making process.

When the committee considered this legislation I offered an amendment to title I concerning 89–313 which provides dollars for handicapped children in State operated and supported schools. The amendment would have had the effect of placing handicapped children in State operated and supported schools under Public Law 94–142 so that there would have been one law concerning the education of all handicapped children regardless of where they live or are educated. Under that amendment 89–313 would not have been reauthorized and there would have been a gradual phase-in of the children into 94–142 over a 5-year period.

My idea in combining the two laws was to have a uniform program of services to all handicapped children, and I felt that it would be possible because of the anticipated growth of the appropriations for Public Law 94–142.

Because some concerns were raised as to whether the 94–142 appropriations will grow fast enough to accommodate the merger, I withdrew the amendment.

My concern first and foremost is for handicapped children and their well-being, and I did not feel that it would be in their best interest to have an extended fight over the issue of money if there would be no benefits to the children.

In lieu of offering the amendment again in the committee I was offered a firm commitment from Mr. BRADEMAS, chairman of the Select Education Subcommittee, that sometime this year his subcommittee will look at both 89–313 and Public Law 94–142 and determine what mechanism can be used to bring equity between the two programs. If it is determined that they should be merged, he has agreed to work out some mechanism for doing it.

I think the need to do something about the 89–313 provisions was demonstrated just within the past few weeks when the Office of Education put out the first set of regulations for this program since its inception 12 years ago. After reading the regulations I was quite dismayed to find

that OE had actually written regulations which were contrary to the law. I know they were contrary because in 1974 I authored an amendment which became part of the law pertaining to children who left State operated or supported institutions and returned to local education agencies. I am talking about the so-called "follow along" provision which was designed and intended that when a child shifted from the State to the local education jurisdiction that the 89–313 money would automatically transfer with the child and would stay with the LEA with no limitation on the length of time the child would be eligible to receive those funds. In May I asked Commissioner Boyer to redraft the regulations to reflect the law with respect to the mandatory measure of this provision. It is my hope that when Mr. BRADEMAS considers this matter later this year that this and other provisions will receive the subcommittee's full attention.

I also strongly favor provisions in H.R. 15 offered by the administration which enhance the opportunities for nonpublic schoolchildren to participate in the programs authorized by H.R. 15. Study after study confirm the low rate of participation of these children. The provisions in this legislation should provide some assistance in assuring that those children are more adequately served.

I am particularly pleased that the rewriting of title I contained in this bill deals in a very open and forthright way with the need to better coordinate Federal and State compensatory education programs. With the enactment of H.R. 15, most of the barriers which have existed to operating State and Federal programs together will be eliminated. The result will be that States will have greater incentives to establish their own compensatory programs and the Federal bookkeeping and service requirements which have been so rigid will be made flexible enough so that the two programs may work together.

Beyond the provisions in title I, I am particularly encouraged by the action of the committee in adopting an extension of and amendments to the National Reading Improvement Act in place of the administration's proposal for a basic skills title. That proposal was never well defined and, in my view, it seemed as though the Reading Act could accomplish virtually everything proposed by the administration's new title. In working with the administration, I agreed to amend the Reading Act to include mathematics and to incorporate some other provisions which they were particularly anxious to see included. I believe the rewrite of the Reading Act is also much more concise and should lend itself to better management than the 1974 act, primarily because of the elimination of the confusion as to whether or not the program is a Federal project grant authority or is to be operated through States. H.R. 15 clearly establishes that the basic program is to be State administered. In addition, of course, the reading and math program now incorporated in title IV of ESEA does continue authority for the reading is a fundamental inexpensive book distribution program which the administration bill had failed to specifically include.

H.R. 15 also incorporates a proposal which I authored to continue the consumers' education program and to require that it be funded at $5 million annually—about double the current level. I wish to make it clear that one activity that I expect the Office of Education to pursue under this authority is the funding of better programs in consumers' mathematics, an area of great need as shown by recent reports of the National Assessment of Educational Progress.

Also included in title VI of H.R. 15 is a proposal authored by Representative KILDEE, which I support, to continue and expand the community schools program into a State administered authority. This program, begun in 1974, has worked well and needs now to be placed in the hands of the States so that they too will exhibit a commitment to this very important activity. The community schools program must include not only greater utilization of the existing school plant but also the creation of the school as one of the central places in a community for delivery of all human services, including those administered by other public agencies.

Title VII of H.R. 15 includes many important amendments to the Bilingual Education Act. Although, as I have indicated earlier, I am concerned that some of those provisions do not go far enough in setting forth the direction of that program, I am particularly pleased with the committee's adoption of an amendment which I authored to require that pull-out programs be limited to those students of limited English-speaking ability. There is simply no economic or educational justification for having English-speaking students in programs designed to teach English. There is certainly much to be gained by limited English-speaking students mixing with those who are proficient in English; however, that should occur outside of those programs directed at the narrow purpose of teaching English as a second language.

Title XI of H.R. 15 represents the committee's efforts in a new area of legislative jurisdiction—Indian education. Although the committee has always had jurisdiction over programs aiding Indians which were run by the Office of Education, it was not until the Legislative Reorganization Act of 1974 that the committee received jurisdiction over Indian education programs run under the authority of Department of Interior/Bureau of Indian Affairs.

Since January 1977 the Advisory Study Group on Indian Education, chaired by Representative MICHAEL BLOUIN, and handled mostly by Mr. BLOUIN and myself, has conducted a very thorough study into needs of and problems affecting the education of native Americans. This title is composed of three parts and represents the committee's best efforts in strengthening tribal voice in the matters of education, consistent with the intent of the Indian-Self Determination and Education Act (Public Law 93–638).

Part A is an amendment to the impact aid law which provides for tribal and parental input into the planning, development, and operation of programs of basic education funded by Public Law 81–874. A grievance procedure is also established which will give parents and tribes opportunity to file a complaint with the Commissioner of Education regarding any action of the LEA which they feel diminishes their right to have input into the plan of basic education.

Part B deals with the reorganization of the Bureau of Indian Affairs where legislative direction for change is long overdue. The major provisions of this section include direction for the creation of standards for both the basic education of Indian children attending Bureau schools and dormitory standards for children living in Bureau boarding facilities; the creation of a management information system to facilitate accurate record-keeping concerning students enrollments, curriculum, staff, facilities, community demographics, and student assessment information; direct line authority of the Director of the Bureau's Office of Indian Education to enable him to provide coordinated direction in implementing local control for Bureau schools; creation of an allotment formula to establish for the fair and equitable distribution of Bureau moneys under a direct funding system; direction to the Bureau to bring all their schools into compliance with Federal and State health and safety standards (whichever is greater); and an education personnel system which will remove Bureau education personnel from under the civil service system and place them under a new system which tracks closely with the DOD overseas school system.

Part C is composed of a series of amendments to the Indian Education Act (title IV, Public Law 92–318) the most important of which extends the law for 5 years, tightens definition of Indian under the act by eliminating those who would otherwise qualify because of second generation or future recognition of tribe; allows grandparents acting as legal guardians to participate on parent advisory committees; qualifies alternative and Indian contract schools to receive entitlements under part A of the act; includes a 10-percent set-aside under part A to be used for grants to LEA's for demonstration projects; provides for an initial part A payment to be made based on estimated expenses; creates under part B technical assistance and information dissemination grants for States, Indian tribes, parent committees, and private organizations; and expands scope of part B grants to include programs for gifted and talented children and early childhood.

Finally, H.R. 15 contains several important provisions directed at reducing paperwork in the administration of Federal education programs. Chairman PERKINS and his staff should be particularly commended for their interest in this matter. Although the provisions contained in title XIII may be too strict in some instances, I believe that we can work these problems out in conference and emerge with a section that is both workable and will have a significant influence on reducing paperwork.

ISSUES FOR THE FUTURE

Although H.R. 15 is as comprehensive a bill as has ever emerged from the Education and Labor Committee, there are issues which we did not have the time to deal with during this Congress. Although I will not be present when ESEA is next considered, I would urge my colleagues to turn their attention in the future to such issues as the State-operated programs under title I, the relationship between title I and the Education of All Handicapped Children Act, and the need to consider the influences—both positive and negative—on Federal funding on the activities of the States designed to achieve intrastate equalization of school financing. As I have noted earlier, I do not believe that the Federal Government has a role in financing school finance reform other than through technical assistance and research. However, by the very nature of the size of the Federal role in certain specific areas like compensatory education, impact aid, and the handicapped, the Federal Government may well have a contrary effect on State efforts. Much needs to be done to examine those effects and to modify Federal legislation as needed to be certain that the Federal role does not stand in the way of State actions.

ACKNOWLEDGMENTS

Finally, I would like to extend my thanks and add them to those of the chairman to the many people, both inside and outside of the Education and Labor Committee, who contributed to this legislation. Our particular thanks must go to Robert Silverstein, an attorney now with the Office for Civil Rights at HEW, who worked under an NIE contract for the Lawyers' Committee for Civil Rights Under Law, in doing a thorough exploration of the legal bases of title I and the effects of title I on State compensatory programs. As a result of his very extensive work and those of his colleagues, Michael Gaffney, David Long, Carol Morgan, Daniel Schember, and George Skinner, a major rewrite of title I was undertaken which is incorporated in the first 127 pages of the bill before us today. As a result of their work, title I is readable; it is possible to find related sections; and the roles and responsibilities of the various levels of government are clearly delineated. The product is a fine piece of work and one which does stand as a tribute to the diligence and understanding which Mr. Silverstein brought to this task.

The Congressional Research Service of the Library of Congress has also contributed very important assistance in the preparation of this legislation. Beginning in 1974, the Education and Public Welfare Division of the Library, headed by Bill Robinson, has played a very important role in providing technical expertise and resources to our committee. One of the most valuable resources which they possess is the ability to deal with the complex formulas which are contained in programs such as title I and the Impact Aid Act. The Library has the resources to do those endless but very valuable computer runs which are necessary before final actions can be made on the allocation of Federal resources. I would note particularly the substantive and highly professional work undertaken by Bob Lyke, Forbis Jordan, Wayne Riddle, Bill Sanda, Paul Irwin, Dave Osmond, and Mark Wolfe.

Finally, I wish to express my sincere thanks to the minority staff of the committee who worked so hard and so long on this bill. Chris Cross, Minority Staff Director, Charles Radcliffe, Minority Council, Jenny Wysong Vance and her predecessor, Yvonne Franklin, both are to be commended for their contribution to the Indian Education title in H.R. 15. Meredith Larson, here for a 1-year appointment, has been a great resource in dealing with many of the complex research issues in title I and in devising amendments dealing with adult education and women's education equity. Mary Anders has contributed so much in her role as staff assistant in dealing with the endless amendments and data needed to pull together the minority's contribution to H.R. 15. Also contributing much to the preparation of this bill have been the staffs of a number of minority Members, including particularly John Martin of Representative JEFFORDS' staff, Diane Swies Drago of Representative PURSELL'S office, Don Evans of Representative ASHBROOK'S staff, Carolyn Sladek of Representative ERLENBORN'S staff, Fred Alderson of Representative PETTIS' office, Gerri Hall of Representative PRESSLER'S staff, and Robin Sedlar of Representative GOODLING'S staff.

H.R. 15 is a good bill. It deserves the support of this body.

Mr. BLOUIN. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Iowa.

Mr. BLOUIN. I thank the gentleman for yielding.

Mr. Chairman, I just want to take this opportunity to commend the gentleman from Minnesota (Mr. QUIE) for the work he has done. The entire Indian education effort that has been put forth in the last year and a half would not have been put forth had it not been for the continual insistence of the gentleman from Minnesota over the years ahead of that to put this kind of emphasis forward. I have enjoyed very much the opportunity to work with him, and I know this committee and this Congress is going to miss his presence here in the years ahead.

Mr. QUIE. I thank the gentleman.

Mr. PRESSLER. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from South Dakota.

Mr. PRESSLER. I thank the gentleman for yielding.

Mr. Chairman, by chance, it happens that members of the Flandreau Sioux Tribe are in the gallery today, one of the schools visited by the gentleman from Minnesota (Mr. QUIE) and the gentleman from Iowa (Mr. BLOUIN).

I certainly want to thank the gentlemen for their interest in South Dakota, their interest in the Indian population in our State and in Indian education.

Mr. Chairman, I will have more to say about that later.

Mr. QUIE. Mr. Chairman, I thank the gentleman from South Dakota, and I also want to thank the gentleman for the way in which he watched out for the Indians in his State, our native Americans.

As we look back on this legislation, I hope it will be one area in which we can say we have made substantial progress, greater than has been made, probably, in many other pieces of legislation that have been brought forth. I think it is also especially important in view of the fact that the administration now has been pushing for a Department of Education. I have supported the concept of a Department of Education in a number of Congresses now, but the administration has now chosen to put the Bureau of Indian Affairs into the new department. I believe the work of the Committee on Education and Labor is going to enable the Committee on Government Operations to approach that issue much more wisely than they otherwise would have been able to do.

Mr. Chairman, I yield back to myself the time I have not consumed, and I yield 10 minutes to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Chairman, I would hope—but I concede at this outset that it is a forlorn hope—that we could debate this enormous package of proposed Federal education programs in the context of what is going on in the real world outside this Chamber. I would hope that we could cut through all the pious nonsense about doing good things for education and look at what we really are proposing to do to the taxpayers, to the economy which must support every extravagance we impose on it, and to education itself.

We are proposing here to authorize almost $52 billion in Federal expenditures over the next 5 years. The estimated actual cost in appropriated funds will exceed $45 billion. This actually is $5 billion more than we have spent on all the programs in H.R. 15 in the 13 years since 1965. We are debating the expenditure of these enormous sums—all to be paid out of the pockets of American workers and the earnings of American industry—in the face of a taxpayers' rebellion which is sweeping the Nation. We are debating these enormous expenditures in the certain knowledge that they will add to a staggering Federal deficit which is helping cause an inflation rate which even the President's advisers term a disaster. And this inflation, too, is taking a deep bite out of every worker's paycheck and every family's budget, and the voters know it. Every recent poll shows inflation and high taxes running neck and neck as the No. 1 concern of the people we are supposed to be representing in this House of Representatives.

Mr. Chairman, elections are more convincing than polls. In California, resolution 13 passed overwhelmingly. It will force a drastic cutting back of State and local governmental expenditures. A resolution of the same type passed in Tennessee. In my State voters have rejected a series of referendums for increased taxes, mainly for schools. When faced with the choice of supporting a major public school system which has been seized by a judicial tyrant, or running the grave risk of closing it altogether for lack of

funds, they voted against higher taxes. I will not comment further on this local referendum, but I must say that it is shameful that our Federal courts forced parents to face such dismal alternatives. Congress has not done much better, I might add.

The point is that all across the country voters are in a tax rebellion and a major target is the public schools. We are spending over $70 billion this year on public elementary and secondary education which produces more functional illiterates than ever before in our history. Voters are tired of supporting the unproductive extravagance of educational bureaucrats, and they are particularly upset by the layer of waste and incompetence imposed on our schools by Washington bureaucrats and judicial edict. In increasing numbers, concerned parents and angry taxpayers realize that every trivial Federal program sponsored by some pressure group—and this bill is loaded with them—imposes a burden of useless paperwork and wasted time on school administrators and teachers who are hard pressed to accomplish the fundamental work of teaching children to read, write, and figure.

All over this country, local educational administrators and teachers and school board members are deeply concerned over the taxpayers' revolt against waste in education. Most of these people have fought long and hard to maintain standards in their schools. They feel that to a considerable extent local schools are being punished in bond referendums for what the Federal Government is doing. And they are perfectly correct.

The President goes forth in the country and denounces the "iron triangle" of the Congress, special interest groups, and Federal bureaucrats who work together through program after program to push Federal spending ever higher. He is right. But where is he when we need him here in Washington? This bill is a perfect example of that "iron triangle" at work, and the President supports it. At a time when people are deeply disturbed that children are being graduated from high schools all over the country who are unable to read their diplomas, this bill is loaded with costly trivialities which only distract the schools from their real jobs. We look through this bill and find little gems like "population education," "arts in education," "consumer education," "preschool partnership programs," and others. This year we appropriated about $50 million for such things, while educators were wringing their hands about the continued decline in pupil test scores in basic skills.

But from the blind obedience to liberal pressure represented in H.R. 15, one would think that the uprising of voting taxpayers was occurring on Mars, rather than in the districts we are supposed to be representing in this House. Everything that is most objectionable about Federal education policy is included in this bill; everything that is most damaging about Federal spending and fiscal policy is made more so by this bill. Yet it will go through with scarcely a demurrer. I think future historians will recognize the current tax rebellion as one of the major political phenomena of our time—but they surely are going to puzzle over the utter obliviousness of this House to voter sentiments which simply could not be more clear.

I am going to introduce a number of amendments to H.R. 15. Some of them are designed to attempt to require some assurance that taxpayers and parents will get some kind of desirable results for the $45 or $50 billion this bill will cost. But we all know that the House would pass this bill without any such assurances whatsoever.

For a number of years now we have had requirements in law that all of these programs be regularly evaluated for effectiveness. Many of these requirements have simply been ignored by the Department of Health, Education, and Welfare. We all know why: The Federal educational bureaucracy would be in deep trouble if the billions of dollars the Congress votes for them each year depended upon their showing positive results for the money.

But even when evaluations do take place, and when the Office of Education openly admits a complete failure to achieve intended results, there is little fear that a reduction in funding will occur. The bilingual education program is an admitted failure, but its funding has been increased dramatically every year, including this one, even in the teeth of the taxpayers' revolt. But a liberal majority which will not concern itself with requiring HEW to provide evaluations required by law cannot be expected to read and apply the results of evaluations which are made—particularly if they disturb the other two sectors of the President's "iron triangle" in education. This is the sort of uncaring attitude which sparked the taxpayers' revolt. But it should be directed here, where it largely belongs, rather than at local school administrators and teachers.

I shall propose a series of amendments intended to direct special attention to teaching the fundamental academic skills—the traditional "three Rs" which more than ever are needed to achieve anything in this society. I shall propose an amendment which would empower and direct the Comptroller General to monitor HEW's compliance with program evaluation requirements and report his findings to the Congress. It is very little, very late, but it is a start to giving this House some concept of the effectiveness of expenditures our liberal majority has blindly voted year after year.

Reading evaluation reports can be very enlightening. This bill, for example, is loaded with authorizations for experimentation and "innovation" in our schools. It is interesting what we know about the results of educational experimentation. After 15 consecutive years of decline in college entrance examination scores, Willard Wirtz, a major architect of the Great Society, was appointed to head a commission to study the problem. In the commission report, "On Further Examination," I found in the midst of much vague, liberal theorizing a quotation from a study which had considered in depth the result of educational experimentation. The interim report from this study was quoted by the commission report to show that there was no relationship between educational experimentation and test score declines. In the very next sentence in the study, however, it was clear that what the study really found was that there was no positive correlation between student achievement and experimental education. There was, however, a major negative correlation between experimental teaching methods and test score declines. By totally misquoting the study the Wirtz Commission ignored what it wanted to ignore, the fact that hair-brained experimentation in the classroom is the cornerstone of educational disaster. But we continue to throw away tax dollars to encourage "innovation" which distracts teachers from their real job.

From reading H.R. 15 one would never suspect that educational problems like declining test scores, a high incidence of functional illiteracy, and high school graduates unable to read existed, let alone occur in a magnitude that genuinely alarms educators and parents. H.R. 15, for example, authorizes almost $350 million to encourage States to establish something called "community school programs" which will use schools as community centers "to provide educational, recreational, health care, cultural, and other related community services for the community that the center serves." This sort of thing is absurd at a time when all too many schools are unable to perform their central task of educating children. I would seriously suggest that any community which wishes to do so can use its schools as community centers without a dime of Federal money and without a single Federal regulation.

Other Members can leaf through this 376-page monstrosity and find their own expensive boondoggles. There are enough to go around.

Mr. Chairman, the tragedy of this bill is not how much money it would authorize for education; the tragedy of it is the manner in which it would make it available. H.R. 15 would continue to pile program upon program, each with its attendant horde of Federal bureaucrats, each with its reams of Federal regulations, each with its required tons of Federal paperwork. In the face of a taxpayers' revolt which is cutting State and local revenues for education, our schools do not need Federal regulations—they need Federal money.

Accordingly I shall at the appropriate time propose a substitute for H.R. 15 which will not quibble over money. It will authorize every penny which would be authorized by this bill. But—except for a separate impact aid authorization identical to that in H.R. 15—it will authorize it in a single annual grant to the States to be spent for the improvement of elementary and secondary education in accordance with State law. The only requirement would be that arrangements be made for the equitable participation of students attending private nonprofit elementary and secondary schools, as required in the Elementary and Secondary

Education Act. In States which could not or would not meet that requirement, the Commissioner of Education—as he is now under ESEA—would be authorized to make appropriate provision for private school children.

Let me make clear right now that the Education of All Handicapped Children Act is not a part of H.R. 15 and would not be affected by my substitute.

My substitute would provide the money, but it would eliminate the unnecessary redtape, regulation, bureaucracy, and cost of Federal programs as they are structured in H.R. 15. Mr. Chairman, a HEW report to our committee, in hearings conducted in May 1977, shows that the programs contained in H.R. 15 required 5,412,000 man-hours—over 2,700 man-years—of paperwork. That alone would cost at least $50 million, and probably a lot more. Nobody knows how much our schools are forced to spend for regular personnel time and special staffs just to handle Federal programs and seek Federal funds. It must be well over $100 million a year—perhaps several hundred million—which would be unnecessary under my substitute.

Mr. Chairman, there undoubtedly are some serious and worthwhile provisions in this bill, and later amendment perhaps it will be improved, but unless my substitute is adopted I shall not vote for it. I do not intend to become a part of the President's "iron triangle" in education. I shall vote, instead, for the taxpayers of my district. I shall vote also for the students and parents and teachers and school administrators whose best interests are not served by increasing the weight of the Federal education bureaucracy, and of Federal regulations, and of the tons of Federal paperwork. I shall vote against larger Federal deficits and increased inflation which is undermining the vitality of our public school system along with every other institution, including the basic one of the American family. I shall accordingly vote against H.R. 15 in its present form.

The material follows:

SERIOUS PROBLEMS IN THE SCHOOLS: SURVEY OF SECONDARY SCHOOL PRINCIPLES BY NATIONAL INSTITUTE OF EDUCATION/NATIONAL ASSOCIATION OF SECONDARY SCHOOL PRINCIPLES

Percent Responding Problem Is "Serious" or "Very Serious":*

	Percent
Too much paperwork in complying with Federal requirements	42.4
Student apathy	40.9
Parents' lack of involvement in school matters	40.4
Parents' lack of interest in student's progress	36.3
Too much paperwork in complying with State requirements	35.7
Student absenteeism (entire day)	35.0
Student's cutting classes	30.2
School too small to offer a wide range of courses	26.1
Not enough guidance counselors	20.1
Too much paperwork in complying with District requirements	20.0
Teachers' lack of commitment or motivation	15.1
Teacher absenteeism	13.0
Teacher union specifications	12.2
Implementing Federal or State requirements for equal opportunity (e.g., desegregation, employment)	11.4
Inadequate instructional materials	10.3
School too large to give students enough personal attention	9.9
State-imposed curriculum restrictions	8.8
Student disruptiveness	7.0
District office interference with principal's leadership	6.9
Teacher turnover	6.7

* No other single problem mentioned was rated as serious or very serious by as many as 5 percent of principals surveyed.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I will be glad to yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Chairman, I understand that when amendments are considered under title I of H.R. 15, Congressmen QUIE and VENTO will be offering amendments to alter the State incentive compensatory education matching programs authorized in section 21 of the bill.

This new section which is strongly supported by the chairman of the committee and by the administration, was introduced into H.R. 15 by my colleague, Congressman JOE LE FANTE of New Jersey. In his behalf, and in my own behalf, I want to urge you to maintain the language in the bill as reported.

The basic purpose of the new incentive program under title I is to encourage the States to establish or expand their own compensatory education programs. In 1978, 13 States are spending almost $500 million in State funds for programs which are quite similar to title I, that is, for special, supplemental programs for educationally deprived children. In States such as California, New York, and New Jersey, State funding for these programs approaches or is even greater than the amount which these States receive under title I. The effect of the amendment proposed by the gentleman from Minnesota (Mr. QUIE and Mr. VENTO), would be to undermine this basic purpose of the incentive program.

First, if the amendment were adopted, the incentive for States without compensatory education programs to establish and fund such programs would no longer exist. The amendment provides an "out" for these States since school districts within the State could be eligible for the program without the State making any additional financial commitment to assist in providing the matching funds.

Second, the assertion that local school districts will have more flexibility than States to generate the required matching funds ignores the difficulties which local districts are now having, because of the revolt against high property taxes exemplified by proposition 13. If the incentive is applied to school districts and not to States as the amendment proposes, districts will have two alternatives to obtain the matching funds: either to take funds away from regular programs or to generate additional local funding, most likely through increased property taxes.

Third, the amendment is misleading. It implies that districts in many additional States will be eligible for Federal matching funds under title I if the amendment were adopted. The reality is that districts in these States would only qualify if they took specific actions to identify funds being spent for compensatory education. For example, seven States (Colorado, Illinois, Indiana, Minnesota, Missouri, Nebraska, and Pennsylvania) have major State programs of aid to school districts based primarily on the number of children from low-income families in those districts. But these are not compensatory education programs like title I. The States do not require that local schools use the funds for supplemental services for educationally deprived children.

Even though a large urban district may get additional State aid, because it has large numbers of poor children, that State aid may be used for general aid, not for compensatory education. For any of the districts in these States to qualify under the amendment, they would be forced to obtain matching dollars by taking funding away from the regular educational program, or by raising additional local funding.

Again, no pressure would be placed on the State to assist in providing the matching dollars. Given the financial plight of large urban school districts throughout the Nation, I think it is highly unlikely that many will be able to generate the additional matching money without additional State aid. Therefore, it is inaccurate and misleading to imply that the proposed amendment will suddenly make a number of school districts in other States eligible to participate in the matching program.

Fourth, the proposed amendment would eliminate the basic requirement in the committee bill that a State make a strong policy commitment to fund and monitor the State program.

The intent of the proposed amendment can be accomplished by the provision already in the committee bill without eliminating the essential involvement of the State in the program.

For example, a State may qualify under the new incentive program even though only one or two districts in the State receive funds under a State compensatory education program. For example, the State of Minnesota could establish a program under which Minneapolis or St. Paul, at their option, could agree to use some or all of their State aid for compensatory education. This State aid would then be eligible for Federal matching under the new incentive program. Therefore, the amendment is unnecessary if the intent is to make it possible for one or two districts to participate when a State does not have a program which applies to all districts in the State.

And finally, the amendment would increase dramatically the paperwork burden on States and local districts. Rather than encourage a single State compensatory education program applying similarly to all districts within a State, the proposed amendment would lead to a variety of local programs each with its own requirements, each started at a different time and each funded in a different way. The amendment coud lead to a nightmare of overlapping and incompatible procedures. In the long run, it would lead to substantial inequities

among districts within a State in accessibility to compensatory education services.

In summary, the proposed amendment should be opposed because—

It destroys the intent of the new program as a State incentive program;

It would put pressure on local schools to take funding away from regular programs or to raise property taxes to generate matching funds, because States would not have to make a commitment to fund and monitor the program;

It is misleading in that it would not automatically extend eligibility under the program to other States without significant changes in the programs of districts within those States;

It is unnecessary since the needs of States such as Minnesota can be met within the language of the current provision without destroying the key feature of the program as an incentive for States; and finally,

It would dramatically increase the paperwork burden on States and school districts because of the complexities of monitoring local programs.

HIGHLIGHT SHEET

COMMITTEE BILL

Gives incentives to states to establish or expand state programs similar to Title I.

Gives one additional Title I dollar for every two state dollars spent in state compensatory education program.

Maximum a state could receive would be 10 percent of state's Title I entitlement.

Thirteen (13) states including New Jersey have existing programs which probably could qualify. States have until 1980 to qualify.

QUIE/VENTO AMENDMENT

Opens up program to allow school districts in states without compensatory education programs to participate directly to receive federal matching funds.

Negates intent of committee bill to put pressure on states to establish, expand and monitor programs similar to Title I.

Will put pressure on school districts to take funds from regular programs or increase local taxes to fund programs without assurance of help from states.

Mr. PERKINS. Mr. Chairman, I yield 7 minutes to the distinguished gentleman from Michigan (Mr. FORD).

Mr. MEEDS. Mr. Chairman, will the gentleman from Michigan yield?

Mr. FORD of Michigan. I yield to the gentleman from Washington.

Mr. MEEDS. Mr. Chairman, I thank the gentleman from Michigan for yielding.

Mr. Chairman, I rise in strong support of H.R. 15.

I commend the gentleman from Kentucky and the gentleman from Michigan and the gentleman from Minnesota and the other members of the committee for reporting this very comprehensive bill unanimously.

Mr. Chairman, I do have one question on the bill which I would like to propound to the chairman of the committee, if the gentleman from Michigan will permit me.

Mr. FORD of Michigan. I yield to the gentleman from Washington.

Mr. MEEDS. Mr. Chairman, section 36(a) and section 431A provide that—

The Commissioner may waive, for one fiscal year only, the requirements of this subsection if he determines that such a waiver would be equitable due to exceptional and unforeseen circumstances such as natural disaster or a precipitous and unforeseen decline in the financial resources of the local educational agency.

I would ask the chairman and ranking minority member if in those States which provide substantial portions of their operating budget from levy funding and in which States a double levy failure prevents the school district from holding another levy during that year, if such circumstances would not, in fact, constitute "exceptional and unforeseen circumstances" which come under the provisions of the act.

Mr. PERKINS. Mr. Chairman, if the gentleman from Michigan will yield, the gentleman from Washington is absolutely correct.

Mr. QUIE. Mr. Chairman, the gentleman is correct.

Mr. MEEDS. I thank both the gentleman from Kentucky and the gentleman from Minnesota, as well as the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, as we begin this debate, which obviously will continue for quite some time since we have a number of amendments, which have been put forward by Members not on the committee and some unfortunately which will be offered by members of the commitee who did not think enough of the amendments a few weeks ago to offer them in the committee, I would like to take this time to say that we in both parties owe a tremendous debt of gratitude to the chairman of the committee, the gentleman from Kentucky (Mr. PERKINS), and to the ranking minority member, the gentleman from Minnesota (Mr. QUIE). They worked, while not in agreement at all times, in harmony with the committee this year to undertake one of the most massive rewrites of the Elementary and Secondary Education Act ever undertaken since the chairman of this committee, who was then chairman of the Elementary and Secondary Education Subcommittee, brought the Elementary and Secondary Education Act (ESEA) to the floor in 1965.

Then President Johnson called ESEA the greatest single step for education taken in 100 years. He saw ESEA, fashioned by Chairman PERKINS and his committee in 1965, as the long sought after and always elusive target of educators. With it, he thought this country would finally see the Federal Government begin to recognize its responsibility for elementary and secondary education.

Literally millions of American children and adults have been educated who would not otherwise have been exposed to education as a result of this legislation and the amendments that have been added to it during the last 14 years. This piece of legislation comes to us with well over 300 witnesses having testified in more than 75 days of hearings before the committee.

I must disagree with my dear friend, the gentleman from Ohio, and his characterization of the legislation as shocking, because it is 376 pages in length.

This legislation does not attempt to reinvent the wheel but more than any other legislation that we have dealt with in recent years covering elementary and secondary education, reflects a successful attempt to bring Federal programs together in a constructive way which requires less paperwork.

I think a fair analysis of the action taken by the committee would conclude we have virtually diminished and reduced all paperwork in a very dramatic fashion in every single program that is covered by this legislation. At every opportunity, the committee, based on its experience of over 14 years of working with these programs, and taking advantage of the oversight the committee has exercised, has attempted to guard against overzealous bureaucrats and runaway regulations.

It would be fair to say that this legislation represents a very proud accomplishment in reducing administrative costs and administrative products brought about through paperwork. I think it is only fair to say that at every step of the way we have had the cooperation of the administration in doing this. We have also been encouraged by the Secretary of Health, Education, and Welfare and the Commissioner of Education at every turn of the way to take that route which is most likely to reduce their involvement in the affairs of local and State school districts.

Also, I find it very interesting that we will be facing a proposal in a little while to take programs that now function quite well in terms of distributing funds to local school districts and give them to a brand new bureaucracy. In the name of simplification in doing this we would turn every State Department of Education in this country into a new lair of bureaucracy, at which level the citizens seeking aid for their local school districts would have to make their fight for resources. Under the amendment by the gentleman from Ohio, funds would first come to Washington and then to the State capital, and the decision would never get back home to the local school district.

The committee has made major improvements which will aid the operation of the title I compensatory education program. The committee amendments give local school districts more flexibility in conducting programs and substantially cut down on the amount of paperwork required at the Federal level. At the State level, the bill gives clearer direction on the role departments of education must play in monitoring local school districts. There is also an incentive for States to establish their own compensatory education programs. For every $2 a State invested in these programs, the Federal Government would match $1, if the program was comparable to title I.

After several years of studying various alternatives, the committee has compromised on a more equitable distribution of title I funds. While the majority of funds will continue to be distributed under the current formula, the $229 million increase in part A of the title I formula proposed by President Carter for fiscal year 1980 and future additional increases in part A would be allotted to reflect a fairer poverty definition and a more recent population data base.

By using 50 percent of the national median income to define poverty, and the 1976 survey of income and education (SIE) to estimate the population base, this approach insures a more equitable distribution of title I funds. Currently, title I funds are allocated based on the "Orshansky" poverty definition, which is unrealistically low for the States in the Northeast, Midwest, and Far West. The current population data base is the 1970 census, which is now 9 years out of date, and thus fails to reflect the increasing number of families below the poverty level certain areas of the country are supporting.

These two formula changes, together with another amendment which provides for a full count in the formula of those children whose families receive aid to families with dependent children payments above the poverty line (now $6,200) result in a balanced approach for elementary and secondary education program funding.

The committee's decision to distribute newly appropriated funds in this manner is supported by a recent publication issued by the Brookings Institution, "Setting National Priorities, the 1979 Budget." Referring to the adoption of SIE for the population base, author David Breneman writes:

> Furthermore, assuming that the new data are broadly accurate, not to use them would be irresponsible. As a practical matter, it is sensible to begin adjusting now to the changing distribution of poverty, rather than wait for the 1980 census and a probably much larger and more difficult redistribution.
>
> In theory, changing the formula through either of these alternatives would have no effect on the level of appropriations, but in practice—under a fixed budget—a change in formula would create losers, violating that informal rule of the American political system. "Do no direct harm." . . . This approach is appealing politically because no state would lose money compared to 1978, while the incremental funds would be allocated to reflect the shifting concentration of poverty.

Considerable time was spent on H.R. 15 both in the Subcommittee on Elementary, Secondary, and Vocational Education and the full Committee on Education and Labor in compiling a package of education funding measures which would be fair and equitable to all States. I fully support the committee's work product and would encourage my colleagues to follow suit.

Mr. QUIE. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama (Mr. BUCHANAN).

Mr. BUCHANAN. Mr. Chairman, I rise in support of H.R. 15, and would join in the remarks of the chairman of my subcommittee on postsecondary education, the gentleman from Michigan, Mr. FORD, in his commendation of the chairman of our committee, the gentleman from Kentucky (Mr. PERKINS) and "Governor" QUIE, the ranking minority member of our full committee.

Mr. Chairman, the legislation brought before the House today is without a doubt one of the most carefully prepared and thoroughly scrutinized in my experience with the committee. During the 75 days of hearings, testimony was taken from educators at every level and from every sector of American schools. From parents and private citizens, from program officials and researchers. And from doctors, lawyers, merchants, and chief State school officers. We also had the studies of the National Institute of Education, the U.S. Office of Education, the Census Bureau, and many independent researchers. This has combined to provide a foundation of solid information about the Federal education programs that was both invaluable and unprecedented. It has allowed the committee to do its work in a thorough, conscientious and responsible manner, and I am proud of this bill.

Since the enactment of ESEA in 1965, the committee has recognized a crucial principle: In the Federal, State, and local educational partnership, the Federal Government is the minority shareholder. It can provide encouragement, leadership, and incentives in the form of funds for meeting special educational needs, but fundamental policy matters—curriculum, textbooks, salaries, et cetera—are most decidedly not matters for Federal meddling. The committee honors this distinction absolutely.

Our schools face staggering problems: Declining enrollments, degenerating facilities, a decline of basic skills among all students, and serious threats to the financial foundations of the public schools. In the midst of this turmoil, the schools must continue to move forward, toward more equitable finance structures and toward a truly equal opportunity for quality education for all students.

The strength and the wisdom to meet these challenges can come only from individual teachers, administrators, and citizens who believe in and control their local schools. Therefore, the major provisions of this bill are designed to provide the greatest possible assistance with the fewest possible strings.

ESEA title I helps districts with concentrations of low income families to give special services to the many children who are educationally disadvantaged. The Emergency School Aid Act helps districts plan for and cope with the turmoil of desegregation. Bilingual educations help schools provide a transition from inadequate to useful English skills so that these children too can be part of the mainstream of American education. The bill also provides a variety of programs to help schools innovate and experiment with finding their own solutions to both old and new problems. In each case, the Federal role is to provide the resources and the encouragement that local schools need to solve their own problems in their own ways.

I am particularly pleased about two new provisions in the bill. Each one is designed to underscore the committee's joint commitments to equal opportunity and self-help. The first of these is the Women's Educational Equity Act. If half of the Nation's population is to participate in and contribute to our country's growth, many large and small changes must be made in our schools. For the most part, these are changes that schools are ready and willing, often eager to make. But too many schools—from kindergartens to colleges—lack the few extra dollars that would make these changes possible.

The Women's Educational Equity Act truly represents a matured understanding of how to help education. It is not designed for enforcement, it imposes no quotas, it prescribes no specific mandates and it does not attempt to buy cooperation with perpetual subsidies. Instead it makes small amounts of money available so that local schools, districts, and States can make their own plans, and then make these plans a reality. Its modest investment will reap a wealth of benefits in the equity and vigor of our schools. I am truly proud to have been able to offer an amendment to fund this program, which was passed unanimously by the committee.

The second new initiative that deserves special mention is the program of biomedical training for economically disadvantaged high school students. Our colleague, the gentlelady from New York (Mrs. CHISHOLM) proposed this concept, and it was my privilege to offer it on her behalf in committee.

In a Nation that provides its wealthiest citizens with 21st century medical care, most of the poor still live in the medical dark ages. Extreme rural areas often have only 1 doctor for every 2,500 residents. One low-income area of New York City with 22,000 residents is served by a single physician. Students from these impoverished areas are the ones most likely to return and serve in their own communities. Yet few ever have the chance to do so. Their schools lack basic courses in science and mathematics, and the students lack the everyday acquaintance with medical personnel that is taken for granted in middle class communities.

Title VI part F of this bill establishes a comprehensive, longitudinal program to train and support talented, low income students for the biomedical professions. It is patterned after a program developed in New York City. That program has already proved its success by preparing, placing and sustaining minority students in medicine and science. This is exactly the kind of preparation that makes quotas and special admissions programs unnecessary, in the long run. The program affirms the committee's promise of equal opportunity not only for minimum competence, but also for quality.

On some very difficult issues, the present bill has moved toward solving long standing problems. As a byproduct of the existing Federal education programs, State and local administrators have been buried with redundant forms and unnecessary reports. Title XIII, part B restructures HEW internal procedures in a way which should greatly reduce this paperwork burden.

In my opinion, there is much more that can and should be done to introduce simple common sense into the administration of Federal education programs. I am a firm advocate of the Emergency School Aid Act. It has done a great deal in my own State of Alabama to ease the long period of disruption and reorganization that was inevitably part of our desegregaton task.

But it is a program beset with irritations and bureaucratic hassling. Regular application approvals are often delayed without any real cause. The uncoordinated schedule of funds makes sound administration and planning extremely hard. The Federal regulations are pointlessly insensitive to State-level conditions and procedures. I am still hopeful that these and similar problems can be resolved without further legislative intervention. But it is a lesson to us that programs can develop a life of their own unless there is continued, careful congressional oversight.

Not every provision of H.R. 15 is beyond dispute. No bill ever is. Those of my colleagues who recall the last reauthorization of ESEA title I, may remember that the formula for that program was the subject of bitter and prolonged disagreement. No program, regardless of its merits or popularity can be effective if it is subjected to these repeated arguments. The committee, and indeed the entire educational community, has recognized this. We have approached this reauthorization period with an understanding that the continuity and strength of the title I program must take priority over the elusive financial advantages resulting from most formula changes. It is to the credit of every member of the committee that this understanding has been respected throughout the difficult subcommittee and committee deliberations.

This is not to say that there are no legitimate formula issues. Mr. QUIE has advanced a persuasive case for the distribution of funds on the basis of educational disadvantage directly, rather than low income. This issue has been justly debated. A second worthwhile issue is the timeliness and accuracy of the data base used to determine the distribution of children in poverty.

While supporting the bill as reported, I do have strong reservations about using data received from the Bureau of the Census Survey of Income and Education from 1975.

In the Education Amendments of 1974, the Departments of Commerce and Health, Education, and Welfare were directed to undertake a count of children in poverty which would be more accurate than the 1970 census in allocating title I funds. The survey of income and education (SIE) is the result of that mandate. Those statistics were presented to the Congress in a series of reports and in testimony before the Subcommittee on Elementary, Secondary, and Vocational Education on November 9, 1977.

The Department of Health, Education, and Welfare has recommended to the Congress that these statistics not be used for title I funds allocation.

The Department felt that the data for several States was erroneous enough to have a serious impact on their allocations. According to Dr. Joel Berke, Deputy Assistant Secretary for Education of HEW, who testified for the administration before the subcommittee on November 9:

With regard to updating State totals of Title I eligible population, we just described the fact that there are differences among the States. While the substantial overall directions are reasonably clear, there is a 50–50 chance that two or three States may be off by 20 percent or more and there is one chance in 20 that four or five States may be estimated too low by as much as 20 percent under the S.I.E. counts.

According to Mr. Harold Nisselson, who represented the Bureau of the Census at the hearing:

. . . We expected 34 States would show errors less than 10 percent and about 15 between 10 and 20 percent and about 2 States which would have errors larger than 20 percent. We could not say in advance, nor can we say now which particular States have how much error, but we expect that kind of distribution.

Alabama is one State which HEW concedes to have such a sampling error. According to the SIE data, Alabama has only 136,000 poor children; but according to two other recent counts (one by the Bureau of Economic Analysis of the Department of Commerce and one by the Bureau of Census), it has 260,000 poor children or 226,000 poor children.

In spite of the recommendation by HEW not to use SIE, the Committee on Education and Labor adopted an amendment which requires the use of SIE data for all title I funds appropriated above the fiscal year 1978 levels. In an effort to lessen the substantial impact of this amendment on those States which probably had significant sampling errors as predicted by HEW in the Census Bureau, I offered an amendment that required the Commissioner of Education to allocate title I funds based on the must current valid data available or based on a resurvey of the affected State, to any State whose percentage decrease in children in poverty exceeds 25 percent between the 1970 decennial census as adjusted in the 1975 survey of income in education. Between the time my amendment was adopted by the committee and the time the bill was reported to the House, section 11(a)(3)(d)(ii) was changed technically by legislative counsel. Unfortunately, this intended technical change has the effect of changing the provision substantially. It is my hope that by means of a technical amendment today, we can correct that error.

In order to clarify the legislative history of this amendment and the confusing committee report language on the amendment, I want to introduce a portion of the testimony of Dr. Wayne Teague, Alabama State Department of Education head, as presented before the Subcommittee on Elementary, Secondary, and Vocational Education. I believe his comments will help to clarify the intent of my amendment and indicate the States affected by this amendment:

ANALYSIS OF THE SIE FINDINGS FOR ALABAMA

The general statistical methodology of the SIE was compatible with existing statistical theory. However, when well-designed samples or physical experiments are performed singly, unexpected and extreme events (with a priori very small probabilities of occurring may indeed occur. There exists a finite probability for the occurrence of rare and extreme results at any stage in the selection of households for the SIE. Suppose that the "luck of the draw" selected non-poverty households for the sample in greater proportion than their true (but unknown) representation in the population. Then certainly the survey would produce estimates less than the actual value. Such an extreme and unlikely event could appear for one State out of 50. There is supporting evidence, in our judgment, for the position that the point estimate of 136,210 poverty children in Alabama in 1975 may be a realization of such an unlikely and extreme event.

It is reasonable for us to consider initially the change in the SIE estimate of the number of children, 5–17, in poverty from the 1970 Census value, relative to the 1970 Census value. That is, consider for any State:

Y equals SIE estimate minus 1970 Census divided by 1970 Cenus equals percentage change in SIE from Census.

If Y is negative, there has been a reduction in poverty according to the SIE; the more negative, the greater the reduction. If Y is positive, there has been an increase in poverty according to the SIE; the more positive, the greater the increase. The following are the values of Y, ranked from most negative to most positive (smallest to largest) for all States and the District of Columbia.

State:	Y
Alaska	−.504
Alabama	−.499
District of Columbia	−.389
South Dakota	−.359
North Dakota	−.349
Kansas	−.338
Arkansas	−.316
North Carolina	−.292
Oklahoma	−.290
Louisiana	−.288
West Virginia	−.285
Virginia	−.273
Iowa	−.260
Mississippi	−.257
Wyoming	−.230
Nebraska	−.214
Oregon	−.207
Tennessee	−.202
South Carolina	−.199
Kentucky	−.183
Utah	−.179
Delaware	−.177
Georgia	−.133
Rhode Island	−.121
Minnesota	−.117
Maryland	−.109
Colorado	−.101
Missouri	−.092
Montana	−.090
Texas	−.071
Idaho	−.050
New Mexico	−.033
Indiana	−.025
New York	−.005
Hawaii	+.004
Washington	+.014
Wisconsin	+.020
Massachusetts	+.057
Maine	+.066
Ohio	+.074
Connecticut	+.075
Pennsylvania	+.079
California	+.088
Arizona	+.100
Michigan	+.142
New Jersey	+.245
Florida	+.277
Illinois	+.287
New Hampshire	+.422
Nevada	+.448
Vermont	+.533

Thus, according to SIE, only Alaska did more toward reducing poverty over the years 1969–75 than Alabama. Indeed, these two States have improved relatively much more than all other States. The pipeline might explain the Alaskan decrease in poverty children, but there are no factual socio-economic or other reasons known to us to explain the 50 percent reduction in poverty children in Alabama.

Consider the contrast between an ideal and typical major industrial State, Michigan, and an ideal and typical poor State, Alabama. According to the SIE, Michigan had an increase of 14.2 percent, corresponding to an increase from 220,485 to 251,710 poverty children, while Alabama had a reduction of about 50 percent corresponding to a decrease from 272,146 to 136,210 poverty children—a "swing" of 167,161 children between the two States. These figures depart from expectations so markedly that those familiar with the economics of the two States should question seriously these numbers.

As this discussion shows, testimony from the Census Bureau and from independent experts revealed that because of constraints on the sampling technique, there is a high probability that the error rate in at least two States is as high as 20 percent. Because of other characteristics of the sample, it seems that these may be southern, rural States.

It is not my intent, in raising this subject, to open the question of the formula. Although there are obviously problems with the SIE, the committee has reported a workable, balanced bill; it would do a disservice to every child in the Nation to become embroiled in regional chauvinism that could well produce an even less equitable product.

However, I urge my colleagues to learn from this experience. When the Congress mandates a study, we must see that it is carried out in sufficient scope and detail to serve the purposes for which it was intended. On the pretext of economy, the survey of income and education was designed by HEW in a way which inevitably made the study a source of dissent and ambiguity, rather than a source of useful, accurate information. This could have been avoided.

Let me hasten to say that I am not arguing here for the politicization of research. Biased findings and one-sided interpretations are as repugnant as they are useless. But when a mandated study is the most appropriate way to explore important issues, these studies should be undertaken with adequate funding, thoughtful legislation and responsible guidance.

The bill before us now is both a product of, and a vehicle for, that kind of responsible research. The committee's work has been greatly aided by the many excellent studies carried out through the National Institute of Education as a result of provisions made in 1974 for studying compensatory education programs. In its turn, H.R. 15 provides for a thorough study of the needs for, methods and effects of school finance equalization reforms, surely one of the most crucial issues facing the schools in coming years. It should help us approach the next authorization with a clear picture of what local and State authorities can do to move forward, and of what Federal roles, if any, are appropriate.

In sum, I believe that this is a good bill, a comprehensive bill, and a responsible bill. I urge you to join with me in supporting it.

Mr. QUIE. Mr. Chairman, I yield 4 minutes to the gentleman from South Dakota (Mr. PRESSLER).

Mr. PRESSLER. Mr. Chairman, I shall insert into the RECORD the bulk of my remarks. I rise in support of H.R. 15. This bill represents an important effort to organize, qualify, and improve the Federal effort in elementary and secondary education.

In particular, I am pleased that the committee has adopted several amendments which we feel are very important to rural and smalltown areas. I am also particularly pleased with many sections of the bill which deal with Indian education. As I mentioned earlier, there are members of the Flandreau Santee Sioux Tribe here in the galleries today. By coincidence, Flandreau was one of the areas visited by the Education and Labor Advisory Study Group on Indian Education as we worked on this subject.

I might also say that I hope that Flandreau School can advance in terms of secondary, postsecondary, and adult vocational education, something that my staff and I are working on and are very interested in. If I should serve in the other body, I would continue this work for our Indian people.

I think that H.R. 15 is important in many ways. First, parental involvement in the elementary and secondary education title I program has been improved. The requirements for the membership, meetings, and functions of parent advisory committee have been made more explicit. My own concern has been that the structure of councils be made more flexible to recognize the different needs of large, medium, and small schools. I am pleased to say that the new bill does this in a way which provides guidance and support for parents without adding a lot of administrativia—a new word that describes the reports and quotas and descriptions that increasingly mire the whole education system.

Also, I want to reserve special praise for the greater attention and resources the committee bill will provide to the Nation's gifted and talented children.

For many years, the committee has properly focused its attention on compensatory education. But now it is appropriate to go beyond helping students become good secretaries and mechanics, and also to help the students who could find a cure for cancer, or make nuclear fusion energy a reality, conduct the South Dakota Symphony, or design a building like the new National Gallery. South Dakota has an outstanding program for gifted and talented children and I am proud to have been a sponsor of the Federal legislation that will help us expand our efforts in this area.

Gifted and talented children come from all economic and language groups and from all parts of the country. The best aspect of the new Federal program is that it helps to erase the tragic inequities between the opportunities of the gifted rich and those of the gifted poor. The current authorization level for this program is not as high as many of us would like it to be, and there are other changes in the form of the program that could and should be made as local and State capacity grows; but it is a good start, and now is the proper time to begin.

Finally, I am pleased to speak on title XI of H.R. 15, the title which deals with Indian education. Over the past 2 years, the Advisory Study Group on Indian Education has conducted the most thorough study on the needs and problems related to Indian education that the House of Representatives has witnessed in history. The results of that study are seen in the legislative recommendations which now make up title XI, of which I am proud to be a cosponsor and worked closely on.

I represent a State which has long been in the business of educating Indian children. South Dakota has an Indian population of roughly 35,000. In the school year 1976–77 there were 9,200 school-age Indian children educated in my State's public elementary and secondary schools. The effects of this legislation weigh heavily on the State of South Dakota and the public schools which educate those children.

Part A of title XI deals specifically with an amendment to the impact aid law, Public Law 81–874. Under this law, public schools are reimbursed by the Federal Government for the cost of educating any child whose parents reside on nontaxable land. Under present law, the school receives the same payment for an Indian child as they do for a non-Indian child. Title XI amends Public Law 81–874 to provide for a weighting factor that would allow the school to receive 125 percent of the non-Indian entitlement for every Indian child in attendance at that local educational agency. This amendment would effectually increase the Indian payments under the impact aid law by $18.4 million annually, a small price to pay for the additional support public schools need to effectively educate Indian students who are often educationally disadvantaged, being as much as 2 or 3 years behind their peers in grade-level achievement.

Mr. Chairman, I rise in support of H.R. 15 and title XI specifically.

I might also add, I am a strong supporter of the Indian Community Colleges Act that will be considered later in the Committee on Education. I urge your support for that legislation as well so that the excellent reservation-based higher education programs offered by schools like the Oglala Sioux and Sinte Gleska Community Colleges in South Dakota can continue.

Mr. PERKINS. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Illinois (Mr. SIMON).

Mr. SIMON. Mr. Chairman, I rise in support of the legislation. The legislation contains some innovations, some modifications. On balance, it is a step forward for the cause of education in the United States.

I want to particularly commend the chairman of our committee, the gentleman from Kentucky (Mr. PERKINS) and the minority leader on the committee, the gentleman from Minnesota (Mr. AL QUIE). Both the chairman, the gentleman from Kentucky (Mr. PERKINS) and the gentleman from Minnesota (Mr. AL QUIE) have rendered distinguished service to the Nation.

I might particularly commend the gentleman from Minnesota, who next year will no longer be serving as the minority leader in the field of education. This

may be the last major bill from the Committee on Education that the gentleman will be working on. Those of us on this side of the aisle are grateful for the contribution the gentleman from Minnesota has made. There is no question the cause of education in this Nation has been enriched by the contribution of the gentleman from Minnesota.

Mr. Chairman, there are some areas where I would like to see improvements. There were a number of amendments I introduced at the subcommittee level which were accepted. Unfortunately, we were marking up the budget resolution at the same time that the full committee was marking up the education bill.

I have one amendment that I will not be tossing in, on which I sent out a "Dear Colleague" letter.

I am not introducing it simply because we have not been able to get a complete readout from HEW on how it will impact on all the school districts. We have a readout on a number of them. The aim of the amendment is to change the concentration formula.

I am hopeful, Mr. Chairman, that in the conference committee we can have some modification of the present provisions. It does seem to me that as we assign amounts of money to counties that are eligible, the wealthy school districts within those counties that are eligible should not receive the same amount per capita as those school districts within those counties that have nowhere near the same financial ability to provide an education. So some modification is in order.

Depending on whether the gentleman from Michigan (Mr. FORD) offers an amendment in the area of impact aid, I may offer a couple of amendments on that subject. It is no secret in our committee that I am not a great enthusiast of impact aid. That has always struck me as being one of the inconsistencies of our program for aid to education—an inconsistency by which we do not provide aid primarily on the basis of need.

There is no greater illustration of that than the area in which I happen to live, while I am in the Washington area. Our family lives in Montgomery County, Md., one of the wealthiest school districts in the United States; yet it receives millions of dollars of impact aid because many of us who live there and pay taxes—and we pay pretty heavy taxes, I might add—also work for the Federal Government. I will have at least two amendments to offer on that subject if the gentleman from Michigan (Mr. FORD) does not offer an amendment and if that is not adopted.

Mr. QUIE. Mr. Chairman, I yield 3 minutes to the gentleman from Vermont (Mr. JEFFORDS).

Mr. JEFFORDS. Mr. Chairman, I rise to speak in support of H.R. 15, the Elementary and Secondary Education Act reauthorization, as it has been reported by the Committee on Education and Labor. While there are a few problems with this bill which I am sure will be addressed by the various minor amendments of my distinguished colleagues and myself, I believe that the work of the committee has been thorough and careful. Of particular note is the committee's consideration of the issues surrounding the formula by which funds will be distributed under title I of ESEA. The committee's support for the Ford/Jeffords amendment for the distribution of fund increases under part A (basic grants to local education agencies) of the act means that the distribution of funds under the act will increasingly reflect the latest accurate knowledge of where poor children live in this country. In particular, the committee has recognized the importance of using the most recent available data for estimating the number of poor children in the country, in this case the 1976 Survey of Income and Education (SIE), which is acknowledged to be significantly more accurate than the now badly outdated 1970 census. The committee's endorsement of using the SIE data means that we have recognized the need to direct funds to where the need is now, rather than to where the need was in 1970.

As the committee report makes clear, the most significant finding of the SIE is a shift in the distribution of the poor from the South and West North-Central States toward the Northeast and Great Lakes regions. The importance of dealing with this redistribution of the poor now, rather than waiting another 5 years, is clear. The recently published annual budget review by the Brookings Institution, "Setting National Priorities: the 1979 Budget" endorses this view:

> Furthermore, assuming that the new data are broadly accurate, not to use them would be irresponsible. As a practical matter, it is sensible to being adjusting now to the changing distribution of poverty, rather than wait for the 1980 census and a probably much larger and more difficult redistribution (pp. 99–100).

The SIE data do have the expected limitations associated with a survey rather than a census: there is a certain amount of error in the data. However, the committee has gone far to correct any possible inequities arising from this error by providing that States which seem to lose badly through use of the SIE can ask for a special count of their children in poverty population.

Compared to the use of the 1970 census 20-percent sample, the SIE data do achieve the "broad accuracy" mentioned in the Brookings study. A Department of Health, Education, and Welfare report entitled "Estimating Children in Poverty" which was mandated by section 822 of the Education Amendments of 1974, concludes that:

On balance, in any case, the SIE is generally believed to provide the more reliable estimate of children in poverty for 1975. . . . The limitations of the SIE survey, both in terms of of the sampling variability and the possible survey error, are found to be small relative to the changes in poverty since the 1970 census.

In addition, the committee has wisely recognized the problems inherent in defining poverty, the other important factor in the formula. Therefore, money distributed under the SIE-based formula will use 50 percent of the national median income for a family of four as a poverty benchmark. This definition includes persons in many areas of the country who are in fact poor, but who would not be counted as poor under the current definition, the Orshansky poverty index.

The composite formula which is contained in the bill will balance the various factors which must be kept in mind when considering a title I formula: the difficulty of defining poverty and its distribution around the Nation, the need by local school systems for some stability in allocations from year to year, and the need to see that funds are directed to areas which appear to be in greatest need.

The formula amendments which the committee adopted will affect an increase of about a net $208 million in part A funds proposed by the President, and future increases. Thus, no State will ever lose funds compared to what it has been receiving. This is in sharp contrast to the result of the 1974 debate over the formula, when a number of States suffered sharp declines in their title I funding, declines from which they are only now recovering. None of us wishes to see the results of the 1974 battle repeated for any region of the Nation. Therefore, I urge you to join me in supporting the part A formula contained in H.R. 15 as reported by the Education and Labor Committee, subject to some minor changes in favor of increasing the all-around fairness of the formula.

Mr. PERKINS. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. ZEFERETTI).

Mr. ZEFERETTI. Mr. Chairman, I rise in support of H.R. 15, as reported by the Committee on Education and Labor and congratulate the committee chairman, Mr. PERKINS, and the minority leader Mr. QUIE for their leadership.

I support the committee's bill, and urge my colleagues to pass it without major amendment, for two reasons: First, as reported, the bill is a carefully conceived, logically consistent package that addresses problems in existing educational programs; this bill fine-tunes the machinery that we have constructed in the past. Second, unless we preserve the overall logical structure and endorse its approach to educational needs, we risk creating additional contradictions and inconsistencies in the law. Our school systems cannot tolerate more complexity and uncertainty, and it is incumbent upon us, therefore, to solve the existing problems with comprehensive improvements that are consistent with our overall educational philosophy. Mr Chairman, H.R. 15 embodies this goal.

The improvements that this bill makes upon existing law are several. The bill provides for some commonsense improvements in the allocation formula and eligibility requirements for several ESEA programs; incentives for States and localities to implement and/or improve their compensatory education programs; an improved definition of eligibility for bilingual education; additional impact aid for "B" category children; supplemental funds for school districts with high concentrations of educationally disadvantaged, low-income children; and clarification of ad-

ministrative responsibilities at the Federal, State, and local levels.

More generally, this bill is consistent with the educational philosophy and approach to which we committed ourselves in 1965: the bill recognizes the special claims to educational assistance that educationally handicapped groups have, and it maintains the flexible system of block and categorical grants that provides for Federal financial assistance and oversight while allowing planning and initiative at the State and local levels. This approach has worked well, and H.R. 15 extends it.

My deep concern about the House's consideration of this bill centers upon three amendments which, in my opinion, threaten the internal logic and consistency of the bill and promise to create many more problems than they solve. Let me stress again that the parts of this bill fit together to form an educational program that works; if we tamper with any one of the major parts, we risk having other parts, and possibly the whole "machine," breakdown.

My first concern involves the concentration provision of the bill. If the Congress alters the criteria for counting eligible children or lowers the minimum standards that allow a school district to qualify for concentration funds, the provision's intent will be undermined, its effects will be negligible, and its implementation will be a waste of money. This provision corrects an imbalance created by congressional action in 1974, and if we do not accept it, we will leave our school districts unable to fight the major problem of the effects of poverty on education.

Second, I hope that the House will support, as reported, the new provision for a matching grant program designed to provide incentives for the establishment and improvement of State compensatory education programs. It is my understanding that an amendment will be offered to lower the criteria to allow individual school districts to qualify for matching funds even if the State in which they are located has no compensatory education program. This amendment would be administratively unwieldy, requiring burdensome Federal monitoring of individual districts, and it would provide no incentive for State investment in or improved management of compensatory education. I urge my colleagues to oppose any changes in the bill's provision.

Finally, I hope that my colleagues will not amend H.R. 15's impact aid provision, particularly the section dealing with "B" category children. Spending cuts in this provision would adversely affect over 4,300 school districts that are already overburdened by high property taxes and would reduce educational money for almost 2 million children across the country. A full impact aid program is an essential part of this bill—we must compensate school districts for the burdens that we place on their educational systems—and I ask that the House support the committee's impact aid program.

Mr. Chairman, there are millions of dedicated teachers and administrators in this Nation who are working with millions of students and are trying to provide the best education possible. We owe it to their hard work to enact the simplest yet most comprehensive educational system possible. We owe it to them to be consistent in our approach and to demonstrate our support for a system that is working to improve education. H.R. 15, as reported by the committee, is a demonstration of our faith in the American education system, and again, I urge the Members of Congress to support it in its entirety.

Mr. PERKINS. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio (Mr. MOTTL).

Mr. MOTTL. Mr. Chairman, Johnny may be doing just fine in his supernatural literature class and Mary might be doing all right in her fashion merchandising class but are we teaching our adults of tomorrow how to adequately read, write, add, and subtract?

I submit that, in many cases, we are not. In turn, the end product of our secondary schools often is a high school graduate with diploma in hand who is ill prepared to enter the adult world. His diploma is more of an attendance certificate than a scholastic achievement award.

There is much evidence to support this contention. SAT—Scholastic Aptitude Test) scores have declined steadily during the past 15 years. The average verbal score in 1977 was down to 429 from 470 in 1963 while the average mathematical score was down to 470 from 502 for the same years. The U.S. Office of Education tested 17-year-olds in 1976 and found 13 percent of the 4,200 tested to be functionally illiterate. Half of those tested could not identify the due date for paying a parking fine while three-quarters could not determine the amount of liability coverage on an auto insurance policy.

And just last fall, when the Florida Department of Education tested 100,000 high school juniors a whopping 38 percent failed the mathematics section of the test.

Furthermore, at one major State university, 25 percent of the freshman must take remedial courses to provide them with the understanding of the basic skills that their high schools failed to provide them with.

If the aforementioned is not enough evidence to support my views one might also consider a recent Gallup poll in which less than half of the adults surveyed said they would give an "A" or a "B" to their educational system if they had the opportunity to grade it. Also eye opening is the student who with his parents sued his school system for allowing him to graduate with skills so deficient he could not complete a job application.

I think that one answer to this severe lack of understanding of basic skills exhibited by many high school students is the offering of minimum competency testing and of remedial courses for those who fail.

Along with Mr. QUIE, of Minnesota, and Mr. SIMON, of Illinois, we sponsored and the Education and Labor Committee adopted two sections, 813 and 814 to the ESEA bill which provides a voluntary program of minimum competency testing and remedial courses. Consequently, the Federal Government will be in a partnership with State and local school districts in reemphasizing the importance of the basic skills such as reading, writing, and mathematics.

I am pleased that numerous State and local districts have already recognized this problem. At last count, 5 States had operational competency-based testing programs and 29 States were involved in some form of performance-based educational activities in the basic skills.

We do not believe in Federal control in this area. We do feel these choices are best left up to States and local districts. However, we do believe that there is a proper role for the Federal Government to provide funds, technical assistance, and information to the States to aid them in developing such programs.

I would like to emphasize that this program would be completely voluntary and that there would be no penalty for States which do not choose to participate.

I would also like to point out that while many States have attempted to initiate activities in minimum competency testing, they often lack knowledge regarding how to go about it and the funds to get these programs started. We feel that the Federal Government is in a better position than the States to coordinate and disseminate information on what techniques have been successful in other States, what activities are acceptable to the students and parents in these States, and what remedial measures these States are employing for students who do not pass the tests.

I am offering two technical amendments to improve the charity of this legislation and to aid in carrying out legislative intent. I will be offering these amendments at the proper time:

AMENDMENT TO H.R. 15 OFFERED BY MR. MOTTL

On page 242, strike out the sentence beginning on line 25 and terminating on page 243 at line 3, and insert in lieu thereof a new sentence to read as follows: "Grants awarded under this section may be used by applicants to either continue to implement their ongoing educational proficiency plans or to implement new plans, including the provision of supplementary instruction to be provided to students who fail the examinations."

This is to insure that States with already established proficiency testing programs are not excluded from this grant program. Recent figures indicate that 5 States have operational competency testing programs and 29 States were involved in some form of performance-based educational activities in the basic skills. These States would like to be considered for Federal aid as well as those States with no competency testing program to date.

AMENDMENT TO H.R. 15 OFFERED BY MR. MOTTL

On page 242, line 3, strike "Commissioner" and insert in lieu thereof "State".

This is to assure that the States are the bodies that choose which subjects are to be tested. This amendment is

needed to alleviate State concerns of too much Federal intrusion about what subjects would be tested under the competency testing program.

The most salient sections of this bill, I feel, are sections 813 and 814 which read as follows:

"GRANTS TO IMPLEMENT EDUCATIONAL PROFICIENCY STANDARDS"

"SEC. 813. (a) The Commissioner may make grants to any State educational agency (or to any local educational agency located in a State in which the State education agency has not submitted an application for a grant under this section) to carry out any plan approved by the Commissioner in accordance with this section to assist students in achieving levels of educational proficiency compatible with basic standards established by such educational agency.

"(b)(1) Each applicant which desires to receive a grant under this section may submit an application to the Commissioner. Any such application shall be submitted in such form, and in accordance with such procedures, as the Commissioner shall require and shall contain an educational proficiency plan, as described in paragraph (2) of this subsection.

"(2) The educational proficiency plan referred to in paragraph (1) of this subsection—

"(A) shall contain a description of the educational proficiency standards established by the applicant for reading, writing, mathematics, and any other subject for which the Commissioner may require such standards;

"(B) shall contain a description of the programs designed to assist in achieving levels of educational proficiency compatible with the standards described in subparagraph (A) of this paragraph;

"(C) may provide for the administration of examinations to students, at specified in reading, writing, or mathematical proficiency, or their proficiency in other subjects which the applicant considers appropriate for testing; and

"(D) shall contain the assurances of the applicant that any student who fails any examination provided for under subparagraph (C) of this paragraph shall be offered supplementary instruction in the subject matter covered by such examination.

"(c) The Commissioner shall award a grant to any applicant, in such amounts as the Commissioner considers appropriate, only if (1) the Commissioner approves the educational proficiency plan submitted by the applicant pursuant to subsection (b) of this section, and (2) the application submitted pursuant to such subsection satisfies all other requirements established by the Commissioner. Grants awarded under this section may be used by applicants to implement their educational proficiency plans, including the provision of supplementary instruction to be provided to students who fail the examinations.

"(d) There are authorized to be appropriated to carry out this section such sums as may be necessary for the fiscal year ending September 30, 1979, and for each of the four succeeding fiscal years.

"(e) For purposes of this section, the term 'applicant' means any State or local educational agency which submits an application under this section.

"(f) Nothing in this section shall authorize the Commissioner to impose tests on State educational agencies or local educational agencies, and no such agency shall be compelled in any ways to apply for funds under this section.

"ACHIEVEMENT TESTING ASSISTANCE"

"SEC. 814. (a) The Secretary shall, either directly or through grants to or contracts with State and local educational agencies and other public and private nonprofit agencies, organizations, and institutions, assist State and local educational agencies to develop their capacity to conduct programs of testing the achievement in the basic skills of children in elementary and secondary schools. Activities that may be supported under this section include—

"(1) disseminating information to State and local educational agencies on the availability and uses of achievement tests;

"(2) training of and assistance to administrators, teachers, and other instructional personnel in the use of tests and test results; and

"(3) research and evaluation designed to determine improved means of assessing more accurately the achievement of children in basic skills and of diagnosing instructional needs.

"(b) Nothing in this section shall authorize the Secretary to develop specific tests or test questions.

"(c) There are authorized to be appropriated to carry out this section such sums as may be necessary for the fiscal year ending September 30, 1980, and for each of the three succeeding fiscal years.

Mr. QUIE. Mr. Chairman, I yield 4 minutes to the gentleman from Arizona (Mr. RUDD).

Mr. RUDD. Mr. Chairman, I want to thank the gentleman from Minnesota (Mr. QUIE), the ranking minority member, for yielding to me. I would also like to recognize the dedication of the chairman in formulating this bill.

Mr. Chairman, one of the major problems posed by Federal education programs in my own State of Arizona is the enormous paperwork burden.

I was informed yesterday by the Arizona State Department of Education that 86 percent of all time that school administrators spend on paperwork requirements is devoted to complying with Federal regulations, filling out Federal forms, and meeting other administrative requirements of the Federal Government.

Mr. PERKINS. Mr. Chairman, will the gentleman yield to me at this point?

Mr. RUDD. Yes; I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, may I say to the gentleman that that is the reason we tried to do something about the paperwork. The President said during his campaign and, in fact, both candidates said during the campaign that they were going to do something about it. I think in this bill we actually did something about it. Instead of requiring an application every year to the Office of Education, we provided for one application every 3 years, and we made certain that a lot of the reporting could be eliminated entirely in this bill.

Mr. Chairman, I do not think that the gentleman can allege that in this particular piece of legislation, as rewritten, we are requiring an extra amount of paperwork because one of the main purposes of the rewrite is to eliminate that paperwork.

Mr. RUDD. I thank the chairman for his statement. If he will hear me out, perhaps I can explain to his satisfaction with what I am about to say.

Mr. Chairman, another major complaint of State and local education officials is that they lack the flexibility they need to meet Arizona's particular education needs, under the Federal controls that accompany Federal education dollars.

For these reasons, I will support the Ashbrook substitute for H.R. 15—which extends Federal education programs for another 5 years.

The Ashbrook substitute is attractive in its simplicity.

It would authorize exactly the same amount of Federal funds for education as H.R. 15—but it would send that money as block grants directly to the States on a per-pupil enrollment basis, for States and localities to spend as they see fit.

Under the Ashbrook proposal, Arizona would receive $181.45 for each and every student enrolled in elementary and secondary schools throughout our State. This would be in addition to Federal impact aid funds and other funds authorized as separate education appropriations from the Federal Government.

Under the current law, according to the Arizona State Department of Education, our State currently receives $149.37 in Federal funds for education per student. This is $32.08 less than Arizona would receive per student under the Ashbrook alternative.

The reason for the increased amount under the direct block grant approach is that many millions of dollars worth of administrative expenses would be eliminated.

Mr. Chairman, there are many, many benefits from this alternative approach. I strongly support good education programs in my State, and I want our school districts to have the greatest flexibility possible with the least amount of Federal control and paperwork burden when they participate in Federal programs.

I believe that Congress has a duty to provide this kind of flexibility, and to reduce the headache and expense of administering Federal funds.

We can accomplish this by adopting the block grant alternative, and I will vote for this proposal when it is offered.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. RUDD. I yield to the gentleman from Illinois.

Mr. SIMON. Mr. Chairman, I simply want to call the attention of the gentleman from Arizona to the letter from the American Council on Education to chairman, PERKINS, which praises H.R. 15 strongly for its elimination of unnecessary paperwork.

Mr. PERKINS. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Chairman, I rise in support of H.R. 15, the 1978 amendments to the elementary, secondary education act. This legislation represents a balanced approach toward Federal educational funding. After 75 days of hearings and 8 days of markup in subcommittee and committee, we have arrived at legislation which will benefit children in every region in the Nation. H.R. 15 is the product of compromise. It is my hope that it will emerge from the floor substantially intact.

To look at each feature of H.R. 15 in isolation is not only risky, it is dangerous. Each of us could offer amendments

which would make changes in this bill benefiting certain areas more than others. H.R. 15 represents a balanced approach to educational funding; it recognizes that there is no one formula or no one program which perfectly reflects how money should be distributed.

In the title I formula, the Orshansky formula benefits the Southern States and the rural areas; the SIE count benefits Middle Western and Western States as well as others; the AFDC count benefits the cities and the high cost areas. Some areas receive a large portion of the their education funds under the impact aid program while others do not.

During the course of our deliberations, the Members will be asked to consider numerous amendments. I would like to address myself to amendments which may be offered in three specific areas.

H.R. 15 contains a provision proposed by the administration and supported by the committee authorizing an additional $400 million in supplemental title I funds to school districts in counties with large concentrations of poor children. Under this concentration provision, counties would qualify for these funds if they have at least 5,000 low-income children or if poor children constitute 20 percent of a school district's enrollment.

The Gentleman from Ohio, Mr. ASHBROOK, is expected to move an amendment which will substantially dilute the concentration provision. His amendment would qualify a county if the number of its poor children exceeds 5,000—as in H.R. 15—or is equal to the average number of low-income children in the 50 largest counties in the Nation.

While the nationwide estimate for children in poverty varies by the standard which is applied—using the Orshansky formula, for example, we find that 15 percent of the Nation's children are from low-income families; using the AFDC count we find that 20 percent are low-income—the Ashbrook amendment would qualify school districts for concentration assistance if their low-income student population is only 2 percent. This is far below either national standard. Such a minimum qualification for these concentration funds renders them all but useless because almost every district in the Nation qualifies for aid under the Ashbrook criteria.

The administration has already indicated that it will not seek funding for the concentration provision if the Ashbrook amendment were to prevail.

The idea behind the concentration provision is to give additional assistance to those counties which, because of a high concentration of low-income students, have special problems with educational funding. The report accompanying this legislation enumerates those problems. It tells of the fiscal crisis in which many urban and rural districts find themselves and, how many districts have been unable to pass needed bond issues. The report also indicates that Federal payment rates do not accurately reflect the higher costs of education in urban districts. Teacher salaries, to cite one of the higher costs, in urban areas are some 23 percent higher than the national average.

It is no secret that our large urban school districts and our isolated rural school districts with large concentrations of poor children require more intensive remedial effort than the average school district.

But there is another reason for the concentration provision, one which is not often mentioned, and that is to reverse the trend in education funding which resulted from the 1974 amendments to ESEA. A national institute of education study entitled "Title I funding and the largest cities, changes since 1974" indicates that while title I funds nationwide have increased in the period 1974–77 by 14.6 percent, the percentage received by 140 major cities during that period has declined by 4 percent.

The biggest losers in the 1974 reauthorization of title I were the high-cost States, Alaska and New York. While the State of New York and its upstate cities of Buffalo and Rochester experienced a decline of 25 percent of its title I funds, New York City lost more than 29 percent of its title I funds. Other cities experienced similar losses: Los Angeles lost over 8 percent of its title I funds; the city of Cleveland lost almost 35 percent in title I grants. The losses in real terms for these areas are even greater than the numbers would suggest given that these funds are not adjusted for inflation.

The concentration provision in H.R. 15 provides a remedy for the losses incurred by the 1974 amendments. Under the concentration formula, Los Angeles, Cleveland, and New York will recoup some—but not all—of the lost funding.

During the course of the debate on the Ashbrook amendment, we will be shown a multitude of charts which will indicate how each State will fare under the various concentration proposals. I urge the Members to be cautious in their readings of these charts. For instance, according to a chart which Mr. ASHBROOK has distributed, the State of Ohio stands to gain over $1 million in title I concentration funds if his amendment prevails. According to a computer run prepared by HEW showing the effects on major metropolitan areas, however, Cuyahoga County (Cleveland) stands to lose some $1.4 million in title I funds if the Ashbrook amendment carries; Hamilton County (Cincinnati) stands to lose over $774,000.

In my own State of New York if the Ashbrook amendments is adopted there will be a substantial loss of title I funds stretching from Suffolk County in the east to Erie County in the West.

The Ashbrook amendment is counter to the concept of concentration. It is my hope that it will not prevail.

Title I of H.R. 15 also contains a provision for a State incentive grant program for compensatory education. This program will provide qualifying States with $1 dollar in Federal matching subsidies for every $2 dollars spent in an identifiable State compensatory education program. According to the Education Commission of the States, 13 States, at present, will qualify for funding under this program when it begins in fiscal year 1980.

An amendment will be proposed which will make a State eligible for matching grants if one local school district within a State which does not have a statewide compensatory education program establishes its own program of compensatory education.

This amendment undermines the very purpose of the State incentive program. It is the intent of the committee that States establish their own programs to benefit local school districts with large numbers of needy students. If each local school district can qualify for Federal matching funds on its own, the incentive to the States effectively is eliminated. Also, there is nothing to prevent a local school district under this plan from manipulating its basic educational program in order tc qualify for the Federal matching.

The amendment is not consistent with the purpose of the State incentive program and it should be rejected.

Attempts will be made to amend the impact aid portions of H.R. 15 as they relate to the inclusion of payments for public housing. One amendment would seek to eliminate public housing for impact aid entirely; the other would seek to reduce by one-sixth per year beginning in fiscal year 1979, payments for nonmilitary "B" children.

H.R. 15 treats public housing children like all other children eligible for impact aid. Currently, low rent housing children are funded at 25 percent of their entitlement; H.R. 15 raises the level of this funding to the standard impact aid funding level of 57 percent. If we accept the premise that impact aid should be given to school districts affected by Federal activities, we must recognize the impact that the loss of tax revenue as a result of federally assisted low-income housing has on many school districts. The city of New York, for example, in school year 1977–78 received some $17 million in Federal impact aid funds for public housing; the actual cost to the city, however, is almost $80 million in lost tax revenues. While H.R. 15 does not fund low-rent public housing as fully as we would like, it does go a long way in reducing the inequities inherent in the current program.

Lost tax revenue due to public housing is similar to lost tax revenue due to the presence of a military base. The effect of amendments to dilute or eliminate public housing in impact aid would discriminate between these two legitimate Federal activities. Once again, we find amendments which are in violation of the intent of the program.

In closing, I would like to commend our chairman, CARL PERKINS for his leadership on this issue and his commitment to the goals of this legislation. H.R. 15 moves in the right direction in terms of Federal aid to education and it deserves the support of the entire House.

Mr. QUIE. Mr. Chairman, I yield 3 minutes to the gentlewoman from Maryland (Mrs. HOLT).

Mrs. HOLT. Mr. Chairman, I thank the gentleman from Minnesota for yielding.

Mr. Chairman, the "Community Schools" part of title VI in H.R. 15 would allow local education agencies to use

Federal funds to duplicate public services already offered in the same area by State and local agencies.

I believe we all endorse maximum possible use of schools for community activities, when such uses do not impede the education mission of the schools. Such cooperative use of school facilities has been achieved in many communities across the land.

However, this legislation would authorize local education agencies to plan, direct, and operate a broad range of public services, including recreation programs, health care, social services, rehabilitation of offenders, libraries, and other activities for the public at large.

To some degree, the local school district could become a rival of the county or municipal government or State agency responsible for providing such services to the community. There is a great potential for conflict and waste of public funds.

It is important to remember that education is one of many services offered by Government, but in this legislation education becomes a Government offering many services. It is a fundamental and far-reaching change in governmental structure at the State-local level, and I am advised that the House Education and Labor Committee never deliberated on these implications of this legislation.

To prevent the duplication of services and conflict allowed by this legislation in its current form, I shall offer the following amendment:

No grant may be made to a local education agency to plan, direct, or operate any program or activity that is being conducted in that community by another public agency, unless the general local government expresses formal agreement after consultation with affected local or State agencies.

I believe the elected officials of the general local government are the most competent body to determine what services are needed for the community and how those services are to be coordinated and delivered.

Mr. PERKINS. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Puerto Rico (Mr. CORRADA).

Mr. CORRADA. Mr. Chairman, I rise to support H.R. 15, which is the end product of many days of intensive subcommittee hearings, as well as several weeks of markup, both by the Subcommittee on Elementary, Secondary, and Vocational Education as well as by the full Education and Labor Committee. It is a bill which in my opinion substantially threatens our current delivery of Federal assistance in the field of elementary and secondary education, and which merits your support. It is a piece of legislation which embodies the joint efforts of numerous parties, including the administration, the committee chairman, Mr. PERKIN, and all the members of the committee including myself, countless educational organizations and others.

This 5-year extension, attempts to provide a more efficient and unencumbered method of serving the educational needs of our Nation's youngsters, based on our experience in the past, both positive and negative. Our compensatory education program is made more responsive, flexible, and manageable. The new program of concentration moneys is a needed shot in the arm to those areas that are heavily impacted with educationally disadvantaged youngsters, which burden the entire system. The various titles, representing categorical programs, were all closely examined and revamped. I am particularly pleased with the Carter administration's and the committee's endorsement of the new title I formula as it applies to Puerto Rico.

I was particularly involved with title VII, the Bilingual Education Act. The fact is that we have 3.6 million children in this Nation in need of bilingual education if they are to achieve an equal educational opportunity. We had to amend the act to insure an effective, accountable and responsible program. We have developed standards and responded with positive modifications to justified criticism. I think that our decision not to simply extend the program without much ado was wise. Our proposal which is the product of 3 days of markup, warrants your endorsement.

The changes made in title VII are the following:

An application by a local educational agency must now include an evaluation plan consistent with guidelines developed by the Commissioner.

Permits BIA Indian schools to be directly funded.

Mandates an impact study be made on the fellowships for teacher training of bilingual teachers, and stipulates that recipients must serve in a capacity as trainers of teachers for a period equivalent to that during which they received assistance, or pay back an equivalent amount.

Training activities are expanded to include counselors.

Allows private, non-profit organizations to apply for training money; allows institutions of higher education and private nonprofit organizations to apply or consult with state educational agencies as well as with local educational agencies.

Authorization levels are established as follows: For local programs: $200 million in fiscal 1979; $250 million in fiscal 1980; $300 million in fiscal 1981; $350 million in fiscal 1982; $400 million in fiscal 1983.

For training grants: $16 million of that part which does not exceed $70 million for training activities, and shall reserve not less than 20 per centum of that part thereof which is in excess of $70 million.

For research: $20 million.

For state coordination activities: $12 million for fiscal 1979; $14 million for fiscal 1980; $16 million for fiscal 1981;

and such sums for fiscal 1982 and 1983.

Changes the standard for children to be served from "limited English speaking ability" to "children with limited English language skills."

Expands the composition of the National Advisory Council to include parents and a state educational agency representative.

Stresses teacher qualifications, especially as to their command of the English language.

Transfers the bilingual program under the Emergency School Assistance Program (ESAA) to Title VII, with a 1 year hold harmless.

Mandates an annual report by the Commissioner to Congress, instead of every two years.

A flexible amount, in lieu of the mandatory 15%, can now be utilized for training, depending on individual program needs.

Retains the low income definition in current law.

Provides for a five year limit on program funding, with a waiver clause to take into account several circumstances.

Allows funds to be utilized for compliance with a court order, however, no priority can be given to funding of these activities.

In an effort to reduce paperwork, an application of an LEA may be from 1 to 3 years.

In Puerto Rico, Title VII programs may make provision to improve Spanish language skills, to integrate the return migrant into the public school system.

Establishes several mandates:

A report on the number of children of limited English language skills in the nation.

Mandates that methods be developed to identify children who are in need of bilingual education.

Mandates development of evaluation and data gathering models which take into effect linguistic and cultural differences.

Mandates coordination of other programs dealing with bilingual education.

Mandates that the Office of Bilingual Education be adequately staffed to effectively meet its duties.

Provides that children shall be considered proficient in English when they can speak, read, write and understand English at a level comparable to other children at that age and grade level.

Pull out classes are limited to children of limited English language skills.

and finally, materials developed shall be of comparable quality to those provided in classrooms for English dominant children. In such development, the availability of existing materials shall be taken into account.

There was much reflection and examination which went into the formulation of these revisions to title VII. I urge you to endorse these, and welcome your support.

Mr. QUIE. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Chairman, this bill is a disappointment to me, because it reflects few lessons learned from past mistakes. If anything, it is symptomatic of the decline in student achievement over the past decade.

One of the striking developments of the last 13 years is that a severalfold increase in Federal funding for education has produced a steady decline in student achievement, particularly in the basic skills of reading and mathematics. This would seem to refute the long held dictum under which we have been operating, that the more Federal dollars we pour into education, the better education we will have.

I regret that instead of correcting the shortcomings, we are simply compounding the problem by piling even more dollars on top of an already faulty base.

During the past 10 years, the approval rate for bond referendums has dropped from 74 to 46 percent. The folks back home are more frequently saying that more money is not the answer, but yet I am amazed at how frequently the committee report cites the defeat of bond referendums as an excuse for further Federal funding. We are undermining local decisionmaking when we provide funds which the people explicitly refuse to provide locally.

The message more and more people are trying to tell us, but which seems to fall on deaf ears around here, is that the basic problem facing education is not one of money alone. It is one of motivation on the part of students, social

promotions on the part of teachers, permissiveness on the part of parents, and weakness on the part of school administrators.

President Ford once called for plain talk among friends. That is what we really need. We need a few more Jesse Jacksons out there telling it like it is, and telling it not just to one racial group or one element of the school system, but to people across the board.

The funds we are providing under title I are not in and of themselves being effectively spent for the purpose for which they were intended. According to the committee report, title I funds are to be used to provide compensatory education for educationally deprived children in low-income areas. Yet we find that some 35 percent of all children in grades 2 to 6 receiving title I services are neither poor nor educationally deprived, while only 23 percent of such children are both poor and educationally deprived. The formula is clearly faulty, but the bill makes very little effort to correct it.

I wonder how many of our Members are aware of the National Institute for Education finding that one-third of all title I funds are being used to replace existing State and local education funds, rather than adding funds to the total. Additionally, another 25 percent of the title I funds are going for things other than instructional services. So, of the $3 billion we are providing for title I every year, only about half is really being used to provide increased instruction to needy students.

There are other areas where this bill glosses over shortcomings in current programs. An evaluation of the bilingual program by the Office of Education found that less than one-third of the participants in the programs were of limited English-speaking ability, that Spanish-speaking students participating in the program did poorer than nonparticipating Spanish-speaking students as far as English language skills were concerned, and that in 85 percent of the projects studied, children continued to receive instruction in their native language even after they had learned enough English to survive in an all-English-speaking class.

What does this bill do about these shortcomings? It provides more money for research, calls for self evaluation and expands eligibility criteria, hardly steps which will rectify the problems.

The impact aid program has been criticized by every administration since who knows when, and rightly so, because it is an outmoded and inequitable program. President Carter proposed some modest changes in the right direction, but are they included in this bill? No, indeed.

Instead the bill goes in the opposite direction, and even overturns some of the mild reforms approved in 1974. Among the greatest abuses, it restores full funding to the counties around the Washington, D.C., area, counties which are among the wealthiest in the Nation. I wonder how some of you from States where your property tax bills are twice what they are here, feel about helping to pay the education bill in these wealthy counties?

In addition, there is a major increase in funding for public housing children—a direct overlap of the title I program, and totally out of place in the Impact Aid program. I will offer an amendment to reduce this item to this year's level.

For the members of the Appropriations Committee, I call to your attention another one of these so-called trigger devices which has been included in this bill, this one which requires appropriations for a new guidance and counseling program before funding can be provided for the Library Resources and Instructional Materials program. Not only does the creation of this new categorical program undermine the bloc grant approach we enacted in 1974, but the trigger device represents a direct and irresponsible interference by the Education and Labor Committee in the appropriations process.

Mr. Chairman, if I had the time, I could offer several other amendments to correct the shortcomings in this bill. I regret that all these programs are jammed into one massive bill of 376 pages. It is just too much to digest in one fell swoop.

Mr. PERKINS. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Michigan (Mr. KILDEE).

Mr. KILDEE. Mr. Chairman, I would like to address myself to one part of H.R. 15. The concept of community education is expanding throughout the country. Today, 48 State departments of education give instructional recognition to community education and 9 States have passed legislation supporting community education. At the local level, over 1,400 school districts are operating community education programs.

I have had the opportunity in my own home town of Flint, Mich. to see the concept grow and flourish. This concept, which has opened the schools both night and day to young and old alike, has expanded the meaning of education and improved the quality of life. It is a fiscally sound way of utilizing our school buildings.

So it was with special pride that I am the chief sponsor of H.R. 12650 The Community Schools and Comprehensive Education Act of 1978 which I feel will be a giant step forward for those of us interested in the development of community education.

At this time, H.R. 12650 has passed the full Education and Labor Committee as an amendment to H.R. 15, The Elementary and Secondary Education Act of 1978. The bill is now awaiting what I anticipate will be favorable action this week.

The specifics of the legislation include the finding that the school is "a primary institution for the delivery of service, and may be the best instrument for coordination of frequently fragmented service including benefits obtained by energy savings and parental involvement."

It directs the U.S. Commissioner of Education to make grants to States, local educational agencies and nonprofit, private agencies who have contractual agreements with the local education agency, to pay the Federal share of the cost of planning, establishing, expanding, and operating community education programs.

The legislation authorizes spending levels at $55 million fiscal year 1979, $72 million fiscal year 1980, $90 million fiscal year 1981, $72 million fiscal year 1982, and $55 million fiscal year 1983 for State education agencies and $10 million each fiscal year from 1979 to 1983 for local education agencies. These authorization levels are an indication of congressional recognition of the importance of community education. (The bill also allows State education agencies or local education agencies to use the fair value of community service programs as all or part of the non-Federal contribution under the program. Over 13 different community service programs are allowed within this provision, including Headstart and the Older Americans Act.)

The legislation allows that the grant money may be used for a wide range of services from educational, cultural, recreational, health care, training of personnel to the development of means to use technology to improve the relationship between all facets of community education.

Other aspects of the legislation direct the National Institute of Education to carry out research and evaluation and publish the findings by 1982, the Assistant Secretary of Education to hold not less than two national conferences on community education, and the Commissioner to establish or designate a national clearinghouse on education.

A final but most important feature is the establishment of the Community Education Advisory Council appointed by the Secretary of Health, Education, and Welfare, with the program reporting directly to the Executive Deputy Commissioner for Educational Programs.

I feel the Community Schools and Comprehensive Education Act of 1978 is a major step in establishing community education as an important tool for education throughout the Nation to better the lives of all our citizens.

Mr. PERKINS. Mr. Chairman, I yield 4 minutes to the gentleman from New York (Mr. BIAGGI).

Mr. BIAGGI. Mr. Chairman, first, I would like to take this opportunity to congratulate the chairman of this committee and also the ranking minority member, the gentleman from Minnesota (Mr. QUIE) for the remarkable job they have done in the preparation of this comprehensive education bill; but I would like to deal not with the sentiment reflected today, because by and large the sentiment here is supportive. I am fearful that when we get to final consideration there will be an attempt to exploit the so-called tax revolt in this Nation and they will try to look for a scapegoat. The scapegoat in this case will be the education bill we are considering.

Mr. Chairman, as a member of the House Education and Labor Committee, I rise in full support of H.R. 15, the Education Amendments of 1978 as reported. Passage of this legislation will be another milestone in the successful 13-year history of the Elementary and Secondary Education Act.

Almost 6 million students have been served by the Elementary and Secondary Education Act, a majority under the title I program. The act has for the most part fulfilled the initial expectations of its founders. H.R. 15 recognizes this and seeks only to make improvements in the act to make it more responsive to the total educational needs of this Nation.

Perhaps the greatest shortcoming of the existing ESEA law is the formula under which title I funds are distributed. A revision in the formula which I vigorously opposed in 1974 resulted in title I allocations in the 26 largest school districts, including my own in New York City, being $23 million less in 1977 than before the formula in 1974. This inequity left our major urban districts shortchanged in funds despite growing numbers of children in need.

H.R. 15 makes important changes aimed at reducing this disparity. First it provides for full 100 percent counting of AFDC children in determining title I eligibility instead of the present 75 percent. The second important element will be the use of Survey of Income and Education (SIE) data to determine population instead of the outdated 1970 census.

Another remedial feature in H.R. 15 is the enactment of the new concentration formula under title I. This program, conceived by the administration, will provide an urgently needed $400 million infusion of funds into hard-pressed school districts with large numbers of poor children. It is based again on the desire to improve the position of large, urban schools to receive ESEA funds. For example, the State of New York will receive approximately $58.6 million in new funds under the concentration formula.

I also am fully supportive of the new funds being provided for those 12 States which have voluntarily established their own programs of compensatory education for the educationally deprived. Under H.R. 15, States would receive an additional title I dollar for every two they spend on such programs. For New York, this will mean some $49 million.

Finally with respect to title I, I am pleased to note the new language in the bill regarding the rights of private school children to obtain title I benefits according to figures provided by the National Institute of Education, less than 4 percent of private school students residing in title I districts are receiving services. H.R. 15 bolsters the present law by mandating that equal expenditures go to private schoolchildren under title I. Another key provision of special interest to me and the nonpublic school interests in my district is the language which provides that complaints from representatives of nonpublic school interests relative to receipt of title I services be handled expeditiously. I intend to pay particular attention to see that this provision is properly implemented and all grievances given proper consideration. I might note here, as well, my support for mandating private school partipation in title IV programs.

There are other portions of the bill I wish to address myself to. I believe we have made an important improvement in the nontitle I, ESEA programs with the establishment of our new title VI. Title VI encompasses some six different programs including the National Reading and Mathematics Improvement Act; career and consumer education programs for gifted and talented children, and the Women's Educational Equity Act.

Part G of title VI was the result of an amendment which I sponsored during full committee markup. The amendment maintains the ethnic heritage studies program under the auspices of the ESEA. The administration had proposed transferral of the program to the National Endowment for the Humanities, an action which would have spelled the effective death by neglect of the program. It was my firm belief that the National Endowment for the Humanities did not have the demonstrated commitment or interest in ethnic-related projects, thus making it incapable of providing the needed attention that this program deserves.

My amendment will keep the program under ESEA for the life of the bill. This is the best approach for maintaining the integrity of this program, which in 1976 funded some 49 projects which translated into assistance for 25 different ethnic groups. Even more significant is the fact that some 580 different requests for funding were received.

Mr. Chairman, I would like to discuss the changes and improvements which H.R. 15 makes with respect to the Bilingual Education Act. In addition to extending the program until 1983, this bill reflects the consensus of the committee that some more specific direction is needed in the program so as to make it meaningful. I was concerned that after 5 years and millions of dollars there remained no set methodology for teaching bilingual education. This led to much confusion on the State and local level and resulted in programs being taught hundreds of different ways. Yet what was of even greater concern to me was the fact that children in bilingual programs were not obtaining the skills in the English language that they should receive.

What H.R. 15 does is direct that the program establish as a priority that children must achieve a level of competency in the English language. In this regard, we have broadened the definition of eligible children to include those children who are unable to read, write, or understand English at the level appropriate for their age and grade level.

I offered an amendment which complements this effort. It requires that all teachers and instructors in the Federal bilingual program must be proficient in the English language. The Commissioner of Education is already required by law to use the most qualified available personnel in the bilingual program. My amendment mandates that proficiency in the English language be a requirement for determining qualified bilingual teachers.

My amendment was prompted in part by an edition of "60 Minutes" which revealed that bilingual teachers in New York City could either speak no English or were failing to conduct their classes in English. The problem has been shown to exist in other areas of the Nation and unless rectified threatens the integrity of the program.

If we are to truly achieve the mandate of H.R. 15; namely, that the bilingual education program result in children being proficient in English, we must insure that the teachers are proficient themselves.

Overall, H.R. 15 is an excellent bill. It reaffirms the commitment of this Congress to maintaining the U.S. tradition in providing quality education for its young people. We have a record to be proud of in elementary and secondary education, but it is something that we should not grow complacent about. Education is not a static entity. It needs innovations to adapt to modern challenges. It must also recognize its commitment to the basic three "R's," as they are properly known. H.R. 15 provides sufficient direction and funding to allow for both the old and the new. Quality education for all is the end product we seek.

I wish to pay tribute to the distinguished chairman of this committee, Mr. PERKINS, for his exemplary leadership on behalf of this bill and more importantly throughout the history of the Elementary and Secondary Education Act. The committee has had extensive hearings on the bill hearing from more than 300 witnesses. It is a product of compromise, but not concession. It deserves your support today.

Mr. QUIE. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Chairman, I would like to have the attention of my friend and colleague, the gentleman from Michigan (Mr. KILDEE) on the subject of community education. He indicates that this new program is his own special program.

I would also like to have the attention of my friend and colleague, the gentleman from Illinois (Mr. SIMON).

I think for the most part what has happened in the last several years is something that usually happens in debate. We all talk and make our points and there is little real debate.

I though maybe we might just have a little debate on something called community schools.

I will ask the chairman, many of us wonder how we get off base, how we start following elusive targets in these educational concepts. Here, I believe, is a case example.

Mr. Chairman, I want the Members to listen to the definition this committee wrote of this new education program:

> Community education is a program in which a public building, including but not limited to, a public elementary or secondary school, is used as a community center operated by a local educational agency in conjunction with other groups in the community, community organizations, and local governmental agencies, to provide educational, recreational, health care, cultural, and other related community services for the community that the center serves in accordance with the needs, interests, and concerns of that community.

Earlier the gentleman from Illinois (Mr. SIMON) said we would make some

effort to reduce the paperwork. Let us take a look at what is being done. We do not even look at what the Committee on Education and Labor does most of the time. Here is a committee report on paperwork problems which was conducted by our committee on May 24, 25, 26, 1977. I do not know how many of the Members read this, but I did.

We had a community education program last year on which $4 million was spent. Now, let us look at the paperwork that was involved. These are HEW's figures, not mine.

Do the Members know how much paperwork was done and how many hours of paperwork were generated to get that $4 million? It is right here in black and white on page 375. We only need to study it to know how ridiculous this idea is. It took 54,000 man hours to get $4 million worth of program in community education. These are the statistics of the National Center for Education; these are not JOHN ASHBROOK's statistics. To repeat, it took 54,000 man hours to get $4 million.

If we average it, as they did, $10 an hour, it cost the schools $1 to get $7.40.

Everybody takes a shot at impact aid. The same figures last year showed that it took $1 in paperwork to get $6,347 in impact aid.

What in the world are we talking about in H.R. 15? Are we living in a vacuum? This is the real world of paperwork, waste, and inefficiency out there that we do not seem to consider in this body.

I would ask my friend and colleague, the gentleman from Michigan (Mr. KILDEE), if he believes in and can support the concept of the committee chairman, the gentleman from Kentucky (Mr PERKINS), that we are trying to reduce paperwork, and I will ask how we can possibly have a $350 million program in community education when a $4 million pilot program costs 54,000 man hours to get it rolling. Can my colleague give us some information on that?

Mr. KILDEE. I will, Mr. Chairman, if the gentleman will yield.

Mr. ASHBROOK. I am happy to yield to the gentleman from Michigan.

Mr. KILDEE. Mr. Chairman, I can bear no responsibility myself personally for things that have happened in the past. I have worked very closely with the chairman of the committee, however, to see that in the future we will minimize paperwork.

I was not here in 1974 when the Congress first gave its approval to federally supported community education. I know, having been a teacher and a member of the Appropriations Committee in charge of education in the State of Michigan, the horror stories on paperwork.

I am as concerned as the gentleman from Ohio (Mr. ASHBROOK) and the committee chairman, the gentleman from Kentucky (Mr. PERKINS), with reducing paperwork, and I believe we can reduce it. I believe this bill does reduce that paperwork to a great extent, and I refer to all areas of the bill.

The gentleman can be assured that I will be monitoring community education to see that the paperwork is reduced, because I want to see the delivery of services. I did not enter this Congress to increase paperwork; my goal is to decrease this paperwork.

So, Mr. Chairman, the gentleman from Ohio (Mr. ASHBROOK) and I have fallen in an area of agreement.

Mr. ASHBROOK. Mr. Chairman, I am afraid we do not agree now, because if the gentleman believes this bill is going to reduce paperwork, I think he will be disappointed.

I would like to see something in the regulations that come out of HEW to reduce paperwork. There will be reams of new regulations. The idea of reducing paperwork is just inconsistent with a 376-page bill but we will debate this matter later.

I have detailed examples of where you are asking for additional reports, and yet you obviously attach some little section in the back comprising a few pages, and you say in effect: "Attention, everybody: By these two pages of this bill something is going to be done about reducing paperwork."

Then we stand up and pontificate and say we are going to do something about reducing paperwork when the absolute thrust of the 356 pages of this bill is that we are supporting an increase in paperwork.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. ASHBROOK) has expired.

Mr. QUIE. Mr. Chairman, I yield 2 additional minutes to the gentleman from Ohio (Mr. ASHBROOK).

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I will be glad to yield to my friend, the gentleman from Illinois (Mr. SIMON), because I know he is interested in reducing paperwork, too.

Mr. SIMON. Mr. Chairman, I am interested in reducing paperwork. Where I differ from my distinguished colleague, the gentleman from Ohio (Mr. ASHBROOK), is this: He wants to reduce paperwork by eliminating the program. That is a very effective way of reducing paperwork.

Mr. ASHBROOK. On that we agree.

Mr. SIMON. Yes. But I think we have to be looking for ways to reduce paperwork that are a little less meat-ax in approach.

In this instance, if the gentleman's block grant amendment is not approved, then I hope that he will join those of us—and this includes the chairman of the committee and my colleague, the gentleman from Michigan (Mr. KILDEE)—who are looking for ways by which we can practically eliminate and reduce the paperwork without eliminating the program.

Mr. ASHBROOK. Mr. Chairman, I would only say to my colleague that the theory is there, but I point out that Plato once said, "The theory must bear the phenomenon." Your theory may be good but the phenomenon will be more paperwork.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to my very good friend, the distinguished chairman.

Mr. PERKINS. I thank the gentleman for yielding.

Mr. Chairman, let me say to my distinguished friend, the gentleman from Ohio (Mr. ASHBROOK), that both Democrats and Republicans have talked about reducing paperwork a long time. During the Republican administration they required of the community schools a report monthly, every month, but Mr. Califano, whom I think is one of the good administrators in the Government, is trying to beat heads together down there in that Department and is succeeding, to a great degree. Now they are only requiring one report annually on community schools where a grant is made.

I personally feel that the money spent for community schools is a wise expenditure and we need them all over the country. We need to utilize the school buildings, so far as I am concerned, 24 hours a day. People in all walks of life who want to go to those schools will have the opportunity.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. ASHBROOK) has expired.

Mr. QUIE. Mr. Chairman, I yield 1 additional minute to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I would certainly agree with my chairman on the failure of past administrations. One thing I think you will find I have been consistent on is that I have applied the same standards to Republican and Democrat administrations. I venture to say, Mr. Chairman, that Mr. Califano, when he leaves, will do precisely what the previous HEW Secretaries have done, such as Mr. Finch from California. They are all the same, Republican or Democrat. They administer that Department down there, and when they leave they write articles on how impossible it is to bring HEW under control. Bob Finch wrote an article. I have copies of it. I venture to say, when all is said and done, that Mr. Califano, when he leaves, will issue a last parting shot on how impossible it is to administer HEW.

My point is that, by passing a bill containing 376 pages, adding that many programs, an Office of Education, already spending $175 million to administer programs back in our districts, we are just making Joe Califano's job all that much more difficult.

Mr. PERKINS. Mr. Chairman, I yield 2 minutes to the gentleman from Florida (Mr. LEHMAN).

Mr. LEHMAN. Mr. Chairman, I rise in support of H.R. 15. I am particularly pleased with the provision in title VI that provides money for gifted and talented children.

I do have a question in this respect that I would like to address to the distinguished chairman of the committee, the gentleman from Kentucky (Mr. PERKINS).

In the State of Florida, the State legislature has expressed a great concern for the problems of gifted children and heavily funded a State program for these children. I know the State of Florida says "gifted," while this particular legislation provides for "gifted and talented." Is it the intent of the committee

that the State of Florida will be eligible for gifted or talented programs if they do not have both provided in the legislation?

Mr. PERKINS. Yes.

Mr. LEHMAN. I thank the gentleman.

Mr. QUIE. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. Mr. Chairman, I thank the gentleman for yielding.

I am trying to control my confusion here over this bill. I would like to refer to something which will lead me to ask the chairman a question.

Before I came to Congress, I was president of the largest school district in the State of Kansas in which we were involved in a major busing plan to integrate the schools. We closed most of the black schools, and the black children were distributed all over the community, roughly in the same percentage the total number of black and white children in the whole school system.

We were able to follow the child for 5 years. HEW let us do that in order to get the schools integrated. Conceivably, their acquiescence could have been in violation of their regulations, but they clearly permitted the Wichita school district to follow the child.

Finally, in the sixth year they told us we could not do it anymore and even tried to get some of the money back that they had given Wichita in earlier years. I say that to show the Members what a Catch-22 situation we were in. However, we beat that.

In any case, as I read the situation now, I was going to offer an amendment to be able to follow the child whenever that child went to school. Why should we just provide the funds for the children who go to low-income schools? What if a child, a poor child, is pushed into a high-income area. As I read this bill, unless we followed the child, or the school to which that child was pushed was a target school, it would be difficult to provide compensatory relief for that child.

Mr. Chairman, it seems to me that what we are dealing with in this bill is that we are encouraging the transportation of poor children, to low-income schools only. How do we reconcile ourselves with a busing policy which encourages us to transport kids, black children, to all the schools in the community? It seems to me that we either, first, ought to stop the busing, or second, we ought to provide those title I funds or Emergency School Aid Act funds to wherever those kids are sent, even if they are in high-income schools.

Mr. Chairman, there seems to be a major inconsistency here in that the kids are not getting the funds; the schools are, but not the schools that should be.

I would like to ask the chairman of the committee this question: How do we handle that?

Mr. PERKINS. Mr. Chairman, if the gentleman will yield, let me answer the gentleman by stating that we tried to do that in the Emergency School Aid Act. We intended that the Office of Education take care of these problems by making grants to the schools to which these children might be bused. It becomes an administrative nightmare under title I if one undertakes to follow the child with the money when he is bused out of a ghetto school into a better school or into perhaps a more affluent school.

Mr. Chairman, an analysis of the "follow the child" problem done by the National Institute of Education found that existing title I regulations provide districts with considerable flexibility to adjust their programs after attendance area changes to serve many, if not most, of these students.

Second, the NIE survey of 35 districts found these problems "were clearly overstated": The number of schools and students who lose services does not appear to be large and only few of the districts surveyed supported such an amendment to title I.

Third, the committee feared, as did many superintendents contracted by NIE, that the adoption of this provision as an amendment to title I would pose administrative problems and could lead to a dilution of title I services, since inadequate funding prevents all the needy children in eligible schools from being served.

However, the committee does recognize that even with the administrative flexibility present in title I, some children may still lose services. Therefore, H.R. 15 amends the Emergency School Aid Act, which provides desegregation assistance, to expand funding and eligibility for "follow the child" services. First, any district which qualifies for and receives a regular ESAA grant would be required to consider the needs of children who lost title I services due to desegregation in formulating their programs. Second, H.R. 15 creates a separate authorization of $7.25 million a year for the propose of making grants for "follow the child" services to districts which are eligible for ESAA funds, but are not receiving them.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Chairman, in the 1974 amendment one of the things I was concerned about was exactly the point which the gentleman from Kansas has raised. What we permitted was some school districts, in effect, to follow the child. Thirteen school districts did have such programs operating and administered surveys which were evaluated by the National Institutes of Education.

The Members will recall Charlotte-Mecklenburg, in which the last famous case of desegregation took place.

The school attendance area that had the highest income before desegregation became the school attendance area with the greatest number of educationally disadvantaged children. They were denied the opportunity to have any title I funds which would go into that particular school.

We gave them the flexibility. They were one of the schools that could use this criteria for low income. They were then able to take care of the needs of that most serious problem in their whole school district. I wanted to give that same flexibility to all school districts of the country. The majority did not want to go along with that, however.

There are two things we have done that are going to at least partially address this. We want to do two surveys. One is the number of low-income students in target schools, and also make a survey of the number of educationally disadvantaged children. If there is a substantially greater number in the non-low-income school against those areas of the low income, then they could shift the money over there.

The second thing we did partially—and there will be acceptance, I understand, on the amendment I am going to offer—the money will move according to the number of disadvantaged children that exist within an area. I used the example of Detroit. There were two school districts alike, both with 32 percent low income, or conceivably the same number of low-income students. The money is being distributed equally to those two areas. However, in one there are only 9 percent of the students who are educationally disadvantaged, and in the other 50 percent who are educationally disadvantaged. That means the one got more money than it needed, and the other got less than it needed.

That is why the study shows that 35 percent of the students getting title I money are neither poor nor educationally disadvantaged children. As I have indicated, we have not given the flexibility I would like to see to our school districts. I trust the school districts to make the right decisions.

But, I would say to the gentleman that the flexibility is much greater now than we had before, and maybe in enough years we will finally trust the school districts enough to get legislation. There is no administrative difficulty to it, as we can see by those school districts now.

Mr. GLICKMAN. I would just say that the whole point I am trying to get at is to make sure that the kids are being properly served. From what the gentleman is saying, what happened in my particular school district is that they were not being served. Perhaps it goes to buttress the point the gentleman from Ohio was talking about earlier, but I am glad there is some flexibility in the bill to the advantage of children who are bused.

Mr. QUIE. I would say that they have to be bused still to a target school.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, like my colleague from Minnesota I would like to have that type of flexibility. I would point out that the amendment I am offering would give precisely that type of flexibility in Nebraska, Minnesota, or Ohio.

● Mr. DRINAN. Mr. Chairman, overcoming the dual handicap of low income and related educational disadvantage was one of the first fronts of the war on poverty started in the midsixties. In April of 1965 Congress launched a program of compensatory education—title I of the Elementary and Secondary Edu-

cation Act. Title I means more than money for schools, it represents a commitment to bring about meaningful change in educational opportunity for our children regardless of where they live or the economic status of their families.

Over the past 13 years title I has been refined to preserve and strengthen the commitment made in 1965. When Congress last looked at title I in 1974 there was concern about whether the program was achieving the goals Congress intended. The National Institute of Education was asked to undertake a comprehensive 3-year study and evaluation of the program. The findings were published in six reports and if the voluminous information could be summed up in one sentence it would be: Title I is working.

NIE and other observers of title I have shown that the special attention provided these students is increasing their achievement levels during the school year. One study concluded that title I is not only halting the decline in reading achievement levels but improving the skills of participating students at a higher rate than students without this assistance.

Renewal of the Elementary and Secondary Education Act is now before us. We know more about title I than ever before. Besides the NIE reports, the Subcommittee on Elementary and Secondary Education held 15 days of hearings on title I alone. Title I is working but it reaches only about 60 percent of those children eligible for participation, because the program has never been fully funded. We also know that no matter how successful a title I program is it does not eliminate the need for sustained help. Just as the NIE studies and the hearings before the Elementary and Secondary Education Subcommittee noted the educational progress made with title I assistance, so too did they note a regression during summer months when in the absence of educational attention, a student can lose from 1 to 3 months of what was once attained.

Eighty percent of title I funds go for programs in grades kindergarten to six. Few school districts are able to extend the program into junior high and high schools although studies by the national assessment of educational progress have shown that these students still need help in basic skills. Sustaining educational progress is just as important as addressing early educational needs and perhaps more important for the futures of title I students. Can we realistically expect special attention limited to early years of schooling to be a cure-all for bringing about educational achievement throughout the course of elementary and secondary education.

School districts should be encouraged and assisted in extending their title I programs to the junior high and high school levels and should be given special direction in establishing summer bridge programs to overcome the possible drop-off in achievement over the summer months.

Basically title I funds are allocated according to the number of low-income children in a school district and the average per-pupil expenditure by the State. Funds should continue to be targeted at low-income children. Those who advocate targeting funds based on low achievement levels instead of low income have not demonstrated that a uniform and fair testing mechanism exists on which the judgment of who is a low achiever can be made. Moreover, spreading already inadequate funds among a greater category of children would only serve to weaken programs serving those who are both educationally and economically disadvantaged. One of NIE's reports showed that when low achievement rather than low income is used to target funds, the intensity of services is reduced and fewer of those needing special attention are served. If achievement levels were tied to fund distribution, the result could be penalizing successful title I programs. As the children's achievement levels increased the schools could be placed in the position of seeing their grants reduced.

H.R. 15 adds a further targeting provision to title I which would inject extra funds into areas with high concentrations of low-income students and a matching grant program of one Federal dollar for every two State dollars to encourage State development of compensatory education programs. Both of these provisions will help the States in meeting the needs of disadvantaged students. Of particular importance in this measure is the change in the title I funding formula. Massachusetts, like some other States of the Northeast, has an increasing lower income population, high per-pupil expenditures on education, and a higher cost of living than most States. The present formula does not reflect the higher cost of living and understates the number of lower income children in Massachusetts.

The count of lower income children presently used is based on the 1970 census and thus ignores the substantial shifts in population since 1970. As a result Massachusetts' proportionate share of title I funds has been dropping even though the lower income population of the State is growing.

Several different estimates of low-income children have been made since the last decennial census. The 1976 survey of income and education produced by the Census Bureau is recognized as a reliable estimate of the numbers of low-income children at the State level. The SIE figures are more up to date than the census figures and I am particularly pleased that this measure provides for the use of SIE figures in fund allocation. Full counting instead of two-thirds counting of AFDC children above the Federal poverty cutoff as provided for in this measure, will also insure more equitable fund distribution.

An area of special interest to me is the role of parents in the title I program. Parental involvement has been increasing since the start of the program. The role of parents was not formalized until the 1974 amendments to the act which called for the establishment of parent advisory councils and provided for parental involvement in the planning, implementation, and evaluation of title I programs. While many school districts have encouraged PAC involvement in all phases of title I, many have not and the law offers no remedial process when parent involvement has been thwarted.

Additionally the Office of Education has not taken any leadership in providing information to parents on their rights under the law. One of the NIE studies pinpointed the lack of information dissemination by the Office of Education as a major deficiency in their administration of title I.

This measure will strengthen the involvement of parent advisory councils in the program but there should be a clear recourse for parents when they feel their rights have been abridged. The Office of Education is to take a stronger role in disseminating information about title I and I hope it will undertake the publication of a manual for all parent groups explaining the law and regulations in a manner easily understandable.

In addressing PAC's throughout my district I have been deeply impressed by the interest and enthusiasm these parents have for this program. Many volunteer a good deal of time for title I activities, but most school districts have few if any funds to spare to support parent training or activities. Funds should be earmarked at adequate levels for PAC activities and training programs. Parents are a resource in meeting the problems of sustaining achievements made by title I students during summer months and after this assistance is no longer available.

Training parents to help their children would be money well spent. When schools work to make parents active partners in promoting academic progress the child does substantially better. The hearings before the Elementary and Secondary Education Subcommittee are replete with testimony from parents who, because of their involvement with title I, went on to improve their own educational achievements. We all stand to benefit from increased attention to parent involvement in title I.

With title I we have a major program in place which is accomplishing a great deal. In renewing this program we have an opportunity to make the program even more responsive and effective. I hope the Congress will respond wisely to the choices which are before us in renewing title I. Equal educational opportunity serves the best interest of this Nation. We must go forward in meeting the needs of those children still not served by extending to them the benefits of title I.●

● Mr. FRENZEL. Mr. Chairman, I would like to compliment the members of the Education and Labor Committee for their fine work in responding to the educational needs of our Nation's children through H.R. 15, the Education Amendments of 1978.

First, the bill greatly improves the formula for the distribution of funding to the educational disadvantaged. It preserves the concept of supplementary educational dollars for those children most in need, while at the same time, easing some of the more restrictive features of the program to permit States and local

education agencies more flexibility in operating these programs. Greater emphasis has also been placed on the importance of parent advisory councils.

My school districts will be pleased to see some efforts underway to reduce the amount of Federal paperwork burdens demanded by these programs. The changes in the application procedures for LEA's should help to reduce some paperwork requirements by eliminating the redundant annual reporting. Strengthening the ability of the National Center for Education Statistics to regulate the control of paperwork and review data requests for redundancy among these programs will also be beneficial toward this end.

The Education Amendments of 1978 also attempts to simplify Federal education programs by clarifying their requirements and improving coordination between the large number of programs that exist. These improvements should result in easing the administrative complexities and improving the programs, as well.

Finally, the bill revises the bilingual program and increases funds for research to develop an effective program emphasizing the learning of English; provides funds to States to develop competency standards; improves the right to read program to include greater attention on reading and mathematics; increases funding for consumer education; and upgrades the gifted and talented and women's educational equity programs

H.R. 15 substantially increases the authorization levels in the bill to $10.3 billion in fiscal year 1979, $11.4 billion in fiscal year 1980, $12.1 billion in fiscal year 1981 and $12.9 billion in fiscal year 1982. Between fiscal years 1979 and 1982, the total authorization levels will increase by 25.6 percent as estimated by CBO. These figures clearly represent the Federal Government's continuing support for education.

I have always opposed impact aid and will continue to do. The local counties of Fairfax and Montgomery are two of the most horrible examples of the inequity of impact aid. They are among the richest, LEA's, if they are not the richest, in the country. But they are also among the heaviest beneficiaries of impact aid in the country. Category B of impact aid is one of our largest pork barrels. If that money could be spread on on a per pupil basis over the whole country, we would get a lot more education for our money.

The record of accomplishment under title I of ESEA has been encouraging, as reported by the National Institute of Education in a comprehensive study released last September. Funds have been directed toward areas with highest proportion of low-income children, and dramatic improvements in student achievement have been observed in many instances, particularly in reading and mathematical skills.

The bill is not perfect, but it represents a big improvement over the present law. I shall vote for a number of amendments I think will improve the bill, but in summary, I support the bill and urge my colleagues to join me in casting a favorable vote.●

● Mr. OBERSTAR. Mr. Chairman, I rise in support of H.R. 15, the 5-year extension of the Elementary and Secondary Education Act (ESEA). The act was originally passed in 1965 when Congress recognized that large numbers of American children in low-income areas were not receiving an adequate education. Normal student progress was hindered by adverse economic conditions and poor educational opportunities. The need for substantial Federal assistance was overwhelming in 1965. It still is today.

Title I of ESEA has become the largest Federal program for elementary and secondary education. It is perhaps the most important piece of educational legislation ever enacted by Congress. It currently provides almost $2 billion for compensatory education programs in some 14,000 local educational agencies and 240 Bureau of Indian Affairs schools. Nine out of every 10 school districts in the United States receive financial assistance for their title I students.

The title I students are the children who traditionally receive low grades in school. They are the pushouts, the fadeouts, the dropouts, and are probably a year or more below grade level. Testing is feared, or even hated, by these students. School atendance has been habitually poor. Title I of ESEA is intended to reach out to these students and give them the extra help needed to "make it" in the school environment.

I am especially proud of Minnesota's record in relation to ESEA. Ninety-nine percent of the eligible school districts in the State have been funded with title I money. Almost 54,000 public school children and close to 7,000 nonpublic schoolchildren have benefited from this program in Minnesota alone. Primary emphasis was placed on improving reading and mathematics.

This allocation of moneys has produced tangible educational results. For example, Minnesota school districts have found that schools located in low-income areas enroll the largest numbers of educationally disadvantaged children. The disadvantaged student who is not in a title I activity may be expected to make half a year's progress, on standard measures of achievement, for each year in the regular curriculum. Students receiving title I help average slightly more than a year's progress in a year of school.

A study by the National Institute of Education (NIE) has demonstrated this program is cost effective.

About 75 percent of title I money is used for special instruction. Each student receives an average of slightly more than an hour per day of special instruction under this program. Approximately 5 percent is used for parent activities, libraries, health services, counseling, and so forth, while the remaining 20 percent is earmarked for additional salaries, equipment, maintenance, and capital outlays.

Due to insufficient appropriations in the past, potential benefits under title I have been lost. Presently, only 50 school districts in Minnesota (11 percent) are able to offer compensatory assistance to students beyond the fourth grade. The measure before us expands these programs to meet the needs of students in other age brackets as well.

Although title I funds the most extensive ESEA program, there are other ESEA programs. Programs for gifted and talented students, community education, biomedical enrichment, bilingual education, impact aid, Indian education, and adult education are among those that will receive substantial funding.

I commend my colleagues on the Education and Labor Committee, and especially the ranking minority member and fellow Minnesotan, AL QUIE, for their diligent and hard work in championing the cause of equal education regardless of one cultural, social, or economic background.●

● Mr. LEGGETT. Mr. Chairman, adequate funding of public education in the United States is an issue of absolutely critical importance. These are difficult times for school districts throughout the country—bond issues are failing, property tax revenues are threatened in several States, and inflation has cut deeply into already strained school budgets. In my home State of California, the effects of proposition 13 cast a spectre across school programs. It is a sad fact of our time that today, when schools are being asked to do more and more, they are continuously threatened by financial disaster.

No one should doubt that this Congress stands firm in its commitment to elementary and secondary education, and no one should doubt that this Congress is committed to a strong and effective program of impact aid assistance to any district whose local tax base is adversely affected by Federal programs.

Today, I wish to specifically address the amendments proposed to the impact aid provisions of Public Law 81–874 and Public Law 81–815. In its consideration of H.R. 15, the Committee on Education and Labor held 75 days of hearings; the most extensive set of hearings ever held on an elementary and secondary education program. Their amendments on the impact aid program have been meticulously developed and proposed. I support these committee recommendations fully, and urge my colleagues to do the same.

The original assumptions behind the impact aid program are as valid today as when the program began in 1950. At that time it was believed that Federal Government activities place a financial burden on school districts by reducing local tax revenues and by causing increases in the number of children to be educated. These problems still exist today.

There is no question that the impact aid program has mushroomed since 1951. In fiscal year 1951, it had a budget of $29 million; today it has a budget of $770 million. If H.R. 15 is adopted as it stands, the impact aid program is projected to cost $950 million in fiscal year 1979, $1,678 million by fiscal year 1982, and eventually rise to $1,900 million by fiscal year 1983. The Appropriations Committee has approved 856.4 million for fiscal year 1979.

The rise in costs has been in direct response to an increase in qualified students as well as an expansion of services

rendered. Impact aid now directly helps over 2,460,000 children in greater than 4,300 school districts.

I want my colleagues to understand that I believe the entire impact aid program needs reanalysis and reform. It is clearly on the verge of becoming out of hand, and changes must be made. I would welcome any proposal that provides alternate methods of aiding impacted areas. The National Education Association's plan of establishing joint Federal, State, and local funding for education is but one of several alternatives to H.R. 15 that deserves future study.

At the present time, however, it is an absolute necessity that this Congress continues adequate funding of impact aid. Wherever the Federal Government has placed a strain on already stretched local school budgets, it is mandatory that we provide assistance. We cannot cut the financial strength of these districts. Until a better overall program of Federal assistance to school districts is placed before this House, I will continue to support the committee's plan for impact aid.

The impact aid program today is a complex program. It distinguishes between category "A" children whose parents live and work on Federal property, and category "B" children whose parents work in Federal programs but live in non-Government residence. Currently "A" students are fully funded while "B" students are funded at a lower rate. A complicated 32-step procedure is used to determine entitlements and payments.

The committee bill before us today is in direct response to the Ford and Carter administrations proposed reductions in impact aid. If administration proposal cuts were accepted, there can be only two outcomes. Either local taxes will have to be increased to make up for reduced impact aid, or school districts will be forced to cut back on previously funded programs. Both of these alternatives are equally disturbing.

The HEW proposed budget for fiscal year 1979 would do a number of unacceptable things. It would cut $76 million out of programs that currently are funded. It would continue to place absorption provisions on local districts, therefore forcing them to take some "impacted" students without any compensation. The HEW proposal would eliminate impact aid to certain groups of category "B" students. The entire HEW program will provide between $220 million to $350 million less funding than H.R. 15. These provisions were found to be unacceptable by the committee. These cuts would seriously damage the ability of school districts throughout the country to function adequately.

The committee's amendments incorporated in H.R. 15 will significantly reform the Elementary and Secondary Education Act and correct problems created by 1974 changes in the original laws. The 1974 changes reduced the entitlements and payments to over 200,000 category "B" students. It totally eliminated payments to over 100,000 additional "B" students. These reductions applied to pupils whose parents lived in one State or county and worked in Federal projects in different States or counties. It is critical that we remedy this policy of penalizing certain districts. By penalizing the districts, we penalize the children. All "B" children should receive the same entitlements. In all cases, Federal property attracts federally connected children. These districts must be compensated.

The committee amendments will also increase funding to districts defined as heavily impacted. Heavily impacted areas face special problems from losses of local tax revenues. Currently, entitlements provide approximately only one-fourth of the cost of educating a child. We cannot hope to provide full funding; but every effort must be made to offer as much assistance as possible. Impact aid is not a grant but an entitlement in the fullest sense. Heavily impacted districts must be heavily compensated.

Other special school districts needs will also be better met by the adopting of H.R. 15. Presently Public Law 874 gives 150 percent of normal entitlements to handicapped "A" and "B" students. The 150-percent figure is unrealistic and inflexible. It by no means covers the cost of education for a handicapped child.

The committee proposal will provide for the full funding of the entire cost of educating handicapped children. The bill will give the Federal Government a great deal of administrative latitude in determining the amount of assistance provided, but as the costs of educating handicapped children vary greatly from State to State this is the only rational way to operate this program. Although I generally oppose giving any agency such great flexibility, in this unique case there is no other way. We have mandated that handicapped children are to be granted a full education and, therefore, must cover the costs that arise. The committee's recommendation for full funding should be adopted.

School districts that draw large numbers of children from low income and public housing areas also face special problems. Currently, some funds are given local districts to compensate for families that do not pay property taxes, thus creating a burden on local communities. In 1976, impact aid to these districts cost over $78 million and applied to over 662,000 students. There are problems, however, in the way these funds are administered. Districts are currently tightly restricted in how these funds can be spent. The administrative problems are so great that $15 million in available funds were not even applied for. The committee amendment removes restrictions on the use of these funds and will compensate the district more completely.

Reforms are needed in additional areas as well as those noted above. H.R. 15 will provide greater funding for the 148 special "section 6" schools that currently serve 38,000 students. The bill before us will free money for the rehabilitation and construction needs of these schools.

Another area of H.R. 15 reform will remove the absorption provisions currently damaging local school districts. Districts are currently forced to take a certain percentage of "B" students before any aid is supplied. The argument to support this policy is that districts that are only minimally impacted truly do not need Federal aid. This is a fallacious argument. If a district has one impacted student that is not receiving an entitlement for, it is being placed under a financial burden.

The absorption policy hurts in other ways. It penalizes small school districts with relatively fewer impacted students. The 1974 amendment providing for absorption is so unclear in its language that it can be interpreted in numerous contradictory ways. There are administrative problems connected with the absorption program in that districts often are unable to definitely know whether or not they will qualify for impact aid. Simply said, the absorption program creates unnecessary problems for school districts throughout the country. As the committee recommended, the absorption provisions should be immediately repealed.

Finally, H.R. 15 will reform numerous smaller, though important, provisions of Public Law 854 and Public Law 815. Accounting provisions for the computation of average daily attendance will be simplified with a reduction in administrative work. Pinpoint disaster aid will be made more broadly available.

Also, impact aid funding payments will be accelerated to provide districts the funds in time for them to be properly utilized. A common complaint of the impact aid program is that the payments arrive too late, often not until after the school year for which they have been authorized. School districts throughout the land cannot operate under an unclear budget system where they do not have knowledge of what funds they have available. In California, there are severe restrictions on the ability of school districts to borrow funds to carry them over in times of need. Timing is absolutely critical in the disbursement of impact aid. The committee's recommendations will greatly alleviate this problem.

Mr. Chairman, the U.S. Government must continue to provide a program of school assistance to federally effected areas. H.R. 15 will retain the basic features of a sound impact aid program. But, it is not a perfect bill. In increases Government spending at a time when we all are extremely concerned with holding down the spending of Government at all levels. The impact and provisions of H.R. 15, however, as it is written, deserves our support. The provisions it contains for aid to heavily impacted districts, that deal with handicapped children and children from low-income housing, and other provisions of this bill all demand approval.

It is, of course, impossible to perfectly compute the economic burden and benefits Federal installations pose for local school districts. We cannot determine what a community would be like if a Federal program did not exist. But we must attempt to provide assistance to school budgets strained by Federal activities within the district boundaries. School taxes are derived from both places of employment and places of residence. Category "A" students and category "B" students place demands upon a local school district that need to be met. It is

the Federal Government's responsibility to help rectify any problems that the presence of a Federal facility helps to create.

As I stated earlier, I would greatly prefer a system of broad Federal support to elementary and secondary education with some special consideration given to impacted school districts. The impact aid program cannot grow and grow forever. It is already a mammoth program asked to do many things. Until, however, a better program is developed and presented to this House, I will continue to support the impact aid program. The original justification for the program is valid today. Education is indeed expensive, but more importantly, it is priceless.

I urge my colleagues to adopt the impact aid provisions of H.R. 15 without amendment.●

● Mr. HARRIS. Mr. Chairman, I am pleased to support H.R. 15 today which continues many of the current elementary and secondary education programs.

I am particularly pleased with the changes made by the Committee on Education and Labor in the impact aid (Public Law 874) program. The committee has returned equity to the program by making eligible for funds all school children in areas affected by Federal activity.

In 1974, before I came to Congress, children whose parents live in one area, but work on Federal property in another State were eliminated from the program And children whose parents work out of the country in which they live had their payments reduced. I believe that both of these actions were unjust and were essentially responding to unfounded political charges. They failed to address the underlying purpose and concept of the program. The committee has noted that nationally, this action meant that approximately 200,000 out-of-country children had their payments cut and 100,000 out-of-State children were no longer eligible. The Office of Education says that these changes affected several thousand districts. I understand, too, that the U.S. Office of Education testified before the committee that these changes have resulted in more complicated computations and delays in processing applications in a program that was already plagued with administrative delays.

"REFORMS" DISGUISED AS REDUCTIONS

In recent years, there have been several efforts to "reform" the impact aid program, but these were really reductions paraded as "reforms." In 1977, when a draft bill was floated, 75 of my House colleagues joined me in writing HEW Secretary Califano on December 6 urging the administration to keep in mind the basic principle of the program: That all Federal activity of whatever degree impacts on local school systems by reducing local tax revenues for schools and by adding children to school enrollments. Fortunately, when the 1979 budget came to Congress, these "reforms" had been toned down, yet the recommendations still undermined certain parts of the program.

There is almost a ritual that occurs with this program every year. For example, in 1977 the Ford-Carter budgets proposed cutting funds almost in half. At that time I sent a letter signed by 100 of the Members of the House urging rejection of this cut. We were successful.

HEARINGS IN VIRGINIA—A "FIRST"

In March of this year, the Elementary and Secondary Education Subcommittee agreed to my request to hold hearings on impact aid revisions in northern Virginia. This was a historic first. After this long string of attacks over the years on Washington suburban school districts, the committee went out to the people who know the schools and know the program best. Parents, teachers, school officials, and civic leaders told the committee directly how the program is meritorious and needed. They pointed out the complexities of the impact of the Federal Government on our schools. For example, one teacher pointed out that in Fairfax County 63 languages are spoken, reflecting the large international community in our area. They showed that in northern Virginia there is a tax loss of at least $18.6 million from tax-exempt Federal property. They explained that impact aid is necessary to help pay ever-rising utility bills and other escalating costs our schools are facing.

I would like today to make several key points.

A SOUND, FINELY TUNED PROGRAM

First, I believe that impact aid is an excellent vehicle for providing funds to school districts that lose local property taxes, because of tax-exempt Federal properties. School district taxing authority in most areas is heavily dependent on residential and commercial-industrial property taxation, with the result that tax-exempt Federal property can cause economic hardships for many school districts. The program is structured in a way so as to fit into our total system of school finance. Quite simply, it does not dump financial bonanzas into school districts; it is not a windfall. The program is a finely tuned funding instrument that parallels our school financing system. The formula reflects degrees of Federal impact by measuring the degree of Federal connection a student has and by measuring the local tax effort.

A UNIQUE GENERAL AID PROGRAM

Second, impact aid is an entitlement program providing general school aid as compensation for burdens imposed on school districts due to the Federal presence. It is not a categorical or special purpose program like most other Federal education programs. Thus, impact aid funds go into school operating budgets. These funds pay for salaries, utility bills, and supplies. As part of the general school budget, they have been a mainstay for 28 years that 4,300 school districts expect to and are planning to receive.

Inflation is eating away at school budgets. Last year when I testified before the Labor-HEW Appropriations Subcommittee, I presented some figures showing energy cost increases faced by school systems. For example, fuel oil went up 93 percent from 1972 to 1975; FEA has told me that in 1977–78, there has been another 7 to 10 percent increase. The cost of natural gas, coal, electricity, and other fuels has risen likewise. The American Library Association has told me that the cost of children's library books has risen 45 percent since 1971. Food prices have risen 50 percent in the last 5 years. And of course wages, health insurance and retirement costs continue to escalate.

Compounding these unprecedented price hikes, schools are also struggling to comply with a number of State and Federal mandates, ranging from reducing class sizes to educating all handicapped children. One of the most frequent complaints I hear from school people runs something like this:

You, the federal and state governments, continue to mandate that we do this and do that; we cannot do it without the funds that go along with those mandates.

My point is that this program is unique because it can be used to pay these school bills. It is not targeted for a narrow purpose.

NO PROPERTY TAX INCREASE

An impact aid cut is a property tax increase, and the average family will not stand for it. Assessments are continuing to rise. In the Washington area, where food costs have risen 50 percent in the last 5 years and health care costs have escalated at a rate of 10 percent yearly, there just is not room for a property tax increase in the family budget. I do not think this Congress wants to be known as the one that taxed the American family out of their homes.

OUT-OF-COUNTY, OUT-OF-STATE B STUDENTS DESERVE JUSTICE TOO

Finally, I would like to comment on the controversy swirling around the out-of-county, out-of-State B students—those whose parents live in one jurisdiction, but work across a local or State line.

Impact aid compensates school districts for revenues lost, because of nontaxable places of employment and residences. The formula designates as an "A" child one whose parents either live or work on Federal property; this child is one behind whose education there is no local property tax. A "B" child, whose parents either live or work on Federal property, is one behind whose education there is only one-half the normal property tax.

Under the bill reported by the committee, for "B" out-of-country children, the amount is 45 percent of the amount of local dollars the school system commits per child, while the entitlement for "A" children is higher. The point is that degrees of impact are finely measured by the program's formula.

Allegations are made that funds for "A" children are justified, but funds for "B" children are not. But this argument ignores that half of a child's education is normally supported by property taxes on places of employment. One of the transparencies of this argument is that proponents of this line of thinking seem to be saying that the taxes lost, because the "A" child's parents are federally employed are important, but the taxes lost because the "B" child's parents are federally employed are not important.

WASHINGTON AREA SCHOOLS A SCAPEGOAT

Critics of impact aid have been pointing a finger at the school systems around

the Nation's Capital for many years and charging that they are "wealthy" communities that do not need the money. There have been accusations of "pork barreling." What this argument ignores is why these funds go to these districts. These districts receive funds, because the school are heavily impacted by children of Federal employees, by the large amounts of Federal property taken off the local tax rolls, and importantly, because citizens have carried the burden of financing their schools. For example, the cost of educating a student in 1978 in Fairfax County was $1,824, with $1,123—or 62 percent—of that amount coming from local taxes and $701 from all other sources of funding. Since the "local contribution rate" per child and the number of federally connected children are part of the funding program, these areas do receive an amount of impact aid funds. Ironically, then, these critics through these charges are penalizing local citizens for paying dearly out of their pockets for their children's education.

Impact aid has been in existence for 27 years and has been signed into law by Presidents Eisenhower, Kennedy, Johnson, Nixon, and Ford. I believe the program survives time and time again, because it is basically sound—not because it is politically popular with a few wheeler-dealer Congressmen whose districts stand to gain. It is truly time to stop kicking this program around. I urge my colleagues to join me in supporting impact aid as improved and reported by the committee and to reject all weakening amendments.●

● Mr. BINGHAM. Mr. Chairman, the House is now considering H.R. 15, the Education Amendments of 1978. This bill would extend for 5 years with amendments a number of programs which comprise the major portion of Federal aid to our Nation's elementary and secondary schools.

Extensive work has gone into this bill. The Subcommittee on Elementary, Secondary, and Vocational Education, under the expert guidance and leadership of our distinguished colleague, CARL PERKINS, held 75 days of hearings on programs contained in H.R. 15. This is the most extensive series of hearings ever conducted by the Congress on Federal aid to elementary and secondary education. Some 300 witnesses offered oral and written testimony during these hearings.

The subcommittee met for 6 days of markup sessions on this bill, and the full committee met in markup for 2 days. H.R. 15 was reported from the full committee by a vote of 36 to 0.

The final product of the Committee on Education and Labor is worthy of the full support of the House.

H.R. 15 has three basic features: First, it retains the approach which has characterized Federal aid to education since its inception—categorical programs for specific groups and purposes as opposed to unrestricted block grants; second, within this framework H.R. 15 attempts to simplify Federal education programs to make their requirements more understandable, to clarify administrative responsibility at every level, to effect better coordination between the large number of programs that exist, and to cut down greatly on the paperwork involved; and third, several new initiatives and expansions of existing programs are incorporated into H.R. 15 to meet needs which are not being adequately addressed in current law and which are expected to take on greater importance in future years.

Title I of the Elementary and Secondary Education Act is the most important contribution of Federal aid to our Nation's elementary and secondary schools. This bill authorizes $6,295 million in fiscal year 1979 for title I to provide financial assistance to State and local educational agencies for compensatory education for educationally deprived children in low-income areas. Ninety percent of the school districts in this country participate in title I. Approximately 5.9 million children receive title I services.

The essential purposes of title I are to direct substantial amounts of Federal aid to districts experiencing difficulty in funding adequate educational programs due to concentrations of low-income families and to provide specific services to eligible children to supplement their basic education.

Some have questioned whether title I programs have been effective. Congress directed the National Institute of Education (NIE) to conduct a study to find out the answer to this question. NIE concluded that the title I program is, indeed, making an important contribution to the educational experiences of disadvantaged children.

Unfortunately, under the Education Amendments of 1974, Public Law 93-380, the formula for determining the allocation of title I funds worked to the disadvantage of the Northeast. New York City specifically lost over $120 million under this unfair formula. The current formula divides children eligible to receive aid into three categories: Those aged 5 through 17 who come from families with incomes below the Federal poverty line, two-thirds of the children from families receiving AFDC payments that are above the poverty line, and children not counted under the other two categories who live in institutions for delinquent or neglected children and who are educated by the local school districts. To determine the payment rate, the total number of eligible children in a State is multiplied by 40 percent of the State average per pupil expenditure. The maximum per pupil expenditure is 120 percent of the national average per pupil cost; the minimum is 80 percent of the national average.

H.R. 15 provides, among other things, that the current formula will be used for grants up to the level of fiscal year 1979 appropriations except that all AFDC children above the poverty line will be counted. Further, the 1976 survey of income education (SIE), instead of the 1970 census, will be used as the population estimate, and 50 percent of national median income, instead of the current Orshansky poverty index, which does not take into consideration regional differences in cost of living, will be used as the poverty definition for grants in excess of the fiscal year 1979 appropriation level.

H.R. 15 also reauthorizes the funding of the bilingual education programs through fiscal year 1983. It amends the program to change the definition of eligibility for the program from children with limited English-speaking ability to children with limited English language skills. This would include children unable to read, write, or understand English at the level appropriate for their age and grade level. H.R. 15 also strengthens the existing requirement that private schoolchildren participate in the program. It increases the authorization level for research and evaluation of bilingual teaching and instructional techniques from $5 million a year to $20 million a year and strengthens the provisions in present law requiring parental involvement in the bilingual program.

These provisions are constructive and fair and will serve to enhance the quality of the bilingual education programs.

H.R. 15 also extends the authorization of the Emergency School Aid Act (ESAA) through fiscal year 1983. ESAA was enacted in 1972 to aid school districts that are desegregating or have high concentrations of minority students. Funds under the program are used to meet specific expenses associated with desegregation, to encourage voluntary integration, and to help children overcome the educational disadvantages of minority group isolation.

In addition to extending ESAA, H.R. 15 amends the program to include the following important provisions: Authorizes 1 Federal dollar for every $2 a State spends to encourage voluntary integration; allows districts to submit applications for grants of up to 3 years, instead of only 1-year grants, to reduce paperwork and help local districts plan ahead; and revises the list of activities authorized under the act to place the greatest emphasis upon those directly related to desegregation activities.

This bill also reauthorizes the impact aid program, which provides financial assistance to school districts affected by Federal activities, and extends the Indian Education and Adult Education Acts. Under title VI, miscellaneous programs, provisions are made for programs such as reading and mathematics improvement, the Special Projects Act, under which the Commissioner of Education can carry out projects to experiment with new educational methods, a program for gifted and talented children, the Women's Educational Equity Act, biomedical enrichment, and ethnic heritage studies.

H.R. 15, the Education Amendments of 1978, touches upon almost every aspect of elementary and secondary education in our country. Much hard work has gone into this bill, and the final product is both comprehensive and fair. It is a truism that in education lies the key to the opportunity for a brighter future for our citizens. H.R. 15 seeks to meet the needs of millions of our children and adults who have particular educational needs, and who could benefit simply from being given the kind of opportunity H.R. 15 has the potential to offer. I strongly

support this bill and I urge my colleagues to do so.●

Mr. PERKINS. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. QUIE. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. All time has expired. Pursuant to the rule, the Clerk will now read by titles the committee amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

H.R. 15

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Education Amendments of 1978".

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AMENDMENT

SEC. 101. Title I of the Act entitled "An Act to strengthen and improve educational quality and educational opportunities in the Nation's elementary and secondary schools", approved April 11, 1965, as amended (Public Law 89-10), is amended to read as follows:

"TITLE I—FINANCIAL ASSISTANCE TO MEET SPECIAL EDUCATIONAL NEEDS OF CHILDREN

"DECLARATION OF POLICY

"SECTION 1. In recognition of the special educational needs of children of low-income families and the impact that concentrations of low-income families have on the ability of local educational agencies to support adequate educational programs, the Congress hereby declares it to be the policy of the United States to provide financial assistance (as set forth in the following parts of this title) to local educational agencies serving areas with concentrations of children from low-income families to expand and improve their educational programs by various means (including preschool programs) which contribute particularly to meeting the special educational needs of educationally deprived children. Further, in recogniton of the special educational needs of children of certain migrant parents, of Indian children and of handicapped, neglected, and delinquent children, the Congress hereby declares it to be the policy of the United States to provide financial assistance (as set forth in the following parts of this title) to help meet the special educational needs of such children.

"DURATION OF ASSISTANCE

"SEC. 2. During the period beginning October 1, 1978, and ending September 30, 1983, the Commissioner shall, in accordance with the provisions of this title, make payments to State educational agencies for grants made on the basis of entitlements created under this title.

"PART A—PROGRAMS OPERATED BY LOCAL EDUCATIONAL AGENCIES

"Subpart 1—Basic Grants

"GRANTS—AMOUNT AND ELIGIBILITY

"SEC. 11. (a) AMOUNT OF GRANTS.—(1) There is authorized to be appropriated for each fiscal year for the purpose of this paragraph 1 per centum of the amount appropriated for such year for payments to States under part E (other than payments under such part to jurisdictions excluded from the term 'State' by this subsection, and payments pursuant to section 81), and there is authorized to be appropriated such additional sums as will assure at least the same level of funding under this title as in fiscal year 1976 for Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and to the Secretary of the Interior for payments pursuant to paragraphs (1) and (2) of subsection (d). The amount appropriated pursuant to this paragraph shall be allotted by the Commissioner (A) among Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands according to their respective need for grants under this part, and (B) to the Secretary of the Interior in the amount necessary (i) to make payments pursuant to paragraph (1) of subsection (d), and (ii) to make payments pursuant to paragraph (2) of subsection (d). The grant which a local educational agency in Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands is eligible to receive shall be determined pursuant to such criteria as the Commissioner determines will best carry out the purpose of this title.

"(2)(A) In any case in which the Commissioner determines that satisfactory data for that purpose are available, the grant which a local educational agency in a State is eligible to receive under this subpart for a fiscal year shall (except as provided in paragraph (3)) be determined by multiplying the number of children counted under subsection (c) by 40 per centum of the amount determined under the next sentence. The amount determined under this sentence shall be the average per pupil expenditure in the State except that (i) if the average per pupil expenditure in the State is less than 80 per centum of the average per pupil expenditure in the United States, such amount shall be 80 per centum of the average per pupil expenditure in the United States, or (ii) if the average per pupil expenditure in the State is more than 120 per centum of the average per pupil expenditure in the United States, such amount shall be 120 per centum of the average per pupil expenditure in the United States.

"(B) In any case in which such data are not available, subject to paragraph (3), the grant for any local educational agency in a State shall be determined on the basis of the aggregate amount of such grants for all such agencies in the county or counties in which the school district of the particular agency is located, which aggregate amount shall be equal to the aggregate amount determined under subparagraph (A) for such county or counties, and shall be allocated among those agencies upon such equitable basis as may be determined by the State educational agency in accordance with the basic criteria prescribed by the Commissioner.

"(C) In States in which a large number of local educational agencies are located in more than one county, the State educational agency may apply to the Commissioner for authority during any particular fiscal year to make the allocations under this subpart directly to local educational agencies without regard to the counties in which they exist. If the Commissioner grants this authority to a State educational agency for a particular year, the agency must agree that these allocations will be made using precisely the same factors for determining grants as those which are used under this subpart and that a procedure will be established through which local educational agencies dissatisfied with the determinations made by the agency may appeal directly to the Commissioner for a final determination.

"(3)(A) Upon determination by the State educational agency that a local educational agency in the State is unable or unwilling to provide for the special educational needs of children described in subsection (c)(1)(C) who are living in institutions for neglected or delinquent children, the State educational agency shall, if it assumes responsibility for the special educational needs of such children, be eligible to receive the portion of the allocation to such local educational agency which is attributable to such neglected or delinquent children, but if the State educa-

tional agency does not assume such responsibility, any other State or local public agency, as determined by regulations established by the Commissioner, which does assume such responsibility shall be eligible to receive such portion of the allocation.

"(B) In the case of local educational agencies which serve in whole or in part the same geographical area, and in the case of a local educational agency which provides free public education for a substantial number of children who reside in the school district of another local educational agency, the State educational agency may allocate the amount of the grants for those agencies among them in such manner as it determines will best carry out the purposes of this title.

"(C) For each fiscal year, the Commissioner shall determine the percentage which the average per pupil expenditure in Puerto Rico is of the lowest average per pupil expenditure of any of the fifty States. The grant which Puerto Rico shall be eligible to receive under this subpart for a fiscal year shall be the amount arrived at by multiplying the number of children counted under subsection (c) for Puerto Rico by the product of—

"(i) the percentage determined under the preceding sentence, and

"(ii) 32 per centum of the average per pupil expenditure in the United States.

"(D)(i) From any amount made available for this subpart for any fiscal year in excess of the amount made available for this subpart for the fiscal year ending September 30, 1979, there shall be alloted to each State an amount which bears the same ratio to such excess as the product of—

"(I) the number of children in such State aged five to seventeen, inclusive, from families below 50 per centum of the median national income for four-person families from the 1975 survey of income and education conducted by the Bureau of the Census, multiplied by—

"(II) 40 per centum of the amount determined under the second sentence of paragraph (2)(A) (or 40 per centum of the product determined under subparapraph (C)(i) and (ii) of this paragraph in the case of Puerto Rico),

bears to the sum of such products for all the States.

"(ii) In any case in which the Commissioner finds that a State's percentage decrease in children described in subdivision (I) exceeds 25 per centum between the 1970 decennial census, as adjusted, and the 1975 survey of income and education, the Commissioner shall allocate funds based on the most current valid data available or based on a resurvey of the affected State by the Bureau of the Census.

"(iii) From the amount allotted to each State under division (i), the amount which each local educational agency in that State shall be eligible to receive under this subparagraph shall be an amount which bears the same ratio to the total amount allotted to such State as the amount such local educational agency receives under paragraph (2) bears to the total amount of funds made available to local educational agencies in such State under such paragraph.

"(4) For purposes of this subsection, the term 'State' does not include Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

"(b) MINIMUM NUMBER OF CHILDREN TO QUALIFY.—A local educational agency shall be eligible for a basic grant for a fiscal year under this subpart only if it meets the following requirements with respect to the number of children counted under subsection (c):

"(1) In any case (except as provided in paragraph (3)) in which the Commissioner determines that satisfactory data for the purpose of this subsection as to the number of such children are available on a school district basis, the number of such children in the school district of such local educational agency shall be at least ten.

"(2) In any other case, except as provided in paragraph (3), the number of such children in the county which includes such local educational agency's school district shall be at least ten.

"(3) In any case in which a county includes a part of the school district of the local educational agency concerned and the Commissioner has not determined that satisfactory data for the purpose of this subsection are available on a school district basis for all the local educational agencies for all the counties into which the school district of the local educational agency concerned extends, the eligibility requirement with respect to the number of such children for such local educational agency shall be determined in accordance with regulations prescribed by the Commissioner for the purposes of this subsection.

"(c) CHILDREN TO BE COUNTED.—(1) The number of children to be counted for purposes of this section, other than for subsection (a)(3)(D), is the aggregate of (A) the number of children aged five to seventeen, inclusive, in the school district of the local educational agency from families below the poverty level as determined under paragraph (2)(A), (B) the number of children aged five to seventeen, inclusive, in the school district of such agency from families above the poverty level as determined under paragraph (2)(B), except that, for the fiscal year ending September 30, 1979, such number shall be reduced by one-third, and (C) the number of children aged five to seventeen, inclusive, in the school district of such agency living in institutions for neglected or delinquent children (other than such institutions operated by the United States) but not counted pursuant to subpart 3 of part B for the purposes of a grant to a State agency, or being supported in foster homes with public funds.

"(2)(A) For the purposes of this subsection, the Commissioner shall determine the number of children aged five to seventeen, inclusive, from families below the poverty level on the basis of the most recent satisfactory data available from the Department of Commerce for local educational agencies (or, if such data are not available for such agencies, for counties); and in determining the families which are below the poverty level, the Commissioner shall utilize the criteria of poverty used by the Bureau of the Census in compiling the 1970 decennial census.

"(B) For purposes of this subsection, the Secretary shall determine the number of children aged five to seventeen, inclusive, from families above the poverty level on the basis of the number of such children from families receiving an annual income in excess of the current criteria of poverty, from payments under the program of aid to families with dependent children under a State plan approved under title IV of the Social Security Act; and in making such determinations the Secretary shall utilize the criteria of poverty used by the Bureau of the Census in compiling the 1970 decennial census for a nonfarm family of four in such form as those criteria have been updated by increases in the Consumer Price Index. The Secretary shall determine the number of such children and the number of children of such ages living in institutions for neglected or delinquent children, or being supported in foster homes with public funds, on the basis of the caseload data for the month of October of the preceding year (using, in the case of children described in the preceding sentence, the criteria of poverty and the form of such criteria required by such sentence which were determined for the calendar year preceding such month of October) or, to the extent that such data are not available to him before January of the calendar year in which the Secretary's determination is made, then on the basis of the most recent reliable data available to him at time of such determination.

"(C) When requested by the Commissioner, the Secretary of Commerce shall make a special estimate of the number of children of such ages who are from families below the poverty level (as determined under paragraph (A) of this subsection) in each county or school district, and the Commissioner is authorized to pay (either in advance or by way of reimbursement) the Secretary of Commerce the cost of making this special estimate. The Secretary of Commerce shall give consideration to any request of the chief executive of a State for the collection of additional census information. For purposes of this section, the Secretary shall consider all children who are in correctional institutions to be living in institutions for delinquent children.

"(d) PROGRAM FOR INDIAN CHILDREN.—(1) From the amount allotted for payments to the Secretary of the Interior under clause (B)(i) in the second sentence of subsection (a)(1), the Secretary of the Interior shall make payments to local educational agencies, upon such terms as the Commissioner determines will best carry out the purposes of this title, with respect to out-of-State Indian children in the elementary and secondary schools of such agencies under special contracts with the Department of the Interior. The amount of such payment may not exceed, for each such child, 40 per centum of (A) the average per pupil expenditure in the State in which the agency is located or (B) 120 per centum of such expenditure in the United States, whichever is the greater.

"(2) The amount allotted for payments to the Secretary of the Interior under clause (B)(ii) in the second sentence of subsection (a)(1) for any fiscal year shall be, as determined pursuant to criteria established by the Commissioner, the amount necessary to meet the special educational needs of educationally deprived Indian children on reservations serviced by elementary and secondary schools operated for Indian children by the Department of the Interior. Such payment shall be made pursuant to an agreement between the Commissioner and the Secretary of the Interior containing such assurances and terms as the Commissioner determines will best achieve the purposes of this title. Such agreement shall contain (A) an assurance that payments made pursuant to this subparagraph will be used solely for programs and projects approved by the Secretary of the Interior which meet the applicable requirements of subpart 3 of this part and that the Department of the Interior will comply in all other respects with the requirements of this title, and (B) provision for carrying out the applicable provisions of subpart 3 of this part and sections 121 and 122.

"TREATMENT OF EARNINGS FOR PURPOSES OF AID TO FAMILIES WITH DEPENDENT CHILDREN

"SEC. 12. Notwithstanding the provisions of title IV of the Social Security Act, a State plan approved under section 402 of such Act shall provide that for a period of not less than twelve months, and may provide that for a period of not more than twenty-four months, the first $85 earned by any person in any month for services rendered to any program assisted under this title shall not be regarded (1) in determining the need of such person under such approved State plan or (2) in determining the need for any other individual under such approved State plan.

"Subpart 2—Special Grants

"INCENTIVE GRANTS

"SEC. 21. (a) ELIGIBILITY.—Each local educational agency which is eligible to receive

a grant under this title for any fiscal year shall be entitled to an additional grant under this section for that fiscal year if it is located in a State which has in effect for that fiscal year a State program for educationally deprived children which meets the requirements of section 41(b) and under which not less than 50 per centum of the funds expended for such program in any school district of any local educational agency in the State in the fiscal year preceding any fiscal year in which the State receives a payment under this section are expended in school attendance areas of such local educational agencies having high concentrations of children who are from low-income families.

"(b) AMOUNT OF GRANTS.—(1) Except as provided in paragraph (3), the aggregate amount to which the local educational agencies in a State are entitled under this section for any fiscal year shall be 50 per centum of the amount of State funds expended, in the most recent fiscal year for which data are available, under a State program satisfying the requirements of subsection (a).

"(2) The amount of the additional grant for each local educational agency in a State under this section for any fiscal year shall bear the same ratio to the amount allocated to such State under subsection (c) of this section as the amount allocated to such local educational agency under section 11 of this title for such fiscal year bears to the aggregate amount allocated to all local educational agencies in the State under section 11 for such fiscal year.

"(3) The aggregate amount which the local educational agencies in a State shall be eligible to receive under this section for any fiscal year shall not exceed 10 per centum of the aggregate amount which all local educational agencies in such State are eligible to receive under section 11 of this title for such fiscal year.

"(4) Each State which desires to receive payments under this section shall develop a system for determining the data required by subsection (a) and paragraph (1) of this subsection relating to the amount of State funds expended under the State program referred to in such subsection or paragraph. The State shall submit to the Commissioner such information as the Commissioner may request concerning such system.

"(c) PAYMENTS; USE OF FUNDS.—(1) Except as provided in paragraph (3), the Commissioner shall pay to each State for each fiscal year the aggregate amount to which the local educational agencies in such State are entitled under subsection (b) after any ratable reductions under subsection (e).

"(2) The total amount to which the local educational agencies in a State are entitled under this section for any fiscal year shall be added to the amount paid to such State under section 141 for such year. From the amount paid to it under this subsection, the State shall distribute to each local educational agency of the State the amount of its additional grant as determined under subsection (b)(2).

"(3) Where the expenditures made by a State in accordance with subsection (a) in a fiscal year equal or exceed expenditures in the preceding fiscal year, the amount paid to such State under this section shall, subject to subsection (e), not be less than the amount paid to such State under this section in the preceding fiscal year, and the total of any increases required under this paragraph shall be derived by proportionately reducing the amount paid to States which were not entitled to a payment under this section in the preceding fiscal year, except that the amount paid to a State under this section for any fiscal year shall not exceed the maximum amount to which such State is entitled for such fiscal year under paragraph (1) of subsection (b).

"(4) The amount paid to a local educational agency under this part shall be used by such agency for activities undertaken pursuant to its application submitted under section 31 and shall be subject to all other requirements in subpart 3 of part A of this title.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for purposes of this section such sums as may be necessary for fiscal year ending September 30, 1980, and for the three succeeding fiscal years.

"(e) RATABLE REDUCTIONS.—If the sums appropriated pursuant to subsection (d) for a fiscal year are not sufficient to pay in full the total amounts which all local educational agencies are entitled to receive under this section, the amount to be paid such agencies shall be ratably reduced to the extent necessary to bring such payments within the limits of the amounts so appropriated. In case additional funds become available for making payments under this section for that year, such reduced amounts shall be increased on the same basis that they were reduced.

"GRANTS FOR LOCAL EDUCATIONAL AGENCIES LOCATED IN COUNTIES WITH ESPECIALLY HIGH CONCENTRATIONS OF CHILDREN FROM LOW-INCOME FAMILIES

"SEC. 22. (a) PURPOSE.—It is the purpose of this section to provide additional assistance to local educational agencies in counties wtih especially high concentrations of children from low-income families to enable local educational agencies in such counties to provide more effective prcgrams of instruction, especially in the basic skills of reading, writing, and mathematics, to meet the special educational needs of educationally deprived children.

"(b) ELIGIBILITY FOR AND AMOUNT OF SPECIAL GRANTS.—(1) Each county in a State other than Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, which is eligible for a grant under this title for any fiscal year shall be entitled to an additional grant under this section for such fiscal year if—

"(A) the number of children counted under section 11(c) for local educational agencies in such county for the preceding fiscal year exceeds five thousand, or

"(B) the number of children counted under section 11(c) exceeds 20 per centum of the total number of children aged five to seventeen, inclusive, in the school districts of local educational agencies in such county in such fiscal year.

"(2) For each county in which there are local educational agencies eligible to receive an additional grant under this section for any fiscal year the Commissioner shall determine the product of—

"(A) the number of children in excess of five thousand counted under section 11(c) for the preceding fiscal year or the number of children counted under such section in excess of 20 per centum of the total number of children aged five to seventeen, inclusive, in the school districts of local educational agencies in such county for such preceding fiscal year, whichever is greater, and

"(B) the average per pupil expenditure determined for those agencies under the second sentence of section 11(a)(2)(A) for the fiscal year for which the determination is being made.

"(3) The amount of the additional grant to which an eligible county is entitled under this section for any fiscal year shall be an amount which bears the same ratio to the amount appropriated under subsection (d) for such fiscal year as the product determined under paragraph (2) for such county for such fiscal year bears to the sum of such products for all counties in the United States for such fiscal year.

"(4) For the purposes of this section, the Commissioner shall determine the number of children counted under section 11(c) for any county, and the total number of children aged five to seventeen, inclusive, in school districts of local educational agencies in such county, on the basis of the most recent satisfactory data available at the time the entitlement of such county is determined under section 11.

"(5) Funds allocated to counties under this section shall be allocated by the State educational agency among the several local educational agencies whose school districts lie (in whole or in part) within the county on the basis of the current distribution in the county of children aged five to seventeen, inclusive, from low-income families (using a poverty level selected by the State educational agency consistent with the purposes of this title) as determined on the basis of the available data which such State educational agency deems best to reflect the current distribution in the county of children aged five to seventeen, inclusive, from low-income families.

"(c) PAYMENTS; USE OF FUNDS.—(1) The total amount to which the counties in a State are entitled under this section for any fiscal year shall be added to the amount paid to such State under section 141 for that year. From the amount paid to it under this section, the State shall distribute to local educational agencies in each county of the State the amount (if any) to which they are entitled under this section.

"(2) The amount paid to a local educational agency under this section shall be used by such agency for activities undertaken pursuant to its application submitted under section 31 and shall be subject to the other requirements in subpart 3 of this part.

"(d) APPROPRIATIONS.—There are authorized to be appropriated for the purposes of this section $400,000,000 for fiscal year 1979, and such sums as may be necessary for the four succeeding fiscal years.

"Subpart 3—Program Requirements and Applications

"APPLICATION

"SEC. 31. A local educational agency may receive a grant under this title for any fiscal year if it has on file with the State educational agency a current application, approved by the State educational agency, describing the programs and projects to be conducted with assistance provided under this title for a period of not to exceed three fiscal years, including the fiscal year for which the grant is to be made. Such an application may be amended at any time to describe changes in or additions to the activities originally set forth in the application. An application or amendment thereto shall be approved by the State educational agency upon its determination that the application provides for the use of such funds in a manner which meets the requirements of this subpart and is consistent with the assurances contained in the general application required by section 436 of the General Education Provisions Act, subject to such basic criteria as the Commissioner may prescribe.

"DESIGNATING SCHOOL ATTENDANCE AREAS

"SEC. 32. (a) GENERAL PROVISIONS.—(1) Except as provided in subsections (b), (c), (d), and (e) of this section, a local educational agency shall use funds received under this title in school attendance areas having high concentrations of children from low-income families (hereinafter referred to as 'eligible school attendance areas'), and where funds under this title are insufficient to provide programs and projects for all educationally deprived children in eligible school attendance areas, a local educational agency shall annually rank its eligible school attendance areas from highest to lowest, according to relative degree of concentration of children from low-income families. The

same measure of low-income, which shall be chosen by the local educational agency and which may be a composite of several indicators, shall be used with respect to all such areas, both to identify the areas having high concentrations of children from low-income families and to determine the ranking of each area. A local educational agency may carry on a program or project assisted under this title in an eligible school attendance area only if it also carries on such program or project in all other eligible school attendance areas which are ranked higher under the first sentence, except that any school attendance area in which at least 20 per centum of the children are from low-income families shall be designated as an eligible school attendance area.

"(2) Notwithstanding the provisions of paragraph (1), in the selection of eligible school attendance areas, a local educational agency may choose to rank all its school attendance areas as provided in paragraph (1) and also rank all its school attendance areas according to educational deprivation, and then serve all its school attendance areas ranked according to paragraph (1) in the order of their ranking under such paragraph unless another school attendance area ranked according to education deprivation has a substantially greater number or a substantially greater proportion of educationally deprived children, in which case such school attendance area may be served before service is provided to other school attendance areas ranged pursuant to paragraph (1) which have a substantially smaller number or substantially smaller percentage of educationally deprived children. In the event that a local educational agency chooses to exercise the option provided under this paragraph, it shall not serve any more school attendance areas than the number of identified pursuant to paragraph (1).

"(b) USE OF ENROLLMENT DATA IN CERTAIN SCHOOLS.—A local educational agency may use funds received under this title for educationally deprived children who are in a school of such agency which is not located in an eligible school attendance area, but at which the proportion of children in actual average daily attendance who are from low-income families is substantially the same as the proportion of such children in such an area of that agency (hereinafter referred to as an 'eligible school').

"(c) CONTINUATION OF ELIGIBILITY FOR CERTAIN SCHOOL ATTENDANCE AREAS OR SCHOOLS.—An eligible school attendance area or an eligible school may be designated a project area under subsection (a) or a project school under subsection (b) for a fiscal year, even though it does not qualify under such subsections, if such area or school was so designated in either of the two preceding fiscal years.

"(d) LOWER RANKED SCHOOL ATTENDANCE AREAS OR SCHOOLS HAVING SUBSTANTIALLY GREATER INCIDENCES OF EDUCATIONALLY DEPRIVED CHILDREN THAN HIGHER RANKED AREAS OR SCHOOLS.—The Commissioner shall issue regulations providing for an exception to subsection (a) permitting children in lower ranked eligible school attendance areas or eligible schools having substantially greater incidences of educational deprivation than areas or schools ranked higher under subsections (a) or (b) to receive assistance before such children in higher ranked areas or schools receive such assistance.

"(e) SKIPPING HIGHER RANKED SCHOOL ATTENDANCE AREAS OR SCHOOLS RECEIVING SERVICES OF THE SAME NATURE AND SCOPE FROM NON-FEDERAL SOURCES.—The Commissioner shall issue regulations providing for an exception to subsection (a) or (b) permitting local educational agencies, in providing services under this title, to skip higher ranked eligible school attendance areas or eligible schools receiving, from non-Federal funds, services of the same nature and scope as would otherwise be provided under this title.

"CHILDREN TO BE SERVED

"SEC. 33. (a) GENERAL PROVISIONS.—Except as provided in subsections (b), (c), and (d) of this section and section 43, a local educational agency shall use funds received under this title for educationally deprived children, identified in accordance with section 34(b) as having the greatest need for special assistance, in school attendance areas or schools satisfying the requirements of section 32.

"(b) CONTINUATION OF ELIGIBILITY FOR EDUCATIONALLY DEPRIVED CHILDREN WHO ARE NO LONGER IN GREATEST NEED OF ASSISTANCE.—Where for a fiscal year, an educationally deprived child in a school attendance area or school satisfying the requirements of section 32, does not meet the requirements of subsection (a) requiring that he be in greatest need of special assistance, but did meet such requirement in any previous year, and is still educationally deprived, that child may participate in a program or project assisted under this title for the current fiscal year.

"(c) CONTINUATION OF ELIGIBILITY FOR EDUCATIONALLY DEPRIVED CHILDREN TRANSFERRED TO INELIGIBLE AREAS IN THE SAME YEAR.—Educationally deprived children who begin participation in a program or project assisted under this title, in accordance with subsections (a) and (b) but who, in the same school year, are transferred to a school attendance area or school not receiving funds under this title, may, if the local agency so determines, continue to participate in a program or project funded under this title for the duration of that same school year.

"(d) SKIPPING CHILDREN DETERMINED TO BE IN GREATEST NEED OF ASSISTANCE WHO ARE RECEIVING SERVICES OF THE SAME NATURE AND SCOPE FROM NON-FEDERAL SOURCES.—The Commissioner shall issue regulations providing for an exemption to subsection (a) permitting local educational agencies, in providing services under this title, to skip educationally deprived children in greatest need of assistance who are receiving, from non-Federal sources, services of the same nature and scope as would otherwise be provided under this title.

"REQUIREMENTS FOR DESIGN AND IMPLEMENTATION OF PROGRAMS

"SEC. 34. (a) PURPOSE OF PROGRAM.—A local educational agency may use funds received under this title only for programs and projects which are designed to meet the special educational needs of the children referred to in section 33. Such programs and projects may include the acquisition of equipment, payments to teachers of amounts in excess of regular salary schedules as a bonus for service in schools serving project areas or in project schools, the training of teachers, and, where necessary, the construction of school facilities, and planning for such programs and projects.

"(b) ASSESSMENT OF EDUCATIONAL NEEDS.—A local educational agency may receive funds under this title only if it makes an assessment of educational needs each year to (1) identify educationally deprived children and to select those educationally deprived children who have the greatest need for special assistance; (2) identify the general instructional areas on which the program will focus; and (3) determine the special educational needs of participating children with specificity sufficient to facilitate development of high-quality programs and projects.

"(c) PLANNING.—A local educational agency may use funds received under this title for planning only if (1) the planning relates directly to programs or projects to be assisted under this title and has resulted, or is reasonably likely to result, in a program or project to be assisted under this title, and (2) such funds are needed because of the innovative nature of the program or project or because such agency lacks the resources necessary to plan adequately for programs and projects to be assisted under this title. The amount a local educational agency may use for plans for any fiscal year may not exceed 1 per centum of the amount determined for that agency for that year pursuant to section 11 or $2,000, whichever is greater.

"(d) SUFFICIENT SIZE, SCOPE, AND QUALITY.—A local educational agency may use funds received under this title only for programs and projects which are of sufficient size, scope, and quality to give reasonable promise of substantial progress toward meeting the special educational needs of the children being served, and to this end such programs and projects must involve an expenditure of not less than $2,500, except that a State educational agency may reduce such $2,500 requirement for a local educational agency if it determines that it would be impossible, for reasons such as distance or difficulty of travel, for such local educational agency to join effectively with other local educational agencies for the purpose of meeting the requirement.

"(e) COORDINATION WITH OTHER PROGRAMS.—(1) A local educational agency may receive funds under this title only if it demonstrates that, in the development of its application, it has taken into consideration benefits and services which are or may be available through other public and private agencies, organizations, or individuals. The local educational agency shall also demonstrate that in order to avoid duplication of effort and to insure that all programs and projects complement each other, it has considered suggestions and offers of assistance made by other agencies which may aid in carrying out or making more effective the program or project for which the application is made.

"(2) A local educational agency may use funds received under this title for health, social, or nutrition services for participating children under this title only if the local educational agency has requested from the State educational agency assistance in locating and utilizing other Federal and State programs to provide such services.

"(f) EVALUATIONS.—A local educational agency may receive funds under this title only if—

"(1) effective procedures are adopted for evaluating at least once every three years the effectiveness of programs under this title in meeting the special educational needs of educationally derived children;

"(2) such evaluations include, during each three-year period, the collection and analysis of data relating to the degree to which programs assisted under this title have achieved their goals, including the requirements of section 40, and also include objective measurements of educational achievement in basic skills over at least a twelve-month period in order to determine whether regular school year programs have sustained effects over the summer; and

"(3) the evaluations address the purposes of the programs, including those required by section 40, and that the results of those evaluations will be utilized in planning for and improving projects and activities carried out under this title in subsequent years.

"(g) INFORMATION DISSEMINATION.—A local educational agency may receive funds under this title only if effective procedures are in existence for acquiring and disseminating to teachers and administrators significant information derived from educational research, demonstration, and similar projects, and for adopting, where appropriate, promising educational practices developed through such projects.

"(h) TEACHER PARTICIPATION.—A local educational agency may receive funds under

this title only if teachers in schools participating in programs assisted under this title have been involved in planning for these programs and will be involved in the evaluation thereof.

"(i) PARENT PARTICIPATION.—A local educational agency may receive funds under this title only if parents of children participating in programs assisted under this title are permitted to participate in the establishment of such programs and are informed of, and permitted to make recommendations with respect to, the instructional goals of the program and the progress of their children in such program, and such parents are afforded opportunities to assist their children in achieving such goals.

"(j) SUSTAINING GAINS.—A local educational agency may receive funds under this title only if in developing programs to be assisted under this title, the local educational agency will give due consideration to the inclusion of components designed to sustain the achievements of children beyond the school year in which the program is conducted, through such means as summer programs and intermediate and secondary level programs.

"(k) TRAINING OF EDUCATION AIDES.—A local educational agency may receive funds under this title for programs and projects involving education aides, including volunteers, only if it has in effect well-developed plans providing for coordinated programs of training in which education aides, including volunteers, and the professional staff whom they are assisting will participate together.

"(l) CONTROL OF FUNDS.—A local educational agency may receive funds under this title only if control of such funds, and title to property derived therefrom, is in a public agency for the uses and purposes provided in this title, and only if a public agency will administer such funds and property.

"(m) CONSTRUCTION.—A local educational agency may use funds received under this title for projects for construction of school facilities only if—

"(1) the project is not inconsistent with overall State plans for the construction of school facilities and the requirements of section 433 of the General Education Provisions Act are complied with on all such projects,

"(2) in developing plans for such facilities due consideration has been given to compliance with such standards as the Secretary may prescribe or approve in order to ensure that facilities constructed with the use of Federal funds under this title are, to the extent appropriate in view of the uses to be made of the facilities, accessible to and usable by, handicapped persons, and

"(3) in developing plans for such facilities, due consideration has been given to excellence of architecture and design, and inclusion of works of art (not representing more than 1 per centum of the cost of the project).

"(n) JOINTLY OPERATED PROGRAMS.—Two or more local educational agencies may, at their option, enter into an agreement for carrying out jointly operated programs and projects assisted under this title.

"PARENTAL INVOLVEMENT

"SEC. 35. (a) ESTABLISHMENT OF ADVISORY COUNCIL.—(1) A local educational agency shall describe in its application for funds under this title how parents of students participating in projects under this title at schools having fewer than one full-time equivalent staff member hired with funds made available under this title will be involved in the planning, implementation, and evaluation of the project.

(2) A local educational agency may receive funds under this title only if it establishes an advisory council for its entire school district and an advisory council for each project area or project school to which is assigned at least one full-time equivalent staff member hired with funds made available under this title. Each such advisory council shall (A) have as a majority of its members parents of the children eligible to be served, and (B) be composed of members elected by the parents in each school attendance area.

"(3) A local educational agency may receive funds under this title only if the advisory council established pursuant to paragraph (2) for each project area or project school to which is assigned at least two full-time equivalent staff members hired with funds made available under this title—

"(A) is composed of not less than five members;

"(B) meets at least four times per year at locations chosen by such council; and

"(C) is composed of members who are elected for terms of not less than one nor more than three years and who may be eligible for re-election.

"(4) Any individual who is a teacher at a school serving a project area or parent of a child residing in an eligible school attendance area or attending an eligible school shall be eligible to be elected as a member of the districtwide advisory councils established pursuant to paragraph (2), but nothing in this sentence shall preclude the eligibility of other individuals. No individual who is a teacher at a project school or a school serving a project area shall be ineligible to be elected as a member of a districtwide or project area or school advisory council on the basis of residency outside such area or district.

"(b) RESPONSIBILITIES OF ADVISORY COUNCILS.—Each local educational agency shall give each advisory council which it establishes under subsection (a) responsibility for advising it in planning for, and implementation and evaluation of, its programs and projects assisted under this title.

"(c) ACCESS TO INFORMATION.—(1) Each local educational agency shall provide to each member of an advisory council established by such agency under subsection (a) a copy of the text of this title, and a copy of any Federal and State regulations, policies, and guidelines pertaining to this title.

"(2) Each local educational agency shall provide to each advisory council established by such agency under subsection (a) access to appropriate documents prepared on behalf of or for the State educational agency or the Federal Government.

"(d) TRAINING OF ADVISORY COUNCIL MEMBERS.—Each application for funding under this title submitted by a local educational agency shall contain a description of a program of training for advisory council members, established by the local educational agency in full consultation with the members of the advisory councils established under subsection (a).

"FUNDS ALLOCATION

"SEC. 30. (a) MAINTENANCE OF EFFORT.—(1) Except as provided in paragraph (2), a local educational agency may receive funds under this title for any fiscal year only if the State educational agency finds that the combined fiscal effort per student or the aggregate expenditures (as determined in accordance with regulations of the Commissioner) of such agency and the State with respect to the provision of free public education by such agency for the preceding fiscal year was not less than such combined fiscal effort per student or the aggregate expenditures for that purpose for the second preceding fiscal year.

"(2) The Commissioner may waive, for one fiscal year only, the requirements of this subsection if he determines that such a waiver would be equitable due to exceptional and unforeseen circumstances such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the local educational agency. In any case in which a waiver under this paragraph is granted, the Commissioner shall reduce the amount of Federal payment for the program affected for the current fiscal year in the exact proportion to which the amount expended (either on an average per pupil or aggregate basis) was less than the amount required by paragraph (1). No level of funding permitted under such a waiver may be used as the basis for computing the fiscal effort required, under paragraph (1), for years subsequent to the year covered by such waiver; such fiscal effort shall be computed on the basis of the level of funding which would, but for such waiver, have been required.

"(3) The Commissioner shall establish objective criteria of general applicability to carry out the waiver authority contained in this subsection.

"(b) USE OF FUNDS LIMITED TO 'EXCESS COSTS'.—Subject to the provisions of section 41, a local educational agency may use funds received under this title only for the excess costs of programs and projects referred to in section 33(a). As used in this subsection, the term 'excess costs' means those costs directly attributable to programs and projects which exceed the average per pupil expenditure of a local educational agency in the most recent year for which satisfactory data are available for pupils in the grade or grades included in such programs or projects.

"(c) FEDERAL FUNDS TO SUPPLEMENT, NOT SUPPLANT REGULAR NON-FEDERAL FUNDS.—A local educational agency may use funds received under this title only so as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available from regular non-Federal sources and from non-Federal sources for State phase-in programs described in section 41(d) for the education of pupils participating in programs and projects assisted under this title, and in no case may such funds be so used as to supplant such funds from such non-Federal sources.

"(d) FEDERAL FUNDS REQUIRED TO SUPPLEMENT, NOT SUPPLANT NON-FEDERAL FUNDS FOR CERTAIN SPECIAL STATE AND LOCAL PROGRAMS.—(1) Subject to the provisions of section 42, a local educational agency may use funds received under this title only so as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available from non-Federal sources for each of the special programs described in subsections (b) and (c) of section 41 for the education of educationally deprived children, in the aggregate, in eligible school attendance areas or attending eligible schools and in no case, so as to supplant such funds from non-Federal sources.

(2) It shall not be considered a violation of this subsection for a local educational agency, in carrying out special programs described in section 41(a), to take into consideration funds made available under this title, and to coordinate such special programs with programs using such Federal funds, providing that educationally deprived children, in the aggregate, in eligible school attendance areas or attending eligible schools, receive at least the same level of such special State and local funds that would have been made available to such children in the absence of funds under this title. For purposes of this subsection, the level of funds that, in the absence of funds under this title, would have been made available to such children shall be determined by reference to a plan for distributing such special funds which is based on objective criteria of need that do not discriminate against educationally deprived children, in the aggregate, in eligible school attendance areas or attending eligible schools. The objective criteria chosen by the local educational agency shall prescribe, with particularity, the children as well as the schools, gradespans, or school attendance areas eligible for assistance and the

method for selecting the particular children who will receive assistance under such special State or local program and the schools or gradespans which such children attend or the school attendance areas in which such children reside. The criteria for selecting children, schools, gradespans, and school attendance areas for participation shall be either educational need, a reasonable proxy for educational need, level of poverty, or a combination of such factors. Educationally deprived children residing in eligible school attendance areas or attending eligible schools, satisfying such objective criteria, must receive assistance under either this title or under such special State or local program before any child who does not satisfy such criteria receives such assistance.

"(e) COMPARABILITY OF SERVICES.—Subject to the provisions of section 41, a local educational agency may receive funds under this title only if State and local funds will be used in the district of such agency to provide services in project areas which, taken as a whole, are at least comparable to services being provided in areas in such district which are not receiving funds under this title. Where, under regulations of the Commissioner, all school attendance areas in the district of the agency are designated as project areas, the agency may receive such funds only if State and local funds are used to provide services which, taken as a whole, are comparable in each project area. Each local educational agency shall report on or before July 1 of each year with respect to its compliance with this subsection.

"ACCOUNTABILITY

"SEC. 37. (a) RECORDKEEPING.—Each local educational agency which receives funds under this title shall keep such records and afford such access thereto as the State educational agency shall prescribe, including records which fully disclose the amount and disposition of such funds, the total cost of programs and projects in connection with which such funds are used, the amount of the portion of the cost of the program or project supplied by other sources, and such other records as will facilitate an effective audit. Where a local educational agency carries on a single compensatory education program paid for out of funds under this title as well as State or local funds which meets all of the requirements of this title and where, under section 41(a), the local educational agency excludes expenditures from State and local sources in determining compliance with section 36 (b) and (e), the State educational agency need not require the Federal funds to be accounted for separately. In any proceeding, State or Federal, for the recoupment of any such funds which were misspent or misapplied, the percentage of the funds so misspent or misapplied which shall be deemed to be Federal funds shall be equal to the percentage of the funds used, or intended for use, for the program or project which were Federal funds.

"(b) REPORTING.—Each local educational agency which receives funds under this title shall make an annual report and such other reports to the State educational agency, in such form and containing such information (which in the case of reports relating to performance is in accordance with specific performance criteria related to program objectives), as may be reasonably necessary to enable the State educational agency to perform its duties under this title, including information relating to the educational achievement of students participating in programs and projects assisted under this title.

"(c) ACCESS TO INFORMATION.—Each local educational agency which applies for or receives funds under this title shall make the application and all pertinent documents related thereto available to parents and other members of the general public and shall make all evaluations and reports required under subsection (a) public information.

"COMPLAINT RESOLUTION

"SEC. 38. Each local educational agency which receives funds under this title shall develop and implement written procedures for the resolution of complaints concerning violations of this title, or of applicable provisions of the General Education Provisions Act in connection with programs under this title, which are made to that agency by parent advisory councils, parents, teachers, or other concerned organizations or individuals. Such procedures shall—

"(1) include the dissemination to organizations and individuals interested in programs assisted under this title, of the name, title, address, and telephone number of any local official responsible for investigating and resolving complaints;

"(2) provide specific time limits for investigation and resolution of complaints, which shall not exceed thirty days;

"(3) include a requirement that the complainant or the complainant's representative, or both, to present evidence, including an opportunity to question parties involved;

"(4) provide for keeping all correspondence or other written communications concerning the complaint in a central file, accessible to all parties;

"(5) include a requirement that the complainant, the complainant's representative, the district parent advisory council, and appropriate school parent advisory councils be notified in writing by the local educational agency, within ten days after the resolution of the complaint, of the nature of the resolution and the reasons for such resolution;

"(6) provide the right to appeal the final resolution of the local educational agency to the State educational agency within thirty days after receipt of the written decision; and

"(7) provide for the dissemination, free of charge, of information concerning these procedures to interested parties, including all district and school parent advisory councils.

"INDIVIDUALIZED PLANS

"SEC. 39. It is the intent of the Congress to encourage, where feasible, the development for each educationally deprived child participating in a program under this title of an individualized educational plan (maintained and periodically evaluated), agreed upon jointly by the local educational agency, a parent or guardian of the child, and, when appropriate, the child.

"PARTICIPATION OF CHILDREN ENROLLED IN PRIVATE SCHOOLS

"SEC. 40. (a) GENERAL REQUIREMENTS.—To the extent consistent with the number of educationally deprived children in the school district of the local educational agency who are enrolled in private elementary and secondary schools, such agency shall make provision for including special educational services and arrangements (such as dual enrollment, educational radio and television, and mobile educational services and equipment) in which such children can participate and meeting the requirements of sections 32 and 33, and subsections (a), (b), (d), and (l) of section 34, and subsections (b) and (c) of section 36. Expenditures for educational services and arrangements pursuant to this section for educationally deprived children in private schools shall be equal (taking into account the number of children to be served and the special educational needs of such children) to expenditures for children enrolled in the public schools of the local educational agency.

"(b) CHILDREN TO BE SERVED.—The number of children receiving services under this title who attend private elementary and secondary schools shall be determined in each local educational agency receiving assistance under this title without regard to non-Federal compensatory education funds which serve children in public elementary and secondary schools who are also eligible for assistance under this title. Those children attending private elementary and secondary schools who receive assistance under this title shall be identified in accordance with section 32 and without regard to skipping higher ranked school attendance areas or schools receiving services of the same nature and scope from non-Federal sources.

"(c) BY-PASS PROVISION.—(1) If a local educational agency is prohibited by law from providing for the participation in special programs for educationally deprived children enrolled in private elementary and secondary schools as required by subsection (a), the Commissioner shall waive such requirement, and shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of subsection (a).

"(2) If the Commissioner determines that a local educational agency has substantially failed to provide for the participation on an equitable basis of educationally deprived children enrolled in private elementary and secondary schools as required by subsection (a), he shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of subsection (a) upon which determination the provisions of subsection (a) shall be waived.

"(3)(A) When the Commissioner arranges for services pursuant to this subsection, he shall, after consultation with the appropriate public and private school officials, pay to the provider the cost of such services, including the administrative cost of arranging for such services, from the appropriate allocation or allocations under this title.

"(B) Pending final resolution of any investigation or complaint that could result in a determination under this subsection, the Commissioner may withhold from the allocation of the affected State or local educational agency the amount he estimates would be necessary to pay the cost of such services.

"(C) Any determination by the Commissioner under this section shall continue in effect until the Commissioner determines that there will no longer be any failure or inability on the part of the local educational agency to meet the requirements of subsection (a).

"(4)(A) The Commissioner shall not take any final action under this subsection until the State educational agency and local educational agency affected by such action have had an opportunity, for at least forty-five days after receiving written notice thereof, to submit written objections and to appear before the Commissioner or his designee to show cause why such action should not be taken.

"(B) If a State or local educational agency is dissatisfied with the Commissioner's final action after a hearing under subparagraph (A) of this paragraph, it may within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

"(C) The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify

his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(D) Upon the filing of a petition under subparagraph (B), the court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"Subpart 4—Exemptions From Certain Program Requirements

"EXCLUSIONS FROM EXCESS COSTS AND COMPARABILITY PROVISIONS FOR CERTAIN SPECIAL STATE AND LOCAL PROGRAMS

"SEC. 41. (a) IN GENERAL.—For the purpose of determining compliance with the requirement of section 36(b) (permitting funds to be used only for excess costs of programs and projects) and of section 36(e) (relating to comparability of services between each project area school and non-project area schools), a local educational agency may, at its option, exclude State and local funds expended for carrying out a special program or a State phase-in program. For purposes of this section—

"(1) a special program is limited to—

"(A) a State compensatory education program which the Commissioner has determined in advance under subsection (d) meets the requirements of subsection (b) and which the State educational agency determines is being implemented by the local educational agency in accordance with subsection (b);

"(B) a State compensatory education program which the Commissioner has determined in advance under subsection (d) does not satisfy the requirements of subsection (b), but which he has determined permits the local educational agency, at its option, to use such special State funds in accordance with subsection (b), provided that the local educational agency designs a program which the State educational agency determines in advance under subsection (e) meets the requirements of subsection (b) and which the State educational agency determines will be implemented by the local educational agencies in accordance with subsection (b);

"(C) a local compensatory education program which the State educational agency has determined in advance under subsection (e) meets the requirements of subsection (b) and which the State educational agency determines is being implemented in accordance with subsection (b); or

"(D) a bilingual program for children with limited English language skills or special education program for handicapped children or children with specific learning disabilities; and

"(2) a State phase-in program is a program which the Commissioner has determined in advance under subsection (d) meets the requirements of subsection (c) and which the State educational agency determines will be implemented by local educational agencies in accordance with subsection (c).

"(b) STATE AND LOCAL COMPENSATORY EDUCATION PROGRAMS SIMILAR TO TITLE I PROGRAMS.—A State or local program meets the requirements of this subsection if it is similar to programs assisted under this part. The Commissioner shall consider a State or local program to be similar to programs assisted under this part if—

"(1) all children participating in the program are educationally deprived;

"(2) the program is based on performance objectives related to educational achievement and is evaluated in a manner consistent with those performance objectives;

"(3) the program provides supplementary services designed to meet the special educational needs of the children who are participating;

"(4) the local educational agency keeps such records and affords such access thereto as are necessary to assure the correctness and verification of the requirements of clauses (1), (2), and (3) of this subsection; and

"(5) the State educational agency monitors performance under the program to assure that the requirements of clauses (1), (2), (3), and (4) of this subsection are met.

"(c) CERTAIN STATE PHASE-IN PROGRAMS.—A State education program which is being phased into full operation meets the requirements of this subsection if the Commissioner is satisfied that—

"(1) the program is authorized and governed specifically by the provisions of State law;

"(2) the purpose of the program is to provide for the comprehensive and systematic restructuring of the total educational environment at the level of the individual school;

"(3) the program is based on objectives, including, but not limited to, performance objectives related to educational achievement and is evaluated in a manner consistent with those objectives;

"(4) parents and school staff are involved in comprehensive planning, implementation, and evaluation of the program;

"(5) the program will benefit all children in a particular school or grade-span within a school;

"(6) schools participating in the program describe, in a school level plan, program strategies for meeting the special educational needs of educationally deprived children;

"(7) the phase-in period of the program is not more than six school years, except that the phase-in period for a program commenced prior to the date of enactment of the Education Amendments of 1978 shall be deemed to begin on the date of enactment of such amendments;

"(8) at all times during such phase-in period at least 50 per centum of the schools participating in the program are the schools serving project areas which have the greatest numbers or concentrations of educationally deprived children or children from low-income families;

"(9) State funds made available for the phase-in program will supplement, and not supplant, State and local funds which would, in the absence of the phase-in program, have been provided for schools participating in such program;

"(10) the local educational agency is separately accountable, for purposes of compliance with paragraphs (1) through (6), (8), and (9) of this subsection, to the State educational agency for any funds expended for such program; and

"(11) the local educational agencies carrying out the program are complying with paragraphs (1) through (6), (8), and (9) and the State educational agency is complying with paragraph (10).

"(d) ADVANCE DETERMINATIONS BY THE COMMISSIONER.—The Commissioner shall make an advance determination of whether or not a State program described in subsection (a)(1)(A) or (B) or (a)(2) meets the requirements of subsection (b) or meets the requirements of subsection (c). The Commissioner shall require each State educational agency to submit to him the provisions of State law together with implementing rules, regulations, orders, guidelines, and interpretations which are necessary for him to make such an advance determination. The Commissioner's determination shall be in writing and shall include the reasons for his determination. Whenever there is any material change in pertinent State law affecting the program, the State educational agency shall submit such changes to the Commissioner.

"(e) ADVANCE DETERMINATION BY THE STATE EDUCATIONAL AGENCY.—The State educational agency shall make an advance determination of whether or not a program described in subsection (a)(1)(C) meets the requirements of subsection (b). The State educational agency shall require each local educational agency to submit the provisions of local law, together with implementing rules, regulations, guidelines and interpretations which are necessary to make such an advance determination. The State educational agency's determination shall be in writing and shall include the reasons for the determination. Whenever there is any material change in pertinent local law affecting the program, the local educational agency shall submit such changes to the State educational agency.

"LIMITED EXEMPTIONS TO NON-SUPPLANTING REQUIREMENT

"SEC. 42. (a) WAIVER FOR FULLY FUNDED SPECIAL PROGRAMS.—Where for a fiscal year—

"(1) a local educational agency provides special State and local funds for programs for educationally deprived children which qualify under clause (A), (B), or (C) of section 41(a)(1) for an exclusion from the comparability and excess costs provisions under section 41, and

"(2) the amount of such special State and local funds provided in eligible school attendance areas and for eligible schools when added to the Federal funds provided for programs under this part equals the funds such agency is eligible to receive for such fiscal year under section 11 (without regard to adjustments under section 143),

then the local educational agency may, without being considered in violation of section 36(d), utilize additional State and local funds for special programs and projects which are solely for educationally deprived children residing in nonproject areas or attending nonproject schools, including areas and schools ineligible for assistance under this title. The exemption in the preceding sentence does not apply to the extent the level of such special State and local funds, per child participating in such programs residing in eligible school attendance areas or attending ineligible schools, exceeds the amount of funds provided to the agency under this subpart per child participating in programs in project areas, plus the amount of such special State or local funds provided for use in such areas.

"(b) WAIVER IN PROPORTION TO STATE COMPENSATORY FUNDS.—Any local educational agency shall be authorized to expend up to two dollars in its State compensatory funds upon educationally deprived children, residing in ineligible school attendance areas or attending ineligible schools, for each dollar in State compensatory funds expended upon educationally deprived children residing in eligible school attendance areas or attending eligible schools, if the local educational agency meets each of the following conditions:

"(1) the local educational agency is in a State with a program meeting the requirements of section 41(b) with respect to incentive grants for compensatory education;

"(2) all State compensatory funds are expended within the local educational agency for supplemental services to educationally deprived children;

"(3) the combined State and Federal compensatory funds expended upon educationally deprived children residing in eligible school attendance areas or attending eligible schools for the fiscal year is not less than 60 per centum of the funds such agency is eligible to receive for such fiscal year under section 11(a)(2) (without regard to adjustments under section 143); and

"(4) the average per pupil expenditure from State compensatory funds for educationally deprived children residing in in-

eligible school attendance areas or attending ineligible schools does not exceed 24 per centum of the average per pupil expenditure in the State as determined under section 11(a)(2)

"SCHOOLWIDE PROJECTS

"SEC. 43. (a) USE OF FUNDS FOR SCHOOLWIDE PROJECTS.—In the case of any school serving an attendance area that is eligible to receive services under this title and in which not less than 70 per centum of the children are from low-income families (in accordance with criteria established by the Commissioner), the local educational agency may carry out a project under this title to upgrade the entire educational program in that school if the requirements of subsection (b) are met.

"(b) DESIGNATION OF SCHOOLS.—A school may be designated for a schoolwide project under subsection (a) if—

"(1) a plan has been developed for that school by the local educational agency and has been approved by the State educational agency providing for—

"(A) a comprehensive assessment of the educational needs of all students in the school, in particular the special needs of educationally deprived children, and

"(B) an instructional program designed to meet the special needs of all students in the school;

"(2) the plan has been developed with the involvement of those individuals who will be engaged in carrying out the plan, including parents, teachers, teacher aides, administrators, and secondary students if the plan relates to a secondary school;

"(3) the plan provides for consultation among such individuals as to the educational progress of all students;

"(4) the plan has been approved by the advisory council for such school established under section 35;

"(5) appropriate training is provided to teachers and teacher aides to enable them effectively to carry out the plan;

"(6) the plan includes procedures for evaluations involving the participation of the individuals listed in paragraph (2), and opportunities for periodic improvements in the plan based on the results of such evaluations; and

"(7)(A) in the case of a school district in which there are one or more schools described in subsection (a) and there are also one or more other schools serving project areas, the local educational agency makes the Federal funds provided under this part available for children in such schools described in subsection (a) in amounts which, per educationally deprived child served, equal or exceed the amount of such funds made available per eucationally deprived child served in such other schools; and

"(B) the local educational agency makes special supplementary State and local funds available for the children in schools described in subsection (a) in amounts which, per child served who is not educationally deprived, equal or exceed the amount of Federal funds provided under this part which, per educationally deprived child served, are made available for children in such schools.

"(c) APPROVAL OF SCHOOL; OPERATION OF PROJECT.—The State educational agency shall approve the plan of any local educational agency for a schoolwide project if that plan meets the requirements of subsection (b). Any local educational agency which has such an approved plan for a project in a school—

"(1) shall, in order to carry out the plan, be relieved, with respect to such school, of any requirements under this title with respect to commingling of funds provided under this title with funds available for regular programs,

"(2) shall not, with respect to such school, be required to identify particular children as being eligible to participate in programs assisted under this title; and

"(3) shall not, with respect to such school, be required to demonstrate that services provided with funds under this title are supplementary to the services regularly provided in the school.

"NON-INSTRUCTIONAL DUTIES

"SEC. 44. Notwithstanding any provision of subpart 3, personnel paid entirely by funds made available under this title may be assigned to certain limited, rotating, supervisory duties not related to classroom instruction, the benefits of which are not limited to participating children under this title. Such duties (1) may include only those to which similarly situated personnel not hired with funds made available under this title are assigned at the same school site, and for which such similarly situated personnel are paid, and (2) may not occupy a greater proportion of total time than is spent by similarly situated personnel at the same school site, or 10 per centum of total time, whichever is less.

"PART B—PROGRAMS OPERATED BY STATE AGENCIES

"Subpart 1—Programs for Migratory Children

"GRANTS—ENTITLEMENT AND AMOUNT

"SEC. 51. (a) ENTITLEMENT.—A State educational agency or a combination of such agencies shall, upon application, be entitled to receive a grant for any fiscal year under this subpart to establish or improve, either directly or through local educational agencies, programs of education for migratory children of migratory agricultural workers or of migratory fishermen which meet the requirements of section 52.

"(b) AMOUNT OF GRANT.—(1) Except as provided in sections 81 and 82, the total grants which shall be made available for use in any State (other than Puerto Rico) for this subpart shall be an amount equal to 40 per centum of the average per pupil expenditure in the State (or (A) in the case where the average per pupil expenditure in the State is less than 80 per centum of the average per pupil expenditure in the United States, or (B) in the case where the average per pupil expenditure in the State is more than 120 per centum of the average per pupil expenditure in the United States, of 120 per centum of the average per pupil expenditure in the United States) multiplied by (i) the estimated number of such migratory children aged five to seventeen, inclusive, who reside in the State full time, and (ii) the full-time equivalent of the estimated number of such migratory children aged five to seventeen, inclusive, who reside in the State part time, as determined by the Commissioner in accordance with regulations, except that if, in the case of any State, such amount exceeds the amount required under section 52, the Commissioner shall allocate such excess, to the extent necessary, to other States whose total of grants under this sentence would otherwise be insufficient for all such children to be served in such other States. In determining the full-time equivalent number of migratory children who are in a State during the summer months, the Commissioner shall adjust the number so determined to take into account the special needs of those children for summer programs and the additional costs of operating such programs during the summer. In determining the number of migrant children for the purposes of this section the Commissioner shall use statistics made available by the migrant student record transfer system or such other system as he may determine most accurately and fully reflects the actual number of migrant students.

"(2) For each fiscal year, the Commissioner shall determine the percentage which the average per pupil expenditure in Puerto Rico is of the lowest average per pupil expenditure of any of the fifty States. The grant which Puerto Rico shall be eligible to receive under this section for a fiscal year shall be the amount arrived at by multiplying the number of such migrant children in Puerto Rico by the product of—

"(A) the percentage determined under the preceding sentence, and

"(B) 32 per centum of the average per pupil expenditure in the United States.

"PROGRAM REQUIREMENTS

"SEC. 52. (a) REQUIREMENTS FOR APPROVAL OF APPLICATION.—The Commissioner may approve an application submitted under section 51(a) only upon his determination—

"(1) that payments will be used for programs and projects (including the acquisition of equipment and where necessary the construction of school facilities) which are designed to meet the special educational needs of migratory children of migratory agricultural workers or of migratory fishermen, and to coordinate these programs and projects with similar programs and projects in other States, including the transmittal of pertinent information with respect to school records of such children;

"(2) that in planning and carrying out programs and projects there has been and will be appropriate coordination with programs administered under section 303 of the Comprehensive Employment and Training Act of 1973;

"(3) that such programs and projects will be administered and carried out in a manner consistent with the basic objectives of subpart 3 of part A, other than sections 32, 33, 36(d), and 40 thereof;

"(4) that, in planning and carrying out programs and projects at both the State and local educational agency level, there has been and will be appropriate consultation with parent advisory councils established in accordance with regulations of the Commissioner (consistent with the requirements of section 35(a)); and

"(5) that, in planning and carrying out programs and projects, there has been adequate assurance that provision will be made for the preschool education needs of migratory children of migratory agricultural workers or migratory fishermen, whenever such agency determines that compliance with this clause will not detract from the operation of programs and projects described in paragraph (1) of this subsection after considering funds available for this purpose.

"(b) CONTINUATION OF MIGRANT STATUS.—For purposes of this subpart, with the concurrence of his parents, a migratory child of a migratory agricultural worker or of a migratory fisherman shall be deemed to continue to be such a child for a period, not in excess of five years, during which he resides in the area served by the agency carrying on a program or project under this section. Such children who were migrant on the date of enactment of the Education Amendments of 1974, as determined pursuant to regulations of the Commissioner, shall be given priority in this consideration of programs and activities contained in applications submitted under this subsection.

"(c) BY-PASS PROVISION.—If the Commissioner determines that a State is unable or unwilling to conduct educational programs for migratory children of migratory agricultural workers or of migratory fishermen, or that it would result in more efficient and economic administration, or that it would add substantially to the welfare or educational attainment of such children, he may make special arrangements with other public or nonprofit private agencies to carry out the purposes of this section in one or more States, and for this purpose he may use all or part of the total of grants available for any such State under this section.

"COORDINATION OF MIGRANT EDUCATION ACTIVITIES

"SEC. 53. (a) ACTIVITIES AUTHORIZED.—The Commissioner is authorized to make grants to, or enter into contracts with, State educational agencies to operate a system for the transfer among State and local educational agencies of migrant student records and to carry out other activities, in consultation with the States, to improve the interstate and intrastate coordination among State and local educational agencies of the educational programs available for migratory students.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for this section not more than 5 per centum of the total amount paid to State educational agencies under section 51.

"Subpart 2—Programs for Handicapped Children

"AMOUNT AND ELIGIBILITY

"SEC. 61. (a) ELIGIBILITY FOR GRANT.—A State agency which is directly responsible for providing free public education for handicapped children (including mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, crippled, or other health impaired children who by reason thereof require special education), shall be eligible to receive a grant under this subpart for any fiscal year.

"(b) AMOUNT OF GRANT.—(1) Except as provided in sections 81 and 82, the grant which a State agency referred to in subsection (a) (other than the agency for Puerto Rico) shall be eligible to receive under this section shall be an amount equal to 40 per centum of the average per pupil expenditure in the State (or (A) in the case where the average per pupil expenditure in the State is less than 80 per centum of the average per pupil expenditure in the United States, of 80 per centum of the average per pupil expenditure in the United States, or (B) in the case where the average per pupil expenditure in the State is more than 120 per centum of the average per pupil expenditure in the United States, of 120 per centum of the average per pupil expenditure in the United States), multiplied by the number of such handicapped children in average daily attendance, as determined by the Commissioner, at schools for handicapped children operated or supported by the State agency, including schools providing special education for handicapped children under contract or other arrangement with such State agency, in the most recent fiscal year for which satisfactory data are available.

"(2) For each fiscal year, the Commissioner shall determine the percentage which the average per pupil expenditure in Puerto Rico is of the lowest average per pupil expenditure of any of the fifty States. The grant which Puerto Rico shall be eligible to receive under this subpart for a fiscal year shall be the amount arrived at by multiplying the number of such handicapped children in Puerto Rico by the product of—

"(A) the percentage determined under the preceding sentence, and

"(B) 32 per centum of the average per pupil expenditure in the United States.—

"(c) COUNTING OF CHILDREN TRANSFERRING FROM STATE TO LOCAL PROGRAMS.—In the case where a child described in subsection (a) leaves an educational program for handicapped children operated or supported by the State agency in order to participate in such a program operated or supported by a local educational agency, such child shall be counted under subsection (b) if (1) he continues to receive an appropriately designed educational program and (2) the State agency transfers to the local educational agency in whose program such child participates an amount equal to the sums received by such State agency under this section which are attributable to such child, to be used for the purposes set forth in section 62.

"PROGRAM REQUIREMENTS

"SEC. 62. A State shall use the payments made under this subpart only for programs and projects (including the acquisition of equipment and, where necessary, the construction of school facilities) which are designed to meet the special educational needs of handicapped children. Such programs and projects shall be administered and carried out in a manner consistent with subpart 3 of part A, other than sections 32, 33, 35, 36(d), 36(e) and 40 thereof. The State agency shall provide assurances to the Commissioner that each such child in average daily attendance counted under subsection (b) of section 61 will be provided with such a program, commensurate with his special needs, during any fiscal year for which such payments are made.

"Subpart 3—Programs for Neglected and Delinquent Children

"AMOUNT AND ENTITLEMENT

"SEC. 71. (a) ENTITLEMENT TO GRANTS.—A State agency which is directly responsible for providing free public education for children in institutions for neglected or delinquent children or in adult correctional institutions shall be entitled to receive a grant under this subpart for any fiscal year (but only if grants received under this subpart are used only for children in such institutions).

"(b) AMOUNT OF GRANTS.—(1) Except as provided in sections 81 and 82, the grant which such an agency (other than the agency for Puerto Rico) shall be eligible to receive shall be an amount equal to 40 per centum of the average per pupil expenditure in the State (or (A) in the case where the average per pupil expenditure in the State is less than 80 per centum of the average per pupil expenditure in the United States, of 80 per centum of the average per pupil expenditure in the United States, or (B) in the case where the average per pupil expenditure in the State is more than 10 per centum of the average per pupil expenditure in the United States, of 120 per centum of the average per pupil expenditure in the United States) multiplied by the number of such neglected or delinquent children in average daily attendance, as determined by the Commissioner, at schools for such children operated or supported by that agency, including schools providing education for such children under contract or other arrangement with such agency, in the most recent fiscal year for which satisfactory data are available.

"(2) For each fiscal year, the Commissioner shall determine the percentage which the average per pupil expenditure in Puerto Rico is of the lowest average per pupil expenditure of any of the fifty States. The grant which Puerto Rico shall be eligible to receive under this subpart for a fiscal year shall be the amount arrived at by multiplying the number of such neglected or delinquent children in Puerto Rico by the product of—

"(A) the percentage determined under the preceding sentence, and

"(B) 32 per centum of the average per pupil expenditure in the United States.

"PROGRAM REQUIREMENT

"SEC. 72. A State agency shall use payments under this subpart only for programs and projects (including the acquisition of equipment and where necessary the construction of school facilities) which are designed to meet the special educational needs of children in institutions for neglected or delinquent children or in adult correctional institutions. Such programs and projects shall be designated to support educational services supplemental to the basic education of such children which must be provided by the State, and such programs and projects shall be administered and carried out in a manner consistent with subpart 3 of part A, other than sections 32, 33, 35, 36(d), 36(e), and 40 thereof.

"Subpart 4—General Provisions for State Operated Programs

"RESERVATION OF FUNDS FOR TERRITORIES

"SEC. 81. There is authorized to be appropriated for each fiscal year for purposes of each of subparts 1, 2, and 3 of this part, an amount equal to not more than 1 per centum of the amount appropriated for such year for such subparts, for payments to Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands under each such subpart. The amounts appropriated for each such subpart shall be allotted among Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands according to their respective need for such grants, based on such criteria as the Commissioner determines will best carry out the purposes of this title.

"MINIMUM PAYMENTS FOR STATE OPERATED PROGRAMS

"SEC. 82. No State shall receive in any fiscal year prior to October 1, 1983, pursuant to subpart 1, 2, or 3 of this part an amount which is less than 85 per centum of the amount which that State received in the prior fiscal year pursuant to the comparable sections of this title as in effect immediately preceding the enactment of the Education Amendments of 1978 or the comparable subpart of this part, whichever was in effect for such prior fiscal year, and, for any fiscal year ending prior to October 1, 1982, no State shall receive pursuant to subpart 1 of this part, an amount which is less than 100 per centum of the amount that State received in the prior fiscal year pursuant to the comparable section of this title as in effect immediately prior to the enactment of the Education Amendments of 1978 or under subpart 1 of this part, whichever was in effect for such prior fiscal year.

"PART C—STATE ADMINISTRATION OF PROGRAMS AND PROJECTS ASSISTED UNDER THIS TITLE

"Subpart 1—State Applications

"SUBMISSION OF STATE APPLICATION

"SEC. 101. Any State desiring to participate under this title (except with respect to the program provided for in subpart 1 of part B relating to migratory children) shall have on file with the Commissioner an application submitted by its State educational agency.

"CONTENTS OF STATE APPLICATIONS

"SEC. 102. Each application required by section 101 shall contain (1) satisfactory assurances that the State educational agency will comply with the requirements of this part, and (2) such information as the Commissioner may consider necessary for him to make the findings required by section 132.

"Subpart 2—Duties Imposed on State Educational Agencies

"APPLICATION APPROVAL

"SEC. 111. (a) REQUIREMENTS FOR APPROVAL.—(1) A State educational agency shall approve an application of a local educational agency or a State agency under this title if (A) such State educational agency is satisfied, after considering the factors specified in paragraph (2), that such applicant agency will use the funds received under the application in a manner which meets the requirements of this title, the General Education Provisions Act, and the rules, regulations, procedures, guidelines, criteria, or other requirements adopted by such agency which pertain to programs and projects assisted under this title, and (B) such applicant agency is not out of compliance with a de-

termination of the State educational agency or the Commissioner that it repay funds paid it under this title which were misused, and is not out of compliance with a compliance agreement under section 116(c).

"(2) A State educational agency may approve an application under paragraph (1), only after it has considered, where pertinent, (A) the results of Federal and State audits, (B) the results of Federal and State monitoring reports, (C) administrative complaints made by parents or other individuals concerning the applicant agency's compliance with this title, and (4) evaluations conducted under section 34(g).

"(b) PAYMENTS.—Except as provided in section 144, a State educational agency may make payments from funds received under this title only for programs and projects which it has approved under subsection (a).

"(c) OPPORTUNITY FOR HEARING.—A State educational agency shall not finally disapprove in whole or in part any application for funds under part A or under subpart 2 or subpart 3 of part B without first affording the local educational agency or other applicant submitting the application reasonable notice and opportunity for a hearing.

"STATE RULEMAKING

"SEC. 112. Nothing in this title shall be deemed to prohibit a State educational agency from adopting rules, regulations, procedures, guidelines, criteria, or other requirements applicable to programs and projects assisted under this title if they do not conflict with the provisions of this title, with regulations promulgated by the Commissioner implementing this title or with other applicable Federal law. The Commissioner shall encourage State educational agencies, in adopting such rules, regulations, procedures, guidelines, criteria, or other requirements to recognize the special and unique needs and circumstances of the State and of each local educational agency in the State.

"TECHNICAL ASSISTANCE AND DISSEMINATION OF INFORMATION

"SEC. 113. Each State educational agency shall carry on a comprehensive program to provide technical assistance to local educational agencies and State agencies with respect to the use of funds received under this title. Such a program shall include technical assistance for management procedures, for planning, development, implementation, and evaluation of programs, and for preparation of applications, as well as other forms of technical assistance needed by local educational agencies and State agencies. Each State educational agency shall also adopt effective procedures for disseminating to local educational agencies and State agencies (1) significant and relevant information derived from educational research, (2) information about successful compensatory education projects, (3) information about other Federal and State funded programs which may provide needed health, social, and nutrition services to eligible participating children under this title, and (4) such other information as will assist local educational agencies and State agencies in planning, developing, implementing, and evaluating programs assisted under this title.

"MONITORING

"SEC. 114. Each State educational agency shall adopt standards, consistent with minimum standards established by the Commissioner, for monitoring the effectiveness of programs and projects assisted under this title. Such standards shall (1) describe the purpose and scope of monitoring; (2) specify the frequency of onsite visits; (3) describe the procedures for issuing and responding to monitoring reports, including but not limited to, the period of time in which the State educational agency must issue its report, the period of time in which the applicant agency must respond, and the appropriate followup by the State educational agency; (4) specify the methods for making monitoring reports available to parents, State and local auditors, and other persons, and (5) specify the methods for insuring that noncompliant practices are corrected.

"COMPLAINT RESOLUTION

"SEC. 115. Each State educational agency shall adopt written procedures for receiving complaints, or reviewing appeals from decisions of local educational agencies with respect to complaints, concerning violations of this title or applicable provisions of the General Education Provisions Act in connection with programs assisted under this title, and for conducting onsite investigations of such complaints which the State educational agency deems necessary. Such procedures shall include—

"(1) the dissemination to organizations and individuals interested in programs assisted under this title of the name, title, address, and telephone number of any official of the State educational agency responsible for receiving complaints or for receiving complaints and appeals from the final complaint resolution decision of a local educational agency and for conducting, if necessary, an independent investigation of the complaint;

"(2) specific time limits for resolving the complaint or completing the review and, if necessary, the independent onsite investigation, which shall not exceed sixty days unless exceptional circumstances exist;

"(3) an opportunity for the complainant or the complainant's representative, or both, and the local educational agency involved to present evidence, including the opportunity to question parties to the dispute and any of their witnesses;

"(4) a provision for keeping all correspondence or other written communications concerning the complaint in a central file, accessible to all parties;

"(5) a requirement that the complainant, the complainant's representative, the local council, and appropriate school advisory councils be notified in writing, by the State educational agency within ten days after the resolution of the complaint or appeal, of the nature of the resolution, and the reasons for such resolutions;

"(6) the right to appeal the final resolution of the State educational agency to the Commissioner within thirty days after receipt of the written decision; and

"(7) dissemination, free of charge of information concerning these procedures to interested parties, including all district and school advisory councils.

"WITHHOLDING OF PAYMENTS

"SEC. 116. (a) WITHHOLDING.—Whenever a State educational agency, after reasonable notice and opportunity for a hearing (consistent with the requirements of section 434 (b) of the General Education Provisions Act) to any local educational agency or State agency, before an important decisionmaker, finds that there has been a failure to comply substantially with any provision of subpart 3 of part A or subpart 2 or 3 of part B, the State educational agency shall notify such agency that further payments, in whole or in part, will not be made to it under this title until it is satisfied that there is no longer any such failure to comply. Until it is so satisfied, no further payments shall be made to such agency under this title, except as may be provided in a compliance agreement entered into under subsection (c). Pending the outcome of any proceeding under this subsection, the State educational agency may suspend payments to such agency, after such agency has been given reasonable notice and opportunity to show cause why such action should not be taken.

"(b) NOTICE TO PUBLIC OF STATE WITHHOLDING.—Upon receipt by a local educational agency or a State agency of a notice that the State educational agency pursuant to subsection (a) is withholding payment the State educational agency shall inform the district advisory council and shall take such additional action as may be necessary to bring the State action to the attention of the public.

"(c) COMPLIANCE AGREEMENTS.—A State educational agency may suspend the initiation or continuation of its withholding action under subsection (a) while there is in effect a compliance agreement with the local educational agency or State agency under this subsection. Such an agreement shall be deemed to be in effect for the period specified therein, except that if the local educational agency or State agency fails to comply with the terms agreed to, such agreement shall no longer be in effect and subsection (a) shall be fully operative. In implementing such subsection, the State educational agency shall take into account any partial compliance by such agency under such agreement. For purposes of this subsection, the term 'compliance agreement' means an agreement which—

"(1) sets forth the terms and conditions to which the local educational agency or State agency has agreed in order to comply with the requirements of this title or the General Education Provisions Act and regulations promulgated thereunder, and with the applicable rules, regulations, procedures, guidelines, criteria or other requirements adopted by the State educational agency;

"(2) addresses all the matters that formed the basis for the initiation of the withholding action by the State educational agency; and

"(3) may consist of a series of agreements that in the aggregate dispose of all such matters.

Within fifteen days after the execution of any compliance agreement, the State educational agency shall send a copy thereof to the district advisory council affected, and to each organization or person who filed a complaint with respect to any failure to comply which is covered by that agreement.

"(d) REVIEW BY THE COMMISSIONER.—A local educational agency or State agency may, in accordance with section 425(a) of the General Education Provisions Act, appeal a final determination of the State educational agency under subsection (a) to the Commissioner.

"AUDITS AND AUDIT RESOLUTION

"SEC. 117. (a) AUDITING.—Each State shall make provision for audits of the expenditure of funds received under this title to determine, at a minimum, the fiscal integrity of grant or subgrant financial transactions and reports, and the compliance with applicable statutes, regulations, and terms and conditions of the grant or subgrant. Such audits shall be made with reasonable frequency, usually annually, but not less frequently than once every two years, considering the nature, size, and complexity of the activity.

"(b) AUDIT RESOLUTION.—Each State educational agency shall have in effect written procedures, meeting minimum standards established by the Commissioner, to assure timely and appropriate resolution of audit findings and recommendations arising out of audits provided for in subsection (a). Such procedures shall include a description of the audit resolution process, timetables for each step of the process, and an audit appeals process. Where under such procedures, the audit resolution process requires the repayment of Federal funds which were misspent or misapplied, such repayment may be made in either a single payment or in installments over a period not to exceed three years.

"(c) REQUIREMENT FOR REPAYMENT.—A local educational agency or State agency shall repay from non-Federal sources the

amount of funds under this title which have been finally determined through the audit resolution process to have been misspent or misapplied.

"(d) REVIEW BY THE COMMISSIONER.—A local educational agency or State agency may, in accordance with section 425(a) of the General Education Provisions Act, appeal a final determination of the State educational agency under subsection (b) to the Commissioner.

"(e) FAILURE TO REPAY.—If, following an affirmation by the Commissioner of a final determination of a State educational agency under subsection (b) or failure by a local educational agency or State agency to seek timely review by the Commissioner, such local educational agency or State agency refuses to repay from non-Federal sources funds which have been misspent or misapplied under this title, the State educational agency shall promptly notify the Commissioner and the Commissioner shall promptly initiate collection action.

"Subpart 3—Responsibilities of State Educational Agencies to Commissioner

"STATE MONITORING AND ENFORCEMENT PLANS

"SEC. 121. (a) STATE PLAN.—Each State educational agency participating in programs under this title shall submit, at such times (at least once every three years) and in such detail as the Commissioner shall prescribe, a State monitoring and enforcement plan. Such plan shall set forth—

"(1) a program of regular visits by State educational agency personnel to projects assisted under this title;

"(2) the matters to be reviewed during such visits;

"(3) procedures for verifying information provided by local educational agencies and State agencies, including the use of other information available to the State to cross-check that information;

"(4) procedures for regular audits by the State of local educational agency and State agency expenditures under this title, and procedures for the recovery of any expenditure determined not to be allowable under this title;

"(5) procedures for resolving each complaint received by the State relating to programs assisted under this title, including complaints referred to the State by the Commissioner and complaints by representatives of children enrolled in private schools that those children are not receiving the services to which they are entitled under this title; and

"(6) a description of the means by which the State educational agency has determined, and will continue to determine, the compliance by local educational agencies with the requirements of section 40 relating to the equitable provision of services to children enrolled in private schools.

"(b) REPORT.—Each plan submitted by a State educational agency under this section shall include a report, in such form as the Commissioner shall prescribe, of the activities undertaken by the State in the years since the previous plan was filed to carry out its monitoring and enforcement efforts under this title.

"REPORTING

"SEC. 122. Each State educational agency shall make to the Commissioner (1) periodic reports (including the results of objective measurements required by section 34(g) and of research and replication studies) evaluating the effectiveness of payments under this title and of particular programs assisted under it in improving the educational attainment of educationally deprived children, and (2) such other reports as may be reasonably necessary to enable the Commissioner to perform his duties under this title, including such reports as he may require to determine the amounts which the local educational agencies of that State are eligible to receive for any fiscal year.

"RECORDKEEPING, FISCAL CONTROL, AND FUND ACCOUNTING

"SEC. 123. Each State educational agency which receives funds under this title shall use fiscal control and fund accounting procedures that will insure proper disbursement of, and accounting for, funds made available under this title, and keep such records, and afford access thereto, as the Commissioner shall prescribe, including records which fully disclose the amount and disposition by such agency of such funds, the total cost of programs and projects in connection with which such funds are used, the amount of that portion of cost of the program and project supplied by other sources, and such other records as will facilitate an effective audit.

"PROHIBITION OF CONSIDERATION OF FEDERAL AID IN DETERMINING STATE AID

"SEC. 124. No State shall take into consideration payments under this title in determining the eligibility of any local educational agency in that State for State aid, or the amount of State aid, with respect to free public education of children.

"PART D—FEDERAL ADMINISTRATION OF PROGRAMS AND PROJECTS ASSISTED UNDER TITLE I

"APPLICABILITY

"SEC. 131. In addition to other requirements contained in this part, the requirements of the General Education Provisions Act which relate to Federal administration of elementary and secondary education programs shall apply to programs carried out under this title.

"APPROVAL OF APPLICATIONS

"SEC. 132. (a) REQUIREMENT FOR APPROVAL.—The Commissioner shall not approve an application under section 101 until he has made specific findings, in writing, that (1) the application and the State monitoring and enforcement plan required under section 121 comply with this title, and (2) that he is satisfied that the assurances in such application and the assurances contained in its general application under section 435 of the General Education Provisions Act will be carried out.

"(b) HEARINGS.—The Commissioner shall, in accordance with the procedures set forth in section 453 of the General Education Provisions Act, not finally disapprove an application under section 52 or section 101 except after notice and opportunity for a hearing to the State educational agency.

"PROGRAM EVALUATION

"SEC. 133. (a) INDEPENDENT EVALUATIONS.—The Commissioner shall provide for independent evaluations which describe and measure the impact of programs and projects assisted under this title. Such evaluations may be provided by contract or other arrangements, and all such evaluations shall be made by competent and independent persons, and shall include, whenever possible, opinions obtained from program or project participants about the strengths and weaknesses of such programs and projects. In all such evaluations the Commissioner shall appoint an advisory committee comprised of no less than seven members to review and make recommendations regarding the adequacy of the evaluation design. At least 50 per centum of such advisory committee members shall be local school district evaluators experienced in evaluations under this title.

"(b) DEVELOPMENT AND PUBLICATION OF STANDARDS.—The Commissioner shall develop and publish standards for evaluation of program or project effectiveness in achieving the objectives of this title.

"(c) JOINTLY SPONSORED STUDIES.—The Commissioner shall, where appropriate, consult with State agencies in order to provide for jointly sponsored objective evaluation studies of programs and projects assisted under this title within a State.

"(d) EVALUATION MODELS.—The Commissioner shall provide to State educational agencies, models for evaluations of all programs conducted under this title, for their use in carrying out their functions under section 102, which shall include uniform procedures and criteria to be utilized by local educational agencies and State agencies, as well as by the State educational agency in the evaluation of such programs.

"(e) TECHNICAL ASSISTANCE.—The Commissioner shall provide such technical and other assistance as may be necessary to State educational agencies to enable them to assist local educational agencies and State agencies in the development and application of a systematic evaluation of programs in accordance with the models developed by the Commissioner.

"(f) SPECIFICATION OF OBJECTIVE CRITERIA.—The models developed by the Commissioner shall specify objective criteria which shall be utilized in the evaluation of all programs and shall outline techniques (such as longitudinal studies of children involved in such programs) and methodology (such as the use of tests which yield comparable results) for producing data which are comparable on a statewide and nationwide basis.

"(g) REPORT TO CONGRESS.—The Commissioner shall make a report to the respective committees of the Congress having legislative jurisdiction over programs authorized by this title and the respective Committees on Appropriations no later than February 1 of each calendar year concerning the results of evaluations of programs and projects required under this section, which shall be comprehensive and detailed, as up-to-date as possible, and based to the maximum extent possible on objective measurements, together with other related findings and evaluations and his recommendations with respect to legislation.

"(h) INFORMATION DISSEMINATION.—The Commissioner shall also develop a system for the gathering and dissemination of results of evaluation and for the identification of exemplary programs and projects, or of particularly effective elements of programs and projects, and for the dissemination of information concerning such programs and projects or such elements thereof to State agencies and local educational agencies responsible for the design and conduct of programs and projects under this title, and to the education profession and the general public.

"(i) MAXIMUM EXPENDITURES.—The Commissioner is authorized, out of funds appropriated to carry out this title in any fiscal year, to expend such sums as may be necessary to carry out the provisions of this section, but not to exceed one-half of 1 per centum of the amount appropriated to carry out this title. In carrying out the provisions of this section, the Commissioner shall place priority on assisting States, local educational agencies, and State agencies to conduct evaluations and shall, only as funds are available after fulfilling that purpose, seek to conduct any national evaluations of the program.

"COMPLAINT RESOLUTION

"SEC. 134. The Commissioner shall develop and implement written procedures for receiving appeals from final resolutions of State educational agencies with respect to complaints concerning violations of this title or of applicable provisions of the General Education Provisions Act in connection with programs under this title, for receiving such complaints directly from parent advisory councils, parents, teachers, or other concerned organizations or individuals, and for conducting independent on-site investigations of such complaints if the Commissioner

deems necessary. Such procedures shall include—

"(1) identification by name, title, address, and telephone number of any officials of the Office of Education responsible for receiving complaints, for reviewing appeals from the final complaint resolution decision of a State educational agency and for conducting necessary independent investigations of complaints;

"(2) specific time limits for resolving the complaint or for completing the review and any necessary independent investigation, which shall not exceed sixty days unless exceptional circumstances exist;

"(3) an opportunity for the complainant, the complainant's representative, the local educational agency, and the State educational agency to present evidence;

"(4) a provision for keeping all correspondence or other written communications concerning the complaint in a central file, accessible to all parties;

"(5) a requirement that the complainant, the complainant's representative, the local educational agency, the State educational agency, State agency, the district parent advisory council, and appropriate school parent advisory councils shall be notified, in writing, within ten days after the resolution of the appeal of the nature of the resolution, the reasons therefor, and the right to an administrative appeal; and

"(6) dissemination of information concerning these procedures.

"AUDITS AND AUDIT RESOLUTION

"SEC. 135. (a) AUDITING.—The Inspector General of the Department of Health, Education, and Welfare shall make provision for audits of grants made under this title to determine, at a minimum, the fiscal integrity of grant or subgrant financial transactions and reports, and the compliance with applicable statutes, regulations, and terms and conditions of the grant or subgrant.

"(b) AUDIT RESOLUTION AND REPAYMENT.—The Commissioner shall adopt procedures to assure timely and appropriate resolution of audit findings and recommendations arising out of audits provided for in subsection (a). Such procedures shall include timetables for each step of the audit resolution process and an audit appeals process. Where, under such procedures, the audit resolution process requires the repayment of Federal funds which were misspent or misapplied, the Commissioner shall require the repayment of the amount of funds under this title which have been finally determined through the audit resolution process to have been misspent or misapplied. Such repayment may be made from funds derived from non-Federal sources or from Federal funds other than funds appropriated to carry out the purposes of this title. Such repayments may be made in either a single payment or in installment payments over a period not to exceed three years.

"(c) AUDIT REPORTING.—The Commissioner shall, in conjunction with the reporting duties specified in section 133(g) of this Act and section 417 of the General Education Provisions Act, submit annually to the Congress a report containing information regarding every Federal audit of any portion of a program under this title in a State or local educational agency which was initiated, completed, or outstanding during the year preceding the date of submission of the report. The report shall include for each such audit—

"(1) the identity of each such agency;

"(2) the number and type of audit exceptions reported for each such agency;

"(3) the dollar amount of any financial exceptions noted in final audit reports and in letters of final determination and in any subsequent appeals procedures for each such agency;

"(4) the status of recoupment activities, where applicable, including the dollar amounts received or owing; and

"(5) a description of audit followup actions conducted during that year for the purpose of determining that deficiencies which led to financial audit exceptions or audit findings of procedural non-compliance have been corrected.

"WITHHOLDING OF PAYMENTS

"SEC. 136. (a) WITHHOLDING.—Whenever the Commissioner, after reasonable notice and opportunity for a hearing to any State educational agency, finds that there has been a failure to comply substantially with any assurance set forth in the application of that State approved under section 52 or 101 the Commissioner shall notify the agency that further payments will not be made to the State under this title (or, in his discretion, that the State educational agency shall not make further payments under this title to specified local educational agencies or State agencies affected by the failure) until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied, no further payments shall be made to the State under this title, or payments by the State educational agency under this title shall be limited to local educational agencies and State agencies not affected by the failure, as the case may be. Pending the outcome of any proceedings under this subsection, the Commissioner may suspend payments to such agency, after such agency has been given reasonable notice and opportunity to show cause why such action should not be taken.

"(b) NOTICE TO PUBLIC OF COMMISSIONER WITHHOLDING.—Upon receipt by a State of a notice under subsection (a) that the Commissioner is withholding payments, the Commissioner shall take such action as may be necessary to bring his action to the attention of the public within the State.

"(c) COMPLIANCE AGREEMENT.—The Commissioner may suspend the initiation or continuation of his withholding action under subsection (a) during any period there is in effect a compliance agreement with the State educational agency under this subsection. Such an agreement shall be deemed to be in effect for the period specified therein, except that if the State educational agency fails to comply with the terms agreed to, such an agreement shall no longer be in effect and subsection (a) shall be fully operative. In implementing such subsection, the Commissioner shall take into account any partial compliance by such agency under such agreement. For purposes of this subsection, the term 'compliance agreement' means an agreement which—

"(1) sets forth the terms and conditions to which the State or local educational agency or State agency has agreed in order to comply with the requirements of this title or the General Education Provisions Act and regulations promulgated thereunder;

"(2) which addresses all the matters that formed the basis for the initiation of the withholding action by the Commissioner; and

"(3) which may consist of a series of agreements that in the aggregate dispose of all such matters.

A compliance agreement under this subsection shall not be exempt from disclosure under any provision of section 552, of title 5, United States Code. Within fifteen days after the execution of any compliance agreement under this subsection, the Commissioner shall send a copy thereof to each organization or person who filed a complaint with respect to any failure to comply which is covered by that agreement.

"POLICY MANUAL

"SEC. 137. (a) SCOPE AND PURPOSE.—The Commissioner shall, not later than six months after the publication of final regulations with respect to the amendments to this title made by the Education Amendments of 1978, prepare and distribute to State educational agencies, State agencies operating programs for neglected and delinquent and handicapped children, local educational agencies, and districtwide parent advisory councils established under section 35(a), and shall make available to other interested individuals, organizations, and agencies a policy manual for this title to—

"(1) assist local educational agencies, State educational agencies operating programs for migrant children, and State agencies operating programs for neglected and delinquent and handicapped children in (A) preparing applications for program funds under this title, (B) meeting the applicable program requirements under this title, and (C) enhancing the quality, increasing the depth, or broadening the scope of activities for programs under this title;

"(2) assist State educational agencies in achieving proper and efficient administration of programs funded under this title;

"(3) assist advisory councils established under section 35(a) in advising the local educational agencies in the planning, implementation, and evaluation of programs and projects under this title; and

"(4) ensure that officers and employees of the Department of Health, Education, and Welfare, including, but not limited to, officers and employees of the Commissioner and officers and employees of such Department charged with auditing programs carried on under this title, uniformly interpret, apply, and enforce requirements under this title throughout the United States.

"(b) CONTENTS OF POLICY MANUAL.—The policy manual shall, with respect to programs carried on under this title, contain descriptions, statements, procedural and substantive rules, opinions, policy statements and interpretations, and indices to and amendments of the foregoing, and in particular, whether or not such items are required under section 552 of title 5, United States Code to be published or made available, the manual shall include (but not be limited to)—

"(1) a statement of the requirements applicable to the programs carried on under this title including such requirements contained in this title, the General Education Provisions Act, other applicable statutes, and regulations issued under the authority of such statutes;

"(2) an explanation of the purpose of each requirement, including appropriate references to legislative history;

"(3) an explanation of the interrelationships between the applicable requirements;

"(4) a statement of the procedures to be followed by the Commissioner and the Secretary with respect to proper and efficient performance of their administrative responsibilities, including but not limited to (A) approving State applications or State plans, (B) distributing grants to appropriate agencies, (C) resolving problems discovered during monitoring visits, (D) resolving financial exceptions disclosed during audits, (E) collecting outstanding claims arising out of activities under this title, (F) resolving complaints, (G) responding to requests for advisory opinions interpreting and applying standards contained in applicable statutes and regulations to the public, (H) identifying and publicizing exemplary programs, and (I) making public final audit determinations of the Commissioner.

"(5) summaries of (A) advisory opinions referred to in paragraph (4)(G) of this section and (B) final audit determinations referred to in paragraph (4)(I), including examples of actual applications of the legal requirements of applicable statutes and regulations;

"(6) model forms and instructions developed by the Commissioner for use by State and local educational agencies, at their dis-

cretion, including, but not limited to, application forms, application review checklists, and instruments for monitoring programs operated by applicant agencies;

"(7) summaries of appropriate court decisions concerning programs under this title;

"(8) examples of methods of distributing State and local funds which do and do not satisfy the applicable requirements under this title; and

"(9) model forms, policies, and procedures developed by State educational agencies.

"PART E—PAYMENTS

"PAYMENTS

"SEC. 141. The Commissioner shall, subject to the provisions of section 143, from time to time pay to each State, in advance or otherwise, the amount which it and the local educational agencies of that State are eligible to receive under this title. Such payments shall take into account the extent (if any) to which any previous payment to such State educational agency under this title (whether or not in the same fiscal year) was greater or less than the amount which should have been paid to it.

"AMOUNT OF PAYMENTS TO LOCAL EDUCATIONAL AGENCIES

"SEC. 142. From the funds paid to it pursuant to section 141 each State educational agency shall distribute to each local educational agency of the State which is not ineligible by reason of section 11(b) and which has submitted an application approved pursuant to section 111(a) the amount for which such application has been approved, except that this amount shall not exceed the amount determined for that agency pursuant to section 11.

"ADJUSTMENTS WHERE NECESSITATED BY APPROPRIATIONS

"SEC. 143. (a) ADJUSTMENTS.—If the sums appropriated for any fiscal year for making the payments provided in this title are not sufficient to pay in full the total amounts which all local educational agencies, State educational agencies, and other State agencies are entitled to receive under this title for such year, the amount available for each grant to a State agency eligible for a grant under subpart 1, 2, or 3 of part B shall be equal to the total amount of the grant as computed under each such subpart. If the remainder of such sums available after the application of the preceding sentence is not sufficient to pay in full the total amounts which all local educational agencies are entitled to receive under subpart 1 of part A of this title for such year, the allocations of such agencies shall, subject to adjustments under the next sentence, be ratably reduced to the extent necessary to bring the aggregate of such allocations within the limits of the amount so appropriated. The allocation of a local educational agency which would be reduced under the preceding sentence to less than 85 per centum of its allocation under subpart 1 of part A for the preceding fiscal year, shall be increased to such amount, the total of the increases thereby required being derived by proportionately reducing the allocations of the remaining local educational agencies, under the preceding sentence, but with such adustments as may be necessary to prevent the allocation to any remaining local educational agency from being thereby reduced to less than 85 per centum of its allocation for such year. In case additional funds become available for making payments under this title for that year, such reduced amounts shall be increased on the same basis that they were reduced.

"(b) REDISTRIBUTION.—If the amount that would be received in any fiscal year by a local educational agency in any State under subpart 1 and section 21 of part A of this title exceeds 100 per centum of the maximum amount for which such agency is eligible under section 11 for such fiscal year, such excess shall be used to increase ratably the allocations of all other local educational agencies in such State under subpart 1 of part A, with such adjustments as may be necessary to ensure that the amounts received by such agencies under subpart 1 and section 21 of part A, do not exceed the maximum amount for which such agencies are eligible under section 11 for fiscal year.

"(c) DISTRIBUTION OF EXCESS.—In order to permit the most effective use of all appropriations made to carry out this title, the Commissioner may set dates by which (1) State educational agencies must certify to him the amounts for which the applications of educational agencies have been or will be approved by the State, and (2) State educational agencies referred to in subpart 1 of part B must file applications. If the maximum grant a local educational agency or an agency referred to in subpart 1 of part B would receive (after any ratable reduction which may have been required under the first sentence of subsection (a)) is more than an amount which the State educational agency determines, in accordance with regulations prescribed by the Commissioner, such agency will use, the excess amount shall be made available first to educational agencies in that State. Determinations of the educational agencies to which such excess amounts shall be made available shall be made by the State educational agency in furtherance of the purposes of this title in accordance with criteria prescribed by the Commissioner which are designed to assure that such excess amounts will be made available to other eligible educational agencies with the greatest need, for the purpose of, where appropriate, redressing inequities inherent in, or mitigating hardships caused by, the application of the provisions of section 11(a) as a result of such factors as population shifts and changing economic circumstances. In the event excess amounts remain after carrying out the preceding two sentences of this section, such excess amounts shall be distributed among the other States as the Commissioner shall prescribe for use by local educational agencies in such States for the purposes of this title in such manner as the respective State educational agencies shall prescribe.

"PAYMENTS FOR STATE ADMINISTRATION

"SEC. 144. The Commissioner is authorized to pay to each State amounts equal to the amounts expended by it for the proper and efficient performance of its duties under this title, except that the total of such payments in any fiscal year shall not exceed—

"(1) 1.5 per centum of the amount allocated to the State and its local educational agencies and to other State agencies as determined for that year under this title; or

"(2) $225,000, or $50,000 in the case of Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands,

whichever is the greater, except that any amount paid by reason of clause (1) or (2) in excess of the limitations on such payments in effect prior to the effective date of the Education Amendments of 1978 shall be used exclusively for monitoring, audit resolution, enforcement, or similar compliance activities and shall supplement and not supplant funds otherwise available from non-Federal sources for such purposes.

"PART F—GENERAL PROVISIONS

"JUDICIAL REVIEW

"SEC. 151. (a) APPEALS.—If any State is dissatisfied with the Commissioner's final action with respect to the approval of its application submitted under subpart 1 of part B or section 101 or with his final action under section 136, such State may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

"(b) BASIS OF REVIEW.—The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(c) JUDICIAL APPEALS.—Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"NATIONAL ADVISORY COUNCIL

"SEC. 152. (a) ESTABLISHMENT.—There shall be a National Advisory Council on the Education of Disadvantaged Children (hereinafter in this section referred to as the 'National Council') consisting of fifteen members appointed by the President, without regard to the provisions of title 5, United States Code, governing appointment in the competitive service, for terms of three years, except that (1) in the case of initial members, five shall be appointed for terms of one year each and five shall be appointed for terms of two years each, and (2) appointments to fill vacancies shall be only for such terms as remain unexpired. The National Council shall meet at the call of the Chairman.

"(b) DUTIES.—The National Council shall review and evaluate the administration and operation of this title, including its effectiveness in improving the educational attainment of educationally deprived children and meeting their occupational and career needs, and make recommendations for the improvement of this title and its administration and operation. These recommendations shall take into consideration experience gained under this and other Federal education programs for disadvantaged children and, to the extent appropriate, experience gained under other public and private educational programs for disadvantaged children.

"(c) REPORTS.—The National Council shall make such reports of its activities, findings, and recommendations (including recommendations for changes in the provisions of this title) as it may deem appropriate and shall make an annual report to the President and the Congress not later than March 31 of each calendar year. Such annual report shall include a report specifically on which of the various compensatory education programs funded in whole or in part under the provisions of this title, and of other public and private educational programs for educationally deprived children, hold the highest promise for raising the educational attainment of these educationally deprived children. The President is requested to transmit to the Congress such comments and recommendations as he may have with respect to such report. Subject to section 448(b) of the General Education Provisions Act, the National Council shall continue to exist until October 1, 1984.

"LIMITATION ON GRANT TO PUERTO RICO

"SEC. 153. Notwithstanding the provisions of part A or of subpart 1, 2, or 3 of part B of this title, the amount paid to the Commonwealth of Puerto Rico under this title

for any fiscal year shall not exceed 150 per centum of the amount received by Puerto Rico in the preceding fiscal year; and any excess over such amount shall be used to ratably increase the allocations under subpart 1 of part A of the other local educational agencies in the country whose allocations do not exceed the maximum amount for which they are eligible under section 11.

"DEFINITIONS

"SEC. 154. Except as otherwise provided, for purposes of this title:

"(1) The term 'local educational agency' means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools. Such term includes any other public institution or agency having administrative control and direction of a public elementary or secondary school.

"(2) The term 'school attendance area' means in relation to a particular school, the geographical area in which the children who are normally served by that school reside.

"(3) The term 'project area' means a school attendance area having a high concentration of children from low-income families which, without regard to the locality of the project itself, is designated as an area from which children are to be selected to participate in a program or project assisted under this title.

"(4) The term 'State educational agency' means the officer or agency primarily responsible for the State supervision of public elementary and secondary schools.

"(5) The term 'State' means a State, Puerto Rico, Guam, the District of Columbia, American Samoa, the Virgin Islands, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.

"(6) The terms 'Commission of Education' and 'Commissioner' means the United States Commissioner of Education.

"(7) The term 'Secretary' means the Secretary of Health, Education, and Welfare.

"(8) The term 'parent' includes a legal guardian or other person standing in loco parentis.

"(9) The term 'free public education' means education which is provided at public expense, under public supervision and direction, and without tuition charge, and which is provided as elementary or secondary school education in the applicable State, except that such term does not include any education provided beyond grade 12.

"(10) The term 'current expenditures' means expenditures for free public education, including expenditures for administration, instruction, attendance and health services, pupil transportation services, operation and maintenance of plant, fixed charges, and net expenditures to cover deficits for food services and student body activities, but not including expenditures for community services, capital outlay, and debt service, or any expenditures made from funds granted under title I, II, III, IV, VI, or VII of this Act.

"(11) The term 'average daily attendance' shall be determined in accordance with State law, except that notwithstanding any other provision of this title, where the local educational agency of the school district in which any child resides makes or contracts to make a tuition payment for the free public education of such child in a school situated in another school district, for purposes of this title the attendance of such child at such school shall be held and considered (A) to be in attendance at a school of the local educational agency so making or contracting to make such tuition payment, and (B) not to be in attendance at a school of the local educational agency receiving such tuition payment or entitled to receive such payment under the contract.

"(12) The term 'county' means those divisions of a State utilized by the Secretary of Commerce in compiling and reporting data regarding counties.

"(13) The term 'construction' includes the preparation of drawings and specifications for school facilities; erecting, building, acquiring, altering, remodeling, improving, or extending school facilities; and the inspection and supervision of the construction of school facilities.

"(14) The term 'school facilities' means classrooms and related facilities (including initial equipment) for free public education and interests in land (including site, grading, and improvements) on which such facilities are constructed, except that such term does not include those gymnasiums and similar facilities intended primarily for exhibitions for which admission is to be charged to the general public.

"(15) The term 'equipment' includes machinery, utilities, and building equipment and any necessary enclosures or structures to house them, and includes all other items necessary for the functioning of a particular facility as a facility for the provision of educational services, including items such as instructional equipment and necessary furniture, printed, published, and audio-visual instructional materials, and books, periodicals, documents, and other related materials.

"(16) The term 'elementary school' means a day or residential school which provides elementary education, as determined under State law, and the term 'secondary school' means a day or residential school which provides secondary education, as determined under State law, except that it does not include any education provided beyond grade 12.

"(17) The term 'average per pupil expenditure' means in the case of a State or the United States, the aggregate current expenditures, during the second fiscal year preceding the fiscal year for which the computation is made (or if satisfactory data for that year are not available at the time of computation, then during the most recent preceding fiscal year for which satisfactory data are available), of all local educational agencies in the State, or in the United States (which for the purposes of this subsection means the fifty States, and the District of Columbia), as the case may be, plus any direct current expenditures by the State for operation of such agencies (without regard to the source of funds from which either of such expenditures is made), divided by the aggregate number of children in average daily attendance to whom such agencies provided free public education during such preceding year.".

CONFORMING AMENDMENTS

SEC. 102. (a) Section 403 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended—

(1) by striking out, "except as used in title II.". in paragraph (2);

(2) by striking out ", except that for the purposes of title II such term does not include any education provided beyond grade 12" in paragraph (4);

(3) by striking out, "title II of this Act or title II or III" in paragraph (5), and inserting in lieu thereof "title I, II, or III".

(4) by striking out, "(A)" in paragraph (6) and by striking out subparagraph (B) of such paragraph;

(5) by striking out ", and for purposes of title II, such term includes the Trust Territory of the Pacific Islands" in paragraph (8);

(6) by striking out paragraphs (15), (16), and (17).

(b) Title II of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is repealed.

(c) Section 101(a)(10) of the Education Amendments of 1974 is amended by striking out "part A" and inserting in lieu thereof "subpart 1 of part A, and part B," and by striking out "such part A" and inserting in lieu thereof "such subpart or part".

(d) Section 842 of such Amendments is repealed.

STUDY OF ALTERNATIVES FOR DEMONSTRATING COMPARABILITY

SEC. 103. (a) The Commissioner shall, not later than September 30, 1981, make a study of the feasibility and desirability of alternative criteria for demonstrating the comparability of services provided with State and local funds in each project area (as defined in section 154(3) of the Elementary and Secondary Education Act of 1965) to those provided outside such areas which ensure, at least to the same extent as the criteria in existing regulations published in the Federal Register (41 F.R. 42894 et seq., September 28, 1976), that children in each school serving such a project area receive comparable services paid for out of State and local funds.

(b) The Commissioner may select all the local educational agencies in one State and not more than twenty such agencies in other States which are reasonably representative of the various geographical areas of the Nation for participation in the study provided for in this section. For purposes of the study, the Commissioner, without regard to section 431 of the General Education Provisions Act, may permit the use of substitute criteria meeting the requirements of subsection (c) in place of criteria contained in existing regulations, to be applicable only for the school years 1979–1980 and 1980–1981 and only to local educational agencies selected to participate in the study.

(c) Local educational agencies selected for participation in the study provided for in this section shall demonstrate comparability through the use of alternative criteria, which, at a minimum, meet the conditions of the following paragraphs:

(1) Such criteria are approved by the districtwide advisory council established under section 35 of the Elementary and Secondary Education Act of 1965.

(2) Based on such criteria, each school serving such a project area receives services comparable to those services provided with State and local funds in schools not receiving assistance under this title.

(3) Services measured by such criteria shall vary by not more than 5 per centum between each school serving such a project area and other schools of the agency.

(4) Compliance with such criteria shall be determined on the basis of services actually provided during the current school year.

(5) If expenditures are used in the criteria, only expenditures for instructional services shall be included and for this purpose "instructional services" means current expenditures for free public education other than expenditures for attendance and health services, pupil transportation services, operation and maintenance of plant, fixed charges, and net expenditures to cover deficits for food services and student body activities.

(6) In all other respects, such criteria shall be consistent with the regulations of the Commissioner pertaining to comparability of services.

(d) In order to provide a basis for comparison, local educational agencies participating in the study under this section shall continue to make reports under existing criteria for comparability of services.

ASSESSMENT OF PARENTAL INVOLVEMENT

SEC. 104. The National Institute of Education shall describe and assess the effects of parental involvement, including involvement through advisory councils under section 35

(a) of the Elementary and Secondary Education Act of 1965, on the operation of programs under title I of such Act and eligible schools under title I of such Act, in a variety of settings including both urban and rural areas, including the effects of such involvement on school governance, school finance, and student achievement.

Mr. PERKINS (during the reading). Mr. Chairman, I ask unanimous consent that title I and the table of contents be considered as read, printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

AMENDMENTS OFFERED BY MR. PERKINS

Mr. PERKINS. Mr. Chairman, I offer a series of technical amendments to the bill to correct printing and clerical errors, and I ask unanimous consent that the amendments be considered en bloc and that they be considered at this point even though they affect many different titles in the bill.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. PERKINS: Page 7, line 18, strike out "(a)".

Page 21, line 7, insert immediately after "for a fiscal year" the following: "(exclusive of any amount received under subparagraph (D))".

Page 22, beginning on line 1, strike out "40 per centum of".

Page 22, beginning on line 7, strike out "described in subdivision (I)" and insert in lieu thereof "from low-income families".

Page 22, line 17, insert "under this subparagraph" immediately after "such State".

Page 23, line 18, strike out "agencies for" and insert in lieu thereof "agencies or".

Page 26, beginning on line 7, strike out "paragraph (A) of this subsection" and insert in lieu thereof "subparagraph (A) of this paragraph".

Page 33, line 3, insert "preceding" immediately before "fiscal year".

Page 33, line 25, insert "such" immediately before "counties".

Page 50, line 11, strike out "and" and insert in lieu thereof "or".

Page 58, line 13, strike out "(b),".

Page 87, line 2, strike out "section 34(g)" and insert in lieu thereof "section 34(f)".

Page 89, line 1, insert immediately after "the Commissioner" the following: "and with the State monitoring and enforcement plan submitted under section 121".

Page 97, line 6, strike out "section 34(g)" and insert in lieu thereof "section 34(f)".

Page 111, line 5, strike out the period and insert in lieu thereof a semicolon.

Page 123, line 19, strike out "second fiscal year" and insert in lieu thereof "third fiscal year".

Page 131, strike out line 12 and insert in lieu thereof the following:

(D) in the second sentence of subsection (a)(1) and of subsection (a)(2) by inserting "the Northern Mariana Islands," immediately after "the Virgin Islands," each place it appears; and

Page 131, line 13, redesignate the following subparagraph accordingly.

Page 132, immediately after line 26, insert the following:

"(B) in-service training for guidance and counseling personnel."

Page 133, line 18, strike out "school systems." and insert in lieu thereof "schools.".

Page 135, beginning on line 11, strike out "schools of" and insert in lieu thereof "schools within".

Page 135, immediately after line 12, insert the following new subsection and redesignate the succeeding subsections accordingly:

(b) Paragraph (6) of section 403(a) of such Act is amended by striking out "at least annually" and inserting in lieu thereof "at least once every three years".

Page 136, line 21, insert "(a)" immediately after "Sec. 403." and on page 140, immediately after line 16 insert the following:

(b) Section 405 of such Act is amended by striking out "section 406(f)" and inserting in lieu thereof "section 406(g)".

Page 141, strike out line 4 and all that follows through line 15, and insert in lieu thereof the following:

"Sec. 405. (a) Section 431(a) of the Elementary and Secondary Education Act of 1965 is amended by striking out "and" at the end of paragraph (3), by striking out the period at the end of paragraph (4) and inserting in lieu thereof a semicolon, and by adding after such paragraph the following:

"(5) for developing and implementing model plans to demonstrate effective means of improving school management and fully coordinating all the Federal, State, and local resources available in a school in a manner designed to meet the individual needs of every child in such school; and

"(6) for planning for activities to be carried out under this part, except that any grant made pursuant to this paragraph to a local educational agency shall be limited to a period of not more than one year.".

Page 141, strike out line 19 and insert in lieu thereof the following: "shall also be used (pursuant to State plans approved under".

Page 150, in line 13, insert a comma immediately after "require".

Page 152, line 23, insert "and mathematics" immediately after "reading".

Page 154, strike out lines 8 through 14 and insert in lieu thereof the following:

"(10) participation by children enrolled in nonprofit private elementary and secondary schools in accordance with subsection (e) of this section;"

Page 160, line 10, insert "and" after the semicolon, on line 15 strike out the semicolon and insert in lieu thereof a period, and strike out lines 16 through 21.

Page 168, line 22, strike out "Applications" and insert in lieu thereof "An application" and on line 23 strike out "containing" and insert in lieu thereof "contain".

Page 175, line 13, insert "derived from activities" immediately after "information".

Page 178, strike out lines 23 and 24, and insert in lieu thereof the following:

"Sec. 646. For the purposes of this part, the term 'gifted and talented children' means children and, where applicable, youth, who are."

Page 189, line 13, strike out "each" and insert in lieu thereof "such".

Page 193, line 16, strike out "for".

Page 195, line 14, insert "and" immediately after the semicolon, on page 196, line 3, strike out "; and" and insert in lieu thereof a period, and strike out line 4 and all that follows through line 7.

Page 196, line 19, strike out "that".

Page 196, beginning on line 19, strike out "under subsection (b)" and insert in lieu thereof "under paragraph (2)".

Page 196, beginning on line 23, strike out "(6), (7), and (9)" and insert in lieu thereof "(6), and (7)".

Page 198, line 24, strike out "section 666" and insert in lieu thereof "section 668(a)(5)".

Page 199, line 22, strike out "or" and insert in lieu thereof "and".

Page 201, line 14, strike out "section 667" and insert in lieu thereof "section 668".

Page 207, line 14, strike out "public school system or systems" and insert in lieu thereof "public or private nonprofit schools".

Page 230, insert "; and" at the end of line 12, on line 14 strike out ", and" and insert in lieu thereof a period, and strike out line 15.

Page 231, line 1, strike out "paragraph (2)(C)(ii)" and insert in lieu thereof "paragraph (3)(C)(ii)".

Page 238, line 22, insert immediately before the period the following: "and meets the requirements of section 721(b)(3)(C)(ii)".

Page 241, line 1, strike out "(b)" and insert in lieu thereof "(c)".

Page 266, immediately after line 24, insert the following new subsection and redesignate the succeeding subsections accordingly:

(c) Section 712(c) of such Act is amended by striking out "paragraph (12)" each place it appears in paragraphs (1) and (3) and insert in lieu thereof "paragraph (8)".

Page 314, line 21, insert "policies and procedures relating to" immediately after "including".

Page 340, line 1, strike out "school districts" and insert in lieu thereof "local educational agencies".

Page 340, line 13, strike out "their representative organizations" and insert in lieu thereof "its representative organization".

Page 342, line 6, strike out "amendments" and insert in lieu thereof "revisions".

Page 344, line 18, strike out "two" and insert in lieu thereof "three".

Page 354, immediately after line 15, insert the following new paragraph and redesignate the succeeding paragraphs accordingly:

"(3) parts A and E of title VI of the Elementary and Secondary Education Act of 1965,".

Page 375, line 11, strike out "year" and insert in lieu thereof "year ending".

Mr. PERKINS (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. Is there objection to the first request of the gentleman from Kentucky, that the amendments be considered en bloc and at this point?

There was no objection.

Mr. PERKINS. Mr. Chairman, all of these amendments correct printing and clerical errors in the bill. They are not meant to make substantive changes and they do not.

I ask that the amendments be approved.

Mr. QUIE. Mr. Chairman, I support the technical amendments.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Kentucky (Mr. PERKINS).

The amendments were agreed to.

AMENDMENT OFFERED BY MR. PERKINS

Mr. PERKINS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PERKINS: Page 73, line 18, insert after the period the following new sentence: "The provisions of this section shall take effect upon enactment.".

Mr. PERKINS. Mr. Chairman, this amendment makes effective upon enactment the new provisions of title I. That is all it is. It specifies the effective date shall be upon enactment. I do not think there is any objection to that.

Mr. QUIE. Mr. Chairman, I have no objection to that amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky (Mr. PERKINS).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. QUIE

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. QUIE: Page 42, after line 23, insert the following new subsection and redesignate the subsequent sections accordingly:

"(e) Expenditures Related to Ranking of Eligible School Attendance Areas and Schools. A local educational agency may receive funds under this title only if such funds are allocated among project areas or schools for programs and projects assisted under this title on the basis of the number and needs of children to be served as determined in accordance with section 33."

Mr. QUIE. Mr. Chairman, the amendment which I offer is intended to fill a void in the bill relating to the allocation of title I funds between target schools. I am pleased to report that this amendment has the support of the gentleman from New York (Mr. WEISS) and the Lawyers' Committee for Civil Rights Under Law.

The amendment is quite simple. It merely requires that funds be allocated between target schools on the basis of the needs and number of children to be served. This amendment will clarify a policy that has been in practice in more than one-half of the school districts of the country and would prevent the use of such measures as school lunch counts for the allocation of educational funds. I might also note that the Senate bill (S. 1753) has a similar provision.

I urge the adoption of the amendment.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Chairman, I see no objection to the amendment and we accept the amendment on this side.

Mr. QUIE. I thank the chairman.

Mr. CONTE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as you know, I support comprehensive health education in the schools. I had planned to offer an amendment to the bill before us to insure that H.R. 15, like its Senate companion, S. 1753, would provide for this form of education in our schools.

However, it has come to my attention that a little-known existing law, title 17 of Public Health Service Act (Public Law 94–317), provides for the coordinated distribution of health education in the schools and elsewhere. This coordination is managed by the Assistant Secretary of HEW.

Therefore, in the best interests of the health-care consumer who is our ultimate concern, I have decided not to offer my Comprehensive School Health Education Amendment.

Instead, to insure that the public receives comprehensive health education, I stand in support of the existing law and the expansion of its school health education component. I shall take action to operationalize this fact when it comes to the Labor-Health, Education, and Welfare Appropriations Subcommittee for funding in fiscal year 1980.

I would also like to take this opportunity to thank my good friends and colleagues for their support. I look forward to our working together in the future to insure that our public's health is given proper attention and promotion.

Mr. ASHBROOK. Mr. Chairman, I move to strike the requisite number of words.

(By unanimous consent, Mr. ASHBROOK was allowed to speak out of order.)

U.N. AMBASSADOR YOUNG SAYS HUNDREDS OF "POLITICAL PRISONERS" ARE HELD IN U.S. JAILS

Mr. ASHBROOK. Mr. Chairman, in the years I have been around here, I have never asked for permission to speak out of order. Many people might have thought on occasion that I did, but I do this for the purpose of bringing a very serious matter to the attention of the Members.

Earlier today we spent more than 2 hours on a resolution that dealt with the Shcharansky and Ginzburg trials in the Soviet Union. I am sure it comes as a shock to the Members, although it does not come as a great shock to this Member, after 380 Members voted for that resolution to find on the press wires today the following statement made by our Ambassador at the United Nations, and I quote:

U.N. Ambassador Andrew Young said:

"Oh, that (trial) certainly is a gesture of independence on their part. But that will not hinder the SALT negotiations.

"And then one does not know what can happen to dissidents. After all, in our prisons also there are hundreds, perhaps even thousands, of people whom I would call political prisoners."

He did not elaborate.

Mr. Chairman, I think this is an insult to our country. It is an insult to the President of the United States. It is an insult to the 380 Members who voted for the resolution earlier today. I think it places a real responsibility on the White House to accomplish what many of us have urged over a period of years, either get Mr. Young's resignation or fire him. He speaks for few Americans. Certainly he speaks against the principles held by most Americans. He is a disgrace to all of us.

I think a statement like that certainly is an insult to us all, no matter what our political beliefs might be. The silence of the liberals in the body is a disappointment. Can you imagine what rhetoric we would be hearing if a Republican had made that statement?

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from California.

Mr. DORNAN. Mr. Chairman, about 12 of us suggested some months ago that Mr. Young be removed from office and there was a great deal of criticism. We based our reasons for removal or resignation on his statements that the Soviet Union does a better job of educating their people, housing their people, and giving medical services to their people than does this, the freest country on this Earth.

I think it is imperative to have this man removed from office. I think this statement attributed to him has obliterated the resolution this House passed today and that 380 of us have been made fools of by our Ambassador to the U.N. I think he absolutely should resign, or the President should call for his resignation immediately.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. QUIE).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. PERKINS

Mr. PERKINS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PERKINS: On page 54 in line 11 insert before the period the following: ", except for those local educational agencies which were not required to report upon the date of enactment of the Education Amendments of 1978".

Mr. PERKINS. Mr. Chairman, the committee bill expands to include all local educational agencies in the requirement for detailed reporting to determine compliance with the so-called comparability requirement. Under present law, only about 20 percent of local educational agencies need to file this detailed report.

The purpose of this amendment is to cut back on the reporting required by the committee bill and to approximate the same number of school districts as are reporting under current law.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky (Mr. PERKINS).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BLOUIN

Mr. BLOUIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BLOUIN: Page 33, line 19, strike out "The amount" and insert in lieu thereof "Except as provided in paragraph (4), the amount".

Page 34, line 1, redesignate paragraph (4) as paragraph (5) and insert immediately before such line the following new paragraph:

"(4)(A) Notwithstanding paragraph (3), the sum of the additional grants to which eligible counties in such State shall be entitled shall not be less than 0.25 per centum of the amount appropriated under subsection (d).

"(B) Funds made available under the requirements of subparagraph (A) shall be distributed among such eligible counties on the basis of the ratio of the number of children counted under section 11(c) in each such county to the number of such children in each such county in such State."

Page 34, line 8, redesignate paragraph (5) as paragraph (6).

Mr. BLOUIN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. BLOUIN. Mr. Chairman, the amendment that is being offered by myself and my colleague, the gentleman from Vermont (Mr. JEFFORDS) is basically a very simple one. It attempts to fill a gap left by the administration in its concentration concept provision. The amendment—and I want to emphasize

this to my colleagues—does not in any way dilute the concentration provisions as proposed in H.R. 15. This provision is targeted toward assisting school districts in counties with especially high concentrations of low-income children. That concept is sound and is continued. However, the formula for the allocation of the $400 million authorized under this legislation discriminates unintentionally against the States which are small and rural, or which have counties of very small, very light population.

Mr. PERKINS. Mr. Chairman, will the distinguished gentleman from Iowa yield?

Mr. BLOUIN. I will be happy to yield to the gentleman from Kentucky, our Chairman.

Mr. PERKINS. I thank the gentleman for yielding.

The gentleman from Iowa has done wonderful work on this legislation. I support the gentleman's amendment. This amendment will simply assure that smaller States will receive a fair share of funds under the so-called concentration provision which reinforces the committee's intention that needy, rural areas as well as the larger cities receive funds under that program. We accept the amendment on this side.

Mr. BLOUIN. I thank the Chairman very much.

Mr. JEFFORDS. Mr. Chairman, will the gentleman yield?

Mr. BLOUIN. I yield to the gentleman from Vermont, the coauthor of this amendment.

Mr. JEFFORDS. I thank the gentleman for yielding.

I would just like briefly to support the amendment. I would like to point out an example or two to indicate the equity of this amendment. The State of Maine adjusted per capita income is the 50th, lowest in the Nation. Under the present distribution, it would get only around a couple hundred thousand dollars. Yet just on a straight per capita basis it would be entitled to $2 million. All this amendment would do would be to give it $1 million. So it gives us an idea of the kind of inequity we are talking about.

The same would be true in the State of New Hampshire, a State which would get nothing under this. It is 45th. The same is true for other States such as Utah and South Dakota. This is no giveway for the smaller States. It establishes a bare minimum equity and takes into consideration the problems of small rural areas.

Mr. Chairman, let me go on; this amendment will serve to redress a number of inequities and problems which have arisen in connection with the concentration fund proposal. When first announced by the administration, the concentration fund was billed as a proposal to help both rural and urban areas which have large numbers or a large proportion of poor children. In practice, however, many rural areas, especially in small States, will be discriminated against by this proposal in its present form. This was certainly not the intent of the members of the Education and Labor Committee in approving this provision.

The committee acted in part to aid rural areas when it adopted an amendment which changed the distribution basis for these funds from the administration's school district-based proposal to a county basis. There is no doubt that county-based statistics are more accurate than those possessed by the Federal Government for school districts. Moreover, the original administration proposal would have simply not included any school districts with enrollments of fewer than 300 students, even though 25 percent of all the school districts in the United States are of this size range. However, this change had the unintended consequence of leading to substantially decreased allocations for 11 out of 15 small States under this provision.

Although nearly every school district in a county may be poor, the county as a whole may not be eligible for concentration funds. Such a situation can arise when a number of small school districts have eligibility levels above 20 percent, the criterion for concentration funding, but one somewhat larger district in the county does not. Thus, the entire county may be denied concentration funds, although it might well contain sizable "pockets" of poverty.

I have already given examples of the inequities. There are two additional significant reasons why the formula for concentration funding, as written, discriminates against small States.

First. Small school districts—those with fewer than 300 students—are underserved by title I of ESEA in any case. The Congressional Research Service estimates that about 42 percent of such districts nationwide receive title I funds. I do not believe that small school districts have fewer poor childern proportionately than do large districts; indeed, many small school districts have far fewer resources per student than do larger districts.

Second. The special problems of rural areas—most of them attributable to distance—make it both expensive and difficult to mount educational programs. Pupil transportation, energy, staff, and materials all are significant cost items for rural school systems.

Finally, it is an established fact that funding formulas which are based strictly on population frequently discriminate against small States. It has been our wise custom to recognize the problems of small States, and to make allowances for them. Current revenue sharing, educational, and public works statutes all recognize this difficulty; for example, the Vocational Rehabilitation Act of 1973, recently reauthorized by this House, sets a minimum of one-fourth of 1 percent, or $3 million, whichever is greater, for each State. In addition, the Clean Waters Act of 1977, the Developmentally Disabled Assistance Act (Public Law 94-103), and numerous other laws and regulations contain reasonable provisions to meet the needs of small States.

Opponents of the concept embodied in my amendment may argue that the $400 million in the concentration fund is designed to be a concentration fund, that the provision of small State minimums would work against this by dispersing the money too widely. However, these funds are meant equally to be targeted on those most in need. The structure of the bill as written prevents targeting on the rural poor who do not happen to live in areas of the country where school districts are organized by large counties.

The cost of this amendment to those States which do not benefit directly will be quite small—much less than the funds we are gladly foregoing to benefit the Commonwealth of Puerto Rico. Each State will forego about 1.5 percent of its potential concentration funding in order to fund this amendment, which will provide additional funding for thousands of children in need of compensatory education services who would otherwise not be served.

Therefore, I urge you to join me in supporting this move toward fairness. The amendment is minor in its consequences to the States represented by most Members of this House, but extremely important to those of us who will otherwise not be served by the new concentration provision.

Mr. BLOUIN. I thank the gentleman for his support and his assistance in pursuing this amendment. I think he has done an excellent job in pointing out the problem.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. BLOUIN. I yield to the gentleman from Minnesota.

Mr. QUIE. I thank the gentleman for yielding.

I think the amendment as offered by the gentleman from Iowa (Mr. BLOUIN) and by the gentleman from Vermont (Mr. JEFFORDS) will bring equity to the problem. I support the amendment.

Mr. BLOUIN. I thank the gentleman from Minnesota.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. BLOUIN. I yield to the gentleman from Illinois.

Mr. SIMON. I thank my colleague, the gentleman from Iowa, for yielding.

I am a little less enthusiastic than some of my colleagues. I do not rise in opposition to the amendment. It does seem to me that the kind of quantum jump we are making in the State of Vermont, moving from $5,000 to $1 million, is a pretty substantial kind of an increase.

Wyoming goes from $2,000 to that $1 million minimum. There are some inequities for the smaller States in the present bill. I think this does correct that, although I am concerned. Iowa goes up about 900 percent under this. I am concerned with this huge increase that we are authorizing here for a number of States.

Mr. BLOUIN. Mr. Chairman, if the gentleman will allow me, the problem is not in the huge increases, but in the way the formula was drafted. It attempts to respond to concentrations of poverty across the country. It does an excellent job in picking out those concentrations where they do exist in urban centers and in populous States; but because of the nature of the formula and because we

are dealing with a very imperfect science in the way we are using statistics here it does a poor job in applying that same effort to rural areas. If a similar formula could be written for rural areas, that approach would be preferable.

The CHAIRMAN. The time of the gentleman from Iowa (Mr. BLOUIN) has expired.

(By unanimous consent, Mr. BLOUIN was allowed to proceed for an additional 3 minutes.)

Mr. BLOUIN. Mr. Chairman, if that same concept could be devised for a rural area, we would have no problem. We just do not have the tools or the time to work up that type of approach.

Mr. SIMON. Mr. Chairman, if my colleague will yield further, I am not in opposition to what the gentleman says. What the gentleman says makes a great deal of sense.

I am not sure I would favor something like $500,000 or something a little less gargantuan in scope than $1 million.

Mr. BLOUIN. Mr. Chairman, I thank the gentleman from Illinois.

Mr. Chairman, I yield to the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Chairman, I, too, want to indicate that in fairness and equity around the country and in the interest of having a well-balanced piece of legislation which has the enthusiastic support of Members from all around the country, I would support the amendment the gentleman offers with the hope and expectation that because it provides even more than fairness and equity, that the effort which will be forthcoming can, in fact, destroy concentration and will be recognized as such and will receive support also from those Members whose areas will be benefited by this amendment.

Mr. BLOUIN. Mr. Chairman, the gentleman makes a very excellent point that I was just about to make. I know in one of the amendments about to be offered during the title I debate, my State would benefit immensely; but the entire concept of concentration funds would be destroyed, because it would have been diluted if it would be accepted to the point where it would be concentrating on no one, anywhere; in which case you might as well not have the program. This is a way to allow one-quarter of 1 percent of the authorized level to go to those areas that are not helped up by the standard formula and it is done in such a way that it does no harm in any way to our efforts to target the problems that exist in communities like the gentleman represents.

Mr. WEISS. Mr. Chairman, I appreciate that and I think it is an acceptable and appropriate amendment.

The CHAIRMAN. The time of the gentleman from Iowa (Mr. BLOUIN) has again expired.

(By unanimous consent, Mr. BLOUIN was allowed to proceed for an additional 2 minutes.)

Mr. BLOUIN. Mr. Chairman, I yield to the gentleman from New Hampshire (Mr. D'AMOURS).

Mr. D'AMOURS. Mr. Chairman, I think all the points that need to be made on this amendment have been made.

Mr. Chairman, I wish to associate myself with the remarks of my distinguished colleague from Vermont, Mr. JEFFORDS, and would like to congratulate him for his excellent work on H.R. 15 in general, and this amendment in particular.

Mr. Chairman, far too often the Congress ignores the special needs and concerns of small States like New Hampshire in developing the distribution formulas for Federal grant programs.

The goal of this concentration fund is an important one but the formula as currently written ignores the problem of pockets of poverty in small States. This amendment will correct this oversight by guaranteeing small States a proportion of the funds for the education of their disadvantaged children.

A disadvantaged child needs help regardless of whether he or she is living in a large State with many problem areas, or a small State with only a few problem areas. This amendment assures small States of the funds they need to deal with their disadvantaged pupils.

Mr. Chairman, adoption of this amendment will provide an additional $1 million for the education of New Hampshire schoolchildren. It will also return the concept of the concentration fund to the concept proposed by the administration—to aid both rural and urban disadvantaged children equally. Accordingly, I urge the adoption of the amendment.

Mr. BLOUIN. Mr. Chairman, I thank the gentleman from New Hampshire (Mr. D'AMOURS) for his comments and for his support as well.

I have two final points to make. No. 1, this in no way harms the concentration program, which is, I think, desperately needed in the Elementary and Secondary Education Act.

Second, we are not just suggesting that the administration has developed a formula that is modestly faulty in sparsely populated areas. The administration is supporting the amendment in an effort to accept that fact and in an effort to undo the minor problem that does exist in 15 very small States. It is a good approach, and it makes even fairer an equitable program of targeting concentration dollars.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. BLOUIN. I yield to my colleague, the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the Blouin-Jeffords amendment.

I would like to call the attention of the House to the remarks made by the committee chairman at the opening of the debate and by others of us on the committee that this bill really represents a conscientious effort to balance various parts of the bill in a way that will give equity and accomplish the purposes of the administration's initiatives and the purposes recognized as important by the committee.

The CHAIRMAN. The time of the gentleman from Iowa (Mr. BLOUIN) has expired.

(On request of Mr. FORD of Michigan, and by unanimous consent, Mr. BLOUIN was allowed to proceed for 2 additional minutes).

Mr. FORD of Michigan. Mr. Chairman, if the gentleman will yield further, while we did not have an opportunity in the committee to consider the effect of this amendment, I think it has been well understood by many of us that the people from the small States who are directly involved in this amendment were coming forth and cooperating in some very important changes that were made in the law to help us, particularly in the Northeast, in the Midwest, and in the States containing larger cities.

As the gentleman from New York has indicated, while on its face this appears to be giving away something from the large cities that are involved with concentration, when balanced with other parts of the entire bill, it is an eminently fair way to give equity to the States that were disadvantaged by the other parts of the formula that we adopted.

Mr. Chairman, I hope that the gentleman's amendment will be adopted.

Mr. CLEVELAND. Mr. Chairman, will the gentleman yield?

Mr. BLOUIN. I yield to the gentleman from New Hampshire.

Mr. CLEVELAND. Mr. Chairman, I rise in strong support of the Blouin-Jeffords amendment to H.R. 15 which will insure that all States benefit from the new special fund for areas which have high concentrations of economically disadvantaged children. The Blouin-Jeffords amendment provides that each State will receive one-fourth of 1 percent of the national total of money distributed under the concentration fund.

Title I of the Elementary and Secondary Education Act (which is funded at almost $3 billion in fiscal year 1979) allocates funds on the basis of the number of economically disadvantaged children in each county of a State. Schools in every State and district depend on title I funds as a major part of the Federal Government's assistance. The concentration fund, as originally proposed, was intended to serve both rural and urban areas with greater than average proportion of poor children. However, the committee bill formula discriminates against small rural States. For example, under the committee bill, New Hampshire will receive zero funding from the concentration fund. Whereas the Blouin-Jeffords amendment provides approximately $1 million in assistance.

I think it is important to recognize that many Federal programs have similar minimum entitlements in order to insure that all States are treated fairly. The problems of rural States are often considered as less important than those of major urban areas with large populations and this is very unfortunate. The Blouin-Jeffords amendment strikes a sensible balanced approach and I urge my colleagues to accept it.

Mr. Chairman, I compliment the gentleman from Iowa (Mr. BLOUIN) for offering this amendment.

Mr. BLOUIN. Mr. Chairman, I thank the gentleman from New Hampshire (Mr. CLEVELAND) for his remarks.

Mrs. CHISHOLM. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think that we have to be cognizant of the fact that when amendments speak about equitability, and, of course, when certain code words we used, such laws usually evoke immediate attention.

But I think the gentleman from Illinois (Mr. SIMON) was attempting to say something, and I do not think many of us caught it or perhaps we were not interested in understanding it. He was speaking about the disportionate, fantastic rise in educational funds to the small States.

I rise in opposition to the amendment, Mr. Chairman, because it would totally decimate the positive impact which the concentration fund can have in more effectively serving this Nation's disadvantaged children. Now, practically speaking, this concentration fund is targeted toward $400 million in funding to those districts that have high percentages of title I eligibles. As proposed by the administration and also by the Committee on Education and Labor, this concentration fund will flow to approximately 3,500 of the Nation's 14,000 eligible school districts which contain two-thirds of the 9 million title-I-eligible children.

If I may gain the attention of the gentleman from Iowa (Mr. BLOUIN), if I understand it correctly, under this amendment virtually all of these districts would receive a small portion of the concentration fund, totally diffusing its impact; is that not correct?

I point that out because there are three main points that I believe we must take into consideration: First of all, that title I funds flow to 86 percent of the Nation's school districts, yet only 60 percent of the children in this Nation who are eligible to receive compensatory education are now receiving these funds, according to NIE.

Mr. BLOUIN. Mr. Chairman, will the gentlewoman yield for an answer?

Mrs. CHISHOLM. Yes, I yield to the gentleman from Iowa.

Mr. BLOUIN. Mr. Chairman, the gentlewoman and I understand the amendment and the concentration formula to do slightly different things.

This is a lump sum of money that goes to the States on the basis of the number of eligible counties and the percentage eligible to attract those dollars, but it is in the end a lump sum of money to the State.

Our amendment attempts to take 15 rural States that under the present formula would get $7.7 million—that is a very minor amount of money, so minor that nothing can be done with it—and bring them up to a minimum so that the total figure would be $15 million, or an additional $7.3 million, leaving the other $385 million to be concentrated strictly on the basis of the formula. It is, in other words, earmarked so about 7 or 8 percent of the total dollars go to take care of 15 of the 50 States.

Mrs. CHISHOLM. Is this in line with the President's amendment, the President's package?

Mr. BLOUIN. The administration supports the amendment, accepts the inequity of the formula, as do the teacher organizations, most education organizations. They do not support the dilution of the concentration, nor do I. They support the effort to eliminate the basic inequity in the formula as it was drafted.

Mrs. CHISHOLM. How does one explain the fantastic rise in the amounts of money that will then go to some of the smaller school districts in this country, and the overall effect?

Mr. BLOUIN. We must understand what the formula is. The money does not go to the school districts. It goes to the States, based on a formula which takes into account the percentage or population, depending on which threshold you base it, per school district. Then the lump sum of money is figured out and transmitted to the State. The State then uses it for concentrations where their problems are.

Mrs. CHISHOLM. And there is no dilution, no decimation of these funds, in terms of the overall needs of the disadvantaged children?

Mr. BLOUIN. The dilution, in terms of massive concentration, which is what we are trying to establish with the program, is whatever the factor would be by taking $7.3 million from the remaining $392.3 million and factoring about 2 percent from whatever your State's share would have been had the 15 States that we are referring to continued to receive as little as $2,000.

The CHAIRMAN. The time of the gentlewoman from New York (Mrs. CHISHOLM) has expired.

(On request of Mr. BLOUIN and by unanimous consent, Mrs. CHISHOLM was allowed to proceed for 5 additional minutes.)

Mr. BLOUIN. If the gentlewoman will yield further, the dilution in New York, as an example—and I am sure some of the New York delegation has probably figured it out—would be minimal. It would be less than the difference, I would guess, in gain in any of the 15 States that will gain under this amendment.

Mrs. CHISHOLM. Would not this amendment be, in principle, totally contrary to the goal of compensatory education, and in fact it is a different thrust now, in terms of the goals of compensatory education?

Mr. BLOUIN. I do not think so at all, if the gentlewoman will continue to yield.

In Iowa we have serious pockets of poverty, serious pockets of educational deprivation as a result of that poverty. In Vermont, where there would be a total of $5,000, I am sure that they have—although I have never been there—similar pockets of poverty, although not on the same scale.

If we are going to be true our goal of concentrating our efforts where problems exist, then we will have to concentrate only in areas where we find them—in other words, where problems exist.

If there are 200 kids in a small rural community who are getting a rotten education and this money might help them get something, then we will have something for them to work with. With a million dollars, Vermont will build a program. Ohio will build a program with $5,000 or $2,000. New Hampshire, they will ignore it. They might send the check back. But at least we have taken them off the hook, and we will say, "You have got enough money to work with, you better come through with a program that will work. There are no excuses."

Mrs. CHISHOLM. I have one further question. The only concern I have, recognizing that there are pockets of poverty all over the country the only major concern I have is the inequitability and the disproportionate amounts of money that will be going to certain areas.

Mr. JEFFORDS. Mr. Chairman, will the gentlewoman yield?

Mrs. CHISHOLM. I yield to the gentleman from Vermont.

Mr. JEFFORDS. I thank the gentlewoman for yielding, and I would like to explain a little bit how it happens that the small rural States are hurt and why this formula works the way it does. I gave the example of Maine, for instance, earlier. It is the lowest in the Nation in per capita income.

However, under this concentration formula Maine gets very little. The same is true of Vermont, New Hampshire, Utah, and others.

The reason for that is this: There was a change made to the administration formula and a good change in most cases—so as to distribute on a county basis rather than on a local school district basis. However in very rural small population States it led to inequities. What happens in these rural States is that the poverty is in the really rural area where the small school districts are. The concentration of capital and wealth is in the bigger communities, but within the same county.

What happens is that when one takes the formula, it works very well for the rest of the country; but in the sparsely settled rural area the average comes out in the county such that they do not go over the 5,000 total because they are small, or they do not go over the 20 percent in the county because of the concentration of the wealth in the larger communities. Yet many school districts in the county would be wary over 20 percent. Consequently, those poverty areas, the real pockets of poverty, end up with nothing under the formula. As a further example under the administration's proposal using local school districts instead of counties my State would have gotten 45 times as much if we had it by counties.

However, when they went to the county basis, it went close to zip. New Hampshire went to zero. As I pointed out earlier New Hampshire with very very low per capita income, on a per capita basis would get $2 million. Under this amendment it only gets $1 million.

That is the reason for the inequity, the sparse population and the fact that the poverty is located out in the sparse rural areas rather than in the larger communities. These larger more wealthy areas average things out and prevent the bringing of some funding to the smaller poor school districts.

Mrs. CHISHOLM. Mr. Chairman, I thank the gentleman for the clarification.

Mr. WEISS. Mr. Chairman, will the gentlewoman yield?

Mrs. CHISHOLM. I yield to the gentleman from New York.

Mr. WEISS. Mr. Chairman, in addition to what the gentleman from Iowa (Mr. BLOUIN) and the gentleman from Vermont (Mr. JEFFORDS) have said, it has been estimated that there are significant numbers of Members who felt that their States were not being fairly treated, too, but who, I think, will feel comfortable if this amendment is adopted because it will help us defeat some of the really serious unfair attacks which will be forthcoming in some of the amendments which will be offered.

Mrs. CHISHOLM. Mr. Chairman, I thank the gentleman very much.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. BLOUIN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. QUIE

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. QUIE:

Page 28, line 21, strike out "and under which" and insert in lieu thereof ", or is a local educational agency which has in effect for that fiscal year a local program for educationally deprived children which has been voluntarily adopted and which has also been approved by the State educational agency, which meets the requirements of paragraphs (1) through (5) of section 41(b), and under such program".

Page 29, line 10, insert immediately before the period the following: ", or under a local program satisfying such requirements where such a State program does not exist."

Page 30, line 1, insert immediately after "this section" the following: ", and each local educational agency which is eligible to receive funds under this section by reason of a local program for educationally deprived children and which desires to have payments made on its behalf,".

Page 30, line 4, insert "or local" immediately after "State".

Page 30, line 5, insert "or the local educational agency involved" immediately after "The State".

Page 30, line 21, insert immediately after "with" the following: "a State or local program described in".

Mr. QUIE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. QUIE. Mr. Chairman, the incentive grant provision contained in section 21 of H.R. 15 is regrettably designed so that only those States which have an identifiable State compensatory education program may receive matching funds. Although that goal is laudable, it is unfair to those States where extra funds are made available to districts for compensatory services but where there is no requirement in the State law that the funds be separately accounted for nor used for excess cost services.

My amendment would permit matching funds to be received if the district, in a State where these extra funds are made available, chose on a voluntary basis to account for the money in accordance with section 21. This would mean that the funds would be made available for an identifiable program and would be used for the excess cost of compensatory instruction. My State of Minnesota, as well as the States of Illinois, Indiana, Pennsylvania, Washington, and several others, would become eligible for matching funds under this provision. In Illinois more than $500 million in State aid would be affected, in Pennsylvania $100 million, and Minneosta $50 million.

It is unfair to hold a local district hostage to the action or lack of action at the State level. What is important is that children with a need for special services receive those services. If there is to be a Federal incentive, it should be for both State and local action.

The amendment which I have offered would give those local districts in States like Minnesota an opportunity to receive matching funds. It would be my hope that the State itself would move toward the adoption of a separate State program based on its experience and this amendment.

I urge my colleagues to support this additional language in H.R. 15.

Mr. PERKINS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have always believed in the incentive program, and especially an incentive program that will cause the States or local school districts to come forth with a compensatory educational program for the disadvantaged that will help educate the disadvantaged. If I understand the gentleman's amendment correctly, he would make eligible for the incentive grant local educational agencies that have their own programs separate and apart from the State. I mean, programs for the disadvantaged. Am I reading the gentleman's amendment correctly?

Mr. QUIE. Mr. Chairman, if the gentleman will yield, it is where they do receive money from the State for educationally disadvantaged. In a number of States like Minnesota, it is commingled. They do not have to designate to the State how the money is used. However, under my amendment they can bring themselves into compliance with the requirements of section 21 and then qualify, so it would add additional States.

Mr. PERKINS. If we do not have a separate compensatory educational program from the disadvantaged either at the local level or at the State level, how are we going to call it a compensatory educational program?

Mr. QUIE. They would have to start their own compensatory educational program in order to qualify, use the State funds for compensatory education program. Unless they did that, then they qualify and come under the incentive grant. So, the purpose is to encourage them to do it, and would permit them to do it without waiting for the States to designate it. They can designate it themselves.

Mr. PERKINS. Would this interfere with the States monitoring any of the disadvantaged programs within the States?

Mr. QUIE. No, it would not.

Mr. SIMON. Mr. Chairman, would my colleague yield?

Mr. PERKINS. I yield to the gentleman from Illinois.

Mr. SIMON. Mr. Chairman, I have a somewhat related question. Would the gentleman's amendment discourage States from moving—in other words, under the present bill what we are doing is that those local school districts are going to be pushing the States to have programs. Will the gentleman's amendment discourage that?

Mr. QUIE. No; it will not.

Mr. SIMON. Why does the gentleman say that it will not?

Mr. QUIE. It will not discourage them because it is only if they do have programs set aside for the disadvantaged that they will qualify. But, in States such as Illinois or Minnesota where they have the money set aside for disadvantaged but do not follow it down to local school districts, my amendment would provide some Federal aid for incentive grants.

In my admendment it would let the local school districts specifically designate the State money they are receiving for compensatory education, and then therefore qualify. So, they will be doing exactly the same thing as if the State legislature had forced them to do it.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

(By unanimous consent Mr. PERKINS was allowed to proceed for 2 additional minutes.)

Mr. PERKINS. Mr. Chairman, I would like to ask the gentleman from Minnesota this question: I know of several counties in the country that have established compensatory educational programs for the disadvantaged when we do not have a State program—I mean the local educational agencies. Under the gentleman's amendment, will those local educational agencies that have established such a program on their own, separate and apart where the State does not have any program, will they be qualified under this amendment?

Mr. QUIE. No; under my amendment it would only be State money, not local money, because I did not want to stray from the purpose of the original amendment, which is State incentive grants with Federal Government matching 50 percent to set money aside for that purpose.

So those States where the local school district then uses State money for the purpose on their own, then they would qualify.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from New York.

Mr. WEISS. Mr. Chairman, I appreciate the gentleman yielding.

The concern I have with the amendment offered by the gentleman from Minnesota is that it removes the incentive for statewide compensatory education programs. And local districts within a State which for reasons of their own—which may be good, bad, or indifferent—do manipulate the funding

which they get from the State themselves, perhaps they qualify under H.R. 15 for some money, but it does not encourage the States themselves to go to a statewide compensatory basis. We have some 13 States which would qualify for funding. If we are serious about encouraging States to do this, then we ought to be providing for the States to come in and qualify for that. The consequences of this would be to deter and delay and destroy whatever incentives there might be for the States to adopt statewide programs.

I hope the amendment would not be accepted.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Chairman, first of all I commend the gentleman from Minnesota for suggesting this amendment.

What we are trying to say is that many States have compensatory education programs. Minnesota spends $45 million a year on these programs. We would like to see some way provided so that the States would not have to go through these gymnastics. Each one of those States is going to qualify by going through this and following the rules and regulations and qualify for the statewide compensatory grant.

The CHAIRMAN. The time of the gentleman from Kentucky (Mr. PERKINS) has expired.

(On request of Mr. VENTO, and by unanimous consent, Mr. PERKINS was allowed to proceed for 2 additional minutes.)

Mr. VENTO. Mr. Chairman, if the gentleman will yield further, the point here is that this can be done by virtue of either adoption of this or another amendment that I had considered offering later. But I think the point is essentially the same one.

The criteria that exists in this bill in 41(B) will be applicable to the local school districts just as they are applicable to the State programs. We are just recognizing there are different types of compensatory programs and the States ought to have the flexibility to pursue those types of programs, and the State dollars should match in essence the compensatory dollars offered here as an incentive.

I think that is really what is at the base of it.

This is a reasonable approach. There may be technical differences between myself and my colleague from Minnesota but I think we are headed down the same road, and it would be prudent at this time to consider accepting this amendment.

The CHAIRMAN. The time of the gentleman from Kentucky has again expired.

(By unanimous consent, Mr. PERKINS was allowed to proceed for 1 additional minute.)

Mr. PERKINS. Mr. Chairman, I would like to know what assurance there would be that school districts in the poorer States would be able to set aside any of their own funds for compensatory education. As Members know, many school districts do not have adequate general funds to operate programs, and to qualify under the gentleman's amendment, as I understand it, they would have to set aside some of these general funds just for compensatory education. Am I correct in that statement?

Mr. QUIE. If the gentleman will yield, they could use State general funds for that purpose. However since the section 21 did not address itself to anything more than a State compensatory program, my amendment does not include the strictly local money. It seems to me the strictly local money is used normally for the regular costs of education. It is hard for them to go to the special or compensatory education needs. That is why my amendment is limited to this.

Mr. PERKINS. My main concern is that if our local school districts spend their own funds for compensatory education, what incentive will there be for States to spend their own funds for this purpose?

Mr. QUIE. The incentive is they would get this other matching money.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. THOMPSON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment offered by the gentleman from Minnesota (Mr. QUIE).

Mr. Chairman, this new section of the bill to which the amendment offered by my friend the gentleman from Minnesota (Mr. QUIE) refers to, alters the State incentive compensatory matching program authorized in section 4 of this bill. This has been strongly supported by the chairman of the committee, as the Members know, and was introduced by our colleague, the gentleman from New Jersey (Mr. LEFANTE) who is recovering, I am glad to report, from heart surgery and cannot be here, but is doing well.

In his behalf and in mine, I want to urge the maintenance of the language as it is reported.

The basic purpose is to encourage the States to establish or expand their own compensatory education programs. In 1978 13 States were spending almost $500 million in State funds for programs similar to those in title I, offering supplemental programs to educationally deprived children.

My State of New Jersey, and the States of New York and California, and other States, have used their State funding in greater amounts than they receive under title I. So the effect of the amendment would be to undermine the basic purpose, in my judgment, of the incentive programs, if it were adopted. If it were adopted, the incentive for the States without compensatory programs would no longer exist. The amendment provides an out for the States since school districts within the States would be eligible for the program without the State making any additional financial commitment.

Further, the assertion that local school districts will have more flexibility within the States ignores the difficulties which local districts are now having because of the tax revolt.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Chairman, I thank the gentleman for yielding.

The gentleman says that the States would not have to make any additional commitments of funds. Under the present section 21, the State does not have to make any additional commitment of funds. They could get more matching money, but they get the matching money based on what they are already setting aside for compensatory education, and if the other States are setting aside, the school districts are using it. What my amendment does is permit them to qualify without the State actually telling the local school district how to use the funds. You do not have to tally it back to us. Now we require that they tally it back to the States again.

Mr. THOMPSON. I simply say to my friend that the assertion that the local school districts will have more flexibilty with the States I do not agree with in light of the well-known revolt in a number of forms against high property taxes that take different forms all over. If that incentive is applied to the school district and not to the State, Lord knows what is going to happen, they just will not be able to handle it, in my judgment.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON. I will be glad to yield to the gentleman from Minnesota.

Mr. QUIE. I thank the gentleman for yielding.

The gentleman from Minnesota (Mr. VENTO) was in the legislature when the AFDC formula legislation was enacted in the State of Minnesota, which provides additional money because of the numbers of AFDC children in a district. The only thing different between that law and the New Jersey law is that the local school district does not have to account for every cent that was used for compensatory education. They expect that they would use that money to improve education for the disadvantaged children in those school districts. That is the only difference.

What my amendment says is that all they have to do now is to identify the money that they are spending for additional education for the children and they can qualify as New Jersey does. As far as the State of Minnesota is concerned, they put the extra money, close to $8 million, into compensatory education.

The CHAIRMAN. The time of the gentleman from New Jersey (Mr. THOMPSON) has expired.

(At the request of Mr. QUIE, and by unanimous consent, Mr. THOMPSON was allowed to proceed for 3 additional minutes.)

Mr. QUIE. If the gentleman would yield further, that is really what the case is.

Mr. THOMPSON. I confess to not knowing what the Minnesota situation is. I think I know what the New Jersey situation is, and I do not want to see the elimination of the basic requirement in the committee bill that the State

make a strong policy commitment and that it is necessary. But the intent of this amendment could be accomplished by the provision already in the committee bill without eliminating the essential involvement of the State in the program, as I see it. For example, the State can qualify under the new incentive program even though only one or two districts in the State receive funds under the State's compensatory program. In Minnesota my notes indicate that they could establish a program under which Minneapolis or St. Paul at their option could agree to use all or some of their State aid for compensatory education. Is that correct?

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from Minnesota.

Mr. VENTO. I thank the gentleman for yielding.

That is not my understanding. If that were the understanding, I guess we would not necessarily be proposing the legislative change. The point is that it is State money. It is compensatory money. My understanding simply is that we would have to make a change in the State law that we could not have the general money. We would have to make that very, very specific with regard to the criteria in this bill, and it is quite likely, I might say, that those criteria are being met with regard to the spending of money, but the procedure is not currently existing with regard to tracking that money. I think the gentleman from Minnesota's amendment will make that language legislative language. It is our understanding right now that we do not qualify with the amount of money we are spending, and other States that have similar programs in terms of compensatory education do not qualify in these instances either. New Jersey obviously has a program that meets those particular criteria that are laid out in 41(b) of the bill, and that in essence is the difference. If we were given assurances that this were the case, I think our attitude would be different.

Mr. THOMPSON. I think the assurances are there now. Minnesota allocates approximately $45.5 million to local education agencies on the basis of the concentration of children of low-income families in those LEA's. The State does not require that the districts use the funds for compensatory education, as that term is defined in the committee bill. The question is if one or two districts in Minnesota enter into an agreement with the State educational agency to use a portion of the State funds for compensatory education, in accordance with the requirements of 41(b) of title I, could the State funds—I am going to ask myself a question and undertake to answer it—so spent be used for matching under the new incentive program? I would like to emphasize that under this arrangement the State education agency would have established specific regulations and procedures for working with those LEA's under this arrangement. In this respect the State would have a program for the purpose of the new incentive program, provided that the State had a specific program providing for optional participation of LEA's in the program and requiring those LEA's to use funds specifically in accordance with the requirements of 41(b). Such a program would qualify under the new incentive program. The additional title I funds generated by the State matching funds would then be allocated within the State in accordance with subsection 21(b) of the new incentive program. So I feel, therefore, having asked myself the question and answered it to my satisfaction, that it ought to satisfy the two distinguished gentlemen.

Mr. VENTO. If the gentleman would yield further, it does satisfy our concern. It really is the question that I have raised in the amendment as I brought forth on the distribution of section 21.

I expect it to be based on those districts that are involved in that matching commitment and the cooperative agreement with the State. I do not know if it fully answers the concern of my colleague from Minnesota with respect to the amendment. I suggest that perhaps the gentleman would care to respond.

Mr. THOMPSON. Well, I do not intend to yield to the gentleman any further, because I think the argument is persuasive enough now that the gentleman should be satisfied, as I am.

I would respectfully request my colleagues to defeat the amendment and proceed with the committee bill, for a number of reasons. The amendment would destroy the intent of the new program as a State-incentive program. It would increase the amount of paperwork fantastically. It is unintentionally, I am sure, misleading in that it would not automatically extend eligibility under the program to other States without significant changes in the programs in the districts within those States. I think it is unnecessary, since the needs of Minnesota, New Jersey, and other States can be met within the language of the current provisions without destroying the key feature of the program as an incentive for the States.

Finally, it would dramatically increase the paperwork burden. as I said earlier; so with all due respect to my distinguished friends from Minnesota and I do, indeed, mean they are friends, I do hope the amendment is defeated in order to save themselves from themselves.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON. I yield to my friend and brother.

The CHAIRMAN. The time of the gentleman from New Jersey (Mr. THOMPSON) has expired.

(At the request of Mr. QUIE, and by unanimous consent, Mr. THOMPSON was allowed to proceed for 1 additional minute.)

Mr. QUIE. Mr. Chairman, if the gentleman will yield, what it really boils down to is are you going to require the State legislature to go back and designate the use of those funds for specific use, or will we let the local school district do the designating? That is really what it boils down to. As far as the amount of money needed by the State of Minnesota, New Jersey has done it. New Jersey has done it and the State legislature of Minnesota has not.

Mr. THOMPSON. To put it another way, in effect, as I see it, you are going to dump this thing on the municipalities, which are already overburdened, where there is an increase of turbulence with respect to their ability to pay. You are going to take it from the State and dump it on the municipalities. I do not think that is our intent. I do not think it will achieve the purpose which we share in many ways nearly so much as in the amendment of the gentleman from New Jersey (Mr. LE FANTE).

Mr. QUIE. Mr. Chairman, if the gentleman will yield further, there is not any dumping done. Minnesota has appropriated the money for compensatory education and they have not required the school district to account back how they used it. The school district now will account back to the Federal Government, as they do in New Jersey.

Mr. EILBERG. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Minnesota.

The bill approved by the Education and Labor Committee stipulates that the Federal Government will give matching funds to States which have compensatory education programs. This matching fund provision is designed as an incentive for States to set up their own programs for poverty-level students.

The gentleman from Minnesota wants to make it possible for a school district to qualify for Federal matching funds if the school district is located in a State which does not have its own program for poverty-level students. By developing an education program for disadvantaged children, a school district could become eligible for Federal matching funds.

At first glance, this amendment appears to be beneficial to school districts located in States without compensatory education programs. But, Mr. Chairman, I must warn my colleagues about the consequences of the amendment offered by the gentleman from Minnesota.

This amendment will have the effect of restricting a local school district from using funds as it sees fit.

Let me cite Philadelphia as an example. Philadelphia receives an educational subsidy from the State. Although the amount of the subsidy is determined in part by the number of poverty-level students, the local school district is not restricted in the way it uses the funds.

Under the Quie amendment, I fear that States, in order to gain matching funds for compensatory education, will require local school districts to set aside a portion of their State subsidy to be used solely for compensatory education. This would effectively tie the hands of local school districts which desperately need these funds for their overall educational program.

Mr. Chairman, a financially hard-pressed school district could not bear the loss of general aid funds. The arbitrary restriction on the use of what is now general education money would have a

disastrous impact on a school district's overall education program.

I want to stress, Mr. Chairman, that we are not voting against this amendment because we oppose compensatory education. On the contrary, we oppose this amendment because, in establishing compensatory education programs under the circumstances dictated by this amendment, we risk the loss of the total educational program of a school district.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. EILBERG. I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Chairman, it seems to me that the arguments the gentleman made would lie against section 21 as it is now as well.

Pennsylvania is also one of those States involved, and if my amendment is adopted, the amount that would accrue to Pennsylvania is about $23.8 million. The question is: Should the school districts of Pennsylvania be denied that money just because the State did not require them to designate certain money to come back to them to be used for compensatory education?

The money that is already being used in Pennsylvania for compensatory education is there, and I think those States that receive money, as Pennsylvania and other States do, ought to be able to receive the matching money, as provided in section 21. And that is what my amendment does.

Mr. EILBERG. Mr. Chairman, I have had considerable experience with the legislature of Pennsylvania, and as a former member thereof I would say that we could not expect much help from our State capital.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. QUIE).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. QUIE. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

Mr. PERKINS. Mr. Chairman, in order to save time, I demand a recorded vote at this time on the amendment offered by the gentleman from Minnesota (Mr. QUIE).

The CHAIRMAN. The Chair will state that the gentleman's request comes too late. The absence of a quorum has been announced.

Members will record their presence by electronic device.

PARLIAMENTARY INQUIRY

Mr. QUIE. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. QUIE. Mr. Chairman, with that agreement or understanding, is it in order for me to ask unanimous consent to withdraw my point of order that a quorum is not present,

The CHAIRMAN. The Chair will state that once the absence of a quorum has been announced, in order to proceed with the business of the House, a quorum must be resolved.

Members will record their presence by electronic device.

The call was taken by electronic device.

The CHAIRMAN pro tempore (Mr. MOLLOHAN). A quorum of the Committee of the Whole has not appeared.

The Chair announces that a regular quorum call will now commence.

Members who have not already responded under the noticed quorum call will have a minimum of 15 minutes to record their presence. The call will be taken by electronic device.

The call was taken by electronic device and the following Members failed to respond:

[Roll No. 536]

Anderson, Ill.	Forsythe	Murphy, N.Y.
Andrews, N.C.	Fountain	Nedzi
Archer	Fraser	Nichols
Ashley	Frey	Nix
Bingham	Gaydos	Pettis
Boland	Gibbons	Pike
Bolling	Goodling	Railsback
Brooks	Guyer	Rangel
Brown, Calif.	Harrington	Rodino
Burke, Calif.	Harsha	Roncalio
Burke, Fla.	Heckler	Rosenthal
Burlison, Mo.	Holland	Roybal
Burton, John	Jones, N.C.	Russo
Burton, Phillip	Kasten	Ryan
Byron	Kemp	Santini
Caputo	Krueger	Scheuer
Carney	Le Fante	Shipley
Cederberg	Leggett	Sikes
Clay	Long, Md.	Sisk
Conyers	Maguire	Skubitz
Daniel, Dan	Mann	Steed
Davis	Mathis	Teague
de la Garza	McCloskey	Thone
Dent	McDonald	Tsongas
Diggs	McEwen	Tucker
Dingell	McKinney	Udall
Dodd	Meeds	Waggonner
Evans, Colo.	Mikulski	Wilson, C. H.
Evans, Del.	Mitchell, N.Y.	Winn
Evans, Ga.	Moakley	Wolff
Flowers	Moffett	Young, Tex.
Flynt	Moorhead, Pa.	
Foley	Moss	

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BRADEMAS) having assumed the chair, Mr. DUNCAN of Oregon, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill, H.R. 15, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 335 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Minnesota (Mr. QUIE) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 150, noes 240, not voting 42, as follows:

[Roll No. 537]

AYES—150

Abdnor	Archer	Aspin
Andrews, N. Dak.	Armstrong	AuCoin
	Ashbrook	Badham
Baldus	Glickman	Pettis
Baucus	Goldwater	Pickle
Bauman	Gradison	Pressler
Beard, Tenn.	Grassley	Preyer
Benjamin	Hagedorn	Quayle
Boggs	Hall	Quie
Bowen	Hamilton	Railsback
Breaux	Hansen	Regula
Broomfield	Hefner	Rhodes
Brown, Ohio	Hillis	Risenhoover
Broyhill	Holt	Robinson
Buchanan	Huckaby	Rousselot
Butler	Hyde	Rudd
Carter	Ichord	Ruppe
Cavanaugh	Jacobs	Satterfield
Clausen, Don H.	Jeffords	Sawyer
	Johnson, Colo.	Schroeder
Clawson, Del	Jones, N.C.	Schulze
Cleveland	Jones, Okla.	Sebelius
Cohen	Jones, Tenn.	Sharp
Coleman	Keys	Shuster
Collins, Tex.	Kindness	Skelton
Conable	Lagomarsino	Smith, Nebr.
Corcoran	Latta	Snyder
Cornwell	Leach	Spence
Coughlin	Livingston	Stangeland
Crane	Lloyd, Tenn.	Stanton
Cunningham	Long, La.	Steiger
Daniel, Dan	Long, Md.	Studds
Daniel, R. W.	McClory	Stump
Derwinski	McCloskey	Symms
Devine	McDonald	Taylor
Dickinson	McKinney	Treen
Dornan	Marlenee	Trible
Duncan, Oreg.	Marriott	Udall
Duncan, Tenn.	Martin	Vento
Edwards, Ala.	Meeds	Volkmer
Edwards, Okla.	Michel	Waggonner
English	Miller, Ohio	Wampler
Erlenborn	Moore	Watkins
Evans, Ind.	Moorhead, Calif.	Weaver
Findley		Whitehurst
Fisher	Myers, John	Whitley
Fithian	Neal	Wiggins
Foley	Nolan	Wirth
Frenzel	O'Brien	Wydler
Gammage	Oberstar	Wylie
Gephardt	Obey	Young, Mo.

NOES—240

Addabbo	Davis	Holtzman
Akaka	Delaney	Horton
Alexander	Dellums	Howard
Ambro	Derrick	Hubbard
Ammerman	Dicks	Hughes
Anderson, Calif.	Dingell	Ireland
	Dodd	Jenkins
Andrews, N.C.	Downey	Jenrette
Annunzio	Drinan	Johnson, Calif.
Applegate	Early	Jordan
Ashley	Eckhardt	Kastenmeier
Bafalis	Edgar	Kazen
Barnard	Edwards, Calif.	Kelly
Beard, R.I.	Eilberg	Kemp
Bedell	Emery	Kildee
Bellenson	Ertel	Kostmayer
Bennett	Evans, Del.	Krebs
Bevill	Fary	LaFalce
Biaggi	Fascell	Lederer
Bingham	Fenwick	Lehman
Blanchard	Fish	Lent
Blouin	Flippo	Levitas
Boland	Flood	Lloyd, Calif.
Bonior	Florio	Lott
Bonker	Flowers	Lujan
Brademas	Ford, Mich.	Luken
Breckinridge	Ford, Tenn.	Lundine
Brinkley	Fowler	McCormack
Brodhead	Fuqua	McDade
Brooks	Garcia	McEwen
Brown, Mich.	Gaydos	McFall
Burgener	Giaimo	McHugh
Burke, Calif.	Gibbons	McKay
Burke, Mass.	Gilman	Madigan
Burleson, Tex.	Ginn	Maguire
Burlison, Mo.	Gonzalez	Mahon
Burton, Phillip	Gore	Markey
Carney	Green	Marks
Carr	Gudger	Mathis
Cederberg	Hammer-schmidt	Mattox
		Mazzoli
Chappell	Hanley	Metcalfe
Chisholm	Hannaford	Meyner
Clay	Harkin	Mikulski
Cochran	Harris	Mikva
Collins, Ill.	Harsha	Milford
Conte	Hawkins	Miller, Calif.
Conyers	Heckler	Mineta
Corman	Heftel	Minish
Cornell	Hightower	Mitchell, Md.
Cotter	Holland	Moakley
D'Amours	Hollenbeck	Moffett
Danielson		

Mollohan	Reuss	Stockman
Montgomery	Richmond	Stokes
Moorhead, Pa.	Rinaldo	Stratton
Mottl	Roberts	Thompson
Murphy, Ill.	Roe	Thornton
Murphy, N.Y.	Rogers	Traxler
Murphy, Pa.	Roncalio	Tucker
Murtha	Rooney	Ullman
Myers, Gary	Rose	Van Deerlin
Myers, Michael	Rostenkowski	Vander Jagt
Natcher	Roybal	Vanik
Nedzi	Runnels	Walgren
Nowak	Russo	Walker
Oakar	Ryan	Walsh
Ottinger	Santini	Waxman
Panetta	Sarasin	Weiss
Patten	Scheuer	Whalen
Patterson	Seiberling	White
Pattison	Shipley	Whitten
Pease	Sikes	Wilson, Bob
Pepper	Simon	Wilson, Tex.
Perkins	Slack	Wright
Pike	Smith, Iowa	Yates
Poage	Solarz	Yatron
Price	Spellman	Young, Alaska
Pritchard	St Germain	Young, Fla.
Pursell	Staggers	Zablocki
Quillen	Stark	Zeferetti
Rahall	Steers	

NOT VOTING—42

Anderson, Ill.	Fountain	Nix
Bolling	Fraser	Rangel
Brown, Calif.	Frey	Rodino
Burke, Fla.	Goodling	Rosenthal
Burton, John	Guyer	Sisk
Byron	Harrington	Skubitz
Caputo	Kasten	Steed
de la Garza	Krueger	Teague
Dent	Le Fante	Thone
Diggs	Leggett	Tsongas
Evans, Colo.	Mann	Wilson, C. H.
Evans, Ga.	Mitchell, N.Y.	Winn
Flynt	Moss	Wolff
Forsythe	Nichols	Young, Tex.

The Clerk announced the following pairs:

On the vote:

Mr. Thone for, with Mr. Nichols against.

Mrs. LLOYD of Tennessee, Messrs. BURKE of Massachusetts, McDADE, MURTHA, KEMP, PURSELL, MOAKLEY, WALKER, and EVANS of Delaware changed their vote from "aye" to "no."

Mrs. LLOYD of Tennessee, Mr. GEPHARDT, Mr. JONES of Tennessee, and Mrs. SCHROEDER changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. EDWARDS OF OKLAHOMA

Mr. EDWARDS of Oklahoma. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDWARDS of Oklahoma: Page 24, line 5, after "(2)(A), (B)" insert the following: "two-thirds of", and lines 8-10 of page 24 strike ", except that, for the fiscal year ending September 30, 1979, such number shall be reduced by one-third,".

Mr. EDWARDS of Oklahoma. Mr. Chairman, my amendment is very simple and in no way revolutionary. In fact, it changes nothing at all from the current law. It would only keep the provision in the current title I formula under which only two-thirds of AFDC children would be counted for the purpose of allocating title I LEA funds.

Mr. Chairman, in the Committee on Education and Labor this year an amendment was adopted which would count 100 percent of AFDC children rather than the current two-thirds.

One problem with that change that took place in the committee is that it will benefit a very few States to the great detriment to the rest of the country. Only 14 States will gain under the committee change, while the remaining States will all lose money in considerable amounts, ranging from $18,000 for the State of Rhode Island to nearly $3 million for the State of Texas. Almost all of the gain by the change in the law will accrue to the States of New York, Michigan, and California.

Of the $24.6 million which would be redistributed under the new formula, $19.4 million, or about 75 percent, will go to those three States.

Most of the counties even in New York State are going to lose money if we change the formula as is envisioned by the committee bill. On the other hand, the States of Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, Ohio, Tennessee, Texas, and Virginia will all lose more than $1 million each. I might add that the State of Texas again will lose about $3 million.

This is a patently unfair amendment which provides for the few at the expense of the many. In fact, Mr. Chairman, this bill as it now stands is largely another aid to the New York bill.

Twice in the last 4 years we have been asked to use the money or the credit of our constituents to bail out New York City. At the time, I am standing up here wearing a necktie sent to every Member of Congress by the mayor of New York City in recognition of what this Congress has done to bail out that city, and yet tonight we find a bill that has been changed to take again from our children in the rest of these States to give to New York City.

Mr. Chairman, of the $24 million to be redistributed according to the new formula, $9 million will go to the boroughs of New York City. It is simply unfair to provide educational money to school districts based on welfare enrollments. Too much depends on individual State administration. In 1974, a balanced formula was worked out in this Congress which included the two-thirds provision that has worked very well. I know of no reason that the Congress should change the formula simply so that $19 million can be taken away from the majority of States to be given to three.

Mr. Chairman, I urge the adoption of my amendment.

Mr. FLOWERS. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from Alabama.

Mr. FLOWERS. Mr. Chairman, I thank the gentleman for yielding to me. I would like to associate myself with his remarks, and ask for an aye vote on his amendment.

Mr. EDWARDS of Oklahoma. I thank the gentleman.

Mr. FORD of Michigan. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am a little bit surprised by the shift in tactics adopted by the sponsor of this amendment, because in the "dear colleague" letter which he sent to all of us the target of his wrath was Detroit, apparently arising out of the mistaken impression that I offered this amendment because I represent Detroit. I will send the gentleman a map of my congressional district, indicating that this is not the case, although my sympathy for the problems they have might lead one to believe that Detroit was very much in my mind when I offered the amendment.

Until 1974, one of the ways we balanced off the inequity in the title I formula was to fully count children from families receiving AFDC. Title I money goes to school dstricts on the basis of numbers of low-income children on the theory that where you have large numbers of low-income children, you have a need for compensatory education. We realized back in the 1960's that there is a problem when we have to work for 10 or more years off a census which only tells us where low-income children were at one point in time.

In 1974, there was a change made, but what was changed? Prior to 1974, all children of school age in a family receiving AFDC payments were considered poor for the purpose of giving the school district money to educate them. Then in 1974 that figure was changed to two-thirds of the children in a compromise which seriously damaged an equitable education funding package.

The House did not decide in 1974 that AFDC children were not poor and did not need education. It simply said that census statistical children should be counted as poor at a 100 percent level, but we should only count two-thirds of the people who are drawing public assistance. How anyone can with a straight face urge that we have a formula that uses the count of low-income children for distributing money and then ignore some of the children on public assistance as poor children is beyond me.

The gentleman's letter would indicate there are a number of States that are losing money. That is just not true, because there are 700 million new dollars in this bill that were not in the bill before and no State under any of the changes in this legislation is going to receive less money than last year. Every State is going to receive considerably more money than it received last year.

Why the gentleman chose to make New York a target, I do not know, but the fact is if one is from a State with a large urban area with a substantial number of low-income people who are drawn to that area, it is true that under this provision, they would receive higher funding.

It is true there is an adjustment of funds toward California, Illinois, Michigan, Pennsylvania, and New York, and some other States with larger urban areas in them.

But why does that happen. Our figures show us since 1970 the number of poor people in those States has enormously increased.

The whole purpose of the AFDC data was to give a kind of catch up to give where the poor people actually are. We do not pay for all the AFDC children, but only for those between 5 and 17 years of age who live in a family re-

ceiving AFDC, which collects a total AFDC payment that exceeds the poverty level, so we are not talking about a single person with one child, but about the very large families that will be found in the concentrations not only in the North but in the urban areas wherever we have this type of population.

The total amount of money we are talking about is approximately $26 million out of $2.3 billion in funds being distributed.

The gentleman from Oklahoma is correct in his very narrow interpretation of this being an amendment that gives equity to the large urban areas. But I might suggest to the gentleman that I intend to be fighting to give equity to his schools in Oklahoma in a little while when they try to cut the impact aid. If he wants to play a cannibalistic game of having the urban areas vote urban formulas and not having the urban areas vote for the rural formulas, he will find Oklahoma is on the short end of the stick. It is very shortsighted for him to shortchange New York in order to try to prejudice the Members against a piece of legislation such as this.

I would also like to add that AFDC children account for only 7 percent of title I eligible children, and the number of recipients is constantly adjusted.

Without this amendment, cities will be unjustly penalized. By only counting two-thirds of these children with the 1974 education amendments, our Nation's cities suffered losses in title I funds ranging from 8.1 to 34 percent.

Mr. QUIE. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, since we are so far away now from when the census information was gathered and since the money does not go to each child that is counted as an entitlement to be used for educationally disadvantaged children, and there is no direct connection to them, all the formula has to do is establish how much money goes to each State under this bill. But we take the amount of money that is appropriated under this, and 37 States will lose money under the committee bill, and those States will pick up money if the Edwards amendment is adopted. Also 77 percent of that money under the committee bill goes to three States.

That is really what it boils down to.

I would like to read to you the States that gain money under the Edwards of Oklahoma amendment:

Alabama, Alaska, Arizona, Arkansas, Colorado, Delaware, Florida, Georgia, Idaho, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Hampshire, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Vermont, Virginia, West Virginia, and Wyoming.

The three States that get 77 percent of the additional money in the committee bill are California, Michigan, and New York.

So you can see really what the story is all about, who gets money out of this bill. And I think it all comes down to that. The total amount of money is $24 million.

Mr. BLOUIN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I shall not take the full 5 minutes.

I think we ought to take a look at what we are going to do before we vote on this amendment.

I stood down in this well not a half hour ago, maybe about an hour ago, and asked for a change, which the committee provided, that would bring some equity in the concentration program that was being created, a change that clearly benefited 15 rural States in this country, my State included. A change that benefited my State to the tune of about $860,000 in additional funds over and above the $136,000 additional funds that we would have gotten if the change had not been made.

That change was made at the expense, although a minor expense, of the other more populated States for the sake of equity. We are talking here about the same kind of equity only in reverse.

When we count poverty as a factor in the eligibility of assistance for educational programs, and until we have got billions to dump into the ADC, I am afraid that is the only formula we can use, and when we do count poverty to be fair we have to count all the poverty. An ADC kid is poor and you cannot count them two-thirds poor, you have to count them 100 percent poor if you are going to be fair to the basic premise of title I.

I think it would be a grave mistake to go in the direction of this amendment and try to unravel an amendment to bring forth equity to the title I part.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. BLOUIN. I yield to the gentleman from New York.

Mr. BIAGGI. Mr. Chairman, I was here when the previous amendment was discussed, and the object of it was to create, or to at least attempt to create equity in 15 rural States that would benefit as result of it.

Let me ask a question: If the Edwards of Oklahoma amendment is passed, would some of those States find themselves benefiting twice?

Mr. BLOUIN. That may well be the case. I know in my own State we would pick up another $236,000 at the expense of those areas that have a higher concentration of poor children, and to me that is not fair.

Mr. BIAGGI. At the time that we voted for the amendment that would correct the inequity, it was with full knowledge that there would be a diminution of funds that would ordinarily go to the heavily concentrated areas, is that correct?

Mr. BLOUIN. That is correct.

The gentleman from New York (Mr. BIAGGI) makes a very good point and I think we ought to be aware of the fact that until this committee supported our effort for equity, in an effort to maintain equity in the rest of the program, I think this is one instance where we can do something to help back.

Mr. BIAGGI. It was the principle of a balanced picture, rather than having one part benefit to the detriment of another part. And to disturb one part, or undertake to do what in my judgment would thwart the intention of the committee and the supporters of the previous amendment, who recognized that there would be a diminution of funds going to the concentrated areas; is that correct?

Mr. BLOUIN. The gentleman is exactly right.

Mrs. CHISHOLM. Earlier this evening was not that the particular thrust of the amendment when I questioned the gentleman with respect to the inequities, and the gentleman indicated that this was more or less the balance of what was happening to the rural area in the smaller villages in the country? Was that not so?

Mr. BLOUIN. That is precisely correct. We have a real well-rounded package here that we cannot unravel a thread at a time. The different programs of funding are all interwoven, interbalanced, and if we start unraveling one without going back to the effects of the other, we are going to have a very inequitable program in the end.

Mrs. CHISHOLM. I thank the gentleman.

Mr. PICKLE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment by Mr. EDWARDS that would retain the AFDC provisions in the current formula. The title I formula, as the committee report indicates, was the subject of considerable debate in 1974. Congress was then trying to find a way to correct the imbalances resulting from the growth of AFDC children without penalizing States which relied heavily on counting these AFDC children to reflect true concentrations of poverty. It was agreed to count two-thirds of AFDC children who were receiving aid above the poverty line as a compromise. Now the committee is proposing to change that formula and instead count all AFDC children who are receiving payments above the poverty line for purposes of receiving title I funds.

I understand from the Office of Education that the cutoff figure used to determine which States could count AFDC children and which States could not for the receipt of 1978–79 title I funds was $5,820. I am inserting a table provided by HEW that will indicate which States are likely to benefit from this formula and which States will not. Some 13 States would be helped—but 36 States would be hurt:

TABLE 2.—*Comparison of projected basic Federal plus State supplement benefit and projected AFDC plus food stamp benefit by State for fiscal year 1978, assuming no other source of income for a family of four*

State	*Fiscal year 1978 projection of AFDC plus food stamp benefit*
Alabama	$3,850
Alaska	7,220
Arizona	4,460
Arkansas	3,900
California	5,960
Colorado	5,180
Connecticut	6,490
Delaware	5,060
District of Columbia	5,450

State	*Fiscal year 1978 projection of AFDC plus food stamp benefit stamp benefit*
Florida	4,200
Georgia	4,030
Hawaii	8,080
Idaho	5,910
Illinois	5,640
Indiana	4,980
Iowa	6,030
Kansas	6,000
Kentucky	4,840
Louisiana	4,080
Maine	4,680
Maryland	4,910
Massachusetts	6,160
Michigan	6,540
Minnesota	6,180
Mississippi	3,070
Missouri	4,000
Montana	4,760
Nebraska	4,930
Nevada	4,790
New Hampshire	5,930
New Jersey	6,030
New Mexico	4,550
New York	6,720
North Carolina	4,490
North Dakota	5,940
Ohio	5,020
Oklahoma	5,120
Oregon	6,590
Pennsylvania	5,960
Rhode Island	5,660
South Carolina	3,670
South Dakota	5,720
Tennessee	3,820
Texas	3,900
Utah	5,530
Vermont	6,140
Virginia	5,580
Washington	6,160
West Virginia	4,970
Wisconsin	6,490
Wyoming	4,980

This table shows that California, Connecticut, Hawaii, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Dakota, Oregon, Pennsylvania, Washington, and Wisconsin pay more than $5,820 and hence are eligible under the formula. Again we are almost faced with the lineup of the "snow belt" States against the "sun belt" States.

Further, this seems to me to be a very strange way of determining who is eligible for Federal assistance. Why should States that are not able to pay their AFDC children payments above the poverty line, subsidize States that are paying AFDC children above the poverty line? Does it not seem reasonable that if these States can afford to pay more for their AFDC payments, they can also pay more for their schools? We know that California is included in this list and that they recently overwhelmingly passed proposition 13. California taxpayers are saying they do not want to spend additional money on schools. Should the rest of the country subsidize them? It is literally true in this bill that "thems that have, gets."

My own State of Texas is not allowed to count any AFDC children in the formula, because their payments are too low. Mr. EDWARD's amendment would directly benefit 36 States. I agree that this amendment would help in the distribution of title I funds to more truly help disadvantaged children than the bill reported by the committee. I urge your support of Mr. EDWARD's amendment.

Mr. ANDREWS of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I yield to the gentleman from North Carolina.

Mr. ANDREWS of North Carolina. I thank the gentleman for yielding.

I will ask the gentleman if it is not also true, regardless of what the AFDC level is in a particular State, that the gentleman does have people in Texas who just prefer not to be welfare recipients, and regardless of what their income is or is not, they do not apply for welfare and they seek a job making whatever they can? They live on it and, therefore, they would never be counted?

Mr. PICKLE. But that is not the question, whether that is true or not. The question is the formula we use to pay our States is based on the AFDC level of poverty.

That is the only question, not whether they choose to or not. I could not answer whether they do or not. That is a problematic question I cannot answer.

Mr. Chairman, I yield to the gentleman from Oklahoma (Mr. EDWARDS).

Mr. EDWARDS of Oklahoma. Mr. Chairman, I just want to comment on the gentleman's point that a poor child is not necessarily a poor child. A poor child in New York and a poor child in Texas may not be the same.

The CHAIRMAN. The time of the gentleman from Texas (Mr. PICKLE) has again expired.

(By unanimous consent, Mr. PICKLE was allowed to proceed for 1 additional minute.)

Mr. PICKLE. Mr. Chairman, I yield to the gentleman from Oklahoma.

Mr. EDWARDS of Oklahoma. Mr. Chairman, according to the HEW report of the 1977 reform study of the President, in New York City in 1974 more than one-fourth of all AFDC cases had total incomes of more than $7,000 a year and about 10 percent had incomes exceeding $10,000 a year; so there is a substantial difference. It does not make sense to weight so heavily the AFDC recipients, because an area like New York that goes overboard in giving away AFDC will naturally qualify more for that kind of aid.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I yield to the gentleman from New York.

Mr. BIAGGI. Mr. Chairman, I would like to make this observation. I am looking at a list of States that ostensibly would benefit; but it is misleading in this sense. You have major cities in some of these States that would lose substantial sums if the Edwards amendment is passed.

The CHAIRMAN. The time of the gentleman from Texas (Mr. PICKLE) has expired.

Mr. WEISS. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, when the gentleman from Oklahoma first decided to offer this amendment and sent out a "Dear Colleague" letter, the gentleman focused not on New York City and its AFDC recipients, but the gentleman focused on Wayne County, Mich., and Detroit, Mich. Apparently since then the gentleman has had occasion to rethink which location would be more vulnerable and decided it would be the better part, if not wisdom, but pragmatism, to level his attack on New York City.

I would point out to my colleagues and to the gentleman that which we have been saying since the beginning of this debate. The piece of legislation before us, H.R. 15, is a very, very well thought out comprehensive piece of legislation, which attempts to balance equitable factors on behalf of children in educational need throughout the entire country. What we did was try to devise various formulas which would benefit different areas. We knew that one single formula would not necessarily benefit every single region of the country; so to look at H.R. 15 on a feature-by-feature basis in isolation of all the other segments in there is not only risky, it is extremely dangerous. Each of us could offer amendments which would benefit only our area. The area of the gentleman from Oklahoma, for example, greatly benefits in comparison much more than do other areas, the basis of the impact aid provisions in this legislation. For instance, the area of the gentleman from Oklahoma is greatly benefited—in comparison to other areas—by the impact aid provisions of the legislation.

The Orshansky formula benefits the Southern States and the rural areas, the SIE count benefits Middle Western and Western States, the AFDC count benefits the cities and high-cost areas, and the impact aid formula benefits areas like Oklahoma and certain other sections of the country.

Mr. Chairman, it seems to me that if we really want to maintain H.R. 15 as a piece of legislation that provides fairness and equity to all the children who need help, we should not take the easy way out and try to cut out those parts of the legislation that do not benefit our own sections, because that is the way to destroy the entire piece of legislation.

Mr. Chairman, I urge the defeat of the amendment offered by the gentleman from Oklahoma (Mr. EDWARDS).

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma (Mr. EDWARDS).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. EDWARDS of Oklahoma. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 175, noes 212, not voting 45, as follows:

[Roll No. 538]

AYES—175

Abdnor	Boggs	Cochran
Andrews, N.C.	Bowen	Cohen
Andrews, N. Dak.	Breaux	Coleman
	Breckinridge	Collins, Tex.
Applegate	Brinkley	Corcoran
Archer	Brooks	Cornwell
Armstrong	Brown, Ohio	Crane
Ashbrook	Broyhill	Cunningham
Bafalis	Buchanan	Daniel, Dan
Barnard	Burleson, Tex.	Daniel, R. W.
Baucus	Butler	Davis
Bauman	Carter	Derrick
Beard, Tenn.	Cavanaugh	Devine
Bennett	Chappell	Dickinson
Bevill	Cleveland	Duncan, Tenn.

Eckhardt	Johnson, Colo.	Rhodes
Edwards, Ala.	Jones, N.C.	Risenhoover
Edwards, Okla.	Jones, Okla.	Robinson
Emery	Jones, Tenn.	Rose
English	Jordan	Rudd
Erlenborn	Kazen	Runnels
Evans, Del.	Kelly	Santini
Evans, Ind.	Keys	Satterfield
Findley	Kindness	Sebelius
Fisher	Latta	Sharp
Fithian	Leach	Skelton
Flippo	Levitas	Slack
Flowers	Livingston	Smith, Iowa
Ford, Tenn.	Lloyd, Tenn.	Smith, Nebr.
Frenzel	Long, La.	Snyder
Fuqua	Lott	Spellman
Gammage	Lujan	Spence
Gephardt	McDonald	Staggers
Gibbons	McKay	Stange.and
Ginn	Madigan	Stanton
Glickman	Mahon	Steers
Gonzalez	Marlenee	Steiger
Gore	Marriott	Stump
Gradison	Martin	Symms
Grassley	Mathis	Taylor
Gudger	Mattox	Thornton
Hagedorn	Michel	Treen
Hall	Mikulski	Trible
Hamilton	Milford	Tucker
Hammer-schmidt	Miller, Ohio	Udall
	Mollohan	Volkmer
Hansen	Montgomery	Waggonner
Harsha	Moore	Wampler
Hefner	Mottl	Watkins
Hightower	Myers, John	White
Hillis	Natcher	Whitehurst
Holland	Neal	Whitley
Holt	Pickle	Whitten
Hubbard	Poage	Wilson, Tex.
Huckaby	Pressler	Wright
Ichord	Preyer	Wylie
Ireland	Quie	Young, Alaska
Jacobs	Railsback	Young, Fla.
Jenrette	Regula	Young, Mo.

NOES—212

Addabbo	Dicks	Long, Md.
Akaka	Dingell	Luken
Alexander	Dodd	Lundine
Ambro	Dornan	McClory
Ammerman	Downey	McCloskey
Anderson, Calif.	Drinan	McCormack
	Duncan, Oreg.	McDade
Annunzio	Early	McEwen
Ashley	Edgar	McFall
Aspin	Edwards, Calif.	McHugh
AuCoin	Eilberg	McKinney
Badham	Ertel	Maguire
Baldus	Fary	Markey
Beard, R.I.	Fascell	Marks
Bedell	Fenwick	Mazzoli
Beilenson	Fish	Meeds
Benjamin	Flood	Metcalfe
Biaggi	Florio	Meyner
Bingham	Foley	Mikva
Blanchard	Ford, Mich.	Miller, Calif.
Blouin	Forsythe	Mineta
Boland	Fowler	Minish
Bonior	Garcia	Mitchell, Md.
Bonker	Gaydos	Moakley
Brademas	Giaimo	Moffett
Brodhead	Gilman	Moorhead, Calif.
Brown, Mich.	Green	
Burgener	Hanley	Moorhead, Pa.
Burke, Calif.	Hannaford	Murphy, Ill.
Burke, Mass.	Harkin	Murphy, N.Y.
Burlison, Mo.	Harrington	Murphy, Pa.
Burton, John	Harris	Murtha
Burton, Phillip	Hawkins	Myers, Gary
Carney	Heckler	Myers, Michael
Carr	Heftel	Nedzi
Cederberg	Hollenbeck	Nolan
Chisholm	Holtzman	Nowak
Clausen, Don H.	Horton	O'Brien
	Howard	Oakar
Clawson, Del	Hughes	Oberstar
Clay	Hyde	Obey
Collins, Ill.	Jeffords	Ottinger
Conable	Johnson, Calif.	Panetta
Conte	Kastenmeier	Patten
Conyers	Kemp	Patterson
Corman	Kildee	Pattison
Cornell	Kostmayer	Pease
Cotter	Krebs	Pepper
Coughlin	LaFalce	Perkins
D'Amours	Lagomarsino	Pettis
Danielson	Lederer	Pike
Delaney	Leggett	Price
Dellums	Lehman	Pritchard
Dent	Lent	Quillen
Derwinski	Lloyd, Calif.	Rahall
Reuss	Schulze	Vento
Richmond	Seiberling	Walgren
Rinaldo	Shuster	Walker
Roe	Simon	Walsh
Roncalio	Solarz	Waxman
Rooney	St Germain	Weaver
Rosenthal	Stark	Weiss
Rostenkowski	Stockman	Whalen
Rousselot	Stokes	Wiggins
Roybal	Stratton	Wilson, Bob
Ruppe	Studds	Wirth
Russo	Thompson	Wydler
Ryan	Traxler	Yates
Sarasin	Ullman	Yatron
Sawyer	Van Deerlin	Zablocki
Scheuer	Vander Jagt	Zeferetti
Schroeder	Vanik	

NOT VOTING—45

Anderson, Ill.	Goldwater	Roberts
Bolling	Goodling	Rodino
Broomfield	Guyer	Rogers
Brown, Calif.	Jenkins	Shipley
Burke, Fla.	Kasten	Sikes
Byron	Krueger	Sisk
Caputo	Le Fante	Skubitz
de la Garza	Mann	Steed
Diggs	Mitchell, N.Y.	Teague
Evans, Colo.	Moss	Thone
Evans, Ga.	Nichols	Tsongas
Flynt	Nix	Wilson, C. H.
Fountain	Pursell	Winn
Fraser	Quayle	Wolff
Frey	Rangel	Young, Tex.

The Clerk announced the following pairs:

On this vote:

Mr. Nichols for, with Mr. Rangel against.
Mr. Teague for, with Mr. Le Fante against.
Mr. Roberts for, with Mr. Shipley against.

Messrs. BUTLER, PEPPER, MATTOX, MARRIOTT, and CAVANAUGH changed their vote from "no" to "aye."

Mr. CARNEY and Mr. PEPPER changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. PERKINS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DUNCAN of Oregon, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 15) to extend for 5 years certain elementary, secondary, and other education programs, had come to no resolution thereon.

"121" ANTILOCK BRAKE SYSTEM

(Mr. LUKEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. LUKEN. Mr. Speaker, I would like to bring to the attention of my colleagues a very serious problem concerning the safety of our truckdrivers and each and every one of us who travels on our Nation's highways. The problem centers around the "121 antilock system" that is required on all three-axle road tractors by the National Highway Traffic Safety Administration.

I have learned that this computerized system, whose purpose is to help prevent jackknifing and wheel lockup in stopping, has not only added to the problems of the truckdrivers in the areas of maintenance and safety, but to the very lives of the truckdrivers themselves.

It has been discovered that at least 18 highway deaths have been directly attributed to the failure of the antilock devices. Harrowing incidents of this nature have been reported by truckdrivers from all over the country. For instance, in California, the State highway patrol clearly stated that a blown fuse in the computer resulted in brake failure. Another fatal accident that occurred in Salt Lake City took the lives of four teenagers when the brakes of a "121"-equipped truck reportedly failed.

The courts have already judged the seriousness of this problem. On April 17 of this year, the Ninth Circuit Court of Appeals ordered NHTSA to eliminate the antilock requirement from its air brake safety standard. In judging the case, the court relied upon evidence of instances where the "121"-equipped vehicles proved to be more dangerous than vehicles without the "121" system. The court found that NHTSA failed to conduct sufficient investigations to verify the safety of these brakes. We are still awaiting the court to enforce their decision so an end to these unfortunate accidents can be reached.

As Members of Congress, we will soon have the opportunity to vote against the enforcement of the "121" standard. The Surface Transportation Systems Act, which will soon be voted upon, contains a provision which would deny the use of funds for the enforcement of antilock regulations.

This provision is an amendment which was offered by Congressman SHUSTER in the Public Works Committee in recognition of the seriousness of the problems caused by the "121" standard. I urge you to look carefully at this situation and to support this provision when the bill reaches the floor.

MESSAGE TO ANATOLY SCHARANSKY: "YOU DO NOT STAND ALONE"

(Mr. HANLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HANLEY. Mr. Speaker, I wish to state here on the floor of the House, which is one of the bedrocks of our free Nation, that Anatoly Scharansky does not stand alone in a Soviet court facing a possible death sentence today. No, Anatoly, you do not stand alone; for every freedom-loving man, woman, and child throughout the world stands with you.

In the face of tyranny, it is easier to bow to it than to stand to it. Yet if freedom is to be found, tyranny must be challenged. It would have been easier for Anatoly not to seek his basic right to emigrate to Israel and be reunited with his wife. It would have been easier for Anatoly Scharansky not to have joined the Helsinki Watch Group, which was set up to monitor the Soviet Union's compliance with the Helsinki accords. But Anatoly did not bow to tyranny. He stood to it.

Anatoly Scharansky's trial is a mockery of justice. Anatoly sought nothing more from the Soviet Union than to live up to its international agreements.

He is a refusnik, a man denied the right to emigrate to Israel and to be reunited with his wife. It matters not to the Soviet Union that, in denying this right to emigrate to Israel, it is in violation of the Helsinki accords. It matters not to the Soviet Union that its actions violate all moral and ethical considerations. Above all, it matters not to the Soviet Union that the President of the United States has denied any connection between Anatoly Shcharansky and the CIA.

It would, of course, be easier for the Congress to ignore Soviet tyranny, and let Anatoly stand alone. It would be easier to allow the Soviet Union to pick and choose which international agreements it wishes to live up to. It would be easier to overlook the fact that the Soviet Union is calling the President of the United States a liar. It would, of course, be easier to overlook all the human suffering caused to the family of Anatoly and the family of the other refusnik being tried today, Aleksandr Ginzburg.

However, if freedom is to exist, we must stand up to tyranny. If détente is to exist, we must stand up to Soviet tyranny, and make it known that international agreements signed by the Soviet Union must be lived up to. Anatoly Scharansky's trial not only is in contradiction to international human rights guarantees which the Soviet Union has pledged to uphold, but it also contradicts détente and calls into question our relationship on all levels with the Soviet Union.

In closing, I reiterate that Anatoly does not stand alone. All of us here and throughout the entire world who value freedom stand with Scharansky. However, we do not stand as defendants. For, in reality, it is not Anatoly Scharansky who stands on trial today, but rather, it is the Soviet Union which stands on trial before the world.

STATEMENT OF CHAIRMAN AL ULLMAN, COMMITTEE ON WAYS AND MEANS, WITH RESPECT TO THE RULE TO BE REQUESTED ON H.R. 13335, A BILL TO AMEND PART A OF TITLE IV OF THE SOCIAL SECURITY ACT TO PROVIDE ADDITIONAL FISCAL RELIEF FOR STATES AND POLITICAL SUBDIVISIONS WITH RESPECT TO THE COSTS OF CERTAIN WELFARE PROGRAMS

(Mr. ULLMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. ULLMAN. Mr. Speaker, on July 11, 1978, the Committee on Ways and Means ordered favorably reported to the House H.R. 13335, a bill to amend part A of title IV of the Social Security Act to provide additional fiscal relief for States and political subdivisions with respect to the costs of the AFDC public assistance program. The bill would authorize for fiscal year 1979 up to $400 million in Federal funds for the purpose of providing interim fiscal relief for State and local governments for welfare expenditures.

I take this occasion to advise my Democratic colleagues as to the nature of the rule that I will request for consideration of H.R. 13335 on the floor of the House. The Committee on Ways and Means specifically instructed me to request the Committee on Rules to grant a closed rule for consideration of this bill which would waive all necessary points of order; provide for 1 hour of general debate, to be equally divided; and would provide one motion to recommit with or without instructions.

We intend to file the committee report on Monday, July 17, 1978, and will request to be heard before the Committee on Rules as expeditiously as possible.●

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. FINDLEY, to revise and extend remarks during consideration of Yates amendment.

ADJOURNMENT

Mr. WRIGHT. Mr. Speaker, I move that the House do now adjourn.

The question was taken; and on a division (demanded by Mr. ASHBROOK) there were—ayes 122, noes 51.

So the motion was agreed to.

Accordingly (at 8 o'clock and 44 minutes p.m.), the House adjourned until tomorrow, Thursday, July 13, 1978, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4554. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting a report covering the second quarter of fiscal year 1978 on receipts and disbursements pertaining to the disposal of surplus military supplies, equipment, and material, and for expenses involving the production of lumber and timber products, pursuant to section 812 of Public Law 95–111; to the Committee on Appropriations.

4555. A letter from the Executive Director, Reserve Officers Association of the United States, transmitting the Association's audit report for the year ended March 31, 1978, pursuant to section 3 of Public Law 88–504; to the Committee on the Judiciary.

4556. A letter from the Chairman, U.S. Civil Service Commission transmitting a draft of proposed legislation to amend the Retired Federal Employees Health Benefits Act, as amended, with respect to the Government contribution toward subscription charge; to the Committee on Post Office and Civil Service.

4557. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the U.S. Post Office and Courthouse, Cincinnati, Ohio, pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

4558. A letter from the Chairman, National Transportation Safety Board, transmitting the Board's annual report for calendar year 1977, pursuant to section 305 of Public Law 95–633; to the Committee on Public Works and Transportation.

4559. A letter from the Administrator of Veterans' Affairs, transmitting a report on the effectiveness of the 50-percent-job-placement criterion for veterans' vocational education courses, pursuant to section 204 of Public Law 94–502; to the Committee on Veterans' Affairs.

4560. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on the appropriateness of the Federal interagency day care requirements, pursuant to section 2002(a)(9)(B) of the Social Security Act (88 Stat. 2342, 91 Stat. 255); to the Committee on Ways and Means.

4561. A letter from the Secretary of Agriculture, transmitting the annual report on the food for peace program for fiscal year 1977, pursuant to section 408(a) of the Agricultural Trade Development and Assistance Act of 1954, as amended (80 Stat. 1537, 89 Stat. 854); jointly, to the Committees on Agriculture, and International Relations.

4562. A letter from the Secretary of Labor, transmitting a report on the implementation of the special veterans provisions of the Youth Employment and Demonstration Projects Act of 1977, pursuant to section 305 of the act (Public Law 95–93); jointly, to the Committees on Education and Labor, and Veterans' Affairs.

4563. A letter from the Comptroller General of the United States, transmitting a report on the need better to inform military personnel of their regular military compensation, total military compensation, and how compensation changes affect them (FPCD–78–27, July 12, 1978); jointly, to the Committees on Government Operations, and Armed Services.

4564. A letter from the Comptroller General of the United States, transmitting a report on problems the Defense Department has had in effectively and economically matching aircraft depot maintenance resources with requirements (LCD–78–406, July 12, 1978); jointly, to the Committees on Government Operations, and Armed Services.

4565. A letter from the Comptroller General of the United States, transmitting a report on the accuracy of estimates of Western coal reserves (EMD–78–32, July 11, 1978); jointly, to the Committees on Government Operations, and Interior and Insular Affairs.

4566. A letter from the Comptroller General of the United States, transmitting a report on the State Department's management of its overseas real estate, construction, and maintenance program (ID–78–16, July 12, 1978); jointly, to the Committees on Government Operations, and International Relations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ULLMAN: Committee on Ways and Means. H.R. 10909. A bill to amend the Public Health Service Act to revise and strengthen the program under that act for

national standards for and licensing of clinical laboratories, to amend the Social Security Act to require laboratories providing services financed under titles XVIII and XIX of such act to meet the requirements of such program, and for other purposes; with amendment (Rept. No. 95–1004, Pt. III). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 12972. A bill to amend title XVI of the Social Security Act to remove certain work disincentives for the disabled under the supplemental security income benefits program; with amendment (Rept. No. 95–1345). Referred to the Committee of the Whole House on the State of the Union.

Mr. SISK: Committee on Ways and Means. House Resolution 1264. Resolution providing for the consideration of H.R. 11392. A bill to authorize appropriations to the Department of Energy and the Federal Energy Regulatory Commission pursuant to section 660 of the Department of Energy Organization Act, and for other purposes (Rept. No. 95–1346). Referred to the House Calendar.

Mr. MEEDS: Committee on Rules, House Resolution 1265. Resolution providing for the consideration of Senate Joint Resolution 4. Joint resolution establishing the Aboriginal Hawaiian Claims Settlement Study Commission, and for other purposes (Rept. No. 95–1347). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 1266. Resolution providing for the consideration of H.R. 7308. A bill to amend title 18, United States Code, to authorize applications for a court order approving the use of electronic surveillance to obtain foreign intelligence information (Rept. No. 95–1348). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California (for himself, Mr. WHITEHURST, Mr. AKAKA, Mr. APPLEGATE, Mr. BLANCHARD, Mr. BONIOR, Mr. EDWARDS of Oklahoma, Mr. FRENZEL, Mr. GARCIA, Mr. GAYDOS, Mr. GIBBONS, Mr. MCHUGH, Mr. MAGUIRE, Mr. RANGEL, Mr. RICHMOND, Mr. ROE, and Mr. CHARLES WILSON of Texas):

H.R. 13428. A bill to amend the Animal Welfare Act to prohibit the use of live animals as visual lures in dog racing and training, and for other purposes; to the Committee on Agriculture.

By Mr. CARNEY (for himself, Mr. GAYDOS, Mr. BUCHANAN, Mr. MOAKLEY, Mr. CORRADA, Mr. DERWINSKI, Mr. WALSH, Mr. PERKINS, Mr. DUNCAN of Tennessee, Mr. RAHALL, Mr. FLOWERS, Mrs. PETTIS, Mr. DINGELL, Mr. MCKAY, Mr. STANTON, Mr. FLYNT, Mr. HEFNER, Mr. ERTEL, Mr. FITHIAN, Mr. GAMMAGE, Mr. AMMERMAN, Mr. FOWLER, Mr. YATRON, Mr. REGULA, and Mr. LEDERER):

H.R. 13429. A bill to promote steel trade negotiations under the Trade Act of 1974; to the Committee on Ways and Means.

By Mr. CARNEY (for himself, Mr. BENJAMIN, Mr. DENT, Mr. MURTHA, Mr. RINALDO, Mr. JOHNSON of California, Mr. WALGREN, Mr. LE FANTE, Mr. LLOYD of California, Mr. ROE, Mr. MILLER of California, Mr. LEGGETT, Mr. MARKS, Mr. ANNUNZIO, Mr. PRICE, Mr. ROONEY, Mr. FARY, Mr. HYDE, Mr. WALKER, Mr. NATCHER, Mr. BEVILL, Mr. EVANS of Indiana, Mr. KINDNESS, Mr. NOWAK, and Mr. APPLEGATE):

H.R. 13430. A bill to promote steel trade negotiations under the Trade Act of 1974; to the Committee on Ways and Means.

By Mr. CARTER (for himself, and Mr. ROGERS):

H.R. 13431. A bill to amend title XI of the Social Security Act with respect to the status of professional standards review organizations; jointly, to the Committee on Ways and Means, and Interstate and Foreign Commerce.

By Mr. EVANS of Delaware:

H.R. 13432. A bill to provide for the establishment of a veterans' cemetery in the State of Delaware; to the Committee on Veterans' Affairs.

By Mr. FRENZEL:

H.R. 13433. A bill to amend the Internal Revenue Code of 1954 to allow the tax-exempt status of the interest of certain life insurance accounts to flow-through to policyholders; to the Committee on Ways and Means.

By Mr. KASTENMEIER (for himself, Mr. HARRIS, and Mr. RAILSBACK):

H.R. 13434. A bill to provide for consistent standards relating to standing to bring suit in Federal courts; to the Committee on the Judiciary.

By Mr. MCKINNEY:

H.R. 13435. A bill to amend the National Capital Transportation Act of 1969 to authorize Federal subsidies for the operation and maintenance of the Arlington Cemetery and Smithsonian stations of the Washington Metropolitan Area Rapid Rail Transit Systems; to the Committee on the District of Columbia.

By Mr. PANETTA:

H.R. 13436. A bill to modify the project for navigation in Santa Cruz Harbor, Santa Cruz, Calif., relating to operation and maintenance of the sand bypassing facility, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. PANETTA (for himself, Mr. BEDELL, Mr. DERWINSKI, Mr. EDGAR, Mr. HANNAFORD, Mr. HARRINGTON, Mr. HEFTEL, Mr. LUJAN, Mr. MINETA, Mr. RYAN, and Mr. VENTO):

H.R. 13437. A bill to amend title 10, United States Code, to promote the maximum efficient utilization of military health care resources and facilities, to contain the cost of military health care, to provide an improved health care program for members and eligible former members of the armed forces and their dependents, and for other purposes; to the Committee on Armed Services.

By Mr. PANETTA (for himself, Mr. BAFALIS, Mr. BAUCUS, Mr. BROWN of Ohio, Mr. EDWARDS of California, Mr. EVANS of Colorado, Mr. FLYNT, Mr. FORSYTHE, Mr. GUYER, Mr. HARSHA, Mr. KREBS, Mr. LUKEN, Mr. MCDONALD, Mrs. MEYNER, Mr. MOTTL, Mr. SANTINI, Mr. WEISS, and Mr. WIRTH):

H.R. 13438. A bill to disregard, for purposes of certain taxes imposed by the Internal Revenue Code of 1954 with respect to employees, certain changes since 1975 in the treatment of individuals as employees; to the Committee on Ways and Means.

By Mr. SYMMS (for himself, Mr. EVANS of Georgia, Mr. MCDONALD, Mr. DEVINE, Mr. GEPHARDT, Mr. KEMP, Mr. EDWARDS of Oklahoma, and Mr. FRENZEL):

H.R. 13439. A bill to amend the Federal Food, Drug, and Cosmetic Act to provide that drugs will be regulated under the act solely to assure their safety, to promote the efficient and fair treatment of new drug application, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BRODHEAD:

H.R. 13440. A bill to amend title II of the Social Security Act to make it clear that the monthly earnings test (under the amendment made by section 303 of the Social Security Amendments of 1977) is available to every beneficiary in at least one year after 1977; to the Committee on Ways and Means.

By Mr. LEDERER (for himself, Mr. BURKE of Massachusetts, Mr. BURLESON of Texas, Mr. CRANE, Mr. DUNCAN of Tennessee, Mr. JENKINS, Mr. KETCHUM, Mr. PICKLE, Mr. WAGGONNER, Mr. ROSTENKOWSKI, Mr. ARCHER, Mr. FISHER, Mr. BRODHEAD, Mr. VANDER JAGT, and Mr. FORD of Tennessee):

H.R. 13441. A bill to amend section 118 of the Internal Revenue Code of 1954 to clarify the treatment of contributions in aid of construction to regulated electric or gas public utilities; to the Committee on Ways and Means.

By Mr. MCCLORY:

H.R. 13442. A bill to prescribe procedures for the use of electronic surveillance within the United States for the purpose of obtaining foreign intelligence information; jointly, to the Committee on the Judiciary, and the Select Committee on Intelligence.

By Mr. MCCLOSKEY:

H.R. 13443. A bill to provide assistance to States for the preservation of natural game fish streams; to the Committee on Merchant Marine and Fisheries.

By Mr. RINALDO:

H.R. 13444. A bill to amend the Trade Act of 1974 to make certain changes in procedures applicable to Presidential actions to provide relief to U.S. industries from injuries caused by import competition, and for other purposes; to the Committee on Ways and Means.

By Mr. RODINO:

H.R. 13445. A bill to create a National Institute of Justice; to the Committee on the Judiciary.

By Mr. SEIBERLING:

H.R. 13446. A bill to amend the Internal Revenue Code of 1954 and the Employee Retirement Income Security Act of 1974 to permit assignments or alienations of rights under pension plans which are pursuant to certain court orders; to the Committee on Ways and Means.

By Mr. ANDERSON of California (for himself, and Mr. MOFFETT):

H.J. Res. 1058. Joint resolution to provide for the designation of a week as "National Lupus Week"; to the Committee on Post Office and Civil Service.

By Mr. COLLINS of Texas:

H.J. Res. 1059. Joint resolution authorizing the President to designate October 7, 1978, as "Children's Day"; to the Committee on Post Office and Civil Service.

By Mr. JOHN T. MYERS (for himself, Mr. GILMAN, Mr. DUNCAN of Oregon, and Mrs. CHISHOLM):

H.J. Res. 1060. Joint resolution to authorize the President to issue a proclamation designating the week in November which includes Thanksgiving Day in each year as "National Family Week"; to the Committee on Post Office and Civil Service.

By Mr. JEFFORDS (for himself, Mr. BLANCHARD, Mr. CLEVELAND, Mr. EILBERG, Mr. LAGOMARSINO, Mr. STRATTON, Mr. TSONGAS, and Mr. YATES):

H. Con. Res. 663. Concurrent resolution to urge Presidential action to obtain Soviet compliance in conformity with the Helsinki Final Act; to the Committee on International Relations.

By Mrs. MEYNER (for herself, Mr. GIBBONS, Mr. FRENZEL, Mr. OTTINGER, Mr. MCCLOSKEY, Mr. MARKEY, Mr. BOLAND, Mrs. FENWICK, Mr. HOWARD, Mr. BEDELL, Mr. WHITEHURST, Ms. HOLTZMAN, Mr. PATTISON of New York, Mrs. LLOYD of Tennessee, Mr. ERTEL, Mr. EILBERG, Mr. EDWARDS of California, Mr. FLORIO, Mr. PATTEN, Mr. CORRADA, Mr. BENJAMIN, Mr. ROE, Mr. HEFTEL, Mr. RANGEL, and Mr. HUGHES):

H. Con. Res. 664. Concurrent resolution requesting the President to convene a White House Conference on Foreign Trade; jointly, to the Committees on International Relations, and Ways and Means.

By Mr. WAMPLER (for himself, Mr. LAGOMARSINO, Mr. KEMP, Mr. SEBELIUS, Mr. GUYER, Mr. TREEN, Mr. KINDNESS, Mr. BADHAM, Mr. WHITEHURST, Mr. MARKS, Mr. FINDLEY, Mr. STANGELAND, Mr. ROBERT W. DANIEL, Jr., Mr. MADIGAN, Mr. FRENZEL, Mrs. FENWICK, Mr. ROBINSON, Mr. LIVINGSTON, Mr. HUGHES, Mr. GLICKMAN, Mr. YATRON, Mr. WIRTH, Mr. EVANS of Georgia, Mr. MINETA, and Mr. MANN):

H. Con. Res. 665. Concurrent resolution to effect appointment of the commission to study, investigate and review the Federal old-age, survivors and disability insurance programs, and for other purposes; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON:

H.R. 13447. A bill for the relief of Alan George Ackroyd; to the Committee on the Judiciary.

By Mr. GONZALEZ:

H.R. 13448. A bill for the relief of Taieb Elmourabit; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

497. By the SPEAKER: Petition of the Employe Trust Funds Board of the State of Wisconsin, Madison, relative to exemption of public employee retirement systems, trusts or funds from Federal taxation, which was referred to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 15

By Mr. COHEN:

—On page 268, line 11, add "; Franco-American" after "Hispanics".

H.R. 15

By Mr. MCCLOSKEY:

—Page 348, strike out line 23 and all that follows through line 17 on page 350, and redesignate succeeding sections accordingly.

—On page 349 strike out line 1 and everything that follows through line 17 on page 350 and insert in lieu thereof the following:

"(k)(1) The Department of Health, Education and Welfare shall not disclose the identity of individual schools, local educational agencies, State educational agencies, or institutions or post secondary education (as described in section 1202 of the higher Education Act of 1965) which participate in any Federally funded research study, funded in whole or in part through the Education Division of that Department, which necessitates an assurance of the confidentiality of identity in order to obtain the full and candid response of individuals participating in the study, if such study—

"(A) is limited to a specific sample or selection of such schools, agencies, or institutions;

"(B) is not required of such schools, agencies, or institutions by any statute or regulation pertaining to the Federal education program or programs which are the subject of such study for the purpose of any auditing, monitoring, or enforcement duty or procedure;

"(C) is based on the voluntary participation of such schools, agencies, or institutions; and

"(D) is conducted only after a notice describing and justifying the proposed study has been published in the Federal Register, for the purpose of obtaining public comment thereon, by the officer of the office or agency initiating the proposal, not less than thirty days prior to any action upon the proposal.

"(2) The provisions of this subsection shall terminate December 31, 1980.

H.R. 15

By Mr. SEIBERLING:

—On page 246, line 16 insert immediately after "$20,000,000" "or 25 percent of such sums appropriated under this subtitle, whichever is greater,"

H.R. 11392

By Mr. GARY A. MYERS:

(To the amendment by Mr. STAGGERS.)

—On page 14 after line 20 add the following new subsection: (e) Section 402 of the Department of Energy Organization Act (42 U.S.C. 7172) the following new subsection at the end thereof:

"(g)(1) If, upon petition of any public utility, the Commission determines that any State in which electric energy sold by such utility is ultimately consumed has established rules, regulations, or provisions of law which have the effect of prohibiting or impeding the construction in such State of such facilities for the production of electric energy as may be necessary to meet electric energy demand in such State, the Commission may permit such utility to reduce or discontinue making sales of electric energy for ultimate consumption in such State before reducing or discontinuing sales in any other State for any period during which such utility has inadequate capacity to meet the demand for electric energy from all customers of such utility".

"(2) The Commission shall not permit any utility to reduce or discontinue sales of electric energy under paragraph (1)—

"(1) for ultimate consumption in the State in which such utility is located, or

"(2) if such reduction or discontinuance would have the effect of reducing the minimum amount of electric energy available in any State for the protection of the public health and safety."

H.R. 11983

By Mr. FRENZEL:

(To the amendment of Mr. ANDERSON of Illinois.)

—In Section 2, in proposed section 502(a)(2) of the Federal Election Campaign Act of 1971, as amended, following "$1,000;" strike "and" and insert in lieu thereof:

(1) Such certification shall be accompanied by a photocopy of each check or written instrument for each contribution which the candidate submits to receive matching funds. The photocopies shall be submitted in alphabetized, aggregated amounts.

In section 2, after proposed section 502(a)(3) of the Federal Election Campaign Act of 1971, as amended, insert the following:

(1) The Commission shall, as soon as practicable, and no later than 5 working days following receipt of certifications submitted pursuant to paragraph (2), examine the certifications documents, make a preliminary determination that the candidate and his or her authorized committees are entitled to an initial matching payment as referred to in section 504(a)(1)(A).

In section 2 within proposed section 504(a)(1)(A), of the Federal Election Campaign Act of 1971, as amended, after "under section 502(a)(2)" insert: "and (3);"

—In section 2, in proposed section 508(a), delete subparagraphs (1) and (2) and insert in lieu thereof:

(1) After each general election, special election, or run-off, the Commission shall conduct an examination and audit of the qualified campaign expenses of each candidate receiving certified matching payments under this title.

H.R. 12163

By Mr. LUJAN:

—On page 3, line 19, strike "$119,675,000," and insert in lieu thereof "$123,775,000".

—Page 11, line 9, strike $240,900,000, and insert in lieu thereof $247,900,000, provided that at least $7,000,000 of the amount shall be expended for feasibility design and tests of a small, high-field, tokamak fusion device.

H.R. 12163

By Mr. GARY A. MYERS:

(To the amendment by Mr. TEAGUE.)

—On page 27 after line 13 insert the following new section:

SEC. 507. Following the closing of the Nuclear Materials and Equipment Corporation facilities in Apollo, Pennsylvania, the Department of Energy shall make a complete investigation and accounting of all strategic special nuclear material inventory differences at that plant.

—On page 27, after line 13 insert the following new section:

SEC. 507. The Department shall by December 31, 1978, report to the appropriate committees of Congress on actions taken to implement sections 601 through 607 of Public Law 95-91 including recommendations for improvement of these sections. The Department shall include specific examples, if any, of how these sections impede efforts to attract or retain the personnel necessary to carry out the Department's energy research and development mission. Specific potential conflicts of interest which are not covered by present law should also be described including activities of individuals assigned by contractors on a full-time basis at Government-owned contractor operated facilities.

EXTENSIONS OF REMARKS

STRATEGIC DISASTER LOOMS

HON. WILLIAM L. DICKINSON
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1978

● Mr. DICKINSON. Mr. Speaker, Adm. Elmo R. Zumwalt, former Chief of Naval Operations, is seriously concerned about the current trend of the military budgets, as submitted by the President, and the ripple effects these budgets will have on U.S. strategic systems. Of equal concern—and worry—to Admiral Zumwalt are the current negotiations underway on SALT II.

I recommend that my colleagues read this thoughtful article which appeared in the July 1978 issue of the Retired Officer Magazine, the official publication of the Reserve Officers Association.

STRATEGIC DISASTER LOOMS—"THE SOVIETS HAVE THE CAPABILITY TO OVERWHELM US IN A STRATEGIC NUCLEAR EXCHANGE TODAY."

Now that the debate over the Panama Canal Treaties is behind us, it is important that the debate over the prospective SALT II treaty begins.

I enter this debate as one who was proud to support the President on the Panama Canal Treaties. I come into it as one who has tried to work within the Democratic Party, both as a one-time candidate for the U.S. Senate and by working on the defense platform at the last Democratic presidential convention. I enter the debate as one who believes that President Carter's recent defense budget decisions are harmful to the United States' future security, and who further believes that the future of the United States is in great jeopardy as a result of the strategic nuclear imbalance which will result from those decisions.

President Carter's decisions on strategic nuclear budget items and in the strategic arms control field suggest confusion about what the facts are with regard both to our capabilities and to sound negotiating procedure. The Soviets have the capability to overwhelm us in a strategic nuclear exchange today. Carter's decisions should have been designed to regain our capability to deter the Soviets. Instead, his budget decisions on strategic nuclear forces have added to the already great advantage the Soviets would have had over the United States in 1985, if not earlier, whether or not SALT II is signed. He has made these decisions without obtaining any quid in the SALT II negotiations, and thus has given away significant potential leverage. And, the positions that he has taken in the SALT II negotiating arena have moved the US progressively to weaker ground.

STRATEGIC POLICY AND PRESIDENTS

Those of us who participated in the Cuban Missile Crisis experienced first hand the impressive contribution that the U.S. strategic nuclear superiority over the Soviet Union gave President Kennedy in winning Soviet acquiescence to his objectives. We also experienced first hand the horror of calculating that while hundreds of millions of Russians would have died in a nuclear exchange flowing from that crisis, nevertheless tens of millions of Americans would also have died. Some of us could, therefore, understand the fundamental values that lay behind the Kennedy/McNamara decision soon after the Cuban Missile Crisis: to offer to give up the U.S. strategic nuclear advantage; to permit the Soviet Union to catch up with the United States in strategic nuclear capability; and to gamble that by granting the Soviets the opportunity to join us at parity in mutual assured destruction, we would create a state of true mutual deterrence. This policy was to have been coupled with urgent efforts to achieve arms control agreements to provide parity at lower levels of force and expenditure.

President Kennedy and Mr. NcNamara made it clear that the United States would not go beyond its then-programmed missile force of 1,054 ICBMs (Inter-Continental Ballistic Missiles) and 656 SLMBs (Submarine-Launched Ballistic Missiles), would greatly reduce the radioactivity in its warheads, would forego larger missiles and would not develop an effective civil defense—a calculus designed to assure the Soviets that we were structuring our forces so that a U.S. first strike could not destroy their retaliatory capability, and to give them further assurance that their retaliatory strike would surely kill not tens, but hundreds of millions of Americans, if we did strike first.

Seven years later, by the time Mr. Nixon came into office, it was beginning to be clear that Soviet strategy during the interim had been to capitalize on the U.S. parity offer, to build huge asymmetrical advantages that would carry them to ultimate superiority. They had not eliminated the lethal radioactivity of their warheads as we had done. They had made their missiles huge, in comparison to ours, with warheads 100 times more powerful. They had begun to develop a civil defense capability to help their people survive a U.S. nuclear strike. They were in the process of overtaking us in numbers of missiles and they were vigorously pursuing greater accuracies—equal or superior to ours—to add to their huge advantage in warhead megatonnage.

The signing of the SALT I agreement was a watershed point. In a corporate sense, the U.S. government at that time viewed the SALT I agreements as the last best hope to agree on mutual balanced deterrence. Our side saw the ABM (Anti-Ballistic Missile) treaty as a means of keeping both populations hostage to the weapons of the other by foregoing defense. We saw the interim executive agreement as a five-year tradeoff of Soviet quantitative advantage in missile numbers, megatonnage and throw weight against the U.S. advantages of numbers of strategic bombers, and qualitative advantages in multiple independently targetable vehicles (MIRVs) and weapon accuracy.

The government generally recognized two principles. First, the five-year period had to be followed by an agreement which would move us to strategic parity. Second, the leverage on the Soviets, during the five-year tenure of SALT I let us have parity in SALT II, could only be maintained by adequately funded strategic force levels, by suitable modernization programs, including appropriate research and development, and by gaining full intelligence on Soviet strategic nuclear programs and civil defense.

The Soviets, on the other hand, saw SALT I as a device for further accelerating their march toward strategic nuclear superiority. The ABM treaty permitted them, through skillful cheating and by research and development much more vigorous than the U.S. Congress would permit us in view of the treaty, to overtake our advantage in the ABM field. . . . While U.S. ABM system deployments are halted, the Soviets have added handsomely to their ABM early-warning radar system around the Soviet periphery. The United States added further to the defense disparity by concluding during this period that since we were, as a policy matter, to leave our homeland naked to Soviet missiles, there was no advantage in defending against Soviet bombers.

The Soviets saw the interim executive agreement as a way to restrict the U.S. programs, while their own exploitation of ambiguities in the agreements would permit them to counter our temporary qualitative advantage in accuracy and in MIRVs while further improving their current advantages in megatonnage and in throw weight. The Soviets further saw SALT I as a vehicle with which to intrude into our democratic political process. They understood that in our free and open society the interplay of interest groups is important in policy formulation. They knew that their statements, skillful backgrounders and briefings could manipulate the hopes and aspirations of many Americans in ways that would help to constrain U.S. strategic weapon decisions, just as we have have seen them do quite recently in campaigning in this country against the tactical neutron bomb.

The Soviets further advanced their strategy through their great good fortune at Vladivostok in being the only side with an interpreter present. In the absence of a U.S. interpreter to keep them honest, they were able to contend after the meeting that President Ford and Secretary of State Kissinger and misunderstood them and that the limitation of 2,400 strategic delivery vehicles was not intended by them to include their new strategic Backfire bomber. For the same reason they were able to leave ambiguous the agreement on cruise missiles. The Soviets capitalized on these ambiguities and carried them into the strategic relationship with the new Carter Administration.

Over the years, although many decisions were made with which I did not agree, I think it is fair to say that one president after another was clear in his own mind about what it was he was seeking to accomplish.

Privately, Presidents Kennedy and Johnson were clear that they were improving our forces qualitatively while holding constant the number of U.S. strategic forces in accordance with their intention to permit the Soviet Union to achieve strategic nuclear parity. Both presidents were carrying out the theory that this policy would most likely provide mutual deterrence and stability.

Presidents Nixon and Ford, by the time they took office, knew very well that the Kennedy/Johnson strategic parity proposal to the Soviets had not worked out. During their years, privately, they were quite clear that the Soviet Union, rather than stopping at parity, was proceeding to achieve strategic nuclear superiority. For example, in the Sixth Fleet, after the Jordan crisis in September of 1970, still early in his first term, President Nixon told me, with regard to his negotiations in SALT I with the Soviets, that he thought that he could get strategic superiority but might have to settle for parity if there was inadequate support for defense budgets. Yet, by the time SALT I was signed, 18 months later, Mr. Nixon was quite clear in private discussions that the United States had had to accept somewhat less than

Statements or insertions which are not spoken by the Member on the floor will be identified by the use of a "bullet" symbol, i.e., ●

parity. And, 20 months later, by Jan. 24, 1974, while I was attending a National Security Council meeting which President Nixon had called, it was clear that he believed we were going to have to accept strategic nuclear inferiority. My notes of the meeting show that Kissinger expressed the view, and President Nixon agreed, that there was no way the United States could get parity in the strategic nuclear field with the Soviet Union. Kissinger said the people won't support it. President Nixon made it clear that he didn't want any talk that sounded like that publicly.

In my annual discussions with Mr. Ford when he was House minority leader and vice president, it was evident that he recognized the Soviet march to strategic superiority.

It is a separate question as to whether each of these presidents was completely candid with the public on strategic nuclear issues. But, one has to recognize that at the very least, they had done their homework and knew what the facts were.

THE CARTER ERA

In contrast to these previous presidents, Mr. Carter, based on everything one can learn from private conversations, seems not to have done his homework and seems sincerely confused about the facts. He seems truly not to be aware of the burgeoning Soviet nuclear superiority. I can attest to this first hand. I believe that this personal confusion on strategic arms issues is unique among the six presidents I have observed.

In my judgment there are three major reasons why the President has not yet discovered the extent of forthcoming Soviet strategic nuclear superiority.

The first is his failure to review the information available to him. The second is that under our system it is easy, although misleading, to give equal weight to the opinions of uninformed authorities and national figures, and those of the informed. A paper pronouncing that the United States is well off in the strategic nuclear balance can be submitted to him by a staff person who has no real background on the issues and who has had strong previous prejudices that more defense is bad and less is good. This is given equal treatment to the views of the Joint Chiefs of Staff, past and present, the views of recent, and therefore best informed, Secretaries of Defense, such as James Schlesinger and Melvin Laird, and those of the nation's best and most informed strategic expert and negotiator, Paul Nitze.

The third reason is that being in possession of such conflicting views, not properly weighed for their background and experience, President Carter, rather than giving careful study to the issues, tends to select the naively idealistic rather than the realistic alternative. No better recent example can be cited than the President's initial acceptance of the advice of novices Andrew Young and Hamilton Jordan to kill the neutron bomb and his overruling of the advice to build it given by the real expert, Cy Vance. The fact that other pressures subsequently led the President to ameliorate his initial bad decision does not invalidate the point.

STRATEGIC FORCE LEVEL SETBACKS

Let us examine what has resulted in the strategic force level area since Mr. Carter became President.

There were three systems available to the President with which to begin a relatively rapid return to strategic nuclear parity in the 1980s: the B–1 bomber, the mobile (MX) minuteman, and the long-range cruise missile.

The B–1 strategic bomber has been cancelled, while the Soviet strategic Backfire bomber goes forward. (The Soviets deny that the Backfire is a strategic bomber and some in the United States have agreed. Yet, according to a secret memorandum from Secretary of Defense Harold Brown to the President leaked to the New York Times, the Secretary has realistically acknowledged that our bomber defenses, now almost dismantled, are going to have to be improved because of the Backfire threat). The cancellation of the B–1 bombers means that the aging, less penetrable B–52 must carry on until it is no longer operable, and will likely be replaced by extremely vulerable substitutes. The existing preponderance of Soviet megatonnage, which could have been partly compensated by the B–1, will not grow more disparate.

The mobile minuteman (MX) development has been slowed down by the President. Our fixed ICBMs are not subject to prompt destruction in a Soviet first strike. The huge new Soviet missiles with MIRVed warheads several times larger than ours and with future accuracies of .1 nautical mile, will be able to destroy 90 percent of our 1,054 ICBMs in a first strike, using only about 1,300 of the 5,000 or 6,000 MIRVed ICBM warheads the Soviets will have. The number of MIRVed warheads they have left after that will still be over twice the number they destroyed. There is a desperate urgency to regain the deterrent value of this leg of the triad. The proper course of action for the safety of our country was to accelerate the development of the mobile minuteman replacement to the vulnerable ICBMs. The decision to slow it down is a stunning setback to our national safety.

The long-range cruise missile is the device which could most quickly restore a semblance of strategic nuclear balance because it can be deployed on airplanes, surface ships and attack submarines. All of these platforms are available in large numbers. Deployment of the cruise missile on these platforms would regain a deterrent posture for the United States. Yet, recent budget decisions have slowed down rather than accelerated the cruise missile development stunning setback to the country's safety.

SALT II SETBACKS

At the same time President Carter has been putting our national safety in jeopardy by budget decisions on strategic forces, he has been making similarly unsafe decisions in the strategic arms control field. In part he has found himself driven to these bad decisions because of the leverage he has given up in cancelling and slowing programs without any Soviet quid in SALT II.

During its 16 months, the Carter Administration has put forth a series of proposals to the U.S.S.R. The formulations have progressively worsened from the United States' point of view.

In March, 1977, President Carter had Secretary Vance present two proposals at Moscow. One of these was a comprehensive proposal involving substantial mutual force reductions, coupled with significant limitations designed to restrain improvements in intercontinental ballistic missiles. The other proposal was more modest in nature—an effort to maintain earlier progress toward implementing the Vladivostok agreement while deferring for the future the resolution of those two highly crucial items left over from Vladivostok, the Soviet strategic Backfire bomber and the U.S. cruise missile.

The Soviets, in their standard negotiating fashion, savagely rejected the March proposals. The United States, in its standard negotiating fashion, went back to the drawing boards to come up with a new proposal more advantageous to the Soviets and less so to the United States. This was the May 1977 proposal for a new negotiating framework. Secretary Vance suggested that the May proposal was designed to arrive at the same general result as the March comprehensive proposal, but over a longer period.

The new framework was to consist of three tiers. There was to be a first tier consisting of an eight-year treaty similar to the U.S. March proposal. A three-year protocol would contain items not yet negotiable for the longer period. A third tier was to be an agreed set of principles to guide the continuing negotiations on an agreement to come into effect upon the termination of the three-year protocol. Unbelievably, this May proposal was given to the Russians without any clearance by the Joint Chiefs of Staff. Again, in standard Soviet negotiating style, the Russians rejected it and the Warnke team has been progressively improving SALT II from the Soviet point of view during the ensuing year.

The SALT II agreement will, as now drafted, be impossible to verify. We must expect to see the Soviets exploit this opportunity to gain additional strategic advantage just as they exploited the ambiguities in SALT I to gain similar advantage. The SALT II agreement increases still further the opportunities of the Soviet Union suddenly to break out of the deal with greatly increased deployments of antiballistic missiles and intercontinental ballistic missiles.

SALT II will be so structured that the Soviets have nearly all the negotiating leverage of superiority in measures of effectiveness. Heavy pressure will be on the United States to accommodate to the Soviet demands in SALT III negotiations. Given the history of U.S. accommodation to the Soviets' superior leverage in the negotiations, SALT III will almost certainly be worse. The time to consider such consequences is now before SALT II is ratified.

Perhaps the most striking aspect of SALT II is that it will restrict the United States from deploying those weapons systems necessary to regain stability and rough equivalency and to reverse the present trends. Among other limitations, we acknowledge that only the Russians have the right to deploy the huge ICBMs.

One can go on to point out that SALT II, not yet formally agreed, has already impeded our strategic nuclear program. President Carter has assured us that nothing in SALT II's three-year protocol would affect the deployment of weapons after that three-year period. Yet, he then approved his budget director's recommendation that the engineering and development of one phase of the Tomahawk cruise missile be slowed down because the future of the whole cruise missile program after the three-year protocol remained in doubt.

In order to put across the true nature of the strategic balance today, it is insufficient to recite just the advantages in figures of merit in the strategic equation. If one stops there, those who argue incorrectly that the United States today has "overkill" are able to get away with their false doctrine. One must go on to run through the likely consequences of a strategic nuclear exchange under the force balance which would come about under SALT II.

The Committee on the Present Danger has written, "It has become the conventional wisdom to maintain that such strategic advantages do not matter. Yet, detailed calculations demonstrate that under any of the strategic agreements now being considered, and assuming current programs continue (these words were written before President Carter's decisions to slow down the MX and cruise missile developments), regardless of whether the United States or the U.S.S.R. strikes first, the Soviets would destroy far more strategic targets and damage far more people and industries in a nuclear war." Paul Nitze has demonstrated in his analyses that after a Soviet-initiated counter force exchange against each other's nuclear forces, remaining Soviet forces would still be able to destroy the nuclear capacity of China and Western Europe, attack other military and population targets in the United States to kill more than 100 million Americans, and still retain nuclear force weight in excess of that available to the United States.

Analyses done while I was a member of the Joint Chiefs of Staff confirm this. The tragic truth is that in the face of these huge casualties, if the Soviet Union has exercised its impressive civil defense capability, they can expect to lose less than 10 million people. This is not "overkill." It is not one-half of the casualties the Soviets suffered in World War II. It is not as many Russians as Stalin slaughtered. It is not enough, given prospective U.S. casualties in the same exchange, to deter the Soviets from aggressive acts. It is not "overkill."

In summary, President Carter's budget decisions on strategic nuclear forces have accelerated our decline to strategic nuclear inferiority. His decisions on arms control issues in SALT II are serving to codify the U.S. strategic inferiority which his budget decisions are bringing about. He seems to be proceeding in the blind faith but with no logical rationale.

Three quick points in the non-strategic field are now pertinent:

The conventional military inferiority of NATO for many years has been justified in the light of the U.S. strategic nuclear deterrent. In the years ahead we will no longer have that deterrent.

There has been hope that, in the absence of a capability in the 1980s to deter at either the strategic nuclear level or the conventional military level, President Carter would, at the very least, authorize the neutron bomb to restore some measure of deterrence to NATO. His delay of that program does still further harm to the national safety.

SALT II will interfere with our plans to regain conventional military capability with cruise missiles carrying non-nuclear warheads. We are already seeing the consequence of burgeoning Soviet strategic nuclear and military superiority around the globe. . . . We must expect to see Soviet mischief increase as the world increasingly comes to recognize the military realities of today.

ACTION REQUIRED

Only dramatic action now can begin to turn the tide.

In view of the incipient national disaster inherent in the SALT II strategic nuclear relationship with the Soviet Union, the time has come for heroic action from the two concerned co-equal branches of the government. I call upon the President to do the following:

Broaden his base of official advice. Bring the experience and judgment of a bipartisan group to his assistance on these matters.

Review in depth the Soviet climb to strategic nuclear superiority by studying the minutes and tapes of the top level meetings of the Nixon/Ford years.

Review with the Joint Chiefs of Staff the history of theoretical strategic nuclear exchanges between the United States and the U.S.S.R. since 1970, which show grossly unfavorable exchange ratios.

Obtain the written, frank views of the present Joint Chiefs of Staff on the state of the strategic nuclear balance and on the consequence of the current SALT II deal and any future modifications made to it.

Read what the Soviet leaders are telling their associates they intend to accomplish with their military supremacy.

Report candidly to the American people on the true state of the strategic nuclear balance in terms of JCS calculated outcomes for the last eight years and outcomes predicted during the next eight years. Report candidly the status of SALT I by comparing the assurances that the President gave the Congress as to what it meant at the time, with what the Soviets have actually done with it.

Regain a position of strategic nuclear parity with the Soviet Union by restoring the B–1, cruise missile, and MX programs and by negotiating true parity in SALT II.

I call upon the Congress of the United States, through its appropriate committees, to hold hearings and report to the American people on the following:

Compare what the Congress and the public were told about the meaning and impact of SALT I at the time it was submitted to Congress, with what SALT I has in fact become. Report the extent to which Soviet violations and exploitation of ambiguities have contributed to the present developments.

Portray the extent to which the U.S. strategic nuclear capabilities vis-a-vis the Soviet Union have deteriorated in recent years and will further deteriorate in the years ahead under the prospective SALT II agreement. Report the extent of U.S. strategic nuclear inferiority today and in the years ahead.

Recommend those strategic nuclear force expenditures which will begin to regain parity with the Soviet Union in the absence of a fair SALT II.

Submit a joint resolution of concern to the President urging that SALT II be renegotiated to achieve true parity at reduced levels of force and expenditures, and warning that SALT II in its present form will be rejected.

It is time our elected leaders recognize the realities of today and level with those who put them in office. If they do, our chance of attaining and then maintaining military parity with the Soviets will be vastly greater. If they do not, we shall surely make self-fulfilling the prophecy that the United States has passed its historic high point like so many earlier civilizations.●

THE SPEAKER'S FAIRY TALE

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1978

● Mr. FRENZEL. Mr. Speaker, 2 days after the House adjourned for the July 4 recess, the Washington Post carried the following item about the Fourth of July fairy tales, compared to the facts.

In blunt terms, it tells the tale of the 95th Congress. Speeches, press conferences, bragadocio, and fairy tales cannot make a legislative success of this session.

The article follows:

THE CAPITOL

House Speaker Tip O'Neill sent his charges off to make Fourth of July speeches with a fairy tale about the "splendid record" of this Congress.

Part of the record: President Carter's top priority energy bill is still stuck after 14 months, and the most muscular tax part of it looks dead. This year's top bill, tax reduction, hasn't yet been able to muster the votes to move out of the House Ways and Means Committee. Welfare revision is admittedly dead for this year, as is national health insurance which is still only an idea. A bill to hold down skyrocketing hospital costs is being chewed up by a supposedly friendly House Commerce Committee. Efforts to help organize labor by revising laws governing its behavior have been sidetracked by a Senate filibuster.

The "most distinctive achievement," said O'Neill as Congress went off on a 10-day recess, has been "sweeping ethics reform." The House did vote tough income disclosure requirements and a limit on outside income a year and a half ago. But bills converting these rule changes into laws have been held up for fear that if sent to the floor, the House would tear up the income limitation.●

SOVIET INSINCERITY ON HUMAN RIGHTS

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1978

● Mr. FLORIO. Mr. Speaker, on Tuesday, July 11, I had the privilege to join Mrs. Alexandr Solzhenitsyn and my fellow members of the "Alexander Ginzberg Defense Committee" in a conference to bring world attention to the travesty of justice that is now occurring in the Soviet city of Kaluga.

The Soviet Government's mockery of justice that could result in the imprisonment or possible execution of Ginzburg, Anatoly Scharansky and other Soviet dissident leaders must continue to be strongly protested by our Government and other democratic institutions around the world.

We, as citizens of a free society, must not sit by and watch Soviet hypocrisy prevail over the human rights guaranteed to Soviet citizens by that nation's participation in international agreements.

Every civilized nation in the world has a right to expect the U.S.S.R. to abide by the human rights guarantees embodied in the 1975 Helsinki agreement and the Universal Declaration of Human Rights, and I urge my colleagues to join with me in this global effort to insure that justice is accomplished in the current dissident trials.

I would like to bring to the attention of my colleagues the statement I presented at the conference on behalf of Alexander Ginzburg, and urge that ongoing efforts be made to insure Soviet sincerity in their greatly heralded promises for the guarantee of basic human rights and judicious fair-play.

The statement follows:

STATEMENT OF CONGRESSMAN JAMES J. FLORIO

My Colleagues, Mrs. Solzhenitsyn, and friends, I am pleased to join with you in bringing to the attention of the world the travesty that is occurring in the Soviet Union today as Alexander Ginzberg stands trial.

Ginzburg, charged by that nation's government of "anti-Soviet agitation and propaganda", already stands convicted by the Soviet official news agencies. The court proceedings occurring in the small city of Kaluga are a mockery of the principles of justice and fair-play recognized internationally by democratic institutions and signer-nations of the 1975 Helsinki agreements.

The charges brought against Ginzburg reaffirms the Soviet Union's persistence in denying its citizens basic human rights as embodied by the Helsinki document. The world has a right to expect the U.S.S.R. to honor the basic human liberties explicitly spelled out in the Helsinki agreement and the Universal Declaration of Human Rights, to both of which the Soviet Union is a signatory.

We as citizens of a democratic nation have a special responsibility to persistently question the sincerity of the Soviet Union's greatly heralded promises at Helsinki.

While reports indicate that Jewish emigration from the Soviet Union, guaranteed under the Helsinki accords, has dramatically increased this year, the hardships and difficulties encountered by applicants remain substantially unchanged. It is clear that the accords have had very little effect in chang-

ing the Soviet Union's capricious policies on emigration.

Our purpose here today, however, is to solidify support for one man: Alexander Ginzburg, and his family. Charges pending before him carry a maximum penalty of ten years imprisonment. The conviction of Alexander Ginzburg would not only violate one man's rights, but would deny the world an articulate spokesman against injustice and Soviet hypocrisy. I urge the government of the Soviet Union to uphold the promises and spirit of Helsinki and grant Alexander Ginzburg a fair unprejudiced trial. Anything less would be an affront to the principles of civilized justice.●

MR. PAUL MATHEWS, OF YOUNGSTOWN, OHIO, WRITES BOOK ON METRICS

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1978

● Mr. CARNEY. Mr. Speaker, in December of 1975, the 94th Congress passed the "Metric Conversion Act", Public Law 94–168, which established a national board to coordinate voluntary conversion to the metric system. In converting to the metric system, there has been an ever-present need on the part of the general public for educational information about the metric system and its uses.

Mr. Paul Mathews, a resident of the 19th Ohio Congressional District, recently provided me with a copy of his new book, "Was Tammy Thinking Metric?"

This book was written by Mr. Mathews to provide the entire family with the basic information needed to understand the metric system. Mr. Mathews deals primarily with length, weight, volume, and temperature in discussing the fundamentals of metrics. He has dedicated an entire section of his book to conversion tables that greatly simplify the conversion of customary weights and measures to metric units.

Mr. Mathews graduated from Canfield High School in 1919, and from Hiram College in 1923, majoring in science and mathematics. In 1926, he was employed as a chemical engineer by the Rubber Division of Lee Tire & Rubber Corp. During 40 years with this company, Mr. Mathews developed many outstanding rubber products.

Having been a member of many technical committees, Mr. Mathews also served as the U.S. delegate for the rubber industry to the International Standards Institute at The Hague in 1969, and Warsaw in 1970.

Mr. Mathews has definitely filled a need by providing the layman with a book that is both easy to read and very informative. As the metric system increasingly becomes a part of our daily lives, the work of Mr. Mathews can be of immeasurable service to the American people.

I congratulate Mr. Mathews on his fine effort in providing a source that will help each of us better understand the metric system. "Was Tammy Thinking Metric?" is both timely and versatile, and I urge interested Members of Congress and the public to read this important book.●

TRIBUTE TO DR. ROBERT SPILLANE

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1978

● Mr. OTTINGER. Mr. Speaker, one of my constituents and friends, Dr. Robert "Bud" Spillane, has been appointed Deputy Commissioner for Elementary, Secondary and Continuing Education for the State of New York.

Superintendent of the New Rochelle city school system since July of 1970, Bud has contributed greatly to that city's educational system during his tenure. Despite the demands of his job, Bud has found the time to become involved within the community by taking an active role in numerous philanthropic and civic organizations.

On July 19, Bud's friends and colleagues will gather to pay tribute to his outstanding work. As I join with his many admirers to wish him well in his new post, I would like to share with my colleagues at this time some additional highlights of his career:

Dr. Spillane, 43, came to New Rochelle in July 1970, at a time when the district's financial problems dictated that major economies be made. The following year, in a sweeping program known as "Redesign," and with extensive involvement of many segments of the New Rochelle community, Dr. Spillane streamlined the administrative organization, and made major economies in nonacademic areas of the elementary curriculum. With resulting savings, he instituted a program of block grants to individual elementary schools, which provide for a variety of programs selected by building principals, in cooperation with their faculties and parent groups.

Under Dr. Spillane's leadership, New Rochelle was one of the first school systems in the United States to study the voucher plan. In 1972, the district won a $60,000 grant to finance a feasibility study of the plan whereby parents are offered choices in selecting educational programs for their children.

Dr. Spillane also instituted a system of management by objectives, in which both the board of education and superintendent annually itemize specific goals and objectives, with target dates for implementation, and a budgeting procedure known as a planning, programing budgeting system (PPBS), in which the budget is itemized according to specific programs.

Other major developments during Dr. Spillane's superintendency have been a marked increase in pupil reading scores; a doubling of the secondary-level vocational and occupational courses, and an expansion of curriculum throughout the district generally. In 1978, New Rochelle High School had the highest number of regents scholarship winners of any high school in Westcester County. New Rochelle's program for the gifted and talented, the only full-time program of its kind in Westchester County, has attracted hundreds of visiting educators as one of the three official demonstration centers of New York State. It will be expanded to two additional elementary schools this fall.

The superintendent has acquired a reputation as a strict disciplinarian, having suspended numerous students found guilty of violating the school district's published code of student behavior. He has also, however, developed several alternative programs for students with various problems who are unable to function in a regular school setting.

Prior to coming to New Rochelle in 1970, Dr. Spillane had been superintendent of schools in Roosevelt, Long Island. He has also served as superintendent of schools in Glassboro, N.J. (1966–68), and assistant superintendent in Darien, Conn. (1965–66). Dr. Spillane began his career as a teacher in Storrs, Conn., in 1956, and has served as an elementary and secondary school principal in several Connecticut schools.

A graduate of Eastern Connecticut State College in Willimantic, Dr. Spillane received both the M.A. and Ph. D. degrees from the University of Connecticut at Storrs. He also attended an advanced administrative institute at Harvard.

The educator's numerous professional ties include active membership in the American Association of School Administrators; School Management Study Group (President, 1971–73); Association for Supervision and Curriculum Development; New York State Association of Chief School Officers; and Westchester County (N.Y.) Association of Chief School Officers.

Dr. Spillane is presently chairman of the President's Advisory Board of Teachers College, Columbia University, division of administration. He served from 1972–75 as cochairman of an administrators committee of the Study Commission on Education and the Education of Teachers, sponsored by the U.S. Office of Education, and is an adjunct professor at Fordham University and Iona College. Dr. Spillane has been a frequent speaker at American Management Association conferences, and has served often as an educational consultant or member of a panel.

The superintendent was the recipient of the 1974 Hall of Fame Award by the school management study group, and received the First Distinguished Alumni Award of Eastern Connecticut State College in 1969. He is listed in Who's Who in American Education, Outstanding Young Men of America, and Who's Who in the United States. Dr. Spillane is a frequent contributor to professional publications, and numerous articles have been published in Phi Delta Kappan and Teacher Magazine. A book, "Management by Objectives in the School," will be published this fall by Phil Delta Kappan.

In his new position, as one of four deputy commissioners in the State education department, Dr. Spillane will supervise all kindergarten through 12th grade programs of the more than 750 school districts in the State, in addition to all programs for adults also operated by these districts. He will oversee a staff of more than 1,200 persons, representing 97 departments and bureaus. The three other deputy commissioner posts are for

higher education, cultural education, and vocational rehabilitation.

Dr. Spillane is married to the former Geraldine Shea, and has four children, Patricia, 19, a student at Boston College; Robert Jr., 17, a 1978 graduate of New Rochelle High School; and Kathleen, 9, and Maura, 6, who attend the New Rochelle Public Schools.●

TECHNOLOGY IN RESPONSE TO LOCAL NEEDS

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1978

● Mr. FUQUA. Mr. Speaker, the need to assure the transfer and use of our vast storehouse of information from federally supported research and development programs to the local level has never been greater. When such information is used at the local level, our Nation has benefited twice; first, in its initial accomplishment in providing new knowledge and potential benefits and secondly, when again applied at the local level for often different but constructive objectives. New jobs and businesses are created to the benefit of all. A recent article in Science magazine of June 2, 1978, by Mr. William M. Brown, president, Environment Research Institute of Michigan, and Dr. Edmund J. Gleazer, Jr., president, American Association of Community and Junior Colleges, discusses bringing the benefit of Federal research and development to the local level.

Because of the significance of Mr. Brown's and Mr. Gleazer's comments, I am including them in the RECORD for the benefit of my colleagues.

TECHNOLOGY IN RESPONSE TO LOCAL NEEDS

Before the period when President Johnson talked to the Great Society, federally sponsored research and development was concerned primarily with problem areas external to society, specifically those of defense posture and the space program. Since then the scope of federal R & D has broadened to include domestic problems such as urban economic development, transportation, and energy conservation. Several editorials in *Science* have illuminated aspects of this situation.

Effective R & D, or technical assistance and technology transfer, on domestic problems is peculiarly difficult because the users are generally varied and dispersed. For example, in the area of energy conservation the clients include consumers, builders, heating and cooling contractors, architects, and utilities. This is typical of domestic problem areas; we must reach the grass roots. Yet the federal R & D community is not responsive to local needs. Rather, it is focused where the money is, in Washington, D.C. This incongruous situation is a major obstacle to progress. What is needed is a structure that integrates the R & D community with problems and people at the local level. The major difficulty in designing an appropriate delivery system is that of providing a technology extension service which achieves intimate contact with millions of local businesses and thousands of state and local government agencies. If a delivery system is designed from scratch, the costs are formidable and the problem of achieving the required rapport between the system and the people to be served may be insurmountable. Both issues indicate that organizations which are already an integral part of the community should be used to provide the technology extension service.

A set of institutions that have become strong and well supported at the community level and are committed to community service are the 1200 community colleges located across the country and serving a major share of the people. It is recommended that the community colleges—which have the required geographic distribution, service orientation, constituency, and value system—should have a prominent role in a national R & D delivery system.

Universities, research institutes, and government laboratories would operate in concert with the colleges by conducting research that is responsive to local needs and by obtaining from the R & D community results and products that can be moved into the economic stream. Substantial costs would be involved in establishing such a delivery network; however, they would be a small fraction (perhaps 1 percent) of the cost of the current R & D enterprise. Also, the additional resources brought to bear are large enough to have a major impact. In terms of dollars, the operating budgets of the community colleges total over $5 billion per year, and the enrollment is more than 4 million students, with the majority in vocational and continuing educational programs.

A pilot program has been in operation in Michigan with support from the Economic Development Administration of the Department of Commerce. The program stresses cooperation with the activities and resources of the (agricultural) Cooperative Extension Service and other public and private assistance programs. The performance and institutional motivations thus far demonstrated are encouraging Energy is a national problem area in which the community colleges could be very helpful in disseminating information and techniques. This is especially true of the effort to attain better conservation of energy in home heating and cooling. It is also likely that expanding applications of solar energy such as water heating and use of biomass would be facilitated if the community colleges were broadly involved.—WILLIAM M. BROWN, *President, Environmental Research Institute of Michigan, Ann Arbor 48107, and* EDMUND J. GLEAZER, JR., *President, American Association of Community and Junior Colleges, Washington, D.C. 20036.*●

NATIONAL INSTITUTE OF JUSTICE

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1978

● Mr. RODINO. Mr. Speaker, the commitment of Federal resources to aid in the fight against street crime is not a new venture. Nor is the commitment of Federal resources to improve the systems of criminal justice and the machinery of civil justice.

Yet nearly a decade after the first massive, multibillion-dollar infusion of Federal moneys to aid in this effort we are not fully certain just what programs work and which do not. Surely we can see some hopeful results, but we cannot always pinpoint precisely which of our programs is productive and which is unproductive. We still need to know more about the causes of crime, and we need to better understand the interrelationship between crime and the justice system and the interrelationship between the machinery of civil and criminal justice.

On July the 10th, I introduced in the House the President's Justice System Improvement Act of 1978. That bill, of course, deals primarily with the restructuring of LEAA but it also establishes within the Justice Department a National Institute of Justice to assist the proposed new Office of Justice Assistance, Research and Statistics.

The National Institute of Justice proposed in that bill is one mechanism by which we can commit ourselves to the badly needed, expanded Federal research effort required in the justice related areas.

But it is not the only model worth studying.

Six years ago, the American Bar Association began a long and careful study of a proposal to create a fully independent Federal agency to provide coordination and funding of justice research efforts. That long, fruitful ABA study has now resulted in a sophisticated proposal for just such an independent agency, another proposed National Institute of Justice, but one independent of the existing cabinet level Department.

It is a proposal worthy of our attention, and it raises important questions that we need to address at the same time that we examine the President's proposal. Neither bill, of course, is fully ready for enactment, but both contain the seeds of what we expect can be a highly constructive eventual step forward in the area of Federal justice research.

Therefore, I am today introducing as a bill the ABA's proposals to create an independent National Institute of Justice to fund research and pilot projects aimed at making the justice systems in this country more responsive and more efficient. A similar bill has been introduced in the Senate, as has the President's Justice System Improvement Act. The Judiciary Committee is committed to taking a thorough, responsible look at these bills and we will act on them in the 96th Congress. The President's LEAA bill will be fashioned and reported, surely, and we will at the same time examine the merits of this bill to see where the best features of each might be combined to produce the most constructive possible legislation.●

GENERAL MOTORS STEPS ON HANDICAPPED AND ELDERLY

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1978

● Mr. TEAGUE. Mr. Speaker, this morning I am saddened to report that our national commitment to accessible mass transportation is, once again, in serious jeopardy.

In 1968, the National Academy of Engineering called the low-floor, the most important technological improvement that could be made in a bus. Five times between 1970 and 1975 Congress man-

dated that public transportation be made accessible to disabled and elderly people. DOT spent $27 million to design and develop the Transbus and proved that it works. The last administration repeatedly said that it was going to require all transit authorities to use the Transbus specs; but when push came to shove the last administration reversed itself under pressure from GM and dropped Transbus in 1976.

According to James Raggio, an attorney from the Public Interest Law Center of Philadelphia, the lower courts said Congress was "merely puffing" in seven losing district court cases. Then, the Transbus 12, a consortium of handicapped and elderly advocacy groups including the American Coalition of Citizens with Disabilities, the Paralyzed Veterans of America, the National Council of Senior Citizens, and the United Cerebral Palsy Associations, got into the act and went to court themselves. The Transbus 12 overturned the lower courts and got two court of appeals decisions saying Congress was in fact serious, Transbus is the law and it has to be enforced.

Things turned around in 1977. After the Nixon-Ford administrations nullified the congressional mandate, Brock Adams, Jimmy Carter's Secretary of Transportation, heeded the disabled and elderly and the courts, and on May 19, 1977 directed that beginning September 1979, every bus is to be a Transbus. Philadelphia, Los Angeles and Miami stepped up to order Transbus first and early. Denver, Seattle, and Minneapolis announced they want to form a consortium and purchase Transbus now. Thus, until Friday afternoon, May 12, 1978, Transbus was on the track and was to be on the road by early 1981.

On that Friday afternoon the House Public Works and Transportation Committee put section 323, the "Bud Shuster amendment," into its version of this years' Surface Transportation Assistance bill. Section 323 says:

(a) The Secretary shall reevaluate the rule relating to buses which is set forth in section 609.15 of Title 49, Code of Federal Regulations, and report to Congress the results of such reevaluation not later than January 1, 1979.

(b) The reevaluation required by subsection (a) of this section shall include a three month in-service test to compare the effectiveness of a front door ramp with a low floor, and a lift device at either door with current floor heights. Such test shall be conducted under the supervision of the National Academy of Engineering in cooperation with interested groups and organizations.

How did section 323 really get there? According to Raggio and Transbus 12, General Motors has bitterly opposed Transbus, because they mistakenly invested in a high-floor bus and want to sell enough over enough long years to recoup their investment. Furthermore, they allege that General Motors paid the National Council on the Transportation Disadvantaged $15,000 to pretend they spoke for disabled people and to oppose Transbus.

Evidently, the Public Works and Transportation Committee thought they could get General Motors off their back by legislating a study and at the same time say "we don't mean to stop Transbus, it can go ahead while the study goes on."

However, it does not work that way. Transbus is at a screeching halt until section 323 is removed from the bill. The pro-Transbus manufacturers are not going to build while there is a cloud over Transbus. Cities will not buy while it is uncertain.

The grand irony is that the Congress had mandated Transbus five times, only to be frustrated by the Nixon-Ford administration, now threatens to turn around. Now that the Carter administration has mandated the Transbus, the Congress may block the Transbus. Some Congressmen seem intent on proving that the lower courts were right and Congress was "merely puffing" when it five times passed legislation to advance the rights of disabled and elderly people to usable transportation.

Mr. Speaker, I urge my colleagues on the Public Works and Transportation Committee to reevaluate their decision to "study" the Transbus and strongly urge the early implementation of this technological development. I am proud to associate myself with our former colleague Brock Adams, the Secretary of Transportation, who said,

I believe that the Transbus rule meets the congressional directive that buses be made accessible to the elderly and handicapped in a fair and practicable way.

I commend the following extracts from the Congressional Quarterly to my colleagues:

TRANSBUS DELAY SOUGHT

The profusion of public works provisions in the House subcommittee bill caused Senate aides drafting companion legislation to label the House measure "pure pork."

Moreover, two other provisions of the bill were included to help a single corporation. Neither provision was in the earlier subcommittee version or mentioned in 1977 or 1978 hearings.

The provisions were drafted to favor the letting of Transportation Department contracts to GM for the purchase of buses.

The provisions, pushed by GM Transportation Affairs Director Roland Ouellette, involved a May 1977 Transportation Department regulation requiring all federally funded buses purchased after Sept. 30, 1979, to be of a type that would be more accessible to the elderly and handicapped.

The Transportation Department, which developed the specifications for the special bus, calls it the "transbus." The department completed the specifications for the new bus in March.

The federal government is expected to spend an estimated $480 million annually for transbuses.

A key provision sought by GM and included in the subcommittee bill would require the Secretary of Transportation to reevaluate the transbus program and report his recommendations to Congress by Jan. 1, 1979.

Among the department's requirements were that the transbus feature a ramp for wheelchair access; that it have a street-to-floor height of no more than 22 inches, and that it be equipped with a hydraulic device capable of lowering the bus's front end to a height of 18 inches.

Of the three companies that had been asked to build prototype transbuses to help the Transportation Department develop the requirements, only GM refused to build a bus with a lower floor height. And, rather than a ramp, the GM prototype would have featured a lift.

GM LOBBYING

After the requirements were issued, GM lobbied the Transportation Department to delay or change them to meet the specifications of a bus it already manufactured.

GM also sought to void a Transportation Department rule that contracts or the purchase of buses and other "rolling stock" be awarded to the lowest bidder.

"We build quality buses," Ouellette explained. "To get back our money, we have to charge more, but the lifecycle costs of the bus will be less than the others."

GM first appealed to the Transportation Department to make the changes the firm sought, Ouellette said. But Transportation Secretary Adams turned GM down.

So GM then took its case to Congress, he said.

While no company currently manufactured transbuses, two firms, Grumman Flxible Corporation and AM General Corporation, were interested in manufacturing them.

Though the re-evaluation sought by GM wouldn't seem to interfere with the transbus program, which doesn't go into effect until Sept. 30, 1979, three cities—Los Angeles, Miami and Philadelphia—already have agreed to purchase transbuses before the effective date. Grumman and AM General intend to submit bids for contracts to build the buses, according to the Transportation Department.

GM has said it is not interested in bidding for the buses so long as the department's requirements are not changed.

If GM's study proposal is enacted into law, the cities are likely to drop or delay their purchases to avoid being stuck with buses that still might not meet the department's requirements.

The transbus standards, Ouellette explained, "were decided on emotions. Everybody caved in to the elderly and handicapped groups." GM tests, he said, found serious technical problems with the transbus and concluded that "only one in 20 handicapped people would be strong enough to negotiate a ramp."

If the new study resulted in transbus requirements more to GM's liking, Ouellette said, GM would bid for bus contracts in the future and stay in the bus business. If the study isn't required and the department doesn't alter the requirements, GM probably will stop making buses, he said.

Though no firm decision had been made, Ouellette said: "If they mandate the transbus, chances are . . . we would not build the bus. And without federal contracts, we couldn't stay in business. We'd go out of the bus business."

It would take $40 million to retool GM's plants for manufacture of the bus, Ouellette said. "And we just spent $80 million retooling for our present bus."

Besides, he added, "we don't want to be a part of the technological disaster [of the transbus] we see coming down the road."

NO CONSENSUS ON TRANFERS

The new type of urban transit bus, which has not yet been manufactured, is called the "transbus." It was developed by the Transportation Department in response to provisions in five different pieces of transportation legislation passed by Congress in the early 1970's requiring the department to make federally funded transportation projects accessible to the elderly and handicapped.

Transportation Secretary Brock Adams ruled in May 1977 that all federally funded buses purchased after Sept. 30, 1979, had to be of the transbus type. If the program goes into effect, the federal government is expected to spend an estimated $480 million annually on transbus purchases.

At the time the Public Works Committee began marking up HR 11733, it was reported

that a consortium of three cities—Los Angeles, Miami and Philadelphia—was prepared to buy about 500 transbuses in 1978, well in advance of the department's deadline.

And the two bus manufacturers—Grumman Flxible Corp. and AM General Corp.—were prepared to bid for the consortium's business.

Following committee action on the legislation, however, both firms notified DOT that they were no longer prepared to offer bids for transbus construction.

Further, one of the companies, AM General, announced May 31 it was ending production of transit buses at its Mishawaka, Ind., plant, and cutting back on production at its Marshall, Texas, plant.

"The entire bus market is in shambles," AM General Vice President James H. Drum explained. "We can't afford to stop making buses and wait for the federal government to decide how to make the transbus."

Due to continued government uncertainty over the program's future, he said, it would be difficult for the firm to return to bus manufacturing even if the administration eventually sets its house in order.

"We would have to take a long hard look at the program's timing and what money was forthcoming before going into the transbus business," Drum said.

AM General sold 4,300 buses in the last three years and had captured roughly a third of the market. The only other firms in America that currently manufacture urban transit buses are Grumman (formerly Rohr) Flxible and the GMC Division of the General Motors Corp.

PRODUCTION UNCERTAINTIES

The transbus program has been plagued by delays and uncertainties since its inception. Because the bus's increased adaptability would benefit only a limited number of mass transit users, and at a significant increase in cost, the Nixon administration gave a low priority to development of transbus specifications.

The Ford administration went one step further, deciding in August 1976 that the program's benefits weren't worth the projected costs. It scuttled the transbus project altogether.

A number of elderly and handicapped groups subsequently sued the Transportation Department to reinstate the program. Before the case was finally decided, however, Carter Transportation Secretary Adams reversed the decision and established the Sept. 30, 1979, deadline.

After the deadline was set, however, General Motors (GM) continued to lobby the department for a delay or a change in the transbus specifications to match a bus it already manufactured.

Among the department's requirements were that the transbus feature a ramp for wheelchair access and that it have a street-to-floor height of no more than 22 inches.

Of the three companies that had been asked to build prototype transbuses to help the department develop the specifications, only GM refused to build a bus with a lower floor height. And rather than a ramp, the GM prototype featured a lift.

Terming the transbus requirements a "technological disaster," GM lobbyist Roland Oulette told Congressional Quarterly in April that the department had "caved in to the elderly and handicapped groups" on the transbus requirements.

Further, he added, if the department insisted on mandating transbus, GM might go out of the bus business rather than retool its existing plants.

GM GOES TO CONGRESS

After Secretary Adams turned down GM's pleas, GM took its case to Congress, according to Ouellette. The firm found itself joined in opposing a transbus mandate by the American Public Transit Association, which sought for its member transit groups the flexibility to either purchase transbuses or offer alternative transportation for the elderly and handicapped.

Legislation subsequently drafted by the staff of the House Public Works Surface Transportation Subcommittee, and cosponsored by 18 of the panel's 23 members, called on Adams to re-evaluate the transbus program and to report his recommendations to Congress by Jan. 1, 1979.

During markup of HR 11733, the full Public Works Committee approved an amendment by Rep. Bud Shuster, R-Pa., to require the department, as part of its transbus re-evaluation, to undertake three-month field tests of competing transbus models.

Because no company now manufactures a transbus, the buses to be tested would have to be manufactured individually by hand, a process one manufacturer estimated would take about nine months. No federal funds were authorized, specifically for the tests by the panel.

"I know that the committee did not intend to delay the bidding of the consortium," Adams wrote the committee May 30. But field testing, he said, "may be impossible to do." He urged the committee to drop the provision from the bill.

"I believe the transbus rule meets the congressional directive that buses be made accessible to the elderly and handicapped in a fair and practical way," Adams wrote. "I urge you and your colleagues to reconsider [the Shuster amendment] and the consequences it would have, in view of this overriding concern for the mobility of these disadvantaged citizens."

COSTLY NEW REGULATIONS

The Transportation Department "shouldn't be mandating unproven, costly new regulations without full testing," Rep. Shuster said in explaining to a reporter why he offered the transbus amendment in committee. "There should be no mandate until the transbus is operating and is tested in the field. The evidence is overwhelming, in my judgment, that transbus doesn't work in all situations."

Noting that his deceased mother was a double amputee, Shuster commented: "I take a back seat to no one on the handicapped. I thoroughly understand their problems. But I'm shocked by the demands made by some of the young, activist handicapped" whom, he said, were behind the department's transbus program.

Frank Bowe, director of the American Coalition of Citizens with Disabilities, disagreed with Shuster's statement.

"I think the congressman could have checked before making that statement," he said in an interview. "I have seen remarkable unanimity across this country in favor of the transbus design. Whether they're politically active or not, the disabled and the elderly support the transbus."

James Raggio, a Philadelphia attorney representing the elderly and handicapped on the transbus, said 13 groups representing about five million elderly and handicapped supported the transbus, while only one group, not a membership organization, opposed the program.

The House committee's action, however, may have been enough to delay or kill the transbus, even if the full House or a House-Senate conference later reverse Shuster's re-evaluation requirement. Grumman Flxible—which opposes the re-evaluation—now may agree to support a delay.

"This was obviously a GM thrust at the outset," stated George Prytula, Grumman Flxible's director of Washington operations. "But it's one we've agreed to at this stage. We don't support a re-evaluation of the transbus program, but we do think that tests are needed on the ability of the handicapped to negotiate the ramp."

If the department begins new tests on the ramp, it would be "at least" three years before the transbus appeared on the market, Prytula estimated.●

CONGRESSIONAL VETO

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1978

● Mr. HAMILTON. Mr. Speaker, I would like to insert an editorial from the Courier-Journal, dated June 24, 1978, on the congressional veto, and my response to that editorial, dated July 11, 1978, into the CONGRESSIONAL RECORD.

LEGISLATIVE VETO IS POOR WAY OF CURBING REGULATORY ABUSES

Although both houses of Congress are controlled by his political party, Jimmy Carter has the unenviable luck of being president at a time when the legislative branch has rediscovered its independence. It would be an exaggeration to say that the imperial presidency has given way to an imperial Congress. But not much of an exaggeration.

For an activist like Mr. Carter, it must be frustrating to have to deal with lawmakers who have become accustomed, after the abuses of the Nixon years, to viewing the executive branch with suspicion, or even outright hostility. Even worse is to be second-guessed by legislators who make political hay by denouncing regulatory excesses that flow inevitably from well-intentioned but ill-drafted laws Congress itself has passed.

NOT LEGALLY BOUND BY VETOES?

These frustrations are at the heart of Mr. Carter's special message to Capitol Hill this week, warning that he believes "legislative vetoes" are unconstitutional. This veto power is provided in about 200 laws dating back to 1932 and is embedded in 40 or 50 pending bills. It allows Congress (in some cases, even a single house of Congress) to veto executive action

The constitutional validity of legislative vetoes has yet to be determined in court. But Mr. Carter and Attorney General Bell argue that a president is not legally bound by such vetoes, whether in the field of foreign affairs—such as the recent Mideast arms sales—or in domestic areas.

The President has agreed, for courtesy's sake, to abide by congressional vetoes exercised under the War Powers Act and under laws governing military sales. But he draws the line at vetoes affecting domestic programs.

He seems justified in doing so, on practical if not constitutional grounds. The Constitution specifically gives the President power to veto bills. It doesn't mention legislative vetoes, though Congress obviously has the power, through the normal legislative process, to enact laws a president opposes and to override his veto if he exercises it.

The issue is of considerable importance at the moment because several bills have been introduced that would give either house of Congress authority to veto regulations proposed by various executive-branch agencies. The bills quite clearly are intended to capitalize on the growing public resentment of Big Government, especially the accumulated resentments of the business community.

Thus, for instance, Mr. Carter's fellow Georgian, Representative Elliott Levitas, is pushing legislation that would make all new Federal Trade Commission regulations subject to a veto by either house within 60 days after they're issued. Mr. Levitas says Congress, on behalf of the American people, should "send a message" to Washington's "unelected bureaucrats." Attacking the FTC is sure to please many businessmen who are nervous about that agency's investigations of the automobile, pharmaceutical and funeral industries and of TV advertising directed at children.

CONGRESS CREATED THE AGENCIES

There are those on Capitol Hill who claim that the congressional backlash against federal regulation is a proper reflection of the public backlash against high taxes and governmental intrusiveness. Perhaps it is. But all those regulations that fill the Federal Register didn't just materialize out of thin air. They are prepared by agencies created by Congress and operating under congressional mandates to protect consumers to reduce accidents that maim and kill workers, or to assure rail, air and truck service to countless small towns in almost every congressional district.

Some agencies may well be useless, or worse. Many critics claim, for instance, that the Interstate Commerce Commission and the Civil Aeronautics Board could be abolished tomorrow with few ill effects. And we are not alone in finding the FTC's proposed restrictions on advertising directed at children a questionable restriction on First Amendment rights.

But the answer, if government is not to grind to a halt, is for Congress to tackle those problems head-on. If an agency isn't doing its job, Congress can and should use its power over the federal purse-strings to insist on better performance. If its interpretation of congressional intent is wrong, Congress can write a new law. If an agency's assigned job turns out to be unnecessary, or unacceptable to the public, the agency can be abolished.

But legislative vetoes of agency regulations are both impractical and subject to possible abuse. They are impractical because Congress simply hasn't the time to second-guess all the rules issued by agencies. And the veto power could be abused because business lobbyists would have an opportunity, as they do when tax revisions are under consideration, to sabotage regulations opposed by special interests.

These are the practical objections. The courts, of course, might decide that legislative vetoes are legally valid, at least in certain circumstances. But until the constitutional question has been resolved, Mr. Carter is right to proceed under the assumption that execution of the laws is the exclusive job of the executive branch.

COURIER-JOURNAL & LOUISVILLE TIMES NEWSPAPERS,
525 North Broadway,
Louisville, Ky.

TO THE EDITOR: Permit me to respond to your recent editorial on the congressional veto, which began with the observation that it is not much of an exaggeration "to say the imperial presidency has given way to an imperial Congress." (Legislative veto is a poor way of curbing regulatory abuses," June 24, 1978). To describe a bicameral, 535-member legislature as imperial for attempting to keep pace with a President who has the advantages of unity, the executive veto and substantial control over the bureaucracy ignores the serious threat to legislative authority presented by the demands of government in the twentieth century and the increasingly unchecked power of the bureaucracy.

The congressional veto allows Congress to pass a law authorizing the President to take an action, or an administrative agency to promulgate a regulation, subject to a congressional resolution of disapproval. Sixty-one current statutes provide for disapproval resolutions: 52 require a vote of one or both houses while 9 permit a committee vote of disapproval. Examples of one or two-house vetoes include executive reorganization, budget impoundment, arms sales abroad and presidential intiatives involving the use of American armed forces.

Your editorial argues that Congress should be more precise in its legislation and more careful in its appropriation of funds. No one disagrees with those recommendations, but in light of the volume, complexity, and controversial character of legislation, Congress cannot be expected to legislate with greater precision than it has in the recent past. Under present and foreseeable circumstances, Congress will have to delegate legislative authority to the bureaucracy.

Last year, for example, 7,031 final regulations were published in the Federal Register. This form of administrative rulemaking involves more than mere executive details. Many of these regulations carry fines and other sanctions, just as laws do. Therefore, they require conscientious monitoring by the Congress, and the question is how that delegated power can be exercised in accordance with the congressional intent.

Several members of Congress, myself included, have been advocating legislation that would allow Congress to disapprove controversial regulations by a vote of both houses. While we cannot limit the veto in advance to only a few agencies, because we cannot know in advance which regulations will merit our scrutiny, we expect no more than one hundred to require full-scale review annually. The veto permits an efficient use of congressional time and energy because Congress acts best in response to specific proposals or controversies.

Your editorial argues that the constitutional issue is undecided, and until it is decided the President has the right to disregard disapproval resolutions. I respectfully disagree. First, the Supreme Court recently let stand a Court of Claims decision upholding the congressional veto in the judges' pay case, which involved the one-house disapproval provisions in the Federal Salary Act of 1967. Second, when the Supreme Court struck down the legislative appointment of election commissioners in *Buckley* v. *Valeo*, without reaching the merits of the congressional veto provisions in the act, Justice White, in a separate opinion, indicated his approval of the veto as long as Congress did not attempt "to control the outcome of particular adjudications" or "preempt the President's appointment power."

I believe there are two reasons why Justice White's position is correct. First, the statute containing this form of qualified delegation of legislative power is presented to the President for his signature or veto. Second, Congress needs the veto to maintain its coordinate status in American government. This status includes participating in the major governmental decisions and exercising oversight of administrative rulemaking. With the enormous increase in administrative lawmaking that has characterized our government in recent years, it is not feasible for the Congress to perform these tasks effectively with existing tools.

Finally, I am surprised that you approve of the President's expressed intention to treat the congressional veto as a "report and wait" provision and not to consider a disapproval resolution legally binding, since "for courtesy's sake" he has indicated he will abide by the present terms of the war powers and arms export acts. While we should perhaps allow the President some leeway for rhetorical bluffing, the President's constitutional responsibility to see that the laws be faithfully executed is not based on courtesy. The President's suggestion that laws may be selectively obeyed, in the absence of any specific national emergency, pointedly reminds us which branch of government inclines toward imperial action.

Sincerely,

LEE H. HAMILTON.●

KEMP-ROTH-LAFFER FREE LUNCH

HON. EDWARD W. PATTISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1978

● Mr. PATTISON of New York. Mr. Speaker, I take this opportunity to share an article appearing in today's Wall Street Journal, July 12, 1978, by the distinguished economist, Walter Heller.

The article criticizes the Kemp-Roth proposal in a most thoughtful way, concluding that if enacted, it would enormously increase inflationary pressures on the U.S. economy.

The article follows:

[From the Wall Street Journal, July 12, 1978]

THE KEMP-ROTH-LAFFER FREE LUNCH

(By Walter W. Heller)

Sound the trumpets and hear the heralds: There is, after all, such a thing as a free lunch! And it's not soft-headed liberals but hard-headed conservatives that bear the glad tidings.

More explicitly, it is Congressman Kemp and Senator Roth with their $114 billion tax cut bill—embraced as official GOP policy—who offer us this bonanza. On their silver platter, one finds a 33%, or $98 billion, serving of individual income tax cuts and a garnish of $15.5 billion in corporate cuts, both to be phased in over the next three years.

And it won't cost us a thin dime. According to the Kemp-Roth June 1978 "Tax Cut News," their cuts "will increase the incentive to work, save and invest, resulting in higher economic growth, lower prices, more jobs and higher government revenues." And all this happens without budget cuts, the true believers tell us. Lunch is not only free, we get a bonus for eating it. P. T. Barnum, move over.

But ridicule is not reason. One must appraise the historical, quantitative and analytical foundations on which the Kemp-Roth structure is built.

Let's start with their assertion that "the Kennedy tax cut provides the best historical proof" that their tax cut will work. In the light of Congressman Kemp's flattering references to my paternal role in the 1964 tax cut, it may be a bit graceless to say quite flatly that he has been misled both as to the cause of the Kennedy tax cut's success and as to the Treasury's supposed goof in forecasting its revenue effects.

THE RECORD IS CRYSTAL CLEAR

First, as to "verdict of history" that the Kennedy tax cut ($12 billion-plus, roughly equivalent to $36 billion today) achieved its success, to quote Mr. Kemp, "by increasing aggregate supply by increasing the reward to work and investment:" on the contrary, the record is crystal clear that it was its stimulus to demand, the multiplied impact of its release of over $10 billion of consumer purchasing power and $2 billion of corporate funds that powered the 1964–65 expansion and restored a good part of the initial revenue loss.

By activating idle human and physical resources—reducing unemployment from 5.6 percent in January 1964 to 4.5 percent in July 1965 (when Vietnam escalation began) and boosting utilization rates in manufacturing—it drew on "aggregate supply" capacity that already existed. Inflation, which had been running at 1.4 percent before the tax cut, crept up to only 1.6 percent by the summer of 1965. The purchasing power punch of the tax cut was thus converted

into higher sales volume, higher output, more jobs and more income, not into higher prices.

To give any credence to the Kemp-Roth thesis that the 1964 tax cut accomplished all this by unleashing incentives and triggering a great leap forward on the supply side, one would have to find a sudden bulge in productivity and GNP potential in the economic statistics for the mid-1960s.

No such bulge occurred. True, our 1962–1964 tax cuts were well-designed to boost investment and work incentives (via new investment credits, more liberal depreciation, a cut in top rates from 91 percent to 70 percent and so on). But these benign effects on the supply side work slowly, gradually tilting the productivity growth curve upward.

Estimates by Norman B. Ture that a Kemp-Roth tax cut would in a little more than a year generate huge investment increases, four million new jobs, $157 billion of added GNP and revenues exceeding pre-tax-cut levels stretch both credulity and facts. As Rudolph Penner of the American Enterprise Institute puts it, "There can't be two or three or four times more bang in a Kemp-Roth tax cut than we've had with any other."

Second, what about the great Treasury goof? Just one statement from the Roth-Kemp release will illustrate how far the facts have been stretched: "Although Kennedy's Treasury department estimated a six-year revenue loss of $89 billion, his tax cuts expanded the economy so much that revenues actually increased by $54 billion." To attribute to the 1962–64 tax cuts all the expansion and revenue increases experienced in 1963–68 boggles the mind. Among other things, it totally ignores (1) the huge (over-) stimulus of Vietnam expenditures and (2) four payroll tax rates and base increases in those years as well as $6 billion of revenues from the 1966 Tax Act.

Even more inexplicably, those who put the Kemp-Roth numbers together seized on a table the Treasury submitted to the House Banking Committee in 1968 to show what revenues would have been if (a) the economy had expanded as rapidly as it did but (b) no 1964 tax cut had been enacted. In contrast, the careful year-by-year comparison of Treasury revenue estimates and results they should have made shows a six-year net discrepancy of only $22 billion (partly by grace of compensating errors) rather than the $143 billion they assert. Those who did the staff work for Congressman Kemp and Sen. Roth have done them—and the cause of rational tax debate—a serious disservice.

Now, what about the other tax cuts cited by Kemp-Roth supporters as precedents for the supply explosion that their huge tax cut is supposed to set off?

The Andrew Mellon tax cuts of the 1920s are brought forward as evidence. "As a result (of the Mellon cuts), the period 1921–29 was one of phenomenal economic expansion. . . ." At a time when only a few million Americans paid income taxes and federal spending was less than 5 percent of GNP (it was 3 percent in 1929), we are asked to believe that federal income tax cuts alone powered the growth of GNP from $70 billion in 1921 to $103 billion in 1929.

Or take another favorite precedent, the 1948 tax cuts in West Germany to which the great German expansion is attributed. As Chief of Internal Finance in our Military Government in Germany in 1947–48, "I was there." The multiple sources of expansion were (1) a tough and successful currency reform, (2) removal of rationing and wage and price controls, (3) the Marshall Plan, (4) bountiful harvests, (5) a bountiful labor supply swollen by two million refugees from Eastern Europe and (6) tax reduction and reform. Yet the whole German "economic miracle" is attributed to tax cuts.

In short, the Kemp-Roth enthusiasts rely excessively on post hoc, ergo propter hoc reasoning and on a one-dimensional view of the world. Have they forgotten that there is more to life than economic life, and that there is more to economics than taxes?

Now, for a look at the "Laffer Curve," a diagram designed to show how tax changes can suppress or unleash incentives to work and invest and hence affect tax revenues. The tax cuts that are cited as "evidence" have just been explored. But let me go beyond this to look at the assertion that we are so far out on the Laffer Curve that tax cuts would release enormous tax-suppressed energies. Here I would simply echo the conclusion of Mr. William Fellner of AEI: "The U.S. is not yet at high enough tax rates to produce anything like the revenue explosion that Laffer is predicting." And I would agree with him that "where the U.S. economy is along such a curve is completely undocumented, unexplored and unknown."

Have tax pressures increased sharply since the mid-60s and perhaps brought us closer to the breaking point? Comparative figures assembled regularly by the OECD show total U.S. taxes at 27.3 percent of GNP in 1966 and 29.6 percent in 1976, hardly enough of an increase for tax cuts to trigger much bigger responses today than in the mid-60s. Besides, with top income tax rates at 50 percent and 70 percent instead of 91 percent, there is less tax disincentive to remove.

But let's move beyond the field of taxation and take another cut at it. Broadening our horizon to include the whole range of quantitative surveys and studies of responses to changes in after-tax rewards per unit of work, savings and investment, can we find any support for the Laffer-Kemp-Roth thesis?

First, as to savings, there is little aid and comfort in "Denison's Law." Edward F. Denison of Brookings has found that U.S. gross private domestic saving has for a century held very close to 16 percent of GNP (adjusted to a high employment level) year in and year out in the face of high taxes, low taxes or virtually no taxes. Contrary findings about the elasticity of the savings rate still fall short of the taxpayer response predicted by proponents of Kemp-Roth.

But what about labor supply elasticity? Don't the myriad studies of the responses of workers to increases or decreases in take-home pay lend some support to the Laffer thesis that big tax cuts would stimulate a big switch from leisure to work and thus sharply increase labor supply? No.

TWO CONFLICTING RESPONSES

The human animal has two quite conflicting responses to increases in take-home pay, from whatever source. Yes, the studies show some people working harder and longer as tax cuts or other income boosts make leisure and sloth more "expensive." But others respond to an income boost by taking out some of their gains in more leisure, that is, by working less hard to gain a given target income. In economic terms, the studies tell us that the income elasticity of labor supply is not very great either way, and it is not clear whether it is, on net balance, negative or positive. So the Kemp-Roth advocates would once again look in vain for support of their belief that big tax cuts would cause a vast upsurge in labor supply.

To summarize, then, nothing in the history of tax cuts, econometric studies of taxpayer responses, or field surveys of incentives suggests that the effects of a big tax cut on the supply of output even begin to match its effects on the demand for output. A $114 billion tax cut in three years would simply overwhelm our existing productive capacity with a tidal wave of increased demand and sweep away all hopes of curbing deficits and containing inflation. Indeed, it would soon generate soaring deficits and roaring inflation.

One wonders whether these considerations are not beginning to generate some self-doubts, as they should, in the Kemp-Roth camp. Disarmingly, Laffer, as their "economic guru," recently told Newsweek: "There's more than a reasonable probability that I'm wrong. But . . . why not try something new?" Why not? One reason might be that in getting the Republican party on the Kemp-Roth hook, he may be leading it over the cliff.●

PHILADELPHIA VETERANS' ADMINISTRATION HOSPITAL STILL SUBSTANDARD

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1978

● Mr. EDGAR. Mr. Speaker, in the spring of 1977 it was brought to my attention that the operation of the Veterans' Administration hospital and outpatient clinic in Philadelphia was below standard and continuing to decline. A member of my staff toured the hospital and clinic, we informed the VA Administrator of what we believed the problem to be, and an investigation of both facilities was conducted by the VA. In July of 1977 hearings were conducted by the Subcommittee on Medical Facilities and Benefits of the House Committee on Veterans' Affairs in Philadelphia where we received testimony from critics of the hospital and clinic as well as testimony from VA personnel. At that time we received assurances that the situation would improve. I have since visited the hospital in an attempt to monitor what improvements have been made.

Today, I am inserting in the RECORD a letter from Mr. R. E. Lynch, director of the National Veterans Affairs and Rehabilitation Commission of the American Legion, to the chief medical director for the Veterans' Administration, Dr. John D. Chase, summarizing the situation he found on a recent visit to the Philadelphia hospital and clinic. From Mr. Lynch's letter it seems that there has been little, if any, improvement.

Mr. Speaker, as you can see this is not a problem that has recently come to light. The Veterans' Administration has been advised repeatedly of conditions in Philadelphia. From the VA Central Office here in Washington and hospital officials in Philadelphia we continue to hear assurances of future improvements. We have had enough assurances in the past year and one-half, we want action.

I commend the American Legion for their continued interest in the hospital and clinic in Philadelphia and their determination to see this problem rectified. I would hope that the Veterans' Administration would finally take some constructive criticism and move quickly to

correct the problems in Philadelphia which have existed for far too long.

The letter follows:

THE AMERICAN LEGION,
1608 K Street, N.W.
Washington, D.C., July 5, 1978.

Dr. JOHN D. CHASE,
Chief Medical Director, Veterans Administration, Washington, D.C.

DEAR DR. CHASE: The American Legion has shared general concern for the operations of the Philadelphia VA Hospital and the Philadelphia Outpatient Clinic. On June 29, 1978, I had opportunity to visit both of those installations. The observations I offer herewith are based on those visits, conference with the hospital director and members of his staff, with the director of the clinic, and information received from others, including a Field Representative from our own staff, the Department Service Officers of the Pennsylvania and New Jersey American Legion, and personnel at the VA Center, Philadelphia.

Criticism offered here, is intended to be constructive, as the only objective of the Legion is the efficient functioning of the hospital and clinic in fulfillment of their missions.

It will be stated at the outset, that of all the criticism this organization has heard and received about the Philadelphia situation, there has been no general indictment of the quality of care being provided to veteran patients. While the operations of the hospital and clinic have, in our judgment, been seriously impaired for some time, the clientele have received, so far as we are able to determine, a quality of care that meets standards of the VA.

While our observations are set forth below, the final conclusion can be stated at the beginning. The problems at the hospital and clinic appear to be the result of a failure of management. The responsibility for that failure would seem to have to be assigned to the responsible officers at the installations, and to Central Office which did not control the situation before it got out of hand, and then required an inordinate length of time to progress to visible improvement.

Observations are offered concerning the following: (1) Medical Administration Service, (2) Staff Morale, (3) The double affiliation, (4) Admitting Service, (5) Parking Lot, (6) Need for a funded ATU, (7) Medical Intensive Care Unit, (8) Anticipated impact of Camden VAH, (9) Outpatient Clinic.

MEDICAL ADMINISTRATION SERVICE

The current functioning of the Medical Administrative Service is quite bad. Information received from VA Center, Phila., establishes that it routinely requires six months or more to obtain hospital summaries from the hospital, if the patients' records are not lost in the meantime. There are fee basis reimbursements pending since at least November 1977. (This latter situation results, among other things in physicians refusing to accept veteran patients, and assigning unpaid bills to collection agencies which then harass the veterans.) A new Chief of Medical Administration has just arrived. He attended the meeting I had with the Director. In response to my direct question, he indicated he thought he could get the situation under control in approximately 60 days. It must be noted, however, that the current Director has been on duty since January, and there has been no significant improvement in MAS operations to date. My plan is to check into this matter again after a reasonable interval. If it has not then improved substantially, I will address you again. The situation with reference to both summaries and reimbursements, is intolerable, and cannot be defended at any point.

The staff discussion concerning this subject, in which I participated, included the Director, Assistant Director, Chief of MAS, and the Chief of Staff. The general problem was for the most part ascribed to lack of personnel and to untrained personnel. It was also indicated that the staff positions are salaried too low to enable retention of competent personnel. And, of course, the morale situation, discussed later herein, has reportedly contributed to the generalized collapse of the MAS operations. The Chief of Staff stated that summary dictation is currently up to date. However, a supervisor in MAS stated to me that residents are consistently slow in dictating, and that, due to their short tenure of duty at VAH, they often leave without ever completing their dictation. If that is so, it would seem to be the Chief of Staff's responsibility to see that it is corrected.

STAFF MORALE

There have been serious morale problems at both VAH and the Outpatient Clinic. The director and his senior officers, including the director of the Clinic, insist that morale is steadily improving. There is sufficient information, agreed to by those with whom I spoke, to conclude that there have been racial overtones to the morale problem. Hopefully, the racial aspects of the problem are now disappearing. The Director expressed the belief that he has been able to achieve significant improvement by a number of means, including the maintenance of a known accessibility on his part to both staff and patients.

The morale situation can only be ascribed to management failure of the past, and it is a serious indictment of that management. Based on comment from all those with whom I spoke in Philadelphia, I have no reason to doubt the present Director's statement that the situation is improving. The new Chief of MAS, likewise, expressed confidence that he can restore morale in his service.

Central Office has a direct responsibility to closely monitor the matter of staff morale, and to take whatever action is necessary to preclude any further deterioration in this regard.

DOUBLE AFFILIATION

This hospital has affiliation with the University of Pennsylvania and with the Medical College of Pennsylvania. The double affiliation appears to be the cause of some awkwardness in operations. For one thing, there are two chiefs of both medical and surgical service. That doesn't sound practical to my non-professional mind. Wards have beds assigned, specifically to residents of the different schools. The Chief of Staff is from the University.

With the best will in the world on all sides, the essential problem would seem to be that the University is very large, and the College is not large at all. Therefore, the University dominates the operation of the hospital. Nobody with whom I spoke denied that the double affiliation causes problems. It may be true that MCP could not survive without the VA affiliation, but I must say that the double affiliation does not seem to be advantageous to VAH. However the probem can be worked out, the goal, in my opinion, should be a single affiliation at this hospital.

ADMITTING SERVICE

As I was informed, it presently requires approximately three hours to complete the admission process. Management and the Chief of Staff insisted they are working on this problem, and the new Medical Administration Chief assured that it would be a matter of priority with him. I toured the admitting area, and was told the physical setup has been improved. There have been instances where stretcher cases have been held unattended in the hallways for more than three hours. Nobody could defend that. Space continues to be under reorganization, and is intended to include a room for stretcher cases.

It would seem that some of the problems in Admitting are the result of inadequate space. Better utilization will improve things, but there simply is not sufficient space available to accommodate patient load. The remainder of the admitting problems are the direct result of failure of management and professional staff.

PARKING LOT

The one thing that everybody in Philadelphia agrees on is the need for more parking space. Prior to my visit at Philadelphia, I had heard all the complaints about inadequate parking and the results thereof. On my arrival at the hospital, I heard them all again.

The essence of the problem is that this is a large urban hospital, and there is just not sufficient parking space to take care of the traffic of all kinds the hospital generates. Central Office should make the solution to this problem a priority matter, and further discussion herein seems unnecessary.

NEED FOR FUNDED ATU

Since the Administrator has made the alcohol treatment programs of the VA a personal priority, I do not understand why there is not a funded unit at a large urban hospital such as Philadelphia VAH. Presently, the hospital has a Day Care Program. It clearly needs a funded rehabilitation unit. Given the incidence of alcohol problems among its clientele, I do not understand why this has not been a priority from Central Office.

Detoxification has been accomplished with the assistance of a detox unit at St. Luke's Hospital. I was told St. Luke's has lost public funding for its detox unit, and is discontinuing its public service—which will result in loss of its availability to VA. This will be a problem, since there clearly are not enough beds on the medical wards to accomplish all the detoxing that is needed. A funded ATU, with some detoxing beds would help.

MEDICAL INTENSIVE CARE UNIT

I toured the MICU. It is unbelievably small in space allocation for the type of service it is performing. How it passed JCAH inspection I do not know.

There is an additional shortage of personnel in the unit, that will apparently be at least partially solved with the assignment of seven additional positions that are now being recruited.

CAMDEN IMPACT

There is a generalized concern at VAH Philadelphia about the impact of Camden VAH on VAH Philadelphia. I was asked several times what the affiliation will be. There is expectation of loss of about 15% of the present clientele with the completion of Camden VAH. It is understood now that with improvement of prospects for completion of Camden VAH, a NHCU at Philadelphia may not occur in the near future. I agree with the assessment at Philadelphia that a NHCU continues to be needed, and it should be projected in Central Office planning.

Some of the discussion about a Camden affiliation seems to stem from the fact that Philadelphia has five medical schools, and the affiliation of one of them with Camden would be good. I advised those with whom I spoke that it is my understanding that this will not happen, as it is expected Camden will affiliate with the Medical School of New Jersey, which plans an extension from its present campus at Rutgers.

PHILADELPHIA OUTPATIENT CLINIC

The Philadelphia Outpatient Clinic continues to be a serious problem. Some time ago, following the clinic's being placed under management of the hospital, the situation there became very bad, apparently with ref-

erence to all phases of operations, although service continued to be rendered to veterans.

Currently things are much improved. This seems to be the result of the efforts of the new Clinic Director, who has been assigned.

The essence of this problem is that the clinic staff does not believe it receives adequate support from the hospital staff. Clinic staff believes its needs are secondary to hospital operations. Personnel complain of lack of understanding and concern. It is averred that the situation will not change, even though it has improved with new management at both the hospital and the clinic.

The hospital Director and the clinic Director appear to have a satisfactory working relationship. Even now, however, that relationship does not extend to personnel of all divisions of the hospital.

The problems that presently exist developed when the clinic lost its independent status, and became attached to the hospital. Nor is there any expectation by clinic staff that there will be an ultimate resolution of the problems, which fall into the areas of communication, understanding and concern, all of which affect delivery of support services.

After talking to many different people, having a variety of perspectives, my personal conclusion is that the clinic will continue to be a problem, until and unless it reverts to an independent status, as is the case with at least some other of the urban clinics within the system. At the present time, there is a generalized lack of trust and acceptance between the staffs of the clinic and the hospital.

The situation was just short of disastrous prior to arrival of the present clinic director. His personal efforts appear to have been salutary, and recent improvements have to be ascribed to him personally. The hospital director deserves some share of credit also. However, the present improved situation appears to be tenuous. If either director were to be replaced it would have to be anticipated that things could deteriorate again.

In view of all this, it is my opinion that Central Office should give serious consideration to restoring the independent status of the clinic.

I toured the clinic facilities. Much needs to be done there. The director has done a great deal in a short time. Whether completely satisfactory improvement can be achieved under present management arrangement is at best questionable.

The presentation in this letter is a general overview of the situation at the Philadelphia hospital and clinic as it appears to me at the present time. Specific and detailed observations will continue to be offered through surveys made by an American Legion Field Representative.

We will continue to pay close attention to operations at the clinic and hospital until the problems there have been satisfactorily resolved.

Sincerely,

R. E. LYNCH,
Director, National Veterans Affairs and Rehabilitation Commission.●

PUBLIC FINANCING OF ELECTIONS

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1978

● Mr. FRENZEL. Mr. Speaker, I would like to draw my colleague's attention to the Marquis Childs article which appeared on July 11, 1978 in the Washington Post.

It has been rumored that the attempt to attach a public financing amendment to the Federal Election Commission authorization may not succeed on a parliamentary procedure. I hope the rumor is well founded, however, if it should survive and reach the House floor, I would urge my colleagues to consider Mr. Child's observations about the value of incumbency. This is an especially important aspect of the expenditure limitation imposed on both the incumbent and challenger in the proposed public financing amendment.

I commend the following article:

PERKS, OR HOW TO GET REELECTED

(By Marquis Childs)

The guessing now is that the change in the lineup of Democrats and Republicans in Congress after the November election will be hardly more than the normal losses that can be expected in an off-year election. That would mean a loss for the majority party in the neighborhood of 25 seats in the House out of the 280 they now hold. And this, let it be added, when President Carter stands at a lower rating at this point than any of his five immediate predecessors.

The reason, as representatives who talk frankly readily say, is the enormous advantage the sitting member has. The value of his perquisites today adds up to at least $500,000 a year—and that may be a conservative estimate.

Staff alone accounts for more than $250,000. This covers staff in the representatives district. Three or four staffers in the district offices are schooled to care for constituents' needs. They are nursemaid-governesses smoothing the path through the tangled forms and regulations of government. Even the congressman himself sometimes takes over details from a favored constituent.

"Sure, I get a letter complaining that the fellow's garbage isn't being picked up," one representative said. "So what do I do? I sit down and write a personal letter to the town council or maybe to an alderman who happens to be a friend of mine and I get results."

The latest extraordinary perk is the mobile office. It is a van with a staffer in charge that tours the district as a kind of traveling billboard, since, in not inconspicuous letters, it carries the congressman's name. Parked in a shopping center or near a recreation area, it is an invitation to one and all to come in and talk about troubles with their television repairman or why the Veterans Administration has failed to approve a worthy claim.

A veteran of nearly 30 years in the House, Rep. Richard Bolling (D-Mo.), who helped at the start of his career to initiate the service of staffers in the district, says the mobile office is mighty useful in sprawling Kansas City, his bailiwick, the Bolling office is on tour four days a week. One useful service the mobile performs is to register voters, and this is particularly true with registration at a low point and the possibility that voter turnout in November may be at an unprecedented low.

Besides staffs and district offices, the incumbent gets a newsletter printed and distributed free of charge. He also has access to radio and television facilities in the House Office Building that give him an advantage with stations back home.

Hammered away at again and again by earnest reformers, the two-year term for members of the House is an anomaly that defies reason. No sooner are you elected than you must start to work for your reelection.

As the experience of Rep. John B. Anderson (R-Ill.) illustrates, it has become even more a costly burden. One of the ablest and most knowledgeable members of Congress, Anderson is rated liberal-to-moderate. As such he was targeted for elimination by the conservatives in the Republican primary in his home district of Rockford, Ill.

His opponent was the Rev. Donald Lyon of the Church of the Open Bible, whose political views barely postdated the Stone Age. Conservatives, mostly from outside the state, poured in money to bring the Reverend Lyon's spending total to $240,000, and that did not include the cost of the direct-mail anti-Anderson campaign conducted by the highly profitable operation of Richard Viguerie in Virginia.

Facing that kind of challenge, Anderson spent more than $160,000, and he won by 58 percent to 42 percent. Against a little-known Democratic opponent, he is considered a likely victor in November.

A recent poll showed the paradox of today's Congress As a body Congress had a low rating, comparable to that of the President. But as individuals attuned to the wishes and needs of their constituents they rated fairly high. It is the role of nurse ready for help and consolation.

It is a curious reversal of the old order. In an earlier era, the bosses like Frank Hague of New Jersey and Tom Pendergast of Missouri dispensed jobs as reward for loyal voters. The federal government has so completely taken over, in one way or another, the job operation that jobs are no worry.

Given the money available for staff, the geometric increase in the number of staffers is hardly a surprise. They have become a force almost as powerful as the elected Congress.●

LEGISLATION TO EXEMPT PSRO's FROM FREEDOM OF INFORMATION ACT

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1978

● Mr. CARTER. Mr. Speaker, today I am introducing legislation to insure that Professional Standards Review Organizations (PSRO's) will not be subject to the full range of information disclosure requirements of the Freedom of Information Act. I am pleased to note that my good friend the Honorable PAUL ROGERS, chairman of the Subcommittee on Health and the Environment, is joining me in cosponsoring this legislation.

This legislation is necessary because on April 25, 1978, the Federal District Court for the District of Columbia rendered a decision which casts serious doubt on the continued success of the PSRO program. The decision held that, for purposes of requiring disclosure of information under the Freedom of Information Act, the act is applicable to PSRO.

The PSRO program, a mechanism recognized by the Federal Government as the desirable method for reviewing the quality, appropriateness, and medical necessity of medical services provided under medicare and medicaid, is founded upon the concept of support and close cooperation of the medical profession. Indeed, I believe that it is only the medical pro-

fession that can properly evaluate quality, appropriateness, and medical necessity. In fact the legislative history of the PSRO statute notes that "it is preferable and appropriate that organizations of professionals undertake review of members of the profession rather than for the Government to assume that role."

However, that medical evaluation is performed in major part upon review of data and information provided to the PSRO by physicians. In order to perform its functions properly the PSRO must utilize and have access to a great amount of data and information pertaining to patients and physicians.

Congress recognized the sensitive nature of the individual medical records of patients and physicians and also recognized that an integral part of encouraging necessary medical participation is the need to insure confidentiality of that information. To that end Congress provided in the PSRO law that information obtained by the PSRO would be confidential.

Now, however, the court decision would subject information in the possession of the PSRO to potential public disclosure through the vehicle of the Freedom of Information Act. Such disclosure would undermine physician confidence in PSRO protection of confidential information and would discourage support of the program.

Mr. Speaker, the severe impact of the court's decision on this important program cannot be exaggerated. In fact the district court, in rendering its ruling, was aware of the negative impact of its action:

. . . The Court is well aware . . . that the peer review mechanism which Congress wisely established in enacting the PSRO program, will experience a severe setback, if not a fatal blow, should PSRO records become generally available through FOIA. But, the remedy for alleviating these justifiable concerns lies with Congress, not the courts.

Given the importance of this program in assuring the highest standards of medical care and in alleviating the spiraling increases in the costs of medical care, I believe that it is extremely important that the Congress respond immediately to the invitation of the court. I would therefore urge the speedy enactment of this legislation.●

THERE IS NO FREE LUNCH

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1978

● Mr. PICKLE. Mr. Speaker, I was very glad to see Mr. Walter Heller's column on the editorial page of the Wall Street Journal this morning concerning the Kemp-Roth tax proposal and the Laffer Curve.

Our colleague from New York (Mr. KEMP) has repeatedly pointed to the Kennedy administration tax cut as a justification for his deficit spending proposal. Now, Mr. Heller, who served as chairman of the Council of Economic Advisers under President Kennedy, has provided us with the true story about the Kennedy tax cut and the economic situation in the mid-1960s. Professor Heller gives us a good analysis of the historical and economic basis of the Kemp-Roth proposal and he reaches the same conclusion that I have stated several times recently here on the floor of the House.

His summary is this:

A $114 billion tax cut in three years would simply overwhelm our existing productive capacity with a tidal wave of increased demand and sweep away all hopes of curbing deficits and containing inflation. Indeed, it would soon generate soaring deficits and roaring inflation.

I hope that my colleagues will take note of this important analysis particularly my friends on both sides of the aisle who have traditionally shared my concern for balancing the Federal budget.

The article follows:

[From the Wall Street Journal, July 12, 1978]

THE KEMP-ROTH-LAFFER FREE LUNCH

(By Walter W. Heller)

Sound the trumpets and hear the heralds: There is, after all, such a thing as a free lunch! And it's not soft-headed liberals but hard-headed conservatives that bear the glad tidings.

More explicitly, it is Congressman Kemp and Senator Roth with their $114 billion tax cut bill—embraced as official GOP policy—who offer us this bonanza. On their silver platter, one finds a 33 percent or $98 billion, serving of individual income tax cuts and a garnish of $15.5 billion in corporate cuts, both to be phased in over the next three years.

And it won't cost us a thin dime. According to the Kemp-Roth June 1978 "Tax Cut News," their cuts "will increase the incentive to work, save and invest, resulting in higher economic growth, lower prices, more jobs and higher government revenues." And all this happens without budget cuts, the true believers tell us. Lunch is not only free, we get a bonus for eating it. P. T. Barnum, move over.

But ridicule is not reason. One must appraise the historical, quantitative and analytical foundations on which the Kemp-Roth structure is built.

Let's start with their assertion that "the Kennedy tax cut provides the best historical proof" that their tax cut will work. In the light of Congressman Kemp's flattering references to my paternal role in the 1964 tax cut, it may be a bit graceless to say quite flatly that he has been misled both as to the cause of the Kennedy tax cut's success and as to the Treasury's supposed goof in forecasting its revenue effects.

THE RECORD IS CRYSTAL CLEAR

First, as to "verdict of history" that the Kennedy tax cut ($12 billion-plus, roughly equivalent to $36 billion today) achieved its success, to quote Mr. Kemp, "by increasing aggregate supply by increasing the reward to work and investment:" on the contrary, the record is crystal clear that it was its stimulus to demand, the multiplied impact of its release of over $10 billion of consumer purchasing power and $2 billion of corporate funds, that powered the 1964–65 expansion and restored a good part of the initial revenue loss.

By activating idle human and physical resources—reducing unemployment from 5.6 percent in January 1964 to 4.5 percent in July 1965 (when Vietnam escalation began) and boosting utilization rates in manufacturing—it drew on "aggregate supply" capacity that already existed. Inflation, which had been running at 1.4 percent before the tax cut, crept up to only 1.6 percent by the summer of 1965. The purchasing power punch of the tax cut was thus converted into higher sales volume, higher output, more jobs and more income, not into higher prices.

To give any credence to the Kemp-Roth thesis that the 1964 tax cut accomplished all this by unleashing incentives and triggering a great leap forward on the supply side, one would have to find a sudden bulge in productivity and GNP potential in the economic statistics for the mid-1960s.

No such bulge occurred. True, our 1962–1964 tax cuts were well-designed to boost investment and work incentives (via new investment credits, more liberal depreciation, a cut in top rates from 91 percent to 70 percent and so on). But these benign effects on the supply side work slowly, gradually tilting the productivity growth curve upward.

Estimates by Norman B. True that a Kemp-Roth tax cut would in a little more than a year generate huge investment increases, four million new jobs, $157 billion of added GNP and revenues exceeding pre-tax-cut levels stretch both credulity and facts. As Rudolph Penner of the American Enterprise Institute puts it, "There can't be two or three or four times more bang in a Kemp-Roth tax cut than we've had with any other."

Second, what about the great Treasury goof? Just one statement from the Roth-Kemp release will illustrate how far the facts have been stretched: "Although Kennedy's Treasury department estimated a six-year revenue loss of $89 billion, his tax cuts expanded the economy so much that revenues actually increased by $54 billion." To attribute to the 1962–64 tax cuts all the expansion and revenue increases experienced in 1963–68 boggles the mind. Among other things, it totally ignores (1) the huge (over-) stimulus of Vietnam expenditures and (2) four payroll tax rates and base increases in those years as well as $6 billion of revenues from the 1966 Tax Act.

Even more inexplicably, those who put the Kemp-Roth numbers together seized on a table the Treasury submitted to the House Banking Committee in 1968 to show what revenues would have been if (a) the economy had expanded as rapidly as it did but (b) no 1964 tax cut had been enacted. In contrast, the careful year-by-year comparison of Treasury revenue estimates and results they should have made shows a six-year net discrepancy of only $22 billion (partly by grace of compensating errors) rather than the $143 billion they assert. Those who did the staff work for Congressman Kemp and Sen. Roth have done them—and the cause of rational tax debate—a serious disservice.

Now, what about the other tax cuts cited by Kemp-Roth supporters as precedents for the supply explosion that their huge tax cut is supposed to set off?

The Andrew Mellon tax cuts of the 1920s are brought forward as evidence. "As a result [of the Mellon cuts], the period 1921–29 was one of phenomenal economic expansion. . . ." At a time when only a few million Americans paid income taxes and federal spending was less than 5 percent of GNP (it was 3 percent in 1929), we are asked to believe that federal income tax cuts alone powered the growth of GNP from $70 billion in 1921 to $103 billion in 1929.

Or take another favorite precedent, the 1948 tax cuts in West Germany to which the

great German expansion is attributed. As Chief of Internal Finance in our Military Government in Germany in 1947–48, "I was there." The multiple sources of expansion were (1) a tough and successful currency reform, (2) removal of rationing and wage and price controls, (3) the Marshall Plan, (4) bountiful harvests, (5) a bountiful labor supply swollen by two million refugees from Eastern Europe and (6) tax reduction and reform. Yet the whole German "economic miracle" is attributed to tax cuts.

In short, the Kemp-Roth enthusiasts rely excessively on post hoc, ergo propter hoc reasoning and on a one-dimensional view of the world. Have they forgotten that there is more to life than economic life, and that there is more to economics than taxes?

Now, for a look at the "Laffer Curve," a diagram designed to show how tax changes can suppress or unleash incentives to work and invest and hence affect tax revenues. The tax cuts that are cited as "evidence" have just been explored. But let me go beyond this to look at the assertion that we are so far out on the Laffer Curve that tax cuts would release enormous tax-suppressed energies. Here I would simply echo the conclusion of Mr. William Fellner of AEI: "The U.S. is not yet at high enough tax rates to produce anything like the revenue explosion that Laffer is predicting." And I would agree with him that "where the U.S. economy is along such a curve is completely undocumented, unexplored and unknown."

Have tax pressures increased sharply since the mid-60s and perhaps brought us closer to the breaking point? Comparative figures assembled regularly by the OECD show total U.S. taxes at 27.3 percent of GNP in 1966 and 29.6 percent in 1976, hardly enough of an increase for tax cuts to trigger much bigger responses today than in the mid-60s. Besides, with top income tax rates at 50 percent and 70 percent instead of 91 percent, there is less tax disincentive to remove.

But let's move beyond the field of taxation and take another cut at it. Broadening our horizon to include the whole range of quantitative surveys and studies of responses to changes in after-tax rewards per unit of work, savings and investment, can we find any support for the Laffer-Kemp-Roth thesis?

First, as to savings, there is little aid and comfort in "Denison's Law." Edward F. Denison of Brookings has found that U.S. gross private domestic saving has for a century held very close to 16 percent of GNP (adjusted to a high employment level) year in and year out in the face of high taxes, low taxes or virtually no taxes. Contrary findings about the elasticity of the savings rate still fall short of the taxpayer response predicted by proponents of Kemp-Roth.

But what about labor supply elasticity? Don't the myriad studies of the responses of workers to increases or decreases in take-home pay lend some support to the Laffer thesis that big tax cuts would stimulate a big switch from leisure to work and thus sharply increase labor supply? No.

TWO CONFLICTING RESPONSES

The human animal has two quite conflicting responses to increases in take-home pay, from whatever source. Yes, the studies show some people working harder and longer as tax cuts or other income boosts make leisure and sloth more "expensive." But others respond to an income boost by taking out some of their gains in more leisure, that is, by working less hard to gain a given target income. In economic terms, the studies tell us that the income elasticity of labor supply is not very great either way, and it is not clear whether it is, on net balance, negative or positive. So the Kemp-Roth advocates would once again look in vain for support of their belief that big tax cuts would cause a vast upsurge in labor supply.

To summarize, then, nothing in the history of tax cuts, econometric studies of taxpayer responses, or field surveys of incentives suggests that the effects of a big tax cut on the supply of output even begin to match its effects on the demand for output. A $114 billion tax cut in three years would simply overwhelm our existing productive capacity with a tidal wave of increased demand and sweep away all hopes of curbing deficits and containing inflation. Indeed, it would soon generate soaring deficits and roaring inflation.

One wonders whether these considerations are not beginning to generate some self-doubts, as they should, in the Kemp-Roth camp. Disarmingly, Laffer, as their "economic guru," recently told Newsweek: "There's more than a reasonable probability that I'm wrong. But . . . why not try something new?" Why not? One reason might be that in getting the Republican party on the Kemp-Roth hook, he may be leading it over the cliff.●

AMTRAK

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1978

● Mr. FRENZEL. Mr. Speaker, a recent article in the Washington Post by Robert Samuelson, entitled "Rail System Would Be Star of Any Hall of Fame for Waste" cogently states the facts which led me to oppose the bill authorizing Amtrak subsidies for the coming year. Since 1972 Congress has voted $4.5 billion in Amtrak subsidies, yet as Mr. Samuelson points out, we have very little to show in the way of offsetting benefits. Last year Amtrak attracted less than 1 percent of total intercity trips. And he adds, we need not look far to explain this dismal performance. "Trains simply cannot compete—in time, cost, or travel flexibility—with planes, buses, and automobiles." Indeed, over the past 2 years its record of ontime service has actually gotten worse.

With low ridership, its potential for saving energy, relieving congestion, or reducing pollution is small. On some of the most inefficient routes we could actually save energy by discontinuing the trains and shifting the few riders to automobiles.

Samuelson says Congress needs to ask the question, "Why should the Government pay so much for so little?" This question does need to be faced. Even if we adopt the scaled-down system plan proposed by the Department of Transportation, the annual subsidy will climb to nearly $1 billion by 1982. The Amtrak system should be restructured at the earliest possible date so that we can begin to focus our limited resources on those routes that can effectively compete with other modes of transportation.

The article by Mr. Samuelson follows:

RAIL SYSTEM WOULD BE STAR OF ANY HALL OF FAME FOR WASTE

In the hall of fame for government waste, they should reserve a room—or perhaps a whole wing—for Amtrak.

The numbers on Amtrak (National Railroad Passenger Corp.) are astonishing. In fiscal 1978, the government will pay about $650 million to subsidize Amtrak's trains. Since its start in 1971, Amtrak has swallowed almost $3.4 billion in government funds or government-backed loans. By 1982, annual subsidies will approach $1 billion—even if the system is scaled back as proposed by the Transportation Department. Ticket revenues now cover only about 37 cents of every dollar in costs.

For this colossal outlay, Amtrak has performed very little social good. On many routes, it provides massive subsidies. Reporters refuse to ask the question: why should the government pay so much for so little? Amtrak survives on nostalgia, sheer inertia and muddled analysis that blames its problems on mismanagement.

Whatever mismanagement exists, the genuine source of Amtrak's failure is more fundamental. Trains simply cannot compete—in time, cost or travel flexibility—with planes, buses and automobiles. Business executives won't trade two hours on a plane for a day on a train. Family vacationers usually need their cars; even if they don't, train travel generally costs families more than car travel.

These simple realities explain why Amtrak was doomed from the beginning and why its continuation means throwing more good money after bad. To establish genuinely first-class service would require untold billions in track improvement, new equipment and more frequent trains. But most Amtrak trains don't cover their operating costs. To run more trains is to lose more money. Congress won't pay for that, but it has neither the vision nor the courage to embrace the logical alternative—put Amtrak out of business.

Ending programs like Amtrak ought to unite liberals and conservatives: liberals because they want to channel government dollars to more socially useful programs; conservatives because they want to squeeze government spending.

But, in fact, the political process does not work that way. The average member of Congress—whatever his or her ideology—recoils at the incendiary idea of axing a whole program.

The political pains and pleasures don't balance. The federal budget has now grown so large (about $500 billion in fiscal 1979) that many otherwise sizable programs get lost. Often, the only people who know about spending cuts are spending beneficiaries. And no member, as one aide said, "likes to cut services for his district."

Moreover, Congressional courtesy being what it is, most members defer to the recommendations of the relevant committees. Agencies pander to the key committee leaders. Amtrak simply runs trains through their districts, a practice best epitomized by the trains that run through West Virginia, home of Rep. Harley O. Staggers, chairman of the House Interstate and Foreign Commerce Committee.

If nothing else, Amtrak stands as a shining example of the government's inability to eliminate wasteful programs. * * * On the New York to Miami run, it subsidizes the average trip by about $122. Despite the mounting government aid, service has generally deteriorated. Nearly one-third of the trains regularly arrive more than 10 minutes late, a record worse than two years ago.

Nor is that all. Running with many empty seats, Amtrak probably wastes energy. Even if it doesn't, the potential for reducing energy use, pollution or congestion is small. Last year, Amtrak provided less than 1 percent of intercity travel, about a third that of buses and a tenth that of airlines. Finally, by subsidizing competition to buses, Amtrak

has hurt that industry's profits and encouraged bus owners to seek federal subsidies exceeding $100 million. Subsidies thus beget subsidies.

Consequently, efforts to cut spending often take forms that are economically inefficient but politically painless. One trick is to reduce big-ticket purchases by the Pentagon, such as cutting the number of new fighters from 100 to 80. This saves money in the current year, but usually increases the government's ultimate costs. The extra planes are bought later, lengthening production runs and raising unit costs.

Another trick is to demand across-the-board cuts for an agency. The House, for example, recently mandated that the Secretaries of Labor and Health, Education and Welfare reduce their "controllable" spending by 2 percent below congressional appropriations. This approach allows Congress the twin pleasures of voting for both higher and lower spending.

Congress has treated Amtrak with characteristic ambivalence. When subsidies surpassed $500 million (up from $40 million in 1971), it made slight reductions, but when Amtrak said it might discontinue some service, Congress forbade that and voted supplemental appropriations.

The sad thing about Amtrak is that train service has probably declined in the one area where it might be justified: the Northeast corridor. In the Northeast, population centers are large, inter-city distances are short and auto and air congestion are high. In fiscal 1977, these trains accounted for 57 percent of Amtrak's ridership, 31 percent of its revenues and only 24 percent of its costs. Unlike most other Amtrak trains, most of these actually cover operating costs (but not fixed investment expenses).

But to think that Congress might limit Amtrak only to the Northeast is to forget logrolling. Members outside the Northeast won't vote for the Northeast unless they have something for their own districts. Not surprisingly, Transportation Secretary Brock Adams's preliminary "re-evaluation" of the Amtrak system—a final plan is expected by December—still would allow for a nationwide railroad system with a spiraling subsidy bill.

Adams conceded that Amtrak "Spend large amounts of money" for a "relatively small segment of the traveling public." But he rejected ending Amtrak, saying, "There is a significant constituency for maintaining Amtrak . . . even among people who today do not frequently use it." That's a statement worthy of a former six-term member of Congress.●

BUREAUCRATIC FOLLY ON SNAIL DARTER

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1978

o Mr. DUNCAN of Tennessee. Mr. Speaker, as my colleagues are aware, the publicity and controversy surrounding the Supreme Court's June 15 decision in the Tellico Dam/snail darter case has by no means disappeared. In no area is this more evident than in my own Second Congressional District of Tennessee wherein the Tellico project lies. For the residents of this area, the people who have seen many of their hopes for a better future smashed by this decision, this case represents the ultimate in bureaucratic folly. This sentiment is evident in the following editorial which appeared in the Athens, Tenn., Daily Post-Athenian on June 19. I commend its reading to my colleagues:

MONUMENT TO DARTER IS TOURIST ATTRACTION

Tennessee has been forging ahead in tourism for the past few years.

It now has an attraction that is unequaled in any of the other 49 states.

A multimillion dollar monument to a three inch fish.

To make the monument even more commanding it has a no less body than the Supreme Court as publicity agent.

The court says the three-inch snail darter is so rare that its habitating waters must not be disturbed, only viewed from the balustrade of a huge overlook of concrete and steel erected at the cost of millions.

However the vantage point can be reached nicely by a driveway which is almost inlaid with dollars.

The monumental dam should be a double pronged attraction. Nowhere else in the United States can one see the combination of the majesty of three-inch fish and the stupidity of interpretative court rulings.

But the view from the top of the dam is magnificent. On one hand can be seen the tiny darter monarchs holding sway in their water hideaway. On the other is a panoramic view of better living for thousands of persons, which didn't materialize and sub-level existence continues.

Tourists should love visiting Little T dam.●

PROTECTION FOR WILD HORSES

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1978

● Mr. STEERS. Mr. Speaker, on Thursday, June 29, 1978, the House passed by voice vote H.R. 10587, a bill that was designed to improve range conditions on public grazing lands. Within H.R. 10587, was section 7, which removed a great deal of the protection for wild horses that are now part of Federal law. It was my intention to offer an amendment to section 7, striking the language in the bill and substituting a study to be conducted by the National Academy of Sciences.

I did not offer that amendment because, it did not appear that on June 29th the amendment would pass. To a very large extent my decision not to offer the amendment was due to a "dear colleague" letter that circulated in the House. This letter stated the apparent position of several major environmental groups in opposition to my amendment. The actual positions of these major groups were offered in testimony before the Subcommittee on Public Lands, months before I even considered offering my amendment. One group quoted, the Sierra Club, has never taken a position on the bill or section 7. The statement in the "dear colleague" letter came from one club member during a field hearing in Salt Lake City. Nevertheless, it was my opinion then and now that, had I offered that amendment, it would have been defeated by a substantial margin. It was my fear that such a defeat would be interpreted by those who do not care about wild horses that the Congress had lost its desire to protect these animals. This could have encouraged destruction of herds of wild horses and burros. As it is, this same issue still must come before the Senate.

I still feel that the wild horses and burros can and should be protected by Federal law. I will continue to work toward that end, as my predecessor, Gilbert Gude, did in winning passage of the original law. It is my intention to continue to work with the Humane Society of the United States, the American Horse Protection Association and the Defenders of Wildlife in the Senate to see that a more reasonable program of protecting these animals becomes effective.●

INSIDE CHINA

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1978

● Mr. MICHEL. Mr. Speaker, at this point I would like to insert in the RECORD the eighth installment of C. L. Dancey's "Journey to China" as printed in the Peoria Journal Star.

INSIDE CHINA

One of the unique problems for the visitor to China is that the place is so unique. The people, the system, the landscape, the food, the dress, the manners and morals—and the language are all different.

It makes independent communication with individuals, checking their actual condition in life against what the authorities tell you or arrange, virtually impossible.

Not only is there a uniquely difficult language barrier, but most of the time and in most places an American attracts so much unabashed curiosity and attention from crowds that any private contact is literally impossible.

So, you go where they take you, talk to the people they have arranged for you to talk to, see what they have arranged for you to see, and do it all through their interpreter—with other officials looking on.

But the Chinese did not hesitate to do what the Russians often worked hard to avoid. They sent you across the countryside in trains and buses in broad daylight for hundreds of miles—and it didn't seem to bother them in the least if you wandered around the streets of a city, or had a particular advantageous view from train or bus (slightly elevated) of peasants slaving in the fields and a peek over the outer walls of numberless farm communes, factories and work projects, or the traffic on the streets and roads.

And the places they showed us were not inconsistent with what we saw along the streets.

The bicycle is the big thing. The one major personal possession and convenience. No doubt about it. Clouds of them sail down city streets and strings of them cruise along country roads.

They cost from 150 yuan to 250 yuan and the only difference seems to be that some have two-speed gear systems. That has to

be, depending on how much you make or which bike you buy, your whole paycheck for ten to twenty weeks. All the bikes look much alike. The color is the same.

Consider, if you will, a "parking lot" at a soccer stadium with 80,000 bicycles stacked—all looking alike.

Locked? Oh, yes! The locks on Chinese bikes are built right into the frame. They come that way.

Any other "extras?"

No. And although clouds of them sail by at night, too, they have no lights.

Second in the visible transportation may possibly be buses and trucks, but we probably saw more animal-pulled wagons and carts than buses and trucks. Certainly more carts once off the main streets of the big cities.

They use them all: horses and mules, oxen—would you believe even camels!

After that comes human beings.

Not wheel-barrows; they haul carts, holding the two poles in front or hitched up in harness themselves. Some are shockingly large carts, and filled with bricks, stones, and other heavy materials. Downhill they roar. Uphill is sheer murder. Many do have rubber, pneumatic tires, which has to be a help. A good many don't.

Carts are especially in evidence at work sites, doing the work of wheel-barrows. It is almost obscene to say the work of bulldozers. There is no comparison.

Last comes passenger autos, which are rare indeed except around the big-shot hotel in Peking, itself—The Peking Hotel.

The Chinese are not uptight about this. They have a pride in the progress they are making, the construction, the efforts at modernization, at developing technology, at progress generally.

They also say, again and again, "We know we have a long way to go. Do you see anything that we might do differently? Have you any suggestions?"

And it seems to be more than the old and famous Chinese courtesy of humility. Officials get you aside quietly after a particular event or briefing and ask, earnestly, such questions. When one describes conditions flatly like this, be it the street, farm, factory or whatever, it makes a pretty grim picture.

Yet one must say that it rarely struck us that way. The most pervasive influence in any environment is the people, and this colors the whole scene and sets the real tone—which is hard to describe effectively.

The simple fact is that one constantly saw a purposeful, very hard-working people, getting things done—usually in a cheerful spirit—who were quite open, curious, and friendly to outsiders like us.

Officials and people on the street, alike, generally seemed surprisingly relaxed—comfortable with themselves and at ease with us.

There is a self-confidence in China that is totally different from the combination of bluster, bravado and paranoia that confronts one so often in Russia, for example.

They have a long way to go—but they are moving.●

SOLAR POWER SATELLITES: WHY THE PUSH IS ON

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1978

● Mr. TEAGUE. Mr. Speaker, the July, 1978, issue of Government Executive contains an article discussing H.R. 10601, the Solar Power Satellite Research, Development, and Demonstration Program Act of 1978. This bill, introduced by Representative RONNIE FLIPPO (D. Ala.), was reported out of the Science and Technology Committee and has passed the House floor. This article further amplifies the importance of this bill and I am including the article in the RECORD for the information of my colleagues:

SOLAR POWER SATELLITES: WHY THE PUSH IS ON

Earlier this year, when Congressman Ron Flippo (D-Ala.) introduced H.R. (House Resolution) 10601, he said succinctly, "I do not believe we (the Nation and its Government) are paying sufficient attention to the very important subject of space-based solar power."

The Administration's budget request, he pointed out, was for only $16 million over a three-year period, meaning Government could afford little more than another batch of paper studies on possible solar development. NASA (National Aeronautics and Space Administration) had the expertise but was reluctant to offer any initiating projects because, said Flippo, they didn't have the jurisdiction.

DOE (Department of Energy) did but was lukewarm to the idea of pushing solar energy development. Result, says Flippo, is that legislative funding requests for R&D in nuclear power are tremendous; those for other sources (coal, et al) are quite large; while those for solar are quite small.

GET GOING

His Bill, on which hearings have already started, is titled:

"Solar Power Satellite Research, Development, and Demonstration Program Act of 1978." The main thrust of it would (A) declare the policy of the U.S. (is) to pursue a vigorous research and development program on solar power satellites; (B) instruct DOE to contract through NASA to get the program moving; (C) authorize an appropriation of $25 million for Fiscal '79 alone and presumably build from there—including an already suggested $137 million expenditure over the next five years.

"We're not saying it's a panacea," says Flippo. "We are saying it's time now to make a national commitment to solar power." Though he insists he's no technical engineering expert on the subject, his management sense tells him, from what he's learned, that, "Now is the time to research and get to the point where the Nation can—if we want—make that commitment" to operational, production systems.

Among the advantages he ticks off: "Solar is clean, limitless, and may well be very reasonably priced. Oil based economies may last less than 100 years. Though we're supporting nuclear power in the short run because we have no choice, in the long run I'm seriously concerned about the (waste disposal) side effects. So'ar may be our one necessary way out in the long run. For the world's poor countries, it may be the *only* way."

About the time Flippo was making his move, another indicator that "the time is *now*" cropped up. It was the organization last April of the Sunsat Energy Council. It's President: Dr. Peter Glaser (pronounced Glazer), of Arthur D. Little, Inc., and inventor of the solar power satellite concept. Its legal counsel, Frank Moss, is former chairman of the Senate Aeronautics and Space Sciences Committee. Its membership already includes some 52 universities, including the Massachusetts Institute of Technology; enginering firms and public utilities as well as nine major aerospace companies (as of last month), e.g. General Electric Space Division, McDonnell Douglas, Grumman, Boeing, RCA Laboratories, Westinghouse, Lockheed Missile & Space Co., Avco and Martin-Marietta.

Glaser expects those lists to grow and see other groups such as students, environmentalists, etc., added in—in short, "everybody interested in space industrialization." Sunsat's objective: create a forum for dialogue and learning; "communicate to the Public what all this space development means."

Besides working with educational, scientific and industrial institutions, Sunsat intends to foster international cooperation in solar power development. "European countries," says Glaser, "are very interested, Russia already has publicly expressed interest and the Japanese will see on their TV's shortly a film on what could be done with solar power."

Internally. Sunsat intends to encourage inter-government agency cooperation, "particularly in the R & D phase where we are now." The propoesd NASA-DOE lash-up is obvious. But "we expect to have further discussions with many others." Some examples:

The Federal Communications Commission which will make a major presentation on solar energy's potential at a world conference on communications next year.

The Bureau of Land Management because alternate sources to solar power satellites would require, says Glaser, four-to-ten times the land space for an equivalent amount of power output and the BLM, among others, is worried that going those alternate routes "could create a biological desert;"

The Department of Commerce "because of the export potential alone."

Sunsat's, and Glaser's, message is essentially the same as Flippo's, i.e. "Let's get moving." Glaser's analogy: "You can't lick cancer in our lifetime just by writing reports. You have to get into the lab and shake some test tubes." Similarly, solar power satellite development means engineering lab work, breadboard models, a chance to use the Space Shuttle (scheduled for first launch next year) to get data "so we can proceed with the design."

But, Glaser quickly adds, unlike nuclear fusion power—where, he says, they still have some basic questions only physicists can answer—solar energy development no longer contains "any great mysteries on what needs to be done. The problem is primarily a challenge to engineers."

Adds Flippo, "Essentially, we're at the same place as President (Jack) Kennedy was when he said, 'We're going to put a man on the moon.' We didn't know how but we knew the experts felt it could be done."

SLEEPING WHITE HOUSE

When a non-engineer first hears some of the details, says Glaser, the reaction tends to be that it sounds "science-fictiony," i.e. solar-ray collection panels two miles longer than Manhattan Island built in orbit; solar power satellites generating continuously five times, and more, the power wattage put out by a major conventional power station on the ground.

"It's only when they take the trouble to find out about the details," says Glaser, "that they begin to see, 'By golly, it can work.'" And he sums up, "There aren't really any competing ways to produce energy on this scale except possibly from the oceans."

Notes Frank Moss, in support of that, "The assumption earlier this year" was that the

introducer of a Senate version of Flippo's Bill would be someone like Senator John Sparkman whose Huntsville, Alabama, home contains a key NASA operation. But after Senator John Melcher (D-Montana) heard Glaser's presentation, he promptly moved a Senate Bill, virtually identical to Flippo's, into the Senate hopper.

Moss, whose long experience in the Senate (see Government Executive, March 1976, cover story) gives him more knowledge than most about the moods of Congress, says he can't find "any real center of opposition" to the Bills in either House or Senate.

The Whole House, however, "doesn't seem to have focused" on the issue, "apparently because they don't think the 'test-out' phase is as imminent as people in the (scientific and engineering) field feel." On the other hand, Moss "wouldn't expect that $25 million would be enough to invoke a veto. If it did," he points out, "it would leave the impression the White House was postponing development of alternate sources," alternate to oil, coal and nuclear (where, in the latter two sources, this Administration has been objecting and delaying at least some possible developments already.)

As to the subject, itself, of the legislation, what caused the creation of Sunsat, says Moss, was a feeling among those who are, or will be, members that "there was no real understanding or push being made in either scientific or Administration circles" on solar power. "It was all talk, low key and far away. Funds were almost nil and most of that was for paper studies."

Sunsat's members want to "break the subject out of this cocoon and build a constituency for solar energy. They feel the technology is far enough along to start demonstration-type projects." One example: the biggest scare objection is what the microwave transmission of energy from the power satellite to ground receiving stations will do to the earth environment.

The concept's adversaries claim that it will change the character of the earth's protective ozone layer and/or will heat up the earth's ionosphere to the point where most of the world's police and citizens band radio transmissions," among others, will be jammed.

"Ionosphere heating does enhance the transmission," says Boeing Aerospace solar expert D. L. Gregory, but the energy in these beams is a very small 'tube.'" For that matter, the ionosphere heats up as a natural phenomenon every 11 years, building up over a one-to-three year period prior to that peak.

Point is, both he and Moss insist, "We do know it (the microwave) has some effect. Let's put up a pilot system and find out how much." Adds Moss, "If we don't, it could be decades before we get solar energy transmitted to earth to convert to electrical energy."

CREATING THE STRUCTURE

Sums up Flippo: "We must address national energy problems in some logical manner." On solar power, "We're at the small end of a funnel that will bring us to a decision point if we go into it. The objective has been defined clearly. But Government can't do everything. We have to put in the seed money, make the commitment and encourage the industry/university sector to build from there."

His long-term goal, and that of the Sunsat people: "Develop an industry capable of putting in a 10,000 megawatt Solar Power Satellite system." Possible estimated costs: "something in excess in one-time capital investment of what a similar capacity would cost of produced by nuclear fusion plants," i.e. about $10 billion.

The offset, as with almost any capital investment, would be a virtually endless energy source at a low and relatively stable price per watt; and, insist the experts, with no environmental degradation. In the next few months, Government leaders will be hearing a lot more of that message.

SOME OF THE DETAILS ABOUT SOLAR SATELLITES

Boeing Aerospace Company sent a team of solar energy scientists and engineers to Washington recently to deliver some of those "details" Dr. Glasser (see accompanying story) says take the "Buck Rogers science fiction" out of talk about solar power satellites. The Boeing people, led by Ralph Nansen and D. L. Gregory, spoke figuratively, for an entire technological field rather than "pitching" any specific Boeing product or idea.

Among the details they came up with:

After Glasser first introduced his concept in 1969, conceptual studies by 1973 said Solar Power Satellites (SPS) could be delivering energy for two cents a kilowatt hour by about the year 2040. SPS was promptly labelled a "21st Century High Technology" system. In-depth studies now show no advanced technology is necessary to start building now toward an operational system that could deliver energy for four cents a kilowatt hour by about 1992.

"The microwave beam will be safe. At the perimeter of the earth-receiving area, microwave energy will be 1/100th of U.S. standard. In other words, aircraft and birds could pass through it safely."

A 34-square-mile solar panel would weigh about 100,000 tons; could deliver 10,000 megawatts of power (the equivalents of 10 major nuclear power plants); provide enough energy to handle the requirements of, for instance, the State of Florida; would cost an estimated $1700 per kilowatt hour to install vs. $1400 for a nuclear plant.

Transportation cost to get the building material into outer space would be in the $10–20 per pound range, using the Space Shuttle as the key transportation means in the early stages.

With "an aggressive program" like the *Apollo* moon-landing effort, experts say they could be "on-line" with a production system by 1992—a system which, like hydroelectric dams, "would last 100 years or more." By contrast, as one of them pointed out, "We're spending $45 billion annually to import oil. You burn it and its gone."

The SPS approach would keep money in the U.S., create jobs and a stable, long-lasting supply of energy. In the first few years after SPS goes on-line, the Nation could begin to realize cost savings of $1 trillion—and industrial development would not be limited to places that already have locally available energy sources.

A first demonstration model up and with all demonstration tests completed could be done, if Government starts now, by 1985 at a cost of no more than $3 billion—$2 billion probably but, for budgeting purposes, another $1 billion earmarked in reserve to handle "contingencies."

An estimated 45 SPS satellites would handle predicted U.S. electrical needs for the turn of the century (using two ground stations per satellite.) About 80% of the sunlight now received on earth would pass through that "orbiting blanket."

More significantly, in terms of SPS payoff, according to Jacques Cousteau: "All the world's fossil fuel energy is equivalent to only about three days of the sunlight received by the world." ●

A SALUTE TO BUFFALO AREA CHAMBER OF COMMERCE CHAIRMAN FRED DENTINGER AND HIS ABLE SUCCESSOR, FRANK J. McGUIRE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1978

● Mr. KEMP. Mr. Speaker, the greater Buffalo area, which I am privileged to represent in part, is a great place to live, to bring up a family, to work and to do business but we must do more to enhance the economic climate.

It is not a community without problems. But these are vastly overshadowed by advantageous qualities, including the vitality and forward-looking attitudes of our citizens.

Exemplary of these virtues is the leadership of the Buffalo Area Chamber of Commerce which has, in concert with labor accomplished much in recent years to nourish and improve our community's quality of life.

One of the most outstanding citizens among this excellent core of leaders is Fred Dentinger, who is stepping down as chairman of the chamber's board of directors after 2 years of superb service. Another of these is Frank J. McGuire, the very able president of the Industrial Power and Lighting Corp. of Buffalo who has been elected to succeed Fred.

Both of these outstanding gentlemen, I am proud to say, are my friends as well as working partners in the cause of betterment for our community and our country.

How Fred Dentinger feels about greater Buffalo is well articulated in his thank you message in the new issue of Western New York magazine.

At this point, Mr. Speaker, I wish to add excerpts from that message to my remarks:

THANK YOU

This marks the last opportunity for me as chairman of the Buffalo Area Chamber of Commerce board of directors to address these comments to readers of Western New York Magazine.

It has been a singular honor for me to have been selected by the Chamber's directors as chairman for the past two years. As a member of the local business community, I am grateful for the chance to have worked with leaders in a wide range of fields toward one primary objective, that of improving the economic climate in Western New York.

There is no doubt in my mind that if the Niagara Frontier is to grow and to prosper—if we are, in fact, to achieve the bright potential so many of our local leaders forsee—it is essential that job opportunities in the private sector be upgraded and enlarged. We must work as one to encourage industry already here to expand in Western New York and to attract firms outside the area to locate new operations on the Niagara Frontier.

During the last two years, we have met with some success in this fundamental objective. This year, for example, the unemployment rate is projected at its lowest level in the past five years and the estimated total average employment figure of 517,000 in Erie

and Niagara Counties will be the largest in history.

These past two years have been, indeed, an era of profound change in Western New York. Nowhere is progress more visible than in downtown Buffalo, where the Convention Center is fast approaching opening day, a naval park and museum are under construction on the waterfront, a new hotel development is nearing groundbreaking, and cultural and entertainment facilities at the Studio Arena Theater and Shea's-O'Connell Center for the Performing Arts are acting like magnets in attracting residents and visitors alike to the heart of the economic unit known as Western New York.

The Metropolitan Transportation Center has been handling surface transportation the past year, construction is under way on the Elm-Oak Arterial that will join downtown expressways, and there is renewed confidence that the $425-million rail rapid transit system will be carrying passengers from the foot of Main Street to the Buffalo city line in the early 1980s.

There are stern challenges ahead, nevertheless, and it will take dedicated effort and enlightened leadership to keep the economic momentum going.

Business and corporate taxpayers won a limited victory this past spring when the State Legislature approved a measure, of tax relief.

This year's state tax reform measures will do no good for New York State in general and Western New York in particular if they are not followed by further cuts in taxes and spending. It is crucial to the economic future of our state and of the Niagara Frontier that this year's legislature initiative be followed by substantial and permanent tax and spending reductions in the future.

The Buffalo Area Chamber of Commerce is fortunate to have as its chairman for the coming year Frank J. McGuire, president of Industrial Power and Lighting Corporation in Buffalo, who was elected at the directors organization meeting before the 1978 Chairman's Dinner June 20. Mr. McGuire is a leader of proved competence and dedication who is respected throughout the community for his record of achievement.

To those who worked so closely with me during the past two years, I offer my sincere thanks for your support, encouragement, and counsel. To Frank McGuire and his cabinet of officers, I extend congratulations and best wishes for a successful and rewarding term.●

NIXON SPEECH AT HYDEN, KY.

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1978

○ Mr. CARTER. Mr. Speaker, I am very pleased to include in the RECORD excerpts from former President Richard Nixon's thoughtful remarks delivered recently at Hyden, Ky., in the district that I represent.

At that July 2 ceremony dedicating the Richard M. Nixon Recreation Center, the former President graciously accepted that Leslie County community's tribute, and he, in turn, presented the challenge of maintaining high levels of strength and faith in our Nation.

I believe that Mr. Nixon's remarks are timely and warrant the careful consideration of the Members of this body.

EXCERPTS FROM REMARKS BY FORMER PRESIDENT RICHARD NIXON, HYDEN, KY.

This facility was in great part made possible through the Federal Revenue Sharing program initiated during our administration. The money comes from the Federal Government in Washington. But it is not the government's money. The only money the Federal Government has is what it collects from people in taxes. It is your money. You should determine how it should be spent without federal strings or federal controls.

There are many dedicated people working for government in Washington, D.C., but I reject the proposition that a bureaucrat in Washington who may know all about London, England but has never set foot in London, Kentucky should decide, where a local project is concerned, what is best for the people in the cities, counties, and states of the nation.

One of these facilities is named for Willie Sandlin who won the Congressional Medal of Honor in World War I. As we pay tribute to this courageous, humble and fine man, it is appropriate to point with pride to America's role in the world in this century. Four times in World War I, World War II, Korea and Vietnam young Americans fought and died on foreign battle fields. Never have we fought to destroy freedom, always to defend it. We have always fought to resist aggression, never to initiate it.

Five and a half years ago we ended America's longest war; we brought home our POWs; and we ended the draft. Two years later, South Vietnam was overrun by the Communists after America cut back its military aid to Saigon at a time when the Soviet Union was increasing its aid to Hanoi.

Today we are at peace with every nation in the world. But we face a new danger, greater than conventional or nuclear war—the threat of conquest without war. The supreme challenge confronting America and the free world is to develop policies which will not only defend our freedom in war but check the offensive of totalitarian aggressors who resort to tactics short of conventional war—aggressors who go under borders rather than over them; aggressors who promise liberation and who deliver oppression and total dictatorship; aggressors who wage war by proxy, by providing arms for aggressive foreign forces.

What role should America play to meet this challenge? Some understandably are tempted by the suggestion that after our bitter experiences in Vietnam America should turn inward and not concern ourselves with what happens in Africa, Asia, the Mideast or even Western Europe. Such a policy would be a disaster, not only for our friends abroad but for America. We would eventually find ourselves surrounded by hostile nations and a red sea.

* * *

Abraham Lincoln, 110 years ago, said, "We can nobly save or meanly lose the last best hope of earth."

What he said then was a prophecy. Today it is a reality. If we do not undertake the task of defending freedom, no other free nation has the strength to do so.

This means that we must firmly, courageously and consistently stand for these principles.

We must maintain our military strength at a level adequate to defend our own freedom and help others defend theirs.

Let us consider candidly our policy toward the Soviet Union. I have met the top Soviet leaders at 3 summit meetings. I respect their intelligence, ability and toughness. I totally disagree with their philosophy.

Some say war between us is inevitable. I disagree. Death is inevitable, but suicide is not.

They know and we know that a nuclear war between the Soviet Union and the U.S. would virtually destroy both of our nations and many others as well. They know and we know that an arms race is not in our interest or theirs, both because of its cost and because it would increase the danger of war.

We should continue to try to negotiate a limit on that race. To negotiate successfully, these conditions must exist:

We can only get something if we have something to give. The Soviet Union is moving rapidly forward on the sea, in the air, and on the ground. If we want them to limit one of their military programs we must have some program they want us to limit. That means a program in being and not simply one on the drawing boards. Tough talk not backed up by strong action is like an empty cannon.

For us to unilaterally discontinue or fail to begin a military program with the hope that they will do likewise will earn only their contempt and a demand for more concessions.

We should recognize that while any agreement must be publicly approved it must be privately negotiated. Without private and secret negotiations we would not have had an opening to China; we would not have been able to negotiate a limitation on defensive nuclear weapons with the Soviet Union; we would not have been able to negotiate the peace agreement which brought an end to the war in Vietnam; we would not have been able to take the first steps down the long road which we hope will eventually lead to a lasting peace in the Mideast.

That is why I say that while we believe in freedom of information we should quit making heroes out of those who illegally take secret foreign policy documents and have them printed in the newspapers.

This is a time when we could well cool the public rhetoric and toughen up the private negotiations.

The bottom line is we must never negotiate America into a second-class position which would alarm our allies, encourage aggressors and endanger our own security.

We must recognize that adequate military strength is only our first line of defense. Those who threaten freedom are attacking on many fronts and we must be prepared to meet that challenge wherever it occurs.

At a time when the communist aggressors are stepping up their subversive covert activities in all parts of the world we must strengthen, not weaken, the capabilities of our CIA to counter those activities.

At a time when the communist dictatorships are increasing their military support of potential aggressors like Castro's Cubans we must increase rather than reduce our support for the defensive forces of non-communist nations.

If we are to have the capability of maintaining adequate military power we must keep the American economy sound, strong, productive and free.

In 1959 when Premier Khrushchev and I met in Moscow he said, "We are behind you now economically but we are moving faster than you are. In five years we will pass you and when we do I will wave to you and say, 'Come along, do as we do or fall hopelessly behind.' " He was wrong. America still has by far the strongest economy in the world. But

the way to stay ahead is to move ahead. It is significant to note that in order to increase their productivity the Soviet Union has found it necessary to depart from communist theory by providing incentives for those who produce more. At a time they are turning our way let us not make a mistake of turning their way. America has become the most prosperous nation in the world through private enterprise. Our progress in the future will come only through providing more opportunity, more initiative and more incentives for individual enterprise, not less.

Most important, we must not forget that military and economic strength is useless unless we have the will to use that strength in defense of our freedom and the freedom of others.

In his provocative speech at Harvard a few weeks ago Alexander Solzhenitsyn made the point that the communist system with all its faults produces strong, tough, able leaders. He questioned the ability of America and other free nations to develop leaders with the courage and the will to meet this challenge.

As we look at America today we see evidence of a deterioration of will among some leaders in various walks of life. Their patriotism is above question, but their judgment is suspect. Some of them believe we overstate the threat of communist aggression. Others believe that what happens in Africa and Asia and other far away places doesn't matter. Some even question whether the American system is worth defending or emulating. They allow what is wrong with America to blind them to what is right.

I submit that this attitude is not representative of the majority of Americans. Out across this land there are millions of people who have faith in America, who want us to be strong, who believe we should meet our responsibilities to help others defend their freedom when it is threatened. That is the real America. You will find that spirit in cities large and small, in factories and farms, in professions and business. I know you will find it strong right here in Leslie County—the heartland of America.

In conclusion I would like to address a few words to our young people who are here in such great numbers. In past generations young people have been asked to fight and die for America. You are asked to live for America; and it is worth living for.

When I went to China in 1972 I received hundreds of letters expressing concern for my safety. In traveling to 90 countries I have never felt safer than I did in China and in other totalitarian communist countries.

But the cost of total safety is the total denial of freedom. This is one of the reasons that never has a system had more success in extending its domination over other nations and less success in gaining the approval of the people of those nations.

But there is another side to this coin. The cost of total freedom can be a threat to the safety of innocent people.

We cherish freedom; but we must recognize that freedom carries with it responsibilities.

Freedom for one does not carry with it the right to endanger the lives of others.

Freedom of speech for one carries with it the responsibility not to interrupt when someone else is exercising his right of freedom of speech.

Freedom carries with it the responsibility to be willing to serve our country and to live for it.

You can all serve America in countless ways:

Serving in our armed forces, which I choose to call the peace services of the world; serving in government—federal, state or local; serving in private enterprise, recognizing that those who work in our mines, factories, farms or businesses produce the progress that we all want and provide the money which the government needs, for our defense and to do for people what they cannot better do for themselves.

In a dictatorship what one leader does matters most. In a free country like America what every individual does matters. Remember, whatever you do really counts; therefore, do it as well as you can.

Above all, you can help America by your faith—your faith in God, in our country, and in yourselves. By this faith, you can strengthen the character, the courage, the will, the backbone that America needs if we are to realize our destiny.

Two hundred years ago Jefferson said, "We act not for ourselves alone but for the whole human race." That is far more true today than it was 200 years ago because freedom for all people on earth, not just for ourselves, depends on what we do in America. It depends on each and every one of you.

I ask you then to be courageous and strong in living for America as Willie Sandlin was in dying for America.

The future is in your hands, and I am confident that, by what you do, future generations all over the world will be able to look back and say, "God bless you, and God bless America." ●

LATEST ADMINISTRATION CONCESSION TO THE OIL INDUSTRY

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1978

● Mr. CONTE. Mr. Speaker, I wish to bring to the attention of my colleagues, the most recent, shocking development in the administration's desperate attempts to salvage the President's National Energy Act.

Today's article, in the New York Times, describes the administration's latest blackmail scheme presented to the hard-pressed oil industry, with the American consumers again footing the bill. The Secretary of Energy detailed the recent proposal, in a meeting 2 weeks ago, which was attended by the oil industry officials. According to the article, Secretary Schlesinger offered to give the oil industry an immediate increase in the price of newly discovered oil, if the industry in turn, would support the administration's stalled crude oil equalization tax proposal in conference. The latest sweetheart deal presented to the industry by the Energy Secretary, amounts to a dramatic ripoff of the American consumer. If today's prices are not high enough, along with the threat of rampant inflation, the administration is gleefully offering the industry, behind closed doors, an additional $6.7 billion in undeserved profit through price increase.

However, this is only half of the story. The consumer will be forced to pay this $6.7 billion increase, as well as shoulder the additional tax burden heaped on them by the administration's proposed crude oil equalization tax. The combination will amount to a whopping $31.4 billion, or 6 cents per each gallon of petroleum product, all paid for by the victimized American consumers during the years 1979–85. Clearly, the oil industry and the U.S. Treasury gain from this "sweetheart deal." The real losers, again, are the consumers, whose financial plight seems to take second place to the obese oil industry.

However, the insatiable oil industry rejected this latest giveaway because it felt that the administration has not given enough. It seems that the enormous desires of the industry know no bounds. What do they think is enough? I submit that the time has come for the Congress to blow the lid off this attempted payoff and put the industry and the administration on notice that the elected representatives of the consumers and taxpayers of this Nation will not stand idle and allow such a deal to become a reality. It is time, also, for the administration to show some courage and end these blatant, desperate attempts to sell away the best interests of the American consumers in order to salvage its national energy proposal.

Finally, I hope that we, the Members of this body, have the fortitude to consider the crude oil equalization tax proposal on its merits, regardless of the industry's self-serving positions. It is time that the Congress place the American consumer ahead of the massive oil industry. If the administration cannot adopt this course, the last hope for the consumers is the Congress. I, for one, do not intend to let them down.

Mr. Speaker, for the edification of my colleagues, I would like to submit the New York Times article at this point.

HIGHER OIL PRICES OFFERED FOR ENERGY BILL HELP

(By Richard Halloran)

WASHINGTON, July 11.—Secretary of Energy James R. Schlesinger has offered the oil industry an immediate increase in prices of newly discovered oil if its executives will urge Congress to approve the controversial tax portion of the Administration's long-delayed energy bill.

Industry representatives said that the combination of the price incentives and the taxes would add five to six cents a gallon to gasoline prices at the pump.

Administration officials said that the industry had given it some indications of support for Mr. Schlesinger's proposal, but industry sources said that most oil executives were unenthusiastic because the offer would not return enough earnings to the industry.

Administration and industry sources said the offer was made two weeks ago in a meeting called by Representative Al Ullman, Democrat of Oregon, who is chairman of the Ways and Means Committee. Mr. Ullman backs President Carter's proposed tax on imported crude oil, which is intended to discourage such imports.

DINGELL ATTENDS MEETING

Also attending the meeting was Representative John Dingell, Democrat of Michigan and chairman of the Energy and Power subcommittee, representatives of the oil companies, and House and Senate staff aides.

According to industry and Administration sources, Mr. Schlesinger was invited to present his proposals. The Secretary was said to have contended that the package he offered was better than the present system of controlled petroleum prices and a cumbersome method of sharing imported oil costs called entitlements.

Mr. Schlesinger was also reported to have warned the industry representatives that they would not get the price increases and other production incentives if the Administration was denied its request for oil taxes. President Carter has called the taxes the centerpiece of his energy legislation.

But industry sources said that oil executives were generally unwilling to accept the incentives in return for the crude oil tax that they dislike. One study showed the combination of the incentives and taxes would produce $31.4 billion for the oil companies from 1979 through 1985 but would cost $24.7 billion.

RETURN HELD INSUFFICIENT

The $6.7 billion in return, industry representatives argued, was not enough to make swallowing the crude oil tax worthwhile, especially since the returns would come only late in the six-year period.

An indication of Congressional reaction might be seen when the Senate and House conferees on the tax proposals meet on Thursday after a lapse of seven months. They have been waiting while other conferees worked out compromises on other portions of the energy bill, most notably on natural gas prices.

Senator Henry M. Jackson, Democrat of Washington and chairman of the Committee on Energy and Natural Resources, has said publicly that he could see no way the Congress would approve the crude oil tax in this election year with a tax revolt underway. But some members of the House have insisted that it is possible.

Meantime, President Carter met with House Democrats this morning to urge them to defeat in conference a Senate provision that would prohibit him from imposing import fees on imported oil in an effort to slow such shipments.

Representative John Brademas, Democrat of Indiana and the majority whip, told reporters after the White House meeting that "the President hopes the conferees will turn back the amendment which he says is a most damaging blow as he seeks to bargain with the other powers."

He referred to the President's scheduled trip to Bonn at the end of the week for a summit meeting on the international economy with leaders of other industrial nations. Western European and Japanese leaders have criticized the United States for failing to slow its oil imports.●

THE METRIC SYSTEM IS HERE TO STAY

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1978

● Mr. McCLORY. Mr. Speaker, the emotions which are being expressed regarding our Nation's conversion to the metric system of weights and measures should subside—as we face this issue fairly and squarely.

As the only remaining industrialized nation which has not officially undertaken a program of conversion to the metric system—with target dates and other elements to guide and direct our prompt conversion to metric measurements we should reflect on an article in the current issue of American Way.

The author, Bob Nadler, undertakes to put us at ease regarding conversion to the metric system and states quite forthrightly that "metrification is here to stay."

Mr. Speaker, the sooner we adopt this advice and the sooner we undertake a comprehensive program of conversion—just as they have in neighboring Canada as well as in England and Australia—the sooner we will ease the strain on our own minds and the faster we will accommodate our industrial system to the export markets where increased use of metric standards can help in our foreign trade position.

I am pleased to attach Bob Nadler's article for the benefit of my colleagues:

RELAX, GO METRIC

(By Bob Nadler)

Do you break out in a cold sweat when you pick up a can of tomato juice and discover it contains 1.36 liters, or heft a box of corn flakes and learn that there are 227 grams of crunchies inside? Your fears are unfounded. You need not worry over the fact that eventually the old, familiar, quantity designations will disappear from the labels you know and love.

You needn't fear because probably you don't have a clear, precise idea of what the English units you've been using for years really mean. If you think you are a whiz at weights and measures, just try drawing a pair of lines 3½ inches apart without using a ruler or anything else to guide you. Better yet, get a few friends together, pass out pencils and paper, and have each of them take a stab at drawing two lines a predetermined number of inches apart. Just remember, no rulers allowed. After all the fun and games, get a ruler and measure the distance between the pairs of lines. Unless you or your friends are in a business that requires the accurate gauging of distance by eye, I strongly suspect that the lines will be anything but the required distance apart. Indeed, very few people can accurately judge distance—in any unit.

Now for weights. Fill a glass of water. Estimate its weight and write your estimate down. Now weigh the glass. Was your estimate close? If it was you are in the minority of readers. It really doesn't matter if the weight you are trying to estimate is defined in ounces, pounds, grams, or kilos, you'll probably guess wrong anyhow.

Now I hope I have succeeded in illustrating that you really have no vested interest in the English system of measurement. You may know the names of the units used—inches, feet, yards, ounces, pounds, etc.—but chances are they don't mean much to you at all. So why be afraid of the metric system? All it involves are a few new names. Even if you don't manage to remember them easily at first, it won't make all that much difference. You never have any trouble remembering pounds, but you have an awful time estimating how many pounds a dozen oranges weigh. You need a scale to tell you. What difference will it make if next year's scales give you the weight in kilos? None, really, if you'll only keep your wits about you.

Before I give you some quick and easy ways to get a feeling for the common units employed in the metric system, let me remind you that this country is the last major holdout against it. Even the English gave up on the hopeless English system and opted for metrification a few years ago. They all thought they'd have a terrible time of it too, but once the change was made the grumbling quickly died down, and it was soon business as usual. Great Britain gave in to metrification for the same basic reason the United States must—exports. The rest of the world uses the metric system and wants no part of our Mickey Mouse system of measurement. Tell an oil-rich Arab that you will supply him with 50,000 feet of steel pipe for his new refinery, and he will look at you blankly. Tell the same buyer you'll supply 15,000 meters of the stuff, and he may be interested. As you undoubtedly know, our balance of payments has been a disaster of late. That augurs well for our rapid conversion to a system the rest of the world can deal with.

So much for why the change is inevitable. Now a word about why you dread it. For the most part, it's not your fault that you live in fear of the metric system. The largest share of the blame lies with the experts who have tried to sell it to you. They have scared you half to death with unneeded complications. If you drew and later measured the lines or guessed the weight of and later weighed the glass of water, you realize full well just how bad a judge of distance and weight you really are. So it shouldn't be too hard for you to accept conversion to any new system. If you are not able to accurately determine the distance between two lines 3½ inches apart, what difference will it make if you label that same distance 8¾ centimeters or 8.89 centimeters or 9 centimeters? The fact of the matter is that however you label it you'll probably get the distance wrong.

The experts can't deal with this sort of sloppy thinking. They insist that to convert inches to centimeters you must multiply by 2.54. Nonsense. It's a lot easier to do that particular conversion by multiplying by 2½. The approximation won't matter unless you happen to be laying out a magazine. Centimeters, by the way, are handy units of measure, but it will be more helpful to begin your head's metrification with meters.

A meter, as far as you need be concerned is equal to a yard. (The sound you just heard was that of three experts banging their heads against a wall—actually a meter is 1.0936 yards.) A yard, as you know, contains three feet, so a meter, for our practical purposes, is three-feet long. There are 100 centimeters in a meter, so if a meter contains three feet a foot contains 33 centimeters. Granted, I'm about three centimeters off in this measurement, but so what. You'll never miss them, and it will make your head feel better to deal with metric units in this offhand way.

Weight is not very complicated to convert from English units to metric. The basic metric weight unit is the kilogram. Not to worry! A kilogram is 1,000 grams—that's what kilo means, 1,000. But a kilogram is equal to about two pounds. So if you want to buy a pound of hamburger you simply ask for a half a kilo, or 500 grams. (More sounds of expert pates being smote by expert palms—a pound is really 453.59237 grams.) If you want a quarter of a pound of lox, just ask for 125 grams. What could be more simple?

The persons who just smote their brows must have been behind the new speed-limit signs going up around the country. Only they could have decided on a top legal speed of 88 kilometers per hour (kph). Don't bother your head about the dopey number. Just remember that the top legal speed is 90 kph, and you'll be fine. You're really no better at judging speed than you are a judging weights and measures, so don't fret much over this bit of inaccuracy either. You'll never be ticketed for it. Obviously 90 kph is about 55 mph. Similarly, 25 mph is about 40 kph, and 40 mph is 65 kph.

Getting back to the grocery store for a moment, the only thing you must remember about fluid measurement is that a quart is about equal to a liter. Liters are the basic metric unit of volume. Obviously, if four quarts make a gallon, so do four liters in our offhand system (to be precise a liter equals 1.0567 quarts). Liters are conveniently broken into 1,000 parts called mil-

liliters (ml) or cubic centimeters (cc), both of which are exactly the same. You undoubtedly know there are two pints in a quart, so there are obviously about 500 ml in a pint, 250 ml in a cup (one-half pint), etc.

The only metric system of measurement that can lead to some really unpleasant problems in conversion is the one used for temperature. The reason for the problem is quite simple. The inventor of the English system, a German physicist named Gabriel Daniel Fahrenheit, divided the temperature difference betwen boiling and freezing water into 180 parts. Some time later the more reasonable Swedish astronomer Anders Celsius, the father of the metric system's centigrade temperature measurement scale, divided the same temperature difference into 100 parts.

Without doing a bit of slightly tricky arithmetic it's tough to accurately convert one system to the other. But it is easy to remember that 20°C is equal to 68°F, and that's where you're supposed to set your thermostat these days. Water freezes at 32°F but at 0°C. Water boils at 212°F and 100°C. I doubt if you'll get stuck trying to figure out just how hot it is when the weather bureau tells you it's 40°Celsius, because that equals 104°F and the answer is simply hotter 'n hell. But for a rough, quick, and sneaky approximation there is a little simple arithmetic you can do.

Suppose the weather bureau tells you that it's 17°Celsius and leaves it at that. If you're a diehard and want to convert that back to the familiar Fahrenheit, just find the difference between 17°C and 20°C. Right, it's three degrees. Now, remember that Fahrenheit degrees are about half as big as Celsius degrees, so the difference in Fahrenheit is six degrees. Okay, now remember that 20°C equals 68°F and subtract the six degrees from 68°F to learn that it is about 62° outside. This quick and nifty system works well between 10°C and 30°C and reasonably well between 0°C and 40°C. Eventually, however, the awful Fahrenheit system will fade from your memory, and we will all live happily ever after.

Maybe I shouldn't have saved the most difficult example of metric conversion for last, but even considering temperature measurement, using the metric system is really simple, if only you'll just avoid being exact. Remember drawing those lines—you have no vested interest in the English system. You can't estimate precisely anyhow, so why not help out with the balance of payments? Relax and go metric with the rest of us.●

DEFENDING PRESS FREEDOM

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1978

● Mr. DRINAN. Mr. Speaker, I would like to bring to the attention of the House an excellent article about the Zurcher against Stanford Daily Supreme Court decision by Arthur S. Miller in the August issue of the Progressive magazine.

In this article Mr. Miller cogently sets out the problems created by this unfortunate decision for those who gather and disseminate news and calls for a legislative remedy to these problems.

Mr. Miller observes, "No one yet knows the full impact of the Stanford Daily decision." This is undoubtedly true. One of the unanticipated harmful consequences of this decision may be, ironically, the hampering of police investigations. John Leonard, president of the National District Attorney's Association has testified that:

Prosecutors, for example, depend heavily on the published stories of newsmen for leads into the investigation of criminal activity, and much of the information is obtainable for such stories only if the confidential sources are assured anonymity. Information which would never be disclosed voluntarily to law enforcement officials may only come to light through confidential contacts with the media.

Mr. Miller's article is an important reminder that there is a great and pressing need for legislative action to negate the effects of the Stanford Daily decision.

To overcome some of the problems that Mr. Miller raises in his article, I have introduced the Press Protection Act of 1978, H.R. 12952, which has already attracted 50 House cosponsors. This bill would require that an adversary hearing be held in front of a magistrate before any writ enabling a search warrant could be issued. Further, an ex parte warrant could be issued only if there was probable cause to believe that a news reporter had committed or was committing a crime.

The article by Mr. Miller follows:

A BLOW TO FREEDOM

May 31, 1978, may prove to have been Black Wednesday for the American press. On that day the Supreme Court, in *Zurcher* v. *Stanford Daily*, ruled 5-to-3 that police officers, armed with a warrant, could conduct unannounced searches of newspaper offices, looking for evidence of crimes committed by others.

Justice Byron White joined the four Nixon appointees to the Court to form the majority. He wrote, "The critical element in a reasonable search under the Fourth Amendment is not that the owner is suspected of crime, but that there is reasonable cause to believe that specific 'things' to be searched for and seized are located on the property." That was too much for the three dissenters. Justice Potter Stewart found "the end result wholly inimical to the First Amendment," and observed that the "flow of potentially important information to the public will inevitably be diminished."

As might be expected, the press was outraged. A typical reaction came from Benjamin Bradlee, editor of *The Washington Post*, who called the decision "just plain awful." He maintains that the Pentagon Papers would not have been published and that the *Post's* Watergate investigations could have been stopped by "fishing expeditions" triggered by the Nixon White House.

Bradlee has a valid point. The raid on the *Stanford Daily* was not a one-time incident; it illustrates a new and increasingly prevalent police tactic. Justice White was far too willing to trust the good faith of government officers, including the judges who must authorize warrants. He believes there will be time enough for the Court to halt abuses when they actually occur. But haven't we learned in recent years not to trust government?

"It takes no blind leap of faith," wrote Justice Potter Stewart in dissent, to know that newsmen's confidential sources will dry up. So they will; but the problem, as Justice John Stevens said in dissent, is not just a problem for the press. He noted that "countless law-abiding citizens—doctors, lawyers, merchants, customers, bystanders—may have documents in their possession that relate to an ongoing criminal investigation." For them, "extremely serious" consequences could result—prosecutors could obtain access to privileged documents, personal privacy would be breached, and the searches could cause injury to the reputation of the innocent persons searched.

The court has diminished the protections of the Fourth Amendment. The assumption that a judicial warrant is sufficient protection does not wash. A complaisant judge can readily be found by a zealous prosecutor or police officer. Fishing expeditions, in news offices and elsewhere, could become routine.

What is needed is a Federal statute, designed to cover both Federal and state police forces, that would overturn the Stanford Daily decision. Both the press and the public should have protection from unannounced searches aimed at admittedly innocent persons.

No one yet knows the full impact of the Stanford Daily decision. What is known is that when their interests are involved, government officers tend to exercise power to its full limit. Richard M. Nixon is alive and well—and must be chortling in Casa Pacifica. His enduring legacy is Chief Justice Burger and Justices Blackmun, Powell, and Rehnquist.●

REPRESENTATIVE KEMP'S SENATE FINANCE COMMITTEE TESTIMONY IN SUPPORT OF THE STEIGER LEGISLATION TO REDUCE THE CAPITAL GAINS TAX BURDEN ON INVESTMENT AND ECONOMIC GROWTH

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1978

● Mr. KEMP. Mr. Speaker, reducing the unnecessarily high and counterproductive capital gains tax rate in this country is essentially to increasing job creating capital investment. Our colleague, Congressman BILL STEIGER of Wisconsin, has offered the Congress an opportunity to enact such a reduction. It is the Investment Incentive Act.

I recently testified before the Senate Finance Committee in support of this legislation. I detailed to that Committee what the effects of the capital gains tax rate increases have been since 1968—effects on investors, capital formation, the economy, the Government, but most disturbingly, effects on the job markets.

Reducing the capital gains tax, which is now as high as 49.125 percent, in addition to the tax of inflation, is an important step toward lowering the people's tax burdens and revitalizing the economy. More will need to be done—permanent tax rate reductions for individuals and corporations, substantive tax reforms, and help for small business, but reducing the capital gains tax is an important step now before us.

My testimony follows:

STATEMENT OF REPRESENTATIVE JACK KEMP OF NEW YORK, ON H.R. 12111, THE INVESTMENT INCENTIVE ACT, THE STEIGER CAPITAL GAINS LEGISLATION, BEFORE THE SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT, SENATE COMMITTEE ON FINANCE, WASHINGTON, D.C., JUNE 28, 1978

Mr. Chairman and Members of the Committee, I want to express my appreciation to the Chairman and the Committee for giving me this opportunity to testify on behalf of legislation whose objective is to get the economy moving again. Your leadership is to be commended. It will be remem-

bered and appreciated by the working class of America, for they will be the recipients of the increased job opportunities which will flow from the enactment of this measure.

I, for one, am encouraged by the breadth of support for the Steiger capital gains legislation, H.R. 12111, the Investment Incentive Act. Support is strong on the House side, but the number of Senate cosponsors makes it almost veto proof here. That support cuts across the lines sometimes drawn on tax issues. Democrats, Republicans, liberals, moderate and conservatives, from every region of the country support its enactment. Those who oppose its enactment, or are neutral to it, are being enlightened daily, through hearings such as these.

Opposition to this legislation comes primarily from those who do not want to understand the economic consequences of the present capital gains law. These people refuse to believe that the increase in the capital gains tax rate has retarded economic growth since 1968. They cannot bring themselves to put economic fact ahead of political rhetoric.

THE ECONOMICS OF CAPITAL GAINS TAXATION

In analyzing the economic consequences of tax rates on capital gains, we are dealing with a cause and effect relationship relatively easy to demonstrate. The rationale is simple, and the data compelling.

The rationale is that our country cannot maintain satisfactory levels of growth and employment without a higher rate of investment. Phrased another way, under-investment results in both a slower growth rate and a higher unemployment rate. This is not speculation. The trend in economic indicators before and after the 1969 increase in capital gains tax rates shows that it is not.

Let's look at three five-year trends, one before the 1969 rate increase and two thereafter:

Average of five years ending in:	Real business investment (annual % change)	Real gross national product (annual % change)	Unemployment rate (annual %)
1968	8.0	4.8	4.2
1973	3.9	3.3	5.0
1977	1.7	2.7	6.7

Source: W.R. Grace & Co.

For the average of the five years ending in 1968, the last year before the rate change, real business investment grew by 8-percent, gross national product by 4.8-percent, and in 1968 unemployment was 4.2-percent. Then Congress increased the capital gain tax rates, in essence doubling them. The result? The five-year figures, 1969–1973, show the decline in both business investment and gross national product. Business growth declined to 3.9-percent per year, the growth in GNP declined to 3.3-percent per year, and the unemployment rate increased to 5.0-percent By 1977, real annual growth in business investment had declined to 1.7-percent. Gross national product was down to 2.7-percent, and unemployment had soared to 6.7-percent. Clearly, the doubling of the maximum tax rate on capital gains since 1968 has been detrimental to investment, growth and employment.

This should come as no surprise. The combination of inflation and tax policy during the past ten years has almost destroyed any incentive to invest in the American economy. Investors who bought stocks and bonds in 1968 and paid taxes on the gain at the end of 1977 were left with between 33-percent and 76-percent of their original dollar investment. The losses, after tax, in the real value of dollars placed in various investment portfolios on January 1, 1968, and held until December 31, 1977, are shown below:

Loss after-tax in real value on $1 invested in alternate investments made January 1, 1968, and held until December 31, 1977

Type of investment	Value of 1968 investment	Value of investment at end of period in 1968 dollars
Value Line Average	$1.00	$0.33
Lehman Brothers Kuhn Loeb Bond Index	1.00	0.54
American Stock Exchange Index	1.00	0.60
Dow Jones Industrials Average	1.00	0.65
New York Stock Exchange Index	1.00	0.65
Standard & Poor's 500	1.00	0.66
Standard & Poor's 400	$1.00	$0.66
Salomon Brothers High Grade Corporate Bond Index	1.00	0.76
90-Day Treasury Bills	1.00	0.76

Source: W. R. Grace & Co.

Let me give an example of the way in which the cumulative affect of inflation and high taxes impact on the investment climate in America.

Let us take an investor whose taxable income, after all deductions, is $100,000. In 1967 this person invested $200,000 in an asset and by 1977 that asset was worth $300,000. If the asset were sold in 1977, the capital gains tax would be $33,779. That amount, $33,779, would seem like a reasonable sum to pay in taxes on a gain of $100,000. But the gain was not $100,000. The average annual return on the investment was minus 3.1-percent per year in constant dollars. In other words, the investor has not made $100,000 pre-tax and $66.221 after-tax. He has lost $63,000 pre-tax and $97,779 after-tax. The total loss has been 26.7-percent over his 10-year period. I offer the following computation to back up this example:

Effect of inflation and capital gains taxes on investment returns

Number and Current Dollars

(1) Original Investment in 1967, $200,000.

(2) Total % Gain/(Loss) in 10 Years, 50.0%.

(3) Current Value of Investment in 1977, $300,000.

(4) Pre-Tax Capital Gain (3)—(1), $100,000.

Capital Gains Tax: [1]

(5) On Capital Gain Alone [2], $23,060.

(6) Piggy-Back to Higher Bracket, $5,660.

(7) Loss of Maximum Tax [3], $3,100.

(8) Minimum Tax [4], $1,959.

(9) Total, $33,779.

(10) After-Tax Gain (4)—(9), $66,221.

(11) Total Rate of Return over 10 years (10)÷(1), 33.1%.

(12) Average Annual Rate of Return, 2.9%

Constant 1977 Dollars

(13) Original Investment in 1967, $363,000.

(14) Total % Gain/(Loss) in 10 years (16)÷(13), (17.4)%.

(15) Current Value of Investment in 1977, $300,000.

(16) Pre-Tax Capital Gain/(Loss) (15)—(13), ($63,000).

Capital Gains Tax: [1]

(17) On Capital Gain Alone [2], $23,060.

(18) Piggy-Back to Higher Bracket, $5,660.

(19) Loss of Maximum Tax [3], $3,100.

(20) Minimum Tax [4], $1,959.

(21) Total, $33,779.

(22) After-Tax Gain/(Loss) (16)—(21), ($96,779).

(23) Total Rate of Return over 10 Years (22)÷(13), (26.7)%.

(24) Average Annual Rate of Return, (3.1)%.

These numbers do not lie. They tell us that we are bound to see a drying up of sources of capital. Why would anyone in

[1] Assuming an additional $100,000 of earned income, which pushes the capital gain into a higher tax bracket.

[2] This would be the tax on $100,000 capital gain if there were no other income.

[3] Earned income is subject to a maximum tax of 50%, but capital gains pulls earned income out from this shelter.

[4] Minimum tax on preference income such as capital gains.

Source: W. R. Grace & Co.

their right mind intentionally incur a net loss of $97,779 by selling an asset or security, when the alternative is to sit on it and earn dividend income?

The cumulative result? Investors have experienced real losses, when they should have realized real gains. These losses were not caused by poor business judgment; they were caused by government taxes and by government-created inflation.

Unfortunately, the adverse, negative consequences of the 1969 capital gain tax increase do not stop with individual investors. Business and government have suffered too.

Let's look at business first.

Since 1968 the number of companies having a net worth of under $5 million offering new issues of stock has declined from 358 to 30. In 1975 it had dropped to 4. In 1968, these companies had raised nearly $1.3 billion in capital, measured in constant 1977 dollars. In 1977, that had fallen to $118 million. Moreover, since 1970 5.5 million individual investors left the stock market, a decline of 18 percent. The severity of the capital shortage for these smaller companies is shown in the following table:

Capital raised by companies having a net worth of under $5 million

Year	No. of offerings	Funds raised (in millions) Current	Constant 1977 dollars
1968	358	$745.3	$1,298.4
1969	698	1,366.9	2,259.3
1970	198	375.0	585.0
1971	248	550.9	824.7
1972	409	896.0	1,298.6
1973	69	159.7	217.9
1974	9	16.1	19.8
1975	4	16.2	18.2
1976	29	144.8	154.2
1977	30	118.3	118.3

Source: W. R. Grace & Co.

Now, let us look at government.

In 1968, the last year before the increase in capital gain tax rates, revenue from the capital gains tax constituted 5.4-percent of the total Federal revenues. By static analysis, that used by the Department of the Treasury and the President, we would assume that the doubling of that tax rate would nearly double the capital gains tax revenue to 10.8-percent of total Federal revenue. In 1969, capital gains revenue dropped from that 5.4-percent to 3.9-percent of total Federal revenue. The following year, it dropped to 2.5-percent. The average from 1965 through 1968 was 4.5-percent. The average from 1969 through 1976 was 3.4-percent.

The cumulative results? Real GNP down from 1968 by 44-percent. Unemployment up about 60-percent. The Federal deficit up more than eight-fold.

Has this had an impact upon our country's competitive posture in the world economic community? With a maximum tax rate on capital gains of 49.1-percent, as compared to no capital gains tax in five other industrialized free world nations, the United States has had the lowest investment rate, the smallest increase in productivity, and the lowest rate of overall economic growth during the past 15 years. There is statistical evidence of this too:

Country	Maximum capital gains tax (percent)	Business investment as a percent of GNP	Average annual percent increase in productivity	Average annual percent increase in real GNP
Japan	0	32.0	8.4	8.3
France	0	22.8	5.7	4.8
Netherlands	0	23.7	6.9	4.6
Belgium	0	21.8	6.9	4.0
Germany	0	24.8	5.5	4.0
United States	49.1	17.5	2.7	3.5

Source: W.R. Grace & Co.

The Economic Effects of the Steiger Legislation

With this evidence before us, and much more available, the question is: what should Congress do? The Investment Incentive Act, popularly known as the Steiger capital gains legislation, should become law despite the threat of a Presidential veto. This legislation is vital to the Nation's economic wellbeing.

A reduction in the capital gains rate would trigger a net increase in government revenues. It will unlock billions of dollars in new capital investment. Two econometric studies performed by Data Resources, Inc., and Chase Econometric Associates, Inc., suport the rationale behind this measure. The summary of those studies follows:

Estimated effect in 1982 of reducing capital gains taxes in 1978

[Values in dollars adjusted for price changes]

Category of effects	DRI [1] Removal of capital gains tax	Chase Econometrics [2] Return to 1968 maximum tax rate of 25%
Non-residential capital formation would be an additional (billions)	$28.3	$7.0
Stimulated by higher capital formation U.S. gross national product would increase by (billions)	$57.4	$15.0
With more output, employment would be raised by	784,000	306,000
With higher earnings arising from greater business activity and higher employment, personal and corporate income taxes would more than offset the relatively small amount of revenue previously collected from the higher capital gains taxes, and overall, Government revenue would rise (billions) [3]	$15.4	$6.4
The capital gains tax reductions and consequent stimulus to economic activity would raise stock prices, 1980–1982, by	NA	40.0%

[1] Data Resources, Inc., "Tax Policy, Investment and Economic Growth," p. 46.

[2] Michael Evans, Chase Econometric Associates, Inc., as quoted in "The Wall Street Journal," May 5, 1978, p. 35.

[3] In current dollars, not adjusted for price changes.

This table provides compelling data in favor of reducing the tax on capital gains.

It is difficult to imagine then, why we have seen such strong opposition against enactment of this measure orchestrated by the Department of the Treasury and the White House. Politics may of course be the answer, for instance when President Carter denounced the Steiger legislation in his last televised news conference, saying it would provide "tax windfalls for millionaires and two bits for the average American." His motivation was clearly not economic reality.

While I know why the President believes it important to him to make such populist appeals against giving away the country to the rich, I respectfully submit that we live in a country, and at a time, where acts of reverse Robin-Hoodism are hardly the case. The accurate story is that the wealthier segments of society are already paying an enormously disproportionate amount of income tax relative to the poorer segments of society. In fact, about 72-percent of all Federal income taxes are paid by the top 25-percent of all income earners. Nevertheless, it appears that in the President's mind, a change in the capital

gains tax rate is equivalent to a massive redistribution of income.

The President's rhetoric notwithstanding, a reduction in the capital gains tax will not force upon the shoulders of the poor an increasing tax burden. On the contrary, there is evidence that if the tax rates on capital gains were reduced, the result would be an increase in taxes collected from the wealthier segments of society, not a decrease. How? Because tax rates affect not only the proportion of taxes paid out of each dollar earned, but tax rates also affect how people work and save. Hence, it is the intention of the Steiger legislation to affect economic behavior by increasing the incentive to work and save, not to redistribute income or shift the tax burden. The underlying point of the Steiger amendment is that it is possible to increase tax revenues by promoting economic activity.

An example? A high marginal tax rate will induce investors to place their funds in tax-free municipals or tax shelters. On the other hand, lower marginal tax rates on investment income will broaden the opportunities for investment to include securities and assets which are not designed to shelter income from taxes.

It is this latter type of taxable investment which is being stifled in this country today. The Steiger legislation, if enacted, will induce investors to place their money into tax revenue producing assets. This money will provide a shot in the arm to our high risk, high technology, capital starved industries, which have been denied investment capital from those who have the funds but not the motive for risk taking, due to low after-tax returns.

Political rhetoric cannot be permitted to confuse this type of tax cut with a rebate to the rich. The country, including the President and his Department of the Treasury, should face the fact that much of the venture capital needed for economic growth does come from individuals with strong financial positions. These persons are now, however, restricting their investments because every time they sell an asset, they are subject to capital gains tax rates as high as 49.125-percent. The natural consequence of such a tax system is that there is altogether less buying and selling of assets and securities which have appreciated in value. Funds which might have been used for investment purposes are tied up in assets and securities, and just not likely to be sold.

Mr. Chairman, in light of the data before us today, we can only ask ourselves why President Carter limits his analysis of this important legislation to its static effects. Anyone with an ounce of intuition can see that our economy relies on investment, entrepreneurship, and risk-taking, but that the cards are now stacked against such activity. There will not be a loss in revenue from this legislation's enactment. There should be an enormous gain, as thousands of investors who have shied away from selling their old assets and investing in new ones become bullish again on America.

We teach our children to work and study hard, to move ahead in our society, and they have responded. Why then do we put a limit on the opportunities available to them. They want their chance to reach their potential as productive members of society. They want their tomorrows to be better than their yesterdays. That is a feeling shared, I believe, by everyone of sound thinking.

Congress should remove the impediments found in law to the successes these young people seek. It should remove the impediments found in our tax laws to the revitalization of the American economy. We can take a giant step toward such worthy goals by the enactment of this legislation. It is only a first step, but it is a critically important one.

Thank you.●

A MAP THAT TALKS

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1978

● Mr. LONG of Maryland. Mr. Speaker, what better way to learn about our great cities than through a map? Better yet, a talking map that tell us not only the local restaurants and entertainment spots, but the history of the community. I congratulate a Maryland company in my district for its newest production, one that details the fair city of Baltimore through both sight and sound. The following Baltimore Sun article explains this new product:

A MAP THAT TALKS AND LOVES BALTIMORE

The folks at Audio Expressions, Inc., of Towson have given us a look and listen to their recent production "Love that Baltimore," billed as a talking map of Baltimore, and if you don't think a map can talk you have not checked your CB radio or your tape deck recently.

The love package is a cassette-map and tour album. You get in your car, plug in the tape—about 20 minutes on a side—and out comes Baltimore history as well as hosannahs for local restaurants and entertainment spots and a plug for the Baltimore Promotion Council.

We found our way to the nearest tape deck and looked and listened, with Audio's gaudy downtown map (printed in varying shades of purple, red, yellow, blue and green) spread out in front. A taped tour of course is nothing new; they probably had it in the Copenhagen museums in 1959 and it finally got to Los Angeles about 1962, but here it is for Charm City 19 years later and Charm City is one of the first expressions you hear on the production.

A swanky musical background starts off the show and from there you go on to post call at Pimlico, the bird sounds in Druid Hill Park where you can spend a "restful as well as educational afternoon," to Mount Vernon place and the Washington Monument, to the Peale Museum, to Center Stage where "distinguished avant-garde performances are featured" and to downtown's Westminster churchyard of Edgar Allan Poe fame where "at least one person was buried alive," according to the message.

That is far from all. A fife and drum corps salutes your call on the Star-Spangled Banner Flag House and there is gun-fire at Fort McHenry and the chugging of a steam engine when you get to the Baltimore & Ohio Railroad Museum. The tour does not neglect the fascinations of the city's "exotic" block district along East Baltimore street. Admission prices and opening hours are listed for each attraction, but not the price of a beer in The Block, which must have hit something like $1.50 or $1.75 about now.

On the reverse side of the cassette come lighter notes—plugs for dining spots like the Governor's Club in Mount Royal where the enthusiastic announcer says you can "almost hear the voices of renowned state orators." Though the map bills the floating Inner Harbor restaurant, the S.S. Nobska, as a "touch of New Orleans," due and correct notice is given on the tape of its history as a New England ferryboat.

You are wafted off to Little Italy spots to the tune of "Santa Maria" and steered to Fells Point and its folksingers. You are invited to go to Jimmy Wu's New China Inn and to Humperdinker's kosher style deli downtown and to the Peabody Bookshop & Beer Stube where due notice is taken of the great H. L. Mencken.●

UNITED STATES-ISRAEL RELATIONS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1978

● Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues an excellent speech that Vice President Mondale gave in Israel July 2, 1978, during his recent trip to the Middle East.

This speech goes well beyond the traditional statements of support. It is an important document which states in accurate and moving terms why Israel is important to the United States and why the continued well-being and strength of Israel and its heritage is at the cornerstone of our interests in the Middle East.

The Vice President's speech follows:

JERUSALEM, JULY 2.—Here is the transcript of the speech delivered by Vice President Walter F. Mondale at a State Dinner at the Knesset here:

Mr. Prime Minister, Mrs. Begin, Mr. Speaker, Mrs. Shamir, honored guests and friends. There was one part of public life that I always feared the most in America, and that was on those rare occasions when I was directed to follow Hubert Humphrey. Tonight I found another orator that I very much find it difficult to follow. I know I speak for everyone here, for all the people of my country when I say your words are words that we endorse fully and your plea for peace is as eloquent as any of us have ever heard. Thank you so much.

I bring to the people of Israel the best wishes, the affection, and the congratulations of the President and the people of my country.

It is a special joy to me to return to Israel, and it is a special joy for my wife and for my daughter to visit Israel for the first time, to represent the President and to have the honor to speak in this historic hall of democracy, the Knesset.

Thirty of my fellow citizens and I have come to Israel as representatives of a young nation, to join an ancient people in the celebration of a common dream. In your 30th anniversary year, we rejoice with you. We share your pride. We honor your achievements and on behalf of the American people we say to the people of Israel: Congratulations, Mazel Tov.

Mr. Prime Minister and Mr. Speaker: We are especially grateful to you for your warmth and your gracious hospitality. My consultations with the Prime Minister have been warm, helpful, and have strengthened our friendship even more, and I look forward to our meeting tomorrow.

In my office in the White House, in an honored place, is a gift presented to me by the Prime Minister on his first visit to the

White House: an oil lamp and clay pitcher from the period of the Patriarchs.

I thought about that gift this morning when I visited Beersheva where Abraham lived. One cannot visit Israel; one cannot walk these hills; or stand in the city of David, Jerusalem, without a profound sense of the history that echoes from this land.

Israel is a new nation but it's the fulfillment of an age-old dream. On Israel's independence day this year Americans celebrated in the streets of New York with banners that said, "It is great to be thirty after 5,000 years."

Franklin Roosevelt once said that:

"Lives of nations are determined, not by the count of years, but the lifetime of the human spirit. The life of a man is three-score years and ten, a little more, a little less. But the life of a nation is the fullness of its will to live."

No one who was witness to the struggle to found this nation; no one who has seen your courage through four bitter wars; no one who has visited a kibbutz such as I did this morning, and feels the deep commitment within the hearts of the Israel people to this land, can ever doubt that Israel will live forever.

In our lifetime there has been no more profound symbol of man's commitment to freedom, to dignity and to justice than the history of the Jewish state. For thirty years, Israel has kept alive an ideal—first proclaimed by the prophets—which remains the most revolutionary belief today of our time: that the right of human beings to be free is not a privilege granted by a state, but is a gift from the hand of God.

From the moment of your founding, Israel has never known a day of genuine peace. If there ever was a nation that could have rationalized suspending civil liberties because of an external threat; if there ever was a government that could have justified suppressing dissent—and I must say Mr. Prime Minister you do not suppress dissent—in the name of the national security, it was this embattled nation. Yet this very building in which we meet, your free press, your open debate, and the elections held last year, all proclaim that Israel is a flourishing democracy today.

People talk about the miracle of the Jewish State. They cite deserts transformed into forests and farms. They point to the cities, carved out of bedrock and swamp. They speak of a nation, thirty years old, but already a world leader in the sciences, and the arts, and technology. And all those accomplishments are wonderful and all are reasons for pride.

But the true miracle of the Jewish State is the unyielding determination of the people—no matter what the threat, or the burden—to live as free men and women in a free and independent State.

For two billion people in other developing nations who are struggling to break the bonds of mass misery, Israel is proof that a free society can best meet human needs. In thirty years, a nation of refugees has built a civilization. Israel's example shows that freedom is not an abstract theory, but the most effective instrument ever devised for advancing the welfare of man.

It is especially fitting that in this very week Americans are preparing to commemorate our own Independence Day. For we are the heirs to a common tradition of freedom and our two nations are joined by a unique historic bond.

The early Puritans, who came to America in the 1600's seeking religious freedom, viewed themselves as the ancient Israelites in search of the promised land. They called their new country, "Canaan," and spoke of the covenant that they had made with God. In 1776, when Thomas Jefferson, and John Adams and Benjamin Franklin were asked by the new Congress to design a seal for our country, they suggested the Hebrew people crossing the Red Sea, with Moses standing on the other side.

My country was founded nearly two hundred years before the modern Jewish State. But the people of America owe Israel an ancient debt. As one historian put it, "The Hebraic mortar cemented the foundation of American democracy."

As Americans watched the struggle for Israeli independence, we saw our own history as a people unfolding again. For Jew and non-Jew alike, the creation of the Jewish State was a victory in our lives as well. And for all Americans it was a moment of pride when President Truman recognized the new state of Israel just eleven minutes after its birth. It was my privilege to bring with me from the people of America the original, handwritten statement of recognition drafted by President Truman which will remain in Israel for the next year.

I told the Prime Minister today I did it for two reasons: first because of its historic significance, and secondly, Harry did it in three simple declarative sentences. And somehow diplomacy has lost the ability to just state things directly, and it's a good example for the future if we would follow it.

We stood together and we stand together today. Our support for Israel carries on a fifty-six year commitment by our Congress to the justice of a Jewish homeland; sustained by the deeds and pledges of seven Presidents; and ratified in the hearts of American people. No other cause, no other concern can sever the special bond that unites Israel and America today.

There have been moments during this relationship when we have disagreed over how to achieve the objectives we share. But every time, we have emerged from these times of testing with our friendship even stronger, firmer, and more secure. The special relationship between Israel and my country will always endure

For thirty years Israel has been a stronghold of democracy; and an unshakeable friend and ally. The United States is stronger today because of the existence of the Jewish State.

And I would like to repeat to you the words President Carter spoke to Prime Minister Begin and nearly a thousand Americans at the White House celebration of your Independence Day. He said this:

"For thirty years we have stood at the side of the proud and independent nation of Israel. I can say without reservation, as the President of the United States, that we will continue to do so, not just for another thirty years, but forever."

Ours is not just a friendship between two governments, but between two peoples; two democracies; two cultures; learning from each other with mutual respect.

We are joined by the ties of history, of kinship, and love that touch millions of citizens in both our nations and most of us in this hall.

Our common values and common ideals unite us in their defense today.

We are nations of refugees. We are the children of the dispossessed. And we do not forget our past. No two nations in the history of the world have welcomed more immigrants to their shores than our two countries. And in Israel we cannot forget that so many of them are survivors of the Holocaust.

"Only the Jewish people," Golda Meir once said, "have had so much intimate knowledge of boxcars, and of deportation to unknown destinations." That memory keeps us from ever being indifferent to the plight of the exiled, and the refugee, today. We are not neutrals in the struggle for human rights.

After 2,000 years of exile, there is no more compelling claim on the conscience of the world than that of Jews in other nations denied their right to emigrate to Israel today. This is not only a Jewish issue. It is a moral issue as old as the Scriptures; and it is a legal issue as clear as the Helsinki Accords. Together with the people of Israel, we call on all nations in the world which deny Jews and others the right to emigrate and other basic human rights, to "unloose the heavy burdens and let the oppressed go free."

And no people who believe in human rights and the dignity of man can stand silent in the face of terrorism. We condemn the atrocities we saw in this city four days ago. This morning I visited the victims of last week's bombing. They are innocent people, but it does not tell the story. Older ladies, many of them burned mercilessly, will bear those scars for life. Young men in their prime, one badly shattered with his brother dead. An eleven-year-old Arab boy, fighting to save one of his legs, totally innocent, punished apparently for playing in the street. No purpose or goal can justify their suffering. Nothing can justify the loss of those whose loved ones were killed. Those who make war on innocent commit a crime—not just against their victims—but against decency itself. There is only one possible response by civilized people to terrorism, and we condemn PLO terrorism totally and absolutely. We also condemn those responsible for these acts of terror and those who claim credit for them.

Of all the values and the commitments we share, none unite us more today than the hope for a lasting peace in the Middle East. No people in the world yearn for peace more than you do.

I know from my hours with the Prime Minister that no leader will work more tirelessly to seize this moment when it may be possible to bring peace to the people of the Middle East than your Prime Minister. On November 20, he spoke to the world from this building and said:

"We have one aspiration at heart, one desire in our souls, to bring peace; peace to our nation, which has not known it for even one day since the beginning of the return to Zion; and peace to our neighbors, to whom we wish all the best."

No theme runs through Jewish teaching more than a hatred of war. I had the privilege of joining in a Seder this year. And I was struck that even in the middle of a celebration of Israel's freedom ten drops of wine were spilled, for as the Haggadah said: "How can we fully rejoice as we celebrate Israel's freedom, when we know that our redemption involved the suffering of the Egyptians?"

And I thought of an interview I had with an Israeli soldier following the Six Day War, surely one of the most remarkable passages ever written about a war. The Israeli soldier said:

"When the fighting began and the mountains around Ein Gev began to spit fire, a group of our reconnaissance troops on one of the hills next to the Syrian border was busy putting out a fire in a little field belonging to an Arab farmer. 'A field is a field,' said one of the boys."

In that story is expressed the tragedy, and the hope of the Middle East. For Israeli and Arab alike, too many sons and daughters have been lost in too many wars. For Israeli and Arab alike, peace in the Middle East, as the Prime Minister observed, can bring a joyous harvest of enrichment and advancement.

We are at an historic turning point today in the search for peace in the Middle East. Never have the prospects for peace been so favorable. Never have the dangers of failure been so great. But time is not on our side. We cannot afford to delay. We must not minimize the urgency of the moment. For as President Carter said: "The opportunity for peace may be slipping away. Statesmanship and courage will be required on the part of all of us who seek peace. The moment cannot be lost without the greatest risks for the future."

If we do not move forward with courage; if all sides simply advance maximum positions; if this opportunity slips from our hands; who can say that it can ever be reclaimed? Who can accept the terrible price of failure?

Time and events have brought peace in the Middle East within our reach for the first time in 30 years.

First, because Israel, by its own fortitude, has proven that as a nation it is here to stay.

Second, the interim security arrangements negotiated after the 1973 war have proved workable; they remain intact today; and they've helped to keep the peace.

Third, the United States has built new relationships in the Middle East that allow us to better bring the weight of our influence to bear on behalf of moderation and peace. Those relationships are in the interest of all our friends in the Middle East.

Fourth, seven months ago, the leader of the largest Arab nation came to this city at your invitation. He was warmly received by your President, your Prime Minister, and your people. He spoke, in this very building, of acceptance, recognition, and security for Israel; of a Middle East in which Jews and Arabs would co-exist as neighbors, instead of enemies. And after the talks between the Prime Minister and the President, the world heard the historic promise from both these great leaders of "no more war."

Direct negotiations have begun. Yes, they've been tentative, and they've been full of ups-and-downs. But the peace is underway. And it must continue. The "Spirit of Jerusalem" must prevail. Negotiations must assure that the promise of "no more war" will be fulfilled.

We believe that the best way to make peace is through direct negotiations, as the Prime Minister has said this evening, between the parties to the conflict. We are bending all our efforts to resume negotiations between Egypt and Israel.

When necessary, the United States is willing to be a helpful, mediating party.

We have made, and will continue to make, constructive suggestions where they may be helpful in bridging a gap between the negotiators, themselves. As we have agreed, any suggestions will only be made after consulting with you and with the other parties.

Negotiating is a difficult, challenging, frustrating process. It can only succeed with a spirit of give and take, and compromise.

Israel put its proposals on the table several months ago. Detailed talks have taken place between Egypt and Israel. When Israel presented its views, the Israeli government made clear its readiness to consider counterproposals and to negotiate with an open mind. We hope and expect the government of Egypt will soon offer further proposals. And we hope that Egypt will continue the negotiations in this same constructive spirit. It is essential that each side seek in the other's proposals common elements from which agreement can be built. I am confident that the negotiations can be resumed in an atmosphere of mutual respect.

Fortunately, we have a powerful advantage in this process. For the essential basis for agreement has already been achieved. And that is UN Resolution 242 which was unanimously adopted by the Security Council, and agreed to by all nations in this conflict. It provides a common touchstone to guide the nations.

Resolution 242 is an equation. On the one hand, it recognizes the right of every state in the area to live in peace within secure and recognized borders free from threats or acts of force. We believe such a peace must include binding commitments to normal relations. In return, Israel would withdraw from territories occupied in the 1967 war. We believe the exact boundaries must be determined through negotiations by the parties themselves. They are not determined by Resolution 242.

But these principles of 242 cannot be viewed in isolation, or applied selectively. Together, they form a fair and balanced formula and still the best basis for negotiating a peace between Israel and her neighbors.

We understand the difficulties these issues pose for Israel. And I am reminded of a story by Martin Buber in which the Maggid of Mezritch described how he learned the secret of love by overhearing the conversation of two peasants. One turned to the other and said, "Do you love me?" And the second replied, "Of course I do. We have been friends for years."

"Tell me then," the first peasant asked, "What is it that is hurting me now?"

The second replied, "How can I know, if you don't tell me?" And the first answered, "How can you say you love me if you don't know what causes me pain?"

The people of Israel confront painful decisions in this process. They involve negotiating the future of territories which have been occupied for a decade and which, in the absence of peace have provided a sense of security. But no one of us can forget the history of the Middle East. For six years after the 1967 war, there was no progress towards peace. And another tragic war followed in 1973.

As we have often said, we are convinced that without eventual withdrawal on all fronts, to boundaries agreed upon in negotiations and safeguarded by effective security arrangements, there can be no lasting peace. Only Israel can be the final judge of its security needs. Only the parties can draw the final boundary lines. But if there is to be peace, the implicit bargain of UN Resolution 242 must be fulfilled.

In the Sinai, Israel has proposed a peace treaty in which there would be negotiated withdrawal and security would be achieved while relinquishing claims to territory. This approach can be applied in the West Bank and Gaza as well.

The Arabs also face difficult and painful decisions. They must be prepared to accept carefully constructed security arrangements. There should be strong links between the West Bank and Gaza, and Jordan. They must accept permanent peace and Israel's right to exist in peace within secure and recognized borders. We believe that a solution based on this approach—not an independent Palestinian State—will provide the stability and security essential for peace. Such an agreement will take time to negotiate and to test. And that's why we believe a period of transition is needed.

Real peace will clearly serve Israel's security interests. But both during the transition period, and after a peace settlement, Israel's need for concrete security arrangements must be met. Any peace settlement must include continued, assured, permanent protection for Israel. The United States and Israel are completely united on this point.

The agreements of the past four years in the Middle East have demonstrated that difficult security problems can be resolved. We can draw on this experience in future agreements. Demilitarization and limited force zones have helped to keep the peace in the Sinai and on the Golan Heights; they can help keep the peace in other strategic areas as well. The possibility of surprise attacks can be reduced by early warning systems and surveillance.

International forces and observers can help maintain integrity of peace agreements and ensure stability. Technology may help solve some problems. A continuing military presence in strategic areas might solve others. The United States has helped with these arrangements in the past. We are prepared to assist again. Agreements between our countries could ensure Israel's security, and we're prepared to explore all the possibilities.

To achieve and guarantee lasting peace, Israel's strength must never be in doubt Israel's ability to defend itself must be clear. Israel must be so strong that no nation will ever be tempted to test its strength. And America is committed to a strong Israel.

Since the war in 1973, the United States has agreed to over $10 billion in military and economic support for Israel. Under the Carter Administration, one fifth of all our economic and military assistance around the world has come to this nation. In next year's budget, nearly half of all our sales credits and grants for military equipment will go to Israel. This is an unprecedented amount, but we have no regrets.

On behalf of the President, I pledge to you tonight that aid from the United States will continue. I pledge to the people of Israel that the United States will not permit your security to be compromised in the search for peace. And I pledge to you that my country will not fail to provide Israel with essential and crucial military assistance, nor will we use that assistance as a form of pressure.

In the final analysis, "Peace," as Albert Einstein once said, "cannot come through force, it can only come through understanding." That is a profound challenge for all peoples in the Middle East.

Ancient rivalries must be overcome. Fears and suspicions on all sides, bred from the hostilities of the past, must be transformed into new visions of understanding and sympathy. And the long-standing problems of the Palestinian people must be resolved.

We have no illusions about the difficulty of that challenge. We have no smugness about the problems it entails.

But more than 5,000 years of history have shown that the Jewish people are a people of understanding and vision and sensitivity. Through exile, and persecution, and even genocide, you have never abandoned your commitment to justice and the dignity of all mankind.

And I am confident that a people of those traditions understands and accepts that the Palestinians—like all people—have the right to participate in the determination of their own destiny. We are convinced that a solution can be found which will provide stability and security for everyone in the Middle East.

The peace we seek is not a mere absence of war, or simply the end of belligerency. True peace must transform, not just the nations, but the peoples of the Middle East. It cannot be written in documents alone. It must be woven into the fabric of everyday life.

President Carter has stated that such a peace must include: open borders; diplomatic relations; normal trade, and commerce and tourism; free navigation; and an end of all boycotts. The cornerstone of normal relations must be a formal recognition by the neighboring Arab states of Israel's nationhood.

For 30 years peace has eluded the nations of the Middle East. Some say it's beyond our reach.

There are those who say no formula can be found. Others say the problems of the Palestinians are intractable. Some say that the Middle East is destined by its history to know only war, and the threat of war, for generations. Real peace they say, is nothing but a dream.

But to all the peoples of the Middle East, in the 30th year of Israel's independence, the words of Theodore Herzl still ring true today: "If you will it, it is not a dream."

For 30 years, the peoples of the Middle East have had to bear the crushing burden of ever more costly military needs. War has robbed this region, not only of its sons and its daughters, but of too much of its future. True peace can unlock the resources, the talents and the imaginations of two ancient peoples.

No nation has more to gain from peace than Israel. When I visited your country in 1973, I was moved by the fact that every leader I talked to spoke in terms of meeting the real needs, the human needs of (Israel's) people.

This morning, I presented to President Navon a gift from the American people in honor of your 30th anniversary: it was a copy of the first Bible ever printed in Hebrew in the United States. It is a symbol of the friendship, respect and love we feel for the people of Israel today.

But the gift we hope for Israel most in this anniversary year is the gift for which you have prayed for 30 years—the gift of peace.

For 30 years, we have shared in the joys of this great nation; we have taken pride in your achievements; and we have felt your losses and your pain. Now, more than anything else, we hope to share with Israel in the fulfillment of a lasting peace.

America will stand with you in the search for peace and we will rejoice when peace is won. And when that day comes, in the words of Isaiah, "The work of righteousness shall be peace . . . and the effects of righteousness, quietness and assurance forever." Shalom.●

SENATE COMMITTEE MEETINGS

Title IV of the Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committees scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, July 13, 1978, may be found in Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 14

9:30 a.m.

Finance

Taxation and Debt Management Generally Subcommittee

To hold hearings on S. 1860 and H.R. 8333, to provide for permanent tax rate reductions for individuals and businesses.

2221 Dirksen Building

10:00 a.m.

Budget

To hold hearings on a HUD task force report of the impact of inflation on housing costs.

6202 Dirksen Building

10:30 a.m.

Governmental Affairs

To resume consideration of S. 991, to establish in the Executive Branch of the Government a Department of Education.

3302 Dirksen Building

JULY 17

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold hearings on S. 3036, proposed Susan B. Anthony Dollar Coin Act.

5302 Dirksen Building

Energy and Natural Resources

To hold hearings on S. 2623 and 2999, proposed Enhanced Oil Recovery Commercialization Act.

3110 Dirksen Building

Special on Aging

To hold oversight hearings on P.L. 95–256, to increase from 65 to 70 years the age limit for retirement under the Age Discrimination in Employment Act.

6226 Dirksen Building

JULY 18

9:30 a.m.

Finance

Administration of the Internal Revenue Code Subcommittee

To hold joint oversight hearings with the Small Business Committee on the operation of the Tax Reduction and Simplification Act (P.L. 95–30), and on Administration proposals for a new jobs tax credit.

2221 Dirksen Building

10:00 a.m.

Energy and Natural Resources

To resume consideration of proposed legislation designating certain Alaska lands as national parkland.

3110 Dirksen Building

Human Resources

Health and Scientific Research Subcommittee

To resume mark up of S. 2775, the Drug Regulation Reform Act, and S. 3115, to establish a comprehensive disease prevention and health promotion program in the U.S.

4232 Dirksen Building

Joint Economic

To resume hearings to review economic conditions, and to discuss the future outlook.

2168 Rayburn Building

Special on Aging

To continue oversight hearings on P.L. 95–256, to increase from 65 to 70 years the age limit for retirement under the Age Discrimination in Employment Act.

6226 Dirksen Building

Select Intelligence

To resume hearings on S. 2525, to improve the intelligence system of the U.S. by establishing a statutory basis for U.S. intelligence gathering activities.

5110 Dirksen Building

2:00 p.m.

Conferees

On S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.

3110 Dirksen Building

JULY 19

9:00 a.m.

Finance

To hold hearings on S. 3223 and S. 3241, to establish a general stock ownership plan.

2221 Dirksen Building

9:30 a.m.

Governmental Affairs

Energy, Nuclear Proliferation, and Federal Services Subcommittee

To resume hearings on S. 3229 and H.R. 7700, proposed Postal Service Amendments Act.

3302 Dirksen Building

Judiciary

Antitrust and Monopoly Subcommittee

To resume oversight hearings on the ICC's price regulation in the motor common carrier industry.

2228 Dirksen Building

10:00 a.m.

Energy and Natural Resources

To continue consideration of proposed legislation designating certain Alaska lands as national parkland.

3110 Dirksen Building

Joint Economic

To continue hearings to review economic conditions, and to discuss the future outlook.

5110 Dirksen Building

Special on Aging

To continue oversight hearings on P.L. 95–256, to increase from 65 to 70 years the age limit for retirement under the Age Discrimination in Employment Act.

6226 Dirksen Building

2:30 p.m.

Appropriations

To mark up H.R. 12927, FY 79 appropriations for construction at certain military installations; H.R. 12935, FY 79 appropriations for the Legislative Branch; H.J. Res. 1024, making urgent supplemental appropriations for the Department of Agriculture; and S. 3085, extending through FY 82 the special supplemental and child care food programs.

S–128, Capitol

JULY 20

9:00 am.

Finance

To continue hearings on S. 3223 and S. 3241 to establish a general stock ownership plan.

2221 Dirksen Building

9:30 a.m.
Governmental Affairs
Energy, Nuclear Proliferation, and Federal Services Subcommittee
To continue hearings on S. 3229 and H.R. 7700, proposed Postal Service Amendments Act.
3302 Dirksen Building

Joint Economic
To continue hearings to review economic conditions, and to discuss the future outlook.
2168 Rayburn Building

10:00 a.m.
Energy and Natural Resources
To continue consideration of proposed legislation designating certain Alaska lands as national parkland.
3110 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To resume markup of S. 2755, the Drug Regulation Reform Act, and S. 3115, to establish a comprehensive disease prevention and health promotion program in the U.S.
4232 Dirksen Building

Select Intelligence
To resume hearings on S. 2525, to improve the intelligence system of the U.S. by establishing a statutory basis for U.S. intelligence gathering activities.
5110 Dirksen Building

JULY 21

9:30 a.m.
Judiciary
Immigration Subcommittee
To hold hearings on S. 3093, to provide for the seizure of vehicles used to illegally transport persons into the U.S.
2228 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of Thomas F. Moakley, of Massachusetts, to be a Federal Maritime Commissioner.
235 Russell Building

Human Resources
Health and Scientific Research Subcommittee
To continue markup of S. 2755, the Drug Regulation Reform Act, and S. 3115, to establish a comprehensive disease prevention and health promotion program in the U.S.
4232 Dirksen Building

JULY 24

10:00 a.m.
Energy and Natural Resources
Energy Production and Supply Subcommittee
To hold hearings on S. 3078, providing financial assistance to certain States to aid in the stabilization or disposal of radioactive materials.
3110 Dirksen Building

Judiciary
Administrative Practice and Procedure Subcommittee
To resume hearings on S. 1449, proposed Grand Jury Reform Act.
2228 Dirksen Building

JULY 25

10:00 a.m.
Budget
To hold hearings on the second concurrent resolution on the Congressional Budget for FY 1979.
6202 Dirksen Building

Energy and Natural Resources
Energy Production and Supply Subcommittee
To continue hearings on S. 3078, providing financial assistance to certain States to aid in the stabilization or disposal of radioactive materials.
3110 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation, and Federal Services Subcommittee
To hold hearings on S. 2189, proposed Nuclear Waste Management Act.
3302 Dirksen Building

Joint Economic
To resume hearings to review economic conditions, and to discuss the future outlook.
2220 Rayburn Building

JULY 26

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold oversight hearings on auto odometer requirements.
235 Russell Building

Finance
Administration of the Internal Revenue Code Subcommittee
To resume joint oversight hearings with the Small Business Committee on operation of the Tax Reduction and Simplification Act (P.L. 95-30), and on Administration proposals for a new jobs tax credit.
2221 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To mark up H.R. 10899, proposed International Banking Act.
5302 Dirksen Building

Budget
To continue hearings on the second concurrent resolution on the Congressional Budget for FY 1979.
6202 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation, and Federal Services Subcommittee
To continue hearings on S. 2189, proposed Nuclear Waste Management Act.
3302 Dirksen Building

Judiciary
Administrative Practice and Procedure Subcommittee
To resume hearings on the FBI Charter as it concerns undercover operations.
2228 Dirksen Building

Rules and Administration
To receive testimony on S.J. Res. 142, authorize the Franklin Delano Roosevelt Memorial Commission to proceed with construction of the FDR Memorial, and other legislative and administrative business.
301 Russell Building

JULY 27

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To resume hearings on conglomerate mergers and their effect on the economy, on a community, and on employees.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue markup of H.R. 10899, proposed International Banking Act.
5302 Dirksen Building

Budget
To continue hearings on the second concurrent resolution on the Congressional budget for FY 1979.
6202 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To resume hearings on S. 2873, proposed Ocean Shipping Act.
235 Russell Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation, and Federal Services Subcommittee
To continue hearings on S. 2189, proposed Nuclear Waste Management Act.
3302 Dirksen Building

Select Intelligence
To resume hearings to receive testimony from former Secretary of State Kissinger on S. 2525, to improve the intelligence system of the U.S. by establishing a statutory basis for U.S. intelligence gathering activities.
5110 Dirksen Building

JULY 28

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To continue hearings on conglomerate mergers and their effect on the economy, on a community, and on employees.
2228 Dirksen Building

AUGUST 1

9:00 a.m.
Judiciary
Improvements in Judicial Machinery Subcommittee
To hold hearings on arbitration in U.S. district courts.
2253 Dirksen Building

AUGUST 2

10:00 a.m.
Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To hold hearings on the quality of patient care in nursing homes.
3302 Dirksen Building

AUGUST 3

10:00 a.m.
Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To continue hearings on the quality of patient care in nursing homes.
3302 Dirksen Building

AUGUST 9

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings to receive testimony from officials of the Department of Energy on nuclear waste disposal.
235 Russell Building

AUGUST 10

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings to receive testimony from officials of the Department of Energy on nuclear waste disposal.
235 Russell Building

AUGUST 16

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings to receive testimony from officials of the Department of Energy on nuclear waste disposal.
235 Russell Building

AUGUST 17

10:00 a.m.
Judiciary
Administrative Practice and Procedure Subcommittee
To hold hearings on S. 1449, proposed Grand Jury Reform Act.
2228 Dirksen Building

AUGUST 22

10:00 a.m.
Judiciary
Administrative Practice and Procedure Subcommittee
To resume hearings on S. 1449, proposed Grand Jury Reform Act.
2228 Dirksen Building

AUGUST 28

10:00 a.m.
Judiciary
Administrative Practice and Procedure Subcommittee
To resume hearings on the FBI Charter as it concerns undercover operations.
2228 Dirksen Building

AUGUST 29

10:00 a.m.
Judiciary
Administrative Practice and Procedure Subcommittee
To continue hearings on the FBI Charter as it concerns undercover operations.
2228 Dirksen Building